

EUROPEAN EQUITY FUND, INC / MD  
Form N-Q  
May 26, 2017

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: 3/31/2017

**ITEM 1. SCHEDULE OF INVESTMENTS**

The European Equity Fund, Inc.

Schedule of Investments

as of March 31, 2017 (Unaudited)

|                                                    | <b>Shares</b> | <b>Value (\$)</b> |
|----------------------------------------------------|---------------|-------------------|
| <b>Common Stocks 98.2%</b>                         |               |                   |
| <b>Germany 20.3%</b>                               |               |                   |
| <b>Aerospace &amp; Defense 2.7%</b>                |               |                   |
| MTU Aero Engines AG                                | 16,000        | <b>2,087,199</b>  |
| <b>Capital Markets 1.1%</b>                        |               |                   |
| Deutsche Boerse AG                                 | 8,600         | <b>792,806</b>    |
| <b>Chemicals 1.9%</b>                              |               |                   |
| LANXESS AG                                         | 22,000        | <b>1,480,016</b>  |
| <b>Construction &amp; Engineering 2.6%</b>         |               |                   |
| HOCHTIEF AG                                        | 12,000        | <b>1,989,000</b>  |
| <b>Insurance 3.4%</b>                              |               |                   |
| Allianz SE (Registered)                            | 14,000        | <b>2,600,548</b>  |
| <b>Internet &amp; Direct Marketing Retail 1.9%</b> |               |                   |
| Zalando SE 144A*                                   | 36,000        | <b>1,460,461</b>  |
| <b>Pharmaceuticals 3.3%</b>                        |               |                   |
| Merck KGaA                                         | 22,000        | <b>2,513,367</b>  |
| <b>Software 3.4%</b>                               |               |                   |
| SAP SE                                             | 26,000        | <b>2,558,166</b>  |
| <b>Total Germany (Cost \$12,456,832)</b>           |               | <b>15,481,563</b> |
| <b>Netherlands 14.7%</b>                           |               |                   |
| <b>Banks 3.0%</b>                                  |               |                   |
| ING Groep NV                                       | 150,000       | <b>2,273,647</b>  |
| <b>Beverages 3.2%</b>                              |               |                   |
| Heineken NV                                        | 29,000        | <b>2,475,500</b>  |
| <b>Oil, Gas &amp; Consumable Fuels 2.9%</b>        |               |                   |
| Royal Dutch Shell PLC "B"                          | 82,000        | <b>2,239,829</b>  |

**Semiconductors & Semiconductor Equipment 3.1%**

|                 |        |           |
|-----------------|--------|-----------|
| ASML Holding NV | 18,000 | 2,395,272 |
|-----------------|--------|-----------|

**Specialty Retail 2.5%**

|                                              |        |                   |
|----------------------------------------------|--------|-------------------|
| GrandVision NV 144A                          | 76,000 | 1,866,177         |
| <b>Total Netherlands</b> (Cost \$10,267,053) |        | <b>11,250,425</b> |

**Switzerland 13.3%****Building Products 2.3%**

|                         |       |           |
|-------------------------|-------|-----------|
| Geberit AG (Registered) | 4,000 | 1,726,682 |
|-------------------------|-------|-----------|

**Capital Markets 2.0%**

|                           |       |           |
|---------------------------|-------|-----------|
| Partners Group Holding AG | 2,841 | 1,529,420 |
|---------------------------|-------|-----------|

**Chemicals 2.9%**

|              |       |           |
|--------------|-------|-----------|
| Syngenta AG* | 5,025 | 2,212,145 |
|--------------|-------|-----------|

**Life Sciences Tools & Services 1.5%**

|                              |       |           |
|------------------------------|-------|-----------|
| Lonza Group AG (Registered)* | 6,000 | 1,136,059 |
|------------------------------|-------|-----------|

**Metals & Mining 1.4%**

|               |         |           |
|---------------|---------|-----------|
| Glencore PLC* | 280,000 | 1,096,376 |
|---------------|---------|-----------|

**Specialty Retail 3.2%**

|                                             |        |                   |
|---------------------------------------------|--------|-------------------|
| Dufry AG (Registered)*                      | 16,000 | 2,440,868         |
| <b>Total Switzerland</b> (Cost \$8,205,853) |        | <b>10,141,550</b> |

**France 11.9%****Commercial Services & Supplies 2.5%**

|         |               |                   |
|---------|---------------|-------------------|
| Edenred | 80,000        | 1,895,509         |
|         | <b>Shares</b> | <b>Value (\$)</b> |

