

NEW GERMANY FUND INC
Form N-Q
May 27, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM N-Q
QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number: 811-05983

The New Germany Fund, Inc.
(Exact name of registrant as specified in charter)

345 Park Avenue
New York, NY 10154
(Address of principal executive offices) (Zip code)

Paul Schubert
60 Wall Street
New York, NY 10005
(Name and address of agent for service)

Registrant's telephone number, including area code: (212) 250-3220

Date of fiscal year end: 12/31

Date of reporting period: 3/31/2015

ITEM 1. SCHEDULE OF INVESTMENTS

The New Germany Fund, Inc.

Schedule of Investments as of March 31, 2015 (Unaudited)

| | Shares | Value (\$) |
|--------------------------|--------|------------|
| Germany 83.4% | | |
| Common Stocks 80.2% | | |
| Aerospace & Defense 3.0% | | |
| MTU Aero Engines | 82,217 | 8,059,148 |
| Auto Components 1.3% | | |
| Hella KGaA Hueck & Co.*† | 47,569 | 2,288,024 |

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| | | |
|---|---------|------------|
| SAF-Holland | 80,405 | 1,289,422 |
| | | 3,577,446 |
| Chemicals 8.4% | | |
| Evonik Industries | 270,968 | 9,656,454 |
| Symrise | 147,631 | 9,324,205 |
| Wacker Chemie | 28,383 | 3,282,745 |
| | | 22,263,404 |
| Commercial Services & Supplies 0.5% | | |
| Bilfinger Berger | 22,227 | 1,288,596 |
| Construction & Engineering 1.4% | | |
| Hochtief | 47,676 | 3,611,961 |
| Diversified Financial Services 0.6% | | |
| Grenkeleasing | 13,954 | 1,610,159 |
| Diversified Telecommunication Services 1.8% | | |
| Telefonica Deutschland Holding | 836,414 | 4,826,609 |
| Electrical Equipment 5.3% | | |
| Nordex* | 68,188 | 1,386,275 |
| OSRAM Licht Group | 256,341 | 12,739,743 |
| | | 14,126,018 |
| Electronic Equipment, Instruments & Components 1.2% | | |
| Jenoptik | 236,794 | 3,201,330 |
| Food & Staples Retailing 2.1% | | |
| Metro | 162,478 | 5,510,291 |
| Health Care Equipment & Supplies 1.2% | | |
| STRATEC Biomedical | 62,300 | 3,049,735 |
| Health Care Providers & Services 0.4% | | |
| Rhoen Klinikum | 44,980 | 1,116,752 |
| Health Care Technology 0.3% | | |
| CompuGroup Medical | 26,613 | 769,293 |
| Hotels, Restaurants & Leisure 1.2% | | |
| TUI | 183,025 | 3,214,070 |
| Industrial Conglomerates 1.7% | | |
| Rheinmetall | 94,102 | 4,545,914 |
| Insurance 2.7% | | |
| Hannover Rueck | 41,666 | 4,302,476 |
| Talanx | 94,922 | 2,975,676 |
| | | 7,278,152 |
| Internet & Catalog Retail 2.1% | | |
| Zalando SE 144A*† | 224,730 | 5,610,898 |

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| | | |
|---|---------|------------|
| Internet Software & Services 5.0% | | |
| Rocket Internet 144A* | 19,063 | 943,002 |
| United Internet | 198,436 | 9,032,316 |
| XING | 19,371 | 3,337,249 |
| | | 13,312,567 |
| IT Services 2.1% | | |
| Wirecard | 134,278 | 5,673,115 |
| | Shares | Value (\$) |
| Life Sciences Tools & Services 1.5% | | |
| Evotec* | 102,970 | 415,585 |
| Gerresheimer | 33,534 | 1,848,724 |
| MorphoSys* | 28,291 | 1,785,916 |
| | | 4,050,225 |
| Machinery 7.5% | | |
| Duerr | 30,975 | 3,407,978 |
| GEA Group | 65,792 | 3,180,776 |
| KION Group | 77,715 | 3,182,863 |
| Krones | 47,467 | 4,938,688 |
| Pfeiffer Vacuum Technology | 13,536 | 1,150,013 |
| Rational | 3,691 | 1,235,128 |
| Stabilus* | 85,550 | 2,936,428 |
| | | 20,031,874 |
| Media 5.7% | | |
| Axel Springer | 17,217 | 1,016,440 |
| ProSiebenSat.1 Media | 223,761 | 10,977,658 |
| Stroeer Media | 95,204 | 3,258,391 |
| | | 15,252,489 |
| Metals & Mining 1.1% | | |
| Aurubis† | 38,617 | 2,187,395 |
| Salzgitter | 20,617 | 599,399 |
| | | 2,786,794 |
| Real Estate Management & Development 11.3% | | |
| Deutsche Annington Immobilien | 261,126 | 8,801,189 |
| Deutsche Wohnen | 223,287 | 5,713,882 |
| LEG Immobilien | 195,796 | 15,525,068 |
| | | 30,040,139 |
| Semiconductors & Semiconductor Equipment 2.5% | | |
| Dialog Semiconductor* | 89,923 | 4,060,255 |
| Kontron* | 420,962 | 2,688,570 |
| | | 6,748,825 |
| Software 0.5% | | |
| Software | 46,960 | 1,222,367 |
| Specialty Retail 1.3% | | |
| Fielmann | 52,315 | 3,505,190 |
| Technology Hardware, Storage & Peripherals 0.3% | | |
| Wincor Nixdorf | 15,370 | 721,629 |
| Thriffs & Mortgage Finance 1.2% | | |

