Himalayan fund nv

investing in India since 1990

Semi Annual Report 2011

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:	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 3rd Floor, Trent House G Block, Plot No 60 Bandra Kurla Complex Bandra (East) Mumbai - 400 051 India
Listing Agent / Bank:	ABN AMRO Bank N.V.
Auditor:	Deloitte Accountants B.V. Orlyplein 10 1040 HC Amsterdam
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* Dutch resident

Multiple year overview Himalayan Fund N.V.

	30-06-2011	31-12-2010	31-12-2009	31-12-2008	31-12-2007
Net Asset Value (USD x 1,000)					
Net Asset Value according to balance sheet	**17,672**	22,445	20,100	12,922	38,376
Less: value priority shares	**14**	14	14	1	1
	17,658	22,431	20,086	12,921	38,375

	2011	2010	2009	2008	2007
Profit and loss (USD x 1,000)					
Income from investments	**53**	302	201	244	307
Capital gains/losses	**-2,081**	3,760	11,308	-23,478	18,154
Expenses	**-373**	-733	-745	-835	-897
Total investment result	**-2,401**	3,329	10,764	-24,069	17,564
Number of ordinary shares outstanding	**346,405**	392,187	410,804	502,049	544,145
Per ordinary share					
Net Asset Value share (USD)	**50.97**	57.19	48.89	25.74	70.52
Transaction price Euronext Amsterdam end of reporting period (USD)	**50.79**	56.69	47.29	24.69	69.35
Income from investments (USD)	**0.15**	0.77	0.49	0.49	0.56
Capital gains/losses (USD)	**-6.00**	9.59	27.54	-46.75	33.37
Expenses (USD)	**-1.08**	-1.87	-1.81	-1.66	-1.65
Total investment result (USD)	**-6.93**	8.49	26.22	-47.92	32.28

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 advisor
The Investment Advisor is Iceman Capital Advisors Ltd. (Iceman), appointed by shareholders in the annual general meeting on June 7th, 2006 under an investment advisory agreement of the same date. Iceman is regulated by the Jersey Financial Services Commission.

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

Administrator
Fastnet Netherlands N.V. (Fastnet NL) established in Amsterdam, The Netherlands, has been appointed by the Fund as the Administrator of Himalayan Fund N.V. Fastnet NL is an integral part of an international fund administration network operating under the Fastnet 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 sought certification as a “Distributing Fund” from HMRC and will do so again for the current fiscal year. A new regime has been introduced in the UK to deal with this certification and as a consequence, the Fund has registered as a “Reporting Fund” with HMRC and so equivalent status will be maintained subject to reporting requirements being met. With effect from financial year 2012, Himalayan Fund N.V. intends to maintain Reporting Fund status for UK tax purposes and will report accordingly.

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 USD 50.97 on June 30th 2011, 10.9% lower than the closing NAV per share on December 31st 2010. Over the same period, the CNX S&P Nifty Index, the Fund's benchmark, fell by 7.8% in U.S. Dollar terms. Thus your Fund under-performed its benchmark by 3.1% during a period of acute volatility in global markets. On the first Execution Day of the year, January 7th, the Transaction Price for the Fund's shares was USD 55.48 and on the last Execution Day on June 24th, it was USD 48.16, a fall of 13.2%, compared with a fall of 6.4% in the Fund's benchmark between the same two dates. We have been concerned about the relative performance of the Fund but are pleased to report that in the second quarter it recovered, as the portfolio generated outperformance of 1%.

The number of Ordinary Shares held by third parties at the start of this year was 392,187; the number declined by small amounts through the end of June, when it stood at 346,405. The net turnover in the Fund's Ordinary Shares in the first half-year was 11.8%. Again your board was concerned by the steady erosion of the number of shares outstanding by the need to re-purchase small amounts every week because of the potential impact on our total expense ratio. We are pleased to advise, therefore, that the end of June signalled a low –point: as a consequence of a new distribution agreement with Banque Morval of Switzerland, we have experienced significant inflows in the current quarter.

