Contents

For identification purpose only.
Related to auditor's report
dated 29 APR 2013

Himalayan Fund N.V.

open-end investment Fund (in Dutch: beleggingsmaatschappij met veranderlijk kapitaal)

Registered office:	c/o Inviqta Legmeerdijk 182 1187 NJ Amstelveen The Netherlands
Board of Directors:	Ian McEvatt, Chairman Dwight Makins Robert Meijer * Karin van der Ploeg *
Administrator:	CACEIS Netherlands N.V. De Ruyterkade 6-i 1013 AA Amsterdam The Netherlands
Investment Advisor:	Iceman Capital Advisors Ltd. (resigned as per 1 October 2012) 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 P.O. Box 58110 1040 HC Amsterdam
For information or Prospectus:	*Website: http://www.himalayanfund.nl* *Email: himalayan@inviqta.nl* *Phone: +31 (0) 20 641 1161*

* Dutch resident

For identification purpose only.
Related to auditor's report
dated 29 APR 2013

Multiple year overview Himalayan Fund N.V.

	31-12-2012	31-12-2011	31-12-2010	31-12-2009	31-12-2008
Net Asset Value (USD x 1,000)					
Net Asset Value according to balance sheet	**14,137**	15,896	22,445	20,100	12,922
Less: value priority shares	**14**	14	14	14	1
	14,123	15,882	22,431	20,086	12,921

	2012	2011	2010	2009	2008
Profit and loss (USD x 1,000)					
Income from investments	**313**	203	302	201	244
Capital gains/losses	**2,153**	-10,114	3,760	11,308	-23,478
Expenses	**-534**	-697	-733	-745	-835
Tax	**16**	26	-	-	-
Total investment result	**1,948**	-10,582	3,329	10,764	-24,069
Number of ordinary shares outstanding	**366,411**	469,432	392,187	410,804	502,049
Per ordinary share (USD)					
Net Asset Value share	**38.54**	33.83	57.19	48.89	25.74
Transaction price Euronext Amsterdam end of reporting period	**33.84**	33.84	56.69	47.29	24.69
Income from investments	**0.86**	0.43	0.77	0.49	0.49
Capital gains/losses	**5.89**	-21.53	9.59	27.54	-46.75
Expenses	**-1.46**	-1.49	-1.87	-1.81	-1.66
Tax	**0.03**	0.05	-	-	-
Total investment result	**5.32**	-22.54	8.49	26.22	-47.92

For identification purpose only.
Related to auditor's report
dated 29 APR 2013

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 (of which 366,411 are outstanding) 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. The Investment Advisor resigned as per 1 October 2012. As from 1 October 2012 the Fund has entered into agreements with Mr. Ian McEvatt and IndAsia Fund Advisors Pvt. Ltd. in Mumbai. Both parties provide the Fund with research reports.

Registered office

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

Administrator

CACEIS Netherlands N.V. (CACEIS NL) established in Amsterdam, The Netherlands, has been appointed by the Fund as the Administrator of Himalayan Fund N.V. CACEIS NL is an integral part of an international fund administration network operating under the CACEIS name.

Corporate Governance

The Board of Directors has adopted a Code of Governance (Principles on Fund Governance) practice which is available for downloading from the official website. The Fund does not actively use its voting rights at shareholder meetings of companies in which it has invested.

Taxation

In order to qualify as a Fiscal Investment Institution in The Netherlands, the Fund is obliged to distribute all of its fiscal income and will then be subject to 0% rate of Dutch corporate income tax on its profits. It is the intention that the Fund is managed in such a way as to maintain this status.

The Fund is registered as a Foreign Investment Institution with the Securities and Exchange Board of India: this enables the Fund to enjoy the benefits of the tax treaty between India and The Netherlands, so that the proceeds of investment in India can be received free of tax.

For identification purpose only.
Related to auditor's report
dated 2 9 APR 2013

For the benefit of UK investors, the Fund has registered with Her Majesty's Revenue and Customs (HMRC) as a Reporting Fund with effect from financial year 2011. Subject to regular reporting requirements, investment in the Fund by UK tax payers will enjoy equivalent treatment to domestic mutual funds for UK tax purposes. It is the Fund's intention to maintain compliance with the requirements of Reporting Fund status.

