

NEW GERMANY FUND INC  
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: 811-05983

The New Germany 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 New Germany Fund, Inc.

Schedule of Investments

as of September 30, 2017 (Unaudited)

|   | Shares  | Value (\$)        |
|---|---------|-------------------|
| <b>Germany 83.2%</b>  |         |                   |
| <b>Common Stocks 78.7%</b>  |         |                   |
| <b>Aerospace &amp; Defense 3.2%</b>                                 |         |                   |
| MTU Aero Engines AG   | 64,608  | <b>10,303,936</b> |
| <b>Auto Components 1.1%</b>   |         |                   |
| Leoni AG  | 52,360  | <b>3,472,033</b>  |
| <b>Chemicals 10.8%</b>  |         |                   |
| Covestro AG 144A  | 179,587 | 15,440,163        |
| Evonik Industries AG  | 40,067  | 1,430,953         |
| K+S AG (Registered)†  | 197,149 | 5,370,435         |
| LANXESS AG  | 71,730  | 5,659,280         |
| Symrise AG  | 95,391  | 7,245,355         |
|   |         | <b>35,146,186</b> |
| <b>Electrical Equipment 4.0%</b>                                    |         |                   |
| OSRAM Licht AG  | 161,199 | <b>12,860,991</b> |
| <b>Electronic Equipment, Instruments &amp; Components 1.0%</b>      |         |                   |
| Jenoptik AG   | 101,608 | <b>3,366,452</b>  |
| <b>Food &amp; Staples Retailing 2.2%</b>                            |         |                   |
| METRO AG*   | 331,707 | <b>7,011,123</b>  |
| <b>Food Products 0.5%</b>   |         |                   |
| Suedzucker AG   | 76,235  | <b>1,637,468</b>  |
| <b>Health Care Technology 1.9%</b>                                  |         |                   |
| CompuGroup Medical SE   | 108,340 | <b>6,135,495</b>  |
| <b>Independent Power &amp; Renewable Electricity Producers 2.5%</b> |         |                   |
| Uniper SE†  | 299,042 | <b>8,199,062</b>  |
| <b>Industrial Conglomerates 0.6%</b>                                |         |                   |
| Rheinmetall AG  | 17,913  | <b>2,018,731</b>  |

|  |               |                   |
|--|---------------|-------------------|
| <b>Insurance 2.6%</b>                                    |               |                   |
| Hannover Rueck SE  | 10,682        | 1,287,016         |
| Talanx AG  | 177,262       | 7,165,545         |
|  |               | <b>8,452,561</b>  |
| <b>Internet &amp; Direct Marketing Retail 4.3%</b>       |               |                   |
| Zalando SE 144A*   | 277,691       | <b>13,914,630</b> |
| <b>Internet Software &amp; Services 7.1%</b>             |               |                   |
| Delivery Hero AG 144A*                                   | 73,902        | 2,925,802         |
| Scout24 AG 144A  | 162,344       | 6,638,292         |
| United Internet AG (Registered)                          | 186,106       | 11,584,243        |
| XING SE  | 6,192         | 1,939,192         |
|  |               | <b>23,087,529</b> |
| <b>IT Services 3.4%</b>                                  |               |                   |
| Wirecard AG  | 122,214       | <b>11,180,520</b> |
| <b>Life Sciences Tools &amp; Services 1.6%</b>           |               |                   |
| Evotec AG*   | 122,525       | 2,909,033         |
| MorphoSys AG*†   | 25,813        | 2,177,199         |
|  |               | <b>5,086,232</b>  |
| <b>Machinery 3.3%</b>                                    |               |                   |
| KION Group AG  | 110,302       | <b>10,554,837</b> |
| <b>Media 0.8%</b>  |               |                   |
| CTS Eventim AG & Co. KGaA                                | 18,143        | 791,831           |
| Stroeer SE & Co. KGaA                                    | 26,232        | 1,715,594         |
|  |               | <b>2,507,425</b>  |
| <b>Metals &amp; Mining 3.7%</b>                          |               |                   |
| Aurubis AG   | 73,126        | 5,923,248         |
| Salzgitter AG  | 136,314       | 6,182,860         |
|  |               | <b>12,106,108</b> |
|  | <b>Shares</b> | <b>Value (\$)</b> |
| <b>Multi-Utilities 1.9%</b>                              |               |                   |
| Innogy SE 144A   | 138,306       | <b>6,154,711</b>  |
| <b>Real Estate Management &amp; Development 5.5%</b>     |               |                   |
| Deutsche Wohnen SE                                       | 207,259       | 8,798,198         |
| LEG Immobilien AG  | 75,816        | 7,668,808         |
| TLG Immobilien AG  | 60,117        | 1,386,113         |
|  |               | <b>17,853,119</b> |
| <b>Semiconductors &amp; Semiconductor Equipment 4.1%</b> |               |                   |
| Siltronic AG*  | 108,480       | <b>13,461,175</b> |
| <b>Software 1.9%</b>                                     |               |                   |
| Software AG  | 127,287       | <b>6,213,419</b>  |
| <b>Specialty Retail 1.1%</b>                             |               |                   |
| CECONOMY AG  | 313,384       | <b>3,689,869</b>  |
| <b>Textiles, Apparel &amp; Luxury Goods 1.9%</b>         |               |                   |

