

CENTRAL & EASTERN EUROPE FUND, INC.
Form N-CSR
January 04, 2019
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D. C. 20549

FORM N-CSR

Investment Company Act file number: 811-06041

The Central and Eastern Europe 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)

Registrant's Telephone Number, including Area Code: (212) 250-2500

Diane Kenneally

One International Place

Boston, MA 02110

(Name and Address of Agent for Service)

Date of fiscal year end: 10/31

Date of reporting period: 10/31/2018

ITEM 1. REPORT TO STOCKHOLDERS

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October 31, 2018

Annual Report

to Shareholders

The Central and Eastern Europe Fund, Inc.

Ticker Symbol: CEE

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The Fund seeks long-term capital appreciation through investment primarily in equity and equity-linked securities of issuers domiciled in Central and Eastern Europe and invests more than 25% of its total assets in the energy sector.

Investments in funds involve risks, including the loss of principal.

The shares of most closed-end funds, including the Fund, are not continuously offered. Once issued, shares of closed-end funds are bought and sold in the open market. Shares of closed-end funds frequently trade at a discount to net asset value. The price of the Fund's shares is determined by a number of factors, several of which are beyond the control of the Fund. Therefore, the Fund cannot predict whether its shares will trade at, below, or above net asset value.

This Fund is non-diversified and can take larger positions in fewer issuers than a diversified fund, increasing its potential risk. Investing in foreign securities presents certain risks, such as currency fluctuations, political and economic changes, and market risks. Any fund that focuses in a particular segment of the market or in a particular geographical region will generally be more volatile than a fund that invests more broadly.

The European Union, the United States and other countries have imposed sanctions in response to the Russian military and other actions in recent years. These sanctions have adversely affected Russian individuals, Russian issuers and the Russian economy. Russia, in turn, has imposed sanctions targeting Western individuals, businesses and products. The various sanctions have adversely affected, and may continue to adversely affect, not only the Russian economy but also the economies of many countries in Europe, including countries in Central and Eastern Europe. The continuation of current sanctions, or the imposition of additional sanctions, may materially adversely affect the value or liquidity of the Fund's portfolio.

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NOT FDIC/NCUA INSURED NO BANK GUARANTEE MAY LOSE VALUE

NOT A DEPOSIT NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY

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Table of Contents**Letter to the Shareholders****(Unaudited)**

Dear Shareholder,

For its most recent fiscal year ended October 31, 2018, the Central and Eastern Europe Fund, Inc. (the Fund) delivered a total return in U.S. dollars (USD) of -0.18% based on net asset value (NAV) and -4.49% based on market price. The Fund's benchmark, the MSCI Emerging Markets Eastern Europe Index, returned 1.57% during the same period. Emerging European equity markets registered mixed returns during the reporting period.² The top performers were Russia and the Czech Republic, with gains of 12% (MSCI Russia Index in USD terms) and 4% (MSCI Czech Republic Index in USD terms), respectively.^{3,4} Conversely, Hungary returned -12% (MSCI Hungary Index in USD terms) and Poland returned -17% (MSCI Poland Index in USD terms).^{5,6} All local currencies depreciated against the USD during the period mainly due to a stronger USD, which had a negative impact on the Fund's absolute performance. The Fund's relative underperformance during the period was primarily due to its positioning within Russia, in particular its underweight in Tatneft PAO. The Fund's discount to NAV averaged 12.28% for the period in review, compared with 12.26% for the same period a year earlier.

On the political front, in Russia the government introduced new measures during the period such as VAT (value-added tax) hikes, the raising of the retirement age and tax law changes affecting the oil industry, with the intent of introducing a new spending plan and boosting economic growth. The Central Bank of Russia raised its key policy rate in September by 25 basis points to 7.5%, but decided to leave the rate unchanged in October.⁷ Russia's new budget rule, which directs the Ministry of Finance to use additional oil and gas revenues (arising out of oil prices above USD40 per barrel) to buy foreign currency, makes the ruble less oil price dependent. During the reporting period, Russia's equity market largely decoupled from emerging markets and proved to be rather resilient against geopolitical turmoil. Russian equities performed strongly until the end of February 2018, led mainly by an increase in the price of oil and the stabilization of Russia's domestic economy. However, in March the market began to correct, and worsened in April following the imposition of U.S. sanctions on some market-listed Russian companies. Since then, the Russian market gradually recovered but remained below its February highs through the end of October. Strong returns for the MSCI Russia Index stemmed mainly from the energy sector, where the performance

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Country Breakdown (As a % of Net Assets)	10/31/18	10/31/17
Russia	61%	63%
Poland	14%	22%
Hungary	7%	8%
Czech Republic	3%	3%
Turkey		1%
Other	1%	2%
Cash*	14%	1%
	100%	100%

* Includes Cash Equivalents and Other Assets and Liabilities, Net.

of Tatneft PAO, Novatek PJSC and Lukoil PJSC benefited from oil price increases, strong free cash flow and reasonable dividends. In contrast, banks and consumer stocks in Russia suffered: Financials underperformed, due mainly to sanctions-related concerns regarding loan book quality and the weakening of the ruble. In terms of consumer stocks, the environment in 2018 has been difficult as retail sales grew only modestly and price inflation was weak due to a high level of competitive pressure. During the 12-month period, the Fund's exposure to the Russian oil industry had mixed results: While an overweight in Rosneft Oil Co PJSC contributed positively, an underweight to the high-dividend-paying company Tatneft continued to detract from relative performance.

Elsewhere, concerns surrounding Europe's slowing GDP growth weighed on Poland's equity market. This was in spite of the fact that Poland is a relatively closed economy with exports-to-GDP levels of only 40%. For the second quarter 2018, Poland's growth rate exceeded 5% year over year. However, October's economic data showed some signs of deceleration in the Polish economy, albeit from a high base. Hiring levels have weakened and wage growth proved to be softer than expected. The National Bank of Poland remains dovish, with a view toward keeping short-term interest rates unchanged until the end of 2020. On the political front, in December 2017 the European Union (via its Parliament) launched Article 7 of the EU Treaty against Poland for undermining the rule of law with its recent judicial reform acts. In October the European Court of Justice ordered the Polish government to immediately suspend the application of this retirement law. The most significant equity underperformers in the Polish market during the period were state-owned industrial companies and utilities. Privately-owned retailers lagged based on high valuations and a slowdown in sales due to market saturation.

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From a portfolio perspective, the performance contribution from Polish equities was positive, in particular a positioning in the oil refiner Polski Koncern Naftowy ORLEN SA.

In Hungary, GDP growth expanded by nearly 5% during the second quarter, driven mainly by domestic demand. Hungary's unemployment rate remains at an all-time low, with very tight labor market conditions. The Central Bank of Hungary kept interest rates unchanged in October. However, any further acceleration in inflation may represent a hawkish signal for the country's central bank and could force it to tighten credit. On the political front, the European Parliament voted to open an Article 7 sanctions procedure against Hungary, the first step in the so-called Rule of Law procedure. The European Union's (EU's) sanctions process is long, and EU member unanimity is needed in order to impose sanctions. All of the Central and Eastern Europe Fund's Hungarian holdings ended the reporting period in negative territory.

For the Czech Republic, growth slowed to 2.4% year over year during the second quarter from 4.1% in the first quarter, but upward pressure on prices remains. The Czech National Bank has stated that the economy needs higher interest rates in order to dampen the potential overheating of the Czech economy. The main contributor to the positive performance of the Czech equity index was the utility company CEZ AS, based on rising power prices. The contribution from the Fund's Czech exposure was slightly negative. The main drivers were positions in Komerční banka AS, which the Fund built up over time, as well as in CEZ AS, which continued to perform though the position was trimmed too early.

Sector Diversification (As a % of Equity Securities)	10/31/18	10/31/17
Energy	43%	40%
Financials	28%	24%
Materials	9%	13%
Communication Services	8%	7%
Consumer Staples	7%	6%
Health Care	2%	3%
Utilities	2%	4%
Consumer Discretionary	1%	3%
Information Technology	0%	0%
	100%	100%

Table of Contents**Ten Largest Equity Holdings at October 31, 2018**

(55.8% of Net Assets)

	Country	Percent
1. Sberbank of Russia PJSC	Russia	11.6%
2. Lukoil PJSC	Russia	11.6%
3. Gazprom PAO	Russia	8.9%
4. Rosneft Oil Co PJSC	Russia	4.0%
5. MMC Norilsk Nickel PJSC	Russia	4.0%
6. MOL Hungarian Oil & Gas PLC	Hungary	3.6%
7. Magnit PJSC	Russia	3.3%
8. Tatneft PAO	Russia	3.0%
9. Mobile Telesystems PJSC	Russia	2.9%
10. Powszechny Zaklad Ubezpieczen SA	Poland	2.9%

Portfolio holdings and characteristics are subject to change and not indicative of future portfolio composition.

For more details about the Fund's investments, see the Schedule of Investments commencing on page 10. For additional information about the Fund, including performance, dividends, presentations, press releases, market updates, daily NAV and shareholder reports, please visit dws.com.

Economic Outlook

During the reporting period, Russia was one of the top performers globally thanks to rising oil prices (which have recently corrected) and a solid macroeconomic environment. In the aftermath of the U.S. mid-term elections in early November, we believe that Russian equities will become more volatile and vulnerable to geopolitical developments due to intensified discussions regarding U.S. sanctions. The Fund is currently underweight Russia at approximately 60% of portfolio assets. Within the banking sector we prefer Czech banks, which offer a defensive profile coupled with high dividends. In Poland, we are emphasizing the insurance sector over banks for valuation reasons. In the oil sector, we remain underweight. However we prefer upstream to downstream companies, as refining margins remain under pressure.

The Fund ended the reporting period with a relatively high cash position, as we await more favorable entry points for select names.

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Sincerely,

Christian Strenger
Chairman

Sylwia Szczepek
Portfolio Manager

Hepsen Uzcan
President and Chief
Executive Officer

The views expressed in the preceding discussion regarding portfolio management matters are only through the end of the period of the report as stated on the cover. Portfolio management's views are subject to change at any time based on market and other conditions and should not be construed as recommendations. Past performance is no guarantee of future results. Current and future portfolio holdings are subject to risk, including geopolitical and other risks.

- ¹ The MSCI Emerging Markets Eastern Europe Index is a free-float weighted equity Index that is designed to capture large- and mid-cap representation across four emerging market countries in Eastern Europe (Czech Republic, Hungary, Poland and Russia). MSCI Inc. (formerly Morgan Stanley Capital International) is a provider of equity and fixed income market indices. Index returns assume reinvestment of dividends and, unlike Fund returns, do not reflect any fees or expenses. It is not possible to invest directly in the MSCI Emerging Markets Eastern Europe Index.
- ² Emerging markets and countries of various sizes (in Europe as well as around the world) are defined as emerging (as opposed to developed) because they have embarked on economic development and political and economic reform programs, and have begun to open up their markets and emerge onto the global scene. Emerging Europe makes up the European portion of the emerging markets.
- ³ The MSCI Russia Index is designed to measure the performance of the large- and mid-cap segments of the Russian market. With 22 constituents, the Index covers approximately 85% of the free float-adjusted market capitalization in Russia. It is not possible to invest directly in the MSCI Russia Index.
- ⁴ The MSCI Czech Republic Index is designed to measure the performance of the large- and mid-cap segments of the Czech Republic market. With four constituents, the Index covers approximately 85% of the free float-adjusted market capitalization in the Czech Republic. It is not possible to invest directly in the MSCI Czech Republic Index.
- ⁵ The MSCI Poland Index is designed to measure the performance of the large- and mid-cap segments of the Polish market. With 23 constituents, the Index covers approximately 85% of the Polish equity universe. It is not possible to invest directly in the MSCI Poland Index.
- ⁶ The MSCI Hungary Index is designed to measure the performance of the large- and mid-cap segments of the Hungarian market. With three constituents, the Index covers approximately 85% of the Hungarian equity universe.

It is not possible to invest directly in the MSCI Hungary Index.

- ⁷ A basis point is equal to one hundredth of a percentage point and is often used to illustrate differences and changes in fixed-income yields.
- ⁸ GDP is the monetary value of all finished goods and services produced within a country during a specific time period.

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**Outlook Interview with the Portfolio Manager
Portfolio Manager**

(Unaudited)

Sylwia Szczepek, Vice President

Portfolio Manager since December 22, 2014.

Question: Russian consumer stocks have recently underperformed the broader market. Do you foresee an improvement going into 2019?

Answer: The brunt of the current economic hardship in Russia has been felt most by Russian consumers, unlike the 2008 crisis when corporations suffered the most. Real income has been falling for the past three years, though we are likely to see this trend change in 2018. However, we believe that this will be inadequate to sufficiently revive consumption to once again become an economic driver. At present, we believe that stabilization is the best outcome that one can expect. In order for Russian consumer stocks to recover, margins need to stabilize and companies' sales growth has to rebound.

Question: The Polish government has approved regulations regarding the establishment of a new Employees' Pension System (PKK). Is there any positive impact on the Polish equity market expected from this?

Answer: This new pension system will be voluntary and the obligatory minimum contribution rate will be at 3.5% of salary (1.5% paid by employer and 2% by employee). The equity/fixed-income mix of PPK-based funds will change as the retirement year approaches. There are incentives from the government in the form of a welcome contribution of Polish zloty (PLN) 250 and annual subsidies of PLN 240 for each account holder. It is difficult to calculate a precise impact, as the size of inflows to the new pension system will vary depending on the rate of contribution as well as the number of participants. We believe that it is likely to increase the propensity to save among the population.

Question: Why are massive wage increases in CEE countries not translating into a spike in inflation?

Answer: Wage growth in the region has been strong. However, this pressure is related to labor-intensive sectors, and these items constitute a small part of the basket. So the pass-through from wages to inflation is very gradual.

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Table of Contents**Performance Summary****October 31, 2018 (Unaudited)**

All performance shown is historical, assumes reinvestment of all dividend and capital gain distributions, and does not guarantee future results. Investment return and net asset value fluctuate with changing market conditions so that, when sold, shares may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Please visit dws.com for the most recent performance of the Fund.

Fund specific data and performance are provided for informational purposes only and are not intended for trading purposes.

Average Annual Total Returns as of 10/31/18

	1-Year	5-Year	10-Year
Net Asset Value ^(a)	(0.18)%	(2.75)%	4.87%
Market Price ^(a)	(4.49)%	(3.91)%	5.39%
MSCI Emerging Markets Eastern Europe Index ^(b)	1.57%	(2.22)%	4.06%

^a Total return based on net asset value reflects changes in the Fund's net asset value during each period. Total return based on market value reflects changes in market value during each period. Each figure includes reinvestments of income and capital gain distributions, if any. Total returns based on net asset value and market price will differ depending upon the level of any discount from or premium to net asset value at which the Fund's shares trade during the period. Expenses of the Fund include investment advisory and administration fees and other fund expenses. Total returns shown take into account these fees and expenses. The annualized expense ratio of the Fund for the year ended October 31, 2018 was 1.30%.

^b The MSCI Emerging Markets Eastern Europe Index is a free-float weighted equity index that is designed to capture large and mid cap representation across four emerging markets countries in Eastern Europe (Czech Republic, Hungary, Poland and Russia).

Index returns do not reflect any fees or expenses and it is not possible to invest directly in the MSCI Emerging Markets Eastern Europe Index.

Net Asset Value and Market Price

	As of 10/31/18	As of 10/31/17
Net Asset Value	\$ 26.98	\$ 27.58
Market Price	\$ 22.96	\$ 24.52

Prices and Net Asset Value fluctuate and are not guaranteed.

Distribution Information**Per Share**

Twelve Months as of 10/31/18:

Income	\$.56
Capital Gains	\$	

Distributions are historical, not guaranteed and will fluctuate. Distributions do not include return of capital or other non-income sources.

