

JUNE 30, 2009

SEMIANNUAL REPORT

DWS VARIABLE SERIES II

DWS Global Thematic VIP

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.

RESHAPING INVESTING.



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.

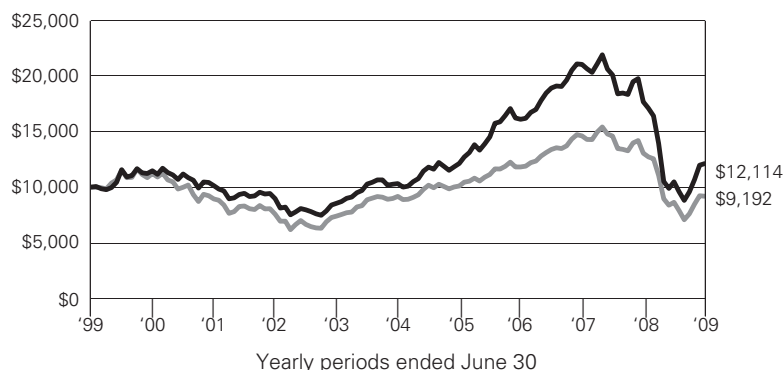
Risk Considerations

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 5. 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 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 (\$)		Shares	Value (\$)
Singapore 0.3%					
Food Empire Holdings Ltd. (Cost \$354,177)	700,000	156,847	Kellogg Co.	13,500	628,695
South Africa 0.8%			Laboratory Corp. of America Holdings*	15,200	1,030,408
AngloGold Ashanti Ltd.	6,946	254,723	Legg Mason, Inc.	27,200	663,136
Gold Fields Ltd.	18,900	228,140	Life Technologies Corp.* (a)	22,300	930,356
(Cost \$416,729)		482,863	Mattel, Inc.	27,000	433,350
Spain 0.7%			McDonald's Corp.	18,200	1,046,318
Grifols SA (Cost \$348,231)	22,288	394,188	Microsoft Corp.	34,200	812,934
Switzerland 4.4%			Monsanto Co.	12,000	892,080
Julius Baer Holding AG (Registered)	10,802	421,170	Morgan Stanley	7,000	199,570
Nestle SA (Registered)	35,012	1,321,393	Mylan, Inc.*	64,850	846,292
Roche Holding AG (Genusschein)	3,265	444,199	Myriad Genetics, Inc.*	13,400	477,710
UBS AG (Registered)*	36,639	447,529	Myriad Pharmaceuticals, Inc.*	3,375	15,694
(Cost \$2,431,442)		2,634,291	Oracle Corp.	13,300	284,886
Taiwan 0.6%			Owens-Illinois, Inc.*	18,550	519,586
Asustek Computer, Inc. (Cost \$380,536)	303,000	391,565	Perot Systems Corp. "A"*	6,200	88,846
Thailand 0.9%			Pfizer, Inc.	66,775	1,001,625
Bangkok Bank PCL (Foreign Registered)	28,900	94,286	Philip Morris International, Inc.	13,400	584,508
Kasikornbank PCL (Foreign Registered)	45,600	96,140	Procter & Gamble Co.	9,600	490,560
Seamico Securities PCL (Foreign Registered)	1,439,300	92,095	SAIC, Inc.*	2,200	40,810
Siam City Bank PCL (Foreign Registered)	523,300	250,360	State Street Corp.	6,300	297,360
(Cost \$607,536)		532,881	The Blackstone Group LP	28,100	296,174
Turkey 0.6%			Unisys Corp.*	71,500	107,965
Turkcell Iletisim Hizmetleri AS (ADR) (Cost \$348,000)	26,500	367,290	Verizon Communications, Inc.	19,200	590,016
United Kingdom 7.3%			Wal-Mart Stores, Inc.	8,000	387,520
Aberdeen Asset Management PLC	199,236	406,505	Walt Disney Co.	20,000	466,600
BAE Systems PLC	95,857	535,077	Williams Companies, Inc.	32,800	512,008
BG Group PLC	10,816	181,730	(Cost \$21,521,498)		23,454,716
BHP Billiton PLC	10,255	231,640	Total Common Stocks (Cost \$57,869,337)		57,314,967
G4S PLC	81,875	281,557			
GlaxoSmithKline PLC	58,587	1,031,691	Participatory Notes 2.8%		
Imperial Tobacco Group PLC	21,020	546,714	Commercial International Bank (issuer Merrill Lynch International & Co.), Expiration Date 5/9/2011*	4,336	37,463
Rio Tinto PLC	6,951	241,986	Doha Bank QSC (issuer Merrill Lynch International & Co.), Expiration Date 5/24/2010*	3,545	35,769
Standard Chartered PLC	29,231	550,554	Dubai Financial Market (issuer Merrill Lynch International & Co.), Expiration Date 5/24/2010*	87,265	38,536
Vodafone Group PLC	222,125	429,362	Merrill Lynch Frontier Index Trust (issuer Merrill Lynch International & Co.), Expiration Date 2/27/2010*	9,700	412,541
(Cost \$4,153,954)		4,436,816	Mobile Telecommunications Co. (issuer Merrill Lynch International & Co.), Expiration Date 12/6/2010*	55,000	224,499
United States 38.7%			National Bank of Abu Dhabi (issuer Merrill Lynch International & Co.), Expiration Date 1/12/2010*	13,696	36,295
Anadarko Petroleum Corp.	17,550	796,594	Oil & Gas Development Co., Ltd. (issuer Merrill Lynch International & Co.), 144A, Expiration Date 10/18/2011*	194,800	187,748
Apache Corp.	7,800	562,770	Pakistan Petroleum Ltd. (issuer Merrill Lynch International & Co.), 144A, Expiration Date 10/18/2011*	83,500	194,764
Apple, Inc.*	2,400	341,832	Qatar Electricity & Water Co. (issuer Merrill Lynch International & Co.), Expiration Date 5/24/2010*	1,373	37,721
AT&T, Inc.	12,100	300,564	Qatar National Bank (issuer Merrill Lynch International & Co.), Expiration Date 7/26/2010*	1,145	37,561
Bank of America Corp. (a)	87,000	1,148,400	Riyad Bank (issuer HSBC Bank PLC), Expiration Date 6/11/2012*	11,300	73,972
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			

