Himalayan fund nv

investing in India since 1990

Semi Annual Report 2013

Contents

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 Netherlands N.V. 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
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* Dutch resident

Multiple year overview Himalayan Fund N.V.

	30-06-2013	31-12-2012	31-12-2011	31-12-2010	31-12-2009
Net Asset Value (USD x 1,000)					
Net Asset Value according to balance sheet	**12,049**	14,137	15,896	22,445	20,100
Less: value priority shares	**14**	14	14	14	14
	12,035	14,123	15,882	22,431	20,086

	01-01-2013 30-06-2013	01-01-2012 30-06-2012	01-01-2011 30-06-2011	01-01-2010 30-06-2010	01-01-2009 30-06-2009
Profit and loss (USD x 1,000)					
Income from investments	**89**	164	53	120	57
Capital gains/losses	**-1,256**	690	-2,081	677	7,357
Expenses	**-223**	-291	-373	-384	-388
Tax	**22**	15	-	-	-
Total investment result	**-1,368**	578	-2,401	413	7,026
Number of ordinary shares outstanding	**347,373**	432,610	346,405	408,135	428,515
Per ordinary share					
Net Asset Value share (USD)	**34.65**	35.03	50.97	49.98	40.06
Transaction price Euronext Amsterdam end of reporting period (USD)	**33.81**	33.89	50.79	49.44	38.73
Income from investments (USD)	**0.26**	0.38	0.15	0.29	0.13
Capital gains/losses (USD)	**-3.61**	1.59	-6.00	1.66	17.18
Expenses (USD)	**-0.64**	-0.67	-1.08	-0.94	-0.91
Tax	**0.06**	0.04	-	-	-
Total investment result (USD)	**-3.93**	1.34	-6.93	1.01	16.40

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 Netherlands N.V. (CACEIS NL) established in Amsterdam, The Netherlands, has been appointed by the Fund as the Administrator of Himalayan Fund N.V. CACEIS NL 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$34.65 on June 30th 2013, 10.1% lower than the closing NAV on December 31st, 2012. Over the same period, the Fund's performance benchmark, the S&P CNX Nifty index in US$ terms, fell by 9.4%. Thus, your Fund underperformed its benchmark by 0.7%. For comparison purposes, the Transaction Price for the Fund's shares was US$39.31 on January 4th, the first Execution Day of 2013 and on June 28th, the last Execution Day of the period under review, the Transaction Price was US$33.93, a decline of 13.7%. Over the comparable period, the benchmark index lost 10.6%, including Rupee depreciation of 8.5% against the US dollar.

The number of Ordinary Shares held by third parties on December 31, 2012 was 366,411; by mid-year, this had fallen to 347,373. The net turnover in the Fund's Ordinary Shares in the first half of this year was just 5.2%. The first half of 2013 was characterized by highly volatile sentiment in global equity markets in spite of slowly improving economic conditions in some major developed markets. Equity market trading was dominated by short-term liquidity swings which made it difficult to sustain long-term views. Investment in emerging markets demands long-term commitment and we believe that India will reward us in the fullness of time. In the meantime, we commend our shareholders for their loyalty.

The Market

In the first half of 2013, the MSCI World Index grew by 4.7%, a return comparable to the same period in 2012. At the level of individual markets, however, we had the curate's egg: good in parts. First, it is worth noting that on the 21st of May, the MSCI World Index was ahead by 11.7% year-to-date. That marked the start of volatility games, driven by mindless speculation about the effects of the Fed withdrawing the exceptional monetary stimulus of Quantitative Easing. This stoked waves of liquidity flows into and out of risk assets as the media presented the prospective "tapering" as fiscal tightening and pushed up long-bond yields. Emerging markets, not least India, suffered exceptional outflows, notably from recently liberated bond markets in India's case. Equity trading became highly concentrated in a small range of shares, as regional ETFs traded in and out of selected proxy stocks. As a result a small number of stocks drove sharp up and down movements in emerging market indices. By the end of June, only the US (+12.5%) and Japan (+15.4%) were showing net gains over six months. Europe was broadly flat, the UK was down about 2% and the MSCI Emerging Markets Index was down 10.9%, with Latin America down 16% and China down 13%.

