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Deutsche Asset Management (Asia) Ltd

DWS Vietnam Fund Limited

**Condensed Consolidated Interim Unaudited Report
For the six months ended 30 June 2012**

DWS VIETNAM FUND LIMITED

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DWS VIETNAM FUND LIMITED

GENERAL INFORMATION

The following information is derived from and should be read in conjunction with the full text and definitions section of the Prospectus dated 20 February 2007.

DWS Vietnam Fund Limited (the "Company") was incorporated in the Cayman Islands on 13 September 2006 under the Companies Law, Cap. 22 (Revised) of the Cayman Islands as an exempted company with limited liability.

The Company is a closed-end investment company, with an authorised share capital of US\$10,000,000 consisting of 1,000,000,000 shares of par value of US\$0.01 each. The Company is listed on the Irish Stock Exchange.

The Company's assets are managed by the Investment Manager and its Sub-Investment Advisor as detailed below and are subject to the supervision of the Board. The Investment Manager may, in its discretion, appoint any number of Sub-Investment Advisors and Segregated Fund Managers. All investments made on behalf of the Company, whether by the Investment Manager or by a Segregated Fund Manager, comply with all investment objectives, policies and restrictions of the Company.

INVESTMENT MANAGEMENT ARRANGEMENTS

The Company is managed by Deutsche Asset Management (Asia) Ltd. ("DeAM Asia") pursuant to the Investment Management Agreement (IMA), dated 15 November 2006. The Investment Manager makes investment decisions based on its knowledge of the Vietnamese securities and investment market in accordance with the investment policies, objectives and restrictions of the Company.

With effect from 30 April 2009 ("the effective date"), DeAM Asia the appointed discretionary investment manager of the DWS Vietnam Fund Limited, pursuant to its authority and discretion under the terms of the amended and restated IMA between DeAM Asia and the Company dated 14 February 2007, delegated certain of its investment management duties under this agreement to Duxton Asset Management Pte. Ltd ("Duxton"), a related party as detailed in Note 17.

Duxton is a specialist asset manager based in Singapore. There is no material change in the personnel responsible for the management of assets of the Company as the key staff of Duxton who carry out the investment management duties are former employees of DeAM Asia, including the core team previously responsible for the management of the Company. This delegation does not change the investment objectives of the Company. After the effective date, Duxton is entitled to appoint Segregated Fund Managers and Investment Advisors (as defined in the IMA and the Prospectus of the Company dated 20 February 2007).

Ultimate discretion over the assets of the Company remains with the Board of Directors who have delegated this function to DeAM Asia as the appointed discretionary investment manager under the terms of the IMA. There is no increment in the management fees payable by the Company and any fees due and payable to Duxton are paid by DeAM Asia. However, as disclosed in the Prospectus, the Company will be responsible for all out of pocket costs and expenses incurred by its manager, sub-managers and investment advisers, including Duxton.

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GENERAL INFORMATION CONT/D

CUSTODIAN

The Company has appointed State Street Custodial Services (Ireland) Limited as Custodian of its assets, other than its assets located in Vietnam or assets located in any other jurisdictions which require assets to be held by a local custodian, pursuant to the Custodian Agreement. The assets located in Vietnam and the other jurisdictions are held with a sub-Custodian in the local market. The Custodian and any sub custodian appointed by the Custodian provides safe custody for the Company's assets that can be legally held outside of Vietnam. The Investment Manager ensures that adequate custody arrangements have been entered into by any fund in which the assets of the Company are invested.

The Custodian, and any other duly appointed sub-custodian holds all assets of the Company received by the Custodian in accordance with the terms of the Custodian Agreement. Under the Custodian Agreement, the Custodian acknowledges that investments of the Company made in markets where custodial and/or settlement systems are not fully developed, such as Vietnam, and that the assets of the Company and its subsidiaries which are traded in such markets are required to be held by local sub-custodians operating and established in such jurisdictions.

SHARES

The Shares constitute the only class of shares in the Company. All Shares have the same rights, in relation to voting, dividends, return of share capital and other matters as set out in the Articles of Association.

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STATEMENT OF DIRECTORS' RESPONSIBILITIES IN ACCORDANCE WITH THE TRANSPARENCY DIRECTIVE 2004/109/EC

Each of the directors, whose names and functions are listed on page 38 in the 'Other Information' section of this report confirm that, to the best of each person's knowledge and belief:

- The condensed consolidated financial statements are prepared in accordance with the international accounting standards applicable to the interim financial reporting adopted pursuant to the procedure provided for under Article 6 of Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 (i.e. IAS 34).
- The condensed consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group.
- The Investment Manager's report includes a fair review of the important events that have occurred during the first six months of the financial year, and their impact on the condensed set of financial statements, together with a description of the principal risks and uncertainties for the remaining six months of the financial year.
- The related party transactions are as disclosed in Note 17 of these financial statements.

On behalf of the Board of Directors

Director

Director

Date: 22 August 2012

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Investment Manager's Report for the six months ended 30 June, 2012

NAV Update

The Net Asset Value ("NAV")* per share of the DWS Vietnam Fund ("Fund") as of June 30th 2012 was USD 0.4752, up 18.39% from USD 0.4014 as of December 30th, 2011.

Economy Overview

Slow 1H2012(first half 2012) GDP growth – Vietnam's GDP (gross domestic product) in the first half of 2012 stood at approximately USD 59.50 billion, up 4.38% YoY¹(year on year). The Services sector saw the highest growth of 5.57% YoY, followed by industry and construction (+3.81% YoY) and agriculture-forestry-aquaculture (+2.81% YoY)¹. In the first quarter (1Q) of the year, GDP growth slowed to a three-year record (+4.00% YoY¹) as domestic demand weakened and industrial production experienced a difficult time. However, the economy recovered in the subsequent quarter with +4.66% YoY¹, mostly contributed by Industry and Construction, which have traditionally been the swing factors of GDP with 4.52% growth compared to 2.94% in 1Q2012¹. Industrial production in 1H2012 remained low compared to the same period in 2011 and 2010, mainly due to high inventory and the destocking trend. Overall, while demand was weakened in 1H2012, the economy has entered into a stabilization phase thanks to the tightening in policies started in early 2011. The Vietnamese government recently revised its GDP target down to 5.50%-6.00% for 2012, but increased its 2013 target to 6.00%-6.50% based on projections that economic growth will likely be boosted by accelerating credit growth at about 1.00%-2.00% per month until year end. Accordingly, the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) forecast Vietnam's GDP growth to be 5.80% this year², while Asian Development Bank and the International Monetary Fund forecast 5.70%³ and 5.61%⁴, respectively.

Reduced inflation and interest rates – As part of the macroeconomic stabilisation, both inflation and interest rates have significantly reduced in 1H2012. The Consumer Price Index increased by 2.52% YTD (year to date) and 6.90% YoY, compared to 13.28% YTD and 20.82% YoY for 1H2011¹. Decelerating inflation in Vietnam during the last few months is driven by declining global commodities prices as well as weaker consumer demand reflected mostly in slower growth in food prices. This reduced inflation has been favourable for monetary policy, which has been eased considerably during the first half of 2012. Interest rates including refinancing rate and discount rate have been lowered by 500 bps since March 2012 to 10.00% and 8.00%, respectively⁵. Deposit rate ceiling was also reduced by 300 bps since the beginning of the year to 9.00%⁵. Consequently, corporate lending rates have also been reduced to an average of 15.43% at the beginning of July compared to 19.52% in mid-January⁶. While companies in high risk industries (real estate and construction) still pay higher rate at 16.00%-19.00%, some strong and large companies already enjoy lending rates as low as 11.50%-12.50% for short-term loans⁷.

* These NAV figures are based on the dealing net asset value as at 30 June 2012 which was based on mid prices for securities and will be different to the percentage figures as calculated using the net asset values in the Consolidated Portfolio of Investments which are based on bid prices.

¹ Source: General Statistics Office of Vietnam

² Source: www.Intellasia.net

³ Source: www.businessstimes.com.vn

⁴ Source: International Monetary Fund

⁵ Source: State Bank of Vietnam

⁶ Source: Ho Chi Minh Securities

⁷ Saigon Securities

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Investment Manager's Report for the six months ended 30 June, 2012 cont/d

Continued banking sector restructuring – Banking restructuring continued with finalized plans to restructure the nine weak banks, as well as a new proposal for the establishment of an Asset Management Company in order to deal with VND 100 trillion (USD 5 billion) of bad debts from commercial banks⁸. Non-performing loans (NPLS) were estimated to be 4.47% of total outstanding loans as at the end of May 2012, up from 3.38% at the end of 2011⁵. Rising NPLs were the result of, on one hand, the weak economy (damaged cash flows and reduced ability to service debts) but also, on the other hand, more transparency as banks conducting more careful checks, including stricter qualitative assessment, into their loan books. Credit growth, which was in the past a big concern for Vietnam with excessive rates of over 20%, was lower in 1H2012 with 0.17% YTD (year to date), due to banks' credit fear on one hand and lower demand for credit on the other⁵. To insure meeting targeted credit growth of 2% per month until year end and 8%-10% for 2012, along with interest rate cuts, the government planned to inject VND 21 trillion (USD 1 billion) into the system each month until year end⁸.

Strong external sector – Exports, buoyed by slowing inflation, have been the bright spot of Vietnam's economy in 1H2012. Exports in 1H2012 were up 22.20% YoY to USD 53.13 billion, while imports rose at 6.90% YoY to reach USD 53.81 billion¹. As a result, trade deficit for the first half of 2012 reduced by almost tenfold compared to the same period in 2011, from USD 6.44 billion to USD 685 million¹. The Vietnamese Dong, the most stable currency in the region in 1H2012, appreciated by 0.61% YTD and depreciated by 1.75% YoY. While FDI (Foreign Direct Investment) registration declined by 27.30% YoY, FDI disbursement reached USD 5.40 billion, up 1.90% YoY⁹. FDIs flowed mainly from Japan (65% of total registered FDI) into Manufacturing (63%) and Real Estate (25%)⁹.

Overall – The Vietnamese economy showed some signs of weakness during the first half of 2012 with slow GDP growth. However, this is not surprising as the government's top priority for 2012 is to achieve a more stable macroeconomic environment, reflected in lower inflation, more affordable interest rates, more sustainable credit growth and stronger currency. Compared to regional economies, Vietnam outperformed Indonesia, Thailand, Singapore, Taiwan and South Korea in terms of GDP growth in the first quarter of 2012, but underperformed China, India and Philippines¹⁰.

