

NEW GERMANY FUND INC  
Form N-Q  
May 26, 2016

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: 3/31/2016

**ITEM 1. SCHEDULE OF INVESTMENTS**

The New Germany Fund, Inc.

Schedule of Investments

as of March 31, 2016 (Unaudited)

	<b>Shares</b>	<b>Value (\$)</b>
<b>Germany 77.7%</b>		
<b>Common Stocks 74.8%</b>		
<b>Aerospace &amp; Defense 3.4%</b>		
MTU Aero Engines AG	91,581	<b>8,786,950</b>
<b>Auto Components 0.8%</b>		
Hella KGaA Hueck & Co.	36,145	1,534,460
Leoni AG	18,802	649,025
		<b>2,183,485</b>
<b>Chemicals 11.8%</b>		
Covestro AG 144A*	157,803	5,920,511
Evonik Industries AG	332,039	9,964,916
Symrise AG	156,206	10,490,748
Wacker Chemie AG	48,314	4,253,377
		<b>30,629,552</b>
<b>Commercial Services &amp; Supplies 0.6%</b>		
Bilfinger SE	37,235	<b>1,571,409</b>
<b>Communications Equipment 1.2%</b>		
ADVA Optical Networking SE*	268,669	<b>3,198,939</b>
<b>Construction &amp; Engineering 0.6%</b>		
HOCHTIEF AG	11,776	<b>1,441,667</b>
<b>Diversified Financial Services 0.5%</b>		
GRENKELEASING AG	6,163	<b>1,311,168</b>
<b>Diversified Telecommunication Services 3.1%</b>		
Telefonica Deutschland Holding AG	1,499,068	<b>8,124,119</b>
<b>Electrical Equipment 3.7%</b>		
OSRAM Licht AG	184,074	9,492,822
Senvion SA*	1,454	26,316
		<b>9,519,138</b>
<b>Electronic Equipment, Instruments &amp; Components 1.2%</b>		
Jenoptik AG	189,093	<b>3,024,186</b>
<b>Food &amp; Staples Retailing 3.3%</b>		
METRO AG	272,852	<b>8,457,296</b>

**Food Products 0.5%**

Suedzucker AG	79,536	<b>1,402,853</b>
---------------	--------	------------------

**Health Care Equipment & Supplies 0.2%**

STRATEC Biomedical AG	8,344	<b>404,756</b>
-----------------------	-------	----------------

**Health Care Technology 1.7%**

CompuGroup Medical SE	103,048	<b>4,357,678</b>
-----------------------	---------	------------------

**Household Durables 0.3%**

HELMA Eigenheimbau AG	11,128	<b>661,851</b>
-----------------------	--------	----------------

**Industrial Conglomerates 1.5%**

Rheinmetall AG	49,534	<b>3,959,323</b>
----------------	--------	------------------

**Insurance 3.0%**

Hannover Rueck SE	39,663	4,623,195
-------------------	--------	-----------

Talanx AG	90,359	3,086,698
-----------	--------	-----------

**7,709,893****Internet & Catalog Retail 3.7%**

Zalando SE 144A*	287,548	<b>9,443,063</b>
------------------	---------	------------------

**Internet Software & Services 6.3%**

Scout24 AG 144A*	147,173	5,042,563
------------------	---------	-----------

United Internet AG (Registered)	212,626	10,674,829
---------------------------------	---------	------------

**Shares Value (\$)****Internet Software & Services 6.3% (continued)**

XING AG	3,210	588,833
		<b>16,306,225</b>

**IT Services 2.5%**

Bechtle AG	15,670	1,619,257
------------	--------	-----------

Wirecard AG†	127,505	4,833,127
--------------	---------	-----------

**6,452,384****Life Sciences Tools & Services 1.7%**

Evotec AG*	98,020	353,473
------------	--------	---------

Gerresheimer AG	36,445	2,859,585
-----------------	--------	-----------

MorphoSys AG*	26,931	1,299,949
---------------	--------	-----------

**4,513,007****Machinery 1.9%**

KION Group AG	69,522	4,054,974
---------------	--------	-----------

Pfeiffer Vacuum Technology AG	7,970	894,252
-------------------------------	-------	---------

**4,949,226****Media 3.4%**

CTS Eventim AG & Co. KGaA	54,758	1,946,287
---------------------------	--------	-----------

Stroeer SE & Co. KGaA†	110,026	6,919,653
------------------------	---------	-----------

**8,865,940****Metals & Mining 0.7%**

Salzgitter AG	67,255	<b>1,905,105</b>
---------------	--------	------------------

**Pharmaceuticals 0.8%**

STADA Arzneimittel AG	53,046	<b>2,106,435</b>
-----------------------	--------	------------------

**Professional Services 0.5%**

Bertrandt AG	11,569	<b>1,328,093</b>
--------------	--------	------------------

**Real Estate Management & Development 8.1%**

ADO Properties SA 144A*	84,523	2,899,846
Deutsche Wohnen AG	189,850	5,906,184
LEG Immobilien AG*	105,335	9,933,949
TLG Immobilien AG	96,167	2,096,291
		<b>20,836,270</b>

