EUROPEAN EQUITY FUND, INC / MD
Form N-CSR
March 05, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549

FORM N-CSR

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)

Registrant's Telephone Number, including Area Code: (212) 250-3220

Paul Schubert
60 Wall Street
New York, NY 10005
(Name and Address of Agent for Service)

Date of fiscal year end: 12/31

Date of reporting period: 12/31/2013

ITEM 1. REPORT TO STOCKHOLDERS

SUMMARY OF GENERAL INFORMATION

THE FUND

The European Equity Fund, Inc. (the "Fund") is a diversified, actively-managed closed-end fund listed on the New York Stock Exchange under the symbol "EEA." The Fund seeks long-term capital appreciation primarily through investment in European equities. It is advised and administered by wholly owned subsidiaries of the Deutsche Bank Group.

SHAREHOLDER INFORMATION

Prices for the Fund's shares are published weekly in the New York Stock Exchange Composite Transactions section of certain newspapers. Net asset value and market price information are published each Saturday in Barron's and other newspapers in a table called "Closed End Funds." Daily information on the Fund's net asset value is available from NASDAQ (symbol XEEAX). It is also available by calling: 1-800-349-4281 (in the U.S.) or 00-800-2287-2750 (outside of the U.S.). In addition, a schedule of the Fund's largest holdings, dividend data and general shareholder information may be obtained by calling these numbers.

The foregoing information is also available on our web site: www.dws-investments.com.

There are three closed-end funds investing in European equities advised and administered by wholly owned subsidiaries of the Deutsche Bank Group:

- The European Equity Fund, Inc.—investing primarily in equity or equity-linked securities of companies domiciled in countries utilizing the euro currency (with normally at least 80% in securities of issuers in such countries).

- The New Germany Fund, Inc.—investing primarily in equity or equity-linked securities of middle market German companies with up to 20% in other Western European companies (with no more than 15% in any single country).

- The Central Europe, Russia and Turkey Fund, Inc.—investing primarily in equity or equity-linked securities of issuers domiciled in Central Europe, Russia and Turkey (with normally at least 80% in securities of issuers in such countries).

Please consult your broker for advice on any of the above or call 1-800-349-4281 (in the U.S.) or 00-800-2287-2750 (outside of the U.S.). for shareholder reports.

The European Equity Fund, Inc. is diversified and primarily focuses its investments in equity securities of issuers domiciled in European countries that utilize the euro currency, thereby increasing its vulnerability to developments in that region. Investing in foreign securities presents certain risks, such as currency fluctuations, political and economic changes, and market risks. Any fund that concentrates in a particular segment of the market will generally be more volatile than a fund that invests more broadly.

The European
Equity Fund, Inc.

Annual Report

December 31, 2013

The European
Equity Fund, Inc.

LETTER TO THE SHAREHOLDERS

Dear Shareholder,

For the 12 months ended December 31, 2013, the European Equity Fund's (the "Fund") total return in U.S. dollars ("USD") was 25.03% based on net asset value ("NAV") and 27.17% based on market price. During the same period, the total return in USD of the Fund's benchmark, the MSCI-EMU Index, was 28.93%.[1]

Performance for European equity markets as a whole, as measured by the MSCI-EMU Index, did not improve until the second half of the year. The first quarter was marked by a political standstill in Italy, a disappointing recovery in France, the shaky bailout plan for Cyprus and unsatisfactory economic data across Europe. There was little improvement in the second quarter as investors focused on signals that the U.S. Federal Reserve Board (the Fed) would start tapering its quantitative easing program and on worries over a cash crunch in the Chinese financial system.[2] The European Central Bank's ("ECB") first key interest-rate cut for the year was 25 basis points in May 2013, which likely triggered the initial change in sentiment for European investors. Subsequently, the third quarter resulted in the strongest equity market performance for the year.

