SWISS HELVETIA FUND, INC.
Form N-2
March 29, 2007

Securities Act Registration No. 333-
Investment Company Registration No. 811-5128

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM N-2

[X] REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

[ ] Pre-Effective Amendment No.
[ ] Post-Effective Amendment No.

and/or

[X] REGISTRATION STATEMENT UNDER THE INVESTMENT COMPANY ACT OF 1940

[X] Amendment No. 12

THE SWISS HELVETIA FUND, INC.
(Exact Name of Registrant as Specified in Charter)

1270 Avenue of the Americas, Suite 400
New York, New York 10020
(Address of Principal Executive Offices)

(212) 332-2760
(Registrant's Telephone Number, including Area Code)

Rudolf Millisits
Hottinger Capital Corp.
1270 Avenue of the Americas, Suite 400
New York, New York 10020
(212) 332-2760
(Name and Address of Agent for Service)

With Copies to:
Stuart H. Coleman, Esq.
Gary L. Granik, Esq.
Stroock & Stroock & Lavan LLP
180 Maiden Lane
New York, New York 10038

Approximate Date of Proposed Public Offering: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this form are offered on a delayed or continuous basis in reliance on Rule 415 under the Securities Act of 1933, as amended (the Securities Act), other than securities offered in connection with a dividend reinvestment plan, check the following box. [ ]

CALCULATION OF REGISTRATION FEE UNDER THE SECURITIES ACT

Title of Securities Being Registered	Amount Being Registered*	Proposed Maximum Offering Price Per Unit*	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock, $.001 par value	**50,000 shares**	**$20.00**	**$1,000,000**	**$30.70**

* Estimated solely for purposes of calculating the registration fee as required by Rule 457(c) under the Securities Act of 1933, as amended, based upon the average of the high and low sales prices reported on the New York Stock Exchange consolidated reporting system of $20.00 on March 28, 2007.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion, March 29, 2007

PROSPECTUS

Shares of Common Stock

The Swiss Helvetia Fund, Inc.

Issuable Upon Exercise of Rights to Subscribe for such Shares of Common Stock

The Swiss Helvetia Fund, Inc. (the Fund), is issuing transferable rights (Rights), to its stockholders of record as of the close of business on [_________], 2007 (the Record Date), entitling the holders of those Rights to subscribe for up to an aggregate of [_______] shares of the Fund s common stock (the Offer). Stockholders of record will receive one Right for each share of common stock held on the Record Date. These Rights entitle the holders to purchase one new share of common stock for every [_____] Rights held, and stockholders of record who fully exercise their Rights will be entitled to subscribe, subject to certain limitations and subject to allotment, for any shares not acquired by the exercise of Rights. The Fund s outstanding common stock is listed and trades on the New York Stock Exchange (NYSE) under the symbol SWZ, as will the shares offered for subscription in the Offer. The Rights are transferable and application will be made to list the Rights on the NYSE under the symbol [_____] during the course of the Offer. See The Offer on page [__] in this prospectus for a complete discussion of the terms of the Offer. The subscription price per share (the Subscription Price), will be [__]% of the lower of (i) the average of the last reported sale prices of a share of the Fund s common stock on the NYSE on the date on which the rights offering expires, as such date may be extended (the Expiration Date), and the four preceding business days and (ii) the net asset value per share of the Fund s common stock as of the close of business on the Expiration Date. **The offer will expire at 5:00 p.m., Eastern time, on [__________], 2007, unless extended as described in this prospectus.**

The Fund announced its intention to conduct the Offer on March __, 2007. The net asset values per share of the Fund s common stock at the close of business on March __, 2007 and [________], 2007 (the last trading date prior to the date of this prospectus on which the Fund s determined net asset value) were $[_____] and $[_____], respectively, and the last reported sale prices of a share of the Fund s common stock on the NYSE were $[_____] and $[_____], respectively, representing [_____]% and [_____]% of net asset value, respectively.

As a result of the terms of the Offer, stockholders who do not fully exercise their Rights, upon completion of the Offer, will own a smaller proportional interest in the Fund than they owned prior to the Offer. In addition, because the Subscription Price per share will be less than the then current net asset value per share, the completion of the Offer will result in an immediate dilution of the net asset value per share for all existing stockholders. Such dilution is not currently determinable because it is not known how many shares will be subscribed for, what the net asset value or market price of the Fund s common stock will be on the Expiration Date or what the Subscription Price will be. Such dilution could be substantial. Stockholders will experience a decrease in the net asset value per share held by them, irrespective of whether they exercise all or any portion of their Rights, although nonexercising shareholders will experience disproportionate dilution. The distribution to stockholders of transferable Rights, which may themselves have intrinsic value, will afford stockholders the potential of receiving cash payment upon the sale of the Rights, receipt of which may be viewed as partial compensation for the economic dilution of their interests. See The Offer Investment Considerations.

If you have questions or need further information about the Offer, please write or call [__________________], the Fund s information agent for the Offer, at [_____________ or ______________].

(continued on inside front cover)

Before buying the Fund s common stock through the exercise of your Rights in the Offer, you should read the discussion of the material risks of investing in the Fund in Risk Factors beginning on page [__]. Certain of these risks are summarized in Prospectus Summary Principal Investment Risks beginning on page [__].

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined that this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Share	**Total(1)**

Estimated subscription price(2)	$[_____]	$[_____]
Estimated sales load(2)(3)	$[_____]	$[_____]
Proceeds, before expenses, to the Fund(2)(4)	$[_____]	$[_____]

(1) Assumes that all Rights offered in the Offer are exercised at the estimated Subscription Price.
(2) Estimated on the basis of [__]% of the last reported sale price of a share of the Fund s common stock on the NYSE on [_________]. 2007.
(3) [_____________] will act as dealer manager for the Offer. The Fund has agreed to pay the dealer manager a fee for its financial structuring, marketing and soliciting services equal to [___]% of the Subscription Price per share. The dealer manager will reallow to broker-dealers included in the selling group to be formed and managed by the dealer manager selling fees equal to [___]% of the Subscription Price per share for each share issued pursuant to the Offer as a result of their selling efforts. In addition, the dealer manager will reallow to other broker-dealers that have executed and delivered a soliciting dealer agreement and have solicited the exercise of Rights solicitation fees equal to [___]% of the Subscription Price per share for each share issued pursuant to exercise of Rights as a result of their soliciting efforts, subject to a maximum fee based on the number of shares held by each broker-dealer through the Depository Trust Company on the Record Date. The Fund has agreed to reimburse the dealer manager up to $[_____] for a portion of its reasonable expenses incurred in connection with the Offer. These fees and expenses will be borne by the Fund and indirectly by all of its stockholders, including those who do not exercise their Rights. The Fund and its investment adviser have each agreed to indemnify the dealer manager or contribute to losses arising out of certain liabilities, including liabilities under the Securities Act of 1933, as amended.
(4) Before deduction of offering expenses payable by the Fund, estimated at $[_____].

The date of this prospectus is , 2007.

(continued from previous page)

The Fund is a non-diversified closed-end management investment company, which was incorporated in Delaware on October 24, 1986. The Fund s investment objective is to seek long-term capital appreciation through investment in equity and equity-linked securities of Swiss companies. The Fund also may acquire and hold equity and equity-linked securities of non-Swiss companies in limited circumstances. The Fund seeks to achieve its investment objective by investing generally in Swiss equity and equity-linked securities that are traded on a Swiss stock exchange, traded at the pre-bourse level of one or more Swiss stock exchanges, traded through a market maker or traded over the counter in Switzerland. The Fund also may invest in Swiss equity and equity-linked securities of Swiss companies that are traded on other major European stock exchanges.

The Fund is seeking to raise capital through the Offer to invest additional assets in investments that meet its investment objective. No assurance can be given that the Fund s investment objective will be achieved.

The Fund s investment adviser is Hottinger Capital Corp. (HCC). The executive offices of the Fund and HCC are located at 1270 Avenue of the Americas, Suite 400, New York, New York 10020. The Fund s administrator is Citigroup Fund Services LLC, and its executive offices are located at Two Portland Square, Portland, Maine 04101.

Unless otherwise specified, all references in this prospectus to dollars, US $, U.S. dollars or $ are to United States dollars, and all references to Swiss francs or Sfr are to Swiss francs.

This prospectus concisely sets forth information about the Fund you should know before investing. You should read the prospectus before deciding whether to invest and retain it for future reference. A Statement of Additional Information, dated [____________], 2007, as it may be supplemented (the SAI), containing additional information about the Fund, has been filed with the Securities and Exchange Commission and is incorporated by reference in its entirety into this prospectus. You may request a free copy of the SAI, the table of contents of which is on page [__] of this prospectus, annual and semi-annual reports to stockholders, and other information about the Fund, and make stockholder inquiries by calling 1-888-SWISS-00 (1-888-794-7700), by writing to the Fund or from the Fund s web site (http://www.swz.com). You also may obtain a copy (and other information regarding the Fund) from the Securities and Exchange Commission s web site (http://www.sec.gov).

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No person has been authorized to give any information or to make any representations in connection with this offering other than those contained in this prospectus and, if given or made, such information or representation must not be relied upon as having been authorized by us. Neither the delivery of this prospectus nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in our affairs since the date hereof or that the information contained herein is correct as of any time subsequent to its date. In the event that a material change in our affairs occurs subsequent to the date hereof, a supplemental prospectus will be distributed in accordance with applicable law. This prospectus does not constitute an offer to sell or a solicitation of any offer to buy any securities other than the registered securities to which it relates. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy such securities in any circumstances in which such offer or solicitation is unlawful.

PROSPECTUS SUMMARY

This is only a summary. This summary may not contain all of the information that you should consider before investing in the Fund. You should review the more detailed information contained in this prospectus and in the Statement of Additional Information (the SAI), especially the information set forth under the heading Risk Factors.

The Fund

The Swiss Helvetia Fund, Inc. (the Fund), is a non-diversified closed-end management investment company, which was incorporated in Delaware on October 24, 1986. The Fund commenced investment operations on August 27, 1987 following an initial public offering of the Fund s common stock, par value $.001 per share (the Common Stock).

Purpose of the Offer

The Board of Directors of the Fund (the Board) has determined that it would be in the best interests of the Fund and its stockholders to increase the Fund s assets available for investment, thereby permitting it to take advantage more fully of investment opportunities and otherwise to pursue its investment objective.

The Fund believes that increasing the Fund's assets available for investment should result in a modest lowering of the Fund's expenses as a percentage of average net assets by allocating its fixed costs over a large asset base. There is no assurance that the Offer will be successful or that by increasing the Fund s size, its expense ratio will be immediately lowered. See The Offer Purpose of the Offer on page [__].

Important Terms of the Offer

The Fund is issuing transferable rights (the Rights), to its stockholders of record (Record Date Stockholders), as of the close of business on [_________], 2007 (the Record Date), entitling the holders thereof to subscribe for up to an aggregate of [________] shares (the Shares) of the Fund s Common Stock, at the rate of one Share of Common Stock for each [___] Rights held (the Offer). Record Date Stockholders will receive one transferable Right for each share of Common Stock held as of the Record Date. [Fractional shares of the Fund s common stock will not be issued upon the exercise of Rights; accordingly, Rights may be exercised only in integer multiples of [____], except that any Record Date Stockholder who is issued fewer than [____] rights may subscribe, at the Subscription Price (defined below), for one full share of the Fund s Common Stock.] The Rights entitle the holders thereof to acquire at the Subscription Price one Share for each [___] Rights held. The Subscription Period commences on [________], 2007 and ends at 5:00 p.m., Eastern time, on [________], 2007 unless otherwise extended (the Expiration Date). See The Offer Terms of the Offer on page [__].

Subscription Price

The subscription price per Share (the Subscription Price) will be [__]% of the lower of (i) the average of the last reported sale prices of a share of Common Stock on the NYSE on the Expiration Date and the four preceding business days and (ii) the net asset value per share of Common Stock as of the close of business on the Expiration Date. See The Offer The Subscription Price on page [__].

Over-Subscription Privilege

Shares not subscribed for during the subscription period will be offered, by means of the over-subscription privilege, only to Record Date Stockholders who have exercised all Rights issued to them (other than those Rights that cannot be exercised because they represent in the aggregate the right to acquire less than one share of Common Stock). Investors who are not stockholders on the Record Date, but who otherwise acquire rights to purchase Shares pursuant to the Offer, are not entitled to subscribe for any Shares pursuant to the over-subscription privilege. If requests for Shares pursuant to the over-subscription privilege exceed the Shares available, the available Shares will be allocated pro rata among stockholders who over-subscribed based on the number of Rights originally issued to them pursuant to this rights offering. See The Offer Over-Subscription Privilege on page [__].

Transferability and Sale of Rights

The Fund is issuing to Record Date Stockholders transferable rights to subscribe for additional shares of Common Stock. The Rights are transferable until the close of business on the last business day prior to the Expiration Date. Application will be made to list the Rights on the NYSE under the symbol [___] subject to notice of issuance. Trading in the Rights on the NYSE is expected be conducted on a when-issued basis from [_______] 2007 until the Record Date; thereafter, they will trade regular-way until the last business day prior to the Expiration Date (including extensions). The Fund and the dealer manager will use their best efforts to ensure that an adequate trading market for the Rights will exist, although there is no assurance that a market for the Rights will develop. Assuming a market exists for the Rights, the Rights may be purchased and sold through usual brokerage channels or sold through the Subscription Agent (defined below).

Stockholders on the Record Date who do not wish to exercise any of the Rights issued to them pursuant to the Offer may instruct the Subscription Agent to sell any unexercised Rights through or to the dealer manager. Subscription certificates representing the Rights to be sold through or to the dealer manager must be received by the Subscription Agent by 5:00 p.m., Eastern time, [__________], 2007 (or, if the subscription period is extended, by 5:00 p.m., Eastern time, two business days prior to the extended Expiration Date). Alternatively, the Rights evidenced by a subscription certificate may be transferred in whole by endorsing the subscription certificate for transfer in accordance with the accompanying instructions. See The Offer Transferability and Sale of Rights on page [__].

Method for Exercising Rights

Rights are evidenced by subscription certificates that will be mailed to Record Date Stockholders (except as described under The Offer Foreign Restrictions) or, if a stockholder s shares are held by Cede & Co. or any other depository or nominee, to Cede & Co. or such other depository or nominee. Rights may be exercised by filling in and signing the subscription certificate and mailing it in the envelope provided, or otherwise delivering the completed and signed subscription certificate to the Subscription Agent, together with payment at the estimated Subscription Price for the Shares. Rights also may be exercised by contacting your broker, banker or trust company, which can arrange, on your behalf, to guarantee delivery of payment and of a properly completed and executed subscription certificate. A fee may be charged for this service. Completed subscription certificates and payments must be received by the Subscription Agent at or prior to 5:00 p.m., Eastern time, on the Expiration Date at the offices of the Subscription Agent. See The Offer Exercise of Rights and Payment for Shares on page [__].

Important Dates to Remember

Record Date:	[_________], 2007
Subscription Period:	[________] to [_________], 2007*
Expiration Date and Pricing Date:	[_________], 2007*
Notices for Guarantees of Delivery Due:	[_________], 2007*
Payment for Guarantees of Delivery Due:	[_________], 2007*
Confirmation Mailed to Participants:	[_________], 2007*
Final Payment of Shares:	[_________], 2007*

* Unless the Offer is extended.

Distribution Arrangements

[__________] will act as dealer manager ([___] or Dealer Manager) for this Offer. Under the terms and subject to the conditions contained in the dealer manager agreement, [_____] will provide financial structuring services and marketing services in connection with the Offer and will solicit the exercise of Rights and participation in the over-subscription privilege. The Fund has agreed to pay the dealer manager a fee for its financial structuring, marketing and soliciting services equal to [___]% of the aggregate Subscription Price for Shares issued pursuant to the Offer. [______] will reallow to broker-dealers included in the selling group to be formed and managed by [_____] selling fees equal to [___]% of the Subscription Price per Share for each Share issued pursuant to the Offer as a result of their selling efforts. In addition, [_______] will reallow to other broker-dealers that have executed and delivered a soliciting dealer agreement and have solicited the exercise of Rights solicitation fees equal to [___]% of the Subscription Price per Share for each Share issued pursuant to exercise of Rights as a result of their soliciting efforts, subject to a maximum fee based on the number of shares held by each broker-dealer through The Depository Trust Company (DTC) on the Record Date.

In addition, the Fund has agreed to reimburse the Dealer Manager up to $[____] for a portion of its reasonable expenses incurred in connection with the Offer. The Fund and HCC have each agreed to indemnify the Dealer Manager or contribute to losses arising out of certain liabilities, including liabilities under the Securities Act of 1933, as amended (the Securities Act).

Prior to the expiration of the Offer, the Dealer Manager may independently offer for sale Shares, including Shares acquired through purchasing and exercising the Rights, at prices it sets. Although the Dealer Manager may realize gains and losses in connection with such purchases and sales, such offering of Shares is intended by the Dealer Manager to facilitate the Offer and any such gains or losses are not expected to be material to the Dealer Manager. The Dealer Manager s fee for its financial structuring, marketing and soliciting services is independent of any gains or losses that may be realized by the Dealer Manager through the purchase and exercise of the Rights. See The Offer The Subscription Price on page [__].

Subscription Agent

The Subscription Agent for the Offer is [____________] ([_________] or the Subscription Agent).

