



Deutsche Asset Management (Asia) Ltd

DWS Vietnam Fund Limited

Consolidated Annual Report

For the year ended 31 December 2011

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 17 November 2006.

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 16.

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.

DIVIDENDS

It is not the current intention of the Directors to pay dividends to the Shareholders.

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 RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the group financial statements, in accordance with applicable law and regulations.

In preparing the group financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state that the financial statements comply with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business.

Under applicable law and the requirements of the Listing Rules issued by the Irish Stock Exchange, the directors are also responsible for preparing a Management Report. In particular, in accordance with the Transparency Directive (2004/109/EC) Regulations 2007 (S.I. No. 277 of 2007), (the "Regulations"), the directors are required to include in this report a fair review of the business and a description of the principal risks and uncertainties facing the group and the company and a responsibility statement relating to these and other matters, included below. The directors consider that the information required to be included in their Management Report is included in the Investment Manager's Report on page 19.

The directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the consolidated financial statements comply with, as regards the financial statements, Article 4 of the International Accounting Standards (IAS) Regulation (1606/2002). They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

Consolidated financial statements: risk management and internal control

The Board of Directors (the "Board") are responsible for establishing and maintaining for the Group, adequate internal control and risk management systems in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of error or fraud in achieving the Group's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has procedures in place to ensure that all relevant books of account are properly maintained and are readily available, including the procedures for the production of audited annual consolidated financial statements. The Board of Directors has appointed the Administrator to maintain the books and records of the Group. From time to time, the Board of Directors examine and evaluate the Administrator's financial accounting and reporting routines. The annual financial statements are produced by the Administrator and reviewed by the Investment Manager. They are required to be approved by the Board of Directors and annual and half yearly consolidated financial statements are required to be filed with the Irish Stock Exchange ("ISE").

DWS VIETNAM FUND LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS CONT/D

During the period of these consolidated financial statements, the Board was responsible for the review and approval of the annual consolidated financial statements as set out in the Statement of Directors Responsibilities. The financial statements are required to be audited by independent auditors who report annually to the Board on their findings. The Board monitor and evaluate the independent auditor's performance, qualification and independence. As part of its review procedures the Board receives presentations from relevant parties including consideration of international accounting standards and their impact on the annual financial statements, and presentations and reports on the audit process. The Board evaluates and discusses significant accounting and reporting issues as the need arises.

The Administrator prepares the consolidated valuation for the Group at each valuation point in the form of a composite trial balance which consolidates in an automated manner all of the related special purpose vehicles ("SPVs"). This consolidation includes all of the companies directly or indirectly controlled by the Group. The consolidation workings are prepared using the standard operating procedures of the Administrator where systems and controls are in place to ensure that all underlying SPVs are consolidated correctly with appropriate elimination of any inter-SPV balances.

Each valuation at consolidated level is reviewed in accordance with standard operating procedures of the Administrator. The consolidated financial statements are prepared by the Administrator in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU and the Administrator uses various internal controls and checklists to ensure the financial statements include complete and appropriate disclosures required under IFRS and relevant legislation.

In addition, the consolidated valuation as prepared by the Administrator is reconciled by the sub-Investment Manager 'Duxton Asset Management Pte Ltd.', to their own independent records for completeness and accuracy and further reviewed and approved by the Investment Manager 'Deutsche Asset Management (Asia) Ltd.

Responsibility Statement, in accordance with the Transparency Regulations

Each of the directors, whose names and functions are listed on page 70 in the 'Other Information' section of this report confirm that, to the best of each person's knowledge and belief:

- the financial statements, prepared in accordance with IFRS as adopted by the EU, give a true and fair view of the assets, liabilities and financial position of the group at 31 December 2011 and its statement of comprehensive income for the year then ended;
- the Investment Manager's report contained in the Annual Report includes a fair review of the development and performance of the business and their impact on the consolidated financial statements of the Group. A description of the principal risks and uncertainties that the group faces is provided within the Investment Manager report on pages 8-20 and note 17 of the financial statements.

On behalf of the Board of Directors

Director

Director

Date: 18 April 2012

DWS VIETNAM FUND LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DWS VIETNAM FUND LIMITED

We have audited the accompanying consolidated financial statements of DWS Vietnam Fund Limited (the "Company"), which comprise the consolidated statement of financial position and consolidated portfolio of investments as at 31 December 2011, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory notes.

This report is made solely to the company's members, as a body. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We read the other information contained in the Annual report and consider whether it is consistent with the audited financial statements. The other information comprises the Investment Manager's Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DWS VIETNAM FUND LIMITED **CONT/D**

Opinion

In our opinion:

- the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2011, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.
- the consolidated financial statements have been properly prepared in accordance with Article 4 of the International Accounting Standards (IAS) Regulation (1606/2002).

We have obtained all information and explanations which we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the Company.

Niamh Marshall, for and on behalf of KPMG
Chartered Accountants and Statutory Audit Firm
1 Harbourmaster Place
International Financial Services Centre
Dublin 1

18 April 2012

DWS VIETNAM FUND LIMITED

Investment Manager's Report for the year ended 31 December 2011

NAV Update

The Net Asset Value ("NAV")* per share of the DWS Vietnam Fund ("Fund") as of 31 December, 2011 was USD 0.4014, down 19.20% from USD 0.4968 as of 31 December, 2010. Whilst this was disappointing it should be noted that the VNINDEX fell by 32.78% in USD terms and 27.47% in VND terms¹. We believe that the 2011 stock market performance is not reflective of the true strength of the country, and that Vietnam has been punished for perceived weaknesses, specifically to its financial sector. We believe the catalysts for performance in 2012 will come from: falling inflation, declining interest rates, ongoing infrastructure (transport and power) improvements, and increased foreign investment driven by cheap stock valuations

** - these NAV figures are based on the dealing net asset value as at 31 December 2011 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.*

Economy Overview

Vietnam achieved full year growth of 5.89% for the year of 2011, down from 6.78% in 2010². This figure is lower than the 7-7.5% target set by the Vietnamese government, due to the tightening measures set by the Vietnamese government and the global financial slowdown. In February 2011, a series of stabilization policies known as Resolution #11 were put in place to tackle rising inflation, which focused on cutting the budget deficit from 5.6% of GDP in 2010 to below 5%³, and curbing private credit which had surpassed 120% of GDP⁴. Inflation tagged 11.75% in 2010 and has since accelerated to 18.12% in 2011¹. The breakdown of output by sector shows that growth was reasonably well-balanced. Agriculture, Forestry and Fishery rose 4%, contributing 0.66%; Industry and Construction rose 5.53%, contributing 2.32% and Services rose 6.99%, contributing 2.91%¹. High commodity prices were a major factor in 2011 by boosting export prices, but this performance is unlikely to be repeated in 2012, with the international prices of most commodities widely expected to fall amidst slowing growth, according to a Credit Suisse 2012 Commodity report published in December 2011⁵. Vietnam's GDP now stands at VND2.535T or US\$121.7 billion⁶. 2012 GDP growth projections for Vietnam cluster around 6.0 to 6.5%.

One of the biggest concerns for Vietnam during 2011 was its double-digit inflation that reached 23.02% at peak in August¹. A series of tighter monetary policies as introduced in the Resolution #11 and weakening food prices assisted in bringing down inflation from its peak to 18.12% by the year end¹. The main drivers responsible for the double-digit inflation included Food and Food Stuff (+24.79%), Education (+20.41%), Transportation and Communication (+19.04%) and Housing and Construction Materials (+17.29%)¹. A heavy dependence on imported materials for production and a strong surge of global commodity prices had a direct impact on local prices. In addition a 9.30% devaluation of the Vietnamese Dong in February, 2011⁷ made imports of capital and intermediate goods more costly in domestic currency terms. The sharp jump in world oil prices persuaded the government to reduce domestic fuel and electricity subsidies in early 2011. This lifted the cost of manufacturing and transporting domestic goods⁸. Moving forward, inflationary pressure is likely to ease in 2012 thanks to lower commodity prices and continued monetary and fiscal austerity. However, plans are in place for the government to adjust utility prices up, which would likely put a floor on how much inflation could fall. As such, we can expect inflation of about 12% in 2012.

¹ Bloomberg

² http://www.gso.gov.vn/default_en.aspx?tabid=491

³ http://siteresources.worldbank.org/INTEAPHALFYEARLYUPDATE/Resources/550192-1300567391916/EAP_Update_March2011_vietnam.pdf

⁴ <http://www.economist.com/node/18651919>

⁵ <https://fundlab.credit-suisse.com/researchData/F111206000079.pdf>

⁶ http://www.menafn.com/qn_news_story.asp?storyid=%7B062949f0-f656-4a45-84bc-356bc161e924%7D

⁷ viet-studies.info/kinhte/Vietnam_Outlook_5-17-2011.pdf

⁸ viet-studies.info/kinhte/Vietnam_Outlook_5-17-2011.pdf

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Investment Manager's Report for the year ended 31 December 2011 cont/d

Economy Overview cont/d

Vietnam incurred a trade deficit of \$9.51 billion in 2011, down 23.10% from 2010, accounting for 9.90% of the country's export revenues, lower than the target of 16% according to General Statistics Office¹. It earned a total of \$96.26 billion from exports, an increase of 33.30% year-on-year, while it spent \$105.77 billion to import goods and services, up 24.70% year-on-year¹. Key exports in 2011 included garment and textile (+25.56% year-on-year), crude oil (+46.36% year-on-year), footwear (+28.43% year-on-year)¹. Meanwhile, the country's main imports were machinery and equipment (+12.72% year-on-year), petroleum (+72.73% year-on-year), electronics, air-conditioners and spare-parts (+40.26% year-on-year), clothes (+25.69% year-on-year)¹. Vietnam's trade deficit in 2012 is expected to stay at US\$13 billion, equal to about 12% of total exports, according to the Ministry of Industry and Trade⁹.

The VNINDEX fell by 32.78% in USD terms and 27.47% in VND terms¹. The larger drop in USD terms was largely attributable to a 9.30% devaluation of the Vietnamese Dong in February 2011. The crash was also partly due to the world economic slowdown, but the main cause lay in internal market issues such as perceived weakness of the banking sector and the greater difficulties and risks faced by them in the ongoing restructuring process. The VNINDEX was further pulled down by the drop in real estate stocks after some local property developers slashed their apartment prices.

The Government's efforts in re-organizing the banking system is expected to prove its effects in 2012. At its current Price/Earnings ratio (P/E) of roughly seven times (7x), the Vietnam index is looking relatively cheap¹. We believe that the market has reflected Vietnam's recent weaknesses, including the high bad debt level in the banking system and the uncertainty surrounding Vietnam's banking structural reforms. Although we acknowledge the possibility of adverse news that is expected to take place in April 2012 when the State bank of Vietnam announces important indicators (bad debts, capital adequacy ratio, profitability ratios) for its banking system using International Monetary Fund's standards, we do not think that the to-be announced figures will noticeably differ from what has been widely forecasted. Therefore, we believe the Vietnam stock market is presenting a good buying opportunity for long term investors.

Fund exposure and performance

The table below summarizes the exposure and the full year performance of various asset classes of the Fund at the end of December 2011. With one exception, the Fund's overall asset allocation among the asset classes was relatively constant throughout 2011, although within each class, there were additional investments/divestments taking place (please see the following sections on each of the asset classes for more details of those investments/divestments and discussion of returns). Cash was increased to 10.1% from less than 2% at the end of November with the receipt of the partial sale of Hoan My Hospital on 28 December 2011.

Asset Class	Exposure on Dec 31, 2011	Performance during FY2011
Listed Equities*	41.4%	-30.3%
Fixed Income*	9.2%	7.2%
Unlisted Equities	27.3%	-4.8%
Closed End Funds	12.0%	-16.8%
Note: The remaining 10.1% of the fund was held in cash.		

*Convertible bonds are classified in Listed Equities above. The above table is based on dealing NAV.

⁹ vietnambusiness.asia/vietnam's-trade-deficit-in-2012-expected-at-13-billion/

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Investment Manager's Report for the year ended 31 December 2011 cont/d

Peer Group Analysis

Multiple sources such as member funds published data were used to carry out the peer group analysis. In the absence of public prices, quotes from LCF Rothschild Securities and Jefferies International were used as the basis for analysis. However, investors should note that the secondary market for closed-end funds such as this Fund is not very transparent and the absence of public information on the price quoted by various market makers for each of these funds adds to the non-transparency. Hence, the analysis presented in this section is indicative only. In addition, the analysis of a fund's performance relative to its peers requires an understanding of the different strategies and the accounting basis adopted by each of these 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.

At the end of 2011, the Fund's share price closed at USD 0.21, 29% down from the previous year. The discount to NAV for the Fund widened to 49%, up from 42% in 2010 and from 47% in 2009. The average discount to NAV of the peer group remained unchanged from the previous year at 20%, but narrowed from 30% in 2009. The large NAV discount indicates the uncertainty of investors in the Vietnamese equities market, in line with general investment sentiment across the globe in 2011.

The NAV change of the Fund during the year was -19.20%, better than the peer group's average change of -25.71%. This also reflects the downtrend of the market in 2011. Compared to other funds which are dominated by listed equities, this Fund tends to give less volatile returns and lower risk profile due to the diversified nature.

