

December 31, 2014

# Annual Report

Deutsche Variable Series I

(formerly DWS Variable Series I)

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## Deutsche Capital Growth VIP

(formerly DWS Capital Growth VIP)



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**This report must be preceded or accompanied by a prospectus. To obtain an additional prospectus or summary prospectus, if available, call (800) 728-3337 or your financial representative. We advise you to consider the Fund's objectives, risks, charges and expenses carefully before investing. The summary prospectus and prospectus contain this and other important information about the Fund. Please read the prospectus carefully before you invest.**

The Fund may lend securities to approved institutions. Stocks may decline in value. See the prospectus for details.

Deutsche Asset & Wealth Management represents the asset management and wealth management activities conducted by Deutsche Bank AG or any of its subsidiaries, including the Advisor and DeAWM Distributors, Inc.

NOT FDIC/NCUA INSURED NO BANK GUARANTEE MAY LOSE VALUE NOT A DEPOSIT  
NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY

# Performance Summary

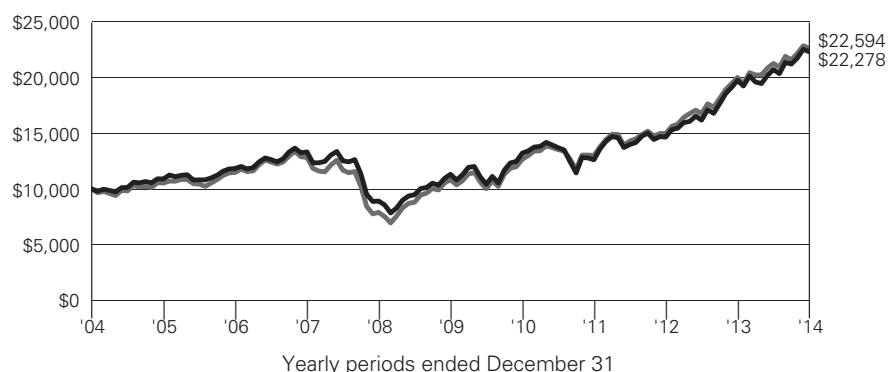
December 31, 2014 (Unaudited)

Fund performance shown is historical, assumes reinvestment of all dividend and capital gain distributions, and does not guarantee future results. Investment return and principal value fluctuate with changing market conditions so that, when redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Please contact your participating insurance company for the Fund's most recent month-end performance. Performance doesn't reflect charges and fees ("contract charges") associated with the separate account that invests in the Fund or any variable life insurance policy or variable annuity contract for which the Fund is an investment option. These charges and fees will reduce returns. While all share classes have the same underlying portfolio, their performance will differ.

The gross expense ratios of the Fund, as stated in the fee table of the prospectus dated May 1, 2014 are 0.50% and 0.83% for Class A and Class B shares, respectively, and may differ from the expense ratios disclosed in the Financial Highlights tables in this report.

## Growth of an Assumed \$10,000 Investment

- Deutsche Capital Growth VIP — Class A
- Russell 1000® Growth Index



The Russell 1000® Growth Index is an unmanaged, capitalization-weighted index containing those securities in the Russell 1000® Index with higher price-to-book ratios and higher forecasted growth values. Index returns do not reflect any fees or expenses and it is not possible to invest directly into an index.

## Comparative Results

| Deutsche Capital Growth VIP |                             | 1-Year   | 3-Year   | 5-Year   | 10-Year  |
|-----------------------------|-----------------------------|----------|----------|----------|----------|
| <b>Class A</b>              | Growth of \$10,000          | \$11,297 | \$17,652 | \$19,680 | \$22,278 |
|                             | Average annual total return | 12.97%   | 20.86%   | 14.50%   | 8.34%    |
| Russell 1000 Growth Index   | Growth of \$10,000          | \$11,305 | \$17,393 | \$20,836 | \$22,594 |
|                             | Average annual total return | 13.05%   | 20.26%   | 15.81%   | 8.49%    |
| Deutsche Capital Growth VIP |                             | 1-Year   | 3-Year   | 5-Year   | 10-Year  |
| <b>Class B</b>              | Growth of \$10,000          | \$11,267 | \$17,479 | \$19,367 | \$21,544 |
|                             | Average annual total return | 12.67%   | 20.46%   | 14.13%   | 7.98%    |
| Russell 1000 Growth Index   | Growth of \$10,000          | \$11,305 | \$17,393 | \$20,836 | \$22,594 |
|                             | Average annual total return | 13.05%   | 20.26%   | 15.81%   | 8.49%    |

The growth of \$10,000 is cumulative.

# Management Summary

December 31, 2014 (Unaudited)

For the 12 months ended December 31, 2014, the Fund returned 12.97% (Class A shares, unadjusted for contract charges), underperforming the 13.05% return of the Russell 1000<sup>®</sup> Growth Index.<sup>1</sup>

The Fund's performance was helped by our overweight in the health care sector, which comfortably outperformed the broader market during the period, as well as our underweight in energy.<sup>2</sup> In terms of stock selection, we delivered the largest margin of outperformance in the consumer staples and consumer discretionary sectors, while we lagged in industrials, energy and financials.<sup>3,4</sup>

Two of the leading contributors to the Fund's performance in consumer staples were the food company Hillshire Brands Co.\* and the spirits producer Beam, Inc.,\* both of which acquired for a premium during the first half of the year. We also benefited from the strong returns of the health care stocks CareFusion Corp.,\* Medivation, Inc. and Celgene Corp. Our investments in health care have targeted companies with robust underlying fundamentals and exciting product stories, an approach that has paid off in the past 12 months. Another notable contributor was the technology stock Palo Alto Networks, Inc., an enterprise-security provider that benefited from increased demand amid the growing concerns about cyber security.

Whole Foods Market, Inc. was the largest individual detractor from performance. We have found numerous opportunities in the "healthy living" theme, which seeks to capitalize on Americans' efforts to eat better and exercise more. Whole Foods, while well-positioned to capitalize on this theme, nonetheless saw its shares decline due to rising competition in the organic-foods space. Splunk, Inc.,\* Las Vegas Sands Corp. and Dick's Sporting Goods, Inc. were also among the Fund's notable detractors for the year.

We continued to emphasize sectors where we are finding the largest representation of companies positioned to benefit from positive product stories and longer-term, secular growth themes. We found many such opportunities among companies in the health care, consumer discretionary and technology sectors. In technology, for instance, a number of our holdings reflected longer-term growth themes such as data storage, data security and virtualization — all of which should gain an increasing share of enterprise spending as corporations seek to streamline their technology budgets. In health care, we found the most compelling opportunities in biotechnology companies with robust product cycles. At the same time, we maintained underweights in slower-growth sectors — including consumer staples, utilities and telecommunications — where we found valuations to be less compelling.

Owen Fitzpatrick, CFA

Lead Portfolio Manager

Thomas M. Hynes, Jr., CFA

Brendan O'Neill, CFA

Portfolio Managers

The views expressed reflect those of the portfolio management team only through the end of the period of the report as stated on the cover. The management team's views are subject to change at any time based on market and other conditions and should not be construed as a recommendation. Past performance is no guarantee of future results. Current and future portfolio holdings are subject to risk.

- <sup>1</sup> The Russell 1000 Growth Index is an unmanaged index that consists of those stocks in the Russell 1000<sup>®</sup> Index that have higher price-to-book ratios and higher forecasted growth values. Index returns do not reflect any fees or expenses and it is not possible to invest directly into an index.
  - <sup>2</sup> "Overweight" means that the Fund holds a higher weighting in a given sector or stock compared with its benchmark index. "Underweight" means that the Fund holds a lower weighting in a given sector or stock.
  - <sup>3</sup> Consumer staples are the industries that manufacture and sell products such as food and beverages, prescription drugs and household products.
  - <sup>4</sup> The consumer discretionary sector represents industries that produce goods and services that are not necessities in everyday life.
- \* Not held in the portfolio as of December 31, 2014.

# Portfolio Summary

(Unaudited)

| <b>Asset Allocation</b> (As a % of Investment Portfolio excluding Securities Lending Collateral) | <b>12/31/14</b> | <b>12/31/13</b> |
|--|-----------------|-----------------|
| Common Stocks  | 99%             | 100%            |
| Convertible Bonds  | 1%              | —               |
| Cash Equivalents   | 0%              | 0%              |
|  | 100%            | 100%            |

| <b>Sector Diversification</b> (As a % of Common Stocks and Convertible Bonds) | <b>12/31/14</b> | <b>12/31/13</b> |
|---|-----------------|-----------------|
| Information Technology  | 28%             | 26%             |
| Consumer Discretionary  | 19%             | 21%             |
| Health Care   | 16%             | 15%             |
| Industrials   | 12%             | 13%             |
| Consumer Staples  | 10%             | 10%             |
| Financials  | 6%              | 5%              |
| Energy  | 4%              | 4%              |
| Materials   | 3%              | 5%              |
| Telecommunication Services  | 1%              | 1%              |
| Utilities   | 1%              | 0%              |
|   | 100%            | 100%            |

Portfolio holdings and characteristics are subject to change.

For more complete details about the Fund's investment portfolio, see page 6.

Following the Fund's fiscal first and third quarter-end, a complete portfolio holdings listing is filed with the SEC on Form N-Q. The form will be available on the SEC's Web site at [sec.gov](http://sec.gov), and it also may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the SEC's Public Reference Room may be obtained by calling (800) SEC-0330. The Fund's portfolio holdings are also posted on [deutschefunds.com](http://deutschefunds.com) from time to time. Please see the Fund's current prospectus for more information.

