

EUROPEAN EQUITY FUND, INC / MD  
Form N-Q  
May 29, 2018

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 10154-0004

(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) 250-3220

Date of fiscal year end: 12/31

Date of reporting period: 3/31/2018

**ITEM 1. SCHEDULE OF INVESTMENTS**

The European Equity Fund, Inc.

Schedule of Investments

as of March 31, 2018 (Unaudited)

	<b>Shares</b>	<b>Value (\$)</b>
<b>Common Stocks 98.2%</b>		
<b>Germany 20.3%</b>		
<b>Aerospace &amp; Defense 1.9%</b>		
MTU Aero Engines AG	10,000	<b>1,682,093</b>
<b>Capital Markets 3.2%</b>		
Deutsche Boerse AG	20,000	<b>2,719,875</b>
<b>Chemicals 2.0%</b>		
Evonik Industries AG	48,000	<b>1,690,356</b>
<b>Health Care Providers &amp; Services 2.8%</b>		
Fresenius SE & Co KGaA	32,000	<b>2,441,887</b>
<b>Insurance 2.4%</b>		
Allianz SE (Registered)	9,000	<b>2,029,578</b>
<b>Internet &amp; Direct Marketing Retail 2.5%</b>		
Zalando SE 144A*	39,000	<b>2,123,421</b>
<b>Personal Products 2.4%</b>		
Beiersdorf AG	18,000	<b>2,036,660</b>
<b>Software 3.1%</b>		
SAP SE	26,000	<b>2,716,457</b>
<b>Total Germany</b> (Cost \$14,908,082)		<b>17,440,327</b>
<b>Sweden 13.6%</b>		
<b>Commercial Services &amp; Supplies 2.9%</b>		
Securitas AB "B"	147,000	<b>2,487,941</b>
<b>Electronic Equipment, Instruments &amp; Components 0.8%</b>		
Hexagon AB "B"	11,000	<b>651,439</b>
<b>Household Products 2.4%</b>		

Essity AB "B"*	74,000	<b>2,037,467</b>
<b>Machinery 6.4%</b>		
Alfa Laval AB	76,000	1,788,999
SKF AB "B"	105,000	2,137,535
Volvo AB "B"	88,000	1,599,704
		<b>5,526,238</b>
<b>Oil, Gas &amp; Consumable Fuels 1.1%</b>		
Lundin Petroleum AB	38,000	<b>950,987</b>
<b>Total Sweden</b> (Cost \$10,357,768)		<b>11,654,072</b>
<b>Netherlands 10.5%</b>		
<b>Banks 2.8%</b>		
ING Groep NV	141,000	<b>2,375,218</b>
<b>Beverages 3.1%</b>		
Heineken NV	25,000	<b>2,683,602</b>
<b>Oil, Gas &amp; Consumable Fuels 3.0%</b>		
Royal Dutch Shell PLC "B"	82,000	<b>2,619,224</b>
<b>Semiconductors &amp; Semiconductor Equipment 1.6%</b>		
ASML Holding NV	7,000	<b>1,378,443</b>
<b>Total Netherlands</b> (Cost \$7,049,950)		<b>9,056,487</b>
<b>France 10.1%</b>		
<b>Aerospace &amp; Defense 1.1%</b>		
Thales SA	8,000	<b>973,253</b>
	<b>Shares</b>	<b>Value (\$)</b>
<b>Commercial Services &amp; Supplies 2.4%</b>		
Edenred	60,000	<b>2,083,434</b>
<b>Construction &amp; Engineering 2.3%</b>		
Vinci SA	20,000	<b>1,964,901</b>
<b>Health Care Equipment &amp; Supplies 4.3%</b>		
BioMerieux	11,500	947,407
Essilor International SA	20,000	2,695,283
		<b>3,642,690</b>
<b>Total France</b> (Cost \$6,874,161)		<b>8,664,278</b>
<b>Switzerland 9.6%</b>		
<b>Building Products 2.1%</b>		
Geberit AG (Registered)	4,000	<b>1,764,043</b>
<b>Capital Markets 2.4%</b>		
Partners Group Holding AG	2,841	<b>2,105,983</b>

<b>Life Sciences Tools &amp; Services 1.0%</b>		
Lonza Group AG (Registered)*	3,498	822,457
<b>Metals &amp; Mining 1.9%</b>		
Glencore PLC*	330,000	1,637,825
<b>Technology Hardware, Storage &amp; Peripherals 2.2%</b>		
Logitech International SA (Registered)	52,000	1,898,016
<b>Total Switzerland</b> (Cost \$5,815,373)		8,228,324
<b>Denmark 8.9%</b>		
<b>Chemicals 3.2%</b>		
Chr Hansen Holding A/S	32,000	2,750,247
<b>Electric Utilities 2.7%</b>		
Orsted A/S 144A	35,000	2,263,280
<b>Pharmaceuticals 3.0%</b>		
Novo Nordisk A/S "B"	53,000	2,601,039
<b>Total Denmark</b> (Cost \$7,017,143)		0,614,566
<b>United Kingdom 6.4%</b>		
<b>Metals &amp; Mining 2.6%</b>		
Randgold Resources Ltd (ADR)	27,000	2,227,843
<b>Trading Companies &amp; Distributors 1.6%</b>		
Ashtead Group PLC	50,000	1,360,716
<b>Wireless Telecommunication Services 2.2%</b>		
Vodafone Group PLC	700,000	1,907,163
<b>Total United Kingdom</b> (Cost \$6,034,496)		M,495,722
<b>Italy 5.4%</b>		
<b>Banks 2.5%</b>		
Intesa Sanpaolo SpA	600,000	2,178,974
<b>Diversified Telecommunication Services 2.9%</b>		
Telecom Italia SpA*	2,650,000	2,512,257
<b>Total Italy</b> (Cost \$4,324,530)		L,691,231
<b>Ireland 4.6%</b>		
<b>Airlines 2.3%</b>		
Ryanair Holdings PLC*	100,000	1,968,590
<b>Food Products 2.3%</b>		
Kerry Group PLC "A"	20,000	2,020,233
<b>Total Ireland</b> (Cost \$3,291,343)		K,988,823