**Semiconductors & Semiconductor Equipment 1.3%**

AIXTRON SE*†	120,249	582,148
Siltronic AG*	15,263	276,766
SMA Solar Technology AG*†	48,518	2,536,624
		<b>3,395,538</b>

**Software 0.9%**

Software AG	61,811	<b>2,417,199</b>
-------------	--------	------------------

**Textiles, Apparel & Luxury Goods 1.1%**

Elumeo SE*	41,016	793,705
HUGO BOSS AG	29,920	1,963,099
		<b>2,756,804</b>

**Thriffs & Mortgage Finance 0.6%**

Deutsche Pfandbriefbank AG 144A*	146,701	<b>1,502,908</b>
----------------------------------	---------	------------------

**Trading Companies & Distributors 3.4%**

Brenntag AG	153,454	<b>8,768,770</b>
-------------	---------	------------------

**Transportation Infrastructure 0.5%**

Fraport AG Frankfurt Airport Services Worldwide	19,750	<b>1,198,485</b>
---	--------	------------------

**Preferred Stocks 2.9%****Health Care Equipment & Supplies 1.2%**

Draegerwerk AG & Co. KGaA (Cost \$827,057)	8,708	591,765
Sartorius AG (Cost \$2,044,658)	9,878	2,518,122
		<b>3,109,887</b>

**Machinery 1.7%**

Jungheinrich AG (Cost \$3,585,042)	49,057	<b>4,476,820</b>
<b>Total Germany</b> (Cost \$163,701,416)		<b>201,076,422</b>

**France 10.2%****Common Stocks****Aerospace & Defense 10.2%**

Airbus Group SE (Cost \$8,858,987)	399,486	<b>26,533,782</b>
------------------------------------	---------	-------------------

Shares

Value (\$)

**Netherlands 8.1%****Common Stocks****Household Durables 4.8%**

Steinhoff International Holdings NV <sup>†</sup>	1,918,576	<b>12,590,270</b>
--	-----------	-------------------

**Life Sciences Tools & Services 3.3%**

QIAGEN NV*	382,398	<b>8,522,854</b>
------------	---------	------------------

<b>Total Netherlands (Cost \$20,100,807)</b>		<b>21,113,124</b>
--	--	-------------------

**United Kingdom 2.9%****Common Stocks****Semiconductors & Semiconductor Equipment 2.9%**

Dialog Semiconductor PLC* (Cost \$5,173,403)	187,423	<b>7,419,024</b>
--	---------	------------------

**Luxembourg 0.5%****Common Stocks****Real Estate Management & Development 0.5%**

Grand City Properties SA (Cost \$1,237,864)	54,534	<b>1,253,936</b>
---	--------	------------------

**Switzerland 0.5%****Common Stocks****Automobiles 0.5%**

EDAG Engineering Group AG* (Cost \$1,310,206)	58,909	<b>1,218,745</b>
---	--------	------------------

**Securities Lending Collateral 5.9%**

Daily Assets Fund "Capital Shares", 0.48% (Cost \$15,254,680) <sup>(a) (b)</sup>	15,254,680	<b>15,254,680</b>
--	------------	-------------------

**Cash Equivalents 0.1%**

Central Cash Management Fund, 0.37% (Cost \$149,405) <sup>(b)</sup>	149,405	<b>149,405</b>
---	---------	----------------

	<b>% of Net Assets</b>	<b>Value (\$)</b>
<b>Total Investments Portfolio (Cost \$215,786,768)**</b>	<b>105.9</b>	<b>274,019,118</b>
<b>Other Assets and Liabilities, Net</b>	<b>(5.9)</b>	<b>(15,229,790 )</b>
<b>Net Assets</b>	<b>100.0</b>	<b>258,789,328</b>

\* Non-income producing security.

The cost for federal income tax purposes was \$216,839,625. At March 31, 2016, net unrealized appreciation for all securities based on tax cost was \$57,179,493. This consisted of aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost of \$72,087,588 and aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value of \$14,908,095.

† All or a portion of these securities were on loan. The value of all securities loaned at March 31, 2016 amounted to \$13,517,439 which is 5.2% 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 the 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, 2016 in valuing the Fund's investments.

<u>Assets</u>	Level 1	Level 2	Level 3	Total
<b>Common Stocks and/or Other Equity Investments</b>				
(c)				
	\$			\$
Germany	201,076,422	\$ —	\$ —	201,076,422
France	26,533,782	—	—	26,533,782
Netherlands	21,113,124	—	—	21,113,124
United Kingdom	7,419,024	—	—	7,419,024
Luxembourg	1,253,936	—	—	1,253,936
Switzerland	1,218,745	—	—	1,218,745
<b>Short-Term Instruments</b> (c)	15,404,085	—	—	15,404,085
	\$			\$
<b>Total</b>	<b>274,019,118</b>	<b>\$ —</b>	<b>\$ —</b>	<b>274,019,118</b>

There have been no transfers between fair value measurement levels during the period ended March 31, 2016.

(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.

/s/Brian E. Binder

By: Brian E. Binder

President

Date: May 23, 2016

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.

/s/Brian E. Binder

By: Brian E. Binder

President

Date: May 23, 2016

/s/Paul Schubert

By: Paul Schubert

Chief Financial Officer and Treasurer

Date: May 23, 2016