



Semi Annual Report 2017

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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, Netherlands Branch Gustav Mahlerlaan 310-B 1082 ME Amsterdam The Netherlands
Depository	CACEIS Bank, Netherlands Branch Gustav Mahlerlaan 310-B 1082 ME 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. P.O. Box 7266 1007 JG Amsterdam
<i>For information or Prospectus:</i>	<i>Website: http://www.himalayanfund.nl Email: karin@himalayanfund.nl Phone: +31 (0) 20 641 1161</i>

* Dutch resident

Multiple year overview Himalayan Fund N.V.

	30-06-2017	31-12-2016	31-12-2015	31-12-2014	31-12-2013
Net Asset Value (USD x 1,000)					
Net Asset Value according to balance sheet	8,226	7,912	10,535	12,024	10,853
Less: value priority shares	14	14	14	14	14
	<u>8,212</u>	<u>7,898</u>	<u>10,521</u>	<u>12,010</u>	<u>10,839</u>

First Half-Year comparison

	01-01-2017	01-01-2016	01-01-2015	01-01-2014	01-01-2013
	30-06-2017	30-06-2016	30-06-2015	30-06-2014	30-06-2013
Profit and loss (USD x 1,000)					
Income from investments	27	63	40	137	89
Capital gains/losses	1,623	441	678	2,618	-1,256
Expenses	-234	-235	-242	-277	-223
Tax	23	24	17	-	22
Total investment result	<u>1,439</u>	<u>293</u>	<u>493</u>	<u>2,478</u>	<u>-1,368</u>
Number of ordinary shares outstanding	140,907	170,321	218,055	258,309	347,373
Per ordinary share					
Net Asset Value share (USD)	58.28	52.80	53.10	44.97	34.65
Transaction price Euronext Amsterdam end of reporting period (USD)	57.59	52.99	53.06	44.28	33.81
Income from investments (USD)	0.19	0.37	0.19	0.53	0.26
Capital gains/losses (USD)	11.52	2.59	3.11	10.13	-3.61
Expenses (USD)	-1.66	-1.38	-1.11	-1.07	-0.64
Tax	0.16	0.14	0.08	-	0.06
Total investment result (USD)	<u>10.21</u>	<u>1.72</u>	<u>2.27</u>	<u>9.59</u>	<u>-3.93</u>

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 Netherlands Branch (CB NB) established in Amsterdam, The Netherlands, has been appointed by the Fund as the Administrator of Himalayan Fund N.V. CB NB 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, First Half-year 2017

The Fund

The Net Asset Value (NAV) per share of your Fund was US\$58.28 on June 30th 2017, 19.8% higher than the closing NAV of \$48.66 on December 31st, 2016. Over the same period the Fund's performance benchmark, the Nifty50 USD index gained 22.3%. Thus, your Fund underperformed its benchmark by 2.5%. For comparison purposes, the Transaction Price on Euronext Amsterdam for the Fund's shares was US\$57.58 at the end of the period (30/6/2017) compared to \$48.49 at the beginning of the period (30/12/2016), a rise of 18.8%. Over the comparable period, the benchmark index rose by 22.3%, including Rupee appreciation of 4.9% against the US dollar.

The number of Ordinary Shares held by third parties on December 31, 2016 was 162,323; by mid-year, this had fallen to 140,907. The net turnover in the Fund's Ordinary Shares in the first half of this year was 13%. Investment in emerging markets demands long-term commitment and in the first half of 2017, India provided a modest reward which your Fund exceeded for shareholders who stayed the course. We commend our long-standing shareholders for their commitment and thank them for their continuing loyalty.

The Market

This year opened with equity markets enjoying a wave of optimism in the hope that a new US President's promises of big tax cuts and \$1trillion in infrastructure spending would drive US economic growth beyond its recent modest range. A healthy return on US equities of 8.4% in the first half helped the MSCI All Country World Index rise 9.4%. Fears that a populist trend would continue into Europe were dispelled in elections in The Netherlands and France which helped propel European equities to a gain of 13.1%. Emerging Markets gained 17.2% with substantial help from China which gained 23.7% and India.

By mid-year, President Trump was manifestly failing to achieve anything in the US Congress and any articulation of policy, such as a menu for tax reform, brought only disappointment. Meanwhile, US equities continue to perform well, supported by strong earnings, especially among multinationals and banks. Foreign inflows brought sustained dollar appreciation, except against the Indian Rupee. A notable characteristic of markets in first half has been the steady decline in market volatility as volatility indices traded as low as single figures throughout.

