

NEW GERMANY FUND INC  
Form N-Q  
May 29, 2009  
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 811-5983

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

345 Park Avenue

New York, NY 10154-0004

(Name and address of agent for service)

Registrant's telephone number, including area code: (212) 454-7190

Date of fiscal year end: 12/31

Date of reporting period: 3/31/09

**ITEM 1. SCHEDULE OF INVESTMENTS**

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THE NEW GERMANY FUND  
SCHEDULE OF INVESTMENTS MARCH 31, 2009 (unaudited)

| Shares  | Description              | Value(a)     |
|---|--------------------------|--------------|
| <b>INVESTMENTS IN GERMAN SECURITIES 88.4%</b>   |                          |              |
| <b>COMMON STOCKS 85.4%</b>                      |                          |              |
| <b>AEROSPACE &amp; DEFENSE 2.9%</b>             |                          |              |
| 199,084   | MTU Aero Engines Holding | \$ 4,661,619 |
| <b>AIRLINES 0.4%</b>                            |                          |              |
| 170,000   | Air Berlin*              | 690,513      |
| <b>AUTO COMPONENTS 1.2%</b>                     |                          |              |
| 188,344   | EhringKlinger            | 1,875,059    |
| <b>BUILDING PRODUCTS 0.5%</b>                   |                          |              |
| 50,000  | Demag Cranes             | 869,447      |
| <b>CHEMICALS 8.7%</b>                           |                          |              |
| 36,664  | K + S                    | 1,699,966    |
| 177,760   | Lanxess                  | 3,027,349    |
| 360,000   | Symrise                  | 4,257,768    |
| 59,364  | Wacker Chemie            | 4,927,350    |
|   |                          | 13,912,433   |
| <b>COMMERCIAL BANKS 2.2%</b>                    |                          |              |
| 220,000   | Deutsche Postbank        | 3,489,735    |
| <b>COMPUTERS &amp; PERIPHERALS 2.9%</b>         |                          |              |
| 102,727   | Wincor Nixdorf           | 4,651,233    |
| <b>CONSTRUCTION &amp; ENGINEERING 9.1%</b>      |                          |              |
| 74,341  | Bauer                    | 2,172,939    |
| 198,181   | Bilfinger Berger         | 7,489,474    |
| 131,567   | Hochtief                 | 4,979,044    |
|   |                          | 14,641,457   |
| <b>DIVERSIFIED FINANCIAL SERVICES 1.0%</b>      |                          |              |
| 55,000  | Grenkeleasing            | 1,533,147    |
| <b>ELECTRICAL EQUIPMENT 7.6%</b>                |                          |              |
| 100,000   | Q-Cells*                 | 1,948,623    |
| 150,686   | SGL Carbon               | 3,590,370    |
| 261,957   | Solarworld               | 5,361,869    |
| 154,800   | Tognum                   | 1,347,959    |
|   |                          | 12,248,821   |
| <b>HEALTHCARE PROVIDERS &amp; SERVICES 4.3%</b> |                          |              |
| 130,000   | Celesio                  | 2,395,161    |
| 247,460   | Rhoen Klinikum           | 4,598,698    |
|   |                          | 6,993,859    |
| <b>Shares Description Value(a)</b>              |                          |              |
| <b>HOTELS RESTAURANTS &amp; LEISURE 1.3%</b>    |                          |              |
| 400,000   | Tui                      | \$ 2,134,459 |
| <b>HOUSEHOLD DURABLES 0.8%</b>                  |                          |              |
| 118,886   | Loewe*                   | 1,230,912    |

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|         |  |            |
|---------|--|------------|
|         | <b>INDUSTRIAL CONGLOMERATES 4.3%</b>                     |            |
| 202,583 | Rheinmetall  | 6,886,751  |
|         | <b>INSURANCE 1.4%</b>                                    |            |
| 70,805  | Hannover Ruckversicherung                                | 2,255,677  |
|         | <b>INTERNET SOFTWARE &amp; SERVICES 3.9%</b>             |            |
| 750,966 | United Internet  | 6,270,075  |
|         | <b>LIFE SCIENCES TOOLS &amp; SERVICES 1.2%</b>           |            |
| 108,287 | Gerresheimer   | 1,982,177  |
|         | <b>MACHINERY 9.0%</b>                                    |            |
| 573,046 | GEA Group  | 6,108,110  |
| 25,116  | Krones   | 799,469    |
| 298,963 | Max Automation   | 690,508    |
| 52,714  | Pfeiffer Vacuum Technology                               | 3,113,779  |
| 35,000  | Vossloh  | 3,711,610  |
|         |  | 14,423,476 |
|         | <b>METALS &amp; MINING 1.3%</b>                          |            |
| 85,000  | Norddeutsche Affinerie                                   | 2,156,162  |
|         | <b>PHARMACEUTICALS 1.6%</b>                              |            |
| 157,563 | Stada Arzneimittel                                       | 2,576,717  |
|         | <b>REAL ESTATE MANAGEMENT &amp; DEVELOPMENT 4.4%</b>     |            |
| 96,965  | Deutsche Euroshop  | 2,793,036  |
| 634,364 | IVG Immobilien   | 3,822,929  |
| 300,000 | RCM Beteiligungs*  | 517,686    |
|         |  | 7,133,651  |
|         | <b>SEMICONDUCTORS &amp; SEMICONDUCTOR EQUIPMENT 1.6%</b> |            |
| 260,766 | Kontron  | 2,512,982  |
| 14,000  | Suess MicroTec*  | 43,472     |
|         |  | 2,556,454  |
|         | <b>SOFTWARE 4.8%</b>                                     |            |
| 107,563 | Software   | 7,660,100  |

