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## THE NEW GERMANY FUND

EXCHANGE-TRADED FUND

### Fund Profile

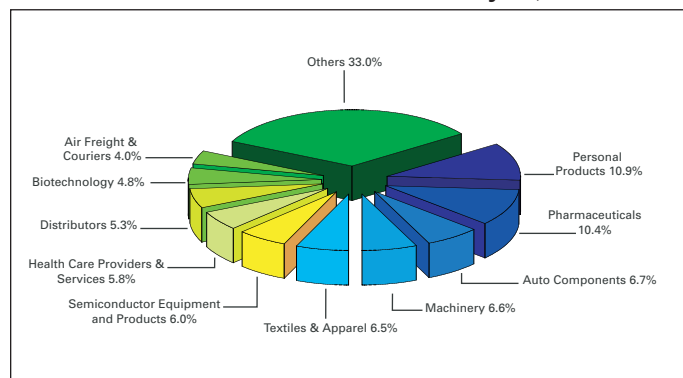
The New Germany Fund (GF) is an actively managed Exchange-Traded Closed-End Fund that invests primarily in the Mittelstand—an important group of small and mid-cap German companies. Its benchmark is a composite index consisting of 75% MDAX and 25% NEMAX 50. The Fund may invest up to 20% in other Western European companies. The New Germany Fund is managed by the Deutsche Bank Group.

Hanspeter Ackermann, CIO of the New Germany Fund, manages the portfolio with specialists at Deutsche Asset Management International in Frankfurt providing advice. Organized in 1990 through the largest initial public offering of a country fund at the time, the New Germany Fund remains the only investment vehicle of its kind specializing in mid-cap German stocks.

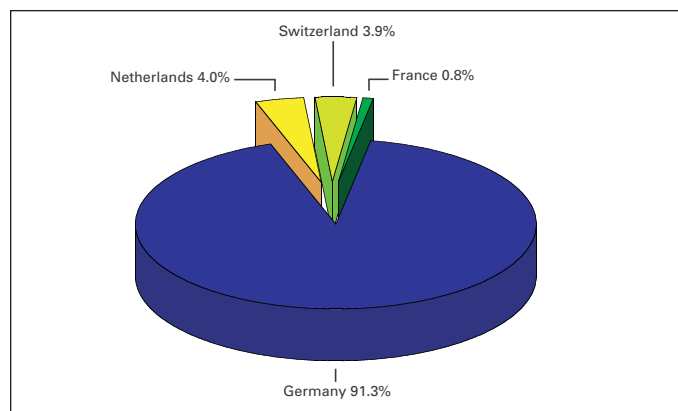
### Comments from the CIO

- German government initiated measures to modernize labor, health, pension and tax systems to make Germany more competitive. Chancellor Schroeder's plan is to boost municipal and construction investment, cut employers' and employees' health and pension contributions, reduce unemployment benefits and ease job protection laws.
- German institutional investor confidence rose for a third month in March, indicating optimism for stronger economic growth in the second half of the year.
- Interest rate cuts by the European Central Bank on March 6th should help improve chances for an economic recovery across Europe.
- Mid-cap companies usually do better in an economic upturn because they have greater pricing power and higher margins as they often operate in profitable niche markets.

### Portfolio Sector Breakdown as of February 28, 2003



### Country Breakdown as of February 28, 2003



### Top Ten Holdings as of February 28, 2003 % of Portfolio

Rank	Company	% of Portfolio
1	Continental	6.7%
2	Stada Arzneimittel	5.9%
3	Beiersdorf	5.6%
4	Wella	5.3%
5	Medion	5.3%
6	Puma	5.0%
7	Fraport	4.0%
8	Micronas Semiconductor	3.9%
9	T-Online International	3.9%
10	Bilfinger & Berger	3.7%
<b>Total</b>		<b>49.3%</b>

### Total Return Performance as of February 28, 2003

	For the two months ended				For the years ended December 31,						
	February 28, 2003	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
Net Asset Value	0.22%	-39.60%	-35.68%	-11.46%	-2.22%	23.85%	8.48%	21.73%	7.91%	4.19%	32.19%
Market Value	0.00%	-39.52%	-33.86%	-14.35%	3.64%	21.58%	18.36%	27.10%	4.65%	-12.00%	39.93%
Benchmark	-3.18% <sup>1</sup>	-37.58% <sup>2</sup>	-33.46% <sup>3</sup>	-16.13% <sup>3</sup>	-9.79% <sup>4</sup>	14.62% <sup>4</sup>	6.84% <sup>4</sup>	7.16% <sup>4</sup>	13.20% <sup>5</sup>	5.80% <sup>5</sup>	36.50% <sup>6</sup>
<b>Per Share Distribution</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1.73</b>	<b>\$1.07</b>	<b>\$3.66</b>	<b>\$2.32</b>	<b>\$1.40</b>	<b>\$0.41</b>	<b>\$0.16</b>	<b>\$0.09</b>

(1) Represents 75% MDAX/25% NEMAX 50

(2) Represents 60% MDAX/40% NEMAX 50 for 1/1/02-8/31/02 and 75% MDAX/25% NEMAX 50 for 9/1/02-12/31/02

(3) Represents 60% MDAX/40% NEMAX 50

(4) Represents the MDAX Index

(5) Represents the CDAX Index

(6) Represents the DAX Index



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### FUND STATISTICS as of February 28, 2003

#### The New Germany Fund, Inc. (GF)

[www.newgermanyfund.com](http://www.newgermanyfund.com)

1-800-GERMANY

**Hanspeter Ackermann**, Chief Investment Officer and Senior Portfolio Manager (with Deutsche Bank since 1996)

**Initial offering:** 1/4/90

**Objective:** Seeks long-term capital appreciation through investment in German mid-cap equity securities.

**Portfolio:** Primarily German equity securities.

**Portfolio composition:** Common stocks 88.4%,

Preferred stocks 11.6%

**CUSIP number:** 644465106

**Total Net Assets:** \$124.3 million

**Shares Outstanding:** 27,387,543

**Market Value:** \$3.55 **NAV:** \$4.54

**Number of equity issues:** 40

**2002 dividend:** \$0

**Expense ratio:** 1.48% **Portfolio turnover:** 98.6% (both for FY 2002)

**Dividend reinvestment plan, Voluntary cash purchase plan**

#### CONTACT:

**The New Germany Fund, Inc.**  
**c/o Deutsche Bank Securities Inc.**

**Robert R. Gambee**  
Chief Operating Officer

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