JUNE 30, 2010

SEMIANNUAL REPORT

DWS VARIABLE SERIES I

DWS Bond VIP

This report must be preceded or accompanied by a prospectus. To obtain an additional prospectus or summary prospectus, if available, 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 summary prospectus and prospectus contain this and other important information about the Portfolio. Please read the prospectus carefully before you invest.

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.

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DWS INVESTMENTS
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Performance Summary

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.

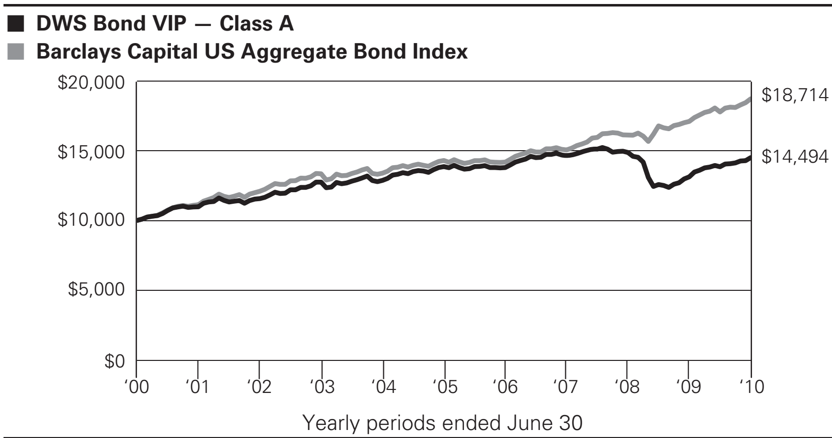
The gross expense ratio of the Portfolio, as stated in the fee table of the prospectus dated May 1, 2010 is 0.59% for Class A shares and may differ from the expense ratio disclosed in the Financial Highlights table in this report.

Portfolio returns during 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

Bond investments are subject to interest-rate and credit risks. When interest rates rise, bond prices generally fall. Credit risk refers to the ability of an issuer to make timely payments of principal and interest. Investments in lower-quality and non-rated securities present greater risk of loss than investments in higher-quality securities. Investing in foreign securities, particularly those of emerging markets, presents certain risks, such as currency fluctuations, political and economic changes, and market risks. See the prospectus for details.

Growth of an Assumed $10,000 Investment



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	$10,472	$11,050	$9,891	$10,465	$14,494
	Average annual total return	4.72%	10.50%	–0.37%	0.91%	3.78%
Barclays Capital US Aggregate Bond Index	Growth of $10,000	$10,533	$10,950	$12,439	$13,094	$18,714
	Average annual total return	5.33%	9.50%	7.55%	5.54%	6.47%

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, 2010 to June 30, 2010).

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, 2010

Actual Portfolio Return	**Class A**
Beginning Account Value 1/1/10	$1,000.00
Ending Account Value 6/30/10	$1,047.20
Expenses Paid per $1,000*	$ 3.10
Hypothetical 5% Portfolio Return	**Class A**
Beginning Account Value 1/1/10	$1,000.00
Ending Account Value 6/30/10	$1,021.77
Expenses Paid per $1,000*	$ 3.06

* *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 I — DWS Bond VIP	.61%

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)	**6/30/10**	**12/31/09**
Corporate Bonds	26%	24%
Cash Equivalents	21%	10%
Government & Agency Obligations	21%	24%
Mortgage-Backed Securities Pass-Throughs	20%	32%
Collateralized Mortgage Obligations	4%	3%
Municipal Bonds and Notes	4%	3%
Commercial Mortgage-Backed Securities	4%	3%
Asset-Backed	0%	1%
	100%	100%

Quality (Excludes Securities Lending Collateral)	**6/30/10**	**12/31/09**
US Government & Treasury Obligations	40%	53%
AAA*	24%	13%
AA	4%	6%
A	6%	8%
BBB	15%	14%
BB or Below	9%	6%
Not Rated	2%	0%
	100%	100%

Effective Maturity (Excludes Cash Equivalents and Securities Lending Collateral)	**6/30/10**	**12/31/09**
Under 1 year	13%	11%
1–4.99 years	47%	38%
5–9.99 years	29%	43%
10–14.99 years	0%	1%
15+ years	11%	7%
	100%	100%

* *Category includes cash equivalents.*

Effective maturity is the weighted average of the bonds held by the Portfolio taking into consideration any maturity shortening features.

Weighted average effective maturity: 6.06 and 7.88 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. Credit quality ratings are subject to change.

For more complete details about the Portfolio's investment portfolio, see page 5.

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. A complete list of the portfolio holdings of the Portfolio is also posted on www.dws-investments.com from time to time. Please see the Portfolio's current prospectus for more information.

