NEW IRELAND FUND INC
Form N-CSRS
June 30, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT

INVESTMENT COMPANIES

Investment Company Act file number 811-05984

The New Ireland Fund, Inc.

(Exact name of registrant as specified in charter)

BNY Mellon Investment Servicing (US) Inc.

One Boston Place, 34th Floor

Boston, MA 02108

(Address of principal executive offices) (Zip code)

BNY Mellon Investment Servicing (US) Inc.

One Boston Place, 34th Floor

Boston, MA 02108

(Name and address of agent for service)

Registrant s telephone number, including area code: 508 871 8500

Date of fiscal year end: October 31

Date of reporting period: April 30, 2015

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of Management and Budget (OMB) control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

Item 1. Reports to Stockholders.

The Report to Shareholders is attached herewith.

Semi-Annual Report

April 30, 2015

Managed Distribution Policy: The Board of Directors (the Board) of The New Ireland Fund, Inc. (the Fund) has authorized a managed distribution policy to pay quarterly distributions at an annual rate, set once a year, that is a percentage of the Fund s net asset value (NAV) at its most recent fiscal year end. With each distribution, the Fund will issue a notice to shareholders and an accompanying press release which will provide detailed information regarding the amount and composition of the distribution and other information required by the Fund s managed distribution policy exemptive order. The Board may amend or terminate the managed distribution policy at any time without prior notice to shareholders; however, at this time, there are no reasonably foreseeable circumstances that might cause the termination of the managed distribution policy. You should not draw any conclusions about the Fund s investment performance from the amount of distributions or from the terms of the Fund s managed distribution policy.

***Distribution Disclosure Classification*: **The Fund s policy is to provide investors with a stable distribution rate. Each quarterly distribution will be paid out of current income, supplemented by realized capital gains and, to the extent necessary, paid-in capital.

The Fund is subject to U.S. corporate, tax and securities laws. Under U.S. tax rules, the amount applicable to the Fund and character of distributable income for each fiscal period depends on the actual exchange rates during the entire year between the U.S. Dollar and the currencies in which Fund assets are denominated and on the aggregate gains and losses realized by the Fund during the entire year.

Therefore, the exact amount of distributable income for each fiscal year can only be determined as of the end of the Fund s fiscal year, October 31. Under Section 19 of the Investment Company Act of 1940, as amended (the 1940 Act), the Fund is required to indicate the sources of certain distributions to shareholders. The estimated distribution composition may vary from quarter to quarter because it may be materially impacted by future income, expenses and realized gains and losses on securities and fluctuations in the value of the currencies in which Fund assets are denominated.

The distributions for the six-months ended April 30, 2015 consisted of 100% net realized long-term capital gains.

In January 2015, a Form 1099-DIV was sent to shareholders, which stated the amount and composition of distributions and provided information with respect to their appropriate tax treatment for the 2014 calendar year.

Cover Photograph - Convention Centre, Dublin

Provided Courtesy of Tourism Ireland

Letter to Shareholders

Dear Shareholder,

Ireland continues to do very well with its gross domestic product (GDP) running at around 5%, which is the highest in the European Union. With retail sales growing solidly, along with the country s exports, consumer and business confidence continues to move in the right direction and employment continues to increase, rising by 1.4% in 2014. Alongside most other European countries, inflation continues to be at a very low level and, in fact has actually dropped in recent months. As a result of these factors, together with a reduction in its level of debt, Ireland has been able to considerably reduce its cost of borrowing and its rating has improved significantly over the past few years.

For the past six months, the Irish Stock Market Index (ISEQ) has outperformed most stock markets with a growth of 28.9% in local terms and 15.3% in U.S. dollar terms. Alongside this, the New Ireland Fund s (the Fund) net asset value (NAV) has also performed positively, returning an increase of 14.7% over the six-month period to the end of April 2015.

As shown on the inside front cover of this Report and, as mentioned in prior reports, in June of 2014, the Fund announced that the Board of Directors (the Board) had approved a Managed Distribution Policy in order to provide a steady and sustainable quarterly cash distribution to shareholders. In December 2014, the distribution rate, which is reviewed once a year, was set at an annual rate of 8% for fiscal 2015.

On June 3, 2015, the Fund announced that it will pay cash dividends of $0.28343 per share on June 25, 2015, to all shareholders of record on June 18, 2015.

