

Semiannual report to contract holders for the six months ended June 30, 2009

SEMIANNUAL REPORT

FOR CONTRACT HOLDERS OF SCUDDER DESTINATIONSSM

AIM Variable Insurance Funds

The Alger American Fund

Credit Suisse Trust

Dreyfus Investment Portfolios

The Dreyfus Socially Responsible Growth Fund, Inc.

DWS Investments VIT Funds

DWS Variable Series I

DWS Variable Series II



AIM V.I. Utilities Fund

Semiannual Report to Shareholders ■ June 30, 2009



The Fund provides a complete list of its holdings four times in each fiscal year, at the quarter-ends. For the second and fourth quarters, the lists appear in the Fund's semiannual and annual reports to shareholders. For the first and third quarters, the Fund files the lists with the Securities and Exchange Commission (SEC) on Form N-Q. The Fund's Form N-Q filings are available on the SEC Web site, sec.gov. Copies of the Fund's Forms N-Q may be reviewed and copied at the SEC Public Reference Room in Washington, D.C. You can obtain information on the operation of the Public Reference Room, including information about duplicating fee charges, by calling 202 942 8090 or 800 732 0330, or by electronic request at the following E-mail address: publicinfo@sec.gov. The SEC file numbers for the Fund are 811-07452 and 033-57340. The Fund's most recent portfolio holdings, as filed on Form N-Q, have also been made available to insurance companies issuing variable annuity contracts and variable life insurance policies ("variable products") that invest in the Fund.

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities is available without charge, upon request, from our Client Services department at 800 410 4246 or on the Invesco Aim Web site, invescoaim.com. On the home page, scroll down and click on Proxy Policy. The information is also available on the SEC Web site, sec.gov.

Information regarding how the Fund voted proxies related to its portfolio securities during the 12 months ended June 30, 2009, is available at our Web site. Go to invescoaim.com, access the About Us tab, click on Required Notices and then click on Proxy Voting Activity. Next, select the Fund from the drop-down menu. The information is also available on the SEC Web site, sec.gov.

It is anticipated that on or about the end of the fourth quarter of 2009, Invesco Aim Advisors, Inc., Invesco Aim Capital Management, Inc., Invesco Private Asset Management, Inc. and Invesco Global Asset Management (N.A.), Inc. will be merged into Invesco Institutional (N.A.), Inc., and the consolidated adviser firm will be renamed Invesco Advisers, Inc. Additional information will be posted at invescoaim.com on or about the end of the fourth quarter of 2009.

This report must be accompanied or preceded by a currently effective Fund prospectus and variable product prospectus, which contain more complete information, including sales charges and expenses. Investors should read each carefully before investing.

Invesco Aim Distributors, Inc.

Fund Performance

Performance summary

Fund vs. Indexes

Cumulative total returns, 12/31/08 to 6/30/09, excluding variable product issuer charges. If variable product issuer charges were included, returns would be lower.

Series I Shares	0.22%
Series II Shares	0.08
S&P 500 Index [▼] (Broad Market Index)	3.19
Lipper VUF Utility Funds Category Average [▼] (Peer Group)	3.72

[▼]Lipper Inc.

The **S&P 500[®] Index** is a market capitalization-weighted index covering all major areas of the U.S. economy. It is not the 500 largest companies, but rather the most widely held 500 companies chosen with respect to market size, liquidity and their industry.

The **Lipper VUF Utility Funds Category Average** represents an average of all of the variable insurance underlying funds in the Lipper Utility Funds category. These funds invest primarily in the equity securities of domestic and foreign utilities companies.

The Fund is not managed to track the performance of any particular index, including the indexes defined here, and consequently, the performance of the Fund may deviate significantly from the performance of the indexes.

A direct investment cannot be made in an index. Unless otherwise indicated, index results include reinvested dividends, and they do not reflect sales charges. Performance of the peer group reflects fund expenses; performance of a market index does not.

Series II shares' inception date is April 30, 2004. Returns since that date are historical. All other returns are the blended returns of the historical performance of Series II shares since their inception and the restated historical performance of Series I shares (for periods prior to inception of Series II shares) adjusted to reflect the Rule 12b-1 fees applicable to Series II shares. The inception date of Series I shares is December 30, 1994.

The performance of the Fund's Series I and Series II share classes will differ primarily due to different class expenses.

The performance data quoted represent past performance and cannot guarantee comparable future results; current performance may be lower or higher. Please contact your variable product issuer or financial advisor for the most recent month-end variable product performance. Performance figures reflect Fund expenses, reinvested distributions and changes

in net asset value. Investment return and principal value will fluctuate so that you may have a gain or loss when you sell shares.

The net annual Fund operating expense ratio set forth in the most recent Fund prospectus as of the date of this report for Series I and Series II shares was 0.93% and 1.18%, respectively.^{1,2} The total annual Fund operating expense ratio set forth in the most recent Fund prospectus as of the date of this report for Series I and Series II shares was 0.96% and 1.21%, respectively. The expense ratios presented above may vary from the expense ratios presented in other sections of this report that are based on expenses incurred during the period covered by this report.

AIM V.I. Utilities Fund, a series portfolio of AIM Variable Insurance Funds, is currently offered through insurance companies issuing variable products. You cannot purchase shares of the Fund directly. Performance

Average Annual Total Returns

As of 6/30/09

Series I Shares

Inception (12/30/94)	5.72%
10 Years	0.52
5 Years	7.61
1 Year	-30.10

Series II Shares

10 Years	0.27%
5 Years	7.34
1 Year	-30.29

figures given represent the Fund and are not intended to reflect actual variable product values. They do not reflect sales charges, expenses and fees assessed in connection with a variable product. Sales charges, expenses and fees, which are determined by the variable product issuers, will vary and will lower the total return.

The most recent month-end performance data at the Fund level, excluding variable product charges, is available on the Invesco Aim automated information line, 866 702 4402. As mentioned above, for the most recent month-end performance including variable product charges, please contact your variable product issuer or financial advisor.

- 1 Total annual operating expenses less any contractual fee waivers and/or expense reimbursements by the advisor in effect through at least April 30, 2010. See current prospectus for more information.
- 2 Total annual operating expenses less contractual fee waivers by the advisor in effect through at least June 30, 2010. See current prospectus for more information.

Schedule of Investments^(a)

June 30, 2009
(Unaudited)

	Shares	Value
Common Stocks—95.88%		
Electric Utilities—42.74%		
American Electric Power Co., Inc.	73,737	\$ 2,130,262
Duke Energy Corp.	136,403	1,990,120
E.ON AG (Germany)	59,243	2,102,046
Edison International	84,880	2,670,325
Entergy Corp.	44,654	3,461,578
Exelon Corp.	70,046	3,587,056
FirstEnergy Corp.	60,196	2,332,595
FPL Group, Inc.	73,686	4,189,786
Pepco Holdings, Inc.	113,103	1,520,104
Portland General Electric Co.	110,188	2,146,462
PPL Corp.	76,241	2,512,904
Southern Co.	42,801	1,333,679
		29,976,917
Gas Utilities—11.86%		
AGL Resources Inc.	78,357	2,491,753
EQT Corp.	69,359	2,421,323
ONEOK, Inc.	63,760	1,880,282
Questar Corp.	31,890	990,503
UGI Corp.	21,041	536,335
		8,320,196
Independent Power Producers & Energy Traders—3.58%		
NRG Energy, Inc. ^(b)	96,792	2,512,720

	Shares	Value
Integrated Telecommunication Services—5.92%		
AT&T Inc.	78,243	\$ 1,943,556
Verizon Communications Inc.	71,893	2,209,272
		4,152,828
Multi-Utilities—26.38%		
CMS Energy Corp.	212,303	2,564,620
Dominion Resources, Inc.	83,819	2,801,231
National Grid PLC (United Kingdom)	183,123	1,651,297
PG&E Corp.	77,412	2,975,717
Public Service Enterprise Group Inc.	69,762	2,276,334
Sempra Energy	46,781	2,321,741
Wisconsin Energy Corp.	34,282	1,395,620
Xcel Energy, Inc.	136,592	2,514,659
		18,501,219
Oil & Gas Storage & Transportation—5.40%		
El Paso Corp.	141,084	1,302,206
Williams Cos., Inc. (The)	158,902	2,480,460
		3,782,666
Total Common Stocks (Cost \$63,708,069)		67,246,546
Money Market Funds—3.78%		
Liquid Assets Portfolio—Institutional Class ^(c)	1,326,739	1,326,739
Premier Portfolio—Institutional Class ^(c)	1,326,739	1,326,739
Total Money Market Funds (Cost \$2,653,478)		2,653,478
TOTAL INVESTMENTS—99.66% (Cost \$66,361,547)		69,900,024
OTHER ASSETS LESS LIABILITIES—0.34%		235,620
NET ASSETS—100.00%		\$70,135,644

Investment Abbreviations:

Notes to Schedule of Investments:

- (a) Industry and/or sector classifications used in this report are generally according to the Global Industry Classification Standard, which was developed by and is the exclusive property and a service mark of MSCI Inc. and Standard & Poor's.
- (b) Non-income producing security.
- (c) The money market fund and the Fund are affiliated by having the same investment advisor.

Portfolio Composition

By sector, based on Net Assets
as of June 30, 2009

Utilities	84.6%
Telecommunication Services	5.9
Energy	5.4
Money Market Funds Plus Other Assets Less Liabilities	4.1

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

AIM V.I. Utilities Fund

Statement of Assets and Liabilities

June 30, 2009
(Unaudited)

Assets:

Investments, at value (Cost \$63,708,069)	\$67,246,546
Investments in affiliated money market funds, at value and cost	2,653,478
Total investments, at value (Cost \$66,361,547)	69,900,024
Receivables for:	
Fund shares sold	58,816
Dividends	321,416
Investment for trustee deferred compensation and retirement plans	27,669
Total assets	70,307,925

Liabilities:

Payables for:	
Fund shares reacquired	56,962
Accrued fees to affiliates	40,087
Accrued other operating expenses	36,132
Trustee deferred compensation and retirement plans	39,100
Total liabilities	172,281
Net assets applicable to shares outstanding	\$70,135,644

Net assets consist of:

Shares of beneficial interest	\$68,296,649
Undistributed net investment income	4,478,447
Undistributed net realized gain (loss)	(6,184,016)
Unrealized appreciation	3,544,564
	\$70,135,644

Net Assets:

Series I	\$68,564,965
Series II	\$ 1,570,679

Shares outstanding, \$0.001 par value per share, unlimited number of shares authorized:

Series I	5,113,657
Series II	118,042
Series I:	
Net asset value per share	\$ 13.41
Series II:	
Net asset value per share	\$ 13.31

Statement of Operations

For the six months ended June 30, 2009
(Unaudited)

Investment income:

Dividends (net of foreign withholding taxes of \$17,771)	\$ 1,646,030
Dividends from affiliated money market funds	4,903
Total investment income	1,650,933

Expenses:

Advisory fees	210,988
Administrative services fees	91,629
Custodian fees	3,869
Distribution fees — Series II	1,878
Transfer agent fees	9,616
Trustees' and officers' fees and benefits	11,468
Professional services fees	20,060
Other	6,285
Total expenses	355,793
Less: Fees waived	(28,059)
Net expenses	327,734
Net investment income	1,323,199

Realized and unrealized gain (loss) from:

Net realized gain (loss) from:	
Investment securities	(5,705,811)
Foreign currencies	10,128
	(5,695,683)
Change in net unrealized appreciation of:	
Investment securities	3,551,460
Foreign currencies	1,152
	3,552,612
Net realized and unrealized gain (loss)	(2,143,071)
Net increase (decrease) in net assets resulting from operations	\$ (819,872)

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

Statement of Changes in Net Assets

For the six months ended June 30, 2009 and the year ended December 31, 2008
(Unaudited)

	June 30, 2009	December 31, 2008
Operations:		
Net investment income	\$ 1,323,199	\$ 3,211,845
Net realized gain (loss)	(5,695,683)	1,506,366
Change in net unrealized appreciation (depreciation)	3,552,612	(52,819,002)
Net increase (decrease) in net assets resulting from operations	(819,872)	(48,100,791)
Distributions to shareholders from net investment income:		
Series I	—	(2,992,914)
Series II	—	(56,469)
Total distributions from net investment income	—	(3,049,383)
Distributions to shareholders from net realized gains:		
Series I	—	(10,996,910)
Series II	—	(235,824)
Total distributions from net realized gains	—	(11,232,734)
Share transactions—net:		
Series I	(11,339,937)	(13,874,354)
Series II	(125,415)	(362,485)
Net increase (decrease) in net assets resulting from share transactions	(11,465,352)	(14,236,839)
Net increase (decrease) in net assets	(12,285,224)	(76,619,747)
Net assets:		
Beginning of period	82,420,868	159,040,615
End of period (includes undistributed net investment income of \$4,478,447 and \$3,155,248, respectively)	\$ 70,135,644	\$ 82,420,868

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

Notes to Financial Statements

June 30, 2009
(Unaudited)

NOTE 1—Significant Accounting Policies

AIM V.I. Utilities Fund (the “Fund”) is a series portfolio of AIM Variable Insurance Funds (the “Trust”). The Trust is a Delaware statutory trust registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as an open-end series management investment company consisting of twenty-one separate portfolios, (each constituting a “Fund”). The assets, liabilities and operations of each portfolio are accounted for separately. Information presented in these financial statements pertains only to the Fund. Matters affecting each Fund or class will be voted on exclusively by the shareholders of such Fund or class. Current Securities and Exchange Commission (“SEC”) guidance, however, requires participating insurance companies offering separate accounts to vote shares proportionally in accordance with the instructions of the contract owners whose investments are funded by shares of each Fund or class.

The Fund’s investment objectives are capital growth and income.

The Fund currently offers two classes of shares, Series I and Series II, both of which are offered to insurance company separate accounts funding variable annuity contracts and variable life insurance policies (“variable products”).

The following is a summary of the significant accounting policies followed by the Fund in the preparation of its financial statements.

A. Security Valuations — Securities, including restricted securities, are valued according to the following policy.

A security listed or traded on an exchange (except convertible bonds) is valued at its last sales price or official closing price as of the close of the customary trading session on the exchange where the security is principally traded, or lacking any sales or official closing price on a particular day, the security may be valued at the closing bid price on that day. Securities traded in the over-the-counter market are valued based on prices furnished by independent pricing services or market makers. When such securities are valued by an independent pricing service they may be considered fair valued. Futures contracts are valued at the final settlement price set by an exchange on which they are principally traded. Listed options are valued at the mean between the last bid and ask prices from the exchange on which they are principally traded. Options not listed on an exchange are valued by an independent source at the mean between the last bid and ask prices. For purposes of determining net asset value per share, futures and option contracts generally are valued 15 minutes after the close of the customary trading session of the New York Stock Exchange (“NYSE”).

Investments in open-end and closed-end registered investment companies that do not trade on an exchange are valued at the end of day net asset value per share. Investments in open-end and closed-end registered investment companies that trade on an exchange are valued at the last sales price or official closing price as of the close of the customary trading session on the exchange where the security is principally traded.

Debt obligations (including convertible bonds) and unlisted equities are fair valued using an evaluated quote provided by an independent pricing service. Evaluated quotes provided by the pricing service may be determined without exclusive reliance on quoted prices, and may reflect appropriate factors such as institution-size trading in similar groups of securities, developments related to specific securities, dividend rate, yield, quality, type of issue, coupon rate, maturity, individual trading characteristics and other market data. Short-term obligations, including commercial paper, having 60 days or less to maturity are recorded at amortized cost which approximates value. Debt securities are subject to interest rate and credit risks. In addition, all debt securities involve some risk of default with respect to interest and/or principal payments.

Foreign securities (including foreign exchange contracts) are converted into U.S. dollar amounts using the applicable exchange rates as of the close of the NYSE. If market quotations are available and reliable for foreign exchange traded equity securities, the securities will be valued at the market quotations. Because trading hours for certain foreign securities end before the close of the NYSE, closing market quotations may become unreliable. If between the time trading ends on a particular security and the close of the customary trading session on the NYSE, events occur that are significant and make the closing price unreliable, the Fund may fair value the security. If the event is likely to have affected the closing price of the security, the security will be valued at fair value in good faith using procedures approved by the Board of Trustees. Adjustments to closing prices to reflect fair value may also be based on a screening process of an independent pricing service to indicate the degree of certainty, based on historical data, that the closing price in the principal market where a foreign security trades is not the current value as of the close of the NYSE. Foreign securities meeting the approved degree of certainty that the price is not reflective of current value will be priced at the indication of fair value from the independent pricing service. Multiple factors may be considered by the independent pricing service in determining adjustments to reflect fair value and may include information relating to sector indices, American Depositary Receipts and domestic and foreign index futures. Foreign securities may have additional risks including exchange rate changes, potential for sharply devalued currencies and high inflation, political and economical upheaval, the relative lack of issuer information, relatively low market liquidity and the potential lack of strict financial and accounting controls and standards.

Securities for which market prices are not provided by any of the above methods may be valued based upon quotes furnished by independent sources. The last bid price may be used to value equity securities and Corporate Loans. The mean between the last bid and asked prices may be used to value debt obligations other than Corporate Loans.

Securities for which market quotations are not readily available or are unreliable are valued at fair value as determined in good faith by or under the supervision of the Trust’s officers following procedures approved by the Board of Trustees. Issuer specific events, market trends, bid/ask quotes of brokers and information providers and other market data may be reviewed in the course of making a good faith determination of a security’s fair value.

Valuations change in response to many factors including the historical and prospective earnings of the issuer, the value of the issuer’s assets, general economic conditions, interest rates, investor perceptions and market liquidity. Because of the inherent uncertainties of valuation, the values reflected in the financial statements may materially differ from the value received upon actual sale of those investments.

B. Securities Transactions and Investment Income — Securities transactions are accounted for on a trade date basis. Realized gains or losses on sales are computed on the basis of specific identification of the securities sold. Interest income is recorded on the accrual basis from settlement date. Dividend income is recorded on the ex-dividend date.

The Fund may periodically participate in litigation related to Fund investments. As such, the Fund may receive proceeds from litigation settlements. Any proceeds received are included in the Statement of Operations as realized gain/loss for investments no longer held and as unrealized gain/loss for investments still held.

Brokerage commissions and mark ups are considered transaction costs and are recorded as an increase to the cost basis of securities purchased and/or a reduction of proceeds on a sale of securities. Such transaction costs are included in the determination of realized and unrealized gain (loss) from investment securities reported in the Statement of Operations and the Statement of Changes in Net Assets and the realized and unrealized net gains (losses) on securities per share in the Financial Highlights. Transaction costs are included in the calculation of the Fund's net asset value and, accordingly, they reduce the Fund's total returns. These transaction costs are not considered operating expenses and are not reflected in net investment income reported in the Statement of Operations and Statement of Changes in Net Assets, or the net investment income per share and ratios of expenses and net investment income reported in the Financial Highlights, nor are they limited by any expense limitation arrangements between the Fund and the advisor.

The Fund allocates income and realized and unrealized capital gains and losses to a class based on the relative net assets of each class.

C. Country Determination — For the purposes of making investment selection decisions and presentation in the Schedule of Investments, the investment advisor may determine the country in which an issuer is located and/or credit risk exposure based on various factors. These factors include the laws of the country under which the issuer is organized, where the issuer maintains a principal office, the country in which the issuer derives 50% or more of its total revenues and the country that has the primary market for the issuer's securities, as well as other criteria. Among the other criteria that may be evaluated for making this determination are the country in which the issuer maintains 50% or more of its assets, the type of security, financial guarantees and enhancements, the nature of the collateral and the sponsor organization. Country of issuer and/or credit risk exposure has been determined to be the United States of America, unless otherwise noted.

D. Distributions — Distributions from income and net realized capital gain, if any, are generally paid to separate accounts of participating insurance companies annually and recorded on ex-dividend date.

E. Federal Income Taxes — The Fund intends to comply with the requirements of Subchapter M of the Internal Revenue Code necessary to qualify as a regulated investment company and to distribute substantially all of the Fund's taxable earnings to shareholders. As such, the Fund will not be subject to federal income taxes on otherwise taxable income (including net realized capital gain) that is distributed to shareholders. Therefore, no provision for federal income taxes is recorded in the financial statements.

The Fund files tax returns in the U.S. Federal jurisdiction and certain other jurisdictions. Generally the Fund is subject to examinations by such taxing authorities for up to three years after the filing of the return for the tax period.

F. Expenses — Fees provided for under the Rule 12b-1 plan of a particular class of the Fund and which are directly attributable to that class are charged to the operations of such class. All other expenses are allocated among the classes based on relative net assets.

G. Accounting Estimates — The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period including estimates and assumptions related to taxation. Actual results could differ from those estimates by a significant amount. In addition, management monitors for material events or transactions that may occur or become known after the period end date and before the date the financial statements are available for issuance. Such events and transactions are monitored through the date of the report of independent registered public accounting firm for audited periods and 45 days from the period end date for all other periods.

H. Indemnifications — Under the Trust's organizational documents, each Trustee, officer, employee or other agent of the Trust is indemnified against certain liabilities that may arise out of performance of their duties to the Fund. Additionally, in the normal course of business, the Fund enters into contracts, including the Fund's servicing agreements, that contain a variety of indemnification clauses. The Fund's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet occurred. The risk of material loss as a result of such indemnification claims is considered remote.

I. Other Risks — The Fund's investments are concentrated in a comparatively narrow segment of the economy. Consequently, the Fund may tend to be more volatile than other mutual funds, and the value of the Fund's investments may tend to rise and fall more rapidly.

The Fund may invest a large percentage of assets in securities of a limited number of companies, such that each investment may have a greater effect on the Fund's overall performance, and any change in the value of those securities could significantly affect the value of your investment in the Fund.

Government regulation, difficulties in obtaining adequate financing and investment return, environmental issues, prices of fuel for generation of electricity, availability of natural gas, risks associated with power marketing and trading, and risks associated with nuclear power facilities may adversely affect the market value of the Fund's holdings.

J. Foreign Currency Translations — Foreign currency is valued at the close of the NYSE based on quotations posted by banks and major currency dealers. Portfolio securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollar amounts at date of valuation. Purchases and sales of portfolio securities (net of foreign taxes withheld on disposition) and income items denominated in foreign currencies are translated into U.S. dollar amounts on the respective dates of such transactions. The Fund does not separately account for the portion of the results of operations resulting from changes in foreign exchange rates on investments and the fluctuations arising from changes in market prices of securities held. The combined results of changes in foreign exchange rates and the fluctuation of market prices on investments (net of estimated foreign tax withholding) are included with the net realized and unrealized gain or loss from investments in the Statement of Operations. Reported net realized foreign currency gains or losses arise from (i) sales of foreign currencies, (ii) currency gains or losses realized between the trade and settlement dates on securities transactions, and (iii) the difference between the amounts of dividends, interest, and foreign withholding taxes recorded on the Fund's books and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign currency gains and losses arise from changes in the fair values of assets and liabilities, other than investments in securities at fiscal period end, resulting from changes in exchange rates.

The Fund may invest in foreign securities which may be subject to foreign taxes on income, gains on investments or currency repatriation, a portion of which may be recoverable.

K. Foreign Currency Contracts — The Fund may enter into foreign currency contracts to manage or minimize currency or exchange rate risk. The Fund may also enter into foreign currency contracts for the purchase or sale of a security denominated in a foreign currency in order to “lock in” the U.S. dollar price of that security. A foreign currency contract is an obligation to purchase or sell a specific currency for an agreed-upon price at a future date. The use of foreign currency contracts does not eliminate fluctuations in the price of the underlying securities the Fund owns or intends to acquire but establishes a rate of exchange in advance. Fluctuations in the value of these contracts are measured by the difference in the contract date and reporting date exchange rates and are recorded as unrealized appreciation (depreciation) until the contracts are closed. When the contracts are closed, realized gains (losses) are recorded. Realized and unrealized gains (losses) on the contracts are included in the Statement of Operations. The maximum risks associated with foreign currency contracts include failure of the counterparty to meet the terms of the contract and the value of the foreign currency changing unfavorably. These risks may be in excess of the amounts reflected in the Statement of Assets and Liabilities.

NOTE 2—Advisory Fees and Other Fees Paid to Affiliates

The Trust has entered into a master investment advisory agreement with Invesco Aim Advisors, Inc. (“Invesco AIM” or the “Advisor”). Under the terms of the investment advisory agreement, the Fund pays an advisory fee to the Advisor based on the annual rate of 0.60% of the Fund’s average daily net assets.

Under the terms of a master sub-advisory agreement approved by shareholders of the Fund between the Advisor and each of Invesco Asset Management Deutschland GmbH, Invesco Asset Management Limited, Invesco Asset Management (Japan) Limited, Invesco Australia Limited, Invesco Global Asset Management (N.A.), Inc., Invesco Hong Kong Limited, Invesco Institutional (N.A.), Inc., Invesco Senior Secured Management, Inc. and Invesco Trimark Ltd. (collectively, the “Affiliated Sub-Advisors”) the Advisor, not the Fund, may pay 40% of the fees paid to the Advisor to any such Affiliated Sub-Advisor(s) that provide discretionary investment management services to the Fund based on the percentage of assets allocated to such Sub-Advisor(s).

The Advisor has contractually agreed to waive advisory fees and/or reimburse expenses to the extent necessary to limit total annual operating expenses (excluding certain items discussed below) of Series I shares to 0.93% and Series II shares to 1.18% of average daily net assets, through at least April 30, 2010. In determining the advisor’s obligation to waive advisory fees and/or reimburse expenses, the following expenses are not taken into account, and could cause the net annual operating expenses to exceed the numbers reflected above: (i) interest; (ii) taxes; (iii) dividend expense on short sales; (iv) extraordinary items; (v) expenses related to a merger or reorganization, as approved by the Fund’s Board of Trustees; and (vi) expenses that the Fund has incurred but did not actually pay because of an expense offset arrangement. Currently, in addition to the expense reimbursement arrangement with Invesco Ltd. (“Invesco”) described more fully below, the only expense offset arrangements from which the Fund may benefit are in the form of credits that the Fund receives from banks where the Fund or its transfer agent has deposit accounts in which it holds uninvested cash. These credits are used to pay certain expenses incurred by the Fund. To the extent that the annualized expense ratio does not exceed the expense limitation, the Advisor will retain its ability to be reimbursed for such fee waivers or reimbursements prior to the end of each fiscal year.

Further, the Advisor has contractually agreed, through at least June 30, 2010, to waive the advisory fee payable by the Fund in an amount equal to 100% of the net advisory fees the Advisor receives from the affiliated money market funds on investments by the Fund of uninvested cash in such affiliated money market funds.

For the six months ended June 30, 2009, the Advisor waived advisory fees of \$28,059.

At the request of the Trustees of the Trust, Invesco agreed to reimburse expenses incurred by the Fund in connection with market timing matters in the AIM Funds, which may include legal, audit, shareholder reporting, communications and trustee expenses. For the six months ended June 30, 2009, Invesco did not reimburse any expenses.

The Trust has entered into a master administrative services agreement with Invesco Aim pursuant to which the Fund has agreed to pay Invesco Aim a fee for costs incurred in providing accounting services and fund administrative services to the Fund and to reimburse Invesco Aim for administrative services fees paid to insurance companies that have agreed to provide services to the participants of separate accounts. These administrative services provided by the insurance companies may include, among other things: the printing of prospectuses, financial reports and proxy statements and the delivery of the same to existing participants; the maintenance of master accounts; the facilitation of purchases and redemptions requested by the participants; and the servicing of participants’ accounts. Pursuant to such agreement, for the six months ended June 30, 2009, Invesco Aim was paid \$24,795 for accounting and fund administrative services and reimbursed \$66,834 for services provided by insurance companies.

The Trust has entered into a transfer agency and service agreement with Invesco Aim Investment Services, Inc. (“IAIS”) pursuant to which the Fund has agreed to pay IAIS a fee for providing transfer agency and shareholder services to the Fund and reimburse IAIS for certain expenses incurred by IAIS in the course of providing such services. For the six months ended June 30, 2009, expenses incurred under the agreement are shown in the Statement of Operations as transfer agent fees.

The Trust has entered into a master distribution agreement with Invesco Aim Distributors, Inc. (“IADI”) to serve as the distributor for the Fund. The Trust has adopted a plan pursuant to Rule 12b-1 under the 1940 Act with respect to the Fund’s Series II shares (the “Plan”). The Fund, pursuant to the Plan, pays IADI compensation at the annual rate of 0.25% of the Fund’s average daily net assets of Series II shares. Of the Plan payments, up to 0.25% of the average daily net assets of the Series II shares may be paid to insurance companies who furnish continuing personal shareholder services to customers who purchase and own Series II shares of the Fund. For the six months ended June 30, 2009, expenses incurred under the Plan are detailed in the Statement of Operations as distribution fees.

Certain officers and trustees of the Trust are officers and directors of Invesco Aim, IAIS and/or IADI.

NOTE 3—Additional Valuation Information

Generally Accepted Accounting Principles (GAAP) defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. GAAP establishes a hierarchy that prioritizes the inputs to valuation methods giving the highest priority to readily available unadjusted quoted prices in an active market for identical assets (Level 1) and the lowest priority to significant unobservable inputs (Level 3) generally when market prices are not readily available or are unreliable. Based on the valuation inputs, the securities or other investments are tiered into one of three levels. Changes in valuation methods may result in transfers in or out of an investment's assigned level:

Level 1 — Prices are determined using quoted prices in an active market for identical assets.

Level 2 — Prices are determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include quoted prices for similar securities, interest rates, prepayment speeds, credit risk and others.

Level 3 — Prices are determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable (for example, when there is little or no market activity for an investment at the end of the period), unobservable inputs may be used. Unobservable inputs reflect the Fund's own assumptions about the factors market participants would use in determining fair value of the securities or instruments and would be based on the best available information.

The following is a summary of the tiered valuation input levels, as of the end of the reporting period, June 30, 2009. The level assigned to the securities valuations may not be an indication of the risk or liquidity associated with investing in those securities. Because of the inherent uncertainties of valuation, the values reflected in the financial statements may materially differ from the value received upon actual sale of those investments.

	Level 1	Level 2	Level 3	Total
Equity Securities	\$66,146,681	\$3,753,343	\$—	\$69,900,024

NOTE 4—Trustees' and Officers' Fees and Benefits

"Trustees' and Officers' Fees and Benefits" include amounts accrued by the Fund to pay remuneration to certain Trustees and Officers of the Fund. Trustees have the option to defer compensation payable by the Fund, and "Trustees' and Officers' Fees and Benefits" also include amounts accrued by the Fund to fund such deferred compensation amounts. Those Trustees who defer compensation have the option to select various AIM Funds in which their deferral accounts shall be deemed to be invested. Finally, certain current Trustees are eligible to participate in a retirement plan that provides for benefits to be paid upon retirement to Trustees over a period of time based on the number of years of service. The Fund may have certain former Trustees who also participate in a retirement plan and receive benefits under such plan. "Trustees' and Officers' Fees and Benefits" include amounts accrued by the Fund to fund such retirement benefits. Obligations under the deferred compensation and retirement plans represent unsecured claims against the general assets of the Fund.

During the six months ended June 30, 2009, the Fund paid legal fees of \$1,525 for services rendered by Kramer, Levin, Naftalis & Frankel LLP as counsel to the Independent Trustees. A member of that firm is a Trustee of the Trust.

NOTE 5—Cash Balances

The Fund is permitted to temporarily carry a negative or overdrawn balance in its account with The State Street Bank and Trust Company, the custodian bank. To compensate the custodian bank for such overdrafts, the overdrawn Fund may either (i) leave funds as a compensating balance in the account so the custodian bank can be compensated by earning the additional interest; or (ii) compensate by paying the custodian bank at a rate agreed upon by the custodian bank and Invesco Aim, not to exceed the contractually agreed upon rate.

NOTE 6—Tax Information

The amount and character of income and gains to be distributed are determined in accordance with income tax regulations, which may differ from generally accepted accounting principles. Reclassifications are made to the Fund's capital accounts to reflect income and gains available for distribution (or available capital loss carryforward) under income tax regulations. The tax character of distributions paid during the year and the tax components of net assets will be reported at the Fund's fiscal year-end.

Capital loss carryforward is calculated and reported as of a specific date. Results of transactions and other activity after that date may affect the amount of capital loss carryforward actually available for the Fund to utilize. The ability to utilize capital loss carryforward in the future may be limited under the Internal Revenue Code and related regulations based on the results of future transactions.

The Fund had a capital loss carryforward as of December 31, 2008 which expires as follows:

Expiration	Capital Loss Carryforward*
December 31, 2009	\$919,643

* Capital loss carryforward as of the date listed above is reduced for limitations, if any, to the extent required by the Internal Revenue Code.

NOTE 7—Investment Securities

The aggregate amount of investment securities (other than short-term securities, U.S. Treasury obligations and money market funds, if any) purchased and sold by the Fund during the six months ended June 30, 2009 was \$4,832,659 and \$16,358,832, respectively. Cost of investments on a tax basis includes the adjustments for financial reporting purposes as of the most recently completed Federal income tax reporting period-end.

Unrealized Appreciation (Depreciation) of Investment Securities on a Tax Basis

Aggregate unrealized appreciation of investment securities	\$10,718,998
Aggregate unrealized (depreciation) of investment securities	(7,392,547)
Net unrealized appreciation of investment securities	\$ 3,326,451

Cost of investments for tax purposes is \$66,573,573.

NOTE 8—Share Information

	Summary of Share Activity			
	Six months ended June 30, 2009 ^(a)		Year ended December 31, 2008	
	Shares	Amount	Shares	Amount
Sold:				
Series I	356,315	\$ 4,398,884	1,346,697	\$ 28,997,020
Series II	7,570	94,404	26,485	551,996
Issued as reinvestment of dividends:				
Series I	—	—	1,077,799	13,989,824
Series II	—	—	22,659	292,293
Reacquired:				
Series I	(1,273,928)	(15,738,821)	(2,890,405)	(56,861,198)
Series II	(18,643)	(219,819)	(58,398)	(1,206,774)
Net increase (decrease) in share activity	(928,686)	\$(11,465,352)	(475,163)	\$(14,236,839)

^(a) There are entities that are record owners of more than 5% of the outstanding shares of the Fund and in the aggregate own 58% of the outstanding shares of the Fund. The Fund and the Fund's principal underwriter or advisor, are parties to participation agreements with these entities whereby these entities sell units of interest in separate accounts funding variable products that are invested in the Fund. The Fund, Invesco Aim and/or Invesco Aim affiliates may make payments to these entities, which are considered to be related to the Fund, for providing services to the Fund, Invesco Aim and or Invesco Aim affiliates including but not limited to services such as, securities brokerage, third party record keeping and account servicing and administrative services. The Trust has no knowledge as to whether all or any portion of the shares owned of record by these entities are also owned beneficially.

NOTE 9—Financial Highlights

The following schedule presents financial highlights for a share of the Fund outstanding throughout the periods indicated.

	Net asset value, beginning of period	Net investment income ^(a)	Net gains (losses) on securities (both realized and unrealized)	Total from investment operations	Dividends from net investment income	Distributions from net realized gains	Total Distributions	Net asset value, end of period	Total Return ^(b)	Net assets, end of period (000s omitted)	Ratio of expenses to average net assets with fee waivers and/or expenses absorbed	Ratio of expenses to average net assets without fee waivers and/or expenses absorbed	Ratio of net investment income to average net assets	Portfolio turnover ^(c)
Series I														
Six months ended 06/30/09	\$13.38	\$0.23	\$(0.20)	\$ 0.03	\$ —	\$ —	\$ —	\$13.41	0.22%	\$ 68,565	0.93% ^(d)	1.01% ^(d)	3.77% ^(d)	7%
Year ended 12/31/08	23.97	0.52	(8.36)	(7.84)	(0.59)	(2.16)	(2.75)	13.38	(32.35)	80,704	0.93	0.96	2.53	15
Year ended 12/31/07	21.23	0.47	3.94	4.41	(0.47)	(1.20)	(1.67)	23.97	20.64	155,748	0.93	0.94	1.97	30
Year ended 12/31/06	17.83	0.47	4.06	4.53	(0.70)	(0.43)	(1.13)	21.23	25.46	139,080	0.93	0.96	2.40	38
Year ended 12/31/05	15.61	0.42	2.21	2.63	(0.41)	—	(0.41)	17.83	16.83	114,104	0.93	0.96	2.49	49
Year ended 12/31/04	12.95	0.42	2.57	2.99	(0.33)	—	(0.33)	15.61	23.65	159,554	1.01	1.01	3.09	52
Series II														
Six months ended 06/30/09	13.30	0.22	(0.21)	0.01	—	—	—	13.31	0.08	1,571	1.18 ^(d)	1.26 ^(d)	3.52 ^(d)	7
Year ended 12/31/08	23.80	0.46	(8.28)	(7.82)	(0.52)	(2.16)	(2.68)	13.30	(32.51)	1,717	1.18	1.21	2.28	15
Year ended 12/31/07	21.12	0.41	3.91	4.32	(0.44)	(1.20)	(1.64)	23.80	20.32	3,293	1.18	1.19	1.72	30
Year ended 12/31/06	17.76	0.42	4.06	4.48	(0.69)	(0.43)	(1.12)	21.12	25.25	2,462	1.18	1.21	2.15	38
Year ended 12/31/05	15.57	0.38	2.20	2.58	(0.39)	—	(0.39)	17.76	16.55	801	1.18	1.21	2.24	49
Year ended 12/31/04 ^(e)	12.63	0.26	2.68	2.94	—	—	—	15.57	23.28	602	1.28 ^(f)	1.28 ^(f)	2.82 ^(f)	52

^(a) Calculated using average shares outstanding.

^(b) Includes adjustments in accordance with accounting principles generally accepted in the United States of America and as such, the net asset value for financial reporting purposes and the returns based upon those net asset values may differ from the net asset value and returns for shareholder transactions. Total returns are not annualized for periods less than one year, if applicable and do not reflect charges assessed in connection with a variable product, which if included would reduce total returns.

^(c) Portfolio turnover is calculated at the fund level and is not annualized for periods less than one year, if applicable.

^(d) Ratios are annualized and based on average daily net assets (000's omitted) of \$69,397 and \$1,515 for Series I and Series II, respectively.

^(e) Commencement date of April 30, 2004.

^(f) Annualized.

Calculating your ongoing Fund expenses

Example

As a shareholder of the Fund, you incur ongoing costs, including management fees; distribution and/or service fees (12b-1); and other Fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with ongoing costs of investing in other mutual funds. The example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period January 1, 2009 through June 30, 2009.

The actual and hypothetical expenses in the examples below do not represent the effect of any fees or other expenses assessed in connection with a variable product; if they did, the expenses shown would be higher while the ending account values shown would be lower.

Actual expenses

The table below provides information about actual account values and actual expenses. You may use the information in this table, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the table under the heading entitled "Actual Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

Hypothetical example for comparison purposes

The table below also provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return.

The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs. Therefore, the hypothetical information is useful in comparing ongoing costs, and will not help you determine the relative total costs of owning different funds.

Class	Beginning Account Value (01/01/09)	ACTUAL		HYPOTHETICAL (5% annual return before expenses)		Annualized Expense Ratio
		Ending Account Value (06/30/09) ¹	Expenses Paid During Period ²	Ending Account Value (06/30/09)	Expenses Paid During Period ²	
Series I	\$1,000.00	\$1,002.20	\$4.62	\$1,020.18	\$4.66	0.93%
Series II	1,000.00	1,000.80	5.85	1,018.94	5.91	1.18

¹ The actual ending account value is based on the actual total return of the Fund for the period January 1, 2009 through June 30, 2009, after actual expenses and will differ from the hypothetical ending account value which is based on the Fund's expense ratio and a hypothetical annual return of 5% before expenses.

² Expenses are equal to the Fund's annualized expense ratio as indicated above multiplied by the average account value over the period, multiplied by 181/365 to reflect the most recent fiscal half year.

Approval of Investment Advisory and Sub-Advisory Agreements

The Board of Trustees (the Board) of AIM Variable Insurance Funds is required under the Investment Company Act of 1940 to approve annually the renewal of the AIM V.I. Utilities Fund (the Fund) investment advisory agreement with Invesco Aim Advisors, Inc. (Invesco Aim) and the Master Intergroup Sub-Advisory Contract for Mutual Funds (the sub-advisory contracts) with Invesco Asset Management Deutschland GmbH, Invesco Asset Management Limited, Invesco Asset Management (Japan) Limited, Invesco Australia Limited, Invesco Global Asset Management (N.A.), Inc., Invesco Hong Kong Limited, Invesco Institutional (N.A.), Inc., Invesco Senior Secured Management, Inc. and Invesco Trimark Ltd. (collectively, the Affiliated Sub-Advisers). During contract renewal meetings held on June 16-17, 2009, the Board as a whole, and the disinterested or "independent" Trustees voting separately, approved the continuance of the Fund's investment advisory agreement and the sub-advisory contracts for another year, effective July 1, 2009. In doing so, the Board determined that the Fund's investment advisory agreement and the sub-advisory contracts are in the best interests of the Fund and its shareholders and that the compensation to Invesco Aim and the Affiliated Sub-Advisers under the Fund's investment advisory agreement and sub-advisory contracts is fair and reasonable.

The Board's Fund Evaluation Process

The Board's Investments Committee has established three Sub-Committees that are responsible for overseeing the management of a number of the series portfolios of the AIM Funds. This Sub-Committee structure permits the Trustees to focus on the performance of the AIM Funds that have been assigned to them. The Sub-Committees meet throughout the year to review the performance of their assigned funds, and the Sub-Committees review monthly and quarterly comparative performance information and periodic asset flow data for their assigned funds. These materials are prepared under the direction and supervision of the independent Senior Officer, an officer of the AIM Funds who reports directly to the independent Trustees. Over the course of each year, the Sub-Committees meet with portfolio managers for their assigned funds and other members of management and review with these individuals the performance, investment objective(s), policies, strategies and limitations of these funds.

In addition to their meetings throughout the year, the Sub-Committees meet at designated contract renewal meetings each year to conduct an in-depth review of the performance, fees, expenses and other matters related to their assigned funds. During the contract renewal process, the Trustees receive comparative performance and fee data regarding the AIM Funds prepared by an independent company, Lipper, Inc. (Lipper), under the direction and supervision of the Senior Officer who also prepares a separate analysis of this information for the Trustees. Each Sub-Committee then makes recommendations to the Investments Committee regarding the fees and expenses of their assigned funds. The Investments Committee considers each Sub-Committee's recommendations and makes its own recommendations regarding the fees and expenses of the AIM Funds to the full Board. The Investments Committee also considers each Sub-Committee's recommendations in making its annual recommendation to the Board whether to approve the continuance of each AIM Fund's investment advisory agreement and sub-advisory contracts for another year.

The independent Trustees met separately during their evaluation of the Fund's investment advisory agreement and sub-advisory contracts with independent legal counsel. The independent Trustees were also assisted in their annual evaluation of the Fund's investment advisory agreement by the Senior Officer. One responsibility of the Senior Officer is to manage the process by which the AIM Funds' proposed management fees are negotiated during the annual contract renewal process to ensure that they are negotiated in a manner that is at arms' length and reasonable. Accordingly, the Senior Officer must either supervise a competitive bidding process or prepare an independent written evaluation. The Senior Officer recommended that an independent written evaluation be provided and, at the direction of the Board, prepared an independent written evaluation.

During the annual contract renewal process, the Board considered the factors discussed below in evaluating the fairness and reasonableness of the Fund's investment advisory agreement and sub-advisory contracts. The Board considered all of the information provided to them, including information provided at their meetings throughout the year as part of their ongoing oversight of the Fund, and did not identify any particular factor that

was controlling. Each Trustee may have evaluated the information provided differently from another Trustee and attributed different weight to the various factors. The Trustees recognized that the advisory arrangements and resulting advisory fees for the Fund and the other AIM Funds are the result of years of review and negotiation between the Trustees and Invesco Aim, that the Trustees may focus to a greater extent on certain aspects of these arrangements in some years than in others, and that the Trustees' deliberations and conclusions in a particular year may be based in part on their deliberations and conclusions regarding these same arrangements throughout the year and in prior years.

The discussion below serves as a summary of the Senior Officer's independent written evaluation with respect to the Fund's investment advisory agreement as well as a discussion of the material factors and related conclusions that formed the basis for the Board's approval of the Fund's investment advisory agreement and sub-advisory contracts. Unless otherwise stated, information set forth below is as of June 17, 2009, and does not reflect any changes that may have occurred since that date, including but not limited to changes to the Fund's performance, advisory fees, expense limitations and/or fee waivers.

Factors and Conclusions and Summary of Independent Written Fee Evaluation

A. Nature, Extent and Quality of Services Provided by Invesco Aim

The Board reviewed the advisory services provided to the Fund by Invesco Aim under the Fund's investment advisory agreement, the performance of Invesco Aim in providing these services, and the credentials and experience of the officers and employees of Invesco Aim who provide these services. The Board's review of the qualifications of Invesco Aim to provide these services included the Board's consideration of Invesco Aim's portfolio and product review process, various back office support functions provided by Invesco Aim and its affiliates, and Invesco Aim's equity and fixed income trading operations. The Board concluded that the nature, extent and quality of the advisory services provided to the Fund by Invesco Aim are appropriate and that Invesco Aim currently is providing satisfactory advisory services in accordance with the terms of the Fund's investment advisory agreement. In addition, based on their

ongoing meetings throughout the year with the Fund's portfolio manager or managers, the Board concluded that these individuals are competent and able to continue to carry out their responsibilities under the Fund's investment advisory agreement.

In determining whether to continue the Fund's investment advisory agreement, the Board considered the prior relationship between Invesco Aim and the Fund, as well as the Board's knowledge of Invesco Aim's operations, and concluded that it is beneficial to maintain the current relationship, in part, because of such knowledge. The Board also considered the steps that Invesco Aim and its affiliates continue to take to improve the quality and efficiency of the services they provide to the AIM Funds in the areas of investment performance, product line diversification, distribution, fund operations, shareholder services and compliance. The Board concluded that the quality and efficiency of the services Invesco Aim and its affiliates provide to the AIM Funds in each of these areas support the Board's approval of the continuance of the Fund's investment advisory agreement.

B. Nature, Extent and Quality of Services Provided by Affiliated Sub-Advisers

The Board reviewed the services provided by the Affiliated Sub-Advisers under the sub-advisory contracts and the credentials and experience of the officers and employees of the Affiliated Sub-Advisers who provide these services. The Board concluded that the nature, extent and quality of the services provided by the Affiliated Sub-Advisers are appropriate. The Board noted that the Affiliated Sub-Advisers, which have offices and personnel that are geographically dispersed in financial centers around the world, can provide research and other information and make recommendations on the markets and economies of various countries and securities of companies located in such countries or on various types of investments and investment techniques. The Board concluded that the sub-advisory contracts benefit the Fund and its shareholders by permitting Invesco Aim to utilize the additional resources and talent of the Affiliated Sub-Advisers in managing the Fund.

C. Fund Performance

The Board considered fund performance as a relevant factor in considering whether to approve the investment advisory agreement. The Board did not view fund performance as a relevant factor in considering whether to approve the sub-advisory contracts for the Fund, as no Affiliated Sub-Adviser currently manages assets of the Fund.

The Board compared the Fund's performance during the past one, three and five calendar years to the performance of all funds in the Lipper performance universe that are not managed by Invesco Aim or an affiliated Sub-Adviser and against the Lipper VA Underlying Funds - Utility Index. The Board noted that the Fund's performance was in the first quintile of its Lipper performance universe for the one year period, the third quintile for the three year period and the second quintile for the five year period (the first quintile being the best performing funds and the fifth quintile being the worst performing funds). The Board noted that the Fund's performance was above the performance of the Index for the one, three and five year periods. Although the independent written evaluation of the Fund's Senior Officer only considered Fund performance through the most recent calendar year, the Board also reviewed more recent Fund performance and this review did not change their conclusions. The Board noted that, in response to the Board's focus on fund performance, Invesco Aim has taken a number of actions intended to improve the investment process for the funds.

D. Advisory and Sub-Advisory Fees and Fee Waivers

The Board compared the Fund's contractual advisory fee rate to the contractual advisory fee rates of funds in the Fund's Lipper expense group that are not managed by Invesco Aim or an Affiliated Sub-Adviser, at a common asset level. The Board noted that the Fund's contractual advisory fee rate was below the median contractual advisory fee rate of funds in its expense group. The Board also reviewed the methodology used by Lipper in determining contractual fee rates, which includes using audited financial data from the most recent annual report of each fund in the expense group that was publicly available as of the end of the past calendar year. The Board noted that some comparative data was at

least one year old and that other data did not reflect the market downturn that occurred in the fourth quarter of 2008.

The Board also compared the Fund's effective fee rate (the advisory fee after any advisory fee waivers and before any expense limitations/waivers) to the advisory fee rates of other domestic clients of Invesco Aim and its affiliates with investment strategies comparable to those of the Fund, including one mutual fund advised by Invesco Aim. The Board noted that the Fund's rate was below the effective fee rate for the other mutual fund.

The Board noted that Invesco Aim has contractually agreed to waive fees and/or limit expenses of the Fund through at least April 30, 2010 in an amount necessary to limit total annual operating expenses to a specified percentage of average daily net assets for each class of the Fund. The Board also considered the effect this expense limitation would have on the Fund's estimated total expenses.

The Board also considered the services provided by the Affiliated Sub-Advisers pursuant to the sub-advisory contracts and the services provided by Invesco Aim pursuant to the Fund's advisory agreement, as well as the allocation of fees between Invesco Aim and the Affiliated Sub-Advisers pursuant to the sub-advisory contracts. The Board noted that the sub-advisory fees have no direct effect on the Fund or its shareholders, as they are paid by Invesco Aim to the Affiliated Sub-Advisers, and that Invesco Aim and the Affiliated Sub-Advisers are affiliates.

After taking account of the Fund's contractual advisory fee rate, the contractual sub-advisory fee rate, the comparative advisory fee information discussed above, the expense limitations and other relevant factors, the Board concluded that the Fund's advisory and sub-advisory fees are fair and reasonable.

E. Economies of Scale and Breakpoints

The Board considered the extent to which there are economies of scale in the provision of advisory services to the Fund. The Board also considered whether the Fund benefits from such economies of scale through contractual breakpoints in the Fund's advisory fee schedule. The Board noted that the Fund's contractual advisory fee schedule does not include any breakpoints. The Board noted that the Fund shares directly in economies of scale through lower fees charged by third

party service providers based on the combined size of all of the AIM Funds and affiliates.

F. Profitability and Financial Resources

The Board reviewed information from Invesco Aim concerning the costs of the advisory and other services that Invesco Aim and its affiliates provide to the Fund and the profitability of Invesco Aim and its affiliates in providing these services. The Board also reviewed information concerning the financial condition of Invesco Aim and its affiliates. The Board reviewed with Invesco Aim the methodology used to prepare the profitability information. The Board considered the overall profitability of Invesco Ltd., the ultimate parent of Invesco Aim and the Affiliated Sub-Advisers, and of Invesco Aim, as well as the profitability of Invesco Aim in connection with managing the Fund. The Board noted that Invesco Aim continues to operate at a net profit, although the reduction of assets under management as a result of market movements and the increase in voluntary fee waivers for affiliated money market funds have reduced the profitability of Invesco Aim and its affiliates. The Board concluded that the Fund's fees are fair and reasonable, and that the level of profits realized by Invesco Aim and its affiliates from providing services to the Fund is not excessive in light of the nature, quality and extent of the services provided. The Board considered whether Invesco Aim is financially sound and has the resources necessary to perform its obligations under the Fund's investment advisory agreement, and concluded that Invesco Aim has the financial resources necessary to fulfill these obligations. The Board also considered whether each Affiliated Sub-Adviser is financially sound and has the resources necessary to perform its obligations under the sub-advisory contracts, and concluded that each Affiliated Sub-Adviser has the financial resources necessary to fulfill these obligations.

G. Collateral Benefits to Invesco Aim and its Affiliates

The Board considered various other benefits received by Invesco Aim and its affiliates resulting from Invesco Aim's relationship with the Fund, including the fees received by Invesco Aim and its affiliates for their provision of administrative, transfer agency and distribution

services to the Fund. The Board considered the performance of Invesco Aim and its affiliates in providing these services and the organizational structure employed by Invesco Aim and its affiliates to provide these services. The Board also considered that these services are provided to the Fund pursuant to written contracts that are reviewed and approved on an annual basis by the Board. The Board concluded that Invesco Aim and its affiliates are providing these services in a satisfactory manner and in accordance with the terms of their contracts, and are qualified to continue to provide these services to the Fund.

The Board considered the benefits realized by Invesco Aim and the Affiliated Sub-Advisers as a result of portfolio brokerage transactions executed through "soft dollar" arrangements. The Board noted that soft dollar arrangements shift the payment obligation for research and execution services from Invesco Aim and the Affiliated Sub-Advisers to the funds and therefore may reduce Invesco Aim's and the Affiliated Sub-Advisers' expenses. The Board concluded that Invesco Aim's and the Affiliated Sub-Advisers' soft dollar arrangements are appropriate. The Board also concluded that, based on their review and representations made by the Chief Compliance Officer of Invesco Aim, these arrangements are consistent with regulatory requirements.

The Board considered the fact that the Fund's uninvested cash and cash collateral from any securities lending arrangements may be invested in money market funds advised by Invesco Aim pursuant to procedures approved by the Board. The Board noted that Invesco Aim will receive advisory fees from these affiliated money market funds attributable to such investments, although Invesco Aim has contractually agreed to waive through at least June 30, 2010, the advisory fees payable by the Fund in an amount equal to 100% of the net advisory fee Invesco Aim receives from the affiliated money market funds with respect to the Fund's investment in the affiliated money market funds of uninvested cash, but not cash collateral. The Board concluded that the Fund's investment of uninvested cash and cash collateral from any securities lending arrangements in the affiliated money market funds is in the best interests of the Fund and its shareholders.

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ALGER

Alger American Balanced Portfolio

THE ALGER AMERICAN FUND

A pooled funding vehicle for:

- variable annuity contracts
- variable life insurance policies
- qualified pension plans
- qualified retirement plans

SEMI-ANNUAL REPORT

June 30, 2009

(Unaudited)

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We can look at the last six months as the melting away of an illusion; as a time when reality has come painfully back into play. Many philosophers built vast realms of study on the idea that misguided reason can twist reality into something that perhaps suits us in the moment but ultimately only serves to keep us in an illusory state—and, in our current case, wreak havoc on our economy and our confidence.

The housing and credit crises and ensuing financial breakdown began with an illusion based on flawed ideas held by many financial lenders and insurers: the latent belief that growth in the housing market would continue unhampered on its upward trajectory. Underlying the assumption of unimpeded growth was the idea that financial derivatives could not only provide the increase in debt necessary to support the financial system but also manage the associated risk. In the mid-2000s, the illusion grew as more and more lenders extended more and more credit to “subprime” borrowers who, if their circumstances declined, were less and less likely to be able to pay the loans back. Although the practice was based on a belief that growth would continue, experience has shown again and again that the upward trend of growth over time is much more jagged than we like to recall.

When the illusion disintegrated, not only did the borrowers suffer from foreclosures, but the resulting housing crisis created a massive ripple effect that crippled the U.S.’s major financial firms. Along with the weakening of the financial sector, so went credit availability, consumer spending, jobs, and, ultimately, consumer confidence. By the fourth quarter of 2008, the scale of the crisis had ceased to be solely “subprime”—it had gone global. Through the first quarter and into the second of 2009, the volatility continued with the Dow Jones Industrial Averageⁱ climbing as high as 9,034 points and falling as low as 6,547 points.

Toward the end of the first quarter and into the second quarter of this calendar year, economic indicators were struggling to recover, but did much better in the latter half of the second quarter. Retail sales fell 1.3% in March and a further 0.4% in April—a larger dip than expected – but increased 0.6% in June. The Consumer Price Index declined 0.7% on an annual basis in April, only the second year-over-year decline in nearly 54 years following March’s 0.4% dropⁱⁱ but rose 0.7% in June up from a 0.1% increase in May. Industrial production decreased 1.2% in May after having fallen 0.5% in April and 1.7% in Marchⁱⁱⁱ but improved in June falling 0.4%. And GDP for the first quarter of 2009 decreased 6.1% compared to the fourth quarter of 2008, which experienced a decline of 6.3%.

Europe did not fare much better. European GDP fell 2.5% in the first quarter of 2009 versus the last quarter of 2008, which experienced a decline of 1.5%—the figures were for both the 16-country euro currency zone and the broader 27-country European Union bloc^{iv}. China is anticipated to fare less poorly, and although its export growth is expected to slow, the country is taking measures to focus on innovation rather than outright cost-efficiency.

Emerging from the Darkness

Plato famously dealt with illusion in what came to be called Plato’s Cave. He described people in a cave whose notion of reality was entirely comprised of shadows projected on a wall. Similarly, one could say that we were in such a cave, deceived by the shadows of easy credit, with no real idea of the hows or whys of what we were seeing.

Now, however, we are beginning to see clearly where things unraveled. Actions are being taken by the Obama administration as well as the housing, financial, and automotive industries to stave off a repetition of the disaster; whether or not those actions will succeed remains to be seen.

What we do know is that, as of the date of this writing, some light has begun to shine in growth investing. In the first quarter, growth funds beat their value rivals by the largest margin in nine years, with the Russell 3000 Growth Index^v returning -4.54% while the Russell 3000 Value Index returned -16.77%^{vi}. As of June 30th, mid-cap growth funds were up 12.32%, small-cap growth funds were up 10.58%, and large-cap growth funds were up 10.48%, according to investment researcher Morningstar Inc.^{vii}—a sign that investors are beginning to shed their aversion to risk and test the market.

Then and Now

Much has been made of the similarities between the current downturn and the Great Depression. During the “Roaring Twenties,” people were busy buying automobiles and appliances on credit and eagerly speculating in the stock market, feeding the illusion that the good times would continue to roll.

Then, like now, thought—in terms of easy credit and unimpeded growth—was divorced from reality. Back then, however, government policy either declined to intervene or, worse, intervened in ways that exacerbated rather than alleviated the financial crisis, thus allowing the devastation to spread across the U.S. economy. Things today move much more quickly. The current economy has turned downward faster in a shorter period of time than in any prior period, including the Depression. Fortunately, our government has responded with alacrity and, in a broad sense, moved in the right direction both by injecting massive amounts of liquidity into the financial system and by proactively assuring consumers of the safety of their savings and deposit accounts. As a result, we are likely to emerge faster from this crisis, and certainly much faster than in the 1930s. Government cannot be the only driver of recovery. Today, the depth and breadth of investors in markets across the globe is much stronger than ever before, and their actions will likely speed and strengthen the shape of recovery in both equity and debt markets.

As we have noted in our Alger Market Commentaries (see www.alger.com), companies were quick to respond to the downturn in the second half of 2008 by moving rapidly to cut expenses. At the end of the first quarter of 2009, as we tracked the corporate earnings results of the companies we follow, we discovered a pattern: despite the rapidity of the economic downturn, we saw companies reporting free cash flow of both absolute strength and relative resilience. As we suspected, the continued stabilization of the U.S. economy and company fundamentals supported the market's rally from March lows.

We are already seeing signs of a bottoming in the housing market in the earliest-hit and hardest-hit areas of the U.S. where declines in foreclosures and short sales have begun to occur. Looking at Orange County, California, home prices increased 2.5% in March from February; sales jumped 27.5% in March from February and 47.4% from last year, according to the California Association of Realtors. The county had about four months of inventory as of May, a level not seen since April 2006. Inventory was at eight months a year ago and peaked at 11 months in 2007.

As a lagging indicator, the unemployment rate won't yield for a while as companies are expected to be slow to add new jobs, but the market can rebound long before the level of employment does. The unemployment rate hit 9.5% in June, the highest rate since 1982, but there are signs of hope as the monthly job loss total for June was down from the 699,000 jobs lost in March and the lowest level in eight months—since October, when the economy shed 380,000 jobs.

The Institute for Supply Management's manufacturing index, a key measure of manufacturing activity, rose for the sixth straight month in June, suggesting the sector may be stabilizing even though the indicator has been at the contraction level for 15 months in a row. And the Consumer Confidence Index, which had posted a slight increase in March, improved considerably in April and May though it had a slight retreat in June. The Index now stands at 49.3 (1985=100), down from 54.8 in May.

Apart from the Crowd

Looking forward, we are grounded in a more complete picture of reality—for the overall economy and our firm. Danish philosopher Søren Kierkegaard, too, examined illusion in a way, writing that crowds limit and stifle the unique individual. Like any economic bubble, we can, of course, now say in hindsight that the adjoining crises were a result of exactly this kind of crowd mentality. The resulting economic disaster, while painful, has we believe effectively broken up the crowd, razing the illusion and once again opening the investing field up to new and creative opportunities. There is, after all, a stunning amount of cash on the sidelines. The savings rate is up to 6.9%, meaning that there is about \$769 billion currently being held in cash. As consumer confidence repairs itself, the sidelined cash will be invested. While we believe that the economy will technically be in recession for most of 2009, negative GDP figures will gradually become less severe.

The stock market, however, is a discounting mechanism; investors look forward toward the potential range of economic, sector, and company-specific outcomes in terms of revenues, margins, profits, and growth to assess the value of equity. At Alger, our investment process includes valuation analysis that considers outcomes that are both highly pessimistic and optimistic. Most of the time, we observe stocks selling within ranges that reflect varying but ultimately balanced views between the divergent possibilities.

Occasionally, however, the crowd mentality of the market overwhelms such rational behavior and investors see something entirely different: equities of companies, even the strongest, suddenly priced to fail. We believe the S&P 500 Index^{viii} lows in March reflected such an event and, thus, we are increasingly confident that those lows will mark the bottom. Because we do not expect the economy—and, in particular, investor sentiment about economic recovery and future growth—to recover in a straight line, we think continued market volatility is likely. The inevitable sell-offs in the stock market that will accompany such uncertain economic progress will offer excellent buying opportunities for patient, long-term investors.

During the last six months, we had limited exposure to the hardest-hit areas of the financial sector, and our performance was largely a result of the market's broad and indiscriminate decline. Even in the best of times investing is a challenge; however, it is during bad times that an investment firm proves its capability to manage through crisis, focus on improving performance, and not only endure but also improve upon its strengths. Alger investment professionals have remained focused and disciplined in executing upon our consistent investment philosophy and process. Now in 2009, our 45th year in the business of investing, we have successfully passed through many shadowy times and found new opportunities amidst economic and generational change.

Kierkegaard once wrote, "The task must be made difficult, for only the difficult inspires the noble-hearted." We have perhaps encountered the most difficult task our generation will see, and our firm has come out of it more inspired than ever to deliver exceptional investment results for an exceptional group of individuals and institutions: our clients.

Portfolio Matters


The Alger American Balanced Portfolio returned 10.68% for the six months ending June 30, 2009, compared to the Russell 1000 Growth Index^{ix}, which returned 11.53% and the Barclay's Capital U.S. Gov't/Credit Bond Index^x, which returned 0.55%.

During the six month period, the largest sector weightings in the Alger American Balanced Portfolio were in Information Technology and Health Care. The largest sector overweight for the period was in Financials. The largest sector underweight for the period was in Information Technology. Relative outperformance in the Financials and Consumer Discretionary sectors were the most important contributors to performance. Sectors that detracted from performance included Information Technology and Utilities.

Among the most important relative security contributors were Research In Motion Ltd., Wells Fargo & Co., J. Crew Group Inc., Transocean Ltd., and eBay Inc. Conversely, securities detracting from overall results on a relative basis were QUALCOMM Inc., International Business Machines Corp., Microsoft Corp., United Technologies Corp., and Philip Morris International Inc.

The fixed income portion of the Alger American Balanced Portfolio returned 5.43% for the six months ended June 30, 2009. As of June 30, 2009, 56.1% of the fixed income portion of the Portfolio was in corporate securities, 25.8% in Mortgage/ABS, 14.7% in Treasuries, 3.3% in Agencies, and 0.1% in cash.

Respectfully submitted,



Daniel C. Chung
Chief Investment Officer

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- i The Dow Jones Industrial Average is an index of common stocks comprised of major industrial companies and assumes reinvestment of dividends. It is frequently used as a general measure of stock market performance.
 - ii The Consumer Price Index (CPI) is a measure estimating the average price of consumer goods and services purchased by households released by the Labor Department.
 - iii Industrial Production Index (IPI) is an economic indicator released monthly by the Federal Reserve Board that measures the amount of output from the manufacturing, mining, electric and gas industries.
 - iv EU statistics office
 - v The Russell 3000 Growth Index is an unmanaged index designed to measure the performance of those Russell 3000 Index companies with higher price-to-book ratios and higher forecasted growth values. The Russell 3000 Index measures the performance of the 3,000 largest U.S. companies based on the total market capitalization, which represents 98% of the U.S. Equity Market.
 - vi The Russell 3000 Value Index measures the performance of the broad value segment of the U.S. equity universe. It includes those Russell 3000 companies with lower price-to-book ratios and lower forecasted growth values.
 - vii Morningstar, Inc. is a Chicago-based investment research firm that compiles and analyzes fund, stock and general market data.
 - viii Standard & Poor's 500 Index is an index of the 500 largest and most profitable companies in the United States.
 - ix The Russell 1000 Growth Index is an unmanaged index designed to measure the performance of the largest 1000 companies in the Russell 3000 Index with higher price-to-book ratios and higher forecasted growth values
 - x The Barclay's Capital U.S. Gov't/Credit Bond Index (formerly known as Lehman Brothers Gov't/Credit Index) is designed to track the performance of government and corporate bonds.

Investors cannot invest directly in an index. Index performance does not reflect deductions for fees, expenses, or taxes.

This report and the financial statements contained herein are submitted for the general information of shareholders of the Fund.

This report is not authorized for distribution to prospective investors in the Fund unless proceeded or accompanied by an effective prospectus for the Fund. Fund performance returns represent the semi-annual period return of Class O shares prior to the deduction of any sales charges. **The performance information quoted represents past performance, which is not an indication or guarantee of future results.** The investment return and principal value of an investment in a portfolio will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance quoted. **For performance data current to the most recent month-end, visit us at www.alger.com, or call us at (800) 992-3863.**

The views and opinions of the Fund's management in this report are as of the date of the shareholder letter and are subject to change at any time subsequent to this date. There is no guarantee that any of the assumptions that formed the basis for the opinions stated herein are accurate or that they will materialize. Any securities mentioned should be considered in the context of the construction of an overall portfolio of securities and therefore reference to them should not be construed as a recommendation or offer to purchase or sell any such security. Inclusion of such securities in a portfolio and transactions in such securities, if any, may be for a variety of reasons, including without limitation, in response to cash flows, inclusion in a benchmark and risk control. The reference to a specific security should also be

understood in such context and not viewed as a statement that the security is a significant holding in a portfolio. Please refer to the Schedule of Investments for each portfolio which is included in this report for a complete list of portfolio holdings as of June 30, 2009. Securities mentioned in the shareholder letter, if not found in the Schedule of Investments, were held by the Fund during the Fund's semi-annual period.

A Word About Risk

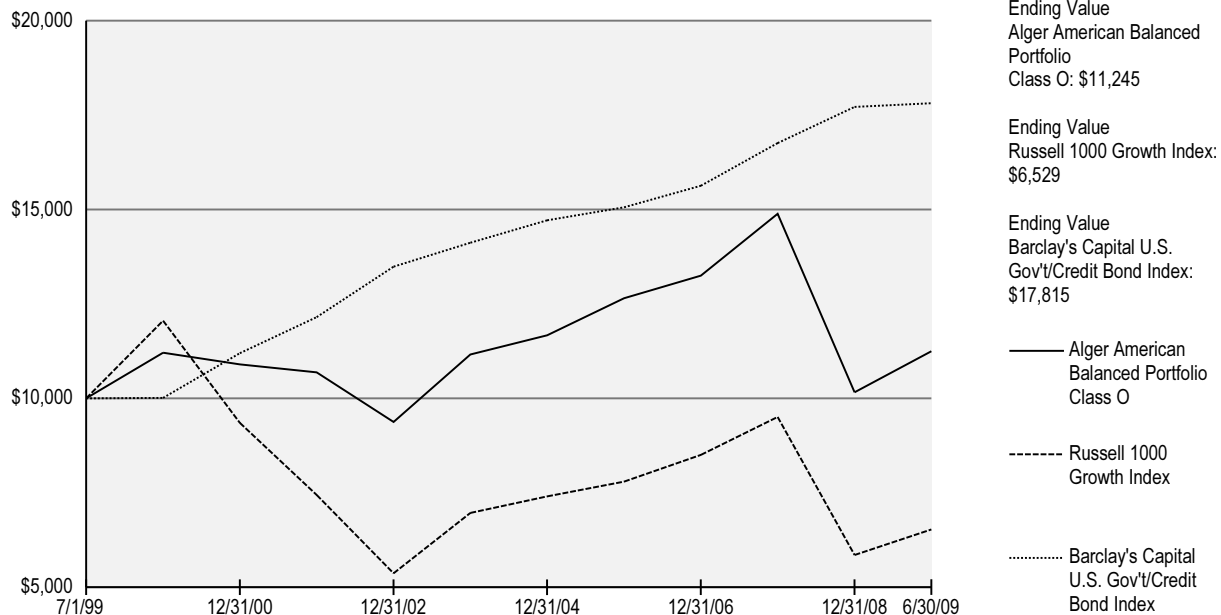
Growth stocks tend to be more volatile than other stocks as the price of growth stocks tends to be higher in relation to their companies' earnings and may be more sensitive to market, political, and economic developments. Stocks of small- and mid-sized companies are subject to greater risk than stocks of larger, more established companies owing to such factors as limited liquidity, inexperienced management, and limited financial resources. Portfolios that invest in fixed-income securities, such as the Balanced Portfolio, are subject to the fixed-income securities' sensitivity to interest rate movements; their market values tend to fall when interest rates rise and to rise when interest rates fall. These portfolios are also subject to the risk of a decline in the value of the portfolio's securities in the event of an issue's falling credit rating or actual default. For a more detailed discussion of the risks associated with a Portfolio, please see the Portfolio's Prospectus.

Before investing, carefully consider the Portfolio's investment objective, risks, charges, and expenses. The Portfolio's prospectus contains this and other information about the Portfolio, and may be obtained by asking your financial advisor, calling us at (800) 992-3863, or visiting our website at www.alger.com, or contacting the Portfolio's distributor, Fred Alger & Company, Incorporated, 111 Fifth Avenue, New York 10003. Member NYSE Euronext, SIPC. Read the prospectus carefully before investing.

NOT FDIC INSURED. NOT BANK GUARANTEED. MAY LOSE VALUE.

HYPOTHETICAL \$10,000 INVESTMENT IN CLASS O SHARES

— 10 years ended June 30, 2009



The chart above illustrates the growth in value of a hypothetical \$10,000 investment made in Alger American Balanced Class O shares, the Russell 1000 Growth Index (an unmanaged index of common stocks) and the Barclay's Capital U.S. Gov't/Credit Bond Index (an unmanaged index of government and corporate bonds) for the ten years ended June 30, 2009. Figures for each of the Alger American Balanced Class O shares, the Russell 1000 Growth Index and the Barclay's Capital U.S. Gov't/Credit Bond Index include reinvestment of dividends and interest. Performance for the Alger American Balanced Class S shares will vary from the results shown above due to differences in expenses that class bears.

PERFORMANCE COMPARISON AS OF 6/30/09

	AVERAGE ANNUAL TOTAL RETURNS			
	1 YEAR	5 YEARS	10 YEARS	SINCE INCEPTION
Class O (Inception 9/5/89)	(17.13)%	(0.16)%	1.18%	6.89%
Russell 1000 Growth Index	(24.49)%	(1.82)%	(4.18)%	6.60%
Barclay's Capital U.S. Gov't/Credit Bond Index	5.26%	4.80%	5.94%	7.06%
Class S (Inception 5/1/02)	(17.50)%	(0.03)%	n/a	1.38%
Russell 1000 Growth Index	(24.49)%	(1.82)%	n/a	(0.27)%
Barclay's Capital U.S. Gov't/Credit Bond Index	5.26%	4.80%	n/a	5.27%

The performance data quoted represents past performance, which is not an indication or a guarantee of future results. Investment return and principal will fluctuate and the Portfolio's shares, when redeemed, may be worth more or less than their original cost. Current performance may be higher or lower than the performance quoted. For performance current to the most recent month end, visit us at www.alger.com or call us at (800) 992-3863.

Returns indicated assume reinvestment of all distributions, no transaction costs or taxes, and are net of management fees and fund operating expenses only. Total return does not include deductions at the portfolio or contract level for cost of insurance charges, premium load, administrative charges, mortality and expense risk charges or other charges that may be incurred under the variable annuity contract, variable life insurance plan or retirement plan for which the portfolio serves as an underlying investment vehicle. If these charges were deducted, the total return figures would be lower. Please refer to the variable insurance product or retirement plan disclosure documents for any additional applicable expenses. Investing in the stock market involves gains and losses and may not be suitable for all investors.

THE ALGER AMERICAN FUND
Alger American Balanced Portfolio
PORTFOLIO SUMMARY†
June 30, 2009 (Unaudited)

SECTORS/SECURITY TYPES	AMERICAN BALANCED PORTFOLIO
Consumer Discretionary	5.7%
Consumer Staples	7.9
Energy	4.7
Financials	6.0
Health Care	7.7
Industrials	6.7
Information Technology	13.6
Materials	1.5
Telecommunication Services	0.4
Total Equity Securities	54.2%
Convertible Corporate Bonds	1.7%
Corporate Bonds	25.5
U.S. Agency Obligations	11.1
U.S. Governments	6.6
Total Debt Securities	44.9%
Short-Term and Net Other Assets	0.9%
	100.0%

† Based on net assets for the Portfolio.

THE ALGER AMERICAN FUND | ALGER AMERICAN BALANCED PORTFOLIO
Schedule of Investments† (Unaudited) June 30, 2009

COMMON STOCKS—53.9%	SHARES	VALUE
AEROSPACE & DEFENSE—2.5%		
BE Aerospace Inc. *	20,300	\$ 291,508
Boeing Co., /The	14,500	616,250
General Dynamics Corp.	11,700	648,063
ITT Corp.	6,700	298,150
Lockheed Martin Corp.	12,900	1,040,385
		2,894,356
AIR FREIGHT & LOGISTICS—0.6%		
FedEx Corp.	3,300	183,546
United Parcel Service Inc., Cl. B	11,700	584,883
		768,429
APPLICATION SOFTWARE—0.2%		
Intuit Inc.*	6,600	185,856
ASSET MANAGEMENT & CUSTODY BANKS—0.6%		
AllianceBernstein Holding LP	7,300	146,657
Invesco Ltd.	9,700	172,854
Legg Mason Inc.	18,000	438,840
		758,351
BIOTECHNOLOGY—0.7%		
Celgene Corp. *	11,100	531,024
Gilead Sciences Inc. *	6,800	318,512
		849,536
CABLE & SATELLITE—0.6%		
Comcast Corp., Cl. A	21,400	301,740
Scripps Networks Interactive Inc.	13,500	375,705
		677,445
CASINOS & GAMING—0.2%		
International Game Technology	14,800	235,320
COAL & CONSUMABLE FUELS—0.2%		
Peabody Energy Corp.	8,200	247,312
COMMUNICATIONS EQUIPMENT—1.8%		
Cisco Systems Inc. *	67,500	1,258,200
Qualcomm Inc.	6,400	289,280
Research In Motion Ltd. *	7,900	561,295
		2,108,775
COMPUTER HARDWARE—3.5%		
Apple Inc. *	14,200	2,022,506
Hewlett-Packard Co.	32,500	1,256,125
International Business Machines Corp.	9,500	991,990
		4,270,621
COMPUTER STORAGE & PERIPHERALS—0.8%		
EMC Corp. *	57,800	757,180
NetApp Inc. *	7,400	145,928
		903,108
CONSTRUCTION & ENGINEERING—0.7%		
Aecom Technology Corp. *	7,200	230,400
Fluor Corp.	8,500	435,965
Foster Wheeler AG *	7,900	187,625
		853,990
CONSTRUCTION & FARM MACHINERY & HEAVY TRUCKS—0.6%		
Caterpillar Inc.	10,000	330,400
Deere & Co.	6,800	271,660
Joy Global Inc.	3,900	139,308
		741,368
CONSUMER ELECTRONICS—0.5%		
Harman International Industries Inc.	16,300	306,440
Sony Corp. #	11,200	289,632
		596,072
DATA PROCESSING & OUTSOURCED SERVICES—0.4%		
Mastercard Inc.	2,600	435,006

THE ALGER AMERICAN FUND | ALGER AMERICAN BALANCED PORTFOLIO
Schedule of Investments† (Continued) (Unaudited) June 30, 2009

COMMON STOCKS—(CONT.)	SHARES	VALUE
DIVERSIFIED BANKS—0.6%		
Wells Fargo & Co.	28,300	\$ 686,558
DIVERSIFIED CHEMICALS—0.3%		
El Du Pont de Nemours & Co.	14,500	371,490
DRUG RETAIL—1.1%		
CVS Caremark Corp.	20,500	653,335
Walgreen Co.	23,700	696,780
		1,350,115
ENVIRONMENTAL & FACILITIES SERVICES—0.1%		
IESI-BFC Ltd.	14,600	170,090
FERTILIZERS & AGRICULTURAL CHEMICALS—0.3%		
Monsanto Co.	5,300	394,002
FOOD RETAIL—0.3%		
Kroger Co., /The	18,400	405,720
FOOTWEAR—0.4%		
NIKE Inc., Cl. B	9,600	497,088
GENERAL MERCHANDISE STORES—0.3%		
Target Corp.	9,000	355,230
GOLD—0.5%		
Goldcorp Inc.	7,300	253,675
Yamana Gold Inc.	32,400	286,416
		540,091
HEALTH CARE EQUIPMENT—2.0%		
Beckman Coulter Inc.	5,300	302,842
Boston Scientific Corp. *	47,500	481,650
Covidien PLC	4,600	172,224
Hologic Inc. *	15,100	214,873
Medtronic Inc.	9,300	324,477
St. Jude Medical Inc. *	15,000	616,500
Zimmer Holdings Inc. *	7,300	310,980
		2,423,546
HEALTH CARE SERVICES—0.3%		
Quest Diagnostics Inc.	5,600	316,008
HEALTH CARE SUPPLIES—0.4%		
Inverness Medical Innovations Inc.*	14,000	498,120
HOME ENTERTAINMENT SOFTWARE—1.2%		
Electronic Arts Inc. *	15,700	341,004
Nintendo Co., Ltd. #	15,700	541,179
Take-Two Interactive Software Inc.	51,300	485,811
		1,367,994
HOMEBUILDING—0.6%		
Toll Brothers Inc.*	38,500	653,345
HOTELS RESORTS & CRUISE LINES—0.1%		
Carnival Corp.	4,900	126,273
HOUSEHOLD PRODUCTS—0.8%		
Procter & Gamble Co., /The	19,300	986,230
HYPERMARKETS & SUPER CENTERS—1.2%		
Costco Wholesale Corp.	5,700	260,490
Wal-Mart Stores Inc.	24,300	1,177,092
		1,437,582
INDUSTRIAL CONGLOMERATES—1.2%		
3M Co.	10,000	601,000
General Electric Co.	22,400	262,528
McDermott International Inc. *	14,800	300,588
Tyco International Ltd.	8,500	220,830
		1,384,946
INDUSTRIAL GASES—0.2%		
Praxair Inc.	3,000	213,210

THE ALGER AMERICAN FUND | ALGER AMERICAN BALANCED PORTFOLIO
Schedule of Investments† (Continued) (Unaudited) June 30, 2009

COMMON STOCKS—(CONT.)	SHARES	VALUE
INSURANCE BROKERS—0.2%		
Willis Group Holdings Ltd.	7,600	\$ 195,548
INTEGRATED OIL & GAS—2.2%		
Chevron Corp.	2,400	159,000
Exxon Mobil Corp.	18,200	1,272,362
Hess Corp.	12,300	661,125
Petroleo Brasileiro SA #	12,900	528,642
		2,621,129
INTEGRATED TELECOMMUNICATION SERVICES—0.4%		
AT&T Inc.	21,100	524,124
INTERNET RETAIL—0.6%		
Amazon.com Inc. *	3,300	276,078
Expedia Inc. *	25,200	380,772
		656,850
INTERNET SOFTWARE & SERVICES—2.3%		
eBay Inc. *	37,850	648,371
Google Inc., Cl. A *	2,200	927,497
IAC/InterActiveCorp. *	46,450	745,523
Yahoo! Inc. *	30,800	482,328
		2,803,719
INVESTMENT BANKING & BROKERAGE—0.7%		
Goldman Sachs Group Inc., /The	1,300	191,672
Morgan Stanley	21,500	612,965
		804,637
IT CONSULTING & OTHER SERVICES—0.5%		
Cognizant Technology Solutions Corp., Cl. A*	20,200	539,340
LEISURE PRODUCTS—0.3%		
Coach Inc.	12,500	336,000
LIFE & HEALTH INSURANCE—0.3%		
Prudential Financial Inc.	10,200	379,644
LIFE SCIENCES TOOLS & SERVICES—0.6%		
Covance Inc. *	3,600	177,120
Thermo Fisher Scientific Inc. *	13,800	562,626
		739,746
MANAGED HEALTH CARE—0.6%		
Aetna Inc.	7,800	195,390
UnitedHealth Group Inc.	22,100	552,058
		747,448
METAL & GLASS CONTAINERS—0.2%		
Owens-Illinois Inc. *	9,300	260,493
MOVIES & ENTERTAINMENT—1.0%		
Marvel Entertainment Inc. *	9,100	323,869
Regal Entertainment Group, Cl. A	35,200	467,808
Viacom Inc., Cl. B *	23,700	537,990
		1,329,667
OFFICE REITS—0.4%		
Digital Realty Trust Inc.	11,700	419,445
OIL & GAS DRILLING—0.6%		
Transocean Ltd. *	9,083	674,776
OIL & GAS EQUIPMENT & SERVICES—0.7%		
Baker Hughes Inc.	6,500	236,860
Cameron International Corp. *	14,900	421,670
Smith International Inc.	6,000	154,500
		813,030
OIL & GAS EXPLORATION & PRODUCTION—1.0%		
Anadarko Petroleum Corp.	12,900	585,531
Chesapeake Energy Corp.	32,300	640,509
		1,226,040
OTHER DIVERSIFIED FINANCIAL SERVICES—1.4%		
Bank of America Corp.	21,600	285,120

THE ALGER AMERICAN FUND | ALGER AMERICAN BALANCED PORTFOLIO
Schedule of Investments† (Continued) (Unaudited) June 30, 2009

COMMON STOCKS—(CONT.)	SHARES	VALUE
OTHER DIVERSIFIED FINANCIAL SERVICES—(CONT.)		
JPMorgan Chase & Co.	37,900	\$ 1,292,769
		1,577,889
PACKAGED FOODS & MEATS—0.7%		
General Mills Inc.	3,400	190,468
Kraft Foods Inc., Cl. A	27,500	696,850
		887,318
PHARMACEUTICALS—3.1%		
Abbott Laboratories	23,000	1,081,920
Johnson & Johnson	14,100	800,880
Merck & Co., Inc.	14,800	413,808
Mylan Inc. *	37,300	486,765
Shire PLC #	8,600	356,728
Wyeth	9,400	426,666
		3,566,767
PROPERTY & CASUALTY INSURANCE—0.3%		
Travelers Cos. Inc., /The	7,900	324,216
RAILROADS—0.3%		
Burlington Northern Santa Fe Corp.	4,600	338,284
REGIONAL BANKS—0.4%		
Regions Financial Corp.	130,500	527,220
RESEARCH & CONSULTING SERVICES—0.4%		
FTI Consulting Inc.*	9,000	456,480
RESTAURANTS—1.1%		
Cheesecake Factory Inc., /The *	24,100	416,930
McDonald's Corp.	7,100	408,179
Starbucks Corp. *	33,700	468,093
		1,293,202
SEMICONDUCTOR EQUIPMENT—0.3%		
Lam Research Corp.*	11,400	296,400
SEMICONDUCTORS—0.9%		
Intel Corp.	51,900	858,945
Skyworks Solutions Inc. *	16,700	163,326
		1,022,271
SOFT DRINKS—2.3%		
Coca-Cola Co., /The	23,000	1,103,770
Hansen Natural Corp. *	10,500	323,610
PepsiCo Inc.	22,000	1,209,120
		2,636,500
SPECIALIZED FINANCE—0.7%		
CME Group Inc.	1,328	413,154
Hong Kong Exchanges and Clearing Ltd.	21,700	338,238
NYSE Euronext	4,500	122,625
		874,017
SPECIALIZED REITS—0.1%		
Host Hotels & Resorts Inc.	19,200	161,088
SYSTEMS SOFTWARE—1.7%		
Microsoft Corp.	90,150	2,142,866
TOBACCO—1.5%		
Altria Group Inc.	44,000	721,160
Philip Morris International Inc.	21,000	916,020
		1,637,180
TRUCKING—0.3%		
Hertz Global Holdings Inc.*	42,000	335,580
TOTAL COMMON STOCKS (Cost \$79,150,265)		63,852,097

THE ALGER AMERICAN FUND | ALGER AMERICAN BALANCED PORTFOLIO
Schedule of Investments† (Continued) (Unaudited) June 30, 2009

PREFERRED STOCKS—0.3%	SHARES	VALUE
OTHER DIVERSIFIED FINANCIAL SERVICES—0.3%		
JPMorgan Chase & Co., 8.63%, 9/1/2013* (Cost \$355,000)	14,200	\$ 361,248
CORPORATE BONDS—25.5%	PRINCIPAL AMOUNT	VALUE
AEROSPACE & DEFENSE—0.3%		
Boeing Co., /The, 5.00%, 3/15/14 ^{L2}	350,000	368,873
ALUMINUM—0.2%		
Alcoa Inc., 5.55%, 2/1/17 ^{L2}	350,000	296,029
CABLE & SATELLITE—0.5%		
Comcast Corp., 5.70%, 7/1/19 ^{L2}	625,000	620,492
CASINOS & GAMING—1.7%		
MGM Mirage Inc., 10.38%, 5/15/14 ^{L2(a)}	650,000	677,625
Penn National Gaming Inc., 6.88%, 12/1/11 ^{L2}	680,000	669,800
Scientific Games Corp., 7.88%, 6/15/16 ^{L2(a)}	100,000	95,500
Wynn Las Vegas LLC / Wynn Las Vegas Capital Corp., 6.63%, 12/1/14 ^{L2}	575,000	508,875
		1,951,800
COMMUNICATIONS EQUIPMENT—0.3%		
Cisco Systems Inc., 4.95%, 2/15/19 ^{L2}	350,000	350,646
COMPUTER HARDWARE—0.6%		
Hewlett-Packard Co., 6.13%, 3/1/14 ^{L2}	600,000	662,039
CONSTRUCTION MATERIALS—0.2%		
Owens Corning, 9.00%, 6/15/19 ^{L2}	250,000	242,883
CONSUMER FINANCE—1.7%		
American Express Credit Corp., 7.30%, 8/20/13 ^{L2}	600,000	624,377
Capital One Bank USA NA, 8.80%, 7/15/19 ^{L2}	1,400,000	1,432,644
		2,057,021
DIVERSIFIED METALS & MINING—0.4%		
Anglo American Capital PLC, 9.38%, 4/8/14 ^{L2(a)}	350,000	380,553
ELECTRIC UTILITIES—0.5%		
Florida Power Corp., 5.80%, 9/15/17 ^{L2}	600,000	648,805
FERTILIZERS & AGRICULTURAL CHEMICALS—0.2%		
Potash Corp., of Saskatchewan Inc., 5.25%, 5/15/14 ^{L2}	275,000	284,101
GENERAL MERCHANDISE STORES—0.8%		
Target Corp., 5.38%, 5/1/17 ^{L2}	865,000	891,230
HOMEBUILDING—0.6%		
Lennar Corp., 12.25%, 6/1/17 ^{L2(a)}	650,000	685,750
INDUSTRIAL CONGLOMERATES—2.0%		
GE Capital Commercial Mortgage Corp, 6.59%, 8/11/33 ^{L2}	1,000,000	998,757
General Electric Capital Corp., 4.80%, 5/1/13 ^{L2}	1,000,000	1,001,954
Tyco International Finance SA, 8.50%, 1/15/19 ^{L2}	320,000	355,399
		2,356,110
INDUSTRIAL MACHINERY—0.0%		
Systems 2001 AT LLC, 6.66%, 9/15/13 ^{L2(a)}	4,247	4,247
INTEGRATED OIL & GAS—0.6%		
BP Capital Markets PLC, 5.25%, 11/7/13 ^{L2}	600,000	644,612
INTEGRATED TELECOMMUNICATION SERVICES—0.6%		
Verizon Wireless Capital LLC, 7.38%, 11/15/13 ^{L2(a)}	600,000	671,737
INTERNET RETAIL—0.5%		
Expedia Inc., 7.46%, 8/15/18 ^{L2}	675,000	644,625
INVESTMENT BANKING & BROKERAGE—2.3%		
Goldman Sachs Group Inc., /The, 3.25%, 6/15/12 ^{L2}	600,000	621,374
Goldman Sachs Group Inc., /The, 7.50%, 2/15/19 ^{L2}	600,000	643,572
Jefferies Group Inc., 8.50%, 7/15/19 ^{L2}	750,000	745,215
Morgan Stanley, 2.90%, 12/1/10 ^{L2}	600,000	617,064
		2,627,225
LIFE & HEALTH INSURANCE—0.8%		
Lincoln National Corp., 8.75%, 7/1/19 ^{L2}	350,000	353,547

THE ALGER AMERICAN FUND | ALGER AMERICAN BALANCED PORTFOLIO
Schedule of Investments† (Continued) (Unaudited) June 30, 2009

CORPORATE BONDS—(CONT.)	PRINCIPAL AMOUNT	VALUE
LIFE & HEALTH INSURANCE—(CONT.)		
MetLife Inc., 6.75%, 6/1/16 ^{L2}	\$ 325,000	\$ 331,321
Prudential Financial Inc., 7.38%, 6/15/19 ^{L2}	300,000	295,060
		979,928
MANAGED HEALTH CARE—0.4%		
Cigna Corp., 5.38%, 3/15/17 ^{L2}	500,000	428,140
MOVIES & ENTERTAINMENT—0.1%		
Time Warner Cable Inc., 8.25%, 2/14/14 ^{L2}	125,000	140,247
MULTI-UTILITIES—0.6%		
CenterPoint Energy Transition Bond Co., LLC, 4.97%, 8/1/14 ^{L2}	640,879	670,070
OFFICE ELECTRONICS—0.2%		
Xerox Corp., 8.25%, 5/15/14 ^{L2}	250,000	260,224
OIL & GAS DRILLING—0.5%		
Pride International Inc., 8.50%, 6/15/19 ^{L2}	625,000	620,313
OIL & GAS EQUIPMENT & SERVICES—0.3%		
Weatherford International Ltd., 9.63%, 3/1/19 ^{L2}	350,000	412,416
OIL & GAS EXPLORATION & PRODUCTION—0.8%		
Devon Energy Corp., 6.30%, 1/15/19 ^{L2}	350,000	374,690
PetroHawk Energy Corp., 7.88%, 6/1/15 ^{L2}	150,000	139,500
Williams Cos Inc., /The, 8.75%, 1/15/20 ^{L2} (a)	350,000	365,504
		879,694
OIL & GAS STORAGE & TRANSPORTATION—0.5%		
Inergy LP/Inergy Finance Corp., 8.25%, 3/1/16 ^{L2}	653,000	625,248
OTHER DIVERSIFIED FINANCIAL SERVICES—1.9%		
Citigroup Inc., 8.50%, 5/22/19 ^{L2}	600,000	611,356
JPMorgan Chase & Co., 7.90%, 12/30/49 ^{L2}	1,000,000	877,530
Nissan Auto Receivables Owner Trust, 3.20%, 2/15/13 ^{L2}	650,000	658,840
		2,147,726
PACKAGED FOODS & MEATS—0.4%		
General Mills Inc., 5.65%, 2/15/19 ^{L2}	300,000	314,131
Kraft Foods Inc., 6.75%, 2/19/14 ^{L2}	125,000	137,233
		451,364
PHARMACEUTICALS—1.0%		
Astrazeneca PLC, 5.40%, 6/1/14 ^{L2}	600,000	650,001
Roche Holdings Inc., 5.00%, 3/1/14 ^{L2} (a)	600,000	628,193
		1,278,194
PROPERTY & CASUALTY INSURANCE—1.0%		
Liberty Mutual Group Inc., 7.80%, 3/15/37 ^{L2} (a)	1,350,000	757,372
XL Capital Ltd., 6.25%, 5/15/27 ^{L2}	650,000	462,799
		1,220,171
RAILROADS—0.3%		
Norfolk Southern Corp., 5.75%, 4/1/18 ^{L2}	375,000	384,077
RETAIL REITS—0.3%		
Simon Property Group LP, 6.75%, 5/15/14 ^{L2}	340,000	341,983
SEMICONDUCTORS—0.3%		
Analog Devices, 5.00%, 7/1/14 ^{L2}	350,000	350,981
SOFT DRINKS—0.6%		
Coco-Cola Co.,/The, 4.88%, 3/15/19 ^{L2}	700,000	720,661
SYSTEMS SOFTWARE—0.5%		
Oracle Corp., 3.75%, 7/8/14 ^{L2}	650,000	650,293
WIRELESS TELECOMMUNICATION SERVICES—1.0%		
American Tower Trust, 5.96%, 4/15/37 ^{L2} (a)	1,500,000	1,282,675
TOTAL CORPORATE BONDS (Cost \$29,993,657)		30,233,183

THE ALGER AMERICAN FUND | ALGER AMERICAN BALANCED PORTFOLIO
Schedule of Investments† (Continued) (Unaudited) June 30, 2009

	PRINCIPAL AMOUNT	VALUE
CONVERTIBLE CORPORATE BONDS—1.7%		
GOLD—0.6%		
Anglogold Holdings Ltd., 3.50%, 5/22/14 ^{L2(a)}	\$ 650,000	\$ 673,107
HEALTH CARE FACILITIES—0.5%		
LifePoint Hospitals Inc., 3.50%, 5/15/14 ^{L2}	675,000	545,063
MULTI-UTILITIES—0.4%		
CMS Energy Corp., 5.50%, 6/15/29 ^{L2}	500,000	522,500
OIL & GAS DRILLING—0.2%		
Transocean Inc., 1.50%, 12/15/37 ^{L2}	300,000	265,875
TOTAL CONVERTIBLE CORPORATE BONDS (Cost \$2,004,687)		2,006,545
U.S. GOVERNMENT & AGENCY OBLIGATIONS—17.7% (b)		
Fannie Mae Pool, 5.00%, 4/01/18 ^{L2}	760,226	792,252
Fannie Mae REMICS, 5.50%, 10/25/20 ^{L2} 6.00%, 4/25/35 ^{L2}	1,350,000 1,800,000	1,406,048 1,886,596
Federal Home Loan Banks, 5.38%, 6/08/12 ^{L2}	200,000	219,892
Federal National Mortgage Association, 5.00%, 2/13/17 ^{L2}	1,400,000	1,529,991
Freddie Mac REMICS, 5.50%, 7/15/10 ^{L2} 6.00%, 8/15/29 ^{L2} 5.00%, 4/15/31 ^{L2} 5.00%, 12/15/32 ^{L2} 6.00%, 3/15/36 ^{L2}	160,388 1,880,000 1,040,000 1,650,000 877,477	161,031 1,962,485 1,087,182 1,678,132 884,299
Government National Mortgage Association, 5.00%, 5/16/29 ^{L2}	964,415	987,866
SLM Corp., 5.40%, 10/25/11 ^{L2}	650,000	584,909
United States Treasury Note/Bond, 5.00%, 8/15/11 ^{L2} 1.13%, 1/15/12 ^{L2} 1.50%, 12/31/13 ^{L2} 4.25%, 11/15/14 ^{L2} 4.50%, 2/15/16 ^{L2} 4.75%, 8/15/17 ^{L2} 3.50%, 2/15/18 ^{L2} 5.25%, 11/15/28 ^{L2}	1,285,000 1,400,000 1,400,000 900,000 640,000 640,000 150,000 1,000,000	1,390,211 1,391,471 1,348,922 969,469 694,250 701,800 150,785 1,124,688
TOTAL U.S. GOVERNMENT & AGENCY OBLIGATIONS (Cost \$20,447,803)		20,952,279
SHORT-TERM INVESTMENTS—0.4%		
TIME DEPOSITS—0.4%		
Citibank London, 0.03%, 7/01/09 (Cost \$425,776)	425,776	425,776
Total Investments (Cost \$132,377,188)(c)	99.5%	117,831,128
Other Assets in Excess of Liabilities	0.5	639,214
NET ASSETS	100.0%	\$ 118,470,342

† Securities classified as Level 1 for FAS 157 disclosure purposes based on valuation inputs unless otherwise noted. See Note 4 to the Financial Statements.

* Non-income producing security.

American Depository Receipts.

- (a) Pursuant to Securities and Exchange Commission Rule 144A, these securities may be sold prior to their maturity only to qualified institutional buyers. These securities are deemed to be liquid and represent 5.3% of the net assets of the Fund.
 - (b) Securities issued by these agencies are neither guaranteed nor issued by the United States Government.
 - (c) At June 30, 2009, the net unrealized depreciation on investments, based on cost for federal income tax purposes of \$132,670,906 amounted to \$14,839,778 which consisted of aggregate gross unrealized appreciation of \$4,700,572 and aggregate gross unrealized depreciation of \$19,540,350.
- L2 Security classified as Level 2 for FAS 157 disclosure purposes based on valuation inputs. See Note 4 to the Financial Statements.

See Notes to Financial Statements.

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THE ALGER AMERICAN FUND
Alger American Balanced Portfolio
Statement of Assets and Liabilities (Unaudited) June 30, 2009

ASSETS:	
Investments in securities, at value (Identified cost)* see accompanying schedule of investments	\$ 117,831,128
Receivable for investment securities sold	2,520,524
Receivable for shares of beneficial interest sold	22,166
Dividends and interest receivable	622,315
Prepaid Expenses	10,385
Total Assets	121,006,518
LIABILITIES:	
Payable for investment securities purchased	2,276,520
Payable for foreign currency contracts	7
Payable for shares of beneficial interest redeemed	132,871
Accrued investment advisory fees	70,163
Accrued transfer agent fees	5,540
Accrued distribution fees	55
Accrued administrative fees	2,880
Accrued other expenses	48,142
Total Liabilities	2,536,176
NET ASSETS	\$ 118,470,342
Net Assets Consist of:	
Paid in capital	163,036,159
Undistributed net investment income	1,546,455
Undistributed net realized gain (accumulated loss)	(31,566,248)
Net unrealized depreciation on investments	(14,546,023)
NET ASSETS	\$ 118,470,342
Class O — Net Asset Value Per Share	\$9.24
Class S — Net Asset Value Per Share	\$10.08
SHARES OF BENEFICIAL INTEREST OUTSTANDING— NOTE 7	
Class O	12,801,658
Class S	24,415
*Identified Cost	\$ 132,377,188

THE ALGER AMERICAN FUND
Alger American Balanced Portfolio
Statement of Operations (Unaudited)
For the six months ended June 30, 2009

INCOME:		
Dividends (net of foreign withholding taxes*)	\$	568,693
Interest (net of foreign withholding taxes*)		1,490,929
Other		45
Total Income		2,059,667
EXPENSES		
Advisory fees—Note 3(a)		403,224
Distribution fees—Note 3(b):		
Class S		267
Administrative fees—Note 3(a)		15,618
Custodian fees		11,721
Transfer agent fees and expenses—Note 3(e)		19,860
Prepaid expenses		15,636
Printing fees		13,290
Professional fees		20,618
Registration fees		992
Trustee fees—Note 3(f)		6,447
Miscellaneous		10,959
Total Expenses		518,631
Less, expense reimbursements Note 3(a)		(22,717)
Net Expenses		495,915
NET INVESTMENT INCOME		1,563,753
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS, OPTIONS AND FOREIGN CURRENCY TRANSACTIONS:		
Net realized loss on investments		(14,487,994)
Net realized loss on foreign currency transactions		(561)
Net change in unrealized appreciation (depreciation) on investments and foreign currency translations		24,288,639
Net realized and unrealized gain on investments, options and foreign currency		9,800,084
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$	11,363,836
*Foreign withholding taxes	\$	29

THE ALGER AMERICAN FUND
Alger American Balanced Portfolio
Statements of Changes in Net Assets

	For the Six Months Ended June 30, 2009 (Unaudited)	For the Year Ended December 31, 2008
Net investment income	\$ 1,563,753	\$ 3,892,935
Net realized loss on investments, options and foreign currency transactions	(14,488,555)	(16,508,210)
Net change in unrealized appreciation (depreciation) on investments, options and foreign currency translations	24,288,639	(51,181,425)
Net increase (decrease) in net assets resulting from operations	11,363,836	(63,796,700)
Dividends and distributions to shareholders from:		
Net investment income		
Class O	(3,885,030)	(4,659,958)
Class S	(7,319)	—
Net realized gains		
Class O	—	(22,191,368)
Class S	—	(30,168)
Total dividends and distributions to shareholders	(3,892,349)	(26,881,494)
Increase (decrease) from shares of beneficial interest transactions:		
Class O	(7,990,729)	(14,784,128)
Class S	32,137	(32,877)
Net decrease from shares of beneficial interest transactions—Note 7	(7,958,592)	(14,817,005)
Total decrease	(487,105)	(105,495,199)
Net Assets:		
Beginning of period	118,957,447	224,646
END OF PERIOD	\$ 118,470,342	\$ 118,957,447
Undistributed net investment income	\$ 1,546,455	\$ 3,875,051

THE ALGER AMERICAN FUND
Alger American Balanced Portfolio
Financial Highlights for a share outstanding throughout the period

ALGER AMERICAN BALANCED PORTFOLIO

Class O						
	Six months ended 6/30/2009(i)	Year ended 12/31/2008	Year ended 12/31/2007	Year ended 12/31/2006	Year ended 12/31/2005	Year ended 12/31/2004
INCOME FROM INVESTMENT OPERATIONS						
Net asset value, beginning of period	\$ 8.64	\$ 14.61	\$ 14.11	\$ 14.44	\$ 13.55	\$ 13.16
Net investment income(ii)	0.12	0.26	0.26	0.24	0.20	0.19
Net realized and unrealized gain (loss) on investments	0.79	(4.35)	1.41	0.39	0.92	0.40
Total from investment operations	0.91	(4.09)	1.67	0.63	1.12	0.59
Dividends from net investment income	(0.31)	(0.33)	(0.31)	(0.22)	(0.23)	(0.20)
Distributions from net realized gains	—	(1.55)	(0.86)	(0.74)	—	—
Net asset value, end of period	\$ 9.24	\$ 8.64	\$ 14.61	\$ 14.11	\$ 14.44	\$ 13.55
Total return	10.68%	(31.76)%	12.37%	4.72%	8.42%	4.57%
RATIOS/SUPPLEMENTAL DATA:						
Net assets, end of period (000's omitted)	\$ 118,224	\$ 118,759	\$ 224,090	\$ 254,579	\$ 292,412	\$ 309,744
Ratio of gross expenses to average net assets	0.91%	0.85%	0.84%	0.86%	0.81%	0.87%
Ratio of expense reimbursements to average net assets	(0.04)%	(0.04)%	(0.04)%	0.00%	0.00%	0.00%
Ratio of net expenses to average net assets	0.87%	0.81%	0.80%	0.86%	0.81%	0.87%
Ratio of net investment income to average net assets	2.76%	2.19%	1.79%	1.71%	1.29%	1.41%
Portfolio turnover rate	67.08%	76.32%	103.77%	288.73%	218.77%	177.66%

Class S						
	Six months ended 6/30/2009(i)	Year ended 12/31/2008	Year ended 12/31/2007	Year ended 12/31/2006	Year ended 12/31/2005	Year ended 12/31/2004
INCOME FROM INVESTMENT OPERATIONS						
Net asset value, beginning of period	\$ 9.43	\$ 15.46	\$ 14.30	\$ 14.61	\$ 13.71	\$ 13.34
Net investment income(ii)	0.10	0.24	0.19	0.20	0.14	0.17
Net realized and unrealized gain (loss) on investments	0.85	(4.72)	1.83	0.40	0.96	0.39
Total from investment operations	0.95	(4.48)	2.02	0.60	1.10	0.56
Dividends from net investment income	(0.30)	—	—	(0.17)	(0.20)	(0.19)
Distributions from net realized gains	—	(1.55)	(0.86)	(0.74)	—	—
Net asset value, end of period	\$ 10.08	\$ 9.43	\$ 15.46	\$ 14.30	\$ 14.61	\$ 13.71
Total return	10.24%	(31.90)%	14.49%	4.46%	8.15%	4.27%
RATIOS/SUPPLEMENTAL DATA:						
Net assets, end of period (000's omitted)	\$ 246	\$ 198	\$ 363	\$ 31,528	\$ 43,583	\$ 44,435
Ratio of gross expenses to average net assets	1.48%	1.10%	1.12%	1.11%	1.06%	1.12%
Ratio of expense reimbursements to average net assets	(0.04)%	(0.04)%	(0.04)%	0.00%	0.00%	0.00%
Ratio of net expenses to average net assets	1.44%	1.06%	1.08%	1.11%	1.06%	1.12%
Ratio of net investment income to average net assets	2.19%	1.96%	1.48%	1.43%	1.05%	1.20%
Portfolio turnover rate	67.08%	76.32%	103.77%	288.73%	218.77%	177.66%

⁽ⁱ⁾ Unaudited. Ratios have been annualized; total return and portfolio turnover rate have not been annualized.

⁽ⁱⁱ⁾ Amount was computed based on average shares outstanding during the period.

NOTE 1 — General:

The Alger American Fund (the “Fund”) is a diversified, open-end registered investment company organized as a business trust under the laws of the Commonwealth of Massachusetts. The Fund operates as a series company currently issuing seven series of shares of beneficial interest: the American Capital Appreciation Portfolio, American LargeCap Growth Portfolio, American MidCap Growth Portfolio, American SMidCap Growth Portfolio, American SmallCap Growth Portfolio, American Income and Growth Portfolio, American Balanced Portfolio. These Financial Statements include only The Alger American Balanced Portfolio (the “Portfolio”). The Portfolio’s investment objectives are current income and long-term capital appreciation which it seeks to achieve through investing in equity and fixed income securities. Shares of the Portfolio are available and are being marketed exclusively as a pooled funding vehicle for qualified retirement plans and for life insurance companies writing all types of variable annuity contracts and variable life insurance policies.

The Portfolio offers Class O and Class S shares. Each class has identical rights to assets and earnings except that only Class S shares have a plan of distribution and bear the related expenses.

NOTE 2 — Significant Accounting Policies:

(a) *Investment Valuation:* Investments of the Portfolio are generally valued on each day the New York Stock Exchange (the “NYSE”) is open as of the close of the NYSE (normally 4:00 p.m. Eastern time). Securities for which such information is readily available are valued at the last reported sales price or official closing price as reported by an independent pricing service on the primary market or exchange on which they are traded. In the absence of reported sales, securities are valued at a price within the bid and asked price or, in the absence of a recent bid or asked price, the equivalent as obtained from one or more of the major market makers for the securities to be valued.

Securities for which market quotations are not readily available or for which the market quotations do not, in the opinion of the investment advisor, reflect the securities true values are valued at fair value, as determined in good faith pursuant to procedures established by the Board of Trustees.

Securities in which the Portfolio invests may be traded in markets that close before the close of the NYSE. Developments that occur between the close of the foreign markets and the close of the NYSE (normally 4:00 p.m. Eastern time) may result in adjustments to closing prices to reflect what the investment advisor, pursuant to policies established by the Board of Trustees, believes to be the fair value of these securities as of the close of the NYSE. The Portfolio may also fair value securities in other situations, for example, when a particular foreign market is closed but the Portfolio is open. Various factors may be reviewed in order to make a good faith determination of a security’s fair value. These factors may include, but are not limited to, the type and cost of the security; contractual or legal restrictions on resale of the security; relevant financial or business developments of the issuer; actively traded similar or related securities; conversion or exchange rights on the security; related corporate actions; and changes in overall market conditions.

Securities having a remaining maturity of sixty days or less are valued at amortized cost which approximates market value.

DESCRIPTION	TOTAL FUND	LEVEL 1	LEVEL 2	LEVEL 3
Alger American Balanced Portfolio				
Investments in securities	\$ 117,831,128	\$ 64,639,121	\$ 53,192,007	\$ —
Total	\$ 117,831,128	\$ 64,639,121	\$ 53,192,007	\$ —

(b) *Security Transactions and Investment Income:* Security transactions are recorded on a trade date basis. Resulting receivables and payables are carried at amounts which approximate fair value. Realized gains and losses from security transactions are recorded on the identified cost basis. Dividend income is recognized on the ex-dividend date and interest income is recognized on the accrual basis. Premiums and discounts on debt securities purchased are amortized or accreted over the lives of the respective securities.

(c) *Foreign Currency Transactions:* The books and records of the Portfolio are maintained in U.S. dollars. Foreign currencies, investments and other assets and liabilities are translated into U.S. dollars at the prevailing rates of exchange on the valuation date. Purchases and sales of investment securities and income and expenses are translated into U.S. dollars at the prevailing exchange rates on the respective dates of such transactions.

Net realized gains and losses on foreign currency transactions represent net gains and losses from the disposition of foreign currencies, currency gains and losses realized between the trade dates and settlement dates of security transactions, and the difference between the amount of net investment income accrued and the U.S. dollar amount actually received. The effects of changes in foreign currency exchange rates on investments in securities are included in realized and unrealized gain or loss on investments in the Statement of Operations.

(d) *Option Contracts:* When a Portfolio writes an option, an amount equal to the premium received by the Portfolio is recorded as a liability and is subsequently adjusted to the current fair value of the option written. Premiums received from writing options that

expire unexercised are treated by the Portfolio on the expiration date as realized gains from investments. The difference between the premium and the amount paid on effecting a closing purchase transaction, including brokerage commissions, is also treated as a realized gain, or, if the premium is less than the amount paid for the closing purchase transaction, as a realized loss. If a written call option is exercised, the premium is added to the proceeds from the sale of the underlying security in determining whether the Portfolio has realized a gain or loss. If a written put option is exercised, the premium reduces the cost basis of the securities purchased by the Portfolio. The Portfolio as writer of an option bears the market risk of an unfavorable change in the price of the security underlying the written option. There were no options written for the six months ended June 30, 2009.

The Portfolio may also purchase put and call options. Purchasing call and put options tends to decrease the Portfolio's exposure to the underlying instrument. The Portfolio pays a premium which is included in the Portfolio's Statement of Assets and Liabilities as an investment and subsequently marked to market to reflect the current value of the option. Premiums paid for purchasing options which expire are treated as realized losses. The risk associated with purchasing put and call options is limited to the premium paid. Premiums paid for purchasing options which are exercised or closed are added to the amounts paid or offset against the proceeds on the underlying security to determine the realized gain or loss.

(e) Lending of Portfolio Securities: The Portfolio may lend its securities to financial institutions, provided that the market value of the securities loaned will not at any time exceed one third of the Portfolio's total assets. The Portfolio earns fees on the securities loaned. In order to protect against the risk of failure by the borrower to return the securities loaned or any delay in the delivery of such securities, the loan is collateralized by cash, letters of credit or U.S. Government securities that are maintained in an amount equal to at least 100 percent of the current market value of the loaned securities. The market value of the loaned securities is determined at the close of business of the Portfolio and any required additional collateral is delivered to the Portfolio on the next business day. There were no securities on loan during the six months ended June 30, 2009.

(f) Dividends to Shareholders: Dividends payable to shareholders are recorded by the Portfolio on the ex-dividend date.

Dividends from net investment income are declared and paid annually. Dividends from net realized gains, offset by any loss carryforward, are declared and paid annually after the end of the fiscal year in which earned. Each class is treated separately in determining the amounts of dividends of net investment income and capital gains payable to holders of its shares.

The characterization of distributions to shareholders for financial reporting purposes is determined in accordance with federal income tax rules. Therefore, the source of the Portfolio's distributions may be shown in the accompanying financial statements as either from, or in excess of, net investment income or net realized gain on investment transactions, or return of capital, depending on the type of book/tax differences that may exist.

Capital accounts within the financial statements are adjusted for permanent book/tax differences. Reclassifications result primarily from the difference in tax treatment of net operating losses, premium/discount of debt securities, realized gain loss from foreign currency transactions, and realized gains from redemptions in kind, if any. The reclassifications had no impact on the net asset values of the Portfolio and are designed to present the Portfolio's capital accounts on a tax basis.

(g) Federal Income Taxes: It is the Portfolio's policy to comply with the requirements of the Internal Revenue Code Subchapter M applicable to regulated investment companies and to distribute all of the taxable income, including net realized capital gains, of the Portfolio to its respective shareholders. Therefore, no federal income tax provision is required. The Portfolio is treated as a separate entity for the purpose of determining such compliance.

The Fund has adopted Financial Accounting Standards Board Interpretation No. 48 "Accounting for Uncertainty in Income Taxes" ("FIN 48"). FIN 48 requires the Portfolio to measure and recognize in their financial statements the benefit of a tax position taken (or expected to be taken) on an income tax return if such position will more likely than not be sustained upon examination based on the technical merits of the position. The Portfolio files income tax returns in the US Federal jurisdiction, as well as the New York State and New York City jurisdictions. Based upon their review of tax positions for the Portfolio's open tax years of 2005-2008 in these jurisdictions, the Portfolio has determined that FIN 48 did not have a material impact on the Portfolio's financial statements for the six months ended June 30, 2009.

(b) Allocation Methods: The Fund accounts separately for the assets, liabilities and operations of each Portfolio. Expenses directly attributable to each Portfolio are charged to that Portfolio's operations; expenses which are applicable to all Portfolios are allocated among them based on net assets. Income, realized and unrealized gains and losses, and expenses of each Portfolio are allocated among the Portfolio's classes based on relative net assets, with the exception of distribution fees, which are only applicable to Class S shares.

(i) Estimate: These financial statements have been prepared in accordance with U.S. generally accepted accounting principles, which require using estimates and assumptions that affect the reported amounts therein. Actual results may differ from those estimates. These unaudited interim financial statements reflect all adjustments which are, in the opinion of management, necessary to a fair statement of results for the interim period presented. All such adjustments are of a normal recurring nature.

NOTE 3 — Investment Advisory Fees and Other Transactions with Affiliates:

(a) *Investment Advisory and Administration Fees:* Fees incurred by the Portfolio, pursuant to the provisions of the Fund’s Investment Advisory Agreement and Administration Agreement with Fred Alger Management, Inc. (“Alger Management”), are payable monthly and computed based on the average daily net assets of the Portfolio at the following annual rates:

	Advisory Fee	Administration Fee
American Balanced Portfolio	.710%	.0275%

As part of the settlement with the New York State Attorney General (see Note 8—Litigation) Alger Management has agreed to reduce its advisory fee to 0.67% for the Portfolio for the period from December 1, 2006 through November 30, 2011.

(b) *Distribution Fees:* Class S shares—The Fund has adopted a Distribution Plan pursuant to which Class S shares of each Portfolio pay Fred Alger & Company, Incorporated, the Fund’s distributor (the “Distributor”), a fee at the annual rate of .25% of the respective average daily net assets of the Class S shares of the designated Portfolio to compensate the Distributor for its activities and expenses incurred in distributing the Class S shares. The fees paid may be more or less than the expenses incurred by the Distributor.

(c) *Brokerage Commissions:* During the six months ended June 30, 2009, the Portfolio paid the Distributor \$34,621, in connection with securities transactions.

(d) *Shareholder Administrative Fees:* The Fund has entered into a shareholder administrative service agreement with Alger Management to compensate Alger Management on a per account basis for its liaison and administrative oversight of Boston Financial Data Services, Inc., the transfer agent for the Fund (“BFDS”) and other related services. During the six months ended June 30, 2009, the Portfolio incurred fees of \$39, for these services provided by Alger Management which are included in transfer agent fees and expenses in the Statement of Operations.

(e) *Other:* Certain trustees and officers of the Fund are directors and officers of Alger Management and the Distributor. Each Portfolio pays each Trustee who is not affiliated with the Advisor or its affiliates \$500 for each meeting attended, to a maximum of \$2,000 per annum. The Chairman of the Board of Trustees receives an additional annual fee of \$10,000 which is paid, pro rata, by all portfolios managed by Alger Management. Additionally, each member of the audit committee receives an additional \$50 from each Portfolio for each audit committee meeting attended, to a maximum of \$200 per annum.

NOTE 4 — Fair Value Measurements:

The Fund has adopted Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, Fair Value Measurements (“FAS 157”). In accordance with FAS 157, fair value is defined as the price that the fund would receive upon selling an investment in a timely transaction to an independent buyer in the principal or most advantageous market of the investment. FAS 157 established a three-tier hierarchy to maximize the use of observable market data and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability and may be observable or unobservable. Observable inputs are based on market data obtained from sources independent of the fund. Unobservable inputs are inputs that reflect the Fund’s own assumptions based on the best information available in the circumstances. The three-tier hierarchy of inputs is summarized in the three broad Levels listed below.

- Level 1 – quoted prices in active markets for identical investments
- Level 2 – significant other observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the Fund’s own assumptions in determining the fair value of investments)

The Portfolio’s valuation techniques are consistent with the market approach whereby prices and other relevant information generated by market transactions involving identical or comparable assets are used to measure fair value. Inputs for Level 1 include exchange listed prices and broker quotes in an active market. Inputs for Level 2 include the last trade price in the case of a halted security, a broker quote in an inactive market, an exchange listed price which has been adjusted for fair value factors, and prices of closely related securities. Additional Level 2 inputs include an evaluated price which is based upon on a compilation of observable market information such as spreads for fixed income and preferred securities. Inputs for Level 3 include derived prices from unobservable market information which can include cash flows and other information obtained from a company’s financial statements, or from market indicators such as benchmarks and indices.

The major categories of securities and their respective fair value inputs are detailed in the Portfolio's Schedule of Investments. The following is a summary of the inputs used as of June 30, 2009 in valuing the Portfolios' investments carried at fair value:

DESCRIPTION	TOTAL FUND	LEVEL 1	LEVEL 2	LEVEL 3
Alger American Balanced Portfolio				
Investments in securities	\$ 117,831,128	\$ 64,639,121	\$ 53,192,007	\$ —
Total	\$ 117,831,128	\$ 64,639,121	\$ 53,192,007	\$ —

NOTE 5 — Securities Transactions:

Purchases and sales of securities, other than short-term securities, for the six months ended June 30, 2009, were as follows:

	PURCHASES	SALES
American Balanced Portfolio	\$74,466,024	\$81,060,574

NOTE 6 — Borrowing:

The Portfolio may borrow from its custodian on an uncommitted basis. For the six months ended June 30, 2009, the Portfolio had the following borrowings:

	AVERAGE BORROWING	WEIGHTED AVERAGE INTEREST RATE
American Balanced Portfolio	\$ 19,006	3.52%

NOTE 7 — Share Capital:

The Fund has an unlimited number of authorized shares of beneficial interest of \$.001 par value which are divided into seven series. During the six months ended June 30, 2009, transactions of shares of beneficial interest were as follows:

	FOR THE SIX MONTHS ENDED JUNE 30, 2009		FOR THE YEAR ENDED DECEMBER 31, 2008	
	SHARES	AMOUNT	SHARES	AMOUNT
ALGER AMERICAN BALANCED PORTFOLIO				
Class O:				
Shares sold	385,289	\$ 3,355,480	719,749	\$ 8,700,463
Dividends reinvested	438,986	3,885,030	2,204,542	26,851,326
Shares redeemed	(1,764,070)	(15,231,239)	(4,521,385)	(50,335,917)
Net decrease	(939,795)	\$ (7,990,729)	(1,597,094)	\$ (14,784,128)
Class S:				
Shares sold	4,947	\$ 46,643	5,905	\$ 86,175
Dividends reinvested	759	7,319	2,268	30,168
Shares redeemed	(2,375)	(21,825)	(10,551)	(149,220)
Net increase (decrease)	3,331	\$ 32,137	(2,378)	\$ (32,877)

NOTE 8 — Tax Character of Distributions to Shareholders:

The tax character of distributions paid during the six months ended June 30, 2009 and the year ended December 31, 2008 was as follows:

	SIX MONTHS ENDED June 30, 2009	YEAR ENDED December 31, 2008
American Balanced Portfolio		
Distributions paid from:		
Ordinary Income	\$ 3,892,349	\$ 24,371,251
Long-term capital gain	—	2,510,243
Total distributions paid	\$ 3,892,349	\$ 26,881,494

As of December 31, 2008, the components of distributable earnings on a tax basis were as follows:

AMERICAN BALANCED PORTFOLIO

Undistributed ordinary income	\$	3,921,626
Undistributed long-term gain		-
Unrealized appreciation (depreciation)	\$	(39,128,380)

The difference between book-basis and tax-basis unrealized appreciation (depreciation) is determined annually and is attributable primarily to the tax deferral of losses on wash sales and straddles, the tax treatment of premium/discount on debt securities, realization of unrealized appreciation of Passive Foreign Investment Companies and return of capital from Real Estate Investment Trust investments.

At December 31, 2008, the Portfolio, for federal income tax purposes, had a capital loss carryforward of \$5,023,751 which expires in 2016. This amount may be applied against future net realized gains until the earlier of its utilization or expiration.

NOTE 9 — Litigation:

The Manager has responded to inquiries, document requests and/or subpoenas from various regulatory authorities in connection with their investigations of practices in the mutual fund industry identified as "market timing" and "late trading." On October 11, 2006, the Manager, the Distributor and Alger Shareholder Services, Inc. executed an Assurance of Discontinuance with the Office of the New York State Attorney General ("NYAG"). On January 18, 2007, the Securities and Exchange Commission (the "SEC") approved a settlement with the Manager and the Distributor. As part of the settlements with the NYAG and the SEC, without admitting or denying liability, the firms consented to the payment of \$30 million to reimburse fund shareholders; a fine of \$10 million; and certain other remedial measures including a reduction in management fees of \$1 million per year for five years. The \$40 million was paid into an SEC Fair Fund for distribution to investors.

On August 31, 2005, the West Virginia Securities Commissioner (the "WVSC"), in an ex parte Summary Order to Cease and Desist and Notice of Right to Hearing, concluded that the Manager and the Distributor had violated the West Virginia Uniform Securities Act (the "WVUSA"), and ordered the Manager and the Distributor to cease and desist from further violations of the WVUSA by engaging in the market-timing-related conduct described in the order. The ex parte order provided notice of their right to a hearing with respect to the violations of law asserted by the WVSC. Other firms unaffiliated with the Manager were served with similar orders. The Manager and the Distributor intend to request a hearing for the purpose of seeking to vacate or modify the order.

In addition, in 2003 and 2004 several purported class actions and shareholder derivative suits were filed against various parties in the mutual fund industry, including the Manager, certain mutual funds managed by the Manager (the "Alger Mutual Funds"), and certain current and former Alger Mutual Fund trustees and officers, alleging wrongful conduct related to market-timing and late-trading by mutual fund shareholders. These cases were transferred to the U.S. District Court of Maryland by the Judicial Panel on Multidistrict Litigation for consolidated pre-trial proceedings under the caption number 1:04-MD-15863 (JFM). After a number of the claims were dismissed by the court, the Alger-related class and derivative suits were settled in principle, but such settlement remains subject to court approval.

NOTE 10 — Subsequent Event:

The Portfolio has evaluated events that have occurred after June 30, 2009 but before August 13, 2009, the date that these financial statements were issued. No such events have been identified which require recognition as of June 30, 2009.

Shareholder Expense Example

As a shareholder of a Portfolio, you incur two types of costs: transaction costs, if applicable; and ongoing costs, including management fees, distribution (12b-1) fees, if applicable, and other fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in a Portfolio and to compare these costs with the ongoing costs of investing in other mutual funds.

The example below is based on an investment of \$1,000 invested at the beginning of the six-month period starting January 1, 2009 and ending June 30, 2009.

Actual Expenses

The first line for each class of shares in the table below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you would have paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled "Expenses Paid During the Period" to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

The second line for each class of shares in the table below provides information about hypothetical account values and hypothetical expenses based on the Portfolio's actual expense ratios for each class of shares and an assumed rate of return of 5% per year before expenses, which is not the Portfolio's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in a Portfolio and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transaction costs or deduction of insurance charges against assets or annuities. Therefore, the second line under each class of shares in the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

		Beginning Account Value January 1, 2009	Ending Account Value June 30, 2009	Expenses Paid During the Six Months Ended June 30, 2009(a)	Ratio of Expenses to Average Net Assets For the Six Months Ended June 30, 2009(b)
ALGER AMERICAN BALANCED PORTFOLIO					
Class O	Actual	\$ 1,000.00	\$ 1,106.80	\$ 4.62	0.87%
	Hypothetical(c)	1,000.00	1,020.82	4.43	0.87
Class S	Actual	1,000.00	1,102.40	7.63	1.44
	Hypothetical(c)	1,000.00	1,017.95	7.32	1.44

(a) Expenses are equal to the annualized expense ratio of the respective share class, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period).

(b) Annualized

(c) 5% annual return before expenses.

Proxy Voting Policies

A description of the policies and procedures the Fund uses to determine how to vote proxies relating to portfolio securities and the proxy voting record is available, without charge, by calling (800) 992-3863 or online on the Fund's website at <http://www.alger.com> or on the SEC's website at <http://www.sec.gov>

Fund Holdings

The Portfolio's most recent month end portfolio holdings are available approximately sixty days after month end on the Fund's website at www.alger.com. The Portfolio also file their complete schedule of portfolio holdings with the SEC for the first and third quarter of each fiscal year on Form N-Q. Forms N-Q are available online on the SEC's website at www.sec.gov or may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information regarding the operation of the SEC's Public Reference Room may be obtained by calling 1-800-SEC-0330. A copy of the most recent quarterly holdings may also be obtained from the Fund by calling (800) 992-3863.

Change in Independent Registered Public Accounting Firm

On May 12, 2009, Deloitte & Touche LLP was selected as each Portfolio's independent registered public accounting firm for the 2009 fiscal year. The Audit Committee of the Board of Trustees, along with a majority of each Portfolio's Board of Trustees, including a majority of the Independent Directors, approved the appointment of Deloitte & Touche LLP. The predecessor independent registered public accounting firm's report on the Portfolio's financial statements for the year ended December 31, 2008 and the year ended December 31, 2007 contained no adverse opinion or disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope or accounting principles. During such fiscal periods and through May 12, 2009, the day the predecessor independent registered public accounting firm resigned, there were no disagreements between the Portfolios and the predecessor independent registered public accounting firm on any matter of accounting principles or practices, financial statement disclosure, or audit scope or procedures, which such disagreements, if not resolved to the satisfaction of the predecessor independent registered public accounting firm, would have caused them to make reference to the subject matter of the disagreement in connection with their reports on the financial statements for such fiscal periods.

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Distributor

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Transfer Agent and Dividend Disbursing Agent

Boston Financial Data Services, Inc.
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Boston, MA 02266

This report is submitted for the general information of the shareholders of The Alger American Fund. It is not authorized for distribution to prospective investors unless accompanied by an effective Prospectus for the Trust, which contains information concerning the Trust's investment policies, fees and expenses as well as other pertinent information.

ALGER

Alger American Capital Appreciation Portfolio

THE ALGER AMERICAN FUND

A pooled funding vehicle for:

- variable annuity contracts
- variable life insurance policies
- qualified pension plans
- qualified retirement plans

SEMI-ANNUAL REPORT

June 30, 2009

(Unaudited)

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THE ALGER AMERICAN FUND

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Go Paperless With Alger Electronic Delivery Service

Alger is pleased to provide you with the ability to access regulatory materials online. When documents such as prospectuses and annual and semi-annual reports are available, we'll send you an e-mail notification with a convenient link that will take you directly to the fund information on our website. To sign up for this free service, simply enroll at www.icsdelivery.com/alger

We can look at the last six months as the melting away of an illusion; as a time when reality has come painfully back into play. Many philosophers built vast realms of study on the idea that misguided reason can twist reality into something that perhaps suits us in the moment but ultimately only serves to keep us in an illusory state—and, in our current case, wreak havoc on our economy and our confidence.

The housing and credit crises and ensuing financial breakdown began with an illusion based on flawed ideas held by many financial lenders and insurers: the latent belief that growth in the housing market would continue unhampered on its upward trajectory. Underlying the assumption of unimpeded growth was the idea that financial derivatives could not only provide the increase in debt necessary to support the financial system but also manage the associated risk. In the mid-2000s, the illusion grew as more and more lenders extended more and more credit to “subprime” borrowers who, if their circumstances declined, were less and less likely to be able to pay the loans back. Although the practice was based on a belief that growth would continue, experience has shown again and again that the upward trend of growth over time is much more jagged than we like to recall.

When the illusion disintegrated, not only did the borrowers suffer from foreclosures, but the resulting housing crisis created a massive ripple effect that crippled the U.S.’s major financial firms. Along with the weakening of the financial sector, so went credit availability, consumer spending, jobs, and, ultimately, consumer confidence. By the fourth quarter of 2008, the scale of the crisis had ceased to be solely “subprime”—it had gone global. Through the first quarter and into the second of 2009, the volatility continued with the Dow Jones Industrial Averageⁱ climbing as high as 9,034 points and falling as low as 6,547 points.

Toward the end of the first quarter and into the second quarter of this calendar year, economic indicators were struggling to recover, but did much better in the latter half of the second quarter. Retail sales fell 1.3% in March and a further 0.4% in April—a larger dip than expected – but increased 0.6% in June. The Consumer Price Index declined 0.7% on an annual basis in April, only the second year-over-year decline in nearly 54 years following March’s 0.4% dropⁱⁱ but rose 0.7% in June up from a 0.1% increase in May. Industrial production decreased 1.2% in May after having fallen 0.5% in April and 1.7% in Marchⁱⁱⁱ but improved in June falling 0.4%. And GDP for the first quarter of 2009 decreased 6.1% compared to the fourth quarter of 2008, which experienced a decline of 6.3%.

Europe did not fare much better. European GDP fell 2.5% in the first quarter of 2009 versus the last quarter of 2008, which experienced a decline of 1.5%—the figures were for both the 16-country euro currency zone and the broader 27-country European Union bloc^{iv}. China is anticipated to fare less poorly, and although its export growth is expected to slow, the country is taking measures to focus on innovation rather than outright cost-efficiency.

Emerging from the Darkness

Plato famously dealt with illusion in what came to be called Plato’s Cave. He described people in a cave whose notion of reality was entirely comprised of shadows projected on a wall. Similarly, one could say that we were in such a cave, deceived by the shadows of easy credit, with no real idea of the hows or whys of what we were seeing.

Now, however, we are beginning to see clearly where things unraveled. Actions are being taken by the Obama administration as well as the housing, financial, and automotive industries to stave off a repetition of the disaster; whether or not those actions will succeed remains to be seen.

What we do know is that, as of the date of this writing, some light has begun to shine in growth investing. In the first quarter, growth funds beat their value rivals by the largest margin in nine years, with the Russell 3000 Growth Index^v returning -4.54% while the Russell 3000 Value Index returned -16.77%^{vi}. As of June 30th, mid-cap growth funds were up 12.32%, small-cap growth funds were up 10.58%, and large-cap growth funds were up 10.48%, according to investment researcher Morningstar Inc.^{vii}—a sign that investors are beginning to shed their aversion to risk and test the market.

Then and Now

Much has been made of the similarities between the current downturn and the Great Depression. During the “Roaring Twenties,” people were busy buying automobiles and appliances on credit and eagerly speculating in the stock market, feeding the illusion that the good times would continue to roll.

Then, like now, thought—in terms of easy credit and unimpeded growth—was divorced from reality. Back then, however, government policy either declined to intervene or, worse, intervened in ways that exacerbated rather than alleviated the financial crisis, thus allowing the devastation to spread across the U.S. economy. Things today move much more quickly. The current economy has turned downward faster in a shorter period of time than in any prior period, including the Depression. Fortunately, our government has responded with alacrity and, in a broad sense, moved in the right direction both by injecting massive amounts of liquidity into the financial system and by proactively assuring consumers of the safety of their savings and deposit accounts. As a result, we are likely to emerge faster from this crisis, and certainly much faster than in the 1930s. Government cannot be the only driver of recovery. Today, the depth and breadth of investors in markets across the globe is much stronger than ever before, and their actions will likely speed and strengthen the shape of recovery in both equity and debt markets.

As we have noted in our Alger Market Commentaries (see www.alger.com), companies were quick to respond to the downturn in the second half of 2008 by moving rapidly to cut expenses. At the end of the first quarter of 2009, as we tracked the corporate earnings results of the companies we follow, we discovered a pattern: despite the rapidity of the economic downturn, we saw companies reporting free cash flow of both absolute strength and relative resilience. As we suspected, the continued stabilization of the U.S. economy and company fundamentals supported the market's rally from March lows.

We are already seeing signs of a bottoming in the housing market in the earliest-hit and hardest-hit areas of the U.S. where declines in foreclosures and short sales have begun to occur. Looking at Orange County, California, home prices increased 2.5% in March from February; sales jumped 27.5% in March from February and 47.4% from last year, according to the California Association of Realtors. The county had about four months of inventory as of May, a level not seen since April 2006. Inventory was at eight months a year ago and peaked at 11 months in 2007.

As a lagging indicator, the unemployment rate won't yield for a while as companies are expected to be slow to add new jobs, but the market can rebound long before the level of employment does. The unemployment rate hit 9.5% in June, the highest rate since 1982, but there are signs of hope as the monthly job loss total for June was down from the 699,000 jobs lost in March and the lowest level in eight months—since October, when the economy shed 380,000 jobs.

The Institute for Supply Management's manufacturing index, a key measure of manufacturing activity, rose for the sixth straight month in June, suggesting the sector may be stabilizing even though the indicator has been at the contraction level for 15 months in a row. And the Consumer Confidence Index, which had posted a slight increase in March, improved considerably in April and May though it had a slight retreat in June. The Index now stands at 49.3 (1985=100), down from 54.8 in May.

Apart from the Crowd

Looking forward, we are grounded in a more complete picture of reality—for the overall economy and our firm. Danish philosopher Søren Kierkegaard, too, examined illusion in a way, writing that crowds limit and stifle the unique individual. Like any economic bubble, we can, of course, now say in hindsight that the adjoining crises were a result of exactly this kind of crowd mentality. The resulting economic disaster, while painful, has we believe effectively broken up the crowd, razing the illusion and once again opening the investing field up to new and creative opportunities. There is, after all, a stunning amount of cash on the sidelines. The savings rate is up to 6.9%, meaning that there is about \$769 billion currently being held in cash. As consumer confidence repairs itself, the sidelined cash will be invested. While we believe that the economy will technically be in recession for most of 2009, negative GDP figures will gradually become less severe.

The stock market, however, is a discounting mechanism; investors look forward toward the potential range of economic, sector, and company-specific outcomes in terms of revenues, margins, profits, and growth to assess the value of equity. At Alger, our investment process includes valuation analysis that considers outcomes that are both highly pessimistic and optimistic. Most of the time, we observe stocks selling within ranges that reflect varying but ultimately balanced views between the divergent possibilities.

Occasionally, however, the crowd mentality of the market overwhelms such rational behavior and investors see something entirely different: equities of companies, even the strongest, suddenly priced to fail. We believe the S&P 500 Index^{viii} lows in March reflected such an event and, thus, we are increasingly confident that those lows will mark the bottom. Because we do not expect the economy—and, in particular, investor sentiment about economic recovery and future growth—to recover in a straight line, we think continued market volatility is likely. The inevitable sell-offs in the stock market that will accompany such uncertain economic progress will offer excellent buying opportunities for patient, long-term investors.

During the last six months, we had limited exposure to the hardest-hit areas of the financial sector, and our performance was largely a result of the market's broad and indiscriminate decline. Even in the best of times investing is a challenge; however, it is during bad times that an investment firm proves its capability to manage through crisis, focus on improving performance, and not only endure but also improve upon its strengths. Alger investment professionals have remained focused and disciplined in executing upon our consistent investment philosophy and process. Now in 2009, our 45th year in the business of investing, we have successfully passed through many shadowy times and found new opportunities amidst economic and generational change.

Kierkegaard once wrote, "The task must be made difficult, for only the difficult inspires the noble-hearted." We have perhaps encountered the most difficult task our generation will see, and our firm has come out of it more inspired than ever to deliver exceptional investment results for an exceptional group of individuals and institutions: our clients.

Portfolio Matters

Alger American Capital Appreciation Portfolio returned 18.59% for the six months ending June 30, 2009, compared to the Russell 3000 Growth Index return of 11.52%.

During the six month period, the largest sector weightings in the Alger American Capital Appreciation Portfolio were in Information Technology and Health Care. The largest sector overweight for the period was in Financials. The largest sector underweight for the period was in Industrials. Relative outperformance in the Industrials and Health Care sectors were the most important contributors to performance. The only sector that detracted from performance was Telecommunication Services.

Among the most important relative security contributors were Apple Inc., BE Aerospace Inc., Inverness Medical Innovations Inc., Weatherford International Ltd., and Expedia Inc. Conversely, securities detracting from overall results on a relative basis were Nintendo Co. Ltd. (ADS), Satyam Computer Services Ltd. (ADS), Cephalon Inc., Intel Corp., and Kraft Foods Inc.

Respectfully submitted,



Daniel C. Chung
Chief Investment Officer

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- i The Dow Jones Industrial Average is an index of common stocks comprised of major industrial companies and assumes reinvestment of dividends. It is frequently used as a general measure of stock market performance.
 - ii The Consumer Price Index (CPI) is a measure estimating the average price of consumer goods and services purchased by households released by the Labor Department.
 - iii Industrial Production Index (IPI) is an economic indicator released monthly by the Federal Reserve Board that measures the amount of output from the manufacturing, mining, electric and gas industries.
 - iv EU statistics office
 - v The Russell 3000 Growth Index is an unmanaged index designed to measure the performance of those Russell 3000 Index companies with higher price-to-book ratios and higher forecasted growth values. The Russell 3000 Index measures the performance of the 3,000 largest U.S. companies based on the total market capitalization, which represents 98% of the U.S. Equity Market.
 - vi The Russell 3000 Value Index measures the performance of the broad value segment of the U.S. equity universe. It includes those Russell 3000 companies with lower price-to-book ratios and lower forecasted growth values.
 - vii Morningstar, Inc. is a Chicago-based investment research firm that compiles and analyzes fund, stock and general market data.
 - viii Standard & Poor's 500 Index is an index of the 500 largest and most profitable companies in the United States.

Investors cannot invest directly in an index. Index performance does not reflect deductions for fees, expenses, or taxes.

This report and the financial statements contained herein are submitted for the general information of shareholders of the Fund.

This report is not authorized for distribution to prospective investors in the Fund unless proceeded or accompanied by an effective prospectus for the Fund. Fund performance returns represent the semi-annual period return of Class O shares prior to the deduction of any sales charges. **The performance information quoted represents past performance, which is not an indication or guarantee of future results.** The investment return and principal value of an investment in a portfolio will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance quoted. **For performance data current to the most recent month-end, visit us at www.alger.com, or call us at (800) 992-3863.**

The views and opinions of the Fund's management in this report are as of the date of the shareholder letter and are subject to change at any time subsequent to this date. There is no guarantee that any of the assumptions that formed the basis for the opinions stated herein are accurate or that they will materialize. Any securities mentioned should be considered in the context of the construction of an overall portfolio of securities and therefore reference to them should not be construed as a recommendation or offer to purchase or sell any such security. Inclusion of such securities in a portfolio and transactions in such securities, if any, may be for a variety of reasons, including without limitation, in response to cash flows, inclusion in a benchmark and risk control. The reference to a specific security should also be understood in such context and not viewed as a statement that the security is a significant holding in a portfolio. Please refer to the Schedule of Investments for each portfolio which is included in this report for a complete list of portfolio holdings as of June 30, 2009. Securities mentioned in the shareholder letter, if not found in the Schedule of Investments, were held by the Fund during the Fund's semi-annual period.

A Word About Risk

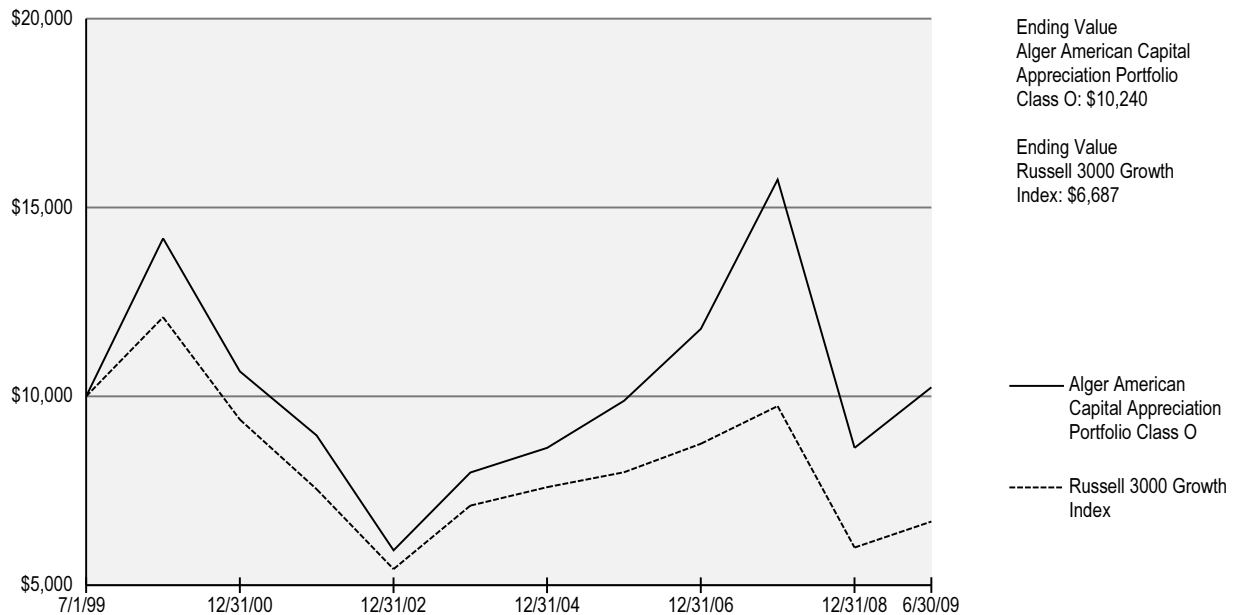
Growth stocks tend to be more volatile than other stocks as the price of growth stocks tends to be higher in relation to their companies' earnings and may be more sensitive to market, political, and economic developments. Stocks of small- and mid-sized companies are subject to greater risk than stocks of larger, more established companies owing to such factors as limited liquidity, inexperienced management, and limited financial resources. Portfolios that participate in leveraging, such as the Capital Appreciation Portfolio, are subject to the risk that borrowing money to leverage will exceed the returns for securities purchased or that the securities purchased may actually go down in value; thus, the portfolio's net asset value can decrease more quickly than if the portfolio had not borrowed. For a more detailed discussion of the risks associated with a Portfolio, please see the Portfolio's Prospectus.

Before investing, carefully consider the Portfolio's investment objective, risks, charges, and expenses. The Portfolio's prospectus contains this and other information about the Portfolio, and may be obtained by asking your financial advisor, calling us at (800) 992-3863, or visiting our website at www.alger.com, or contacting the Portfolio's distributor, Fred Alger & Company, Incorporated, 111 Fifth Avenue, New York 10003. Member NYSE Euronext, SIPC. Read the prospectus carefully before investing.

NOT FDIC INSURED. NOT BANK GUARANTEED. MAY LOSE VALUE.

HYPOTHETICAL \$10,000 INVESTMENT IN CLASS O SHARES

— 10 years ended June 30, 2009



The chart above illustrates the change in value of a hypothetical \$10,000 investment made in Alger American Capital Appreciation Class O shares and the Russell 3000 Growth Index (an unmanaged index of common stocks) for the ten years ended June 30, 2009. Figures for the Alger American Capital Appreciation Class O shares and the Russell 3000 Growth Index include reinvestment of dividends. Performance for Alger American Capital Appreciation Class S shares will vary from the results shown above due to differences in expenses that class bears.

PERFORMANCE COMPARISON AS OF 6/30/09

	AVERAGE ANNUAL TOTAL RETURNS			
	1 YEAR	5 YEARS	10 YEARS	SINCE INCEPTION
Class O (Inception 1/25/95)	(24.99)%	3.90%	0.24%	11.38%
Russell 3000 Growth Index	(24.53)%	(1.78)%	(3.94)%	5.31%
Class S (Inception 5/1/02)	(25.17)%	3.64%	n/a	3.08%
Russell 3000 Growth Index	(24.53)%	(1.78)%	n/a	(0.19)%

The performance data quoted represents past performance, which is not an indication or a guarantee of future results. Investment return and principal will fluctuate and the Portfolio's shares, when redeemed, may be worth more or less than their original cost. Current performance may be higher or lower than the performance quoted. For performance current to the most recent month end, visit us at www.alger.com or call us at (800) 992-3863.

Returns indicated assume reinvestment of all distributions, no transaction costs or taxes, and are net of management fees and fund operating expenses only. Total return does not include deductions at the portfolio or contract level for cost of insurance charges, premium load, administrative charges, mortality and expense risk charges or other charges that may be incurred under the variable annuity contract, variable life insurance plan or retirement plan for which the portfolio serves as an underlying investment vehicle. If these charges were deducted, the total return figures would be lower. Please refer to the variable insurance product or retirement plan disclosure documents for any additional applicable expenses. Investing in the stock market involves gains and losses and may not be suitable for all investors.

THE ALGER AMERICAN FUND
Alger American Capital Appreciation Portfolio
PORTFOLIO SUMMARY†
June 30, 2009 (Unaudited)

SECTORS

Consumer Discretionary	8.7%
Consumer Staples	8.3
Energy	8.5
Financials	11.5
Health Care	17.7
Industrials	9.0
Information Technology	30.7
Materials	2.8
Telecommunication Services	1.4
Utilities	1.6
Short-Term and Net Other Assets	(0.2)
	100.0%

† Based on net assets for the Portfolio.

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THE ALGER AMERICAN FUND | ALGER AMERICAN CAPITAL APPRECIATION PORTFOLIO
Schedule of Investments† (Unaudited) June 30, 2009

COMMON STOCKS—100.2%	SHARES	VALUE
AEROSPACE & DEFENSE—3.3%		
BE Aerospace Inc. *	166,500	2,390,940
General Dynamics Corp.	42,777	2,369,418
Lockheed Martin Corp.	26,400	2,129,160
		6,889,518
AIR FREIGHT & LOGISTICS—0.7%		
United Parcel Service Inc., Cl. B	27,100	1,354,729
APPAREL RETAIL—0.3%		
Gap Inc., /The	37,700	618,280
APPLICATION SOFTWARE—1.3%		
Net 1 UEPS Technologies Inc. *	2,350	31,937
Nice Systems Ltd. #*	18,200	419,874
Solera Holdings Inc. *	41,700	1,059,180
Synopsys Inc. *	59,800	1,166,698
		2,677,689
ASSET MANAGEMENT & CUSTODY BANKS—0.3%		
Invesco Ltd.	31,400	559,548
AUTOMOBILE MANUFACTURERS—0.2%		
Honda Motor Co., Ltd.	13,500	372,182
BIOTECHNOLOGY—2.5%		
Alexion Pharmaceuticals Inc. *	18,700	768,944
Celgene Corp. *	47,500	2,272,400
Cephalon Inc. *	39,500	2,237,675
		5,279,019
CASINOS & GAMING—0.6%		
International Game Technology	82,900	1,318,110
COMMUNICATIONS EQUIPMENT—4.9%		
Brocade Communications Systems Inc. *	419,900	3,283,618
Cisco Systems Inc. *	81,000	1,509,840
Qualcomm Inc.	77,900	3,521,080
Research In Motion Ltd. *	27,000	1,918,350
		10,232,888
COMPUTER & ELECTRONICS RETAIL—0.5%		
Best Buy Co., Inc.	33,600	1,125,264
COMPUTER HARDWARE—6.5%		
Apple Inc. *	54,800	7,805,163
Hewlett-Packard Co.	79,500	3,072,675
International Business Machines Corp.	27,100	2,829,782
		13,707,620
COMPUTER STORAGE & PERIPHERALS—1.2%		
EMC Corp. *	116,800	1,530,080
Seagate Technology	101,200	1,058,552
		2,588,632
CONSTRUCTION & ENGINEERING—0.7%		
Fluor Corp.	9,200	471,868
Foster Wheeler AG *	40,000	950,000
		1,421,868
CONSUMER ELECTRONICS—0.3%		
Harman International Industries Inc.	34,400	646,720
CONSUMER FINANCE—0.1%		
Capital One Financial Corp.	12,300	269,124
DATA PROCESSING & OUTSOURCED SERVICES—1.8%		
Mastercard Inc.	12,600	2,108,106
Visa Inc., Cl. A	27,000	1,681,020
		3,789,126
DISTILLERS & VINTNERS—0.3%		
Central European Distribution Corp.*	21,200	563,284
DIVERSIFIED BANKS—0.6%		
Comerica Inc.	49,400	1,044,810

THE ALGER AMERICAN FUND | ALGER AMERICAN CAPITAL APPRECIATION PORTFOLIO
Schedule of Investments† (Continued) (Unaudited) June 30, 2009

Wells Fargo & Co.	9,900	240,174
		1,284,984
DRUG RETAIL—0.9% CVS Caremark Corp.	55,800	1,778,346
EDUCATION SERVICES—0.8% ITT Educational Services Inc.*	16,900	1,701,154
ELECTRIC UTILITIES—1.0% Northeast Utilities	93,100	2,077,061
ELECTRICAL COMPONENTS & EQUIPMENT—0.2% General Cable Corp.*	9,300	349,494
FERTILIZERS & AGRICULTURAL CHEMICALS—0.6% Mosaic Co., /The	26,600	1,178,380
FOOD RETAIL—1.7% Kroger Co., /The	159,900	3,525,795
HEALTH CARE EQUIPMENT—3.7% Baxter International Inc. Covidien PLC Insulet Corp. *	100,200 52,700 63,400	5,306,592 1,973,088 488,180
		7,767,860
HEALTH CARE FACILITIES—0.4% Universal Health Services Inc., Cl. B	15,500	757,175
HEALTH CARE SERVICES—2.0% Express Scripts Inc. * Medco Health Solutions Inc. *	46,100 22,800	3,169,375 1,039,908
		4,209,283
HEALTH CARE SUPPLIES—1.2% Inverness Medical Innovations Inc.*	73,000	2,597,340
HOME IMPROVEMENT RETAIL—0.6% Lowe's Companies, Inc.	62,500	1,213,125
HOUSEHOLD PRODUCTS—0.8% Energizer Holdings Inc.*	30,700	1,603,768
HOUSEWARES & SPECIALTIES—0.5% Newell Rubbermaid Inc.	101,100	1,052,451
HYPERMARKETS & SUPER CENTERS—2.1% Wal-Mart Stores Inc.	93,300	4,519,452
INDUSTRIAL CONGLOMERATES—1.3% Tyco International Ltd.	104,600	2,717,508
INDUSTRIAL MACHINERY—0.8% SPX Corp.	35,400	1,733,538
INTEGRATED OIL & GAS—2.5% Chevron Corp. Total SA #	63,800 19,400	4,226,750 1,052,062
		5,278,812
INTEGRATED TELECOMMUNICATION SERVICES—0.8% AT&T Inc.	65,000	1,614,600
INTERNET RETAIL—1.5% Amazon.com Inc. * Expedia Inc. *	9,000 140,700	752,940 2,125,977
		2,878,917
INTERNET SOFTWARE & SERVICES—5.4% eBay Inc. * Google Inc., Cl. A * IAC/InterActiveCorp. * Netease.com #* Yahoo! Inc. *	120,183 6,400 275,000 16,100 94,800	2,058,735 2,698,176 4,413,750 566,398 1,484,568
		11,221,627
INVESTMENT BANKING & BROKERAGE—1.6% Goldman Sachs Group Inc., /The Morgan Stanley	6,800 82,500	1,002,592 2,352,075
		3,354,667

THE ALGER AMERICAN FUND | ALGER AMERICAN CAPITAL APPRECIATION PORTFOLIO
Schedule of Investments† (Continued) (Unaudited) June 30, 2009

IT CONSULTING & OTHER SERVICES—0.8%		
Cognizant Technology Solutions Corp., Cl. A*	62,461	1,667,709
LIFE & HEALTH INSURANCE—1.7%		
Lincoln National Corp. *	30,500	524,905
Prudential Financial Inc.	78,500	2,921,770
		3,446,675
LIFE SCIENCES TOOLS & SERVICES—1.7%		
Icon PLC #*	1,800	38,844
Life Technologies Corp. *	63,100	2,632,532
Thermo Fisher Scientific Inc. *	23,500	958,095
		3,629,471
MANAGED HEALTH CARE—1.3%		
WellPoint Inc.*	53,700	2,732,793
METAL & GLASS CONTAINERS—2.1%		
Crown Holdings Inc. *	47,300	1,141,822
Owens-Illinois Inc. *	111,200	3,114,712
		4,256,534
MOVIES & ENTERTAINMENT—1.2%		
Regal Entertainment Group, Cl. A	96,400	1,281,156
Walt Disney Co., /The	52,100	1,215,493
		2,496,649
MULTI-LINE INSURANCE—0.4%		
Genworth Financial Inc. Cl. A	124,200	868,158
MULTI-UTILITIES—0.6%		
Veolia Environnement#	43,800	1,293,852
OFFICE REITS—0.5%		
Boston Properties Inc.	22,600	1,078,020
OIL & GAS DRILLING—1.0%		
Transocean Ltd.*	27,500	2,042,975
OIL & GAS EQUIPMENT & SERVICES—1.1%		
Weatherford International Ltd.*	115,100	2,251,356
OIL & GAS EXPLORATION & PRODUCTION—2.9%		
Chesapeake Energy Corp.	163,100	3,234,273
Nexen Inc.	132,400	2,866,460
		6,100,733
OIL & GAS REFINING & MARKETING—0.5%		
NuStar Energy LP	19,600	1,058,988
OIL & GAS STORAGE & TRANSPORTATION—0.5%		
Magellan Midstream Holdings LP	45,100	946,198
OTHER DIVERSIFIED FINANCIAL SERVICES—4.0%		
Bank of America Corp.	234,800	3,099,360
BM&F BOVESPA SA	222,400	1,336,806
JPMorgan Chase & Co.	111,300	3,796,443
		8,232,609
PACKAGED FOODS & MEATS—0.4%		
General Mills Inc.	13,900	778,678
PHARMACEUTICALS—4.9%		
Abbott Laboratories	153,800	7,234,752
Allergan Inc.	11,600	551,928
Wyeth	49,300	2,237,727
		10,024,407
PROPERTY & CASUALTY INSURANCE—1.0%		
Travelers Cos. Inc., /The	52,000	2,134,080
PUBLISHING—1.1%		
McGraw-Hill Cos. Inc., /The	78,800	2,372,668
RAILROADS—0.8%		
Burlington Northern Santa Fe Corp.	23,500	1,728,190
REGIONAL BANKS—0.3%		
Regions Financial Corp.	130,000	525,200
RESTAURANTS—1.1%		
McDonald's Corp.	39,300	2,259,357

THE ALGER AMERICAN FUND | ALGER AMERICAN CAPITAL APPRECIATION PORTFOLIO
Schedule of Investments† (Continued) (Unaudited) June 30, 2009

SEMICONDUCTORS—5.7%		
Atheros Communications Inc. *	87,200	1,677,728
Broadcom Corp., Cl. A *	113,700	2,818,623
Intel Corp.	70,400	1,165,120
Marvell Technology Group Ltd. *	170,100	1,979,964
ON Semiconductor Corp. *	470,400	3,226,944
Skyworks Solutions Inc. *	105,000	1,026,900
		11,895,279
SPECIALIZED FINANCE—0.5%		
NYSE Euronext	38,000	1,035,500
SPECIALTY CHEMICALS—0.1%		
Rockwood Holdings Inc.*	21,200	310,368
SYSTEMS SOFTWARE—3.1%		
Microsoft Corp.	272,000	6,465,440
THRIFTS & MORTGAGE FINANCE—0.5%		
TFS Financial Corp.	105,669	1,122,205
TOBACCO—2.1%		
Philip Morris International Inc.	103,900	4,532,118
TRUCKING—1.2%		
Hertz Global Holdings Inc.*	309,900	2,476,101
WIRELESS TELECOMMUNICATION SERVICES—0.6%		
American Tower Corp., Cl. A*	42,000	1,324,260
TOTAL COMMON STOCKS (Cost \$211,109,842)		208,915,509
	PRINCIPAL	VALUE
SHORT-TERM INVESTMENTS—0.8%	AMOUNT	
TIME DEPOSITS—0.8%		
Citibank London, 0.03%, 7/01/09	1,611,223	1,611,223
(Cost \$1,611,223)		
Total Investments (Cost \$212,721,065)(a)	101.0%	210,526,732
Liabilities in Excess of Other Assets	(1.0)	(2,176,645)
NET ASSETS	100.0%	\$ 208,350,087

† Securities classified as Level 1 for FAS 157 disclosure purposes based on valuation inputs unless otherwise noted. See Note 4 to the Financial Statements.

* Non-income producing security.

American Depositary Receipts.

(a) At June 30, 2009, the net unrealized depreciation on investments, based on cost for federal income tax purposes of \$224,348,426 amounted to \$13,821,694 which consisted of aggregate gross unrealized appreciation of \$13,348,931 and aggregate gross unrealized depreciation of \$27,170,625.

See Notes to Financial Statements.

THE ALGER AMERICAN FUND
Alger American Capital Appreciation Portfolio
Statement of Assets and Liabilities (Unaudited) June 30, 2009

ASSETS:	
Investments in securities, at value (Identified cost)* see accompanying schedule of investments	\$ 210,526,732
Cash	1,215
Receivable for investment securities sold	6,141,325
Receivable for shares of beneficial interest sold	167,523
Dividends and interest receivable	151,702
Prepaid Expenses	15,519
Total Assets	217,004,015
LIABILITIES:	
Payable for investment securities purchased	8,102,689
Payable for foreign currency contracts	70
Payable for shares of beneficial interest redeemed	302,118
Accrued investment advisory fees	142,165
Accrued transfer agent fees	11,185
Accrued distribution fees	2,164
Accrued administrative fees	5,045
Accrued other expenses	88,494
Total Liabilities	8,653,928
NET ASSETS	\$ 208,350,087
Net Assets Consist of:	
Paid in capital	326,112,768
Undistributed net investment income	892,219
Undistributed net realized gain (accumulated loss)	(116,460,632)
Net unrealized depreciation on investments	(2,194,269)
NET ASSETS	\$ 208,350,087
Class O — Net Asset Value Per Share	\$36.04
Class S — Net Asset Value Per Share	\$35.37
SHARES OF BENEFICIAL INTEREST OUTSTANDING— NOTE 7	
Class O	5,508,367
Class S	278,060
*Identified Cost	\$ 212,721,065

THE ALGER AMERICAN FUND
Alger American Capital Appreciation Portfolio
Statement of Operations (Unaudited)
For the six months ended June 30, 2009

INCOME:		
Dividends (net of foreign withholding taxes*)	\$	1,549,457
Interest (net of foreign withholding taxes*)		24,463
Total Income		1,573,920
EXPENSES		
Advisory fees—Note 3(a)		759,341
Distribution fees—Note 3(b):		
Class S		11,093
Administrative fees—Note 3(a)		25,780
Custodian fees		45,075
Interest expenses		197
Transfer agent fees and expenses—Note 3(e)		33,387
Prepaid expenses		25,767
Printing fees		23,725
Professional fees		33,948
Trustee fees—Note 3(f)		6,447
Miscellaneous		17,116
Total Expenses		981,877
Less, expense reimbursements Note 3(a)		(32,811)
Net Expenses		949,066
NET INVESTMENT INCOME		624,854
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS, OPTIONS AND FOREIGN CURRENCY TRANSACTIONS:		
Net realized loss on investments		(2,141,232)
Net realized gain on foreign currency transactions		440
Net change in unrealized appreciation (depreciation) on investments and foreign currency translations		34,071,808
Net realized and unrealized gain on investments, options and foreign currency		31,931,016
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$	32,555,870
*Foreign withholding taxes	\$	31,901

THE ALGER AMERICAN FUND
Alger American Capital Appreciation Portfolio
Statements of Changes in Net Assets

	For the Six Months Ended June 30, 2009 (Unaudited)	For the Year Ended December 31, 2008
Net investment income	\$ 624,854	\$ 355,975
Net realized loss on investments, options and foreign currency transactions	(2,140,793)	(112,505,508)
Net change in unrealized appreciation (depreciation) on investments, options and foreign currency translations	34,071,808	(68,569,668)
Net increase (decrease) in net assets resulting from operations	32,555,870	(180,719,201)
Dividends and distributions to shareholders from:		
Net investment income		
Class O	—	—
Class S	—	—
Net realized gains		
Class O	—	—
Class S	—	—
Total dividends and distributions to shareholders	—	—
Increase (decrease) from shares of beneficial interest transactions:		
Class O	(15,901,420)	(59,522,403)
Class S	(1,008,036)	(2,796,744)
Net decrease from shares of beneficial interest transactions—Note 7	(16,909,456)	(62,319,147)
Total increase (decrease)	15,646,414	(243,038,348)
Net Assets:		
Beginning of period	192,703,673	435,742,021
END OF PERIOD	\$ 208,350,087	\$ 192,703,673
Undistributed net investment income	\$ 892,219	\$ 267,365

THE ALGER AMERICAN FUND
Alger American Capital Appreciation Portfolio
Financial Highlights for a share outstanding throughout the period

ALGER AMERICAN CAPITAL APPRECIATION PORTFOLIO

Class O

	Six months ended 6/30/2009(i)	Year ended 12/31/2008	Year ended 12/31/2007	Year ended 12/31/2006	Year ended 12/31/2005	Year ended 12/31/2004
INCOME FROM INVESTMENT OPERATIONS						
Net asset value, beginning of period	\$ 30.39	\$ 55.39	\$ 41.48	\$ 34.78	\$ 30.39	\$ 28.09
Net investment income (loss)(ii)	0.11	0.05	(0.07)	(0.07)	(0.21)	(0.07)
Net realized and unrealized gain (loss) on investments	5.54	(25.05)	13.98	6.77	4.60	2.37
Total from investment operations	5.65	(25.00)	13.91	6.70	4.39	2.30
Net asset value, end of period	\$ 36.04	\$ 30.39	\$ 55.39	\$ 41.48	\$ 34.78	\$ 30.39
Total return	18.59%	(45.13)%	33.53%	19.26%	14.45%	8.19%
RATIOS/SUPPLEMENTAL DATA:						
Net assets, end of period (000's omitted)	\$ 198,514	\$ 183,335	\$ 414,959	\$ 298,024	\$ 298,410	\$ 380,336
Ratio of gross expenses to average net assets	1.04%	0.95%	0.97%	0.98%	0.91%	0.97%
Ratio of expense reimbursements to average net assets	(0.04)%	(0.04)%	(0.04)%	0.00%	0.00%	0.00%
Ratio of net expenses to average net assets	1.00%	0.91%	0.93%	0.98%	0.91%	0.97%
Ratio of net investment income to average net assets	0.71%	0.12%	(0.15)%	(0.19)%	(0.08)%	(0.14)%
Portfolio turnover rate	177.65%	317.72%	254.03%	245.58%	130.14%	182.41%

Class S

	Six months ended 6/30/2009(i)	Year ended 12/31/2008	Year ended 12/31/2007	Year ended 12/31/2006	Year ended 12/31/2005	Year ended 12/31/2004
INCOME FROM INVESTMENT OPERATIONS						
Net asset value, beginning of period	\$ 29.86	\$ 54.57	\$ 40.97	\$ 34.44	\$ 30.17	\$ 27.96
Net investment income (loss)(ii)	0.07	(0.05)	(0.16)	(0.17)	(0.08)	(0.04)
Net realized and unrealized gain (loss) on investments	5.44	(24.66)	13.76	6.70	4.35	2.25
Total from investment operations	5.51	(24.71)	13.60	6.53	4.27	2.21
Net asset value, end of period	\$ 35.37	\$ 29.86	\$ 54.57	\$ 40.97	\$ 34.44	\$ 30.17
Total return	18.45%	(45.28)%	33.20%	18.96%	14.15%	7.90%
RATIOS/SUPPLEMENTAL DATA:						
Net assets, end of period (000's omitted)	\$ 9,836	\$ 9,369	\$ 20,783	\$ 23,845	\$ 17,887	\$ 13,772
Ratio of gross expenses to average net assets	1.29%	1.20%	1.22%	1.23%	1.16%	1.22%
Ratio of expense reimbursements to average net assets	(0.04)%	(0.04)%	(0.04)%	0.00%	0.00%	0.00%
Ratio of net expenses to average net assets	1.25%	1.16%	1.18%	1.23%	1.16%	1.22%
Ratio of net investment income to average net assets	0.46%	(0.12)%	(0.34)%	(0.45)%	(0.33)%	(0.31)%
Portfolio turnover rate	177.65%	317.72%	254.03%	245.58%	130.14%	182.41%

⁽ⁱ⁾ Unaudited. Ratios have been annualized; total return and portfolio turnover rate have not been annualized.

⁽ⁱⁱ⁾ Amount was computed based on average shares outstanding during the period.

NOTE 1 — General:

The Alger American Fund (the “Fund”) is a diversified, open-end registered investment company organized as a business trust under the laws of the Commonwealth of Massachusetts. The Fund operates as a series company currently issuing seven series of shares of beneficial interest: the American Capital Appreciation Portfolio, American LargeCap Growth Portfolio, American MidCap Growth Portfolio, American SMidCap Growth Portfolio, American SmallCap Growth Portfolio, American Income and Growth Portfolio, American Balanced Portfolio. These Financial Statements include only the Alger American Capital Appreciation Portfolio (the “Portfolio”). The Portfolio invests primarily in equity securities and has an investment objective of long-term capital appreciation. Shares of the Portfolio are available and are being marketed exclusively as a pooled funding vehicle for qualified retirement plans and for life insurance companies writing all types of variable annuity contracts and variable life insurance policies.

The Portfolio offers Class O and Class S shares. Each class has identical rights to assets and earnings except that only Class S shares have a plan of distribution and bear the related expenses.

NOTE 2 — Significant Accounting Policies:

(a) *Investment Valuation:* Investments of the Portfolio are generally valued on each day the New York Stock Exchange (the “NYSE”) is open as of the close of the NYSE (normally 4:00 p.m. Eastern time). Securities for which such information is readily available are valued at the last reported sales price or official closing price as reported by an independent pricing service on the primary market or exchange on which they are traded. In the absence of reported sales, securities are valued at a price within the bid and asked price or, in the absence of a recent bid or asked price, the equivalent as obtained from one or more of the major market makers for the securities to be valued.

Securities for which market quotations are not readily available or for which the market quotations do not, in the opinion of the investment advisor, reflect the securities true values are valued at fair value, as determined in good faith pursuant to procedures established by the Board of Trustees.

Securities in which the Portfolio invests may be traded in markets that close before the close of the NYSE. Developments that occur between the close of the foreign markets and the close of the NYSE (normally 4:00 p.m. Eastern time) may result in adjustments to closing prices to reflect what the investment advisor, pursuant to policies established by the Board of Trustees, believes to be the fair value of these securities as of the close of the NYSE. The Portfolio may also fair value securities in other situations, for example, when a particular foreign market is closed but the Portfolio is open. Various factors may be reviewed in order to make a good faith determination of a security’s fair value. These factors may include, but are not limited to, the type and cost of the security; contractual or legal restrictions on resale of the security; relevant financial or business developments of the issuer; actively traded similar or related securities; conversion or exchange rights on the security; related corporate actions; and changes in overall market conditions.

Securities having a remaining maturity of sixty days or less are valued at amortized cost which approximates market value.

DESCRIPTION	TOTAL FUND	LEVEL 1	LEVEL 2	LEVEL 3
Alger American Capital Appreciation Portfolio				
Investments in securities	\$ 210,526,732	\$ 210,526,732	\$ —	\$ —
Total	\$ 210,526,732	\$ 210,526,732	\$ —	\$ —

(b) *Security Transactions and Investment Income:* Security transactions are recorded on a trade date basis. Resulting receivables and payables are carried at amounts which approximate fair value. Realized gains and losses from security transactions are recorded on the identified cost basis. Dividend income is recognized on the ex-dividend date and interest income is recognized on the accrual basis. Premiums and discounts on debt securities purchased are amortized or accreted over the lives of the respective securities.

(c) *Foreign Currency Transactions:* The books and records of the Portfolio are maintained in U.S. dollars. Foreign currencies, investments and other assets and liabilities are translated into U.S. dollars at the prevailing rates of exchange on the valuation date. Purchases and sales of investment securities and income and expenses are translated into U.S. dollars at the prevailing exchange rates on the respective dates of such transactions.

Net realized gains and losses on foreign currency transactions represent net gains and losses from the disposition of foreign currencies, currency gains and losses realized between the trade dates and settlement dates of security transactions, and the difference between the amount of net investment income accrued and the U.S. dollar amount actually received. The effects of changes in foreign currency exchange rates on investments in securities are included in realized and unrealized gain or loss on investments in the Statement of Operations.

(d) *Option Contracts:* When a Portfolio writes an option, an amount equal to the premium received by the Portfolio is recorded as a liability and is subsequently adjusted to the current fair value of the option written. Premiums received from writing options that

expire unexercised are treated by the Portfolio on the expiration date as realized gains from investments. The difference between the premium and the amount paid on effecting a closing purchase transaction, including brokerage commissions, is also treated as a realized gain, or, if the premium is less than the amount paid for the closing purchase transaction, as a realized loss. If a written call option is exercised, the premium is added to the proceeds from the sale of the underlying security in determining whether the Portfolio has realized a gain or loss. If a written put option is exercised, the premium reduces the cost basis of the securities purchased by the Portfolio. The Portfolio as writer of an option bears the market risk of an unfavorable change in the price of the security underlying the written option. There were no options written for the six months ended June 30, 2009.

The Portfolio may also purchase put and call options. Purchasing call and put options tends to decrease the Portfolio's exposure to the underlying instrument. The Portfolio pays a premium which is included in the Portfolio's Statement of Assets and Liabilities as an investment and subsequently marked to market to reflect the current value of the option. Premiums paid for purchasing options which expire are treated as realized losses. The risk associated with purchasing put and call options is limited to the premium paid. Premiums paid for purchasing options which are exercised or closed are added to the amounts paid or offset against the proceeds on the underlying security to determine the realized gain or loss.

(e) Lending of Portfolio Securities: The Portfolio may lend its securities to financial institutions, provided that the market value of the securities loaned will not at any time exceed one third of the Portfolio's total assets. The Portfolio earns fees on the securities loaned. In order to protect against the risk of failure by the borrower to return the securities loaned or any delay in the delivery of such securities, the loan is collateralized by cash, letters of credit or U.S. Government securities that are maintained in an amount equal to at least 100 percent of the current market value of the loaned securities. The market value of the loaned securities is determined at the close of business of the Portfolio and any required additional collateral is delivered to the Portfolio on the next business day. There were no securities on loan during the six months ended June 30, 2009.

(f) Dividends to Shareholders: Dividends payable to shareholders are recorded by the Portfolio on the ex-dividend date.

Dividends from net investment income are declared and paid annually. Dividends from net realized gains, offset by any loss carryforward, are declared and paid annually after the end of the fiscal year in which earned. Each class is treated separately in determining the amounts of dividends of net investment income and capital gains payable to holders of its shares.

The characterization of distributions to shareholders for financial reporting purposes is determined in accordance with federal income tax rules. Therefore, the source of the Portfolio's distributions may be shown in the accompanying financial statements as either from, or in excess of, net investment income or net realized gain on investment transactions, or return of capital, depending on the type of book/tax differences that may exist.

Capital accounts within the financial statements are adjusted for permanent book/tax differences. Reclassifications result primarily from the difference in tax treatment of net operating losses, premium/discount of debt securities, realized gain loss from foreign currency transactions, and realized gains from redemptions in kind, if any. The reclassifications had no impact on the net asset values of the Portfolio and are designed to present the Portfolio's capital accounts on a tax basis.

(g) Federal Income Taxes: It is the Portfolio's policy to comply with the requirements of the Internal Revenue Code Subchapter M applicable to regulated investment companies and to distribute all of the taxable income, including net realized capital gains, of the Portfolio to its respective shareholders. Therefore, no federal income tax provision is required. Each Portfolio is treated as a separate entity for the purpose of determining such compliance.

The Fund has adopted Financial Accounting Standards Board Interpretation No. 48 "Accounting for Uncertainty in Income Taxes" ("FIN 48"). FIN 48 requires the Portfolio to measure and recognize in their financial statements the benefit of a tax position taken (or expected to be taken) on an income tax return if such position will more likely than not be sustained upon examination based on the technical merits of the position. The Portfolio files income tax returns in the US Federal jurisdiction, as well as the New York State and New York City jurisdictions. Based upon their review of tax positions for the Portfolio's open tax years of 2005-2008 in these jurisdictions, the Portfolio has determined that FIN 48 did not have a material impact on the Portfolio's financial statements for the six months ended June 30, 2009.

(h) Allocation Methods: The Fund accounts separately for the assets, liabilities and operations of each Portfolio. Expenses directly attributable to each Portfolio are charged to that Portfolio's operations; expenses which are applicable to all Portfolios are allocated among them based on net assets. Income, realized and unrealized gains and losses, and expenses of each Portfolio are allocated among the Portfolio's classes based on relative net assets, with the exception of distribution fees, which are only applicable to Class S shares.

(i) Estimate: These financial statements have been prepared in accordance with U.S. generally accepted accounting principles, which require using estimates and assumptions that affect the reported amounts therein. Actual results may differ from those estimates. These unaudited interim financial statements reflect all adjustments which are, in the opinion of management, necessary to a fair statement of results for the interim period presented. All such adjustments are of a normal recurring nature.

NOTE 3 — Investment Advisory Fees and Other Transactions with Affiliates:

(a) *Investment Advisory and Administration Fees:* Fees incurred by the Portfolio, pursuant to the provisions of the Fund’s Investment Advisory Agreement and Administration Agreement with Fred Alger Management, Inc. (“Alger Management”), are payable monthly and computed based on the average daily net assets of the Portfolio at the following annual rates:

	Advisory Fee	Administration Fee
American Capital Appreciation Portfolio	.810%	.0275%

As part of the settlement with the New York State Attorney General (see Note 8—Litigation) Alger Management has agreed to reduce its advisory fee to 0.775% for the Portfolio for the period from December 1, 2006 through November 30, 2011.

(b) *Distribution Fees:* Class S shares—The Fund has adopted a Distribution Plan pursuant to which Class S shares of each Portfolio pay Fred Alger & Company, Incorporated, the Fund’s distributor (the “Distributor”), a fee at the annual rate of .25% of the respective average daily net assets of the Class S shares of the designated Portfolio to compensate the Distributor for its activities and expenses incurred in distributing the Class S shares. The fees paid may be more or less than the expenses incurred by the Distributor.

(c) *Brokerage Commissions:* During the six months ended June 30, 2009, the Portfolio paid the Distributor \$574,147, in connection with securities transactions.

(d) *Shareholder Administrative Fees:* The Fund has entered into a shareholder administrative service agreement with Alger Management to compensate Alger Management on a per account basis for its liaison and administrative oversight of Boston Financial Data Services, Inc., the transfer agent for the Fund (“BFDS”) and other related services. During the six months ended June 30, 2009, the Portfolio incurred fees of \$124, for these services provided by Alger Management which are included in transfer agent fees and expenses in the Statement of Operations.

(e) *Other:* Certain trustees and officers of the Fund are directors and officers of Alger Management and the Distributor. Each Portfolio pays each Trustee who is not affiliated with the Advisor or its affiliates \$500 for each meeting attended, to a maximum of \$2,000 per annum. The Chairman of the Board of Trustees receives an additional annual fee of \$10,000 which is paid, pro rata, by all portfolios managed by Alger Management. Additionally, each member of the audit committee receives an additional \$50 from each Portfolio for each audit committee meeting attended, to a maximum of \$200 per annum.

NOTE 4 — Fair Value Measurements:

The Fund has adopted Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, Fair Value Measurements (“FAS 157”). In accordance with FAS 157, fair value is defined as the price that the fund would receive upon selling an investment in a timely transaction to an independent buyer in the principal or most advantageous market of the investment. FAS 157 established a three-tier hierarchy to maximize the use of observable market data and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability and may be observable or unobservable. Observable inputs are based on market data obtained from sources independent of the fund. Unobservable inputs are inputs that reflect the Fund’s own assumptions based on the best information available in the circumstances. The three-tier hierarchy of inputs is summarized in the three broad Levels listed below.

- Level 1 – quoted prices in active markets for identical investments
- Level 2 – significant other observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the Fund’s own assumptions in determining the fair value of investments)

The Portfolio’s valuation techniques are consistent with the market approach whereby prices and other relevant information generated by market transactions involving identical or comparable assets are used to measure fair value. Inputs for Level 1 include exchange listed prices and broker quotes in an active market. Inputs for Level 2 include the last trade price in the case of a halted security, a broker quote in an inactive market, an exchange listed price which has been adjusted for fair value factors, and prices of closely related securities. Additional Level 2 inputs include an evaluated price which is based upon on a compilation of observable market information such as spreads for fixed income and preferred securities. Inputs for Level 3 include derived prices from unobservable market information which can include cash flows and other information obtained from a company’s financial statements, or from market indicators such as benchmarks and indices.

The major categories of securities and their respective fair value inputs are detailed in the Portfolio's Schedule of Investments. The following is a summary of the inputs used as of June 30, 2009 in valuing the Portfolios' investments carried at fair value:

DESCRIPTION	TOTAL FUND	LEVEL 1	LEVEL 2	LEVEL 3
Alger American Capital Appreciation Portfolio				
Investments in securities	\$ 210,526,731	\$ 210,526,731	\$ —	\$ —
Total	\$ 210,526,731	\$ 210,526,731	\$ —	\$ —

NOTE 5 — Securities Transactions:

Purchases and sales of securities, other than short-term securities, for the six months ended June 30, 2009, were as follows:

	PURCHASES	SALES
American Capital Appreciation Portfolio	\$325,779,724	\$327,093,421

NOTE 6 — Borrowing:

The Portfolio may borrow from its custodian on an uncommitted basis. For the six months ended June 30, 2009, the Portfolio had the following borrowings:

	AVERAGE BORROWING	WEIGHTED AVERAGE INTEREST RATE
American Capital Appreciation Portfolio	\$ 23,894	3.80%

NOTE 7 — Share Capital:

The Fund has an unlimited number of authorized shares of beneficial interest of \$.001 par value which are divided into seven series. During the six months ended June 30, 2009, transactions of shares of beneficial interest were as follows:

	FOR THE SIX MONTHS ENDED JUNE 30, 2009		FOR THE YEAR ENDED DECEMBER 31, 2008	
	SHARES	AMOUNT	SHARES	AMOUNT
ALGER AMERICAN CAPITAL APPRECIATION PORTFOLIO				
Class O:				
Shares sold	323,508	\$ 10,155,184	943,508	\$ 43,208,599
Shares redeemed	(847,882)	(26,056,604)	(2,402,630)	(102,731,002)
Net decrease	(524,374)	\$ (15,901,420)	(1,459,122)	\$ (59,522,403)
Class S:				
Shares sold	27,136	\$ 885,299	89,652	\$ 3,940,202
Shares redeemed	(62,789)	(1,893,335)	(156,788)	(6,736,946)
Net decrease	(35,653)	\$ (1,008,036)	(67,136)	\$ (2,796,744)

NOTE 8 — Tax Character of Distributions to Shareholders:

The tax character of distributions paid during the six months ended June 30, 2009 and the year ended December 31, 2008 was as follows:

	SIX MONTHS ENDED June 30, 2009	YEAR ENDED December 31, 2008
American Capital Appreciation Portfolio		
Distributions paid from:		
Ordinary Income	—	—
Long-term capital gain	—	—
Total distributions paid	—	—

As of December 31, 2008, the components of distributable earnings on a tax basis were as follows:

AMERICAN CAPITAL APPRECIATION PORTFOLIO	
Undistributed ordinary income	\$ —
Undistributed long-term gain	—
Unrealized appreciation (depreciation)	\$ (47,893,438)

The difference between book-basis and tax-basis unrealized appreciation (depreciation) is determined annually and is attributable primarily to the tax deferral of losses on wash sales and straddles, the tax treatment of premium/discount on debt securities, realization of unrealized appreciation of Passive Foreign Investment Companies and return of capital from Real Estate Investment Trust investments.

At December 31, 2008, the Portfolio, for federal income tax purposes, had capital loss carryforwards which expire as set forth in the table below. These amounts may be applied against future net realized gains until the earlier of their utilization or expiration.

	EXPIRATION DATE		TOTAL
	2010	2016	
American Capital Appreciation Portfolio	\$ 52,924	\$56,264,591	\$56,317,515

NOTE 9 — Litigation:

The Manager has responded to inquiries, document requests and/or subpoenas from various regulatory authorities in connection with their investigations of practices in the mutual fund industry identified as "market timing" and "late trading." On October 11, 2006, the Manager, the Distributor and Alger Shareholder Services, Inc. executed an Assurance of Discontinuance with the Office of the New York State Attorney General ("NYAG"). On January 18, 2007, the Securities and Exchange Commission (the "SEC") approved a settlement with the Manager and the Distributor. As part of the settlements with the NYAG and the SEC, without admitting or denying liability, the firms consented to the payment of \$30 million to reimburse fund shareholders; a fine of \$10 million; and certain other remedial measures including a reduction in management fees of \$1 million per year for five years. The \$40 million was paid into an SEC Fair Fund for distribution to investors.

On August 31, 2005, the West Virginia Securities Commissioner (the "WVSC"), in an ex parte Summary Order to Cease and Desist and Notice of Right to Hearing, concluded that the Manager and the Distributor had violated the West Virginia Uniform Securities Act (the "WVUSA"), and ordered the Manager and the Distributor to cease and desist from further violations of the WVUSA by engaging in the market-timing-related conduct described in the order. The ex parte order provided notice of their right to a hearing with respect to the violations of law asserted by the WVSC. Other firms unaffiliated with the Manager were served with similar orders. The Manager and the Distributor intend to request a hearing for the purpose of seeking to vacate or modify the order.

In addition, in 2003 and 2004 several purported class actions and shareholder derivative suits were filed against various parties in the mutual fund industry, including the Manager, certain mutual funds managed by the Manager (the "Alger Mutual Funds"), and certain current and former Alger Mutual Fund trustees and officers, alleging wrongful conduct related to market-timing and late-trading by mutual fund shareholders. These cases were transferred to the U.S. District Court of Maryland by the Judicial Panel on Multidistrict Litigation for consolidated pre-trial proceedings under the caption number 1:04-MD-15863 (JFM). After a number of the claims were dismissed by the court, the Alger-related class and derivative suits were settled in principle, but such settlement remains subject to court approval.

NOTE 10 — Subsequent Event:

The Portfolio has evaluated events that have occurred after June 30, 2009 but before August 13, 2009, the date that these financial statements were issued. No such events have been identified which require recognition as of June 30, 2009.

Shareholder Expense Example

As a shareholder of a Portfolio, you incur two types of costs: transaction costs, if applicable; and ongoing costs, including management fees, distribution (12b-1) fees, if applicable, and other fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in a Portfolio and to compare these costs with the ongoing costs of investing in other mutual funds.

The example below is based on an investment of \$1,000 invested at the beginning of the six-month period starting January 1, 2009 and ending June 30, 2009.

Actual Expenses

The first line for each class of shares in the table below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you would have paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled "Expenses Paid During the Period" to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

The second line for each class of shares in the table below provides information about hypothetical account values and hypothetical expenses based on the Portfolio's actual expense ratios for each class of shares and an assumed rate of return of 5% per year before expenses, which is not the Portfolio's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in a Portfolio and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transaction costs or deduction of insurance charges against assets or annuities. Therefore, the second line under each class of shares in the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

		Beginning Account Value January 1, 2009	Ending Account Value June 30, 2009	Expenses Paid During the Six Months Ended June 30, 2009(a)	Ratio of Expenses to Average Net Assets For the Six Months Ended June 30, 2009(b)
ALGER AMERICAN CAPITAL APPRECIATION PORTFOLIO					
Class O	Actual	\$ 1,000.00	\$ 1,185.90	\$ 5.51	1.00%
	Hypothetical(c)	1,000.00	1,020.16	5.09	1.00
Class S	Actual	1,000.00	1,184.50	6.88	1.25
	Hypothetical(c)	1,000.00	1,018.90	6.36	1.25

(a) Expenses are equal to the annualized expense ratio of the respective share class, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period).

(b) Annualized

(c) 5% annual return before expenses.

Proxy Voting Policies

A description of the policies and procedures the Fund uses to determine how to vote proxies relating to portfolio securities and the proxy voting record is available, without charge, by calling (800) 992-3863 or online on the Fund's website at <http://www.alger.com> or on the SEC's website at <http://www.sec.gov>

Fund Holdings

The Portfolio's most recent month end portfolio holdings are available approximately sixty days after month end on the Fund's website at www.alger.com. The Portfolio also file their complete schedule of portfolio holdings with the SEC for the first and third quarter of each fiscal year on Form N-Q. Forms N-Q are available online on the SEC's website at www.sec.gov or may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information regarding the operation of the SEC's Public Reference Room may be obtained by calling 1-800-SEC-0330. A copy of the most recent quarterly holdings may also be obtained from the Fund by calling (800) 992-3863.

Change in Independent Registered Public Accounting Firm

On May 12, 2009, Deloitte & Touche LLP was selected as each Portfolio's independent registered public accounting firm for the 2009 fiscal year. The Audit Committee of the Board of Trustees, along with a majority of each Portfolio's Board of Trustees, including a majority of the Independent Directors, approved the appointment of Deloitte & Touche LLP. The predecessor independent registered public accounting firm's report on the Portfolio's financial statements for the year ended December 31, 2008 and the year ended December 31, 2007 contained no adverse opinion or disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope or accounting principles. During such fiscal periods and through May 12, 2009, the day the predecessor independent registered public accounting firm resigned, there were no disagreements between the Portfolios and the predecessor independent registered public accounting firm on any matter of accounting principles or practices, financial statement disclosure, or audit scope or procedures, which such disagreements, if not resolved to the satisfaction of the predecessor independent registered public accounting firm, would have caused them to make reference to the subject matter of the disagreement in connection with their reports on the financial statements for such fiscal periods.

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THE ALGER AMERICAN FUND

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Investment Advisor

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Distributor

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Transfer Agent and Dividend Disbursing Agent

Boston Financial Data Services, Inc.
P.O. Box 8480
Boston, MA 02266

This report is submitted for the general information of the shareholders of The Alger American Fund. It is not authorized for distribution to prospective investors unless accompanied by an effective Prospectus for the Trust, which contains information concerning the Trust's investment policies, fees and expenses as well as other pertinent information.



CREDIT SUISSE FUNDS

Semiannual Report

June 30, 2009
(unaudited)

CREDIT SUISSE TRUST ▪ INTERNATIONAL EQUITY FLEX II PORTFOLIO

Credit Suisse Trust (the "Trust") shares are not available directly to individual investors, but may be offered only through certain insurance products and pension and retirement plans.

The Trust's investment objectives, risks, charges and expenses (which should be considered carefully before investing), and more complete information about the Trust, are provided in the *Prospectus*, which should be read carefully before investing. You may obtain additional copies by calling 800-222-8977 or by writing to Credit Suisse Trust, P.O. Box 55030, Boston, MA 02205-5030.

Credit Suisse Asset Management Securities, Inc., Distributor, is located at Eleven Madison Avenue, New York, NY 10010. The Trust is advised by Credit Suisse Asset Management, LLC.

The views of the Portfolio's management are as of the date of the letter and the Portfolio holdings described in this document are as of June 30, 2009; these views and Portfolio holdings may have changed subsequent to these dates. Nothing in this document is a recommendation to purchase or sell securities.

Portfolio shares are not deposits or other obligations of Credit Suisse Asset Management, LLC ("Credit Suisse") or any affiliate, are not FDIC-insured and are not guaranteed by Credit Suisse or any affiliate. Portfolio investments are subject to investment risks, including loss of your investment.

Credit Suisse Trust — International Equity Flex II Portfolio
Semiannual Investment Adviser's Report
June 30, 2009 (unaudited)

July 24, 2009

Dear Shareholder:

On May 1, 2009, the Credit Suisse Trust — Global Small Cap Portfolio became the Credit Suisse Trust — International Equity Flex II Portfolio (the "Portfolio"). Concurrently, the Portfolio's investment strategy changed to a "flexible 130/30" strategy whereby the Portfolio generally will hold (i) long positions, either directly or through derivatives, in an amount up to approximately 130% of its net assets and (ii) short positions, either directly or through derivatives, in an amount up to approximately 30% of its net assets.

Under the new "flex" investment strategy, the Portfolio will seek to outperform the MSCI EAFE Index Net Dividends (the "Benchmark"). The Benchmark is designed to measure the performance of equities in developed markets outside of North America, which include Europe, Australasia (Australia & New Zealand) and the Far East.

The Portfolio's investment approach has changed from a fundamental equity approach to one that uses quantitative portfolio management techniques. The portfolio manager will select securities for the Portfolio using proprietary quantitative models, which are designed to:

- forecast the expected relative return of stocks by analyzing a number of fundamental factors, including a company's relative valuation, use of capital, balance sheet quality, profitability, realized and expected growth potential and earnings and price momentum.
- identify stocks that are likely to suffer declines in price if market conditions deteriorate and either limit the Portfolio's overall long exposure or increase the Portfolio's overall short exposure to such low quality stocks.
- help determine the Portfolio's relative exposure to different industry sectors by analyzing sector performance under different market scenarios.