DWS Bond VIP

		Principal Amount ($)(a)	Value ($)
Corporate Bonds 29.2%			
Consumer Discretionary 5.6%			
AMC Entertainment, Inc., 8.75%, 6/1/2019		1,200,000	1,206,000
CBS Corp., 7.875%, 7/30/2030		600,000	694,686
Comcast Corp., 5.15%, 3/1/2020		450,000	471,127
DirecTV Holdings LLC, 6.35%, 3/15/2040		815,000	872,719
Discovery Communications LLC, 5.05%, 6/1/2020		1,000,000	1,039,468
JC Penney Co., Inc., 5.65%, 6/1/2020		1,000,000	977,500
JC Penney Corp., Inc., 7.95%, 4/1/2017		750,000	832,500
MGM Resorts International, 144A, 9.0%, 3/15/2020		750,000	770,625
Royal Caribbean Cruises Ltd., 7.25%, 6/15/2016		1,100,000	1,075,250
Time Warner Cable, Inc.:			
6.75%, 7/1/2018		125,000	143,485
7.3%, 7/1/2038		40,000	46,440
Time Warner, Inc.:			
6.2%, 3/15/2040		400,000	421,906
7.625%, 4/15/2031		400,000	481,190
			9,032,896
Consumer Staples 2.0%			
Anheuser-Busch InBev Worldwide, Inc., 144A, 7.75%, 1/15/2019		750,000	910,321
CVS Caremark Corp.:			
6.125%, 9/15/2039		500,000	534,468
6.25%, 6/1/2027		332,000	362,230
Kraft Foods, Inc., 5.375%, 2/10/2020		1,335,000	1,430,521
			3,237,540
Energy 2.7%			
DCP Midstream LLC, 144A, 9.75%, 3/15/2019		600,000	771,676
Enterprise Products Operating LLC, 6.125%, 10/15/2039		460,000	459,015
Kinder Morgan Energy Partners LP:			
6.5%, 9/1/2039		500,000	515,256
6.95%, 1/15/2038		510,000	541,948
ONEOK Partners LP, 6.15%, 10/1/2016		482,000	541,630
Plains All American Pipeline LP, 8.75%, 5/1/2019		1,200,000	1,432,381
			4,261,906
Financials 10.2%			
American Express Co., 7.0%, 3/19/2018		988,000	1,139,552
Bank of America Corp.:			
5.75%, 12/1/2017		710,000	736,328
6.5%, 8/1/2016		175,000	189,389
7.625%, 6/1/2019		580,000	664,395
Citigroup, Inc.:			
6.125%, 5/15/2018		1,100,000	1,148,050
8.5%, 5/22/2019		432,000	514,998
Covidien International Finance SA, 4.2%, 6/15/2020		750,000	767,572
Discover Bank, 8.7%, 11/18/2019		710,000	788,238
ESI Tractebel Acquisition Corp., Series B, 7.99%, 12/30/2011		65,000	65,400
Fifth Third Bancorp., 5.45%, 1/15/2017		651,000	666,384
Ford Motor Credit Co., LLC, 7.8%, 6/1/2012		1,500,000	1,544,637
Hartford Financial Services Group, Inc., 5.95%, 10/15/2036		300,000	256,309
Jefferies Group, Inc., 6.875%, 4/15/2021		500,000	501,297
JPMorgan Chase & Co., 5.125%, 9/15/2014		1,500,000	1,600,695
KazMunaiGaz Finance Sub BV:			
144A, 7.0%, 5/5/2020		500,000	501,900
144A, 11.75%, 1/23/2015		800,000	979,040
KeyBank NA, 5.7%, 11/1/2017		800,000	839,273
Lincoln National Corp., 8.75%, 7/1/2019		500,000	612,794
MetLife, Inc., Series A, 6.817%, 8/15/2018		400,000	452,418
Morgan Stanley, Series F, 6.625%, 4/1/2018		475,000	497,864
PNC Bank NA, 6.875%, 4/1/2018		200,000	225,958
Prudential Financial, Inc.:			
Series B, 5.1%, 9/20/2014		150,000	159,523
6.2%, 1/15/2015		100,000	110,053
7.375%, 6/15/2019		120,000	138,955
Red Arrow International Leasing PLC, "A", 8.375%, 6/30/2012	RUB	1,470,803	47,330
The Goldman Sachs Group, Inc., 6.0%, 6/15/2020		800,000	824,906
Toll Brothers Finance Corp., 8.91%, 10/15/2017		350,000	390,326
			16,363,584
Health Care 2.1%			
Express Scripts, Inc.:			
6.25%, 6/15/2014		385,000	435,903
7.25%, 6/15/2019		720,000	870,317
HCA, Inc., 9.25%, 11/15/2016		425,000	450,500
Medco Health Solutions, Inc., 7.125%, 3/15/2018		715,000	854,188
Quest Diagnostics, Inc., 6.95%, 7/1/2037		610,000	696,852
			3,307,760
Industrials 1.8%			
CSX Corp.:			
6.15%, 5/1/2037		400,000	437,394
6.25%, 3/15/2018		800,000	918,552
K. Hovnanian Enterprises, Inc., 10.625%, 10/15/2016		850,000	850,000
United Rentals North America, Inc., 9.25%, 12/15/2019		750,000	755,625
			2,961,571

The accompanying notes are an integral part of the financial statements.