Political developments supported equity markets during the second half of the year. In Italy, Prime Minister Enrico Letta survived a confidence vote and the Senate expelled former prime minister Silvio Berlusconi. In Germany, politicians agreed on the long-awaited coalition deal between the country's two major parties. The ECB also provided another positive catalyst for equity markets in the fourth quarter, as it unexpectedly cut its key interest rate to 0.25% from 0.50% in November 2013 and extended its full liquidity operations until mid-2015. Statements from the ECB indicated the institution was considering the implementation of negative interest rates and/or the purchase of

assets from banks, if needed, in order to lift inflation in the Eurozone as it fell to a four-year low of 0.7%.3

Two and a half years ago, we changed the investment strategy of the Fund to our more defensive "stability" strategy, with the goal of achieving market returns over a cycle with much lower volatility throughout the cycle. It was our observation that more stable returns are rewarded by closed-end fund investors with lower discounts.

Given the conservative orientation of the Fund's "stability" strategy, targeting a volatility of returns below that of the market, the portfolio performed well in the first half of the year ending December 31, 2013, achieving what it was designed to do: to outperform its benchmark during weak market phases (i.e. it is expected to fall less than the market), targeting a lower volatility. While the portfolio did not outperform its benchmark during the market run-up in the second half of the year, the Fund's year-end performance was well above the 80% participation rate targeted under the strategy (i.e. the fund's performance was better than 80% of the benchmark performance). Stock selection for the portfolio is classified into three buckets: high quality, value, and growth. The focus on high-quality stocks, while already reduced, detracted from performance in the final quarter. Portfolio management had previously undertaken a shift of focus, away from high quality stocks and more decidedly into value stocks. While the Fund employs a strict stock-picking strategy, country and sector weights are actively monitored.

From a country perspective, the biggest contributors to performance were positions in the Netherlands and Spain. The Netherlands was driven mainly by a position in PostNL, which returned 94.8% since June 2013. Spain included two property and casualty insurance holdings that returned close to 55% on average, and a construction company that returned close to 45%. The biggest detractors to performance

For additional information about the Fund including performance, dividends, presentations, press releases,

market updates, daily NAV and shareholder reports, please visit www.dws-investments.com

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LETTER TO THE SHAREHOLDERS (continued)

were DAX options purchased for the Fund to provide downside protection, in addition to an overweight position in Germany and an underweight in France.4,5 From a sector perspective, the Fund's overweight in consumer discretionary and information technology contributed most to performance, while the materials and health care sectors, both underweighted, were the biggest detractors.

The Fund's discount to NAV averaged 9.86% for the full year 2013, compared with 10.03% for the same period a year earlier. For the three months ended December 31, 2013, the discount was 9.19%, compared with 10.21% for the same quarter a year earlier.

Economic and Market Overview

For 2014, we remain positive on European equity markets despite the run-up in valuations. Valuations based solely on company earnings can no longer be considered inexpensive. The year 2013 was a year of price/earnings multiple expansion given that earnings did not improve in Europe. In 2014 we expect earnings growth to be the primary driver of stock market returns. In this regard, Europe offers considerable catch-up potential vs. the United States. Investor sentiment is not excessive and investments into European equities only started to improve approximately six months ago, causing the European equity markets to rise significantly in the second half of the year.

Risks ahead include the pace of structural reforms in countries such as Italy and France, both of which need to increase their pace. A failure to do so would pose a risk to a sustained recovery in Europe. Additionally, the risk of a

renewed slowdown or financial crisis in China poses a considerable risk to many of our European portfolio holdings.

Sincerely,

Christian Strenger Chairman	Rainer Vermehren Lead Portfolio Manager	Brian Binder President and Chief Executive Officer

The views expressed in the preceding discussion reflect those of the portfolio management team only through the end of the period of the report as stated on the cover. The management team's views are subject to change at any time based on market and other conditions and should not be construed as recommendations. Past performance is no guarantee of future results. Current and future portfolio holdings are subject to risk.

1 The MSCI-EMU Index is an unmanaged capitalization-weighted index that comprises approximately 300 stocks of companies domiciled in the countries utilizing the euro currency. MSCI indices are calculated using closing local market prices and translate into U.S. dollars using the London close foreign exchange rates. Index returns assume reinvestment of dividends and, unlike fund returns, do not reflect any fees or expenses. It is not possible to invest directly in the MSCI-EMU Index.

2 Quantitative easing entails the Fed's purchase of government and other securities from the market in an effort to increase money supply.

3 The Eurozone refers to a currency union among the 17 members of the European Union states that have adopted the euro as their sole currency.

