HIMALAYAN FUND NV

Investing in India since 1990

Semi Annual Report 2008

Contents

Himalayan Fund N.V.

investment company with variable capital

Registered office:	De Ruyterkade 6-i 1013 AA Amsterdam The Netherlands
Board of Directors:	Ian McEvatt, Chairman Dwight Makins Robert Meijer * Joe Tabbers *
Administrator and Registrar:	Fastnet Netherlands N.V. De Ruyterkade 6-i 1013 AA Amsterdam The Netherlands
Investment Advisor:	Iceman Capital Advisors Ltd. PO Box 218 45 La Motte Street St. Helier Jersey JE4 8SD Channel Islands
Custodian:	Citibank 77 Ramnord House Dr. Annie Besant Road, Mumbai - 400 018 India
Listing Agent / Bank:	Fortis Bank (Nederland) N.V.
Auditor:	Deloitte Accountants B.V. Orlyplein 10 1040 HC Amsterdam
For information or Prospectus:	*Website: http://himalayan.fast-net.nl* *Email: nl-himalayan@eu.fastnetgroup.com* *Phone: +31 (0) 20 530 8300*

* Dutch resident

Five years Himalayan Fund N.V.

	30-06-2008	31-12-2007	31-12-2006	31-12-2005	31-12-2004
Net Asset Value (USD x 1,000)					
Net Asset Value according to statement of assets and liabilities	**23,415**	38,376	22,315	23,578	17,148
Less: value priority shares	**1**	1	1	53	61
	23,414	38,375	22,314	23,525	17,087

	2008	2007	2006	2005	2004
Profit and loss (USD x 1,000)					
Income from investments	**91**	307	413	304	484
Capital gains/losses	**-14,457**	18,154	9,264	5,479	4,328
Expenses	**-459**	-897	-943	-642	-712
Total investment result	**-14,825**	17,564	8,734	5,141	4,100
Number of ordinary shares outstanding	**538,213**	544,145	588,746	892,419	870,551
Per ordinary share					
Net Asset Value share (USD)	**43.50**	70.52	37.90	26.36	19.63
Transaction price Euronext Amsterdam June 27 (USD)	**45.22**	69.35	37.00	32.01	17.81
Dividend (EUR)	**-**	-	-	-	-
Income from investments (USD)	**0.17**	0.56	0.70	0.34	0.56
Capital gains/losses (USD)	**-26.85**	33.37	15.74	6.14	4.97
Expenses (USD)	**-0.85**	-1.65	-1.60	-0.72	-0.82
Total investment result (USD)	**-27.53**	32.28	14.84	5.76	4.71

Profile

General
Himalayan Fund N.V. ('the Company') is an open-end investment fund with variable capital incorporated under Dutch law and has its registered office in Amsterdam. The Company is listed both on Euronext Amsterdam and on the London Stock Exchange.

Structure and Objective
The principal objective of the Company is long term capital appreciation for shareholders. Currently all of the the funds investments are invested in India, directly utilising the benefits of the tax treaty between India and the Netherlands to maximise the ultimate return to investors.
Any balance can be invested in Sri Lanka, Bangladesh, Nepal and Bhutan if opportunities arise.

Open-ended status
Ordinary shares may be (re)purchased on Fridays (provided that such day is a business day) via Euronext Amsterdam. Ordinary shares repurchased by the Company will be held in treasury and resold on subsequent dealing days, in priority to the issue of new shares. For details about purchase or repurchase of ordinary shares, please visit the company's website.

Investment advisor
The Investment Advisor, Iceman Capital Advisors Ltd. (Iceman) was appointed under an investment advisory agreement dated June 7, 2006. Iceman is regulated by the Jersey Financial Services Commission under the Financial Services (Jersey) Law 1998 and is authorised to act as Investment Advisor to the Fund.

Administrator
Fastnet Netherlands N.V. (Fastnet NL) established in Amsterdam, is appointed by the management of the Company as the Administrator of Himalayan Fund. Fastnet NL forms an integral part of an international network of fund administration offices, operating under the flag of Fastnet. Separately from the administrator tasks, Fastnet NL also provides domicile services for the Company.

Corporate Governance
The appointment and remuneration of directors and audit matters are dealt with by the full Board rather than being delegated to Committees of the Board.