Performance

Over the most recent fiscal quarter, the Fund s NAV increased by 11.1% in U.S. Dollar terms* to $15.57, as compared to the broad ISEQ, which returned 11.3% and the MSCI Ireland All Capped Index (MSCI) which returned 15.1% over the period. For the first six months of the fiscal year, the Fund s NAV increased by 14.7% as compared to an increase of 15.3% in the ISEQ and 18.4% in the MSCI over the same period. For the 12 months ended April 30, 2015, the Fund returned 2.2%, slightly ahead of the comparable ISEQ return of 1.9% and in line with the MSCI return of 2.3%.

When compared to the broad European benchmark index, the Euro Stoxx 50, the ISEQ index outperformed by 3.6% for the past quarter and by almost 9.0% over the last 12 months. Compared to the S&P 500 Index, the ISEQ had strongly out-performed by 7.0% over the quarter and outperformed by 13.1% over 12 months (in local currency terms). A significant feature of returns over the 12 months has been the strength of the U.S. dollar, which has dampened returns to the U.S. investor. The U.S. dollar strengthened by 11.8% and 23.7% over the last six and twelve months respectively.

* All returns are quoted in U.S. dollars unless otherwise stated.

The first calendar quarter of 2015 was a strong one for equity markets generally, with the MSCI World Equity Index rising by more than 15% in euro terms. The euro zone was by far the strongest market in local currency terms, rising by 18.7%, with the main factors behind this strength being the weakness of the euro (which helps exporters and European companies with overseas earnings), the weakness of oil prices, and the enhanced Quantitative Easing (QE) implemented by the European Central Bank (ECB). Other markets also showed strength (in local currency), with Japan rising by just over 10% and emerging markets gaining just under 5%. Bonds also performed well during the quarter as the euro zone over-5 year bond index rose by almost 7% - helped of course by the ECB s announcement that it would buy $60 billion of European bonds each month, in its QE program.

The ISEQ index continued the positive trend into 2015 and returned 15.3% in U.S. dollar terms for the six-months ending April 30.

There was no particular sectoral performance pattern over the period and strength was on a stock-by-stock basis. In particular, there were positive returns from some of the portfolios more cyclical names such as Smurfit Kappa Group plc and CRH plc. Names in the Food sector, such as Aryzta and C&C plc featured amongst the weaker names.

Irish Economic Review

The Irish economy continues to grow strongly. For 2014, GDP growth was just under 5%, while gross national product (GNP) grew slightly faster (5.2%). For reasons outlined in previous reports (e.g. aircraft leasing activity, profit repatriations by multi-national corporations, expiry of key pharmaceutical patents, and contract manufacturing), GDP statistics are not a particularly good measure of short-term economic activity in Ireland, and tend to be highly volatile. But a range of other indicators also signal that the economy is growing at a very solid rate.

Retail sales are growing solidly, increasing by 5.1% in 2014, in volume terms (i.e. excluding the impact of inflation). The growth rate is lower if new auto sales are excluded, but nonetheless it is a clear indication of the improvement of the consumer sector. Recent data has maintained the strong trend, with year-on-year growth of 8 to 9% in each of the first three months of the calendar year.

Consumer confidence has shown a broadly similar positive pattern, improving from an index level of about 50 in early 2013 to around 100 at present. There are presumably many factors behind this surge, with the substantial decline in unemployment, and the mildly expansionary 2015 Budget (with minor tax cuts and some spending increases) being important factors.

Business confidence, as measured by the Purchasing Manager Index (PMI) for the manufacturing sector, has, like many other economic indicators, been consistently positive in recent months. The index has remained above the crucial 50 level since May 2013, indicating an expansion of manufacturing activity in each month since that time. The index remains very firmly in expansion territory.

There continues to be a steady trend downwards in unemployment, as measured by the live register. The number of unemployed on this measure has fallen from a peak of 449,000 in August of 2011 to 349,500 in April of this year. The unemployment rate has also declined and recently dropped to a level of 9.8%, down from a peak of 14.9%. Ireland s unemployment rate is now substantially below the euro zone average. Separate employment statistics confirm the improved conditions, with employment rising by 1.4% in the year to last November (the last available data point). The detail of the employment statistics is encouraging, with most new jobs being full-time/permanent rather than temporary.

The headline rate of inflation has been very low in recent months. In early 2013, the rate stood at 1.2%, but from December to March it was negative. In March, the rate stood at -0.6%. The Harmonized inflation rate (the common measure of inflation used by all European Union (EU) countries, which among other things excludes the impact of mortgage interest rates) was also very low at -0.3%. The ECB is forecasting just 0.7% for headline inflation in 2015 (up from its previous forecast almost entirely due to the inclusion of new water charges in the Consumer Price Index) and 1.7% in 2016, as lower energy prices fall out of the year-on-year comparison, and the weakness of the euro pushes up imported goods prices.