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as of October 31, 2018

	Shares	Value (\$)
Russia 60.8%		
Common Stocks		
Banks 12.0%		
Sberbank of Russia PJSC	2,400,000	6,929,114
Sberbank of Russia PJSC (ADR)	1,229,191	14,504,454
VTB Bank PJSC (GDR) (Registered)	512,869	646,215
		22,079,783
Chemicals 0.1%		
Phosagro PJSC (GDR) (Registered)	6,319	82,779
Food & Staples Retailing 5.3%		
Lenta Ltd. (Registered)*	375,000	1,342,500
Magnit PJSC (GDR) (Registered)	449,755	6,001,981
X5 Retail Group NV (GDR) (Registered)	105,000	2,467,500
		9,811,981
Interactive Media & Services 0.1%		
Mail.ru Group Ltd. (GDR) (Registered)*	9,487	252,734
Metals & Mining 7.2%		
Alosa PJSC	1,920,000	2,917,676
Magnitogorsk Iron & Steel Works PJSC (GDR) (Registered)	100,000	944,000
MMC Norilsk Nickel PJSC (ADR)	440,000	7,295,200
Polyus PJSC (GDR) (Registered)	70,468	2,159,844
		13,316,720
Oil, Gas & Consumable Fuels 30.4%		
Gazprom PAO (ADR)	3,498,242	16,514,301
Lukoil PJSC (ADR)	286,844	21,389,957
Novatek PJSC (GDR) (Registered)	31,440	5,329,080
Rosneft Oil Co PJSC (GDR) (Registered)	1,062,997	7,472,869
Tatneft PAO (ADR)	77,548	5,464,032
		56,170,239
Specialty Retail 0.7%		
Detsky Mir PJSC	1,000,000	1,361,424
Wireless Telecommunication Services 2.9%		
Mobile Telesystems PJSC (ADR)	680,000	5,372,000
Preferred Stocks		
Oil, Gas & Consumable Fuels 2.1%		
Surgutneftegas PJSC (Cost \$3,903,980)	6,600,000	3,828,581
Total Russia (Cost \$82,061,774)		112,276,241

The accompanying notes are an integral part of the financial statements.

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	Shares	Value (\$)
Poland 14.0%		
Common Stocks		
Banks 5.0%		
Alior Bank SA*	67,985	1,025,047
Bank Pekao SA	120,371	3,290,388
Powszechna Kasa Oszczednosci Bank Polski SA	376,090	3,920,754
Santander Bank Polska SA	10,934	971,733
		9,207,922
Chemicals 0.5%		
Ciech SA	82,649	915,781
Diversified Telecommunication Services 0.6%		
Orange Polska SA*	1,019,456	1,155,146
Electric Utilities 1.0%		
PGE Polska Grupa Energetyczna SA*	667,719	1,832,209
Entertainment 1.0%		
CD Projekt SA*	43,000	1,777,166
Insurance 2.9%		
Powszechny Zaklad Ubezpieczen SA	521,735	5,336,948
Media 0.9%		
Cyfrowy Polsat SA*	285,000	1,644,431
Oil, Gas & Consumable Fuels 1.3%		
Polski Koncern Naftowy ORLEN SA	104,101	2,506,991
Software 0.3%		
Asseco Poland SA	40,000	504,412
Wireless Telecommunication Services 0.5%		
PLAY Communications SA 144A	210,000	904,652
Total Poland (Cost \$29,855,160)		25,785,658
Hungary 6.9%		
Common Stocks		
Banks 1.3%		
OTP Bank PLC	66,478	2,386,045
Diversified Telecommunication Services 0.7%		
Magyar Telekom Telecommunications PLC (ADR)	909,194	1,238,787
Oil, Gas & Consumable Fuels 3.6%		
MOL Hungarian Oil & Gas PLC	638,336	6,686,546
Pharmaceuticals 1.3%		
Richter Gedeon Nyrt	132,703	2,464,742

Total Hungary (Cost \$11,466,718)

12,776,120

The accompanying notes are an integral part of the financial statements.

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	Shares	Value (\$)
Czech Republic 3.5%		
Common Stocks		
Banks 2.8%		
Komerční banka AS	95,000	3,609,170
Moneta Money Bank AS 144A	451,988	1,500,048
		5,109,218
Electric Utilities 0.7%		
CEZ AS	55,000	1,308,952
Total Czech Republic (Cost \$7,295,340)		6,418,170
Moldova 0.6%		
Common Stocks		
Beverages 0.6%		
Purcari Wineries PLC* (Cost \$1,182,772)	250,000	1,116,966
Netherlands 0.3%		
Common Stocks		
Hotels, Restaurants & Leisure 0.3%		
DP Eurasia NV 144A* (Cost \$906,929) (a)	346,853	514,042
Kazakhstan 0.2%		
Common Stocks		
Metals & Mining 0.2%		
Altyn PLC* (Cost \$1,824,443)	50,000,000	367,310
Securities Lending Collateral 0.6%		
DWS Government & Agency Securities Portfolio		
DWS Government Cash Institutional Shares , 2.09% (Cost \$1,032,744) (b) (c)	1,032,744	1,032,744
Cash Equivalents 13.8%		
DWS Central Cash Management Government Fund, 2.19% (Cost \$25,557,784) (c)	25,557,784	25,557,784
	% of Net	Value (\$)
Total Investment Portfolio (Cost \$161,183,664)	100.7	185,845,035
Other Assets and Liabilities, Net	(0.7)	(1,215,201)
Net Assets	100.0	184,629,834

The accompanying notes are an integral part of the financial statements.

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A summary of the Fund's transactions with affiliated investments during the year ended October 31, 2018 are as follows:

Value (\$) at 10/31/2017	Pur- chases Cost (\$)	Sales Proceeds (\$)	Net Real- ized Gain/ (Loss) (\$)	Net Change in Unreal- ized Appreci- ation/ (Depreci- ation) (\$)	Income (\$)	Capital Gain Distri- butions (\$)	Number of shares at 10/31/2018	Value (\$) at 10/31/2018
Securities Lending Collateral 0.6%								
DWS Government & Agency Securities Portfolio 2.09% (b) (c)								
3,499,900		2,467,156(d)			64,557		1,032,744	1,032,744
Cash Equivalents 13.8%								
DWS Central Cash Management Government Fund, 2.19% (c)								
7,621,962	146,183,916	128,248,094			320,194		25,557,784	25,557,784
11,121,862	146,183,916	130,715,250			384,751		26,590,528	26,590,528

* Non-income producing security.

All or a portion of these securities were on loan. The value of all securities loaned at October 31, 2018 amounted to \$993,887, which is 0.5% of net assets.

(a) DP Eurasia serves customers in Turkey, Russia, Azerbaijan and Georgia.

(b) Represents collateral held in connection with securities lending. Income earned by the Fund is net of borrower rebates.

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

(d) Represents the net increase (purchases cost) or decrease (sales proceeds) in the amount invested for the period ended October 31, 2018.

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

GDR: Global Depositary Receipt

PJSC: Public Joint Stock Company

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 accompanying notes are an integral part of the financial statements.

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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 October 31, 2018 in valuing the Fund's investments.

Assets	Level 1	Level 2	Level 3	Total
Common Stocks and/or Other Equity Investments (e)				
Russia	\$ 112,276,241	\$	\$	\$ 112,276,241
Poland	25,785,658			25,785,658
Hungary	12,776,120			12,776,120
Czech Republic	6,418,170			6,418,170
Moldova	1,116,966			1,116,966
Netherlands	514,042			514,042
Kazakhstan	367,310			367,310
Short-Term Instruments (e)	26,590,528			26,590,528
Total	\$ 185,845,035	\$	\$	\$ 185,845,035

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

The accompanying notes are an integral part of the financial statements.

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as of October 31, 2018

Assets

Investments in non-affiliated securities, at value (cost \$134,593,136) including \$993,887 of securities loaned	\$ 159,254,507
Investment in DWS Central Cash Management Government Fund (cost \$25,557,784)	25,557,784
Investment in DWS Government & Agency Securities Portfolio (cost \$1,032,744)*	1,032,744
Foreign currency, at value (cost \$584,885)	584,996
Cash	1,373,374
Dividends receivable	718,924
Foreign taxes recoverable	56,645
Interest receivable	34,661
Total assets	188,613,635

Liabilities

Payable for investments purchased	2,441,175
Payable upon return of securities loaned	1,032,744
Investment advisory fee payable	115,075
Payable for Fund shares repurchased	72,700
Payable for Directors' fees and expenses	47,280
Administration fee payable	34,718
Accrued expenses and other liabilities	240,109
Total liabilities	3,983,801
Net assets	\$ 184,629,834

Net Assets Consist of

Distributable earnings (loss)	(10,318,592)
Paid-in capital	194,948,426
Net assets	\$ 184,629,834

Net Asset Value

Net assets value per share (\$184,629,834 ÷ 6,842,632 shares of common stock issued and outstanding, \$.001 par value, 80,000,000 shares authorized)	\$ 26.98
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* Represents collateral on securities loaned.

The accompanying notes are an integral part of the financial statements.

Table of Contents**Statement of Operations**

for the year ended October 31, 2018

Net Investment Income

Income:

Dividends (net of foreign withholding taxes of \$1,195,682)	\$ 8,901,996
Income distributions DWS Central Cash Management Government Fund	320,194
Securities lending income, net of borrower rebates	64,557
Other	348,133
Total investment income*	9,634,880

Expenses:

Investment advisory fee	1,375,935
Administration fee	391,979
Custody and accounting fee	256,045
Services to shareholders	10,220
Reports to shareholders and shareholder meeting expenses	44,368
Directors' fees and expenses	105,753
Legal fees	176,814
Audit and tax fees	106,613
NYSE listing fee	23,751
Insurance	33,801
Miscellaneous	26,010
Net expenses	2,551,289
Net investment income	7,083,591

Realized and Unrealized Gain (Loss)

Net realized gain (loss) from:

Investments	(1,265,807)
Foreign currency	(182,358)
Net realized gain (loss)	(1,448,165)
Change in net unrealized appreciation (depreciation) on:	
Investments	(6,973,780)
Foreign currency	(1,289)
Change in net unrealized appreciation (depreciation)	(6,975,069)
Net gain (loss)	(8,423,234)
Net increase (decrease) in net assets resulting from operations	\$ (1,339,643)

* Total investment income includes \$981,033 of non-recurring foreign dividend reclaims and \$348,133 of non-recurring related interest which are included in Dividends and Other, respectively.

The accompanying notes are an integral part of the financial statements.

Table of Contents**Statements of Changes in Net Assets**

Increase (Decrease) in Net Assets	Years Ended October 31,	
	2018	2017
Operations:		
Net investment income (loss)	\$ 7,083,591	\$ 3,962,244
Net realized gain (loss)	(1,448,165)	13,340,373
Change in net unrealized appreciation (depreciation)	(6,975,069)	24,616,697
Net increase (decrease) in net assets resulting from operations	(1,339,643)	41,919,314
Distributions to shareholders	(4,021,806)	(2,456,401)*
Capital share transactions:		
Net proceeds from reinvestment of dividends	925,078	960,822
Shares repurchased	(10,340,259)	(12,282,321)
Net increase (decrease) in net assets from capital share transactions	(9,415,181)	(11,321,499)
Total increase (decrease) in net assets	(14,776,630)	28,141,414
Net assets at beginning of period	199,406,464	171,265,050
Net assets at end of period	\$ 184,629,834	\$ 199,406,464**
Other Information		
Shares outstanding at beginning of period	7,229,111	7,757,617
Shares issued for dividend reinvestment	32,921	44,794
Shares repurchased	(419,400)	(573,300)
Shares outstanding at end of period	6,842,632	7,229,111

* Includes distributions from net investment income of \$2,456,401.

** Including undistributed net investment income of \$3,960,962.

The accompanying notes are an integral part of the financial statements.

Table of Contents**Financial Highlights**

	Years Ended October 31,				
	2018	2017	2016	2015	2014
Per Share Operating Performance					
Net asset value, beginning of period	\$ 27.58	\$ 22.08	\$ 21.37	\$ 27.54	\$ 37.91
<i>Income (loss) from investment operations:</i>					
Net investment income (loss) ^a	1.01 ^c	.53 ^d	.42	.43	.43
Net realized and unrealized gain (loss) on investments and foreign currency	(1.24)	5.08	.65	(5.86)	(8.62)
Total from investment operations	(.23)	5.61	1.07	(5.43)	(8.19)
<i>Less distributions from:</i>					
Net investment income	(.56)	(.32)	(.49)	(.97)	(.78)
Net realized gains					(1.71)
Total distributions	(.56)	(.32)	(.49)	(.97)	(2.49)
Accretion resulting from tender offer				.02	.06
Dilution in net asset value from dividend reinvestment	(.01)	(.02)	(.02)	(.02)	(.08)
Increase resulting from share repurchases	.20	.23	.15	.23	.33
Net asset value, end of period	\$ 26.98	\$ 27.58	\$ 22.08	\$ 21.37	\$ 27.54
Market value, end of period	\$ 22.96	\$ 24.52	\$ 19.01	\$ 18.99	\$ 24.36
Total Investment Return for the Period^b					
Based upon market value (%)	(4.49)	30.92	3.15	(18.25)	(22.31)
Based upon net asset value (%)	(.18)	26.78	6.47	(18.63)	(20.65)
Ratios to Average Net Assets					
Total expenses (%)	1.30	1.37	1.34	1.37	1.31
Net investment income (%)	3.62 ^c	2.15 ^d	2.06	1.84	1.37
Portfolio turnover (%)	119	126	77	82	93
Net assets at end of period (\$ thousands)	184,630	199,406	171,265	174,709	257,373

^a Based on average shares outstanding during the period.

^b Total investment return based on net asset value reflects changes in the Fund's net asset value during each period. Total return based on market value reflects changes in market value during each period. Each figure includes reinvestments of dividend and capital gain distributions, if any. These figures will differ depending upon the level of any discount from or premium to net asset value at which the Fund's shares trade during the period.

^c Net investment income per share includes \$981,033 of non-recurring foreign dividend reclaims and \$348,133 of non-recurring related interest amounting to \$0.19 per share. Excluding these non-recurring amounts which are included in Dividends and Other, respectively in the Statement of Operations, the net investment income ratio would have been 2.94%.

^d Net investment income per share includes \$332,075 of non-recurring foreign dividend reclaims amounting to \$0.05 per share. Excluding these non-recurring reclaims which were included in Dividends in the Statement of Operations, the net investment income ratio would have been 1.97%.

The accompanying notes are an integral part of the financial statements.

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Notes to Financial Statements

A. Accounting Policies

The Central and Eastern Europe Fund, Inc. (the Fund) is a non-diversified, closed-end management investment company incorporated in Maryland. The Fund commenced investment operations on March 6, 1990.

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. The Fund qualifies as an investment company under Topic 946 of Accounting Standards Codification of U.S. GAAP. The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements.

In October 2018, the Securities and Exchange Commission adopted amendments to certain disclosure requirements in Securities Act Release No. 33-10532, Disclosure Update and Simplification, which is intended to facilitate the disclosure of information to investors and simplify compliance without significantly altering the total mix of information provided to investors. Effective with the current reporting period, the Fund adopted the amendments with the impacts being that the Fund is no longer required to present components of distributable earnings on the Statement of Assets and Liabilities or the sources of distributable earnings and the amount of undistributed net investment income on the Statements of Changes in Net Assets.

Security Valuation. The Fund calculates its net asset value (NAV) per share for publication at the close of regular trading on Deutsche Börse XETRA, normally at 11:30 a.m., New York time.

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 those securities.

Equity securities are valued at the most recent sale price or official closing price reported on the exchange (U.S. or foreign) or over-the-counter market on which they trade prior to the time of valuation. Securities for which no sales are reported are valued at the calculated mean between the most recent bid and asked quotations on the relevant market or, if a

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mean cannot be determined, at the most recent bid quotation. Equity securities are generally categorized as Level 1.

Investments in open-end investment companies are valued and traded at their NAV each business day and are categorized as Level 1.

Securities and other assets for which market quotations are not readily available or for which the above valuation procedures are deemed not to reflect fair value are valued in a manner that is intended to reflect their fair value as determined in accordance with procedures approved by the Board and are generally categorized as Level 3. In accordance with the Fund's valuation procedures, factors considered in determining value may include, but are not limited to, the type of the security; the size of the holding; the initial cost of the security; the existence of any contractual restrictions on the security's disposition; the price and extent of public trading in similar securities of the issuer or of comparable companies; quotations or evaluated prices from broker-dealers and/or the appropriate stock exchange (for exchange-traded securities); an analysis of the company's or issuer's financial statements; an evaluation of the forces that influence the issuer and the market(s) in which the security is purchased and sold; and, with respect to debt securities, the maturity, coupon, creditworthiness, currency denomination, and the movement of the market in which the security is normally traded. The value determined under these procedures may differ from published values for the same securities.

Disclosure about the classification of the fair value measurements is included in a table following the Fund's Schedule of Investments.

Securities Transactions and Investment Income. Investment transactions are accounted for on a trade date plus one basis for daily NAV calculation. However, for financial reporting purposes, investment security transactions are reported on trade date. Interest income is recorded on the accrual basis. Dividend income is recorded on the ex-dividend date net of foreign withholding taxes. Certain dividends from foreign securities may be recorded subsequent to the ex-dividend date as soon as the Fund is informed of such dividends. Realized gains and losses from investment transactions are recorded on an identified cost basis. Proceeds from litigation payments, if any, are included in net realized gain (loss) for investments.

