

CENTRAL EUROPE & RUSSIA FUND, INC.
Form N-Q
March 31, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM N-Q
QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number 811-06041

The Central Europe and Russia Fund, Inc.
(Exact name of registrant as specified in charter)

345 Park Avenue
New York, NY 10154
(Address of principal executive offices) (Zip code)

Paul Schubert
345 Park Avenue
New York, NY 10154-0004
(Name and address of agent for service)

Registrant's telephone number, including area code: (212) 454-7190

Date of fiscal year end: 10/31

Date of reporting period: 1/31/10

ITEM 1. SCHEDULE OF INVESTMENTS

THE CENTRAL EUROPE AND RUSSIA FUND, INC.

SCHEDULE OF INVESTMENTS — JANUARY 31, 2010 (unaudited)

| Shares | Description | Value(a) |
|---|--------------------------------------|--------------|
| INVESTMENTS IN RUSSIAN SECURITIES – 67.2% | | |
| | COMMON STOCKS – 66.1% | |
| | COMMERCIAL BANKS – 9.7% | |
| 18,500,000 | Sberbank | \$53,927,500 |
| | CONSTRUCTION MATERIALS – 0.7% | |
| | LSR Group (GDR) Reg | |
| 504,000 | S* | 4,132,800 |
| | DIVERSIFIED TELECOMMUNICATION – 3.2% | |
| 800,000 | | 4,776,000 |

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| | | |
|-----------|-------------------------------------|------------|
| | Comstar United | |
| | Telesystems (GDR) Reg S | |
| | Vimpel Communications | |
| 700,000 | (ADR) | 13,018,810 |
| | | 17,794,810 |
| | ELECTRIC-INTEGRATED – 1.5% | |
| | OJSC Enel OGK-5 | |
| 216,633 | (GDR)* | 893,394 |
| 1,750,000 | RusHydro (ADR)* | 7,630,000 |
| | | 8,523,394 |
| | ENERGY EQUIPMENT & SERVICES – 0.8% | |
| | Integra Group Holdings | |
| 1,270,371 | (GDR)* | 4,382,780 |
| | FOOD & STAPLES RETAILING – 0.7% | |
| 297,710 | Magnit (GDR) (144A)* | 4,054,959 |
| | FOOD PRODUCTS – 0.9% | |
| | Wimm Bill Dann Foods | |
| 240,000 | (ADR)*† | 4,877,808 |
| | MEDIA – 0.8% | |
| 350,000 | CTC Media* | 4,749,500 |
| | METALS & MINING – 8.8% | |
| | Evrast Group S.A. | |
| 100,000 | (GDR)* | 3,320,000 |
| | Magnitogorsk Iron & | |
| 276,100 | Steel Works (GDR)* | 3,495,426 |
| 300,000 | Mechel Steel Group | 6,324,000 |
| | MMC Norilsk Nickel | |
| 1,850,000 | (ADR)* | 28,767,500 |
| 1,300,000 | Raspadskaya* | 7,169,500 |
| | | 49,076,426 |
| | OIL, GAS & CONSUMABLE FUELS – 34.9% | |
| 3,198,000 | Gazprom | 19,188,000 |
| 2,133,774 | Gazprom (ADR) | 52,512,178 |
| 300,000 | LUKOIL | 16,200,000 |
| 540,000 | LUKOIL (ADR)† | 29,889,000 |

Shares

| | Description | Value(a) |
|-----------|---------------------------------------|---------------|
| | NovaTek OAO (GDR) | |
| 400,000 | Reg S | \$ 28,600,000 |
| 300,000 | Rosneft Oil | 2,295,000 |
| 4,000,000 | Rosneft Oil (GDR) Reg S | 31,160,000 |
| 1,000,000 | Surgutneftegaz (ADR)† | 8,477,000 |
| 200,000 | Tatneft (ADR)* | 6,240,000 |
| 52,000 | Vostok Gas*† | 1,558 |
| | | 194,562,736 |
| | WIRELESS TELECOMMUNICATION SERVICES – | |
| | 4.1% | |
| 1,200,000 | Mobile Telesystems | 9,180,000 |
| 130,000 | | 6,258,265 |