Demand for credit from businesses and households continues to remain depressed. The annual rate of change in loans to households was -3.2% in March, which is very weak although it does represent a mild improvement relative to earlier months. Lending to the non-financial corporate sector declined by 8.9% over the same period - a further deceleration during the quarter. These numbers appear to show that while a genuine economic recovery is underway, it is certainly not being fuelled by credit growth.

The government deficit was just under 8.2 billion in 2014, while the General Government Balance, a standardized EU measure of the deficit, is estimated at 4.1% of GDP, well below the 4.8% expected for the year, and down significantly from the 7.2% outturn for 2013. The debt/GDP ratio is estimated to have peaked in 2013, at about 116%, and fell back to about 110% at the end of 2014; however this overstates the real level of indebtedness as it excludes very large cash balances. The net debt to GDP ratio, which takes account of cash balances, was significantly lower at about 90%. We forecast a fiscal deficit this year of about 2.2% of GDP, which is after the impact of some modest tax cuts and spending increases for 2015.

This progress has been received very well by the financial markets, where Ireland has been able to raise funds at very low rates. Indeed, Ireland s 10-year bond yield, at just 1.7% at the time of writing, is at an exceptionally low level and is well below that of the U.S. (2.4% at the time of writing). All three main rating agencies now judge Ireland s debt to be investment grade, and two of the three assign an A grade to Ireland - at least four notches above the minimum for investment grade status. We also expect the third agency, Moody s, to upgrade its rating in the months ahead. The government s fiscal position has been further helped by agreement on early repayment of loans from the International Monetary Fund (IMF). Those loans are relatively expensive and are being replaced by much lower cost borrowing. As mentioned above, the Irish government can now borrow 10-year debt at just 1.7%, making it very attractive to pay off the IMF debt with interest rates of between 3.5% and 4%.

For 2015, the Central Bank of Ireland is forecasting GDP growth of +4.0%, reflecting the strong outlook for both investment and consumer spending. Technically this represents a slowdown from the estimated 4.8% growth rate in 2014, but various statistical distortions affect both numbers and, in reality, activity will probably grow at a similar rate in both years. The strong growth stems from a bounce back in consumer and business sentiment, the end of fiscal austerity policies and some give-back in terms of modest tax cuts, reasonable growth in most trading partners (especially the U.S. and U.K.), and the improvement in the banking system. The primary risk to growth is the possibility of disruption following a possible Greek exit from the euro zone, which at the time of writing seems unlikely. Looking into 2016 and beyond, political risk is high as a general election is due in early 2016, and opinion polls show that far-left and radical parties may do very well in those elections, though are still unlikely to win an outright majority.

Equity Market Review

For the most recent quarter and six-month period, most global equity markets posted positive returns; however, as can be seen in the table below, they were impacted by the strength of the U.S. dollar, particularly over the six month period.

	Quarter Ended April 30, 2015		Six Months Ended April 30, 2015	
Market	**Local**	**USD$**	**Local**	**USD$**
Irish Equities (ISEQ)	12.1%	11.3%	28.9%	15.3%
U.S. equities (S&P 500)	5.1%	5.1%	4.4%	4.4%
U.S. Equities (NASDAQ)	6.9%	6.9%	7.3%	7.3%
U.K. Equities (FTSE 100)	4.5%	6.9%	8.3%	4.1%
Japanese Equities (Topix)	13.5%	11.4%	20.6%	13.0%
Dow Jones Eurostoxx 50	8.5%	7.8%	17.5%	5.1%
German Equities (DAX)	7.1%	6.4%	22.8%	9.8%
French Equities (CAC40)	10.3%	9.6%	20.4%	7.7%
Dutch Equities (AEX)	9.4%	8.7%	20.3%	7.6%

Note-Indices are total gross return

Source: DataStream

4

Major Fund stock capital moves over the six months to April 30, 2015 (in U.S. dollar terms)

Strongest		**Weakest**	
Smurfit Kappa Group	50.5%	CPL Resources	-23.6%
Aer Lingus Group	47.7%	Aryzta AG	-18.7%
Glanbia	31.9%	C&C Group	-7.9%
Irish Continental Group	30.1%	Bank of Ireland	-1.4%
CRH	29.4%	Total Produce	0.3%

Highlights regarding some of the significant contributors to the Fund s performance are detailed below:

Smurfit Kappa Group plc: The stock performed very strongly driven by a combination of strong underlying operating growth and earnings upgrades by analysts. Following strong earnings growth, the company announced a dividend payment of 40 cent (+30%) payable in May 2015, which was well received. The company also benefitted from its large exposure to the European markets where the demand outlook continues to improve, along with key markets in the Americas.

