



Semi Annual Report 2014

Contents

Multiple year overview Himalayan Fund N.V.	3
Profile	4
Directors' Report	5
Financial statements	7
Balance sheet	8
Profit & Loss account	9
Statement of Cash Flows	10
Notes	11
Notes to the Balance sheet	13
Notes to the Profit & Loss account	16
Portfolio Breakdown	18
Other information	19

Himalayan Fund N.V.

open-end investment Fund (in Dutch: beleggingsmaatschappij met veranderlijk kapitaal)

Registered office:

c/o Inviqta
Legmeerdijk 182
1187 NJ Amstelveen
The Netherlands

Board of Directors:

Ian McEvatt, Chairman
Dwight Makins
Robert Meijer *
Karin van der Ploeg *

Administrator:

CACEIS Bank Luxembourg Amsterdam Branch
De Ruyterkade 6-i
1013 AA Amsterdam
The Netherlands

Custodian:

Citibank
3rd Floor, Trent House
G Block, Plot No 60
Bandra Kurla Complex
Bandra (East)
Mumbai - 400 051
India

**Listing Agent / Bank /
Fund Agent:**

Kas Bank N.V.

Auditor:

Mazars Paardekooper Hoffman Accountants N.V.
Mazars Tower, Delflandlaan 1
1062 EA Amsterdam

For information or Prospectus:

*Website: <http://www.himalayanfund.nl>
Email: karin@himalayanfund.nl
Phone: +31 (0) 20 641 1161*

* Dutch resident

Multiple year overview Himalayan Fund N.V.

	30-06-2014	31-12-2013	31-12-2012	31-12-2011	31-12-2010
Net Asset Value (USD x 1,000)					
Net Asset Value according to balance sheet	11,629	10,853	14,137	15,896	22,445
Less: value priority shares	<u>14</u>	<u>14</u>	<u>14</u>	<u>14</u>	<u>14</u>
	11,615	10,839	14,123	15,882	22,431
	01-01-2014	01-01-2013	01-01-2012	01-01-2011	01-01-2010
	30-06-2014	30-06-2013	30-06-2012	30-06-2011	30-06-2010
Profit and loss (USD x 1,000)					
Income from investments	137	89	164	53	120
Capital gains/losses	2,618	-1,256	690	-2,081	677
Expenses	-277	-223	-291	-373	-384
Tax	<u>-</u>	<u>22</u>	<u>15.00</u>	<u>-</u>	<u>-</u>
Total investment result	2,478	-1,368	578	-2,401	413
Number of ordinary shares outstanding	258,309	347,373	432,610	346,405	408,135
Per ordinary share					
Net Asset Value share (USD)	44.97	34.65	35.03	50.97	49.98
Transaction price Euronext Amsterdam end of reporting period (USD)	44.28	33.81	33.89	50.79	49.44
Income from investments (USD)	0.53	0.26	0.38	0.15	0.29
Capital gains/losses (USD)	10.13	-3.61	1.59	-6.00	1.66
Expenses (USD)	-1.07	-0.64	-0.67	-1.08	-0.94
Tax	<u>-</u>	<u>0.06</u>	<u>0.04</u>	<u>-</u>	<u>-</u>
Total investment result (USD)	9.59	-3.93	1.34	-6.93	1.01

Profile

General

Himalayan Fund N.V. (the "Fund") is an open-end investment company (in Dutch: beleggingsmaatschappij met veranderlijk kapitaal) incorporated under Dutch Law with its statutory seat in Amsterdam, The Netherlands. The Fund has 4,450,005 Ordinary Shares and 49,995 Priority Shares in issue.

Objective

The Fund's principal objective is to generate long-term capital appreciation for its shareholders by investing in the stock markets of the Indian sub-continent. The Fund currently invests only in the Indian stock markets; the discretion to invest a small proportion of the portfolio in contiguous markets is not currently exercised. The Fund is registered as a Foreign Investment Institution (FII) with the Securities and Exchange Board of India which enables it to hold its own investments directly with its custodian, Citibank NA in Mumbai.

Open-end status

The Fund is classified as an open-end investment company in The Netherlands and its Ordinary Shares are traded weekly through the Euronext Fund Service of NYSE Euronext Amsterdam. Liquidity is assured by the Fund buying and selling its own shares in the market at a Transaction Price based on Net Asset Value and holding re-purchased shares in treasury pending re-sale.