	Principal Amount ($)(a)	Value ($)
Materials 1.7%		
ArcelorMittal, 6.125%, 6/1/2018	500,000	522,940
Corporacion Nacional del Cobre — Codelco, REG S, 7.5%, 1/15/2019	600,000	735,192
Dow Chemical Co., 8.55%, 5/15/2019	1,200,000	1,468,936
		2,727,068
Telecommunication Services 2.1%		
Frontier Communications Corp., 8.125%, 10/1/2018	1,000,000	993,750
MetroPCS Wireless, Inc., 9.25%, 11/1/2014	800,000	824,000
Qwest Communications International, Inc., 144A, 8.0%, 10/1/2015	750,000	770,625
Windstream Corp., 8.625%, 8/1/2016	775,000	780,813
		3,369,188
Utilities 1.0%		
DTE Energy Co., 7.625%, 5/15/2014	152,000	177,637
Energy Future Competitive Holdings Co., 7.48%, 1/1/2017	29,224	24,787
FirstEnergy Solutions Corp., 6.8%, 8/15/2039	517,000	511,520
Majapahit Holding BV, REG S, 7.75%, 10/17/2016	100,000	110,583
Sempra Energy, 6.5%, 6/1/2016	650,000	745,874
		1,570,401
Total Corporate Bonds (Cost $44,537,280)		**46,831,914**

Mortgage-Backed Securities Pass-Throughs 22.2%

	Principal Amount ($)(a)	Value ($)
Federal Home Loan Mortgage Corp.:		
4.5%, 12/1/2034	885,190	924,574
5.5%, with various maturities from 10/1/2023 until 8/1/2024	450,541	485,300
5.505%**, 2/1/2038	578,785	616,587
6.5%, 3/1/2026	855,197	950,421
7.0%, 1/1/2038	172,754	191,926
Federal National Mortgage Association:		
4.5%, with various maturities from 11/1/2020 until 9/1/2038 (b)	6,303,834	6,604,835
4.547%**, 8/1/2037	196,272	205,670
5.0%, with various maturities from 2/1/2021 until 1/1/2036 (b)	3,391,707	3,608,686
5.079%**, 9/1/2038	378,722	403,003
5.389%**, 1/1/2038	641,182	681,274
5.5%, with various maturities from 12/1/2032 until 4/1/2037 (b)	5,217,545	5,608,285
6.0%, with various maturities from 4/1/2024 until 10/1/2035 (b)	8,387,844	9,111,627
6.5%, with various maturities from 3/1/2017 until 12/1/2037	1,000,439	1,098,770
8.0%, 9/1/2015	19,264	20,966
Government National Mortgage Association:		
4.5%, 5/1/2039 (b)	1,600,000	1,666,625
5.0%, 5/1/2038 (b)	1,600,000	1,704,250
5.5%, 6/1/2036 (b)	1,600,000	1,728,750
Total Mortgage-Backed Securities Pass-Throughs (Cost $34,286,062)		**35,611,549**

Asset-Backed 0.3%

Automobile Receivables

	Principal Amount ($)(a)	Value ($)
Household Automotive Trust, "A4", Series 2006-1, 5.52%, 3/18/2013 (Cost $424,097)	423,782	**427,739**

Commercial Mortgage-Backed Securities 4.3%

	Principal Amount ($)(a)	Value ($)
Banc of America Commercial Mortgage, Inc., "A4", Series 2007-4, 5.935%**, 2/10/2051	600,000	626,359
Bear Stearns Commercial Mortgage Securities, Inc., "A4", Series 2007-PW18, 5.7%, 6/11/2050	1,738,000	1,757,775
Citigroup/Deutsche Bank Commercial Mortgage Trust, "A4", Series 2006-CD2, 5.546%**, 1/15/2046	1,600,000	1,629,595
GS Mortgage Securities Corp. II:		
"J", Series 2007-GG10, 144A, 5.999%**, 8/10/2045	1,096,000	18,084
"K", Series 2007-GG10, 144A, 5.999%**, 8/10/2045*	767,000	6,903
JPMorgan Chase Commercial Mortgage Securities Corp.:		
"E", Series 2007-LD11, 5.983%**, 6/15/2049	590,000	72,418
"F", Series 2007-LD11, 5.983%**, 6/15/2049	650,000	49,228
"G", Series 2007-LD11, 144A, 5.983%**, 6/15/2049	760,000	48,282
"H", Series 2007-LD11, 144A, 5.983%**, 6/15/2049	460,000	22,946
LB-UBS Commercial Mortgage Trust:		
"A3", Series 2006-C7, 5.347%, 11/15/2038	1,000,000	1,031,853
"A4", Series 2007-C6, 5.858%, 7/15/2040	1,000,000	992,045
Merrill Lynch Mortgage Trust, "ASB", Series 2007-C1, 6.02%**, 6/12/2050	590,000	622,948
Wachovia Bank Commercial Mortgage Trust, "H", Series 2007-C32, 144A, 5.929%**, 6/15/2049	770,000	95,003
Total Commercial Mortgage-Backed Securities (Cost $10,853,670)		**6,973,439**