When the Fund has held investments in Bangladesh and Sri Lanka in the past, dividends received have been subject to withholding tax which has been carried as an expense in the profit and loss account. No capital gains tax is levied in Sri Lanka; the Fund has been able to claim exemption from capital gains tax in Bangladesh due to its tax exempt status in The Netherlands.

For identification purpose only.
Related to auditor's report
dated ...2 9 APR 2013..........

Chairman's Letter 2012

Dear Shareholders,

Equity investors appear to have distinguished 2012 as the year to take leave of the frustrating world of economic policy and reward companies for sound management and dividend yield. In spite of weak global growth and little evidence of improvement, the MSCI All Country World index rose 13.4% and the MSCI Emerging Markets index rose 15.1%. India shared the exuberance, with the Nifty (S&P CNX Nifty 50 Index) adding 27.7% in local currency terms, offset by an exchange loss of over 3% to translate into 24.4% in US dollar terms. The Net Asset Value (NAV) per share of your Fund grew by $4.71 from $33.83 to $38.54 during the year, a rise of 13.9%, so with regret, we have to report a year of relative underperformance. Your Board identified problems in the management of the Fund during the year and took decisive action to address them. I am pleased to report that at the time of writing, portfolio performance is improving steadily.

Following significant new inflows of funds during the previous year, our Investment Advisor recommended increasing the number of stocks in the portfolio and looking for higher growth potential from a wider selection of companies. Following this course of action, in 2012, we fell foul of a sustained narrowing of breadth in the market. We lost ground against our benchmark in the first half of the year and then in the second half, as we re-structured the portfolio, we suffered again as the market continued to rise while we traded stocks. At the same time, your Board continued its efforts to cut costs. Our Investment Advisor was unable to agree to continue at a reduced fee rate and so resigned from its role with effect from September 30th. As a consequence, we convened an Investment Committee of the Board to take internal control of investment management and retain our Indian research partner Indasia Fund Advisors directly by the Fund. As I write this, we have seen a steady improvement in the performance of the portfolio relative to both its benchmark index and its peer group. We believe this can be sustained and that investors will be rewarded by their commitment to the Indian market even if the global economic outlook is modest at best.

This time last year, India was riding a liquidity-driven stock market boom and liquidity remains a driving force. Foreign investors (FIIs) have long been an influential factor in Indian markets and 2012 was not an exception. During the year, their proportionate holding of Indian stocks rose to over 22% of market capitalization, just exceeding previous highs, on net purchases of cash equities amounting to over $20bn. FIIs represent an even higher proportion of market trading, typically 35-40% and can be a key factor in market turning-points. The nature of the FII flows deserves some comment however, because they became a key factor in the narrowing of market breadth as the year went on. As Indian markets generated outperformance during the year, sustained growth became a self-fulfilling force. Funds with a regional investment focus, particularly regional ETFs and index funds, had to increase their Indian weight, many selecting from a narrow range of "proxy" stocks. As a consequence, we noted that index movement was being driven by a small number of stocks often representing a large proportion of the index weighting. It became evident that the index was consistently being driven by maybe half a dozen out of a long-list of ten or twelve Nifty stocks.

Having increased the number of stocks in our portfolio the previous year, we adjusted our strategy as 2012 progressed to concentrate our holdings again, as much as our governance screening would allow. We sold stocks which were underperforming and looked like losing momentum relative to the narrowing market. We boosted our holdings in stocks which were attracting liquidity and which seemed to have earnings momentum based on quality of management and alignment with macroeconomic factors driving growth in the economy. In emerging markets, these are not always the same factors as drive stocks in developed markets, such as defensive versus cyclical stocks, or growth versus value. In markets like India, FIIs in particular are often drawn to banks, materials companies and consumer stocks. Such stocks are heavily represented among the list of index movers in the narrowing market we witnessed in India last year. I am pleased to report that at the time of writing, our portfolio has been performing much better relative to its benchmark index over the past few months and, especially, relative to a peer-group of funds we monitor.

