



DWS Convertibles

Semiannual Report 2007/2008

DWS Investment GmbH

Obligations for cross-border distribution (pursuant to section 129 of the Investment Act (InvG))

Included in the annual report for the investment fund DWS Convertibles is an opinion issued by the independent auditor. This opinion refers exclusively to the German version of the annual report for the investment fund.

In the case of cross-border distribution, one of the obligations of the management company is to also publish the annual report for the investment fund in at least one of the national languages of the relevant country of distribution or in another language authorized by the responsible authorities in the relevant country of distribution. The tax information contained in the annual report for investors who are subject, without limitation, to taxation in the Federal Republic of Germany and specific information for investors in a different country of distribution has been omitted in the national or specific language versions. National or language versions must also be published for the semiannual report to be produced for the first half of the fiscal year.

In the case of discrepancies between the German text of the report and any translation thereof, the German version shall be binding.

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for the period from October 1, 2007, through March 31, 2008
(in accordance with section 44 (2) of the German Investment Act (InvG))

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General information

Performance

The investment return of a mutual fund – its performance – is measured by the change in value of the fund's shares. The performance is thus determined based on the net asset value (the redemption price) per share, plus interim distributions, which in DWS investment accounts are reinvested free of charge (this is known as the BVI method of calculation). In the case of accumulating funds, the reinvested deductible taxes are added. Past performance is no guide to future results. The reports also give the performance of the respective benchmark index where one is available. All graphical and numerical information in this publication is **as of March 31, 2008**. The editorial deadline was April 30, 2008.

Sales prospectuses

The sole binding basis for the purchase of fund shares is the current simplified and full Sales Prospectus, available from DWS, any branch of Deutsche Bank AG and the paying agents.

All-in fee

The all-in fee, expressed as a set percentage of a fund's average net assets, covers the following expenses, which will no longer be charged separately to the given fund:

- a) management fee (for fund management, administration and sales costs)
- b) Custodian fee
- c) account fees in line with normal banking practice (including, where applicable, standard costs for safekeeping of foreign securities abroad)
- d) costs of printing and mailing annual and semiannual reports to shareholders
- e) costs of publishing annual and semiannual reports, issue and redemption prices, and (where applicable) distributions
- f) costs of fund auditing by the Company's independent auditor
- g) costs of publishing the information required for taxation and publishing the certificate confirming that the tax information was prepared in compliance with German tax law
- h) costs of the redemption of coupons issued by the fund (where applicable)
- i) costs of the renewal of coupons (where applicable).

The all-in fee does not include the following expenses:

- a) transaction costs incurred in the purchase and sale of fund assets
- b) taxes that may be payable in connection with administrative and safekeeping costs
- c) costs of asserting and enforcing legal claims of the fund.

The details of the fee structure are set out in the current full Sales Prospectus.

The all-in fee is regularly disclosed in the fund's profit and loss accounts. This means that the investors have a clearly predictable figure for the fund's daily operating expenses.

Issue and redemption prices

Fund share prices are published every exchange trading day:

www.dws.com

2007

Semiannual report

2008

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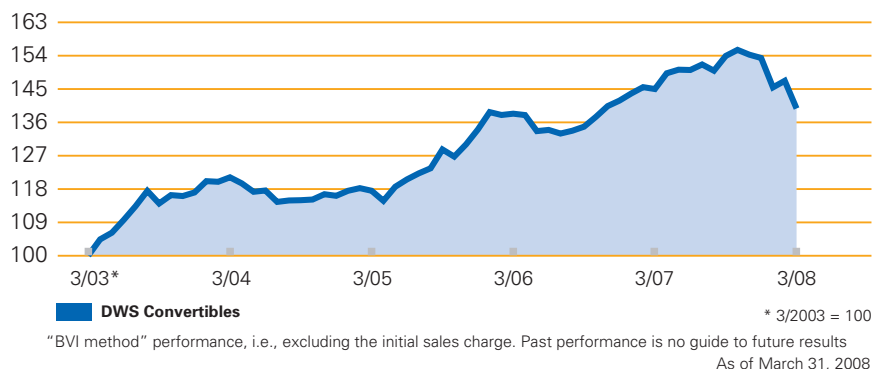
DWS Convertibles invests globally, focusing on convertible bonds and rounding off the portfolio with equities, thereby participating in the longer-term potential of the equity markets while exposing itself to limited risk and comparatively reduced volatility. In the fiscal six-month period through the end of March 2008, the fund partially avoided the difficult market environment, in which the credit market crisis strongly influenced performance at the international stock exchanges, and recorded a decline of 9.2% per share, placing it well ahead of its benchmark, the Merrill Lynch Global 300 Convertible Index, which lost 15.1% (both percentages in euro terms). Significant reasons for this were the successful selection of individual issues and the underweighting of financials, which drew back significantly in the course of the price declines in the securities markets. Since the beginning of 2008, the fund returned to the sector, making selective acquisitions at more reduced levels. The new holdings included the U.S. investment bank Merrill Lynch, among others.