Collateralized Mortgage Obligations 4.4%

	Principal Amount ($)(a)	Value ($)
Countrywide Home Loans, "A2", Series 2006-1, 6.0%, 3/25/2036	705,056	630,654
CS First Boston Mortgage Securities Corp., "10A3", Series 2005-10, 6.0%, 11/25/2035	164,971	116,510
FDIC Structured Sale Guaranteed Notes, "1A", Series 2010-S1, 144A, 0.896%**, 2/25/2048	2,035,197	2,042,691
Federal Home Loan Mortgage Corp.:		
"PD", Series 2774, 5.0%, 8/15/2032	1,010,000	1,097,575
"PE", Series 2898, 5.0%, 5/15/2033	335,000	365,547
"KG", Series 2987, 5.0%, 12/15/2034	1,470,000	1,605,271

The accompanying notes are an integral part of the financial statements.

	Principal Amount ($)(a)	Value ($)
Federal National Mortgage Association:		
"EG", Series 2005-22, 5.0%, 11/25/2033	750,000	817,984
"TC", Series 2007-77, 5.5%, 9/25/2034	370,000	400,648
MASTR Alternative Loans Trust, "8A1", Series 2004-3, 7.0%, 4/25/2034	14,275	13,550
Structured Asset Securities Corp., "2A1", Series 2003-1, 6.0%, 2/25/2018	2,289	2,355
Total Collateralized Mortgage Obligations (Cost $6,768,945)		**7,092,785**

Government & Agency Obligations 23.0%

Sovereign Bonds 2.0%

	Principal Amount ($)(a)	Value ($)
Republic of Argentina:		
GDP Linked Note, 12/15/2035	410,000	24,189
8.28%, 12/31/2033	642,413	439,250
Republic of Egypt, 9.1%, 9/20/2012 EGP	230,000	40,329
Republic of El Salvador, REG S, 8.25%, 4/10/2032	40,000	44,000
Republic of Indonesia, REG S, 8.5%, 10/12/2035	100,000	126,250
Republic of Panama:		
7.125%, 1/29/2026	220,000	256,850
7.25%, 3/15/2015	80,000	92,600
Republic of Peru, 7.125%, 3/30/2019	600,000	709,500
Republic of Philippines:		
7.75%, 1/14/2031	100,000	115,880
9.5%, 2/2/2030	60,000	81,150
Republic of Poland, 6.375%, 7/15/2019	210,000	232,307
Republic of Serbia, REG S, 6.75%, 11/1/2024	87,000	84,825
Russian Federation, 144A, 5.0%, 4/29/2020	1,000,000	965,000
		3,212,130

US Government Sponsored Agency 0.8%

	Principal Amount ($)(a)	Value ($)
Federal National Mortgage Association, 6.625%, 11/15/2030	950,000	**1,235,434**

US Treasury Obligations 20.2%

	Principal Amount ($)(a)	Value ($)
US Treasury Bill, 0.22%***, 9/16/2010 (c)	969,000	968,678
US Treasury Bonds:		
4.75%, 2/15/2037 (d)	3,600,000	4,133,250
5.375%, 2/15/2031	1,500,000	1,845,468
US Treasury Note, 1.75%, 1/31/2014 (d)	25,000,000	25,402,350
		32,349,746
Total Government & Agency Obligations (Cost $35,915,365)		**36,797,310**

Loan Participations and Assignments 0.2%

Sovereign Loans

	Principal Amount ($)(a)	Value ($)
Gazprom, 144A, 8.125%, 7/31/2014	205,000	223,204
Russian Agricultural Bank, REG S, 7.75%, 5/29/2018	100,000	107,000
Total Loan Participations and Assignments (Cost $302,403)		**330,204**

Municipal Bonds and Notes 4.4%

	Principal Amount ($)(a)	Value ($)
Florida, State Board of Education, Capital Outlay 2006, Series E, 5.0%, 6/1/2035	465,000	484,860
Gwinnett County, GA, Development Authority Revenue, Gwinnett Stadium Project, 6.4%, 1/1/2028	655,000	750,545
Illinois, State General Obligation, 4.421%, 1/1/2015 (e)	260,000	261,170
Jicarilla, NM, Sales & Special Tax Revenue, Apache Nation Revenue, 144A, 5.2%, 12/1/2013	560,000	555,486
Los Angeles, CA, Community Development Agency Tax Allocation Revenue, Adelante Eastside Project, Series C, 6.49%, 9/1/2037 (f)	320,000	274,522
McLennan County, TX, Junior College, 5.0%, 8/15/2032 (f)	340,000	351,387
Nashville & Davidson County, TN, Metropolitan Government, Convention Center Authority Revenue, Build America Bonds, Series B, 6.731%, 7/1/2043	400,000	432,608
New Jersey, Economic Development Authority Revenue, Series B, 6.5%, 11/1/2013 (f)	860,000	980,348
Port Authority New York & New Jersey, One Hundred Fiftieth Series, 4.75%, 9/15/2016	930,000	1,002,503
Rhode Island, Convention Center Authority Revenue, Civic Center, Series A, 6.06%, 5/15/2035 (f)	515,000	561,479
Virgin Islands, Port Authority Marine Revenue, Series B, 5.08%, 9/1/2013 (f)	1,030,000	1,050,507
Washington, Central Puget Sound Regional Transit Authority, Sales & Use Tax Revenue, Series A, 5.0%, 11/1/2036	285,000	297,515
Total Municipal Bonds and Notes (Cost $6,610,395)		**7,002,930**