Investment support

The Fund has entered into agreements with Mr. Ian McEvatt and IndAsia Fund Advisors Pvt Ltd in Mumbai. Both parties provide the Fund with research reports.

Registered office

The Fund has appointed Inviqta, a partnership of lawyers established in Amstelveen, The Netherlands, to provide domiciliation and company secretarial services.

Administrator

CACEIS Bank Luxembourg Amsterdam Branch (CBL AB) established in Amsterdam, The Netherlands, has been appointed by the Fund as the Administrator of Himalayan Fund N.V. CBL AB is an integral part of an international fund administration network operating under the CACEIS name.

Corporate Governance

The Board of Directors has adopted a Code of Governance (Principles on Fund Governance) practice which is available for downloading from the official website. The Fund does not actively use its voting rights at shareholder meetings of companies in which it has invested.

Taxation

In order to qualify as a Fiscal Investment Institution in The Netherlands, the Fund is obliged to distribute all of its fiscal income and will then be subject to 0% rate of Dutch corporate income tax on its profits. It is the intention that the Fund is managed in such a way as to maintain this status.

The Fund is registered as a Foreign Investment Institution with the Securities and Exchange Board of India: this enables the Fund to enjoy the benefits of the tax treaty between India and The Netherlands, so that the proceeds of investment in India can be received free of tax.

For the benefit of UK investors, the Fund has registered with Her Majesty's Revenue and Customs (HMRC) as a Reporting Fund with effect from financial year 2011. Subject to regular reporting requirements, investment in the Fund by UK tax payers will enjoy equivalent treatment to domestic mutual funds for UK tax purposes. It's the Fund's intention to maintain compliance with the requirements of Reporting Fund status.

When the Fund has held investments in Bangladesh and Sri Lanka in the past, dividends received have been subject to withholding tax which has been carried as an expense in the profit and loss account. No capital gains tax is levied in Sri Lanka; the Fund has been able to claim exemption from capital gains tax in Bangladesh due to its tax exempt status in The Netherlands.

Directors' Report

The Fund

The Net Asset Value (NAV) per share of your Fund was US\$44.97 on June 30th, 2014, 26.2% higher than the closing NAV of \$35.64 on December 31st, 2013. Over the same period, the Fund's performance benchmark, the S&P CNX Nifty index in US\$ terms, advanced by 24.4%. Thus, your Fund outperformed its benchmark by 1.8%. For comparison purposes, the Transaction Price for the Fund's shares was US\$34.98 on January 3rd the first Execution Day of 2014 and on June 27th, the last Execution Day of the period under review, the Transaction Price was US\$44.44, a rise of 27%. Over the comparable period, the benchmark index rose 25.5%, including Rupee appreciation of 2.8% against the US dollar.

The number of Ordinary Shares held by third parties on December 31st, 2013 was 304,503; by mid-year, this had fallen to 259,224. The net turnover in the Fund's Ordinary Shares in the first half of this year was just 14.8%. This year opened with almost all market strategists forecasting that 2014 would be the year of the dollar and that emerging markets across the board would be laggards as investors withdrew funds in aversion to risk. In the event, dollar weakness continued through the first half-year and some emerging markets have turned out to be the best performing, supported by sustained foreign portfolio flows. Investment in emerging markets demands long-term commitment and in the first half of 2014, India rewarded investors who stayed the course. We commend our long-standing shareholders for their commitment and thank them for their continuing loyalty.

The Market

The first half of 2014 was good for equity investors as the MSCI World Index returned 4.9%, almost identical to the return achieved in the comparable period in 2013. Developed markets were solidly in the black, the US up by 6.1%, Europe by 3.5% and the UK by 3.1%. In emerging markets, the MSCI Emerging Markets Index was returned 4.8%, with Brazil and South East Asian markets particularly strong. China, by contrast was a loser, with the MSCI China index down 2.6% and the A share index sharply down, by 8.3%.

