CENTRAL EUROPE, RUSSIA & TURKEY FUND, INC.
Form N-CSRS
June 26, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549

FORM N-CSRS

Investment Company Act file number: 811-06041

The Central Europe, Russia and Turkey 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) 250-3220

Paul Schubert
60 Wall Street
New York, NY 10005
(Name and Address of Agent for Service)

Date of fiscal year end: 10/31

Date of reporting period:4/30/2014

ITEM 1. REPORT TO STOCKHOLDERS

SUMMARY OF GENERAL INFORMATION

THE FUND

The Central Europe, Russia and Turkey Fund, Inc. (the "Fund") is a non-diversified, actively-managed closed-end fund listed on the New York Stock Exchange under the symbol "CEE." The Fund seeks long-term capital appreciation primarily through investment in equity or equity-linked securities of issuers domiciled in Central Europe, Russia and Turkey. It is advised and administered by wholly owned subsidiaries of the Deutsche Bank Group.

SHAREHOLDER INFORMATION

Prices for the Fund's shares are published weekly in the New York Stock Exchange Composite Transactions section of certain newspapers. Net asset value and market price information are published each Saturday in Barron's and other newspapers in a table called "Closed End Funds." Daily information on the Fund's net asset value is available from NASDAQ (symbol XCEEX). It is also available by calling: 1-800-349-4281 (in the U.S.) or 00-800-2287-2750 (outside of the U.S.). In addition, a schedule of the Fund's largest holdings, dividend data and general shareholder information may be obtained by calling these numbers.

The foregoing information is also available on our web site: www.ceefund.com.

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

• The Central Europe, Russia and Turkey Fund, Inc.—investing primarily in equity or equity-linked securities of issuers domiciled in Central Europe, Russia and Turkey (with normally at least 80% in securities of issuers in such countries).

• The European Equity Fund, Inc.—investing primarily in equity or equity-linked securities of companies domiciled in countries utilizing the euro currency (with normally at least 80% in securities of issuers in such countries).

• 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 1-800-349-4281 (in the U.S.) or 00-800-2287-2750 (outside of the U.S.) for shareholder reports.

The Central Europe, Russia and Turkey Fund is non-diversified and can take larger positions in fewer issues, 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 will generally be more volatile than a fund that invests more broadly.

The Central Europe, Russia and Turkey Fund, Inc.

Semi-Annual Report

April 30, 2014

The Central Europe, Russia and Turkey Fund, Inc.

LETTER TO THE SHAREHOLDERS

Dear Shareholder,

For the fiscal half year ended April 30, 2014, the Central Europe, Russia and Turkey Fund's total return was -16.53% in U.S. dollar (USD) terms based on net asset value ("NAV"), while its total return based on market price was -17.33%. The Fund's benchmark, the MSCI Emerging Markets Europe Index, returned -14.86% during the same period.1

The Fund entered the reporting period with its largest country concentration in Russia, amounting to 72.5% of the Fund's net assets and 8.0% overweight vs. the benchmark.2 Following Russia's incursion into the Crimean Peninsula, the Russian stock market, as measured by the MSCI Russia Index, declined by 23%, with the ruble depreciating 10% during the reporting period.3 Russian politics represented the subject of much debate within the international community with regard to the annexation of the Crimean Peninsula, the possibility of an invasion in East Ukraine and growing tensions with the Ukrainian central government, given Russia's support for Ukrainian separatist movements.

Economic growth in Russia surprised on the upside with gross domestic product (GDP) growth in the latest reporting period (Q4 2013) rising 2.0% vs. the prior year, ahead of market expectations, and representing an improvement over the 1.3% growth reported in the prior quarter.4 For the first quarter of 2014, however, the Purchasing Managers Index

(PMI) for services fell to its lowest level since August 2010, pointing towards a contraction in economic growth in Q1 2014.5 As the Russia-Ukraine crisis gained momentum, the business outlook survey dropped to nearly its lowest level in survey history, suggesting that Russia faces a real risk of a technical recession, in contrast to a

global economy that keeps improving its growth momentum.

Given the sanctions imposed against Russian individuals, the possibility of increased sanctions and the increasingly blurry outlook for the Russian equity market, fund management reduced exposure to Russian assets, eliminating the Fund's overweight in this country. The Fund closed the reporting period with a 49.6% weighting in Russian stocks vs. the benchmark's 51.7% and 9.4% temporarily in cash, including cash equivalents, securities lending collateral and other assets and liabilities (net). Portfolio management reallocated funds to Poland, which experienced the biggest increase during the period — from an 11.4% weighting to 20.5% of net assets — and to a lesser extent Greece, which has seen its equity market recover, making it the Fund's second-best-performing market during the period, after the Czech Republic. Within the Fund's investment universe, only the Czech market had a positive return in the period, rising 2.2% in local terms, while the currency depreciated nearly 4.1%.