Preferred Stock 0.0%

Financials

	Principal Amount ($)(a)	Value ($)
Ford Motor Credit Co., LLC, 7.375% (Cost $24,692)	1,180	**26,786**

Securities Lending Collateral 17.5%

	Principal Amount ($)(a)	Value ($)
Daily Assets Fund Institutional, 0.27% (g) (h) (Cost $28,079,013)	28,079,013	**28,079,013**

Cash Equivalents 23.2%

	Shares	Value ($)
Central Cash Management Fund, 0.21% (g) (Cost $37,243,284)	37,243,284	**37,243,284**

	% of Net Assets	Value ($)
Total Investment Portfolio (Cost $205,045,206)†	128.7	**206,416,953**
Other Assets and Liabilities, Net	(28.7)	**(46,081,126)**
Net Assets	100.0	**160,335,827**

The accompanying notes are an integral part of the financial statements.

* Non-income producing security.

** These securities are shown at their current rate as of June 30, 2010. Floating rate securities yields vary with a designated market index or market rate, such as the coupon-equivalent of the US Treasury bill rate.

*** Annualized yield at time of purchase; not a coupon rate.

† The cost for federal income tax purposes was $205,060,401. At June 30, 2010, net unrealized appreciation for all securities based on tax cost was $1,356,552. This consisted of aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost of $5,974,608 and aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value of $4,618,056.

(a) Principal amount stated in US dollars unless otherwise noted.

(b) When-issued or delayed delivery security included.

(c) At June 30, 2010, this security has been pledged, in whole or in part, to cover initial margin requirements for open futures contracts.

(d) All or a portion of these securities were on loan (see Notes to Financial Statements). The value of all securities loaned at June 30, 2010 amounted to $27,296,750, which is 17.0% of net assets.

(e) Taxable issue.

(f) Bond is insured by one of these companies:

Insurance Coverage	As a % of Total Investment Portfolio
Assured Guaranty Corp.	0.5
Assured Guaranty Insurance Co.	0.7
Financial Guaranty Insurance Co.	0.3
Radian	0.1

Many insurers who have traditionally guaranteed payment of municipal issues have been downgraded by the major rating agencies.

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

(h) 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

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.

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, 2010, open futures contracts purchased were as follows:

Futures	Currency	Expiration Date	Contracts	Notional Value ($)	Unrealized Appreciation (Depreciation) ($)
10 Year Canadian Government Bond	CAD	9/21/2010	35	4,071,251	94,033
Australian Dollar Currency	USD	9/13/2010	19	1,591,060	(4,574)
Canadian Dollar Currency	USD	9/14/2010	17	1,598,340	(9,688)
Total net unrealized appreciation					**79,771**

At June 30, 2010, open futures contracts sold were as follows:

Futures	Currency	Expiration Date	Contracts	Notional Value ($)	Unrealized Appreciation (Depreciation) ($)
10 Year US Treasury Note	USD	9/21/2010	25	3,063,672	(55,128)
2 Year US Treasury Note	USD	9/30/2010	100	21,882,813	(70,512)
Japanese Yen Currency	USD	9/13/2010	9	1,272,938	(44,240)
United Kingdom Long Gilt Bond	GBP	9/28/2010	16	2,893,774	3,558
Total net unrealized depreciation					**(166,322)**

As of June 30, 2010, the Portfolio had the following open forward foreign currency exchange contracts:

Contracts to Deliver		In Exchange For		Settlement Date	Unrealized Depreciation ($)	Counterparty
RUB	3,600,000	USD	112,994	9/3/2010	**(1,663)**	HSBC Bank USA

Currency Abbreviations

CAD	Canadian Dollar	GBP	British Pound	USD	United States Dollar
EGP	Egyptian Pound	RUB	Russian Ruble		

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.

The accompanying notes are an integral part of the financial statements.

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, 2010 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 Financial Statements.

Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Fixed Income Investments (i)				
Corporate Bonds	$ —	$ 46,831,914	$ —	$ 46,831,914
Mortgage-Backed Securities Pass-Throughs	—	35,611,549	—	35,611,549
Asset-Backed	—	427,739	—	427,739
Commercial Mortgage-Backed Securities	—	6,973,439	—	6,973,439
Collateralized Mortgage Obligations	—	7,092,785	—	7,092,785
Government & Agency Obligations	—	35,828,632	—	35,828,632
Loan Participations and Assignments	—	330,204	—	330,204
Municipal Bonds and Notes	—	7,002,930	—	7,002,930
Preferred Stock	26,786	—	—	26,786
Short-Term Investments (i)	65,322,297	968,678	—	66,290,975
Total	**$ 65,349,083**	**$ 141,067,870**	**$ —**	**$ 206,416,953**
Liabilities				
Derivatives (j)	$ (86,551)	$ (1,663)	$ —	$ (88,214)
Total	**$ (86,551)**	**$ (1,663)**	**$ —**	**$ (88,214)**

There have been no significant transfers in and out of Level 1 and Level 2 fair value measurements during the period ended June 30, 2010.

(i) *See Investment Portfolio for additional detailed categorizations.*

(j) *Derivatives include unrealized appreciation (depreciation) on open futures contracts and forward foreign currency exchange contracts.*

Level 3 Reconciliation

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, 2009	$ 41,830
Realized gains (loss)	—
Change in unrealized appreciation (depreciation)	—
Amortization premium/discount	—
Net purchases (sales)	—
Transfers into of Level 3	—
Transfers (out) of Level 3	(41,830) (k)
Balance as of June 30, 2010	**$ —**
Net change in unrealized appreciation (depreciation) from investments still held as of June 30, 2010	**$ —**

Transfers between price levels are recognized at the beginning of the reporting period.

(k) *The investment was transferred from Level 3 to Level 2 as a result of the availability of a pricing source supported by observable inputs.*

The accompanying notes are an integral part of the financial statements.

Statement of Assets and Liabilities

as of June 30, 2010 (Unaudited)

Assets	
Investments:	
Investments in securities, at value (cost $139,722,909), including $27,296,750 of securities loaned	$ 141,094,656
Investment in Daily Assets Fund Institutional (cost $28,079,013)*	28,079,013
Investment in Central Cash Management Fund (cost $37,243,284)	37,243,284
Total investments, at value (cost $205,045,206)	206,416,953
Cash	17,425
Foreign currency, at value (cost $151,314)	150,708
Receivable for investments sold — when-issued/delayed delivery securities	17,552,424
Receivable for Portfolio shares sold	78,535
Interest receivable	1,347,692
Dividends receivable	543
Foreign taxes recoverable	867
Receivable for daily variation margin on open futures contracts	34,015
Other assets	1,826
Total assets	225,600,988

Liabilities	
Payable for Investments purchased	610,351
Payable for investments purchased — when-issued/delayed delivery securities	36,329,862
Payable upon return of securities loaned	28,079,013
Payable for Portfolio shares redeemed	115,010
Unrealized depreciation on forward foreign currency exchange contracts	1,663
Accrued management fee	48,451
Other accrued expenses and payables	80,811
Total liabilities	65,265,161
Net assets, at value	**$ 160,335,827**

Net Assets Consist of	
Undistributed net investment income	2,441,790
Net unrealized appreciation (depreciation) on: Investments	1,371,747
Futures	(86,551)
Foreign currency	(2,056)
Accumulated net realized gain (loss)	(39,208,674)
Paid-in capital	195,819,571
Net assets, at value	**$ 160,335,827**
Class A	
Net Asset Value, offering and redemption price per share ($160,335,827 ÷ 28,905,395 outstanding shares of beneficial interest, $.01 par value, unlimited number of shares authorized)	**$ 5.55**

* *Represents collateral on securities loaned.*

Statement of Operations

for the six months ended June 30, 2010 (Unaudited)

Investment Income	
Income:	
Interest	$ 3,210,844
Dividends	1,540
Income distributions — Central Cash Management Fund	28,784
Securities lending income, including income from Daily Assets Fund Institutional, net of borrower rebates	9,089
Total Income	3,250,257
Expenses:	
Management fee	310,183
Administration fee	79,534
Services to shareholders	3,266
Custodian fee	12,433
Professional fees	31,198
Trustees' fees and expenses	4,973
Reports to shareholders	27,065
Other	17,196
Total expenses	485,848
Net investment income	**2,764,409**

Realized and Unrealized Gain (Loss)	
Net realized gain (loss) from:	
Investments	5,252,914
Futures	(1,057,741)
Foreign currency	(23,754)
Payments by affiliates (see Note G)	7,050
	4,178,469
Change in net unrealized appreciation (depreciation) on:	
Investments	969,925
Futures	(643,147)
Foreign currency	(4,833)
	321,945
Net gain (loss)	**4,500,414**
Net increase (decrease) in net assets resulting from operations	**$ 7,264,823**