Information Agent

The information agent for the Offer is [______________] ([_________] or the Information Agent). If you have questions or need further information about the Offer, please write or call [_________] at [_____________ or __________].

Listing

The Fund s outstanding Common Stock is listed and trades on the NYSE under the symbol SWZ, as will the Shares offered for subscription in the Offer.

Use of Proceeds

The net proceeds of the Offer will be invested in accordance with the policies set forth under Investment Objective and Policies. Assuming current market conditions, the Fund estimates that the net proceeds of the Offer will be substantially invested in accordance with its investment objective and policies within six to twelve months of the completion of this offering, depending on the public or private nature of the investment. Pending such investment, the proceeds may be invested in Swiss franc-denominated bank deposits, short-term debt securities and money market instruments.

Investment Adviser and Administrator

Hottinger Capital Corp. (HCC or the Adviser), whose principal offices are located at 1270 Avenue of the Americas, New York, New York, has served as the Fund s investment adviser since the Fund s inception in 1987.

HCC is a Delaware corporation and is principally owned by Hottinger et Cie (Zurich) and Hottinger U.S. Inc., each of which owns 48.50% of HCC s issued and outstanding shares of capital stock. Pursuant to the Investment Advisory Agreement between the Fund and HCC (the Investment Advisory Agreement), the Fund pays HCC an annual advisory fee of 1.0% of the Fund s average monthly net assets up to $60 million, 0.90% of such assets between $60 million and $100 million, 0.80% of such assets between $100 million and $200 million, 0.70% of such assets between $200 million and $300 million, 0.65% of such assets between $300 million and $400 million, 0.60% of such assets between $400 million and $500 million, 0.55% of such assets between $500 million and $600 million, and 0.50% of such assets in excess of $600 million. See Management of the Fund Investment Adviser and Investment Advisory Agreement on page [__].

In 2006, the Fund s average assets were $[_____] million, and the blended advisory fee for that period was [___]%. As of December 31, 2006, the Fund s net assets were approximately $502.8 million, which exceeded the 0.55% breakpoint by almost $3 million. Assuming the Offer is fully subscribed, the net proceeds are anticipated to be $[______], exceeding the final breakpoint of 0.50% and producing a blended fee on that amount of [___]%.

Pursuant to an Administration Agreement between the Fund and Citigroup Fund Services, LLC (Citigroup Fund Services), Citigroup Fund Services performs certain administrative and accounting functions for the Fund. See Management of the Fund Administrator and Administration Agreement on page [__].

Investment Objective and Policies

The Fund s investment objective is to seek long-term capital appreciation through investment in equity and equity-linked securities of Swiss companies. The Fund also may acquire and hold equity and equity-linked securities of non-Swiss companies in limited circumstances. The Fund seeks to achieve its investment objective by investing generally in Swiss equity and equity-linked securities that are traded on a Swiss stock exchange, traded at the pre-bourse level of one or more Swiss stock exchanges, traded through a market maker or traded over the counter in Switzerland. Equity and equity-linked securities include registered shares, bearer shares, participation and dividend certificates, convertible bonds and bonds with warrants attached and unattached warrants. The Fund also may invest in Swiss equity and equity-linked securities of Swiss companies that are traded on other major European stock exchanges.

At the 2006 Annual Meeting of Stockholders, the Fund s stockholders approved changes to the Fund s investment objective and fundamental investment policies and restrictions to permit the Fund to: (1) leverage up to 10% of its total assets (including the amount borrowed); (2) invest in securities of Swiss Real Estate Companies, and to acquire, hold and sell real estate or mortgages on real estate acquired through default, liquidation or other distributions or an interest in real estate as a result of the Fund s ownership of such securities; (3) acquire equity and equity-linked securities of non-Swiss companies in limited instances; and (4) engage in certain options transactions. Additionally, at a Board meeting in December 2006, the Board approved a proposal to permit the Fund to invest its assets in certain funds, including investment companies and funds that invest in private equity by investing in private equity funds (so-called funds of funds) or by making direct investments, including in infrastructure projects and real estate investments.

To meet liquidity needs or for defensive purposes, during a period in which changes in Swiss equity markets or other adverse economic conditions or changes in Swiss political conditions warrant, the Fund may temporarily reduce its position in equity securities and invest in Sfr-denominated bank deposits, short-term debt or money market instruments.

Investment Strategies

Common Stocks. The Fund will primarily invest in equity and equity-linked securities in the form of common stock. Common stocks represent the residual ownership interest in the issuer and holders of common stock are entitled to the income and increase in the value of the assets and business of the issuer after all of its debt obligations and obligations to preferred stockholders are satisfied. Common stocks generally have voting rights. Common stocks fluctuate in price in response to many factors including historical and prospective earnings of the issuer, the value of its assets, general economic conditions, interest rates, investor perceptions and market liquidity.

Convertible Securities. The Fund may invest in convertible securities, which include fixed income securities that may be exchanged or converted into a predetermined number of shares of the issuer s underlying common stock at the option of the holder during a specified period. Convertible securities may take the form of convertible preferred stock, convertible bonds or debentures, units consisting of bonds and warrants or a combination of the features of several of these securities. Investment characteristics of convertible securities vary widely, which allows these securities to be employed for a variety of investment strategies.

Investment Companies and Other Pooled Investment Vehicles. The Fund may invest in other investment companies, and may invest up to 5% of its total assets in pooled vehicles that invest in private equity by investing in private equity funds (so-called funds of funds) or by making direct investments, including in infrastructure projects and real estate investments. The Fund is only permitted to invest in investment companies and pooled vehicles to the extent permitted by the Investment Company Act of 1940, as amended (the 1940 Act), and as consistent with the Fund s investment objective and policies.

Private equity funds are typically structured as either limited partnerships or limited liability companies with a fixed-life, usually around ten years. The general partner of the private equity fund, who also is typically its adviser, makes investments, monitors them and finally exits them for a return on behalf of the limited partners, which are investors such as the Fund. The fund s assets are typically invested within three to five years, and after all investments are fully divested, the private equity fund can be terminated. Every investor in a private equity fund commits to investing a specified sum of money in that fund over a specified period of time, and the fund records this as its capital commitment. The sum of capital commitments is equal to the size of the private equity fund. Limited partners and the general partner must make a capital commitment to participate in a private equity fund.

See Investment Objective and Policies Portfolio Composition Investment Companies and Other Pooled Investment Vehicles on page [__].

Illiquid and Restricted Securities. The Fund may invest up to 10% of its total assets in illiquid securities (*i.e.*, securities that are not readily marketable). For this purpose, illiquid securities include, but are not limited to, restricted securities (securities the disposition of which is restricted under the Federal securities laws) and securities that may be resold pursuant to Rule 144A under the Securities Act, but that are deemed to be illiquid. It is expected that these illiquid securities will generally consist of equity or equity-linked securities purchased in privately negotiated transactions. See Investment Objective and Policies Portfolio Composition Illiquid and Restricted Securities.

Swiss Real Estate Companies. The Fund may invest in equity and equity-linked securities issued by Swiss real estate companies, including REITs or REIT-like structures (Swiss Real Estate Companies). The Fund considers a real estate company to be a company that derives at least 50% of its revenue from the ownership, construction, financing, management or sale of commercial, industrial or residential real estate or has at least 50% of its assets in real estate investments. The Fund also considers a real estate company to be a Swiss Real Estate Company if it: (1) is organized in or has its principal office in Switzerland or (2) has a significant amount of real estate assets or investments in Switzerland, even if it is organized or its principal office is outside of Switzerland. The Fund s investment in Swiss Real Estate Companies is deemed to be an investment in Swiss equity or equity-linked securities for purposes of the Fund s investment objective. See Investment Objective and Policies Portfolio Composition Swiss Real Estate Companies on page [__].

Options Transactions. The Fund may engage in the following options transactions: (i) buying calls on securities in which the Fund can invest; (ii) buying calls on Swiss stock indices; (iii) writing covered calls on securities in which the Fund can invest; (iv) buying puts on these types of securities; and (v) buying puts on Swiss stock indices. The Fund may engage in these options transactions on an established Swiss exchange, European exchange (*e.g.*, Eurex) or through privately negotiated transactions referred to as over-the-counter options. HCC may utilize options contracts to manage the Fund s exposure to changing security prices. See Investment Objective and Policies Portfolio Composition Options Transactions on page [__].

There can be no assurance that the Fund s investment objective will be achieved. See Investment Objective and Policies on page [__].

Use of Leverage

The Fund is permitted, but not required, to borrow up to 10% of the Fund s total assets (including the amount borrowed) for investment purposes. HCC may use this ability to leverage a portion of the Fund s assets to promote investment flexibility and to seek to ensure that the Fund has funds available for investment in attractive opportunities, without requiring the Fund to sell existing investments. Any borrowings will have seniority over the Fund s Common Stock. Under the 1940 Act, the Fund generally is not permitted to borrow unless immediately after any borrowing the value of the Fund s assets, plus the amount borrowed, less liabilities other than the principal amount represented by the borrowings, is at least 300% of such principal amount. In addition, the Fund is not permitted to declare any cash dividend or other distribution on its Common Stock unless, at the time of such declaration, the value of the Fund s net assets, plus the amount borrowed, less liabilities other than the principal amount represented by borrowings, is at least 300% of such principal amount.

The Fund may be subject to certain restrictions on borrowings imposed by a lender that may impose asset coverage or portfolio composition requirements that are more stringent than those imposed on the Fund by the 1940 Act. It is not anticipated that these restrictions will impede the Adviser from managing the Fund s portfolio in accordance with the Fund s investment objective and policies.

There is no assurance that the Fund will utilize leverage or, if leverage is utilized, that it will be successful in enhancing the level of its total return. The net asset value of the Common Stock may be reduced by the issuance costs of any leverage. Through leveraging, the Fund will seek to obtain a higher return for stockholders than if the Fund did not use leverage. Leverage is a speculative technique and there are special risks and costs associated with leverage. There can be no assurance that a leveraging strategy will be successful during any period in which it is employed. See Risk Factors General Risks of Investing in the Fund Leverage Risk on page [__].

Principal Investment Risks

General Risks of Investing in the Fund

Investment and Market Risk. An investment in the Fund is subject to investment risk, including the possible loss of the entire amount that you invest. Common stock prices, including the prices of shares of the Fund s Common Stock are sensitive to general movements in the stock market. Market prices of the Fund s shares of Common Stock may be affected by investors perceptions regarding closed-end funds generally or the Fund s specific underlying investments. See Risk Factors General Risks of Investing in the Fund Investment and Market Risk on page [__].

Dilution of Net Asset Value. You will experience a dilution of the aggregate net asset value per share of Common Stock upon the completion of the Offer because the Subscription Price will be less than the Fund s then current net asset value per share. This dilution, which may be substantial, will be experienced by all stockholders, irrespective of whether they exercise all or any portion of their Rights, although nonexercising shareholders will experience disproportionate dilution. Also, stockholders who do not fully exercise their Rights should expect that they will own a smaller proportional interest in the Fund after the completion of the Offer. The distribution to stockholders of transferable Rights, which may themselves have intrinsic value, will afford stockholders the potential of receiving cash payment upon the sale of the Rights, receipt of which may be viewed as partial compensation for the economic dilution of their interests. See Risk Factors General Risks of Investing in the Fund Dilution of Net Asset Value on page [__].

Market Price Discount from Net Asset Value. Shares of closed-end investment companies frequently trade at a discount from net asset value. This is a risk separate and distinct from the risk that the Fund s net asset value will decrease. The Fund cannot predict whether shares of its Common Stock will trade at, above or below net asset value, but the Fund s Common Stock has generally traded at a discount. There can be no assurance that, after the completion of the Offer, shares of the Fund s Common Stock will trade at the same level relative to net asset value as they currently do. See Risk Factors General Risks of Investing in the Fund Market Price Discount from Net Asset Value on page [__].

Foreign Securities Risk. In addition to the specific risks associated with investing in Swiss securities (See, Risk Factors General Risks of Investing in Swiss Securities Swiss Securities Risk), foreign investments generally may involve certain considerations and risks not typically associated with those of domestic origin as a result of, among other things, the possibility of political and economic developments and the level of governmental supervision and regulation of foreign securities markets. See Risk Factors General Risks of Investing in the Fund Foreign Securities Risk on page [__].

Equity Securities Risk. Common stock holds the lowest priority in the capital structure of a company, and therefore takes the largest share of the company s risk and its accompanying volatility. An adverse event, such as an unfavorable earnings report, may depress the value of a particular common stock. Also, prices of common stocks are sensitive to general market movements. See Risk Factors General Risks of Investing in the Fund Equity Securities Risk on page [__].

Convertible Securities Risk. Convertible securities are bonds, debentures, notes, preferred securities or other securities that may be converted or exchanged (by the holder or the issuer) into shares of the underlying common stock (or cash or securities of equivalent value), either at a stated price or stated rate. Convertible securities have characteristics similar to both fixed income and equity securities. Convertible securities generally are subordinated to other similar but non-convertible securities of the same issuer, although convertible bonds, as corporate debt obligations, enjoy seniority in right of payment to all equity securities, and convertible preferred stock is senior to common stock, of the same issuer. See Risk Factors General Risks of Investing in the Fund Convertible Securities Risk on page [__].

Illiquid and Restricted Securities Risk. The Fund may invest in restricted securities and other investments that may be illiquid. Illiquid investments involve the risk that the securities will not be able to be sold at the time desired by the Fund or at prices approximating the value at which the Fund is carrying the securities on its books.

The Fund also may be subject to a heightened liquidity risk in respect of its investments in private equity securities, including: (i) lack of a public market; (ii) dependence on an exit strategy, such as an initial public offering or sale of a business, which may not occur to realize the anticipated value of an investment or even dispose of the investment without a significant or total loss; and (iii) dependence on managerial assistance provided by other investors and the willingness of other investors or third parties to provide additional financial support to the issuer. See Risk Factors General Risks of Investing in the Fund Illiquid and Restricted Securities Risk on page [__].

Investing in Investment Companies and Other Pooled Investment Vehicles. The Fund s Stockholders will be subject to duplicative expenses to the extent the Fund invests in other investment companies or pooled vehicles. The securities of other investment companies and pooled vehicles also may be leveraged and may, depending on the extent of leverage, be subject to greater leverage risks than to which the Fund is subject. Investment companies and pooled vehicles in which the Fund may invest may have investment policies that differ from those of the Fund. In addition, the Fund will be dependent upon the investment and research abilities of persons other than the Adviser.

Investments in private equity funds are illiquid. It will be difficult for the Fund to gain access to, or liquidate, its capital contribution as those assets are locked-up in long-term investments by the private equity fund that usually last approximately ten years and sometimes longer. Distributions are made only as investments are converted to cash. The Fund typically will have no right to demand that sales be made. As such, the Fund and its stockholders may not see a realized return on an investment in a private equity fund for a number of years after its initial capital contribution.

Investing in private equity funds presents the additional risk that the Fund may have limited access to information concerning the underlying fund and its investments. For funds that are not listed on an exchange, HCC will fair value the Fund s investment pursuant to procedures approved by the Fund s Board of Directors. Although HCC will review the valuations provided by the funds, HCC may not be able to confirm independently the accuracy of such valuations.

See Risk Factors--General Risks of Investing in the Fund--Risk of Investing in Investment Companies and Other Pooled Investment Vehicles on page [__].

Swiss Real Estate Company Risk. In addition to the general risks associated with investing in Swiss equity and equity-linked securities, the Fund s investments in Swiss Real Estate Companies, will be linked to the performance of the Swiss real estate markets. The Fund will not generally invest in real estate directly, and will typically invest only in securities issued by Swiss Real Estate Companies. However, the Fund also is subject to the risks associated with the direct ownership of real estate. These risks include: (i) declines in the value of real estate; (ii) risks related to general and local economic conditions; (iii) overbuilding and extended vacancies of properties; (iv) increases in property taxes and operating expenses; (v) costs and liabilities associated with environmental problems; and (vi) casualty or condemnation losses. The yields available from investments in real estate depend on the amount of income and capital appreciation generated by the related properties. Property values may fall due to increasing vacancies or declining rents resulting from unanticipated economic, legal, cultural or technological developments. Performance of investments in REITs and REIT-like structures may decline as a result of the failure of borrowers to pay their loans and poor management. Income and real estate values also may be adversely affected by such factors as applicable laws, interest rate levels and the availability of financing. In addition, real estate investments are relatively illiquid and, therefore, the ability of real estate companies to vary their portfolios promptly in response to changes in economic or other conditions is limited. See Risk Factors General Risks of Investing in the Fund Swiss Real Estate Company Risk on page [__].

Options Risk. The Fund is permitted, but not required, to engage in certain options transactions (relating to securities in which the Fund can invest and Swiss stock indices) which are considered derivative instruments. The use of these options involves risks different from or possibly greater than, the risks associated with investing directly in the underlying assets. HCC may utilize options to manage the Fund s exposure to changing security prices. Successful use by the Fund of options will be subject to HCC s ability to predict correctly movements in the prices of securities and indices underlying options and the stock market generally. To the extent HCC s predictions are incorrect, the Fund may incur losses. See Risk Factors General Risks of Investing in the Fund Options Risk on page [__].