Peer group	Fund Strategy	NAV Analysis							Price Analysis		
		NAV Dec 2011	NAV Change 1 Y	NAV Change 2 Y	NAV Change 3 Y	NAV Change 4 Y	NAV Change 5 Y	Discount to NAV 30-Dec 2011	Mid Price 30-Dec 2010	Mid Price 30-Dec 2011	Price Change YoY
DWS Vietnam Fund [^] **	Multi asset class balanced fund	0.4014	-19.20%	-27.14%	-13.12%	-59.82%	-59.91%	-49%	0.29	0.21	-28.72%
PXP Vietnam [^] **	Primarily listed equity exposure	3.32	-21.96%	-35.36%	14.17%	-66.74%	-54.11%	-10%	3.69	2.98	-19.24%
PXP Vietnam Emerging Equity	Primarily listed equity exposure	3.31	-30.57%	-41.38%	6.94%	-71.75%	-64.78%	-8%	4.65	3.05	-34.41%
VEIL Dragon Capital [^] **	Primarily listed equity exposure with a small allocation to OTC	1.98	-18.85%	-20.80%	-5.71%	-65.14%	-54.27%	-15%	1.99	1.69	-15.16%
VGF Dragon Capital [^] **	Primarily listed & OTC equities with some private equity	13.15	-19.89%	-11.80%	-0.98%	-61.86%	-43.07%	-14%	13.28	11.27	-15.16%
VOF VinaCapital [^] ~	Multi asset class balanced fund	2.23	-7.08%	-7.85%	19.89%	-36.19%	-12.20%	-43%	1.93	1.28	-33.94%
PCA Prudential [^] ~	Primarily Private Equity & OTC equities with a small exposure	5.19	-20.99%	-24.44%	-19.36%	-52.05%	-48.10%	-35%	4.85	3.35	-30.93%
Market Vectors Vietnam [^]	ETF	14.76	-41.76%	-41.25%	N.A.	N.A.	N.A.	0%	24.76	14.75	-40.43%
DB x-trackers Vietnam [^]	ETF	18.56	-51.08%	-58.31%	-41.77%	N.A.	N.A.	-2%	36.27	18.21	-49.80%
AVERAGE			-25.71%	-29.81%	-4.99%	-59.08%	-48.07%	-20%			-29.75%
VNINDEX (USD)		0.01671	-32.78%	-37.58%	-7.42%	-71.11%	-64.31%				
VHINDEX (USD)		0.00279	-52.39%	-69.34%	-53.58%	-86.18%	-81.56%				
[^] NAV quoted from Fund website [*] NAV averaged from JCEF/LCFR [~] Mid price averaged between JCEF and LFCR on 30-Sep 2011 ^{**} Mid price averaged from multiple broker reports											

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Investment Manager's Report for the year ended 31 December 2011 cont/d

Portfolio Analysis

The top 10 largest holdings of the Fund as of the end of December 2011 are listed below:

Security Name	Asset Class	Sector	% of Fund*
Vietnam Dairy Products JSC	Listed	Food Products	9.14%
Greenfeed Vietnam Corp	Unlisted	Food Products	7.56%
Credit Linked Note*	Fixed Income	Bonds	7.19%
Anova Corporation	Unlisted	Pharmaceutical	4.42%
NBB Investment Corporation	Unlisted	Real Estate	4.00%
An Giang Plant Protection and Service JSC	Unlisted	Chemicals	3.97%
FPT Corporation	Listed	Information Technology	3.21%
Prime Group JSC	Unlisted	Industrial	3.11%
Petrovietnam Drilling and Well Services	Listed	Energy	3.07%
Vietnam Enterprise Investment Fund	CE Fund	Funds	3.06%
^a Credit Linked Note is linked to a Vietnam Government bond			

* - these % of fund figures are based on the dealing net asset value as at 31 December 2011 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. Listed Equities (Onshore and Offshore)

The rally of the stock market at the beginning of 2011 was rather short-lived, as the State Bank of Vietnam (SBV) depreciated the dong by -9.3% against the US dollar. The market showed a clear down trend in the next 6 months, driven by a series of negative news, most notably the increase of petroleum (nearly 30%) and electricity prices (over 15%) and the CPI increase at record high levels. Under the pressure of escalating inflation, the SBV increased the lending rate on multiple occasions from 10% to 15%, which only led to more short-term pessimism from the market. The inflation peaked in August, and since then decreased consistently on a year-on-year basis. Since February, the currency has remained very stable. This led to a quick rally in August-September period. However, the low liquidity and high borrowing rates as the consequences of the tightening policy created challenges for companies, which was reflected in the third quarter earnings. On top of that, investors were also concerned about the impact of the restructuring of the banking system on the short to mid term outlook of the economy. As a result, the market showed another clear down-trend. The VNIndex ended the year at 352. The index lost 32.78% in USD term in 2011, and fell more than 52% from its 2 year peak, back to its 2005 level. The performance of the VHIndex was even worse, having lost 52.39% since the beginning of the year, it ended at an historical low. The decline of the stock market was indeed much deeper than the drop in earnings of the listed companies. Therefore, the average P/E of the market was 7x at the end of 2011, a value significantly below its South East Asia peers of 13-16x. We find this valuation very attractive, and believe that the downside is limited.

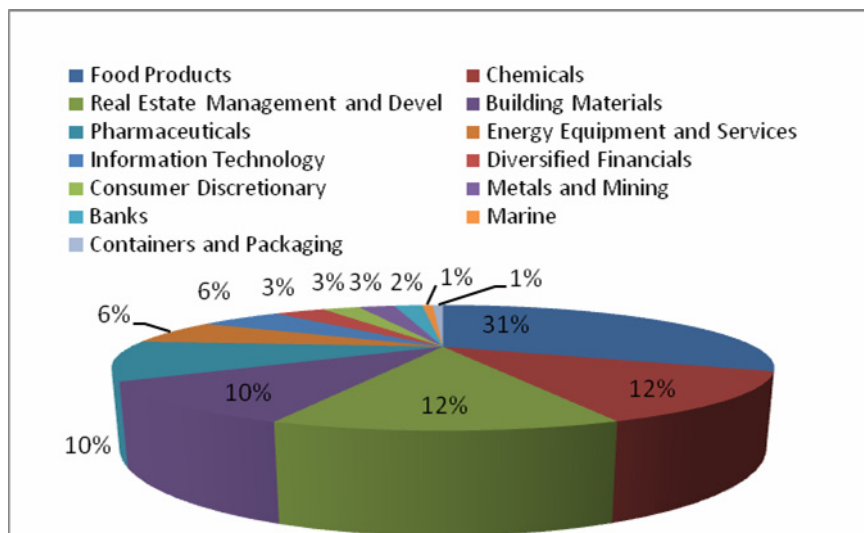
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Investment Manager's Report for the year ended 31 December 2011 cont/d

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

Portfolio

The Fund's exposure of listed equities is 41%, representing the largest asset class of the Fund. The full year return of listed portfolio is -30.3%, 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:



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

Vietnam Dairy Products JSC (VNM)

VNM is the largest producer of milk and dairy products in Vietnam with over 50% market share¹⁰ across all products. Vinamilk has a system of dairy factories and a large distribution network across the country. VNM also owns some of the most popular brand names in domestic market. Vinamilk reported 2011 net revenues of VND 21.821 billion, a 37% increase year on year, and exceeded its initial revenue plan by 6%. 2011 Net Profit was VND 4.166 billion, a growth of nearly 16% against 2010. We expect Vinamilk to continue its good performance as we maintain a very positive outlook on the Vietnamese dairy industry. Rising income lead to higher consumption of dairy products by Vietnamese consumers, who currently have one of the lowest milk consumption per capita among Asian countries. Vinamilk is well-positioned for this growth with its aggressive marketing strategy and strong effort to expand its current production capacity and distribution network.

¹⁰ Economist Intelligence Unit, Vietnam: Consumer goods and retail profile, dated June 13th 2008.

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Investment Manager's Report for the year ended 31 December 2011 cont/d

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

Portfolio cont/d

FPT Corporation (FPT)

FPT is one of the most successful listed companies in Vietnam. With 24 years of history, the company is the largest corporation in Information Communications and Technology industry with more than 1 USD bn in revenue. FPT has a holding structure with five main business lines: FPT Trading, FPT Telecom, FPT Information System, FPT Software and FPT Education. Despite the large corporate structure, FPT is one of the most efficient and profitable listed corporations with average ROA and ROE of 17% and 50%, respectively. During the first half of the 2011, the share price of FPT dropped more than 36% (USD term) due to concerns that FPT could lose a VND 708 billion deposit as it withdrew from a takeover deal with EVN Telecom. The Fund Manager decided to gain exposure to FPT as it had become more apparent that the company would get the deposit back once EVNT is officially acquired by Viettel in early 2012. FPT share price has recovered more than 12% since its bottom in May on the back of its strong fundamental. For 2011, FPT estimated a revenue growth of 28% year-on-year, profit growth of 24% year-on-year and EPS growth of 20% year-on-year. The Fund Manager expects FPT continue its growth momentum as the company implements its "OneFPT" strategy to enhance synergy among its business units and thus optimize resources and reduce internal costs.

Petrovietnam Drilling and Well Services (PVD)

Majority owned (51%) by PetroVietnam group, PVD is the only domestic company in the oil gas drilling service industry. The company currently owns a fleet of three offshore jack-up rigs, one land rig and a newly purchased tender assist rig. 2011 financial results are expected to be excellent with revenue and net profit forecast up 23% and 24% year-on-year, respectively. The Fund Manager expects this excellent growth to continue in 2012 as the company secured a mid-term contract with new tender-assist rig and get more contracts for its leased rigs. PVD also plays as the Fund's hedge against currency depreciation as the contract revenue is received in US dollars, which is the primary currency they use to report.

Outlook

As outlined, the key drivers for the market over the past year; high interest rates, low credit growth, and debt problems within the real estate and SOE's made for a very poor equity market in 2011.

We have confidence that the government is taking needed action in restructuring the economy, and while this has proved to be a very painful process, it should set the economy up on a much stronger base in the next year or so.

The market effect, however, has meant that many good businesses have either been sold down in price, or are trading well below regional peers due to the market overall being entirely unloved.

We believe that 2012 will be a better year in the market than 2011, though selective stock selection will be critical. During 2011 we reduced our holding in the banking, real estate and building materials sectors, and we think that these areas will continue to be difficult areas to invest in for the time being.

Our key areas for investment over the next year will be:

Consumer Staples – companies that have a dominant position in the consumer market and are able to pass on price increases should continue to do well. For example, Vietnam Dairy Products, one of the fund's largest holdings, is expected to have net profit after tax growth of above 22% per annum over the next two years.

DWS VIETNAM FUND LIMITED

Investment Manager's Report for the year ended 31 December 2011 cont/d

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

Portfolio cont/d

Outlook cont/d

USD linked pricing – Companies whose pricing is heavily influenced by USD should perform relatively well, as they act as a hedge against further VND devaluation. Larger cap stocks such as PVD (which now reports in USD), resources' plays such as Hoang Anh Gia Lai Group which are developing their palm, sugar and rubber plantations, and Lam Son Sugar which has extensive sugar plantations south of Hanoi are examples of these.

Closed End Funds – Our position in closed end funds did reasonably well during the year, as a number of them managed to close their Net Asset Value (NAV) gap. We expect this to continue into 2012 in line with the market's performance and more liquidity coming into these funds.

2. Fixed Income

During the first 5 months of 2011, the yield on the benchmark 3-year Government bond increased from 11.00% to 12.67%, driven mainly by the escalating inflation and the increase in key policy rates controlled by the SBV. The benchmark bond yield showed the steepest increase of 58 bps in April as the CPI was reported at 3.32%, the highest seen in almost 3 years, and one of the only 3 occasions that MoM CPI increase was reported to be above 3% in the last 7 years. From May, the yield eased down until October in line with the reduction in the reported monthly inflation rate. However, the shrinking banking liquidity in the last quarter of 2011 pushed the yields back up slightly. Overall, the benchmark 3-year Government bond increased 148 bps.

The exposure of the Fund to Fixed Income securities is mainly through a Vietnamese government bond, a credit-linked note on the underlying domestic government bonds and a corporate bond issued by the Electricity of Vietnam (EVN). The Fund received back the principal of the EVN corporate bond at its maturity in July. The price of the credit-linked note went up during the last few months of 2011 as it approached maturity in January 2012. Since this note is the largest holding (78% of total value) of the fixed income portfolio, the overall performance of the portfolio was 7.2% in 2011.

Outlook

The Fund Manager believes that the bond yield has peaked and will display moderate swings in the first half to the third quarter of this year due to the ongoing financial system restructuring, before ending the year slightly down as the restructuring process stabilizes. The exposure of Fixed Income portfolio is expected to decrease significantly when the credit linked note reaches maturity in Jan 2012.

3. Unlisted Equities Investments

As of 31 December 2011, unlisted investments constituted 27.3% of the Fund's Net Asset Value (Dealing NAV). There was one new investment during the year: USD 8.60m in Anova Corporation in April. A partial exit in Hoan My Hospital JSC was realized at a 42% IRR (in USD) following Fortis Healthcare's purchase of the company.

The unlisted equities portfolio returned -4.8% during the year, positively impacted by the exit from Hoan My Hospital JSC but negatively impacted by revaluation of private equity investments which are revalued by our independent valuator – 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.

DWS VIETNAM FUND LIMITED

Investment Manager's Report for the year ended 31 December 2011 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 No.2 player with an 8% market share. 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.

Sales recovered in 2011, achieving VND 2,119 billion; and VND 177 billion in net income for 9M 2011. This surpassed the 2010 full year's net income of VND 139 billion. However, the business remains challenging due to the increased raw material prices, competition from China and the overall slowdown in the real estate sector in Vietnam. The management is undertaking strategic initiatives to fend off competition from China and to increase their export sales.

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 31 December 2011, the investment was valued at USD 5.93m, lower than investment cost, given the below expected financial performance. 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 capacity.

An Phat Plastics and Green Environment JSC

At the end of 2007, the Fund made a USD 2 million structured equity investment An Phat Plastics and Green Environment JSC ("An Phat"). In April 2009, the Fund made a follow-on investment of USD 2.9 million via a convertible bond instrument to fund the company's expansion plans.

An Phat is the largest plastic recycler in North Vietnam. The recycled plastic is manufactured into bio-degradable 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.

An Phat's revenues increased 37% in 2011 to VND 937 billion. Net income decreased 40% to VND 54 billion. This was due to a one off transfer of the upstream plastic recycling business to the Japanese partner. Interest expense has also increased due to the higher financing cost in Vietnam. Demand is expected to continue increasing and the company has expanded its capacity, however cost inputs like labour and electricity are likely to increase going forward.

The Fund Manager exited the ordinary equity shares at an IRR of 15% (in VND) on 15 July 2010. Since then there has been no change to the Fund's position in An Phat in 2011. The Fund still holds convertible bonds equivalent to a 12.60% equity stake which is due to mature on 13 April 2012. There is currently no market for the convertible bonds, this position is valued by GVG on a quarterly basis. As of 31 December 2011, the convertible bonds were valued at USD 0.81m, largely due to the lower share price.

DWS VIETNAM FUND LIMITED

Investment Manager's Report for the year ended 31 December 2011 cont/d

3. Unlisted Equities Investments cont/d

Hoan My Hospital JSC

In September 2009, the Fund closed a USD 10 million private equity investment in Hoan My Corporation JSC ("Hoan My"), a leading private healthcare provider in Vietnam. Hoan My manages hospitals in five locations in the south and central part of the country, with a total daily in-patient capacity of 500 beds. In 2009 and early 2010, the group also set up two international-standard clinics in Ho Chi Minh City. The investment by the Fund, alongside another financial investor, was used to finance the construction of a new 200-bed hospital in Ho Chi Minh City and to upgrade and modernise existing facilities in Danang.

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 42% 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 a put option. As of 31 December 2011, the valuation of this position stood at USD 4.83m, a multiple of approximately 2.3 of the investment cost of USD 2.20m. The valuation of the put option as at 31 December 2011 is not considered to be significant to impact the valuation of the investment at year end.

An Giang Plant Protection & Service JSC

In September 2009, the Fund closed an USD8m 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.

In the first 9 months of 2011, revenues increased to VND 3,629bn (+26% year-on-year) and net income increased to VND 327bn (+49% year-on-year).

Although not yet listed, 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 31 December 2011, the shares were valued at USD 7.8m.

Greenfeed Vietnam Corporation

In May 2010, the Fund made a USD9.5m investment in GreenFeed Vietnam Corporation ("GFVN"), a leading producer of animal feed. The investment was made via USD 4.2m in secondary shares and USD 5.8m in redeemable convertible instrument for a fully diluted 19% stake in company.

GFVN is the second largest domestic player competing against large foreign companies like Charoen Pokphand of Thailand and Cargill of US. The company has 4 feed mills, 9 depots and has an extensive network of more than 1,000 distributors to cover the whole country.

DWS VIETNAM FUND LIMITED

Investment Manager's Report for the year ended 31 December 2011 cont/d

3. Unlisted Equities Investments cont/d

Greenfeed Vietnam Corporation cont/d

At the moment, GFVN is among the top five players (including foreign companies) who collectively account for 43% 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 2011 has been exceptional. Sales grew to VND 5,672b (up 67% year-on-year). Net profit jumped to VND 214b (up 61% year-on-year) on the back of increased capacity and the turnaround of the previously loss-making pig farming operations.

This position is valued by GVG on a quarterly basis as there is no existing market for the instruments. As of 31 December 2011, the valuation of the Fund's position stood at USD 14.78m, up 55% since the time of investment.