For the six-month period ended June 30, 2009, the Portfolio had a gain of 8.83%¹ versus an increase of 7.95% for the Benchmark² (net of dividends).

Market Review: A fairly positive period

The semiannual period ended June 30, 2009, was a fairly positive one. For example, although the MSCI World Index Net declined by 0.45% in June, its year-to-date performance was 6.35%. And the Benchmark was up 7.95% for the period. The Dow Jones Euro STOXX Index Net declined in June, but was up 2.92% for the year, and the FTSE All Share Index was up slightly at 0.81%. Additionally, in Japan, the Topix Index Total Return gained 3.45% in June, bringing the year-to-date performance to 9.45%.

Credit Suisse Trust — International Equity Flex II Portfolio
Semiannual Investment Adviser's Report (continued)
June 30, 2009 (unaudited)

Strategic Review and Outlook: Stock selection will become more important going forward

On May 1, 2009, the Portfolio's investment strategy changed from an active, long-only strategy to a quantitative flex strategy, which allows long and short positions while maintaining an approximate 100% net long exposure. The term "flex" in the portfolio's name refers to the ability of the portfolio to vary from 100% to 130% in its long positions and from 0% to 30% in its short positions, based on market conditions. While the Portfolio intends to utilize short exposure, it may refrain completely under certain conditions.

The Portfolio will be managed by the Quantitative Equities Group within Credit Suisse Asset Management, LLC. The group has managed funds with a flex-style strategy since January 2007. The Quantitative Equities Group believes that removing the "long-only constraint" and instead utilizing a flex strategy should offer increased return potential for a given level of risk compared to a long-only portfolio.

For the period between January 1, 2009 and April 30, 2009, prior to adopting its new investment strategy, the Portfolio outperformed the Benchmark. For the period from May 1, 2009 to June 30, 2009, the Portfolio outperformed the Benchmark. It will take a few months to complete the transition from a fundamental equity approach to a quantitative approach and from a long-only strategy to a flex strategy. As of June 30, 2009, the Portfolio's long/short ratio was 103/3. At the end of the period, the Portfolio's largest overweight positions were in the healthcare and information technology sectors, while the greatest underweight positions were in the financials and consumer staples sectors.

We believe that macroeconomic factors will have less effect on the Portfolio going forward as the majority of the effects of federal stimulus packages and large bankruptcies are already factored into asset prices. The world is now adjusting to the new regime of government support and increased transparency. In our opinion, stock selection will be more important than macro bets in the coming months. Further, although we expect the market to remain difficult in the near term, we are comfortable with our proactive, long-term investment process going forward.

Jordan Low
Portfolio Manager

Short sales expose the portfolio to the risk that it will be required to cover its short position at a time when the securities have appreciated in value, thus resulting in a loss

Credit Suisse Trust — International Equity Flex II Portfolio
Semiannual Investment Adviser's Report (continued)
June 30, 2009 (unaudited)

to the portfolio. The portfolio's loss on a short sale could theoretically be unlimited in a case where the portfolio is unable to close out its short position.

Derivatives are subject to a number of risks such as correlation risk, liquidity risk, interest-rate risk, market risk and credit risk. Also, suitable derivative transactions may not be available in all circumstances and there can be no assurance that the portfolio will engage in these transactions to reduce exposure to other risks when that would be beneficial.

The use of leverage subjects the portfolio to the risk of magnified capital losses that can occur when losses affect an asset base — enlarged by borrowings or the creation of liabilities — that exceeds the net assets of the portfolio. The net asset value of the portfolio when employing leverage will be more volatile and sensitive to market movements. Leverage may involve the creation of a liability that requires the portfolio to pay interest.

The portfolio bears the risk that the proprietary quantitative models used by the portfolio manager will not be successful in identifying securities that will help the portfolio achieve its investment objectives, causing the portfolio to underperform its benchmark or other funds with a similar investment objective.

Investing in small to medium-sized companies may be more volatile and less liquid than investments in larger companies.

Special situations are unusual developments that affect a company's market value. Examples include mergers, acquisitions and reorganizations. Securities of special-situation companies may decline in value if the anticipated benefits of the special situation do not materialize.

International investing entails special risk considerations, including currency fluctuations, lower liquidity, economic and political risks, and differences in accounting methods.

In addition to historical information, this report contains forward-looking statements, which may concern, among other things, domestic and foreign market, industry and economic trends and developments and government regulation and their potential impact on the Portfolio's investments. These statements are subject to risks and uncertainties and actual trends, developments and regulations in the future, and their impact on the Portfolio could be materially different from those projected, anticipated or implied. The Portfolio has no obligation to update or revise forward-looking statements.

Credit Suisse Trust — International Equity Flex II Portfolio
Semiannual Investment Adviser’s Report (continued)
 June 30, 2009 (unaudited)

Average Annual Returns as of June 30, 2009¹

<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>	<u>Since Inception</u>	<u>Inception Date</u>
(37.67)%	(4.33)%	(3.44)%	(0.52)%	9/30/96

Returns represent past performance and include change in share price and reinvestment of dividends and capital gains. **Past performance cannot guarantee future results.** The current performance of the Portfolio may be lower or higher than the figures shown. Returns and share price will fluctuate, and redemption value may be more or less than original cost. The performance results do not reflect the deduction of taxes that a shareholder would pay on portfolio distributions or the redemption of portfolio shares. Performance includes the effect of deducting expenses, but does not include charges and expenses attributable to any particular variable contract or plan. Accordingly, the Prospectus of the sponsoring Participating Insurance Company separate account or plan documents or other informational materials supplied by plan sponsors should be carefully reviewed for information on relevant charges and expenses. Excluding these charges and expenses from quotations of performance has the effect of increasing the performance quoted, and the effect of these charges should be considered when comparing performance to that of other mutual funds. Performance information current to the most recent month-end is available at www.credit-suisse.com/us.

The annualized gross expense ratio is 2.51%. The annualized net expense ratio after fee waivers and/or expense reimbursements is 1.00%.

¹ Fee waivers and/or expense reimbursements may reduce expenses for the Portfolio, without which performance would be lower. Waivers and/or reimbursements may be discontinued at any time.

² The Morgan Stanley Capital International EAFE (Europe, Australasia, Far East) Index Net Dividends is a free float-adjusted market capitalization index that is designed to measure developed-market equity performance, excluding the U.S. and Canada. It is the exclusive property of Morgan Stanley Capital International Inc. Effective May 1, 2009, the MSCI EAFE Index Net Dividends replaced the MSCI World Small Cap Index as the benchmark-index for the Portfolio. The Morgan Stanley Capital International World Small Cap Index is an unmanaged broad-based index comprised of small cap companies from 23 developed markets. Index returns are price only and do not reflect the reinvestment of dividends. It is the exclusive property of Morgan Stanley Capital International Inc. Investors cannot invest directly in an index.

Credit Suisse Trust — International Equity Flex II Portfolio
Semiannual Investment Adviser's Report (continued)
June 30, 2009 (unaudited)

Information About Your Portfolio's Expenses

As an investor of the Portfolio, you incur two types of costs: ongoing expenses and transaction costs. Ongoing expenses include management fees, distribution and service (12b-1) fees and other Portfolio expenses. Examples of transaction costs include sales charges (loads), redemption fees and account maintenance fees, which are not shown in this section and which would result in higher total expenses. The following table is intended to help you understand your ongoing expenses of investing in the Portfolio and to help you compare these expenses with the ongoing expenses of investing in other mutual funds. The table is based on an investment of \$1,000 made at the beginning of the six month period ended June 30, 2009.

The table illustrates your Portfolio's expenses in two ways:

- **Actual Portfolio Return.** This helps you estimate the actual dollar amount of ongoing expenses paid on a \$1,000 investment in the Portfolio using the Portfolio's actual return during the period. To estimate the expenses you paid over the period, simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the "Expenses Paid per \$1,000" line under the share class you hold.
- **Hypothetical 5% Portfolio Return.** This helps you to compare your Portfolio's ongoing expenses with those of other mutual funds using the Portfolio's actual expense ratio and a hypothetical rate of return of 5% per year before expenses. Examples using a 5% hypothetical portfolio return may be found in the shareholder reports of other mutual funds. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period.

Please note that the expenses shown in these tables are meant to highlight your ongoing expenses only and do not reflect any transaction costs, such as sales charges (loads) or redemption fees. If these transaction costs had been included, your costs would have been higher. The "Expenses Paid per \$1,000" line of the tables is useful in comparing ongoing expenses only and will not help you determine the relative total expenses of owning different funds.

Credit Suisse Trust — International Equity Flex II Portfolio
Semiannual Investment Adviser’s Report (continued)
June 30, 2009 (unaudited)

Expenses and Value for a \$1,000 Investment
for the six month period ended June 30, 2009

Actual Portfolio Return	
Beginning Account Value 1/1/09	\$1,000.00
Ending Account Value 6/30/09	\$1,088.30
Expenses Paid per \$1,000*	\$ 5.18
Hypothetical 5% Portfolio Return	
Beginning Account Value 1/1/09	\$1,000.00
Ending Account Value 6/30/09	\$1,019.84
Expenses Paid per \$1,000*	\$ 5.01
Annualized Expense Ratio*	1.00%

* Expenses are equal to the Portfolio’s annualized expense ratio multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half year period, then divided by 365.

The “Expenses Paid per \$1,000” and the “Annualized Expense Ratio” in the tables are based on actual expenses paid by the Portfolio during the period, net of fee waivers and/or expense reimbursements. If those fee waivers and/or expense reimbursements had not been in effect, the Portfolio’s actual expenses would have been higher. Expenses do not reflect additional charges and expenses that are, or may be, imposed under the variable contracts or plans. Such charges and expenses are described in the prospectus of the insurance company separate account or in the plan documents or other informational materials supplied by plan sponsors. The Portfolio’s expenses should be considered with these charges and expenses in evaluating the overall cost of investing in the separate account.

For more information, please refer to the Portfolio’s prospectus.

Credit Suisse Trust — International Equity Flex II Portfolio
Semiannual Investment Adviser's Report (continued)
June 30, 2009 (unaudited)

SECTOR BREAKDOWN*

	<u>Long</u>	<u>Short</u>	<u>Net</u>
Financials	30.7%	(0.5)%	30.2%
Industrials	10.7%	(0.4)%	10.3%
Energy	9.2%	(0.1)%	9.1%
Consumer Discretionary	9.3%	(0.3)%	9.0%
Materials	8.7%	(0.2)%	8.5%
Consumer Staples	8.1%	(0.2)%	7.9%
Health Care	7.4%	(0.3)%	7.1%
Telecommunication Services	6.4%	(0.1)%	6.3%
Utilities	6.4%	(0.4)%	6.0%
Information Technology	5.4%	(0.1)%	5.3%
Short-Term Investment	0.3%	0.0%	0.3%
Total	<u>102.6%</u>	<u>(2.6)%</u>	<u>100.0%</u>

* Expressed as a percentage of total long/short investments, respectively, (excluding security lending collateral) and may vary over time.

Credit Suisse Trust — International Equity Flex II Portfolio
Schedule of Investments
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
LONG STOCK POSITIONS (100.4%)		
COMMON STOCKS (100.1%)		
Asia (4.7%)		
<i>Diversified Financial Services</i> (4.7%)		
iShares MSCI Pacific ex-Japan Index Fund\$	50,100	\$ 1,586,667
TOTAL ASIA		<u>1,586,667</u>
Australia (3.5%)		
<i>Diversified Financial Services</i> (3.5%)		
iShares MSCI Australia Index Fund\$	70,200	1,179,360
TOTAL AUSTRALIA		<u>1,179,360</u>
Austria (0.4%)		
<i>Commercial Banks</i> (0.1%)		
Erste Group Bank AG	855	23,208
Raiffeisen International Bank Holding AG	443	15,463
		<u>38,671</u>
<i>Construction & Engineering</i> (0.0%)		
Strabag SE BR\$	2	44
<i>Containers & Packaging</i> (0.1%)		
Mayr Melnhof Karton AG	297	25,084
<i>Diversified Telecommunication Services</i> (0.0%)		
Telekom Austria AG	712	11,145
<i>Electrical Equipment</i> (0.0%)		
Zumtobel AG	369	3,787
<i>Insurance</i> (0.0%)		
Vienna Insurance Group	168	7,323
<i>Metals & Mining</i> (0.1%)		
Voestalpine AG\$	744	20,490
<i>Oil, Gas & Consumable Fuels</i> (0.1%)		
OMV AG	696	26,162
<i>Real Estate Management & Development</i> (0.0%)		
IMMOFINANZ AG*	613	1,263
TOTAL AUSTRIA		<u>133,969</u>
Belgium (1.1%)		
<i>Beverages</i> (0.3%)		
Anheuser-Busch InBev NV	3,120	113,113
<i>Chemicals</i> (0.1%)		
Solvay SA	385	32,565
<i>Commercial Banks</i> (0.1%)		
Dexia SA*\$	2,187	16,693
KBC Groep NV*	443	8,145
		<u>24,838</u>

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex II Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
LONG STOCK POSITIONS		
COMMON STOCKS		
Belgium		
<i>Diversified Financial Services (0.2%)</i>		
Fortis*§	9,234	\$ 31,613
Groupe Bruxelles Lambert SA	203	14,879
Nationale A Portefeuille	52	2,516
		<u>49,008</u>
<i>Diversified Telecommunication Services (0.0%)</i>		
Belgacom SA§	329	10,519
<i>Food & Staples Retailing (0.1%)</i>		
Delhaize Group	678	47,727
<i>Metals & Mining (0.0%)</i>		
Nyrstar*	309	2,632
<i>Pharmaceuticals (0.1%)</i>		
UCB SA	438	14,064
<i>Wireless Telecommunication Services (0.2%)</i>		
Mobistar SA	1,122	69,268
TOTAL BELGIUM		<u>363,734</u>
Bermuda (0.0%)		
<i>Insurance (0.0%)</i>		
Catlin Group, Ltd.	446	2,365
<i>Metals & Mining (0.0%)</i>		
Aquarius Platinum, Ltd.*	290	1,116
TOTAL BERMUDA		<u>3,481</u>
Cyprus (0.2%)		
<i>Commercial Banks (0.0%)</i>		
Bank of Cyprus Public Co., Ltd.	2,008	11,321
<i>Energy Equipment & Services (0.2%)</i>		
ProSafe SE	14,676	73,833
TOTAL CYPRUS		<u>85,154</u>
Denmark (0.8%)		
<i>Beverages (0.2%)</i>		
Carlsberg AS Class B§	782	50,159
<i>Chemicals (0.1%)</i>		
Novozymes AS B Shares§	594	48,317
<i>Commercial Banks (0.1%)</i>		
Danske Bank AS*§	1,536	26,495
Jyske Bank AS*	241	6,899
		<u>33,394</u>
<i>Food Products (0.0%)</i>		
Danisco AS	116	4,545

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex II Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
LONG STOCK POSITIONS		
COMMON STOCKS		
Denmark		
<i>Insurance (0.1%)</i>		
Topdanmark AS*	89	\$ 10,394
TrygVesta AS§	362	21,350
		<u>31,744</u>
<i>Marine (0.0%)</i>		
A P Moller - Maersk AS Class B§	2	11,981
<i>Pharmaceuticals (0.3%)</i>		
H Lundbeck AS	390	7,419
Novo Nordisk AS Class B§	1,739	94,701
		<u>102,120</u>
<i>Software (0.0%)</i>		
SimCorp A/S	63	9,791
TOTAL DENMARK		<u>292,051</u>
Finland (1.5%)		
<i>Communications Equipment (0.7%)</i>		
Nokia Oyj	16,217	237,498
<i>Diversified Financial Services (0.1%)</i>		
Pohjola Bank PLC	3,039	24,345
<i>Diversified Telecommunication Services (0.0%)</i>		
Elisa Oyj	733	12,078
<i>Electric Utilities (0.1%)</i>		
Fortum Oyj§	2,096	47,768
<i>Food & Staples Retailing (0.0%)</i>		
Kesko Oyj B Shares	419	11,096
<i>Insurance (0.2%)</i>		
Sampo Oyj A Shares	2,790	52,745
<i>Machinery (0.3%)</i>		
Kone Oyj Class B	698	21,431
Metso Oyj	1,525	28,544
Wartsila Oyj	1,416	45,714
		<u>95,689</u>
<i>Metals & Mining (0.0%)</i>		
Rautaruukki Oyj	372	7,460
<i>Paper & Forest Products (0.1%)</i>		
Stora Enso Oyj R Shares*	1,995	10,551
UPM-Kymmene Oyj	1,101	9,607
		<u>20,158</u>
<i>Pharmaceuticals (0.0%)</i>		
Orion Oyj Class B	8	125
TOTAL FINLAND		<u>508,962</u>

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex II Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
LONG STOCK POSITIONS		
COMMON STOCKS		
France (9.5%)		
<i>Aerospace & Defense (0.1%)</i>		
Safran SA	1,500	\$ 19,865
Thales SA	8	359
Zodiac Aerospace§	816	26,615
		<u>46,839</u>
<i>Airlines (0.0%)</i>		
Air France-KLM§	356	4,565
<i>Auto Components (0.0%)</i>		
Compagnie Generale des Etablissements Michelin Class B	2	115
Valeo SA*§	175	3,231
		<u>3,346</u>
<i>Automobiles (0.1%)</i>		
PEUGEOT SA*§	422	11,139
Renault SA*§	1,063	39,268
		<u>50,407</u>
<i>Beverages (0.1%)</i>		
Pernod-Ricard SA§	412	26,044
<i>Building Products (0.3%)</i>		
Cie de Saint-Gobain§	2,941	98,943
<i>Capital Markets (0.1%)</i>		
Boursorama*	1,017	9,594
Union Financiere de France BQE SA	357	12,587
		<u>22,181</u>
<i>Chemicals (0.4%)</i>		
Air Liquide SA	1,009	92,568
Rhodia SA*§	5,485	41,681
		<u>134,249</u>
<i>Commercial Banks (1.3%)</i>		
BNP Paribas	3,771	245,880
Credit Agricole SA§	6,108	76,572
Natixis*	2,007	3,906
Societe Generale	2,067	113,443
		<u>439,801</u>
<i>Commercial Services & Supplies (0.1%)</i>		
Societe BIC SA	308	17,732
<i>Communications Equipment (0.1%)</i>		
Alcatel-Lucent*§	11,842	29,692

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex II Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
LONG STOCK POSITIONS		
COMMON STOCKS		
France		
<i>Construction & Engineering (0.3%)</i>		
Bouygues SA	359	\$ 13,575
Eiffage SA§	84	4,908
Vinci SA	1,970	88,881
		<u>107,364</u>
<i>Construction Materials (0.1%)</i>		
Imerys SA*§	154	6,472
Lafarge SA*§	551	37,483
		<u>43,955</u>
<i>Diversified Financial Services (0.0%)</i>		
Fimalac	172	9,448
<i>Diversified Telecommunication Services (0.5%)</i>		
France Telecom SA	7,470	169,945
<i>Electric Utilities (0.1%)</i>		
EDF SA	1,034	50,481
<i>Electrical Equipment (0.6%)</i>		
Alstom SA§	719	42,685
Legrand SA	2,974	65,070
Schneider Electric SA	1,132	86,628
		<u>194,383</u>
<i>Energy Equipment & Services (0.1%)</i>		
Cie Generale de Geophysique-Veritas*	229	4,145
Technip SA	911	44,915
		<u>49,060</u>
<i>Food Products (0.1%)</i>		
Danone	216	10,709
LDC	119	13,759
		<u>24,468</u>
<i>Hotels, Restaurants & Leisure (0.1%)</i>		
Accor SA§	742	29,559
<i>Household Durables (0.0%)</i>		
Thomson*	1,888	1,671
<i>Independent Power Producers & Energy Traders (0.1%)</i>		
Sechilienne-Sidec	805	28,010
<i>Insurance (0.9%)</i>		
AXA SA	6,195	117,235
CNP Assurances	1,073	102,650
SCOR SE	4,800	98,608
		<u>318,493</u>

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex II Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
LONG STOCK POSITIONS		
COMMON STOCKS		
France		
<i>IT Services (0.0%)</i>		
Atos Origin SA*	3	\$ 102
<i>Machinery (0.1%)</i>		
Vallourec SA§	290	35,441
<i>Media (0.4%)</i>		
M6-Metropole Television§	595	11,283
PagesJaunes Groupe§	1,553	15,138
Publicis Groupe§	842	25,774
Vivendi	3,613	86,713
		<u>138,908</u>
<i>Multi-Utilities (0.1%)</i>		
Suez Environnement SA	31	543
Veolia Environnement§	1,294	38,254
		<u>38,797</u>
<i>Multiline Retail (0.1%)</i>		
PPR	353	28,934
<i>Office Electronics (0.1%)</i>		
Neopost SA§	496	44,656
<i>Oil, Gas & Consumable Fuels (1.4%)</i>		
Esso SA Francaise	98	13,010
Total SA§	8,314	450,557
		<u>463,567</u>
<i>Personal Products (0.3%)</i>		
L'Oreal SA§	1,287	96,593
<i>Pharmaceuticals (1.0%)</i>		
Ipsen SA	1	44
Sanofi-Aventis SA	5,537	327,132
		<u>327,176</u>
<i>Professional Services (0.1%)</i>		
Bureau Veritas SA	337	16,597
<i>Real Estate Investment Trusts (0.0%)</i>		
Societe Immobiliere de Location pour l'Industrie et le Commerce	67	5,926
Unibail-Rodamco SE	6	897
		<u>6,823</u>
<i>Textiles, Apparel & Luxury Goods (0.4%)</i>		
Christian Dior SA	427	31,981
Hermes International§	123	17,123
LVMH Moet Hennessy Louis Vuitton SA§	993	76,146
		<u>125,250</u>

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex II Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
LONG STOCK POSITIONS		
COMMON STOCKS		
France		
<i>Transportation Infrastructure (0.0%)</i>		
Aeroports de Paris	9	\$ 662
TOTAL FRANCE		<u>3,224,142</u>
Germany (8.5%)		
<i>Aerospace & Defense (0.2%)</i>		
MTU Aero Engines Holding AG	1,534	<u>56,044</u>
<i>Automobiles (0.8%)</i>		
Bayerische Motoren Werke AG	631	23,833
Daimler AG§	4,042	146,766
Volkswagen AG§	311	<u>105,346</u>
		<u>275,945</u>
<i>Capital Markets (0.4%)</i>		
Deutsche Bank AG§	2,451	<u>148,976</u>
<i>Chemicals (1.0%)</i>		
BASF SE	5,080	202,366
K+S AG	656	36,997
Linde AG	1,140	93,641
Symrise AG	354	5,241
Wacker Chemie AG	119	<u>13,740</u>
		<u>351,985</u>
<i>Commercial Banks (0.0%)</i>		
Commerzbank AG*	1,176	<u>7,330</u>
<i>Construction & Engineering (0.1%)</i>		
Bilfinger Berger AG	230	10,705
Hochtief AG	199	<u>10,048</u>
		<u>20,753</u>
<i>Construction Materials (0.1%)</i>		
HeidelbergCement AG	441	<u>18,155</u>
<i>Diversified Financial Services (0.8%)</i>		
Allianz SE	2,226	205,333
Deutsche Boerse AG	645	<u>50,190</u>
		<u>255,523</u>
<i>Diversified Telecommunication Services (0.4%)</i>		
Deutsche Telekom AG§	12,562	<u>148,493</u>
<i>Electric Utilities (0.9%)</i>		
E.ON AG	8,691	<u>308,467</u>
<i>Electrical Equipment (0.0%)</i>		
Q-Cells SE*	3	62
Solarworld AG§	388	9,181
Tognum AG	201	<u>2,644</u>
		<u>11,887</u>

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex II Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
LONG STOCK POSITIONS		
COMMON STOCKS		
Germany		
<i>Food & Staples Retailing (0.1%)</i>		
Metro AG	480	\$ 22,930
<i>Food Products (0.0%)</i>		
KWS Saat AG	10	1,801
Suedzucker AG	745	15,097
		<u>16,898</u>
<i>Health Care Equipment & Supplies (0.0%)</i>		
Carl Zeiss Meditec AG	324	4,558
<i>Household Durables (0.1%)</i>		
Rational AG	188	21,666
<i>Household Products (0.0%)</i>		
Henkel AG & Co. KGaA	155	4,181
<i>Industrial Conglomerates (0.8%)</i>		
Rheinmetall AG	453	19,678
Siemens AG	3,798	262,603
		<u>282,281</u>
<i>Insurance (0.5%)</i>		
Hannover Rueckversicherung AG*	354	13,085
Muenchener Rueckversicherungs AG	1,191	160,887
		<u>173,972</u>
<i>Internet & Catalog Retail (0.0%)</i>		
Takkt AG	1,442	15,356
<i>Machinery (0.2%)</i>		
GEA Group AG	11	167
Heidelberger Druckmaschinen AG	1,113	6,214
MAN SE	700	43,064
Wacker Neuson SE	646	6,026
		<u>55,471</u>
<i>Metals & Mining (0.3%)</i>		
Salzgitter AG	388	34,193
ThyssenKrupp AG	2,493	62,098
		<u>96,291</u>
<i>Multi-Utilities (0.7%)</i>		
RWE AG	2,920	230,236
<i>Pharmaceuticals (0.3%)</i>		
Bayer AG§	2,087	112,139
<i>Semiconductors & Semiconductor Equipment (0.0%)</i>		
Infineon Technologies AG*	599	2,181

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex II Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
LONG STOCK POSITIONS		
COMMON STOCKS		
Germany		
<i>Software (0.7%)</i>		
SAP AG	4,012	\$ 161,733
Software AG	855	60,643
		<u>222,376</u>
<i>Textiles, Apparel & Luxury Goods (0.1%)</i>		
Puma AG Rudolf Dassler Sport	95	20,803
<i>Transportation Infrastructure (0.0%)</i>		
Fraport AG Frankfurt Airport Services Worldwide	1	43
TOTAL GERMANY		<u>2,884,940</u>
Greece (0.5%)		
<i>Capital Markets (0.0%)</i>		
Marfin Investment Group SA*	2,186	9,380
<i>Commercial Banks (0.3%)</i>		
National Bank of Greece SA*	3,256	90,313
Piraeus Bank SA*	37	368
		<u>90,681</u>
<i>Construction Materials (0.0%)</i>		
Titan Cement Co. SA	556	14,670
<i>Diversified Telecommunication Services (0.2%)</i>		
Hellenic Telecommunications Organization SA	3,270	49,998
TOTAL GREECE		<u>164,729</u>
Hong Kong (1.2%)		
<i>Diversified Financial Services (1.2%)</i>		
iShares MSCI Hong Kong Index Fund\$	29,200	401,208
TOTAL HONG KONG		<u>401,208</u>
Ireland (0.2%)		
<i>Construction Materials (0.1%)</i>		
CRH PLC	2,312	52,940
<i>Food Products (0.0%)</i>		
Kerry Group PLC Class A	2	46
<i>Pharmaceuticals (0.1%)</i>		
Elan Corp. PLC*§	3,525	22,801
TOTAL IRELAND		<u>75,787</u>
Italy (3.1%)		
<i>Aerospace & Defense (0.0%)</i>		
Finmeccanica SpA	820	11,562
<i>Capital Markets (0.1%)</i>		
Mediobanca SpA	2,145	25,557

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex II Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
LONG STOCK POSITIONS		
COMMON STOCKS		
Italy		
<i>Commercial Banks (0.8%)</i>		
Banca Carige SpA	1,614	\$ 4,433
Banca Monte dei Paschi di Siena SpA	8,745	14,133
Banco di Desio e della Brianza SpA	226	1,411
Intesa Sanpaolo SpA*	24,294	78,495
Piccolo Credito Valtellinese Scarl	1,407	12,756
UniCredit SpA*§	61,650	155,908
		<u>267,136</u>
<i>Construction & Engineering (0.0%)</i>		
Impregilo SpA	48	167
<i>Construction Materials (0.1%)</i>		
Buzzi Unicem SpA	278	3,938
Cementir Holding SpA	673	2,572
Italcementi SpA§	932	10,670
		<u>17,180</u>
<i>Diversified Telecommunication Services (0.2%)</i>		
Telecom Italia SpA§	44,565	61,779
<i>Electric Utilities (0.5%)</i>		
Enel SpA§	30,360	148,194
Iride SpA	767	1,328
Terna Rete Elettrica Nazionale SpA§	4,013	13,382
		<u>162,904</u>
<i>Electrical Equipment (0.0%)</i>		
Prysmian SpA	1	15
<i>Energy Equipment & Services (0.1%)</i>		
Saipem SpA	1,175	28,703
<i>Food Products (0.0%)</i>		
Parmalat SpA	6,877	16,608
<i>Gas Utilities (0.1%)</i>		
Snam Rete Gas SpA	7,432	32,642
<i>Health Care Equipment & Supplies (0.0%)</i>		
DiaSorin SpA	80	1,990
<i>Hotels, Restaurants & Leisure (0.0%)</i>		
Lottomatica SpA	89	1,718
<i>Insurance (0.2%)</i>		
Alleanza Assicurazioni SpA	2,983	20,497
Assicurazioni Generali SpA	2,709	56,412
Mediolanum SpA	915	4,888
Premafin Finanziaria SpA*	3,003	3,876
Unipol Gruppo Finanziario SpA*	2,197	2,577
		<u>88,250</u>

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex II Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
LONG STOCK POSITIONS		
COMMON STOCKS		
Italy		
<i>Media (0.1%)</i>		
Mediaset SpA	3,690	\$ 20,714
<i>Oil, Gas & Consumable Fuels (0.9%)</i>		
ENI SpA	13,605	322,624
Saras SpA	226	645
		<u>323,269</u>
TOTAL ITALY		<u>1,060,194</u>
Japan (24.7%)		
<i>Air Freight & Logistics (0.1%)</i>		
Yamato Holdings Co., Ltd.§	2,000	26,550
<i>Airlines (0.1%)</i>		
All Nippon Airways Co., Ltd.	6,000	20,932
Japan Airlines Corp.*	4,734	9,121
		<u>30,053</u>
<i>Auto Components (0.4%)</i>		
Aisin Seiki Co., Ltd.§	292	6,298
Bridgestone Corp.§	1,271	19,878
Denso Corp.§	1,300	33,271
Imasen Electric Industrial	198	2,142
NHK Spring Co., Ltd.	1,000	6,692
Nissin Kogyo Co., Ltd.	94	1,197
NOK Corp.	1,100	12,761
TBK Co., Ltd.	1,000	1,781
Tigers Polymer Corp.	200	839
U-Shin, Ltd.	1,900	9,593
Unipres Corp.§	400	4,429
Yorozu Corp.	1,900	20,954
		<u>119,835</u>
<i>Automobiles (2.4%)</i>		
Daihatsu Motor Co., Ltd.	1,987	18,441
Fuji Heavy Industries, Ltd.§	4,640	18,717
Honda Motor Co., Ltd.§	6,571	180,493
Isuzu Motors, Ltd.	12,216	19,568
Mazda Motor Corp.§	2,845	7,265
Nissan Motor Co., Ltd.	14,300	86,650
Suzuki Motor Corp.	2,054	45,985
Toyota Motor Corp.	11,219	423,613
Yamaha Motor Co., Ltd.§	965	10,703
		<u>811,435</u>
<i>Beverages (0.1%)</i>		
Asahi Breweries, Ltd.	198	2,833
Kirin Holdings Co., Ltd.§	2,944	41,009
		<u>43,842</u>

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex II Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
LONG STOCK POSITIONS		
COMMON STOCKS		
Japan		
<i>Building Products (0.2%)</i>		
Asahi Glass Co., Ltd.§	2,000	\$ 15,995
Daikin Industries, Ltd.§	932	29,948
JS Group Corp.	699	10,771
Nippon Hume Corp.	1,000	3,019
Nippon Sheet Glass Co., Ltd.	4,218	12,272
		<u>72,005</u>
<i>Capital Markets (0.5%)</i>		
Daiwa Securities Group, Inc.§	2,981	17,686
Matsui Securities Co., Ltd.§	6,991	63,296
Nomura Holdings, Inc.§	8,100	68,265
SBI Holdings, Inc.	88	17,843
		<u>167,090</u>
<i>Chemicals (0.8%)</i>		
Asahi Kasei Corp.§	7,000	35,461
Chugoku Marine Paints, Ltd.	2,000	13,753
Co-Op Chemical Co., Ltd.§	4,000	8,395
DIC Corp.	11,000	17,157
JSP Corp.	625	4,753
Kansai Paint Co., Ltd.	2,000	14,308
Katakura Chikkarin Co., Ltd.	1,962	6,950
Mitsubishi Chemical Holdings Corp.§	8,889	37,540
Mitsubishi Gas Chemical Co., Inc.	785	4,273
Mitsubishi Rayon Co., Ltd.	19	55
Shin-Etsu Chemical Co., Ltd.	1,600	74,091
Showa Denko KK§	3,949	7,032
Sumitomo Chemical Co., Ltd.§	2,473	11,104
Tokuyama Corp.	1,829	13,405
Toray Industries, Inc.§	1,766	8,975
Tosoh Corp.	159	449
Ube Industries, Ltd.	8,958	24,960
		<u>282,661</u>
<i>Commercial Banks (2.4%)</i>		
Bank of the Ryukyus, Ltd.	1,545	18,321
Chuo Mitsui Trust Holdings, Inc.§	9,996	38,029
Fukuoka Financial Group, Inc.	8,327	37,182
Hokuhoku Financial Group, Inc.§	7,918	19,816
Mitsubishi UFJ Financial Group, Inc.	42,779	263,741
Mizuho Financial Group, Inc.§	46,512	107,895
Resona Holdings, Inc.§	2,859	40,013
Sapporo Hokuyo Holdings, Inc.*	12	34
Seven Bank, Ltd.	3	7,855
Shinsei Bank, Ltd.*§	8,661	13,806
Sumitomo Mitsui Financial Group, Inc.§	3,134	126,621
The Chiba Bank, Ltd.	2,992	19,497

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex II Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
LONG STOCK POSITIONS		
COMMON STOCKS		
Japan		
<i>Commercial Banks</i>		
The Gunma Bank, Ltd.	992	\$ 5,506
The Hachijuni Bank, Ltd.	1,108	6,251
The Nagano Bank, Ltd.	2,000	4,975
The Nishi-Nippon City Bank, Ltd.§	15,997	40,351
The San-In Godo Bank, Ltd.	2,000	17,215
The Sumitomo Trust & Banking Co., Ltd.§	4,000	21,430
The Tohoku Bank, Ltd.	6,000	9,748
		<u>798,286</u>
<i>Commercial Services & Supplies (0.4%)</i>		
Dai Nippon Printing Co., Ltd.§	2,000	27,341
Daiohs Corp.	100	491
Itoki Corp.	200	565
Nichiban Co., Ltd.	3,000	9,300
Nippon Kucho Service Co., Ltd.	600	4,581
Secom Co., Ltd.	1,343	54,422
Toppan Printing Co., Ltd.	4,986	50,156
		<u>146,856</u>
<i>Communications Equipment (0.1%)</i>		
Denki Kogyo Co., Ltd.	3,991	20,074
Saxa Holdings, Inc.*	1,000	1,799
		<u>21,873</u>
<i>Computers & Peripherals (0.4%)</i>		
Fujitsu, Ltd.§	10,000	54,238
Japan Digital Laboratory Co., Ltd.	368	4,652
NEC Corp.*§	10,393	40,590
Seiko Epson Corp.§	195	3,177
Toshiba Corp.§	6,859	24,811
		<u>127,468</u>
<i>Construction & Engineering (0.1%)</i>		
Ando Corp.	1,000	1,569
Asanuma Corp.*	2,211	2,329
Daiwa Odakyu Construction Co.	500	1,119
Kajima Corp.§	3,000	9,324
Kinden Corp.	921	8,081
Nishimatsu Construction Co., Ltd.	1,000	1,550
Obayashi Corp.	1,992	9,736
Shimizu Corp.§	1,982	8,589
Taihei Kogyo Co., Ltd.	1,129	3,610
Tobishima Corp.*	168	96
Totetsu Kogyo Co., Ltd.	57	345
		<u>46,348</u>

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex II Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
LONG STOCK POSITIONS		
COMMON STOCKS		
Japan		
<i>Construction Materials (0.1%)</i>		
Okabe Co., Ltd.	220	\$ 899
Shinagawa Refractories Co., Ltd.	1,795	4,876
Sumitomo Osaka Cement Co., Ltd.	6,000	12,932
Taiheiyo Cement Corp.§	5,708	9,767
		<u>28,474</u>
<i>Consumer Finance (0.1%)</i>		
Acom Co., Ltd.§	333	8,286
Aiful Corp.	2,150	8,231
Credit Saison Co., Ltd.§	600	7,599
Jaccs Co., Ltd.	1,000	2,223
ORIX Corp.	360	21,394
Takefuji Corp.	126	686
		<u>48,419</u>
<i>Containers & Packaging (0.0%)</i>		
FP Corp.	100	4,384
Tomoku Co., Ltd.	1,000	1,990
Toyo Seikan Kaisha, Ltd.§	195	4,119
		<u>10,493</u>
<i>Diversified Consumer Services (0.1%)</i>		
Benesse Corp.	500	20,018
Watabe Wedding Corp.	100	1,622
		<u>21,640</u>
<i>Diversified Financial Services (0.0%)</i>		
Daiko Clearing Services Corp.	237	1,440
Fuyo General Lease Co., Ltd.	100	2,215
Mitsubishi UFJ Lease & Finance Co., Ltd.§	335	10,904
		<u>14,559</u>
<i>Diversified Telecommunication Services (0.8%)</i>		
Nippon Telegraph & Telephone Corp.	6,700	272,436
<i>Electric Utilities (1.2%)</i>		
Chubu Electric Power Co., Inc.§	4,197	96,774
Hokuriku Electric Power Co.§	1,758	40,145
Kyushu Electric Power Co., Inc.§	4,400	94,548
The Kansai Electric Power Co., Inc.	1,496	32,948
The Tokyo Electric Power Co., Inc.§	4,983	127,920
Tohoku Electric Power Co., Inc.	1,498	31,243
		<u>423,578</u>
<i>Electrical Equipment (0.5%)</i>		
Chiyoda Integre Co., Ltd.	800	9,176
Furukawa Electric Co., Ltd.§	5,000	22,458
Mitsubishi Electric Corp.	6,883	43,434

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex II Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
LONG STOCK POSITIONS		
COMMON STOCKS		
Japan		
<i>Electrical Equipment</i>		
Nippon Carbon Co. Ltd.	1,000	\$ 2,785
Panasonic Electric Works Co., Ltd.	998	9,418
Sumitomo Electric Industries, Ltd.	5,700	63,808
Toko Electric Corp.	703	2,201
Ushio, Inc. §	510	8,123
		<u>161,403</u>
<i>Electronic Equipment, Instruments & Components (1.1%)</i>		
Citizen Holdings Co., Ltd.	1,886	9,643
FUJIFILM Holdings Corp.	1,092	34,699
Hirose Electric Co., Ltd.	198	21,091
Hitachi, Ltd.	21,000	65,251
Hosiden Corp.	1,800	22,987
HOYA Corp.	1,700	34,001
Ibiden Co., Ltd.	97	2,716
Japan Cash Machine Co., Ltd.	600	5,479
Keyence Corp.	189	38,445
Kyocera Corp.	493	36,954
Mitsumi Electric Co., Ltd.	795	16,956
Murata Manufacturing Co., Ltd. §	877	37,371
Nidec Corp. §	288	17,503
ONO Sokki Co., Ltd.	239	1,041
Satori Electric Co., Ltd.	700	4,109
Shimadzu Corp.	967	7,715
TDK Corp. §	500	23,436
Yokogawa Electric Corp.	486	3,270
		<u>382,667</u>
<i>Food & Staples Retailing (0.7%)</i>		
Aeon Co., Ltd. §	1,398	13,773
CVS Bay Area, Inc.	464	716
FamilyMart Co., Ltd.	1,100	34,511
Lawson, Inc. §	1,600	70,316
S Foods, Inc.	1,000	8,039
San-A Co., Ltd.	100	3,258
Seven & I Holdings Co., Ltd.	3,400	79,615
Universe Co., Ltd.	300	3,714
UNY Co., Ltd.	3,000	25,593
Yamaya Corp.	400	2,858
		<u>242,393</u>
<i>Food Products (0.4%)</i>		
Ajinomoto Co., Inc.	22	174
Fuji Oil Co., Ltd.	300	3,491
Kyokuyo Co., Ltd.	2,000	4,159
Nippon Meat Packers, Inc.	1,000	12,571
Nisshin Seifun Group, Inc.	2,000	23,726

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex II Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
LONG STOCK POSITIONS		
COMMON STOCKS		
Japan		
<i>Food Products</i>		
NISSIN FOODS HOLDINGS Co., Ltd.	4	\$ 121
QP Corp.	3,124	32,470
Toyo Suisan Kaisha, Ltd.	1,000	20,571
Warabeya Nichiyu Co., Ltd.	1,300	15,552
Yamazaki Baking Co., Ltd.§	2,945	33,216
		<u>146,051</u>
<i>Gas Utilities (0.1%)</i>		
Tokyo Gas Co., Ltd.	12,000	42,802
<i>Health Care Equipment & Supplies (0.2%)</i>		
Eiken Chemical Co., Ltd.	1,500	12,783
Olympus Corp.§	272	6,395
Terumo Corp.§	785	34,555
		<u>53,733</u>
<i>Health Care Providers & Services (0.0%)</i>		
Mediceo Paltac Holdings Co., Ltd.	7	80
Suzuken Co., Ltd.	3	87
		<u>167</u>
<i>Hotels, Restaurants & Leisure (0.1%)</i>		
McDonald's Holdings Co. Japan, Ltd.§	403	7,472
Oriental Land Co. Japan, Ltd.§	398	26,644
		<u>34,116</u>
<i>Household Durables (0.9%)</i>		
Casio Computer Co., Ltd.§	2,071	18,521
Foster Electric Co., Ltd.	289	3,283
Fuji Corp.	1,100	3,010
Makita Corp.§	395	9,543
Panasonic Corp.§	8,396	112,940
Sanyo Electric Co., Ltd.*§	3,130	8,094
Sharp Corp.	2,000	20,716
Sony Corp.§	4,258	110,914
Suminoe Textile Co., Ltd.	2,000	2,805
Token Corp.	90	2,901
		<u>292,727</u>
<i>Household Products (0.1%)</i>		
Kao Corp.	2,000	43,453
<i>Independent Power Producers & Energy Traders (0.0%)</i>		
Electric Power Development Co., Ltd.§	200	5,666
<i>Insurance (0.7%)</i>		
Aioi Insurance Co., Ltd.	2,977	13,548
Mitsui Sumitomo Insurance Group Holdings, Inc.	1,600	41,792
Nipponkoa Insurance Co., Ltd.§	4,000	23,235

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex II Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
LONG STOCK POSITIONS		
COMMON STOCKS		
Japan		
<i>Insurance</i>		
Nissay Dowa General Insurance Co., Ltd.	4,461	\$ 21,517
Sompo Japan Insurance, Inc.	5,962	39,667
T&D Holdings, Inc.§	485	13,835
Tokio Marine Holdings, Inc.	2,551	69,933
		<u>223,527</u>
<i>Internet & Catalog Retail (0.1%)</i>		
ASKUL Corp.	500	8,087
Rakuten, Inc.§	41	24,667
		<u>32,754</u>
<i>Internet Software & Services (0.0%)</i>		
Yahoo! Japan Corp.	25	7,939
<i>IT Services (0.1%)</i>		
CAC Corp.	200	1,442
NTT Data Corp.	6	19,338
		<u>20,780</u>
<i>Leisure Equipment & Products (0.3%)</i>		
Daikoku Denki Co., Ltd.	700	9,308
Namco Bandai Holdings, Inc.§	1,100	12,046
Nikon Corp.	1,916	33,096
Sankyo Co., Ltd.	486	25,885
Sega Sammy Holdings, Inc.§	900	11,389
Shimano, Inc.§	398	15,268
Tamron Co., Ltd.	108	1,477
		<u>108,469</u>
<i>Machinery (1.1%)</i>		
Amada Co., Ltd.	2,000	12,375
Daiwa Industries, Ltd.	913	4,206
Fanuc, Ltd.	785	62,809
IHI Corp.*	7,000	12,073
JTEKT Corp.§	692	6,983
Kawasaki Heavy Industries, Ltd.§	3,000	8,251
Komatsu, Ltd.	1,772	27,316
Kubota Corp.§	4,000	32,889
Minebea Co., Ltd.§	4,961	21,080
Mitsubishi Heavy Industries, Ltd.§	12,000	49,582
Mitsui Engineering & Shipbuilding Co., Ltd.§	5,970	14,001
Miyachi Corp.	1,000	6,773
Nachi-Fujikoshi Corp.§	6,461	13,255
NGK Insulators, Ltd.	764	15,547
NSK, Ltd.§	2,886	14,587
NTN Corp.	4,900	19,596
Obara Corp.	1,600	15,155

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex II Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
LONG STOCK POSITIONS		
COMMON STOCKS		
Japan		
<i>Machinery</i>		
Ryobi, Ltd.	1,274	\$ 3,346
Sasebo Heavy Industries Co., Ltd.	1,000	2,084
SMC Corp.	119	12,758
Sumitomo Heavy Industries, Ltd.	2,970	13,192
THK Co., Ltd.	437	6,504
		<u>374,362</u>
<i>Marine (0.2%)</i>		
Kawasaki Kisen Kaisha, Ltd.	1,000	4,096
Mitsui OSK Lines, Ltd.	4,000	25,809
Nippon Yusen KK\$	6,918	29,744
		<u>59,649</u>
<i>Media (0.1%)</i>		
Amuse, Inc.	1,200	12,084
Gakken Co., Ltd.	4,000	7,744
Hakuhodo DY Holdings, Inc.	1	54
Jupiter Telecommunications Co., Ltd.	22	16,662
SKY Perfect JSAT Holdings, Inc.	36	13,706
		<u>50,250</u>
<i>Metals & Mining (1.0%)</i>		
DOWA HOLDINGS Co., Ltd.	1,000	4,144
JFE Holdings, Inc.§	2,000	67,090
Kobe Steel, Ltd.§	5,855	10,887
Maruichi Steel Tube, Ltd.§	197	3,709
Mitsubishi Materials Corp.§	14,597	45,375
Nakayama Steel Works, Ltd.	4,000	9,474
Nippon Denko Co., Ltd.	304	2,017
Nippon Steel Corp.§	14,977	57,249
Sumitomo Metal Industries, Ltd.	12,743	33,822
Sumitomo Metal Mining Co., Ltd.	1,000	14,026
Tokyo Steel Manufacturing Co., Ltd.§	3,580	43,509
Tokyo Tekko Co., Ltd.	2,000	7,475
Topy Industries, Ltd.	7,000	13,252
Yamato Kogyo Co., Ltd.§	700	20,576
		<u>332,605</u>
<i>Multiline Retail (0.0%)</i>		
Isetan Mitsukoshi Holdings, Ltd.	586	5,953
<i>Office Electronics (0.7%)</i>		
Canon, Inc.§	4,745	154,750
Konica Minolta Holdings, Inc.	4,000	41,729
Ricoh Co., Ltd.§	1,987	25,557
		<u>222,036</u>

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Credit Suisse Trust — International Equity Flex II Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
LONG STOCK POSITIONS		
COMMON STOCKS		
Japan		
<i>Oil, Gas & Consumable Fuels (0.5%)</i>		
Cosmo Oil Co., Ltd.	5,438	\$ 18,382
Idemitsu Kosan Co., Ltd.§	368	31,479
INPEX Corp.	5	39,804
Kanto Natural Gas Development, Ltd.	1,000	5,902
TonenGeneral Sekiyu KK§	7,903	80,312
		<u>175,879</u>
<i>Paper & Forest Products (0.0%)</i>		
OJI Paper Co., Ltd.	34	146
<i>Pharmaceuticals (1.1%)</i>		
Astellas Pharma, Inc.	3,283	115,750
Daiichi Sankyo Co., Ltd.§	1,417	25,253
Eisai Co., Ltd.	898	31,834
Mitsubishi Tanabe Pharma Corp.	1,771	20,315
Ono Pharmaceutical Co., Ltd.	400	17,716
Santen Pharmaceutical Co., Ltd.	294	8,943
Taisho Pharmaceutical Co., Ltd.	259	4,894
Takeda Pharmaceutical Co., Ltd.	3,600	139,750
		<u>364,455</u>
<i>Professional Services (0.0%)</i>		
Altech Corp.	200	1,205
<i>Real Estate Investment Trusts (0.1%)</i>		
Japan Prime Realty Investment Corp.§	1	2,154
Japan Real Estate Investment Corp.	1	8,282
Japan Retail Fund Investment Corp.	1	4,606
Nippon Building Fund, Inc.	1	8,535
		<u>23,577</u>
<i>Real Estate Management & Development (0.7%)</i>		
Aeon Mall Co., Ltd.	596	11,293
Daito Trust Construction Co., Ltd.	297	13,982
Heiwa Real Estate Co., Ltd.	605	1,975
Leopalace21 Corp.	2,939	26,222
Mitsubishi Estate Co., Ltd.	3,313	54,916
Mitsui Fudosan Co., Ltd.	3,903	67,589
Nomura Real Estate Holdings, Inc.§	394	6,771
NTT Urban Development Corp.§	2	1,925
Sumitomo Realty & Development Co., Ltd.§	1,958	35,695
Tokyo Tatemono Co., Ltd.	992	5,516
Tokyu Land Corp.§	3,947	17,904
		<u>243,788</u>
<i>Road & Rail (0.6%)</i>		
Central Japan Railway Co.§	2	12,276
East Japan Railway Co.	1,600	96,179

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex II Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
LONG STOCK POSITIONS		
COMMON STOCKS		
Japan		
<i>Road & Rail</i>		
Keihin Electric Express Railway Co., Ltd.	17	\$ 132
Keisei Electric Railway Co., Ltd.§	4,000	23,811
Kintetsu Corp.	55	242
Maruwn Corp.	600	1,628
Nippon Express Co., Ltd.	6,000	27,196
Tokyu Corp.	5,000	25,184
		<u>186,648</u>
<i>Semiconductors & Semiconductor Equipment (0.3%)</i>		
Advantest Corp.	191	3,473
Mimasu Semiconductor Industry Co., Ltd.	449	5,369
NEC Electronics Corp.*	42	380
Rohm Co., Ltd.	698	50,832
Tokyo Electron, Ltd.	669	32,236
		<u>92,290</u>
<i>Software (0.4%)</i>		
Konami Corp.	99	1,893
Nintendo Co., Ltd.	400	110,530
Oracle Corp. Japan§	300	10,985
Sorun Corp.	466	2,841
SRA Holdings	300	2,614
		<u>128,863</u>
<i>Specialty Retail (0.2%)</i>		
Fast Retailing Co., Ltd.	206	26,805
Hard Off Corp. Co., Ltd.	200	1,020
Nitori Co., Ltd.	1	71
Pal Co., Ltd.	350	5,919
Point, Inc.	152	8,156
Right On Co., Ltd.	221	2,017
USS Co., Ltd.	214	11,005
Yamada Denki Co., Ltd.§	153	8,887
		<u>63,880</u>
<i>Textiles, Apparel & Luxury Goods (0.0%)</i>		
Sanei-International Co., Ltd.	1,900	16,341
<i>Tobacco (0.3%)</i>		
Japan Tobacco, Inc.	34	106,113
<i>Trading Companies & Distributors (0.9%)</i>		
ITOCHU Corp.	3,911	27,097
JFE Shoji Holdings, Inc.	3,000	11,040
Kamei Corp.	1,000	5,163
Kanamoto Co., Ltd.	1,000	5,221
Marubeni Corp.	5,929	26,182
Maruka Machinery Co., Ltd.	200	1,534

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex II Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
LONG STOCK POSITIONS		
COMMON STOCKS		
Japan		
<i>Trading Companies & Distributors</i>		
Mitsubishi Corp.	4,984	\$ 91,828
Mitsui & Co., Ltd.§	7,086	83,836
Sumitomo Corp.	5,579	56,621
		<u>308,522</u>
<i>Transportation Infrastructure (0.0%)</i>		
Kamigumi Co., Ltd.	1,000	8,438
<i>Wireless Telecommunication Services (0.9%)</i>		
KDDI Corp.	16	84,765
NTT DoCoMo, Inc.	124	181,085
Softbank Corp.	2,417	47,012
		<u>312,862</u>
TOTAL JAPAN		<u>8,390,410</u>
Luxembourg (0.6%)		
<i>Energy Equipment & Services (0.1%)</i>		
Acergy SA	1,432	14,119
Tenaris SA	1,844	25,152
		<u>39,271</u>
<i>Media (0.2%)</i>		
SES*	2,730	51,794
<i>Metals & Mining (0.3%)</i>		
ArcelorMittal§	3,034	100,390
TOTAL LUXEMBOURG		<u>191,455</u>
Netherlands (2.4%)		
<i>Aerospace & Defense (0.4%)</i>		
European Aeronautic Defence & Space Co. NV§	9,859	160,092
<i>Air Freight & Logistics (0.1%)</i>		
TNT NV	1,522	29,745
<i>Chemicals (0.1%)</i>		
Koninklijke DSM NV	1,215	38,202
<i>Diversified Financial Services (0.1%)</i>		
ING Groep NV CVA	2,241	22,700
SNS Reaal	273	1,531
		<u>24,231</u>
<i>Diversified Telecommunication Services (0.1%)</i>		
KONINKLIJKE KPN NV§	3,489	48,133
<i>Energy Equipment & Services (0.1%)</i>		
Fugro NV	141	5,871
SBM Offshore NV§	995	17,084
		<u>22,955</u>

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex II Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
LONG STOCK POSITIONS		
COMMON STOCKS		
Netherlands		
<i>Food & Staples Retailing</i> (0.2%)		
Koninklijke Ahold NV	6,387	\$ 73,622
<i>Food Products</i> (0.8%)		
Unilever NV\$	11,095	268,306
<i>Household Durables</i> (0.1%)		
TomTom NV*	3,554	42,922
<i>Industrial Conglomerates</i> (0.1%)		
Koninklijke Philips Electronics NV	2,181	40,262
<i>Insurance</i> (0.1%)		
Aegon NV	5,750	35,593
<i>Life Sciences Tools & Services</i> (0.0%)		
QIAGEN NV*	11	204
<i>Semiconductors & Semiconductor Equipment</i> (0.1%)		
ASML Holding NV	1,218	26,396
<i>Software</i> (0.1%)		
Exact Holding NV	984	23,873
TOTAL NETHERLANDS		<u>834,536</u>
Norway (0.6%)		
<i>Chemicals</i> (0.1%)		
Yara International ASA\$	1,049	29,503
<i>Commercial Banks</i> (0.0%)		
DnB NOR ASA*	72	550
<i>Diversified Telecommunication Services</i> (0.0%)		
Telenor ASA*	169	1,303
<i>Electrical Equipment</i> (0.0%)		
Renewable Energy Corp. AS*\$	4	31
<i>Energy Equipment & Services</i> (0.0%)		
Aker Solutions ASA\$	292	2,423
TGS Nopec Geophysical Co. ASA*	23	228
		<u>2,651</u>
<i>Oil, Gas & Consumable Fuels</i> (0.5%)		
StatoilHydro ASA	8,524	168,208
<i>Paper & Forest Products</i> (0.0%)		
Norske Skogindustrier ASA*	9,376	13,778
TOTAL NORWAY		<u>216,024</u>
Portugal (0.3%)		
<i>Commercial Banks</i> (0.0%)		
Banco BPI SA	113	289
Banco Comercial Portugues SA R Shares	5,277	5,372
		<u>5,661</u>

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex II Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
LONG STOCK POSITIONS		
COMMON STOCKS		
Portugal		
<i>Construction Materials (0.0%)</i>		
Cimpor Cimentos de Portugal SGPS SA\$	1,347	\$ 9,839
<i>Diversified Telecommunication Services (0.2%)</i>		
Portugal Telecom SGPS SA	5,150	50,509
<i>Electric Utilities (0.1%)</i>		
EDP - Energias de Portugal SA	8,082	31,744
<i>Multi-Utilities (0.0%)</i>		
REN - Redes Energeticas Nacionais SA	2,148	9,204
<i>Oil, Gas & Consumable Fuels (0.0%)</i>		
Galp Energia SGPS SA B Shares\$	2	28
TOTAL PORTUGAL		<u>106,985</u>
Singapore (0.6%)		
<i>Diversified Financial Services (0.6%)</i>		
iShares MSCI Singapore Index Fund\$	23,200	209,264
TOTAL SINGAPORE		<u>209,264</u>
Spain (4.9%)		
<i>Airlines (0.0%)</i>		
Iberia Lineas Aereas de Espana*	1,271	2,703
<i>Commercial Banks (2.4%)</i>		
Banco Bilbao Vizcaya Argentaria SA\$	19,240	242,225
Banco de Sabadell SA\$	3,622	22,650
Banco de Valencia SA	673	6,542
Banco Pastor SA	142	984
Banco Popular Espanol SA	7,626	66,717
Banco Santander SA	39,313	475,153
Bankinter SA	776	9,205
		<u>823,476</u>
<i>Construction & Engineering (0.3%)</i>		
ACS Actividades de Construccion y Servicios SA	1,066	54,105
Fomento de Construcciones y Contratas SA\$	180	7,405
Grupo Ferrovial SA	44	1,418
Obrascon Huarte Lain SA	1,069	21,210
		<u>84,138</u>
<i>Diversified Financial Services (0.1%)</i>		
Criteria Caixacorp SA	3,773	17,485
<i>Diversified Telecommunication Services (1.1%)</i>		
Telefonica SA\$	16,807	381,625
<i>Electric Utilities (0.4%)</i>		
Acciona SA\$	101	12,470
Iberdrola SA\$	14,455	117,857
		<u>130,327</u>

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex II Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
LONG STOCK POSITIONS		
COMMON STOCKS		
Spain		
<i>Food Products (0.0%)</i>		
Viscofan SA	165	\$ 3,525
<i>Gas Utilities (0.1%)</i>		
Enagas§	782	15,430
Gas Natural SDG SA§	1,375	25,107
		<u>40,537</u>
<i>Independent Power Producers & Energy Traders (0.0%)</i>		
Iberdrola Renovables SA*	1,083	4,966
<i>Media (0.1%)</i>		
Gestevisión Telecinco SA§	3,319	31,078
<i>Oil, Gas & Consumable Fuels (0.3%)</i>		
Repsol YPF SA§	5,068	113,430
<i>Real Estate Management & Development (0.0%)</i>		
Inmobiliaria Colonial SA*	13,571	2,738
<i>Specialty Retail (0.1%)</i>		
Inditex SA	331	15,928
<i>Transportation Infrastructure (0.0%)</i>		
Cintra Concesiones de Infraestructuras de Transporte SA	811	5,052
TOTAL SPAIN		<u>1,657,008</u>
Sweden (2.3%)		
<i>Building Products (0.1%)</i>		
Assa Abloy AB Class B	3,479	48,438
<i>Commercial Banks (0.6%)</i>		
Nordea Bank AB	11,989	94,873
Skandinaviska Enskilda Banken AB Class A*§	2,838	12,498
Svenska Handelsbanken AB A Shares	3,106	58,647
Swedbank AB A Shares*§	7,309	42,546
		<u>208,564</u>
<i>Commercial Services & Supplies (0.1%)</i>		
Securitas AB B Shares	3,205	27,177
<i>Communications Equipment (0.4%)</i>		
Telefonaktiebolaget LM Ericsson B Shares	14,203	139,320
<i>Construction & Engineering (0.0%)</i>		
Skanska AB B Shares§	698	7,798
<i>Diversified Financial Services (0.1%)</i>		
Industrivarden AB A Shares	4,729	42,446
<i>Diversified Telecommunication Services (0.0%)</i>		
TeliaSonera AB	2,158	11,309

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex II Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
LONG STOCK POSITIONS		
COMMON STOCKS		
Sweden		
<i>Household Durables (0.0%)</i>		
Nobia AB*	123	\$ 437
<i>Machinery (0.3%)</i>		
Alfa Laval AB	771	7,357
Cardo AB	512	11,076
Hexagon AB B Shares	1,538	13,837
Scania AB B Shares§	1,493	14,791
SKF AB B Shares	2,010	24,737
Volvo AB B Shares	1,835	11,317
		<u>83,115</u>
<i>Metals & Mining (0.1%)</i>		
Boliden AB	1,169	8,829
SSAB AB A Shares§	1,899	22,084
		<u>30,913</u>
<i>Oil, Gas & Consumable Fuels (0.0%)</i>		
Lundin Petroleum AB*	18	139
<i>Paper & Forest Products (0.2%)</i>		
Holmen AB B Shares	564	12,297
Svenska Cellulosa AB B Shares	5,897	61,820
		<u>74,117</u>
<i>Specialty Retail (0.4%)</i>		
Hennes & Mauritz AB B Shares§	2,476	123,108
TOTAL SWEDEN		<u>796,881</u>
Switzerland (6.8%)		
<i>Building Products (0.1%)</i>		
Geberit AG	230	28,312
<i>Capital Markets (0.6%)</i>		
EFG International AG§	950	10,279
Julius Baer Holding AG	752	29,220
UBS AG*	12,952	158,990
		<u>198,489</u>
<i>Chemicals (0.5%)</i>		
Clariant AG*	448	2,835
Givaudan SA	67	41,090
Syngenta AG	470	109,252
		<u>153,177</u>
<i>Construction Materials (0.3%)</i>		
Holcim, Ltd.*§	1,797	102,217

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex II Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
LONG STOCK POSITIONS		
COMMON STOCKS		
Switzerland		
<i>Diversified Telecommunication Services (0.2%)</i>		
Swisscom AG	250	\$ 76,860
<i>Electric Utilities (0.0%)</i>		
BKW FMB Energie AG	139	10,225
<i>Energy Equipment & Services (0.2%)</i>		
ABB, Ltd.*	3,806	59,528
<i>Food Products (1.5%)</i>		
Nestle SA	13,672	515,759
<i>Health Care Equipment & Supplies (0.0%)</i>		
Nobel Biocare Holding AG	193	4,220
Synthes, Inc.	1	97
		<u>4,317</u>
<i>Insurance (0.7%)</i>		
Baloise Holding AG	194	14,413
Schweizerische National-Versicherungs-Gesellschaft AG*	1,625	36,347
Zurich Financial Services AG	1,019	179,289
		<u>230,049</u>
<i>Marine (0.0%)</i>		
Kuehne + Nagel International AG	138	10,830
<i>Pharmaceuticals (2.2%)</i>		
Novartis AG	9,148	372,047
Roche Holding AG	2,650	360,736
		<u>732,783</u>
<i>Professional Services (0.2%)</i>		
SGS SA	52	64,529
<i>Textiles, Apparel & Luxury Goods (0.3%)</i>		
Compagnie Financiere Richemont SA Class A*	4,412	91,898
The Swatch Group AG§	128	4,200
The Swatch Group AG BR	113	18,170
		<u>114,268</u>
TOTAL SWITZERLAND		
		<u>2,301,343</u>
United Kingdom (21.7%)		
<i>Aerospace & Defense (0.5%)</i>		
BAE Systems PLC	21,644	121,069
Cobham PLC	3,432	9,785
Meggitt PLC	2,126	5,566
Rolls-Royce Group PLC*	3,714	22,228
		<u>158,648</u>
<i>Airlines (0.0%)</i>		
British Airways PLC*§	270	557

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex II Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
LONG STOCK POSITIONS		
COMMON STOCKS		
United Kingdom		
<i>Beverages (0.6%)</i>		
Diageo PLC	7,173	\$ 103,130
SABMiller PLC§	5,563	113,699
		<u>216,829</u>
<i>Biotechnology (0.0%)</i>		
Antisoma PLC*	6,298	2,489
<i>Capital Markets (0.5%)</i>		
3i Group PLC	4,328	17,332
Aberdeen Asset Management PLC	445	909
BlueBay Asset Management PLC§	578	2,020
Close Brothers Group PLC	7,627	82,670
Evolution Group PLC	107	254
ICAP PLC	1,439	10,728
Investec PLC	3,033	16,356
Man Group PLC	5,327	24,443
Schroders PLC	330	4,470
Tullett Prebon PLC	231	1,130
		<u>160,312</u>
<i>Chemicals (0.1%)</i>		
Croda International	108	951
Johnson Matthey PLC	546	10,379
Victrex PLC	89	825
Yule Catto & Co. PLC	3,743	6,587
		<u>18,742</u>
<i>Commercial Banks (3.0%)</i>		
Barclays PLC	41,779	194,344
HSBC Holdings PLC	71,863	599,303
Lloyds Banking Group PLC	73,227	84,500
Royal Bank of Scotland Group PLC*	63,318	40,285
Standard Chartered PLC	5,077	95,559
		<u>1,013,991</u>
<i>Commercial Services & Supplies (0.1%)</i>		
De La Rue PLC	2,549	38,312
Regus PLC	790	847
		<u>39,159</u>
<i>Communications Equipment (0.0%)</i>		
Spirent Communications PLC	2,268	2,361
<i>Construction & Engineering (0.2%)</i>		
Balfour Beatty PLC	612	3,122
Costain Group PLC	13,264	5,521
Galliford Try PLC	912	727
Keller Group PLC	1,909	17,469

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex II Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
LONG STOCK POSITIONS		
COMMON STOCKS		
United Kingdom		
<i>Construction & Engineering</i>		
Kier Group PLC	2,747	\$ 41,735
Morgan Sindall PLC	73	832
Severfield-Rowen PLC	2,419	7,714
WSP Group PLC	1,200	4,359
		<u>81,479</u>
<i>Construction Materials (0.0%)</i>		
Marshalls PLC	3,511	4,963
<i>Consumer Finance (0.0%)</i>		
Provident Financial PLC	692	9,054
<i>Containers & Packaging (0.0%)</i>		
DS Smith PLC	6,987	7,670
Rexam PLC	227	1,068
		<u>8,738</u>
<i>Diversified Telecommunication Services (0.2%)</i>		
BT Group PLC	28,804	48,309
Cable & Wireless PLC	7,362	16,175
Kcom Group PLC	10,590	4,491
		<u>68,975</u>
<i>Electronic Equipment, Instruments & Components (0.0%)</i>		
Electrocomponents PLC	1,571	3,652
<i>Energy Equipment & Services (0.0%)</i>		
AMEC PLC	1,002	10,808
<i>Food & Staples Retailing (0.6%)</i>		
J Sainsbury PLC	4,535	23,443
Majestic Wine PLC	312	967
Tesco PLC	23,746	138,812
WM Morrison Supermarkets PLC	7,537	29,468
		<u>192,690</u>
<i>Food Products (0.4%)</i>		
Cadbury PLC	3,975	34,011
Dairy Crest Group PLC	1,562	8,274
Greggs PLC	1,447	8,910
Northern Foods PLC	3,319	2,850
Robert Wiseman Dairies PLC	843	5,250
Tate & Lyle PLC§	1,360	7,150
Unilever PLC	3,528	82,999
		<u>149,444</u>
<i>Health Care Equipment & Supplies (0.1%)</i>		
Smith & Nephew PLC	2,588	19,233

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex II Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
LONG STOCK POSITIONS		
COMMON STOCKS		
United Kingdom		
<i>Hotels, Restaurants & Leisure (0.3%)</i>		
Compass Group PLC	5,518	\$ 31,179
Enterprise Inns PLC	558	1,149
Greene King PLC	2,576	16,439
Holidaybreak PLC	205	948
Intercontinental Hotels Group PLC	768	7,914
J.D. Wetherspoon PLC	741	4,746
Ladbrokes PLC	1,917	5,815
Marston's PLC	1,290	2,527
Restaurant Group PLC	1,616	3,808
Thomas Cook Group PLC§	1,305	4,426
TUI Travel PLC	357	1,366
Whitbread PLC	573	7,737
William Hill PLC	7,351	23,831
		<u>111,885</u>
<i>Household Durables (0.0%)</i>		
Aga Rangemaster Group PLC	907	1,378
Barratt Developments PLC*	839	2,042
Berkeley Group Holdings PLC*	299	3,968
Taylor Wimpey PLC*	5,209	2,878
		<u>10,266</u>
<i>Household Products (0.3%)</i>		
Mcbride PLC	635	1,519
Reckitt Benckiser Group PLC§	1,848	84,479
		<u>85,998</u>
<i>Independent Power Producers & Energy Traders (0.1%)</i>		
Drax Group PLC	1,114	8,072
International Power PLC	6,228	24,487
		<u>32,559</u>
<i>Industrial Conglomerates (0.1%)</i>		
Smiths Group PLC	1,181	13,679
Tomkins PLC	2,844	6,944
		<u>20,623</u>
<i>Insurance (0.9%)</i>		
Admiral Group PLC	1,939	27,833
Aviva PLC§	9,572	53,948
Beazley PLC	2,898	4,651
Brit Insurance Holdings PLC	3,810	11,869
Chesnara PLC	1,576	3,797
Friends Provident Group PLC	6,099	6,602
Legal & General Group PLC	30,674	28,720
Novae Group PLC	661	3,379
Old Mutual PLC	30,183	40,349

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex II Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
LONG STOCK POSITIONS		
COMMON STOCKS		
United Kingdom		
<i>Insurance</i>		
Prudential PLC	6,609	\$ 45,221
RSA Insurance Group PLC	22,489	44,700
Standard Life PLC	9,073	27,895
		<u>298,964</u>
<i>Internet & Catalog Retail (0.0%)</i>		
Findel PLC	1,045	671
Home Retail Group PLC	2,764	11,877
N Brown Group PLC	215	762
		<u>13,310</u>
<i>IT Services (0.0%)</i>		
Anite PLC	3,945	2,296
Computacenter PLC	68	230
		<u>2,526</u>
<i>Machinery (0.1%)</i>		
IMI PLC	1,060	5,457
Invensys PLC	5,461	20,184
		<u>25,641</u>
<i>Media (0.2%)</i>		
British Sky Broadcasting Group PLC	3,544	26,630
Daily Mail & General Trust PLC Class A	824	3,869
Euromoney Institutional Investor PLC	364	1,226
ITV PLC	4,046	2,342
Thomson Reuters PLC	555	15,890
WPP PLC	1,269	8,447
Yell Group PLC	117	51
		<u>58,455</u>
<i>Metals & Mining (2.1%)</i>		
Anglo American PLC	5,123	149,942
Antofagasta PLC	10,415	101,220
BHP Billiton PLC	9,818	221,506
Delta PLC	2,778	5,310
Eurasian Natural Resources Corp.	2,036	22,054
Ferrexpo PLC	320	710
Fresnillo PLC	1,235	10,615
Kazakhmys PLC	524	5,470
Lonmin PLC	1,589	30,830
Rio Tinto PLC	3,346	115,993
Vedanta Resources PLC§	363	7,736
Xstrata PLC*	5,021	54,624
		<u>726,010</u>

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex II Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
LONG STOCK POSITIONS		
COMMON STOCKS		
United Kingdom		
<i>Multi-Utilities (1.4%)</i>		
Centrica PLC	10,815	\$ 39,807
National Grid PLC	46,958	424,160
United Utilities Group PLC§	1,964	16,121
		<u>480,088</u>
<i>Multiline Retail (0.4%)</i>		
Debenhams PLC	4,909	6,570
Marks & Spencer Group PLC	6,982	35,243
Next PLC	3,451	83,696
		<u>125,509</u>
<i>Oil, Gas & Consumable Fuels (4.4%)</i>		
Anglo Pacific Group PLC	2,304	5,467
BG Group PLC	10,695	180,281
BP PLC	83,647	661,626
JKX Oil & Gas PLC	799	2,711
Melrose Resources PLC	683	2,929
Royal Dutch Shell PLC A Shares	10,663	267,742
Royal Dutch Shell PLC B Shares	14,621	368,459
Tullow Oil PLC	209	3,240
		<u>1,492,455</u>
<i>Paper & Forest Products (0.0%)</i>		
Mondi PLC	793	2,708
<i>Pharmaceuticals (2.1%)</i>		
AstraZeneca PLC§	4,155	183,388
GlaxoSmithKline PLC	22,349	395,153
Shire PLC	9,501	131,263
		<u>709,804</u>
<i>Professional Services (0.3%)</i>		
Experian PLC	9,919	74,460
Hays PLC	4,155	5,880
Hogg Robinson Group PLC	2,158	944
ITE Group PLC	886	1,471
Robert Walters PLC	265	636
Sthree PLC	2,078	6,209
The Capita Group PLC	1,848	21,811
		<u>111,411</u>
<i>Real Estate Investment Trusts (0.4%)</i>		
British Land Co. PLC	8,097	51,037
Brixton PLC	1,235	819
Hammerson PLC	1,652	8,385
Land Securities Group PLC	5,204	40,510
Liberty International PLC§	2,631	17,265

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex II Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
LONG STOCK POSITIONS		
COMMON STOCKS		
United Kingdom		
<i>Real Estate Investment Trusts</i>		
Segro PLC	15,540	\$ 6,220
Workspace Group PLC	11,574	2,672
		<u>126,908</u>
<i>Real Estate Management & Development (0.0%)</i>		
CLS Holdings PLC*	49	246
Quintain Estates & Development PLC	954	790
		<u>1,036</u>
<i>Road & Rail (0.1%)</i>		
Firstgroup PLC	1,380	8,157
Go-Ahead Group PLC	713	14,040
Stagecoach Group PLC	1,118	2,341
		<u>24,538</u>
<i>Software (0.2%)</i>		
Autonomy Corp. PLC*	657	15,583
Fidessa Group PLC	1,892	33,886
Misys PLC	2,164	6,168
The Sage Group PLC	5,601	16,473
		<u>72,110</u>
<i>Specialty Retail (0.2%)</i>		
Carphone Warehouse Group PLC§	4,912	12,811
Galiform PLC*	2,261	1,316
Halfords Group PLC	3,001	15,403
Kesa Electricals PLC	3,616	6,630
Kingfisher PLC	12,707	37,318
Sports Direct International PLC	1,953	2,640
Topps Tiles PLC*	1,558	1,901
		<u>78,019</u>
<i>Textiles, Apparel & Luxury Goods (0.0%)</i>		
Burberry Group PLC	1,417	9,885
<i>Thrifths & Mortgage Finance (0.0%)</i>		
Paragon Group of Cos. PLC	4,999	6,257
<i>Tobacco (0.5%)</i>		
British American Tobacco PLC	5,624	155,402
Imperial Tobacco Group PLC	29	755
		<u>156,157</u>
<i>Trading Companies & Distributors (0.1%)</i>		
Ashtead Group PLC	2,084	1,954
BSS Group PLC	1,839	7,786
Bunzl PLC	1,039	8,625
Lavendon Group PLC	488	1,005

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex II Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
LONG STOCK POSITIONS		
COMMON STOCKS		
United Kingdom		
<i>Trading Companies & Distributors</i>		
Speedy Hire PLC§	879	\$ 409
Travis Perkins PLC	75	653
Wolseley PLC*	769	14,736
		<u>35,168</u>
<i>Water Utilities (0.1%)</i>		
Pennon Group PLC	512	4,079
Severn Trent PLC	682	12,311
		<u>16,390</u>
<i>Wireless Telecommunication Services (1.1%)</i>		
Vodafone Group PLC	187,514	365,069
TOTAL UNITED KINGDOM		<u>7,361,873</u>
TOTAL COMMON STOCKS (Cost \$33,404,230)		<u>34,030,157</u>
PREFERRED STOCKS (0.3%)		
Germany (0.3%)		
<i>Automobiles (0.1%)</i>		
Porsche Automobil Holding SE	504	33,920
<i>Chemicals (0.2%)</i>		
Fuchs Petrolub AG	903	49,060
<i>Household Products (0.0%)</i>		
Henkel AG & Co. KGaA	335	10,460
<i>Media (0.0%)</i>		
ProSiebenSat.1 Media AG	438	2,418
TOTAL GERMANY		<u>95,858</u>
TOTAL PREFERRED STOCKS (Cost \$90,233)		<u>95,858</u>
TOTAL LONG STOCK POSITIONS (Cost \$33,494,463)		<u>34,126,015</u>
RIGHTS (0.0%)		
France (0.0%)		
<i>Food & Staples Retailing (0.0%)</i>		
Casino Guichard Perrachon SA, expires 07/10/09*	3	11
Italy (0.0%)		
<i>Commercial Banks (0.0%)</i>		
Unione di Banche Italiane SCPA, expires 07/03/09*	10	1
Norway (0.0%)		
<i>Electrical Equipment (0.0%)</i>		
Renewable Energy Corp. AS, strike price 26.5 NOK, expires 07/13/09*	1	4

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex II Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
RIGHTS		
United Kingdom (0.0%)		
<i>Trading Companies & Distributors (0.0%)</i>		
Speedy Hire PLC, strike price 0.23 GBP, expires 07/09/09*	7,911	\$ 658
TOTAL RIGHTS (Cost \$1,396)		<u>674</u>
WARRANTS (0.0%)		
Italy (0.0%)		
<i>Commercial Banks (0.0%)</i>		
Unione di Banche Italiane SCPA, strike price 12.30 EUR, expires 06/30/11* (Cost \$0)	10	<u>0</u>
SHORT-TERM INVESTMENTS (27.6%)		
State Street Navigator Prime Portfolio\$\$	9,261,083	<u>9,261,083</u>
	Par (000)	
State Street Bank and Trust Co. Euro Time Deposit, 0.010%, 07/01/09	\$111	<u>111,000</u>
TOTAL SHORT-TERM INVESTMENTS (Cost \$9,372,083)		<u>9,372,083</u>
TOTAL INVESTMENTS AT VALUE (128.0%) (Cost \$42,867,942)		43,498,772
TOTAL SECURITIES SOLD SHORT (-2.5%) (Proceeds \$-862,275)		(861,353)
LIABILITIES IN EXCESS OF OTHER ASSETS (-25.5%)		<u>(8,663,761)</u>
NET ASSETS (100.0%)		<u><u>\$33,973,658</u></u>
	Number of Shares	
SHORT STOCK POSITIONS (-2.5%)		
COMMON STOCKS (-2.5%)		
Belgium (-0.1%)		
<i>Chemicals (-0.1%)</i>		
Umicore	(682)	<u>(15,544)</u>
<i>Food & Staples Retailing (-0.0%)</i>		
Colruyt SA	(40)	<u>(9,137)</u>
TOTAL BELGIUM		<u>(24,681)</u>
Denmark (-0.0%)		
<i>Road & Rail (-0.0%)</i>		
DSV AS*	(593)	<u>(7,354)</u>
TOTAL DENMARK		<u>(7,354)</u>
Finland (-0.1%)		
<i>Auto Components (-0.1%)</i>		
Nokian Renkaat Oyj	(756)	<u>(14,224)</u>
<i>Metals & Mining (-0.0%)</i>		
Outokumpu Oyj	(390)	<u>(6,738)</u>
TOTAL FINLAND		<u>(20,962)</u>

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex II Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
SHORT STOCK POSITIONS		
COMMON STOCKS		
France (-0.3%)		
<i>Diversified Financial Services (-0.0%)</i>		
Eurazeo	(318)	\$ (13,242)
<i>Food & Staples Retailing (-0.1%)</i>		
Casino Guichard Perrachon SA	(228)	(15,439)
<i>Hotels, Restaurants & Leisure (-0.0%)</i>		
Sodexo	(32)	(1,647)
<i>Media (-0.0%)</i>		
Societe Television Francaise 1	(1,183)	(13,333)
<i>Multi-Utilities (-0.2%)</i>		
GDF Suez	(1,493)	(55,878)
<i>Real Estate Investment Trusts (-0.0%)</i>		
Klepierre	(557)	(14,432)
TOTAL FRANCE		<u>(113,971)</u>
Germany (-0.2%)		
<i>Air Freight & Logistics (-0.0%)</i>		
Deutsche Post AG	(260)	(3,394)
<i>Airlines (-0.1%)</i>		
Deutsche Lufthansa AG\$	(1,050)	(13,185)
<i>Health Care Equipment & Supplies (-0.0%)</i>		
Fresenius SE	(226)	(10,574)
<i>Health Care Providers & Services (-0.1%)</i>		
Celesio AG	(648)	(14,883)
Fresenius Medical Care AG & Co. KGaA	(562)	(25,251)
		<u>(40,134)</u>
<i>Internet Software & Services (-0.0%)</i>		
United Internet AG*	(35)	(411)
<i>Pharmaceuticals (-0.0%)</i>		
Merck KGaA	(76)	(7,732)
TOTAL GERMANY		<u>(75,430)</u>
Italy (-0.1%)		
<i>Commercial Banks (-0.1%)</i>		
Unione di Banche Italiane ScpA	(1,967)	(25,629)
<i>Insurance (-0.0%)</i>		
Fondiaria-Sai SpA	(804)	(12,976)
TOTAL ITALY		<u>(38,605)</u>
Japan (-0.4%)		
<i>Beverages (-0.1%)</i>		
Coca-Cola West Co. Ltd.	(300)	(5,729)
Sapporo Holdings Ltd.	(1,000)	(5,710)
		<u>(11,439)</u>

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex II Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
SHORT STOCK POSITIONS		
COMMON STOCKS		
Japan		
<i>Capital Markets</i> (-0.0%)		
Jafco Company, Ltd.	(100)	\$ (3,353)
<i>Chemicals</i> (-0.0%)		
Mitsui Chemicals, Inc.	(1,000)	(3,183)
<i>Commercial Banks</i> (-0.1%)		
Mizuho Trust & Banking Co., Ltd.*	(9,000)	(11,618)
The Joyo Bank, Ltd.	(1,000)	(5,094)
		(16,712)
<i>Construction & Engineering</i> (-0.0%)		
Taisei Corp.	(3,000)	(7,220)
<i>Electric Utilities</i> (-0.1%)		
Hokkaido Electric Power Co., Inc.	(400)	(7,478)
Shikoku Electric Power Co., Inc.	(400)	(11,911)
The Chugoku Electric Power Co. Inc	(600)	(12,508)
		(31,897)
<i>Electronic Equipment, Instruments & Components</i> (-0.0%)		
Hitachi High-Technologies Corp.	(400)	(6,786)
<i>Food Products</i> (-0.0%)		
Yakult Honsha Co., Ltd.	(300)	(5,722)
<i>Leisure Equipment & Products</i> (-0.0%)		
Yamaha Corp.	(500)	(6,222)
<i>Metals & Mining</i> (-0.1%)		
Mitsui Mining & Smelting Co., Ltd.*	(2,000)	(5,156)
Nisshin Steel Co., Ltd.	(3,000)	(6,686)
		(11,842)
<i>Multiline Retail</i> (-0.0%)		
Marui Group Co., Ltd.	(900)	(6,290)
<i>Oil, Gas & Consumable Fuels</i> (-0.0%)		
Japan Petroleum Exploration Co.	(100)	(5,526)
<i>Road & Rail</i> (-0.0%)		
Odakyu Electric Railway Co., Ltd.	(1,000)	(8,536)
<i>Software</i> (-0.0%)		
Square Enix Co., Ltd.	(200)	(4,690)
TOTAL JAPAN		<u>(129,418)</u>
Luxembourg (-0.1%)		
<i>Wireless Telecommunication Services</i> (-0.1%)		
Millicom International Cellular SA*	(319)	(17,918)
TOTAL LUXEMBOURG		<u>(17,918)</u>

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex II Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
SHORT STOCK POSITIONS		
COMMON STOCKS		
Netherlands (-0.2%)		
<i>Construction & Engineering (-0.0%)</i>		
Koninklijke Boskalis Westminster NV	(593)	\$ (13,497)
<i>Media (-0.1%)</i>		
Reed Elsevier NV	(2,181)	(24,113)
<i>Professional Services (-0.0%)</i>		
Randstad Holding NV*	(597)	(16,588)
<i>Real Estate Investment Trusts (-0.0%)</i>		
Corio NV	(91)	(4,437)
<i>Semiconductors & Semiconductor Equipment (-0.1%)</i>		
STMicroelectronics NV	(2,632)	(19,838)
TOTAL NETHERLANDS		<u>(78,473)</u>
Norway (-0.1%)		
<i>Industrial Conglomerates (-0.1%)</i>		
Orkla ASA	(3,110)	(22,592)
<i>Metals & Mining (-0.0%)</i>		
Norsk Hydro ASA*	(3,234)	(16,647)
TOTAL NORWAY		<u>(39,239)</u>
Portugal (-0.0%)		
<i>Food & Staples Retailing (-0.0%)</i>		
Jeronimo Martins SGPS SA	(447)	(3,049)
TOTAL PORTUGAL		<u>(3,049)</u>
Spain (-0.1%)		
<i>Biotechnology (-0.1%)</i>		
Grifols SA	(838)	(14,863)
<i>Independent Power Producers & Energy Traders (-0.0%)</i>		
EDP Renovaveis SA*	(1,423)	(14,596)
<i>Insurance (-0.0%)</i>		
Mapfre SA	(1,465)	(4,786)
<i>Transportation Infrastructure (-0.0%)</i>		
Abertis Infraestructuras SA	(709)	(13,387)
TOTAL SPAIN		<u>(47,632)</u>
Sweden (-0.2%)		
<i>Diversified Financial Services (-0.1%)</i>		
Investor AB B Shares	(1,527)	(23,510)
<i>Diversified Telecommunication Services (-0.0%)</i>		
Tele2 AB B Shares	(1,585)	(15,984)
<i>Machinery (-0.1%)</i>		
Sandvik AB	(3,459)	(25,670)

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex II Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
SHORT STOCK POSITIONS		
COMMON STOCKS		
Sweden		
<i>Tobacco</i> (-0.0%)		
Swedish Match AB	(1,122)	\$ (18,200)
TOTAL SWEDEN		<u>(83,364)</u>
Switzerland (-0.3%)		
<i>Computers & Peripherals</i> (-0.0%)		
Logitech International SA*	(1,060)	<u>(14,721)</u>
<i>Diversified Financial Services</i> (-0.0%)		
Pargesa Holding SA BR	(231)	<u>(14,413)</u>
<i>Insurance</i> (-0.1%)		
Swiss Life Holding AG*	(48)	(4,151)
Swiss Reinsurance	(426)	<u>(14,142)</u>
		<u>(18,293)</u>
<i>Life Sciences Tools & Services</i> (-0.1%)		
Lonza Group AG	(198)	<u>(19,678)</u>
<i>Machinery</i> (-0.0%)		
Schindler Holding AG	(21)	<u>(1,299)</u>
<i>Professional Services</i> (-0.1%)		
Adecco SA	(488)	<u>(20,378)</u>
TOTAL SWITZERLAND		<u>(88,782)</u>
United Kingdom (-0.3%)		
<i>Commercial Services & Supplies</i> (-0.0%)		
G4S PLC	(1,492)	<u>(5,144)</u>
<i>Electric Utilities</i> (-0.1%)		
Scottish & Southern Energy PLC§	(2,081)	<u>(39,192)</u>
<i>Food Products</i> (-0.0%)		
Associated British Foods PLC	(182)	<u>(2,295)</u>
<i>Hotels, Restaurants & Leisure</i> (-0.1%)		
Carnival PLC	(445)	<u>(11,864)</u>
<i>Media</i> (-0.1%)		
Pearson PLC	(2,614)	(26,350)
Reed Elsevier PLC	(731)	<u>(5,466)</u>
		<u>(31,816)</u>
TOTAL UNITED KINGDOM		<u>(90,311)</u>
TOTAL COMMON STOCKS (Proceeds \$-860,118)		<u>(859,189)</u>

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex II Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
SHORT STOCK POSITIONS		
PREFERRED STOCKS (-0.0%)		
Germany (-0.0%)		
Fresenius SE (Cost \$-2,157)	(40)	\$ (2,164)
<i>TOTAL GERMANY</i>		<u>(2,164)</u>
TOTAL SECURITIES SOLD SHORT (Proceeds \$-862,275)		<u>\$ (861,353)</u>

* Non-income producing security.

§ Security or portion thereof is out on loan.

§§ Represents security purchased with cash collateral received for securities on loan.

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex II Portfolio
Statement of Assets and Liabilities
June 30, 2009 (unaudited)

Assets

Investments at value, including collateral for securities on loan of \$9,261,083 (Cost \$42,867,942) (Note 2)	\$ 43,498,772 ¹
Cash	1,181
Foreign currency at value (cost \$586,770)	587,373
Receivable for investments sold	1,322,715
Dividend and interest receivable	52,789
Receivable for portfolio shares sold	15,253
Prepaid expenses and other assets	10,509
Total Assets	45,488,592

Liabilities

Advisory fee payable (Note 3)	18,319
Administrative services fee payable (Note 3)	52,916
Payable upon return of securities loaned (Note 2)	9,261,083
Payable for investments purchased	1,026,627
Securities sold short, at value (Proceeds \$-862,275)	861,353
Payable for portfolio shares redeemed	198,457
Trustees' fee payable	4,796
Other accrued expenses payable	91,383
Total Liabilities	11,514,934

Net Assets

Capital stock, \$.001 par value (Note 6)	4,240
Paid-in capital (Note 6)	80,348,833
Undistributed net investment income	605,427
Accumulated net realized loss on investments and foreign currency transactions	(47,617,686)
Net unrealized appreciation from investments, short sales and foreign currency translations	632,844
Net Assets	\$ 33,973,658
Shares outstanding	4,239,909
Net asset value, offering price and redemption price per share	\$8.01

¹ Including \$8,846,849 of securities on loan.

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex II Portfolio
Statement of Operations
For the Six Months Ended June 30, 2009 (unaudited)

Investment Income (Note 2)	
Dividends	\$ 509,126
Interest	69
Securities lending	20,388
Foreign taxes withheld	(44,218)
Total investment income	<u>485,365</u>
Expenses	
Investment advisory fees (Note 3)	196,651
Administrative services fees (Note 3)	64,295
Custodian fees	54,566
Printing fees (Note 3)	31,284
Audit and tax fees	15,306
Legal fees	10,626
Trustees' fees	6,131
Transfer agent fees	3,032
Insurance expense	974
Commitment fees (Note 4)	128
Miscellaneous expense	11,420
Total expenses	394,413
Less: fees waived and expenses reimbursed (Note 3)	(237,092)
Net expenses	<u>157,321</u>
Net investment income	<u>328,044</u>
Net Realized and Unrealized Gain (Loss) from Investments, Short Sales and Foreign Currency Related Items	
Net realized loss from investments	(6,332,151)
Net realized gain from foreign currency transactions	126,093
Net change in unrealized appreciation (depreciation) from investments	8,464,479
Net change in unrealized appreciation (depreciation) from short sales	922
Net change in unrealized appreciation (depreciation) from foreign currency translations	(28,063)
Net realized and unrealized gain from investments, short sales and foreign currency related items	<u>2,231,280</u>
Net increase in net assets resulting from operations	<u>\$ 2,559,324</u>

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex II Portfolio
Statements of Changes in Net Assets

	For the Six Months Ended June 30, 2009 (unaudited)	For the Year Ended December 31, 2008
<i>From Operations</i>		
Net investment income	\$ 328,044	\$ 580,821
Net realized loss from investments, short sales and foreign currency transactions	(6,206,058)	(21,853,987)
Net change in unrealized appreciation (depreciation) from investments, short sales and foreign currency translations	<u>8,437,338</u>	<u>(13,295,308)</u>
Net increase (decrease) in net assets resulting from operations	<u>2,559,324</u>	<u>(34,568,474)</u>
<i>From Dividends</i>		
Dividends from net investment income	<u>—</u>	<u>(1,052,206)</u>
<i>From Capital Share Transactions</i> (Note 6)		
Proceeds from sale of shares	1,695,839	4,683,315
Reinvestment of dividends	—	1,052,206
Net asset value of shares redeemed	<u>(4,881,137)</u>	<u>(22,399,564)</u>
Net decrease in net assets from capital share transactions	<u>(3,185,298)</u>	<u>(16,664,043)</u>
Net decrease in net assets	(625,974)	(52,284,723)
<i>Net Assets</i>		
Beginning of period	<u>34,599,632</u>	<u>86,884,355</u>
End of period	<u>\$33,973,658</u>	<u>\$ 34,599,632</u>
<i>Undistributed net investment income</i>	<u>\$ 605,427</u>	<u>\$ 277,383</u>

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex II Portfolio
Statement of Cash Flows
For the Six Months Ended June 30, 2009 (unaudited)

<i>Cash Flows from Operating Activities</i>		
Dividends, Interest and securities lending income received	\$	477,055
Operating expenses paid		(64,231)
Change in receivable for portfolio shares sold		8,031
Change in payable for portfolio shares redeemed		195,437
Purchases of long-term securities		(50,037,909)
Proceeds from sales of long-term securities		52,802,059
Proceeds from short-term securities, net		219,000
Net cash provided by operating activities		\$ 3,599,442
<i>Cash Flows from Financing Activities</i>		
Proceeds from sale of shares		1,695,839
Net asset value of shares redeemed		(4,881,137)
Net cash used by financing activities		(3,185,298)
Effect of exchange rate on cash		180,764
Net increase in cash		594,908
Cash — beginning of period		(6,354)
Cash — end of period		\$ 588,554
<i>RECONCILIATION OF NET INCREASE IN NET ASSETS FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</i>		
Net increase in net assets resulting from operations		\$ 2,559,324
<i>Adjustments to Reconcile Net Increase in Net Assets from Operations to Net Cash Provided by Operating Activities</i>		
Change in dividend and interest receivable	\$	(8,310)
Change in accrued expenses		28,834
Change in prepaid expenses and other assets		(9,456)
Change in receivable from investment adviser		73,712
Change in receivable for portfolio shares sold		8,031
Change in payable for portfolio shares redeemed		195,437
Purchases of long-term securities		(50,037,909)
Proceeds from sales of long-term securities		52,802,059
Proceeds from short-term securities, net		219,000
Net change in unrealized appreciation on investments, short sales and foreign currency translations		(8,437,338)
Net realized loss on investments and foreign currency transactions		6,206,058
Total adjustments		1,040,118
Net cash provided by operating activities		\$ 3,599,442
<i>Non-Cash Activity:</i>		
Dividend reinvestments	\$	—

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex II Portfolio
Financial Highlights
(For a Share of the Portfolio Outstanding Throughout Each Period)

	For the Six Months Ended June 30, 2009 (unaudited)	For the Year Ended December 31,				
		2008	2007	2006	2005	2004
Per share data						
Net asset value, beginning of period	\$ 7.36	\$ 14.08	\$ 14.67	\$ 12.95	\$ 11.15	\$ 9.45
INVESTMENT OPERATIONS						
Net investment income (loss)	0.08	0.10	0.18	(0.00) ¹	(0.04)	(0.09)
Net gain (loss) on investments, short sales and foreign currency related items (both realized and unrealized)	0.57	(6.61)	(0.77)	1.72	1.84	1.79
Total from investment operations	0.65	(6.51)	(0.59)	1.72	1.80	1.70
LESS DIVIDENDS						
Dividends from net investment income	—	(0.21)	—	—	—	—
Net asset value, end of period	\$ 8.01	\$ 7.36	\$ 14.08	\$ 14.67	\$ 12.95	\$ 11.15
Total return ²	8.83%	(46.75)%	(4.02)%	13.28%	16.14%	17.99%
RATIOS AND SUPPLEMENTAL DATA						
Net assets, end of period (000s omitted)	\$33,974	\$34,600	\$86,884	\$119,105	\$129,308	\$110,110
Ratio of expenses to average net assets	1.00% ³	1.00%	1.37%	1.40%	1.40%	1.40%
Ratio of expenses to average net assets excluding short sales dividend expense	1.00% ³	—	—	—	—	—
Ratio of net investment income (loss) to average net assets	2.09% ³	0.95%	1.01%	(0.02)%	(0.39)%	(0.85)%
Decrease reflected in above operating expense ratios due to waivers/reimbursements	1.51% ³	0.88%	0.21%	0.16%	0.19%	0.17%
Portfolio turnover rate	163%	171%	76%	117%	75%	79%

¹ This amount represents less than \$(0.01) per share.

² Total returns are historical and assume changes in share price and reinvestment of all dividends and distributions. Had certain expenses not been reduced during the periods shown, total returns would have been lower. Total returns do not reflect charges and expenses attributable to any particular variable contract or plan. Total returns for periods less than one year are not annualized.

³ Annualized.

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex II Portfolio
Notes to Financial Statements
June 30, 2009 (unaudited)

Note 1. Organization

Credit Suisse Trust (the “Trust”) is an open-end management investment company registered under the Investment Company Act of 1940, as amended (the “1940 Act”), and currently offers eight managed investment portfolios of which one, the International Equity Flex II Portfolio (the “Portfolio”), is included in this report. The Portfolio is a diversified investment fund that seeks capital appreciation. Shares of the Portfolio are not available directly to individual investors but may be offered only through (a) variable annuity contracts and variable life insurance contracts offered by separate accounts of certain insurance companies and (b) tax-qualified pension and retirement plans. The Portfolio may not be available in connection with a particular contract or plan. The Trust was organized under the laws of the Commonwealth of Massachusetts as a business trust on March 15, 1995. Effective May 1, 2009, the name of the Portfolio was changed from Global Small Cap Portfolio.

Note 2. Significant Accounting Policies

A) SECURITY VALUATION — The net asset value of the Portfolio is determined daily as of the close of regular trading on the New York Stock Exchange, Inc. (the “Exchange”) on each day the Exchange is open for business. Equity investments are valued at market value, which is generally determined using the closing price on the exchange or market on which the security is primarily traded at the time of valuation (the “Valuation Time”). If no sales are reported, equity investments are generally valued at the most recent bid quotation as of the Valuation Time or at the lowest asked quotation in the case of a short sale of securities. Debt securities with a remaining maturity greater than 60 days are valued in accordance with the price supplied by a pricing service, which may use a matrix, formula or other objective method that takes into consideration market indices, yield curves and other specific adjustments. Debt obligations that will mature in 60 days or less are valued on the basis of amortized cost, which approximates market value, unless it is determined that using this method would not represent fair value. Investments in mutual funds are valued at the mutual fund’s closing net asset value per share on the day of valuation. Securities and other assets for which market quotations are not readily available, or whose values have been materially affected by events occurring before the Portfolio’s Valuation Time but after the close of the securities’ primary markets, are valued at fair value as determined in good faith by, or under the direction of, the Board of Trustees under procedures established by the Board of Trustees. The Portfolio may utilize a service provided by an independent third party which has been approved by the Board

Credit Suisse Trust — International Equity Flex II Portfolio
Notes to Financial Statements (continued)
June 30, 2009 (unaudited)

Note 2. Significant Accounting Policies

of Trustees to fair value certain securities. When fair-value pricing is employed, the prices of securities used by a portfolio to calculate its net asset value may differ from quoted or published prices for the same securities.

The Portfolio adopted Financial Accounting Standards Board (“FASB”) Statement of Financial Accounting Standards No. 157, Fair Value Measurements (“FAS 157”), effective January 1, 2008. In accordance with FAS 157, fair value is defined as the price that the Portfolio would receive upon selling an investment in a timely transaction to an independent buyer in the principal or most advantageous market of the investment. FAS 157 established a three-tier hierarchy to maximize the use of observable market data and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk, for example, the risk inherent in a particular valuation technique used to measure fair value including such a pricing model and/or the risk inherent in the inputs to the valuation technique. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity’s own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The three-tier hierarchy of inputs is summarized in the three broad Levels listed below.

- Level 1 – quoted prices in active markets for identical investments
- Level 2 – other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the Portfolio’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.

Credit Suisse Trust — International Equity Flex II Portfolio
Notes to Financial Statements (continued)
June 30, 2009 (unaudited)

Note 2. Significant Accounting Policies

The following is a summary of the inputs used as of June 30, 2009 in valuing the Portfolio's investments carried at value:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments in Securities				
Equities				
Asia	\$ 1,586,667	\$ —	\$ —	\$ 1,586,667
Australia	1,179,360	—	—	1,179,360
Austria	—	133,969	—	133,969
Belgium	—	363,734	—	363,734
Bermuda	—	3,481	—	3,481
Cyprus	—	85,154	—	85,154
Denmark	—	292,051	—	292,051
Finland	—	508,962	—	508,962
France	11	3,224,142	—	3,224,153
Germany	6,026	2,974,772	—	2,980,798
Greece	—	164,729	—	164,729
Hong Kong	401,208	—	—	401,208
Ireland	—	75,787	—	75,787
Italy	1	1,060,194	—	1,060,195
Japan	9,607	8,380,803	—	8,390,410
Luxembourg	—	191,455	—	191,455
Netherlands	—	834,536	—	834,536
Norway	4	216,024	—	216,028
Portugal	—	106,985	—	106,985
Singapore	209,264	—	—	209,264
Spain	—	1,657,008	—	1,657,008
Sweden	—	796,881	—	796,881
Switzerland	397,807	1,903,536	—	2,301,343
United Kingdom	116,651	7,245,880	—	7,362,531
Short-Term Investments	9,261,083	111,000	—	9,372,083
Liabilities in Securities Sold Short				
Equities				
Belgium	—	(24,681)	—	(24,681)
Denmark	—	(7,354)	—	(7,354)
Finland	—	(20,962)	—	(20,962)
France	—	(113,971)	—	(113,971)
Germany	—	(77,594)	—	(77,594)
Italy	—	(38,605)	—	(38,605)
Japan	—	(129,418)	—	(129,418)
Luxembourg	—	(17,918)	—	(17,918)
Netherlands	—	(78,473)	—	(78,473)
Norway	—	(39,239)	—	(39,239)
Portugal	—	(3,049)	—	(3,049)
Spain	—	(47,632)	—	(47,632)
Sweden	—	(83,364)	—	(83,364)
Switzerland	—	(88,782)	—	(88,782)
United Kingdom	—	(90,311)	—	(90,311)
Other Financial Instruments*	—	—	—	—
	<u>\$13,167,691</u>	<u>\$29,469,728</u>	<u>\$ —</u>	<u>\$42,637,419</u>

*Other financial instruments include futures, forwards and swap contracts.

Credit Suisse Trust — International Equity Flex II Portfolio
Notes to Financial Statements (continued)
June 30, 2009 (unaudited)

Note 2. Significant Accounting Policies

B) DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES — In March 2008, the FASB issued Statement of Financial Accounting Standards No. 161, *Disclosures about Derivative Instruments and Hedging Activities* (“FAS 161”), an amendment of FASB Statement No. 133. FAS 161 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008. FAS 161 requires enhanced disclosures about how and why a fund uses derivative instruments, how these affect a fund’s financial position and results of operations. The Portfolio has not entered into any derivative or hedging activities during the period covered by this report.

C) FOREIGN CURRENCY TRANSACTIONS — The books and records of the Portfolio are maintained in U.S. dollars. Transactions denominated in foreign currencies are recorded at the current prevailing exchange rates. All assets and liabilities denominated in foreign currencies are translated into U.S. dollar amounts at the current exchange rate at the end of the period. Translation gains or losses resulting from changes in the exchange rate during the reporting period and realized gains and losses on the settlement of foreign currency transactions are reported in the results of operations for the current period. The Portfolio does not isolate that portion of realized gains and losses on investments in *equity* securities which is due to changes in the foreign exchange rate from that which is due to changes in market prices of equity securities. The Portfolio isolates that portion of realized gains and losses on investments in *debt* securities which is due to changes in the foreign exchange rate from that which is due to changes in market prices of debt securities.

D) SECURITY TRANSACTIONS AND INVESTMENT INCOME — Security transactions are accounted for on a trade date basis. Interest income is recorded on the accrual basis. Dividends and dividend expense on short sales are recorded on the ex-dividend date. The cost of investments sold is determined by use of the specific identification method for both financial reporting and income tax purposes.

E) DIVIDENDS AND DISTRIBUTIONS TO SHAREHOLDERS — Dividends from net investment income and distributions of net realized capital gains, if any, are declared and paid at least annually. However, to the extent that a net realized capital gain can be reduced by a capital loss carryforward, such gain will not be distributed. Income and capital gain distributions are determined in accordance with federal income tax regulations, which may differ from accounting principles generally accepted in the United States of America (“GAAP”).

Credit Suisse Trust — International Equity Flex II Portfolio
Notes to Financial Statements (continued)
June 30, 2009 (unaudited)

Note 2. Significant Accounting Policies

F) FEDERAL INCOME TAXES — No provision is made for federal taxes as it is the Portfolio's intention to continue to qualify for and elect the tax treatment applicable to regulated investment companies under the Internal Revenue Code of 1986, as amended, and to make the requisite distributions to its shareholders, which will be sufficient to relieve it from federal income and excise taxes.

During June 2006, the FASB issued Interpretation 48 ("FIN 48" or the "Interpretation"), *Accounting for Uncertainty in Income Taxes — an interpretation of FASB statement 109*. The Portfolio has reviewed its current tax positions and has determined that no provision for income tax is required in the Portfolio's financial statements. The Portfolio's federal tax returns for the prior three fiscal years remain subject to examination by the Internal Revenue Service.

G) USE OF ESTIMATES — The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from these estimates.

H) SHORT-TERM INVESTMENTS — The Portfolio, together with other funds/portfolios advised by Credit Suisse Asset Management, LLC ("Credit Suisse"), an indirect, wholly-owned subsidiary of Credit Suisse Group AG, pools available cash into a short-term variable rate time deposit issued by State Street Bank and Trust Company ("SSB"), the Portfolio's custodian. The short-term time deposit issued by SSB is a variable rate account classified as a short-term investment.

I) FORWARD FOREIGN CURRENCY CONTRACTS — The Portfolio may enter into forward foreign currency contracts for the purchase or sale of a specific foreign currency at a fixed price on a future date. Risks may arise upon entering into these contracts from the potential inability of counterparties to meet the terms of their contracts and from unanticipated movements in the value of a foreign currency. The Portfolio will enter into forward foreign currency contracts primarily for hedging purposes. Forward foreign currency contracts are adjusted by the daily forward exchange rate of the underlying currency and any gains or losses are recorded for financial statement purposes as unrealized until the contract settlement date or an offsetting position is entered into. At June 30, 2009, the Portfolio had no open forward foreign currency contracts.

Credit Suisse Trust — International Equity Flex II Portfolio
Notes to Financial Statements (continued)
June 30, 2009 (unaudited)

Note 2. Significant Accounting Policies

J) FUTURES — The Portfolio may enter into futures contracts to the extent permitted by its investment policies and objectives. Upon entering into a futures contract, the Portfolio is required to deposit cash and/or pledge U.S. Government securities as initial margin. Subsequent payments, which are dependent on the daily fluctuations in the value of the underlying instrument, are made or received by the Portfolio each day (daily variation margin) and are recorded as unrealized gains or losses until the contracts are closed. When the contracts are closed, the Portfolio records a realized gain or loss equal to the difference between the proceeds from (or cost of) the closing transactions and the Portfolio's basis in the contract. Risks of entering into futures contracts for hedging purposes include the possibility that a change in the value of the contract may not correlate with the changes in the value of the underlying instruments. In addition, the purchase of a futures contract involves the risk that the Portfolio could lose more than the original margin deposit and subsequent payments may be required for a futures transaction. At June 30, 2009, the Portfolio had no open futures contracts.

K) SHORT SALES — The Portfolio may enter into short sales transactions. Short sales expose the Portfolio to the risk that it will be required to cover its short position at a time when the securities have appreciated in value, thus resulting in a loss to the Portfolio. The Portfolio's loss on a short sale could theoretically be unlimited in a case where the Portfolio is unable, for whatever reason, to close out its short position. Short sales also involve transaction and other costs that will reduce potential gains and increase potential portfolio losses. The use by the Portfolio of short sales in combination with long positions in its portfolio in an attempt to improve performance may not be successful and may result in greater losses or lower positive returns than if the Portfolio held only long positions. It is possible that the Portfolio's long equity positions will decline in value at the same time that the value of the securities it has sold short increases, thereby increasing potential losses to the Portfolio. In addition, the Portfolio's short selling strategies may limit its ability to fully benefit from increases in the equity markets. Short selling also involves a form of financial leverage that may exaggerate any losses realized by the Portfolio. Also, there is the risk that the counterparty to a short sale may fail to honor its contractual terms, causing a loss to the Portfolio.

L) SECURITIES LENDING — Loans of securities are required at all times to be secured by collateral at least equal to 102% of the market value of domestic securities on loan (including any accrued interest thereon) and 105% of the market value of foreign securities on loan (including any accrued interest thereon). Cash collateral received by the Portfolio in connection with securities

Credit Suisse Trust — International Equity Flex II Portfolio
Notes to Financial Statements (continued)
June 30, 2009 (unaudited)

Note 2. Significant Accounting Policies

lending activity may be pooled together with cash collateral for other funds/portfolios advised by Credit Suisse and may be invested in a variety of investments, including funds advised by SSB, the Portfolio's securities lending agent, or money market instruments. However, in the event of default or bankruptcy by the other party to the agreement, realization and/or retention of the collateral may be subject to legal proceedings.

SSB has been engaged by the Portfolio to act as the Portfolio's securities lending agent. The Portfolio's securities lending arrangement provides that the Portfolio and SSB will share the net income earned from securities lending activities. During the six months ended June 30, 2009, total earnings from the Portfolio's investment in cash collateral received in connection with securities lending arrangements was \$27,341, of which \$1,094 was rebated to borrowers (brokers). The Portfolio retained \$20,388 in income from the cash collateral investment, and SSB, as lending agent, was paid \$5,859. Securities lending income is accrued as earned.

M) OTHER — The Portfolio may invest in securities of foreign countries and governments which involve certain risks in addition to those inherent in domestic investments. Such risks generally include, among others, currency risk (fluctuations in currency exchange rates), information risk (key information may be inaccurate or unavailable) and political risk (expropriation, nationalization or the imposition of capital or currency controls or punitive taxes). Other risks of investing in foreign securities include liquidity and valuation risks.

The Portfolio may be subject to taxes imposed by countries in which it invests with respect to its investments in issuers existing or operating in such countries. Such taxes are generally based on income earned or repatriated and capital gains realized on the sale of such investments. The Portfolio accrues such taxes when the related income is earned or gains are realized.

Note 3. Transactions with Affiliates and Related Parties

Credit Suisse serves as investment adviser for the Portfolio. For its investment advisory services, Credit Suisse is entitled to receive a fee from the Portfolio at an annual rate of 1.25% of the Portfolio's average daily net assets.

Credit Suisse Trust — International Equity Flex II Portfolio
Notes to Financial Statements (continued)
June 30, 2009 (unaudited)

Note 3. Transactions with Affiliates and Related Parties

For the six months ended June 30, 2009, investment advisory fees earned, voluntarily waived and expenses reimbursed were as follows:

<u>Gross Advisory Fee</u>	<u>Waiver</u>	<u>Net Advisory Fee</u>	<u>Expense Reimbursement</u>
\$196,651	\$(196,651)	\$0	\$(40,441)

Fee waivers and expense reimbursements are voluntary and may be discontinued by Credit Suisse at any time.

Credit Suisse Asset Management Limited (“Credit Suisse U.K.”), an affiliate of Credit Suisse, served as sub-investment adviser to the Portfolio. Credit Suisse U.K.’s sub-investment advisory fees were paid by Credit Suisse out of Credit Suisse’s net investment advisory fee and were not paid by the Portfolio. Effective May 1, 2009, Credit Suisse U.K. no longer serves as sub-investment adviser to the Portfolio.

Credit Suisse Asset Management Securities, Inc. (“CSAMSI”), an affiliate of Credit Suisse, and SSB serve as co-administrators to the Portfolio. For its co-administrative services, CSAMSI currently receives a fee calculated at an annual rate of 0.09% of the Portfolio’s average daily net assets. For the six months ended June 30, 2009, co-administrative services fees earned by CSAMSI were \$14,159.

For its co-administrative services, SSB receives a fee, exclusive of out-of-pocket expenses, calculated in total for all the Credit Suisse funds/portfolios co-administered by SSB and allocated based upon the relative average net assets of each fund/portfolio, subject to an annual minimum fee. For the six months ended June 30, 2009, co-administrative services fees earned by SSB (including out-of-pocket expenses) were \$50,136.

In addition to serving as the Portfolio’s co-administrator, CSAMSI currently serves as distributor of the Portfolio’s shares without compensation.

Merrill Corporation (“Merrill”), an affiliate of Credit Suisse, has been engaged by the Portfolio to provide certain financial printing and fulfillment services. For the six months ended June 30, 2009, Merrill was paid \$6,235 for its services by the Portfolio.

Note 4. Line of Credit

The Portfolio, together with other funds/portfolios advised by Credit Suisse (collectively, the “Participating Funds”), participates in a \$50 million committed, unsecured line of credit facility (“Credit Facility”) for temporary or

Credit Suisse Trust — International Equity Flex II Portfolio
Notes to Financial Statements (continued)
June 30, 2009 (unaudited)

Note 4. Line of Credit

emergency purposes with SSB. Under the terms of the Credit Facility, the Participating Funds pay an aggregate commitment fee on the average unused amount of the Credit Facility, which is allocated among the Participating Funds in such manner as is determined by the governing Boards of the Participating Funds. In addition, the Participating Funds pay interest on borrowings at either the Overnight Federal Funds rate or the Overnight LIBOR rate plus a spread. At June 30, 2009, and during the six months ended June 30, 2009, the Portfolio had no borrowings under the Credit Facility.

Note 5. Purchases and Sales of Securities

For the six months ended June 30, 2009, purchases and sales of investment securities (excluding short sales and short-term investments) were \$51,064,536 and \$52,851,396, respectively. Securities sold short and purchases to cover securities sold short were \$862,275 and \$0, respectively.

At June 30, 2009, the identified cost for federal income tax purposes, as well as the gross unrealized appreciation from investments for those securities having an excess of value over cost, gross unrealized depreciation from investments for those securities having an excess of cost over value and the net unrealized appreciation from investments were \$42,867,942, \$1,250,921, \$(620,091) and \$630,830, respectively.

At June 30, 2009, the identified proceeds for federal income tax purposes, as well as the gross unrealized appreciation from securities sold short for those securities having an excess of proceeds over value, gross unrealized depreciation from investments for those securities having an excess of value over proceeds and the net unrealized appreciation from securities sold short were \$(862,275), \$3,460, \$(2,538) and \$922, respectively.

Note 6. Capital Share Transactions

The Trust is authorized to issue an unlimited number of full and fractional shares of beneficial interest, \$.001 par value per share. Transactions in capital shares of the Portfolio were as follows:

	<u>For the Six Months Ended June 30, 2009 (unaudited)</u>	<u>For the Year Ended December 31, 2008</u>
Shares sold	226,857	419,195
Shares issued in reinvestment of dividends	—	94,708
Shares redeemed	<u>(686,908)</u>	<u>(1,985,343)</u>
Net decrease	<u>(460,051)</u>	<u>(1,471,440)</u>

Credit Suisse Trust — International Equity Flex II Portfolio
Notes to Financial Statements (continued)
June 30, 2009 (unaudited)

Note 6. Capital Share Transactions

On June 30, 2009, the number of shareholders that held 5% or more of the outstanding shares of the Portfolio was as follows:

<u>Number of Shareholders</u>	<u>Approximate Percentage of Outstanding Shares</u>
6	79%

Some of the shareholders are omnibus accounts, which hold shares on behalf of individual shareholders.

Note 7. Contingencies

In the normal course of business, the Portfolio may provide general indemnifications pursuant to certain contracts and organizational documents. The Portfolio's maximum exposure under these arrangements is dependent on future claims that may be made against the Portfolio and, therefore, cannot be estimated; however, based on experience, the risk of loss from such claims is considered remote.

Note 8. Subsequent Events

In accordance with the provisions set forth in FASB Statement of Financial Accounting Standards No. 165 "Subsequent Events", adopted by the Portfolio as of June 30, 2009, management has evaluated the possibility of subsequent events existing in the Portfolio's financial statements through August 24, 2009.

On August 18, 2009, the Board of Trustees of Credit Suisse Trust (the "Trust"), on behalf of its series, the International Equity Flex II Portfolio (the "Acquired Portfolio"), approved the proposed reorganization of the Acquired Portfolio (a "Reorganization") whereby all of the assets and liabilities of the Acquired Portfolio would be transferred to the International Equity Flex III Portfolio (the "Acquiring Portfolio"), also a series of the Trust, in exchange for shares of beneficial interest of the Acquiring Portfolio. The Acquired Portfolio would then be liquidated and shares of beneficial interest of the Acquiring Portfolio would be distributed to the shareholders of the Acquired Portfolio.

The Reorganization is subject to the completion of certain conditions, including the approval of the Acquired Portfolio's shareholders. Proxy materials describing the proposed Reorganization will be mailed to shareholders of the Acquired Portfolio in anticipation of a special meeting of shareholders to be held at a later date.

Credit Suisse Trust — International Equity Flex II Portfolio
Notice of Privacy and Information Practices (unaudited)

At Credit Suisse, we know that you are concerned with how we protect and handle nonpublic personal information that identifies you. This notice is designed to help you understand what nonpublic personal information we collect from you and from other sources, and how we use that information in connection with your investments and investment choices that may be available to you. Except where otherwise noted, this notice is applicable only to consumers who are current or former investors, meaning individual persons whose investments are primarily for household, family or personal use (“individual investors”). Specified sections of this notice, however, also apply to other types of investors (called “institutional investors”). Where the notice applies to institutional investors, the notice expressly states so. This notice is being provided by Credit Suisse Funds, Credit Suisse Institutional Funds, and Credit Suisse Closed-End Funds. This notice applies solely to U.S. registered investment companies advised by Credit Suisse Asset Management, LLC.

Categories of information we may collect:

We may collect information about you, including nonpublic personal information, such as

- Information we receive from you on applications, forms, agreements, questionnaires, Credit Suisse websites and other websites that are part of our investment program, or in the course of establishing or maintaining a customer relationship, such as your name, address, e-mail address, Social Security number, assets, income, financial situation; and
- Information we obtain from your transactions and experiences with us, our affiliates, or others, such as your account balances or other investment information assets purchased and sold, and other parties to a transaction, where applicable.

Categories of information we disclose and parties to whom we disclose it:

- We do not disclose nonpublic personal information about our individual investors, except as permitted or required by law or regulation. Whether you are an individual investor or institutional investor, we may share the information described above with our affiliates that perform services on our behalf, and with our asset management and private banking affiliates; as well as with unaffiliated third parties that perform services on our behalf, such as our accountants, auditors, attorneys, broker-dealers, fund administrators, and other service providers.

Credit Suisse Trust — International Equity Flex II Portfolio
Notice of Privacy and Information Practices (unaudited) (continued)

- We want our investors to be informed about additional products or services. Whether you are an individual investor or an institutional investor, we may disclose information, including nonpublic personal information, regarding our transactions and experiences with you to our affiliates.
- In addition, whether you are an individual investor or an institutional investor, we reserve the right to disclose information, including nonpublic personal information, about you to any person or entity, including without limitation any governmental agency, regulatory authority or self-regulatory organization having jurisdiction over us or our affiliates, if (i) we determine in our discretion that such disclosure is necessary or advisable pursuant to or in connection with any United States federal, state or local, or non-U.S., court order (or other legal process), law, rule, regulation, or executive order or policy, including without limitation any anti-money laundering law or the USA PATRIOT Act of 2001; and (ii) such disclosure is not otherwise prohibited by law, rule, regulation, or executive order or policy.

Confidentiality and security

- To protect nonpublic personal information about individual investors, we restrict access to those employees and agents who need to know that information to provide products or services to us and to our investors. We maintain physical, electronic, and procedural safeguards to protect nonpublic personal information.

Other Disclosures

This notice is not intended to be incorporated in any offering materials, but is a statement of our current Notice of Privacy and Information Practices and may be amended from time to time. This notice is current as of May 12, 2009.

Credit Suisse Trust — International Equity Flex II Portfolio
Proxy Voting and Portfolio Holdings Information (unaudited)

Information regarding how the Portfolio voted proxies related to its portfolio securities during the 12 month period ended June 30 of each year, as well as the policies and procedures that the Portfolio uses to determine how to vote proxies relating to its portfolio securities are available:

- By calling 1-800-222-8977
- On the Portfolio's website, www.credit-suisse.com/us
- On the website of the Securities and Exchange Commission, www.sec.gov.

The Portfolio files a complete schedule of its portfolio holdings for the first and third quarters of its fiscal year with the SEC on Form N-Q. The Portfolio's Forms N-Q are available on the SEC's website at www.sec.gov and may be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the SEC's Public Reference Room may be obtained by calling 1-202-551-8090.



P.O. Box 55030, Boston, MA 02205-5030
800-222-8977 ■ www.credit-suisse.com/us

CREDIT SUISSE ASSET MANAGEMENT SECURITIES, INC., DISTRIBUTOR.

TRGSC-SAR-0609



CREDIT SUISSE FUNDS

Semiannual Report

June 30, 2009
(unaudited)

CREDIT SUISSE TRUST ▪ INTERNATIONAL EQUITY FLEX III PORTFOLIO

Credit Suisse Trust (the "Trust") shares are not available directly to individual investors, but may be offered only through certain insurance products and pension and retirement plans.

The Trust's investment objectives, risks, charges and expenses (which should be considered carefully before investing), and more complete information about the Trust, are provided in the *Prospectus*, which should be read carefully before investing. You may obtain additional copies by calling 800-222-8977 or by writing to Credit Suisse Trust, P.O. Box 55030, Boston, MA 02205-5030.

Credit Suisse Asset Management Securities, Inc., Distributor, is located at Eleven Madison Avenue, New York, NY 10010. The Trust is advised by Credit Suisse Asset Management, LLC.

The views of the Portfolio's management are as of the date of the letter and the Portfolio holdings described in this document are as of June 30, 2009; these views and Portfolio holdings may have changed subsequent to these dates. Nothing in this document is a recommendation to purchase or sell securities.

Portfolio shares are not deposits or other obligations of Credit Suisse Asset Management, LLC ("Credit Suisse") or any affiliate, are not FDIC-insured and are not guaranteed by Credit Suisse or any affiliate. Portfolio investments are subject to investment risks, including loss of your investment.

Credit Suisse Trust — International Equity Flex III Portfolio
Semiannual Investment Adviser's Report
June 30, 2009 (unaudited)

July 24, 2009

Dear Shareholder:

On May 1, 2009, the Credit Suisse Trust — Emerging Markets Portfolio became the Credit Suisse Trust — International Equity Flex III Portfolio (the "Portfolio"). Concurrently, the Portfolio's investment strategy changed to a "flexible 130/30" strategy whereby the Portfolio generally will hold (i) long positions, either directly or through derivatives, in an amount up to approximately 130% of its net assets and (ii) short positions, either directly or through derivatives, in an amount up to approximately 30% of its net assets.

Under the new "flex" investment strategy, the Portfolio will seek to outperform the MSCI EAFE Index Net Dividends (the "Benchmark"). The Benchmark is designed to measure the performance of equities in developed markets outside of North America, which include Europe, Australasia (Australia & New Zealand) and the Far East.

The Portfolio's investment approach has changed from a fundamental equity approach to one that uses quantitative portfolio management techniques. The portfolio manager will select securities for the Portfolio using proprietary quantitative models, which are designed to:

- forecast the expected relative return of stocks by analyzing a number of fundamental factors, including a company's relative valuation, use of capital, balance sheet quality, profitability, realized and expected growth potential and earnings and price momentum.
- identify stocks that are likely to suffer declines in price if market conditions deteriorate and either limit the Portfolio's overall long exposure or increase the Portfolio's overall short exposure to such low quality stocks.
- help determine the Portfolio's relative exposure to different industry sectors by analyzing sector performance under different market scenarios.

For the six-month period ended June 30, 2009, the Portfolio had a gain of 25.74%¹ versus an increase of 7.95% for the Benchmark² (net of dividends).

Market Review: A fairly positive period

The semiannual period ended June 30, 2009, was a fairly positive one. For example, although the MSCI World Index Net declined by 0.45% in June, its year-to-date performance was 6.35%. And the Benchmark was up 7.95% for the period. The Dow Jones Euro STOXX Index Net declined in June, but was up 2.92% for the year, and the FTSE All Share Index was up slightly at 0.81%. Additionally, in Japan, the Topix Index Total Return gained 3.45% in June, bringing the year-to-date performance to 9.45%.

Credit Suisse Trust — International Equity Flex III Portfolio
Semiannual Investment Adviser's Report (continued)
June 30, 2009 (unaudited)

Strategic Review and Outlook: Stock selection will become more important going forward

On May 1, 2009, the Portfolio's investment strategy changed from an active, long-only strategy to a quantitative flex strategy, which allows long and short positions while maintaining an approximate 100% net long exposure. The term "flex" in the portfolio's name refers to the ability of the portfolio to vary from 100% to 130% in its long positions and from 0% to 30% in its short positions, based on market conditions. While the Portfolio intends to utilize short exposure, it may refrain completely under certain conditions.

The Portfolio will be managed by the Quantitative Equities Group within Credit Suisse Asset Management, LLC. The group has managed funds with a flex-style strategy since January 2007. The Quantitative Equities Group believes that removing the "long-only constraint" and instead utilizing a flex strategy should offer increased return potential for a given level of risk compared to a long-only portfolio.

For the period between January 1, 2009 and April 30, 2009, the Portfolio outperformed the Benchmark. For the period from May 1, 2009 to June 30, 2009, the Portfolio outperformed the Benchmark although stock selection and sector weightings in financials and energy detracted from performance. It will take a few months to complete the transition from a fundamental equity approach to a quantitative approach and from a long-only strategy to a flex strategy. As of June 30, 2009, the Portfolio did not hold any short positions. At the end of the period, the Portfolio's largest overweight position was in the financials sector.

We believe that macroeconomic factors will have less effect on the Portfolio going forward as the majority of the effects of federal stimulus packages and large bankruptcies are already factored into asset prices. The world is now adjusting to the new regime of government support and increased transparency. In our opinion, stock selection will be more important than macro bets in the coming months. Further, although we expect the market to remain difficult in the near term, we are comfortable with our proactive, long-term investment process going forward.

Jordan Low
Portfolio Manager

Short sales expose the portfolio to the risk that it will be required to cover its short position at a time when the securities have appreciated in value, thus resulting in a loss

Credit Suisse Trust — International Equity Flex III Portfolio
Semiannual Investment Adviser's Report (continued)
June 30, 2009 (unaudited)

to the portfolio. The portfolio's loss on a short sale could theoretically be unlimited in a case where the portfolio is unable to close out its short position.

Derivatives are subject to a number of risks such as correlation risk, liquidity risk, interest-rate risk, market risk and credit risk. Also, suitable derivative transactions may not be available in all circumstances and there can be no assurance that the portfolio will engage in these transactions to reduce exposure to other risks when that would be beneficial.

The use of leverage subjects the portfolio to the risk of magnified capital losses that can occur when losses affect an asset base — enlarged by borrowings or the creation of liabilities — that exceeds the net assets of the portfolio. The net asset value of the portfolio when employing leverage will be more volatile and sensitive to market movements. Leverage may involve the creation of a liability that requires the portfolio to pay interest.

The portfolio bears the risk that the proprietary quantitative models used by the portfolio manager will not be successful in identifying securities that will help the portfolio achieve its investment objectives, causing the portfolio to underperform its benchmark or other funds with a similar investment objective.

Investing in small to medium-sized companies may be more volatile and less liquid than investments in larger companies.

Special situations are unusual developments that affect a company's market value. Examples include mergers, acquisitions and reorganizations. Securities of special-situation companies may decline in value if the anticipated benefits of the special situation do not materialize.

International investing entails special risk considerations, including currency fluctuations, lower liquidity, economic and political risks, and differences in accounting methods.

In addition to historical information, this report contains forward-looking statements, which may concern, among other things, domestic and foreign market, industry and economic trends and developments and government regulation and their potential impact on the Portfolio's investments. These statements are subject to risks and uncertainties and actual trends, developments and regulations in the future, and their impact on the Portfolio could be materially different from those projected, anticipated or implied. The Portfolio has no obligation to update or revise forward-looking statements.

Credit Suisse Trust — International Equity Flex III Portfolio
Semiannual Investment Adviser’s Report (continued)
 June 30, 2009 (unaudited)

Average Annual Returns as of June 30, 2009¹

<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>	<u>Since Inception</u>	<u>Inception Date</u>
(34.67)%	9.17%	5.13%	5.38%	12/31/97

Returns represent past performance and include change in share price and reinvestment of dividends and capital gains. **Past performance cannot guarantee future results.** The current performance of the Portfolio may be lower or higher than the figures shown. Returns and share price will fluctuate, and redemption value may be more or less than original cost. The performance results do not reflect the deduction of taxes that a shareholder would pay on portfolio distributions or the redemption of portfolio shares. Performance includes the effect of deducting expenses, but does not include charges and expenses attributable to any particular variable contract or plan. Accordingly, the Prospectus of the sponsoring Participating Insurance Company separate account or plan documents or other informational materials supplied by plan sponsors should be carefully reviewed for information on relevant charges and expenses. Excluding these charges and expenses from quotations of performance has the effect of increasing the performance quoted, and the effect of these charges should be considered when comparing performance to that of other mutual funds. Performance information current to the most recent month-end is available at www.credit-suisse.com/us.

The annualized gross expense ratio is 1.18%. The annualized net expense ratio after fee waivers and/or expense reimbursements is 0.78%.

¹ Fee waivers and/or expense reimbursements may reduce expenses for the Portfolio, without which performance would be lower. Waivers and/or reimbursements may be discontinued at any time.

² The Morgan Stanley Capital International EAFE (Europe, Australasia, Far East) Index Net Dividends is a free float-adjusted market capitalization index that is designed to measure developed-market equity performance, excluding the U.S. and Canada. It is the exclusive property of Morgan Stanley Capital International Inc. Effective May 1, 2009, the Morgan Stanley Capital International EAFE Index Net Dividends replaced the MSCI Emerging Markets Free Index as the benchmark-index for the Portfolio. The Morgan Stanley Capital International Emerging Markets Free Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. It is the exclusive property of Morgan Stanley Capital International Inc. Investors cannot invest directly in an index.

Credit Suisse Trust — International Equity Flex III Portfolio
Semiannual Investment Adviser's Report (continued)
June 30, 2009 (unaudited)

Information About Your Portfolio's Expenses

As an investor of the Portfolio, you incur two types of costs: ongoing expenses and transaction costs. Ongoing expenses include management fees, distribution and service (12b-1) fees and other Portfolio expenses. Examples of transaction costs include sales charges (loads), redemption fees and account maintenance fees, which are not shown in this section and which would result in higher total expenses. The following table is intended to help you understand your ongoing expenses of investing in the Portfolio and to help you compare these expenses with the ongoing expenses of investing in other mutual funds. The table is based on an investment of \$1,000 made at the beginning of the six month period ended June 30, 2009.

The table illustrates your Portfolio's expenses in two ways:

- **Actual Portfolio Return.** This helps you estimate the actual dollar amount of ongoing expenses paid on a \$1,000 investment in the Portfolio using the Portfolio's actual return during the period. To estimate the expenses you paid over the period, simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the "Expenses Paid per \$1,000" line under the share class you hold.
- **Hypothetical 5% Portfolio Return.** This helps you to compare your Portfolio's ongoing expenses with those of other mutual funds using the Portfolio's actual expense ratio and a hypothetical rate of return of 5% per year before expenses. Examples using a 5% hypothetical portfolio return may be found in the shareholder reports of other mutual funds. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period.

Please note that the expenses shown in these tables are meant to highlight your ongoing expenses only and do not reflect any transaction costs, such as sales charges (loads) or redemption fees. If these transaction costs had been included, your costs would have been higher. The "Expenses Paid per \$1,000" line of the tables is useful in comparing ongoing expenses only and will not help you determine the relative total expenses of owning different funds.

Credit Suisse Trust — International Equity Flex III Portfolio
Semiannual Investment Adviser’s Report (continued)
June 30, 2009 (unaudited)

Expenses and Value for a \$1,000 Investment
for the six month period ended June 30, 2009

Actual Portfolio Return	
Beginning Account Value 1/1/09	\$1,000.00
Ending Account Value 6/30/09	\$1,257.40
Expenses Paid per \$1,000*	\$ 4.37
Hypothetical 5% Portfolio Return	
Beginning Account Value 1/1/09	\$1,000.00
Ending Account Value 6/30/09	\$1,020.93
Expenses Paid per \$1,000*	\$ 3.91
Annualized Expense Ratio*	0.78%

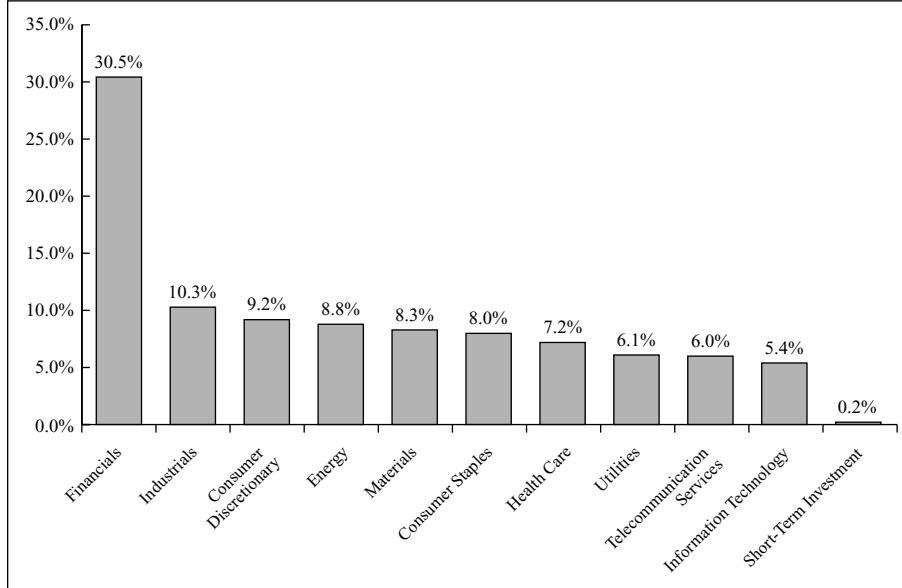
* Expenses are equal to the Portfolio’s annualized expense ratio multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half year period, then divided by 365.

The “Expenses Paid per \$1,000” and the “Annualized Expense Ratio” in the tables are based on actual expenses paid by the Portfolio during the period, net of fee waivers and/or expense reimbursements. If those fee waivers and/or expense reimbursements had not been in effect, the Portfolio’s actual expenses would have been higher. Expenses do not reflect additional charges and expenses that are, or may be, imposed under the variable contracts or plans. Such charges and expenses are described in the prospectus of the insurance company separate account or in the plan documents or other informational materials supplied by plan sponsors. The Portfolio’s expenses should be considered with these charges and expenses in evaluating the overall cost of investing in the separate account.

For more information, please refer to the Portfolio’s prospectus.

Credit Suisse Trust — International Equity Flex III Portfolio
Semiannual Investment Adviser's Report (continued)
June 30, 2009 (unaudited)

SECTOR BREAKDOWN*



* Expressed as a percentage of total investments (excluding securities lending collateral if applicable) and may vary over time.

Credit Suisse Trust — International Equity Flex III Portfolio
Schedule of Investments
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
COMMON STOCKS (98.6%)		
Asia (4.8%)		
<i>Diversified Financial Services (4.8%)</i>		
iShares MSCI Pacific ex-Japan Index Fund\$	92,003	\$ 2,913,735
TOTAL ASIA		<u>2,913,735</u>
Australia (1.1%)		
<i>Diversified Financial Services (1.1%)</i>		
iShares MSCI Australia Index Fund\$	39,468	663,062
TOTAL AUSTRALIA		<u>663,062</u>
Austria (0.5%)		
<i>Building Products (0.0%)</i>		
Wienerberger AG*	121	1,504
<i>Commercial Banks (0.1%)</i>		
Erste Group Bank AG	2,128	57,763
Raiffeisen International Bank Holding AG	104	3,630
		<u>61,393</u>
<i>Construction & Engineering (0.0%)</i>		
Strabag SE BR\$	7	155
<i>Containers & Packaging (0.1%)</i>		
Mayr Melnhof Karton AG	591	49,915
<i>Diversified Telecommunication Services (0.1%)</i>		
Telekom Austria AG	3,173	49,668
<i>Electrical Equipment (0.0%)</i>		
Zumtobel AG	1,006	10,325
<i>Insurance (0.0%)</i>		
Vienna Insurance Group	201	8,761
<i>Metals & Mining (0.1%)</i>		
Voestalpine AG\$	1,845	50,811
<i>Oil, Gas & Consumable Fuels (0.1%)</i>		
OMV AG	933	35,071
<i>Real Estate Management & Development (0.0%)</i>		
IMMOFINANZ AG*	1,204	2,481
TOTAL AUSTRIA		<u>270,084</u>
Belgium (1.2%)		
<i>Beverages (0.3%)</i>		
Anheuser-Busch InBev NV	5,067	183,700
<i>Chemicals (0.1%)</i>		
Solvay SA	814	68,851
<i>Commercial Banks (0.1%)</i>		
Dexia SA*\$	3,536	26,990
KBC Groep NV*	190	3,493
		<u>30,483</u>
<i>Diversified Financial Services (0.2%)</i>		
Fortis*\$	16,875	57,772
Groupe Bruxelles Lambert SA	771	56,510

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex III Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
COMMON STOCKS		
Belgium		
<i>Diversified Financial Services</i>		
Nationale A Portefeuille	179	\$ 8,662
		<u>122,944</u>
<i>Diversified Telecommunication Services (0.1%)</i>		
Belgacom SA§	1,348	43,101
<i>Food & Staples Retailing (0.1%)</i>		
Delhaize Group	1,441	101,438
<i>Pharmaceuticals (0.1%)</i>		
UCB SA	1,233	39,590
<i>Wireless Telecommunication Services (0.2%)</i>		
Mobistar SA	2,422	149,524
TOTAL BELGIUM		<u>739,631</u>
Bermuda (0.0%)		
<i>Metals & Mining (0.0%)</i>		
Aquarius Platinum, Ltd.*	192	739
TOTAL BERMUDA		<u>739</u>
Cyprus (0.3%)		
<i>Commercial Banks (0.0%)</i>		
Bank of Cyprus Public Co., Ltd.	2,083	11,744
<i>Energy Equipment & Services (0.3%)</i>		
ProSafe SE	26,480	133,217
TOTAL CYPRUS		<u>144,961</u>
Denmark (0.7%)		
<i>Beverages (0.0%)</i>		
Carlsberg AS Class B§	276	17,703
<i>Chemicals (0.1%)</i>		
Novozymes AS B Shares	904	73,533
<i>Commercial Banks (0.1%)</i>		
Danske Bank AS*§	2,865	49,419
Jyske Bank AS*	618	17,691
		<u>67,110</u>
<i>Construction & Engineering (0.0%)</i>		
FLSmidth & Co. AS*	8	285
<i>Food Products (0.1%)</i>		
Danisco AS	462	18,101
<i>Insurance (0.1%)</i>		
Topdanmark AS*	413	48,232
TrygVesta AS§	212	12,503
		<u>60,735</u>
<i>Marine (0.1%)</i>		
A P Moller - Maersk AS Class A	2	11,720
A P Moller - Maersk AS Class B	7	41,935
		<u>53,655</u>

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Credit Suisse Trust — International Equity Flex III Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
COMMON STOCKS		
Denmark		
<i>Pharmaceuticals (0.2%)</i>		
H Lundbeck AS	2	\$ 38
Novo Nordisk AS Class B§	2,245	122,257
		<u>122,295</u>
TOTAL DENMARK		<u>413,417</u>
Finland (1.5%)		
<i>Communications Equipment (0.6%)</i>		
Nokia Oyj	26,063	381,692
<i>Diversified Financial Services (0.0%)</i>		
Pohjola Bank PLC	2,604	20,860
<i>Diversified Telecommunication Services (0.0%)</i>		
Elisa Oyj	1,478	24,353
<i>Electric Utilities (0.1%)</i>		
Fortum Oyj§	3,011	68,621
<i>Food & Staples Retailing (0.1%)</i>		
Kesko Oyj B Shares	1,517	40,174
<i>Insurance (0.2%)</i>		
Sampo Oyj A Shares	6,251	118,176
<i>Machinery (0.2%)</i>		
Kone Oyj Class B	1,054	32,361
Metso Oyj	2,082	38,969
Wartsila Oyj	2,081	67,184
		<u>138,514</u>
<i>Metals & Mining (0.1%)</i>		
Rautaruukki Oyj	1,358	27,234
<i>Paper & Forest Products (0.1%)</i>		
Stora Enso Oyj R Shares*	4,264	22,551
UPM-Kymmene Oyj	3,854	33,629
		<u>56,180</u>
<i>Pharmaceuticals (0.1%)</i>		
Orion Oyj Class B	2,343	36,742
TOTAL FINLAND		<u>912,546</u>
France (9.4%)		
<i>Aerospace & Defense (0.2%)</i>		
Safran SA	3,766	49,873
Thales SA§	125	5,611
Zodiac Aerospace§	1,320	43,054
		<u>98,538</u>
<i>Airlines (0.0%)</i>		
Air France-KLM§	914	11,721

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex III Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
COMMON STOCKS		
France		
<i>Auto Components (0.1%)</i>		
Compagnie Generale des Etablissements Michelin Class B	525	\$ 30,063
Valeo SA*	538	9,934
		<u>39,997</u>
<i>Automobiles (0.1%)</i>		
PEUGEOT SA*§	36	950
Renault SA*§	1,050	38,788
		<u>39,738</u>
<i>Beverages (0.1%)</i>		
Laurent-Perrier	89	6,122
Pernod-Ricard SA§	1,148	72,570
		<u>78,692</u>
<i>Building Products (0.2%)</i>		
Cie de Saint-Gobain§	3,049	102,577
<i>Capital Markets (0.0%)</i>		
Boursorama*	1,488	14,037
Union Financiere de France BQE SA	160	5,641
		<u>19,678</u>
<i>Chemicals (0.4%)</i>		
Air Liquide SA	1,624	148,990
Rhodia SA*§	13,113	99,647
		<u>248,637</u>
<i>Commercial Banks (1.3%)</i>		
BNP Paribas	7,115	463,919
Credit Agricole SA§	8,916	111,774
Natixis*	4,750	9,244
Societe Generale	4,146	227,543
		<u>812,480</u>
<i>Commercial Services & Supplies (0.1%)</i>		
Societe BIC SA	634	36,500
<i>Communications Equipment (0.1%)</i>		
Alcatel-Lucent*§	17,306	43,393
<i>Construction & Engineering (0.3%)</i>		
Bouygues SA	1,377	52,068
Eiffage SA§	252	14,725
Vinci SA	2,350	106,026
		<u>172,819</u>
<i>Construction Materials (0.2%)</i>		
Imerys SA*§	221	9,287
Lafarge SA*§	1,292	87,892
		<u>97,179</u>

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex III Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
COMMON STOCKS		
France		
<i>Diversified Financial Services (0.0%)</i>		
Fimalac	290	\$ 15,930
<i>Diversified Telecommunication Services (0.4%)</i>		
France Telecom SA§	11,246	255,850
<i>Electric Utilities (0.2%)</i>		
EDF SA	2,525	123,273
<i>Electrical Equipment (0.2%)</i>		
Alstom SA§	349	20,719
Legrand SA	22	481
Schneider Electric SA	1,254	95,965
		<u>117,165</u>
<i>Energy Equipment & Services (0.2%)</i>		
Bourbon SA§	716	28,201
Cie Generale de Geophysique-Veritas*	337	6,100
Technip SA	2,013	99,247
		<u>133,548</u>
<i>Food & Staples Retailing (0.0%)</i>		
Carrefour SA	494	21,182
<i>Food Products (0.1%)</i>		
Danone	464	23,004
LDC	58	6,706
		<u>29,710</u>
<i>Hotels, Restaurants & Leisure (0.1%)</i>		
Accor SA	1,188	47,326
<i>Independent Power Producers & Energy Traders (0.1%)</i>		
Sechilienne-Sidec	1,800	62,631
<i>Industrial Conglomerates (0.0%)</i>		
Wendel	578	18,745
<i>Insurance (1.0%)</i>		
AXA SA	11,759	222,529
CNP Assurances	2,227	213,048
SCOR SE	9,537	195,923
		<u>631,500</u>
<i>IT Services (0.0%)</i>		
Atos Origin SA*	12	408
Cap Gemini SA§	403	14,913
		<u>15,321</u>
<i>Machinery (0.1%)</i>		
Vallourec SA	530	64,771

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex III Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
COMMON STOCKS		
France		
<i>Media (0.5%)</i>		
Lagardere SCA	549	\$ 18,301
MG-Metropole Television§	2,901	55,010
PagesJaunes Groupe§	2,566	25,012
Publicis Groupe§	1,107	33,886
Vivendi	7,956	190,947
		<u>323,156</u>
<i>Multi-Utilities (0.1%)</i>		
Suez Environnement SA§	64	1,121
Veolia Environnement	2,861	84,578
		<u>85,699</u>
<i>Multiline Retail (0.1%)</i>		
PPR	533	43,687
<i>Office Electronics (0.1%)</i>		
Neopost SA	583	52,489
<i>Oil, Gas & Consumable Fuels (1.6%)</i>		
Esso SA Francaise	103	13,674
Total SA	17,224	933,414
		<u>947,088</u>
<i>Personal Products (0.2%)</i>		
L'Oreal SA§	1,744	130,892
<i>Pharmaceuticals (0.8%)</i>		
Ipsen SA	2	88
Sanofi-Aventis SA	7,821	462,073
		<u>462,161</u>
<i>Professional Services (0.0%)</i>		
Bureau Veritas SA	315	15,513
<i>Real Estate Investment Trusts (0.1%)</i>		
Gecina SA	2	124
Societe Immobiliere de Location pour l'Industrie et le Commerce	267	23,618
Unibail-Rodamco SE	240	35,878
		<u>59,620</u>
<i>Software (0.0%)</i>		
Dassault Systemes SA§	1	44
<i>Textiles, Apparel & Luxury Goods (0.4%)</i>		
Christian Dior SA	768	57,521
Hermes International§	330	45,939
LVMH Moet Hennessy Louis Vuitton SA	1,486	113,950
		<u>217,410</u>

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex III Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
COMMON STOCKS		
France		
<i>Transportation Infrastructure (0.0%)</i>		
Aeroports de Paris	4	\$ 294
Societe Des Autoroutes Paris-Rhin-Rhone	2	137
		<u>431</u>
TOTAL FRANCE		<u>5,677,091</u>
Germany (8.5%)		
<i>Aerospace & Defense (0.3%)</i>		
MTU Aero Engines Holding AG	5,465	199,662
<i>Airlines (0.1%)</i>		
Deutsche Lufthansa AG§	3,907	49,060
<i>Automobiles (0.9%)</i>		
Bayerische Motoren Werke AG§	1,594	60,205
Daimler AG§	7,151	259,655
Volkswagen AG§	634	214,758
		<u>534,618</u>
<i>Capital Markets (0.4%)</i>		
Deutsche Bank AG§	3,529	214,499
<i>Chemicals (1.0%)</i>		
BASF SE	10,352	412,381
K+S AG	1,097	61,869
Linde AG	1,230	101,033
Symrise AG	1,354	20,046
Wacker Chemie AG	310	35,794
		<u>631,123</u>
<i>Commercial Banks (0.0%)</i>		
Commerzbank AG*	25	156
<i>Construction & Engineering (0.1%)</i>		
Bilfinger Berger AG	283	13,172
Hochtief AG	525	26,507
		<u>39,679</u>
<i>Construction Materials (0.1%)</i>		
HeidelbergCement AG	2,043	84,107
<i>Diversified Financial Services (0.1%)</i>		
Deutsche Boerse AG	947	73,689
<i>Diversified Telecommunication Services (0.5%)</i>		
Deutsche Telekom AG§	26,565	314,020
<i>Electric Utilities (0.8%)</i>		
E.ON AG§	14,373	510,136
<i>Electrical Equipment (0.0%)</i>		
Q-Cells SE*	25	511
Solarworld AG§	387	9,158
		<u>9,669</u>

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex III Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
COMMON STOCKS		
Germany		
<i>Food & Staples Retailing (0.1%)</i>		
Metro AG	1,024	\$ 48,918
<i>Food Products (0.1%)</i>		
Suedzucker AG	1,410	28,574
<i>Household Durables (0.1%)</i>		
Rational AG	440	50,708
<i>Household Products (0.0%)</i>		
Henkel AG & Co. KGaA	773	20,849
<i>Industrial Conglomerates (0.9%)</i>		
Rheinmetall AG	868	37,706
Siemens AG	6,853	473,833
		<u>511,539</u>
<i>Insurance (1.1%)</i>		
Allianz SE	3,753	346,135
Hannover Rueckversicherung AG*	455	16,818
Muenchener Rueckversicherungs AG	2,212	298,809
		<u>661,762</u>
<i>Internet & Catalog Retail (0.0%)</i>		
Takkt AG	1,442	15,356
<i>Internet Software & Services (0.0%)</i>		
United Internet AG*§	21	247
<i>Machinery (0.1%)</i>		
GEA Group AG	23	349
Heidelberger Druckmaschinen AG	3,440	19,207
MAN SE	491	30,206
Wacker Neuson SE	1,421	13,255
		<u>63,017</u>
<i>Metals & Mining (0.3%)</i>		
Salzgitter AG	453	39,922
ThyssenKrupp AG	4,737	117,993
		<u>157,915</u>
<i>Multi-Utilities (0.5%)</i>		
RWE AG	3,732	294,260
<i>Pharmaceuticals (0.3%)</i>		
Bayer AG§	3,409	183,173
<i>Semiconductors & Semiconductor Equipment (0.0%)</i>		
Infineon Technologies AG*	2,188	7,966
<i>Software (0.7%)</i>		
SAP AG	5,986	241,310
Software AG	2,369	168,026
		<u>409,336</u>

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex III Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
COMMON STOCKS		
Germany		
<i>Textiles, Apparel & Luxury Goods (0.0%)</i>		
Adidas AG	85	\$ 3,239
Puma AG Rudolf Dassler Sport	86	18,832
		<u>22,071</u>
<i>Trading Companies & Distributors (0.0%)</i>		
BayWa AG	96	2,674
<i>Transportation Infrastructure (0.0%)</i>		
Fraport AG Frankfurt Airport Services Worldwide§	215	9,217
TOTAL GERMANY		<u>5,148,000</u>
Greece (0.5%)		
<i>Capital Markets (0.0%)</i>		
Marfin Investment Group SA*	4,792	20,561
<i>Commercial Banks (0.3%)</i>		
National Bank of Greece SA*	7,413	205,616
Piraeus Bank SA*	39	388
		<u>206,004</u>
<i>Construction Materials (0.1%)</i>		
Titan Cement Co. SA	2,125	56,069
<i>Diversified Financial Services (0.0%)</i>		
Hellenic Exchanges SA Holding	617	6,934
<i>Diversified Telecommunication Services (0.1%)</i>		
Hellenic Telecommunications Organization SA	2,079	31,788
TOTAL GREECE		<u>321,356</u>
Hong Kong (1.2%)		
<i>Diversified Financial Services (1.2%)</i>		
iShares MSCI Hong Kong Index Fund§	50,778	697,690
TOTAL HONG KONG		<u>697,690</u>
Ireland (0.0%)		
<i>Construction Materials (0.0%)</i>		
CRH PLC	747	17,105
<i>Food Products (0.0%)</i>		
Kerry Group PLC Class A	87	1,974
TOTAL IRELAND		<u>19,079</u>
Italy (3.0%)		
<i>Aerospace & Defense (0.0%)</i>		
Finmeccanica SpA	827	11,661
<i>Capital Markets (0.0%)</i>		
Mediobanca SpA	1,948	23,210

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex III Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
COMMON STOCKS		
Italy		
<i>Commercial Banks (0.8%)</i>		
Banca Carige SpA	3,103	\$ 8,523
Banca Monte dei Paschi di Siena SpA	25,512	41,229
Banco Popolare SC*	2,726	20,382
Intesa Sanpaolo SpA*	45,173	145,956
Piccolo Credito Valtellinese Scarl	1,172	10,626
UniCredit SpA*§	109,796	277,666
Unione di Banche Italiane ScpA	20	261
		<u>504,643</u>
<i>Construction Materials (0.1%)</i>		
Cementir Holding SpA	1,521	5,814
Italcementi SpA§	3,503	40,103
		<u>45,917</u>
<i>Diversified Telecommunication Services (0.2%)</i>		
Telecom Italia SpA§	77,472	107,398
<i>Electric Utilities (0.5%)</i>		
Enel SpA§	58,500	285,551
Iride SpA	3,974	6,882
Terna Rete Elettrica Nazionale SpA§	6,690	22,309
		<u>314,742</u>
<i>Electrical Equipment (0.0%)</i>		
Prismian SpA	2	30
<i>Energy Equipment & Services (0.0%)</i>		
Saipem SpA	66	1,612
<i>Food Products (0.1%)</i>		
Parmalat SpA	11,243	27,151
<i>Gas Utilities (0.1%)</i>		
Snam Rete Gas SpA	10,188	44,747
<i>Hotels, Restaurants & Leisure (0.0%)</i>		
Lottomatica SpA§	888	17,144
<i>Insurance (0.3%)</i>		
Alleanza Assicurazioni SpA	2,231	15,330
Assicurazioni Generali SpA	6,000	124,944
Mediolanum SpA	2,380	12,713
Premafin Finanziaria SpA*	6,888	8,890
Unipol Gruppo Finanziario SpA*	2,694	3,160
		<u>165,037</u>
<i>Media (0.0%)</i>		
Mediaset SpA	4,151	23,301
<i>Multi-Utilities (0.0%)</i>		
A2A SpA	1,262	2,306
ACEA SpA	828	10,109
		<u>12,415</u>

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex III Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
COMMON STOCKS		
Italy		
<i>Oil, Gas & Consumable Fuels (0.9%)</i>		
ENI SpA	21,937	\$ 520,205
Saras SpA	3,018	8,615
		<u>528,820</u>
TOTAL ITALY		<u>1,827,828</u>
Japan (23.9%)		
<i>Air Freight & Logistics (0.1%)</i>		
Yamato Holdings Co., Ltd.§	3,000	39,826
<i>Airlines (0.0%)</i>		
Japan Airlines Corp.*	3,825	7,369
<i>Auto Components (0.3%)</i>		
Aisin Seiki Co., Ltd.§	497	10,720
Bridgestone Corp.§	2,667	41,712
Denso Corp.§	2,647	67,744
Imasen Electric Industrial	319	3,450
NHK Spring Co., Ltd.	1,000	6,692
NOK Corp.	2,069	24,003
TBK Co., Ltd.	2,000	3,562
Tigers Polymer Corp.	200	839
U-Shin, Ltd.	3,100	15,651
Unipres Corp.§	444	4,916
Yorozu Corp.	1,300	14,337
		<u>193,626</u>
<i>Automobiles (2.3%)</i>		
Daihatsu Motor Co., Ltd.§	1,988	18,450
Fuji Heavy Industries, Ltd.§	6,942	28,003
Honda Motor Co., Ltd.§	11,821	324,700
Isuzu Motors, Ltd.§	21,616	34,625
Mazda Motor Corp.§	2,735	6,984
Nissan Motor Co., Ltd.§	25,500	154,516
Suzuki Motor Corp.§	4,518	101,148
Toyota Motor Corp.§	18,826	710,843
Yamaha Motor Co., Ltd.	2,132	23,647
		<u>1,402,916</u>
<i>Beverages (0.2%)</i>		
Asahi Breweries, Ltd.	500	7,154
Kirin Holdings Co., Ltd.§	5,920	82,465
		<u>89,619</u>
<i>Building Products (0.2%)</i>		
Asahi Glass Co., Ltd.§	2,000	15,995
Daikin Industries, Ltd.	1,421	45,662
JS Group Corp.	700	10,786
Nippon Hume Corp.	1,000	3,019
Nippon Sheet Glass Co., Ltd.§	5,091	14,812
Sun Wave Corp.	1,000	2,389
		<u>92,663</u>

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex III Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
COMMON STOCKS		
Japan		
<i>Capital Markets (0.5%)</i>		
Daiwa Securities Group, Inc.§	7,000	\$ 41,531
Matsui Securities Co., Ltd.§	10,993	99,530
Nomura Holdings, Inc.§	11,857	99,927
SBI Holdings, Inc.	187	37,918
		<u>278,906</u>
<i>Chemicals (0.8%)</i>		
Asahi Kasei Corp.§	10,996	55,704
Chugoku Marine Paints, Ltd.	3,000	20,629
Co-Op Chemical Co., Ltd.§	6,000	12,593
DIC Corp.	21,000	32,754
JSP Corp.	975	7,415
Kansai Paint Co., Ltd.	6,000	42,923
Katakura Chikkarin Co., Ltd.	1,076	3,811
Mitsubishi Chemical Holdings Corp.§	12,221	51,611
Mitsubishi Gas Chemical Co., Inc.	324	1,764
Mitsubishi Rayon Co., Ltd.	34	99
Nippon Carbide Industries Co., Inc.*	2,000	2,170
Shin-Etsu Chemical Co., Ltd.	3,100	143,551
Showa Denko KK§	2,051	3,652
Sumitomo Chemical Co., Ltd.	187	840
Teijin, Ltd.	1,000	3,209
Tokuyama Corp.§	2,633	19,297
Toray Industries, Inc.	495	2,516
Tosoh Corp.	34	96
Ube Industries, Ltd.	16,954	47,239
		<u>451,873</u>
<i>Commercial Banks (2.2%)</i>		
Bank of the Ryukyus, Ltd.	2,837	33,642
Bank of Yokohama, Ltd.	1,000	5,344
Chuo Mitsui Trust Holdings, Inc.§	18,101	68,863
Fukuoka Financial Group, Inc.	13,045	58,249
Hokuhoku Financial Group, Inc.§	19,843	49,661
Mitsubishi UFJ Financial Group, Inc.	68,145	420,127
Mizuho Financial Group, Inc.§	96,016	222,730
Resona Holdings, Inc.§	5,057	70,775
Sapporo Hokuyo Holdings, Inc.*	23	66
Seven Bank, Ltd.	6	15,710
Shinsei Bank, Ltd.*§	11,000	17,535
Sumitomo Mitsui Financial Group, Inc.§	4,928	199,103
The Chiba Bank, Ltd.	6,000	39,097
The Hachijuni Bank, Ltd.	22	124
The Nishi-Nippon City Bank, Ltd.§	30,000	75,672
The Sumitomo Trust & Banking Co., Ltd.§	8,820	47,254
The Tohoku Bank, Ltd.	3,000	4,874
Yamaguchi Financial Group, Inc.	986	12,984
		<u>1,341,810</u>

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex III Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
COMMON STOCKS		
Japan		
<i>Commercial Services & Supplies (0.3%)</i>		
Dai Nippon Printing Co., Ltd.	1,000	\$ 13,671
Daiohs Corp.	200	983
Itoki Corp.	500	1,412
Nichiban Co., Ltd.	3,000	9,300
Nippon Kucho Service Co., Ltd.	300	2,290
Secom Co., Ltd.	1,870	75,777
Toppa Printing Co., Ltd.	8,617	86,682
		<u>190,115</u>
<i>Communications Equipment (0.0%)</i>		
Denki Kogyo Co., Ltd.	4,000	20,119
Saxa Holdings, Inc.*	2,000	3,598
		<u>23,717</u>
<i>Computers & Peripherals (0.3%)</i>		
Fujitsu, Ltd.§	16,000	86,781
Japan Digital Laboratory Co., Ltd.	632	7,988
NEC Corp.*§	16,421	64,132
Seiko Epson Corp.§	593	9,663
Toshiba Corp.§	8,683	31,409
		<u>199,973</u>
<i>Construction & Engineering (0.2%)</i>		
Ando Corp.	2,000	3,139
Asanuma Corp.*	8,000	8,428
Daiwa Odakyu Construction Co.	500	1,119
Kajima Corp.§	7,000	21,757
Kinden Corp.	913	8,010
Obayashi Corp.	3,000	14,663
Shimizu Corp.§	5,991	25,963
Taihei Kogyo Co., Ltd.	2,000	6,395
Tobishima Corp.*	332	189
Totetsu Kogyo Co., Ltd.	1,000	6,059
		<u>95,722</u>
<i>Construction Materials (0.0%)</i>		
Shinagawa Refractories Co., Ltd.	3,000	8,149
Taiheiy Cement Corp.§	8,590	14,698
		<u>22,847</u>
<i>Consumer Finance (0.1%)</i>		
Acom Co., Ltd.§	306	7,614
Aiful Corp.	950	3,637
Credit Saison Co., Ltd.§	645	8,169
ORIX Corp.§	765	45,462
		<u>64,882</u>

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex III Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
COMMON STOCKS		
Japan		
<i>Containers & Packaging (0.1%)</i>		
Tomoku Co., Ltd.	2,000	\$ 3,981
Toyo Seikan Kaisha, Ltd.§	1,060	22,392
		<u>26,373</u>
<i>Distributors (0.0%)</i>		
Naigai Co., Ltd.*	8,472	5,072
<i>Diversified Consumer Services (0.1%)</i>		
Benesse Corp.	900	36,032
<i>Diversified Financial Services (0.0%)</i>		
Daiko Clearing Services Corp.	300	1,823
Mitsubishi UFJ Lease & Finance Co., Ltd.	412	13,410
		<u>15,233</u>
<i>Diversified Telecommunication Services (0.7%)</i>		
Nippon Telegraph & Telephone Corp.	10,569	429,758
<i>Electric Utilities (1.2%)</i>		
Chubu Electric Power Co., Inc.§	8,300	191,380
Hokuriku Electric Power Co.§	2,830	64,624
Kyushu Electric Power Co., Inc.§	7,766	166,877
The Kansai Electric Power Co., Inc.§	3,100	68,275
The Tokyo Electric Power Co., Inc.§	7,817	200,673
Tohoku Electric Power Co., Inc.	2,502	52,183
		<u>744,012</u>
<i>Electrical Equipment (0.5%)</i>		
Chiyoda Integre Co., Ltd.	1,600	18,352
Furukawa Electric Co., Ltd.§	11,000	49,408
Mitsubishi Electric Corp.	12,850	81,087
Panasonic Electric Works Co., Ltd.	2,000	18,874
Sumitomo Electric Industries, Ltd.	11,400	127,616
Toko Electric Corp.	594	1,860
Ushio, Inc.§	230	3,663
		<u>300,860</u>
<i>Electronic Equipment, Instruments & Components (1.2%)</i>		
Citizen Holdings Co., Ltd.	4,282	21,893
FUJIFILM Holdings Corp.§	2,200	69,906
Hirose Electric Co., Ltd.§	362	38,561
Hitachi, Ltd.	37,874	117,681
Hosiden Corp.	2,627	33,549
HOYA Corp.	3,300	66,002
Ibiden Co., Ltd.§	200	5,599
Japan Cash Machine Co., Ltd.	900	8,219
Keyence Corp.	302	61,430
Kyocera Corp.	795	59,591
Mitsumi Electric Co., Ltd.	1,495	31,886
Murata Manufacturing Co., Ltd.§	1,664	70,908

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex III Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
COMMON STOCKS		
Japan		
<i>Electronic Equipment, Instruments & Components</i>		
Nidec Corp.§	485	\$ 29,476
ONO Sokki Co., Ltd.	1,000	4,356
Satori Electric Co., Ltd.	1,600	9,391
Shimadzu Corp.§	2,913	23,240
TDK Corp.§	682	31,966
Yokogawa Electric Corp.	981	6,601
		<u>690,255</u>
<i>Food & Staples Retailing (0.7%)</i>		
Aeon Co., Ltd.§	3,300	32,510
FamilyMart Co., Ltd.§	1,600	50,197
Lawson, Inc.§	3,100	136,238
San-A Co., Ltd.	100	3,259
Seven & I Holdings Co., Ltd.	6,400	149,863
Universe Co., Ltd.	400	4,952
UNY Co., Ltd.	6,000	51,185
Yamaya Corp.	200	1,429
		<u>429,633</u>
<i>Food Products (0.4%)</i>		
Ajinomoto Co., Inc.	39	308
Kyokuyo Co., Ltd.	3,000	6,238
Nippon Meat Packers, Inc.	1,000	12,571
Nisshin Seifun Group, Inc.	4,000	47,451
NISSIN FOODS HOLDINGS Co., Ltd.	7	212
QP Corp.	4,376	45,483
Rock Field Co., Ltd.	200	2,476
Toyoko Suisan Kaisha, Ltd.	1,000	20,571
Warabeya Nichiyo Co., Ltd.	1,900	22,730
Yaizu Suisankagaku Industry Co., Ltd.	321	3,329
Yakult Honsha Co., Ltd.	10	191
Yamazaki Baking Co., Ltd.§	5,897	66,511
		<u>228,071</u>
<i>Gas Utilities (0.1%)</i>		
Tokyo Gas Co., Ltd.	21,000	74,904
<i>Health Care Equipment & Supplies (0.1%)</i>		
Eiken Chemical Co., Ltd.	2,700	23,009
Olympus Corp.	177	4,162
Terumo Corp.§	1,282	56,432
		<u>83,603</u>
<i>Health Care Providers & Services (0.0%)</i>		
Mediceo Paltac Holdings Co., Ltd.	14	159
Suzuken Co., Ltd.	5	145
		<u>304</u>

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex III Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
COMMON STOCKS		
Japan		
<i>Hotels, Restaurants & Leisure (0.1%)</i>		
McDonald's Holdings Co. Japan, Ltd.§	756	\$ 14,017
Oriental Land Co. Japan, Ltd.	700	46,861
		<u>60,878</u>
<i>Household Durables (0.8%)</i>		
Casio Computer Co., Ltd.§	2,842	25,416
Foster Electric Co., Ltd.	311	3,532
Makita Corp.§	696	16,816
Panasonic Corp.§	16,080	216,302
Sanyo Electric Co., Ltd.*§	3,303	8,541
Sharp Corp.§	3,984	41,267
Sony Corp.§	6,954	181,141
Suminoe Textile Co., Ltd.	2,000	2,805
		<u>495,820</u>
<i>Household Products (0.2%)</i>		
Kao Corp.	5,000	108,633
<i>Independent Power Producers & Energy Traders (0.0%)</i>		
Electric Power Development Co., Ltd.§	500	14,165
<i>Industrial Conglomerates (0.0%)</i>		
Hankyu Hanshin Holdings, Inc.	1,000	4,674
<i>Insurance (0.6%)</i>		
Aioi Insurance Co., Ltd.	2,592	11,796
Mitsui Sumitomo Insurance Group Holdings, Inc.	3,100	80,972
Nipponkoa Insurance Co., Ltd.	5,558	32,285
Nissay Dowa General Insurance Co., Ltd.	4,388	21,165
Sompo Japan Insurance, Inc.	11,957	79,553
T&D Holdings, Inc.§	432	12,324
Tokio Marine Holdings, Inc.	4,833	132,491
		<u>370,586</u>
<i>Internet & Catalog Retail (0.1%)</i>		
ASKUL Corp.	812	13,133
Rakuten, Inc.§	74	44,522
		<u>57,655</u>
<i>Internet Software & Services (0.0%)</i>		
Yahoo! Japan Corp.	49	15,560
<i>IT Services (0.1%)</i>		
CAC Corp.§	800	5,769
NTT Data Corp.	18	58,012
		<u>63,781</u>

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex III Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
COMMON STOCKS		
Japan		
<i>Leisure Equipment & Products (0.3%)</i>		
Daikoku Denki Co., Ltd.	1,100	\$ 14,628
Namco Bandai Holdings, Inc.§	2,100	22,996
Nikon Corp.§	2,885	49,835
Sankyo Co., Ltd.	781	41,596
Sega Sammy Holdings, Inc.§	1,100	13,920
Shimano, Inc.	748	28,694
Tamron Co., Ltd.	192	2,626
		<u>174,295</u>
<i>Machinery (1.1%)</i>		
Amada Co., Ltd.	4,801	29,707
Daiwa Industries, Ltd.	1,087	5,007
Fanuc, Ltd.§	1,481	118,497
IHI Corp.*	8,000	13,798
JTEKT Corp.§	1,692	17,073
Kawasaki Heavy Industries, Ltd.§	4,000	11,001
Komatsu, Ltd.§	3,379	52,089
Kubota Corp.§	9,000	74,000
Maewaza Industries, Inc.*	1,400	2,847
Minebea Co., Ltd.	7,950	33,781
Mitsubishi Heavy Industries, Ltd.§	24,000	99,165
Mitsui Engineering & Shipbuilding Co., Ltd.§	13,959	32,738
Miyachi Corp.	1,800	12,191
Nachi-Fujikoshi Corp.§	9,816	20,137
NGK Insulators, Ltd.	916	18,641
NSK, Ltd.§	5,790	29,264
NTN Corp.§	6,836	27,338
Obara Corp.	1,500	14,208
SMC Corp.	14	1,501
Sumitomo Heavy Industries, Ltd.	3,961	17,593
THK Co., Ltd.	570	8,484
		<u>639,060</u>
<i>Marine (0.2%)</i>		
Kawasaki Kisen Kaisha, Ltd.§	3,000	12,287
Mitsui OSK Lines, Ltd.	6,000	38,714
Nippon Yusen KK	15,853	68,160
		<u>119,161</u>
<i>Media (0.1%)</i>		
Amuse, Inc.	1,200	12,083
Gakken Co., Ltd.	5,000	9,681
Hakuhodo DY Holdings, Inc.	7	377
Jupiter Telecommunications Co., Ltd.§	39	29,537
SKY Perfect JSAT Holdings, Inc.	14	5,330
		<u>57,008</u>

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex III Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
COMMON STOCKS		
Japan		
<i>Metals & Mining (1.0%)</i>		
DOWA HOLDINGS Co., Ltd.	4,000	\$ 16,577
JFE Holdings, Inc.§	3,900	130,826
Kobe Steel, Ltd.§	9,855	18,326
Maruichi Steel Tube, Ltd.§	496	9,340
Mitsubishi Materials Corp.	28,262	87,853
Mitsui Mining & Smelting Co., Ltd.*	32	82
Nakayama Steel Works, Ltd.	2,000	4,737
Nippon Steel Corp.§	28,000	107,029
Sumitomo Metal Industries, Ltd.	24,677	65,496
Sumitomo Metal Mining Co., Ltd.§	3,000	42,078
Tokyo Steel Manufacturing Co., Ltd.§	5,750	69,881
Tokyo Tekko Co., Ltd.	2,215	8,278
Topy Industries, Ltd.	10,000	18,931
Yamato Kogyo Co., Ltd.§	1,400	41,152
		<u>620,586</u>
<i>Multiline Retail (0.0%)</i>		
Isetan Mitsukoshi Holdings, Ltd.	1,477	15,004
<i>Office Electronics (0.7%)</i>		
Canon, Inc.§	8,581	279,854
Konica Minolta Holdings, Inc.§	6,673	69,614
Ricoh Co., Ltd.§	3,998	51,423
		<u>400,891</u>
<i>Oil, Gas & Consumable Fuels (0.5%)</i>		
Cosmo Oil Co., Ltd.§	6,324	21,377
Idemitsu Kosan Co., Ltd.	376	32,163
INPEX Corp.	11	87,569
Kanto Natural Gas Development, Ltd.	1,000	5,902
TonenGeneral Sekiyu KK§	15,825	160,817
		<u>307,828</u>
<i>Paper & Forest Products (0.0%)</i>		
OJI Paper Co., Ltd.	62	266
<i>Pharmaceuticals (1.1%)</i>		
Astellas Pharma, Inc.	5,682	200,332
Daiichi Sankyo Co., Ltd.§	1,042	18,570
Eisai Co., Ltd.	984	34,883
Hisamitsu Pharmaceutical Co., Inc.	100	3,102
Mitsubishi Tanabe Pharma Corp.	2,211	25,362
Ono Pharmaceutical Co., Ltd.	700	31,003
Santen Pharmaceutical Co., Ltd.§	591	17,976
Shionogi & Co., Ltd.	20	386
Taisho Pharmaceutical Co., Ltd.	18	340
Takeda Pharmaceutical Co., Ltd.	7,900	306,674
		<u>638,628</u>

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex III Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
COMMON STOCKS		
Japan		
<i>Professional Services (0.0%)</i>		
Altech Corp.	200	\$ 1,205
<i>Real Estate Investment Trusts (0.1%)</i>		
Japan Prime Realty Investment Corp.§	3	6,462
Japan Real Estate Investment Corp.	2	16,564
Japan Retail Fund Investment Corp.§	2	9,212
Nippon Building Fund, Inc.§	3	25,604
Nomura Real Estate Office Fund, Inc.	1	6,348
		<u>64,190</u>
<i>Real Estate Management & Development (0.7%)</i>		
Aeon Mall Co., Ltd.§	1,936	36,684
Daito Trust Construction Co., Ltd.	996	46,891
Daiwa House Industry Co., Ltd.	814	8,739
Leopalace21 Corp.§	4,483	39,998
Mitsubishi Estate Co., Ltd.	4,970	82,382
Mitsui Fudosan Co., Ltd.	6,075	105,202
Nomura Real Estate Holdings, Inc.§	497	8,541
Sumitomo Realty & Development Co., Ltd.§	3,932	71,681
Tokyu Land Corp.§	7,912	35,890
		<u>436,008</u>
<i>Road & Rail (0.6%)</i>		
Central Japan Railway Co.§	4	24,552
East Japan Railway Co.	2,882	173,243
Keihin Electric Express Railway Co., Ltd.	30	232
Keisei Electric Railway Co., Ltd.§	7,000	41,669
Kintetsu Corp.	98	431
Maruwn Corp.	200	543
Nippon Express Co., Ltd.	13,000	58,925
Tokyu Corp.	8,000	40,294
West Japan Railway Co.	5	16,509
		<u>356,398</u>
<i>Semiconductors & Semiconductor Equipment (0.3%)</i>		
Advantest Corp.§	196	3,564
Mimasu Semiconductor Industry Co., Ltd.	551	6,589
Rohm Co., Ltd.§	1,300	94,672
Tokyo Electron, Ltd.	1,026	49,437
		<u>154,262</u>
<i>Software (0.4%)</i>		
Konami Corp.	200	3,824
Nintendo Co., Ltd.§	800	221,060
Nippon Systemware Co., Ltd.	300	1,108
Oracle Corp. Japan§	800	29,293
Sorun Corp.	1,134	6,915
SRA Holdings	600	5,228
		<u>267,428</u>

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex III Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
COMMON STOCKS		
Japan		
<i>Specialty Retail (0.1%)</i>		
Fast Retailing Co., Ltd.	194	\$ 25,244
Hard Off Corp. Co., Ltd.	715	3,646
Nitori Co., Ltd.	3	212
Pal Co., Ltd.	300	5,073
Point, Inc.§	169	9,068
Right On Co., Ltd.	500	4,564
USS Co., Ltd.	365	18,771
Yamada Denki Co., Ltd.	281	16,323
		<u>82,901</u>
<i>Textiles, Apparel & Luxury Goods (0.1%)</i>		
Asics Corp.	1,964	17,886
Sanei-International Co., Ltd.§	2,300	19,782
		<u>37,668</u>
<i>Tobacco (0.3%)</i>		
Japan Tobacco, Inc.	55	171,653
<i>Trading Companies & Distributors (1.0%)</i>		
ITOCHU Corp.	11,790	81,686
JFE Shoji Holdings, Inc.	1,000	3,680
Kamei Corp.	1,000	5,163
Kanamoto Co., Ltd.	1,000	5,221
Marubeni Corp.	9,935	43,872
Maruka Machinery Co., Ltd.	100	767
Mitsubishi Corp.§	9,922	182,808
Mitsui & Co., Ltd.§	13,110	155,108
Sojitz Corp.	69	151
Sumitomo Corp.§	10,800	109,608
		<u>588,064</u>
<i>Transportation Infrastructure (0.0%)</i>		
Kamigumi Co., Ltd.§	2,036	17,181
<i>Wireless Telecommunication Services (0.8%)</i>		
KDDI Corp.§	25	132,445
NTT DoCoMo, Inc.§	183	267,246
Softbank Corp.	4,500	87,528
		<u>487,219</u>
TOTAL JAPAN		<u>14,388,630</u>
Luxembourg (0.5%)		
<i>Energy Equipment & Services (0.1%)</i>		
Tenaris SA	3,498	47,713
<i>Media (0.1%)</i>		
SES SA	2,643	50,532
<i>Metals & Mining (0.3%)</i>		
ArcelorMittal	5,832	192,970

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex III Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
COMMON STOCKS		
Luxembourg		
<i>Wireless Telecommunication Services (0.0%)</i>		
Millicom International Cellular SA*	226	\$ 12,694
TOTAL LUXEMBOURG		<u>303,909</u>
Netherlands (2.3%)		
<i>Aerospace & Defense (0.5%)</i>		
European Aeronautic Defence & Space Co. NV\$	18,676	<u>303,263</u>
<i>Air Freight & Logistics (0.1%)</i>		
TNT NV	3,336	<u>65,196</u>
<i>Chemicals (0.1%)</i>		
Koninklijke DSM NV	1,147	<u>36,064</u>
<i>Diversified Financial Services (0.0%)</i>		
SNS Reaal	1,316	<u>7,380</u>
<i>Diversified Telecommunication Services (0.2%)</i>		
KONINKLIJKE KPN NV\$	9,732	<u>134,260</u>
<i>Energy Equipment & Services (0.1%)</i>		
Fugro NV	11	458
SBM Offshore NV\$	1,250	<u>21,461</u>
		<u>21,919</u>
<i>Food & Staples Retailing (0.2%)</i>		
Koninklijke Ahold NV	10,808	<u>124,581</u>
<i>Food Products (0.5%)</i>		
Unilever NV	13,296	<u>321,531</u>
<i>Household Durables (0.2%)</i>		
TomTom NV*	10,121	<u>122,233</u>
<i>Industrial Conglomerates (0.1%)</i>		
Koninklijke Philips Electronics NV	2,755	<u>50,858</u>
<i>Insurance (0.1%)</i>		
Aegon NV	10,886	<u>67,386</u>
<i>Life Sciences Tools & Services (0.0%)</i>		
QIAGEN NV*	1,091	<u>20,258</u>
<i>Real Estate Investment Trusts (0.0%)</i>		
Corio NV\$	6	<u>293</u>
<i>Semiconductors & Semiconductor Equipment (0.1%)</i>		
ASML Holding NV	3,117	<u>67,551</u>
<i>Software (0.1%)</i>		
Exact Holding NV	1,631	<u>39,571</u>
TOTAL NETHERLANDS		<u>1,382,344</u>
Norway (0.6%)		
<i>Chemicals (0.1%)</i>		
Yara International ASA	1,314	<u>36,957</u>

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex III Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
COMMON STOCKS		
Norway		
<i>Commercial Banks (0.0%)</i>		
DnB NOR ASA*	190	\$ 1,450
<i>Diversified Telecommunication Services (0.0%)</i>		
Telenor ASA*	348	2,683
<i>Electrical Equipment (0.0%)</i>		
Renewable Energy Corp. AS*§	8	62
<i>Energy Equipment & Services (0.0%)</i>		
Aker Solutions ASA	68	564
<i>Oil, Gas & Consumable Fuels (0.5%)</i>		
StatoilHydro ASA	15,458	305,041
<i>Paper & Forest Products (0.0%)</i>		
Norske Skogindustrier ASA*	17,461	25,658
TOTAL NORWAY		<u>372,415</u>
Portugal (0.3%)		
<i>Commercial Banks (0.1%)</i>		
Banco BPI SA	2,043	5,226
Banco Comercial Portugues SA R Shares	19,832	20,190
Banco Espirito Santo SA	2,071	11,166
		<u>36,582</u>
<i>Construction Materials (0.0%)</i>		
Cimpor Cimentos de Portugal SGPS SA	1,813	13,243
<i>Diversified Telecommunication Services (0.1%)</i>		
Portugal Telecom SGPS SA	5,326	52,236
<i>Electric Utilities (0.1%)</i>		
EDP - Energias de Portugal SA	12,126	47,627
<i>Multi-Utilities (0.0%)</i>		
REN - Redes Energeticas Nacionais SA	5,142	22,033
<i>Oil, Gas & Consumable Fuels (0.0%)</i>		
Galp Energia SGPS SA B Shares§	4	56
TOTAL PORTUGAL		<u>171,777</u>
Russia (0.0%)		
<i>Electric Utilities (0.0%)</i>		
TGK - 2*	8,081,139	2,263
TGK - 4*	10,009,531	3,603
		<u>5,866</u>
<i>Independent Power Producers & Energy Traders (0.0%)</i>		
TGK - 5*	5	0
TOTAL RUSSIA		<u>5,866</u>

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex III Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
COMMON STOCKS		
Singapore (2.9%)		
<i>Diversified Financial Services (2.9%)</i>		
iShares MSCI Singapore Index Fund\$	196,381	\$ 1,771,357
TOTAL SINGAPORE		<u>1,771,357</u>
Spain (4.5%)		
<i>Airlines (0.0%)</i>		
Iberia Lineas Aereas de Espana*	3,408	<u>7,248</u>
<i>Biotechnology (0.0%)</i>		
Grifols SA	21	<u>373</u>
<i>Commercial Banks (2.3%)</i>		
Banco Bilbao Vizcaya Argentaria SA\$	34,457	433,802
Banco de Sabadell SA\$	6,093	38,103
Banco de Valencia SA	2,716	26,404
Banco Pastor SA	1,141	7,905
Banco Popular Espanol SA	7,823	68,440
Banco Santander SA	65,824	795,575
Bankinter SA	1,795	<u>21,292</u>
		<u>1,391,521</u>
<i>Construction & Engineering (0.4%)</i>		
ACS Actividades de Construccion y Servicios SA	2,414	122,523
Fomento de Construcciones y Contratas SA\$	475	19,542
Grupo Ferrovial SA	226	7,283
Obrascon Huarte Lain SA	2,729	<u>54,146</u>
		<u>203,494</u>
<i>Diversified Financial Services (0.0%)</i>		
Criteria Caixacorp SA	4,303	<u>19,941</u>
<i>Diversified Telecommunication Services (0.9%)</i>		
Telefonica SA\$	23,856	<u>541,681</u>
<i>Electric Utilities (0.3%)</i>		
Acciona SA	16	1,975
Iberdrola SA\$	22,463	<u>183,150</u>
		<u>185,125</u>
<i>Food Products (0.0%)</i>		
Viscofan SA	142	<u>3,034</u>
<i>Gas Utilities (0.1%)</i>		
Enagas	1,168	23,047
Gas Natural SDG SA\$	2,054	<u>37,504</u>
		<u>60,551</u>
<i>Independent Power Producers & Energy Traders (0.0%)</i>		
Iberdrola Renovables SA*	2,963	<u>13,582</u>
<i>IT Services (0.0%)</i>		
Indra Sistemas SA	23	<u>499</u>

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex III Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
COMMON STOCKS		
Spain		
<i>Machinery (0.0%)</i>		
Duro Felguera SA	1,239	\$ 11,234
Zardoya Otis SA	1,889	1,921
		<u>13,155</u>
<i>Media (0.1%)</i>		
Gestevisión Telecinco SA§	4,010	37,548
<i>Oil, Gas & Consumable Fuels (0.3%)</i>		
Repsol YPF SA§	7,717	172,719
<i>Specialty Retail (0.1%)</i>		
Inditex SA	1,677	80,697
<i>Transportation Infrastructure (0.0%)</i>		
Cintra Concesiones de Infraestructuras de Transporte SA	1,724	10,739
TOTAL SPAIN		<u>2,741,907</u>
Sweden (2.4%)		
<i>Building Products (0.1%)</i>		
Assa Abloy AB Class B	3,993	55,594
<i>Commercial Banks (0.7%)</i>		
Nordea Bank AB§	26,183	207,194
Skandinaviska Enskilda Banken AB Class A*§	9,388	41,344
Svenska Handelsbanken AB A Shares	3,781	71,393
Swedbank AB A Shares*§	14,854	86,465
		<u>406,396</u>
<i>Commercial Services & Supplies (0.1%)</i>		
Securitas AB B Shares	6,836	57,965
<i>Communications Equipment (0.4%)</i>		
Telefonaktiebolaget LM Ericsson B Shares	25,577	250,890
<i>Construction & Engineering (0.1%)</i>		
Skanska AB B Shares§	3,163	35,336
<i>Diversified Financial Services (0.1%)</i>		
Industrivarden AB A Shares	10,362	93,006
<i>Diversified Telecommunication Services (0.1%)</i>		
TeliaSonera AB	8,660	45,384
<i>Household Durables (0.0%)</i>		
Electrolux AB Series B*	803	11,186
<i>Machinery (0.2%)</i>		
Alfa Laval AB	475	4,533
Atlas Copco AB A Shares	1,133	11,359
Cardo AB	1,158	25,050
Hexagon AB B Shares	3,604	32,425
Scania AB B Shares§	1,736	17,199
SKF AB B Shares	1,682	20,700
Volvo AB B Shares§	6,732	41,516
		<u>152,782</u>

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex III Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
COMMON STOCKS		
Sweden		
<i>Metals & Mining (0.1%)</i>		
Boliden AB	2,443	\$ 18,451
SSAB AB A Shares§	2,050	23,841
		<u>42,292</u>
<i>Oil, Gas & Consumable Fuels (0.0%)</i>		
Lundin Petroleum AB*	36	279
<i>Paper & Forest Products (0.2%)</i>		
Holmen AB B Shares	1,561	34,034
Svenska Cellulosa AB B Shares	6,768	70,951
		<u>104,985</u>
<i>Specialty Retail (0.3%)</i>		
Hennes & Mauritz AB B Shares§	3,473	172,679
TOTAL SWEDEN		<u>1,428,774</u>
Switzerland (6.7%)		
<i>Building Products (0.1%)</i>		
Geberit AG	515	63,395
<i>Capital Markets (0.6%)</i>		
EFG International AG	2,114	22,875
Julius Baer Holding AG	1,929	74,954
UBS AG*§	23,504	288,326
		<u>386,155</u>
<i>Chemicals (0.4%)</i>		
Givaudan SA	106	65,008
Syngenta AG	679	157,835
		<u>222,843</u>
<i>Commercial Banks (0.1%)</i>		
Banque Cantonale Vaudoise	124	39,088
<i>Construction Materials (0.3%)</i>		
Holcim, Ltd.*§	3,070	174,627
<i>Diversified Telecommunication Services (0.2%)</i>		
Swisscom AG	420	129,124
<i>Electric Utilities (0.0%)</i>		
BKW FMB Energie AG	1	74
<i>Electrical Equipment (0.2%)</i>		
ABB, Ltd.*	7,291	115,024
<i>Food Products (1.6%)</i>		
Nestle SA	25,701	969,537
<i>Health Care Equipment & Supplies (0.0%)</i>		
Nobel Biocare Holding AG	489	10,691
Synthes, Inc.	28	2,705
		<u>13,396</u>

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex III Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
COMMON STOCKS		
Switzerland		
<i>Insurance (0.6%)</i>		
Baloise Holding AG	647	\$ 48,069
Schweizerische National-Versicherungs-Gesellschaft AG*	2,116	47,330
Zurich Financial Services AG	1,508	266,298
		<u>361,697</u>
<i>Machinery (0.0%)</i>		
Sulzer AG	4	254
<i>Marine (0.0%)</i>		
Kuehne + Nagel International AG	282	22,131
<i>Pharmaceuticals (2.3%)</i>		
Novartis AG	17,604	715,951
Roche Holding AG	4,773	649,733
		<u>1,365,684</u>
<i>Professional Services (0.1%)</i>		
SGS SA	31	38,469
<i>Textiles, Apparel & Luxury Goods (0.2%)</i>		
Compagnie Financiere Richemont SA Class A*	5,145	107,166
The Swatch Group AG	173	5,676
The Swatch Group AG BR	166	26,692
		<u>139,534</u>
TOTAL SWITZERLAND		<u>4,041,032</u>
United Kingdom (21.8%)		
<i>Aerospace & Defense (0.4%)</i>		
BAE Systems PLC	35,078	196,213
Cobham PLC	7,719	22,007
Meggitt PLC	4,365	11,429
Rolls-Royce Group PLC*	5,340	31,960
		<u>261,609</u>
<i>Airlines (0.0%)</i>		
British Airways PLC*§	64	132
<i>Beverages (0.6%)</i>		
Diageo PLC	16,782	241,283
SABMiller PLC§	5,955	121,711
		<u>362,994</u>
<i>Biotechnology (0.0%)</i>		
Antisoma PLC*	7,983	3,155

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex III Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
COMMON STOCKS		
United Kingdom		
<i>Capital Markets (0.5%)</i>		
3i Group PLC	8,644	\$ 34,616
BlueBay Asset Management PLC	1,900	6,640
Close Brothers Group PLC	12,338	133,733
ICAP PLC	3,605	26,877
Investec PLC	5,110	27,556
Man Group PLC	11,349	52,075
Schroders PLC	829	11,228
Tullett Prebon PLC	313	1,530
		<u>294,255</u>
<i>Chemicals (0.0%)</i>		
Johnson Matthey PLC	738	14,028
Yule Catto & Co. PLC	3,742	6,586
		<u>20,614</u>
<i>Commercial Banks (3.1%)</i>		
Barclays PLC	79,924	371,783
HSBC Holdings PLC	123,599	1,030,757
Lloyds Banking Group PLC	137,298	158,435
Royal Bank of Scotland Group PLC*	108,357	68,940
Standard Chartered PLC	11,886	223,717
		<u>1,853,632</u>
<i>Commercial Services & Supplies (0.1%)</i>		
De La Rue PLC	3,005	45,165
Regus PLC	2,506	2,688
		<u>47,853</u>
<i>Communications Equipment (0.0%)</i>		
Spirent Communications PLC	4,978	5,182
<i>Construction & Engineering (0.2%)</i>		
Balfour Beatty PLC	602	3,071
Costain Group PLC	20,899	8,699
Galliford Try PLC	2,126	1,694
Keller Group PLC	3,515	32,165
Kier Group PLC	4,157	63,157
Severfield-Rowen PLC	3,845	12,261
WSP Group PLC	1,957	7,108
		<u>128,155</u>
<i>Construction Materials (0.0%)</i>		
Marshalls PLC	11,122	15,722
<i>Consumer Finance (0.0%)</i>		
Provident Financial PLC	246	3,219
<i>Containers & Packaging (0.0%)</i>		
DS Smith PLC	13,955	15,320

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex III Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
COMMON STOCKS		
United Kingdom		
<i>Diversified Telecommunication Services (0.2%)</i>		
BT Group PLC	52,676	\$ 88,347
Cable & Wireless PLC	16,830	36,978
Kcom Group PLC	16,813	7,129
		<u>132,454</u>
<i>Electric Utilities (0.0%)</i>		
Scottish & Southern Energy PLC§	1,460	27,496
<i>Electronic Equipment, Instruments & Components (0.0%)</i>		
Electrocomponents PLC	1,181	2,746
<i>Energy Equipment & Services (0.0%)</i>		
AMEC PLC	2,202	23,752
<i>Food & Staples Retailing (0.7%)</i>		
J Sainsbury PLC	7,593	39,251
Majestic Wine PLC	456	1,413
Tesco PLC	53,322	311,705
WM Morrison Supermarkets PLC	16,642	65,066
		<u>417,435</u>
<i>Food Products (0.6%)</i>		
Cadbury PLC	9,091	77,785
Dairy Crest Group PLC	5,834	30,905
Greggs PLC	4,081	25,130
Northern Foods PLC	4,390	3,770
Robert Wiseman Dairies PLC	1,213	7,554
Tate & Lyle PLC	3,008	15,814
Unilever PLC	8,936	210,225
		<u>371,183</u>
<i>Health Care Equipment & Supplies (0.1%)</i>		
Smith & Nephew PLC	4,195	31,175
<i>Hotels, Restaurants & Leisure (0.4%)</i>		
Carnival PLC	190	5,065
Compass Group PLC	12,778	72,200
Enterprise Inns PLC	796	1,640
Greene King PLC	4,912	31,346
Holidaybreak PLC	511	2,363
Intercontinental Hotels Group PLC	1,695	17,466
J.D. Wetherspoon PLC	1,528	9,787
Ladbrokes PLC	4,048	12,279
Marston's PLC	1,809	3,544
Restaurant Group PLC	2,007	4,729
Thomas Cook Group PLC	2,745	9,311
Whitbread PLC	1,177	15,892
William Hill PLC	19,729	63,959
		<u>249,581</u>

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex III Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
COMMON STOCKS		
United Kingdom		
<i>Household Durables (0.0%)</i>		
Aga Rangemaster Group PLC	1,315	\$ 1,998
Barratt Developments PLC*	1,384	3,369
Berkeley Group Holdings PLC*	614	8,148
Taylor Wimpey PLC*	13,941	7,701
		<u>21,216</u>
<i>Household Products (0.3%)</i>		
Reckitt Benckiser Group PLC§	4,165	190,398
<i>Independent Power Producers & Energy Traders (0.1%)</i>		
Drax Group PLC	2,321	16,818
International Power PLC	10,272	40,387
		<u>57,205</u>
<i>Industrial Conglomerates (0.1%)</i>		
Smiths Group PLC	2,644	30,624
Tomkins PLC	5,767	14,081
		<u>44,705</u>
<i>Insurance (0.9%)</i>		
Admiral Group PLC	1,485	21,316
Aviva PLC§	17,491	98,580
Brit Insurance Holdings PLC	7,950	24,765
Chesnara PLC	1,947	4,690
Friends Provident Group PLC	16,026	17,348
Legal & General Group PLC	53,057	49,677
Novae Group PLC	925	4,729
Old Mutual PLC	52,038	69,565
Prudential PLC	15,378	105,221
RSA Insurance Group PLC	36,745	73,036
Standard Life PLC	14,572	44,802
		<u>513,729</u>
<i>Internet & Catalog Retail (0.1%)</i>		
Findel PLC	1,766	1,135
Home Retail Group PLC	6,001	25,786
N Brown Group PLC	1,240	4,394
		<u>31,315</u>
<i>IT Services (0.0%)</i>		
Anite PLC	3,528	2,053
<i>Machinery (0.1%)</i>		
IMI PLC	2,117	10,898
Invensys PLC	9,119	33,705
		<u>44,603</u>

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex III Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
COMMON STOCKS		
United Kingdom		
<i>Media (0.2%)</i>		
British Sky Broadcasting Group PLC	7,388	\$ 55,515
Daily Mail & General Trust PLC Class A	1,838	8,631
ITV PLC	13,480	7,803
Reed Elsevier PLC	1,029	7,695
Thomson Reuters PLC	1,172	33,554
WPP PLC	673	4,480
		<u>117,678</u>
<i>Metals & Mining (2.0%)</i>		
Anglo American PLC	8,689	254,314
Antofagasta PLC	15,716	152,738
BHP Billiton PLC	14,716	332,011
Delta PLC	3,583	6,848
Eurasian Natural Resources Corp.	2,402	26,019
Fresnillo PLC	7	60
Kazakhmys PLC	1,208	12,611
Lonmin PLC	2,161	41,928
Rio Tinto PLC	6,455	223,770
Vedanta Resources PLC	838	17,858
Xstrata PLC*	12,080	131,420
		<u>1,199,577</u>
<i>Multi-Utilities (1.4%)</i>		
Centrica PLC	20,138	74,122
National Grid PLC	82,469	744,923
United Utilities Group PLC	4,633	38,029
		<u>857,074</u>
<i>Multiline Retail (0.4%)</i>		
Debenhams PLC	12,690	16,983
Marks & Spencer Group PLC	16,297	82,262
Next PLC	5,512	133,681
		<u>232,926</u>
<i>Oil, Gas & Consumable Fuels (4.3%)</i>		
Anglo Pacific Group PLC	2,378	5,643
BG Group PLC	22,719	382,965
BP PLC	128,633	1,017,453
Melrose Resources PLC	223	956
Royal Dutch Shell PLC A Shares	23,981	602,150
Royal Dutch Shell PLC B Shares	23,119	582,614
		<u>2,591,781</u>
<i>Paper & Forest Products (0.0%)</i>		
Mondi PLC	26	89

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex III Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
COMMON STOCKS		
United Kingdom		
<i>Pharmaceuticals (2.1%)</i>		
AstraZeneca PLC\$	9,994	\$ 441,102
GlaxoSmithKline PLC	36,592	646,984
Shire PLC	14,798	204,445
		<u>1,292,531</u>
<i>Professional Services (0.3%)</i>		
Experian PLC	16,221	121,768
Hays PLC	6,137	8,685
ITE Group PLC	704	1,169
Robert Walters PLC	1	2
Sthree PLC	6,331	18,917
The Capita Group PLC	4,209	49,677
		<u>200,218</u>
<i>Real Estate Investment Trusts (0.4%)</i>		
British Land Co. PLC	13,833	87,192
Brixton PLC	2,115	1,403
Hammerson PLC	4,149	21,060
Land Securities Group PLC	8,928	69,499
Liberty International PLC	4,705	30,875
Segro PLC	20,529	8,217
Workspace Group PLC	20,313	4,689
		<u>222,935</u>
<i>Real Estate Management & Development (0.0%)</i>		
Quintain Estates & Development PLC	1,798	1,489
<i>Road & Rail (0.1%)</i>		
Firstgroup PLC	3,028	17,898
Go-Ahead Group PLC	727	14,316
Stagecoach Group PLC	1,221	2,556
		<u>34,770</u>
<i>Software (0.2%)</i>		
Autonomy Corp. PLC*	1,388	32,921
Fidessa Group PLC	2,477	44,363
Misys PLC	2,947	8,400
The Sage Group PLC	8,956	26,340
		<u>112,024</u>
<i>Specialty Retail (0.3%)</i>		
Carphone Warehouse Group PLC\$	8,479	22,114
Galiform PLC*	3,763	2,190
Halfords Group PLC	5,378	27,603
Kesa Electricals PLC	11,535	21,150
Kingfisher PLC	21,633	63,532
Sports Direct International PLC	5,335	7,213
Topps Tiles PLC*	5,360	6,539
		<u>150,341</u>

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex III Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
COMMON STOCKS		
United Kingdom		
<i>Textiles, Apparel & Luxury Goods</i> (0.0%)		
Burberry Group PLC	2,790	\$ 19,463
<i>Thrifts & Mortgage Finance</i> (0.0%)		
Paragon Group of Cos. PLC	8,638	10,811
<i>Tobacco</i> (0.3%)		
British American Tobacco PLC	7,055	194,943
<i>Trading Companies & Distributors</i> (0.1%)		
Ashtead Group PLC	7,558	7,088
BSS Group PLC	2,914	12,337
Bunzl PLC	1,116	9,264
Lavendon Group PLC	679	1,398
Speedy Hire PLC\$	2,375	1,106
Wolseley PLC*	10	191
		<u>31,384</u>
<i>Water Utilities</i> (0.1%)		
Severn Trent PLC	1,623	29,297
<i>Wireless Telecommunication Services</i> (1.1%)		
Vodafone Group PLC	347,497	676,539
TOTAL UNITED KINGDOM		<u>13,148,758</u>
TOTAL COMMON STOCKS (Cost \$57,228,240)		<u>59,505,988</u>
PREFERRED STOCKS (0.4%)		
Germany (0.4%)		
<i>Automobiles</i> (0.1%)		
Porsche Automobil Holding SE	1,030	69,320
<i>Chemicals</i> (0.2%)		
Fuchs Petrolub AG	1,782	96,815
<i>Household Products</i> (0.1%)		
Henkel AG & Co. KGaA	1,148	35,846
<i>Media</i> (0.0%)		
ProSiebenSat.1 Media AG	824	4,549
TOTAL PREFERRED STOCKS (Cost \$206,380)		<u>206,530</u>
RIGHTS (0.0%)		
France (0.0%)		
<i>Food & Staples Retailing</i> (0.0%)		
Casino Guichard Perrachon SA, expires 07/10/09*	7	27
TOTAL FRANCE		<u>27</u>
Italy (0.0%)		
<i>Commercial Banks</i> (0.0%)		
Unione di Banche Italiane SCPA, expires 07/03/09*	20	1
TOTAL ITALY		<u>1</u>

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex III Portfolio
Schedule of Investments (continued)
June 30, 2009 (unaudited)

	<u>Number of Shares</u>	<u>Value</u>
RIGHTS		
Norway (0.0%)		
<i>Electrical Equipment (0.0%)</i>		
Renewable Energy Corp. AS, strike price 26.5 NOK, expires 07/13/09*	2	\$ 7
TOTAL NORWAY		<u>7</u>
United Kingdom (0.0%)		
<i>Trading Companies & Distributors (0.0%)</i>		
Speedy Hire PLC, strike price 0.23 GBP, expires 07/09/09*	21,375	1,778
TOTAL UNITED KINGDOM		<u>1,778</u>
TOTAL RIGHTS (Cost \$3,767)		<u>1,813</u>
WARRANTS (0.0%)		
Italy (0.0%)		
<i>Commercial Banks (0.0%)</i>		
Unione di Banche Italiane SCPA, strike price 12.30 EUR, expires 06/30/11* (Cost \$0)	1,473	0
SHORT-TERM INVESTMENTS (30.2%)		
State Street Navigator Prime Portfolio§§	18,112,081	18,112,081
	Par (000)	
State Street Bank and Trust Co. Euro Time Deposit, 0.010%, 07/01/09	\$135	135,000
TOTAL SHORT-TERM INVESTMENTS (Cost \$18,247,081)		<u>18,247,081</u>
TOTAL INVESTMENTS AT VALUE (129.2%) (Cost \$75,685,468)		77,961,412
LIABILITIES IN EXCESS OF OTHER ASSETS (-29.2%)		<u>(17,612,985)</u>
NET ASSETS (100.0%)		<u>\$ 60,348,427</u>

* Non-income producing security.