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|  |                 |                     |
|--|-----------------|---------------------|
| Puma SE  | 15,477          | <b>6,023,134</b>    |
| <b>Trading Companies &amp; Distributors 3.0%</b>   |                 |                     |
| Brenntag AG  | 171,917         | <b>9,572,426</b>    |
| <b>Transportation Infrastructure 2.6%</b>  |                 |                     |
| Fraport AG Frankfurt Airport Services Worldwide  | 88,171          | <b>8,371,467</b>    |
| <b>Wireless Telecommunication Services 2.1%</b>  |                 |                     |
| Drillisch AG   | 98,273          | <b>6,891,690</b>    |
| <b>Preferred Stocks 4.5%</b>   |                 |                     |
| <b>Health Care Equipment &amp; Supplies 2.6%</b>   |                 |                     |
| Sartorius AG (Cost \$6,371,387)  | 86,955          | <b>8,311,505</b>    |
| <b>Machinery 1.9%</b>  |                 |                     |
| Jungheinrich AG (Cost \$3,507,146)   | 137,072         | <b>6,305,527</b>    |
| <b>Total Germany</b> (Cost \$174,294,719)  |                 | <b>J69,889,361</b>  |
| <b>Netherlands 15.5%</b>   |                 |                     |
| <b>Common Stocks</b>   |                 |                     |
| <b>Aerospace &amp; Defense 11.7%</b>   |                 |                     |
| Airbus SE  | 398,510         | <b>37,869,823</b>   |
| <b>Life Sciences Tools &amp; Services 3.8%</b>   |                 |                     |
| QIAGEN NV*   | 393,233         | <b>12,375,567</b>   |
| <b>Total Netherlands</b> (Cost \$17,487,815)   |                 | <b>M0,245,390</b>   |
| <b>Securities Lending Collateral 4.2%</b>  |                 |                     |
| Deutsche Government & Agency Securities Portfolio "Deutsche Government Cash Institutional Shares", 0.93% (Cost \$13,729,709) (a) (b) | 13,729,709      | <b>I3,729,709</b>   |
| <b>Cash Equivalents 1.4%</b>   |                 |                     |
| Deutsche Central Cash Management Government Fund, 1.05% (Cost \$4,630,795) (b)   | 4,630,795       | <b>L,630,795</b>    |
|  | <b>% of Net</b> | <b>Value (\$)</b>   |
| <b>Total Investment Portfolio</b> (Cost \$210,143,038)   | 104.3           | <b>K38,495,255</b>  |
| <b>Other Assets and Liabilities, Net</b>   | (4.3)           | <b>(13,880,794)</b> |
| <b>Net Assets</b>  | 100.0           | <b>K24,614,461</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.
- † All or a portion of these securities were on loan. The value of all securities loaned at September 30, 2017 amounted to \$13,151,294, which is 4.1% 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 September 30, 2017 in valuing the Fund's investments.

| Assets  | Level 1               | Level Level |             | Total                 |
|---|-----------------------|-------------|-------------|-----------------------|
|   |                       | 2           | 3           |                       |
| Common Stocks and/or Other Equity Investments (c) |                       |             |             |                       |
| Germany   | \$ 169,889,361        | \$ —        | \$ —        | \$ 269,889,361        |
| Netherlands                                       | 10,245,390            | —           | —           | 50,245,390            |
| Short-Term Instruments (c)                        | 18,360,504            | —           | —           | 18,360,504            |
| <b>Total</b>                                      | <b>\$ 138,495,255</b> | <b>\$ —</b> | <b>\$ —</b> | <b>\$ 138,495,255</b> |

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