Securities Lending. Brown Brothers Harriman & Co., as lending agent, lends securities of the Fund to certain financial institutions under the terms of its securities lending agreement. During the term of the loans, the Fund continues to receive dividends generated by the securities and to participate in any changes in their market value. The Fund requires the borrowers of the securities to maintain collateral with the Fund consisting of either cash or liquid, unencumbered assets having a value at least equal

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to the value of the securities loaned. When the collateral falls below specified amounts, the lending agent will use its best effort to obtain additional collateral on the next business day to meet required amounts under the securities lending agreement. As of period end, any securities on loan were collateralized by cash. During the year ended October 31, 2018, the Fund invested the cash collateral into a joint trading account in affiliated money market funds managed by DWS Investment Management Americas, Inc. As of October 31, 2018, the Fund invested the cash collateral in DWS Government & Agency Securities Portfolio. DWS Investment Management Americas, Inc. receives a management/administration fee (0.12% annualized effective rate as of October 31, 2018) on the cash collateral invested in DWS Government & Agency Securities Portfolio. The Fund receives compensation for lending its securities either in the form of fees or by earning interest on invested cash collateral net of borrower rebates and fees paid to a lending agent. Either the Fund or the borrower may terminate the loan at any time and the borrower, after notice, is required to return borrowed securities within a standard time period. There may be risks of delay and costs in recovery of securities or even loss of rights in the collateral should the borrower of the securities fail financially. If the Fund is not able to recover securities lent, the Fund may sell the collateral and purchase a replacement investment in the market, incurring the risk that the value of the replacement security is greater than the value of the collateral. The Fund is also subject to all investment risks associated with the reinvestment of any cash collateral received including, but not limited to, interest rate, credit and liquidity risk associated with such investments.

As of October 31, 2018, the Fund had securities on loan which were classified as common stock in the Schedule of Investments. The value of the related collateral exceeded the value of the securities loaned at period end. As of period end, the remaining contractual maturity of the collateral agreements were overnight and continuous.

Foreign Currency Translation. The books and records of the Fund are maintained in United States dollars.

Assets and liabilities denominated in foreign currency are translated into United States dollars at the prevailing exchange rates at period end. Purchases and sales of investment securities, income and expenses are translated at the rate of exchange prevailing on the respective dates of such transactions. Net realized and unrealized gains and losses on foreign currency transactions represent net gains and losses between trade and settlement dates on securities transactions, the acquisition and disposition of foreign currencies, and the difference between the amount of net investment income accrued and the U.S. dollar amount actually received. The portion of both realized and unrealized gains and losses on investments that results from fluctuations in foreign currency exchange

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rates is not separately disclosed but is included with net realized and unrealized gain/appreciation and loss/depreciation on investments.

Contingencies. In the normal course of business, the Fund may enter into contracts with service providers that contain general indemnification clauses. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund that have not yet occurred. However, based on experience, the Fund expects the risk of loss to be remote.

Taxes. The Fund's policy is to comply with the requirements of the Internal Revenue Code, as amended, which are applicable to regulated investment companies, and to distribute all of its taxable income to its shareholders.

Additionally, the Fund may be subject to taxes imposed by the governments of countries in which it invests. Such taxes are generally based on income and/or capital gains earned or repatriated. Estimated tax liabilities on certain foreign securities are recorded on an accrual basis and are reflected as components of interest income or net change in unrealized gain/loss on investments. Tax liabilities realized as a result of security sales are reflected as a component of net realized gain/loss on investments.

At October 31, 2018, the Fund had a net tax basis capital loss carryforward of approximately \$39,730,000, which may be applied against realized net taxable capital gains indefinitely, including short-term losses (\$8,138,000) and long-term losses (\$31,592,000).

At October 31, 2018, the aggregate cost of investments for federal income tax purposes was \$163,351,613. The net unrealized appreciation for all investments based on tax cost was \$22,493,422. This consisted of aggregate gross unrealized appreciation for all investments in which there was an excess of value over tax cost of \$33,735,930 and aggregate gross unrealized depreciation for all investments in which there was an excess of tax cost over value of \$11,242,508.

The Fund has reviewed the tax positions for the open tax years as of October 31, 2018 and has determined that no provision for income tax and/or uncertain tax provisions is required in the Fund's financial statements. The Fund's federal tax returns for the prior three fiscal years remain open subject to examinations by the Internal Revenue Service.

Dividends and Distributions to Shareholders. The Fund records dividends and distributions to its shareholders on the ex-dividend date. The timing and character of certain income and capital gain distributions are determined annually in accordance with United States federal income tax regulations, which may differ from accounting principles generally accepted in the United States of America. These differences primarily relate to investments in foreign currency denominated investments, investments in foreign passive investment companies, recognition of

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certain foreign currency gains (losses) as ordinary income (loss) and certain securities sold at a loss. As a result, net investment income (loss) and net realized gain (loss) on investment transactions for a reporting period may differ significantly from distributions during such period. Accordingly, the Fund may periodically make reclassifications among certain of its capital accounts without impacting the NAV of the Fund.

At October 31, 2018, the Fund's components of distributable earnings (accumulated losses) on a tax basis were as follows:

Undistributed ordinary income	\$ 6,818,780
Capital loss carryforwards	\$ (39,730,000)
Net unrealized appreciation (depreciation)	\$ 22,493,422

In addition, the tax character of distributions paid to shareholders by the Fund is summarized as follows:

	Years Ended October 31,	
	2018	2017
Distributions from ordinary income*	\$ 4,021,806	\$ 2,456,401

* For tax purposes, short-term capital gain is considered ordinary income.

B. Investment Advisory and Administration Agreements

The Fund is party to an Investment Advisory Agreement with DWS International GmbH (formerly Deutsche Asset Management International GmbH). The Fund also has an Administration Agreement with DWS Investment Management Americas, Inc. (formerly Deutsche Investment Management Americas, Inc.) (DIMA). DWS International GmbH and DIMA are affiliated companies.

Under the Investment Advisory Agreement with DWS International GmbH, DWS International GmbH directs the investments of the Fund in accordance with its investment objectives, policies and restrictions. DWS International GmbH determines the securities, instruments and other contracts relating to investments to be purchased, sold or entered into by the Fund.

The Investment Advisory Agreement provides DWS International GmbH with a fee, computed weekly and payable monthly, at the annual rate of 0.80% of the Fund's average weekly net assets up to and including \$100 million, 0.60% of such assets in excess of \$100 million and up to and including \$500 million, 0.55% of such assets in excess of \$500 million and up to and including \$750 million, and 0.50% of such assets in excess of \$750 million.

Accordingly, for the year ended October 31, 2018, the fee pursuant to the Investment Advisory Agreement was equivalent to an annual rate of 0.70% of the Fund's average daily net assets.

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Under the Administration Agreement with DIMA, DIMA provides certain fund administration services to the Fund. The Administration Agreement provides DIMA with an annual fee, computed weekly and payable monthly, of 0.20% of the Fund's average weekly net assets.

C. Transactions with Affiliates

DWS Service Company (DSC), an affiliate of DIMA, is the transfer agent, dividend-paying agent and shareholder service agent of the Fund. Pursuant to a sub-transfer agency agreement between DSC and DST Systems, Inc. (DST), DSC has delegated certain transfer agent and dividend-paying agent functions to DST. DSC compensates DST out of the fee it receives from the Fund. For the year ended October 31, 2018, the amount charged to the Fund by DSC aggregated \$8,999, of which \$750 is unpaid.

Under an agreement with DIMA, DIMA is compensated for providing certain pre-press and regulatory filing services to the Fund. For the year ended October 31, 2018, the amount charged to the Fund by DIMA included in the Statement of Operations under Reports to shareholders and shareholder meeting expenses aggregated \$11,261, of which \$7,106 is unpaid.

Deutsche Bank AG, the majority shareholder in the DWS Group, and its affiliates may receive brokerage commissions as a result of executing agency transactions in portfolio securities on behalf of the Fund, that the Board determined were effected in compliance with the Fund's Rule 17e-1 procedures. For the year ended October 31, 2018, Deutsche Bank did not receive brokerage commissions from the Fund.

Certain Officers of the Fund are also officers of DIMA.

The Fund pays each Director who is not an interested person of DIMA or DWS International GmbH retainer fees plus specified amounts for attended board and committee meetings.

The Fund may invest cash balances in DWS Central Cash Management Government Fund, which is managed by DIMA. The Fund indirectly bears its proportionate share of the expenses of DWS Central Cash Management Government Fund. DWS Central Cash Management Government Fund does not pay DIMA an investment management fee. DWS Central Cash Management Government Fund seeks a maximum current income to the extent consistent with stability of principal.

D. Portfolio Securities

Purchases and sales of investment securities, excluding short-term investments, for the year ended October 31, 2018 were \$212,587,354 and \$242,744,627, respectively.

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E. Investing in Emerging Markets in Europe

Investing in emerging markets may involve special risks and considerations not typically associated with investing in developed markets. These risks include currency fluctuations, high rates of inflation or deflation, repatriation restrictions on income and capital, and adverse political, social and economic developments. Moreover, securities issued in these markets may be less liquid, may be subject to government ownership controls or delayed settlements and may have prices that are more volatile or less easily assessed than those of comparable securities of issuers in developed markets.

The European Union, the United States and other countries have imposed sanctions in response to the Russian military and other actions in recent years. These sanctions have adversely affected Russian individuals, Russian issuers and the Russian economy. Russia, in turn, has imposed sanctions targeting Western individuals, businesses and products. The various sanctions have adversely affected, and may continue to adversely affect, not only the Russian economy but also the economies of many countries in Europe, including countries in Central Europe. The continuation of current sanctions, or the imposition of additional sanctions, may materially adversely affect the value or liquidity of the Fund's portfolio.

F. Capital

During the year ended October 31, 2018 and the year ended October 31, 2017, the Fund purchased 419,400 and 573,300 of its shares of common stock on the open market at a total cost of \$10,340,259 and \$12,282,321 (\$24.65 and \$21.42 average per share), respectively. The average discount of these purchased shares comparing the purchase price to the NAV per share at the time of purchase was 11.92% and 12.25%, respectively.

During the year ended October 31, 2018 and the year ended October 31, 2017, the Fund issued for dividend reinvestment 32,921 and 44,794 shares, respectively. The average discount of these issued shares, comparing the issue price to NAV per share at the time of issuance was 8.70% and 12.67%, respectively.

G. Share Repurchases

On July 25, 2016, the Fund announced that the Board of Directors approved an extension of the repurchase authorization permitting the Fund to repurchase up to 796,000 shares during the period from August 1, 2016 through July 31, 2017. The Fund repurchased 639,500 shares between August 1, 2016 and July 31, 2017. On July 31, 2017, the Fund announced that the Board of Directors approved an extension of the repurchase

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authorization permitting the Fund to repurchase up to 736,000 shares during the period from August 1, 2017 through July 31, 2018. The Fund repurchased 446,500 shares between August 1, 2017 and July 31, 2018. On July 27, 2018, the Fund announced that the Board of Directors approved an extension of the repurchase authorization permitting the Fund to repurchase up to 694,000 shares during the period from August 1, 2018 through July 31, 2019. The Fund has repurchased 71,700 shares between August 1, 2018 and October 31, 2018.

Repurchases will be made from time to time when they are believed to be in the best interests of the Fund. There can be no assurance that the Fund's repurchases will reduce the spread between the market price of the Fund's shares referred to below and its NAV per share.

Monthly updates concerning the Fund's repurchase program are available on its Web site at dws.com.

H. Concentration of Ownership

From time to time, the Fund may have a concentration of several shareholder accounts holding a significant percentage of shares outstanding. Investment activities of these shareholders could have a material impact on the Fund. At October 31, 2018, there were three shareholders that held approximately 18%, 15% and 10%, respectively, of the outstanding shares of the Fund.

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of The Central and Eastern Europe Fund, Inc.:

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of The Central and Eastern Europe Fund, Inc. (the Fund) as of October 31, 2018, the related statement of operations for the year ended October 31, 2018, the statements of changes in net assets for each of the two years in the period ended October 31, 2018, including the related notes, and the financial highlights for each of the five years in the period ended October 31, 2018 (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of October 31, 2018, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended October 31, 2018 and the financial highlights for each of the five years in the period ended October 31, 2018 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Fund s management. Our responsibility is to express an opinion on the Fund s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

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Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of October 31, 2018 by correspondence with the custodian, transfer agent and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

Boston, Massachusetts

December 20, 2018

We have served as the auditor of one or more investment companies in the DWS family of funds since 1930.

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Table of Contents**Tax Information****(Unaudited)**

For federal Income tax purposes, the Fund designates \$8,935,000, or the maximum amount allowable under tax law, as qualified dividend income.

Please consult a tax advisor if you have questions about federal or state income tax laws, or on how to prepare your tax returns. If you have specific questions about your account, please call (800) 728-3337.

The Fund elected to be subject to the statutory calculation, notification and publication requirements of the German Investment Tax Act (Investmentsteuergesetz) (the Act) for the fiscal year ended October 31, 2017 and intends to elect to be subject to the Act for the fiscal year ending October 31, 2018. This election allows investors based in Germany to invest in the Fund without adverse tax consequences.

Shares Repurchased and Issued**(Unaudited)**

The Fund has been purchasing shares of its common stock in the open market and has also purchased shares pursuant to tender offers. Shares repurchased in the open market, shares issued for dividend reinvestment, and shares tendered and accepted for the past five years are as follows:

	Years Ended October 31,				
	2018	2017	2016	2015	2014
Shares repurchased	419,400	573,300	473,337	835,242	1,094,938
Shares issued for dividend reinvestment	32,921	44,794	56,912	96,862	286,708
Shares tendered and accepted				433,673	1,070,853

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Table of Contents**Report of Annual Meeting of Stockholders****(Unaudited)**

The Annual Meeting of Stockholders (the Meeting) of The Central and Eastern Europe Fund, Inc. was held on June 22, 2018. At the close of business on April 27, 2018, the record date for the determination of stockholders entitled to vote at the Meeting, there were issued and outstanding 7,012,463 shares of the Fund's common stock, each share being entitled to one vote, constituting all of the Fund's outstanding voting securities. At the Meeting, the holders of 6,444,531 shares of the Fund's common stock were represented in person or by proxy, constituting a quorum. At the Meeting, the following matters were voted upon by the stockholders. The resulting votes are presented below:

1. To elect two (2) Class III Directors, each to serve for a term of three years and until his successor is elected and qualifies.

	Number of Votes:	
	For	Withheld
Dr. Wolfgang Leoni	4,637,723	1,806,805
Mr. Christian Strenger	4,556,239	1,888,289

2. To ratify the appointment by the Audit Committee and the Board of Directors of PricewaterhouseCoopers LLP, an independent public accounting firm, as independent auditors for the fiscal year ending October 31, 2018.

	Number of Votes:		
For	Against	Abstain	
6,196,203	172,280	76,229	

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Voluntary Cash Purchase Program and Dividend Reinvestment Plan (Unaudited)

The Fund offers shareholders a Voluntary Cash Purchase Program and Dividend Reinvestment Plan (Plan) which provides for optional cash purchases and for the automatic reinvestment of dividends and distributions payable by the Fund in additional Fund shares. A more complete description of the Plan is provided in the Plan brochure available from DWS Service Company, the transfer agent (the Transfer Agent), P.O. Box 219066, Kansas City, Missouri 64121-9066 (telephone 1-800-GERMANY (1-800-437-6269)). DST Systems, Inc. (the Plan Agent) acts as the plan agent under the Plan. A shareholder should read the Plan brochure carefully before enrolling in the Plan.

Under the Plan, participating shareholders (Plan Participants) appoint the Transfer Agent to receive or invest Fund distributions as described below under Reinvestment of Fund Shares. In addition, Plan Participants may make optional cash purchases through the Transfer Agent as often as once a month as described below under Voluntary Cash Purchases. There is no charge to Plan Participants for participating in the Plan, although when shares are purchased under the Plan by the Plan Agent on the New York Stock Exchange or otherwise on the open market, each Plan Participant will pay a pro rata share of brokerage commissions incurred in connection with such purchases, as described below under Reinvestment of Fund Shares and Voluntary Cash Purchases.

Reinvestment of Fund Shares. Whenever the Fund declares a capital gain distribution, an income dividend or a return of capital distribution payable, at the election of shareholders, either in cash or in Fund shares, or payable only in cash, the Transfer Agent shall automatically elect to receive Fund shares for the account of each Plan Participant.

Whenever the Fund declares a capital gain distribution, an income dividend or a return of capital distribution payable only in cash and the net asset value per share of the Fund's common stock equals or is less than the market price per share on the valuation date (the Market Parity or Premium), the Transfer Agent shall apply the amount of such dividend or distribution payable to a Plan Participant to the purchase from the Fund of Fund Shares for a Plan Participant's account, except that if the Fund does not offer shares for such purpose because it concludes Securities Act registration would be required and such registration cannot be timely effected or is not otherwise a cost-effective alternative for the Fund, then the Transfer Agent shall follow the procedure described in the next paragraph. The number of additional shares to be credited to a Plan Participant's account shall be determined by dividing the dollar amount of

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the distribution payable to a Plan Participant by the net asset value per share of the Fund's common stock on the valuation date, or if the net asset value per share is less than 95% of the market price per share on such date, then by 95% of the market price per share. The valuation date will be the payable date for such dividend or distribution.