Aer Lingus Group plc: At an underlying operating business level, Aer Lingus has performed very strongly over recent quarters, which has helped the share price performance. In particular strong passenger and revenue growth on its transatlantic routes have been a driver of growth, producing a 36.9% increase in long-haul revenues. The share price was further boosted by a takeover bid for the company from the British Airways owned IAG Group. This is ongoing. Weakness in the oil price was also a major positive for Aer Lingus with fuel costs being one of their major inputs.

Glanbia plc: The Glanbia Group has continued to deliver strong growth particularly from its Global Performance Nutrition (GPN) brands, which continue to show good performance. Innovation continues to be central to the growth model in GPN and recent launches, including Gold Standard Pre-Workout and Optimum Nutrition Protein Energy, are performing well with positive feedback from both the trade and consumers. The management team continue to deliver a strong and reassuring message about the company and its outlook. The Food Manufacturing sector in general has been a strong performer over recent quarters and Glanbia also benefitted from that.

Irish Continental Group plc: The stock price performed well, based on strong underlying earnings and dividend growth. The company also launched a new ship and this contributed to strong volume growth over the period. The number of Passengers carried are ahead of last year, with cars carried and Rollon/Rolloff (RORO) freight volumes significantly ahead of 2014. Lower world fuel prices have softened the impact of the introduction of the low sulphur directive in the English Channel and are also providing a stimulus to the transportation sector generally. Broad exposure to the strongly recovering Irish economy also helped the stock.

CRH plc: Over recent years CRH has been heavily restructuring itself at an operational level, cutting costs and divesting non-core divisions. Europe has been the focus of this restructuring over the past 18 months, which has been driven by the recently appointed new CEO. These actions in themselves were helping the share price in a positive sense but, over recent months, the company announced its largest ever takeover bid for an attractive asset portfolio, which must be disposed of for competition reasons, from the merger between competitors Holcim & Lafarge. This deal will be a material boost to CRH earnings and the share price has responded accordingly. On top of this the share price has benefitted from U.S. dollar strength as this boosts its North American earnings when translated to euros.

CPL Resources plc: CPL is an employment agency, strongly linked to growth in the Irish economy. As a cyclical company, it has not yet delivered strong earnings growth, as have some more industrially geared cyclicals in the stockmarket. There has been no fundamental negatives for the company over the period although the stock has languished, and drifted into negative share price performance territory, in the absence of positive catalysts. In the meantime the stock looks cheap and has a particularly strong balance sheet.

Aryzta AG: Aryzta has struggled in delivering earnings growth over recent quarters and downward revisions to earnings have resulted in a negative share price performance. The company management has been restructuring and repositioning the global group over recent years and has clearly come up against some execution risks across its markets, particularly related to its North American bakery goods sales. The company announced its intention to acquire a French frozen foods group Picard but the market has not reacted positively to the proposal.

C&C Group plc: Poor underlying performance from its expansion into the U.S. cider beverage market has resulted to earnings downgrades and underperformance by the group. This is a highly competitive marketplace and the stockmarket is sceptical about the company s ability to succeed there. The stock remains cheap with strong underlying cash flows.

Bank Of Ireland Group plc: The stock has essentially tread water over the last six months with no negative news in particular to report. The Bank has continued to recover its underlying operating earnings and to strengthen its balance sheet. The sale of large amounts of the remaining stock holdings of investors such as Wilbur Ross, over recent quarters, has probably led to some overhang on the share price.

Total Produce plc: The stock price made no progress over the period as concerns about its exposure to the Russian market held the stock back. The food sanctions imposed over the Ukrainian impasse affected fresh food distribution across Europe. Subsequent results from Total Produce were in line with expectations and showed no material adverse issues from its Russian exposures. The stock remains attractively valued.

Market Outlook

Despite the strong returns achieved in the year-to-date, for euro investors in particular, we continue to believe that equities can make further progress over the next 12 to 18 months. It is worth highlighting that, in absolute valuation terms, global equities are no longer cheap, as the MSCI World Equity Index is now on a price-earning (P/E) ratio (using 12 month trailing earnings) of 18x versus the 16.9x historic average, and therefore equities are now above fair value, relative to history. Our core expectation is that further upward progress will be in line with earnings, and dividend growth, rather than by further P/E expansion. Our forecast of a slow-but-sure economic recovery should support this.