NBB Investment Corporation JSC

In December 2010, the Fund invested USD 10.4 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 USD700-1,000/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 clear 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.

Sales have slowed down considerably in 2011 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. In the first nine months of 2011, NBB recorded VND 305 billion in revenue (-20% year-on-year) and VND 60 billion in net income (-52% year-on-year). This is in line with the entire property sector due to the unfavourable macroeconomic conditions. 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 31 December 2011, the investment was valued at USD 7.82m.

Anova Corporation

In April 2011, the Fund made a USD 8.60 million investment in Anova Corporation ("Anova") via 3-year convertible bonds for a 20.5% fully diluted stake.

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 September 2011, the company achieved VND 406 billion in net sales and VND 22 billion in net income. There is currently no market for the convertible bonds, this position is valued by GVG on a quarterly basis. As of 31 December 2011, the convertible bonds were valued at USD 8.63m, in line with our cost.

DWS VIETNAM FUND LIMITED

Investment Manager's Report for the year ended 31 December 2011 cont/d

3. Unlisted Equities Investments cont/d

Saigon Beer Alcohol and Beverage JSC

Sabeco is the largest domestic brewer in Vietnam with a 31% share of the beer market. 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.

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 31 December 2011, our position in the company was valued at USD 1.6m.

Thu Duc Housing Development Corporation (TDH)

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.

The company has been consistently pursuing its land expansion strategy to improve its shrinking clean land bank. The management has chosen to enter strategic partnerships with several entities which possess land bank or valuable properties for potential development. The company expects the projects to boost the bottom line after 2013 when the property market turns around.

TDH is listed on the HSX, however, the convertible bonds are not publicly traded or marketed. This position is valued by GVG. As of 31 December 2011, the convertible bonds were valued at USD 1.2m.

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 currently reviewing private investment opportunities in sectors such as consumer goods, agriculture, internet and healthcare services. Further details will be provided when the Fund Manager completes these investments.

4. Closed End Fund of Funds Investments

As of 31 December, 2011, the Closed-end Funds portfolio constituted 12% of the Fund's Net Asset Value. There are 5 Closed-end Funds namely:

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

Despite the negative 16.8% return, this portfolio still outperformed the VNINDEX by roughly 16%. Going forward, the Fund Manager plans to increase exposure in this group if the discount widens or decrease it if the discount narrows.

DWS VIETNAM FUND LIMITED

Investment Manager's Report for the year ended 31 December 2011 cont/d

5. Share Buy-back

During the twelve month period ending in December 2011, the Fund repurchased 5,103,300 shares through Epsom Limited and 500,000 shares through Beira Limited, both wholly owned subsidiaries of the Fund.

Principal Risks and Uncertainties

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

This is the biggest risk faced by Vietnam in 2012. While the ongoing financial system re-organisation will be healthy for Vietnam, in the near term the banking sector will experience a period of re-adjustment. So far, the State Bank of Vietnam has tackled quite well the banking merger in a way that ensures depositors' confidence in its banking system. However, if high inflation persists and interest rate levels remain elevated for a prolonged period, the banking system could freeze up. We believe however, with our expectation of a fast declining inflation rate in the next two quarters of 2012, this risk is well controlled.

Inflation Risk

Compared to 2011, inflation risk for 2012 is expected to be lower, although inflation is expected to still be the center of focus for the SBV and the Vietnamese government. With commodity prices expected to fall further and Vietnam's tightening measures from 2011 anticipated to show more profound effects in the coming months, inflation is expected to fall sharply toward the first to second quarter of 2012. We would see a renewed risk of inflation only if the government, fearing of social instability, were tempted to return to policies fostering quick economic growth. We view this unlikely, however, as the government has been setting policies and priorities based on longer term views. The wisest option now is to bring interest rates down through lowering inflation. With inflation in check, the Vietnam dong ("VND") would become more stable, interest rates would drop, the economy's health would be stronger and the quality of economic growth more sustainable. Confidence of foreign investors would return, providing extra capital needed by local businesses.

Widening Trade Deficit

As a country which relies on imports for local production, Vietnam continues to face a trade deficit problem. However, the size of the deficit is expected to decline. The government is restructuring the state-owned enterprises ("SOE") whose inefficient investments have encouraged the country to import heavy capital goods in prior years. We believe the risk of a widening trade deficit is declining each year.

Foreign Exchange Risk

As mentioned last year, the implementation of a partially flexible exchange rate system by the State Bank of Vietnam in 2011 has helped smooth the movements in the VND as the local currency is now adjusted on a daily basis instead of periodic one-off events as in the past¹¹. Nevertheless, with inflation still at a high level, the risk of a VND devaluing continues, though at a smaller magnitude.

Please refer to note 17 of this financial report for further details of exposure to foreign exchange risk.

¹¹ http://www.cpv.org.vn/cpv/Modules/News/NewsDetail.aspx?co_id=30106&cn_id=446007

DWS VIETNAM FUND LIMITED

Investment Manager's Report for the year ended 31 December 2011 cont/d

General Outlook and Fund Strategy

Although the broad market index was down in 2011, we were able to substantially outperform the market index. We believe that the 2011 stock market performance is not reflective of the true strength of the country, and that Vietnam has been punished for perceived weaknesses, specifically to its financial sector. We note that real money flows into the country remained strong, fundamental GDP growth remained elevated, and the unemployment rate declined (2011: 3.3% vs. 2010: 4.3%), all indications that the economy is fundamentally strong. We believe the catalysts for performance in 2012 will come from: falling inflation, declining interest rates, ongoing infrastructure (transport and power) improvements, and increased foreign investment driven by cheap stock valuations (currently 7x P/E ratio). We continue to see the greatest investment opportunities in private equity. As an example from our mandates in 2011, we sold a stake in a Hospital Group through a trade sale to Fortis Healthcare and achieved a 42% IRR in USD terms. Despite challenging macroeconomic issues, Vietnam continues to attract strong M&A interest from long term corporate and strategic investors given the size of the market and growth prospects. This provides excellent exit opportunities for our portfolio. We continue to see good opportunities for new private equity investments in Vietnam and remain keen on agriculture, healthcare services, technology/media and the consumer space. The current situation represents a golden opportunity to acquire assets at great prices. We look forward to 2012, the year of the Dragon, with great optimism for Vietnam.

Important events after year end

There are no important events to disclose other than those previously disclosed in the relevant Outlook sections of this report.

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Singapore 048583

February 2012

DWS VIETNAM FUND LIMITED

Consolidated Portfolio of Investments as at 31 December 2011

Nominal	Security	Coupon %	Maturity	Value US\$	Fund %
Collective Investment Schemes 10.38% (2010: 11.27%)					
Cayman Islands 8.98% (2010: 10.16%)					
1,244,918	PXP Vietnam Fund Limited*† **			3,672,508	1.96
436,449	PXP Vietnam Emerging Equity Fund* **			1,258,428	0.67
3,539,000	Vietnam Enterprise Investment Limited* **			5,839,350	3.11
460,461	Vietnam Growth Fund* **			5,072,745	2.70
511,000	Vietnam Resource Investments* **			1,013,483	0.54
				16,856,514	8.98
United States 0.42% (2010: Nil)					
55,000	Market Vectors ETF			778,250	0.42
Vietnam 0.98% (2010: 1.11%)					
5,565,460	Vietnam Securities Investment Fund*			1,825,739	0.98
Total Collective Investment Schemes				19,460,503	10.38
Common Stock 59.19% (2010: 63.28%)					
Vietnam 59.19% (2010: 63.28%)					
3,900,000	An Giang Plant Protection and Service JSC**			7,663,903	4.09
246,030	Asia Commercial Bank			252,656	0.14
1,087,000	Bao Minh Insurance Corp			454,779	0.24
13,099	Ben Tre Aquaproduct Import and Export			21,797	0.01
392,140	Bibica Corporation			206,944	0.11
1,079,870	Binh Minh Plastics			1,750,710	0.93
1,002,076	Binh Chanh Construction			676,515	0.36
786,036	Can Don Hydro Power JSC			358,758	0.19
1,033,061	Development Investment JSC			510,796	0.27
347,210	Dinh Vu Port Investment and Development			586,015	0.31
758,300	Dong Phu Rubber JSC			1,589,894	0.85
258,336	Dry Cell and Storage Battery JSC			181,775	0.10
2,768,826	FPT Corporation			6,450,304	3.44
2,500,000	Greenfeed Vietnam Corp**			6,507,952	3.47
2,996,690	Hoang Anh Giahai Group JSC (hagl)			2,778,209	1.48
915,340	Ha Tien 1 Cement JSC			126,203	0.07
1,132,680	Haugiang Pharmaceutical JSC			3,015,669	1.61
270,170	Ho Chi Minh City Securities			178,542	0.10
3,469,900	Hoa Phat Group JSC			2,837,487	1.51
194,980	Imexpharm Pharmaceutical JSC			342,989	0.18
2,121,714	JS Comm Bank Foreign Trade			2,199,033	1.17
394,690	Kinh Do Corporation			476,627	0.25
1,508,037	Lam Son Sugar JSC			1,419,599	0.76
25,000	Masan Group Corp			107,566	0.06
256,009	My Chau Printing and Packaging			164,315	0.09
368,100	National Seed JSC			684,276	0.37
2,600,000	NBB Investment Corporation**			7,819,060	4.17
3,450,000	Petrovietnam Fertilizer & Chemicals			3,903,773	2.08

DWS VIETNAM FUND LIMITED

Consolidated Portfolio of Investments as at 31 December 2011 cont/d

Nominal	Security	Coupon %	Maturity	Value US\$	Fund %
Common Stock 59.19% (2010: 63.28%) Cont/d					
Vietnam 59.19% (2010: 63.28%) Cont/d					
1,846,385	Petroleum Technical Service			1,290,411	0.69
3,800,518	Petrovietnam Drilling and Well Services			5,763,973	3.07
1,501,410	Phunhuan Jewelry JSC			2,855,274	1.52
1,116,640	Phuoc Hoa Rubber JSC			1,390,922	0.74
12,050,828	Prime Group JSC**			5,934,461	3.16
2,131,661	PVI Holdings			1,864,766	1.00
1,050,000	Saigon Beer Alcohol and Beverage **			1,555,868	0.83
3,922,260	Saigon Securities Inc			2,554,732	1.36
1,254,636	Saigon Thuong Tin			900,706	0.48
330,559	SMC Investment Trading			119,440	0.06
245,900	Songda Urban & Industrial Zone			266,552	0.14
281,550	Southern Seed Corporation			374,802	0.20
761,110	SSgA Construction Real Estate**			481,775	0.26
2,187	Swindon Limited****			4,826,500	2.57
177,960	Tay Ninh Rubber Co			281,744	0.15
2,480,994	Thu Duc Housing Development			1,332,885	0.71
771,860	Truong Thanh Furniture Corp			212,841	0.11
23,697	Vidipha Central Pharmaceutical**			31,546	0.02
1,020,134	Vietnam Container Shipping			1,217,361	0.65
4,784,658	Vietnam Dairy Products JSC			19,563,106	10.43
118,500	Vietnam National Reinsurance Corp			58,029	0.03
8,013,218	Vinaconex Advanced Compound			3,809,741	2.03
794,846	Vinh Hoan Corp			1,073,223	0.57
Total Common Stock				111,026,804	59.19
Long Term Bonds 19.64% (2010: 18.43%)					
United Kingdom 7.49% (2010: 6.32%)					
17,500,000	Deutsche Bank AG ** A+ (rating)***†	7.56%	31/01/2012	14,042,875	7.49
Vietnam 12.15% (2010: 12.11%)					
180,000,000,000	Anova Corporation** • NR	6.00%	23/05/2014	8,631,374	4.60
50,000,000,000	An Phat Plastics and Packaging** NR •	8.50%	13/04/2012	804,994	0.43
105,000,000,000	Greenfeed Vietnam Corp**NR•	8.00%	03/05/2015	8,267,811	4.41
512,196	Thu Duc Housing Development**NR•	7.00%	17/11/2013	1,229,622	0.65
4,304,348	Vietnam (Socialist Republic of)** BB	6.31%	12/03/2016	3,865,843	2.06
Total Long Term Bonds				36,842,519	19.64

* Closed end Funds

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

*** Credit Linked Note

****Please refer to note 16 and note 21.

NR – not rated

JSC is the abbreviation for Joint Stock Company.

• Convertible bonds

† Securities issued / managed by related parties – Note 16

DWS VIETNAM FUND LIMITED

Consolidated Portfolio of Investments as at 31 December 2011 cont/d

Nominal	Security	Coupon %	Maturity	Value US\$	Fund %
Warrants and Rights Nil (2010: 2.84%)					
Germany Nil (2010: 1.63%)				-	-
United States Nil (2010: 0.54%)				-	-
Vietnam Nil (2010: 0.67%)				-	-
Total Warrants and Rights				-	-
Portfolio of Investments				167,329,826	89.21
Cash and bank balances held with State Street Bank & Trust Company				20,397,157	10.87
Other Net Current Liabilities				(151,963)	(0.08)
Net Asset Value per IFRS financial statements				187,575,020	100.00

The portfolio of investments forms an integral part of these financial statements.