| | | |
|---|--|-------------|
| | Mobile Telesystems (ADR) | |
| 100,000 | Mobile Telesystems (GDR) Reg S | 4,814,050 |
| 100,000 | Sistema JSFC (GDR) Reg S* | 2,500,000 |
| | | 22,752,315 |
| | Total Common Stocks (cost \$265,675,686) | 368,835,028 |
| | PREFERRED STOCKS – 1.1% OIL, GAS & CONSUMABLE FUELS – 1.1% Surgutneftegaz (ADR)† (cost \$6,310,195) | 6,226,427 |
| 1,320,000 | Total Investments in Russian Securities (cost \$271,985,881) | 375,061,455 |
| INVESTMENTS IN TURKISH COMMON STOCKS – 17.7% | | |
| | AUTOMOBILES – 0.9% Tofas Turk Otomobil Fabrikasi | 5,015,096 |
| 1,300,000 | COMMERCIAL BANKS – 7.2% Sekerbank TAS* | 4,360,953 |
| 2,500,000 | Turkiye Garanti Bankasi | 14,911,103 |
| 3,500,000 | Turkiye Halk Bankasi | 6,910,433 |
| 1,000,000 | Turkiye IS Bankasi | 8,142,402 |
| 1,825,000 | Yapi ve Kredi Bankasi* | 6,105,334 |
| 2,500,000 | | 40,430,225 |
| | COMMERCIAL SERVICES & SUPPLIES – 0.3% Koza Anadolu Metal Madencilik Isletmeleri* | 1,569,943 |
| 450,000 | CONSTRUCTION & ENGINEERING – 1.2% Tekfen Holding* | 6,633,680 |
| 1,750,000 | | |

THE CENTRAL EUROPE AND RUSSIA FUND, INC.

SCHEDULE OF INVESTMENTS — JANUARY 31, 2010 (unaudited) (continued)

| Shares | Description | Value(a) |
|---|--|--------------|
| INVESTMENTS IN TURKISH COMMON STOCKS – (continued) | | |
| 650,000 | CONSTRUCTION MATERIALS – 0.6% Akcansa Cimento | \$ 3,248,910 |
| | DIVERSIFIED FINANCIAL SERVICES – 0.7% | |

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| | | |
|--|--|--------------|
| | Haci Omer Sabanci Holding* | 4,027,989 |
| 930,809 | FOOD & STAPLES RETAILING – 0.6% | |
| | Bim Birlesik Magazalar | 3,446,830 |
| 75,000 | HOUSEWARES – 0.6% | |
| | Turk Sise ve Cam Fabrikalari* | 3,270,714 |
| 2,500,000 | INDUSTRIAL CONGLOMERATES – 0.9% | |
| | Enka Insaat ve Sanayi | 5,202,952 |
| 1,100,000 | INSURANCE – 0.8% | |
| | Anadolu Hayat Emeklilik | 4,308,621 |
| 1,300,000 | OIL, GAS & CONSUMABLE FUELS – 0.6% | |
| | Turcas Petrolculuk | 3,230,459 |
| 900,000 | TELECOM SERVICES – 1.6% | |
| | Turk Telekomunikasyon | 9,070,782 |
| 2,600,000 | TRANSPORTATION INFRASTRUCTURE – 0.8% | |
| | TAV Havalimanlari Holding* | 4,159,678 |
| 1,000,000 | WIRELESS TELECOMMUNICATION SERVICES – 0.9% | |
| | Turkcell Iletism Hizmetleri | 5,166,052 |
| 700,000 | Total Investments in Turkish Common Stocks (cost \$65,348,280) | 98,781,931 |
| INVESTMENTS IN POLISH COMMON STOCKS – 7.7% | | |
| | COMMERCIAL BANKS – 4.7% | |
| | Bank Pekao* | 11,784,976 |
| 200,000 | Powszechna Kasa Oszczednosci Bank Polski | 14,539,542 |
| 1,075,000 | | 26,324,518 |
| Shares | | |
| | Description | Value(a) |
| | DIVERSIFIED TELECOMMUNICATION – 0.9% | |
| | Telekomunikacja Polska | \$ 5,039,628 |
| 900,000 | ELECTRIC UTILITIES – 0.9% | |
| | Polska Grupa Energetyczna*† | 4,879,393 |
| 600,000 | METALS & MINING – 1.2% | |
| | KGHM Polska Miedz | 6,685,045 |
| 200,000 | Total Investments in Polish Common Stocks (cost \$25,160,805) | 42,928,584 |
| INVESTMENTS IN CZECH REPUBLIC COMMON STOCKS – 3.4% | | |

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| | | | |
|--|---------|------------------------------------|-------------|
| | | COMMERCIAL BANKS – 0.4% | |
| | 10,000 | Komerčni Banka | 2,028,284 |
| | | ELECTRIC UTILITIES – 2.2% | |
| | | Ceske Energeticke | |
| | 255,000 | Zavody | 12,472,753 |
| | | MINING SERVICES – 0.8% | |
| | | New World | |
| | 400,000 | Resources† | 4,234,143 |
| | | Total Investments | |
| | | in Czech Republic | |
| | | Common | |
| | | Stocks (cost | |
| | | \$4,062,401) | 18,735,180 |
| INVESTMENTS IN HUNGARIAN COMMON STOCKS – | | | |
| 3.2% | | | |
| | | COMMERCIAL BANKS – 2.7% | |
| | 500,000 | OTP Bank*† | 14,984,114 |
| | | OIL, GAS & CONSUMABLE FUELS – 0.5% | |
| | | MOL Hungarian | |
| | 30,000 | Oil & Gas NyRt* | 2,804,909 |
| | | Total Investments | |
| | | in | |
| | | Hungarian Common | |
| | | Stocks (cost | |
| | | \$11,381,453) | 17,789,023 |
| | | Total Investments | |
| | | in Common and | |
| | | Preferred Stocks – | |
| | | 99.2% (cost | |
| | | \$377,938,820) | 553,296,173 |

THE CENTRAL EUROPE AND RUSSIA FUND, INC.