Leverage Risk. Using leverage is a speculative investment technique. The use of leverage may result in higher volatility of the net asset value and the market value of the Fund s Common Stock. Because the interest rates on borrowings may vary, the Fund s return will fall if interest rates rise and the Fund s income will fluctuate. If the market value of the Fund s portfolio declines, the leverage will result in a greater decrease in net asset value than if the Fund were not leveraged. The Fund will pay any costs and expenses relating to any borrowings. To the extent that the Fund is required or elects to prepay any borrowings, the Fund may need to liquidate investments to fund such prepayments. Liquidation at times of adverse economic conditions may result in capital loss and reduce returns. There can be no assurance that any leverage strategy the Fund employs will be successful. See Risk Factors General Risks of Investing in the Fund Leverage Risk on page [__].

General Risks of Investing in Swiss Securities

Swiss Securities Risk. Trading in Swiss equities involves certain risks and special considerations not usually associated with investing in securities of established U.S. companies, including (i) risks related to the nature of the market for Swiss equities, including the risk that the Swiss equities markets may be affected by market developments in different ways than U.S. securities markets and may be more volatile than U.S. securities markets; (ii) political and economic risks with respect to Switzerland, including the possible imposition of, or changes in, currency exchange laws or other Swiss laws or restrictions applicable to investments in Swiss equities; and (iii) fluctuations in the rate of exchange between currencies and costs associated with currency conversion. See Risk Factors General Risks of Investing in Swiss Securities Swiss Securities Risk on page [__].

Swiss Market Risk. The Swiss securities markets have substantially less trading volume than the U.S. securities markets. Additionally, the capitalization of the Swiss securities markets is highly concentrated. Securities of some companies located in Switzerland will be less liquid and more volatile than securities of comparable U.S. companies. This combination of lower volume and greater concentration in the Swiss securities markets may create a risk of greater price volatility than in the U.S. securities markets. Commissions for trading on Swiss exchanges are generally higher than commissions for trading on U.S. exchanges, although HCC seeks the most favorable net results (taking into account transaction costs) on the Fund s portfolio transactions and, in certain instances, may be able to purchase portfolio investments on which commissions are negotiable. Further, Swiss markets typically have less government supervision compared to the U.S. markets.

Disclosure Standards Risk. Swiss reporting, accounting and auditing standards differ from U.S. standards in important respects. Swiss corporations, other than subsidiaries of U.S. companies, do not provide all of the disclosure required by U.S. law and accounting practice, and such disclosure may be less timely than required of U.S. companies by the Securities and Exchange Commission (the SEC) or under U.S. generally accepted accounting principals (GAAP). As a result, less specific information may be available to investors in Swiss securities than to investors in U.S. securities. Swiss banks and insurance companies are subject to stricter disclosure requirements than other Swiss companies, but these rules are not as comprehensive as SEC or GAAP reporting standards. See Risk Factors General Risks of Investing in Swiss Securities Disclosure Standards Risk on page [__].

Foreign Currency and Exchange Rate Risk. Substantially all of the Fund s assets are invested in Swiss equities and equity-linked securities. In addition, the Fund makes its temporary investments in Swiss franc-denominated bank deposits, short-term debt securities and money market instruments. Substantially all income received by the Fund is in Swiss francs. The Fund s net asset value, however, is reported, and distributions from the Fund are made, in U.S. dollars. Historically, the Fund has not entered into transactions designed to reduce currency risk and does not intend to do so in the future. Accordingly, currency risks in connection with investments in the Fund will be borne by investors. Therefore, the Fund s reported net asset value and distributions could be adversely affected by devaluation of the Swiss franc relative to the U.S. dollar.

In addition, the Fund computes its income at the foreign exchange rate in effect on the day of its receipt by the Fund. If the value of the Swiss franc falls relative to the U.S. dollar between the date the Fund receives such income and the date it makes distributions, and, if the Fund has insufficient cash in U.S. dollars to meet distribution requirements, it may be required to liquidate securities in order to make distributions. There is no assurance that the Fund will be able to liquidate securities in order to meet such distribution requirements. Such liquidations, if required, also may adversely affect the Fund. See Risk Factors General Risks of Investing in Swiss Securities Foreign Currency and Exchange Rate Risk on page [__].

Tax Risk. Dividends and certain interest paid to the Fund by Swiss corporate entities will be subject to certain withholding taxes in Switzerland. Subject to certain limitations imposed by the Internal Revenue Code of 1986, as amended (the Code), foreign taxes withheld from distributions to the Fund or otherwise paid by the Fund may be creditable against taxes owed or deductible from income by U.S. stockholders for U.S. Federal income tax purposes if the Fund makes an election to treat the stockholders as having paid those taxes for U.S. Federal income tax purposes. The Fund s ability to make such an election is subject to certain requirements in the Code. Although the Fund expects to be eligible to make such an election each year, and intends to do so if it is eligible, there is no assurance that the Fund will be eligible each year. If the election is made, the amount of such foreign taxes paid by the Fund will be includible as income to the stockholders for U.S. Federal income tax purposes. Non-U.S. investors may not be able to credit or deduct such foreign taxes, but may be deemed to have additional income from the Fund subject to U.S. withholding tax. Investors should review carefully the information discussed under U.S. Federal Taxation below and should discuss with their tax advisors the specific tax consequences of investing in the Fund.

Additional Risk Consideratiokns

Non-Diversified Status. The Fund is classified as non-diversified under the 1940 Act. A non-diversified fund has the ability to invest more of its assets in securities of a single issuer than if it were classified as a diversified fund, which may increase volatility. If the Fund s investment in an issuer represents a relatively significant percentage of the Fund s portfolio, the value of the Fund s portfolio will be more impacted by a loss on that investment than if the portfolio were more diversified. See Risk Factors Additional Risk Considerations Non-Diversified Status on page [__].

New Securities Risk. Until 2006, the Fund was not permitted to engage in various investment strategies described in this prospectus, including investing in real estate, private equity and investment companies and pooled vehicles, as well as engaging in options trading. Although the investment decisions for the Fund will be made by experienced professionals who have successfully pursued the Fund s historical investment strategies, the successful use of these investment strategies will be subject to HCC s ability to identify attractive investment opportunities for the Fund in areas in which the Fund has not previously invested.

Concentration and Unrealized Appreciation Risk. As of January 31, 2007, the Fund s top ten portfolio holdings constituted approximately 76% of the Fund s net assets, in respect of which the Fund has significant unrealized capital gains. Additionally, principally as a result of appreciation, the Fund s top seven holdings each exceed 5% of the Fund s net assets and, in the aggregate, constitute approximately 63% of the Fund s net assets As a result, the Fund is unable to invest additional assets in those companies because such investments could result in the Fund s failure to qualify as a regulated investment company under Subchapter M of the Code. See See Risk Factors Additional Risk Considerations Concentration Risk on page [__].

Foreign Custody. Citibank, N.A. acts as the Fund s custodian through its London branch, which maintains custody of the Fund s portfolio securities and cash. It is often more expensive for the Fund to buy, sell and hold securities in certain foreign markets than in the United States. The increased expense of investing in foreign markets reduces the amount the Fund can earn on its investments and typically results in a higher operating expense ratio for the Fund than for investment companies invested only in the United States.

Risk of Anti-Takeover Provisions. The Fund has provisions in its Articles of Incorporation and By-laws that could have the effect of delaying, deferring, preventing or otherwise limiting the ability of other entities or persons to acquire control of the Fund, to cause the Fund to engage in certain transactions or to modify the Fund s structure. See Risk Factors Additional Risk Considerations Anti-Takeover Provisions on page [__].

Dividend Distribution Risk. In June 2003, the Fund settled litigation involving its prior practice of declaring dividends payable in Common Stock at a time when the Fund s Common Stock was trading at a discount to net asset value, which diluted the interests of stockholders. As a result, through December 31, 2012, the Fund may not declare dividends payable in shares of Common Stock until any existing dilution resulting from this practice has been eliminated through open market purchase of the Fund s Common Stock at times when the Fund s net asset value exceeds its market price.

If the Fund is not able to eliminate its net asset value dilution by December 31st of each year (there currently exists such dilution), the Fund may not issue its capital gains distribution in Common Stock and may have to either (i) borrow money or (ii) sell portfolio holdings in order to make a cash distribution. See Risk Factors Additional Risk Considerations Dividend Distribution Risk on page [__].

Market Disruption Risk. The aftermath of the war in Iraq and the continuing occupation of Iraq, instability in the Middle East and terrorist attacks in the United States and around the world have resulted in recent market volatility and may have long-term effects on worldwide financial markets and may cause further economic uncertainties in the United States and worldwide. The Fund cannot predict the effects these or similar events in the future may have on securities markets.

Custodian, Auction Agent, Transfer Agent, Dividend Paying Agent And Registrar

Citibank, N.A., acts as the Fund s custodian. American Stock Transfer & Trust Company acts as transfer agent, dividend paying agent and registrar for the Fund s Common Stock.

FUND EXPENSES

The following table is intended to assist investors in understanding the fees and expenses (annualized) that an investor in the Fund will bear directly or indirectly, as a result of the Offer being fully subscribed and the receipt of net proceeds of approximately $[_________].

Stockholder Transaction Expenses

Sales Load (as a percentage of Subscription Price)(1)	%
Dividend Reinvestment Plan Fees	None(2)
Annual Expenses (as a percentage of net assets attributable to shares of Common Stock)	
Investment Advisory Fees (3)(4)	%

Other Expenses (3)(4)	%
Interest Payments on Borrowings(3)(4)	%
Total Annual Fund Expenses (3)(4)	%

(1) The Dealer Manager will receive a fee for its financial structuring, marketing and soliciting services equal to [___]% of the aggregate Subscription price for Shares issued pursuant to the Offer. The Dealer Manager will reallow to broker-dealers included in the selling group to be formed and managed by the Dealer Manager selling fees equal to [___]% of the Subscription Price per Share for each Share issued pursuant to the Offer as a result of their selling efforts. In addition, the Dealer Manager will reallow to other broker-dealers that have executed and delivered a soliciting dealer agreement and have solicited the exercise of Rights solicitation fees equal to [___]% of the Subscription Price per Share for each Share issued pursuant to the exercise of Rights as a result of their soliciting efforts, subject to a maximum fee based on the number of Shares held by each broker-dealer through DTC on the Record Date. The Fund also has agreed to reimburse the Dealer Manager for out-of-pocket expenses up to an aggregate of $[_____]. These fees and expenses will be borne by the Fund and indirectly by all of its stockholders, including those who do not exercise their Rights.

(2) American Stock Transfer & Trust Company, does not charge stockholders a fee for participation in the Fund s Dividend Reinvestment Plan. You will be charged an initial $15 service fee plus $0.10 per share being liquidated (for processing and brokerage expenses) if you direct American Stock Transfer & Trust Company, as Plan Agent, to sell your Common Stock held in a dividend reinvestment account.

(3) The Fund s investment advisory fee and expense ratio assume that the Offer is fully subscribed, yielding estimated net proceeds of approximately $[________]. It also assumes that the net assets attributable to the Common Stock will not increase or decrease due to price or currency fluctuation. Amounts are based on the Fund s most recently completed fiscal year, except that Other Expenses are based on estimated amounts for the Fund s current fiscal year and assume that all of the Rights are exercised.

(4) Assuming no borrowings, the Fund s expenses would be estimated to be as follows:

	Percentage of Net Assets Attributable to Shares of Common Stock
Annual Expenses	
Advisory Fees	%
Other Expenses	%
Interest Payments on Borrowings	None
Total Annual Expenses	%

Example

An investor would pay the following expenses on a $1,000 investment, assuming a 5% annual return throughout the periods:

	1 Year	**3 Years**	**5 Years**	**10 Years**
Total Expenses Incurred				

The Example set forth above assumes reinvestment of all dividends and distributions at net asset value and an expense ratio of [___]%. The Example also reflects payment of the [___]% sales load and other expenses incurred in connection with the Offer. The above table and assumptions in this Example are required by the SEC regulations applicable to all investment companies. The Example should not be considered a representation of past or future expenses or annual rates of return. Actual expenses or annual rates of return may be more or less than those assumed for purposes of the Example.

FINANCIAL HIGHLIGHTS

Set forth below is selected date for a share of Common Stock outstanding throughout each of the fiscal years indicated. The Financial Highlights for each year presented have been audited by [__________], the Fund s independent registered public accounting firm, whose report thereon was unqualified. The information presented below should be read in conjunction with the financials statements and notes contained therein. The unqualified report of [______________] for the fiscal year ended December 31, 2006 is included in the SAI under Financial Statements.

	2006	2005	2004	2003	2002	2001	2000	1999
Per Share Operating Performance:								
Net asset value at beginning of year........................	$17.47	$16.79	$15.31	$11.82	$13.16	$17.92	$17.52	$19.0
Income From Investment Operations:								
Net investment income (expenses in excess of income)...........	0.02(3)	0.05(3)	(0.01)	(0.01)	(0.02)	(0.03)	0.00(2)	0.0
Net realized and unrealized gain (loss) on investments(4)..	5.14	2.24	2.41	4.24	(0.71)	(4.34)	1.68	(0.6
Total from investment operations..	5.16	2.29	2.40	4.23	(0.73)	(4.37)	1.68	(0.5
Gain from capital share repurchases....................	0.03	0.04	0.02	0.02	0.02	0.06	0.21	0.1
Capital charge resulting from the issuance of fund shares....	(0.07)	(0.04)	--	(0.06)	--	(0.14)	(0.12)	--
Less Distributions:								
Dividends from net investment income and net realized gains from foreign currency transactions......................	(0.03)	(0.02)	(0.10)	(0.14)	(0.06)	--	--	(0.0
Dividends in excess of net investment income.................	--	--	(0.01)	--	(0.01)			
Distributions from net realized capital gains............	(1.95)	(1.59)	(0.83)	(0.56)	(0.56)	(0.31)	(1.37)	(1.0
Total distributions...............	(1.98)	(1.61)	(0.94)	(0.70)	(0.63)	(0.31)	(1.37)	(1.0
Net asset value at end of year....	$20.61	$17.47	$16.79	$15.31	$11.82	$13.16	$17.92	$17.5
Market value per share at end of year........................	$19.10	$15.31	$14.95	$12.92	$9.64	$11.00	$14.50	$13.8
Total Investment Return(5):								
Based on market value per share...	37.64%	13.11%	23.65%	41.76%	(4.46)%	(22.10)%	15.06%	(7.0
Based on net asset value per share.........................	30.16%	14.92%	17.19%	37.00%	(6.92)%	(24.94)%	12.11%	(1.0
Ratios to Average Net Assets:								
Expenses..........................	1.17%	1.19%	1.14%	1.30%	1.31%	1.39%(6)	1.16%	1.1
Net investment income (expenses in excess of income)...........	0.09%	0.27%	(0.08)%	(0.07)%	(0.14)%	(0.23)%	0.01%	0.0
Supplemental Data:								
Net assets at end of year (000's).......................	$502,815	$419,814	$401,514	$368,986	$279,799	$314,436	$415,315	$416,5
Average net assets during year								

(000's)........................	$484,631	$415,074	$378,205	$306,563	$308,018	$341,806	$422,426	$428,0
Stockholders of record(7).........	794	740	926	964	1,001	1,067	1,125	1,2
Portfolio turnover rate...........	34%	37%	41%	89%	83%	32%	25%	1

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(1) Per share amount amounts for the year ended December 31, 1997 have been restated to reflect 2:1 stock split effective October 16, 1998.
(2) Less than $0.01 per share.
(3) Calculated using the average shares method.
(4) Includes net realized and unrealized currency gain (loss).
(5) Total investment return based on market value differs from total investment return based on net asset value due to changes in the relationship between the Fund s market price and its net asset value per share. Returns from 1997 and 1998 have been restated to reflect subsequent changes to dividend reinvestment calculations.
(6) The increase in the Fund s expense ratio was attributable to extraordinary expenses in connection with a stockholder s proxy contest for the election of directors and termination of the Fund s advisory contract with HCC and defense against a lawsuit against the Fund and the Board of Directors, plus the effect of a decline in the Fund s net assets.
(7) Not audited by [__________________].

TRADING AND NET ASSET VALUE INFORMATION

The Fund s Common Stock is, and the Shares offered for subscription pursuant to the Offer will be, listed on the NYSE. Since the Fund commenced operations in August 1987, its Common Stock has traded in the market at both a premium and a discount to net asset value, although its Common Stock has generally traded at a discount to net asset value. Management of the Fund has not determined the reasons why the Fund s Common Stock has generally traded at a discount to net asset value, nor can they predict whether the Fund s Common Stock will continue to trade at a discount to net asset value, and if so, the level of such discount. Shares of closed-end investment companies frequently trade at a discount to net asset value.

The Fund announced its intention to conduct this rights offering on March __, 2007. The net asset values per share of the Fund s common stock at the close of business on March __, 2007 and [________], 2007 (the last trading date prior to the date of this prospectus on which the Fund s determined net asset value) were $[_____] and $[_____], respectively, and the last reported sale prices of a share of common stock on the NYSE were $[_____] and $[_____], respectively, representing [_____]% and [_____]% of net asset value, respectively.

The following table sets forth for the Fund s Common Stock for the periods indicated: (i) the per share net asset value corresponding to the high/low market price for each quarter, (ii) the per share high and low market price on the NYSE, (iii) the discount or premium to net asset value of each high/low market price and (iv) the total volume of trading on the NYSE during the period.

