

EUROPEAN EQUITY FUND, INC / MD
Form N-Q
November 25, 2014

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: 811-04632

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: 9/30/2014

ITEM 1. SCHEDULE OF INVESTMENTS

THE EUROPEAN EQUITY FUND, INC.
SCHEDULE OF INVESTMENTS — SEPTEMBER 30, 2014 (unaudited)

| Shares | Description | Value(a) |
|--------------------------------|---------------------|--------------|
| INVESTMENTS IN GERMANY – 23.5% | | |
| | CHEMICALS – 2.3% | |
| 10,000 | Linde | \$ 1,921,198 |
| | DIVERSIFIED | |
| | TELECOMMUNICATION | |
| | SERVICES – 5.9% | |
| 142,000 | Deutsche Telekom | 2,151,641 |
| | Telefonica | |
| 560,000 | Deutschland Holding | 2,927,443 |

Edgar Filing: EUROPEAN EQUITY FUND, INC / MD - Form N-Q

| | | | |
|---------------------------------------|--|--|--------------|
| | | | 5,079,084 |
| | | HEALTH CARE PROVIDERS & SERVICES – 2.6% | |
| 45,000 | | Fresenius SE & Co | 2,227,119 |
| | | INSURANCE – 2.6% | |
| 66,000 | | Talanx | 2,195,545 |
| | | INTERNET SOFTWARE & SERVICES – 2.4% | |
| 48,000 | | United Internet | 2,042,240 |
| | | IT SERVICES – 1.9% | |
| 44,000 | | Wirecard | 1,625,373 |
| | | MACHINERY – 2.5% | |
| 25,000 | | Krones | 2,173,738 |
| | | MEDIA – 1.7% | |
| 27,000 | | Axel Springer | 1,486,110 |
| | | PHARMACEUTICALS – 1.6% | |
| 15,000 | | Merck | 1,383,225 |
| | | Total Investments in Germany (cost \$20,104,876) | 20,133,632 |
| INVESTMENTS IN UNITED KINGDOM – 16.6% | | | |
| | | COMMERCIAL SERVICES & SUPPLIES – 2.1% | |
| 100,000 | | Babcock International Group | 1,770,787 |
| | | DIVERSIFIED TELECOMMUNICATION SERVICES – 3.0% | |
| 160,000 | | Jazztel* | 2,590,050 |
| | | HEALTH CARE EQUIPMENT & SUPPLIES – 3.1% | |
| 160,000 | | Smith & Nephew | 2,698,342 |
| | | HOTELS, RESTAURANTS & LEISURE – 2.4% | |
| 30,000 | | Whitbread | 2,020,838 |
| Shares | | Description | Value(a) |
| | | HOUSEHOLD PRODUCTS – 2.6% | |
| 26,000 | | Reckitt Benckiser Group | \$ 2,255,646 |
| | | MULTILINE RETAIL – 1.0% | |
| 7,600 | | Next | 814,011 |
| | | OIL, GAS & CONSUMABLE FUELS – 2.4% | |
| 280,000 | | BP | 2,058,881 |
| | | Total Investments in United Kingdom (cost \$12,781,627) | 14,208,555 |
| INVESTMENTS IN FRANCE – 10.7% | | | |
| | | AEROSPACE & DEFENSE – 2.6% | |

Edgar Filing: EUROPEAN EQUITY FUND, INC / MD - Form N-Q

| | | |
|------------------------------------|---|-----------|
| 70,000 | Zodiac Aerospace | 2,232,264 |
| | COMMERCIAL SERVICES & SUPPLIES – 2.2% | |
| 15,000 | Societe BIC | 1,933,825 |
| | CONSTRUCTION MATERIALS – 1.9% | |
| 22,000 | Imerys | 1,621,761 |
| | HEALTH CARE EQUIPMENT & SUPPLIES – 2.6% | |
| 20,000 | Essilor International | 2,195,583 |
| | INSURANCE – 1.4% | |
| 50,000 | AXA | 1,231,764 |
| | Total Investments in France (cost \$8,113,272) | 9,215,197 |
| INVESTMENTS IN NETHERLANDS – 10.5% | | |
| | CONSTRUCTION & ENGINEERING – 2.5% | |
| 64,000 | Arcadis NV | 2,118,508 |
| | FOOD PRODUCTS – 2.5% | |
| 54,000 | Unilever | 2,149,898 |
| | MEDIA – 2.9% | |
| 110,000 | Reed Elsevier NV | 2,495,979 |
| | OIL, GAS & CONSUMABLE FUELS – 2.6% | |
| 56,000 | Royal Dutch Shell | 2,213,030 |
| | Total Investments in Netherlands (cost \$9,331,308) | 8,977,415 |

THE EUROPEAN EQUITY FUND, INC.