Taxation
In order to qualify as a fiscal investment institution, the Company is obliged to distribute all of its fiscal income and will subsequently be subject to 0% rate of Dutch corporate income tax on its profits. For tax purposes, income is calculated in Euro.

Notification of this recognition was received from the Ministry of Finance on 8 January 1992.
Withholding taxes are levied on dividends received from Sri Lanka and Bangladesh; these withholding taxes are taken as expense in the profit and loss account. No capital gains taxes are due in Sri Lanka. In Bangladesh, the Company claims exemption from capital gains tax due to its tax exempt status in the Netherlands.

Directors' Report

The Fund

The Net Asset Value (NAV) per share of your Fund was $43.50 on June 30th 2008, a decline of 38.3% from the closing NAV per share on December 31st 2007. Over the same period, the CNX S&P Nifty Index, the Fund's benchmark, declined by 39.7%. Thus the Fund out-performed its benchmark once again but in the circumstances that is not a lot of comfort for our shareholders.

This was the first reporting period during which the Fund's shares traded weekly on the Euronext Fund Service. We are pleased to report that the system has functioned efficiently. We are also pleased that all shareholders can now trade their shares at NAV, so the share price now reflects only the performance of the underlying portfolio. Shareholders are no longer exposed to arbitrary premium or discount movements.

During the first half-year, the volume of trading in the Fund's shares was lower than previously and the number of shares outstanding declined over the period by 5,933 from 544,146 to 538,933. In the face of considerable market turbulence, we have experienced modest redemptions but also had welcome support from important shareholders.

The Market

Late last year, Indian stock markets saw an unprecedented inflow of foreign money, as investors sought returns in developing markets which might escape the capital destruction being suffered by western banks. This year, the flow has gone into sharp reverse as a second spectre reared its head: commodity-driven inflation. We have now seen three waves of debt write offs in the global financial sector and economic growth is clearly being slowed by the resulting tight credit conditions. Commodity price inflation is also feeding through so that far from stimulating growth, central bankers are biased towards tighter monetary policy, thus further dampening expectations.

In these conditions, India has suffered a loss of confidence amongst foreign investors who have withdrawn $6.4 billion from the equity markets in the first half-year. This compares with more than $17 billion of inflows in the whole of 2007. Domestic institutions have shown increasing muscle with mutual funds investing a net $1.5 billion and insurance companies a further $3 billion in equities in the first half. Based on strong growth in insurance premiums and mutual fund sales, they are estimated still to be holding more than $5 billion of liquidity in anticipation of a market turn.

Wholesale price inflation in India has leapt into double figures, running at more than 11% per annum by the end of June. The government finally recognised that the rising oil price was making its domestic fuel subsidy regime unaffordable. The subsidies were cut by between 9 and 17% early in June and the weekly inflation rate responded a couple of weeks later. The Reserve Bank of India (RBI) has been tightening monetary policy since September 2006 as any sign of incipient inflation emerged. When the inflationary impact of the fuel subsidy cuts became apparent, it reaffirmed its hawkish stance by raising interest rates by 75 basis points and adding another 50 basis points to the banks' cash reserve ratios (CRR). Management of the CRR is an important difference between the RBI and the monetary authorities in the US, UK and Europe. The RBI controls overall credit expansion using this ratio and goes further by varying specific reserve requirements for sectoral loan exposures by banks, to ensure credit availability for priority sectors.

Under consistent foreign selling pressure and with weakening macroeconomic expectations, the Indian market indices have fallen significantly over the first six months of the year. At this stage, however, it does seem that the selling has been overdone. Market earnings multiples have fallen below recent historical ranges; based on earnings projections for fiscal year 2009/10, the market is now trading at a forward P/E ratio of less than 10, compared to levels of 24 plus not long ago. The first quarter earnings for fiscal 2008/9 will be reported as this report emerges and these should provide some support to the market.

Real GDP growth in India was 9% in the fiscal year to end March 2008, increasingly driven by investment demand from the public and private sectors. This was supported by growth in domestic savings of 34%. If the prevailing conditions reduce growth to the 7.5-8% range in the following two years and inflation is managed down to around 8.5% average, this would imply earnings growth of at least 16% per annum for the leading Indian companies. In these conditions, Indian equity markets should again be able to outperform regional and global markets. The one caveat is that global equity sentiment must recover and this seems to be inextricably linked to the price of oil.