Furthermore, the fund management preferred defensive names such as the company Hologic, which operates in medical technology and whose growth-oriented business model in addition to the takeover speculation argued for inclusion of the stock in the portfolio.

In terms of selection of individual issues, Yahoo!, which performed positively against the backdrop of Microsoft's takeover offer, was occasionally given greater weighting. In

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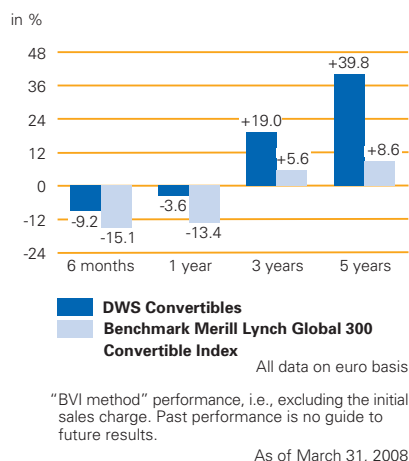
Positive return over five years with some fluctuation



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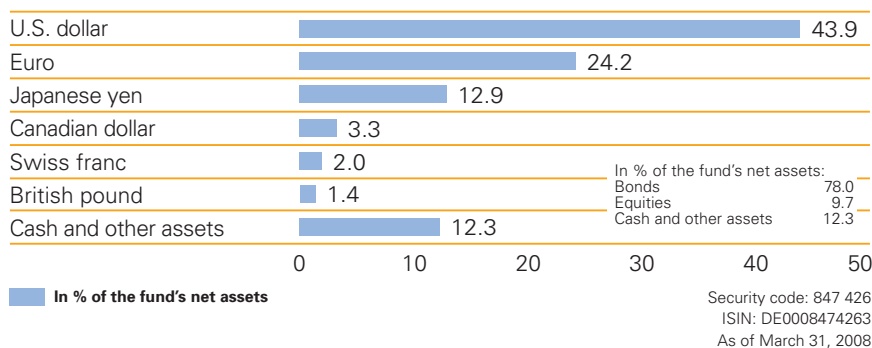
vs. benchmark

Performance at a glance



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Broadly diversified



the context of the more defensive orientation of the portfolio, liquidity was temporarily extended considerably so that the management could exploit favorable opportunities for new invest-

ment. The exchange rate hedge of the portfolio positions was fully liquidated in December 2007 under consideration of the risk/reward ratio.

The format used for complete dates in securities descriptions in the investment portfolio is "day/month/year".

Investment portfolio for the reporting period

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Investment portfolio – March 31, 2008