4 Dax options give the holder the right to buy or sell for a specified price based on the DAX Stock Index, which is a total-rate-of-return index of 30 selected German blue chip stocks traded on the Frankfurt Stock Exchange.

5 "Underweight" means the Fund holds a lower weighting in a given sector or security than the benchmark. "Overweight" means the Fund holds a higher weighting.

For additional information about the Fund including performance, dividends, presentations, press releases, market updates, daily NAV and shareholder reports, please visit www.dws-investments.com

PERFORMANCE SUMMARY AS OF DECEMBER 31, 2013

All performance shown is historical, assumes reinvestment of all dividend and capital gain distributions, and does not guarantee future results. Investment return and principal value fluctuate with changing market conditions so that, when sold, shares may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Please visit www.dws-investments.com for the European Equity Fund's (the "Fund") most recent performance.

TOTAL RETURNS:

	For the years ended December 31,				
	2013	2012	2011	2010	2009
Net Asset Value(a)	25.03%	21.17%	(17.52)%	1.99%	33.76%
Market Value(a)	27.17%	23.44%	(21.56)%	8.32%	36.84%
Benchmark(b)	28.93%	21.17%	(17.64)%	(4.25)%	31.41%

(a) Total return based on net asset value reflects changes in the Fund's net asset value during each period. Total return based on market value reflects changes in market value during each period. Each figure includes reinvestments of dividend and capital gain distributions, if any. These figures will differ depending upon the level of any discount from or premium to net asset value at which the Fund's shares trade during the period. Expenses of the Fund include investment advisory and administration fees and other fund expenses. Total returns shown take into account these fees and expenses. The annual expense ratio of the Fund for the year ended December 31, 2013 was 1.61%.
(b) The MSCI-EMU Index is an unmanaged, capitalization-weighted index that is comprised of approximately 300 stocks of companies domiciled in the countries utilizing the euro currency. MSCI indices are calculated using closing local market prices and translate into U.S. dollars using the London close foreign exchange rates.

Index returns assume reinvestment of dividends and, unlike Fund returns, do not reflect any fees or expenses. It is not possible to invest directly in the MSCI-EMU Index.

Investments in funds involve risks, including the loss of principal.

This Fund is diversified and primarily focuses its investments in equity securities of issuers domiciled in European countries that utilize the euro currency, thereby increasing its vulnerability to developments in that region. Investing in foreign securities presents certain risks, such as currency fluctuations, political and economic changes, and market risks. Any fund that concentrates in a particular segment of the market will generally be more volatile than a fund that invests more broadly.

The shares of most closed-end funds, including the Fund, are not continuously offered. Once issued, shares of closed-end funds are bought and sold in the open market. Shares of closed-end funds frequently trade at a discount to net asset value. The price of the Fund's shares is determined by a number of factors, several of which are beyond the control of the Fund. Therefore, the Fund cannot predict whether its shares will trade at, below, or above net asset value.

The Fund elected to be subject to the statutory calculation, notification and publication requirements of the German Investment Tax Act (Investmentsteuergesetz) (the "Act") for the fiscal year ended December 31, 2013 and intends to elect to be subject to the Act for the fiscal year ending December 31, 2014. This election allows investors based in Germany to invest in the Fund without adverse tax consequences.

3

FUND FACTS AND DIVIDEND AND CAP GAIN DISTRIBUTIONS AS OF DECEMBER 31, 2013

FUND FACTS:

Net Assets	$94,468,168
Shares Outstanding	9,652,610
Net Asset Value (NAV) Per Share	$9.79
OTHER INFORMATION:	
NYSE Ticker Symbol	EEA
NASDAQ Symbol	XEEAX
Dividend Reinvestment Plan	Yes
Voluntary Cash Purchase Program	Yes
Annual Expense Ratio (12/31/13)	1.61 %

Fund Facts and expense ratio are subject to change.