# Investment Portfolio

December 31, 2014

|  | Shares  | Value (\$)        |  | Shares | Value (\$) |
|--|---------|-------------------|--|--------|------------|
| <b>Common Stocks 99.2%</b>                       |         |                   |  |        |            |
| <b>Consumer Discretionary 18.9%</b>              |         |                   |  |        |            |
| <b>Auto Components 0.7%</b>                      |         |                   |  |        |            |
| BorgWarner, Inc.                                 | 115,775 | 6,361,836         |  |        |            |
| <b>Hotels, Restaurants &amp; Leisure 3.0%</b>    |         |                   |  |        |            |
| Brinker International, Inc. (a)                  | 164,377 | 9,647,286         |  |        |            |
| Las Vegas Sands Corp.                            | 126,297 | 7,345,434         |  |        |            |
| Starwood Hotels & Resorts Worldwide, Inc.        | 120,033 | 9,731,075         |  |        |            |
|  |         | <b>26,723,795</b> |  |        |            |
| <b>Internet &amp; Catalog Retail 2.0%</b>        |         |                   |  |        |            |
| Amazon.com, Inc.* (a)                            | 44,685  | 13,867,990        |  |        |            |
| Expedia, Inc.                                    | 52,270  | 4,461,767         |  |        |            |
|  |         | <b>18,329,757</b> |  |        |            |
| <b>Media 3.5%</b>                                |         |                   |  |        |            |
| Twenty-First Century Fox, Inc. "A"               | 394,234 | 15,140,557        |  |        |            |
| Walt Disney Co. (a)                              | 168,547 | 15,875,442        |  |        |            |
|  |         | <b>31,015,999</b> |  |        |            |
| <b>Specialty Retail 5.5%</b>                     |         |                   |  |        |            |
| Dick's Sporting Goods, Inc. (a)                  | 165,599 | 8,221,991         |  |        |            |
| GNC Holdings, Inc. "A"                           | 84,772  | 3,980,893         |  |        |            |
| Home Depot, Inc.                                 | 200,869 | 21,085,219        |  |        |            |
| L Brands, Inc. (a)                               | 183,100 | 15,847,305        |  |        |            |
|  |         | <b>49,135,408</b> |  |        |            |
| <b>Textiles, Apparel &amp; Luxury Goods 4.2%</b> |         |                   |  |        |            |
| NIKE, Inc. "B"                                   | 226,318 | 21,760,475        |  |        |            |
| VF Corp.   | 206,143 | 15,440,111        |  |        |            |
|  |         | <b>37,200,586</b> |  |        |            |
| <b>Consumer Staples 10.3%</b>                    |         |                   |  |        |            |
| <b>Beverages 2.2%</b>                            |         |                   |  |        |            |
| PepsiCo, Inc.                                    | 203,547 | 19,247,404        |  |        |            |
| <b>Food &amp; Staples Retailing 3.1%</b>         |         |                   |  |        |            |
| Costco Wholesale Corp.                           | 114,280 | 16,199,190        |  |        |            |
| Whole Foods Market, Inc. (a)                     | 222,807 | 11,233,929        |  |        |            |
|  |         | <b>27,433,119</b> |  |        |            |
| <b>Food Products 3.8%</b>                        |         |                   |  |        |            |
| Mead Johnson Nutrition Co.                       | 127,620 | 12,830,915        |  |        |            |
| Mondelez International, Inc. "A"                 | 233,445 | 8,479,889         |  |        |            |
| The WhiteWave Foods Co.*                         | 365,797 | 12,799,237        |  |        |            |
|  |         | <b>34,110,041</b> |  |        |            |
| <b>Personal Products 1.2%</b>                    |         |                   |  |        |            |
| Estee Lauder Companies, Inc. "A"                 | 145,053 | 11,053,039        |  |        |            |
| <b>Energy 3.7%</b>                               |         |                   |  |        |            |
| <b>Energy Equipment &amp; Services 1.2%</b>      |         |                   |  |        |            |
| Schlumberger Ltd.                                | 121,550 | 10,381,586        |  |        |            |
| <b>Oil, Gas &amp; Consumable Fuels 2.5%</b>      |         |                   |  |        |            |
| Antero Resources Corp.* (a)                      | 80,133  | 3,251,797         |  |        |            |
| Continental Resources, Inc.* (a)                 | 85,660  | 3,285,918         |  |        |            |
| EOG Resources, Inc.                              | 85,183  | 7,842,799         |  |        |            |
| Pioneer Natural Resources Co.                    | 55,843  | 8,312,230         |  |        |            |
|  |         | <b>22,692,744</b> |  |        |            |
| <b>Financials 5.7%</b>                           |         |                   |  |        |            |
| <b>Capital Markets 2.8%</b>                      |         |                   |  |        |            |
| Affiliated Managers Group, Inc.*                 | 50,503  | 10,718,757        |  |        |            |
| Ameriprise Financial, Inc.                       | 57,562  | 7,612,574         |  |        |            |
| The Charles Schwab Corp.                         | 209,816 | 6,334,345         |  |        |            |
|  |         | <b>24,665,676</b> |  |        |            |
| <b>Consumer Finance 1.2%</b>                     |         |                   |  |        |            |
| Capital One Financial Corp.                      | 134,273 | 11,084,236        |  |        |            |
| <b>Diversified Financial Services 0.9%</b>       |         |                   |  |        |            |
| Intercontinental Exchange, Inc.                  | 36,120  | 7,920,755         |  |        |            |
| <b>Real Estate Investment Trusts 0.8%</b>        |         |                   |  |        |            |
| Crown Castle International Corp. (REIT)          | 91,268  | 7,182,792         |  |        |            |
| <b>Health Care 16.4%</b>                         |         |                   |  |        |            |
| <b>Biotechnology 7.0%</b>                        |         |                   |  |        |            |
| Celgene Corp.* (a)                               | 190,933 | 21,357,765        |  |        |            |
| Cepheid, Inc.* (a)                               | 134,890 | 7,302,945         |  |        |            |
| Gilead Sciences, Inc.*                           | 145,433 | 13,708,514        |  |        |            |
| Medivation, Inc.*                                | 98,429  | 9,804,513         |  |        |            |
| NPS Pharmaceuticals, Inc.* (a)                   | 296,253 | 10,596,970        |  |        |            |
|  |         | <b>62,770,707</b> |  |        |            |
| <b>Health Care Equipment &amp; Supplies 1.2%</b> |         |                   |  |        |            |
| St. Jude Medical, Inc.                           | 161,526 | 10,504,036        |  |        |            |
| <b>Health Care Providers &amp; Services 3.8%</b> |         |                   |  |        |            |
| Express Scripts Holding Co.*                     | 104,050 | 8,809,913         |  |        |            |
| McKesson Corp.                                   | 63,904  | 13,265,192        |  |        |            |
| Omnicare, Inc. (a)                               | 166,921 | 12,173,549        |  |        |            |
|  |         | <b>34,248,654</b> |  |        |            |
| <b>Life Sciences Tools &amp; Services 1.7%</b>   |         |                   |  |        |            |
| Thermo Fisher Scientific, Inc.                   | 118,713 | 14,873,552        |  |        |            |
| <b>Pharmaceuticals 2.7%</b>                      |         |                   |  |        |            |
| Allergan, Inc.                                   | 65,530  | 13,931,023        |  |        |            |
| Bristol-Myers Squibb Co.                         | 114,431 | 6,754,862         |  |        |            |
| Shire PLC (ADR)                                  | 17,208  | 3,657,388         |  |        |            |
|  |         | <b>24,343,273</b> |  |        |            |
| <b>Industrials 11.8%</b>                         |         |                   |  |        |            |
| <b>Aerospace &amp; Defense 3.0%</b>              |         |                   |  |        |            |
| BE Aerospace, Inc.*                              | 87,314  | 5,065,958         |  |        |            |
| Boeing Co. (a)                                   | 97,281  | 12,644,585        |  |        |            |
| KLX, Inc.*                                       | 43,657  | 1,800,851         |  |        |            |
| TransDigm Group, Inc.                            | 38,760  | 7,610,526         |  |        |            |
|  |         | <b>27,121,920</b> |  |        |            |
| <b>Commercial Services &amp; Supplies 0.7%</b>   |         |                   |  |        |            |
| Stericycle, Inc.* (a)                            | 49,208  | 6,450,185         |  |        |            |
| <b>Electrical Equipment 1.4%</b>                 |         |                   |  |        |            |
| AMETEK, Inc. (a)                                 | 236,920 | 12,469,099        |  |        |            |
| <b>Industrial Conglomerates 1.8%</b>             |         |                   |  |        |            |
| General Electric Co.                             | 179,839 | 4,544,532         |  |        |            |
| Roper Industries, Inc.                           | 70,732  | 11,058,948        |  |        |            |
|  |         | <b>15,603,480</b> |  |        |            |
| <b>Machinery 3.6%</b>                            |         |                   |  |        |            |
| Dover Corp. (a)                                  | 71,514  | 5,128,984         |  |        |            |
| Pall Corp.                                       | 109,131 | 11,045,149        |  |        |            |
| Parker-Hannifin Corp.                            | 119,911 | 15,462,523        |  |        |            |
|  |         | <b>31,636,656</b> |  |        |            |
| <b>Road &amp; Rail 1.3%</b>                      |         |                   |  |        |            |
| Norfolk Southern Corp.                           | 108,980 | 11,945,298        |  |        |            |
| <b>Information Technology 27.8%</b>              |         |                   |  |        |            |
| <b>Communications Equipment 1.1%</b>             |         |                   |  |        |            |
| Palo Alto Networks, Inc.* (a)                    | 79,093  | 9,694,429         |  |        |            |
| <b>Internet Software &amp; Services 6.5%</b>     |         |                   |  |        |            |
| Alibaba Group Holding Ltd. (ADR)*                | 53,245  | 5,534,285         |  |        |            |
| Facebook, Inc. "A"*                              | 192,923 | 15,051,853        |  |        |            |