Description	Count/ currency (– / '000)	Quantity/ principal amount	Purchases/ additions in the reporting period	Sales/ disposals	Market price	Total market value in EUR	% of net assets
Listed securities						320 203 778.36	46.44
Equities							
Opti Canada	Count	500 000	350 000	350 000	CAD 17.0200	5 275 961.95	0.77
Sherritt International	Count	1 350 000	775 000	925 000	CAD 14.4600	12 102 473.94	1.76
Suncor Energy	Count	85 000	140 000	55 000	CAD 99.5000	5 243 413.42	0.76
Hellenic Telecommunications Organization	Count	300 000	115 000	315 000	EUR 17.9600	5 388 000.00	0.78
Metro Ord. ³⁾	Count	175 000	225 000	50 000	EUR 50.8300	8 895 250.00	1.29
Daiwa Securities Group	Count	1 500 000	1 750 000	250 000	JPY 864.0000	8 257 683.30	1.20
Nomura Holdings	Count	700 000	800 000	100 000	JPY 1 490.0000	6 645 650.99	0.96
New York Times Co. A (Non Vtg.) ³⁾	Count	1 300 000	850 000	450 000	USD 18.4300	15 171 509.81	2.20
Interest-bearing securities							
2.5000 % adidas International Finance 03/08.10.18 Cv ..	EUR	16 000	3 000	3 000	% 167.9250	26 868 000.00	3.90
2.0000 % Artemis Conseil 06/31.07.11 Cv	EUR	90		10	% 131.3800	11 824 200.00	1.71
5.7220 % FortFinLux 02/und. Cv Reg S	EUR	28 500	31 500	3 000	% 74.0000	21 090 000.00	3.06
1.6000 % France Telecom 04/01.01.09 Cv ³⁾	EUR	5		10	% 2 585.5000	11 634 750.00	1.69
0.5000 % KfW/Deutsche Post 05/03.02.10 Cv ³⁾	EUR	33 000	24 900	10 000	% 109.9000	36 267 000.00	5.26
0.7500 % KfW/Deutsche Telekom 03/08.08.08 Cv	EUR	12 000	1 400	27 000	% 98.3000	11 796 000.00	1.71
0.5000 % Rhodia 07/01.01.14 Cv	EUR	600	200	135	% 35.8500	21 510 000.00	3.12
2.9500 % Sagerpar/Groupe Brux.Lambert05/27.04.12 Cv ³⁾	EUR	11 000		8 000	% 105.3750	11 591 250.00	1.68
3.7500 % Scottish and South. Energy 04/29.10.09 Cv ..	GBP	5 000	6 624	1 624	% 155.8050	9 796 678.29	1.42
1.9000 % Asahi Glass Co. 93/26.12.08 Cv No.5	JPY	1 500 000			% 109.1250	10 429 626.04	1.51
1.9000 % Bank of Kyoto 99/30.09.09 No.1 Cv	JPY	1 050 000			% 191.6850	12 824 210.84	1.86
0.0000 % NC International/Nikon 04/15.03.11 Cv ³⁾	JPY	1 500 000			% 132.0100	12 616 860.79	1.83
0.0000 % Sony Corp. 03/18.12.08 Cv	JPY	4 700 000	1 400 000		% 100.8100	30 189 414.75	4.38
1.2000 % Yamato Transport Co. 94/30.09.09 No.7 Cv ..	JPY	1 000 000			% 125.3640	7 987 779.33	1.16
2.3750 % Anglogold Holdings 04/27.02.09 Cv Reg S ..	USD	8 500		17 700	% 97.0432	5 223 290.18	0.76
0.0000 % Nestle Holdings 01/11.06.08 Cv cum.O.	USD	12 000	8 000	7 410	% 152.3250	11 574 774.73	1.68
Securities traded on regulated markets						271 121 207.27	39.32
Interest-bearing securities							
0.1250 % Amgen 06/01.02.11 Cv	USD	55 000	26 000	5 000	% 90.5500	31 536 337.79	4.57
3.0000 % Amylin Pharmaceuticals 07/15.06.14 Cv	USD	20 000	21 500	1 500	% 85.8250	10 869 358.73	1.58
2.3000 % Bristol-Myers Squibb Co. 03/15.09.23 Cv	USD	18 000		18 000	% 99.6200	11 354 791.32	1.65
0.0000 % Comverse Technology 05/15.05.23 Cv	USD	8 500	10 000	1 500	% 104.0060	5 598 058.52	0.81
0.6250 % Gilead Sciences 06/01.05.13 Cv	USD	6 500	11 500	5 000	% 143.1530	5 892 151.77	0.85
1.7500 % HLTH 03/15.06.23 Cv	USD	12 500	25 000	12 500	% 88.1730	6 979 201.63	1.01
2.0000 % Hologic 07/15.12.37 Cv	USD	38 000	43 000	5 000	% 95.2500	22 919 687.69	3.32
2.9500 % Intel 05/15.12.35 Cv	USD	36 500	37 800	12 000	% 99.0000	22 881 694.01	3.32
1.0000 % JDS Uniphase Corp. 06/15.05.26 Cv	USD	11 000		3 000	% 79.7627	5 555 878.84	0.81
1.5000 % Medtronic 06/15.04.11 Cv	USD	38 000	15 850		% 104.8550	25 230 906.59	3.66
0.0000 % Merrill Lynch & Co. 02/13.03.32 Cv	USD	37 500	13 200	12 500	% 106.2550	25 231 365.68	3.66
1.6250 % Newmont Mining Corp. 07/15.07.17 Cv 144a	USD	17 500	30 000	43 500	% 124.2528	13 769 062.63	2.00
0.7500 % News Corp. Fin.Trust II BUCS 03/15.03.23 144a	USD	18 000		4 000	% 104.3930	11 568 300.57	1.68
1.0000 % SanDisk 06/15.05.13 Cv	USD	50 000	59 500	32 000	% 72.9200	23 087 493.11	3.35
1.0000 % Symantec Corp. 06/15.06.13 Cv	USD	25 000	17 000	10 000	% 108.3100	17 146 231.34	2.49
2.1250 % Walt Disney Co. 03/15.04.23 Cv	USD	11 000	10 700	8 000	% 105.9200	7 377 866.15	1.07
3.5813 % Wyeth 03/15.01.24 Cv	USD	38 000	45 000	7 000	% 100.2500	24 122 820.90	3.50
Unlisted securities						13 685 308.64	1.99
Interest-bearing securities							
6.0000 % Schweizerische Rückversicherung 05/15.12.08 Cv	CHF	25 000	30 000	5 000	% 85.9000	13 685 308.64	1.99
Total securities portfolio						605 010 294.27	87.75
Cash, non-securitized money market instruments and money market funds						82 018 948.35	11.90
Cash at bank						82 018 948.35	11.90
Demand deposits at Custodian							
EUR deposits	EUR	75 891 407.28			% 100	75 891 407.28	11.01
Deposits in other EU/EEA currencies	EUR	455 397.92			% 100	455 397.92	0.07