The Market

The MSCI World Index gained 4% in the first half of 2011, with stand-out performance of 5.2% in the US and 10% in the Eurozone offsetting a loss of 5.8% in natural-disaster hit Japan. The US markets were driven by sustained earnings growth from major corporations, especially those with substantial export and overseas businesses. These results overcame a strong undercurrent of concern about the fundamental strength of the US economy. Eurozone performance defied the gravity of its spiralling debt crisis but by the end of June this was still confined to the peripheral countries. The MSCI Emerging Markets Index lost just 0.5% in the first half: a number of markets showed strong returns but the major players, China and India, were in the red as persistent inflation sustained monetary tightening cycles of varying intensity. By the end of June, the Reserve bank of India had increased policy rates nine times to 7.5% in an attempt to get ahead of inflationary expectations in the face of stubborn supply-side inflation. As time passed, however, the object of the exercise shifted to demand-management as the Central Bank struggled to forestall the spread of inflationary pressures to the demand side. Eventually, its hawkish determination has brought it to the point where it is willing to sacrifice some degree of growth to suppress the risks.

Inflation has been a recurring theme in India this past half-year and much of it could be said to be policy-driven and hence not really amenable to monetary action. The government has started to undertake reform of administered fuel prices, in the first instance by liberalizing petrol prices. This should lead to reduction of a major source of risk to the central fiscal deficit, which in the fiscal year ended March 31st 2011 (FY11) benefitted significantly from non-revenue items such as wireless spectrum sales and disinvestment proceeds. In order to meet its FY12 target of 4.7%, the government is going to need to get lucky with oil prices or continue with fiscal consolidation by way of further fuel-price reform. Meanwhile, its broad policy of spreading the benefits of growth through central fiscal stimulus such as the National Rural Employment Guarantee Scheme (NREGA) and rising Minimum Support Prices (MSPs) for crops, sustains aggregate consumer demand through boosting rural incomes. While boosting these programmes in the Union Budget, the government succeeded once again in pleasing the market by doing nothing particularly bad.

This means that sustaining overall GDP growth remains a matter for the private sector in terms of generating investment and consumer demand. In FY11, overall GDP growth was 8.7% but it was slowing in the last two quarters, under two main influences: uncertainty about overall global economic recovery and tight fiscal liquidity which had slowed the execution of major public sector investment programmes. The first of these remains an issue as debt problems in the US and Eurozone appear to have deteriorated in the second half. The second has definitely eased and there has been a pick-up in major investment projects, especially in highway development. Acceleration in the execution of power projects is also evident, so that private investment may recover in spite of high interest costs. Recent data for industrial production suggest that this was happening in June but will need confirmation over a couple more months at least.

The Indian market was valued at a price/earnings ratio slightly below its long-term average by mid-year. The economy looks easily capable of sustaining real growth in the 7-8% range even in the case of an overall global slowdown and in this context it is important to remember that Indian growth is substantially domestic demand driven. A slowing global economy may benefit India by reducing demand for oil and hence the market price and by sustaining the softening of other commodity prices. In response to the changing market conditions, the Investment Advisor recommended reducing the concentrations we have maintained in some of our major holdings and increasing the number of holdings overall. We have reduced the weightings of sectors which depend heavily on public sector investment and increased exposure to consumer themes, including healthcare. Against this background, the Directors of the Fund believe that sustained commitment to the Indian market will be rewarded with attractive returns over the medium term.

Administration

The Fund’s new website has now formally been launched and may be found at:

www.himalayanfund.nl

The website is the statutory medium for communication by the Fund as well as for making available for reading and downloading all of the statutory and regulatory information on the Fund. We believe the new website provides an excellent standard of access and communication, as well as being pleasing to the eye.

The Fund’s Annual Meeting of Shareholders was held on June 8th in Amsterdam; the Annual Report for 2010 was adopted by unanimous vote and the Directors were discharged from their responsibilities for the year in question.

The Directors of the Fund, at their regular board meeting on June 8th decided that given the improved security situation in Sri Lanka, the Investment Advisor may consider investment opportunities in that country, should they arise, subject to the Fund’s normal investment restrictions.

Conclusion

The Directors would like to thank our loyal shareholders for their continuing commitment to the Fund in these turbulent times for all investors. We also welcome our new distribution partners Banque Morval and their clients as investors in the Fund and look forward to cooperating with them to promote the Fund in future. The inflows we have already received have left us in a strong position to sustain the performance turnaround witnessed in the second quarter. We believe the momentum generated by the new inflows and improving performance will allow us to promote the fund confidently during the rest of the year and with fair market momentum will contribute to lowering the expense ratio of the Fund by year-end.

