

NEW GERMANY FUND INC  
Form N-Q  
November 25, 2015

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: 811-05983

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: 9/30/2015

**ITEM 1. SCHEDULE OF INVESTMENTS**

The New Germany Fund, Inc.

as of September 30, 2015 (Unaudited)

## Schedule of Investments

|                                                                | <b>Shares</b> | <b>Value (\$)</b> |
|----------------------------------------------------------------|---------------|-------------------|
| <b>Germany 85.4%</b>                                           |               |                   |
| <b>Common Stocks 81.3%</b>                                     |               |                   |
| <b>Aerospace &amp; Defense 2.9%</b>                            |               |                   |
| MTU Aero Engines AG                                            | 90,435        | <b>7,546,186</b>  |
| <b>Auto Components 2.0%</b>                                    |               |                   |
| Hella KGaA Hueck & Co.                                         | 26,710        | 961,508           |
| Leoni AG                                                       | 78,871        | 4,189,508         |
|                                                                |               | <b>5,151,016</b>  |
| <b>Chemicals 10.5%</b>                                         |               |                   |
| Evonik Industries AG                                           | 293,729       | 9,803,548         |
| LANXESS AG                                                     | 110,195       | 5,140,927         |
| Symrise AG                                                     | 146,013       | 8,762,751         |
| Wacker Chemie AG                                               | 46,394        | 3,515,143         |
|                                                                |               | <b>27,222,369</b> |
| <b>Communications Equipment 1.3%</b>                           |               |                   |
| ADVA Optical Networking SE*                                    | 308,404       | <b>3,295,315</b>  |
| <b>Construction &amp; Engineering 1.2%</b>                     |               |                   |
| HOCHTIEF AG                                                    | 36,800        | <b>3,060,035</b>  |
| <b>Diversified Financial Services 0.5%</b>                     |               |                   |
| GRENKELEASING AG                                               | 7,936         | <b>1,253,754</b>  |
| <b>Diversified Telecommunication Services 2.9%</b>             |               |                   |
| Telefonica Deutschland Holding AG                              | 1,247,659     | <b>7,601,784</b>  |
| <b>Electrical Equipment 4.1%</b>                               |               |                   |
| Nordex SE*                                                     | 67,441        | 1,838,209         |
| OSRAM Licht AG                                                 | 168,713       | 8,699,192         |
|                                                                |               | <b>10,537,401</b> |
| <b>Electronic Equipment, Instruments &amp; Components 0.9%</b> |               |                   |
| Jenoptik AG                                                    | 163,264       | <b>2,307,887</b>  |
| <b>Food &amp; Staples Retailing 2.3%</b>                       |               |                   |
| METRO AG                                                       | 216,370       | <b>5,960,265</b>  |
| <b>Health Care Equipment &amp; Supplies 1.4%</b>               |               |                   |
| STRATEC Biomedical AG                                          | 61,617        | <b>3,574,109</b>  |

**Health Care Technology 0.9%**

|                       |        |                  |
|-----------------------|--------|------------------|
| CompuGroup Medical AG | 70,375 | <b>2,319,404</b> |
|-----------------------|--------|------------------|

**Industrial Conglomerates 2.3%**

|                  |        |                  |
|------------------|--------|------------------|
| Indus Holding AG | 51,896 | 2,312,541        |
| Rheinmetall AG   | 61,170 | 3,738,591        |
|                  |        | <b>6,051,132</b> |

**Insurance 2.7%**

|                   |        |                  |
|-------------------|--------|------------------|
| Hannover Rueck SE | 41,209 | 4,208,724        |
| Talanx AG         | 93,882 | 2,802,953        |
|                   |        | <b>7,011,677</b> |

**Internet & Catalog Retail 2.9%**

|                  |         |                  |
|------------------|---------|------------------|
| Zalando SE 144A* | 224,713 | <b>7,421,084</b> |
|------------------|---------|------------------|

**Internet Software & Services 4.5%**

|                                 |         |                   |
|---------------------------------|---------|-------------------|
| United Internet AG (Registered) | 186,690 | 9,428,248         |
| XING AG                         | 10,695  | 2,291,023         |
|                                 |         | <b>11,719,271</b> |

**IT Services 3.1%**

|             |         |                  |
|-------------|---------|------------------|
| Wirecard AG | 166,862 | <b>7,950,302</b> |
|-------------|---------|------------------|