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Description	Count/ currency (- / '000)	Quantity/ principal amount	Purchases/ additions in the reporting period	Sales/ disposals	Market price	Total market value in EUR	% of net assets
Deposits in non-EU/EEA currencies							
Australian dollar	AUD	13.10			% 100	7.59	0.00
Canadian dollar	CAD	137 309.22			% 100	85 127.88	0.01
Swiss franc	CHF	26 527.03			% 100	16 904.80	0.00
Japanese yen	JPY	97 766 915.00			% 100	622 938.44	0.09
U.S. dollar	USD	7 812 611.55			% 100	4 947 164.44	0.72
Other assets						2 998 431.02	0.43
Interest receivable	EUR	2 732 075.64			% 100	2 732 075.64	0.40
Dividends receivable	EUR	174 146.54			% 100	174 146.54	0.03
Withholding tax claims	EUR	34 320.00			% 100	34 320.00	0.00
Other receivables	EUR	57 888.84			% 100	57 888.84	0.01
Short-term liabilities						-555 087.31	-0.08
Other liabilities	EUR	-555 087.31			% 100	-555 087.31	-0.08
Net assets						689 472 586.33	100.00
Net asset value per share						109.47	
Number of shares outstanding						6 298 249	

Negligible rounding errors may have arisen due to the rounding of calculated percentages.

Exchange rates (indirect quotes)

As of March 31, 2008

Australian dollar	AUD	1.724987	= EUR	1
Canadian dollar	CAD	1.612976	= EUR	1
Swiss franc	CHF	1.569201	= EUR	1
British pound	GBP	0.795193	= EUR	1
Japanese yen	JPY	156.944745	= EUR	1
U.S. dollar	USD	1.579210	= EUR	1

Security prices and market rates

The fund's assets are valued on the basis of the following prices/market rates:

Asian and European assets	Prices or market rates as of March 31, 2008
All other assets	Prices or market rates as of March 30, 2008, or last available quotes

Footnotes

3) These securities were completely or partly transferred under securities loans as of the end of the reporting period (see list at the end of the report).

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Transactions completed during the reporting period that no longer appear in the investment portfolio

Purchases and sales of securities, investment fund shares and promissory note loans (Schuldscheindarlehen); market classifications are as of the reporting date

Description	Count/ currency (- / '000)	Purchases/ additions	Sales/ disposals	Derivatives (option premiums realized in opening transactions, or total opening transactions; in the case of warrants, purchases and sales are shown)		
Listed securities				Currency futures		
Equities				Value ('000)		
Goldcorp	Count	70 000	445 000	Futures contracts to purchase currencies		
Kinross Gold	Count	115 000	865 000	U.S. dollar		
BRISA - Auto-Estradas de Portugal Priv.	Count	1 068 174	1 068 174	EUR 274 960		
RWE Ord.	Count	10 000	205 000	Futures contracts to sell currencies		
Societe Generale	Count	75 000	75 000	U.S. dollar		
Interest-bearing securities				EUR 273 408		
6.6250 % Bayer Capital Corp. 06/01.06.09 Cv	EUR	18 500	28 500			
1.5000 % conwert Immobilien Invest 07/12.11.14 Cv	EUR	5 400	5 400			
4.2500 % Deutsche Bank/London/BRISA 02/13.12.07 Cv	EUR		6 000			
1.2500 % Linde Finance 04/05.05.09 Cv	EUR	1 000	8 600			
Securities traded on regulated markets						
Interest-bearing securities						
0.8750 % Archer-Daniels-Midland Co. 07/15.02.14 Cv 144a	USD	5 000	20 330			
0.8750 % Archer-Daniels-Midland Co. 07/15.02.14 Cv.	USD	10 670	10 670			
0.6250 % Gilead Sciences 06/01.05.13 Cv 144a	USD		6 500			
0.0000 % Yahoo 03/01.04.08 Cv	USD	43 000	89 000			
Unlisted securities						
Interest-bearing securities						
4.5000 % JP Morgan Bank/Lux./Allianz 05/15.02.08 Cv	EUR	7 000	17 000			
3.6250 % Seadrill 07/08.11.12 Cv Reg S	USD	14 000	14 000			