Amsterdam, August 25, 2011

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)

	30-06-2011		31-12-2010
	USD	Notes	USD
Investments			
Securities	**17,609,037**	4	21,851,061
Other assets			
Cash at banks	**234,969**	5	775,892
Current liabilities (due within one year)			
Due to redemptions	**-**	6.1	22,006
Other liabilities, accruals and deferred income	**191,354**	6.2	160,086
Total current liabilities	**191,354**		182,092
Total of receivables and other assets less current liabilities	**62,518**		593,800
Total assets less current liabilities	**17,671,555**		22,444,861
Shareholders' equity			
Issued capital	**19,252**	7.1	19,490
Share premium	**23,267,895**	7.2	24,656,811
General reserve	**-3,214,556**	7.3	-5,559,902
Undistributed result current year	**-2,401,036**	7.4	3,328,462
Total shareholders'equity	**17,671,555**		22,444,861
Net Asset Value per share	**50.97**		57.19

Profit & Loss account

	01-01-2011 30-06-2011 USD	Notes	01-01-2010 30-06-2010 USD
Income from investments			
Dividends	**44,165**	8.1	114,903
Interest income	**-**	8.2	65
Other income	**8,648**	8.3	4,579
	52,813		119,547
Capital gains/losses			
Unrealised price gains/losses on investments	**-3,951,737**	4	1,621,483
Unrealised currency gains/losses on investments	**29,147**	4	313,794
Realised price gains/losses on investments	**1,901,961**	4	-991,322
Realised currency gains/losses on investments	**-40,505**	4	-266,830
Other exchange differences	**-19,702**		-507
	-2,080,836		676,618
Expenses			
Investment advisory fees	**144,192**	9.1	159,857
Other expenses	**228,821**	9.2	224,045
	373,013		383,902
Total investment result	**-2,401,036**		412,263
Total investment result per ordinary share	**-6.93**		1.01

Statement of Cash Flows

	01-01-2011		01-01-2010
	30-06-2011		30-06-2010
	USD	notes	USD
Cash flow from investing activities			
Income from investments	**52,813**	8	119,547
Expenses	**-373,013**	9	-383,902
Result of operations	**-320,200**		-264,355
Purchases of investments	**-1,307,347**	4	-1,272,355
Sales of investments	**3,488,237**	4	2,000,600
	2,180,890		728,245
Change in short term receivables	**-18,903**		-16,622
Change in current liabilities	**9,258**	6	47,379
	-9,645		30,757
Cash flow from investing activities	**1,851,045**		494,647
Cash flow from financing activities			
Received on shares issued	**67,633**	7	608,664
Paid on shares purchased	**-2,439,899**	7	-709,496
Cash flow from financing activities	**-2,372,266**		-100,832
Other exchange differences	**-19,702**		-507
Change in cash and cash equivalents	**-540,923**		393,308
Cash and cash equivalents as at 1 January	**775,892**		128,995
Cash and cash equivalents as at 30 June	**234,969**		522,303

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 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 Investment Advisor 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 2011, equivalent of 1 US dollar:			
Euro	0.68973	Srilanka Rupee	109.50002
Indian Rupee	44.70252	Bangladesh Taka	74.21999

2.3 Other assets and liabilities

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

2.4 Income recognition principles

The result is determined by deducting expenses from the proceeds of dividend, interest and other income in the period under review. The realized revaluations of investments are determined by deducting the purchase price from the sale proceeds. The unrealized revaluations of investments are determined by deducting the purchase price or the balance sheet value at the start of the period under review from the balance sheet value at the end of the period under review. Brokerage fees payable on the acquisition of investments, if any, are considered to be part of the investments costs, and as a result, are not taken to the profit and loss account.