Politics became a major factor in market sentiment last year. India, like Europe and the US, was characterized by policy inaction and even obstruction, until a cabinet reshuffle caused by the elevation of the Finance Minister to the ceremonial role of President. The appointment of Palianappan Chidambaram to a third term as Finance Minister brought a dramatic turnaround. Promising vigorous reform and a commitment to boosting investor confidence, he set to work on delivering change and creating conditions for reviving economic growth. So far, he has delivered on his promises: he has laid a path to fiscal consolidation aimed at driving down the fiscal deficit and avoided any temptation to populist largesse in fear of elections due by May 2014. The market has responded positively so far, though a sustained acceleration of growth depends on reigniting investment demand in the economy which will need an attack on bureaucracy and further monetary easing.

Global risk appetite remains at the mercy of policymakers who, in the EU and US especially, appear to be unable or unwilling to get to grips with the major macroeconomic problems. The US appears to be recovering slowly nonetheless, while Europe is still heading in the opposite direction. China may be entering a new phase of economic momentum, while Japan seems determined to revive itself but the external environment seems destined for another year of disappointment. In the circumstances, India will have to rely on its heavily domestic-demand driven characteristics to recover its long-term growth trend. With a sustained commitment by the government to its new reform policies, we believe that investor confidence will be sustained and Indian markets will once again generate attractive long-term returns for investors.

We would like to thank our shareholders for their continuing support and our research partners Indasia Fund Advisors for their efforts. Your Board remains committed to generating the best returns we can for shareholders and to continuing its efforts to build the Fund as market conditions allow.

Ian McEvatt
March 25th 2013

For identification purpose only.
Related to auditor's report
dated ...2 9 APR 2013.........

Directors' Report 2012

The Fund

The Transaction Price of the Fund's shares on the first Execution Day of the year (January 6, 2012) was $34.94 and on the last Execution Day (December 28, 2012) it was $38.18, a rise of 9.3%. The net asset value (NAV) per share at the close of business on December 31st 2012 was $38.83, compared with $33.83 a year earlier, representing an increase in value of 14.8% for the year. The difference between the two figures is explained by the different dates and times for calculating the Transaction Prices and the opening and closing of the books for NAV purposes. The Fund's performance benchmark is the CNX Defty Index (Defty), an index published by the National Stock Exchange of India to reflect the movement of its CNX Nifty stock index in US Dollar terms. In the year 2012, the Defty advanced by 24.5%, so the Fund's NAV underperformed the Defty by 9.7% for the year.

At the start of 2012, there were 469,432 Ordinary Shares of the Fund in the hands of shareholders; by year-end, this number had fallen to 366,411, a drop of 22%. We experienced significant redemptions during the year as some shareholders were disappointed with the Fund's performance. We have tried to communicate our efforts to revive performance through our regular reports and commentaries as well as through relationship management. Recent improvement relative to our benchmark and to comparable funds is reassuring and we believe will once again lead to long-term outperformance. We hope that sustained improvement will help us to attract new money into the Fund.

The Portfolio

The market's rally in 2012 was driven by expectations of cooling inflation, sustained monetary easing by the Reserve Bank of India, improving government finances and strengthening consumer demand. In the event, the outcome was very different. Inflation remained a problem, especially in food items affected by supply constraints and a poor monsoon. In the face of this, the RBI held a hard line and after the gesture of a 50 basis points cut in policy rates in April did little to support growth. Political economy was frozen by inaction, expanding the "twin" deficits: fiscal and current account. GDP growth slowed as investment slumped and discretionary spending tapered off: in the October to December quarter GDP grew at a disappointing 4.5%. In spite of this, many well-managed companies continued to grow earnings and stock markets advanced steadily on the strength of foreign investor (FII) inflows, which exceeded $20bn for the year. Local investors were heavy sellers as the year progressed, especially in the medium and small cap segments.