SCHEDULE OF INVESTMENTS — SEPTEMBER 30, 2014 (unaudited) (continued)

| Shares | Description | Value(a) |
|-----------------------------------|--|--------------|
| INVESTMENTS IN SPAIN – 6.3% | | |
| 30,000 | ELECTRIC UTILITES – 3.0% Red Electrica | \$ 2,597,121 |
| 270,000 | INSURANCE – 1.1% Mapfre | 955,965 |
| 50,000 | IT SERVICES – 2.2% Amadeus IT Holding | 1,870,059 |
| | Total Investments in Spain (cost \$4,497,008) | 5,423,145 |
| INVESTMENTS IN SWITZERLAND – 5.8% | | |
| 2,000 | CHEMICALS – 3.0% EMS-Chemie Holding | 831,328 |
| 500 | Sika | 1,732,761 |
| | | 2,564,089 |
| 26,000 | PHARMACEUTICALS – 2.8% Novartis | 2,452,548 |
| | Total Investments in Switzerland (cost \$4,814,805) | 5,016,637 |
| INVESTMENTS IN SWEDEN – 5.0% | | |
| 320,000 | DIVERSIFIED TELECOMMUNICATION SERVICES – 2.6% TeliaSonera | 2,215,221 |
| 50,000 | SPECIALTY RETAIL – 2.4% Hennes & Mauritz | 2,076,631 |
| | Total Investments in Sweden (cost \$4,504,382) | 4,291,852 |
| INVESTMENTS IN DENMARK – 3.6% | | |
| 42,000 | CHEMICALS – 1.9% Christian Hansen Holding | 1,622,975 |
| 17,000 | HEALTH CARE EQUIPMENT & SUPPLIES – 1.7% Coloplast | 1,424,573 |
| | Total Investments in Denmark (cost \$3,042,894) | 3,047,548 |
| INVESTMENTS IN ITALY – 3.1% | | |
| | GAS UTILITIES – 1.2% | |

Edgar Filing: EUROPEAN EQUITY FUND, INC / MD - Form N-Q

| | | |
|-------------------------------|---|------------|
| 180,000 | Snam | \$ 995,512 |
| | TEXTILES, APPAREL & LUXURY GOODS – 1.9% | |
| 32,000 | Luxottica Group | 1,665,552 |
| | Total Investments in Italy | |
| | (cost \$2,842,557) | 2,661,064 |
| INVESTMENTS IN BELGIUM – 2.7% | | |
| | BEVERAGES – 2.7% | |
| | Anheuser-Busch InBev NV | 2,336,652 |
| 21,000 | Total Investments in Belgium | |
| | (cost \$2,301,720) | 2,336,652 |
| INVESTMENTS IN FINLAND – 2.7% | | |
| | INSURANCE – 2.7% | |
| | Sampo | 2,278,921 |
| 47,000 | Total Investments in Finland | |
| | (cost \$1,186,181) | 2,278,921 |
| INVESTMENTS IN NORWAY – 2.0% | | |
| | DIVERSIFIED TELECOMMUNICATION SERVICES – 2.0% | |
| | Telenor | 1,711,937 |
| 78,000 | Total Investments in Norway | |
| | (cost \$1,836,639) | 1,711,937 |
| INVESTMENTS IN POLAND – 1.7% | | |
| | COMMERCIAL BANKS – 1.7% | |
| | Powszechna Kasa Oszczednosci Bank Polski | 1,437,912 |
| 120,000 | Total Investments in Poland | |
| | (cost \$1,650,114) | 1,437,912 |

THE EUROPEAN EQUITY FUND, INC.

