

EUROPEAN EQUITY FUND, INC / MD  
Form N-Q  
May 27, 2014

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: 811-04632

The European Equity 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: 3/31/2014

ITEM 1. SCHEDULE OF INVESTMENTS

THE EUROPEAN EQUITY FUND,  
INC.

SCHEDULE OF INVESTMENTS — MARCH 31, 2014 (unaudited)

| Shares                         | Description           | Value(a)     |
|--------------------------------|-----------------------|--------------|
| INVESTMENTS IN GERMANY – 27.3% |                       |              |
|                                | COMMON STOCKS – 24.8% |              |
|                                | AUTOMOBILES – 2.5%    |              |
| 26,000                         | Daimler               | \$ 2,457,621 |
|                                | CHEMICALS – 4.6%      |              |
| 22,000                         | BASF                  | 2,446,073    |

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|                               |  |              |
|-------------------------------|--|--------------|
| 10,000                        | Linde  | 2,001,001    |
|                               |  | 4,447,074    |
|                               | DIVERSIFIED<br>TELECOMMUNICATION<br>SERVICES – 2.5%    |              |
| 150,000                       | Deutsche Telekom                                       | 2,424,767    |
|                               | INSURANCE – 2.5%                                       |              |
| 66,000                        | Talanx   | 2,374,825    |
|                               | INTERNET SOFTWARE &<br>SERVICES – 2.3%                 |              |
| 48,000                        | United Internet  | 2,254,682    |
|                               | MACHINERY – 2.5%                                       |              |
| 25,000                        | Krones   | 2,388,247    |
|                               | MEDIA – 2.6%   |              |
| 40,000                        | Axel Springer  | 2,560,785    |
|                               | SEMICONDUCTORS &<br>SEMICONDUCTOR<br>EQUIPMENT – 2.2%  |              |
| 180,000                       | Infineon Technologies                                  | 2,148,678    |
|                               | TECHNOLOGY HARDWARE,<br>STORAGE & PERIPHERALS – 1.1%   |              |
| 15,000                        | Wincor Nixdorf   | 1,078,019    |
|                               | TEXTILES, APPAREL &<br>LUXURY GOODS – 2.0%             |              |
| 18,000                        | Adidas   | 1,948,247    |
|                               | Total Common Stocks<br>(cost \$19,512,380)             | 24,082,945   |
|                               | PREFERRED STOCKS – 2.5%                                |              |
|                               | HOUSEHOLD PRODUCTS – 2.5%                              |              |
| 22,000                        | Henkel & Co.†<br>(cost \$1,620,131)                    | 2,368,458    |
|                               | Total Investments in<br>Germany<br>(cost \$21,132,511) | 26,451,403   |
| Shares                        | Description  | Value(a)     |
| INVESTMENTS IN FRANCE – 17.8% |  |              |
|                               | AEROSPACE & DEFENSE – 2.6%                             |              |
| 70,000                        | Zodiac Aerospace                                       | \$ 2,474,379 |
|                               | AUTOMOBILES – 2.2%                                     |              |
| 22,000                        | Renault  | 2,138,646    |
|                               | COMMERCIAL BANKS – 4.6%                                |              |
| 120,000                       | Credit Agricole*                                       | 1,892,683    |
| 42,000                        | Societe Generale                                       | 2,587,534    |
|                               |  | 4,480,217    |
|                               | COMMERCIAL SERVICES &<br>SUPPLIES – 2.0%               |              |
| 15,000                        | Societe BIC  | 1,971,027    |
|                               | CONSTRUCTION MATERIALS – 2.6%                          |              |
| 28,000                        | Imerys   | 2,490,778    |
|                               | DIVERSIFIED<br>TELECOMMUNICATION                       |              |

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|                                    |   |            |
|------------------------------------|---|------------|
|                                    | SERVICES – 1.2%                                       |            |
| 40,000                             | Vivendi   | 1,114,607  |
|                                    | HEALTH CARE EQUIPMENT &<br>SUPPLIES – 1.3%            |            |
| 12,902                             | Essilor International                                 | 1,301,514  |
|                                    | INSURANCE – 1.3%                                      |            |
| 50,000                             | AXA   | 1,299,893  |
|                                    | Total Investments in<br>France<br>(cost \$13,288,878) | 17,271,061 |
| INVESTMENTS IN NETHERLANDS – 13.8% |   |            |
|                                    | AEROSPACE & DEFENSE – 2.5%                            |            |
| 34,000                             | Airbus Group NV                                       | 2,436,012  |
|                                    | CHEMICALS – 1.3%                                      |            |
| 18,000                             | Koninklijke DSM                                       | 1,235,701  |
|                                    | CONSTRUCTION &<br>ENGINEERING – 2.5%                  |            |
| 64,000                             | Arcadis NV  | 2,462,059  |
|                                    | DIVERSIFIED FINANCIAL<br>SERVICES – 1.8%              |            |
| 120,000                            | ING Groep*  | 1,699,197  |
|                                    | FOOD PRODUCTS – 2.0%                                  |            |
| 44,000                             | Nutreco   | 1,955,524  |