Against this background, India was a star turn amongst all markets in the first half-year. In spite of broadly negative forecasts at the outset, foreign portfolio investment was sustained in the expectation of a change of government at national elections in May. The outgoing Congress coalition surrendered all initiative on the policy front and pretty much gave up the struggle against the wave of electoral support for Narendra Modi's BJP juggernaut. In the event, against expectations, the BJP won the first outright majority in the Lok Sabha for twenty-five years, seizing power with a declared intention of restoring growth and vigour in the languishing economy. For most of the period though, the economy still struggled under the dead hand of the outgoing government for which the Finance Minister stuck to his word in reining in expenditure to limit the fiscal deficit. Meanwhile, the RBI held its relatively firm anti-inflationary stance, boosting reserves and helping the current account deficit back to manageable levels. This reversed the previous year's sharp depreciation of the Rupee and nursed the exchange rate back to the Rs60/\$1 level by end-June. By the end of the period, investor sentiment was very positive, the new government was making the right noises and the markets were awaiting the BJP's first budget as a harbinger of future intent.

In the stock markets, daily trading increased steadily, so that by the end of the period, daily trading volume was \$3.5bn, well above the trailing twelve month average of \$2.6bn. Foreign portfolio inflows amounted to almost \$15bn by the end of June and volatility generally subsided, except for some very short-lived spikes. In contrast to developed markets, where recent advances have been driven substantially by multiple expansion, valuation parameters have not become too stretched. The price/earnings ratio for the Nifty at mid-year was 14.5 in an historic range of 10 to 25 and the price to book ratio was 2.5 times against an historic average of 3.0.

In terms of investment strategy, we continue to reduce our exposure to the energy sector and limit our financial sector holdings to private sector stocks only. Our overweight positions in the consumer and healthcare sectors are making a significant contribution to performance. Strong relative outperformers during the period were Powergrid, ONGC, Larsen & Toubro and Ultratech Cement. We continue to avoid the Metals and Mining sector and limit our exposure to Power generation due to regulatory uncertainty. We have kept the number of holdings at around 20 but have reduced our aggregate Nifty exposure from 63% to 57% while increasing our top ten exposures from 68% to almost 72%.

The growth outlook has been transformed under the new government, with current fiscal year forecasts moving steadily upwards towards the upper end of the 5 to 6% range. Investor sentiment is holding through the slow summer season, even as the onset of the southwest monsoon has been slow; rains have now picked up in volume and geographic distribution. At the time of writing, rainfall is back within the “normal” range compared to the long-term average and reservoirs are moving into the above average capacity level. This is helpful for the continuing attack on food inflation, which is starting to soften with supply chains under pressure from the new government to improve efficiency. For market participants, there are two optimistic signals emerging: even difficult decisions by the government are being welcomed and a return of retail interest in equities is becoming evident. Overall, it seems that key elements of Modi’s “Gujarat model” of administration will feature over time, giving rise to the hope that the economic and administrative success of Gujarat will be repeated at the national level. We have adjusted our portfolio to align with the growth prospects and hope to be able to maintain recent outperformance over the medium term. We believe that under the Modi government, Indian markets can look forward to continued upward momentum driven by a recovery in consumer confidence which already emerging, as well as a recovery in private sector investment.

Administration

The Fund’s website provides access to all regulatory and statutory information on the Fund, the address is:

www.himalayanfund.nl

On June 4th, the AGM of the Fund was held in Amsterdam; the Annual Report for 2013 was adopted by unanimous vote and the Directors were discharged from their responsibilities for the year.

At a board meeting on the same day, the directors agreed to enter into a new contract with CACEIS Bank Luxembourg, Amsterdam Branch (CACEIS) with a view to facilitating compliance with the terms of AIFMD. This will in due course entail terminating the Fund’s relationship with its existing Custodian Citibank Mumbai as Caceis takes on the responsibilities of Depository Bank. Compliance with AIFMD has added to the Fund’s administrative burden and costs for no obvious benefit.

At the same board meeting, the directors approved in principle making certain changes to the Fund’s operating structure, including adoption of a “dual board” structure as part of an agreement with its corporate finance advisers Altitude Equity Capital Ltd. This exercise is expected to include a private placement of Ordinary Shares with substantial new long-term private and institutional investors to help future development of the Fund.

Conclusion

The Directors would like to thank our long-standing shareholders for their continuing support for the Fund in market conditions which provide considerable encouragement by comparison with last year. In compliance with regulatory requirements, the Directors review the Synthetic Risk and Reward Indicator (SRRI) on a regular basis. As at June 30th, the calculation puts the Fund in Category 6, one category below the level of last year. This reduction is attributable to consistent positive monthly returns during the period under review. It is not unusual for a fund investing in emerging market equities to have a high risk rating and the Directors remind shareholders of the risk statements in the Fund’s Prospectus which is available for download from the Fund’s website.

