



Semi Annual Report 2009

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Himalayan Fund N.V.

investment Fund with variable capital

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:

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:

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Multiple year overview Himalayan Fund N.V.

	30-06-2009	31-12-2008	31-12-2007	31-12-2006	31-12-2005
Net Asset Value (USD x 1,000)					
Net Asset Value according to statement of assets and liabilities	17,168	23,415	38,376	22,315	23,578
Less: value priority shares	1	1	1	1	53
	<u>17,167</u>	<u>23,414</u>	<u>38,375</u>	<u>22,314</u>	<u>23,525</u>
	2009	2008	2007	2006	2005
Profit and loss (USD x 1,000)					
Income from investments	57	91	307	413	304
Capital gains/losses	7,357	-14,457	18,154	9,264	5,479
Expenses	<u>-388</u>	<u>-459</u>	<u>-897</u>	<u>-943</u>	<u>-642</u>
Total investment result	<u>7,026</u>	<u>-14,825</u>	<u>17,564</u>	<u>8,734</u>	<u>5,141</u>
Number of ordinary shares outstanding	428,515	538,213	544,145	588,746	892,419
Per ordinary share					
Net Asset Value share (USD)	40.06	43.50	70.52	37.90	26.36
Transaction price Euronext Amsterdam end of reporting period (USD)	38.73	45.22	69.35	37.00	32.01
Dividend (EUR)	-	-	-	-	-
Income from investments (USD)	0.13	0.17	0.56	0.70	0.34
Capital gains/losses (USD)	17.18	-26.85	33.37	15.74	6.14
Expenses (USD)	<u>-0.91</u>	<u>-0.85</u>	<u>-1.65</u>	<u>-1.60</u>	<u>-0.72</u>
Total investment result (USD)	<u>16.40</u>	<u>-27.53</u>	<u>32.28</u>	<u>14.84</u>	<u>5.76</u>

Profile

General

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

Structure and Objective

The principal objective of the Fund 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 dealing day, see prospectus) via Euronext Amsterdam. Ordinary shares repurchased by the Fund will be held in treasury and resold on subsequent dealing days, in priority to the issue of new shares. For details about the purchase or repurchase of ordinary shares, please visit the Fund'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.

Registered office:

Inviqta, a partnership of Lawyers, established in Amstelveen, is appointed by the management of the Fund and provides domicile and Fund secretarial services for the Fund.

Administrator

Fastnet Netherlands N.V. (Fastnet NL) established in Amsterdam, is appointed by the management of the Fund 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.

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. The Fund has not actively used rights to vote in Meetings of Shareholders.

Taxation

In order to qualify as a fiscal investment institution, the Fund 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 Fund 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 \$40.06 on June 30th 2009, an increase of 55.6% from the closing NAV per share on December 31st 2008. Over the same period, the CNX S&P Nifty Index, the Fund's benchmark, increased by 46.7% in U.S. Dollar terms. Thus the Fund out-performed its benchmark by 8.9% during a period characterised by extreme volatility due to political uncertainty in India and global economic recession.

For most of the first half of this year, the volume of trading in the Fund's shares was typically low as shareholders took the long-term view that the long-term prospects for returns were excellent. After a sharp market recovery in May, increased net redemptions in June saw the number of outstanding shares fall by 73,534 for the half-year, to 428,515 on June 30th 2009.

The Market

This year started nervously, with sustained selling in the Indian markets by foreign investors in the face of a global economic recession and political uncertainty undermining the more encouraging economic outlook in India. Mirroring investor sentiment, Himalayan Fund NV saw its net asset value reach a four-year low-point of \$10,802,937, or \$21.22 per share on March 6th. By this point, the Fund had seen net inflows, as some investors saw good value in a market which was clearly oversold. Then the market began to see a gradual, though still cautious, recovery in foreign interest to the extent that the NAV advanced by more than \$10 per share when the protracted election process was coming to an end in India.

The election was a major turning point, however, as Indian voters confounded the most optimistic expectations and returned the incumbent Congress-led government with a much stronger mandate. Far from seeing a coalition undermined by multiple fractious partners, the Congress party was rewarded for its attempts to spread the benefits of development widely amongst the population. The day after the results were declared, investors responded with a day of bid-only action as market circuit-breakers cut trading to three sessions of less than three minutes each as the indices hit their upper movement limits almost instantaneously. As order was restored the following day, the market settled at a level which suggested that the cost of the political uncertainty was a discount of 15% on the market.