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**

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**

* 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

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"). The Portfolio is classified as a 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). 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. 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 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.

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. The Portfolio 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. The Portfolio may enter into repurchase agreements with certain banks and broker/dealers whereby the 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. 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.

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. The volume indicated is generally indicative of the volume throughout the period.

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.

The following tables summarize the value of the 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:

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)

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 income to its shareholders.

Additionally, based on the Portfolio's understanding of the tax rules and rates related to income, gains and transactions for the foreign jurisdictions in which it invests, the Portfolio will provide for foreign taxes, and where appropriate, deferred foreign taxes.

At December 31, 2008, the Portfolio 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 Global Thematic VIP	42,028,000	12/31/2016

In addition, from November 1, 2008 through December 31, 2008, the Portfolio incurred 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 ended December 31, 2009.

Portfolio	Capital Loss Carryforward (\$)
DWS Global Thematic VIP	\$ 12,260,000

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. Distributions of net investment income of the Portfolio, if any, are made 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 foreign denominated investments, income received from Passive Foreign Investment Companies 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.

Expenses. Expenses arising in connection with a specific Portfolio are allocated to that Portfolio. Trust expenses are allocated between the Portfolio in proportion to its relative net assets.

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.

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.

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 Global Thematic VIP	58,505,763	68,750,456

C. Related Parties

Management Agreement. Under the Investment Management Agreement with Deutsche Investment Management Americas Inc. ("DIMM" or the "Advisor"), an indirect, wholly owned subsidiary of Deutsche Bank AG, the Advisor directs the investments of the 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 the Portfolio or delegates such responsibility to the Portfolio's subadvisor.

Under the Investment Management Agreement with the Advisor, the fee is equivalent to the annual rates shown below of the Portfolio's average daily net assets, computed and accrued daily and payable monthly:

Portfolio	Annual Management Fee Rate
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%

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 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%

Accordingly, for the six months ended June 30, 2009, the total management fee, management fee waived and effective management fee rate were as follows:

Portfolio	Total Aggregated (\$)	Waived (\$)	Annualized Effective Rate
DWS Global Thematic VIP	255,400	150,639	.38%

Administration Fee. Pursuant to an 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 as follows:

Portfolio	Total Aggregated (\$)	Unpaid at June 30, 2009 (\$)
DWS Global Thematic VIP	27,912	5,042

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 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 the Portfolio. For the six months ended June 30, 2009, the amounts charged to the Portfolio by DISC were as follows:

Portfolio	Total Aggregated (\$)	Waived (\$)	Unpaid at June 30, 2009 (\$)
DWS Global Thematic VIP Class A	229	229	—
DWS Global Thematic VIP Class B	42	—	19

Distribution Service Agreement. Under the Portfolio’s Class B 12b-1 plan, DWS Investments Distributors, Inc. (“DIDI”) receives 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, the Distribution Service Fee was as follows:

Portfolio	Total Aggregated (\$)	Unpaid at June 30, 2009 (\$)
DWS Global Thematic VIP	4,780	900

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” was as follows:

Portfolio	Amount (\$)	Unpaid at June 30, 2009 (\$)
DWS Global Thematic VIP	3,471	2,962

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 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

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. Ownership of the Portfolio

At June 30, 2009, the beneficial ownership in the Portfolio was as follows:

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%.

F. 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 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.

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 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 Portfolio's financial statements through this date.

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.

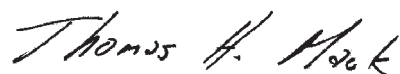
I considered whether DeAM and affiliates receive any significant ancillary or "fall-out" benefits that should be considered in interpreting the direct profitability results. These would be situations where serving as the investment manager of the Funds is beneficial to another part of the Deutsche Bank 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

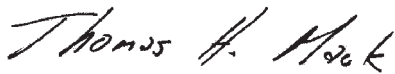
Summary of Administrative Fee Evaluation by Independent Fee Consultant

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

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.

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