**Life Sciences Tools & Services 2.0%**

|                 |         |                  |
|-----------------|---------|------------------|
| Evotec AG*      | 101,842 | 451,660          |
| Gerresheimer AG | 37,866  | 2,756,200        |
| MorphoSys AG*   | 27,981  | 1,860,929        |
|                 |         | <b>5,068,789</b> |

|  | <b>Shares</b> | <b>Value (\$)</b> |
|--|---------------|-------------------|
|--|---------------|-------------------|

**Machinery 2.1%**

|                               |        |                  |
|-------------------------------|--------|------------------|
| GEA Group AG                  | 43,434 | 1,649,313        |
| KION Group AG                 | 55,333 | 2,449,028        |
| Pfeiffer Vacuum Technology AG | 11,880 | 1,367,866        |
|                               |        | <b>5,466,207</b> |

**Media 6.3%**

|                         |         |                   |
|-------------------------|---------|-------------------|
| ProSiebenSat.1 Media SE | 258,567 | 12,647,104        |
| Stroeer SE              | 60,869  | 3,574,184         |
|                         |         | <b>16,221,288</b> |

**Metals & Mining 1.4%**

|               |        |                  |
|---------------|--------|------------------|
| Aurubis AG    | 40,577 | 2,575,963        |
| Salzgitter AG | 43,884 | 1,086,453        |
|               |        | <b>3,662,416</b> |

**Pharmaceuticals 1.3%**

|                       |        |                  |
|-----------------------|--------|------------------|
| STADA Arzneimittel AG | 91,302 | <b>3,259,701</b> |
|-----------------------|--------|------------------|

**Real Estate Management & Development 8.4%**

|                         |         |                   |
|-------------------------|---------|-------------------|
| ADO Properties SA 144A* | 87,818  | 2,118,296         |
| Deutsche Wohnen AG      | 356,721 | 9,506,077         |
| LEG Immobilien AG*      | 122,109 | 10,055,654        |
|                         |         | <b>21,680,027</b> |

**Semiconductors & Semiconductor Equipment 3.4%**

|                           |         |                  |
|---------------------------|---------|------------------|
| AIXTRON SE*†              | 124,937 | 755,088          |
| Dialog Semiconductor PLC* | 155,568 | 6,208,499        |
| SMA Solar Technology AG*† | 45,201  | 1,947,636        |
|                           |         | <b>8,911,223</b> |

**Software 1.0%**

|             |        |                  |
|-------------|--------|------------------|
| Software AG | 90,129 | <b>2,623,530</b> |
|-------------|--------|------------------|

**Specialty Retail 0.8%**

|             |        |                  |
|-------------|--------|------------------|
| Fielmann AG | 28,512 | <b>1,946,823</b> |
|-------------|--------|------------------|

**Technology Hardware, Storage & Peripherals 0.6%**

|                   |        |                  |
|-------------------|--------|------------------|
| Wincor Nixdorf AG | 36,445 | <b>1,427,225</b> |
|-------------------|--------|------------------|

**Textiles, Apparel & Luxury Goods 0.5%**

|            |        |                  |
|------------|--------|------------------|
| Elumeo SE* | 51,290 | <b>1,369,949</b> |
|------------|--------|------------------|

**Thriffs & Mortgage Finance 2.2%**

|                                  |         |                  |
|----------------------------------|---------|------------------|
| Aareal Bank AG                   | 89,518  | 3,172,037        |
| Deutsche Pfandbriefbank AG 144A* | 206,418 | 2,395,126        |
|                                  |         | <b>5,567,163</b> |

**Trading Companies & Distributors 2.9%**

|             |         |                  |
|-------------|---------|------------------|
| Brenntag AG | 141,483 | <b>7,602,970</b> |
|-------------|---------|------------------|

**Transportation Infrastructure 2.0%**

|                                                 |        |                  |
|-------------------------------------------------|--------|------------------|
| Fraport AG Frankfurt Airport Services Worldwide | 84,899 | <b>5,227,697</b> |
|-------------------------------------------------|--------|------------------|

**Preferred Stocks 4.1%**
**Health Care Equipment & Supplies 2.2%**

|                                              |        |                  |
|----------------------------------------------|--------|------------------|
| Draegerwerk AG & Co. KGaA (Cost \$3,925,749) | 38,540 | 3,236,540        |
| Sartorius AG (Cost \$2,125,546)              | 10,263 | 2,434,934        |
|                                              |        | <b>5,671,474</b> |

**Machinery 0.9%**

|                                    |        |                  |
|------------------------------------|--------|------------------|
| Jungheinrich AG (Cost \$2,229,095) | 31,829 | <b>2,296,181</b> |
|------------------------------------|--------|------------------|

