

EUROPEAN EQUITY FUND, INC / MD

Form N-Q

November 29, 2017

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED**

**MANAGEMENT INVESTMENT COMPANY**

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Investment Company Act file number: 811-04632

The European Equity Fund, Inc.

(Exact name of registrant as specified in charter)

345 Park Avenue  
New York, NY 10154-0004

(Address of principal executive offices) (Zip code)

Paul Schubert

345 Park Avenue  
New York, NY 10154-0004

(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: 9/30/2017

**ITEM 1. SCHEDULE OF INVESTMENTS**

The European Equity Fund, Inc.

Schedule of Investments

as of September 30, 2017 (Unaudited)

	<b>Shares</b>	<b>Value (\$)</b>
<b>Common Stocks 98.0%</b>		
<b>Germany 20.1%</b>		
<b>Aerospace &amp; Defense 3.0%</b>		
MTU Aero Engines AG	16,000	2,551,743
<b>Capital Markets 1.2%</b>		
Deutsche Boerse AG	9,790	1,061,068
<b>Chemicals 2.0%</b>		
LANXESS AG	22,000	1,735,733
<b>Construction &amp; Engineering 1.8%</b>		
HOCHTIEF AG	9,000	1,518,318
<b>Health Care Providers &amp; Services 2.6%</b>		
Fresenius SE & Co KGaA	28,000	2,258,420
<b>Insurance 2.9%</b>		
Allianz SE (Registered)	11,000	2,469,312
<b>Internet &amp; Direct Marketing Retail 2.3%</b>		
Zalando SE 144A*	39,000	1,954,224
<b>Pharmaceuticals 1.0%</b>		
Merck KGaA	7,786	866,045
<b>Software 3.3%</b>		
SAP SE	26,000	2,848,067
<b>Total Germany (Cost \$12,914,947)</b>		<b>17,262,930</b>
<b>France 13.6%</b>		
<b>Commercial Services &amp; Supplies 1.9%</b>		
Edenred	60,000	1,630,884
<b>Construction &amp; Engineering 2.2%</b>		
Vinci SA	20,000	1,900,335

**Health Care Equipment & Supplies 3.7%**

BioMerieux	23,000	1,871,983
Essilor International SA	10,340	1,280,025
		<b>3,152,008</b>

**Insurance 2.7%**

AXA SA	77,000	<b>2,328,654</b>
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**Media 3.1%**

Lagardere SCA	80,000	<b>2,677,959</b>
<b>Total France</b> (Cost \$8,887,655)		<b>11,689,840</b>

**United Kingdom 11.8%****Aerospace & Defense 2.2%**

BAE Systems PLC	222,000	<b>1,880,549</b>
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**Household Products 2.8%**

Reckitt Benckiser Group PLC	26,000	<b>2,376,129</b>
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**Metals & Mining 2.0%**

Randgold Resources Ltd (ADR)	18,000	<b>1,766,221</b>
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**Trading Companies & Distributors 2.5%**

Ashtead Group PLC	90,000	<b>2,171,861</b>
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**Wireless Telecommunication Services 2.3%**

Vodafone Group PLC	700,000	<b>1,960,590</b>
<b>Total United Kingdom</b> (Cost \$9,842,349)		<b>10,155,350</b>

<b>Shares</b>	<b>Value (\$)</b>
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**Switzerland 10.3%****Building Products 1.1%**

Geberit AG (Registered)	2,000	<b>946,683</b>
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**Capital Markets 2.3%**

Partners Group Holding AG	2,841	<b>1,928,639</b>
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**Life Sciences Tools & Services 1.7%**

Lonza Group AG (Registered)*	5,600	<b>1,469,725</b>
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**Metals & Mining 2.8%**

Glencore PLC*	530,000	<b>2,431,422</b>
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**Specialty Retail 2.4%**

Dufry AG (Registered)*	13,000	<b>2,065,923</b>
<b>Total Switzerland</b> (Cost \$5,911,663)		<b>8,842,392</b>

**Netherlands 10.2%****Banks 3.0%**

ING Groep NV	141,000	<b>2,599,487</b>
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**Beverages 2.0%**