Amsterdam, August 28th, 2014

Board of Directors

Ian McEvatt, Chairman

Dwight Makins

Robert Meijer

Karin van der Ploeg

Financial statements

Himalayan Fund N.V.

Semi Annual Report 2014

Balance sheet

(before profit appropriation)

	30-06-2014		31-12-2013
	USD	Notes	USD
Investments			
Securities	11,339,245	4.1	10,741,908
Short term receivables			
Receivable on security transactions	-	5.1	-
Dividend receivable	26,935	5.2	-
Other receivables	<u>-</u>	5.3	<u>-</u>
	26,935		-
Other assets			
Cash at banks	435,158	6	331,368
Current liabilities (due within one year)			
Payable on security transactions	81,226	7.1	-
Due to redemptions	-	7.2	158,614
Other liabilities, accruals and deferred income	<u>90,925</u>	7.3	<u>62,078</u>
Total current liabilities	172,151		220,692
Total of receivables and other assets less current liabilities	<u>289,942</u>		<u>110,676</u>
Total assets less current liabilities	<u>11,629,187</u>		<u>10,852,584</u>
Shareholders' equity			
Issued capital	17,765	8.1	18,419
Share premium	21,048,851	8.2	22,748,568
General reserve	-11,914,403	8.3	-10,865,740
Undistributed result current year	<u>2,476,974</u>	8.4	<u>-1,048,663</u>
Total shareholders' equity	<u>11,629,187</u>		<u>10,852,584</u>
Net Asset Value per share	44.97		35.64

Profit & Loss account

	01-01-2014 30-06-2014 USD	Notes	01-01-2013 30-06-2013 USD
Income from investments			
Dividends	65,601	9.1	87,769
Other income	<u>71,082</u>	9.3	<u>1,285</u>
	136,683		89,054
Capital gains/losses			
Unrealised price gains/losses on investments	1,577,407	4	-541,367
Unrealised currency gains/losses on investments	516,967	4	-371,092
Realised price gains/losses on investments	893,454	4	-24,857
Realised currency gains/losses on investments	-362,035	4	-304,974
Other exchange differences	<u>-8,230</u>		<u>-13,242</u>
	2,617,563		-1,255,532
Expenses			
Investment research fees	102,499	10.1	71,192
Other expenses	<u>174,773</u>	10.2	<u>152,158</u>
	277,272		223,350
Tax	-		22,076
Total investment result	<u>2,476,974</u>		<u>-1,367,752</u>
Total investment result per ordinary share	9.59		-3.94

Statement of Cash Flows

	01-01-2014 30-06-2014 USD	Notes	01-01-2013 30-06-2013 USD
Cash flow from investing activities			
Income from investments	136,683	9	89,054
Expenses	-277,272	10	-223,350
Tax	<u>-</u>		<u>22,076</u>
Result of operations	-140,589		-112,220
Purchases of investments	-468,121	4	-763,418
Sales of investments	<u>2,496,577</u>	4	<u>2,007,428</u>
	2,028,456		1,244,010
Change in short term receivables	-26,935	5	-518,786
Change in current liabilities	<u>-48,541</u>	7	<u>81,507</u>
	<u>-75,476</u>		<u>-437,279</u>
<i>Cash flow from investing activities</i>	1,812,391		694,511
Cash flow from financing activities			
Received on shares issued	26,933	8	82,799
Paid on shares purchased	<u>-1,727,304</u>	8	<u>-802,524</u>
<i>Cash flow from financing activities</i>	-1,700,371		-719,725
Other exchange differences	<u>-8,230</u>		<u>-13,242</u>
Change in cash and cash equivalents	103,790		-38,456
Cash and cash equivalents as at 1 January	<u>331,368</u>		<u>146,282</u>
Cash and cash equivalents as at 30 June	<u>435,158</u>	6	<u>107,826</u>

Notes

1 General

Himalayan Fund N.V. ('the Fund') is an open-end investment company (in Dutch: beleggingsmaatschappij met veranderlijk kapitaal) incorporated under Dutch law and has its statutory seat in Amsterdam. The Fund is listed both on NYSE Euronext Amsterdam and on The London Stock Exchange.