Poland, which made up 20.5% of the Fund's net assets at period-end, represented a 2.1% overweight vs. the benchmark and surpassed Turkey as the Fund's second-largest country weight. GDP growth in Poland has continued to increase sequentially, driven by exports that have risen faster than imports. Other economic drivers showing sequential improvements include domestic demand, industrial production and a PMI that averaged 55.1 points, indicating continued improvement in the manufacturing sector. The country's equity market performance was driven by Polish utilities and telecommunication services, while the consumer staples and materials sectors underperformed in the period.6

Turkey made up 14.7% of the Fund's net assets as of the end of April 2014. That was 2.2% higher than at the beginning of the period and 1.7% underweight vs. the benchmark.

For additional information about the Fund including performance, dividends, presentations, press releases,

market updates, daily NAV and shareholder reports, please visit www.ceefund.com

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Turkey's economic growth has continued to impress, with 4.4% year-over-year growth reported in March, but political events there are clouding market sentiment towards the country. Domestic consumption has been driving the economy, supported by high credit growth, while a smaller trade surplus again reduced growth. Industrial production in January remained at a high level, while capacity utilization in the manufacturing industry declined slightly vs. the previous quarter. The forward-looking PMI for Manufacturing dropped to 51.7 in March vs. 53.4 in February, suggesting that manufacturing growth may calm down in the second quarter of 2014 amid weaker domestic demand and export orders. Within Turkey's equity market, the materials, financials and consumer discretionary sectors underperformed the main index, while the energy and consumer staples sectors were the best performers in the reporting period.7 For the six-month period, the Fund's holdings in Turkey underperformed, returning -9.96% vs. -8.11% for the index.

From an overall sector perspective, the industrials and energy sectors were among the best portfolio performers within Emerging Europe as represented by the MSCI Emerging Markets Europe Index for the semi-annual period, while the biggest detractors included the financials and telecommunication services sectors. The Fund benefited most from its significant overweight in industrials, given the relatively stronger stock performance of that sector vs. the rest of the market. The Fund's slight underweight in the financials sector caused the biggest detraction from performance as the Fund's stock picks underperformed.

Currencies showed a significant divergence in the period. The Polish zloty appreciated by 1.6% vs. the USD, while the Russian ruble and Turkish lira declined 10.0% and 5.5%, respectively. The most significant decliners were the Russian ruble and Turkish lira, which declined 10.0% and 5.5%, respectively.

The Fund's discount to NAV averaged 10.03% for the period in review, compared with 10.21% for the same period a year earlier.

Economic Outlook

With the ongoing political conflict in Turkey and the repercussions on the Russian equity market from the crisis in Ukraine, two of the largest equity markets in the region were negatively affected during the first quarter and remain sources of uncertainty. Considering the existing geopolitical dimension, as well as the unknown scope and impact of potential current and future U.S. and European sanctions against Russia, any escalation in other parts of Ukraine along the lines of the Crimean example appears unlikely, but cannot be completely discounted.

Russia faces strong headwinds from tensions in Ukraine, where already rapidly weakening macroeconomics are expected to deteriorate even more in the wake of the Ukrainian crisis. The worsening economic outlook continues amid fears of trade sanctions and record capital outflows, leading to higher pressures on the ruble. The 150-basis-point interest rate hike by the Russian central bank, as well as increased business and consumer uncertainty, lead to a challenging environment for domestic demand growth in 2014.

We believe that dovish tones from the central bank, following local election results, could make Turkey a better market performer than Russia in the coming quarters, even though portfolio management tends to regard Turkey's market as neutral on a base case scenario.

The Czech Republic, Hungary and Poland (the CE3 region) had a strong start in the year amid unusually warm winter weather. The uncertainty surrounding the Ukrainian situation, however, could have a negative impact on business and consumer confidence. Additionally, we think that

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in general CE3 currencies will continue to stay vulnerable to both internal and external factors. We are confident that positive macroeconomic momentum in the Czech Republic and Poland should remain intact and that these countries should continue to contribute to performance.

As a result of our reduction in Russian equities, the portfolio is now underweight vs. the benchmark, and we have shifted existing exposure there to stocks with more defensive characteristics, in particular, investments in the oil and gas industry. Value has outperformed growth year-to-date and we believe the trend is likely to continue. Consumer stocks there that had outperformed for multiple years are now under pressure, as growth has slowed, increases in wages are minimal and unemployment growth continues to be a risk.

