

NEW GERMANY FUND INC  
Form N-Q  
May 26, 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: 811-05983

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: 3/31/2017

**ITEM 1. SCHEDULE OF INVESTMENTS**

The New Germany Fund, Inc.

Schedule of Investments

as of March 31, 2017 (Unaudited)

	Shares	Value (\$)
<b>Germany 79.9%</b>		
<b>Common Stocks 74.8%</b>		
<b>Aerospace &amp; Defense 3.1%</b>		
MTU Aero Engines AG	62,820	<b>8,194,864</b>
<b>Auto Components 0.9%</b>		
Leoni AG	45,667	<b>2,356,768</b>
<b>Chemicals 13.4%</b>		
Covestro AG 144A	145,634	11,241,423
Evonik Industries AG <sup>†</sup>	40,067	1,310,006
K+S AG (Registered) <sup>†</sup>	197,149	4,595,299
LANXESS AG	131,723	8,861,459
Symrise AG	141,651	9,446,011
		<b>35,454,198</b>
<b>Commercial Services &amp; Supplies 0.5%</b>		
Bilfinger SE* <sup>†</sup>	35,690	<b>1,377,829</b>
<b>Construction &amp; Engineering 1.7%</b>		
HOCHTIEF AG	26,795	<b>4,441,272</b>
<b>Diversified Telecommunication Services 0.6%</b>		
Telefonica Deutschland Holding AG	340,087	<b>1,691,628</b>
<b>Electrical Equipment 4.4%</b>		
OSRAM Licht AG	184,099	<b>11,569,679</b>
<b>Electronic Equipment, Instruments &amp; Components 1.1%</b>		
Jenoptik AG	119,381	<b>2,967,791</b>
<b>Food &amp; Staples Retailing 3.8%</b>		
METRO AG	313,384	<b>10,050,101</b>
<b>Food Products 0.7%</b>		
Suedzucker AG	76,235	<b>1,918,023</b>

<b>Health Care Technology 1.0%</b>		
CompuGroup Medical SE	57,171	<b>2,551,421</b>
<b>Independent Power &amp; Renewable Electricity Producers 1.8%</b>		
Uniper SE*	289,471	<b>4,886,232</b>
<b>Industrial Conglomerates 0.6%</b>		
Rheinmetall AG	17,913	<b>1,506,671</b>
<b>Insurance 2.6%</b>		
Hannover Rueck SE	10,682	1,235,780
Talanx AG	158,161	5,592,404
		<b>6,828,184</b>
<b>Internet &amp; Direct Marketing Retail 4.1%</b>		
Zalando SE 144A*	270,534	<b>10,975,124</b>
<b>Internet Software &amp; Services 3.4%</b>		
Scout24 AG 144A*	98,307	3,296,734
United Internet AG (Registered)	97,825	4,340,608
XING AG	6,192	1,284,313
		<b>8,921,655</b>
<b>IT Services 2.5%</b>		
Wirecard AG†	122,214	<b>6,785,007</b>
<b>Life Sciences Tools &amp; Services 1.0%</b>		
Evotec AG*	122,525	1,199,114
MorphoSys AG*	25,813	1,520,602
		<b>2,719,716</b>
<b>Machinery 5.0%</b>		
GEA Group AG	150,394	6,409,318
KION Group AG	105,856	6,933,328
		<b>13,342,646</b>
	<b>Shares</b>	<b>Value (\$)</b>
<b>Media 1.3%</b>		
CTS Eventim AG & Co. KGaA	52,486	2,036,914
Stroer SE & Co. KGaA†	26,232	1,464,190
		<b>3,501,104</b>
<b>Metals &amp; Mining 3.7%</b>		
Aurubis AG†	77,449	5,204,461
Salzgitter AG	126,373	4,587,374
		<b>9,791,835</b>
<b>Multi-Utilities 0.3%</b>		
Innogy SE 144A*	21,304	<b>806,385</b>
<b>Pharmaceuticals 1.5%</b>		
STADA Arzneimittel AG	64,194	<b>3,940,875</b>
<b>Real Estate Management &amp; Development 5.4%</b>		
Deutsche Wohnen AG	207,259	6,842,923
LEG Immobilien AG*	75,816	6,231,753
TLG Immobilien AG	60,117	1,174,570