There is perhaps a 20% chance that equities will continue to perform strongly and to rerate further upwards to a P/E of 20x. In a world where many major central banks are continuing to make strong efforts to boost growth (and inflation), through QE and other means, liquidity continues to flow into the financial system, which could drive asset prices strongly upwards, although the real economy may take a little while to reflect this. This liquidity generation has already had a strong impact on government bond markets - with many euro zone government bonds yields being below zero for periods out to seven years, or longer in some cases.

Although bonds are the traditional alternative to equities, with such low current yields on bonds, together with very low, or indeed negative, rates on deposits, equities are being looked on as more attractive with appealing dividend yields in the region of 4%.

With the markets being in a recovery mode for the past six years, looking into the future, there are a number of concerns. Some of the key issues to watch will be the following:

The U.S. economy - will growth resume from a weak Q1.

Chinese growth - any further significant slowdown could be a significant negative for global equities.

The impact of QE in Europe - an obvious issue to watch is whether the program will bear fruit, and Greece will also remain in the European headlines.

Future prices of bonds - the continuance of current bond yields, in most markets, do not look likely although they could do so for a while. To pinpoint when, or how, the yields will rise is difficult.

For Ireland specifically, the outlook seems positive and should be a strong driver for earnings, for the stock market, and, in particular, for domestically exposed stocks.

Also for Ireland, a specific risk will be politics, with a general election taking place before the end of April 2016, which could mean a change in government, although it is hoped that, if there is a change, the approach to the country s economy would not change.

We remain positive in relation to the outlook for the Fund s portfolio and for stock picking opportunities. We view the portfolio as being nicely balanced and, as the economy and the market continues to grow, we are seeing the emergence of new stocks on the market, through new offerings, such as Malin Corp. plc, which the Fund recently purchased.

Sincerely

Peter J. Hooper	Sean Hawkshaw
Chairman	Director & President
June 19, 2015	June 19, 2015

Investment Summary (unaudited)

Total Return (%)

	Market Value (a)		Net Asset Value (a)	
	Cumulative	Average Annual (b)	Cumulative	Average Annual (b)
Six Months	14.04	14.04	14.73	14.73
One Year	1.03	1.03	2.19	2.19
Three Year	76.59	20.87	80.06	21.66
Five Year	94.91	14.28	92.94	14.05
Ten Year	60.63	4.85	65.66	5.18

Per Share Information and Returns

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Six Months Ended April 30, 2015
Net Asset Value ($)	24.36	32.55	30.95	10.18	8.20	7.70	8.45	9.59	14.24	14.17	15.57
Income Dividends ($)	(0.03)	(0.16)	(0.24)	(0.36)	(0.33)		(0.06)	(0.02)		(0.07)	
Capital Gains Other Distributions ($)		(1.77)	(2.40)	(4.86)	(2.76)					(0.30)	(0.57)
Total Net Asset Value Return (%) (a) (b)	17.51	45.97	2.88	-58.62	26.91	-6.10	10.69	13.82	48.49	2.39	14.73

Notes

(a) Total Market Value returns reflect changes in share market prices and assume reinvestment of dividends and capital gain distributions, if any, at the price obtained under the Dividend Reinvestment and Cash Purchase Plan (the Plan). Total Net Asset Value returns reflect changes in share net asset value and assume reinvestment of dividends and capital gain distributions, if any, at the price obtained under the Plan. For more information with regard to the Plan, see page 23.

(b) Periods less than one year are not annualized.

Past results are not necessarily indicative of future performance of the Fund.

Portfolio by Market Sector as of April 30, 2015

(Percentage of Net Assets) (unaudited)

Top 10 Holdings by Issuer as of April 30, 2015 (unaudited)

Holding	Sector	% of Net Assets
Ryanair Holdings PLC	Transportation	21.04%
CRH PLC	Construction and Building Materials	14.81%
Aryzta AG	Food and Agriculture	5.74%
Paddy Power PLC	Leisure and Hotels	4.84%
Smurfit Kappa Group PLC	Forest Products and Paper	4.76%
Glanbia PLC	Food and Beverages	4.74%
Kingspan Group PLC	Construction and Building Materials	4.62%
Bank of Ireland (The)	Financial	4.41%
Kerry Group PLC, Series A	Food and Beverages	4.34%
Dragon Oil PLC	Energy	4.09%

The New Ireland Fund, Inc.

Portfolio Holdings (unaudited)

April 30, 2015	Shares	Value (U.S.) (Note A)
COMMON STOCKS (99.02%)		
COMMON STOCKS OF IRISH COMPANIES (95.06%)		
Agricultural Operations (1.93%)		
Origin Enterprises PLC	168,589	$ 1,516,965