DWS VIETNAM FUND LIMITED

Consolidated Statement of Comprehensive Income for the year ended 31 December 2011

	Notes	31/12/2011 US\$	31/12/2010 US\$
Income			
Investment income	4	6,641,545	8,159,157
Net loss on investments at fair value through profit or loss	3	(47,603,242)	(27,479,728)
Other gains / (losses)	5	747,504	(69,414)
Total net investment loss		(40,214,193)	(19,389,985)
Operating expenses	6	(4,830,945)	(5,874,001)
Operating Loss for the year before taxation		(45,045,138)	(25,263,986)
Taxation			
Non-reclaimable withholding tax	15	18,452	(137,901)
Total comprehensive loss for the year		(45,026,686)	(25,401,887)
Earnings / (Loss) per Share		US\$	US\$
Basic	13	(9.79)c	(5.42)c
Diluted	13	(9.79)c	(5.42)c
Weighted average shares outstanding		Shares	Shares
Basic	13	459,950,840	468,851,503
Diluted	13	459,950,840	468,851,503

On behalf of the Board of Directors

Director

Director

Date: 18 April 2012

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

DWS VIETNAM FUND LIMITED

Consolidated Statement of Financial Position as at 31 December 2011

		31/12/2011 US\$	31/12/2010 US\$
Assets			
Cash and cash equivalents	9	20,397,157	9,345,720
Accounts receivable	8	702,087	1,593,877
Financial instruments at fair value through profit or loss:	17		
Investments designated at fair value		167,329,826	217,650,975
Investments held for trading		-	6,656,240
Total Assets		<u>188,429,070</u>	<u>235,246,812</u>
Liabilities			
Accounts payable	10	(854,050)	(1,152,665)
Total Liabilities		<u>(854,050)</u>	<u>(1,152,665)</u>
Net Assets		<u>187,575,020</u>	<u>234,094,147</u>
Shareholders' equity			
Share capital		4,869,314	4,869,314
Share premium	12	473,897,228	475,389,669
Retained losses		(291,191,522)	(246,164,836)
Total shareholders' equity		<u>187,575,020</u>	<u>234,094,147</u>

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

On behalf of the Board of Directors

Director

Director

Date: 18 April 2012

DWS VIETNAM FUND LIMITED

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2011

2011	Share Capital US\$	Share Premium US\$	Retained losses US\$	Total Equity US\$
Balance at 1 January 2011	4,869,314	475,389,669	(246,164,836)	234,094,147
Repurchase of Share Capital*	-	(1,492,441)	-	(1,492,441)
Total comprehensive loss	-	-	(45,026,686)	(45,026,686)
Balance at 31 December 2011	4,869,314	473,897,228	(291,191,522)	187,575,020

2010	Share Capital US\$	Share Premium US\$	Retained losses US\$	Total Equity US\$
Balance at 1 January 2010	4,869,314	478,968,924	(220,762,949)	263,075,289
Repurchase of Share Capital	-	(3,579,255)	-	(3,579,255)
Total comprehensive loss	-	-	(25,401,887)	(25,401,887)
Balance at 31 December 2010	4,869,314	475,389,669	(246,164,836)	234,094,147

* As noted on page 32, the Net Asset Value per the Financial Statements has been reduced by the market value of 29,575,000 (2010: 23,971,700) DWS Vietnam Fund Ltd. shares purchased to date 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 Cash Flows for the Year Ended 31 December 2011

	31/12/2011 US\$	31/12/2010 US\$
Cash flows from operating activities		
(Loss) for the year after taxation	(45,026,686)	(25,401,887)
<i>Adjustment for non-cash items:</i>		
Net unrealised movement on investments at fair value through profit or loss	10,382,829	(7,031,526)
<i>Changes in operating assets and liabilities</i>		
Cash inflow / (outflow) due to net purchases and sales of	46,594,560	27,545,058
Decrease/ (Increase) in debtors	891,790	(480,414)
(Decrease) in creditors	(298,615)	(4,010,880)
	<hr/>	<hr/>
Net cash generated from / (used in) operating activities	12,543,878	(9,379,649)
Cash flows from financing activities		
Repurchase of Share Capital	(1,492,441)	(3,579,255)
	<hr/>	<hr/>
Net increase/ (decrease) in cash and cash equivalents	11,051,437	(12,958,904)
Cash and cash equivalents at the beginning of the year	9,345,720	22,304,624
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	20,397,157	9,345,720
Cash flows from operating activities include:		
Interest received	2,381,158	2,743,487
Dividends received	4,601,354	4,453,209

DWS VIETNAM FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

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 9 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

As at the year end all of these special purpose Companies were in operation with the exception of Prime Limited and Kallang Limited which were only set up towards the end of the year. Notes 16 and 21 provide background information to the disposal of a majority interest in Swindon Limited and the incorporation of Prime Limited and Kallang Limited.

As at 31 December 2011 and 2010, the Company and its subsidiaries (the Group) has 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.

1 Significant accounting policies

Statement of Compliance

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU. They have also been prepared in accordance with the reporting requirements of the Irish Stock Exchange and the EU Transparency Directive (2004/109/EC) Regulations 2007 (S.I. No. 277 of 2007), (the "Regulations") for closed-ended funds. The significant accounting policies adopted by the Company are set out below.

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 for derivative financial instruments which are held for trading. Other financial assets and liabilities are stated at amortised cost.

DWS VIETNAM FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 CONT/D

2 Significant accounting policies cont/d

Accounting estimates and judgements

The preparation of the consolidated financial statements, in accordance with International Financial Reporting Standards, 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.

Many of the Group's financial instruments are measured at fair value on the consolidated statement of financial position and it is usually possible to determine their fair values within a reasonable range of estimates. For a certain number of the Group's financial instruments, quoted market prices are readily available. However, for other financial instruments, for example, unquoted securities, these are fair valued using valuation techniques, including reference to the current fair values of other instruments that are substantially similar (subject to the appropriate adjustments). Fair value estimates are made at a specific point in time, based on market conditions and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment (e.g. interest rates, volatility, estimated cash flows etc.) and therefore, cannot be determined with precision. Note 18 details the fair value hierarchy and supporting information.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in note 17.

The Directors considered new standards effective for year ended 31 December 2011 and have concluded that these new standards have no impact on these financial statements.

The accounting policies have been applied consistently by the Group. There were no changes in accounting policies of the Group during the year.

b) New accounting standards

New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2011, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the measurement of the amounts recognised in the financial statements of the Fund. However, IFRS 9 will change the classification of financial assets.

The standard is not expected to have an impact on the measurement basis of the financial assets since the majority of the Fund's financial assets are measured at fair value through profit or loss.

IFRS 9 deals with recognition, derecognition, classification and measurement of financial assets and financial liabilities. Its requirements represent a significant change from the existing requirements in IAS 39 in respect of financial assets. The standard contains two primary measurement categories for financial assets: at amortised cost and fair value. A financial asset would be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, and the asset's contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. All other financial assets would be measured at fair value. The standard eliminates the existing IAS 39 categories of held to maturity, available for sale and loans and receivables.

DWS VIETNAM FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 CONT/D

2 Significant accounting policies cont/d

b) New accounting standards cont/d

New standards and interpretations not adopted cont/d

For an investment in an equity instrument that is not held for trading, the standard permits an irrevocable election, on initial recognition, on an individual share-by-share basis, to present all fair value changes from the investment in other comprehensive income. No amount recognised in other comprehensive income would ever be reclassified to profit or loss. However, dividends on such investments are recognised in profit or loss, rather than other comprehensive income unless they clearly represent a partial recovery of the cost of the investment. Investments in equity instruments in respect of which an entity does not elect to present fair value changes in other comprehensive income would be measured at fair value with changes in fair value recognised in profit or loss.

The standard requires that derivatives embedded in contracts with a host that is a financial asset within the scope of the standard are not separated; instead the hybrid financial instrument is assessed in its entirety as to whether it should be measured at amortised cost or fair value.

IFRS 9 requires that the effects of changes in credit risk of liabilities designated as at fair value through profit or loss are presented in other comprehensive income unless such treatment would create or enlarge an accounting mismatch in profit or loss, in which case all gains or losses on that liability are presented in profit or loss. Other requirements of IFRS 9 relating to classification and measurement of financial liabilities are unchanged from IAS 39.

The requirements of IFRS 9 relating to derecognition are unchanged from IAS 39.

The standard is effective for annual periods beginning on or after 1 January 2015. Earlier application is permitted. The Fund does not plan to adopt this standard early.

c) Basis of consolidation

The consolidated financial statements comprise the financial statements of DWS Vietnam Fund and its subsidiaries for the year ended 31 December 2011. 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 year ended 31 December 2011, as the Company has full ownership of the subsidiaries, with the exception of Swindon Ltd. Notes 16 and 21 detail the disposal of 78.13% of the share capital of Swindon Ltd. to Fortis Healthcare International Pte Ltd.

d) Financial Instruments

(i) Classification

The Group classifies all its investments into the financial assets and financial liabilities at fair value through profit or loss category. The category of financial assets and financial liabilities at fair value through profit or loss comprises:

- Financial instruments held for trading, including all derivatives and rights/warrants;
- Financial instruments designated at fair value through the profit or loss upon initial recognition. At year end, all investments held are designated at fair value through profit or loss as they are managed on a fair value basis.

(ii) Recognition

The Group recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument. A regular way purchase of financial assets is recognised using trade date accounting. From this date any gains and losses arising from changes in fair value of the financial assets or financial liabilities are recorded.

DWS VIETNAM FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 CONT/D

2 Significant accounting policies cont/d

d) Financial Instruments cont/d

(iii) Measurement

Financial instruments are measured initially at fair value. Transaction costs on financial assets and financial liabilities at fair value through profit and loss are expensed through operating expenses in the profit or loss immediately while on other financial instruments such costs are amortised. Subsequent to initial recognition, except for financial instruments carried at amortised cost, all other financial instruments are fair valued through profit or loss.

(iv) Fair value measurement principles

Investments which are quoted, listed or normally dealt in on a securities market or other regulated market will normally be valued at the official close of business price on the principal market for such security at the Valuation Date. Where such security is listed or dealt in on more than one securities market the Administrator will value the security on the most advantageous active market to which the entity has immediate access. The value of any investment which is not listed or dealt in on a securities market shall be the value using an average of available broker prices, provided the variance between broker prices is not significant, or using an alternative estimation technique to measure fair value where no broker prices are available, if this is considered the best estimate of fair value at the year end.

(v) Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition in accordance with IAS 39. A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

(vi) Cash and cash equivalents

Cash comprises current deposits with banks. Cash and cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents are valued at their face value.

e) Net gains and losses on financial instruments at fair value through profit or loss

Gains and losses arising from financial assets at fair value through profit or loss are included in the Consolidated Statement of Comprehensive Income and detailed in note 3. Net realised gains or losses from financial assets at fair value through profit or loss are calculated using the average cost method, calculated as the difference between the sales proceeds and the cost of the securities at the trade date of the sale.

f) Translation of foreign currencies

Transactions in foreign currencies are translated into the US dollar functional currency at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are then subsequently translated to US Dollars at the foreign currency closing exchange rate ruling at the reporting date. Foreign currency exchange differences arising on translation and realised gains and losses on disposals or settlements of monetary assets and liabilities are recognised through profit or loss. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to US Dollars at the foreign currency exchange rates ruling at the dates that the values were determined. Foreign exchange gains and losses on financial assets and financial liabilities at fair value through profit or loss are recognised together with other changes in the fair value.

Included in the profit or loss line item "Other gains / (losses)" are net foreign exchange gains and losses on monetary financial assets and financial liabilities other than those classified at fair value through profit or loss.

DWS VIETNAM FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 CONT/D

2 Significant accounting policies cont/d

g) Interest Income

Interest income and expense are recognised in profit or loss as it accrues, using the original effective interest rates of the instrument calculated at the later of the acquisition or origination date. Interest income includes the amortisation of any discount or premium, or other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on an effective interest basis. Interest income is included with 'Investment income' in profit or loss in the Consolidated Statement of Comprehensive Income. Interest income is separately disclosed between bond interest from investments designated at fair value through profit or loss and fixed deposit interest from assets held at amortised cost.

h) Dividend income

Dividend income relating to exchange-traded equity investments is recognised in profit or loss on the ex-dividend date in the investment income line. In some cases, the Group may receive or choose to receive dividends in the form of additional shares rather than cash. In such cases the Group recognises the dividend income through Profit or Loss for the amount of the equivalent cash dividend alternative with the corresponding debit treated as an additional investment in the Statement of Financial Position.

Income distribution from private equity investments and other investment funds are recognised in profit or loss as dividend income when declared.

i) Expenses

All expenses, including management fees and custodian fees are recognised in profit or loss on an accruals basis.

j) Share Capital

Costs directly associated with the issuance of share capital of the Company are charged to the share premium account.

k) 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 of its own shares held is excluded from the net gain / loss on investments designated at fair value through profit or loss, Note 3.

l) Taxation

Current tax is provided on the Company's taxable profits, at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Dividend and interest income received by the Company 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 recognised as 'non-reclaimable withholding tax' in the profit or loss.

Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the reporting date. Provision is made at the rates expected to apply when the temporary differences reverse.

DWS VIETNAM FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 CONT/D

2 Significant accounting policies cont/d

l) Taxation cont/d

Temporary differences are differences between the carrying amount of an asset or liability in the Statement of Financial Position and its tax base.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

m) Segmental Reporting

The Group operates a single operating segment under IFRS 8 with all decisions on allocating resources and reviewing performance of the Group being managed as a single segment. Note 19 provides a detailed description of the presentation of segment information.

3 Net gains / (losses) on investments at fair value through profit or loss

The net gains / (losses) on investments during the year comprise:	31/12/2011	31/12/2010
	US\$	US\$
Net gains/(losses) on investments for the year:		
<i>Investments designated at fair value</i>	(40,565,627)	(23,177,925)
<i>Investments held for trading</i>	(7,037,615)	(4,301,803)
Net gains / (loss) on investments at fair value through profit or loss	<u>(47,603,242)</u>	<u>(27,479,728)</u>

DWS VIETNAM FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 CONT/D

4	Investment income		31/12/2011	31/12/2010
			US\$	US\$
	From investments designated at fair value through profit or loss :			
	Bond interest		2,136,215	3,509,834
	Dividend income		4,370,033	4,621,914
	From financial assets held at amortised cost:			
	Fixed deposit interest		135,297	27,409
			<u>6,641,545</u>	<u>8,159,157</u>
5	Other gains / (losses)		31/12/2011	31/12/2010
			US\$	US\$
	Net foreign exchange gain / (loss)		211,490	(73,762)
	Other income		536,014	4,348
			<u>747,504</u>	<u>(69,414)</u>
6	Operating expenses	Note	31/12/2011	31/12/2010
			US\$	US\$
	Investment Manager			
	Investment Manager fee	(14)	(3,641,815)	(4,454,819)
	Investment Advisor fee	(14)	(190,448)	(260,662)
			<u>(3,832,263)</u>	<u>(4,715,481)</u>
	Custodian			
	Custody fees	(14)	(299,648)	(374,649)
	Administrator			
	Administration fees	(14)	(257,096)	(314,472)
	Transfer Agency fees		(6,000)	(6,000)
			<u>(263,096)</u>	<u>(320,472)</u>
	Other expenses			
	Directors fees	(7,16)	(10,000)	(10,000)
	Directors Insurance		(54,517)	(61,614)
	Legal fees		(79,981)	(22,277)
	Audit Fee*		(48,584)	(53,276)
	Miscellaneous expenses		(242,856)	(316,232)
			<u>(435,938)</u>	<u>(463,399)</u>
	Total Expenses		<u>(4,830,945)</u>	<u>(5,874,001)</u>

*The audit fee relates solely to the provision of audit services.

7 Directors' Remuneration

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

DWS VIETNAM FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 CONT/D

8 Accounts receivable

	31/12/2011	31/12/2010
	US\$	US\$
Sales awaiting settlement	-	33,747
Dividend receivable	190,119	421,440
Interest receivable	501,283	1,123,583
Other receivables	10,685	15,107
	<u>702,087</u>	<u>1,593,877</u>

9 Cash and cash equivalents

	31/12/2011	31/12/2010
	US\$	US\$
Cash and bank balances	20,397,157	9,345,720
	<u>20,397,157</u>	<u>9,345,720</u>

All cash and bank balances are held with State Street Bank & Trust Company, which is rated AA- by Standard & Poor's.

10 Accounts payable

	31/12/2011	31/12/2010
	US\$	US\$
Purchases awaiting settlement	(160,473)	(33,747)
Deposit held for sale of investment	-	(512,439)
Accrued expenses	(693,577)	(606,479)
	<u>(854,050)</u>	<u>(1,152,665)</u>

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

11 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 or into the subsidiaries to purchase investments that meet the Group's investment objectives while maintaining sufficient liquidity.

DWS VIETNAM FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 CONT/D

11 Share capital cont/d

Shares - Equity cont/d

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 its 9 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 year, 5,603,300 DWS Vietnam Fund Limited shares (2010: 13,183,759 shares) were purchased by Beira Ltd. and Epsom Ltd., both wholly owned subsidiary companies, refer to page 32 for further details.

The Company has issued share capital of 486,931,392 shares of which a total of 29,575,000 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 12 for further detail.

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.