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

|  | Shares  | Value (\$)        |
|--|---------|-------------------|
| Google, Inc. "A"*  | 29,806  | 15,816,852        |
| Google, Inc. "C"*  | 29,955  | 15,768,312        |
| LinkedIn Corp. "A"*  | 26,424  | 6,069,857         |
|  |         | <b>58,241,159</b> |
| <b>IT Services 3.4%</b>                                    |         |                   |
| Cognizant Technology Solutions Corp. "A"*                  | 143,946 | 7,580,196         |
| Visa, Inc. "A" (a)   | 86,893  | 22,783,345        |
|  |         | <b>30,363,541</b> |
| <b>Semiconductors &amp; Semiconductor Equipment 3.5%</b>   |         |                   |
| Analog Devices, Inc.                                       | 168,574 | 9,359,228         |
| Avago Technologies Ltd.                                    | 76,095  | 7,654,396         |
| Intel Corp.  | 201,424 | 7,309,677         |
| NXP Semiconductors NV*                                     | 89,383  | 6,828,861         |
|  |         | <b>31,152,162</b> |
| <b>Software 6.8%</b>                                       |         |                   |
| Adobe Systems, Inc.*                                       | 127,838 | 9,293,823         |
| Microsoft Corp.  | 533,722 | 24,791,387        |
| Oracle Corp.   | 370,352 | 16,654,729        |
| Salesforce.com, Inc.* (a)                                  | 170,788 | 10,129,436        |
|  |         | <b>60,869,375</b> |
| <b>Technology Hardware, Storage &amp; Peripherals 6.5%</b> |         |                   |
| Apple, Inc.  | 441,085 | 48,686,962        |
| Western Digital Corp.                                      | 83,422  | 9,234,816         |
|  |         | <b>57,921,778</b> |
| <b>Materials 3.5%</b>                                      |         |                   |
| <b>Chemicals 2.7%</b>                                      |         |                   |
| Dow Chemical Co.   | 175,745 | 8,015,729         |
| Ecolab, Inc.   | 114,524 | 11,970,049        |
| PPG Industries, Inc.                                       | 17,014  | 3,932,786         |
|  |         | <b>23,918,564</b> |
| <b>Containers &amp; Packaging 0.8%</b>                     |         |                   |
| Ball Corp.   | 108,849 | <b>7,420,236</b>  |

\* Non-income producing security.

† The cost for federal income tax purposes was \$699,999,348. At December 31, 2014, net unrealized appreciation for all securities based on tax cost was \$327,280,539. This consisted of aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost of \$335,740,331 and aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value of \$8,459,792.

(a) All or a portion of these securities were on loan. In addition, "Other Assets and Liabilities, Net" may include pending sales that are also on loan. The value of securities loaned at December 31, 2014 amounted to \$129,779,373, which is 14.5% of net assets.

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

(c) Represents collateral held in connection with securities lending. Income earned by the Fund is net of borrower rebates.

144A: Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers.

ADR: American Depositary Receipt

REIT: Real Estate Investment Trust

## Fair Value Measurements

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in three broad levels. Level 1 includes quoted prices in active markets for identical securities. Level 2 includes other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds and credit risk). Level 3 includes significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments). The level assigned to the securities valuations may not be an indication of the risk or liquidity associated with investing in those securities.

The following is a summary of the inputs used as of December 31, 2014 in valuing the Fund's investments. For information on the Fund's policy regarding the valuation of investments, please refer to the Security Valuation section of Note A in the accompanying Notes to Financial Statements.

| Assets                     | Level 1                | Level 2             | Level 3     | Total                   |
|----------------------------|------------------------|---------------------|-------------|-------------------------|
| Common Stocks (d)          | \$ 886,478,343         | \$ —                | \$ —        | \$ 886,478,343          |
| Convertible Bonds          | —                      | 4,141,068           | —           | 4,141,068               |
| Short-Term Investments (d) | 136,660,476            | —                   | —           | 136,660,476             |
| <b>Total</b>               | <b>\$1,023,138,819</b> | <b>\$ 4,141,068</b> | <b>\$ —</b> | <b>\$ 1,027,279,887</b> |

There have been no transfers between fair value measurement levels during the year ended December 31, 2014.

(d) See Investment Portfolio for additional detailed categorizations.

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

|   | Shares                       | Value (\$)           |
|---|------------------------------|----------------------|
| <b>Telecommunication Services 0.6%</b>                              |                              |                      |
| <b>Diversified Telecommunication Services</b>                       |                              |                      |
| Level 3 Communications, Inc.*                                       | 96,391                       | 4,759,787            |
| Zayo Group Holdings, Inc.* (a)                                      | 22,945                       | 701,429              |
|   |                              | <b>5,461,216</b>     |
| <b>Utilities 0.5%</b>   |                              |                      |
| <b>Water Utilities</b>  |                              |                      |
| American Water Works Co., Inc. (a)                                  | 92,500                       | <b>4,930,250</b>     |
| <b>Total Common Stocks</b> (Cost \$558,502,162)                     |                              | <b>886,478,343</b>   |
|   | <b>Principal Amount (\$)</b> | <b>Value (\$)</b>    |
| <b>Convertible Bonds 0.4%</b>                                       |                              |                      |
| <b>Information Technology</b>                                       |                              |                      |
| Twitter, Inc., 144A, 0.25%, 9/15/2019                               | 2,098,000                    | 1,822,637            |
| Workday, Inc., 1.5%, 7/15/2020                                      | 1,903,278                    | 2,318,431            |
| <b>Total Convertible Bonds</b> (Cost \$4,366,999)                   |                              | <b>4,141,068</b>     |
|   | <b>Shares</b>                | <b>Value (\$)</b>    |
| <b>Securities Lending Collateral 14.9%</b>                          |                              |                      |
| Daily Assets Fund Institutional, 0.10% (b) (c) (Cost \$133,354,054) | 133,354,054                  | <b>133,354,054</b>   |
| <b>Cash Equivalents 0.4%</b>  |                              |                      |
| Central Cash Management Fund, 0.06% (b) (Cost \$3,306,422)          | 3,306,422                    | <b>3,306,422</b>     |
|   | <b>% of Net Assets</b>       | <b>Value (\$)</b>    |
| <b>Total Investment Portfolio</b> (Cost \$699,529,637) <sup>†</sup> | 114.9                        | <b>1,027,279,887</b> |
| <b>Other Assets and Liabilities, Net</b>                            | (14.9)                       | <b>(133,538,375)</b> |
| <b>Net Assets</b>   | 100.0                        | <b>893,741,512</b>   |

# Statement of Assets and Liabilities

as of December 31, 2014

| <b>Assets</b>   |                       |
|---|-----------------------|
| Investments:  |                       |
| Investments in non-affiliated securities, at value (cost \$562,869,161) — including \$129,779,373 of securities loaned  | \$ 890,619,411        |
| Investment in Daily Assets Fund Institutional (cost \$133,354,054)*   | 133,354,054           |
| Investment in Central Cash Management Fund (cost \$3,306,422)   | 3,306,422             |
| Total investments in securities, at value (cost \$699,529,637)  | 1,027,279,887         |
| Cash  | 10,000                |
| Receivable for Fund shares sold   | 293,377               |
| Dividends receivable  | 825,290               |
| Interest receivable   | 27,740                |
| Other assets  | 14,495                |
| <b>Total assets</b>   | <b>1,028,450,789</b>  |
| <b>Liabilities</b>  |                       |
| Payable upon return of securities loaned  | 133,354,054           |
| Payable for Fund shares redeemed  | 869,652               |
| Accrued management fee  | 281,972               |
| Accrued Trustees' fees  | 11,162                |
| Other accrued expenses and payables   | 192,437               |
| Total liabilities   | 134,709,277           |
| <b>Net assets, at value</b>   | <b>\$ 893,741,512</b> |
| <b>Net Assets Consist of</b>  |                       |
| Undistributed net investment income   | 6,242,357             |
| Net unrealized appreciation (depreciation) on Investments   | 327,750,250           |
| Accumulated net realized gain (loss)  | 101,606,458           |
| Paid-in capital   | 458,142,447           |
| <b>Net assets, at value</b>   | <b>\$ 893,741,512</b> |
| <b>Class A</b>  |                       |
| <b>Net Asset Value</b> , offering and redemption price per share (\$890,358,124 ÷ 29,731,475 outstanding shares of beneficial interest, \$.01 par value, unlimited number of shares authorized) | <b>\$ 29.95</b>       |
| <b>Class B</b>  |                       |
| <b>Net Asset Value</b> , offering and redemption price per share (\$3,383,388 ÷ 113,396 outstanding shares of beneficial interest, \$.01 par value, unlimited number of shares authorized)      | <b>\$ 29.84</b>       |

\* Represents collateral on securities loaned.

# Statement of Operations

for the year ended December 31, 2014

| <b>Investment Income</b>  |                       |
|---|-----------------------|
| Income:   |                       |
| Dividends (net of foreign taxes withheld of \$14,055)   | \$ 10,582,219         |
| Income distributions — Central Cash Management Fund   | 2,581                 |
| Interest  | 36,689                |
| Securities lending income, including income from Daily Assets Fund Institutional, net of borrower rebates | 67,802                |
| <b>Total income</b>   | <b>10,689,291</b>     |
| Expenses:   |                       |
| Management fee  | 3,162,834             |
| Administration fee  | 849,407               |
| Services to shareholders  | 3,617                 |
| Record keeping fee (Class B)  | 3,358                 |
| Distribution and service fees (Class B)   | 16,247                |
| Custodian fee   | 24,755                |
| Professional fees   | 93,369                |
| Reports to shareholders   | 53,783                |
| Trustees' fees and expenses   | 36,729                |
| Other   | 26,992                |
| Total expenses  | 4,271,091             |
| <b>Net investment income (loss)</b>   | <b>6,418,200</b>      |
| <b>Realized and Unrealized Gain (Loss)</b>  |                       |
| Net realized gain (loss) from Investments   | 126,077,955           |
| Change in net unrealized appreciation (depreciation) on:  |                       |
| Investments   | (29,237,278)          |
| Foreign currency  | (4,925)               |
|   | (29,242,203)          |
| <b>Net gain (loss)</b>  | <b>96,835,752</b>     |
| <b>Net increase (decrease) in net assets resulting from operations</b>                                    | <b>\$ 103,253,952</b> |