Fund exposure and performance

The returns of each asset class are summarized in the table below and discussed in detail in the following sections.

Asset Class	Exposure on June 30, 2012	Performance during 1H2012
Listed Equities	46.28%	23.79%
Unlisted Equities	31.16%	33.54%
Closed End Funds	14.92%	19.63%
Fixed Income	1.51%	5.14%
Note: The remaining 6.13% of the fund was held in cash as the end of June 2012.		

¹ Source: General Statistics Office of Vietnam

⁵ Source: State Bank of Vietnam

⁸ Source: VnEconomy News

⁹ Source: Ministry of Planning and Investment's Foreign Investment Agency (FIA)

¹⁰ Source: Bloomberg. Data for 2Q2012 GDP is not yet available for some countries at the time of writing this reports

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Investment Manager's Report for the six months ended 30 June, 2012 cont/d

Fund exposure and performance cont/d

Peer Group Analysis**

By end of June 2012, the Fund's indicative share price was at USD 0.25, up 21.82% since the beginning of the year. The Fund outperformed VinaCapital's Vietnam Opportunity Fund, which is the closest peer based on fund strategy, by 1.71%. Although the NAV change of the Fund YTD was slightly lower than that of peers' average, the Fund outperformed its peer group over one-year horizon by 7.26 absolute percentage points. The positive returns across all the Vietnam-focused funds reflect the quick rebound of the market in the first half of 2012 due to improvements in the macro-economic environment in Vietnam as mentioned in the above section.

The discount to NAV for the Fund narrowed slightly to 47% at the end of June 2012, down from 49% at the end of December 2011. The average discount to NAV of the peer group also narrowed marginally to 17% from 20% since the beginning of 2012. We believe that the narrowing of NAV gap will continue as the stock markets exhibit gradual improvements and with local and foreign investors' continued interest in the Vietnam's stock market.

We are aware of the concern of a number of shareholders on the large difference between the NAV per share and the quoted OTC price per share of the fund in the secondary market. As per the Fund's Offer Documents, the Fund has been purchasing and may continue to purchase shares at a discount to NAV and holding these shares as treasury stock. However the discount has remained at an unacceptable level. As such we have begun discussions with the board on additional measures that could be taken. These include cancelling treasury stock, moving the listing of the shares to another exchange, capital distribution and tender offer for a number of shares. These options or a combination thereof are currently being evaluated and we will update shareholders of progress in due course.

Peer group	Fund Strategy	NAV Analysis			Price Analysis		
		NAV Jun 2012	NAV Change YTD	NAV Change 1 Y	Mid Price (Indicative) 30 Dec 2011	Mid Price (Indicative) 29 Jun 2012	Price Change YTD
DWS Vietnam Fund^A **	Multi asset class balanced fund	0.4752	18.39%	11.13%	0.21	0.25	21.82%
VOF VinaCapital ^A ~	Multi asset class balanced fund	2.40	7.62%	2.56%	1.28	1.53	19.61%
PXP Vietnam ^A **	Primarily listed equity	4.18	26.02%	25.76%	2.98	3.69	23.83%
PXP Vietnam Emerging Equity ^A **	Primarily listed equity	4.17	25.82%	11.36%	3.05	3.85	26.23%
VEIL Dragon Capital ^A **	Primarily listed equity, small allocation to OTC equity	2.35	18.69%	10.85%	1.69	2.05	21.23%
VGF Dragon Capital ^A **	Primarily listed equity & OTC equity, small allocation to private equity	15.05	14.44%	2.71%	11.27	13.13	16.57%
PCA Prudential ^A ~	Primarily private equity & OTC equity, small allocation to listed equity	6.28	21.00%	3.12%	3.35	4.25	26.87%
Market Vectors Vietnam ^A	ETF	18.10	22.60%	-12.86%	14.75	18.75	27.12%
DB x-trackers Vietnam ^A	ETF	23.62	27.25%	-19.80%	18.21	23.56	29.40%
AVERAGE			20.20%	3.87%			23.63%
VNINDEX (USD)		2.02%	21.01%	-4.08%			
VHINDEX (USD)		0.34%	21.86%	-6.08%			
^A NAV quoted from Fund website		~Mid price averaged between JCEF and LFCR					
* NAV averaged from JCEF/LCFR		** Mid price averaged from multiple broker reports					

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Investment Manager's Report for the six months ended 30 June, 2012 cont/d

Fund exposure and performance cont/d

** - The peer group analysis was performed using the information received from multiple sources; mainly from the member fund's published data. Quotes from LCFR (LCF Rothschild Emerging Markets Funds) and JCEF (Jefferies Funds) were used when public prices were not available. However, investors should note that the secondary markets for closed-end funds, such as this Fund, are not very transparent. There may be several market makers for each fund, but price quotes from these market makers may not be publicly recorded or available. Therefore, the analysis presented in this section is only indicative. Also, when analyzing the performance of a fund relative to its peers, one needs to be mindful of the different fund strategies across the funds. The DWS Vietnam Fund is a multi asset class fund where we look to find opportunities across the economic landscape of Vietnam rather than limiting ourselves solely to the listed equities. Also, this universe of peers may not be complete due to insufficient data of other funds.

Portfolio Analysis

The largest listed and other asset classes of the Fund as of the end of June 2012 are listed below:

Top 5 Onshore Listed Holdings – June 30th 2012

Security Name	Market Value (USD)*	% of Fund*
Vietnam Dairy Products JSC	14,276,702	6.17%
FPT Corporation	8,760,954	3.79%
Hoa Phat Group JSC	6,613,236	2.86%
Petro Vietnam Drilling and Well Services	6,176,854	2.67%
Vinaconex Advanced Compound	5,524,125	2.50%

* These NAV values and percentages are based on the dealing net asset value as at 30 June 2012 which was based on mid prices for securities and will be different to the values and percentages as calculated using the net asset values in the Consolidated Portfolio of Investments which are based on bid prices.

Top 5 Other Holdings – June 30th 2012

Security Name	Asset Class	Market Value (USD)*	% of Fund*
GreenFeed Vietnam Corp	Unlisted	16,894,116	7.30%
Prime Group JSC	Unlisted	14,826,467	6.41%
Anova Corp	Unlisted	11,598,886	5.01%
An Giang Plant Protection and Service JSC	Unlisted	9,918,680	4.29%
Vietnam Enterprise Fund	CE Fund	9,824,002	4.25%

* These NAV values and percentages are based on the dealing net asset value as at 30 June 2012 which was based on mid prices for securities and will be different to the values and percentages as calculated using the net asset values in the Consolidated Portfolio of Investments which are based on bid prices.

1 Listed Equities (Onshore and Offshore)

The VNIndex recovered significantly from the lowest point on Jan 6th 2012 until May 8th 2012, realising 40.82% return in USD terms¹¹. The reasons for the bull market during the first fourth months of 2012 included a lower than expected inflation, improved trade balance, steady local currency, and interest rate cuts by the government. On May 8th 2012, the VNIndex has entered a correction phase, in line with most of the world's stock markets, and declined 13.72% in USD terms until the end of June 2012¹¹.

¹¹ Source: Bloomberg

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Investment Manager's Report for the six months ended 30 June, 2012 cont/d

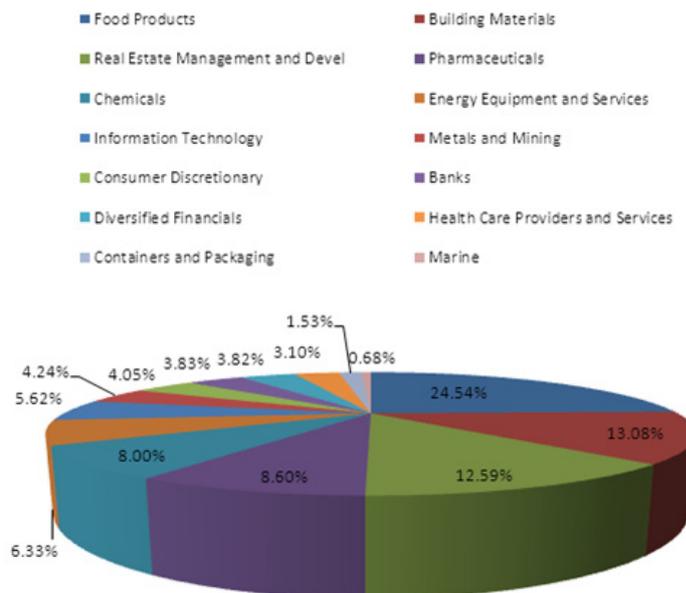
1 Listed Equities (Onshore and Offshore) cont/d

This correction reflected investors' negative sentiment about the overall domestic economy, which still suffers from high lending interest rates and insufficient fiscal stimulus initiatives, as well as fear of further corrections. The VNIndex closed the first half of 2012 with 21.01% return in terms of USD, and average daily trading volume increased from 27.15 million shares in 1H2011 and 25.67 million shares in 2H2011 to 60.50 million shares in 1H2012.

Year-to-date, the Vietnam stock market outperformed most regional peers in USD terms, including China, Malaysia, Thailand, Indonesia, Singapore, Taiwan and Korea, and only slightly underperformed Philippines' stock market¹¹. Valuation stood at PE 10.95x as of June 30th 2012 for the whole VNIndex and 8.51x excluding the six biggest members¹². This valuation is very attractive compared to Philippines (17.96x), Indonesia (17.83x) and China (11.98x)¹³.

Portfolio

The Fund's exposure to listed equities is 46.28%*, representing the largest asset class of the Fund. The listed portfolio returned 23.79% in the first half of the year, slightly better than the performance of the VNIndex in USD terms. The key philosophy of the Fund Manager is to seek long-term gains for investors. Therefore the Fund is well-diversified across the key driving industries of the Vietnamese economy. A sector-wise breakdown of the Fund's listed portfolio can be found below:



*The Vietnam Blue-Chips Investment Fund and the Vietnam Securities Investment Fund are closed-end funds listed on the Vietnamese stock market and are treated as Listed Equities for the purposes of this Investment Manager's Report.

¹¹Source: Bloomberg

¹² Source: Bloomberg. The six biggest index members excluded in PE calculation were BVH, GAS, MSN, VCB, VIC and VNM, which represented approximately 52% of the VNIndex.

¹³ Source: Bloomberg. Data refers to the Philippines Stock Exchange PSEi Index, the Jakarta Stock Exchange Composite Index, and the Shanghai Stock Exchange Composite Index, respectively.