This semi annual report is prepared in accordance with Part 9 Book 2 of the Dutch Civil Code and the Act on the Financial Supervision (AFS) ("Wet op het financieel toezicht"). Since December 1991 the Fund is licensed to undertake investment activities according to the Act on the Financial Supervision.

2. Principles of valuation

2.1 Investments

The investments are valued based on the following principles:

- listed securities are valued at the most recent stock market price as at the end of the accounting period which can be considered fair value;
- non or low marketable securities are, according to the judgement of the Investment Committee, valued at the best effort estimated price, taking into account the standards which the Investment Committee thinks fit for the valuation of such investments.

Expenses related to the purchase of investments are included in the cost of investments.

Sales charges, if any, are deducted from gross proceeds and will be expressed in the capital gains/losses.

2.2 Foreign currency translation

Assets and liabilities in foreign currencies are translated into US dollars at the rate of exchange as at the balance sheet date.

All exchange differences are taken to the profit and loss account. Income and expenses in foreign currencies are translated at the exchange rate as per transaction date.

Rates of exchange as at June 30th, 2014, equivalent of 1 US dollar:

Euro	0.73038	Srilanka Rupee	130.32502
Indian Rupee	60.14502	Bangladesh Taka	77.60001

2.3 Other assets and liabilities

Other assets and liabilities are stated at nominal value. If required, provisions have been taken for irrecoverable receivables.

2.4 Income recognition principles

The result is determined by deducting expenses from the proceeds of dividend, interest and other income in the period under review. The realized revaluations of investments are determined by deducting the purchase price from the sale proceeds.

The unrealized revaluations of investments are determined by deducting the purchase price or the balance sheet value at the start of the period under review from the balance sheet value at the end of the period under review.

Brokerage fees payable on the acquisition of investments, if any, are considered to be part of the investments costs, and as a result, are not taken to the profit and loss account.

2.5 Cash flow statement

The Cash Flow statement has been prepared according to the indirect method.

3. Risk Management

Investing in emerging and developing markets carries risks that are greater than those associated with investment in securities in developed markets. In particular, prospective investors should consider the following:

3.1 Currency Fluctuations

The Fund invests primarily in securities denominated in local currencies whereas the Ordinary Shares are quoted in US dollars. The US dollar price at which the Ordinary Shares are valued is therefore subject to fluctuations in the US dollar/ local currency exchange rate.

3.2 Counterparty Risk

The Fund deals principally in listed stocks traded on the BSE and the NSE in India. All transactions are book-entry and settlement is fully automated. In the event of non-delivery by either side, the transaction fails. In this case recovery can be achieved by delivery against payment or the transaction abandoned.

3.3 Concentration Risk

The investment restrictions for the Fund in section IX INVESTMENT POLICIES of the Prospectus, limit the possibility for concentration of risk by stock and sector. Investors should note that the portfolio will be concentrated in the Indian sub-continent.

3.4 Market Volatility

Securities exchanges in emerging markets are smaller and subject to greater volatility than those in developed markets. The Indian market has in the past experienced significant volatility and there is no assurance that such volatility will not occur in the future.

3.5 Market Liquidity

A substantial proportion of market capitalization and trading value in emerging markets can be represented by a relatively small number of issuers. Also, there is a lower level of regulation and monitoring of the activities of investors, brokers and other market participants than in most developed markets. Disclosure requirements may be less stringent and there may be less public information available about corporate activity. As a result, liquidity may be impaired at times of high volatility. The Indian markets have withstood high volatility in the recent past and recovered momentum because of excellent corporate results. This has shown that the liquidity in the shares of the top companies is strong, as further emphasized by demand for those shares through Depository Receipts in overseas markets. Furthermore, standards of governance and transparency are improving dramatically under the impetus of the regulatory bodies. Other contiguous markets are not necessarily the same and the Fund only invests in them with the utmost care.

3.6 Fund Liquidity

The Fund's rules allow weekly purchases and sales of Ordinary Shares but in order to allow orderly management of the portfolio in the interest of continuing shareholders, the value of purchases may be limited to 5% of the net asset value of the Fund on any one Execution Day.

3.7 Political Economy

The Fund's portfolio may be adversely affected by changes in exchange rates and controls, interest rates, government policies, inflation, taxation, social and religious instability and regional geo-political developments.