In a mid-summer cabinet reshuffle, following the elevation of the incumbent Finance Minister to the ceremonial Presidency of India, P. Chidambaram was re-appointed as Finance Minister for a third term. He set out with a flurry of activity including working through his first weekend at the Ministry, with promises of reform and a commitment to deliver a programme of fiscal consolidation and policy stability to boost foreign investor sentiment. He was especially keen to stave off a threatened cut in India's credit rating to below investment-grade. FIIs in particular responded strongly to this, carrying the market in a sustained upswing through the end of the September quarter. From there through year-end, the market was driven by expectations of the RBI launching a cycle of monetary easing which eventually was postponed to the New Year.

At the start of the year, we held thirty-one stocks, comprising 45% Nifty constituents, with a concentration of 50% in the top ten holdings. By the end of the first quarter, we had sold Tata Power and FDC and bought Bharti Airtel, and outperformed the benchmark by 0.6%. We held 30 stocks, 43% Nifty constituents and 51% concentrated in the top ten. At the half-year, after selling Jain Irrigation, we held 29 stocks, with 50% comprising Nifty constituents and 54% concentrated in the top ten, we were underperforming our benchmark by 5.2%. In the third quarter, we responded to declining relative performance by cutting positions in heavy manufacturing stocks, adding healthcare and improving the quality of financials. We sold ten stocks and bought six, ending the quarter with 25 stocks of which 56% were Nifty stocks and the portfolio was 58% concentrated in the top ten holdings. Unfortunately, we underperformed the benchmark by 3.6% in the quarter in part because we had relatively high liquidity in the settlement process as the market advanced strongly. In the final quarter, we underperformed slightly, with strong outperformance in the final month, ending the year with 24 holdings, 58% Nifty stocks and 59% concentrated in the top ten holdings.

We enter 2013 with a portfolio which we feel is aligned with the likely direction of the markets and capable of generating outperformance in the prospective economic conditions. At the time of writing, WPI inflation has retreated to within the RBI's target range and the Finance Minister has committed the government to a path of fiscal consolidation. These were two preconditions for the RBI starting a cycle of monetary easing and we have seen two cuts in policy rates already. The cycle may now progress more slowly as the central bank has raised another key concern in the shape of the current account deficit. Meanwhile, the Finance Minister has cut the fiscal deficit for the year about to end to 5.2% of GDP and is targeting 4.8% next. The new fiscal year will probably begin with a flurry of liquidity being injected through public sector investment projects. This should eventually re-ignite private sector investment and thus, a recovery in overall GDP growth.

For identification purpose only.
Related to auditor's report
dated 29 APR 2013

Risk Management and Administration

The legal structure of the Fund did not change in 2012. The Investment Advisor resigned with effect from September 30th, 2012 and the Board took direct control of the investment management of your Fund. Caceis Netherlands NV continues as the Administrator of the Fund and calculates the Net Asset Value on a weekly basis. Citibank Mumbai is the Custodian of the Fund. Your Board has adopted procedures for Administrative Organization and Internal Control (AO/IC) of the Fund. During the year under review and so far as your Board is aware, the Fund has effectively operated in conformity with the AO/IC procedures.

In 2012, your Board undertook the following administrative and regulatory actions:

1. Executed an updated listing services agreement with NYSE Euronext Amsterdam;

2. Adopted a KID document on June 30th to replace the previous "financial leaflet", a Dutch language risk statement aimed at retail investors in the Netherlands who may purchase shares directly from the NYSE Euronext stock exchange;

3. Accepted the resignation of Iceman Capital Advisors Ltd. as Investment Advisor with effect from September 30th. Agreed terms for research support for the Investment Committee with Indasia Fund Advisers Pte. Ltd. of Mumbai and Mr. Ian McEvatt.