§ Security or portion thereof is out on loan.

§§ Represents security purchased with cash collateral received for securities on loan.

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex III Portfolio
Statement of Assets and Liabilities
June 30, 2009 (unaudited)

Assets

Investments at value, including collateral for securities on loan of \$18,112,081 (Cost \$75,685,468) (Note 2)	\$77,961,412 ¹
Cash	657
Foreign currency at value (cost \$384,297)	383,280
Dividend and interest receivable	218,361
Receivable for portfolio shares sold	36,539
Prepaid expenses and other assets	17,554
	<u>78,617,803</u>
Total Assets	78,617,803

Liabilities

Advisory fee payable (Note 3)	17,701
Administrative services fee payable (Note 3)	13,580
Payable upon return of securities loaned (Note 2)	18,112,081
Payable for portfolio shares redeemed	73,935
Trustees' fee payable	4,500
Other accrued expenses payable	47,579
	<u>18,269,376</u>
Total Liabilities	18,269,376

Net Assets

Capital stock, \$.001 par value (Note 6)	11,768
Paid-in capital (Note 6)	62,420,719
Undistributed net investment income	1,494,936
Accumulated net realized loss on investments and foreign currency transactions	(5,853,187)
Net unrealized appreciation from investments and foreign currency translations	2,274,191
	<u>\$60,348,427</u>
Net Assets	\$60,348,427
Shares outstanding	<u>11,768,476</u>
Net asset value, offering price and redemption price per share	<u>\$5.13</u>

¹ Including \$17,309,415 of securities on loan.

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex III Portfolio
Statement of Operations
For the Six Months Ended June 30, 2009 (unaudited)

Investment Income (Note 2)	
Dividends	\$ 891,251
Interest	515
Securities lending	35,609
Foreign taxes withheld	(90,202)
Total investment income	<u>837,173</u>
Expenses	
Investment advisory fees (Note 3)	167,007
Administrative services fees (Note 3)	45,656
Custodian fees	40,749
Printing fees (Note 3)	20,084
Audit and tax fees	16,087
Legal fees	7,744
Trustees' fees	6,003
Insurance expense	1,958
Transfer agent fees	952
Commitment fees (Note 4)	107
Interest expense (Note 4)	16
Miscellaneous expense	4,524
Total expenses	310,887
Less: fees waived (Note 3)	(104,387)
Net expenses	<u>206,500</u>
Net investment income	<u>630,673</u>
Net Realized and Unrealized Gain (Loss) from Investments and Foreign Currency Related Items	
Net realized loss from investments (net of India Capital Gain Tax \$2,697)	(1,573,348)
Net realized loss from foreign currency transactions	(137,905)
Net change in unrealized appreciation (depreciation) from investments	13,325,694
Net change in unrealized appreciation (depreciation) from foreign currency translations	14,205
Net realized and unrealized gain from investments and foreign currency related items	<u>11,628,646</u>
Net increase in net assets resulting from operations	<u><u>\$12,259,319</u></u>

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex III Portfolio
Statements of Changes in Net Assets

	For the Six Months Ended June 30, 2009 (unaudited)	For the Year Ended December 31, 2008
<i>From Operations</i>		
Net investment income	\$ 630,673	\$ 1,626,209
Net realized loss from investments and foreign currency transactions	(1,711,253)	(3,742,764)
Net increase from payments by affiliates on the disposal of investments in violation of restrictions (Note 3)	—	116,350
Net change in unrealized appreciation (depreciation) from investments and foreign currency translations	<u>13,339,899</u>	<u>(82,391,650)</u>
Net increase (decrease) in net assets resulting from operations	<u>12,259,319</u>	<u>(84,391,855)</u>
<i>From Dividends and Distributions</i>		
Dividends from net investment income	—	(2,085,510)
Distributions from net realized gains	—	<u>(57,210,032)</u>
Net decrease in net assets resulting from dividends and distributions	<u>—</u>	<u>(59,295,542)</u>
<i>From Capital Share Transactions</i> (Note 6)		
Proceeds from sale of shares	6,973,232	17,676,067
Reinvestment of dividends and distributions	—	59,295,542
Net asset value of shares redeemed	<u>(12,128,761)</u>	<u>(59,856,229)</u>
Net increase (decrease) in net assets from capital share transactions	<u>(5,155,529)</u>	<u>17,115,380</u>
Net increase (decrease) in net assets	7,103,790	(126,572,017)
<i>Net Assets</i>		
Beginning of period	<u>53,244,637</u>	<u>179,816,654</u>
End of period	<u>\$ 60,348,427</u>	<u>\$ 53,244,637</u>
<i>Undistributed net investment income</i>	<u>\$ 1,494,936</u>	<u>\$ 864,263</u>

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex III Portfolio
Financial Highlights
(For a Share of the Portfolio Outstanding Throughout Each Period)

	For the Six Months Ended June 30, 2009 (unaudited)	For the Year Ended December 31,				
		2008	2007	2006	2005	2004
Per share data						
Net asset value, beginning of period	\$ 4.08	\$ 23.58	\$ 21.85	\$ 16.82	\$ 13.25	\$ 10.63
INVESTMENT OPERATIONS						
Net investment income	0.06	0.25	0.37	0.21	0.14	0.12
Net gain (loss) on investments and foreign currency related items (both realized and unrealized)	0.99	(10.11) ¹	5.58	5.19	3.53	2.53
Total from investment operations	1.05	(9.86)	5.95	5.40	3.67	2.65
LESS DIVIDENDS AND DISTRIBUTIONS						
Dividends from net investment income	—	(0.34)	(0.37)	(0.11)	(0.10)	(0.03)
Distributions from net realized gains	—	(9.30)	(3.85)	(0.26)	—	—
Total dividends and distributions	—	(9.64)	(4.22)	(0.37)	(0.10)	(0.03)
Net asset value, end of period	\$ 5.13	\$ 4.08	\$ 23.58	\$ 21.85	\$ 16.82	\$ 13.25
Total return ²	25.74%	(54.80)%	29.44%	32.51%	27.84%	25.02%
RATIOS AND SUPPLEMENTAL DATA						
Net assets, end of period (000s omitted)	\$60,348	\$53,245	\$179,817	\$242,319	\$186,190	\$115,224
Ratio of expenses to average net assets	0.78% ³	1.04%	1.30%	1.36%	1.40%	1.40%
Ratio of net investment income to average net assets	2.40% ³	1.40%	0.94%	1.11%	1.11%	1.21%
Decrease reflected in above operating expense ratios due to waivers/reimbursements	0.40% ³	0.25%	0.15%	0.23%	0.25%	0.29%
Portfolio turnover rate	144%	61%	62%	80%	77%	121%

¹ The investment adviser fully reimbursed the Portfolio for a loss on a transaction not meeting the Portfolio's investment guidelines, which otherwise would have reduced the amount by \$0.01 (Note 3).

² Total returns are historical and assume changes in share price and reinvestment of all dividends and distributions. Had certain expenses not been reduced during the periods shown, total returns would have been lower. Total returns do not reflect charges and expenses attributable to any particular variable contract or plan. Total returns for periods less than one year are not annualized.

³ Annualized.

See Accompanying Notes to Financial Statements.

Credit Suisse Trust — International Equity Flex III Portfolio
Notes to Financial Statements
June 30, 2009 (unaudited)

Note 1. Organization

Credit Suisse Trust (the “Trust”) is an open-end management investment company registered under the Investment Company Act of 1940, as amended (the “1940 Act”), and currently offers eight managed investment portfolios of which one, the International Equity Flex III Portfolio (the “Portfolio”), is included in this report. The Portfolio is a diversified investment fund that seeks capital appreciation. Shares of the Portfolio are not available directly to individual investors but may be offered only through (a) variable annuity contracts and variable life insurance contracts offered by separate accounts of certain insurance companies and (b) tax-qualified pension and retirement plans. The Portfolio may not be available in connection with a particular contract or plan. The Trust was organized under the laws of the Commonwealth of Massachusetts as a business trust on March 15, 1995. Effective May 1, 2009, the name of the Portfolio was changed from Emerging Markets Portfolio.

Note 2. Significant Accounting Policies

A) SECURITY VALUATION — The net asset value of the Portfolio is determined daily as of the close of regular trading on the New York Stock Exchange, Inc. (the “Exchange”) on each day the Exchange is open for business. Equity investments are valued at market value, which is generally determined using the closing price on the exchange or market on which the security is primarily traded at the time of valuation (the “Valuation Time”). If no sales are reported, equity investments are generally valued at the most recent bid quotation as of the Valuation Time or at the lowest asked quotation in the case of a short sale of securities. Debt securities with a remaining maturity greater than 60 days are valued in accordance with the price supplied by a pricing service, which may use a matrix, formula or other objective method that takes into consideration market indices, yield curves and other specific adjustments. Debt obligations that will mature in 60 days or less are valued on the basis of amortized cost, which approximates market value, unless it is determined that using this method would not represent fair value. Investments in mutual funds are valued at the mutual fund’s closing net asset value per share on the day of valuation. Securities and other assets for which market quotations are not readily available, or whose values have been materially affected by events occurring before the Portfolio’s Valuation Time but after the close of the securities’ primary markets, are valued at fair value as determined in good faith by, or under the direction of, the Board of Trustees under procedures

Credit Suisse Trust — International Equity Flex III Portfolio
Notes to Financial Statements (continued)
June 30, 2009 (unaudited)

Note 2. Significant Accounting Policies

established by the Board of Trustees. The Portfolio may utilize a service provided by an independent third party which has been approved by the Board of Trustees to fair value certain securities. When fair-value pricing is employed, the prices of securities used by a portfolio to calculate its net asset value may differ from quoted or published prices for the same securities.

The Portfolio adopted Financial Accounting Standards Board (“FASB”) Statement of Financial Accounting Standards No. 157, Fair Value Measurements (“FAS 157”), effective January 1, 2008. In accordance with FAS 157, fair value is defined as the price that the Portfolio would receive upon selling an investment in a timely transaction to an independent buyer in the principal or most advantageous market of the investment. FAS 157 established a three-tier hierarchy to maximize the use of observable market data and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk, for example, the risk inherent in a particular valuation technique used to measure fair value including such a pricing model and/or the risk inherent in the inputs to the valuation technique. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity’s own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The three-tier hierarchy of inputs is summarized in the three broad Levels listed below.

- Level 1 – quoted prices in active markets for identical investments
- Level 2 – other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the Portfolio’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.

Credit Suisse Trust — International Equity Flex III Portfolio
Notes to Financial Statements (continued)
June 30, 2009 (unaudited)

Note 2. Significant Accounting Policies

The following is a summary of the inputs used as of June 30, 2009 in valuing the Portfolio's investments carried at value:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments in Securities				
Equities				
Asia	\$ 2,913,735	\$ —	\$ —	\$ 2,913,735
Australia	663,062			663,062
Austria	—	270,084	—	270,084
Belgium	—	739,631	—	739,631
Bermuda	—	739	—	739
Cyprus	—	144,961	—	144,961
Denmark	—	413,417	—	413,417
Finland	—	912,546	—	912,546
France	27	5,677,091	—	5,677,118
Germany	13,255	5,341,275	—	5,354,530
Greece	—	321,356	—	321,356
Hong Kong	697,690	—	—	697,690
Ireland	—	19,079	—	19,079
Italy	1	1,827,828	—	1,827,829
Japan	—	14,388,630	—	14,388,630
Luxembourg	—	303,909	—	303,909
Netherlands	—	1,382,344	—	1,382,344
Norway	7	372,415	—	372,422
Portugal	—	171,777	—	171,777
Russia	5,866	—	—	5,866
Singapore	1,771,357	—	—	1,771,357
Spain	1,921	2,739,986	—	2,741,907
Sweden	—	1,428,774	—	1,428,774
Switzerland	—	4,041,032	—	4,041,032
United Kingdom	225,548	12,924,988	—	13,150,536
Short-Term Investments	18,112,081	135,000	—	18,247,081
Liabilities in Securities Sold Short				
Equities	—	—	—	—
Other Financial Instruments*	—	—	—	—
	<u>\$24,404,550</u>	<u>\$53,556,862</u>	<u>\$ —</u>	<u>\$77,961,412</u>

*Other financial instruments include futures, forwards and swap contracts.

B) DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES — In March 2008, the FASB issued Statement of Financial Accounting Standards No. 161, *Disclosures about Derivative Instruments and Hedging Activities* ("FAS 161"), an amendment of FASB Statement No. 133. FAS 161 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008. FAS 161 requires enhanced disclosures about how and why a fund uses derivative instruments, how these affect a fund's financial position and results of operations. The Portfolio has not entered into any derivative or hedging activities during the period covered by this report.

Credit Suisse Trust — International Equity Flex III Portfolio
Notes to Financial Statements (continued)
June 30, 2009 (unaudited)

Note 2. Significant Accounting Policies

C) FOREIGN CURRENCY TRANSACTIONS — The books and records of the Portfolio are maintained in U.S. dollars. Transactions denominated in foreign currencies are recorded at the current prevailing exchange rates. All assets and liabilities denominated in foreign currencies are translated into U.S. dollar amounts at the current exchange rate at the end of the period. Translation gains or losses resulting from changes in the exchange rate during the reporting period and realized gains and losses on the settlement of foreign currency transactions are reported in the results of operations for the current period. The Portfolio does not isolate that portion of realized gains and losses on investments in *equity* securities which is due to changes in the foreign exchange rate from that which is due to changes in market prices of equity securities. The Portfolio isolates that portion of realized gains and losses on investments in *debt* securities which is due to changes in the foreign exchange rate from that which is due to changes in market prices of debt securities.

D) SECURITY TRANSACTIONS AND INVESTMENT INCOME — Security transactions are accounted for on a trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. The cost of investments sold is determined by use of the specific identification method for both financial reporting and income tax purposes.

E) DIVIDENDS AND DISTRIBUTIONS TO SHAREHOLDERS — Dividends from net investment income and distributions of net realized capital gains, if any, are declared and paid at least annually. However, to the extent that a net realized capital gain can be reduced by a capital loss carryforward, such gain will not be distributed. Income and capital gain distributions are determined in accordance with federal income tax regulations, which may differ from accounting principles generally accepted in the United States of America (“GAAP”).

F) FEDERAL INCOME TAXES — No provision is made for federal taxes as it is the Portfolio’s intention to continue to qualify for and elect the tax treatment applicable to regulated investment companies under the Internal Revenue Code of 1986, as amended, and to make the requisite distributions to its shareholders, which will be sufficient to relieve it from federal income and excise taxes.

During June 2006, the FASB issued Interpretation 48 (“FIN 48” or the “Interpretation”), *Accounting for Uncertainty in Income Taxes — an interpretation of FASB statement 109*. The Portfolio has reviewed its current tax positions and has determined that no provision for income tax is required in the Portfolio’s

Credit Suisse Trust — International Equity Flex III Portfolio
Notes to Financial Statements (continued)
June 30, 2009 (unaudited)

Note 2. Significant Accounting Policies

financial statements. The Portfolio's federal tax returns for the prior three fiscal years remain subject to examination by the Internal Revenue Service.

G) USE OF ESTIMATES — The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from these estimates.

H) SHORT-TERM INVESTMENTS — The Portfolio, together with other funds/portfolios advised by Credit Suisse Asset Management, LLC ("Credit Suisse"), an indirect, wholly-owned subsidiary of Credit Suisse Group AG, pools available cash into a short-term variable rate time deposit issued by State Street Bank and Trust Company ("SSB"), the Portfolio's custodian. The short-term time deposit issued by SSB is a variable rate account classified as a short-term investment.

I) FORWARD FOREIGN CURRENCY CONTRACTS — The Portfolio may enter into forward foreign currency contracts for the purchase or sale of a specific foreign currency at a fixed price on a future date. Risks may arise upon entering into these contracts from the potential inability of counterparties to meet the terms of their contracts and from unanticipated movements in the value of a foreign currency. The Portfolio will enter into forward foreign currency contracts primarily for hedging purposes. Forward foreign currency contracts are adjusted by the daily forward exchange rate of the underlying currency and any gains or losses are recorded for financial statement purposes as unrealized until the contract settlement date or an offsetting position is entered into. At June 30, 2009, the Portfolio had no open forward foreign currency contracts.

J) SHORT SALES — The Portfolio may enter into short sales transactions. Short sales expose the Portfolio to the risk that it will be required to cover its short position at a time when the securities have appreciated in value, thus resulting in a loss to the Portfolio. The Portfolio's loss on a short sale could theoretically be unlimited in a case where the Portfolio is unable, for whatever reason, to close out its short position. Short sales also involve transaction and other costs that will reduce potential gains and increase potential portfolio losses. The use by the Portfolio of short sales in combination with long positions in its portfolio in an attempt to improve performance may not be successful and may result in greater losses or lower positive returns than if the Portfolio held only long positions. It is possible that the Portfolio's long equity positions will

Credit Suisse Trust — International Equity Flex III Portfolio
Notes to Financial Statements (continued)
June 30, 2009 (unaudited)

Note 2. Significant Accounting Policies

decline in value at the same time that the value of the securities it has sold short increases, thereby increasing potential losses to the Portfolio. In addition, the Portfolio's short selling strategies may limit its ability to fully benefit from increases in the equity markets. Short selling also involves a form of financial leverage that may exaggerate any losses realized by the Portfolio. Also, there is the risk that the counterparty to a short sale may fail to honor its contractual terms, causing a loss to the Portfolio.

K) SECURITIES LENDING — Loans of securities are required at all times to be secured by collateral at least equal to 102% of the market value of domestic securities on loan (including any accrued interest thereon) and 105% of the market value of foreign securities on loan (including any accrued interest thereon). Cash collateral received by the Portfolio in connection with securities lending activity may be pooled together with cash collateral for other funds/portfolios advised by Credit Suisse and may be invested in a variety of investments, including funds advised by SSB, the Portfolio's securities lending agent, or money market instruments. However, in the event of default or bankruptcy by the other party to the agreement, realization and/or retention of the collateral may be subject to legal proceedings.

SSB has been engaged by the Portfolio to act as the Portfolio's securities lending agent. The Portfolio's securities lending arrangement provides that the Portfolio and SSB will share the net income earned from securities lending activities. During the six months ended June 30, 2009, total earnings from the Portfolio's investment in cash collateral received in connection with securities lending arrangements was \$47,794, of which \$1,614 was rebated to borrowers (brokers). The Portfolio retained \$35,609 in income from the cash collateral investment, and SSB, as lending agent, was paid \$10,571. Securities lending income is accrued as earned.

L) OTHER — The Portfolio may invest in securities of foreign countries and governments which involve certain risks in addition to those inherent in domestic investments. Such risks generally include, among others, currency risk (fluctuations in currency exchange rates), information risk (key information may be inaccurate or unavailable) and political risk (expropriation, nationalization or the imposition of capital or currency controls or punitive taxes). Other risks of investing in foreign securities include liquidity and valuation risks.

The Portfolio's investments in securities of issuers located in less developed countries considered to be "emerging markets" involve risks in addition to

Credit Suisse Trust — International Equity Flex III Portfolio
Notes to Financial Statements (continued)
June 30, 2009 (unaudited)

Note 2. Significant Accounting Policies

those generally applicable to foreign securities. Focusing on emerging (less developed) markets involves higher levels of risk, including increased currency, information, liquidity, market, political and valuation risks. Deficiencies in regulatory oversight, market infrastructure, shareholder protections and company laws could expose the Portfolio to operational and other risks as well. Some countries may have restrictions that could limit the Portfolio's access to attractive investment opportunities. Additionally, emerging markets often face serious economic problems (such as high external debt, inflation and unemployment) that could subject the Portfolio to increased volatility or substantial declines in value.

The Portfolio may be subject to taxes imposed by countries in which it invests with respect to its investments in issuers existing or operating in such countries. Such taxes are generally based on income earned or repatriated and capital gains realized on the sale of such investments. The Portfolio accrues such taxes when the related income is earned or gains are realized.

Note 3. Transactions with Affiliates and Related Parties

Credit Suisse serves as investment adviser for the Portfolio. Effective October 1, 2006, the Portfolio pays Credit Suisse for its advisory services a fee that consists of two components: (1) a monthly base management fee calculated by applying a fixed rate of 1.20% ("Base Fee"), plus or minus (2) a performance-fee adjustment ("Performance Adjustment") calculated by applying a variable rate of up to 0.20% (positive or negative) to the Portfolio's average daily net assets during the applicable performance measurement period. The performance measurement period will generally be 36 months. During the period from October 1, 2006 through September 30, 2007, only the Base Fee applied to the Portfolio. The fee adjustment went into effect on October 1, 2007. After 12 months have passed, the measurement period will be equal to the number of months that have elapsed since October 1, 2006 until 36 months has passed, after which the measurement period will become 36 months. The Base Fee and Performance Adjustment are calculated and accrued daily. The investment advisory fee is paid monthly in arrears. No Performance Adjustment will be applied unless the difference between the Portfolio's investment performance and the investment record of the MSCI Emerging Markets Free Index, the Portfolio's benchmark index (the "Index"), is 1.00% or greater (plus or minus) during the applicable performance measurement period. For purposes of computing the Base Fee and the Performance Adjustment, net assets will be averaged over different periods (average daily

Credit Suisse Trust — International Equity Flex III Portfolio
Notes to Financial Statements (continued)
 June 30, 2009 (unaudited)

Note 3. Transactions with Affiliates and Related Parties

net assets during the relevant month for the Base Fee, versus average daily net assets during the performance measurement period for the Performance Adjustment). The investment performance of the Portfolio for the performance measurement period is used to calculate the Portfolio's Performance Adjustment. After Credit Suisse determines whether the Portfolio's performance was above or below the Index by comparing the investment performance of the Portfolio against the investment record of the Index, Credit Suisse will apply the Performance Adjustment (positive or negative) across the Portfolio.

The following table shows the structure of the Performance Adjustment. No Performance Adjustment will be applied unless the difference between the Portfolio's investment performance and the investment record of the Index is 1.00% or greater (plus or minus) during the applicable performance measurement period.

	<u>Annualized Return (Net of Expenses) Relative to Index</u>	<u>Performance Adjustment</u>
	Over 2.00%	+0.20%
	1.00% to 2.00%	+0.10%
Base Fee plus/minus	0.00% to 1.00%	None
	0.00% to -1.00%	None
	-1.00% to -2.00%	-0.10%
	Over -2.00%	-0.20%

For the six months ended June 30, 2009, investment advisory fees earned and voluntarily waived were \$315,949 and \$104,387, respectively, less a performance fee adjustment of \$148,942. Fee waivers and expense reimbursements are voluntary and may be discontinued by Credit Suisse at any time.

At a special meeting of shareholders held on July 24, 2009, shareholders approved a new advisory agreement with Credit Suisse whereby Credit Suisse will be paid an annualized fee of 1.00% without any performance adjustment effective July 27, 2009.

Credit Suisse Asset Management Limited ("Credit Suisse U.K."), an affiliate of Credit Suisse, served as sub-investment adviser to the Portfolio. Credit Suisse U.K.'s sub-investment advisory fees were paid by Credit Suisse out of Credit Suisse's net investment advisory fee and were not paid by the Portfolio. Effective May 1, 2009, Credit Suisse U.K. no longer serves as sub-investment adviser to the Portfolio.

Credit Suisse reimbursed the Portfolio for a \$116,350 loss incurred on a transaction in September 2008 not meeting the Portfolio's investment

Credit Suisse Trust — International Equity Flex III Portfolio
Notes to Financial Statements (continued)
June 30, 2009 (unaudited)

Note 3. Transactions with Affiliates and Related Parties

guidelines. The reimbursement was recorded as a receivable as of December 31, 2008 and Credit Suisse subsequently made the payment in January 2009.

Credit Suisse Asset Management Securities, Inc. (“CSAMSI”), an affiliate of Credit Suisse, and SSB serve as co-administrators to the Portfolio. For its co-administrative services, CSAMSI currently receives a fee calculated at an annual rate of 0.09% of the Portfolio’s average daily net assets. For the six months ended June 30, 2009, co-administrative services fees earned by CSAMSI were \$23,696.

For its co-administrative services, SSB receives a fee, exclusive of out-of-pocket expenses, calculated in total for all the Credit Suisse funds/portfolios co-administered by SSB and allocated based upon the relative average net assets of each fund/portfolio, subject to an annual minimum fee. For the six months ended June 30, 2009, co-administrative services fees earned by SSB (including out-of-pocket expenses) were \$21,960.

In addition to serving as the Portfolio’s co-administrator, CSAMSI currently serves as distributor of the Portfolio’s shares without compensation.

Merrill Corporation (“Merrill”), an affiliate of Credit Suisse, has been engaged by the Portfolio to provide certain financial printing and fulfillment services. For the six months ended June 30, 2009, Merrill was paid \$5,924 for its services by the Portfolio.

Note 4. Line of Credit

The Portfolio, together with other funds/portfolios advised by Credit Suisse (collectively, the “Participating Funds”), participates in a \$50 million committed, unsecured line of credit facility (“Credit Facility”) for temporary or emergency purposes with SSB. Under the terms of the Credit Facility, the Participating Funds pay an aggregate commitment fee on the average unused amount of the Credit Facility, which is allocated among the Participating Funds in such manner as is determined by the governing Boards of the Participating Funds. In addition, the Participating Funds pay interest on borrowings at either the Overnight Federal Funds rate or the Overnight LIBOR rate plus a spread. At June 30, 2009, the Portfolio had no loans outstanding under the Credit Facility. During the six months ended June 30, 2009, the Portfolio had borrowings under the Credit Facility as follows:

<u>Average Daily Loan Balance</u>	<u>Weighted Average Interest Rate %</u>	<u>Maximum Daily Loan Outstanding</u>
\$237,333	0.580%	\$641,000

Credit Suisse Trust — International Equity Flex III Portfolio
Notes to Financial Statements (continued)
June 30, 2009 (unaudited)

Note 5. Purchases and Sales of Securities

For the six months ended June 30, 2009, purchases and sales of investment securities (excluding short-term investments) were \$74,710,054 and \$79,159,556, respectively.

At June 30, 2009, the identified cost for federal income tax purposes, as well as the gross unrealized appreciation from investments for those securities having an excess of value over cost, gross unrealized depreciation from investments for those securities having an excess of cost over value and the net unrealized appreciation from investments were \$75,685,468, \$3,209,209, \$(933,265) and \$2,275,944, respectively.

Note 6. Capital Share Transactions

The Trust is authorized to issue an unlimited number of full and fractional shares of beneficial interest, \$.001 par value per share. Transactions in capital shares of the Portfolio were as follows:

	For the Six Months Ended June 30, 2009 (unaudited)	For the Year Ended December 31, 2008
Shares sold	1,606,925	1,008,819
Shares issued in reinvestment of dividends and distributions	—	9,915,642
Shares redeemed	<u>(2,899,434)</u>	<u>(5,490,383)</u>
Net increase (decrease)	<u>(1,292,509)</u>	<u>5,434,078</u>

On June 30, 2009, the number of shareholders that held 5% or more of the outstanding shares of the Portfolio was as follows:

<u>Number of Shareholders</u>	<u>Approximate Percentage of Outstanding Shares</u>
3	92%

Some of the shareholders are omnibus accounts, which hold shares on behalf of individual shareholders.

Note 7. Contingencies

In the normal course of business, the Portfolio may provide general indemnifications pursuant to certain contracts and organizational documents. The Portfolio's maximum exposure under these arrangements is dependent on future claims that may be made against the Portfolio and, therefore, cannot be estimated; however, based on experience, the risk of loss from such claims is considered remote.

Credit Suisse Trust — International Equity Flex III Portfolio
Notes to Financial Statements (continued)
June 30, 2009 (unaudited)

Note 8. Subsequent Events

In accordance with the provisions set forth in FASB Statement of Financial Accounting Standards No. 165 “Subsequent Events”, adopted by the Portfolio as of June 30, 2009, management has evaluated the possibility of subsequent events existing in the Portfolio’s financial statements through August 24, 2009.

On August 18, 2009, the Board of Trustees of Credit Suisse Trust (the “Trust”), on behalf of its series, the International Equity Flex I Portfolio and the International Equity Flex II Portfolio (together, the “Acquired Portfolios” and each, an “Acquired Portfolio”), approved the proposed reorganization of each Acquired Portfolio (each, a “Reorganization”) whereby all of the assets and liabilities of the Acquired Portfolio would be transferred to the International Equity Flex III Portfolio (the “Acquiring Portfolio”), also a series of the Trust, in exchange for shares of beneficial interest of the Acquiring Portfolio. Each Acquired Portfolio would then be liquidated and shares of beneficial interest of the Acquiring Portfolio would be distributed to the shareholders of the Acquired Portfolio.

Each Reorganization is subject to the completion of certain conditions, including the approval of the relevant Acquired Portfolio’s shareholders. Approval of one Reorganization will not be contingent on the approval of the other Reorganization. Proxy materials describing each proposed Reorganization will be mailed to shareholders of each of the Acquired Portfolios in anticipation of a special meeting of shareholders to be held at a later date.

Credit Suisse Trust — International Equity Flex III Portfolio
Notice of Privacy and Information Practices (unaudited)

At Credit Suisse, we know that you are concerned with how we protect and handle nonpublic personal information that identifies you. This notice is designed to help you understand what nonpublic personal information we collect from you and from other sources, and how we use that information in connection with your investments and investment choices that may be available to you. Except where otherwise noted, this notice is applicable only to consumers who are current or former investors, meaning individual persons whose investments are primarily for household, family or personal use (“individual investors”). Specified sections of this notice, however, also apply to other types of investors (called “institutional investors”). Where the notice applies to institutional investors, the notice expressly states so. This notice is being provided by Credit Suisse Funds, Credit Suisse Institutional Funds, and Credit Suisse Closed-End Funds. This notice applies solely to U.S. registered investment companies advised by Credit Suisse Asset Management, LLC.

Categories of information we may collect:

We may collect information about you, including nonpublic personal information, such as

- Information we receive from you on applications, forms, agreements, questionnaires, Credit Suisse websites and other websites that are part of our investment program, or in the course of establishing or maintaining a customer relationship, such as your name, address, e-mail address, Social Security number, assets, income, financial situation; and
- Information we obtain from your transactions and experiences with us, our affiliates, or others, such as your account balances or other investment information assets purchased and sold, and other parties to a transaction, where applicable.

Categories of information we disclose and parties to whom we disclose it:

- We do not disclose nonpublic personal information about our individual investors, except as permitted or required by law or regulation. Whether you are an individual investor or institutional investor, we may share the information described above with our affiliates that perform services on our behalf, and with our asset management and private banking affiliates; as well as with unaffiliated third parties that perform services on our behalf, such as our accountants, auditors, attorneys, broker-dealers, fund administrators, and other service providers.

Credit Suisse Trust — International Equity Flex III Portfolio
Notice of Privacy and Information Practices (unaudited) (continued)

- We want our investors to be informed about additional products or services. Whether you are an individual investor or an institutional investor, we may disclose information, including nonpublic personal information, regarding our transactions and experiences with you to our affiliates.
- In addition, whether you are an individual investor or an institutional investor, we reserve the right to disclose information, including nonpublic personal information, about you to any person or entity, including without limitation any governmental agency, regulatory authority or self-regulatory organization having jurisdiction over us or our affiliates, if (i) we determine in our discretion that such disclosure is necessary or advisable pursuant to or in connection with any United States federal, state or local, or non-U.S., court order (or other legal process), law, rule, regulation, or executive order or policy, including without limitation any anti-money laundering law or the USA PATRIOT Act of 2001; and (ii) such disclosure is not otherwise prohibited by law, rule, regulation, or executive order or policy.

Confidentiality and security

- To protect nonpublic personal information about individual investors, we restrict access to those employees and agents who need to know that information to provide products or services to us and to our investors. We maintain physical, electronic, and procedural safeguards to protect nonpublic personal information.

Other Disclosures

This notice is not intended to be incorporated in any offering materials, but is a statement of our current Notice of Privacy and Information Practices and may be amended from time to time. This notice is current as of May 12, 2009.

Credit Suisse Trust — International Equity Flex III Portfolio
Proxy Voting and Portfolio Holdings Information (unaudited)

Information regarding how the Portfolio voted proxies related to its portfolio securities during the 12 month period ended June 30 of each year, as well as the policies and procedures that the Portfolio uses to determine how to vote proxies relating to its portfolio securities are available:

- By calling 1-800-222-8977
- On the Portfolio's website, www.credit-suisse.com/us
- On the website of the Securities and Exchange Commission, www.sec.gov.

The Portfolio files a complete schedule of its portfolio holdings for the first and third quarters of its fiscal year with the SEC on Form N-Q. The Portfolio's Forms N-Q are available on the SEC's website at www.sec.gov and may be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the SEC's Public Reference Room may be obtained by calling 1-202-551-8090.

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P.O. Box 55030, BOSTON, MA 02205-5030
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TREMK-SAR-0609

Dreyfus Investment Portfolios, MidCap Stock Portfolio

SEMIANNUAL REPORT June 30, 2009



BNY MELLON
ASSET MANAGEMENT

Dreyfus

The views expressed in this report reflect those of the portfolio manager only through the end of the period covered and do not necessarily represent the views of Dreyfus or any other person in the Dreyfus organization. Any such views are subject to change at any time based upon market or other conditions and Dreyfus disclaims any responsibility to update such views. These views may not be relied on as investment advice and, because investment decisions for a Dreyfus portfolio are based on numerous factors, may not be relied on as an indication of trading intent on behalf of any Dreyfus portfolio.

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A LETTER FROM THE CHAIRMAN AND CEO

Dear Shareholder:

We are pleased to present this semiannual report for Dreyfus Investment Portfolios, MidCap Stock Portfolio, covering the six-month period from January 1, 2009, through June 30, 2009.

The severe recession and banking crisis that dominated the financial markets at the start of 2009 appear to have moderated as of mid-year. Previously frozen credit markets have thawed, giving businesses access to the capital they need to grow. After reaching multi-year lows in early March, equities staged an impressive rally, enabling most major stock market indices to end the six-month reporting period close to where they began. While the U.S. economy remains weak overall, we have seen encouraging evidence of potential recovery, including a recovering housing market and improvements within certain manufacturing sectors. Meanwhile, inflation has remained tame in the face of high unemployment and unused manufacturing capacity.

Although these developments give us reasons for optimism, we remain cautious due to the speed and magnitude of the stock market's 2009 rebound. Indeed, the market's advance was led mainly by lower-quality stocks when investors developed renewed appetites for risk. We would prefer to see a steadier rise in stock prices supported by more concrete economic data, as the rapid rise increases the possibility that profit-taking could move the market lower. In uncertain markets such as this one, even the most seasoned investors can benefit from professional counsel. To determine how your investments should be positioned for the challenges and opportunities that lie ahead, we continue to stress that you talk regularly with your financial advisor.

For information about how the fund performed during the reporting period, as well as market perspectives, we have provided a Discussion of Fund Performance given by the fund's Portfolio Managers.

Thank you for your continued confidence and support.

Sincerely,

Jonathan R. Baum
Chairman and Chief Executive Officer
The Dreyfus Corporation
July 15, 2009



DISCUSSION OF PERFORMANCE

For the period of January 1, 2009, through June 30, 2009, as provided by Michael Dunn, Oliver Buckley, Langton C. Garvin and Patrick Slattery, Portfolio Managers

Fund and Market Performance Overview

For the six-month period ended June 30, 2009, Dreyfus Investment Portfolios, MidCap Stock Portfolio's Initial shares produced a total return of 8.17%, and its Service shares produced a total return of 8.16%.¹ In comparison, the portfolio's benchmark, the Standard & Poor's MidCap 400 Index ("S&P 400 Index"), produced a total return of 8.47% for the same period.²

Stocks bounced back from earlier, recession-related declines during the final four months of the reporting period. Midcap stocks produced particularly robust returns, outperforming their large- and small-cap counterparts by a significant margin. The fund participated in the market's recovery, modestly lagging the benchmark's return primarily due to somewhat better returns of stocks with unattractive growth/momentum characteristics during the market rally in April.

The Fund's Investment Approach

The fund seeks investment results that are greater than the total return performance of publicly traded common stocks of medium-size domestic companies in the aggregate, as represented by the S&P 400 Index. To pursue this goal, the fund normally invests at least 80% of its assets in stocks of midsize companies. The fund invests in growth and value stocks, which are chosen through a disciplined investment process that combines computer modeling techniques, fundamental analysis and risk management. Consistency of returns compared to the S&P 400 Index is a primary goal of the investment process.

Stocks Rallied on Expectations of Improving Fundamentals

During the opening months of 2009, the U.S. stock market continued to decline amid a severe recession characterized by rising unemployment, plunging housing prices and depressed consumer confidence. At the same time, the world was in the grip of a global banking crisis, in which massive investment losses led to the failures of some of the world's major financial institutions. These influences had fueled a severe

bear market over the second half of 2008, and additional losses early in the reporting period drove stock market averages to multi-year lows.

Although economic fundamentals showed few signs of improvement at the time, market sentiment grew more optimistic in early March as aggressive remedial measures adopted by government and monetary authorities appeared to avert a collapse of the banking system, and investors looked forward to better economic times. Bargain hunters began to bid beaten-down stock prices higher, fueling a rally led by lower priced, more speculative companies. By May, the market generally had recovered all the ground it lost earlier in the year. Stock prices slowed their advance in May and June as the rally broadened to include a wider cross-section of stocks.

Effectiveness of Some Quantitative Factors Shifted

While the fund's value-oriented stock selection factors contributed positively to performance throughout the reporting period, momentum-related factors proved less predictive. In particular, price and earnings momentum factors, while positive during January 2009, detracted from performance during much of the remainder of the reporting period. In addition, due to the uncertainties affecting credit markets, the portfolio maintained a mild tilt in favor of companies with relatively little leverage, a stance that bolstered performance as stocks sank, but impeded gains during the sharp March-April rally. On balance, the fund roughly matched the benchmark's returns after outperforming during the first half of the period and lagging in the second half.

Individual Stock Selections Drove Performance

Consistent with our disciplined, sector- and industry-neutral investment approach, individual stock selections were the primary drivers of the fund's performance during the reporting period. The portfolio held several winners in the consumer staples and consumer durables sectors. These included two restaurant chains, The Cheesecake Factory and Brinker International, both of which controlled costs and cut prices to attract budget-conscious customers. Similarly, clothing retailer Aeropostale beat sales expectations on the strength of its execution as a value price leader. Soft drink bottler PepsiAmericas rose sharply on news of a buyout offer from PepsiCo.

Investments in other market sectors further contributed to the fund's relative performance on the basis of better-than-expected financial

results. Top holdings included communications network infrastructure provider CommScope, computer hard drive maker Western Digital, biotechnology tools company Life Technologies (which was sold in the period), chemicals producer Terra Industries and metals fabricator Reliance Steel & Aluminum.

Conversely, several holdings detracted from the fund's relative returns after the companies missed earnings estimates and/or reduced future guidance. Notably weak performers included financial services providers StanCorp Financial Group and Weingarten Realty Investors Trust; utility companies CenterPoint Energy (which was sold during the period) and Hawaiian Electric Industries; technology consultant Gartner; and contract research firm Pharmaceutical Product Development.

Managing the Fund's Risk Profile

As of midyear, the fund has maintained its sector- and industry-neutral approach, controlling risk by avoiding unintended over- or under-exposures to any one investment area. At a time of ongoing disquiet in global credit markets, we also have continued to place slightly greater emphasis than usual on companies with strong balance sheets and relatively little leverage. However, these risk controls have not altered our primary focus, which remains the disciplined application of the portfolio's individual stock selection process.

July 15, 2009

The fund is only available as a funding vehicle under variable life insurance policies or variable annuity contracts issued by insurance companies. Individuals may not purchase shares of the fund directly. A variable annuity is an insurance contract issued by an insurance company that enables investors to accumulate assets on a tax-deferred basis for retirement or other long-term goals. The investment objective and policies of Dreyfus Investment Portfolios, MidCap Stock Portfolio made available through insurance products may be similar to other funds managed or advised by Dreyfus. However, the investment results of the fund may be higher or lower than, and may not be comparable to, those of any other Dreyfus fund.

¹ Total return includes reinvestment of dividends and any capital gains paid. Past performance is no guarantee of future results. Share price and investment return fluctuate such that upon redemption, portfolio shares may be worth more or less than their original cost. The portfolio's performance does not reflect the deduction of additional charges and expenses imposed in connection with investing in variable insurance contracts, which will reduce returns. Return figures provided reflect the absorption of certain portfolio expenses by The Dreyfus Corporation pursuant to an agreement in effect through July 31, 2009, at which time it may be extended, terminated or modified. Had these expenses not been absorbed, the portfolio's returns would have been lower.

² SOURCE: LIPPER INC. — Reflects reinvestment of dividends and, where applicable, capital gain distributions. The Standard & Poor's MidCap 400 Index is a widely accepted, unmanaged total return index measuring the performance of the midsize-company segment of the U.S. market.

UNDERSTANDING YOUR PORTFOLIO'S EXPENSES (Unaudited)

As a mutual fund investor, you pay ongoing expenses, such as management fees and other expenses. Using the information below, you can estimate how these expenses affect your investment and compare them with the expenses of other funds. You also may pay one-time transaction expenses, including sales charges (loads), redemption fees and expenses associated with variable annuity or insurance contracts, which are not shown in this section and would have resulted in higher total expenses. For more information, see your portfolio's prospectus or talk to your financial adviser.

Review your portfolio's expenses

The table below shows the expenses you would have paid on a \$1,000 investment in Dreyfus Investment Portfolios, MidCap Stock Portfolio from January 1, 2009 to June 30, 2009. It also shows how much a \$1,000 investment would be worth at the close of the period, assuming actual returns and expenses.

Expenses and Value of a \$1,000 Investment		
assuming actual returns for the six months ended June 30, 2009		
	Initial Shares	Service Shares
Expenses paid per \$1,000 [†]	\$ 4.34	\$ 4.65
Ending value (after expenses)	\$1,081.70	\$1,081.60

COMPARING YOUR PORTFOLIO'S EXPENSES WITH THOSE OF OTHER FUNDS (Unaudited)

Using the SEC's method to compare expenses

The Securities and Exchange Commission (SEC) has established guidelines to help investors assess fund expenses. Per these guidelines, the table below shows your portfolio's expenses based on a \$1,000 investment, assuming a hypothetical 5% annualized return. You can use this information to compare the ongoing expenses (but not transaction expenses or total cost) of investing in the portfolio with those of other funds. All mutual fund shareholder reports will provide this information to help you make this comparison. Please note that you cannot use this information to estimate your actual ending account balance and expenses paid during the period.

Expenses and Value of a \$1,000 Investment		
assuming a hypothetical 5% annualized return for the six months ended June 30, 2009		
	Initial Shares	Service Shares
Expenses paid per \$1,000 [†]	\$ 4.21	\$ 4.51
Ending value (after expenses)	\$1,020.63	\$1,020.33

[†] Expenses are equal to the portfolio's annualized expense ratio of .84% for Initial shares and .90% for Service shares, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period).

STATEMENT OF INVESTMENTS

June 30, 2009 (Unaudited)

Common Stocks—99.1%	Shares	Value (\$)
Consumer Discretionary—16.8%		
Advance Auto Parts	38,400	1,593,216
Aeropostale	35,275 ^{a,b}	1,208,874
Apollo Group, Cl. A	9,900 ^b	704,088
AutoNation	22,100 ^{a,b}	383,435
Brinker International	67,350	1,146,970
Callaway Golf	42,500	215,475
Carlisle Cos.	47,300	1,137,092
Cheesecake Factory	72,700 ^b	1,257,710
Cintas	18,900	431,676
Dollar Tree	37,700 ^b	1,587,170
Family Dollar Stores	21,250	601,375
Foot Locker	107,800	1,128,666
GameStop, Cl. A	13,500 ^b	297,135
Gentex	40,350	468,060
Genuine Parts	21,000 ^a	704,760
ITT Educational Services	16,100 ^{a,b}	1,620,626
Marvel Entertainment	27,800 ^{a,b}	989,402
Panera Bread, Cl. A	23,400 ^{a,b}	1,166,724
PetSmart	35,500	761,830
Regis	9,400	163,654
Scotts Miracle-Gro, Cl. A	21,900 ^a	767,595
SEACOR Holdings	7,400 ^b	556,776
Strayer Education	3,300 ^a	719,763
Timberland, Cl. A	26,700 ^b	354,309
Toll Brothers	36,500 ^b	619,405
Urban Outfitters	29,400 ^b	613,578
Warnaco Group	26,650 ^b	863,460
		22,062,824
Consumer Staples—4.8%		
BJ's Wholesale Club	42,600 ^{a,b}	1,372,998
Dean Foods	24,300 ^b	466,317
Energizer Holdings	4,600 ^b	240,304
Hansen Natural	10,300 ^{a,b}	317,446
Hormel Foods	23,350	806,509
Lancaster Colony	24,400	1,075,308

STATEMENT OF INVESTMENTS (Unaudited) (continued)

Common Stocks (continued)	Shares	Value (\$)
Consumer Staples (continued)		
PepsiAmericas	10,900	292,229
Pulte Homes	76,500 ^a	675,495
Universal	31,800 ^a	1,052,898
		6,299,504
Energy—6.3%		
Arch Coal	38,800 ^a	596,356
Cameron International	31,600 ^b	894,280
Comstock Resources	47,900 ^b	1,583,095
Encore Acquisition	62,600 ^b	1,931,210
Frontier Oil	76,200	998,982
Patterson-UTI Energy	66,100	850,046
Southern Union	52,000	956,280
Tesoro	37,600 ^a	478,648
		8,288,897
Financial—17.7%		
Alexandria Real Estate Equities	14,200 ^a	508,218
American Financial Group	68,175	1,471,216
Ameriprise Financial	23,800	577,626
Apartment Investment & Management, Cl. A	65,398 ^a	578,772
Camden Property Trust	32,700	902,520
Cincinnati Financial	49,100	1,097,385
FirstMerit	77,065 ^a	1,308,564
HCC Insurance Holdings	55,550	1,333,756
Hospitality Properties Trust	76,200 ^a	906,018
Hudson City Bancorp	98,800	1,313,052
Liberty Property Trust	27,000	622,080
M & T Bank	5,700 ^a	290,301
Macerich	23,700 ^a	417,357
Nasdaq OMX Group	30,600 ^b	652,086
Nationwide Health Properties	28,000	720,720
New York Community Bancorp	61,400	656,366
Old Republic International	49,800	490,530
Principal Financial Group	23,500	442,740
Public Storage	6,500	425,620
Raymond James Financial	92,100 ^a	1,585,041
Reinsurance Group of America	19,400	677,254

Common Stocks (continued)	Shares	Value (\$)
Financial (continued)		
StanCorp Financial Group	55,000	1,577,400
SVB Financial Group	19,000 ^{a,b}	517,180
Transatlantic Holdings	13,800	597,954
UDR	93,571 ^a	966,588
Unum Group	17,000	269,620
Weingarten Realty Investors Trust	69,800 ^a	1,012,798
Westamerica Bancorporation	26,200 ^a	1,299,782
		23,218,544
Health Care—12.3%		
Cooper	6,700	165,691
Edwards Lifesciences	10,600 ^b	721,118
Endo Pharmaceuticals Holdings	60,600 ^b	1,085,952
Gen-Probe	31,100 ^b	1,336,678
Humana	35,500 ^b	1,145,230
IDEXX Laboratories	6,800 ^{a,b}	314,160
LifePoint Hospitals	44,500 ^{a,b}	1,168,125
Lincare Holdings	36,600 ^b	860,832
Omnicare	42,400	1,092,224
OSI Pharmaceuticals	40,700 ^{a,b}	1,148,961
Pharmaceutical Product Development	50,900	1,181,898
Resmed	17,300 ^b	704,629
Sepracor	52,500 ^b	909,300
STERIS	46,000 ^a	1,199,680
Techne	13,600	867,816
Valeant Pharmaceuticals International	55,000 ^{a,b}	1,414,600
Varian Medical Systems	17,400 ^b	611,436
Warner Chilcott, Cl. A	19,100 ^{a,b}	251,165
		16,179,495
Industrial—11.8%		
AGCO	41,650 ^{a,b}	1,210,766
Brink's	29,600	859,288
Bucyrus International	7,500 ^a	214,200
Dycom Industries	119,200 ^b	1,319,544
Expeditors International Washington	18,400	613,456
Gardner Denver	29,200 ^b	734,964
GATX	26,200 ^a	673,864

STATEMENT OF INVESTMENTS (Unaudited) (continued)

Common Stocks (continued)	Shares	Value (\$)
Industrial (continued)		
Granite Construction	20,300 ^a	675,584
Hubbell, Cl. B	47,350	1,518,041
Jacobs Engineering Group	20,900 ^b	879,681
Joy Global	32,600 ^a	1,164,472
KBR	33,000	608,520
MPS Group	37,300 ^b	284,972
Nordson	16,100 ^a	622,426
Oshkosh	55,500	806,970
Pitney Bowes	17,700	388,161
Rent-A-Center	20,000 ^b	356,600
SPX	22,550	1,104,274
Stericycle	4,400 ^b	226,732
Timken	35,400	604,632
URS	12,000 ^b	594,240
		15,461,387
Information Technology—16.9%		
Akamai Technologies	19,700 ^b	377,846
Alliance Data Systems	27,300 ^{a,b}	1,124,487
Avnet	27,300 ^b	574,119
CA	36,900	643,167
CommScope	46,700 ^b	1,226,342
Computer Sciences	33,100 ^b	1,466,330
Cypress Semiconductor	150,000 ^{a,b}	1,380,000
F5 Networks	39,400 ^b	1,362,846
FactSet Research Systems	7,100 ^a	354,077
Fair Isaac	40,000 ^a	618,400
Gartner	70,300 ^{a,b}	1,072,778
Global Payments	3,600	134,856
Harris	17,900	507,644
Ingram Micro, Cl. A	36,700 ^b	642,250
Integrated Device Technology	131,600 ^b	794,864
Intersil, Cl. A	67,700	850,989
Jabil Circuit	17,600	130,592
L-3 Communications Holdings	15,500	1,075,390
Mettler-Toledo International	12,100 ^{a,b}	933,515

Common Stocks (continued)	Shares	Value (\$)
Information Technology (continued)		
NCR	39,200 ^b	463,736
Novellus Systems	16,300 ^b	272,210
Parametric Technology	38,800 ^b	453,572
Semtech	37,600 ^b	598,216
Sybase	36,800 ^{a,b}	1,153,312
Synopsys	71,500 ^b	1,394,965
Tech Data	55,900 ^b	1,828,489
Western Digital	29,850 ^b	791,025
		22,226,017
Materials—6.8%		
Crown Holdings	45,400 ^b	1,095,956
FMC	22,300	1,054,790
Minerals Technologies	37,800	1,361,556
Olin	35,100	417,339
Pactiv	31,700 ^b	687,890
Potlatch	18,800 ^a	456,652
Reliance Steel & Aluminum	26,400 ^a	1,013,496
Temple-Inland	44,100 ^a	578,592
Terra Industries	21,400	518,308
Titanium Metals	50,900 ^a	467,771
Worthington Industries	99,800 ^a	1,276,442
		8,928,792
Telecommunications—.6%		
Telephone & Data Systems	29,600	837,680
Utilities—5.1%		
Alliant Energy	35,450	926,309
Hawaiian Electric Industries	32,200 ^a	613,732
IDACORP	26,800	700,552
NV Energy	136,000	1,467,440
UGI	83,800	2,136,062
WGL Holdings	26,100	835,722
		6,679,817
Total Common Stocks (cost \$154,473,264)		130,182,957

STATEMENT OF INVESTMENTS (Unaudited) (continued)

	Shares	Value (\$)
Other Investment—1.6%		
Registered Investment Company;		
Dreyfus Institutional Preferred Plus Money Market Fund (cost \$2,139,000)	2,139,000 ^c	2,139,000
Investment of Cash Collateral for Securities Loaned—25.1%		
Registered Investment Company;		
Dreyfus Institutional Cash Advantage Fund (cost \$32,928,158)	32,928,158 ^c	32,928,158
Total Investments (cost \$189,540,422)	125.8%	165,250,115
Liabilities, Less Cash and Receivables	(25.8%)	(33,909,379)
Net Assets	100.0%	131,340,736

^a All or a portion of these securities are on loan. At June 30, 2009, the total market value of the portfolio's securities on loan is \$31,908,779 and the total market value of the collateral held by the portfolio is \$32,928,158.

^b Non-income producing security.

^c Investment in affiliated money market mutual fund.

Portfolio Summary (Unaudited)[†]

	Value (%)		Value (%)
Money Market Investments	26.7	Materials	6.8
Financial	17.7	Energy	6.3
Information Technology	16.9	Utilities	5.1
Consumer Discretionary	16.8	Consumer Staples	4.8
Health Care	12.3	Telecommunications	.6
Industrial	11.8		125.8

[†] Based on net assets.

See notes to financial statements.

STATEMENT OF ASSETS AND LIABILITIES

June 30, 2009 (Unaudited)

	Cost	Value
Assets (\$):		
Investments in securities—See Statement of Investments (including securities on loan, valued at \$31,908,779)—Note 1 (b):		
Unaffiliated issuers	154,473,264	130,182,957
Affiliated issuers	35,067,158	35,067,158
Cash		20,843
Dividends and interest receivable		150,337
Receivable for shares of Beneficial Interest subscribed		8,267
Prepaid expenses		530
		165,430,092
Liabilities (\$):		
Due to The Dreyfus Corporation and affiliates—Note 3(b)		90,982
Liability for securities on loan—Note 1 (b)		32,928,158
Payable for investment securities purchased		826,470
Payable for shares of Beneficial Interest redeemed		197,026
Accrued expenses		46,720
		34,089,356
Net Assets (\$)		131,340,736
Composition of Net Assets (\$):		
Paid-in capital		230,725,127
Accumulated undistributed investment income—net		783,333
Accumulated net realized gain (loss) on investments		(75,877,417)
Accumulated net unrealized appreciation (depreciation) on investments		(24,290,307)
Net Assets (\$)		131,340,736

Net Asset Value Per Share		
	Initial Shares	Service Shares
Net Assets (\$)	117,508,688	13,832,048
Shares Outstanding	14,064,551	1,654,770
Net Asset Value Per Share (\$)	8.35	8.36

See notes to financial statements.

STATEMENT OF OPERATIONS

Six Months Ended June 30, 2009 (Unaudited)

Investment Income (\$):	
Income:	
Cash dividends:	
Unaffiliated issuers	1,232,337
Affiliated issuers	703
Income from securities lending	63,771
Interest	21,862
Total Income	1,318,673
Expenses:	
Investment advisory fee—Note 3(a)	472,148
Professional fees	28,986
Distribution fees—Note 3(b)	16,094
Custodian fees—Note 3(b)	7,126
Prospectus and shareholders' reports	6,170
Shareholder servicing costs—Note 3(b)	3,312
Trustees' fees and expenses—Note 3(c)	1,379
Interest expense—Note 2	115
Miscellaneous	8,300
Total Expenses	543,630
Less—reduction in management fee due to undertaking—Note 3(a)	(12,090)
Less—reduction in fees due to earnings credits—Note 1(b)	(60)
Net Expenses	531,480
Investment Income—Net	787,193
Realized and Unrealized Gain (Loss) on Investments—Note 4 (\$):	
Net realized gain (loss) on investments	(27,700,388)
Net unrealized appreciation (depreciation) on investments	36,051,635
Net Realized and Unrealized Gain (Loss) on Investments	8,351,247
Net Increase in Net Assets Resulting from Operations	9,138,440

See notes to financial statements.

STATEMENT OF CHANGES IN NET ASSETS

	Six Months Ended June 30, 2009 (Unaudited)	Year Ended December 31, 2008
Operations (\$):		
Investment income—net	787,193	1,775,348
Net realized gain (loss) on investments	(27,700,388)	(47,478,589)
Net unrealized appreciation (depreciation) on investments	36,051,635	(62,203,761)
Net Increase (Decrease) in Net Assets Resulting from Operations	9,138,440	(107,907,002)
Dividends to Shareholders from (\$):		
Investment income—net:		
Initial Shares	(1,799,027)	(2,075,788)
Service Shares	(141,551)	(242,422)
Net realized gain on investments:		
Initial Shares	—	(33,614,382)
Service Shares	—	(4,819,634)
Total Dividends	(1,940,578)	(40,752,226)
Beneficial Interest Transactions (\$):		
Net proceeds from shares sold:		
Initial Shares	3,967,515	12,611,543
Service Shares	535,620	1,952,930
Dividends reinvested:		
Initial Shares	1,799,027	35,690,170
Service Shares	141,551	5,062,056
Cost of shares redeemed:		
Initial Shares	(20,303,373)	(66,932,776)
Service Shares	(1,579,999)	(16,753,669)
Increase (Decrease) in Net Assets from Beneficial Interest Transactions	(15,439,659)	(28,369,746)
Total Increase (Decrease) in Net Assets	(8,241,797)	(177,028,974)
Net Assets (\$):		
Beginning of Period	139,582,533	316,611,507
End of Period	131,340,736	139,582,533
Undistributed investment income—net	783,333	1,936,718

STATEMENT OF CHANGES IN NET ASSETS *(continued)*

	Six Months Ended June 30, 2009 (Unaudited)	Year Ended December 31, 2008
Capital Share Transactions:		
Initial Shares		
Shares sold	526,042	1,081,397
Shares issued for dividends reinvested	248,142	2,979,146
Shares redeemed	(2,717,831)	(5,935,391)
Net Increase (Decrease) in Shares Outstanding	(1,943,647)	(1,874,848)
Service Shares		
Shares sold	69,006	169,431
Shares issued for dividends reinvested	19,525	423,958
Shares redeemed	(209,395)	(1,342,551)
Net Increase (Decrease) in Shares Outstanding	(120,864)	(749,162)

See notes to financial statements.

FINANCIAL HIGHLIGHTS

The following tables describe the performance for each share class for the fiscal periods indicated. All information (except portfolio turnover rate) reflects financial results for a single portfolio share. Total return shows how much your investment in the portfolio would have increased (or decreased) during each period, assuming you had reinvested all dividends and distributions. The portfolio's total returns do not reflect expenses associated with variable annuity or insurance contracts. These figures have been derived from the portfolio's financial statements.

Initial Shares	Six Months Ended	Year Ended December 31,				
	June 30, 2009 (Unaudited)	2008	2007	2006	2005	2004
Per Share Data (\$):						
Net asset value, beginning of period	7.85	15.52	17.39	19.15	17.62	15.82
Investment Operations:						
Investment income—net ^a	.05	.09	.12	.08	.08	.07
Net realized and unrealized gain (loss) on investments	.57	(5.63)	.19	1.39	1.53	2.22
Total from Investment Operations	.62	(5.54)	.31	1.47	1.61	2.29
Distributions:						
Dividends from investment income—net	(.12)	(.12)	(.07)	(.07)	(.01)	(.07)
Dividends from net realized gain on investments	—	(2.01)	(2.11)	(3.16)	(.07)	(.42)
Total Distributions	(.12)	(2.13)	(2.18)	(3.23)	(.08)	(.49)
Net asset value, end of period	8.35	7.85	15.52	17.39	19.15	17.62
Total Return (%)	8.17 ^b	(40.42)	1.50	7.75	9.17	14.48
Ratios/Supplemental Data (%):						
Ratio of total expenses to average net assets	.84 ^c	.82	.80	.80	.79	.78
Ratio of net expenses to average net assets	.84 ^{c,d}	.81	.80 ^d	.80 ^d	.79 ^d	.78 ^d
Ratio of net investment income to average net assets	1.26 ^c	.76	.73	.48	.43	.43
Portfolio Turnover Rate	39.23 ^b	86.74	116.83	149.02	99.27	79.75
Net Assets, end of period (\$ x 1,000)	117,509	125,701	277,602	338,081	362,789	344,979

^a Based on average shares outstanding at each month end.

^b Not annualized.

^c Annualized.

^d Expense waivers and/or reimbursements amounted to less than .01%.

See notes to financial statements.

FINANCIAL HIGHLIGHTS (continued)

Service Shares	Six Months Ended	Year Ended December 31,				
	June 30, 2009 (Unaudited)	2008	2007	2006	2005	2004
Per Share Data (\$):						
Net asset value, beginning of period	7.82	15.45	17.31	19.06	17.57	15.77
Investment Operations:						
Investment income—net ^a	.05	.08	.09	.06	.04	.04
Net realized and unrealized gain (loss) on investments	.58	(5.60)	.21	1.39	1.52	2.21
Total from Investment Operations	.63	(5.52)	.30	1.45	1.56	2.25
Distributions:						
Dividends from investment income—net	(.09)	(.10)	(.05)	(.04)	—	(.03)
Dividends from net realized gain on investments	—	(2.01)	(2.11)	(3.16)	(.07)	(.42)
Total Distributions	(.09)	(2.11)	(2.16)	(3.20)	(.07)	(.45)
Net asset value, end of period	8.36	7.82	15.45	17.31	19.06	17.57
Total Return (%)	8.16 ^b	(40.44)	1.39	7.68	8.93	14.23
Ratios/Supplemental Data (%):						
Ratio of total expenses to average net assets	1.09 ^c	1.06	1.05	1.05	1.04	1.03
Ratio of net expenses to average net assets	.90 ^c	.90	.90	.91	1.00	1.00
Ratio of net investment income to average net assets	1.20 ^c	.62	.58	.37	.22	.22
Portfolio Turnover Rate	39.23 ^b	86.74	116.83	149.02	99.27	79.75
Net Assets, end of period (\$ x 1,000)	13,832	13,881	39,009	85,277	89,264	81,680

^a Based on average shares outstanding at each month end.

^b Not annualized.

^c Annualized.

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS (Unaudited)

NOTE 1—Significant Accounting Policies:

Dreyfus Investment Portfolios (the “fund”) is registered under the Investment Company Act of 1940, as amended (the “Act”), as an open-end management investment company, operating as a series company currently offering four series, including the MidCap Stock Portfolio (the “portfolio”). The portfolio is only offered to separate accounts established by insurance companies to fund variable annuity contracts and variable life insurance policies. The portfolio is a diversified series. The portfolio’s investment objective is to provide investment results that are greater than the total return performance of publicly-traded common stocks of medium-size domestic companies in the aggregate, as represented by the Standard & Poor’s MidCap 400 Index. The Dreyfus Corporation (the “Manager” or “Dreyfus”), a wholly-owned subsidiary of The Bank of New York Mellon Corporation (“BNY Mellon”), serves as the portfolio’s investment adviser.

MBSC Securities Corporation (the “Distributor”), a wholly-owned subsidiary of the Manager, is the distributor of the portfolio’s shares, which are sold without a sales charge. The portfolio is authorized to issue an unlimited number of \$.001 par value shares of Beneficial Interest in each of the following classes of shares: Initial and Service. Each class of shares has identical rights and privileges, except with respect to the distribution plan and the expenses borne by each class, the allocation of certain transfer agency costs and certain voting rights. Income, expenses (other than expenses attributable to a specific class), and realized and unrealized gains or losses on investments are allocated to each class of shares based on its relative net assets.

The fund accounts separately for the assets, liabilities and operations of each series. Expenses directly attributable to each series are charged to that series’ operations; expenses which are applicable to all series are allocated among them on a pro rata basis.

The portfolio’s financial statements are prepared in accordance with U.S. generally accepted accounting principles, which may require the use of management estimates and assumptions. Actual results could differ from those estimates.

The fund enters into contracts that contain a variety of indemnifications. The portfolio's maximum exposure under these arrangements is unknown. The portfolio does not anticipate recognizing any loss related to these arrangements.

(a) Portfolio valuation: Investments in securities are valued at the last sales price on the securities exchange or national securities market on which such securities are primarily traded. Securities listed on the National Market System for which market quotations are available are valued at the official closing price or, if there is no official closing price that day, at the last sales price. Securities not listed on an exchange or the national securities market, or securities for which there were no transactions, are valued at the average of the most recent bid and asked prices, except for open short positions, where the asked price is used for valuation purposes. Bid price is used when no asked price is available. Registered investment companies that are not traded on an exchange are valued at their net asset value. When market quotations or official closing prices are not readily available, or are determined not to reflect accurately fair value, such as when the value of a security has been significantly affected by events after the close of the exchange or market on which the security is principally traded (for example, a foreign exchange or market), but before the portfolio calculates its net asset value, the portfolio may value these investments at fair value as determined in accordance with the procedures approved by the Board of Trustees. Fair valuing of securities may be determined with the assistance of a pricing service using calculations based on indices of domestic securities and other appropriate indicators, such as prices of relevant ADRs and futures contracts. For other securities that are fair valued by the Board of Trustees, certain factors may be considered such as: fundamental analytical data, the nature and duration of restrictions on disposition, an evaluation of the forces that influence the market in which the securities are purchased and sold and public trading in similar securities of the issuer or comparable issuers. Financial futures are valued at the last sales price.

The portfolio adopted Statement of Financial Accounting Standards No. 157 "Fair Value Measurements" ("FAS 157"). FAS 157 establishes

an authoritative definition of fair value, sets out a framework for measuring fair value, and requires additional disclosures about fair value measurements.

Various inputs are used in determining the value of the portfolio's investments relating to FAS 157. These inputs are summarized in the three broad levels listed below.

Level 1—quoted prices in active markets for identical investments.

Level 2—other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

Level 3—significant unobservable inputs (including the portfolio'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 June 30, 2009 in valuing the portfolio's investments:

	Level 1— Quoted Prices	Level 2—Other Significant Observable Inputs	Level 3— Significant Unobservable Inputs	Total
Assets (\$)				
Investment in Securities:				
Equity Securities—				
Domestic	130,182,957	—	—	130,182,957
Mutual Funds	35,067,158	—	—	35,067,158
Other Financial Instruments†	—	—	—	—
Liabilities (\$)				
Other Financial Instruments†	—	—	—	—

† Other financial instruments include derivative instruments, such as futures, forward foreign currency exchange contracts, swap contracts and options contracts. Amounts shown represent unrealized appreciation (depreciation), or in the case of options, market value at period end.

(b) Securities transactions and investment income: Securities transactions are recorded on a trade date basis. Realized gains and losses from securities transactions are recorded on the identified cost basis. Dividend income is recognized on the ex-dividend date and interest income, including, where applicable, accretion of discount and amortization of premium on investments, is recognized on the accrual basis.

The portfolio has arrangements with the custodian and cash management bank whereby the portfolio may receive earnings credits when positive cash balances are maintained, which are used to offset custody and cash management fees. For financial reporting purposes, the portfolio includes net earnings credits as an expense offset in the Statement of Operations.

Pursuant to a securities lending agreement with The Bank of New York Mellon, a subsidiary of BNY Mellon and an affiliate of Dreyfus, the portfolio may lend securities to qualified institutions. It is the portfolio's policy, that at origination, all loans are secured by collateral of at least 102% of the value of U.S. securities loaned and 105% of the value of foreign securities loaned. Collateral equivalent to at least 100% of the market value of securities on loan is maintained at all times. Collateral is either in the form of cash, which can be invested in certain money market mutual funds managed by the Manager, U.S. Government and Agency securities or letters of credit. The portfolio is entitled to receive all income on securities loaned, in addition to income earned as a result of the lending transaction. Although each security loaned is fully collateralized, the portfolio bears the risk of delay in recovery of, or loss of rights in, the securities loaned should a borrower fail to return the securities in a timely manner. During the period ended June 30, 2009, The Bank of New York Mellon earned \$27,330 from lending portfolio securities, pursuant to the securities lending agreement.

(c) Affiliated issuers: Investments in other investment companies advised by the Manager are defined as "affiliated" in the Act.

(d) Dividends to shareholders: Dividends are recorded on the ex-dividend date. Dividends from investment income-net and dividends from net realized capital gains, if any, are normally declared and paid annually, but the portfolio may make distributions on a more frequent basis to comply with the distribution requirements of the Internal Revenue Code of 1986, as amended (the “Code”). To the extent that net realized capital gains can be offset by capital loss carryovers, it is the policy of the portfolio not to distribute such gains. Income and capital gain distributions are determined in accordance with income tax regulations, which may differ from U.S. generally accepted accounting principles.

(e) Federal income taxes: It is the policy of the portfolio to continue to qualify as a regulated investment company, if such qualification is in the best interests of its shareholders, by complying with the applicable provisions of the Code, and to make distributions of taxable income sufficient to relieve it from substantially all federal income and excise taxes.

As of and during the period ended June 30, 2009, the portfolio did not have any liabilities for any uncertain tax positions. The portfolio recognizes interest and penalties, if any, related to uncertain tax positions as income tax expense in the Statement of Operations. During the period, the portfolio did not incur any interest or penalties.

Each of the tax years in the three-year period ended December 31, 2008 remains subject to examination by the Internal Revenue Service and state taxing authorities.

The fund has an unused capital loss carryover of \$30,029,499 available for federal income tax purposes to be applied against future net securities profits, if any, realized subsequent to December 31, 2008. If not applied the carryover expires in fiscal 2016.

The tax character of distributions paid to shareholders during the fiscal year ended December 31, 2008, was as follows: ordinary income

\$18,327,589 and long-term capital gains \$22,424,637. The tax character of current year distributions will be determined at the end of the current fiscal year.

NOTE 2—Bank Lines of Credit:

The portfolio participates with other Dreyfus-managed funds in a \$300 million unsecured line of credit provided by the Bank of New York Mellon (the “BNYM Facility”) primarily to be utilized for temporary or emergency purposes, including the financing of redemptions. The terms of the BNYM Facility limits the amount of individual fund borrowings. Interest is charged to the portfolio based on prevailing market rates in effect at the time of borrowing. In connection therewith, the portfolio has agreed to pay commitment fees on its pro rata portion of the BNYM Facility.

The average amount of borrowings outstanding under the line of credit during the period ended June 30, 2009, was approximately \$23,800, with a related weighted average annualized interest rate of .97%.

NOTE 3—Investment Advisory Fee and Other Transactions With Affiliates:

(a) Pursuant to an Investment Advisory Agreement with the Manager, the investment advisory fee is computed at the annual rate of .75% of the value of the portfolio’s average daily net assets and is payable monthly.

The Manager has agreed, from January 1, 2009 to July 31, 2009, to waive receipt of its fees and/or assume the expenses of the portfolio so that the expenses of neither class, exclusive of taxes, brokerage fees, interest on borrowings and extraordinary expenses, exceed .90% of the value of the average daily net assets of such class. During the period ended June 30, 2009, the Manager waived receipt of fees of \$12,090, pursuant to the undertaking.

(b) Under the Distribution Plan (the “Plan”) adopted pursuant to Rule 12b-1 under the Act, Service shares pay the Distributor for distributing their shares, for servicing and/or maintaining Service shares shareholder

accounts and for advertising and marketing for Service shares. The Plan provides for payments to be made at an annual rate of .25% of the value of the Service shares' average daily net assets. The Distributor may make payments to participating insurance companies and to brokers and dealers acting as principal underwriter for their variable insurance products. The fees payable under the Plan are payable without regard to actual expenses incurred. During the period ended June 30, 2009, Service shares were charged \$16,094 pursuant to the Plan.

The portfolio compensates Dreyfus Transfer, Inc., a wholly-owned subsidiary of the Manager, under a transfer agency agreement for providing personnel and facilities to perform transfer agency services for the portfolio. During the period ended June 30, 2009, the portfolio was charged \$446 pursuant to the transfer agency agreement.

The portfolio compensates The Bank of New York Mellon under a cash management agreement for performing cash management services related to portfolio subscriptions and redemptions. During the period ended June 30, 2009, the portfolio was charged \$60 pursuant to the cash management agreement. These fees were offset by earnings credits pursuant to the cash management agreement.

The portfolio also compensates The Bank of New York Mellon under a custody agreement for providing custodial services for the portfolio. During the period ended June 30, 2009, the portfolio was charged \$7,126 pursuant to the custody agreement.

During the period ended June 30, 2009, the portfolio was charged \$3,341 for services performed by the Chief Compliance Officer.

The components of "Due to The Dreyfus Corporation and affiliates" in the Statement of Assets and Liabilities consist of: investment advisory fees \$82,770, Rule 12b-1 distribution plan fees \$2,890, custodian fees \$5,544, chief compliance officer fees \$1,670 and transfer agency per account fees \$164, which are offset against an expense reimbursement currently in effect in the amount of \$2,056.

(c) Each Board member also serves as a Board member of other funds within the Dreyfus complex. Annual retainer fees and attendance fees are allocated to each fund based on net assets.

NOTE 4—Securities Transactions:

The aggregate amount of purchases and sales of investment securities, excluding short-term securities, during the period ended June 30, 2009, amounted to \$49,552,065 and \$66,409,038, respectively.

The fund adopted Financial Accounting Standards Board Statement of Financial Accounting Standards No. 161 “Disclosures about Derivative Instruments and Hedging Activities” (“FAS 161”). FAS 161 requires qualitative disclosures about objectives and strategies for using derivatives, quantitative disclosures about fair value amounts of gains and losses on derivative instruments and disclosures about credit-risk-related contingent features in derivative agreements. Since the portfolio held no derivatives during the period ended June 30, 2009, FAS 161 disclosures did not impact the notes to the financial statements.

At June 30, 2009, accumulated net unrealized depreciation on investments was \$24,290,307, consisting of \$7,316,805 gross unrealized appreciation and \$31,607,112 gross unrealized depreciation.

At June 30, 2009, the cost of investments for federal income tax purposes was substantially the same as the cost for financial reporting purposes (see the Statement of Investments).

NOTE 5—Subsequent Events Evaluation:

Dreyfus has evaluated the need for disclosures and/or adjustments resulting from subsequent events through the date of issuance of the financial statements. This evaluation did not result in any subsequent events that necessitated disclosures and/or adjustments.

NOTES

For More Information

**Dreyfus
Investment Portfolios,
MidCap Stock Portfolio**
200 Park Avenue
New York, NY 10166

Investment Adviser
The Dreyfus Corporation
200 Park Avenue
New York, NY 10166

Custodian
The Bank of New York Mellon
One Wall Street
New York, NY 10286

**Transfer Agent &
Dividend Disbursing Agent**
Dreyfus Transfer, Inc.
200 Park Avenue
New York, NY 10166

Distributor
MBSC Securities Corporation
200 Park Avenue
New York, NY 10166

Telephone 1-800-554-4611 or 1-516-338-3300

Mail The Dreyfus Family of Funds, 144 Glenn Curtiss Boulevard, Uniondale, NY 11556-0144
Attn: Investments Division

The portfolio files its complete schedule of portfolio holdings with the Securities and Exchange Commission ("SEC") for the first and third quarters of each fiscal year on Form N-Q. The portfolio's Forms N-Q are available on the SEC's website at <http://www.sec.gov> and may be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

A description of the policies and procedures that the portfolio uses to determine how to vote proxies relating to portfolio securities, and information regarding how the portfolio voted these proxies for the 12-month period ended June 30, 2009, is available at <http://www.dreyfus.com> and on the SEC's website at <http://www.sec.gov>. The description of the policies and procedures is also available without charge, upon request, by calling 1-800-645-6561.



The Dreyfus Socially Responsible Growth Fund, Inc.

SEMIANNUAL REPORT June 30, 2009



BNY MELLON
ASSET MANAGEMENT

Dreyfus

The views expressed in this report reflect those of the portfolio manager only through the end of the period covered and do not necessarily represent the views of Dreyfus or any other person in the Dreyfus organization. Any such views are subject to change at any time based upon market or other conditions and Dreyfus disclaims any responsibility to update such views. These views may not be relied on as investment advice and, because investment decisions for a Dreyfus fund are based on numerous factors, may not be relied on as an indication of trading intent on behalf of any Dreyfus fund.

Not FDIC-Insured • Not Bank-Guaranteed • May Lose Value

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A LETTER FROM THE CHAIRMAN AND CEO

Dear Shareholder:

We are pleased to present this semiannual report for The Dreyfus Socially Responsible Growth Fund, Inc., covering the six-month period from January 1, 2009, through June 30, 2009.

The severe recession and banking crisis that dominated the financial markets at the start of 2009 appear to have moderated as of mid-year. Previously frozen credit markets have thawed, giving businesses access to the capital they need to grow. After reaching multi-year lows in early March, equities staged an impressive rally, enabling most major stock market indices to end the six-month reporting period close to where they began. While the U.S. economy remains weak overall, we have seen encouraging evidence of potential recovery, including a recovering housing market and improvements within certain manufacturing sectors. Meanwhile, inflation has remained tame in the face of high unemployment and unused manufacturing capacity.

Although these developments give us reasons for optimism, we remain cautious due to the speed and magnitude of the stock market's 2009 rebound. Indeed, the market's advance was led mainly by lower-quality stocks when investors developed renewed appetites for risk. We would prefer to see a steadier rise in stock prices supported by more concrete economic data, as the rapid rise increases the possibility that profit-taking could move the market lower. In uncertain markets such as this one, even the most seasoned investors can benefit from professional counsel. To determine how your investments should be positioned for the challenges and opportunities that lie ahead, we continue to stress that you talk regularly with your financial advisor.

For information about how the fund performed during the reporting period, as well as market perspectives, we have provided a Discussion of Fund Performance given by the Portfolio Manager.

Thank you for your continued confidence and support.

Sincerely,

Jonathan R. Baum
Chairman and Chief Executive Officer
The Dreyfus Corporation
July 15, 2009



DISCUSSION OF FUND PERFORMANCE

*For the period from January 1, 2009, through June 30, 2009, as provided by
Jocelin Reed, Portfolio Manager*

Fund and Market Performance Overview

For the six-month period ended June 30, 2009, The Dreyfus Socially Responsible Growth Fund's Initial shares produced a total return of 10.07%, and the fund's Service shares returned 9.92%.¹ In comparison, the fund's benchmark, the Standard & Poor's 500 Composite Stock Price Index ("S&P 500 Index"), produced a total return of 3.19% for the same period.²

U.S. stocks bounced back from earlier recession-related losses, ending the reporting period with modest gains. The fund participated fully in the market's recovery, significantly outperforming its benchmark due to an emphasis on technology stocks and certain energy-related industry groups.

The Fund's Investment Approach

The fund seeks capital growth, with current income as a secondary objective. To pursue these goals, the fund invests primarily in the common stocks of companies that, in our opinion, meet traditional investment standards while simultaneously conducting their businesses in a manner that contributes to the enhancement of the quality of life in America. In selecting stocks, we begin by using quantitative research to identify and rank stocks within an industry or sector. Next, based on fundamental analysis, we designate the most attractive of the higher ranked securities as potential purchase candidates. We then evaluate potential purchase candidates by industry or sector, to determine whether the company meets the fund's socially responsible investment criteria.

We next select investments from those companies that we consider to be the most attractive based on financial considerations. If there is more than one company to choose from, we can select stocks of companies that we consider to have records that exhibit positive accomplishments in the fund's areas of social concern.

The fund normally focuses on large-cap growth stocks; however, we may emphasize different types of growth-oriented stocks and different market capitalizations within the large-capitalization range as market conditions warrant. The fund also may invest in value-oriented stocks, midcap stocks and small-cap stocks.

Renewed Market Stability and Confidence

In January and February 2009, equity markets continued to experience the steep declines that characterized much of 2008 amid a deep and prolonged recession that had been exacerbated by a crisis in global credit markets. However, the U.S. stock market began to rally in March on the strength of improving credit conditions and expectations of economic stabilization. Stocks rebounded through June, wiping out losses sustained early in the reporting period.

Energy and Technology Stocks Powered the Fund's Gains

The fund generated strong returns in the energy sector, compared to a slight loss for the benchmark's energy stocks. Rising oil prices created a favorable environment for exploration-and-production companies and energy services providers, areas the fund emphasized. Some of the fund's stronger holdings included exploration-and-production companies Talisman Energy, Nexen and Southwestern Energy; offshore drilling service providers Noble and ENSCO International; and transportation specialist SEACOR Holdings.

Overweighted exposure to technology stocks enabled the fund to outperform its benchmark in the sector. Quantitative analysis showed relatively stable earnings in the information technology sector, where top performers included computer and peripheral companies, such as Apple and EMC; semiconductor manufacturers, such as Texas Instruments; communication equipment makers, such as QUALCOMM; and software developers, such as Microsoft. Among industrial stocks, one of the benchmark's weaker sectors during the reporting period, the fund limited losses by avoiding General Electric, which suffered as a result of credit exposure in its capital finance segment.

On a more negative note, the market's increasing appetite for risk undermined returns from some of the fund's more defensive holdings. Among financial stocks, traditionally defensive companies, such as insurers Chubb and Aflac, produced disappointing returns. Aflac was sold during the reporting period. Similarly, in the consumer staples sector, the fund's investment in Procter & Gamble underperformed the market.

Emphasizing Growth Stocks with Stable Earnings

As of June 30, 2009, we have continued to emphasize market sectors with relatively stable earnings growth, while de-emphasizing sectors exhibit-

ing high levels of earnings volatility. As a result, the fund has remained tilted toward growth stocks, including overweighted exposure to information technology stocks and underweighted positions in energy and financial stocks. In addition, our quantitative analysis indicates overvalued conditions among some of the market's largest companies. Consequently, while the fund remains a large-cap investment vehicle, its average market capitalization currently is smaller than that of the benchmark.

Benefiting from Environmental Regulation Developments

Environmental issues have long stood as a cornerstone of the fund's socially responsible investment criteria, as illustrated by several current holdings. The Environmental Protection Agency recently commended 3M for reducing its greenhouse gas emissions by 60% from 2002 through 2007, and the company has developed products to help customers meet environmental goals as well. Emerson Electric has established a leadership position in energy efficient power control systems. United Technologies has launched a wide range of environmental products and services, from the advanced design of aircraft engines in its Pratt & Whitney division to increased energy efficiency in its Carrier HVAC systems. We believe such companies are well positioned to benefit from growing momentum toward stronger federal regulation of greenhouse gas emissions.

For further information regarding the fund's approach to socially responsible investing, please consult the fund's prospectus.

July 15, 2009

The fund is only available as a funding vehicle under variable life insurance policies or variable annuity contracts issued by insurance companies. Individuals may not purchase shares of the fund directly. A variable annuity is an insurance contract issued by an insurance company that enables investors to accumulate assets on a tax-deferred basis for retirement or other long-term goals. The investment objective and policies of The Dreyfus Socially Responsible Growth Fund, Inc. made available through insurance products may be similar to other funds managed or advised by Dreyfus. However, the investment results of the fund may be higher or lower than, and may not be comparable to, those of any other Dreyfus fund.

¹ Total return includes reinvestment of dividends and any capital gains paid. Past performance is no guarantee of future results. Share price and investment return fluctuate such that upon redemption, fund shares may be worth more or less than their original cost. The fund's performance does not reflect the deduction of additional charges and expenses imposed in connection with investing in variable insurance contracts, which will reduce returns.

² SOURCE: LIPPER INC. — Reflects reinvestment of dividends and, where applicable, capital gain distributions. The Standard & Poor's 500 Composite Stock Price Index is a widely accepted, unmanaged index of U.S. stock market performance.

UNDERSTANDING YOUR FUND'S EXPENSES (Unaudited)

As a mutual fund investor, you pay ongoing expenses, such as management fees and other expenses. Using the information below, you can estimate how these expenses affect your investment and compare them with the expenses of other funds. You also may pay one-time transaction expenses, including sales charges (loads), redemption fees and expenses associated with variable annuity or insurance contracts, which are not shown in this section and would have resulted in higher total expenses. For more information, see your fund's prospectus or talk to your financial adviser.

Review your fund's expenses

The table below shows the expenses you would have paid on a \$1,000 investment in The Dreyfus Socially Responsible Growth Fund, Inc. from January 1, 2009 to June 30, 2009. It also shows how much a \$1,000 investment would be worth at the close of the period, assuming actual returns and expenses.

Expenses and Value of a \$1,000 Investment		
assuming actual returns for the six months ended June 30, 2009		
	Initial Shares	Service Shares
Expenses paid per \$1,000 [†]	\$ 4.79	\$ 6.14
Ending value (after expenses)	\$1,100.70	\$1,099.20

COMPARING YOUR FUND'S EXPENSES WITH THOSE OF OTHER FUNDS (Unaudited)

Using the SEC's method to compare expenses

The Securities and Exchange Commission (SEC) has established guidelines to help investors assess fund expenses. Per these guidelines, the table below shows your fund's expenses based on a \$1,000 investment, assuming a hypothetical 5% annualized return. You can use this information to compare the ongoing expenses (but not transaction expenses or total cost) of investing in the fund with those of other funds. All mutual fund shareholder reports will provide this information to help you make this comparison. Please note that you cannot use this information to estimate your actual ending account balance and expenses paid during the period.

Expenses and Value of a \$1,000 Investment		
assuming a hypothetical 5% annualized return for the six months ended June 30, 2009		
	Initial Shares	Service Shares
Expenses paid per \$1,000 [†]	\$ 4.61	\$ 5.91
Ending value (after expenses)	\$1,020.23	\$1,018.94

[†] Expenses are equal to the fund's annualized expense ratio of .92% for Initial shares and 1.18% for Service shares, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period).

STATEMENT OF INVESTMENTS

June 30, 2009 (Unaudited)

Common Stocks—99.7%	Shares	Value (\$)
Consumer Discretionary—9.2%		
Choice Hotels International	55,775 ^a	1,484,173
Coach	89,150	2,396,352
DeVry	25,100	1,256,004
DreamWorks Animation SKG, Cl. A	54,450 ^b	1,502,275
Gap	170,175	2,790,870
McDonald's	39,950	2,296,725
NIKE, Cl. B	26,175	1,355,342
Priceline.com	17,700 ^b	1,974,435
TJX Cos.	77,300	2,431,858
Weight Watchers International	28,800	742,176
		18,230,210
Consumer Staples—11.8%		
Bare Escentuals	44,450 ^b	394,271
Costco Wholesale	72,225	3,300,682
Hansen Natural	47,400 ^b	1,460,868
Kimberly-Clark	60,500	3,172,015
PepsiCo	126,275	6,940,074
Procter & Gamble	101,425	5,182,817
SYSCO	64,325	1,446,026
Unilever (NY Shares)	61,300	1,482,234
		23,378,987
Energy—9.1%		
Apache	18,200	1,313,130
EnCana	22,750	1,125,442
ENSCO International	48,275	1,683,349
EOG Resources	21,400	1,453,488
Nexen	94,875	2,054,044
Noble	101,475	3,069,619
SEACOR Holdings	27,100 ^b	2,039,004
Southwestern Energy	68,600 ^b	2,665,110
Talisman Energy	178,500	2,550,765
		17,953,951
Financial—6.4%		
Chubb	41,425	1,652,029
Cincinnati Financial	69,250	1,547,737
Cullen/Frost Bankers	17,600	811,712
Discover Financial Services	212,500	2,182,375

STATEMENT OF INVESTMENTS (Unaudited) (continued)

Common Stocks (continued)	Shares	Value (\$)
Financial (continued)		
Eaton Vance	73,750	1,972,812
Goldman Sachs Group	6,900	1,017,336
JPMorgan Chase & Co.	51,600	1,760,076
Travelers Cos.	43,850	1,799,604
		12,743,681
Health Care—14.3%		
Aetna	71,725	1,796,711
Alcon	15,225	1,767,927
Amgen	77,700 ^b	4,113,438
AstraZeneca, ADR	43,450 ^a	1,917,883
Becton, Dickinson & Co.	59,075	4,212,638
Genzyme	66,700 ^b	3,713,189
Johnson & Johnson	79,700	4,526,960
Novartis, ADR	23,375	953,466
WellPoint	78,700 ^b	4,005,043
Zimmer Holdings	29,825 ^b	1,270,545
		28,277,800
Industrial—13.3%		
3M	47,900	2,878,790
Danaher	26,750	1,651,545
Donaldson	23,300 ^a	807,112
Dun & Bradstreet	18,900	1,534,869
Emerson Electric	124,050	4,019,220
Equifax	39,425	1,028,993
Fluor	25,400	1,302,766
Herman Miller	88,000	1,349,920
Nordson	25,000	966,500
Rockwell Collins	67,550	2,818,862
Ryder System	21,225	592,602
Tyco International	55,700	1,447,086
United Technologies	100,675	5,231,073
Wabtec	22,950 ^a	738,302
		26,367,640
Materials—2.0%		
Nucor	36,975	1,642,799
Praxair	33,300	2,366,631
		4,009,430

Common Stocks (continued)	Shares	Value (\$)
Software—7.3%		
Cisco Systems	252,850 ^b	4,713,124
Microsoft	405,200	9,631,604
		14,344,728
Technology—22.0%		
Accenture, Cl. A	87,075	2,913,530
Apple	47,500 ^b	6,765,425
Avnet	45,900 ^b	965,277
EMC	174,150 ^b	2,281,365
Google, Cl. A	9,225 ^b	3,889,168
Intel	62,325	1,031,479
International Business Machines	82,550	8,619,871
National Semiconductor	108,200 ^a	1,357,910
Oracle	89,250	1,911,735
QUALCOMM	105,300	4,759,560
STMicroelectronics (New York Shares)	85,475 ^a	641,917
Sybase	45,400 ^b	1,422,836
Symantec	79,750 ^b	1,240,910
Texas Instruments	195,525	4,164,683
Western Union	93,500	1,533,400
		43,499,066
Telecommunication Services—.7%		
Windstream	160,000	1,337,600
Utilities—3.6%		
FPL Group	26,200	1,489,732
Pinnacle West Capital	51,150	1,542,173
Sempra Energy	65,000	3,225,950
WGL Holdings	27,475	879,750
		7,137,605
Total Common Stocks		
(cost \$219,853,356)		197,280,698
Other Investment—.3%		
Registered Investment Company;		
Dreyfus Institutional Preferred Plus Money Market Fund (cost \$555,000)	555,000 ^c	555,000

STATEMENT OF INVESTMENTS (Unaudited) (continued)

Investment of Cash Collateral for Securities Loaned—3.0%	Shares	Value (\$)
Registered Investment Company;		
Dreyfus Institutional Cash Advantage Plus Fund (cost \$5,897,743)	5,897,743 ^c	5,897,743
Total Investments (cost \$226,306,099)	103.0%	203,733,441
Liabilities, Less Cash and Receivables	(3.0%)	(5,855,481)
Net Assets	100.0%	197,877,960

ADR—American Depository Receipts

^a All or a portion of these securities are on loan. At June 30, 2009, the total market value of the fund's securities on loan is \$5,681,236 and the total market value of the collateral held by the fund is \$5,897,743.

^b Non-income producing security.

^c Investment in affiliated money market mutual fund.

Portfolio Summary (Unaudited)[†]			
	Value (%)		Value (%)
Technology	22.0	Financial	6.4
Health Care	14.3	Utilities	3.6
Industrial	13.3	Money Market Investments	3.3
Consumer Staples	11.8	Materials	2.0
Consumer Discretionary	9.2	Telecommunication Services	.7
Energy	9.1		
Software	7.3		103.0

[†] Based on net assets.

See notes to financial statements.

STATEMENT OF ASSETS AND LIABILITIES

June 30, 2009 (Unaudited)

	Cost	Value
Assets (\$):		
Investments in securities—See Statement of Investments (including securities on loan, valued at \$5,681,236)—Note 1(b):		
Unaffiliated issuers	219,853,356	197,280,698
Affiliated issuers	6,452,743	6,452,743
Cash		106,102
Dividends and interest receivable		237,130
Receivable for shares of Common Stock subscribed		18,153
Prepaid expenses		2,016
		204,096,842
Liabilities (\$):		
Due to The Dreyfus Corporation and affiliates—Note 3(c)		132,700
Liability for securities on loan—Note 1(b)		5,897,743
Payable for shares of Common Stock redeemed		111,474
Accrued expenses		76,965
		6,218,882
Net Assets (\$)		197,877,960
Composition of Net Assets (\$):		
Paid-in capital		410,487,018
Accumulated undistributed investment income—net		1,195,502
Accumulated net realized gain (loss) on investments		(191,231,902)
Accumulated net unrealized appreciation (depreciation) on investments		(22,572,658)
Net Assets (\$)		197,877,960
Net Asset Value Per Share		
	Initial Shares	Service Shares
Net Assets (\$)	192,708,112	5,169,848
Shares Outstanding	8,919,160	240,473
Net Asset Value Per Share (\$)	21.61	21.50

See notes to financial statements.

STATEMENT OF OPERATIONS

Six Months Ended June 30, 2009 (Unaudited)

Investment Income (\$):	
Income:	
Cash dividends (net of \$23,299 foreign taxes withheld at source):	
Unaffiliated issuers	1,951,453
Affiliated issuers	976
Interest	68,426
Income from securities lending	13,633
Total Income	2,034,488
Expenses:	
Investment advisory fee—Note 3(a)	680,209
Custodian fees—Note 3(c)	49,952
Professional fees	49,439
Prospectus and shareholders' reports	39,135
Distribution fees—Note 3(b)	6,021
Directors' fees and expenses—Note 3(d)	2,719
Loan commitment fees—Note 2	1,558
Shareholder servicing costs—Note 3(c)	1,126
Interest expense—Note 2	82
Miscellaneous	7,191
Total Expenses	837,432
Less—reduction in fees due to earnings credits—Note 1(b)	(96)
Net Expenses	837,336
Investment Income—Net	1,197,152
Realized and Unrealized Gain (Loss) on Investments—Note 4 (\$):	
Net realized gain (loss) on investments	(6,579,647)
Net unrealized appreciation (depreciation) on investments	23,080,706
Net Realized and Unrealized Gain (Loss) on Investments	16,501,059
Net Increase in Net Assets Resulting from Operations	17,698,211

See notes to financial statements.

STATEMENT OF CHANGES IN NET ASSETS

	Six Months Ended June 30, 2009 (Unaudited)	Year Ended December 31, 2008
Operations (\$):		
Investment income—net	1,197,152	1,924,020
Net realized gain (loss) on investments	(6,579,647)	(5,535,657)
Net unrealized appreciation (depreciation) on investments	23,080,706	(103,155,450)
Net Increase (Decrease) in Net Assets Resulting from Operations	17,698,211	(106,767,087)
Dividends to Shareholders from (\$):		
Investment income—net:		
Initial Shares	(1,888,082)	(2,021,732)
Service Shares	(34,740)	(31,418)
Total Dividends	(1,922,822)	(2,053,150)
Capital Stock Transactions (\$):		
Net proceeds from shares sold:		
Initial Shares	4,198,591	12,630,551
Service Shares	314,470	811,221
Dividends reinvested:		
Initial Shares	1,888,082	2,021,732
Service Shares	34,740	31,418
Cost of shares redeemed:		
Initial Shares	(13,537,584)	(55,187,880)
Service Shares	(616,644)	(1,903,000)
Increase (Decrease) in Net Assets from Capital Stock Transactions	(7,718,345)	(41,595,958)
Total Increase (Decrease) in Net Assets	8,057,044	(150,416,195)
Net Assets (\$):		
Beginning of Period	189,820,916	340,237,111
End of Period	197,877,960	189,820,916
Undistributed investment income—net	1,195,502	1,921,172

STATEMENT OF CHANGES IN NET ASSETS *(continued)*

	Six Months Ended June 30, 2009 (Unaudited)	Year Ended December 31, 2008
Capital Share Transactions:		
Initial Shares		
Shares sold	214,140	484,731
Shares issued for dividends reinvested	103,912	73,812
Shares redeemed	(704,893)	(2,115,136)
Net Increase (Decrease) in Shares Outstanding	(386,841)	(1,556,593)
Service Shares		
Shares sold	16,339	30,883
Shares issued for dividends reinvested	1,920	1,154
Shares redeemed	(31,866)	(72,946)
Net Increase (Decrease) in Shares Outstanding	(13,607)	(40,909)

See notes to financial statements.

FINANCIAL HIGHLIGHTS

The following tables describe the performance for each share class for the fiscal periods indicated. All information (except portfolio turnover rate) reflects financial results for a single fund share. Total return shows how much your investment in the fund would have increased (or decreased) during each period, assuming you had reinvested all dividends and distributions. The fund's total returns do not reflect expenses associated with variable annuity or insurance contracts. These figures have been derived from the fund's financial statements.

Initial Shares	Six Months Ended	Year Ended December 31,				
	June 30, 2009 (Unaudited)	2008	2007	2006	2005	2004
Per Share Data (\$):						
Net asset value, beginning of period	19.86	30.50	28.45	26.08	25.17	23.79
Investment Operations:						
Investment income—net ^a	.13	.19	.17	.13	.03	.09
Net realized and unrealized gain (loss) on investments	1.83	(10.64)	2.04	2.27	.88	1.39
Total from Investment Operations	1.96	(10.45)	2.21	2.40	.91	1.48
Distributions:						
Dividends from investment income—net	(.21)	(.19)	(.16)	(.03)	—	(.10)
Net asset value, end of period	21.61	19.86	30.50	28.45	26.08	25.17
Total Return (%)	10.07 ^b	(34.42)	7.78	9.20	3.62	6.21
Ratios/Supplemental Data (%):						
Ratio of total expenses to average net assets	.92 ^c	.85	.82	.83	.81	.82
Ratio of net expenses to average net assets	.92 ^{c,d}	.85 ^d	.82	.83	.81	.82
Ratio of net investment income to average net assets	1.33 ^c	.72	.58	.50	.10	.38
Portfolio Turnover Rate	14.68 ^b	31.74	22.71	32.19	94.99	55.54
Net Assets, end of period (\$ x 1,000)	192,708	184,813	331,313	374,537	418,916	488,994

^a Based on average shares outstanding at each month end.

^b Not annualized.

^c Annualized.

^d Expense waivers and/or reimbursements amounted to less than .01%.

See notes to financial statements.

FINANCIAL HIGHLIGHTS (continued)

Service Shares	Six Months Ended	Year Ended December 31,				
	June 30, 2009 (Unaudited)	2008	2007	2006	2005	2004
Per Share Data (\$):						
Net asset value, beginning of period	19.71	30.25	28.21	25.90	25.06	23.69
Investment Operations:						
Investment income (loss)—net ^a	.10	.12	.10	.07	(.04)	.04
Net realized and unrealized gain (loss) on investments	1.83	(10.55)	2.02	2.24	.88	1.37
Total from Investment Operations	1.93	(10.43)	2.12	2.31	.84	1.41
Distributions:						
Dividends from investment income—net	(.14)	(.11)	(.08)	—	—	(.04)
Net asset value, end of period	21.50	19.71	30.25	28.21	25.90	25.06
Total Return (%)	9.92 ^b	(34.58)	7.49	8.96	3.35	5.94
Ratios/Supplemental Data (%):						
Ratio of total expenses to average net assets	1.18 ^c	1.10	1.07	1.08	1.06	1.06
Ratio of net expenses to average net assets	1.18 ^c	1.10 ^d	1.07	1.08	1.06	1.06
Ratio of net investment income (loss) to average net assets	1.07 ^c	.47	.33	.25	(.15)	.17
Portfolio Turnover Rate	14.68 ^b	31.74	22.71	32.19	94.99	55.54
Net Assets, end of period (\$ x 1,000)	5,170	5,008	8,924	11,372	12,311	13,492

^a Based on average shares outstanding at each month end.

^b Not annualized.

^c Annualized.

^d Expense waivers and/or reimbursements amounted to less than .01%.

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS (Unaudited)

NOTE 1—Significant Accounting Policies:

The Dreyfus Socially Responsible Growth Fund, Inc. (the “fund”) is registered under the Investment Company Act of 1940, as amended (the “Act”), as a diversified open-end management investment company. The fund’s investment objective is to provide capital growth, with current income as a secondary goal through equity investments in companies that not only meet traditional investment standards, but which also show evidence that they conduct their business in a manner that contributes to the enhancement of the quality of life in America. The fund is only offered to separate accounts established by insurance companies to fund variable annuity contracts and variable life insurance policies. The Dreyfus Corporation (the “Manager” or “Dreyfus”), a wholly-owned subsidiary of The Bank of New York Mellon Corporation (“BNY Mellon”), serves as the fund’s investment adviser.

MBSC Securities Corporation (the “Distributor”), a wholly-owned subsidiary of the Manager, is the distributor of the fund’s shares, which are sold without a sales charge. The fund is authorized to issue 300 million shares of \$.001 par value Common Stock in each of the following classes of shares: Initial shares (150 million shares authorized) and Service shares (150 million shares authorized). Initial shares are subject to a shareholder services fee and Service shares are subject to a distribution fee. Each class of shares has identical rights and privileges, except with respect to the shareholder services plan, the distribution plan, and the expenses borne by each class, the allocation of certain transfer agency costs and certain voting rights. Income, expenses (other than expenses attributable to a specific class), and realized and unrealized gains or losses on investments are allocated to each class of shares based on its relative net assets.

The fund’s financial statements are prepared in accordance with U.S. generally accepted accounting principles, which may require the use of management estimates and assumptions. Actual results could differ from those estimates.

The fund enters into contracts that contain a variety of indemnifications. The fund's maximum exposure under these arrangements is unknown. The fund does not anticipate recognizing any loss related to these arrangements.

(a) Portfolio valuation: Investments in securities are valued at the last sales price on the securities exchange or national securities market on which such securities are primarily traded. Securities listed on the National Market System for which market quotations are available, are valued at the official closing price or, if there is no official closing price that day, at the last sales price. Securities not listed on an exchange or the national securities market, or securities for which there were no transactions, are valued at the average of the most recent bid and asked prices, except for open short positions, where the asked price is used for valuation purposes. Bid price is used when no asked price is available. Registered investment companies that are not traded on an exchange are valued at their net asset value. When market quotations or official closing prices are not readily available, or are determined not to reflect accurately fair value, such as when the value of a security has been significantly affected by events after the close of the exchange or market on which the security is principally traded (for example, a foreign exchange or market), but before the fund calculates its net asset value, the fund may value these investments at fair value as determined in accordance with the procedures approved by the Board of Directors. Fair valuing of securities may be determined with the assistance of a pricing service using calculations based on indices of domestic securities and other appropriate indicators, such as prices of relevant ADRs and futures contracts. For other securities that are fair valued by the Board of Directors, certain factors may be considered such as: fundamental analytical data, the nature and duration of restrictions on disposition, an evaluation of the forces that influence the market in which the securities are purchased and sold and public trading in similar securities of the issuer or comparable issuers.

The fund adopted Statement of Financial Accounting Standards No. 157 "Fair Value Measurements" ("FAS 157"). FAS 157 establishes an author-

itative definition of fair value, sets out a framework for measuring fair value, and requires additional disclosures about fair value measurements.

Various inputs are used in determining the value of the fund's investments relating to FAS 157. These inputs are summarized in the three broad levels listed below.

Level 1—quoted prices in active markets for identical investments.

Level 2—other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

Level 3—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 June 30, 2009 in valuing the fund's investments:

	Level 1— Quoted Prices	Level 2—Other Significant Observable Inputs	Level 3— Significant Unobservable Inputs	Total
Assets (\$)				
Investment in Securities:				
Equity Securities—				
Domestic	194,409,349	—	—	194,409,349
Equity Securities—				
Foreign	2,871,349	—	—	2,871,349
Mutual Funds	6,452,743	—	—	6,452,743
Other Financial Instruments†				
Liabilities (\$)				
Other Financial Instruments†	—	—	—	—

† Other financial instruments include derivative instruments, such as futures, forward foreign currency exchange contracts, swap contracts and options contracts. Amounts shown represent unrealized appreciation (depreciation), or in the case of options, market value at period end.

(b) Securities transactions and investment income: Securities transactions are recorded on a trade date basis. Realized gains and losses from securities transactions are recorded on the identified cost basis. Dividend income is recognized on the ex-dividend date and interest income, including, where applicable, accretion of discount and amortization of premium on investments, is recognized on the accrual basis.

The fund has arrangements with the custodian and cash management bank whereby the fund may receive earnings credits when positive cash balances are maintained, which are used to offset custody and cash management fees. For financial reporting purposes, the fund includes net earnings credits as an expense offset in the Statement of Operations.

Pursuant to a securities lending agreement with The Bank of New York Mellon, a subsidiary of BNY Mellon and an affiliate of Dreyfus, the fund may lend securities to qualified institutions. It is the fund's policy that, at origination, all loans are secured by collateral of at least 102% of the value of U.S. securities loaned and 105% of the value of foreign securities loaned. Collateral equivalent to at least 100% of the market value of securities on loan will be maintained at all times. Collateral is either in the form of cash, which can be invested in certain money market mutual funds managed by the Manager, U.S. Government and Agency securities or letters of credit. The fund is entitled to receive all income on securities loaned, in addition to income earned as a result of the lending transaction. Although each security loaned is fully collateralized, the fund bears the risk of delay in recovery of, or loss of rights in, the securities loaned should a borrower fail to return the securities in a timely manner. During the period ended June 30, 2009, The Bank of New York Mellon earned \$5,843 from lending fund portfolio securities, pursuant to the securities lending agreement.

(c) Affiliated issuers: Investments in other investment companies advised by the Manager are defined as "affiliated" in the Act.

(d) Dividends to shareholders: Dividends are recorded on the ex-dividend date. Dividends from investment income-net and dividends from

net realized capital gains, if any, are normally declared and paid annually, but the fund may make distributions on a more frequent basis to comply with the distribution requirements of the Internal Revenue Code of 1986, as amended (the “Code”). To the extent that net realized capital gains can be offset by capital loss carryovers, it is the policy of the fund not to distribute such gains. Income and capital gain distributions are determined in accordance with income tax regulations, which may differ from U.S. generally accepted accounting principles.

(e) Federal income taxes: It is the policy of the fund to continue to qualify as a regulated investment company, if such qualification is in the best interests of its shareholders, by complying with the applicable provisions of the Code, and to make distributions of taxable income sufficient to relieve it from substantially all federal income and excise taxes.

As of and during the period ended June 30, 2009, the fund did not have any liabilities for any uncertain tax positions. The fund recognizes interest and penalties, if any, related to uncertain tax positions as income tax expense in the Statement of Operations. During the period, the fund did not incur any interest or penalties.

Each of the tax years in the three-year period ended December 31, 2008 remains subject to examination by the Internal Revenue Service and state taxing authorities.

The fund has an unused capital loss carryover of \$173,924,909 available for federal income tax purposes to be applied against future net securities profits, if any, realized subsequent to December 31, 2008. If not applied, \$50,319,693 of the carryover expires in fiscal 2009, \$103,833,733 expires in fiscal 2010 and \$19,771,483 expires in fiscal 2011.

The tax character of distributions paid to shareholders during the fiscal year ended December 31, 2008 was as follows: ordinary income \$2,053,150. The tax character of current year distributions will be determined at the end of the current fiscal year.

NOTE 2—Bank Lines of Credit:

The fund participates with other Dreyfus-managed funds in a \$145 million unsecured credit facility led by Citibank, N.A. and a \$300 million unsecured credit facility provided by The Bank of New York Mellon (each, a “Facility”), each to be utilized primarily for temporary or emergency purposes, including the financing of redemptions. In connection therewith, the fund has agreed to pay its pro rata portion of Facility fees for each Facility. Interest is charged to the fund based on rates determined pursuant to the terms of the respective Facility at the time of borrowing.

The average daily amount of borrowing outstanding under the Facilities during the period ended June 30, 2009 was approximately \$10,700, with a related weighted average annualized interest rate of 1.56%.

NOTE 3—Investment Advisory Fee and Other Transactions with Affiliates:

(a) Pursuant to an Investment Advisory Agreement with the Manager, the investment advisory fee is computed at the annual rate of .75% of the value of the fund’s average daily net assets and is payable monthly.

(b) Under the Distribution Plan (the “Plan”) adopted pursuant to Rule 12b-1 under the Act, Service shares pay the Distributor for distributing their shares, for servicing and/or maintaining Service shares shareholder accounts and for advertising and marketing for Service shares. The Plan provides for payments to be made at an annual rate of .25% of the value of the Service shares’ average daily net assets. The Distributor may make payments to Participating Insurance Companies and to brokers and dealers acting as principal underwriter for their variable insurance products. The fees payable under the Plan are payable without regard to actual expenses incurred. During the period ended June 30, 2009, Service shares were charged \$6,021 pursuant to the Plan.

(c) Under the Shareholder Services Plan, Initial shares reimburse the Distributor an amount not to exceed an annual rate of .25% of the

value of the Initial shares' average daily net assets for certain allocated expenses with respect to servicing and/or maintaining Initial shares shareholder accounts.

The fund compensates Dreyfus Transfer, Inc., a wholly-owned subsidiary of the Manager, under a transfer agency agreement for providing personnel and facilities to perform transfer agency services for the fund. During the period ended June 30, 2009, the fund was charged \$633 pursuant to the transfer agency agreement.

The fund compensates The Bank of New York Mellon under a cash management agreement for performing cash management services related to fund subscriptions and redemptions. During the period ended June 30, 2009, the fund was charged \$96 pursuant to the cash management agreement. These fees were offset by earnings credits pursuant to the cash management agreement.

The fund also compensates The Bank of New York Mellon under a custody agreement for providing custodial services for the fund. During the period ended June 30, 2009, the fund was charged \$49,952 pursuant to the custody agreement

During the period ended June 30, 2009, the fund was charged \$3,341 for services performed by the Chief Compliance Officer.

The components of "Due to The Dreyfus Corporation and affiliates" in the Statement of Assets and Liabilities consist of: investment advisory fees \$123,612, Rule 12b-1 distribution plan fees \$1,088, shareholder services plan fees \$2,000, custodian fees \$4,160, chief compliance officer fees \$1,670 and transfer agency per account fees \$170.

(d) Each Board member also serves as a Board member of other funds within the Dreyfus complex. Annual retainer fees and attendance fees are allocated to each fund based on net assets.

NOTE 4—Securities Transactions:

The aggregate amount of purchases and sales of investment securities, excluding short-term securities, during the period ended June 30, 2009, amounted to \$26,769,939 and \$32,608,296, respectively.

The fund adopted FASB Statement of Financial Accounting Standards No. 161 “Disclosures about Derivative Instruments and Hedging Activities” (“FAS 161”). FAS 161 requires qualitative disclosures about objectives and strategies for using derivatives, quantitative disclosures about fair value amounts of gains and losses on derivative instruments and disclosures about credit-risk-related contingent features in derivative agreements. Since the fund held no derivatives during the period ended June 30, 2009, FAS 161 disclosures did not impact the notes to the financial statements.

At June 30, 2009, accumulated net unrealized depreciation on investments was \$22,572,658, consisting of \$7,973,087 gross unrealized appreciation and \$30,545,745 gross unrealized depreciation.

At June 30, 2009, the cost of investments for federal income tax purposes was substantially the same as the cost for financial reporting purposes (see the Statement of Investments).

NOTE 5—Subsequent Events Evaluation:

Dreyfus has evaluated the need for disclosures and/or adjustments resulting from subsequent events through the date of issuance of the financial statements. This evaluation did not result in any subsequent events that necessitated disclosures and/or adjustments.

For More Information

**The Dreyfus Socially Responsible
Growth Fund, Inc.**

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New York, NY 10166

Investment Adviser

The Dreyfus Corporation
200 Park Avenue
New York, NY 10166

Custodian

The Bank of New York Mellon
One Wall Street
New York, NY 10286

**Transfer Agent &
Dividend Disbursing Agent**

Dreyfus Transfer, Inc.
200 Park Avenue
New York, NY 10166

Distributor

MBSC Securities Corporation
200 Park Avenue
New York, NY 10166

Telephone 1-800-554-4611 or 1-516-338-3300

Mail The Dreyfus Family of Funds, 144 Glenn Curtiss Boulevard, Uniondale, NY 11556-0144
Attn: Investments Division

The fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission ("SEC") for the first and third quarters of each fiscal year on Form N-Q. The fund's Forms N-Q are available on the SEC's website at <http://www.sec.gov> and may be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

A description of the policies and procedures that the fund uses to determine how to vote proxies relating to portfolio securities, and information regarding how the fund voted these proxies for the 12-month period ended June 30, 2009, is available at <http://www.dreyfus.com> and on the SEC's website at <http://www.sec.gov>. The description of the policies and procedures is also available without charge, upon request, by calling 1-800-645-6561.



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June 30, 2009

SEMIANNUAL REPORT

DWS INVESTMENTS VIT FUNDS

DWS Equity 500 Index VIP

RESHAPING INVESTING.



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This report must be preceded or accompanied by a prospectus. To obtain an additional prospectus, call (800) 778-1482 or your financial representative. We advise you to consider the portfolio's objectives, risks, charges and expenses carefully before investing. The prospectus contains this and other important information about the portfolio. Please read the prospectus carefully before you invest.

The Portfolio may not be able to mirror the S&P 500[®] closely enough to track its performance for several reasons, including the Portfolio's cost to buy and sell securities, the flow of money into and out of the Portfolio, and the potential underperformance of stocks selected. This Portfolio is subject to stock market risk, meaning stocks in the Portfolio may decline in value for extended periods due to the activities and financial prospects of individual companies, or due to general market and economic conditions. Additionally, derivatives may be more volatile and less liquid than traditional securities, and the Portfolio could suffer losses on its derivatives positions. All of these factors may result in greater share price volatility. Please read the prospectus for specific details regarding the Portfolio's risk profile.

"Standard & Poor's," "S&P," "S&P 500," "Standard & Poor's 500" and "500" are trademarks of The McGraw-Hill Companies, Inc., and have been licensed for use by the Portfolio's advisor. DWS Equity 500 Index VIP is not sponsored, endorsed, sold, nor promoted by Standard & Poor's, and Standard & Poor's makes no representation regarding the advisability of investing in the Portfolio. There is no guarantee that the Portfolio will be able to mirror the S&P 500 index closely enough to track its performance.

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Performance Summary

June 30, 2009

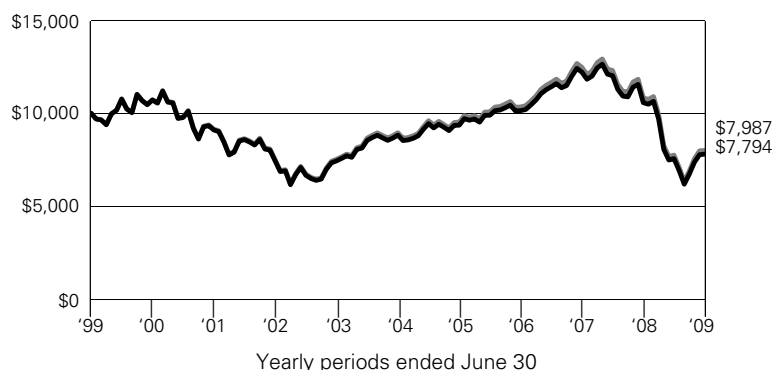
All performance shown is historical, assumes reinvestment of all dividend and capital gain distributions, and does not guarantee future results. Investment return and principal value fluctuate with changing market conditions so that, when sold, shares may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Please contact your participating insurance company for the Portfolio's most recent month-end performance. Performance figures for Classes A, B and B2 differ because each class maintains a distinct expense structure. Performance doesn't reflect charges and fees ("contract charges") associated with the separate account that invests in the Portfolio or any variable life insurance policy or variable annuity contract for which the Portfolio is an investment option. These charges and fees will reduce returns.

The total annual portfolio operating expense ratios, gross of any fee waivers or expense reimbursements, as stated in the fee table of the prospectus dated May 1, 2009 are .33%, .58% and .72% for Class A, Class B and Class B2 shares, respectively. Please see the Information About Your Portfolio's Expenses, the Financial Highlights and Notes to the Financial Statements (Note C, Related Parties) sections of this report for gross and net expense-related disclosure for the period ended June 30, 2009.

Portfolio returns during all periods shown reflect a fee waiver/and or reimbursement. Without this waiver/reimbursement, returns would have been lower.

Growth of an Assumed \$10,000 Investment

■ DWS Equity 500 Index VIP — Class A
■ S&P 500® Index



The Standard & Poor's (S&P) 500® Index is an unmanaged, capitalization-weighted index of 500 stocks. The index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

Index returns assume reinvestment of dividends and, unlike portfolio returns, do not reflect any fees or expenses. It is not possible to invest directly into an index.

Comparative Results (as of June 30, 2009)

DWS Equity 500 Index VIP		6-Month [‡]	1-Year	3-Year	5-Year	10-Year
Class A	Growth of \$10,000	\$10,320	\$7,377	\$7,693	\$8,842	\$7,794
	Average annual total return	3.20%	-26.23%	-8.37%	-2.43%	-2.46%
S&P 500 Index	Growth of \$10,000	\$10,316	\$7,379	\$7,730	\$8,928	\$7,987
	Average annual total return	3.16%	-26.21%	-8.22%	-2.24%	-2.22%
DWS Equity 500 Index VIP		6-Month [‡]	1-Year	3-Year	5-Year	Life of Class [*]
Class B	Growth of \$10,000	\$10,305	\$7,353	\$7,629	\$8,723	\$9,488
	Average annual total return	3.05%	-26.47%	-8.63%	-2.69%	-.73%
S&P 500 Index	Growth of \$10,000	\$10,316	\$7,379	\$7,730	\$8,928	\$9,829
	Average annual total return	3.16%	-26.21%	-8.22%	-2.24%	-.24%
DWS Equity 500 Index VIP		6-Month [‡]	1-Year	3-Year	5-Year	Life of Class ^{**}
Class B2	Growth of \$10,000	\$10,294	\$7,340	\$7,605	N/A	\$7,879
	Average annual total return	2.94%	-26.60%	-8.72%	N/A	-6.10%
S&P 500 Index	Growth of \$10,000	\$10,316	\$7,379	\$7,730	N/A	\$8,105
	Average annual total return	3.16%	-26.21%	-8.22%	N/A	-5.45%

The growth of \$10,000 is cumulative.

[‡] Total returns shown for periods less than one year are not annualized.

^{*} The Portfolio commenced offering Class B shares on April 30, 2002. Index returns began on April 30, 2002.

^{**} The Portfolio commenced offering Class B2 shares on September 16, 2005. Index returns began on September 30, 2005.

Information About Your Portfolio's Expenses

As an investor of the Portfolio, you incur two types of costs: ongoing expenses and transaction costs. Ongoing expenses include management fees, distribution and service (12b-1) fees and other Portfolio expenses. Examples of transaction costs include contract charges, redemption fees and account maintenance fees, which are not shown in this section. The following tables are intended to help you understand your ongoing expenses (in dollars) of investing in the Portfolio and to help you compare these expenses with the ongoing expenses of investing in other mutual funds. In the most recent period, the Portfolio limited these expenses; had it not done so, expenses would have been higher. The example in the table is based on an investment of \$1,000 invested at the beginning of the six-month period and held for the entire period (January 1, 2009 to June 30, 2009).

The tables illustrate your Portfolio's expenses in two ways:

- Actual Portfolio Return.** This helps you estimate the actual dollar amount of ongoing expenses (but not transaction costs) paid on a \$1,000 investment in the Portfolio using the Portfolio's actual return during the period. To estimate the expenses you

paid over the period, simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the "Expenses Paid per \$1,000" line under the share class you hold.

- Hypothetical 5% Portfolio Return.** This helps you to compare your Portfolio's ongoing expenses (but not transaction costs) with those of other mutual funds using the Portfolio's actual expense ratio and a hypothetical rate of return of 5% per year before expenses. Examples using a 5% hypothetical Portfolio return may be found in the shareholder reports of other mutual funds. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period.

Please note that the expenses shown in these tables are meant to highlight your ongoing expenses only and do not reflect any transaction costs. The "Expenses Paid per \$1,000" line of the tables is useful in comparing ongoing expenses only and will not help you determine the relative total expense of owning different funds. If these transaction costs had been included, your costs would have been higher.

Expenses and Value of a \$1,000 Investment for the six months ended June 30, 2009

Actual Portfolio Return	Class A	Class B	Class B2
Beginning Account Value 1/1/09	\$1,000.00	\$1,000.00	\$1,000.00
Ending Account Value 6/30/09	\$1,032.00	\$1,030.50	\$1,029.40
Expenses Paid per \$1,000*	\$ 1.51	\$ 2.77	\$ 3.37

Hypothetical 5% Portfolio Return	Class A	Class B	Class B2
Beginning Account Value 1/1/09	\$1,000.00	\$1,000.00	\$1,000.00
Ending Account Value 6/30/09	\$1,023.31	\$1,022.07	\$1,021.47
Expenses Paid per \$1,000*	\$ 1.51	\$ 2.76	\$ 3.36

* Expenses are equal to the Portfolio's annualized expense ratio for each share class, multiplied by the average account value over the period, multiplied by the number of days in the most recent six-month period, then divided by 365.

Annualized Expense Ratios	Class A	Class B	Class B2
DWS Equity 500 Index VIP	.30%	.55%	.67%

For more information, please refer to the Portfolio's prospectus.

These tables do not reflect charges and fees ("contract charges") associated with the separate account that invests in the Portfolio or any variable life insurance policy or variable annuity contract for which the Portfolio is an investment option.

Portfolio Summary

Asset Allocation (As a % of Investment Portfolio excluding Securities Lending Collateral)	6/30/09	12/31/08
Common Stocks	99%	100%
Cash Equivalents	1%	—
	100%	100%

Sector Diversification (As a % of Common Stocks)	6/30/09	12/31/08
Information Technology	18%	15%
Health Care	14%	15%
Financials	14%	13%
Energy	12%	14%
Consumer Staples	12%	13%
Industrials	10%	11%
Consumer Discretionary	9%	8%
Utilities	4%	4%
Telecommunication Services	4%	4%
Materials	3%	3%
	100%	100%

Ten Largest Equity Holdings (20.1% of Net Assets)

1. ExxonMobil Corp. Explorer and producer of oil and gas	4.2%
2. Microsoft Corp. Developer of computer software	2.3%
3. Johnson & Johnson Provider of health care products	1.9%
4. Procter & Gamble Co. Manufacturer of diversified consumer products	1.8%
5. AT&T, Inc. Provider of communications services	1.8%
6. International Business Machines Corp. Manufacturer of computers and provider of information processing services	1.7%
7. Chevron Corp. Operator of petroleum exploration, delivery and refining facilities	1.7%
8. JPMorgan Chase & Co. Provider of global financial services	1.6%
9. Apple, Inc. Manufacturer of personal computers and communication solutions	1.6%
10. General Electric Co. A diversified company provider of services to the technology, media and financial industries	1.5%

Asset allocation, sector diversification, and holdings are subject to change.

For more complete details about the Portfolio's investment portfolio, see page 6. A complete list of portfolio holdings of the Portfolio is posted as of the month end on www.dws-investments.com on or about the 15th day of the following month. More frequent posting of portfolio holdings information may be made from time to time on www.dws-investments.com.

Following the Portfolio's fiscal first and third quarter-end, a complete portfolio holdings listing is filed with the SEC on Form N-Q. The form will be available on the SEC's Web site at www.sec.gov, and it also may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the SEC's Public Reference Room may be obtained by calling (800) SEC-0330.

Investment Portfolio

June 30, 2009 (Unaudited)

	Shares	Value (\$)		Shares	Value (\$)
Common Stocks 99.1%					
Consumer Discretionary 8.9%					
Auto Components 0.2%					
Goodyear Tire & Rubber Co.*	19,094	214,999	McGraw-Hill Companies, Inc.	25,764	775,754
Johnson Controls, Inc.	49,938	1,084,653	Meredith Corp. (a)	2,924	74,708
		1,299,652	New York Times Co. "A"	9,510	52,400
			News Corp. "A"	182,054	1,658,512
Automobiles 0.3%			Omnicom Group, Inc. (a)	24,532	774,721
Ford Motor Co.*	257,362	1,562,187	Scripps Networks Interactive "A"	7,100	197,593
Harley-Davidson, Inc.	19,786	320,731	The DIRECTV Group, Inc.* (a)	42,500	1,050,175
		1,882,918	Time Warner Cable, Inc.	27,891	883,308
			Time Warner, Inc.	96,376	2,427,711
Distributors 0.1%			Viacom, Inc. "B"*	49,587	1,125,625
Genuine Parts Co.	12,609	423,158	Walt Disney Co.	148,580	3,466,371
Diversified Consumer Services 0.2%			Washington Post Co. "B"	518	182,429
Apollo Group, Inc. "A"*	8,644	614,761			16,680,422
DeVry, Inc.	4,900	245,196	Multiline Retail 0.8%		
H&R Block, Inc.	26,596	458,249	Big Lots, Inc.*	7,792	163,866
		1,318,206	Family Dollar Stores, Inc.	11,070	313,281
Hotels Restaurants & Leisure 1.5%			J.C. Penney Co., Inc.	17,522	503,057
Carnival Corp. (Units) (a)	36,846	949,521	Kohl's Corp.*	24,978	1,067,809
Darden Restaurants, Inc.	11,954	394,243	Macy's, Inc.	33,608	395,230
International Game Technology	23,256	369,770	Nordstrom, Inc. (a)	14,448	287,371
Marriott International, Inc. "A" (a)	23,326	514,799	Sears Holdings Corp.* (a)	4,443	295,548
McDonald's Corp.	88,891	5,110,344	Target Corp.	60,610	2,392,277
Starbucks Corp.*	58,028	806,009			5,418,439
Starwood Hotels & Resorts Worldwide, Inc.	15,025	333,555	Specialty Retail 1.9%		
Wyndham Worldwide Corp.	14,337	173,765	Abercrombie & Fitch Co. "A" (a)	7,400	187,886
Wynn Resorts Ltd.* (a)	5,400	190,620	AutoNation, Inc.* (a)	8,651	150,095
Yum! Brands, Inc.	36,516	1,217,444	AutoZone, Inc.*	2,891	436,859
		10,060,070	Bed Bath & Beyond, Inc.*	22,016	676,992
Household Durables 0.4%			Best Buy Co., Inc.	26,836	898,737
Black & Decker Corp. (a)	4,722	135,332	GameStop Corp. "A"*	12,900	283,929
Centex Corp.	12,435	105,200	Home Depot, Inc.	136,085	3,215,688
D.R. Horton, Inc. (a)	21,700	203,112	Limited Brands, Inc. (a)	21,370	255,799
Fortune Brands, Inc.	12,755	443,109	Lowe's Companies, Inc.	119,000	2,309,790
Harman International Industries, Inc.	4,700	88,360	O'Reilly Automotive, Inc.* (a)	12,000	456,960
KB HOME (a)	5,992	81,971	Office Depot, Inc.*	22,003	100,334
Leggett & Platt, Inc.	12,264	186,781	RadioShack Corp.	10,045	140,228
Lennar Corp. "A" (a)	11,900	115,311	Staples, Inc.	57,589	1,161,570
Newell Rubbermaid, Inc.	21,897	227,948	The Gap, Inc.	36,832	604,045
Pulte Homes, Inc. (a)	17,282	152,600	The Sherwin-Williams Co.	7,689	413,284
Snap-on, Inc.	4,493	129,129	Tiffany & Co. (a)	9,700	245,992
The Stanley Works (a)	6,156	208,319	TJX Companies, Inc.	32,858	1,033,713
Whirlpool Corp. (a)	5,988	254,849			12,571,901
		2,332,021	Textiles, Apparel & Luxury Goods 0.5%		
Internet & Catalog Retail 0.4%			Coach, Inc.	25,600	688,128
Amazon.com, Inc.*	25,928	2,169,136	NIKE, Inc. "B" (a)	31,950	1,654,371
Expedia, Inc.*	16,553	250,116	Polo Ralph Lauren Corp. (a)	4,400	235,576
		2,419,252	VF Corp.	6,887	381,196
Leisure Equipment & Products 0.1%					2,959,271
Eastman Kodak Co.	21,807	64,549	Consumer Staples 11.9%		
Hasbro, Inc.	9,786	237,212	Beverages 2.6%		
Mattel, Inc. (a)	28,298	454,183	Brown-Forman Corp. "B" (a)	7,750	333,095
		755,944	Coca-Cola Co.	160,414	7,698,268
Media 2.5%			Coca-Cola Enterprises, Inc.	24,150	402,097
CBS Corp. "B"	55,087	381,202	Constellation Brands, Inc. "A"*	15,400	195,272
Comcast Corp. "A"	232,387	3,367,288	Dr. Pepper Snapple Group, Inc.*	20,400	432,276
Gannett Co., Inc.	18,542	66,195	Molson Coors Brewing Co. "B"	11,984	507,283
Interpublic Group of Companies, Inc.*	38,897	196,430	Pepsi Bottling Group, Inc.	10,911	369,228
			PepsiCo, Inc. (a)	125,446	6,894,512
					16,832,031

The accompanying notes are an integral part of the financial statements.

	Shares	Value (\$)
Food & Staples Retailing 3.0%		
Costco Wholesale Corp.	35,045	1,601,557
CVS Caremark Corp. (a)	116,990	3,728,471
Kroger Co.	53,863	1,187,679
Safeway, Inc.	33,827	689,056
SUPERVALU, Inc.	16,648	215,592
Sysco Corp.	47,257	1,062,337
Wal-Mart Stores, Inc. (a)	179,827	8,710,820
Walgreen Co.	78,696	2,313,662
Whole Foods Market, Inc. (a)	11,100	210,678
		19,719,852
Food Products 1.8%		
Archer-Daniels-Midland Co.	50,907	1,362,780
Campbell Soup Co.	16,185	476,163
ConAgra Foods, Inc.	35,305	672,913
Dean Foods Co.*	14,400	276,336
General Mills, Inc.	27,728	1,553,323
H.J. Heinz Co.	24,879	888,180
Hormel Foods Corp.	5,500	189,970
Kellogg Co.	21,932	1,021,373
Kraft Foods, Inc. "A"	118,882	3,012,470
McCormick & Co., Inc.	10,214	332,261
Sara Lee Corp.	55,739	544,013
The Hershey Co.	13,046	469,656
The J.M. Smucker Co.	9,366	455,750
Tyson Foods, Inc. "A"	22,800	287,508
		11,542,696
Household Products 2.6%		
Clorox Co.	11,030	615,805
Colgate-Palmolive Co.	40,221	2,845,234
Kimberly-Clark Corp.	33,747	1,769,355
Procter & Gamble Co. (a)	234,841	12,000,375
		17,230,769
Personal Products 0.2%		
Avon Products, Inc.	33,670	868,013
Estee Lauder Companies, Inc. "A"	9,100	297,297
		1,165,310
Tobacco 1.7%		
Altria Group, Inc.	167,470	2,744,833
Lorillard, Inc.	13,702	928,585
Philip Morris International, Inc. (a)	158,070	6,895,014
Reynolds American, Inc.	13,328	514,727
		11,083,159
Energy 12.3%		
Energy Equipment & Services 1.8%		
Baker Hughes, Inc.	24,271	884,435
BJ Services Co. (a)	23,086	314,662
Cameron International Corp.*	17,200	486,760
Diamond Offshore Drilling, Inc. (a)	5,900	489,995
ENSCO International, Inc.	11,200	390,544
FMC Technologies, Inc.*	10,200	383,316
Halliburton Co.	71,073	1,471,211
Nabors Industries Ltd.*	22,496	350,488
National-Oilwell Varco, Inc.*	33,000	1,077,780
Rowan Companies, Inc. (a)	11,182	216,036
Schlumberger Ltd. (a)	96,418	5,217,178
Smith International, Inc.	19,300	496,975
		11,779,380
Oil, Gas & Consumable Fuels 10.5%		
Anadarko Petroleum Corp. (a)	39,814	1,807,157
Apache Corp.	27,053	1,951,874
Cabot Oil & Gas Corp.	8,200	251,248

	Shares	Value (\$)
Chesapeake Energy Corp. (a)	45,200	896,316
Chevron Corp.	161,582	10,704,808
ConocoPhillips	119,342	5,019,525
CONSOL Energy, Inc.	14,300	485,628
Denbury Resources, Inc.*	19,700	290,181
Devon Energy Corp. (a)	35,792	1,950,664
El Paso Corp.	55,354	510,917
EOG Resources, Inc.	19,757	1,341,895
ExxonMobil Corp. (a)	393,204	27,488,892
Hess Corp.	22,950	1,233,563
Marathon Oil Corp.	57,542	1,733,740
Massey Energy Co. (a)	8,300	162,182
Murphy Oil Corp.	15,000	814,800
Noble Energy, Inc.	14,700	866,859
Occidental Petroleum Corp. (a)	65,088	4,283,441
Peabody Energy Corp.	21,100	636,376
Pioneer Natural Resources Co.	9,300	237,150
Range Resources Corp.	12,268	508,018
Southwestern Energy Co.*	29,000	1,126,650
Spectra Energy Corp.	49,491	837,388
Sunoco, Inc.	10,516	243,971
Tesoro Corp. (a)	12,700	161,671
Valero Energy Corp.	44,804	756,740
Williams Companies, Inc.	45,687	713,174
XTO Energy, Inc.	46,985	1,792,008
		68,806,836

Financials 13.5%

Capital Markets 3.0%

Ameriprise Financial, Inc.	20,705	502,510
Bank of New York Mellon Corp.	94,848	2,779,995
Charles Schwab Corp.	78,563	1,377,995
E*TRADE Financial Corp.*	39,900	51,072
Federated Investors, Inc. "B"	7,000	168,630
Franklin Resources, Inc.	12,252	882,267
Invesco Ltd.	31,092	554,060
Janus Capital Group, Inc.	12,271	139,889
Legg Mason, Inc. (a)	11,700	285,246
Morgan Stanley	107,840	3,074,518
Northern Trust Corp.	19,404	1,041,607
State Street Corp.	39,265	1,853,308
T. Rowe Price Group, Inc. (a)	21,720	905,072
The Goldman Sachs Group, Inc.	40,533	5,976,186
		19,592,355

Commercial Banks 2.7%

BB&T Corp.	53,434	1,174,479
Comerica, Inc. (a)	11,837	250,352
Fifth Third Bancorp.	62,106	440,953
First Horizon National Corp. (a)	14,872	178,459
Huntington Bancshares, Inc.	46,760	195,457
KeyCorp	61,329	321,364
M&T Bank Corp. (a)	7,550	384,521
Marshall & Ilsley Corp. (a)	28,652	137,530
PNC Financial Services Group, Inc. (a)	36,163	1,403,486
Regions Financial Corp.	98,561	398,186
SunTrust Banks, Inc. (a)	39,071	642,718
US Bancorp.	152,954	2,740,936
Wells Fargo & Co. (a)	373,810	9,068,631
Zions Bancorp.	9,011	104,167
		17,441,239

Consumer Finance 0.6%

American Express Co.	95,625	2,222,325
Capital One Financial Corp. (a)	36,402	796,476

The accompanying notes are an integral part of the financial statements.

	Shares	Value (\$)		Shares	Value (\$)
Discover Financial Services	37,870	388,925	Thriffs & Mortgage Finance 0.2%		
SLM Corp.* (a)	40,278	413,655	Hudson City Bancorp., Inc.	46,200	613,998
		3,821,381	People's United Financial, Inc.	28,000	421,120
					1,035,118
Diversified Financial Services 3.7%			Health Care 13.8%		
Bank of America Corp. (a)	649,881	8,578,429	Biotechnology 1.9%		
CIT Group, Inc. (a)	25,224	54,232	Amgen, Inc.*	81,516	4,315,457
Citigroup, Inc. (a)	440,031	1,306,892	Biogen Idec, Inc.*	23,460	1,059,219
CME Group, Inc. (a)	5,300	1,648,883	Celgene Corp.*	37,800	1,808,352
IntercontinentalExchange, Inc.*	6,200	708,288	Cephalon, Inc.* (a)	5,500	311,575
JPMorgan Chase & Co. (a)	312,991	10,676,123	Genzyme Corp.*	22,103	1,230,474
Leucadia National Corp.*	14,000	295,260	Gilead Sciences, Inc.* (a)	73,072	3,422,693
Moody's Corp.	15,752	415,065			12,147,770
NYSE Euronext	22,000	599,500	Health Care Equipment & Supplies 2.0%		
The NASDAQ OMX Group, Inc.*	10,800	230,148	Baxter International, Inc. (a)	48,803	2,584,607
		24,512,820	Becton, Dickinson & Co.	19,178	1,367,583
Insurance 2.3%			Boston Scientific Corp.*	118,865	1,205,291
Aflac, Inc.	37,737	1,173,243	C.R. Bard, Inc.	7,798	580,561
Allstate Corp.	42,256	1,031,046	DENTSPLY International, Inc.	11,700	357,084
American International Group, Inc. (a)	219,181	254,250	Hospira, Inc.*	12,620	486,122
Aon Corp.	23,383	885,514	Intuitive Surgical, Inc.*	3,300	540,078
Assurant, Inc.	8,600	207,174	Medtronic, Inc.	90,125	3,144,461
Chubb Corp.	28,070	1,119,432	St. Jude Medical, Inc.*	27,188	1,117,427
Cincinnati Financial Corp.	12,809	286,281	Stryker Corp.	20,482	813,955
Genworth Financial, Inc. "A"	34,900	243,951	Varian Medical Systems, Inc.*	9,800	344,372
Hartford Financial Services Group, Inc.	28,334	336,325	Zimmer Holdings, Inc.*	17,684	753,339
Lincoln National Corp.	22,569	388,413			13,294,880
Loews Corp.	28,582	783,147	Health Care Providers & Services 2.1%		
Marsh & McLennan Companies, Inc.	40,613	817,540	Aetna, Inc.	35,972	901,099
MBIA, Inc.*	15,364	66,526	AmerisourceBergen Corp.	24,764	439,313
MetLife, Inc.	65,932	1,978,619	Cardinal Health, Inc.	28,400	867,620
Principal Financial Group, Inc.	25,511	480,627	CIGNA Corp.	22,105	532,509
Progressive Corp.*	53,356	806,209	Coventry Health Care, Inc.*	11,895	222,555
Prudential Financial, Inc.	37,063	1,379,485	DaVita, Inc.*	8,200	405,572
The Travelers Companies, Inc.	48,871	2,005,666	Express Scripts, Inc.*	21,868	1,503,425
Torchmark Corp. (a)	6,910	255,946	Humana, Inc.*	13,675	441,156
Unum Group	26,165	414,977	Laboratory Corp. of America Holdings*	8,491	575,605
XL Capital Ltd. "A" (a)	27,677	317,178	McKesson Corp.	21,715	955,460
		15,231,549	Medco Health Solutions, Inc.*	38,928	1,775,506
Real Estate Investment Trusts 1.0%			Patterson Companies, Inc.* (a)	7,200	156,240
Apartment Investment & Management Co. "A" (REIT)	9,297	82,278	Quest Diagnostics, Inc.	12,316	694,992
AvalonBay Communities, Inc. (REIT) (a)	7,399	413,900	Tenet Healthcare Corp.* (a)	33,700	95,034
Boston Properties, Inc. (REIT) (a)	11,081	528,564	UnitedHealth Group, Inc. (a)	95,808	2,393,284
Equity Residential (REIT)	21,530	478,612	WellPoint, Inc.*	39,088	1,989,188
HCP, Inc. (REIT)	19,985	423,482			13,948,558
Health Care REIT, Inc. (REIT) (a)	8,300	283,030	Health Care Technology 0.0%		
Host Hotels & Resorts, Inc. (REIT)	48,100	403,559	IMS Health, Inc.	14,430	183,261
Kimco Realty Corp. (REIT) (a)	24,800	249,240	Life Sciences Tools & Services 0.4%		
Plum Creek Timber Co., Inc. (REIT) (a)	15,100	449,678	Life Technologies Corp.* (a)	13,210	551,121
ProLogis (REIT) (a)	36,600	294,996	Millipore Corp.*	4,415	309,977
Public Storage (REIT) (a)	9,946	651,264	PerkinElmer, Inc.	9,336	162,447
Simon Property Group, Inc. (REIT)	22,265	1,145,089	Thermo Fisher Scientific, Inc.*	33,821	1,378,882
Ventas, Inc. (REIT) (a)	12,100	361,306	Waters Corp.*	7,800	401,466
Vornado Realty Trust (REIT) (a)	12,929	582,193			2,803,893
		6,347,191	Pharmaceuticals 7.4%		
Real Estate Management & Development 0.0%			Abbott Laboratories (a)	124,582	5,860,337
CB Richard Ellis Group, Inc. "A"* (a)	16,800	157,248	Allergan, Inc.	24,324	1,157,336
			Bristol-Myers Squibb Co. (a)	159,562	3,240,704
			Eli Lilly & Co. (a)	81,737	2,831,370
			Forest Laboratories, Inc.*	23,795	597,492
			Johnson & Johnson (a)	222,034	12,611,531

The accompanying notes are an integral part of the financial statements.

	Shares	Value (\$)
King Pharmaceuticals, Inc. *	19,486	187,650
Merck & Co., Inc. (a)	169,959	4,752,054
Mylan, Inc.* (a)	26,636	347,600
Pfizer, Inc. (a)	543,689	8,155,335
Schering-Plough Corp.	131,150	3,294,488
Watson Pharmaceuticals, Inc.*	8,255	278,111
Wyeth (a)	107,476	4,878,336
		48,192,344

Industrials 9.7%

Aerospace & Defense 2.7%

Boeing Co. (a)	58,908	2,503,590
General Dynamics Corp.	31,234	1,730,051
Goodrich Corp.	10,061	502,748
Honeywell International, Inc.	58,347	1,832,096
ITT Corp.	14,394	640,533
L-3 Communications Holdings, Inc.	9,400	652,172
Lockheed Martin Corp.	26,293	2,120,531
Northrop Grumman Corp.	25,831	1,179,960
Precision Castparts Corp.	11,000	803,330
Raytheon Co.	31,996	1,421,582
Rockwell Collins, Inc.	12,431	518,746
United Technologies Corp.	76,000	3,948,960
		17,854,299

Air Freight & Logistics 1.0%

C.H. Robinson Worldwide, Inc. (a)	13,700	714,455
Expeditors International of Washington, Inc. (a)	17,200	573,448
FedEx Corp.	25,065	1,394,115
United Parcel Service, Inc. "B"	80,058	4,002,100
		6,684,118

Airlines 0.1%

Southwest Airlines Co.	59,695	401,747
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Building Products 0.1%

Masco Corp. (a)	28,465	272,695
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Commercial Services & Supplies 0.5%

Avery Dennison Corp.	8,386	215,352
Cintas Corp. (a)	10,342	236,211
Iron Mountain, Inc.* (a)	14,200	408,250
Pitney Bowes, Inc.	16,246	356,275
R.R. Donnelley & Sons Co.	17,329	201,363
Republic Services, Inc.	25,299	617,549
Stericycle, Inc.* (a)	6,700	345,251
Waste Management, Inc.	40,169	1,131,159
		3,511,410

Construction & Engineering 0.2%

Fluor Corp.	14,450	741,140
Jacobs Engineering Group, Inc.*	9,700	408,273
Quanta Services, Inc.*	15,600	360,828
		1,510,241

Electrical Equipment 0.4%

Cooper Industries Ltd. "A"	13,228	410,729
Emerson Electric Co.	60,604	1,963,570
Rockwell Automation, Inc. (a)	11,147	358,042
		2,732,341

Industrial Conglomerates 2.1%

3M Co. (a)	55,936	3,361,754
General Electric Co. (a)	853,232	9,999,879
Textron, Inc.	23,882	230,700
		13,592,333

Machinery 1.4%

Caterpillar, Inc. (a)	48,536	1,603,629
Cummins, Inc.	15,912	560,262

	Shares	Value (\$)
Danaher Corp.	21,765	1,343,771
Deere & Co.	33,824	1,351,269
Dover Corp.	14,702	486,489
Eaton Corp.	14,105	629,224
Flowserve Corp.	4,400	307,164
Illinois Tool Works, Inc. (a)	32,894	1,228,262
Manitowoc Co., Inc.	10,300	54,178
PACCAR, Inc.	29,001	942,822
Pall Corp.	9,353	248,416
Parker Hannifin Corp.	12,668	544,217
		9,299,703

Professional Services 0.2%

Dun & Bradstreet Corp.	4,200	341,082
Equifax, Inc.	9,991	260,765
Monster Worldwide, Inc.* (a)	9,785	115,561
Robert Half International, Inc.	12,300	290,526
		1,007,934

Road & Rail 0.9%

Burlington Northern Santa Fe Corp.	22,138	1,628,028
CSX Corp.	31,148	1,078,655
Norfolk Southern Corp.	29,586	1,114,505
Ryder System, Inc.	4,452	124,300
Union Pacific Corp.	40,562	2,111,658
		6,057,146

Trading Companies & Distributors 0.1%

Fastenal Co. (a)	10,200	338,334
W.W. Grainger, Inc. (a)	5,109	418,325
		756,659

Information Technology 18.2%

Communications Equipment 2.7%

Ciena Corp.* (a)	7,465	77,263
Cisco Systems, Inc.* (a)	464,795	8,663,779
Harris Corp.	10,300	292,108
JDS Uniphase Corp.*	17,678	101,118
Juniper Networks, Inc.* (a)	42,100	993,560
Motorola, Inc.	179,280	1,188,626
QUALCOMM, Inc.	133,320	6,026,064
Tellabs, Inc.*	32,716	187,463
		17,529,981

Computers & Peripherals 5.4%

Apple, Inc.* (a)	71,862	10,235,305
Dell, Inc.* (a)	140,109	1,923,697
EMC Corp.*	162,167	2,124,388
Hewlett-Packard Co. (a)	192,327	7,433,438
International Business Machines Corp. (a)	106,502	11,120,939
Lexmark International, Inc. "A"*	6,168	97,763
NetApp, Inc.* (a)	26,684	526,208
QLogic Corp.*	9,518	120,688
SanDisk Corp.*	19,500	286,455
Sun Microsystems, Inc.*	60,145	554,539
Teradata Corp.*	13,951	326,872
Western Digital Corp.*	17,800	471,700
		35,221,992

Electronic Equipment, Instruments & Components 0.5%

Agilent Technologies, Inc.*	27,597	560,495
Amphenol Corp. "A"	13,900	439,796
Corning, Inc.	126,022	2,023,913
FLIR Systems, Inc.*	10,900	245,904
Jabil Circuit, Inc.	16,647	123,521
Molex, Inc. (a)	11,117	172,869
		3,566,498

The accompanying notes are an integral part of the financial statements.

	Shares	Value (\$)
Internet Software & Services 1.8%		
Akamai Technologies, Inc.* (a)	13,500	258,930
eBay, Inc.*	88,368	1,513,744
Google, Inc. "A"* (a)	19,353	8,159,031
VeriSign, Inc.*	15,300	282,744
Yahoo!, Inc.* (a)	112,388	1,759,996
		11,974,445
IT Services 1.0%		
Affiliated Computer Services, Inc. "A"*	7,673	340,835
Automatic Data Processing, Inc.	40,408	1,432,060
Cognizant Technology Solutions Corp. "A"*	23,500	627,450
Computer Sciences Corp.*	11,944	529,119
Convergys Corp.*	10,072	93,468
Fidelity National Information Services, Inc. (a)	14,400	287,424
Fiserv, Inc.*	13,042	596,019
MasterCard, Inc. "A"	5,800	970,398
Paychex, Inc. (a)	27,911	703,357
Total System Services, Inc.	15,461	207,023
Western Union Co.	56,512	926,797
		6,713,950
Office Electronics 0.1%		
Xerox Corp.	68,288	442,506
Semiconductors & Semiconductor Equipment 2.5%		
Advanced Micro Devices, Inc.* (a)	48,060	185,992
Altera Corp.	24,586	400,260
Analog Devices, Inc.	22,935	568,329
Applied Materials, Inc.	105,830	1,160,955
Broadcom Corp. "A"*	33,721	835,944
Intel Corp. (a)	449,145	7,433,350
KLA-Tencor Corp.	13,445	339,486
Linear Technology Corp. (a)	20,314	474,332
LSI Corp.* (a)	50,913	232,163
MEMC Electronic Materials, Inc.*	17,700	315,237
Microchip Technology, Inc. (a)	14,400	324,720
Micron Technology, Inc.* (a)	62,820	317,869
National Semiconductor Corp.	18,626	233,756
Novellus Systems, Inc.*	7,714	128,824
NVIDIA Corp.* (a)	44,021	496,997
Teradyne, Inc.* (a)	13,404	91,952
Texas Instruments, Inc.	100,979	2,150,853
Xilinx, Inc. (a)	22,246	455,153
		16,146,172
Software 4.2%		
Adobe Systems, Inc.*	42,210	1,194,543
Autodesk, Inc.*	19,848	376,715
BMC Software, Inc.*	14,806	500,295
CA, Inc.	31,459	548,330
Citrix Systems, Inc.* (a)	14,598	465,530
Compuware Corp.*	19,446	133,400
Electronic Arts, Inc.*	26,858	583,356
Intuit, Inc.*	25,970	731,315
McAfee, Inc.*	12,100	510,499
Microsoft Corp. (a)	616,671	14,658,270
Novell, Inc.*	27,236	123,379
Oracle Corp. (a)	305,178	6,536,913
Salesforce.com, Inc.* (a)	8,300	316,811
Symantec Corp.*	65,852	1,024,657
		27,704,013

	Shares	Value (\$)
Materials 3.2%		
Chemicals 1.8%		
Air Products & Chemicals, Inc.	16,539	1,068,254
CF Industries Holdings, Inc.	3,900	289,146
Dow Chemical Co.	85,861	1,385,797
E.I. du Pont de Nemours & Co.	74,612	1,911,559
Eastman Chemical Co.	5,730	217,167
Ecolab, Inc.	13,266	517,241
International Flavors & Fragrances, Inc.	6,243	204,271
Monsanto Co.	43,916	3,264,716
PPG Industries, Inc.	13,250	581,675
Praxair, Inc. (a)	24,785	1,761,470
Sigma-Aldrich Corp.	9,940	492,626
		11,693,922
Construction Materials 0.1%		
Vulcan Materials Co. (a)	9,022	388,848
Containers & Packaging 0.2%		
Ball Corp.	7,436	335,810
Bemis Co., Inc.	7,872	198,374
Owens-Illinois, Inc.*	13,200	369,732
Pactiv Corp.*	10,819	234,772
Sealed Air Corp.	12,396	228,706
		1,367,394
Metals & Mining 0.9%		
AK Steel Holding Corp.	10,400	199,576
Alcoa, Inc.	81,381	840,666
Allegheny Technologies, Inc. (a)	8,017	280,034
Freeport-McMoRan Copper & Gold, Inc.	33,199	1,663,602
Newmont Mining Corp.	40,032	1,636,108
Nucor Corp. (a)	24,830	1,103,197
Titanium Metals Corp.	6,700	61,573
United States Steel Corp.	11,859	423,840
		6,208,596
Paper & Forest Products 0.2%		
International Paper Co.	37,472	566,952
MeadWestvaco Corp.	13,459	220,862
Weyerhaeuser Co.	16,798	511,163
		1,298,977
Telecommunication Services 3.5%		
Diversified Telecommunication Services 3.1%		
AT&T, Inc. (a)	475,436	11,809,830
CenturyTel, Inc. (a)	8,119	249,253
Embarq Corp.	11,198	470,988
Frontier Communications Corp.	24,590	175,573
Qwest Communications International, Inc. (a)	126,240	523,896
Verizon Communications, Inc. (a)	229,429	7,050,353
Windstream Corp.	34,659	289,749
		20,569,642
Wireless Telecommunication Services 0.4%		
American Tower Corp. "A"*	31,800	1,002,654
MetroPCS Communications, Inc.*	20,400	271,524
Sprint Nextel Corp.*	231,568	1,113,842
		2,388,020
Utilities 4.1%		
Electric Utilities 2.3%		
Allegheny Energy, Inc.	13,310	341,402
American Electric Power Co., Inc.	40,016	1,156,062
Duke Energy Corp. (a)	105,383	1,537,538
Edison International	28,467	895,572

The accompanying notes are an integral part of the financial statements.

	Shares	Value (\$)
Entergy Corp.	14,956	1,159,389
Exelon Corp. (a)	53,542	2,741,886
FirstEnergy Corp.	24,054	932,092
FPL Group, Inc.	34,284	1,949,388
Northeast Utilities	12,300	274,413
Pepco Holdings, Inc.	16,900	227,136
Pinnacle West Capital Corp.	7,608	229,381
PPL Corp.	29,628	976,539
Progress Energy, Inc.	21,874	827,493
Southern Co.	65,004	2,025,525

15,273,816

Gas Utilities 0.2%

EQT Corp.	10,300	359,573
Nicor, Inc.	3,584	124,078
Questar Corp.	13,700	425,522

909,173

Independent Power Producers & Energy Traders 0.2%

AES Corp.*	56,448	655,361
Constellation Energy Group, Inc.	14,410	383,018
Dynegy, Inc. "A"*	39,872	90,510

1,128,889

Multi-Utilities 1.4%

Ameren Corp.	16,669	414,891
CenterPoint Energy, Inc.	26,021	288,313
CMS Energy Corp. (a)	19,472	235,222
Consolidated Edison, Inc.	21,622	809,095
Dominion Resources, Inc. (a)	48,158	1,609,440
DTE Energy Co.	12,857	411,424
Integrus Energy Group, Inc.	6,000	179,940
NiSource, Inc.	22,008	256,613
PG&E Corp.	31,149	1,197,368
Public Service Enterprise Group, Inc.	39,950	1,303,569

	Shares	Value (\$)
SCANA Corp.	9,300	301,971
Sempra Energy	20,487	1,016,770
TECO Energy, Inc. (a)	16,800	200,424
Wisconsin Energy Corp.	9,200	374,532
Xcel Energy, Inc.	34,057	626,989

9,226,561

Total Common Stocks (Cost \$787,510,915) **648,424,915**

	Principal Amount (\$)	Value (\$)
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Government & Agency Obligation 0.1%

US Treasury Obligation

US Treasury Bill, 0.28%**, 11/19/2009 (b) (Cost \$874,043)	875,000	874,126
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	Shares	Value (\$)
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Securities Lending Collateral 37.9%

Daily Assets Fund Institutional, 0.48% (c) (d) (Cost \$247,908,871)	247,908,871	247,908,871
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Cash Equivalents 0.9%

Cash Management QP Trust, 0.27% (c) (Cost \$5,571,119)	5,571,119	5,571,119
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	% of Net Assets	Value (\$)
--	-----------------	------------

Total Investment Portfolio
(Cost \$1,041,864,948)[†] **138.0** **902,779,031**

Other Assets and Liabilities, Net (a) **(38.0)** **(248,485,410)**

Net Assets **100.0** **654,293,621**

* Non-income producing security.

** Annualized yield at time of purchase; not a coupon rate.

† The cost for federal income tax purposes was \$1,064,195,213. At June 30, 2009, net unrealized depreciation for all securities based on tax cost was \$161,416,182. This consisted of aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost of \$73,862,466 and aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value of \$235,278,648.

(a) All or a portion of these securities were on loan amounting to \$239,726,585. In addition, included in other assets and liabilities, net is a pending sale, amounting to \$497,883, that is also on loan (see Notes to Financial Statements). The value of all securities loaned at June 30, 2009 amounted to \$240,224,468, which is 36.7% of net assets.

(b) At June 30, 2009, this security has been pledged, in whole or in part, to cover initial margin requirements for open futures contracts.

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

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

REIT: Real Estate Investment Trust

At June 30, 2009, open futures contracts purchased were as follows:

Futures	Expiration Date	Contracts	Aggregate Face Value (\$)	Value (\$)	Unrealized Depreciation (\$)
S&P 500 Index	9/17/2009	30	6,899,563	6,866,250	(33,313)

For information on the Portfolio's policy and additional disclosures regarding futures contracts, please refer to the Derivatives section of Note A in the accompanying Notes to Financial Statements.

The accompanying notes are an integral part of the financial statements.

Fair Value Measurements

Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, "Fair Value Measurements," as amended, establishes a three-tier hierarchy for measuring fair value and requires additional disclosure about the classification of fair value measurements.

Various inputs are used in determining the value of the Portfolio'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 observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, and credit risk). Level 3 includes significant unobservable inputs (including the Portfolio'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 June 30, 2009 in valuing the Portfolio's investments. For information on the Portfolio's policy regarding the valuation of investments, please refer to the Security Valuation section of Note A in the accompanying Notes to the Financial Statements.

Assets	Level 1	Level 2	Level 3
Common Stock and/or Other Equity Investments (e)	\$ 648,424,915	\$ —	\$ —
Short-Term Investments (e)	247,908,871	6,445,245	—
Total	\$ 896,333,786	\$ 6,445,245	\$ —
Liabilities			
Derivatives (f)	\$ (33,313)	\$ —	\$ —
Total	\$ (33,313)	\$ —	\$ —

(e) See Investment Portfolio for additional detailed categorizations.

(f) Derivatives include unrealized depreciation on open futures contracts.

The accompanying notes are an integral part of the financial statements.

Financial Statements

Statement of Assets and Liabilities

as of June 30, 2009 (Unaudited)

Assets	
Investments:	
Investments in securities, at value (cost \$788,384,958) — including \$239,726,585 of securities loaned	\$ 649,299,041
Investment in Daily Assets Fund Institutional (cost \$247,908,871)*	247,908,871
Investment in Cash Management QP Trust (cost \$5,571,119)	5,571,119
Total investments, at value (cost \$1,041,864,948)	902,779,031
Dividends receivable	898,291
Interest receivable	72,601
Receivable for investments sold	629,240
Receivable for Portfolio shares sold	33,105
Other assets	29,835
Total assets	904,442,103
Liabilities	
Cash overdraft	69,597
Payable upon return of securities loaned	247,908,871
Payable for investments purchased	1,122,948
Payable for Portfolio shares redeemed	739,379
Payable for daily variation margin on open futures contracts	42,750
Accrued management fee	110,293
Accrued expenses and payables	154,644
Total liabilities	250,148,482
Net assets, at value	\$ 654,293,621
Net Assets Consist of	
Undistributed net investment income	6,988,615
Net unrealized appreciation (depreciation) on:	
Investments	(139,085,917)
Futures	(33,313)
Accumulated net realized gain (loss)	(50,929,217)
Paid-in capital	837,353,453
Net assets, at value	\$ 654,293,621
Class A	
Net Asset Value , offering and redemption price per share (\$595,206,420 ÷ 62,345,953 outstanding shares of beneficial interest, \$.001 par value, unlimited number of shares authorized)	\$ 9.55
Class B	
Net Asset Value , offering and redemption price per share (\$41,256,459 ÷ 4,318,443 outstanding shares of beneficial interest, \$.001 par value, unlimited number of shares authorized)	\$ 9.55
Class B2	
Net Asset Value , offering and redemption price per share (\$17,830,742 ÷ 1,866,221 outstanding shares of beneficial interest, \$.001 par value, unlimited number of shares authorized)	\$ 9.55

* Represents collateral on securities loaned.

Statement of Operations

for the six months ended June 30, 2009 (Unaudited)

Investment Income	
Income:	
Dividends	\$ 7,818,624
Interest	1,535
Interest — Cash Management QP Trust	18,900
Securities lending income, including income from Daily Assets Fund Institutional, net of borrower rebates	360,226
Total Income	8,199,285
Expenses:	
Management fee	600,367
Administration fee	300,184
Custodian fee	18,806
Distribution service fees (Class B and Class B2)	68,165
Record keeping fee (Class B2)	12,735
Services to shareholders	4,961
Professional fees	37,394
Trustees' fees and expenses	13,669
Reports to shareholders	28,877
Other	28,192
Total expenses before expense reductions	1,113,350
Expense reductions	(134,386)
Total expenses after expense reductions	978,964
Net investment income (loss)	7,220,321
Realized and Unrealized Gain (Loss) on Investment Transactions	
Net realized gain (loss) from:	
Investments	(8,177,380)
Futures	928,991
	(7,248,389)
Change in net unrealized appreciation (depreciation)	
Investments	19,727,224
Futures	(90,071)
	19,637,153
Net gain (loss)	12,388,764
Net increase (decrease) in net assets resulting from operations	\$ 19,609,085

The accompanying notes are an integral part of the financial statements.

Statement of Changes in Net Assets

Increase (Decrease) in Net Assets	Six Months Ended June 30, 2009 (Unaudited)	Year Ended December 31, 2008
Operations:		
Net investment income (loss) \$	7,220,321	\$ 18,770,180
Net realized gain (loss)	(7,248,389)	(6,289,222)
Change in net unrealized appreciation (depreciation)	19,637,153	(415,936,682)
Net increase (decrease) in net assets resulting from operations	19,609,085	(403,455,724)
Distributions to shareholders from:		
Net investment income:		
Class A	(17,327,332)	(20,754,466)
Class B	(1,082,916)	(1,112,015)
Class B2	(464,083)	(765,628)
Total distributions	(18,874,331)	(22,632,109)
Portfolio share transactions:		
Class A		
Proceeds from shares sold	38,250,895	61,208,851
Reinvestment of distributions	17,327,332	20,754,466
Cost of shares redeemed	(45,577,560)	(154,585,231)
Net increase (decrease) in net assets from Class A share transactions	10,000,667	(72,621,914)
Class B		
Proceeds from shares sold	2,554,244	8,002,088
Reinvestment of distributions	1,082,916	1,112,015
Cost of shares redeemed	(2,915,910)	(9,476,800)
Net increase (decrease) in net assets from Class B share transactions	721,250	(362,697)
Class B2		
Proceeds from shares sold	133,095	2,162,449
Reinvestment of distributions	464,083	765,628
Cost of shares redeemed	(1,700,221)	(18,892,660)
Net increase (decrease) in net assets from Class B2 share transactions	(1,103,043)	(15,964,583)
Increase (decrease) in net assets	10,353,628	(515,037,027)
Net assets at beginning of period	643,939,993	1,158,977,020
Net assets at end of period (including undistributed net investment income of \$6,988,615 and \$18,642,625, respectively)	\$ 654,293,621	\$ 643,939,993

Statement of Changes in Net Assets (continued)

Increase (Decrease) in Net Assets	Six Months Ended June 30, 2009 (Unaudited)	Year Ended December 31, 2008
Class A		
Shares outstanding at beginning of period	61,222,579	67,350,398
Shares sold	4,336,109	4,745,972
Shares issued to shareholders in reinvestment of distributions	1,969,015	1,446,304
Shares redeemed	(5,181,750)	(12,320,095)
Net increase (decrease) in Class A shares	1,123,374	(6,127,819)
Shares outstanding at end of period	62,345,953	61,222,579
Class B		
Shares outstanding at beginning of period	4,244,481	4,176,782
Shares sold	287,936	720,240
Shares issued to shareholders in reinvestment of distributions	122,919	77,384
Shares redeemed	(336,893)	(729,925)
Net increase (decrease) in Class B shares	73,962	67,699
Shares outstanding at end of period	4,318,443	4,244,481
Class B2		
Shares outstanding at beginning of period	1,992,383	3,113,678
Shares sold	14,466	180,545
Shares issued to shareholders in reinvestment of distributions	52,617	53,280
Shares redeemed	(193,245)	(1,355,120)
Net increase (decrease) in Class B2 shares	(126,162)	(1,121,295)
Shares outstanding at end of period	1,866,221	1,992,383

The accompanying notes are an integral part of the financial statements.

Financial Highlights

Class A

Years Ended December 31,	2009 ^a	2008	2007	2006	2005	2004
Selected Per Share Data						
Net asset value, beginning of period	\$ 9.55	\$15.53	\$14.97	\$13.11	\$12.73	\$11.64
<i>Income (loss) from investment operations:</i>						
Net investment income (loss) ^b	.11	.27	.27	.24	.21	.21
Net realized and unrealized gain (loss)	.17	(5.93)	.52	1.78	.37	1.01
Total from investment operations	.28	(5.66)	.79	2.02	.58	1.22
<i>Less distributions from:</i>						
Net investment income	(.28)	(.32)	(.23)	(.16)	(.20)	(.13)
Net asset value, end of period	\$ 9.55	\$ 9.55	\$15.53	\$14.97	\$13.11	\$12.73
Total Return (%)	3.20 ^{c**}	(37.15) ^c	5.30 ^c	15.52 ^c	4.68	10.59 ^c

Ratios to Average Net Assets and Supplemental Data

Net assets, end of period (\$ millions)	595	584	1,046	1,412	1,102	790
Ratio of expenses before expense reductions and/or recoupments (%)	.34 [*]	.33	.33	.28	.27	.28
Ratio of expenses after expense reductions and/or recoupments (%)	.30 [*]	.28	.30	.27	.27	.29
Ratio of net investment income (loss) (%)	2.43 [*]	2.07	1.71	1.73	1.62	1.76
Portfolio turnover rate (%)	5 ^{**}	6	7 ^d	9	15	1

^a For the six months ended June 30, 2009 (Unaudited).

^b Based on average shares outstanding during the period.

^c Total return would have been lower had certain expenses not been reduced.

^d Excludes portfolio securities delivered as a result of processing redemption in-kind transactions.

^{*} Annualized

^{**} Not annualized

Class B

Years Ended December 31,	2009 ^a	2008	2007	2006	2005	2004
Selected Per Share Data						
Net asset value, beginning of period	\$ 9.54	\$15.52	\$14.96	\$13.10	\$12.72	\$11.63
<i>Income (loss) from investment operations:</i>						
Net investment income (loss) ^b	.10	.24	.23	.21	.17	.20
Net realized and unrealized gain (loss)	.17	(5.94)	.52	1.78	.38	.99
Total from investment operations	.27	(5.70)	.75	1.99	.55	1.19
<i>Less distributions from:</i>						
Net investment income	(.26)	(.28)	(.19)	(.13)	(.17)	(.10)
Net asset value, end of period	\$ 9.55	\$ 9.54	\$15.52	\$14.96	\$13.10	\$12.72
Total Return (%)	3.05 ^{c**}	(37.34) ^c	5.03 ^c	15.24 ^c	4.42	10.32 ^c

Ratios to Average Net Assets and Supplemental Data

Net assets, end of period (\$ millions)	41	40	65	84	68	53
Ratio of expenses before expense reductions and/or recoupments (%)	.59 [*]	.58	.58	.53	.52	.53
Ratio of expenses after expense reductions and/or recoupments (%)	.55 [*]	.53	.55	.52	.52	.54
Ratio of net investment income (loss) (%)	2.18 [*]	1.82	1.46	1.48	1.37	1.71
Portfolio turnover rate (%)	5 ^{**}	6	7 ^d	9	15	1

^a For the six months ended June 30, 2009 (Unaudited).

^b Based on average shares outstanding during the period.

^c Total return would have been lower had certain expenses not been reduced.

^d Excludes portfolio securities delivered as a result of processing redemption in-kind transactions.

^{*} Annualized

^{**} Not annualized

Class B2

Years Ended December 31,	2009 ^a	2008	2007	2006	2005 ^b
Selected Per Share Data					
Net asset value, beginning of period	\$ 9.54	\$15.51	\$14.96	\$13.09	\$12.94
<i>Income (loss) from investment operations:</i>					
Net investment income (loss) ^c	.09	.22	.21	.19	.05
Net realized and unrealized gain (loss)	.17	(5.93)	.52	1.79	.10
Total from investment operations	.26	(5.71)	.73	1.98	.15
<i>Less distributions from:</i>					
Net investment income	(.25)	(.26)	(.18)	(.11)	—
Net asset value, end of period	\$ 9.55	\$ 9.54	\$15.51	\$14.96	\$13.09
Total Return (%) ^d	2.94 ^{**}	(37.36)	4.85	15.20	1.16 ^{**}

Ratios to Average Net Assets and Supplemental Data

Net assets, end of period (\$ millions)	18	19	48	57	59
Ratio of expenses before expense reductions (%)	.74 [*]	.72	.72	.67	.66 [*]
Ratio of expenses after expense reductions (%)	.67 [*]	.63	.65	.63	.63 [*]
Ratio of net investment income (loss) (%)	2.06 [*]	1.72	1.36	1.37	1.34 [*]
Portfolio turnover rate (%)	5 ^{**}	6	7 ^e	9	15

^a For the six months ended June 30, 2009 (Unaudited).

^b For the period September 16, 2005 (commencement of operations) to December 31, 2005.

^c Based on average shares outstanding during the period.

^d Total return would have been lower had certain expenses not been reduced.

^e Excludes portfolio securities delivered as a result of processing redemption in-kind transactions.

^{*} Annualized

^{**} Not annualized

A. Organization and Significant Accounting Policies

DWS Investments VIT Funds (the "Trust") is registered under the Investment Company Act of 1940 as amended, (the "1940 Act"), as a diversified, open-end management investment company. The Trust is organized as a Massachusetts business trust. The Trust is comprised of two portfolios. DWS Equity 500 Index VIP (the "Portfolio") is one of the series the Trust offers to investors. The Portfolio is an underlying investment vehicle for variable annuity contracts and variable life insurance policies to be offered by the separate accounts of certain life insurance companies ("Participating Insurance Companies").

Multiple Classes of Shares of Beneficial Interest. The Portfolio offers three classes of shares to investors: Class A shares, Class B shares and Class B2 shares. Class B and Class B2 shares are subject to Rule 12b-1 distribution fees under the 1940 Act equal to an annual rate up to 0.25% of Class B and Class B2 shares average daily net assets. In addition, Class B2 shares are subject to record keeping fees equal to an annual rate of up to 0.15% of average daily net assets. Class A shares are not subject to such fees.

Investment income, realized and unrealized gains and losses, and certain Portfolio-level expenses and expense reductions, if any, are borne pro rata on the basis of relative net assets by the holders of all classes of shares, except that each class bears certain expenses unique to that class (including the applicable 12b-1 distribution fees and record keeping fees). Differences in class-level expenses may result in payment of different per share dividends by class. All shares have equal rights with respect to voting subject to class-specific arrangements.

The Portfolio's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America which require the use of management estimates. Actual results could differ from those estimates. The policies described below are followed consistently by the Portfolio in the preparation of its financial statements.

Security Valuation. Investments are stated at value determined as of the close of regular trading on the New York Stock Exchange on each day the exchange is open for trading. Equity securities are valued at the most recent sale price or official closing price reported on the exchange (US or foreign) or over-the-counter market on which they trade. Securities for which no sales are reported are valued at the calculated mean between the most recent bid and asked quotations on the relevant market or, if a mean cannot be determined, at the most recent bid quotation.

Debt securities are valued by independent pricing services approved by the Trustees of the Portfolio. If the pricing services are unable to provide valuations, the securities are valued at the average of the means based on the most recent bid or evaluated price, as applicable, obtained from one or more broker-dealers. Such services may use various pricing techniques which take into account appropriate factors such as yield, quality, coupon rate, maturity, type of issue, trading characteristics and other data, as well as broker quotes.

Money market instruments purchased with an original or remaining maturity of sixty days or less, maturing at par, are valued at amortized cost. Investments in open-end investment companies and Cash Management QP Trust are valued at their net asset value each business day.

Securities and other assets for which market quotations are not readily available or for which the above valuation procedures are deemed not to reflect fair value are valued in a manner that is intended to reflect their fair value as determined in accordance with procedures approved by the Trustees. In accordance with the Portfolio's valuation procedures, factors used in determining value may include, but are not limited to, the type of the security, the size of the holding, the initial cost of the security, the existence of any contractual restrictions on the security's disposition, the price and extent of public trading in similar securities of the issuer or of comparable companies, quotations or evaluated prices from broker-dealers and/or pricing services, information obtained from the issuer, analysts, and/or the appropriate stock exchange (for exchange-traded securities), an analysis of the company's financial statements, an evaluation of the forces that influence the issuer and the market(s) in which the security is purchased and sold and with respect to debt securities, the maturity, coupon, creditworthiness, currency denomination, and the movement of the market in which the security is normally traded. The value determined under these procedures may differ from published values for the same securities.

Securities Lending. The Portfolio may lend securities to financial institutions. The Portfolio retains beneficial ownership of the securities it has loaned and continues to receive interest and dividends paid by the issuer of securities and to participate in any changes in their market value. The Portfolio requires the borrowers of the securities to maintain collateral with the Portfolio consisting of liquid, unencumbered assets having a value at least equal to the value of the securities loaned. When the collateral falls below specified amounts, the lending agents will use their best efforts to obtain additional collateral on the next business day to meet required amounts under the security lending agreement. The Portfolio may invest the cash collateral into a joint trading account in an affiliated money market fund pursuant to Exemptive Orders issued by the SEC. The Portfolio

receives compensation for lending its securities either in the form of fees or by earning interest on invested cash collateral net of borrower rebates and fees paid to a lending agent. Either the Portfolio or the borrower may terminate the loan. There may be risks of delay and costs in recovery of securities or even loss of rights in the collateral should the borrower of the securities fail financially. The Portfolio is also subject to all investment risks associated with the reinvestment of any cash collateral received, including, but not limited to, interest rate, credit and liquidity risk associated with such investments.

Derivatives. The Portfolio has adopted the provisions of Statement of Financial Accounting Standard No. 161 ("FAS 161"), "Disclosures about Derivative Instruments and Hedging Activities," effective at the beginning of the Portfolio's fiscal year. FAS 161 requires enhanced disclosures about the Portfolio's derivative and hedging activities and derivatives accounted for as hedging instruments under FAS 133 must be disclosed separately from derivatives that do not qualify for hedge accounting under FAS 133. Because investment companies account for their derivatives at fair value and record any changes in fair value in current period earnings, the Portfolio's derivatives are not accounted for as hedging instruments under FAS 133. As such, even though the Portfolio may use derivatives in an attempt to achieve an economic hedge, the Portfolio's derivatives are not considered to be hedging instruments under FAS 133. The disclosure below is presented in accordance with FAS 161.

Futures Contracts. A futures contract is an agreement between a buyer or seller and an established futures exchange or its clearinghouse in which the buyer or seller agrees to take or make a delivery of a specific amount of a financial instrument at a specified price on a specific date (settlement date). The Portfolio is subject to equity risk. The Portfolio invests in futures to keep cash on hand to meet shareholder redemptions or other needs while maintaining exposure to the stock market.

Futures contracts are valued at the most recent settlement price. Upon entering into a futures contract, the Portfolio is required to deposit with a financial intermediary cash or securities ("initial margin") in an amount equal to a certain percentage of the face value indicated in the futures contract. Subsequent payments ("variation margin") are made or received by the Portfolio dependent upon the daily fluctuations in the value and are recorded for financial reporting purposes as unrealized gains or losses by the Portfolio. Gains or losses are realized when the contract expires or is closed. Since all futures contracts are exchange traded, counterparty risk is minimized as the exchange's clearinghouse acts as the counterparty, and guarantees the futures against default. Upon a futures contract close out or expiration, realized gain or loss is recognized.

Certain risks may arise upon entering into futures contracts, including the risk that an illiquid market will limit the Portfolio's ability to close out a futures contract prior to the settlement date and that a change in the value of a futures contract may not correlate exactly with the changes in the value of the underlying hedged security, index or currency. Risk of loss may exceed amounts recognized on the Statement of Assets and Liabilities.

The primary risk exposure of the futures contracts is equity contract risk. See Statement of Assets and Liabilities for net unrealized appreciation (depreciation) on futures. Payable for daily variation margin on open futures contracts reflects unsettled variation margin. See Statement of Operations for net realized gain (loss) from futures and for change in net unrealized appreciation (depreciation) on futures.

A summary of the open futures contracts as of June 30, 2009 is included in a table following the Portfolio's Investment Portfolio. The volume indicated is generally indicative of the volume throughout the period.

Federal Income Taxes. The Portfolio's policy is to comply with the requirements of the Internal Revenue Code, as amended, which are applicable to regulated investment companies, and to distribute all of its taxable and tax-exempt income to its shareholders.

At December 31, 2008, DWS Equity 500 Index VIP had a net tax basis capital loss carryforward of approximately \$16,672,000, which may be applied against any realized net taxable capital gains of each succeeding year until fully utilized or until December 31, 2012, whichever occurs first.

From November 1, 2008 through December 31, 2008, the Portfolio incurred approximately \$4,747,000 of net realized capital losses. As permitted by tax regulations, the Portfolio intends to elect to defer these losses and treat them as arising in the fiscal year ending December 31, 2009.

The Portfolio has reviewed the tax positions for the open tax years as of December 31, 2008 and has determined that no provision for income tax is required in the Portfolio's financial statements. The Portfolio's federal tax returns for the prior three fiscal years remain subject to examination by the Internal Revenue Service.

Distribution of Income and Gains. Net investment income of the Portfolio, if any, is declared and distributed to shareholders annually. Net realized gains from investment transactions, in excess of available capital loss carryforwards, would be taxable to the Portfolio if not distributed, and, therefore, will be distributed to shareholders at least annually.

The timing and characterization of certain income and capital gains distributions are determined annually in accordance with federal tax regulations, which may differ from accounting principles generally accepted in the

United States of America. These differences primarily relate to investments in futures contracts and certain securities sold at a loss. As a result, net investment income (loss) and net realized gain (loss) on investment transactions for a reporting period may differ significantly from distributions during such period. Accordingly, the Portfolio may periodically make reclassifications among certain of its capital accounts without impacting the net asset value of the Portfolio.

The tax character of current year distributions will be determined at the end of the current fiscal year.

Contingencies. In the normal course of business, the Portfolio may enter into contracts with service providers that contain general indemnification clauses. The Portfolio's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Portfolio that have not yet been made. However, based on experience, the Portfolio expects the risk of loss to be remote.

Expenses. Expenses of the Trust arising in connection with a specific portfolio are allocated to that portfolio. Other Trust expenses which cannot be directly attributed to a portfolio are apportioned among the portfolios in the Trust.

Other. Investment transactions are accounted for on a trade date plus one basis for daily net asset valuation calculations. However, for financial reporting purposes, investment security transactions are reported on trade date. Interest income is recorded on the accrual basis. Dividend income is recorded on the ex-dividend date. Realized gains and losses from investment transactions are recorded on an identified cost basis.

B. Purchases and Sales of Securities

During the six months ended June 30, 2009, purchases and sales of investment securities (excluding short-term investments) aggregated \$29,222,230 and \$33,429,079, respectively.

C. Related Parties

Management Agreement. Under the Investment Management Agreement with Deutsche Investment Management Americas Inc. ("DIMA" or the "Advisor"), an indirect, wholly owned subsidiary of Deutsche Bank AG, the Advisor determines the securities, instruments and other contracts relating to investments to be purchased, sold, or entered into by the Portfolio or delegates such responsibility to the Portfolio's subadvisor. Pursuant to the Investment Management Agreement with the Advisor, the Portfolio pays an annual management fee based on the Portfolio's average daily net assets, computed and accrued daily and payable monthly, at the following annual rates:

First \$1 billion of the Portfolio's average daily net assets	.200%
Next \$1 billion of such net assets	.175%
Over \$2 billion of such net assets	.150%

Northern Trust Investments, N.A. ("NTI") acts as investment sub-advisor for the Portfolio. As the Portfolio's investment sub-advisor, NTI makes the Portfolio's investment decisions. It buys and sells securities for the Portfolio and conducts the research that leads to these purchase and sale decisions. NTI is paid by the Advisor for its services.

