

# The Central Europe and Russia Fund, Inc.



All fund data as of 2/28/05

**FEB**  
2005

Investment style: Capital appreciation

## Investment objective

Investing primarily in Central European and Russian companies.

## Important risk information

Closed-end funds, unlike open-end funds, are not continuously offered. There is a one-time public offering, and once issued, shares of closed-end funds are sold in the open market through a stock exchange. 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 not diversified and may focus its investments in certain geographic regions, thereby increasing its vulnerability to developments in that region. Investing in foreign securities presents certain unique risks not associated with domestic investments, such as currency fluctuation, political and economic changes, and market risks. This may result in greater share price volatility.

## Fund statistics

<b>Total net assets</b>	\$368,810,015
<b>Shares outstanding</b>	10,197,209
<b>Ticker symbol</b>	CEE
<b>Primary exchange</b>	NYSE
<b>Dividend reinvestment and cash purchase plan</b>	Yes
<b>Annualized expense ratio (10/31/04)</b>	1.27%
<b>CUSIP</b>	153436100
<b>Inception date</b>	February 7, 1990
<b>Portfolio manager</b>	Sandra M. Schaufler

## Country breakdown

Country	% of market value
1. Russia	42.3%
2. Poland	21.1
3. Turkey	14.0
4. Hungary	12.0
5. Czech Republic	8.2
6. Austria	2.2
7. Netherlands	0.2

Geographic distribution is subject to change.

## Performance history

### Average annual total returns as of 2/28/05

Based on	3-mth.*	1-yr.	3-yr.	5-yr.	10-yr.
Annualized					
<b>Market price</b>	30.33%	48.32%	40.14%	16.05%	13.27%
<b>Net asset value<sup>A</sup></b>	22.97	39.50	37.48	11.50	12.50

**Past results are not necessarily indicative of future performance of the fund. Investment return and principal value will fluctuate; therefore, current performance may be lower or higher than the figures shown.**

\*Not annualized

<sup>A</sup>Total investment returns reflect changes in net asset value per share during each period and assume that dividends and capital gain distributions, if any, were reinvested. These percentages are not an indication of the performance of a shareholder's investment in the fund based on market price.

## Fund diversification

### Portfolio by industry

Industry	% of market value
1. Petroleum refining	23.9%
2. National commercial banks	21.6
3. Crude petroleum natural gas	9.7
4. Miscellaneous metal ores	8.9
5. Telephone communications (no radiotelephone)	6.8
6. Electric services	4.2
7. Functions related to deposit banking	3.2
8. Natural gas transmission and distribution	2.4
9. Communication services	1.9
10. Pipelines (no gas)	1.9
11. Other	15.5

Sector composition is subject to change.

## Top holdings

Company	% of market value
1. LUKOIL	13.0%
2. Surgutneftegaz	9.7
3. JSC MMC Norilsk Nickel	8.9
4. Polski Koncern Naftowy	5.7
5. Bank Pekao	4.6
6. Telekomunikacja Polska	4.6
7. OTP Bank	4.2
8. Mol Magyar Olaj-ES Gazipari	4.1
9. Ceske Energeticke Zavody	3.9
10. Turkiye Is Bankasi	3.2

Portfolio holdings are subject to change. Percentage (%) of market value refers to all securities in the portfolio, except cash and equivalents.

2005

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**Portfolio characteristics**

<b>Number of issues</b>	57
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**Asset mix**

Equity securities	99.0%
Cash and cash equivalents	1.0

*Security type is subject to change.*

*Portfolio characteristics are subject to change.*

**Market and net asset value data**

Month-end	Market price	NAV
Feb-05	\$34.28	\$36.17
Jan-05	\$28.70	\$31.69
Dec-04	\$28.00	\$31.27
Nov-04	\$26.46	\$29.59
Oct-04	\$24.99	\$28.64
Sep-04	\$23.62	\$27.15
Aug-04	\$21.84	\$25.05
Jul-04	\$20.33	\$24.01
Jun-04	\$21.39	\$24.45
May-04	\$20.31	\$24.16
Apr-04	\$21.10	\$24.73
Mar-04	\$24.50	\$27.71

Prices and net asset values fluctuate and are not guaranteed.

**Dividends and capital gain distributions**

Payable date	Ordinary income	LT gains
12/31/2004	\$0.17	—
12/31/2003	\$0.22	—
11/29/2001	\$0.23	—
11/27/1998	\$0.14	—
9/9/1998	\$0.01	\$0.01
1/13/1998	\$1.54	\$5.01
9/16/1997	—	\$0.02

**This data is provided for informational purposes only and is not intended for trading purposes.**

*Performance assumes reinvestment of dividends and capital gains.*

Effective June 24, 2003, the fund's name and investment policies changed. The fund's former name was The Central European Equity Fund, Inc.

*Deutsche Asset Management is the marketing name in the US for the asset management activities of Deutsche Bank AG, Deutsche Bank Trust Company Americas, Deutsche Asset Management Inc., Deutsche Asset Management Investment Services Ltd., Deutsche Investment Management Americas Inc. and Scudder Trust Company.*

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