		<b>14,249,246</b>
<b>Semiconductors &amp; Semiconductor Equipment 3.1%</b>		
Siltronic AG*	121,795	<b>8,134,940</b>
<b>Software 0.8%</b>		
Software AG	52,965	<b>2,099,979</b>
<b>Trading Companies &amp; Distributors 4.4%</b>		
Brenntag AG	208,839	<b>11,739,411</b>
<b>Transportation Infrastructure 2.1%</b>		
Fraport AG Frankfurt Airport Services Worldwide	80,605	<b>5,719,183</b>
<b>Preferred Stocks 5.1%</b>		
<b>Auto Components 1.7%</b>		
Schaeffler AG (Cost \$3,601,053)	261,634	<b>4,612,256</b>
<b>Health Care Equipment &amp; Supplies 1.7%</b>		
Sartorius AG (Cost \$3,004,067)	52,382	<b>4,608,716</b>
<b>Machinery 1.7%</b>		
Jungheinrich AG (Cost \$3,253,751)	131,610	<b>4,383,989</b>
<b>Total Germany (Cost \$153,992,324)</b>		<b>J12,126,728</b>
<b>Netherlands 19.6%</b>		
<b>Common Stocks</b>		
<b>Aerospace &amp; Defense 11.4%</b>		
Airbus SE	398,510	<b>30,406,991</b>
<b>Household Durables 3.7%</b>		
Steinhoff International Holdings NV†	2,006,904	<b>9,718,497</b>
<b>Life Sciences Tools &amp; Services 4.5%</b>		
QIAGEN NV*	409,768	<b>11,926,927</b>
<b>Total Netherlands (Cost \$30,496,252)</b>		<b>M2,052,415</b>
<b>Securities Lending Collateral 10.5%</b>		
Government & Agency Securities Portfolio “Deutsche Government Cash Institutional Shares”, 0.63% (Cost \$27,817,104) (a) (b)	27,817,104	<b>J7,817,104</b>
<b>Cash Equivalents 0.0%</b>		
Deutsche Central Cash Management Government Fund, 0.74% (Cost \$68,017) (b)	68,017	<b>N8,017</b>
	<b>% of Net Assets</b>	<b>Value (\$)</b>
<b>Total Investment Portfolio (Cost \$212,373,697)**</b>	110.0	<b>J92,064,264</b>
<b>Other Assets and Liabilities, Net</b>	(10.0)	<b>(26,645,015)</b>
<b>Net Assets</b>	100.0	<b>J65,419,249</b>

- \* Non-income producing security.  
 The cost for federal income tax purposes was \$213,818,655. At March 31, 2017, net unrealized appreciation for all securities based on tax cost was \$78,245,609. This consisted of aggregate gross unrealized appreciation
- \*\* for all securities in which there was an excess of value over tax cost of \$95,359,623 and aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value of \$17,114,014.
- † All or a portion of these securities were on loan. The value of all securities loaned at March 31, 2017 amounted to \$26,379,147, which is 9.9% 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.

Securities are listed in the country of domicile. For purposes of the Fund's investment objective policy to invest in German companies, non-Germany domiciled securities may qualify as German companies as defined in the Fund's Statement of Investment Objectives, Policies and Investment Restrictions.

## 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, 2017 in valuing the Fund's investments.

Assets	Level 1	Level 2	Level 3	Total
Common Stocks and/or Other Equity Investments (c)				
Germany	\$ 112,126,728	\$ —	—	\$ 112,126,728
Netherlands	52,052,415	—	—	52,052,415
Short-Term Instruments (c)	27,885,121	—	—	27,885,121
<b>Total</b>	<b>\$ 192,064,264</b>	<b>\$ —</b>	<b>—</b>	<b>\$ 192,064,264</b>

There have been no transfers between fair value measurement levels during the period ended March 31, 2017.

(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 18, 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: May 18, 2017

/s/Paul Schubert

By: Paul Schubert

Chief Financial Officer and Treasurer

Date: May 18, 2017