Political stability brought expectations of market-friendly policy action in the new government's first Union Budget, set for the first week of July. In particular, investors anticipated a clear statement of intent on economic reform and public sector investment as the basis for a five-year economic policy framework. The market reacted enthusiastically, carrying the Fund's share price with it, more than doubling since the March low, to \$42.63. Towards the end of the half-year, however, the market pulled back a little, concerned about exaggerated expectations but it still managed a spectacular return for the period. In the event, the Budget was highly political, combining rewards for voters in the shape of tax cuts and higher spending on popular social programmes with a major commitment to infrastructure investment.

In economic terms, GDP growth for the fiscal year ended March 31st, 2009 was 6.7% and from the third to fourth quarters appeared to be accelerating again. Inflation had slowed dramatically into low single figures as the base effect from the sharp rise in fuel prices the previous year came into play. By the end of June, inflation as measured by the Wholesale Price Index (WPI) had dropped into negative territory but this is unlikely to pose a threat of deflation and inflation is expected to average around 4% for the current fiscal year. Monetary policy is at its easiest for a long time and liquidity is plentiful as banks boost capital with treasury profits from bond trading. Loan growth is running at about 17% per annum and the Reserve Bank is trying to ensure that Indian banks use their relatively good quality asset and capital bases to finance a recovery in GDP growth towards the target 9% level.

As investors look for signs of global economic recovery, it is worth reminding ourselves of the advantages India retains to support the return prospects for its markets:

- An economy which is more than 70% driven by domestic demand, relatively insulated from the need for recovery in the developed world;

- A youthful workforce at competitive cost of labour;
- Stable government, committed to economic development providing balanced benefit to investors and population;
- Growth accelerating after a mild slowdown, supported by public-sector investment and consumer demand driven by improving rural incomes;
- The start of production from newly developed natural gas and crude oil fields capable of replacing 40% of India's hydrocarbon imports;
- Additional energy efficiency arising from India's recognition as a civilian nuclear power.

Against this background, the Fund's Directors are optimistic about the prospects for a recovery in corporate earnings in India, supporting a re-rating of the market and generating excellent returns for the Fund.

Administration

All matters to do with the administration of the Fund are communicated through the Fund's website at <http://himalayan.fast-net.nl> and relevant documents are available for download from the website. A number of minor amendments to the Articles of Association were approved at the Fund's Annual General Meeting (AGM) in June, in order to remove some anomalies in the timing of reporting and general meetings and to reflect forthcoming changes in regulation and legislation.

At the Annual General Meeting Mr. Joe Tabbers retired as a Director and the Board would like to record its thanks to him for his service and consistent support for the Fund. Mrs Karin van der Ploeg was elected a Director at the same AGM; she is a partner in the legal services firm of Inviqta and formerly a staff member of Fastnet Netherlands NV, Administrator of the Fund where she worked on the Fund's affairs for a number of years. The Directors are pleased to have Mrs. Van der Ploeg join them.

The Board is acutely conscious that the Total Expense Ratio (TER) of the Fund has risen during the period of depressed valuations which we have just experienced. The Directors would like to assure shareholders that they have been taking steps to reduce costs as much as possible, whilst maintaining overall Directors' costs within the long-standing limit of \$100,000 per year. Notably, we have re-arranged the administration contracts to reduce their overall cost with effect from August 1st. Inviqta is now Company Secretary to the Fund and the Framework Administration Agreement and Service Level Agreement with Fastnet have been renegotiated at a lower cost. Details will be published in a new Prospectus which will be filed shortly.

The publication of this report is accompanied by notice of an Extraordinary General Meeting (EGM) which is being convened on the recommendation of the holder of the Priority Shares in the Fund, the Investment Advisor and Promoter, Iceman Capital Advisors Limited. The resolutions to be put to the EGM are, amongst others, a proposal to increase the nominal value of the Priority Shares from EUR0.01 to EUR0.20. This will increase the nominal value of the Priority Shares from EUR495 to EUR10,000, providing a substantial boost to the total nominal capital of the Fund as the basis for trading in the Fund's shares. As a result of this the issued share capital will raise to EUR 54,499.05. Furthermore there is a proposal to raise the authorized share capital to EUR 60,000 and some changes that will enable the Fund to raise the authorized share capital in the future without having to convene a General Meeting of Shareholders. The Priority Shareholder has recommended this action to accompany renewed marketing efforts as investors' appetite for risk improves and the return prospects for investment in India draw increased inflows of foreign capital. Another resolution will propose that the Articles also be amended to reflect the fact that with effect from July 1st it is no longer a requirement that official notices be published in the "Officiële Prijscourant"; upon adoption of this resolution, official notices will be communicated as required by law which means, for the time being, by way of the Fund's website and advertising in one Dutch national newspaper. The Directors recommend shareholders to vote in favour of these resolutions and thank them for their continuing support for the Fund. The full text of the new (draft) Articles of Association with supporting documents are published on the website of the Fund.