For the period from January 1, 2009 through April 30, 2009, the Advisor had contractually agreed to waive all or a portion of its management fee and reimburse or pay certain operating expenses of the Portfolio to the extent necessary to maintain operating expenses of each class (excluding certain expenses such as extraordinary expenses, taxes, brokerage and interest) as follows:

Class A	.28%
Class B	.53%
Class B2	.63%

For the period from May 1, 2009 through September 30, 2009, the Advisor has contractually agreed to waive all or a portion of its management fee and reimburse or pay certain operating expenses of the Portfolio to the extent necessary to maintain operating expenses of each class (excluding certain expenses such as extraordinary expenses, taxes, brokerage and interest) as follows:

Class A	.37%
Class B	.62%
Class B2	.77%

Accordingly, for the six months ended June 30, 2009, the Advisor waived a portion of its management fee aggregating \$131,153 and the amount charged aggregated \$469,214, which was equivalent to an annualized effective rate of 0.16% of the Portfolio's average daily net assets.

In addition, the Advisor reimbursed the Portfolio \$2,796 of record keeping fees for Class B2 shares for the six months ended June 30, 2009.

Administration Fee. Pursuant to the Administrative Services Agreement, DIMA provides most administrative services to the Portfolio. For all services provided under the Administrative Services Agreement, the Portfolio pays DIMA an annual fee ("Administration Fee") of 0.10% of the Portfolio's average daily net assets, computed and accrued daily and payable monthly. For the six months ended June 30, 2009, the Administration Fee was \$300,184, of which \$54,435 is unpaid.

Distribution Service Agreement. DWS Investments Distributors, Inc. ("DIDI"), an affiliate of the Advisor, is the Portfolio's distributor. In accordance with the Distribution Plan, DIDI receives 12b-1 fees of 0.25% of average daily net assets of Class B and B2 shares. For the six months ended June 30, 2009, the Distribution Service Fees were as follows:

Distribution Service Fees	Total Aggregated	Unpaid at June 30, 2009
Class B	\$ 46,939	\$ 8,512
Class B2	21,226	3,709
	\$ 68,165	\$ 12,221

Service Provider Fees. DWS Investments Service Company ("DISC"), an affiliate of the Advisor, is the transfer agent, dividend-paying agent and shareholder service agent of the Portfolio. Pursuant to a sub-transfer agency agreement among DISC and DST Systems, Inc. ("DST"), DISC has delegated certain transfer agent, dividend-paying agent and shareholder service agent functions to DST. DISC compensates DST out of the shareholder servicing fee they receive from the Portfolio. For the six months ended June 30, 2009, the amounts charged to the Portfolio by DISC were as follows:

Services to Shareholders	Total Aggregated	Waived
Class A	\$ 376	\$ 376
Class B	59	36
Class B2	24	24
	\$ 459	\$ 436

Typesetting and Filing Service Fees. Under an agreement with DIMA, DIMA is compensated for providing typesetting and certain regulatory filing services to the Portfolio. For the six months ended June 30, 2009, the amount charged to the Portfolio by DIMA included in the Statement of Operations under "reports to shareholders" aggregated \$6,951, of which \$2,117 is unpaid.

Trustees' Fees and Expenses. The Portfolio paid each Trustee not affiliated with the Advisor retainer fees plus specified amounts for various committee services and for the Board Chairperson.

Cash Management QP Trust. Pursuant to an Exemptive Order issued by the SEC, the Portfolio may invest in the Cash Management QP Trust (the "QP Trust") and other affiliated funds managed by the Manager or Advisor. The QP Trust seeks to provide as high a level of current income as is consistent with the preservation of capital and the maintenance of liquidity. The QP Trust does not pay the Manager or Advisor a management fee for the affiliated funds' investments in the QP Trust.

D. Fee Reductions

The Portfolio has entered into an arrangement with its custodian whereby credits realized as a result of uninvested cash balances are used to reduce a portion of the Portfolio's custodian expenses. During the six months ended June 30, 2009, the Portfolio's custodian fee was reduced by \$1 for custody credits earned.

E. Line of Credit

The Portfolio and other affiliated funds (the "Participants") share in a \$450 million revolving credit facility provided by a syndication of banks. The Portfolio may borrow for temporary or emergency purposes, including the meeting of redemption requests that otherwise might require the untimely disposition of securities. The Participants are charged an annual commitment fee which is allocated based on net assets, among each of the Participants. Interest is calculated at a rate per annum equal to the sum of the Federal Funds Rate plus 1.25 percent plus if

LIBOR exceeds the Federal Funds Rate the amount of such excess. The Portfolio may borrow up to a maximum of 33 percent of its net assets under the agreement.

F. Ownership of the Portfolio

At June 30, 2009, two participating insurance companies were beneficial owners of record of 10% or more of the total outstanding Class A shares of the Portfolio, each owning 59% and 12%, respectively. At June 30, 2009, one participating insurance company was a beneficial owner of record of 10% or more of the total outstanding Class B shares of the Portfolio, owning 84%. At June 30, 2009, one participating insurance company was a beneficial owner of record of 10% or more of the total outstanding Class B2 shares of the Portfolio, owning 100%.

G. Review for Subsequent Events

In accordance with the provisions set forth in Financial Accounting Standards Board Statement of Financial Accounting Standards No. 165 "Subsequent Events," adopted by the Portfolio as of June 30, 2009, events and transactions from July 1, 2009 through August 13, 2009, the date the financial statements were available to be issued, have been evaluated by management for subsequent events. Management has determined that there were no material events that would require disclosure in the Portfolio's financial statements through this date.

Proxy Voting

The Portfolio's policies and procedures for voting proxies for portfolio securities and information about how the Portfolio voted proxies related to its portfolio securities during the 12-month period ended June 30 are available on our Web site — www.dws-investments.com (click on "proxy voting" at the bottom of the page) — or on the SEC's Web site — www.sec.gov. To obtain a written copy of the Portfolio's policies and procedures without charge, upon request, call us toll free at (800) 778-1482.

Summary of Management Fee Evaluation by Independent Fee Consultant

October 24, 2008

Pursuant to an Order entered into by Deutsche Investment Management Americas and affiliates (collectively, "DeAM") with the Attorney General of New York, I, Thomas H. Mack, have been appointed the Independent Fee Consultant for the DWS Funds (formerly the DWS Scudder Funds). My duties include preparing an annual written evaluation of the management fees DeAM charges the Funds, considering among other factors the management fees charged by other mutual fund companies for like services, management fees DeAM charges other clients for like services, DeAM's costs of supplying services under the management agreements and related profit margins, possible economies of scale if a Fund grows larger, and the nature and quality of DeAM's services, including fund performance. This report summarizes my evaluation for 2008, including my qualifications, the evaluation process for each of the DWS Funds, consideration of certain complex-level factors, and my conclusions. I served in substantially the same capacity in 2007.

Qualifications

For more than 35 years I have served in various professional capacities within the investment management business. I have held investment analysis and advisory positions, including securities analyst, portfolio strategist and director of investment policy with a large investment firm. I have also performed business management functions, including business development, financial management and marketing research and analysis.

Since 1991, I have been an independent consultant within the asset management industry. I have provided services to over 125 client organizations, including investment managers, mutual fund boards, product distributors and related organizations. Over the past ten years I have completed a number of assignments for mutual fund boards, specifically including assisting boards with management contract renewal.

I hold a Master of Business Administration degree, with highest honors, from Harvard University and Master of Science and Bachelor of Science (highest honors) degrees from the University of California at Berkeley. I am an independent director and audit committee financial expert for two closed-end mutual funds, serve on the board of directors of a private market research company, and have served in various leadership and financial oversight capacities with non-profit organizations.

Evaluation of Fees for each DWS Fund

My work focused primarily on evaluating, fund-by-fund, the fees charged to each of the 129 Fund portfolios in the DWS Fund family. For each Fund, I considered each of the key factors mentioned above, as well as any other relevant information. In doing so I worked closely with the Funds' Independent Directors in their annual contract renewal process, as well as in their approval of contracts for several new funds (documented separately).

In evaluating each Fund's fees, I reviewed comprehensive materials provided by or on behalf of DeAM, including expense information prepared by Lipper Analytical, comparative performance information, profitability data, manager histories, and other materials. I also accessed certain additional information from the Lipper, Strategic Insight, and Morningstar databases and drew on my industry knowledge and experience.

To facilitate evaluating this considerable body of information, I prepared for each Fund a document summarizing the key data elements in each area as well as additional analytics discussed below. This made it possible to consider each key data element in the context of the others.

In the course of contract renewal, DeAM agreed to implement a number of fee and expense adjustments requested by the Independent Directors which will favorably impact future fees and expenses, and my evaluation includes the effects of these changes.

Fees and Expenses Compared with Other Funds

The competitive fee and expense evaluation for each fund focused on two primary comparisons:

The Fund's contractual management fee (the advisory fee plus the administration fee where applicable) compared with those of a group of typically 12–15 funds in the same Lipper investment category (e.g. Large Capitalization Growth) having similar distribution arrangements and being of similar size.

The Fund's total expenses compared with a broader universe of funds from the same Lipper investment category and having similar distribution arrangements.

These two comparisons provide a view of not only the level of the fee compared with funds of similar scale but also the total expense the Fund bears for all the services it receives, in comparison with the investment choices available in the Fund's investment category and distribution channel. The principal figure-of-merit used in these comparisons was the subject Fund's percentile ranking against peers.

DeAM's Fees for Similar Services to Others

DeAM provided management fee schedules for all of its US domiciled fund and non-fund investment management accounts in any of the investment categories where there is a DWS Fund. These similar products included the other DWS Funds, non-fund pooled accounts, institutional accounts and sub-advisory accounts. Using this information, I calculated for each Fund the fee that would be charged to each similar product, at the subject Fund's asset level.

Evaluating information regarding non-fund products is difficult because there are varying levels of services required for different types of accounts, with mutual funds generally requiring considerably more regulatory and administrative types of service as well as having more frequent cash flows than other types of accounts. Also, while mutual fund fees for similar fund products can be expected to be similar, there will be some differences due to different pricing conditions in different distribution channels (e.g. retail funds versus those used in variable insurance products), differences in underlying investment processes and other factors.

Costs and Profit Margins

DeAM provided a detailed profitability analysis for each Fund. After making some adjustments so that the presentation would be more comparable to the available industry figures, I reviewed profit margins from investment management alone, from investment management plus other fund services (excluding distribution) provided to the Funds by DeAM (principally shareholder services), and DeAM profits from all sources, including distribution. A later section comments on overall profitability.

Economies of Scale

Economies of scale — an expected decline in management cost per dollar of fund assets as fund assets grow — are very rarely quantified and documented because of inherent difficulties in collecting and analyzing relevant data. However, in virtually every investment category that I reviewed, larger funds tend to have lower fees and lower total expenses than smaller funds. To see how each DWS Fund compares with this industry observation, I reviewed:

The trend in Fund assets over the last five years and the accompanying trend in total expenses. This shows if the Fund has grown and, if so, whether total expense (management fees as well as other expenses) have declined as a percent of assets.

Whether the Fund has break-points in its management fee schedule, the extent of the fee reduction built into the schedule and the asset levels where the breaks take effect, and in the case of a sub-advised Fund how the Fund's break-points compare with those of the sub-advisory fee schedule.

How the Fund's contractual fee schedule compares with trends in the industry data. To accomplish this, I constructed a chart showing how actual latest-fiscal-year contractual fees of the Fund and of other similar funds relate to average fund assets, with the subject Fund's contractual fee schedule superimposed.

Quality of Service — Performance

The quality-of-service evaluation focused on investment performance, which is the principal result of the investment management service. Each Fund's performance was reviewed over the past 1, 3, 5 and 10 years, as

applicable, and compared with that of other funds in the same investment category and with a suitable market index.

In addition, I calculated and reviewed risk-adjusted returns relative to an index of similar mutual funds' returns and a suitable market index. The risk-adjusted returns analysis provides a way of determining the extent to which the Fund's return comparisons are mainly the product of investment value-added (or lack thereof) or alternatively taking considerably more or less risk than is typical in its investment category.

I also received and considered the history of portfolio manager changes for each Fund, as this provided an important context for evaluating the performance results.

Complex-Level Considerations

While this evaluation was conducted mainly at the individual fund level, there are some issues relating to the reasonableness of fees that can alternatively be considered across the whole fund complex:

I reviewed DeAM's profitability analysis for all DWS Funds, with a view toward determining if the allocation procedures used were reasonable and how profit levels compared with public data for other investment managers.

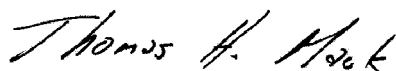
I considered whether DeAM and affiliates receive any significant ancillary or "fall-out" benefits that should be considered in interpreting the direct profitability results. These would be situations where serving as the investment manager of the Funds is beneficial to another part of the Deutsche Bank organization.

I considered how aggregated DWS Fund expenses had varied over the years, by asset class and in the context of trends in asset levels.

I reviewed the structure of the DeAM organization, trends in staffing levels, and information on compensation of investment management and other professionals compared with industry data.

Findings

Based on the process and analysis discussed above, which included reviewing a wide range of information from management and external data sources and considering among other factors the fees DeAM charges other clients, the fees charged by other fund managers, DeAM's costs and profits associated with managing the Funds, economies of scale, possible fall-out benefits, and the nature and quality of services provided, in my opinion the management fees charged the DWS Funds are reasonable.



Thomas H. Mack

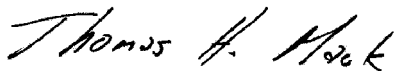
Summary of Administrative Fee Evaluation by Independent Fee Consultant

September 29, 2008

Pursuant to an Order entered into by Deutsche Asset Management (DeAM) with the Attorney General of New York, I, Thomas H. Mack, have been appointed the Independent Fee Consultant for the DWS Funds and have as part of my duties evaluated the reasonableness of the proposed management fees to be charged by DeAM to the DWS Funds, taking into account a proposal to pass through to the funds certain fund accounting-related charges in connection with new regulatory requirements. My evaluation considered the following:

- While the proposal would alter the services to be provided under the Administration Agreement, which I consider to be part of fund management under the Order, it is my opinion that the change in services is slight and that the scope of prospective services under the combination of the Advisory and Administration Agreements continues to be comparable with those typically provided to competitive funds under their management agreements.
- While the proposal would increase fund expenses, according to a pro forma analysis performed by management, the prospective effect is less than .01% for all but seven of the DeAM Funds' 438 active share classes, and in all cases the effect is less than .03% and overall expenses would remain reasonable in my opinion.

Based on the foregoing considerations, in my opinion the fees and expenses for all of the DWS Funds will remain reasonable if the Directors adopt this proposal.



Thomas H. Mack

Notes

Deutsche Investment Management Americas Inc. ("DIMA"), an indirect, wholly owned subsidiary of Deutsche Bank AG, is the Portfolio's Advisor.

DWS Investments is part of Deutsche Bank's Asset Management division and, within the US, represents the retail asset management activities of Deutsche Bank AG, Deutsche Bank Trust Company Americas, Deutsche Investment Management Americas Inc. and DWS Trust Company.

The views expressed in this report reflect those of the portfolio managers only through the end of the period of the report as stated on the cover. The managers' views are subject to change at any time based on market and other conditions and should not be construed as a recommendation.

This information must be preceded or accompanied by a current prospectus.

Portfolio changes should not be considered recommendations for action by individual investors.

DWS Investments Distributors, Inc.
222 South Riverside Plaza
Chicago, IL 60606
(800) 778-1482

vit-equ500-3 (R-12540-1 8/09)



June 30, 2009

SEMIANNUAL REPORT

DWS VARIABLE SERIES I

DWS Bond VIP

DWS Growth & Income VIP

DWS Capital Growth VIP

DWS Global Opportunities VIP

DWS International VIP

DWS Health Care VIP

RESHAPING INVESTING.



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This report must be preceded or accompanied by a prospectus. To obtain an additional prospectus, call (800) 778-1482 or your financial representative. We advise you to consider the product's objectives, risks, charges and expenses carefully before investing. The prospectus contains this and other important information about the investment product. Please read the prospectus carefully before you invest.

*NOT FDIC/NCUA INSURED NO BANK GUARANTEE MAY LOSE VALUE NOT A DEPOSIT
NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY*

Investments in variable portfolios involve risk. Some portfolios have more risk than others. These include portfolios that allow exposure to or otherwise concentrate investments in certain sectors, geographic regions, security types, market capitalization or foreign securities (e.g., political or economic instability, which can be accentuated in Emerging Market countries). Please read the prospectus for specific details regarding its investments and risk profile.

DWS Investments is part of Deutsche Bank's Asset Management division and, within the US, represents the retail asset management activities of Deutsche Bank AG, Deutsche Bank Trust Company Americas, Deutsche Investment Management Americas Inc. and DWS Trust Company.

DWS Bond VIP

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 redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Please contact your participating insurance company for the Portfolio's most recent month-end performance. Performance doesn't reflect charges and fees ("contract charges") associated with the separate account that invests in the Portfolio or any variable life insurance policy or variable annuity contract for which the Portfolio is an investment option. These charges and fees will reduce returns. While all share classes have the same underlying portfolio, their performance will differ.

The total annual portfolio operating expense ratio, gross of any fee waivers or expense reimbursements, as stated in the fee table of the prospectus dated May 1, 2009 is 0.59% for Class A shares. Please see the Information About Your Portfolio's Expenses, the Financial Highlights and Notes to the Financial Statements (Note C, Related Parties) sections of this report for gross and net expense-related disclosure for the period ended June 30, 2009.

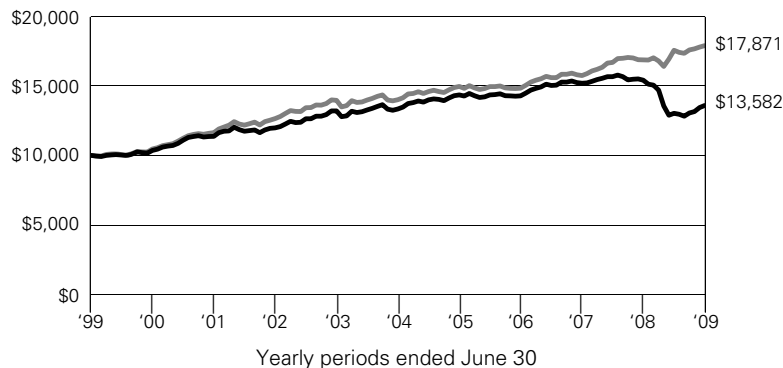
Portfolio returns during 3-year, 5-year and 10-year periods shown reflect a fee waiver and/or expense reimbursement. Without this waiver/reimbursement, returns would have been lower.

Risk Considerations

Investments by the Portfolio in lower-rated bonds present greater risk to principal and income than investments in higher-quality securities. This Portfolio invests in individual bonds whose yields and market values fluctuate so that your investment may be worth more or less than its original cost. Bond investments are subject to interest-rate risk such that when interest rates rise, the prices of the bonds, and thus the value of the investment, can decline and the investor can lose principal value. Additionally, investing in foreign securities presents certain risks, such as currency fluctuation and changes in political/economic conditions and market risks. All of these factors may result in greater share price volatility. In the current market environment, mortgage-backed securities are experiencing increased volatility. Please see this Portfolio's prospectus for specific details regarding its investments and risk profile.

Growth of an Assumed \$10,000 Investment

- DWS Bond VIP — Class A
- Barclays Capital US Aggregate Bond Index



The Barclays Capital US Aggregate Bond Index is an unmanaged, market-value-weighted measure of Treasury issues, agency issues, corporate bond issues and mortgage securities.

Index returns, unlike portfolio returns, do not reflect any fees or expenses. It is not possible to invest directly into an index.

Comparative Results

DWS Bond VIP		6-Month [‡]	1-Year	3-Year	5-Year	10-Year
Class A	Growth of \$10,000	\$10,431	\$8,826	\$9,518	\$10,189	\$13,582
	Average annual total return	4.31%	-11.74%	-1.63%	.37%	3.11%
Barclays Capital US Aggregate Bond Index	Growth of \$10,000	\$10,190	\$10,605	\$12,055	\$12,772	\$17,871
	Average annual total return	1.90%	6.05%	6.43%	5.01%	5.98%

The growth of \$10,000 is cumulative.

[‡] Total returns shown for periods less than one year are not annualized.

Information About Your Portfolio's Expenses

DWS Bond VIP

As an investor of the Portfolio, you incur two types of costs: ongoing expenses and transaction costs. Ongoing expenses include management fees, distribution and service (12b-1) fees and other Portfolio expenses. Examples of transaction costs include contract charges, redemption fees and account maintenance fees, which are not shown in this section. The following tables are intended to help you understand your ongoing expenses (in dollars) of investing in the Portfolio and to help you compare these expenses with the ongoing expenses of investing in other mutual funds. The example in the table is based on an investment of \$1,000 invested at the beginning of the six-month period and held for the entire period (January 1, 2009 to June 30, 2009).

The tables illustrate your Portfolio's expenses in two ways:

- **Actual Portfolio Return.** This helps you estimate the actual dollar amount of ongoing expenses (but not transaction costs) paid on a \$1,000 investment in the Portfolio using the Portfolio's actual return during the period. To estimate the expenses you paid over the period, simply divide your account

value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the "Expenses Paid per \$1,000" line under the share class you hold.

- **Hypothetical 5% Portfolio Return.** This helps you to compare your Portfolio's ongoing expenses (but not transaction costs) with those of other mutual funds using the Portfolio's actual expense ratio and a hypothetical rate of return of 5% per year before expenses. Examples using a 5% hypothetical Portfolio return may be found in the shareholder reports of other mutual funds. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period.

Please note that the expenses shown in these tables are meant to highlight your ongoing expenses only and do not reflect any transaction costs. The "Expenses Paid per \$1,000" line of the tables is useful in comparing ongoing expenses only and will not help you determine the relative total expense of owning different funds. If these transaction costs had been included, your costs would have been higher.

Expenses and Value of a \$1,000 Investment for the six months ended June 30, 2009

Actual Portfolio Return	Class A
Beginning Account Value 1/1/09	\$1,000.00
Ending Account Value 6/30/09	\$1,043.10
Expenses Paid per \$1,000*	\$ 3.19

Hypothetical 5% Portfolio Return	Class A
Beginning Account Value 1/1/09	\$1,000.00
Ending Account Value 6/30/09	\$1,021.67
Expenses Paid per \$1,000*	\$ 3.16

* Expenses are equal to the Portfolio's annualized expense ratio for each share class, multiplied by the average account value over the period, multiplied by the number of days in the most recent six-month period, then divided by 365.

Annualized Expense Ratios	Class A
DWS Variable Series I — DWS Bond VIP	.63%

For more information, please refer to the Portfolio's prospectus.

These tables do not reflect charges and fees ("contract charges") associated with the separate account that invests in the Portfolio or any variable life insurance policy or variable annuity contract for which the Portfolio is an investment option.

Portfolio Summary

DWS Bond VIP

Asset Allocation (As a % of Investment Portfolio excluding Securities Lending Collateral)	6/30/09	12/31/08
Corporate Bonds	32%	24%
Mortgage-Backed Securities Pass-Throughs	32%	20%
Government & Agency Obligations	10%	12%
Cash Equivalents	10%	6%
Collateralized Mortgage Obligations	6%	21%
Commercial Mortgage-Backed Securities	5%	9%
Municipal Bonds and Notes	5%	5%
Asset-Backed	—	1%
Preferred Securities	—	2%
	100%	100%

Quality (Excludes Securities Lending Collateral)	6/30/09	12/31/08
US Government & Treasury Obligations	44%	38%
AAA*	12%	26%
AA	5%	8%
A	10%	8%
BBB	23%	15%
BB or Below	5%	3%
Not Rated	1%	2%
	100%	100%

Effective Maturity (Excludes Cash Equivalents and Securities Lending Collateral)	6/30/09	12/31/08
Under 1 year	6%	10%
1–4.99 years	36%	47%
5–9.99 years	47%	27%
10–14.99 years	3%	7%
15+ years	8%	9%
	100%	100%

* Category includes cash equivalents

Weighted average effective maturity: 7.07 and 7.43 years, respectively.

Asset allocation, quality and effective maturity are subject to change.

The quality ratings represent the lower of Moody's Investors Service, Inc. ("Moody's") or Standard & Poor's Corporation ("S&P") credit ratings. The ratings of Moody's and S&P represent their opinions as to the quality of the securities they rate. Ratings are relative and subjective and are not absolute standards of quality. The Portfolio's credit quality does not remove market risk.

For more complete details about the Portfolio's investment portfolio, see page 6. A complete list of portfolio holdings of the Portfolio is posted as of the month end on www.dws-investments.com on or about the 15th day of the following month. More frequent posting of portfolio holdings information may be made from time to time on www.dws-investments.com.

Following the Portfolio's fiscal first and third quarter-end, a complete portfolio holdings listing is filed with the SEC on Form N-Q. The form will be available on the SEC's Web site at www.sec.gov, and it also may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the SEC's Public Reference Room may be obtained by calling (800) SEC-0330.

Investment Portfolio

June 30, 2009 (Unaudited)

DWS Bond VIP

	Principal Amount \$(a)	Value (\$)		Principal Amount \$(a)	Value (\$)
Corporate Bonds 33.3%					
Consumer Discretionary 4.9%					
British Sky Broadcasting Group PLC, 144A, 9.5%, 11/15/2018	590,000	705,175	Enterprise Products Operating LLP, 6.3%, 9/15/2017	350,000	351,736
Comcast Cable Communications Holdings, Inc., 9.455%, 11/15/2022	235,000	274,749	Hess Corp., 8.125%, 2/15/2019	750,000	853,840
Comcast Cable Holdings LLC, 10.125%, 4/15/2022	168,000	194,143	Kinder Morgan Energy Partners LP, 6.95%, 1/15/2038	510,000	494,032
Cox Communications, Inc., 7.125%, 10/1/2012	650,000	698,721	Marathon Oil Corp., 7.5%, 2/15/2019	725,000	791,303
Fortune Brands, Inc.: 5.375%, 1/15/2016	330,000	302,721	Mariner Energy, Inc., 8.0%, 5/15/2017 (b)	250,000	207,500
6.375%, 6/15/2014 (b)	480,000	477,266	ONEOK Partners LP, 8.625%, 3/1/2019	560,000	626,297
News America, Inc., 6.4%, 12/15/2035	360,000	315,085	Talisman Energy, Inc., 7.75%, 6/1/2019 (b)	143,000	158,414
TCI Communications, Inc., 8.75%, 8/1/2015	511,000	582,403	TransCanada PipeLines Ltd.: 6.5%, 8/15/2018	420,000	456,930
Time Warner Cable, Inc.: 6.75%, 7/1/2018	445,000	463,498	7.625%, 1/15/2039	125,000	145,888
6.75%, 6/15/2039	525,000	510,978			7,235,632
7.3%, 7/1/2038	40,000	41,669	Financials 11.3%		
Time Warner, Inc.: 7.625%, 4/15/2031	350,000	340,255	American Express Co., 7.0%, 3/19/2018	988,000	959,386
7.7%, 5/1/2032	305,000	299,713	Bank of America Corp.: 5.75%, 12/1/2017	710,000	632,204
Viacom, Inc.: 5.75%, 4/30/2011	458,000	468,883	Series L, 7.375%, 5/15/2014	170,000	175,613
6.25%, 4/30/2016 (b)	775,000	763,499	7.625%, 6/1/2019	540,000	542,409
Yum! Brands, Inc., 6.875%, 11/15/2037	750,000	755,999	Bank of New York Mellon Corp., 4.3%, 5/15/2014 (b)	645,000	655,399
		7,194,757	BB&T Corp., 6.85%, 4/30/2019	350,000	363,987
Consumer Staples 3.4%			Capital One Financial Corp., 7.375%, 5/23/2014	540,000	556,837
Altria Group, Inc., 9.25%, 8/6/2019 (b)	225,000	252,655	Citigroup, Inc.: 6.125%, 5/15/2018	700,000	612,263
Anheuser-Busch InBev Worldwide, Inc., 144A, 7.75%, 1/15/2019	750,000	820,242	8.5%, 5/22/2019	432,000	439,447
ConAgra Foods, Inc., 7.0%, 4/15/2019	450,000	493,326	Deutsche Telekom International Finance BV: 4.875%, 7/8/2014	240,000	241,555
CVS Caremark Corp.: 6.25%, 6/1/2027	332,000	336,993	6.0%, 7/8/2019 (b)	1,450,000	1,462,905
6.302%, 6/1/2037	1,050,000	777,000	ESI Tractebel Acquisition Corp., Series B, 7.99%, 12/30/2011	89,000	86,552
Dr. Pepper Snapple Group, Inc., 6.12%, 5/1/2013	750,000	776,432	General Electric Capital Corp., 5.625%, 5/1/2018	1,204,000	1,138,723
Kroger Co.: 6.8%, 4/1/2011	505,000	534,624	Jefferson-Pilot Corp., 4.75%, 1/30/2014	100,000	88,237
7.0%, 5/1/2018	445,000	479,184	JPMorgan Chase & Co.: 4.65%, 6/1/2014	330,000	329,129
Safeway, Inc., 7.45%, 9/15/2027	470,000	495,985	5.125%, 9/15/2014	435,000	432,894
		4,966,441	5.375%, 1/15/2014 (b)	300,000	302,022
Energy 4.9%			MetLife, Inc.: 6.75%, 6/1/2016	429,000	436,746
Anadarko Petroleum Corp., 6.45%, 9/15/2036	320,000	287,653	Series A, 6.817%, 8/15/2018	400,000	402,844
ConocoPhillips, 6.0%, 1/15/2020	750,000	803,029	Morgan Stanley: Series F, 6.625%, 4/1/2018	475,000	473,530
DCP Midstream LLC, 144A, 9.75%, 3/15/2019	1,200,000	1,337,692	7.3%, 5/13/2019	470,000	487,366
Devon Energy Corp., 6.3%, 1/15/2019 (b)	675,000	721,318	National Rural Utilities Cooperative Finance Corp., 10.375%, 11/1/2018	630,000	789,908
			NLV Financial Corp., 144A, 6.5%, 3/15/2035	734,000	440,799
			PNC Bank NA, 6.875%, 4/1/2018	200,000	197,716
			Principal Financial Group, Inc., 7.875%, 5/15/2014	600,000	632,095

The accompanying notes are an integral part of the financial statements.

	Principal Amount \$(a)	Value (\$)
Prudential Financial, Inc.:		
Series B, 5.1%, 9/20/2014	150,000	141,723
7.375%, 6/15/2019	120,000	117,820
Red Arrow International Leasing PLC, "A", 8.375%, 6/30/2012	RUB 2,068,750	58,740
Simon Property Group LP, (REIT), 6.75%, 5/15/2014 (b)	240,000	241,153
Telefonica Emisiones SAU, 5.877%, 7/15/2019 (c)	345,000	355,693
The Goldman Sachs Group, Inc.:		
6.0%, 5/1/2014 (b)	375,000	391,372
7.5%, 2/15/2019	650,000	696,002
Toll Brothers Finance Corp., 8.91%, 10/15/2017 (b)	350,000	357,918
US Bancorp., LIBOR minus 1.46%, 0.0%, 12/11/2035	255,000	241,612
Verizon Wireless Capital LLC, 144A, 7.375%, 11/15/2013	295,000	329,960
Wachovia Corp., Series G, 5.5%, 5/1/2013	700,000	723,103
		16,535,662
Health Care 2.0%		
Express Scripts, Inc.:		
6.25%, 6/15/2014	385,000	407,372
7.25%, 6/15/2019	120,000	132,329
HCA, Inc., 144A, 8.5%, 4/15/2019	400,000	392,000
McKesson Corp., 7.5%, 2/15/2019 (b)	350,000	394,153
Medco Health Solutions, Inc., 7.125%, 3/15/2018	715,000	752,949
Merck & Co., Inc.:		
5.0%, 6/30/2019	500,000	506,265
5.85%, 6/30/2039	111,000	114,026
Quest Diagnostics, Inc., 6.95%, 7/1/2037	175,000	175,859
		2,874,953
Industrials 1.8%		
Allied Waste North America, Inc., 6.875%, 6/1/2017	1,150,000	1,138,500
L-3 Communications Corp., Series B, 6.375%, 10/15/2015	900,000	816,750
Waste Management, Inc., 6.375%, 3/11/2015	600,000	621,626
		2,576,876
Information Technology 0.4%		
Oracle Corp.:		
3.75%, 7/8/2014 (c)	245,000	245,110
5.0%, 7/8/2019 (c)	390,000	388,241
		633,351
Materials 0.5%		
Corporacion Nacional del Cobre — Codelco, REG S, 7.5%, 1/15/2019	600,000	694,262
Pliant Corp., 11.85%, 6/15/2009*	7	4
		694,266
Telecommunication Services 1.6%		
AT&T, Inc.:		
6.55%, 2/15/2039 (b)	250,000	249,555
6.7%, 11/15/2013 (b)	500,000	549,111

	Principal Amount \$(a)	Value (\$)
Telecom Italia Capital SA:		
6.175%, 6/18/2014	290,000	293,270
6.2%, 7/18/2011	175,000	181,159
7.175%, 6/18/2019	275,000	278,766
7.721%, 6/4/2038	310,000	315,687
Verizon Communications, Inc.:		
5.25%, 4/15/2013	105,000	110,196
6.35%, 4/1/2019	350,000	364,102
		2,341,846
Utilities 2.5%		
Alabama Power Co., 6.0%, 3/1/2039	280,000	295,541
DPL, Inc., 6.875%, 9/1/2011	430,000	451,861
DTE Energy Co., 7.625%, 5/15/2014	152,000	158,636
Majapahit Holding BV, REG S, 7.75%, 10/17/2016	100,000	88,486
Pepco Holdings, Inc., 6.125%, 6/1/2017	1,050,000	972,589
Progress Energy, Inc., 7.05%, 3/15/2019 (b)	805,000	893,147
Sempra Energy, 6.5%, 6/1/2016	650,000	678,498
Southern Co., 4.15%, 5/15/2014	192,000	192,764
		3,731,522
Total Corporate Bonds (Cost \$47,022,850)		48,785,306
Asset-Backed 0.5%		
Automobile Receivables 0.3%		
Household Automotive Trust, "A4", Series 2006-1, 5.52%, 3/18/2013	500,000	518,561
Home Equity Loans 0.2%		
First Franklin Mortgage Loan Asset-Backed Certificates, "A2A", Series 2007-FFC, 0.464%**, 6/25/2027	587,804	244,375
Total Asset-Backed (Cost \$1,088,175)		762,936
Mortgage-Backed Securities Pass-Throughs 33.2%		
Federal Home Loan Mortgage Corp.:		
5.0%, 2/1/2021	1,424,289	1,484,765
5.301%**, 6/1/2035	732,511	759,449
5.5%, with various maturities from 10/1/2023 until 8/1/2024	619,248	642,446
5.51%**, 2/1/2038	854,336	889,530
6.0%, 2/1/2036	2,695,462	2,825,076
6.5%, with various maturities from 3/1/2026 until 12/1/2036	2,762,724	2,937,603
7.0%, 1/1/2038	347,215	376,308
Federal National Mortgage Association:		
4.5%, with various maturities from 12/1/2019 until 6/1/2034 (c)	2,407,664	2,439,508
5.0%, with various maturities from 7/1/2019 until 2/1/2038 (c)	10,441,812	10,749,159
5.136%**, 9/1/2038	614,988	639,721
5.45%**, 1/1/2038	986,223	1,033,809

The accompanying notes are an integral part of the financial statements.

	Principal Amount \$(a)	Value (\$)
5.5%, with various maturities from 1/1/2025 until 7/1/2037	12,755,619	13,215,684
6.0%, with various maturities from 4/1/2024 until 3/1/2025	1,153,452	1,216,576
6.5%, with various maturities from 3/1/2017 until 9/1/2038	8,868,582	9,500,040
8.0%, 9/1/2015	24,928	27,136
Total Mortgage-Backed Securities Pass-Throughs (Cost \$47,339,444)		48,736,810

Commercial Mortgage-Backed Securities 5.5%

Greenwich Capital Commercial Funding Corp.:		
“A5”, Series 2005-GG5, 5.224%, 4/10/2037	1,300,000	1,111,986
“A4”, Series 2007-GG9, 5.444%, 3/10/2039	1,900,000	1,514,518
GS Mortgage Securities Corp. II:		
“A4”, Series 2006-GG8, 5.56%, 11/10/2039	1,425,000	1,162,239
“AAB”, Series 2007-GG10, 5.993%**, 8/10/2045	1,620,000	1,347,101
“J”, Series 2007-GG10, 144A, 5.993%**, 8/10/2045	1,096,000	57,470
“K”, Series 2007-GG10, 144A, 5.993%**, 8/10/2045	767,000	39,970
JPMorgan Chase Commercial Mortgage Securities Corp.:		
“E”, Series 2007-LD11, 6.007%**, 6/15/2049	590,000	88,646
“F”, Series 2007-LD11, 6.007%**, 6/15/2049	650,000	83,418
“G”, Series 2007-LD11, 144A, 6.007%**, 6/15/2049	760,000	80,779
“H”, Series 2007-LD11, 144A, 6.007%**, 6/15/2049	460,000	41,502
Merrill Lynch Mortgage Trust, “ASB”, Series 2007-C1, 6.022%**, 6/12/2050	590,000	493,181
Merrill Lynch/Countrywide Commercial Mortgage Trust, “ASB”, Series 2007-5, 5.362%, 8/12/2048	1,000,000	827,866
Wachovia Bank Commercial Mortgage Trust:		
“APB”, Series 2007-C30, 5.294%, 12/15/2043	610,000	500,185
“ABP”, Series 2007-C32, 5.929%**, 6/15/2049	720,000	611,064
“H”, Series 2007-C32, 144A, 5.929%**, 6/15/2049	770,000	32,494
Total Commercial Mortgage-Backed Securities (Cost \$12,769,493)		7,992,419

Collateralized Mortgage Obligations 5.9%

Countrywide Home Loans, “A2”, Series 2006-1, 6.0%, 3/25/2036	790,510	620,427
CS First Boston Mortgage Securities Corp., “10A3”, Series 2005-10, 6.0%, 11/25/2035	190,756	155,227

	Principal Amount \$(a)	Value (\$)
Fannie Mae Whole Loan, “1A1”, Series 2004-W15, 6.0%, 8/25/2044	257,290	271,981
Federal Home Loan Mortgage Corp.:		
“WJ”, Series 2557, 5.0%, 7/15/2014	85,341	85,388
“PD”, Series 2774, 5.0%, 8/15/2032	1,010,000	1,033,261
“EG”, Series 2836, 5.0%, 12/15/2032	1,580,000	1,613,652
“PE”, Series 2898, 5.0%, 5/15/2033	335,000	341,660
“PD”, Series 2939, 5.0%, 7/15/2033	535,000	544,773
“KG”, Series 2987, 5.0%, 12/15/2034	1,470,000	1,492,118
Federal National Mortgage Association:		
“EG”, Series 2005-22, 5.0%, 11/25/2033	750,000	762,166
“PG”, Series 2002-3, 5.5%, 2/25/2017	364,451	384,267
“TC”, Series 2007-77, 5.5%, 9/25/2034	370,000	388,387
MASTR Alternative Loans Trust, “8A1”, Series 2004-3, 7.0%, 4/25/2034	17,947	14,986
Structured Adjustable Rate Mortgage Loan Trust:		
“1A4”, Series 2005-22, 5.25%, 12/25/2035	1,160,000	589,576
“7A4”, Series 2006-1, 5.62%, 2/25/2036	930,000	383,327
Structured Asset Securities Corp., “2A1”, Series 2003-1, 6.0%, 2/25/2018	3,001	2,907
Total Collateralized Mortgage Obligations (Cost \$9,666,299)		8,684,103

Government & Agency Obligations 10.9%

Other Government Related 3.5%

Citigroup, Inc., FDIC Guaranteed, 2.125%, 4/30/2012	2,000,000	2,008,780
John Deere Capital Corp., Series D, FDIC Guaranteed, 2.875%, 6/19/2012 (b)	3,000,000	3,074,067
		5,082,847

Sovereign Bonds 4.1%

Government of Ukraine, REG S, 6.75%, 11/14/2017	390,000	267,150
Republic of Argentina, GDP Linked Note, 12/15/2035	410,000	9,876
Republic of Egypt, 9.1%, 9/20/2012	EGP 230,000	42,114
Republic of El Salvador, REG S, 8.25%, 4/10/2032	40,000	36,400
Republic of Indonesia:		
REG S, 6.875%, 1/17/2018	600,000	571,500
REG S, 8.5%, 10/12/2035	100,000	101,625
Republic of Panama:		
6.7%, 1/26/2036	170,000	164,900
7.125%, 1/29/2026	220,000	227,700
7.25%, 3/15/2015	80,000	87,200

The accompanying notes are an integral part of the financial statements.

	Principal Amount \$(a)	Value (\$)
Republic of Peru:		
7.125%, 3/30/2019	600,000	640,500
8.375%, 5/3/2016	1,200,000	1,383,000
Republic of Philippines:		
7.75%, 1/14/2031	100,000	104,000
9.5%, 2/2/2030	60,000	73,200
Republic of Serbia, REG S, Step-up Coupon, 3.75% to 11/1/2009, 6.75% to 11/1/2024	90,000	78,525
Republic of South Africa, 6.875%, 5/27/2019	1,300,000	1,335,750
Republic of Venezuela, REG S, 9.0%, 5/7/2023	1,300,000	795,600
State of Qatar, REG S, 9.75%, 6/15/2030	140,000	182,700
		6,101,740

US Government Sponsored Agency 0.8%

Federal National Mortgage Association, 6.625%, 11/15/2030 (b)	950,000	1,163,536
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US Treasury Obligations 2.5%

US Treasury Bills:		
0.15% ***, 9/17/2009 (d)	394,000	393,845
0.24% ***, 7/9/2009 (d)	370,000	369,993
US Treasury Note, 3.125%, 5/15/2019 (b)	3,000,000	2,901,570
		3,665,408

Total Government & Agency Obligations (Cost \$16,040,136)		16,013,531
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Municipal Bonds and Notes 4.9%

Alameda, CA, Corridor Transportation Authority Revenue, Series C, 6.6%, 10/1/2029 (e)	525,000	530,917
Florida, State Board of Education, Capital Outlay 2006, Series E, 5.0%, 6/1/2035	465,000	460,448
Gwinnett County, GA, Development Authority Revenue, Gwinnett Stadium Project, 6.4%, 1/1/2028	655,000	681,979
Jicarilla, NM, Sales & Special Tax Revenue, Apache Nation Revenue, 144A, 5.2%, 12/1/2013	670,000	678,060
Los Angeles, CA, Community Development Agency Tax Allocation Revenue, Adelante Eastside Project, Series C, 6.49%, 9/1/2037 (e)	325,000	228,001
McLennan County, TX, Junior College, 5.0%, 8/15/2032 (e)	340,000	340,585
New Jersey, Economic Development Authority Revenue, Series B, 6.5%, 11/1/2013 (e)	860,000	938,570

	Principal Amount \$(a)	Value (\$)
New Jersey, State Turnpike Authority Revenue, Build America Bonds, Series F, 7.414%, 1/1/2040	230,000	273,801
Port Authority New York & New Jersey, One Hundred Fiftieth Series, 4.75%, 9/15/2016	930,000	947,902
Rhode Island, Convention Center Authority Revenue, Civic Center, Series A, 6.06%, 5/15/2035 (e)	515,000	488,725
Virgin Islands, Port Authority Marine Revenue, Series B, 5.08%, 9/1/2013 (e)	1,295,000	1,304,285
Washington, Central Puget Sound Regional Transit Authority, Sales & Use Tax Revenue, Series A, 5.0%, 11/1/2036	285,000	284,139

Total Municipal Bonds and Notes (Cost \$7,082,167)		7,157,412
--	--	------------------

Loan Participations and Assignments 0.1%

Sovereign Loans

Gazprombank, 7.25%, 2/22/2010	RUB	2,000,000	61,279
Russian Agricultural Bank, REG S, 7.75%, 5/29/2018		100,000	91,000

Total Loan Participations and Assignments (Cost \$178,033)			152,279
--	--	--	----------------

	Shares	Value (\$)
Preferred Stock 0.0%		
Financials		
Ford Motor Credit Co., LLC, 7.375% (Cost \$24,692)	1,180	17,724

Securities Lending Collateral 9.3%

Daily Assets Fund Institutional, 0.48% (f) (g) (Cost \$13,597,358)	13,597,358	13,597,358
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Cash Equivalents 10.0%

Cash Management QP Trust, 0.27% (f) (Cost \$14,662,613)	14,662,613	14,662,613
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	% of Net Assets	Value (\$)
Total Investment Portfolio (Cost \$169,471,260) [†]	113.6	166,562,491
Other Assets and Liabilities, Net	(13.6)	(19,999,536)
Net Assets	100.0	146,562,955

* Non-income producing security. Issuer has defaulted on the payment of principal or interest or has filed for bankruptcy. The following table represents bonds that are in default:

Security	Coupon	Maturity Date	Principal Amount (\$)	Acquisition Cost (\$)	Value (\$)
Pliant Corp.	11.85%	6/15/2009	7	8	4

** Floating rate notes are securities whose yields vary with a designated market index or market rate, such as the coupon-equivalent of the US Treasury bill rate. These securities are shown at their current rate as of June 30, 2009.

The accompanying notes are an integral part of the financial statements.

*** Annualized yield at time of purchase; not a coupon rate.

† The cost for federal income tax purposes was \$169,494,111. At June 30, 2009, net unrealized depreciation for all securities based on tax cost was \$2,931,620. This consisted of aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost of \$4,629,978 and aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value of \$7,561,598.

- (a) Principal amount stated in US dollars unless otherwise noted.
- (b) All or a portion of these securities were on loan (see Notes to Financial Statements). The value of all securities loaned at June 30, 2009 amounted to \$13,183,887, which is 9.0% of net assets.
- (c) When-issued or delayed delivery security included.
- (d) At June 30, 2009, this security has been pledged, in whole or in part, to cover initial margin requirements for open futures contracts.
- (e) Bond is insured by one of these companies:

Insurance Coverage	As a % of Total Investment Portfolio
Assured Guaranty Corp.	0.6
Financial Guaranty Insurance Co.	0.3
Financial Security Assurance, Inc.	1.0
National Public Finance Guarantee Corp.	0.3
Radian	0.1

Many insurers who have traditionally guaranteed payment of municipal issues have been downgraded by the major rating agencies. As a result, most insured issues are now trading on the basis of the underlying credits.

- (f) Affiliated fund managed by Deutsche Investment Management Americas Inc. The rate shown is the annualized seven-day yield at period end.
- (g) Represents collateral held in connection with securities lending. Income earned by the Portfolio is net of borrower rebates.

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.

FDIC: Federal Deposit Insurance Corp.

GDP: Gross Domestic Product

LIBOR: Represents the London InterBank Offered Rate.

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.

REIT: Real Estate Investment Trust

Included in the portfolio are investments in mortgage or asset-backed securities which are interests in separate pools of mortgages or assets. Effective maturities of these investments may be shorter than stated maturities due to prepayments. Some separate investments in the Federal Home Loan Mortgage Corp. and Federal National Mortgage Association issues have similar coupon rates and have been aggregated for presentation purposes in the investment portfolio.

At June 30, 2009, open futures contracts purchased were as follows:

Futures	Expiration Date	Contracts	Aggregated Face Value (\$)	Value (\$)	Unrealized Appreciation (\$)
British Pound Currency	9/14/2009	15	1,501,394	1,543,406	42,012
Euro Currency	9/14/2009	15	2,629,156	2,632,500	3,344
Total unrealized appreciation					45,356

At June 30, 2009, open futures contracts sold were as follows:

Futures	Expiration Date	Contracts	Aggregated Face Value (\$)	Value (\$)	Unrealized Depreciation (\$)
10 Year US Treasury Note	9/21/2009	80	9,102,306	9,301,250	(198,944)

As of June 30, 2009, the Portfolio had the following open forward foreign currency exchange contracts:

Contracts to Deliver	In Exchange For	Settlement Date	Unrealized Depreciation (\$)
RUB 3,500,000	USD 107,461	7/10/2009	(4,533)

For information on the Portfolio's policy and additional disclosures regarding futures contracts and forward foreign currency exchange contracts, please refer to the Derivatives section of Note A in the accompanying Notes to Financial Statements.

Currency Abbreviations

EGP	Egyptian Pound	RUB	Russian Ruble	USD	United States Dollar
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The accompanying notes are an integral part of the financial statements.

Fair Value Measurements

Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, "Fair Value Measurements," as amended, establishes a three-tier hierarchy for measuring fair value and requires additional disclosure about the classification of fair value measurements.

Various inputs are used in determining the value of the Portfolio'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 observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, and credit risk). Level 3 includes significant unobservable inputs (including the Portfolio'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 June 30, 2009 in valuing the Portfolio's investments. For information on the Portfolio's policy regarding the valuation of investments, please refer to the Security Valuation section of Note A in the accompanying Notes to the Financial Statements.

Assets	Level 1	Level 2	Level 3	Total
Fixed Income (h)				
Corporate Bonds	\$ —	\$ 48,726,566	\$ 58,740	\$ 48,785,306
Asset-Backed	—	762,936	—	762,936
Mortgage-Backed Securities Pass-Throughs	—	48,736,810	—	48,736,810
Commercial Mortgage-Backed Securities	—	7,992,419	—	7,992,419
Collateralized Mortgage Obligations	—	8,684,103	—	8,684,103
Government & Agency Obligations	—	15,971,417	42,114	16,013,531
Municipal Bonds and Notes	—	7,157,412	—	7,157,412
Loan Participations and Assignments	—	152,279	—	152,279
Preferred Stock	17,724	—	—	17,724
Short-Term Investments (h)	13,597,358	14,662,613	—	28,259,971
Derivatives (i)	45,356	—	—	45,356
Total	\$ 13,660,438	\$ 152,846,555	\$ 100,854	\$ 166,607,847
Liabilities				
Derivatives (i)	(198,944)	(4,533)	—	(203,477)
Total	\$ (198,944)	\$ (4,533)	\$ —	\$ (203,477)

(h) See Investment Portfolio for additional detailed categorizations.

(i) Includes unrealized appreciation (depreciation) on open futures contracts and forward foreign currency exchange contracts.

The following is a reconciliation of the Portfolio's Level 3 investments for which significant unobservable inputs were used in determining value:

Level 3 Reconciliation	Corporate Bonds	Government & Agency Obligations	Preferred Stock	Total
Balance as of December 31, 2008	\$ 32,540	\$ 96,418	\$ 220,679	\$ 349,637
Realized gains (loss)	(16,324)	(25,653)	(349,351)	(391,328)
Change in unrealized appreciation (depreciation)	49,189	37,137	306,872	393,198
Amortization premium/discount	—	(88)	—	(88)
Net purchases (sales)	(6,665)	(65,700)	(178,200)	(250,565)
Net transfers in (out) of Level 3	—	—	—	—
Balance as of June 30, 2009	\$ 58,740	\$ 42,114	\$ —	\$ 100,854
Net change in unrealized appreciation (depreciation) from investments still held as of June 30, 2009	\$ 49,189	\$ 3,379	\$ —	\$ 52,568

The accompanying notes are an integral part of the financial statements.

Financial Statements

Statement of Assets and Liabilities

as of June 30, 2009 (Unaudited)

Assets	
Investments:	
Investments in securities, at value (cost \$141,211,289), including \$13,183,887 of securities loaned	\$ 138,302,520
Investment in Daily Assets Fund Institutional (cost \$13,597,358)*	13,597,358
Investment in Cash Management QP Trust (cost \$14,662,613)	14,662,613
Total investments, at value (cost \$169,471,260)	166,562,491
Cash	10,007
Foreign currency, at value (cost \$40,135)	40,302
Receivable for investments sold	32,000
Dividends receivable	544
Interest receivable	1,310,939
Receivable for Portfolio shares sold	57,393
Foreign taxes recoverable	2,511
Other assets	4,079
Total assets	168,020,266
Liabilities	
Payable for Portfolio shares redeemed	15,578
Payable upon return of securities loaned	13,597,358
Payable for when-issued/delayed delivery securities purchased	7,694,062
Unrealized depreciation on open forward foreign currency exchange contracts	4,533
Accrued management fee	43,331
Payable for daily variation margin on open futures contracts	2,906
Other accrued expenses and payables	99,543
Total liabilities	21,457,311
Net assets, at value	\$ 146,562,955
Net Assets Consist of	
Undistributed net investment income	3,537,212
Net unrealized appreciation (depreciation) on:	
Investments	(2,908,769)
Futures	(153,588)
Foreign currency	(4,341)
Accumulated net realized gain (loss)	(44,500,512)
Paid-in capital	190,592,953
Net assets, at value	\$ 146,562,955
Class A	
Net Asset Value , offering and redemption price per share (\$146,562,955 ÷ 27,899,874 outstanding shares of beneficial interest, \$.01 par value, unlimited number of shares authorized)	\$ 5.25

* Represents collateral on securities loaned.

Statement of Operations

for the six months ended June 30, 2009 (Unaudited)

Investment Income	
Dividends	\$ 22,690
Interest (net of foreign taxes withheld of \$4,354)	4,024,030
Interest — Cash Management QP Trust	41,232
Securities lending income, including income from Daily Assets Fund Institutional, net of borrower rebates	41,638
Total Income	4,129,590
Expenses:	
Management fee	281,186
Administration fee	72,099
Custodian fee	12,084
Services to shareholders	2,478
Professional fees	36,204
Trustees' fees and expenses	2,880
Reports to shareholders	29,701
Other	16,231
Total expenses before expense reductions	452,863
Expense reductions	(3)
Total expenses after expense reductions	452,860
Net investment income	3,676,730
Realized and Unrealized Gain (Loss)	
Net realized gain (loss) from:	
Investments	(23,292,207)
Futures	229,502
Foreign currency	(18,613)
	(23,081,318)
Change in net unrealized appreciation (depreciation) on:	
Investments	25,572,559
Futures	(153,588)
Foreign currency	(6,586)
	25,412,385
Net gain (loss)	2,331,067
Net increase (decrease) in net assets resulting from operations	\$ 6,007,797

The accompanying notes are an integral part of the financial statements.

Statement of Changes in Net Assets

	Six Months Ended June 30, 2009 (Unaudited)	Year Ended December 31, 2008
Increase (Decrease) in Net Assets		
Operations:		
Net investment income	\$ 3,676,730	\$ 11,548,151
Net realized gain (loss)	(23,081,318)	(19,565,062)
Change in net unrealized appreciation (depreciation)	25,412,385	(26,282,991)
Net increase (decrease) in net assets resulting from operations	6,007,797	(34,299,902)
Distributions to shareholders from:		
Net investment income:		
Class A	(11,985,798)	(10,882,399)
Class B	—	(31,809)
Total distributions	(11,985,798)	(10,914,208)
Portfolio share transactions:		
Class A		
Proceeds from shares sold	7,341,578	21,447,131
Reinvestment of distributions	11,985,798	10,882,399
Cost of shares redeemed	(21,609,932)	(61,233,965)
Net increase (decrease) in net assets from Class A share transactions	(2,282,556)	(28,904,435)
Class B*		
Proceeds from shares sold	—	292,257
Reinvestment of distributions	—	31,809
Cost of shares redeemed	—	(890,260)
Net increase (decrease) in net assets from Class B share transactions	—	(566,194)
Increase (decrease) in net assets	(8,260,557)	(74,684,739)
Net assets at beginning of period	154,823,512	229,508,251
Net assets at end of period (including undistributed net investment income of \$3,537,212 and \$11,846,280, respectively)	\$ 146,562,955	\$ 154,823,512
Other Information		
Class A		
Shares outstanding at beginning of period	28,147,936	32,791,859
Shares sold	1,384,867	3,262,319
Shares issued to shareholders in reinvestment of distributions	2,364,063	1,674,215
Shares redeemed	(3,996,992)	(9,580,457)
Net increase (decrease) in Class A shares	(248,062)	(4,643,923)
Shares outstanding at end of period	27,899,874	28,147,936
Class B*		
Shares outstanding at beginning of period	—	87,887
Shares sold	—	42,354
Shares issued to shareholders in reinvestment of distributions	—	4,894
Shares redeemed	—	(135,135)
Net increase (decrease) in Class B shares	—	(87,887)
Shares outstanding at end of period	—	—

* On May 22, 2008 Class B shares were liquidated.

The accompanying notes are an integral part of the financial statements.

Financial Highlights

Class A

Years Ended December 31,	2009 ^a	2008	2007	2006	2005	2004
Selected Per Share Data						
Net asset value, beginning of period	\$ 5.50	\$ 6.98	\$ 7.03	\$ 6.99	\$ 7.13	\$ 7.04
<i>Income (loss) from investment operations:</i>						
Net investment income ^b	.14	.37	.35	.33	.29	.29
Net realized and unrealized gain (loss)	.08	(1.48)	(.06)	(.01)	(.10)	.08
Total from investment operations	.22	(1.11)	.29	.32	.19	.37
<i>Less distributions from:</i>						
Net investment income	(.47)	(.37)	(.34)	(.27)	(.26)	(.28)
Net realized gains	—	—	—	(.01)	(.07)	—
Total distributions	(.47)	(.37)	(.34)	(.28)	(.33)	(.28)
Net asset value, end of period	\$ 5.25	\$ 5.50	\$ 6.98	\$ 7.03	\$ 6.99	\$ 7.13
Total Return (%)	4.31 ^{**}	(16.77)	4.18	4.72 ^c	2.60	5.38
Ratios to Average Net Assets and Supplemental Data						
Net assets, end of period (\$ millions)	147	155	229	218	209	177
Ratio of expenses before expense reductions (%)	.63 [*]	.59	.61	.66	.68	.60
Ratio of expenses after expense reductions (%)	.63 [*]	.59	.61	.62	.68	.60
Ratio of net investment income (%)	5.10 [*]	5.76	5.03	4.82	4.11	4.18
Portfolio turnover rate (%)	195 ^{**}	196	185	186	197	245

^a For the six months ended June 30, 2009 (Unaudited).

^b Based on average shares outstanding during the period.

^c Total return would have been lower had certain expenses not been reduced.

* Annualized ** Not annualized

DWS Growth & Income VIP

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 redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Please contact your participating insurance company for the Portfolio's most recent month-end performance. Performance doesn't reflect charges and fees ("contract charges") associated with the separate account that invests in the Portfolio or any variable life insurance policy or variable annuity contract for which the Portfolio is an investment option. These charges and fees will reduce returns. While all share classes have the same underlying portfolio, their performance will differ.

The total annual portfolio operating expense ratios, gross of any fee waivers or expense reimbursements, as stated in the fee table of the prospectus dated May 1, 2009 are 0.60% and 0.82% for Class A and Class B shares, respectively. Please see the Information About Your Portfolio's Expenses, the Financial Highlights and Notes to the Financial Statements (Note C, Related Parties) sections of this report for gross and net expense-related disclosure for the period ended June 30, 2009.

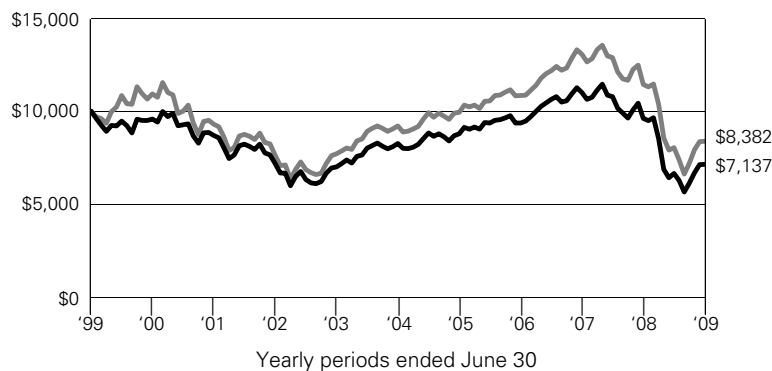
Portfolio returns during all periods shown reflect a fee waiver and/or expense reimbursement. Without this waiver/reimbursement, returns would have been lower.

Risk Considerations

The Portfolio is subject to stock market risk, meaning stocks in the Portfolio may decline in value for extended periods of time due to the activities and financial prospects of individual companies, or due to general market and economic conditions. Please read this Portfolio's prospectus for specific information regarding its investments and risk profile.

Growth of an Assumed \$10,000 Investment

■ DWS Growth & Income VIP — Class A
 ■ Russell 1000® Index



The Russell 1000® Index is an unmanaged index that measures the performance of the 1,000 largest companies in the Russell 3000 Index, which represents approximately 92% of the total market capitalization of the Russell 3000 Index. Index returns assume the reinvestment of dividends and, unlike portfolio returns, do not reflect any fees or expenses. It is not possible to invest directly into an index.

Comparative Results

DWS Growth & Income VIP		6-Month [‡]	1-Year	3-Year	5-Year	10-Year
Class A	Growth of \$10,000	\$10,736	\$7,428	\$7,626	\$8,639	\$7,137
	Average annual total return	7.36%	-25.72%	-8.64%	-2.88%	-3.32%
Russell 1000 Index	Growth of \$10,000	\$10,432	\$7,331	\$7,737	\$9,109	\$8,382
	Average annual total return	4.32%	-26.69%	-8.20%	-1.85%	-1.75%
DWS Growth & Income VIP		6-Month [‡]	1-Year	3-Year	5-Year	10-Year
Class B	Growth of \$10,000	\$10,711	\$7,431	\$7,580	\$8,521	\$6,949
	Average annual total return	7.11%	-25.69%	-8.82%	-3.15%	-3.57%
Russell 1000 Index	Growth of \$10,000	\$10,432	\$7,331	\$7,737	\$9,109	\$8,382
	Average annual total return	4.32%	-26.69%	-8.20%	-1.85%	-1.75%

The growth of \$10,000 is cumulative.

[‡] Total returns shown for periods less than one year are not annualized.

Information About Your Portfolio's Expenses

DWS Growth & Income VIP

As an investor of the Portfolio, you incur two types of costs: ongoing expenses and transaction costs. Ongoing expenses include management fees, distribution and service (12b-1) fees and other Portfolio expenses. Examples of transaction costs include contract charges, redemption fees and account maintenance fees, which are not shown in this section. The following tables are intended to help you understand your ongoing expenses (in dollars) of investing in the Portfolio and to help you compare these expenses with the ongoing expenses of investing in other mutual funds. In the most recent six-month period, the Portfolio limited these expenses; had it not done so, expenses would have been higher. The example in the table is based on an investment of \$1,000 invested at the beginning of the six-month period and held for the entire period (January 1, 2009 to June 30, 2009).

The tables illustrate your Portfolio's expenses in two ways:

- **Actual Portfolio Return.** This helps you estimate the actual dollar amount of ongoing expenses (but not transaction costs) paid on a \$1,000 investment in the Portfolio using the Portfolio's actual return during the period. To estimate the expenses you

paid over the period, simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the "Expenses Paid per \$1,000" line under the share class you hold.

- **Hypothetical 5% Portfolio Return.** This helps you to compare your Portfolio's ongoing expenses (but not transaction costs) with those of other mutual funds using the Portfolio's actual expense ratio and a hypothetical rate of return of 5% per year before expenses. Examples using a 5% hypothetical Portfolio return may be found in the shareholder reports of other mutual funds. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period.

Please note that the expenses shown in these tables are meant to highlight your ongoing expenses only and do not reflect any transaction costs. The "Expenses Paid per \$1,000" line of the tables is useful in comparing ongoing expenses only and will not help you determine the relative total expense of owning different funds. If these transaction costs had been included, your costs would have been higher.

Expenses and Value of a \$1,000 Investment for the six months ended June 30, 2009

Actual Portfolio Return	Class A	Class B
Beginning Account Value 1/1/09	\$1,000.00	\$1,000.00
Ending Account Value 6/30/09	\$1,073.60	\$1,071.10
Expenses Paid per \$1,000*	\$ 2.78	\$ 4.11

Hypothetical 5% Portfolio Return	Class A	Class B
Beginning Account Value 1/1/09	\$1,000.00	\$1,000.00
Ending Account Value 6/30/09	\$1,022.12	\$1,020.83
Expenses Paid per \$1,000*	\$ 2.71	\$ 4.01

* Expenses are equal to the Portfolio's annualized expense ratio for each share class, multiplied by the average account value over the period, multiplied by the number of days in the most recent six-month period, then divided by 365.

Annualized Expense Ratios	Class A	Class B
DWS Variable Series I — DWS Growth & Income VIP	.54%	.80%

For more information, please refer to the Portfolio's prospectus.

These tables do not reflect charges and fees ("contract charges") associated with the separate account that invests in the Portfolio or any variable life insurance policy or variable annuity contract for which the Portfolio is an investment option.

Portfolio Summary

DWS Growth & Income VIP

Asset Allocation (As a % of Investment Portfolio Excluding Securities Lending Collateral)	6/30/09	12/31/08
Common Stocks	96%	97%
Cash Equivalents	3%	2%
Government & Agency Obligation	1%	1%
	100%	100%

Sector Diversification (As a % of Common Stocks)	6/30/09	12/31/08
Information Technology	18%	16%
Health Care	15%	16%
Industrials	12%	14%
Financials	12%	11%
Consumer Staples	11%	13%
Energy	11%	12%
Consumer Discretionary	11%	10%
Materials	4%	2%
Telecommunication Services	3%	4%
Utilities	3%	2%
	100%	100%

Asset allocation and sector diversification are subject to change.

For more complete details about the Portfolio's investment portfolio, see page 18. A complete list of portfolio holdings of the Portfolio is posted as of the month end on www.dws-investments.com on or about the 15th day of the following month. More frequent posting of portfolio holdings information may be made from time to time on www.dws-investments.com.

Following the Portfolio's fiscal first and third quarter-end, a complete portfolio holdings listing is filed with the SEC on Form N-Q. The form will be available on the SEC's Web site at www.sec.gov, and it also may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the SEC's Public Reference Room may be obtained by calling (800) SEC-0330.

DWS Growth & Income VIP

	Shares	Value (\$)		Shares	Value (\$)
Common Stocks 96.5%					
Consumer Discretionary 10.3%					
Auto Components 0.2%					
Magna International, Inc. "A"	3,100	130,943			
Automobiles 0.1%					
Honda Motor Co., Ltd. (ADR)	2,600	71,162			
Distributors 0.1%					
Genuine Parts Co.	3,000	100,680			
Diversified Consumer Services 0.1%					
Capella Education Co.*	800	47,960			
Hotels Restaurants & Leisure 1.8%					
Ctrip.com International Ltd. (ADR)*	3,500	162,050			
McDonald's Corp.	19,100	1,098,059			
Yum! Brands, Inc.	9,800	326,732			
		1,586,841			
Household Durables 0.7%					
Garmin Ltd.	13,700	326,334			
Leggett & Platt, Inc.	14,400	219,312			
Ryland Group, Inc.	2,100	35,196			
		580,842			
Internet & Catalog Retail 0.4%					
Amazon.com, Inc.*	4,400	368,104			
Media 3.3%					
Comcast Corp. "A"	84,100	1,218,609			
Comcast Corp. Special "A"	20,200	284,820			
DISH Network Corp. "A"*	9,200	149,132			
The DIRECTV Group, Inc.*	11,000	271,810			
Time Warner Cable, Inc.	9,146	289,654			
Time Warner, Inc.	30,000	755,700			
		2,969,725			
Multiline Retail 0.5%					
Macy's, Inc.	38,500	452,760			
Specialty Retail 2.8%					
Children's Place Retail Stores, Inc.*	2,600	68,718			
Gymboree Corp.*	3,400	120,632			
RadioShack Corp.	24,700	344,812			
Rent-A-Center, Inc.*	5,400	96,282			
Ross Stores, Inc.	8,900	343,540			
The Gap, Inc.	27,400	449,360			
TJX Companies, Inc.	32,200	1,013,012			
Tractor Supply Co.*	1,800	74,376			
		2,510,732			
Textiles, Apparel & Luxury Goods 0.3%					
Jones Apparel Group, Inc.	13,300	142,709			
Quiksilver, Inc.*	12,000	22,200			
Under Armour, Inc. "A"* (a)	2,900	64,902			
Wolverine World Wide, Inc.	3,400	75,004			
		304,815			
Consumer Staples 10.4%					
Food & Staples Retailing 3.1%					
Kroger Co.	45,100	994,455			
Sysco Corp.	7,000	157,360			
Wal-Mart Stores, Inc.	33,000	1,598,520			
		2,750,335			
Food Products 2.8%					
Archer-Daniels-Midland Co. (a)	57,000	1,525,890			
Bunge Ltd.	12,300	741,075			
Chiquita Brands International, Inc.*	5,100	52,326			
Darling International, Inc.*	8,400	55,440			
Fresh Del Monte Produce, Inc.*	8,200	133,332			
		2,508,063			
Household Products 1.9%					
Church & Dwight Co., Inc.	1,600	86,896			
Colgate-Palmolive Co.	22,300	1,577,502			
		1,664,398			
Personal Products 0.3%					
Herbalife Ltd.	8,500	268,090			
Tobacco 2.3%					
Altria Group, Inc.	38,220	626,426			
Lorillard, Inc.	6,400	433,728			
Philip Morris International, Inc.	22,600	985,812			
		2,045,966			
Energy 10.4%					
Energy Equipment & Services 0.6%					
Exterran Holdings, Inc.*	2,500	40,100			
Helix Energy Solutions Group, Inc.*	5,500	59,785			
Noble Corp.	11,400	344,850			
Oil States International, Inc.*	2,500	60,525			
		505,260			
Oil, Gas & Consumable Fuels 9.8%					
Alpha Natural Resources, Inc.*	9,900	260,073			
Apache Corp.	10,000	721,500			
Cimarex Energy Co.	14,700	416,598			
ConocoPhillips	40,500	1,703,430			
Encore Acquisition Co.*	13,000	401,050			
EXCO Resources, Inc.*	4,800	62,016			
ExxonMobil Corp.	14,739	1,030,404			
Frontline Ltd. (a)	10,100	246,036			
Mariner Energy, Inc.*	19,800	232,650			
McMoRan Exploration Co.*	16,700	99,532			
Murphy Oil Corp.	14,500	787,640			
Occidental Petroleum Corp.	28,300	1,862,423			
Overseas Shipholding Group, Inc.	2,500	85,100			
Plains All American Pipeline LP	1,600	68,080			
Tesoro Corp.	10,300	131,119			
Valero Energy Corp.	28,100	474,609			
W&T Offshore, Inc.	14,200	138,308			
		8,720,568			
Financials 11.4%					
Capital Markets 1.1%					
Bank of New York Mellon Corp.	19,200	562,752			
Morgan Stanley	8,300	236,633			
The Goldman Sachs Group, Inc.	1,100	162,184			
		961,569			
Commercial Banks 1.1%					
Barclays PLC (ADR)	4,200	77,448			
Comerica, Inc.	3,500	74,025			
KeyCorp	12,800	67,072			
Marshall & Ilsley Corp.	35,000	168,000			
PNC Financial Services Group, Inc.	3,000	116,430			
Regions Financial Corp. (a)	82,000	331,280			
Zions Bancorp. (a)	9,300	107,508			
		941,763			

The accompanying notes are an integral part of the financial statements.

	Shares	Value (\$)
Consumer Finance 0.1%		
Capital One Financial Corp.	5,600	122,528
Diversified Financial Services 5.0%		
Bank of America Corp.	127,900	1,688,280
Citigroup, Inc. (a)	167,000	495,990
JPMorgan Chase & Co.	62,900	2,145,519
PHH Corp.*	4,400	79,992
		4,409,781
Insurance 3.4%		
ACE Ltd.	29,400	1,300,362
Allied World Assurance Co. Holdings Ltd.	3,700	151,071
Arch Capital Group Ltd.*	2,300	134,734
Berkshire Hathaway, Inc. "B"*	300	868,719
Everest Re Group Ltd.	1,400	100,198
First American Corp.	4,200	108,822
Old Republic International Corp.	9,900	97,515
The Travelers Companies, Inc.	6,100	250,344
XL Capital Ltd. "A" (a)	4,500	51,570
		3,063,335
Real Estate Investment Trusts 0.6%		
Essex Property Trust, Inc. (REIT)	1,200	74,676
Franklin Street Properties Corp. (REIT)	9,000	119,250
ProLogis (REIT)	4,300	34,658
Public Storage (REIT)	1,000	65,480
Rayonier, Inc. (REIT) (a)	3,400	123,590
Simon Property Group, Inc. (REIT)	1,537	79,048
Walter Investment Management Corp. (REIT)*	5,205	69,122
		565,824
Real Estate Management & Development 0.1%		
The St. Joe Co.*	2,200	58,278
Health Care 14.6%		
Biotechnology 1.8%		
Gilead Sciences, Inc.*	29,000	1,358,360
Myriad Genetics, Inc.*	3,600	128,340
Myriad Pharmaceuticals, Inc.*	900	4,185
PDL BioPharma, Inc.	12,600	99,540
		1,590,425
Health Care Equipment & Supplies 1.4%		
Baxter International, Inc.	10,700	566,672
Becton, Dickinson & Co.	7,100	506,301
Covidien PLC	4,900	183,456
		1,256,429
Health Care Providers & Services 5.9%		
Aetna, Inc.	57,800	1,447,890
AmerisourceBergen Corp.	4,800	85,152
Coventry Health Care, Inc.*	13,200	246,972
Emergency Medical Services Corp. "A"*	1,000	36,820
Express Scripts, Inc.*	21,300	1,464,375
Humana, Inc.*	3,400	109,684
Kindred Healthcare, Inc.*	6,800	84,116
Magellan Health Services, Inc.*	2,900	95,178
McKesson Corp.	12,900	567,600
Medco Health Solutions, Inc.*	22,000	1,003,420
Universal Health Services, Inc. "B"	1,500	73,275
		5,214,482
Pharmaceuticals 5.5%		
Abbott Laboratories	16,300	766,752
Eli Lilly & Co.	40,800	1,413,312

	Shares	Value (\$)
Johnson & Johnson	10,800	613,440
Merck & Co., Inc.	2,600	72,696
Pfizer, Inc.	116,300	1,744,500
Watson Pharmaceuticals, Inc.*	8,900	299,841
		4,910,541
Industrials 11.5%		
Aerospace & Defense 5.6%		
Alliant Techsystems, Inc.*	1,700	140,012
General Dynamics Corp.	13,900	769,921
Goodrich Corp.	14,800	739,556
Honeywell International, Inc.	6,420	201,588
L-3 Communications Holdings, Inc.	5,400	374,652
Lockheed Martin Corp.	15,000	1,209,750
Northrop Grumman Corp.	22,900	1,046,072
Raytheon Co.	10,900	484,287
		4,965,838
Air Freight & Logistics 0.4%		
United Parcel Service, Inc. "B"	7,700	384,923
Commercial Services & Supplies 0.4%		
R.R. Donnelley & Sons Co.	7,700	89,474
The Brink's Co.	8,500	246,755
		336,229
Construction & Engineering 1.3%		
EMCOR Group, Inc.*	15,100	303,812
Fluor Corp.	11,200	574,448
Foster Wheeler AG*	6,400	152,000
Tutor Perini Corp.*	6,100	105,896
		1,136,156
Electrical Equipment 0.5%		
GrafTech International Ltd.*	39,600	447,876
GT Solar International, Inc.*	2,900	15,428
		463,304
Machinery 1.7%		
AGCO Corp.*	7,100	206,397
CNH Global NV*	2,000	28,080
Cummins, Inc.	5,000	176,050
Dover Corp.	2,000	66,180
Flowserve Corp.	6,000	418,860
Gardner Denver, Inc.*	1,400	35,238
Oshkosh Corp.	3,100	45,074
Parker Hannifin Corp.	10,800	463,968
Trinity Industries, Inc.	2,900	39,498
		1,479,345
Professional Services 0.7%		
Manpower, Inc.	14,300	605,462
Road & Rail 0.9%		
Burlington Northern Santa Fe Corp.	1,300	95,602
Norfolk Southern Corp.	2,500	94,175
Ryder System, Inc.	20,600	575,152
Werner Enterprises, Inc.	2,900	52,548
		817,477
Information Technology 17.7%		
Communications Equipment 2.0%		
Cisco Systems, Inc.*	17,300	322,472
QUALCOMM, Inc.	31,600	1,428,320
		1,750,792
Computers & Peripherals 6.1%		
Apple, Inc.*	9,000	1,281,870
International Business Machines Corp.	19,700	2,057,074
Lexmark International, Inc. "A"*	4,000	63,400

The accompanying notes are an integral part of the financial statements.

	Shares	Value (\$)
QLogic Corp.*	34,900	442,532
Seagate Technology	21,800	228,028
Western Digital Corp.*	50,200	1,330,300
		5,403,204
Electronic Equipment, Instruments & Components 0.9%		
Arrow Electronics, Inc.*	5,600	118,944
Avnet, Inc.*	10,500	220,815
Dolby Laboratories, Inc. "A"*	2,100	78,288
Flextronics International Ltd.*	14,800	60,828
Ingram Micro, Inc. "A"*	5,200	91,000
Jabil Circuit, Inc.	35,300	261,926
		831,801
Internet Software & Services 1.8%		
Google, Inc. "A"* (a)	3,220	1,357,520
MercadoLibre, Inc.*	3,400	91,392
VeriSign, Inc.*	8,700	160,776
		1,609,688
IT Services 2.9%		
Accenture Ltd. "A"	26,100	873,306
Automatic Data Processing, Inc.	22,600	800,944
Broadridge Financial Solutions, Inc.	3,700	61,346
Computer Sciences Corp.*	17,500	775,250
SAIC, Inc.*	5,000	92,750
		2,603,596
Software 4.0%		
BMC Software, Inc.*	4,300	145,297
Check Point Software Technologies Ltd.*	8,300	194,801
Microsoft Corp.	114,975	2,732,955
Shanda Interactive Entertainment Ltd. (ADR)* (a)	1,900	99,351
Symantec Corp.*	15,730	244,759
VMware, Inc. "A"*	4,500	122,715
		3,539,878
Materials 4.3%		
Chemicals 1.6%		
Ashland, Inc.	17,100	479,655
Dow Chemical Co.	6,100	98,454
Terra Industries, Inc.	35,000	847,700
		1,425,809
Metals & Mining 2.0%		
Cliffs Natural Resources, Inc.	39,200	959,224
Gold Fields Ltd. (ADR)	43,400	522,970
Walter Energy, Inc.	7,500	271,800
		1,753,994
Paper & Forest Products 0.7%		
International Paper Co.	40,500	612,765
Telecommunication Services 3.4%		
Diversified Telecommunication Services 3.2%		
AT&T, Inc.	37,880	940,940
Chunghwa Telecom Co., Ltd. (ADR)	10,600	210,198
Tele Norte Leste Participacoes SA (ADR) (Preferred)	6,400	95,168
Verizon Communications, Inc.	51,900	1,594,887
		2,841,193

	Shares	Value (\$)
Wireless Telecommunication Services 0.2%		
Mobile TeleSystems (ADR)	5,000	184,650
Utilities 2.5%		
Electric Utilities 0.9%		
Duke Energy Corp.	4,700	68,573
Edison International	14,400	453,024
Exelon Corp.	1,600	81,936
Pepco Holdings, Inc.	4,600	61,824
Southern Co.	3,500	109,060
		774,417
Gas Utilities 0.2%		
Atmos Energy Corp.	1,500	37,560
ONEOK, Inc.	5,900	173,991
		211,551
Independent Power Producers & Energy Traders 0.7%		
AES Corp.*	41,700	484,137
Mirant Corp.*	5,600	88,144
		572,281
Multi-Utilities 0.7%		
Dominion Resources, Inc.	6,900	230,598
NiSource, Inc.	23,200	270,512
Sempra Energy	2,400	119,112
		620,222
Total Common Stocks (Cost \$90,575,442)		85,606,774

	Principal Amount (\$)	Value (\$)
Government & Agency Obligation 0.9%		
US Treasury Obligation		
US Treasury Bill, 0.15% **, 9/17/2009 (b) (Cost \$762,752)	763,000	762,699

	Shares	Value (\$)
Securities Lending Collateral 4.9%		
Daily Assets Fund Institutional, 0.48% (c) (d) (Cost \$4,333,267)	4,333,267	4,333,267
Cash Equivalents 2.5%		
Cash Management QP Trust, 0.27% (c) (Cost \$2,264,520)	2,264,520	2,264,520
	% of Net Assets	Value (\$)
Total Investment Portfolio (Cost \$97,935,981) [†]	104.8	92,967,260
Other Assets and Liabilities, Net	(4.8)	(4,224,770)
Net Assets	100.0	88,742,490

The accompanying notes are an integral part of the financial statements.

* Non-income producing security.

** Annualized yield at time of purchase; not a coupon rate.

† The cost for federal income tax purposes was \$100,850,985. At June 30, 2009, net unrealized depreciation for all securities based on tax cost was \$7,883,725. This consisted of aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost of \$5,794,152 and aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value of \$13,677,877.

- (a) All or a portion of these securities were on loan (see Notes to Financial Statements). The value of all securities loaned at June 30, 2009 amounted to \$4,146,454, which is 4.7% of net assets.
- (b) At June 30, 2009, this security has been pledged, in whole or in part, to cover initial margin requirements for open futures contracts.
- (c) Affiliated fund managed by Deutsche Investment Management Americas Inc. The rate shown is the annualized seven-day yield at period end.
- (d) Represents collateral held in connection with securities lending. Income earned by the Portfolio is net of borrower rebates.

ADR: American Depositary Receipt

REIT: Real Estate Investment Trust

At June 30, 2009, open futures contracts purchased were as follows:

Futures	Expiration Date	Contracts	Aggregated Face Value (\$)	Value (\$)	Unrealized Depreciation (\$)
S&P E-Mini 500 Index	9/18/2009	62	2,912,543	2,838,050	(74,493)

For information on the Portfolio's policy and additional disclosures regarding futures contracts, please refer to the Derivatives section of Note A in the accompanying Notes to Financial Statements.

Fair Value Measurements

Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, "Fair Value Measurements," as amended, establishes a three-tier hierarchy for measuring fair value and requires additional disclosure about the classification of fair value measurements.

Various inputs are used in determining the value of the Portfolio'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 observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, and credit risk). Level 3 includes significant unobservable inputs (including the Portfolio'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 June 30, 2009 in valuing the Portfolio's investments. For information on the Portfolio's policy regarding the valuation of investments, please refer to the Security Valuation section of Note A in the accompanying Notes to the Financial Statements.

Assets	Level 1	Level 2	Level 3	Total
Common Stocks and/or Other Equity Investments (e)	\$ 85,606,774	\$ —	\$ —	\$ 85,606,774
Short-Term Investments (e)	4,333,267	3,027,219	—	7,360,486
Total	\$ 89,940,041	\$ 3,027,219	\$ —	\$ 92,967,260
Liabilities				
Derivatives (f)	(74,493)	—	—	(74,493)
Total	\$ (74,493)	\$ —	\$ —	\$ (74,493)

(e) See Investment Portfolio for additional detailed categorizations.

(f) Includes unrealized appreciation (depreciation) on open futures contracts.

Financial Statements

Statement of Assets and Liabilities

as of June 30, 2009 (Unaudited)

Assets	
Investments:	
Investments in securities, at value (cost \$91,338,194), including \$4,146,454 of securities loaned	\$ 86,369,473
Investment in Daily Assets Fund Institutional (cost \$4,333,267)*	4,333,267
Investment in Cash Management QP Trust (cost \$2,264,520)	2,264,520
Total investments, at value (cost \$97,935,981)	92,967,260
Cash	5,109
Foreign currency, at value (cost \$1,795)	1,579
Dividends receivable	84,220
Interest receivable	30,967
Receivable for Portfolio shares sold	175,914
Other assets	1,778
Total assets	93,266,827
Liabilities	
Payable for Portfolio shares redeemed	71,131
Payable for daily variation margin on open futures contracts	17,670
Payable upon return of securities loaned	4,333,267
Accrued management fee	13,467
Accrued distribution service fee (Class B)	376
Other accrued expenses and payables	88,426
Total liabilities	4,524,337
Net assets, at value	\$ 88,742,490
Net Assets Consist of	
Undistributed net investment income	744,406
Net unrealized appreciation (depreciation) on:	
Investments	(4,968,721)
Futures	(74,493)
Foreign currency	(216)
Accumulated net realized gain (loss)	(61,311,218)
Paid-in capital	154,352,732
Net assets, at value	\$ 88,742,490
Class A	
Net Asset Value , offering and redemption price per share (\$86,950,459 ÷ 16,198,074 outstanding shares of beneficial interest, \$.01 par value, unlimited number of shares authorized)	\$ 5.37
Class B	
Net Asset Value , offering and redemption price per share (\$1,792,031 ÷ 333,883 outstanding shares of beneficial interest, \$.01 par value, unlimited number of shares authorized)	\$ 5.37

* Represents collateral on securities loaned.

Statement of Operations

for the six months ended June 30, 2009 (Unaudited)

Investment Income	
Income:	
Dividends (net of foreign taxes withheld of \$3,535)	\$ 951,221
Interest	482
Interest — Cash Management QP Trust	6,777
Securities lending income, including income from Daily Assets Fund Institutional, net of borrower rebates	86,394
Total Income	1,044,874
Expenses:	
Management fee	168,512
Administration fee	43,208
Custodian fee	10,783
Distribution service fee (Class B)	2,138
Services to shareholders	1,889
Trustees' fees and expenses	2,430
Audit and tax fees	23,548
Reports to shareholders	30,227
Legal fees	15,810
Other	5,715
Total expenses before expense reductions	304,260
Expense reductions	(68,619)
Total expenses after expense reductions	235,641
Net investment income (loss)	809,233
Realized and Unrealized Gain (Loss)	
Net realized gain (loss) from:	
Investments	(20,282,362)
Futures	72,286
	(20,210,076)
Change in net unrealized appreciation (depreciation) on:	
Investments	25,006,969
Futures	(116,362)
Foreign currency	91
	24,890,698
Net gain (loss)	4,680,622
Net increase (decrease) in net assets resulting from operations	\$ 5,489,855

The accompanying notes are an integral part of the financial statements.

Statement of Changes in Net Assets

	Six Months Ended June 30, 2009 (Unaudited)	Year Ended December 31, 2008
Increase (Decrease) in Net Assets		
Operations:		
Net investment income (loss)	\$ 809,233	\$ 2,027,933
Net realized gain (loss)	(20,210,076)	(29,199,764)
Change in net unrealized appreciation (depreciation)	24,890,698	(40,800,532)
Net increase (decrease) in net assets resulting from operations	5,489,855	(67,972,363)
Distributions to shareholders from:		
Net investment income:		
Class A	(1,967,417)	(3,050,163)
Class B	(35,839)	(190,157)
Net realized gains:		
Class A	—	(35,948,939)
Class B	—	(2,803,004)
Total distributions	(2,003,256)	(41,992,263)
Portfolio share transactions:		
Class A		
Proceeds from shares sold	2,088,015	5,212,323
Reinvestment of distributions	1,967,417	38,999,102
Cost of shares redeemed	(14,998,801)	(40,183,360)
Net increase (decrease) in net assets from Class A share transactions	(10,943,369)	4,028,065
Class B		
Proceeds from shares sold	40,049	295,876
Reinvestment of distributions	35,839	2,993,161
Cost of shares redeemed	(231,723)	(11,145,692)
Net increase (decrease) in net assets from Class B share transactions	(155,835)	(7,856,655)
Increase (decrease) in net assets	(7,612,605)	(113,793,216)
Net assets at beginning of period	96,355,095	210,148,311
Net assets at end of period (including undistributed net investment income of \$744,406 and \$1,938,429, respectively)	\$ 88,742,490	\$ 96,355,095
Other Information		
Class A		
Shares outstanding at beginning of period	18,437,278	18,082,818
Shares sold	421,965	749,218
Shares issued to shareholders in reinvestment of distributions	399,070	5,038,643
Shares redeemed	(3,060,239)	(5,433,401)
Net increase (decrease) in Class A shares	(2,239,204)	354,460
Shares outstanding at end of period	16,198,074	18,437,278
Class B		
Shares outstanding at beginning of period	364,787	1,355,326
Shares sold	8,022	42,150
Shares issued to shareholders in reinvestment of distributions	7,270	387,214
Shares redeemed	(46,196)	(1,419,903)
Net increase (decrease) in Class B shares	(30,904)	(990,539)
Shares outstanding at end of period	333,883	364,787

The accompanying notes are an integral part of the financial statements.

Financial Highlights

Class A

Years Ended December 31,	2009 ^a	2008	2007	2006	2005	2004
Selected Per Share Data						
Net asset value, beginning of period	\$ 5.12	\$10.81	\$10.94	\$ 9.72	\$ 9.29	\$ 8.50
<i>Income (loss) from investment operations:</i>						
Net investment income (loss) ^b	.05	.10	.13	.13 ^d	.10	.12
Net realized and unrealized gain (loss)	.32	(3.45)	.02	1.19	.45	.74
Total from investment operations	.37	(3.35)	.15	1.32	.55	.86
<i>Less distributions from:</i>						
Net investment income	(.12)	(.18)	(.13)	(.10)	(.12)	(.07)
Net realized gains	—	(2.16)	(.15)	—	—	—
Total distributions	(.12)	(2.34)	(.28)	(.10)	(.12)	(.07)
Net asset value, end of period	\$ 5.37	\$ 5.12	\$10.81	\$10.94	\$ 9.72	\$ 9.29
Total Return (%)	7.36 ^{c**}	(38.31) ^c	1.36 ^c	13.63 ^{c,d}	6.07 ^c	10.16
Ratios to Average Net Assets and Supplemental Data						
Net assets, end of period (\$ millions)	87	94	196	280	294	172
Ratio of expenses before expense reductions (%)	.70 [*]	.60	.57	.56	.57	.56
Ratio of expenses after expense reductions (%)	.54 [*]	.54	.56	.54	.54	.56
Ratio of net investment income (loss) (%)	1.86 [*]	1.34	1.18	1.24 ^d	1.10	1.37
Portfolio turnover rate (%)	41 ^{**}	130	310	105	115	33

^a For the six months ended June 30, 2009 (Unaudited).

^b Based on average shares outstanding during the period.

^c Total return would have been lower had certain expenses not been reduced.

^d Includes non-recurring income from the Advisor recorded as a result of an administrative proceeding regarding disclosure of brokerage allocation practices in connection with sales of DWS Funds. The non-recurring income resulted in an increase in net investment income of \$0.007 per share and an increase in the ratio of net investment income of 0.07%. Excluding this non-recurring income, total return would have been 0.06% lower.

* Annualized

** Not annualized

Class B

Years Ended December 31,	2009 ^a	2008	2007	2006	2005	2004
Selected Per Share Data						
Net asset value, beginning of period	\$ 5.12	\$10.77	\$10.90	\$ 9.68	\$ 9.25	\$ 8.47
<i>Income (loss) from investment operations:</i>						
Net investment income (loss) ^b	.04	.08	.09	.09 ^d	.07	.09
Net realized and unrealized gain (loss)	.31	(3.42)	.02	1.19	.45	.73
Total from investment operations	.35	(3.34)	.11	1.28	.52	.82
<i>Less distributions from:</i>						
Net investment income	(.10)	(.15)	(.09)	(.06)	(.09)	(.04)
Net realized gains	—	(2.16)	(.15)	—	—	—
Total distributions	(.10)	(2.31)	(.24)	(.06)	(.09)	(.04)
Net asset value, end of period	\$ 5.37	\$ 5.12	\$10.77	\$10.90	\$ 9.68	\$ 9.25
Total Return (%)	7.11 ^{c**}	(38.29) ^c	1.00 ^c	13.28 ^{c,d}	5.73 ^c	9.78
Ratios to Average Net Assets and Supplemental Data						
Net assets, end of period (\$ millions)	2	2	15	52	47	33
Ratio of expenses before expense reductions (%)	.96 [*]	.82	.95	.94	.95	.89
Ratio of expenses after expense reductions (%)	.80 [*]	.77	.92	.89	.89	.89
Ratio of net investment income (loss) (%)	1.60 [*]	1.12	.82	.89 ^d	.75	1.04
Portfolio turnover rate (%)	41 ^{**}	130	310	105	115	33

^a For the six months ended June 30, 2009 (Unaudited).

^b Based on average shares outstanding during the period.

^c Total return would have been lower had certain expenses not been reduced.

^d Includes non-recurring income from the Advisor recorded as a result of an administrative proceeding regarding disclosure of brokerage allocation practices in connection with sales of DWS Funds. The non-recurring income resulted in an increase in net investment income of \$0.007 per share and an increase in the ratio of net investment income of 0.07%. Excluding this non-recurring income, total return would have been 0.06% lower.

* Annualized

** Not annualized

DWS Capital Growth VIP

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 redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Please contact your participating insurance company for the Portfolio's most recent month-end performance. Performance doesn't reflect charges and fees ("contract charges") associated with the separate account that invests in the Portfolio or any variable life insurance policy or variable annuity contract for which the Portfolio is an investment option. These charges and fees will reduce returns. While all share classes have the same underlying portfolio, their performance will differ.

The total annual portfolio operating expense ratios, gross of any fee waivers or expense reimbursements, as stated in the fee table of the prospectus dated May 1, 2009 are 0.50% and 0.85% for Class A and Class B shares, respectively. Please see the Information About Your Portfolio's Expenses, the Financial Highlights and Notes to the Financial Statements (Note C, Related Parties) sections of this report for gross and net expense-related disclosure for the period ended June 30, 2009.

Portfolio returns during all periods shown reflect a fee waiver and/or expense reimbursement. Without this waiver/reimbursement, returns would have been lower.

Risk Considerations

The Portfolio is subject to stock market risk, meaning stocks in the Portfolio may decline in value for extended periods of time due to the activities and financial prospects of individual companies, or due to general market and economic conditions. Please read this Portfolio's prospectus for specific information regarding its investments and risk profile.

Growth of an Assumed \$10,000 Investment

- DWS Capital Growth VIP — Class A
- Russell 1000[®] Growth Index
- S&P 500[®] Index



The Russell 1000[®] Growth Index is an unmanaged, capitalization-weighted index containing those securities in the Russell 1000 Index with higher price-to-book ratios and higher forecasted growth values. On April 1, 2009 the Russell 1000[®] Growth Index replaced the S&P 500[®] Index as the Fund's benchmark index because the Advisor believes that it more accurately reflects the Portfolio's investment strategy. The Standard & Poor's 500[®] (S&P 500) Index is an unmanaged, capitalization-weighted index of 500 stocks. The index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

Index returns assume the reinvestment of dividends and, unlike portfolio returns, do not reflect any fees or expenses. It is not possible to invest directly into an index.

Comparative Results

DWS Capital Growth VIP		6-Month [‡]	1-Year	3-Year	5-Year	10-Year
Class A	Growth of \$10,000	\$10,634	\$7,575	\$8,769	\$9,892	\$8,146
	Average annual total return	6.34%	-24.25%	-4.28%	-.22%	-2.03%
Russell 1000 Growth Index	Growth of \$10,000	\$11,153	\$7,550	\$8,452	\$9,120	\$6,525
	Average annual total return	11.53%	-24.50%	-5.45%	-1.83%	-4.18%
S&P 500 Index	Growth of \$10,000	\$10,316	\$7,379	\$7,730	\$8,928	\$7,987
	Average annual total return	3.16%	-26.21%	-8.22%	-2.24%	-2.22%
DWS Capital Growth VIP		6-Month [‡]	1-Year	3-Year	5-Year	10-Year
Class B	Growth of \$10,000	\$10,615	\$7,549	\$8,676	\$9,717	\$7,880
	Average annual total return	6.15%	-24.51%	-4.62%	-.57%	-2.35%
Russell 1000 Growth Index	Growth of \$10,000	\$11,153	\$7,550	\$8,452	\$9,120	\$6,525
	Average annual total return	11.53%	-24.50%	-5.45%	-1.83%	-4.18%
S&P 500 Index	Growth of \$10,000	\$10,316	\$7,379	\$7,730	\$8,928	\$7,987
	Average annual total return	3.16%	-26.21%	-8.22%	-2.24%	-2.22%

The growth of \$10,000 is cumulative.

[‡] Total returns shown for periods less than one year are not annualized.

Information About Your Portfolio's Expenses

DWS Capital Growth VIP

As an investor of the Portfolio, you incur two types of costs: ongoing expenses and transaction costs. Ongoing expenses include management fees, distribution and service (12b-1) fees and other Portfolio expenses. Examples of transaction costs include contract charges, redemption fees and account maintenance fees, which are not shown in this section. The following tables are intended to help you understand your ongoing expenses (in dollars) of investing in the Portfolio and to help you compare these expenses with the ongoing expenses of investing in other mutual funds. In the most recent six-month period, the Portfolio limited these expenses; had it not done so, expenses would have been higher. The example in the table is based on an investment of \$1,000 invested at the beginning of the six-month period and held for the entire period (January 1, 2009 to June 30, 2009).

The tables illustrate your Portfolio's expenses in two ways:

- Actual Portfolio Return.** This helps you estimate the actual dollar amount of ongoing expenses (but not transaction costs) paid on a \$1,000 investment in the Portfolio using the Portfolio's actual return during the period. To estimate the expenses you

paid over the period, simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the "Expenses Paid per \$1,000" line under the share class you hold.

- Hypothetical 5% Portfolio Return.** This helps you to compare your Portfolio's ongoing expenses (but not transaction costs) with those of other mutual funds using the Portfolio's actual expense ratio and a hypothetical rate of return of 5% per year before expenses. Examples using a 5% hypothetical Portfolio return may be found in the shareholder reports of other mutual funds. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period.

Please note that the expenses shown in these tables are meant to highlight your ongoing expenses only and do not reflect any transaction costs. The "Expenses Paid per \$1,000" line of the tables is useful in comparing ongoing expenses only and will not help you determine the relative total expense of owning different funds. If these transaction costs had been included, your costs would have been higher.

Expenses and Value of a \$1,000 Investment for the six months ended June 30, 2009

Actual Portfolio Return	Class A	Class B
Beginning Account Value 1/1/09	\$1,000.00	\$1,000.00
Ending Account Value 6/30/09	\$1,063.40	\$1,061.50
Expenses Paid per \$1,000*	\$ 2.51	\$ 4.19

Hypothetical 5% Portfolio Return	Class A	Class B
Beginning Account Value 1/1/09	\$1,000.00	\$1,000.00
Ending Account Value 6/30/09	\$1,022.36	\$1,020.73
Expenses Paid per \$1,000*	\$ 2.46	\$ 4.11

* Expenses are equal to the Portfolio's annualized expense ratio for each share class, multiplied by the average account value over the period, multiplied by the number of days in the most recent six-month period, then divided by 365.

Annualized Expense Ratios	Class A	Class B
DWS Variable Series I — DWS Capital Growth VIP	.49%	.82%

For more information, please refer to the Portfolio's prospectus.

These tables do not reflect charges and fees ("contract charges") associated with the separate account that invests in the Portfolio or any variable life insurance policy or variable annuity contract for which the Portfolio is an investment option.

Portfolio Summary

DWS Capital Growth VIP

Asset Allocation (As a % of Investment Portfolio excluding Securities Lending Collateral)	6/30/09	12/31/08
Common Stocks	98%	97%
Cash Equivalents	2%	3%
	100%	100%

Sector Diversification (As a % of Common Stocks)	6/30/09	12/31/08
Information Technology	31%	22%
Health Care	16%	22%
Industrials	11%	10%
Energy	10%	10%
Consumer Staples	9%	15%
Materials	8%	8%
Consumer Discretionary	7%	8%
Financials	5%	3%
Telecommunication Services	2%	1%
Utilities	1%	1%
	100%	100%

Asset allocation and sector diversification are subject to change.

For more complete details about the Portfolio's investment portfolio, see page 29. A complete list of portfolio holdings of the Portfolio is posted as of the month end on www.dws-investments.com on or about the 15th day of the following month. More frequent posting of portfolio holdings information may be made from time to time on www.dws-investments.com.

Following the Portfolio's fiscal first and third quarter-end, a complete portfolio holdings listing is filed with the SEC on Form N-Q. The form will be available on the SEC's Web site at www.sec.gov, and it also may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the SEC's Public Reference Room may be obtained by calling (800) SEC-0330.

Investment Portfolio

June 30, 2009 (Unaudited)

DWS Capital Growth VIP

	Shares	Value (\$)		Shares	Value (\$)
Common Stocks 98.2%			Health Care Equipment & Supplies 3.9%		
Consumer Discretionary 7.3%			Baxter International, Inc.		
Hotels Restaurants & Leisure 3.2%			Edwards Lifesciences Corp.*		
Darden Restaurants, Inc. (a)	190,800	6,292,584	St. Jude Medical, Inc.* (a)		
Marriott International, Inc. "A" (a)	284,948	6,288,793	25,671,716		
McDonald's Corp.	150,100	8,629,249	Health Care Providers & Services 3.6%		
21,210,626			Express Scripts, Inc.* (a)		
Leisure Equipment & Products 0.7%			Laboratory Corp. of America		
Hasbro, Inc.	179,900	4,360,776	Holdings* (a)		
Multiline Retail 1.1%			23,675,505		
Kohl's Corp.* (a)	162,700	6,955,425	Pharmaceuticals 2.3%		
Textiles, Apparel & Luxury Goods 2.3%			Abbott Laboratories		
NIKE, Inc. "B" (a)	297,915	15,426,039	Allergan, Inc. (a)		
Consumer Staples 9.2%			Johnson & Johnson		
Beverages 2.9%			15,391,657		
PepsiCo, Inc.	353,925	19,451,718	Industrials 10.6%		
Food & Staples Retailing 3.0%			Aerospace & Defense 4.3%		
Sysco Corp.	318,100	7,150,888	Lockheed Martin Corp.		
Wal-Mart Stores, Inc.	254,700	12,337,668	Rockwell Collins, Inc.		
19,488,556			United Technologies Corp. (a)		
Household Products 3.3%			28,549,122		
Colgate-Palmolive Co. (a)	144,340	10,210,612	Commercial Services & Supplies 1.3%		
Energizer Holdings, Inc.*	154,300	8,060,632	Stericycle, Inc.* (a)		
Procter & Gamble Co.	71,870	3,672,557	AMETEK, Inc. (a)		
21,943,801			Machinery 0.9%		
Energy 9.5%			Parker Hannifin Corp.		
Energy Equipment & Services 3.7%			Road & Rail 1.5%		
Cameron International Corp.*	301,600	8,535,280	Burlington Northern Santa Fe Corp.		
Schlumberger Ltd.	130,300	7,050,533	Norfolk Southern Corp.		
Transocean Ltd.* (a)	117,772	8,749,282	10,027,596		
24,335,095			Information Technology 29.9%		
Oil, Gas & Consumable Fuels 5.8%			Communications Equipment 8.7%		
Anadarko Petroleum Corp.	209,200	9,495,588	Cisco Systems, Inc.*		
EOG Resources, Inc.	124,075	8,427,174	1,019,855		
ExxonMobil Corp.	138,100	9,654,571	QUALCOMM, Inc. (a)		
Occidental Petroleum Corp.	166,595	10,963,617	600,170		
38,540,950			Research In Motion Ltd.*		
Financials 4.9%			57,755,167		
Capital Markets 3.3%			Computers & Peripherals 6.6%		
Bank of New York Mellon Corp.	217,600	6,377,856	Apple, Inc.*		
Charles Schwab Corp.	223,200	3,914,928	EMC Corp.*		
T. Rowe Price Group, Inc. (a)	278,400	11,600,928	International Business Machines		
21,893,712			Corp. (a)		
Diversified Financial Services 1.6%			43,863,040		
IntercontinentalExchange, Inc.* (a)	52,900	6,043,296	Internet Software & Services 0.5%		
JPMorgan Chase & Co.	133,400	4,550,274	Google, Inc. "A"*		
10,593,570			7,725		
Health Care 15.9%			IT Services 1.7%		
Biotechnology 6.1%			Accenture Ltd. "A" (a)		
Amgen, Inc.*	180,800	9,571,552	338,900		
Celgene Corp.* (a)	268,170	12,829,253	Semiconductors & Semiconductor Equipment 5.5%		
Gilead Sciences, Inc.* (a)	313,505	14,684,574	Broadcom Corp. "A"*		
Myriad Genetics, Inc.* (a)	96,600	3,443,790	610,100		
Myriad Pharmaceuticals, Inc.*	24,275	112,878	Intel Corp. (a)		
40,642,047			995,590		
			NVIDIA Corp.* (a)		
			410,900		
			36,240,454		
			Software 6.9%		
			Adobe Systems, Inc.*		
			251,075		
			Microsoft Corp.		
			828,880		
			19,702,478		

The accompanying notes are an integral part of the financial statements.

	Shares	Value (\$)
Oracle Corp.	868,955	18,613,016
		45,420,916
Materials 7.8%		
Chemicals 6.7%		
Celanese Corp. "A"	216,500	5,141,875
Ecolab, Inc. (a)	298,700	11,646,313
Monsanto Co.	233,945	17,391,471
The Mosaic Co.	220,300	9,759,290
		43,938,949
Metals & Mining 1.1%		
Barrick Gold Corp. (a)	220,000	7,381,000
Telecommunication Services 2.3%		
Diversified Telecommunication Services 0.8%		
AT&T, Inc.	219,600	5,454,864
Wireless Telecommunication Services 1.5%		
American Tower Corp. "A"* (a)	305,700	9,638,721

Utilities 0.8%

Electric Utilities

	Shares	Value (\$)
FirstEnergy Corp.	18,500	716,875
FPL Group, Inc. (a)	79,400	4,514,684
		5,231,559

Total Common Stocks (Cost \$531,370,535) **648,789,449**

Securities Lending Collateral 27.0%

	Shares	Value (\$)
Daily Assets Fund Institutional, 0.48% (b) (c) (Cost \$178,801,025)	178,801,025	178,801,025

Cash Equivalents 1.8%

	Value (\$)
Cash Management QP Trust, 0.27% (b) (Cost \$11,963,130)	11,963,130
	11,963,130

	% of Net Assets	Value (\$)
Total Investment Portfolio (Cost \$722,134,690) [†]	127.0	839,553,604
Other Assets and Liabilities, Net	(27.0)	(178,537,022)
Net Assets	100.0	661,016,582

* Non-income producing security.

† The cost for federal income tax purposes was \$725,551,696. At June 30, 2009, net unrealized appreciation for all securities based on tax cost was \$114,001,908. This consisted of aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost of \$132,205,904 and aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value of \$18,203,996.

(a) All or a portion of these securities were on loan (see Notes to Financial Statements). The value of all securities loaned at June 30, 2009 amounted to \$173,025,921, which is 26.2% of net assets.

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

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

Fair Value Measurements

Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, "Fair Value Measurements," as amended, establishes a three-tier hierarchy for measuring fair value and requires additional disclosure about the classification of fair value measurements.

Various inputs are used in determining the value of the Portfolio'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 observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, and credit risk). Level 3 includes significant unobservable inputs (including the Portfolio'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 June 30, 2009 in valuing the Portfolio's investments. For information on the Portfolio's policy regarding the valuation of investments, please refer to the Security Valuation section of Note A in the accompanying Notes to the Financial Statements.

Assets	Level 1	Level 2	Level 3	Total
Common Stocks and/or Other Equity Investments (d)	\$ 648,789,449	\$ —	\$ —	\$ 648,789,449
Short-Term Investments (d)	178,801,025	11,963,130	—	190,764,155
Total	\$ 827,590,474	\$ 11,963,130	\$ —	\$ 839,553,604

(d) See Investment Portfolio for additional detailed categorizations.

The accompanying notes are an integral part of the financial statements.

Financial Statements

Statement of Assets and Liabilities

as of June 30, 2009 (Unaudited)

Assets	
Investments:	
Investments in securities, at value (cost \$531,370,535), including \$173,025,921 of securities loaned	\$ 648,789,449
Investment in Daily Assets Fund Institutional (cost \$178,801,025)*	178,801,025
Investment in Cash Management QP Trust (cost \$11,963,130)	11,963,130
Total investments, at value (cost \$722,134,690)	839,553,604
Foreign currency, at value (cost \$127,566)	139,602
Receivable for investments sold	468,340
Receivable for Portfolio shares sold	89,785
Dividends receivable	379,708
Interest receivable	24,853
Foreign taxes recoverable	69,860
Other assets	24,550
Total assets	840,750,302
Liabilities	
Payable for Portfolio shares redeemed	498,134
Payable upon return of securities loaned	178,801,025
Accrued management fee	152,293
Accrued distribution service fee (Class B)	1,651
Other accrued expenses and payables	280,617
Total liabilities	179,733,720
Net assets, at value	\$ 661,016,582
Net Assets Consist of	
Undistributed net investment income	3,392,422
Net unrealized appreciation (depreciation) on:	
Investments	117,418,914
Foreign currency	16,764
Accumulated net realized gain (loss)	(307,910,344)
Paid-in capital	848,098,826
Net assets, at value	\$ 661,016,582
Class A	
Net Asset Value , offering and redemption price per share (\$650,196,241 ÷ 45,831,512 outstanding shares of beneficial interest, \$.01 par value, unlimited number of shares authorized)	\$ 14.19
Class B	
Net Asset Value , offering and redemption price per share (\$10,820,341 ÷ 764,516 outstanding shares of beneficial interest, \$.01 par value, unlimited number of shares authorized)	\$ 14.15

* Represents collateral on securities loaned.

Statement of Operations

for the six months ended June 30, 2009 (Unaudited)

Investment Income	
Income:	
Dividends (net of foreign taxes withheld of \$5,858)	\$ 4,592,765
Interest	3,126
Interest — Cash Management QP Trust	46,184
Securities lending income, including income from Daily Assets Fund Institutional, net of borrower rebates	376,719
Total Income	5,018,794
Expenses:	
Management fee	1,105,475
Administration fee	294,379
Custodian fee	31,157
Distribution service fee (Class B)	12,987
Services to shareholders	6,971
Record keeping fee (Class B)	4,791
Professional fees	48,510
Trustees' fees and expenses	15,932
Reports to shareholders	49,802
Other	10,080
Total expenses before expense reductions	1,580,084
Expense reductions	(121,466)
Total expenses after expense reductions	1,458,618
Net investment income (loss)	3,560,176
Realized and Unrealized Gain (Loss)	
Net realized gain (loss) from:	
Investments	(68,388,327)
Foreign currency	78
Payments by affiliates (see Note H)	559
	(68,387,690)
Change in net unrealized appreciation (depreciation) on:	
Investments	102,916,786
Foreign currency	10,961
	102,927,747
Net gain (loss)	34,540,057
Net increase (decrease) in net assets resulting from operations	\$ 38,100,233

The accompanying notes are an integral part of the financial statements.

Statement of Changes in Net Assets

	Six Months Ended June 30, 2009 (Unaudited)	Year Ended December 31, 2008
Increase (Decrease) in Net Assets		
Operations:		
Net investment income (loss)	\$ 3,560,176	\$ 7,814,207
Net realized gain (loss)	(68,387,690)	23,172,997
Change in net unrealized appreciation (depreciation)	102,927,747	(355,389,503)
Net increase (decrease) in net assets resulting from operations	38,100,233	(324,402,299)
Distributions to shareholders from:		
Net investment income:		
Class A	(7,997,037)	(9,355,147)
Class B	(116,634)	(96,190)
Total distributions	(8,113,671)	(9,451,337)
Portfolio share transactions:		
Class A		
Proceeds from shares sold	13,107,593	23,952,264
Net assets acquired in tax-free reorganization*	66,828,943	—
Reinvestment of distributions	7,997,037	9,355,147
Cost of shares redeemed	(61,168,865)	(169,314,485)
Net increase (decrease) in net assets from Class A share transactions	26,764,708	(136,007,074)
Class B		
Proceeds from shares sold	1,233,758	1,473,846
Reinvestment of distributions	116,634	96,190
Cost of shares redeemed	(1,506,749)	(4,263,172)
Net increase (decrease) in net assets from Class B share transactions	(156,357)	(2,693,136)
Increase (decrease) in net assets	56,594,913	(472,553,846)
Net assets at beginning of period	604,421,669	1,076,975,515
Net assets at end of period (including undistributed net investment income of \$3,392,422 and \$7,945,917, respectively)	\$ 661,016,582	\$ 604,421,669
Other Information		
Class A		
Shares outstanding at beginning of period	43,844,542	51,857,448
Shares sold	1,001,192	1,366,508
Shares issued in tax-free reorganization*	5,009,687	—
Shares issued to shareholders in reinvestment of distributions	644,923	468,930
Shares redeemed	(4,668,832)	(9,848,344)
Net increase (decrease) in Class A shares	1,986,970	(8,012,906)
Shares outstanding at end of period	45,831,512	43,844,542
Class B		
Shares outstanding at beginning of period	777,803	920,834
Shares sold	91,590	89,671
Shares issued to shareholders in reinvestment of distributions	9,421	4,831
Shares redeemed	(114,298)	(237,533)
Net increase (decrease) in Class B shares	(13,287)	(143,031)
Shares outstanding at end of period	764,516	777,803

* On April 24, 2009 DWS Janus Growth & Income VIP was acquired by the Portfolio through a tax-free reorganization (see Note I).

The accompanying notes are an integral part of the financial statements.

Financial Highlights

Class A

Years Ended December 31,	2009 ^a	2008	2007	2006	2005	2004
Selected Per Share Data						
Net asset value, beginning of period	\$13.55	\$20.41	\$18.24	\$16.90	\$15.67	\$14.59
<i>Income (loss) from investment operations:</i>						
Net investment income (loss) ^b	.08	.16	.17 ^e	.13 ^d	.10	.14
Net realized and unrealized gain (loss)	.75	(6.83)	2.12	1.31	1.29	1.02
Total from investment operations	.83	(6.67)	2.29	1.44	1.39	1.16
<i>Less distributions from:</i>						
Net investment income	(.19)	(.19)	(.12)	(.10)	(.16)	(.08)
Net asset value, end of period	\$14.19	\$13.55	\$20.41	\$18.24	\$16.90	\$15.67
Total Return (%)	6.34 ^{c**}	(32.98) ^c	12.59 ^c	8.53 ^{c,d}	8.96 ^c	7.99
Ratios to Average Net Assets and Supplemental Data						
Net assets, end of period (\$ millions)	650	594	1,058	1,131	1,031	698
Ratio of expenses before expense reductions (%)	.53 [*]	.50	.53	.52	.50	.50
Ratio of expenses after expense reductions (%)	.49 [*]	.49	.52	.49	.49	.50
Ratio of net investment income (loss) (%)	1.22 [*]	.89	.86 ^e	.73 ^d	.61	.98
Portfolio turnover rate (%)	49 ^{**}	21	30	16	17	15

^a For the six months ended June 30, 2009 (Unaudited).

^b Based on average shares outstanding during the period.

^c Total return would have been lower had certain expenses not been reduced.

^d Includes non-recurring income from the Advisor recorded as a result of an administrative proceeding regarding disclosure of brokerage allocation practices in connection with sales of DWS Funds. The non-recurring income resulted in an increase in net investment income of \$0.007 per share and an increase in the ratio of net investment income of 0.04%. Excluding this non-recurring income, total return would have been 0.03% lower.

^e Net investment income per share and ratio of net investment income include non-recurring dividend income amounting to \$0.03 per share and 0.17% of average daily net assets, respectively.

* Annualized ** Not annualized

Class B

Years Ended December 31,	2009 ^a	2008	2007	2006	2005	2004
Selected Per Share Data						
Net asset value, beginning of period	\$13.49	\$20.31	\$18.15	\$16.81	\$15.59	\$14.52
<i>Income (loss) from investment operations:</i>						
Net investment income (loss) ^b	.06	.10	.09 ^e	.06 ^d	.04	.09
Net realized and unrealized gain (loss)	.75	(6.81)	2.12	1.31	1.28	1.01
Total from investment operations	.81	(6.71)	2.21	1.37	1.32	1.10
<i>Less distributions from:</i>						
Net investment income	(.15)	(.11)	(.05)	(.03)	(.10)	(.03)
Net asset value, end of period	\$14.15	\$13.49	\$20.31	\$18.15	\$16.81	\$15.59
Total Return (%)	6.15 ^{c**}	(33.20) ^c	12.18 ^c	8.17 ^{c,d}	8.51 ^c	7.56
Ratios to Average Net Assets and Supplemental Data						
Net assets, end of period (\$ millions)	11	10	19	107	73	23
Ratio of expenses before expense reductions (%)	.87 [*]	.85	.94	.91	.89	.88
Ratio of expenses after expense reductions (%)	.82 [*]	.82	.90	.86	.86	.88
Ratio of net investment income (loss) (%)	.89 [*]	.56	.48 ^e	.36 ^d	.24	.60
Portfolio turnover rate (%)	49 ^{**}	21	30	16	17	15

^a For the six months ended June 30, 2009 (Unaudited).

^b Based on average shares outstanding during the period.

^c Total return would have been lower had certain expenses not been reduced.

^d Includes non-recurring income from the Advisor recorded as a result of an administrative proceeding regarding disclosure of brokerage allocation practices in connection with sales of DWS Funds. The non-recurring income resulted in an increase in net investment income of \$0.007 per share and an increase in the ratio of net investment income of 0.04%. Excluding this non-recurring income, total return would have been 0.03% lower.

^e Net investment income per share and ratio of net investment income include non-recurring dividend income amounting to \$0.03 per share and 0.17% of average daily net assets, respectively.

* Annualized ** Not annualized

DWS Global Opportunities VIP

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 redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Please contact your participating insurance company for the Portfolio's most recent month-end performance. Performance doesn't reflect charges and fees ("contract charges") associated with the separate account that invests in the Portfolio or any variable life insurance policy or variable annuity contract for which the Portfolio is an investment option. These charges and fees will reduce returns. While all share classes have the same underlying portfolio, their performance will differ.

The total annual portfolio operating expense ratios, gross of any fee waivers or expense reimbursements, as stated in the fee table of the prospectus dated May 1, 2009 are 1.11% and 1.42% for Class A and Class B shares, respectively. Please see the Information About Your Portfolio's Expenses, the Financial Highlights and Notes to the Financial Statements (Note C, Related Parties) sections of this report for gross and net expense-related disclosure for the period ended June 30, 2009.

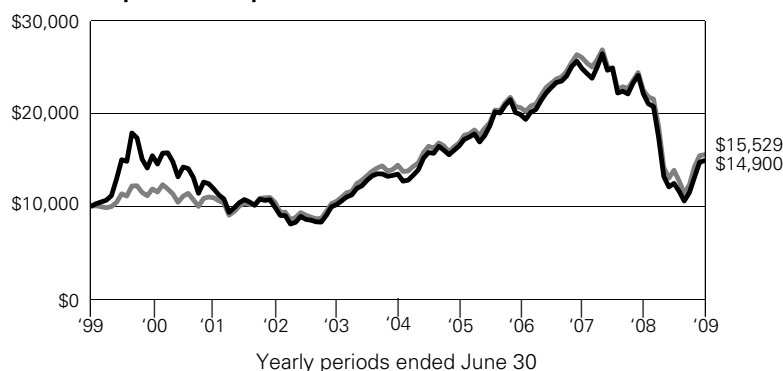
Portfolio returns during all periods shown reflect a fee waiver and/or reimbursement. Without this waiver/reimbursement, returns would have been lower.

Risk Considerations

This Portfolio is subject to stock market risk. Investing in foreign securities presents certain risks, such as currency fluctuations, political and economic changes and market risks. Additionally, stocks of small-sized companies involve greater risk as they often have limited product lines, markets, or financial resources and may be sensitive to erratic and abrupt market movements more so than securities of larger, more-established companies. All of these factors may result in greater share price volatility. Please read this Portfolio's prospectus for specific details regarding its investments and risk profile.

Growth of an Assumed \$10,000 Investment

■ DWS Global Opportunities VIP — Class A
 ■ S&P® Developed SmallCap Index



The S&P® Developed SmallCap Index is an unmanaged index of small-capitalization stocks within 26 countries around the globe. Index returns assume the reinvestment of dividends net of withholding tax and, unlike portfolio returns, do not reflect any fees or expenses. It is not possible to invest directly into an index.

Comparative Results

DWS Global Opportunities VIP		6-Month [‡]	1-Year	3-Year	5-Year	10-Year
Class A	Growth of \$10,000	\$11,979	\$6,748	\$7,510	\$11,087	\$14,900
	Average annual total return	19.79%	-32.52%	-9.11%	2.09%	4.07%
S&P Developed SmallCap Index	Growth of \$10,000	\$11,218	\$6,909	\$7,549	\$10,781	\$15,529
	Average annual total return	12.18%	-30.91%	-8.94%	1.51%	4.50%
DWS Global Opportunities VIP		6-Month [‡]	1-Year	3-Year	5-Year	10-Year
Class B	Growth of \$10,000	\$11,948	\$6,711	\$7,421	\$10,946	\$14,530
	Average annual total return	19.48%	-32.89%	-9.46%	1.82%	3.81%
S&P Developed SmallCap Index	Growth of \$10,000	\$11,218	\$6,909	\$7,549	\$10,781	\$15,529
	Average annual total return	12.18%	-30.91%	-8.94%	1.51%	4.50%

The growth of \$10,000 is cumulative.

[‡] Total returns shown for periods less than one year are not annualized.

Information About Your Portfolio's Expenses

DWS Global Opportunities VIP

As an investor of the Portfolio, you incur two types of costs: ongoing expenses and transaction costs. Ongoing expenses include management fees, distribution and service (12b-1) fees and other Portfolio expenses. Examples of transaction costs include contract charges, redemption fees and account maintenance fees, which are not shown in this section. The following tables are intended to help you understand your ongoing expenses (in dollars) of investing in the Portfolio and to help you compare these expenses with the ongoing expenses of investing in other mutual funds. In the most recent six-month period, the Portfolio limited these expenses; had it not done so, expenses would have been higher. The example in the table is based on an investment of \$1,000 invested at the beginning of the six-month period and held for the entire period (January 1, 2009 to June 30, 2009).

The tables illustrate your Portfolio's expenses in two ways:

- Actual Portfolio Return.** This helps you estimate the actual dollar amount of ongoing expenses (but not transaction costs) paid on a \$1,000 investment in the Portfolio using the Portfolio's actual return during the period. To estimate the expenses you

paid over the period, simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the "Expenses Paid per \$1,000" line under the share class you hold.

- Hypothetical 5% Portfolio Return.** This helps you to compare your Portfolio's ongoing expenses (but not transaction costs) with those of other mutual funds using the Portfolio's actual expense ratio and a hypothetical rate of return of 5% per year before expenses. Examples using a 5% hypothetical Portfolio return may be found in the shareholder reports of other mutual funds. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period.

Please note that the expenses shown in these tables are meant to highlight your ongoing expenses only and do not reflect any transaction costs. The "Expenses Paid per \$1,000" line of the tables is useful in comparing ongoing expenses only and will not help you determine the relative total expense of owning different funds. If these transaction costs had been included, your costs would have been higher.

Expenses and Value of a \$1,000 Investment for the six months ended June 30, 2009

Actual Portfolio Return	Class A	Class B
Beginning Account Value 1/1/09	\$1,000.00	\$1,000.00
Ending Account Value 6/30/09	\$1,197.90	\$1,194.80
Expenses Paid per \$1,000*	\$ 5.23	\$ 6.91

Hypothetical 5% Portfolio Return	Class A	Class B
Beginning Account Value 1/1/09	\$1,000.00	\$1,000.00
Ending Account Value 6/30/09	\$1,020.03	\$1,018.50
Expenses Paid per \$1,000*	\$ 4.81	\$ 6.36

* Expenses are equal to the Portfolio's annualized expense ratio for each share class, multiplied by the average account value over the period, multiplied by the number of days in the most recent six-month period, then divided by 365.

Annualized Expense Ratios	Class A	Class B
DWS Variable Series I — DWS Global Opportunities VIP	.96%	1.27%

For more information, please refer to the Portfolio's prospectus.

These tables do not reflect charges and fees ("contract charges") associated with the separate account that invests in the Portfolio or any variable life insurance policy or variable annuity contract for which the Portfolio is an investment option.

Portfolio Summary

DWS Global Opportunities VIP

Asset Allocation (As a % of Investment Portfolio excluding Securities Lending Collateral)	6/30/09	12/31/08
Common Stocks	99%	99%
Cash Equivalents	1%	1%
	100%	100%

Geographical Diversification

(As a % of Investment Portfolio excluding Cash Equivalents and Securities Lending Collateral)	6/30/09	12/31/08
United States	40%	41%
Continental Europe	28%	35%
Pacific Basin	13%	5%
Japan	7%	7%
United Kingdom	7%	8%
Canada	1%	1%
Australia	1%	1%
Latin America	1%	1%
Other	2%	1%
	100%	100%

Sector Diversification (As a % of Common Stocks)

	6/30/09	12/31/08
Health Care	19%	21%
Information Technology	17%	18%
Industrials	16%	20%
Consumer Discretionary	14%	10%
Financials	14%	12%
Energy	10%	9%
Consumer Staples	6%	5%
Materials	2%	1%
Utilities	2%	4%
	100%	100%

Asset allocation, geographical diversification and sector diversification are subject to change.

For more complete details about the Portfolio's investment portfolio, see page 37. A complete list of portfolio holdings of the Portfolio is posted as of the month end on www.dws-investments.com on or about the 15th day of the following month. More frequent posting of portfolio holdings information may be made from time to time on www.dws-investments.com.

Following the Portfolio's fiscal first and third quarter-end, a complete portfolio holdings listing is filed with the SEC on Form N-Q. The form will be available on the SEC's Web site at www.sec.gov, and it also may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the SEC's Public Reference Room may be obtained by calling (800) SEC-0330.

Investment Portfolio

June 30, 2009 (Unaudited)

DWS Global Opportunities VIP

	Shares	Value (\$)		Shares	Value (\$)
Common Stocks 99.0%			Hong Kong 7.5%		
Australia 0.9%			Inspur International Ltd.		
Austral Ltd. (Cost \$920,359)	481,774	1,081,040	K Wah International Holdings Ltd.		
Austria 1.2%			Kingboard Chemical Holdings Ltd.		
IMMOEAST AG*	118,096	297,482	Midland Holdings Ltd.		
Intercell AG*	16,200	555,302	REXLot Holdings Ltd.* (c)		
Wienerberger AG*	54,515	677,744	Tianneng Power International Ltd.		
(Cost \$1,384,221)		1,530,528	Wing Hang Bank Ltd.		
Bermuda 1.1%			Xinyi Glass Holdings Co., Ltd. (c)		
Lazard Ltd. "A" (Cost \$1,296,832)	50,400	1,356,768	(Cost \$5,773,705)		
Brazil 0.8%			9,465,427		
Diagnosticos da America SA*		1,039,285	Ireland 4.9%		
(Cost \$1,345,813)	59,200		Anglo Irish Bank Corp. PLC		
Canada 1.3%			C&C Group PLC		
CAE, Inc.	144,081	854,713	FBD Holdings PLC		
SunOpta, Inc.*	329,700	787,983	ICON PLC (ADR)		
(Cost \$4,866,980)		1,642,696	Norkom Group PLC*		
Cayman Islands 0.4%			Paddy Power PLC		
Lumena Resources Corp.* (c)		511,042	Ryanair Holdings PLC*		
(Cost \$448,830)	1,722,000		(Cost \$5,598,953)		
China 2.7%			6,183,515		
Minth Group Ltd.	1,746,300	1,449,342	Japan 6.9%		
Soho China Ltd.	1,525,500	928,963	Access Co., Ltd.*		
VancelInfo Technologies, Inc.		967,435	AEON Credit Service Co., Ltd.		
(ADR)* (a)	65,500	3,345,740	AEON Mall Co., Ltd.		
(Cost \$1,823,524)			C. Uyemura & Co., Ltd.		
Cyprus 0.8%			Internet Initiative Japan, Inc.		
Prosafe Production Public Ltd.* (b)	194,423	366,985	Nidec Corp.		
ProSafe SE (b)	120,203	604,379	Nitori Co., Ltd.		
(Cost \$1,615,555)		971,364	Shinko Plantech Co., Ltd.		
France 3.5%			So-net M3, Inc.		
Bureau Veritas SA	11,725	578,360	Square Enix Holdings Co., Ltd.		
Financiere Marc de Lacharriere SA	17,138	938,825	Sumitomo Realty & Development Co., Ltd.		
Flamel Technologies SA (ADR)* (a)	190,800	1,335,600	(Cost \$6,706,151)		
JC Decaux SA* (a)	48,381	769,998	Netherlands 3.9%		
Meetic*	28,491	745,379	Chicago Bridge & Iron Co. NV (NY Registered Shares)		
(Cost \$6,031,353)		4,368,162	Koninklijke Vopak NV		
Germany 8.5%			QIAGEN NV* (a)		
Fresenius Medical Care AG & Co. KGaA (a)	95,307	4,253,405	SBM Offshore NV		
M.A.X. Automation AG*	279,235	757,119	(Cost \$3,927,686)		
QSC AG*	187,512	382,685	Singapore 1.0%		
Rational AG (a)	8,584	990,229	Venture Corp., Ltd. (Cost \$995,259)		
SGL Carbon SE* (a)	30,800	954,034	Spain 1.2%		
Software AG	11,858	840,842	Grifols SA		
United Internet AG (Registered)* (a)	172,343	2,024,413	Tecnicas Reunidas SA		
Wincor Nixdorf AG	9,934	557,083	(Cost \$1,615,429)		
(Cost \$7,220,587)		10,759,810	Sweden 0.3%		
Gibraltar 0.4%			Elekt AB "B" (Cost \$304,993)		
PartyGaming PLC* (Cost \$587,027)	140,043	565,534	Switzerland 1.5%		
Greece 1.9%			Advanced Digital Broadcast Holdings SA (ADB Group) (Registered)*		
Alpha Bank AE*	84,400	911,987	Nobel Biocare Holding AG (Registered)		
Coca-Cola Hellenic Bottling Co. SA	35,800	733,577	Partners Group Holding AG		
Hellenic Exchanges SA	69,800	778,419	(Cost \$1,619,051)		
(Cost \$2,283,413)		2,423,983	1,861,619		

The accompanying notes are an integral part of the financial statements.

	Shares	Value (\$)
Taiwan 1.5%		
Compal Electronics, Inc.	1,067,000	862,464
Siliconware Precision Industries Co.	902,743	1,039,247
(Cost \$1,437,702)		1,901,711
United Arab Emirates 0.4%		
Lamprell PLC (Cost \$919,252)	289,329	547,076
United Kingdom 6.4%		
Aegis Group PLC	334,728	508,076
ARM Holdings PLC	670,301	1,324,250
Ashmore Group PLC	386,034	1,202,042
Babcock International Group PLC	165,742	1,314,210
John Wood Group PLC	145,958	643,437
Michael Page International PLC	296,242	1,168,520
Rotork PLC	43,268	590,135
Serco Group PLC	194,437	1,350,868
(Cost \$8,505,839)		8,101,538
United States 40.0%		
Advance Auto Parts, Inc.	31,250	1,296,562
Aecom Technology Corp.*	69,168	2,213,376
Aerpostale, Inc.* (a)	33,000	1,130,910
Affiliated Managers Group, Inc.*	10,900	634,271
Airgas, Inc.	14,200	575,526
Allegheny Energy, Inc.	95,700	2,454,705
Alpha Natural Resources, Inc.* (a)	40,200	1,056,054
American Eagle Outfitters, Inc.	60,200	853,034
AMERIGROUP Corp.* (a)	56,200	1,508,970
ANSYS, Inc.*	12,300	383,268
BE Aerospace, Inc.*	57,400	824,264
BioMarin Pharmaceutical, Inc.* (a)	26,000	405,860
BPZ Resources, Inc.* (d)	104,800	512,472
Burger King Holdings, Inc.	33,000	569,910
Cameron International Corp.*	17,600	498,080
Capella Education Co.* (a)	9,700	581,515
Carter's, Inc.*	51,900	1,277,259
Central European Distribution Corp. (e)*	29,400	781,158
Chattem, Inc.*	12,200	830,820
Cogent, Inc.* (a)	80,000	858,400
Darling International, Inc.*	89,400	590,040
Deckers Outdoor Corp.*	9,000	632,430
Diamond Foods, Inc. (a)	48,100	1,341,990
Dresser-Rand Group, Inc.*	48,200	1,258,020
Duff & Phelps Corp. "A" (a)	34,500	613,410
EMS Technologies, Inc.*	41,700	871,530
EXCO Resources, Inc.*	70,700	913,444

	Shares	Value (\$)
FTI Consulting, Inc.* (a)	31,350	1,590,072
Green Mountain Coffee Roasters, Inc.* (a)	16,950	1,002,084
Itron, Inc.* (a)	30,800	1,696,156
Jefferies Group, Inc.* (a)	46,800	998,244
Joy Global, Inc.	43,575	1,556,499
Lam Research Corp.*	22,700	590,200
Life Technologies Corp.* (a)	32,500	1,355,900
LogMeIn, Inc.	5,900	94,400
ManTech International Corp. "A"*	12,600	542,304
Martin Marietta Materials, Inc.	6,100	481,168
Metabolix, Inc.* (a)	38,600	317,292
MiddleBrook Pharmaceuticals, Inc.* (a)	377,734	509,941
MSCI, Inc. "A"*	27,304	667,310
Mueller Water Products, Inc. "A"	58,100	217,294
Mylan, Inc.* (a)	99,200	1,294,560
NxStage Medical, Inc.*	157,000	926,300
Owens & Minor, Inc.	26,100	1,143,702
Owens-Illinois, Inc.*	34,800	974,748
Schawk, Inc.	66,100	496,411
Somanetics Corp.*	67,900	1,121,029
Stericycle, Inc.*	17,600	906,928
Thoratec Corp.* (a)	71,600	1,917,448
Ultra Petroleum Corp.* (a)	69,600	2,714,400
Urban Outfitters, Inc.*	39,000	813,930
Waddell & Reed Financial, Inc. "A"	35,600	938,772
(Cost \$41,495,725)		50,334,370
Total Common Stocks (Cost \$108,724,239)		124,703,863

Securities Lending Collateral 20.7%

Daily Assets Fund Institutional, 0.48% (f) (g) (Cost \$26,073,340)	26,073,340	26,073,340
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Cash Equivalents 1.0%

Cash Management QP Trust, 0.27% (f) (Cost \$1,272,568)	1,272,568	1,272,568
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	% of Net Assets	Value (\$)
Total Investment Portfolio (Cost \$136,070,147) [†]	120.7	152,049,771
Other Assets and Liabilities, Net	(20.7)	(26,060,911)
Net Assets	100.0	125,988,860

* Non-income producing security.

† The cost for federal income tax purposes was \$138,298,493. At June 30, 2009, net unrealized appreciation for all securities based on tax cost was \$13,751,278. This consisted of aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost of \$32,912,721 and aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value of \$19,161,443.

(a) All or a portion of these securities were on loan (see Notes to Financial Statements). The value of all securities loaned at June 30, 2009 amounted to \$25,089,046, which is 19.9% of net assets.

(b) Security is listed in country of domicile. Significant business activities of the company are in Norway.

(c) Security is listed in country of domicile. Significant business activities of the company are in China.

(d) Security is listed in country of domicile. Significant business activities of company are in Peru and Ecuador.

(e) Security is listed in country of domicile. Significant business activities of company are in Poland.

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

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

ADR: American Depositary Receipt

The accompanying notes are an integral part of the financial statements.

Fair Value Measurements

Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, "Fair Value Measurements," as amended, establishes a three-tier hierarchy for measuring fair value and requires additional disclosure about the classification of fair value measurements.

Various inputs are used in determining the value of the Portfolio'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 observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, and credit risk). Level 3 includes significant unobservable inputs (including the Portfolio'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 June 30, 2009 in valuing the Portfolio's investments. For information on the Portfolio's policy regarding the valuation of investments, please refer to the Security Valuation section of Note A in the accompanying Notes to the Financial Statements.

Assets	Level 1	Level 2	Level 3	Total
Common Stocks and/or Other Equity Investments				
Australia	\$ —	\$ 1,081,040	\$ —	\$ 1,081,040
Austria	—	1,530,528	—	1,530,528
Bermuda	1,356,768	—	—	1,356,768
Brazil	1,039,285	—	—	1,039,285
Canada	1,642,696	—	—	1,642,696
Cayman Islands	—	511,042	—	511,042
China	967,435	2,378,305	—	3,345,740
Cyprus	—	971,364	—	971,364
France	1,335,600	3,032,562	—	4,368,162
Germany	—	10,759,810	—	10,759,810
Gibraltar	—	565,534	—	565,534
Greece	—	2,423,983	—	2,423,983
Hong Kong	—	9,465,427	—	9,465,427
Ireland	1,601,236	4,582,279	—	6,183,515
Japan	—	8,681,664	—	8,681,664
Netherlands	673,320	4,247,295	—	4,920,615
Singapore	—	1,271,821	—	1,271,821
Spain	—	1,516,752	—	1,516,752
Sweden	—	321,803	—	321,803
Switzerland	—	1,861,619	—	1,861,619
Taiwan	—	1,901,711	—	1,901,711
United Arab Emirates	—	547,076	—	547,076
United Kingdom	—	8,101,538	—	8,101,538
United States	50,334,370	—	—	50,334,370
Short-Term Investments (h)	26,073,340	1,272,568	—	27,345,908
Total	\$ 85,024,050	\$ 67,025,721	\$ —	\$ 152,049,771

(h) See Investment Portfolio for additional detailed categorizations.

Financial Statements

Statement of Assets and Liabilities

as of June 30, 2009 (Unaudited)

Assets	
Investments:	
Investments in securities, at value (cost \$108,724,239), including \$25,089,046 of securities loaned	\$ 124,703,863
Investment in Daily Assets Fund Institutional (cost \$26,073,340)*	26,073,340
Investment in Cash Management QP Trust (cost \$1,272,568)	1,272,568
Total investments, at value (cost \$136,070,147)	152,049,771
Foreign currency, at value (cost \$127,673)	128,523
Receivable for investments sold	1,184,902
Receivable for Portfolio shares sold	23,689
Dividends receivable	30,332
Interest receivable	16,875
Foreign taxes recoverable	41,657
Other assets	4,154
Total assets	153,479,903

Liabilities	
Cash overdraft	101,083
Payable for investments purchased	1,041,628
Payable for Portfolio shares redeemed	119,213
Payable upon return of securities loaned	26,073,340
Accrued management fee	82,879
Accrued distribution service fee (Class B)	1,160
Other accrued expenses and payables	71,740
Total liabilities	27,491,043
Net assets, at value	\$ 125,988,860

Net Assets Consist of

Distributions in excess of net investment income	(1,270,143)
Net unrealized appreciation (depreciation) on:	
Investments	15,979,624
Foreign currency	2,729
Accumulated net realized gain (loss)	(28,667,838)
Paid-in capital	139,944,488
Net assets, at value	\$ 125,988,860

Class A

Net Asset Value , offering and redemption price per share (\$120,332,205 ÷ 13,156,702 outstanding shares of beneficial interest, \$.01 par value, unlimited number of shares authorized)	\$ 9.15
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Class B

Net Asset Value , offering and redemption price per share (\$5,656,655 ÷ 628,929 outstanding shares of beneficial interest, \$.01 par value, unlimited number of shares authorized)	\$ 8.99
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* Represents collateral on securities loaned.

Statement of Operations

for the six months ended June 30, 2009 (Unaudited)

Investment Income	
Income:	
Dividends (net of foreign taxes withheld of \$73,692)	\$ 958,630
Interest — Cash Management QP Trust	5,782
Securities lending income, including income from Daily Assets Fund Institutional, net of borrower rebates	140,655
Other income	2,132
Total Income	1,107,199
Expenses:	
Management fee	497,985
Administration fee	55,953
Custodian fee	6,406
Distribution service fee (Class B)	6,122
Services to shareholders	3,098
Record keeping fee (Class B)	1,549
Professional fees	35,491
Trustees' fees and expenses	2,517
Reports to shareholders	12,894
Other	11,505
Total expenses before expense reductions	633,520
Expense reductions	(91,334)
Total expenses after expense reductions	542,186
Net investment income (loss)	565,013

Realized and Unrealized Gain (Loss)

Net realized gain (loss) from:	
Investments	(14,331,970)
Foreign currency	(13,398)
	(14,345,368)
Change in net unrealized appreciation (depreciation) on:	
Investments	33,743,184
Foreign currency	3,644
	33,746,828
Net gain (loss)	19,401,460

Net increase (decrease) in net assets resulting from operations	\$ 19,966,473
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The accompanying notes are an integral part of the financial statements.

Statement of Changes in Net Assets

	Six Months Ended June 30, 2009 (Unaudited)	Year Ended December 31, 2008
Increase (Decrease) in Net Assets		
Operations:		
Net investment income (loss)	\$ 565,013	\$ 3,472,658
Net realized gain (loss)	(14,345,368)	(11,414,417)
Change in net unrealized appreciation (depreciation)	33,746,828	(135,433,278)
Net increase (decrease) in net assets resulting from operations	19,966,473	(143,375,037)
Distributions to shareholders from:		
Net investment income:		
Class A	(2,053,958)	(606,759)
Class B	(80,052)	—
Net realized gains:		
Class A	—	(38,799,742)
Class B	—	(1,584,503)
Total distributions	(2,134,010)	(40,991,004)
Portfolio share transactions:		
Class A		
Proceeds from shares sold	2,961,207	9,798,954
Reinvestment of distributions	2,053,958	39,406,501
Cost of shares redeemed	(19,113,214)	(64,901,647)
Net increase (decrease) in net assets from Class A share transactions	(14,098,049)	(15,696,192)
Class B		
Proceeds from shares sold	293,588	887,328
Reinvestment of distributions	80,052	1,584,503
Cost of shares redeemed	(663,019)	(2,362,537)
Net increase (decrease) in net assets from Class B share transactions	(289,379)	109,294
Increase (decrease) in net assets	3,445,035	(199,952,939)
Net assets at beginning of period	122,543,825	322,496,764
Net assets at end of period (including distributions in excess of net investment income and undistributed net investment income of \$1,270,143 and \$298,854, respectively)	\$ 125,988,860	\$ 122,543,825
Other Information		
Class A		
Shares outstanding at beginning of period	15,069,861	16,980,253
Shares sold	360,918	754,392
Shares issued to shareholders in reinvestment of distributions	264,685	2,730,873
Shares redeemed	(2,538,762)	(5,395,657)
Net increase (decrease) in Class A shares	(1,913,159)	(1,910,392)
Shares outstanding at end of period	13,156,702	15,069,861
Class B		
Shares outstanding at beginning of period	669,567	673,793
Shares sold	37,660	67,771
Shares issued to shareholders in reinvestment of distributions	10,492	111,428
Shares redeemed	(88,790)	(183,425)
Net increase (decrease) in Class B shares	(40,638)	(4,226)
Shares outstanding at end of period	628,929	669,567

The accompanying notes are an integral part of the financial statements.

Financial Highlights

Class A

Years Ended December 31,

2009^a 2008 2007 2006 2005 2004

Selected Per Share Data

	2009 ^a	2008	2007	2006	2005	2004
Net asset value, beginning of period	\$ 7.79	\$18.28	\$18.15	\$15.00	\$12.77	\$10.38
<i>Income (loss) from investment operations:</i>						
Net investment income (loss) ^b	.04	.20 ^e	.08 ^e	.03 ^d	.04	.01
Net realized and unrealized gain (loss)	1.47	(8.18)	1.61	3.28	2.27	2.41
Total from investment operations	1.51	(7.98)	1.69	3.31	2.31	2.42
<i>Less distributions from:</i>						
Net investment income	(.15)	(.04)	(.23)	(.16)	(.08)	(.03)
Net realized gains	—	(2.47)	(1.33)	—	—	—
Total distributions	(.15)	(2.51)	(1.56)	(.16)	(.08)	(.03)
Net asset value, end of period	\$ 9.15	\$ 7.79	\$18.28	\$18.15	\$15.00	\$12.77
Total Return (%)	19.79 ^{c**}	(49.96) ^c	9.33 ^c	22.08 ^d	18.19	23.35

Ratios to Average Net Assets and Supplemental Data

Net assets, end of period (\$ millions)	120	117	310	331	285	232
Ratio of expenses before expense reductions (%)	1.12 [*]	1.11	1.14	1.12	1.17	1.18
Ratio of expenses after expense reductions (%)	.96 [*]	.99	1.12	1.12	1.17	1.18
Ratio of net investment income (loss) (%)	1.02 [*]	1.53 ^e	.45 ^e	.16 ^d	.32	.09
Portfolio turnover rate (%)	29 ^{**}	21	19	28	30	24

^a For the six months ended June 30, 2009 (Unaudited).

^b Based on average shares outstanding during the period.

^c Total return would have been lower had certain expenses not been reduced.

^d Includes non-recurring income from the Advisor recorded as a result of an administrative proceeding regarding disclosure of brokerage allocation practices in connection with sales of DWS Funds. The non-recurring income resulted in an increase in net investment income of \$0.002 per share and an increase in the ratio of net investment income of 0.01%. Excluding this non-recurring income, total return would have been 0.01% lower.

^e Net investment income per share and the ratio of net investment income include non-recurring dividend income amounting to \$0.05 and \$0.02 per share and 0.37% and 0.09% of average daily net assets for the years ended December 31, 2008 and 2007, respectively.

^{*} Annualized

^{**} Not annualized

Class B

Years Ended December 31,

2009^a 2008 2007 2006 2005 2004**Selected Per Share Data**

	2009 ^a	2008	2007	2006	2005	2004
Net asset value, beginning of period	\$ 7.65	\$ 18.03	\$ 17.93	\$ 14.84	\$ 12.62	\$ 10.25
<i>Income (loss) from investment operations:</i>						
Net investment income (loss) ^b	.03	.16 ^f	.01 ^f	(.00) ^{c,e}	.03	(.01)
Net realized and unrealized gain (loss)	1.44	(8.07)	1.61	3.24	2.24	2.38
Total from investment operations	1.47	(7.91)	1.62	3.24	2.27	2.37
<i>Less distributions from:</i>						
Net investment income	(.13)	—	(.19)	(.15)	(.05)	—
Net realized gains	—	(2.47)	(1.33)	—	—	—
Total distributions	(.13)	(2.47)	(1.52)	(.15)	(.05)	—
Net asset value, end of period	\$ 8.99	\$ 7.65	\$ 18.03	\$ 17.93	\$ 14.84	\$ 12.62
Total Return (%) ^d	19.48 ^{**}	(50.16)	8.92	21.88 ^e	18.06	23.12

Ratios to Average Net Assets and Supplemental Data

Net assets, end of period (\$ millions)	6	5	12	37	33	24
Ratio of expenses before expense reductions (%)	1.43 [*]	1.42	1.53	1.51	1.54	1.52
Ratio of expenses after expense reductions (%)	1.27 [*]	1.30	1.50	1.31	1.24	1.39
Ratio of net investment income (loss) (%)	.71 [*]	1.21 ^f	.07 ^f	(.03) ^e	.25	(.12)
Portfolio turnover rate (%)	29 ^{**}	21	19	28	30	24

^a For the six months ended June 30, 2009 (Unaudited).

^b Based on average shares outstanding during the period.

^c Amount is less than \$.005.

^d Total return would have been lower had certain expenses not been reduced.

^e Includes non-recurring income from the Advisor recorded as a result of an administrative proceeding regarding disclosure of brokerage allocation practices in connection with sales of DWS Funds. The non-recurring income resulted in an increase in net investment income of \$0.002 per share and an increase in the ratio of net investment income of 0.01%. Excluding this non-recurring income, total return would have been 0.01% lower.

^f Net investment income per share and the ratio of net investment income include non-recurring dividend income amounting to \$0.05 and \$0.02 per share and 0.37% and 0.09% of average daily net assets for the years ended December 31, 2008 and 2007, respectively.

^{*} Annualized

^{**} Not annualized

DWS International VIP

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 redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Please contact your participating insurance company for the Portfolio's most recent month-end performance. Performance doesn't reflect charges and fees ("contract charges") associated with the separate account that invests in the Portfolio or any variable life insurance policy or variable annuity contract for which the Portfolio is an investment option. These charges and fees will reduce returns. While all share classes have the same underlying portfolio, their performance will differ.

The total annual portfolio operating expense ratios, gross of any fee waivers or expense reimbursements, as stated in the fee table of the prospectus dated May 1, 2009 are 1.01% and 1.33% for Class A and Class B shares, respectively. Please see the Information About Your Portfolio's Expenses, the Financial Highlights and Notes to the Financial Statements (Note C, Related Parties) sections of this report for gross and net expense-related disclosure for the period ended June 30, 2009.

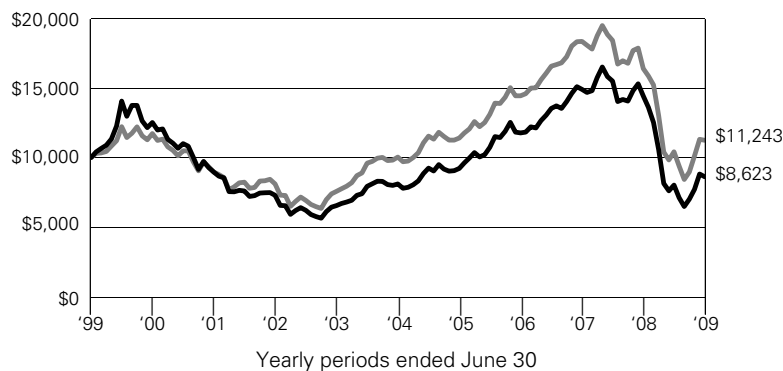
Portfolio returns for the 1-year, 3-year, 5-year and 10-year periods shown reflect a fee waiver and/or reimbursement. Without this waiver/reimbursement, returns would have been lower.

Risk Considerations

This Portfolio is subject to stock market risk. Investing in foreign securities presents certain risks, such as currency fluctuation, political and economic changes and market risks. This may result in greater share price volatility. Derivatives may be more volatile and less liquid than traditional securities, and the Portfolio could suffer losses on an underlying Portfolio's derivative position. Investing in securities of emerging markets presents certain risks, such as currency fluctuation, political and economic changes and market risks. Please read this Portfolio's prospectus for specific details regarding its investments and risk profile.

Growth of an Assumed \$10,000 Investment

■ DWS International VIP – Class A
 ■ MSCI EAFE® Index



The Morgan Stanley Capital International (MSCI) Europe, Australasia and Far East (EAFE®) Index is an unmanaged index that tracks international stock performance in the 21 developed markets in Europe, Australasia and the Far East. The index is calculated using closing local market prices and translates into US dollars using the London close foreign exchange rates.

Index returns assume the reinvestment of dividends net of withholding tax and, unlike portfolio returns, do not reflect any fees or expenses. It is not possible to invest directly into an index.

Comparative Results

DWS International VIP		6-Month [‡]	1-Year	3-Year	5-Year	10-Year
Class A	Growth of \$10,000	\$10,749	\$5,980	\$7,329	\$10,641	\$8,623
	Average annual total return	7.49%	-40.20%	-9.84%	1.25%	-1.47%
MSCI EAFE® Index	Growth of \$10,000	\$10,795	\$6,865	\$7,793	\$11,209	\$11,243
	Average annual total return	7.95%	-31.35%	-7.98%	2.31%	1.18%
DWS International VIP		6-Month [‡]	1-Year	3-Year	5-Year	10-Year
Class B	Growth of \$10,000	\$10,715	\$5,970	\$7,270	\$10,478	\$8,409
	Average annual total return	7.15%	-40.30%	-10.08%	.94%	-1.72%
MSCI EAFE® Index	Growth of \$10,000	\$10,795	\$6,865	\$7,793	\$11,209	\$11,243
	Average annual total return	7.95%	-31.35%	-7.98%	2.31%	1.18%

The growth of \$10,000 is cumulative.

[‡] Total returns shown for periods less than one year are not annualized.

Information About Your Portfolio's Expenses

DWS International VIP

As an investor of the Portfolio, you incur two types of costs: ongoing expenses and transaction costs. Ongoing expenses include management fees, distribution and service (12b-1) fees and other Portfolio expenses. Examples of transaction costs include contract charges, redemption fees and account maintenance fees, which are not shown in this section. The following tables are intended to help you understand your ongoing expenses (in dollars) of investing in the Portfolio and to help you compare these expenses with the ongoing expenses of investing in other mutual funds. The example in the table is based on an investment of \$1,000 invested at the beginning of the six-month period and held for the entire period (January 1, 2009 to June 30, 2009).

The tables illustrate your Portfolio's expenses in two ways:

- Actual Portfolio Return.** This helps you estimate the actual dollar amount of ongoing expenses (but not transaction costs) paid on a \$1,000 investment in the Portfolio using the Portfolio's actual return during the period. To estimate the expenses you paid over the period, simply divide your account

value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the "Expenses Paid per \$1,000" line under the share class you hold.

- Hypothetical 5% Portfolio Return.** This helps you to compare your Portfolio's ongoing expenses (but not transaction costs) with those of other mutual funds using the Portfolio's actual expense ratio and a hypothetical rate of return of 5% per year before expenses. Examples using a 5% hypothetical Portfolio return may be found in the shareholder reports of other mutual funds. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period.

Please note that the expenses shown in these tables are meant to highlight your ongoing expenses only and do not reflect any transaction costs. The "Expenses Paid per \$1,000" line of the tables is useful in comparing ongoing expenses only and will not help you determine the relative total expense of owning different funds. If these transaction costs had been included, your costs would have been higher.

Expenses and Value of a \$1,000 Investment for the six months ended June 30, 2009

Actual Portfolio Return	Class A	Class B
Beginning Account Value 1/1/09	\$1,000.00	\$1,000.00
Ending Account Value 6/30/09	\$1,074.90	\$1,071.50
Expenses Paid per \$1,000*	\$ 4.73	\$ 6.16

Hypothetical 5% Portfolio Return	Class A	Class B
Beginning Account Value 1/1/09	\$1,000.00	\$1,000.00
Ending Account Value 6/30/09	\$1,020.23	\$1,018.84
Expenses Paid per \$1,000*	\$ 4.61	\$ 6.01

* Expenses are equal to the Portfolio's annualized expense ratio for each share class, multiplied by the average account value over the period, multiplied by the number of days in the most recent six-month period, then divided by 365.

Annualized Expense Ratios	Class A	Class B
DWS Variable Series I — DWS International VIP	.92%	1.20%

For more information, please refer to the Portfolio's prospectus.

These tables do not reflect charges and fees ("contract charges") associated with the separate account that invests in the Portfolio or any variable life insurance policy or variable annuity contract for which the Portfolio is an investment option.

Portfolio Summary

DWS International VIP

Asset Allocation (As a % of Investment Portfolio excluding Securities Lending Collateral)	6/30/09	12/31/08
Common Stocks	93%	93%
Exchange-Traded Funds	4%	5%
Cash Equivalents	3%	2%
	100%	100%

Geographical Diversification (As a % of Investment Portfolio excluding Cash Equivalents and Securities Lending Collateral)	6/30/09	12/31/08
Continental Europe	64%	62%
Japan	16%	22%
Pacific Basin	10%	5%
United Kingdom	7%	8%
Australia	3%	—
Latin America	—	2%
Other	—	1%
	100%	100%

Sector Diversification (As a % of Common Stocks)	6/30/09	12/31/08
Financials	27%	20%
Energy	14%	11%
Materials	13%	8%
Industrials	9%	8%
Health Care	7%	22%
Consumer Staples	7%	10%
Telecommunication Services	7%	12%
Consumer Discretionary	7%	—
Utilities	5%	4%
Information Technology	4%	5%
	100%	100%

Asset allocation, geographical diversification and sector diversification are subject to change.

For more complete details about the Portfolio's investment portfolio, see page 47. A complete list of portfolio holdings of the Portfolio is posted as of the month end on www.dws-investments.com on or about the 15th day of the following month. More frequent posting of portfolio holdings information may be made from time to time on www.dws-investments.com.

Following the Portfolio's fiscal first and third quarter-end, a complete portfolio holdings listing is filed with the SEC on Form N-Q. The form will be available on the SEC's Web site at www.sec.gov, and it also may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the SEC's Public Reference Room may be obtained by calling (800) SEC-0330.

Investment Portfolio

June 30, 2009 (Unaudited)

DWS International VIP

	Shares	Value (\$)		Shares	Value (\$)
Common Stocks 93.5%					
Australia 3.3%					
BHP Billiton Ltd.	213,400	5,848,742			
Woodside Petroleum Ltd.	110,900	3,842,853			
(Cost \$8,121,593)		9,691,595			
Austria 3.4%					
IMMOEAST AG*	368,715	928,786			
Intercell AG*	154,713	5,303,241			
Voestalpine AG (a)	132,800	3,643,506			
(Cost \$7,851,878)		9,875,533			
Belgium 2.2%					
Fortis* (Cost \$5,606,633)	1,847,500	6,298,891			
China 7.4%					
China Construction Bank Corp. "H"	4,382,800	3,382,761			
China Life Insurance Co., Ltd. "H"	1,630,300	6,061,842			
Industrial & Commercial Bank of China Ltd. "H"	8,790,000	6,115,692			
PetroChina Co., Ltd. "H"	5,486,000	6,052,184			
(Cost \$18,795,079)		21,612,479			
Denmark 2.2%					
Carlsberg AS "B" (a) (Cost \$10,647,271)	100,975	6,490,469			
Finland 3.1%					
Fortum Oyj	248,600	5,670,472			
Nokia Oyj	237,700	3,468,914			
(Cost \$12,344,785)		9,139,386			
France 7.0%					
Alstom SA (a)	49,885	2,952,513			
AXA SA	279,329	5,280,806			
BNP Paribas	75,459	4,896,824			
Compagnie de Saint-Gobain	113,827	3,805,963			
Electricite de France	73,486	3,583,467			
(Cost \$16,523,491)		20,519,573			
Germany 13.1%					
Allianz SE (Registered)	56,870	5,258,866			
BASF SE	105,200	4,196,048			
Bayer AG	79,492	4,268,405			
Daimler AG (Registered)	150,500	5,445,382			
Deutsche Telekom AG (Registered)	328,800	3,885,936			
E.ON AG	151,004	5,359,788			
Fresenius Medical Care AG & Co. KGaA (a)	133,182	5,943,708			
Linde AG	45,300	3,724,330			
(Cost \$36,952,889)		38,082,463			
Hong Kong 2.2%					
China Mobile Ltd. (Cost \$6,853,791)	625,500	6,272,112			
Ireland 1.9%					
CRH PLC (Cost \$4,939,210)	234,803	5,383,128			
Italy 1.8%					
Saipem SpA (Cost \$4,804,613)	215,000	5,248,256			
Japan 11.4%					
Canon, Inc.	142,450	4,636,315			
Japan Tobacco, Inc.	1,103	3,438,003			
KOMATSU Ltd.	343,000	5,264,109			
Mitsubishi Corp.	245,800	4,514,162			
			Mitsui & Co., Ltd.	349,000	4,111,391
			Nintendo Co., Ltd.	11,400	3,137,327
			Seven & I Holdings Co., Ltd.	126,000	2,956,105
			Toyota Motor Corp.	138,800	5,247,236
			(Cost \$35,633,037)		33,304,648
			Luxembourg 2.2%		
			ArcelorMittal (Cost \$6,723,024)	195,426	6,418,118
			Netherlands 1.6%		
			ING Groep NV (CVA) (Cost \$4,779,979)	460,200	4,631,958
			Norway 2.8%		
			DnB NOR ASA*	549,400	4,206,482
			StatoilHydro ASA	200,300	3,956,711
			(Cost \$7,301,071)		8,163,193
			Russia 3.6%		
			Gazprom (ADR)	247,900	5,051,455
			Gazprom OAO (ADR)	61,900	1,253,475
			LUKOIL (ADR)	57,600	2,573,467
			Sberbank	1,223,326	1,540,615
			(Cost \$14,401,847)		10,419,012
			Spain 5.4%		
			Banco Santander SA	524,600	6,330,859
			Grifols SA	269,927	4,773,962
			Telefonica SA	203,735	4,619,688
			(Cost \$12,223,744)		15,724,509
			Sweden 1.3%		
			Hennes & Mauritz AB "B" (Cost \$2,964,766)	76,500	3,824,353
			Switzerland 10.8%		
			ABB Ltd. (Registered)*	266,522	4,195,188
			Compagnie Financiere Richemont SA "A"	182,211	3,796,504
			Credit Suisse Group AG (Registered)	130,609	5,962,257
			Nestle SA (Registered)	158,283	5,973,783
			UBS AG (Registered)*	454,899	5,565,570
			Xstrata PLC	546,930	6,032,053
			(Cost \$24,715,958)		31,525,355
			United Kingdom 6.8%		
			AMEC PLC	393,327	4,234,885
			BG Group PLC	320,075	5,377,882
			HSBC Holdings PLC	799,467	6,636,869
			Vodafone Group PLC	1,881,244	3,636,394
			(Cost \$17,766,228)		19,886,030
			Total Common Stocks (Cost \$259,950,887)		272,511,061
			Exchange-Traded Fund 3.7%		
			Japan		
			iShares MSCI Japan Index Fund (a) (Cost \$13,223,777)	1,146,790	10,814,230
			Securities Lending Collateral 9.1%		
			Daily Assets Fund Institutional, 0.48% (b) (c) (Cost \$26,505,099)	26,505,099	26,505,099

The accompanying notes are an integral part of the financial statements.

	Shares	Value (\$)		% of Net Assets	Value (\$)
Cash Equivalents 2.8%			Total Investment Portfolio		
Cash Management QP Trust, 0.27% (b) (Cost \$8,011,849)	8,011,849	8,011,849	(Cost \$307,691,612) [†]	109.1	317,842,239
			Other Assets and Liabilities, Net	(9.1)	(26,491,791)
			Net Assets	100.0	291,350,448

* Non-income producing security.

† The cost for federal income tax purposes was \$310,735,507. At June 30, 2009, net unrealized appreciation for all securities based on tax cost was \$7,106,732. This consisted of aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost of \$39,558,410 and aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value of \$32,451,678.

(a) All or a portion of these securities were on loan (see Notes to Financial Statements). The value of all securities loaned at June 30, 2009 amounted to \$25,270,883, which is 8.7% of net assets.

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

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

ADR: American Depositary Receipt

CVA: Certificaten Van Aandelen

MSCI: Morgan Stanley Capital International

Fair Value Measurements

Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, "Fair Value Measurements," as amended, establishes a three-tier hierarchy for measuring fair value and requires additional disclosure about the classification of fair value measurements.

Various inputs are used in determining the value of the Portfolio'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 observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, and credit risk). Level 3 includes significant unobservable inputs (including the Portfolio'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 June 30, 2009 in valuing the Portfolio's investments. For information on the Portfolio's policy regarding the valuation of investments, please refer to the Security Valuation section of Note A in the accompanying Notes to the Financial Statements.

Assets	Level 1	Level 2	Level 3	Total
Common Stock and/or Other Equity Investments (d)				
Australia	\$ —	\$ 9,691,595	\$ —	\$ 9,691,595
Austria	—	9,875,533	—	9,875,533
Belgium	—	6,298,891	—	6,298,891
China	—	21,612,479	—	21,612,479
Denmark	—	6,490,469	—	6,490,469
Finland	—	9,139,386	—	9,139,386
France	—	20,519,573	—	20,519,573
Germany	—	38,082,463	—	38,082,463
Hong Kong	—	6,272,112	—	6,272,112
Ireland	—	5,383,128	—	5,383,128
Italy	—	5,248,256	—	5,248,256
Japan	10,814,230	33,304,648	—	44,118,878
Luxembourg	—	6,418,118	—	6,418,118
Netherlands	—	4,631,958	—	4,631,958
Norway	—	8,163,193	—	8,163,193
Russia	3,826,942	6,592,070	—	10,419,012
Spain	—	15,724,509	—	15,724,509
Sweden	—	3,824,353	—	3,824,353
Switzerland	—	31,525,355	—	31,525,355
United Kingdom	—	19,886,030	—	19,886,030
Short-Term Investments (d)	26,505,099	8,011,849	—	34,516,948
Total	\$ 41,146,271	\$ 276,695,968	\$ —	\$ 317,842,239

(d) See Investment Portfolio for additional detailed categorizations.

The accompanying notes are an integral part of the financial statements.

Financial Statements

Statement of Assets and Liabilities

as of June 30, 2009 (Unaudited)

Assets

Investments:	
Investments in securities, at value (cost \$273,174,664), including \$25,270,883 of securities loaned	\$ 283,325,291
Investment in Daily Assets Fund Institutional (cost \$26,505,099)*	26,505,099
Investment in Cash Management QP Trust (cost \$8,011,849)	8,011,849
Total investments, at value (cost \$307,691,612)	317,842,239
Foreign currency, at value (cost \$1,152,549)	1,151,481
Dividends receivable	854,961
Interest receivable	32,244
Receivable for Portfolio shares sold	87,292
Foreign taxes recoverable	267,976
Other assets	8,475
Total assets	320,244,668

Liabilities

Payable for investments purchased	1,693,532
Payable for Portfolio shares redeemed	396,229
Payable upon return of securities loaned	26,505,099
Accrued management fee	178,603
Accrued distribution service fee (Class B)	84
Other accrued expenses and payables	120,673
Total liabilities	28,894,220
Net assets, at value	\$ 291,350,448

Net Assets Consist of

Undistributed net investment income	4,712,443
Net unrealized appreciation (depreciation) on:	
Investments	10,150,627
Foreign currency	13,201
Accumulated net realized gain (loss)	(189,764,606)
Paid-in capital	466,238,783
Net assets, at value	\$ 291,350,448

Class A

Net Asset Value , offering and redemption price per share (\$290,950,362 ÷ 43,778,875 outstanding shares of beneficial interest, \$.01 par value, unlimited number of shares authorized)	\$ 6.65
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Class B

Net Asset Value , offering and redemption price per share (\$400,086 ÷ 60,075 outstanding shares of beneficial interest, \$.01 par value, unlimited number of shares authorized)	\$ 6.66
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* Represents collateral on securities loaned.

Statement of Operations

for the six months ended June 30, 2009 (Unaudited)

Investment Income

Income:	
Dividends (net of foreign taxes withheld of \$764,751)	\$ 5,702,591
Interest — Cash Management QP Trust	22,384
Interest	1,842
Securities lending income, including income from Daily Assets Fund Institutional, net of borrower rebates	373,032
Total Income	6,099,849
Expenses:	
Management fee	1,054,105
Administration fee	133,431
Distribution service fee (Class B)	455
Services to shareholders	5,605
Professional fees	26,727
Trustees' fees and expenses	2,452
Reports to shareholders	8,638
Total expenses	1,231,413
Net investment income (loss)	4,868,436

Realized and Unrealized Gain (Loss)

Net realized gain (loss) from:	
Investments	(68,559,744)
Foreign currency	(1,165,804)
	(69,725,548)
Change in net unrealized appreciation (depreciation) on:	
Investments	82,835,310
Foreign currency	35,355
	82,870,665
Net gain (loss)	13,145,117
Net increase (decrease) in net assets resulting from operations	\$ 18,013,553

The accompanying notes are an integral part of the financial statements.

Statement of Changes in Net Assets

	Six Months Ended June 30, 2009 (Unaudited)	Year Ended December 31, 2008
Increase (Decrease) in Net Assets		
Operations:		
Net investment income (loss)	\$ 4,868,436	\$ 14,193,685
Net realized gain (loss)	(69,725,548)	(117,783,796)
Change in net unrealized appreciation (depreciation)	82,870,665	(202,811,438)
Net increase (decrease) in net assets resulting from operations	18,013,553	(306,401,549)
Distributions to shareholders from:		
Net investment income:		
Class A	(13,459,468)	(7,239,383)
Class B	(17,118)	(82,273)
Net realized gains:		
Class A	—	(94,147,000)
Class B	—	(1,663,249)
Total distributions	(13,476,586)	(103,131,905)
Portfolio share transactions:		
Class A		
Proceeds from shares sold	5,849,210	22,286,975
Reinvestment of distributions	13,459,468	101,386,383
Cost of shares redeemed	(30,251,738)	(121,263,622)
Net increase (decrease) in net assets from Class A share transactions	(10,943,060)	2,409,736
Class B		
Proceeds from shares sold	12,416	338,048
Reinvestment of distributions	17,118	1,745,522
Cost of shares redeemed	(32,627)	(11,371,669)
Net increase (decrease) in net assets from Class B share transactions	(3,093)	(9,288,099)
Increase (decrease) in net assets	(6,409,186)	(416,411,817)
Net assets at beginning of period	297,759,634	714,171,451
Net assets at end of period (including undistributed net investment income of \$4,712,443 and \$13,320,593, respectively)	\$ 291,350,448	\$ 297,759,634
Other Information		
Class A		
Shares outstanding at beginning of period	45,605,566	46,761,118
Shares sold	950,310	2,117,696
Shares issued to shareholders in reinvestment of distributions	2,308,657	8,413,808
Shares redeemed	(5,085,658)	(11,687,056)
Net increase (decrease) in Class A shares	(1,826,691)	(1,155,552)
Shares outstanding at end of period	43,778,875	45,605,566
Class B		
Shares outstanding at beginning of period	60,497	818,856
Shares sold	2,061	26,121
Shares issued to shareholders in reinvestment of distributions	2,931	144,736
Shares redeemed	(5,414)	(929,216)
Net increase (decrease) in Class B shares	(422)	(758,359)
Shares outstanding at end of period	60,075	60,497

The accompanying notes are an integral part of the financial statements.

Financial Highlights

Class A

Years Ended December 31,	2009 ^a	2008	2007	2006	2005	2004
Selected Per Share Data						
Net asset value, beginning of period	\$ 6.52	\$15.01	\$13.42	\$10.85	\$ 9.50	\$ 8.26
<i>Income (loss) from investment operations:</i>						
Net investment income (loss) ^b	.11	.29 ^d	.21 ^d	.28 ^d	.15	.09
Net realized and unrealized gain (loss)	.33	(6.46)	1.73	2.51	1.36	1.26
Total from investment operations	.44	(6.17)	1.94	2.79	1.51	1.35
<i>Less distributions from:</i>						
Net investment income	(.31)	(.17)	(.35)	(.22)	(.16)	(.11)
Net realized gains	—	(2.15)	—	—	—	—
Total distributions	(.31)	(2.32)	(.35)	(.22)	(.16)	(.11)
Net asset value, end of period	\$ 6.65	\$ 6.52	\$15.01	\$13.42	\$10.85	\$ 9.50
Total Return (%)	7.49 ^{**}	(48.21) ^{c,e}	14.59	25.91	16.17	16.53
Ratios to Average Net Assets and Supplemental Data						
Net assets, end of period (\$ millions)	291	297	702	702	558	533
Ratio of expenses before expense reductions (%)	.92 [*]	1.01	.98	.98	1.02	1.04
Ratio of expenses after expense reductions (%)	.92 [*]	.97	.98	.98	1.02	1.04
Ratio of net investment income (loss) (%)	3.61 [*]	2.74 ^d	1.48 ^d	2.32 ^d	1.59	1.05
Portfolio turnover rate (%)	60 ^{**}	123	108	105	59	73

^a For the six months ended June 30, 2009 (Unaudited).

^b Based on average shares outstanding during the period.

^c Total return would have been lower had certain expenses not been reduced.

^d Net investment income per share and the ratio of net investment income include non-recurring dividend income amounting to \$0.09, \$0.05 and \$0.11 per share and 0.82%, 0.33% and 0.92% of average daily net assets for the years ended December 31, 2008, 2007 and 2006, respectively.

^e Includes a reimbursement from the Advisor to reimburse the effect of losses incurred as the result of certain operation errors during the period. Excluding this reimbursement, total return would have been 0.06% lower.

^{*} Annualized

^{**} Not annualized

Class B

Years Ended December 31,	2009 ^a	2008	2007	2006	2005	2004
Selected Per Share Data						
Net asset value, beginning of period	\$ 6.52	\$14.98	\$13.38	\$10.82	\$ 9.48	\$ 8.24
<i>Income (loss) from investment operations:</i>						
Net investment income (loss) ^b	.10	.23 ^d	.16 ^d	.24 ^d	.12	.06
Net realized and unrealized gain (loss)	.34	(6.43)	1.73	2.50	1.35	1.27
Total from investment operations	.44	(6.20)	1.89	2.74	1.47	1.33
<i>Less distributions from:</i>						
Net investment income	(.30)	(.11)	(.29)	(.18)	(.13)	(.09)
Net realized gains	—	(2.15)	—	—	—	—
Total distributions	(.30)	(2.26)	(.29)	(.18)	(.13)	(.09)
Net asset value, end of period	\$ 6.66	\$ 6.52	\$14.98	\$13.38	\$10.82	\$ 9.48
Total Return (%)	7.15 ^{**}	(48.25) ^{c,e}	14.25 ^c	25.44 ^c	15.71 ^c	16.24 ^c

Ratios to Average Net Assets and Supplemental Data

Net assets, end of period (\$ millions)	.40	.40	12	51	40	35
Ratio of expenses before expense reductions (%)	1.20 [*]	1.33	1.41	1.37	1.41	1.38
Ratio of expenses after expense reductions (%)	1.20 [*]	1.28	1.39	1.36	1.37	1.35
Ratio of net investment income (loss) (%)	3.34 [*]	2.42 ^d	1.07 ^d	1.94 ^d	1.24	.74
Portfolio turnover rate (%)	60 ^{**}	123	108	105	59	73

^a For the six months ended June 30, 2009 (Unaudited).

^b Based on average shares outstanding during the period.

^c Total return would have been lower had certain expenses not been reduced.

^d Net investment income per share and the ratio of net investment income include non-recurring dividend income amounting to \$0.09, \$0.05 and \$0.11 per share and 0.82%, 0.33% and 0.92% of average daily net assets for the years ended December 31, 2008, 2007 and 2006, respectively.

^e Includes a reimbursement from the Advisor to reimburse the effect of losses incurred as the result of certain operation errors during the period. Excluding this reimbursement, total return would have been 0.06% lower.

^{*} Annualized

^{**} Not annualized

DWS Health Care VIP

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 redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Please contact your participating insurance company for the Portfolio's most recent month-end performance. Performance doesn't reflect charges and fees ("contract charges") associated with the separate account that invests in the Portfolio or any variable life insurance policy or variable annuity contract for which the Portfolio is an investment option. These charges and fees will reduce returns. While all share classes have the same underlying portfolio, their performance will differ.

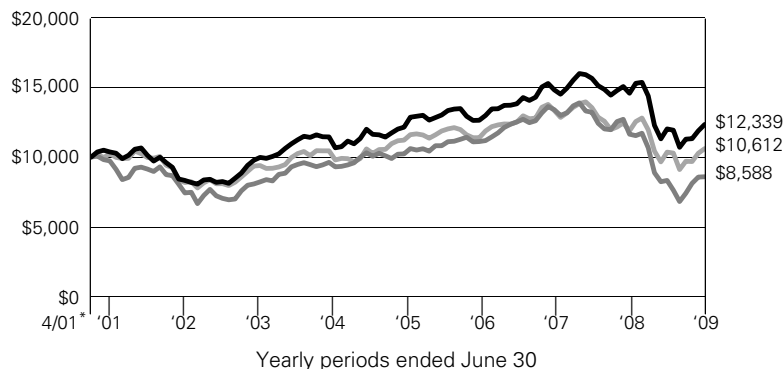
The total annual portfolio operating expense ratios, gross of any fee waivers or expense reimbursements, as stated in the fee table of the prospectus dated May 1, 2009 are 0.92% and 1.27% for Class A and Class B shares, respectively. Please see the Information About Your Portfolio's Expenses, the Financial Highlights and Notes to the Financial Statements (Note C, Related Parties) sections of this report for gross and net expense-related disclosure for the period ended June 30, 2009.

Risk Considerations

This Portfolio is subject to stock market risk. The Portfolio may focus its investments on certain industry sectors, thereby increasing its vulnerability to any single industry or regulatory development. All of these factors may result in greater share price volatility. Please read this Portfolio's prospectus for specific details regarding its investments and risk profile.

Growth of an Assumed \$10,000 Investment

- DWS Health Care VIP — Class A
- S&P 500® Index
- S&P® North American Health Care Sector Index



The Standard & Poor's® 500 (S&P 500) Index is an unmanaged, capitalization-weighted index of 500 stocks. The index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. The S&P® North American Health Care Sector Index (name changed from The S&P GSSI Healthcare Sector Index, effective March 31, 2008) is an unmanaged, market-capitalization weighted index of 123 stocks designed to measure the performance of companies in the health care sector.

Index returns assume the reinvestment of dividends and, unlike portfolio returns, do not reflect any fees or expenses. It is not possible to invest directly into an index.

Comparative Results

DWS Health Care VIP		6-Month [‡]	1-Year	3-Year	5-Year	Life of Portfolio*
Class A	Growth of \$10,000	\$10,268	\$8,467	\$9,763	\$10,777	\$12,339
	Average annual total return	2.68%	-15.33%	-8.0%	1.51%	2.60%
S&P 500 Index	Growth of \$10,000	\$10,316	\$7,379	\$7,730	\$8,928	\$8,588
	Average annual total return	3.16%	-26.21%	-8.22%	-2.24%	-1.85%
S&P North American Health Care Sector Index	Growth of \$10,000	\$10,249	\$8,931	\$9,314	\$10,162	\$10,612
	Average annual total return	2.49%	-10.69%	-2.34%	.32%	.73%

DWS Health Care VIP		6-Month [‡]	1-Year	3-Year	5-Year	Life of Class**
Class B	Growth of \$10,000	\$10,245	\$8,428	\$9,659	\$10,573	\$14,886
	Average annual total return	2.45%	-15.72%	-1.15%	1.12%	5.85%
S&P 500 Index	Growth of \$10,000	\$10,316	\$7,379	\$7,730	\$8,928	\$10,661
	Average annual total return	3.16%	-26.21%	-8.22%	-2.24%	.92%
S&P North American Health Care Sector Index	Growth of \$10,000	\$10,249	\$8,931	\$9,314	\$10,162	\$12,705
	Average annual total return	2.49%	-10.69%	-2.34%	.32%	3.48%

The growth of \$10,000 is cumulative.

[‡] Total returns shown for periods less than one year are not annualized.

* The Portfolio commenced operations on May 1, 2001. Index returns began on April 30, 2001.

** The Portfolio commenced offering Class B shares on July 1, 2002. Index returns began on June 30, 2002.

Information About Your Portfolio's Expenses

DWS Health Care VIP

As an investor of the Portfolio, you incur two types of costs: ongoing expenses and transaction costs. Ongoing expenses include management fees, distribution and service (12b-1) fees and other Portfolio expenses. Examples of transaction costs include contract charges, redemption fees and account maintenance fees, which are not shown in this section. The following tables are intended to help you understand your ongoing expenses (in dollars) of investing in the Portfolio and to help you compare these expenses with the ongoing expenses of investing in other mutual funds. The example in the table is based on an investment of \$1,000 invested at the beginning of the six-month period and held for the entire period (January 1, 2009 to June 30, 2009).

The tables illustrate your Portfolio's expenses in two ways:

- Actual Portfolio Return.** This helps you estimate the actual dollar amount of ongoing expenses (but not transaction costs) paid on a \$1,000 investment in the Portfolio using the Portfolio's actual return during the period. To estimate the expenses you paid over the period, simply divide your account

value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the "Expenses Paid per \$1,000" line under the share class you hold.

- Hypothetical 5% Portfolio Return.** This helps you to compare your Portfolio's ongoing expenses (but not transaction costs) with those of other mutual funds using the Portfolio's actual expense ratio and a hypothetical rate of return of 5% per year before expenses. Examples using a 5% hypothetical Portfolio return may be found in the shareholder reports of other mutual funds. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period.

Please note that the expenses shown in these tables are meant to highlight your ongoing expenses only and do not reflect any transaction costs. The "Expenses Paid per \$1,000" line of the tables is useful in comparing ongoing expenses only and will not help you determine the relative total expense of owning different funds. If these transaction costs had been included, your costs would have been higher.

Expenses and Value of a \$1,000 Investment for the six months ended June 30, 2009

Actual Portfolio Return	Class A	Class B
Beginning Account Value 1/1/09	\$1,000.00	\$1,000.00
Ending Account Value 6/30/09	\$1,026.80	\$1,024.50
Expenses Paid per \$1,000*	\$ 4.92	\$ 6.83

Hypothetical 5% Portfolio Return	Class A	Class B
Beginning Account Value 1/1/09	\$1,000.00	\$1,000.00
Ending Account Value 6/30/09	\$1,019.93	\$1,018.05
Expenses Paid per \$1,000*	\$ 4.91	\$ 6.80

* Expenses are equal to the Portfolio's annualized expense ratio for each share class, multiplied by the average account value over the period, multiplied by the number of days in the most recent six-month period, then divided by 365.

Annualized Expense Ratios	Class A	Class B
DWS Variable Series I — DWS Health Care VIP	.98%	1.36%

For more information, please refer to the Portfolio's prospectus.

These tables do not reflect charges and fees ("contract charges") associated with the separate account that invests in the Portfolio or any variable life insurance policy or variable annuity contract for which the Portfolio is an investment option.

Portfolio Summary

DWS Health Care VIP

Asset Allocation (As a % of Investment Portfolio excluding Securities Lending Collateral)	6/30/09	12/31/08
Common Stocks	100%	98%
Cash Equivalents	—	2%
	100%	100%

Industry Diversification (As a % of Common Stocks)	6/30/09	12/31/08
Pharmaceuticals	29%	31%
Biotechnology	24%	26%
Medical Supply & Specialty	21%	20%
Health Care Services	18%	17%
Life Sciences Equipment	8%	6%
	100%	100%

Asset allocation and industry diversification are subject to change.

For more complete details about the Portfolio's investment portfolio, see page 56. A complete list of portfolio holdings of the Portfolio is posted as of the month end on www.dws-investments.com on or about the 15th day of the following month. More frequent posting of portfolio holdings information may be made from time to time on www.dws-investments.com.

Following the Portfolio's fiscal first and third quarter-end, a complete portfolio holdings listing is filed with the SEC on Form N-Q. The form will be available on the SEC's Web site at www.sec.gov, and it also may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the SEC's Public Reference Room may be obtained by calling (800) SEC-0330.

Investment Portfolio

June 30, 2009 (Unaudited)

DWS Health Care VIP

	Shares	Value (\$)		Shares	Value (\$)
Common Stocks 98.5%			Medical Supply & Specialty 20.6%		
Health Care 98.5%					
Biotechnology 23.9%					
Acorda Therapeutics, Inc.*	7,600	214,244	Alcon, Inc.	7,000	812,840
Alexion Pharmaceuticals, Inc.* (a)	25,400	1,044,448	Baxter International, Inc.	27,100	1,435,216
Allos Therapeutics, Inc.*	29,200	242,068	Beckman Coulter, Inc.	5,900	337,126
Amgen, Inc.*	30,350	1,606,729	Becton, Dickinson & Co.	22,400	1,597,344
Biogen Idec, Inc.*	19,220	867,783	C.R. Bard, Inc.	10,700	796,615
BioMarin Pharmaceutical, Inc.*	44,500	694,645	Covidien PLC	28,500	1,067,040
Celera Corp.*	25,700	196,091	Hologic, Inc.*	22,800	324,444
Celgene Corp.*	27,560	1,318,470	Masimo Corp.*	15,900	383,349
Cepheid, Inc.*	16,400	154,488	Medtronic, Inc.	37,400	1,304,886
Gen-Probe, Inc.*	11,600	498,568	ResMed, Inc.*	8,300	338,059
Genmab A/S*	3,600	124,480	St. Jude Medical, Inc.*	13,900	571,290
Genzyme Corp.* (a)	28,200	1,569,894	Stryker Corp.	13,400	532,516
Gilead Sciences, Inc.*	36,500	1,709,660	Wright Medical Group, Inc.*	16,900	274,794
Human Genome Sciences, Inc.*	45,300	129,558	Zimmer Holdings, Inc.*	17,200	732,720
Incyte Corp.*	39,000	128,310			10,508,239
Myriad Genetics, Inc.*	5,800	206,770	Pharmaceuticals 28.2%		
Myriad Pharmaceuticals, Inc.*	1,450	6,742	Abbott Laboratories	27,200	1,279,488
OSI Pharmaceuticals, Inc.*	7,900	223,017	Allergan, Inc.	22,300	1,061,034
Regeneron Pharmaceuticals, Inc.*	15,500	277,760	Astellas Pharma, Inc.	18,400	649,962
Rigel Pharmaceuticals, Inc.* (a)	10,700	129,684	Bristol-Myers Squibb Co.	53,900	1,094,709
United Therapeutics Corp.*	6,300	524,979	Cardiome Pharma Corp.*	20,700	77,004
Vertex Pharmaceuticals, Inc.*	9,900	352,836	Johnson & Johnson	26,000	1,476,800
		12,221,224	Merck & Co., Inc.	26,400	738,144
Health Care Services 17.6%			Merck KGaA	7,962	811,727
Aetna, Inc.	30,100	754,005	Mylan, Inc.* (a)	82,400	1,075,320
Allscripts-Misys Healthcare Solutions, Inc. (a)	36,500	578,890	Novartis AG (Registered)	14,844	603,089
Cardinal Health, Inc.	15,100	461,305	Perrigo Co.	10,900	302,802
Cerner Corp.*	8,600	535,694	Pfizer, Inc. (a)	52,740	791,100
Covance, Inc.*	7,800	383,760	Roche Holding AG (Genusschein)	10,123	1,377,222
CVS Caremark Corp.	27,731	883,787	Schering-Plough Corp.	45,900	1,153,008
Express Scripts, Inc.*	12,800	880,000	Shire PLC (ADR)	15,400	638,792
Fresenius Medical Care AG & Co. KGaA	20,097	896,898	Wyeth	24,000	1,089,360
Laboratory Corp. of America Holdings*	13,600	921,944	XenoPort, Inc.*	8,900	206,213
McKesson Corp.	12,700	558,800			14,425,774
Medco Health Solutions, Inc.*	16,968	773,911	Total Common Stocks (Cost \$43,870,624)		
Quest Diagnostics, Inc.	10,900	615,087			50,380,221
UnitedHealth Group, Inc.	31,000	774,380	Securities Lending Collateral 8.6%		
		9,018,461	Daily Assets Fund Institutional, 0.48% (b) (c) (Cost \$4,383,450)	4,383,450	4,383,450
Life Sciences Tools & Services 8.2%			Cash Equivalents 0.2%		
Charles River Laboratories International, Inc.*	10,300	347,625	Cash Management QP Trust, 0.27% (b) (Cost \$114,691)	114,691	114,691
Illumina, Inc.* (a)	15,700	611,358			
Life Technologies Corp.* (a)	23,329	973,286		% of Net Assets	Value (\$)
Mettler-Toledo International, Inc.*	6,700	516,905			
Pharmaceutical Product Development, Inc.	13,000	301,860	Total Investment Portfolio (Cost \$48,368,765) [†]	107.3	54,878,362
Thermo Fisher Scientific, Inc.*	35,700	1,455,489	Other Assets and Liabilities, Net	(7.3)	(3,713,012)
		4,206,523	Net Assets	100.0	51,165,350

The accompanying notes are an integral part of the financial statements.

* Non-income producing security.

† The cost for federal income tax purposes was \$48,940,611. At June 30, 2009, net unrealized appreciation for all securities based on tax cost was \$5,937,751. This consisted of aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost of \$11,157,016 and aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value of \$5,219,265.

- (a) All or a portion of these securities were on loan (see Notes to Financial Statements). The value of all securities loaned at June 30, 2009 amounted to \$4,249,075, which is 8.3% of net assets.
- (b) Affiliated fund managed by Deutsche Investment Management Americas Inc. The rate shown is the annualized seven-day yield at period end.
- (c) Represents collateral held in connection with securities lending. Income earned by the Portfolio is net of borrower rebates.

ADR: American Depositary Receipt

Fair Value Measurements

Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, "Fair Value Measurements," as amended, establishes a three-tier hierarchy for measuring fair value and requires additional disclosure about the classification of fair value measurements.

Various inputs are used in determining the value of the Portfolio'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 observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, and credit risk). Level 3 includes significant unobservable inputs (including the Portfolio'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 June 30, 2009 in valuing the Portfolio's investments. For information on the Portfolio's policy regarding the valuation of investments, please refer to the Security Valuation section of Note A in the accompanying Notes to the Financial Statements.

Assets	Level 1	Level 2	Level 3	Total
Common Stock and/or Other Equity Investments				
Biotechnology	\$ 12,096,744	\$ 124,480	\$ —	\$ 12,221,224
Health Care Services	8,121,563	896,898	—	9,018,461
Life Sciences Tools & Specialty	4,206,523	—	—	4,206,523
Medical Supply & Specialty	10,508,239	—	—	10,508,239
Pharmaceuticals	10,983,774	3,442,000	—	14,425,774
Short-Term Investments (d)	4,383,450	114,691	—	4,498,141
Total	\$ 50,300,293	\$ 4,578,069	\$ —	\$ 54,878,362

(d) See Investment Portfolio for additional detailed categorizations.