In India, the first quarter saw the benefits of decisive action taken by Finance Minister Chidambaram to rein in the fiscal deficit, which was held to 4.8% of GDP for the fiscal year ended on March 31st, mostly thanks to restraining current expenditure. Mr. Chidambaram drove home the message of fiscal prudence in his budget for the new fiscal year, with a deficit target of 5%. Key elements of the plan to achieve this included market pricing for petrol and the progressive removal of the diesel subsidy over eighteen months of price increases. Sentiment was further boosted by the RBI finally recognizing a softening trend in WPI inflation by cutting policy rates as a gesture to stimulating growth. The Finance Minister went further, assuring the market of his intention to facilitate and welcome increasing flows of foreign direct investment (FDI) by lifting restrictions on foreign control in key sectors. He also established a Cabinet Committee on Investment, charged with breaking through bottlenecks in regulatory and environmental processes which have been identified as having derailed public sector investment projects. The object being to prompt the private sector also to revive investment as a driver of growth by expanding capacity to meet increased demand from the public sector.

India's current account deficit was a major concern as a weaker global economy depressed exports. The price of oil is a key factor in the balance of payments and it remained stronger than expected. Gold is another key import and when the market price dropped in the first quarter, Indian retail demand surged, causing an unwelcome spike in imports. With the current account deficit under pressure, the Rupee was subjected to sharply higher selling pressure, thereby accentuating the CAD. So, in macroeconomic terms, the first half of this year saw a deteriorating CAD, slowing growth, moderating inflation, tentative steps in monetary easing and a sharp depreciation of the Rupee.

The market consequences included dramatic withdrawals of foreign liquidity especially from the debt market, a sharp contraction in market breadth, more volatility and a wide divergence in behaviour between front-line stocks and the mid-and small-cap sectors. In spite of this, foreign interest in Indian equities remained close to all-time peak levels as investors recognized attractive valuations of the best stocks in a historical context. The market price/earnings ratio, at just below 14 times earnings, is just below the middle of its historical range. Indian equities enjoy an historic premium over other emerging markets for reasons of breadth, depth, liquidity and regulatory history, to say nothing of 150 years of trading in stocks.

We are now within a year of the next general election in the world's largest democracy. Not unusually, the outlook is far from certain, although the probability has improved of the outcome delivering a Union government led by one of the two major national parties, Congress or the BJP. Congress's popularity will be restrained by the gallant efforts of Finance Minister Chidambaram to restrain the worst populist inclinations of his party, though the passage of food subsidy legislation may overcome that. The BJP may finally be getting its national campaign act together with the nomination of the first minister of Gujarat as its prime ministerial candidate. Nonetheless, neither major party is guaranteed a majority but both now have a history of delivering economic reform when needed.

During the first half-year, we responded to the evolving market conditions by cutting the number of holdings in the portfolio and adjusting our sector allocation strategy. We reduced our energy exposure and adjusted our financial sector exposure to cover only private sector entities. We extended our healthcare exposure: though our venture into Wockhardt was a mistake, our strong positions in Lupin and Torrent Pharma generated excellent returns. We cut capital goods and industrials entirely but sustained our exposure to the auto sector, which enjoyed some support from exports. We maintain a strong overweight position in consumer stocks, including Nestle, Pidilite and Titan Industries. We cut our IT holdings as the sector outlook became uncertain, though we held a market position in Infosys and TCS which have since performed strongly..

The outlook is dampened by GDP growth looking range-bound between 5 and 6% and the prospects for decisive policy action being constrained by the political calendar. Nonetheless, earnings growth for the leading stocks is still forecast at 14-15% for the current year and we believe that our portfolio is well-placed to benefit. Meanwhile, the current year's monsoon is delivering above-average rainfall with excellent geographical distribution. Record sowing of the kharif crops looks like delivering a welcome boost to rural consumption with harvests helping to drive down food prices. Reservoir capacity and water-table replenishment should ensure the conditions are sustained into the rabi crops as well. Our sector allocation as well as a heightened focus on management quality and governance standards gives us confidence that prospective returns from our portfolio are excellent.

