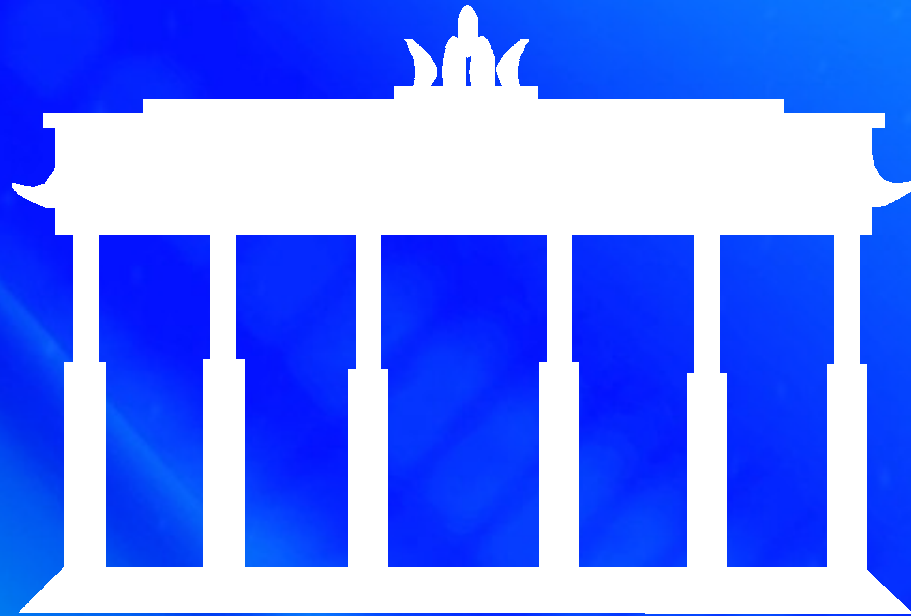


# The New Germany Fund

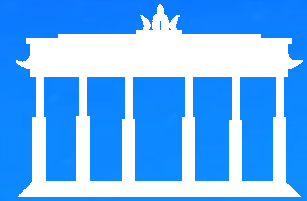


April 9, 2002

Deutsche Bank

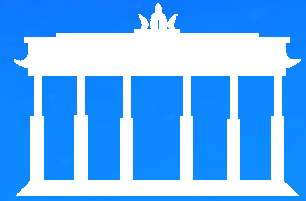


# The New Germany Fund



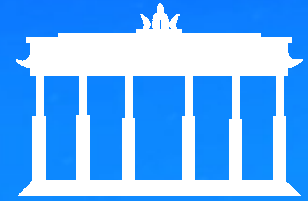
- NYSE: GF
- Investment Manager: Deutsche Bank Securities
- Total Assets (as of 3/31/02): \$199.1 million
- NAV (as of 3/31/02) \$7.07
- Stock Price (as of 3/31/02) \$5.92
- Benchmark: 60% MDAX  
40% NEMAX 50

# The New Germany Fund



## Objective

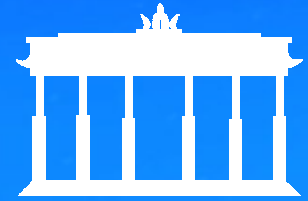
- Long-term capital appreciation
- Investment in small to mid-cap German companies
- The Fund may invest 20% of total assets  
in other Western European countries



# Investment Approach

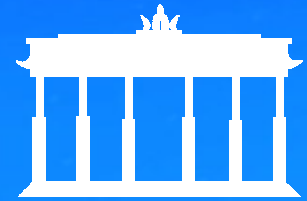
- **Active Management**
- **Fundamental Stock Analysis**
- **Company Visits**
- **Standardized format for independent primary research**
- **Preference for growth at a reasonable price**

# Stock Selection Criteria



- Earnings growth
- Quality of Management
- Financial Strength
- Visibility of Earnings
- Valuation
- Timing
- Sustainability of business model

# The New Germany Fund



## Annualized returns

	<b>GF*</b>	<b>Benchmark</b>	<b>Relative Perf.</b>
<b>2001</b>	<b>-35.7%</b>	<b>-33.5%</b>	<b>-2.2%</b>
<b>2000</b>	<b>-11.5%</b>	<b>-16.1%</b>	<b>4.6%</b>
<b>1999</b>	<b>-2.2%</b>	<b>-9.8%</b>	<b>7.6%</b>
<b>1998</b>	<b>23.9%</b>	<b>14.6%</b>	<b>9.3%</b>
<b>1997</b>	<b>8.5%</b>	<b>6.8%</b>	<b>1.7%</b>