3.8 Legal and Regulatory Compliance

The Fund is responsible for ensuring that no action taken by it or by any contracted service provider might cause a breach of any legal or regulatory requirement. The Fund and all of its service providers maintain adequate control procedures to guard against any such occurrence and these procedures are subject to regular review. Should such a breach occur inadvertently, control procedures should detect it and institute corrective action without delay.

3.9 Financial Crisis

Almost uniquely amongst financial markets, the Indian financial sector was insulated against any consequences of the recent financial crisis by the tight control exercised by the RBI. Bank balance sheets were free of toxic assets and capital ratios were maintained. Ratios of non-performing assets remained within historic norms.

3.10 Credit risk

The principal credit risk is counterparty default (i.e., failure by the counterparty to perform as specified in the contract) due to financial impairment or for other reasons. Credit risk is generally higher when a nonexchange-traded or foreign exchange-traded financial instrument is involved. Credit risk is reduced by dealing with reputable counterparties. The Fund manages credit risk by monitoring its aggregate exposure to counterparties.

Notes to the Balance sheet

	30-06-2014	31-12-2013
	USD	USD
4. Investments		
<i>4.1 Statement of changes in securities</i>		
Position as at 1 January	10,741,908	14,040,909
Purchases	468,121	1,402,672
Sales	-2,496,577	-3,967,386
Unrealised price gains/losses on investments	1,577,407	-491,998
Unrealised currency gains/losses on investments	516,967	-247,534
Realised price gains/losses on investments	893,454	712,984
Realised currency gains/losses on investments	<u>-362,035</u>	<u>-707,739</u>
 Position as at 30 June	 <u>11,339,245</u>	 <u>10,741,908</u>
 Historical cost	 6,405,421	 7,902,458
The portfolio comprises of shares, mainly listed.		
The total unlisted shares held directly by the Fund amounted to USD 131,350 (31 December 2013: USD 133,674).		
The portfolio breakdown as at 30 June 2014 is specified on page 18 of this report.		
 <i>4.2 Transaction costs</i>		
The transaction costs for the purchase of investments are capitalized within the historical cost price and for sales the transaction costs are discounted from the sales price. Transaction costs in 2014 are USD 10,331 (2013: USD 8,654).		
 5. Receivables		
<i>5.1 Receivable on security transactions</i>		
These include transactions still unsettled as at the balance sheet date.		
 <i>5.2 Dividend receivable</i>		
These include dividend accruals which become payable after balance sheet date.		
 <i>5.3 Other receivables</i>		
These include other transactions still unsettled as at the balance sheet date.		
 6. Cash at banks		
This includes immediately due demand deposits at banks.		
 7. Current liabilities (due within one year)		
<i>7.1 Payable on security transactions</i>		
These include transactions still unsettled as at the balance sheet date.		
 <i>7.2 Due to redemptions</i>		
These include the debts in respect of the repurchase of shares Himalayan still unsettled as at the balance sheet date.		
 <i>7.3 Other liabilities, accruals and deferred income</i>		
Payable investment research fee	10,690	16,810
Payable administration fee	5,705	5,741
Payable auditors fee	18,803	20,669
Other expenses payable	<u>55,727</u>	<u>18,858</u>
	<u>90,925</u>	<u>62,078</u>

8. Shareholders' equity

The authorised share capital of the Fund is EUR 60,000 (31 December 2013: EUR 60,000) and consists of:

- Ordinary shares of EUR 0.01 each	5,000,100
- Priority shares of EUR 0.20 each	49,995

	number	30-06-2014 USD	31-12-2013 USD
<i>8.1 Issued capital</i>			
Ordinary shares:			
Position as at 1 January	304,103	4,189	4,829
Sold	600	6	38
Purchased	-46,394	-464	-661
Revaluation	-	-196	-17
Position as at 30 June	258,309	3,535	4,189
Priority shares:			
Position as at 1 January	49,995	14,230	14,230
Sold	-	-	-
Revaluation	-	-	-
Position as at 30 June	49,995	14,230	14,230
Total issued capital		17,765	18,419

As at 30 June 2014 the issued and subscribed share capital amounts to:

		EUR	EUR
Ordinary shares, par value EUR 0.01 (31 December 2013: EUR 0.01)	4,450,005	44,500	44,500
Priority shares, par value EUR 0.20 (31 December 2013: EUR 0.20)	49,995	9,999	9,999
		54,499	54,499

The Fund became open-ended on 7 April 2000. As at 30 June 2014 a total of 4,191,696 Ordinary Shares have been purchased, meaning that 258,309 Ordinary Shares are still outstanding as at 30 June 2014. Ordinary Shares purchased by the Fund are directly charged against capital and share premium.