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| Shares  | Description                                      | Value(a)     |
|---------|--|--------------|
|         | <b>SPECIALTY RETAIL 4.9%</b>                     |              |
| 60,000  | Douglas Holdings                                 | \$ 2,372,595 |
| 50,000  | Fielmann   | 3,076,913    |
| 463,465 | Praktiker Bau-und Heimwerkermaerkte              | 2,436,206    |
|         |  | 7,885,714    |
|         | <b>TEXTILE, APPAREL &amp; LUXURY GOODS 0.5%</b>  |              |
| 5,647   | Puma*  | 856,548      |
|         | <b>TRADING COMPANIES &amp; DISTRIBUTORS 0.7%</b> |              |
| 120,000 | Kloeckner & Co.                                  | 1,183,510    |
|         | <b>TRANSPORTATION INFRASTRUCTURE 2.4%</b>        |              |

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|         |   |             |
|---------|---|-------------|
| 120,000 | Fraport   | 3,859,548   |
|         | <b>WIRELESS<br/>TELECOMMUNICATIONS<br/>SERVICES 0.5%</b>                      |             |
| 120,646 | Freetnet  | 751,082     |
|         | Total Common Stocks<br>(cost \$174,481,765)                                   | 137,370,336 |
|         | <b>PREFERRED STOCKS 3.0%<br/>HEALTHCARE EQUIPMENT &amp;<br/>SUPPLIES 2.6%</b> |             |
| 78,465  | Fresenius   | 3,599,577   |
| 62,632  | Sartorius   | 532,081     |
|         |   | 4,131,658   |
|         | <b>TEXTILE, APPAREL &amp; LUXURY<br/>GOODS 0.4%</b>                           |             |
| 50,000  | Hugo Boss   | 730,070     |
|         | Total Preferred Stocks<br>(Cost \$3,586,971)                                  | 4,861,728   |
|         | Total Investments in German<br>Securities<br>(cost \$178,068,736)             | 142,232,064 |
|         | <b>INVESTMENTS IN DUTCH<br/>COMMON STOCKS 8.9%</b>                            |             |
|         | <b>AEROSPACE &amp; DEFENSE 5.3%</b>   |             |
| 739,645 | EADS  | 8,600,610   |

| Shares     | Description   | Value(a)              |
|------------|---|-----------------------|
|            | <b>LIFE SCIENCES TOOLS &amp;<br/>SERVICES 3.5%</b>                                |                       |
| 355,887    | Qiagen*   | \$ 5,687,749          |
|            | Total Investments in Dutch<br>Common Stocks<br>(cost \$14,472,584)                | 14,288,359            |
|            | Total Investments in Common and<br>Preferred Stocks 97.3%<br>(cost \$192,541,320) | 156,520,423           |
|            | <b>SECURITIES LENDING<br/>COLLATERAL 22.4%</b>                                    |                       |
| 36,034,716 | Daily Assets Fund<br>Institutional, 0.78%(b)(c)<br>(cost \$36,034,716)            | 36,034,716            |
|            | <b>CASH EQUIVALENTS 0.2%</b>  |                       |
| 300,284    | Cash Management QP Trust, 0.53%(c)<br>(cost \$300,284)                            | 300,284               |
|            | Total Investments 119.9%<br>(cost \$192,499,832)                                  | 192,855,423           |
|            | Other Assets and Liabilities,<br>Net (19.9)%                                      | (31,993,955)          |
|            | <b>NET ASSETS 100.0%</b>  | <b>\$ 160,861,468</b> |

All or a portion of these securities were on loan. The value of all securities loaned at March 31, 2009 amounted to \$35,426,437 which is 22.0% of the net assets.

\* Non-income producing securities.

(a) Values stated in US dollars.

(b) Represents collateral held in connection with securities lending. Income earned by the Fund is net of borrower rebates.

(c) Affiliated fund managed by Deutsche Investment Management Americas, Inc. The rate shown is the annualized seven-day yield at period end.

**Fair Value Measurements**

*Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, "Fair Value Measurements," establishes a three-tier hierarchy for measuring fair value and requires additional disclosure about the classification of 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 unobservable 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 inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.*

*The following is a summary of the inputs used as of March 31, 2009 in valuing the Fund's investments. Please see below for information on the Fund's policy regarding valuation inputs, and their aggregate levels used in the table below.*

| <b>Valuation Inputs</b> | <b>Investments in Securities</b> |
|-------------------------|----------------------------------|
| Level 1                 | \$ 192,555,139                   |
| Level 2                 | 300,284                          |
| Level 3                 |                                  |
| <b>Total</b>            | <b>\$ 192,855,423</b>            |

**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.

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**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, a series of New Germany Fund, Inc.

By: /s/Michael G. Clark  
Michael G. Clark  
President

Date: May 20, 2009

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.

Registrant: The New Germany Fund, a series of New Germany Fund, Inc.

By: /s/Michael G. Clark  
Michael G. Clark  
President

Date: May 20, 2009

By: /s/Paul Schubert  
Paul Schubert  
Chief Financial Officer and Treasurer

Date: May 20, 2009