Oil is very important in India’s overall development because the price of crude oil affects 70% of India’s energy imports. At over $140 a barrel, the implications for domestic inflation, management of the fiscal deficit and the balance of payments are severe. In the longer term, however, the contribution to growth from oil & gas exploration, development and refining will increase dramatically. Onshore oil production from discoveries by Cairn India and ONGC will come on stream from 2009. Even earlier, we may see gas production from the highly prospective Krishna-Godaveri KG-D6 field operated by Reliance Industries in the current fiscal year. This will coincide with the commissioning of the east-west gas pipeline and new refining capacity at Jamnagar with the potential to generate the best refining margins in the world.

Your Board supports the view of the Investment Advisor that the long-term potential of these developments is excellent and that they underline the prospects for the Indian economy to sustain growth based substantially on domestic demand. The Fund’s portfolio is heavily committed to the shares of companies in the Oil & Gas sector as well as to selected stocks of companies which service the sector. Infrastructure development is also a key contributor to investment demand and electricity generation is a key priority of the current Eleventh Economic Plan. The portfolio has highly prospective holdings in the Power and Capital Goods sectors which have major development projects and strong order books geared to the expansion of power generation capacity. We also see excellent return potential in Telecomms, IT and companies engaged in agriculture related activities.

In the current quarter, we may see the effects of monetary and fiscal stimulus in the US feeding through into the economy so that investor sentiment can stabilise. With the restoration of confidence in the US as the leading driver of global economic growth, global equity markets can start to anticipate recovery and regain momentum. With such a background, your Board would expect the Indian markets to outperform again and produce excellent returns for our shareholders.

Administration

The only administrative matter of significance during the period under review was that your Board put into effect a waiver of entry and exit charges on subscriptions and redemptions. These charges were applied automatically in the trading process on Euronext Fund Service. Your Board was not satisfied that the application of these charges was appropriately even-handed, so it was decided to waive them for a temporary period while their effect was assessed. This will be reviewed periodically and if the Board should decide to re-activate them, shareholders will be notified.

At this time more than any, your Board emphasises that investment in Himalayan Fund NV should be considered as a long-term commitment. We thank all our shareholders for their patience and support and reaffirm our belief in the prospects for investment in India in the long-term. We would like to remind shareholders about the Fund’s website at http://himalayan.fast-net.nl through which we communicate regularly about market conditions and the Fund’s progress. The site is also the statutory medium for publication of all statutory and regulatory information about the Fund.

Amsterdam, August 08, 2008

Board of Directors
Ian McEvatt, Chairman
Dwight Makins
Robert Meijer
Joe Tabbers

Financial statements
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Statement of assets and liabilities

(before profit appropriation)

	30-06-2008 USD	Notes	31-12-2007 USD
Investments			
Securities	**23,251,683**	4	38,002,691
Short term receivables			
Receivables from subscription	**-**	5.1	372,680
Other debtors, prepayments and accrued income	**22,080**	5.2	187,432
	22,080		560,112
Other assets			
Cash at banks	**482,603**	6	51,074
Current liabilities (due within one year)			
Payable on redemptions	**215,745**	7.1	-
Other liabilities, accruals and deferred income	**126,002**	7.2	238,315
	341,747		238,315
Total of receivables and other assets less current liabilities	**162,936**		372,871
Total assets less current liabilities	**23,414,619**		38,375,562
Shareholders' equity			
Issued capital	**9,268**	8.1	8,686
Share premium	**30,485,785**	8.2	30,622,339
General reserve	**7,744,537**	8.3	-9,819,428
Undistributed result current year	**-14,824,971**	8.4	17,563,965
	23,414,619		38,375,562
Net Asset Value per share	**43.50**		70.52

Statement of operations

	01-01-2008 30-06-2008 USD	Notes	01-01-2007 30-06-2007 USD
Income from investments			
Dividends	**89,224**	10.1	137,355
Interest income	**1,571**	10.2	3,798
Other income	**-**	10.3	32,760
	90,795		173,913
Capital gains/losses			
Unrealised price gains/losses on investments	**-13,722,560**	4	-8,220
Unrealised currency gains/losses on investments	**-1,420,723**	4	891,236
Realised price gains/losses on investments	**614,572**	4	3,777,259
Realised currency gains/losses on investments	**125,761**	4	216,159
Other exchange differences	**-54,232**		4,501
	-14,457,182		4,880,935
Expenses			
Investment management fees	**199,341**	11.1	195,714
Other expenses	**259,243**	11.2	220,104
	458,584		415,818
Total investment result	**-14,824,971**		4,639,030
Total investment result per ordinary share	**-27.54**		8.38