	USD	USD
<i>8.2 Share premium</i>		
Position as at 1 January	22,748,568	24,983,207
Received on shares sold	26,927	139,317
Paid on shares purchased	-1,726,840	-2,373,973
Revaluation of outstanding capital	196	17
Position as at 30 June	21,048,851	22,748,568

	30-06-2014	31-12-2013
	USD	USD
<i>8.3 General reserve</i>		
Position as at 1 January	-10,865,740	-12,813,588
Transferred from undistributed result	<u>-1,048,663</u>	<u>1,947,848</u>
Position as at 30 June	<u>-11,914,403</u>	<u>-10,865,740</u>

<i>8.4 Undistributed result</i>		
Position as at 1 January	-1,048,663	1,947,848
Transferred to/from general reserve	1,048,663	-1,947,848
Total investment result	<u>2,476,974</u>	<u>-1,048,663</u>
Position as at 30 June	<u>2,476,974</u>	<u>-1,048,663</u>

Three years Himalayan Fund N.V.

	30-06-2014	31-12-2013	31-12-2012
Net Asset Value (USD x 1,000)			
Net Asset Value according to balance sheet	11,629	10,853	14,137
Less: value priority shares	<u>14</u>	<u>14</u>	<u>14</u>
	<u>11,615</u>	<u>10,839</u>	<u>14,123</u>

Number of Ordinary Shares outstanding	258,309	304,103	366,411
---------------------------------------	----------------	---------	---------

Per Ordinary Share

Net Asset Value share (USD)	44.97	35.64	38.54
-----------------------------	--------------	-------	-------

Notes to the Profit & Loss account

9. Income from investments

9.1 Dividends

This refers to net cash dividends including withholding tax. Stock dividends are considered to be cost free shares. Therefore stock dividends are not presented as income.

9.2 Interest income

Most of this amount was received on outstanding cash balances.

9.3 Other income

From March 6, 2009 this refers to the charges of 0.35% received on shares issued and repurchased.

These costs are to cover transaction costs in relation with the purchase and sale of Ordinary Shares and are booked as an income for the Fund.

	01-01-2014	01-01-2013
	30-06-2014	30-06-2013
	USD	USD
10. Expenses		
<i>10.1 Investment research fees</i>		
Research fee	93,500	66,194
Custody Fee and Charges	8,999	4,998
	<hr/> 102,499	<hr/> 71,192

Expenses directly related to the management of investments, like custody fees and transfer charges as well as other paying agent fees, are deducted from the result. These expenses are included in other investment management fees with the exception of the transfer charges. Transfer charges are accounted for in the investment revaluation reserve.

10.2 Other expenses

Administration Fees and Charges	35,717	33,922
Company Secretarial and Domiciliation Fees	20,734	19,970
Bank Expenses	1,793	5,047
Regulatory Fees and Charges	12,203	11,039
Legal Expenses	-1,360	648
Distribution fees	25,492	-
Listing Expenses	8,427	8,926
Audit Fees	10,699	9,427
Fiscal Advisory Fees	3,370	10,910
Advertising and Promotion	11,557	11,039
Directors Fees	33,341	29,564
Board Expenses	10,235	8,735
Miscellaneous	2,565	2,931
	<hr/> 174,773	<hr/> 152,158

On-going charges ratio

The on-going charges ratio is calculated as follows: the total expenses of the Fund, excluding transaction fees and cost of interest, divided by the average NAV*.

The expense ratio of the Fund for the reporting period is equal to 2.58 %; annualised 5.16% (annualised 2013: 3,25 %).

Turnover ratio

The turnover ratio is calculated as follows: the total sum of purchases plus sales minus subscriptions minus redemptions divided by the average NAV*.

The turnover ratio of the Fund for the reporting period is equal to 11.27 %; annualised 22.53 % (annualised 2013: 27,47 %).

* - The Fund has a weekly NAV. The average Net Asset Value of the Company for the reporting period is calculated as the sum of the weekly Net Asset Values divided by the number of observations.