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



# Statement of Changes in Net Assets

| Increase (Decrease) in Net Assets  | Years Ended December 31, |                       |
|--|--------------------------|-----------------------|
|  | 2014                     | 2013                  |
| Operations:  |                          |                       |
| Net investment income (loss)   | \$ 6,418,200             | \$ 6,538,509          |
| Net realized gain (loss)   | 126,077,955              | 111,903,826           |
| Change in net unrealized appreciation (depreciation)   | (29,242,203)             | 112,661,284           |
| Net increase (decrease) in net assets resulting from operations  | 103,253,952              | 231,103,619           |
| Distributions to shareholders from:  |                          |                       |
| Net investment income:   |                          |                       |
| Class A  | (5,280,971)              | (9,616,234)           |
| Class B  | (41,098)                 | (131,767)             |
| Net realized gains:  |                          |                       |
| Class A  | (48,279,027)             | —                     |
| Class B  | (767,015)                | —                     |
| Total distributions  | (54,368,111)             | (9,748,001)           |
| Fund share transactions:   |                          |                       |
| <b>Class A</b>   |                          |                       |
| Proceeds from shares sold  | 51,156,495               | 14,066,914            |
| Reinvestment of distributions  | 53,559,998               | 9,616,234             |
| Payments for shares redeemed   | (101,225,789)            | (105,034,979)         |
| Net increase (decrease) in net assets from Class A share transactions  | 3,490,704                | (81,351,831)          |
| <b>Class B</b>   |                          |                       |
| Proceeds from shares sold  | 1,318,640                | 760,162               |
| Reinvestment of distributions  | 808,113                  | 131,767               |
| Payments for shares redeemed   | (11,748,491)             | (3,806,721)           |
| Net increase (decrease) in net assets from Class B share transactions  | (9,621,738)              | (2,914,792)           |
| <b>Increase (decrease) in net assets</b>   | <b>42,754,807</b>        | <b>137,088,995</b>    |
| Net assets at beginning of period  | 850,986,705              | 713,897,710           |
| Net assets at end of period (including undistributed net investment income of \$6,242,357 and \$6,239,079, respectively) | <b>\$ 893,741,512</b>    | <b>\$ 850,986,705</b> |
| <b>Other Information</b>   |                          |                       |
| <b>Class A</b>   |                          |                       |
| Shares outstanding at beginning of period  | 29,474,327               | 32,798,165            |
| Shares sold  | 1,781,210                | 570,579               |
| Shares issued to shareholders in reinvestment of distributions   | 2,074,361                | 419,923               |
| Shares redeemed  | (3,598,423)              | (4,314,340)           |
| Net increase (decrease) in Class A shares  | 257,148                  | (3,323,838)           |
| Shares outstanding at end of period  | <b>29,731,475</b>        | <b>29,474,327</b>     |
| <b>Class B</b>   |                          |                       |
| Shares outstanding at beginning of period  | 484,326                  | 600,771               |
| Shares sold  | 46,596                   | 31,195                |
| Shares issued to shareholders in reinvestment of distributions   | 31,359                   | 5,764                 |
| Shares redeemed  | (448,885)                | (153,404)             |
| Net increase (decrease) in Class B shares  | (370,930)                | (116,445)             |
| Shares outstanding at end of period  | <b>113,396</b>           | <b>484,326</b>        |

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

# Financial Highlights

| Class A   | Years Ended December 31, |                |                |                |                    |
|---|--------------------------|----------------|----------------|----------------|--------------------|
|   | 2014                     | 2013           | 2012           | 2011           | 2010               |
| <b>Selected Per Share Data</b>                            |                          |                |                |                |                    |
| <b>Net asset value, beginning of period</b>               | <b>\$28.41</b>           | <b>\$21.38</b> | <b>\$18.58</b> | <b>\$19.59</b> | <b>\$16.93</b>     |
| <i>Income (loss) from investment operations:</i>          |                          |                |                |                |                    |
| Net investment income (loss) <sup>a</sup>                 | .21                      | .21            | .28            | .17            | .14 <sup>c</sup>   |
| Net realized and unrealized gain (loss)                   | 3.18                     | 7.12           | 2.70           | (1.03)         | 2.68               |
| <b>Total from investment operations</b>                   | <b>3.39</b>              | <b>7.33</b>    | <b>2.98</b>    | <b>(.86)</b>   | <b>2.82</b>        |
| <i>Less distributions from:</i>                           |                          |                |                |                |                    |
| Net investment income                                     | (.18)                    | (.30)          | (.18)          | (.15)          | (.16)              |
| Net realized gains  | (1.67)                   | —              | —              | —              | —                  |
| <b>Total distributions</b>                                | <b>(1.85)</b>            | <b>(.30)</b>   | <b>(.18)</b>   | <b>(.15)</b>   | <b>(.16)</b>       |
| <b>Net asset value, end of period</b>                     | <b>\$29.95</b>           | <b>\$28.41</b> | <b>\$21.38</b> | <b>\$18.58</b> | <b>\$19.59</b>     |
| Total Return (%)  | 12.97                    | 34.65          | 16.05          | (4.47)         | 16.71 <sup>b</sup> |
| <b>Ratios to Average Net Assets and Supplemental Data</b> |                          |                |                |                |                    |
| Net assets, end of period (\$ millions)                   | 890                      | 837            | 701            | 677            | 729                |
| Ratio of expenses before expense reductions (%)           | .50                      | .50            | .50            | .50            | .51                |
| Ratio of expenses after expense reductions (%)            | .50                      | .50            | .50            | .50            | .51                |
| Ratio of net investment income (loss) (%)                 | .76                      | .85            | 1.32           | .86            | .78 <sup>c</sup>   |
| Portfolio turnover rate (%)                               | 47                       | 37             | 25             | 47             | 42                 |

<sup>a</sup> Based on average shares outstanding during the period.

<sup>b</sup> Total return would have been lower had certain expenses not been reduced.

<sup>c</sup> Net investment income per share and ratio of net investment income include non-recurring dividend income amounting to \$0.05 per share and 0.28% of average daily net assets for the year ended December 31, 2010.

| Class B   | Years Ended December 31, |                |                |                |                    |
|---|--------------------------|----------------|----------------|----------------|--------------------|
|   | 2014                     | 2013           | 2012           | 2011           | 2010               |
| <b>Selected Per Share Data</b>                            |                          |                |                |                |                    |
| <b>Net asset value, beginning of period</b>               | <b>\$28.29</b>           | <b>\$21.29</b> | <b>\$18.51</b> | <b>\$19.51</b> | <b>\$16.86</b>     |
| <i>Income (loss) from investment operations:</i>          |                          |                |                |                |                    |
| Net investment income (loss) <sup>a</sup>                 | .09                      | .13            | .20            | .10            | .08 <sup>c</sup>   |
| Net realized and unrealized gain (loss)                   | 3.22                     | 7.10           | 2.69           | (1.02)         | 2.67               |
| <b>Total from investment operations</b>                   | <b>3.31</b>              | <b>7.23</b>    | <b>2.89</b>    | <b>(.92)</b>   | <b>2.75</b>        |
| <i>Less distributions from:</i>                           |                          |                |                |                |                    |
| Net investment income                                     | (.09)                    | (.23)          | (.11)          | (.08)          | (.10)              |
| Net realized gains  | (1.67)                   | —              | —              | —              | —                  |
| <b>Total distributions</b>                                | <b>(1.76)</b>            | <b>(.23)</b>   | <b>(.11)</b>   | <b>(.08)</b>   | <b>(.10)</b>       |
| <b>Net asset value, end of period</b>                     | <b>\$29.84</b>           | <b>\$28.29</b> | <b>\$21.29</b> | <b>\$18.51</b> | <b>\$19.51</b>     |
| Total Return (%)  | 12.67                    | 34.19          | 15.61          | (4.76)         | 16.33 <sup>b</sup> |
| <b>Ratios to Average Net Assets and Supplemental Data</b> |                          |                |                |                |                    |
| Net assets, end of period (\$ millions)                   | 3                        | 14             | 13             | 13             | 12                 |
| Ratio of expenses before expense reductions (%)           | .80                      | .83            | .83            | .84            | .85                |
| Ratio of expenses after expense reductions (%)            | .80                      | .83            | .83            | .84            | .84                |
| Ratio of net investment income (loss) (%)                 | .33                      | .52            | .97            | .52            | .45 <sup>c</sup>   |
| Portfolio turnover rate (%)                               | 47                       | 37             | 25             | 47             | 42                 |

<sup>a</sup> Based on average shares outstanding during the period.

<sup>b</sup> Total return would have been lower had certain expenses not been reduced.

<sup>c</sup> Net investment income per share and ratio of net investment income include non-recurring dividend income amounting to \$0.05 per share and 0.28% of average daily net assets for the year ended December 31, 2010.

# Notes to Financial Statements

## A. Organization and Significant Accounting Policies

Deutsche Variable Series I (formerly DWS Variable Series I) (the "Series") is registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as an open-end, registered management investment company organized as a Massachusetts business trust. The Series consists of five diversified funds: Deutsche Bond VIP, Deutsche Core Equity VIP, Deutsche Capital Growth VIP, Deutsche Global Small Cap VIP and Deutsche International VIP (individually or collectively hereinafter referred to as a "Fund" or the "Funds" and formerly known as DWS Bond VIP, DWS Core Equity VIP, DWS Capital Growth VIP, DWS Global Small Cap Growth VIP and DWS International VIP, respectively). These financial statements report on Deutsche Capital Growth VIP. The Series is intended to be the underlying investment vehicle for variable annuity contracts and variable life insurance policies to be offered by the separate accounts of certain life insurance companies ("Participating Insurance Companies").

**Multiple Classes of Shares of Beneficial Interest.** The Fund offers two classes of shares (Class A shares and Class B shares). Class B shares are subject to Rule 12b-1 distribution fees under the 1940 Act and record keeping fees equal to an annual rate of 0.25% and up to 0.15%, respectively, of the average daily net assets of the Class B shares of the Fund. Class A shares are not subject to such fees.

Investment income, realized and unrealized gains and losses, and certain fund-level expenses and expense reductions, if any, are borne pro rata on the basis of relative net assets by the holders of all classes of shares, except that each class bears certain expenses unique to that class (including the applicable 12b-1 distribution fees and recordkeeping fees). Differences in class-level expenses may result in payment of different per share dividends by class. All shares have equal rights with respect to voting subject to class-specific arrangements.

The Fund's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America, which require the use of management estimates. Actual results could differ from those estimates. The policies described below are followed consistently by the Fund in the preparation of its financial statements.