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Investment Manager's Report for the six months ended 30 June, 2012 cont/d

1. Listed Equities (Onshore and Offshore) cont/d

A short summary on some of the Fund's largest holdings is presented as follows:

- **Vietnam Dairy Products JSC (VNM)**: Vinamilk is No. 1 dairy company in Vietnam. Its market position is very strong in Vietnam with an estimated 2011 market share of 50%. It has a well-known brand-name for good quality products. The Company has established a large nationwide distribution network with 178,000 retail outlets in 2011. With a strong management team and good corporate governance, Vinamilk has been able to achieve sales PBT (profit before tax) average growth rate in the last five years of approximately 30% and 50% respectively. The Company's financial situation is solid with no debt and Return of Equity is very attractive at 41.3% in 2011. Earnings per Share (EPS) growth for the first half of 2012 was 17.64% YoY, and since the lowest point early this year (Jan 6), VNM stock has returned 11.57% in USD terms¹¹. We continue to be very confident in the growth story of Vinamilk given the high growth prospects in the consumer sector in Vietnam.
- **FPT Corporation (FPT)**: FPT is one of the most successful listed companies in Vietnam. Over 23 years, the group has established its reputation in Vietnam's information and communication technology (ICT) sector with market-leading positions in software outsourcing (1st), system integration (1st), IT and mobile product distribution (1st) and broadband service (3rd)¹⁴. In 2012, lower interest rates and more stable currency, along with strong cost management by the new CEO, have helped FPT to reduce its interest expenses and will likely boost the already high profitability (PBT 9.7%, ROE 37.4% in 2011). Growth rates are slow for FPT Information Technology and even negative for FPT Trading, which is part of the Group's One FPT strategy. The change in the structure of FPT has allowed the group to position itself more clearly as a leader in technology and telecom. We think that FPT's future growth will be based on its core businesses of telecom, digital content, software development, system integration, IT education, and ICT distribution. During the first half of 2012, the share price of FPT increased 18.46% in USD terms¹¹.
- **Hoa Phat Group JSC (HPG)**: HPG is a leading steel manufacturer and trader in Vietnam. It is the second biggest player in the Vietnamese steel sector in terms of capacity and has an estimated market share of 14% in 2011¹⁴. The Company sells its products nationwide with steel products contributing to approximately 83% of its total revenue¹⁴. Even though EPS growth for 2012 is expected to decrease 13.76%, it will likely recover starting from 2013. The stock returned 50.86% in USD terms since the beginning of this year to 30 June 2012¹¹. According to the Company, although the gloomy steel market made a drag on the profits for the first half of 2012, net profit accounted for 50.80% of HPG's full year profit forecast¹⁴ and is set towards meeting their forecast for the entire year. We still believe in HPG's growth potential as the company has successfully diversified itself into other related segments and have good control on its supply chain and production lines which will optimise its resources.

Outlook

In our previous reports, we mentioned some of the key drivers of the market turning around: reduction in interest rates (which has occurred), a restructuring of part of the banking system (which is occurring), and more credit growth (which is not occurring). The lack of credit growth is in part due to the banks being ultra conservative off the back of the high level of non-performing loans – mostly to the property sector – and many credit worthy companies not demanding credit either because (i) they are reducing inventory levels or (ii) they have adequate cash flows to avoid high-priced debt.

¹¹Source: Bloomberg

¹⁴Source: Bloomberg. Data refers to the Philippines Stock Exchange PSEi Index, the Jakarta Stock Exchange Composite Index, and the Shanghai Stock Exchange Composite Index, respectively.

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Investment Manager's Report for the six months ended 30 June, 2012 cont/d

1. Listed Equities (Onshore and Offshore) cont/d

Outlook cont/d

We are seeing signs that the economy is about to recover, and while the market has pulled back from its recent highs in May 2012, it seems to be bottoming out. Average earnings growth for Vietnamese companies in the first half of 2012 was up 18.80%¹⁴, making the Vietnamese market one of the least expensive in Asia. We would expect that credit growth will turn around in the second half of this year as companies seek to restock and banks continue to restructure. As a result, improvements in GDP and the stock market performance will likely take place over the next quarters.

The key sectors that we will continue to focus on are: 1) Consumer Products companies as the Fund was still a large shareholder of VNM and FPT at the end of June 2012; 2) Building Materials and selective Property; and 3) Raw Material exposure (e.g. sugar, rubber, and iron ore) where appropriate.

2. Fixed Income

In the first half of 2012, the yield on the benchmark 3-year Government bond decreased significantly from 12.48% to 9.63% at the end of June 2012, driven mainly by considerably lower inflation rate which has given room for the 500 bps interest rate cuts and improved banking liquidity. The benchmark bond yield showed the steepest decrease during the first two weeks of May, almost reaching the 3-year record low, and bottomed out at 9.01% before turning around to close the first half year at 9.63%.

At the end of January 2012, the credit-linked note the Fund previously held came to maturity and the Fund received back its principal. The exposure of the Fund to Fixed Income securities was thus mainly through a Vietnamese government bond, which gained 5.14% during the first six months of 2012.

Outlook

Interest rates have come down over the past 6 months and, at the time of writing this report, look as though they are bottoming out. The Fund still held a small percentage of a government bond at the end of June 2012, and will for the time being continue to hold it given the relatively attractive yield.

3. Unlisted Equities Investments

As of 30 June 2012, unlisted investments constituted 31.16% of the Fund's Net Asset Value. The Fund subscribed to ordinary shares via a rights issue for Anova Corp to acquire an animal feed company in June 2012. The Fund also entered binding agreements to invest in an online games publisher and social network company, which closed in July 2012.

The unlisted equities portfolio returned 33.54% during the first half of the year, positively impacted by the revaluation of private equity (PE) investments by the Fund's PE valuer – Global Valuation Group ("GVG") of Deutsche Bank AG Singapore Branch - on a quarterly basis. Returns were influenced by company-specific factors as well as macroeconomic factors as explained in the following pages.

¹⁴Source: Bloomberg. Data refers to the Philippines Stock Exchange PSEi Index, the Jakarta Stock Exchange Composite Index, and the Shanghai Stock Exchange Composite Index, respectively.

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Investment Manager's Report for the six months ended 30 June, 2012 cont/d

3. Unlisted Equities Investments cont/d

Prime Group JSC

Prime is by far the largest player in the ceramic tile industry in Vietnam with a 30% market share compared with the other players which have a much smaller market share due to the fragmented market. The ceramic tile industry in Vietnam is in a stage of consolidation as inefficient and small players are weeded out. Prime will be in a strong position to increase its market share given its dominance and control over key resources once the industry consolidates. The Fund owns 11.9% of Prime via ordinary shares.

The company achieved sales of VND 1,713b (8% year-on-year) and net income of VND 39b (8% year-on-year) for 1H 2012. Demand has been strong as all the company's plants are operating at above 90% utilisation. Prime has a digital printing technology which enables it to provide customers with various tile designs. None of its domestic competitors has such a technology yet.

Prime is a privately held company whose shares are neither listed nor traded on the OTC market. Hence the investment is evaluated by GVG every quarter, or earlier in case of a material revaluation event. As of 30 June 2012, the investment was valued at USD 14.83m, lower than investment cost, given that financial performance was less than expected. However, the Fund Manager believes there is significant intrinsic value in Prime as they are the largest ceramic tile player in Vietnam and one of the largest in the world in terms of volume.

An Phat Plastics and Green Environment JSC

At the end of 2007, the Fund made a USD 2 million structured equity investment in An Phat Plastics and Green Environment JSC ("An Phat"). In April 2009, the Fund made a follow-on investment of USD 2.8 million via a convertible bond to fund the company's expansion plans.

An Phat is the largest plastic recycler in North Vietnam. The recycled plastic is manufactured into biodegradable plastic bags and re-usable plastic bags for both the domestic and international markets. The company is now focusing on the downstream conversion of plastic pellets into plastic bags as the upstream conversion of discarded plastic to pellets is done by a Japanese partner. This restructuring was done as the Japanese partner is able to obtain better incentives for recycling of plastic and better access to waste plastic bags as compared to An Phat.

For 1H 2012, An Phat's net sales increased 21% year-on-year to VND 481 billion. Net income was flat year-on-year at VND 26 billion. Net sales increased due to volume and price increases. All factories are running at full capacity. However, cost inputs like labour, transportation, electricity and interest have increased causing net income growth to remain flat. The Fund Manager exited the ordinary equity shares at an IRR of 6% (in USD) in 2010. The Fund still holds convertible bonds equivalent to a 12.60% equity stake which will be redeemed by year end. There is currently no market for the convertible bonds, this position is valued by GVG on a quarterly basis. As of 30 June 2012, the convertible bonds were valued at USD 2.39m which is the par value of the bonds.

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Investment Manager's Report for the six months ended 30 June, 2012 cont/d

3. Unlisted Equities Investments cont/d

Hoan My Hospital JSC

In September 2009, the Fund closed a USD10 million private equity investment in Hoan My Corporation JSC ("Hoan My"), a leading private healthcare provider in Vietnam, with 8 hospital and clinics in Vietnam.

In December 2011, the Fund divested an equivalent of 17.5% stake in Hoan My to Fortis Healthcare Global Pte Ltd ("Fortis"), reducing the Fund's stake to 4.9%. Prior to the trade sale, the Fund valued the investment at USD 11.4m (for 22.4% of Hoan My), so the exit valuation of USD 98.5m represents a pick-up of 94%. The IRR for this investment is 44% in USD terms or a 2.3x cash multiple, far exceeding our initial target of 35%.

The remaining 4.9% stake held by the Fund in Hoan My is subject to put and call options. As of 30 June 2012, the valuation of this position stood at USD 4.83m, approximately 2.2x the investment cost of USD 2.20m.

An Giang Plant Protection & Service JSC

In September 2009, the Fund closed an USD 8m investment in An Giang Plant Protection JSC ("AGPPS"), the market leader in the distribution and manufacture of crop protection chemicals in Vietnam. Based in An Giang province, the heart of the Mekong Delta's rice growing regions, AGPPS is one of the only two product distributors in Vietnam partnering with the well-known Swiss firm Syngenta. With an extensive distribution network, a valuable strategic partnership with Syngenta and strong financial management, AGPPS remains well-placed to continue its market dominance and evolve as a provider of complete crop solutions. AGPPS also has the advantage of having close relations with the farming community, especially in Mekong Delta. The company provides training and technical support to farmers regularly and is a well-known brand in the agricultural sector. The Fund owns 6.3% of AGPPS via ordinary shares.