	Net Asset Value(1)		Market Price(2)		(Discount)/Premium to Net Asset Value (%)		Volume of Trading(2) (Shares)
	High	Low	High	Low	High	Low	
Fiscal Year 2005							
March 31, 2005							
June 30, 2005							
September 30, 2005							
December 31, 2005							

	Net Asset Value(1)	Market Price(2)	(Discount)/Premium to Net Asset Value (%)	Volume of Trading(2) (Shares)
Fiscal Year 2006				
March 31, 2006				
June 30, 2006				
September 30, 2006				
December 31, 2006				
Fiscal Year 2007				
March 31, 2007				

(1) Based on the Fund s computations, calculated on the immediately preceding last business day of the week, or if such high or low market price occurred on the last business day of the week, on such business day.
(2) As reported by the NYSE.

THE FUND

The Fund is a non-diversified closed-end investment management company, which was incorporated in Delaware on October 24, 1986. The Fund commenced investment operations on August 27, 1987 following an initial public offering of the Fund s Common Stock. The Fund changed its name from The Helvetia Fund, Inc. to The Swiss Helvetia Fund, Inc. on May 16, 1990. Shares of the Fund s Common Stock are traded on the NYSE under the symbol SWZ. The Fund s principal office is located at 1270 Avenue of the Americas, Suite 400, New York, New York 10020, and the Fund s telephone number is (212) 332-2760.

The following provides information about the Fund s outstanding shares as of March 29, 2007:

Title of Class	Amount Authorized	Amount Held By The Fund or for Its Account	Amount Outstanding
Common Shares	50,000,000	0	24,397,655

THE OFFER

Purpose of the Offer

The Board of Directors retained [_______________], the Dealer Manager for the Offer, to provide the Fund with financial structuring, marketing and soliciting services relating to the Offer, including advice with respect to the structure, timing and terms of the Offer. In determining the structure of the Offer, the Board of Directors considered, among other things, using a fixed pricing versus variable pricing mechanism, the benefits and drawbacks of conducting a non-transferable versus a transferable rights offering, the effect on the Fund and its existing stockholders if the Offer is not fully subscribed, the dilutive effects on the Fund and its existing Stockholders of the Offer and the experience of the Dealer Manager in conducting rights offerings. The Board also considered that the Adviser would benefit from the Offer because the investment advisory fee paid by the Fund to HCC pursuant to the Investment Advisory Agreement is based on the Fund s average monthly net assets, which would increase as a result of the Offer. See Certain Effects of the Offer on page [__].

The Fund s Board has determined that the Offer is in the best interests of the Fund and its existing stockholders because the Offer represents an opportunity to increase the assets of the Fund available for investment, thereby enabling the Fund to take advantage more fully of existing and future investment opportunities that may be or may become available and otherwise to pursue its investment objective.

In reaching its decision, the Board of Directors considered, among other matters: (i) advice by HCC that additional assets would permit the Fund to take advantage of available investment opportunities without having to sell portfolio securities that HCC believes should be held and (ii) HCC s belief that current market opportunities of Swiss companies are attractive. There is no assurance that the investment of proceeds of the Offer will be successful or provide favorable returns.

The Board also considered that increasing the size of the Fund through the Offer may result in certain economies of scale which could, in turn, lower the Fund s expenses as a percentage of net assets. The Fund and HCC believe that increasing the Fund s assets available for investment should result in a modest lowering of the Fund s expenses as a percentage of average net assets by allocating its fixed costs over a larger asset base. Furthermore, the Fund and HCC believe that a well-subscribed Offer could increase liquidity on the NYSE where shares of the Fund s Common Stock are traded. There can be no assurance that the Offer will be successful or that by increasing the size of the Fund, its expense ratio will be lowered.

The Offer provides existing stockholders the opportunity to purchase additional shares of the Fund s Common Stock at a price below market price. The distribution to Record Date Stockholders of transferable Rights, which may themselves have intrinsic value, also will afford non-participating Record Date Stockholders the potential of receiving cash payment upon the sale of the Rights, receipt of which may be viewed as partial compensation for the economic dilution of their interests. The Board of Directors also considered the impact of the Offer on the Fund s net asset value.

Terms of the Offer

The Fund is issuing to Record Date Stockholders transferable rights to subscribe for an aggregate of [_________] shares of its Common Stock. Record Date Stockholders will receive one Right for each share of the Fund s Common Stock held on the Record Date. Each Record Date Stockholder, or each Rights holder, will be entitled to acquire at the Subscription Price one share of the Fund s Common Stock for every [______] rights held. Rights may be exercised at any time during the subscription period, which commences on [_________], 2007 and ends on the Expiration Date, which is 5:00 p.m., Eastern time, on [________], 2007, unless extended. See Expiration of The Offer.

Fractional shares of the Fund s common stock will not be issued upon the exercise of Rights; accordingly, Rights may be exercised only in integer multiples of [____], except that any Record Date Stockholder who is issued fewer than [____] rights may subscribe, at the Subscription Price, for one full share of the Fund s Common Stock.

Shares of the Fund s Common Stock not subscribed for during the subscription period will be offered, by means of the over-subscription privilege, to Record Date Stockholders who fully exercise the Rights issued to them pursuant to the Offer (other than those Rights that cannot be exercised because they represent in the aggregate the right to acquire less than one share of Common Stock) and who wish to acquire more than the number of shares they are entitled to purchase pursuant to the exercise of their Rights, subject to certain limitations and subject to allotment. Investors who are not stockholders on the Record Date, but who otherwise acquire Rights to purchase shares of the Fund s Common Stock pursuant to the Offer, are not entitled to subscribe for any shares of Common Stock pursuant to the over-subscription privilege. See Over-Subscription Privilege below.

For purposes of determining the maximum number of shares of the Fund s Common Stock a stockholder may acquire pursuant to the Offer, broker-dealers whose shares are held of record by Cede & Co., the nominee for the DTC, or by any other depository or nominee will be deemed to be the holders of the Rights that are held by Cede & Co. or such other depository or nominee on their behalf.

The Rights are transferable and application will be made for the listing and trading of the Rights on the NYSE under the symbol [_______] during the course of the Offer. Trading in the Rights on the NYSE is expected to be conducted until the close of trading on the NYSE on [________], 2007 (or if the Offer is extended, until the last business day prior to the extended Expiration Date). See Transferability and Sale of Rights. The Shares, once issued, will be listed on the NYSE under the symbol SWZ. The Rights will be evidenced by Subscription Certificates which will be mailed to Record Date Stockholders, except as discussed below under Foreign Stockholders.

Rights may be exercised by completing a subscription certificate and delivering it, together with payment at the estimated Subscription Price, to the Subscription Agent. A Rights holder will have no right to rescind a purchase after the Subscription Agent has received a completed subscription certificate together with payment for the Shares offered pursuant to the Offer, except as provided under Notice of Net Asset Value Decline. Rights holders who exercise their Rights will not know at the time of exercise the Subscription Price of the Shares being acquired and will be required initially to pay for both the Shares subscribed for during the subscription period and, if eligible, any additional Shares subscribed for pursuant to the over-subscription privilege at the estimated Subscription Price of $[____] per Share. For a discussion of the method by which rights may be exercised and shares paid for, see Exercise of Rights and Payment for Shares.

There is no minimum number of rights which must be exercised in order for the Offer to close.

The Subscription Price

The Subscription Price per share of the Fund s Common Stock will be [__]% of the lower of (i) the average of the last reported sale prices of a share of the Fund s Common Stock on the NYSE on the Expiration Date and the preceding four business days and (ii) the net asset value per share as of the close of business on the Expiration Date. For example, if the average of the last reported sale prices on the NYSE on the Expiration Date and the preceding four business days of a share of the Fund s common stock is $[___] and the net asset value per share of Common Stock on the Expiration Date is $[__], the subscription price would be $[__] ([__]% of $[___]). If, however, the five-day average of the last reported sale prices on the NYSE on the Expiration Date is $[___], and the net asset value per share of the Fund s Common Stock on such date is $[___], the Subscription Price would be $[___] ([__]% of $[___]). Because the Expiration Date of the subscription period will be [___________], 2007 (unless we extend the subscription period), Rights holders will not know the Subscription Price at the time of exercise and will be required initially to pay for both the Shares subscribed for on primary subscription and, if eligible, any additional Shares subscribed for pursuant to the over-subscription privilege at the estimated subscription price of $[____] per share. See Payment for Shares. Rights holders who exercise their Rights will have no right to rescind a purchase after receipt of their completed subscription certificates together with payment for Shares by the Subscription Agent, except as provided under Notice of Net Asset Value Decline. The Fund does not have the right to withdraw the rights or cancel the Offer after the Rights have been distributed.

The Fund announced its intention to conduct this rights offering on March __, 2007. The net asset values per share of the Fund s common stock at the close of business on March __, 2007 and [________], 2007 (the last trading date prior to the date of this prospectus on which the Fund s determined net asset value) were $[_____] and $[_____], respectively, and the last reported sale prices of a share of common stock on the NYSE were $[_____] and $[_____], respectively, representing [_____]% and [_____]% of net asset value, respectively. See Trading and Net Asset Value Information on page [__].

Prior to the expiration of the Offer, the Dealer Manager may independently offer for sale Shares, including Shares acquired through purchasing and exercising the Rights, at prices it sets. Although the Dealer Manager may realize gains and losses in connection with such purchases and sales, such offering of Shares is intended by the Dealer Manager to facilitate the Offer and any such gains or losses are not expected to be material to the Dealer Manager. The Dealer Manager s fee for its financial structuring, marketing and soliciting services is independent of any gains or losses that may be realized by the Dealer Manager through the purchase and exercise of the Rights.

Over-Subscription Privilege

Shares not subscribed for during the subscription period will be offered, by means of the over-subscription privilege, only to Record Date Stockholders who have exercised all Rights issued to them (other than those Rights that cannot be exercised because they represent in the aggregate the right to acquire less than one share of the Fund s Common Stock) and who wish to acquire more shares. Investors who are not Record Date Stockholders, but who otherwise acquire Rights to purchase shares of the Fund s Common Stock pursuant to the Offer, are not entitled to subscribe for any shares of Common Stock pursuant to the over-subscription privilege.

Record Date Stockholders who are fully exercising their Rights during the subscription period should indicate, on the subscription certificate which they submit with respect to the exercise of the Rights issued to them, how many Shares they are willing to acquire pursuant to the over-subscription privilege.

All over-subscriptions will be honored in full to the extent that shares of the Fund s Common Stock not subscribed for during the subscription period are available. If there are insufficient shares of Common Stock to honor all over-subscriptions, the available shares of Common Stock will be allocated pro rata among those who over-subscribe based solely on the number of Rights initially issued to them pursuant to the Offer, so that the number of shares of the Fund s Common Stock issued to stockholders who subscribe pursuant to the over-subscription privilege will generally be in proportion to the number of shares of Common Stock owned by them on the Record Date. The allocation process may involve a series of allocations in order to assure that the total number of shares of Common Stock available for over-subscriptions is distributed on a pro rata basis.

Banks, broker-dealers, trustees and other nominee holders of rights will be required to certify to the subscription agent, before any over-subscription privilege may be exercised with respect to any particular beneficial owner, as to the aggregate number of Rights exercised during the subscription period and the number of Shares subscribed for pursuant to the over-subscription privilege by such beneficial owner and that such beneficial owner s primary subscription was exercised in full. Nominee holder over-subscription forms and beneficial owner certification forms will be distributed to banks, brokers, trustees and other nominee holders of rights with the subscription certificates.

The Fund will not offer or sell any shares of its Common Stock that are not subscribed for during the subscription period or pursuant to the over-subscription privilege.

Transferability and Sale of Rights

The Rights are transferable until the close of business on the last business day prior to the Expiration Date. Application will be made to list the rights for trading on the NYSE under the symbol [____] subject to notice of issuance. Trading in the rights on the NYSE will be conducted on a when-issued basis from [_________], 2007, until the Record Date; thereafter, they will trade regular way until the last business day prior to the Expiration Date. Stockholders are encouraged to contact their broker, bank or financial adviser for more information about trading the Rights. The Fund and the Dealer Manager will use their best efforts to ensure that an adequate trading market for the Rights will exist, although there is no assurance that a market for the Rights will develop. Assuming a market exist for the Rights, the Rights may be purchased and sold through usual brokerage channels or sold through the Subscription Agent.

Sales through the Subscription Agent and the Dealer Manager. Record Date Stockholders who do not wish to exercise any of the Rights issued to them pursuant to the Offer may instruct the Subscription Agent to sell any unexercised Rights through or to the Dealer Manager. Subscription certificates representing the Rights to be sold through or to the Dealer Manager must be received by the Subscription Agent by 5:00 p.m., Eastern time, on [__________], 2007 (or, if the subscription period is extended, by 5:00 p.m., Eastern time, two business days prior to the extended Expiration Date). Upon the timely receipt by the Subscription Agent of appropriate instructions to sell

Rights, the Subscription Agent will ask the Dealer Manager either to purchase them or to use its best efforts to complete their sale, and the Subscription Agent will remit the proceeds of the sale to the selling stockholder. If the Rights are sold, sales of those Rights will be deemed to have been effected at the weighted average price received by the Dealer Manager on the day those Rights are sold. The sale price of any Rights sold to the Dealer Manager will be based upon the then current market price for the Rights. The Dealer Manager will also attempt to sell all Rights which remain unclaimed as a result of subscription certificates being returned by the postal authorities to the Subscription Agent as undeliverable as of the fourth business day prior to the Expiration Date. The Subscription Agent will hold the proceeds from those sales for the benefit of those nonclaiming stockholders until the proceeds are either claimed or escheated. There can be no assurance that the Dealer Manager will purchase or be able to complete the sale of any of those Rights, and neither the Fund nor the Dealer Manager have guaranteed any minimum sale price for the Rights. If a stockholder does not utilize the services of the Subscription Agent and chooses to use another broker-dealer or other financial institution to sell Rights issued to that stockholder pursuant to the Offer, then the other broker-dealer or financial institution may charge a fee to sell the Rights.

Other Transfers. The Rights evidenced by a subscription certificate may be transferred in whole by endorsing the subscription certificate for transfer in accordance with the accompanying instructions. A portion of the Rights evidenced by a single subscription certificate (but not fractional rights) may be transferred by delivering to the Subscription Agent a subscription certificate properly endorsed for transfer, with instructions to register such portion of the Rights evidenced thereby in the name of the transferee and to issue a new subscription certificate to the transferee evidencing the transferred Rights. If this occurs, a new subscription certificate evidencing the balance of the Rights, if any, will be issued to the stockholder or, if the stockholder so instructs, to an additional transferee. The signature on the subscription certificate must correspond with the name as written upon the face of the subscription certificate in every particular, without alteration or enlargement, or any change. A signature guarantee must be provided by an eligible financial institution as defined in Rule 17Ad-15 of the Securities Exchange Act of 1934 (the Exchange Act), subject to the standards and procedures adopted by the Fund.

Stockholders wishing to transfer all or a portion of their Rights should allow at least five business days prior to the Expiration Date for: (i) the transfer instructions to be received and processed by the Subscription Agent; (ii) a new subscription certificate to be issued and transmitted to the transferee or transferees with respect to transferred Rights, and to the transferor with respect to retained Rights, if any; and (iii) the Rights evidenced by the new subscription certificate to be exercised or sold by the recipients of the subscription certificate. Neither the Fund nor the Subscription Agent nor the Dealer Manager shall have any liability to a transferee or transferor of Rights if subscription certificates are not received in time for exercise or sale prior to the Expiration Date.

Except for the fees charged by the Subscription Agent and Dealer Manager (which are expected to be paid from the proceeds of the offering), all commissions, fees and other expenses (including brokerage commissions and transfer taxes) incurred or charged in connection with the purchase, sale or exercise of Rights will be for the account of the transferor of the Rights, and none of these commissions, fees or expenses will be paid by the Fund, the Subscription Agent or the Dealer Manager. Stockholders who wish to purchase, sell, exercise or transfer Rights through a broker, bank or other party should first inquire about any fees and expense that the stockholder will incur in connection with the transactions.

The Fund anticipates that the Rights will be eligible for transfer through, and that the exercise of the primary subscription and the over-subscription may be effected through, the facilities of DTC or the Subscription Agent at or prior to 5:00 p.m., Eastern time, on the Expiration Date.

Expiration of the Offer

The offer will expire at 5:00 p.m., Eastern time, on [_________], 2007, unless the Fund extends the Expiration Date. Rights will expire on the Expiration Date and may not be exercised after this date. If the Fund extends the Expiration Date, the Fund will make an announcement as promptly as practicable. This announcement will be issued no later than 9:00 a.m., Eastern time, on the next business day following the previously scheduled Expiration Date. Without limiting the manner in which the Fund may choose to make this announcement, the Fund will not, unless otherwise required by law, have any obligation to publish, advertise or otherwise communicate this announcement other than by making a release to the Dow Jones News Service or any other means of public announcement as the Fund may deem proper.

Subscription Agent

The Subscription Agent for the Offer is [____________], which will receive for its administrative, processing, invoicing and other services as subscription agent a fee estimated to be approximately $[_____], including reimbursement for all out-of-pocket expenses related to the Offer.