**Security Valuation.** Investments are stated at value determined as of the close of regular trading on the New York Stock Exchange on each day the exchange is open for trading.

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in three broad levels. Level 1 includes quoted prices in active markets for identical securities. Level 2 includes other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds and credit risk). Level 3 includes significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments). The level assigned to the securities valuations may not be an indication of the risk or liquidity associated with investing in those securities.

Equity securities are valued at the most recent sale price or official closing price reported on the exchange (U.S. or foreign) or over-the-counter market on which they trade. Securities for which no sales are reported are valued at the calculated mean between the most recent bid and asked quotations on the relevant market or, if a mean cannot be determined, at the most recent bid quotation. Equity securities are generally categorized as Level 1.

Investments in open-end investment companies are valued at their net asset value each business day and are categorized as Level 1.

Debt securities are valued at prices supplied by independent pricing services approved by the Fund's Board. Such services may use various pricing techniques which take into account appropriate factors such as yield, quality, coupon rate, maturity, type of issue, trading characteristics, prepayment speeds and other data, as well as broker quotes. If the pricing services are unable to provide valuations, debt securities are valued at the average of the most recent reliable bid quotations or evaluated prices, as applicable, obtained from broker-dealers. These securities are generally categorized as Level 2.

Securities and other assets for which market quotations are not readily available or for which the above valuation procedures are deemed not to reflect fair value are valued in a manner that is intended to reflect their fair value as determined in accordance with procedures approved by the Trustees and are generally categorized as Level 3. In accordance with the Fund's valuation procedures, factors considered in determining value may include, but are not limited to, the type of the security; the size of the holding; the initial cost of the security; the existence of any contractual restrictions on the security's disposition; the price and extent of public trading in similar securities of the issuer or of comparable companies; quotations or evaluated prices from broker-dealers and/or pricing services; information obtained from the issuer, analysts, and/or the appropriate stock exchange (for exchange-traded securities); an analysis of the company's or issuer's financial statements; an evaluation of the forces that influence the issuer and the market(s) in which the security is purchased and sold; and with respect to

debt securities, the maturity, coupon, creditworthiness, currency denomination and the movement of the market in which the security is normally traded. The value determined under these procedures may differ from published values for the same securities.

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

**Securities Lending.** Brown Brothers Harriman & Co., as lending agent, lends securities of the Fund to certain financial institutions under the terms of the Security Lending Agreement. The Fund retains the benefits of owning the securities it has loaned and continues to receive interest and dividends generated by the securities and to participate in any changes in their market value. The Fund requires the borrowers of the securities to maintain collateral with the Fund consisting of either cash or liquid, unencumbered assets having a value at least equal to the value of the securities loaned. When the collateral falls below specified amounts, the lending agent will use its best effort to obtain additional collateral on the next business day to meet required amounts under the security lending agreement. The Fund may invest the cash collateral into a joint trading account in an affiliated money market fund pursuant to Exemptive Orders issued by the SEC. The Fund receives compensation for lending its securities either in the form of fees or by earning interest on invested cash collateral net of borrower rebates and fees paid to a lending agent. Either the Fund or the borrower may terminate the loan. There may be risks of delay and costs in recovery of securities or even loss of rights in the collateral should the borrower of the securities fail financially. If the Fund is not able to recover securities lent, the Fund may sell the collateral and purchase a replacement investment in the market, incurring the risk that the value of the replacement security is greater than the value of the collateral. The Fund is also subject to all investment risks associated with the reinvestment of any cash collateral received, including, but not limited to, interest rate, credit and liquidity risk associated with such investments.

As of December 31, 2014, the Fund had securities on loan. The value of the related collateral exceeded the value of the securities loaned at period end.

**Foreign Currency Translations.** The books and records of the Fund are maintained in U.S. dollars. Investment securities and other assets and liabilities denominated in a foreign currency are translated into U.S. dollars at the prevailing exchange rates at period end. Purchases and sales of investment securities, income and expenses are translated into U.S. dollars at the prevailing exchange rates on the respective dates of the transactions.

Net realized and unrealized gains and losses on foreign currency transactions represent net gains and losses between trade and settlement dates on securities transactions, the acquisition and disposition of foreign currencies, and the difference between the amount of net investment income accrued and the U.S. dollar amount actually received. That portion of both realized and unrealized gains and losses on investments that results from fluctuations in foreign currency exchange rates is not separately disclosed but is included with net realized and unrealized gain/appreciation and loss/depreciation on investments.

**Federal Income Taxes.** The Fund is treated as a separate taxpayer as provided for in the Internal Revenue Code, as amended. It is the Fund's policy to comply with the requirements of the Internal Revenue Code, as amended, which are applicable to regulated investment companies, and to distribute all of its taxable income to the separate accounts of the Participating Insurance Companies which hold its shares.

Under the Regulated Investment Company Modernization Act of 2010, net capital losses incurred post-enactment may be carried forward indefinitely, and their character is retained as short-term and/or long-term. Previously, net capital losses were carried forward for eight years and treated as short-term. As a transition rule, the Act requires that post-enactment net capital losses be used before pre-enactment net capital losses.

At December 31, 2014, the Fund had a net tax basis capital loss carryforward of approximately \$15,222,000 of pre-enactment losses, all of which was inherited from its merger with other affiliated funds in previous years, which may be applied against any realized net taxable capital gains of each succeeding year until fully utilized or until December 31, 2016, the expiration date, whichever occurs first, and which may be subject to certain limitations under Section 382–384 of the Internal Revenue Code.

The Fund has reviewed the tax positions for the open tax years as of December 31, 2014 and has determined that no provision for income tax and/or uncertain tax provisions is required in the Fund's financial statements. The Fund's federal tax returns for the prior three fiscal years remain open subject to examination by the Internal Revenue Service.

**Distribution of Income and Gains.** Distributions from net investment income of the Fund, if any, are declared and distributed to shareholders annually. Net realized gains from investment transactions, in excess of available capital loss carryforwards, would be taxable to the Fund if not distributed, and, therefore, will be distributed to shareholders at least annually. The Fund may also make additional distributions for tax purposes if necessary.

The timing and characterization of certain income and capital gain distributions are determined annually in accordance with federal tax regulations which may differ from accounting principles generally accepted in the

United States of America. These differences primarily relate to certain securities sold at a loss. As a result, net investment income (loss) and net realized gain (loss) on investment transactions for a reporting period may differ significantly from distributions during such period. Accordingly, the Fund may periodically make reclassifications among certain of its capital accounts without impacting the net asset value of the Fund.

At December 31, 2014, the Fund's components of distributable earnings (accumulated losses) on a tax basis are as follows:

|   |                 |
|---|-----------------|
| Undistributed ordinary income*                              | \$ 6,242,357    |
| Undistributed net long-term capital gains                   | \$ 117,313,066  |
| Capital loss carryforwards                                  | \$ (15,222,000) |
| Net unrealized gain appreciation (depreciation) investments | \$ 327,280,539  |

In addition, the tax character of distributions paid to shareholders by the Fund is summarized as follows:

|  | <b>Years Ended December 31,</b> |              |
|--|---------------------------------|--------------|
|  | <b>2014</b>                     | <b>2013</b>  |
| Distributions from ordinary income*        | \$ 5,322,069                    | \$ 9,748,001 |
| Distributions from long-term capital gains | \$ 49,046,042                   | \$ —         |

\* For tax purposes, short-term capital gain distributions are considered ordinary income distributions.

**Expenses.** Expenses of the Series arising in connection with a specific Fund are allocated to that Fund. Other Series expenses which cannot be directly attributed to a Fund are apportioned among the Funds in the Series based upon the relative net assets or other appropriate measures.

**Contingencies.** In the normal course of business, the Fund may enter into contracts with service providers that contain general indemnification clauses. The Fund's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet been made. However, based on experience, the Fund expects the risk of loss to be remote.

**Other.** Investment transactions are accounted for on a trade date plus one basis for daily net asset value calculations. However, for financial reporting purposes, investment transactions are reported on trade date. Interest income is recorded on the accrual basis. Dividend income is recorded on the ex-dividend date net of foreign withholding taxes. Realized gains and losses from investment transactions are recorded on an identified cost basis. Proceeds from litigation payments, if any, are included in net realized gain (loss) from investments.

## **B. Purchases and Sales of Securities**

During the year ended December 31, 2014, purchases and sales of investment securities (excluding short-term investments) aggregated \$394,747,775 and \$439,260,251, respectively.

## **C. Related Parties**

**Management Agreement.** Under the Investment Management Agreement with Deutsche Investment Management Americas Inc. ("DIMA" or the "Advisor"), an indirect, wholly owned subsidiary of Deutsche Bank AG, the Advisor directs the investments of the Fund in accordance with its investment objectives, policies and restrictions. The Advisor determines the securities, instruments and other contracts relating to investments to be purchased, sold or entered into by the Fund.

Pursuant to the Investment Management Agreement with the Advisor, the Fund pays a monthly management fee based on the Fund's average daily net assets, computed and accrued daily and payable monthly at the following annual rates:

|   |       |
|---|-------|
| First \$250 million of average daily net assets | .390% |
| Next \$750 million of average daily net assets  | .365% |
| Over \$1 billion of average daily net assets    | .340% |

Accordingly, for the year ended December 31, 2014, the fee pursuant to the Investment Management Agreement was equivalent to an annual rate (exclusive of any applicable waivers/reimbursements) of 0.37% of the Fund's average daily net assets.

For the period from January 1, 2014 through September 30, 2015, the Advisor has contractually agreed to waive all or a portion of its fees and/or reimburse certain operating expenses to the extent necessary to maintain the

total annual operating expenses (excluding certain expenses such as extraordinary expenses, taxes, brokerage and interest expense) of each class as follows:

|         |       |
|---------|-------|
| Class A | .80%  |
| Class B | 1.13% |

**Administration Fee.** Pursuant to an Administrative Services Agreement, DIMA provides most administrative services to the Fund. For all services provided under the Administrative Services Agreement, the Fund pays the Advisor an annual fee ("Administration Fee") of 0.10% of the Fund's average daily net assets, computed and accrued daily and payable monthly. For the year ended December 31, 2014, the Administration Fee was \$849,407, of which \$75,798 is unpaid.