4. Filed amendments to the Fund's Prospectus to reflect the resignation of the Investment Advisor, the name change of the Administrator and an amendment to the Fund rules to conform with changes to applicable laws and regulations providing for a reduction in the notice period for notifying shareholders of changes to shareholders' rights, security or costs from three months to one month. A supplementary sheet describing all of the Prospectus amendments is available on the Fund's website at: http://www.himalayanfund.nl;

5. Adopted updated principles of corporate governance with effect from December 1st, 2012.

In preparation for each quarterly Board meeting, the Fund's Reporting Entity (Inviqta) prepared a checklist of compliance with corporate governance policy for the Oversight Entity (Mr. Dwight Makins). The Oversight Entity made a report to each Board, drawing attention to the checklist details. There have been no breaches of the corporate governance policy during the year 2012.

The Fund is a long only equity fund and as such does not use leverage or derivatives in its portfolio. Thus the portfolio is exposed fully to the market price movements in its holdings of Indian stocks. There were no significant holdings of debt instruments in the portfolio, so there is no exposure to credit risk. The Fund does not engage in securities' lending and has confirmed with its custodian that its stocks have not been used for securities' lending. As a matter of policy, the Fund does not hedge currency exposure in the portfolio. In 2012, the Rupee depreciated by 3% against the US dollar and this affected the portfolio valuation. This depreciation was due to a number of factors, notably a rising current account deficit. External reserves were maintained by the strength of foreign portfolio inflows as well as external borrowings by Indian companies which were used to reduce the burden of higher cost Rupee debt. Thanks to a focus by the RBI and SEBI on encouraging non-resident (NRI) flows into bank deposits, this was also a source of considerable support for the external reserves in 2012. There were no instances during the year when market liquidity suffered disruptive events which might have prevented orderly execution of orders.

The Investment Committee of the Fund is no longer advised by its former Investment Advisor. The Investment Committee now receives research support from Indasia Fund Advisers Pte. Ltd. of Mumbai and Mr. Ian McEvatt . We are satisfied that we have the substance and procedures to carry out these responsibilities in a suitable manner and that the Fund's portfolio reflects the long-term investment objective. In terms of risk analysis, the Board now monitors the Synthetic Risk and Reward Indicator (SRRI) prescribed in Article 8 and Annex I of the KII implementing Regulation. According to the SRRI calculation over a five-year timespan, your Fund is in category 7 for risk evaluation purposes and this is reflected in the KID statement on the Fund's website.

The Board also reviews the conduct of the administration of the Fund by the Administrator at regular management meetings. We negotiated and executed a new service level agreement during the year. The Directors believe that the Administrator is capable of exercising the appropriate level of control over the operations of the Fund and has done so during the year under review.

The Fund executes market trades through a panel of stockbrokers which is selected according to standards of service in trade execution, settlement, research capability and sales support. The broker list is reviewed periodically and counterparties may be added or deleted from time to time. We currently have active brokerage relationships with four brokers in Mumbai and London and orders are allocated in such a way as to ensure that each receives approximately the same value of orders over the course of a year. Payment of commission rebates is not a normal practice in Indian markets and the Fund does not maintain soft-dollar arrangements, nor has it any intention of doing so.

The Directors continue to manage expenditure tightly though further significant cost reduction is difficult. The resignation of the Investment Advisor has enabled us to further reduce costs and to change the cost basis of our investment activity to a fixed-price one. This should facilitate a steady reduction in the TER, especially if the recent improvement in relative performance can be used to generate new subscriptions to the Fund.

For identification purpose only.
Related to auditor's report
dated 2 9 APR 2013

The Outlook

The Directors would like to thank our shareholders for their continuing support of the Fund. The Indian market has started the New Year in subdued form, even as the central bank appears to have initiated a cycle of monetary easing. A recovery in global risk appetite is evidenced by sustained flows of foreign portfolio investment which suggests that the prospects for generating attractive returns from investment in India are excellent in the medium term. Fund policy is to invest in companies from a broad market universe selected for high governance standards and a strong probability of generating growth in earnings from participating in the growth of the Indian economy. The Directors believe that Fund's portfolio is well positioned to benefit from a recovery in Indian markets and that government action will revive growth in the fiscal year which is about to begin.

Amsterdam, 29 April 2013

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

For identification purpose only.
Related to auditor's report
dated ..2 9 APR 2013..........

Financial statements

Himalayan Fund N.V.