Financial Statements

Statement of Assets and Liabilities

as of June 30, 2009 (Unaudited)

Assets	
Investments:	
Investments in securities, at value (cost \$43,870,624), including \$4,249,075 of securities loaned	\$ 50,380,221
Investment in Daily Assets Fund Institutional (cost \$4,383,450)*	4,383,450
Investment in Cash Management QP Trust (cost \$114,691)	114,691
Total investments, at value (cost \$48,368,765)	54,878,362
Foreign currency, at value (cost \$188,086)	197,029
Receivable for investments sold	516,427
Dividends receivable	21,577
Interest receivable	1,369
Receivable for Portfolio shares sold	16,326
Foreign taxes recoverable	26,011
Other assets	788
Total assets	55,657,889

Liabilities	
Payable for Portfolio shares redeemed	3,693
Payable upon return of securities loaned	4,383,450
Accrued management fee	27,679
Accrued distribution service fee (Class B)	678
Other accrued expenses and payables	77,039
Total liabilities	4,492,539
Net assets, at value	\$ 51,165,350

Net Assets Consist of	
Undistributed net investment income	118,110
Net unrealized appreciation (depreciation) on:	
Investments	6,509,597
Foreign currency	7,921
Accumulated net realized gain (loss)	(695,033)
Paid-in capital	45,224,755
Net assets, at value	\$ 51,165,350

Class A	
Net Asset Value , offering and redemption price per share (\$47,979,221 + 5,095,802 outstanding shares of beneficial interest, \$.01 par value, unlimited number of shares authorized)	\$ 9.42

Class B	
Net Asset Value , offering and redemption price per share (\$3,186,129 + 345,969 outstanding shares of beneficial interest, \$.01 par value, unlimited number of shares authorized)	\$ 9.21

* Represents collateral on securities loaned.

Statement of Operations

for the six months ended June 30, 2009 (Unaudited)

Investment Income	
Income:	
Dividends (net of foreign taxes withheld of \$22,574)	\$ 386,876
Interest — Cash Management QP Trust	3,791
Securities lending income, including income from Daily Assets Fund Institutional, net of borrower rebates	22,925
Total Income	413,592
Expenses:	
Management fee	180,826
Administration fee	27,192
Custodian fee	9,184
Distribution service fee (Class B)	4,119
Services to shareholders	1,004
Record keeping fee (Class B)	2,748
Audit and tax fees	15,464
Trustees' fees and expenses	982
Legal fees	3,825
Reports to shareholders	18,141
Other	9,591
Total expenses	273,076
Net investment income (loss)	140,516
Realized and Unrealized Gain (Loss)	
Net realized gain (loss) from:	
Investments	613,301
Foreign currency	(105)
	613,196
Change in net unrealized appreciation (depreciation) on:	
Investments	(4,234)
Foreign currency	6,987
	2,753
Net gain (loss)	615,949
Net increase (decrease) in net assets resulting from operations	\$ 756,465

The accompanying notes are an integral part of the financial statements.

Statement of Changes in Net Assets

	Six Months Ended June 30, 2009 (Unaudited)	Year Ended December 31, 2008
Increase (Decrease) in Net Assets		
Operations:		
Net investment income (loss)	\$ 140,516	\$ 692,947
Net realized gain (loss)	613,196	(91,546)
Change in net unrealized appreciation (depreciation)	2,753	(24,365,986)
Net increase (decrease) in net assets resulting from operations	756,465	(23,764,585)
Distributions to shareholders from:		
Net investment income:		
Class A	(711,488)	(269,428)
Class B	(35,875)	—
Net realized gains:		
Class A	(673,607)	(14,518,785)
Class B	(45,473)	(789,529)
Total distributions	(1,466,443)	(15,577,742)
Portfolio share transactions:		
Class A		
Proceeds from shares sold	1,991,726	15,385,334
Reinvestment of distributions	1,385,095	14,788,213
Cost of shares redeemed	(14,938,370)	(31,046,167)
Net increase (decrease) in net assets from Class A share transactions	(11,561,549)	(872,620)
Class B		
Proceeds from shares sold	319,933	674,757
Reinvestment of distributions	81,348	789,529
Cost of shares redeemed	(696,110)	(1,414,568)
Net increase (decrease) in net assets from Class B share transactions	(294,829)	49,718
Increase (decrease) in net assets	(12,566,356)	(40,165,229)
Net assets at beginning of period	63,731,706	103,896,935
Net assets at end of period (including undistributed net investment income of \$118,110 and \$724,957, respectively)	\$ 51,165,350	\$ 63,731,706
Other Information		
Class A		
Shares outstanding at beginning of period	6,373,629	6,708,658
Shares sold	215,249	1,209,692
Shares issued to shareholders in reinvestment of distributions	164,892	1,271,557
Shares redeemed	(1,657,968)	(2,816,278)
Net increase (decrease) in Class A shares	(1,277,827)	(335,029)
Shares outstanding at end of period	5,095,802	6,373,629
Class B		
Shares outstanding at beginning of period	379,018	376,902
Shares sold	35,746	56,147
Shares issued to shareholders in reinvestment of distributions	9,896	69,318
Shares redeemed	(78,691)	(123,349)
Net increase (decrease) in Class B shares	(33,049)	2,116
Shares outstanding at end of period	345,969	379,018

The accompanying notes are an integral part of the financial statements.

Financial Highlights

Class A

Years Ended December 31,	2009 ^a	2008	2007	2006	2005	2004
Selected Per Share Data						
Net asset value, beginning of period	\$ 9.45	\$14.68	\$13.77	\$13.02	\$12.00	\$10.95
<i>Income (loss) from investment operations:</i>						
Net investment income (loss) ^b	.02	.09 ^d	.03 ^d	(.01) ^c	(.02)	(.03)
Net realized and unrealized gain (loss)	.20	(3.08)	1.75	.81	1.04	1.08
Total from investment operations	.22	(2.99)	1.78	.80	1.02	1.05
<i>Less distributions from:</i>						
Net investment income	(.13)	(.04)	—	—	—	—
Net realized gains	(.12)	(2.20)	(.87)	(.05)	—	—
Total distributions	(.25)	(2.24)	(.87)	(.05)	—	—
Net asset value, end of period	\$ 9.42	\$ 9.45	\$14.68	\$13.77	\$13.02	\$12.00
Total Return (%)	2.68 ^{**}	(23.20)	13.20	6.17 ^c	8.50	9.59
Ratios to Average Net Assets and Supplemental Data						
Net assets, end of period (\$ millions)	48	60	98	101	109	109
Ratio of expenses (%)	.98 [*]	.92	.93	.89	.88	.88
Ratio of net investment income (loss) (%)	.54 [*]	.79 ^d	.19 ^d	(.03) ^c	(.18)	(.29)
Portfolio turnover rate (%)	10 ^{**}	24	37	47	43	77

^a For the six months ended June 30, 2009 (Unaudited).

^b Based on average shares outstanding during the period.

^c Includes non-recurring income from the Advisor recorded as a result of an administrative proceeding regarding disclosure of brokerage allocation practices in connection with sales of DWS Funds. The non-recurring income resulted in an increase in net investment income of \$0.003 per share and an increase in the ratio of net investment income of 0.02%. Excluding this non-recurring income, total return would have been 0.02% lower.

^d Net investment income per share and ratio of net investment income include non-recurring dividend income amounting to \$0.03 and \$0.02 per share and 0.28% and 0.13% of average daily net assets for the years ended December 31, 2008 and 2007, respectively.

* Annualized

** Not annualized

Class B

Years Ended December 31,	2009 ^a	2008	2007	2006	2005	2004
Selected Per Share Data						
Net asset value, beginning of period	\$ 9.23	\$14.40	\$13.55	\$12.87	\$11.91	\$10.91
<i>Income (loss) from investment operations:</i>						
Net investment income (loss) ^b	.01	.05 ^d	(.03) ^d	(.06) ^c	(.07)	(.08)
Net realized and unrealized gain (loss)	.19	(3.02)	1.75	.79	1.03	1.08
Total from investment operations	.20	(2.97)	1.72	.73	.96	1.00
<i>Less distributions from:</i>						
Net investment income ^b	(.10)	—	—	—	—	—
Net realized gains	(.12)	(2.20)	(.87)	(.05)	—	—
Total distributions	(.22)	(2.20)	(.87)	(.05)	—	—
Net asset value, end of period	\$ 9.21	\$ 9.23	\$14.40	\$13.55	\$12.87	\$11.91
Total Return (%)	2.45 ^{**}	(23.50)	12.88	5.77 ^c	8.06	9.17

Ratios to Average Net Assets and Supplemental Data

Net assets, end of period (\$ millions)	3	3	5	21	23	20
Ratio of expenses (%)	1.36 [*]	1.27	1.34	1.28	1.27	1.27
Ratio of net investment income (loss) (%)	.16 [*]	.43 ^d	(.22) ^d	(.42) ^c	(.57)	(.68)
Portfolio turnover rate (%)	10 ^{**}	24	37	47	43	77

^a For the six months ended June 30, 2009 (Unaudited).

^b Based on average shares outstanding during the period.

^c Includes non-recurring income from the Advisor recorded as a result of an administrative proceeding regarding disclosure of brokerage allocation practices in connection with sales of DWS Funds. The non-recurring income resulted in an increase in net investment income of \$0.003 per share and an increase in the ratio of net investment income of 0.02%. Excluding this non-recurring income, total return would have been 0.02% lower.

^d Net investment income per share and ratio of net investment income include non-recurring dividend income amounting to \$0.03 and \$0.02 per share and 0.28% and 0.13% of average daily net assets for the year ended December 31, 2008 and 2007, respectively.

^{*} Annualized

^{**} Not annualized

A. Organization and Significant Accounting Policies

DWS Variable Series I (the "Series") is registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as an open-end, registered management investment company organized as a Massachusetts business trust. The Series consists of six diversified portfolios: DWS Bond VIP, DWS Growth & Income VIP, DWS Capital Growth VIP, DWS Global Opportunities VIP, DWS International VIP and DWS Health Care VIP (individually or collectively hereinafter referred to as a "Portfolio" or the "Portfolios"). The Series is intended to be the underlying investment vehicle for variable annuity contracts and variable life insurance policies to be offered by the separate accounts of certain life insurance companies ("Participating Insurance Companies").

Multiple Classes of Shares of Beneficial Interest. DWS Bond VIP offers one class of shares (Class A shares). DWS Growth & Income VIP, DWS Capital Growth VIP, DWS Global Opportunities VIP, DWS International VIP and DWS Health Care VIP each offer two classes of shares (Class A shares and Class B shares). Class B shares are subject to Rule 12b-1 distribution fees under the 1940 Act and record keeping fees equal to an annual rate of 0.25% and up to 0.15%, respectively, of the average daily net assets of the Class B shares of the applicable Portfolio. Class A shares are not subject to such fees.

Investment income, realized and unrealized gains and losses, and certain portfolio-level expenses and expense reductions, if any, are borne pro rata on the basis of relative net assets by the holders of all classes of shares, except that each class bears certain expenses unique to that class (including the applicable 12b-1 distribution fees and record keeping fees). Differences in class-level expenses may result in payment of different per share dividends by class. All shares have equal rights with respect to voting subject to class-specific arrangements.

The Series' financial statements are prepared in accordance with accounting principles generally accepted in the United States of America, which require the use of management estimates. Actual results could differ from those estimates. The policies described below are followed consistently by the Series in the preparation of the financial statements for its Portfolios.

Security Valuation. Investments are stated at value determined as of the close of regular trading on the New York Stock Exchange on each day the exchange is open for trading. Equity securities are valued at the most recent sale price or official closing price reported on the exchange (US or foreign) or over-the-counter market on which they trade. Securities for which no sales are reported are valued at the calculated mean between the most recent bid and asked quotations on the relevant market or, if a mean cannot be determined, at the most recent bid quotation.

Debt securities are valued by independent pricing services approved by the Trustees of the Series. If the pricing services are unable to provide valuations, securities are valued at the most recent bid quotation or evaluated price, as applicable, obtained from one or more broker-dealers. Such services may use various pricing techniques which take into account appropriate factors such as yield, quality, coupon rate, maturity, type of issue, trading characteristics and other data, as well as broker quotes.

Money market instruments purchased with an original or remaining maturity of sixty days or less, maturing at par, are valued at amortized cost. Investments in open-end investment companies and Cash Management QP Trust are valued at their net asset value each business day.

Exchange-traded funds ("ETFs") are valued at the most recent sale price or official closing price reported on the exchange on which the ETFs are traded most extensively. ETFs for which no sales are reported are valued at the calculated mean between the most recent bid and asked quotations on the relevant market or, if a mean cannot be determined, at the most recent bid quotation.

Securities and other assets for which market quotations are not readily available or for which the above valuation procedures are deemed not to reflect fair value are valued in a manner that is intended to reflect their fair value as determined in accordance with procedures approved by the Trustees. The Series may use a fair valuation model to value international equity securities in order to adjust for events which may occur between the close of the foreign exchanges and the close of the New York Stock Exchange. In accordance with each Portfolio's valuation procedures, factors used in determining value may include, but are not limited to, the type of the security, the size of the holding, the initial cost of the security, the existence of any contractual restrictions on the security's disposition, the price and extent of public trading in similar securities of the issuer or of comparable companies, quotations or evaluated prices from broker-dealers and/or pricing services, information obtained from the issuer, analysts, and/or the appropriate stock exchange (for exchange-traded securities), an analysis of the company's financial statements, an evaluation of the forces that influence the issuer and the market(s) in which the security is purchased and sold and with respect to debt securities, the maturity, coupon, creditworthiness, currency denomination, and the movement of the market in which the security is normally traded. The value determined under these procedures may differ from published values for the same securities.

Securities Lending. Each Portfolio may lend securities to financial institutions. The Portfolio retains beneficial ownership of the securities it has loaned and continues to receive interest and dividends paid by the issuer of securities and to participate in any changes in their market value. The Portfolio requires the borrowers of the securities to maintain collateral with the Portfolio consisting of liquid, unencumbered assets having a value at least equal to the value of the securities loaned. When the collateral falls below specified amounts, the lending agents will use their best efforts to obtain additional collateral on the next business day to meet required amounts under the security lending agreement. The Portfolio may invest the cash collateral into a joint trading account in an affiliated money market fund pursuant to Exemptive Orders issued by the SEC. The Portfolio receives compensation for lending its securities either in the form of fees or by earning interest on invested cash collateral net of borrower rebates and fees paid to a lending agent. Either the Portfolio or the borrower may terminate the loan. There may be risks of delay and costs in recovery of securities or even loss of rights in the collateral should the borrower of the securities fail financially. The Portfolio is also subject to all investment risks associated with the reinvestment of any cash collateral received, including, but not limited to, interest rate, credit and liquidity risk associated with such investments.

Foreign Currency Translations. The books and records of the Portfolios are maintained in US dollars. Investment securities and other assets and liabilities denominated in a foreign currency are translated into US dollars at the prevailing exchange rates at period end. Purchases and sales of investment securities, income and expenses are translated into US dollars at the prevailing exchange rates on the respective dates of the transactions.

Net realized and unrealized gains and losses on foreign currency transactions represent net gains and losses between trade and settlement dates on securities transactions, the disposition of forward foreign currency exchange contracts and foreign currencies, and the difference between the amount of net investment income accrued and the US dollar amount actually received. That portion of both realized and unrealized gains and losses on investments that results from fluctuations in foreign currency exchange rates is not separately disclosed but is included with net realized and unrealized gain/appreciation and loss/depreciation on investments.

Mortgage Dollar Rolls. DWS Bond VIP may enter into mortgage dollar rolls in which the Portfolio sells to a bank or broker/dealer (the "counterparty") mortgage-backed securities for delivery in the current month and simultaneously contracts to repurchase similar, but not identical, securities on a fixed date. The counterparty receives all principal and interest payments, including prepayments, made on the security while it is the holder. The Portfolio receives compensation as consideration for entering into the commitment to repurchase. The compensation is paid in the form of a lower price for the security upon its repurchase, or alternatively, a fee. Mortgage dollar rolls may be renewed with a new sale and repurchase price and a cash settlement made at each renewal without physical delivery of the securities subject to the contract.

Certain risks may arise upon entering into mortgage dollar rolls from the potential inability of counterparties to meet the terms of their commitments. Additionally, the value of such securities may change adversely before the Portfolio is able to repurchase them. There can be no assurance that the Portfolio's use of the cash that it receives from a mortgage dollar roll will provide a return that exceeds its costs.

When-Issued/Delayed Securities. Each Portfolio may purchase securities with delivery or payment to occur at a later date beyond the normal settlement period. At the time the Portfolio enters into a commitment to purchase a security, the transaction is recorded and the value of the security is reflected in the net asset value. The price of such security and the date when the security will be delivered and paid for are fixed at the time the transaction is negotiated. The value of the security may vary with market fluctuations. No interest accrues to the Portfolio until payment takes place. At the time the Portfolio enters into this type of transaction it is required to segregate cash or other liquid assets at least equal to the amount of the commitment.

Certain risks may arise upon entering into when-issued or delayed delivery securities from the potential inability of counterparties to meet the terms of their contracts or if the issuer does not issue the securities due to political, economic, or other factors. Additionally, losses may arise due to changes in the value of the underlying securities.

Derivatives. Each Portfolio has adopted the provisions of Statement of Financial Accounting Standard No. 161 ("FAS 161"), "Disclosures about Derivative Instruments and Hedging Activities," effective at the beginning of the Portfolio's fiscal year. FAS 161 requires enhanced disclosures about the Portfolio's derivative and hedging activities and derivatives accounted for as hedging instruments under FAS 133 must be disclosed separately from derivatives that do not qualify for hedge accounting under FAS 133. Because investment companies account for their derivatives at fair value and record any changes in fair value in current period earnings, the Portfolio's derivatives are not accounted for as hedging instruments under FAS 133. As such, even though the Portfolio may use derivatives in an attempt to achieve an economic hedge, the Portfolio's derivatives are not considered to be hedging instruments under FAS 133. The disclosure below is presented in accordance with FAS 161.

Futures Contracts. A futures contract is an agreement between a buyer or seller and an established futures exchange or its clearinghouse in which the buyer or seller agrees to take or make a delivery of a specific amount

of a financial instrument at a specified price on a specific date (settlement date). During the period, DWS Bond VIP and DWS Growth & Income VIP invested in future contracts. DWS Bond VIP and DWS Growth & Income VIP may use futures in circumstances where portfolio management believes they offer an economic means of gaining exposure to a particular asset class or to keep cash on hand to meet shareholder redemptions or other needs while maintaining exposure to the market. DWS Bond VIP's underlying bond investments are subject to interest rate risk. As interest rates increase, the value of DWS Bond VIP's fixed rate bonds may fall. DWS Bond VIP may sell interest rate futures to gain exposure to different parts of the yield curve while managing the overall duration. DWS Bond VIP may also invest in currency futures for non-hedging purposes to seek to enhance potential gains.

Futures contracts are valued at the most recent settlement price. Upon entering into a futures contract, the Portfolio is required to deposit with a financial intermediary cash or securities ("initial margin") in an amount equal to a certain percentage of the face value indicated in the futures contract. Subsequent payments ("variation margin") are made or received by the Portfolio dependent upon the daily fluctuations in the value and are recorded for financial reporting purposes as unrealized gains or losses by the Portfolio. Gains or losses are realized when the contract expires or is closed. Since all futures contracts are exchange traded, counterparty risk is minimized as the exchange's clearinghouse acts as the counterparty, and guarantees the futures against default.

Certain risks may arise upon entering into futures contracts, including the risk that an illiquid market will limit the Portfolio's ability to close out a futures contract prior to the settlement date and that a change in the value of a futures contract may not correlate exactly with the changes in the value of the underlying hedged security, index or currency. Risk of loss may exceed amounts recognized on the Statement of Assets and Liabilities.

The primary risk exposure of the futures contracts for DWS Growth & Income VIP is equity contract risk. See Statement of Assets and Liabilities for net unrealized appreciation (depreciation) on futures. Payable for daily variation margin on open futures contracts reflects unsettled variation margin. See DWS Growth & Income VIP's Statement of Operations for net realized gain (loss) from futures and for change in net unrealized appreciation (depreciation) on futures. See tables below for details on DWS Bond VIP.

A summary of the open future contracts as of June 30, 2009 is included in a table following DWS Bond VIP and DWS Growth & Income VIP Investment Portfolios. The volume indicated is generally indicative of the volume throughout the period.

Forward Foreign Currency Exchange Contracts. Each Portfolio is subject to foreign exchange rate risk in its securities denominated in foreign currencies. Changes in exchange rates between foreign currencies and the US dollar may affect the US dollar value of foreign securities or the income or gains received on these securities. To reduce the effect of currency fluctuations, each Portfolio may enter into forward foreign currency exchange contracts. During the period, DWS Bond VIP invested in forward foreign currency contracts. A forward foreign currency exchange contract ("forward currency contract") is a commitment to purchase or sell a foreign currency at the settlement date at a negotiated rate. The Portfolio may also engage in forward currency contracts for non-hedging purposes.

Forward currency contracts are valued at the prevailing forward exchange rate of the underlying currencies and unrealized gain (loss) is recorded daily. Certain risks may arise upon entering into forward currency contracts from the potential inability of counterparties to meet the terms of their contracts. The maximum counterparty credit risk to the Portfolio is measured by the unrealized gain on appreciated contracts. Additionally, when utilizing forward currency contracts to hedge, the Portfolio gives up the opportunity to profit from favorable exchange rate movements during the term of the contract.

A summary of the open forward foreign currency exchange contracts as of June 30, 2009 is included in a table following DWS Bond VIP's Investment Portfolio. The volume indicated is generally indicative of the volume throughout the period.

The following tables summarize the value of DWS Bond VIP's derivative instruments held as of June 30, 2009 and the related location on the accompanying Statement of Assets and Liabilities, presented by primary underlying risk exposure:

DWS Bond VIP

Liability Derivatives	Forward Contracts	Futures Contracts	Total Value
Foreign Exchange Contracts (a) (b)	\$ (4,533)	\$ 45,356	\$ 40,823
Interest Rate Contracts (b)	—	(198,944)	(198,944)
	\$ (4,533)	\$ (153,588)	\$ (158,121)

Each of the above derivatives is located in the following Statement of Assets and Liabilities accounts:

- (a) Unrealized depreciation on forward foreign currency exchange contracts
- (b) Net unrealized appreciation (depreciation) on futures. Liability of Payable for daily variation margin on open futures contracts reflects unsettled variation margin.

Additionally, the amount of unrealized and realized gains and losses on derivative instruments recognized in Portfolio earnings during the six months ended June 30, 2009 and the related location on the accompanying Statement of Operations is summarized in the following tables by primary underlying risk exposure:

Realized Gain (Loss)	Forward Contracts	Futures Contracts	Total Value
Foreign Exchange Contracts (a) (b)	\$ 20,276	\$ (333,619)	\$ (313,343)
Interest Rate Contracts (b)	—	563,121	563,121
	\$ 20,276	\$ 229,502	\$ 249,778

Each of the above derivatives is located in the following Statement of Operations accounts:

- (a) Net realized gain (loss) from foreign currency (Statement of Operations includes both forward currency contracts and foreign currency transactions)
- (b) Net realized gain (loss) from futures

Change in Net Unrealized Appreciation (Depreciation)	Forward Contracts	Futures Contracts	Total Value
Foreign Exchange Contracts (a) (b)	\$ (8,729)	\$ 45,356	\$ 36,627
Interest Rate Contracts (b)	—	(198,944)	(198,944)
	\$ (8,729)	\$ (153,588)	\$ (162,317)

Each of the above derivatives is located in the following Statement of Operations accounts:

- (a) Change in net unrealized appreciation (depreciation) on foreign currency (Statement of Operations includes both forward currency contracts and foreign currency transactions)
- (b) Change in net unrealized appreciation (depreciation) on futures

Taxes. Each Portfolio is treated as a separate taxpayer as provided for in the Internal Revenue Code, as amended. It is each Portfolio's policy to comply with the requirements of the Internal Revenue Code, as amended, which are applicable to regulated investment companies, and to distribute all of its taxable income to the separate accounts of the Participating Insurance Companies which hold its shares.

Additionally, based on the Series' understanding of the tax rules and rates related to income, gains and transactions for the foreign jurisdictions in which each Portfolio invests, the Series will provide for foreign taxes, and where appropriate, deferred foreign taxes.

At December 31, 2008, the following Portfolios had an approximate net tax basis capital loss carryforward which may be applied against any realized net taxable capital gains of each succeeding year until fully utilized or until the following expiration dates, whichever occurs first:

Portfolio	Capital Loss Carryforwards (\$)	Expiration Date
DWS Bond VIP	4,957,000	12/31/2014–12/31/2016
DWS Growth & Income VIP	27,889,000	12/31/2010–12/31/2016
DWS Capital Growth VIP	227,747,000	12/31/2009–12/31/2012
DWS Global Opportunities VIP	3,019,000	12/31/2016
DWS International VIP	77,707,000	12/31/2016

In addition, from November 1, 2008 through December 31, 2008, DWS Bond VIP, DWS Growth & Income VIP, DWS Capital Growth VIP, DWS Global Opportunities VIP, DWS International VIP and DWS Health Care VIP incurred approximately \$16,439,000, \$10,255,000, 8,359,000, 10,758,000, 39,288,000 and \$736,000, respectively, of net realized capital losses. As permitted by tax regulations, the Portfolios intend to elect to defer these losses and treat them as arising in the fiscal year ended December 31, 2009.

At December 31, 2008, DWS Capital Growth VIP had a net tax basis capital loss carryforward of approximately \$227,747,000, of which a portion was inherited from its mergers with the SVS Eagle Focused Large Cap Growth Portfolio, Scudder Growth Portfolio, DWS Oak Strategic Equity VIP and DWS Janus Growth Opportunities VIP, and which is included in the table above and may be applied against any realized net taxable capital gains of each succeeding year until fully utilized or until the expiration dates, range from December 31, 2009, to December 31, 2012, whichever occurs first, and which may be subject to certain limitations under Section 382–384 of the Internal Revenue Code.

Each Portfolio has reviewed the tax positions for the open tax years as of December 31, 2008 and has determined that no provision for income tax is required in each Portfolio's financial statements. Each of the Portfolio's federal tax returns for the prior three fiscal years remains subject to examination by the Internal Revenue Service.

Distribution of Income and Gains. Each Portfolio will declare and distribute dividends from their net investment income, if any, annually, although additional distributions may be made if necessary. Net realized gains from investment transactions, in excess of available capital loss carryforwards, would be taxable to each Portfolio if not distributed, and, therefore, will be distributed to shareholders at least annually.

The timing and characterization of certain income and capital gains distributions are determined annually in accordance with federal tax regulations which may differ from accounting principles generally accepted in the United States of America. These differences primarily relate to investments in foreign denominated investments, investments in forward foreign currency exchange contracts, passive foreign investment companies, post October loss deferrals and certain securities sold at a loss. As a result, net investment income (loss) and net realized gain (loss) on investment transactions for a reporting period may differ significantly from distributions during such period. Accordingly, each Portfolio may periodically make reclassifications among certain of its capital accounts without impacting the net asset value of the Portfolio.

The tax character of current year distributions will be determined at the end of the current fiscal year.

Expenses. Expenses of the Series arising in connection with a specific Portfolio are allocated to that Portfolio. Other Series expenses which cannot be directly attributed to a Portfolio are apportioned among the Portfolios in the Series.

Contingencies. In the normal course of business, each Portfolio may enter into contracts with service providers that contain general indemnification clauses. Each Portfolio's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against each Portfolio that have not yet been made. However, based on experience, each Portfolio expects the risk of loss to be remote.

Other. For each Portfolio, investment transactions are accounted for on a trade date plus one basis for daily net asset value calculations. However, for financial reporting purposes, investment transactions are reported on trade date. Interest income is recorded on the accrual basis net of foreign withholding taxes. Dividend income is recorded on the ex-dividend date net of foreign withholding taxes. Certain dividends from foreign securities may be recorded subsequent to the ex-dividend date as soon as the Portfolio is informed of such dividends. Realized gains and losses from investment transactions are recorded on an identified cost basis. All discounts and premiums are accreted/amortized for both tax and financial reporting purposes.

B. Purchases and Sales of Securities

During the six months ended June 30, 2009, purchases and sales of investment securities (excluding short-term investments) were as follows:

Portfolio	Purchases (\$)	Sales (\$)
DWS Bond VIP		
excluding US Treasury Obligations	225,468,497	224,886,450
US Treasury Obligations	50,638,499	60,348,879
DWS Growth & Income VIP	34,333,313	46,952,781
DWS Capital Growth VIP	289,999,566	329,703,592
DWS Global Opportunities VIP	32,157,774	46,935,624
DWS International VIP	158,600,631	180,997,378
DWS Health Care VIP	5,189,439	18,061,565

C. Related Parties

Under the Investment Management Agreement with Deutsche Investment Management Americas Inc. ("DIMA" or the "Advisor"), an indirect, wholly owned subsidiary of Deutsche Bank AG, the Advisor directs the investments of the Portfolios in accordance with their investment objectives, policies and restrictions. The Advisor determines the securities, instruments and other contracts relating to investments to be purchased, sold or entered into by the Portfolios.

Under the Investment Management Agreement with the Advisor, the Portfolios pay a monthly management fee, based on the average daily net assets of each Portfolio, computed and accrued daily and payable monthly, at the annual rates shown below:

Portfolio	Annual Management Fee Rate
DWS Bond VIP	
first \$250 million of average daily net assets	.390%
next \$750 million of average daily net assets	.365%
over \$1 billion of average daily net assets	.340%
DWS Growth & Income VIP	
first \$250 million of average daily net assets	.390%
next \$750 million of average daily net assets	.365%
over \$1 billion of average daily net assets	.340%
DWS Capital Growth VIP	
first \$250 million of average daily net assets	.390%
next \$750 million of average daily net assets	.365%
over \$1 billion of average daily net assets	.340%
DWS Global Opportunities VIP	
first \$500 million of average daily net assets	.890%
next \$500 million of average daily net assets	.875%
next \$1 billion of average daily net assets	.860%
over \$2 billion of average daily net assets	.845%
DWS International VIP	
first \$500 million of average daily net assets	.790%
over \$500 million of average daily net assets	.640%
DWS Health Care VIP	
first \$250 million of average daily net assets	.665%
next \$750 million of average daily net assets	.640%
next \$1.5 billion of average daily net assets	.615%
next \$2.5 billion of average daily net assets	.595%
next \$2.5 billion of average daily net assets	.565%
next \$2.5 billion of average daily net assets	.555%
next \$2.5 billion of average daily net assets	.545%
over \$12.5 billion of average daily net assets	.535%

For the period from January 1, 2009 through September 30, 2009, the Advisor, the underwriter and accounting agent contractually agreed to waive a portion of their fee to the extent necessary to maintain the operating expenses of each class (excluding certain expenses such as extraordinary expenses, taxes, brokerage and interest) as follows:

Portfolio	Annual Rate
DWS Global Opportunities VIP Class A	.95%
DWS Global Opportunities VIP Class B	1.35%
DWS Health Care VIP Class B	1.49%

In addition, for the period from October 1, 2009 through April 30, 2010, the Advisor, the underwriter and accounting agent contractually agreed to waive a portion of their fee to the extent necessary to maintain the operating expenses of each class (excluding certain expenses such as extraordinary expenses, taxes, brokerage and interest) as follows:

Portfolio Annual Rate	Annual Rate
DWS Global Opportunities VIP Class A	1.10%
DWS Global Opportunities VIP Class B	1.50%

In addition, for the period from January 1, 2009 through April 30, 2010, the Advisor, the underwriter and accounting agent contractually agreed to waive a portion of their fee to the extent necessary to maintain the

operating expenses of each class (excluding certain expenses such as extraordinary expenses, taxes, brokerage and interest) as follows:

Portfolio	Annual Rate
DWS Growth & Income VIP Class A	.54%
DWS Growth & Income VIP Class B	.87%
DWS Capital Growth VIP Class A	.49%
DWS Capital Growth VIP Class B	.82%
DWS International VIP Class A	.96%
DWS International VIP Class B	1.29%

In addition, for the period from January 1, 2009 through April 27, 2010, the Advisor has contractually agreed to waive 0.01% of the management fee for DWS Growth & Income VIP.

Accordingly, for the six months ended June 30, 2009, the total management fee, management fee waived, and effective management fee rate are as follows:

Portfolio	Total Aggregated (\$)	Waived (\$)	Annualized Effective Rate
DWS Bond VIP	281,186	—	.39%
DWS Growth & Income VIP	168,512	68,288	.23%
DWS Capital Growth VIP	1,105,475	120,363	.33%
DWS Global Opportunities VIP	497,985	90,977	.73%
DWS International VIP	1,054,105	—	.79%
DWS Health Care VIP	180,826	—	.67%

In addition, for the six months ended June 30, 2009, the Advisor waived record keeping expenses of Class B shares of each Portfolio as follows:

Portfolio	Waived (\$)
DWS Capital Growth VIP	639

Administration Fee. Pursuant to an Administrative Services Agreement, DIMA provides most administrative services to the Series. For all services provided under the Administrative Services Agreement, each Portfolio pays the Advisor an annual fee (“Administration Fee”) of 0.10% of each Portfolio’s average daily net assets, computed and accrued daily and payable monthly. For the six months ended June 30, 2009, the Administration Fee was as follows:

Portfolio	Total Aggregated (\$)	Unpaid at June 30, 2009 (\$)
DWS Bond VIP	72,099	11,918
DWS Growth & Income VIP	43,208	7,356
DWS Capital Growth VIP	294,379	55,118
DWS Global Opportunities VIP	55,953	10,416
DWS International VIP	133,431	24,517
DWS Health Care VIP	27,192	4,221

Service Provider Fees. DWS Investments Service Company (“DISC”), an affiliate of the Advisor, is the transfer agent, dividend-paying agent and shareholder service agent for the Series. Pursuant to a sub-transfer agency agreement between DISC and DST Systems, Inc. (“DST”), DISC has delegated certain transfer agent, dividend-paying agent and shareholder service agent functions to DST. DISC compensates DST out of the shareholder servicing fee it receives from each Portfolio. For the six months ended June 30, 2009, the amounts charged to the Portfolios by DISC were as follows:

Portfolio	Total Aggregated (\$)	Waived (\$)	Unpaid at June 30, 2009 (\$)
DWS Bond VIP Class A	343	—	116
DWS Growth & Income VIP Class A	331	331	—
DWS Growth & Income VIP Class B	49	—	16
DWS Capital Growth VIP Class A	415	415	—
DWS Capital Growth VIP Class B	49	49	—
DWS Global Opportunities VIP Class A	357	357	—

Portfolio	Total Aggregated (\$)	Waived (\$)	Unpaid at June 30, 2009 (\$)
DWS Global Opportunities VIP Class B	46	—	24
DWS International VIP Class A	452	—	452
DWS International VIP Class B	48	—	16
DWS Health Care VIP Class A	167	—	53
DWS Health Care VIP Class B	30	—	23

DWS Investments Distributors, Inc. (“DIDI”), also an affiliate of the Advisor, is the Series’ Distributor. In accordance with the Master Distribution Plan, DIDI receives 12b-1 fees of 0.25% of average daily net assets of Class B shares. Pursuant to the Master Distribution Plan, DIDI remits these fees to the Participating Insurance Companies for various costs incurred or paid by these companies in connection with marketing and distribution of Class B shares. These fees are detailed in each Portfolio’s Statement of Operations.

Typesetting and Filing Service Fees. Under an agreement with DIMA, DIMA is compensated for providing typesetting and certain regulatory filing services to the Portfolios. For the six months ended June 30, 2009, the amount charged to the Portfolios by DIMA included in the Statement of Operations under “reports to shareholders” was as follows:

Portfolio	Total Aggregated (\$)	Unpaid at June 30, 2009 (\$)
DWS Bond VIP	3,665	1,377
DWS Growth & Income VIP	3,219	910
DWS Capital Growth VIP	4,341	—
DWS Global Opportunities VIP	5,617	1,779
DWS International VIP	4,008	1,158
DWS Health Care VIP	4,525	1,777

Trustees’ Fees and Expenses. Each Portfolio paid each Trustee not affiliated with the Advisor retainer fees plus specified amounts for various committee services and for the Board Chairperson.

Cash Management QP Trust. Pursuant to an Exemptive Order issued by the SEC, the Series may invest in the Cash Management QP Trust (the “QP Trust”), and other affiliated funds managed by the Advisor. The QP Trust seeks to provide as high a level of current income as is consistent with the preservation of capital and the maintenance of liquidity. The QP Trust does not pay the Advisor a management fee for the affiliated funds’ investments in the QP Trust.

D. Investing in Emerging Markets

The DWS Bond VIP, DWS Global Opportunities VIP and DWS International VIP may invest in emerging markets. Investing in emerging markets may involve special risks and considerations not typically associated with investing in the United States of America. These risks include revaluation of currencies, high rates of inflation, repatriation restrictions on income and capital, and future adverse political, social and economic developments. Moreover, securities issued in these markets may be less liquid, subject to government ownership controls or delayed settlements and may have prices more volatile than those of comparable securities of issuers in the United States of America.

E. Fee Reductions

DWS Bond VIP, DWS Growth & income VIP, DWS Capital Growth VIP and DWS Health Care VIP have entered into an arrangement with their custodian whereby credits realized as a result of uninvested cash balances are used to reduce a portion of the custodian expenses. During the six months ended June 30, 2009, the custodian fees were reduced as follows:

Portfolio	Custody Credits (\$)
DWS Bond VIP	3

F. Ownership of the Portfolios

At the end of the period, the beneficial ownership in the Portfolios was as follows:

DWS Bond VIP: One participating insurance company was an owner of record of 10% or more of the total outstanding Class A shares of the Portfolio, owning 61%.

DWS Growth & Income VIP: Three participating insurance companies were owners of record of 10% or more of the total outstanding Class A shares of the Portfolio, each owning 34%, 27% and 15%. One participating insurance company was an owner of record of 10% or more of the total outstanding Class B shares of the Portfolio, owning 87%.

DWS Capital Growth VIP: Three participating insurance companies were owners of record of 10% or more of the total outstanding Class A shares of the Portfolio, each owning 39%, 25% and 13%. One participating insurance company was an owner of record, owning 87% of the total outstanding Class B shares of the Portfolio.

DWS Global Opportunities VIP: Three participating insurance companies were owners of record of 10% or more of the total outstanding Class A shares of the Portfolio, each owning 49%, 20% and 12%. Two participating insurance companies were owners of record, each owning 65% and 34% of the total outstanding Class B shares of the Portfolio.

DWS International VIP: Two participating insurance companies were owners of record of 10% or more of the total outstanding Class A shares of the Portfolio, each owning 38% and 14%. Three participating insurance companies were owners of record, each owning 65%, 19% and 16% of the total outstanding Class B shares of the Portfolio.

DWS Health Care VIP: Two participating insurance companies were owners of record of 10% or more of the total outstanding Class A shares of the Portfolio, each owning 69% and 22%. One participating insurance company was an owner of record, owning 100% of the total outstanding Class B shares of the Portfolio.

G. Line of Credit

The Series and other affiliated funds (the "Participants") share in a \$450 million revolving credit facility provided by a syndication of banks. Each Portfolio may borrow for temporary or emergency purposes, including the meeting of redemption requests that otherwise might require the untimely disposition of securities. The Participants are charged an annual commitment fee which is allocated based on net assets, among each of the Participants. Interest is calculated at a rate per annum equal to the sum of the Federal Funds Rate plus 1.25 percent plus if LIBOR exceeds the Federal Funds Rate the amount of such excess. Each Portfolio may borrow up to a maximum of 33 percent of its net assets under the agreement.

H. Payments Made by Affiliates

During the six months ended June 30, 2009, the Advisor fully reimbursed DWS Capital Growth VIP \$559 for losses incurred on trades executed incorrectly. The amount of the losses was less than 0.01% of the Portfolio's average net asset, thus having no impact on the Portfolio's total return.

I. Acquisition of Assets

On April 24, 2009, DWS Capital Growth VIP acquired all of the net assets of DWS Janus Growth & Income VIP pursuant to a plan of reorganization approved by shareholders on April 20, 2009. The acquisition was accomplished by a tax-free exchange of 9,556,588 Class A shares of DWS Janus Growth & Income VIP for 5,009,687 Class A shares of DWS Capital Growth VIP outstanding on April 24, 2009. DWS Janus Growth & Income VIP's net assets at that date, \$66,828,943, including \$510,610 of net unrealized appreciation, were combined with those of DWS Capital Growth VIP. The aggregate net assets of DWS Capital Growth VIP immediately before the acquisition were \$572,408,860. The combined net assets of DWS Capital Growth VIP immediately following the acquisition were \$639,237,803.

J. Review for Subsequent Events

In accordance with the provisions set forth in Financial Accounting Standards Board Statement of Financial Accounting Standards No. 165 "Subsequent Events," adopted by the Portfolio as of June 30, 2009, events and transactions from July 1, 2009 through August 14, 2009, the date the financial statements were available to be issued, have been evaluated by management for subsequent events. Management has determined that there were no material events that would require disclosure in the Portfolio's financial statements through this date.

Other Information

DWS Growth and Income VIP

Effective August 1, 2009, the portfolio management team for the portfolio is as follows:

Robert Wang

James B. Francis, CFA

Portfolio Managers

DWS Global Opportunities VIP

Effective August 13, 2009, the portfolio management team for the portfolio is as follows:

Joseph Axtell, CFA

Portfolio Manager

Proxy Voting

The Series' policies and procedures for voting proxies for portfolio securities and information about how the Series voted proxies related to its portfolio securities during the 12-month period ended June 30 are available on our Web site — www.dws-investments.com (click on "proxy voting" at the bottom of the page) — or on the SEC's Web site — www.sec.gov. To obtain a written copy of the Series' policies and procedures without charge, upon request, call us toll free at (800) 621-1048.

Summary of Management Fee Evaluation by Independent Fee Consultant

October 24, 2008

Pursuant to an Order entered into by Deutsche Investment Management Americas and affiliates (collectively, "DeAM") with the Attorney General of New York, I, Thomas H. Mack, have been appointed the Independent Fee Consultant for the DWS Funds (formerly the DWS Scudder Funds). My duties include preparing an annual written evaluation of the management fees DeAM charges the Funds, considering among other factors the management fees charged by other mutual fund companies for like services, management fees DeAM charges other clients for like services, DeAM's costs of supplying services under the management agreements and related profit margins, possible economies of scale if a Fund grows larger, and the nature and quality of DeAM's services, including fund performance. This report summarizes my evaluation for 2008, including my qualifications, the evaluation process for each of the DWS Funds, consideration of certain complex-level factors, and my conclusions. I served in substantially the same capacity in 2007.

Qualifications

For more than 35 years I have served in various professional capacities within the investment management business. I have held investment analysis and advisory positions, including securities analyst, portfolio strategist and director of investment policy with a large investment firm. I have also performed business management functions, including business development, financial management and marketing research and analysis.

Since 1991, I have been an independent consultant within the asset management industry. I have provided services to over 125 client organizations, including investment managers, mutual fund boards, product distributors and related organizations. Over the past ten years I have completed a number of assignments for mutual fund boards, specifically including assisting boards with management contract renewal.

I hold a Master of Business Administration degree, with highest honors, from Harvard University and Master of Science and Bachelor of Science (highest honors) degrees from the University of California at Berkeley. I am an independent director and audit committee financial expert for two closed-end mutual funds, serve on the board of directors of a private market research company, and have served in various leadership and financial oversight capacities with non-profit organizations.

Evaluation of Fees for each DWS Fund

My work focused primarily on evaluating, fund-by-fund, the fees charged to each of the 129 Fund portfolios in the DWS Fund family. For each Fund, I considered each of the key factors mentioned above, as well as any other relevant information. In doing so I worked closely with the Funds' Independent Directors in their annual contract renewal process, as well as in their approval of contracts for several new funds (documented separately).

In evaluating each Fund's fees, I reviewed comprehensive materials provided by or on behalf of DeAM, including expense information prepared by Lipper Analytical, comparative performance information, profitability data, manager histories, and other materials. I also accessed certain additional information from the Lipper, Strategic Insight, and Morningstar databases and drew on my industry knowledge and experience.

To facilitate evaluating this considerable body of information, I prepared for each Fund a document summarizing the key data elements in each area as well as additional analytics discussed below. This made it possible to consider each key data element in the context of the others.

In the course of contract renewal, DeAM agreed to implement a number of fee and expense adjustments requested by the Independent Directors which will favorably impact future fees and expenses, and my evaluation includes the effects of these changes.

Fees and Expenses Compared with Other Funds

The competitive fee and expense evaluation for each fund focused on two primary comparisons:

The Fund's contractual management fee (the advisory fee plus the administration fee where applicable) compared with those of a group of typically 12–15 funds in the same Lipper investment category (e.g. Large Capitalization Growth) having similar distribution arrangements and being of similar size.

The Fund's total expenses compared with a broader universe of funds from the same Lipper investment category and having similar distribution arrangements.

These two comparisons provide a view of not only the level of the fee compared with funds of similar scale but also the total expense the Fund bears for all the services it receives, in comparison with the investment choices available in the Fund's investment category and distribution channel. The principal figure-of-merit used in these comparisons was the subject Fund's percentile ranking against peers.

DeAM's Fees for Similar Services to Others

DeAM provided management fee schedules for all of its US domiciled fund and non-fund investment management accounts in any of the investment categories where there is a DWS Fund. These similar products included the other DWS Funds, non-fund pooled accounts, institutional accounts and sub-advisory accounts. Using this information, I calculated for each Fund the fee that would be charged to each similar product, at the subject Fund's asset level.

Evaluating information regarding non-fund products is difficult because there are varying levels of services required for different types of accounts, with mutual funds generally requiring considerably more regulatory and administrative types of service as well as having more frequent cash flows than other types of accounts. Also, while mutual fund fees for similar fund products can be expected to be similar, there will be some differences due to different pricing conditions in different distribution channels (e.g. retail funds versus those used in variable insurance products), differences in underlying investment processes and other factors.

Costs and Profit Margins

DeAM provided a detailed profitability analysis for each Fund. After making some adjustments so that the presentation would be more comparable to the available industry figures, I reviewed profit margins from investment management alone, from investment management plus other fund services (excluding distribution) provided to the Funds by DeAM (principally shareholder services), and DeAM profits from all sources, including distribution. A later section comments on overall profitability.

Economies of Scale

Economies of scale — an expected decline in management cost per dollar of fund assets as fund assets grow — are very rarely quantified and documented because of inherent difficulties in collecting and analyzing relevant data. However, in virtually every investment category that I reviewed, larger funds tend to have lower fees and lower total expenses than smaller funds. To see how each DWS Fund compares with this industry observation, I reviewed:

The trend in Fund assets over the last five years and the accompanying trend in total expenses. This shows if the Fund has grown and, if so, whether total expense (management fees as well as other expenses) have declined as a percent of assets.

Whether the Fund has break-points in its management fee schedule, the extent of the fee reduction built into the schedule and the asset levels where the breaks take effect, and in the case of a sub-advised Fund how the Fund's break-points compare with those of the sub-advisory fee schedule.

How the Fund's contractual fee schedule compares with trends in the industry data. To accomplish this, I constructed a chart showing how actual latest-fiscal-year contractual fees of the Fund and of other similar funds relate to average fund assets, with the subject Fund's contractual fee schedule superimposed.

Quality of Service — Performance

The quality-of-service evaluation focused on investment performance, which is the principal result of the investment management service. Each Fund's performance was reviewed over the past 1, 3, 5 and 10 years, as

applicable, and compared with that of other funds in the same investment category and with a suitable market index.

In addition, I calculated and reviewed risk-adjusted returns relative to an index of similar mutual funds' returns and a suitable market index. The risk-adjusted returns analysis provides a way of determining the extent to which the Fund's return comparisons are mainly the product of investment value-added (or lack thereof) or alternatively taking considerably more or less risk than is typical in its investment category.

I also received and considered the history of portfolio manager changes for each Fund, as this provided an important context for evaluating the performance results.

Complex-Level Considerations

While this evaluation was conducted mainly at the individual fund level, there are some issues relating to the reasonableness of fees that can alternatively be considered across the whole fund complex:

I reviewed DeAM's profitability analysis for all DWS Funds, with a view toward determining if the allocation procedures used were reasonable and how profit levels compared with public data for other investment managers.

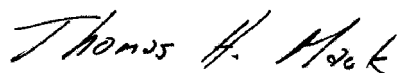
I considered whether DeAM and affiliates receive any significant ancillary or "fall-out" benefits that should be considered in interpreting the direct profitability results. These would be situations where serving as the investment manager of the Funds is beneficial to another part of the Deutsche Bank organization.

I considered how aggregated DWS Fund expenses had varied over the years, by asset class and in the context of trends in asset levels.

I reviewed the structure of the DeAM organization, trends in staffing levels, and information on compensation of investment management and other professionals compared with industry data.

Findings

Based on the process and analysis discussed above, which included reviewing a wide range of information from management and external data sources and considering among other factors the fees DeAM charges other clients, the fees charged by other fund managers, DeAM's costs and profits associated with managing the Funds, economies of scale, possible fall-out benefits, and the nature and quality of services provided, in my opinion the management fees charged the DWS Funds are reasonable.



Thomas H. Mack

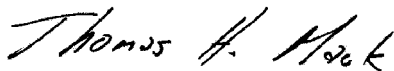
Summary of Administrative Fee Evaluation by Independent Fee Consultant

September 29, 2008

Pursuant to an Order entered into by Deutsche Asset Management (DeAM) with the Attorney General of New York, I, Thomas H. Mack, have been appointed the Independent Fee Consultant for the DWS Funds and have as part of my duties evaluated the reasonableness of the proposed management fees to be charged by DeAM to the DWS Funds, taking into account a proposal to pass through to the funds certain fund accounting-related charges in connection with new regulatory requirements. My evaluation considered the following:

- While the proposal would alter the services to be provided under the Administration Agreement, which I consider to be part of fund management under the Order, it is my opinion that the change in services is slight and that the scope of prospective services under the combination of the Advisory and Administration Agreements continues to be comparable with those typically provided to competitive funds under their management agreements.
- While the proposal would increase fund expenses, according to a pro forma analysis performed by management, the prospective effect is less than .01% for all but seven of the DeAM Funds' 438 active share classes, and in all cases the effect is less than .03% and overall expenses would remain reasonable in my opinion.

Based on the foregoing considerations, in my opinion the fees and expenses for all of the DWS Funds will remain reasonable if the Directors adopt this proposal.



Thomas H. Mack

DWS Investments is part of Deutsche Bank's Asset Management division and, within the US, represents the retail asset management activities of Deutsche Bank AG, Deutsche Bank Trust Company Americas, Deutsche Investment Management Americas Inc. and DWS Trust Company.

The views expressed in this report reflect those of the portfolio managers only through the end of the period of the report as stated on the cover. The managers' views are subject to change at any time based on market and other conditions and should not be construed as a recommendation.

This information must be preceded or accompanied by a current prospectus.

Portfolio changes should not be considered recommendations for action by individual investors.

DWS Investments Distributors, Inc.
222 South Riverside Plaza
Chicago, IL 60606
(800) 778-1482

VS1-3 (R-12545-1 8/09)



June 30, 2009

SEMIANNUAL REPORT

DWS VARIABLE SERIES II

DWS Balanced VIP

DWS Blue Chip VIP

DWS Core Fixed Income VIP

DWS Diversified International Equity VIP
(formerly DWS International Select Equity VIP)

DWS Dreman Small Mid Cap Value VIP

DWS Global Thematic VIP

DWS Government & Agency Securities VIP

DWS High Income VIP

DWS Large Cap Value VIP

DWS Mid Cap Growth VIP

DWS Money Market VIP

DWS Small Cap Growth VIP

DWS Strategic Income VIP

DWS Strategic Value VIP
(formerly DWS Dreman High Return Equity VIP)

DWS Technology VIP

DWS Turner Mid Cap Growth VIP

RESHAPING INVESTING.



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This report must be preceded or accompanied by a prospectus. To obtain an additional prospectus, call (800) 778-1482 or your financial representative. We advise you to carefully consider the product's objectives, risks, charges and expenses before investing. The prospectus contains this and other important information about the product. Please read the prospectus carefully before you invest.

*NOT FDIC/NCUA INSURED NO BANK GUARANTEE MAY LOSE VALUE NOT A DEPOSIT
NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY*

Investments in variable portfolios involve risk. Some portfolios have more risk than others. These include portfolios that allow exposure to or otherwise concentrate investments in certain sectors, geographic regions, security types, market capitalization or foreign securities (e.g., political or economic instability, which can be accentuated in Emerging Market countries). Please read the prospectus for specific details regarding its investments and risk profile.

DWS Investments is part of Deutsche Bank's Asset Management division and, within the US, represents the retail asset management activities of Deutsche Bank AG, Deutsche Bank Trust Company Americas, Deutsche Investment Management Americas Inc. and DWS Trust Company.

DWS Balanced VIP

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 redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Please contact your participating insurance company for the Portfolio's most recent month-end performance. Performance doesn't reflect charges and fees ("contract charges") associated with the separate account that invests in the Portfolio or any variable life insurance policy or variable annuity contract for which the Portfolio is an investment option. These charges and fees will reduce returns. While all share classes have the same underlying Portfolio, their performance will differ.

The total annual Portfolio operating expense ratio, gross of any fee waivers or expense reimbursements, as stated in the fee table of the prospectus dated May 1, 2009 is 0.61% for Class A shares. Please see the Information About Your Portfolio's Expenses, the Financial Highlights and Notes to the Financial Statements (Note C, Related Parties) sections of this report for gross and net expense-related disclosure for the period ended June 30, 2009.

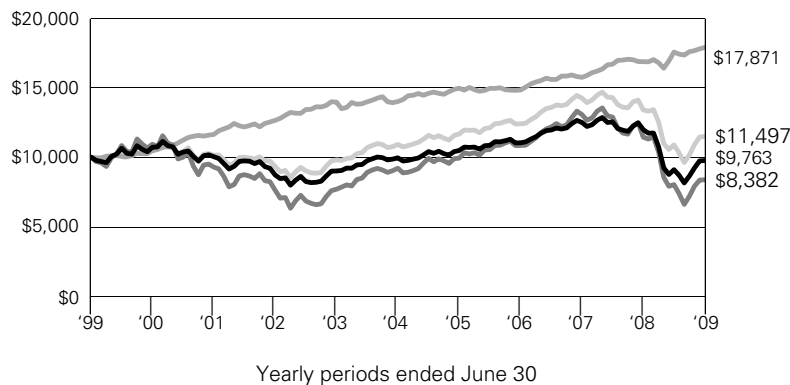
Risk Considerations

The Portfolio is subject to stock market risk, meaning stocks in the Portfolio may decline in value for extended periods of time due to the activities and financial prospects of individual companies, or due to general market and economic conditions. The Portfolio also invests in individual bonds whose yields and market values fluctuate so that your investment may be worth more or less than its original cost. Bond investments are subject to interest-rate risk such that when interest rates rise, the prices of the bonds, and thus the value of the bond portfolio, can decline and the investor can lose principal value. The Portfolio invests in derivatives seeking to hedge positions in certain securities and to generate income in order to enhance the Portfolio's returns. Derivatives can be more volatile and less liquid than traditional fixed-income securities. In the current market environment, mortgage-backed securities are experiencing increased volatility. Please read this Portfolio's prospectus for specific details regarding its investments and risk profile.

Portfolio returns for the 1-year, 3-year, 5-year and 10-year periods shown reflect a fee waiver and/or expense reimbursement. Without this waiver/reimbursement, returns would have been lower.

Growth of an Assumed \$10,000 Investment in DWS Balanced VIP

- DWS Balanced VIP — Class A
- Russell 1000® Index
- Barclays Capital US Aggregate Bond Index
- Blended Index



The Russell 1000® Index is an unmanaged index that measures the performance of the 1,000 largest companies in the Russell 3000 Index, which represents approximately 92% of the total market capitalization of the Russell 3000 Index.

The Barclays Capital US Aggregate Bond Index is an unmanaged, market-value-weighted measure of treasury issues, agency issues, corporate bond issues and mortgage securities.

The Blended Index consists of the Barclays Capital US Aggregate Bond Index (27%), Russell 1000 Growth Index (20%), Russell 1000 Value Index (20%), MSCI EAFE Index (8%), Russell 2000 Index (6%), Merrill Lynch 3 Month Treasury Bill Index (5%), Barclays Capital Global TIPS Index (5%), Credit Suisse High Yield Index (3%), MSCI Emerging Markets Free Index (3%), and the MSCI EAFE Small Cap index (3%).

Index returns assume reinvestment of dividends and, unlike portfolio returns, do not reflect any fees or expenses. It is not possible to invest directly into an index.

Comparative Results

DWS Balanced VIP		6-Month [‡]	1-Year	3-Year	5-Year	10-Year
Class A	Growth of \$10,000	\$10,719	\$8,154	\$8,854	\$9,811	\$9,763
	Average annual total return	7.19%	-18.46%	-3.98%	-38%	-24%
Russell 1000 Index	Growth of \$10,000	\$10,432	\$7,331	\$7,737	\$9,109	\$8,382
	Average annual total return	4.32%	-26.69%	-8.20%	-1.85%	-1.75%
Barclays Capital US Aggregate Bond Index	Growth of \$10,000	\$10,190	\$10,605	\$12,055	\$12,772	\$17,871
	Average annual total return	1.90%	6.05%	6.43%	5.01%	5.98%
Blended Index	Growth of \$10,000	\$10,564	\$8,589	\$9,277	\$10,535	\$11,497
	Average annual total return	5.64%	-14.11%	-2.47%	1.05%	1.40%

The growth of \$10,000 is cumulative.

[‡] Total returns shown for periods less than one year are not annualized.

Information About Your Portfolio's Expenses

DWS Balanced VIP

As an investor of the Portfolio, you incur two types of costs: ongoing expenses and transaction costs. Ongoing expenses include management fees, distribution and service (12b-1) fees and other Portfolio expenses. Examples of transaction costs include contract charges, redemption fees and account maintenance fees, which are not shown in this section. The following tables are intended to help you understand your ongoing expenses (in dollars) of investing in the Portfolio and to help you compare these expenses with the ongoing expenses of investing in other mutual funds. The example in the table is based on an investment of \$1,000 invested at the beginning of the six-month period and held for the entire period (January 1, 2009 to June 30, 2009).

The tables illustrate your Portfolio's expenses in two ways:

- **Actual Portfolio Return.** This helps you estimate the actual dollar amount of ongoing expenses (but not transaction costs) paid on a \$1,000 investment in the Portfolio using the Portfolio's actual return during the period. To estimate the expenses you paid over the period, simply divide your account

value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the "Expenses Paid per \$1,000" line under the share class you hold.

- **Hypothetical 5% Portfolio Return.** This helps you to compare your Portfolio's ongoing expenses (but not transaction costs) with those of other mutual funds using the Portfolio's actual expense ratio and a hypothetical rate of return of 5% per year before expenses. Examples using a 5% hypothetical Portfolio return may be found in the shareholder reports of other mutual funds. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period.

Please note that the expenses shown in these tables are meant to highlight your ongoing expenses only and do not reflect any transaction costs. The "Expenses Paid per \$1,000" line of the tables is useful in comparing ongoing expenses only and will not help you determine the relative total expense of owning different funds. If these transaction costs had been included, your costs would have been higher.

Expenses and Value of a \$1,000 Investment for the six months ended June 30, 2009

Actual Portfolio Return	Class A
Beginning Account Value 1/1/09	\$1,000.00
Ending Account Value 6/30/09	\$1,071.90
Expenses Paid per \$1,000*	\$ 3.54

Hypothetical 5% Portfolio Return	Class A
Beginning Account Value 1/1/09	\$1,000.00
Ending Account Value 6/30/09	\$1,021.37
Expenses Paid per \$1,000*	\$ 3.46

* Expenses are equal to the Portfolio's annualized expense ratio for each share class, multiplied by the average account value over the period, multiplied by the number of days in the most recent six-month period, then divided by 365.

Annualized Expense Ratio	Class A
DWS Variable Series II — DWS Balanced VIP	.69%

For more information, please refer to the Portfolio's prospectus.

These tables do not reflect charges and fees ("contract charges") associated with the separate account that invests in the Portfolio or any variable life insurance policy or variable annuity contract for which the Portfolio is an investment option.

Portfolio Summary

DWS Balanced VIP

Asset Allocation (As a % of Investment Portfolio excluding Securities Lending Collateral)	6/30/09	12/31/08
Common Stocks	55%	59%
Government & Agency Obligations	13%	6%
Mortgage-Backed Securities Pass-Throughs	10%	9%
Corporate Bonds	9%	12%
Cash Equivalents	7%	5%
Exchange-Traded Funds	5%	—
Commercial Mortgage-Backed Securities	1%	2%
Collateralized Mortgage Obligations	—	6%
Asset Backed	—	1%
	100%	100%

Sector Diversification (Excludes Cash Equivalents and Securities Lending)	6/30/09	12/31/08
Financials	15%	18%
Information Technology	14%	12%
Health Care	13%	14%
Energy	12%	11%
Consumer Staples	10%	11%
Industrials	10%	10%
Consumer Discretionary	9%	7%
Utilities	6%	6%
Materials	6%	5%
Telecommunication Services	5%	6%
	100%	100%

Asset allocation and sector diversification are subject to change.

For more complete details about the Portfolio's investment portfolio, see page 6. A complete list of portfolio holdings of the Portfolio is posted as of the month end on www.dws-investments.com on or about the 15th day of the following month. More frequent posting of portfolio holdings information may be made from time to time on www.dws-investments.com.

Following the Portfolio's fiscal first and third quarter-end, a complete portfolio holdings listing is filed with the SEC on Form N-Q. The form will be available on the SEC's Web site at www.sec.gov, and it also may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the SEC's Public Reference Room may be obtained by calling (800) SEC-0330.

Investment Portfolio

June 30, 2009 (Unaudited)

DWS Balanced VIP

	Shares	Value (\$)		Shares	Value (\$)
Common Stocks 55.2%					
Consumer Discretionary 4.7%					
Auto Components 0.2%					
Bridgestone Corp.	300	4,686	McDonald's Corp.	20,900	1,201,541
Compagnie Generale des Etablissements Michelin "B"	105	6,001	MGM MIRAGE*	15,200	97,128
Cooper Tire & Rubber Co.	9,200	91,264	OPAP SA	2,343	62,226
Denso Corp.	200	5,098	P.F. Chang's China Bistro, Inc.*	3,900	125,034
Magna International, Inc. "A"	300	12,729	Paddy Power PLC	4,737	110,539
Minh Group Ltd.	153,700	127,563	PartyGaming PLC*	13,118	52,974
Spartan Motors, Inc.	1,800	20,394	REXLot Holdings Ltd.*	1,675,000	131,726
Tianneng Power International Ltd.	192,000	58,571	Shangri-La Asia Ltd.	6,000	8,894
Xinyi Glass Holdings Co., Ltd.	186,000	160,019	Sodexo	85	4,372
		486,325	TABCORP Holding Ltd.	3,148	18,116
			Tatts Group Ltd.	5,842	11,983
			Whitbread PLC	229	3,082
			Wyndham Worldwide Corp.	6,200	75,144
					3,444,125
Automobiles 0.2%			Household Durables 0.2%		
Bayerische Motoren Werke (BMW) AG	257	9,706	Advanced Digital Broadcast Holdings SA (Registered)*	1,203	36,517
Daimler AG (Registered)	6,752	244,300	Electrolux AB "B"*	800	11,214
Fiat SpA*	2,518	25,544	Garmin Ltd.	7,100	169,122
Honda Motor Co., Ltd.	700	19,167	Husqvarna AB "B"*	900	4,942
Mitsubishi Motors Corp.*	2,000	3,734	La-Z-Boy, Inc.	4,300	20,296
Nissan Motor Co., Ltd.	900	5,434	Meritage Homes Corp.*	6,800	128,248
PSA Peugeot Citroen*	112	2,954	NVR, Inc.*	100	50,239
Renault SA*	129	4,762	Panasonic Corp.	1,000	13,413
Suzuki Motor Corp.	200	4,472	Rational AG	700	80,750
Toyota Motor Corp.	7,100	268,411	Ryland Group, Inc.	2,400	40,224
Volkswagen AG	59	19,973	Sharp Corp.	1,000	10,318
		608,457	Sony Corp.	400	10,333
					575,616
Distributors 0.2%			Internet & Catalog Retail 0.1%		
Genuine Parts Co.	14,378	482,526	Amazon.com, Inc.*	3,500	292,810
Jardine Cycle & Carriage Ltd.	1,000	13,236			
Li & Fung Ltd.	10,000	26,538	Leisure Equipment & Products 0.1%		
		522,300	Hasbro, Inc.	8,400	203,616
Diversified Consumer Services 0.1%			RC2 Corp.*	300	3,969
Apollo Group, Inc. "A"*	2,400	170,688	Smith & Wesson Holding Corp.*	18,200	103,376
Brink's Home Security Holdings, Inc.*	1,100	31,141	Sturm, Ruger & Co., Inc.	4,700	58,468
Capella Education Co.*	1,400	83,930			369,429
Lincoln Educational Services Corp.*	5,300	110,929	Media 0.9%		
Steiner Leisure Ltd.*	1,000	30,530	Aegis Group PLC	34,751	52,748
		427,218	British Sky Broadcasting Group PLC	1,232	9,242
Hotels Restaurants & Leisure 1.2%			Carmike Cinemas, Inc.	1,100	9,218
Accor SA	151	6,005	Cinemark Holdings, Inc.	2,400	27,168
Ambassadors Group, Inc.	700	9,639	Comcast Corp. "A"	56,300	815,787
Ameristar Casinos, Inc.	2,500	47,575	DISH Network Corp. "A"*	6,600	106,986
Buffets Restaurants Holdings, Inc.*	3,332	3,998	Fairfax Media Ltd.	9,014	8,824
Burger King Holdings, Inc.	11,453	197,793	Gestelevision Telecinco SA	345	3,236
Carnival Corp. (Units)	22,749	586,242	JC Decaux SA*	4,696	74,738
Carnival PLC	148	3,927	Lagardere SCA	107	3,561
Carrols Restaurant Group, Inc.*	700	4,662	Marvel Entertainment, Inc.*	1,600	56,944
Compass Group PLC	1,151	6,486	Mediacom Communications Corp. "A"*	21,100	107,821
Cracker Barrel Old Country Store, Inc.	1,900	53,010	Mediaset SpA	3,394	19,086
Crown Ltd.	2,440	14,219	Publicis Groupe	132	4,030
Darden Restaurants, Inc.	8,500	280,330	Reed Elsevier NV	11,801	130,145
Genting Singapore PLC*	34,000	15,962	Scripps Networks Interactive "A"	5,000	139,150
Isle of Capri Casinos, Inc.*	1,200	15,984	SES "A" (FDR)	184	3,513
Lottomatica SpA	275	5,309	Shaw Communications, Inc. "B"	800	13,467
Marriott International, Inc. "A"	13,150	290,225	Singapore Press Holdings Ltd.	17,000	37,012
			Television Broadcasts Ltd.	1,000	3,905

The accompanying notes are an integral part of the financial statements.

	Shares	Value (\$)
Thomson Reuters Corp.	1,200	34,922
Thomson Reuters PLC	113	3,224
Time Warner Cable, Inc.	16,325	517,013
Time Warner, Inc.	21,333	537,378
Vertis Holdings, Inc.*	1,645	0
Vivendi	461	11,043
Wolters Kluwer NV	4,847	84,813
WPP PLC	1,683	11,194

2,826,168

Multiline Retail 0.2%

Canadian Tire Corp., Ltd. "A"	100	4,729
Kohl's Corp.*	9,880	422,370
Macy's, Inc.	17,900	210,504
Marks & Spencer Group PLC	1,148	5,794
Next PLC	169	4,095
PPR	57	4,664

652,156

Specialty Retail 0.8%

Advance Auto Parts, Inc.	2,900	120,321
Aeropostale, Inc.*	3,200	109,664
American Eagle Outfitters, Inc.	5,700	80,769
Best Buy Co., Inc.	3,300	110,517
Big 5 Sporting Goods Corp.	3,700	40,922
Cato Corp. "A"	5,100	88,944
Dress Barn, Inc.*	600	8,580
Esprit Holdings Ltd.	5,000	27,968
Foot Locker, Inc.	11,700	122,499
Gymboree Corp.*	1,900	67,412
Hennes & Mauritz AB "B"	4,320	215,963
Hot Topic, Inc.*	3,200	23,392
Industria de Diseno Textil SA	1,095	52,623
J. Crew Group, Inc.*	1,000	27,020
Jos. A. Bank Clothiers, Inc.*	3,700	127,502
Kingfisher PLC	1,961	5,749
Lowe's Companies, Inc.	11,600	225,156
Nitori Co., Ltd.	900	63,878
Office Depot, Inc.*	29,600	134,976
Rent-A-Center, Inc.*	6,900	123,027
Ross Stores, Inc.	500	19,300
Stage Stores, Inc.	1,100	12,210
The Buckle, Inc.	4,000	127,080
TJX Companies, Inc.	6,500	204,490
Tractor Supply Co.*	3,400	140,488
Urban Outfitters, Inc.*	3,800	79,306

2,359,756

Textiles, Apparel & Luxury Goods 0.5%

Adidas AG	129	4,915
Carter's, Inc.*	5,000	123,050
Coach, Inc.	8,500	228,480
Compagnie Financiere Richemont SA "A"	8,979	187,084
Deckers Outdoor Corp.*	900	63,243
Fuqi International, Inc.*	2,400	49,704
G-III Apparel Group Ltd.*	2,400	27,576
Gildan Activewear, Inc.*	300	4,444
Hermes International	19	2,645
Jones Apparel Group, Inc.	1,200	12,876
Luxottica Group SpA*	492	10,232
Maidenform Brands, Inc.*	700	8,029
NIKE, Inc. "B"	13,400	693,852
Polo Ralph Lauren Corp.	500	26,770
Steven Madden Ltd.*	4,300	109,435

	Shares	Value (\$)
Swatch Group AG (Bearer)	83	13,347
Swatch Group AG (Registered)	219	7,181
Timberland Co. "A"*	2,400	31,848
Yue Yuen Industrial (Holdings) Ltd.	3,000	6,722

1,611,433

Consumer Staples 5.5%

Beverages 0.9%

Anheuser-Busch InBev NV	1,362	49,308
Asahi Breweries Ltd.	1,300	18,669
C&C Group PLC	40,826	137,880
Carlsberg AS "B"	4,796	308,277
Central European Distribution Corp.*	2,700	71,739
Coca-Cola Amatil Ltd.	614	4,253
Coca-Cola Bottling Co. Consolidated	300	16,539
Coca-Cola Co.	2,500	119,975
Coca-Cola Enterprises, Inc.	4,800	79,920
Coca-Cola Hellenic Bottling Co. SA	3,500	71,718
Coca-Cola West Co., Ltd.	400	7,645
Diageo PLC	274	3,935
Foster's Group Ltd.	2,760	11,439
Heineken Holding NV	156	4,963
Heineken NV	730	27,122
Kirin Holdings Co., Ltd.	3,000	41,881
National Beverage Corp.*	1,000	10,650
PepsiCo, Inc.	28,734	1,579,221
Pernod Ricard SA	459	28,978
SABMiller PLC	434	8,835
Sapporo Holdings Ltd.	1,000	5,704

2,608,651

Food & Staples Retailing 1.6%

AEON Co., Ltd.	2,500	24,625
Carrefour SA	1,655	70,796
Casino Guichard-Perrachon SA	82	5,539
Colruyt SA	24	5,477
CVS Caremark Corp.	24,249	772,816
Delhaize Group	196	13,800
FamilyMart Co., Ltd.	300	9,403
George Weston Ltd.	200	10,031
J Sainsbury PLC	405	2,091
Koninklijke Ahold NV	4,134	47,504
Kroger Co.	17,376	383,141
Lawson, Inc.	300	13,183
Loblaw Companies Ltd.	300	8,963
Metro AG	1,278	61,092
Metro, Inc. "A"	400	13,075
Seven & I Holdings Co., Ltd.	7,400	173,612
Shoppers Drug Mart Corp.	600	25,787
SUPERVALU, Inc.	20,100	260,295
Sysco Corp.	37,800	849,744
Tesco PLC	2,772	16,157
The Andersons, Inc.	4,200	125,748
UNY Co., Ltd.	1,100	9,358
Wal-Mart Stores, Inc.	31,500	1,525,860
Walgreen Co.	4,300	126,420
Weis Markets, Inc.	500	16,760
Wesfarmers Ltd.	1,325	24,120
Wesfarmers Ltd. (PPS)	167	3,152
William Morrison Supermarkets PLC	498	1,940
Woolworths Ltd.	1,283	27,129

4,627,618

The accompanying notes are an integral part of the financial statements.

	Shares	Value (\$)		Shares	Value (\$)
Food Products 1.2%					
Ajinomoto Co., Inc.	2,000	15,804	Cameron International Corp.*	17,000	481,100
Archer-Daniels-Midland Co.	27,500	736,175	Dawson Geophysical Co.*	1,200	35,820
Aryzta AG*	159	5,115	Dresser-Rand Group, Inc.*	5,500	143,550
Bunge Ltd.	7,900	475,975	ENSCO International, Inc.	10,744	374,643
Cadbury PLC	1,029	8,790	Fugro NV (CVA)	143	5,938
DANONE SA	1,348	66,664	Geokinetics, Inc.*	4,200	57,330
Darling International, Inc.*	8,300	54,780	John Wood Group PLC	14,875	65,575
Diamond Foods, Inc.	3,600	100,440	Lamprell PLC	28,582	54,044
General Mills, Inc.	6,523	365,419	Noble Corp.	10,291	311,303
Green Mountain Coffee Roasters, Inc.*	1,650	97,548	Parker Drilling Co.*	25,900	112,406
J & J Snack Foods Corp.	1,400	50,260	Prosafe Production Public Ltd.*	18,000	33,976
Kellogg Co.	12,342	574,767	Prosafe SE	11,700	60,436
Kikkoman Corp.	1,000	10,010	Rowan Companies, Inc.	22,400	432,768
Kraft Foods, Inc. "A"	9,600	243,264	Saipem SpA	7,731	188,717
Lancaster Colony Corp.	300	13,221	SBM Offshore NV	8,672	148,545
MEIJI Holdings Co., Ltd.*	300	12,057	Schlumberger Ltd.	5,760	311,674
Nestle SA (Registered)	12,937	488,257	Seadrill Ltd.	800	11,495
Nippon Meat Packers, Inc.	1,000	12,612	Shinko Plantech Co., Ltd.	13,800	108,843
Nisshin Seifun Group, Inc.	1,000	11,872	Technip SA	75	3,687
Nissin Foods Holdings Co., Ltd.	300	9,089	Tecnicas Reunidas SA	1,522	71,825
Saputo, Inc.	600	12,519	Tenaris SA	434	5,867
Suedzucker AG	739	15,031	Transocean Ltd.*	16,092	1,195,475
SunOpta, Inc.*	28,800	68,832	Union Drilling, Inc.*	900	5,958
Unilever NV (CVA)	5,429	131,022	Willbros Group, Inc.*	8,600	107,586
Unilever PLC	503	11,803	WorleyParsons Ltd.	324	6,173
Viterra, Inc.*	700	6,078			4,618,720
Yakult Honsha Co., Ltd.	200	3,810			
		3,601,214	Oil, Gas & Consumable Fuels 4.9%		
Household Products 0.9%			Alpha Natural Resources, Inc.*	3,900	102,453
Central Garden & Pet Co. "A"*	400	3,940	Anadarko Petroleum Corp.	9,600	435,744
Colgate-Palmolive Co.	12,770	903,350	Apache Corp.	1,600	115,440
Energizer Holdings, Inc.*	6,900	360,456	BG Group PLC	13,541	227,515
Henkel AG & Co. KGaA	1,371	36,969	BP PLC	3,445	27,261
Kao Corp.	2,000	43,586	Canadian Natural Resources Ltd.	200	10,521
Kimberly-Clark Corp.	13,000	681,590	Chevron Corp.	14,747	976,989
Procter & Gamble Co.	13,090	668,899	ConocoPhillips	34,762	1,462,090
Reckitt Benckiser Group PLC	234	10,664	Cosmo Oil Co., Ltd.	3,000	10,167
Unicharm Corp.	100	7,634	CVR Energy, Inc.*	2,600	19,058
		2,717,088	Delek US Holdings, Inc.	3,400	28,832
Personal Products 0.1%			Devon Energy Corp.	14,895	811,778
Beiersdorf AG	1,027	48,413	Enbridge, Inc.	100	3,470
Chattem, Inc.*	1,200	81,720	EnCana Corp.	200	9,916
China Sky One Medical, Inc.*	7,100	95,708	Encore Acquisition Co.*	6,100	188,185
L'Oreal SA	594	44,472	Eni SpA	2,390	56,698
Shiseido Co., Ltd.	1,000	16,362	EOG Resources, Inc.	5,520	374,918
		286,675	EXCO Resources, Inc.*	12,600	162,792
Tobacco 0.8%			ExxonMobil Corp.	45,995	3,215,510
Altria Group, Inc.	50,412	826,253	Forest Oil Corp.*	9,500	141,740
British American Tobacco PLC	596	16,465	Gazprom (ADR)	13,250	269,995
Imperial Tobacco Group PLC	458	11,912	Hess Corp.	3,800	204,250
Japan Tobacco, Inc.	56	174,550	Husky Energy, Inc.	100	2,797
Lorillard, Inc.	1,500	101,655	Idemitsu Kosan Co., Ltd.	100	8,550
Philip Morris International, Inc.	30,208	1,317,673	Imperial Oil Ltd.	300	11,637
Reynolds American, Inc.	1,800	69,516	INPEX Corp.	2	15,931
Swedish Match AB	327	5,315	Japan Petroleum Exploration Co., Ltd.	200	11,035
		2,523,339	LUKOIL (ADR)*	2,500	111,696
Energy 6.4%			Marathon Oil Corp.	29,882	900,345
Energy Equipment & Services 1.5%			Murphy Oil Corp.	6,700	363,944
AMEC PLC	15,956	171,796	Nexen, Inc.	16,813	364,016
Cal Dive International, Inc.*	13,000	112,190	Nippon Mining Holdings, Inc.	3,000	15,483
			Nippon Oil Corp.	4,000	23,544
			Noble Energy, Inc.	7,624	449,587
			Occidental Petroleum Corp.	7,400	486,994
			OMV AG	1,989	74,564

The accompanying notes are an integral part of the financial statements.

	Shares	Value (\$)		Shares	Value (\$)
Origin Energy Ltd.	1,587	18,674	Banca Monte dei Paschi di Siena SpA	1,688	2,727
Paladin Energy Ltd.*	1,162	4,575	Banco Bilbao Vizcaya Argentaria SA	705	8,884
Petro-Canada	200	7,724	Banco de Sabadell SA	598	3,739
PetroChina Co., Ltd. "H"	226,000	249,324	Banco Latinoamericano de Exportaciones SA "E"	5,700	70,851
Repsol YPF SA	3,776	84,675	Banco Popular Espanol SA	560	4,900
Royal Dutch Shell PLC "A"	559	14,000	Banco Santander SA	24,019	289,861
Royal Dutch Shell PLC "B"	376	9,493	Bank of Cyprus PCL	1,263	7,043
Santos Ltd.	1,486	17,457	Bank of East Asia Ltd.	580	1,760
Showa Shell Sekiyu KK	1,100	11,595	Bank of Montreal	200	8,429
Southwestern Energy Co.*	3,400	132,090	Bank of Nova Scotia	400	14,932
StatoilHydro ASA	11,050	218,281	Barclays PLC	1,486	6,921
Suncor Energy, Inc.	17,000	515,801	BNP Paribas	3,227	209,412
Sunoco, Inc.	18,362	425,998	BOC Hong Kong (Holdings) Ltd.	2,000	3,540
Talisman Energy, Inc.	500	7,183	Canadian Imperial Bank of Commerce	100	5,013
Tesoro Corp.	6,500	82,745	Cardinal Financial Corp.	3,800	29,754
TonenGeneral Sekiyu KK	1,000	10,163	China Construction Bank Corp. "H"	182,400	140,781
Total SA	1,172	63,478	Chuo Mitsui Trust Holdings, Inc.	1,000	3,795
Ultra Petroleum Corp.*	6,000	234,000	Commonwealth Bank of Australia	446	13,945
Valero Energy Corp.	7,400	124,986	Credit Agricole SA	488	6,112
Venoco, Inc.*	13,500	103,545	Cullen/Frost Bankers, Inc.	2,944	135,777
Williams Companies, Inc.	8,200	128,002	Danske Bank AS*	2,642	45,604
Woodside Petroleum Ltd.	5,370	186,079	DBS Group Holdings Ltd.	2,000	16,231
XTO Energy, Inc.	5,500	209,770	Dexia SA*	1,404	10,647
		14,555,083	DnB NOR ASA*	29,700	227,398
			EFG Eurobank Ergasias*	637	6,636
Financials 7.2%			Erste Group Bank AG	1,182	32,115
Capital Markets 1.8%			Hang Seng Bank Ltd.	600	8,479
Affiliated Managers Group, Inc.*	1,100	64,009	Home Bancshares, Inc.	600	11,424
Ashmore Group PLC	35,378	110,161	HSBC Holdings PLC	38,815	322,227
Bank of New York Mellon Corp.	20,800	609,648	Industrial & Commercial Bank of China Ltd. "H"	359,000	249,776
BGC Partners, Inc. "A"	7,400	28,046	Intesa Sanpaolo*	4,603	14,924
Calamos Asset Management, Inc. "A"	500	7,055	KBC GROEP NV*	454	8,282
Charles Schwab Corp.	10,900	191,186	Lloyds Banking Group PLC	3,147	3,622
Credit Suisse Group AG (Registered)	5,965	272,300	M&T Bank Corp.	3,179	161,906
Daiwa Securities Group, Inc.	1,000	5,911	Marshall & Ilsley Corp.	25,300	121,440
Duff & Phelps Corp. "A"	3,300	58,674	Mitsubishi UFJ Financial Group, Inc.	5,000	30,736
Franklin Resources, Inc.	5,300	381,653	Mizuho Financial Group, Inc.	6,200	14,420
Greenhill & Co., Inc.	2,001	144,492	National Australia Bank Ltd.	522	9,398
Jefferies Group, Inc.*	4,400	93,852	National Bank of Canada	100	4,621
Julius Baer Holding AG (Registered)	126	4,913	National Bank of Greece SA*	653	17,891
KBW, Inc.*	4,600	132,296	NBT Bancorp., Inc.	2,300	49,933
Knight Capital Group, Inc. "A"*	1,300	22,165	Nordea Bank AB	3,492	27,707
Lazard Ltd. "A"	5,300	142,676	Oriental Financial Group, Inc.	11,300	109,610
Marfin Investment Group SA*	1,344	5,726	Oversea-Chinese Banking Corp., Ltd.	1,000	4,599
Mediobanca SpA	278	3,341	Park National Corp.	1,800	101,664
Morgan Stanley	6,400	182,464	Peoples Bancorp., Inc.	400	6,820
Nomura Holdings, Inc.	1,400	11,730	Piraeus Bank SA	713	7,028
Northern Trust Corp.	5,218	280,102	PNC Financial Services Group, Inc.	2,100	81,501
Partners Group Holding AG	1,000	97,174	PrivateBancorp., Inc.	3,200	71,168
Penson Worldwide, Inc.*	2,800	25,060	Prosperity Bancshares, Inc.	4,700	140,201
Prospect Capital Corp.	575	5,290	Raiffeisen International Bank-Holding AG	442	15,350
State Street Corp.	7,600	358,720	Regions Financial Corp.	22,500	90,900
T. Rowe Price Group, Inc.	12,400	516,708	Resona Holdings, Inc.	300	4,205
The Goldman Sachs Group, Inc.	8,600	1,267,984	Royal Bank of Canada	400	16,359
UBS AG (Registered)*	20,113	246,077	Santander BanCorp.*	3,500	24,360
Waddell & Reed Financial, Inc. "A"	4,500	118,665	Skandinaviska Enskilda Banken AB "A"*	1,639	7,204
		5,388,078	Societe Generale	175	9,548
Commercial Banks 1.5%			Southside Bancshares, Inc.	4,825	110,348
1st Source Corp.	800	13,816			
Alpha Bank AE*	8,755	94,602			
Anglo Irish Bank Corp., Ltd.	14,896	4,535			
Australia & New Zealand Banking Group Ltd.	535	7,073			

The accompanying notes are an integral part of the financial statements.

	Shares	Value (\$)		Shares	Value (\$)
Standard Chartered PLC	445	8,381	AXA SA	11,797	223,026
Sumitomo Mitsui Financial Group, Inc.	300	12,132	China Life Insurance Co., Ltd. "H"	64,300	239,083
Sumitomo Trust & Banking Co., Ltd.	1,000	5,383	Chubb Corp.	3,449	137,546
Svenska Handelsbanken AB "A"	554	10,468	Cincinnati Financial Corp.	6,110	136,559
The Bancorp., Inc.*	1,500	9,000	Crawford & Co. "B"*	500	2,400
The Bank of Yokohama Ltd.	1,000	5,326	Fidelity National Financial, Inc. "A"	11,162	151,022
Tompkins Financial Corp.	2,200	105,490	First American Corp.	5,270	136,546
Toronto-Dominion Bank	200	10,332	Hallmark Financial Services, Inc.*	1,900	13,585
Trustmark Corp.	6,000	115,920	HCC Insurance Holdings, Inc.	5,646	135,560
UBI Banca-Unione di Banche Italiane ScpA	348	4,543	Insurance Australia Group Ltd.	1,063	2,981
UniCredit SpA*	7,443	19,069	Loews Corp.	15,900	435,660
United Overseas Bank Ltd.	1,000	10,102	Maiden Holdings Ltd.	5,400	35,424
Wells Fargo & Co.	22,200	538,572	Manulife Financial Corp.	300	5,207
Westamerica Bancorp.	200	9,922	Meadowbrook Insurance Group, Inc.	5,200	33,956
Westpac Banking Corp.	1,076	17,429	MetLife, Inc.	9,518	285,635
Wing Hang Bank Ltd.	18,000	158,704	Mitsui Sumitomo Insurance Group Holdings, Inc.	300	7,823
Wintrust Financial Corp.	5,800	93,264	Muenchener Rueckversicherungs-Gesellschaft AG (Registered)	60	8,115
		4,418,521	Odyssey Re Holdings Corp.	3,753	150,045
Consumer Finance 0.1%			PartnerRe Ltd.	2,123	137,889
Aeon Credit Service Co., Ltd.	5,000	65,096	Power Corp. of Canada	200	4,615
American Express Co.	1,200	27,888	Progressive Corp.*	6,400	96,704
Nelnet, Inc. "A"*	10,400	141,336	Prudential Financial, Inc.	13,100	487,582
ORIX Corp.	50	2,949	Prudential PLC	566	3,851
		237,269	QBE Insurance Group Ltd.	387	6,175
Diversified Financial Services 1.4%			Sampo Oyj "A"	2,713	51,195
Bank of America Corp.	111,571	1,472,737	Sompo Japan Insurance, Inc.	1,000	6,639
Citigroup, Inc.	38,400	114,048	Stewart Information Services Corp.	400	5,700
Compagnie Nationale a Portefeuille	132	6,381	Sun Life Financial, Inc.	100	2,700
Deutsche Boerse AG	127	9,871	Swiss Re (Registered)	190	6,286
Encore Capital Group, Inc.*	2,700	35,775	T&D Holdings, Inc.	100	2,851
Financiere Marc de Lacharriere SA	1,851	101,398	Tokio Marine Holdings, Inc.	300	8,239
Fortis*	81,896	279,217	Topdanmark AS*	86	10,051
Groupe Bruxelles Lambert SA	86	6,298	Trygvesta AS	112	6,608
Hellenic Exchanges SA	6,200	69,143	Validus Holdings Ltd.	3,800	83,524
Hong Kong Exchanges & Clearing Ltd.	700	10,869	Vienna Insurance Group	320	13,908
ING Groep NV (CVA)	22,289	224,341	Zurich Financial Services AG	62	10,975
IntercontinentalExchange, Inc.*	2,700	308,448			4,667,304
Investor AB "B"	600	9,281	Real Estate Investment Trusts 0.5%		
JPMorgan Chase & Co.	35,653	1,216,124	AMB Property Corp. (REIT)	1,200	22,572
Medallion Financial Corp.	1,200	9,180	Annaly Capital Management, Inc. (REIT)	11,900	180,166
MSCI, Inc. "A"*	2,604	63,642	Apartment Investment & Management Co. "A" (REIT)	2,199	19,461
NYSE Euronext	8,212	223,777	AvalonBay Communities, Inc. (REIT)	1,134	63,436
PHH Corp.*	7,600	138,168	BioMed Realty Trust, Inc. (REIT)	4,800	49,104
Pohjola Bank PLC	854	6,830	Boston Properties, Inc. (REIT)	1,200	57,240
Singapore Exchange Ltd.	1,000	4,886	CapitaMall Trust (REIT)	3,000	2,888
		4,310,414	Cogdell Spencer, Inc. (REIT)	3,300	14,157
Insurance 1.6%			Colonial Properties Trust (REIT)	4,600	34,040
Aegon NV	2,462	15,143	Corio NV (REIT)	72	3,510
Alleanza Assicurazioni SpA	737	5,075	Cousins Properties, Inc. (REIT)	3,078	26,163
Allianz SE (Registered)	2,399	221,840	Developers Diversified Realty Corp. (REIT)	8,800	42,944
Allied World Assurance Co. Holdings Ltd.	2,300	93,909	Digital Realty Trust, Inc. (REIT)	1,100	39,435
Allstate Corp.	26,474	645,966	Entertainment Properties Trust (REIT)	2,000	41,200
American Equity Investment Life Holding Co.	14,500	80,910	Equity Residential (REIT)	2,400	53,352
AMP Ltd.	965	3,781	First Industrial Realty Trust, Inc. (REIT)	6,900	30,015
Assicurazioni Generali SpA	354	7,388	Glimcher Realty Trust (REIT)	3,000	8,700
Assurant, Inc.	15,281	368,119	HCP, Inc. (REIT)	1,100	23,309
Assured Guaranty Ltd.	11,000	136,180	Healthcare Realty Trust, Inc. (REIT)	2,100	35,343
Aviva PLC	589	3,328			

The accompanying notes are an integral part of the financial statements.

	Shares	Value (\$)		Shares	Value (\$)
Home Properties, Inc. (REIT)	1,500	51,150	BioMarin Pharmaceutical, Inc.*	2,500	39,025
Hospitality Properties Trust (REIT)	1,900	22,591	Celgene Corp.*	12,200	583,648
Host Hotels & Resorts, Inc. (REIT)	3,600	30,204	CSL Ltd.	2,359	60,971
iStar Financial, Inc. (REIT)	2,800	7,952	Cubist Pharmaceuticals, Inc.*	5,100	93,483
Kilroy Realty Corp. (REIT)	2,100	43,134	Enzon Pharmaceuticals, Inc.*	14,400	113,328
Kimco Realty Corp. (REIT)	3,200	32,160	Gilead Sciences, Inc.*	30,180	1,413,631
LaSalle Hotel Properties (REIT)	3,000	37,020	Grifols SA	15,178	268,440
Lexington Realty Trust (REIT)	5,298	18,013	Intercell AG*	7,536	258,318
Link (REIT)	2,500	5,330	Metabolix, Inc.*	3,500	28,770
Mid-America Apartment Communities, Inc. (REIT)	1,400	51,394	Myriad Genetics, Inc.*	4,300	153,295
National Retail Properties, Inc. (REIT)	2,000	34,700	Myriad Pharmaceuticals, Inc.*	1,825	8,486
Parkway Properties, Inc. (REIT)	2,200	28,600	NPS Pharmaceuticals, Inc.*	6,300	29,358
Pennsylvania Real Estate Investment Trust (REIT)	5,800	29,000	PDL BioPharma, Inc.	16,200	127,980
ProLogis (REIT)	2,900	23,374			3,627,260
Rayonier, Inc. (REIT)	400	14,540	Health Care Equipment & Supplies 0.9%		
Redwood Trust, Inc. (REIT)	3,500	51,660	American Medical Systems Holdings, Inc.*	8,300	131,140
Simon Property Group, Inc. (REIT)	1,668	85,785	Baxter International, Inc.	12,301	651,461
Sovran Self Storage, Inc. (REIT)	1,300	31,980	Becton, Dickinson & Co.	5,555	396,127
Strategic Hotels & Resorts, Inc. (REIT)	4,300	4,773	bioMerieux	54	4,736
Sunstone Hotel Investors, Inc. (REIT)	4,535	24,262	Cochlear Ltd.	210	9,755
Unibail-Rodamco SE (REIT)	59	8,811	Coloplast AS "B"	229	15,778
Vornado Realty Trust (REIT)	2,656	119,600	Edwards Lifesciences Corp.*	7,800	530,634
Washington Real Estate Investment Trust (REIT)	2,500	55,925	Elekta AB "B"	2,000	29,388
Wereldhave NV (REIT)	48	3,577	Essilor International SA	667	31,841
Westfield Group (Units) (REIT)	891	8,116	ev3, Inc.*	700	7,504
		1,570,686	Nobel Biocare Holding AG (Registered)	1,409	30,888
Real Estate Management & Development 0.2%			NxStage Medical, Inc.*	9,800	57,820
AEON Mall Co., Ltd.	5,000	94,610	Olympus Corp.	800	18,799
Brookfield Asset Management, Inc. "A"	300	5,133	Smith & Nephew PLC	1,343	9,957
CapitaLand Ltd.	3,000	7,619	Somanetics Corp.*	6,300	104,013
Cheung Kong (Holdings) Ltd.	1,000	11,438	Sonova Holding AG (Registered)	59	4,802
City Developments Ltd.	1,000	5,903	St. Jude Medical, Inc.*	11,200	460,320
Hang Lung Properties Ltd.	2,000	6,486	Synthes, Inc.	82	7,938
Henderson Land Development Co., Ltd.	1,000	5,682	Terumo Corp.	400	17,608
IMMOEAST AG*	25,882	65,196	Thoratec Corp.*	6,700	179,426
Midland Holdings Ltd.	146,000	87,869	William Demant Holding AS*	249	12,888
Mitsubishi Estate Co., Ltd.	1,000	16,566			2,712,823
Mitsui Fudosan Co., Ltd.	1,000	17,325	Health Care Providers & Services 2.3%		
Soho China	210,000	127,881	Aetna, Inc.	28,700	718,935
Sumitomo Realty & Development Co., Ltd.	5,000	90,951	Alfresa Holdings Corp.	100	4,603
Sun Hung Kai Properties Ltd.	1,000	12,486	Amedisys, Inc.*	3,400	112,268
Swire Pacific Ltd. "A"	1,000	9,960	AMERIGROUP Corp.*	5,300	142,305
The St. Joe Co.*	700	18,543	AmerisourceBergen Corp.	3,600	63,864
Wharf Holdings Ltd.	1,000	4,234	Celesio AG	137	3,149
		587,882	Centene Corp.*	6,600	131,868
Thriffs & Mortgage Finance 0.1%			CorVel Corp.*	1,500	34,155
Astoria Financial Corp.	2,400	20,592	Coventry Health Care, Inc.*	54,200	1,014,082
NASB Financial, Inc.	200	5,720	Diagnosticos da America SA*	5,400	94,800
New York Community Bancorp., Inc.	13,245	141,589	Emergency Medical Services Corp. "A"*	3,100	114,142
People's United Financial, Inc.	8,071	121,388	Express Scripts, Inc.*	12,700	873,125
		289,289	Fresenius Medical Care AG & Co. KGaA	15,380	686,386
Health Care 7.9%			Gentiva Health Services, Inc.*	5,300	87,238
Biotechnology 1.2%			Healthspring, Inc.*	10,500	114,030
Actelion Ltd. (Registered)*	174	9,125	Laboratory Corp. of America Holdings*	4,800	325,392
Amgen, Inc.*	8,300	439,402	LHC Group, Inc.*	5,300	117,713
			Magellan Health Services, Inc.*	4,100	134,562
			McKesson Corp.	9,745	428,780
			Medco Health Solutions, Inc.*	21,701	989,782
			Mediceo Paltac Holdings Co., Ltd.	400	4,577

The accompanying notes are an integral part of the financial statements.

	Shares	Value (\$)
Owens & Minor, Inc.	2,500	109,550
Providence Service Corp.*	1,900	20,805
RehabCare Group, Inc.*	5,100	122,043
Sonic Healthcare Ltd.	1,199	11,870
Suzuken Co., Ltd.	200	5,783
Triple-S Management Corp. "B"*	1,300	20,267
UnitedHealth Group, Inc.	5,800	144,884
WellPoint, Inc.*	6,207	315,874
		6,946,832

Health Care Technology 0.0%

So-net M3, Inc.	18	56,851
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Life Sciences Tools & Services 0.3%

Cambrex Corp.*	3,100	12,772
ICON PLC (ADR)	6,900	148,902
Life Technologies Corp.*	3,100	129,332
Lonza Group AG (Registered)	58	5,761
QIAGEN NV*	9,000	167,049
Thermo Fisher Scientific, Inc.*	8,669	353,435
		817,251

Pharmaceuticals 3.2%

Abbott Laboratories	34,184	1,608,015
Allergan, Inc.	3,800	180,804
Astellas Pharma, Inc.	1,200	42,389
AstraZeneca PLC	2,602	114,585
Bayer AG	4,165	223,644
Bristol-Myers Squibb Co.	6,439	130,776
Caraco Pharmaceutical Laboratories Ltd.*	8,500	26,095
Chugai Pharmaceutical Co., Ltd.	600	11,432
Daiichi Sankyo Co., Ltd.	1,900	33,998
Dainippon Sumitomo Pharma Co., Ltd.	600	5,243
Eisai Co., Ltd.	700	24,907
Eli Lilly & Co.	33,200	1,150,048
Flamel Technologies SA (ADR)*	14,800	103,600
GlaxoSmithKline PLC	9,165	161,392
H. Lundbeck AS	586	11,163
Hisamitsu Pharmaceutical Co., Inc.	200	6,213
Johnson & Johnson	20,382	1,157,698
Kyowa Hakko Kirin Co., Ltd.	1,000	11,278
Matrixx Initiatives, Inc.*	6,000	33,540
Merck & Co., Inc.	32,689	913,984
Merck KGaA	81	8,258
MiddleBrook Pharmaceuticals, Inc.*	40,900	55,215
Mitsubishi Tanabe Pharma Corp.	1,000	11,492
Mylan, Inc.*	19,155	249,973
Novartis AG (Registered)	2,715	110,306
Noven Pharmaceuticals, Inc.*	8,400	120,120
Novo Nordisk AS "B"	4,652	252,846
Ono Pharmaceutical Co., Ltd.	300	13,273
Par Pharmaceutical Companies, Inc.*	8,200	124,230
Pfizer, Inc.	74,100	1,111,500
Roche Holding AG (Genusschein)	998	135,777
Sanofi-Aventis	3,738	219,836
Santen Pharmaceutical Co., Ltd.	300	9,124
Shionogi & Co., Ltd.	1,000	19,318
Shire PLC	975	13,447
Takeda Pharmaceutical Co., Ltd.	2,000	77,713
Teva Pharmaceutical Industries Ltd. (ADR)	12,306	607,178
Tsumura & Co.	200	6,232
Wyeth	11,595	526,297
		9,622,939

Industrials 5.7%

Aerospace & Defense 1.8%

American Science & Engineering, Inc.	1,800	124,416
BAE Systems PLC	3,710	20,709
BE Aerospace, Inc.*	5,400	77,544
Bombardier, Inc. "B"	2,000	5,932
CAE, Inc.	14,000	83,050
Cobham PLC	1,159	3,306
Cubic Corp.	3,400	121,686
DynCorp International, Inc. "A"*	6,300	105,777
European Aeronautic Defence & Space Co.	222	3,598
Finmeccanica SpA	1,335	18,838
General Dynamics Corp.	9,600	531,744
Honeywell International, Inc.	15,480	486,072
Lockheed Martin Corp.	11,500	927,475
Northrop Grumman Corp.	9,400	429,392
Precision Castparts Corp.	1,800	131,454
Raytheon Co.	13,600	604,248
Rockwell Collins, Inc.	11,700	488,241
Rolls-Royce Group PLC*	1,977	11,788
Singapore Technologies Engineering Ltd.	5,000	8,440
Thales SA	71	3,177
United Technologies Corp.	21,110	1,096,876
		5,283,763

Air Freight & Logistics 0.1%

Deutsche Post AG (Registered)	495	6,470
FedEx Corp.	2,900	161,298
TNT NV	588	11,453
Toll Holdings Ltd.	1,903	9,441
United Parcel Service, Inc. "B"	2,400	119,976
		308,638

Airlines 0.1%

Allegiant Travel Co.*	2,000	79,280
Hawaiian Holdings, Inc.*	21,200	127,624
Qantas Airways Ltd.	4,668	7,530
Ryanair Holdings PLC (ADR)*	3,700	105,043
Singapore Airlines Ltd.	1,000	9,162
		328,639

Building Products 0.1%

AAON, Inc.	5,100	101,592
Apogee Enterprises, Inc.	3,700	45,510
Asahi Glass Co., Ltd.	1,000	7,980
Assa Abloy AB "B"	400	5,576
Compagnie de Saint-Gobain	4,909	164,139
Daikin Industries Ltd.	100	3,197
Geberit AG (Registered)*	59	7,272
Wienerberger AG*	5,095	63,342
		398,608

Commercial Services & Supplies 0.4%

Babcock International Group PLC	19,943	158,133
Brambles Ltd.	3,381	16,175
Deluxe Corp.	8,000	102,480
G4S PLC	2,453	8,436
Healthcare Services Group, Inc.	2,600	46,488
R.R. Donnelley & Sons Co.	20,500	238,210
Ritchie Bros. Auctioneers, Inc.	200	4,694
Schawk, Inc.	5,600	42,056
Secom Co., Ltd.	100	4,056
Securitas AB "B"	308	2,621

The accompanying notes are an integral part of the financial statements.

	Shares	Value (\$)		Shares	Value (\$)
Serco Group PLC	18,512	128,614	Austal Ltd.	42,918	96,303
Standard Register Co.	5,100	16,626	Chart Industries, Inc.*	2,700	49,086
Stericycle, Inc.*	9,300	479,229	Danaher Corp.	700	43,218
Tetra Tech, Inc.*	1,200	34,380	Dover Corp.	12,469	412,599
		1,282,198	FANUC Ltd.	100	7,979
Construction & Engineering 0.5%			Gardner Denver, Inc.*	4,400	110,748
ACS, Actividades de Construcción y Servicios SA	358	18,152	Invensys PLC	823	3,034
Aecom Technology Corp.*	6,900	220,800	Joy Global, Inc.	6,600	235,752
Bouygues SA	90	3,385	Komatsu Ltd.	14,900	228,674
Chicago Bridge & Iron Co. NV (NY Registered Shares)	5,400	66,960	Kone Oyj "B"	1,076	33,046
Dycom Industries, Inc.*	10,200	112,914	Kubota Corp.	1,000	8,213
EMCOR Group, Inc.*	3,800	76,456	MAN SE	98	6,027
Fluor Corp.	9,900	507,771	Metso Corp.	910	17,045
Fomento de Construcciones y Contratas SA	89	3,656	Mitsubishi Heavy Industries Ltd.	2,000	8,250
Granite Construction, Inc.	3,100	103,168	Mueller Water Products, Inc. "A"	5,800	21,692
Grupo Ferrovial SA	161	5,181	Parker Hannifin Corp.	7,000	300,720
Koninklijke Boskalis Westminster NV	117	2,653	Sandvik AB	1,158	8,628
Leighton Holdings Ltd.	428	8,058	Scania AB "B"	362	3,603
Skanska AB "B"	600	6,710	Schindler Holding AG	84	5,220
SNC-Lavalin Group, Inc.	300	11,052	SembCorp Marine Ltd.	2,000	3,686
Tutor Perini Corp.*	1,500	26,040	SKF AB "B"	600	7,416
URS Corp.*	5,200	257,504	Timken Co.	19,800	338,184
Vinci SA	266	11,938	Vallourec SA	33	4,012
		1,442,398	Volvo AB "B"	1,115	6,909
			Wartsila Oyj	538	17,379
			Zardoya Otis SA	412	8,611
					2,037,203
Electrical Equipment 0.6%			Marine 0.0%		
ABB Ltd. (Registered)*	12,348	194,364	A P Moller-Maersk AS "A"	2	11,748
Alstom SA	2,125	125,771	A P Moller-Maersk AS "B"	2	12,010
AMETEK, Inc.	21,900	757,302	American Commercial Lines, Inc.*	2,325	35,991
Emerson Electric Co.	18,658	604,519	International Shipholding Corp.	900	24,264
EnerSys*	1,600	29,104	Kuehne & Nagel International AG (Registered)	78	6,123
Gamesa Corp. Tecnologica SA	635	12,055	Mitsui O.S.K. Lines Ltd.	1,000	6,451
Mitsubishi Electric Corp.	1,000	6,292	Nippon Yusen Kabushiki Kaisha	1,000	4,291
Powell Industries, Inc.*	200	7,414			100,878
Prysmian SpA	407	6,131	Professional Services 0.2%		
Renewable Energy Corp. AS*	1,400	10,947	Adecco SA (Registered)	181	7,559
Schneider Electric SA	56	4,283	Bureau Veritas SA	1,171	57,762
SGL Carbon SE*	2,900	89,828	Capita Group PLC	467	5,506
Sumitomo Electric Industries Ltd.	400	4,484	COMSYS IT Partners, Inc.*	2,900	16,965
Vestas Wind Systems AS*	481	34,578	Experian PLC	763	5,718
		1,887,072	FTI Consulting, Inc.*	3,000	152,160
Industrial Conglomerates 0.4%			Manpower, Inc.	6,700	283,678
3M Co.	3,000	180,300	Michael Page International PLC	28,639	112,966
Carlisle Companies, Inc.	5,500	132,220	Randstad Holding NV*	312	8,660
CSR Ltd.	3,192	4,347	SGS SA (Registered)*	7	8,692
General Electric Co.	46,000	539,120			659,666
Hutchison Whampoa Ltd.	6,000	39,004	Road & Rail 0.5%		
Keppel Corp., Ltd.	2,000	9,495	Burlington Northern Santa Fe Corp.	2,400	176,496
Koninklijke (Royal) Philips Electronics NV	2,008	37,131	Canadian National Railway Co.	700	30,073
NWS Holdings Ltd.	3,000	5,400	Canadian Pacific Railway Ltd.	300	11,962
Orkla ASA	4,100	29,868	Central Japan Railway Co.	1	6,144
SembCorp Industries Ltd.	3,000	6,237	CSX Corp.	3,500	121,205
Siemens AG (Registered)	485	33,577	Dollar Thrifty Automotive Group, Inc.*	11,700	163,215
Smiths Group PLC	412	4,768	DSV AS*	754	9,365
Tredeggar Corp.	3,400	45,288	East Japan Railway Co.	200	12,043
		1,066,755	Kintetsu Corp.	1,000	4,406
Machinery 0.7%			Marten Transport Ltd.*	5,200	107,952
Alfa Laval AB	446	4,269	MTR Corp., Ltd.	4,500	13,572
Ampco-Pittsburgh Corp.	2,000	46,900	Norfolk Southern Corp.	17,592	662,691

The accompanying notes are an integral part of the financial statements.

	Shares	Value (\$)		Shares	Value (\$)
Ryder System, Inc.	3,900	108,888	Wincor Nixdorf AG	1,000	56,079
Tokyu Corp.	1,000	5,037			5,276,042
Union Pacific Corp.	3,800	197,828	Electronic Equipment, Instruments & Components 0.9%		
West Japan Railway Co.	1	3,304	Arrow Electronics, Inc.*	26,400	560,736
		1,634,181	Avnet, Inc.*	35,900	754,977
Trading Companies & Distributors 0.2%			Checkpoint Systems, Inc.*	800	12,552
Beacon Roofing Supply, Inc.*	8,700	125,802	Cogent, Inc.*	17,200	184,556
Bunzl PLC	366	3,032	Fujifilm Holdings Corp.	500	15,774
Finning International, Inc.	200	2,889	Hitachi Ltd.	4,000	12,389
Itochu Corp.	1,000	6,907	HOYA Corp.	200	4,005
Marubeni Corp.	1,000	4,418	IBIDEN Co., Ltd.	100	2,793
Mitsubishi Corp.	10,800	198,344	Ingram Micro, Inc. "A"*	3,700	64,750
Mitsui & Co., Ltd.	15,000	176,707	Inspur International Ltd.	575,000	99,142
Noble Group Ltd.	2,000	2,504	Itron, Inc.*	2,900	159,703
Sumitomo Corp.	500	5,056	Jabil Circuit, Inc.	21,300	158,046
WESCO International, Inc.*	800	20,032	Kingboard Chemical Holdings Ltd.	48,500	121,056
Wolseley PLC*	328	6,270	Kyocera Corp.	100	7,502
		551,961	Mercury Computer Systems, Inc.*	2,445	22,616
Transportation Infrastructure 0.1%			Multi-Fineline Electronix, Inc.*	5,300	113,420
Abertis Infraestructuras SA	534	10,058	Murata Manufacturing Co., Ltd.	100	4,238
Atlantia SpA	938	18,983	Nidec Corp.	2,100	126,897
Cintra Concesiones de Infraestructuras de Transporte SA	540	3,358	RadiSys Corp.*	3,000	27,030
Koninlijke Vopak NV	1,765	88,285	Rotork PLC	4,070	55,511
Macquarie Infrastructure Group (Units)	7,473	8,583	SYNNEX Corp.*	4,800	119,952
Transurban Group (Units)	2,803	9,335	TDK Corp.	100	4,674
		138,602	Venture Corp., Ltd.	25,000	119,983
Information Technology 9.0%					2,752,302
Communications Equipment 1.9%			Internet Software & Services 0.5%		
Alcatel-Lucent*	4,531	11,417	Access Co., Ltd.*	13	32,221
Arris Group, Inc.*	11,700	142,272	Art Technology Group, Inc.*	10,000	38,000
Brocade Communications Systems, Inc.*	40,065	313,308	EarthLink, Inc.*	16,300	120,783
Cisco Systems, Inc.*	81,570	1,520,465	Google, Inc. "A"*	1,815	765,186
EchoStar Corp. "A"*	1,600	25,504	Internet Initiative Japan, Inc.	43	66,933
EMS Technologies, Inc.*	3,500	73,150	LogMeIn, Inc.*	600	9,600
Harris Corp.	1,000	28,360	Meetic*	2,668	69,800
Nokia Oyj	12,113	176,773	SAVVIS, Inc.*	7,100	81,366
Nokia Oyj (ADR)	18,360	267,689	United Internet AG (Registered)*	12,000	140,957
Plantronics, Inc.	7,400	139,934	ValueClick, Inc.*	3,000	31,560
QUALCOMM, Inc.	46,930	2,121,236	Web.com Group, Inc.*	2,200	12,386
Research In Motion Ltd.*	8,100	575,531			1,368,792
Riverbed Technology, Inc.*	5,800	134,502	IT Services 0.9%		
Symmetricom, Inc.*	4,500	25,965	Accenture Ltd. "A"	25,210	843,527
Tekelec*	4,700	79,101	Axiom Corp.	10,500	92,715
Telefonaktiebolaget LM Ericsson "B"	18,664	182,558	Atos Origin SA*	177	6,009
		5,817,765	Automatic Data Processing, Inc.	8,500	301,240
Computers & Peripherals 1.8%			Broadridge Financial Solutions, Inc.	1,400	23,212
Apple, Inc.*	16,000	2,278,880	Cap Gemini SA	342	12,632
Compal Electronics, Inc.	98,000	79,214	CGI Group, Inc. "A"*	600	5,334
EMC Corp.*	48,930	640,983	CIBER, Inc.*	11,100	34,410
Fujitsu Ltd.	1,000	5,419	Computer Sciences Corp.*	3,900	172,770
Hewlett-Packard Co.	10,300	398,095	Convergys Corp.*	3,300	30,624
International Business Machines Corp.	11,140	1,163,239	CSG Systems International, Inc.*	8,100	107,244
NEC Corp.*	1,000	3,904	DST Systems, Inc.*	800	29,560
Seagate Technology	22,400	234,304	Fidelity National Information Services, Inc.	3,700	73,852
Synaptics, Inc.*	3,500	135,275	Global Cash Access Holdings, Inc.*	16,400	130,544
Teradata Corp.*	700	16,401	iGATE Corp.	5,200	34,424
Toshiba Corp.	2,000	7,199	Indra Sistemas SA	724	15,685
Western Digital Corp.*	9,700	257,050	ManTech International Corp. "A"*	2,200	94,688
			NeuStar, Inc. "A"*	1,400	31,024
			NTT Data Corp.	1	3,225
			SAIC, Inc.*	23,900	443,345
			Syntel, Inc.	300	9,432

The accompanying notes are an integral part of the financial statements.

	Shares	Value (\$)		Shares	Value (\$)
TNS, Inc.*	5,800	108,750	Celanese Corp. "A"	9,600	228,000
Western Union Co.	5,100	83,640	Dow Chemical Co.	13,500	217,890
Wright Express Corp.*	4,800	122,256	Eastman Chemical Co.	1,500	56,850
		2,810,142	Ecolab, Inc.	13,350	520,517
Office Electronics 0.1%			GenTek, Inc.*	200	4,466
Canon, Inc.	6,700	218,065	Givaudan SA (Registered)*	8	4,901
Konica Minolta Holdings, Inc.	500	5,195	Innophos Holdings, Inc.	5,500	92,895
Neopost SA	90	8,093	JSR Corp.	200	3,408
Ricoh Co., Ltd.	1,000	12,810	K+S AG	104	5,859
		244,163	Koninklijke DSM NV	486	15,227
Semiconductors & Semiconductor Equipment 1.0%			Koppers Holdings, Inc.	1,600	42,192
ARM Holdings PLC	63,795	126,034	Kuraray Co., Ltd.	500	5,542
ASML Holding NV	2,442	52,968	Linde AG	1,970	161,963
Broadcom Corp. "A"*	27,340	677,759	Lumena Resources Corp.*	162,000	48,077
Intel Corp.	44,300	733,165	Mitsubishi Chemical Holdings Corp.	1,000	4,219
Lam Research Corp.*	2,100	54,600	Mitsubishi Gas Chemical Co., Inc.	1,000	5,438
NVE Corp.*	410	19,926	Mitsui Chemicals, Inc.	1,000	3,185
NVIDIA Corp.*	18,400	207,736	Monsanto Co.	10,800	802,872
ROHM Co., Ltd.	100	7,263	NewMarket Corp.	1,700	114,461
Semtech Corp.*	7,900	125,689	Nitto Denko Corp.	200	6,060
Siliconware Precision Industries Co.	83,000	95,550	Omnova Solutions, Inc.*	1,300	4,238
Skyworks Solutions, Inc.*	14,400	140,832	Potash Corp. of Saskatchewan, Inc.	101	9,401
STMicroelectronics NV	1,889	14,171	Praxair, Inc.	7,396	525,634
Tessera Technologies, Inc.*	5,400	136,566	Shin-Etsu Chemical Co., Ltd.	400	18,474
Texas Instruments, Inc.	18,000	383,400	Showa Denko KK	2,000	3,569
Tokyo Electron Ltd.	100	4,803	Solvay SA	487	41,089
Volterra Semiconductor Corp.*	300	3,942	Spartech Corp.	5,500	50,545
Zoran Corp.*	11,100	120,990	Stepan Co.	1,800	79,488
		2,905,394	Sumitomo Chemical Co., Ltd.	2,000	8,965
Software 1.9%			Syngenta AG (Registered)	156	36,225
Adobe Systems, Inc.*	14,150	400,445	The Mosaic Co.	10,300	456,290
ANSYS, Inc.*	1,200	37,392	Toray Industries, Inc.	2,000	10,156
Autonomy Corp. PLC*	1,729	40,968	Umicore	1,053	23,984
Dassault Systemes SA	101	4,466	Yara International ASA	1,560	43,687
i2 Technologies, Inc.*	9,300	116,715			5,137,377
Intuit, Inc.*	12,400	349,184	Construction Materials 0.1%		
Microsoft Corp.	123,219	2,928,916	CRH PLC	12,847	294,385
Nintendo Co., Ltd.	600	165,122	Holcim Ltd. (Registered)	340	19,367
Norkom Group PLC*	26,825	38,731	Imerys SA*	73	3,068
Oracle Corp.	41,800	895,356	Lafarge SA*	210	14,258
Renaissance Learning, Inc.	1,500	13,815	Martin Marietta Materials, Inc.	600	47,328
S1 Corp.*	12,300	84,870			378,406
SAP AG	1,130	45,557	Containers & Packaging 0.3%		
Software AG	1,115	79,064	AEP Industries, Inc.*	800	21,112
Square Enix Holdings Co., Ltd.	5,200	121,765	Bway Holding Co.*	4,700	82,391
Symantec Corp.*	6,000	93,360	Owens-Illinois, Inc.*	8,800	246,488
The Sage Group PLC	12,871	37,800	Rock-Tenn Co. "A"	3,600	137,376
Tyler Technologies, Inc.*	6,800	106,216	Sonoco Products Co.	16,859	403,773
VanceInfo Technologies, Inc. (ADR)*	6,100	90,097	Toyo Seikan Kaisha Ltd.	300	6,322
Websense, Inc.*	7,000	124,880			897,462
		5,774,719	Metals & Mining 0.9%		
Materials 3.3%			Agnico-Eagle Mines Ltd.	100	5,268
Chemicals 1.7%			Anglo American PLC	683	19,930
Agrium, Inc.	100	3,993	ArcelorMittal	8,967	294,491
Air Liquide SA	246	22,526	Barrick Gold Corp.	14,000	348,963
Air Products & Chemicals, Inc.	9,819	634,209	BHP Billiton Ltd.	10,461	286,709
Airgas, Inc.	2,000	81,060	BHP Billiton PLC	964	21,775
Akzo Nobel NV	800	35,204	Cliffs Natural Resources, Inc.	28,800	704,736
Asahi Kasei Corp.	1,000	5,067	Goldcorp, Inc.	300	10,428
Ashland, Inc.	17,200	482,460	JFE Holdings, Inc.	600	20,040
BASF SE	4,552	181,563	Kinross Gold Corp.	17,035	309,216
C. Uyemura & Co., Ltd.	1,100	35,528	Kobe Steel Ltd.	3,000	5,544

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	Shares	Value (\$)		Shares	Value (\$)
Mitsubishi Materials Corp.	3,000	9,323	KDDI Corp.	12	63,621
Newcrest Mining Ltd.	264	6,469	Millicom International Cellular SA (SDR)*	181	10,259
Nippon Steel Corp.	6,000	22,883	Mobistar SA	682	42,097
Nisshin Steel Co., Ltd.	1,000	2,224	NII Holdings, Inc.*	1,500	28,605
Norsk Hydro ASA*	6,800	35,084	NTT DoCoMo, Inc.	65	94,935
Outokumpu Oyj	788	13,648	Rogers Communications, Inc. "B"	1,000	25,706
Rautaruukki Oyj	565	11,299	Softbank Corp.	3,200	62,144
Rio Tinto Ltd.	114	4,771	United States Cellular Corp.*	3,900	149,955
Rio Tinto PLC	422	14,691	USA Mobility, Inc.	9,300	118,668
SSAB AB "A"	1,243	14,471	Vodafone Group PLC	146,066	282,342
SSAB AB "B"	629	6,772	Vodafone Group PLC (ADR)	15,598	304,005
Stillwater Mining Co.*	3,200	18,272			1,861,829
Sumitomo Metal Industries Ltd.	5,000	13,205			
Sumitomo Metal Mining Co., Ltd.	1,000	14,062			
Teck Resources Ltd. "B"*	324	5,167			
ThyssenKrupp AG	248	6,179			
voestalpine AG	5,600	153,642			
Xstrata PLC	24,039	265,124			
Yamana Gold, Inc.	300	2,667			
		2,647,053			
Paper & Forest Products 0.3%			Utilities 3.0%		
Clearwater Paper Corp.*	1,914	48,405	Electric Utilities 2.2%		
Glatfelter	12,700	113,030	Acciona SA	55	6,761
Holmen AB "B"	286	6,248	Allegheny Energy, Inc.	25,273	648,253
International Paper Co.	35,400	535,602	American Electric Power Co., Inc.	23,235	671,259
OJI Paper Co., Ltd.	1,000	4,292	Cheung Kong Infrastructure Holdings Ltd.	1,000	3,488
Schweitzer-Mauduit International, Inc.	2,600	70,746	Chubu Electric Power Co., Inc.	1,500	34,674
Stora Enso Oyj "R"*	3,519	18,570	Chugoku Electric Power Co., Inc.	700	14,613
Svenska Cellulosa AB "B"	3,865	40,673	CLP Holdings Ltd.	5,000	33,200
UPM-Kymmene Oyj	3,114	27,140	Duke Energy Corp.	29,739	433,892
		864,706	E.ON AG	6,878	244,130
Telecommunication Services 2.5%			Edison International	12,300	386,958
Diversified Telecommunication Services 1.9%			EDP — Energias de Portugal SA	9,124	35,799
AT&T, Inc.	103,290	2,565,723	Electricite de France	3,227	157,361
Atlantic Tele-Network, Inc.	1,800	70,722	Enel SpA	9,954	48,493
BCE, Inc.	1,600	33,014	Entergy Corp.	4,577	354,809
Belgacom SA	3,359	107,384	Exelon Corp.	19,185	982,464
BT Group PLC	9,801	16,408	FirstEnergy Corp.	10,765	417,144
Cable & Wireless PLC	3,199	7,021	Fortis, Inc.	1,200	26,215
Deutsche Telekom AG (ADR)	26,041	307,284	Fortum Oyj	13,082	298,395
Deutsche Telekom AG (Registered)	26,407	312,092	FPL Group, Inc.	12,092	687,551
France Telecom SA	6,062	137,730	Hokkaido Electric Power Co., Inc.	600	11,235
Iliad SA	58	5,634	Hokuriku Electric Power Co.	500	11,429
Koninklijke (Royal) KPN NV	11,130	153,325	Hongkong Electric Holdings Ltd.	3,000	16,707
Nippon Telegraph & Telephone Corp.	2,100	85,445	Iberdrola SA	3,697	30,067
Portugal Telecom SGPS SA (Registered)	599	5,866	Kansai Electric Power Co., Inc.	1,800	39,723
Singapore Telecommunications Ltd.	37,000	76,351	Kyushu Electric Power Co., Inc.	800	17,218
Swisscom AG (Registered)	498	152,961	MGE Energy, Inc.	1,100	36,905
Tele2 AB "B"	1,008	10,211	NV Energy, Inc.	31,400	338,806
Telecom Italia SpA	75,041	103,932	Red Electrica Corporacion SA	128	5,791
Telecom Italia SpA (RSP)	44,063	43,325	Scottish & Southern Energy PLC	1,114	20,915
Telefonica SA	14,981	339,694	Shikoku Electric Power Co., Inc.	500	14,926
Telenor ASA*	9,000	69,478	Southern Co.	11,019	343,352
TeliaSonera AB	6,311	33,197	SP Ausnet	35,313	21,850
Telstra Corp., Ltd.	29,444	80,340	Terna-Rete Elettrica Nazionale SpA	3,428	11,433
Telus Corp.	100	2,652	Tohoku Electric Power Co., Inc.	1,000	20,901
Telus Corp. (Non-Voting Shares)	200	5,158	Tokyo Electric Power Co., Inc.	3,000	77,112
Verizon Communications, Inc.	27,792	854,048			6,503,829
		5,578,995	Gas Utilities 0.1%		
Wireless Telecommunication Services 0.6%			Chesapeake Utilities Corp.	900	29,277
American Tower Corp. "A"*	13,600	428,808	Enagas	311	6,122
China Mobile Ltd.	25,000	250,684	Gas Natural SDG SA	302	5,501
			Hong Kong & China Gas Co., Ltd.	10,500	22,069
			New Jersey Resources Corp.	3,800	140,752
			Northwest Natural Gas Co.	1,000	44,320
			ONEOK, Inc.	4,000	117,960
			Osaka Gas Co., Ltd.	5,000	15,958
			Snam Rete Gas SpA	3,613	15,893
			Toho Gas Co., Ltd.	1,000	4,062

The accompanying notes are an integral part of the financial statements.

	Shares	Value (\$)
Tokyo Gas Co., Ltd.	5,000	17,875
		419,789
Independent Power Producers & Energy Traders 0.2%		
Drax Group PLC	680	4,922
EDP Renovaveis SA*	829	8,504
Electric Power Development Co., Ltd.	400	11,335
Iberdrola Renovables SA*	1,405	6,430
International Power PLC	2,098	8,237
Mirant Corp.*	10,100	158,974
NRG Energy, Inc.*	11,000	285,560
TransAlta Corp.	1,100	21,099
		505,061
Multi-Utilities 0.5%		
A2A SpA	2,094	3,830
AGL Energy Ltd.	13,204	142,392
Canadian Utilities Ltd. "A"	700	22,839
Centrica PLC	5,814	21,365
CH Energy Group, Inc.	1,600	74,720
Dominion Resources, Inc.	3,100	103,602
GDF Suez	759	28,354
National Grid PLC	2,563	23,116
NiSource, Inc.	8,700	101,442
PG&E Corp.	16,590	637,720
RWE AG	210	16,578
Sempra Energy	3,100	153,853
Suez Environnement SA	342	5,997
United Utilities Group PLC	779	6,380
Veolia Environnement	237	7,002
		1,349,190
Water Utilities 0.0%		
California Water Service Group	2,900	106,836
Severn Trent PLC	213	3,841
		110,677
Total Common Stocks (Cost \$159,814,457)		165,291,835

Preferred Stocks 0.0%

Consumer Discretionary 0.0%

Porsche Automobil Holding SE	50	3,360
Volkswagen AG	62	4,338
		7,698

Consumer Staples 0.0%

Henkel AG & Co. KGaA	1,933	60,396
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Health Care 0.0%

Fresenius SE	134	7,241
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Total Preferred Stocks (Cost \$113,288)		75,335
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Convertible Preferred Stocks 0.0%

Consumer Discretionary

ION Media Networks, Inc., 144A, 12.0%* (Cost \$8,344)	60,000	0
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Rights 0.0%

Consumer Staples 0.0%

Casino Guichard-Perrachon SA, Expiration Date 7/10/2009*	82	316
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Financials 0.0%

Fortis, Expiration Date 7/4/2014*	6,275	0
UBI Banca-Unione di Banche Italiane ScpA, Expiration Date 7/3/2009*	348	24
		24

Industrials 0.0%

Renewable Energy Corp. AS, Expiration Date 7/13/2009*	482	1,724
Total Rights (Cost \$2,135)		2,064

Warrants 0.0%

Financials

New ASAT (Finance) Ltd., Expiration Date 2/1/2011*	24,700	1,387
UBI Banca — Unione di Banche Italiane ScpA, Expiration Date 6/30/2011*	685	911
		2,298

Materials

Ashland, Inc., Expiration Date 3/31/2029* (Cost \$30,283)	170	0
Total Warrants (Cost \$30,283)		2,298

Exchange-Traded Funds 5.3%

iShares Barclays Aggregate Bond Fund	63,995	6,537,089
iShares MSCI Japan Index Fund	46,074	434,478
Vanguard Emerging Markets	281,908	8,970,314
Total Exchange-Traded Funds (Cost \$12,743,118)		15,941,881

Closed-End-Investment Company 0.0%

Financials

Apollo Investment Corp. (Cost \$44,002)	8,800	52,799
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	Principal Amount \$(a)	Value (\$)
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Corporate Bonds 9.3%

Consumer Discretionary 1.2%

AMC Entertainment, Inc.:		
8.0%, 3/1/2014	35,000	29,837
144A, 8.75%, 6/1/2019	35,000	32,900
American Achievement Corp., 144A, 8.25%, 4/1/2012	15,000	14,025
American Achievement Group Holding Corp., 16.75%, 10/1/2012 (PIK)	24,453	6,602
Ameristar Casinos, Inc., 144A, 9.25%, 6/1/2014	25,000	25,500
Asbury Automotive Group, Inc.:		
7.625%, 3/15/2017	35,000	24,850
8.0%, 3/15/2014	15,000	12,450
British Sky Broadcasting Group PLC, 144A, 9.5%, 11/15/2018	500,000	597,606
CanWest MediaWorks LP, 144A, 9.25%, 8/1/2015**	25,000	2,500
Carrols Corp., 9.0%, 1/15/2013	15,000	14,062
Cox Communications, Inc., 7.125%, 10/1/2012	300,000	322,487

The accompanying notes are an integral part of the financial statements.

	Principal Amount \$(a)	Value (\$)		Principal Amount \$(a)	Value (\$)
CSC Holdings, Inc., 6.75%, 4/15/2012	25,000	24,125	Travelport LLC: 5.293%***, 9/1/2014	20,000	10,900
DirecTV Holdings LLC, 7.625%, 5/15/2016	70,000	68,075	9.875%, 9/1/2014	5,000	3,325
DISH DBS Corp.: 6.625%, 10/1/2014	40,000	36,900	Trump Entertainment Resorts, Inc., 8.5%, 6/1/2015**	5,000	619
7.125%, 2/1/2016	35,000	32,637	United Components, Inc., 9.375%, 6/15/2013	5,000	3,175
Dollarama Group Holdings LP, 7.468%***, 8/15/2012 (b)	24,000	22,200	Unity Media GmbH, 144A, 8.75%, 2/15/2015 EUR	50,000	68,564
Expedia, Inc., 7.456%, 8/15/2018	20,000	19,000	Vertis, Inc., 13.5%, 4/1/2014 (PIK)	35,028	175
Fontainebleau Las Vegas Holdings LLC, 144A, 11.0%, 6/15/2015**	25,000	938	Viacom, Inc., 6.875%, 4/30/2036	300,000	276,393
Fortune Brands, Inc.: 5.375%, 1/15/2016	170,000	155,947	WMG Acquisition Corp., 144A, 9.5%, 6/15/2016	20,000	19,900
6.375%, 6/15/2014	130,000	129,260	Young Broadcasting, Inc., 8.75%, 1/15/2014**	130,000	325
Goodyear Tire & Rubber Co., 10.5%, 5/15/2016	10,000	10,100	Yum! Brands, Inc., 6.875%, 11/15/2037	300,000	302,400
Great Canadian Gaming Corp., 144A, 7.25%, 2/15/2015	30,000	26,400			3,589,428
Group 1 Automotive, Inc., 8.25%, 8/15/2013	15,000	12,675	Consumer Staples 1.0%		
Hertz Corp., 8.875%, 1/1/2014	55,000	50,600	Alliance One International, Inc., 8.5%, 5/15/2012	15,000	14,813
Idearc, Inc., 8.0%, 11/15/2016**	55,000	1,444	Altria Group, Inc., 9.25%, 8/6/2019	125,000	140,364
Indianapolis Downs LLC, 144A, 11.0%, 11/1/2012	20,000	15,500	Anheuser-Busch InBev Worldwide, Inc., 144A, 7.75%, 1/15/2019	500,000	546,828
Isle of Capri Casinos, Inc., 7.0%, 3/1/2014	17,000	13,685	ConAgra Foods, Inc., 7.0%, 4/15/2019	200,000	219,256
Kabel Deutschland GmbH, 10.625%, 7/1/2014	75,000	77,344	CVS Caremark Corp., 6.25%, 6/1/2027	750,000	761,279
Lamar Media Corp., Series C, 6.625%, 8/15/2015	20,000	16,900	Delhaize America, Inc., 8.05%, 4/15/2027	30,000	30,826
MTR Gaming Group, Inc., Series B, 9.75%, 4/1/2010	40,000	38,300	Dr. Pepper Snapple Group, Inc., 6.12%, 5/1/2013	200,000	207,048
Norcraft Holdings LP, 9.75%, 9/1/2012	80,000	74,800	General Nutrition Centers, Inc., 6.404%***, 3/15/2014 (PIK)	15,000	12,000
Penske Automotive Group, Inc., 7.75%, 12/15/2016	50,000	40,375	Ingles Markets, Inc., 144A, 8.875%, 5/15/2017	10,000	9,850
Pinnacle Entertainment, Inc., 8.75%, 10/1/2013	20,000	20,100	Kroger Co., 6.15%, 1/15/2020	500,000	510,866
Quebecor Media, Inc., 7.75%, 3/15/2016	20,000	18,125	North Atlantic Trading Co., 144A, 10.0%, 3/1/2012	108,750	43,500
Quebecor World, Inc., 144A, 9.75%, 1/15/2015**	25,000	2,250	Safeway, Inc., 7.45%, 9/15/2027	130,000	137,187
Reader's Digest Association, Inc., 9.0%, 2/15/2017	25,000	1,125	SUPERVALU, Inc., 8.0%, 5/1/2016	30,000	29,100
Sabre Holdings Corp., 8.35%, 3/15/2016	25,000	16,500	Viskase Companies, Inc., 11.5%, 6/15/2011	480,000	350,400
Seminole Hard Rock Entertainment, Inc., 144A, 3.129%***, 3/15/2014	30,000	20,700			3,013,317
Shingle Springs Tribal Gaming Authority, 144A, 9.375%, 6/15/2015	25,000	15,000	Energy 1.3%		
Simmons Co., Step-up Coupon, 0% to 12/15/2009, 10.0% to 12/15/2014	105,000	14,700	Atlas Energy Resources LLC, 144A, 10.75%, 2/1/2018	55,000	51,838
Sonic Automotive, Inc., Series B, 8.625%, 8/15/2013	30,000	21,000	Belden & Blake Corp., 8.75%, 7/15/2012	130,000	105,300
Starwood Hotels & Resorts Worldwide, Inc., 7.875%, 10/15/2014	20,000	18,800	Bristow Group, Inc., 7.5%, 9/15/2017	30,000	27,225
TCI Communications, Inc., 8.75%, 8/1/2015	135,000	153,864	Chaparral Energy, Inc., 8.5%, 12/1/2015	40,000	24,800
Time Warner Cable, Inc.: 6.75%, 6/15/2039	175,000	170,326	Chesapeake Energy Corp.: 6.25%, 1/15/2018	20,000	16,600
8.25%, 2/14/2014	300,000	336,268	6.875%, 1/15/2016	90,000	79,425
Time Warner, Inc., 5.875%, 11/15/2016	147,000	144,870	7.5%, 6/15/2014	10,000	9,475
			ConocoPhillips, 6.0%, 1/15/2020	200,000	214,141
			DCP Midstream LLC, 144A, 9.75%, 3/15/2019	400,000	445,897
			Devon Energy Corp., 5.625%, 1/15/2014	375,000	395,072
			El Paso Corp., 7.25%, 6/1/2018	20,000	18,466
			Enterprise Products Operating LLP, Series L, 6.3%, 9/15/2017	190,000	190,942
			Forest Oil Corp., 7.25%, 6/15/2019	15,000	13,425

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	Principal Amount \$(a)	Value (\$)		Principal Amount \$(a)	Value (\$)
Frontier Oil Corp., 6.625%, 10/1/2011	20,000	19,500	Citigroup, Inc.:		
Hess Corp., 8.125%, 2/15/2019	200,000	227,691	5.0%, 9/15/2014	30,000	25,150
KCS Energy, Inc., 7.125%, 4/1/2012	105,000	98,962	6.125%, 5/15/2018	350,000	306,131
Kinder Morgan Energy Partners LP:			6.5%, 8/19/2013	10,000	9,714
5.625%, 2/15/2015	52,000	52,557	8.5%, 5/22/2019	174,000	177,000
7.3%, 8/15/2033	360,000	345,801	Conproca SA de CV, REG S, 12.0%, 6/16/2010	193,185	199,463
Linn Energy LLC, 144A, 11.75%, 5/15/2017	35,000	34,038	Deutsche Telekom International Finance BV:		
Marathon Oil Corp., 7.5%, 2/15/2019	190,000	207,376	4.875%, 7/8/2014	60,000	60,389
Mariner Energy, Inc.:			6.0%, 7/8/2019	380,000	383,382
7.5%, 4/15/2013	25,000	22,750	Ford Motor Credit Co., LLC:		
8.0%, 5/15/2017	20,000	16,600	7.25%, 10/25/2011	155,000	134,065
Newfield Exploration Co., 7.125%, 5/15/2018	40,000	36,350	7.875%, 6/15/2010	55,000	52,243
ONEOK Partners LP, 8.625%, 3/1/2019	440,000	492,090	9.875%, 8/10/2011	90,000	83,255
OPTI Canada, Inc.:			General Electric Capital Corp., Series A, 5.25%, 10/19/2012	550,000	565,387
7.875%, 12/15/2014	35,000	22,663	GMAC LLC:		
8.25%, 12/15/2014	70,000	46,200	144A, 6.875%, 9/15/2011	132,000	115,500
Petrohawk Energy Corp., 7.875%, 6/1/2015	15,000	13,875	144A, 7.75%, 1/19/2010	180,000	175,500
Plains Exploration & Production Co., 7.0%, 3/15/2017	15,000	13,125	Hexion US Finance Corp., 9.75%, 11/15/2014	20,000	9,000
Quicksilver Resources, Inc., 7.125%, 4/1/2016	70,000	54,600	Inmarsat Finance II PLC, 10.375%, 11/15/2012	30,000	31,050
Regency Energy Partners LP, 8.375%, 12/15/2013	31,000	29,915	iPayment, Inc., 9.75%, 5/15/2014	25,000	13,500
Stone Energy Corp.:			Jefferson-Pilot Corp., 4.75%, 1/30/2014	40,000	35,295
6.75%, 12/15/2014	40,000	25,200	JPMorgan Chase & Co.:		
8.25%, 12/15/2011	75,000	61,500	4.65%, 6/1/2014	220,000	219,420
Talisman Energy, Inc., 7.75%, 6/1/2019	72,000	79,761	6.3%, 4/23/2019	350,000	352,038
Tesoro Corp., 6.5%, 6/1/2017	25,000	21,375	MetLife, Inc.:		
TransCanada PipeLines Ltd., 7.625%, 1/15/2039	140,000	163,394	6.75%, 6/1/2016	113,000	115,040
Whiting Petroleum Corp., 7.25%, 5/1/2012	50,000	47,875	7.717%, 2/15/2019	250,000	267,409
Williams Companies, Inc., 8.125%, 3/15/2012	85,000	88,090	Morgan Stanley:		
		3,813,894	Series F, 6.625%, 4/1/2018	225,000	224,304
			7.3%, 5/13/2019	130,000	134,803
			New ASAT (Finance) Ltd., 9.25%, 2/1/2011**	95,000	119
			Orascom Telecom Finance SCA, 144A, 7.875%, 2/8/2014	100,000	84,500
			PNC Bank NA, 6.875%, 4/1/2018	300,000	296,574
			Principal Financial Group, Inc., 7.875%, 5/15/2014	315,000	331,850
			Prudential Financial, Inc.:		
			Series B, 5.1%, 9/20/2014	100,000	94,482
			7.375%, 6/15/2019	30,000	29,455
			Qwest Capital Funding, Inc., 7.0%, 8/3/2009	25,000	25,000
			Rainbow National Services LLC, 144A, 10.375%, 9/1/2014	4,000	4,145
			Simon Property Group LP, (REIT), 6.75%, 5/15/2014	70,000	70,336
			Sprint Capital Corp.:		
			7.625%, 1/30/2011	20,000	19,775
			8.375%, 3/15/2012	80,000	78,800
			Telecom Italia Capital SA:		
			5.25%, 11/15/2013	200,000	196,118
			6.175%, 6/18/2014	80,000	80,902
			7.175%, 6/18/2019	70,000	70,959
			Telefonica Emisiones SAU, 5.877%, 7/15/2019 (c)	90,000	92,789
			The Goldman Sachs Group, Inc.:		
			6.0%, 5/1/2014	105,000	109,584
			6.15%, 4/1/2018	400,000	389,431
			Tropicana Entertainment LLC, 9.625%, 12/15/2014**	75,000	656

The accompanying notes are an integral part of the financial statements.

	Principal Amount \$(a)	Value (\$)
UCI Holdco, Inc., 8.629%***, 12/15/2013 (PIK)	36,641	8,061
Universal City Development Partners Ltd., 11.75%, 4/1/2010	125,000	119,062
Verizon Wireless Capital LLC, 144A, 7.375%, 11/15/2013	250,000	279,627
Virgin Media Finance PLC, 8.75%, 4/15/2014	65,000	63,375
Wachovia Corp., Series G, 5.5%, 5/1/2013	470,000	485,512
Wind Acquisition Finance SA, 144A, 9.75%, 12/1/2015	55,000	74,842
		8,343,107

Health Care 0.5%

Boston Scientific Corp., 6.0%, 6/15/2011	25,000	24,937
Community Health Systems, Inc., 8.875%, 7/15/2015	120,000	117,600
Express Scripts, Inc.: 6.25%, 6/15/2014 7.25%, 6/15/2019	100,000 30,000	105,811 33,082
HCA, Inc.: 144A, 8.5%, 4/15/2019 9.125%, 11/15/2014 9.25%, 11/15/2016 9.625%, 11/15/2016 (PIK)	10,000 35,000 130,000 42,000	9,800 34,650 128,050 41,580
HEALTHSOUTH Corp., 10.75%, 6/15/2016	20,000	20,100
IASIS Healthcare LLC, 8.75%, 6/15/2014	30,000	29,400
McKesson Corp., 7.5%, 2/15/2019	125,000	140,769
Medco Health Solutions, Inc., 7.125%, 3/15/2018	300,000	315,923
Merck & Co., Inc.: 5.0%, 6/30/2019 5.85%, 6/30/2039	133,000 29,000	134,666 29,791
Quest Diagnostics, Inc., 6.95%, 7/1/2037	90,000	90,442
Surgical Care Affiliates, Inc., 144A, 8.875%, 7/15/2015 (PIK)	30,000	23,100
The Cooper Companies, Inc., 7.125%, 2/15/2015	45,000	41,962
Valeant Pharmaceuticals International, 144A, 8.375%, 6/15/2016	15,000	14,888
Vanguard Health Holding Co. I, LLC, Step-up Coupon, 0% to 10/1/2009, 11.25% to 10/1/2015	25,000	24,375
Vanguard Health Holding Co. II, LLC, 9.0%, 10/1/2014	75,000	71,812
		1,432,738

Industrials 0.4%

Actuant Corp., 6.875%, 6/15/2017	20,000	18,200
ARAMARK Corp., 8.5%, 2/1/2015	10,000	9,700
BE Aerospace, Inc., 8.5%, 7/1/2018	50,000	47,125
Belden, Inc., 7.0%, 3/15/2017	25,000	22,125
Bombardier, Inc., 144A, 6.3%, 5/1/2014	100,000	87,500
Browning-Ferris Industries, Inc., 7.4%, 9/15/2035	10,000	9,364
Cenveo Corp., 144A, 10.5%, 8/15/2016	10,000	7,500
Congoleum Corp., 8.625%, 8/1/2008**	190,000	57,000
Corrections Corp. of America, 7.75%, 6/1/2017	10,000	9,850

	Principal Amount \$(a)	Value (\$)
Esco Corp., 144A, 8.625%, 12/15/2013	35,000	30,275
Great Lakes Dredge & Dock Co., 7.75%, 12/15/2013	20,000	17,150
K. Hovnanian Enterprises, Inc., 8.875%, 4/1/2012	25,000	15,500
Kansas City Southern de Mexico SA de CV: 7.375%, 6/1/2014 7.625%, 12/1/2013 9.375%, 5/1/2012	20,000 185,000 60,000	16,800 159,100 57,000
Mobile Mini, Inc., 9.75%, 8/1/2014	25,000	23,937
Navios Maritime Holdings, Inc., 9.5%, 12/15/2014	35,000	28,700
Owens Corning, Inc., 9.0%, 6/15/2019	10,000	9,700
R.H. Donnelley Corp., Series A-4, 8.875%, 10/15/2017**	75,000	3,844
RBS Global & Rexnord Corp., 9.5%, 8/1/2014	20,000	17,100
Titan International, Inc., 8.0%, 1/15/2012	85,000	76,925
TransDigm, Inc., 7.75%, 7/15/2014	15,000	14,250
United Rentals North America, Inc.: 6.5%, 2/15/2012 7.0%, 2/15/2014 144A, 10.875%, 6/15/2016	15,000 65,000 35,000	14,550 53,137 33,600
US Concrete, Inc., 8.375%, 4/1/2014	30,000	19,650
Waste Management, Inc., 6.375%, 3/11/2015	320,000	331,534
		1,191,116

Information Technology 0.1%

Alcatel-Lucent USA, Inc., 6.45%, 3/15/2029	30,000	17,025
L-3 Communications Corp.: 5.875%, 1/15/2015 Series B, 6.375%, 10/15/2015	80,000 35,000	71,000 31,763
MasTec, Inc., 7.625%, 2/1/2017	35,000	30,319
Oracle Corp.: 3.75%, 7/8/2014 (c) 5.0%, 7/8/2019 (c)	85,000 140,000	85,038 139,369
SunGard Data Systems, Inc., 10.25%, 8/15/2015	70,000	64,662
Vangent, Inc., 9.625%, 2/15/2015	15,000	12,450
		451,626

Materials 0.4%

Appleton Papers, Inc., Series B, 8.125%, 6/15/2011	15,000	9,750
ARCO Chemical Co., 9.8%, 2/1/2020**	195,000	61,425
Cascades, Inc., 7.25%, 2/15/2013	12,000	10,470
CPG International I, Inc., 10.5%, 7/1/2013	50,000	28,000
Crown Americas LLC, 144A, 7.625%, 5/15/2017	10,000	9,650
Domtar Corp., 10.75%, 6/1/2017	20,000	19,200
Dow Chemical Co., 8.55%, 5/15/2019	20,000	20,036
Exopack Holding Corp., 11.25%, 2/1/2014	80,000	65,600
Freeport-McMoRan Copper & Gold, Inc.: 8.25%, 4/1/2015 8.375%, 4/1/2017	65,000 120,000	65,650 120,900
GEO Specialty Chemicals, Inc.: 144A, 7.5%***, 3/31/2015 (PIK) 10.0%, 3/31/2015	207,955 206,080	135,171 133,952

The accompanying notes are an integral part of the financial statements.

	Principal Amount \$(a)	Value (\$)
Georgia-Pacific LLC, 144A, 7.125%, 1/15/2017	15,000	13,950
Graphic Packaging International, Inc., 144A, 9.5%, 6/15/2017	30,000	29,550
Hexcel Corp., 6.75%, 2/1/2015	95,000	88,112
Innophos, Inc., 8.875%, 8/15/2014	10,000	9,150
Koppers Holdings, Inc., Zero Coupon, 11/15/2014, Step-up Coupon, 0% to 11/15/2009, 9.875% to 11/15/2014	70,000	62,825
Millar Western Forest Products Ltd., 7.75%, 11/15/2013	15,000	6,900
NewMarket Corp., 7.125%, 12/15/2016	65,000	58,500
Owens-Brockway Glass Container, Inc., 144A, 7.375%, 5/15/2016	10,000	9,700
Radnor Holdings Corp., 11.0%, 3/15/2010**	40,000	52
Silgan Holdings, Inc., 144A, 7.25%, 8/15/2016	20,000	19,200
Teck Resources Ltd.:		
144A, 9.75%, 5/15/2014	20,000	20,700
144A, 10.25%, 5/15/2016	20,000	20,950
144A, 10.75%, 5/15/2019	55,000	59,125
Terra Capital, Inc., Series B, 7.0%, 2/1/2017	50,000	45,688
The Mosaic Co., 144A, 7.375%, 12/1/2014	40,000	41,200
Wolverine Tube, Inc., 15.0%, 3/31/2012 (PIK)	40,000	34,100
		1,199,506

Telecommunication Services 0.6%

AT&T Mobility LLC, 6.5%, 12/15/2011	550,000	593,352
BCM Ireland Preferred Equity Ltd., 144A, 8.281%***, 2/15/2017 (PIK) EUR	96,369	26,929
Cincinnati Bell, Inc.:		
7.25%, 7/15/2013	70,000	64,050
8.375%, 1/15/2014	25,000	23,125
Cricket Communications, Inc.:		
9.375%, 11/1/2014	55,000	54,175
10.0%, 7/15/2015	50,000	49,625
Intelsat Corp.:		
144A, 9.25%, 8/15/2014	10,000	9,675
144A, 9.25%, 6/15/2016	110,000	105,325
Intelsat Subsidiary Holding Co., Ltd., 144A, 8.875%, 1/15/2015	60,000	57,900
iPCS, Inc., 3.153%***, 5/1/2013	10,000	7,900
MetroPCS Wireless, Inc., 9.25%, 11/1/2014	60,000	59,625
Millicom International Cellular SA, 10.0%, 12/1/2013	80,000	81,100
Qwest Corp.:		
7.875%, 9/1/2011	65,000	65,000
8.875%, 3/15/2012	15,000	15,112
Stratos Global Corp., 9.875%, 2/15/2013	15,000	15,000
Telesat Canada, 144A, 11.0%, 11/1/2015	225,000	230,625
Verizon Communications, Inc., 6.35%, 4/1/2019	100,000	104,029
Windstream Corp.:		
7.0%, 3/15/2019	25,000	21,750
8.625%, 8/1/2016	10,000	9,576
		1,593,873

Utilities 1.1%

AES Corp.:		
8.0%, 10/15/2017	35,000	32,550
8.0%, 6/1/2020	30,000	26,925
144A, 8.75%, 5/15/2013	172,000	174,580
Alabama Power Co., 6.0%, 3/1/2039	220,000	232,211
Appalachian Power Co., 7.0%, 4/1/2038	750,000	777,148
CMS Energy Corp., 8.5%, 4/15/2011	110,000	113,854
CP&L, Inc., 5.3%, 1/15/2019	500,000	521,996
DPL, Inc., 6.875%, 9/1/2011	500,000	525,419
DTE Energy Co., 7.625%, 5/15/2014	81,000	84,537
Energy Future Holdings Corp., 10.875%, 11/1/2017	35,000	25,550
Knight, Inc., 6.5%, 9/1/2012	15,000	14,663
Mirant Americas Generation LLC, 8.3%, 5/1/2011	45,000	44,888
Mirant North America LLC, 7.375%, 12/31/2013	20,000	19,200
NRG Energy, Inc.:		
7.25%, 2/1/2014	55,000	53,350
7.375%, 2/1/2016	50,000	47,313
7.375%, 1/15/2017	60,000	56,550
NV Energy, Inc.:		
6.75%, 8/15/2017	50,000	45,292
8.625%, 3/15/2014	8,000	7,880
Pepco Holdings, Inc., 6.125%, 6/1/2017	350,000	324,196
Sempra Energy, 6.5%, 6/1/2016	135,000	140,919
Southern Co., 4.15%, 5/15/2014	71,000	71,282
Texas Competitive Electric Holdings Co., LLC, Series A, 10.25%, 11/1/2015	60,000	37,350
		3,377,653
Total Corporate Bonds (Cost \$28,866,469)		28,006,258

Asset-Backed 0.3%

Automobile Receivables

Capital Auto Receivables Asset Trust, "B", Series 2006-1, 5.26%, 10/15/2010	566,000	569,869
Ford Credit Auto Owner Trust, "B", Series 2007-B, 5.69%, 11/15/2012	379,000	356,296
Total Asset-Backed (Cost \$944,845)		926,165

Mortgage-Backed Securities Pass-Throughs 9.6%

Federal Home Loan Mortgage Corp., 6.0%, with various maturities from 8/1/2035 until 3/1/2038	557,541	581,400
Federal National Mortgage Association:		
4.5%, with various maturities from 11/1/2019 until 9/1/2035 (c)	3,460,150	3,503,521
5.0%, with various maturities from 5/1/2019 until 2/1/2038 (c)	11,520,003	11,819,103
5.5%, with various maturities from 2/1/2037 until 4/1/2038	6,013,205	6,208,977
6.0%, with various maturities from 1/1/2024 until 8/1/2037	3,316,788	3,481,259
6.5%, with various maturities from 5/1/2017 until 9/1/2038	2,838,517	3,041,500
8.0%, 9/1/2015	108,472	118,077
Total Mortgage-Backed Securities Pass-Throughs (Cost \$28,190,989)		28,753,837

The accompanying notes are an integral part of the financial statements.

	Principal Amount \$(a)	Value (\$)
Commercial Mortgage-Backed Securities 0.7%		
Greenwich Capital Commercial Funding Corp., "A4", Series 2007-GG11, 5.736%, 12/10/2049	1,705,000	1,370,893
GS Mortgage Securities Corp. II, "A4", Series 2006-GG8, 5.56%, 11/10/2039	730,000	595,393
LB-UBS Commercial Mortgage Trust, "A2", Series 2005-C2, 4.821%, 4/15/2030	125,047	122,888
Total Commercial Mortgage-Backed Securities (Cost \$2,130,962)		2,089,174

Collateralized Mortgage Obligations 0.2%

Fannie Mae Whole Loan, "1A1", Series 2004-W15, 6.0%, 8/25/2044	576,685	609,613
Federal Home Loan Mortgage Corp., "H", Series 2278, 6.5%, 1/15/2031	17,694	18,938
Total Collateralized Mortgage Obligations (Cost \$605,121)		628,551

Loan Participations and Assignments 0.1%

Senior Loans***

Buffets, Inc.:		
Term Loan 2, LIBOR plus 7.25%, 7.729%, 4/30/2009**	464	58
Term Loan 3, LIBOR plus 7.25%, 7.729%, 4/30/2009**	46	6
Term Loan, LIBOR plus 7.25%, 7.768%, 11/1/2013**	965	121
Essar Steel Algoma, Inc., Term Loan B, LIBOR plus 2.5%, 2.81%, 6/20/2013	19,848	16,127
Golden Nugget, Inc., Second Lien Term Loan, LIBOR plus 3.25%, 3.56%, 12/31/2014	35,000	14,000
Hawker Beechcraft Acquisition Co., LLC: Term Loan, LIBOR plus 2.0%, 2.598%, 3/26/2014	22,693	15,602
Letter of Credit, LIBOR plus 2.1%, 2.598%, 3/26/2014	1,336	918
Hexion Specialty Chemicals, Inc.:		
Term Loan C2, LIBOR plus 2.25%, 2.875%, 5/6/2013	10,870	7,468
Term Loan C1, LIBOR plus 2.25%, 3.5%, 5/6/2013	72,282	49,658
IASIS Healthcare LLC, Term Loan, LIBOR plus 5.25%, 6.289%, 6/13/2014 (PIK)	83,801	65,574
Sabre, Inc., Term Loan B, LIBOR plus 2.25%, 3.289%, 9/30/2014	23,027	16,694
Sbarro, Inc., Term Loan, LIBOR plus 4.5%, 6.106%, 1/31/2014	15,000	11,675
Tribune Co., Term Loan B, Prime plus 2.0%, 5.25%, 6/4/2014**	49,152	16,850
Total Loan Participations and Assignments (Cost \$322,689)		214,751

Preferred Securities 0.1%

Financials 0.1%

Farm Credit Bank of Texas, Series 1, 7.561%, 12/15/2013 (d)	218,000	141,558
Xerox Capital Trust I, 8.0%, 2/1/2027	15,000	11,400
		152,958

Materials 0.0%

Hercules, Inc., 6.5%, 6/30/2029	170,000	91,800
Total Preferred Securities (Cost \$331,163)		244,758

Government & Agency Obligations 13.2%

Other Government Related 0.5%

Citigroup, Inc., FDIC Guaranteed, 2.125%, 4/30/2012	1,500,000	1,506,585
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Sovereign Bonds 3.3%

Federal Republic of Germany, 2.25%, 4/15/2013	EUR	210,724	308,769
Government of Canada, 4.0%, 12/1/2031	CAD	436,258	518,629
Government of France:			
1.0%, 7/25/2017	EUR	238,795	322,377
1.6%, 7/25/2011	EUR	742,649	1,068,578
2.25%, 7/25/2020	EUR	264,206	384,095
3.15%, 7/25/2032	EUR	580,974	966,701
Government of Japan, 1.1%, 9/10/2016	JPY	65,325,000	601,409
Government of Sweden, 3.5%, 12/1/2015	SEK	2,650,000	452,293
Republic of Italy, 2.1%, 9/15/2017	EUR	1,124,361	1,565,905
United Kingdom Treasury-Inflation Linked Bonds:			
1.125%, 11/22/2037	GBP	219,659	393,416
1.25%, 11/22/2032	GBP	224,027	393,742
1.875%, 11/22/2022	GBP	370,213	665,414
2.0%, 1/26/2035	GBP	225,000	571,320
2.5%, 8/16/2013	GBP	205,000	828,629
2.5%, 7/26/2016	GBP	112,000	514,258
2.5%, 4/16/2020	GBP	96,000	456,820
			10,012,355

US Treasury Obligations 9.4%

US Treasury Bills:			
0.15%****, 9/17/2009 (e)		3,854,000	3,852,481
0.16%****, 8/27/2009 (e)		71,000	70,984
US Treasury Bond, 3.5%, 2/15/2039		1,750,000	1,513,207
US Treasury Inflation-Indexed Bonds:			
2.375%, 1/15/2025		546,355	561,550
3.625%, 4/15/2028		369,124	449,178
3.875%, 4/15/2029		389,109	493,682
US Treasury Inflation-Indexed Notes:			
1.875%, 7/15/2015		153,468	155,147
2.0%, 1/15/2014		86,547	88,521
2.0%, 1/15/2016		469,465	476,507
2.375%, 4/15/2011		966,816	995,519
2.5%, 7/15/2016		490,952	515,346
2.375%, 1/15/2017		1,030,877	1,075,657

The accompanying notes are an integral part of the financial statements.

	Principal Amount (\$)(a)	Value (\$)
US Treasury Notes:		
0.875%, 3/31/2011	11,750,000	11,733,938
3.125%, 5/15/2019	3,000,000	2,901,570
4.5%, 11/15/2015	3,000,000	3,262,032
		28,145,319
Total Government & Agency Obligations (Cost \$39,008,527)		39,664,259

Municipal Bonds and Notes 0.1%

New Jersey, State Turnpike Authority Revenue, Build America Bonds, Series F, 7.414%, 1/1/2040 (Cost \$120,000)	120,000	142,853
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* Non-income producing security.

** Non-income producing security. Issuer has defaulted on the payment of principal or the interest or has filed for bankruptcy. The following table represents bonds that are in default:

Cash Equivalents 6.4%

Cash Management QP Trust, 0.27% (f) (Cost \$19,242,473)	19,242,473	19,242,473
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	% of Net Assets	Value (\$)
Total Investment Portfolio (Cost \$292,518,865) [†]	100.5	301,279,291
Other Assets and Liabilities, Net	(0.5)	(1,628,318)
Net Assets	100.0	299,650,973

Securities	Coupon	Maturity Date	Principal Amount	Acquisition Cost (\$)	Value (\$)
ARCO Chemical Co.	9.8%	2/1/2020	195,000 USD	175,673	61,425
Buffalo Thunder Development Authority	9.375%	12/15/2014	15,000 USD	15,000	2,100
Buffets, Inc., Term Loan	7.768%	11/1/2013	965 USD	965	121
Buffets, Inc., Term Loan 2	7.729%	4/30/2009	464 USD	464	58
Buffets, Inc., Term Loan 3	7.729%	4/30/2009	46 USD	46	6
CanWest MediaWorks LP	9.25%	8/1/2015	25,000 USD	25,000	2,500
Congoleum Corp.	8.625%	8/1/2008	190,000 USD	190,156	57,000
Fontainebleau Las Vegas Holdings LLC	11.0%	6/15/2015	25,000 USD	25,000	938
Idearc, Inc.	8.0%	11/15/2016	55,000 USD	51,838	1,444
New ASAT (Finance) Ltd.	9.25%	2/1/2011	95,000 USD	83,256	119
Quebecor World, Inc.	9.75%	1/15/2015	25,000 USD	25,000	2,250
R.H. Donnelley Corp.	8.875%	10/15/2017	75,000 USD	75,000	3,844
Radnor Holdings Corp.	11.0%	3/15/2010	40,000 USD	25,775	52
Tribune Co.	5.25%	6/4/2014	49,152 USD	49,122	16,850
Tropicana Entertainment LLC	9.625%	12/15/2014	75,000 USD	55,245	656
Trump Entertainment Resorts, Inc.	8.5%	6/1/2015	5,000 USD	4,788	619
Young Broadcasting, Inc.	8.75%	1/15/2014	130,000 USD	111,175	325
				913,503	150,307

*** Floating rate notes are securities whose yields vary with a designated market index or market rate, such as the coupon-equivalent of the US Treasury bill rate. These securities are shown at their current rate as of June 30, 2009.

**** Annualized yield at time of purchase; not a coupon rate.

† The cost for federal income tax purposes was \$298,725,979. At June 30, 2009, net unrealized appreciation for all securities based on tax cost was \$2,553,312. This consisted of aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost of \$23,256,179 and aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value of \$20,702,867.

(a) Principal amount is stated in US dollars unless otherwise noted.

(b) Security has deferred its 6/15/2008, 12/15/2008 and 6/15/2009 interest payments until 12/31/2009.

(c) When-issued or delayed delivery security included.

(d) Date shown is call date; not a maturity date for the perpetual preferred securities.

(e) At June 30, 2009, this security has been pledged, in whole or in part, to cover initial margin requirements for open futures contracts.

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

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.

ADR: American Depositary Receipt

CVA: Certificaten van Aandelen

FDIC: Federal Deposit Insurance Corp.

FDR: Fiduciary Depositary Receipt

The accompanying notes are an integral part of the financial statements.

LIBOR: Represents the London InterBank Offered Rate.

MSCI: Morgan Stanley Capital International

PIK: Denotes that all or a portion of the income is paid in kind.

PPS: Price Protected Shares

Prime: Interest rate charged by banks to their most credit worthy customers.

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.

REIT: Real Estate Investment Trust

RSP: Risparmio (Convertible Savings Shares)

SDR: Swedish Depositary Receipt

Included in the portfolio are investments in mortgage or asset-backed securities which are interests in separate pools of mortgages or assets. Effective maturities of these investments may be shorter than stated maturities due to prepayments. Some separate investments in the Federal Home Loan Mortgage Corp. and Federal National Mortgage Association issues which have similar coupon rates have been aggregated for presentation purposes in this investment portfolio.

At June 30, 2009, open futures contracts purchased were as follows:

Futures	Expiration Date	Contracts	Aggregated Face Value (\$)	Value (\$)	Unrealized Appreciation/ (Depreciation) (\$)
10 Year Australian Treasury Bond	9/15/2009	44	3,652,808	3,680,490	27,683
10 Year US Treasury Note	9/21/2009	119	13,884,329	13,835,609	(48,720)
3 Year Australian Treasury Bond	9/15/2009	63	5,270,036	5,252,035	(18,001)
AEX Index	7/17/2009	9	659,690	642,519	(17,171)
ASX SPI 200 Index	9/17/2009	20	1,618,973	1,571,713	(47,260)
DJ Euro Stoxx 50 Index	9/18/2009	5	169,955	168,201	(1,754)
Federal Republic of Germany Euro-Schatz	9/8/2009	172	25,986,560	26,035,197	48,637
FTSE 100 Index	9/18/2009	49	3,494,247	3,400,331	(93,916)
FTSE MIB Index	9/18/2009	3	418,224	401,663	(16,561)
Hang Seng Index	7/30/2009	19	2,146,941	2,257,921	110,980
IBEX 35 Index	7/17/2009	2	266,219	272,630	6,411
Nikkei 225 Index	9/10/2009	1	49,500	49,725	225
Russell 2000 Mini Index	9/18/2009	20	1,044,500	1,014,400	(30,100)
S&P 500 E-Mini Index	9/18/2009	114	5,322,140	5,218,350	(103,790)
United Kingdom Long Gilt Bond	9/28/2009	37	7,155,717	7,187,811	32,094
Total net unrealized depreciation					(151,243)

At June 30, 2009, open futures contracts sold were as follows:

Futures	Expiration Date	Contracts	Aggregated Face Value (\$)	Value (\$)	Unrealized Appreciation/ (Depreciation) (\$)
10 Year Canadian Government Bond	9/21/2009	7	723,355	729,759	(6,404)
10 Year Japanese Government Bond	9/10/2009	11	15,532,568	15,768,931	(236,363)
2 Year US Treasury Note	9/30/2009	66	14,306,703	14,270,437	36,266
CAC 40 Index	7/17/2009	6	270,399	263,960	6,439
DAX Index	9/18/2009	23	4,008,186	3,887,594	120,592
DJ Euro Stoxx 50 Index	9/18/2009	10	339,910	336,403	3,507
Federal Republic of Germany Euro-Bund	9/8/2009	48	7,999,523	8,153,135	(153,612)
NASDAQ E-Mini 100 Index	9/18/2009	49	1,455,545	1,446,725	8,820
Russell 2000 Mini Index	9/18/2009	49	2,559,270	2,485,280	73,990
S&P TSE 60 Index	9/17/2009	5	553,350	539,139	14,211
TOPIX Index	9/11/2009	24	2,297,234	2,303,213	(5,979)
Total net unrealized depreciation					(138,533)

At June 30, 2009, the Portfolio had the following open forward foreign currency exchange contracts:

Contracts to Deliver	In Exchange For	Settlement Date	Unrealized Appreciation (\$)
USD 891,418	NZD 1,406,000	7/15/2009	14,910
USD 4,797,758	JPY 469,830,000	7/15/2009	80,161
NOK 3,022,000	USD 478,577	7/15/2009	8,800

The accompanying notes are an integral part of the financial statements.

Contracts to Deliver		In Exchange For		Settlement Date	Unrealized Appreciation (\$)
SEK	16,841,000	USD	2,206,601	7/15/2009	23,711
EUR	4,136,000	USD	5,822,495	7/15/2009	20,228
Total unrealized appreciation					147,810

Contracts to Deliver		In Exchange For		Settlement Date	Unrealized Depreciation (\$)
EUR	128,100	USD	177,159	7/14/2009	(2,549)
USD	5,603,520	AUD	6,939,000	7/15/2009	(18,779)
USD	3,221,901	CAD	3,553,000	7/15/2009	(167,029)
USD	10,249,204	CHF	11,014,000	7/15/2009	(110,480)
GBP	1,545,000	USD	2,536,674	7/15/2009	(5,129)
Total unrealized depreciation					(303,966)

Currency Abbreviations

AUD	Australian Dollar	GBP	British Pound	NZD	New Zealand Dollar
CAD	Canadian Dollar	JPY	Japanese Yen	SEK	Swedish Krona
CHF	Swiss Franc	NOK	Norwegian Krone	USD	United States Dollar
EUR	Euro				

For information on the Portfolio's policy and additional disclosures regarding futures contracts and forward foreign currency exchange contracts, please refer to the Derivatives section of Note A in the accompanying Notes to Financial Statements.

Fair Value Measurements

Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, "Fair Value Measurements," as amended, establishes a three-tier hierarchy for measuring fair value and requires additional disclosure about the classification of fair value measurements.

Various inputs are used in determining the value of the Portfolio'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 observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, and credit risk). Level 3 includes significant unobservable inputs (including the Portfolio'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 accompanying notes are an integral part of the financial statements.

The following is a summary of the inputs used as of June 30, 2009 in valuing the Portfolio's investments. For information on the Portfolio's policy regarding the valuation of investments, please refer to the Security Valuation section of Note A in the accompanying Notes to the Financial Statements.

Assets	Level 1	Level 2	Level 3	Total
Common Stock and/or Other Equity Investments (g)				
Consumer Discretionary	\$ 11,465,145	\$ 2,718,346	\$ —	\$ 14,183,491
Consumer Staples	13,907,038	2,518,259	—	16,425,297
Energy	16,608,349	2,565,454	—	19,173,803
Financials	16,299,557	5,169,910	2,298	21,471,765
Health Care	20,522,823	3,268,373	—	23,791,196
Industrials	14,397,315	2,724,971	—	17,122,286
Information Technology	24,426,905	2,522,414	—	26,949,319
Materials	7,518,429	2,406,575	—	9,925,004
Telecommunications	4,894,348	2,546,476	—	7,440,824
Utilities	7,326,562	1,561,985	—	8,888,547
Exchange-Traded Funds	15,941,880	—	—	15,941,880
Closed-End Investment Company	52,800	—	—	52,800
Fixed Income (g)				
Corporate Bonds	—	27,639,927	366,331	28,006,258
Asset-Backed	—	926,165	—	926,165
Mortgage-Backed Securities Pass-Throughs	—	28,753,837	—	28,753,837
Commercial Mortgage-Backed Securities	—	2,089,174	—	2,089,174
Collateralized Mortgage Obligations	—	628,551	—	628,551
Loan Participations & Assignments	—	172,949	41,802	214,751
Preferred Securities	—	244,758	—	244,758
Government & Agency Obligations	—	39,664,259	—	39,664,259
Municipal Bonds and Notes	—	142,853	—	142,853
Short-Term Investments (g)	—	19,242,473	—	19,242,473
Derivatives (h)	—	147,810	—	147,810
Total	\$ 153,361,151	\$ 147,655,519	\$ 410,431	\$ 301,427,101
Liabilities				
Derivatives (h)	\$ (289,776)	\$ (303,966)	\$ —	\$ (593,742)
Total	\$ (289,776)	\$ (303,966)	\$ —	\$ (593,742)

(g) See Investment Portfolio for additional detailed categorizations.

(h) Derivatives include unrealized appreciation (depreciation) on open futures contracts and forward foreign currency exchange contracts.

The following is a reconciliation of the Portfolio's Level 3 investments for which significant unobservable inputs were used in determining value:

	Common Stock and/or Other Equity Investments	Corporate Bonds	Loan Participations and Assignments	Other Investments	Total
Balance as of December 31, 2008	\$ 8,594	\$ 18,568	\$ 54,331	\$ 81,600	\$ 163,093
Realized gains (loss)	(2,688)	—	(13,527)	—	(16,215)
Change in unrealized appreciation (depreciation)	(26,666)	(169,625)	35,215	35,387	(125,689)
Amortization premium/discount	—	1,045	365	327	1,737
Net purchases (sales)	29,527	232,493	(34,582)	(117,314)	110,124
Net transfers in (out) of Level 3	(6,469)	283,850	—	—	277,381
Balance as of June 30, 2009	\$ 2,298	\$ 366,331	\$ 41,802	\$ —	\$ 410,431
Net change in unrealized appreciation (depreciation) from investments still held as of June 30, 2009	\$ (29,923)	\$ (159,541)	\$ 14,867	\$ —	\$ (174,597)

The accompanying notes are an integral part of the financial statements.

Financial Statements

Statement of Assets and Liabilities

as of June 30, 2009 (Unaudited)

Assets

Investments:

Investments in securities, at value (cost \$273,276,392)	\$ 282,036,818
Investment in Cash Management QP Trust (cost \$19,242,473)	19,242,473
Total investments, at value (cost \$292,518,865)	301,279,291
Cash	140,415
Foreign currency, at value (cost \$645,109)	646,845
Deposits with broker for open futures contracts	23,568
Receivable for investments sold	5,105,443
Receivable for when-issued securities sold	2,039,219
Receivable for Portfolio shares sold	26,176
Dividends receivable	240,862
Interest receivable	851,516
Unrealized appreciation on open forward currency exchange contracts	147,810
Foreign taxes recoverable	55,386
Total assets	310,556,531

Liabilities

Payable for investments purchased	1,482,605
Payable for when-issued securities purchased	8,375,909
Payable for Portfolio shares redeemed	164,414
Payable for variation margin on open futures contracts	65,427
Net payable on closed forward currency exchange contracts	829
Unrealized depreciation on open forward foreign currency exchange contracts	303,966
Accrued management fee	102,581
Other accrued expenses and payables	409,827
Total liabilities	10,905,558
Net assets, at value	\$ 299,650,973

Net Assets Consist of

Undistributed net investment income	2,641,457
Net unrealized appreciation (depreciation) on:	
Investments	8,760,426
Futures	(289,776)
Foreign currency	(151,793)
Accumulated net realized gain (loss)	(86,846,029)
Paid-in capital	375,536,688
Net assets, at value	\$ 299,650,973

Class A

Net Asset Value, offering and redemption price per share (\$299,650,973 ÷ 16,820,019 outstanding shares of beneficial interest, no par value, unlimited number of shares authorized) **\$ 17.82**

Statement of Operations

for the six months ended June 30, 2009 (Unaudited)

Investment Income

Income:

Dividends (net of foreign taxes withheld of \$84,530)	\$ 2,253,698
Interest (net of foreign taxes withheld of \$54)	2,578,815
Interest — Cash Management QP Trust	47,781
Securities lending income, including income from Daily Assets Fund Institutional, net of borrower rebates	16,458
Total Income	4,896,752
Expenses:	
Management fee	525,985
Administration fee	143,476
Custodian fee	117,708
Services to shareholders	2,600
Distribution service fee (Class B)	20
Professional fees	56,631
Trustees' fees and expenses	9,590
Reports to shareholders	81,796
Other	55,621
Total expenses before expense reductions	993,427
Expense reductions	(4)
Total expenses after expense reductions	993,423
Net investment income (loss)	3,903,329

Realized and Unrealized Gain (Loss)

Net realized gain (loss) from:	
Investments	(37,183,459)
Futures	483,367
Credit default swap contracts	18,816
Foreign currency	809,194
	(35,872,082)
Change in net unrealized appreciation (depreciation) on:	
Investments	53,915,859
Futures	(561,748)
Credit default swap contracts	(18,005)
Foreign currency	(1,827,578)
	51,508,528
Net gain (loss)	15,636,446
Net increase (decrease) in net assets resulting from operations	\$ 19,539,775

The accompanying notes are an integral part of the financial statements.

Statement of Changes in Net Assets

	Six Months Ended June 30, 2009 (Unaudited)	Year Ended December 31, 2008
Increase (Decrease) in Net Assets		
Operations:		
Net investment income (loss)	\$ 3,903,329	\$ 12,215,816
Net realized gain (loss)	(35,872,082)	(47,367,952)
Change in net unrealized appreciation (depreciation)	51,508,528	(93,697,521)
Net increase (decrease) in net assets resulting from operations	19,539,775	(128,849,657)
Distributions to shareholders from:		
Net investment income:		
Class A	(11,680,702)	(17,655,048)
Class B	—	(219,769)
Total distributions	(11,680,702)	(17,874,817)
Portfolio share transactions:		
Class A		
Proceeds from shares sold	3,000,496	13,590,722
Shares issued to shareholders in reinvestment of distributions	11,680,702	17,655,048
Cost of shares redeemed	(30,054,896)	(105,746,417)
Shares converted*	39,887	—
Net increase (decrease) in net assets from Class A share transactions	(15,333,811)	(74,500,647)
Class B		
Proceeds from shares sold	—	106,733
Shares issued to shareholders in reinvestment of distributions	—	219,769
Cost of shares redeemed	(307)	(7,155,899)
Shares converted*	(39,887)	—
Net increase (decrease) in net assets from Class B share transactions	(40,194)	(6,829,397)
Increase (decrease) in net assets	(7,514,932)	(228,054,518)
Net assets at beginning of period	307,165,905	535,220,423
Net assets at end of period (including undistributed net investment income of \$2,641,457 and \$10,418,830, respectively)	\$ 299,650,973	\$ 307,165,905
Other Information		
Class A		
Shares outstanding at beginning of period	17,697,143	21,278,440
Shares sold	179,877	607,834
Shares issued to shareholders in reinvestment of distributions	740,222	782,235
Shares redeemed	(1,799,893)	(4,971,366)
Shares converted*	2,670	—
Net increase (decrease) in Class A shares	(877,124)	(3,581,297)
Shares outstanding at end of period	16,820,019	17,697,143
Class B		
Shares outstanding at beginning of period	2,694	293,818
Shares sold	—	4,568
Shares issued to shareholders in reinvestment of distributions	—	9,716
Shares redeemed	(19)	(305,408)
Shares converted*	(2,675)	—
Net increase (decrease) in Class B shares	(2,694)	(291,124)
Shares outstanding at end of period	—	2,694

* On March 6, 2009, Class B shares converted into Class A shares.

The accompanying notes are an integral part of the financial statements.

Financial Highlights

Class A

Years Ended December 31,	2009 ^a	2008	2007	2006	2005	2004
Selected Per Share Data						
Net asset value, beginning of period	\$17.35	\$24.81	\$24.46	\$22.75	\$22.37	\$21.32
<i>Income (loss) from investment operations:</i>						
Net investment income ^b	.23	.61	.74	.69 ^d	.59	.47
Net realized and unrealized gain (loss)	.94	(7.20)	.42	1.60	.34	.93
Total from investment operations	1.17	(6.59)	1.16	2.29	.93	1.40
<i>Less distributions from:</i>						
Net investment income	(.70)	(.87)	(.81)	(.58)	(.55)	(.35)
Net asset value, end of period	\$17.82	\$17.35	\$24.81	\$24.46	\$22.75	\$22.37
Total Return (%)	7.19 ^{**}	(27.33) ^c	4.84 ^c	10.24 ^{c,d}	4.30 ^c	6.64
Ratios to Average Net Assets and Supplemental Data						
Net assets, end of period (\$ millions)	300	307	528	600	653	622
Ratio of expenses before expense reductions (%)	.69 [*]	.64	.52	.55	.55	.59
Ratio of expenses after expense reductions (%)	.69 [*]	.62	.51	.51	.53	.59
Ratio of net investment income (%)	2.72 [*]	2.83	3.00	2.99 ^d	2.66	2.18
Portfolio turnover rate (%)	129 ^{**}	263	199	108	122	140

^a For the six months ended June 30, 2009 (Unaudited).

^b Based on average shares outstanding during the period.

^c Total return would have been lower had certain expenses not been reduced.

^d Includes non-recurring income from the Advisor recorded as a result of an administrative proceeding regarding disclosure of brokerage allocation practices in connection with sales of DWS Funds. The non-recurring income resulted in an increase in net investment income of \$0.024 per share and an increase in the ratio of net investment income of 0.10%. Excluding this non-recurring income, total return would have been 0.10% lower.

* Annualized

** Not annualized

DWS Blue Chip VIP

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 redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Please contact your participating insurance company for the Portfolio's most recent month-end performance. Performance doesn't reflect charges and fees ("contract charges") associated with the separate account that invests in the Portfolio or any variable life insurance policy or variable annuity contract for which the Portfolio is an investment option. These charges and fees will reduce returns. While all share classes have the same underlying Portfolio, their performance will differ.

The total annual Portfolio operating expense ratios, gross of any fee waivers or expense reimbursements, as stated in the fee table of the prospectus dated May 1, 2009 are .71% and 1.09% for Class A and Class B shares, respectively. Please see the Information About Your Portfolio's Expenses, the Financial Highlights and Notes to the Financial Statements (Note C, Related Parties) sections of this report for gross and net expense-related disclosure for the period ended June 30, 2009.

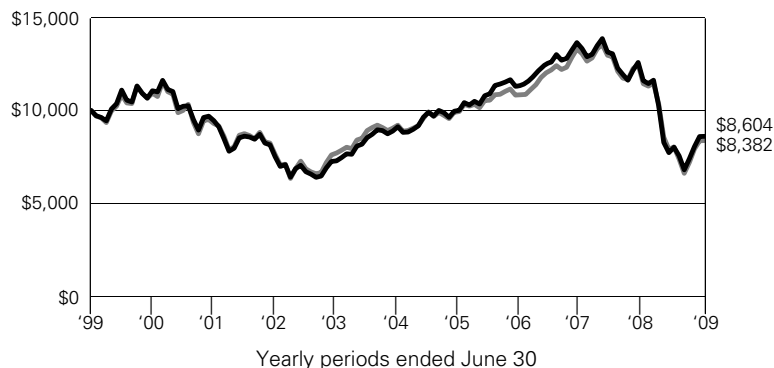
Risk Considerations

This Portfolio is subject to stock market risk, meaning stocks in the Portfolio may decline in value for extended periods of time due to the activities and financial prospects of individual companies, or due to general market and economic conditions. It may focus its investments on certain economic sectors, thereby increasing its vulnerability to any single economic, political or regulatory development. This may result in greater share price volatility. Derivatives may be more volatile and less liquid than traditional securities, and the Portfolio could suffer losses on its derivative positions. Please read this Portfolio's prospectus for specific details regarding its investments and risk profile.

Portfolio returns shown during the 1-year, 3-year, 5-year and 10-year periods reflect a fee waiver and/or expense reimbursement. Without this waiver/reimbursement, returns would have been lower.

Growth of an Assumed \$10,000 Investment in DWS Blue Chip VIP

■ DWS Blue Chip VIP — Class A
 ■ Russell 1000® Index



The Russell 1000® Index is an unmanaged index that measures the performance of the 1,000 largest companies in the Russell 3000® Index, which measures the performance of the 3,000 largest US companies based on total market capitalization. The Russell 1000 Index represents approximately 92% of the total market capitalization of the Russell 3000 Index.

Index returns assume reinvestment of dividends and, unlike portfolio returns, do not reflect any fees or expenses. It is not possible to invest directly into an index.

Comparative Results

DWS Blue Chip VIP		6-Month [‡]	1-Year	3-Year	5-Year	10-Year
Class A	Growth of \$10,000	\$10,729	\$7,422	\$7,585	\$9,433	\$8,604
	Average annual total return	7.29%	-25.78%	-8.80%	-1.16%	-1.49%
Russell 1000 Index	Growth of \$10,000	\$10,432	\$7,331	\$7,737	\$9,109	\$8,382
	Average annual total return	4.32%	-26.69%	-8.20%	-1.85%	-1.75%

DWS Blue Chip VIP		6-Month [‡]	1-Year	3-Year	5-Year	Life of Class*
Class B	Growth of \$10,000	\$10,708	\$7,425	\$7,534	\$9,288	\$11,437
	Average annual total return	7.08%	-25.75%	-9.01%	-1.47%	1.94%
Russell 1000 Index	Growth of \$10,000	\$10,432	\$7,331	\$7,737	\$9,109	\$10,987
	Average annual total return	4.32%	-26.69%	-8.20%	-1.85%	1.35%

The growth of \$10,000 is cumulative.

[‡] Total returns shown for periods less than one year are not annualized.

* The Portfolio commenced offering Class B shares on July 1, 2002. Index returns began on June 30, 2002.

Information About Your Portfolio's Expenses

DWS Blue Chip VIP

As an investor of the Portfolio, you incur two types of costs: ongoing expenses and transaction costs. Ongoing expenses include management fees, distribution and service (12b-1) fees and other Portfolio expenses. Examples of transaction costs include contract charges, redemption fees and account maintenance fees, which are not shown in this section. The following tables are intended to help you understand your ongoing expenses (in dollars) of investing in the Portfolio and to help you compare these expenses with the ongoing expenses of investing in other mutual funds. The example in the table is based on an investment of \$1,000 invested at the beginning of the six-month period and held for the entire period (January 1, 2009 to June 30, 2009).

The tables illustrate your Portfolio's expenses in two ways:

- Actual Portfolio Return.** This helps you estimate the actual dollar amount of ongoing expenses (but not transaction costs) paid on a \$1,000 investment in the Portfolio using the Portfolio's actual return during the period. To estimate the expenses you paid over the period, simply divide your account

value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the "Expenses Paid per \$1,000" line under the share class you hold.

- Hypothetical 5% Portfolio Return.** This helps you to compare your Portfolio's ongoing expenses (but not transaction costs) with those of other mutual funds using the Portfolio's actual expense ratio and a hypothetical rate of return of 5% per year before expenses. Examples using a 5% hypothetical Portfolio return may be found in the shareholder reports of other mutual funds. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period.

Please note that the expenses shown in these tables are meant to highlight your ongoing expenses only and do not reflect any transaction costs. The "Expenses Paid per \$1,000" line of the tables is useful in comparing ongoing expenses only and will not help you determine the relative total expense of owning different funds. If these transaction costs had been included, your costs would have been higher.

Expenses and Value of a \$1,000 Investment for the six months ended June 30, 2009

Actual Portfolio Return	Class A	Class B
Beginning Account Value 1/1/09	\$1,000.00	\$1,000.00
Ending Account Value 6/30/09	\$1,072.90	\$1,070.80
Expenses Paid per \$1,000*	\$ 4.27	\$ 5.60

Hypothetical 5% Portfolio Return	Class A	Class B
Beginning Account Value 1/1/09	\$1,000.00	\$1,000.00
Ending Account Value 6/30/09	\$1,020.68	\$1,019.39
Expenses Paid per \$1,000*	\$ 4.16	\$ 5.46

* Expenses are equal to the Portfolio's annualized expense ratio for each share class, multiplied by the average account value over the period, multiplied by the number of days in the most recent six-month period, then divided by 365.

Annualized Expense Ratios	Class A	Class B
DWS Variable Series II — DWS Blue Chip VIP	.83%	1.09%

For more information, please refer to the Portfolio's prospectus.

These tables do not reflect charges and fees ("contract charges") associated with the separate account that invests in the Portfolio or any variable life insurance policy or variable annuity contract for which the Portfolio is an investment option.

Portfolio Summary

DWS Blue Chip VIP

Asset Allocation (As a % of Investment Portfolio excluding Securities Lending Collateral)	6/30/09	12/31/08
Common Stocks	97%	99%
Cash Equivalents	2%	—
Government & Agency Obligation	1%	1%
	100%	100%

Sector Diversification (As a % of Common Stocks)	6/30/09	12/31/08
Information Technology	18%	16%
Health Care	15%	17%
Industrials	12%	14%
Financials	12%	11%
Consumer Staples	11%	13%
Energy	11%	11%
Consumer Discretionary	11%	10%
Materials	4%	2%
Telecommunication Services	3%	4%
Utilities	3%	2%
	100%	100%

Asset allocation and sector diversification are subject to change.

For more complete details about the Portfolio's investment portfolio, see page 33. A complete list of portfolio holdings of the Portfolio is posted as of the month end on www.dws-investments.com on or about the 15th day of the following month. More frequent posting of portfolio holdings information may be made from time to time on www.dws-investments.com.

Following the Portfolio's fiscal first and third quarter-end, a complete portfolio holdings listing is filed with the SEC on Form N-Q. The form will be available on the SEC's Web site at www.sec.gov, and it also may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the SEC's Public Reference Room may be obtained by calling (800) SEC-0330.

Investment Portfolio

June 30, 2009 (Unaudited)

DWS Blue Chip VIP

	Shares	Value (\$)		Shares	Value (\$)
Common Stocks 97.0%					
Consumer Discretionary 10.3%					
Auto Components 0.1%					
Magna International, Inc. "A"	3,500	147,840			
Automobiles 0.1%					
Honda Motor Co., Ltd. (ADR)	3,000	82,110			
Distributors 0.1%					
Genuine Parts Co.	3,400	114,104			
Diversified Consumer Services 0.1%					
Capella Education Co.*	900	53,955			
Hotels Restaurants & Leisure 1.8%					
Ctrip.com International Ltd. (ADR)*	3,900	180,570			
McDonald's Corp.	21,200	1,218,788			
Yum! Brands, Inc.	10,900	363,406			
		1,762,764			
Household Durables 0.7%					
Garmin Ltd.	15,200	362,064			
Leggett & Platt, Inc.	16,100	245,203			
Ryland Group, Inc.	2,400	40,224			
		647,491			
Internet & Catalog Retail 0.4%					
Amazon.com, Inc.*	4,900	409,934			
Media 3.4%					
Comcast Corp. "A"	93,600	1,356,264			
Comcast Corp., Special "A"	22,500	317,250			
DISH Network Corp. "A"*	10,300	166,963			
The DIRECTV Group, Inc.*	12,200	301,462			
Time Warner Cable, Inc.	10,181	322,432			
Time Warner, Inc.	33,433	842,178			
		3,306,549			
Multiline Retail 0.5%					
Macy's, Inc.	42,900	504,504			
Specialty Retail 2.8%					
Children's Place Retail Stores, Inc.*	2,800	74,004			
Gymboree Corp.*	3,800	134,824			
RadioShack Corp.	27,500	383,900			
Rent-A-Center, Inc.*	6,100	108,763			
Ross Stores, Inc.	9,900	382,140			
The Gap, Inc.	30,600	501,840			
TJX Companies, Inc.	35,800	1,126,268			
Tractor Supply Co.*	2,000	82,640			
		2,794,379			
Textiles, Apparel & Luxury Goods 0.3%					
Jones Apparel Group, Inc.	14,800	158,804			
Quiksilver, Inc.*	13,400	24,790			
Under Armour, Inc. "A"*(a)	3,200	71,616			
Wolverine World Wide, Inc.	3,800	83,828			
		339,038			
Consumer Staples 10.5%					
Food & Staples Retailing 3.1%					
Kroger Co.	50,300	1,109,115			
Sysco Corp.	7,700	173,096			
Wal-Mart Stores, Inc.	36,800	1,782,592			
		3,064,803			
Food Products 2.9%					
Archer-Daniels-Midland Co.	63,500	1,699,895			
Bunge Ltd. (a)	13,700	825,425			
Chiquita Brands International, Inc.*	5,600	57,456			
Darling International, Inc.*	9,400	62,040			
Fresh Del Monte Produce, Inc.*	9,100	147,966			
		2,792,782			
Household Products 1.9%					
Church & Dwight Co., Inc.	1,800	97,758			
Colgate-Palmolive Co.	24,800	1,754,352			
		1,852,110			
Personal Products 0.3%					
Herbalife Ltd.	9,500	299,630			
Tobacco 2.3%					
Altria Group, Inc.	42,500	696,575			
Lorillard, Inc.	7,100	481,167			
Philip Morris International, Inc.	25,200	1,099,224			
		2,276,966			
Energy 10.5%					
Energy Equipment & Services 0.6%					
Exterran Holdings, Inc.*	2,800	44,912			
Helix Energy Solutions Group, Inc.*	6,100	66,307			
Noble Corp.	12,600	381,150			
Oil States International, Inc.*	2,800	67,788			
		560,157			
Oil, Gas & Consumable Fuels 9.9%					
Alpha Natural Resources, Inc.*	11,000	288,970			
Apache Corp.	11,100	800,865			
Cimarex Energy Co.	16,400	464,776			
ConocoPhillips	45,100	1,896,906			
Encore Acquisition Co.*	14,500	447,325			
EXCO Resources, Inc.*	5,300	68,476			
ExxonMobil Corp.	16,340	1,142,329			
Frontline Ltd. (a)	11,300	275,268			
Mariner Energy, Inc.*	22,000	258,500			
McMoRan Exploration Co.*	18,600	110,856			
Murphy Oil Corp.	16,100	874,552			
Occidental Petroleum Corp.	31,600	2,079,596			
Overseas Shipholding Group, Inc.	2,800	95,312			
Plains All American Pipeline LP	1,700	72,335			
Tesoro Corp.	11,500	146,395			
Valero Energy Corp.	31,300	528,657			
W&T Offshore, Inc.	15,800	153,892			
		9,705,010			
Financials 11.4%					
Capital Markets 1.1%					
Bank of New York Mellon Corp.	21,400	627,234			
Morgan Stanley	9,300	265,143			
The Goldman Sachs Group, Inc.	1,200	176,928			
		1,069,305			
Commercial Banks 1.1%					
Barclays PLC (ADR)	4,600	84,824			
Comerica, Inc.	3,900	82,485			
KeyCorp	14,300	74,932			
Marshall & Ilsley Corp.	39,000	187,200			
PNC Financial Services Group, Inc.	3,300	128,073			
Regions Financial Corp. (a)	91,300	368,852			
Zions Bancorp. (a)	10,300	119,068			
		1,045,434			

The accompanying notes are an integral part of the financial statements.