For 1H 2012, sales grew by 46% year-on-year to VND 3,612b and net income grew by 28% to VND 278b. Sales increased mainly due to volume growth and increased market share. Net income did not grow as strongly as sales due to cost increases from marketing activities, interest expense and development of the rice business.

Although not listed yet, shares in AGPPS are traded on the Vietnam OTC market. Shares are re-priced monthly by the Fund's administrator, by taking an average of quoted prices from three independent brokerage firms in Vietnam. As of 30 June 2012, the shares were valued at USD 9.92m, up 24% since investment.

DWS VIETNAM FUND LIMITED

Investment Manager's Report for the six months ended 30 June, 2012 cont/d

3. Unlisted Equities Investments cont/d

GreenFeed Vietnam Corporation

In May 2010, the Fund made an USD 9.5m investment in GreenFeed Vietnam Corporation ("GFVN"), a leading producer of animal feed. The investment was made via USD 4.0m in secondary shares and USD 5.5m in a convertible instrument, for a fully diluted 20% stake in the company.

GFVN is the largest domestic player competing against large foreign companies like Charoen Pokphand of Thailand and Cargill of US. The company has 5 feed mills, 9 depots and has an extensive network of more than 1,000 distributors to cover the whole country. At the moment, GFVN is among the top four players (including foreign companies) who collectively account for 60% of total market share. Given the highly fragmented nature of the market, GFVN is gearing up to capture a larger share in the next few years. The company is looking to expand capacity further given that their existing factories are operating at close to 100% utilization.

Performance in 1H 2012 has been exceptional. Sales grew to VND 3,603b (up 72% year-on-year) due to increase in volume because of an expanding market but also due to increase market share compared to competitors. Net profit increased to VND 151b (up 107% year-on-year) on the back of increased capacity.

This position is valued by GVG on a quarterly basis as there is no existing market for the instruments. As of 30 June 2012, the valuation of the Fund's position stood at USD 16.89m, up 78% since investment.

NBB Investment Corporation JSC

In December 2010, the Fund invested USD 10.7 million in redeemable convertible preference shares (RCPS) issued in a private placement by NBB Investment Corporation JSC ("NBB"). The fully diluted stake is 14.4%.

Listed on the Ho Chi Minh City Stock Exchange (HOSE), NBB is an investment holding company focused on developing Grade C residential property that is typically priced at USD 700-1,000/sqm. NBB is a play on fundamental trends such as rising urbanization and a growing middle class that are stimulating demand for affordable housing in Vietnam, particularly in Ho Chi Minh City. The company's large, low-cost land bank and a pipeline of projects going out to 2015 and beyond, make it well-positioned to become a direct beneficiary of these trends.

Net sales decreased 24% year-on-year to VND 111b and net income decreased 45% year-on-year to VND 11b in 1Q 2012. This was due to the government measures of high interest rates to control inflation. This has led to a credit crunch which reduced demand in the property sector. This is in line with the entire property sector due to the unfavourable macroeconomic conditions. In order to weather through the challenging market, NBB is selling some assets to generate revenue. However, the government recently lowered interest rates and this should positively impact the sector in the coming months. Longer term, the property sector remains positive given the young population demographics in Vietnam and the low to mid tier market that NBB is targeting.

While the ordinary equity shares are listed, there is currently no market for the RCPS. The position is valued by GVG on a quarterly basis. As of 30 June 2012, the investment was valued at USD 7.69m.

DWS VIETNAM FUND LIMITED

Investment Manager's Report for the six months ended 30 June, 2012 cont/d

3. Unlisted Equities Investments cont/d

Anova Corporation

In May 2011, the Fund made a USD 8.7 million investment in Anova Corporation ("Anova") via 3-year convertible bonds. In June 2012, the Fund invested USD 1.7m, exercising its pre-emptive right to subscribe to ordinary shares via a rights issue for Anova to acquire an animal feed company. The Fund's total fully diluted stake is 20.5%.

Anova is the leading manufacturer of veterinary health products in Vietnam as well as the leading importer and distributor of raw materials for the animal health and feed sectors. Anova maintains a market share of 17% in the manufacturing and sale of finished veterinary products with the next closest competitor, Vemedin, at 12% of the total market. For raw materials importation and distribution, the company maintains a market share of 29% of the total market, almost double the nearest competitor Ruby, which has a 15% share of the total market.

For 1H 2012, the company achieved VND 823b in net sales and VND 37b in net income. There is currently no market for the convertible bonds or ordinary shares, this position is valued by GVG on a quarterly basis. As of 30 June 2012, the Fund's position was valued at USD 11.60m, in line with our cost.

Saigon Beer Alcohol and Beverage JSC

Sabeco is the largest domestic brewer in Vietnam with a 47.5% share of the beer market. This is 2.6 times larger than its closest competitor. Sabeco has one of the best known brands in Vietnam and is in a leading position to capitalize on the expected growth in this market. The Fund owns 0.16% of Sabeco via ordinary shares.

In 2011, net sales increased by 11.2% year-on-year to VND 19,293b mainly due to increased sales volume. However, net income declined by 11.3% year-on-year to VND 2,278b due to increased cost for malt and sugar. The company completed expansions to increase its capacity to 1.3 billion litres. Sabeco shares are traded on the OTC market. Sabeco shares are re-priced monthly by the Fund's administrator, by taking an average of quoted prices from three independent brokerage firms in Vietnam. As of 30 June 2012, our position in the company was valued at USD 2.42m.

Thu Duc Housing Development Corporation

In November 2010, the Fund purchased a convertible bond issued by Thu Duc Housing Development Corporation ("Thu Duc"), a property development company in Vietnam, for USD 2.6 million. TDH offers products in the residential apartment segment. In line with the slowdown in the property market, the company's financial performance has been affected. Also, TDH suffered from increasing interest expenses due to the high interest rates. To cope with the difficult market, management slowed down its development of projects and stopped spending on land bank expansion, and focused on sale of apartments and land plots.

TDH is listed on the HOSE, however, the convertible bonds are not publicly traded or marketed. This position is valued by GVG. As of 30 June 2012, the convertible bonds were valued at USD 1.32m.

Outlook

In the next 12-24 months, some of the investee companies could seek to IPO or list on one of Vietnam's two stock exchanges or be acquired by a corporate or strategic investor. Such events will give the Fund Manager an opportunity to consider exiting the investments following a holding period of 2-3 years. Concurrently, the Fund Manager is reviewing private investment opportunities in sectors such as industrials, agriculture, and internet services/media. Further details will be provided when the Fund Manager completes these investments.

DWS VIETNAM FUND LIMITED

Investment Manager's Report for the six months ended 30 June, 2012 cont/d

4. Closed End Fund of Funds Investments

As of 30 June 2012, the Closed-End Funds portfolio constituted 14.96% of the Fund's Net Asset Value. There were five Closed-End Funds*:

- PXP Vietnam Emerging Equity Fund
- PXP Vietnam Fund
- Dragon Capital's Vietnam Enterprise Investments
- Dragon Capital's Vietnam Growth Fund
- Dragon Capital's Vietnam Resource Investments

Since the beginning of the year, the Closed-End Funds portfolio earned a positive return of 19.63%, slightly lower than the VNINDEX return of 21.01% in USD terms. Going forward, the Investment Manager will continue to maintain an allocation to closed end funds given the targeted exposure to specific sectors that some of these funds provide.

*The Vietnam Blue-Chips Investment Fund and the Vietnam Securities Investment Fund are closed-end funds listed on the Vietnamese stock market and are treated as Listed Equities for the purposes of this Investment Manager's Report.

5. Share Buy-back

During the six month period ended 30 June 2012, the Fund repurchased a total of 6,135,000 shares through Epsom Limited and 20,000 shares through Siglap Limited, both wholly owned subsidiaries of the Fund.

General Risk Management Process

Whilst the Fund Manager is fully aware of the inherent risks of investing in an emerging market such as Vietnam, additional attentions should be drawn to the following uncertainties and principal risks which could impact the Fund's performance negatively over the next twelve-month period:

Threat to confidence in the Vietnamese banking sector – Vietnam's economy still faces the risk of a vulnerable banking system. Non-performing loans is the key concern for economic growth, as the high reported level, which will likely to continue to increase due to more transparency required by policy makers, has prevented banks from lending to businesses. However, the more stable macroeconomic environment in the first half of 2012 has helped moderate this risk. The government's plan to inject USD 1 billion each month into the banking system and the proposal to establish an Asset Management Company to purchase USD 5 billion of bad debts also give hints of a controlled NPL situation and signs for near-term credit growth. Moreover, plans for restructuring the nine weak banks have been finalized and are ready to implement, with help from the biggest state-owned commercial banks.

FDI (foreign direct investment) slowdown – The global economic slowdown in Europe, North America and China may affect FDI flows into Vietnamese manufacturing and real estate sectors. However, Vietnam is structurally a domestically strong economy with rising domestic consumption due to a rising middle class. Net exports from FDI enterprises in 1H2012 totaled USD 4.67 billion, and as such the economy's dependence on this category was only 7.85% of total GDP.

DWS VIETNAM FUND LIMITED

Investment Manager's Report for the six months ended 30 June, 2012 cont/d

General Outlook and Fund Strategy

In our view, the Vietnamese economy is currently at a turning point. Recent developments in inflation, lending rates, currency and the government stimulus packages suggest an increase in near-term profitability for businesses due to falling input prices, declining interest expenses, improved loan access, and the disappearance of foreign exchange losses. These improvements will likely be reflected in earnings starting from 3Q2012. Moreover, with the recent decline in deposit rates, we expect investors seeking higher yields to shift out of bank deposits and into alternative investments, especially the stock markets with attractive valuation, and this will likely support market liquidity. Other important catalysts for performance over the next few months include a pickup in credit growth rate and ongoing infrastructure (transport and power) improvements. Vietnam continues to attract strong M&A (merges and acquisitions) interest from long term corporate and strategic investors given the size of the market and growth prospects. This provides excellent exit opportunities for our unlisted portfolio. As an example, we sold a substantial stake in a Hospital Group in 2011 through a trade sale to Fortis Healthcare and achieved a 44% Internal Rate of Return in USD terms. We continue to see good opportunities for new private equity investments in Vietnam and remain keen on agriculture, industrials and internet services/media. The current situation presents an opportunity to acquire good assets at reasonable prices. Therefore, we remain confident in the prospects of both the Vietnamese economy and its stock markets.

