

Hottinger Capital Corp Decides to Vote Against Swiss Helvetia Fund Proposal

Written by Australian Business

NEW YORK--([BUSINESS WIRE](#))--Hottinger Capital Corp (“HCC”), a stockholder of the Swiss Helvetia Fund, Inc. (the “Fund”), today announced that it would be voting **against**

the proposals to approve an Investment Advisory Agreement and a Sub-Advisory Agreement with Schroder Investment Management North America (“Schroder”) and an affiliate of Schroder which stockholders are being asked to consider at the upcoming Annual Meeting of Stockholders on June 27, 2014. The decision to vote against the proposal is primarily because:

1. Voting against the proposal and retaining HCC at its proposed new fee will result in an annual savings of approximately \$745,000 compared to the Schroder proposal for investors in the Fund.

HCC, which is the current investment manager of the Fund, has proposed a significantly lower management fee for the Fund if it is retained as investment advisor. As noted in the Fund’s recent proxy amendment, “the fee rate proposed by HCC would reduce the annual investment advisory fees payable by the Fund below the fee rate currently proposed by Schroders by approximately \$745 thousand (based on the Fund’s net assets of December 31, 2013 and assuming that amount remained constant for a year).” This reduction in fees is an important element of HCC’s most recent proposal made to the Non Interested Directors of the Board of the Fund and HCC would be willing to continue providing investment management services to the Fund on this basis if stockholders vote against appointment of Schroder as the investment manager. HCC’s proposal also included HCC absorbing the cost of the compliance officer resulting in additional annual savings to the Fund. We believe that this significant savings in fees, coupled with HCC performance history, strongly suggest that it is in our best interest as an investor in the Fund to retain HCC instead of approving Schroders as the adviser to the Fund.

2. The Swiss banking regulators, on June 13, 2014, approved a recapitalization of the parent of HCC such that any concerns about its capitalization should be eliminated.

As part of the recapitalization, the ownership of the HCC parent changed in certain respects. Some investors decreased their percentage ownership in the parent and certain new investors were added. The new shareholder have ownership interests ranging from 3.85% to 19.23%. Although the changes in ownership percentages could trigger a “change

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of control” under the Investment Company Act of 1940, such a change of control is a fairly common occurrence and can be dealt with by Board approval of an interim investment advisory agreement followed by shareholder approval of the agreement through a shareholder proxy statement. Because such a proxy statement would be paid for by HCC or its parent there is little downside to investors of this change of control. To the contrary, we believe that the recapitalization and change of control are reasons to retain HCC and vote against the proposal to hire Schroders.

About Hottinger Capital Corp

Hottinger Capital Corp is an affiliate of Groupe Banque Hottinger & Cie SA.