	Shares	Value (\$)
Consumer Finance 0.1%		
Capital One Financial Corp.	6,300	137,844
Diversified Financial Services 5.0%		
Bank of America Corp.	142,400	1,879,680
Citigroup, Inc. (a)	185,900	552,123
JPMorgan Chase & Co.	70,100	2,391,111
PHH Corp.*	4,900	89,082
		4,911,996
Insurance 3.4%		
ACE Ltd.	32,800	1,450,744
Allied World Assurance Co. Holdings Ltd.	4,100	167,403
Arch Capital Group Ltd.*	2,500	146,450
Berkshire Hathaway, Inc. "B"*	300	868,719
Everest Re Group Ltd.	1,500	107,355
First American Corp.	4,600	119,186
Old Republic International Corp.	11,000	108,350
The Travelers Companies, Inc.	6,800	279,072
XL Capital Ltd. "A"	5,000	57,300
		3,304,579
Real Estate Investment Trusts 0.6%		
Essex Property Trust, Inc. (REIT) (a)	1,400	87,122
Franklin Street Properties Corp. (REIT)	10,000	132,500
ProLogis (REIT)	4,800	38,688
Public Storage (REIT)	1,200	78,576
Rayonier, Inc. (REIT)	3,800	138,130
Simon Property Group, Inc. (REIT)	1,740	89,488
Walter Investment Management Corp. (REIT)*	5,716	75,909
		640,413
Real Estate Management & Development 0.1%		
The St. Joe Co.*	2,400	63,576
Health Care 14.7%		
Biotechnology 1.8%		
Gilead Sciences, Inc.*	32,300	1,512,932
Myriad Genetics, Inc.*	4,000	142,600
Myriad Pharmaceuticals, Inc.*	1,000	4,650
PDL BioPharma, Inc.	14,000	110,600
		1,770,782
Health Care Equipment & Supplies 1.4%		
Baxter International, Inc.	12,000	635,520
Becton, Dickinson & Co.	7,900	563,349
Covidien PLC	5,400	202,176
		1,401,045
Health Care Providers & Services 5.9%		
Aetna, Inc.	64,400	1,613,220
AmerisourceBergen Corp.	5,400	95,796
Coventry Health Care, Inc.*	14,700	275,037
Emergency Medical Services Corp. "A"*	1,100	40,502
Express Scripts, Inc.*	23,700	1,629,375
Humana, Inc.*	3,800	122,588
Kindred Healthcare, Inc.*	7,600	94,012
Magellan Health Services, Inc.*	3,200	105,024
McKesson Corp.	14,400	633,600
Medco Health Solutions, Inc.*	24,600	1,122,006
Universal Health Services, Inc. "B"	1,700	83,045
		5,814,205
Pharmaceuticals 5.6%		
Abbott Laboratories	18,200	856,128
Eli Lilly & Co.	45,500	1,576,120

	Shares	Value (\$)
Johnson & Johnson	12,000	681,600
Merck & Co., Inc.	2,900	81,084
Pfizer, Inc.	129,500	1,942,500
Watson Pharmaceuticals, Inc.*	9,900	333,531
		5,470,963
Industrials 11.6%		
Aerospace & Defense 5.6%		
Alliant Techsystems, Inc.*	1,900	156,484
General Dynamics Corp.	15,500	858,545
Goodrich Corp.	16,400	819,508
Honeywell International, Inc.	7,200	226,080
L-3 Communications Holdings, Inc.	6,000	416,280
Lockheed Martin Corp.	16,700	1,346,855
Northrop Grumman Corp.	25,500	1,164,840
Raytheon Co.	12,100	537,603
		5,526,195
Air Freight & Logistics 0.5%		
United Parcel Service, Inc. "B"	8,600	429,914
Commercial Services & Supplies 0.4%		
R.R. Donnelley & Sons Co.	8,600	99,932
The Brink's Co.	9,500	275,785
		375,717
Construction & Engineering 1.3%		
EMCOR Group, Inc.*	16,900	340,028
Fluor Corp.	12,400	635,996
Foster Wheeler AG*	7,200	171,000
Tutor Perini Corp.*	6,800	118,048
		1,265,072
Electrical Equipment 0.5%		
GrafTech International Ltd.*	44,000	497,640
GT Solar International, Inc.*	3,200	17,024
		514,664
Machinery 1.7%		
AGCO Corp.*	7,900	229,653
CNH Global NV*	2,200	30,888
Cummins, Inc.	5,600	197,176
Dover Corp.	2,300	76,107
Flowserve Corp.	6,600	460,746
Gardner Denver, Inc.*	1,500	37,755
Oshkosh Corp.	3,400	49,436
Parker Hannifin Corp.	12,100	519,816
Trinity Industries, Inc.	3,300	44,946
		1,646,523
Professional Services 0.7%		
Manpower, Inc.	15,900	673,206
Road & Rail 0.9%		
Burlington Northern Santa Fe Corp.	1,500	110,310
Norfolk Southern Corp.	2,800	105,476
Ryder System, Inc.	23,000	642,160
Werner Enterprises, Inc.	3,200	57,984
		915,930
Information Technology 17.8%		
Communications Equipment 2.0%		
Cisco Systems, Inc.*	19,300	359,752
QUALCOMM, Inc.	35,100	1,586,520
		1,946,272
Computers & Peripherals 6.1%		
Apple, Inc.*	10,000	1,424,300
International Business Machines Corp.	21,900	2,286,798
Lexmark International, Inc. "A"*	4,500	71,325

The accompanying notes are an integral part of the financial statements.

	Shares	Value (\$)
QLogic Corp.*	38,900	493,252
Seagate Technology	24,300	254,178
Western Digital Corp.*	55,900	1,481,350
		6,011,203
Electronic Equipment, Instruments & Components 0.9%		
Arrow Electronics, Inc.*	6,200	131,688
Avnet, Inc.*	11,700	246,051
Dolby Laboratories, Inc. "A"* (a)	2,300	85,744
Flextronics International Ltd.*	16,500	67,815
Ingram Micro, Inc. "A"*	5,700	99,750
Jabil Circuit, Inc.	39,300	291,606
		922,654
Internet Software & Services 1.8%		
Google, Inc. "A"*	3,600	1,517,724
MercadoLibre, Inc.*	3,700	99,456
VeriSign, Inc.*	9,600	177,408
		1,794,588
IT Services 3.0%		
Accenture Ltd. "A"	29,100	973,686
Automatic Data Processing, Inc.	25,200	893,088
Broadridge Financial Solutions, Inc.	4,200	69,636
Computer Sciences Corp.*	19,500	863,850
SAIC, Inc.*	5,500	102,025
		2,902,285
Software 4.0%		
BMC Software, Inc.*	4,800	162,192
Check Point Software Technologies Ltd.*	9,200	215,924
Microsoft Corp.	128,100	3,044,937
Shanda Interactive Entertainment Ltd. (ADR)* (a)	2,100	109,809
Symantec Corp.*	17,500	272,300
VMware, Inc. "A"*	5,000	136,350
		3,941,512
Materials 4.3%		
Chemicals 1.6%		
Ashland, Inc.	19,100	535,755
Dow Chemical Co.	6,700	108,138
Terra Industries, Inc.	38,900	942,158
		1,586,051
Metals & Mining 2.0%		
Cliffs Natural Resources, Inc.	43,700	1,069,339
Gold Fields Ltd. (ADR)	48,300	582,015
Walter Energy, Inc.	8,300	300,792
		1,952,146
Paper & Forest Products 0.7%		
International Paper Co.	45,100	682,363
Telecommunication Services 3.4%		
Diversified Telecommunication Services 3.2%		
AT&T, Inc.	42,100	1,045,764
Chunghwa Telecom Co., Ltd. (ADR)	11,800	233,994
Tele Norte Leste Participacoes SA (ADR) (Preferred)	7,200	107,064

* Non-income producing security.

** Annualized yield at time of purchase; not a coupon rate.

† The cost for federal income tax purposes was \$107,309,253. At June 30, 2009, net unrealized depreciation for all securities based on tax cost was \$7,120,404. This consisted of aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost of \$7,200,610 and aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value of \$14,321,014.

(a) All or a portion of these securities were on loan (see Notes to Financial Statements). The value of all securities loaned at June 30, 2009 amounted to \$1,870,464, which is 1.9% of net assets.

The accompanying notes are an integral part of the financial statements.

	Shares	Value (\$)
Verizon Communications, Inc.	57,800	1,776,234
		3,163,056
Wireless Telecommunication Services 0.2%		
Mobile TeleSystems (ADR)	5,500	203,115
Utilities 2.5%		
Electric Utilities 0.9%		
Duke Energy Corp.	5,300	77,327
Edison International	16,100	506,506
Exelon Corp.	1,800	92,178
Pepco Holdings, Inc.	5,200	69,888
Southern Co.	3,900	121,524
		867,423
Gas Utilities 0.2%		
Atmos Energy Corp.	1,700	42,568
ONEOK, Inc.	6,600	194,634
		237,202
Independent Power Producers & Energy Traders 0.7%		
AES Corp.*	46,400	538,704
Mirant Corp.*	6,300	99,162
		637,866
Multi-Utilities 0.7%		
Dominion Resources, Inc.	7,700	257,334
NiSource, Inc.	25,900	301,994
Sempra Energy	2,700	134,001
		693,329
Total Common Stocks (Cost \$99,105,742)		95,232,554
	Principal Amount (\$)	Value (\$)
Government & Agency Obligation 0.5%		
US Treasury Obligation		
US Treasury Bill, 0.15%** 9/17/2009 (b) (Cost \$480,844)	481,000	480,810
	Shares	Value (\$)
Securities Lending Collateral 2.0%		
Daily Assets Fund Institutional, 0.48% (c) (d) (Cost \$1,981,685)	1,981,685	1,981,685
Cash Equivalents 2.6%		
Cash Management QP Trust, 0.27% (c) (Cost \$2,493,840)	2,493,840	2,493,840
	% of Net Assets	Value (\$)
Total Investment Portfolio (Cost \$104,062,111)†		102.1 100,188,889
Other Assets and Liabilities, Net		(2.1) (2,041,627)
Net Assets		100.0 98,147,262

- (b) At June 30, 2009, this security has been pledged, in whole or in part, to cover initial margin requirements for open futures contracts.
- (c) Affiliated fund managed by Deutsche Investment Management Americas Inc. The rate shown is the annualized seven-day yield at period end.
- (d) Represents collateral held in connection with securities lending. Income earned by the Portfolio is net of borrower rebates.

ADR: American Depositary Receipt

REIT: Real Estate Investment Trust

At June 30, 2009, open futures contracts purchased were as follows:

Futures	Expiration Date	Contracts	Aggregate Face Value (\$)	Value (\$)	Unrealized Depreciation (\$)
S&P 500 E-Mini Index	9/18/2009	59	2,774,725	2,700,725	(74,000)

For information on the Portfolio's policy and additional disclosures regarding futures contracts, please refer to the Derivatives section of Note A in the accompanying Notes to Financial Statements.

Fair Value Measurements

Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, "Fair Value Measurements," as amended, establishes a three-tier hierarchy for measuring fair value and requires additional disclosure about the classification of fair value measurements.

Various inputs are used in determining the value of the Portfolio'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 observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, and credit risk). Level 3 includes significant unobservable inputs (including the Portfolio'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 June 30, 2009 in valuing the Portfolio's investments. For information on the Portfolio's policy regarding the valuation of investments, please refer to the Security Valuation section of Note A in the accompanying Notes to the Financial Statements.

Assets	Level 1	Level 2	Level 3	Total
Common Stock and/or Other Equity Investments (e)	\$ 95,232,554	\$ —	\$ —	\$ 95,232,554
Short-Term Investments (e)	1,981,685	2,974,650	—	4,956,335
Total	\$ 97,214,239	\$ 2,974,650	\$ —	\$ 100,188,889
Liabilities				
Derivatives (f)	\$ (74,000)	\$ —	\$ —	\$ (74,000)
Total	\$ (74,000)	\$ —	\$ —	\$ (74,000)

(e) See Investment Portfolio for additional detailed categorizations.

(f) Derivatives include unrealized depreciation on open futures contracts.

The accompanying notes are an integral part of the financial statements.

Financial Statements

Statement of Assets and Liabilities

as of June 30, 2009 (Unaudited)

Assets

Investments:	
Investments in securities, at value (cost \$99,586,586 — including \$1,870,464 of securities loaned)	\$ 95,713,364
Investment in Daily Assets Fund Institutional (cost \$1,981,685)*	1,981,685
Investment in Cash Management QP Trust (cost \$2,493,840)	2,493,840
Total investments, at value (cost \$104,062,111)	100,188,889
Foreign currency, at value (cost \$2,166)	1,909
Dividends receivable	94,023
Interest receivable	35,894
Receivable for Portfolio shares sold	86,186
Total assets	100,406,901

Liabilities

Payable for Portfolio shares redeemed	112,088
Payable upon return of securities loaned	1,981,685
Payable for daily variation margin on open futures contracts	17,465
Accrued management fee	41,739
Other accrued expenses and payables	106,662
Total liabilities	2,259,639

Net assets, at value **\$ 98,147,262**

Net Assets Consist of

Undistributed net investment income	705,975
Net unrealized appreciation (depreciation) on:	
Investments	(3,873,222)
Futures	(74,000)
Foreign currency	(257)
Accumulated net realized gain (loss)	(64,779,321)
Paid-in capital	166,168,087
Net assets, at value	\$ 98,147,262

Class A

Net Asset Value, offering and redemption price per share (\$98,009,380 ÷ 12,898,873 outstanding shares of beneficial interest, no par value, unlimited number of shares authorized) **\$ 7.60**

Class B

Net Asset Value, offering and redemption price per share (\$137,882 ÷ 18,067 outstanding shares of beneficial interest, no par value, unlimited number of shares authorized) **\$ 7.63**

* Represents collateral on securities loaned.

Statement of Operations

for the six months ended June 30, 2009 (Unaudited)

Investment Income

Income:	
Dividends (net of foreign taxes withheld of \$3,732)	\$ 1,049,945
Interest	284
Interest — Cash Management QP Trust	5,464
Securities lending income, including income from Daily Assets Fund Institutional, net of borrower rebates	98,138
Total Income	1,153,831
Expenses:	
Management fee	260,115
Administration fee	47,294
Custodian fee	9,748
Distribution service fee (Class B)	160
Services to shareholders	1,110
Legal fees	7,083
Audit and tax fees	24,760
Trustees' fees and expenses	4,609
Reports to shareholders	24,877
Other	11,106
Total expenses	390,862
Net investment income (loss)	762,969

Realized and Unrealized Gain (Loss)

Net realized gain (loss) from:	
Investments	(22,594,777)
Futures	(57,736)
	(22,652,513)
Change in net unrealized appreciation (depreciation) on:	
Investments	27,846,049
Futures	(87,278)
Foreign currency	110
	27,758,881
Net gain (loss)	5,106,368
Net increase (decrease) in net assets resulting from operations	\$ 5,869,337

The accompanying notes are an integral part of the financial statements.

Statement of Changes in Net Assets

	Six Months Ended June 30, 2009 (Unaudited)	Year Ended December 31, 2008
Increase (Decrease) in Net Assets		
Operations:		
Net investment income (loss)	\$ 762,969	\$ 1,994,929
Net realized gain (loss)	(22,652,513)	(36,592,420)
Change in net unrealized appreciation (depreciation)	27,758,881	(46,206,859)
Net increase (decrease) in net assets resulting from operations	5,869,337	(80,804,350)
Distributions to shareholders from:		
Net investment income:		
Class A	(2,044,479)	(3,297,531)
Class B	(2,260)	(117,139)
Net realized gains:		
Class A	—	(35,917,893)
Class B	—	(1,664,515)
Total distributions	(2,046,739)	(40,997,078)
Portfolio share transactions:		
Class A		
Proceeds from shares sold	2,170,382	5,194,608
Reinvestment of distributions	2,044,479	39,215,424
Cost of shares redeemed	(16,255,046)	(60,894,125)
Net increase (decrease) in net assets from Class A share transactions	(12,040,185)	(16,484,093)
Class B		
Proceeds from shares sold	135	238,193
Reinvestment of distributions	2,260	1,781,654
Cost of shares redeemed	(5,078)	(10,423,558)
Net increase (decrease) in net assets from Class B share transactions	(2,683)	(8,403,711)
Increase (decrease) in net assets	(8,220,270)	(146,689,232)
Net assets at beginning of period	106,367,532	253,056,764
Net assets at end of period (including undistributed net investment income of \$705,975 and \$1,989,745, respectively)	\$ 98,147,262	\$ 106,367,532
Other Information		
Class A		
Shares outstanding at beginning of period	14,644,836	16,515,920
Shares sold	311,284	519,469
Shares issued to shareholders in reinvestment of distributions	313,090	3,731,248
Shares redeemed	(2,370,337)	(6,121,801)
Net increase (decrease) in Class A shares	(1,745,963)	(1,871,084)
Shares outstanding at end of period	12,898,873	14,644,836
Class B		
Shares outstanding at beginning of period	18,379	755,480
Shares sold	20	18,580
Shares issued to shareholders in reinvestment of distributions	345	169,520
Shares redeemed	(677)	(925,201)
Net increase (decrease) in Class B shares	(312)	(737,101)
Shares outstanding at end of period	18,067	18,379

The accompanying notes are an integral part of the financial statements.

Financial Highlights

Class A

Years Ended December 31,	2009 ^a	2008	2007	2006	2005	2004
Selected Per Share Data						
Net asset value, beginning of period	\$ 7.25	\$14.65	\$16.17	\$14.88	\$13.65	\$11.84
<i>Income (loss) from investment operations:</i>						
Net investment income ^b	.06	.12	.17	.17 ^d	.14	.13
Net realized and unrealized gain (loss)	.44	(4.97)	.36	2.07	1.22	1.76
Total from investment operations	.50	(4.85)	.53	2.24	1.36	1.89
<i>Less distributions from:</i>						
Net investment income	(.15)	(.21)	(.18)	(.14)	(.13)	(.08)
Net realized gains	—	(2.34)	(1.87)	(.81)	—	—
Total distributions	(.15)	(2.55)	(2.05)	(.95)	(.13)	(.08)
Net asset value, end of period	\$ 7.60	\$ 7.25	\$14.65	\$16.17	\$14.88	\$13.65
Total Return (%)	7.29 ^{**}	(38.49) ^c	3.50	15.65 ^d	10.06	16.04
Ratios to Average Net Assets and Supplemental Data						
Net assets, end of period (\$ millions)	98	106	242	314	294	283
Ratio of expenses before expense reductions (%)	.83 [*]	.76	.71	.71	.70	.70
Ratio of expenses after expense reductions (%)	.83 [*]	.76	.71	.71	.70	.70
Ratio of net investment income (%)	1.61 [*]	1.12	1.13	1.12 ^d	1.00	1.08
Portfolio turnover rate (%)	41 ^{**}	127	275	226	288	249

^a For the six months ended June 30, 2009 (Unaudited).

^b Based on average shares outstanding during the period.

^c Total return would have been lower had certain expenses not been reduced.

^d Includes non-recurring income from the Advisor recorded as a result of an administrative proceeding regarding disclosure of brokerage allocation practices in connection with sales of DWS Funds. The non-recurring income resulted in an increase in net investment income of \$0.003 per share and an increase in the ratio of net investment income of 0.02%. Excluding this non-recurring income, total return would have been 0.02% lower.

* Annualized ** Not annualized

Class B

Years Ended December 31,	2009 ^a	2008	2007	2006	2005	2004
Selected Per Share Data						
Net asset value, beginning of period	\$ 7.26	\$14.61	\$16.12	\$14.83	\$13.60	\$11.80
<i>Income (loss) from investment operations:</i>						
Net investment income ^b	.05	.04	.11	.11 ^d	.09	.09
Net realized and unrealized gain (loss)	.44	(4.89)	.36	2.07	1.22	1.74
Total from investment operations	.49	(4.85)	.47	2.18	1.31	1.83
<i>Less distributions from:</i>						
Net investment income	(.12)	(.16)	(.11)	(.08)	(.08)	(.03)
Net realized gains	—	(2.34)	(1.87)	(.81)	—	—
Total distributions	(.12)	(2.50)	(1.98)	(.89)	(.08)	(.03)
Net asset value, end of period	\$ 7.63	\$ 7.26	\$14.61	\$16.12	\$14.83	\$13.60
Total Return (%)	7.08 ^{**}	(38.48) ^c	3.15	15.19 ^d	9.68	15.55
Ratios to Average Net Assets and Supplemental Data						
Net assets, end of period (\$ millions)	.13	.13	11	46	44	37
Ratio of expenses before expense reductions (%)	1.09 [*]	1.22	1.09	1.09	1.09	1.08
Ratio of expenses after expense reductions (%)	1.09 [*]	1.21	1.09	1.09	1.09	1.08
Ratio of net investment income (%)	1.35 [*]	.67	.75	.74 ^d	.61	.70
Portfolio turnover rate (%)	41 ^{**}	127	275	226	288	249

^a For the six months ended June 30, 2009 (Unaudited).

^b Based on average shares outstanding during the period.

^c Total return would have been lower had certain expenses not been reduced.

^d Includes non-recurring income from the Advisor recorded as a result of an administrative proceeding regarding disclosure of brokerage allocation practices in connection with sales of DWS Funds. The non-recurring income resulted in an increase in net investment income of \$0.003 per share and an increase in the ratio of net investment income of 0.02%. Excluding this non-recurring income, total return would have been 0.02% lower.

* Annualized ** Not annualized

DWS Core Fixed Income VIP

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 redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Please contact your participating insurance company for the Portfolio's most recent month-end performance. Performance doesn't reflect charges and fees ("contract charges") associated with the separate account that invests in the Portfolio or any variable life insurance policy or variable annuity contract for which the Portfolio is an investment option. These charges and fees will reduce returns. While all share classes have the same underlying Portfolio, their performance will differ.

The total annual Portfolio operating expense ratios, gross of any fee waivers or expense reimbursements, as stated in the fee table of the prospectus dated May 1, 2009 are .67% and 1.07% for Class A and Class B shares, respectively. Please see the Information About Your Portfolio's Expenses, the Financial Highlights and Notes to the Financial Statements (Note C, Related Parties) sections of this report for gross and net expense-related disclosure for the period ended June 30, 2009.

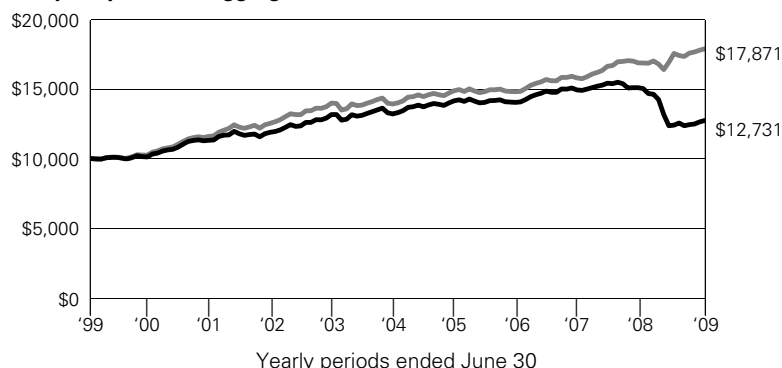
Risk Considerations

This Portfolio invests in individual bonds whose yields and market values fluctuate so that your investment may be worth more or less than its original cost. Bond investments are subject to interest-rate risk such that when interest rates rise, the prices of the bonds, and thus the value of the Portfolio, can decline and the investor can lose principal value. In the recent market environment, mortgage-backed securities are experiencing increased volatility. Investments by the Portfolio in lower-rated bonds present greater risk to principal and income than investments in higher-quality securities. Additionally, investing in foreign securities presents certain risks, such as currency fluctuation and changes in political/economic conditions and market risks. All of these factors may result in greater share price volatility. Please see this Portfolio's prospectus for specific details regarding its investments and risk profile.

Portfolio returns shown during the 1-year, 3-year, 5-year and 10-year periods reflect a fee waiver and/or expense reimbursement. Without this waiver/reimbursement, returns would have been lower.

Growth of an Assumed \$10,000 Investment in DWS Core Fixed Income VIP

■ DWS Core Fixed Income VIP — Class A
 ■ Barclays Capital U.S. Aggregate Bond Index



The Barclays Capital U.S. Aggregate Bond Index is an unmanaged index representing domestic taxable investment-grade bonds, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities with an average maturity of one year or more.

Index returns, unlike portfolio returns, do not reflect any fees or expenses. It is not possible to invest directly into an index.

Comparative Results

DWS Core Fixed Income VIP		6-Month [‡]	1-Year	3-Year	5-Year	10-Year
Class A	Growth of \$10,000	\$10,268	\$8,477	\$9,057	\$9,580	\$12,731
	Average annual total return	2.68%	-15.23%	-3.25%	-8.6%	2.44%
Barclays Capital US Aggregate Bond Index	Growth of \$10,000	\$10,190	\$10,605	\$12,055	\$12,772	\$17,871
	Average annual total return	1.90%	6.05%	6.43%	5.01%	5.98%

DWS Core Fixed Income VIP		6-Month [‡]	1-Year	3-Year	5-Year	Life of Class [*]
Class B	Growth of \$10,000	\$10,259	\$8,450	\$8,954	\$9,394	\$10,382
	Average annual total return	2.59%	-15.50%	-3.62%	-1.24%	.54%
Barclays Capital US Aggregate Bond Index	Growth of \$10,000	\$10,190	\$10,605	\$12,055	\$12,772	\$14,145
	Average annual total return	1.90%	6.05%	6.43%	5.01%	5.08%

The growth of \$10,000 is cumulative.

[‡] Total returns shown for periods less than one year are not annualized.

^{*} The Portfolio commenced offering Class B shares on July 1, 2002. Index returns began on June 30, 2002.

Information About Your Portfolio's Expenses

DWS Core Fixed Income VIP

As an investor of the Portfolio, you incur two types of costs: ongoing expenses and transaction costs. Ongoing expenses include management fees, distribution and service (12b-1) fees and other Portfolio expenses. Examples of transaction costs include contract charges, redemption fees and account maintenance fees, which are not shown in this section. The following tables are intended to help you understand your ongoing expenses (in dollars) of investing in the Portfolio and to help you compare these expenses with the ongoing expenses of investing in other mutual funds. The example in the table is based on an investment of \$1,000 invested at the beginning of the six-month period and held for the entire period (January 1, 2009 to June 30, 2009).

The tables illustrate your Portfolio's expenses in two ways:

- Actual Portfolio Return.** This helps you estimate the actual dollar amount of ongoing expenses (but not transaction costs) paid on a \$1,000 investment in the Portfolio using the Portfolio's actual return during the period. To estimate the expenses you paid over the period, simply divide your account

value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the "Expenses Paid per \$1,000" line under the share class you hold.

- Hypothetical 5% Portfolio Return.** This helps you to compare your Portfolio's ongoing expenses (but not transaction costs) with those of other mutual funds using the Portfolio's actual expense ratio and a hypothetical rate of return of 5% per year before expenses. Examples using a 5% hypothetical Portfolio return may be found in the shareholder reports of other mutual funds. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period.

Please note that the expenses shown in these tables are meant to highlight your ongoing expenses only and do not reflect any transaction costs. The "Expenses Paid per \$1,000" line of the tables is useful in comparing ongoing expenses only and will not help you determine the relative total expense of owning different funds. If these transaction costs had been included, your costs would have been higher.

Expenses and Value of a \$1,000 Investment for the six months ended June 30, 2009

Actual Portfolio Return	Class A	Class B
Beginning Account Value 1/1/09	\$1,000.00	\$1,000.00
Ending Account Value 6/30/09	\$1,026.80	\$1,025.90
Expenses Paid per \$1,000*	\$ 3.87	\$ 5.88

Hypothetical 5% Portfolio Return	Class A	Class B
Beginning Account Value 1/1/09	\$1,000.00	\$1,000.00
Ending Account Value 6/30/09	\$1,020.98	\$1,018.99
Expenses Paid per \$1,000*	\$ 3.86	\$ 5.86

* Expenses are equal to the Portfolio's annualized expense ratio for each share class, multiplied by the average account value over the period, multiplied by the number of days in the most recent six-month period, then divided by 365.

Annualized Expense Ratios	Class A	Class B
DWS Variable Series II — DWS Core Fixed Income VIP	.77%	1.17%

For more information, please refer to the Portfolio's prospectus.

These tables do not reflect charges and fees ("contract charges") associated with the separate account that invests in the Portfolio or any variable life insurance policy or variable annuity contract for which the Portfolio is an investment option.

Portfolio Summary

DWS Core Fixed Income VIP

Asset Allocation (As a % of Investment Portfolio excluding Securities Lending Collateral)	6/30/09	12/31/08
Mortgage-Backed Securities Pass-Throughs	30%	21%
Corporate Bonds	26%	24%
Government & Agency Obligations	15%	7%
Cash Equivalents	13%	—
Collateralized Mortgage Obligations	6%	30%
Municipal Bonds and Notes	5%	5%
Commercial Mortgage-Backed Securities	5%	10%
Asset-Backed	—	2%
Preferred Securities	—	1%
	100%	100%

Sector Diversification (As a % of Corporate Bonds and Preferred Security)	6/30/09	12/31/08
Financials	37%	39%
Consumer Discretionary	17%	12%
Energy	12%	12%
Consumer Staples	12%	6%
Utilities	8%	16%
Telecommunication Services	5%	3%
Health Care	5%	2%
Industrials	2%	3%
Information Technology	2%	3%
Materials	—	4%
	100%	100%

Quality (Excludes Securities Lending Collateral)	6/30/09	12/31/08
US Government and Agencies	55%	38%
AAA*	11%	32%
AA	4%	2%
A	11%	9%
BBB	18%	19%
Not Rated	1%	—
	100%	100%

* Includes cash equivalents

Effective Maturity (Excludes Cash Equivalents and Securities Lending Collateral)	6/30/09	12/31/08
Under 1 year	6%	1%
1–4.99 years	49%	44%
5–9.99 years	37%	37%
10–14.99 years	2%	4%
15 years or greater	6%	14%
	100%	100%

Asset allocation, sector diversification, quality and effective maturity are subject to change.

Weighted average effective maturity: 6.5 years and 7.9 years, respectively.

The quality ratings represent the lower of Moody's Investors Service, Inc. ("Moody's") or Standard & Poor's Corporation ("S&P") credit ratings. The ratings of Moody's and S&P represent their opinions as to the quality of the securities they rate. Ratings are relative and subjective and are not absolute standards of quality. The Portfolio's quality does not remove market risk.

For more complete details about the Portfolio's investment portfolio, see page 43. A complete list of portfolio holdings of the Portfolio is posted as of the month end on www.dws-investments.com on or about the 15th day of the following month. More frequent posting of portfolio holdings information may be made from time to time on www.dws-investments.com.

Following the Portfolio's fiscal first and third quarter-end, a complete portfolio holdings listing is filed with the SEC on Form N-Q. The form will be available on the SEC's Web site at www.sec.gov, and it also may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the SEC's Public Reference Room may be obtained by calling (800) SEC-0330.

DWS Core Fixed Income VIP

	Principal Amount (\$)	Value (\$)		Principal Amount (\$)	Value (\$)
Corporate Bonds 28.1%			ONEOK Partners LP, 8.625%, 3/1/2019	415,000	464,130
Consumer Discretionary 4.8%			Talisman Energy, Inc., 7.75%, 6/1/2019 (a)	123,000	136,259
British Sky Broadcasting Group PLC, 144A, 9.5%, 11/15/2018	605,000	723,103	TransCanada PipeLines Ltd., 7.625%, 1/15/2039	255,000	297,611
Comcast Cable Holdings LLC: 7.875%, 8/1/2013	435,000	494,929			4,463,358
9.875%, 6/15/2022	250,000	301,177	Financials 10.3%		
10.125%, 4/15/2022	363,000	419,487	American Express Co., 7.0%, 3/19/2018	688,000	668,074
Cox Communications, Inc., 7.125%, 10/1/2012	550,000	591,226	Bank of America Corp.: 5.65%, 5/1/2018	865,000	764,341
Fortune Brands, Inc.: 5.375%, 1/15/2016	300,000	275,201	5.75%, 12/1/2017	225,000	200,346
6.375%, 6/15/2014	210,000	208,804	Series L, 7.375%, 5/15/2014	74,000	76,443
News America, Inc., 6.4%, 12/15/2035	320,000	280,075	7.625%, 6/1/2019	240,000	241,071
Time Warner Cable, Inc.: 6.75%, 7/1/2018	122,000	127,071	Bank of New York Mellon Corp., 4.3%, 5/15/2014	300,000	304,837
6.75%, 6/15/2039	400,000	389,316	BB&T Corp., 6.85%, 4/30/2019	345,000	358,788
Time Warner Entertainment Co., LP, 10.15%, 5/1/2012	460,000	515,374	Capital One Financial Corp., 7.375%, 5/23/2014	240,000	247,483
Time Warner, Inc.: 7.625%, 4/15/2031	360,000	349,976	Citigroup, Inc.: 4.125%, 2/22/2010	400,000	400,098
7.7%, 5/1/2032	325,000	319,366	6.125%, 5/15/2018	350,000	306,131
Viacom, Inc.: 6.25%, 4/30/2016	130,000	128,071	8.5%, 5/22/2019	168,000	170,896
6.75%, 10/5/2037	550,000	495,121	Corp. Andina de Fomento: 5.75%, 1/12/2017	295,000	284,187
Yum! Brands, Inc., 6.875%, 11/15/2037	500,000	504,000	6.875%, 3/15/2012	210,000	221,398
		6,122,297	Deutsche Telekom International Finance BV: 4.875%, 7/8/2014	100,000	100,648
			6.0%, 7/8/2019 (a)	630,000	635,607
Consumer Staples 3.3%			General Electric Capital Corp., 5.625%, 5/1/2018 (a)	980,000	926,867
Altria Group, Inc., 9.95%, 11/10/2038	250,000	288,581	Hartford Financial Services Group, Inc., 5.25%, 10/15/2011	200,000	193,298
Anheuser-Busch InBev Worldwide, Inc., 144A, 7.75%, 1/15/2019	750,000	820,242	Jefferson-Pilot Corp., 4.75%, 1/30/2014	80,000	70,589
ConAgra Foods, Inc., 7.0%, 4/15/2019	350,000	383,698	JPMorgan Chase & Co.: 4.65%, 6/1/2014	310,000	309,182
CVS Caremark Corp., 6.302%, 6/1/2037	1,949,000	1,442,260	6.3%, 4/23/2019	640,000	643,727
Dr. Pepper Snapple Group, Inc., 6.82%, 5/1/2018	440,000	465,307	MetLife, Inc.: 6.75%, 6/1/2016	190,000	193,430
Kroger Co.: 6.15%, 1/15/2020	200,000	204,347	7.171%, 2/15/2019	395,000	422,507
7.0%, 5/1/2018 (a)	375,000	403,807	Morgan Stanley: Series F, 6.0%, 4/28/2015	490,000	488,721
Safeway, Inc., 7.45%, 9/15/2027	220,000	232,163	7.3%, 5/13/2019	210,000	217,759
		4,240,405	National City Corp., 4.0%, 2/1/2011	580,000	569,850
Energy 3.5%			National Rural Utilities Cooperative Finance Corp., 10.375%, 11/1/2018	645,000	808,716
Anadarko Petroleum Corp., 6.45%, 9/15/2036	290,000	260,686	Principal Financial Group, Inc., 7.875%, 5/15/2014	525,000	553,083
ConocoPhillips, 6.5%, 2/1/2039	500,000	532,216	Prudential Financial, Inc.: Series B, 5.1%, 9/20/2014	130,000	122,827
DCP Midstream LLC, 144A, 9.75%, 3/15/2019	330,000	367,865	7.375%, 6/15/2019	50,000	49,091
Devon Energy Corp., 6.3%, 1/15/2019	700,000	748,033	Simon Property Group LP, (REIT), 6.75%, 5/15/2014 (a)	105,000	105,504
Enterprise Products Operating LLP, 7.5%, 2/1/2011	460,000	482,142	Telefonica Emisiones SAU, 5.877%, 7/15/2019 (b)	145,000	149,494
Hess Corp., 8.125%, 2/15/2019	390,000	443,997			
Kinder Morgan Energy Partners LP: 5.625%, 2/15/2015	92,000	92,986			
7.3%, 8/15/2033	300,000	288,168			
Marathon Oil Corp., 7.5%, 2/15/2019	320,000	349,265			

The accompanying notes are an integral part of the financial statements.

	Principal Amount (\$)	Value (\$)
The Goldman Sachs Group, Inc.:		
6.0%, 5/1/2014	180,000	187,859
7.5%, 2/15/2019	730,000	781,664
US Bancorp.:		
LIBOR minus 1.46%, 0.00%, 12/11/2035	265,000	251,087
LIBOR minus 1.75%, 0.00%, 9/20/2036	20,000	18,150
Verizon Wireless Capital LLC, 144A, 8.5%, 11/15/2018	300,000	358,528
Wachovia Corp., Series G, 5.5%, 5/1/2013	650,000	671,453
	13,073,734	

Health Care 1.3%

Express Scripts, Inc.:		
6.25%, 6/15/2014	75,000	79,358
7.25%, 6/15/2019	50,000	55,137
McKesson Corp., 7.5%, 2/15/2019 (a)	300,000	337,845
Medco Health Solutions, Inc., 7.125%, 3/15/2018	740,000	779,276
Merck & Co., Inc.:		
5.0%, 6/30/2019	207,000	209,594
5.85%, 6/30/2039	48,000	49,309
Quest Diagnostics, Inc., 6.95%, 7/1/2037	170,000	170,834
	1,681,353	

Industrials 0.5%

Waste Management, Inc., 6.375%, 3/11/2015	570,000	590,545
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Information Technology 0.5%

Dell, Inc., 5.875%, 6/15/2019	200,000	204,142
Oracle Corp.:		
3.75%, 7/8/2014 (b)	145,000	145,065
5.0%, 7/8/2019 (b)	225,000	223,985
	573,192	

Telecommunication Services 1.5%

AT&T, Inc., 6.55%, 2/15/2039	615,000	613,907
Qwest Corp., 7.625%, 6/15/2015	234,000	219,960
Telecom Italia Capital SA:		
5.25%, 11/15/2013	445,000	436,362
6.175%, 6/18/2014	130,000	131,466
7.175%, 6/18/2019	120,000	121,643
Verizon Communications, Inc., 6.35%, 4/1/2019	350,000	364,102
	1,887,440	

Utilities 2.4%

DPL, Inc., 6.875%, 9/1/2011	380,000	399,319
DTE Energy Co., 7.625%, 5/15/2014	148,000	154,462
Peppco Holdings, Inc., 6.45%, 8/15/2012	675,000	702,377
Progress Energy, Inc., 7.05%, 3/15/2019 (a)	300,000	332,850
Sempra Energy, 6.5%, 6/1/2016	290,000	302,714
Southern Co., 4.15%, 5/15/2014	285,000	286,134
Southwestern Public Service Co., Series G, 8.75%, 12/1/2018	680,000	817,128
	2,994,984	

Total Corporate Bonds (Cost \$34,329,256) **35,627,308**

Asset-Backed 0.0%

Home Equity Loans

Securitized Asset-Backed NIM Trust, "NIM", Series 2005-FR4, 144A, 6.0%, 1/25/2036* (Cost \$459,643)	459,930	46
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Mortgage-Backed Securities

Pass-Throughs 32.6%

Federal Home Loan Mortgage Corp.:		
4.5%, 9/1/2020	1,563,294	1,605,034
6.0%, with various maturities from 12/1/2034 until 3/1/2038	1,203,424	1,261,879
Federal National Mortgage Association:		
4.5%, with various maturities from 8/1/2033 until 10/1/2033	2,566,933	2,572,949
5.0%, with various maturities from 7/1/2019 until 2/1/2038 (b)	9,376,216	9,650,813
5.136% **, 9/1/2038	479,482	498,765
5.5%, with various maturities from 2/1/2024 until 9/1/2036 (b)	18,206,647	18,861,409
6.0%, 4/1/2024	1,049,952	1,107,412
6.5%, with various maturities from 3/1/2017 until 4/1/2037	5,442,649	5,810,571
8.0%, 9/1/2015	19,538	21,269

Total Mortgage-Backed Securities Pass-Throughs
(Cost \$40,136,123) **41,390,101**

Commercial Mortgage-Backed Securities 5.0%

Banc of America Commercial Mortgage, Inc.:		
"A4", Series 2007-1, 5.451%, 1/15/2049	855,000	637,765
"A2", Series 2007-2, 5.634%, 4/10/2049	325,000	295,081
"A4", Series 2007-3, 5.837% **, 6/10/2049	1,035,000	732,417
"A4", Series 2007-2, 5.867% **, 4/10/2049	675,000	511,199
Greenwich Capital Commercial Funding Corp., "A4", Series 2007-GG9, 5.444%, 3/10/2039	1,465,000	1,167,773
GS Mortgage Securities Corp. II, "A4", Series 2006-GG8, 5.56%, 11/10/2039	485,000	395,569
JPMorgan Chase Commercial Mortgage Securities Corp.:		
"A4", Series 2007-LD12, 5.882%, 2/15/2051	338,000	253,118
"A2", Series 2007-LD11, 5.992% **, 6/15/2049	1,790,000	1,649,668
Merrill Lynch Mortgage Trust, "ASB", Series 2007-C1, 6.022% **, 6/12/2050	900,000	752,310

Total Commercial Mortgage-Backed Securities
(Cost \$7,062,482) **6,394,900**

Collateralized Mortgage Obligations 6.8%

Fannie Mae Whole Loan, "1A1", Series 2004-W15, 6.0%, 8/25/2044	844,696	892,927
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The accompanying notes are an integral part of the financial statements.

	Principal Amount (\$)	Value (\$)
Federal Home Loan Mortgage Corp.:		
“LN”, Series 3145, 4.5%, 10/15/2034	1,505,809	1,543,852
“BG”, Series 2869, 5.0%, 7/15/2033	335,000	341,740
“PE”, Series 2165, 6.0%, 6/15/2029	1,160,571	1,235,749
Federal National Mortgage Association:		
“QD”, Series 2005-29, 5.0%, 8/25/2033	435,000	442,290
“HE”, Series 2005-22, 5.0%, 10/25/2033	1,540,000	1,564,923
“PG”, Series 2002-3, 5.5%, 2/25/2017	364,451	384,267
“PH”, Series 1999-19, 6.0%, 5/25/2029	1,102,106	1,161,244
“Z”, Series 2001-14, 6.0%, 5/25/2031	723,867	763,772
MASTR Alternative Loans Trust, “5A1”, Series 2005-1, 5.5%, 1/25/2020	415,639	345,890
Total Collateralized Mortgage Obligations (Cost \$8,337,925)		8,676,654

Municipal Bonds and Notes 5.5%

Arizona, Salt River Project, Agricultural Improvement & Power District Electric Systems Revenue, Series A, 5.0%, 1/1/2038	480,000	480,989
Florida, State Board of Education, Capital Outlay 2006, Series E, 5.0%, 6/1/2035	500,000	495,105
Glendale, AZ, Municipal Property Corp., Excise Tax Revenue, Series B, 6.157%, 7/1/2033 (c)	420,000	390,365
Jicarilla, NM, Sales & Special Tax Revenue, Apache Nation Revenue, 144A, 5.2%, 12/1/2013	945,000	956,368
Miami-Dade County, FL, Educational Facilities Authority Revenue, University of Miami, Series B, 6.1%, 4/1/2015	965,000	1,010,693
Michigan, Western Michigan University Revenue, 4.41%, 11/15/2014 (c)	885,000	877,115
New Jersey, Economic Development Authority Revenue, Series B, 6.5%, 11/1/2014 (c)	585,000	646,273
New Jersey, State Educational Facilities Authority Revenue, NJ City University, Series F, 6.85%, 7/1/2036 (c)	395,000	405,025
New Jersey, State Turnpike Authority Revenue, Build America Bonds, Series F, 7.414%, 1/1/2040	240,000	285,706
Newark, NJ, Pension Obligation, 5.853%, 4/1/2022 (c)	865,000	815,738

	Principal Amount (\$)	Value (\$)
Texas, Pharr-San Juan-Alamo Independent School District, School Building, 5.0%, 2/1/2038	295,000	296,622
Texas, Eagle Mountain & Saginaw Independent School District, School Building, 5.0%, 8/15/2038	315,000	317,507
Total Municipal Bonds and Notes (Cost \$6,902,173)		6,977,506

Government & Agency Obligations 15.6%

Other Government Related 7.3%

American Express Bank FSB, FDIC Guaranteed, 3.15%, 12/9/2011 (a)	1,800,000	1,863,794
Citigroup, Inc., FDIC Guaranteed, 2.875%, 12/9/2011	1,800,000	1,851,642
John Deere Capital Corp., Series D, FDIC Guaranteed, 2.875%, 6/19/2012 (a)	1,800,000	1,844,440
JPMorgan Chase & Co., FDIC Guaranteed, 2.125%, 12/26/2012 (a)	1,800,000	1,790,896
KeyBank NA, FDIC Guaranteed, 3.2%, 6/15/2012 (a)	1,800,000	1,860,782
		9,211,554

US Treasury Obligations 8.3%

US Treasury Notes:		
1.75%, 1/31/2014 (a)	6,000,000	5,831,280
3.125%, 5/15/2019 (a)	4,500,000	4,352,355
4.875%, 5/31/2011	300,000	321,562
		10,505,197

Total Government & Agency Obligations

(Cost \$19,744,424) **19,716,751**

Preferred Security 0.3%

Financials

PNC Preferred Funding Trust I, 144A, 8.7%, 3/15/2013 (d) (Cost \$294,063)	400,000	328,004
	Shares	Value (\$)

Securities Lending Collateral 15.2%

Daily Assets Fund Institutional, 0.48% (e) (f) (Cost \$19,213,433)	19,213,433	19,213,433
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Cash Equivalents 13.9%

Cash Management QP Trust, 0.27% (e) (Cost \$17,635,001)	17,635,001	17,635,001
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	% of Net Assets	Value (\$)
Total Investment Portfolio (Cost \$154,114,523) [†]	123.0	155,959,704
Other Assets and Liabilities, Net	(23.0)	(29,185,639)
Net Assets	100.0	126,774,065

The accompanying notes are an integral part of the financial statements.

* Non-income producing security. Issuer has defaulted on the payment of principal or interest or has filed for bankruptcy. The following table represents bonds that are in default:

Securities	Coupon	Maturity Date	Principal Amount (\$)	Acquisition Cost (\$)	Value (\$)
Securitized Asset-Backed NIM Trust, "NIM", Series 2005-FR4	6.0%	1/25/2036	459,930	459,643	46

** Floating rate notes are securities whose yields vary with a designated market index or market rate, such as the coupon-equivalent of the US Treasury bill rate. These securities are shown at their current rate as of June 30, 2009.

† The cost for federal income tax purposes was \$154,134,912. At June 30, 2009, net unrealized appreciation for all securities based on tax cost was \$1,824,792. This consisted of aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost of \$4,033,891 and aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value of \$2,209,099.

(a) All or a portion of these securities were on loan (see Notes to Financial Statements). The value of all securities loaned at June 30, 2009 amounted to \$18,696,764, which is 14.7% of net assets.

(b) When-issued delayed delivery security included.

(c) Bond is insured by one of these companies:

Insurance Coverage	As a % of Total Investment Portfolio
Ambac Financial Group, Inc.	0.5
Assured Guaranty Corp.	0.7
Financial Security Assurance, Inc.	0.8

Many insurers who have traditionally guaranteed payment of municipal issues have been downgraded by the major rating agencies. As a result, most insured issues are now trading on the basis of the underlying credits.

(d) Date shown is call date; not a maturity date for the perpetual preferred securities.

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

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

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.

FDIC: Federal Deposit Insurance Corp.

FSB: Federal Savings Bank

LIBOR: Represents the London InterBank Offered Rate.

REIT: Real Estate Investment Trust

Included in the portfolio are investments in mortgage or asset-backed securities which are interests in separate pools of mortgages or assets. Effective maturities of these investments may be shorter than stated maturities due to prepayments. Some separate investments in the Federal Home Loan Mortgage Corp. and Federal National Mortgage Association issues which have similar coupon rates have been aggregated for presentation purposes in the investment portfolio.

The accompanying notes are an integral part of the financial statements.

Fair Value Measurements

Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, "Fair Value Measurements," as amended, establishes a three-tier hierarchy for measuring fair value and requires additional disclosure about the classification of fair value measurements.

Various inputs are used in determining the value of the Portfolio'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 observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, and credit risk). Level 3 includes significant unobservable inputs (including the Portfolio'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 June 30, 2009 in valuing the Portfolio's investments. For information on the Portfolio's policy regarding the valuation of investments, please refer to the Security Valuation section of Note A in the accompanying Notes to the Financial Statements.

Assets	Level 1	Level 2	Level 3	Total
Fixed Income (g)				
Corporate Bonds	\$ —	\$ 35,627,308	\$ —	\$ 35,627,308
Asset Backed	—	46	—	46
Mortgage-Backed Securities Pass-Throughs	—	41,390,101	—	41,390,101
Commercial Mortgage-Backed Securities	—	6,394,900	—	6,394,900
Collateral Mortgage Obligations	—	8,676,654	—	8,676,654
Municipal Bonds and Notes	—	6,977,506	—	6,977,506
Government & Agency Obligations	—	19,716,751	—	19,716,751
Preferred Security	—	328,004	—	328,004
Short-Term Investments (g)	19,213,433	17,635,001	—	36,848,434
Total	\$ 19,213,433	\$ 136,746,271	\$ —	\$ 155,959,704

(g) See Investment Portfolio for additional detailed categorizations.

The following is a reconciliation of the Portfolio's Level 3 investments for which significant unobservable inputs were used in determining value:

	Preferred Security	Preferred Stock	Total
Balance as of December 31, 2008	\$ 50,000	\$ 147,119	\$ 197,119
Realized gains (loss)	(158,675)	(312,002)	(470,677)
Change in unrealized appreciation (depreciation)	183,675	207,067	390,742
Amortization premium/discount	—	—	—
Net purchases (sales)	(75,000)	(42,184)	(117,184)
Net transfers in (out) of Level 3	—	—	—
Balance as of June 30, 2009	\$ —	\$ —	\$ —
Net change in unrealized appreciation (depreciation) from investments still held	\$ —	\$ —	\$ —

The accompanying notes are an integral part of the financial statements.

Financial Statements

Statement of Assets and Liabilities

as of June 30, 2009 (Unaudited)

Assets	
Investments:	
Investments in securities, at value (cost \$117,266,089) — including \$18,696,764 of securities loaned	\$ 119,111,270
Investment in Daily Assets Fund Institutional (cost \$19,213,433)*	19,213,433
Investment in Cash Management QP Trust (cost \$17,635,001)	17,635,001
Total investments, at value (cost \$154,114,523)	155,959,704
Cash	10,000
Receivable for Portfolio shares sold	692,371
Interest receivable	955,006
Foreign taxes recoverable	1,469
Total assets	157,618,550

Liabilities	
Payable upon return of securities loaned	19,213,433
Payable for investments purchased	514,161
Payable for when-issued and delayed delivery securities purchased	10,748,828
Payable for Portfolio shares redeemed	86,698
Accrued management fee	54,292
Other accrued expenses and payables	227,073
Total liabilities	30,844,485
Net assets, at value	\$ 126,774,065

Net Assets Consist of	
Undistributed net investment income	3,315,951
Net unrealized appreciation (depreciation) on investments	1,845,181
Accumulated net realized gain (loss)	(60,887,805)
Paid-in capital	182,500,738
Net assets, at value	\$ 126,774,065

Class A	
Net Asset Value , offering and redemption price per share (\$95,699,322 ÷ 11,441,180 outstanding shares of beneficial interest, no par value, 24,742,586 shares authorized)	\$ 8.36

Class B	
Net Asset Value , offering and redemption price per share (\$31,074,743 ÷ 3,712,160 outstanding shares of beneficial interest, no par value, 7,316,641 shares authorized)	\$ 8.37

* Represents collateral on securities loaned.

Statement of Operations

for the six months ended June 30, 2009 (Unaudited)

Investment Income	
Income:	
Dividends	\$ 9,824
Interest	3,881,340
Interest — Cash Management QP Trust	22,972
Securities lending income, including income from Daily Assets Fund Institutional, net of borrower rebates	36,834
Total Income	3,950,970
Expenses:	
Management fee	331,939
Administration fee	66,388
Services to shareholders	1,082
Custodian fee	9,045
Distribution service fee (Class B)	38,426
Record keeping fees (Class B)	23,056
Professional fees	34,027
Trustees' fees and expenses	6,032
Reports to shareholders	44,542
Other	16,825
Total expenses before expense reductions	571,362
Expense reductions	(2)
Total expenses after expense reductions	571,360
Net investment income (loss)	3,379,610

Realized and Unrealized Gain (Loss)	
Net realized gain (loss) from:	
Investments	(36,792,199)
Futures	231,032
Payments by affiliates (see Note I)	24,775
	(36,536,392)
Change in net unrealized appreciation (depreciation) on:	
Investments	36,566,742
Futures	75,129
	36,641,871
Net gain (loss)	105,479
Net increase (decrease) in net assets resulting from operations	\$ 3,485,089

The accompanying notes are an integral part of the financial statements.

Statement of Changes in Net Assets

	Six Months Ended June 30, 2009 (Unaudited)	Year Ended December 31, 2008
Increase (Decrease) in Net Assets		
Operations:		
Net investment income (loss)	\$ 3,379,610	\$ 11,324,735
Net realized gain (loss)	(36,536,392)	(19,728,646)
Change in net unrealized appreciation (depreciation)	36,641,871	(31,800,368)
Net increase (decrease) in net assets resulting from operations	3,485,089	(40,204,279)
Distributions to shareholders from:		
Net investment income:		
Class A	(8,879,629)	(12,658,879)
Class B	(2,500,347)	(4,079,055)
Total distributions	(11,379,976)	(16,737,934)
Portfolio share transactions:		
Class A		
Proceeds from shares sold	4,907,625	25,960,265
Reinvestment of distributions	8,879,629	12,658,879
Cost of shares redeemed	(21,788,072)	(71,653,396)
Net increase (decrease) in net assets from Class A share transactions	(8,000,818)	(33,034,252)
Class B		
Proceeds from shares sold	1,302,965	1,828,386
Reinvestment of distributions	2,500,347	4,079,055
Cost of shares redeemed	(3,224,214)	(29,114,932)
Net increase (decrease) in net assets from Class B share transactions	579,098	(23,207,491)
Increase (decrease) in net assets	(15,316,607)	(113,183,956)
Net assets at beginning of period	142,090,672	255,274,628
Net assets at end of period (including undistributed net investment income of \$3,315,951 and \$11,316,317, respectively)	\$ 126,774,065	\$ 142,090,672
Other Information		
Class A		
Shares outstanding at beginning of period	12,351,718	15,754,867
Shares sold	567,710	2,332,157
Shares issued to shareholders in reinvestment of distributions	1,088,190	1,171,035
Shares redeemed	(2,566,438)	(6,906,341)
Net increase (decrease) in Class A shares	(910,538)	(3,403,149)
Shares outstanding at end of period	11,441,180	12,351,718
Class B		
Shares outstanding at beginning of period	3,628,194	5,850,161
Shares sold	155,365	159,817
Shares issued to shareholders in reinvestment of distributions	305,666	376,992
Shares redeemed	(377,065)	(2,758,776)
Net increase (decrease) in Class B shares	83,966	(2,221,967)
Shares outstanding at end of period	3,712,160	3,628,194

The accompanying notes are an integral part of the financial statements.

Financial Highlights

Class A

Years Ended December 31,	2009 ^a	2008	2007	2006	2005	2004
Selected Per Share Data						
Net asset value, beginning of period	\$ 8.90	\$11.82	\$11.86	\$11.81	\$12.07	\$12.16
<i>Income (loss) from investment operations:</i>						
Net investment income ^b	.22	.57	.56	.53	.47	.50
Net realized and unrealized gain (loss)	.00 ^{***}	(2.72)	(.08)	(.05)	(.21)	.05
Total from investment operations	.22	(2.15)	.48	.48	.26	.55
<i>Less distributions from:</i>						
Net investment income	(.76)	(.77)	(.52)	(.43)	(.41)	(.43)
Net realized gains	—	—	—	(.00) ^{***}	(.11)	(.21)
Total distributions	(.76)	(.77)	(.52)	(.43)	(.52)	(.64)
Net asset value, end of period	\$ 8.36	\$ 8.90	\$11.82	\$11.86	\$11.81	\$12.07
Total Return (%)	2.68 ^{d**}	(19.33) ^c	4.17	4.26	2.25	4.53
Ratios to Average Net Assets and Supplemental Data						
Net assets, end of period (\$ millions)	96	110	186	277	252	210
Ratio of expenses before expense reductions (%)	.77 [*]	.70	.66	.68	.67	.66
Ratio of expenses after expense reductions (%)	.77 [*]	.70	.66	.68	.67	.66
Ratio of net investment income (loss) (%)	5.18 [*]	5.36	4.78	4.56	3.96	4.18
Portfolio turnover rate (%)	156 ^{**}	215	209	198	241	176

^a For the six months ended June 30, 2009 (Unaudited).

^b Based on average shares outstanding during the period.

^c Total returns would have been lower had certain expenses not been reduced.

^d Includes a reimbursement from the Advisor to reimburse the effect of losses incurred as the result of certain operation errors during the period. Excluding this reimbursement, total return would have been 0.02% lower.

* Annualized ** Not annualized

*** Amount is less than \$.005.

Class B

Years Ended December 31,	2009 ^a	2008	2007	2006	2005	2004
Selected Per Share Data						
Net asset value, beginning of period	\$ 8.88	\$11.80	\$11.84	\$11.78	\$12.04	\$12.13
<i>Income (loss) from investment operations:</i>						
Net investment income ^b	.20	.53	.51	.49	.42	.45
Net realized and unrealized gain (loss)	.01	(2.73)	(.08)	(.05)	(.21)	.05
Total from investment operations	.21	(2.20)	.43	.44	.21	.50
<i>Less distributions from:</i>						
Net investment income	(.72)	(.72)	(.47)	(.38)	(.36)	(.38)
Net realized gains	—	—	—	(.00) ^{***}	(.11)	(.21)
Total distributions	(.72)	(.72)	(.47)	(.38)	(.47)	(.59)
Net asset value, end of period	\$ 8.37	\$ 8.88	\$11.80	\$11.84	\$11.78	\$12.04
Total Return (%)	2.59 ^{d**}	(19.71) ^c	3.75	3.89	1.85	4.10
Ratios to Average Net Assets and Supplemental Data						
Net assets, end of period (\$ millions)	31	32	69	82	89	88
Ratio of expenses before expense reductions (%)	1.17 [*]	1.10	1.05	1.07	1.07	1.03
Ratio of expenses after expense reductions (%)	1.17 [*]	1.09	1.05	1.07	1.07	1.03
Ratio of net investment income (loss) (%)	4.78 [*]	4.97	4.39	4.17	3.56	3.81
Portfolio turnover rate (%)	156 ^{**}	215	209	198	241	176

^a For the six months ended June 30, 2009 (Unaudited).

^b Based on average shares outstanding during the period.

^c Total returns would have been lower had certain expenses not been reduced.

^d Includes a reimbursement from the Advisor to reimburse the effect of losses incurred as the result of certain operation errors during the period. Excluding this reimbursement, total return would have been 0.02% lower.

* Annualized ** Not annualized

*** Amount is less than \$.005.

DWS Diversified International Equity VIP (formerly DWS International Select Equity VIP)

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 redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Please contact your participating insurance company for the Portfolio's most recent month-end performance. Performance doesn't reflect charges and fees ("contract charges") associated with the separate account that invests in the Portfolio or any variable life insurance policy or variable annuity contract for which the Portfolio is an investment option. These charges and fees will reduce returns. While all share classes have the same underlying Portfolio, their performance will differ.

The total annual Portfolio operating expense ratio, gross of any fee waivers or expense reimbursements, as stated in the fee table of the prospectus dated May 1, 2009 is .99% for Class A shares. Please see the Information About Your Portfolio's Expenses, the Financial Highlights and Notes to the Financial Statements (Note C, Related Parties) sections of this report for gross and net expense-related disclosure for the period ended June 30, 2009.

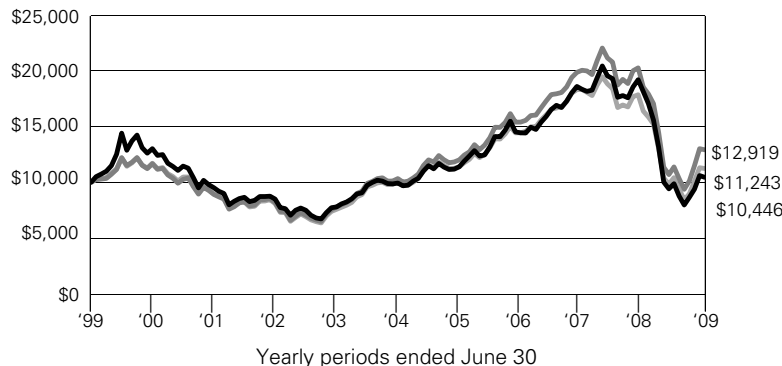
Risk Considerations

This Portfolio is subject to stock market risk, meaning stocks in the Portfolio may decline in value for extended periods of time due to the activities and financial prospects of individual companies, or due to general market and economic conditions. Additionally, investing in foreign securities presents certain risks, such as currency fluctuation, political and economic changes and market risks. This may result in greater share price volatility. Please read this Portfolio's prospectus for specific details regarding its investments and risk profile.

Portfolio returns shown for the 1-year, 3-year, 5-year and 10-year periods reflect a fee waiver and/or expense reimbursement for Class A shares. Without this waiver/reimbursement, returns would have been lower.

Growth of an Assumed \$10,000 Investment in DWS Diversified International Equity VIP

- DWS Diversified International Equity VIP – Class A
- MSCI EAFE® + EMF Index
- MSCI EAFE® Index



The MSCI EAFE® + EMF Index (Morgan Stanley Capital International Europe, Australasia, Far East and Emerging Markets Free Index) is an unmanaged index generally accepted as a benchmark for major overseas markets plus emerging markets. The Morgan Stanley Capital International (MSCI) EAFE Index is an unmanaged, free float-adjusted, market capitalization index that tracks international stock performance in the 21 developed markets of Europe, Australasia and the Far East. The MSCI indices are calculated using closing local market prices and translate into US dollars using the London close foreign exchange rates. Index returns assume reinvestment of dividends and, unlike portfolio returns, do not reflect any fees or expenses. It is not possible to invest directly into an index.

Comparative Results

DWS Diversified International Equity VIP		6-Month [‡]	1-Year	3-Year	5-Year	10-Year
Class A	Growth of \$10,000	\$10,574	\$5,759	\$7,236	\$10,524	\$10,446
	Average annual total return	5.74%	-42.41%	-10.22%	1.03%	.44%
MSCI EAFE + EMF Index	Growth of \$10,000	\$11,354	\$6,971	\$8,394	\$12,506	\$12,919
	Average annual total return	13.54%	-30.29%	-5.67%	4.57%	2.59%
MSCI EAFE Index	Growth of \$10,000	\$10,795	\$6,865	\$7,793	\$11,209	\$11,243
	Average annual total return	7.95%	-31.35%	-7.98%	2.31%	1.18%

The growth of \$10,000 is cumulative.

[‡] Total returns shown for periods less than one year are not annualized.

Information About Your Portfolio's Expenses

DWS Diversified International Select Equity VIP

As an investor of the Portfolio, you incur two types of costs: ongoing expenses and transaction costs. Ongoing expenses include management fees, distribution and service (12b-1) fees and other Portfolio expenses. Examples of transaction costs include contract charges, redemption fees and account maintenance fees, which are not shown in this section. The following tables are intended to help you understand your ongoing expenses (in dollars) of investing in the Portfolio and to help you compare these expenses with the ongoing expenses of investing in other mutual funds. The example in the table is based on an investment of \$1,000 invested at the beginning of the six-month period and held for the entire period (January 1, 2009 to June 30, 2009).

The tables illustrate your Portfolio's expenses in two ways:

- **Actual Portfolio Return.** This helps you estimate the actual dollar amount of ongoing expenses (but not transaction costs) paid on a \$1,000 investment in the Portfolio using the Portfolio's actual return during the period. To estimate the expenses you paid over the period, simply divide your account

value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the "Expenses Paid per \$1,000" line under the share class you hold.

- **Hypothetical 5% Portfolio Return.** This helps you to compare your Portfolio's ongoing expenses (but not transaction costs) with those of other mutual funds using the Portfolio's actual expense ratio and a hypothetical rate of return of 5% per year before expenses. Examples using a 5% hypothetical Portfolio return may be found in the shareholder reports of other mutual funds. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period.

Please note that the expenses shown in these tables are meant to highlight your ongoing expenses only and do not reflect any transaction costs. The "Expenses Paid per \$1,000" line of the tables is useful in comparing ongoing expenses only and will not help you determine the relative total expense of owning different funds. If these transaction costs had been included, your costs would have been higher.

Expenses and Value of a \$1,000 Investment for the six months ended June 30, 2009

Actual Portfolio Return	Class A
Beginning Account Value 1/1/09	\$1,000.00
Ending Account Value 6/30/09	\$1,057.40
Expenses Paid per \$1,000*	\$ 5.15

Hypothetical 5% Portfolio Return	Class A
Beginning Account Value 1/1/09	\$1,000.00
Ending Account Value 6/30/09	\$1,019.79
Expenses Paid per \$1,000*	\$ 5.06

* Expenses are equal to the Portfolio's annualized expense ratio for each share class, multiplied by the average account value over the period, multiplied by the number of days in the most recent six-month period, then divided by 365.

Annualized Expense Ratio	Class A
DWS Variable Series II — DWS Diversified International Select Equity VIP	1.01%

For more information, please refer to the Portfolio's prospectus.

These tables do not reflect charges and fees ("contract charges") associated with the separate account that invests in the Portfolio or any variable life insurance policy or variable annuity contract for which the Portfolio is an investment option.

Portfolio Summary

DWS Diversified International Equity VIP

Asset Allocation (As a % of Investment Portfolio excluding Securities Lending Collateral)	6/30/09	12/31/08
Common Stocks	94%	95%
Exchange-Traded Fund	3%	5%
Cash Equivalents	2%	—
Preferred Stocks	1%	—
	100%	100%

Sector Diversification (As a % of Investment Portfolio excluding Exchange-Traded Fund, Cash Equivalents and Securities Lending Collateral)	6/30/09	12/31/08
Telecommunication Services	16%	14%
Consumer Staples	14%	10%
Health Care	14%	21%
Financials	10%	19%
Consumer Discretionary	9%	—
Utilities	9%	4%
Industrials	8%	8%
Materials	8%	7%
Energy	6%	11%
Information Technology	6%	6%
	100%	100%

Geographical Diversification (As a % of Investment Portfolio excluding Exchange-Traded Fund, Cash Equivalents and Securities Lending Collateral)	6/30/09	12/31/08
Continental Europe	57%	59%
Japan	18%	24%
United Kingdom	9%	7%
Australia	6%	—
Canada	5%	1%
Asia (excluding Japan)	5%	6%
Latin America	—	2%
Russia	—	1%
	100%	100%

Asset allocation, sector and geographical diversifications are subject to change.

For more complete details about the Portfolio's investment portfolio, see page 54. A complete list of portfolio holdings of the Portfolio is posted as of the month end on www.dws-investments.com on or about the 15th day of the following month. More frequent posting of portfolio holdings information may be made from time to time on www.dws-investments.com.

Following the Portfolio's fiscal first and third quarter-end, a complete portfolio holdings listing is filed with the SEC on Form N-Q. The form will be available on the SEC's Web site at www.sec.gov, and it also may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the SEC's Public Reference Room may be obtained by calling (800) SEC-0330.

DWS Diversified International Equity VIP

	Shares	Value (\$)		Shares	Value (\$)
Common Stocks 92.9%					
Australia 5.7%					
AGL Energy Ltd.	82,582	890,567	Solvay SA	2,899	244,591
Australia & New Zealand Banking Group Ltd.	3,822	50,526	Umicore	6,375	145,202
BHP Billiton Ltd.	10,497	287,696	(Cost \$2,013,207)		2,147,067
Brambles Ltd.	19,965	95,513	Bermuda 0.1%		
Coca-Cola Amatil Ltd.	6,331	43,858	Seadrill Ltd. (Cost \$46,052)	4,400	63,223
Cochlear Ltd.	1,572	73,021	Canada 4.9%		
Commonwealth Bank of Australia	2,596	81,169	Agnico-Eagle Mines Ltd.	700	36,873
Crown Ltd.	15,188	88,505	Bank of Montreal	1,000	42,144
CSL Ltd.	14,306	369,751	Bank of Nova Scotia	2,100	78,392
CSR Ltd.	30,700	41,806	Barrick Gold Corp.	2,600	87,512
Fairfax Media Ltd. (a)	69,502	68,034	BCE, Inc.	9,800	202,210
Foster's Group Ltd.	16,834	69,773	Bombardier, Inc. "B"	16,500	48,940
Leighton Holdings Ltd.	2,589	48,746	Canadian Imperial Bank of Commerce	700	35,092
Macquarie Infrastructure Group (Units)	45,344	52,076	Canadian National Railway Co.	4,300	184,732
National Australia Bank Ltd.	3,501	63,032	Canadian Natural Resources Ltd.	1,400	73,650
Newcrest Mining Ltd.	1,579	38,692	Canadian Pacific Railway Ltd.	2,100	83,736
Origin Energy Ltd.	9,638	113,410	Canadian Tire Corp., Ltd. "A"	1,300	61,471
Paladin Energy Ltd.*	7,326	28,846	Canadian Utilities Ltd. "A"	3,900	127,245
Qantas Airways Ltd.	27,721	44,718	EnCana Corp.	1,500	74,371
QBE Insurance Group Ltd.	2,063	32,917	Fortis, Inc.	8,200	179,136
Rio Tinto Ltd.	900	37,667	George Weston Ltd.	1,300	65,204
Santos Ltd.	9,683	113,751	Goldcorp, Inc.	2,300	79,946
Sonic Healthcare Ltd.	9,481	93,863	Imperial Oil Ltd.	2,100	81,462
SP Ausnet	251,683	155,728	Kinross Gold Corp.	2,300	41,921
TABCORP Holdings Ltd.	18,765	107,986	Loblaw Companies Ltd.	2,600	77,677
Tatts Group Ltd.	35,379	72,571	Magna International, Inc. "A"	2,053	87,104
Telstra Corp., Ltd.	188,708	514,902	Manulife Financial Corp.	2,800	48,603
Toll Holdings Ltd.	10,964	54,396	Metro, Inc. "A"	2,200	71,912
Transurban Group (Units)	19,529	65,037	Petro-Canada	1,500	57,929
Wesfarmers Ltd.	8,252	150,217	Potash Corp. of Saskatchewan, Inc.	900	83,953
Westfield Group (REIT) (Units)	5,712	52,027	Research In Motion Ltd.*	5,000	355,414
Westpac Banking Corp.	5,844	94,663	Ritchie Bros. Auctioneers, Inc.	1,100	25,818
Woodside Petroleum Ltd.	5,329	184,658	Rogers Communications, Inc. "B"	6,600	169,660
Woolworths Ltd.	9,522	201,346	Royal Bank of Canada	2,100	85,885
WorleyParsons Ltd.	2,509	47,801	Saputo, Inc.	4,200	87,636
(Cost \$4,091,323)		4,529,269	Shaw Communications, Inc. "B"	6,100	102,685
Austria 1.1%			Shoppers Drug Mart Corp.	5,000	214,891
Erste Group Bank AG	8,080	219,533	SNC-Lavalin Group, Inc.	2,300	84,731
OMV AG	12,665	474,791	Suncor Energy, Inc.	2,300	69,940
Raiffeisen International Bank-Holding AG	2,709	94,077	Teck Resources Ltd. "B"*	2,600	41,465
Vienna Insurance Group	1,886	81,973	Telus Corp.	2,200	56,742
(Cost \$734,898)		870,374	Thomson Reuters Corp.	82,00	238,636
Belgium 2.7%			Toronto-Dominion Bank	1,400	72,326
Anheuser-Busch InBev NV	8,274	299,540	TransAlta Corp.	10,600	203,315
Belgacom SA	21,190	677,423	Viterra, Inc.*	4,900	42,548
Colruyt SA	173	39,480	Yamana Gold, Inc.	3,600	32,003
Compagnie Nationale a Portefeuille	907	43,848	(Cost \$3,588,219)		3,894,910
Delhaize Group	1,198	84,348	Cyprus 0.1%		
Dexia SA* (a)	9,179	69,606	Bank of Cyprus Public Co., Ltd. (Cost \$53,088)	8,464	47,197
Fortis*	35,721	121,788	Denmark 4.0%		
Groupe Bruxelles Lambert SA	1,322	96,815	A P Moller-Maersk AS "A"	10	58,742
KBC GROEP NV*	2,869	52,338	A P Moller-Maersk AS "B"	19	114,090
Mobistar SA	4,408	272,088	Carlsberg AS "B"	6,715	431,627
			Coloplast AS "B"	1,411	97,218
			Danske Bank AS*	15,916	274,730
			DSV AS*	3,456	42,923

The accompanying notes are an integral part of the financial statements.

	Shares	Value (\$)		Shares	Value (\$)
H. Lundbeck AS	3,649	69,510	Beiersdorf AG	6,582	310,277
Novo Nordisk AS "B" (a)	29,139	1,583,764	Celesio AG	905	20,801
Topdanmark AS*	619	72,341	Daimler AG (Registered)	3,529	127,686
Trygvesta AS	1,215	71,681	Deutsche Boerse AG	688	53,474
Vestas Wind Systems AS*	3,303	237,446	Deutsche Post AG (Registered)	3,555	46,465
William Demant Holding AS*	1,515	78,414	Deutsche Telekom AG (Registered)	80,246	948,391
(Cost \$3,001,000)		3,132,486	E.ON AG	5,143	182,547
Finland 2.5%			Fresenius Medical Care AG & Co. KGaA	1,077	48,065
Fortum Oyj	19,834	452,406	Henkel AG & Co. KGaA	8,826	237,991
Kone Oyj "B"	7,093	217,838	K+S AG	629	35,433
Metso Corp.	5,459	102,254	Linde AG	769	63,223
Nokia Oyj	15,968	233,032	MAN SE	642	39,486
Outokumpu Oyj	4,876	84,449	Merck KGaA	430	43,839
Pohjola Bank PLC "A"	7,147	57,162	Metro AG	8,267	395,184
Rautaruukki Oyj	3,581	71,616	Muenchener Rueckversicherungs-Gesellschaft AG (Registered)	858	116,040
Sampo Oyj "A"	17,518	330,572	RWE AG	1,218	96,154
Stora Enso Oyj "R"*	22,082	116,529	SAP AG	6,882	277,454
UPM-Kymmene Oyj	19,417	169,226	Siemens AG (Registered)	2,793	193,360
Wartsila Corp.	3,608	116,547	Suedzucker AG	4,820	98,035
(Cost \$1,866,617)		1,951,631	ThyssenKrupp AG	1,702	42,405
France 7.7%			Volkswagen AG	384	129,991
Air Liquide SA	1,149	105,215	(Cost \$3,818,568)		4,027,361
Alcatel-Lucent*	36,627	92,293	Greece 0.9%		
Alstom SA	744	44,035	Alpha Bank AE*	4,907	53,023
Atos Origin SA*	1,193	40,504	EFG Eurobank Ergasias*	4,347	45,284
AXA SA	4,136	78,192	Marfin Investment Group SA*	8,510	36,259
BNP Paribas	2,132	138,354	National Bank of Greece SA*	3,627	99,373
Bouygues SA	1,062	39,937	OPAP SA	14,842	394,175
Cap Gemini	2,296	84,805	Piraeus Bank SA	4,885	48,152
Carrefour SA	10,580	452,585	(Cost \$745,979)		676,266
Casino Guichard-Perrachon SA	996	67,275	Hong Kong 2.4%		
Compagnie de Saint-Gobain	1,739	58,146	Cheung Kong (Holdings) Ltd.	10,000	114,385
Credit Agricole SA	3,149	39,441	Cheung Kong Infrastructure Holdings Ltd.	7,000	24,413
DANONE SA	8,526	421,644	CLP Holdings Ltd.	29,000	192,560
Dassault Systemes SA	1,725	76,275	Esprit Holdings Ltd.	31,200	174,522
Electricite de France	964	47,008	Genting Singapore PLC* (a)	213,000	99,994
Essilor International SA	4,349	207,613	Hang Seng Bank Ltd.	3,800	53,701
France Telecom SA	38,280	869,730	Hong Kong & China Gas Co., Ltd.	64,000	134,515
GDF Suez	4,592	171,547	Hong Kong Exchanges & Clearing Ltd.	4,700	72,978
Iliad SA	426	41,379	Hongkong Electric Holdings Ltd.	17,500	97,459
L'Oreal SA	3,894	291,537	Hutchison Whampoa Ltd.	44,000	286,032
Lafarge SA* (a)	1,526	103,611	Li & Fung Ltd.	58,000	153,921
LVMH Moet Hennessy Louis Vuitton SA	783	59,931	MTR Corp., Ltd.	34,000	102,547
Neopost SA	671	60,339	Noble Group Ltd.	19,000	23,788
Pernod Ricard SA	3,147	198,677	NWS Holdings Ltd.	20,000	36,000
Sanofi-Aventis	23,578	1,386,650	Shangri-La Asia Ltd.	46,000	68,191
Schneider Electric SA	875	66,920	Sun Hung Kai Properties Ltd.	8,000	99,885
Societe Generale	1,396	76,165	Swire Pacific Ltd. "A"	9,000	89,636
Suez Environnement SA	1,869	32,775	Yue Yuen Industrial (Holdings) Ltd.	20,500	45,931
Total SA	7,627	413,095	(Cost \$1,707,840)		1,870,458
Unibail-Rodamco (REIT)	386	57,642	Ireland 0.6%		
Veolia Environnement	2,122	62,690	CRH PLC	19,185	439,838
Vinci SA	1,568	70,372	Experian PLC	6,430	48,188
Vivendi	3,089	73,995	(Cost \$364,237)		488,026
(Cost \$5,836,315)		6,030,377	Italy 3.6%		
Germany 5.1%			A2A SpA	20,926	38,271
Allianz SE (Registered)	1,458	134,824	Assicurazioni Generali SpA	3,242	67,663
BASF SE	3,961	157,990			
Bayer AG	3,157	169,518			
Bayerische Motoren Werke (BMW) AG	1,555	58,728			

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	Shares	Value (\$)		Shares	Value (\$)
Atlantia SpA	6,106	123,574	Komatsu Ltd.	5,900	90,549
Enel SpA	55,283	269,320	Kyocera Corp.	1,000	75,014
Eni SpA	15,304	363,054	Kyowa Hakko Kirin Co., Ltd.	8,000	90,226
Fiat SpA*	17,352	176,031	Kyushu Electric Power Co., Inc.	5,800	124,831
Finmeccanica SpA	9,616	135,691	Lawson, Inc.	1,900	83,495
Intesa Sanpaolo*	25,029	81,148	Mediceo Paltac Holdings Co., Ltd.	4,300	49,204
Lottomatica SpA (a)	2,726	52,631	MEIJI Holdings Co., Ltd.*	1,800	72,343
Luxottica Group SpA*	2,649	55,093	Mitsubishi Chemical Holdings Corp.	16,500	69,607
Mediaset SpA	18,588	104,527	Mitsubishi Corp.	4,800	88,153
Prysmian SpA	2,915	43,913	Mitsubishi Electric Corp.	11,000	69,214
Saipem SpA	2,103	51,335	Mitsubishi Estate Co., Ltd.	5,000	82,830
Snam Rete Gas SpA	16,640	73,199	Mitsubishi Heavy Industries Ltd.	18,000	74,250
Telecom Italia SpA	474,896	657,733	Mitsubishi Tanabe Pharma Corp.	5,000	57,462
Telecom Italia SpA (RSP)	281,593	276,880	Mitsubishi UFJ Financial Group, Inc.	31,200	191,792
Terna-Rete Elettrica Nazionale SpA	20,403	68,049	Mitsui & Co., Ltd.	7,100	83,641
UBI Banca-Unione di Banche Italiane ScpA	3,919	51,158	Mitsui Fudosan Co., Ltd.	6,000	103,949
UniCredit SpA	44,878	114,976	Mitsui O.S.K. Lines Ltd.	10,000	64,514
(Cost \$2,655,137)		2,804,246	Mitsui Sumitomo Insurance Group Holdings, Inc.	2,400	62,585
Japan 17.1%			Mizuho Financial Group, Inc. (a)	36,100	83,961
AEON Co., Ltd.	11,300	111,308	Murata Manufacturing Co., Ltd.	1,800	76,292
Ajinomoto Co., Inc.	14,000	110,629	Nidec Corp.	800	48,342
Alfresa Holdings Corp.	1,000	46,027	Nintendo Co., Ltd.	400	110,082
Asahi Breweries Ltd.	8,700	124,935	Nippon Meat Packers, Inc.	5,000	63,059
Asahi Kasei Corp.	18,000	91,212	Nippon Mining Holdings, Inc.	18,500	95,480
Astellas Pharma, Inc.	7,900	279,060	Nippon Oil Corp.	26,000	153,037
Canon, Inc.	4,400	143,207	Nippon Steel Corp.	34,000	129,668
Central Japan Railway Co.	8	49,154	Nippon Telegraph & Telephone Corp.	13,609	553,722
Chubu Electric Power Co., Inc.	10,000	231,159	Nissan Motor Co., Ltd.	11,700	70,636
Chugai Pharmaceutical Co., Ltd.	3,700	70,495	Nisshin Seifun Group, Inc.	6,000	71,234
Chugoku Electric Power Co., Inc.	3,500	73,066	Nissin Foods Holdings Co., Ltd.	1,800	54,531
Cosmo Oil Co., Ltd.	21,000	71,169	Nitto Denko Corp.	1,900	57,573
Daiichi Sankyo Co., Ltd.	12,400	221,883	Nomura Holdings, Inc.	12,000	100,537
Dainippon Sumitomo Pharma Co., Ltd.	4,400	38,450	NTT DoCoMo, Inc.	408	595,898
Denso Corp.	2,600	66,278	OJI Paper Co., Ltd.	11,000	47,212
East Japan Railway Co.	1,326	79,847	Olympus Corp.	5,000	117,493
Eisai Co., Ltd.	4,300	152,999	Ono Pharmaceutical Co., Ltd.	2,000	88,485
Electric Power Development Co., Ltd.	2,600	73,682	Osaka Gas Co., Ltd.	30,000	95,750
FamilyMart Co., Ltd.	2,100	65,819	Panasonic Corp.	5,600	75,113
Fanuc Ltd.	900	71,812	Resona Holdings, Inc.	2,600	36,445
FUJIFILM Holdings Corp.	3,500	110,419	Ricoh Co., Ltd.	6,000	76,858
Fujitsu Ltd.	13,000	70,444	Santen Pharmaceutical Co., Ltd.	2,000	60,829
Hisamitsu Pharmaceutical Co., Inc.	1,600	49,700	Sapporo Holdings Ltd.	12,000	68,443
Hitachi Ltd.	18,000	55,750	Seven & I Holdings Co., Ltd.	15,400	361,302
Hokkaido Electric Power Co., Inc.	3,500	65,536	Sharp Corp.	5,000	51,588
Hokuriku Electric Power Co.	2,800	64,005	Shikoku Electric Power Co., Inc.	2,400	71,647
Honda Motor Co., Ltd.	4,200	115,001	Shin-Etsu Chemical Co., Ltd.	2,400	110,845
HOYA	2,900	58,065	Shionogi & Co., Ltd.	5,000	96,589
Idemitsu Kosan Co., Ltd.	700	59,851	Shiseido Co., Ltd.	8,000	130,896
INPEX Corp.	17	135,409	Showa Shell Sekiyu KK	7,100	74,838
ITOCHU Corp.	9,000	62,162	SOFTBANK Corp.	20,500	398,109
Japan Petroleum Exploration Co., Ltd.	1,300	71,728	Sony Corp.	3,700	95,580
Japan Tobacco, Inc.	88	274,292	Sumitomo Chemical Co., Ltd.	14,000	62,753
JFE Holdings, Inc.	3,800	126,921	Sumitomo Corp.	5,300	53,595
Kansai Electric Power Co., Inc.	11,600	255,990	Sumitomo Metal Industries Ltd.	26,000	68,666
Kao Corp.	10,000	217,933	Sumitomo Metal Mining Co., Ltd.	4,000	56,248
KDDI Corp.	79	418,839	Sumitomo Mitsui Financial Group, Inc.	2,500	101,096
Keyence Corp.	300	61,053	Suzuken Co., Ltd.	1,900	54,940
Kikkoman Corp.	6,000	60,060	Taisho Pharmaceutical Co., Ltd.	3,000	56,778
Kirin Holdings Co., Ltd.	17,000	237,324	Takeda Pharmaceutical Co., Ltd.	12,800	497,365
Kobe Steel Ltd.	47,000	86,857	Terumo Corp.	2,700	118,855
			Tohoku Electric Power Co., Inc.	6,600	137,947
			Tokio Marine Holdings, Inc.	3,000	82,394

The accompanying notes are an integral part of the financial statements.

	Shares	Value (\$)		Shares	Value (\$)
Tokyo Electric Power Co., Inc.	19,100	490,947	Keppel Corp., Ltd.	18,000	85,458
Tokyo Electron Ltd.	1,300	62,439	Oversea-Chinese Banking Corp., Ltd.	17,000	78,174
Tokyo Gas Co., Ltd.	31,000	110,826	SembCorp Industries Ltd.	19,000	39,500
TonenGeneral Sekiyu KK	8,000	81,300	SembCorp Marine Ltd.	17,000	31,326
Toray Industries, Inc.	14,000	71,091	Singapore Airlines Ltd.	9,000	82,454
Toshiba Corp.	18,000	64,795	Singapore Exchange Ltd.	7,000	34,199
Toyo Suisan Kaisha Ltd.	2,000	41,278	Singapore Press Holdings Ltd.	96,000	209,009
Toyota Motor Corp.	8,200	309,995	Singapore Technologies Engineering Ltd.	25,000	42,198
Tsumura & Co.	1,500	46,740	Singapore Telecommunications Ltd.	199,000	410,643
Unicharm Corp.	900	68,706	United Overseas Bank Ltd.	9,000	90,914
UNY Co., Ltd.	8,800	74,862			
Yakult Honsha Co., Ltd.	2,500	47,630	(Cost \$1,158,064)		1,418,620
Yamazaki Baking Co., Ltd.	4,000	45,120			
(Cost \$12,711,664)		13,491,629	Spain 3.9%		
Luxembourg 0.4%			Abertis Infraestructuras SA	5,893	110,997
ArcelorMittal	6,357	208,775	Acciona SA	250	30,731
Millicom International Cellular SA (SDR)*	1,383	78,391	ACS, Actividades de Construccion y Servicios SA	2,895	146,788
Tenaris SA	3,020	40,827	Banco Bilbao Vizcaya Argentaria SA	7,910	99,677
(Cost \$242,175)		327,993	Banco Santander SA	17,544	211,721
Netherlands 6.6%			Cintra Concesiones de Infraestructuras de Transporte SA	6,997	43,514
AEGON NV	18,419	113,289	EDP Renovaveis SA*	5,961	61,146
Akzo Nobel NV	4,634	203,919	Enagas	2,258	44,445
ASML Holding NV	14,817	321,384	Fomento de Construcciones y Contratas SA	1,496	61,445
Fugro NV (CVA)	811	33,676	Gamesa Corp. Tecnologica SA	3,474	65,953
Heineken Holding NV	913	29,047	Gas Natural SDG SA	2,049	37,320
Heineken NV	4,584	170,314	Grupo Ferrovial SA	1,664	53,549
ING Groep NV (CVA)	23,387	235,393	Iberdrola Renovables SA*	13,050	59,724
Koninklijke (Royal) KPN NV	70,081	965,422	Iberdrola SA (a)	19,642	159,742
Koninklijke (Royal) Philips Electronics NV	12,592	232,843	Indra Sistemas SA	3,102	67,205
Koninklijke Ahold NV	26,379	303,120	Industria de Diseno Textil SA	6,223	299,061
Koninklijke DSM NV	3,338	104,586	Red Electrica Corporacion SA	1,144	51,759
Randstad Holding NV*	1,690	46,911	Repsol YPF SA	22,823	511,798
Reed Elsevier NV (a)	74,775	824,641	Telefonica SA	40,915	927,747
Royal Dutch Shell PLC "A"	3,199	80,116	Zardoya Otis SA	3,050	63,749
Royal Dutch Shell PLC "B"	2,437	61,525	(Cost \$2,591,868)		3,108,071
TNT NV	4,989	97,173	Sweden 3.7%		
Unilever NV (CVA)	33,721	813,813	AB SKF "B"	4,482	55,400
Wolters Kluwer NV	31,215	546,202	Atlas Copco AB "A"	5,936	59,523
(Cost \$4,866,598)		5,183,374	Electrolux AB "B"*	4,895	68,615
Norway 2.4%			Hennes & Mauritz AB "B"	6,426	321,246
DnB NOR ASA*	44,800	343,011	Holmen AB "B"	2,160	47,189
Norsk Hydro ASA*	44,400	229,081	Husqvarna AB "B"*	7,799	42,826
Orkla ASA	25,600	186,496	Investor AB "B"	3,621	56,008
Renewable Energy Corp. AS* (a)	8,600	67,243	Nordea Bank AB	26,797	212,617
StatoilHydro ASA	18,700	369,398	Sandvik AB	8,730	65,046
Telenor ASA*	56,500	436,171	Skandinaviska Enskilda Banken AB "A"*	12,179	53,531
Yara International ASA	9,650	270,241	SSAB AB "A"	8,814	102,609
(Cost \$1,693,593)		1,901,641	SSAB AB "B"	4,185	45,055
Portugal 0.3%			Svenska Cellulosa AB "B"	23,091	242,995
Brisa Auto-Estradas de Portugal SA	5,209	37,496	Svenska Handelsbanken AB "A"	4,099	77,455
EDP — Energias de Portugal SA	50,602	198,544	Swedish Match AB	686	11,151
Portugal Telecom, SGPS, SA (Registered)	1,798	17,608	Tele2 AB "B"	6,376	64,586
(Cost \$229,728)		253,648	Telefonaktiebolaget LM Ericsson "B"	117,090	1,145,287
Singapore 1.8%			TeliaSonera AB	34,920	183,687
Capitaland Ltd.	20,000	50,796	Volvo AB "B"	8,978	55,634
ComfortDelGro Corp., Ltd.	47,000	41,496	(Cost \$2,643,729)		2,910,460
DBS Group Holdings Ltd.	10,000	81,155	Switzerland 7.4%		
Fraser and Neave Ltd.	23,000	61,879	ABB Ltd. (Registered)*	10,782	169,714
Jardine Cycle & Carriage Ltd.	6,000	79,419	Actelion Ltd. (Registered)*	1,036	54,327

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	Shares	Value (\$)
Adecco SA (Registered)	824	34,411
Aryzta AG*	1,064	34,225
Compagnie Financiere Richemont SA "A"	9,395	195,752
Credit Suisse Group AG (Registered)	2,818	128,641
Geberit AG (Registered)*	332	40,918
Givaudan SA (Registered)*	102	62,483
Holcim Ltd. (Registered)	2,125	121,046
Julius Baer Holding AG (Registered)	869	33,882
Lonza Group AG (Registered)	466	46,281
Nestle SA (Registered)	37,335	1,409,066
Nobel Biocare Holding AG (Registered)	1,356	29,726
Novartis AG (Registered)	17,372	705,798
Roche Holding AG (Genusschein)	6,313	858,876
SGS SA (Registered)*	43	53,396
Sonova Holding AG (Registered)*	458	37,273
STMicroelectronics NV	11,759	88,214
Swatch Group AG	635	102,109
Swatch Group AG (Registered)	1,256	41,183
Swiss Re (Registered)	1,091	36,096
Swisscom AG (Registered)	3,207	985,032
Syngenta AG (Registered)	1,097	254,739
Synthes, Inc.	531	51,401
UBS AG (Registered)*	7,534	92,176
Xstrata PLC	5,096	56,203
Zurich Financial Services AG	398	70,450
(Cost \$5,157,010)		5,793,418
United Kingdom 7.9%		
Anglo American PLC	3,853	112,433
AstraZeneca PLC	16,446	724,239
Autonomy Corp. PLC*	11,080	262,537
BAE Systems PLC	22,809	127,321
Barclays PLC	11,766	54,803
BG Group PLC	3,589	60,302
BHP Billiton PLC	5,353	120,914
BP PLC	22,383	177,120
British American Tobacco PLC	3,477	96,053
British Sky Broadcasting Group PLC	6,799	51,004
BT Group PLC	67,217	112,528
Cable & Wireless	24,059	52,802
Cadbury PLC	4,148	35,434
Capita Group PLC	5,549	65,418
Centrica PLC	34,012	124,984
Compass Group PLC	11,814	66,572
Diageo PLC	5,373	77,161
Drax Group PLC	3,469	25,109
GlaxoSmithKline PLC	57,642	1,015,050
HSBC Holdings PLC	20,151	167,286
Imperial Tobacco Group PLC	2,341	60,888
International Power PLC	14,339	56,297
Kingfisher PLC	14,696	43,082
Marks & Spencer Group PLC	8,450	42,648
National Grid PLC	15,891	143,322
Next PLC	1,325	32,110
Pearson PLC	7,145	71,768
Reckitt Benckiser Group PLC	836	38,100
Reed Elsevier PLC	9,798	73,057
Rio Tinto PLC	2,396	83,412
Rolls-Royce Group PLC*	15,284	91,132
SABMiller PLC	2,538	51,667
Scottish & Southern Energy PLC	6,560	123,161
Severn Trent PLC	3,170	57,177

Shire PLC	6,752	93,125
	Shares	Value (\$)
Smith & Nephew PLC	10,523	78,015
Smiths Group PLC	3,914	45,296
Standard Chartered PLC	3,333	62,776
Tesco PLC	17,554	102,316
The Sage Group PLC	81,157	238,346
Thomson Reuters PLC	1,158	33,042
Unilever PLC	2,292	53,784
United Utilities Group PLC	8,616	70,570
Vodafone Group PLC	428,850	828,955
William Morrison Supermarkets PLC	8,072	31,453
Wolseley PLC*	2,367	45,251
WPP PLC	9,498	63,172
(Cost \$5,608,484)		6,242,992
Total Common Stocks (Cost \$67,425,393)		73,164,737

Preferred Stocks 0.6%

Germany

Fresenius SE	632	34,152
Henkel AG & Co. KGaA	12,356	386,057
Volkswagen AG	513	35,894

Total Preferred Stocks (Cost \$429,423) **456,103**

Rights 0.0%

Italy 0.0%

UBI Banca-Unione di Banche Italiane ScpA, Expiration Date 7/3/2009* (Cost \$724)	3,919	268
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Norway 0.0%

Renewable Energy Corp. AS, Expiration Date 7/13/2009* (Cost \$10,806)	2,965	10,605
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Total Rights (Cost \$11,530) **10,873**

Warrants 0.0%

Italy

UBI Banca-Unione di Banche Italiane ScpA, Expiration Date 6/30/2011* (Cost \$0)	4,982	6,625
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Exchange-Traded Fund 2.9%

Vanguard Emerging Markets (Cost \$2,043,432)	72,300	2,300,586
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	Principal Amount (\$)	Value (\$)
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Government & Agency Obligation 0.3%

US Treasury Obligation

US Treasury Bill, 0.16%**, 9/17/2009 (b) (Cost \$221,924)	222,000	221,913
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	Shares	Value (\$)
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Securities Lending Collateral 3.8%

Daily Assets Fund Institutional, 0.48% (c) (d) (Cost \$2,990,217)	2,990,217	2,990,217
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The accompanying notes are an integral part of the financial statements.

Cash Equivalents 2.4%

Cash Management QP Trust, 0.27% (c) (Cost \$1,892,707)	1,892,707	1,892,707			
			Total Investment Portfolio (Cost \$75,014,626) [†]	102.9	81,043,761
			Other Assets and Liabilities, Net	(2.9)	(2,314,120)
			Net Assets	100.0	78,729,641

* Non-income producing security.

** Annualized yield at time of purchase; not a coupon rate.

† The cost for federal income tax purposes was \$75,809,000. At June 30, 2009, net unrealized appreciation for all securities based on tax cost was \$5,234,761. This consisted of aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost of \$7,056,341 and aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value of \$1,821,580.

- (a) All or a portion of these securities were on loan (see Notes to Financial Statements). The value of all securities loaned at June 30, 2009 amounted to \$2,814,665, which is 3.6% of net assets.
- (b) At June 30, 2009, this security has been pledged, in whole or in part, to cover initial margin requirements for open futures contracts.
- (c) Affiliated fund managed by Deutsche Investment Management Americas Inc. The rate shown is the annualized seven-day yield at period end.
- (d) Represents collateral held in connection with securities lending. Income earned by the Portfolio is net of borrower rebates.

CVA: Certificaten Van Aandelen

REIT: Real Estate Investment Trust

RSP: Risparmio (Convertible Savings Shares)

SDR: Swedish Depositary Receipt

At June 30, 2009, open futures contracts purchased were as follows:

Futures	Expiration Date	Contracts	Aggregated Face Value (\$)	Value (\$)	Unrealized Depreciation (\$)
ASX SPI 200 Index	9/17/2009	3	238,302	235,757	(2,545)
DJ Euro Stoxx 50 Index	9/18/2009	33	1,113,371	1,110,130	(3,241)
FTSE 100 Index	9/18/2009	2	140,813	138,789	(2,024)
Nikkei 225 Index	9/10/2009	7	348,454	348,075	(379)
S&P TSE 60 Index	9/17/2009	1	109,741	107,828	(1,913)
Total net unrealized depreciation					(10,102)

For information on the Portfolio's policy and additional disclosures regarding futures contracts, please refer to the Derivatives section of Note A in the accompanying Notes to Financial Statements.

Fair Value Measurements

Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, "Fair Value Measurements," as amended, establishes a three-tier hierarchy for measuring fair value and requires additional disclosure about the classification of fair value measurements.

Various inputs are used in determining the value of the Portfolio'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 observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, and credit risk). Level 3 includes significant unobservable inputs (including the Portfolio'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 June 30, 2009 in valuing the Portfolio's investments. For information on the Portfolio's policy regarding the valuation of investments, please refer to the Security Valuation section of Note A in the accompanying Notes to the Financial Statements.

Assets	Level 1	Level 2	Level 3	Total
Common Stock and/or Other Equity Investments (e)				
Australia	\$ —	\$ 4,529,269	\$ —	\$ 4,529,269
Austria	—	870,374	—	870,374
Belgium	—	2,147,067	—	2,147,067
Bermuda	—	63,223	—	63,223
Canada	3,894,910	—	—	3,894,910
Cyprus	—	47,197	—	47,197
Denmark	—	3,132,486	—	3,132,486
Finland	—	1,951,631	—	1,951,631
France	—	6,030,377	—	6,030,377
Germany	—	4,483,464	—	4,483,464
Greece	—	676,266	—	676,266
Hong Kong	—	1,870,458	—	1,870,458
Ireland	—	488,026	—	488,026
Italy	—	2,804,514	6,625	2,811,139
Japan	—	13,491,629	—	13,491,629
Luxembourg	—	327,993	—	327,993
Netherlands	—	5,183,374	—	5,183,374
Norway	—	1,912,246	—	1,912,246
Portugal	—	253,648	—	253,648
Singapore	—	1,418,620	—	1,418,620
Spain	—	3,108,071	—	3,108,071
Sweden	—	2,910,460	—	2,910,460
Switzerland	—	5,793,418	—	5,793,418
United Kingdom	—	6,242,992	—	6,242,992
Exchange-Traded Fund	2,300,586	—	—	2,300,586
Short-Term Investments (e)	2,990,217	2,114,620	—	5,104,837
Total	\$ 9,185,713	\$ 71,851,423	\$ 6,625	\$ 81,043,761
Liabilities				
Derivatives (f)	\$ (10,102)	\$ —	\$ —	\$ (10,102)
Total	\$ (10,102)	\$ —	\$ —	\$ (10,102)

(e) See Investment Portfolio for additional detailed categorizations.

(f) Derivatives include unrealized appreciation (depreciation) on open futures contracts.

The following is a reconciliation of the Portfolio's Level 3 investments for which significant unobservable inputs were used in determining value:

	Common Stock and/or Other Equity Investments
Level 3 Reconciliation	Italy
Balance as of December 31, 2008	\$ —
Realized gains (loss)	—
Change in unrealized appreciation (depreciation)	6,625
Amortization premium/discount	—
Net purchase (sales)	0
Net transfers in (out) of Level 3	—
Balance as of June 30, 2009	\$ 6,625
Net change in unrealized appreciation (depreciation) from investments still held as of June 30, 2009	\$ 6,625

The accompanying notes are an integral part of the financial statements.

Financial Statements

Statement of Assets and Liabilities

as of June 30, 2009 (Unaudited)

Assets	
Investments:	
Investments in securities, at value (cost \$70,131,702) — including \$2,814,665 of securities loaned	\$ 76,160,837
Investment in Daily Assets Fund Institutional (cost \$2,990,217)*	2,990,217
Investment in Cash Management QP Trust (cost \$1,892,707)	1,892,707
Total investments, at value (cost \$75,014,626)	81,043,761
Cash	78
Foreign currency, at value (cost \$765,986)	772,294
Dividends receivable	130,580
Interest receivable	7,706
Foreign taxes recoverable	141,635
Receivable for variation margin on open futures contracts	4,982
Other assets	1,837
Total assets	82,102,873

Liabilities	
Payable upon return of securities loaned	2,990,217
Payable for Portfolio shares redeemed	174,077
Accrued management fee	53,532
Other accrued expenses and payables	155,406
Total liabilities	3,373,232
Net assets, at value	\$ 78,729,641

Net Assets Consist of	
Undistributed net investment income	1,043,461
Net unrealized appreciation (depreciation) on:	
Investments	6,029,135
Futures	(10,102)
Foreign currency	25,792
Accumulated net realized gain (loss)	(76,166,398)
Paid-in capital	147,807,753
Net assets, at value	\$ 78,729,641

Class A

Net Asset Value , offering and redemption price per share (\$78,729,641 ÷ 12,920,437 outstanding shares of beneficial interest, no par value, unlimited number of shares authorized)	\$ 6.09
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* Represents collateral on securities loaned.

Statement of Operations

for the six months ended June 30, 2009 (Unaudited)

Investment Income	
Income:	
Dividends (net of foreign taxes withheld of \$196,187)	\$ 1,381,056
Interest	202
Interest — Cash Management QP Trust	5,465
Securities lending income, including income from Daily Assets Fund Institutional, net of borrower rebates	94,934
Total Income	1,481,657
Expenses:	
Management fee	246,680
Administration fee	37,951
Custodian fee	5,122
Distribution service fee (Class B)	40
Services to shareholders	1,060
Trustees' fees and expenses	1,775
Reports to shareholders	37,835
Legal fees	8,511
Audit and tax fees	32,086
Other	12,043
Total expenses before expense reductions	383,103
Expense reductions	(15)
Total expenses after expense reductions	383,088
Net investment income (loss)	1,098,569
Realized and Unrealized Gain (Loss)	
Net realized gain (loss) from:	
Investments	(27,415,806)
Futures	(29,084)
Foreign currency	114,129
	(27,330,761)
Change in net unrealized appreciation (depreciation) on:	
Investments	29,093,643
Futures	(10,102)
Foreign currency	12,385
	29,095,926
Net gain (loss)	1,765,165
Net increase (decrease) in net assets resulting from operations	\$ 2,863,734

The accompanying notes are an integral part of the financial statements.

Statement of Changes in Net Assets

	Six Months Ended June 30, 2009 (Unaudited)	Year Ended December 31, 2008
Increase (Decrease) in Net Assets		
Operations:		
Net investment income (loss)	\$ 1,098,569	\$ 5,450,847
Net realized gain (loss)	(27,330,761)	(48,305,362)
Change in net unrealized appreciation (depreciation)	29,095,926	(62,637,125)
Net increase (decrease) in net assets resulting from operations	2,863,734	(105,491,640)
Distributions to shareholders from:		
Net investment income:		
Class A	(5,187,036)	(1,777,801)
Class B	—	(65,124)
Net realized gains:		
Class A	—	(55,032,003)
Class B	—	(3,550,840)
Total distributions	(5,187,036)	(60,425,768)
Portfolio share transactions:		
Class A		
Proceeds from shares sold	530,295	11,757,062
Reinvestment of distributions	5,187,036	56,809,804
Cost of shares redeemed	(15,313,166)	(52,019,794)
Shares converted*	72,862	—
Net increase (decrease) in net assets from Class A share transactions	(9,522,973)	16,547,072
Class B		
Proceeds from shares sold	—	830,161
Reinvestment of distributions	—	3,615,964
Cost of shares redeemed	(294)	(15,396,520)
Shares converted*	(72,862)	—
Net increase (decrease) in net assets from Class B share transactions	(73,156)	(10,950,395)
Increase (decrease) in net assets	(11,919,431)	(160,320,731)
Net assets at beginning of period	90,649,072	250,969,803
Net assets at end of period (including undistributed net investment income of \$1,043,461 and \$5,131,928, respectively)	\$ 78,729,641	\$ 90,649,072
Other Information		
Class A		
Shares outstanding at beginning of period	14,554,587	14,064,172
Shares sold	93,442	1,040,380
Shares issued to shareholders in reinvestment of distributions	1,027,136	5,131,870
Shares redeemed	(2,770,297)	(5,681,835)
Shares converted*	15,569	—
Net increase (decrease) in Class A shares	(1,634,150)	490,415
Shares outstanding at end of period	12,920,437	14,554,587
Class B		
Shares outstanding at beginning of period	15,672	912,661
Shares sold	—	60,348
Shares issued to shareholders in reinvestment of distributions	—	326,645
Shares redeemed	(53)	(1,283,982)
Shares converted*	(15,619)	—
Net increase (decrease) in Class B shares	(15,672)	(896,989)
Shares outstanding at end of period	—	15,672

* On March 6, 2009, Class B shares converted into Class A shares.

The accompanying notes are an integral part of the financial statements.

Financial Highlights

Class A

Years Ended December 31,	2009 ^a	2008	2007	2006	2005	2004
Selected Per Share Data						
Net asset value, beginning of period	\$ 6.22	\$16.76	\$16.31	\$13.25	\$11.91	\$10.18
<i>Income (loss) from investment operations:</i>						
Net investment income ^b	.08	.33 ^e	.25	.24 ^c	.20	.17
Net realized and unrealized gain (loss)	.19	(6.67)	2.24	3.11	1.48	1.67
Total from investment operations	.27	(6.34)	2.49	3.35	1.68	1.84
<i>Less distributions from:</i>						
Net investment income	(.40)	(.13)	(.46)	(.29)	(.34)	(.11)
Net realized gains	—	(4.07)	(1.58)	—	—	—
Total distributions	(.40)	(4.20)	(2.04)	(.29)	(.34)	(.11)
Net asset value, end of period	\$ 6.09	\$ 6.22	\$16.76	\$16.31	\$13.25	\$11.91
Total Return (%)	5.74 ^{**}	(48.81) ^{d,f}	16.71	25.56	14.51	18.25
Ratios to Average Net Assets and Supplemental Data						
Net assets, end of period (\$ millions)	79	91	236	223	196	184
Ratio of expenses before expense reductions (%)	1.01 [*]	1.02	.93	.88	.87	.89
Ratio of expenses after expense reductions (%)	1.01 [*]	1.01	.93	.88	.87	.89
Ratio of net investment income (%)	2.90 [*]	3.04 ^e	1.53	1.65 ^c	1.59	1.58
Portfolio turnover rate (%)	138 ^{**}	132	117	122	93	88

^a For the six months ended June 30, 2009 (Unaudited).

^b Based on average shares outstanding during the period.

^c Net investment income per share and the ratio of net investment income without non-recurring dividend income amounting to \$0.20 per share and 1.39% of average daily net assets, respectively.

^d Total return would have been lower had certain expenses not been reimbursed.

^e Net investment income per share and ratio of net investment income include non-recurring dividend income amounting to \$0.16 per share and 1.49% of average daily net assets, respectively.

^f Includes a reimbursement from the Advisor to reimburse the effect of losses incurred as the result of certain operation errors during the period. Excluding this reimbursement, total return would have been 0.14% lower.

^{*} Annualized

^{**} Not annualized

DWS Dreman Small Mid Cap Value VIP

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 redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Please contact your participating insurance company for the Portfolio's most recent month-end performance. Performance doesn't reflect charges and fees ("contract charges") associated with the separate account that invests in the Portfolio or any variable life insurance policy or variable annuity contract for which the Portfolio is an investment option. These charges and fees will reduce returns. While all share classes have the same underlying Portfolio, their performance will differ.

The total annual Portfolio operating expense ratios, gross of any fee waivers or expense reimbursements, as stated in the fee table of the prospectus dated May 1, 2009 are .79% and 1.15% for Class A and Class B shares, respectively. Please see the Information About Your Portfolio's Expenses, the Financial Highlights and Notes to the Financial Statements (Note C, Related Parties) sections of this report for gross and net expense-related disclosure for the period ended June 30, 2009.

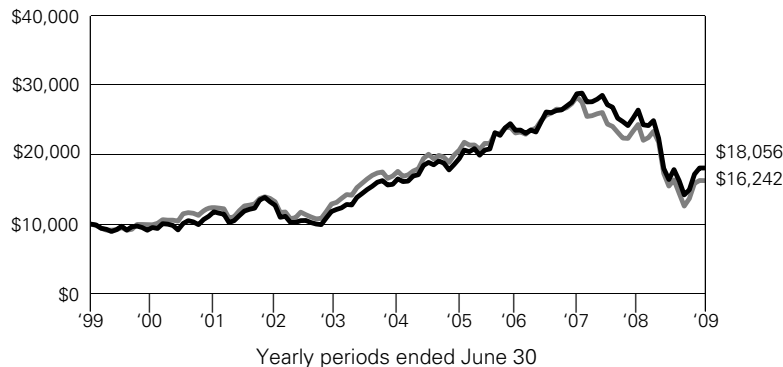
Risk Considerations

This Portfolio is subject to stock market risk. Stocks of small and medium-sized companies involve greater risk than securities of larger, more-established companies, as they often have limited product lines, markets or financial resources and may be exposed to more erratic and abrupt market movements. Small and mid-cap company stocks tend to experience steeper price fluctuations — down as well as up — than stocks of larger companies. Small and mid-cap company stocks are typically less liquid than large company stocks. The Portfolio may focus its investments on certain economic sectors, thereby increasing its vulnerability to any single economic, political, or regulatory development. This may result in greater share price volatility. Please read this Portfolio's prospectus for specific details regarding this product's investments and risk profile.

Portfolio returns shown for the 1-year, 3-year, 5-year and 10-year periods reflect a fee waiver and/or expense reimbursement. Without this waiver/reimbursement, returns would have been lower.

Growth of an Assumed \$10,000 Investment in DWS Dreman Small Mid Cap Value VIP

■ DWS Dreman Small Mid Cap Value VIP — Class A
 ■ Russell 2500™ Value Index



The Russell 2500™ Value Index is an unmanaged Index of those securities in the Russell 3000® Index with a lower price-to-book and lower forecasted growth values.

Index returns assume reinvestment of dividends and, unlike portfolio returns, do not reflect any fees or expenses. It is not possible to invest directly into an index.

Comparative Results

DWS Dreman Small Mid Cap Value VIP		6-Month [‡]	1-Year	3-Year	5-Year	10-Year
Class A	Growth of \$10,000	\$10,128	\$7,451	\$7,691	\$10,946	\$18,056
	Average annual total return	1.28%	-25.49%	-8.38%	1.82%	6.09%
Russell 2500 Value Index	Growth of \$10,000	\$9,938	\$7,376	\$6,996	\$9,245	\$16,242
	Average annual total return	-.62%	-26.24%	-11.23%	-1.56%	4.97%

DWS Dreman Small Mid Cap Value VIP		6-Month [‡]	1-Year	3-Year	5-Year	Life of Class*
Class B	Growth of \$10,000	\$10,118	\$7,427	\$7,608	\$10,750	\$14,084
	Average annual total return	1.18%	-25.73%	-8.71%	1.46%	5.02%
Russell 2500 Value Index	Growth of \$10,000	\$9,938	\$7,376	\$6,996	\$9,245	\$12,306
	Average annual total return	-.62%	-26.24%	-11.23%	-1.56%	3.01%

The growth of \$10,000 is cumulative.

[‡] Total returns shown for periods less than one year are not annualized.

* The Portfolio commenced offering Class B shares on July 1, 2002. Index returns began on June 30, 2002.

Information About Your Portfolio's Expenses

DWS Dreman Small Mid Cap Value VIP

As an investor of the Portfolio, you incur two types of costs: ongoing expenses and transaction costs. Ongoing expenses include management fees, distribution and service (12b-1) fees and other Portfolio expenses. Examples of transaction costs include contract charges, redemption fees and account maintenance fees, which are not shown in this section. The following tables are intended to help you understand your ongoing expenses (in dollars) of investing in the Portfolio and to help you compare these expenses with the ongoing expenses of investing in other mutual funds. The example in the table is based on an investment of \$1,000 invested at the beginning of the six-month period and held for the entire period (January 1, 2009 to June 30, 2009).

The tables illustrate your Portfolio's expenses in two ways:

- Actual Portfolio Return.** This helps you estimate the actual dollar amount of ongoing expenses (but not transaction costs) paid on a \$1,000 investment in the Portfolio using the Portfolio's actual return during the period. To estimate the expenses you paid over the period, simply divide your account

value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the "Expenses Paid per \$1,000" line under the share class you hold.

- Hypothetical 5% Portfolio Return.** This helps you to compare your Portfolio's ongoing expenses (but not transaction costs) with those of other mutual funds using the Portfolio's actual expense ratio and a hypothetical rate of return of 5% per year before expenses. Examples using a 5% hypothetical Portfolio return may be found in the shareholder reports of other mutual funds. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period.

Please note that the expenses shown in these tables are meant to highlight your ongoing expenses only and do not reflect any transaction costs. The "Expenses Paid per \$1,000" line of the tables is useful in comparing ongoing expenses only and will not help you determine the relative total expense of owning different funds. If these transaction costs had been included, your costs would have been higher.

Expenses and Value of a \$1,000 Investment for the six months ended June 30, 2009

Actual Portfolio Return	Class A	Class B
Beginning Account Value 1/1/09	\$1,000.00	\$1,000.00
Ending Account Value 6/30/09	\$1,012.80	\$1,011.80
Expenses Paid per \$1,000*	\$ 4.14	\$ 5.89

Hypothetical 5% Portfolio Return	Class A	Class B
Beginning Account Value 1/1/09	\$1,000.00	\$1,000.00
Ending Account Value 6/30/09	\$1,020.68	\$1,018.94
Expenses Paid per \$1,000*	\$ 4.16	\$ 5.91

* Expenses are equal to the Portfolio's annualized expense ratio for each share class, multiplied by the average account value over the period, multiplied by the number of days in the most recent six-month period, then divided by 365.

Annualized Expense Ratios	Class A	Class B
DWS Variable Series II — DWS Dreman Small Mid Cap Value VIP	.83%	1.18%

For more information, please refer to the Portfolio's prospectus.

These tables do not reflect charges and fees ("contract charges") associated with the separate account that invests in the Portfolio or any variable life insurance policy or variable annuity contract for which the Portfolio is an investment option.

Portfolio Summary

DWS Dreman Small Mid Cap Value VIP

Asset Allocation (As a % of Investment Portfolio excluding Securities Lending Collateral)	6/30/09	12/31/08
Common Stocks	98%	99%
Cash Equivalents	2%	1%
	100%	100%

Sector Diversification (As a % of Common Stocks)	6/30/09	12/31/08
Financials	18%	22%
Industrials	15%	23%
Information Technology	13%	9%
Consumer Discretionary	12%	6%
Health Care	12%	11%
Consumer Staples	9%	12%
Energy	7%	6%
Utilities	7%	5%
Materials	6%	4%
Telecommunications Services	1%	2%
	100%	100%

Asset allocation and sector diversification are subject to change.

For more complete details about the Portfolio's investment portfolio, see page 67. A complete list of portfolio holdings of the Portfolio is posted as of the month end on www.dws-investments.com on or about the 15th day of the following month. More frequent posting of portfolio holdings information may be made from time to time on www.dws-investments.com.

Following the Portfolio's fiscal first and third quarter-end, a complete portfolio holdings listing is filed with the SEC on Form N-Q. The form will be available on the SEC's Web site at www.sec.gov, and it also may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the SEC's Public Reference Room may be obtained by calling (800) SEC-0330.

Investment Portfolio

June 30, 2009 (Unaudited)

DWS Dreman Small Mid Cap Value VIP

	Shares	Value (\$)		Shares	Value (\$)
Common Stocks 97.8%					
Consumer Discretionary 12.1%					
Auto Components 1.1%					
Autoliv, Inc. (a)	80,500	2,315,985			
Diversified Consumer Services 1.7%					
Regis Corp.	208,550	3,630,856			
Hotels Restaurants & Leisure 2.6%					
Brinker International, Inc.	155,700	2,651,571			
International Speedway Corp. "A"	116,300	2,978,443			
		5,630,014			
Household Durables 1.4%					
Garmin Ltd. (a)	130,700	3,113,274			
Leisure Equipment & Products 1.8%					
Mattel, Inc.	239,800	3,848,790			
Media 1.2%					
CBS Corp. "B"	386,600	2,675,272			
Specialty Retail 1.1%					
The Men's Wearhouse, Inc. (a)	131,550	2,523,129			
Textiles, Apparel & Luxury Goods 1.2%					
Hanesbrands, Inc.* (a)	178,100	2,673,281			
Consumer Staples 9.0%					
Food & Staples Retailing 1.4%					
Ruddick Corp. (a)	133,350	3,124,391			
Food Products 5.7%					
Del Monte Foods Co.	376,275	3,529,459			
Ralcorp Holdings, Inc.*	47,400	2,887,608			
Sanderson Farms, Inc. (a)	60,600	2,727,000			
The J.M. Smucker Co.	69,800	3,396,468			
		12,540,535			
Tobacco 1.9%					
Vector Group Ltd. (a)	281,660	4,024,921			
Energy 7.0%					
Energy Equipment & Services 3.7%					
Atwood Oceanics, Inc.* (a)	106,925	2,663,502			
Superior Energy Services, Inc.*	166,450	2,874,591			
Tidewater, Inc.	60,900	2,610,783			
		8,148,876			
Oil, Gas & Consumable Fuels 3.3%					
Arch Coal, Inc. (a)	136,000	2,090,320			
Forest Oil Corp.*	143,200	2,136,544			
Newfield Exploration Co.*	93,100	3,041,577			
		7,268,441			
Financials 17.1%					
Capital Markets 2.3%					
Ameriprise Financial, Inc.	103,800	2,519,226			
Raymond James Financial, Inc. (a)	152,100	2,617,641			
		5,136,867			
Commercial Banks 2.9%					
Bank of Hawaii Corp. (a)	66,200	2,371,946			
BOK Financial Corp. (a)	69,800	2,629,366			
National Penn Bancshares, Inc. (a)	273,800	1,262,218			
		6,263,530			
Insurance 7.5%					
Arch Capital Group Ltd.*	41,200	2,413,496			
Argo Group International Holdings Ltd.*	81,188	2,291,125			
Endurance Specialty Holdings Ltd.	85,950	2,518,335			
Hanover Insurance Group, Inc.	95,800	3,650,938			
HCC Insurance Holdings, Inc.	85,950	2,063,660			
IPC Holdings Ltd.	6,229	170,301			
Platinum Underwriters Holdings Ltd.	81,450	2,328,655			
Willis Group Holdings Ltd.	39,659	1,020,426			
					16,456,936
Real Estate Investment Trusts 4.4%					
Alexandria Real Estate Equities, Inc. (REIT) (a)	46,500	1,664,235			
Hospitality Properties Trust (REIT) (a)	166,500	1,979,685			
MFA Financial, Inc. (REIT)	451,000	3,120,920			
Ventas, Inc. (REIT) (a)	96,700	2,887,462			
					9,652,302
Health Care 11.6%					
Health Care Equipment & Supplies 2.5%					
Inverness Medical Innovations, Inc.* (a)	84,100	2,992,278			
Teleflex, Inc.	53,700	2,407,371			
					5,399,649
Health Care Providers & Services 7.6%					
Amedisys, Inc.* (a)	85,000	2,806,700			
AmSurg Corp.*	174,500	3,741,280			
Healthspring, Inc.*	260,400	2,827,944			
LifePoint Hospitals, Inc.* (a)	119,000	3,123,750			
Lincare Holdings, Inc.* (a)	179,900	4,231,248			
					16,730,922
Life Sciences Tools & Services 1.5%					
Mettler-Toledo International, Inc.*	43,000	3,317,450			
Industrials 14.5%					
Aerospace & Defense 1.2%					
Alliant Techsystems, Inc.* (a)	31,300	2,577,868			
Commercial Services & Supplies 1.6%					
The Brink's Co.	118,100	3,428,443			
Construction & Engineering 2.5%					
Fluor Corp.	51,900	2,661,951			
URS Corp.*	57,300	2,837,496			
					5,499,447
Electrical Equipment 2.5%					
General Cable Corp.* (a)	75,200	2,826,016			
Hubbell, Inc. "B"	80,500	2,580,830			
					5,406,846
Industrial Conglomerates 1.4%					
McDermott International, Inc.*	157,500	3,198,825			
Machinery 2.9%					
Crane Co.	112,800	2,516,568			
Joy Global, Inc. (a)	107,400	3,836,328			
					6,352,896
Road & Rail 2.4%					
Genesee & Wyoming, Inc. "A" (a)	102,000	2,704,020			
Ryder System, Inc. (a)	95,775	2,674,038			
					5,378,058
Information Technology 12.3%					
Communications Equipment 3.2%					
Arris Group, Inc.*	291,700	3,547,072			
CommScope, Inc.* (a)	130,700	3,432,182			
					6,979,254

The accompanying notes are an integral part of the financial statements.

	Shares	Value (\$)
Electronic Equipment, Instruments & Components 4.3%		
Anixter International, Inc.* (a)	93,100	3,499,629
Arrow Electronics, Inc.*	142,300	3,022,452
Jabil Circuit, Inc.	389,800	2,892,316
		9,414,397
IT Services 2.4%		
Alliance Data Systems Corp.* (a)	64,400	2,652,636
Amdocs Ltd.*	121,700	2,610,465
		5,263,101
Semiconductors & Semiconductor Equipment 1.2%		
Microsemi Corp.*	186,100	2,568,180
Software 1.2%		
Jack Henry & Associates, Inc.	128,850	2,673,637
Materials 6.1%		
Chemicals 2.5%		
CF Industries Holdings, Inc.	31,300	2,320,582
Lubrizol Corp.	66,200	3,131,922
		5,452,504
Containers & Packaging 1.2%		
Owens-Illinois, Inc.*	94,900	2,658,149
Metals & Mining 2.4%		
Coeur d'Alene Mines Corp.* (a)	196,900	2,421,870
Reliance Steel & Aluminum Co. (a)	73,400	2,817,826
		5,239,696
Telecommunication Services 1.3%		
Diversified Telecommunication Services		
Windstream Corp.	327,500	2,737,900

	Shares	Value (\$)
Utilities 6.8%		
Electric Utilities 3.0%		
ALLETE, Inc. (a)	95,750	2,752,813
IDACORP, Inc.	148,550	3,883,097
		6,635,910
Gas Utilities 1.3%		
ONEOK, Inc.	96,700	2,851,683
Multi-Utilities 2.5%		
Ameren Corp.	120,100	2,989,289
Integrus Energy Group, Inc. (a)	77,900	2,336,221
		5,325,510
Total Common Stocks (Cost \$234,576,692)		214,117,725

	Shares	Value (\$)
Securities Lending Collateral 28.4%		
Daily Assets Fund Institutional, 0.48% (b) (c) (Cost \$62,258,394)	62,258,394	62,258,394

	Shares	Value (\$)
Cash Equivalents 2.4%		
Cash Management QP Trust, 0.27% (b) (Cost \$5,357,114)	5,357,114	5,357,114

	% of Net Assets	Value (\$)
Total Investment Portfolio (Cost \$302,192,200) [†]	128.6	281,733,233
Other Assets and Liabilities, Net	(28.6)	(62,703,991)
Net Assets	100.0	219,029,242

* Non-income producing security.

† The cost for federal income tax purposes was \$303,917,174. At June 30, 2009, net unrealized depreciation for all securities based on tax cost was \$22,183,941. This consisted of aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost of \$20,653,482 and aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value of \$42,837,423.

(a) All or a portion of these securities were on loan (see Notes to Financial Statements). The value of all securities loaned at June 30, 2009 amounted to \$60,563,629, which is 27.7% of net assets.

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

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

REIT: Real Estate Investment Trust

Fair Value Measurements

Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, "Fair Value Measurements," as amended, establishes a three-tier hierarchy for measuring fair value and requires additional disclosure about the classification of fair value measurements.

Various inputs are used in determining the value of the Portfolio'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 observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, and credit risk). Level 3 includes significant unobservable inputs (including the Portfolio'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 June 30, 2009 in valuing the Portfolio's investments. For information on the Portfolio's policy regarding the valuation of investments, please refer to the Security Valuation section of Note A in the accompanying Notes to the Financial Statements.

Assets	Level 1	Level 2	Level 3	Total
Common Stock and/or Other Equity Investments (d)	\$ 214,117,725	\$ —	\$ —	\$ 214,117,725
Short-Term Investments (d)	62,258,394	5,357,114	—	67,615,508
Total	\$ 276,376,119	\$ 5,357,114	\$ —	\$ 281,733,233

(d) See Investment Portfolio for additional detailed categorizations.

The accompanying notes are an integral part of the financial statements.

Financial Statements

Statement of Assets and Liabilities

as of June 30, 2009 (Unaudited)

Assets

Investments:	
Investments in securities, at value (cost \$234,576,692 — including \$60,563,629 of securities loaned)	\$ 214,117,725
Investment in Daily Assets Fund Institutional (cost \$62,258,394)*	62,258,394
Investment in Cash Management QP Trust (cost \$5,357,114)	5,357,114
Total investments, at value (cost \$302,192,200)	281,733,233
Cash	22,299
Receivable for investments sold	529,956
Dividends receivable	207,345
Interest receivable	16,973
Receivable for Portfolio shares sold	154,807
Total assets	282,664,613

Liabilities

Payable upon return of securities loaned	62,258,394
Payable for Portfolio shares redeemed	1,074,852
Accrued management fee	133,623
Accrued expenses and payables	168,502
Total liabilities	63,635,371
Net assets, at value	\$ 219,029,242

Net Assets Consist of:

Undistributed net investment income	1,267,241
Net unrealized appreciation (depreciation) on investments	(20,458,967)
Accumulated net realized gain (loss)	(129,101,483)
Paid-in capital	367,322,451
Net assets, at value	\$ 219,029,242

Class A

Net Asset Value, offering and redemption price per share (\$197,059,537 ÷ 25,132,403 outstanding shares of beneficial interest, no par value, unlimited number of shares authorized) **\$ 7.84**

Class B

Net Asset Value, offering and redemption price per share (\$21,969,705 ÷ 2,798,750 outstanding shares of beneficial interest, no par value, unlimited number of shares authorized) **\$ 7.85**

* Represents collateral on securities loaned.

Statement of Operations

for the six months ended June 30, 2009 (Unaudited)

Investment Income

Income:	
Dividends	\$ 2,055,072
Interest — Cash Management QP Trust	20,877
Securities lending income, including income from Daily Assets Fund Institutional, net of borrower rebates	222,343
Total Income	2,298,292
Expenses:	
Management fee	683,833
Administration fee	105,207
Custodian fee	9,183
Distribution service fee (Class B)	26,631
Record keeping fees (Class B)	10,537
Services to shareholders	3,903
Professional fees	34,750
Trustees' fees and expenses	3,951
Reports to shareholders	18,382
Other	16,504
Total expenses	912,881
Net investment income (loss)	1,385,411

Realized and Unrealized Gain (Loss)

Net realized gain (loss) from investments	(64,824,618)
Payments by affiliates (see Note I)	9,887
	(64,814,731)
Change in net unrealized appreciation (depreciation) on:	
Investments	63,053,844
Foreign currency	320
	63,054,164
Net gain (loss)	(1,760,567)
Net increase (decrease) in net assets resulting from operations	\$ (375,156)

The accompanying notes are an integral part of the financial statements.

Statement of Changes in Net Assets

	Six Months Ended June 30, 2009 (Unaudited)	Year Ended December 31, 2008
Increase (Decrease) in Net Assets		
Operations:		
Net investment income (loss)	\$ 1,385,411	\$ 4,294,923
Net realized gain (loss)	(64,814,731)	(64,286,752)
Change in net unrealized appreciation (depreciation)	63,054,164	(96,935,623)
Net increase (decrease) in net assets resulting from operations	(375,156)	(156,927,452)
Distributions to shareholders from:		
Net investment income:		
Class A	(4,046,857)	(6,363,604)
Class B	(395,321)	(427,114)
Distributions to shareholders from:		
Net realized gains:		
Class A	—	(155,713,279)
Class B	—	(13,714,537)
Total distributions	(4,442,178)	(176,218,534)
Portfolio share transactions:		
Class A		
Proceeds from shares sold	12,896,034	37,425,632
Reinvestment of distributions	4,046,857	162,076,883
Cost of shares redeemed	(38,789,955)	(139,030,105)
Net increase (decrease) in net assets from Class A share transactions	(21,847,064)	60,472,410
Class B		
Proceeds from shares sold	1,330,670	14,371,044
Reinvestment of distributions	395,321	14,141,651
Cost of shares redeemed	(3,792,439)	(9,977,946)
Net increase (decrease) in net assets from Class B share transactions	(2,066,448)	18,534,749
Increase (decrease) in net assets	(28,730,846)	(254,138,827)
Net assets at beginning of period	247,760,088	501,898,915
Net assets at end of period (including undistributed net investment income of \$1,267,241 and \$4,324,008, respectively)	\$ 219,029,242	\$ 247,760,088
Other Information		
Class A		
Shares outstanding at beginning of period	28,178,465	23,283,418
Shares sold	1,763,695	3,355,802
Shares issued to shareholders in reinvestment of distributions	624,515	15,105,022
Shares redeemed	(5,434,272)	(13,565,777)
Net increase (decrease) in Class A shares	(3,046,062)	4,895,047
Shares outstanding at end of period	25,132,403	28,178,465
Class B		
Shares outstanding at beginning of period	3,073,371	1,669,556
Shares sold	185,991	1,078,541
Shares issued to shareholders in reinvestment of distributions	60,912	1,315,502
Shares redeemed	(521,524)	(990,228)
Net increase (decrease) in Class B shares	(274,621)	1,403,815
Shares outstanding at end of period	2,798,750	3,073,371

The accompanying notes are an integral part of the financial statements.

Financial Highlights

Class A

Years Ended December 31,	2009 ^a	2008	2007	2006	2005	2004
Selected Per Share Data						
Net asset value, beginning of period	\$ 7.93	\$20.12	\$22.93	\$19.98	\$20.05	\$16.06
<i>Income (loss) from investment operations:</i>						
Net investment income (loss) ^b	.05	.13	.18	.15	.19	.17
Net realized and unrealized gain (loss)	.02 ^c	(4.92)	.54	4.69	1.67	3.98
Total from investment operations	.07	(4.79)	.72	4.84	1.86	4.15
<i>Less distributions from:</i>						
Net investment income	(.16)	(.29)	(.23)	(.18)	(.15)	(.16)
Net realized gains	—	(7.11)	(3.30)	(1.71)	(1.78)	—
Total distributions	(.16)	(7.40)	(3.53)	(1.89)	(1.93)	(.16)
Net asset value, end of period	\$ 7.84	\$ 7.93	\$20.12	\$22.93	\$19.98	\$20.05
Total Return (%)	1.28 ^{**}	(33.42) ^d	3.06	25.06	10.25	26.03
Ratios to Average Net Assets and Supplemental Data						
Net assets, end of period (\$ millions)	197	223	468	562	493	467
Ratio of expenses before expense reductions (%)	.83 [*]	.83	.78	.79	.79	.79
Ratio of expenses after expense reductions (%)	.83 [*]	.82	.78	.79	.79	.79
Ratio of net investment income (%)	1.35 [*]	1.13	.85	.71	.96	.96
Portfolio turnover rate (%)	43 ^{**}	49	110	52	61	73

^a For the six months ended June 30, 2009 (Unaudited).

^b Based on average shares outstanding during the period.

^c The amount of net realized and unrealized gain shown for a share outstanding for the period ended June 30, 2009 does not correspond with the aggregate net loss on investments for the period due to the timing of sales and repurchases of Portfolio shares in relation to fluctuating market values on the investments on the Portfolio.

^d Total return would have been lower had certain expenses not been reduced.

* Annualized ** Not annualized

Class B

Years Ended December 31,	2009 ^a	2008	2007	2006	2005	2004
Selected Per Share Data						
Net asset value, beginning of period	\$ 7.92	\$20.08	\$22.88	\$19.93	\$20.01	\$16.03
<i>Income (loss) from investment operations:</i>						
Net investment income (loss) ^b	.04	.09	.10	.07	.11	.10
Net realized and unrealized gain (loss)	.03 ^c	(4.92)	.54	4.67	1.66	3.97
Total from investment operations	.07	(4.83)	.64	4.74	1.77	4.07
<i>Less distributions from:</i>						
Net investment income	(.14)	(.22)	(.14)	(.08)	(.07)	(.09)
Net realized gains	—	(7.11)	(3.30)	(1.71)	(1.78)	—
Total distributions	(.14)	(7.33)	(3.44)	(1.79)	(1.85)	(.09)
Net asset value, end of period	\$ 7.85	\$ 7.92	\$20.08	\$22.88	\$19.93	\$20.01
Total Return (%)	1.18 ^{**}	(33.67) ^d	2.67	24.59	9.78	25.52
Ratios to Average Net Assets and Supplemental Data						
Net assets, end of period (\$ millions)	22	24	34	90	83	71
Ratio of expenses before expense reductions (%)	1.18 [*]	1.18	1.16	1.17	1.19	1.16
Ratio of expenses after expense reductions (%)	1.18 [*]	1.17	1.16	1.17	1.19	1.16
Ratio of net investment income (%)	1.00 [*]	.78	.47	.33	.56	.59
Portfolio turnover rate (%)	43 ^{**}	49	110	52	61	73

^a For the six months ended June 30, 2009 (Unaudited).

^b Based on average shares outstanding during the period.

^c The amount of net realized and unrealized gain shown for a share outstanding for the period ended June 30, 2009 does not correspond with the aggregate net loss on investments for the period due to the timing of sales and repurchases of Portfolio shares in relation to fluctuating market values on the investments on the Portfolio.

^d Total return would have been lower had certain expenses not been reduced.

* Annualized ** Not annualized

DWS Global Thematic VIP

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 redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Please contact your participating insurance company for the Portfolio's most recent month-end performance. Performance doesn't reflect charges and fees ("contract charges") associated with the separate account that invests in the Portfolio or any variable life insurance policy or variable annuity contract for which the Portfolio is an investment option. These charges and fees will reduce returns. While all share classes have the same underlying Portfolio, their performance will differ.

The total annual Portfolio operating expense ratios, gross of any fee waivers or expense reimbursements, as stated in the fee table of the prospectus dated May 1, 2009 are 1.42% and 1.77% for Class A and Class B shares, respectively. Please see the Information About Your Portfolio's Expenses, the Financial Highlights and Notes to the Financial Statements (Note C, Related Parties) sections of this report for gross and net expense-related disclosure for the period ended June 30, 2009.

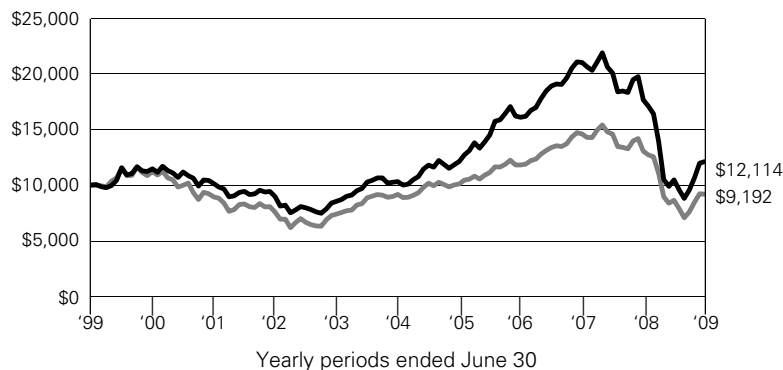
Risk Considerations

This Portfolio is subject to stock market risk, meaning stocks in the Portfolio may decline in value for extended periods of time due to the activities and financial prospects of individual companies, or due to general market and economic conditions. Additionally, investing in foreign securities presents certain risks, such as currency fluctuation, political and economic changes and market risks. This may result in greater share price volatility. Please read this Portfolio's prospectus for specific details regarding its investments and risk profile.

Portfolio returns shown for all periods reflect a fee waiver and/or expense reimbursement. Without this waiver/reimbursement, returns would have been lower.

Growth of an Assumed \$10,000 Investment in DWS Global Thematic VIP

■ DWS Global Thematic VIP — Class A
 ■ MSCI World Index



The Morgan Stanley Capital International (MSCI) World Index is an unmanaged, capitalization-weighted measure of global stock markets including the US, Canada, Europe, Australia and the Far East. The index is calculated using closing local market prices and translates into US dollars using the London close foreign exchange rates. Index returns assume reinvestment of dividends and, unlike portfolio returns, do not reflect any fees or expenses. It is not possible to invest directly into an index.

Comparative Results

DWS Global Thematic VIP		6-Month [‡]	1-Year	3-Year	5-Year	10-Year
Class A	Growth of \$10,000	\$11,555	\$6,865	\$7,530	\$11,743	\$12,114
	Average annual total return	15.55%	-31.35%	-9.02%	3.27%	1.94%
MSCI World Index	Growth of \$10,000	\$10,635	\$7,050	\$7,783	\$10,016	\$9,192
	Average annual total return	6.35%	-29.50%	-8.02%	.03%	-.84%
DWS Global Thematic VIP		6-Month [‡]	1-Year	3-Year	5-Year	Life of Class [*]
Class B	Growth of \$10,000	\$11,528	\$6,840	\$7,449	\$11,530	\$13,368
	Average annual total return	15.28%	-31.60%	-9.35%	2.89%	4.24%
MSCI World Index	Growth of \$10,000	\$10,635	\$7,050	\$7,783	\$10,016	\$12,125
	Average annual total return	6.35%	-29.50%	-8.02%	.03%	2.79%

The growth of \$10,000 is cumulative.

[‡] Total returns shown for periods less than one year are not annualized.

^{*} The Portfolio commenced offering Class B shares on July 1, 2002. Index returns began on June 30, 2002.

Information About Your Portfolio's Expenses

DWS Global Thematic VIP

As an investor of the Portfolio, you incur two types of costs: ongoing expenses and transaction costs. Ongoing expenses include management fees, distribution and service (12b-1) fees and other Portfolio expenses. Examples of transaction costs include contract charges, redemption fees and account maintenance fees, which are not shown in this section. The following tables are intended to help you understand your ongoing expenses (in dollars) of investing in the Portfolio and to help you compare these expenses with the ongoing expenses of investing in other mutual funds. In the most recent six-month period, the Portfolio limited these expenses; had it not done so, expenses would have been higher. The example in the table is based on an investment of \$1,000 invested at the beginning of the six-month period and held for the entire period (January 1, 2009 to June 30, 2009).

The tables illustrate your Portfolio's expenses in two ways:

- Actual Portfolio Return.** This helps you estimate the actual dollar amount of ongoing expenses (but not transaction costs) paid on a \$1,000 investment in the Portfolio using the Portfolio's actual return during the period. To estimate the expenses you

paid over the period, simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the "Expenses Paid per \$1,000" line under the share class you hold.

- Hypothetical 5% Portfolio Return.** This helps you to compare your Portfolio's ongoing expenses (but not transaction costs) with those of other mutual funds using the Portfolio's actual expense ratio and a hypothetical rate of return of 5% per year before expenses. Examples using a 5% hypothetical Portfolio return may be found in the shareholder reports of other mutual funds. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period.

Please note that the expenses shown in these tables are meant to highlight your ongoing expenses only and do not reflect any transaction costs. The "Expenses Paid per \$1,000" line of the tables is useful in comparing ongoing expenses only and will not help you determine the relative total expense of owning different funds. If these transaction costs had been included, your costs would have been higher.

Expenses and Value of a \$1,000 Investment for the six months ended June 30, 2009

Actual Portfolio Return	Class A	Class B
Beginning Account Value 1/1/09	\$1,000.00	\$1,000.00
Ending Account Value 6/30/09	\$1,155.50	\$1,152.80
Expenses Paid per \$1,000*	\$ 5.67	\$ 7.53

Hypothetical 5% Portfolio Return	Class A	Class B
Beginning Account Value 1/1/09	\$1,000.00	\$1,000.00
Ending Account Value 6/30/09	\$1,019.54	\$1,017.80
Expenses Paid per \$1,000*	\$ 5.31	\$ 7.05

* Expenses are equal to the Portfolio's annualized expense ratio for each share class, multiplied by the average account value over the period, multiplied by the number of days in the most recent six-month period, then divided by 365.

Annualized Expense Ratios	Class A	Class B
DWS Variable Series II — DWS Global Thematic VIP	1.06%	1.41%

For more information, please refer to the Portfolio's prospectus.

These tables do not reflect charges and fees ("contract charges") associated with the separate account that invests in the Portfolio or any variable life insurance policy or variable annuity contract for which the Portfolio is an investment option.

Portfolio Summary

DWS Global Thematic VIP

Asset Allocation (As a % of Investment Portfolio excluding Securities Lending Collateral)	6/30/09	12/31/08
Common Stocks	93%	95%
Participatory Notes	3%	1%
Cash Equivalents	2%	1%
Exchange-Traded Funds	2%	2%
Preferred Stocks	—	1%
	100%	100%

Sector Diversification (As a % of Investment Portfolio excluding Exchange-Traded Funds, Cash Equivalents and Securities Lending Collateral)	6/30/09	12/31/08
Financials	19%	16%
Health Care	15%	18%
Consumer Staples	14%	13%
Industrials	11%	16%
Energy	11%	11%
Telecommunication Services	8%	5%
Consumer Discretionary	8%	8%
Materials	6%	7%
Information Technology	6%	6%
Utilities	2%	—
	100%	100%

Geographical Diversification (As a % of Investment Portfolio excluding Participatory Notes, Cash Equivalents and Securities Lending Collateral)	6/30/09	12/31/08
United States	42%	40%
Continental Europe	23%	24%
Asia (excluding Japan)	10%	11%
United Kingdom	8%	5%
Japan	6%	5%
Latin America	5%	9%
Middle East	1%	2%
Bermuda	1%	1%
Canada	1%	2%
Africa	1%	—
Other	2%	1%
	100%	100%

Asset allocation, sector and geographical diversifications are subject to change.

For more complete details about the Portfolio's investment portfolio, see page 75. A complete list of portfolio holdings of the Portfolio is posted as of the month end on www.dws-investments.com on or about the 15th day of the following month. More frequent posting of portfolio holdings information may be made from time to time on www.dws-investments.com.

Following the Portfolio's fiscal first and third quarter-end, a complete portfolio holdings listing is filed with the SEC on Form N-Q. The form will be available on the SEC's Web site at www.sec.gov, and it also may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the SEC's Public Reference Room may be obtained by calling (800) SEC-0330.

DWS Global Thematic VIP

	Shares	Value (\$)		Shares	Value (\$)
Common Stocks 94.7%					
Australia 2.3%					
IOOF Holdings Ltd.	92,575	309,801			
Newcrest Mining Ltd.	9,700	237,690			
Telstra Corp., Ltd.	303,500	828,120			
(Cost \$1,555,322)		1,375,611			
Austria 0.4%					
Flughafen Wien AG	6,300	255,818			
Raiffeisen International Bank-Holding AG	208	7,223			
(Cost \$610,599)		263,041			
Belgium 1.1%					
Anheuser-Busch InBev NV (Cost \$540,277)	18,434	667,358			
Bermuda 1.1%					
Lazard Ltd. "A" (Cost \$635,311)	23,600	635,312			
Brazil 3.6%					
All America Latina Logistica (Units)	53,200	327,698			
Cia Brasileira de Meios de Pagamento*	54,300	466,933			
Santos Brasil Participacoes SA (Units)	138,800	779,178			
SLC Agricola SA	65,800	621,230			
(Cost \$2,872,114)		2,195,039			
Canada 0.8%					
Goldcorp, Inc.	5,300	184,223			
Viterra, Inc.*	36,600	317,809			
(Cost \$636,067)		502,032			
China 2.1%					
Bawang International*	40,000	12,284			
Industrial & Commercial Bank of China Ltd. "H"	1,400,000	974,058			
SINA Corp.*	9,900	291,852			
(Cost \$1,051,256)		1,278,194			
Finland 0.4%					
Sampo Oyj "A" (Cost \$196,988)	12,400	233,993			
France 0.7%					
BNP Paribas	245	15,899			
Total SA	7,992	432,864			
(Cost \$424,647)		448,763			
Germany 8.4%					
Allianz SE (Registered)	6,616	611,793			
Daimler AG (Registered)	12,500	452,274			
Deutsche Lufthansa AG (Registered)	48,400	608,407			
Deutsche Post AG (Registered)	41,500	542,416			
Deutsche Telekom AG (Registered)	71,500	845,026			
E.ON AG	27,800	986,743			
Fresenius Medical Care AG & Co. KGaA	16,900	754,221			
Siemens AG (Registered)	4,100	283,844			
(Cost \$4,894,234)		5,084,724			
Hong Kong 2.7%					
China Mobile Ltd.	41,000	411,122			
China Mobile Ltd. (ADR)	8,200	410,656			
GOME Electrical Appliances Holdings Ltd.	1,974,000	486,492			
			Hongkong & Shanghai Hotels Ltd.	326,242	319,698
			(Cost \$2,344,935)		1,627,968
			India 1.6%		
			Bharat Electronics Ltd.	3,477	94,717
			Hindustan Unilever Ltd.	56,600	317,407
			Infosys Technologies Ltd.	9,800	362,781
			ITC Ltd.	43,800	175,246
			(Cost \$840,548)		950,151
			Israel 1.3%		
			Teva Pharmaceutical Industries Ltd. (ADR) (a) (Cost \$621,759)	15,400	759,836
			Italy 1.4%		
			Gemina SpA*	443,383	327,209
			Parmalat SpA	205,584	496,767
			(Cost \$1,083,029)		823,976
			Japan 6.0%		
			Mitsubishi Estate Co., Ltd.	27,000	447,281
			Mitsubishi UFJ Financial Group, Inc.	63,200	388,502
			Mitsui & Co., Ltd.	45,000	530,122
			Mitsui Fudosan Co., Ltd.	26,000	450,445
			NTT DoCoMo, Inc.	247	360,752
			Seven & I Holdings Co., Ltd.	12,000	281,534
			Shin-Etsu Chemical Co., Ltd.	7,400	341,771
			Toyota Motor Corp.	21,600	816,573
			(Cost \$3,368,303)		3,616,980
			Kazakhstan 0.1%		
			Kazakhstan Kagazy PLC (GDR) 144A*	181,200	41,676
			Steppe Cement Ltd.*	47,722	30,970
			(Cost \$1,109,216)		72,646
			Korea 0.5%		
			KT&G Corp. (Cost \$315,311)	5,651	319,178
			Luxembourg 0.9%		
			ArcelorMittal (Cost \$417,141)	17,099	561,560
			Malaysia 0.7%		
			AMMB Holdings Bhd. (Cost \$310,701)	457,900	438,944
			Mexico 0.0%		
			Banco Compartamos SA de CV (Cost \$590)	200	644
			Netherlands 2.5%		
			QIAGEN NV* (a)	50,200	931,763
			Royal Dutch Shell PLC "A"	23,666	592,695
			(Cost \$1,356,386)		1,524,458
			Panama 0.7%		
			Copa Holdings SA "A" (Cost \$361,800)	10,600	432,692
			Russia 1.1%		
			Far Eastern Shipping Co.*	689,000	254,930
			Globaltrans Investment PLC (GDR) 144A*	47,000	188,000
			Globaltrans Investment PLC (GDR) REG S*	10,350	41,400
			Novorossiysk Sea Trade Port (GDR) 144A	17,300	166,080
			(Cost \$1,760,700)		650,410

The accompanying notes are an integral part of the financial statements.

	Shares	Value (\$)
Singapore 0.3%		
Food Empire Holdings Ltd. (Cost \$354,177)	700,000	156,847
South Africa 0.8%		
AngloGold Ashanti Ltd.	6,946	254,723
Gold Fields Ltd. (Cost \$416,729)	18,900	482,863
Spain 0.7%		
Grifols SA (Cost \$348,231)	22,288	394,188
Switzerland 4.4%		
Julius Baer Holding AG (Registered)	10,802	421,170
Nestle SA (Registered)	35,012	1,321,393
Roche Holding AG (Genusschein)	3,265	444,199
UBS AG (Registered)* (Cost \$2,431,442)	36,639	2,634,291
Taiwan 0.6%		
Asustek Computer, Inc. (Cost \$380,536)	303,000	391,565
Thailand 0.9%		
Bangkok Bank PCL (Foreign Registered)	28,900	94,286
Kasikornbank PCL (Foreign Registered)	45,600	96,140
Seamico Securities PCL (Foreign Registered)	1,439,300	92,095
Siam City Bank PCL (Foreign Registered) (Cost \$607,536)	523,300	532,881
Turkey 0.6%		
Turkcell Iletisim Hizmetleri AS (ADR) (Cost \$348,000)	26,500	367,290
United Kingdom 7.3%		
Aberdeen Asset Management PLC	199,236	406,505
BAE Systems PLC	95,857	535,077
BG Group PLC	10,816	181,730
BHP Billiton PLC	10,255	231,640
G4S PLC	81,875	281,557
GlaxoSmithKline PLC	58,587	1,031,691
Imperial Tobacco Group PLC	21,020	546,714
Rio Tinto PLC	6,951	241,986
Standard Chartered PLC	29,231	550,554
Vodafone Group PLC (Cost \$4,153,954)	222,125	4,436,816
United States 38.7%		
Anadarko Petroleum Corp.	17,550	796,594
Apache Corp.	7,800	562,770
Apple, Inc.*	2,400	341,832
AT&T, Inc.	12,100	300,564
Bank of America Corp. (a)	87,000	1,148,400
Berkshire Hathaway, Inc. "A"*	6	540,000
Carnival Corp. (Units)	8,000	206,160
ConocoPhillips	10,700	450,042
CVS Caremark Corp.	36,200	1,153,694
Dell, Inc.*	24,000	329,520
Devon Energy Corp.	8,700	474,150
Expedia, Inc.*	18,300	276,513
ExxonMobil Corp.	17,900	1,251,389
General Electric Co.	52,200	611,784
Hess Corp.	12,000	645,000
Hewlett-Packard Co.	10,300	398,095
Illumina, Inc.*	8,300	323,202

	Shares	Value (\$)
Kellogg Co.	13,500	628,695
Laboratory Corp. of America Holdings*	15,200	1,030,408
Legg Mason, Inc.	27,200	663,136
Life Technologies Corp.* (a)	22,300	930,356
Mattel, Inc.	27,000	433,350
McDonald's Corp.	18,200	1,046,318
Microsoft Corp.	34,200	812,934
Monsanto Co.	12,000	892,080
Morgan Stanley	7,000	199,570
Mylan, Inc.*	64,850	846,292
Myriad Genetics, Inc.*	13,400	477,710
Myriad Pharmaceuticals, Inc.*	3,375	15,694
Oracle Corp.	13,300	284,886
Owens-Illinois, Inc.*	18,550	519,586
Perot Systems Corp. "A"*	6,200	88,846
Pfizer, Inc.	66,775	1,001,625
Philip Morris International, Inc.	13,400	584,508
Procter & Gamble Co.	9,600	490,560
SAIC, Inc.*	2,200	40,810
State Street Corp.	6,300	297,360
The Blackstone Group LP	28,100	296,174
Unisys Corp.*	71,500	107,965
Verizon Communications, Inc.	19,200	590,016
Wal-Mart Stores, Inc.	8,000	387,520
Walt Disney Co.	20,000	466,600
Williams Companies, Inc. (Cost \$21,521,498)	32,800	512,008
Total Common Stocks (Cost \$57,869,337)		57,314,967

Participatory Notes 2.8%

Commercial International Bank (issuer Merrill Lynch International & Co.), Expiration Date 5/9/2011*	4,336	37,463
Doha Bank QSC (issuer Merrill Lynch International & Co.), Expiration Date 5/24/2010*	3,545	35,769
Dubai Financial Market (issuer Merrill Lynch International & Co.), Expiration Date 5/24/2010*	87,265	38,536
Merrill Lynch Frontier Index Trust (issuer Merrill Lynch International & Co.), Expiration Date 2/27/2010*	9,700	412,541
Mobile Telecommunications Co. (issuer Merrill Lynch International & Co.), Expiration Date 12/6/2010*	55,000	224,499
National Bank of Abu Dhabi (issuer Merrill Lynch International & Co.), Expiration Date 1/12/2010*	13,696	36,295
Oil & Gas Development Co., Ltd. (issuer Merrill Lynch International & Co.), 144A, Expiration Date 10/18/2011*	194,800	187,748
Pakistan Petroleum Ltd. (issuer Merrill Lynch International & Co.), 144A, Expiration Date 10/18/2011*	83,500	194,764
Qatar Electricity & Water Co. (issuer Merrill Lynch International & Co.), Expiration Date 5/24/2010*	1,373	37,721
Qatar National Bank (issuer Merrill Lynch International & Co.), Expiration Date 7/26/2010*	1,145	37,561
Riyad Bank (issuer HSBC Bank PLC), Expiration Date 6/11/2012*	11,300	73,972

The accompanying notes are an integral part of the financial statements.

	Shares	Value (\$)
Samba Financial Group (issuer HSBC Bank PLC), Expiration Date 4/30/2012*	5,800	64,646
Saudi Basic Industrial Corp. (issuer HSBC Bank PLC), Expiration Date 3/26/2012*	13,000	217,519
Saudi Telecom Co. (issuer HSBC Bank PLC), Expiration Date 5/21/2012*	5,200	71,409
Total Participatory Notes (Cost \$2,217,837)		1,670,443

Rights 0.0%

United Kingdom

Rio Tinto PLC, Expiration Date 7/1/2009* (Cost \$27,879)	2,265	26,010
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Exchange-Traded Fund 2.1%

United States

iShares Nasdaq Biotechnology Index Fund* (a) (Cost \$1,237,510)	17,825	1,296,947
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Call Options Purchased 0.0%

United States

General Electric Co., Expiration Date 1/16/2010, Strike Price \$30.0 (Cost \$212,773)	510	2,040
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Securities Lending Collateral 7.2%

Daily Assets Fund Institutional, 0.48% (b) (c) (Cost \$4,377,425)	4,377,425	4,377,425
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Cash Equivalents 2.3%

Cash Management QP Trust, 0.27% (b) (Cost \$1,366,832)	1,366,832	1,366,832
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	% of Net Assets	Value (\$)
Total Investment Portfolio (Cost \$67,309,593) [†]	109.1	66,054,664
Other Assets and Liabilities, Net	(9.1)	(5,522,706)
Net Assets	100.0	60,531,958

* Non-income producing security.

† The cost for federal income tax purposes was \$70,649,785. At June 30, 2009, net unrealized depreciation for all securities based on tax cost was \$4,595,121. This consisted of aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost of \$5,731,377 and aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value of \$10,326,498.

(a) All or a portion of these securities were on loan (see Notes to Financial Statements). The value of all securities loaned at June 30, 2009 amounted to \$4,268,441, which is 7.1% of net assets.

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

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

144A: Security exempt from registration under Rule 144A of the Securities Act of 1933. This security may be resold in transactions exempt from registration, normally to qualified institutional buyers.

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.

The accompanying notes are an integral part of the financial statements.

Fair Value Measurements

Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, "Fair Value Measurements," as amended, establishes a three-tier hierarchy for measuring fair value and requires additional disclosure about the classification of fair value measurements.

Various inputs are used in determining the value of the Portfolio'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 observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, and credit risk). Level 3 includes significant unobservable inputs (including the Portfolio'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 June 30, 2009 in valuing the Portfolio's investments. For information on the Portfolio's policy regarding the valuation of investments, please refer to the Security Valuation section of Note A in the accompanying Notes to the Financial Statements.

Assets	Level 1	Level 2	Level 3	Total
Common Stock and/or Other Equity Investments (d)				
Australia	\$ —	\$ 1,375,611	\$ —	\$ 1,375,611
Austria	—	263,041	—	263,041
Belgium	—	667,358	—	667,358
Bermuda	635,312	—	—	635,312
Brazil	2,195,039	—	—	2,195,039
Canada	502,032	—	—	502,032
China	291,852	986,342	—	1,278,194
Finland	—	233,993	—	233,993
France	—	448,763	—	448,763
Germany	—	5,084,724	—	5,084,724
Hong Kong	410,656	1,217,312	—	1,627,968
India	—	950,151	—	950,151
Israel	759,836	—	—	759,836
Italy	—	823,976	—	823,976
Japan	—	3,616,980	—	3,616,980
Kazakhstan	—	72,646	—	72,646
Korea	—	319,178	—	319,178
Luxembourg	—	561,560	—	561,560
Malaysia	—	438,944	—	438,944
Mexico	644	—	—	644
Netherlands	—	1,524,458	—	1,524,458
Panama	432,692	—	—	432,692
Russia	41,400	609,010	—	650,410
Singapore	—	156,847	—	156,847
South Africa	—	482,863	—	482,863
Spain	—	394,188	—	394,188
Switzerland	365,079	2,269,212	—	2,634,291
Taiwan	—	391,565	—	391,565
Thailand	—	532,881	—	532,881
Turkey	367,290	—	—	367,290
United Kingdom	—	4,462,826	—	4,462,826
United States	24,751,663	—	—	24,751,663
Participatory Notes	—	1,670,443	—	1,670,443
Short-Term Investments (d)	4,377,425	1,366,832	—	5,744,257
Derivatives (e)	2,040	—	—	2,040
Total	\$ 35,132,960	\$ 30,921,704	\$ —	\$ 66,054,664

(d) See Investment Portfolio for additional detailed categorizations.

(e) Derivatives include value of options purchased.

The accompanying notes are an integral part of the financial statements.

The following is a reconciliation of the Portfolio's Level 3 investments for which significant unobservable inputs were used in determining value:

	Common Stock and/or Other Equity Investments	
Level 3 Reconciliation	Hong Kong	
Balance as of December 31, 2008	\$	344,346
Realized gains (loss)		(54,879)
Change in unrealized appreciation (depreciation)		237,628
Amortization premium/discount		—
Net purchase (sales)		(40,603)
Net transfers in (out) of Level 3		(486,492)
Balance as of June 30, 2009	\$	—
Net change in unrealized appreciation (depreciation) from investments still held	\$	—

The accompanying notes are an integral part of the financial statements.

Financial Statements

Statement of Assets and Liabilities

as of June 30, 2009 (Unaudited)

Assets	
Investments:	
Investments in securities, at value (cost \$61,565,336) — including \$4,268,441 of securities loaned	\$ 60,310,407
Investment in Daily Assets Fund Institutional (cost \$4,377,425)*	4,377,425
Investment in Cash Management QP Trust (cost \$1,366,832)	1,366,832
Total investments, at value (cost \$67,309,593)	66,054,664
Foreign currency, at value (cost \$207,419)	209,322
Receivable for investments sold	570,308
Receivable for Portfolio shares sold	15,376
Dividends receivable	85,763
Interest receivable	2,282
Foreign taxes recoverable	38,514
Other assets	1,664
Total assets	66,977,893

Liabilities	
Cash overdraft	1,207
Payable upon return of securities loaned	4,377,425
Payable for investments purchased	1,728,295
Payable for Portfolio shares redeemed	119,982
Deferred foreign taxes payable	29,833
Accrued management fee	22,016
Accrued expenses and payables	167,177
Total liabilities	6,445,935
Net assets, at value	\$ 60,531,958

Net Assets Consist of

Undistributed net investment income	577,095
Net unrealized appreciation (depreciation) on:	
Investments (net of deferred foreign taxes of \$29,833)	(1,284,762)
Foreign currency	3,008
Accumulated net realized gain (loss)	(68,186,984)
Paid-in capital	129,423,601
Net assets, at value	\$ 60,531,958

Class A

Net Asset Value , offering and redemption price per share (\$56,147,500 ÷ 8,485,459 outstanding shares of beneficial interest, no par value, unlimited number of shares authorized)	\$ 6.62
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Class B

Net Asset Value , offering and redemption price per share (\$4,384,458 ÷ 660,708 outstanding shares of beneficial interest, no par value, unlimited number of shares authorized)	\$ 6.64
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* Represents collateral on securities loaned.

Statement of Operations

for the six months ended June 30, 2009 (Unaudited)

Investment Income	
Income:	
Dividends (net of foreign taxes withheld of \$67,884)	\$ 872,456
Interest	15
Interest — Cash Management QP Trust	3,663
Securities lending income, including income from Daily Assets Fund Institutional, net of borrower rebates	35,702
Total Income	911,836
Expenses:	
Management fee	255,400
Administration fee	27,912
Services to shareholders	623
Custodian fees	86,301
Distribution service fee (Class B)	4,780
Record keeping fees (Class B)	1,893
Legal fees	4,057
Audit and tax fees	31,008
Trustees' fees and expenses	5,128
Reports to shareholders	19,603
Other	15,392
Total expenses before expense reductions	452,097
Expense reductions	(150,868)
Total expenses after expense reductions	301,229
Net investment income (loss)	610,607
Realized and Unrealized Gain (Loss)	
Net realized gain (loss) from:	
Investments	(10,518,365)
Foreign currency	(40,301)
	(10,558,666)
Change in net unrealized appreciation (depreciation) on:	
Investments (net of deferred foreign taxes of \$29,833)	17,602,054
Foreign currency	5,563
	17,607,617
Net gain (loss)	7,048,951
Net increase (decrease) in net assets resulting from operations	\$ 7,659,558

The accompanying notes are an integral part of the financial statements.

Statement of Changes in Net Assets

	Six Months Ended June 30, 2009 (Unaudited)	Year Ended December 31, 2008
Increase (Decrease) in Net Assets		
Operations:		
Net investment income (loss)	\$ 610,607	\$ 1,279,245
Net realized gain (loss)	(10,558,666)	(55,764,112)
Change in net unrealized appreciation (depreciation)	17,607,617	(16,923,110)
Net increase (decrease) in net assets resulting from operations	7,659,558	(71,407,977)
Distributions to shareholders from:		
Net investment income:		
Class A	(911,359)	(1,766,760)
Class B	(54,811)	(79,972)
Net realized gains:		
Class A	—	(36,684,662)
Class B	—	(2,286,851)
Total distributions	(966,170)	(40,818,245)
Portfolio share transactions:		
Class A		
Proceeds from shares sold	1,655,247	9,403,619
Reinvestment of distributions	911,359	38,451,422
Cost of shares redeemed	(11,381,907)	(34,733,222)
Net increase (decrease) in net assets from Class A share transactions	(8,815,301)	13,121,819
Class B		
Proceeds from shares sold	210,881	925,746
Reinvestment of distributions	54,811	2,366,823
Cost of shares redeemed	(478,629)	(2,548,724)
Net increase (decrease) in net assets from Class B share transactions	(212,937)	743,845
Increase (decrease) in net assets	(2,334,850)	(98,360,558)
Net assets at beginning of period	62,866,808	161,227,366
Net assets at end of period (including undistributed net investment income of \$577,095 and \$932,658, respectively)	\$ 60,531,958	\$ 62,866,808
Other Information		
Class A		
Shares outstanding at beginning of period	10,056,541	9,660,413
Shares sold	283,209	875,157
Shares issued to shareholders in reinvestment of distributions	174,256	3,769,747
Shares redeemed	(2,028,547)	(4,248,776)
Net increase (decrease) in Class A shares	(1,571,082)	396,128
Shares outstanding at end of period	8,485,459	10,056,541
Class B		
Shares outstanding at beginning of period	702,064	632,933
Shares sold	37,119	95,557
Shares issued to shareholders in reinvestment of distributions	10,440	231,135
Shares redeemed	(88,915)	(257,561)
Net increase (decrease) in Class B shares	(41,356)	69,131
Shares outstanding at end of period	660,708	702,064

The accompanying notes are an integral part of the financial statements.

Financial Highlights

Class A

Years Ended December 31,	2009 ^a	2008	2007	2006	2005	2004
Selected Per Share Data						
Net asset value, beginning of period	\$ 5.84	\$15.66	\$17.39	\$14.44	\$11.78	\$10.39
<i>Income (loss) from investment operations:</i>						
Net investment income (loss) ^b	.06	.11	.14	.15 ^d	.12	.04
Net realized and unrealized gain (loss)	.82	(5.83)	.88	4.02	2.58	1.48
Total from investment operations	.88	(5.72)	1.02	4.17	2.70	1.52
<i>Less distributions from:</i>						
Net investment income	(.10)	(.19)	(.11)	(.09)	(.04)	(.13)
Net realized gains	—	(3.91)	(2.64)	(1.13)	—	—
Total distributions	(.10)	(4.10)	(2.75)	(1.22)	(.04)	(.13)
Net asset value, end of period	\$ 6.62	\$ 5.84	\$15.66	\$17.39	\$14.44	\$11.78
Total Return (%) ^c	15.55 ^{**}	(47.75)	6.29	30.14 ^d	22.94	14.76

Ratios to Average Net Assets and Supplemental Data

Net assets, end of period (\$ millions)	56	59	151	143	85	63
Ratio of expenses before expense reductions (%)	1.60 [*]	1.47	1.44	1.38	1.41	1.44
Ratio of expenses after expense reductions (%)	1.06 [*]	1.09	1.11	1.04	1.28	1.43
Ratio of net investment income (%)	2.21 [*]	1.09	.82	.92 ^d	.98	.38
Portfolio turnover rate (%)	105 ^{**}	229	191	136	95	81

^a For the six months ended June 30, 2009 (Unaudited).

^b Based on average shares outstanding during the period.

^c Total return would have been lower had certain expenses not been reduced.

^d Includes non-recurring income from the Advisor recorded as a result of an administrative proceeding regarding disclosure of brokerage allocation practices in connection with sales of DWS Funds. The non-recurring income resulted in an increase in net investment income of \$0.004 per share and an increase in the ratio of net investment income of 0.03%. Excluding this non-recurring income, total return would have been 0.02% lower.

* Annualized ** Not annualized

Class B

Years Ended December 31,	2009 ^a	2008	2007	2006	2005	2004
Selected Per Share Data						
Net asset value, beginning of period	\$ 5.85	\$15.66	\$17.38	\$14.43	\$11.78	\$10.38
<i>Income (loss) from investment operations:</i>						
Net investment income (loss) ^b	.05	.07	.07	.09 ^d	.07	.00 ^e
Net realized and unrealized gain (loss)	.82	(5.83)	.90	4.02	2.58	1.48
Total from investment operations	.87	(5.76)	.97	4.11	2.65	1.48
<i>Less distributions from:</i>						
Net investment income	(.08)	(.14)	(.05)	(.03)	—	(.08)
Net realized gains	—	(3.91)	(2.64)	(1.13)	—	—
Total distributions	(.08)	(4.05)	(2.69)	(1.16)	—	(.08)
Net asset value, end of period	\$ 6.64	\$ 5.85	\$15.66	\$17.38	\$14.43	\$11.78
Total Return (%) ^c	15.28 ^{**}	(47.87)	5.84	29.65 ^d	22.50	14.33

Ratios to Average Net Assets and Supplemental Data

Net assets, end of period (\$ millions)	4	4	10	25	20	13
Ratio of expenses before expense reductions (%)	1.95 [*]	1.82	1.81	1.76	1.79	1.84
Ratio of expenses after expense reductions (%)	1.41 [*]	1.45	1.47	1.43	1.65	1.83
Ratio of net investment income (%)	1.86 [*]	.73	.46	.53 ^d	.61	.02
Portfolio turnover rate (%)	105 ^{**}	229	191	136	95	81

^a For the six months ended June 30, 2009 (Unaudited).

^b Based on average shares outstanding during the period.

^c Total return would have been lower had certain expenses not been reduced.

^d Includes non-recurring income from the Advisor recorded as a result of an administrative proceeding regarding disclosure of brokerage allocation practices in connection with sales of DWS Funds. The non-recurring income resulted in an increase in net investment income of \$0.004 per share and an increase in the ratio of net investment income of 0.03%. Excluding this non-recurring income, total return would have been 0.02% lower.

^e Amount is less than \$.005 per share.

* Annualized ** Not annualized

DWS Government & Agency Securities VIP

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 redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Please contact your participating insurance company for the Portfolio's most recent month-end performance. Performance doesn't reflect charges and fees ("contract charges") associated with the separate account that invests in the Portfolio or any variable life insurance policy or variable annuity contract for which the Portfolio is an investment option. These charges and fees will reduce returns. While all share classes have the same underlying Portfolio, their performance will differ.

The total annual Portfolio operating expense ratios, gross of any fee waivers or expense reimbursements, as stated in the fee table of the prospectus dated May 1, 2009 are .63% and .98% for Class A and Class B shares, respectively. Please see the Information About Your Portfolio's Expenses, the Financial Highlights and Notes to the Financial Statements (Note C, Related Parties) sections of this report for gross and net expense-related disclosure for the period ended June 30, 2009.

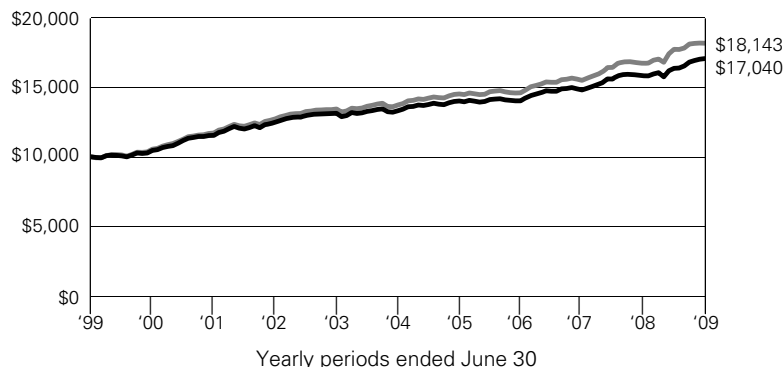
Risk Considerations

The guarantee on US Government Guaranteed Securities relates only to the prompt payment of principal and interest and does not remove market risks. Additionally, yields will fluctuate in response to changing interest rates and may be affected by the prepayment of mortgage-backed securities. Bond investments are subject to interest-rate risk such that when interest rates rise, the prices of the bonds, and thus the value of the investment, can decline and the investor can lose principal value. In the current market environment, mortgage-backed securities are experiencing increased volatility. Please read this Portfolio's prospectus for specific details regarding its investments and risk profile.

Portfolio returns shown for the 1-year, 3-year, 5-year, 10-year/Life of Class periods reflect a fee waiver and/or expense reimbursement. Without this waiver/reimbursement, returns would have been lower.

Growth of an Assumed \$10,000 Investment in DWS Government & Agency Securities VIP

- DWS Government & Agency Securities VIP — Class A
- Barclays Capital GNMA Index



The Barclays Capital GNMA Index is an unmanaged, market-value-weighted measure of all fixed-rate securities backed by mortgage pools of the Government National Mortgage Association.

Index returns, unlike portfolio returns, do not reflect any fees or expenses. It is not possible to invest directly into an index.

Comparative Results

DWS Government & Agency Securities VIP		6-Month [‡]	1-Year	3-Year	5-Year	10-Year
Class A	Growth of \$10,000	\$10,427	\$10,766	\$12,157	\$12,805	\$17,040
	Average annual total return	4.27%	7.66%	6.73%	5.07%	5.47%
Barclays Capital GNMA Index	Growth of \$10,000	\$10,244	\$10,851	\$12,432	\$13,230	\$18,143
	Average annual total return	2.44%	8.51%	7.53%	5.76%	6.14%

DWS Government & Agency Securities VIP		6-Month [‡]	1-Year	3-Year	5-Year	Life of Class [*]
Class B	Growth of \$10,000	\$10,415	\$10,736	\$12,016	\$12,564	\$13,300
	Average annual total return	4.15%	7.36%	6.31%	4.67%	4.16%
Barclays Capital GNMA Index	Growth of \$10,000	\$10,244	\$10,851	\$12,432	\$13,230	\$14,268
	Average annual total return	2.44%	8.51%	7.53%	5.76%	5.21%

The growth of \$10,000 is cumulative.

[‡] Total returns shown for periods less than one year are not annualized.

^{*} The Portfolio commenced offering Class B shares on July 1, 2002. Index returns began on June 30, 2002.

Information About Your Portfolio's Expenses

DWS Government & Agency Securities VIP

As an investor of the Portfolio, you incur two types of costs: ongoing expenses and transaction costs. Ongoing expenses include management fees, distribution and service (12b-1) fees and other Portfolio expenses. Examples of transaction costs include contract charges, redemption fees and account maintenance fees, which are not shown in this section. The following tables are intended to help you understand your ongoing expenses (in dollars) of investing in the Portfolio and to help you compare these expenses with the ongoing expenses of investing in other mutual funds. The example in the table is based on an investment of \$1,000 invested at the beginning of the six-month period and held for the entire period (January 1, 2009 to June 30, 2009).

The tables illustrate your Portfolio's expenses in two ways:

- Actual Portfolio Return.** This helps you estimate the actual dollar amount of ongoing expenses (but not transaction costs) paid on a \$1,000 investment in the Portfolio using the Portfolio's actual return during the period. To estimate the expenses you paid over the period, simply divide your account

value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the "Expenses Paid per \$1,000" line under the share class you hold.

- Hypothetical 5% Portfolio Return.** This helps you to compare your Portfolio's ongoing expenses (but not transaction costs) with those of other mutual funds using the Portfolio's actual expense ratio and a hypothetical rate of return of 5% per year before expenses. Examples using a 5% hypothetical Portfolio return may be found in the shareholder reports of other mutual funds. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period.

Please note that the expenses shown in these tables are meant to highlight your ongoing expenses only and do not reflect any transaction costs. The "Expenses Paid per \$1,000" line of the tables is useful in comparing ongoing expenses only and will not help you determine the relative total expense of owning different funds. If these transaction costs had been included, your costs would have been higher.

Expenses and Value of a \$1,000 Investment for the six months ended June 30, 2009

Actual Portfolio Return	Class A	Class B
Beginning Account Value 1/1/09	\$1,000.00	\$1,000.00
Ending Account Value 6/30/09	\$1,042.70	\$1,041.50
Expenses Paid per \$1,000*	\$ 3.14	\$ 4.91

Hypothetical 5% Portfolio Return	Class A	Class B
Beginning Account Value 1/1/09	\$1,000.00	\$1,000.00
Ending Account Value 6/30/09	\$1,021.72	\$1,019.98
Expenses Paid per \$1,000*	\$ 3.11	\$ 4.86

* Expenses are equal to the Portfolio's annualized expense ratio for each share class, multiplied by the average account value over the period, multiplied by the number of days in the most recent six-month period, then divided by 365.

Annualized Expense Ratios	Class A	Class B
DWS Variable Series II — DWS Government & Agency Securities VIP	.62%	.97%

For more information, please refer to the Portfolio's prospectus.

These tables do not reflect charges and fees ("contract charges") associated with the separate account that invests in the Portfolio or any variable life insurance policy or variable annuity contract for which the Portfolio is an investment option.

Portfolio Summary

DWS Government & Agency Securities VIP

Asset Allocation (As a % of Investment Portfolio)	6/30/09	12/31/08
Mortgage-Backed Securities Pass-Throughs	72%	65%
Collateralized Mortgage Obligation	12%	17%
Government & Agency Obligations	12%	14%
Cash Equivalents	4%	4%
	100%	100%

Quality	6/30/09	12/31/08
US Government and Agencies	96%	92%
AAA*	4%	6%
Not Rated	—	2%
	100%	100%

* Includes cash equivalents

Interest Rate Sensitivity	6/30/09	12/31/08
Effective Maturity	5.3 years	3.4 years
Average Duration	3.5 years	1.0 years

Asset allocation, quality and interest rate sensitivity are subject to change.

The quality ratings represent the lower of Moody's Investors Service, Inc. ("Moody's") or Standard & Poor's Corporation ("S&P") credit ratings. The ratings of Moody's and S&P represent their opinions as to the quality of the securities they rate. Ratings are relative and subjective and are not absolute standards of quality. The Portfolio's quality does not remove market risk.

For more complete details about the Portfolio's investment portfolio, see page 86. A complete list of portfolio holdings of the Portfolio is posted as of the month end on www.dws-investments.com on or about the 15th day of the following month. More frequent posting of portfolio holdings information may be made from time to time on www.dws-investments.com.

Following the Portfolio's fiscal first and third quarter-end, a complete portfolio holdings listing is filed with the SEC on Form N-Q. The form will be available on the SEC's Web site at www.sec.gov, and it also may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the SEC's Public Reference Room may be obtained by calling (800) SEC-0330.

Investment Portfolio

June 30, 2009 (Unaudited)

DWS Government & Agency Securities VIP

	Principal Amount (\$)	Value (\$)		Principal Amount (\$)	Value (\$)		
Mortgage-Backed Securities Pass-Throughs 84.0%							
Federal Home Loan Mortgage Corp.:							
4.5%, 5/1/2019	38,368	39,808	"ST", Series 2411, Interest Only, 8.431%**, 6/15/2021	3,680,731	397,057		
5.5%, with various maturities from 2/1/2017 until 6/1/2035 (a)	20,032,175	20,673,098	Federal National Mortgage Association:				
6.5%, 9/1/2032	128,979	138,164	"FA", Series G92-53, 1.094%*, 9/25/2022	1,620,195	1,612,238		
7.0%, with various maturities from 6/1/2032 until 5/1/2038	2,706,939	2,936,067	"OF", Series 2001-60, 1.264%*, 10/25/2031	331,814	337,188		
8.5%, 7/1/2030	2,185	2,440	"FB", Series 2002-30, 1.314%*, 8/25/2031	726,952	738,299		
Federal National Mortgage Association:			"FG", Series 2002-66, 1.314%*, 9/25/2032	1,145,861	1,161,797		
5.0%, 10/1/2033	506,312	517,862	"25", Series 351, Interest Only, 4.5%, 5/1/2019	776,821	99,301		
5.5%, 4/1/2035 (a)	15,000,000	15,480,468	"20", Series 334, Interest Only, 5.0%, 3/1/2018	593,730	66,806		
6.5%, 1/1/2038	1,763,398	1,880,843	"21", Series 334, Interest Only, 5.0%, 3/1/2018	393,096	44,252		
7.0%, with various maturities from 9/1/2013 until 10/1/2037	762,796	829,679	"23", Series 339, Interest Only, 5.0%, 7/1/2018	812,656	91,489		
8.0%, 12/1/2024	10,755	11,824	"ZA", Series 2008-24, 5.0%, 4/25/2038	556,474	502,463		
Government National Mortgage Association:			"AN", Series 2007-108, 8.844%*, 11/25/2037	2,142,770	2,237,389		
4.5%, 10/1/2038 (a)	2,000,000	1,995,625	Government National Mortgage Association:				
5.0%, with various maturities from 12/15/2032 until 3/15/2039 (a)	19,254,939	19,785,513	"FH", Series 1999-18, 0.568%*, 5/16/2029	2,422,481	2,409,518		
5.5%, with various maturities from 10/15/2032 until 1/15/2039 (a)	37,476,479	38,982,425	"FE", Series 2003-57, 0.618%*, 3/16/2033	140,297	139,423		
6.0%, with various maturities from 4/15/2013 until 2/15/2039 (a)	39,340,611	41,447,604	"FB", Series 2001-28, 0.818%*, 6/16/2031	624,934	627,404		
6.5%, with various maturities from 3/15/2014 until 2/15/2039	7,757,364	8,298,492	"KE", Series 2004-19, 5.0%, 3/16/2034	500,000	479,082		
7.0%, with various maturities from 10/15/2026 until 11/15/2038	5,304,369	5,722,208	"ZM", Series 2004-24, 5.0%, 4/20/2034	1,941,113	1,838,178		
7.5%, with various maturities from 4/15/2026 until 1/15/2037	1,666,291	1,818,193	"LE", Series 2004-87, 5.0%, 10/20/2034	1,000,000	941,929		
9.5%, with various maturities from 7/15/2016 until 12/15/2022	47,856	53,427	"ZB", Series 2005-15, 5.0%, 2/16/2035	1,365,508	1,284,576		
10.0%, with various maturities from 2/15/2016 until 3/15/2016	14,225	16,085	"CK", Series 2007-31, 5.0%, 5/16/2037	1,000,000	985,908		
Total Mortgage-Backed Securities Pass-Throughs (Cost \$156,674,570)		160,629,825	"AI", Series 2008-46, Interest Only, 5.5%, 5/16/2023	812,973	105,787		
			"AI", Series 2008-51, Interest Only, 5.5%, 5/16/2023	1,710,986	214,143		
Collateralized Mortgage Obligations 13.8%			"ZA", Series 2006-7, 5.5%, 2/20/2036	2,041,210	2,008,975		
FannieMae Grantor Trust, "A2", Series 2001-T10, 7.5%, 12/25/2041			3,570	3,813	"SA", Series 2002-65, Interest Only, 5.935%**, 9/20/2032	3,942,452	357,612
Federal Home Loan Mortgage Corp.:					"SF", Series 2002-63, Interest Only, 5.962%**, 9/16/2032	2,750,752	191,812
"AF", Series 2892, 0.619%*, 5/15/2021	737,723	738,946	"PH", Series 2002-84, 6.0%, 11/16/2032	500,000	521,056		
"FO", Series 2418, 1.219%*, 2/15/2032	730,148	740,757	"SJ", Series 2004-22, Interest Only, 6.285%**, 4/20/2034	4,682,867	220,214		
"FA", Series 2419, 1.319%*, 2/15/2032	706,236	716,405	"DI", Series 2008-93, Interest Only, 6.5%, 9/20/2038	1,630,076	269,764		
"FA", Series 2436, 1.319%*, 3/15/2032	796,470	807,222	"KS", Series 2004-96, Interest Only, 6.685%**, 7/20/2034	659,292	59,231		
"FD", Series 3519, 1.769%*, 2/15/2038	966,756	987,492	"SY", Series 2004-47, Interest Only, 6.742%**, 1/16/2034	996,606	84,722		
"BI", Series 3499, Interest Only, 4.0%, 9/15/2021	2,621,186	203,466	"QS", Series 2003-34, Interest Only, 6.835%**, 3/20/2033	527,587	54,195		
"GZ", Series 2906, 5.0%, 9/15/2034	1,564,672	1,446,912	"SN", Series 2005-68, Interest Only, 6.881%**, 1/17/2034	3,747,899	278,081		
"SL", Series 2882, Interest Only, 6.881%**, 10/15/2034	1,121,392	120,166					

The accompanying notes are an integral part of the financial statements.

	Principal Amount (\$)	Value (\$)
"IC", Series 1997-4, Interest Only, 7.5%, 3/16/2027	1,141,553	194,247
"SA", Series 1999-30, Interest Only, 7.682%**, 4/16/2029	1,005,257	80,506
"SJ", Series 1999-43, Interest Only, 7.682%**, 11/16/2029	305,434	36,519
Total Collateralized Mortgage Obligations (Cost \$24,332,129)	26,436,340	

Government & Agency Obligations 13.6%

Other Government Related 2.0%

Citibank NA, FDIC Guaranteed, 1.016%*, 5/7/2012	2,800,000	2,793,205
JPMorgan Chase & Co.: Series 3, FDIC Guaranteed, 0.854%*, 12/26/2012	463,000	467,630
FDIC Guaranteed, 0.859%*, 6/15/2012	537,000	543,021
	3,803,856	

US Government Sponsored Agencies 11.0%

Federal Home Loan Bank: 3.625%, 10/18/2013	18,000,000	18,611,190
7.2%*, 3/18/2024	560,000	513,800

* Floating rate notes are securities whose yields vary with a designated market index or market rate, such as the coupon-equivalent of the US Treasury bill rate. These securities are shown at their current rate as of February 28, 2005.

** These securities are shown at their current rate as of June 30, 2009.

*** Annualized yield at time of purchase; not a coupon rate.

† The cost for federal income tax purposes was \$216,813,771. At June 30, 2009, net unrealized appreciation for all securities based on tax cost was \$6,125,807. This consisted of aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost of \$6,316,477 and aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value of \$190,670.

(a) When-issued or delayed delivery securities included.

(b) At June 30, 2009, this security has been pledged, in whole or in part, to cover initial margin requirements for open futures contracts.

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

FDIC: Federal Deposit Insurance Corp.

Interest Only: Interest Only (IO) bonds represent the "interest only" portion of payments on a pool of underlying mortgages or mortgage-backed securities. IO securities are subject to prepayment risk of the pool of underlying mortgages.

Included in the portfolio are investments in mortgage or asset-backed securities which are interests in separate pools of mortgages or assets. Effective maturities of these investments may be shorter than stated maturities due to prepayments. Some separate investments in the Federal Home Loan Mortgage Corp., Federal National Mortgage Association and Government National Mortgage Association issues which have similar coupon rates have been aggregated for presentation purposes in this investment portfolio.

At June 30, 2009, open futures contracts purchased were as follows:

Futures	Expiration Date	Contracts	Aggregate Face Value (\$)	Value (\$)	Unrealized Appreciation (\$)
10 Year US Treasury Note	9/21/2009	25	2,896,945	2,906,641	9,696

At June 30, 2009, open futures contracts sold were as follows:

Futures	Expiration Date	Contracts	Aggregate Face Value (\$)	Value (\$)	Unrealized Depreciation (\$)
2 Year US Treasury Note	9/30/2009	70	15,046,719	15,135,313	(88,594)

At June 30, 2009, open interest rate swap contracts were as follows:

Effective/ Expiration Dates	Notional Amount (\$)	Cash Flows Paid by the Portfolio	Cash Flows Received by the Portfolio	Unrealized Appreciation (\$)
4/20/2009				
4/20/2024	1,000,000 ¹	Fixed — 7.5%	Floating — LIBOR	11,649
5/15/2009				
5/15/2024	1,000,000 ¹	Fixed — 7.5%	Floating — LIBOR	7,312
Total unrealized appreciation				18,961

The accompanying notes are an integral part of the financial statements.

	Principal Amount (\$)	Value (\$)
Federal National Mortgage Association, 8.45%*, 2/27/2023	2,000,000	1,980,000
		21,104,990

US Treasury Obligations 0.6%

US Treasury Bills:		
0.15%***, 9/17/2009 (b)	912,000	911,641
0.16%***, 8/27/2009 (b)	75,000	74,984
0.24%***, 7/9/2009 (b)	58,000	57,999
		1,044,624

Total Government & Agency Obligations (Cost \$25,886,752)	25,953,470
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	Shares	Value (\$)
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Cash Equivalents 5.2%

Cash Management QP Trust, 0.27% (c) (Cost \$9,919,943)	9,919,943	9,919,943
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	% of Net Assets	Value (\$)
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Total Investment Portfolio (Cost \$216,813,394) [†]	116.6	222,939,578
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Other Assets and Liabilities, Net	(16.6)	(31,687,279)
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Net Assets	100.0	191,252,299
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At June 30, 2009, open total return swap contracts were as follows:

Effective/ Expiration Dates	Notional Amount (\$)	Fixed Cash Flows Paid by the Portfolio	Reference Entity	Value (\$)	Upfront Premiums Paid/(Received) (\$)	Unrealized Depreciation (\$)
6/1/2009 6/1/2012	9,000,000 ²	0.425%	Global Interest Rate Strategy Index	(101,779)	18,000	(122,967)

LIBOR: Represents the London InterBank Offered Rate.

Counterparties:

1 Morgan Stanley

2 Citigroup, Inc.

For information on the Portfolio's policy and additional disclosures regarding futures contracts, interest rate swaps and total return swap contracts, please refer to the Derivatives section of Note A in the accompanying Notes to Financial Statements.

Fair Value Measurements

Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, "Fair Value Measurements," as amended, establishes a three-tier hierarchy for measuring fair value and requires additional disclosure about the classification of fair value measurements.

Various inputs are used in determining the value of the Portfolio'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 observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, and credit risk). Level 3 includes significant unobservable inputs (including the Portfolio'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 June 30, 2009 in valuing the Portfolio's investments. For information on the Portfolio's policy regarding the valuation of investments, please refer to the Security Valuation section of Note A in the accompanying Notes to the Financial Statements.