Comparison of real cost with cost according to Prospectus*

	According to Prospectus	Actual costs
	USD	USD
Research fee (1)	93,500	93,500
Administration fee (2)	35,717	35,717
Secretarial and Domiciliation fees (3)	20,734	20,734
Costs for the Board (4)	100,000	43,576

*- As per the Prospectus of 7 June 2010.

1) Ian McEvatt receives an annual fee of USD 114,000 for investment research and IndAsia Fund Advisors Pvt Ltd receives an annual fee of USD 42,000.

2) CBL AB is paid a fixed fee of EUR 50,000 per year for administration services.

3) Inviqta has been appointed to provide domicile and company secretarial services to the Fund for a fixed fee of EUR 25,000 (exclusive VAT) per year.

4) The Prospectus states that the remuneration of the Directors is subject to a limit of USD 100,000 in aggregate per year. In 2014 the remuneration of the Directors will be USD 64,800 (inclusive VAT). Directors fees per person in the first half year of 2014 are as follows: Ian McEvatt*: USD 5,000; Dwight Makins: USD 9,250; Robert Meijer: USD 12,100; Karin van der Ploeg*: USD 6,050. There was a small change in the fees compared to 2013 due to the raise of the VAT from 19% to 21%. Board expenses (exclusive remuneration of the Directors) amount to USD 10,235 for the first half year of 2014.

* Ian McEvatt is also a director of the Priority Shareholder of the Fund and Karin van der Ploeg is a partner of Inviqta. It has been agreed that members of the Board who are also directors/partners of the service providers of the Fund receive a fixed annual management fee of US\$ 10,000.

Employees

The Fund has no employees.

Amsterdam, August 28th, 2014

Board of Directors

Ian McEvatt, Chairman

Dwight Makins

Robert Meijer

Karin van der Ploeg

Portfolio breakdown

As per June 30th, 2014

		Market value USD	percentage of total Net Asset Value
India			
Auto Ancillary		1,400,066	12.0
9,000	Bajaj Auto	346,592	
84,000	Balkrishna	1,053,474	
Construction		953,721	8.2
20,000	Larsen & Toubro	565,866	
9,000	Ultra Tech Cement	387,855	
Consumer goods		2,158,543	18.6
28,000	Agro Tech Foods	273,180	
40,000	ITC	216,178	
3,500	Nestle India	286,875	
200,000	Pidilite Industries	1,083,382	
10,000	VST Industries	298,928	
Energy		571,107	4.9
45,000	ONGC	317,869	
15,000	Reliance Industries	253,238	
Financials		2,822,427	24.3
75,000	HDFC Bank	1,024,461	
25,000	ICICI Bank	589,471	
60,000	Kotak Mahindra Bank	881,420	
194,675	Magma Fincorp	327,075	
Healthcare		1,874,748	16.1
50,000	Lupin	871,269	
85,000	Torrent Pharmaceuticals	1,003,479	
Technology		1,427,284	12.3
8,000	Cyient	228,066	
19,000	Infosys Technologies	433,027	
8,000	Tata Consultancy	766,191	
Total Equity		11,207,896	96.4
Cash		421,291	3.6
Canbank mutual fund		131,350	
Net		289,941	
NAV		11,629,187	100.0

Other information

Personal interest

At the end of, or during the reporting period, none of the members of the Board of Directors had any interests in securities also being a part of the investments of the Fund.

Special controlling rights

Special rights are assigned to holders of Priority Shares. The most important rights are:

- to submit a binding nomination for the appointment of the Directors
- to give their approval in advance of amendments in the Articles of Association, legal merger, legal split and dissolving the Fund.

The Priority Shares are all held in the name of Iceman Capital Ltd.

Priority Shares

During 2011 & 2012 49.995 Priority Shares were held by Iceman Capital Ltd. At the beginning of 2009 the nominal value of the Priority Shares was Eur 0.01 each. On August 26, 2009 the Articles of Association were amended and the nominal value of the Priority Shares was increased to Eur 0.20 Each.

The directors of Iceman Capital Ltd. are Messrs. I. McEvatt, P.J. Nicolle, M.T. Cordwell, J.W. Owen and E.H. Jostrom.

The directors of the Fund and the directors of Iceman Capital Ltd. declare that to the best of their knowledge and belief Appendix X, paragraph C, article 10 of the listing Rules of Euronext Amsterdam NV is complied with.

Independent Auditor's report

No audit was performed on these semi annual statements.