In India, the first half of 2017 has been coloured by two major economic reforms:: the so-called "demonetization" of 86% of the currency notes in circulation last November and the imminent introduction of a nationwide goods and services tax on July 1st. The first of these cut the pace of economic growth in the first quarter, delaying a recovery in corporate earnings and contributing to a slowdown in inflationary pressures. The effects of the reform were accentuated by slow release of new notes into circulation but the evidence so far indicates that some of the objectives of the move are being achieved. There has been some growth in non-cash transactions and there has also been sharp growth in compliance in both Direct and Indirect taxation. It is more difficult to gauge the success of the third objective: reducing corruption but there is anecdotal evidence to suggest so.

The second major economic reform, the introduction of a nationwide goods and services tax to replace a myriad of national and state level taxes and surcharges, was due on July 1st. The effects of the new GST will only become apparent after the initial filings fall due in August but economic effects were evident already in June. Manufacturers and dealers anxious to avoid consequential inventory adjustments started discounting heavily to unload products before deadline day. This will probably affect GDP and industrial production numbers for the first and second quarters.

The return on the Nifty50 USD index in the first half distinguished Indian markets as being amongst the top performing markets in the world in local currency terms. A strong recovery in foreign investor sentiment was a key influence. Since late in 2016, however, a surge in domestic investment volumes arising from systematic mutual fund savings schemes has sustained Indian markets, even in the face of periodic reversals in FPI flows. This evolution is at least partially due to government reforms undertaken to bring domestic savings out from under the mattress as well as to allow organized pension schemes to invest in equity markets.

Your Fund's underperformance in the first half was substantially due to the uncertainties caused by the adoption of major reforms. Demonetization took everyone by surprise and our overweight position in some stocks hurt the portfolio. The lead-in to adoption of GST also caused a great deal of uncertainty and again some stocks suffered more than others. Overall, however, the Directors believe that the long-term effects of both of these major reforms will be positive. During the course of the period under review, we held a total of twenty two stocks, with an average of twenty holdings. Seven of our holdings outperformed the benchmark and fifteen underperformed. From an asset allocation perspective, we held overweight positions in Consumer orientated and Healthcare stocks. We were slightly underweight in IT stocks and in Financials. In this case, however, we have concentrated on private sector banks, sticking with two of the highest quality banks.

The biggest contributions to performance came from Pidilite Industries (+40.5%), VIP Industries (+72%), Kalpataru Power (+37.4%) and Indian Hotels (+42.6%) in the Consumer sector. Heidelberg Cement added 77.9%, Supreme Industries 43.5% and Indraprastha Gas 20.8%. Our two remaining banks also contributed: HDFC Bank 44.8% and Kotak Mahindra Bank 35.7%. On the downside, our Healthcare holdings suffered from negative reports about USFDA inspections and delayed approvals of generic patent applications. Lupin lost 25.2% IT stocks underperformed across the board in the face of headwinds from currency appreciation and uncertainties over immigration policy in the US. By the end of the half-year, our portfolio was overweight in Industrials, Construction, Consumer, and Media stocks. Our significant underweight sectors were Energy and Financials while we continued to hold no stocks at all in the Telecom, Metals and Transport sectors. Prospects for future returns are now framed by the prospect of a better than normal monsoon driving an excellent sowing season nearing completion. A boost from the rural sector will accentuate a recovery in consumer demand from purchasing decisions deferred during the major reforms to accelerate growth in the coming quarters. This will also dovetail nicely into the Diwali festival buying season to bring a strong boost to growth as the year progresses.

The Directors believe that the return prospects for foreign investors investing in India are very strong in the medium term. We also believe the Fund is well-positioned to share in these returns while benefitting from the favourable tax position it enjoys as well as the liquidity provided by the stock exchange listings the Fund maintains.

Administration

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

www.himalayanfund.nl

On June 15, the AGM of the Fund was held in Amsterdam; the Annual Report for 2016 was adopted by unanimous vote and the Directors were discharged from their responsibilities for the year.

After completing the routine Agenda for the AGM, the Chairman gave a description of the outlook for the Indian economy and the investment strategy of the Fund for the benefit of the audience and answered a number of their questions.