Whenever the Fund declares a capital gains distribution, an income dividend or a return of capital distribution payable only in cash and the net asset value per share of the Fund's common stock exceeds the market price per share on the valuation date (the "Market Discount"), the Plan Agent shall apply the amount of such dividend or distribution payable to a Plan Participant (less a Plan Participant's pro rata share of brokerage commissions incurred with respect to open-market purchases in connection with the reinvestment of such dividend or distribution) to the purchase on the open market of Fund shares for a Plan Participant's account. The valuation date will be the payable date for such dividend or distribution. Such purchases will be made on or shortly after the valuation date and in no event more than 30 days after such date except where temporary curtailment or suspension of purchase is necessary to comply with applicable provisions of federal securities laws.

The Transfer Agent or the Plan Agent may aggregate a Plan Participant's purchases with the purchases of other Plan Participants, and the average price (including brokerage commissions) of all shares purchased by the Plan Agent shall be the price per share allocable to each Plan Participant.

For all purposes of the Plan, the market price of the Fund's common stock on a payable date shall be the last sales price on the New York Stock Exchange on that date, or, if there is no sale on such Exchange (or, if different, the principal exchange for Fund shares) on that date, then the mean between the closing bid and asked quotations for such stock on such Exchange on such date. The net asset value per share of the Fund's common stock on a valuation date shall be as determined by or on behalf of the Fund.

The Transfer Agent may hold a Plan Participant's shares acquired pursuant to the Plan, together with the shares of other Plan Participants acquired pursuant to this Plan, in non-certificated form in the name of the Transfer Agent or that of a nominee. The Transfer Agent will forward to each Plan Participant any proxy solicitation material and will vote any shares so held for a Plan Participant only in accordance with the proxy returned by a Plan Participant to the Fund. Upon a Plan Participant's written request, the Transfer Agent will deliver to a Plan Participant, without charge, a certificate or certificates for the full shares held by the Transfer Agent.

Voluntary Cash Purchases. Plan Participants have the option of making investments in Fund shares through the Transfer Agent as often as once

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a month. Plan Participants may invest as little as \$100 in any month and may invest up to \$36,000 annually through the voluntary cash purchase feature of the Plan.

The Plan Agent shall apply such funds (less a Plan Participant's pro rata share of brokerage commissions or other costs, if any) to the purchase on the New York Stock Exchange (or, if different, on the principal exchange for Fund shares) or otherwise on the open market of Fund shares for such Plan Participant's account, regardless of whether there is a Market Parity or Premium or a Market Discount. The Plan Agent will purchase shares for Plan Participants on or about the 15th of each month. Cash payments received by the Transfer Agent less than five business days prior to a cash purchase investment date will be held by the Transfer Agent until the next month's investment date. Uninvested funds will not bear interest. Plan Participants may withdraw any voluntary cash payment by written notice received by the Transfer Agent not less than 48 hours before such payment is to be invested.

Enrollment and Withdrawal. Both current shareholders and first-time investors in the Fund are eligible to participate in the Plan. Current shareholders may join the Plan by either enrolling their shares with the Transfer Agent or by making an initial cash deposit of at least \$250 with the Transfer Agent. First-time investors in the Fund may join the Plan by making an initial cash deposit of at least \$250 with the Transfer Agent. In order to become a Plan Participant, shareholders must complete and sign the enrollment form included in the Plan brochure and return it, and, if applicable, an initial cash deposit of at least \$250 directly to the Transfer Agent if shares are registered in their name. Shareholders who hold Fund shares in the name of a brokerage firm, bank or other nominee should contact such nominee to arrange for it to participate in the Plan on such shareholder's behalf.

If the Plan Participant elects to participate in the Plan by enrolling current shares owned by the Plan Participant with the Transfer Agent, participation in the dividend reinvestment feature of the Plan begins with the next dividend or capital gains distribution payable after the Transfer Agent receives the Plan Participant's written authorization, provided such authorization is received by the Transfer Agent prior to the record date for such dividend or distribution. If such authorization is received after such record date, the Plan Participant's participation in the dividend reinvestment feature of the Plan begins with the following dividend or distribution.

If the Plan Participant elects to participate in the Plan by making an initial cash deposit of at least \$250 with the Transfer Agent, participation in the dividend reinvestment feature of the Plan begins with the next dividend or capital gains distribution payable after the Transfer Agent receives the Plan Participant's authorization and deposit, and after the Plan Agent

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purchases shares for the Plan Participant on the New York Stock Exchange (or, if different, on the principal exchange for Fund shares) or otherwise on the open market, provided that the authorization and deposit are received, and the purchases are made by the Plan Agent prior to the record date. If such authorization and deposit are received after the record date, or if the Plan Agent purchases shares for the Plan Participant after the record date, the Plan Participant's participation in the dividend reinvestment feature of the Plan begins with the following dividend or distribution.

A shareholder's written authorization and cash payment must be received by the Transfer Agent at least five business days in advance of the next cash purchase investment date (normally the 15th of every month) in order for the Plan Participant to participate in the voluntary cash purchase feature of the Plan in that month.

Plan Participants may withdraw from the Plan without charge by written notice to the Transfer Agent. Plan Participants who choose to withdraw may elect to receive stock certificates representing all of the full shares held by the Transfer Agent on their behalf, or to instruct the Transfer Agent to sell such full shares and distribute the proceeds, net of brokerage commissions, to such withdrawing Plan Participant. Withdrawing Plan Participants will receive a cash adjustment for the market value of any fractional shares held on their behalf at the time of termination. Withdrawal will be effective immediately with respect to distributions with a record date not less than 10 days later than receipt of such written notice by the Transfer Agent.

Amendment and Termination of Plan. The Plan may only be amended or supplemented by the Fund or by the Transfer Agent by giving each Plan Participant written notice at least 90 days prior to the effective date of such amendment or supplement, except that such notice period may be shortened when necessary or appropriate in order to comply with applicable law or the rules or policies of the Securities and Exchange Commission or any other regulatory body.

The Plan may be terminated by the Fund or by the Transfer Agent by written notice mailed to each Plan Participant. Such termination will be effective with respect to all distributions with a record date at least 90 days after the mailing of such written notice to the Plan Participants.

Federal Income Tax Implications of Reinvestment of Fund Shares. Reinvestment of Fund shares does not relieve Plan Participants from any income tax which may be payable on dividends or distributions. For U.S. federal income tax purposes, when the Fund issues shares representing an income dividend or a capital gains dividend, a Participant will include in income the fair market value of the shares received as of the payment date, which will be ordinary dividend income or capital gains, as the case

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may be. The shares will have a tax basis equal to such fair market value, and the holding period for the shares will begin on the day after the date of distribution. If shares are purchased on the open market by the Plan Agent, a Plan Participant will include in income the amount of the cash payment made. The basis of such shares will be the purchase price of the shares, and the holding period for the shares will begin on the day following the date of purchase. State, local and foreign taxes may also be applicable.

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Approval of Continuance of Investment Advisory Agreement (Unaudited)

The Fund's directors unanimously approved the continuance of the investment advisory agreement between the Fund and DWS International GmbH (DWSI), fka Deutsche Asset Management International GmbH (the agreement) at a meeting held on November 2, 2018. The Fund's directors simultaneously approved the continuance of the administration agreement (the administration agreement) between the Fund and DWS Investment Management Americas, Inc. (DIMA) (fka Deutsche Investment Management Americas Inc.), an affiliate of DWSI.

In preparation for the meeting, the directors had requested, received and evaluated extensive materials from DWSI, including performance and expense information for other investment companies with similar investment objectives derived from data compiled by Broadridge Financial Solutions, Inc. (Broadridge). Prior to voting, the directors reviewed the proposed approval of the continuance of the agreement with management and experienced Fund counsel and received a memorandum from such counsel discussing the legal standards for their consideration of the proposed approval of the continuance. The directors also discussed the proposed approval in private sessions with counsel at which no representatives of DWSI or DIMA were present. In reaching their determination relating to approval of the agreement, the directors considered all factors they believed relevant, including the following:

1. information comparing the Fund's performance to other investment companies with similar investment objectives and to an index;
2. the nature, extent and quality of investment advisory and other services rendered by DWSI;
3. payments received by DWSI and its affiliates (including DIMA) from all sources in respect to the Fund and all investment companies in the DWS family of funds;
4. the costs borne by, and profitability of, DWSI and DIMA in providing services to the Fund;
5. comparative fee and expense data for the Fund and other investment companies with similar investment objectives;
6. the extent to which economies of scale would be realized as the Fund grows and whether fee levels reflect these economies of scale for the benefit of investors;
7. DWSI's policies and practices regarding allocation of the Fund's portfolio transactions, including the extent to which DWSI benefits from soft dollar arrangements;

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8. the Fund's portfolio turnover rates compared to those of other closed-end investment companies investing in international equities;
9. fall-out benefits which DWSI and its affiliates receive from their relationships with the Fund;
10. information concerning the programs established by DWSI with respect to compliance, risk management, disclosure and ethics;
11. the professional experience and qualifications of the Fund's portfolio management team and other senior personnel of DWSI, the implications for DWSI and DIMA of recent developments relating to Deutsche Bank AG ("Deutsche Bank") and DWS Group GmbH & Co. KGaA ("DWS Group"), including: (A) the initial public offering (the "IPO") of DWS Group; Deutsche Bank's asset management business, by Deutsche Bank in March 2018, which resulted in DWS Group becoming a public company with Deutsche Bank retaining a 79.49% ownership interest; (B) ongoing expense reduction efforts by both Deutsche Bank and DWS Group; and (C) Deutsche Bank's various material legal enforcement and litigation exposures, and management's representations that none of the IPO, the expense reduction efforts, or the regulatory enforcement and litigation exposures of Deutsche Bank were expected to have any adverse effect on the management or operations of the Fund or the quality of services provided by DWSI and DIMA to the Fund, or result in any material changes to the persons at DWSI and DIMA providing services to the Fund, and that, to the extent such persons leave DWSI or DIMA, high quality replacements would be put in place as promptly as is reasonably practicable; and DWSI's introduction of a new portfolio manager for the Fund in late 2014; and
12. the terms of the agreement.

The directors also considered their knowledge of the nature and quality of the services provided by DIMA and DWSI to the Fund gained from their experience as directors of the European Equity Fund and the New Germany Fund and their confidence in DWSI's integrity and competence gained from that experience and DWSI's responsiveness to concerns raised by them in the past, including DWSI's willingness to consider and implement organizational and operational changes designed to improve investment results and the services provided to the Fund.

In their deliberations, the directors did not identify any particular information that was all-important or controlling, and each director attributed different weights to the various factors.

The directors determined that the overall arrangements between the Fund and DWSI, as provided in the agreement, were fair and reasonable in light of the services performed, expenses incurred and such other matters as the directors considered relevant in the exercise of their

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reasonable judgment. The directors further determined that they were satisfied that the services provided by DWSI to the Fund represented good value for the money payable to it by the Fund.

The material factors and conclusions that formed the basis for the directors reaching their determination to approve the continuance of the agreement (including their determinations that DWSI should continue in its role as investment advisor for the Fund, and that the fees payable to DWSI pursuant to the agreement are appropriate) were separately discussed by the directors.

Nature, Extent and Quality of Services Provided by DWSI. The directors noted that, under the agreement, DWSI, in accordance with the Fund's investment objectives, policies and limitations, makes all decisions with respect to suitable securities for investment by the Fund and transmits purchase and sale orders and selects brokers and dealers to execute portfolio transactions on behalf of the Fund. DWSI pays all of the compensation of the Fund's directors and officers who are interested persons of DWSI.

The directors considered the scope and quality of services provided by DWSI under the agreement and noted that the scope of services provided had expanded over time as a result of regulatory and other developments. The directors also considered the commitment of DWSI to, and the programs established by it with respect to, compliance, risk management, disclosure and ethics. The directors considered the quality of the investment research capabilities of DWSI and the other resources it has dedicated to performing services for the Fund. The quality of the advisory services provided also were considered. The directors considered management's representation that the various recent developments affecting DWS Group and Deutsche Bank enumerated in No. 11 above were not expected to have any adverse effect on the management or operations of the Fund or the quality of services provided by DWSI and DIMA to the Fund, or result in any material changes to the persons at DWSI and DIMA providing services to the Fund and that, to the extent such persons leave DWSI or DIMA, high quality replacements would be put in place as promptly as is reasonably practicable. The directors agreed that they would continue to monitor the availability and dedication of resources to the Fund going forward, and management agreed to continue to provide detailed information to facilitate such review. The directors concluded that, overall, they were satisfied with the nature, extent and quality of services provided (and expected to be provided) to the Fund under the agreement.

Costs of Services Provided and Profitability to DWSI. At the request of the directors, DWSI provided information concerning its revenues, expenses and net income and financial condition for 2017 as well as information about revenues and expenses and the profitability of its relationship with the Fund in 2017.

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Similar information was provided for DIMA. The directors reviewed the assumptions and methods of allocation used by DWSI and DIMA in preparing Fund-specific profitability data. DWSI and DIMA stated their belief that the methods of allocation used were reasonable, but noted that there are limitations inherent in allocating costs to multiple individual clients served by organizations such as DIMA and DWSI where each of the clients draws on, and benefits from, the research and other resources of the Deutsche Bank organization.

The directors recognized that it is difficult to make comparisons of profitability from fund advisory contracts because comparative information is not generally publicly available and is affected by numerous factors, including the structure of the particular advisor, the types of funds it manages, its business mix, numerous assumptions regarding allocations and the advisor's capital structure and cost of capital. In considering profitability information, the directors considered the effect of possible fall-out benefits on DWSI's expenses, including the fact that there were no affiliated brokerage commissions.

The directors noted that in 2017 DWSI allocated a portion of the Fund's brokerage to receive research generated by, or paid for by, executing brokers, and that such practice was discontinued at the beginning of 2018. They also noted that DWSI has policies to prohibit consideration of the sale of shares of DWS funds when selecting broker dealers to execute portfolio transactions for the Fund or other DWS funds.

The directors recognized that DWSI should, as a general matter, be entitled to earn a reasonable level of profits for the services it provides to the Fund and, based on their review, concluded that DWSI's level of profitability from its relationships with the Fund was not excessive. The directors also considered the aggregate profitability of the relationships with the Fund of DWSI and DIMA and concluded that it was not excessive.

Investment Results. In addition to the information received by the directors for the meeting, the directors receive detailed performance information for the Fund at each regular board meeting during the year and also receive monthly performance information. As the Fund is not aware of any closed-end fund with an objective similar to that of the Fund, the directors generally focus on the Fund's performance based on net asset value compared to its benchmark when assessing investment results. The directors also reviewed information showing the Fund's performance compared to that of other investment vehicles compiled by management based on information provided by Broadridge and Morningstar. The directors also reviewed information showing performance of the Fund's benchmark index since August 1, 2017, the MSCI Emerging Markets Eastern Europe Index; from March 1, 2016 through July 31, 2017, the MSCI Emerging Markets Europe ex Greece Index; from September 1, 2009 through February 29, 2016, the MSCI

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Emerging Markets Europe Index; and prior thereto, a blend of 45% CECA Index of 27 Central European stocks, 45% RTX index of 12 Russian stocks and 10% ISE 30 index of 30 Turkish stocks.

The comparative information showed that the Fund outperformed its benchmark in the first nine months of 2018 and in 2017, underperformed its benchmark in 2016 and 2014, but outperformed it in 2015 and 2013. Although the Fund underperformed the benchmark in 2012, 2011 and 2008, it exceeded the performance of its benchmark in 2007, 2009 and 2010. In assessing the Fund's performance in recent years the directors took into account the volatility of the Russian and Turkish markets in recent years and the challenges this presented for the Fund's portfolio management team as well as their general satisfaction with the Fund's performance following a change in the portfolio management team in late 2014. The directors also discussed the implications of the addition of Greece as a significant component to the Fund's former benchmark in November 2013 and the fact that the Fund does not normally invest in Greece; their approval of a change to the benchmark to exclude Greece effective March 1, 2016; their subsequent decision to change the Fund's investment objective, related fundamental investment policy and the Fund's concentration policy, which changes were implemented following approval by stockholders effective August 1, 2017, and noted that related changes to the Fund's name, benchmark and certain non-fundamental investment policies were also effective on such date. Taking into account these comparisons and the other factors considered, the directors concluded that the Fund's investment results over time were satisfactory.