**Service Provider Fees.** DeAWM Service Company ("DSC"), an affiliate of the Advisor, is the transfer agent, dividend-paying agent and shareholder service agent for the Fund. Pursuant to a sub-transfer agency agreement between DSC and DST Systems, Inc. ("DST"), DSC has delegated certain transfer agent, dividend-paying agent and shareholder service agent functions to DST. DSC compensates DST out of the shareholder servicing fee it receives from the Fund. For the year ended December 31, 2014, the amounts charged to the Fund by DSC were as follows:

| Services to Shareholders | Total Aggregated | Unpaid at December 31, 2014 |
|--------------------------|------------------|-----------------------------|
| Class A                  | \$ 783           | \$ 142                      |
| Class B                  | 176              | 29                          |
|                          | <b>\$ 959</b>    | <b>\$ 171</b>               |

**Distribution Service Agreement.** DeAWM Distributors, Inc. ("DDI"), also an affiliate of the Advisor, is the Series' Distributor. In accordance with the Master Distribution Plan, DDI receives 12b-1 fees of 0.25% of average daily net assets of Class B shares. Pursuant to the Master Distribution Plan, DDI remits these fees to the Participating Insurance Companies for various costs incurred or paid by these companies in connection with marketing and distribution of Class B shares. For the year ended December 31, 2014, the Distribution Service Fee aggregated \$16,247, of which \$720 is unpaid.

**Typesetting and Filing Service Fees.** Under an agreement with DIMA, DIMA is compensated for providing typesetting and certain regulatory filing services to the Fund. For the year ended December 31, 2014, the amount charged to the Fund by DIMA included in the Statement of Operations under "Reports to shareholders" aggregated \$15,114, of which \$4,205 is unpaid.

**Trustees' Fees and Expenses.** The Fund paid retainer fees to each Trustee not affiliated with the Advisor, plus specified amounts to the Board Chairperson and Vice Chairperson and to each committee Chairperson.

**Affiliated Cash Management Vehicles.** The Fund may invest uninvested cash balances in Central Cash Management Fund and Deutsche Variable NAV Money Fund, affiliated money market funds which are managed by the Advisor. Each affiliated money market fund seeks to provide a high level of current income consistent with liquidity and the preservation of capital. Each affiliated money market fund is managed in accordance with Rule 2a-7 under the Investment Company Act of 1940, which governs the quality, maturity, diversity and liquidity of instruments in which a money market fund may invest. Central Cash Management Fund seeks to maintain a stable net asset value, and Deutsche Variable NAV Money Fund maintains a floating net asset value. The Fund indirectly bears its proportionate share of the expenses of each affiliated money market fund in which it invests. Central Cash Management Fund does not pay the Advisor an investment management fee. To the extent that Deutsche Variable NAV Money Fund pays an investment management fee to the Advisor, the Advisor will waive an amount of the investment management fee payable to the Advisor by the Fund equal to the amount of the investment management fee payable on the Fund's assets invested in Deutsche Variable NAV Money Fund.

## D. Ownership of the Fund

At December 31, 2014, three participating insurance companies were owners of record of 10% or more of the total outstanding Class A shares of the Fund, each owning 39%, 37% and 12%, respectively. Two participating insurance companies were the owners of record of 10% or more of the total outstanding Class B shares of the Fund, each owning 81% and 10%, respectively.

## **E. Line of Credit**

The Fund and other affiliated funds (the "Participants") share in a \$400 million revolving credit facility provided by a syndication of banks. The Fund may borrow for temporary or emergency purposes, including the meeting of redemption requests that otherwise might require the untimely disposition of securities. The Participants are charged an annual commitment fee which is allocated based on net assets, among each of the Participants. Interest is calculated at a rate per annum equal to the sum of the Federal Funds Rate plus 1.25 percent plus if LIBOR exceeds the Federal Funds Rate the amount of such excess. The Fund may borrow up to a maximum of 33 percent of its net assets under the agreement. The Fund had no outstanding loans at December 31, 2014.

# Report of Independent Registered Public Accounting Firm

## To the Trustees of Deutsche Variable Series I and the Shareholders of Deutsche Capital Growth VIP:

In our opinion, the accompanying statement of assets and liabilities, including the investment portfolio, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of Deutsche Capital Growth VIP (formerly DWS Capital Growth VIP) (the "Fund") at December 31, 2014 and the results of its operations, the changes in its net assets, and the financial highlights for the periods indicated therein, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at December 31, 2014 by correspondence with the custodian, brokers and transfer agent, and the application of alternative auditing procedures where such confirmations had not been received, provide a reasonable basis for our opinion.

Boston, Massachusetts  
February 13, 2015

PricewaterhouseCoopers LLP



## Information About Your Fund's Expenses

(Unaudited)

As an investor of the Fund, you incur two types of costs: ongoing expenses and transaction costs. Ongoing expenses include management fees, distribution and service (12b-1) fees and other Fund expenses. Examples of transaction costs include contract charges, which are not shown in this section. The following tables are intended to help you understand your ongoing expenses (in dollars) of investing in the Fund and to help you compare these expenses with the ongoing expenses of investing in other mutual funds. The example in the table is based on an investment of \$1,000 invested at the beginning of the six-month period and held for the entire period (July 1, 2014 to December 31, 2014).

The tables illustrate your Fund's expenses in two ways:

- **Actual Fund Return.** This helps you estimate the actual dollar amount of ongoing expenses (but not transaction costs) paid on a \$1,000 investment in the Fund using the Fund's actual return during the period. To estimate the expenses you paid over the period, simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the "Expenses Paid per \$1,000" line under the share class you hold.
- **Hypothetical 5% Fund Return.** This helps you to compare your Fund's ongoing expenses (but not transaction costs) with those of other mutual funds using the Fund's actual expense ratio and a hypothetical rate of return of 5% per year before expenses. Examples using a 5% hypothetical Fund return may be found in the shareholder reports of other mutual funds. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period.

Please note that the expenses shown in these tables are meant to highlight your ongoing expenses only and do not reflect any transaction costs. The "Expenses Paid per \$1,000" line of the tables is useful in comparing ongoing expenses only and will not help you determine the relative total expense of owning different funds. If these transaction costs had been included, your costs would have been higher.

### Expenses and Value of a \$1,000 Investment for the six months ended December 31, 2014

| <b>Actual Fund Return</b>          | <b>Class A</b> | <b>Class B</b> |
|------------------------------------|----------------|----------------|
| Beginning Account Value 7/1/14     | \$1,000.00     | \$1,000.00     |
| Ending Account Value 12/31/14      | \$1,076.20     | \$1,074.90     |
| Expenses Paid per \$1,000*         | \$ 2.62        | \$ 3.92        |
| <b>Hypothetical 5% Fund Return</b> | <b>Class A</b> | <b>Class B</b> |
| Beginning Account Value 7/1/14     | \$1,000.00     | \$1,000.00     |
| Ending Account Value 12/31/14      | \$1,022.68     | \$1,021.42     |
| Expenses Paid per \$1,000*         | \$ 2.55        | \$ 3.82        |

\* Expenses are equal to the Fund's annualized expense ratio for each share class, multiplied by the average account value over the period, multiplied by 184 (the number of days in the most recent six-month period), then divided by 365.

| <b>Annualized Expense Ratios</b>                         | <b>Class A</b> | <b>Class B</b> |
|--|----------------|----------------|
| Deutsche Variable Series I — Deutsche Capital Growth VIP | .50%           | .75%           |

For more information, please refer to the Fund's prospectus.

These tables do not reflect charges and fees ("contract charges") associated with the separate account that invests in the Fund or any variable life insurance policy or variable annuity contract for which the Fund is an investment option.

For an analysis of the fees associated with an investment in the fund or similar funds, please refer to the current and hypothetical expense calculators for Variable Insurance Products which can be found at [deutschefunds.com/EN/resources/calculators.jsp](http://deutschefunds.com/EN/resources/calculators.jsp).

## Tax Information

(Unaudited)

The Fund paid distributions of \$1.67 per share from net long-term capital gains during its year ended December 31, 2014.

Pursuant to Section 852 of the Internal Revenue Code, the Fund designates \$129,198,000 as capital gain dividends for its year ended December 31, 2014.

For corporate shareholders, 100% of the ordinary dividends (i.e., income dividends plus short-term capital gains) paid during the Fund's fiscal year ended December 31, 2014 qualified for the dividends received deduction.

Please consult a tax advisor if you have questions about federal or state income tax laws, or on how to prepare your tax returns. If you have specific questions about your account, please contact your insurance provider.

## Proxy Voting

The Series' policies and procedures for voting proxies for portfolio securities and information about how the Series voted proxies related to its portfolio securities during the 12-month period ended June 30 are available on our Web site — [deutschefunds.com](http://deutschefunds.com) (click on “proxy voting” at the bottom of the page) — or on the SEC's Web site — [sec.gov](http://sec.gov). To obtain a written copy of the Series' policies and procedures without charge, upon request, call us toll free at (800) 728-3337.

## Advisory Agreement Board Considerations and Fee Evaluation

The Board of Trustees approved the renewal of Deutsche Capital Growth VIP's investment management agreement (the "Agreement") with Deutsche Investment Management Americas Inc. ("DIMA") in September 2014.

In terms of the process that the Board followed prior to approving the Agreement, shareholders should know that:

- In September 2014, all of the Fund's Trustees were independent of DIMA and its affiliates.
- The Trustees met frequently during the past year to discuss fund matters and dedicated a substantial amount of time to contract review matters. Over the course of several months, the Board's Contract Committee, in coordination with the Board's Equity Oversight Committee, reviewed comprehensive materials received from DIMA, independent third parties and independent counsel. These materials included an analysis of the Fund's performance, fees and expenses, and profitability compiled by a fee consultant retained by the Fund's Independent Trustees (the "Fee Consultant"). The Board also received extensive information throughout the year regarding performance of the Fund.
- The Independent Trustees regularly meet privately with counsel to discuss contract review and other matters. In addition, the Independent Trustees were advised by the Fee Consultant in the course of their review of the Fund's contractual arrangements and considered a comprehensive report prepared by the Fee Consultant in connection with their deliberations.
- In connection with reviewing the Agreement, the Board also reviewed the terms of the Fund's Rule 12b-1 plan, distribution agreement, administrative services agreement, transfer agency agreement and other material service agreements.
- Based on its evaluation of the information provided, the Contract Committee presented its findings and recommendations to the Board. The Board then reviewed the Contract Committee's findings and recommendations.