Conclusion

The Directors would like to thank shareholders for their continuing support for the Fund. 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 5, the same category as before. Consistency of returns continues to drive the SRRI percentage down; we are now well within of Category 5. The Directors consider it unlikely that the SRRI classification will drop to a lower category in due course. It would not be unusual for a fund investing in emerging market equities to have a higher 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 29, 2017

Board of Directors
Ian McEvatt, Chairman
Dwight Makins
Robert Meijer
Karin van der Ploeg

Financial statements

Himalayan Fund N.V.

Semi Annual Report 2017

Balance sheet

(before profit appropriation)

	30-06-2017		31-12-2016
	USD	Notes	USD
Investments			
Securities	7,805,922	4.1	7,298,399
Short term receivables			
Receivable on security transactions	-	5.1	-
Due to subscriptions	-	5.2	-
Dividend receivable	9,917	5.3	-
Other receivables	-	5.4	-
	<u>9,917</u>		<u>-</u>
Other assets			
Cash at banks	510,426	6	670,109
Current liabilities (due within one year)			
Payable on security transactions	-	7.1	-
Due to redemptions	54,883	7.2	12,080
Other liabilities, accruals and deferred income	44,974	7.3	44,160
	<u>99,857</u>		<u>56,240</u>
Total current liabilities			
	99,857		56,240
Total of receivables and other assets less current liabilities			
	<u>420,486</u>		<u>613,869</u>
Total assets less current liabilities			
	<u>8,226,408</u>		<u>7,912,268</u>
Shareholders' equity			
Issued capital	17,166	8.1	17,171
Share premium	15,137,489	8.2	16,261,438
General reserve	-8,366,341	8.3	-7,987,889
Undistributed result current year	1,438,094	8.4	-378,452
	<u>8,226,408</u>		<u>7,912,268</u>
Total shareholders' equity			
	8,226,408		7,912,268
Net Asset Value per share			
	58.28		48.66

Profit & Loss account

	01-01-2017 30-06-2017 USD	Notes	01-01-2016 30-06-2016 USD
Income from investments			
Dividends	31,047	9.1	63,451
Other income	<u>-4,267</u>	9.3	<u>-</u>
	26,780		63,451
Capital gains/losses			
Unrealised gains on investments	1,503,758	4	710,635
Unrealised losses on investments	-487,960	4	-611,951
Realised price gains on investments	738,769	4	673,631
Realised price losses on investments	-81,576	4	-126,585
Realised currency gains on investments	14,450	4	-
Realised currency losses on investments	-64,480	4	-193,761
Other exchange differences	<u>27</u>		<u>-11,219</u>
	1,622,988		440,750
Expenses			
Investment research fees	83,711	10.1	85,512
Other expenses	<u>150,493</u>	10.2	<u>149,554</u>
	234,204		235,066
Tax	22,530		23,775
Total investment result	<u>1,438,094</u>		<u>292,910</u>
Total investment result per ordinary share	10.21		1.72

Statement of Cash Flows

	01-01-2017 30-06-2017 USD	Notes	01-01-2016 30-06-2016 USD
Cash flow from investing activities			
Income from investments	26,780	9	63,451
Expenses	-234,204	10	-235,066
Tax	<u>22,530</u>		<u>23,775</u>
Result of operations	-184,894		-147,840
Purchases of investments	-242,355	4	-114,757
Sales of investments	<u>1,357,793</u>	4	<u>1,747,292</u>
	1,115,438		1,632,535
Change in short term receivables	-9,917	5	91,041
Change in current liabilities	<u>43,617</u>	7	<u>-62,256</u>
	<u>33,700</u>		<u>28,785</u>
<i>Cash flow from investing activities</i>	964,244		1,513,480
Cash flow from financing activities			
Received on shares issued	74,585	8	-
Paid on shares purchased	<u>-1,198,539</u>	8	<u>-1,820,359</u>
<i>Cash flow from financing activities</i>	-1,123,954		-1,820,359
Other exchange differences	<u>27</u>		<u>-11,219</u>
Change in cash and cash equivalents	-159,683		-318,098
Cash and cash equivalents as at January 1	<u>670,109</u>		<u>465,306</u>
Cash and cash equivalents as at June 30	<u>510,426</u>	6	<u>147,208</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 30, 2017, equivalent of 1 US dollar:

Euro	0.87677	Srilanka Rupee	153.55004
Indian Rupee	64.63754	Bangladesh Taka	80.59498