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| | | |
|--|-----------|-------------|
| Aareal Bank | 73,205 | 3,087,732 |
| Trading Companies & Distributors 2.7% | | |
| Brenntag | 111,977 | 6,702,135 |
| Kloeckner* | 51,550 | 494,186 |
| | | 7,196,321 |
| Wireless Telecommunication Services 2.3% | | |
| Freenet | 198,557 | 5,983,655 |
| Preferred Stocks 3.2% | | |
| Health Care Equipment & Supplies 2.4% | | |
| Draegerwerk (Cost \$5,406,037) | 49,861 | 6,211,089 |
| Specialty Retail 0.8% | | |
| Hornbach Holding (Cost \$2,892,092) | 28,225 | 2,220,143 |
| Total Germany (Cost \$171,972,312) | | 221,703,930 |
| Netherlands 13.6% | | |
| Common Stocks | | |
| Aerospace & Defense 11.2% | | |
| Airbus Group NV | 459,615 | 29,818,119 |
| | Shares | Value (\$) |
| Life Sciences Tools & Services 2.4% | | |
| QIAGEN* | 248,292 | 6,255,145 |
| Total Netherlands (Cost \$16,331,995) | | 36,073,264 |
| Luxembourg 1.6% | | |
| Common Stocks | | |
| Media 1.6% | | |
| RTL Group (Cost \$3,479,464) | 44,037 | 4,236,749 |
| Switzerland 1.4% | | |
| Closed-End Funds | | |
| BB Biotech*† (Cost \$2,441,698) | 12,588 | 3,850,909 |
| Securities Lending Collateral 1.8% | | |
| Daily Assets Fund Institutional, 0.11% | | |
| (Cost \$4,852,793)(a)(b) | 4,852,793 | 4,852,793 |
| Cash Equivalents 0.1% | | |
| Central Cash Management Fund, 0.08% | | |
| (Cost \$183,860)(b) | 183,860 | 183,860 |
| | % of Net | Value (\$) |

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| | Assets | |
|--|--------|-------------|
| Total Investments Portfolio (Cost \$199,262,122)** | 101.9 | 270,901,505 |
| Other Assets and Liabilities, Net | (1.9) | (5,006,543) |
| Net Assets | 100.0 | 265,894,962 |

For information on the Fund's policies regarding the valuation of investments and other significant accounting policies, please refer to the Fund's most recent semi-annual or annual financial statements.

* Non-income producing security.

** The cost for federal income tax purposes was \$202,368,857. At March 31, 2015, net unrealized appreciation for all securities based on tax cost was \$68,532,648. This consisted of aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost of \$100,532,982 and aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value of \$32,000,334.

† All or a portion of these securities were on loan. The value of all securities loaned at March 31, 2015 amounted to \$4,546,158 which is 1.7% of net assets.

(a) Represents collateral held in connection with securities lending. Income earned by the Fund is net of borrower rebates.

(b) Affiliated fund managed by Deutsche Investment Management Americas Inc. The rate shown is the annualized seven-day yield at period end.

144A - Securities exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers.

For purposes of its industry concentration policy, the Fund classifies issuers of portfolio securities at the industry sub group level. Certain of the categories in the above Schedule of Investments consist of multiple industry sub groups or industries.

Fair Value Measurements

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in three broad levels. Level 1 includes quoted prices in active markets for identical securities. Level 2 includes other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds and credit risk). Level 3 includes significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments). The level assigned to the securities valuations may not be an indication of the risk associated with investing in those securities.

The following is a summary of the inputs used as of March 31, 2015 in valuing the Fund's investments.

| Assets | Level 1 | Level 2 | Level 3 | Total |
|---|---------|---------|---------|-------|
| Common Stocks and/or Other Equity Investments (c) | | | | |

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| | | | |
|----------------------------|----------------|------|---------------------|
| Germany | \$ 221,703,930 | \$ — | \$ —\$ 221,703,930 |
| Netherlands | 36,073,264 | — | — 36,073,264 |
| Luxembourg | 4,236,749 | — | — 4,236,749 |
| Switzerland | 3,850,909 | — | — 3,850,909 |
| Short-Term Instruments (c) | 5,036,653 | — | — 5,036,653 |
| Total | \$ 270,901,505 | \$ — | \$ — \$ 270,901,505 |

There have been no transfers between fair value measurement levels during the period ended March 31, 2015.

(c) See Schedule of Investments for additional detailed categorizations.

ITEM 2. CONTROLS AND PROCEDURES

(a) The Chief Executive and Financial Officers concluded that the Registrant's Disclosure Controls and Procedures are effective based on the evaluation of the Disclosure Controls and Procedures as of a date within 90 days of the filing date of this report.

(b) There have been no changes in the registrant's internal control over financial reporting that occurred during the registrant's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal controls over financial reporting.

ITEM 3. EXHIBITS

Certification pursuant to Rule 30a-2(a) under the Investment Company Act of 1940 (17 CFR 270.30a-2(a)) is filed and attached hereto as Exhibit 99.CERT.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Registrant: The New Germany Fund, Inc.

By: /s/Brian E. Binder
 Brian E. Binder
 President

Date: May 22, 2015

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

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By: /s/Brian E. Binder
Brian E. Binder
President

Date: May 22, 2015

By: /s/Paul Schubert
Paul Schubert
Chief Financial Officer and Treasurer

Date: May 22, 2015