Administration

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

www.himalayanfund.nl

The following important notices were posted to the website during the first half-year;

On April 5, 2013: an update of the Principles of Fund Governance;

On May 2, 2013: the appointment of Kas Bank N.V. as listing-and fund agent and bank;

On June 25, the AGM of the Fund was held in Amsterdam; the Annual Report for 2012 was adopted by unanimous vote and the Directors were discharged from their responsibilities for the year. In anticipation of new rules governing rotation of auditors, Mazars Paardekooper Hoffman Accountants N.V were appointed as auditors to the Fund with effect from 2013.

Conclusion

The Directors would like to thank our long-standing shareholders for their continuing support for the Fund in the most difficult market conditions. In their continuing management of the Fund, the Directors review the Synthetic Risk and Reward Indicator (SRRI) on a regular basis as prescribed by the regulatory authorities. As at June 30th, the calculation puts the Fund in Category 7, the highest risk category. This is not unusual for a fund investing in emerging market equities 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 30, 2013

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

Financial statements
Himalayan Fund N.V.
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Balance sheet

(before profit appropriation)

	30-06-2013	Notes	31-12-2012
	USD		USD
Investments			
Securities	**11,554,610**	4.1	14,040,910
Short term receivables			
Receivable on security transactions	**490,330**	5.1	-
Dividend receivable	**38,494**	5.2	-
Other receivables	**-**	5.3	10,038
	528,824		10,038
Other assets			
Cash at banks	**107,826**	6	146,282
Current liabilities (due within one year)			
Payable on security transactions	**55,994**	7.1	-
Other liabilities, accruals and deferred income	**86,217**	7.2	60,704
Total current liabilities	**142,211**		60,704
Total of receivables and other assets less current liabilities	**494,439**		95,616
Total assets less current liabilities	**12,049,049**		14,136,526
Shareholders' equity			
Issued capital	**18,820**	8.1	19,059
Share premium	**24,263,721**	8.2	24,983,207
General reserve	**-10,865,740**	8.3	-12,813,588
Undistributed result current year	**-1,367,752**	8.4	1,947,848
Total shareholders' equity	**12,049,049**		14,136,526
Net Asset Value per share	**34.65**		38.54

Profit & Loss account

	01-01-2013 30-06-2013 USD	Notes	01-01-2012 30-06-2012 USD
Income from investments			
Dividends	**87,769**	9.1	159,460
Other income	**1,285**	9.2	4,392
	89,054		163,852
Capital gains/losses			
Unrealised price gains/losses on investments	**-541,367**	4	1,020,133
Unrealised currency gains/losses on investments	**-371,092**	4	-444,841
Realised price gains/losses on investments	**-24,857**	4	300,566
Realised currency gains/losses on investments	**-304,974**	4	-165,215
Other exchange differences	**-13,242**		-20,366
	-1,255,532		690,277
Expenses			
Investment research fees	**71,192**	10.1	129,767
Other expenses	**152,158**	10.2	161,598
	223,350		291,365
Tax	**22,076**		15,580
Total investment result	**-1,367,752**		578,344
Total investment result per ordinary share	**-3.94**		1.34

Statement of Cash Flows

	01-01-2013 30-06-2013 USD	Notes	01-01-2012 30-06-2012 USD
Cash flow from investing activities			
Income from investments	**89,054**	9	163,852
Expenses	**-223,350**	10	-291,365
Tax	**22,076**		15,580
Result of operations	**-112,220**		-111,933
Purchases of investments	**-763,418**	4	-499,580
Sales of investments	**2,007,428**	4	1,216,544
	1,244,010		716,964
Change in short term receivables	**-518,786**	5	383,147
Change in current liabilities	**81,507**	7	-314,626
	-437,279		68,521
Cash flow from investing activities	**694,511**		673,552
Cash flow from financing activities			
Received on shares issued	**82,799**	8	86,355
Paid on shares purchased	**-802,524**	8	-1,392,491
Cash flow from financing activities	**-719,725**		-1,306,136
Other exchange differences	**-13,242**		-20,366
Change in cash and cash equivalents	**-38,456**		-652,950
Cash and cash equivalents as at 1 January	**146,282**		719,982
Cash and cash equivalents as at 30 June	**107,826**	6	67,032