In connection with the contract review process, the Contract Committee and the Board considered the factors discussed below, among others. The Board also considered that DIMA and its predecessors have managed the Fund since its inception, and the Board believes that a long-term relationship with a capable, conscientious advisor is in the best interests of the Fund. The Board considered, generally, that shareholders chose to invest or remain invested in the Fund knowing that DIMA managed the Fund, and that the Agreement was approved by the Fund's shareholders. DIMA is part of Deutsche Bank AG ("DB"), a major global banking institution that is engaged in a wide range of financial services. The Board believes that there are advantages to being part of a global asset management business that offers a wide range of investing expertise and resources, including hundreds of portfolio managers and analysts with research capabilities in many countries throughout the world.

As part of the contract review process, the Board carefully considered the fees and expenses of each Deutsche fund overseen by the Board in light of the fund's performance. In many cases, this led to the negotiation and implementation of expense caps. As part of these negotiations, the Board indicated that it would consider relaxing these caps in future years following sustained improvements in performance, among other considerations.

In 2012, DB combined its Asset Management (of which DIMA was a part) and Wealth Management divisions into a new Asset and Wealth Management ("AWM") division. DB has advised the Independent Trustees that the U.S. asset management business is a critical and integral part of DB, and that DB will continue to invest in AWM a significant portion of the savings it has realized by combining its Asset and Wealth Management divisions, including ongoing enhancements to AWM's investment capabilities. DB also has confirmed its commitment to maintaining strong legal and compliance groups within the AWM division.

While shareholders may focus primarily on fund performance and fees, the Fund's Board considers these and many other factors, including the quality and integrity of DIMA's personnel and such other issues as back-office operations, fund valuations, and compliance policies and procedures.

**Nature, Quality and Extent of Services.** The Board considered the terms of the Agreement, including the scope of advisory services provided under the Agreement. The Board noted that, under the Agreement, DIMA provides portfolio management services to the Fund and that, pursuant to a separate administrative services agreement, DIMA provides administrative services to the Fund. The Board considered the experience and skills of senior management and investment personnel, the resources made available to such personnel, the ability of DIMA to attract and retain high-quality personnel, and the organizational depth and stability of DIMA. The Board reviewed the Fund's performance over short-term and long-term periods and compared those returns to various agreed-upon performance measures, including a market index and a peer universe compiled by the Fee Consultant using information supplied by Morningstar Direct ("Morningstar"), an independent fund data service. The Board also noted that it has put into place a process of identifying "Focus Funds" (e.g., funds performing poorly relative to a peer universe), and receives more frequent reporting and information from DIMA regarding

such funds, along with DIMA's plans to address underperformance. The Board believes this process is an effective manner of identifying and addressing underperforming funds. Based on the information provided, the Board noted that for the one-, three- and five-year periods ended December 31, 2013, the Fund's performance (Class A shares) was in the 3rd quartile, 3rd quartile and 4th quartile, respectively, of the applicable Morningstar universe (the 1st quartile being the best performers and the 4th quartile being the worst performers). The Board also observed that the Fund has outperformed its benchmark in the one-year period and has underperformed its benchmark in the three- and five-year periods ended December 31, 2013.

**Fees and Expenses.** The Board considered the Fund's investment management fee schedule, operating expenses and total expense ratios, and comparative information provided by Lipper Inc. ("Lipper") and the Fee Consultant regarding investment management fee rates paid to other investment advisors by similar funds (1st quartile being the most favorable and 4th quartile being the least favorable). With respect to management fees paid to other investment advisors by similar funds, the Board noted that the contractual fee rates paid by the Fund, which include a 0.10% fee paid to DIMA under the Fund's administrative services agreement, were lower than the median (1st quartile) of the applicable Lipper peer group (based on Lipper data provided as of December 31, 2013). The Board noted that the Fund's Class A shares total (net) operating expenses were expected to be lower than the median (1st quartile) of the applicable Lipper expense universe (based on Lipper data provided as of December 31, 2013) ("Lipper Universe Expenses"). The Board also reviewed data comparing each share class's total (net) operating expenses to the applicable Lipper Universe Expenses. The Board also considered how the Fund's total (net) operating expenses compared to the total (net) operating expenses of a more customized peer group selected by Lipper (based on such factors as asset size). The Board also noted that the expense limitations agreed to by DIMA helped to ensure that the Fund's total (net) operating expenses would remain competitive. The Board considered the Fund's management fee rate as compared to fees charged by DIMA to comparable funds and considered differences between the Fund and the comparable funds.

The information requested by the Board as part of its review of fees and expenses also included information about institutional accounts and funds offered primarily to European investors ("Deutsche Europe funds") managed by DIMA and its affiliates. The Board noted that DIMA indicated that it does not manage any institutional accounts or Deutsche Europe funds comparable to the Fund.

On the basis of the information provided, the Board concluded that management fees were reasonable and appropriate in light of the nature, quality and extent of services provided by DIMA.

**Profitability.** The Board reviewed detailed information regarding revenues received by DIMA under the Agreement. The Board considered the estimated costs and pre-tax profits realized by DIMA from advising the Deutsche U.S. mutual funds ("Deutsche Funds"), as well as estimates of the pre-tax profits attributable to managing the Fund in particular. The Board also received information regarding the estimated enterprise-wide profitability of DIMA and its affiliates with respect to all fund services in totality and by fund. The Board and the Fee Consultant reviewed DIMA's methodology in allocating its costs to the management of the Fund. Based on the information provided, the Board concluded that the pre-tax profits realized by DIMA in connection with the management of the Fund were not unreasonable.

**Economies of Scale.** The Board considered whether there are economies of scale with respect to the management of the Fund and whether the Fund benefits from any economies of scale. The Board noted that the Fund's management fee schedule includes fee breakpoints. The Board concluded that the Fund's fee schedule represents an appropriate sharing between the Fund and DIMA of such economies of scale as may exist in the management of the Fund at current asset levels.

**Other Benefits to DIMA and Its Affiliates.** The Board also considered the character and amount of other incidental benefits received by DIMA and its affiliates, including any fees received by DIMA for administrative services provided to the Fund and any fees received by an affiliate of DIMA for distribution services. The Board also considered benefits to DIMA related to brokerage and soft-dollar allocations, including allocating brokerage to pay for research generated by parties other than the executing broker dealers, which pertain primarily to funds investing in equity securities, along with the incidental public relations benefits to DIMA related to Deutsche Funds advertising and cross-selling opportunities among DIMA products and services. The Board concluded that management fees were reasonable in light of these fallout benefits.

**Compliance.** The Board considered the significant attention and resources dedicated by DIMA to documenting and enhancing its compliance processes in recent years. The Board noted in particular (i) the experience and seniority of DIMA's and the Fund's chief compliance officer; (ii) the large number of DIMA compliance personnel; and (iii) the substantial commitment of resources by DIMA and its affiliates to compliance matters.

Based on all of the information considered and the conclusions reached, the Board unanimously determined that the continuation of the Agreement is in the best interests of the Fund. In making this determination, the Board did not give particular weight to any single factor identified above. The Board considered these factors over the course of numerous meetings, certain of which were in executive session with only the Independent Trustees and counsel present. It is possible that individual Trustees may have weighed these factors differently in reaching their individual decisions to approve the continuation of the Agreement.

## Board Members and Officers

The following table presents certain information regarding the Board Members and Officers of the fund. Each Board Member's year of birth is set forth in parentheses after his or her name. Unless otherwise noted, (i) each Board Member has engaged in the principal occupation(s) noted in the table for at least the most recent five years, although not necessarily in the same capacity; and (ii) the address of each Independent Board Member is c/o Kenneth C. Froewiss, Chairman, Deutsche Mutual Funds, P.O. Box 390601, Cambridge, MA 02139. Except as otherwise noted below, the term of office for each Board Member is until the election and qualification of a successor, or until such Board Member sooner dies, resigns, is removed or as otherwise provided in the governing documents of the fund. Because the fund does not hold an annual meeting of shareholders, each Board Member will hold office for an indeterminate period. The Board Members may also serve in similar capacities with other funds in the fund complex.