2.5 Cash flow statement

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

3. Risk Management

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

3.1 Currency Fluctuations

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

3.2 Counterparty Risk

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

3.3 Concentration Risk

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

3.4 Market Volatility

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

3.5 Market Liquidity

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

3.6 Fund Liquidity

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

3.7 Political Economy

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

3.8 Legal and Regulatory Compliance

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

3.9 Financial Crisis

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

3.10 Credit risk

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

Notes to the Balance sheet

	30-06-2011	31-12-2010
4. Investments	**USD**	USD
4.1 Statement of changes in securities		
Position as at 1 January	**21,851,061**	20,125,806
Purchases	**1,307,347**	2,665,932
Sales	**-3,488,237**	-4,707,407
Unrealised price gains/losses on investments	**-3,951,737**	3,488,913
Unrealised currency gains/losses on investments	**29,147**	740,121
Realised price gains/losses on investments	**1,901,961**	-134,222
Realised currency gains/losses on investments	**-40,505**	-328,082
Position as at 30 June	**17,609,037**	21,851,061
Historical cost	**8,792,774**	9,112,208

The portfolio comprises of shares, mainly listed.

The total unlisted shares held directly by the Fund amounted to USD 166,409 (31 December 2010 : USD 156,463).

The portfolio breakdown as at 30 June 2011 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 2011 are : USD 19,770 (2010: USD 33,426).

5. Cash at banks

This includes immediately due demand deposits at banks.

6. Current liabilities (due within one year)

6.1 Due to redemptions

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

6.2 Other liabilities, accruals and deferred income

Payable investment advisory fee	**66,061**	84,811
Payable administration fee	**12,379**	5,757
Payable auditors fee	**20,333**	36,499
Other expenses payable	**92,581**	33,019
	191,354	160,086

7. Shareholders' equity

The authorised share capital of the Fund is EUR 60,000 (31 December 2010: 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

7.1 Issued capital	**number**	**30-06-2011 USD**	31-12-2010 USD
Ordinary shares:			
Position as at 1 January	392,187	**5,260**	5,894
Sold	1,360	**14**	140
Purchased	-47,142	**-471**	-327
Revaluation		**219**	-447
Position as at 30 June	346,405	**5,022**	5,260
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		**19,252**	19,490

As at 30 June 2011 the issued and subscribed share capital amounts to:		**EUR**	EUR
Ordinary shares, par value EUR 0.01 (31 December 2010: EUR 0.01)	4,450,005	**44,500**	44,500
Priority shares, par value EUR 0.20 (31 December 2010: 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 2011 a total of 4,103,600 Ordinary Shares have been purchased, meaning that 346,405 Ordinary Shares are still outstanding as at 30 June 2011. Ordinary Shares purchased by the Fund are directly charged against capital and share premium.

7.2 Share premium	**USD**	USD
Position as at 1 January	**25,639,923**	25,639,923
Received on shares sold	**67,619**	706,688
Paid on shares purchased	**-2,439,428**	-1,690,247
Revaluation of outstanding capital	**-219**	447
Position as at 30 June	**23,267,895**	24,656,811

	30-06-2011	31-12-2010
	USD	USD
7.3 General reserve		
Position as at 1 January	**-16,323,605**	-16,323,605
Transferred from undistributed result	**13,109,049**	10,763,703
Position as at 30 June	**-3,214,556**	-5,559,902

7.4 Undistributed result		
Position as at 1 January	**13,109,049**	10,763,703
Transferred to/from general reserve	**-13,109,049**	-10,763,703
Total investment result	**-2,401,036**	3,328,462
Position as at 30 June	**-2,401,036**	3,328,462

Three years Himalayan Fund N.V.

	30-06-2011	31-12-2010	31-12-2009
Net Asset Value (USD x 1,000)			
Net Asset Value according to balance sheet	**17,672**	22,445	20,100
Less: value priority shares	**14**	14	14
	17,658	22,431	20,086
Number of Ordinary Shares outstanding	**346,405**	392,187	410,804
Per Ordinary Share			
Net Asset Value share (USD)	**50.97**	57.19	48.89

Notes to the Profit & Loss account

8. Income from investments

8.1 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.

8.2 Interest income

Most of this amount was received on outstanding cash balances.

8.3 Other income

From March 6, 2009 this refers to the charges of 0.35% received on shares issued and repurchased.
These costs are to cover transaction costs in relation with the purchase and sale of Ordinary Shares and are booked as an income for the Fund.