Amsterdam, July 31, 2009

Board of Directors

Ian McEvatt, Chairman

Dwight Makins

Robert Meijer

Karin van der Ploeg

Financial statements
Himalayan Fund N.V.
Semi annual Report 2009

Statement of assets and liabilities

(before profit appropriation)

	30-06-2009 USD	Notes	31-12-2008 USD
Investments			
Securities	16,905,937	4	12,861,648
Short term receivables			
Receivables from subscription	-	5.1	3,037
Other debtors, prepayments and accrued income	13,903	5.2	24,754
Receivables from securities transactions	1,441,035	5.3	
	1,454,938		27,791
Other assets			
Cash at banks	65,285	6	154,904
Current liabilities (due within one year)			
Payable on redemptions	1,043,028	7.1	-
Other liabilities, accruals and deferred income	215,408	7.2	122,365
Total current liabilities	1,258,436		122,365
Total of receivables and other assets less current liabilities	261,787		60,330
Total assets less current liabilities	17,167,724		12,921,978
Shareholders' equity			
Issued capital	6,710	8.1	7,673
Share premium	26,459,704	8.2	29,237,910
General reserve	-16,323,604	8.3	7,744,537
Undistributed result current year	7,024,914	8.4	-24,068,142
Total shareholders' equity	17,167,724		12,921,978
Net Asset Value per share	40.06		25.74

Statement of operations

	01-01-2009 30-06-2009	Notes	01-01-2008 30-06-2008
	USD		USD
Income from investments			
Dividends	45,989	10.1	89,224
Interest income	119	10.2	1,571
Other income	<u>10,468</u>	10.3	<u>-</u>
	56,576		90,795
Capital gains/losses			
Unrealised price gains/losses on investments	5,493,071	4	-13,722,560
Unrealised currency gains/losses on investments	435,773	4	-1,420,723
Realised price gains/losses on investments	1,683,030	4	614,572
Realised currency gains/losses on investments	-246,067	4	125,761
Other exchange differences	<u>-9,145</u>		<u>-54,232</u>
	7,356,662		-14,457,182
Expenses			
Investment management fees	120,036	11.1	199,341
Other expenses	<u>268,288</u>	11.2	<u>259,243</u>
	388,324		458,584
Total investment result	<u>7,024,914</u>		<u>-14,824,971</u>
Total investment result per ordinary share	16.39		-27.54

Statement of Cash Flows

	01-01-2009 30-06-2009 USD	notes	01-01-2008 30-06-2008 USD
Cash flow from investing activities			
Income from investments	56,576	10	90,795
Expenses	<u>-388,324</u>	11	<u>-458,584</u>
Result of operations	-331,748		-367,789
Purchases	-400,312	4	-1,834,387
Sales	<u>3,721,830</u>	4	<u>2,182,445</u>
	3,321,518		348,058
Change in short term receivables	-1,427,147	5	538,032
Change in current liabilities	<u>1,136,072</u>	7	<u>103,432</u>
	<u>-291,075</u>		<u>641,464</u>
<i>Cash flow from investment activities</i>	2,698,695		621,733
Cash flow from financing activities			
Received on shares issued	244,749	8	2,785,850
Paid on shares repurchased	-3,023,918	8	-2,921,822
Dividend distribution	<u>-</u>		<u>-</u>
<i>Cash flow from financing activities</i>	-2,779,169		-135,972
Other exchange differences	<u>-9,145</u>		<u>-54,232</u>
Change in cash and cash equivalents	-89,619		431,529
Cash and cash equivalents as at 1 January	<u>154,904</u>		<u>51,074</u>
Cash and cash equivalents as at 30 June	<u>65,285</u>		<u>482,603</u>

Notes

1.1 General

Himalayan Fund N.V. ('the Fund') is an open-end investment fund with variable capital incorporated under Dutch law and has its statutory seat in Amsterdam. The Fund 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. Since December 1991 the Fund is licenced to undertake investment activities according to the Dutch Act on Financial Supervision (Wet op het Financieel Toezicht).