## THE EUROPEAN EQUITY FUND, INC.

## SCHEDULE OF INVESTMENTS — MARCH 31, 2014 (unaudited) (continued)

| Shares   | Description   | Value(a)     |
|--|---|--------------|
| INVESTMENTS IN NETHERLANDS – 13.8% (continued) |   |              |
| 110,000  | MEDIA – 2.5%<br>Reed Elsevier NV  | \$ 2,377,705 |
| 13,090   | SEMICONDUCTORS &<br>SEMICONDUCTOR<br>EQUIPMENT – 1.2%<br>ASML Holding               | 1,212,784    |
|  | Total Investments in<br>Netherlands<br>(cost \$10,648,938)                          | 13,378,982   |
| INVESTMENTS IN SPAIN – 12.7%                   |   |              |
| 20,000   | CONSTRUCTION & ENGINEERING – 0.8%<br>ACS Actividades de<br>Construccion y Servicios | 785,930      |
| 38,000   | ELECTRIC UTILITIES – 3.2%<br>Red Electrica  | 3,089,700    |
| 52,000   | INSURANCE – 4.5%<br>Grupo Catalana<br>Occidente                                     | 2,113,289    |
| 540,000  | Mapfre  | 2,277,172    |
|  |   | 4,390,461    |
| 50,000   | IT SERVICES – 4.2%<br>Amadeus IT Holding  | 2,077,486    |
| 100,000  | Indra Sistemas†   | 2,009,959    |
|  |   | 4,087,445    |
|  | Total Investments in<br>Spain<br>(cost \$8,668,639)                                 | 12,353,536   |
| INVESTMENTS IN UNITED KINGDOM – 11.8%          |   |              |
| 100,000  | COMMERCIAL SERVICES &<br>SUPPLIES – 2.3%<br>Babcock International<br>Group          | 2,245,449    |
| 130,000  | DIVERSIFIED<br>TELECOMMUNICATION<br>SERVICES – 2.1%<br>Jazztel*                     | 1,977,849    |
| 160,000  | HEALTH CARE EQUIPMENT &<br>SUPPLIES – 2.5%<br>Smith & Nephew                        | 2,424,485    |
| 26,000   | HOUSEHOLD PRODUCTS – 2.2%<br>Reckitt Benckiser Group                                | 2,118,124    |

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| Shares                            | Description   | Value(a)     |
|-----------------------------------|---|--------------|
|                                   | MULTILINE RETAIL – 2.7%                                   |              |
| 24,000                            | Next  | \$ 2,640,528 |
|                                   | Total Investments in United Kingdom<br>(cost \$9,492,540) | 11,406,435   |
| INVESTMENTS IN SWITZERLAND – 4.9% |   |              |
|                                   | CHEMICALS – 4.9%  |              |
| 5,000                             | EMS-Chemie Holding  | 1,888,794    |
| 700                               | Sika  | 2,864,969    |
|                                   | Total Investments in Switzerland<br>(cost \$4,304,728)    | 4,753,763    |
| INVESTMENTS IN FINLAND – 3.0%     |   |              |
|                                   | INSURANCE – 3.0%  |              |
| 56,000                            | Sampo   | 2,905,586    |
|                                   | Total Investments in Finland<br>(cost \$1,417,010)        | 2,905,586    |
| INVESTMENTS IN GREECE – 2.7%      |   |              |
|                                   | HOTELS, RESTAURANTS & LEISURE – 2.7%                      |              |
| 160,000                           | OPAP  | 2,579,803    |
|                                   | Total Investments in Greece<br>(cost \$2,124,591)         | 2,579,803    |
| INVESTMENTS IN LUXEMBOURG – 2.1%  |   |              |
|                                   | MEDIA – 2.1%  |              |
| 18,000                            | RTL Group   | 2,050,199    |
|                                   | Total Investments in Luxembourg<br>(cost \$1,965,355)     | 2,050,199    |
| INVESTMENTS IN POLAND – 1.7%      |   |              |
|                                   | COMMERCIAL BANKS – 1.7%                                   |              |
| 120,000                           | Powszechna Kasa Oszczednosci Bank Polski                  | 1,685,882    |
|                                   | Total Investments in Poland<br>(cost \$1,650,114)         | 1,685,882    |