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

	30-06-2017	31-12-2016
	USD	USD
4. Investments		
<i>4.1 Statement of changes in securities</i>		
Position as at January 1	7,298,399	10,108,751
Purchases	242,355	537,921
Sales	-1,357,793	-3,341,053
Unrealised gains on investments	1,503,758	545,633
Unrealised losses on investments	-487,960	-1,690,172
Realised price gains on investments	738,769	1,629,156
Realised price losses on investments	-81,576	-126,585
Realised currency gains on investments	14,450	-
Realised currency losses on investments	-64,480	-365,252
	<u>7,805,922</u>	<u>7,298,399</u>
Position as at June 30		
	<u>7,805,922</u>	<u>7,298,399</u>

Historical cost

4,346,575 4,854,850

The Fund's portfolio comprises shares of companies listed on The National Stock Exchange of India or the Bombay Stock Exchange. The Fund may also acquire depository receipts or participatory notes of Indian companies listed on overseas stock exchanges as well as other instruments as described in the Prospectus. The portfolio breakdown as at June 30th 2017 is provided on page 18 of this report.

4.2 Transaction costs

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 for the first half year of 2017 are USD 5,637 (for the first half year of 2016: USD 5,313).

5. Receivables

5.1 Receivable on security transactions

These include transactions still unsettled as at the balance sheet date.

5.2 Due to subscriptions

These include payments already done by new subscribers for entering the Fund against the next available NAV.

5.3 Dividend receivable

These include other transactions still unsettled as at the balance sheet date.

This includes the receivables from unsettled share subscriptions as per balance sheet date.

5.4 Other receivables

These include other receivables.

6. Cash at banks

This includes immediately due demand deposits at banks.

7. Current liabilities (due within one year)

7.1 Payable on security transactions

These include transactions still unsettled as at the balance sheet date.

7.2 Due to redemptions

These include the debts in respect of the repurchase of shares Himalayan still unsettled as at the balance sheet date.

	30-06-2017	31-12-2016
	USD	USD
<i>7.3 Other liabilities, accruals and deferred income</i>		
Payable investment research fee	9,503	12,246
Payable administration fee	3,140	3,931
Payable auditors fee	6,635	15,707
Other expenses payable	<u>25,696</u>	<u>12,276</u>
	<u>44,974</u>	<u>44,160</u>

8. Shareholders' equity

The authorised share capital of the Fund is EUR 60,000 (December 31, 2016: 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

<i>8.1 Issued capital</i>	number	USD	USD
Ordinary shares:			
Position as at January 1	162,323	2,941	3,522
Sold	1,273	13	1
Purchased	-22,689	-227	-455
Revaluation	-	209	-127
Position as at June 30	<u>140,907</u>	<u>2,936</u>	<u>2,941</u>
Priority shares:			
Position as at January 1	49,995	14,230	14,230
Sold	-	-	-
Revaluation	-	-	-
Position as at June 30	<u>49,995</u>	<u>14,230</u>	<u>14,230</u>
Total issued capital		<u>17,166</u>	<u>17,171</u>

As at June 30, 2017 the issued and subscribed share capital amounts to:

		EUR	EUR
Ordinary shares, par value EUR 0.01 (December 31, 2016: EUR 0.01)	4,450,005	44,500	44,500
Priority shares, par value EUR 0.20 (December 31, 2016: EUR 0.20)	49,995	<u>9,999</u>	<u>9,999</u>
		<u>54,499</u>	<u>54,499</u>

The Fund became open-ended on April 7, 2000. As at June 30, 2017 a total of 4,309,098 Ordinary Shares have been purchased, meaning that 140,907 Ordinary Shares are still outstanding as at June 30, 2017. Ordinary Shares purchased by the Fund are directly charged against capital and share premium.

<i>8.2 Share premium</i>	USD	USD
Position as at January 1	16,261,438	18,504,968
Received on shares sold	74,572	3,628
Paid on shares purchased	-1,198,312	-2,247,285
Revaluation of outstanding capital	<u>-209</u>	<u>127</u>
Position as at June 30	<u>15,137,489</u>	<u>16,261,438</u>

	30-06-2017	31-12-2016
	USD	USD
<i>8.3 General reserve</i>		
Position as at January 1	-7,987,889	-7,942,782
Transferred from undistributed result	<u>-378,452</u>	<u>-45,107</u>
Position as at June 30	<u>-8,366,341</u>	<u>-7,987,889</u>

<i>8.4 Undistributed result</i>		
Position as at January 1	-378,452	-45,107
Transferred to/from general reserve	378,452	45,107
Total investment result	<u>1,438,094</u>	<u>-378,452</u>
Position as at June 30	<u>1,438,094</u>	<u>-378,452</u>

Three years Himalayan Fund N.V.