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, 2010 (Unaudited)	Year Ended December 31, 2009
Operations:		
Net investment income	$ 2,764,409	$ 7,096,250
Net realized gain (loss)	4,178,469	(22,284,758)
Change in net unrealized appreciation (depreciation)	321,945	29,440,278
Net increase (decrease) in net assets resulting from operations	7,264,823	14,251,770
Distributions to shareholders from:		
Net investment income:		
Class A	(6,962,542)	(11,985,798)
Portfolio share transactions:		
Class A		
Proceeds from shares sold	8,423,576	21,968,991
Reinvestment of distributions	6,962,542	11,985,798
Cost of shares redeemed	(14,026,648)	(32,370,197)
Net increase (decrease) in net assets from Class A share transactions	1,359,470	1,584,592
Increase (decrease) in net assets	1,661,751	3,850,564
Net assets at beginning of period	158,674,076	154,823,512
Net assets at end of period (including undistributed net investment income of $2,441,790 and $6,639,923, respectively)	**$ 160,335,827**	$ 158,674,076

Other Information		
Class A		
Shares outstanding at beginning of period	28,638,100	28,147,936
Shares sold	1,506,795	4,088,614
Shares issued to shareholders in reinvestment of distributions	1,277,530	2,364,063
Shares redeemed	(2,517,030)	(5,962,513)
Net increase (decrease) in Class A shares	267,295	490,164
Shares outstanding at end of period	**28,905,395**	**28,638,100**

The accompanying notes are an integral part of the financial statements.

Financial Highlights

Class A

Years Ended December 31,	2010[a]	2009	2008	2007	2006	2005
Selected Per Share Data						
Net asset value, beginning of period	**$ 5.54**	**$ 5.50**	**$ 6.98**	**$ 7.03**	**$ 6.99**	**$ 7.13**
Income (loss) from investment operations:						
Net investment income[b]	.10	.25	.37	.35	.33	.29
Net realized and unrealized gain (loss)	.16	.26	(1.48)	(.06)	(.01)	(.10)
Total from investment operations	.26	.51	(1.11)	.29	.32	.19
Less distributions from:						
Net investment income	(.25)	(.47)	(.37)	(.34)	(.27)	(.26)
Net realized gains	—	—	—	—	(.01)	(.07)
Total distributions	(.25)	(.47)	(.37)	(.34)	(.28)	(.33)
Net asset value, end of period	**$ 5.55**	**$ 5.54**	**$ 5.50**	**$ 6.98**	**$ 7.03**	**$ 6.99**
Total Return (%)	4.72**	10.07	(16.77)	4.18	4.72[c]	2.60
Ratios to Average Net Assets and Supplemental Data						
Net assets, end of period ($ millions)	160	159	155	229	218	209
Ratio of expenses before expense reductions (%)	.61*	.59	.59	.61	.66	.68
Ratio of expenses after expense reductions (%)	.61*	.59	.59	.61	.62	.68
Ratio of net investment income (%)	3.48*	4.68	5.76	5.03	4.82	4.11
Portfolio turnover rate (%)	193**	284	196	185	186	197

a *For the six months ended June 30, 2010 (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*

Notes to Financial Statements (Unaudited)

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"). These financial statements report on DWS Bond VIP. 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").

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.

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.

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 and are classified as Level 1 securities. 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. For certain 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, a fair valuation model may be used. This fair valuation model takes into account comparisons to the valuation of American Depository Receipts (ADRs), exchange-traded funds, futures contracts and certain indices and these securities are classified as Level 2.

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. These securities are generally categorized as Level 2.

Futures contracts are generally valued at the settlement prices established each day on the exchange on which they are traded and are classified as Level 1.

Forward currency contracts are valued at the prevailing forward exchange rate of the underlying currencies and are classified as Level 2.

Money market instruments purchased with an original or remaining maturity of sixty days or less, maturing at par, are valued at amortized cost, which approximates value, and are categorized as Level 2. Investments in open-end investment companies are valued at their net asset value each business day and are categorized as Level 1.

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 and are generally categorized as Level 3. 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 or issuer'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.

Disclosure about the classification of fair value measurements is included in a table following the Portfolio's Investment Portfolio.

Securities Lending. The Portfolio may lend securities to certain 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 either cash or 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 agent will use its best effort 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 Portfolio 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. The Portfolio 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. The 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. Authoritative accounting guidance requires that disclosures about the Portfolio's derivative and hedging activities and derivatives accounted for as hedging instruments must be disclosed separately from derivatives that do not qualify for hedge accounting. 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. 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. The disclosure below is presented in accordance with authoritative accounting guidance.

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 invests in interest rate futures to gain exposure to different parts of the yield curve while managing the overall duration. The Portfolio also enters into currency futures contracts 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.

A summary of the open futures contracts as of June 30, 2010 is included in a table following the Portfolio's Investment Portfolio. For the six months ended June 30, 2010, the Portfolio invested in futures contracts with total notional values generally indicative of a range from approximately $35,511,000 to $39,198,000.