Management and Investment Advisory Fees and Other Expenses. The directors considered the investment advisory fee rates payable by the Fund to DWSI under the agreement. The directors recognized that it is difficult to make comparisons of advisory fees because there are variations in the services that are included in the fees paid by other funds and noted that no closed-end or open-end fund has a similar investment strategy as the Fund. The directors also considered information provided by DWSI concerning the fee rates charged to other investment companies having somewhat similar mandates as the Fund, the representation by DWSI that it does not manage any other institutional accounts that are similar to the Fund and DWSI's review of the reasons that it does not consider institutional fee rates to be relevant to the consideration of appropriate fee rates payable by investment companies such as the Fund. The directors noted that DWSI advises non-U.S. open-end funds that have somewhat similar investment objectives as the Fund and that pay management fees that, while not entirely comparable to the fees payable by the Fund to DWSI and DIMA, are substantially higher than the combined advisory and administration fee rate paid by the Fund.

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The Fund's management expense comparison group consisted of nine emerging markets closed-end funds (including the Fund) and 16 open-end emerging markets funds (plus the Fund) selected by Broadridge. The directors reviewed information comparing the combined advisory and administrative fees payable under the agreement and the administration agreement for this purpose, noting that DWSI and DIMA are affiliated companies. The directors noted that the combined advisory and administrative fee rate paid by the Fund in 2017 of 0.909% was below the median fee rates of both comparison groups. The directors noted that the Fund's effective fee rate reflects the effect of breakpoints. The directors also considered the Fund's net expense ratio in comparison to the fees and expenses of 35 other closed-end international equity funds compiled by management based on Morningstar data. The directors also noted that the Fund's net expense ratio was below the median and average and in the second quartile of the comparison group. The directors concluded that the Fund's expense ratio was satisfactory.

Economies of Scale. The directors noted that the investment advisory fee schedule in the agreement contains breakpoints that reduce the fee rate on assets above specified levels. The directors recognized that breakpoints may be an appropriate way for DWSI to share its economies of scale with some funds that have substantial assets or that may grow materially over the next year. However, they also recognized that there is no direct relationship between the economies of scale realized by funds and those realized by DWSI as assets increase, largely because economies of scale are realized (if at all) by DWSI across a variety of products and services, and not only in respect of a single fund. They also noted that the Fund's assets have generally diminished over recent years, although they had increased in 2017. Having taken these factors into account, the directors concluded that the breakpoint arrangements in the agreement were acceptable under the Fund's circumstances.

Table of Contents**Directors and Officers of the Fund****Directors****Name, Age, Term of Office and Length of Time Served*****Principal Occupation(s) During the Past Five Years and Other Information****Other Directorships Held by Director**

Dr. Wilhelm Bender, 74 ⁽¹⁾	Senior Advisor of Advent International GmbH (private equity) (since 2009); of Hebert Smith Freehills Germany LLP (legal services) (since 2016); and of IFM Investors (UK) (Australian infrastructure fund) (since 2016). He is a member of Supervisory Board of FrankfurtRheinMain GmbH (International Marketing of the Region) (since 2013). He is also an Independent Director/Member of the Board of Directors of the National Welfare Fund Samruk-Kazyna (sovereign wealth fund and joint stock company in Kazakhstan) (since 2018). He is also a member of the Advisory Board of Deutsche Bank AG (since 1993) and holds a number of honorary positions including Honorary Professor of the Johann Wolfgang Goethe University in Frankfurt (since 2008). He is the former Chairman of the Executive Board (CEO) of Fraport AG, Germany (aviation industry) (1993 2009), former Chairman of the Supervisory Boards of Bombardier Transportation GmbH (railways) (2010 2015) and Eintracht Frankfurt Fussball AG (soccer club) (2010 2015), a former member of the Supervisory Boards of Lufthansa Cargo AG (air freight) (2008 2015), MTU AG (aircraft engines) (2008 2018), and former Senior Advisor of Norton Rose Fulbright LLP (legal services) (2010 2016). He is also a former Independent Director/Member of the Board of Directors of the Joint Stock Company, National Company Kazakhstan Temir Zholy (logistic company) (2016 2018).	Director, The European Equity Fund, Inc. (since 2013) and The New Germany Fund, Inc. (since 2013).
Class I Since 2013		
Ambassador Richard R. Burt, 71 ⁽¹⁾	Managing Director, McLarty Associates (international strategic advisory) (since 2007). Formerly, Chairman, Diligence, Inc. (international information and risk management firm) (2002 2007); Chairman of the Board, Weirton Steel Corp. (1996 2004); Partner, McKinsey & Company (consulting firm) (1991 1994); State Department, Chief Negotiator in charge of negotiating the Arms Treaty with Russia (1989 1991); U.S. Ambassador to the Federal Republic of Germany (1985 1989). Mr. Burt is also Director, IGT, Inc. (gaming technology) (since 1995), and HCL Technologies, Inc. (information technology and product engineering) (since 1999) and member, Textron Inc. International Advisory Council (aviation, automotive, industrial operations and finance) (since 1996).	Director, The European Equity Fund, Inc. (since 2000) and The New Germany Fund, Inc. (since 2004). Director, UBS family of mutual funds (since 1995).
Class II Since 2000		

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Name, Age, Term of Office and Length of Time Served*	Principal Occupation(s) During the Past Five Years and Other Information	Other Directorships Held by Director
Walter C. Dostmann, 62 ⁽¹⁾ Class II Since 2015	Founder and Principal, Dostmann & Partners LLC (international business advisory firm) (2000 to present); Director of 360 T Systems, Inc. (trading platform provider) (2013 to present). Formerly, Managing Director and Head of International Corporate Finance Division at Deutsche Bank Securities, Inc. (1990 to 1999); and Senior Vice President of Deutsche Bank AG, New York branch (1985 to 1990). Director and Chairman of North American Income Fund (since 1998) and CABEI Central American Fund (since 1999).	Director, The European Equity Fund, Inc. (since 2015) and The New Germany Fund, Inc. (since 2015).
Dr. Kenneth C. Froewiss, 73 ⁽¹⁾ Class II Since 2017	Retired Clinical Professor of Finance, NYU Stern School of Business (1997-2014); Member, Finance Committee, Association for Asian Studies (2002-present); Director, Mitsui Sumitomo Insurance Group (US) (2004-present); prior thereto, Managing Director, J.P. Morgan (investment banking firm) (until 1996).	Director, The European Equity Fund, Inc. (since 2017) and The New Germany Fund, Inc. (since 2017). Director, Deutsche family of funds (2001-March 28, 2018); Chairman of DWS USA Corporation (since March 28, 2018).
Dr. Wolfgang Leoni, 61 ⁽¹⁾⁽²⁾ Class III Since 2017	Managing Director of HQ Asset Management GmbH (since January 2018); Chief Executive Officer of Sal. Oppenheim Jr. & CIE. Komplementär AG, Cologne (Germany) (private bank) (from April 2013 until April 2017) and Chairman of Sal. Oppenheim Jr. & CIE. Luxembourg S.A. (since 2013). He is the former Chief Investment Officer and member of the Management Board of Sal. Oppenheim Jr. & CIE. Komplementär AG, Cologne (Germany) (private bank) (2009-2013). He is the former Managing Director/CIO of Oppenheim Kapitalanlagegesellschaft MBH, Cologne (Germany) (investment company) (2007-2009), Managing Director/CIO of Lupus Alpha Alternative Solutions GMBH Frankfurt/M (investment company) (2006). He is the former Managing Director/CIO of DEKA Investment GMBH, Frankfurt/M (investment company) (2002-2006) and Managing Director/management board member (1996-2002).	Director, The European Equity Fund, Inc. (since 2017) and The New Germany Fund, Inc. (since 2017).

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Name, Age, Term of Office and Length of Time Served*	Principal Occupation(s) During the Past Five Years and Other Information	Other Directorships Held by Director
Dr. Christopher Pleister, 70 ⁽¹⁾ Class I Since 2016	Director (nonexecutive) of Depfa Bank plc (since 2015), Chairman of the Appeal Panel of the Single Resolution Board (Institution of the European Banking Union) since November 2016 (member since 2015). He is the former Chairman of FMSA (German financial market stabilization agency) (2011–2014) and board member (2009–2011), and former Chairman of the Supervisory Board of Deutsche Zentral-Genossenschaftsbank Frankfurt (2000–2008), former Chairman of BVR (federal association of German cooperative banks) (2000–2008) and Director of Deutsche Genossenschaftsbank (1990–1999).	Director, The European Equity Fund, Inc. (since 2016) and The New Germany Fund, Inc. (since 2016).
Christian H. Strenger, 75 ⁽¹⁾⁽²⁾ Class III Since 1990	Member of Supervisory Board (since 1999) and formerly Managing Director (1991–1999) of Deutsche Asset Management Investment GmbH (investment management), a subsidiary of Deutsche Bank AG. Mr. Strenger serves as Director of the Center for Corporate Governance at the Leipzig Graduate School of Management.	Director and Chairman, The European Equity Fund, Inc. (since 1986) and The New Germany Fund, Inc. (since 1990).

* The address of each Director is c/o DWS Investment Management Americas, Inc., 345 Park Avenue, New York, NY 10154.

The term of office for Directors in Class I expires at the 2019 Annual Meeting, Class II expires at the 2020 Annual Meeting and Class III expires at the 2021 Annual Meeting.

- (1) Indicates that the Director also serves as a Director of The European Equity Fund, Inc. and The New Germany Fund, Inc., two other closed-end registered investment companies for which DWS Investment Management Americas, Inc. acts as Administrator and DWS International GmbH acts as Investment Adviser.
- (2) Indicates Interested Person, as defined in the Investment Company Act of 1940, as amended (the 1940 Act). Dr. Leoni is an interested Director because of his ownership of Deutsche Bank AG shares. Mr. Strenger is an interested Director because of his affiliation with DWS-Deutsche Gesellschaft für Wertpapiersparen mbH (DWS), an indirect wholly owned subsidiary of Deutsche Bank AG, and because of his ownership of Deutsche Bank AG shares.

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Officers*

Name, Age, Position

with the Fund and

Length of Time Served

Hepsen Uzcan, 44⁽²⁾⁽⁵⁾

President and Chief Executive Officer,
2017 present

Assistant Secretary, 2013 present

Diane Kenneally, 52⁽³⁾⁽⁷⁾

Treasurer and Chief Financial Officer,
since 2018

John Millette, 56⁽³⁾

Secretary,

2011 present⁽⁶⁾

Sheila Cadogan, 52⁽³⁾⁽⁸⁾

Assistant Treasurer,

since 2018

Caroline Pearson, 56⁽³⁾

Chief Legal Officer,

2012 present

Scott D. Hogan, 48⁽³⁾

Chief Compliance Officer, 2016 present

Principal Occupation(s) During the Past Five Years

Managing Director,⁽¹⁾ DWS; Secretary, DWS USA Corporation (since March 2018); Assistant Secretary, DWS Distributors, Inc. (since June 25, 2018); Director and Vice President, DWS Service Company (since June 25, 2018); Assistant Secretary, DWS Investment Management Americas, Inc. (since June 25, 2018); and Director and President, DB Investment Managers, Inc. (since June 25, 2018); formerly: Vice President for the Deutsche funds (2016 2017).

Director,⁽¹⁾ DWS.

Director,⁽¹⁾ DWS; Chief Legal Officer, DWS Investment Management Americas Inc. (2015 present); and Director and Vice President, DWS Trust Company (2016 present); formerly, Secretary, Deutsche Investment Management Americas Inc. (2015 2017).

Director⁽¹⁾, DWS; Director and Vice President, DWS Trust Company (since 2018).

Managing Director,⁽¹⁾ DWS; formerly: Secretary, Deutsche AM Distributors, Inc. (2002 2017); and Secretary, Deutsche AM Service Company (2010 2017).

Director,⁽¹⁾ DWS.

Wayne Salit, 51⁽⁴⁾

Director,⁽¹⁾ Deutsche Bank; and AML Officer, DWS Trust Company; formerly: Managing Director, AML Compliance Officer at BNY Mellon (2011–2014); and Director, AML Compliance Officer at Deutsche Bank (2004–2011).

Anti-Money Laundering Compliance Officer,

2014–present

Each also serves as an Officer of The European Equity Fund, Inc. and The New Germany Fund, Inc., two other closed-end registered investment companies for which DWS Investment Management Americas, Inc. acts as Administrator.

* As a result of their respective positions held with the Administrator, these individuals are considered interested persons of the Administrator within the meaning of the 1940 Act. Interested persons receive no compensation directly from the Fund.

(1) Executive title, not a board directorship.

(2) Address: 345 Park Avenue, New York, New York 10154.

(3) Address: One International Place, Boston, Massachusetts 02110.

(4) Address: 60 Wall Street, New York, New York 10005.

(5) Appointed President and Chief Executive Officer effective December 5, 2017.

(6) Served as Assistant Secretary from July 14, 2006 to December 31, 2010 and as Secretary to the Fund from January 30, 2006 to July 13, 2006.

(7) Appointed Treasurer and Chief Financial Officer effective July 27, 2018.

(8) Appointed Assistant Treasurer effective July 27, 2018.

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Additional Information

**Automated
Information Lines** **DWS AM Closed-End Fund Info Line**
Web Site **(800) 349-4281**
 dws.com

**Written
Correspondence** Obtain fact sheets, financial reports, press releases and webcasts when available.
DWS

Legal Counsel Attn: Secretary of the DWS Funds

 One International Place, 12th Floor

 Boston, MA 02110
Sullivan & Cromwell LLP

**Dividend Reinvestment
Plan Agent** 125 Broad Street

 New York, NY 10004
DST Systems, Inc.

**Shareholder Service
Agent and Transfer
Agent** 333 W. 11th Street, 5th Floor

 Kansas City, MO 64105
DWS Service Company

Custodian P.O. Box 219066

 Kansas City, MO 64121-9066

 (800) GERMANY ((800) 437-6269)
Brown Brothers Harriman & Company

50 Post Office Square

Boston, MA 02110

**Independent
Registered Public
Accounting Firm**

PricewaterhouseCoopers LLP

101 Seaport Boulevard, Suite 500

Boston, MA 02210

Proxy Voting

A description of the Fund's policies and procedures for voting proxies for portfolio securities and information about how the Fund voted proxies related to its portfolio securities during the most recent 12-month period ended June 30 is available on our web site dws.com/en-us/resources/proxy-voting or on the SEC's web site sec.gov. To obtain a written copy of the Fund's policies and procedures without charge, upon request, call us toll free at (800) GERMANY ((800) 437-6269).

Portfolio Holdings

Following the Fund's fiscal first and third quarter-end, a complete portfolio holdings listing is filed with the SEC on Form N-Q. This form will be available on the SEC's Web site at sec.gov. The Fund's portfolio holdings as of the month-end are posted on dws.com on or after the last day of the following month. More frequent posting of portfolio holdings information may be made from time to time on dws.com.

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Investment Management

DWS International GmbH, which is part of DWS Group, is the investment advisor for the Fund. DWS International GmbH provides a full range of investment advisory services to both institutional and retail clients. DWS International GmbH is a direct, wholly owned subsidiary of DWS Group.

Voluntary Cash Purchase Program and Dividend Reinvestment Plan

DWS Group is a global organization that offers a wide range of investing expertise and resources, including hundreds of portfolio managers and analysts and an office network that reaches the world's major investment centers. This well-resourced global investment platform brings together a wide variety of experience and investment insight across industries, regions, asset classes and investing styles.

The Fund offers shareholders a Voluntary Cash Purchase Program and Dividend Reinvestment Plan (Plan) which provides for optional cash purchases and for the automatic reinvestment of dividends and distributions payable by the Fund in additional Fund shares. Plan participants may invest as little as \$100 in any month and may invest up to \$36,000 annually. The Plan allows current shareholders who are not already participants in the Plan and first time investors to enroll in the Plan by making an initial cash deposit of at least \$250 with the plan agent. Share purchases are combined to receive a beneficial brokerage fee. A brochure is available by writing or telephoning the transfer agent:

DWS Service Company

P.O. Box 219066

Kansas City, MO 64121-9066

Tel.: 1-800-GERMANY (1-800-437-6269) (in the U.S.)

NYSE Symbol
Nasdaq Symbol
CUSIP Number

CEE
XCEEX
153436100

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There are three closed-end funds investing in European equities advised and administered by wholly owned subsidiaries of the DWS Group:

The Central and Eastern Europe Fund, Inc. (formerly The Central Europe, Russia and Turkey Fund, Inc.) investing primarily in equity or equity-linked securities of issuers domiciled in Central and Eastern Europe (with normally at least 80% in securities of issuers domiciled in countries in Central and Eastern Europe) and concentrating in the energy sector (with more than 25% of the fund's total assets in issuers conducting their principal activities in that sector).