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Heineken NV	17,000	<b>1,680,579</b>
<b>Oil, Gas &amp; Consumable Fuels 2.9%</b>		
Royal Dutch Shell PLC "B"	82,000	<b>2,523,831</b>
<b>Semiconductors &amp; Semiconductor Equipment 2.3%</b>		
ASML Holding NV	11,500	<b>1,957,740</b>
<b>Total Netherlands</b> (Cost \$6,596,217)		<b>8,761,637</b>
<b>Sweden 9.8%</b>		
<b>Commercial Services &amp; Supplies 2.9%</b>		
Securitas AB "B"	147,000	<b>2,455,761</b>
<b>Household Products 2.3%</b>		
Essity AB "B"*	74,000	<b>2,008,426</b>
<b>Machinery 4.6%</b>		
SKF AB "B"	105,000	2,282,665
Volvo AB "B"	88,000	1,692,142
		<b>3,974,807</b>
<b>Total Sweden</b> (Cost \$6,927,975)		<b>8,438,994</b>
<b>Denmark 6.6%</b>		
<b>Chemicals 1.6%</b>		
Chr Hansen Holding A/S	16,000	<b>1,372,038</b>
<b>Marine 2.6%</b>		
AP Moller - Maersk A/S "B"	1,200	<b>2,279,108</b>
<b>Pharmaceuticals 2.4%</b>		
Novo Nordisk A/S "B"	43,000	<b>2,055,358</b>
<b>Total Denmark</b> (Cost \$4,946,483)		<b>M,706,504</b>
<b>Ireland 5.3%</b>		
<b>Airlines 2.3%</b>		
Ryanair Holdings PLC*	100,000	<b>1,922,789</b>
<b>Food Products 3.0%</b>		
Kerry Group PLC "A"	27,000	<b>2,610,123</b>
<b>Total Ireland</b> (Cost \$3,900,703)		<b>L,532,912</b>
<b>Italy 4.9%</b>		
<b>Banks 2.0%</b>		
Intesa Sanpaolo SpA	500,000	<b>1,767,973</b>
<b>Diversified Telecommunication Services 2.9%</b>		
Telecom Italia SpA*	2,650,000	<b>2,481,928</b>
<b>Total Italy</b> (Cost \$3,943,853)		<b>L,249,901</b>
	<b>Shares</b>	<b>Value (\$)</b>
<b>Belgium 3.3%</b>		

<b>Banks 3.3%</b>		
KBC Groep NV (Cost \$1,908,100)	33,000	2,796,257
<b>Luxembourg 2.1%</b>		
<b>Multiline Retail 2.1%</b>		
B&M European Value Retail SA (Cost \$1,622,177)	340,000	1,767,751
<b>Total Common Stocks</b> (Cost \$67,402,122)		<b>84,204,468</b>
	<b>Contracts</b>	<b>Value (\$)</b>
<b>Put Options Purchased 0.1%</b>		
<b>Exchange-Traded Index Options Contracts</b>		
Deutsche Boerse AG German Stock Index, Counterparty RBS,		
Expiration Date 3/16/2018, Strike Price EUR 10,200.00,	400	123,143
Notional Amount EUR 20,400,000 (Cost \$181,304)		
	<b>Shares</b>	<b>Value (\$)</b>
<b>Cash Equivalents 1.4%</b>		
Deutsche Central Cash Management Government Fund, 1.05% (Cost \$1,228,396) (a)	1,228,396	1,228,396
	<b>% of Net</b>	<b>Value (\$)</b>
<b>Total Investment Portfolio</b> (Cost \$68,811,822)	99.5	<b>85,556,007</b>
<b>Other Assets and Liabilities, Net</b>	0.5	<b>16,982</b>
<b>Net Assets</b>	100.0	<b>85,972,989</b>

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.

(a) 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.

ADR : American Depositary Receipt

RBS : The Royal Bank of Scotland Plc

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 September 30, 2017 in valuing the Fund's investments.

Assets	Level 1	Level 2	Level 3	Total
Common Stocks (b)				
Germany	\$ 17,262,930	\$ —	\$ —	\$ 17,262,930
France	11,689,840	—	—	11,689,840
United Kingdom	10,155,350	—	—	10,155,350
Switzerland	8,842,392	—	—	8,842,392
Netherlands	8,761,637	—	—	8,761,637
Sweden	8,438,994	—	—	8,438,994
Denmark	5,706,504	—	—	5,706,504
Ireland	4,532,912	—	—	4,532,912
Italy	4,249,901	—	—	4,249,901
Belgium	2,796,257	—	—	2,796,257
Luxembourg	1,767,751	—	—	1,767,751
Short-Term Instruments (b)	1,228,396	—	—	1,228,396
Derivatives (c)				
Purchased Options	123,143	—	—	123,143
<b>Total</b>	<b>\$ 85,556,007</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 85,556,007</b>

There have been no transfers between fair value measurement levels during the period ended September 30, 2017.

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

(c) Derivatives include value of options purchased.

**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 European Equity Fund, Inc.

/s/Brian E. Binder

By: Brian E. Binder

President

Date: November 22, 2017

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: November 22, 2017

/s/Paul Schubert

By: Paul Schubert

Chief Financial Officer and Treasurer

Date: November 22, 2017