Statement of Cash Flows

	01-01-2008 30-06-2008 USD	notes	01-01-2007 30-06-2007 USD
Cash flow from investing activities			
Income from investments	**90,795**	10	173,913
Expenses	**-458,584**	11	-415,818
Result of operations	**-367,789**		-241,905
Purchases	**-1,834,387**	4	-4,753,054
Sales	**2,182,445**	4	7,144,329
	348,058		2,391,275
Change in short term receivables	**538,032**	5	-416,535
Change in current liabilities	**103,432**	7	-155,894
	641,464		-572,429
Cash flow from investment activities	**621,733**		1,576,941
Cash flow from financing activities			
Received on shares issued	**2,785,850**	8	1,731,046
Paid on shares repurchased	**-2,921,822**	8	-3,357,535
Dividend distribution	**-**		-
Cash flow from financing activities	**-135,972**		-1,626,489
Other exchange differences	**-54,232**		4,501
Change in cash and cash equivalents	**431,529**		-45,047
Cash and cash equivalents as at 1 January	**51,074**		2,072,365
Cash and cash equivalents as at 30 June	**482,603**		2,027,318

Notes

1.1 General
Himalayan Fund N.V. ('the Company') is an open-end investment fund with variable capital incorporated under Dutch law and has its registered office in Amsterdam. The Company is listed both on Euronext Amsterdam and on the London Stock Exchange.

The format of these financial statements is in conformity with legal financial annual reporting requirements and the Guiding Principles for Investment Institutions of the Dutch Council for Reporting. The financial year is concurrent with the calendar year.

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

2. Principles of valuation

2.1 Investments

The investments are valued based on the following principles:

- listed securities are valued at the most recent stockmarket 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 Advisor valued at the best effort estimated price, taking into account the standards which the asset manager 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 dollars at the rate of exchange as at the balance sheet date.
All exchange differences are taken to the income statement. Income and expenses in foreign currencies are translated at the exchange rate as per transaction date.

Rates of exchange as at 30 June 2008, equivalent of 1 US dollar:			
Euro	0.63470	Srilanka Rupee	107.70001
Indian Rupee	43.02501	Bangladesh Taka	68.52001

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 proceed
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.

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, restrict 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 subscriptions and redemptions but in order to allow orderly management of the portfolio in the interest of continuing shareholders, the value of redemptions will be limited to 5% of the net asset value of the Fund on any one Dealing 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 Board 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.

Notes to the statement of assets and liabilities

	30-06-2008	31-12-2007
4. Investments	**USD**	USD
4.1 Statement of changes in securities		
Position as at 1 January	**38,002,691**	22,348,428
Purchases	**1,834,387**	10,663,815
Sales	**-2,182,445**	-13,156,550
Unrealised price gains/losses on investments	**-13,722,560**	10,398,785
Unrealised currency gains/losses on investments	**-1,420,723**	1,170,436
Realised price gains/losses on investments	**614,572**	6,245,808
Realised currency gains/losses on investments	**125,761**	331,969
Position as at 30 June	**23,251,683**	38,002,691
Historical cost	**14,842,200**	14,449,925

The total unlisted investments directly held by the Company amounted to USD 471,616, (31 December 2007: USD 23,567).
The portfolio breakdown as at 30 June 2008 is specified on pages 18 to 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 2008 are: USD 17,579, in 2007 USD 106,676.

5. Short term receivables

5.1 Receivables from subscriptions

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

5.2 Other debtors, prepayments and accrued income

Dividend receivable	**22,080**	33,642
Prepayments and other debtors	**-**	153,790
	22,080	187,432

6. Cash at banks

This includes demand deposits at banks.

7. Current liabilities (due within one year)

7.1 Payable on redemptions

This includes the payables from unsettled share redemptions as per balance sheet.