The European Equity Fund, Inc. investing primarily in equity or equity-linked securities of issuers domiciled in Europe (with normally at least 80% in securities of issuers domiciled in Europe).

The New Germany Fund, Inc. investing primarily in equity or equity-linked securities of middle market German companies with up to 20% in other Western European companies (with no more than 15% in any single country).

Please consult your broker for advice on any of the above or call 1-800-GERMANY (1-800-437-6269) (in the U.S.) for shareholder reports.

The New Germany Fund, Inc. is diversified, but primarily focuses its investments in Germany, thereby increasing its vulnerability to developments in that country. Investing in foreign securities presents certain risks, such as currency fluctuations, political and economic changes and market risks. Any fund that concentrates in a particular segment of the market or in a particular geographical region will generally be more volatile than a fund that invests more broadly.

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(R-024978-8 12/18)

**ITEM
2. CODE OF ETHICS**

As of the end of the period covered by this report, the registrant has adopted a code of ethics, as defined in Item 2 of Form N-CSR that applies to its Principal Executive Officer and Principal Financial Officer.

There have been no amendments to, or waivers from, a provision of the code of ethics during the period covered by this report that would require disclosure under Item 2.

A copy of the code of ethics is filed as an exhibit to this Form N-CSR.

**ITEM
3. AUDIT COMMITTEE FINANCIAL EXPERT**

The Fund's Board of Directors has determined that the Fund has at least one "audit committee financial expert" serving on its audit committee: Mr. Walter C. Dostmann and Dr. Kenneth C. Froewiss. Each of these audit committee members is "independent," meaning that he is not an "interested person" of the Fund (as that term is defined in Section 2(a)(19) of the Investment Company Act of 1940) and he does not accept any consulting, advisory, or other compensatory fee from the Fund (except in the capacity as a Board or committee member).

An "audit committee financial expert" is not an "expert" for any purpose, including for purposes of Section 11 of the Securities Act of 1933, as a result of being designated as an "audit committee financial expert." Further, the designation of a person as an "audit committee financial expert" does not mean that the person has any greater duties, obligations, or liability than those imposed on the person without the "audit committee financial expert" designation. Similarly, the designation of a person as an "audit committee financial expert" does not affect the duties, obligations, or liability of any other member of the audit committee or board of directors.

**ITEM
4. PRINCIPAL ACCOUNTANT FEES AND SERVICES**

the central and Eastern Europe Fund, inc. form n-csr disclosure re: AUDIT FEES

The following table shows the amount of fees that PricewaterhouseCoopers, LLP (“PWC”), the Fund’s independent registered public accounting firm, billed to the Fund during the Fund’s last two fiscal years. The Audit Committee approved in advance all audit services and non-audit services that PWC provided to the Fund.

Services that the Fund’s Independent Registered Public Accounting Firm Billed to the Fund

Fiscal Year Ended October 31,	Audit Fees Billed to Fund	Audit-Related Fees Billed to Fund	Tax Fees Billed to Fund	All Other Fees Billed to Fund
2018	\$77,100	\$0	\$0	\$5,300
2017	\$75,600	\$0	\$0	\$5,278

“All Other Fees Billed to Fund” were billed for services associated with foreign tax filings.

Services that the Fund’s Independent Registered Public Accounting Firm Billed to the Adviser and Affiliated Fund Service Providers

The following table shows the amount of fees billed by PWC to the Fund’s advisor, Deutsche AM International GmbH, or the administrator, Deutsche Investment Management Americas Inc. (“DIMA”), and any entity controlling, controlled by or under common control with Deutsche AM International GmbH or Deutsche Investment Management Americas Inc (“Control Affiliate”) that provides ongoing services to the Fund (collectively, the Advisor Entities”), for engagements directly related to the Fund’s operations and financial reporting, during the Fund’s last two fiscal years.

Fiscal Year Ended October 31,	Audit-Related Fees Billed to Adviser Entities	Tax Fees Billed to Adviser Entities	All Other Fees Billed to Adviser Entities
2018	\$0	\$0	\$0
2017	\$0	\$0	\$0

Non-Audit Services

The following table shows the amount of fees that PWC billed during the Fund’s last two fiscal years for non-audit services. The Audit Committee pre-approved all non-audit services that PWC provided to the Adviser and any Affiliated Fund Service Provider that related directly to the Fund’s operations and financial reporting. The Audit Committee requested and received information from PWC about any non-audit services that PWC rendered during the Fund’s last fiscal year to the Adviser and any Affiliated Fund Service Provider. The Committee considered this information in evaluating PWC’s independence.

Fiscal Year Ended October 31,	Total Non-Audit Fees Billed to Fund (A)	Total Non-Audit Fees billed to Adviser and Affiliated Fund Service Providers (engagements related directly to the operations and financial reporting of the Fund) (B)	Total Non-Audit Fees billed to Adviser and Affiliated Fund Service Providers (all other engagements) (C)	Total of (A), (B) and (C)
2018	\$5,300	\$0	\$0	\$5,300
2017	\$5,278	\$0	\$0	\$5,278

Audit Committee Pre-Approval Policies and Procedures. Generally, each Fund's Audit Committee must pre approve (i) all services to be performed for a Fund by a Fund's Independent Registered Public Accounting Firm and (ii) all non-audit services to be performed by a Fund's Independent Registered Public Accounting Firm for the Advisor Entities with respect to operations and financial reporting of the Fund. The Audit Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the Audit Committee. The Board and the Audit Committee have authorized any member of the Audit Committee to pre-approve any audit or non-audit services to be performed by the independent auditors, provided that any such approvals are presented to the Audit Committee at its next scheduled meeting.

There were no amounts that were approved by the Audit Committee pursuant to the de minimis exception under Rule 2-01 of Regulation S-X.

According to the registrant's principal Independent Registered Public Accounting Firm, substantially all of the principal Independent Registered Public Accounting Firm's hours spent on auditing the registrant's financial statements were attributed to work performed by full-time permanent employees of the principal Independent Registered Public Accounting Firm.

In connection with the audit of the 2017 and 2018 financial statements, the Fund entered into an engagement letter with PwC. The terms of the engagement letter required by PwC, and agreed to by the Fund's Audit Committee, include a provision mandating the use of mediation and arbitration to resolve any controversy or claim between the parties arising out of or relating to the engagement letter or the services provided there-under.

1.) In a letter provided to the Audit Committee pursuant to PCAOB Rule 3526 and dated July 19, 2016, PwC informed the Audit Committee that PwC had identified circumstances where PwC maintains lending relationships with owners of greater than 10% of the shares of certain investment companies within the "investment company complex" as defined under Rule 2-01(f)(14) of Regulation S-X. PwC informed the Audit Committee that these lending relationships are inconsistent with the SEC Staff's interpretation of Rule 2-01(c)(1)(ii)(A) of Regulation S-X (referred to as the "Loan Rule").

The Loan Rule specifically provides that an accounting firm would not be independent if it receives a loan from a lender that is a record or beneficial owner of more than ten percent of an audit client's equity securities. For purposes of the Loan Rule, audit clients include the Fund as well as all registered investment companies advised by Deutsche Investment Management Americas Inc. (the "Adviser"), the Fund's investment adviser, and its affiliates, including other subsidiaries of the Adviser's parent company, Deutsche Bank AG (collectively, the "Deutsche Funds Complex"). PwC's lending relationships affect PwC's independence under the SEC Staff's interpretation of the Loan Rule with respect to all investment companies in the Deutsche Funds Complex.

In its July 19, 2016 letter, PwC affirmed to the Audit Committee that, as of the date of the letter, PwC is an independent accountant with respect to the Fund, within the meaning of PCAOB Rule 3520. In its letter, PwC also informed the Audit Committee that, after evaluating the facts and circumstances and the applicable independence rules, PwC has concluded that with regard to its compliance with the independence criteria set forth in the rules and

regulations of the SEC related to the Loan Rule, it believes that it remains objective and impartial despite matters that may ultimately be determined to be inconsistent with these criteria and therefore it can continue to serve as the Fund's independent registered public accounting firm. PwC informed the Audit Committee that its conclusion was based on a number of factors, including, among others, PwC's belief that the lenders are not able to impact the impartiality of PwC or assert any influence over the investment companies in the Deutsche Funds Complex whose shares the lenders own or the applicable investment company's investment adviser; and the lenders receive no direct benefit from their ownership of the investment companies in the Deutsche Funds Complex in separate accounts maintained on behalf of their insurance contract holders. In addition, the individuals at PwC who arranged PwC's lending relationships have no oversight of, or ability to influence, the individuals at PwC who conducted the audits of the Fund's financial statements.

On June 20, 2016, the SEC Staff issued a "no-action" letter to another mutual fund complex (see Fidelity Management & Research Company et al., No-Action Letter) related to similar Loan Rule issues as those described above. In that letter, the SEC Staff confirmed that it would not recommend enforcement action against an investment company that relied on the audit services performed by an audit firm that was not in compliance with the Loan Rule in certain specified circumstances. The circumstances described in the no-action letter appear to be substantially similar to the circumstances that affected PwC's independence under the Loan Rule with respect to the Fund. PwC confirmed to the Audit Committee that it meets the conditions of the no-action letter.

2.) In a letter provided to the Audit Committee pursuant to PCAOB Rule 3526 and dated January 12, 2018, PwC informed the Audit Committee that PwC had identified circumstances where (1) a covered person within PwC that provided non-audit services to an entity within the "investment company complex" as defined under Rule 2-01(f)(14) of Regulation S-X maintained a financial relationship with an investment company within the investment company complex in contradiction of Rule 2-01(c)(1)(i)(A) of Regulation S-X and (2) PwC maintains lending relationships with owners of greater than 10% of the shares of certain investment companies within the investment company complex that are inconsistent with the SEC Staff's interpretation of Rule 2-01(c)(1)(ii)(A) of Regulation S-X (referred to as the "Loan Rule").

Covered Person Matter: In its January 12, 2018 letter, PwC advised the Audit Committee that after consideration of the facts and circumstances and the applicable independence rules, PwC concluded that a reasonable investor with knowledge of all relevant facts and circumstances would conclude that PwC is capable of exercising objective and impartial judgment on all issues encompassed within its audit of the financial statements of the Fund. In the letter, PwC also affirmed to the Audit Committee that, as of the date of the letter, PwC is an independent accountant with respect to the Fund, within the meaning of PCAOB Rule 3520. In assessing this matter, PwC indicated that, upon detection of the breach, the PwC covered person was removed from the non-audit engagement and that, among other things, the breach (i) did not relate to financial relationships directly in the Fund, (ii) did not involve a professional who was part of the audit engagement team for the Fund or in a position to influence the audit engagement team, (iii) involved a professional whose non-audit services were not and will not be utilized or relied upon by the audit engagement team in the audit of the financial statements of the Fund and (iv) involved a professional that did not provide any consultation to the audit engagement team of the Fund.

Loan Rule Matter: The Loan Rule specifically provides that an accounting firm would not be independent if it receives a loan from a lender that is a record or beneficial owner of more than ten percent of an audit client's equity securities. For purposes of the Loan Rule, audit clients include the Fund as well as all registered investment companies advised by Deutsche Investment Management Americas Inc. (the "Adviser"), the Fund's investment adviser, and its affiliates, including other subsidiaries of the Adviser's parent company, Deutsche Bank AG (collectively, the "Deutsche Funds Complex"). PwC's lending relationships affect PwC's independence under the SEC Staff's interpretation of the Loan Rule with respect to all investment companies in the Deutsche Funds Complex.

In its January 12, 2018 letter, PwC affirmed to the Audit Committee that, as of the date of the letter, PwC is an independent accountant with respect to the Fund, within the meaning of PCAOB Rule 3520. In its letter, PwC also

informed the Audit Committee that PwC has concluded that with regard to its compliance with the independence criteria set out in the rules and regulations of the SEC related to the Loan Rule, it believes that it remains objective and impartial despite matters that may ultimately be determined to be inconsistent with these criteria, and therefore it can continue to serve as the Fund's independent registered public accounting firm. PwC informed the Audit Committee that its conclusion was based on a number of factors, including, among others, (i) PwC's belief that it is unlikely the lenders would have any interest in the outcome of the audit of the Fund and therefore would not seek to influence the outcome of the audit, (ii) no third party made an attempt to influence the outcome of the audit of the Fund and even if an attempt was made, PwC professionals are required to disclose any relationships that may raise issues about objectivity, confidentiality, independence, conflicts of interest or favoritism, and (iii) the lenders typically lack influence over the investment adviser, who controls the management of the Fund.

On June 20, 2016, the SEC Staff issued a "no-action" letter to another mutual fund complex (see Fidelity Management & Research Company et al., No-Action Letter) related to similar Loan Rule issues as those described above. In that letter, the SEC Staff confirmed that it would not recommend enforcement action against an investment company that relied on the audit services performed by an audit firm that was not in compliance with the Loan Rule in certain specified circumstances. The circumstances described in the no-action letter appear to be substantially similar to the circumstances that affected PwC's independence under the Loan Rule with respect to the Fund. PwC represented that it has complied with PCAOB Rule 3526(b)(1) and (2), which are conditions to the Fund relying on the no action letter, and affirmed that it is an independent accountant within the meaning of PCAOB Rule 3520.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS

The registrant has a separately-designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended. The registrant's audit committee consists of Walter C. Dostmann (Chairman), Richard R. Burt, Dr. Christopher Pleister, and Dr. Kenneth C. Froewiss.

ITEM 6. SCHEDULE OF INVESTMENTS

Not applicable

ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES

Part II: Appendix II-I — Proxy Voting Policy and Guidelines

1. Introduction

Deutsche Asset Management ("AM") has adopted and implemented the following Policies and Guidelines, which it believes are reasonably designed to ensure that proxies are voted in the best economic interest of clients and in accordance with its fiduciary duties and local regulation. This Proxy Voting Policy and Guidelines – AM ("Policy and Guidelines") shall apply to all accounts managed by US domiciled advisers and to all US client accounts managed by non-US regional offices. Non-US regional offices are required to maintain procedures and to vote proxies as may be

required by law on behalf of their non-US clients. In addition, AM's proxy policies reflect the fiduciary standards and responsibilities for ERISA accounts.

The attached guidelines represent a set of global recommendations that were determined by the Global Proxy Voting Sub-Committee (the "GPVSC"). These guidelines were developed to provide AM with a comprehensive list of recommendations that represent how AM will generally vote proxies for its clients. The recommendations derived from the application of these guidelines are not intended to influence the various AM legal entities either directly or indirectly by parent or affiliated companies. In addition, the organizational structures and documents of the various AM legal entities allows, where necessary or appropriate, the execution by individual AM subsidiaries of the proxy voting rights independently of any DB parent or affiliated company. This applies in particular to non-US fund management companies. The individuals that make proxy voting decisions are also free to act independently, subject to the normal and customary supervision by the Management/Boards of these AM legal entities.

2. AM'S Proxy Voting Responsibilities

Proxy votes are the property of AM's advisory clients.¹ As such, AM's authority and responsibility to vote such proxies depend upon its contractual relationships with its clients or other delegated authority. AM has delegated responsibility for effecting its advisory clients' proxy votes to Institutional Shareholder Services ("ISS"), an independent third-party proxy voting specialist. ISS votes AM's advisory clients' proxies in accordance with AM's proxy guidelines or AM's specific instructions. Where a client has given specific instructions as to how a proxy should be voted, AM will notify ISS to carry out those instructions. Where no specific instruction exists, AM will follow the procedures in voting the proxies set forth in this document. Certain Taft-Hartley clients may direct AM to have ISS vote their proxies in accordance with Taft Hartley Voting Guidelines.

Clients may in certain instances contract with their custodial agent and notify AM that they wish to engage in securities lending transactions. In such cases, it is the responsibility of the custodian to deduct the number of shares that are on loan so that they do not get voted twice. To the extent a security is out on loan and AM determines that a proxy vote (or other shareholder action) is materially important to the client's account, AM may request, on a best efforts basis, that the agent recall the security prior to the record date to allow AM to vote the securities.

For purposes of this document, "clients" refers to persons or entities: (i) for which AM serves as investment adviser or sub-adviser; (ii) for which AM votes proxies; and (iii) that have an economic or beneficial ownership interest in the portfolio securities of issuers soliciting such proxies.

3. Policies

3.1. Proxy Voting Activities are Conducted in the Best Economic Interest of Clients

AM has adopted the following Policies and Guidelines to ensure that proxies are voted in accordance with the best economic interest of its clients, as determined by AM in good faith after appropriate review.