Deutsche Asset Management (Asia) Ltd.,
One Raffles Quay,
#17-10,
Singapore 048583

August 2012

DWS VIETNAM FUND LIMITED

Consolidated Portfolio of Investments as at 30 June 2012

Nominal	Security	Coupon %	Maturity	Value US\$	Fund %
Collective Investment Schemes 15.87% (Dec 2011: 10.38 %)					
Cayman Islands 11.47% (Dec 2011: 8.98 %)					
1,350,000	PXP Vietnam Fund Limited*†			4,927,500	2.23
436,449	PXP Vietnam Emerging Equity Fund*†			1,593,039	0.73
4,800,000	Vietnam Enterprise Investment Limited*			9,615,998	4.36
610,000	Vietnam Growth Fund Limited*			7,858,833	3.56
1,430,270	Vietnam Blue-Chips Investment Fund*			335,246	0.15
511,000	Vietnam Resource Investments (Holdings) Limited * **			970,900	0.44
				25,301,516	11.47
United States 3.40% (Dec 2011: 0.42%)					
424,513	Market Vectors ETF			7,505,390	3.40
Vietnam 1.00% (Dec 2011: 0.98%)					
5,563,460	Vietnam Securities Investment Fund*			2,208,884	1.00
Total Collective Investment Schemes				35,015,790	15.87
Common Stock 65.47% (Dec 2011: 59.19 %)					
Vietnam 65.47% (Dec 2011: 59.19 %)					
3,900,000	An Giang Plant Protection and Service JSC**			9,887,587	4.48
2,045,454	Anova Corp**			1,663,368	0.75
361,030	Asia Commercial Bank			442,113	0.20
1,087,000	Bao Minh Insurance Corp			483,573	0.22
20,959	Ben Tre Aquaproduct Import and Export			38,098	0.02
25,000	Bibica Corporation			23,679	0.01
1,605,792	Binh Chanh Construction			1,613,089	0.73
786,036	Can Don Hydro Power JSC			470,005	0.22
164,990	Da Nang Rubber JSC			205,202	0.09
2,868,741	Development Investment JSC			2,250,531	1.02
347,210	Dinh Vu Port Investment and Development			614,531	0.28
877,000	Dong Phu Rubber JSC			2,181,488	0.99
288,336	Dry Cell and Storage Battery JSC			219,304	0.10
4,141,729	FPT Corporation			9,331,520	4.23
2,500,000	Green Feed Vietnam Corp**			7,593,040	3.44
3,446,193	Hoang Anh Gia Lai Group JSC (hagl)			4,582,835	2.08
1,132,680	DHG Pharmaceutical JSC			3,250,935	1.47
270,170	Ho Chi Minh City Securities			250,720	0.11
5,977,559	Hoa Phat Group JSC			6,862,541	3.11
194,980	Imexpharm Pharmaceutical JSC			352,559	0.16
1,809,584	JS Comm Bank Foreign Trade			2,544,930	1.15
1,480,810	Kinh Do Corporation			2,868,826	1.30
1,850,007	Lam Son Sugar JSC			2,256,646	1.02
95,000	Masan Group Corp			454,437	0.21
5,111,730	Military Commercial JSC			3,398,854	1.54
256,009	My Chau Printing and Packaging			171,448	0.08
368,100	National Seed JSC			644,461	0.29
2,600,000	NBB Investment Corporation**			7,690,552	3.49
424,110	Petrovietnam Gas JSC			777,011	0.35
2,571,385	Petroleum Technical Service			1,894,252	0.86
3,567,048	PetroVietnam Drilling and Well Services			6,176,854	2.80

DWS VIETNAM FUND LIMITED

Consolidated Portfolio of Investments as at 30 June 2011 cont/d

Nominal	Security	Coupon %	Maturity	Value US\$	Fund %
Common Stock 65.47% (Dec 2011: 59.19 %) Cont/d					
Vietnam 65.47% (Dec 2011: 59.19 %) Cont/d					
1,000,000	Petro Vietnam Southern Gas			1,014,111	0.46
2,159,390	Phunhuan Jewelry JSC			4,648,292	2.11
617,640	Phuoc Hoa Rubber JSC			889,307	0.40
62,770	Pomina Steel Corp			38,734	0.02
12,050,828	Prime Group JSC**			14,826,467	6.72
2,138,861	PVI Holdings			1,749,559	0.80
545,170	Refrigeration Electrical Engineering			412,040	0.19
150,000	Sacombank Securities JSC			27,984	0.01
1,050,000	Saigon Beer Alcohol and Beverage JSC**			2,410,906	1.09
2,774,360	Saigon Securities			2,747,154	1.25
904,636	Saigon Thuong Tin			956,348	0.43
35,000	Savimex Corp			17,077	0.01
330,559	SMC Investment Trading			205,562	0.09
50,000	Songda Urban & Industrial Zone			85,865	0.04
281,550	Southern Seed Corporation			444,446	0.20
913,332	SSgA Construction Real Estate**			404,828	0.18
2,187	Swindon Limited			4,826,500	2.19
186,080	Tay Ninh Rubber Co			335,576	0.15
3,237,344	Thu Duc Housing Development			2,291,925	1.04
926,232	Truong Thanh Furniture Corp			296,855	0.14
23,697	Vidipha Central Pharmaceutical**			25,505	0.01
1,020,134	Vietnam Container Shipping			1,615,232	0.73
3,834,058	Vietnam Dairy Products JSC			15,772,733	7.15
118,500	Vietnam National Reinsurance Corp			68,022	0.03
8,883,218	Vinaconex Advanced Compound			5,524,125	2.50
794,846	Vinh Hoan Corp			1,619,729	0.73
Total Common Stock				144,449,871	65.47
Long Term Bonds 11.98% (Dec 2011: 19.64 %)					
United Kingdom Nil (Dec 2011: 7.49%)					
Vietnam 11.98% (Dec 2011: 12.15 %)					
180,000,000,000	Anova Corp** •	6.00%	23/05/2014	9,935,518	4.50
50,000,000,000	An Phat Plastics and Packaging** NR •	8.50%	13/04/2013	2,391,772	1.09
105,000,000,000	Green Feed Vietnam Corp**NR•	8.00%	03/05/2015	9,301,076	4.22
51,219,600,000	Thu Duc Housing Development**NR•	7.00%	12/11/2013	1,322,251	0.60
3,826,087	Vietnam (Socialist Republic of)** BB	6.31%	12/03/2016	3,469,244	1.57
Total Long Term Bonds				26,419,861	11.98

DWS VIETNAM FUND LIMITED

Consolidated Portfolio of Investments as at 30 June 2012 cont/d

Nominal	Security	Coupon %	Maturity	Value US\$	Fund %
Portfolio of Investments				205,885,522	93.32
Cash and bank balances held with State Street Bank & Trust Company				23,685,026	10.74
Other Net Current Liabilities				(8,961,629)	(4.06)
Net Asset Value per IFRS financial statements				220,608,919	100.00

Net Asset Value per Financial Statements

	30/06/2012	31/12/2011
Net asset value	US\$220,608,919	US\$187,575,020
Number of Shares in Issue (excluding own shares purchased)	451,201,392	457,356,392
Net Asset Value per Share (per Financial Statements)	US\$0.4889	US\$0.4101

* Closed end Funds

** Unlisted Securities (all other securities not highlighted are listed)

NR – not rated

JSC is the abbreviation for Joint Stock Company.

• Convertible bonds

† Securities issued / managed by related parties – Note 17.

DWS VIETNAM FUND LIMITED

Consolidated Statement of Comprehensive Income for the six months ended 30 June 2012

	Notes	30/06/2012	30/06/2011
		US\$	US\$
		Unaudited	Unaudited
Income			
Investment income	4	5,346,332	3,297,785
Net gain / (loss) on investments at fair value through profit & loss	3,11	41,028,670	(34,763,077)
Other (losses) /gains	5	(76,721)	500,286
Total net investment income		46,298,281	(30,965,006)
Operating expenses	6,11	(11,645,929)	(2,550,429)
Profit / (loss) for the period before taxation		34,652,352	(33,515,435)
Taxation			
Non-reclaimable withholding tax	16	(20,191)	12,523
Profit / (loss) for the period after taxation		34,632,161	(33,502,912)
Total Comprehensive income / (loss) for the period		34,632,161	(33,502,912)
Earnings per Share			
Basic	14	7.63c	(7.25c)
Diluted	14	7.63c	(7.25c)
Weighted average shares outstanding			
Basic	14	453,834,725	462,368,650
Diluted	14	453,834,725	462,368,650

The accompanying notes form an integral part of these financial statements.

DWS VIETNAM FUND LIMITED

Consolidated Statement of Changes in Equity for the six months ended 30 June 2012

	Share Capital US\$	Share Premium US\$	Retained Gains/Losses US\$	Total Equity US\$
Balance at 1 January 2012	4,869,314	473,897,228	(291,191,522)	187,575,020
Issue of Share Capital	-	-	-	-
Repurchase of Share Capital*	-	(1,598,262)	-	(1,598,262)
Total comprehensive income	-	-	34,632,161	34,632,161
Balance at 30 June 2012	4,869,314	472,298,966	(256,559,361)	220,608,919

	Share Capital US\$	Share Premium US\$	Retained Gains/Losses US\$	Total Equity US\$
Balance at 1 January 2011	4,869,314	475,389,669	(246,164,836)	234,094,147
Issue of Share Capital	-	-	-	-
Repurchase of Share Capital*	-	(1,010,136)	-	(1,010,136)
Total comprehensive (loss)	-	-	(33,502,912)	(33,502,912)
Balance at 30 June 2011	4,869,314	474,379,533	(279,667,748)	199,581,099

* As noted on pages 30 and 40, the Net Asset Value per the Financial Statements has been reduced by the market value of 35,730,000 DWS Vietnam Fund Ltd. shares (30 June 2011: 27,719,983) purchased by Siglap Ltd., Beira Ltd., and Epsom Ltd. three wholly owned subsidiary companies.

The accompanying notes form an integral part of these financial statements.

DWS VIETNAM FUND LIMITED

Consolidated Statement of Financial Position as at 30 June 2012

	Notes	30/06/2012 US\$ Unaudited	31/12/2011 US\$ Audited
Assets			
Cash and cash equivalents	9	23,685,026	20,397,157
Accounts receivable	8	1,043,254	702,087
Financial Instruments at fair value through profit or loss: Investments designated at fair value		205,885,522	167,329,826
Total Assets		230,613,802	188,429,070
 Liabilities			
Accounts Payable	10	(10,004,883)	(854,050)
Total Liabilities		(10,004,883)	(854,050)
 Net Assets		220,608,919	187,575,020
 Shareholder's equity			
Share capital		4,869,314	4,869,314
Share premium	13	472,298,966	473,897,228
Retained losses		(256,559,361)	(291,191,522)
Total shareholder's equity		220,608,919	187,575,020

The accompanying notes form an integral part of these financial statements.