Annual Report 2012

For identification purpose only.
Related to auditor's report
dated 29 APR 2013

Balance sheet

(before profit appropriation)

	31-12-2012 USD	Notes	31-12-2011 USD
Investments			
Securities	**14,040,910**	4.1	15,188,036
Other assets			
Cash at banks	**146,282**	5	719,982
Receivables			
Receivable on security transactions	**-**	6.1	337,678
Other receivables	**10,038**	6.2	120,000
	10,038		457,678
Current liabilities (due within one year)			
Payable on security transactions	**-**	7.1	345,474
Due to redemptions	**-**	7.2	5,212
Other liabilities, accruals and deferred income	**60,704**	7.3	118,950
Total current liabilities	**60,704**		469,636
Total of receivables and other assets less current liabilities	**95,616**		708,024
Total assets less current liabilities	**14,136,526**		15,896,060
Shareholders' equity			
Issued capital	**19,059**	8.1	20,322
Share premium	**24,983,207**	8.2	28,689,326
General reserve	**-12,813,588**	8.3	-2,231,440
Undistributed result current year	**1,947,848**	8.4	-10,582,148
Total shareholders'equity	**14,136,526**		15,896,060
Net Asset Value per share	**38.54**		33.83

For identification purpose only.
Related to auditor's report
dated 29 APR 2013

Profit & Loss account

	01-01-2012 31-12-2012 USD	Notes	01-01-2011 31-12-2011 USD
Income from investments			
Dividends	301,993	9.1	164,861
Interest income	-	9.2	-
Other income	11,368	9.3	37,944
	313,361		202,805
Capital gains/losses			
Unrealised price gains/losses on investments	2,167,626	4	-10,207,805
Unrealised currency gains/losses on investments	1,093,073	4	-2,212,764
Realised price gains/losses on investments	411,559	4	2,679,637
Realised currency gains/losses on investments	-1,522,176	4	-117,375
Other exchange differences	3,174		-255,376
	2,153,256		-10,113,683
Expenses			
Investment advisory fees	231,096	10.1	283,606
Other expenses	303,253	10.2	413,661
	534,349		697,267
Tax	15,580		25,997
Total investment result	1,947,848		-10,582,148
Total investment result per ordinary share	5.32		-22.54

For identification purpose only.
Related to auditor's report
dated ..2 9 APR 2013..........

Statement of Cash Flows

	01-01-2012 31-12-2012 USD	notes	01-01-2011 31-12-2011 USD
Cash flow from investing activities			
Income from investments	313,361	9	202,805
Expenses	-534,349	10	-697,267
Tax	15,580		25,997
Result of operations	-205,408		-468,465
Purchases of investments	-4,106,469	4	-8,528,034
Sales of investments	7,403,677	4	5,332,752
	3,297,208		-3,195,282
Change in short term receivables	447,640	6	-457,678
Change in current liabilities	-408,932	7	287,544
	38,708		-170,134
Cash flow from investing activities	3,130,508		-3,833,881
Cash flow from financing activities			
Received on shares issued	159,809	8	7,456,777
Paid on shares purchased	-3,867,191	8	-3,423,430
Cash flow from financing activities	-3,707,382		4,033,347
Other exchange differences	3,174		-255,376
Change in cash and cash equivalents	-573,700		-55,910
Cash and cash equivalents as at 1 January	719,982		775,892
Cash and cash equivalents as at 31 December	146,282		719,982

For identification purpose only.
Related to auditor's report
dated ..2 9 APR 2013..........

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 annual report is prepared in accordance with Part 9 of 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 31 December 2012, equivalent of 1 US dollar:			
Euro	0.75850	Srilanka Rupee	127.70002
Indian Rupee	54.79001	Bangladesh Taka	79.77503

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.

For identification purpose only.
Related to auditor's report
dated 2.9. APR. 2013..........

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.

For identification purpose only.
Related to auditor's report
dated ...2.9.APR.2013........