SCHEDULE OF INVESTMENTS — JANUARY 31, 2010 (unaudited) (continued)

| Shares | Description | Value(a) |
|--------------------------------------|---------------------|---------------|
| SECURITIES LENDING COLLATERAL – 6.0% | | |
| | Daily Assets | |
| | Fund Institutional, | |
| | 0.17% (cost | |
| 33,816,103 | \$33,816,103)(b)(c) | \$ 33,816,103 |
| CASH EQUIVALENTS – 0.1% | | |
| 734,754 | Central Cash | 734,754 |
| | Management Fund, | |
| | 0.17% (cost | |

| | |
|---------------------|---------------|
| \$734,754)(c) | |
| Total Investments – | |
| 105.3% (cost | |
| \$412,489,677)** | 587,847,030 |
| Other Assets and | |
| Liabilities, Net – | |
| (5.3%) | (29,753,913) |
| NET ASSETS – | |
| 100.0% | \$558,093,117 |

For information on the Fund's policies regarding the valuation of investments and other significant accounting policies, please refer to the Fund's most recent semi-annual or annual financial statements.

* Non-income producing securities.

** The cost for federal income tax purposes was \$412,645,387. At January 31, 2010, net unrealized appreciation for all securities based on tax cost was \$175,201,643. This consisted of aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost of \$191,506,589 and aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value of \$16,304,946.

† All or a portion of these securities were on loan. The value of all securities loaned at January 31, 2010 amounted to \$32,357,225 which is 5.8% of the net assets.

(a) Value stated in US dollars.

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

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

ADR – American Depositary Receipt

GDR – Global Depositary Receipt

Reg S – Securities sold under Regulation S may not be offered, sold or delivered within the United States or to, or for the account or benefit of, US persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act of 1933.

144A – Security 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.

THE CENTRAL EUROPE AND RUSSIA FUND, INC.

SCHEDULE OF INVESTMENTS — JANUARY 31, 2010 (unaudited) (continued)

Fair Value Measurements

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in three broad levels. Level 1 includes quoted prices in active markets for identical securities. Level 2 includes other significant unobservable 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 inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The following is a summary of the inputs used as of January 31, 2010 in valuing the Fund's investments.

| Category | Level 1 | Level 2 | Level 3 | Total |
|--|---------------|---------|---------|---------------|
| Common Stocks and/or Other Equity Investments(d) | | | | |
| Russia | \$375,061,455 | \$ 0 | \$ 0 | \$375,061,455 |
| Turkey | 98,781,931 | 0 | 0 | 98,781,931 |
| Poland | 42,928,584 | 0 | 0 | 42,928,584 |
| Czech Republic | 18,735,180 | 0 | 0 | 18,735,180 |
| Hungary | 17,789,023 | 0 | 0 | 17,789,023 |
| Short-Term Investments | 34,550,857 | 0 | 0 | 34,550,857 |
| Total | \$587,847,030 | \$ 0 | \$ 0 | \$587,847,030 |

(d) See Schedule of Investments for additional detailed categorizations

ITEM 2. CONTROLS AND PROCEDURES

(a)The Chief Executive and Financial Officers concluded that the Registrant's Disclosure Controls and Procedures are effective based on the evaluation of the Disclosure Controls and Procedures as of a date within 90 days of the filing date of this report.

(b)There have been no changes in the registrant's internal control over financial reporting that occurred during the registrant's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal controls over financial reporting.

ITEM 3. EXHIBITS

Certification pursuant to Rule 30a-2(a) under the Investment Company Act of 1940 (17 CFR 270.30a-2(a)) is filed and attached hereto as Exhibit 99.CERT.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Registrant: The Central Europe and Russia Fund, Inc.

By: /s/Michael G. Clark
Michael G. Clark
President

Date: March 25, 2010

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Registrant: The Central Europe and Russia Fund, Inc.

By: /s/Michael G. Clark
Michael G. Clark
President

Date: March 25, 2010

By: /s/Paul Schubert
Paul Schubert
Chief Financial Officer and Treasurer

Date: March 25, 2010