3.2. The Global Proxy Voting Sub-Committee

The GPVSC is an internal working group established by the applicable AM's Investment Risk Oversight Committee pursuant to a written charter. The GPVSC is responsible for overseeing AM's proxy voting activities, including:

- (i) Adopting, monitoring and updating guidelines, attached as Attachment A (the "Guidelines"), that provide how AM will generally vote proxies pertaining to a comprehensive list of common proxy voting matters;

Voting proxies where (i) the issues are not covered by specific client instruction or the Guidelines; (ii) the Guidelines specify that the issues are to be determined on a case-by-case basis; or (iii) where an exception to the Guidelines may be in the best economic interest of AM's clients; and

- (iii) Monitoring Proxy Vendor Oversight's proxy voting activities (see below).

AM's Proxy Vendor Oversight, a function of AM's Operations Group, is responsible for coordinating with ISS to administer AM's proxy voting process and for voting proxies in accordance with any specific client instructions or, if there are none, the Guidelines, and overseeing ISS' proxy responsibilities in this regard.

3.3 Availability of Proxy Voting Policy and Guidelines and Proxy Voting Record

Copies of this Policy, as it may be updated from time to time, is made available to clients as required by law and otherwise at AM's discretion. Clients may also obtain information on how their proxies were voted by AM as required by law and otherwise at AM's discretion. Note, however, that AM must not selectively disclose its investment company clients' proxy voting records. Proxy Vendor Oversight will make proxy voting reports available to advisory clients upon request. The investment companies' proxy voting records will be disclosed to shareholders by means of publicly-available annual filings of each company's proxy voting record for the 12-month periods ending June 30 (see Section 5, below), if so required by relevant law.

4. Procedures

The key aspects of AM's proxy voting process are delineated below.

4.1. The GPVSC's Proxy Voting Guidelines

The Guidelines set forth the GPVSC's standard voting positions on a comprehensive list of common proxy voting matters. The GPVSC has developed, and continues to update the Guidelines based on consideration of current corporate governance principles, industry standards, client feedback, and the impact of the matter on issuers and the value of the investments.

The GPVSC will review the Guidelines as necessary to support the best economic interests of AM's clients and, in any event, at least annually. The GPVSC will make changes to the Guidelines, whether as a result of the annual review or otherwise, taking solely into account the best economic interests of clients. Before changing the Guidelines, the GPVSC will thoroughly review and evaluate the proposed change and the reasons therefore, and the GPVSC Chair will ask GPVSC members whether anyone outside of the AM organization (but within Deutsche Bank and its affiliates) or any entity that identifies itself as an AM advisory client has requested or attempted to influence the proposed change and whether any member has a conflict of interest with respect to the proposed change. If any such matter is reported to the GPVSC Chair, the Chair will promptly notify the Conflicts of Interest Management Sub-Committee (see Section 4.4) and will defer the approval, if possible. Lastly, the GPVSC will fully document its rationale for approving any change to the Guidelines.

The Guidelines may reflect a voting position that differs from the actual practices of the public company(ies) within the Deutsche Bank organization or of the investment companies for which AM or an affiliate serves as investment adviser or sponsor. Investment companies, particularly closed-end investment companies, are different from traditional operating companies. These differences may call for differences in voting positions on the same matter. Further, the manner in which AM votes investment company proxies may differ from proposals for which an AM-advised or sponsored investment company solicits proxies from its shareholders. As reflected in the Guidelines, proxies solicited by closed-end (and open-end) investment companies are generally voted in accordance with the pre-determined guidelines of ISS.

Funds ("Underlying Funds") in which Topiary Fund Management Fund of Funds (each, a "Fund") invest, may from time to time seek to revise their investment terms (i.e. liquidity, fees, etc.) or investment structure. In such event, the Underlying Funds may require approval/consent from its investors to effect the relevant changes. Topiary Fund Management has adopted Proxy Voting Procedures which outline the process for these approvals.

4.2. Specific Proxy Voting Decisions Made by the GPVSC

Proxy Vendor Oversight will refer to the GPVSC all proxy proposals (i) that are not covered by specific client instructions or the Guidelines; or (ii) that, according to the Guidelines, should be evaluated and voted on a case-by-case basis.

Additionally, if Proxy Vendor Oversight, the GPVSC Chair or any member of the GPVSC, a Portfolio Manager, a Research Analyst or a sub-adviser believes that voting a particular proxy in accordance with the Guidelines may not be in the best economic interests of clients, that individual may bring the matter to the attention of the GPVSC Chair and/or Proxy Vendor Oversight.²

If Proxy Vendor Oversight refers a proxy proposal to the GPVSC or the GPVSC determines that voting a particular proxy in accordance with the Guidelines is not in the best economic interests of clients, the GPVSC will evaluate and vote the proxy, subject to the procedures below regarding conflicts.

The GPVSC endeavors to hold meetings to decide how to vote particular proxies sufficiently before the voting deadline so that the procedures below regarding conflicts can be completed before the GPVSC's voting determination.

Proxy Vendor Oversight generally monitors upcoming proxy solicitations for heightened attention from the press or the industry and for novel or unusual proposals or circumstances, which may prompt Proxy Vendor Oversight to bring the solicitation to the attention of the GPVSC Chair. AM Portfolio Managers, AM Research Analysts and sub-advisers also may bring a particular proxy vote to the attention of the GPVSC Chair, as a result of their ongoing monitoring of portfolio securities held by advisory clients and/or their review of the periodic proxy voting record reports that the GPVSC Chair distributes to AM portfolio managers and AM research analysts.

4.3. Certain Proxy Votes May Not Be Cast

In some cases, the GPVSC may determine that it is in the best economic interests of its clients not to vote certain proxies, or that it may not be feasible to vote certain proxies. If the conditions below are met with regard to a proxy proposal, AM will abstain from voting:

Neither the Guidelines nor specific client instructions cover an issue;

ISS does not make a recommendation on the issue; and

The GPVSC cannot convene on the proxy proposal at issue to make a determination as to what would be in the client's best interest. (This could happen, for example, if the Conflicts of Interest Management Sub-Committee found that there was a material conflict or if despite all best efforts being made, the GPVSC quorum requirement could not be met).

In addition, it is AM's policy not to vote proxies of issuers subject to laws of those jurisdictions that impose restrictions upon selling shares after proxies are voted, in order to preserve liquidity. In other cases, it may not be possible to vote

certain proxies, despite good faith efforts to do so. For example, some jurisdictions do not provide adequate notice to shareholders so that proxies may be voted on a timely basis. Voting rights on securities that have been loaned to third-parties transfer to those third-parties, with loan termination often being the only way to attempt to vote proxies on the loaned securities. Lastly, the GPVSC may determine that the costs to the client(s) associated with voting a particular proxy or group of proxies outweighs the economic benefits expected from voting the proxy or group of proxies.

Proxy Vendor Oversight will coordinate with the GPVSC Chair regarding any specific proxies and any categories of proxies that will not or cannot be voted. The reasons for not voting any proxy shall be documented.

4.4. Conflict of Interest Procedures

4.4.1. Procedures to Address Conflicts of Interest and Improper Influence

Overriding Principle. In the limited circumstances where the GPVSC votes proxies,³ the GPVSC will vote those proxies in accordance with what it, in good faith, determines to be the best economic interests of AM's clients.⁴

Independence of the GPVSC. As a matter of Compliance policy, the GPVSC and Proxy Vendor Oversight are structured to be independent from other parts of Deutsche Bank. Members of the GPVSC and the employee responsible for Proxy Vendor Oversight are employees of AM. As such, they may not be subject to the supervision or control of any employees of Deutsche Bank Corporate and Investment Banking division ("CIB"). Their compensation cannot be based upon their contribution to any business activity outside of AM without prior approval of Legal and Compliance. They can have no contact with employees of Deutsche Bank outside of the Private Client and Asset Management division ("PCAM") regarding specific clients, business matters or initiatives without the prior approval of Legal and Compliance. They furthermore may not discuss proxy votes with any person outside of AM (and within AM only on a need to know basis).

Conflict Review Procedures. The "Conflicts of Interest Management Sub-Committee" within AM monitors for potential material conflicts of interest in connection with proxy proposals that are to be evaluated by the GPVSC. Promptly upon a determination that a proxy vote shall be presented to the GPVSC, the GPVSC Chair shall notify the Conflicts of Interest Management Sub-Committee. The Conflicts of Interest Management Sub-Committee shall promptly collect and review any information deemed reasonably appropriate to evaluate, in its reasonable judgment, if AM or any person participating in the proxy voting process has, or has the appearance of, a material conflict of interest. For the purposes of this policy, a conflict of interest shall be considered "material" to the extent that a reasonable person could expect the conflict to influence, or appear to influence, the GPVSC's decision on the particular vote at issue. GPVSC should provide the Conflicts of Interest Management Sub-Committee a reasonable amount of time (no less than 24 hours) to perform all necessary and appropriate reviews. To the extent that a conflicts review cannot be sufficiently completed by the Conflicts of Interest Management Sub-Committee the proxies will be voted in accordance with the standard Guidelines.

The information considered by the Conflicts of Interest Management Sub-Committee may include without limitation information regarding (i) AM client relationships; (ii) any relevant personal conflict known by the Conflicts of Interest Management Sub-Committee or brought to the attention of that sub-committee; and (iii) any communications with members of the GPVSC (or anyone participating or providing information to the GPVSC) and any person outside of the AM organization (but within Deutsche Bank and its affiliates) or any entity that identifies itself as an AM advisory client regarding the vote at issue. In the context of any determination, the Conflicts of Interest Management Sub-Committee may consult with and shall be entitled to rely upon all applicable outside experts, including legal counsel.

Upon completion of the investigation, the Conflicts of Interest Management Sub-Committee will document its findings and conclusions. If the Conflicts of Interest Management Sub-Committee determines that (i) AM has a material conflict of interest that would prevent it from deciding how to vote the proxies concerned without further client consent; or (ii) certain individuals should be recused from participating in the proxy vote at issue, the Conflicts of Interest Management Sub-Committee will so inform the GPVSC Chair.

If notified that AM has a material conflict of interest as described above, the GPVSC chair will obtain instructions as to how the proxies should be voted either from (i) if time permits, the affected clients, or (ii) in accordance with the standard Guidelines. If notified that certain individuals should be recused from the proxy vote at issue, the GPVSC Chair shall do so in accordance with the procedures set forth below.

3 As mentioned above, the GPVSC votes proxies where: (i) neither a specific client instruction nor a Guideline directs how the proxy should be voted, (ii) the Guidelines specify that an issue is to be determined on a case-by-case basis or (iii) voting in accordance with the Guidelines may not be in the best economic interests of clients.

Proxy Vendor Oversight, who serves as the non-voting secretary of the GPVSC, may receive routine calls from 4 proxy solicitors and other parties interested in a particular proxy vote. Any contact that attempts to exert improper pressure or influence shall be reported to the Conflicts of Interest Management Sub-Committee.

Note: Any AM employee who becomes aware of a potential, material conflict of interest in respect of any proxy vote to be made on behalf of clients shall notify Compliance. Compliance shall call a meeting of the Conflict Review Committee to evaluate such conflict and determine a recommended course of action.

Procedures to be followed by the GPVSC. At the beginning of any discussion regarding how to vote any proxy, the GPVSC Chair (or his or her delegate) will inquire as to whether any GPVSC member (whether voting or ex officio) or any person participating in the proxy voting process has a personal conflict of interest or has actual knowledge of an actual or apparent conflict that has not been reported to the Conflicts of Interest Management Sub-Committee.

The GPVSC Chair also will inquire of these same parties whether they have actual knowledge regarding whether any Director, officer, or employee outside of the AM organization (but within Deutsche Bank and its affiliates) or any entity that identifies itself as an AM advisory client, has: (i) requested that AM, Proxy Vendor Oversight (or any member thereof) or a GPVSC member vote a particular proxy in a certain manner; (ii) attempted to influence AM, Proxy Vendor Oversight (or any member thereof), a GPVSC member or any other person in connection with proxy voting activities; or (iii) otherwise communicated with a GPVSC member, or any other person participating or providing information to the GPVSC regarding the particular proxy vote at issue, and which incident has not yet been reported to the Conflicts of Interest Management Sub-Committee.

If any such incidents are reported to the GPVSC Chair, the Chair will promptly notify the Conflicts of Interest Management Sub-Committee and, if possible, will delay the vote until the Conflicts of Interest Management Sub-Committee can complete the conflicts report. If a delay is not possible, the Conflicts of Interest Management Sub-Committee will instruct the GPVSC (i) whether anyone should be recused from the proxy voting process or (ii) whether AM should vote the proxy in accordance with the standard guidelines, seek instructions as to how to vote the proxy at issue from ISS or, if time permits, the effected clients. These inquiries and discussions will be properly reflected in the GPVSC's minutes.

Duty to Report. Any AM employee, including any GPVSC member (whether voting or ex officio), that is aware of any actual or apparent conflict of interest relevant to, or any attempt by any person outside of the AM organization (but within Deutsche Bank and its affiliates) or any entity that identifies itself as an AM advisory client to influence, how AM votes its proxies has a duty to disclose the existence of the situation to the GPVSC Chair (or his or her designee) and the details of the matter to the Conflicts of Interest Management Sub-Committee. In the case of any person participating in the deliberations on a specific vote, such disclosure should be made before engaging in any activities or participating in any discussion pertaining to that vote.

Recusal of Members. The GPVSC will recuse from participating in a specific proxy vote any GPVSC members (whether voting or ex officio) and/or any other person who (i) are personally involved in a material conflict of interest; or (ii) who, as determined by the Conflicts of Interest Management Sub-Committee, have actual knowledge of a circumstance or fact that could affect their independent judgment, in respect of such vote. The GPVSC will also exclude from consideration the views of any person (whether requested or volunteered) if the GPVSC or any member thereof knows, or if the Conflicts of Interest Management Sub-Committee has determined, that such other person has a material conflict of interest with respect to the particular proxy or has attempted to influence the vote in any manner prohibited by these policies.

If, after excluding all relevant GPVSC voting members pursuant to the paragraph above, there are three or more GPVSC voting members remaining, those remaining GPVSC members will determine how to vote the proxy in accordance with these Policy and Guidelines. If there are fewer than three GPVSC voting members remaining, the GPVSC Chair will vote the proxy in accordance with the standard Guidelines or will obtain instructions as to how to have the proxy voted from, if time permits, the effected clients and otherwise from ISS.

4.4.2. Investment Companies and Affiliated Public Companies

Investment Companies. As reflected in the Guidelines, all proxies solicited by open-end and closed-end investment companies are voted in accordance with the pre-determined guidelines of ISS, unless the investment company client directs AM to vote differently on a specific proxy or specific categories of proxies. However, regarding investment companies for which AM or an affiliate serves as investment adviser or principal underwriter, such proxies are voted in the same proportion as the vote of all other shareholders (i.e., “mirror” or “echo” voting). Master Fund proxies solicited from feeder Funds are voted in accordance with applicable provisions of Section 12 of the Investment Company Act of 1940 (“Investment Company Act”).

Subject to participation agreements with certain Exchange Traded Funds (“ETFs”) issuers that have received exemptive orders from the US Securities and Exchange Commission (“SEC”) allowing investing Deutsche funds to exceed the limits set forth in Section 12(d)(1)(A) and (B) of the Investment Company Act, AM will echo vote proxies for ETFs in which Deutsche Bank holds more than 25% of outstanding voting shares globally when required to do so by participation agreements and SEC orders.

Affiliated Public Companies. For proxies solicited by non-investment company issuers of or within the Deutsche Bank organization, (e.g., Deutsche Bank itself), these proxies will be voted in the same proportion as the vote of other shareholders (i.e., “mirror” or “echo” voting).

Note: With respect to the Deutsche Central Cash Management Government Fund (registered under the Investment Company Act), the Fund is not required to engage in echo voting and the investment adviser will use these Guidelines and may determine, with respect to the Deutsche Central Cash Management Government Fund, to vote contrary to the positions in the Guidelines, consistent with the Fund’s best interest.

4.4.3. Other Procedures that Limit Conflicts of Interest

AM and other entities in the Deutsche Bank organization have adopted a number of policies, procedures and internal controls that are designed to avoid various conflicts of interest, including those that may arise in connection with proxy voting, including but not limited to:

• Code of Business Conduct and Ethics – DB Group;

• Conflicts of Interest Policy – DB Group;

• Information Sharing Procedures – AWM, GTB & CB&S;

Code of Ethics – AWM; and

Code of Professional Conduct – US.

The GPVSC expects that these policies, procedures and internal controls will greatly reduce the chance that the GPVSC (or, its members) would be involved in, aware of, or influenced by an actual or apparent conflict of interest.

All impacted business units are required to adopt, implement, and maintain procedures to ensure compliance with these Policies and Guidelines. At a minimum, such procedures must: (i) assign roles and responsibilities for carrying out the procedures, including responsibility for periodically updating the procedures; (ii) identify clear escalation paths for identified breaches of the procedures; and (iii) for non-dedicated procedures (i.e., desk manuals), contain a legend or table mapping the procedures to this Section (e.g., cross-referencing Section or page numbers).