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 2009, equivalent of 1 US dollar:

Euro	0.71294	Srilanka Rupee	114.92004
Indian Rupee	47.90500	Bangladesh Taka	69.04000

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.

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

	30-06-2009	30-06-2008
	USD	USD
4. Investments		
<i>4.1 Statement of changes in securities</i>		
Position as at 1 January	12,861,648	38,002,691
Purchases	400,312	1,834,387
Sales	-3,721,830	-2,182,445
Unrealised price gains/losses on investments	5,493,071	-13,722,560
Unrealised currency gains/losses on investments	435,773	-1,420,723
Realised price gains/losses on investments	1,683,030	614,572
Realised currency gains/losses on investments	-246,067	125,761
	<u>16,905,937</u>	<u>23,251,683</u>
Position as at 30 June		
Historical cost	11,721,190	14,842,200

The total unlisted investments directly held by the Fund amounted to USD 448,168, (31 December 2008: USD 471,616). The portfolio breakdown as at 30 June 2009 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 2009 are: USD 21,378, in 2008 USD 28,357.

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	13,903	22,080
Prepayments and other debtors	-	-
	<u>13,903</u>	<u>22,080</u>

5.3 Receivables from securities transactions

This includes the receivables from unsettled securities transactions as per 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 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	64,209	87,324
Payable administration fee	31,579	16,477
Payable auditors fee	17,560	18,647
Payable on security transactions	-	-
Other expenses payable	102,060	3,554
	<u>215,408</u>	<u>126,002</u>

8. Shareholders' equity

The authorised share capital of the Fund is EUR 45,000 (30 June 2008: EUR 45,000) and consists of:

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

		30-06-2009	30-06-2008
	number	USD	USD
<i>8.1 Issued capital</i>			
Ordinary shares:			
Position as at 1 January	502,049	6,978	7,955
Issued	10,229	102	473
Repurchased	-83,763	-838	-532
Revaluation		-233	584
		<hr/>	<hr/>
Position as at 30 June	428,515	6,009	8,480
		<hr/>	<hr/>
Priority shares:			
Position as at 1 January	49,995	695	731
Issued		-	-
Repurchased	-	-	-
Revaluation		6	57
		<hr/>	<hr/>
Position as at 30 June	49,995	701	788
		<hr/>	<hr/>
Total issued capital		6,710	9,268
		<hr/>	<hr/>
As at 30 June 2009 the issued and subscribed share capital amounts to:			
		EUR	EUR
Ordinary shares, par value EUR 0.01 (31 December 2008: EUR 0.01)	4,450,005	44,500	44,500
Priority shares, par value EUR 0.01 (31 December 2008: EUR 0.01)	49,995	500	500
		<hr/>	<hr/>
		45,000	45,000
		<hr/>	<hr/>

The Fund became open-ended at 7 April 2000. As at 30 June 2009 a total of 4,021,490 ordinary shares were repurchased, meaning that 428,515 ordinary shares are still outstanding as at 30 June 2009. Repurchased ordinary shares by the Fund are directly charged against capital and share premium.

		USD	USD
<i>8.2 Share premium</i>			
Position as at 1 January		29,237,910	30,622,339
Received on shares issued		244,647	2,785,377
Paid on shares repurchased		-3,023,080	-2,921,290
Revaluation of outstanding capital		227	-641
		<hr/>	<hr/>
Position as at 30 June		26,459,704	30,485,785
		<hr/>	<hr/>

	30-06-2009	30-06-2008
	USD	USD
<i>8.3 General reserve</i>		
Position as at 1 January	7,744,538	-9,819,428
Transferred from undistributed result	-24,068,142	17,563,965
Position as at 30 June	-16,323,604	7,744,537

8.4 Undistributed result

Position as at 1 January	-24,068,142	17,563,965
Dividend distribution	-	-
Transferred to/from general reserve	24,068,142	-17,563,965
Total investment result	7,024,914	-14,824,971
Position as at 30 June	7,024,914	-14,824,971

Three years Himalayan Fund N.V.

	30-06-2009	2008	2007
Net Asset Value (USD x 1,000)			
Net Asset Value according to statement of assets and liabilities	17,168	12,922	38,376
Less: value priority shares	1	1	1
	17,167	12,921	38,375
Number of ordinary shares outstanding	428,515	502,049	544,145
Per ordinary share			
Net Asset Value share (USD)	40.06	25.74	70.52

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 till December 2007 this refers to the charges of 0.35% received on shares issued and repurchased. From December 2007 up to March 6, 2009, the upcount and discount is 0%. From May 2007 till December 2007 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 subscriptions/redemptions and are booked as an income for the Fund.