12 Share premium

	31/12/2011	31/12/2010
	US\$	US\$
Balance at start of year	475,389,669	478,968,924
Repurchase of parent shares by the Group	(1,492,441)	(3,579,255)
Balance at end of year	<u>473,897,228</u>	<u>475,389,669</u>

DWS VIETNAM FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 CONT/D

13 Earnings / (loss) per share

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

	2011 US\$	2010 US\$
(Loss) / earnings for the purpose of the basic and diluted earnings per share is net (loss)/ profit attributable to shareholders	(45,026,686)	(25,401,887)
Weighted average number of shares for the basic and diluted earnings per share	459,950,840	468,851,503

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 36.

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 year end.

14 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 as defined in the prospectus. 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 10 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 12 bps of the Net Asset Value of the fund.

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.

DWS VIETNAM FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 CONT/D

14 Significant Agreements cont/d

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 year by Duxton Asset Management Pte Ltd was US\$Nil (2010: Nil) of which US\$Nil was outstanding at year end (2010: Nil). The performance fee earned for the year by PXP Vietnam Asset Management Ltd was US\$Nil (2010: Nil) of which US\$Nil was outstanding at year end (2010: 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. As noted above, neither the Investment Manager or the sub Investment Manager earned a performance fee in the year ended 31 December 2011. Fees payable to the Investment Manager on termination of the Investment Management Agreement are detailed in the Prospectus.

15 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.

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. The exception is tax exempt bonds. The tax is included within non-reclaimable withholding tax on the consolidated statement of comprehensive income.

DWS VIETNAM FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 CONT/D

15 Taxation cont/d

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 proceeds received from the transfer. 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 of limited liability companies 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.

16 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 year, Deutsche Asset Management (Asia) Limited earned a fee of US\$3,641,815 (2010: US\$4,454,818) of which US\$562,672 was outstanding at the year end (2010: US\$343,287).

In addition, the Investment Manager executed a number of trades on behalf of the Fund with Deutsche Bank London broking division, a member of the Deutsche Bank AG Group of which the Investment Manager, DeAM (Asia) Ltd is also a member. The total value of trades was US\$1,676,561 (2010: US\$3,487,436) and which represented commission of US\$13,521 (2010: US\$6,649) paid to Deutsche Bank, London.

As at the year end, Deutsche Bank AG (London) issued a long term bond to the Group as disclosed in the Portfolio of Investments on page 22.

As at year 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 PXP Vietnam Asset Management Limited has been appointed by Duxton Asset Management to manage a portion of the investment cash during the year.

As detailed in note 14, 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 performance fee earned for the year by Duxton Asset Management Pte Ltd was US\$Nil (2010: Nil) of which US\$Nil was outstanding at year end (2010: Nil).

Duxton Asset Management Pte Ltd. has been appointed as sub Investment Manager to the Group. For these services in the year, Duxton Asset Management Pte Ltd. earned a fee of US\$190,448 (2010: US\$260,662) of which US\$45,507 was outstanding at the year end (2010: US\$19,927).

Transactions with key management personnel;

Three of the Directors, Stephen Duerden, Tri Pham and John Dorrian are employees of Deutsche Bank A.G. related entities. Stephen Duerden is also a Director of Duxton Asset Management Ltd.

The total fees earned by the independent Director in the year was US\$5,000 (2010: US\$5,000).

DWS VIETNAM FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 CONT/D

16 Related Party Transactions cont/d

Transactions with subsidiaries;

On 2 August 2011, the investment committee of the Duxton Asset Management Pte.Ltd. in accordance with the delegated sub-Investment Manager mandate for the Company approved the sale of convertible bonds, representing 17.5% of the issued share capital in Hoan My Medical Corporation ("Hoan My") held by Epsom Limited, a wholly-owned subsidiary of the Company, to Fortis Healthcare International Pte Limited ("Fortis Healthcare") for an aggregate consideration of US\$17,236,438, with the Company to retain ownership (via a special purpose vehicle) of convertible bonds convertible into shares representing 4.9% of the issued share capital in Hoan My.

The disposal was executed via the following transactions:

(i) sale of all the convertible bonds held by Epsom, representing 22.4% of the issued share capital in Hoan My to Swindon Limited for a consideration of VND180,000,000,000 (approximately US\$8,742,108 based on an exchange rate of 1 USD to 20,590 VND), being the cost price of the convertible bonds paid by Epsom at the point of initial acquisition, pursuant to a convertible bonds sale agreement between Epsom and Swindon.

(ii) sale of the entire issued share capital of Swindon Ltd. a wholly owned subsidiary of the Company, by the Company to Teignmouth Ltd, another wholly owned subsidiary of the Company, for a purchase price of US\$8,742,108 to be satisfied by issue of 8,742,108 ordinary shares in Teignmouth Ltd. at an issue price of US\$1 per share to the Company, pursuant to a share purchase agreement to be entered into between the Company and Teignmouth.

(iii) sale of 78.13% of the share capital of Swindon Ltd. by Teignmouth Ltd. to a third party, Fortis Healthcare pursuant to a share purchase agreement dated 8 August 2011 entered into between the Company, Epsom Ltd., Teignmouth Ltd. and Fortis Healthcare International Pte Limited at fair value for consideration of US\$ 17m.

The holding of 21.87% of Swindon Ltd. by Teignmouth Ltd. retained is carried at fair value through profit and loss of US\$4,826,500.

In accordance with the Offer Memorandum and the Articles and Memorandum of Association of the Company, the Company may structure any or all of its investments through wholly-owned subsidiaries which act as special purpose holding companies incorporated outside Vietnam. Pursuant to the terms of the sub-delegation agreement between Deutsche Asset Management (Asia) Limited and Duxton Asset Management Pte Ltd ("DuxtonAM"), DuxtonAM as the delegated investment manager of the Company has recommended that the Company incorporate in the Cayman Islands two new wholly owned subsidiaries of the Company (the "SPVs"), to hold certain underlying investments of the Company. These new wholly owned subsidiaries, Prime Ltd., and Kallang Limited were incorporated prior to year end 31 December 2011.

The subsidiaries currently in operation as listed in Note 1 are being managed by Deutsche Asset Management (Asia) Limited. All transactions between the company and its subsidiaries are on an arm's length basis.

DWS VIETNAM FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 CONT/D

17 Financial instruments

In accordance with IFRS 7 Financial Instruments: Disclosure, this note details the way in which the Company manages risks associated with the use of Financial Instruments. Certain IFRS 7 disclosures are addressed on the portfolio of investments which can be found on pages 21 to 23.

General Risk Management Process

As an Investment Company, the risk management of financial instruments is fundamental to the management of the Company's business. The Company's risk management process is managed by Duxton Asset Management Pte. Ltd. in its capacity as delegated Investment Manager. Duxton is organized by function with distinct separation of responsibility between the portfolio managers, traders and investment administration personnel. The risk management process consists of a multi-layered and cross-functional review that provides a system of checks and balances.

Risks specific to each type of financial instrument are managed by the relevant Portfolio Management teams. This includes:

- a) The 'Listed Equities' Team
- b) The 'Unlisted Equities' Team (including Collective Investment Schemes)
- c) The 'Fixed Income' Team

In addition these teams are supported by the Investment Committee which provides oversight to the investment, performance and operational processes of the Group.

As defined in the reporting standard, risk can be separated into the following components: market risk, credit risk and liquidity risk. Each type of risk is discussed in turn and qualitative and quantitative analyses are provided where relevant to give the reader an understanding of the risk management methods used by the Investment Manager and the Board of Directors. However, each risk control in place is not always limited to the mitigation of one single, particular risk. Hence, investors should place the role of each risk control in the broader context of the overall risk management of the Group.

(a) Market risk

(i) Market price risk

This is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other market price risk.

Other market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk and currency risk which are addressed separately), whether those changes are caused by factors specific to individual financial instruments or its issuer, or other factors affecting similar financial instruments traded in the market.

The Company undertakes to manage market price risk among the different asset classes by pre-setting monthly asset allocation targets. The monthly asset allocation targets are based on the Fund Manager's (FM) projections of the market price risks of the individual financial instruments that the Group holds. In pre-setting allocations, the FM aims to achieve an optimal weightage of the Fund's financial instruments to minimize market price risk, though there is no guarantee this may be achieved.

The asset allocations of the Fund are also monitored and reviewed on a monthly basis in Investment Committee meetings, based on inputs from Duxton's CIO and the Investment Committee, which includes all Fund Managers from the 3 teams- the 'Listed Equities' team, the 'Unlisted Equities' team and the 'Fixed Income' team.

DWS VIETNAM FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 CONT/D

17 Financial instruments cont/d

General Risk Management Process cont/d

a) Market risk cont/d

(i) Market price risk cont/d

The Group is exposed to inflation risk as the global economic recovery takes place. Please refer to pages 8 and 19 of the Investment Manager's Report for further details on inflation risk.

The asset class exposure as at 31 December 2011 and 31 December 2010 were as follows:

	31 December 2011		31 December 2010	
	Net US\$	% Total Assets	Net US\$	% Total Assets
Asset Class Exposure:				
<i>Financial instruments at fair value through profit or loss:</i>				
Listed Equities	76,205,739	40.44%	101,437,692	43.12%
Unlisted Equities	34,821,065	18.48%	46,690,912	19.85%
Warrants	-	0.00%	5,080,750	2.16%
Rights	-	0.00%	1,575,490	0.67%
Collective investment schemes	19,460,503	10.33%	26,390,824	11.22%
Bonds	36,842,519	19.56%	43,131,547	18.33%
	167,329,826	88.81%	224,307,215	95.35%
<i>Financial assets at amortised cost:</i>				
Cash	20,397,157	10.82%	9,345,720	3.97%
Other Assets	702,087	0.37%	1,593,877	0.68%
	21,099,244	11.19%	10,939,597	4.65%
Total Assets	188,429,070	100.00%	235,246,812	100.00%

The Board of Directors estimates the reasonably possible market price fluctuations for equity investments being a 10% sensitivity on an individual investment basis.

The table below sets out the effect on the Company's profit or loss and net assets of a reasonably possible strengthening in the individual equity market prices of 10% at 31 December 2011 and 2010. The analysis assumes that all other variables, in particular interest and foreign currency rates remain constant.

Effect in US\$:	2011 US\$	2010 US\$
Net impact on profit or loss and net assets	13,048,731	17,058,667
<i>Effect in % of net assets:</i>		
Net impact on profit or loss and net assets	6.92%	7.25%

DWS VIETNAM FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 CONT/D

17 Financial instruments cont/d

General Risk Management Process cont/d

a) Market risk cont/d

(i) Market price risk cont/d

The industry sector breakdown (for listed and unlisted equities and warrants) as at 31 December 2011 is detailed below. (All listed and unlisted securities are held in Vietnam)

Sector	31 December 2011	31 December 2010
Consumer staples	34%	21%
Industrials	13%	17%
Real estate management	12%	-
Materials	10%	14%
Healthcare	10%	6%
Energy	6%	6%
Information Technology	6%	6%
Financials	5%	27%
Consumer Discretionary	3%	2%
Marine	1%	-
Utilities	-	1%
Total	100%	100%

(ii) Currency risk

Currency risk is defined in IFRS 7 as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. This risk arises on financial instruments that are denominated in a currency other than the functional currency in which they are measured. For the purposes of IFRS 7, currency risk is ordinarily defined to include monetary items only, such that it therefore excludes non-monetary foreign currency financial instruments. However, as the Group fair values all its non-monetary financial instruments, all such assets have been included hereunder for the purpose of currency risk exposure analysis.

Under the mandate of the Investment Management Agreement, the primary investment objective of the Group is to seek long-term capital appreciation of its assets by investing in a diversified portfolio of Vietnamese-related securities (onshore and offshore), such as equity, fixed-income and money market instruments. There is no explicit intention of performance returns through currency gains and the Group does not seek currency speculation as one of its investment objectives.

As such, the two main currencies held by the Group are the US dollar (the functional currency of the Fund) and the Vietnamese Dong (which is required for investments into Vietnam that require payment in the local currency). There are internal controls in place to ensure that the Group does not hold a diversified basket of currencies. However, on occasion, the Group may hold financial instruments denominated in a currency other than the US dollar or Vietnamese Dong as a consequence of buying securities that are listed on a Foreign Exchange and which are thus denominated in a foreign currency other than US Dollar or Vietnamese Dong. When selling these off-shore equities which are denominated in the off-shore country's base the Group may from time to time have cash that is denominated in a currency other than USD and VND. Under such circumstances, the FM on a best effort's basis, will either buy other off-shore equities denominated in the off-shore country's base currency or repatriate the amount held in the off-shore country's base currency into either US dollar or Vietnamese Dong as soon as possible. There are internal controls in place to ensure that the Fund adheres to this policy. The FM has also taken the view not to actively hedge the Vietnamese Dong against the USD as Vietnamese Dong is often needed for investments into Vietnamese-related securities that require payment in the local currency.

DWS VIETNAM FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 CONT/D

17 Financial instruments cont/d

General Risk Management Process cont/d

(a) Market risk cont/d

(ii) Currency risk cont/d

In summary, the Fund's exposure to currency risk is continually monitored by the FM and hedging against such a risk will be entirely at the FM's discretion.

	31 December 2011			31 December 2010		
	Assets	Liabilities	Net Assets	Assets	Liabilities	Net Assets
	US\$	US\$	US\$	US\$	US\$	US\$
Monetary:						
USD	37,292,184	-	37,292,184	21,161,974	-	21,161,974
VND	19,947,492	-	19,947,492	35,248,076	-	35,248,076
Non- Monetary:						
USD	22,471,949	(693,576)	21,778,373	28,294,232	(1,409,676)	26,884,556
VND	108,717,445	(160,474)	108,556,971	150,833,288	(33,747)	150,799,541
Total	188,429,070	(854,050)	187,575,020	235,537,570	(1,443,423)	234,094,147

The Board of Directors estimates the reasonably possible strengthening of the US\$ in relation to all of the above currencies by 5%.

The table below sets out the effect on the Company's profit or loss and net assets of a reasonably possible strengthening of the US\$ in relation to all of the above currencies by 5% at 31 December 2011 and 2010. This analysis assumes that all other variables, in particular interest rates, remain constant:

Effect in US\$:	2011 US\$	2010 US\$
VND	6,119,260	8,859,410
Effect in % of net assets:		
VND	3.26%	3.78%

(iii) Interest rate risk

This risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This risk arises on financial instruments whose fair value or future cash flows are affected by changes in interest rates. The Fund is exposed to interest rate risk through the fixed income portion of its assets. The management of such risks is discussed below.

DWS VIETNAM FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 CONT/D

17 Financial instruments cont/d

General Risk Management Process cont/d

(a) Market risk cont/d

(iii) Interest rate risk cont/d

The following table details the Fund's exposure to interest rate risk. It includes the Group's financial assets and trading liabilities, categorised by the earlier of contractual re-pricing or maturity date measured by the carrying value of the assets and liabilities:

	Repricing / Maturity Date Less than 3 months US\$	Repricing / Maturity Date 1 to 5 years US\$	Repricing / Maturity Date over 5 years US\$	Non- Interest Bearing US\$	Total Carrying Value US\$
Assets					
Cash and Bank Balances	20,397,157	-	-	-	20,397,157
Equities and warrants	-	-	-	111,026,804	111,026,804
Bonds	14,847,869	21,994,650	-	-	36,842,519
Collective Investment Schemes	-	-	-	19,460,503	19,460,503
Other Assets	-	-	-	702,087	702,087
Total Assets	35,245,026	21,994,650	-	131,189,394	188,429,070
Liabilities					
Other Liabilities	-	-	-	(854,050)	(854,050)
Total Liabilities	-	-	-	(854,050)	(854,050)
Total Net Assets	35,245,026	21,994,650	-	130,335,344	187,575,020

The Board of Directors have determined that a fluctuation of between 100 basis points and 300 basis points is reasonably possible at 31 December 2011 and 2010.