### Independent Board Members

| Name, Year of Birth, Position with the Fund and Length of Time Served <sup>1</sup>   | Business Experience and Directorships During the Past Five Years  | Number of Funds in Deutsche Fund Complex Overseen | Other Directorships Held by Board Member  |
|--|---|---|---|
| Kenneth C. Froewiss (1945)<br>Chairperson since 2013, and Board Member since 2001    | Adjunct Professor of Finance, NYU Stern School of Business (September 2009–present; Clinical Professor from 1997–September 2009); Member, Finance Committee, Association for Asian Studies (2002–present); Director, Mitsui Sumitomo Insurance Group (US) (2004–present); prior thereto, Managing Director, J.P. Morgan (investment banking firm) (until 1996)  | 105   | —   |
| William McClayton (1944)<br>Vice Chairperson since 2013, and Board Member since 2004 | Private equity investor (since October 2009); previously, Managing Director, Diamond Management & Technology Consultants, Inc. (global consulting firm) (2001–2009); Directorship: Board of Managers, YMCA of Metropolitan Chicago; formerly: Senior Partner, Arthur Andersen LLP (accounting) (1966–2001); Trustee, Ravinia Festival   | 105   | —   |
| John W. Ballantine (1946)<br>Board Member since 1999                                 | Retired; formerly, Executive Vice President and Chief Risk Management Officer, First Chicago NBD Corporation/The First National Bank of Chicago (1996–1998); Executive Vice President and Head of International Banking (1995–1996); former Directorships: Director and former Chairman of the Board, Healthways, Inc. <sup>2</sup> (provider of disease and care management services) (2003–2014); Stockwell Capital Investments PLC (private equity); First Oak Brook Bancshares, Inc. and Oak Brook Bank; Prisma Energy International  | 105   | Portland General Electric <sup>2</sup> (utility company) (2003–present)               |
| Henry P. Becton, Jr. (1943)<br>Board Member since 1990                               | Vice Chair and former President, WGBH Educational Foundation. Directorships: Public Radio International; Public Radio Exchange (PRX); North Bennett Street School (Boston); former Directorships: Belo Corporation <sup>2</sup> (media company); The PBS Foundation; Association of Public Television Stations; Boston Museum of Science; American Public Television; Concord Academy; New England Aquarium; Mass. Corporation for Educational Telecommunications; Committee for Economic Development; Public Broadcasting Service; Connecticut College   | 105   | Lead Director, Becton Dickinson and Company <sup>2</sup> (medical technology company) |
| Dawn-Marie Driscoll (1946)<br>Board Member since 1987                                | Emeritus Executive Fellow, Center for Business Ethics, Bentley University; formerly: President, Driscoll Associates (consulting firm); Partner, Palmer & Dodge (law firm) (1988–1990); Vice President of Corporate Affairs and General Counsel, Filene's (retail) (1978–1988). Directorships: Director of ICI Mutual Insurance Company (since 2007); Advisory Board, Center for Business Ethics, Bentley University; Trustee and former Chairman of the Board, Southwest Florida Community Foundation (charitable organization); former Directorships: Sun Capital Advisers Trust (mutual funds) (2007–2012), Investment Company Institute (audit, executive, nominating committees) and Independent Directors Council (governance, executive committees) | 105   | —   |
| Keith R. Fox, CFA (1954)<br>Board Member since 1996                                  | Managing General Partner, Exeter Capital Partners (a series of private investment funds) (since 1986). Directorships: Progressive International Corporation (kitchen goods importer and distributor); The Kennel Shop (retailer); former Chairman, National Association of Small Business Investment Companies; former Directorships: BoxTop Media Inc. (advertising); Sun Capital Advisers Trust (mutual funds) (2011–2012)  | 105   | —   |

| <b>Name, Year of Birth, Position with the Fund and Length of Time Served<sup>1</sup></b> | <b>Business Experience and Directorships During the Past Five Years</b>   | <b>Number of Funds in Deutsche Fund Complex Overseen</b> | <b>Other Directorships Held by Board Member</b>  |
|--|---|--|--|
| Paul K. Freeman (1950)<br>Board Member since 1993  | Consultant, World Bank/Inter-American Development Bank; Chair, Independent Directors Council; Investment Company Institute (executive and nominating committees); formerly, Chairman of Education Committee of Independent Directors Council; Project Leader, International Institute for Applied Systems Analysis (1998–2001); Chief Executive Officer, The Eric Group, Inc. (environmental insurance) (1986–1998); Directorships: Denver Zoo Foundation (December 2012–present); former Directorships: Prisma Energy International  | 105  | —  |
| Richard J. Herring (1946)<br>Board Member since 1990                                     | Jacob Safra Professor of International Banking and Professor, Finance Department, The Wharton School, University of Pennsylvania (since July 1972); Co-Director, Wharton Financial Institutions Center; Co-Chair, U.S. Shadow Financial Regulatory Committee; Executive Director, Financial Economists Roundtable; formerly: Vice Dean and Director, Wharton Undergraduate Division (July 1995–June 2000); Director, Lauder Institute of International Management Studies (July 2000–June 2006)                                       | 105  | Director, Aberdeen Singapore and Japan Funds (since 2007); Independent Director of Barclays Bank Delaware (since September 2010)                                       |
| Rebecca W. Rimel (1951)<br>Board Member since 1995                                       | President and Chief Executive Officer, The Pew Charitable Trusts (charitable organization) (1994 to present); formerly: Executive Vice President, The Glenmede Trust Company (investment trust and wealth management) (1983–2004); Board Member, Investor Education (charitable organization) (2004–2005); Trustee, Executive Committee, Philadelphia Chamber of Commerce (2001–2007); Director, Viasys Health Care <sup>2</sup> (January 2007–June 2007); Trustee, Thomas Jefferson Foundation (charitable organization) (1994–2012) | 105  | Director, Becton Dickinson and Company <sup>2</sup> (medical technology company) (2012–present); Director, BioTelemetry Inc. <sup>2</sup> (health care) (2009–present) |
| William N. Searcy, Jr. (1946)<br>Board Member since 1993                                 | Private investor since October 2003; formerly: Pension & Savings Trust Officer, Sprint Corporation <sup>2</sup> (telecommunications) (November 1989–September 2003); Trustee, Sun Capital Advisers Trust (mutual funds) (1998–2012)   | 105  | —  |
| Jean Gleason Stromberg (1943)<br>Board Member since 1997                                 | Retired. Formerly, Consultant (1997–2001); Director, Financial Markets U.S. Government Accountability Office (1996–1997); Partner, Norton Rose Fulbright, L.L.P. (law firm) (1978–1996). Directorships: The William and Flora Hewlett Foundation (charitable organization); former Directorships: Service Source, Inc. (nonprofit), Mutual Fund Directors Forum (2002–2004), American Bar Retirement Association (funding vehicle for retirement plans) (1987–1990 and 1994–1996)   | 105  | —  |
| Robert H. Wadsworth* (1940)<br>Board Member since 1999                                   | President, Robert H. Wadsworth & Associates, Inc. (consulting firm) (1983 to present); Director, The Phoenix Boys Choir Association   | 105  | —  |

#### Officers<sup>4</sup>

| <b>Name, Year of Birth, Position with the Fund and Length of Time Served<sup>5</sup></b>   | <b>Business Experience and Directorships During the Past Five Years</b>   |
|--|---|
| Brian E. Binder <sup>8</sup> (1972)<br>President and Chief Executive Officer, 2013–present | Managing Director <sup>3</sup> and Head of Fund Administration, Deutsche Asset & Wealth Management (2013–present); formerly: Head of Business Management and Consulting at Invesco, Ltd. (2010–2012); Chief Administrative Officer, Van Kampen Funds Inc. (2008–2010); and Chief Administrative Officer, Morgan Stanley Investment Management Americas Distribution (2003–2008) |
| John Millette <sup>7</sup> (1962)<br>Vice President and Secretary, 1999–present            | Director, <sup>3</sup> Deutsche Asset & Wealth Management   |
| Melinda Morrow <sup>6</sup> (1970)<br>Vice President, 2012–present                         | Director, <sup>3</sup> Deutsche Asset & Wealth Management   |

**Name, Year of Birth, Position with the Fund and Length of Time Served<sup>5</sup>****Business Experience and Directorships During the Past Five Years**

|   |   |
|---|---|
| Paul H. Schubert <sup>6</sup> (1963)<br>Chief Financial Officer,<br>2004–present<br>Treasurer, 2005–present | Managing Director, <sup>3</sup> Deutsche Asset & Wealth Management (since July 2004); formerly: Executive Director, Head of Mutual Fund Services and Treasurer for UBS Family of Funds (1998–2004); Vice President and Director of Mutual Fund Finance at UBS Global Asset Management (1994–1998) |
| Caroline Pearson <sup>7</sup> (1962)<br>Chief Legal Officer,<br>2010–present                                | Managing Director, <sup>3</sup> Deutsche Asset & Wealth Management; formerly: Assistant Secretary for DWS family of funds (1997–2010)   |
| Robert Kloby <sup>6</sup> (1962)<br>Chief Compliance Officer,<br>2006–present                               | Managing Director, <sup>3</sup> Deutsche Asset & Wealth Management  |
| Wayne Salit <sup>6</sup> (1967)<br>Anti-Money Laundering<br>Compliance Officer,<br>2014–present             | Director, <sup>3</sup> Deutsche Asset & Wealth Management; formerly: Managing Director, AML Compliance Officer at BNY Mellon (2011–2014); and Director, AML Compliance Officer at Deutsche Bank (2004–2011)   |
| Hepsen Uzcan <sup>7</sup> (1974)<br>Assistant Secretary,<br>2013–present                                    | Director, <sup>3</sup> Deutsche Asset & Wealth Management   |
| Paul Antosca <sup>7</sup> (1957)<br>Assistant Treasurer,<br>2007–present                                    | Director, <sup>3</sup> Deutsche Asset & Wealth Management   |
| Jack Clark <sup>7</sup> (1967)<br>Assistant Treasurer,<br>2007–present                                      | Director, <sup>3</sup> Deutsche Asset & Wealth Management   |
| Diane Kenneally <sup>7</sup> (1966)<br>Assistant Treasurer,<br>2007–present                                 | Director, <sup>3</sup> Deutsche Asset & Wealth Management   |

<sup>1</sup> The length of time served represents the year in which the Board Member joined the board of one or more Deutsche funds currently overseen by the Board.

<sup>2</sup> A publicly held company with securities registered pursuant to Section 12 of the Securities Exchange Act of 1934.

<sup>3</sup> Executive title, not a board directorship.

<sup>4</sup> As a result of their respective positions held with the Advisor, these individuals are considered “interested persons” of the Advisor within the meaning of the 1940 Act. Interested persons receive no compensation from the fund.

<sup>5</sup> The length of time served represents the year in which the officer was first elected in such capacity for one or more Deutsche funds.

<sup>6</sup> Address: 60 Wall Street, New York, NY 10005.

<sup>7</sup> Address: One Beacon Street, Boston, MA 02108.

<sup>8</sup> Address: 222 South Riverside Plaza, Chicago, IL 60606.

\* Robert H. Wadsworth retired from the Board effective December 31, 2014.

The fund's Statement of Additional Information (“SAI”) includes additional information about the Board Members. The SAI is available, without charge, upon request. If you would like to request a copy of the SAI, you may do so by calling the following toll-free number: (800) 728-3337.



Deutsche Asset  
& Wealth Management

DeAWM Distributors, Inc.  
222 South Riverside Plaza  
Chicago, IL 60606  
(800) 621-1148

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