Assets	Level 1	Level 2	Level 3	Total
Fixed-Income Investments (d)				
Mortgage-Backed Securities Pass-Throughs	\$ —	\$ 160,629,825	\$ —	\$ 160,629,825
Collateralized Mortgage Obligations	—	26,436,340	—	26,436,340
Government & Agency Obligations	—	25,439,669	513,800	25,953,469
Short-Term Investments (d)	—	9,919,943	—	9,919,943
Derivatives (e)	—	18,961	—	18,961
Total	\$ —	\$ 222,444,738	\$ 513,800	\$ 222,958,538
Liabilities				
Derivatives (e)	\$ (78,898)	\$ (122,967)	\$ —	\$ (201,865)
Total	\$ (78,898)	\$ (122,967)	\$ —	\$ (201,865)

(d) See Investment Portfolio for additional detailed categorizations.

(e) Derivatives include unrealized appreciation (depreciation) on open futures contracts, interest rate swap contracts, and total return swap contracts.

The following is a reconciliation of the Portfolio's Level 3 investments for which significant unobservable inputs were used in determining value:

	Government & Agency Obligations
Balance as of December 31, 2008	\$ —
Realized gains (loss)	—
Change in unrealized appreciation (depreciation)	(46,200)
Amortization premium/discount	—
Net purchases (sales)	560,000
Net transfers in (out) of Level 3	—
Balance as of June 30, 2009	\$ 513,800
Net change in unrealized appreciation (depreciation) from investments still held as of June 30, 2009	\$ (46,200)

The accompanying notes are an integral part of the financial statements.

Financial Statements

Statement of Assets and Liabilities

as of June 30, 2009 (Unaudited)

Assets	
Investments	
Investments in securities, at value (cost \$206,893,451)	\$ 213,019,635
Investments in Cash Management QP Trust (cost \$9,919,943)	9,919,943
Total investments, at value (cost \$216,813,394)	222,939,578
Cash	12,788
Receivable for when-issued and delayed delivery securities sold	59,726,133
Unrealized appreciation on open swap contracts	18,961
Receivable for variation margin on open futures contracts	11,791
Receivable for Portfolio shares sold	642
Interest receivable	1,010,467
Other assets	3,027
Total assets	283,723,387

Liabilities	
Payable for when-issued and delayed delivery securities purchased	73,055,437
Payable for investments purchased	18,613,159
Payable for Portfolio shares redeemed	400,957
Unrealized depreciation on open swap contracts	122,967
Accrued management fee	83,632
Other accrued expenses and payables	194,936
Total liabilities	92,471,088
Net assets, at value	\$ 191,252,299

Net Assets Consist of

Undistributed net investment income	3,661,467
Net unrealized appreciation (depreciation) on:	
Investments	6,126,184
Futures	(78,898)
Swap contracts	(104,006)
Accumulated net realized gain (loss)	(2,725,157)
Paid-in capital	184,372,709
Net assets, at value	\$ 191,252,299

Class A

Net Asset Value , offering and redemption price per share (\$184,318,208 ÷ 14,944,835 outstanding shares of beneficial interest, no par value, unlimited number of shares authorized)	\$ 12.33
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Class B

Net Asset Value , offering and redemption price per share (\$6,934,091 ÷ 562,395 outstanding shares of beneficial interest, no par value, unlimited number of shares authorized)	\$ 12.33
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Statement of Operations

for the six months ended June 30, 2009 (Unaudited)

Investment Income	
Income:	
Interest	\$ 4,353,506
Interest — Cash Management QP Trust	35,364
Total Income	4,388,870
Expenses:	
Management fee	465,975
Administration fee	103,550
Custodian fee	12,226
Distribution service fee (Class B)	9,365
Services to shareholders	1,356
Record keeping fees (Class B)	3,633
Professional fees	38,344
Trustees' fees and expenses	1,548
Reports to shareholders	994
Other	19,186
Total expenses	656,177
Net investment income	3,732,693

Realized and Unrealized Gain (Loss)

Net realized gain (loss) from:	
Investments	2,364,920
Futures	(1,960,907)
	404,013
Change in net unrealized appreciation (depreciation) on:	
Investments	1,541,777
Futures	3,271,331
Swap contracts	(104,006)
	4,708,502
Net gain (loss)	5,112,515
Net increase (decrease) in net assets resulting from operations	\$ 8,845,208

The accompanying notes are an integral part of the financial statements.

Statement of Changes in Net Assets

	Six Months Ended June 30, 2009 (Unaudited)	Year Ended December 31, 2008
Increase (Decrease) in Net Assets		
Operations:		
Net investment income	\$ 3,732,693	\$ 9,872,489
Net realized gain (loss)	404,013	(448,120)
Change in net unrealized appreciation (depreciation)	4,708,502	777,276
Net increase (decrease) in net assets resulting from operations	8,845,208	10,201,645
Distributions to shareholders from:		
Net investment income:		
Class A	(9,576,836)	(9,943,580)
Class B	(337,035)	(313,588)
Total distributions	(9,913,871)	(10,257,168)
Portfolio share transactions:		
Class A		
Proceeds from shares sold	13,718,392	78,211,163
Reinvestment of distributions	9,576,836	9,943,580
Cost of shares redeemed	(49,287,879)	(75,825,560)
Net increase (decrease) in net assets from Class A share transactions	(25,992,651)	12,329,183
Class B		
Proceeds from shares sold	683,615	7,001,909
Reinvestment of distributions	337,035	313,588
Cost of shares redeemed	(1,968,153)	(4,358,212)
Net increase (decrease) in net assets from Class B share transactions	(947,503)	2,957,285
Increase (decrease) in net assets	(28,008,817)	15,230,945
Net assets at beginning of period	219,261,116	204,030,171
Net assets at end of period (including undistributed net investment income of \$3,661,467 and \$9,842,645, respectively)	\$ 191,252,299	\$ 219,261,116
Other Information		
Class A		
Shares outstanding at beginning of period	17,044,556	16,080,508
Shares sold	1,101,846	6,375,775
Shares issued to shareholders in reinvestment of distributions	788,217	823,144
Shares redeemed	(3,989,784)	(6,234,871)
Net increase (decrease) in Class A shares	(2,099,721)	964,048
Shares outstanding at end of period	14,944,835	17,044,556
Class B		
Shares outstanding at beginning of period	639,523	403,813
Shares sold	54,686	569,092
Shares issued to shareholders in reinvestment of distributions	27,740	25,938
Shares redeemed	(159,554)	(359,320)
Net increase (decrease) in Class B shares	(77,128)	235,710
Shares outstanding at end of period	562,395	639,523

The accompanying notes are an integral part of the financial statements.

Financial Highlights

Class A

Years Ended December 31,	2009 ^a	2008	2007	2006	2005	2004
Selected Per Share Data						
Net asset value, beginning of period	\$12.40	\$12.38	\$12.28	\$12.26	\$12.55	\$12.54
<i>Income (loss) from investment operations:</i>						
Net investment income ^b	.22	.56	.58	.55	.51	.44
Net realized and unrealized gain (loss)	.30	.04	.12	(.06)	(.20)	.03
Total from investment operations	.52	.60	.70	.49	.31	.47
<i>Less distributions from:</i>						
Net investment income	(.59)	(.58)	(.60)	(.47)	(.50)	(.35)
Net realized gains	—	—	—	—	(.10)	(.11)
Total distributions	(.59)	(.58)	(.60)	(.47)	(.60)	(.46)
Net asset value, end of period	\$12.33	\$12.40	\$12.38	\$12.28	\$12.26	\$12.55
Total Return (%)	4.27 ^{**}	4.93 ^c	5.95 ^c	4.16	2.57	3.75

Ratios to Average Net Assets and Supplemental Data

Net assets, end of period (\$ millions)	184	211	199	211	243	280
Ratio of expenses before expense reductions (%)	.62 [*]	.66	.66	.67	.63	.61
Ratio of expenses after expense reductions (%)	.62 [*]	.65	.63	.67	.63	.61
Ratio of net investment income (loss) (%)	3.62 [*]	4.58	4.77	4.56	4.17	3.59
Portfolio turnover rate (%)	436 ^{**}	543	465	241	191	226

^a For the six months ended June 30, 2009 (Unaudited).

^b Based on average shares outstanding during the period.

^c Total return would have been lower had certain expenses not been reduced.

^{*} Annualized ^{**} Not annualized

Class B

Years Ended December 31,	2009 ^a	2008	2007	2006	2005	2004
Selected Per Share Data						
Net asset value, beginning of period	\$12.37	\$12.35	\$12.25	\$12.23	\$12.52	\$12.51
<i>Income (loss) from investment operations:</i>						
Net investment income ^b	.20	.52	.53	.50	.47	.40
Net realized and unrealized gain (loss)	.31	.03	.12	(.06)	(.21)	.02
Total from investment operations	.51	.55	.65	.44	.26	.42
<i>Less distributions from:</i>						
Net investment income	(.55)	(.53)	(.55)	(.42)	(.45)	(.30)
Net realized gains	—	—	—	—	(.10)	(.11)
Total distributions	(.55)	(.53)	(.55)	(.42)	(.55)	(.41)
Net asset value, end of period	\$12.33	\$12.37	\$12.35	\$12.25	\$12.23	\$12.52
Total Return (%)	4.15 ^{**}	4.60 ^c	5.43 ^c	3.74	2.24	3.36

Ratios to Average Net Assets and Supplemental Data

Net assets, end of period (\$ millions)	7	8	5	33	47	49
Ratio of expenses before expense reductions (%)	.97 [*]	1.00	1.04	1.07	1.02	1.00
Ratio of expenses after expense reductions (%)	.97 [*]	1.00	1.01	1.07	1.02	1.00
Ratio of net investment income (%)	3.27 [*]	4.24	4.39	4.16	3.78	3.21
Portfolio turnover rate (%)	436 ^{**}	543	465	241	191	226

^a For the six months ended June 30, 2009 (Unaudited).

^b Based on average shares outstanding during the period.

^c Total return would have been lower had certain expenses not been reduced.

^{*} Annualized ^{**} Not annualized

DWS High Income VIP

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 redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Please contact your participating insurance company for the Portfolio's most recent month-end performance. Performance doesn't reflect charges and fees ("contract charges") associated with the separate account that invests in the Portfolio or any variable life insurance policy or variable annuity contract for which the Portfolio is an investment option. These charges and fees will reduce returns. While all share classes have the same underlying portfolio, their performance will differ.

The total annual portfolio operating expense ratios, gross of any fee waivers or expense reimbursements, as stated in the fee table of the prospectus dated May 1, 2009 are .71% and 1.05% for Class A and Class B shares, respectively. Please see the Information About Your Portfolio's Expenses, the Financial Highlights and Notes to the Financial Statements (Note C, Related Parties) sections of this report for gross and net expense-related disclosure for the period ended June 30, 2009.

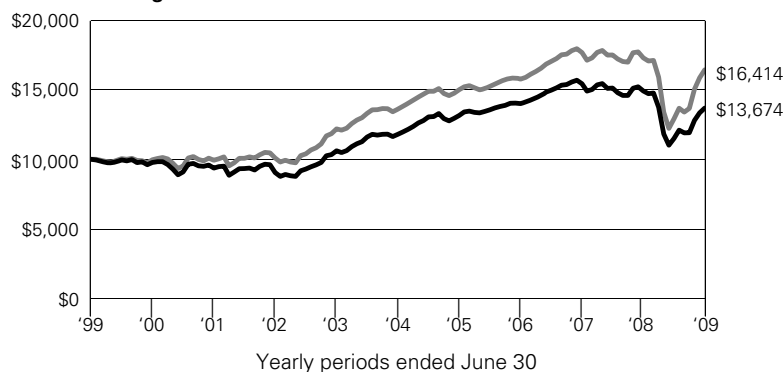
Risk Considerations

Investing in foreign securities presents certain risks, such as currency fluctuation, political and economic changes and market risks. Additionally, the Portfolio may invest in lower-quality and nonrated securities which present greater risk of loss of principal and interest than higher-quality securities. All of these factors may result in greater share price volatility. Bond investments are subject to interest-rate risk such that when interest rates rise, the prices of the bonds, and thus the value of the investment, can decline and the investor can lose principal value. Please read this Portfolio's prospectus for specific details regarding its investments and risk profile.

Portfolio returns shown for the 1-year, 3-year, 5-year and 10-year periods reflect a fee waiver and/or expense reimbursement. Without this waiver/reimbursement, returns would have been lower.

Growth of an Assumed \$10,000 Investment in DWS High Income VIP

■ DWS High Income VIP — Class A
 ■ Credit Suisse High Yield Index



The Credit Suisse High Yield Index is an unmanaged, trader-priced portfolio constructed to mirror the global high-yield debt market.

Index returns, unlike portfolio returns, do not reflect any fees or expenses. It is not possible to invest directly into an index.

Comparative Results

DWS High Income VIP		6-Month [‡]	1-Year	3-Year	5-Year	10-Year
Class A	Growth of \$10,000	\$11,904	\$9,178	\$9,771	\$11,601	\$13,674
	Average annual total return	19.04%	-8.22%	-7.7%	3.01%	3.18%
Credit Suisse High Yield Index	Growth of \$10,000	\$12,722	\$9,500	\$10,425	\$12,054	\$16,414
	Average annual total return	27.22%	-5.00%	1.40%	3.81%	5.08%
DWS High Income VIP		6-Month [‡]	1-Year	3-Year	5-Year	Life of Class [*]
Class B	Growth of \$10,000	\$11,884	\$9,167	\$9,666	\$11,388	\$14,722
	Average annual total return	18.84%	-8.33%	-1.13%	2.63%	5.68%
Credit Suisse High Yield Index	Growth of \$10,000	\$12,722	\$9,500	\$10,425	\$12,054	\$16,267
	Average annual total return	27.22%	-5.00%	1.40%	3.81%	7.19%

The growth of \$10,000 is cumulative.

[‡] Total returns shown for periods less than one year are not annualized.

^{*} The Portfolio commenced offering Class B shares on July 1, 2002. Index returns began on June 30, 2002.

Information About Your Portfolio's Expenses

DWS High Income VIP

As an investor of the Portfolio, you incur two types of costs: ongoing expenses and transaction costs. Ongoing expenses include management fees, distribution and service (12b-1) fees and other Portfolio expenses. Examples of transaction costs include contract charges, redemption fees and account maintenance fees, which are not shown in this section. The following tables are intended to help you understand your ongoing expenses (in dollars) of investing in the Portfolio and to help you compare these expenses with the ongoing expenses of investing in other mutual funds. The example in the table is based on an investment of \$1,000 invested at the beginning of the six-month period and held for the entire period (January 1, 2009 to June 30, 2009).

The tables illustrate your Portfolio's expenses in two ways:

- Actual Portfolio Return.** This helps you estimate the actual dollar amount of ongoing expenses (but not transaction costs) paid on a \$1,000 investment in the Portfolio using the Portfolio's actual return during the period. To estimate the expenses you paid over the period, simply divide your account

value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the "Expenses Paid per \$1,000" line under the share class you hold.

- Hypothetical 5% Portfolio Return.** This helps you to compare your Portfolio's ongoing expenses (but not transaction costs) with those of other mutual funds using the Portfolio's actual expense ratio and a hypothetical rate of return of 5% per year before expenses. Examples using a 5% hypothetical Portfolio return may be found in the shareholder reports of other mutual funds. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period.

Please note that the expenses shown in these tables are meant to highlight your ongoing expenses only and do not reflect any transaction costs. The "Expenses Paid per \$1,000" line of the tables is useful in comparing ongoing expenses only and will not help you determine the relative total expense of owning different funds. If these transaction costs had been included, your costs would have been higher.

Expenses and Value of a \$1,000 Investment for the six months ended June 30, 2009

Actual Portfolio Return	Class A	Class B
Beginning Account Value 1/1/09	\$1,000.00	\$1,000.00
Ending Account Value 6/30/09	\$1,190.40	\$1,188.40
Expenses Paid per \$1,000*	\$ 4.07	\$ 5.59

Hypothetical 5% Portfolio Return	Class A	Class B
Beginning Account Value 1/1/09	\$1,000.00	\$1,000.00
Ending Account Value 6/30/09	\$1,021.08	\$1,019.69
Expenses Paid per \$1,000*	\$ 3.76	\$ 5.16

* Expenses are equal to the Portfolio's annualized expense ratio for each share class, multiplied by the average account value over the period, multiplied by the number of days in the most recent six-month period, then divided by 365.

Annualized Expense Ratios	Class A	Class B
DWS Variable Series II — DWS High Income VIP	.75%	1.03%

For more information, please refer to the Portfolio's prospectus.

These tables do not reflect charges and fees ("contract charges") associated with the separate account that invests in the Portfolio or any variable life insurance policy or variable annuity contract for which the Portfolio is an investment option.

Portfolio Summary

DWS High Income VIP

Asset Allocation (As a % of Investment Portfolio excluding Securities Lending Collateral)	6/30/09	12/31/08
Corporate Bonds	92%	84%
Loan Participations and Assignments	6%	7%
Cash Equivalents	1%	9%
Preferred Securities	1%	—
	100%	100%

Sector Diversification (Excludes Cash Equivalents and Securities Lending Collateral)	6/30/09	12/31/08
Financials	17%	10%
Consumer Discretionary	16%	13%
Energy	13%	15%
Materials	12%	12%
Telecommunication Services	12%	12%
Utilities	11%	11%
Industrials	7%	10%
Health Care	6%	9%
Information Technology	3%	4%
Consumer Staples	3%	4%
	100%	100%

Quality (Excludes Securities Lending Collateral)	6/30/09	12/31/08
Cash Equivalents	2%	8%
A	1%	—
BBB	7%	12%
BB	34%	35%
B	36%	31%
CCC	14%	7%
CC	—	3%
D	3%	1%
Not Rated	3%	3%
	100%	100%

Effective Maturity (Excludes Cash Equivalents and Securities Lending Collateral)	6/30/09	12/31/08
Under 1 year	7%	5%
1–4.99 years	45%	41%
5–9.99 years	47%	50%
10–14.99 years	—	1%
15 years or greater	1%	3%
	100%	100%

Interest Rate Sensitivity	6/30/09	12/31/08
Effective maturity	4.8 years	5.6 years
Average duration	3.7 years	3.7 years

Asset allocation, sector diversification, quality, effective maturity and interest rate sensitivity are subject to change.

For more complete details about the Portfolio's investment portfolio, see page 95. A complete list of portfolio holdings of the Portfolio is posted as of the month end on www.dws-investments.com on or about the 15th day of the following month. More frequent posting of portfolio holdings information may be made from time to time on www.dws-investments.com.

Following the Portfolio's fiscal first and third quarter-end, a complete portfolio holdings listing is filed with the SEC on Form N-Q. The form will be available on the SEC's Web site at www.sec.gov, and it also may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the SEC's Public Reference Room may be obtained by calling (800) SEC-0330.

Investment Portfolio

June 30, 2009 (Unaudited)

DWS High Income VIP

	Principal Amount (\$) (a)	Value (\$)		Principal Amount (\$) (a)	Value (\$)
Corporate Bonds 90.4%					
Consumer Discretionary 14.8%					
AMC Entertainment, Inc.:			MGM MIRAGE:		
8.0%, 3/1/2014	590,000	502,975	144A, 10.375%, 5/15/2014	340,000	352,750
144A, 8.75%, 6/1/2019	765,000	719,100	144A, 11.125%, 11/15/2017	455,000	482,300
American Achievement Corp.,			Michaels Stores, Inc., 10.0%,		
144A, 8.25%, 4/1/2012	255,000	238,425	11/1/2014	265,000	222,600
American Achievement Group			MTR Gaming Group, Inc.,		
Holding Corp., 16.75%,			Series B, 9.75%, 4/1/2010	630,000	603,225
10/1/2012 (PIK)	437,823	118,212	Neiman Marcus Group, Inc.,	685,000	400,725
Ameristar Casinos, Inc., 144A,			10.375%, 10/15/2015		
9.25%, 6/1/2014 (b)	395,000	402,900	Norcraft Holdings LP, 9.75%,	1,385,000	1,294,975
Asbury Automotive Group, Inc.:			9/1/2012		
7.625%, 3/15/2017	590,000	418,900	Penske Automotive Group, Inc.,		
8.0%, 3/15/2014	250,000	207,500	7.75%, 12/15/2016	905,000	730,787
Ashtead Holdings PLC, 144A,			Pinnacle Entertainment, Inc.,		
8.625%, 8/1/2015	380,000	323,950	7.5%, 6/15/2015	555,000	474,525
CanWest MediaWorks LP,			Quebecor Media, Inc., 7.75%,		
144A, 9.25%, 8/1/2015**	340,000	34,000	3/15/2016 (b)	460,000	416,875
Carrols Corp., 9.0%, 1/15/2013	225,000	210,938	Quebecor World, Inc., 144A,		
CSC Holdings, Inc.:			9.75%, 1/15/2015**	420,000	37,800
6.75%, 4/15/2012	355,000	342,575	Reader's Digest Association,		
Series B, 7.625%, 4/1/2011	985,000	975,150	Inc., 9.0%, 2/15/2017	350,000	15,750
144A, 8.5%, 4/15/2014	950,000	941,687	Sabre Holdings Corp., 8.35%,		
144A, 8.5%, 6/15/2015	430,000	422,475	3/15/2016	460,000	303,600
DirecTV Holdings LLC, 7.625%,			Seminole Hard Rock		
5/15/2016	865,000	841,212	Entertainment, Inc., 144A,		
DISH DBS Corp.:			3.129%***, 3/15/2014	590,000	407,100
6.375%, 10/1/2011	1,010,000	979,700	Shingle Springs Tribal Gaming		
6.625%, 10/1/2014	665,000	613,463	Authority, 144A, 9.375%,		
7.125%, 2/1/2016 (b)	465,000	433,613	6/15/2015	370,000	222,000
Dollarama Group Holdings LP,			Simmons Co., Step-up Coupon,		
7.468%***, 8/15/2012 (c)	347,000	320,975	0% to 12/15/2009, 10.0% to	1,655,000	231,700
Expedia, Inc., 7.456%,			12/15/2014		
8/15/2018	380,000	361,000	Sonic Automotive, Inc., Series		
Fontainebleau Las Vegas			B, 8.625%, 8/15/2013	490,000	343,000
Holdings LLC, 144A, 11.0%,			Starwood Hotels & Resorts		
6/15/2015**	490,000	18,375	Worldwide, Inc., 7.875%,		
Goodyear Tire & Rubber Co.,			10/15/2014 (b)	370,000	347,800
10.5%, 5/15/2016 (b)	225,000	227,250	Travelport LLC:		
Great Canadian Gaming Corp.,			5.293%***, 9/1/2014	390,000	212,550
144A, 7.25%, 2/15/2015	505,000	444,400	9.875%, 9/1/2014	65,000	43,225
Group 1 Automotive, Inc.,			Trump Entertainment Resorts,		
8.25%, 8/15/2013	250,000	211,250	Inc., 8.5%, 6/1/2015**	105,000	12,994
Harrahs Operating Escrow LLC,			United Components, Inc.,		
144A, 11.25%, 6/1/2017	545,000	515,025	9.375%, 6/15/2013	80,000	50,800
Hertz Corp., 8.875%, 1/1/2014	1,005,000	924,600	Unity Media GmbH:		
Idearc, Inc., 8.0%,			144A, 8.75%, 2/15/2015	EUR 1,530,000	2,098,066
11/15/2016**	920,000	24,150	144A, 10.375%, 2/15/2015	255,000	258,825
Indianapolis Downs LLC, 144A,			UPC Holding BV:		
11.0%, 11/1/2012	330,000	255,750	144A, 7.75%, 1/15/2014	EUR 770,000	961,373
Isle of Capri Casinos, Inc.,			144A, 8.0%, 11/1/2016	EUR 355,000	415,840
7.0%, 3/1/2014	237,000	190,785	Vertis, Inc., 13.5%, 4/1/2014		
Kabel Deutschland GmbH,			(PIK)	212,678	1,063
10.625%, 7/1/2014	620,000	639,375	Videotron Ltd., 6.875%,		
Lamar Media Corp., Series C,			1/15/2014	80,000	74,000
6.625%, 8/15/2015 (b)	295,000	249,275	WMG Acquisition Corp., 144A,		
Levi Strauss & Co., 8.625%,			9.5%, 6/15/2016	375,000	373,125
4/1/2013	EUR 700,000	893,615	Young Broadcasting, Inc.,		
Macy's Retail Holdings, Inc.:			8.75%, 1/15/2014**	2,040,000	5,100
5.35%, 3/15/2012	935,000	851,048	26,330,376		
8.875%, 7/15/2015	85,000	82,255	Consumer Staples 2.9%		
			Alliance One International, Inc.,		
			8.5%, 5/15/2012	250,000	246,875

The accompanying notes are an integral part of the financial statements.

	Principal Amount (\$) (a)	Value (\$)		Principal Amount (\$) (a)	Value (\$)
Delhaize America, Inc., 8.05%, 4/15/2027	190,000	195,230	Petrohawk Energy Corp.:		
General Nutrition Centers, Inc., 6.404%***, 3/15/2014 (PIK)	280,000	224,000	7.875%, 6/1/2015	220,000	203,500
Ingles Markets, Inc., 144A, 8.875%, 5/15/2017	115,000	113,275	9.125%, 7/15/2013	450,000	447,750
North Atlantic Trading Co., 144A, 10.0%, 3/1/2012	2,081,750	832,700	144A, 10.5%, 8/1/2014	380,000	388,550
Smithfield Foods, Inc., 7.75%, 7/1/2017	75,000	54,562	Plains Exploration & Production Co.:		
SUPERVALU, Inc., 8.0%, 5/1/2016	520,000	504,400	7.0%, 3/15/2017 (b)	220,000	192,500
Tyson Foods, Inc.:			7.625%, 6/1/2018	720,000	646,200
7.85%, 4/1/2016	425,000	409,810	Quicksilver Resources, Inc., 7.125%, 4/1/2016	1,040,000	811,200
144A, 10.5%, 3/1/2014	370,000	401,450	Regency Energy Partners LP, 8.375%, 12/15/2013	515,000	496,975
Viskase Companies, Inc., 11.5%, 6/15/2011	3,100,000	2,263,000	Southwestern Energy Co., 144A, 7.5%, 2/1/2018	585,000	561,600
		5,245,302	Stone Energy Corp.:		
			6.75%, 12/15/2014	590,000	371,700
			8.25%, 12/15/2011	1,285,000	1,053,700
			Tennessee Gas Pipeline Co., 8.0%, 2/1/2016	95,000	99,513
Energy 12.6%			Tesoro Corp.:		
Atlas Energy Resources LLC, 144A, 10.75%, 2/1/2018	845,000	796,412	6.5%, 6/1/2017	840,000	718,200
Belden & Blake Corp., 8.75%, 7/15/2012	2,050,000	1,660,500	9.75%, 6/1/2019	255,000	251,813
Bristow Group, Inc., 7.5%, 9/15/2017	485,000	440,138	Whiting Petroleum Corp.:		
Chaparral Energy, Inc., 8.5%, 12/1/2015	600,000	372,000	7.25%, 5/1/2012	545,000	521,838
Chesapeake Energy Corp.:			7.25%, 5/1/2013	140,000	132,650
6.25%, 1/15/2018	525,000	435,750	Williams Companies, Inc., 8.125%, 3/15/2012	1,040,000	1,077,804
6.875%, 1/15/2016	1,166,000	1,028,995			22,362,492
7.25%, 12/15/2018	800,000	696,000	Financials 15.5%		
7.5%, 6/15/2014 (b)	180,000	170,550	Algoma Acquisition Corp., 144A, 9.875%, 6/15/2015	925,000	518,000
9.5%, 2/15/2015	260,000	261,950	Ashton Woods USA LLC, 144A, Step-up Coupon, 0% to 6/30/2012, 11.0% to 6/30/2015	712,400	259,884
Colorado Interstate Gas Co., 6.8%, 11/15/2015	220,000	226,003	Bank of America NA:		
El Paso Corp.:			5.3%, 3/15/2017	250,000	212,112
7.25%, 6/1/2018	495,000	457,026	6.1%, 6/15/2017	705,000	621,211
7.75%, 6/15/2010 (b)	410,000	410,485	Buffalo Thunder Development Authority, 144A, 9.375%, 12/15/2014**	250,000	35,000
8.25%, 2/15/2016	310,000	301,475	Calpine Construction Finance Co., LP, 144A, 8.0%, 6/1/2016	570,000	545,775
9.625%, 5/15/2012	320,000	322,243	CIT Group, Inc.:		
EXCO Resources, Inc., 7.25%, 1/15/2011	580,000	562,600	5.8%, 7/28/2011 (b)	885,000	663,531
Forest Oil Corp., 7.25%, 6/15/2019	210,000	187,950	Series A, 7.625%, 11/30/2012 (b)	635,000	434,814
Frontier Oil Corp.:			Citigroup, Inc., 5.0%, 9/15/2014	795,000	666,463
6.625%, 10/1/2011	330,000	321,750	Conproca SA de CV, REG S, 12.0%, 6/16/2010	1,137,645	1,174,618
8.5%, 9/15/2016	575,000	579,312	Ford Motor Credit Co., LLC:		
GulfSouth Pipeline Co., LP, 144A, 5.75%, 8/15/2012	100,000	97,011	7.25%, 10/25/2011	2,815,000	2,434,800
Holly Corp., 144A, 9.875%, 6/15/2017 (b)	575,000	557,750	7.375%, 2/1/2011	405,000	366,636
KCS Energy, Inc., 7.125%, 4/1/2012	1,495,000	1,409,037	7.875%, 6/15/2010	850,000	807,385
Linn Energy LLC, 144A, 11.75%, 5/15/2017	650,000	632,125	9.875%, 8/10/2011 (b)	1,470,000	1,359,828
Mariner Energy, Inc.:			Fresenius US Finance II, Inc., 144A, 9.0%, 7/15/2015	420,000	437,850
7.5%, 4/15/2013	305,000	277,550	GMAC LLC:		
8.0%, 5/15/2017	470,000	390,100	144A, 6.875%, 9/15/2011	2,393,000	2,093,875
Newfield Exploration Co., 7.125%, 5/15/2018	640,000	581,600	7.75%, 1/19/2010	245,000	238,912
OPTI Canada, Inc.:			144A, 7.75%, 1/19/2010	2,560,000	2,496,000
7.875%, 12/15/2014	825,000	534,187	Hellas Telecommunications Finance, 144A, 9.435%***, 7/15/2015 (PIK)	EUR 295,000	41,384
8.25%, 12/15/2014	1,025,000	676,500	Hexion US Finance Corp., 9.75%, 11/15/2014	205,000	92,250

The accompanying notes are an integral part of the financial statements.

	Principal Amount (\$) (a)	Value (\$)
Inmarsat Finance II PLC, 10.375%, 11/15/2012	820,000	848,700
iPayment, Inc., 9.75%, 5/15/2014	475,000	256,500
New ASAT (Finance) Ltd., 9.25%, 2/1/2011**	575,000	719
Nielsen Finance LLC, 144A, 11.5%, 5/1/2016 (b)	150,000	145,875
NiSource Finance Corp., 7.875%, 11/15/2010	745,000	769,502
Orascom Telecom Finance SCA, 144A, 7.875%, 2/8/2014	510,000	430,950
Pinnacle Foods Finance LLC, 9.25%, 4/1/2015	15,000	13,575
Qwest Capital Funding, Inc., 7.0%, 8/3/2009	355,000	355,000
Rainbow National Services LLC, 144A, 10.375%, 9/1/2014	112,000	116,060
Rio Tinto Finance (USA) Ltd., 8.95%, 5/1/2014	155,000	172,243
Sprint Capital Corp.: 7.625%, 1/30/2011	1,335,000	1,319,981
8.375%, 3/15/2012	545,000	536,825
Tropicana Entertainment LLC, 9.625%, 12/15/2014**	1,220,000	10,675
UCI Holdco, Inc., 8.629%***, 12/15/2013 (PIK)	671,042	147,629
Universal City Development Partners Ltd., 11.75%, 4/1/2010	2,125,000	2,024,063
Virgin Media Finance PLC: 8.75%, 4/15/2014	EUR 55,000	71,756
8.75%, 4/15/2014	1,700,000	1,657,500
Series 1, 9.5%, 8/15/2016	1,000,000	985,000
Wind Acquisition Finance SA: 144A, 9.75%, 12/1/2015	EUR 1,515,000	2,061,557
144A, 10.75%, 12/1/2015	85,000	85,000
		27,509,438
Health Care 5.7%		
Community Health Systems, Inc., 8.875%, 7/15/2015	2,270,000	2,224,600
HCA, Inc.: 144A, 8.5%, 4/15/2019	390,000	382,200
9.125%, 11/15/2014	760,000	752,400
9.25%, 11/15/2016	2,040,000	2,009,400
9.625%, 11/15/2016 (PIK)	809,000	800,910
HEALTHSOUTH Corp., 10.75%, 6/15/2016	290,000	291,450
IASIS Healthcare LLC, 8.75%, 6/15/2014	525,000	514,500
Surgical Care Affiliates, Inc., 144A, 8.875%, 7/15/2015 (PIK)	515,000	396,550
The Cooper Companies, Inc., 7.125%, 2/15/2015	840,000	783,300
Valeant Pharmaceuticals International, 144A, 8.375%, 6/15/2016	300,000	297,750
Vanguard Health Holding Co. I, LLC, Step-up Coupon, 0% to 10/1/2009, 11.25% to 10/1/2015	715,000	697,125
Vanguard Health Holding Co. II, LLC, 9.0%, 10/1/2014	1,095,000	1,048,463
		10,198,648

Industrials 7.1%

	Principal Amount (\$) (a)	Value (\$)
Actuant Corp., 6.875%, 6/15/2017	300,000	273,000
ARAMARK Corp., 8.5%, 2/1/2015 (b)	745,000	722,650
BE Aerospace, Inc., 8.5%, 7/1/2018	300,000	282,750
Belden, Inc., 7.0%, 3/15/2017	420,000	371,700
Bombardier, Inc.: 144A, 6.3%, 5/1/2014	275,000	240,625
144A, 6.75%, 5/1/2012	190,000	178,600
Browning-Ferris Industries, Inc., 7.4%, 9/15/2035	145,000	135,779
Congoleum Corp., 8.625%, 8/1/2008**	1,200,000	360,000
Corrections Corp. of America, 7.75%, 6/1/2017	35,000	34,475
Esco Corp.: 144A, 4.504%***, 12/15/2013	430,000	335,938
144A, 8.625%, 12/15/2013	340,000	294,100
Great Lakes Dredge & Dock Co., 7.75%, 12/15/2013	300,000	257,250
K. Hovnanian Enterprises, Inc., 8.875%, 4/1/2012	435,000	269,700
Kansas City Southern de Mexico SA de CV: 7.375%, 6/1/2014	1,045,000	877,800
7.625%, 12/1/2013	1,085,000	933,100
9.375%, 5/1/2012	900,000	855,000
Kansas City Southern Railway Co., 8.0%, 6/1/2015 (b)	655,000	609,150
Mobile Mini, Inc., 9.75%, 8/1/2014	420,000	402,150
Navios Maritime Holdings, Inc., 9.5%, 12/15/2014	605,000	496,100
Owens Corning, Inc., 9.0%, 6/15/2019	225,000	218,244
R.H. Donnelley Corp., Series A-4, 8.875%, 10/15/2017**	1,185,000	60,731
RailAmerica, Inc., 144A, 9.25%, 7/1/2017	380,000	366,700
RBS Global, Inc. & Rexnord Corp., 9.5%, 8/1/2014	335,000	286,425
Titan International, Inc., 8.0%, 1/15/2012	1,190,000	1,076,950
TransDigm, Inc., 7.75%, 7/15/2014	260,000	247,000
United Rentals North America, Inc.: 6.5%, 2/15/2012	735,000	712,950
7.0%, 2/15/2014	985,000	805,237
144A, 10.875%, 6/15/2016	390,000	374,400
US Concrete, Inc., 8.375%, 4/1/2014	470,000	307,850
Vought Aircraft Industries, Inc., 8.0%, 7/15/2011	250,000	156,250
		12,542,604
Information Technology 3.1%		
Alcatel-Lucent USA, Inc., 6.45%, 3/15/2029	570,000	323,475
L-3 Communications Corp.: 5.875%, 1/15/2015	1,280,000	1,136,000
Series B, 6.375%, 10/15/2015	705,000	639,787
7.625%, 6/15/2012	1,055,000	1,057,637
MasTec, Inc., 7.625%, 2/1/2017	610,000	528,413
Seagate Technology International, 144A, 10.0%, 5/1/2014	235,000	242,344

The accompanying notes are an integral part of the financial statements.

	Principal Amount (\$) (a)	Value (\$)		Principal Amount (\$) (a)	Value (\$)
SunGard Data Systems, Inc., 10.25%, 8/15/2015	1,360,000	1,256,300	144A, 10.25%, 5/15/2016	375,000	392,813
Vangent, Inc., 9.625%, 2/15/2015	350,000	290,500	144A, 10.75%, 5/15/2019	945,000	1,015,875
		5,474,456	Terra Capital, Inc., Series B, 7.0%, 2/1/2017	815,000	744,706
			Wolverine Tube, Inc., 15.0%, 3/31/2012 (PIK)	770,000	656,425
Materials 10.7%				18,956,269	
Appleton Papers, Inc., Series B, 8.125%, 6/15/2011	235,000	152,750	Telecommunication Services 9.1%		
ARCO Chemical Co., 9.8%, 2/1/2020**	3,270,000	1,030,050	BCM Ireland Preferred Equity Ltd., 144A, 8.281%***, 2/15/2017 (PIK) EUR	567,388	158,546
Ashland, Inc., 144A, 9.125%, 6/1/2017	260,000	270,400	CC Holdings GS V LLC, 144A, 7.75%, 5/1/2017	85,000	82,875
Cascades, Inc., 7.25%, 2/15/2013	231,000	201,548	Centennial Communications Corp., 10.0%, 1/1/2013	290,000	305,950
Clondalkin Acquisition BV, 144A, 2.629%***, 12/15/2013	540,000	369,900	Cincinnati Bell, Inc.: 7.25%, 7/15/2013	1,030,000	942,450
CPG International I, Inc., 10.5%, 7/1/2013	880,000	492,800	8.375%, 1/15/2014	450,000	416,250
Crown Americas LLC, 144A, 7.625%, 5/15/2017	40,000	38,600	Cricket Communications, Inc.: 9.375%, 11/1/2014	1,710,000	1,684,350
Domtar Corp., 10.75%, 6/1/2017	380,000	364,800	10.0%, 7/15/2015	780,000	774,150
Dow Chemical Co., 8.55%, 5/15/2019	385,000	385,685	Crown Castle International Corp., 9.0%, 1/15/2015	775,000	788,562
Exopack Holding Corp., 11.25%, 2/1/2014	1,415,000	1,160,300	Grupo Iusacell Celular SA de CV, 10.0%, 3/31/2012	278,182	158,564
Freeport-McMoRan Copper & Gold, Inc.: 8.25%, 4/1/2015	1,005,000	1,015,050	Hellas Telecommunications Luxembourg V, 144A, 4.935%***, 10/15/2012 EUR	230,000	216,179
8.375%, 4/1/2017	1,965,000	1,979,737	Hughes Network Systems LLC, 144A, 9.5%, 4/15/2014	980,000	955,500
GEO Specialty Chemicals, Inc.: 144A, 7.5%***, 3/31/2015 (PIK)	1,289,555	838,211	Intelsat Corp.: 144A, 9.25%, 8/15/2014	160,000	154,800
10.0%, 3/31/2015	1,277,440	830,336	144A, 9.25%, 6/15/2016	1,735,000	1,661,262
Georgia-Pacific LLC: 144A, 7.125%, 1/15/2017	420,000	390,600	Intelsat Jackson Holdings Ltd., 11.25%, 6/15/2016 (b)	65,000	66,300
144A, 8.25%, 5/1/2016	500,000	485,000	Intelsat Subsidiary Holding Co., Ltd.: 8.875%, 1/15/2015	165,000	159,225
9.5%, 12/1/2011	330,000	339,900	144A, 8.875%, 1/15/2015 (b)	960,000	926,400
Graphic Packaging International, Inc., 144A, 9.5%, 6/15/2017	455,000	448,175	iPCS, Inc., 3.153%***, 5/1/2013 (b)	200,000	158,000
Hexcel Corp., 6.75%, 2/1/2015	1,425,000	1,321,688	MetroPCS Wireless, Inc.: 9.25%, 11/1/2014	1,600,000	1,590,000
Huntsman International LLC: 144A, 6.875%, 11/15/2013 EUR	605,000	619,568	144A, 9.25%, 11/1/2014	625,000	618,750
7.375%, 1/1/2015	235,000	184,475	Millicom International Cellular SA, 10.0%, 12/1/2013	1,530,000	1,551,037
Huntsman LLC, 11.625%, 10/15/2010	137,000	140,425	Qwest Corp.: 144A, 8.375%, 5/1/2016	255,000	246,075
Innophos, Inc., 8.875%, 8/15/2014	170,000	155,550	8.875%, 3/15/2012	215,000	216,613
Koppers Holdings, Inc., Step-up Coupon, 0% to 11/15/2009, 9.875% to 11/15/2014	1,030,000	924,425	Stratos Global Corp., 9.875%, 2/15/2013	330,000	330,000
Millar Western Forest Products Ltd., 7.75%, 11/15/2013	200,000	92,000	Telesat Canada, 144A, 11.0%, 11/1/2015	1,545,000	1,583,625
NewMarket Corp., 7.125%, 12/15/2016	1,005,000	904,500	Windstream Corp.: 7.0%, 3/15/2019	430,000	374,100
Owens-Brockway Glass Container, Inc., 144A, 7.375%, 5/15/2016	230,000	223,100	8.625%, 8/1/2016	70,000	67,025
Pliant Corp., 11.85%, 6/15/2009**	11	7		16,186,588	
Radnor Holdings Corp., 11.0%, 3/15/2010**	265,000	345	Utilities 8.9%		
Silgan Holdings, Inc., 144A, 7.25%, 8/15/2016	415,000	398,400	AES Corp.: 8.0%, 10/15/2017	415,000	385,950
Teck Resources Ltd.: 144A, 9.75%, 5/15/2014	375,000	388,125	8.0%, 6/1/2020	525,000	471,188
			144A, 8.75%, 5/15/2013	2,784,000	2,825,760
			Allegheny Energy Supply Co., LLC, 144A, 8.25%, 4/15/2012	3,080,000	3,204,718
			CMS Energy Corp., 8.5%, 4/15/2011	925,000	957,412

The accompanying notes are an integral part of the financial statements.

	Principal Amount (\$) (a)	Value (\$)
Energy Future Holdings Corp., 10.875%, 11/1/2017	565,000	412,450
Knight, Inc., 6.5%, 9/1/2012	205,000	200,388
Mirant Americas Generation LLC, 8.3%, 5/1/2011	1,375,000	1,371,562
Mirant North America LLC, 7.375%, 12/31/2013	270,000	259,200
NRG Energy, Inc.:		
7.25%, 2/1/2014	915,000	887,550
7.375%, 2/1/2016	1,060,000	1,003,025
7.375%, 1/15/2017	990,000	933,075
8.5%, 6/15/2019	1,160,000	1,123,750
NV Energy, Inc.:		
6.75%, 8/15/2017	855,000	774,486
8.625%, 3/15/2014	200,000	197,001
Texas Competitive Electric Holdings Co., LLC, Series A, 10.25%, 11/1/2015	1,165,000	725,213
		15,732,728
Total Corporate Bonds (Cost \$185,784,222)		160,538,901

	Principal Amount (\$) (a)	Value (\$)
Momentive Performance Materials, Inc., Term Loan B, LIBOR plus 2.25%, 2.563%, 12/4/2013	180,000	139,275
Nuveen Investments, Inc., Term Loan, LIBOR plus 3.0%, 11/13/2014	380,000	302,575
Sabre, Inc., Term Loan B, LIBOR plus 2.25%, 3.289%, 9/30/2014	412,595	299,132
Sbarro, Inc., Term Loan, LIBOR plus 4.5%, 4.81%, 1/31/2014	305,000	237,392
Texas Competitive Electric Holdings Co., LLC:		
Term Loan B2, LIBOR plus 3.5%, 3.821%, 10/10/2014	363,406	260,722
Term Loan B3, LIBOR plus 3.5%, 3.821%, 10/10/2014	3,738,413	2,675,731
Tribune Co., Term Loan B, Prime plus 2.0%, 5.25%, 6/4/2014**	829,426	284,340
Total Loan Participations and Assignments (Cost \$13,369,826)		10,089,792

Loan Participations and Assignments 5.7%

Senior Loans***

Alliance Mortgage Cycle Loan, Term Loan A, LIBOR plus 7.25%, 8.856%, 6/1/2010**	700,000	0
Buffets, Inc.:		
Letter of Credit Term Loan B, LIBOR plus 7.25%, 7.848%, 5/1/2013	83,123	37,405
Incremental Term Loan, LIBOR (3% floor) plus 15.0%, 18.0%, 4/30/2012	233,196	221,536
Second Lien Term Loan, LIBOR plus 1.0%, plus 16.25% (PIK), 19.121%, 5/1/2013	395,495	158,198
Charter Communications Operating LLC:		
Term Loan, Prime plus 3.0%, 6.25%, 3/6/2014	2,552,577	2,306,892
Term Loan, Prime plus 6.0%, 9.25%, 3/6/2014	1,266,140	1,248,414
Essar Steel Algoma, Inc., Term Loan B, LIBOR plus 2.5%, 2.81%, 6/20/2013	282,841	229,808
Golden Nugget, Inc., Second Lien Term Loan, LIBOR plus 3.25%, 3.56%, 12/31/2014	460,000	184,000
Hawker Beechcraft Acquisition Co., LLC:		
Letter of Credit, LIBOR plus 2.1%, 2.598%, 3/26/2014	12,291	8,450
Term Loan, LIBOR plus 2.0%, 2.598%, 3/26/2014	208,778	143,535
Hexion Specialty Chemicals, Inc.:		
Term Loan C2, LIBOR plus 2.25%, 2.875%, 5/6/2013	256,789	176,414
Term Loan C1, LIBOR plus 2.25%, 3.5%, 5/6/2013	1,094,985	752,255
IASIS Healthcare LLC, Term Loan, LIBOR plus 5.25%, 6.289%, 6/13/2014 (PIK)	541,493	423,718

Preferred Securities 0.5%

Financials 0.2%

Xerox Capital Trust I, 8.0%, 2/1/2027	315,000	239,400
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Materials 0.3%

Hercules, Inc., 6.5%, 6/30/2029	1,100,000	594,000
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Total Preferred Securities (Cost \$1,023,773) **833,400**

Shares **Value (\$)**

Common Stocks 0.0%

Consumer Discretionary 0.0%

Buffets Restaurants Holdings, Inc.*	18,256	21,907
Vertis Holdings, Inc.*	9,993	0
		21,907

Materials 0.0%

GEO Specialty Chemicals, Inc.*	24,225	20,592
GEO Specialty Chemicals, Inc. 144A*	2,206	1,875
		22,467

Total Common Stocks (Cost \$290,952) **44,374**

Convertible Preferred Stocks 0.0%

Consumer Discretionary

ION Media Networks, Inc.:		
144A, 12.0%*	3	0
Series AI, 144A, 12.0%*	30,000	0
Series B, 12.0%*	5,000	0

Total Preferred Stocks (Cost \$46,019) **0**

Warrants 0.0%

Financials 0.0%

New ASAT (Finance) Ltd., Expiration Date 2/1/2011*	149,500	8,395
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The accompanying notes are an integral part of the financial statements.

	Shares	Value (\$)		Shares	Value (\$)
Industrials 0.0%			Cash Equivalents 1.5%		
Dayton Superior Corp., 144A, Expiration Date 6/15/2009*	95	0	Cash Management QP Trust, 0.27% (d) (Cost \$2,580,662)	2,580,662	2,580,662
Materials 0.0%					
Ashland, Inc., Expiration Date 3/31/2029*	1,100	0		% of Net Assets	Value (\$)
Total Warrants (Cost \$244,287)			Total Investment Portfolio (Cost \$208,897,389) [†]		
8,395			101.2 179,653,172		
			Other Assets and Liabilities, Net		
			(1.2) (2,071,117)		
			Net Assets		
			100.0 177,582,055		
Securities Lending Collateral 3.1%					
Daily Assets Fund Institutional, 0.48% (d) (e) (Cost \$5,557,648)	5,557,648	5,557,648			

* Non-income producing security.

** Non-income producing security. Issuer has defaulted on the payment of principal or interest or has filed for bankruptcy. The following table represents bonds that are in default:

Securities	Coupon	Maturity Date	Principal Amount (\$)		Acquisition Cost (\$)	Value (\$)
Alliance Mortgage Cycle Loan	8.856%	6/1/2010	700,000	USD	700,000	0
ARCO Chemical Co.	9.8%	2/1/2020	3,270,000	USD	3,694,081	1,030,050
Buffalo Thunder Development Authority	9.375%	12/15/2014	250,000	USD	250,000	35,000
CanWest MediaWorks LP	9.25%	8/1/2015	340,000	USD	340,000	34,000
Congoleum Corp.	8.625%	8/1/2008	1,200,000	USD	1,021,050	360,000
Fontainebleau Las Vegas Holdings LLC	11.0%	6/15/2015	490,000	USD	495,962	18,375
Idearc, Inc.	8.0%	11/15/2016	920,000	USD	936,284	24,150
New ASAT (Finance) Ltd.	9.25%	2/1/2011	575,000	USD	519,944	719
Pliant Corp.	11.85%	6/15/2009	11	USD	11	7
Quebecor World, Inc.	9.75%	1/15/2015	420,000	USD	420,000	37,800
R.H. Donnelley Corp.	8.875%	10/15/2017	1,185,000	USD	1,185,208	60,731
Radnor Holdings Corp.	11.0%	3/15/2010	265,000	USD	234,313	345
Tribune Co.	5.25%	6/4/2014	829,426	USD	828,907	284,340
Tropicana Entertainment LLC	9.625%	12/15/2014	1,220,000	USD	959,601	10,675
Trump Entertainment Resorts, Inc.	8.5%	6/1/2015	105,000	USD	107,100	12,994
Young Broadcasting, Inc.	8.75%	1/15/2014	2,040,000	USD	1,981,498	5,100
					13,673,959	1,914,286

*** Floating rate notes are securities whose yields vary with a designated market index or market rate, such as the coupon-equivalent of the US Treasury bill rate. These securities are shown at their current rate as of June 30, 2009.

† The cost for federal income tax purposes was \$209,420,425. At June 30, 2009, net unrealized depreciation for all securities based on tax cost was \$29,767,253. This consisted of aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost of \$3,752,209 and aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value of \$33,519,462.

(a) Principal amount stated in US dollars unless otherwise noted.

(b) All or a portion of these securities were on loan (see Notes to Financial Statements). The value of all securities loaned at June 30, 2009 amounted to \$5,360,137, which is 3.0% of net assets.

(c) Security has deferred its 6/15/2008, 12/15/2008 and 6/15/2009 interest payments until 12/31/2009.

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

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

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.

LIBOR: Represents the London InterBank Offered Rate.

PIK: Denotes that all or a portion of the income is paid in-kind.

Prime: Interest rate charged by banks to their most credit worthy customers.

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.

The accompanying notes are an integral part of the financial statements.

At June 30, 2009, the Portfolio had the following open forward foreign currency exchange contracts:

Contracts to Deliver		In Exchange For		Settlement Date	Unrealized Depreciation (\$)
EUR	5,475,700	USD	7,572,745	7/14/2009	(108,939)
EUR	26,200	USD	36,654	7/14/2009	(101)
Total unrealized depreciation					(109,040)

Currency Abbreviations

EUR	Euro	USD	United States Dollar
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For information on the Portfolio's policy and additional disclosures regarding forward foreign currency exchange contracts, please refer to the Derivatives section of Note A in the accompanying Notes to Financial Statements.

Fair Value Measurements

Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, "Fair Value Measurements," as amended, establishes a three-tier hierarchy for measuring fair value and requires additional disclosure about the classification of fair value measurements.

Various inputs are used in determining the value of the Portfolio'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 observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, and credit risk). Level 3 includes significant unobservable inputs (including the Portfolio'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 June 30, 2009 in valuing the Portfolio's investments. For information on the Portfolio's policy regarding the valuation of investments, please refer to the Security Valuation section of Note A in the accompanying Notes to the Financial Statements.

Assets	Level 1	Level 2	Level 3	Total
Fixed Income (f)				
Corporate Bonds	\$ —	\$ 158,091,924	\$ 2,446,977	\$ 160,538,901
Loan Participation & Assignments	—	9,021,453	1,068,339	10,089,792
Preferred Securities	—	833,400	—	833,400
Common Stock and/or Other Equity Investments (f)	—	21,907	30,862	52,769
Short-Term Investments (f)	\$ 5,557,648	\$ 2,580,662	\$ —	\$ 8,138,310
Total	\$ 5,557,648	\$ 170,549,346	\$ 3,546,178	\$ 179,653,172
Liabilities				
Derivatives (g)	—	(109,040)	—	(109,040)
Total	\$ —	\$ (109,040)	\$ —	\$ (109,040)

(f) See Investment Portfolio for additional detailed categorizations.

(g) Derivatives include unrealized appreciation (depreciation) on open forward foreign currency exchange contracts.

The following is a reconciliation of the Portfolio's Level 3 investments for which significant unobservable inputs were used in determining value:

	Corporate Bonds	Loan Participation and Assignments	Other Investments	Common Stock and/or Other Equity Investments	Total
Balance as of December 31, 2008	\$ 110,737	\$ 1,327,844	\$ 528,000	\$ 34,196	\$ 2,000,777
Realized gains (loss)	—	(98,430)	—	—	(98,430)
Change in unrealized appreciation (depreciation)	(1,019,078)	146,293	417,336	(247,620)	(703,069)
Amortization premium/discount	6,939	7,476	994	—	15,409
Net purchases (sales)	1,571,828	(314,844)	(946,330)	244,286	554,940
Net transfers in (out) of Level 3	1,776,551	—	—	—	1,776,551
Balance as of June 30, 2009	\$ 2,446,977	\$ 1,068,339	\$ —	\$ 30,862	\$ 3,546,178
Net change in unrealized appreciation (depreciation) from investments still held as of June 30, 2009	\$ (958,524)	\$ (38,262)	\$ —	\$ (3,335)	\$ (1,000,121)

The accompanying notes are an integral part of the financial statements.

Financial Statements

Statement of Assets and Liabilities

as of June 30, 2009 (Unaudited)

Assets

Investments:	
Investments in securities, at value (cost \$200,759,079) — including \$5,360,137 of securities loaned	\$ 171,514,862
Investments in Daily Assets Fund Institutional (cost \$5,557,648)*	5,557,648
Investment in Cash Management QP Trust (cost \$2,580,662)	2,580,662
Total investments, at value (cost \$208,897,389)	179,653,172
Cash	86,832
Foreign currency, at value (cost \$93,988)	93,988
Receivable for investments sold	1,029,984
Receivable for Portfolio shares sold	9,108
Interest receivable	3,642,140
Foreign taxes recoverable	6,281
Total assets	184,521,505

Liabilities

Payable for investments purchased	677,653
Payable for Portfolio shares redeemed	252,299
Payable upon return of securities loaned	5,557,648
Net payable on closed forward currency exchange contracts	5,471
Unrealized depreciation on open forward foreign currency exchange contracts	109,040
Accrued management fee	72,461
Other accrued expenses and payables	264,878
Total liabilities	6,939,450
Net assets, at value	\$ 177,582,055

Net Assets Consist of

Undistributed net investment income	6,462,727
Net unrealized appreciation (depreciation) on:	
Investments	(29,244,217)
Foreign currency	(106,824)
Accumulated net realized gain (loss)	(132,913,161)
Paid-in capital	333,383,530
Net assets, at value	\$ 177,582,055

Class A

Net Asset Value, offering and redemption price per share (\$177,447,214 ÷ 31,862,326 outstanding shares of beneficial interest, no par value, unlimited number of shares authorized) **\$ 5.57**

Class B

Net Asset Value, offering and redemption price per share (\$134,841 ÷ 24,088 outstanding shares of beneficial interest, no par value, unlimited number of shares authorized) **\$ 5.60**

* Represents collateral on securities loaned.

Statement of Operations

for the six months ended June 30, 2009 (Unaudited)

Investment Income

Interest (net of foreign taxes withheld of \$164)	\$ 7,681,447
Interest — Cash Management QP Trust	30,339
Securities lending income, including income from Daily Assets Fund Institutional, net of borrower rebates	11,807
Total Income	7,723,593
Expenses:	
Management fee	402,015
Administration fee	80,403
Custodian fee	9,876
Distribution service fee (Class B)	170
Services to shareholders	766
Legal fees	7,341
Audit and tax fees	34,478
Trustees' fees and expenses	7,595
Reports to shareholders	46,205
Other	14,912
Total expenses before expense reductions	603,761
Expense reductions	(6)
Total expenses after expense reductions	603,755
Net investment income (loss)	7,119,838

Realized and Unrealized Gain (Loss)

Net realized gain (loss) from:	
Investments	(12,406,565)
Credit default swap contracts	291,737
Foreign currency	(14,184)
	(12,129,012)
Change in net unrealized appreciation (depreciation) on:	
Investments	34,709,836
Credit default swap contracts	(288,556)
Foreign currency	(247,338)
	34,173,942
Net gain (loss)	22,044,930
Net increase (decrease) in net assets resulting from operations	\$ 29,164,768

The accompanying notes are an integral part of the financial statements.

Statement of Changes in Net Assets

	Six Months Ended June 30, 2009 (Unaudited)	Year Ended December 31, 2008
Increase (Decrease) in Net Assets		
Operations:		
Net investment income	\$ 7,119,838	\$ 17,807,765
Net realized gain (loss)	(12,129,012)	(22,467,601)
Change in net unrealized appreciation (depreciation)	34,173,942	(46,037,011)
Net increase (decrease) in net assets resulting from operations	29,164,768	(50,696,847)
Distributions to shareholders from:		
Net investment income:		
Class A	(18,645,480)	(23,705,161)
Class B	(15,950)	(925,654)
Total distributions	(18,661,430)	(24,630,815)
Portfolio share transactions:		
Class A		
Proceeds from shares sold	28,119,593	34,048,144
Reinvestment of distributions	18,645,480	23,705,161
Cost of shares redeemed	(33,558,342)	(77,354,304)
Net increase (decrease) in net assets from Class A share transactions	13,206,731	(19,600,999)
Class B		
Proceeds from shares sold	1,326	76,767
Reinvestment of distributions	15,950	925,654
Cost of shares redeemed	(24,503)	(9,671,811)
Net increase (decrease) in net assets from Class B share transactions	(7,227)	(8,669,390)
Increase (decrease) in net assets	23,702,842	(103,598,051)
Net assets at beginning of period	153,879,213	257,477,264
Net assets at end of period (including undistributed net investment income of \$6,462,727 and \$18,004,319, respectively)	\$ 177,582,055	\$ 153,879,213
Other Information		
Class A		
Shares outstanding at beginning of period	29,000,230	31,702,335
Shares sold	5,199,572	5,474,310
Shares issued to shareholders in reinvestment of distributions	3,844,429	3,511,876
Shares redeemed	(6,181,905)	(11,688,291)
Net increase (decrease) in Class A shares	2,862,096	(2,702,105)
Shares outstanding at end of period	31,862,326	29,000,230
Class B		
Shares outstanding at beginning of period	25,274	1,262,331
Shares sold	269	10,281
Shares issued to shareholders in reinvestment of distributions	3,268	136,728
Shares redeemed	(4,723)	(1,384,066)
Net increase (decrease) in Class B shares	(1,186)	(1,237,057)
Shares outstanding at end of period	24,088	25,274

The accompanying notes are an integral part of the financial statements.

Financial Highlights

Class A

Years Ended December 31,	2009 ^a	2008	2007	2006	2005	2004
Selected Per Share Data						
Net asset value, beginning of period	\$ 5.30	\$ 7.81	\$ 8.38	\$ 8.23	\$ 8.78	\$ 8.43
<i>Income (loss) from investment operations:</i>						
Net investment income ^b	.24	.57	.63	.62	.68	.67
Net realized and unrealized gain (loss)	.69	(2.29)	(.54)	.19	(.38)	.31
Total from investment operations	.93	(1.72)	.09	.81	.30	.98
<i>Less distributions from:</i>						
Net investment income	(.66)	(.79)	(.66)	(.66)	(.85)	(.63)
Net asset value, end of period	\$ 5.57	\$ 5.30	\$ 7.81	\$ 8.38	\$ 8.23	\$ 8.78
Total Return (%)	19.04 ^{**}	(23.94) ^c	.96	10.47	3.89	12.42

Ratios to Average Net Assets and Supplemental Data

Net assets, end of period (\$ millions)	177	154	248	322	344	393
Ratio of expenses before expense reductions (%)	.75 [*]	.80	.69	.71	.70	.66
Ratio of expenses after expense reductions (%)	.75 [*]	.79	.69	.71	.70	.66
Ratio of net investment income (%)	8.86 [*]	8.42	7.84	7.73	8.27	8.11
Portfolio turnover rate (%)	30 ^{**}	38	61	93	100	162

^a For the six months ended June 30, 2009 (Unaudited).

^b Based on average shares outstanding during the period.

^c Total return would have been lower had certain expenses not been reduced.

^{*} Annualized ^{**} Not annualized

Class B

Years Ended December 31,	2009 ^a	2008	2007	2006	2005	2004
Selected Per Share Data						
Net asset value, beginning of period	\$ 5.31	\$ 7.81	\$ 8.38	\$ 8.22	\$ 8.77	\$ 8.41
<i>Income (loss) from investment operations:</i>						
Net investment income ^b	.23	.53	.60	.59	.65	.64
Net realized and unrealized gain (loss)	.70	(2.27)	(.54)	.20	(.39)	.32
Total from investment operations	.93	(1.74)	.06	.79	.26	.96
<i>Less distributions from:</i>						
Net investment income	(.64)	(.76)	(.63)	(.63)	(.81)	(.60)
Net asset value, end of period	\$ 5.60	\$ 5.31	\$ 7.81	\$ 8.38	\$ 8.22	\$ 8.77
Total Return (%)	18.84 ^{**}	(24.13) ^c	.54	10.11	3.41	12.08

Ratios to Average Net Assets and Supplemental Data

Net assets, end of period (\$ millions)	.1	.1	10	53	56	57
Ratio of expenses before expense reductions (%)	1.03 [*]	1.25	1.08	1.10	1.10	1.06
Ratio of expenses after expense reductions (%)	1.03 [*]	1.23	1.08	1.10	1.10	1.06
Ratio of net investment income (%)	8.58 [*]	7.98	7.45	7.34	7.87	7.71
Portfolio turnover rate (%)	30 ^{**}	38	61	93	100	162

^a For the six months ended June 30, 2009 (Unaudited).

^b Based on average shares outstanding during the period.

^c Total return would have been lower had certain expenses not been reduced.

^{*} Annualized ^{**} Not annualized

DWS Large Cap Value VIP

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 redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Please contact your participating insurance company for the Portfolio's most recent month-end performance. Performance doesn't reflect charges and fees ("contract charges") associated with the separate account that invests in the Portfolio or any variable life insurance policy or variable annuity contract for which the Portfolio is an investment option. These charges and fees will reduce returns. While all share classes have the same underlying Portfolio, their performance will differ.

The total annual Portfolio operating expense ratios, gross of any fee waivers or expense reimbursements, as stated in the fee table of the prospectus dated May 1, 2009 are .84% and 1.20% for Class A and Class B shares, respectively. Please see the Information About Your Portfolio's Expenses, the Financial Highlights and Notes to the Financial Statements (Note C, Related Parties) sections of this report for gross and net expense-related disclosure for the period ended June 30, 2009.

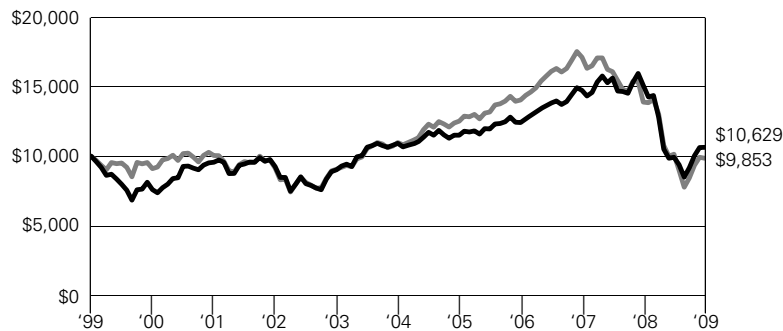
Risk Considerations

The Portfolio is subject to stock market risk. The Portfolio may focus its investments on certain economic sectors, thereby increasing its vulnerability to any single economic, political or regulatory development. This may result in greater share price volatility. Please read this Portfolio's prospectus for specific details regarding its investments and risk profile.

Portfolio returns shown for the 1-year, 3-year, 5-year and 10-year periods reflect a fee waiver and/or expense reimbursement. Without this waiver/reimbursement, returns would have been lower.

Growth of an Assumed \$10,000 Investment in DWS Large Cap Value VIP

■ DWS Large Cap Value VIP — Class A
 ■ Russell 1000® Value Index



The Russell 1000® Value Index is an unmanaged index, which consists of those stocks in the Russell 1000 Index with lower price-to-book ratios and lower forecasted-growth values.

Index returns assume reinvestment of dividends and, unlike portfolio returns, do not reflect any fees or expenses. It is not possible to invest directly into an index.

Yearly periods ended June 30

Comparative Results

DWS Large Cap Value VIP		6-Month [‡]	1-Year	3-Year	5-Year	10-Year
Class A	Growth of \$10,000	\$10,713	\$7,052	\$8,563	\$9,739	\$10,629
	Average annual total return	7.13%	-29.48%	-5.04%	-53%	.61%
Russell 1000 Value Index	Growth of \$10,000	\$9,713	\$7,097	\$7,025	\$8,982	\$9,853
	Average annual total return	-2.87%	-29.03%	-11.11%	-2.13%	-15%

DWS Large Cap Value VIP		6-Month [‡]	1-Year	3-Year	5-Year	Life of Class*
Class B	Growth of \$10,000	\$10,692	\$7,028	\$8,465	\$9,557	\$11,370
	Average annual total return	6.92%	-29.72%	-5.40%	-90%	1.85%
Russell 1000 Value Index	Growth of \$10,000	\$9,713	\$7,097	\$7,025	\$8,982	\$10,769
	Average annual total return	-2.87%	-29.03%	-11.11%	-2.13%	1.06%

The growth of \$10,000 is cumulative.

[‡] Total returns shown for periods less than one year are not annualized.

* The Portfolio commenced offering Class B shares on July 1, 2002. Index returns began on June 30, 2002.

Information About Your Portfolio's Expenses

DWS Large Cap Value VIP

As an investor of the Portfolio, you incur two types of costs: ongoing expenses and transaction costs. Ongoing expenses include management fees, distribution and service (12b-1) fees and other Portfolio expenses. Examples of transaction costs include contract charges, redemption fees and account maintenance fees, which are not shown in this section. The following tables are intended to help you understand your ongoing expenses (in dollars) of investing in the Portfolio and to help you compare these expenses with the ongoing expenses of investing in other mutual funds. The example in the table is based on an investment of \$1,000 invested at the beginning of the six-month period and held for the entire period (January 1, 2009 to June 30, 2009).

The tables illustrate your Portfolio's expenses in two ways:

- Actual Portfolio Return.** This helps you estimate the actual dollar amount of ongoing expenses (but not transaction costs) paid on a \$1,000 investment in the Portfolio using the Portfolio's actual return during the period. To estimate the expenses you paid over the period, simply divide your account

value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the "Expenses Paid per \$1,000" line under the share class you hold.

- Hypothetical 5% Portfolio Return.** This helps you to compare your Portfolio's ongoing expenses (but not transaction costs) with those of other mutual funds using the Portfolio's actual expense ratio and a hypothetical rate of return of 5% per year before expenses. Examples using a 5% hypothetical Portfolio return may be found in the shareholder reports of other mutual funds. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period.

Please note that the expenses shown in these tables are meant to highlight your ongoing expenses only and do not reflect any transaction costs. The "Expenses Paid per \$1,000" line of the tables is useful in comparing ongoing expenses only and will not help you determine the relative total expense of owning different funds. If these transaction costs had been included, your costs would have been higher.

Expenses and Value of a \$1,000 Investment for the six months ended June 30, 2009

Actual Portfolio Return	Class A	Class B
Beginning Account Value 1/1/09	\$1,000.00	\$1,000.00
Ending Account Value 6/30/09	\$1,071.30	\$1,069.20
Expenses Paid per \$1,000*	\$ 4.47	\$ 6.00

Hypothetical 5% Portfolio Return	Class A	Class B
Beginning Account Value 1/1/09	\$1,000.00	\$1,000.00
Ending Account Value 6/30/09	\$1,020.48	\$1,018.99
Expenses Paid per \$1,000*	\$ 4.36	\$ 5.86

* Expenses are equal to the Portfolio's annualized expense ratio for each share class, multiplied by the average account value over the period, multiplied by the number of days in the most recent six-month period, then divided by 365.

Annualized Expense Ratios	Class A	Class B
DWS Variable Series II — DWS Large Cap Value VIP	.87%	1.17%

For more information, please refer to the Portfolio's prospectus.

These tables do not reflect charges and fees ("contract charges") associated with the separate account that invests in the Portfolio or any variable life insurance policy or variable annuity contract for which the Portfolio is an investment option.

Portfolio Summary

DWS Large Cap Value VIP

Asset Allocation (As a % of Investment Portfolio excluding Securities Lending Collateral)	6/30/09	12/31/08
Common Stocks	98%	100%
Cash Equivalents	2%	—
	100%	100%

Sector Diversification (As a % of Common Stocks)	6/30/09	12/31/08
Energy	20%	18%
Health Care	15%	16%
Utilities	13%	11%
Consumer Staples	12%	9%
Financials	12%	14%
Industrials	7%	9%
Telecommunication Services	7%	5%
Materials	7%	5%
Consumer Discretionary	4%	4%
Information Technology	3%	9%
	100%	100%

Asset allocation and sector diversification are subject to change.

For more complete details about the Portfolio's investment portfolio, see page 108. A complete list of portfolio holdings of the Portfolio is posted as of the month end on www.dws-investments.com on or about the 15th day of the following month. More frequent posting of portfolio holdings information may be made from time to time on www.dws-investments.com.

Following the Portfolio's fiscal first and third quarter-end, a complete portfolio holdings listing is filed with the SEC on Form N-Q. The form will be available on the SEC's Web site at www.sec.gov, and it also may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the SEC's Public Reference Room may be obtained by calling (800) SEC-0330.

Investment Portfolio

June 30, 2009 (Unaudited)

DWS Large Cap Value VIP

	Shares	Value (\$)		Shares	Value (\$)
Common Stocks 98.3%			Insurance 6.1%		
Consumer Discretionary 4.0%			Alleghany Corp.*		
Distributors 1.6%			Allstate Corp.		
Genuine Parts Co.			Assurant, Inc.		
	99,521	3,339,925	Chubb Corp.		
Hotels Restaurants & Leisure 2.4%			Cincinnati Financial Corp.		
Burger King Holdings, Inc.			Fidelity National Financial, Inc. "A"		
Carnival Corp. (Units) (a)			First American Corp.		
	53,486	923,703	HCC Insurance Holdings, Inc.		
	157,576	4,060,734	MetLife, Inc.		
		4,984,437	Odyssey Re Holdings Corp.		
Consumer Staples 12.2%			PartnerRe Ltd.		
Beverages 1.0%					
PepsiCo, Inc.			12,559,176		
Food & Staples Retailing 3.2%			Thrifts & Mortgage Finance 0.8%		
CVS Caremark Corp. (a)			New York Community Bancorp., Inc.		
Kroger Co.			People's United Financial, Inc.		
	122,053	3,889,829			
	123,753	2,728,754	1,672,575		
		6,618,583	Health Care 14.6%		
Food Products 4.1%			Health Care Equipment & Supplies 2.4%		
General Mills, Inc.			Baxter International, Inc. (a)		
Kellogg Co. (a)			Becton, Dickinson & Co.		
Kraft Foods, Inc. "A"					
	47,827	2,679,268			
	85,268	3,970,931	5,006,670		
	66,400	1,682,576	Health Care Providers & Services 3.8%		
		8,332,775	McKesson Corp.		
Tobacco 3.9%			Medco Health Solutions, Inc.*		
Altria Group, Inc.			WellPoint, Inc.*		
Philip Morris International, Inc. (a)					
	264,183	4,329,959	7,813,630		
	85,995	3,751,102	Life Sciences Tools & Services 1.2%		
		8,081,061	Thermo Fisher Scientific, Inc.*		
Energy 19.7%			Pharmaceuticals 7.2%		
Energy Equipment & Services 5.2%			Abbott Laboratories		
ENSCO International, Inc.			Bristol-Myers Squibb Co.		
Noble Corp.			Merck & Co., Inc. (a)		
Transocean Ltd.*			Mylan, Inc.*		
	75,271	2,624,700	Teva Pharmaceutical Industries		
	71,311	2,157,158	Ltd. (ADR) (a)		
	79,264	5,888,522	Wyeth		
		10,670,380	14,796,683		
Oil, Gas & Consumable Fuels 14.5%			Industrials 7.3%		
Chevron Corp.			Aerospace & Defense 3.0%		
ConocoPhillips			Honeywell International, Inc.		
Devon Energy Corp. (a)			United Technologies Corp.		
ExxonMobil Corp.					
Marathon Oil Corp.			6,322,350		
Nexen, Inc.			Electrical Equipment 1.9%		
Noble Energy, Inc.			Emerson Electric Co.		
Suncor Energy, Inc.			Machinery 1.4%		
Sunoco, Inc.			Dover Corp.		
	124,717	2,893,434	Road & Rail 1.0%		
		29,914,874	Norfolk Southern Corp.		
Financials 11.3%			Information Technology 3.3%		
Capital Markets 0.9%			Communications Equipment 2.0%		
Greenhill & Co., Inc. (a)			Brocade Communications		
Northern Trust Corp.			Systems, Inc.*		
	12,787	923,349	Nokia Oyj (ADR)		
	17,893	960,496			
		1,883,845	4,149,744		
Commercial Banks 1.0%			Software 1.3%		
Cullen/Frost Bankers, Inc.			Microsoft Corp. (a)		
M&T Bank Corp. (a)					
	20,216	932,362	2,760,457		
	20,404	1,039,176			
		1,971,538			
Diversified Financial Services 2.5%					
Bank of America Corp. (a)					
JPMorgan Chase & Co.					
NYSE Euronext					
	184,877	2,440,376			
	39,288	1,340,114			
	52,474	1,429,917			
		5,210,407			

The accompanying notes are an integral part of the financial statements.

	Shares	Value (\$)
Materials 6.4%		
Chemicals 3.9%		
Air Products & Chemicals, Inc. (a)	68,445	4,420,863
Praxair, Inc.	52,505	3,731,530
		8,152,393
Containers & Packaging 1.4%		
Sonoco Products Co.	119,141	2,853,427
Metals & Mining 1.1%		
Kinross Gold Corp.	123,855	2,247,968
Telecommunication Services 7.0%		
Diversified Telecommunication Services 6.0%		
AT&T, Inc.	250,231	6,215,738
Deutsche Telekom AG (ADR)	178,000	2,100,400
Verizon Communications, Inc. (a)	130,954	4,024,216
		12,340,354
Wireless Telecommunication Services 1.0%		
Vodafone Group PLC (ADR)	107,402	2,093,265
Utilities 12.5%		
Electric Utilities 10.3%		
Allegheny Energy, Inc.	114,149	2,927,922
American Electric Power Co., Inc.	87,419	2,525,535
Duke Energy Corp.	212,705	3,103,366
Entergy Corp.	31,073	2,408,779
Exelon Corp.	32,689	1,674,004

	Shares	Value (\$)
FirstEnergy Corp.	76,836	2,977,395
FPL Group, Inc.	58,560	3,329,721
Southern Co.	75,696	2,358,687
		21,305,409
Multi-Utilities 2.2%		
PG&E Corp. (a)	117,288	4,508,551
Total Common Stocks (Cost \$196,550,030)		203,053,329

Securities Lending Collateral 18.3%

Daily Assets Fund Institutional, 0.48% (b) (c) (Cost \$37,728,050)	37,728,050	37,728,050
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Cash Equivalents 2.4%

Cash Management QP Trust, 0.27% (b) (Cost \$4,920,156)	4,920,156	4,920,156
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	% of Net Assets	Value (\$)
Total Investment Portfolio (Cost \$239,198,236) [†]	119.0	245,701,535
Other Assets and Liabilities, Net	(19.0)	(39,273,036)
Net Assets	100.0	206,428,499

* Non-income producing security.

† The cost for federal income tax purposes was \$242,585,346. At June 30, 2009, net unrealized appreciation for all securities based on tax cost was \$3,116,189. This consisted of aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost of \$13,389,797 and aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value of \$10,273,608.

(a) All or a portion of these securities were on loan (see Notes to Financial Statements). The value of all securities loaned at June 30, 2009 amounted to \$36,705,599, which is 17.8% of net assets.

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

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

ADR: American Depositary Receipt

Fair Value Measurements

Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, "Fair Value Measurements," as amended, establishes a three-tier hierarchy for measuring fair value and requires additional disclosure about the classification of fair value measurements.

Various inputs are used in determining the value of the Portfolio'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 observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, and credit risk). Level 3 includes significant unobservable inputs (including the Portfolio'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 June 30, 2009 in valuing the Portfolio's investments. For information on the Portfolio's policy regarding the valuation of investments, please refer to the Security Valuation section of Note A in the accompanying Notes to the Financial Statements.

Assets	Level 1	Level 2	Level 3	Total
Common Stock and/or Other Equity Investments (d)	\$ 203,053,329	\$ —	\$ —	\$ 203,053,329
Short-Term Investments (d)	37,728,050	4,920,156	—	42,648,206
Total	\$ 240,781,379	\$ 4,920,156	\$ —	\$ 245,701,535

(d) See Investment Portfolio for additional detailed categorizations.

The accompanying notes are an integral part of the financial statements.

Financial Statements

Statement of Assets and Liabilities

as of June 30, 2009 (Unaudited)

Assets	
Investments:	
Investments in securities, at value (cost \$196,550,030) — including \$36,705,599 of securities loaned	\$ 203,053,329
Investment in Daily Assets Fund Institutional (cost \$37,728,050)*	37,728,050
Investment in Cash Management QP Trust (cost \$4,920,156)	4,920,156
Total investments, at value (cost \$239,198,236)	245,701,535
Cash	23,300
Receivable for investments sold	1,237,929
Dividends receivable	417,792
Interest receivable	10,786
Receivable for Portfolio shares sold	115,943
Foreign taxes recoverable	21,920
Other assets	550
Total assets	247,529,755

Liabilities	
Payable upon return of securities loaned	37,728,050
Payable for Portfolio shares redeemed	566,669
Payable for investments purchased	2,494,953
Accrued management fee	106,990
Other accrued expenses and payables	204,594
Total liabilities	41,101,256
Net assets, at value	\$ 206,428,499

Net Assets Consist of	
Undistributed net investment income	1,610,159
Net unrealized appreciation (depreciation) on:	
Investments	6,503,299
Foreign currency	1,270
Accumulated net realized gain (loss)	(38,437,256)
Paid-in capital	236,751,027
Net assets, at value	\$ 206,428,499

Class A	
Net Asset Value , offering and redemption price per share (\$205,756,332 ÷ 22,180,044 outstanding shares of beneficial interest, no par value, unlimited number of shares authorized)	\$ 9.28

Class B	
Net Asset Value , offering and redemption price per share (\$672,167 ÷ 72,314 outstanding shares of beneficial interest, no par value, unlimited number of shares authorized)	\$ 9.30

* Represents collateral on securities loaned.

Statement of Operations

for the six months ended June 30, 2009 (Unaudited)

Investment Income	
Income:	
Dividends (net of foreign taxes withheld of \$22,138)	\$ 2,234,524
Interest	2,916
Interest — Cash Management QP Trust	9,112
Securities lending income, including income from Daily Assets Fund Institutional, net of borrower rebates	38,671
Total Income	2,285,223
Expenses:	
Management fee	459,755
Administration fee	70,732
Services to shareholders	799
Custodian fee	7,477
Professional fees	33,027
Distribution service fee (Class B)	561
Record keeping fees (Class B)	80
Trustees' fees and expenses	7,821
Reports to shareholders	30,760
Other	6,404
Total expenses	617,416
Net investment income (loss)	1,667,807

Realized and Unrealized Gain (Loss)	
Net realized gain (loss) from:	
Investments	(9,569,612)
Futures	(17,763)
Foreign currency	1,179
	(9,586,196)
Change in net unrealized appreciation (depreciation) on:	
Investments	19,760,106
Foreign currency	1,636
	19,761,742
Net gain (loss)	10,175,546
Net increase (decrease) in net assets resulting from operations	\$ 11,843,353

The accompanying notes are an integral part of the financial statements.

Statement of Changes in Net Assets

	Six Months Ended June 30, 2009 (Unaudited)	Year Ended December 31, 2008
Increase (Decrease) in Net Assets		
Operations:		
Net investment income (loss)	\$ 1,667,807	\$ 2,962,040
Net realized gain (loss)	(9,586,196)	(26,840,748)
Change in net unrealized appreciation (depreciation)	19,761,742	(52,635,662)
Net increase (decrease) in net assets resulting from operations	11,843,353	(76,514,370)
Distributions to shareholders from:		
Net investment income:		
Class A	(2,847,989)	(3,899,692)
Class B	(9,025)	(108,225)
Net realized gains:		
Class A	—	(50,886,890)
Class B	—	(1,761,177)
Total distributions	\$ (2,857,014)	\$ (56,655,984)
Portfolio share transactions:		
Class A		
Proceeds from shares sold	2,289,397	23,340,147
Net assets acquired in tax free reorganization	107,453,089	—
Reinvestment of distributions	2,847,989	54,786,582
Cost of shares redeemed	(33,732,285)	(58,393,451)
Net increase (decrease) in net assets from Class A share transactions	78,858,190	19,733,278
Class B		
Proceeds from shares sold	147,583	480,950
Net assets acquired in tax free reorganization	202,242	—
Reinvestment of distributions	9,025	1,869,402
Cost of shares redeemed	(11,224)	(7,955,451)
Net increase (decrease) in net assets from Class B share transactions	347,626	(5,605,099)
Increase (decrease) in net assets	88,192,155	(119,042,175)
Net assets at beginning of period	118,236,344	237,278,519
Net assets at end of period (including undistributed net investment income of \$1,610,159 and \$2,799,366, respectively)	\$ 206,428,499	\$ 118,236,344
Other Information		
Class A		
Shares outstanding at beginning of period	13,220,277	11,941,625
Shares sold	259,630	1,675,530
Shares issued in tax free reorganization	12,224,432	—
Shares issued to shareholders in reinvestment of distributions	355,554	4,201,425
Shares redeemed	(3,879,849)	(4,598,303)
Net increase (decrease) in Class A shares	8,959,767	1,278,652
Shares outstanding at end of period	22,180,044	13,220,277
Class B		
Shares outstanding at beginning of period	32,776	412,771
Shares sold	16,721	38,113
Shares issued in tax free reorganization	22,957	—
Shares issued to shareholders in reinvestment of distributions	1,124	143,030
Shares redeemed	(1,264)	(561,138)
Net increase (decrease) in Class B shares	39,538	(379,995)
Shares outstanding at end of period	72,314	32,776

The accompanying notes are an integral part of the financial statements.

Financial Highlights

Class A

Years Ended December 31,

	2009 ^a	2008	2007	2006	2005	2004
Selected Per Share Data						
Net asset value, beginning of period	\$ 8.92	\$19.21	\$17.96	\$15.81	\$15.79	\$14.57
<i>Income (loss) from investment operations:</i>						
Net investment income (loss) ^b	.10	.21	.26	.29 ^d	.26	.27
Net realized and unrealized gain (loss)	.50	(5.68)	1.98	2.12	.04	1.18
Total from investment operations	.60	(5.47)	2.24	2.41	.30	1.45
<i>Less distributions from:</i>						
Net investment income	(.24)	(.34)	(.32)	(.26)	(.28)	(.23)
Net realized gains	—	(4.48)	(.67)	—	—	—
Total Distributions	(.24)	(4.82)	(.99)	(.26)	(.28)	(.23)
Net asset value, end of period	\$ 9.28	\$ 8.92	\$19.21	\$17.96	\$15.81	\$15.79
Total Return (%)	7.13 ^{**}	(36.40) ^c	13.15 ^{c,e}	15.41 ^d	1.97 ^c	10.07

Ratios to Average Net Assets and Supplemental Data

Net assets, end of period (\$ millions)	206	118	229	275	268	274
Ratio of expenses before expense reductions (%)	.87 [*]	.87	.83	.83	.80	.80
Ratio of expenses after expense reductions (%)	.87 [*]	.86	.82	.83	.80	.80
Ratio of net investment income (loss) (%)	2.36 [*]	1.59	1.43	1.73 ^d	1.64	1.84
Portfolio turnover rate (%)	68 ^{**}	97	103	76	64	40

^a For the six months ended June 30, 2009 (Unaudited).

^b Based on average shares outstanding during the period.

^c Total return would have been lower had certain expenses not been reduced.

^d Includes non-recurring income from the Advisor recorded as a result of an administrative proceeding regarding disclosure of brokerage allocation practices in connection with sales of DWS Funds. The non-recurring income resulted in an increase in net investment income of \$0.008 per share and an increase in the ratio of net investment income of 0.04%. Excluding this non-recurring income, total return would have been 0.04% lower.

^e Includes a reimbursement from the Advisor to reimburse the effect of losses incurred as the result of certain operation errors during the period. Excluding this reimbursement, total return would have been 0.04% lower.

* Annualized ** Not annualized

Class B

Years Ended December 31,

	2009 ^a	2008	2007	2006	2005	2004
Selected Per Share Data						
Net asset value, beginning of period	\$ 8.92	\$19.20	\$17.94	\$15.79	\$15.77	\$14.55
<i>Income (loss) from investment operations:</i>						
Net investment income (loss) ^b	.09	.12	.19	.23 ^d	.19	.22
Net realized and unrealized gain (loss)	.50	(5.64)	1.99	2.11	.05	1.17
Total from investment operations	.59	(5.52)	2.18	2.34	.24	1.39
<i>Less distributions from:</i>						
Net investment income	(.21)	(.28)	(.25)	(.19)	(.22)	(.17)
Net realized gains	—	(4.48)	(.67)	—	—	—
Total Distributions	(.21)	(4.76)	(.92)	(.19)	(.22)	(.17)
Net asset value, end of period	\$ 9.30	\$ 8.92	\$19.20	\$17.94	\$15.79	\$15.77
Total Return (%)	6.92 ^{**}	(36.64) ^c	12.77 ^{c,e}	14.96 ^d	1.58 ^c	9.65

Ratios to Average Net Assets and Supplemental Data

Net assets, end of period (\$ millions)	1	.29	8	40	40	40
Ratio of expenses before expense reductions (%)	1.17 [*]	1.28	1.21	1.21	1.21	1.18
Ratio of expenses after expense reductions (%)	1.17 [*]	1.26	1.20	1.21	1.20	1.18
Ratio of net investment income (loss) (%)	2.06 [*]	1.20	1.06	1.35 ^d	1.24	1.46
Portfolio turnover rate (%)	68 ^{**}	97	103	76	64	40

^a For the six months ended June 30, 2009 (Unaudited).

^b Based on average shares outstanding during the period.

^c Total return would have been lower had certain expenses not been reduced.

^d Includes non-recurring income from the Advisor recorded as a result of an administrative proceeding regarding disclosure of brokerage allocation practices in connection with sales of DWS Funds. The non-recurring income resulted in an increase in net investment income of \$0.008 per share and an increase in the ratio of net investment income of 0.04%. Excluding this non-recurring income, total return would have been 0.04% lower.

^e Includes a reimbursement from the Advisor to reimburse the effect of losses incurred as the result of certain operation errors during the period. Excluding this reimbursement, total return would have been 0.04% lower.

* Annualized ** Not annualized

DWS Mid Cap Growth VIP

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 redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Please contact your participating insurance company for the Portfolio's most recent month-end performance. Performance doesn't reflect charges and fees ("contract charges") associated with the separate account that invests in the Portfolio or any variable life insurance policy or variable annuity contract for which the Portfolio is an investment option. These charges and fees will reduce returns. While all share classes have the same underlying Portfolio, their performance will differ.

The total annual Portfolio operating expense ratio, gross of any fee waivers or expense reimbursements, as stated in the fee table of the prospectus dated May 1, 2009 is 1.08% for Class A shares. Please see the Information About Your Portfolio's Expenses, the Financial Highlights and Notes to the Financial Statements (Note C, Related Parties) sections of this report for gross and net expense-related disclosure for the period ended June 30, 2009.

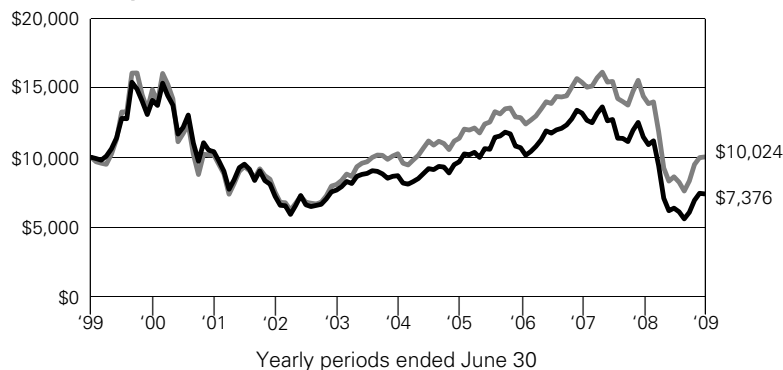
Risk Considerations

This Portfolio is subject to stock market risk, meaning stocks in the Portfolio may decline in value for extended periods of time due to the activities and financial prospects of individual companies, or due to general market and economic conditions. Stocks of medium-sized companies involve greater risk than securities of larger, more established companies, as they often have limited product lines, markets or financial resources and may be subject to more-erratic and more-abrupt market movements. Please read this Portfolio's prospectus for specific details regarding its investments and risk profile.

Portfolio returns shown for all periods reflect a fee waiver and/or expense reimbursement. Without this waiver/reimbursement, returns would have been lower.

Growth of an Assumed \$10,000 Investment in DWS Mid Cap Growth VIP

- DWS Mid Cap Growth VIP — Class A
- Russell Midcap® Growth Index



Russell Midcap® Growth Index is an unmanaged index that measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth values. The stocks are also members of the Russell 1000® Growth Index.

Index returns assume reinvestment of dividends and, unlike portfolio returns, do not reflect any fees or expenses. It is not possible to invest directly into an index.

Comparative Results

DWS Mid Cap Growth VIP		6-Month [‡]	1-Year	3-Year	5-Year	10-Year
Class A	Growth of \$10,000	\$11,618	\$6,438	\$6,900	\$8,495	\$7,376
	Average annual total return	16.18%	-35.62%	-11.64%	-3.21%	-3.00%
Russell Midcap Growth Index	Growth of \$10,000	\$11,661	\$6,967	\$7,806	\$9,782	\$10,024
	Average annual total return	16.61%	-30.33%	-7.93%	-4.4%	.02%

The growth of \$10,000 is cumulative.

[‡] Total returns shown for periods less than one year are not annualized.

Information About Your Portfolio's Expenses

DWS Mid Cap Growth VIP

As an investor of the Portfolio, you incur two types of costs: ongoing expenses and transaction costs. Ongoing expenses include management fees, distribution and service (12b-1) fees and other Portfolio expenses. Examples of transaction costs include contract charges, redemption fees and account maintenance fees, which are not shown in this section. The following tables are intended to help you understand your ongoing expenses (in dollars) of investing in the Portfolio and to help you compare these expenses with the ongoing expenses of investing in other mutual funds. In the most recent six-month period, the Portfolio limited these expenses; had it not done so, expenses would have been higher. The example in the table is based on an investment of \$1,000 invested at the beginning of the six-month period and held for the entire period (January 1, 2009 to June 30, 2009).

The tables illustrate your Portfolio's expenses in two ways:

- **Actual Portfolio Return.** This helps you estimate the actual dollar amount of ongoing expenses (but not transaction costs) paid on a \$1,000 investment in the Portfolio using the Portfolio's actual return during the period. To estimate the expenses you

paid over the period, simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the "Expenses Paid per \$1,000" line under the share class you hold.

- **Hypothetical 5% Portfolio Return.** This helps you to compare your Portfolio's ongoing expenses (but not transaction costs) with those of other mutual funds using the Portfolio's actual expense ratio and a hypothetical rate of return of 5% per year before expenses. Examples using a 5% hypothetical Portfolio return may be found in the shareholder reports of other mutual funds. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period.

Please note that the expenses shown in these tables are meant to highlight your ongoing expenses only and do not reflect any transaction costs. The "Expenses Paid per \$1,000" line of the tables is useful in comparing ongoing expenses only and will not help you determine the relative total expense of owning different funds. If these transaction costs had been included, your costs would have been higher.

Expenses and Value of a \$1,000 Investment for the six months ended June 30, 2009

Actual Portfolio Return	Class A
Beginning Account Value 1/1/09	\$1,000.00
Ending Account Value 6/30/09	\$1,161.80
Expenses Paid per \$1,000*	\$ 5.04

Hypothetical 5% Portfolio Return	Class A
Beginning Account Value 1/1/09	\$1,000.00
Ending Account Value 6/30/09	\$1,020.13
Expenses Paid per \$1,000*	\$ 4.71

* Expenses are equal to the Portfolio's annualized expense ratio for each share class, multiplied by the average account value over the period, multiplied by the number of days in the most recent six-month period, then divided by 365.

Annualized Expense Ratios	Class A
DWS Variable Series II — DWS Mid Cap Growth VIP	.94%

For more information, please refer to the Portfolio's prospectus.

These tables do not reflect charges and fees ("contract charges") associated with the separate account that invests in the Portfolio of any variable life insurance policy or variable annuity contract for which the Portfolio is an investment option.

Portfolio Summary

DWS Mid Cap Growth VIP

Asset Allocation (As a % of Investment Portfolio Excluding Securities Lending Collateral)	6/30/09	12/31/08
Common Stocks	98%	97%
Cash Equivalents	2%	3%
	100%	100%

Sector Diversification (As a % of Common Stocks)	6/30/09	12/31/08
Information Technology	20%	22%
Industrials	17%	13%
Consumer Discretionary	15%	17%
Health Care	15%	17%
Energy	11%	10%
Financials	8%	8%
Materials	7%	4%
Consumer Staples	4%	4%
Telecommunication Services	2%	3%
Utilities	1%	2%
	100%	100%

Asset allocation and sector diversification are subject to change.

For more complete details about the Portfolio's investment portfolio, see page 116. A complete list of portfolio holdings of the Portfolio is posted as of the month end on www.dws-investments.com on or about the 15th day of the following month. More frequent posting of portfolio holdings information may be made from time to time on www.dws-investments.com.

Following the Portfolio's fiscal first and third quarter-end, a complete portfolio holdings listing is filed with the SEC on Form N-Q. The form will be available on the SEC's Web site at www.sec.gov, and it also may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the SEC's Public Reference Room may be obtained by calling (800) SEC-0330.

DWS Mid Cap Growth VIP

	Shares	Value (\$)		Shares	Value (\$)
Common Stocks 98.8%			Health Care 14.8%		
Consumer Discretionary 15.2%			Biotechnology 2.4%		
Diversified Consumer Services 1.3%			Alexion Pharmaceuticals, Inc.*		
Strayer Education, Inc. (a)	1,200	261,732		3,800	156,256
Hotels Restaurants & Leisure 2.9%			BioMarin Pharmaceutical, Inc.* (a)		
Burger King Holdings, Inc. (a)	7,100	122,617		7,300	113,953
Darden Restaurants, Inc.	9,800	323,204		5,700	203,205
Penn National Gaming, Inc.*	4,600	133,906		1,425	6,626
		579,727			480,040
Internet & Catalog Retail 1.4%			Health Care Equipment & Supplies 1.5%		
Priceline.com, Inc.* (a)	2,550	284,453	Hologic, Inc.* (a)		
Specialty Retail 8.7%			Thoratec Corp.* (a)		
Advance Auto Parts, Inc.	5,600	232,344		12,000	170,760
American Eagle Outfitters, Inc. (a)	20,200	286,234		4,800	128,544
Children's Place Retail Stores, Inc.* (a)	10,400	274,872			299,304
Guess?, Inc. (a)	11,300	291,314	Health Care Providers & Services 2.9%		
Tiffany & Co. (a)	7,800	197,808	AMERIGROUP Corp.* (a)		
Urban Outfitters, Inc.* (a)	21,000	438,270		5,800	155,730
		1,720,842	Laboratory Corp. of America Holdings* (a)		
Textiles, Apparel & Luxury Goods 0.9%			MEDNAX, Inc.*		
Deckers Outdoor Corp.* (a)	2,400	168,648		3,500	237,265
Consumer Staples 3.8%				4,400	185,372
Household Products 1.4%					578,367
Church & Dwight Co., Inc.	4,900	266,119	Health Care Technology 0.8%		
Personal Products 2.4%			Cerner Corp.* (a)		
Chattem, Inc.*	2,200	149,820		2,500	155,725
Herbalife Ltd.	10,500	331,170	Life Sciences Tools & Services 5.1%		
		480,990	Covance, Inc.* (a)		
Energy 10.6%			Illumina, Inc.* (a)		
Energy Equipment & Services 2.6%			Life Technologies Corp.*		
Cameron International Corp.*	8,600	243,380		5,300	221,116
FMC Technologies, Inc.*	7,200	270,576		6,900	160,218
		513,956		10,300	191,477
Oil, Gas & Consumable Fuels 8.0%					999,567
Alpha Natural Resources, Inc.* (a)	7,800	204,906	Pharmaceuticals 2.1%		
Concho Resources, Inc.* (a)	6,000	172,140	Mylan, Inc.* (a)		
Petrohawk Energy Corp.* (a)	14,300	318,890		32,400	422,820
Range Resources Corp.	7,200	298,152	Industrials 17.0%		
Southwestern Energy Co.*	8,700	337,995	Aerospace & Defense 0.6%		
Ultra Petroleum Corp.*	6,530	254,670	Curtiss-Wright Corp. (a)		
		1,586,753	Commercial Services & Supplies 1.1%		
Financials 7.8%			Stericycle, Inc.*		
Capital Markets 6.7%			Construction & Engineering 1.9%		
Jefferies Group, Inc.*	4,700	100,251	Aecom Technology Corp.*		
Lazard Ltd. "A" (a)	7,800	209,976		6,500	208,000
Legg Mason, Inc. (a)	7,200	175,536		7,700	178,101
T. Rowe Price Group, Inc. (a)	6,000	250,020			386,101
TD Ameritrade Holding Corp.*	16,600	291,164	Electrical Equipment 4.3%		
Waddell & Reed Financial, Inc. "A"	11,300	297,981	First Solar, Inc.* (a)		
		1,324,928		7,400	278,092
Diversified Financial Services 1.1%				4,650	210,691
MSCI, Inc. "A"* (a)	9,474	231,545			845,447
			Industrial Conglomerates 0.9%		
			McDermott International, Inc.*		
			Machinery 2.7%		
			Harsco Corp.		
			Joy Global, Inc.		
			Terex Corp.* (a)		
				9,200	111,044
					534,180
			Professional Services 3.8%		
			FTI Consulting, Inc.* (a)		
				3,500	177,520
			Huron Consulting Group, Inc.* (a)		
				5,000	231,150
			Robert Half International, Inc. (a)		
				14,600	344,852
					753,522

The accompanying notes are an integral part of the financial statements.

	Shares	Value (\$)
Road & Rail 1.7%		
Genesee & Wyoming, Inc. "A"*	6,000	159,060
Knight Transportation, Inc. (a)	10,500	173,775
		332,835
Information Technology 20.1%		
Communications Equipment 2.7%		
F5 Networks, Inc.*	8,000	276,720
Juniper Networks, Inc.* (a)	11,200	264,320
		541,040
Electronic Equipment, Instruments & Components 1.3%		
Itron, Inc.* (a)	4,750	261,582
Internet Software & Services 2.0%		
Omniure, Inc.* (a)	12,400	155,744
VeriSign, Inc.* (a)	12,900	238,392
		394,136
IT Services 1.6%		
Cognizant Technology Solutions Corp. "A"*	5,200	138,840
CyberSource Corp.* (a)	6,300	96,390
ManTech International Corp. "A" (a)	1,800	77,472
		312,702
Semiconductors & Semiconductor Equipment 6.8%		
Altera Corp. (a)	4,900	79,772
ARM Holdings PLC (ADR) (a)	18,600	111,042
ASML Holding NV (NY Registered Shares) (a)	4,400	95,260
Broadcom Corp. "A"*	15,400	381,766
Cavium Networks, Inc.* (a)	10,800	181,548
Marvell Technology Group Ltd.*	20,100	233,964
MEMC Electronic Materials, Inc.*	8,100	144,261
Xilinx, Inc.	5,600	114,576
		1,342,189
Software 5.7%		
Blackboard, Inc.* (a)	7,400	213,564
BMC Software, Inc.*	2,800	94,612
Concur Technologies, Inc.* (a)	6,200	192,696
Electronic Arts, Inc.*	7,800	169,416
McAfee, Inc.*	5,500	232,045
Salesforce.com, Inc.* (a)	5,900	225,203
		1,127,536

	Shares	Value (\$)
Materials 6.8%		
Chemicals 2.2%		
Airgas, Inc. (a)	4,800	194,544
Intrepid Potash, Inc.* (a)	8,400	235,872
		430,416
Construction Materials 1.0%		
Martin Marietta Materials, Inc. (a)	2,600	205,088
Containers & Packaging 1.3%		
Owens-Illinois, Inc.*	9,300	260,493
Metals & Mining 2.3%		
Gerdau Ameristeel Corp.	42,300	288,486
Kinross Gold Corp.	9,300	168,795
		457,281
Telecommunication Services 1.8%		
Wireless Telecommunication Services		
American Tower Corp. "A"*	11,600	365,748
Utilities 0.9%		
Electric Utilities		
Allegheny Energy, Inc.	7,200	184,680
Total Common Stocks (Cost \$19,600,462)		19,607,541

	Shares	Value (\$)
Securities Lending Collateral 31.6%		
Daily Assets Fund Institutional, 0.48% (b) (c) (Cost \$6,259,370)	6,259,370	6,259,370

	Shares	Value (\$)
Cash Equivalents 2.1%		
Cash Management QP Trust, 0.27% (b) (Cost \$415,073)	415,073	415,073

	% of Net Assets	Value (\$)
Total Investment Portfolio (Cost \$26,274,905) [†]	132.5	26,281,984
Other Assets and Liabilities, Net	(32.5)	(6,445,391)
Net Assets	100.0	19,836,593

* Non-income producing security.

† The cost for federal income tax purposes was \$26,581,443. At June 30, 2009, net unrealized depreciation for all securities based on tax cost was \$299,459. This consisted of aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost of \$2,279,528 and aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value of \$2,578,987.

(a) All or a portion of these securities were on loan (see Notes to Financial Statements). The value of all securities loaned at June 30, 2009 amounted to \$6,069,462, which is 30.6% of net assets.

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

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

ADR: American Depositary Receipt

The accompanying notes are an integral part of the financial statements.

Fair Value Measurements

Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, "Fair Value Measurements," as amended, establishes a three-tier hierarchy for measuring fair value and requires additional disclosure about the classification of fair value measurements.

Various inputs are used in determining the value of the Portfolio'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 observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, and credit risk). Level 3 includes significant unobservable inputs (including the Portfolio'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 June 30, 2009 in valuing the Portfolio's investments. For information on the Portfolio's policy regarding the valuation of investments, please refer to the Security Valuation section of Note A in the accompanying Notes to the Financial Statements.

Assets	Level 1	Level 2	Level 3	Total
Common Stocks and/or Other Equity Investments (d)	\$ 19,607,541	\$ —	\$ —	\$ 19,607,541
Short-Term Investments (d)	6,259,370	415,073	—	6,674,443
Total	\$ 25,866,911	\$ 415,073	\$ —	\$ 26,281,984

(d) See Investment Portfolio for additional detailed categorizations.

The accompanying notes are an integral part of the financial statements.

Financial Statements

Statement of Assets and Liabilities

as of June 30, 2009 (Unaudited)

Assets

Investments:	
Investments in securities, at value (cost \$19,600,462) — including \$6,069,462 of securities loaned	\$ 19,607,541
Investment in Daily Assets Fund Institutional (cost \$6,259,370)*	6,259,370
Investment in Cash Management QP Trust (cost \$415,073)	415,073
Total investments, at value (cost \$26,274,905)	26,281,984
Receivable for Portfolio shares sold	21,203
Dividends receivable	3,644
Interest receivable	1,978
Other assets	531
Total assets	26,309,340

Liabilities

Payable upon return of securities loaned	6,259,370
Payable for Portfolio shares redeemed	55
Payable for investments purchased	150,461
Accrued management fee	3,757
Other accrued expenses and payables	59,104
Total liabilities	6,472,747
Net assets, at value	\$ 19,836,593

Net Assets Consist of

Accumulated net investment loss	(12,076)
Net unrealized appreciation (depreciation) on investments	7,079
Accumulated net realized gain (loss)	(27,641,682)
Paid-in capital	47,483,272
Net assets, at value	\$ 19,836,593

Class A

Net Asset Value, offering and redemption price
per share (\$19,836,593 ÷ 2,511,988
outstanding shares of beneficial interest, no par
value, unlimited number of shares authorized) **\$ 7.90**

* Represents collateral on securities loaned.

Statement of Operations

for the six months ended June 30, 2009 (Unaudited)

Investment Income

Dividends (net of foreign taxes withheld of \$190)	\$ 56,113
Interest — Cash Management QP Trust	1,526
Securities lending income, including income from Daily Assets Fund Institutional, net of borrower rebates	18,231
Total Income	75,870
Expenses:	
Management fee	58,688
Administration fee	8,825
Services to shareholders	444
Custodian fee	4,124
Distribution service fee (Class B)	9
Legal fees	4,293
Audit and tax fees	24,301
Trustees' fees and expenses	1,826
Reports to shareholders	9,130
Other	2,719
Total expenses before expense reductions	114,359
Expense reductions	(31,391)
Total expenses after expense reductions	82,968
Net investment income (loss)	(7,098)

Realized and Unrealized Gain (Loss)

Net realized gain (loss) from investments	(2,794,797)
Change in net unrealized appreciation (depreciation) on investments	5,369,692
Net gain (loss)	2,574,895
Net increase (decrease) in net assets resulting from operations	\$ 2,567,797

The accompanying notes are an integral part of the financial statements.

Statement of Changes in Net Assets

	Six Months Ended June 30, 2009 (Unaudited)	Year Ended December 31, 2008
Increase (Decrease) in Net Assets		
Operations:		
Net investment income (loss)	\$ (7,098)	\$ (70,372)
Net realized gain (loss)	(2,794,797)	(4,292,837)
Change in net unrealized appreciation (depreciation)	5,369,692	(17,648,743)
Net increase (decrease) in net assets resulting from operations	2,567,797	(22,011,952)
Portfolio share transactions:		
Class A		
Proceeds from shares sold	1,823,162	3,106,392
Cost of shares redeemed	(2,902,241)	(13,526,182)
Shares converted*	17,354	—
Net increase (decrease) in net assets from Class A share transactions	(1,061,725)	(10,419,790)
Class B		
Proceeds from shares sold	—	46,809
Cost of shares redeemed	(64)	(1,840,021)
Shares converted*	(17,354)	—
Net increase (decrease) in net assets from Class B share transactions	(17,418)	(1,793,212)
Increase (decrease) in net assets	1,488,654	(34,224,954)
Net assets at beginning of period	18,347,939	52,572,893
Net assets at end of period (including accumulated net investment loss of \$12,076 and \$4,978, respectively)	\$ 19,836,593	\$ 18,347,939
Other Information		
Class A		
Shares outstanding at beginning of period	2,694,618	3,720,929
Shares sold	241,671	300,045
Shares redeemed	(427,400)	(1,326,356)
Shares converted*	3,099	—
Net increase (decrease) in Class A shares	(182,630)	(1,026,311)
Shares outstanding at end of period	2,511,988	2,694,618
Class B		
Shares outstanding at beginning of period	3,171	145,552
Shares sold	—	4,043
Shares redeemed	(10)	(146,424)
Shares converted*	(3,161)	—
Net increase (decrease) in Class B shares	(3,171)	(142,381)
Shares outstanding at end of period	—	3,171

* On March 6, 2009, Class B shares converted into Class A shares.

The accompanying notes are an integral part of the financial statements.

Financial Highlights

Class A

Years Ended December 31,	2009 ^a	2008	2007	2006	2005	2004
Selected Per Share Data						
Net asset value, beginning of period	\$ 6.80	\$13.61	\$12.56	\$11.32	\$ 9.84	\$ 9.46
<i>Income (loss) from investment operations:</i>						
Net investment income (loss) ^b	(.00) ^{***}	(.02)	(.05)	(.06) ^d	(.05)	(.01)
Net realized and unrealized gain (loss)	1.10	(6.79)	1.10	1.30	1.53	.39
Total from investment operations	1.10	(6.81)	1.05	1.24	1.48	.38
Net asset value, end of period	\$ 7.90	\$ 6.80	\$13.61	\$12.56	\$11.32	\$ 9.84
Total Return (%) ^c	16.18 ^{**}	(50.04)	8.36	10.95 ^d	15.04	4.02
Ratios to Average Net Assets and Supplemental Data						
Net assets, end of period (\$ millions)	20	18	51	53	57	53
Ratio of expenses before expense reductions (%)	1.30 [*]	1.17	1.05	1.03	1.01	1.02
Ratio of expenses after expense reductions (%)	.94 [*]	1.02	.90	.93	.95	.95
Ratio of net investment income (loss) (%)	(.08) [*]	(.19)	(.38)	(.51) ^d	(.45)	(.11)
Portfolio turnover rate (%)	43 ^{**}	82	68	46	104	103

^a For the six months ended June 30, 2009 (Unaudited).

^b Based on average shares outstanding during the period.

^c Total return would have been lower had certain expenses not been reduced.

^d Includes non-recurring income from the Advisor recorded as a result of an administrative proceeding regarding disclosure of brokerage allocation practices in connection with sales of DWS Funds. The non-recurring income resulted in an increase in net investment income of \$0.003 per share and an increase in the ratio of net investment income of 0.03%. Excluding this non-recurring income, total return would have been 0.03% lower.

^{*} Annualized

^{**} Not annualized

^{***} Amount is more than (\$.005).

DWS Money Market VIP

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 redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Please contact your participating insurance company for the Portfolio's most recent month-end performance. Performance doesn't reflect charges and fees ("contract charges") associated with the separate account that invests in the Portfolio or any variable life insurance policy or variable annuity contract for which the Portfolio is an investment option. These charges and fees will reduce returns. The yield quotation more closely reflects the current earnings of the Portfolio than the total return quotation.

Risk Considerations

An investment in the Portfolio is not insured or guaranteed by the FDIC or any other government agency. Although the Portfolio seeks to preserve the value of your investment at \$1.00 per share, this share price isn't guaranteed and you could lose money by investing in the Portfolio. The share price of money market funds can fall below the \$1.00 share price. You should not rely on or expect the Advisor to enter into support agreements or take other actions to maintain the Portfolio's \$1.00 share price. The credit quality of the Portfolio's holdings can change rapidly in certain markets, and the default of a single holding could have an adverse impact on the Portfolio's share price. The Portfolio's share price can also be negatively affected during periods of high redemption pressures and/or illiquid markets. The actions of a few large investors in the Portfolio may have a significant adverse effect on the share price of the Portfolio. Please read this Portfolio's prospectus for specific details regarding its risk profile.

Portfolio's Class A Shares Yield	7-day current yield
June 30, 2009	.13%
December 31, 2008	1.59%*

* The investment advisor has agreed to waive fees/reimburse expenses. Without such fee waivers/expense reimbursements, the 7-day current yield would have been 1.31% as of December 31, 2008.

Yields are historical, will fluctuate and do not guarantee future performance. The 7-day current yield refers to the income paid by the Portfolio over a 7-day period expressed as an annual percentage rate of the Portfolio's shares outstanding.

Information About Your Portfolio's Expenses

DWS Money Market VIP

As an investor of the Portfolio, you incur two types of costs: ongoing expenses and transaction costs. Ongoing expenses include management fees, distribution and service (12b-1) fees and other Portfolio expenses. Examples of transaction costs include contract charges, redemption fees and account maintenance fees, which are not shown in this section. The following tables are intended to help you understand your ongoing expenses (in dollars) of investing in the Portfolio and to help you compare these expenses with the ongoing expenses of investing in other mutual funds. In the most recent six-month period, the Portfolio limited these expenses; had they not done so, expenses would have been higher. The example in the table is based on an investment of \$1,000 invested at the beginning of the six-month period and held for the entire period (January 1, 2009 to June 30, 2009).

The tables illustrate your Portfolio's expenses in two ways:

- **Actual Portfolio Return.** This helps you estimate the actual dollar amount of ongoing expenses (but not transaction costs) paid on a \$1,000 investment in the Portfolio using the Portfolio's actual return during the period. To estimate the expenses you

paid over the period, simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the "Expenses Paid per \$1,000" line under the share class you hold.

- **Hypothetical 5% Portfolio Return.** This helps you to compare your Portfolio's ongoing expenses (but not transaction costs) with those of other mutual funds using the Portfolio's actual expense ratio and a hypothetical rate of return of 5% per year before expenses. Examples using a 5% hypothetical Portfolio return may be found in the shareholder reports of other mutual funds. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period.

Please note that the expenses shown in these tables are meant to highlight your ongoing expenses only and do not reflect any transaction costs. The "Expenses Paid per \$1,000" line of the tables is useful in comparing ongoing expenses only and will not help you determine the relative total expense of owning different funds. If these transaction costs had been included, your costs would have been higher.

Expenses and Value of a \$1,000 Investment for the six months ended June 30, 2009

Actual Portfolio Return	Class A
Beginning Account Value 1/1/09	\$1,000.00
Ending Account Value 6/30/09	\$1,002.90
Expenses Paid per \$1,000*	\$ 2.33

Hypothetical 5% Portfolio Return	Class A
Beginning Account Value 1/1/09	\$1,000.00
Ending Account Value 6/30/09	\$1,022.46
Expenses Paid per \$1,000*	\$ 2.36

* Expenses are equal to the Portfolio's annualized expense ratio for each share class, multiplied by the average account value over the period, multiplied by the number of days in the most recent six-month period, then divided by 365.

Annualized Expense Ratio	Class A
DWS Variable Series II — DWS Money Market VIP	.47%

For more information, please refer to the Portfolio's prospectus.

These tables do not reflect charges and fees ("contract charges") associated with the separate account that invests in the Portfolio or any variable life insurance policy or variable annuity contract for which the Portfolio is an investment option.

Portfolio Summary

DWS Money Market VIP

Asset Allocation (As a % of Investment Portfolio)	6/30/09	12/31/08
Commercial Paper	43%	41%
Repurchase Agreements	17%	6%
Certificates of Deposit and Bank Notes	14%	16%
Government & Agency Obligations	13%	17%
Short-Term Notes	13%	14%
Time Deposit	—	4%
Master Notes	—	2%
	100%	100%

Weighted Average Maturity*

DWS Variable Series II — DWS Money Market VIP	63 days	61 days
First Tier Retail Money Fund Average	47 days	42 days

* The Portfolio is compared to its respective iMoneyNet Category: First Tier Retail Money Fund Average — Category includes a widely-recognized composite of money market funds that invest in only first tier (highest rating) securities. Portfolio Holdings of First Tier funds include US Treasury, US Other, Repos, Time Deposits, Domestic Bank Obligations, Foreign Bank Obligations, First Tier Commercial Paper, Floating Rate Notes and Asset Backed Commercial Paper.

Asset allocation and weighted average maturity are subject to change.

For more complete details about the Portfolio's investment portfolio, see page 125. A complete list of portfolio holdings of the Portfolio is posted as of the month end on www.dws-investments.com on or about the 15th day of the following month. More frequent posting of portfolio holdings information may be made from time to time on www.dws-investments.com.

Following the Portfolio's fiscal first and third quarter-end, a complete portfolio holdings listing is filed with the SEC on Form N-Q. The form will be available on the SEC's Web site at www.sec.gov, and it also may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the SEC's Public Reference Room may be obtained by calling (800) SEC-0330.

Investment Portfolio

June 30, 2009 (Unaudited)

DWS Money Market VIP

	Principal Amount (\$)	Value (\$)		Principal Amount (\$)	Value (\$)
Certificates of Deposit and Bank Notes 14.6%					
Bank of Tokyo-Mitsubishi UFJ Ltd.:			ING (US) Funding LLC, 0.61%, 8/3/2009	7,000,000	6,996,086
1.0%, 7/6/2009	3,700,000	3,700,000	Johnson & Johnson:		
1.0%, 7/10/2009	1,500,000	1,500,000	144A, 0.24%, 7/7/2009	3,000,000	2,999,880
BNP Paribas:			144A, 0.3%, 7/22/2009	3,900,000	3,899,317
0.82%, 11/5/2009	5,000,000	5,000,000	Kreditanstalt fuer Wiederaufbau:		
1.0%, 8/10/2009	3,700,000	3,700,000	144A, 0.28%, 7/27/2009	2,000,000	1,999,595
Canadian Imperial Bank of Commerce, 0.85%, 7/8/2009	3,700,000	3,700,000	144A, 0.6%, 8/27/2009	3,000,000	2,997,150
Dexia Credit Local, 0.85%, 9/1/2009	2,500,000	2,500,043	144A, 0.75%, 9/3/2009	3,000,000	2,996,000
DnB NOR Bank ASA, 0.8%, 7/8/2009	3,700,000	3,700,000	Microsoft Corp., 144A, 0.17%, 7/15/2009	2,500,000	2,499,835
Landwirtschaftliche Rentenbank, 2.625%, 2/26/2010	1,500,000	1,517,077	NRW.Bank:		
Mizuho Corporate Bank Ltd.:			0.49%, 8/12/2009	750,000	749,571
0.42%, 9/9/2009	2,750,000	2,750,000	0.6%, 11/12/2009	750,000	748,325
0.5%, 8/14/2009	2,500,000	2,500,000	0.67%, 10/15/2009	1,000,000	998,027
0.7%, 8/5/2009	3,500,000	3,500,000	Procter & Gamble International Funding SCA:		
0.85%, 7/20/2009	4,500,000	4,500,000	144A, 0.64%, 9/4/2009	4,000,000	3,995,378
Svenska Handelsbanken AB, 0.62%, 11/30/2009	3,000,000	3,000,253	144A, 0.65%, 8/11/2009	3,800,000	3,797,187
Toronto-Dominion Bank:			Rabobank USA Financial Corp., 0.74%, 7/15/2009	3,500,000	3,498,993
0.6%, 1/12/2010	2,800,000	2,801,209	Romulus Funding Corp.:		
0.75%, 2/8/2010	2,000,000	2,000,000	144A, 0.87%, 7/1/2009	1,200,000	1,200,000
Wal-Mart Stores, Inc., 5.321%, 6/1/2010	1,500,000	1,563,757	144A, 0.9%, 7/6/2009	3,000,000	2,999,625
Total Certificates of Deposit and Bank Notes (Cost \$47,932,339)		47,932,339	Societe Generale North America, Inc.:		
			0.5%, 9/15/2009	1,250,000	1,248,681
			0.75%, 10/30/2009	1,500,000	1,496,219
			Straight-A Funding LLC:		
			144A, 0.36%, 8/27/2009	3,000,000	2,998,290
			144A, 0.37%, 9/9/2009	2,500,000	2,498,205
			144A, 0.37%, 9/10/2009	5,500,000	5,495,987
			144A, 0.37%, 9/16/2009	10,200,000	10,191,928
			144A, 0.39%, 8/24/2009	4,000,000	3,997,660
			144A, 0.43%, 8/10/2009	3,500,000	3,498,328
			144A, 0.5%, 8/7/2009	2,000,000	1,998,972
			Swedbank AB:		
			144A, 0.81%, 3/30/2010	1,300,000	1,292,044
			144A, 0.82%, 2/19/2010	1,300,000	1,293,101
			144A, 0.86%, 6/3/2010	1,000,000	991,949
			144A, 0.89%, 5/28/2010	1,300,000	1,289,362
			144A, 0.99%, 5/12/2010	1,700,000	1,685,274
			144A, 1.07%, 6/10/2010	1,650,000	1,633,130
			144A, 1.09%, 6/14/2010	1,000,000	989,463
			Total Capital Canada Ltd.:		
			144A, 0.29%, 8/12/2009	4,000,000	3,998,647
			144A, 0.52%, 7/8/2009	3,700,000	3,699,626
			Victory Receivables Corp., 144A, 0.4%, 9/17/2009	2,000,000	1,998,267
			Wal-Mart Stores, Inc., 144A, 0.75%, 9/8/2009	2,000,000	1,997,125
			Westpac Banking Corp., 0.74%, 9/24/2009	4,500,000	4,492,137
			Total Commercial Paper (Cost \$141,487,099)		141,487,099
Commercial Paper 43.0% Issued at Discount**					
ASB Finance Ltd.:					
0.9%, 12/9/2009	1,000,000	995,975			
144A, 1.03%, 8/17/2009	750,000	748,991			
1.2%, 3/12/2010	500,000	495,767			
BNZ International Funding Ltd., 144A, 1.0%, 8/14/2009	1,000,000	998,778			
BP Capital Markets PLC:					
0.76%, 10/13/2009	2,200,000	2,195,170			
0.78%, 10/22/2009	4,500,000	4,488,982			
Caisse D'Amortissement de la Dette Sociale:					
0.65%, 3/12/2010	1,500,000	1,493,121			
0.7%, 1/8/2010	1,500,000	1,494,429			
1.05%, 9/9/2009	2,000,000	1,995,917			
Citibank Omni Master Trust, 144A, 0.77%, 7/1/2009	3,400,000	3,400,000			
Coca-Cola Co.:					
144A, 0.52%, 7/6/2009	2,500,000	2,499,819			
144A, 0.57%, 7/15/2009	3,500,000	3,499,224			
144A, 0.65%, 8/12/2009	3,500,000	3,497,346			
Danske Corp.:					
144A, 0.33%, 8/4/2009	3,300,000	3,298,971			
144A, 0.6%, 1/11/2010	4,000,000	3,987,067			
Eli Lilly & Co., 144A, 0.75%, 10/5/2009	3,500,000	3,493,000			
General Electric Capital Services, Inc., 0.8%, 11/2/2009	1,750,000	1,745,178			

The accompanying notes are an integral part of the financial statements.

	Principal Amount (\$)	Value (\$)
Short-Term Notes* 12.9%		
Australia & New Zealand Banking Group Ltd.:		
144A, 0.561%, 7/10/2009	1,000,000	1,000,000
144A, 0.876%, 7/2/2009	1,000,000	1,000,000
Commonwealth Bank of Australia,		
144A, 0.71%, 6/24/2010	3,000,000	3,000,000
Credit Agricole SA, 144A, 0.565%,		
7/22/2009	2,500,000	2,500,000
General Electric Capital Corp.,		
0.355%, 9/24/2009	10,000,000	10,000,000
Inter-American Development Bank,		
0.795%, 2/19/2010	3,900,000	3,900,000
International Bank for Reconstruction		
& Development, 0.989%,		
2/1/2010	3,000,000	3,000,000
Kreditanstalt fuer Wiederaufbau,		
1.518%, 1/21/2010	2,500,000	2,500,000
Procter & Gamble International		
Funding SCA, 0.996%, 5/7/2010	1,300,000	1,300,000
Queensland Treasury Corp., 0.68%,		
6/18/2010	2,500,000	2,500,000
Rabobank Nederland NV:		
144A, 0.56%, 4/7/2011	4,000,000	4,000,000
144A, 1.176%, 10/9/2009	2,000,000	2,000,000
144A, 1.225%, 5/19/2010	1,800,000	1,807,526
Royal Bank of Canada, 144A,		
0.739%, 7/15/2009	1,800,000	1,800,000
Royal Bank of Scotland PLC,		
0.766%, 5/21/2010	2,000,000	2,000,000
Total Short-Term Notes (Cost \$42,307,526)		42,307,526

	Principal Amount (\$)	Value (\$)
Government & Agency Obligations 13.3%		
Foreign Government Obligations 2.2%		
Government of Canada:		
0.21%, 7/7/2009	1,000,000	999,965
0.5%, 7/7/2009	500,000	499,958
0.5%, 7/8/2009	500,000	499,951
0.85%, 11/19/2009	1,500,000	1,495,006
0.9%, 11/30/2009	3,750,000	3,735,750
		7,230,630
US Government Sponsored Agencies 8.1%		
Federal Home Loan Bank:		
0.507% **, 1/12/2010	4,000,000	3,988,950
0.795% **, 12/4/2009	2,000,000	1,993,067
0.85% *, 3/11/2010	2,500,000	2,499,774
Federal Home Loan Mortgage Corp.:		
0.535% **, 8/3/2009	5,000,000	4,997,479
0.592% **, 9/15/2009	2,000,000	1,997,467
0.593% **, 9/21/2009	3,200,000	3,195,627
Federal National Mortgage		
Association, 1.831% **, 7/27/2009	8,000,000	7,989,022
		26,661,386
US Treasury Obligations 3.0%		
US Treasury Bills:		
0.3% **, 7/23/2009	2,000,000	1,999,633
0.345% **, 7/30/2009	2,000,000	1,999,444
0.48% **, 1/14/2010	2,500,000	2,493,433
0.53% **, 6/3/2010	1,650,000	1,641,814
0.6% **, 6/3/2010	1,600,000	1,591,014
		9,725,338
Total Government & Agency Obligations (Cost \$43,617,354)		43,617,354

Repurchase Agreements 16.6%

JPMorgan Securities, Inc., 0.08%, dated 6/30/2009, to be repurchased at \$54,603,555 on 7/1/2009 (a) (Cost \$54,603,434)	54,603,434	54,603,434
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	% of Net Assets	Value (\$)
Total Investment Portfolio (Cost \$329,947,752) [†]	100.4	329,947,752
Other Assets and Liabilities, Net	(0.4)	(1,263,111)
Net Assets	100.0	328,684,641

* Floating rate notes are securities whose yields vary with a designated market index or market rate, such as the coupon-equivalent of the US Treasury bill rate. These securities are shown at their current rate as of June 30, 2009.

** Annualized yield at time of purchase; not a coupon rate.

† The cost for federal income tax purposes was \$329,947,752.

(a) Collateralized by \$53,473,303 Federal Home Loan Mortgage Corp., 5.5%, maturing on 5/1/2035 with a value of \$55,695,626.

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 accompanying notes are an integral part of the financial statements.

Fair Value Measurements

Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, "Fair Value Measurements," as amended, establishes a three-tier hierarchy for measuring fair value and requires additional disclosure about the classification of fair value measurements.

Various inputs are used in determining the value of the Portfolio'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 observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, and credit risk). Level 3 includes significant unobservable inputs (including the Portfolio'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. Securities held by a money market Portfolio are reflected as Level 2 because the securities are valued at amortized cost (which approximates fair value) and, accordingly, the inputs used to determine value are not quoted prices in an active market.

The following is a summary of the inputs used as of June 30, 2009 in valuing the Portfolio's investments. For information on the Portfolio's policy regarding the valuation of investments, please refer to the Security Valuation section of Note A in the accompanying Notes to the Financial Statements.

Assets	Level 1	Level 2	Level 3	Total
Short-Term Investments (b)	\$ —	\$ 329,947,752	\$ —	\$ 329,947,752
Total	\$ —	\$ 329,947,752	\$ —	\$ 329,947,752

(b) See Investment Portfolio for additional detailed categorizations.

The accompanying notes are an integral part of the financial statements.

Financial Statements

Statement of Assets and Liabilities

as of June 30, 2009 (Unaudited)

Assets

Investments:	
Investments in securities, at value at amortized cost	\$ 275,344,318
Repurchase agreements, valued at amortized cost	54,603,434
Total investments, valued at amortized cost	329,947,752
Interest receivable	119,821
Receivable for Portfolio shares sold	315,228
Other assets	6,014
Total assets	330,388,815

Liabilities

Payable for Portfolio shares redeemed	1,393,820
Distributions payable	19,321
Accrued management fee	76,023
Other accrued expenses and payables	215,010
Total liabilities	1,704,174

Net assets, at value \$ **328,684,641**

Net Assets Consist of

Distributions in excess of net investment income	(118,469)
Accumulated net realized gain (loss)	(20,088)
Paid-in capital	328,823,198

Net assets, at value \$ **328,684,641**

Class A

Net Asset Value, offering and redemption price per share (\$328,684,641 ÷ 328,810,880 outstanding shares of beneficial interest, no par value, unlimited number of shares authorized) \$ **1.00**

Statement of Operations

for the six months ended June 30, 2009 (Unaudited)

Investment Income

Income:	
Interest	\$ 1,991,630
Expenses:	
Management fee	516,497
Administration fee	181,227
Services to shareholders	906
Custodian fee	8,607
Distribution service fee (Class B)	10
Professional fees	32,734
Trustees' fee and expenses	8,970
Reports to shareholders and shareholder meeting	52,234
Temporary guarantee program participation fee	79,769
Other	10,235
Total expenses, before expense reductions	891,189
Expense reductions	(13,385)
Total expenses, after expense reductions	877,804
Net investment income	1,113,826
Net realized gain (loss)	(20,088)
Net increase (decrease) in net assets resulting from operations	\$ 1,093,738

The accompanying notes are an integral part of the financial statements.

Statement of Changes in Net Assets

	Six Months Ended June 30, 2009 (Unaudited)	Year Ended December 31, 2008
Increase (Decrease) in Net Assets		
Operations:		
Net investment income	\$ 1,113,826	\$ 10,015,243
Net realized gain (loss)	(20,088)	109,674
Net increase (decrease) in net assets resulting from operations	1,093,738	10,124,917
Distributions to shareholders from:		
Net investment income:		
Class A	(1,101,636)	(10,103,886)
Class B	(37)	(127,775)
Total distributions	\$ (1,101,673)	\$ (10,231,661)
Portfolio share transactions:		
Class A		
Proceeds from shares sold	66,013,224	264,441,713
Shares converted*	41,096	
Reinvestment of distributions	1,375,427	10,438,782
Cost of shares redeemed	(136,487,129)	(232,250,984)
Net increase (decrease) in net assets from Class A share transactions	(69,057,382)	42,629,511
Class B		
Proceeds from shares sold	50	4,026,431
Shares converted*	(41,096)	
Reinvestment of distributions	58	158,921
Cost of shares redeemed	(49)	(28,403,441)
Net increase (decrease) in net assets from Class B share transactions	(41,037)	(24,218,089)
Increase (decrease) in net assets	(69,106,354)	18,304,678
Net assets at beginning of period	397,790,995	379,486,317
Net assets at end of period (including distributions in excess of net investment income of \$118,469 and \$130,622, respectively)	\$ 328,684,641	\$ 397,790,995
Other Information		
Class A		
Shares outstanding at beginning of period	397,868,262	355,238,751
Shares sold	66,013,224	264,441,713
Shares converted*	41,096	—
Shares issued to shareholders in reinvestment of distributions	1,375,427	10,438,782
Shares redeemed	(136,487,129)	(232,250,984)
Net increase (decrease) in Class A shares	(69,057,382)	42,629,511
Shares outstanding at end of period	328,810,880	397,868,262
Class B		
Shares outstanding at beginning of period	41,037	24,259,126
Shares sold	50	4,026,431
Shares converted*	(41,096)	—
Shares issued to shareholders in reinvestment of distributions	58	158,921
Shares redeemed	(49)	(28,403,441)
Net increase (decrease) in Class B shares	(41,037)	(24,218,089)
Shares outstanding at end of period	—	41,037

* On February 3, 2009, Class B shares converted into Class A shares.

The accompanying notes are an integral part of the financial statements.

Financial Highlights

Class A

Years Ended December 31,	2009 ^a	2008	2007	2006	2005	2004
Selected Per Share Data						
Net asset value, beginning of period	\$1.000	\$1.000	\$1.000	\$1.000	\$1.000	\$1.000
<i>Income from investment operations:</i>						
Net investment income	.003	.026	.049	.046	.028	.009
Total from investment operations	.003	.026	.049	.046	.028	.009
<i>Less distributions from:</i>						
Net investment income	(.003)	(.026)	(.049)	(.046)	(.028)	(.009)
Net asset value, end of period	\$1.000	\$1.000	\$1.000	\$1.000	\$1.000	\$1.000
Total Return (%)	.29 ^{b**}	2.64 ^b	5.00 ^b	4.65 ^b	2.80	.91
Ratios to Average Net Assets and Supplemental Data						
Net assets, end of period (\$ millions)	329	398	355	294	235	241
Ratio of expenses before expense reductions (%)	.48 [*]	.52	.46	.52	.52	.53
Ratio of expenses after expense reductions (%)	.47 [*]	.50	.45	.51	.52	.53
Ratio of net investment income (%)	.61 [*]	2.56	4.88	4.58	2.77	.88

^a For the six months ended June 30, 2009 (Unaudited).

^b Total return would have been lower had certain expenses not been reduced.

^{*} Annualized

^{**} Not annualized

DWS Small Cap Growth VIP

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 redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Please contact your participating insurance company for the Portfolio's most recent month-end performance. Performance doesn't reflect charges and fees ("contract charges") associated with the separate account that invests in the Portfolio or any variable life insurance policy or variable annuity contract for which the Portfolio is an investment option. These charges and fees will reduce returns. While all share classes have the same underlying Portfolio, their performance will differ.

The total annual Portfolio operating expense ratio, gross of any fee waivers or expense reimbursements, as stated in the fee table of the prospectus dated May 1, 2009 is .79% for Class A shares. Please see the Information About Your Portfolio's Expenses, the Financial Highlights and Notes to the Financial Statements (Note C, Related Parties) sections of this report for gross and net expense-related disclosure for the period ended June 30, 2009.

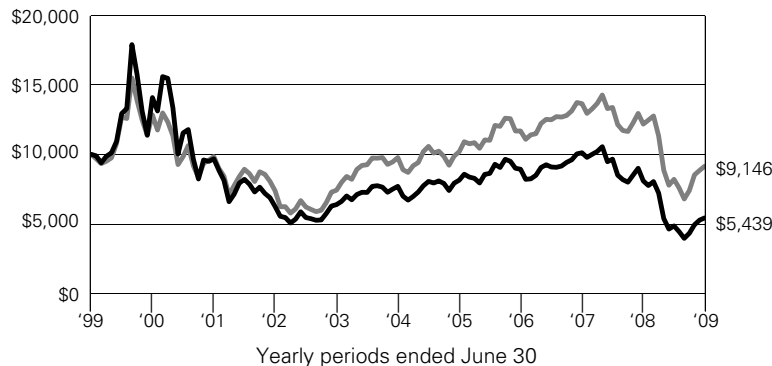
Risk Considerations

This Portfolio is subject to stock market risk, meaning stocks in the Portfolio may decline in value for extended periods of time due to the activities and financial prospects of individual companies, or due to general market and economic conditions. Additionally, stocks of small companies involve greater risk than securities of larger, more-established companies, as they often have limited product lines, markets or financial resources and may be subject to more erratic and abrupt market movements. Finally, derivatives may be more volatile and less liquid than traditional securities and the Portfolio could suffer losses on its derivatives positions. Please read this Portfolio's prospectus for specific details regarding this product's investments and risk profile.

Portfolio returns shown for the 1-year, 3-year, 5-year and 10-year periods reflect a fee waiver and/or expense reimbursement. Without this waiver/reimbursement, returns would have been lower.

Growth of an Assumed \$10,000 Investment in DWS Small Cap Growth VIP

- DWS Small Cap Growth VIP — Class A
- Russell 2000® Growth Index



The Russell 2000® Growth Index is an unmanaged, capitalization-weighted measure of 2,000 of the smallest capitalized US companies with a greater-than-average growth orientation and whose common stocks trade on the NYSE Amex and Nasdaq. Index returns assume reinvestment of dividends and, unlike portfolio returns, do not reflect any fees or expenses. It is not possible to invest directly into an index.

Comparative Results

DWS Small Cap Growth VIP		6-Month [‡]	1-Year	3-Year	5-Year	10-Year
Class A	Growth of \$10,000	\$11,156	\$6,717	\$6,090	\$7,057	\$5,439
	Average annual total return	11.56%	-32.83%	-15.24%	-6.73%	-5.91%
Russell 2000 Growth Index	Growth of \$10,000	\$11,136	\$7,515	\$7,829	\$9,355	\$9,146
	Average annual total return	11.36%	-24.85%	-7.83%	-1.32%	-8.9%

The growth of \$10,000 is cumulative.

[‡] Total returns shown for periods less than one year are not annualized.

Information About Your Portfolio's Expenses

DWS Small Cap Growth VIP

As an investor of the Portfolio, you incur two types of costs: ongoing expenses and transaction costs. Ongoing expenses include management fees, distribution and service (12b-1) fees and other Portfolio expenses. Examples of transaction costs include contract charges, redemption fees and account maintenance fees, which are not shown in this section. The following tables are intended to help you understand your ongoing expenses (in dollars) of investing in the Portfolio and to help you compare these expenses with the ongoing expenses of investing in other mutual funds. The example in the table is based on an investment of \$1,000 invested at the beginning of the six-month period and held for the entire period (January 1, 2009 to June 30, 2009).

The tables illustrate your Portfolio's expenses in two ways:

- **Actual Portfolio Return.** This helps you estimate the actual dollar amount of ongoing expenses (but not transaction costs) paid on a \$1,000 investment in the Portfolio using the Portfolio's actual return during the period. To estimate the expenses you paid over the period, simply divide your account

value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the "Expenses Paid per \$1,000" line under the share class you hold.

- **Hypothetical 5% Portfolio Return.** This helps you to compare your Portfolio's ongoing expenses (but not transaction costs) with those of other mutual funds using the Portfolio's actual expense ratio and a hypothetical rate of return of 5% per year before expenses. Examples using a 5% hypothetical Portfolio return may be found in the shareholder reports of other mutual funds. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period.

Please note that the expenses shown in these tables are meant to highlight your ongoing expenses only and do not reflect any transaction costs. The "Expenses Paid per \$1,000" line of the tables is useful in comparing ongoing expenses only and will not help you determine the relative total expense of owning different funds. If these transaction costs had been included, your costs would have been higher.

Expenses and Value of a \$1,000 Investment for the six months ended June 30, 2009

Actual Portfolio Return	Class A
Beginning Account Value 1/1/09	\$1,000.00
Ending Account Value 6/30/09	\$1,115.60
Expenses Paid per \$1,000*	\$ 4.93

Hypothetical 5% Portfolio Return	Class A
Beginning Account Value 1/1/09	\$1,000.00
Ending Account Value 6/30/09	\$1,020.13
Expenses Paid per \$1,000*	\$ 4.71

* Expenses are equal to the Portfolio's annualized expense ratio for each share class, multiplied by the average account value over the period, multiplied by the number of days in the most recent six-month period, then divided by 365.

Annualized Expense Ratio	Class A
DWS Variable Series II — DWS Small Cap Growth VIP	.94%

For more information, please refer to the Portfolio's prospectus.

These tables do not reflect charges and fees ("contract charges") associated with the separate account that invests in the Portfolio or any variable life insurance policy or variable annuity contract for which the Portfolio is an investment option.

Portfolio Summary

DWS Small Cap Growth VIP

Asset Allocation (As a % of Investment Portfolio excluding Securities Lending Collateral)	6/30/09	12/31/08
Common Stocks	98%	94%
Cash Equivalents	2%	6%
	100%	100%

Sector Diversification (As a % of Common Stocks)	6/30/09	12/31/08
Information Technology	24%	33%
Health Care	24%	18%
Industrials	16%	11%
Consumer Discretionary	13%	16%
Energy	9%	8%
Financials	8%	9%
Consumer Staples	4%	5%
Materials	2%	—
	100%	100%

Asset allocation and sector diversification are subject to change.

For more complete details about the Portfolio's investment portfolio, see page 134. A complete list of portfolio holdings of the Portfolio is posted as of the month end on www.dws-investments.com on or about the 15th day of the following month. More frequent posting of portfolio holdings information may be made from time to time on www.dws-investments.com.

Following the Portfolio's fiscal first and third quarter-end, a complete portfolio holdings listing is filed with the SEC on Form N-Q. The form will be available on the SEC's Web site at www.sec.gov, and it also may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the SEC's Public Reference Room may be obtained by calling (800) SEC-0330.

Investment Portfolio

June 30, 2009 (Unaudited)

DWS Small Cap Growth VIP

	Shares	Value (\$)		Shares	Value (\$)
Common Stocks 98.3%			Health Care 22.9%		
Consumer Discretionary 13.0%			Biotechnology 4.2%		
Diversified Consumer Services 1.5%			Alexion Pharmaceuticals, Inc.*	26,900	1,106,128
Capella Education Co.*	16,700	1,001,165	BioMarin Pharmaceutical, Inc.*	27,800	433,958
Hotels Restaurants & Leisure 2.6%			Myriad Genetics, Inc.*	26,500	944,725
Buffalo Wild Wings, Inc.* (a)	29,000	943,080	Myriad Pharmaceuticals, Inc.*	6,150	28,598
Burger King Holdings, Inc.	20,800	359,216	United Therapeutics Corp.*	4,100	341,653
Red Robin Gourmet Burgers, Inc.*	26,200	491,250			2,855,062
		1,793,546	Health Care Equipment & Supplies 5.3%		
Specialty Retail 7.2%			Hologic, Inc.*	48,700	693,001
Advance Auto Parts, Inc.	24,500	1,016,505	Masimo Corp.*	30,800	742,588
Children's Place Retail Stores, Inc.* (a)	35,300	932,979	NuVasive, Inc.* (a)	20,500	914,300
DSW, Inc. "A"*	55,900	550,615	Thoratec Corp.*	47,900	1,282,762
Guess?, Inc.	42,300	1,090,494			3,632,651
hhgregg, Inc.*	35,600	539,696	Health Care Providers & Services 6.7%		
Urban Outfitters, Inc.*	36,400	759,668	AMERIGROUP Corp.*	18,800	504,780
		4,889,957	Centene Corp.*	30,900	617,382
Textiles, Apparel & Luxury Goods 1.7%			Genoptix, Inc.*	31,700	1,014,083
True Religion Apparel, Inc.*	53,300	1,188,590	Gentiva Health Services, Inc.*	40,900	673,214
Consumer Staples 4.2%			MEDNAX, Inc.*	13,800	581,394
Food & Staples Retailing 0.8%			Psychiatric Solutions, Inc.* (a)	51,700	1,175,658
Casey's General Stores, Inc.	20,700	531,783			4,566,511
Food Products 2.1%			Health Care Technology 0.7%		
Darling International, Inc.*	72,900	481,140	Cerner Corp.* (a)	8,200	510,778
Green Mountain Coffee Roasters, Inc.* (a)	16,050	948,876	Life Sciences Tools & Services 2.6%		
		1,430,016	Covance, Inc.*	9,700	477,240
Personal Products 1.3%			ICON PLC (ADR)	34,900	753,142
Chattem, Inc.* (a)	13,300	905,730	Illumina, Inc.*	14,200	552,948
Energy 8.8%					1,783,330
Energy Equipment & Services 2.1%			Pharmaceuticals 3.4%		
Dril-Quip, Inc.*	25,000	952,500	Flamel Technologies SA (ADR)* (a)	34,500	241,500
T-3 Energy Services, Inc.*	41,400	493,074	MiddleBrook Pharmaceuticals, Inc.*	228,100	307,935
		1,445,574	Mylan, Inc.*	71,000	926,550
Oil, Gas & Consumable Fuels 6.7%			Par Pharmaceutical Companies, Inc.*	57,100	865,065
Arena Resources, Inc.*	28,300	901,355			2,341,050
BPZ Resources, Inc.* (a)	190,500	931,545	Industrials 14.8%		
Carrizo Oil & Gas, Inc.* (a)	61,000	1,046,150	Aerospace & Defense 2.1%		
EXCO Resources, Inc.*	70,200	906,984	BE Aerospace, Inc.*	53,100	762,516
Goodrich Petroleum Corp.* (a)	31,800	781,962	Curtiss-Wright Corp.	23,900	710,547
		4,567,996			1,473,063
Financials 8.7%			Commercial Services & Supplies 0.7%		
Capital Markets 3.2%			Team, Inc.*	28,600	448,162
Duff & Phelps Corp. "A"	40,500	720,090	Construction & Engineering 0.6%		
Riskmetrics Group, Inc.* (a)	35,700	630,462	MYR Group, Inc.* (a)	21,300	430,686
Waddell & Reed Financial, Inc. "A"	32,000	843,840	Electrical Equipment 5.3%		
		2,194,392	A-Power Energy Generation Systems Ltd.* (a)	59,400	474,012
Commercial Banks 0.7%			AZZ, Inc.*	22,200	763,902
PrivateBancorp., Inc.	21,900	487,056	Baldor Electric Co. (a)	41,800	994,422
Consumer Finance 0.7%			General Cable Corp.*	18,700	702,746
Dollar Financial Corp.*	36,800	507,472	Polypore International, Inc.*	64,000	711,680
Diversified Financial Services 2.2%					3,646,762
Portfolio Recovery Associates, Inc.* (a)	37,920	1,468,642	Machinery 3.5%		
Insurance 1.9%			Astec Industries, Inc.*	20,400	605,676
eHealth, Inc.*	71,900	1,269,754	Badger Meter, Inc. (a)	18,200	746,200
			RBC Bearings, Inc.*	30,600	625,770

The accompanying notes are an integral part of the financial statements.

	Shares	Value (\$)
Terex Corp.*	32,800	395,896
		2,373,542
Professional Services 0.9%		
FTI Consulting, Inc.*	11,600	588,352
Road & Rail 1.7%		
Genesee & Wyoming, Inc. "A"*	20,300	538,153
Knight Transportation, Inc. (a)	37,000	612,350
		1,150,503
Information Technology 23.8%		
Electronic Equipment, Instruments & Components 2.1%		
Itron, Inc.* (a)	25,800	1,420,806
Internet Software & Services 3.2%		
LogMeIn, Inc.*	3,200	51,200
LoopNet, Inc.* (a)	112,400	871,100
MercadoLibre, Inc.*	24,900	669,312
Omniture, Inc.*	48,800	612,928
		2,204,540
IT Services 4.6%		
CyberSource Corp.*	94,500	1,445,850
Forrester Research, Inc.*	48,200	1,183,310
ManTech International Corp. "A"*	11,800	507,872
		3,137,032
Semiconductors & Semiconductor Equipment 5.6%		
Atheros Communications* (a)	50,200	965,848
Cavium Networks, Inc.*	53,350	896,813
Microsemi Corp.*	46,700	644,460
Netlogic Microsystems, Inc.* (a)	36,300	1,323,498
		3,830,619

	Shares	Value (\$)
Software 8.3%		
ArcSight, Inc.*	20,700	367,839
Blackboard, Inc.* (a)	33,500	966,810
Concur Technologies, Inc.* (a)	32,500	1,010,100
FalconStor Software, Inc.*	227,800	1,082,050
Rosetta Stone, Inc.*	17,100	469,224
Taleo Corp. "A"*	54,700	999,368
VanceInfo Technologies, Inc. (ADR)*	52,500	775,425
		5,670,816

Materials 2.1%		
Chemicals 0.9%		
Airgas, Inc.	15,200	616,056
Containers & Packaging 1.2%		
Silgan Holdings, Inc.	16,200	794,286
Total Common Stocks (Cost \$68,917,703)		67,156,280

Securities Lending Collateral 25.5%		
Daily Assets Fund Institutional, 0.48% (b) (c) (Cost \$17,420,200)	17,420,200	17,420,200

Cash Equivalents 1.7%		
Cash Management QP Trust, 0.27% (b) (Cost \$1,192,024)	1,192,024	1,192,024

	% of Net Assets	Value (\$)
Total Investment Portfolio (Cost \$87,529,927) [†]	125.5	85,768,504
Other Assets and Liabilities, Net (a)	(25.5)	(17,423,368)
Net Assets	100.0	68,345,136

* Non-income producing security.

† The cost for federal income tax purposes was \$87,564,093. At June 30, 2009, net unrealized depreciation for all securities based on tax cost was \$1,795,589. This consisted of aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost of \$8,131,285 and aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value of \$9,926,874.

(a) All or a portion of these securities were on loan amounting to \$16,423,549. In addition, included in other assets and liabilities, net is a pending sale, amounting to \$557,365 that is also on loan (see Notes to Financial Statements). The value of all securities loaned at June 30, 2009 amounted to \$16,980,914, which is 24.8% of net assets.

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

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

ADR: American Depositary Receipt

Fair Value Measurements

Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, "Fair Value Measurements," as amended, establishes a three-tier hierarchy for measuring fair value and requires additional disclosure about the classification of fair value measurements.

Various inputs are used in determining the value of the Portfolio'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 observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, and credit risk). Level 3 includes significant unobservable inputs (including the Portfolio'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 June 30, 2009 in valuing the Portfolio's investments. For information on the Portfolio's policy regarding the valuation of investments, please refer to the Security Valuation section of Note A in the accompanying Notes to the Financial Statements.

Assets	Level 1	Level 2	Level 3	Total
Common Stocks and/or Other Equity Investments (d)	\$ 67,156,280	\$ —	\$ —	\$ 67,156,280
Short-Term Investments (d)	17,420,200	1,192,024	—	18,612,224
Total	\$ 84,576,480	\$ 1,192,024	\$ —	\$ 85,768,504

(d) See Investment Portfolio for additional detailed categorizations.

The accompanying notes are an integral part of the financial statements.

Financial Statements

Statement of Assets and Liabilities

as of June 30, 2009 (Unaudited)

Assets

Investments:	
Investments in securities, at value (cost \$68,917,703) — including \$16,423,549 of securities loaned	\$ 67,156,280
Investment in Daily Assets Fund Institutional (cost \$17,420,200)*	17,420,200
Investment in Cash Management QP Trust (cost \$1,192,024)	1,192,024
Total investments, at value (cost \$87,529,927)	85,768,504
Receivable for investments sold	1,631,585
Dividends receivable	7,682
Interest receivable	9,506
Other assets	2,687
Total assets	87,419,964

Liabilities

Cash overdraft	1,314,132
Payable for Portfolio shares redeemed	88,407
Payable upon return of securities loaned	17,420,200
Payable for investments purchased	51,200
Accrued management fee	32,756
Other accrued expenses and payables	168,133
Total liabilities	19,074,828
Net assets, at value	\$ 68,345,136

Net Assets Consist of

Accumulated net investment loss	(107,085)
Net unrealized appreciation (depreciation) on investments	(1,761,423)
Accumulated net realized gain (loss)	(126,734,399)
Paid-in capital	196,948,043
Net assets, at value	\$ 68,345,136

Class A

Net Asset Value , offering and redemption price per share (\$68,345,136 ÷ 8,053,251 outstanding shares of beneficial interest, no par value, unlimited number of shares authorized)	\$ 8.49
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* Represents collateral on securities loaned.

Statement of Operations

for the six months ended June 30, 2009 (Unaudited)

Investment Income

Income:	
Dividends	\$ 76,014
Interest — Cash Management QP Trust	5,789
Securities lending income, including income from Daily Assets Fund Institutional, net of borrower rebates	118,377
Total Income	200,180
Expenses:	
Management fee	169,655
Administration fee	30,846
Services to shareholders	1,851
Custodian fee	4,481
Distribution service fee (Class B)	6
Legal fees	10,932
Audit and tax fees	31,293
Trustees' fees and expenses	2,131
Reports to shareholders	36,279
Other	3,182
Total expenses	290,656
Net investment income (loss)	(90,476)

Realized and Unrealized Gain (Loss)

Net realized gain (loss) from investments	(16,714,869)
Change in net unrealized appreciation (depreciation) on investments	23,263,532
Net gain (loss)	6,548,663
Net increase (decrease) in net assets resulting from operations	\$ 6,458,187

The accompanying notes are an integral part of the financial statements.

Statement of Changes in Net Assets

	Six Months Ended June 30, 2009 (Unaudited)	Year Ended December 31, 2008
Increase (Decrease) in Net Assets		
Operations:		
Net investment income (loss)	\$ (90,476)	\$ (63,592)
Net realized gain (loss)	(16,714,869)	(22,641,797)
Change in net unrealized appreciation (depreciation)	23,263,532	(56,010,791)
Net increase (decrease) in net assets resulting from operations	6,458,187	(78,716,180)
Portfolio share transactions:		
Class A		
Proceeds from shares sold	1,793,723	5,995,281
Cost of shares redeemed	(9,336,697)	(32,499,758)
Shares converted*	10,873	—
Net increase (decrease) in net assets from Class A share transactions	(7,532,101)	(26,504,477)
Class B		
Proceeds from shares sold	244	210,787
Cost of shares redeemed	(33)	(6,249,807)
Shares converted*	(10,873)	—
Net increase (decrease) in net assets from Class B share transactions	(10,662)	(6,039,020)
Increase (decrease) in net assets	(1,084,576)	(111,259,677)
Net assets at beginning of period	69,429,712	180,689,389
Net assets at end of period (including accumulated net investment loss of \$107,085 and \$16,609, respectively)	\$ 68,345,136	\$ 69,429,712
Other Information		
Class A		
Shares outstanding at beginning of period	9,122,504	11,529,906
Shares sold	238,004	539,106
Shares redeemed	(1,309,135)	(2,946,508)
Shares converted*	1,878	—
Net increase (decrease) in Class A shares	(1,069,253)	(2,407,402)
Shares outstanding at end of period	8,053,251	9,122,504
Class B		
Shares outstanding at beginning of period	1,867	468,018
Shares sold	38	16,827
Shares redeemed	(5)	(482,978)
Shares converted*	(1,900)	—
Net increase (decrease) in Class B shares	(1,867)	(466,151)
Shares outstanding at end of period	—	1,867

* On March 6, 2009, Class B shares converted into Class A shares.

The accompanying notes are an integral part of the financial statements.

Financial Highlights

Class A

Years Ended December 31,

2009^a 2008 2007 2006 2005 2004

Selected Per Share Data

	2009 ^a	2008	2007	2006	2005	2004
Net asset value, beginning of period	\$ 7.61	\$15.07	\$14.19	\$13.48	\$12.59	\$11.34
<i>Income (loss) from investment operations:</i>						
Net investment income (loss) ^b	(.01)	(.01)	(.01)	(.04) ^e	(.06)	(.05)
Net realized and unrealized gain (loss)	.89	(7.45)	.89	.75	.95	1.30
Total from investment operations	.88	(7.46)	.88	.71	.89	1.25
Net asset value, end of period	\$ 8.49	\$ 7.61	\$15.07	\$14.19	\$13.48	\$12.59
Total Return (%)	11.56 ^{**}	(49.50) ^c	6.20 ^c	5.27 ^{c,e}	7.07 ^d	11.02

Ratios to Average Net Assets and Supplemental Data

Net assets, end of period (\$ millions)	68	69	174	208	243	210
Ratio of expenses before expense reductions (%)	.94 [*]	.88	.75	.73	.72	.71
Ratio of expenses after expense reductions (%)	.94 [*]	.85	.72	.72	.72	.71
Ratio of net investment income (loss) (%)	(.29) [*]	(.04)	(.09)	(.32) ^e	(.47)	(.47)
Portfolio turnover rate (%)	58 ^{**}	67	67	73	94	117

^a For the six months ended June 30, 2009 (Unaudited).

^b Based on average shares outstanding during the period.

^c Total return would have been lower had certain expenses been reduced.

^d In 2005, the Portfolio realized a gain of \$49,496 on the disposal of an investment not meeting the Portfolio's investment restrictions. This violation had no negative impact on the total return.

^e Includes non-recurring income from the Advisor recorded as a result of an administrative proceeding regarding disclosure of brokerage allocation practices in connection with sales of DWS Funds. The non-recurring income resulted in an increase in net investment income of \$0.008 per share and an increase in the ratio of net investment income of 0.06%. Excluding this non-recurring income, total return would have been 0.06% lower.

* Annualized

** Not annualized

DWS Strategic Income VIP

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 redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Please contact your participating insurance company for the Portfolio's most recent month-end performance. Performance doesn't reflect charges and fees ("contract charges") associated with the separate account that invests in the Portfolio or any variable life insurance policy or variable annuity contract for which the Portfolio is an investment option. These charges and fees will reduce returns. While all share classes have the same underlying Portfolio, their performance will differ.

The total annual Portfolio operating expense ratio, gross of any fee waivers or expense reimbursements, as stated in the fee table of the prospectus dated May 1, 2009 is .84% for Class A shares. Please see the Information About Your Portfolio's Expenses, the Financial Highlights and Notes to the Financial Statements (Note C, Related Parties) sections of this report for gross and net expense-related disclosure for the period ended June 30, 2009.

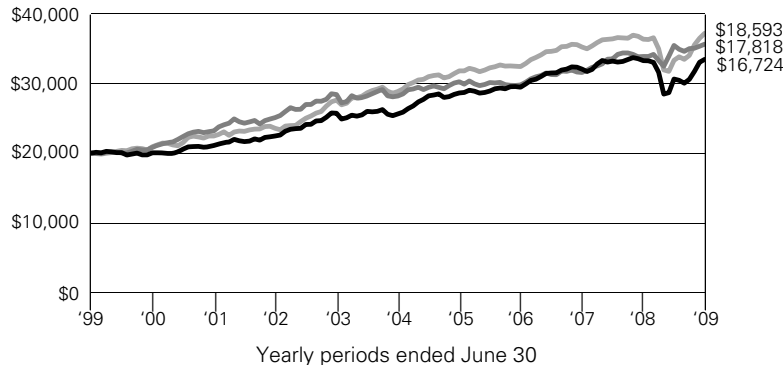
Risk Considerations

The Portfolio invests in individual bonds whose yields and market values fluctuate so that your investment may be worth more or less than its original cost. Bond investments are subject to interest-rate risk such that when interest rates rise, the prices of the bonds, and thus the value of the bond investment, can decline and the investor can lose principal value. Additionally, investments by the Portfolio in lower-rated bonds present greater risk to principal and income than investments in higher-quality securities. The Portfolio invests in derivatives seeking to hedge positions in certain securities and to generate income in order to enhance the Portfolio's returns. Derivatives can be more volatile and less liquid than traditional fixed-income securities. Finally, investing in foreign securities presents certain risks, such as currency fluctuation, political and economic changes and market risks. All of these factors may result in greater share price volatility. Please read this Portfolio's prospectus for specific details regarding its investments and risk profile.

Portfolio returns for all periods shown reflect a fee waiver and/or expense reimbursement. Without this waiver/reimbursement, returns would have been lower.

Growth of an Assumed \$10,000 Investment in DWS Strategic Income VIP

- DWS Strategic Income VIP – Class A
- Barclays Capital US Government/Credit Index
- Blended Index



The Barclays Capital US Government/Credit Index is an unmanaged index comprising intermediate- and long-term government and investment-grade corporate debt securities.

The Blended Index consists of the Credit Suisse High Yield Index (35%), Barclays Capital US Government/Credit Index (35%), J.P. Morgan Emerging Markets Bond Index Global Diversified (15%) and Citigroup Non US Hedged WBGI (15%). The Advisor believes this blended benchmark, which is a secondary benchmark, more accurately reflects typical portfolio asset allocations and represents the overall investment process.

Index returns, unlike portfolio returns, do not reflect any fees or expenses. It is not possible to invest directly into an index.

Comparative Results

DWS Strategic Income VIP		6-Month [‡]	1-Year	3-Year	5-Year	10-Year
Class A	Growth of \$10,000	\$10,920	\$10,056	\$11,353	\$13,055	\$16,724
	Average annual total return	9.20%	.56%	4.32%	5.48%	5.28%
Barclays Capital US Government/Credit Index	Growth of \$10,000	\$10,055	\$10,526	\$11,965	\$12,639	\$17,818
	Average annual total return	.55%	5.26%	6.16%	4.80%	5.95%
Blended Index	Growth of \$10,000	\$11,166	\$10,232	\$11,472	\$12,899	\$18,593
	Average annual total return	11.66%	2.32%	4.68%	5.22%	6.40%

The growth of \$10,000 is cumulative.

[‡] Total returns shown for periods less than one year are not annualized.

Information About Your Portfolio's Expenses

DWS Strategic Income VIP

As an investor of the Portfolio, you incur two types of costs: ongoing expenses and transaction costs. Ongoing expenses include management fees, distribution and service (12b-1) fees and other Portfolio expenses. Examples of transaction costs include contract charges, redemption fees and account maintenance fees, which are not shown in this section. The following tables are intended to help you understand your ongoing expenses (in dollars) of investing in the Portfolio and to help you compare these expenses with the ongoing expenses of investing in other mutual funds. In the most recent six-month period, the Portfolio limited these expenses; had it not done so, expenses would have been higher. The example in the table is based on an investment of \$1,000 invested at the beginning of the six-month period and held for the entire period (January 1, 2009 to June 30, 2009).

The tables illustrate your Portfolio's expenses in two ways:

- **Actual Portfolio Return.** This helps you estimate the actual dollar amount of ongoing expenses (but not transaction costs) paid on a \$1,000 investment in the Portfolio using the Portfolio's actual return during the period. To estimate the expenses you

paid over the period, simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the "Expenses Paid per \$1,000" line under the share class you hold.

- **Hypothetical 5% Portfolio Return.** This helps you to compare your Portfolio's ongoing expenses (but not transaction costs) with those of other mutual funds using the Portfolio's actual expense ratio and a hypothetical rate of return of 5% per year before expenses. Examples using a 5% hypothetical Portfolio return may be found in the shareholder reports of other mutual funds. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period.

Please note that the expenses shown in these tables are meant to highlight your ongoing expenses only and do not reflect any transaction costs. The "Expenses Paid per \$1,000" line of the tables is useful in comparing ongoing expenses only and will not help you determine the relative total expense of owning different funds. If these transaction costs had been included, your costs would have been higher.

Expenses and Value of a \$1,000 Investment for the six months ended June 30, 2009

Actual Portfolio Return	Class A
Beginning Account Value 1/1/09	\$1,000.00
Ending Account Value 6/30/09	\$1,092.00
Expenses Paid per \$1,000*	\$ 4.25

Hypothetical 5% Portfolio Return	Class A
Beginning Account Value 1/1/09	\$1,000.00
Ending Account Value 6/30/09	\$1,020.73
Expenses Paid per \$1,000*	\$ 4.11

* Expenses are equal to the Portfolio's annualized expense ratio for each share class, multiplied by the average account value over the period, multiplied by the number of days in the most recent six-month period, then divided by 365.

Annualized Expense Ratios	Class A
DWS Variable Series II — DWS Strategic Income VIP	.82%

For more information, please refer to the Portfolio's prospectus.

These tables do not reflect charges and fees ("contract charges") associated with the separate account that invests in the Portfolio or any variable life insurance policy or variable annuity contract for which the Portfolio is an investment option.

Portfolio Summary

DWS Strategic Income VIP

Asset Allocation (As a % of Investment Portfolio excluding Securities Lending Collateral)	6/30/09	12/31/08
Corporate Bonds	63%	42%
Government & Agency Obligations	24%	42%
Asset Backed	3%	1%
Collateralized Mortgage Obligations	2%	1%
Commercial Mortgage-Backed Securities	2%	2%
Mortgage-Backed Securities Pass-Throughs	2%	3%
Loan Participations and Assignments	2%	2%
Cash Equivalents	2%	6%
Municipal Bonds and Notes	—	1%
	100%	100%

Quality (Excludes Securities Lending Collateral)	6/30/09	12/31/08
Cash Equivalents	3%	5%
AAA	26%	31%
AA	5%	1%
A	9%	15%
BBB	15%	8%
BB	17%	15%
B	14%	15%
CCC	6%	3%
Below CCC	2%	1%
Not Rated	3%	6%
	100%	100%

Interest Rate Sensitivity	6/30/09	12/31/08
Effective maturity	6.6 years	7.4 years
Average duration	4.2 years	5.1 years

Asset allocation, quality and interest rate sensitivity are subject to change.

The quality ratings represent the lower of Moody's Investors Service, Inc. ("Moody's") or Standard & Poor's Corporation ("S&P") credit ratings. The ratings of Moody's and S&P represent their opinions as to the quality of the securities they rate. Ratings are relative and subjective and are not absolute standards of quality. The Portfolio's credit quality does not remove market risk.

For more complete details about the Portfolio's investment portfolio, see page 142. A complete list of portfolio holdings of the Portfolio is posted as of the month end on www.dws-investments.com on or about the 15th day of the following month. More frequent posting of portfolio holdings information may be made from time to time on www.dws-investments.com.

Following the Portfolio's fiscal first and third quarter-end, a complete portfolio holdings listing is filed with the SEC on Form N-Q. The form will be available on the SEC's Web site at www.sec.gov, and it also may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the SEC's Public Reference Room may be obtained by calling (800) SEC-0330.

Investment Portfolio

June 30, 2009 (Unaudited)

DWS Strategic Income VIP

	Principal Amount (\$) (a)	Value (\$)		Principal Amount (\$) (a)	Value (\$)
Corporate Bonds 64.2%			MTR Gaming Group, Inc., Series B, 9.75%, 4/1/2010	85,000	81,388
Consumer Discretionary 5.7%			Neiman Marcus Group, Inc., 10.375%, 10/15/2015	80,000	46,800
AMC Entertainment, Inc., 8.0%, 3/1/2014	105,000	89,513	Norcraft Holdings LP, 9.75%, 9/1/2012	155,000	144,925
American Achievement Corp., 144A, 8.25%, 4/1/2012	30,000	28,050	Nordstrom, Inc., 6.75%, 6/1/2014	370,000	384,619
American Achievement Group Holding Corp., 16.75%, 10/1/2012 (PIK)	59,496	16,064	Penske Automotive Group, Inc., 7.75%, 12/15/2016	125,000	100,937
Ameristar Casinos, Inc., 144A, 9.25%, 6/1/2014 (b)	50,000	51,000	Pinnacle Entertainment, Inc.: 7.5%, 6/15/2015	10,000	8,550
Asbury Automotive Group, Inc.: 7.625%, 3/15/2017	65,000	46,150	8.75%, 10/1/2013	40,000	40,200
8.0%, 3/15/2014	30,000	24,900	Quebecor Media, Inc., 7.75%, 3/15/2016	50,000	45,313
Ashtead Holdings PLC, 144A, 8.625%, 8/1/2015	120,000	102,300	Quebecor World, Inc., 144A, 9.75%, 1/15/2015**	45,000	4,050
CanWest MediaWorks LP, 144A, 9.25%, 8/1/2015**	50,000	5,000	Reader's Digest Association, Inc., 9.0%, 2/15/2017	50,000	2,250
Carrols Corp., 9.0%, 1/15/2013	30,000	28,125	Sabre Holdings Corp., 8.35%, 3/15/2016	50,000	33,000
CSC Holdings, Inc.: 6.75%, 4/15/2012	50,000	48,250	Seminole Hard Rock Entertainment, Inc., 144A, 3.129%***, 3/15/2014	65,000	44,850
Series B, 7.625%, 4/1/2011	55,000	54,450	Shingle Springs Tribal Gaming Authority, 144A, 9.375%, 6/15/2015	50,000	30,000
DirecTV Holdings LLC, 7.625%, 5/15/2016	145,000	141,012	Simmons Co., Step-up Coupon, 0% to 12/15/2009, 10.0% to 12/15/2014	185,000	25,900
DISH DBS Corp.: 6.375%, 10/1/2011	235,000	227,950	Sonic Automotive, Inc., Series B, 8.625%, 8/15/2013	55,000	38,500
6.625%, 10/1/2014	65,000	59,963	Starwood Hotels & Resorts Worldwide, Inc., 7.875%, 10/15/2014	45,000	42,300
7.125%, 2/1/2016	80,000	74,600	Time Warner Cable, Inc.: 6.75%, 6/15/2039	180,000	175,192
Dollarama Group Holdings LP, 7.468%***, 8/15/2012 (c)	52,000	48,100	8.25%, 4/1/2019	260,000	295,000
Expedia, Inc., 7.456%, 8/15/2018	45,000	42,750	Travelport LLC: 5.293%***, 9/1/2014	45,000	24,525
Fontainebleau Las Vegas Holdings LLC, 144A, 11.0%, 6/15/2015**	65,000	2,438	9.875%, 9/1/2014	10,000	6,650
Goodyear Tire & Rubber Co., 10.5%, 5/15/2016 (b)	25,000	25,250	Trump Entertainment Resorts, Inc., 8.5%, 6/1/2015**	15,000	1,856
Great Canadian Gaming Corp., 144A, 7.25%, 2/15/2015	55,000	48,400	United Components, Inc., 9.375%, 6/15/2013	10,000	6,350
Group 1 Automotive, Inc., 8.25%, 8/15/2013	30,000	25,350	Unity Media GmbH, 144A, 8.75%, 2/15/2015	EUR 200,000	274,257
Hertz Corp., 8.875%, 1/1/2014 (b)	115,000	105,800	UPC Holding BV: 144A, 7.75%, 1/15/2014	EUR 100,000	124,854
Idearc, Inc., 8.0%, 11/15/2016**	125,000	3,281	144A, 8.0%, 11/1/2016	EUR 50,000	58,569
Indianapolis Downs LLC, 144A, 11.0%, 11/1/2012	40,000	31,000	Vertis, Inc., 13.5%, 4/1/2014 (PIK)	20,016	100
Isle of Capri Casinos, Inc., 7.0%, 3/1/2014	39,000	31,395	WGM Acquisition Corp., 144A, 9.5%, 6/15/2016	45,000	44,775
Kabel Deutschland GmbH, 10.625%, 7/1/2014	150,000	154,687	Young Broadcasting, Inc., 8.75%, 1/15/2014**	275,000	688
Lamar Media Corp., Series C, 6.625%, 8/15/2015 (b)	40,000	33,800			3,993,772
Levi Strauss & Co., 8.625%, 4/1/2013	EUR 100,000	127,659	Consumer Staples 1.5%		
Macy's Retail Holdings, Inc.: 5.35%, 3/15/2012	105,000	95,572	Alliance One International, Inc.: 8.5%, 5/15/2012	20,000	19,750
8.875%, 7/15/2015	10,000	9,677	144A, 10.0%, 7/15/2016 (d)	120,000	113,700
MGM MIRAGE: 144A, 10.375%, 5/15/2014	45,000	46,688			
144A, 11.125%, 11/15/2017	50,000	53,000			
Michaels Stores, Inc., 10.0%, 11/1/2014	30,000	25,200			

The accompanying notes are an integral part of the financial statements.

	Principal Amount (\$) (a)	Value (\$)		Principal Amount (\$) (a)	Value (\$)
Altria Group, Inc.:			Linn Energy LLC, 144A,		
8.5%, 11/10/2013	45,000	51,153	11.75%, 5/15/2017	75,000	72,938
9.7%, 11/10/2018	25,000	28,661	Mariner Energy, Inc.:		
10.2%, 2/6/2039	200,000	236,313	7.5%, 4/15/2013	60,000	54,600
Delhaize America, Inc.,			8.0%, 5/15/2017 (b)	95,000	78,850
8.05%, 4/15/2027	20,000	20,550	Newfield Exploration Co.,		
General Nutrition Centers, Inc.,			7.125%, 5/15/2018	90,000	81,787
6.404%***, 3/15/2014 (PIK)	40,000	32,000	OPTI Canada, Inc.:		
Ingles Markets, Inc., 144A,			7.875%, 12/15/2014	90,000	58,275
8.875%, 5/15/2017	30,000	29,550	8.25%, 12/15/2014	160,000	105,600
North Atlantic Trading Co.,			Pemex Project Funding Master		
144A, 10.0%, 3/1/2012	223,000	89,200	Trust, 5.75%, 3/1/2018	460,000	423,200
Smithfield Foods, Inc.:			Petrohawk Energy Corp.:		
7.75%, 7/1/2017	10,000	7,275	7.875%, 6/1/2015	30,000	27,750
144A, 10.0%, 7/15/2014 (d)	55,000	54,313	9.125%, 7/15/2013	65,000	64,675
SUPERVALU, Inc.,			Plains Exploration & Production Co.:		
8.0%, 5/1/2016	90,000	87,300	7.0%, 3/15/2017 (b)	60,000	52,500
Tyson Foods, Inc.,			7.625%, 6/1/2018	110,000	98,725
6.6%, 4/1/2016	120,000	115,711	Quicksilver Resources, Inc.:		
Viskase Companies, Inc.,			7.125%, 4/1/2016	170,000	132,600
11.5%, 6/15/2011	225,000	164,250	11.75%, 1/1/2016 (b)	15,000	15,525
		1,049,726	Regency Energy Partners LP:		
Energy 8.7%			8.375%, 12/15/2013	80,000	77,200
Anadarko Petroleum Corp.,			144A, 9.375%, 6/1/2016	115,000	111,262
8.7%, 3/15/2019	360,000	403,281	Southwestern Energy Co.,		
Atlas Energy Resources LLC,			144A, 7.5%, 2/1/2018	85,000	81,600
144A, 10.75%, 2/1/2018	115,000	108,387	Stone Energy Corp.:		
Belden & Blake Corp.,			6.75%, 12/15/2014	105,000	66,150
8.75%, 7/15/2012	310,000	251,100	8.25%, 12/15/2011	160,000	131,200
Bill Barrett Corp.,			Talisman Energy, Inc.,		
9.875%, 7/15/2016 (d)	40,000	38,069	7.75%, 6/1/2019	190,000	210,481
Bristow Group, Inc.,			Tesoro Corp., 6.5%, 6/1/2017	60,000	51,300
7.5%, 9/15/2017	70,000	63,525	Whiting Petroleum Corp.:		
Chaparral Energy, Inc.,			7.25%, 5/1/2012	125,000	119,687
8.5%, 12/1/2015	110,000	68,200	7.25%, 5/1/2013	20,000	18,950
Chesapeake Energy Corp.:			Williams Companies, Inc.,		
6.25%, 1/15/2018	75,000	62,250	8.125%, 3/15/2012	180,000	186,543
6.875%, 1/15/2016	240,000	211,800			6,107,005
7.25%, 12/15/2018	110,000	95,700	Financials 26.6%		
7.5%, 6/15/2014 (b)	25,000	23,688	Algoma Acquisition Corp.,		
Colorado Interstate Gas Co.,			144A, 9.875%, 6/15/2015	125,000	70,000
6.8%, 11/15/2015	30,000	30,819	American Express Co.,		
DCP Midstream LLC, 144A,			8.125%, 5/20/2019	180,000	186,791
9.75%, 3/15/2019	420,000	468,192	American International Group,		
El Paso Corp.:			Inc., 18.2%***, 6/27/2022	360,000	214,200
7.25%, 6/1/2018	55,000	50,781	Anglo American Capital PLC,		
9.625%, 5/15/2012	50,000	50,350	144A, 9.375%, 4/8/2019	330,000	356,400
Empresa Nacional del Petroleo,			Ashton Woods USA LLC,		
144A, 6.25%, 7/8/2019 (d)	180,000	178,459	144A, Step-up Coupon,		
Energy Transfer Partners LP,			0% to 6/30/2012,		
8.5%, 4/15/2014	370,000	415,011	11.0% to 6/30/2015	75,400	27,506
Enterprise Products Operating			Bank of America Corp.,		
LLP, Series L,			7.625%, 6/1/2019	360,000	361,606
6.3%, 9/15/2017	550,000	552,728	Buffalo Thunder Development		
EXCO Resources, Inc.,			Authority, 144A,		
7.25%, 1/15/2011	95,000	92,150	9.375%, 12/15/2014**	30,000	4,200
Forest Oil Corp.,			Calpine Construction Finance		
7.25%, 6/15/2019	35,000	31,325	Co., LP, 144A,		
Frontier Oil Corp.:			8.0%, 6/1/2016	65,000	62,238
6.625%, 10/1/2011	40,000	39,000	Capital One Bank USA NA,		
8.5%, 9/15/2016 (b)	80,000	80,600	8.8%, 7/15/2019	360,000	367,785
GulfSouth Pipeline Co., LP,			CIT Group, Inc.:		
144A, 5.75%, 8/15/2012	15,000	14,552	5.4%, 2/13/2012	400,000	272,042
Husky Energy, Inc.,			5.8%, 7/28/2011 (b)	105,000	78,724
7.25%, 12/15/2019	210,000	229,440	Series A,		
KCS Energy, Inc.,			7.625%, 11/30/2012 (b)	70,000	47,932
7.125%, 4/1/2012	240,000	226,200			

The accompanying notes are an integral part of the financial statements.

	Principal Amount (\$) (a)	Value (\$)		Principal Amount (\$) (a)	Value (\$)
Citigroup, Inc.:			The Goldman Sachs Group, Inc., 7.5%, 2/15/2019	360,000	385,478
6.5%, 8/19/2013	25,000	24,284	Toll Brothers Finance Corp., 8.91%, 10/15/2017	360,000	368,144
8.5%, 5/22/2019	375,000	381,465	Toyota Motor Credit Corp., 5.25%, 2/3/2012	EUR 1,000,000	1,463,799
Commonwealth Bank of Australia, 8.7%***, 7/21/2016	1,000,000	984,890	Tropicana Entertainment LLC, 9.625%, 12/15/2014**	150,000	1,313
Conproca SA de CV, REG S, 12.0%, 6/16/2010	143,100	147,751	UCI Holdco, Inc., 8.629%***, 12/15/2013 (PIK)	72,822	16,021
Depfa ACS Bank, 144A, 9.5%***, 10/6/2023	1,000,000	860,500	Universal City Development Partners Ltd., 11.75%, 4/1/2010	235,000	223,838
Ford Motor Credit Co., LLC:			Virgin Media Finance PLC: 8.75%, 4/15/2014	220,000	214,500
7.25%, 10/25/2011	285,000	246,507	Series 1, 9.5%, 8/15/2016	200,000	197,000
7.375%, 2/1/2011	45,000	40,737	Wind Acquisition Finance SA, 144A, 9.75%, 12/1/2015	EUR 180,000	244,937
7.875%, 6/15/2010	140,000	132,981			
9.875%, 8/10/2011	145,000	134,133			
GMAC LLC:					18,642,957
144A, 6.875%, 9/15/2011	297,000	259,875	Health Care 2.9%		
144A, 7.75%, 1/19/2010	410,000	399,750	Boston Scientific Corp., 6.0%, 6/15/2011	75,000	74,813
Hellas Telecommunications Finance, 144A, 9.435%***, 7/15/2015 (PIK)	EUR 100,000	14,028	Community Health Systems, Inc., 8.875%, 7/15/2015	345,000	338,100
Hexion US Finance Corp., 9.75%, 11/15/2014	35,000	15,750	Express Scripts, Inc., 7.25%, 6/15/2019	84,000	92,630
HSBC Finance Corp., 1.206%***, 5/10/2010	210,000	204,482	HCA, Inc.:		
Inmarsat Finance II PLC, 10.375%, 11/15/2012	135,000	139,725	144A, 8.5%, 4/15/2019	45,000	44,100
Intergas Finance BV, REG S, 6.875%, 11/4/2011	275,000	247,500	9.125%, 11/15/2014	95,000	94,050
iPayment, Inc., 9.75%, 5/15/2014	45,000	24,300	9.25%, 11/15/2016	290,000	285,650
Kreditanstalt fuer Wiederaufbau:			9.625%, 11/15/2016 (PIK)	152,000	150,480
2.05%, 2/16/2026	JPY 300,000,000	2,959,544	HEALTHSOUTH Corp., 10.75%, 6/15/2016	50,000	50,250
5.0%, 7/4/2011	EUR 2,350,000	3,506,721	IASIS Healthcare LLC, 8.75%, 6/15/2014	75,000	73,500
MetLife, Inc.:			McKesson Corp., 7.5%, 2/15/2019	95,000	106,984
6.75%, 6/1/2016	135,000	137,437	Merck & Co., Inc., 4.0%, 6/30/2015	155,000	157,727
7.717%, 2/15/2019	180,000	192,535	Surgical Care Affiliates, Inc., 144A, 8.875%, 7/15/2015 (PIK)	55,000	42,350
New ASAT (Finance) Ltd., 9.25%, 2/1/2011**	90,000	113	The Cooper Companies, Inc., 7.125%, 2/15/2015	95,000	88,588
Nielsen Finance LLC, 144A, 11.5%, 5/1/2016 (b)	20,000	19,450	Vanguard Health Holding Co. I, LLC, Step-up Coupon, 0% to 10/1/2009, 11.25% to 10/1/2015	75,000	73,125
NiSource Finance Corp., 7.875%, 11/15/2010	75,000	77,467	Vanguard Health Holding Co. II, LLC, 9.0%, 10/1/2014	150,000	143,625
Orascom Telecom Finance SCA, 144A, 7.875%, 2/8/2014	100,000	84,500	WellPoint, Inc., 7.0%, 2/15/2019	230,000	237,766
Pacific Life Global Funding, 144A, 1.8%***, 2/6/2016	386,000	338,618			2,053,738
PNC Bank NA, 6.875%, 4/1/2018	180,000	177,944	Industrials 3.8%		
Principal Financial Group, Inc., 8.875%, 5/15/2019	360,000	377,934	Actuant Corp., 6.875%, 6/15/2017	40,000	36,400
Qwest Capital Funding, Inc., 7.0%, 8/3/2009	50,000	50,000	Allied Waste North America, Inc., 6.5%, 11/15/2010	40,000	40,700
Rainbow National Services LLC, 144A, 10.375%, 9/1/2014	13,000	13,471	ARAMARK Corp., 8.5%, 2/1/2015	20,000	19,400
Rio Tinto Finance (USA) Ltd.:			BE Aerospace, Inc., 8.5%, 7/1/2018 (b)	105,000	98,963
8.95%, 5/1/2014	375,000	416,717	Belden, Inc.:		
9.0%, 5/1/2019	240,000	266,761	7.0%, 3/15/2017	45,000	39,825
Sprint Capital Corp.:			144A, 9.25%, 6/15/2019	40,000	38,750
7.625%, 1/30/2011	50,000	49,438	Bombardier, Inc., 144A, 6.75%, 5/1/2012	100,000	94,000
8.375%, 3/15/2012	20,000	19,700			
Telecom Italia Capital SA:					
5.25%, 10/1/2015	180,000	173,761			
7.175%, 6/18/2019	180,000	182,465			
Telefonica Emisiones SAU, 5.877%, 7/15/2019 (d)	170,000	175,269			

The accompanying notes are an integral part of the financial statements.

	Principal Amount (\$) (a)	Value (\$)
Browning-Ferris Industries, Inc., 7.4%, 9/15/2035	15,000	14,046
Cenveo Corp., 144A, 10.5%, 8/15/2016	55,000	41,250
Congoleum Corp., 8.625%, 8/1/2008**	125,000	37,500
Corrections Corp. of America, 7.75%, 6/1/2017	30,000	29,550
Esco Corp., 144A, 8.625%, 12/15/2013	80,000	69,200
Great Lakes Dredge & Dock Co., 7.75%, 12/15/2013	50,000	42,875
Hutchison Whampoa International 09 Ltd., 144A, 7.625%, 4/9/2019	206,000	228,482
Ingersoll-Rand Global Holding Co., Ltd., 9.5%, 4/15/2014	230,000	251,870
K. Hovnanian Enterprises, Inc., 8.875%, 4/1/2012	55,000	34,100
Kansas City Southern de Mexico SA de CV: 7.375%, 6/1/2014	115,000	96,600
7.625%, 12/1/2013	155,000	133,300
9.375%, 5/1/2012	150,000	142,500
Kansas City Southern Railway Co., 8.0%, 6/1/2015	100,000	93,000
Mobile Mini, Inc., 9.75%, 8/1/2014	65,000	62,238
Navios Maritime Holdings, Inc., 9.5%, 12/15/2014	75,000	61,500
Owens Corning, Inc., 9.0%, 6/15/2019	360,000	349,191
R.H. Donnelley Corp., Series A-4, 8.875%, 10/15/2017**	165,000	8,456
RailAmerica, Inc., 144A, 9.25%, 7/1/2017	45,000	43,425
RBS Global & Rexnord Corp., 9.5%, 8/1/2014	45,000	38,475
Titan International, Inc., 8.0%, 1/15/2012	195,000	176,475
TransDigm, Inc., 7.75%, 7/15/2014	30,000	28,500
United Rentals North America, Inc.: 6.5%, 2/15/2012	125,000	121,250
7.0%, 2/15/2014	175,000	143,062
US Concrete, Inc., 8.375%, 4/1/2014	55,000	36,025
Vought Aircraft Industries, Inc., 8.0%, 7/15/2011	35,000	21,875
		2,672,783
Information Technology 1.0%		
Alcatel-Lucent USA, Inc., 6.45%, 3/15/2029	70,000	39,725
L-3 Communications Corp.: 5.875%, 1/15/2015	160,000	142,000
Series B, 6.375%, 10/15/2015	80,000	72,600
7.625%, 6/15/2012	195,000	195,488
MasTec, Inc., 7.625%, 2/1/2017	65,000	56,306
Seagate Technology International, 144A, 10.0%, 5/1/2014	25,000	25,781
SunGard Data Systems, Inc., 10.25%, 8/15/2015	165,000	152,419
Vangent, Inc., 9.625%, 2/15/2015	35,000	29,050
		713,369

Materials 5.4%

	Principal Amount (\$) (a)	Value (\$)
Appleton Papers, Inc., Series B, 8.125%, 6/15/2011	25,000	16,250
ArcelorMittal, 9.0%, 2/15/2015	180,000	189,794
ARCO Chemical Co., 9.8%, 2/1/2020**	405,000	127,575
Ashland, Inc., 144A, 9.125%, 6/1/2017	55,000	57,200
Barrick Gold Corp., 6.95%, 4/1/2019	310,000	347,202
Cascades, Inc., 7.25%, 2/15/2013	25,000	21,813
Clondalkin Acquisition BV, 144A, 2.629%***, 12/15/2013	75,000	51,375
CPG International I, Inc., 10.5%, 7/1/2013	130,000	72,800
Crown Americas LLC, 144A, 7.625%, 5/15/2017	30,000	28,950
Dow Chemical Co.: 8.55%, 5/15/2019	45,000	45,080
9.4%, 5/15/2039	360,000	370,576
Exopack Holding Corp., 11.25%, 2/1/2014	160,000	131,200
Freeport-McMoRan Copper & Gold, Inc.: 8.25%, 4/1/2015	145,000	146,450
8.375%, 4/1/2017	280,000	282,100
GEO Specialty Chemicals, Inc.: 144A, 7.5%***, 3/31/2015 (PIK)	119,413	77,619
10.0%, 3/31/2015	119,040	77,376
Georgia-Pacific LLC: 144A, 7.0%, 1/15/2015	45,000	42,075
144A, 7.125%, 1/15/2017	35,000	32,550
144A, 8.25%, 5/1/2016	65,000	63,050
9.5%, 12/1/2011	50,000	51,500
Graphic Packaging International, Inc., 144A, 9.5%, 6/15/2017	70,000	68,950
Hexcel Corp., 6.75%, 2/1/2015	255,000	236,512
Huntsman International LLC, 144A, 6.875%, 11/15/2013 EUR	100,000	102,408
Huntsman LLC, 11.625%, 10/15/2010	98,000	100,450
Innophos, Inc., 8.875%, 8/15/2014	35,000	32,025
Koppers Holdings, Inc., Step-up Coupon, 0% to 11/15/2009, 9.875% to 11/15/2014	130,000	116,675
Millar Western Forest Products Ltd., 7.75%, 11/15/2013	35,000	16,100
NewMarket Corp., 7.125%, 12/15/2016	110,000	99,000
NewPage Corp., 10.0%, 5/1/2012	110,000	52,800
Owens-Brockway Glass Container, Inc., 144A, 7.375%, 5/15/2016	110,000	106,700
Pliant Corp., 11.85%, 6/15/2009**	10	7
Radnor Holdings Corp., 11.0%, 3/15/2010**	25,000	33
Silgan Holdings, Inc., 144A, 7.25%, 8/15/2016	50,000	48,000
Solo Cup Co., 144A, 10.5%, 11/1/2013 (d)	55,000	55,137

The accompanying notes are an integral part of the financial statements.