Questions regarding the subscription certificates should be directed to [______________________], our information agent, at [_________]; stockholders may also consult their brokers or nominees. **Signed subscription certificates should be sent, together with payment of the estimated Subscription Price, to [____________], attention: [__________]**, by one of the methods described below:

(1) By Mail, Express Mail or Overnight Courier:

[INSERT]

(2) By Hand:

[INSERT]

The Fund will honor only subscription certificates received by the Subscription Agent on or prior to the Expiration Date at one of the addresses listed above. Delivery to an address other than those listed above will not constitute good delivery.

Information Agent

The information agent for the Offer is [______________________] If you have questions or need further information about the Offer, please write or call the Information Agent at [__________________ or _________________]. Any questions or requests for assistance concerning the method of subscribing for Shares or additional copies of this prospectus or subscription certificates should be directed to the information agent.

Stockholders may also contact their brokers or nominees for information with respect to the Offer.

The Information Agent will receive a fee estimated to be approximately $[____], plus reimbursement for all out-of-pocket expenses related to the Offer.

Exercise Of Rights

Rights are evidenced by subscription certificates that will be mailed to Record Date Stockholders (except as described under Foreign Restrictions below) or, if stockholder s shares are held by Cede & Co. or any other depository or nominee, to Cede & Co. or the other depository or nominee. Rights may be exercised by filling in and signing the subscription certificate and mailing it in the envelope provided, or otherwise delivering the completed and signed subscription certificate to the Subscription Agent, together with payment at the estimated Subscription Price for the Shares as described under Payment For Shares. Rights may also be exercised by contacting your broker, banker or trust company, which can arrange, on your behalf, to guarantee delivery of payment and of a properly completed and executed subscription certificate. A fee may be charged for this service. Completed subscription certificates and payments must be received by the Subscription Agent at or prior to 5:00 p.m., Eastern time, on the Expiration Date at the offices of the Subscription Agent at the addresses set forth above under Subscription Agent.

Stockholders who are Record Owners. Stockholders who are record owners can choose between either option set forth below under Payment For Shares. If time is of the essence, option (2) will permit delivery of the subscription certificate and payment after the Expiration Date.

Investors Whose Shares are Held by a Nominee. Stockholders whose shares are held by a nominee, such as a broker or trustee, must contact that nominee to exercise their Rights. In that case, the nominee will complete the subscription certificate on behalf of the investor and arrange for proper payment by one of the methods set forth below under Payment For Shares.

Nominees. Nominees, such as brokers, trustees or depositories for securities, who hold shares of the Fund s Common Stock for the account of others should notify the respective beneficial owners of such shares as soon as possible to ascertain those beneficial owners intentions and to obtain instructions with respect to the Rights. If the beneficial owner so instructs, the nominee should complete the subscription certificate and submit it to the Subscription Agent with the proper payment as described below under Payment For Shares.

Banks, brokers, trustees and other nominee holders of Rights will be required to certify to the Subscription Agent, before any over-subscription privilege may be exercised with respect to any particular beneficial owner on the Record Date, as to the aggregate number of Rights exercised during the subscription period and the number of shares subscribed for pursuant to the over-subscription privilege by the beneficial owner and that the beneficial owner exercised all the Rights issued to them pursuant to the Offer.

Payment for Shares

Rights holders who wish to acquire shares of the Fund s Common Stock pursuant to the Offer or, if eligible, pursuant to the over-subscription privilege may choose between the following methods of payment:

(1) A Rights holder can send the subscription certificate together with payment for the shares of Common Stock subscribed for during the subscription period and, if eligible, for any additional shares subscribed for pursuant to the over-subscription privilege to the Subscription Agent based upon an estimated Subscription Price of $[____] per share. Subscription will be accepted when payment, together with the executed subscription certificate, is received by the Subscription Agent at one of the addresses set forth above; the payment and subscription certificate must be received by the Subscription Agent at or prior to 5:00 p.m., Eastern time, on the Expiration Date. The Subscription Agent will deposit all checks received by it for the purchase of shares into a segregated interest-bearing account of the Fund (the interest from which will belong to the Fund) pending proration and distribution of shares of the Fund s common stock. A payment pursuant to this method must be in U.S. dollars by money order or check drawn on a bank located in the United States, must be payable to **THE SWISS HELVETIA FUND, INC.** and must accompany an executed subscription certificate for such subscription to be accepted.

(2) Alternatively, a subscription will be accepted by the Subscription Agent if, at or prior to 5:00 p.m., Eastern time, on the Expiration Date, the Subscription Agent has received a notice of guaranteed delivery by facsimile (telecopy) or otherwise from a bank, a trust company or NYSE member guaranteeing delivery of (i) payment of the full Subscription Price for the shares of the Fund s Common Stock subscribed for during the subscription period and, if eligible, any additional Shares subscribed for pursuant to the over-subscription privilege, and (ii) a properly completed and executed subscription certificate. The Subscription Agent will not honor a notice of guaranteed delivery unless a properly completed and executed subscription certificate and full payment for the shares of the Fund s Common Stock are received by the Subscription Agent by the close of business on the third business day after the Expiration Date.

On the confirmation date, which will be five business days following the Expiration Date, a confirmation will be sent by the Subscription Agent to each Rights holder exercising their Rights (or, if shares of the Fund s common stock are held by Cede & Co. or any other depository or nominee, to Cede & Co. and that other depository or nominee), showing (i) the number of shares of the Fund s common stock acquired during the subscription period, (ii) the number of Shares, if any, acquired pursuant to the over-subscription privilege, (iii) the per share and total purchase price for the Shares and (iv) any additional amount payable to the Fund by the Rights holder or any excess to be refunded by the Fund to the Rights holder, in each case based on the Subscription Price as determined on the Expiration Date. If any Rights holder, if eligible, exercises his or her right to acquire shares of the Fund s Common Stock pursuant to the over-subscription privilege, any excess payment which would otherwise be refunded to the Rights holder will be applied by the Fund toward payment for shares acquired pursuant to exercise of the over-subscription privilege. Any additional payment required from a Rights holder must be received by the Subscription Agent within ten business days after the confirmation date. Any excess payment to be refunded by the Fund to a Rights holder will be mailed by the Subscription Agent to such Rights holder as promptly as practicable. All payments by a Rights holder must be in U.S. dollars by money order or check drawn on a bank located in the United States and payable to **THE SWISS HELVETIA FUND, INC.**

Whichever of the two methods described above is used, issuance and delivery of certificates for the Shares subscribed for are contingent upon actual payment for such Shares.

Rights holders who have exercised their Rights will have no right to rescind their subscription after receipt of the completed subscription certificate together with payment for Shares by the Subscription Agent, except as described under Notice of Net Asset Value Decline below.

If a Rights holder who acquires shares of the Fund s Common Stock during the subscription period or pursuant to the over-subscription privilege does not make payment of any additional amounts due, the Fund reserves the right to take any or all of the following actions: (i) find other stockholders for the subscribed and unpaid for Shares; (ii) apply any payment actually received by the Fund toward the purchase of the greatest whole number of shares which could be acquired by the Rights holder upon exercise of such Rights acquired during the subscription period or pursuant to the over-subscription privilege; or (iii) exercise any and all other rights or remedies to which the Fund may be entitled.

The method of delivery of subscription certificates and payment of the Subscription Price to the Subscription Agent will be at the election and risk of the stockholders, but if sent by mail it is recommended that such forms and payments be sent by registered mail, properly insured, with return receipt requested, and that a sufficient number of days be allowed to ensure delivery to the Subscription Agent and clearance of payment at or prior to 5:00 p.m., Eastern time, on the Expiration Date. Because uncertified personal checks may take at least five business days to clear, Record Date Stockholders are strongly urged to pay, or arrange for payment, by means of certified or cashier s check or money order.

All questions concerning the timeliness, validity, form and eligibility of any exercise of Rights will be determined by the Fund, which determinations will be final and binding. The Fund, in its sole discretion, may waive any defect or irregularity, or permit a defect or irregularity to be corrected within such time as it may determine, or reject the purported exercise of any Right. Subscriptions will not be deemed to have been received or accepted until substantially all irregularities have been waived or cured within such time as the Fund determines in its sole discretion. The Fund will not be under any duty to give notification of any defect or irregularity in connection with the submission of subscription certificates or incur any liability for failure to give such notification.

Notice of Net Asset Value Decline

The Fund has, pursuant to the SEC s regulatory requirements, undertaken to suspend the Offer until the Fund amends this prospectus if subsequent to [__________], 2007, the effective date of the Fund s Registration Statement, the Fund s net asset value declines more than 10% from the Fund s net asset value as of that date. In that event, the Fund will notify Record Date Stockholders of any such decline and permit them to cancel their exercise of Rights.

Delivery of Stock Certificates

Participants in the Fund s dividend reinvestment plan (the Plan) will have any shares of Common Stock acquired pursuant to the Offer credited to their stockholder dividend reinvestment accounts in the Plan. Stockholders whose shares are held of record by Cede & Co. or by any other depository or nominee on their behalf or their broker-dealers behalf will have any shares acquired during the subscription period credited to the account of Cede & Co. or other depository or nominee. Shares acquired pursuant to the over-subscription privilege will be certificated and stock certificates representing these shares will be sent directly to Cede & Co. or other depository or nominee. With respect to all other stockholders, stock certificates for all shares acquired pursuant to the Offer will be mailed promptly after payment for the shares subscribed for has cleared.

Foreign Restrictions

Subscription certificates will not be mailed to stockholders whose record addresses are outside the United States, which includes the District of Columbia, and the territories and possessions of the United States. These stockholders will receive written notice of the Offer. The Rights to which these subscription certificates relate will be held by the Subscription Agent for these stockholders accounts until instructions are received to exercise the Rights. If no instructions have been received at or prior to 5:00 p.m., Eastern time on [___________], 2007, three business days prior to the Expiration Date (or, if the subscription period is extended, on or before three business days prior to the extended Expiration Date), the Rights of these stockholders will be transferred by the Subscription Agent to the Dealer Manager, which will either purchase the Rights or use its best efforts to sell the Rights. The net proceeds, if any, from sale of those Rights by or to the Dealer Manager will be remitted to these stockholders.

Federal Income Tax Consequences

The following summary of the material United States federal income tax consequences of the issuance and exercise, transfer or lapse of the Rights does not discuss all aspects of Federal income taxation that may be relevant to a particular stockholder, and stockholders should consult their own tax advisors regarding the tax consequences, including state, local and foreign tax consequences, relevant to their particular circumstances.

(1) The value of a Right will not be includible in the income of a stockholder at the time the Right is issued.

(2) The basis of a Right issued to a stockholder will be zero, and the basis of the share with respect to which the Right was issued (the old share) will remain unchanged, unless either (a) the fair market value of the Right on the date of distribution is at least 15% of the fair market value of the old share, or (b) the stockholder affirmatively elects (in the manner set out in Treasury Regulations under the Code) to allocate to the Right a portion of the basis of the old share. If either (a) or (b) applies, the stockholder must allocate basis between the old share and the Right in proportion to their fair market values on the date of distribution.

(3) The basis of a Right purchased in the market will generally be its purchase price.

(4) The holding period of a Right issued to a stockholder will include the holding period of the old share.

(5) No loss will be recognized by a stockholder if a Right distributed to the stockholder expires unexercised because the basis of the old share may be allocated to a Right only if the Right is exercised. If a Right that has been purchased in the market expires unexercised, there will be a recognized loss equal to the basis of the Right.

(6) Any gain or loss on the sale of a Right will be a capital gain or loss if the Right is held as a capital asset (which in the case of Rights issued to stockholders will depend on whether the old share is held as a capital asset), and will be a long-term capital gain or loss if the holding period is deemed to exceed one year.

(7) No gain or loss will be recognized by a stockholder upon the exercise of a Right, and the basis of any share acquired upon exercise (the new share) will equal the sum of the basis, if any, of the Right and the Subscription Price for the new share. The holding period for the new share will begin on the date when the Right is exercised.

Employee Plan Considerations

Stockholders whose shares are in employee benefit plans subject to the Employee Retirement Income Security Act of 1974, as amended (ERISA) (including corporate savings and 401(k) plans), Keogh or H.R. 10 plans of self-employed individuals and individual retirement accounts should be aware that additional contributions of cash to the employee retirement plan (other than rollover contributions or trustee-to-trustee transfers from other employee retirement plans) in order to exercise Rights would be treated as contributions to the employee retirement plan and, when taken together with contributions previously made, may result in, among other things, excise taxes for excess or nondeductible contributions. In the case of employee retirement plan qualified under Section 401(a) of the Code and certain other employee retirement plans, additional cash contributions could cause the maximum contribution limitations of Section 415 of the Code or other qualification rules to be violated. In addition, there may be other adverse tax and ERISA consequences if Rights are sold or transferred by an employee retirement plan.

Employee retirement plans and other tax exempt entities, including governmental plans, should also be aware that if they borrow in order to finance their exercise of Rights, they may become subject to the tax on unrelated business taxable income (UBTI) under Section 511 of the Code. If any portion of an individual retirement account (IRA) is used as security for a loan, the portion so used is also treated as distributed to the IRA depositor.

ERISA contains fiduciary responsibility requirements, and ERISA and the Code contain prohibited transaction rules that may affect the exercise of Rights. Due to the complexity of these rules and the penalties for noncompliance, employee retirement plans should consult with their counsel and other advisers regarding the consequences of their exercise of rights under ERISA and the Code.

Certain Effects of the Offer

The Adviser will benefit from the Offer because the investment advisory fee is based on the Fund s average monthly net assets. It is not possible to state precisely the amount of additional compensation the Adviser will receive as a result of the Offer because it is not known how many shares of the Fund s Common Stock will be subscribed for and because the proceeds of the Offer will be invested in additional portfolio securities which will fluctuate in value. However, assuming (i) all rights are exercised, (ii) the Fund s average weekly net asset value during 2007 is $[____] per share (the net asset value per share on [__________], 2007) and (iii) the Subscription Price is $[___] per share ([__]% of the last reported sale price of a share of our common stock on [__________], 2007), and after giving effect to Dealer Manager fees and other offering expenses, the Adviser would receive additional advisory fees of approximately $[_______] for 2007. In addition, two of the Directors who voted to authorize the Offer are interested persons (as defined in the 1940 Act) of the Adviser. The other Directors who voted to authorize the Offer are not affiliated with the Adviser. See Management of the Fund in the prospectus and SAI.

Investment Considerations

Upon completion of the Offer, stockholders who do not exercise their Rights fully will own a smaller proportional interest in the Fund than would be the case if the Offer had not been made. In addition, because the Subscription Price per share will be less than the then net asset value per share of the Fund s Common Stock, the Offer will result in a dilution of net asset value per share of the Fund s Common Stock for all stockholders, irrespective of whether they exercise all or any portion of their Rights. This dilution will disproportionately affect stockholders who do not exercise their Rights. Although it is not possible to state precisely the amount of such a decrease in value, because it is not known at this time what the Subscription Price will be, what the net asset value per share will be at the Expiration Date or what proportion of Shares will be subscribed for, the dilution could be substantial. For example, assuming that all Rights are exercised, that the Fund s net asset value on the Expiration Date is $[____] per share (the net asset value per share on [__________], 2007), and that the Subscription Price is [___ % of an average market price of $[____] per share (the last reported sale price of a share of the Fund s Common Stock on [__________], 2007), the Fund s net asset value per share on this date would be reduced by approximately $[____] per share, after giving affect to the Dealer Manager fees payable by the Fund, estimated at $[_________], and other expenses of the Offer, estimated at $[____], payable by the Fund. Record Date Stockholders on will experience a decrease in the net asset value per share held by them, irrespective of whether they exercise all or any portion of their Rights. The distribution of the Rights, which may themselves have intrinsic value, will afford non-participating stockholders the potential of receiving cash payment upon the sale of the Rights, receipt of which may be viewed as partial compensation for the economic dilution of their interests.

Important Dates to Remember

Record Date	[____________], 2007
Subscription Period	[____________], 2007 to [____________], 2007*
Expiration Date and Pricing Date	[____________], 2007*
Payment for Shares or Notices for Guarantees of Delivery Due	[____________], 2007*
Payment for Guarantees of Delivery Due	[____________], 2007*
Confirmation mailed to Participants	[____________], 2007*
Final payment for Shares Due	[____________], 2007*

* Unless the Offer is extended

USE OF PROCEEDS

Assuming all Shares in the Offer are sold at an estimated Subscription Price of $[___] per share, the net proceeds of the Offer are estimated to be approximately $[__________] after payment of the Dealer Manager fees and estimated offering expenses. The Fund, however, do not know whether all Rights will be exercised in full, and the Subscription Price will not be determined until the close of business on the Expiration Date of the Offer. The net proceeds will be invested in accordance with the policies set forth under Investment Objective and Policies. Assuming current market conditions, the Fund estimates that the net proceeds of the Offer will be substantially invested in accordance with its investment objective and policies within six to twelve months of the completion of this offering, depending on the public or private nature of the investment. Pending such investment, the proceeds may be invested in Swiss Franc-denominated bank deposits, short-term debt securities and money market instruments. See Investment Objective and Policies.