Shares    Value (\$)

**Belgium 3.3%**

**Banks 3.3%**

KBC Group NV (Cost \$1,908,100)	33,000	<b>2,869,591</b>
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**Spain 3.3%**

**Banks 1.0%**

Bankinter SA	84,000	<b>863,061</b>
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**Hotels, Restaurants & Leisure 2.3%**

NH Hotel Group SA	248,000	<b>1,947,047</b>
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<b>Total Spain</b> (Cost \$2,670,661)		<b>J,810,108</b>
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**Luxembourg 2.2%**

**Multiline Retail 2.2%**

B&M European Value Retail SA (Cost \$1,684,234)	340,000	<b>1,866,313</b>
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<b>Total Common Stocks</b> (Cost \$71,935,841)		<b>84,379,842</b>
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**Contracts Value (\$)**

**Put Options Purchased 0.3%**

**Exchange-Traded Index Options Contracts**

Deutsche Boerse AG German Stock Index, Counterparty RBS, Expiration Date 6/15/2018, Strike Price EUR 10,000, Notional Amount EUR 50,000,000 (Cost \$358,804)	1,000	<b>246,535</b>
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**Shares Value (\$)**

**Cash Equivalents 0.9%**

Deutsche Central Cash Management Government Fund, 1.64% (Cost \$760,845) (a)	760,845	<b>060,845</b>
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**% of Net Assets Value (\$)**

<b>Total Investment Portfolio</b> (Cost \$73,055,490)	99.4	<b>85,387,222</b>
<b>Other Assets and Liabilities, Net</b>	0.6	<b>L77,381</b>
<b>Net Assets</b>	100.0	<b>85,864,603</b>

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.

A summary of the Fund's transactions with affiliated Underlying Deutsche Funds during the period ended March 31, 2018 are as follows:

<b>Value (\$)</b> <b>at</b> <b>12/31/2017</b>	<b>Purchases</b> <b>Cost</b> <b>(\$)</b>	<b>Sales</b> <b>Proceeds</b> <b>(\$)</b>	<b>Net</b> <b>Realized</b> <b>Gain/</b> <b>(Loss)</b>	<b>Net</b> <b>Change in</b> <b>Unrealized</b> <b>Appreciation</b>	<b>Income Capital</b> <b>(\$)</b> <b>Gain</b> <b>Distributions</b> <b>(\$)</b>	<b>Number</b> <b>of shares</b> <b>at</b> <b>3/31/2018</b>	<b>Value (\$)</b> <b>at</b> <b>3/31/2018</b>
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	(\$)	(Depreciation)						
		(\$)						
<b>Cash Equivalents 0.9%</b>								
Deutsche Central Cash Management Government Fund, 1.64% (a)								
271,114	10,521,944	10,032,213-	-	6,887	-	760,845	760,845	
<b>271,114</b>	<b>10,521,944</b>	<b>10,032,213-</b>	<b>-</b>	<b>6,887</b>	<b>-</b>	<b>760,845</b>	<b>760,845</b>	

\* Non-income producing security.

(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.

ADR : American Depositary Receipt

RBS : The Royal Bank of Scotland Plc

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, 2018 in valuing the Fund's investments.

Assets	Level 1	Level 2	Level 3	Total
Common Stocks (b)				
Germany	\$ 17,440,327	\$ —	\$ —	\$ 17,440,327
Sweden	11,654,072	—	—	11,654,072
Netherlands	9,056,487	—	—	9,056,487
France	8,664,278	—	—	8,664,278
Switzerland	8,228,324	—	—	8,228,324
Denmark	7,614,566	—	—	7,614,566
United Kingdom	5,495,722	—	—	5,495,722
Italy	4,691,231	—	—	4,691,231
Ireland	3,988,823	—	—	3,988,823
Belgium	2,869,591	—	—	2,869,591

Spain	2,810,108	—	—	2,810,108
Luxembourg	1,866,313	—	—	1,866,313
Short-Term Instruments (b)	760,845	—	—	760,845
Derivatives (c)				
Purchased Options	246,535	—	—	246,535
<b>Total</b>	<b>\$ 85,387,222</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 85,387,222</b>

There have been no transfers between fair value measurement levels during the period ended March 31, 2018.

(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.

By: /s/Hepsen Uzcan



Hepsen Uzcan

President

Date: May 23, 2018

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.

/s/Hepsen Uzcan

By: Hepsen Uzcan

President

Date: May 23, 2018

/s/Diane Kenneally

By: Diane Kenneally

Chief Financial Officer

Date: May 23, 2018