SCHEDULE OF INVESTMENTS — SEPTEMBER 30, 2014 (unaudited) (continued)

| Shares | Description | Value(a) |
|----------------------------------|---|--------------|
| INVESTMENTS IN GREECE – 1.2% | | |
| | HOTELS, RESTAURANTS & LEISURE – 1.2% | |
| 80,000 | OPAP | \$ 1,045,516 |
| | Total Investments in Greece | |
| | (cost \$1,012,029) | 1,045,516 |
| INVESTMENTS IN LUXEMBOURG – 0.9% | | |
| | MEDIA – 0.9% | |
| 9,000 | RTL Group | 771,522 |
| | Total Investments in Luxembourg | |
| | (cost \$889,715) | 771,522 |
| | Total Investments in Common Stocks – 96.3% | |
| | (cost \$78,909,127) | 82,557,505 |
| CASH EQUIVALENTS – 2.0% | | |
| | Central Cash Management Fund, 0.05% | |
| 1,760,622 | (cost \$1,760,622)(b) | 1,760,622 |
| Number of contracts | | |
| PUT OPTIONS PURCHASED – 0.1% | | |
| | EURO STOXX 50 Index, | |
| | Expiration: 12/19/2014 | |
| | Exercise Price 2,800 | |
| 650 | (cost \$150,450) | 123,113 |
| | Total Investments in Put Options Purchased – 0.1% | |
| | (cost \$150,450) | 123,113 |
| | Total Investments – 98.4% | |
| | (cost \$80,820,199)** | 84,441,240 |
| | Other Assets and Liabilities, | |
| | Net – 1.6% | 1,347,833 |
| | NET ASSETS – 100.0% | \$85,789,073 |

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 \$80,821,143. At September 30, 2014, net unrealized appreciation for all securities based on tax cost was \$3,620,097. This consisted of aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost of \$9,355,831 and aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value of \$5,735,734.

(a) Value stated in U.S. dollars.

(b) 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 — SEPTEMBER 30, 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 associated with investing in those securities.

The following is a summary of the inputs used as of September 30, 2014 in valuing the Fund's investments.

| Assets | Level 1 | Level 2 | Level 3 | Total |
|--|--------------|---------|---------|--------------|
| Common Stocks and/or Other Equity Investments(1) | | | | |
| Germany | \$20,133,632 | \$ — | \$ — | \$20,133,632 |
| United Kingdom | 14,208,555 | — | — | 14,208,555 |
| France | 9,215,197 | — | — | 9,215,197 |
| Netherlands | 8,977,415 | — | — | 8,977,415 |
| Spain | 5,423,145 | — | — | 5,423,145 |
| Switzerland | 5,016,637 | — | — | 5,016,637 |
| Sweden | 4,291,852 | — | — | 4,291,852 |
| Denmark | 3,047,548 | — | — | 3,047,548 |
| Italy | 2,661,064 | — | — | 2,661,064 |
| Belgium | 2,336,652 | — | — | 2,336,652 |
| Finland 2,278,921 — — 2,278,921 Norway | 1,711,937 | — | — | 1,711,937 |
| Poland | 1,437,912 | — | — | 1,437,912 |
| Greece | 1,045,516 | — | — | 1,045,516 |
| Luxembourg | 771,522 | — | — | 771,522 |
| Short-Term Instruments | 1,760,622 | — | — | 1,760,622 |
| Derivatives(2) | | | | |
| Purchased Options | 123,113 | — | — | 123,113 |
| Total | \$84,441,240 | \$ — | \$ — | \$84,441,240 |

There have been no transfers between fair value measurement levels during the period ended September 30, 2014.

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

(2) Derivatives include value of options purchased.

Derivatives

The following table presents, by major type of derivative contract, the unrealized appreciation (depreciation) of the Fund's derivative instruments as of September 30, 2014 categorized by the primary underlying risk exposure.

| Primary Underlying Risk Disclosure | Purchased Options |
|------------------------------------|-------------------|
| Equity Contracts | \$27,337 |

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: November 21, 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: November 21, 2014

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

Date: November 21, 2014