11. Expenses	01-01-2009	01-01-2008
	30-06-2009	30-06-2008
	USD	USD
11.1 Investment management fees		
Management fee	110,567	190,390
Other investment management fees	9,469	8,951
	<u>120,036</u>	<u>199,341</u>

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	58,247	69,136
Domicile fee	29,750	29,750
Commission and bank expenses	13,652	4,147
Marketing, advisory and advertising fees	28,715	20,674
Regulatory fees and expenses	10,156	15,275
Auditor and fiscal advisor fees	30,791	19,228
Directors' fee (incl. VAT and travel expenses)	60,116	75,919
Miscellaneous	36,862	25,114
	<u>268,288</u>	<u>259,243</u>

Expense ratio

The expense ratio (cost ratio) is calculated as follows: the total expenses of the Fund divided by the average NAV
The expense ratio of the Fund for the reporting period is equal to: 5.63 % (30 June 2008: 3.49%).

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 Fund for the reporting period is equal to: 0 % (2008: 0 %).

Comparison of real cost with cost according to Prospectus

	According to Prospectus	Real costs
Management fee (1)	110,567	110,567
Administration fee (2)	87,997	87,997
Directors fee (3)	100,000	60,116

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 Fund.

2) The Fund 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 Fund 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 Fund 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 remuneration were USD 44.732 less than in the prospectus. Directors costs per person is as follows: Ian McEvatt: USD 5.000 (2008: USD 10.000); Joe Tabbers: USD 5.950 (2008: USD 11.900); Dwight Makins USD 8.500 (2008: USD 18.500); Robert Meijer USD: 11.008 (2008: USD 22.015).

On June 11, 2009, Joe Tabbers resigned as Board member and at the same date Karin van der Ploeg has been appointed as Board member by the annual Meeting of Shareholders.

Employees

The Fund has no employees.

Amsterdam, July 31, 2009

Board of Directors

Ian McEvatt, Chairman

Dwight Makins

Robert Meijer

Karin van der Ploeg

Portfolio breakdown

As per December 31, 2009

	Market value USD	percentage of total Net Asset Value
India		
Capital goods		
27,000 Bharat Heavy Electrical	1,242,237	
34,000 Larsen & Toubro	<u>1,112,727</u>	
	<u>2,354,964</u>	13.72%
Financials		
26,000 HDFC Bank	810,393	
13,000 Housing Development Financing Corporation	636,296	
43,000 ICICI Bank	648,254	
14,000 State Bank of India	510,055	
95,000 Power Finance	384,819	
10 Canbank mutual fund *	<u>448,168</u>	
	<u>3,437,985</u>	20.03%
Metals		
15,000 Jindal Steel & Power	779,919	
43,560 Tata Iron & Steel	355,218	
32,670 Tata Steel Rights	<u>43,278</u>	
	<u>1,178,415</u>	6.86%
Oil & Gas		
67,000 Oil & Natural Gas	1,492,727	
100,000 Cairn India	485,857	
43,000 Reliance Industries	1,816,224	
70,000 Tata Chemicals	<u>317,597</u>	
	<u>4,112,405</u>	23.95%
Power		
40,000 Tata Power	<u>960,526</u>	
	<u>960,526</u>	5.59%
Technology		
32,000 Infosys Technologies	1,186,682	
125,000 Vakrangee Softwares	<u>178,217</u>	
	<u>1,364,899</u>	7.94%

* Unlisted securities

Telecommunication			
58,345	Bharti Airtel	976,964	
75,000	Reliance Communications	<u>453,163</u>	
		<u>1,430,127</u>	8.33%
Transportation			
7,000	Aban Offshore	130,750	
350,000	Mercator Lines	<u>431,792</u>	
		<u>562,542</u>	3.28%
Other industry			
198,995	Crest Communication	112,572	
11,250	Nestle India	470,055	
70,000	Jain Irrigation Systems	<u>921,449</u>	
		<u>1,504,076</u>	8.76%
<u>Total India</u>		<u>16,905,939</u>	98.48%
Total Investments		16,905,937	98.48%
Other net assets		<u>261,787</u>	<u>1.52%</u>
Total Net Asset Value		<u>17,167,724</u>	<u>100.00%</u>

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 2009 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 Fund 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.