DIVIDEND AND CAPITAL GAIN DISTRIBUTIONS:*

Record Date	Payable Date	Ordinary Income	ST Capital Gain	LT Capital Gain	Total Distribution
12/31/12	01/28/13**	$ 0.1520	$ 0.0000	$ 0.0000	$ 0.1520
05/21/12	06/22/12	$ 0.1350	$ 0.0000	$ 0.0000	$ 0.1350
05/19/11	05/31/11	$ 0.0080	$ 0.0000	$ 0.0000	$ 0.0080
12/31/10	01/28/11**	$ 0.0450	$ 0.0000	$ 0.0000	$ 0.0450
04/30/10	05/10/10	$ 0.0103	$ 0.0000	$ 0.0000	$ 0.0103
12/31/09	01/28/10**	$ 0.0996	$ 0.0000	$ 0.0000	$ 0.0996
05/11/09	06/05/09	$ 0.2340	$ 0.0000	$ 0.0000	$ 0.2340
05/06/08	05/15/08	$ 0.0000	$ 0.1235	$ 0.4030	$ 0.5265
12/21/07	12/31/07	$ 0.0000	$ 0.0000	$ 1.0000	$ 1.0000
05/03/07	05/15/07	$ 0.2500	$ 0.0000	$ 0.0000	$ 0.2500

12/21/06	12/28/06	$ 0.2900	$ 0.0000	$ 0.0000	$ 0.2900
05/05/06	05/15/06	$ 0.0900	$ 0.0000	$ 0.0000	$ 0.0900
12/22/05	12/30/05	$ 0.0600	$ 0.0000	$ 0.0000	$ 0.0600
12/22/04	12/31/04	$ 0.0250	$ 0.0000	$ 0.0000	$ 0.0250
05/06/04	05/14/04	$ 0.0390	$ 0.0000	$ 0.0000	$ 0.0390
11/19/02	11/29/02	$ 0.0100	$ 0.0000	$ 0.0000	$ 0.0100
11/19/01	11/29/01	$ 0.0600	$ 0.0000	$ 0.0000	$ 0.0600
09/03/01	09/17/01	$ 0.0000	$ 0.0000	$ 0.0200	$ 0.0200

Distributions are historical, will fluctuate and are not guaranteed. Distributions do not include return of capital or other non-income sources.

* This Fund posts estimated capital gain information to its web site: www.dws-investments.com.
** Although this distribution was payable in January, it may have been taxable in the prior year.

SECTOR DIVERSIFICATION AS OF DECEMBER 31, 2013 (As a % of Equity Securities)

10 LARGEST EQUITY HOLDINGS AS OF DECEMBER 31, 2013 (27.7%, as a % of Net Assets)

1.	Daimler (Germany)	3.3%
2.	Sampo (Finland)	2.9%
3.	Allianz (Germany)	2.9%
4.	EADS (Netherlands)	2.8%
5.	Axel Springer (Germany)	2.7%
6.	Henkel & Co. (Germany)	2.7%
7.	Zodiac Aerospace (France)	2.6%
8.	Siemens (Germany)	2.6%
9.	Societe Generale (France)	2.6%
10.	Imerys (France)	2.6%

Sector Diversification and 10 Largest Equity Holdings are subject to change and not indicative of future portfolio composition.

For more complete details about the Fund's Schedule of Investments, see page 12.

Following the Fund's fiscal first and third quarter-ends, a complete portfolio holdings listing is filed with the SEC on Form N-Q. This form is available on the SEC's web site at www.sec.gov, and it also may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the SEC's Public Reference Room may be obtained by calling (800) SEC-0330. A complete list of the Fund's portfolio holdings and the Fund's sector breakdown compared to that of its benchmark as of the month end is posted on www.dws-investments.com on or after the last day of the following month. More frequent postings of portfolio holdings information may be made from time to time on www.dws-investments.com.

INTERVIEW WITH PORTFOLIO MANAGEMENT TEAM — RAINER VERMEHREN AND

GERD KIRSTEN

Question: What is Europe's role within the global economy for 2014?

Answer: Five and a half years after the onset of the global economic and financial crisis, we believe the global economy should start to post trend below-trend growth for the global economy of 3.5% to 4% again in 2014. Following several years during which hopes of an economic upturn in Europe have been dashed, two major drivers may finally affect the awaited turnaround for the Eurozone economy. First, fiscal policy in the Eurozone is generating little drag. The European Central Bank's ("ECB") commitment to provide potentially unlimited support in the problem countries has slowed the pace of fiscal consolidation slightly. In 2014 the structural deficit is likely to be trimmed by only about a quarter of a percentage point of gross domestic product ("GDP"). Second, individual countries have made progress towards a banking union, consolidating their banking systems, in no small measure, with an eye on the ECB's comprehensive assessment of their major banks in 2014. This could relieve the pressure on banks to boost their capital ratios, which should also lead to a stabilization of lending. This would further relieve the negative cyclical impact of fiscal policy. These factors, combined with a further pickup of the U.S. economy, a stronger U.S. dollar ("USD") and reforms driving reaccelerated growth in China, may effectuate a return to growth for the Eurozone economy in 2014.