5. Recordkeeping

At a minimum, the following records must be properly maintained and readily accessible in order to evidence compliance with this Policy.

AM will maintain a record of each proxy vote cast by AM that includes among other things, company name, meeting date, proposals presented, vote cast and shares voted.

Proxy Vendor Oversight maintains records for each of the proxy ballots it votes. Specifically, the records include, but are not limited to:

The proxy statement (and any additional solicitation materials) and relevant portions of annual statements.

Any additional information considered in the voting process that may be obtained from an issuing company, its agents, or proxy research firms.

Analyst worksheets created for stock option plan and share increase analyses; and

Proxy Edge print-screen of actual vote election.

AM will (i) retain this Policy and the Guidelines; (ii) will maintain records of client requests for proxy voting information; and (iii) will retain any documents Proxy Vendor Oversight or the GPVSC prepared that were material to making a voting decision or that memorialized the basis for a proxy voting decision.

The GPVSC also will create and maintain appropriate records documenting its compliance with this Policy, including records of its deliberations and decisions regarding conflicts of interest and their resolution.

With respect to AM's investment company clients, ISS will create and maintain records of each company's proxy voting record for the 12-month periods ending June 30. AM will compile the following information for each matter relating to a portfolio security considered at any shareholder meeting held during the period covered by the report and with respect to which the company was entitled to vote:

• The name of the issuer of the portfolio security;

• The exchange ticker symbol of the portfolio security (if symbol is available through reasonably practicable means);

• The Council on Uniform Securities Identification Procedures ("CUSIP") number for the portfolio security (if the number is available through reasonably practicable means);

• The shareholder meeting date;

• A brief identification of the matter voted on;

• Whether the matter was proposed by the issuer or by a security holder;

• Whether the company cast its vote on the matter;

• How the company cast its vote (e.g., for or against proposal, or abstain; for or withhold regarding election of Directors); and

• Whether the company cast its vote for or against Management.

Note: This list is intended to provide guidance only in terms of the records that must be maintained in accordance with this policy. In addition, please note that records must be maintained in accordance with the Archiving and Record Retention Policy – Deutsche Bank Group and applicable policies and procedures thereunder.

With respect to electronically stored records, "properly maintained" is defined as complete, authentic (unalterable), usable and backed-up. At a minimum, records should be retained for a period of not less than six years (or longer, if necessary to comply with applicable regulatory requirements), the first three years in an appropriate AM office.

6. The GPVSC’S Oversight Role

In addition to adopting the Guidelines and making proxy voting decisions on matters referred to it as set forth above, the GPVSC monitors the proxy voting process by reviewing summary proxy information presented by ISS. The GPVSC uses this review process to determine, among other things, whether any changes should be made to the Guidelines. This review will take place at least quarterly and is documented in the GPVSC’s minutes.

Attachment A – Global Proxy Voting Guidelines

Deutsche Asset Management

Global Proxy Voting Guidelines

As Amended February 2018

[GRAPHIC OMITTED]

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These Guidelines may reflect a voting position that differs from the actual practices of the public company(ies) within the Deutsche Bank organization or of the investment companies for which AM or an affiliate serves as investment adviser or sponsor.

Note: Because of the unique structure and regulatory scheme applicable to closed-end investment companies, the voting guidelines (particularly those related to governance issues) generally will be inapplicable to holdings of closed-end investment companies. As a result, determinations on the appropriate voting recommendation for closed-end investment company shares will be made on a case-by-case basis.

I. Board of Directors and Executives

A. Election of Directors

Routine: AM Policy is to vote “for” the uncontested election of Directors. Votes for a Director in an uncontested election will be withheld in cases where a Director has shown an inability to perform his/her duties in the best interests of the shareholders, taking into account also the following additional factors:

♣Accountability to shareholders and transparency of governance practices

♣Responsiveness to investor input and shareholder vote

♣Composition of the board with directors adding value through skills, expertise, and time commitment

♣Independence from management

Regarding independence: Vote against or withhold from non-independent directors when:

♣the board consists of 50% or less independent directors;

♣the non-independent director is part of the audit, compensation, or nominating committee;

♣the company has not appointed an audit, compensation, or nominating committee.

AM will classify directors as non-independent when:

For executive directors:

Current employee of the company or one of its affiliates.

For non-executive directors:

Significant Ownership (beneficial owner of more than 50% of the company's voting power).

Former CEO of the company or of an acquired company within the past five years.

Former officer of the company, an affiliate, or an acquired firm within the past five years.

Immediate family member of a current or former officer of the company or its affiliates within the last five years.

Currently provides (or an immediate family member provides) professional services to the company, to an affiliate of the company or an individual officer of the company or one of its affiliates in excess of \$10,000 per year.

Proxy contest: In a proxy contest involving election of Directors, a case-by-case voting decision will be made based upon analysis of the issues involved and the merits of the incumbent and dissident slates of Directors. Where applicable, AM will consider the recommendations of ISS along with various factors, including the following:

Long-term financial performance of the company relative to its industry;

Management's track record;

Background to the contested election;

Nominee qualifications and any compensatory arrangements;

Strategic plan of dissident slate and quality of the critique against management;

Likelihood that the proposed goals and objectives can be achieved (both slates); and

Stock ownership positions.

In the case of candidates nominated pursuant to proxy access, AM policy is to vote case-by-case considering any applicable factors listed above, including additional factors and any recommendations of a third party proxy research vendor, currently ISS, which may be relevant, including those that are specific to the company, to the nominee(s) and/or to the nature of the election (such as whether or not there are more candidates than Board seats).

Rationale: The large majority of corporate Directors fulfill their fiduciary obligation and in most cases support for Management's nominees is warranted. As the issues relevant to a contested election differ in each instance, those cases must be addressed as they arise.

B. Classified Boards of Directors

AM policy is to vote against proposals to classify the Board and for proposals to repeal classified Boards and elect Directors annually.

Rationale: Directors should be held accountable on an annual basis. By entrenching the incumbent Board, a classified Board may be used as an anti-takeover device to the detriment of the shareholders in a hostile take-over situation.

C. Board and Committee Independence

AM policy is to vote:

1. "For" proposals that require that a certain percentage (majority up to 66 2/3%) of members of a Board of Directors be comprised of independent or unaffiliated Directors.
2. "For" proposals that require all members of a company's compensation, audit, nominating, or other similar committees be comprised of independent or unaffiliated Directors.
3. "Against" shareholder proposals to require the addition of special interest, or constituency, representatives to Boards of Directors.
4. "For" separation of the Chairman and CEO positions.

5. Generally, “For” proposals that require a company to appoint a Chairman who is an independent Director, taking into account the following factors:

- whether the proposal is binding and whether it requires an immediate change

• whether the current board has an existing executive or non-independent chair or there was a recent combination of the CEO and chair roles

• whether the governance structure ensures a sufficient board and committee independence, a balance of board and CEO tenure

• whether the company has poor governance practices (such as compensation, poor risk oversight, or any actions, which harmed or have the potential to harm the interests of the shareholders)

• whether the company is demonstrating poor performance (as per the assessment and recommendation of ISS)

Rationale: Board independence is a cornerstone of effective governance and accountability. A Board that is sufficiently independent from Management assures that shareholders' interests are adequately represented.

No Director qualifies as “independent” unless the Board of Directors affirmatively determines that the Director has no material relationship with the listed company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the company).

Whether a Director is in fact not “independent” will depend on the laws and regulations of the primary market for the security and the exchanges, if any, on which the security trades.

D. Liability and Indemnification of Directors

AM policy is to vote on a case-by-case basis on Management proposals to limit Directors' liability and to broaden the indemnification of Directors, unless broader indemnification or limitations on Directors' liability would affect shareholders' interests in pending litigation, in which case, AM would vote “against.”

Rationale: While shareholders want Directors and officers to be responsible for their actions, it may not be in the best interests of the shareholders for them to be too risk averse. If the risk of personal liability is too great, companies may not be able to find capable Directors willing to serve. We support expanding coverage only for actions taken in good faith and not for serious violations of fiduciary obligation or negligence.

E. Qualification of Directors

AM policy is to follow Management's recommended vote on either Management or shareholder proposals that set retirement ages for Directors or require specific levels of stock ownership by Directors.

Rationale: As a general rule, the Board of Directors, and not the shareholders, is most qualified to establish qualification policies.

F. Removal of Directors and Filling of Vacancies

AM policy is to vote "against" proposals that include provisions that Directors may be removed only for cause or proposals that include provisions that only continuing Directors may fill Board vacancies.

Rationale: Differing state statutes permit removal of Directors with or without cause. Removal of Directors for cause usually requires proof of self-dealing, fraud or misappropriation of corporate assets, limiting shareholders' ability to remove Directors except under extreme circumstances. Removal without cause requires no such showing.

Allowing only incumbent Directors to fill vacancies can serve as an anti-takeover device, precluding shareholders from filling the Board until the next regular election.

G. Proposals to Fix the Size of the Board

AM policy is to vote:

1. "For" proposals to fix the size of the Board unless: (a) no specific reason for the proposed change is given; or (b) the proposal is part of a package of takeover defenses.
2. "Against" proposals allowing Management to fix the size of the Board without shareholder approval.

Rationale: Absent danger of anti-takeover use, companies should be granted a reasonable amount of flexibility in fixing the size of its Board.

H. Proposals to Restrict Chief Executive Officer's Service on Multiple Boards

AM policy is to vote "for" proposals to restrict a Chief Executive Officer from serving on more than two outside Boards of Directors.

Rationale: Chief Executive Officer must have sufficient time to ensure that shareholders' interests are represented adequately.

Note: A Director's service on multiple closed-end fund Boards within a fund complex are treated as service on a single Board for the purpose of the proxy voting guidelines.

I. Proposals to Establish Audit Committees

AM policy is to vote "for" proposals that require the establishment of Audit Committees.

Rationale: The Audit Committee should deal with accounting and risk management related questions, verifies the independence of the auditor with due regard to possible conflicts of interest. It also should determine the procedure of the audit process.

II. Capital Structure

A. Authorization of Additional Shares

AM policy is to vote "for" proposals to increase the authorization of existing classes of stock that do not exceed a 3:1 ratio of shares authorized to shares outstanding for a large cap company, and do not exceed a 4:1 ratio of shares authorized to shares outstanding for a small-midcap company (companies having a market capitalization under one billion US dollars).

Rationale: While companies need an adequate number of shares in order to carry on business, increases requested for general financial flexibility must be limited to protect shareholders from their potential use as an anti-takeover device. Requested increases for specifically designated, reasonable business purposes (stock split, merger, etc.) will be considered in light of those purposes and the number of shares required.

B. Authorization of “Blank Check” Preferred Stock

AM policy is to vote:

“Against” proposals to create blank check preferred stock or to increase the number of authorized shares of blank check preferred stock unless the company expressly states that the stock will not be used for anti-takeover purposes and will not be issued without shareholder approval.

2. “For” proposals mandating shareholder approval of blank check stock placement.

Rationale: Shareholders should be permitted to monitor the issuance of classes of preferred stock in which the Board of Directors is given unfettered discretion to set voting, dividend, conversion and other rights for the shares issued.

C. Stock Splits / Reverse Stock Splits

AM policy is to vote “for” stock splits if a legitimate business purpose is set forth and the split is in the shareholders' best interests. A vote is cast “for” a reverse stock split only if the number of shares authorized is reduced in the same proportion as the reverse split or if the effective increase in authorized shares (relative to outstanding shares) complies with the proxy guidelines for common stock increases.

Rationale: Generally, stock splits do not detrimentally affect shareholders. Reverse stock splits, however, may have the same result as an increase in authorized shares and should be analyzed accordingly.

D. Dual Class/Supervoting Stock

AM policy is to vote “against” proposals to create or authorize additional shares of super-voting stock or stock with unequal voting rights.

Rationale: The “one share, one vote” principal ensures that no shareholder maintains a voting interest exceeding their equity interest in the company.

E. Large Block Issuance

AM policy is to address large block issuances of stock on a case-by-case basis based on the nature of the issuance, considering various factors including recommendation of ISS subject to review by the GPVSC as set forth in the guidelines:

For general Issuances, in general AM policy is to:

Vote for issuance authorities with pre-emptive rights to a maximum of 100 percent over currently issued capital and as long as the share issuance authorities’ periods are clearly disclosed (or implied by the application of a legal maximum duration) and in line with market-specific practices and/or recommended guidelines (e.g. issuance periods limited to 18 months for the Netherlands); and

Vote for issuance authorities without pre-emptive rights to a maximum of 20 percent (or a lower limit if local market best practice recommendations provide) of currently issued capital as long as the share issuance authorities’ periods are clearly disclosed (or implied by the application of a legal maximum duration) and in line with market-specific practices and/or recommended guidelines (e.g. issuance periods limited to 18 months for the Netherlands).

For French companies, AM policy is to:

Vote for general issuance requests with pre-emptive rights, or without pre-emptive rights but with a binding “priority right,” for a maximum of 50 percent over currently issued capital; and

Generally vote for general authorities to issue shares without pre-emptive rights up to a maximum of 10 percent of share capital. When companies are listed on a regulated market, the maximum discount on share issuance price proposed in the resolution must, in addition, comply with the legal discount (i.e., a maximum of 5 percent discount to the share listing price) for a vote for to be warranted.

For specific issuances, in general AM policy is to:

Vote on a case-by-case basis on all requests, with or without pre-emptive rights, incorporating where applicable the recommendation of ISS.

Additionally, AM supports proposals requiring shareholder approval of large block issuances.

Rationale: Stock issuances must be reviewed in light of the business circumstances leading to the request and the potential impact on shareholder value.

F. Recapitalization into a Single Class of Stock

AM policy is to vote “for” recapitalization plans to provide for a single class of common stock, provided the terms are fair, with no class of stock being unduly disadvantaged.

Rationale: Consolidation of multiple classes of stock is a business decision that may be left to the Board and/or Management if there is no adverse effect on shareholders.

G. Share Repurchases

AM policy is to vote “for” share repurchase plans provided all shareholders are able to participate on equal terms.

Rationale: Buybacks are generally considered beneficial to shareholders because they tend to increase returns to the remaining shareholders.

H. Reductions in Par Value

AM policy is to vote “for” proposals to reduce par value, provided a legitimate business purpose is stated (e.g., the reduction of corporate tax responsibility).

Rationale: Usually, adjustments to par value are a routine financial decision with no substantial impact on shareholders.

III. Corporate Governance Issues

A. Confidential Voting

AM policy is to vote “for” proposals to provide for confidential voting and independent tabulation of voting results and to vote “against” proposals to repeal such provisions.

Rationale: Confidential voting protects the privacy rights of all shareholders. This is particularly important for employee-shareholders or shareholders with business or other affiliations with the company, who may be vulnerable to coercion or retaliation when opposing Management. Confidential voting does not interfere with the ability of corporations to communicate with all shareholders, nor does it prohibit shareholders from making their views known directly to Management.

B. Cumulative Voting

AM policy is to vote “against” shareholder proposals requesting cumulative voting and “for” Management proposals to eliminate it. The protections afforded shareholders by cumulative voting are not necessary when a company has a history of good performance and does not have a concentrated ownership interest. Accordingly, a vote is cast “against” cumulative voting and “for” proposals to eliminate it if:

- a) The company has a five year return on investment greater than the relevant industry index,
- b) All Directors and executive officers as a group beneficially own less than 10% of the outstanding stock, and
- c) No shareholder (or voting block) beneficially owns 15% or more of the company.

Thus, failure of any one of the three criteria results in a vote for cumulative voting in accordance with the general policy.

Rationale: Cumulative voting is a tool that should be used to ensure that holders of a significant number of shares may have Board representation; however, the presence of other safeguards may make their use unnecessary.

C. Supermajority Voting Requirements

AM policy is to vote “against” Management proposals to require a supermajority vote to amend the charter or by-laws and to vote “for” shareholder proposals to modify or rescind existing supermajority requirements.

*

Exception made when company holds a controlling position and seeks to lower threshold to maintain control and/or make changes to corporate by-laws.

Rationale: Supermajority voting provisions violate the democratic principle that a simple majority should carry the vote. Setting supermajority requirements may make it difficult or impossible for shareholders to remove egregious by-law or charter provisions. Occasionally, a company with a significant insider held position might attempt to lower a supermajority threshold to make it easier for Management to approve provisions that may be detrimental to shareholders. In that case, it may not be in the shareholders interests to lower the supermajority provision.

D.Shareholder Right to Vote

AM policy is to vote “against” proposals that restrict the right of shareholders to call special meetings, amend the bylaws, or act by written consent. AM Policy is to vote “for” proposals that remove such restrictions.

Rationale: Any reasonable means whereby shareholders can make their views known to Management or affect the governance process should be supported.