

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**

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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>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 TELECOMMUNICATIONS SERVICES 0.5%</b>	
120,646	Freetnet	751,082
	Total Common Stocks (cost \$174,481,765)	137,370,336
	<b>PREFERRED STOCKS 3.0% HEALTHCARE EQUIPMENT &amp; SUPPLIES 2.6%</b>	
78,465	Fresenius	3,599,577
62,632	Sartorius	532,081
		4,131,658
	<b>TEXTILE, APPAREL &amp; LUXURY GOODS 0.4%</b>	
50,000	Hugo Boss	730,070
	Total Preferred Stocks (Cost \$3,586,971)	4,861,728
	Total Investments in German Securities (cost \$178,068,736)	142,232,064
	<b>INVESTMENTS IN DUTCH 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; SERVICES 3.5%</b>	
355,887	Qiagen*	\$ 5,687,749
	Total Investments in Dutch Common Stocks (cost \$14,472,584)	14,288,359
	Total Investments in Common and Preferred Stocks 97.3% (cost \$192,541,320)	156,520,423
	<b>SECURITIES LENDING COLLATERAL 22.4%</b>	
36,034,716	Daily Assets Fund Institutional, 0.78%(b)(c) (cost \$36,034,716)	36,034,716
	<b>CASH EQUIVALENTS 0.2%</b>	
300,284	Cash Management QP Trust, 0.53%(c) (cost \$300,284)	300,284
	Total Investments 119.9% (cost \$192,499,832)	192,855,423
	Other Assets and Liabilities, 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