Question: What can be expected from Europe's recent update of the Markets in Financial Instruments Directive (MiFID)?1

Answer: A new deal to overhaul the European Union's ("EU") rules for financial markets marks a major step in the European Parliament's efforts to tighten financial regulation since the 2008 crisis. The new rules will push most trading in stocks, bonds and derivatives onto regulated venues such as exchanges, which must disclose a wealth of information to regulators about their trading activity. The agreement will also impose limits on the size of positions that traders in a broad range of commodities are allowed to hold. Most commodity trading will be pushed onto regulated markets. The proposed law also sets out rules for high-frequency trading systems, which execute trades in

fractions of a second. The agreement takes a step toward a goal long sought by policy makers in Brussels: preventing exchanges from requiring traders to use clearinghouses also owned by the exchange. Finally, the deal allows financial companies to operate their own trading platforms, known as "organized trading facilities."

Question: In 2013 the European Single Market turned 20. What further potential remains looking forward?

Answer: The Single Market is the core of Europe's economic and integration architecture. It has guaranteed the free movement of people, goods, services and capital in the European Economic Area since 1993 and has been continuously modified since then to keep pace with more recent developments, such as the growing importance of the service sector. The Single Market has had substantial positive growth effects, estimated to have increased EU GDP by some 2% to 3% in the past, and which many argue have not yet fully materialized. The dismantling of trade barriers has created cost advantages, intensified competition in the Single Market and made companies more competitive in the global arena. The ongoing reduction of barriers to intra-EU trade has also made the countries in the EU more attractive for investment by foreign firms. Given the structural problems in the Eurozone, the continuing development of the Single Market is one absolutely essential element. Further development of the "four freedoms" of the Single Market is expected to unleash further potential-free movement of goods, free movement of people, free movement of services and free movement of capital and payments. The standardization of cross-border payments (SEPA, Single Euro Payments Area) expected to be implemented successively across Europe from February 2014 onward is the latest prominent example of an additional reduction in friction for cross-border capital flows and greater financial integration, which make cross-border financial transactions easier and cheaper.

1 The Markets in Financial Derivatives Directive (MiFID) aims to integrate the European Union's financial markets and to increase the amount of cross-border investment orders.

DIRECTORS OF THE FUND

Name, Address, Age*	Term of Office and Length of Time Served†	Principal Occupation(s) During Past Five Years	Other Directorships Held by Director
Dr. Wilhelm Bender, 69(1)	Class I Since 2013	Senior Advisor of Advent International GmbH (private equity) (since 2009), of Norton Rose LLP (legal services) (since 2010) and of Leonardo & Co. GmbH (financial advisory) (since 2012), and Chairman of the Supervisory Boards of Bombardier Transportation GmbH (railways) (since 2010) and Eintracht Frankfurt Fußball AG (soccer club) (since 2010), and a member of Supervisory Boards of MTU AG (aircraft engines) (since 2008) and Lufthansa Cargo AG (air freight) (since 2008). He is also a member of the Advisory Boards of Deutsche Bank AG (since 1993) and IVG AG (since 2007) and holds a number of honorary positions including Honorary Professor of the Johann Wolfgang Goethe University in Frankfurt (since 2008). He is the former Chairman of the Executive Board (CEO) of Fraport AG,	Director, The Central Europe, Russia and Turkey Fund, Inc. (since 2013) and The New Germany Fund, Inc. (since 2013).