Notes to the Balance sheet

4. Investments

4.1 Statement of changes in securities

	31-12-2012 USD	31-12-2011 USD
Position as at 1 January	**15,188,036**	21,851,061
Purchases	**4,106,469**	8,528,034
Sales	**-7,403,677**	-5,332,752
Unrealised price gains/losses on investments	**2,167,626**	-10,207,805
Unrealised currency gains/losses on investments	**1,093,073**	-2,212,764
Realised price gains/losses on investments	**411,559**	2,679,637
Realised currency gains/losses on investments	**-1,522,176**	-117,375
Position as at 31 December	**14,040,910**	15,188,036
Historical cost	**10,461,927**	14,869,752

The portfolio comprises of shares, mainly listed.

The total unlisted shares held directly by the Fund amounted to USD 154,417 (2011: USD 163,073).

The portfolio breakdown as at 31 December 2012 is specified on page 21 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 2012 are USD 41,599 (2011: USD 54,370).

5. Cash at banks

This includes immediately due demand deposits at banks.

6. Receivables

6.1 Receivable on security transactions

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

6.2 Other receivables

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

7. Current liabilities (due within one year)

7.1 Payable on security transactions

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

7.2 Due to redemptions

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

7.3 Other liabilities, accruals and deferred income

	31-12-2012	31-12-2011
Payable investment advisory fee	**7,500**	60,050
Payable administration fee	**5,493**	6,174
Payable auditors fee	**29,992**	19,166
Other expenses payable	**17,719**	33,560
	60,704	118,950

For identification purpose only.
Related to auditor's report
dated ....29 APR 2013..........

8. Shareholders' equity

The authorised share capital of the Fund is EUR 60,000 (2011: 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

8.1 Issued capital	number	31-12-2012 USD	31-12-2011 USD
Ordinary shares:			
Position as at 1 January	469,432	**6,092**	5,260
Sold	4,025	**40**	1,468
Purchased	-107,046	**-1,070**	-696
Revaluation		**-233**	60
Position as at 31 December	366,411	**4,829**	6,092
Priority shares:			
Position as at 1 January	49,995	**14,230**	14,230
Sold	-	-	-
Revaluation		-	-
Position as at 31 December	49,995	**14,230**	14,230
Total issued capital		**19,059**	20,322

As at 31 December 2012 the issued and subscribed share capital amounts to:		EUR	EUR
(Ordinary shares, par value EUR 0.01 (2011: EUR 0.01)	4,450,005	**44,500**	44,500
(Priority shares, par value EUR 0.20 (2011: EUR 0.20)	49,995	**9,999**	9,999
		54,499	54,499

The Fund became open-ended on 7 April 2000. As at 31 December 2012 a total of 4,083,594 Ordinary Shares have been purchased, meaning that 366,411 Ordinary Shares are still outstanding as at 31 December 2012. Ordinary Shares purchased by the Fund are directly charged against capital and share premium.

8.2 Share premium	USD	USD
Position as at 1 January	**28,689,326**	24,656,811
Received on shares sold	**159,769**	7,455,309
Paid on shares purchased	**-3,866,121**	-3,422,734
Revaluation of outstanding capital	**233**	-60
Position as at 31 December	**24,983,207**	28,689,326

	31-12-2012	31-12-2011
	USD	USD
8.3 General reserve		
Position as at 1 January	**-2,231,440**	-5,559,902
Transferred from undistributed result	**-10,582,148**	3,328,462
Position as at 31 December	**-12,813,588**	-2,231,440

	31-12-2012	31-12-2011
8.4 Undistributed result		
Position as at 1 January	**-10,582,148**	3,328,462
Transferred to/from general reserve	**10,582,148**	-3,328,462
Total investment result	**1,947,848**	-10,582,148
Position as at 31 December	**1,947,848**	-10,582,148

Three years Himalayan Fund N.V.

	31-12-2012	31-12-2011	31-12-2010
Net Asset Value (USD x 1,000)			
Net Asset Value according to balance sheet	**14,137**	15,896	22,445
Less: value priority shares	**14**	14	14
	14,123	15,882	22,431
Number of Ordinary Shares outstanding	**366,411**	469,432	392,187
Per Ordinary Share (USD)			
Net Asset Value share	**38.54**	33.83	57.19

For identification purpose only.
Related to auditor's report
dated ....29 APR 2013............