**Specialty Retail 1.0%**

|                                        |        |                  |
|----------------------------------------|--------|------------------|
| Hornbach Holding AG (Cost \$3,218,598) | 32,217 | <b>2,588,005</b> |
|----------------------------------------|--------|------------------|

**Rights 0.0%**
**Health Care Providers & Services 0.0%**

|                                 |        |            |
|---------------------------------|--------|------------|
| RHOEN-KLINIKUM AG (Cost \$0) *† | 23,311 | <b>520</b> |
|---------------------------------|--------|------------|

**Total Germany (Cost \$185,035,723)**
**220,574,179**

|                                      | Shares  | Value (\$)        |
|--------------------------------------|---------|-------------------|
| <b>Netherlands 13.4%</b>             |         |                   |
| <b>Common Stocks</b>                 |         |                   |
| <b>Aerospace &amp; Defense 10.4%</b> |         |                   |
| Airbus Group SE                      | 454,578 | <b>26,834,506</b> |

**Life Sciences Tools & Services 3.0%**

|            |         |           |
|------------|---------|-----------|
| QIAGEN NV* | 302,768 | 7,781,183 |
|------------|---------|-----------|

|                                              |  |                   |
|----------------------------------------------|--|-------------------|
| <b>Total Netherlands</b> (Cost \$17,803,484) |  | <b>34,615,689</b> |
|----------------------------------------------|--|-------------------|

**Luxembourg 1.4%**
**Common Stocks**
**Media 1.4%**

|                                 |        |           |
|---------------------------------|--------|-----------|
| RTL Group SA (Cost \$3,433,679) | 43,554 | 3,741,676 |
|---------------------------------|--------|-----------|

**Securities Lending Collateral 1.2%**

Daily Assets Fund Institutional, 0.17%

|                                      |           |           |
|--------------------------------------|-----------|-----------|
| (Cost \$2,976,289) <sup>(a)(b)</sup> | 2,976,289 | 2,976,289 |
|--------------------------------------|-----------|-----------|

**Cash Equivalents 0.1%**

Central Cash Management Fund, 0.12%

|                                 |         |         |
|---------------------------------|---------|---------|
| (Cost \$302,251) <sup>(b)</sup> | 302,251 | 302,251 |
|---------------------------------|---------|---------|

|                                                           |                        |                    |
|-----------------------------------------------------------|------------------------|--------------------|
|                                                           | <b>% of Net Assets</b> | <b>Value (\$)</b>  |
| <b>Total Investments Portfolio</b> (Cost \$209,551,426)** | <b>101.5</b>           | <b>262,210,084</b> |
| <b>Other Assets and Liabilities, Net</b>                  | <b>(1.5)</b>           | <b>(3,973,292)</b> |
| <b>Net Assets</b>                                         | <b>100.0</b>           | <b>258,236,792</b> |

\* Non-income producing security.

The cost for federal income tax purposes was \$212,658,161. At September 30, 2015, net unrealized appreciation for all securities based on tax cost was \$49,551,923. This consisted of aggregate gross

\*\* unrealized appreciation for all securities in which there was an excess of value over tax cost of \$73,023,630 and aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value of \$23,471,707.

† All or a portion of these securities were on loan. The value of all securities loaned at September 30, 2015 amounted to 2,996,601 which is 1.2% 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 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 September 30, 2015 in valuing the Fund's investments.

| <b>Assets</b>                                     | <b>Level 1</b>        | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>          |
|---------------------------------------------------|-----------------------|----------------|----------------|-----------------------|
| Common Stocks and/or Other Equity Investments (c) |                       |                |                |                       |
| Germany                                           | \$ 220,574,179        | \$ —           | \$ —           | \$ 220,574,179        |
| Netherlands                                       | 34,615,689            | —              | —              | 34,615,689            |
| Luxembourg                                        | 3,741,676             | —              | —              | 3,741,676             |
| Short-Term Instruments (c)                        | 3,278,540             | —              | —              | 3,278,540             |
| <b>Total</b>                                      | <b>\$ 262,210,084</b> | <b>\$ —</b>    | <b>\$ —</b>    | <b>\$ 262,210,084</b> |

There have been no transfers between fair value measurement levels during the period ended September 30, 2015.

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

## ITEM 2. CONTROLS AND PROCEDURES

The Chief Executive and Financial Officers concluded that the Registrant's Disclosure Controls and (a) 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.

There have been no changes in the registrant's internal control over financial reporting that occurred during (b) 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: November 20, 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.

/s/Brian E. Binder

By: Brian E. Binder

President

Date: November 20, 2015

/s/Paul Schubert

By: Paul Schubert

Chief Financial Officer and Treasurer

Date: November 20, 2015