INVESTMENT OBJECTIVE AND POLICIES

Investment Objective and Strategies

The Fund s investment objective is to seek long-term capital appreciation through investment in equity and equity-linked securities of Swiss companies. The Fund also may acquire and hold equity and equity-linked securities of non-Swiss companies in the limited instance where: (1) the Fund holds an investment in a Swiss company, and (2) such Swiss company undergoes a merger, takeover, reorganization or other form of business combination with a non-Swiss issuer (a reorganization), or reorganizes (or redomiciles) itself as a new corporate entity outside of Switzerland, and (3) the Fund, as a shareholder in the Swiss company, acquires equity or equity-linked securities in the non-Swiss issuer as a result of the transaction. The Fund would be permitted, but not required, to reacquire equity and equity-linked securities of Swiss companies that have redomiciled, so long as the Fund held an investment in the Swiss company at or before the time the company redomiciled. The Fund s investment objective is fundamental and may not be changed without the approval of a majority of the Fund s outstanding voting securities.

The Fund seeks to achieve its investment objective by normally investing at least 80% of its net assets, plus borrowings for investment purposes, in Swiss-equity and equity linked securities that are traded on a Swiss stock exchange, traded at the pre-bourse level of one or more Swiss stock exchanges, traded through a market maker or over the counter in Switzerland. The Fund also may invest in Swiss-equity and equity-linked securities of Swiss companies that are traded on other major European stock exchanges. Equity and equity-linked securities include registered shares, bearer shares, participation and dividend certificates, convertible bonds and bonds with warrants attached and unattached warrants.

For defensive purposes, during a period in which changes in Swiss equity markets or other adverse economic conditions or changes in Swiss political conditions warrant, the Fund may temporarily reduce its position in equity securities and invest in Sfr-denominated bank deposits, short-term debt or money market instruments.

At the 2006 Annual Meeting of Stockholders, the Fund s stockholders approved various changes to the Fund s investment objective and fundamental investment policies and restrictions, including changes to permit the Fund to (i) invest in securities of Swiss Real Estate Companies, and to acquire, hold and sell real estate or mortgages on real estate acquired through default, liquidation or other distributions or an interest in real estate as a result of the Fund s ownership of such securities and (ii) acquire equity and equity-linked securities of non-Swiss companies in limited instances. Additionally, at a Board meeting in December 2006, the Board approved a proposal to permit the Fund to invest its assets in investment companies and in certain pooled investment vehicles, including those that invest in private equity by investing in private equity funds (so-called funds of funds) or by making direct investments, including in infrastructure projects and real estate investments. As a result of these recent changes, the Fund is seeking to raise capital through the Offer to invest additional assets in these newly permitted investments.

At that meeting, stockholders also approved proposals to permit the Fund to (i) leverage up to 10% of its total assets (including the amount borrowed) and (ii) engage in certain options transactions. The Fund may borrow money for investment purposes and as a temporary measure for various purposes, including the payment of dividends. The Fund currently intends to enter into options to hedge market risk and to generate income.

No assurance can be given that the Fund s investment objective will be achieved.

Investment Philosophy and Process

In making investment decisions with respect to common stocks and other equity securities, the Adviser utilizes a macro-economic top-down approach to narrow the universe of possible investments, focusing on certain factors, including market volatility, interest rates and inflation forecasts, capacity, gross domestic product growth and earnings growth. Next, the Adviser relies on a fundamental analysis of each industry, and, within that industry, each company.

Securities are evaluated for their potential to provide regular income, growth of income and the opportunity for capital appreciation. The Adviser reviews each company s potential for success in light of general economic and industry trends, as well as the company s quality of management, financial condition, business plan, industry and sector market position, dividend payout ratio and corporate governance. Fundamental research efforts are enhanced through communication among the portfolio managers and management team, who conduct internal research and extract information from external research. The portfolio managers communicate frequently with external analysts and in-person visits with company management, together with local knowledge, help to provide opinions critical to investing in Swiss companies.

As a non-diversified investment company, there is no restriction on the percentage of the Fund s assets that may be invested at any time in the securities of any one issuer, other than the diversification requirements applicable to regulated investment companies under the Code. To the extent the Fund chooses to concentrate a portion of its investments in the securities of a smaller number of issuers, there is a risk that a decline in the value of such securities might have an adverse effect on the Fund s net asset value and the market price of the Common Stock, as well as the risk that the Fund might experience difficulty in selling such securities.

As of January 31, 2007, the Fund s ten largest portfolio holdings were:

Holding	Percentage of Fund s Net Assets (%)
Roche Holdings- Non-Voting Equity Security	14.03%
Nestle SA Registered Shares	11.35%
UBS AG- Registered Shares	10.37%
Novartis AG - Registered Shares	10.08%
Actelion NV Registered Shares	6.16%
Basilea Pharmaceutica Registered Shares	5.98%
Credit Suisse Group Registered Shares	5.11%
BKW FMB Energie AG Registered Shares	4.62%
Galenica Holding AG Registered Shares	4.42%
Julius Baer Holding AG Registered Shares	3.87%
TOTAL	75.99%

The Fund generally does not expect to concentrate its investments in any one industry. Where appropriate opportunities exist (*e.g.*, in the pharmaceuticals sector), however, the Fund may invest a substantial portion (subject to the Fund s investment restriction on concentration) of its assets in an industry. In selecting industries and companies for investment, the Adviser in general considers available information concerning a company s overall growth prospectus, competitive position in the relevant markets, quality and experience of management, technology, research and development, productivity, labor costs, raw material cost and sources, profit margins, return on investment, capital resources, regulation by Swiss governmental authorities and other relevant factors.

There is no restriction on the market capitalization range or the actual market capitalization of the individual companies in which the Fund may invest. The Fund may invest in securities of companies with small, medium or large market capitalizations.

The Fund also may lend its portfolio securities to banks, securities dealers and other institutions meeting the creditworthiness standards established by the Board of Directors. The Fund may lend its portfolio securities so long as the terms and the structure of the loans are consistent with the 1940 Act.

Portfolio Composition

Common Stocks

Common stocks represent the residual ownership interest in the issuer and holders of common stock are entitled to the income and increase in the value of the assets and business of the issuer after all of its debt obligations and obligations to preferred stockholders are satisfied. Common stocks generally have voting rights. Common stocks fluctuate in price in response to many factors including historical and prospective earnings of the issuer, the value of its assets, general economic conditions, interest rates, investor perceptions and market liquidity.

Convertible Securities

Convertible securities include fixed income securities that may be exchanged or converted into a predetermined number of shares of the issuer s underlying common stock at the option of the holder during a specified period. Convertible securities may take the form of convertible preferred stock, convertible bonds or debentures, units consisting of bonds and warrants or a combination of the features of several of these securities. Investment characteristics of convertible securities vary widely, which allows these securities to be employed for a variety of investment strategies.

Investment Companies and Other Pooled Investment Vehicles

The Fund may invest in other investment companies, and may invest up to 5% of its total assets in pooled vehicles that invest in private equity by investing in private equity funds (so-called funds of funds) or by making direct investments, including in infrastructure projects and real estate investments. The Fund is only permitted to invest in investment companies and pooled vehicles to the extent permitted by the 1940 Act, and as consistent with the Fund s investment objective and policies. The Board of Directors has limited the Fund s permitted investments in pooled vehicles to those which meet the following three-part test:

> *Countries*. A pooled vehicle must have at least 70% of its total assets invested in companies in developed markets and may have no more than 30% of its total assets invested in emerging market countries or issuers;
>
> *Currencies*. A pooled vehicle must have at least 70% of its underlying investments denominated in currencies of countries in developed markets. A pooled vehicle that satisfies the first part of the test also will be deemed to satisfy this part; and
>
> *Pricing*. For pooled vehicles that are not listed on an exchange, the pooled vehicle must (i) invest in exchange-listed issuers or securities that can be readily valued or (ii) provide HCC fair valuations of its underlying investments either through regular shareholder communications or through other written means that, based on information reasonably available at the time the valuation is made, HCC believes to be reliable.

HCC expects that a majority of the pooled vehicles investing in private equity transactions will be listed on Swiss or other European exchanges, but cannot predict that the Fund would only invest in these pooled vehicles. Any of the Fund s holdings in pooled vehicles that are purchased in private transactions will be illiquid and subject to the Fund s 10% limit on investments in illiquid securities.

Private equity funds are typically structured as either limited partnerships or limited liability companies with a fixed-life, usually around ten years. The general partner of the private equity fund, who also is typically its adviser, makes investments, monitors them and finally exits them for a return on behalf of the limited partners, which are investors such as the Fund. The private equity fund s assets are typically invested within three to five years, and after all investments are fully divested, the private equity fund can be terminated. Every investor in a private equity fund commits to investing a specified sum of money in that fund over a specified period of time, and the fund records this as its capital commitment. The sum of capital commitments is equal to the size of the private equity fund. Limited partners and the general partner must make a capital commitment to participate in a private equity fund.

Illiquid and Restricted Securities

The Fund may invest up to 10% of its total assets in illiquid securities (*i.e.*, securities that are not readily marketable). For this purpose, illiquid securities include, but are not limited to, restricted securities (securities the disposition of which is restricted under the Federal securities laws) and securities that may be resold pursuant to Rule 144A under the Securities Act but that are deemed to be illiquid.

The Board of Directors has the ultimate authority to determine, to the extent permissible under the Federal securities laws, which securities are liquid or illiquid for purposes of this 10% limitation. The Board of Directors has delegated to the Adviser the day-to-day determination of the illiquidity of any security held by the Fund, although it has retained oversight and ultimate responsibility for such determinations. Although no definitive liquidity criteria are used, the Board and/or the Adviser will consider factors such as (i) the nature of the market for a security (including the institutional private resale market; the frequency of trades and quotes for the security; the number of dealers willing to purchase or sell the security; the amount of time normally needed to dispose of the security; and the method of soliciting offers and the mechanics of transfer), (ii) the terms of certain securities or other instruments allowing for the disposition to a third party or the issuer thereof (*e.g.*, certain repurchase obligations and demand instruments) and (iii) other permissible relevant factors.

Private Equity Investments. Private equity investments commonly refer to any type of equity investment in an asset in which the equity is not freely tradeable on a public stock market. More accurately, private equity refers to the manner in which the funds have been raised, namely on the private markets, as opposed to the public markets. Categories of private equity investments include, but are not limited to, leveraged buyout, venture capital, growth capital, angel investing, mezzanine capital and others. Because private equity investments are not listed on an exchange, if the Fund seeks to sell a private equity investment, it must find a buyer in the absence of a traditional marketplace such as a stock exchange.

Swiss Real Estate Companies

The Fund may invest in equity and equity-linked securities issued by Swiss Real Estate Companies. The Fund considers a real estate company to be a company that derives at least 50% of its revenue from the ownership, construction, financing, management or sale of commercial, industrial or residential real estate or has at least 50% of its assets in real estate investments. The Fund also considers a real estate company to be a Swiss Real Estate Company if it: (1) is organized in or has its principal office in Switzerland or (2) has a significant amount of real estate assets or investments in Switzerland, even if it is organized or its principal office is outside of Switzerland. The Fund s investment in Swiss Real Estate Companies is deemed to be an investment in Swiss equity or equity-linked securities for purposes of the Fund s investment objective.

REITs are companies that own interests in real estate or in real estate related loans or other interests and revenue primarily consists of rent derived from owned, income producing real estate properties and capital gains from the sale of such properties. A REIT in the U.S. is generally not taxed on income distributed to shareholders so long as it meets certain tax related requirements, including the requirement that it distribute substantially all of its taxable income to such shareholders. Some countries have a REIT structure very similar to the U.S. Other countries have REIT structures that are different from the U.S. in terms of tax requirements/benefits or scope of qualifying business activities. In addition, there are other countries that have not adopted a REIT structure in any form, although some of these countries are considering adopting a REIT structure.

The Fund also may acquire real estate or mortgages on real estate as a result of default, liquidation or other distributions of an interest in real estate solely as a result of the Fund s ownership of Swiss Real Estate Companies.

Options Transactions

The Fund may engage in certain options transactions which are considered derivative instruments. The Fund may engage in the following options transactions: (i) buying calls on securities in which the Fund can invest; (ii) buying calls on Swiss stock indices; (iii) writing covered calls on securities in which the Fund can invest; (iv) buying puts on these types of securities; and (v) buying puts on Swiss stock indices. The Fund may engage in these options transactions on an established Swiss exchange, European exchange (*e.g.*, Eurex) or through privately negotiated transactions referred to as over-the-counter options. HCC may utilize options contracts to manage the Fund s exposure to changing security prices and to generate income.

The Fund may write (*i.e.*, sell) covered call options with respect to specific securities in which the Fund may invest. A call option gives the purchaser of the option the right to buy, and obligates the writer to sell, the underlying security or securities at the exercise price at any time during the option period, or at a specific date. A covered call option is a call option with respect to which the Fund owns the underlying security, has an absolute and immediate right to acquire that security without additional cash consideration or otherwise covers the transaction by segregating permissible liquid assets. The Fund receives a premium from writing covered call options which it retains whether or not the option is exercised, although by writing a call option the Fund forgoes any appreciation in the subject securities above the exercise price if the option is exercised by the purchaser of the option.

The Fund also is permitted to purchase put and call options in respect of specific securities in which the Fund may invest (or groups or baskets of specific securities) or Swiss stock indices. A put option gives the purchaser of the option the right to sell, and obligates the writer to buy, the underlying security or securities at the exercise price at any time during the option period, or at a specific date. The Fund will pay premiums to purchase put and call options, whether or not the options are exercised. An option on a stock index is similar to an option in respect of specific securities, except that settlement does not occur by delivery of the securities comprising the index. Instead, the option holder receives an amount of cash if the closing level of the stock index upon which the option is based is greater than in the case of a call, or less than in the case of a put, the exercise price of the option. Thus, the effectiveness of purchasing stock index options will depend upon price movements in the level of the index rather than the price of a particular stock.

Short-Term and Temporary Investments

With the exception of three-, six- and twelve-month money market certificates (Treasury Certificates) of the Swiss Confederation, the Swiss short-term debt market offers few money market instruments. As a result, most short-term investments in Switzerland are in the form of interest-bearing time deposits with banks. The Fund limits its short-term investments in such time deposits to those with banks rated Aa or better by Moody s Investors Services, Inc. or AA or better by Standard & Poor s Ratings Group at the time of investment, or to unrated instruments, which, in the judgment of the Adviser, are of equivalent quality.

USE OF LEVERAGE

The Fund is permitted, but not required, to borrow up to 10% of the Fund s total assets (including the amount borrowed) for investment purposes. HCC may use this ability to leverage a portion of the Fund s assets to promote investment flexibility and to seek to ensure that the Fund has funds available for investment in attractive opportunities, without requiring the Fund to sell existing investments. Any borrowings will have seniority over the Fund s Common Stock. Under the 1940 Act, the Fund generally is not permitted to borrow unless immediately after any borrowing the value of the Fund s assets, plus the amount borrowed, less liabilities other than the principal amount represented by the borrowings, is at least 300% of such principal amount. In addition, the Fund is not permitted to declare any cash dividend or other distribution on its Common Stock unless, at the time of such declaration, the value of the Fund s net assets, plus the amount borrowed, less liabilities other than the principal amount represented by borrowings, is at least 300% of such principal amount.

The Fund may be subject to certain restrictions on borrowings imposed by a lender that may impose asset coverage or portfolio composition requirements that are more stringent than those imposed on the Fund by the 1940 Act. It is not anticipated that these restrictions will impede the Adviser from managing the Fund s portfolio in accordance with the Fund s investment objective and policies.

There is no assurance that the Fund will utilize leverage or, if leverage is utilized, that it will be successful in enhancing the level of its total return. The net asset value of the Common Stock may be reduced by the issuance costs of any leverage. Leverage is a speculative technique and there are special risks and costs associated with leverage. There can be no assurance that a leveraging strategy will be successful during any period in which it is employed.

Although the Fund s borrowings will not represent 33?% of its total assets, as the Fund s is only permitted to borrow up to 10% of its total assets (including the amount borrowed), the SEC requires the following illustrations to be provided using the Fund s maximum permitted level of borrowings:

Assuming that borrowings will represent in the aggregate approximately 10% of the Fund s total assets (including the amount borrowed) and pay a payment rate set by an interest rate transaction at an annual average rate of [___]%, the income generated by the Fund s portfolio (net of estimated expenses) must exceed [___]% in order to cover such payment rates and other expenses specifically related to borrowings. Of course, these numbers are merely estimates, used for illustration. Actual interest or payment rates may vary frequently and may be significantly higher or lower than the rate estimated above.

The following table is designed to illustrate the effect of such borrowings on the Fund s total return, assuming investment portfolio total returns (comprised of income and changes in the value of investments held in the Fund s portfolio net of expenses) of -10%, -5%, 0%, 5% and 10%. These assumed investment portfolio returns are hypothetical figures and are not necessarily indicative of the investment portfolio returns expected to be experienced by the Fund. The table further reflects borrowings representing approximately 10% of the Fund s total assets (including the amount borrowed), and the Fund s currently projected annual borrowing interest rate or payment rate set by an interest rate transaction of [___]%. Only the Fund s stockholders bear the cost of the Fund s fees and expenses, including the costs associated with any leverage.

Assumed Portfolio Total Return (Net of Expenses)	(10.00)%	(5.00)%	0.00%	5.00%	10.00%
Fund Total Return	( )%	( )%	( )%	%	%

The Fund may also borrow money as a temporary measure for extraordinary or emergency purposes, including the payment of dividends and the settlement of securities transactions which otherwise might require untimely dispositions of Fund securities.