The tables below sets out the effect on the Company's profit or loss and net assets of a reasonably possible increase or decrease of between 100 basis points and 300 basis points at 31 December. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

USD-denominated bond portfolio.

Below is the interest rate sensitivity of the USD denominated bond portfolio of the company as at 31 December 2011 based on the weighted average duration of the bonds:

Change in interest rate	Weighted average Duration of portfolio (years)	% Change	Change in Value (US\$)
300bp decline	0.53	1.59	284,748
200bp decline	0.53	1.06	189,832
100bp decline	0.53	0.53	94,916
100bp increase	0.53	-0.53	(94,916)
200bp increase	0.53	-1.06	(189,832)
300bp increase	0.53	-1.59	(284,748)

DWS VIETNAM FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 CONT/D

17 Financial instruments cont/d

General Risk Management Process cont/d

(a) Market risk cont/d

(iii) Interest rate risk cont/d

VND-denominated bond portfolio.

As at 31 December 2011 the VND denominated bond portfolio comprised of unlisted convertible bonds with the associated risks and sensitivities as discussed in Note 17.

The interest rate profile of the Group for the year ended 31 December 2010 was as follows:

	Repricing / Maturity Date Less than 1 year US\$	Repricing / Maturity Date 1 to 5 years US\$	Repricing / Maturity Date over 5 years US\$	Non Interest Bearing USD	Total Fair Value US\$
Assets					
Cash and bank balances	9,345,720	-	-	-	9,345,720
Equities and warrants	-	-	-	154,784,844	154,784,844
Bonds	-	35,491,646	7,639,901	-	43,131,547
Collective Investment Scherr	-	-	-	26,390,824	26,390,824
Other Assets	-	-	-	1,884,635	1,884,635
Total Assets	9,345,720	35,491,646	7,639,901	183,060,303	235,537,570
Liabilities					
Other Liabilities	-	-	-	(1,443,423)	(1,443,423)
Total Liabilities	-	-	-	(1,443,423)	(1,443,423)
Total Net Assets					234,094,147

USD-denominated bond portfolio.

Below is the interest rate sensitivity of the USD denominated bond portfolio of the company as at 31 December 2010 based on the weighted average duration of the bonds:

Change in interest rate	Weighted average Duration of portfolio (years)	% Change	Change in Value (US\$)
300bp decline	1.39	4.17%	810,872
200bp decline	1.39	2.78%	540,581
100bp decline	1.39	1.39%	270,291
100bp increase	1.39	1.39%	(270,291)
200bp increase	1.39	2.78%	(540,581)
300bp increase	1.39	4.17%	(810,872)

DWS VIETNAM FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 CONT/D

17 Financial instruments cont/d

General Risk Management Process cont/d

(a) Market risk cont/d

(iii) Interest rate risk cont/d

VND-denominated bond portfolio.

Below is the interest rate sensitivity of the VND denominated bond portfolio of the company as at 31 December 2010 based on the weighted average duration of the bonds:

Change in interest rate	Duration of portfolio (years)	Weighted average % Change	Change in Value (US\$)
300bp decline	0.51	1.53%	37,274
200bp decline	0.51	1.02%	24,849
100bp decline	0.51	0.51%	12,425
100bp increase	0.51	0.51%	(12,425)
200bp increase	0.51	1.02%	(24,849)
300bp increase	0.51	1.53%	(37,274)

(b) Credit Risk

This is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. This includes counterparty risk and issuer risk. In relation to the Group, it can arise from receivables due from another party, placing deposits with other entities, purchases of debt securities and entering into derivative contracts.

Counterparty risk is managed by transacting only with approved counterparties who have been approved by Duxton Asset Management Pte. Ltd. risk committee.

Issuer risk is associated with transacting in exchange traded debt securities and is monitored by use of credit ratings. For funds investing in debt securities, the investment objectives provide details of the credit rating restrictions imposed on that Fund.

In managing credit risk, the Company and its Segregated Managers will observe the following investment restrictions and requirements:

(a) No more than 20 per cent of the gross assets of the Company may be invested in the securities of a single issuer or may be exposed to the creditworthiness or solvency of any one counterparty except where the investment is in securities issued or guaranteed by a government agency or instrumentality of any member state, its regional or local authorities or an OECD member state;

(b) No more than 40 per cent of the gross assets of the Company may be invested in another single fund or may be allocated by the Investment Manager to any single Segregated Fund Manager, but provided always that each Segregated Fund Manager operates on the principal of risk spreading and complies with each of the Company's investment restrictions as provided in this provision, and the Investment Manager will undertake to monitor the underlying investments to ensure that, in aggregate, the investment restrictions set out above are complied with. No more than 20 per cent, in aggregate, of the value of the gross assets of the fund will be invested in other funds whose principal investment objectives include investing in other funds.

As at 31 December 2011, no more than 11% of the fund's NAV was invested in another single fund/collective investment scheme (31 December 2010: no more than 4%).

DWS VIETNAM FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 CONT/D

17 Financial instruments cont/d

General Risk Management Process cont/d

(b) Credit Risk cont/d

In addressing issuer risk, financial institutions outside of Vietnam must have a minimum short-term credit rating of Prime-1 (Moody) / A-1 (Standard & Poor) / F-1 (Fitch Ratings). Such deposit instruments may include money-market funds or fixed income instruments with a term of less than 3 months provided that the instrument has a credit rating of 'A' or above. For the purpose of this paragraph, a credit rating of 'A' refers to the credit rating allotted by Standard & Poor's.

The ratings of the fixed income instruments are detailed in the portfolio of investments on page 22. For instruments with no credit ratings available, the Company monitors the credit risk and credit spreads on a regular basis. Please refer to Note 17 for further details on the risks and sensitivities associated with these bonds.

As at 31 December 2011, all of the 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) of the Group are held by State Street Custodial Services (Ireland) Limited, 78 Sir John Rogerson's Quay, Dublin 2, Ireland, whose parent State Street Bank and Trust Company is an AA- grade rated company. Bankruptcy or insolvency of the custodian may cause the Fund's rights with respect to securities held by the custodian to be delayed or limited. The Fund monitors its risk by monitoring the credit rating and financial positions of the custodian the Fund uses, and also by monitoring the credit rating of the sub-custodian it uses, Hong Kong and Shanghai Bank Corporation, an AA grade rated company.

The carrying amounts of financial assets best represent the maximum credit risk exposure at the consolidated statement of financial position date.

	31 December 2011	31 December 2010
	US\$	US\$
Investment in Debt Instruments	36,842,519	43,131,547
Cash & Cash Equivalents	20,397,157	9,345,720
Interest & Other Receivables	702,087	1,593,877
	<u>57,941,763</u>	<u>54,071,144</u>

(c) Liquidity Risk

This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

The Group has little/no liquidity risk as it is a closed-end fund, and redemptions by investors are not allowed for the entire length of the fund's life, which is of unlimited duration. There are no financial obligations that may arise through redemptions of shares by investors. The fund holds sufficient cash at all times to meet its obligations to cover operating expenses.

However, to prevent significant exposure to financial liabilities in any Investee company, the Group is not allowed to acquire an interest in an investment which exposes the Company to unlimited liability.

DWS VIETNAM FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 CONT/D

17 Financial instruments cont/d

General Risk Management Process cont/d

(c) Liquidity Risk cont/d

Risk management controls for Different Financial Instruments

The following paragraphs discuss the risk controls taken to manage the risk levels of each of the financial instruments stated below:

1. **Cash and cash equivalents**
2. **Collective Investment Schemes**
3. **Fixed Income**
4. **Structured Note**
5. **Equities**
 - o **Listed Equities**
 - o **Unlisted Equities**

1. Cash & Cash Equivalents

The Company's investments in Vietnam are in securities that are denominated in Vietnamese Dong. Therefore, a significant cash portion of the Group is held in Vietnamese Dong.

The Vietnam Dong is held in bank accounts with State Street Bank and Trust Company. The Company may seek to hedge against a decline in the value of the Company's assets resulting from currency depreciation but only if and when suitable hedging instruments are available on a timely basis and on terms acceptable to the Investment Manager. There is no assurance that any hedging transactions engaged in by the Company will be successful in protecting against currency depreciation or that the Company will have opportunities to hedge on commercially acceptable terms.

The Company may hold up to 100 per cent of its assets in cash at any time at the sole discretion of the Investment Manager. The Investment Manager can require Segregated Fund Managers to hold any or all Segregated Funds assets in cash. The Company's uncommitted assets will be held in cash, either in Dong or US\$ deposit instruments held in financial institutions in Vietnam or outside of Vietnam. Financial institutions outside of Vietnam must have a minimum short-term credit rating of Prime-1 (Moody) / A-1 (Standard & Poor) / F-1 (Fitch Ratings). Such deposit instruments may include money-market funds or fixed income instruments with a term of less than 3 months provided that the instrument has a credit rating of 'A' or above. For the purpose of this paragraph, a credit rating of 'A' refers to the credit rating allotted by Standard & Poor's. As at 31 December 2011, all cash was held by State Street Custodial Services (Ireland) Limited.

2. Fixed Income

The fund invests in two types of bonds:

a. USD-denominated Vietnam Sovereign bonds

These bonds are affected by interest rate risk. i.e. US interest rates and credit spreads on the Vietnam sovereign. The Investment Manager will monitor the US interest rates and credit spreads on the Vietnam sovereign to manage interest rate risk. The value of USD-denominated Vietnam Sovereign bonds as at 31 December 2011 was US\$17,908,718 (9.55% of NAV) of which 7.49% matured on 31 January 2012 and redemption proceeds were received. The value of USD-denominated Vietnam Sovereign bonds as at 31 December 2010 was US\$19,445,375 (8.26% of NAV).

DWS VIETNAM FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 CONT/D

17 Financial instruments cont/d

General Risk Management Process cont/d

(c) Liquidity Risk cont/d

Risk management controls for Different Financial Instruments cont/d

b. VND-denominated Vietnam sovereign and corporate bonds

Exposure to the VND-denominated 5-year Vietnam government bonds is primarily through the Deutsche Bank (DB) Leveraged note and a relatively smaller exposure via cash bonds. Such bonds are exposed to interest rate risk. The Investment Manager will monitor interest rates to manage interest rate risk. The value of VND-denominated Vietnam Sovereign and corporate bonds as at 31 December 2011 was US\$Nil (0.00% of NAV), 31 December 2010: US\$2,436,210 (1.04% of NAV).

3. Credit Linked Note

The structured note is linked to a Vietnamese Government Bond and has the same risks and risk management processes as stated in 2b). The value of this note as at 31 December 2011 was US\$14,042,875 (7.49% of NAV) 31 December 2010: US\$14,783,650 (6.28% of NAV),

4. Equities

a. Listed Equities

Listed equities of the Company are exposed to market price risks. The Investment Manager has adopted a prudent approach in building fund exposure to the broader Vietnamese markets to minimise such risks. As of 31 December 2011, 10.87% (2010: 3.99%) of the Fund is in cash and short term equivalents, to be invested only should suitable opportunities be identified. The fund's exposure to market price risk at 31 December 2011 is equivalent to the fair values of investments, as detailed in the Schedule of Investments on pages 21 to 23. The value of listed equities as at 31 December 2011 was US\$76,205,739 (40.63% of NAV), 31 December 2010: US\$101,437,692 (43.33% of NAV).

To manage risk in the listed equities portion of the portfolio, the fund observes the condition that no more than 20 per cent of the gross assets of the Company may be invested in the securities of a single issuer or may be exposed to the creditworthiness or solvency of any one counterparty except where the investment is in securities issued or guaranteed by a government agency or instrumentality of any member state, its regional or local authorities or an OECD member state;

No more than 25 per cent of outstanding market capitalisation / shares of any issuer may be owned by the Fund.

Exposure to securities with a market capitalisation of less than USD 5 million is not allowed, unless the Investment Manager decides otherwise.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 CONT/D

17 Financial instruments cont/d

General Risk Management Process cont/d

(c) Liquidity Risk cont/d

Risk management controls for Different Financial Instruments cont/d

b. Unlisted Equities

In the “unlisted equities” portion of the Group, the Group faces liquidity risk. The Group endeavors to minimise liquidity risk by only investing in unlisted companies with profit track record that have plans to list on a liquid Stock Exchange (either domestically or regionally) within a 2-3 years time frame. However, few companies have listed on the Vietnam Stock Exchange and there is no guarantee that the Vietnam Stock Exchange will provide liquidity for the Group’s investment in Unlisted Companies. The Group may have to resell its investments in privately negotiated transactions and the prices realised from these sales could be less than those originally paid by the Group or less than what may be considered to be the fair value or actual market value of such securities. The value of unlisted equities as at 31 December 2011 was US\$ 34,821,065 (18.56% of NAV) 31 December 2010: US\$46,690,912 (19.85% of NAV).

The ‘unlisted investments’ team seeks to mitigate risk by conducting the appropriate due diligence on the unlisted companies the Group invests in. This includes on-site due diligence at the offices of the unlisted Companies it invests in together with interview of the management. In some instances, external research parties may be hired to conduct due diligence on the unlisted Companies. However, investors should bear in mind that good due diligence may be difficult to achieve in some contexts, especially where limited information is publicly available.

As the Group is likely to be a minority shareholder in any Unlisted Company in which it invests, the Group will endeavour in appropriate situations to obtain suitable minority shareholder protection by way of a shareholders' agreement and/or observer rights on boards, where possible. However, the Group may not succeed in obtaining such protection and even where the Group obtains such shareholders' agreement or board representation, they may only offer limited protection.

Other general risk management procedures

The Company will not:

- (a) Acquire an interest in an investment which exposes the Company to unlimited liability;
- (b) Make any investments on margin unless to meet the requirements of settlement; or
- (c) Undertake any short-selling.

DWS VIETNAM FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 CONT/D

18 Fair Value Information and 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).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability. The determination of what constitutes ‘observable’ requires significant judgement by the Company. The Company considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following table analyses within the fair value hierarchy the Company’s financial instruments measured at fair value at 31 December 2011:

	Level 1	Level 2	Level 3	Total Fair Value
Financial instruments at fair value through profit or loss	US\$	US\$	US\$	US\$
Collective Investment Schemes	2,603,989	16,856,514	-	19,460,503
Listed Equities	76,205,739	-	-	76,205,739
Unlisted Equities	-	9,251,317	25,569,748	34,821,065
Long Term Bonds	-	17,908,718	18,933,801	36,842,519
Total	78,809,728	44,016,549	44,503,549	167,329,826

There were no transfers between Level 1 and Level 2 and Level 3 of the fair value hierarchy for financial instruments which are recorded at fair value at 31 December 2011.

The following table analyses within the fair value hierarchy the Company’s financial instruments measured at fair value at 31 December 2010:

	Level 1	Level 2	Level 3	Total Fair Value
Financial instruments at fair value through profit or loss	US\$	US\$	US\$	US\$
Collective Investment Schemes	3,197,219	23,193,605	-	26,390,824
Listed Equities	101,437,692	-	-	101,437,692
Unlisted Equities	-	10,249,914	36,440,998	46,690,912
Long Term Bonds	-	21,881,585	21,249,962	43,131,547
Warrants	5,080,750	-	-	5,080,750
Rights	-	1,575,490	-	1,575,490
Total	109,715,661	56,900,594	57,690,960	224,307,215

DWS VIETNAM FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 CONT/D

18 Fair Value Information and hierarchy cont/d

The following table shows transfers between Level 1 and Level 2 of the fair value hierarchy for financial instruments which are recorded at fair value at 31 December 2010.