		Germany (aviation industry) (1993-2009).	
Detlef Bierbaum, 71(1)	Class I Since 1986	Consultant (since 2010). He is also Vice Chairman of the Supervisory Board of Oppenheim KAG GmbH (asset management) and a member of the Supervisory Board of Deutsche Bank Österreich AG (private bank) for more than five years. Mr. Bierbaum also serves as a member of the Board or Supervisory Board of a number of non-U.S. investment companies and of companies in diverse businesses including insurance, reinsurance, real estate, and retailing. He is a former member of the Supervisory Board of Sal. Oppenheim Jr. & Cie. KGaA (private bank) (2008 to March 2010) and was formerly a partner of that firm. He is also a former member of the Supervisory Board of DWS Investment GmbH (asset management) (2005-2008).	Director, The Central Europe, Russia and Turkey Fund, Inc. (since 1990) and The New Germany Fund, Inc. (since 2008).

DIRECTORS OF THE FUND (continued)

Name, Address, Age*	Term of Office and Length of Time Served†	Principal Occupation(s) During Past Five Years	Other Directorships Held by Director
Ambassador Richard R. Burt, 66(1)	Class II Since 2000	Managing Director, McLarty Associates (international strategic advisory) (since 2007). Formerly, Chairman, Diligence, Inc. (international information and risk management firm) (2002-2007); Chairman of the Board, Weirton Steel Corp. (1996-2004); Partner, McKinsey & Company (consulting firm) (1991-1994); State Department, Chief Negotiator in charge of negotiating the Arms Treaty with Russia (1989-1991); U.S. Ambassador to the Federal Republic of Germany	Director, The Central Europe, Russia and Turkey Fund, Inc. (since 2000) and The New Germany Fund, Inc. (since 2004). Director, UBS family of mutual funds (since 1995).

		(1985-1989). Mr. Burt is also Director, IGT, Inc. (gaming technology) (since 1995), and HCL Technologies, Inc. (information technology and product engineering) (since 1999) and member, Textron Inc. International Advisory Council (aviation, automotive, industrial operations and finance) (since 1996).	
Richard Karl Goeltz, 71(1)	Class III Since 2008	Retired. Formerly, Vice Chairman and Chief Financial Officer of American Express Co. (financial services) (1996-2000) and previously served as chief financial officer of two other major multi-national corporations. Mr Goeltz is a member of the Court of Governors of the London School of Economics and Political Science, and Trustee of the American Academy in Berlin.	Director, The Central Europe, Russia and Turkey Fund, Inc. (since 2008) and The New Germany Fund, Inc. (since 1990). Formerly Director of Aviva plc (financial services), Federal Home Loan Mortgage Corporation, Delta Air Lines, Inc. (air transport) and The Warnaco Group Inc. (apparel).
Dr. Franz Wilhelm Hopp, 71(1)	Class III Since 2008	Partner of Laplace Finanzconsulting GmbH (asset management). Member of the Supervisory Board WAVE AG (asset management). Former member of the Board of Management of KarstadtQuelle Pension Trust e.V. (February 2007-September 2009).	Director, The Central Europe, Russia and Turkey Fund, Inc. (since 2008) and The New Germany Fund, Inc. (since 1993).

DIRECTORS OF THE FUND (continued)

Name, Address, Age*	Term of Office and Length of Time Served†	Principal Occupation(s) During Past Five Years	Other Directorships Held by Director
Dr. Friedbert H. Malt, 72(1)	Class II Since 2007	Retired. Formerly, Vice Chairman and Member of the Executive Committee of NOL Neptune Orient Lines Ltd., Singapore ("NOL") from 2002 to 2011	Director, The Central Europe, Russia and Turkey Fund, Inc. (since 2007) and The New Germany Fund,

		and Director of NOL from 2000 to 2011. He currently is also a Director of TÜV Rheinland of North America, Inc., a company offering independent testing and assessment services. Formerly, Dr. Malt was a Member of the Executive Board of DG Bank (now DZ Bank), Frankfurt (until 2001).	Inc. (since 2007).
Christian H. Strenger, 70(1)(2)	Class III Since 1986	Member of Supervisory Board (since 1999) and formerly Managing Director (1991-1999) of DWS Investment GmbH (investment management), a subsidiary of Deutsche Bank AG. Mr. Strenger is also Member, Supervisory Board, Fraport AG (international airport business) and TUI AG (travel business). He also is a member of the German Government's Commission on Corporate Governance and other corporate governance organizations, and serves as Director of the Center for Corporate Governance at the Leipzig Graduate School of Management.	Director and Chairman, The Central Europe, Russia and Turkey Fund, Inc. (since 1990) and The New Germany Fund, Inc. (since 1990).
Robert H. Wadsworth, 73(1)(3)	Class I Since 1986	President, Robert H. Wadsworth Associates, Inc. (consulting firm) (1983-present).	Director, The Central Europe, Russia and Turkey Fund, Inc. (since 1990) and The New Germany Fund, Inc. (since 1992), as well as other DWS funds.