**Construction & Engineering 2.1%**

|          |        |           |
|----------|--------|-----------|
| Vinci SA | 20,000 | 1,589,574 |
|----------|--------|-----------|

**Health Care Equipment & Supplies 1.1%**

|                          |       |         |
|--------------------------|-------|---------|
| Essilor International SA | 7,000 | 852,872 |
|--------------------------|-------|---------|

**Insurance 3.1%**

|        |        |           |
|--------|--------|-----------|
| AXA SA | 93,000 | 2,412,938 |
|--------|--------|-----------|

**Media 3.1%**

|                                        |        |                  |
|----------------------------------------|--------|------------------|
| Lagardere SCA                          | 80,000 | 2,362,753        |
| <b>Total France</b> (Cost \$7,547,554) |        | <b>9,113,646</b> |

**United Kingdom 11.1%****Aerospace & Defense 2.0%**

|                 |         |           |
|-----------------|---------|-----------|
| BAE Systems PLC | 188,000 | 1,510,358 |
|-----------------|---------|-----------|

**Energy Equipment & Services 2.4%**

|                 |        |           |
|-----------------|--------|-----------|
| TechnipFMC PLC* | 56,000 | 1,832,439 |
|-----------------|--------|-----------|

**Household Products 1.3%**

|                             |        |                  |
|-----------------------------|--------|------------------|
| Reckitt Benckiser Group PLC | 11,000 | <b>1,002,146</b> |
|-----------------------------|--------|------------------|

**Media 1.5%**

|         |        |                  |
|---------|--------|------------------|
| WPP PLC | 53,777 | <b>1,178,093</b> |
|---------|--------|------------------|

**Trading Companies & Distributors 1.5%**

|                   |        |                  |
|-------------------|--------|------------------|
| Ashtead Group PLC | 56,000 | <b>1,157,470</b> |
|-------------------|--------|------------------|

**Wireless Telecommunication Services 2.4%**

|                    |         |                  |
|--------------------|---------|------------------|
| Vodafone Group PLC | 700,000 | <b>1,821,458</b> |
|--------------------|---------|------------------|

|                                                |  |                  |
|------------------------------------------------|--|------------------|
| <b>Total United Kingdom</b> (Cost \$8,585,515) |  | <b>8,501,964</b> |
|------------------------------------------------|--|------------------|

**Sweden 10.2%****Commercial Services & Supplies 3.0%**

|                  |         |                  |
|------------------|---------|------------------|
| Securitas AB "B" | 147,000 | <b>2,304,385</b> |
|------------------|---------|------------------|

**Household Products 2.8%**

|                              |        |                  |
|------------------------------|--------|------------------|
| Svenska Cellulosa AB SCA "B" | 65,000 | <b>2,103,395</b> |
|------------------------------|--------|------------------|

**Machinery 4.4%**

|            |        |           |
|------------|--------|-----------|
| SKF AB "B" | 89,245 | 1,771,749 |
|------------|--------|-----------|

|              |         |           |
|--------------|---------|-----------|
| Volvo AB "B" | 110,000 | 1,629,529 |
|--------------|---------|-----------|

|                                        |  |                  |
|----------------------------------------|--|------------------|
| <b>Total Sweden</b> (Cost \$6,800,928) |  | <b>3,401,278</b> |
|                                        |  | <b>0,809,058</b> |

**Denmark 6.9%****Chemicals 1.4%**

|                        |        |                  |
|------------------------|--------|------------------|
| Chr Hansen Holding A/S | 16,000 | <b>1,030,016</b> |
|------------------------|--------|------------------|

**Marine 2.6%**

|                            |       |                  |
|----------------------------|-------|------------------|
| AP Moller - Maersk A/S "B" | 1,200 | <b>1,996,865</b> |
|----------------------------|-------|------------------|

**Pharmaceuticals 0.9%**

|                      |        |                |
|----------------------|--------|----------------|
| Novo Nordisk A/S "B" | 19,241 | <b>662,777</b> |
|----------------------|--------|----------------|

**Textiles, Apparel & Luxury Goods 2.0%**

|             |        |                  |
|-------------|--------|------------------|
| Pandora A/S | 14,000 | <b>1,554,459</b> |
|-------------|--------|------------------|

|                                         |  |                  |
|-----------------------------------------|--|------------------|
| <b>Total Denmark</b> (Cost \$5,478,391) |  | <b>M,244,117</b> |
|-----------------------------------------|--|------------------|

**Ireland 3.9%****Airlines 1.4%**

|                       |        |                  |
|-----------------------|--------|------------------|
| Ryanair Holdings PLC* | 71,000 | <b>1,105,054</b> |
|-----------------------|--------|------------------|