RISK FACTORS

Risk is inherent in all investing. Before exercising their Rights pursuant to the Offer, stockholders should consider carefully the following risks that they assume when investing in the Fund.

General Risks of Investing in the Fund

The Fund is a non-diversified, closed-end management investment company designed primarily as a long-term investment and not as a trading vehicle. The Fund is not intended to be a complete investment program and, due to the uncertainty inherent in all investments, there can be no assurance that the Fund will achieve its investment objective.

Investment and Market Risk

An investment in the Fund is subject to investment risk, including the possible loss of the entire amount that you invest. Common stock prices, including the prices of shares of the Fund s Common Stock are sensitive to general movements in the stock market. A drop in the stock market may depress the price of common stock generally. Common stock prices, like other investments, may move up or down, sometimes rapidly and unpredictably. In addition, market prices of the Fund s shares of Common Stock may be affected by investors perceptions regarding closed-end funds generally or the Fund s specific underlying investments. At any point in time, shares of the Fund s Common Stock may be worth less than what a stockholder invested, even after taking into account the reinvestment of Fund dividends and distributions.

Dilution of Net Asset Value

Stockholders will experience a dilution of the aggregate net asset value per share of Common Stock upon the completion of the Offer because the Subscription Price will be less than the Fund s current net asset value per share. This dilution, which may be substantial, will be experienced by all stockholders, irrespective of whether they exercise all or any portion of their Rights, although nonexercising shareholders will experience disproportionate dilution. Also, stockholders who do not fully exercise their Rights should expect that they will own a smaller proportional interest in the Fund after the completion of the Offer. The distribution to stockholders of the Rights which themselves may have intrinsic value will afford non-participating stockholders the potential to receive a cash payment upon sale of their Rights, receipt of which may be viewed as partial compensation for the dilution of their interest in the Fund. No assurance can be given that a market for the Rights will develop, or as to the value, if any, that the Rights will have.

Market Price Discount from Net Asset Value

Shares of closed-end funds, such as the Fund, frequently trade at a discount from their net asset value. This characteristic is a risk separate and distinct from the risk that net asset value could decrease as a result of investment activities. The amount of such discount from net asset value is subject to change from time to time in response to various factors. Whether investors will realize gains or losses upon the sale of shares will depend not upon the Fund s net asset value, but entirely upon whether the market price of the shares at the time of sale is above or below an investor s purchase price for the shares. The Fund s Common Stock is designed primarily for long-term investors, and stockholders should not view the Fund as a vehicle for trading purposes.

The risk of market price discount may be greater for Fund investors expecting to sell their shares in a relatively short period of time after purchase because, for those investors, realization of gain or loss on their investment is likely to be more dependent upon the existence of a premium or discount than upon portfolio performance. The price of the Fund s Common Stock will fluctuate with, among other factors, supply and demand for the Common Stock, price changes of the Fund s portfolio securities, changes in the exchange rate between the Swiss franc and the U.S. dollar and general economic conditions in Switzerland and the United States. Payment of the offering expenses of the Offer out of the proceeds from the Offer will reduce the Fund s net asset value per share, which will increase the risk that investors who sell their shares shortly after the Offer will receive less than they paid for their Shares at the time of the Offer.

Foreign Securities Risk

In addition to the specific risks associated with investing in Swiss securities, investments in foreign securities involve certain risks not involved in domestic investments, including, but not limited to:

- fluctuations in foreign exchange rates;

future foreign economic, financial, political and social developments;

different legal systems;

the possible imposition of exchange controls or other foreign governmental laws or restrictions;

lower trading volume;

much greater volatility and illiquidity of certain foreign securities markets;

different trading and settlement practices;

less governmental supervision;

regulation changes;

changes in currency exchange rates;

less publicly available information about companies due to less rigorous disclosure or accounting standards or regulatory practices;

high and volatile rates of inflation;

fluctuating interest rates; and

different accounting, auditing and financial record-keeping standards and requirements.

Specific risks associated with investing in the Swiss equities markets are discussed below under General Risks of Investing in Swiss Securities.

Equity Securities Risk

The Fund invests principally in common stocks. Common stocks are subject to special risks. Although common stocks have historically generated higher average returns than fixed-income securities over the long-term, common stocks also have experienced significantly more volatility in returns. Common stocks may be more susceptible to adverse changes in market value due to issuer specific events or general movements in the equities markets. A drop in the stock market may depress the price of common stocks held by the Fund. Common stock prices fluctuate for many reasons, including changes in investors perceptions of the financial condition of an issuer or the general condition of the relevant stock market, or the occurrence of political or economic events affecting issuers. For example, an adverse event, such as an unfavorable earnings report, may depress the value of common stock in which the Fund has invested; the price of common stock of an issuer may be particularly sensitive to general movements in the stock market; or a drop in the stock market may depress the price of most or all of the common stocks held by the Fund. Also, common stock of an issuer in the Fund s portfolio may decline in price if the issuer fails to make anticipated dividend payments because, among other reasons, the issuer of the security experiences a decline in its financial condition. The common stocks in which the Fund will invest are typically subordinated to preferred securities, bonds and other debt instruments in a company s capital structure in terms of priority to corporate income and assets, and, therefore, will be subject to greater risk than the preferred securities or debt instruments of such issuers. In addition, common stock prices may be sensitive to rising interest rates as the costs of capital rise and borrowing costs increase.

Convertible Securities Risk

The market value of convertible securities tends to decline as interest rates increase and, conversely, tends to increase as interest rates decline. In addition, because of the conversion feature, the market value of convertible securities tends to vary with fluctuations in the market value of the underlying common stock. A unique feature of convertible securities is that as the market price of the underlying common stock declines, convertible securities tend to trade increasingly on a yield basis, and so may not experience market value declines to the same extent as the underlying common stock. When the market price of the underlying common stock increases, the prices of the convertible securities tend to rise as a reflection of the value of the underlying common stock.

Illiquid and Restricted Securities Risk

The Fund may invest up to 10% of its net assets in restricted securities and other investments that may be illiquid. Illiquid investments involve the risk that the securities will not be able to be sold at the time desired by the Fund or at prices approximating the value at which the Fund is carrying the securities on its books.

Private Equity Securities. In addition to the general risks associated with investing in illiquid and restricted securities, the Fund would be subject to heightened liquidity risks in respect of investing a greater percentage of its total assets in private equity securities, including: (i) lack of a public market; (ii) dependence on an exit strategy, such as an initial public offering or sale of a business, which may not occur to realize the anticipated value of an investment or even dispose of the investment without a significant or total loss; and (iii) dependence on managerial assistance provided by other investors and the willingness of other investors or third parties to provide additional financial support to the issuer.

Depending on the specific facts and circumstances of a private equity security investment, there may not be a reasonable basis to revalue it for a substantial period of time after the Fund s investment. It is possible that the fair value attributed to the investment may not accurately reflect its actual value and, consequently, the net asset value and/or market value of the Fund s shares may not reflect the actual values of the Fund s portfolio. In addition, the Fund s net asset value may change substantially in a short time as a result of developments at the companies in which the Fund invests. If the Fund increases the percentage of its total assets invested in private equity securities, changes in the Fund s net asset value may be more pronounced than with other funds that do not invest in private equity securities.

The business of identifying attractive investments in private equity securities of the types contemplated for the Fund is competitive, and involves a high degree of uncertainty. Furthermore, the availability of investment opportunities in private equity securities generally will be subject to market conditions as well as, in some cases, the prevailing regulatory or political climate. Accordingly, there can be no assurance that the Fund will be able to identify attractive investments in private equity securities.

Risk of Investing in Investment Companies and Other Pooled Investment Vehicles

As a stockholder in an investment company or a pooled vehicle, the Fund would bear its ratable share of that fund s expenses, and would remain subject to payment of the Fund s advisory and other fees and expenses with respect to assets so invested. Stockholders would therefore be subject to duplicative expenses to the extent the Fund invests in other investment companies or pooled vehicles. The Adviser will take expenses into account when evaluating the investment merits of an investment in an investment company or pooled vehicle. The securities of other investment companies and pooled vehicles also may be leveraged and may, depending on the extent of leverage, be subject to greater leverage risks than to which the Fund is subject.

Investment companies and pooled vehicles may have investment policies that differ from those of the Fund. In addition, to the extent the Fund invests in other investment companies or pooled vehicles, the Fund will be dependent upon the investment and research abilities of persons other than the Adviser.

Private Equity Funds. Investments in private equity funds are illiquid. It will be difficult for the Fund to gain access to, or liquidate, its capital contribution as those assets are locked-up in long-term investments by the private equity fund that usually last for approximately ten years and sometimes longer. Distributions are made only as investments are converted to cash, and the Fund typically will have no right to demand that sales be made. As such, the Fund and its stockholders may not see a realized return on an investment in a private equity fund for a number of years after its initial capital contribution.

In addition to the general risks associated with private equity investments described above, the Fund may have limited access to information concerning the underlying fund and its investments. For funds that are not listed on an exchange, HCC will fair value the Fund s investment pursuant to procedures approved by the Fund s Board. The valuation ordinarily will be the value determined at the end of a fund s fiscal period in accordance with the fund s valuation policies. The fair value of the Fund s investment in a fund represents the amount that the Fund could reasonably expect to receive from a fund if the Fund s investment were redeemed at the time of valuation, based on information reasonably available at the time the valuation is made and that HCC believes to be reliable. In the unlikely event that a fund does not report a value to HCC on a timely basis, HCC would determine the fair value of the fund based on the most recent value reported by the fund, as well any other relevant information available at that time. Although HCC will review the valuations provided by the funds, HCC may not be able to confirm independently the accuracy of such valuations.

Swiss Real Estate Company Risk

In addition to the general risks associated with investing in Swiss equity and equity-linked securities discussed below under General Risks of Investing in Swiss Securities Swiss Securities Risk, the Fund s investments in Swiss Real Estate Companies will be linked to the performance of the Swiss real estate markets. The Fund will not invest in real estate directly (except as described below), but only in securities issued by Swiss Real Estate Companies. However, these investments are subject to the risks associated with the direct ownership of real estate.

Real Estate General. Real property investments are subject to varying degrees of risk. The price of real estate company shares may decline because of the failure of borrowers to pay their loans and poor management. Many real estate companies also utilize leverage, which increases investment risk and could adversely affect a company s operations and market value in periods of rising interest rates. If real estate properties do not generate sufficient income to meet operating expenses, the income and ability of the real estate company to make payments of any interest and principal on its debt securities will be adversely affected. In addition, real property may be subject to the quality of credit extended and defaults by borrowers and tenants. A real estate company also may have joint venture investments in certain of its properties and, consequently, its ability to control decisions relating to these properties may be limited.

The performance of the Swiss economy and the economies of any other countries and regions in which the real estate owned by a portfolio company may be located affects occupancy, market rental rates and expenses and, consequently, has an impact on the income from such properties and their underlying values. There also are risks associated with particular sectors of real estate investments, such as in the retail, office, hotel, healthcare and multifamily sectors, each of which will be affected by the economic health of the sector specifically and the overall economy generally, demographic changes, spending patterns, governmental regulations, competition and obsolescence.

Real Estate Investment Trusts. A REIT (or REIT-like structure) is dedicated to owning, and usually operating, income producing real estate, or to financing real estate. Such companies normally derive income from rents or from interest payments, and may realize capital gains by selling properties that have appreciated in value. Investing in REITs or REIT-like structures involves certain unique risks in addition to those risks associated with investing in the real estate industry in general. REITs are characterized as equity REITs, mortgage REITs and hybrid REITs. An equity REIT may be affected by changes in the value of the underlying properties owned by the REIT. A mortgage

REIT may be affected by changes in interest rates and the ability of the issuers of its portfolio mortgages to repay their obligations. REITs are generally dependent upon maintaining cash flows to repay borrowings and to make distributions to shareholders and are subject to the risk of default by lessees or borrowers. REITs whose underlying assets are concentrated in properties used by a particular industry are also subject to risks associated with such industry. REITs or REIT-like structures may experience delays in enforcing their rights as a mortgagee or lessor and may incur substantial costs associated with protecting their investments. REITs also may fail to qualify under any tax provisions pursuant to which they were structured, and the application of unanticipated taxation may significantly reduce the return to the Fund.

The Fund also may acquire real estate or mortgages on real estate as a result of default, liquidation or other distributions of an interest in real estate solely as a result of the Fund s ownership of Swiss Real Estate Companies. The Fund may have difficulty enforcing its rights as a mortgagee or lessor and may incur substantial costs in connection with protecting its investments.

Options Risk

The Fund may engage in certain options transactions (relating to securities in which the Fund can invest and Swiss stock indices) which are considered derivative instruments. The use of these types of options involves risks different from or possibly greater than, the risks associated with investing directly in the underlying assets.

HCC may utilize options contracts to manage the Fund s exposure to changing security prices. Some options strategies, including buying puts, will tend to hedge the Fund s investments against price fluctuations. Other strategies, including buying calls, will tend to increase market exposure. Successful use by the Fund of options will be subject to HCC s ability to predict correctly movements in the prices of securities and indices underlying options and the stock market generally. To the extent HCC s predictions are incorrect, the Fund may incur losses.

The Fund also may engage in a strategy known as covered call option writing, which is designed to produce income from option premiums and offset a portion of a market decline in the underlying security. The Fund, as writer (seller) of a covered call option forgoes, during the option s life, the opportunity to profit from increases in the market value of the security covering the call option above the sum of the premium and the strike price of the call, but has retained the risk of loss should the price of the underlying security decline. The writer of an option has no control over the time when it may be required to fulfill its obligation as a writer of the option.

Leverage Risk

Using leverage is a speculative investment technique and involves certain risks, including higher volatility of the net asset value of the Fund s Common Stock and in the market value of the Fund s Common Stock and the possibility either that the Fund s return will fall if the interest rate on any borrowings rises, or that income will fluctuate because the interest rate of borrowings varies. So long as the Fund is able to realize a higher net return on its investment portfolio than the then current cost of any leverage together with other related expenses, the effect of the leverage will be to cause the Fund to realize higher net return than if the Fund were not so leveraged. On the other hand, to the extent that the then current cost of any leverage, together with other related expenses, approaches the net return on the Fund s investment portfolio, the benefit of leverage to stockholders will be reduced, and if the then current cost of any leverage were to exceed the net return on the Fund s portfolio, the Fund s leveraged capital structure would result in a lower rate of return than if the Fund were not so leveraged. There can be no assurance that any leverage strategy the Fund employs will be successful. The Fund will pay any costs and expenses relating to any borrowings.

If the market value of the Fund s portfolio declines, the leverage will result in a greater decrease in net asset value than if the Fund were not leveraged. A greater net asset value decrease also will tend to cause a greater decline in the market price for the Fund s Common Stock. To the extent that the Fund is required or elects to prepay any borrowings, the Fund may need to liquidate investments to fund such prepayments. Liquidation at times of adverse economic conditions may result in capital loss and reduce returns.

General Risks of Investing in Swiss Securities

Swiss Securities Risk

The Fund invests primarily in Swiss equity and equity-linked securities. Trading in Swiss equities involves certain risks and special considerations not usually associated with investing in securities of established U.S. companies, including (i) risks related to the nature of the market for Swiss equities, including the risk that the Swiss equities markets may be affected by market developments in different ways that U.S. securities markets and may be more volatile than U.S. securities markets; (ii) political and economic risks with respect to Switzerland, including the possible imposition of, or changes in, currency exchange laws or other Swiss laws or restrictions applicable to investments in Swiss equities; (iii) fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and (iv) Swiss laws and government regulations that may create potential limitations and restrictions on investments by the Fund in Swiss securities.

Swiss equity securities have historically exhibited a high price to earnings ratio relative to securities traded in the United States securities markets. Differences in accounting methods make it difficult to compare the earnings of Swiss companies with those of companies in other countries, especially the United States. In general, however, reported net income in Switzerland is understated relative to United States accounting standards and is one reason why the price-to-earnings ratios of Swiss equities tend to be higher than those for U.S. equity securities.

Swiss Market Risk

The Swiss securities markets have substantially less trading volume than the U.S. securities markets. Additionally, the capitalization of the Swiss securities markets is highly concentrated. As of December 31, 2006, the securities of the 10, 20 and 25 largest companies accounted for 76.3%, 84.9% and 87.5%, respectively, of the total equity market capitalization represented by the Swiss Performance Index of Swiss Shares (the SPI). As of December 31, 2006, the SPI was composed of 225 companies having a total market capitalization of Sfr. 1,222 billion. In addition, securities of some companies located in Switzerland will be less liquid and more volatile than securities of comparable U.S. companies. This combination of lower volume and greater concentration in the Swiss securities markets may create a risk of greater price volatility than in the U.S. securities markets. Commissions for trading on Swiss exchanges are generally higher than commissions for trading on U.S. exchanges, although the Fund seeks the most favorable net results (taking into account transaction costs) on its portfolio transactions and may, in certain instances, be able to purchase portfolio investments on which commissions are negotiable. Further, Swiss markets typically have less government supervision compared to the U.S. markets.