	Principal Amount (\$) (a)	Value (\$)
Teck Resources Ltd.:		
144A, 9.75%, 5/15/2014	45,000	46,575
144A, 10.25%, 5/15/2016	45,000	47,138
144A, 10.75%, 5/15/2019	170,000	182,750
Terra Capital, Inc., Series B, 7.0%, 2/1/2017	110,000	100,512
The Mosaic Co., 144A, 7.375%, 12/1/2014	85,000	87,550
Wolverine Tube, Inc., 15.0%, 3/31/2012 (PIK)	85,000	72,462
		3,804,319
Telecommunication Services 3.8%		
BCM Ireland Preferred Equity Ltd., 144A, 8.281%***, 2/15/2017 (PIK) EUR	70,669	19,747
CC Holdings GS V LLC, 144A, 7.75%, 5/1/2017	60,000	58,500
Centennial Communications Corp.:		
10.0%, 1/1/2013	40,000	42,200
10.125%, 6/15/2013	90,000	92,812
Cincinnati Bell, Inc.:		
7.25%, 7/15/2013	145,000	132,675
8.375%, 1/15/2014 (b)	55,000	50,875
Cricket Communications, Inc.:		
9.375%, 11/1/2014	120,000	118,200
10.0%, 7/15/2015	100,000	99,250
France Telecom SA, 5.375%, 7/8/2019 (d)	130,000	130,940
Frontier Communications Corp., 6.25%, 1/15/2013	45,000	41,400
Grupo Iusacell Celular SA de CV, 10.0%, 3/31/2012	29,280	16,690
Hellas Telecommunications Luxembourg V, 144A, 4.935%***, 10/15/2012 EUR	200,000	187,982
Hughes Network Systems LLC, 144A, 9.5%, 4/15/2014	150,000	146,250
Intelsat Corp.:		
144A, 9.25%, 8/15/2014	25,000	24,187
144A, 9.25%, 6/15/2016	370,000	354,275
Intelsat Subsidiary Holding Co., Ltd., 144A, 8.875%, 1/15/2015	130,000	125,450
iPCS, Inc., 3.153%***, 5/1/2013 (b)	35,000	27,650
MetroPCS Wireless, Inc.:		
9.25%, 11/1/2014	260,000	258,375
144A, 9.25%, 11/1/2014	15,000	14,850
Millicom International Cellular SA, 10.0%, 12/1/2013	265,000	268,644
Qwest Corp.:		
7.875%, 9/1/2011	135,000	135,000
8.875%, 3/15/2012	30,000	30,225
Stratos Global Corp., 9.875%, 2/15/2013	30,000	30,000
Telesat Canada, 144A, 11.0%, 11/1/2015	180,000	184,500
Windstream Corp.:		
7.0%, 3/15/2019	60,000	52,200
8.625%, 8/1/2016	10,000	9,575
		2,652,452
Utilities 4.8%		
AES Corp.:		
8.0%, 10/15/2017	10,000	9,300
8.0%, 6/1/2020	60,000	53,850
144A, 8.75%, 5/15/2013	610,000	619,150

	Principal Amount (\$) (a)	Value (\$)
Allegheny Energy Supply Co., LLC, 144A, 8.25%, 4/15/2012	470,000	489,032
CMS Energy Corp., 8.5%, 4/15/2011	225,000	232,884
Dominion Resources, Inc., Series C, 5.15%, 7/15/2015	360,000	365,185
Electricite de France, 144A, 6.5%, 1/26/2019	194,000	212,474
Energy Future Holdings Corp., 10.875%, 11/1/2017	65,000	47,450
Knight, Inc., 6.5%, 9/1/2012	115,000	112,412
Mirant Americas Generation LLC, 8.3%, 5/1/2011	230,000	229,425
Mirant North America LLC, 7.375%, 12/31/2013	60,000	57,600
NRG Energy, Inc.:		
7.25%, 2/1/2014	125,000	121,250
7.375%, 2/1/2016	115,000	108,819
7.375%, 1/15/2017	90,000	84,825
NV Energy, Inc.:		
6.75%, 8/15/2017	105,000	95,112
8.625%, 3/15/2014	25,000	24,625
Sempra Energy, 6.5%, 6/1/2016	180,000	187,892
Texas Competitive Electric Holdings Co., LLC, Series A, 10.25%, 11/1/2015	130,000	80,925
Toledo Edison Co., 7.25%, 5/1/2020	230,000	256,098
		3,388,308
Total Corporate Bonds (Cost \$47,255,338)		45,078,429

Commercial Mortgage-Backed Securities 2.2%

Credit Suisse Mortgage Capital Certificates Trust, "A2", Series 2007-C1, 5.268%, 2/15/2040	814,000	699,356
JPMorgan Chase Commercial Mortgage Securities Corp., "F", Series 2004-LN2, 144A, 5.641%***, 7/15/2041	500,000	140,342
Wachovia Bank Commercial Mortgage Trust, "A2", Series 2007-C32, 5.924%***, 6/15/2049	780,000	727,955
Total Commercial Mortgage-Backed Securities (Cost \$1,953,667)		1,567,653

Collateralized Mortgage Obligations 2.3%

Banc of America Mortgage Securities, "2A2", Series 2004-A, 5.456%***, 2/25/2034	279,339	227,477
Citicorp Mortgage Securities, Inc., "1A7", Series 2006-4, 6.0%, 8/25/2036	249,931	237,687
Merrill Lynch Mortgage Investors Trust: "2A1A", Series 2005-A9, 5.155%***, 12/25/2035	393,871	332,221
"2A", Series 2003-A6, 5.377%***, 10/25/2033	189,791	162,516
Provident Funding Mortgage Loan Trust, "2A1", Series 2005-1, 4.382%***, 5/25/2035	219,882	188,076

The accompanying notes are an integral part of the financial statements.

	Principal Amount (\$) (a)	Value (\$)
Residential Funding Mortgage Securities I, "3A1", Series 2005-SA2, 5.143%***, 6/25/2035	334,337	308,500
Wells Fargo Mortgage-Backed Securities Trust, "3A1", Series 2004-EE, 4.49%***, 12/25/2034	158,082	146,053
Total Collateralized Mortgage Obligations (Cost \$1,578,814)		1,602,530

Asset-Backed 2.7%

Credit Card Receivables 2.1%

Bank One Issuance Trust, "B2", Series 2004-B2, 4.37%, 4/15/2012	550,000	553,393
Washington Mutual Master Note Trust, "C1", Series 2007-C1, 144A, 0.719%***, 5/15/2014	1,000,000	940,028
		1,493,421

Miscellaneous 0.6%

Duane Street CLO, "A", Series 2005-1A, 144A, 1.224%***, 11/8/2017	495,423	413,678
Total Asset-Backed (Cost \$1,908,538)		1,907,099

Mortgage-Backed Securities Pass-Throughs 2.2%

Government National Mortgage Association: 4.5%, 10/1/2038 (d)	750,000	748,359
5.5%, 5/1/2036 (d)	750,000	774,375
Total Mortgage-Backed Securities Pass-Throughs (Cost \$1,507,695)		1,522,734

Government & Agency Obligations 24.5%

Other Government Related 1.6%

Citibank NA, FDIC Guaranteed, 1.016%***, 5/7/2012	650,000	648,423
JPMorgan Chase & Co.: Series 3, FDIC Guaranteed, 0.854%***, 12/26/2012	232,000	234,320
FDIC Guaranteed, 0.859%***, 6/15/2012	268,000	271,005
		1,153,748

Sovereign Bonds 17.2%

Federal Republic of Germany, Series 06, 4.0%, 7/4/2016	EUR	150,000	222,906
Federative Republic of Brazil: 8.875%, 10/14/2019		715,000	875,875
12.5%, 1/5/2016	BRL	250,000	133,821
Government of Canada, 4.5%, 6/1/2015	CAD	350,000	330,095
Kingdom of Spain, 3.15%, 1/31/2016	EUR	1,300,000	1,792,719
Province of Quebec, Series PO, 1.6%, 5/9/2013	JPY	85,000,000	855,223
Republic of Argentina, 5.83%, 12/31/2033	ARS	440	72
Republic of Bulgaria, 144A, 8.25%, 1/15/2015		170,000	177,650
Republic of Colombia, 8.25%, 12/22/2014		170,000	196,350

		Principal Amount (\$) (a)	Value (\$)
Republic of El Salvador, 144A, 7.65%, 6/15/2035 (b)		156,000	131,040
Republic of Greece: 3.6%, 7/20/2016	EUR	500,000	679,281
4.5%, 9/20/2037	EUR	500,000	585,255
Republic of Indonesia, 144A, 6.875%, 3/9/2017		440,000	426,800
Republic of Panama, 9.375%, 1/16/2023		500,000	625,000
Republic of Peru, 7.35%, 7/21/2025		185,000	197,950
Republic of Poland, 5.875%, 2/3/2014	EUR	190,000	273,794
Republic of South Africa, 6.875%, 5/27/2019		220,000	226,050
Republic of Turkey: 7.0%, 9/26/2016		305,000	311,862
7.25%, 3/15/2015		80,000	83,200
11.75%, 6/15/2010		475,000	509,437
Republic of Uruguay: 7.625%, 3/21/2036		60,000	57,750
9.25%, 5/17/2017		105,000	120,225
Russian Federation, REG S, 7.5%, 3/31/2030		179,419	176,638
Socialist Republic of Vietnam, 144A, 6.875%, 1/15/2016 (b)		100,000	99,000
United Kingdom Treasury Bond, 4.75%, 9/7/2015	GBP	1,500,000	2,716,479
United Mexican States, Series A, 5.875%, 1/15/2014		220,000	231,550
			12,036,022

US Government Sponsored Agencies 1.2%

Federal Home Loan Bank, 7.45%***, 10/16/2023	600,000	588,000
Federal National Mortgage Association, 8.45%***, 2/27/2023	250,000	247,500
		835,500

US Treasury Obligations 4.5%

US Treasury Bills: 0.15%****, 9/17/2009 (e)	853,000	852,664
0.16%****, 8/27/2009 (e)	41,000	40,991
US Treasury Bond, 3.5%, 2/15/2039	672,000	581,071
US Treasury Inflation-Indexed Note, 2.0%, 4/15/2012	840,608	864,513
US Treasury Notes: 2.25%, 5/31/2014	489,000	482,428
2.75%, 2/15/2019	150,000	140,484
3.125%, 5/15/2019	172,000	166,357
		3,128,508

Total Government & Agency Obligations (Cost \$16,840,460)		17,153,778
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Loan Participations and Assignments 2.1%

Senior Loans*** 1.8%

Buffets, Inc.: Second Lien Term Loan, LIBOR plus 1.0%, plus 16.25% (PIK), 19.121%, 5/1/2013	50,222	20,089
Letter of Credit Term Loan B, LIBOR plus 7.25%, 7.848%, 5/1/2013	10,555	4,750

The accompanying notes are an integral part of the financial statements.

	Principal Amount (\$) (a)	Value (\$)
Incremental Term Loan, LIBOR (3% floor) plus 15.0%, 18.0%, 4/30/2012	29,989	28,489
Charter Communications Operating LLC: Term Loan, Prime plus 3.0%, 6.25%, 3/6/2014	323,688	292,533
Term Loan, Prime plus 6.0%, 9.25%, 3/6/2014	113,850	112,256
Essar Steel Algoma, Inc., Term Loan B, LIBOR plus 2.5%, 2.81%, 6/20/2013	37,474	30,447
Golden Nugget, Inc., Second Lien Term Loan, LIBOR plus 3.25%, 3.56%, 12/31/2014	55,000	22,000
Hawker Beechcraft Acquisition Co., LLC: Letter of Credit, LIBOR plus 2.1%, 2.598%, 3/26/2014	2,405	1,653
Term Loan, LIBOR plus 2.0%, 2.598%, 3/26/2014	40,848	28,083
Hexion Specialty Chemicals, Inc.: Term Loan C2, LIBOR plus 2.25%, 2.875%, 5/6/2013	41,124	28,252
Term Loan C1, LIBOR plus 2.25%, 3.5%, 5/6/2013	151,566	104,126
IASIS Healthcare LLC, Term Loan, LIBOR plus 5.25%, 6.289%, 6/13/2014 (PIK)	75,752	59,276
Sabre, Inc., Term Loan B, LIBOR plus 2.25%, 3.289%, 9/30/2014	48,590	35,228
Sbarro, Inc., Term Loan, LIBOR plus 4.5%, 4.81%, 1/31/2014	40,000	31,133
Texas Competitive Electric Holdings Co., LLC: Term Loan B2, LIBOR plus 3.5%, 3.821%, 10/10/2014	191,030	137,053
Term Loan B3, LIBOR plus 3.5%, 3.821%, 10/10/2014	458,025	327,827
Tribune Co., Term Loan B, Prime plus 2.0%, 5.25%, 6/4/2014**	88,875	30,468
		1,293,663
Sovereign Loans 0.3%		
Export-Import Bank of Ukraine, 6.8%, 10/4/2012	105,000	79,579
Gazprom, 144A, 6.51%, 3/7/2022	130,000	97,500
		177,079
Total Loan Participations and Assignments (Cost \$1,914,603)		1,470,742

Preferred Securities 0.1%

Financials 0.0%

Xerox Capital Trust I, 8.0%, 2/1/2027 (b)	35,000	26,600
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Materials 0.1%

Hercules, Inc., 6.5%, 6/30/2029	85,000	45,900
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Total Preferred Securities (Cost \$85,821) **72,500**

Common Stocks 0.0%

Consumer Discretionary 0.0%

	Shares	Value (\$)
Buffets Restaurants Holdings, Inc.*	2,318	2,782
Vertis Holdings, Inc.*	940	0
		2,782

Materials 0.0%

GEO Specialty Chemicals, Inc.*	2,058	1,749
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Total Common Stocks (Cost \$19,822) **4,531**

Convertible Preferred Stocks 0.0%

Consumer Discretionary

ION Media Networks, Inc.: 144A, 12.0%*	10,000	0
Series AI, 144A, 12.0%*	20,000	0

Total Convertible Preferred Stocks (Cost \$4,191) **0**

Warrants 0.0%

Financials 0.0%

New ASAT (Finance) Ltd., Expiration Date 2/1/2011*	15,600	876
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Industrials 0.0%

Dayton Superior Corp., 144A, Expiration Date 6/15/2009*	10	0
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Materials 0.0%

Ashland, Inc., Expiration Date 3/31/2029*	85	0
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Total Warrants (Cost \$17,432) **876**

	Contract Amount	Value (\$)
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Call Options Purchased 0.1%

Call Options

Option on an interest rate swap expiring on March 14, 2012 for the obligation to receive a fixed rate of 1.72% versus the one-year EUR LIBOR, Expiration Date 3/10/2011 (Cost \$54,651)	EUR 36,700,000	37,800
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	Shares	Value (\$)
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Securities Lending Collateral 1.3%

Daily Assets Fund Institutional, 0.48% (f) (g) (Cost \$883,325)	883,325	883,325
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Cash Equivalents 1.9%

Cash Management QP Trust, 0.27% (f) (Cost \$1,372,379)	1,372,379	1,372,379
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	% of Net Assets	Value (\$)
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Total Investment Portfolio
(Cost \$75,396,736)[†] 103.6 **72,674,376**

Other Assets and Liabilities, Net (3.6) **(2,553,264)**

Net Assets 100.0 **70,121,112**

The accompanying notes are an integral part of the financial statements.

* Non-income producing security.

** Non-income producing security. Issuer has defaulted on the payment of principal or interest or has filed for bankruptcy. The following table represents bonds that are in default:

Securities	Coupon	Maturity Date	Principal Amount	Acquisition Cost (\$)	Value (\$)
ARCO Chemical Co.	9.8%	2/1/2020	405,000 USD	423,400	127,575
Buffalo Thunder Development Authority	9.375%	12/15/2014	30,000 USD	30,000	4,200
CanWest MediaWorks LP	9.25%	8/1/2015	50,000 USD	50,000	5,000
Congoleum Corp.	8.625%	8/1/2008	125,000 USD	105,994	37,500
Fontainebleau Las Vegas Holdings LLC	11.0%	6/15/2015	65,000 USD	65,225	2,438
Idearc, Inc.	8.0%	11/15/2016	125,000 USD	99,731	3,281
New ASAT (Finance) Ltd.	9.25%	2/1/2011	90,000 USD	75,700	113
Pliant Corp.	11.85%	6/15/2009	10 USD	10	7
Quebecor World, Inc.	9.75%	1/15/2015	45,000 USD	45,000	4,050
R.H. Donnelley Corp.	8.875%	10/15/2017	165,000 USD	157,483	8,456
Radnor Holdings Corp.	11.0%	3/15/2010	25,000 USD	15,888	33
Tribune Co.	5.25%	6/4/2014	88,875 USD	88,819	30,468
Tropicana Entertainment LLC	9.625%	12/15/2014	150,000 USD	122,979	1,313
Trump Entertainment Resorts, Inc.	8.5%	6/1/2015	15,000 USD	10,838	1,856
Young Broadcasting, Inc.	8.75%	1/15/2014	275,000 USD	224,631	688
				1,515,698	226,978

*** Floating rate notes are securities whose yields vary with a designated market index or market rate, such as the coupon-equivalent of the US Treasury bill rate. These securities are shown at their current rate as of June 30, 2009.

**** Annualized yield at time of purchase; not a coupon rate.

† The cost for federal income tax purposes was \$75,425,245. At June 30, 2009, net unrealized depreciation for all securities based on tax cost was \$2,750,869. This consisted of aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost of \$2,261,217 and aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value of \$5,012,086.

(a) Principal amount stated in US dollars unless otherwise noted.

(b) All or a portion of these securities were on loan (see Notes to Financial Statements). The value of all securities loaned at June 30, 2009 amounted to \$851,636, which is 1.2% of net assets.

(c) Security has deferred its 6/15/2008, 12/15/2008 and 6/15/2009 interest payments until 12/31/2009.

(d) When-issued or delayed delivery security included.

(e) At June 30, 2009, this security has been pledged, in whole or in part, to cover initial margin requirements for open futures contracts.

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

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

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.

FDIC: Federal Deposit Insurance Corp.

LIBOR: Represents the London InterBank Offered Rate.

PIK: Denotes that all or a portion of the income is paid in-kind.

Prime: Interest rate charged by banks to their most credit worthy customers.

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.

The accompanying notes are an integral part of the financial statements.

At June 30, 2009, open futures contracts purchased were as follows:

Futures	Expiration Date	Contracts	Aggregated Face Value (\$)	Value (\$)	Unrealized Appreciation/ (Depreciation) (\$)
10 Year Australian Treasury Bond	9/15/2009	14	1,162,319	1,171,065	8,746
10 Year US Treasury Note	9/21/2009	34	3,968,673	3,953,031	(15,642)
3 Year Australian Treasury Bond	9/15/2009	11	920,195	917,022	(3,173)
AEX Index	7/17/2009	2	146,598	142,782	(3,816)
ASX SPI 200 Index	9/17/2009	6	486,542	471,514	(15,028)
Federal Republic of Germany Euro-Schatz	9/8/2009	47	7,101,069	7,114,269	13,200
FTSE 100 Index	9/18/2009	14	998,356	971,523	(26,833)
FTSE MIB Index	9/18/2009	1	139,407	133,887	(5,520)
Hang Seng Index	7/30/2009	5	564,983	594,189	29,206
IBEX 35 Index	7/17/2009	1	133,151	136,314	3,163
S&P E-Mini 500 Index	9/18/2009	22	1,034,715	1,007,050	(27,665)
United Kingdom Long Gilt Bond	9/28/2009	11	2,127,379	2,136,917	9,538
Total net unrealized depreciation					(33,824)

At June 30, 2009, open futures contracts sold were as follows:

Futures	Expiration Date	Contracts	Aggregated Face Value (\$)	Value (\$)	Unrealized Appreciation/ (Depreciation) (\$)
10 Year Canadian Government Bond	9/21/2009	3	309,880	312,754	(2,874)
10 Year Japanese Government Bond	9/10/2009	4	5,648,153	5,734,157	(86,004)
2 Year US Treasury Note	9/30/2009	18	3,901,778	3,891,938	9,840
CAC 40 Index	7/17/2009	1	45,066	43,993	1,073
DAX Index	9/18/2009	7	1,219,883	1,183,181	36,702
DJ Euro Stoxx 50 Index	9/18/2009	4	135,964	134,561	1,403
Federal Republic of Germany Euro-Bund	9/8/2009	14	2,333,163	2,377,997	(44,834)
NASDAQ E-Mini 100 Index	9/18/2009	14	415,870	413,350	2,520
Russell E-Mini 2000 Index	9/18/2009	14	731,220	710,080	21,140
S&P TSE 60 Index	9/17/2009	1	110,670	107,828	2,842
TOPIX Index	9/11/2009	7	669,953	671,770	(1,817)
Total net unrealized depreciation					(60,009)

At June 30, 2009, open interest rate swap contracts were as follows:

Effective/ Expiration Date	Notional Amount (\$)	Cash Flows Paid by the Portfolio	Cash Flows Received by the Portfolio	Unrealized Appreciation (\$)
4/20/2009				
4/20/2024	500,000 ¹	Fixed — 7.5%	Floating — LIBOR	5,825
5/15/2009				
5/15/2024	500,000 ¹	Fixed — 7.5%	Floating — LIBOR	3,671
Total unrealized appreciation				9,496

At June 30, 2009, open total return swap contracts were as follows:

Effective/ Expiration Date	Notional Amount (\$)	Fixed Cash Flows Paid by the Portfolio	Reference Entity	Value (\$)	Upfront Premiums Paid/ (Received) (\$)	Unrealized Depreciation (\$)
6/1/2009			Global Interest Rate Strategy			
6/1/2012	3,000,000 ²	0.425%	Index	(34,989)	2,200	(37,189)

Counterparties:

¹ Morgan Stanley

² Citigroup, Inc.

The accompanying notes are an integral part of the financial statements.

At June 30, 2009, the Portfolio had the following open forward foreign currency exchange contracts:

Contracts to Deliver		In Exchange For		Settlement Date	Unrealized Appreciation (\$)
USD	259,944	NZD	410,000	7/15/2009	4,348
USD	1,358,522	JPY	133,036,000	7/15/2009	22,698
SEK	4,970,000	USD	651,197	7/15/2009	6,997
EUR	1,170,000	USD	1,647,079	7/15/2009	5,722
NOK	782,000	USD	123,841	7/15/2009	2,277
GBP	1,650,000	USD	2,723,025	7/29/2009	9,011
JPY	200,000,000	USD	2,097,938	7/29/2009	23,230
Total unrealized appreciation					74,283

Contracts to Deliver		In Exchange For		Settlement Date	Unrealized Depreciation (\$)
EUR	731,000	USD	1,010,953	7/14/2009	(14,544)
EUR	198,500	USD	274,520	7/14/2009	(3,949)
EUR	800	USD	1,119	7/14/2009	(3)
EUR	112,300	USD	157,108	7/14/2009	(434)
USD	2,979,658	CHF	3,202,000	7/15/2009	(32,119)
USD	933,109	CAD	1,029,000	7/15/2009	(48,374)
USD	1,594,892	AUD	1,975,000	7/15/2009	(5,345)
GBP	471,000	USD	773,316	7/15/2009	(1,564)
EUR	4,150,000	USD	5,814,901	7/29/2009	(3,432)
Total unrealized depreciation					(109,764)

Currency Abbreviations

ARS	Argentine Peso	CHF	Swiss Franc	NOK	Norwegian Krone
AUD	Australian Dollar	EUR	Euro	NZD	New Zealand Dollar
BRL	Brazilian Real	GBP	British Pound	SEK	Swedish Krona
CAD	Canadian Dollar	JPY	Japanese Yen	USD	United States Dollar

For information on the Portfolio's policy and additional disclosures regarding option contracts, futures contracts, interest rate swap contracts, total return swap contracts and forward foreign currency exchange contracts, please refer to the Derivatives section of Note A in the accompanying Notes to Financial Statements.

Fair Value Measurements

Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, "Fair Value Measurements," as amended, establishes a three-tier hierarchy for measuring fair value and requires additional disclosure about the classification of fair value measurements.

Various inputs are used in determining the value of the Portfolio'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 observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, and credit risk). Level 3 includes significant unobservable inputs (including the Portfolio'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 June 30, 2009 in valuing the Portfolio's investments. For information on the Portfolio's policy regarding the valuation of investments, please refer to the Security Valuation section of Note A in the accompanying Notes to the Financial Statements.

Assets	Level 1	Level 2	Level 3	Total
Fixed Income (h)				
Corporate Bonds	\$ —	\$ 43,763,981	\$ 1,314,448	\$ 45,078,429
Commercial Mortgage-Backed Securities	—	1,567,653	—	1,567,653
Collateralized Mortgage Obligations	—	1,602,530	—	1,602,530
Asset-Backed	—	1,493,421	413,678	1,907,099
Mortgage-Backed Securities Pass-Throughs	—	1,522,734	—	1,522,734
Government & Agency Obligations	—	15,538,302	721,821	16,260,123
Loan Participation & Assignments	—	1,333,834	136,908	1,470,742
Preferred Securities	—	72,500	—	72,500
Common Stock and/or Other Equity Investments (h)	—	2,782	2,625	5,407
Short-Term Investments (h)	883,325	2,266,034	—	3,149,359
Derivatives (i)	—	121,579	—	121,579
Total	\$ 883,325	\$ 69,285,350	\$ 2,589,480	\$ 72,758,155

The accompanying notes are an integral part of the financial statements.

	Level 1	Level 2	Level 3	Total
Liabilities				
Derivatives (i)	\$ (93,833)	\$ (146,953)	\$ —	\$ (240,786)
Total	\$ (93,833)	\$ (146,953)	\$ —	\$ (240,786)

(h) See Investment Portfolio for additional detailed categorizations.

(i) Derivatives include unrealized appreciation (depreciation) on open futures contracts, interest rate swap contracts, total return swap contracts, forward foreign currency exchange contracts and value of options purchased.

The following is a reconciliation of the Portfolio's Level 3 investments for which significant unobservable inputs were used in determining value:

	Corporate Bonds	Asset-Backed	Government & Agency Obligations	Loan Participation and Assignments	Other Investments	Common Stock and/or Other Equity Investments	Total
Balance as of December 31, 2008	\$ 932,370	\$ —	\$ 815,353	\$ 86,087	\$ 40,800	\$ 2,973	\$ 1,877,583
Realized gains (loss)	—	—	(17,094)	(18,834)	—	—	(35,928)
Change in unrealized appreciation (depreciation)	(137,544)	—	56,382	23,760	26,614	(17,780)	(48,568)
Amortization premium/discount	1,176	—	(5,605)	769	115	—	(3,545)
Net purchases (sales)	343,527	413,678	(127,215)	45,126	(67,529)	17,432	625,019
Net transfers in (out) of Level 3	174,919	—	—	—	—	—	174,919
Balance as of June 30, 2009	\$ 1,314,448	\$ 413,678	\$ 721,821	\$ 136,908	\$ —	\$ 2,625	\$ 2,589,480
Net change in unrealized appreciation (depreciation) from investments still held as of June 30, 2009	\$ (132,086)	\$ —	\$ 21,808	\$ (5,293)	\$ —	\$ (17,780)	\$ (133,351)

The accompanying notes are an integral part of the financial statements.

Financial Statements

Statement of Assets and Liabilities

as of June 30, 2009 (Unaudited)

Assets

Investments:	
Investments in securities, at value (cost \$73,141,032) — including \$851,636 of securities loaned	\$ 70,418,672
Investment in Daily Assets Fund Institutional (cost \$883,325)*	883,325
Investment in Cash Management QP Trust (cost \$1,372,379)	1,372,379
Total investments, at value (cost \$75,396,736)	72,674,376
Cash	35,337
Foreign currency, at value (cost \$189,148)	191,057
Receivable for when-issued and delayed securities sold	1,052,162
Receivable for investments sold	444,256
Interest receivable	1,214,556
Unrealized appreciation on forward foreign currency exchange contracts	74,283
Unrealized appreciation on open swap contracts	9,496
Foreign taxes recoverable	1,427
Due from Advisor	74
Other assets	2,249
Total assets	75,699,273

Liabilities

Payable for when-issued and delayed delivery securities purchased	2,847,988
Payable for investments purchased	1,438,037
Payable upon return of securities loaned	883,325
Payable for Portfolio shares redeemed	121,021
Net payable on closed forward currency exchange contracts	860
Unrealized depreciation on open forward foreign currency exchange contracts	109,764
Payable for variation margin on open futures contracts	28,315
Unrealized depreciation on open swap contracts	37,189
Accrued management fee	17,652
Accrued expenses	94,010
Total liabilities	5,578,161

Net assets, at value **\$ 70,121,112**

Net Assets Consist of

Undistributed net investment income	1,449,730
Net unrealized appreciation (depreciation) on:	
Investments	(2,722,360)
Swap contracts	(27,693)
Futures	(93,833)
Foreign currency	(12,853)
Accumulated net realized gain (loss)	(4,540,728)
Paid-in capital	76,068,849
Net assets, at value	\$ 70,121,112

Class A

Net Asset Value, offering and redemption price per share (\$70,121,112 ÷ 6,790,348 outstanding shares of beneficial interest, no par value, unlimited number of shares authorized) **\$ 10.33**

* Represents collateral on securities loaned.

Statement of Operations

for the six months ended June 30, 2009 (Unaudited)

Investment Income

Income:	
Interest (net of foreign taxes withheld of \$1,331)	\$ 2,244,796
Interest — Cash Management QP Trust	11,762
Securities lending income, including income from Daily Assets Fund Institutional, net of borrower rebates	3,523
Total Income	2,260,081
Expenses:	
Management fee	188,431
Administration fee	34,260
Services to shareholders	743
Custodian fee	15,506
Distribution service fee (Class B)	21
Legal fees	6,829
Audit and tax fees	34,556
Trustees' fees and expenses	3,716
Reports to shareholders	6,454
Pricing service fee	18,693
Other	5,063
Total expenses before expense reductions	314,272
Expense reductions	(33,233)
Total expenses after expense reductions	281,039
Net investment income (loss)	1,979,042

Realized and Unrealized Gain (Loss)

Net realized gain (loss) from:	
Investments	(1,423,152)
Swap contracts	36,178
Futures	137,327
Written options	(29,550)
Foreign currency	(301,794)
Payments by affiliates (see Note I)	188
	(1,580,803)

Change in net unrealized appreciation (depreciation) on:	
Investments	6,180,052
Swap contracts	(184,099)
Written options	47,755
Futures	(87,773)
Foreign currency	(538,307)
	5,417,628

Net gain (loss) **3,836,825**

Net increase (decrease) in net assets resulting from operations **\$ 5,815,867**

The accompanying notes are an integral part of the financial statements.

Statement of Changes in Net Assets

	Six Months Ended June 30, 2009 (Unaudited)	Year Ended December 31, 2008
Increase (Decrease) in Net Assets		
Operations:		
Net investment income	\$ 1,979,042	\$ 4,979,905
Net realized gain (loss)	(1,580,803)	(4,971,505)
Change in net unrealized appreciation (depreciation)	5,417,628	(8,486,061)
Net increase (decrease) in net assets resulting from operations	5,815,867	(8,477,661)
Distributions to shareholders from:		
Net investment income:		
Class A	(3,708,668)	(6,041,956)
Class B	—	(489,657)
Net realized gains:		
Class A	—	(1,320,099)
Class B	—	(114,923)
Total distributions	(3,708,668)	(7,966,635)
Portfolio share transactions:		
Class A		
Proceeds from shares sold	4,212,214	22,468,946
Shares converted*	44,195	—
Reinvestment of distributions	3,708,668	7,362,055
Cost of shares redeemed	(12,669,483)	(41,402,528)
Net increase (decrease) in net assets from Class A share transactions	(4,704,406)	(11,571,527)
Class B		
Proceeds from shares sold	—	755,481
Shares converted*	(44,195)	604,580
Cost of shares redeemed	(151)	(9,329,944)
Net increase (decrease) in net assets from Class B share transactions	(44,346)	(7,969,883)
Increase (decrease) in net assets	(2,641,553)	(35,985,706)
Net assets at beginning of period	72,762,665	108,748,371
Net assets at end of period (including undistributed net investment income of \$1,449,730 and \$3,179,356, respectively)	\$ 70,121,112	\$ 72,762,665
Other Information		
Class A		
Shares outstanding at beginning of period	7,250,530	8,561,326
Shares sold	421,631	2,033,447
Shares converted*	4,547	—
Shares issued to shareholders in reinvestment of distributions	392,867	674,181
Shares redeemed	(1,279,227)	(4,018,424)
Net increase (decrease) in Class A shares	(460,182)	(1,310,796)
Shares outstanding at end of period	6,790,348	7,250,530
Class B		
Shares outstanding at beginning of period	4,594	737,068
Shares sold	—	66,046
Shares converted*	(4,579)	55,517
Shares redeemed	(15)	(854,037)
Net increase (decrease) in Class B shares	(4,594)	(732,474)
Shares outstanding at end of period	—	4,594

* On March 6, 2009, Class B shares converted into Class A shares.

The accompanying notes are an integral part of the financial statements.

Financial Highlights

Class A

Years Ended December 31,	2009 ^a	2008	2007	2006	2005	2004
Selected Per Share Data						
Net asset value, beginning of period	\$10.03	\$11.70	\$11.80	\$11.50	\$12.25	\$11.82
<i>Income (loss) from investment operations:</i>						
Net investment income ^b	.28	.55	.63	.62	.65	.58
Net realized and unrealized gain (loss)	.57	(1.38)	(.01)	.36	(.39)	.39
Total from investment operations	.85	(.83)	.62	.98	.26	.97
<i>Less distributions from:</i>						
Net investment income	(.55)	(.69)	(.72)	(.57)	(.98)	—
Net realized gains	—	(.15)	—	(.11)	(.03)	(.54)
Total distributions	(.55)	(.84)	(.72)	(.68)	(1.01)	(.54)
Net asset value, end of period	\$10.33	\$10.03	\$11.70	\$11.80	\$11.50	\$12.25
Total Return (%)	9.20 ^{c**}	(7.75) ^c	5.43 ^c	8.98	2.38	8.60
Ratios to Average Net Assets and Supplemental Data						
Net assets, end of period (\$ millions)	70	73	100	86	71	62
Ratio of expenses before expense reductions (%)	.92 [*]	.89	.84	.85	.88	.84
Ratio of expenses after expense reductions (%)	.82 [*]	.87	.83	.85	.88	.84
Ratio of net investment income (%)	5.78 [*]	5.06	5.50	5.47	5.61	4.99
Portfolio turnover rate (%)	224 ^{**}	234	147	143	120	210

^a For the six months ended June 30, 2009 (Unaudited).

^b Based on average shares outstanding during the period.

^c Total return would have been lower had certain expenses not been reduced.

^{*} Annualized

^{**} Not annualized

DWS Strategic Value VIP (formerly DWS Dreman High Return Equity VIP)

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 redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Please contact your participating insurance company for the Portfolio's most recent month-end performance. Performance doesn't reflect charges and fees ("contract charges") associated with the separate account that invests in the Portfolio or any variable life insurance policy or variable annuity contract for which the Portfolio is an investment option. These charges and fees will reduce returns. While all share classes have the same underlying Portfolio, their performance will differ.

The total annual Portfolio operating expense ratios, gross of any fee waivers or expense reimbursements, as stated in the fee table of the prospectus dated May 1, 2009 are .77% and 1.13% for Class A and Class B shares, respectively. Please see the Information About Your Portfolio's Expenses, the Financial Highlights and Notes to the Financial Statements (Note C, Related Parties) sections of this report for gross and net expense-related disclosure for the period ended June 30, 2009.

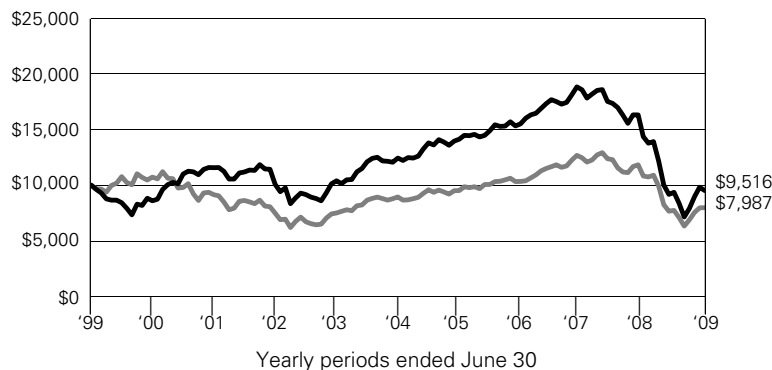
Risk Considerations

This Portfolio is subject to stock market risk, meaning stocks in the Portfolio may decline in value for extended periods of time due to the activities and financial prospects of individual companies, or due to general market and economic conditions. In addition, the Portfolio may focus its investments on certain economic sectors, thereby increasing its vulnerability to any single economic, political or regulatory development. This may result in greater share price volatility. Please read this Portfolio's prospectus for specific details regarding this product's investments and risk profile.

Portfolio returns shown for all periods shown reflect a fee waiver and/or expense reimbursement. Without this waiver/reimbursement, returns would have been lower.

Growth of an Assumed \$10,000 Investment in DWS Strategic Value VIP

- DWS Strategic Value VIP — Class A
- S&P 500® Index



The Standard & Poor's 500® (S&P 500) Index is an unmanaged capitalization-weighted index of 500 stocks. The index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

Index returns assume reinvestment of dividends and, unlike portfolio returns, do not reflect any fees or expenses. It is not possible to invest directly into an index.

Comparative Results

DWS Strategic Value VIP		6-Month [‡]	1-Year	3-Year	5-Year	10-Year
Class A	Growth of \$10,000	\$10,163	\$6,630	\$6,141	\$7,655	\$9,516
	Average annual total return	1.63%	-33.70%	-15.00%	-5.21%	-4.9%
S&P 500 Index	Growth of \$10,000	\$10,316	\$7,379	\$7,730	\$8,928	\$7,987
	Average annual total return	3.16%	-26.21%	-8.22%	-2.24%	-2.22%

DWS Strategic Value VIP		6-Month [‡]	1-Year	3-Year	5-Year	Life of Class*
Class B	Growth of \$10,000	\$10,141	\$6,605	\$6,074	\$7,513	\$9,271
	Average annual total return	1.41%	-33.95%	-15.31%	-5.56%	-1.08%
S&P 500 Index	Growth of \$10,000	\$10,316	\$7,379	\$7,730	\$8,928	\$10,661
	Average annual total return	3.16%	-26.21%	-8.22%	-2.24%	.92%

The growth of \$10,000 is cumulative.

[‡] Total returns shown for periods less than one year are not annualized.

* The Portfolio commenced offering Class B shares on July 1, 2002. Index returns began on June 30, 2002.

Information About Your Portfolio's Expenses

DWS Strategic Value VIP

As an investor of the Portfolio, you incur two types of costs: ongoing expenses and transaction costs. Ongoing expenses include management fees, distribution and service (12b-1) fees and other Portfolio expenses. Examples of transaction costs include contract charges, redemption fees and account maintenance fees, which are not shown in this section. The following tables are intended to help you understand your ongoing expenses (in dollars) of investing in the Portfolio and to help you compare these expenses with the ongoing expenses of investing in other mutual funds. In the most recent six-month period, the Portfolio limited these expenses; had it not done so, expenses would have been higher. The example in the table is based on an investment of \$1,000 invested at the beginning of the six-month period and held for the entire period (January 1, 2009 to June 30, 2009).

The tables illustrate your Portfolio's expenses in two ways:

- Actual Portfolio Return.** This helps you estimate the actual dollar amount of ongoing expenses (but not transaction costs) paid on a \$1,000 investment in the Portfolio using the Portfolio's actual return during the period. To estimate the expenses you

paid over the period, simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the "Expenses Paid per \$1,000" line under the share class you hold.

- Hypothetical 5% Portfolio Return.** This helps you to compare your Portfolio's ongoing expenses (but not transaction costs) with those of other mutual funds using the Portfolio's actual expense ratio and a hypothetical rate of return of 5% per year before expenses. Examples using a 5% hypothetical Portfolio return may be found in the shareholder reports of other mutual funds. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period.

Please note that the expenses shown in these tables are meant to highlight your ongoing expenses only and do not reflect any transaction costs. The "Expenses Paid per \$1,000" line of the tables is useful in comparing ongoing expenses only and will not help you determine the relative total expense of owning different funds. If these transaction costs had been included, your costs would have been higher.

Expenses and Value of a \$1,000 Investment for the six months ended June 30, 2009

Actual Portfolio Return	Class A	Class B
Beginning Account Value 1/1/09	\$1,000.00	\$1,000.00
Ending Account Value 6/30/09	\$1,016.30	\$1,014.10
Expenses Paid per \$1,000*	\$ 3.90	\$ 5.49

Hypothetical 5% Portfolio Return	Class A	Class B
Beginning Account Value 1/1/09	\$1,000.00	\$1,000.00
Ending Account Value 6/30/09	\$1,020.93	\$1,019.34
Expenses Paid per \$1,000*	\$ 3.91	\$ 5.51

* Expenses are equal to the Portfolio's annualized expense ratio for each share class, multiplied by the average account value over the period, multiplied by the number of days in the most recent six-month period, then divided by 365.

Annualized Expense Ratios	Class A	Class B
DWS Variable Series II — DWS Strategic Value VIP	.78%	1.10%

For more information, please refer to the Portfolio's prospectus.

These tables do not reflect charges and fees ("contract charges") associated with the separate account that invests in the Portfolio or any variable life insurance policy or variable annuity contract for which the Portfolio is an investment option.

Portfolio Summary

DWS Strategic Value VIP

Asset Allocation (As a % of Investment Portfolio excluding Securities Lending Collateral)	6/30/09	12/31/08
Common Stocks	93%	100%
Cash Equivalents	7%	—
	100%	100%

Sector Diversification (As a % of Common Stocks)	6/30/09	12/31/08
Energy	17%	29%
Financials	17%	20%
Industrials	14%	10%
Health Care	13%	19%
Consumer Discretionary	11%	10%
Consumer Staples	10%	7%
Information Technology	9%	—
Telecommunication Services	5%	2%
Materials	4%	3%
	100%	100%

Asset allocation and sector diversification are subject to change.

For more complete details about the Portfolio's investment portfolio, see page 159. A complete list of portfolio holdings of the Portfolio is posted as of the month end on www.dws-investments.com on or about the 15th day of the following month. More frequent posting of portfolio holdings information may be made from time to time on www.dws-investments.com.

Following the Portfolio's fiscal first and third quarter-end, a complete portfolio holdings listing is filed with the SEC on Form N-Q. The form will be available on the SEC's Web site at www.sec.gov, and it also may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the SEC's Public Reference Room may be obtained by calling (800) SEC-0330.

Investment Portfolio

DWS Strategic Value VIP

June 30, 2009 (Unaudited)

	Shares	Value (\$)		Shares	Value (\$)	
Common Stocks 94.5%			Diversified Financial Services 6.4%			
Consumer Discretionary 10.0%			Bank of America Corp.			
Auto Components 1.1%			JPMorgan Chase & Co.			
Johnson Controls, Inc.	130,000	2,823,600	700,000	9,240,000	226,785	7,735,637
Hotels Restaurants & Leisure 1.5%						
Burger King Holdings, Inc.	62,250	1,075,057	16,975,637			
Carnival Corp. (Units)	110,983	2,860,032	Insurance 3.2%			
3,935,089			Allstate Corp.			
Media 2.9%			Fidelity National Financial, Inc. "A"			
Time Warner, Inc.	110,161	2,774,955	183,959	4,488,600	100,000	1,353,000
Walt Disney Co. (a)	215,060	5,017,350	64,085	2,630,048	8,471,648	
7,792,305			Thriffs & Mortgage Finance 0.1%			
Specialty Retail 4.5%			Washington Mutual, Inc.			
GameStop Corp. "A"*	83,226	1,831,804	1,394,944	140,889	Health Care 12.7%	
Lowe's Companies, Inc.	294,014	5,706,812	Biotechnology 1.5%			
Staples, Inc. (a)	222,720	4,492,263	Amgen, Inc.*			
12,030,879			72,542			3,840,374
Consumer Staples 9.3%			Health Care Equipment & Supplies 1.0%			
Beverages 0.8%			Baxter International, Inc.			
PepsiCo, Inc.	40,000	2,198,400	51,764	2,741,421	Health Care Providers & Services 3.3%	
Food & Staples Retailing 2.2%			Aetna, Inc.			
CVS Caremark Corp.	96,449	3,073,830	185,258	4,640,713	UnitedHealth Group, Inc.	
Kroger Co.	128,592	2,835,453	167,001	4,171,685	8,812,398	
5,909,283			Pharmaceuticals 6.9%			
Tobacco 6.3%			Merck & Co., Inc. (a)			
Altria Group, Inc.	641,730	10,517,955	194,595	5,440,876	Industrials 12.9%	
Philip Morris International, Inc.	138,979	6,062,264	Mylan, Inc.*			
16,580,219			Novartis AG (ADR)			
Energy 16.4%			Pfizer, Inc.			
Oil, Gas & Consumable Fuels			511,337			7,670,055
Anadarko Petroleum Corp. (a)	177,741	8,067,664	18,396,200			
Apache Corp.	77,943	5,623,587	Aerospace & Defense 6.3%			
Chesapeake Energy Corp. (a)	129,339	2,564,792	Honeywell International, Inc.			
Chevron Corp.	120,555	7,986,769	88,734	2,786,248	ITT Corp.	
ConocoPhillips	227,880	9,584,634	77,339	3,441,585	Northrop Grumman Corp.	
Devon Energy Corp.	70,000	3,815,000	113,439	5,181,894	United Technologies Corp.	
EnCana Corp.	66,531	3,291,289	105,940	5,504,642	16,914,369	
Valero Energy Corp.	164,035	2,770,551	Air Freight & Logistics 2.2%			
43,704,286			FedEx Corp. (a)			
Financials 16.2%			104,397			5,806,561
Capital Markets 3.3%			Industrial Conglomerates 2.7%			
Bank of New York Mellon Corp.	106,978	3,135,525	General Electric Co.			
The Goldman Sachs Group, Inc.	38,968	5,745,442	335,908	3,936,842	Tyco International Ltd.	
8,880,967			125,000	3,247,500	7,184,342	
Commercial Banks 2.6%			Machinery 1.7%			
PNC Financial Services Group, Inc.	65,246	2,532,197	Caterpillar, Inc. (a)			
SunTrust Banks, Inc.	121,850	2,004,433	137,606	4,546,502	Information Technology 9.0%	
Wells Fargo & Co.	99,867	2,422,773	Communications Equipment 1.0%			
6,959,403			Cisco Systems, Inc.*			
Consumer Finance 0.6%			137,958			2,571,537
Capital One Financial Corp.	80,000	1,750,400	Computers & Peripherals 5.2%			
1,750,400			Dell, Inc.*			
			327,486			4,496,383
			Hewlett-Packard Co.			
			115,186			4,451,939
			International Business Machines Corp.			
			39,111			4,083,970
			Lexmark International, Inc. "A"*			
			50,000			792,500
			13,824,792			

The accompanying notes are an integral part of the financial statements.

	Shares	Value (\$)
Software 2.8%		
Microsoft Corp.	250,565	5,955,930
Symantec Corp.*	100,000	1,556,000
		7,511,930

Materials 3.6%

Metals & Mining

BHP Billiton Ltd. (ADR) (a)	122,180	6,686,911
Newmont Mining Corp.	70,631	2,886,689
		9,573,600

Telecommunication Services 4.4%

Diversified Telecommunication Services 3.4%

AT&T, Inc.	150,000	3,726,000
Verizon Communications, Inc.	177,653	5,459,277
		9,185,277

Wireless Telecommunication Services 1.0%

Vodafone Group PLC (ADR)	134,141	2,614,408
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Total Common Stocks (Cost \$261,928,161) **251,676,716**

* Non-income producing security.

† The cost for federal income tax purposes was \$312,465,629. At June 30, 2009, net unrealized depreciation for all securities based on tax cost was \$11,874,355. This consisted of aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost of \$33,332,054 and aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value of \$45,206,409.

(a) All or a portion of these securities were on loan (see Notes to Financial Statements). The value of all securities loaned at June 30, 2009 amounted to \$30,015,418, which is 11.3% of net assets.

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

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

ADR: American Depositary Receipt

Fair Value Measurements

Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, "Fair Value Measurements," as amended, establishes a three-tier hierarchy for measuring fair value and requires additional disclosure about the classification of fair value measurements.

Various inputs are used in determining the value of the Portfolio'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 observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, and credit risk). Level 3 includes significant unobservable inputs (including the Portfolio'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 June 30, 2009 in valuing the Portfolio's investments. For information on the Portfolio's policy regarding the valuation of investments, please refer to the Security Valuation section of Note A in the accompanying Notes to the Financial Statements.

Assets	Level 1	Level 2	Level 3	Total
Common Stocks and/or Other Equity Investments (d)	\$ 251,676,716	\$ —	\$ —	\$ 251,676,716
Short-Term Investments (d)	31,122,990	17,791,568	—	48,914,558
Total	\$ 282,799,706	\$ 17,791,568	\$ —	\$ 300,591,274

(d) See Investment Portfolio for additional detailed categorizations.

	Shares	Value (\$)
Securities Lending Collateral 11.7%		
Daily Assets Fund Institutional, 0.48% (b) (c) (Cost \$31,122,990)	31,122,990	31,122,990

Cash Equivalents 6.7%

Cash Management QP Trust, 0.27% (b) (Cost \$17,791,568)	17,791,568	17,791,568
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	% of Net Assets	Value (\$)
Total Investment Portfolio (Cost \$310,842,719)†	112.9	300,591,274
Other Assets and Liabilities, Net	(12.9)	(34,327,259)
Net Assets	100.0	266,264,015

The accompanying notes are an integral part of the financial statements.

Financial Statements

Statement of Assets and Liabilities

as of June 30, 2009 (Unaudited)

Assets

Investments:	
Investments in securities, at value (cost \$261,928,161) — including \$30,015,418 of securities loaned	\$ 251,676,716
Investment in Daily Assets Fund Institutional (cost \$31,122,990)*	31,122,990
Investment in Cash Management QP Trust (cost \$17,791,568)	17,791,568
Total investments at value (cost \$310,842,719)	300,591,274
Cash	11,400
Receivable for Portfolio shares sold	2,688
Dividends receivable	431,991
Interest receivable	20,303
Other assets	5,789
Total assets	301,063,445

Liabilities

Payable upon return of securities loaned	31,122,990
Payable for investments purchased	2,989,575
Payable for Portfolio shares redeemed	389,782
Accrued management fee	154,337
Other accrued expenses and payables	142,710
Total liabilities	34,799,394
Net assets, at value	\$ 266,264,051

Net Assets Consist of

Undistributed net investment income	2,756,982
Net unrealized appreciation (depreciation) on investments	(10,251,445)
Accumulated net realized gain (loss)	(177,033,241)
Paid-in capital	450,791,755
Net assets, at value	\$ 266,264,051

Class A

Net Asset Value , offering and redemption price per share (\$264,470,175 ÷ 44,304,853 outstanding shares of beneficial interest, no par value, unlimited number of shares authorized)	\$ 5.97
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Class B

Net Asset Value , offering and redemption price per share (\$1,793,876 ÷ 299,240 outstanding shares of beneficial interest, no par value, unlimited number of shares authorized)	\$ 5.99
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* Represents collateral on securities loaned.

Statement of Operations

for the six months ended June 30, 2009 (Unaudited)

Investment Income

Income:	
Dividends (net of foreign taxes withheld of \$3,992)	\$ 3,717,431
Interest — Cash Management QP Trust	2,911
Securities lending income, including income from Daily Assets Fund Institutional, net of borrower rebates	249,838
Other income	1,178
Total Income	3,971,358
Expenses:	
Management fee	869,290
Administrative service fees	131,156
Custodian fee	13,044
Distribution service fee (Class B)	2,202
Services to shareholders	3,194
Record keeping fees (Class B)	490
Professional fees	33,435
Trustees' fees and expenses	3,282
Reports to shareholders	16,908
Other	13,073
Total expenses before expense reductions	1,086,074
Expense reductions	(58,302)
Total expenses after expense reductions	1,027,772
Net investment income (loss)	2,943,586

Realized and Unrealized Gain (Loss)

Net realized gain (loss) from:	
Investments	(28,351,824)
Payments made by affiliate (see Note I)	12,813
	(28,339,011)
Change in net unrealized appreciation (depreciation) on:	
Investments	25,691,392
	25,691,392
Net gain (loss)	(2,647,619)
Net increase (decrease) in net assets resulting from operations	\$ 295,967

The accompanying notes are an integral part of the financial statements.

Statement of Changes in Net Assets

Increase (Decrease) in Net Assets	Six Months Ended June 30, 2009 (Unaudited)	Year Ended December 31, 2008
Operations:		
Net investment income (loss)	\$ 2,943,586	\$ 12,688,647
Net realized gain (loss)	(28,339,011)	(145,683,533)
Change in net unrealized appreciation (depreciation)	25,691,392	(192,880,861)
Net increase (decrease) in net assets resulting from operations	295,967	(325,875,747)
Distributions to shareholders from:		
Net investment income:		
Class A	(12,778,810)	(18,513,153)
Class B	(81,600)	(745,822)
Net realized gains:		
Class A	—	(116,884,417)
Class B	—	(5,393,183)
Total distributions	(12,860,410)	(141,536,575)
Portfolio share transactions:		
Class A		
Proceeds from shares sold	3,221,475	14,533,917
Reinvestment of distributions	12,778,810	135,397,570
Cost of shares redeemed	(47,304,430)	(175,333,071)
Net increase (decrease) in net assets from Class A share transactions	(31,304,145)	(25,401,584)
Class B		
Proceeds from shares sold	250,058	1,441,659
Reinvestment of distributions	81,600	6,139,005
Cost of shares redeemed	(501,619)	(32,996,043)
Net increase (decrease) in net assets from Class B share transactions	(169,961)	(25,415,379)
Increase (decrease) in net assets	(44,038,549)	(518,229,285)
Net assets at beginning of period	310,302,600	828,531,885
Net assets at end of period (including undistributed net investment income of \$2,756,982 and \$12,673,806, respectively)	\$ 266,264,051	\$ 310,302,600
Other Information		
Class A		
Shares outstanding at beginning of period	49,642,073	54,976,574
Shares sold	585,232	1,441,589
Shares issued to shareholders in reinvestment of distributions	2,576,373	13,132,645
Shares redeemed	(8,498,825)	(19,908,735)
Net increase (decrease) in Class A shares	(5,337,220)	(5,334,501)
Shares outstanding at end of period	44,304,853	49,642,073
Class B		
Shares outstanding at beginning of period	327,546	2,551,709
Shares sold	43,144	160,248
Shares issued to shareholders in reinvestment of distributions	16,352	593,141
Shares redeemed	(87,802)	(2,977,552)
Net increase (decrease) in Class B shares	(28,306)	(2,224,163)
Shares outstanding at end of period	299,240	327,546

The accompanying notes are an integral part of the financial statements.

Financial Highlights

Class A

Years Ended December 31,	2009 ^a	2008	2007	2006	2005	2004
Selected Per Share Data						
Net asset value, beginning of period	\$ 6.21	\$14.40	\$15.02	\$13.41	\$12.65	\$11.29
<i>Income (loss) from investment operations:</i>						
Net investment income (loss) ^b	.06	.22	.29	.27	.24	.23
Net realized and unrealized gain (loss)	(.02)	(5.80)	(.56)	2.21	.75	1.32
Total from investment operations	.04	(5.58)	(.27)	2.48	.99	1.55
<i>Less distributions from:</i>						
Net investment income	(.28)	(.36)	(.22)	(.28)	(.23)	(.19)
Net realized gains	—	(2.25)	(.13)	(.59)	—	—
Total distributions	(.28)	(2.61)	(.35)	(.87)	(.23)	(.19)
Net asset value, end of period	\$ 5.97	\$ 6.21	\$14.40	\$15.02	\$13.41	\$12.65
Total Return (%)	1.63 ^{c**}	(45.98) ^c	(1.86)	18.74	7.92	13.95
Ratios to Average Net Assets and Supplemental Data						
Net assets, end of period (\$ millions)	264	308	792	992	785	747
Ratio of expenses before expense reductions (%)	.83 [*]	.81	.78	.77	.78	.78
Ratio of expenses after expense reductions(%)	.78 [*]	.80	.78	.77	.78	.78
Ratio of net investment income (%)	2.25 [*]	2.21	1.94	1.87	1.84	1.96
Portfolio turnover rate (%)	42 ^{**}	28	27	20	10	9

^a For the six months ended June 30, 2009 (Unaudited).

^b Based on average shares outstanding during the period.

^c Total return would have been lower had certain expenses not been reduced.

* Annualized ** Not annualized

Class B

Years Ended December 31,	2009 ^a	2008	2007	2006	2005	2004
Selected Per Share Data						
Net asset value, beginning of period	\$ 6.22	\$14.41	\$15.02	\$13.39	\$12.63	\$11.27
<i>Income (loss) from investment operations:</i>						
Net investment income (loss) ^b	.05	.16	.24	.22	.19	.18
Net realized and unrealized gain (loss)	(.02)	(5.79)	(.56)	2.19	.75	1.33
Total from investment operations	.03	(5.63)	(.32)	2.41	.94	1.51
<i>Less distributions from:</i>						
Net investment income	(.26)	(.31)	(.16)	(.19)	(.18)	(.15)
Net realized gains	—	(2.25)	(.13)	(.59)	—	—
Total distributions	(.26)	(2.56)	(.29)	(.78)	(.18)	(.15)
Net asset value, end of period	\$ 5.99	\$ 6.22	\$14.41	\$15.02	\$13.39	\$12.63
Total Return (%)	1.41 ^{c**}	(46.16) ^c	(2.19) ^c	18.21 ^c	7.51	13.53
Ratios to Average Net Assets and Supplemental Data						
Net assets, end of period (\$ millions)	2	2	37	191	135	117
Ratio of expenses before expense reduction (%)	1.14 [*]	1.21	1.15	1.16	1.17	1.16
Ratio of expenses after expense reduction (%)	1.10 [*]	1.17	1.13	1.16	1.17	1.16
Ratio of net investment income (%)	1.93 [*]	1.84	1.59	1.48	1.45	1.58
Portfolio turnover rate (%)	42 ^{**}	28	27	20	10	9

^a For the six months ended June 30, 2009 (Unaudited).

^b Based on average shares outstanding during the period.

^c Total return would have been lower had certain expenses not been reduced.

* Annualized ** Not annualized

DWS Technology VIP

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 redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Please contact your participating insurance company for the Portfolio's most recent month-end performance. Performance doesn't reflect charges and fees ("contract charges") associated with the separate account that invests in the Portfolio or any variable life insurance policy or variable annuity contract for which the Portfolio is an investment option. These charges and fees will reduce returns. While all share classes have the same underlying Portfolio, their performance will differ.

The total annual Portfolio operating expense ratios, gross of any fee waivers or expense reimbursements, as stated in the fee table of the prospectus dated May 1, 2009 are .95% and 1.29% for Class A and Class B shares, respectively. Please see the Information About Your Portfolio's Expenses, the Financial Highlights and Notes to the Financial Statements (Note C, Related Parties) sections of this report for gross and net expense-related disclosure for the period ended June 30, 2009.

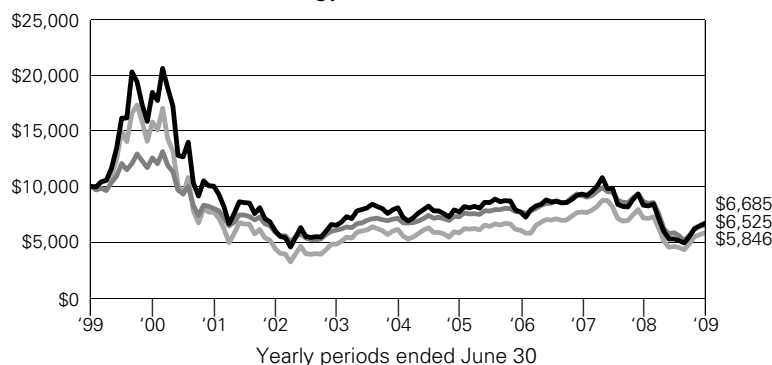
Risk Considerations

This Portfolio is subject to stock market risk, meaning stocks in the Portfolio may decline in value for extended periods of time due to the activities and financial prospects of individual companies, or due to general market and economic conditions. Investments by the Portfolio in small companies present greater risk of loss than investments in larger, more established companies. Concentration of the Portfolio's investment in technology stocks may present a greater risk than investments in a more diversified portfolio. Investments by the Portfolio in emerging technology companies present greater risk than investments in more established technology companies. This Portfolio is non-diversified and can take larger positions in fewer companies, increasing its overall potential risk. Please read this Portfolio's prospectus for specific details regarding this product's investments and risk profile.

Portfolio returns shown during the 1-year, 3-year, 5-year and 10-year/Life of Class periods reflect a fee waiver and/or expense reimbursement. Without this waiver/reimbursement, returns would have been lower.

Growth of an Assumed \$10,000 Investment in DWS Technology VIP

- DWS Technology VIP — Class A
- Russell 1000® Growth Index
- S&P® North American Technology Sector Index



The Russell 1000® Growth Index is an unmanaged index that consists of those stocks in the Russell 1000 Index with higher price-to-book ratios and higher forecasted growth values.

The S&P® North American Technology Sector Index is an unmanaged capitalization-weighted index based on a universe of technology-related stocks.

Index returns assume reinvestment of dividends and, unlike portfolio returns, do not reflect any fees or expenses. It is not possible to invest directly into an index.

Comparative Results

DWS Technology VIP		6-Month [‡]	1-Year	3-Year	5-Year	10-Year
Class A	Growth of \$10,000	\$12,622	\$8,033	\$8,675	\$8,256	\$6,685
	Average annual total return	26.22%	-19.67%	-4.63%	-3.76%	-3.95%
Russell 1000 Growth Index	Growth of \$10,000	\$11,153	\$7,550	\$8,452	\$9,120	\$6,525
	Average annual total return	11.53%	-24.50%	-5.45%	-1.83%	-4.18%
S&P North American Technology Sector Index	Growth of \$10,000	\$12,623	\$8,143	\$9,617	\$9,501	\$5,846
	Average annual total return	26.23%	-18.57%	-1.29%	-1.02%	-5.23%
DWS Technology VIP		6-Month [‡]	1-Year	3-Year	5-Year	Life of Class*
Class B	Growth of \$10,000	\$12,606	\$7,998	\$8,587	\$8,099	\$11,264
	Average annual total return	26.06%	-20.02%	-4.95%	-4.13%	1.72%
Russell 1000 Growth Index	Growth of \$10,000	\$11,153	\$7,550	\$8,452	\$9,120	\$11,066
	Average annual total return	11.53%	-24.50%	-5.45%	-1.83%	1.46%
S&P North American Technology Sector Index	Growth of \$10,000	\$12,623	\$8,143	\$9,617	\$9,501	\$13,155
	Average annual total return	26.23%	-18.57%	-1.29%	-1.02%	3.99%

The growth of \$10,000 is cumulative.

[‡] Total returns shown for periods less than one year are not annualized.

* The Portfolio commenced offering Class B shares on July 1, 2002. Index returns began on June 30, 2002.

Information About Your Portfolio's Expenses

DWS Technology VIP

As an investor of the Portfolio, you incur two types of costs: ongoing expenses and transaction costs. Ongoing expenses include management fees, distribution and service (12b-1) fees and other Portfolio expenses. Examples of transaction costs include contract charges, redemption fees and account maintenance fees, which are not shown in this section. The following tables are intended to help you understand your ongoing expenses (in dollars) of investing in the Portfolio and to help you compare these expenses with the ongoing expenses of investing in other mutual funds. The example in the table is based on an investment of \$1,000 invested at the beginning of the six-month period and held for the entire period (January 1, 2009 to June 30, 2009).

The tables illustrate your Portfolio's expenses in two ways:

- Actual Portfolio Return.** This helps you estimate the actual dollar amount of ongoing expenses (but not transaction costs) paid on a \$1,000 investment in the Portfolio using the Portfolio's actual return during the period. To estimate the expenses you paid over the period, simply divide your account

value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the "Expenses Paid per \$1,000" line under the share class you hold.

- Hypothetical 5% Portfolio Return.** This helps you to compare your Portfolio's ongoing expenses (but not transaction costs) with those of other mutual funds using the Portfolio's actual expense ratio and a hypothetical rate of return of 5% per year before expenses. Examples using a 5% hypothetical Portfolio return may be found in the shareholder reports of other mutual funds. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period.

Please note that the expenses shown in these tables are meant to highlight your ongoing expenses only and do not reflect any transaction costs. The "Expenses Paid per \$1,000" line of the tables is useful in comparing ongoing expenses only and will not help you determine the relative total expense of owning different funds. If these transaction costs had been included, your costs would have been higher.

Expenses and Value of a \$1,000 Investment for the six months ended June 30, 2009

Actual Portfolio Return	Class A	Class B
Beginning Account Value 1/1/09	\$1,000.00	\$1,000.00
Ending Account Value 6/30/09	\$1,262.20	\$1,260.60
Expenses Paid per \$1,000*	\$ 5.55	\$ 7.51

Hypothetical 5% Portfolio Return	Class A	Class B
Beginning Account Value 1/1/09	\$1,000.00	\$1,000.00
Ending Account Value 6/30/09	\$1,019.89	\$1,018.15
Expenses Paid per \$1,000*	\$ 4.96	\$ 6.71

* Expenses are equal to the Portfolio's annualized expense ratio for each share class, multiplied by the average account value over the period, multiplied by the number of days in the most recent six-month period, then divided by 365.

Annualized Expense Ratios	Class A	Class B
DWS Variable Series II — DWS Technology VIP	.99%	1.34%

For more information, please refer to the Portfolio's prospectus.

These tables do not reflect charges and fees ("contract charges") associated with the separate account that invests in the Portfolio or any variable life insurance policy or variable annuity contract for which the Portfolio is an investment option.

Portfolio Summary

DWS Technology VIP

Asset Allocation (As a % of Investment Portfolio excluding Securities Lending Collateral)	6/30/09	12/31/08
Common Stocks	97%	98%
Cash Equivalents	3%	2%
	100%	100%

Sector Diversification (As a % of Common Stocks)	6/30/09	12/31/08
Information Technology:		
Computers & Peripherals	24%	18%
Communications Equipment	21%	23%
Software	20%	18%
Semiconductors & Semiconductor Equipment	15%	22%
Internet Software & Services	12%	10%
IT Services	6%	6%
Electronic Equipment, Instruments & Components	—	1%
Consumer Discretionary	2%	1%
Industrials	—	1%
	100%	100%

Asset allocation and sector diversification are subject to change.

For more complete details about the Portfolio's investment portfolio, see page 167. A complete list of portfolio holdings of the Portfolio is posted as of the month end on www.dws-investments.com on or about the 15th day of the following month. More frequent posting of portfolio holdings information may be made from time to time on www.dws-investments.com.

Following the Portfolio's fiscal first and third quarter-end, a complete portfolio holdings listing is filed with the SEC on Form N-Q. The form will be available on the SEC's Web site at www.sec.gov, and it also may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the SEC's Public Reference Room may be obtained by calling (800) SEC-0330.

Investment Portfolio

June 30, 2009 (Unaudited)

DWS Technology VIP

	Shares	Value (\$)		Shares	Value (\$)
Common Stocks 97.5%			IT Services 5.4%		
Consumer Discretionary 1.7%			Amdocs Ltd.*		
Internet & Catalog Retail 0.8%			Cognizant Technology Solutions Corp. "A"*		
Amazon.com, Inc.*	3,800	317,908	CyberSource Corp.*		
Priceline.com, Inc.* (a)	2,000	223,100	Fiserv, Inc.*		
		541,008	Global Payments, Inc.		
Media 0.9%			MasterCard, Inc. "A"		
Grupo Televisa SA (ADR)	36,900	627,300	Visa, Inc. "A"		
Health Care 0.1%			3,709,358		
Health Care Technology			Semiconductors & Semiconductor Equipment 14.6%		
Medidata Solutions, Inc.*	3,800	62,244	Applied Materials, Inc.		
Industrials 0.1%			ASML Holding NV (NY Registered Shares)		
Aerospace & Defense			Broadcom Corp. "A"*		
DigitalGlobe, Inc.*	2,000	38,400	Cymer, Inc.* (a)		
Information Technology 95.6%			FormFactor, Inc.* (a)		
Communications Equipment 20.4%			Intel Corp.		
Brocade Communications Systems, Inc.*	71,300	557,566	KLA-Tencor Corp. (a)		
Cisco Systems, Inc.*	167,800	3,127,792	Marvell Technology Group Ltd.*		
Comverse Technology, Inc.*	46,300	395,865	MediaTek, Inc.		
Corning, Inc.	60,100	965,206	MEMC Electronic Materials, Inc.*		
F5 Networks, Inc.*	9,600	332,064	Microchip Technology, Inc. (a)		
Harris Corp.	10,200	289,272	Microsemi Corp.*		
Harris Stratex Networks, Inc. "A"*	2,533	16,414	MKS Instruments, Inc.*		
Infinera Corp.* (a)	24,500	223,685	Monolithic Power Systems, Inc.*		
Juniper Networks, Inc.* (a)	33,800	797,680	National Semiconductor Corp.		
Motorola, Inc.	94,200	624,546	Netlogic Microsystems, Inc.*		
Nokia Oyj (ADR) (a)	20,800	303,264	NVIDIA Corp.*		
Polycom, Inc.*	34,500	699,315	Taiwan Semiconductor Manufacturing Co., Ltd. (ADR)		
QUALCOMM, Inc.	87,016	3,933,123	Texas Instruments, Inc.		
Research In Motion Ltd.*	19,600	1,392,580	Xilinx, Inc. (a)		
Sonus Networks, Inc.*	123,400	198,674	9,973,724		
		13,857,046	Software 20.0%		
Computers & Peripherals 23.0%			Activision Blizzard, Inc.*		
Apple, Inc.*	33,600	4,785,648	Adobe Systems, Inc.*		
Data Domain, Inc.* (a)	23,600	787,060	ANSYS, Inc.* (a)		
EMC Corp.*	65,300	855,430	ArcSight, Inc.*		
Hewlett-Packard Co.	102,100	3,946,165	Ariba, Inc.*		
International Business Machines Corp.	39,300	4,103,706	BMC Software, Inc.*		
SanDisk Corp.*	19,400	284,986	Check Point Software Technologies Ltd.*		
Synaptics, Inc.* (a)	23,250	898,613	Citrix Systems, Inc.*		
		15,661,608	Electronic Arts, Inc.*		
Internet Software & Services 12.2%			Informatica Corp.*		
Akamai Technologies, Inc.*	7,100	136,178	McAfee, Inc.*		
Digital River, Inc.* (a)	13,700	497,584	Microsoft Corp.		
eBay, Inc.*	45,600	781,128	Nintendo Co., Ltd.		
Equinix, Inc.* (a)	5,900	429,166	Oracle Corp.		
Google, Inc. "A"*	12,900	5,438,511	Salesforce.com, Inc.* (a)		
LogMeIn, Inc.*	5,100	81,600	Symantec Corp.*		
Yahoo!, Inc.*	61,500	963,090	VanceInfo Technologies, Inc. (ADR)*		
		8,327,257	13,583,900		
8,327,257			Total Common Stocks (Cost \$56,666,578)		
			66,381,845		

The accompanying notes are an integral part of the financial statements.

	Shares	Value (\$)		% of Net Assets	Value (\$)
Securities Lending Collateral 8.2%			Total Investment Portfolio		
Daily Assets Fund Institutional, 0.48% (b) (c) (Cost \$5,566,127)	5,566,127	5,566,127	(Cost \$64,245,681) [†]	108.7	73,960,948
			Other Assets and Liabilities, Net (a)	(8.7)	(5,900,461)
			Net Assets	100.0	68,060,487
Cash Equivalents 3.0%					
Cash Management QP Trust, 0.27% (b) (Cost \$2,012,976)	2,012,976	2,012,976			

* Non-income producing security.

† The cost for federal income tax purposes was \$70,502,596. At June 30, 2009, net unrealized appreciation for all securities based on tax cost was \$3,458,352. This consisted of aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost of \$14,025,854 and aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value of \$10,567,502.

(a) All or a portion of these securities were on loan amounting to \$4,704,280. In addition, included in other assets and liabilities, net is a pending sale, amounting to \$742,594 that is also on loan (see Notes to Financial Statements). The value of all securities loaned at June 30, 2009 amounted to \$5,446,874, which is 8.0% of net assets.

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

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

ADR: American Depositary Receipt

Fair Value Measurements

Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, "Fair Value Measurements," as amended, establishes a three-tier hierarchy for measuring fair value and requires additional disclosure about the classification of fair value measurements.

Various inputs are used in determining the value of the Portfolio'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 observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, and credit risk). Level 3 includes significant unobservable inputs (including the Portfolio'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 June 30, 2009 in valuing the Portfolio's investments. For information on the Portfolio's policy regarding the valuation of investments, please refer to the Security Valuation section of Note A in the accompanying Notes to the Financial Statements.

Assets	Level 1	Level 2	Level 3	Total
Common Stocks and/or Other Equity Investments				
Internet & Catalog Retail	\$ 541,008	\$ —	\$ —	\$ 541,008
Media	627,300	—	—	627,300
Health Care Technology	62,244	—	—	62,244
Aerospace & Defense	38,400	—	—	38,400
Communications Equipment	13,857,046	—	—	13,857,046
Computers & Peripherals	15,661,608	—	—	15,661,608
Internet Software & Services	8,327,257	—	—	8,327,257
IT Services	3,709,358	—	—	3,709,358
Semiconductors & Semiconductor Equipment	9,682,443	291,281	—	9,973,724
Software	13,253,655	330,245	—	13,583,900
Short-Term Investments (d)	5,566,127	2,012,976	—	7,579,103
Total	\$ 71,326,446	\$ 2,634,502	\$ —	\$ 73,960,948

(d) See Investment Portfolio for additional detailed categorizations.

The accompanying notes are an integral part of the financial statements.

Financial Statements

Statement of Assets and Liabilities

as of June 30, 2009 (Unaudited)

Assets	
Investments:	
Investments in securities, at value (cost \$56,666,578) — including \$4,704,280 of securities loaned	\$ 66,381,845
Investment in Daily Assets Fund Institutional (cost \$5,566,127)*	5,566,127
Investment in Cash Management QP Trust (cost \$2,012,976)	2,012,976
Total investments, at value (cost \$64,245,681)	73,960,948
Foreign currency, at value (cost \$18,655)	18,792
Interest receivable	6,506
Receivable for investments sold	1,127,736
Dividends receivable	10,353
Receivable for Portfolio shares sold	2,564
Other assets	1,534
Total assets	75,128,433
Liabilities	
Payable for Portfolio shares redeemed	67,985
Payable for investments purchased	1,272,609
Payable upon return of securities loaned	5,566,127
Accrued management fee	36,719
Other accrued expenses and payables	124,506
Total liabilities	7,067,946
Net assets, at value	\$ 68,060,487
Net Assets Consist of	
Undistributed net investment income	\$ 16,190
Net unrealized appreciation (depreciation) on:	
Investments	9,715,267
Foreign currency	136
Accumulated net realized gain (loss)	(276,463,624)
Paid-in capital	334,792,518
Net assets, at value	\$ 68,060,487
Class A	
Net Asset Value , offering and redemption price per share (\$65,838,097 ÷ 9,059,543 outstanding shares of beneficial interest, no par value, unlimited number of shares authorized)	\$ 7.27
Class B	
Net Asset Value , offering and redemption price per share (\$2,222,390 ÷ 312,729 outstanding shares of beneficial interest, no par value, unlimited number of shares authorized)	\$ 7.11

* Represents collateral on securities loaned.

Statement of Operations

for the six months ended June 30, 2009 (Unaudited)

Investment Income	
Income:	
Dividends (net of foreign taxes withheld of \$7,950)	\$ 281,355
Interest	2,762
Interest — Cash Management QP Trust	5,882
Securities lending income, including income from Daily Assets Fund Institutional, net of borrower rebates	36,016
Total Income	326,015
Expenses:	
Management fee	202,696
Administration fee	30,481
Custodian fees	6,838
Distribution service fee (Class B)	2,218
Record keeping fees (Class B)	821
Services to shareholders	1,004
Audit and tax fees	24,494
Legal fees	3,002
Trustees' fees and expenses	1,586
Reports to shareholders	24,526
Other	7,322
Total expenses	304,988
Net investment income (loss)	21,027
Realized and Unrealized Gain (Loss)	
Net realized gain (loss) from:	
Investments	(12,589,557)
Written options	12,238
Foreign currency	(13,033)
	(12,590,352)
Change in net unrealized appreciation (depreciation) on:	
Investments	26,949,392
Foreign currency	(2,192)
	26,947,200
Net gain (loss)	14,356,848
Net increase (decrease) in net assets resulting from operations	\$ 14,377,875

The accompanying notes are an integral part of the financial statements.

Statement of Changes in Net Assets

	Six Months Ended June 30, 2009 (Unaudited)	Year Ended December 31, 2008
Increase (Decrease) in Net Assets		
Operations:		
Net investment income (loss)	\$ 21,027	\$ (15,115)
Net realized gain (loss)	(12,590,352)	(17,609,911)
Net unrealized appreciation (depreciation)	26,947,200	(45,863,321)
Net increase (decrease) in net assets resulting from operations	14,377,875	(63,488,347)
Portfolio share transactions:		
Class A		
Proceeds from shares sold	2,989,948	4,037,835
Cost of shares redeemed	(10,674,869)	(35,554,956)
Net increase (decrease) in net assets from Class A share transactions	(7,684,921)	(31,517,121)
Class B		
Proceeds from shares sold	444,191	405,112
Cost of shares redeemed	(270,945)	(691,475)
Net increase (decrease) in net assets from Class B share transactions	173,246	(286,363)
Increase (decrease) in net assets	6,866,200	(95,291,831)
Net assets at beginning of period	61,194,287	156,486,118
Net assets at end of period (including undistributed net investment income and accumulated net investment loss of \$16,190 and \$4,837, respectively)	\$ 68,060,487	\$ 61,194,287
Other Information		
Class A		
Shares outstanding at beginning of period	10,336,451	14,290,167
Shares sold	448,337	484,042
Shares redeemed	(1,725,245)	(4,437,758)
Net increase (decrease) in Class A shares	(1,276,908)	(3,953,716)
Shares outstanding at end of period	9,059,543	10,336,451
Class B		
Shares outstanding at beginning of period	290,168	325,361
Shares sold	68,468	46,978
Shares redeemed	(45,907)	(82,171)
Net increase (decrease) in Class B shares	22,561	(35,193)
Shares outstanding at end of period	312,729	290,168

The accompanying notes are an integral part of the financial statements.

Financial Highlights

Class A

Years Ended December 31,	2009 ^a	2008	2007	2006	2005	2004
Selected Per Share Data						
Net asset value, beginning of period	\$ 5.76	\$10.71	\$ 9.37	\$ 9.30	\$ 9.01	\$ 8.84
<i>Income (loss) from investment operations:</i>						
Net investment income (loss) ^b	.00 ^{***}	(.00) ^{***}	(.02)	(.01) ^d	(.03)	.04
Net realized and unrealized gain (loss)	1.51	(4.95)	1.36	.08	.36	.13
Total from investment operations	1.51	(4.95)	1.34	.07	.33	.17
<i>Less distributions from:</i>						
Net investment income	—	—	—	—	(.04)	—
Net asset value, end of period	\$ 7.27	\$ 5.76	\$10.71	\$ 9.37	\$ 9.30	\$ 9.01
Total Return (%)	26.22 ^{**}	(46.22) ^c	14.30	.75 ^d	3.74	1.92

Ratios to Average Net Assets and Supplemental Data

Net assets, end of period (\$ millions)	66	60	153	165	199	230
Ratio of expenses before expense reductions (%)	.99 [*]	1.01	.91	.89	.86	.83
Ratio of expenses after expense reductions (%)	.99 [*]	1.00	.91	.89	.86	.83
Ratio of net investment income (loss) (%)	.08 [*]	(.01)	(.15)	(.12) ^d	(.36)	.43
Portfolio turnover rate (%)	36 ^{**}	71	91	49	135	112

^a For the six months ended June 30, 2009 (Unaudited).

^b Based on average shares outstanding during the period.

^c Total return would have been lower had certain expenses not been reduced.

^d Includes non-recurring income from the Advisor recorded as a result of an administrative proceeding regarding disclosure of brokerage allocation practices in connection with sales of DWS Funds. The non-recurring income resulted in an increase in net investment income of \$0.017 per share and an increase in the ratio of net investment income of 0.18%. Excluding this non-recurring income, total return would have been 0.19% lower.

* Annualized ** Not annualized

*** Amount is less than \$0.005.

Class B

Years Ended December 31,	2009 ^a	2008	2007	2006	2005	2004
Selected Per Share Data						
Net asset value, beginning of period	\$ 5.64	\$10.53	\$ 9.25	\$ 9.21	\$ 8.93	\$ 8.80
<i>Income (loss) from investment operations:</i>						
Net investment income (loss) ^b	(.01)	(.03)	(.05)	(.04) ^d	(.07)	.01
Net realized and unrealized gain (loss)	1.48	(4.86)	1.33	.08	.36	.12
Total from investment operations	1.47	(4.89)	1.28	.04	.29	.13
<i>Less distributions from:</i>						
Net investment income	—	—	—	—	(.01)	—
Net asset value, end of period	\$ 7.11	\$ 5.64	\$10.53	\$ 9.25	\$ 9.21	\$ 8.93
Total Return (%)	26.06 ^{**}	(46.44) ^c	13.84	.43 ^d	3.27	1.48 ^c

Ratios to Average Net Assets and Supplemental Data

Net assets, end of period (\$ millions)	2	2	3	14	16	16
Ratio of expenses before expense reductions (%)	1.34 [*]	1.35	1.29	1.28	1.26	1.22
Ratio of expenses after expense reductions (%)	1.34 [*]	1.35	1.29	1.28	1.26	1.21
Ratio of net investment income (loss) (%)	(.27) [*]	(.35)	(.53)	(.51) ^d	(.76)	.05
Portfolio turnover rate (%)	36 ^{**}	71	91	49	135	112

^a For the six months ended June 30, 2009 (Unaudited).

^b Based on average shares outstanding during the period.

^c Total return would have been lower had certain expenses not been reduced.

^d Includes non-recurring income from the Advisor recorded as a result of an administrative proceeding regarding disclosure of brokerage allocation practices in connection with sales of DWS Funds. The non-recurring income resulted in an increase in net investment income of \$0.017 per share and an increase in the ratio of net investment income of 0.18%. Excluding this non-recurring income, total return would have been 0.19% lower.

* Annualized ** Not annualized

DWS Turner Mid Cap Growth VIP

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 redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Please contact your participating insurance company for the Portfolio's most recent month-end performance. Performance doesn't reflect charges and fees ("contract charges") associated with the separate account that invests in the Portfolio or any variable life insurance policy or variable annuity contract for which the Portfolio is an investment option. These charges and fees will reduce returns. While all share classes have the same underlying Portfolio, their performance will differ.

The total annual Portfolio operating expense ratio, gross of any fee waivers or expense reimbursements, as stated in the fee table of the prospectus dated May 1, 2009 is .98% for Class A shares. Please see the Information About Your Portfolio's Expenses, the Financial Highlights and Notes to the Financial Statements (Note C, Related Parties) sections of this report for gross and net expense-related disclosure for the period ended June 30, 2009.

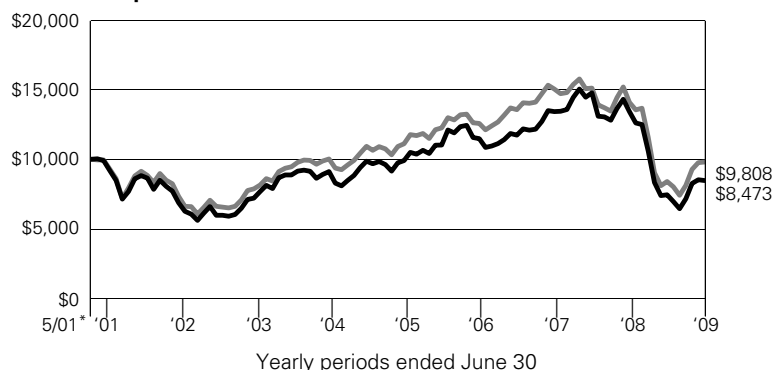
Risk Considerations

The Portfolio is subject to stock market risk, meaning stocks in the Portfolio may decline in value for extended periods of time due to the activities and financial prospects of individual companies, or due to general market and economic conditions. Stocks of medium-sized companies involve greater risk than securities of larger, more established companies, as they often have limited product lines, markets or financial resources and may be subject to more-erratic and more-abrupt market movements. Please read this Portfolio's prospectus for specific details regarding this product's investments and risk profile.

Portfolio returns shown for the 1-year, 3-year, 5-year and 10-year periods reflect a fee waiver and/or expense reimbursement for Class A shares. Without this waiver/reimbursement, returns would have been lower.

Growth of an Assumed \$10,000 Investment in DWS Turner Mid Cap Growth VIP from 5/1/2001 to 6/30/2009

■ DWS Turner Mid Cap Growth VIP – Class A
 ■ Russell MidCap® Growth Index



The Russell Midcap® Growth Index is an unmanaged index that measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth values.

Index returns assume reinvestment of dividends and, unlike portfolio returns, do not reflect any fees or expenses. It is not possible to invest directly in an index.

Comparative Results

DWS Turner Mid Cap Growth VIP		6-Month [‡]	1-Year	3-Year	5-Year	Life of Portfolio [*]
Class A	Growth of \$10,000	\$11,364	\$6,319	\$7,380	\$9,290	\$8,473
	Average annual total return	13.64%	-36.81%	-9.63%	-1.46%	-2.01%
Russell Midcap Growth Index	Growth of \$10,000	\$11,661	\$6,967	\$7,806	\$9,782	\$9,808
	Average annual total return	16.61%	-30.33%	-7.93%	-.44%	-.24%

The growth of \$10,000 is cumulative.

[‡] Total returns shown for periods less than one year are not annualized.

^{*} The Portfolio commenced operations on May 1, 2001. Index returns began on April 30, 2001.

Information About Your Portfolio's Expenses

DWS Turner Mid Cap Growth VIP

As an investor of the Portfolio, you incur two types of costs: ongoing expenses and transaction costs. Ongoing expenses include management fees, distribution and service (12b-1) fees and other Portfolio expenses. Examples of transaction costs include contract charges, redemption fees and account maintenance fees, which are not shown in this section. The following tables are intended to help you understand your ongoing expenses (in dollars) of investing in the Portfolio and to help you compare these expenses with the ongoing expenses of investing in other mutual funds. The example in the table is based on an investment of \$1,000 invested at the beginning of the six-month period and held for the entire period (January 1, 2009 to June 30, 2009).

The tables illustrate your Portfolio's expenses in two ways:

- Actual Portfolio Return.** This helps you estimate the actual dollar amount of ongoing expenses (but not transaction costs) paid on a \$1,000 investment in the Portfolio using the Portfolio's actual return during the period. To estimate the expenses you paid over the period, simply divide your account

value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the "Expenses Paid per \$1,000" line under the share class you hold.

- Hypothetical 5% Portfolio Return.** This helps you to compare your Portfolio's ongoing expenses (but not transaction costs) with those of other mutual funds using the Portfolio's actual expense ratio and a hypothetical rate of return of 5% per year before expenses. Examples using a 5% hypothetical Portfolio return may be found in the shareholder reports of other mutual funds. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period.

Please note that the expenses shown in these tables are meant to highlight your ongoing expenses only and do not reflect any transaction costs. The "Expenses Paid per \$1,000" line of the tables is useful in comparing ongoing expenses only and will not help you determine the relative total expense of owning different funds. If these transaction costs had been included, your costs would have been higher.

Expenses and Value of a \$1,000 Investment for the six months ended June 30, 2009

Actual Portfolio Return	Class A
Beginning Account Value 1/1/09	\$1,000.00
Ending Account Value 6/30/09	\$1,136.40
Expenses Paid per \$1,000*	\$ 5.24

Hypothetical 5% Portfolio Return	Class A
Beginning Account Value 1/1/09	\$1,000.00
Ending Account Value 6/30/09	\$1,019.89
Expenses Paid per \$1,000*	\$ 4.96

* Expenses are equal to the Portfolio's annualized expense ratio for each share class, multiplied by the average account value over the period, multiplied by the number of days in the most recent six-month period, then divided by 365.

Annualized Expense Ratio	Class A
DWS Variable Series II — DWS Turner Mid Cap Growth VIP	.99%

For more information, please refer to the Portfolio's prospectus.

These tables do not reflect charges and fees ("contract charges") associated with the separate account that invests in the Portfolio or any variable life insurance policy or variable annuity contract for which the Portfolio is an investment option.

Portfolio Summary

DWS Turner Mid Cap Growth VIP

Asset Allocation (As a % of Investment Portfolio excluding Securities Lending Collateral)	6/30/09	12/31/08
Common Stocks	99%	100%
Cash Equivalents	1%	—
	100%	100%

Sector Diversification (As a % of Common Stocks)	6/30/09	12/31/08
Information Technology	26%	21%
Consumer Discretionary	17%	22%
Health Care	15%	13%
Industrials	11%	13%
Financials	9%	10%
Energy	7%	8%
Materials	6%	6%
Consumer Staples	5%	3%
Utilities	2%	2%
Telecommunication Services	2%	2%
	100%	100%

Asset allocation and sector diversification are subject to change.

For more complete details about the Portfolio's investment portfolio, see page 175. A complete list of the portfolio holdings of the Portfolio is posted as of the month end on www.dws-investments.com on or about the 15th day of the following month. More frequent posting of portfolio holdings information may be made from time to time on www.dws-investments.com.

Following the Portfolio's fiscal first and third quarter-end, a complete portfolio holdings listing is filed with the SEC on Form N-Q. The form will be available on the SEC's Web site at www.sec.gov, and it also may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the SEC's Public Reference Room may be obtained by calling (800) SEC-0330.

Investment Portfolio

June 30, 2009 (Unaudited)

DWS Turner Mid Cap Growth VIP

	Shares	Value (\$)
Common Stocks 100.2%		
Consumer Discretionary 17.2%		
Auto Components 1.3%		
Goodyear Tire & Rubber Co.*	31,680	356,717
Magna International, Inc. "A"	5,180	218,803
		575,520
Hotels Restaurants & Leisure 5.9%		
Darden Restaurants, Inc.	12,440	410,271
Penn National Gaming, Inc.*	10,210	297,213
Starwood Hotels & Resorts Worldwide, Inc. (a)	31,740	704,628
WMS Industries, Inc.* (a)	20,455	644,537
Wynn Resorts Ltd.* (a)	13,530	477,609
		2,534,258
Household Durables 1.6%		
D.R. Horton, Inc. (a)	35,670	333,871
Pulte Homes, Inc. (a)	39,150	345,695
		679,566
Media 0.6%		
Cablevision Systems Corp. (New York Group) "A"	13,850	268,829
Multiline Retail 2.4%		
Kohl's Corp.*	14,430	616,882
Nordstrom, Inc. (a)	20,230	402,375
		1,019,257
Specialty Retail 3.4%		
Guess?, Inc.	28,350	730,863
Urban Outfitters, Inc.* (a)	36,270	756,955
		1,487,818
Textiles, Apparel & Luxury Goods 2.0%		
Coach, Inc.	23,230	624,422
The Warnaco Group, Inc.*	7,170	232,308
		856,730
Consumer Staples 5.3%		
Beverages 0.8%		
Hansen Natural Corp.* (a)	11,890	366,450
Food & Staples Retailing 1.2%		
Whole Foods Market, Inc. (a)	27,300	518,154
Household Products 1.1%		
Energizer Holdings, Inc.*	8,840	461,801
Personal Products 2.2%		
Alberto-Culver Co.	12,790	325,250
Avon Products, Inc.	23,840	614,595
		939,845
Energy 6.4%		
Energy Equipment & Services 2.5%		
Cameron International Corp.*	23,260	658,258
Nabors Industries Ltd.*	26,320	410,066
		1,068,324
Oil, Gas & Consumable Fuels 3.9%		
CONSOL Energy, Inc.	14,970	508,381
Petrohawk Energy Corp.*	25,270	563,521
Range Resources Corp.	15,474	640,778
		1,712,680

Financials 8.6%

Capital Markets 5.1%

	Shares	Value (\$)
Northern Trust Corp.	11,500	617,320
T. Rowe Price Group, Inc. (a)	20,140	839,234
TD Ameritrade Holding Corp.*	25,130	440,780
Waddell & Reed Financial, Inc. "A"	10,710	282,423
		2,179,757

Diversified Financial Services 2.4%

	Shares	Value (\$)
IntercontinentalExchange, Inc.*	5,340	610,041
MSCI, Inc. "A"*	16,990	415,236
		1,025,277

Real Estate Investment Trusts 0.7%

	Shares	Value (\$)
Digital Realty Trust, Inc. (REIT) (a)	8,900	319,065

Real Estate Management & Development 0.4%

	Shares	Value (\$)
CB Richard Ellis Group, Inc. "A"*	19,780	185,141

Health Care 15.2%

Biotechnology 3.8%

	Shares	Value (\$)
Alexion Pharmaceuticals, Inc.* (a)	20,480	842,138
Myriad Genetics, Inc.*	5,870	209,265
Myriad Pharmaceuticals, Inc.*	1,927	8,961
United Therapeutics Corp.* (a)	7,000	583,310
		1,643,674

Health Care Equipment & Supplies 3.0%

	Shares	Value (\$)
Beckman Coulter, Inc. (a)	4,080	233,131
Intuitive Surgical, Inc.* (a)	1,980	324,047
St. Jude Medical, Inc.*	17,570	722,127
		1,279,305

Health Care Providers & Services 5.6%

	Shares	Value (\$)
AmerisourceBergen Corp.	18,280	324,287
DaVita, Inc.*	7,990	395,185
Express Scripts, Inc.*	9,750	670,313
Laboratory Corp. of America Holdings* (a)	9,400	637,226
Omnicare, Inc.	14,660	377,642
		2,404,653

Life Sciences Tools & Services 2.2%

	Shares	Value (\$)
illumina, Inc.* (a)	17,240	671,325
Life Technologies Corp.*	6,990	291,623
		962,948

Pharmaceuticals 0.6%

	Shares	Value (\$)
Allergan, Inc.	5,530	263,117

Industrials 11.2%

Aerospace & Defense 1.2%

	Shares	Value (\$)
Precision Castparts Corp.	7,100	518,513

Air Freight & Logistics 1.6%

	Shares	Value (\$)
C.H. Robinson Worldwide, Inc. (a)	13,110	683,686

Airlines 0.4%

	Shares	Value (\$)
Continental Airlines, Inc. "B" (a)	21,890	193,945

Commercial Services & Supplies 0.6%

	Shares	Value (\$)
Stericycle, Inc.*	4,790	246,829

Construction & Engineering 1.1%

	Shares	Value (\$)
Quanta Services, Inc.* (a)	12,560	290,513
URS Corp.*	3,600	178,272
		468,785

The accompanying notes are an integral part of the financial statements.

	Shares	Value (\$)
Industrial Conglomerates 0.9%		
McDermott International, Inc.*	18,500	375,735
Machinery 3.6%		
Cummins, Inc.	16,150	568,641
Joy Global, Inc. (a)	8,430	301,120
Navistar International Corp.*	3,560	155,216
Parker Hannifin Corp.	12,470	535,711
		1,560,688
Professional Services 1.1%		
Robert Half International, Inc. (a)	20,690	488,698
Trading Companies & Distributors 0.7%		
Fastenal Co. (a)	9,370	310,803
Information Technology 26.5%		
Communications Equipment 5.1%		
Alcatel-Lucent (ADR)*	119,840	297,203
Brocade Communications Systems, Inc.*	22,420	175,324
Ciena Corp.* (a)	19,530	202,136
F5 Networks, Inc.*	24,500	847,455
Juniper Networks, Inc.*	18,900	446,040
Riverbed Technology, Inc.* (a)	9,520	220,769
		2,188,927
Computers & Peripherals 1.6%		
NetApp, Inc.*	34,190	674,227
Internet Software & Services 2.0%		
MercadoLibre, Inc.* (a)	7,660	205,901
VeriSign, Inc.* (a)	21,920	405,081
VistaPrint Ltd.* (a)	6,400	272,960
		883,942
IT Services 1.5%		
Fiserv, Inc.*	8,170	373,369
Global Payments, Inc.	7,320	274,207
		647,576
Semiconductors & Semiconductor Equipment 10.8%		
ASML Holding NV (NY Registered) (a)	19,750	427,588
Atheros Communications* (a)	29,330	564,309
Broadcom Corp. "A"*	31,960	792,289
Lam Research Corp.*	18,540	482,040
Marvell Technology Group Ltd.*	37,550	437,082
Micron Technology, Inc.* (a)	121,170	613,120
Netlogic Microsystems, Inc.*	4,850	176,831
PMC-Sierra, Inc.*	41,970	334,081
Teradyne, Inc.*	54,250	372,155
Varian Semiconductor Equipment Associates, Inc.*	19,590	469,964
		4,669,459

	Shares	Value (\$)
Software 5.5%		
Activision Blizzard, Inc.*	47,010	593,736
Adobe Systems, Inc.*	11,070	313,281
BMC Software, Inc.*	5,290	178,749
McAfee, Inc.*	22,380	944,212
Salesforce.com, Inc.* (a)	9,420	359,562
		2,389,540

Materials 6.0%

Chemicals 2.8%

Airgas, Inc.	7,520	304,786
CF Industries Holdings, Inc.	6,460	478,944
Ecolab, Inc.	11,290	440,197
		1,223,927

Metals & Mining 3.2%

Alcoa, Inc. (a)	35,030	361,860
Steel Dynamics, Inc.	24,750	364,568
Teck Resources Ltd. "B"*	11,150	177,731
United States Steel Corp. (a)	12,750	455,685
		1,359,844

Telecommunication Services 1.5%

Wireless Telecommunication Services

MetroPCS Communications, Inc.* (a)	23,140	307,993
Millicom International Cellular SA* (a)	6,030	339,248
		647,241

Utilities 2.3%

Electric Utilities 1.6%

PPL Corp.	20,410	672,714
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Gas Utilities 0.7%

Questar Corp.	10,170	315,881
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Total Common Stocks (Cost \$39,518,674) **43,273,129**

Securities Lending Collateral 26.4%

Daily Assets Fund Institutional, 0.48% (b) (c) (Cost \$11,418,135)	11,418,135	11,418,135
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Cash Equivalents 0.6%

Cash Management QP Trust, 0.27% (b) (Cost \$252,419)	252,419	252,419
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	% of Net Assets	Value (\$)
Total Investment Portfolio (Cost \$51,189,228) [†]	127.2	54,943,683
Other Assets and Liabilities, Net	(27.2)	(11,735,895)
Net Assets	100.0	43,207,788

* Non-income producing security.

† The cost for federal income tax purposes was \$52,184,615. At June 30, 2009, net unrealized appreciation for all securities based on tax cost was \$2,759,068. This consisted of aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost of \$5,866,382 and aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value of \$3,107,314.

(a) All or a portion of these securities were on loan (see Notes to Financial Statements). The value of all securities loaned at June 30, 2009 amounted to \$11,076,989, which is 25.6% of net assets.

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

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

ADR: American Depositary Receipt

REIT: Real Estate Investment Trust

The accompanying notes are an integral part of the financial statements.

Fair Value Measurements

Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, "Fair Value Measurements," as amended, establishes a three-tier hierarchy for measuring fair value and requires additional disclosure about the classification of fair value measurements.

Various inputs are used in determining the value of the Portfolio'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 observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, and credit risk). Level 3 includes significant unobservable inputs (including the Portfolio'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 June 30, 2009 in valuing the Portfolio's investments. For information on the Portfolio's policy regarding the valuation of investments, please refer to the Security Valuation section of Note A in the accompanying Notes to the Financial Statements.

Assets	Level 1	Level 2	Level 3	Total
Common Stocks and/or Other Equity Investments (d)	\$ 43,273,129	\$ —	\$ —	\$ 43,273,129
Short-Term Investments (d)	11,418,135	252,419	—	11,670,554
Total	\$ 54,691,264	\$ 252,419	\$ —	\$ 54,943,683

(d) See Investment Portfolio for additional detailed categorizations.

The accompanying notes are an integral part of the financial statements.

Financial Statements

Statement of Assets and Liabilities

as of June 30, 2009 (Unaudited)

Assets	
Investments:	
Investments in securities, at value (cost \$39,518,674) — including \$11,076,989 of securities loaned	\$ 43,273,129
Investment in Daily Assets Fund Institutional (cost \$11,418,135)*	11,418,135
Investment in Cash Management QP Trust (cost \$252,419)	252,419
Total investments, at value (cost \$51,189,228)	54,943,683
Cash	10,000
Receivable for investments sold	327,111
Receivable for Portfolio shares sold	6,988
Dividends receivable	19,680
Interest receivable	9,278
Total assets	55,316,740
Liabilities	
Payable upon return of securities loaned	11,418,135
Payable for investments purchased	498,847
Payable for Portfolio shares redeemed	71,812
Accrued management fee	29,136
Other accrued expenses and payables	91,022
Total liabilities	12,108,952
Net assets, at value	\$ 43,207,788
Net Assets Consist of	
Undistributed net investment income	19,541
Net unrealized appreciation (depreciation) on investments	3,754,455
Accumulated net realized gain (loss)	(24,946,897)
Paid-in capital	64,380,689
Net assets, at value	\$ 43,207,788
Class A	
Net Asset Value , offering and redemption price per share (\$43,207,788 ÷ 7,512,231 outstanding shares of beneficial interest, no par value, unlimited number of shares authorized)	\$ 5.75

* Represents collateral on securities loaned.

Statement of Operations

for the six months ended June 30, 2009 (Unaudited)

Investment Income	
Income:	
Dividends (net of foreign taxes withheld of \$474)	\$ 170,126
Interest — Cash Management QP Trust	176
Securities lending income, including income from Daily Assets Fund Institutional, net of borrower rebates	64,509
Total Income	234,811
Expenses:	
Management fee	151,387
Administration fee	21,173
Services to shareholders	888
Custodian fee	5,798
Distribution service fee (Class B)	3
Legal fees	3,672
Audit and tax fees	25,087
Reports to shareholders	1,720
Total expenses before expense reductions	209,728
Expense reductions	(8)
Total expenses after expense reductions	209,720
Net investment income (loss)	25,091
Realized and Unrealized Gain (Loss)	
Net realized gain (loss) from:	
Investments	(7,408,579)
Change in net unrealized appreciation (depreciation) on investments	12,387,599
Net gain (loss)	4,979,020
Net increase (decrease) in net assets resulting from operations	\$ 5,004,111

The accompanying notes are an integral part of the financial statements.

Statement of Changes in Net Assets

	Six Months Ended June 30, 2009 (Unaudited)	Year Ended December 31, 2008
Increase (Decrease) in Net Assets		
Operations:		
Net investment income (loss)	\$ 25,091	\$ (141,517)
Net realized gain (loss)	(7,408,579)	(17,418,447)
Change in net unrealized appreciation (depreciation)	12,387,599	(43,114,819)
Net increase (decrease) in net assets resulting from operations	5,004,111	(60,674,783)
Distributions to shareholders from:		
Net realized gains:		
Class A	—	(22,224,763)
Class B	—	(923,048)
Tax return of capital:		
Class A	—	(10,487)
Class B	—	(436)
Total distributions	—	(23,158,734)
Portfolio share transactions:		
Class A		
Proceeds from shares sold	657,683	13,243,891
Shares issued to shareholders in reinvestment of distributions	—	22,235,250
Cost of shares redeemed	(11,146,390)	(33,004,175)
Shares converted*	5,097	—
Net increase (decrease) in net assets from Class A share transactions	(10,483,610)	2,474,966
Class B		
Proceeds from shares sold	—	232,736
Shares issued to shareholders in reinvestment of distributions	—	923,484
Cost of shares redeemed	(21)	(5,170,159)
Shares converted*	(5,097)	—
Net increase (decrease) in net assets from Class B share transactions	(5,118)	(4,013,939)
Increase (decrease) in net assets	(5,484,617)	(85,372,490)
Net assets at beginning of period	48,692,405	134,064,895
Net assets at end of period (including undistributed net investment income and accumulated net investment loss of \$19,541 and \$5,550, respectively)	\$ 43,207,788	\$ 48,692,405

Other Information

Class A		
Shares outstanding at beginning of period	9,629,198	10,261,710
Shares sold	118,432	1,439,377
Shares issued to shareholders in reinvestment of distributions	—	2,558,716
Shares redeemed	(2,236,636)	(4,630,605)
Shares converted*	1,237	—
Net increase (decrease) in Class A shares	(2,116,967)	(632,512)
Shares outstanding at end of period	7,512,231	9,629,198
Class B		
Shares outstanding at beginning of period	1,306	432,386
Shares sold	—	21,851
Shares issued to shareholders in reinvestment of distributions	—	109,548
Shares redeemed	(5)	(562,479)
Shares converted*	(1,301)	—
Net increase (decrease) in Class B shares	(1,306)	(431,080)
Shares outstanding at end of period	—	1,306

* On March 6, 2009, Class B shares converted into Class A shares.

The accompanying notes are an integral part of the financial statements.

Financial Highlights

Class A

Years Ended December 31,	2009 ^a	2008	2007	2006	2005	2004
Selected Per Share Data						
Net asset value, beginning of period	\$ 5.06	\$12.55	\$10.92	\$11.02	\$ 9.86	\$ 8.88
<i>Income (loss) from investment operations:</i>						
Net investment income (loss) ^b	.00 ^{***}	(.01)	(.04)	(.01)	(.05)	(.07)
Net realized and unrealized gain (loss)	.69	(5.28)	2.64	.77	1.21	1.05
Total from investment operations	.69	(5.29)	2.60	.76	1.16	.98
<i>Less distributions from:</i>						
Net realized gains	—	(2.20)	(.97)	(.86)	—	—
Tax return of capital	—	(.00) ^{***}	—	—	—	—
Total distributions	—	(2.20)	(.97)	(.86)	—	—
Net asset value, end of period	\$ 5.75	\$ 5.06	\$12.55	\$10.92	\$11.02	\$ 9.86
Total Return (%)	13.64 ^{**}	(49.49) ^c	25.75	6.52	11.76	11.04
Ratios to Average Net Assets and Supplemental Data						
Net assets, end of period (\$ millions)	43	49	129	117	122	118
Ratio of expenses before expense reductions (%)	.99 [*]	1.03	.95	.97	1.11	1.19
Ratio of expenses after expense reductions (%)	.99 [*]	1.00	.95	.97	1.11	1.19
Ratio of net investment income (loss) (%)	.12 [*]	(.14)	(.36)	(.06)	(.56)	(.82)
Portfolio turnover rate (%)	58 ^{**}	156	133	148	151	174

^a For the six months ended June 30, 2009 (Unaudited).

^b Based on average shares outstanding during the period.

^c Total return would have been lower had certain expenses not been reduced.

^{*} Annualized

^{**} Not annualized

^{***} Amount is less than \$.005.

A. Organization and Significant Accounting Policies

DWS Variable Series II (the "Trust") is registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as an open-end management investment company organized as a Massachusetts business trust. The Trust offers seventeen portfolios (hereinafter referred to individually as "Portfolio" or collectively as "Portfolios"). Each Portfolio (except DWS Technology VIP) is classified as a diversified open-end management investment company. DWS Technology VIP is classified as a non-diversified, open-end management investment company.

Multiple Classes of Shares of Beneficial Interest. Certain portfolios of the Trust offer two classes of shares (Class A shares and Class B shares). Effective March 6, 2009 (February 3, 2009 for the DWS Money Market VIP) Class B shares of DWS Balanced VIP, DWS Diversified International VIP (formerly DWS International Select Equity VIP), DWS Mid Cap Growth VIP, DWS Money Market VIP, DWS Small Cap Growth VIP, DWS Strategic Income VIP and DWS Turner Mid Cap VIP were combined into the Class A shares of the same Portfolio. Sales of Class B shares are subject to record keeping fees up to 0.15% and Rule 12b-1 fees under the 1940 Act equal to an annual rate of 0.25%, of the average daily net assets of the Class B shares of the applicable Portfolio. Class A shares are not subject to such fees.

Investment income, realized and unrealized gains and losses, and certain portfolio-level expenses and expense reductions, if any, are borne pro rata on the basis of relative net assets by the holders of all classes of shares except that each class bears certain expenses unique to that class (including the applicable Rule 12b-1 fee and record keeping fees). Differences in class-level expenses may result in payment of different per share dividends by class. All shares have equal rights with respect to voting subject to class-specific arrangements.

The Trust's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America which require the use of management estimates. Actual results could differ from those estimates. The policies described below are followed consistently by the Trust in the preparation of its financial statements.

Security Valuation. DWS Money Market VIP values all securities utilizing the amortized cost method permitted in accordance with Rule 2a-7 under the 1940 Act and certain conditions therein. Under this method, which does not take into account unrealized capital gains or losses on securities, an instrument is initially valued at its cost and thereafter assumes a constant accretion/amortization rate to maturity of any discount or premium.

Investments in securities are stated at value determined as of the close of regular trading on the New York Stock Exchange on each day the exchange is open for trading. Equity securities and exchange traded funds ("ETFs") are valued at the most recent sale price or official closing price reported on the exchange (US or foreign) or over-the-counter market on which they trade. Securities and ETFs for which no sales are reported are valued at the calculated mean between the most recent bid and asked quotations on the relevant market or, if a mean cannot be determined, at the most recent bid quotation.

Debt securities are valued by independent pricing services approved by the Trustees of the Portfolios. If the pricing services are unable to provide valuations, the securities are valued at the most recent bid quotation or evaluated price, as applicable, obtained from one or more broker-dealers. Such services may use various pricing techniques which take into account appropriate factors such as yield, quality, coupon rate, maturity, type of issue, trading characteristics and other data, as well as broker quotes.

Money market instruments purchased with an original or remaining maturity of sixty days or less, maturing at par, are valued at amortized cost. Investments in open-end investment companies and Cash Management QP Trust are valued at their net asset value each business day.

Securities and other assets for which market quotations are not readily available or for which the above valuation procedures are deemed not to reflect fair value are valued in a manner that is intended to reflect their fair value as determined in accordance with procedures approved by the Trustees. Certain Portfolios may use a fair valuation model to value international equity securities in order to adjust for events which may occur between the close of the foreign exchanges and the close of the New York Stock Exchange. In accordance with the Portfolio's valuation procedures, factors used in determining value may include, but are not limited to, the type of the security, the size of the holding, the initial cost of the security, the existence of any contractual restrictions on the security's disposition, the price and extent of public trading in similar securities of the issuer or of comparable companies, quotations or evaluated prices from broker-dealers and/or pricing services, information obtained from the issuer, analysts, and/or the appropriate stock exchange (for exchange-traded securities), an analysis of the company's financial statements, an evaluation of the forces that influence the issuer and the market(s) in which the security is purchased and sold and with respect to debt securities, the maturity, coupon, creditworthiness, currency

denomination, and the movement of the market in which the security is normally traded. The value determined under these procedures may differ from published values for the same securities.

Foreign Currency Translations. The books and records of the Trust are maintained in US dollars. Investment securities and other assets and liabilities denominated in a foreign currency are translated into US dollars at the prevailing exchange rates at period end. Purchases and sales of investment securities, income and expenses are translated into US dollars at the prevailing exchange rates on the respective dates of the transactions.

Net realized and unrealized gains and losses on foreign currency transactions represent net gains and losses between trade and settlement dates on securities transactions, the disposition of forward foreign currency exchange contracts and foreign currencies and the difference between the amount of net investment income accrued and the US dollar amount actually received. That portion of both realized and unrealized gains and losses on investments that results from fluctuations in foreign currency exchange rates is not separately disclosed but is included with net realized and unrealized gain/appreciation and loss/depreciation on investments.

Repurchase Agreements. Each Portfolio may enter into repurchase agreements with certain banks and broker/dealers whereby each Portfolio, through its custodian or sub-custodian bank, receives delivery of the underlying securities, the amount of which at the time of purchase and each subsequent business day is required to be maintained at such a level that the value is equal to at least the principal amount of the repurchase price plus accrued interest. The custodian bank holds the collateral in a separate account until the agreement matures. If the value of the securities falls below the principal amount of the repurchase agreement plus accrued interest, the financial institution deposits additional collateral by the following business day. If the financial institution either fails to deposit the required additional collateral or fails to repurchase the securities as agreed, the Portfolio has the right to sell the securities and recover any resulting loss from the financial institution. If the financial institution enters into bankruptcy, the Portfolio's claim on the collateral may be subject to legal proceedings.

Securities Lending. Each Portfolio, except DWS Money Market VIP, may lend securities to financial institutions. The Portfolio retains beneficial ownership of the securities it has loaned and continues to receive interest and dividends paid by the issuer of securities and to participate in any changes in their market value. The Portfolio requires the borrowers of the securities to maintain collateral with the Portfolio consisting of liquid, unencumbered assets having a value at least equal to the value of the securities loaned. When the collateral falls below specified amounts, the lending agents will use their best efforts to obtain additional collateral on the next business day to meet required amounts under the security lending agreement. The Portfolio may invest the cash collateral into a joint trading account in an affiliated money market fund pursuant to Exemptive Orders issued by the SEC. The Portfolio receives compensation for lending its securities either in the form of fees or by earning interest on invested cash collateral net of borrower rebates and fees paid to a lending agent. Either the Portfolio or the borrower may terminate the loan. There may be risks of delay and costs in recovery of securities or even loss of rights in the collateral should the borrower of the securities fail financially. The Portfolio is also subject to all investment risks associated with the reinvestment of any cash collateral received, including, but not limited to, interest rate, credit and liquidity risk associated with such investments.

Loan Participations and Assignments. DWS Balanced VIP, DWS High Income VIP and DWS Strategic Income VIP may invest in Loan Participations and Assignments. Loan Participations and Assignments are portions of loans originated by banks and sold in pieces to investors. These US dollar-denominated fixed and floating rate loans ("Loans") in which the Portfolio invests, are arranged between the borrower and one or more financial institutions ("Lenders"). These Loans may take the form of Senior Loans, which are corporate obligations often issued in connection with recapitalizations, acquisitions, leveraged buy-outs and refinancings, and Sovereign Loans, which are debt instruments between a foreign sovereign entity and one or more financial institutions. The Portfolio invests in such Loans in the form of participations in Loans ("Participations") or assignments of all or a portion of Loans from third parties ("Assignments"). Participations typically result in the Portfolio having a contractual relationship only with the Lender, not with the borrower. The Portfolio has the right to receive payments of principal, interest and any fees to which it is entitled from the Lender selling the Participation and only upon receipt by the Lender of the payments from the borrower. In connection with purchasing Participations, the Portfolio generally has no right to enforce compliance by the borrower with the terms of the loan agreement relating to the Loan, or any rights of set-off against the borrower, and the Portfolio will not benefit directly from any collateral supporting the Loan in which it has purchased the Participation. As a result, the Portfolio assumes the credit risk of both the borrower and the Lender that is selling the Participation. Assignments typically result in the Portfolio having a direct contractual relationship with the borrower, and the Portfolio may enforce compliance by the borrower with the terms of the loan agreement. All Loan Participations and Assignments involve interest rate risk, liquidity risk and credit risk, including the potential default or insolvency of the borrower.

Mortgage Dollar Rolls. DWS Core Fixed Income VIP, DWS Government & Agency Securities VIP and DWS Balanced VIP may enter into mortgage dollar rolls in which the Portfolio sells to a bank or broker/dealer (the "counterparty") mortgage-backed securities for delivery in the current month and simultaneously contracts to

repurchase similar, but not identical, securities on a fixed date. The counterparty receives all principal and interest payments, including prepayments, made on the security while it is the holder. The Portfolio receives compensation as consideration for entering into the commitment to repurchase. The compensation is paid in the form of a lower price for the security upon its repurchase, or alternatively, a fee. Mortgage dollar rolls may be renewed with a new sale and repurchase price and a cash settlement made at each renewal without physical delivery of the securities subject to the contract.

Certain risks may arise upon entering into mortgage dollar rolls from the potential inability of counterparties to meet the terms of their commitments. Additionally, the value of such securities may change adversely before the Portfolio is able to repurchase them. There can be no assurance that the Portfolio's use of the cash that it receives from a mortgage dollar roll will provide a return that exceeds its costs.

When-Issued/Delayed Delivery Securities. DWS Balanced VIP, DWS Core Fixed Income VIP, DWS Government & Agency Securities VIP, DWS High Income VIP and DWS Strategic Income VIP may purchase securities with delivery or payment to occur at a later date beyond the normal settlement period. At the time the Portfolio enters into a commitment to purchase a security, the transaction is recorded and the value of the security is reflected in the net asset value. The price of such security and the date when the security will be delivered and paid for are fixed at the time the transaction is negotiated. The value of the security may vary with market fluctuations. No interest accrues to the Portfolio until payment takes place. At the time the Portfolio enters into this type of transaction it is required to segregate cash or other liquid assets at least equal to the amount of the commitment.

Certain risks may arise upon entering into when-issued or delayed delivery securities from the potential inability of counterparties to meet the terms of their contracts or if the issuer does not issue the securities due to political, economic, or other factors. Additionally, losses may arise due to changes in the value of the underlying securities.

Derivatives. Each Portfolio has adopted the provisions of Statement of Financial Accounting Standard No. 161 ("FAS 161"), "Disclosures about Derivative Instruments and Hedging Activities," effective at the beginning of the Portfolio's fiscal year. FAS 161 requires enhanced disclosures about the Portfolio's derivative and hedging activities and derivatives accounted for as hedging instruments under FAS 133 must be disclosed separately from derivatives that do not qualify for hedge accounting under FAS 133. Because investment companies account for their derivatives at fair value and record any changes in fair value in current period earnings, the Portfolio's derivatives are not accounted for as hedging instruments under FAS 133. As such, even though the Portfolio may use derivatives in an attempt to achieve an economic hedge, the Portfolio's derivatives are not considered to be hedging instruments under FAS 133. The disclosure below is presented in accordance with FAS 161.

Interest Rate Swap Contracts. DWS Government & Agency Securities VIP and DWS Strategic Income VIP may enter into interest rate swap transactions to reduce the interest rate risk inherent in the Portfolio's underlying investments. The use of interest rate swaps is a highly specialized activity that involves investment techniques and risks different from those associated with ordinary portfolio security transactions. In an interest rate swap, the Portfolio agrees to pay to the other party to the interest rate swap (which is known as the "counterparty") a fixed rate payment in exchange for the counterparty agreeing to pay to the Portfolio a variable rate payment, or the Portfolio agrees to receive from the counterparty a fixed rate payment in exchange for the counterparty agreeing to receive from the Portfolio a variable rate payment. The payment obligations are based on the notional amount of the swap. Certain risks may arise when entering into swap transactions including counterparty default, liquidity or unfavorable changes in interest rates. Payments received or made at the end of the measurement period are recorded as realized gain or loss on the Statement of Operations. The value of the swap is adjusted daily based upon a price supplied by a board approved pricing vendor and the change in value is recorded as unrealized appreciation or depreciation.

A summary of the open interest rate swap contracts as of June 30, 2009 is included in a table following the Portfolio's Investment Portfolio for DWS Government & Agency Securities VIP and DWS Strategic Income VIP. The volume indicated is generally indicative of the volume throughout the period.

Credit Default Swap Contracts. A credit default swap is a contract between a buyer and a seller of protection against pre-defined credit events for the reference entity. DWS Balanced VIP, DWS High Income VIP and DWS Strategic Income VIP may buy or sell credit default swap contracts to seek to increase the Portfolio's income, to add leverage to the Portfolio, to gain exposure to an underlying issuer's credit quality characteristics without directly investing in that issuer, or to hedge the risk of default on Portfolio securities. As a seller in the credit default swap contract, the Portfolio is required to pay the par (or other agreed-upon) value of the referenced entity to the counterparty with the occurrence of a credit event by a third party, such as a US or foreign corporate issuer, on the reference entity, which would likely result in a loss to the Portfolio. In return, the Portfolio receives from the counterparty a periodic stream of payments over the term of the contract provided that no credit event has occurred. If no credit event occurs, the Portfolio keeps the stream of payments with no payment obligations. The Portfolio may also buy credit default swap contracts in order to hedge against the risk of a credit event on debt securities, in which case the Portfolio functions as the counterparty referenced above.

This involves the risk that the contract may expire worthless. It also involves counterparty risk that the seller may fail to satisfy its payment obligations to the Portfolio with the occurrence of a credit event. When the Portfolio sells a credit default swap contract it will cover its commitment. This may be achieved by, among other methods, maintaining cash or liquid assets equal to the aggregate notional value of the reference entities for all outstanding credit default swap contracts sold by the Portfolio.

Credit default swap contracts are marked to market daily based upon quotations from a board approved pricing vendor and the change in value, if any, is recorded daily as unrealized gain or loss. An upfront payment made by the Portfolio is recorded as an asset on the Statement of Assets and Liabilities. An upfront payment received by the Portfolio is recorded as a liability on the Statement of Assets and Liabilities. Under the terms of the credit default swap contracts, the Portfolio receives or makes quarterly payments based on a specified interest rate on a fixed notional amount. These payments are recorded as a realized gain or loss on the Statement of Operations. Payments received or made as a result of a credit event or termination of the contract are recognized, net of a proportional amount of the upfront payment, as realized gains or losses.

Total Return Swap Contracts. Total return swaps involve commitments to pay interest in exchange for a market-linked return based on a notional amount. DWS Strategic Income VIP and DWS Government & Agency Securities VIP may enter into total return swap transactions to hedge against market and interest rate risk or to enhance returns. To the extent the total return of the reference security or index underlying the total return swap exceeds or falls short of the offsetting interest rate obligation, the Portfolio will receive a payment or make a payment to the counterparty, respectively. Certain risks may arise when entering into swap transactions including counterparty default, liquidity or unfavorable changes in the value of underlying reference security or index. Payments received or made at the end of each measurement period are recorded as realized gain or loss on the Statement of Operations. The value of the swap is adjusted daily based upon a price supplied by a board approved pricing vendor and the change in value is recorded as unrealized appreciation or depreciation.

A summary of the open total return swap contracts as of June 30, 2009 is included in a table following the Portfolio's Investment Portfolio for DWS Government & Agency Securities VIP and DWS Strategic Income VIP. The volume indicated is generally indicative of the volume throughout the period.

Options. An option contract is a contract in which the writer (seller) of the option grants the buyer of the option, upon payment of a premium, the right to purchase from (call option), or sell to (put option), the writer a designated instrument at a specified price within a specified period of time. Certain options, including options on indices, will require cash settlement by the Portfolio if the option is exercised.

The liability representing the Portfolio's obligation under an exchange traded written option or investment in a purchased option is valued at the last sale price or, in the absence of a sale, the mean between the closing bid and asked prices or at the most recent asked price (bid for purchased options) if no bid and asked price are available. Over-the-counter written or purchased options are valued using dealer-supplied quotations. Gain or loss is recognized when the option contract expires or is closed.

If the Portfolio writes a covered call option, the Portfolio foregoes, in exchange for the premium, the opportunity to profit during the option period from an increase in the market value of the underlying security above the exercise price. If the Portfolio writes a put option it accepts the risk of a decline in the value of the underlying security below the exercise price. Over-the-counter options have the risk of the potential inability of counterparties to meet the terms of their contracts. The Portfolio's maximum exposure to purchased options is limited to the premium initially paid. In addition, certain risks may arise upon entering into option contracts including the risk that an illiquid secondary market will limit the Portfolio's ability to close out an option contract prior to the expiration date and that a change in the value of the option contract may not correlate exactly with changes in the value of the securities or currencies hedged.

A summary of the open option contracts as of June 30, 2009 is included in the Portfolio's Investment Portfolio for DWS Global Thematic VIP and DWS Strategic Income VIP. The volume indicated is generally indicative of the volume throughout the period.

Futures Contracts. A futures contract is an agreement between a buyer or seller and an established futures exchange or its clearinghouse in which the buyer or seller agrees to take or make a delivery of a specific amount of a financial instrument at a specified price on a specific date (settlement date).

Futures contracts are valued at the most recent settlement price. Upon entering into a futures contract, the Portfolio is required to deposit with a financial intermediary cash or securities ("initial margin") in an amount equal to a certain percentage of the face value indicated in the futures contract. Subsequent payments ("variation margin") are made or received by the Portfolio dependent upon the daily fluctuations in the value and are recorded for financial reporting purposes as unrealized gains or losses by the Portfolio. Gains or losses are realized when the contract expires or is closed. Since all futures contracts are exchange traded, counterparty

risk is minimized as the exchange's clearinghouse acts as the counterparty, and guarantees the futures against default.

Certain risks may arise upon entering into futures contracts, including the risk that an illiquid market will limit the Portfolio's ability to close out a futures contract prior to the settlement date and that a change in the value of a futures contract may not correlate exactly with the changes in the value of the underlying hedged security, index or currency. Risk of loss may exceed amounts recognized on the Statement of Assets and Liabilities.

A summary of the open future contracts as of June 30, 2009 is included in a table following the Portfolio's Investment Portfolio for DWS Balanced VIP, DWS Blue Chip VIP, DWS Diversified International Equity VIP, DWS Government & Agency Securities VIP and DWS Strategic Income VIP. The volume indicated is generally indicative of the volume throughout the period.

Forward Foreign Currency Exchange Contracts. A forward foreign currency exchange contract (forward currency contract) is a commitment to purchase or sell a foreign currency at the settlement date at a negotiated rate. DWS Balanced VIP, DWS High Income VIP and DWS Strategic Income VIP may enter into forward currency contracts in order to hedge its exposure to changes in foreign currency exchange rates on its foreign currency denominated portfolio holdings and to facilitate transactions in foreign currency denominated securities. DWS Balanced VIP and DWS Strategic Income VIP may also enter into forward currency contracts as part of each Portfolio's global tactical asset allocation strategy.

Forward currency contracts are valued at the prevailing forward exchange rate of the underlying currencies and unrealized gain (loss) is recorded daily. Certain risks may arise upon entering into forward currency contracts from the potential inability of counterparties to meet the terms of their contracts. The maximum counterparty credit risk to the Portfolio is measured by the unrealized gain on appreciated contracts. Additionally, when utilizing forward currency contracts to hedge, the Portfolio gives up the opportunity to profit from favorable exchange rate movements during the term of the contract.

A summary of the open forward foreign currency exchange contracts as of June 30, 2009 is included in a table following the Portfolio's Investment Portfolio for DWS Balanced VIP, DWS High Income VIP and DWS Strategic Income VIP. The volume indicated is generally indicative of the volume throughout the period.

The following tables summarize the value of each Portfolio's derivative instruments held as of June 30, 2009 and the related location on the accompanying Statement of Assets and Liabilities, presented by primary underlying risk exposure:

DWS Balanced VIP

There are no open credit default swap contracts as of June 30, 2009. During the six months ended June 30, 2009, the Portfolio had transactions in credit contracts having notional value of less than five percent of the Portfolio's net assets.

The Portfolio may enter into futures contracts on equity and fixed-income securities, including on financial indices, and security indices and on currency as part of its global tactical asset allocation overlay strategy. As part of this strategy, the Portfolio may use futures contracts to gain exposure to changes in interest rates, and take advantage of short-term inefficiencies and relative mispricings within the global equity, bond and currency markets.

Asset Derivatives	Forward Contracts	
Foreign Exchange Contracts (a)	\$	147,810
	\$ 147,810	

The above derivative is located in the following Statement of Assets and Liabilities accounts:

(a) Unrealized appreciation on forward foreign currency exchange contracts

Liability Derivatives	Forward Contracts	Futures Contracts	Total Value
Foreign Exchange Contracts (a)	\$ (304,795)	\$ —	\$ (304,795)
Equity Contracts (b)	—	28,644	28,644
Interest Rate Contracts (b)	—	(318,420)	(318,420)
	\$ (304,795)	\$ (289,776)	\$ (594,571)

Each of the above derivatives is located in the following Statement of Assets and Liabilities accounts:

(a) Unrealized depreciation on forward foreign currency exchange contracts and net payable on closed forward currency exchange contracts
 (b) Net unrealized appreciation (depreciation) on futures. Payable for daily variation margin on open futures contracts reflects unsettled variation margin.

Additionally, the amount of unrealized and realized gains and losses on derivative instruments recognized in Portfolio earnings during the six months ended June 30, 2009 and the related location on the accompanying Statement of Operations is summarized in the following tables by primary underlying risk exposure:

Realized Gain (Loss)	Forward Contracts	Swap Contracts	Futures Contracts	Total Value
Foreign Exchange Contracts (a)	\$ 953,227	\$ —	\$ —	\$ 953,227
Credit Contracts (b)	—	18,816	—	18,816
Equity Contracts (c)	—	—	164,635	164,635
Interest Rate Contracts (c)	—	—	318,732	318,732
	\$ 953,227	\$ 18,816	\$ 483,367	\$ 1,455,410

Each of the above derivatives is located in the following Statement of Operations accounts:

- (a) Net realized gain (loss) from foreign currency (Statement of Operations includes both forward currency contracts and foreign currency transactions)
- (b) Net realized gain (loss) from credit default swap contracts
- (c) Net realized gain (loss) from futures

Change in Net Unrealized Appreciation (Depreciation)	Forward Contracts	Swap Contracts	Futures Contracts	Total Value
Foreign Exchange Contracts (a)	\$ (1,830,888)	\$ —	\$ —	\$ (1,830,888)
Credit Contracts (b)	—	(18,005)	—	(18,005)
Equity Contracts (c)	—	—	(22,086)	(22,086)
Interest Rate Contracts (c)	—	—	(539,662)	(539,662)
	\$ (1,830,888)	\$ (18,005)	\$ (561,748)	\$ (2,410,641)

Each of the above derivatives is located in the following Statement of Operations accounts:

- (a) Change in net unrealized appreciation (depreciation) on foreign currency (Statement of Operations includes both forward currency contracts and foreign currency transactions)
- (b) Change in net unrealized appreciation (depreciation) on credit default swap contracts
- (c) Change in net unrealized appreciation (depreciation) on futures

DWS Blue Chip VIP

The Portfolio may enter into futures contracts in circumstances where the portfolio management believes they offer economical means of gaining exposure to a particular asset class or to keep cash on hand to meet shareholder redemptions or other needs while maintaining exposure to the stock market.

Liability Derivatives	Futures Contracts
Equity Contracts (a)	\$ (74,000)
	\$ (74,000)

The above derivative is located in the following Statement of Assets and Liabilities accounts:

- (a) Net unrealized appreciation (depreciation) on futures. Payable for daily variation margin on open futures contracts reflects unsettled variation margin.

Additionally, the amount of unrealized and realized gains and losses on derivative instruments recognized in Portfolio earnings during the six months ended June 30, 2009 and the related location on the accompanying Statement of Operations is summarized in the following tables by primary underlying risk exposure:

Realized Gain (Loss)	Futures Contracts
Equity Contracts (a)	\$ (57,736)
	\$ (57,736)

The above derivative is located in the following Statement of Operations accounts:

- (a) Net realized gain (loss) from futures

Change in Net Unrealized Appreciation (Depreciation)	Futures Contracts
Equity Contracts (a)	\$ (87,278)
	\$ (87,278)

The above derivative is located in the following Statement of Operations accounts:

- (a) Change in net unrealized appreciation (depreciation) on futures

DWS Core Fixed Income VIP

The Portfolio may enter into futures contracts in circumstances where portfolio management believes they offer an economic means of gaining exposure to a particular asset class or to keep cash on hand to meet shareholder redemptions or other needs while maintaining exposure to the market. The Portfolio's underlying bond investments are subject to interest rate risk. As interest rates increase, the value of Portfolio's fixed rate bonds may fall. The Portfolio may sell interest rate futures to gain exposure to different parts of the yield curve while managing the overall duration.

There are no open futures contracts as of June 30, 2009. During the six months ended June 30, 2009, the Portfolio had transactions in futures contracts having face value of less than five percent of the Portfolio's net assets.

The amount of unrealized and realized gains and losses on derivative instruments recognized in Portfolio earnings during the six months ended June 30, 2009 and the related location on the accompanying Statement of Operations is summarized in the following tables by primary underlying risk exposure:

Realized Gain (Loss)	Futures Contracts
Interest Rate Contracts (a)	\$ 231,032
	\$ 231,032

The above derivative is located in the following Statement of Operations accounts:

(a) Net realized gain (loss) from futures

Change in Net Unrealized Appreciation (Depreciation)	Futures Contracts
Interest Rate Contracts (a)	\$ 75,129

The above derivative is located in the following Statement of Operations accounts:

(a) Change in net unrealized appreciation (depreciation) on futures

DWS Diversified International Equity VIP

The Portfolio may enter into futures contracts in circumstances where the portfolio management believes they offer economical means of gaining exposure to a particular asset class or to keep cash on hand to meet shareholder redemptions or other needs while maintaining exposure to the market.

Liability Derivatives	Futures Contracts
Equity Contracts (a)	(10,102)
	\$ (10,102)

The above derivatives is located in the following Statement of Assets and Liabilities accounts:

(a) Net unrealized appreciation (depreciation) on futures. Receivable for daily variation margin on open futures contracts reflects unsettled variation margin.

The amount of unrealized and realized gains and losses on derivative instruments recognized in Portfolio earnings during the six months ended June 30, 2009 and the related location on the accompanying Statement of Operations is summarized in the following tables by primary underlying risk exposure:

Realized Gain (Loss)	Futures Contracts
Equity Contracts (a)	(29,084)
	\$ (29,084)

The above derivative is located in the following Statement of Operations accounts:

(a) Net realized gain (loss) from futures

Change in Net Unrealized Appreciation (Depreciation)	Futures Contracts
Equity Contracts (a)	\$ (10,102)
	\$ (10,102)

The above derivative is located in the following Statement of Operations accounts:

(a) Change in net unrealized appreciation (depreciation) on futures

DWS Global Thematic VIP

The Portfolio may enter into option contracts in order to hedge against potential adverse price movements in the value of portfolio assets; as a temporary substitute for selling selected investments; to lock in the purchase price

of a security which it expects to purchase in the near future; as a temporary substitute for purchasing selected investments.

Asset Derivatives	Purchased Options
Equity Contracts (a)	\$ 2,040
	\$ 2,040

The above derivative is located in the following Statement of Assets and Liabilities accounts:

(a) Investments in securities, at value (includes purchased options)

Additionally, the amount of unrealized and realized gains and losses on derivative instruments recognized in Portfolio earnings during the six months ended June 30, 2009 and the related location on the accompanying Statement of Operations is summarized in the following tables by primary underlying risk exposure:

Realized Gain (Loss)	Purchased Options
Equity Contracts (a)	\$ —
	\$ —

The above derivative is located in the following Statement of Operations accounts:

(a) Net realized gain (loss) from investments (includes purchased options)

Change in Net Unrealized Appreciation (Depreciation)	Purchased Options
Equity Contracts (a)	\$ (7,140)
	\$ (7,140)

The above derivative is located in the following Statement of Operations accounts:

(a) Change in net unrealized appreciation (depreciation) on investments (includes purchased options)

DWS Government & Agency Securities VIP

The Portfolio may enter into futures contracts to gain exposure to different parts of the yield curve while managing the overall duration.

Asset Derivatives	Swap Contracts
Interest Rate Contracts (a)	\$ 18,961

The above derivative is located in the following Statement of Assets and Liabilities accounts:

(a) Unrealized appreciation on swap contracts

Liability Derivatives	Futures Contracts	Swap Contracts	Total Value
Interest Rate Contracts (a)	\$ (78,898)	\$ (122,967)	\$ (201,865)

Each of the above derivatives is located in the following Statement of Assets and Liabilities accounts:

(a) Net unrealized appreciation (depreciation) on futures and unrealized depreciation on swap contracts. Receivable for daily variation margin on open futures contracts reflects unsettled variation margin.

Additionally, the amount of unrealized and realized gains and losses on derivative instruments recognized in Portfolio earnings during the six months ended June 30, 2009 and the related location on the accompanying Statement of Operations is summarized in the following tables by primary underlying risk exposure:

Realized Gain (Loss)	Futures Contracts
Interest Rate Contracts (a)	\$ (1,960,907)

The above derivative is located in the following Statement of Operations accounts:

(a) Net realized gain (loss) from futures

Change in Net Unrealized Appreciation (Depreciation)	Futures Contracts	Swap Contracts	Total Value
Interest Rate Contracts (a)	\$ 3,271,331	\$ (104,006)	\$ 3,167,325

Each of the above derivatives is located in the following Statement of Operations accounts:

(a) Change in net unrealized appreciation (depreciation) on futures and swap contracts, respectively

DWS High Income VIP

There are no open credit default swap contracts as of June 30, 2009. During the six months ended June 30, 2009, the Portfolio had transactions in credit contracts having notional value of less than five percent of the Portfolio's net assets.

Liability Derivatives	Forward Contracts
Foreign Exchange Contracts (a)	\$ (114,511)
	\$ (114,511)

The above derivative is located in the following Statement of Assets and Liabilities accounts:

(a) Unrealized depreciation on forward foreign currency exchange contracts and net payable on closed forward currency exchange contracts

Additionally, the amount of unrealized and realized gains and losses on derivative instruments recognized in Portfolio earnings during the six months ended June 30, 2009 and the related location on the accompanying Statement of Operations is summarized in the following tables by primary underlying risk exposure:

Realized Gain (Loss)	Forward Contracts	Swap Contracts	Total Value
Foreign Exchange Contracts (a)	\$ (209,178)	\$ —	\$ (209,178)
Credit Contracts (b)	—	291,737	291,737
	\$ (209,178)	\$ 291,737	\$ 82,559

Each of the above derivatives is located in the following Statement of Operations accounts:

(a) Net realized gain (loss) from foreign currency (Statement of Operations includes both forward currency contracts and foreign currency transactions)

(b) Net realized gain (loss) from credit default swap contracts

Change in Net Unrealized Appreciation (Depreciation)	Forward Contracts	Swap Contracts	Total Value
Foreign Exchange Contracts (a)	\$ (244,074)	\$ —	\$ (244,074)
Credit Contracts (b)	—	(288,556)	(288,556)
	\$ (244,074)	\$ (288,556)	\$ (532,630)

Each of the above derivatives is located in the following Statement of Operations accounts:

(a) Change in net unrealized appreciation (depreciation) on foreign currency (Statement of Operations includes both forward currency contracts and foreign currency transactions)

(b) Change in net unrealized appreciation (depreciation) on credit default swap contracts

DWS Large Cap Value VIP

The Portfolio may enter into futures contracts in circumstances where the portfolio management believes they offer economical means of gaining exposure to a particular asset class or to keep cash on hand to meet shareholder redemptions or other needs while maintaining exposure to the stock market.

There are no open futures contracts as of June 30, 2009. During the six months ended June 30, 2009, the Portfolio had transactions in futures contracts having face value of less than five percent of the Portfolio's net assets.

The amount of unrealized and realized gains and losses on derivative instruments recognized in Portfolio earnings during the six months ended June 30, 2009 and the related location on the accompanying Statement of Operations is summarized in the following tables by primary underlying risk exposure:

Realized Gain (Loss)	Futures Contracts
Equity Contracts (a)	\$ (17,763)
	\$ (17,763)

The above derivative is located in the following Statement of Operations accounts:

(a) Net realized gain (loss) from futures

Change in Net Unrealized Appreciation (Depreciation)	Futures Contracts
Equity Contracts (a)	\$ —
	\$ —

The above derivative is located in the following Statement of Operations accounts:

(a) Change in net unrealized appreciation (depreciation) on futures

DWS Strategic Income VIP

There are no open credit default swap contracts as of June 30, 2009. During the six months ended June 30, 2009, the Portfolio had transactions in credit contracts having notional value of less than five percent of the Portfolio's net assets.

The Portfolio may enter into futures contracts on equity and fixed-income securities, including on financial indices, and security indices and on currency as part of its global tactical asset allocation overlay strategy. As part of this strategy, the Portfolio may use futures contracts to gain exposure to changes in interest rates, and take advantage of short-term inefficiencies and relative mispricings within the global equity, bond and currency markets.

The Portfolio may enter into option contracts in order to enhance potential gain.

Asset Derivatives	Purchased Options	Forward Contracts	Swap Contracts	Total Value
Interest Rate Contracts (a)	\$ 37,800	\$ —	\$ 9,496	\$ 47,296
Foreign Exchange Contracts (b)	—	74,283	—	74,283
	\$ 37,800	\$ 74,283	\$ 9,496	\$ 121,579

Each of the above derivatives is located in the following Statement of Assets and Liabilities accounts:

- (a) Investments in securities, at value (includes purchased options) and unrealized appreciation on swap contracts
(b) Unrealized appreciation on forward foreign currency exchange contracts

Liability Derivatives	Forward Contracts	Swap Contracts	Futures Contracts	Total Value
Interest Rate Contracts (a)	\$ —	\$ (37,189)	\$ (66,369)	\$ (103,558)
Equity Contracts (a)	—	—	(27,464)	(27,464)
Foreign Exchange Contracts (b)	(110,624)	—	—	(110,624)
	\$ (110,624)	\$ (37,189)	\$ (93,833)	\$ (241,646)

Each of the above derivatives is located in the following Statement of Assets and Liabilities accounts:

- (a) Net unrealized appreciation (depreciation) on futures. Payable for daily variation margin on open futures contracts reflects unsettled variation margin.
(b) Unrealized depreciation on forward foreign currency exchange contracts and net payable on closed forward currency exchange contracts

Additionally, the amount of unrealized and realized gains and losses on derivative instruments recognized in Portfolio earnings during the six months ended June 30, 2009 and the related location on the accompanying Statement of Operations is summarized in the following tables by primary underlying risk exposure:

Realized Gain (Loss)	Purchased Options	Written Options	Forward Contracts	Swap Contracts	Futures Contracts	Total Value
Interest Rate Contracts (a)	\$ —	\$ (29,550)	\$ —	\$ 36,178	\$ 192,202	\$ 198,830
Equity Contracts (a)	—	—	—	—	(54,875)	(54,875)
Foreign Exchange Contracts (b)	—	—	(227,457)	—	—	(227,457)
	\$ —	\$ (29,550)	\$ (227,457)	\$ 36,178	\$ 137,327	\$ (83,502)

Each of the above derivatives is located in the following Statement of Operations accounts:

- (a) Net realized gain (loss) from written options, swaps and futures, respectively
(b) Net realized gain (loss) from foreign currency (Statement of Operations includes both forward currency contracts and foreign currency transactions)

Change in Net Unrealized Appreciation (Depreciation)	Purchased Options	Written Options	Forward Contracts	Swap Contracts	Futures Contracts	Total Value
Interest Rate Contracts (a)	\$ (16,851)	\$ 47,755	\$ —	\$ (184,099)	\$ (170,090)	\$ (323,285)
Equity Contracts (a)	—	—	—	—	82,317	82,317
Foreign Exchange Contracts (b)	—	—	(575,446)	—	—	(575,446)
	\$ (16,851)	\$ 47,755	\$ (575,446)	\$ (184,099)	\$ (87,773)	\$ (816,414)

Each of the above derivatives is located in the following Statement of Operations accounts:

- (a) Change in net unrealized appreciation (depreciation) on investments (includes purchased options), written options, swaps and futures, respectively
(b) Change in net unrealized appreciation (depreciation) on foreign currency (Statement of Operations includes both forward currency contracts and foreign currency transactions)

DWS Technology VIP

The Portfolio may enter into option contracts in order to hedge against potential adverse price movements in the value of portfolio assets; as a temporary substitute for selling selected investments; to lock in the purchase price of a security which it expects to purchase in the near future; as a temporary substitute for purchasing selected investments.

There are no open options as of June 30, 2009. During the six months ended June 30, 2009, the Portfolio had transactions in options having value of less than five percent of the Portfolio's net assets.

The amount of unrealized and realized gains and losses on derivative instruments recognized in Portfolio earnings during the six months ended June 30, 2009 and the related location on the accompanying Statement of Operations is summarized in the following tables by primary underlying risk exposure:

Realized Gain (Loss)	Written Options
Equity Contracts (a)	\$ 12,238
	\$ 12,238

The above derivative is located in the following Statement of Operations accounts:

(a) Net realized gain (loss) from written options

Change in Net Unrealized Appreciation (Depreciation)	Written Options
Equity Contracts (a)	\$ —
	\$ —

The above derivative is located in the following Statement of Operations accounts:

(a) Change in net unrealized appreciation (depreciation) on written options

Taxes. Each Portfolio's policy is to comply with the requirements of the Internal Revenue Code, as amended, which are applicable to regulated investment companies and to distribute all of its taxable income to its shareholders.

Additionally, based on the Portfolios' understanding of the tax rules and rates related to income, gains and transactions for the foreign jurisdictions in which they invest, the Portfolios will provide for foreign taxes, and where appropriate, deferred foreign taxes.

At December 31, 2008, the following Portfolios had an approximate net tax basis capital loss carryforward which may be applied against any realized net taxable capital gains of each succeeding year until fully utilized or until the following expiration dates, whichever occurs first:

Portfolio	Capital Loss Carryforward (\$)	Expiration Date
DWS Balanced VIP	1,789,000	12/31/2010
	1,366,000	12/31/2011
	21,426,000	12/31/2016
DWS Blue Chip VIP	26,695,000	12/31/2016
DWS Core Fixed Income VIP	3,813,000	12/31/2014
	50,000	12/31/2015
	6,143,000	12/31/2016
DWS Diversified International Equity VIP	32,933,000	12/31/2016
DWS Dreman Small Mid Cap Value VIP	40,231,000	12/31/2016
DWS Global Thematic VIP	42,028,000	12/31/2016
DWS Government & Agency Securities VIP	930,000	12/31/2014
	924,000	12/31/2015
DWS High Income VIP	22,935,000	12/31/2009
	55,108,000	12/31/2010
	13,877,000	12/31/2011
	3,844,000	12/31/2014
	858,000	12/31/2015
	17,301,000	12/31/2016
DWS Large Cap Value VIP	17,185,000	12/31/2016
DWS Mid Cap Growth VIP	20,154,000	12/31/2011
	936,000	12/31/2016
DWS Small Cap Growth VIP	11,291,000	12/31/2009
	71,888,000	12/31/2010
	4,155,000	12/31/2011
	8,113,000	12/31/2016
DWS Strategic Income VIP	1,611,000	12/31/2016
DWS Strategic Value VIP	68,443,000	12/31/2016
DWS Technology VIP	73,057,000	12/31/2009
	93,499,000	12/31/2010
	71,516,000	12/31/2011
	13,148,000	12/31/2016
DWS Turner Mid Cap Growth VIP	6,753,000	12/31/2016

In addition, from November 1, 2008 through December 31, 2008, the following Portfolios incurred net realized capital losses. As permitted by tax regulations, the Portfolios intend to elect to defer these losses and treat them as arising in the fiscal year ended December 31, 2009.

Portfolio	
DWS Balanced VIP	\$ 20,377,000
DWS Blue Chip VIP	12,172,000
DWS Core Fixed Income VIP	14,342,000
DWS Diversified International Equity VIP	15,109,000
DWS Dreman Small Mid Cap Value VIP	22,331,000
DWS Global Thematic VIP	12,260,000
DWS Government & Agency Securities VIP	4,625,000
DWS High Income VIP	6,542,000
DWS Large Cap Value VIP	8,279,000
DWS Mid Cap Growth VIP	3,503,000
DWS Small Cap Growth VIP	14,538,000
DWS Strategic Income VIP	1,428,000
DWS Strategic Value VIP	78,628,000
DWS Technology VIP	6,328,000
DWS Turner Mid Cap Growth VIP	9,753,000

The Portfolios have reviewed the tax positions for the open tax years as of December 31, 2008 and have determined that no provision for income tax is required in the Portfolios' financial statements. The Portfolios' federal tax returns for the prior three fiscal years remain subject to examination by the Internal Revenue Service.

Distribution of Income and Gains. Distributions of net investment income, if any, for each Portfolio, except DWS Money Market VIP, are made annually. Net realized gains from investment transactions, in excess of available capital loss carryforwards, would be taxable to each Portfolio if not distributed and, therefore, will be distributed to shareholders at least annually. Net investment income of DWS Money Market VIP is declared as a daily dividend and is distributed to shareholders monthly. DWS Money Market VIP may take into account capital gains and losses in its daily dividend declarations. DWS Money Market VIP may also make additional distributions for tax purposes if necessary.

The timing and characterization of certain income and capital gains distributions are determined annually in accordance with federal tax regulations which may differ from accounting principles generally accepted in the United States of America. These differences primarily relate to net operating losses, investments in foreign denominated investments, investments in forward foreign currency exchange contracts, investments in futures, income received from Passive Foreign Investment Companies and Real Estate Investment Trusts and certain securities sold at a loss. As a result, net investment income (loss) and net realized gain (loss) on investment transactions for a reporting period may differ significantly from distributions during such period. Accordingly, each Portfolio may periodically make reclassifications among certain of its capital accounts without impacting the net asset value of the Portfolio.

The tax character of current year distributions will be determined at the end of the current fiscal year.

Expenses. Expenses arising in connection with a specific Portfolio are allocated to that Portfolio. Trust expenses are allocated between each Portfolio in proportion to its relative net assets.

Contingencies. In the normal course of business, each Portfolio may enter into contracts with service providers that contain general indemnification clauses. The Portfolios' maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Portfolios that have not yet been made. However, based on experience, the Portfolios expect the risk of loss to be remote.

Real Estate Investment Trusts. DWS Balanced VIP and DWS Dreman Small Mid Cap Value VIP periodically recharacterize distributions received from a Real Estate Investment Trust ("REIT") investment based on information provided by the REIT into the following categories: ordinary income, long-term and short-term capital gains, and return of capital. If information is not available timely from a REIT, the recharacterization will be estimated and a recharacterization will be made in the following year when such information becomes available. Distributions received from REITs in excess of income are recorded as either a reduction of cost of investments or realized gains. The Portfolios distinguish between dividends on a tax basis and a financial reporting basis and only distributions in excess of tax basis earnings and profits are reported in the financial statements as a tax return of capital.

Other. Investment transactions are accounted for on a trade date plus one basis for daily net asset value calculations. However, for financial reporting purposes, investment transactions are reported on trade date. Interest income is recorded on the accrual basis. Dividend income is recorded on the ex-dividend date net of foreign withholding taxes. Certain dividends from foreign securities may be recorded subsequent to the ex-dividend date as soon as the Portfolio is informed of such dividends. Realized gains and losses from investment transactions are recorded on an identified cost basis. All discounts and premiums are accreted/amortized for both tax and financial reporting purposes for each Portfolio, with the exception of securities in default of principal.

B. Purchases and Sales of Securities

During the six months ended June 30, 2009, purchases and sales of investment transactions (excluding short-term investments) were as follows:

Portfolio	Purchases (\$)	Sales (\$)
DWS Balanced VIP		
excluding US Treasury Obligations	285,507,656	320,190,113
US Treasury Obligations	59,465,388	49,824,759
DWS Blue Chip VIP	38,970,151	54,436,839
DWS Core Fixed Income VIP		
excluding US Treasury Obligations	103,895,003	129,339,716
US Treasury Obligations	98,012,774	95,896,577
DWS Diversified International Equity VIP	105,041,216	120,871,265
DWS Dreman Small Mid Cap Value VIP	87,651,171	116,476,649
DWS Global Thematic VIP	58,505,763	68,750,456
DWS Government & Agency Securities VIP		
excluding US Treasury Obligations	967,906,490	973,380,641
US Treasury Obligations	3,077,198	12,452,041
DWS High Income VIP	58,677,644	46,045,727
DWS Large Cap Value VIP	166,239,586	99,728,041
DWS Mid Cap Growth VIP	7,543,590	8,327,235
DWS Small Cap Growth VIP	35,353,695	40,731,065
DWS Strategic Income VIP		
excluding US Treasury Obligations	116,860,555	118,276,714
US Treasury Obligations	34,480,538	36,053,603
DWS Strategic Value VIP	110,675,531	165,448,751
DWS Technology VIP	21,211,691	29,420,022
DWS Turner Mid Cap Growth VIP	24,630,813	35,194,003

For the six months ended June 30, 2009, transactions for written options on interest rate swaps were as follows for DWS Strategic Income VIP:

	Contract Amount	Premiums
Outstanding, beginning of period	12,000,000	\$ 70,950
Options written	—	—
Options closed	(12,000,000)	(70,950)
Outstanding, end of period	—	\$ —

For the six months ended June 30, 2009, transactions for written options on securities were as follows for DWS Technology VIP:

	Number of Contracts	Premiums
Outstanding, beginning of period	—	\$ —
Options written	422	12,238
Options closed	—	—
Options expired	—	—
Options exercised	(422)	(12,238)
Outstanding, end of period	—	\$ —

C. Related Parties

Management Agreement. Under the Investment Management Agreement with Deutsche Investment Management Americas Inc. (“DIMA” or the “Advisor”), an indirect, wholly owned subsidiary of Deutsche Bank AG, the Advisor directs the investments of each Portfolio in accordance with its investment objectives, policies and restrictions. The Advisor determines the securities, instruments and other contracts relating to investments to be purchased, sold or entered into by each Portfolio or delegates such responsibility to each Portfolio’s subadvisor.

Under the Investment Management Agreement with the Advisor, the fees are equivalent to the annual rates shown below of each Portfolio’s average daily net assets, computed and accrued daily and payable monthly:

Portfolio	Annual Management Fee Rate
DWS Balanced VIP	
\$0–\$250 million	.370%
next \$750 million	.345%
over \$1 billion	.310%
DWS Blue Chip VIP	
\$0–\$250 million	.550%
next \$750 million	.520%
next \$1.5 billion	.500%
next \$2.5 billion	.480%
next \$2.5 billion	.450%
next \$2.5 billion	.430%
next \$2.5 billion	.410%
over \$12.5 billion	.390%
DWS Core Fixed Income VIP	
\$0–\$250 million	.500%
next \$750 million	.470%
next \$1.5 billion	.450%
next \$2.5 billion	.430%
next \$2.5 billion	.400%
next \$2.5 billion	.380%
next \$2.5 billion	.360%
over \$12.5 billion	.340%
DWS Diversified International Equity VIP	
\$0–\$1.5 billion	.650%
next \$1.75 billion	.635%
next \$1.75 billion	.620%
over \$5 billion	.605%
DWS Dreman Small Mid Cap Value VIP	
\$0–\$250 million	.650%
next \$750 million	.620%
next \$1.5 billion	.600%
next \$2.5 billion	.580%
next \$2.5 billion	.550%
next \$2.5 billion	.540%
next \$2.5 billion	.530%
over \$12.5 billion	.520%
DWS Global Thematic VIP	
\$0–\$250 million	.915%
next \$500 million	.865%
next \$750 million	.815%
next \$1.5 billion	.765%
over \$3 billion	.715%

Portfolio	Annual Management Fee Rate
DWS Government & Agency Securities VIP	
\$0–\$250 million	.450%
next \$750 million	.430%
next \$1.5 billion	.410%
next \$2.5 billion	.400%
next \$2.5 billion	.380%
next \$2.5 billion	.360%
next \$2.5 billion	.340%
over \$12.5 billion	.320%
DWS High Income VIP	
\$0–\$250 million	.500%
next \$750 million	.470%
next \$1.5 billion	.450%
next \$2.5 billion	.430%
next \$2.5 billion	.400%
next \$2.5 billion	.380%
next \$2.5 billion	.360%
over \$12.5 billion	.340%
DWS Large Cap Value VIP	
\$0–\$250 million	.650%
next \$750 million	.625%
next \$1.5 billion	.600%
next \$2.5 billion	.575%
next \$2.5 billion	.550%
next \$2.5 billion	.525%
next \$2.5 billion	.500%
over \$12.5 billion	.475%
DWS Mid Cap Growth VIP	
\$0–\$250 million	.665%
next \$750 million	.635%
next \$1.5 billion	.615%
next \$2.5 billion	.595%
next \$2.5 billion	.565%
next \$2.5 billion	.555%
next \$2.5 billion	.545%
over \$12.5 billion	.535%
DWS Money Market VIP	
\$0–\$500 million	.285%
next \$500 million	.270%
next \$1.0 billion	.255%
over \$2.0 billion	.240%
DWS Small Cap Growth VIP	
\$0–\$250 million	.550%
next \$750 million	.525%
over \$1 billion	.500%

Portfolio	Annual Management Fee Rate
DWS Strategic Income VIP	
\$0–\$250 million	.550%
next \$750 million	.520%
next \$1.5 billion	.500%
next \$2.5 billion	.480%
next \$2.5 billion	.450%
next \$2.5 billion	.430%
next \$2.5 billion	.410%
over \$12.5 billion	.390%
DWS Strategic Value VIP	
\$0–\$250 million	.665%
next \$750 million	.635%
next \$1.5 billion	.615%
next \$2.5 billion	.595%
next \$2.5 billion	.565%
next \$2.5 billion	.555%
next \$2.5 billion	.545%
over \$12.5 billion	.535%
DWS Technology VIP	
\$0–\$250 million	.665%
next \$750 million	.635%
next \$1.5 billion	.615%
next \$2.5 billion	.595%
next \$2.5 billion	.565%
next \$2.5 billion	.555%
next \$2.5 billion	.545%
over \$12.5 billion	.535%
DWS Turner Mid Cap Growth VIP	
\$0–\$250 million	.715%
next \$250 million	.700%
next \$500 million	.685%
over \$1 billion	.670%

Prior to February 27, 2009, Aberdeen Asset Management Inc. (“AAMI”) served as subadvisor to DWS Core Fixed Income VIP and was paid by the Advisor for its services. The Board of the Portfolio approved the termination of AAMI as the Portfolio’s subadvisor. Effective February 27, 2009, DIMA assumed all day-to-day advisory responsibilities for the Portfolio that were previously delegated to AAMI.

Dreman Value Management, L.L.C. (“DVM”) serves as subadvisor to DWS Dreman Small Mid Cap Value VIP and, prior to June 2, 2009, served as subadvisor to DWS Strategic Value VIP. DVM is paid by the Advisor for its services.

Turner Investment Partners, Inc. serves as subadvisor to DWS Turner Mid Cap Growth VIP and is paid by the Advisor for its services.

Deutsche Asset Management International GmbH (“DeAMi”) serves as subadvisor to DWS Large Cap Value VIP, and effective June 2, 2009 through July 31, 2009, served as subadvisor to DWS Strategic Value VIP. DeAMi is paid by the Advisor for its services.

For the period from January 1, 2009 through April 30, 2009, the Advisor had contractually agreed to waive all or a portion of its fee and reimburse or pay certain operating expenses to the extent necessary to maintain the operating expenses of each class for the period (excluding certain expenses such as extraordinary expenses, taxes, brokerage and interest expense) as follows:

Portfolio	Annual Rate
DWS Global Thematic VIP	
Class A	1.05%
Class B	1.45%

For the period from January 1, 2009 through September 30, 2009 and through March 6, 2009 for Class B shares for DWS Balanced VIP, DWS Diversified International VIP, DWS Mid Cap Growth VIP, DWS Small Cap VIP, DWS Strategic Income VIP and DWS Turner Mid Cap Growth VIP, the Advisor has contractually agreed to waive all or a portion of its fee and reimburse or pay certain operating expenses to the extent necessary to maintain the operating expenses of each class for the period (excluding certain expenses such as extraordinary expenses, taxes, brokerage and interest expense) as follows:

Portfolio	Annual Rate
DWS Balanced VIP Class B	1.22%
DWS Blue Chip VIP Class B	1.25%
DWS Diversified International Equity VIP Class B	1.40%
DWS Government & Agency Securities VIP Class A	.65%
Class B	1.05%
DWS High Income VIP Class B	1.18%
DWS Large Cap Value VIP Class B	1.25%
DWS Mid Cap Growth VIP Class A	.94%
Class B	1.34%
DWS Small Cap Growth VIP Class B	1.41%
DWS Strategic Income VIP Class A	.82%
Class B	1.22%
DWS Technology VIP Class B	1.48%
DWS Turner Mid Cap Growth VIP Class B	1.34%

For the period from April 27, 2009 through September 30, 2009, the Advisor has contractually agreed to waive all or a portion of its fee and reimburse or pay certain operating expenses to the extent necessary to maintain the operating expenses of each class for the period (excluding certain expenses such as extraordinary expenses, taxes, brokerage and interest expense) as follows:

Portfolio	Annual Rate
DWS Large Cap Value VIP Class A	.88%

For the period from May 1, 2009 through September 30, 2009, the Advisor has contractually agreed to waive all or a portion of its fee and reimburse or pay certain operating expenses to the extent necessary to maintain the operating expenses of each class for the period (excluding certain expenses such as extraordinary expenses, taxes, brokerage and interest expense) as follows:

Portfolio	Annual Rate
DWS Global Thematic VIP Class A	1.07%
Class B	1.47%

For the period from January 1, 2009 through April 30, 2010, the Advisor has contractually agreed to waive all or a portion of its fee and reimburse or pay certain operating expenses to the extent necessary to maintain the

operating expenses of each class for the period (excluding certain expenses such as extraordinary expenses, taxes, brokerage and interest expense) as follows:

Portfolio	Annual Rate
DWS Money Market VIP Class A	.44%
DWS Strategic Value VIP Class A	.78%
Class B	1.11%

Accordingly, for the six months ended June 30, 2009 the total management fees, management fees waived and effective management fee rates were as follows:

Portfolio	Total Aggregated (\$)	Waived (\$)	Annualized Effective Rate
DWS Balanced VIP	525,985	—	.37%
DWS Blue Chip VIP	260,115	—	.55%
DWS Core Fixed Income VIP	331,939	—	.50%
DWS Diversified International Equity VIP	246,680	—	.65%
DWS Dreman Small Mid Cap Value VIP	683,833	—	.65%
DWS Global Thematic VIP	255,400	150,639	.38%
DWS Government & Agency Securities VIP	465,975	—	.45%
DWS High Income VIP	402,015	—	.50%
DWS Large Cap Value VIP	459,755	—	.65%
DWS Mid Cap Growth VIP	58,688	31,273	.31%
DWS Money Market VIP	516,497	13,148	.28%
DWS Small Cap Growth VIP	169,655	—	.55%
DWS Strategic Income VIP	188,431	33,131	.45%
DWS Strategic Value VIP	869,290	58,026	.62%
DWS Technology VIP	202,696	—	.67%
DWS Turner Mid Cap Growth VIP	151,387	—	.72%

Administration Fee. Pursuant to an Administrative Services Agreement, DIMA provides most administrative services to the Portfolios. For all services provided under the Administrative Services Agreement, the Portfolios pay DIMA an annual fee (“Administration Fee”) of 0.10% of the Portfolios’ average daily net assets, computed and accrued daily and payable monthly. For the six months ended June 30, 2009, the Administration Fee was as follows:

Portfolio	Total Aggregated (\$)	Waived (\$)	Unpaid at June 30, 2009 (\$)
DWS Balanced VIP	143,476	—	24,855
DWS Blue Chip VIP	47,294	—	8,175
DWS Core Fixed Income VIP	66,388	—	10,283
DWS Diversified International Equity VIP	37,951	—	6,588
DWS Dreman Small Mid Cap Value VIP	105,207	—	18,459
DWS Global Thematic VIP	27,912	—	5,042
DWS Government & Agency Securities VIP	103,550	—	15,866
DWS High Income VIP	80,403	—	14,601
DWS Large Cap Value VIP	70,732	—	17,404
DWS Mid Cap Growth VIP	8,825	—	1,653
DWS Money Market VIP	181,227	—	27,276
DWS Small Cap Growth VIP	30,846	—	5,657
DWS Strategic Income VIP	34,260	—	5,746
DWS Strategic Value VIP	131,156	—	22,707
DWS Technology VIP	30,481	—	5,622
DWS Turner Mid Cap Growth VIP	21,173	—	3,657

Service Provider Fees. DWS Investments Service Company (“DISC”), an affiliate of the Advisor, is the transfer agent, dividend-paying agent and shareholder service agent for each Portfolio. Pursuant to a sub-transfer agency

agreement between DISC and DST Systems, Inc. ("DST"), DISC has delegated certain transfer agent, dividend-paying agent and shareholder service agent functions to DST. DISC compensates DST out of the shareholder servicing fee it receives from each Portfolio. For the six months ended June 30, 2009, for the period ended March 6, 2009 (February 3, 2009 for DWS Money Market VIP) for DWS Balanced VIP, DWS Diversified International Equity VIP, DWS Mid Cap Growth VIP, DWS Small Cap Growth VIP, DWS Strategic Income VIP and DWS Turner Mid Cap Growth VIP for Class B shares, the amounts charged to each Portfolio by DISC were as follows:

Portfolio	Total Aggregated (\$)	Waived (\$)	Unpaid at June 30, 2009 (\$)
DWS Balanced VIP Class A	425	—	74
DWS Balanced VIP Class B	5	—	—
DWS Blue Chip VIP Class A	171	—	56
DWS Blue Chip VIP Class B	7	—	—
DWS Core Fixed Income VIP Class A	43	—	43
DWS Core Fixed Income VIP Class B	28	—	12
DWS Diversified International Equity VIP Class A	108	—	41
DWS Diversified International Equity VIP Class B	5	5	—
DWS Dreman Small Mid Cap Value VIP Class A	387	—	124
DWS Dreman Small Mid Cap Value VIP Class B	143	—	51
DWS Global Thematic VIP Class A	229	229	—
DWS Global Thematic VIP Class B	42	—	19
DWS Government & Agency Securities VIP Class A	226	—	225
DWS Government & Agency Securities VIP Class B	21	—	—
DWS High Income VIP Class A	169	—	54
DWS High Income VIP Class B	19	—	19
DWS Large Cap Value VIP Class A	164	—	164
DWS Large Cap Value VIP Class B	13	—	13
DWS Mid Cap Growth VIP Class A	113	113	—
DWS Mid Cap Growth VIP Class B	5	5	—
DWS Money Market VIP Class A	233	233	—
DWS Money Market VIP Class B	2	2	—
DWS Small Cap Growth VIP Class A	432	—	86
DWS Small Cap Growth VIP Class B	5	—	—
DWS Strategic Income VIP Class A	95	95	—
DWS Strategic Income VIP Class B	5	5	—
DWS Strategic Value VIP Class A	276	276	—
DWS Strategic Value VIP Class B	105	—	36
DWS Technology VIP Class A	112	—	37
DWS Technology VIP Class B	883	—	24
DWS Turner Mid Cap Growth VIP Class A	51	—	27
DWS Turner Mid Cap Growth VIP Class B	8	8	—

Distribution Service Agreement. Under the Portfolios' Class B 12b-1 plans, DWS Investments Distributors, Inc. ("DIDI") received a fee ("Distribution Service Fee") of 0.25% of average daily net assets of Class B shares. For the six months ended June 30, 2009, for the period ended March 6, 2009 (February 3, 2009 for DWS Money Market VIP) for DWS Balanced VIP, DWS Diversified International Equity VIP, DWS Mid Cap Growth VIP, DWS Small Cap Growth VIP, DWS Strategic Income VIP and DWS Turner Mid Cap Growth VIP, the Distribution Service Fee was as follows:

Portfolio	Total Aggregated (\$)	Waived (\$)	Unpaid at June 30, 2009 (\$)
DWS Balanced VIP	20	—	—
DWS Blue Chip VIP	160	—	160
DWS Core Fixed Income VIP	38,426	—	5,632
DWS Diversified International Equity VIP	40	10	—
DWS Dreman Small Mid Cap Value VIP	26,631	—	4,753

Portfolio	Total Aggregated (\$)	Waived (\$)	Unpaid at June 30, 2009 (\$)
DWS Global Thematic VIP	4,780	—	900
DWS Government & Agency Securities VIP	9,365	—	1,543
DWS High Income VIP	170	—	28
DWS Large Cap Value VIP	561	—	138
DWS Mid Cap Growth VIP	9	—	—
DWS Money Market VIP	10	—	—
DWS Small Cap Growth VIP	6	—	—
DWS Strategic Income VIP	21	—	—
DWS Strategic Value VIP	2,202	—	389
DWS Technology VIP	2,218	—	427
DWS Turner Mid Cap Growth VIP	3	—	3

Typesetting and Filing Service Fees. Under an agreement with DIMA, DIMA is compensated for providing typesetting and certain regulatory filing services to each Portfolio. For the six months ended June 30, 2009, the amount charged to each Portfolio by DIMA included in the Statement of Operations under “reports to shareholders” was as follows:

Portfolio	Amount (\$)	Unpaid at June 30, 2009 (\$)
DWS Balanced VIP	3,400	2,516
DWS Blue Chip VIP	3,278	929
DWS Core Fixed Income VIP	6,186	4,383
DWS Diversified International Equity VIP	2,751	1,130
DWS Dreman Small Mid Cap Value VIP	4,100	2,317
DWS Global Thematic VIP	3,471	2,962
DWS Government & Agency Securities VIP	872	872
DWS High Income VIP	3,547	1,698
DWS Large Cap Value VIP	7,768	—
DWS Mid Cap Growth VIP	3,090	1,928
DWS Money Market VIP	3,121	2,728
DWS Small Cap Growth VIP	3,863	3,426
DWS Strategic Income VIP	3,243	2,340
DWS Strategic Value VIP	3,332	1,698
DWS Technology VIP	3,661	1,357
DWS Turner Mid Cap Growth VIP	1,720	1,520

Trustees’ Fees and Expenses. The Portfolios paid each Trustee not affiliated with the Advisor retainer fees plus specified amounts for various committee services and for the Board Chairperson.

Cash Management QP Trust. Pursuant to an Exemptive Order issued by the SEC, each Portfolio may invest in the Cash Management QP Trust (the “QP Trust”) and other affiliated funds managed by the Advisor. The QP Trust seeks to provide as high a level of current income as is consistent with the preservation of capital and the maintenance of liquidity. The QP Trust does not pay the Advisor a management fee for the affiliated funds’ investments in the QP Trust.

D. Investing in High Yield Securities

Investing in high yield securities may involve greater risks and considerations not typically associated with investing in US Government bonds and other high quality fixed-income securities. These securities are non-investment grade securities, often referred to as “junk bonds.” Economic downturns may disrupt the high yield market and impair the ability of issuers to repay principal and pay interest. Also, an increase in interest rates would likely have an adverse impact on the value of such obligations. Moreover, high yield securities may be less liquid due to the extent that there is no established retail secondary market and because of a decline in the value of such securities.

E. Investing in Emerging Markets

Investing in emerging markets may involve special risks and considerations not typically associated with investing in the United States of America. These risks include revaluation of currencies, high rates of inflation, repatriation restrictions on income and capital, and future adverse political, social and economic developments. Moreover, securities issued in these markets may be less liquid, subject to government ownership controls or delayed settlements and may have prices more volatile than those of comparable securities of issuers in the United States of America.

F. Fee Reductions

The Portfolios have entered into an arrangement with their custodian whereby credits realized as a result of uninvested cash balances were used to reduce a portion of the Portfolios' expenses. During the six months ended June 30, 2009, the Portfolios' custodian fee was reduced under the arrangement as follows:

Portfolio	Amount (\$)
DWS Balanced VIP	4
DWS Core Fixed Income VIP	2
DWS High Income VIP	6
DWS Money Market VIP	2
DWS Strategic Income VIP	2

G. Ownership of the Portfolios

At June 30, 2009, the beneficial ownership in each Portfolio was as follows:

DWS Balanced VIP: Three Participating Insurance Companies were owners of record of 10% or more of the total outstanding Class A shares of the Portfolio, each owning 43%, 23% and 15%.

DWS Blue Chip VIP: Two Participating Insurance Companies were owners of record of 10% or more of the total outstanding Class A shares of the Portfolio, each owning 56% and 37%. One Participating Insurance Company was the owner of record of 10% or more of the total outstanding Class B shares of the Portfolio, owning 100%.

DWS Core Fixed Income VIP: Three Participating Insurance Companies were owners of record of 10% or more of the total outstanding Class A shares of the Portfolio, each owning 43%, 42% and 14%. One Participating Insurance Company was the owner of record of 10% or more of the total outstanding Class B shares of the Portfolio, owning 100%.

DWS Diversified International Equity VIP: Three Participating Insurance Companies were owners of record of 10% or more of the total outstanding Class A shares of the Portfolio, each owning 44%, 28% and 28%.

DWS Dreman Small Mid Cap Value VIP: Three Participating Insurance Companies were owners of record of 10% or more of the total outstanding Class A shares of the Portfolio, each owning 43%, 26% and 14%. Three Participating Insurance Companies were owners of record of 10% or more of the total outstanding Class B shares of the Portfolio, each owning 40%, 18% and 18%.

DWS Global Thematic VIP: Two Participating Insurance Companies were owners of record of 10% or more of the total outstanding Class A shares of the Portfolio, each owning 62% and 33%. One Participating Insurance Company was the owner of record of 10% or more of the total outstanding Class B shares of the Portfolio, owning 99%.

DWS Government & Agency Securities VIP: Three Participating Insurance Companies were owners of record of 10% or more of the total outstanding Class A shares of the Portfolio, each owning 41%, 39% and 14%. One Participating Insurance Company was the owner of record of 10% or more of the total outstanding Class B shares of the Portfolio, owning 97%.

DWS High Income VIP: Three Participating Insurance Companies were owners of record of 10% or more of the total outstanding Class A shares of the Portfolio, each owning 33%, 33% and 28%. One Participating Insurance Company was the owner of record of 10% or more of the total outstanding Class B shares of the Portfolio, owning 100%.

DWS Large Cap Value VIP: Three Participating Insurance Companies were owners of record of 10% or more of the total outstanding Class A shares of the Portfolio, each owning 57%, 29% and 10%. Two Participating Insurance Companies were owners of record of 10% or more of the total outstanding Class B shares of the Portfolio, each owning 58% and 42%.

DWS Mid Cap Growth VIP: Two Participating Insurance Companies were owners of record of 10% or more of the total outstanding Class A shares of the Portfolio, each owning 64% and 34%.

DWS Money Market VIP: Three Participating Insurance Companies were owners of record of 10% or more of the total outstanding Class A shares of the Portfolio, each owning 38%, 20% and 14%.

DWS Small Cap Growth VIP: Three Participating Insurance Companies were owners of record of 10% or more of the total outstanding Class A shares of the Portfolio, each owning 45%, 26% and 25%.

DWS Strategic Income VIP: Two Participating Insurance Companies were owners of record of 10% or more of the total outstanding Class A shares of the Portfolio, each owning 61% and 36%.

DWS Strategic Value VIP: Two Participating Insurance Companies were owners of record of 10% or more of the total outstanding Class A shares of the Portfolio, each owning 59% and 29%. Five Participating Insurance Companies were owners of record of 10% or more of the total outstanding Class B shares of the Portfolio, each owning 25%, 23%, 12%, 11% and 10%.

DWS Technology VIP: Two Participating Insurance Companies were owners of record of 10% or more of the total outstanding Class A shares of the Portfolio, each owning 58% and 37%. One Participating Insurance Company was the owner of record of 10% or more of the outstanding Class B shares of the Portfolio, owning 92%.

DWS Turner Mid Cap Growth VIP: Two Participating Insurance Companies were owners of record of 10% or more of the total outstanding Class A shares of the Portfolio, each owning 77% and 22%.

H. Line of Credit

The Trust and other affiliated funds (the "Participants") share in a \$450 million revolving credit facility provided by a syndication of banks. The Portfolios may borrow for temporary or emergency purposes, including the meeting of redemption requests that otherwise might require the untimely disposition of securities. The Participants are charged an annual commitment fee which is allocated based on net assets, among each of the Participants. Interest is calculated at a rate per annum equal to the sum of the Federal Funds Rate plus 1.25 percent plus if LIBOR exceeds the Federal Funds Rate the amount of such excess. The facility borrowing limit for each Portfolio as a percentage of net assets is as follows:

Portfolio	Facility Borrowing Limit
DWS Balanced VIP	33%
DWS Blue Chip VIP	33%
DWS Core Fixed Income VIP	33%
DWS Diversified International Equity VIP	33%
DWS Dreman Small Mid Cap Value VIP	33%
DWS Global Thematic VIP	33%
DWS Government & Agency Securities VIP	33%
DWS High Income VIP	33%
DWS Large Cap Value VIP	33%
DWS Mid Cap Growth VIP	33%
DWS Money Market VIP	33%
DWS Small Cap Growth VIP	33%
DWS Strategic Income VIP	33%
DWS Strategic Value VIP	33%
DWS Technology VIP	5%
DWS Turner Mid Cap Growth VIP	33%

I. Payments Made by Affiliates

During the six months ended June 30, 2009, the Advisor fully reimbursed DWS Strategic Income VIP \$188 for losses incurred on trades executed incorrectly. The amount of the losses was less than 0.01% of the Portfolio's average net assets, thus having no impact on the Portfolio's total return.

In addition, during the six months ended June 30, 2009, the Advisor reimbursed DWS Dreman Small Mid Cap Value VIP and DWS Strategic Value VIP \$9,887 and \$12,813, respectively, for a loss incurred as a result of a breach of the Portfolios' investment restrictions. The amount of the loss was less than 0.01% of the Portfolios' average daily net assets, thus having no impact on the Portfolios' total return.

In addition, during the six months ended June 30, 2009, the Advisor fully reimbursed DWS Core Fixed Income VIP \$24,775 for losses incurred on trades executed incorrectly.

J. Participation in the Treasury's Temporary Guarantee Program

DWS Money Market VIP is participating in the Temporary Guarantee Program for Money Market Funds (the "Program") established by the U.S. Department of the Treasury (the "Treasury"). The Program is designed to protect the value of accounts in the Portfolios of the close of business on September 19, 2008. According to the terms of the Program, any investment made by a shareholder after September 19, 2008 in excess of the amount held in the account as of the close of business on that date will not be covered by the Program. Any purchase of the shares of the Portfolio for an account opened after September 19, 2008 will also not be covered under the Program. The Program guarantee will apply to the lesser of (i) the number of shares held in an account as of the close of business on September 19, 2008, or (ii) the number of shares held in the account on the date the Program guarantee is triggered. Subject to certain conditions and limitations, the Program guarantee is triggered if the Portfolio's net asset value falls below \$0.995 and the Portfolio is liquidated. Guarantee payments under the Program will not exceed the amount available within the Treasury's Exchange Stabilization Fund ("ESF") on the date of payment.

The Portfolio bears the expenses of participating in the Program. The expense is determined by the product of (i) the number of shares outstanding of each class as of September 19, 2008 valued at \$1.00; and (ii) the applicable Program participation fee rate, which is based upon the market-based net asset value outstanding of each share class as of September 19, 2008. For the initial period ending December 18, 2008, the Program participation fee was equal to 0.01%. For the coverage under the Program beginning on December 19, 2008 and ending on April 30, 2009, the Program participation fee was equal to 0.015%. For the coverage under the Program beginning on May 1, 2009 and ending September 18, 2009, the Program participation fee is equal to 0.015%. This expense is being amortized over the length of the participation in the Program and is included in "Temporary guarantee program participation fee" on the Statement of Operations. For the period from January 1, 2009 through June 30, 2009, the Portfolio accrued \$79,769. This expense was borne by the Portfolio without regard to any expense limitation currently in effect for the Portfolio. The Program is set to terminate on September 18, 2009.

Neither the Portfolio nor Deutsche Investment Management Americas Inc., the Portfolio's investment advisor, are in any manner approved, endorsed, sponsored or authorized by the Treasury.

K. Acquisition of Assets

On April 24, 2009, DWS Large Cap Value VIP acquired all of the net assets of DWS Davis Venture Value VIP pursuant to a plan of reorganization approved by shareholders on November 21, 2008. The acquisition was accomplished by a tax-free exchange of 17,064,120 Class A shares and 32,154 Class B shares of DWS Davis Venture Value VIP for 12,224,432 Class A shares and 22,957 Class B shares of DWS Large Cap Value VIP, respectively, outstanding on April 24, 2009. DWS Davis Venture Value VIP's net assets at that date, \$107,655,331, including \$5,676,099 of net unrealized appreciation, were combined with those of the Portfolio. The aggregate net assets of the Portfolio immediately before the acquisition were \$106,678,067. The combined net assets of the Portfolio immediately following the acquisition were \$214,333,398.

L. Review for Subsequent Events

In accordance with the provisions set forth in Financial Accounting Standards Board Statement of Financial Accounting Standards No. 165 "Subsequent Events," adopted by the Portfolios as of June 30, 2009, events and transactions from July 1, 2009 through August 18, 2009, the date the financial statements were available to be issued, have been evaluated by management for subsequent events. Management has determined that there were no material events that would require disclosure in the Portfolios' financial statements through this date.

Other Information

DWS Balanced VIP

Effective July 14, 2009, the portfolio management team for the portfolio is as follows:

Robert Wang	J. Richard Robben, CFA
James B. Francis, CFA	Thomas Schuessler, PhD
Inna Okounkova	Mark Schumann
Thomas Picciochi	Richard Shepley
John Brennan	Michael Sieghart, CFA
William Chepolis, CFA	Gary Sullivan, CFA
Owen Fitzpatrick, CFA	Andreas Wendelken
Matthew F. MacDonald, CFA	

Portfolio Managers

DWS Blue Chip VIP

Effective August 1, 2009, the portfolio management team for the portfolio is as follows:

Robert Wang
James B. Francis, CFA
Portfolio Managers

DWS Mid Cap Growth VIP and DWS Small Cap Growth VIP

Effective August 13, 2009, the portfolio management team for the portfolio is as follows:

Joseph Axtell, CFA
Rafaelina M. Lee
Portfolio Managers

Proxy Voting

The Trust's policies and procedures for voting proxies for portfolio securities and information about how the Trust voted proxies related to its portfolio securities during the 12-month period ended June 30 are available on our Web site — www.dws-investments.com (click on "proxy voting" at the bottom of the page) — or on the SEC's Web site — www.sec.gov. To obtain a written copy of the Trust's policies and procedures without charge, upon request, call us toll free at (800) 621-1048.

Summary of Management Fee Evaluation by Independent Fee Consultant

October 24, 2008

Pursuant to an Order entered into by Deutsche Investment Management Americas and affiliates (collectively, "DeAM") with the Attorney General of New York, I, Thomas H. Mack, have been appointed the Independent Fee Consultant for the DWS Funds (formerly the DWS Scudder Funds). My duties include preparing an annual written evaluation of the management fees DeAM charges the Funds, considering among other factors the management fees charged by other mutual fund companies for like services, management fees DeAM charges other clients for like services, DeAM's costs of supplying services under the management agreements and related profit margins, possible economies of scale if a Fund grows larger, and the nature and quality of DeAM's services, including fund performance. This report summarizes my evaluation for 2008, including my qualifications, the evaluation process for each of the DWS Funds, consideration of certain complex-level factors, and my conclusions. I served in substantially the same capacity in 2007.

Qualifications

For more than 35 years I have served in various professional capacities within the investment management business. I have held investment analysis and advisory positions, including securities analyst, portfolio strategist and director of investment policy with a large investment firm. I have also performed business management functions, including business development, financial management and marketing research and analysis.

Since 1991, I have been an independent consultant within the asset management industry. I have provided services to over 125 client organizations, including investment managers, mutual fund boards, product distributors and related organizations. Over the past ten years I have completed a number of assignments for mutual fund boards, specifically including assisting boards with management contract renewal.

I hold a Master of Business Administration degree, with highest honors, from Harvard University and Master of Science and Bachelor of Science (highest honors) degrees from the University of California at Berkeley. I am an independent director and audit committee financial expert for two closed-end mutual funds, serve on the board of directors of a private market research company, and have served in various leadership and financial oversight capacities with non-profit organizations.

Evaluation of Fees for each DWS Fund

My work focused primarily on evaluating, fund-by-fund, the fees charged to each of the 129 Fund portfolios in the DWS Fund family. For each Fund, I considered each of the key factors mentioned above, as well as any other relevant information. In doing so I worked closely with the Funds' Independent Directors in their annual contract renewal process, as well as in their approval of contracts for several new funds (documented separately).

In evaluating each Fund's fees, I reviewed comprehensive materials provided by or on behalf of DeAM, including expense information prepared by Lipper Analytical, comparative performance information, profitability data, manager histories, and other materials. I also accessed certain additional information from the Lipper, Strategic Insight, and Morningstar databases and drew on my industry knowledge and experience.

To facilitate evaluating this considerable body of information, I prepared for each Fund a document summarizing the key data elements in each area as well as additional analytics discussed below. This made it possible to consider each key data element in the context of the others.

In the course of contract renewal, DeAM agreed to implement a number of fee and expense adjustments requested by the Independent Directors which will favorably impact future fees and expenses, and my evaluation includes the effects of these changes.

Fees and Expenses Compared with Other Funds

The competitive fee and expense evaluation for each fund focused on two primary comparisons:

The Fund's contractual management fee (the advisory fee plus the administration fee where applicable) compared with those of a group of typically 12–15 funds in the same Lipper investment category (e.g. Large Capitalization Growth) having similar distribution arrangements and being of similar size.

The Fund's total expenses compared with a broader universe of funds from the same Lipper investment category and having similar distribution arrangements.

These two comparisons provide a view of not only the level of the fee compared with funds of similar scale but also the total expense the Fund bears for all the services it receives, in comparison with the investment choices available in the Fund's investment category and distribution channel. The principal figure-of-merit used in these comparisons was the subject Fund's percentile ranking against peers.

DeAM's Fees for Similar Services to Others

DeAM provided management fee schedules for all of its US domiciled fund and non-fund investment management accounts in any of the investment categories where there is a DWS Fund. These similar products included the other DWS Funds, non-fund pooled accounts, institutional accounts and sub-advisory accounts. Using this information, I calculated for each Fund the fee that would be charged to each similar product, at the subject Fund's asset level.

Evaluating information regarding non-fund products is difficult because there are varying levels of services required for different types of accounts, with mutual funds generally requiring considerably more regulatory and administrative types of service as well as having more frequent cash flows than other types of accounts. Also, while mutual fund fees for similar fund products can be expected to be similar, there will be some differences due to different pricing conditions in different distribution channels (e.g. retail funds versus those used in variable insurance products), differences in underlying investment processes and other factors.

Costs and Profit Margins

DeAM provided a detailed profitability analysis for each Fund. After making some adjustments so that the presentation would be more comparable to the available industry figures, I reviewed profit margins from investment management alone, from investment management plus other fund services (excluding distribution) provided to the Funds by DeAM (principally shareholder services), and DeAM profits from all sources, including distribution. A later section comments on overall profitability.

Economies of Scale

Economies of scale — an expected decline in management cost per dollar of fund assets as fund assets grow — are very rarely quantified and documented because of inherent difficulties in collecting and analyzing relevant data. However, in virtually every investment category that I reviewed, larger funds tend to have lower fees and lower total expenses than smaller funds. To see how each DWS Fund compares with this industry observation, I reviewed:

The trend in Fund assets over the last five years and the accompanying trend in total expenses. This shows if the Fund has grown and, if so, whether total expense (management fees as well as other expenses) have declined as a percent of assets.

Whether the Fund has break-points in its management fee schedule, the extent of the fee reduction built into the schedule and the asset levels where the breaks take effect, and in the case of a sub-advised Fund how the Fund's break-points compare with those of the sub-advisory fee schedule.

How the Fund's contractual fee schedule compares with trends in the industry data. To accomplish this, I constructed a chart showing how actual latest-fiscal-year contractual fees of the Fund and of other similar funds relate to average fund assets, with the subject Fund's contractual fee schedule superimposed.

Quality of Service — Performance

The quality-of-service evaluation focused on investment performance, which is the principal result of the investment management service. Each Fund's performance was reviewed over the past 1, 3, 5 and 10 years, as

applicable, and compared with that of other funds in the same investment category and with a suitable market index.

In addition, I calculated and reviewed risk-adjusted returns relative to an index of similar mutual funds' returns and a suitable market index. The risk-adjusted returns analysis provides a way of determining the extent to which the Fund's return comparisons are mainly the product of investment value-added (or lack thereof) or alternatively taking considerably more or less risk than is typical in its investment category.

I also received and considered the history of portfolio manager changes for each Fund, as this provided an important context for evaluating the performance results.

Complex-Level Considerations

While this evaluation was conducted mainly at the individual fund level, there are some issues relating to the reasonableness of fees that can alternatively be considered across the whole fund complex:

I reviewed DeAM's profitability analysis for all DWS Funds, with a view toward determining if the allocation procedures used were reasonable and how profit levels compared with public data for other investment managers.

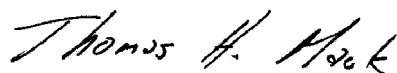
I considered whether DeAM and affiliates receive any significant ancillary or "fall-out" benefits that should be considered in interpreting the direct profitability results. These would be situations where serving as the investment manager of the Funds is beneficial to another part of the Deutsche Bank organization.

I considered how aggregated DWS Fund expenses had varied over the years, by asset class and in the context of trends in asset levels.

I reviewed the structure of the DeAM organization, trends in staffing levels, and information on compensation of investment management and other professionals compared with industry data.

Findings

Based on the process and analysis discussed above, which included reviewing a wide range of information from management and external data sources and considering among other factors the fees DeAM charges other clients, the fees charged by other fund managers, DeAM's costs and profits associated with managing the Funds, economies of scale, possible fall-out benefits, and the nature and quality of services provided, in my opinion the management fees charged the DWS Funds are reasonable.



Thomas H. Mack

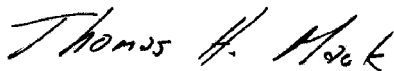
Summary of Administrative Fee Evaluation by Independent Fee Consultant

September 29, 2008

Pursuant to an Order entered into by Deutsche Asset Management (DeAM) with the Attorney General of New York, I, Thomas H. Mack, have been appointed the Independent Fee Consultant for the DWS Funds and have as part of my duties evaluated the reasonableness of the proposed management fees to be charged by DeAM to the DWS Funds, taking into account a proposal to pass through to the funds certain fund accounting-related charges in connection with new regulatory requirements. My evaluation considered the following:

- While the proposal would alter the services to be provided under the Administration Agreement, which I consider to be part of fund management under the Order, it is my opinion that the change in services is slight and that the scope of prospective services under the combination of the Advisory and Administration Agreements continues to be comparable with those typically provided to competitive funds under their management agreements.
- While the proposal would increase fund expenses, according to a pro forma analysis performed by management, the prospective effect is less than .01% for all but seven of the DeAM Funds' 438 active share classes, and in all cases the effect is less than .03% and overall expenses would remain reasonable in my opinion.

Based on the foregoing considerations, in my opinion the fees and expenses for all of the DWS Funds will remain reasonable if the Directors adopt this proposal.



Thomas H. Mack

Notes

DWS Investments is part of Deutsche Bank's Asset Management division and, within the US, represents the retail asset management activities of Deutsche Bank AG, Deutsche Bank Trust Company Americas, Deutsche Investment Management Americas Inc. and DWS Trust Company.

The views expressed in this report reflect those of the portfolio managers only through the end of the period of the report as stated on the cover. The managers' views are subject to change at any time based on market and other conditions and should not be construed as a recommendation.

This information must be preceded or accompanied by a current prospectus.

Portfolio changes should not be considered recommendations for action by individual investors.

DWS Investments Distributors, Inc.
222 South Riverside Plaza
Chicago, IL 60606
(800) 778-1482

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Read it carefully before investing.

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