7.2 Other liabilities, accruals and deferred income

Payable investment management fee	**87,324**	145,126
Payable administration fee	**16,477**	15,808
Payable auditors fee	**18,647**	66,889
Payable on security transactions	**-**	-
Other expenses payable	**3,554**	10,492
	126,002	238,315

8. Shareholders' equity

The authorised share capital of the Company is EUR 45,000 (30 June2007: EUR 60,000) and consists of:

- Ordinary shares of EUR 0.01 each	4,450,005
- Priority shares of EUR 0.01 each	49,995

		30-06-2008	31-12-2007
8.1 Issued capital	**number**	**USD**	USD
Ordinary shares:			
Position as at 1 January	544,146	**7,955**	7,763
Issued	47,314	**473**	986
Repurchased	-53,247	**-532**	-1,432
Revaluation		**584**	638
Position as at 30 June	538,213	**8,480**	7,955
Priority shares:			
Position as at 1 January	49,995	**731**	659
Issued		**-**	-
Repurchased	-	**-**	-
Revaluation		**57**	72
Position as at 30 June	49,995	**788**	731
Total issued capital		**9,268**	8,686

As at 30 June 2008 the subscribed share capital amounts to:		**EUR**
Ordinary shares, par value EUR 0.01 (31 December 2007: EUR 0.01)	4,450,005	**44,500**
Priority shares, par value EUR 0.01 (31 December 2007: EUR 0.01)	49,995	**500**
		45,000

The Company became open-ended at 7 April 2000. As at 30 June 2008 a total of 3,911,792 ordinary shares were repurchased, meaning that 538,213 ordinary shares are still outstanding as at 30 June 2008. Repurchased ordinary shares by the Company are directly charged against capital and share premium.

8.2 Share premium	**USD**	USD
Position as at 1 January	**30,622,339**	32,125,707
Received on shares issued	**2,785,377**	5,640,216
Paid on shares repurchased	**-2,921,290**	-7,143,372
Revaluation of outstanding capital	**-641**	-212
Position as at 30 June	**30,485,785**	30,622,339

	30-06-2008	31-12-2007
	USD	USD
8.3 General reserve		
Position as at 1 January	**-9,819,428**	-18,553,954
Transferred from undistributed result	**17,563,965**	8,734,526
Position as at 30 June	**7,744,537**	-9,819,428

8.4 Undistributed result		
Position as at 1 January	**17,563,965**	8,734,526
Dividend distribution	**-**	-
Transferred to/from general reserve	**-17,563,965**	-8,734,526
Total investment result	**-14,824,971**	17,563,965
Position as at 30 June	**-14,824,971**	17,563,965

Three years Himalayan Fund N.V.

	30-06-2008	2007	2006
Net Asset Value (USD x 1,000)			
Net Asset Value according to statement of assets and liabilities	**23,415**	38,376	22,315
Less: value priority shares	**1**	1	1
	23,414	38,375	22,314
Number of ordinary shares outstanding	**538,213**	544,145	588,746
Per ordinary share			
Net Asset Value share (USD)	**43.50**	70.52	37.90

Notes to the statement of operations

10. Income from investments

10.1 Dividends

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

10.2 Interest income

Most of this amount was received on outstanding cash balances.

10.3 Other income

Up to April 2007 this refers to the upcount of 0.5% received on shares issued and discount of 1.0% calculated on shares repurchased. From May 2007 this refers to the charges of 0.35% received on shares issued and repurchased.
From December 2007 the upcount and discount is 0%.
These costs are to cover transaction costs in relation with the subscriptions/redemptions and are booked as an income for the Company.

11. Expenses	**01-01-2008 30-06-2008 USD**	01-01-2007 30-06-2007 USD
11.1 Investment management fees		
Management fee	**190,390**	184,294
Other investment management fees	**8,951**	11,420
	199,341	195,714

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.

11.2 Other expenses		
Administration fee	**69,136**	70,746
Domicile fee	**29,750**	14,875
Commission and bank expenses	**4,147**	16,074
Marketing, advisory and advertising fees	**20,674**	23,228
Register fees Chamber of Commerce and the Authority for the Financial Markets	**15,275**	8,371
Auditor and fiscal advisor fees	**19,228**	38,477
Directors' fee (including liability insurance fee)	**75,919**	46,327
Miscellaneous	**25,114**	2,006
	259,243	220,104

Expense ratio

The expense ratio (cost ratio) is calculated as follows: the total expenses of the Company divided by the average Net Asset Value *.