	Transfers from Level 1 to Level 2	Transfers from Level 2 to Level 1	Transfers from Level 3 to Level 1
Financial instruments at fair value through profit or loss	US\$	US\$	US\$
Collective Investment Schemes	-	-	-
Listed Equities	-	1,474,794	-
Unlisted Equities	-	-	3,932,784
Long Term Bonds	-	-	-
Warrants and Rights	-	-	-
Total	-	1,474,794	3,932,784

Level 3 Reconciliation

The following table shows a reconciliation of all movements in the fair value of financial instruments categorised within Level 3 from the start of the year to the end of the year 31 December 2011:

	Unlisted Equities	Long Term Bonds	Total
	US\$	US\$	US\$
Opening Balance	36,440,998	21,249,962	57,690,960
Gains and (Losses) recognised in profit and loss	6,364,206	(1,873,063)	4,491,143
Purchases	17,484,315	17,369,516	34,853,831
Sales	(34,719,771)	(17,812,614)	(52,532,385)
Transfers out of Level 3	-	-	-
Transfers into Level 3	-	-	-
Closing Balance	25,569,748	18,933,801	44,503,549

The following table shows a reconciliation of all movements in the fair value of financial instruments categorised within Level 3 from the start of the year to the end of the year 31 December 2010:

	Unlisted Equities	Long Term Bonds	Total
	US\$	US\$	US\$
Opening Balance	6,581,599	33,732,546	40,314,145
Gains and (Losses) recognised in profit and loss	4,783,954	(4,624,775)	159,179
Purchases	27,269,077	8,719,864	35,988,941
Sales	(2,193,632)	(12,644,889)	(14,838,521)
Transfers out of Level 3	-	(3,932,784)	(3,932,784)
Transfers into Level 3	-	-	-
Closing Balance	36,440,998	21,249,962	57,690,960

As at 31 December 2011, the Fund held investments in eight private companies in the form of a combination of illiquid common stock and convertible bonds which are categorized as level 3 investments under IFRS 7. The companies are valued by Deutsche Bank's Global Valuations Group (GVG), namely An Phat Plastics and Packaging, Swindon Limited, Prime Group, Greenfeed Vietnam, Anova Corporation, NBB Investment Corporation, Thu Duc Housing Development and SSgA Construction Real Estate.

DWS VIETNAM FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 CONT/D

18 Fair Value Information and hierarchy cont/d

As required under IFRS 7, the valuation spread for each level 3 security has been determined based on what management consider are the reasonable possible alternative assumptions used as part of each valuation.

The valuation spread for each level 3 investment held as at 31 December 2011 is detailed below.

	Fair Value per the Financial Statements	Reasonably possible valuation spread for Level 3 Securities
Security	US\$	US\$
Equities		
Greenfeed Vietnam	6,507,952	6,309,518 to 6,741,156
Prime Group	5,934,461	4,905,696 to 7,364,939
SSgA Construction Real Estate	481,775	447,027 to 516,724
NBB Investment Corporation	7,819,060	7,041,844 to 8,877,589
Swindon Limited	4,826,500	n/a (see below)*
Long term Bonds		
An Phat Plastics and Packaging	804,994	696,148 to 933,925
Greenfeed Vietnam	8,267,811	8,077,707 to 8,492,562
Anova Corporation	8,631,374	7,170,182 to 12,439,958
Thu Duc Housing Development	1,229,622	960,486 to 1,270,441

*Regarding Swindon Limited, the fair value of the underlying security, Hoan My Hospital is based on the recent trading activity in the market for this security. Consequently, it is not possible to provide a valuation spread on this security as a model was not applied to derive the year end valuation. See notes 16 and 21.

In relation to the securities valued by the Global Valuation Group (GVG), the valuation of common stock and convertible bonds involves the use of techniques such discounted cash flow (DCF) and a price earnings multiple (P/E) or a combination of both techniques depending on the circumstances.

The equities were valued by using a price-to-earnings (P/E) multiple approach and a DCF model. In the P/E multiple approach, a basket of market comparables was selected and the mean of its P/E multiple has been calculated. Hence, the value of the equities are determined by the product of the mean of P/E multiple and the actual earnings per share of the company. In the DCF forecast model, the equity value is derived from discounting forecast future cash flows of the company at the current market discount rate.

The convertible bond portions were valued using a convertible bond model sourced from the internal Deutsche Bank (DB) pricing library, DB Analytics. Inputs into the Convertible Bond model include implied volatility of conversion, the spot value of asset (the stock value), recovery rates, credit volatility and credit spreads for both day one and the current valuation date. The implied valuation date price of the bond is compared to the implied day one price of the bond to determine its relative movement. This movement is then translated into actual values of the investment.

Discussion of reasonably possible alternative assumptions to determine the valuation spread of each level 3 security is discussed separately below.

DWS VIETNAM FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 CONT/D

18 Fair Value Information and hierarchy cont/d

An Phat Plastics and Packaging

Convertible bond valuation (Fair Valuation at 31 December 2011 US\$ 804,994)

The convertible bond portion was valued using the internal DB pricing library, DB Analytics. Inputs into the Convertible Bond model include implied volatility of conversion, the spot value of asset (the stock value), recovery rates, credit volatility and credit spreads for both day one and the current valuations date. Key inputs which have been changed in the sensitivity analysis are as follows:

Implied volatility of conversion represents the implied volatility of the embedded optionality in the structure. It is closely linked to the probability of IPO; i.e. a lower probability of IPO implies a lower volatility. In the base case, the implied volatility was set at 31%.

- Changes in the implied volatility: +/- 10%

This is based on the historical variance in the market comparable's equity volatilities. A study on the market comparables' equity volatility has been done and the result shows that the gap between the highest/lowest volatility and the mean volatility is ~10%. This represents our best estimates of the variation in implied volatility.

- Changes in credit spreads: +/- 500bps

In the base case, credit spreads was set at 2657 bps by using credit spreads of similar companies in China and Vietnam on Day 1. A relative change in Vietnam CDS spreads will then be used to proxy for the change in An Phat's credit spreads. DeAM varied this input by 500bps based on judgment in the sensitivity analysis.

- Changes in spot price: +/- 25%

In the base case, spot price is set as the market observable price on An Phat (listed entity). Being a key parameter driving the price of a convertible bond, we varied this input by +/- 25% with observations on the historical volatility of An Phat which is at 50% as implied by the 1 year historical volatility on Bloomberg.

The resulting spread is a valuation range of between US\$ 696,148 to US\$ 933,925.

GreenFeed Vietnam Corp

1) Equity valuation (Fair Valuation at 31 December 2011 US\$ 6,507,952)

Spot value of assets represent the equity value and was valued using the average of the P/E multiple approach and the DCF model. In the base case of the P/E multiple approach, a basket of market comparables was selected and the mean of it's P/E has been calculated. The mean P/E multiple was then used to calculate the equity value of the company. No sensitivity analysis was performed due to a disconnect between Asia equities market and the Vietnam market which resulted in a big reduction on the number of proxies available for the P/E multiples approach. In the DCF forecast model, the discount rate, the key unobservable inputs are the discount rate and the terminal exit multiple. In the base case, the discount rate was set as 19%. In the sensitivity analysis, based on judgment, the following variances to the input variables have been applied:

- Changes in the discount rate: +/- 2%
- Changes in the terminal growth rate: +/- 1%

The resulting spread is a valuation range of between US\$ 6,309,518 to US\$ 6,741,156.

DWS VIETNAM FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 CONT/D

18 Fair Value Information and hierarchy cont/d

GreenFeed Vietnam Corp

2) Convertible bond valuation (Fair Valuation at 31 December 2011 US\$ 8,267,811)

The convertible bond portion was valued using the internal DB pricing library, DB Analytics. Inputs into the Convertible Bond model include implied volatility of conversion, the spot value of asset (the stock value), recovery rates, credit volatility and credit spreads for both day one and the current valuations date.

Key unobservable inputs which have been changed in the sensitivity analysis are as follows:

Implied volatility of conversion represents the implied volatility of the embedded optionality in the structure. It is closely linked to the probability of IPO; i.e. a lower probability of IPO implies a lower volatility. In the base case, the implied volatility was set at 28%.

- Changes in the implied volatility: +/- 10%

This is based on the historical variance in the market comparable's equity volatilities. A study on the market comparables' equity volatility has been performed and the result shows that the gap between the highest/lowest volatility and the mean volatility is ~10%. This represents our best estimates of the variation in implied volatility.

- Changes in credit spreads: +/- 500bps

Credit spreads represents the pure credit risk of the company and in the base case which is estimated at 41%. As the availability of credit spreads are harder to quantify due to a lack of observable points, we estimated the credit spreads based on the relative change in the macroeconomic conditions and the change in CDS spreads on 5 year Vietnam sovereign bonds. DeAM varied this input by 500bps based on judgment in the sensitivity analysis.

The resulting spread is a valuation range of between US\$ 8,077,707 to US\$8,492,562.

NBB Investment Corporation

Equity valuation (Fair Valuation at 31 December 2011 US\$ 7,819,060)

The investment in NBB Investment Corporation is in the form of Redeemable Convertible Preference Shares. The valuation approach used is similar to that of a convertible bond as both instruments have similar features.

The convertible bond portion was valued using the internal DB pricing library, DB Analytics. Inputs into the Convertible Bond model include implied volatility of conversion, the spot value of asset (the stock value), recovery rates, credit volatility and credit spreads for both day one and the current valuations date.

Key inputs which have been changed in the sensitivity analysis are as follows:

Implied volatility of conversion represents the implied volatility of the embedded optionality in the structure. It is closely linked to the probability of IPO; i.e. a lower probability of IPO implies a lower volatility. In the base case, the implied volatility was set at 25%.

- Changes in the implied volatility: +/- 10%

This is based on the historical variance in the market comparable's equity volatilities. A study on the market comparables' equity volatility has been done and the result shows that the gap between the highest/lowest volatility and the mean volatility is ~10%. This represents our best estimates of the variation in implied volatility.

DWS VIETNAM FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 CONT/D

18 Fair Value Information and hierarchy cont/d

NBB Investment Corporation cont/d

Equity valuation (Fair Valuation at 31 December 2011 US\$ 7,819,060)

- Changes in credit spreads: +/- 500bps

In the base case, credit spreads was set at 2824 bps by using credit spreads of similar companies in China and Vietnam. DeAM varied this input by 500bps based on best judgment in the sensitivity analysis.

- Changes in spot price: +/- 20%

The resulting spread is a valuation range of between US\$ 7,041,844 to US\$ 8,877,589.

In the base case, spot price is set as the market observable price on NBB (listed entity). Being a key parameter driving the price of a convertible bond, we varied this input by +/- 20% with observations on the historical volatility of NBB which is at 43%, as implied by the 1 year historical volatility on Bloomberg.

Prime Group

Equity valuation (Fair Valuation at 31 December 2011 US\$ 5,934,461)

The equity portion was valued using the average of the P/E multiples approach and the DCF model. In the base case of P/E multiples approach, a basket of market comparables was selected and the mean of its P/E multiples calculated. The mean P/E multiple was then used to calculate the equity value of the company. No sensitivity analysis was done on the P/E multiples approach due to the difficulty in obtaining a reliable range because of the small sample size. In the DCF model, the key unobservable inputs are the discount rate and the terminal growth rate of the cash flow. In the base case, the discount rate was set as 20.5% and the terminal growth was 3%. In the sensitivity analysis, the discount rate was adjusted by +/-2.0% and the terminal growth rate was adjusted by +/-1 .0%.

The resulting spread was a valuation range of between US\$ 4,905,696 to US\$ 7,364,939.

Anova Corporation

Convertible bond valuation (Fair Valuation at 31 December 2011 US\$ 8,631,374)

The convertible bond portion was valued using the internal DB pricing library, DB Analytics. Inputs into the Convertible Bond model include implied volatility of conversion, the spot value of asset (the stock value), recovery rates, credit volatility and credit spreads for both day one and the current valuation date.

Key unobservable inputs which have been changed in the sensitivity analysis are as follows:

Spot value of assets represent the equity value and was valued using the average of the P/E multiple approach and the DCF model. In the base case of the P/E multiple approach, a basket of market comparables was selected and the mean of their P/Es calculated. The mean P/E multiple was then used to calculate the equity value of the company. In the sensitivity analysis, DeAM flexed the P/E multiples by +/-1 x to calculate the equity value in the best/ worst case scenario. In the DCF forecast model, the key unobservable inputs are the discount rate, the terminal growth rate and terminal exits multiple. In the base case, the discount rate was set as 18.3% , the growth rate was 12.0% and the terminal exits multiple at 17.1x. In the sensitivity analysis, based on judgment, the following variances to the input variables have been applied:

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 CONT/D

18 Fair Value Information and hierarchy cont/d

Anova Corporation cont/d

Convertible bond valuation (Fair Valuation at 31 December 2011 US\$ 8,631,374)

- Changes in the discount rate: +/- 2%
- Changes in the growth rate : +/- 1%
- Changes in the P/E multiple: +/- 1x

Implied volatility of conversion represents the implied volatility of the embedded optionality in the structure. It is closely linked to the probability of IPO; i.e. a lower probability of IPO implies a lower volatility. In the base case, the implied volatility was set at 30.0%. Credit spreads represents the pure credit risk of the company and in the base case, it was estimated as 21.6%. As the availability of credit spreads are harder to quantify due to a lack of observable points, we estimated the credit spreads based on the relative change in the macroeconomic conditions and the change in CDS spreads on 5 year Vietnam sovereign bonds.

- Changes in the implied volatility: +/- 10%

This is based on the historical variance in the market comparable's equity volatilities. A study on the market comparables' equity volatility has been done and the result shows that the gap between the highest/ lowest volatility and the mean volatility is ~10%. This represents our best estimates of the variation in implied volatility.

- Changes in credit spreads: +/- 500bps

The resulting spread is a valuation range of between US\$ 7,170,182 to US\$ 12,439,958.

SSgA Construction Real Estate (Fair valuation at 31 December 2011 US\$ 481,775)

The method used for the valuation of the prelisting holdings is the average of the P/E multiples approach and the NAV model.

In the base case of P/E multiples approach, a basket of market comparables was selected and the mean of its P/E multiples calculated. The mean P/E multiple was then used to calculate the equity value of the company. Sensitivity analysis is conducted by using the largest and smallest multiples for best and worst cases respectively.

In the NAV model, the current discount rate applied is 17.4%. DeAM varied this input by 2% based on judgment in the sensitivity analysis. In addition, DeAM calculated a base NAV discount of 50% and in the sensitivity analysis; the input is varied by 20% based on judgment.

The resulting spread was a valuation range of between US\$ 447,027 to US\$ 516,724.

DWS VIETNAM FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 CONT/D

18 Fair Value Information and hierarchy cont/d

Thu Duc Housing Development (Fair valuation at 31 December 2011 US\$ 1,229,622)

The convertible bond portion was valued using the internal DB pricing library, DB Analytics. Inputs into the Convertible Bond model include implied volatility of conversion, the spot value of asset (the stock value), recovery rates, credit volatility and credit spreads for both day one and the current valuations date.