Source: New Germany Fund

\*Net Asset Value

# Top Five Sector Weightings

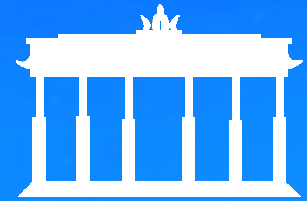
(as of March 31, 2002)



	% of Portfolio
•Financial Services	11.2%
•Pharmaceuticals	10.4%
•Machinery	8.3%
•Biotechnology	8.1%
•Medical Equipment	8.0%
<hr/>	
Total position in technology stocks	41.0%

# Top Five Holdings

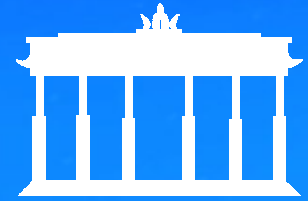
(as of March 31, 2002)



	% of Portfolio	2001-3 Earnings Growth
• <b>Altana</b>	<b>8.9</b>	<b>27.5%</b>
• <b>Fresenius</b>	<b>8.0</b>	<b>21.8%</b>
• <b>Medion</b>	<b>7.1</b>	<b>37.7%</b>
• <b>Qiagen</b>	<b>6.2</b>	<b>34.3%</b>
• <b>AMB Generali</b>	<b>5.9</b>	<b>3.0%</b>
<b>DAX 30 Index</b>		<b>14.8%</b>

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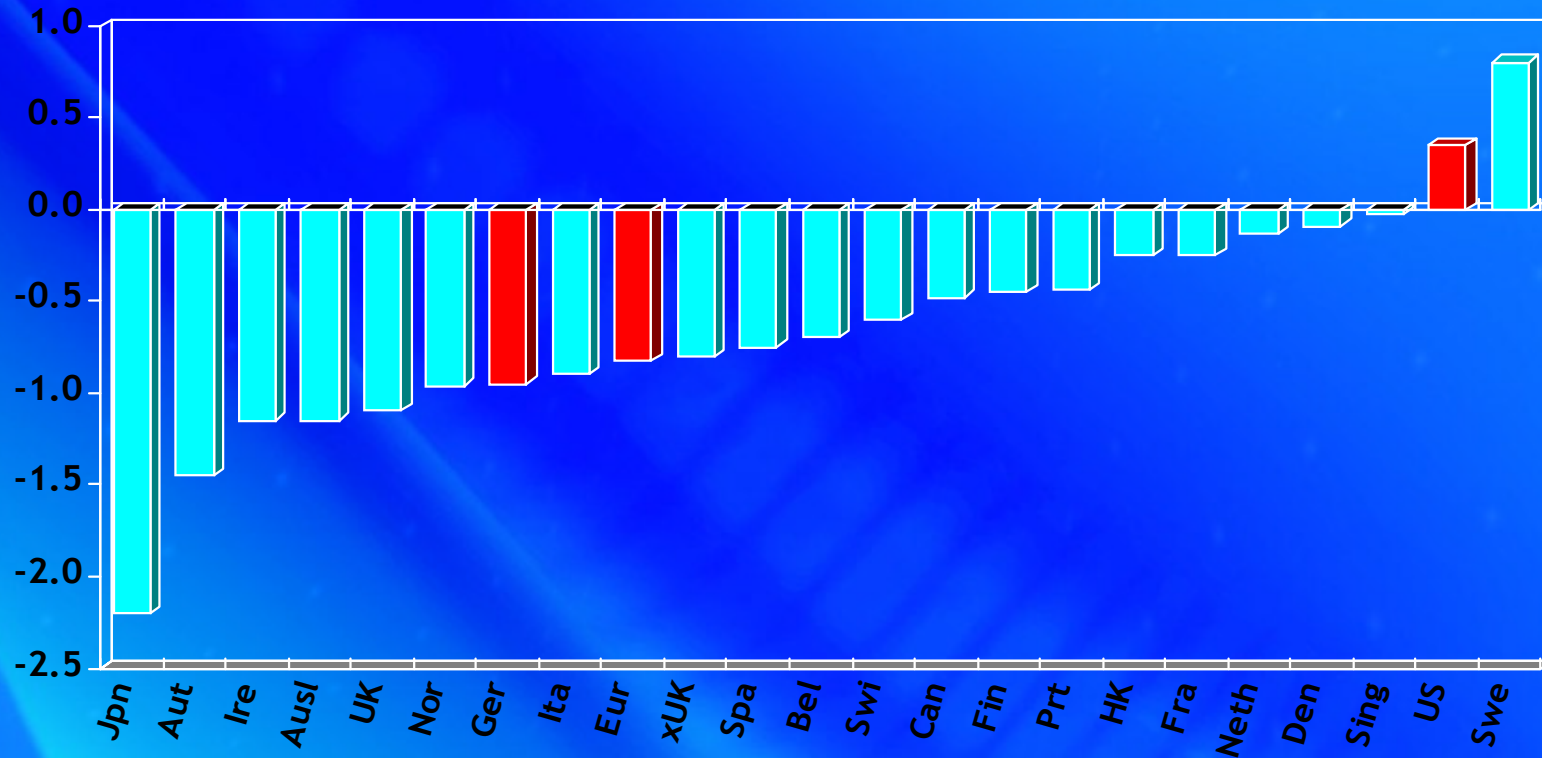
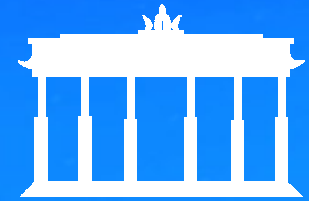
# Why Invest in Germany?