DIRECTORS OF THE FUND (continued)

Name, Address, Age*	Term of Office and Length of Time Served†	Principal Occupation(s) During Past Five Years	Other Directorships Held by Director
Joachim Wagner, 66(1)	Class II Since 2009	Retired. Formerly, Chief Financial Officer, RAG Beteiligungs AG/Evonik Industries AG, Germany (chemical manufacturer) (2006-2009) and Chief Financial Officer,	Director, The Central Europe, Russia and Turkey Fund, Inc. (since 2012) and The New Germany Fund,

Degussa AG, Germany (chemical manufacturer) (2001-2006). Mr. Wagner is also a member of the Supervisory Board of a German retail bank and a member of the advisory board of a private German bank.	Inc. (since 2009).

(1) Indicates that the Director also serves as a Director of The Central Europe, Russia and Turkey Fund, Inc. and The New Germany Fund, Inc., two other closed-end registered investment companies for which Deutsche Investment Management Americas Inc. acts as Administrator and Deutsche Asset & Wealth Management International GmbH acts as Investment Adviser.
(2) Indicates "Interested Person", as defined in the Investment Company Act of 1940, as amended (the "1940 Act"). Mr. Strenger is an "interested" Director because of his affiliation with DWS-Deutsche Gesellschaft für Werpapiersparen mbH ("DWS"), an indirect wholly-owned subsidiary of Deutsche Bank AG, and because of his ownership of Deutsche Bank AG shares.
(3) Indicates that Mr. Wadsworth also serves as Director/Trustee of the DWS Investments' open-end and closed-end investment companies. These Funds are advised by Deutsche Investment Management Americas Inc., an indirect wholly-owned subsidiary of Deutsche Bank AG.
* The address of each Director is c/o Deutsche Investment Management Americas Inc., 345 Park Avenue, NYC 20-2799, New York, NY 10154.
† The term of office for Directors in Class I expires at the 2015 Annual Meeting, Class II expires at the 2016 Annual Meeting and Class III expires at the 2014 Annual Meeting.

OFFICERS OF THE FUND*

Name, Age	Principal Occupations During Past Five Years
Brian E. Binder(1,2), 41 President and Chief Executive Officer	Managing Director(3) and Head of Fund Administration, Deutsche Asset & Wealth Management (2013-present). Formerly, Head of Business Management and Consulting at Invesco, Ltd. (2010-2012); Chief Administrative Officer, Van Kampen Funds Inc. (2008-2010); and Chief Administrative Officer, Morgan Stanley Investment Management Americas Distribution (2003-2008).
Paul H. Schubert(4,13), 50 Chief Financial Officer and Treasurer	Managing Director(3), Deutsche Asset & Wealth Management (since 2004). Formerly, Executive Director, Head of Mutual Fund Services and Treasurer for UBS Family of Funds at UBS Global Asset Management (1998-2004).
Rainer Vermehren(5,6), 45 Vice President	Director(3), DWS Investment GmbH (since 2007). Fund Manager, DWS Investment GmbH (since 1997).
	Director(3), Deutsche Asset & Wealth Management (since 2006).

Melinda Morrow(7,13), 43 Vice President	
John Millette(8,9), 51 Secretary	Director(3), Deutsche Asset & Wealth Management (since 2002).
Hepsen Uzcan(9,12), 39 Assistant Secretary	Vice President, Deutsche Asset & Wealth Management.
Caroline Pearson(9,10), 51 Chief Legal Officer	Managing Director(3), Deutsche Asset & Wealth Management. Formerly, Assistant Secretary for DWS family of funds (1997-2010).
Alexis Kuchinsky(11,13), 37 Chief Compliance Officer	Vice President, Deutsche Asset & Wealth Management (since 2002); Head of Compliance Program Oversight of Deutsche Asset & Wealth Management.