DWS VIETNAM FUND LIMITED

Consolidated Statement of Cash Flows for the six months ended 30 June 2012

	30/06/2012	30/06/2011
	US\$	US\$
Cash flows from operating activities	Unaudited	Unaudited
Profit / (loss) for the period after taxation	34,632,161	(33,502,912)
<i>Adjustment for non-cash items:</i>		
Net unrealised movement on investments at fair value through profit or loss	(43,180,950)	(11,925,197)
<i>Changes in operating assets and liabilities</i>		
Cash inflow / (outflow) due to net purchases and sales of investments	4,625,254	41,346,163
(Increase) / Decrease in debtors	(341,167)	(180,693)
Increase / (Decrease) in creditors	9,150,833	(360,413)
	<hr/>	<hr/>
Net cash generated from / (used in) operating activities	4,886,131	(4,623,052)
 Cash flows from financing activities		
Repurchase of Share Capital	(1,598,262)	(1,010,136)
	<hr/>	<hr/>
Net increase / (decrease) in cash and cash equivalents	3,287,869	(5,633,188)
 Cash balance at the start of the period	20,397,157	9,345,720
	<hr/>	<hr/>
Cash balance at the end of the period	<u>23,685,026</u>	<u>3,712,532</u>
 Cash flows from operating activities include:		
Interest received	1,384,378	1,539,392
Dividends received	3,555,950	2,004,781

DWS VIETNAM FUND LIMITED

Notes to the condensed financial statements for the six months ended 30 June 2012

1 Incorporation and principal activity

The DWS Vietnam Fund (the "Company") is a closed ended exempted company with limited liability formed under the laws of the Cayman Islands on 13 September 2006.

The Company's investment objective is to achieve long-term capital appreciation of its assets by investing directly or indirectly in a diversified portfolio of securities such as equity and debt instruments of entities that do some or all of their business in Vietnam.

The Company seeks to achieve its investment objective through investing primarily in securities of listed and unlisted entities, including Vietnamese-listed companies, overseas companies and unlisted companies. Such entities include listed and unlisted closed-end fund vehicles. It also invests in securities issued by governmental agencies.

The Company holds all of its investments through wholly owned subsidiary companies which are special purpose holding companies incorporated outside of Vietnam. The Company has 10 wholly-owned special purpose companies, incorporated as exempted companies with limited liability in the Cayman Islands having the purpose of acting as trading conduits of the Company for the sole purpose of opening and operating trading accounts with brokers in Vietnam. These special purpose companies have the following names:

1. Epsom Limited
2. Lionel Hill Limited
3. Beira Limited
4. Prime Limited
5. Greystanes Limited
6. Siglap Limited
7. Teignmouth Limited
8. Tewkesbury Limited
9. Kallang Limited
10. Kitchener Limited

As at the period end, all of these special purpose Companies were in operation with the exception of Tewkesbury Limited, Kallang Limited and Kitchener Limited.

As at 30 June 2012 and 31 December 2011, the Company and its subsidiaries (the Group) had no employees. The investment activities of the Group are managed by Deutsche Asset Management (Asia) Limited (the "Investment Manager") and the administration of the Company is delegated to State Street Fund Services (Ireland) Limited. The registered office of the Company is located at: Second Floor Zephyr House, 122 Mary Street, PO Box 709, George Town, Grand Cayman KY1-1107, Cayman Islands.

2 Significant accounting policies

Statement of Compliance

These consolidated interim financial statements for the six months ended 30 June 2012 have been prepared in accordance with the international accounting standards applicable to the interim financial reporting under IAS 34 which are adopted pursuant to the procedure provided for under Article 6 of Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002. They have also been prepared in accordance with the reporting requirements of the Irish Stock Exchange for closed-ended funds. The condensed consolidated interim financial statements do not contain all of the information and disclosures required in the full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2011, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

DWS VIETNAM FUND LIMITED

Notes to the condensed financial statements for the six months ended 30 June 2012 cont/d

2 Significant accounting policies cont/d

Statement of Compliance cont/d

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended 31 December 2011, as described in those annual financial statements.

a) Basis of preparation

The financial statements are presented in US Dollars. The functional currency of the Company and its subsidiaries is the US Dollar reflecting the fact that all subscriptions received were denominated in US Dollars. They are prepared on a fair value basis for financial assets and financial liabilities designated at fair value through profit or loss and derivative financial instruments. Other financial assets and liabilities are stated at amortised cost.

Accounting estimates and judgements

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the period. Actual results could differ from those estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at year ended 31 December 2011.

b) Basis of Consolidation

The condensed consolidated financial statements comprise the financial statements of DWS Vietnam Fund and its subsidiaries for the six months ended 30 June 2012. Subsidiaries are consolidated from the date on which control is transferred to the Company and they cease to be consolidated from the date on which control is transferred from the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain the benefits from its activities. The Company had full control over all its subsidiaries during the six months ended 30 June 2012, as the Company has full ownership of the subsidiaries detailed in Note 1.

c) Purchase of own shares in DWS Vietnam Fund

The Group holds an amount of the Company's equity shares as part of its investments portfolio. The market value of such investments is included in the dealing net asset value at the year end date. In compliance with International Financial Reporting Standards, such investments are excluded from the Group's financial assets, as calculated for IFRS financial statement reporting purposes and are instead treated as treasury shares. The cost of Company shares purchased by Group Companies is shown as a movement through the share premium account as disclosed in the Consolidated Statement of Changes in Equity. As own shares are not included as a financial asset on the Statement of Financial Position, any unrealised gain / loss on the purchase by of its own shares held is excluded from the net gain / loss on investments designated at fair value through profit or loss, Note 3.

DWS VIETNAM FUND LIMITED

Notes to the condensed financial statements for the six months ended 30 June 2012 cont/d

3 The net gains/(losses) on investments during the period comprise:

	30/06/2012	30/06/2011
	US\$	US\$
	Unaudited	Unaudited
Losses realized on investments sold during the period:		
<i>Investments designated at fair value</i>	(5,324,512)	(18,931,038)
<i>Investments held for trading</i>	-	(3,906,842)
Total unrealized gains / (losses) for the period:		
<i>Investments designated at fair value</i>	46,353,182	(16,723,317)
<i>Investments held for trading</i>	-	4,798,120
Net gain/(loss) on investments	41,028,670	(34,763,077)

4 Investment income for the six months ended 30 June 2012

	30/06/2012	30/06/2011
	US\$	US\$
	Unaudited	Unaudited
From investments designated at fair value through profit or loss :		
Bond interest	578,417	1,570,924
Dividend income	3,928,504	1,641,233
From assets held at amortised cost:		
Fixed deposit interest	839,411	85,628
	5,346,332	3,297,785

5 Other gains / (losses)

	30/06/2012	30/06/2011
	US\$	US\$
	Unaudited	Unaudited
Other (losses) comprise:		
Net foreign exchange (loss)	(79,024)	(13,316)
Other income	2,303	513,602
	(76,721)	500,286

DWS VIETNAM FUND LIMITED

Notes to the condensed financial statements for the six months ended 30 June 2012 cont/d

6 Expenses	Notes	30/06/2012 US\$ Unaudited	30/06/2011 US\$ Unaudited
Investment Manager			
Investment Manager fee	15	(2,004,943)	(1,885,636)
Investment Advisor fee	15	(108,271)	(97,741)
Performance Fee	15	(8,993,711)	-
		(11,106,925)	(1,983,377)
Custodian			
Custody fees	15	(167,235)	(149,686)
Administrator			
Administration fees	15	(140,756)	(132,051)
Transfer Agency fees		(3,000)	(3,000)
		(143,756)	(135,051)
Other expenses			
Directors fees	7,17	(2,500)	(5,000)
Directors Insurance		(31,000)	(31,000)
Professional fees		(35,950)	(80,642)
Miscellaneous expenses		(136,579)	(139,194)
Audit Fee		(21,984)	(26,479)
		(228,013)	(282,315)
Total Expenses		(11,645,929)	(2,550,429)

7 Directors' Remuneration

The Board will determine the fees payable to each Director subject to a maximum aggregate amount of US\$75,000 per annum for the Board.

8 Accounts Receivable

	30/06/2012 US\$ Unaudited	31/12/2011 US\$ Audited
Dividend receivable	562,674	190,119
Interest receivable	472,095	501,283
Other receivables	8,485	10,685
	1,043,254	702,087

DWS VIETNAM FUND LIMITED

Notes to the condensed financial statements for the six months ended 30 June 2012 cont/d

9 Cash and cash equivalents

	30/06/2012	31/12/2011
	US\$	US\$
	Unaudited	Audited
Cash and bank balances	23,685,026	20,397,157

All cash and bank balances are held with State Street Bank & Trust Company.

10 Accounts Payable

	30/06/2012	31/12/2011
	US\$	US\$
	Unaudited	Audited
Purchases awaiting settlement	(539,998)	(160,473)
Performance fee payable	(8,993,711)	-
Accrued expenses	(471,174)	(693,577)
	(10,004,883)	(854,050)

Purchases awaiting settlement are paid on agreed settlement date and expenses are paid within 1 month.

11 Explanatory note on significant movements during the period

Consolidated Statement of Comprehensive Income

a) Net gain/ (loss) on investments at fair value through profit & loss: US\$41,028,670 (30 June 2011: US\$(34,763,077)).

The computation of realised gains and losses on sales of investments is based on the proceeds, net of cost, from the sale of investments during the period and therefore the realised loss on sale of investments is significantly reduced from the realised loss for the same period in 2011 following an improvement in market conditions since 31 December 2011.

An improvement in market conditions since 31 December 2011 has contributed significantly towards the positive movement in the unrealised gains / (losses) on investments.

b) Expenses US\$11,645,929 (June 2011: US\$2,550,429)

A performance fee of US\$8,993,711 was charged for the period ended 30 June 2012. No performance fee was charged for the period ended 30 June 2011.