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 30 June 2013, equivalent of 1 US dollar:			
Euro	0.76932	Srilanka Rupee	130.40001
Indian Rupee	59.42501	Bangladesh Taka	77.75501

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

4. Investments	30-06-2013 USD	31-12-2012 USD
4.1 Statement of changes in securities		
Position as at 1 January	**14,040,910**	15,188,036
Purchases	**763,418**	4,106,469
Sales	**-2,007,428**	-7,403,677
Unrealised price gains/losses on investments	**-541,367**	2,167,626
Unrealised currency gains/losses on investments	**-371,092**	1,093,073
Realised price gains/losses on investments	**-24,857**	411,559
Realised currency gains/losses on investments	**-304,974**	-1,522,176
Position as at 30 June	**11,554,610**	14,040,910
Historical cost	**8,888,086**	10,461,927

The portfolio comprises of shares, mainly listed.
The total unlisted shares held directly by the Fund amounted to USD 141,557 (31 December 2012: USD 154,417).
The portfolio breakdown as at 30 June 2013 is specified on page 19 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 in 2013 are USD 8,654 (2012: USD 6,004).

5. Receivables

5.1 Receivable on security transactions

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

5.2 Dividend receivable

These include dividend accruals which become payable after balance sheet date.

5.3 Other receivables

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)

7.1 Payable on security transactions

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

7.2 Other liabilities, accruals and deferred income

Payable investment reseach fee	**11,194**	7,500
Payable administration fee	**5,416**	5,493
Payable auditors fee	**10,884**	29,992
Other expenses payable	**58,723**	17,719
	86,217	60,704

8. Shareholders' equity

The authorised share capital of the Fund is EUR 60,000 (31 December 2012: 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

		30-06-2013	31-12-2012
8.1 Issued capital	**number**	**USD**	USD
Ordinary shares:			
Position as at 1 January	366,411	**4,829**	6,092
Sold	2,096	**21**	40
Purchased	-21,134	**-211**	-1,070
Revaluation	-	**-49**	-233
Position as at 30 June	347,373	**4,590**	4,829
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		**18,820**	19,059

As at 30 June 2013 the issued and subscribed share capital amounts to:		**EUR**	EUR
Ordinary shares, par value EUR 0.01 (31 December 2012: EUR 0.01)	4,450,005	**44,500**	44,500
Priority shares, par value EUR 0.20 (31 December 2012: 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 2013 a total of 4,102,632 Ordinary Shares have been purchased, meaning that 347,373 Ordinary Shares are still outstanding as at 30 June 2013. Ordinary Shares purchased by the Fund are directly charged against capital and share premium.

8.2 Share premium	**USD**	USD
Position as at 1 January	**24,983,207**	28,689,326
Received on shares sold	**82,778**	159,769
Paid on shares purchased	**-802,313**	-3,866,121
Revaluation of outstanding capital	**49**	233
Position as at 30 June	**24,263,721**	24,983,207

	30-06-2013	31-12-2012
	USD	USD
8.3 General reserve		
Position as at 1 January	**-12,813,588**	-2,231,440
Transferred from undistributed result	**1,947,848**	-10,582,148
Position as at 30 June	**-10,865,740**	-12,813,588

	30-06-2013	31-12-2012
8.4 Undistributed result		
Position as at 1 January	**1,947,848**	-10,582,148
Transferred to/from general reserve	**-1,947,848**	10,582,148
Total investment result	**-1,367,752**	1,947,848
Position as at 30 June	**-1,367,752**	1,947,848

Three years Himalayan Fund N.V.