- **Value**
- **Tax Advantage**
- **Supply of Equities**
- **Corporate Restructuring**
- **Fourth Financial Market Promotion Act**
- **German Parliamentary Elections**

# Value (as of March 2002)

## Composite Valuation Indicator

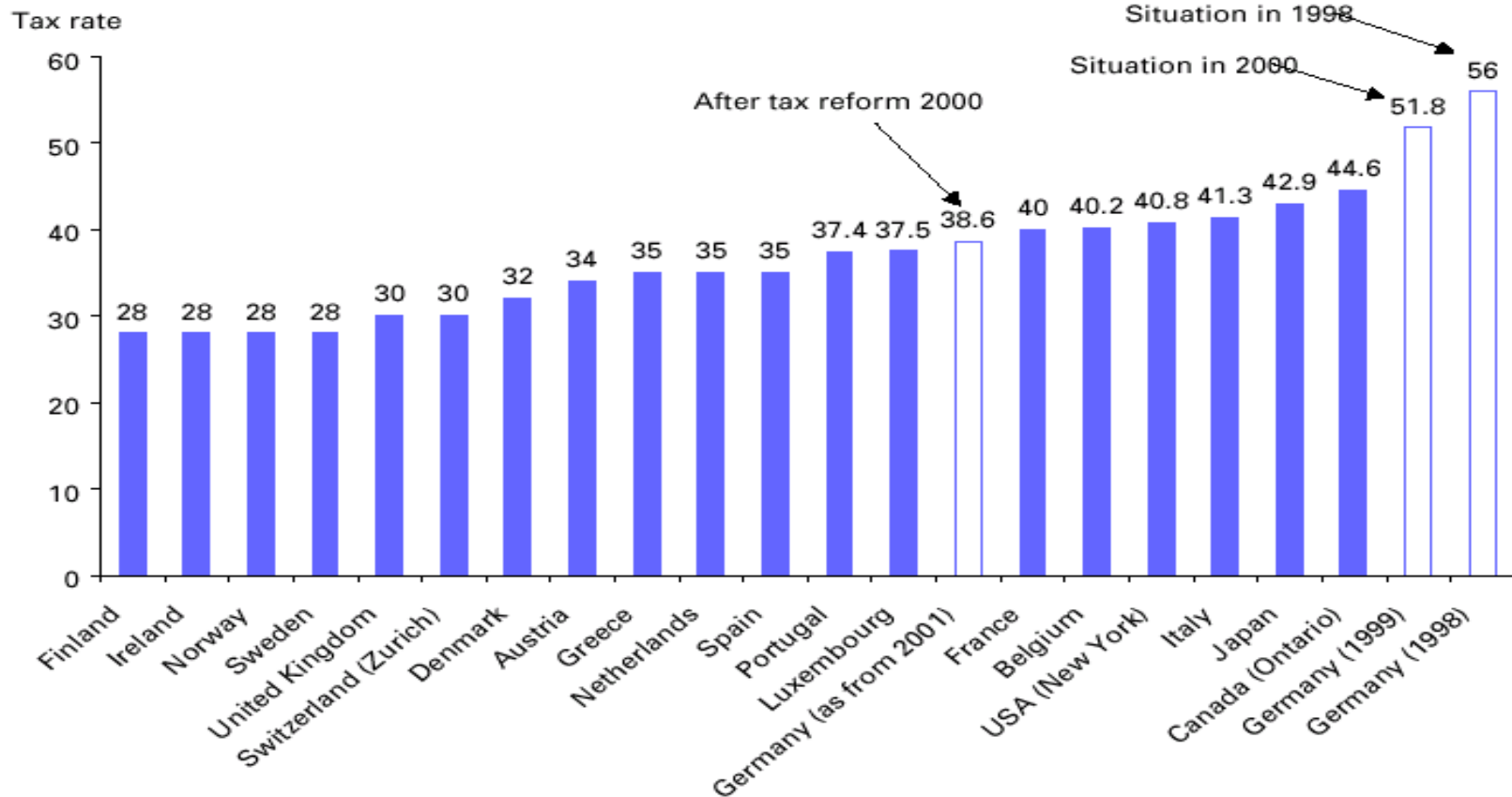


This graph is an average of prospective 2000 and 2001 valuations ratios, expressed as the number of standard deviations above or below their respective ten-year averages. Ratios included are P/E, P/CE, P/BV, dividend yield, reverse-yield ratio (cash) reverse-yield (bonds). For Hong Kong and Singapore, the reverse-yield ratio (bonds) is not included. A score outside the +1 to -1 interval should be interpreted as significant. A score outside the +2 to -2 interval should be interpreted as very significant.

SOURCE: MORGAN STANLEY DEAN WITTER RESEARCH

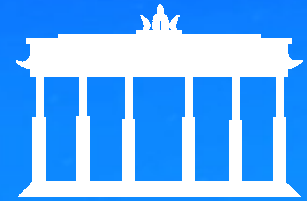
# Tax Advantage

## Taxation of Retained Earnings (%)

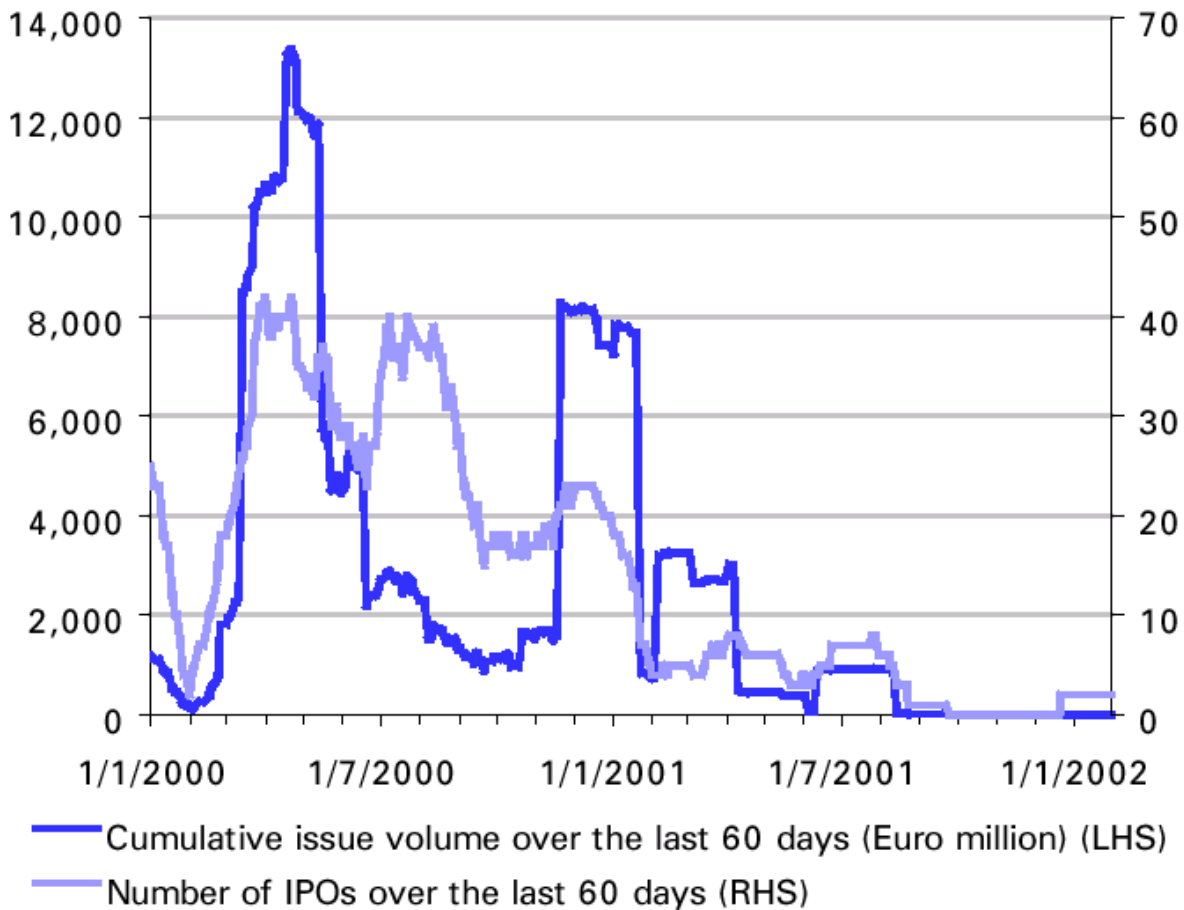


(Germany incl. solidarity surcharge of 5.5%) - figures of other countries based on 1999 -