Key inputs which have been changed in the sensitivity analysis are as follows:

Implied volatility of conversion represents the implied volatility of the embedded optionality in the structure. It is closely linked to the probability of IPO; i.e. a lower probability of IPO implies a lower volatility. In the base case, the implied volatility was set at 28.59%.

Changes in the implied volatility: +/- 10%

This is based on the historical variance in the market comparable's equity volatilities. A study on the market comparables' equity volatility has been done and the result shows that the gap between the highest/ lowest volatility and the mean volatility is ~10%. This represents our best estimates of the variation in implied volatility.

- Changes in credit spreads: +/- 500bps

In the base case, credit spreads was set at 2824 bps by using credit spreads of similar companies in China and Vietnam. DeAM varied this input by 500bps based on judgment in the sensitivity analysis.

- Changes in spot price: +/- 20%

In the base case, spot price is set as the market observable price on TDH (listed entity). Being a key parameter driving the price of a convertible bond, we varied this input by +/- 20% with observations on the historical volatility of TDH which is at 42% as implied by the 1 year historical volatility on Bloomberg.

The resulting spread was a valuation range of between US\$ 960,486 to US\$ 1,270,441.

DWS VIETNAM FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 CONT/D

19 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 31 December 2011, 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 Duxton Asset Management Pte Ltd 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.

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 11% of the Company's net assets.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 CONT/D

20 Committed Deals at 31 December 2011

There were no commitments as at 31 December 2011 and 31 December 2010.

21 Significant events during the year

On 29 December 2011, 78.13% of the share capital of Swindon Ltd, a wholly-owned subsidiary of the Company was sold to Fortis Healthcare International Pte Ltd. The remaining 21.87% of the share capital of Swindon Ltd. is held by the Company through another wholly-owned subsidiary of the Company, Teignmouth Ltd., and is disclosed in the Portfolio of Investments on page 22. The transactions undertaken to effect this disposal are detailed in Note 16.

Prime Ltd. and Kallang Limited, two new wholly-owned subsidiaries of the Company were incorporated in November 2011.

22 Significant events after the year end

On 2 April 2012, Peter Pfister was appointed a Director of the Company.

On 16 February 2012, John Dorrian resigned as a Director of the Company.

On 18 January 2012, Deutsche Asia Pacific Holdings Pte Ltd agreed to sell the 19.99% stake in Duxton Asset Management Pte Ltd. ("Duxton"), the Sub-Investment Manager of the Company to Duxton Capital Pte. Ltd. The sale was completed on 29 February 2012. As a result of this transaction, Duxton Asset Management Pte Ltd will be fully owned by its parent company Duxton Capital Pte. Ltd.

Deutsche Asset Management (Asia) Ltd and Duxton would remain the appointed discretionary investment manager and the sub- investment manager of the Company respectively. There is otherwise no material change in the personnel responsible for the management of assets of the Company.

23 Approval of the financial statements

The accounts were approved by the Board of Directors on 18 April 2012.

DWS VIETNAM FUND LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE COMPANY BALANCE SHEET

The directors are responsible for preparing the company's balance sheet, in accordance with applicable law and regulations.

Company law requires the directors to prepare a company balance sheet for each financial year. Under that law the directors have elected to prepare the company balance sheet in accordance with Generally Accepted Accounting Practice in Ireland, comprising applicable law and the accounting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland.

The company's balance sheet is required by law to give a true and fair view of the state of affairs of the company as at the year end.

In preparing the company balance sheet, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the company balance sheet on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Under applicable law and the requirements of the Listing Rules issued by the Irish Stock Exchange and the Companies Act, the directors are also responsible for preparing a Management Report. In particular, in accordance with the Transparency Directive (2004/109/EC) Regulations 2007 (S.I. No. 277 of 2007), (the "Regulations"), the directors are required to include in this report a fair review of the business and a description of the principal risks and uncertainties facing the company and a responsibility statement relating to these and other matters, included below. The directors consider that the information required to be included in their Management Report is included in the Investment Manager's Report on page 8.

The directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its company balance sheet complies with the Companies Acts 1963 to 2009. They are also responsible for safeguarding the assets of the company. They have general responsibility for taking such steps as are reasonably open to them to prevent and detect fraud and other irregularities.

Responsibility Statement, in accordance with the Transparency Regulations

Each of the directors, whose names and functions are listed on page 70 in the 'Other Information' section of this report confirm that, to the best of each person's knowledge and belief:

- the company balance sheet, prepared in accordance with Generally Accepted Accounting Practices in Ireland, give a true and fair view of the assets, liabilities and financial position of the company at 31 December 2011.

On behalf of the Board of Directors

Director

Director

Date: 18 April 2012

DWS VIETNAM FUND LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DWS VIETNAM FUND LIMITED

We have audited the financial statements of DWS Vietnam Fund Limited for the year ended 31 December 2011 which comprise the Balance Sheet, with the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of the Directors and Auditors

The Directors responsibility for preparing the Annual Report and the financial statements in accordance with applicable law and accounting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland), are set out in the Statement of Directors' Responsibilities on page 62.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Acts, 1963 to 2009. We also report to you whether in our opinion proper books of account have been kept by the Company. In addition, we state whether we have obtained all the information and explanations necessary for the purpose of our audit, and whether the Company's financial statements are in agreement with the books of account.

We read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. The other information comprises of the Investment Manager's Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

DWS VIETNAM FUND LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DWS VIETNAM FUND LIMITED CONT/D

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the Company's affairs as at 31 December 2011.
- the financial statements have been properly prepared in accordance with the Companies Acts, 1963 to 2009.

We have obtained all the information and explanations we considered necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the Company. The financial statements are in agreement with the books of account.

**Niamh Marshall, for and on behalf of KPMG
Chartered Accountants and Statutory Audit Firm
1 Harbourmaster Place
International Financial Services Centre
Dublin 1**

18 April 2012

DWS VIETNAM FUND LIMITED

Company Balance Sheet as at 31 December 2011

	Note	31/12/2011 US\$	31/12/2010 US\$
Fixed assets			
Financial fixed assets	2	193,722,967	240,223,312
Total fixed assets		<u>193,722,967</u>	<u>240,223,312</u>
Current assets			
Cash and cash equivalents		625,324	78,284
Other receivables		65,516	15,107
Total current assets		<u>690,840</u>	<u>93,391</u>
Current liabilities			
Payable for:			
Investment management fees	6	(608,179)	(363,214)
Administration fees	6	(39,850)	(24,697)
Audit fees		(44,375)	(40,000)
Directors fees	7	-	(15,244)
Custody fees	6	(32,372)	(25,277)
Other		(1,834)	(917)
Total current liabilities		<u>(726,610)</u>	<u>(469,349)</u>
Net current liabilities		<u>(35,770)</u>	<u>(375,958)</u>
Total assets less current liabilities		<u>193,687,197</u>	<u>239,847,354</u>
Shareholder's equity			
Share capital	3	4,869,314	4,869,314
Share premium	4	484,366,127	484,366,127
Profit and loss account	5	(295,548,244)	(249,388,087)
Total shareholders' equity		<u>193,687,197</u>	<u>239,847,354</u>

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

On behalf of the Board of Directors

Director

Director

Date: 18 April 2012

DWS VIETNAM FUND LIMITED

NOTES TO THE COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

1. Significant accounting policies

(a) Basis of preparation

In accordance with the requirements of the Transparency Directive (2004/109/EC) Regulations 2007, (S.I. No. 277 of 2007), (the "Regulations") the company is required to present along with the consolidated financial statements, the financial statements of the parent company prepared in accordance with the national law of the host EU Member State, Ireland.

These parent company financial statements are prepared in accordance with Generally Accepted Accounting Practice in Ireland and in accordance with the Companies Acts, 1963 to 2009, and all Regulations to be construed as one with those.

(b) Cash flow statement

The Company has taken advantage of the exemption under FRS 1 not to produce a cash flow statement as one is prepared and published for the consolidated financial statements.

(c) Profit for the year

In publishing the parent company financial statements together with the Group financial statements, the Company has taken advantage of the exemptions in Section 148(8) of the Companies Acts, 1963 to 2009, not to present its parent company profit and loss account, statement of realised gains and losses and related notes that form part of these approved financial statements.

(d) Expenses

All expenses, including management fees and custodian fees are recognised in the profit and loss account on an accruals basis.

(e) Cash and cash equivalents

Cash comprises current deposits with banks. Cash and cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents are valued at their face value.

(f) Financial fixed assets

Financial fixed assets relate to investments in subsidiary companies carried at the Directors' estimate of fair value. Revaluation gains are recognized in the profit and loss account except to the extent that they reverse revaluation losses that were previously charged to the profit and loss account. Revaluation losses which represent a clear consumption of economic benefit inherent in the asset are recognised in the profit and loss account.

(g) 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.

DWS VIETNAM FUND LIMITED

NOTES TO THE COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 **CONT/D**

2. Financial fixed assets

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 9 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

The Company holds 1 share in each subsidiary company with a par value US\$ 1.00 per share being the only shares issued by each subsidiary company. As at the year end, all of these special purpose Companies were in operation, with exception of Prime Limited and Kallang Limited which were only set up towards the end of the year.

Included in the financial fixed assets is US\$6,112,177 (2010: US\$5,753,208) representing the market value of DWS Vietnam Fund Ltd. shares purchased by Siglap Ltd., Beira Ltd. and Epsom Ltd and held as the year end.

Movement of Financial Fixed Assets:

	US\$
Balance at 1 January 2011	240,223,312
Additions	-
Disposals	(6,830,209)
Net gains / (losses) on financial fixed assets	<u>(39,670,136)</u>
Balance at 31 December 2011	<u>193,722,967</u>

3. Share capital

	2011 US\$	2010 US\$
Balance at 1 January and 31 December	<u>4,869,314</u>	<u>4,869,314</u>

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.

DWS VIETNAM FUND LIMITED

NOTES TO THE COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 **CONT/D**

3. Share Capital cont/d

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 company's capital management policy is disclosed in note 11 to the consolidated financial statements.

4. Share premium

	2011 US\$	2010 US\$
Balance at 1 January and 31 December*	484,366,127	484,366,127

*The Company Share Premium has not been shown net of the cost of DWS Vietnam Fund Ltd. shares purchased by Siglap Ltd., Beira Ltd. and Epsom Ltd. which amount to US\$10,468,900 2010: US\$8,976,459). These are treated as treasury shares in the Consolidated Statement of Changes in Equity.

5. Profit and loss account

	2011 US\$	2010 US\$
Balance at 1 January	(249,388,087)	(220,762,949)
Profit / (loss) for the year	(46,160,157)	(28,625,138)
Balance at 31 December	(295,548,244)	(249,388,087)

6. Significant agreements

Refer to note 14 in the consolidated financial statements for details in regards to significant agreements in place as of 31 December 2011.

7. Directors' remuneration

Refer to note 7 in the consolidated financial statements for details in relation to Directors' remuneration for the year ended 31 December 2011.

8. Related party transactions

Refer to note 16 in the consolidated financial statements for details of related party transactions in the year ended 31 December 2011.

9. Financial instruments

All of the investing activities of the Company are carried out through the subsidiary companies which are listed in note 1 of the company financial statements above. Details regarding the financial investments and related risks are highlighted in note 17 of the consolidated financial statements.

DWS VIETNAM FUND LIMITED

NOTES TO THE COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 **CONT/D**

10. Significant events after the year end

On 2 April 2012, Peter Pfister was appointed a Director of the Company.

On 16 February 2012, John Dorrian resigned as a Director of the Company.

On 18 January 2012, Deutsche Asia Pacific Holdings Pte Ltd agreed to sell the 19.99% stake in Duxton Asset Management Pte Ltd. ("Duxton"), the Sub-Investment Manager of the Company to Duxton Capital Pte. Ltd. The sale was completed on 29 February 2012. As a result of this transaction, Duxton Asset Management Pte Ltd will be fully owned by its parent company Duxton Capital Pte. Ltd.

Deutsche Asset Management (Asia) Ltd and Duxton would remain the appointed discretionary investment manager and the sub- investment manager of the Company respectively. There is otherwise no material change in the personnel responsible for the management of assets of the Company.

11. Approval of the financial statements

The accounts were approved by the Board of Directors on 18 April 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) Ltd.,
One Raffles Quay,
#17-10,
Singapore 048583

Sub-Investment Manager

Duxton Asset Management Pte Ltd.,
1A Duxton Hill,
Singapore 089587

Custodian

State Street Custodial Services (Ireland) Limited
78 Sir John Rogerson's Quay,
Dublin 2
Ireland

Administrator, Registrar and Transfer Agent

State Street Fund Services (Ireland) Limited
78 Sir John Rogerson's Quay,
Dublin 2
Ireland

Placing Agent

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

Legal Advisor to the Company on Vietnamese Law

Fresh fields Bruckhaus Deringer
Saigon Tower, Suite 1108
29 Le Duan Boulevard
District 1, Ho Chi Minh City
Vietnam

DWS VIETNAM FUND LIMITED

OTHER INFORMATION CONT/D

Legal Advisor to the Company on Cayman Islands Law

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Attorneys-at-Law
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Cayman Islands
British West Indies

Corporate Secretary

CARD Corporate Services Limited
Zephyr House
122 Mary Street
PO Box 709
George Town
Grand Cayman KY1-1107
Cayman Islands

Auditors

KPMG
Chartered Accountants
1 Harbourmaster Place
International Financial Services Centre
Dublin 1
Ireland

Irish Listing Agent and Irish Paying Agent

NCB Stockbrokers Limited
3 George's Dock
International Financial Services Centre
Dublin 1
Ireland

Dealing Enquiries

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

DWS VIETNAM FUND LIMITED

Supplemental Unaudited Information to the Consolidated Financial Statements

Reconciliation to dealing net asset value (unaudited)

	31/12/2011	31/12/2010
Net asset value per IFRS financial statements	US\$187,575,020	US\$234,094,147
Adjustments:		
Pricing related *	US\$1,744,101	US\$2,048,990
Value of shares invested in DWS Vietnam Fund **	US\$6,112,177	US\$5,753,208
Net asset value per Share (per dealing NAV)	US\$195,431,298	US\$241,896,345

*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 IFRS financial statement purposes.

**Market value of 29,575,000 DWS Vietnam Fund Ltd. shares purchased by Siglap Ltd., Beira Ltd. and Epsom Ltd. wholly owned subsidiary companies that are not included as a financial asset for IFRS financial statement purposes.

Net Asset Value per IFRS financial statements

	31/12/2011	31/12/2010	31/12/2009
Net asset value	US\$187,575,020	US\$234,094,147	US\$263,075,289
Number of Shares in Issue (excluding own shares purchased)	457,356,392	462,959,692	476,143,451
Net Asset Value per Share (per IFRS financial statements)	US\$0.4101	US\$0.5056	US\$0.5525

Seasonal or cyclical changes

The Group is not subject to seasonal or cyclical changes.

Exchange rates

The year end exchange rates (to 1US\$) are as follows:

		31/12/2011	31/12/2010
EUR	Euro	0.7703	0.7454
HKD	Hong Kong Dollar	7.7666	7.7736
SGD	Singapore Dollar	1.2966	1.2810
TWD	Taiwan Dollar	30.2790	29.1565
VND	Vietnam Dong	21,033.5000	19,497.5000



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Disclaimer

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