	30-06-2017	31-12-2016	31-12-2015
Net Asset Value (USD x 1,000)			
Net Asset Value according to balance sheet	8,226	7,912	10,535
Less: value priority shares	<u>14</u>	<u>14</u>	<u>14</u>
	<u>8,212</u>	<u>7,898</u>	<u>10,521</u>
Number of Ordinary Shares outstanding	140,907	162,323	207,748
Per Ordinary Share			
Net Asset Value share (USD)	58.28	48.66	50.64

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.

	01-01-2017	01-01-2016
	30-06-2017	30-06-2016
	USD	USD
10. Expenses		
<i>10.1 Investment research fees</i>		
Research fee	81,000	81,000
Custody Fee and Charges	2,711	4,512
	83,711	85,512

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	27,364	29,655
Company Secretarial and Domiciliation Fees	16,411	16,892
Bank Expenses	126	150
Regulatory Fees and Charges	10,357	6,308
Legal Expenses	-	-
Distribution fees	17,838	18,411
Listing Expenses	7,190	7,210
Audit Fees	11,759	9,997
Fiscal Advisory Fees	7,934	9,219
Advertising and Promotion	7,318	7,553
Directors Fees	31,700	31,700
Board Expenses	10,136	10,156
Miscellaneous	2,360	2,303
	150,493	149,554

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 2.83%; annualised 5.66% (annualised 2016: 5.11%).

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 3.95 %; annualised 7.9 % (annualised 2016: 0.91%).

* - 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)	81,000	81,000
Administration fee (2)	27,364	27,364
Secretarial and Domiciliation fees (3)	16,411	16,411
Costs for the Board (4)	100,000	41,836

*- As per the Prospectus of June 7, 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 48,000.

2) CACEIS Bank Netherlands Branch 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 2017 the remuneration of the Directors will be USD 62,895 (inclusive VAT). Directors fees per person in the first half year of 2017 are as follows: Ian McEvatt*: USD 5,000; Dwight Makins: USD 9,250; Robert Meijer: USD 11,400; Karin van der Ploeg*: USD 6,050. Board expenses (exclusive remuneration of the Directors) amount to USD 10,235 for the first half year of 2017.

* 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 USD 10,000 (exclusive VAT).

Employees

The Fund has no employees.

Amsterdam, August 29, 2017

Board of Directors

Ian McEvatt, Chairman

Dwight Makins

Robert Meijer

Karin van der Ploeg

Portfolio breakdown

As per June 30, 2017

<u>India</u>	Market value USD	percentage of total Net Asset Value
Auto Ancillary	561,370	6.8
13,000 Bajaj Auto	561,370	
Construction	874,600	10.6
100,000 HeidelbergCement	193,541	
135,369 Kalpataru Power Transmission	681,059	
Consumer discretionary	708,095	8.6
240,000 Indian Hotels	496,801	
75,000 VIP Industries	211,294	
Consumer goods	1,476,399	17.9
28,000 Agro Tech Foods	214,253	
3,500 Nestle India	364,785	
72,000 Pidilite Industries	897,361	
Consumer staples	250,357	3.0
50,000 ITC Dematerialised	250,357	
Energy	490,419	6.0
30,000 Indraprastha Gas	490,419	
Financials	1,473,758	17.9
27,000 HDFC Bank	690,084	
53,000 Kotak Mahindra Bank	783,674	
Healthcare	404,475	4.9
12,000 Lupin	196,762	
11,000 Torrent Pharmaceuticals	207,713	
Industrials	474,879	5.8
25,000 Supreme Industries	474,879	
Media	357,250	4.3
250,000 IBN18 Broadcast	139,818	
38,000 Shemaroo Entertainment	217,432	
Technology	734,320	8.9
250,000 Firstsource Solutions	131,889	
18,000 HCL Technologies	236,955	
10,000 Tata Consultancy	365,476	
Total Equity	7,805,922	94.9
Cash	420,486	5.1
NAV	8,226,408	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.