- The total expenses include the expenses that are deducted from the result as well as from the shareholders' equity in the period under review.

The expense ratio of the Company for the reporting period is equal to: 3.26 % (30 June 2007: 3.52%).

Turnover ratio

The turnover ratio is calculated as follows: the total sum of purchases plus sales minus subscriptions minus redemptions divided by the average Net Asset Value *.
The turnover ratio of the Company for the reporting period is equal to: -6.02 % (30 June 2007: 28.84 %).

* - The average Net Asset Value of the Company for reporting period is calculated as the sum of the Net Asset Value as per 31 December 2007, 31 March 2008, 30 June 2008 in the proportion
0.5 : 1 : 0.5, divided by the weighted number of observations.

Comparison of real cost with cost according to Prospectus

	According to Prospectus	Real costs
Management fee (1)	190,390	190,390
Administration fee (2)	98,886	98,886
Directors fee (3)	100,000	75,919

1) The Investment Advisor receives an annual fee of 1.5 per cent (calculated on a daily basis) of the Net Asset Value of the Company.

2) The Company pays to Fastnet NL a monthly administration fee (excluding VAT) equal to 1/12 of 0.2% of the average Net Asset Value with a minimal fee of EUR 100,000 per year. The Company also pays to Fastnet NL a fixed monthly domicile fee (exclusive VAT) equal to EUR 25,000 per year. The average Net Asset Value of the Company is calculated as the sum of the total Net Asset Values at the beginning of the month and at the end of the month, divided by 2.

3) According to the Prospectus the Directors fee will not exceed USD 100,000. The actual Directors cost were 18.036 less than in the prospectus.

Employees

The Company has no employees.

External auditor

This semi annual report 2008 is not checked by an external auditor.

Amsterdam, August 08, 2008

Board of Directors
Ian McEvatt, Chairman
Dwight Makins
Robert Meijer
Joe Tabbers

Portfolio breakdown

As per June 30, 2008

India		Market value USD	percentage of total Net Asset Value
Capital goods			
40,000	Bharat Heavy Electrical	1,282,463	
17,000	Larsen & Toubro	863,217	
		2,145,680	9.16%
Financials			
26,000	HDFC Bank	608,772	
30,000	Housing Development Financing Corporation	1,370,029	
51,000	ICICI Bank	747,012	
10	Canbank mutual fund *	471,616	
		3,197,429	13.66%
Materials			
40,000	Ashapura Minechem	149,820	
		149,820	0.64%
Metals			
35,000	Jindal Steel & Power	1,424,811	
43,560	Tata Iron & Steel	737,913	
32,670	Tata Steel Rights	83,716	
		2,246,440	9.59%
Oil & Gas			
67,000	Oil & Natural Gas	1,269,223	
100,000	Cairn India	638,466	
30,000	Gail India	232,295	
72,000	Reliance Industries	3,506,119	
70,000	Tata Chemicals	466,775	
		6,112,878	26.11%

* Unlisted securities

Power			
95,000	Power Finance	226,101	
80,000	Tata Power	1,965,369	
		2,191,470	9.36%
Technology			
32,000	Infosys Technologies	1,291,751	
40,000	Tata Consultancy	797,862	
125,000	Vakrangee Softwares	488,088	
		2,577,701	11.00%
Telecommunication			
101,655	Bharti Airtel	1,704,094	
75,000	Reliance Communications	771,877	
		2,475,971	10.57%
Transportation			
7,000	Aban Offshore	468,687	
350,000	Mercator Lines	660,953	
		1,129,640	4.82%
Other industry			
198,995	Crest Communication	231,024	
70,000	Jain Irrigation Systems	793,631	
		1,024,655	4.38%
Total India		**23,251,684**	**99.30%**

Total Investments	23,251,683	99.30%
Other net assets	162,936	0.70%
Total Net Asset Value	**23,414,619**	**100.00%**

Supplementary 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 held in the name of Iceman Capital Advisors Ltd..

Priority Shares

During 2007 49.995 Priority Shares of Eur 0.01 each were held by Iceman Capital Advisors Ltd.

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

The directors of the Company and the directors of Iceman Capital Advisors 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.