# Supply of Equities



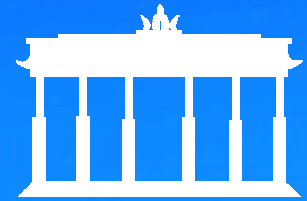
## IPO activity



Source: Deutsche Bank estimates

# Corporate Restructuring

(Restructuring announcements in January 2002)

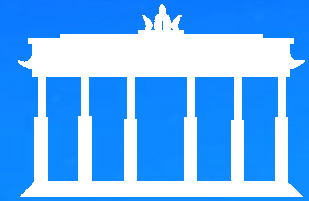


- AMB Generali Holdings
- Allianz/Beiersdorf
- Allianz/Hochtief
- BHW Holding
- Deutsche Bank
- E.ON/Ruhrgas
- E.ON/VAW Aluminium
- Munich Re/Commerzbank
- RWE/Hochtief
- RWE/Trangas
- Siemens/Infineon
- Allianz/Munich Re

# Fourth Financial Market Promotion Act

- Abolition of the official fixing of prices and widening of the stock exchange's discretionary powers.
- Changes in securities trading law to increase transparency for the investor.
- Harmonization of German law with international rules in the area of securities trading and banking law.
- Broader business opportunities for investment funds and thus the creation of new investment options for the investor.

# German Parliamentary Elections (September 2002)



## Dax performance in election years

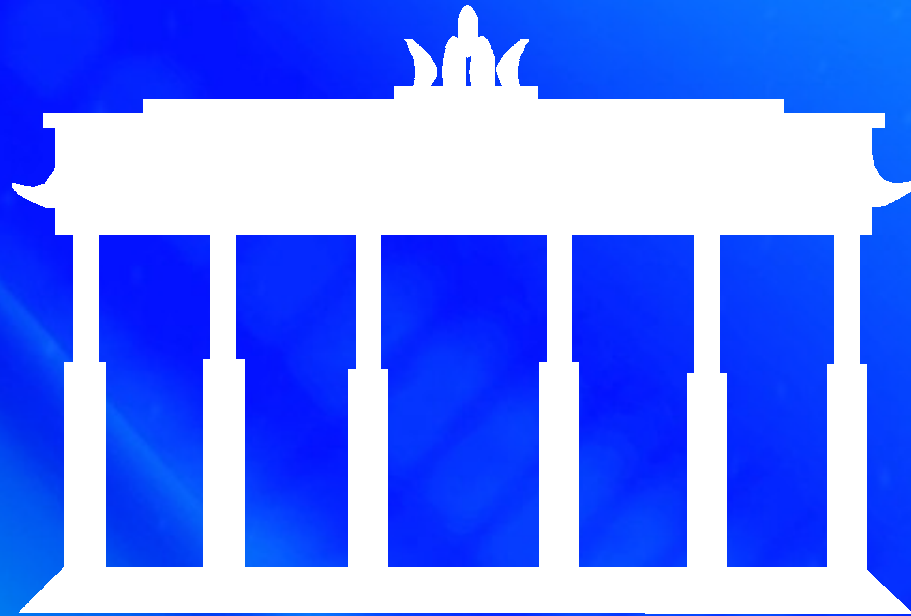
	Dax perf .until election day	Dax perf. after election day	Total Dax perf.
1957			5.6%
1961	-7.6%	-1.2%	-7.5%
1965	-2.1%	-10.6%	-12.3%
1969*	8.9%	2.0%	12.2%
1972	19.5%	-4.7%	14.3%
1976	-6.9%	-3.5%	-4.3%
1980	4.3%	-6.5%	1.9%
1983*	8.9%	26.7%	43.2%
1987	-4.6%	-25.8%	-37.6%
1990	-20.6%	-3.0%	-21.9%
1994	-7.2%	0.0%	-7.1%
1998*	5.0%	9.2%	18.4%
Average election years	-0.2%	-1.6%	0.4%
Average years without elections	-	-	16.6%

\* 1969 Change in government from Grand Coalition to SPD/FDP,

1983 Change in government to CDU/FDP,

1998 Change in government to SPD/Bündnis'90 Green Party

# The New Germany Fund



April 9, 2002

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