Disclosure Standards Risk

Swiss reporting, accounting and auditing standards differ from U.S. standards in important respects. Swiss corporations, other than subsidiaries of U.S. companies, do not provide all of the disclosure required by U.S. law and accounting practice, and such disclosure may be less timely than required of U.S. companies by the SEC or under U.S. GAAP. As a result, less specific information may be available to investors in Swiss securities than to investors in U.S. securities. Typically, financial statements of Swiss corporations contain balance sheet and profit and loss account figures, together with the notes to such figures. Under Swiss law, a company must prepare such financial statements annually and have them available for inspection at the registered seat of the company. Upon the request of any stockholder, copies of the financial statements shall be immediately sent to the requesting party. Recently, Swiss companies have presented more information, including source and use of funds, and more detailed explanatory notes than the information and notes currently required by law. The holding company of affiliated companies must further prepare consolidated financial statements. Swiss banks are insurance companies are subject to stricter disclosure requirements than other Swiss companies, but these rules are not as comprehensive as SEC or GAAP reporting standards.

A growing number of Swiss companies, however, use the International Accounting Standards (IAS), which could facilitate and attract foreign investments.

Foreign Currency and Exchange Rate Risk

The Fund s assets are invested primarily in Swiss equities and equity-linked securities. In addition, the Fund makes its temporary investments in Swiss franc-denominated bank deposits, short-term debt securities and money market instruments. Substantially all income received by the Fund is in Swiss francs. The Fund s net asset value, however, is reported, and distributions from the Fund are made, in U.S. dollars. Historically, the Fund has not entered into transactions designed to reduce currency risk and does not intend to do so in the future. Accordingly, currency risks in connection with investments in the Fund will be borne by investors. Therefore, the Fund s reported net asset value and distributions could be adversely affected by devaluation of the Swiss franc relative to the U.S. dollar. No assurance can be given as to future rates of exchange between the Swiss franc and the U.S. dollar.

In addition, the Fund computes its income at the foreign exchange rate in effect on the day of its receipt by the Fund. If the value of the Swiss franc falls relative to the U.S. dollar between the date the Fund receives such income and the date it makes distributions, and, if the Fund has insufficient cash in U.S. dollars to meet distribution requirements, it may be required to liquidate securities in order to make distributions. Such liquidations, if required, may adversely affect the Fund. The Fund is required to distribute annually 90% of its investment company taxable income to its stockholders in order to maintain its qualification as a regulated investment company for U.S. tax purposes. If the Fund is unable to obtain funds necessary to meet these distribution requirements, the Fund will not qualify for the dividends-paid deduction available to regulated investment companies under the Code, and will be subject to a corporate-level tax on its income for that year.

The Fund also pays certain expenses and dividends in U.S. dollars. In making such payments, the Fund incurs currency conversion costs.

Tax Risk

Dividends and certain interest paid to the Fund by Swiss corporate entities will be subject to certain withholding taxes in Switzerland. Subject to certain limitations imposed by the Code, foreign taxes withheld from distributions to the Fund or otherwise paid by the Fund may be creditable against taxes owed or deductible from income by U.S. stockholders for U.S. Federal income tax purposes if the Fund makes an election to treat the stockholders as having paid those taxes for U.S. Federal income tax purposes. The Fund s ability to make such an election is subject to certain requirements in the Code. Although the Fund expects to be eligible to make such an election each year, and intends to do so if it is eligible, there is no assurance that the Fund will be eligible each year. If the election is made, the amount of such foreign taxes paid by the Fund will be includible as income to the stockholders for U.S. Federal income tax purposes. Non-U.S. investors may not be able to credit or deduct such foreign taxes, but may be deemed to have additional income from the Fund subject to U.S. withholding tax. Investors should review carefully the information discussed under Taxation below and should discuss with their tax advisors the specific tax consequences of investing in the Fund.

Additional Risk Considerations

Non-Diversified Status

The Fund is classified as a non-diversified investment company under the 1940 Act, which means the Fund is not limited by the 1940 Act in the proportion of its assets that may be invested in the securities of a single issuer.

However, the Fund intends to conduct its operations so as to qualify as a regulated investment company for purposes of the Code, which generally will relieve the Fund of any liability for Federal income tax to the extent its earnings are distributed to stockholders. See U.S. Federal Taxation in the SAI. To so qualify, among other requirements, the Fund will limit its investments so that, at the close of each quarter of the taxable year, (i) not more than 25% of the value of its total assets will be invested in the securities (other than U.S. Government securities or the securities of other regulated investment companies) of a single issuer, or two or more issuers which the Fund controls and are engaged in the same, similar or related trades or businesses and (ii) at least 50% of the value of its total assets will be invested in cash and cash items, U.S. Government securities, securities of other regulated investment companies and other securities; provided, however, that with respect to such other securities, not more than 5% of the value of its total assets will be invested in the securities of a single issuer and the Fund will not own more than 10% of the outstanding voting securities of a single issuer. In addition, at the close of each quarter, no more than 25% of the value of its total assets may be invested in the securities of one or more qualified publicly traded partnerships, as defined in the Code. Because the Fund, as a non-diversified investment company, may invest in a smaller number of individual issuers than a diversified investment company, an investment in the Fund presents greater risk to you than an investment in a diversified company.

The Fund intends to comply with the diversification requirements of the Code applicable to regulated investment companies. The Fund s top ten portfolio holdings, which constitute approximately 76% of the Fund s net assets, however, have substantial unrealized capital gains. Additionally, principally as a result of appreciation, the Fund s top seven holdings each exceed 5% of the Fund s net assets and, in the aggregate, constitute approximately 63% of the Fund s net assets As a result, the Fund is unable to invest additional assets in those companies because such investments could result in the Fund s failure to qualify as a regulated investment company under Subchapter M of the Code. See Concentration and Unrealized Appreciation Risk.

New Securities Risk

Until 2006, the Fund was not permitted to engage in various investment strategies described in this prospectus, including investing in real estate, private equity and investment companies and pooled vehicles, as well as engaging in options trading. Although the investment decisions for the Fund will be made by experienced professionals who have successfully pursued the Fund s historical investment strategies, the successful use of these investment strategies will be subject to HCC s ability to identify attractive investment opportunities for the Fund in areas in which the Fund has not previously invested.

Concentration and Unrealized Appreciation Risk.

As of January 31, 2007, the Fund s top ten portfolio holdings constituted approximately 76% of the Fund s net assets in respect of which, the Fund has significant unrealized capital gains. Additionally, principally as a result of appreciation, the Fund s top seven holdings each exceed 5% of the Fund s net assets and, in the aggregate, constitute approximately 63% of the Fund s net assets As a result, the Fund is unable to invest additional assets in those companies because such investments could result in the Fund s failure to qualify as a regulated investment company under Subchapter M of the Code.

The Fund, to date, has not sought to sell its positions in these companies because (i) such gains, when realized and distributed, will become taxable to the Fund s stockholders and (ii) the Fund may not be able to find similar investments at attractive prices in those issuers or other Swiss companies. Furthermore, there can be no assurance that the investment performance giving rise to such unrealized gains will continue, or that such gains will, in fact, be realized.

As of December 31, 2006, the Fund had net assets of approximately $503.28 million and approximately $314.2 million in net unrealized appreciation. If realized and distributed, or deemed distributed, such appreciation generally would be taxable to stockholders on the basis of their holdings in shares, including the Shares acquired in the Offer.

Foreign Custody

Citibank, N.A. acts as the Fund s custodian through its London branch, which maintains custody of the Fund s portfolio securities and cash. It is often more expensive for the Fund to buy, sell and hold securities in certain foreign markets than in the United States. The increased expense of investing in foreign markets reduces the amount the Fund can earn on its investments and typically results in a higher operating expense ratio for the Fund than for investment companies invested only in the United States.

Anti-Takeover Provisions

The Fund s Articles of Incorporation, as amended to date (the Charter) and By-Laws contain certain provisions such as staggered elections of Directors and super-majority voting requirements for certain transactions. These provisions could have the effect of limiting the ability of other entities or persons to acquire control of the Fund or to change the composition of the Fund s Board of Directors and depriving stockholders of an opportunity to sell their shares of Common Stock at a premium over prevailing market prices by discouraging a third party from seeking to obtain control of the Fund. See Certain Provisions of the Charter and By-Laws below.

Dividend Distribution Risk

In June 2003, the Fund settled litigation involving its prior practice of declaring dividends payable in Common Stock at a time when the Fund s Common Stock was trading at a discount to net asset value, which diluted the interests of stockholders. As a result, through December 31, 2012, the Fund may not declare dividends payable in shares of Common Stock until any existing dilution resulting from this practice has been eliminated through open market purchase of the Fund s Common Stock at times when the Fund s net asset value exceeds its market price.

If the Fund is not able to eliminate its net asset value dilution by December 31st of each year (there currently exists such dilution), the Fund may not issue its capital gains distribution in Common Stock and may have to either (i) borrow money or (ii) sell portfolio holdings in order to make a cash distribution.

Market Disruption Risk

The aftermath of the war in Iraq and the continuing occupation of Iraq, instability in the Middle East and terrorist attacks in the United States and around the world have resulted in market volatility and may have long-term effects on the U.S. and worldwide financial markets and may cause further economic uncertainties in the United States and worldwide. These events could also adversely affect individual issuers and securities markets, interest rates, secondary trading, credit risk, inflation, deflation and other factors relating to the Fund s Common Stock. The Fund does not know how long the securities markets will continue to be affected by these events and cannot predict the effects of the occupation or similar events in the future on the U.S. and worldwide economy and securities markets.

MANAGEMENT OF THE FUND

The business and affairs of the Fund are managed under the direction of the Board of Directors. The Directors approve all significant agreements between the Fund and persons or companies furnishing services to it, including the Fund s agreement with its investment adviser, administrator, custodian and transfer agent. The management of the Fund s day-to-day operations is delegated to its officers, the Adviser and the Fund s administrator, subject always to the investment objective and policies of the Fund and to the general supervision of the Directors. The names and business addresses of the Directors and officers of the Fund and their principal occupations and other affiliations during the past five years are set forth under Management of the Fund in the SAI.

Investment Adviser and Investment Advisory Agreement

Hottinger Capital Corp., with offices located at 1270 Avenue of the Americas, Suite 400, New York, New York 10020, has been retained to provide investment advice to, and, in general, to conduct the management and investment program of, the Fund under the overall supervision and control of the Directors of the Fund. HCC has been the Fund s investment adviser since the Fund s inception, and is principally owned by Hottinger et Cie (Zurich) and Hottinger U.S. Inc.

Pursuant to the Investment Advisory Agreement, the Adviser is responsible for selecting portfolio securities and for providing a continuous investment program for the Fund, including providing investment research and management and purchasing, retaining and selling securities for the Fund and placing orders for the execution of the Fund s portfolio transactions, all in accordance with the 1940 Act and any rules thereunder, the supervision and control of the Board of Directors, and the investment objective, policies and restrictions of the Fund. The services of HCC to the Fund are not exclusive, and HCC is free to render investment advisory services to others.

For its services under the Investment Advisory Agreement, the Fund pays HCC an annual advisory fee hereunder of 1.0% of the Fund s average monthly net assets up to $60 million, 0.90% of such assets between $60 million and $100 million, 0.80% of such assets between $100 million and $200 million, 0.70% of such assets between $200 million and $300 million, 0.65% of such assets between $300 million and $400 million, 0.60% of such assets between $400 million and $500 million, 0.55% of such assets between $500 million and $600 million, and 0.50% of such assets in excess of $600 million, computed by the Fund s administrator on the basis of net assets at the end of each month.

In 2006, the Fund s average assets were $[_____] million, and the blended advisory fee for that period was [___]%. As of December 31, 2006, the Fund s net assets were approximately $502.8 million, which exceeded the 0.55% breakpoint by almost $3 million. Assuming the Offer is fully subscribed, the net proceeds are anticipated to be $[______], exceeding the final breakpoint of 0.50% and producing a blended fee on that amount of [___]%.

In addition to the monthly advisory fee, the Fund bears all of its own expenses, including but not limited to the following: fees and out-of-pocket travel expenses of the Fund s Directors who are not interested persons and other expenses incurred by the Fund in connection with Directors meetings; interest expenses; taxes and governmental fees; brokerage commissions incurred in acquiring or disposing of the Fund s portfolio securities; membership dues to professional organizations; premiums allocable to fidelity bond and liability insurance coverages; expenses of preparing stock certificates; expenses in connection with the issuance, offering, distribution, sale or underwriting of securities issued by the Fund; expenses of registering and qualifying the Fund s shares for sale with the SEC; charges and expenses of the Fund s legal counsel and independent accountants; custodian, dividend disbursing and transfer agent expenses; expenses of obtaining and maintaining stock exchange listings of the Fund s shares; and the expenses of stockholders meetings and preparing and distributing proxies and reports to stockholders.

The Fund s portfolio managers who are primarily responsible for the day to day management of the Fund s portfolio are:

Philippe Comby Mr. Comby, a portfolio manager since 1999 when he joined the Adviser, is a Vice President of the Fund and a Director and Senior Vice President of the Adviser. Mr. Comby has been affiliated with the Hottinger Group since 1994, providing portfolio management and client advisory services. He is a member of the New York Society of Security Analysts, a member of Global Association of Risk Professionals and a Chartered Financial Analyst.

Rudolf Millisits Mr. Millisits, a portfolio manager since 1994 when he joined the Adviser, is the Senior Vice President and Chief Financial Officer of the Fund and the Chief Operating Officer, Executive Vice President and Chief Compliance Officer of the Adviser. Mr. Millisits has been affiliated with the Hottinger

Group since 1993, providing portfolio management and private banking services. Prior to joining the Hottinger Group, Mr. Millisits was a portfolio manager for private clients for Credit Suisse in New York and Geneva.

See Investment Advisory and Other Services Portfolio Managers in the SAI for further information about the Fund s portfolio managers compensation, other accounts managed by the portfolio managers and the portfolio managers ownership of securities in the Fund.

Administrator and Administration Agreement

Pursuant to an Administration Agreement between the Fund and Citigroup Fund Services (the Administration Agreement), Citigroup Fund Services performs certain administrative and accounting functions for the Fund, including monitoring relationships with the Fund s service providers; supervising compliance by the Fund with record-keeping requirements under the 1940 Act and maintaining books and records for the Fund; supervising the pricing of the Fund s investment portfolio and the publication of the net asset value of the Fund s shares, earnings reports and other financial data; supervising preparation of periodic reports to the Fund s stockholders and filing of these reports with the SEC, Forms N-CSR, N-Q, N-SAR and N-PX filed with the SEC, notices of dividends, capital gains distributions and tax credits, and attending to routine correspondence and other communications with individual stockholders; preparing and filing of tax reports other than the Fund s income tax returns; and providing executive, clerical and secretarial help needed to carry out these responsibilities. For a complete description of the Administration Agreement, see Investment Advisory and Other Services Administrator and Administration Agreement in the SAI.

Pursuant to the Administration Agreement, the Fund pays Citigroup Fund Services a fee of 0.08% on the first $250 million of the Fund s daily net assets; 0.05% on the next $250 million of the Fund s daily net assets; and 0.03% on assets in excess of $500 million of the Fund s daily net assets.

THE SWISS ECONOMY AND SECURITIES MARKETS

Certain information relating to Switzerland has been extracted from various governmental and private sources, as indicated herein.

The Swiss Economy

[TO BE FILED BY AMENDMENT]

The Swiss Equities Markets

[TO BE FILED BY AMENDMENT]

The Swiss Electronic Stock Exchange

[TO BE FILED BY AMENDMENT]

DIVIDENDS AND DISTRIBUTIONS

Dividend Reinvestment Plan

The Fund has a dividend reinvestment plan (the Plan) commonly referred to as an opt-in plan. Each Common Stockholder who participates in the Plan will have all distributions of dividends and capital gains automatically reinvested in additional whole or fractional shares of Common Stock by American Stock Transfer & Trust Company as agent (the Plan Agent). Stockholders (including stockholders such as banks, brokers or nominees who hold shares for others who are beneficial owners) who elect to participate in the Plan will have all distributions and dividends payable in whole or in part in cash automatically reinvested in Fund shares in accordance with the terms of the Plan. Stockholders whose shares of Common Stock are held in the name of a broker or nominee should contact the broker or nominee to determine whether and how they may participate in the Plan.

The Plan Agent serves as agent for the stockholders in administering the Plan. After the Fund declares a dividend or makes a capital gain distribution, the Plan Agent will, as agent for the stockholders, either (i) receive the cash payment and use it to buy Common Shares in the open market, on the NYSE or elsewhere, for the participants accounts or (ii) distribute newly issued shares of Common Stock of the Fund on behalf of the participants. There is no charge to participate in the Plan. Stockholders will, however, pay a pro rata share of brokerage commissions incurred with respect to the Plan Agent s open market purchases of shares of the Fund s Common Stock. Stockholders receive shares valued at the lower of the Fund s net asset value or the Fund s market price, as follows:

if the net asset value is greater than the market price (the Fund is trading at a discount), the Plan Agent will buy Fund shares for on the open market on the NYSE or elsewhere. Stockholders dividends or distributions will be reinvested at the average price the Plan Agent pays for those purchases;

if the net asset value is equal to the market price (the Fund is trading at parity), the Fund will issue new shares at net asset value;

if the net asset value is less than but within 95% of the market price (the Fund is trading at a premium of less than 5%), the Fund will issue new shares at net asset value; or

if the net asset value is less than 95% of the market price (the Fund is trading at a premium of 5% or more), the Fund will issue new shares at 95% of the market price.

Participants in the Plan may withdraw from the plan upon notice to the Plan Agent or their broker.