**Food Products 2.5%**

|                     |        |                  |
|---------------------|--------|------------------|
| Kerry Group PLC "A" | 24,000 | <b>1,904,408</b> |
|---------------------|--------|------------------|

|                                         |  |                  |
|-----------------------------------------|--|------------------|
| <b>Total Ireland</b> (Cost \$3,043,390) |  | <b>K,009,462</b> |
|-----------------------------------------|--|------------------|

**Italy 3.0%****Diversified Telecommunication Services 3.0%**

|                                        |           |                  |
|----------------------------------------|-----------|------------------|
| Telecom Italia SpA* (Cost \$2,111,308) | 2,500,000 | <b>2,254,393</b> |
|----------------------------------------|-----------|------------------|

|                                                                                          | Shares           | Value (\$)        |
|------------------------------------------------------------------------------------------|------------------|-------------------|
| <b>Belgium 2.9%</b>                                                                      |                  |                   |
| <b>Banks 2.9%</b>                                                                        |                  |                   |
| KBC Groep NV (Cost \$1,908,100)                                                          | 33,000           | 2,195,313         |
| <b>Total Common Stocks</b> (Cost \$66,404,924)                                           |                  | <b>05,001,491</b> |
|                                                                                          | <b>Contracts</b> | <b>Value (\$)</b> |
| <b>Put Options Purchased 0.1%</b>                                                        |                  |                   |
| <b>Exchange-Traded Index Options Contracts</b>                                           |                  |                   |
| EURO STOXX50 Index, Expiration Date 6/16/2017,<br>Strike Price 3,000.00 (Cost \$213,305) | 240              | 47,238            |
|                                                                                          | <b>Shares</b>    | <b>Value (\$)</b> |
| <b>Cash Equivalents 1.0%</b>                                                             |                  |                   |
| Deutsche Central Cash Management Government Fund, 0.74% (Cost \$746,284) (a)             | 746,284          | 046,284           |
|                                                                                          | <b>% of Net</b>  | <b>Value (\$)</b> |
|                                                                                          | <b>Assets</b>    |                   |
| <b>Total Investment Portfolio</b> (Cost \$67,364,513)**                                  | 99.3             | <b>05,795,013</b> |
| <b>Other Assets and Liabilities, Net</b>                                                 | 0.7              | <b>M68,897</b>    |
| <b>Net Assets</b>                                                                        | 100.0            | <b>06,363,910</b> |

\* Non-income producing security.

The cost for federal income tax purposes was \$67,625,308. At March 31, 2017, net unrealized appreciation for all securities based on tax cost was \$8,169,705. This consisted of aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost of \$12,569,929 and aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value of \$4,400,224.

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

144A: Securities exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers.

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.

## **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 March 31,  
2017 in valuing  
the Fund's  
investments.

| <b>Assets</b>              | <b>Level 1</b>       | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>         |
|----------------------------|----------------------|----------------|----------------|----------------------|
| Common Stocks (b)          |                      |                |                |                      |
| Germany                    | \$ 15,481,563        | \$ —           | —              | \$ 15,481,563        |
| Netherlands                | 11,250,425           | —              | —              | 11,250,425           |
| Switzerland                | 10,141,550           | —              | —              | 10,141,550           |
| France                     | 9,113,646            | —              | —              | 9,113,646            |
| United Kingdom             | 8,501,964            | —              | —              | 8,501,964            |
| Sweden                     | 7,809,058            | —              | —              | 7,809,058            |
| Denmark                    | 5,244,117            | —              | —              | 5,244,117            |
| Ireland                    | 3,009,462            | —              | —              | 3,009,462            |
| Italy                      | 1,254,393            | —              | —              | 1,254,393            |
| Belgium                    | 2,195,313            | —              | —              | 2,195,313            |
| Short-Term Instruments (b) | 746,284              | —              | —              | 746,284              |
| Derivatives (c)            |                      |                |                |                      |
| Purchased Options          | 47,238               | —              | —              | 47,238               |
| <b>Total</b>               | <b>\$ 05,795,013</b> | <b>\$ —</b>    | <b>\$ —</b>    | <b>\$ 05,795,013</b> |

There have been no transfers between fair value measurement levels during the period ended March 31, 2017.

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

(c) 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.

/s/Brian E. Binder

By: Brian E. Binder

President

Date: May 18, 2017

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 18, 2017

/s/Paul Schubert

By: Paul Schubert

Chief Financial Officer and Treasurer

Date: May 18, 2017