	30-06-2013	31-12-2012	31-12-2011
Net Asset Value (USD x 1,000)			
Net Asset Value according to balance sheet	**12,049**	14,137	15,896
Less: value priority shares	**14**	14	14
	12,035	14,123	15,882
Number of Ordinary Shares outstanding	**347,373**	366,411	469,432
Per Ordinary Share			
Net Asset Value share (USD)	**34.65**	38.54	33.83

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 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.

	01-01-2013	01-01-2012
10. Expenses	**30-06-2013**	30-06-2012
	USD	USD
10.1 Investment research fees		
Research fee	**66,194**	124,767
Custody Fee and Charges	**4,998**	5,000
	71,192	129,767

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	**33,922**	33,180
Company Secretarial and Domiciliation Fees	**19,970**	19,275
Bank Expenses	**5,047**	5,282
Regulatory Fees and Charges	**11,039**	12,511
Legal Expenses	**648**	3,239
Listing Expenses	**8,926**	-
Audit Fees	**9,427**	23,167
Fiscal Advisory Fees	**10,910**	9,393
Advertising and Promotion	**11,039**	13,438
Directors Fees	**29,564**	21,208
Board Expenses	**8,735**	9,782
Miscellaneous	**2,931**	1,123
	152,158	151,598

On-going charges ratio

The on-going charges ratio is calculated as follows: the total expenses of the Fund, excluding transactionfees and cost of intrest, divided by the average NAV*.
The expense ratio of the Fund for the reporting period is equal to 1.62 %; annualised 3.25% (annualised 2012: 3,42 %).

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 13.74 %; annualised 27.47 % (annualised 2012: 47,84 %).

* - The fund has a weekly NAV. The average Net Asset Value of the Company for 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
Reseach fee (1)	66,194	66,194
Administration fee (2)	33,922	33,922
Secretarial and Domiciliation fees (3)	19,970	19,970
Costs for the Board (4)	100,000	38,299

*- 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 30,000.
2) CACEIS NL 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 2013 the remuneration of the Directors will be USD 31,208 (inclusive VAT) in total so far. Directors fees per person are as follows: Ian McEvatt*: USD 5,000; Dwight Makins: USD 9,250; Robert Meijer: USD 11,008; Karin van der Ploeg*: USD 5,950. These fees remained unchanged compared to 2012. Board expenses (exclusive remuneration of the Directors) amount to USD 8,735 for the first half year of 2013.

* 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 30, 2013

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

Portfolio breakdown

As per June 30, 2013

India		Market value USD	percentage of total Net Asset Value
Auto Ancillary		**1,394,995**	**11.6**
9,000	Bajaj Auto	291,385	
135,000	Balkrishna	465,599	
2,000	Bosch	304,515	
60,000	Castrol	333,496	
Construction		**793,653**	**6.6**
21,500	Larsen & Toubro	509,379	
9,000	Ultra Tech Cement	284,274	
Consumer goods		**2,043,879**	**17.0**
11,250	Nestle India	918,931	
200,000	Pidilite Industries	899,285	
60,000	Titan Industries	225,663	
Energy		**1,645,228**	**13.7**
110,000	Indraprastha Gas	495,254	
110,000	Oil and Natural Gas	612,890	
37,000	Reliance Industries	537,084	
Financials		**2,958,561**	**24.6**
85,000	HDFC Bank	957,636	
40,000	ICICI Bank	720,740	
120,000	IDFC	258,780	
60,000	Kotak Mahindra Bank	729,188	
194,675	Magma Fincorp	292,217	
Healthcare		**1,349,347**	**11.2**
50,000	Lupin	657,509	
50,000	Torrent Pharmaceuticals	691,838	
Technology		**1,227,390**	**10.2**
25,000	Infosys Technologies	588,707	
14,000	Tata Consultancy	638,683	
Total Equity		**11,413,053**	**94.7**
Cash		**635,996**	**5.3**
Canbank mutual fund		141,557	
Net		**494,439**	
NAV		**12,049,049**	**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.