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Securities loans (total transactions, at the value agreed at the closing of the loan contract)

	Value ('000)
Perpetual	EUR 83 935

(Security description: 1.6000 % France Telecom 04/01.01.09 Cv, 0.5000 % KfW/Deutsche Post 05/03.02.10 Cv, 2.9500 % Sagerpar/Groupe Bruxelles Lambert 05/27.04.12 Cv, BRISA - Auto-Estradas de Portugal Priv., New York Times Co. A (Non Vtg.), 0.8750 % Archer-Daniels-Midland Co. 07/15.02.14 Cv.)

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Securities lending

The following securities were transferred under securities loans at the reporting date

Security description	Principal amount Count, or Currency ('000)	Limited maturity	Securities loans Total market value in EUR Perpetual	Total
1.6000 % France Telecom 04/01.01.09 Cv	EUR	5	11 634 750.00	
0.5000 % KfW/Deutsche Post 05/03.02.10 Cv	EUR	30 000	32 970 000.00	
2.9500 % Sagerpar/Groupe Bruxelles Lambert 05/27.04.12 Cv	EUR	7 000	7 376 250.00	
0.0000 % NC International/Nikon 04/15.03.11 Cv	JPY	200 000	1 682 248.11	
Metro Ord.	Count	150 000	7 624 500.00	
New York Times Co. A (Non Vtg.)	Count	1 300 000	15 171 509.81	
Total receivables from securities loans			76 459 257.92	76 459 257.92
Total collateral pledged by third parties for securities loans			EUR	84 487 732.00
including:				
Bonds			EUR	68 425 713.00
Equities			EUR	16 062 019.00

Management company

DWS Investment GmbH
D-60612 Frankfurt/Main
Liable equity capital as of December 31, 2007:
EUR 136.4 million
Capital stock as of December 31, 2007:
EUR 115 million

Supervisory Board

Kevin Parker
Member of the Group Executive Committee of
Deutsche Bank AG, Frankfurt/Main
Chairman

Dr. Tessen von Heydebreck
Chairman of
Deutsche Bank Stiftung, Berlin
Vice-Chairman

Dr. Manfred Gentz
Berlin

Dr. Stefan Marcinowski (from April 3, 2008)
Member of the Board of Management of
BASF SE,
Ludwigshafen

Dr. Edgar Meister (from April 3, 2008)
Former Member of the Board of Management of
Deutsche Bundesbank,
Frankfurt/Main

Friedrich von Metzler
Partner in the banking firm
B. Metzler seel. Sohn & Co. KGaA,
Frankfurt/Main

Prof. Dr. jur. Dr. h. c. Reinfried Pohl
Chairman of the Management Board of
Deutsche Vermögensberatung AG,
Frankfurt/Main

Professor Dr. Klaus Pohle
Berlin

Christian Strenger
Frankfurt/Main

Detlef Bierbaum (until April 2, 2008)
Partner in the banking firm
Sal. Oppenheim jr. & Cie. KGaA,
Köln

Prof. Dr. Dr. h. c. mult. Hans Tietmeyer
(until April 2, 2008)
Former Chairman of Deutsche Bundesbank,
Königstein

Custodian

State Street Bank GmbH
Brienner Straße 59
D-80333 München
Liable equity capital as of December 31, 2006:
EUR 259.953 million
Capital stock as of December 31, 2006:
EUR 108 million

Management

Klaus Kaldemorgen
Frankfurt/Main

Alan Crutchett (until December 31, 2007)
Frankfurt/Main

Heinz-Wilhelm Fesser
Frankfurt/Main

Dr. Stephan Kunze
Frankfurt/Main

Dr. Boris Liedtke (from July 1, 2007)
Frankfurt/Main

Michael Reinicke (from January 1, 2008)
Frankfurt/Main

Thomas Richter (from November 1, 2007)
Frankfurt/Main

Jochen Wiesbach
Frankfurt/Main

Shareholder of DWS Investment GmbH

DWS Holding & Service GmbH,
Frankfurt/Main

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D-60612 Frankfurt/Main

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