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. The 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, the Portfolio may enter into forward foreign currency exchange contracts. During the period, the Portfolio invested in forward foreign currency contracts to hedge its exposure to changes in foreign currency exchange rates on its foreign currency denominated securities.

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 currency contracts as of June 30, 2010 is included in a table following the Portfolio's Investment Portfolio. For the six months ended June 30, 2010, the Portfolio invested in forward currency contracts with total values generally indicative of a range from approximately $113,000 to $120,000.

The following tables summarize the value of the Portfolio's derivative instruments held as of June 30, 2010 and the related location on the accompanying Statement of Assets and Liabilities, presented by primary underlying risk exposure:

Asset Derivatives	**Futures Contracts**
Foreign Exchange Contracts (a)	$ (58,502)
Interest Rate Contracts (a)	(28,049)
	$ (86,551)

The above derivative is located in the following Statement of Assets and Liabilities account:

(a) *Net unrealized appreciation (depreciation) on futures. Asset of Receivable for daily variation margin on open futures contracts reflects unsettled variation margin.*

Liability Derivatives	**Forward Contracts**
Foreign Exchange Contracts (b)	$ 1,663

The above derivative is located in the following Statement of Assets and Liabilities account:

(b) *Unrealized depreciation on forward foreign 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, 2010 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
Foreign Exchange Contracts (a) (b)	$ 3,161	$ 215,429	$ 218,590
Interest Rate Contracts (b)	—	(1,273,170)	(1,273,170)
	$ 3,161	**$ (1,057,741)**	**$ (1,054,580)**

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
Foreign Exchange Contracts (a) (b)	$ (3,504)	$ (153,917)	$ (157,421)
Interest Rate Contracts (b)	—	(489,230)	(489,230)
	$ (3,504)	**$ (643,147)**	**$ (646,651)**

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. The Portfolio is treated as a separate taxpayer as provided for in the Internal Revenue Code, as amended. It is the 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.

At December 31, 2009, 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 Carryforwards ($)	Expiration Date
DWS Bond VIP	42,815,000	12/31/2014–12/31/2017

The Portfolio has reviewed the tax positions for the open tax years as of December 31, 2009 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 open subject to examination by the Internal Revenue Service.

Distribution of Income and Gains. The Portfolio will declare and distribute dividends from its 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 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, investments in forward foreign currency exchange contracts, 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, 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 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, 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 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, 2010, purchases and sales of investment securities (excluding short-term investments) were as follows:

Portfolio	Purchases ($)	Sales ($)
DWS Bond VIP		
excluding US Treasury Obligations	219,220,349	266,454,984
US Treasury Obligations	76,094,077	66,821,163

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 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.

Under the Investment Management Agreement with the Advisor, the Portfolio pays a monthly management fee, based on the average daily net assets of the 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%

Accordingly, for the six months ended June 30, 2010, the total management fee and effective management fee rate are as follows:

Portfolio	Total Aggregated ($)	Annualized Effective Rate
DWS Bond VIP	310,183	.39%

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, the Portfolio pays the Advisor 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, 2010, the Administration Fee was as follows:

Portfolio	Total Aggregated ($)	Unpaid at June 30, 2010 ($)
DWS Bond VIP	79,534	13,231

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 the Portfolio. For the six months ended June 30, 2010, the amount charged to the Portfolio by DISC was as follows:

Portfolio	Total Aggregated ($)	Unpaid at June 30, 2010 ($)
DWS Bond VIP Class A	362	180

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, 2010, the amount charged to the Portfolio by DIMA included in the Statement of Operations under "reports to shareholders" was as follows:

Portfolio	Total Aggregated ($)	Unpaid at June 30, 2010 ($)
DWS Bond VIP	8,398	1,412

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.

Affiliated Cash Management Vehicles. The Portfolio may invest uninvested cash balances in Central Cash Management Fund and other affiliated money market funds managed by the Advisor. The Portfolio indirectly bears its proportionate share of the expenses of the underlying money market funds. Central Cash Management Fund does not pay the Advisor an investment management fee. Central Cash Management Fund seeks a high level of current income consistent with liquidity and the preservation of capital.

D. Investing in Emerging Markets

The Portfolio may invest in emerging markets. Investing in emerging markets may involve special risks and considerations not typically associated with investing in developed markets. These risks include revaluation of currencies, high rates of inflation or deflation, 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 or less easily assessed than those of comparable securities of issuers in developed markets.

E. Ownership of the Portfolio

At the end of the year, the beneficial ownership in the Portfolio 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%.

F. 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. 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. Payments Made by Affiliates

During the six months ended June 30, 2010, the Advisor fully reimbursed the Portfolio $7,050 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.

H. Review for Subsequent Events

Management has evaluated the events and transactions subsequent to period end through the date the financial statements were available to be issued, and has determined that there were no material events that would require disclosure in the Series' financial statements.

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 9, 2009, As Revised November 20, 2009

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 2009, 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 and 2008.

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 and serve 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 124 publicly offered 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

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.

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DWS INVESTMENTS
Deutsche Bank Group