## THE EUROPEAN EQUITY FUND, INC.

## SCHEDULE OF INVESTMENTS — MARCH 31, 2014 (unaudited) (continued)

| Shares                               | Description  | Value(a)      |
|--------------------------------------|--|---------------|
| INVESTMENTS IN DENMARK – 1.4%        |  |               |
|                                      | HEALTH CARE EQUIPMENT & SERVICES – 1.4%  |               |
| 17,000                               | Coloplast  | \$ 1,375,953  |
|                                      | Total Investments in Denmark<br>(cost \$1,323,272)                                 | 1,375,953     |
|                                      | Total Investments in Common<br>and Preferred Stocks – 99.2%<br>(cost \$76,016,576) | 96,212,603    |
| SECURITIES LENDING COLLATERAL – 3.3% |  |               |
|                                      | Daily Assets Fund<br>Institutional, 0.07%<br>(cost \$3,205,753)(b)(c)              | 3,205,753     |
| 3,205,753                            |  |               |
| CASH EQUIVALENTS – 0.4%              |  |               |
|                                      | Central Cash Management<br>Fund, 0.05%<br>(cost \$340,661)(c)                      | 340,661       |
| 340,661                              |  |               |
| Number of<br>contracts               |  |               |
| PUT OPTIONS PURCHASED – 0.5%         |  |               |
|                                      | DAX Index,<br>Expiration: 9/22/2014<br>Exercise Price 8,500.00<br>(cost \$501,948) | 456,496       |
| 500                                  |  |               |
|                                      | Total Investments in Put Options<br>Purchased – 0.5%<br>(cost \$501,948)           | 456,496       |
|                                      | Total Investments – 103.4%<br>(cost \$80,064,938)**                                | 100,215,513   |
|                                      | Other Assets and Liabilities,<br>Net – (3.4%)                                      | (3,270,907)   |
|                                      | NET ASSETS – 100.0%  | \$ 96,944,606 |

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.

\*\* The cost for federal income tax purposes was \$80,065,882. At March 31, 2014, net unrealized appreciation for all securities based on tax cost was \$20,149,631. This consisted of aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost of \$20,287,227 and aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value of \$137,596.

† All or a portion of these securities were on loan. The value of all securities loaned at March 31, 2014 amounted to \$3,053,907, which is 3.2% of net assets.

(a) Value stated in U.S. 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.

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.



## THE EUROPEAN EQUITY FUND, INC.

## SCHEDULE OF INVESTMENTS — MARCH 31, 2014 (unaudited) (continued)

## 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 or liquidity associated with investing in these securities.

The following is a summary of the inputs used as of March 31, 2014 in valuing the Fund's investments.

| Assets   | Level 1        | Level 2 | Level 3 | Total          |
|--|----------------|---------|---------|----------------|
| Common Stocks and/or Other Equity Investments(1) |                |         |         |                |
| Germany  | \$ 26,451,403  | \$ —    | \$ —    | \$ 26,451,403  |
| France   | 17,271,061     | —       | —       | 17,271,061     |
| Netherlands                                      | 13,378,982     | —       | —       | 13,378,982     |
| Spain  | 12,353,536     | —       | —       | 12,353,536     |
| United Kingdom                                   | 11,406,435     | —       | —       | 11,406,435     |
| Switzerland                                      | 4,753,763      | —       | —       | 4,753,763      |
| Finland  | 2,905,586      | —       | —       | 2,905,586      |
| Greece   | 2,579,803      | —       | —       | 2,579,803      |
| Luxembourg                                       | 2,050,199      | —       | —       | 2,050,199      |
| Poland   | 1,685,882      | —       | —       | 1,685,882      |
| Denmark  | 1,375,953      | —       | —       | 1,375,953      |
| Short-Term Instruments(1)                        | 3,546,414      | —       | —       | 3,546,414      |
| Derivatives(2)                                   |                |         |         |                |
| Purchased Options                                | 456,496        | —       | —       | 456,496        |
| Total  | \$ 100,215,513 | \$ —    | \$ —    | \$ 100,215,513 |

There have been no transfers between fair value measurement levels during the period ended March 31, 2014.

(1) See Schedule of Investments for additional detailed categorizations.

(2) Derivatives include value of options purchased.



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 European Equity Fund, Inc.

By: /s/Brian E. Binder  
Brian E. Binder  
President

Date: May 23, 2014

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.

By: /s/Brian E. Binder  
Brian E. Binder  
President

Date: May 23, 2014

By: /s/Paul Schubert  
Paul Schubert

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Chief Financial Officer and Treasurer

Date: May 23, 2014