DWS VIETNAM FUND LIMITED

Notes to the condensed financial statements for the six months ended 30 June 2012 cont/d

12 Share capital

Shares - Equity

On incorporation of the Company on 13 September 2006, the authorised share capital was US\$500,000,000 made up of 500,000,000 shares of a par value of US\$1.00 each, having the rights set out in the Articles. By virtue of an Ordinary Resolution of the Company passed on 19 December 2008 and with the sanction of an Order of the Grand Court of the Cayman Islands dated 31 July 2009, the authorised share capital was amended to US\$10,000,000 made up of 1,000,000,000 shares of a par value of US\$0.01 each. Consequently, and by virtue of a Special Resolution of the Company passed on 19 December 2008 and with the sanction of an Order of the Grand Court of the Cayman Islands dated 31 July 2009, the issued share capital of the Company was reduced from US\$486,931,392 made up of 486,931,392 shares of US\$ 1.00 each, to US\$4,869,314 made up of 486,931,392 shares of US\$0.01 each. Therefore, the number of shares in issue has not changed since the incorporation of the Company.

The Shares constitute the only class of shares in the Company. The Company has originally issued one subscriber share which was subsequently repurchased by the Company at par. All Shares have the same rights, whether in regard to voting, dividends, return of share capital and otherwise.

The objectives of the subsidiary special purpose companies are outlined in the Investment Manager's Report. The Group strives to invest the subscriptions into the Company shares into the subsidiaries in investments that meet the Group's investment objectives while maintaining sufficient liquidity.

At a general meeting on a show of hands every shareholder of record present in person (or, in the case of a shareholder being a corporation by its duly authorised representative) shall have one vote and on a poll every shareholder of record present in person (or, in the case of a shareholder being a corporation by its duly authorised representative) or by proxy shall have one vote for each share registered in his name in the Register.

The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meeting in that year and shall specify as such in the notice calling it. The Directors may convene general meetings. Extraordinary general meetings may also be convened on such requisition. Upon a winding up of the Company, the shares carry a right to a return of the nominal capital paid up in respect of such shares, and the right to share in the surplus assets. There are no pre-emptive rights in connection with the shares.

Subject to the approval of the Irish Stock Exchange, the Group may hold shares through one of the its 10 wholly-owned special purpose vehicles as listed in note 1, by way of a re-purchase of any issued shares. The Investment Manager shall have the sole discretion to direct the purchase or sale of such shares of the Group so as to facilitate a market in the shares where, in its discretion, it considers that there is a significant difference between the net asset value per share and the trading price per share on the Irish Stock Exchange, but subject to certain conditions as detailed in the Prospectus to the fund.

During the period 6,155,000 (Dec 2011: 5,603,300 and June 2011: 3,748,283) DWS Vietnam Fund Ltd. shares were repurchased by Epsom Ltd. and Siglap Ltd., wholly owned subsidiary companies as noted on page 25.

The Company has issued share capital of 486,931,392 of which a total of 35,730,000 shares have been purchased by Siglap Ltd., Beira Ltd. and Epsom Ltd., wholly owned subsidiary companies since inception of the Company. The repurchase of own shares has been processed as a movement through the Share Premium in the relevant period.

DWS VIETNAM FUND LIMITED

Notes to the condensed financial statements for the six months ended 30 June 2012 cont/d

12 Share capital cont/d

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as results from operating activities divided by total shareholders' equity.

13 Share premium

	30/06/2012	31/12/2011
	US\$	US\$
	Unaudited	Audited
Balance at start of period	473,897,228	475,389,669
Repurchase of parent shares by the Group	(1,598,262)	(1,492,441)
	<hr/>	<hr/>
Balance at end of period	<u>472,298,966</u>	<u>473,897,228</u>

14 Earnings / (loss) per share

The calculation of the basic and diluted earnings per share are based on the following data:

	30/06/2012	30/06/2011
	US\$	US\$
	Unaudited	Unaudited
Earnings / (loss) for the purpose of the basic and diluted earnings per share is net profit / (loss) attributable to shareholders	34,632,161	(33,502,912)
Weighted average number of shares for the basic and diluted earnings per share	453,834,725	462,368,650
Basic and diluted earnings per share	7.63c	(7.25c)

Basic earnings per share is calculated by dividing the earnings attributable to shareholders by the weighted average number of shares in issue during the period, excluding those purchased by the wholly owned subsidiary companies as noted on page 25.

Diluted earnings per share is calculated by adjusting the earnings attributable to shareholders and the weighted average number of shares outstanding (excluding those purchased by wholly owned subsidiary companies) for the effects of dilutive potential shares. No dilutive potential shares existed at the period end.

15 Significant Agreements

Custodian

State Street Custodial Services (Ireland) Limited acts as Custodian to the Company and Group, pursuant to the Custodian Agreement dated 10 November 2006. The Custodian fees are charged based on the Net Asset Value of the Group on a monthly basis in arrears. The current rate for the Custodian fee is 3 basis points.

Administrator

The Group and the Manager have appointed State Street Fund Services (Ireland) Limited pursuant to an agreement dated 15 November 2006. The Administration fee is billed and payable monthly based on the average monthly assets. The current rates for the Administration fee are 9 basis points for the first US\$100 million net assets, 8 basis points for net assets between US\$100 to US\$300 million and 6 basis points for net assets in excess of US\$300 million, subject to a minimum monthly charge of US\$8,000 per special purpose company, and a maximum fee of 12bps of the Net Asset Value of the fund.

DWS VIETNAM FUND LIMITED

Notes to the condensed financial statements for the six months ended 30 June 2012 cont/d

15 Significant Agreements cont/d

Discretionary Investment Adviser

Pursuant to an agreement dated 15 November 2006, the Group has delegated its discretionary investment management function to Deutsche Asset Management (Asia) Limited (DeAM). The Investment Manager fees are charged based on the Net Asset Value of the Group on a monthly basis as defined in the prospectus. The current rate for the Investment Manager Fee is 170 basis points.

In addition to the Investment Manager's fee a performance fee is payable on the achievement of a performance target as set out in the Company's prospectus. All assets of the Group will be divided into Sub-Portfolios. There will be separate Sub-Portfolios for (i) assets under management by the Investment Manager (Duxton Asset Management Pte Ltd.), comprising the Investment Manager's Sub-Portfolio and (ii) assets under management by each Segregated Fund Manager (PXP Vietnam Asset Management Ltd.) Performance fees are calculated and payable separately for each such Sub-Portfolio.

Sub Investment Manager

With effect from 30 April 2009 ("the effective date"), DeAM Asia the appointed discretionary investment manager of the DWS Vietnam Fund Limited, pursuant to its authority and discretion under the terms of the amended and restated Investment Manager Agreement (IMA) between DeAM Asia and the Company dated 14 February 2007, delegated certain of its investment management duties under this agreement to Duxton Asset Management Pte. Ltd., who have been appointed as sub Investment Manager.

Fees

For the purpose of calculating performance fees, the Investment Manager's Sub-Portfolio excludes any Segregated Funds managed by Segregated Fund Managers. The performance fee earned for the period by DeAM Asia was US\$ 8,520,199 (June 2011: US\$ Nil) of which US\$ 8,520,199 was outstanding at period end (Dec 2011: US\$ Nil). The performance fee earned for the period by PXP Vietnam Asset Management Ltd was US\$ 473,512 (June 2011: US\$ Nil) of which US\$ 473,512 was outstanding at period end (Dec 2011: US\$ Nil).

The Company shall pay performance fees to the Investment Manager in arrears within 30 days from the end of each calculation period and shall be calculated by reference to the unaudited accounts of the Group. The calculation periods are between 1 January and the last valuation date in June and between 1 July and 31 December each year. There will be no high-water mark based on which the performance fee is paid. Each calculation period is independent of previous calculation periods i.e. a decline in the Net Asset Value of a sub-fund in one calculation period will not affect the payment of performance fees for this sub-fund in future calculation periods. The Group shall pay a performance fee on the Investment Manager's Sub Portfolio if the Investment Manager's Sub-Portfolio generates a return greater than 8% on an annualized basis during a calculation period. An enhanced performance fee is payable if the Investment Manager's Sub-Portfolio generates a return greater than 10% on an annualized basis during a calculation period. Fees payable to the Investment Manager on termination of the Investment Management Agreement are detailed in the Prospectus.

DWS VIETNAM FUND LIMITED

Notes to the condensed financial statements for the six months ended 30 June 2012 cont/d

16 Taxation

There are no taxes on income or gains in the Cayman Islands and the Group has received an undertaking from the Governor in Council of the Cayman Islands, under the Tax Concessions Law (1999 Revision), exempting it from all local income, profits and capital taxes until 26 September 2026. Accordingly, no provision for Cayman income taxes is included in these financial statements.

Dividend and interest income received by the Group may be subject to withholding tax imposed in the country of origin. Investment income is recorded gross of such taxes and the withholding tax is recognized in the tax line as 'Non-reclaimable withholding tax' in the Consolidated Statement of Comprehensive Income.

The Company anticipates that the tax consequences for the Company of its investments in Vietnam will be as follows:

Dividends

The Company will not be subject to any additional corporate income tax in Vietnam on dividends the Company receives from the tax-paid profits of Vietnamese companies. Remittance of the dividends outside of Vietnam is also free of tax as there is no longer any profit remittance tax applicable to foreign investors in Vietnam.

Interest

Effective June 7, 2010, non-resident institutional investors are subject to a 10% withholding tax rate on interest income received from corporate and government bonds and certificates of deposit (CDs). Non-resident institutional investors were previously subject to a 0.1% tax rate on the principal of the bond or CD, plus the interest income received.

In addition, effective June 7, 2010, non-resident institutional investors are subject to a 0.1% tax on the proceeds received from the transfer of CDs, similar to the tax rate applicable on the transfer of securities. Regulations were previously silent on the taxation of proceeds received from the transfer of CDs. The exception is tax exempt bonds. The tax is included within non-reclaimable withholding tax on the consolidated statement of comprehensive income.

Disposals

The Company will be subject to a "deemed profits" tax in Vietnam when the Company disposes of any public company securities of its Investee Companies. This tax is equivalent to 0.1 per cent of the value of the securities sold. No relief is allowed for transaction costs and no allowance is taken for the cost of investments (i.e., the existence of actual profits is irrelevant). The tax is netted against the realised gains / (losses) as part of the 'Net gain / (loss) on investments at fair value through profit or loss' within the consolidated statement of comprehensive income.

For Investee Companies where the Company invests in the legal capital or shares in private companies (e.g., certain private equity transactions), the Company will be subject to a "capital assignment" tax on any gain made when the Company sells or transfers this ownership interest or shares to another party. This tax will be charged at a rate of 25 per cent on the difference between the assignment proceeds and the original value of the assigned capital, less the transaction costs. The original value of the assigned capital is the actual capital amount which has been contributed by the transferor as at the assignment date, as supported by and based on accounting books and documents. The capital assignment tax applies to sale of equity or shares in limited liability companies or private companies.