	01-01-2011	01-01-2010
9. Expenses	**30-06-2011**	30-06-2010
	USD	USD
9.1 Investment advisory fees		
Advisory fee	**134,498**	152,953
Custody Fee and Charges	**9,694**	6,904
	144,192	159,857

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.

9.2 Other expenses		
Administration Fees and Charges	**36,705**	35,728
Company Secretarial and Domiciliation Fees	**20,933**	19,662
Bank Expenses	**6,211**	14,398
Regulatory Fees and Charges	**13,729**	8,080
Legal Expenses	**5,149**	7,500
Listing Expenses	**38,329**	10,000
Audit Fees	**19,780**	15,597
Fiscal Advisory Fees	**1,762**	9,660
Advertising and Promotion	**17,162**	28,507
Directors Fees	**31,208**	31,208
Board Expenses	**29,891**	40,041
Depreciation and Amortization	**-**	-
Miscellaneous	**7,963**	3,664
	228,821	224,045

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: 3.87 % (2010: 3.75 %).

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: 23.73 % (2010: 19.08 %).

* - 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 2010, 31 March 2011 and 30 June 2011 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	Actual costs
	USD	USD
Management fee (1)	134,498	134,498
Administration fee (2)	36,705	36,705
Secretarial and Domiciliation fees (3)	20,933	20,933
Costs for the Board (4)	100,000	61,098

*- As per the Prospectus of 7 June 2010.

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) Fastnet 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 2011 the remuneration of the Directors was USD 31,208 (inclusive VAT) in total so far. Directors fees per person are as follows: Ian McEvatt*: USD 5,000 (2010: USD 10,000); Dwight Makins: USD 9,250 (2010: USD 18,500); Robert Meijer: USD 11,008 (2010: USD 22,015); Karin van der Ploeg*: USD 5,950 (2010: USD 11,900). Board expenses (exclusive remuneration of the Directors) amount to USD 29,891 in 2011.

* Ian McEvatt is also a director of the Investment Advisor 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 25, 2011

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

Portfolio breakdown

As per June 30, 2011

		Market value USD	percentage of total Net Asset Value
India			
Consumer goods			
11,250	Nestle India	1,033,859	
80,000	Titan Industries	383,513	
100,000	Pidilite Industries	370,002	
		1,787,374	10.11%
Capital goods			
16,000	Bharat Heavy Electrical	733,936	
2,000	Bosch	307,942	
90,000	Crompton Greaves	521,548	
26,000	Larsen & Toubro	1,060,734	
		2,624,160	14.85%
Financials			
20,000	HDFC Bank	1,125,462	
35,000	Housing Development Financing Corporation	553,000	
14,000	State Bank of India	753,092	
95,000	Power Finance	390,711	
3	Canbank mutual fund *	166,409	
		2,988,674	16.91%
Metals			
42,000	Jindal Steel & Power	612,818	
49,005	Tata Iron & Steel	668,985	
		1,281,803	7.25%
Oil & Gas			
110,000	Indraprastha Gas	937,777	
200,000	Oil & Natural Gas	1,227,000	
64,000	Reliance Industries	1,286,372	
70,000	Tata Chemicals	583,770	
		4,034,919	22.83%
Power			
26,000	Tata Power	760,908	
		760,908	4.31%
Technology			
25,000	Tata Consultancy	662,267	
19,000	Infosys Technologies	1,237,034	
		1,899,301	10.75%

* Unlisted securities

Health care			
170,000	Fdc	350,249	
50,000	Opto Circuits	334,097	
		684,346	3.87%
Other industry			
38,000	E I D Parry	213,791	
350,000	Jain Irrigation Systems	1,333,761	
		1,547,552	8.76%
Total India		**17,609,037**	**99.65%**

Total Investments	17,609,037	99.65%
Other net assets	62,518	0.35%
Total Net Asset Value	**17,671,555**	**100.00%**

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 Advisors Ltd.

Priority Shares
During 2010 & 2011 49.995 Priority Shares were held by Iceman Capital Advisors 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 Advisors Ltd. are Messrs. I. McEvatt, P.J. Nicolle, M.T. Cordwell, J.W. Owen, E.H. Jostrom.

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.

Independent Auditor's report
No audit was performed on these semi annual statements.