In Turkey, we remain cautious on domestic companies linked in to the consumer credit cycle, since we expect a GDP growth decline in 2014. However, the decline of Russian equities makes the Turkish market look relatively stronger, and we opportunistically look to add positions there.

Sincerely,

Christian Strenger Chairman	Rainer Vermehren Lead Portfolio Manager	Brian Binder President and Chief Executive Officer

The views expressed in the preceding discussion reflect those of the portfolio management team only through the end of the period of the report as stated on the cover. The management team'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.

1 The MSCI Emerging Markets Europe Index is a free-float-adjusted market-capitalization-weighted index that is designed to measure the equity market performance of the emerging-markets countries of Europe. 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 Europe Index.

2 "Overweight" means the Fund holds a higher weighting in a given sector or security than the benchmark, while "underweight" means the Fund holds a lower weighting in a given sector or security than the benchmark.

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. 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 Russia Index.

4 Gross domestic product (GDP) is the monetary value of all finished goods and services produced within a country during a specific time period.

5 The Purchasing Managers Index (PMI) is maintained by the Institute for Supply Management (ISM), and is a composite of information extracted from the survey responses of more than 400 purchasing managers selected for their geographic and industry diversification. The surveys measure responses to topics such as production levels, new orders from customers, supplier deliveries, inventories and employment levels.

6 The consumer staples sector represents companies that produce essential items such as food, beverages and household items.

7 The consumer discretionary sector includes companies such as apparel and automobile companies that sell nonessential goods and services.

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PERFORMANCE SUMMARY AS OF APRIL 30, 2014 (unaudited)

All performance shown is historical, assumes reinvestment of all dividend and capital gain distributions, and does not guarantee future results. Investment return and principal 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 www.ceefund.com for the Central Europe, Russia and Turkey Fund's (the "Fund") most recent performance.

TOTAL RETURNS:

	For the six months ended April 30, 2014(b)	For the years ended October 31, 2013	2012	2011	2010	2009
Net Asset Value(a)	(16.53)%	7.35%	2.63%	(12.43)%	24.70%	53.78%
Market Value(a)	(17.33)%	6.92%	2.97%	(12.68)%	27.72%	68.05%
MSCI Emerging Markets Europe Index(c)	(14.86)%	8.88%	2.06%	(9.99)%	19.52%	44.71%

(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 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. 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 six months ended April 30, 2014 was 1.34%.
(b) Total returns shown for the six-month period are not annualized.
(c) The MSCI Emerging Markets Europe Index is a free-float-adjusted market-capitalization-weighted index that is designed to measure the equity market performance of the emerging-markets countries of Europe.

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 Europe Index.

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

The Fund is non-diversified and can take larger positions in fewer issues, 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 will generally be more volatile than a fund that invests more broadly.

If the United States or other nations or international organizations impose additional economic or other sanctions or take other actions affecting Russian individuals, Russian issuers or the Russian economy, such sanctions or actions may materially adversely affect the value or liquidity of the Fund's portfolio, as may any countermeasures or retaliatory measures that may be taken by Russia.

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.

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, 2013 and intends to elect to be subject to the Act for the fiscal year ending October 31, 2014. This election allows investors based in Germany to invest in the Fund without adverse tax consequences.

FUND FACTS AND DIVIDEND AND CAP GAIN DISTRIBUTIONS AS OF APRIL 30, 2014 (unaudited)

FUND FACTS:

Net Assets	$306,779,202
Shares Outstanding	10,589,980
Net Asset Value (NAV) Per Share	$28.97

OTHER INFORMATION:

NYSE Ticker Symbol	CEE
NASDAQ Symbol	XCEEX
Dividend Reinvestment Plan	Yes
Voluntary Cash Purchase Program	Yes
	1.34%

Annualized Expense
Ratio (4/30/14)

Fund statistics and expense ratios are subject to change.

DIVIDEND AND CAPITAL GAIN DISTRIBUTIONS:

Record Date	Payable Date	Ordinary Income	ST Capital Gain	LT Capital Gain	Total Distribution
12/31/13	01/31/14*	$ 0.7798	$ 0.0000	$ 1.7109	$ 2.4907
12/31/12	01/28/13*	$ 0.7346	$ 0.0000	$ 0.3529	$ 1.0875
12/30/11	01/27/12*	$ 0.3710	$ 0.0000	$ 2.1150	$ 2.4860
12/31/10	01/28/11*	$ 0.2640	$ 0.0000	$ 0.0000	$ 0.2640
12/31/09	01/28/10*	$ 0.6506	$ 0.0000	$ 0.0000	$ 0.6506
12/15/08	12/31/08	$			