DWS VIETNAM FUND LIMITED

Notes to the condensed financial statements for the six months ended 30 June 2012 cont/d

17 Related Party Transactions

Transactions with entities with significant influence

Deutsche Asset Management (Asia) Limited (a subsidiary of Deutsche Bank AG) has been appointed as Investment Manager to the Group. For these services in the period, Deutsche Asset Management (Asia) Limited earned a fee of US\$2,004,943 (June 2011: US\$1,885,636) of which US\$341,164 was outstanding at the period end (Dec 2011: US\$562,672). The performance fee earned for the period by DeAM Asia was US\$ 8,520,199 (June 2011: US\$ Nil) of which US\$ 8,520,199 was outstanding at period end (Dec 2011: US\$ Nil).

The subsidiaries currently in operation are managed by Deutsche Asset Management (Asia) Limited, all transactions between the company and its subsidiaries are on an arm's length basis.

As at period end the Group held an investment in the collective investment schemes, PXP Vietnam Fund Limited and PXP Vietnam Emerging Equity Fund, which are managed by PXP Vietnam Asset Management Limited and are therefore related parties.

As detailed in note 15, with effect from 30 April 2009, Deutsche Asset Management (Asia) Limited delegated certain of its investment management duties to Duxton Asset Management Pte. Ltd, who have been appointed as sub Investment Manager. The fee earned for the year by Duxton Asset Management Pte Ltd was US\$1,195,130 (June 2011: US\$1,116,655). This fee is paid by DeAM Asia to Duxton from the Investment Manager's fee detailed above.

PXP Vietnam Asset Management Limited was appointed by the Group to manage a portion of investment cash during the period. The performance fee earned for the period by PXP Vietnam Asset Management Ltd was US\$ 473,512 (June 2011: US\$ Nil) of which US\$ 473,512 was outstanding at period end (Dec 2011: US\$ Nil).

Transactions with subsidiaries

During the period 6,155,000 (Dec 2011: 5,603,300 and June 2011: 3,748,283) DWS Vietnam Fund Ltd. shares were repurchased by Epsom Ltd. and Siglap Ltd., wholly owned subsidiary companies as noted on page 25.

The Company has issued share capital of 486,931,392, of which a total of 35,730,000 shares have been purchased by Siglap Ltd., Beira Ltd. and Epsom Ltd., wholly owned subsidiary companies since inception of the Company. The repurchase of own shares has been processed as a movement through the Share Premium in the relevant period, please refer to note 13 for further detail.

Transactions with key management personnel

Tri Pham (Director) and Peter Pfister (Director) are employees of a Deutsche Bank A.G. related entity. Stephen Duerden is a Director of Duxton Asset Management Ltd.

The total fees earned by the independent Director in the period was US\$2,500 (June 2011: US\$2,500) of which US\$Nil was outstanding at period end (Dec 2011: US\$5,000).

18 Net Asset Value per share

The Net Asset Value per Share of the portfolio is determined by dividing the net assets of the portfolio by the total number of Participating Shares in issue.

19 Soft Commission Arrangements

The Company did not enter into any soft commission arrangements during the period.

DWS VIETNAM FUND LIMITED

Notes to the condensed financial statements for the six months ended 30 June 2012 cont/d

20 Fair Value Hierarchy

The amendment to IFRS 7 “Financial Instruments: Disclosures”, requires the Group to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Certain inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

During the period from 31 December 2011 to 30 June 2012 there were no significant transfers between levels of the fair value hierarchy. However, the Anova Corp common stock – US\$1,663,368 (Bid value) which was acquired on 29 June 2012 whose fair value is based on inputs that are not based on observable market data and are therefore classified as Level 3 as at 30 June 2012. Anova Corp common stock will be valued by GVG on a quarterly basis, commencing September 2012.

21 Segmental Reporting

IFRS 8 ‘Operating Segments’ requires a ‘management approach’, under which segment information is presented on the same basis as that used for internal reporting purposes.

The Board of Directors is charged with the overall governance of the Company in accordance with the Prospectus and the Company’s Articles of Association and Memorandum of Association. The Board has appointed Deutsche Asset Management (Asia) Ltd as the Fund Manager. Under the terms of this appointment, Deutsche Asset Management (Asia) Ltd has delegated the fund management activities to Duxton Asset Management Pte Ltd. The Board of Directors, Deutsche Asset Management (Asia) Ltd and Duxton Asset Management Pte Ltd are considered the Chief Operating Decision Maker (CODM) for the purposes of IFRS 8.

Duxton Asset Management Pte Ltd is responsible for decisions in relation to both asset allocation, asset selection and any sub manager delegation. Duxton Asset Management Pte Ltd has been given authority to act on behalf of the Company, including the authority to purchase and sell securities and other investments on behalf of the Company and to carry out other actions as appropriate to give effect thereto. Any changes to the investment strategy outside of the fund prospectus must be approved by the Board and then the Company’s shareholders in accordance with the terms of the prospectus and the Company’s Articles.

The Group operates a single operating segment under IFRS 8 with all investment cash and investment holdings being managed at a Group level. Investment cash is allocated to Duxton Asset Management Pte Ltd who has full responsibility for the investment of cash for the Group. There are four separate asset classes namely listed securities, unlisted securities, fixed income securities and collective investment schemes. However, the allocation of resources is based on an analysis of future market expectations by Duxton Asset Management Pte Ltd rather than the past performance of the asset classes. Duxton Asset Management Pte Ltd can further delegate the investment management responsibility for an amount of investment cash to a sub investment manager if required.

As at 30 June 2012, the Group had investments managed by Duxton Asset Management Pte Ltd and PXP Vietnam Asset Management Limited. PXP Vietnam Asset Management Limited was appointed by the Group to manage a portion of investment cash during the period. Notwithstanding the fact that a performance fee is payable separately to Duxton Asset Management Pte Ltd and PXP Vietnam Asset Management Limited, the decision on the allocation of resources is not based on their individual performance.

DWS VIETNAM FUND LIMITED

Notes to the condensed financial statements for the six months ended 30 June 2012 cont/d

21 Segmental Reporting cont/d

The Company is incorporated in the Cayman Islands and its primary objective is to invest directly or indirectly in companies that do some or all of their business in Vietnam. Some of the Group's investments are held in countries other than Vietnam such as United Kingdom, Germany, Hong Kong, Netherlands and the United States of America which give exposure to Vietnam. All of the Company's income is from investments in these entities

The investments are allocated across four separate asset types namely collective investment schemes, listed securities, unlisted securities and fixed income securities which are separately identified within the Consolidated Portfolio of Investments and the income earned from these investments is reflected in the Consolidated statement of comprehensive income. The Company has a highly diversified portfolio of investments and no single investment accounts for more than 8.46% of the Company's net assets.

22 Exchange rates to USD

		30/06/2012	31/12/2011	30/06/2011
EUR	Euro	0.7880	0.7703	0.6897
HKD	Hong Kong Dollar	7.7569	7.7666	7.7812
SGD	Singapore Dollar	1.2668	1.2966	1.2276
TWD	Taiwan Dollar	29.8850	30.2790	28.7235
VND	Vietnam Dong	20,905.0000	21,033.5000	20,585.0000

23 Committed Deals at 30 June 2012

There were no commitments as at 30 June 2012.

24 Seasonal or cyclical changes

The Group is not subject to seasonal or cyclical changes.

25 Consolidated portfolio of investments

The consolidated portfolio of investments is on pages 18-20 of these financial statements.

26 Significant events during the period

Kitchener Limited was incorporated on 12 April 2012 as an exempted company with limited liability in the Cayman Islands having the purpose of acting as a trading conduit of the Company for the sole purpose of opening and operating trading accounts with brokers in Vietnam. As at 30 June 2012, Kitchener Limited had not commenced trading.

On 16 February 2012 John Dorrian resigned as a non-executive director of DWS Vietnam Fund Limited.

On 2 April 2012 Peter Pfister was appointed as a non-executive director of DWS Vietnam Fund Limited.

27 Significant events after the period end

There have been no significant events to disclose since the period end date.

28 Approval of the financial statements

The accounts were approved by the Board of Directors on 22 August 2012.

DWS VIETNAM FUND LIMITED

OTHER INFORMATION

REGISTERED OFFICE

Second Floor Zephyr House
122 Mary Street
PO Box 709
George Town
Grand Cayman KY1-1107
Cayman Islands

DIRECTORS

Stephen Duerden
Tri Pham
Peter Pfister (appointed 2 April 2012)
John Dorrian (resigned 16 February 2012)
Wade Kenny (independent)
All Directors are non-executive.

INVESTMENT MANAGER

Deutsche Asset Management (Asia) Limited
One Raffles Quay,
#17-10,
Singapore 048583

SUB-INVESTMENT MANAGER

Duxton Asset Management Pte Ltd.,
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Singapore 089587

CUSTODIAN

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Ireland

ADMINISTRATOR, REGISTRAR AND TRANSFER AGENT

State Street Fund Services (Ireland) Limited
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PLACING AGENT

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DWS VIETNAM FUND LIMITED

OTHER INFORMATION CONT/D

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IRISH LISTING AGENT AND IRISH PAYING AGENT

NCB Stockbrokers Limited
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DEALING ENQUIRIES

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DWS VIETNAM FUND LIMITED

Supplemental Information to the Condensed Consolidated Financial Statements

Reconciliation to dealing net asset value (unaudited)	30/06/2012	31/12/2011	30/06/2011
Net asset value per financial statements	US\$220,608,919	US\$187,575,020	US\$199,581,099
Adjustments:			
Pricing related *	US\$1,799,228	US\$1,744,101	US\$1,210,535
Value of shares invested in DWS Vietnam Fund **	US\$8,997,994	US\$6,112,177	US\$7,415,095
Net asset value (per dealing NAV)	US\$231,406,141	US\$195,431,298	US\$208,206,729

* The pricing related adjustment represents the difference between (i) the close of business dealing net asset value at mid market prices, per the prospectus for dealing purposes and (ii) the close of business net asset value at bid prices as required by IAS 39 for financial statement purposes.

** Market value of 35,730,000 DWS Vietnam Fund Ltd. shares purchased by Siglap Ltd., Beira Ltd., and Epsom Ltd. three wholly owned subsidiary companies that are not included as a financial asset for financial statement purposes.

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