Notes to the Profit & Loss account

9. Income from investments

9.1 Dividends

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

9.2 Interest income

Most of this amount was received on outstanding cash balances.

9.3 Other income

From 6 March 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.

10. Expenses	**01-01-2012 31-12-2012 USD**	01-01-2011 31-12-2011 USD
10.1 Investment advisory fees		
Advisory fee	**218,332**	267,841
Custody Fee and Charges	**12,764**	15,765
	231,096	283,606

Expenses directly related to the management of investments, like custody fees and transfer charges as well as other paying agent fees, are deducted from the result. These expenses are included in other investment management fees with the exception of the transfer charges. Transfer charges are accounted for in the investment revaluation reserve.

10.2 Other expenses		
Administration Fees and Charges	**67,622**	76,614
Company Secretarial and Domiciliation Fees	**38,239**	41,465
Bank Expenses	**11,454**	13,057
Regulatory Fees and Charges	**21,506**	25,045
Legal Expenses	**-288**	-520
Listing Expenses	**17,732**	37,980
Audit Fees	**33,823**	47,527
Fiscal Compliance Fees	**-**	2,512
Fiscal Advisory Fees	**16,806**	22,304
Advertising and Promotion	**22,881**	43,649
Directors Fees	**62,415**	62,415
Board Expenses	**18,067**	28,265
Depreciation and Amortization	**-**	-
Miscellaneous	**-7,004**	13,348
	303,253	413,661

Audit fees include the audit of the financial statements by the external auditor Deloitte amounting to USD 37,824 (2011: USD 40,834).

For identification purpose only.
Related to auditor's report
dated ...2.9.APR.2013..........

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: 3.42 % (2011: 3.72 %).

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: 47.84 % (2011: 15.91 %).

* - The average Net Asset Value of the Company for reporting period is calculated as the sum of every available Net Asset Value in the current year divided by the number of observations.

Comparison of real cost with cost according to Prospectus*

	According to Prospectus	Actual costs
	USD	USD
Management fee (1)	218,332	218,332
Administration fee (2)	67,622	67,622
Secretarial and Domiciliation fees (3)	38,239	38,239
Costs for the Board (4)	100,000	80,482

*- 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) CACEIS NL is paid a fixed fee of EUR 50,000 per year for administration services.
3) Inviqta has been appointed to provide domicile and company secretarial services to the Fund for a fixed fee of EUR 25,000 (exclusive VAT) per year.
4) The Prospectus states that the remuneration of the Directors is subject to a limit of USD 100,000 in aggregate per year. In 2012 the remuneration of the Directors was USD 62,415 (inclusive VAT) in total so far. Directors fees per person are as follows: Ian McEvatt*: USD 10,000 (2011: USD 10,000); Dwight Makins: USD 18,500 (2011: USD 18,500); Robert Meijer: USD 22,015 (2011: USD 22,015); Karin van der Ploeg*: USD 11,900 (2011: USD 11,900). Board expenses (exclusive remuneration of the Directors) amount to USD 18,067 in 2012.

* 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 USD 10,000.

Employees

The Fund has no employees.

Amsterdam, 29 April 2013

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

For identification purpose only.
Related to auditor's report
dated 29 APR 2013

Portfolio breakdown

As per 31 December 2012

India		Market value USD	percentage of total Net Asset Value %
Auto Ancilliary		**1,901,509**	**13.5**
9,000	Bajaj Auto	350,070	
160,000	Balkrishna	876,072	
2,000	Bosch	347,388	
60,000	Castrol	327,979	
Construction		**1,323,596**	**9.4**
34,000	Larsen & Toubro	997,319	
9,000	Ultra Tech Cement	326,277	
Consumer goods		**2,619,554**	**18.5**
40,000	Hindustan Unilever	383,172	
11,250	Nestle India	1,025,066	
200,000	Pidilite	796,131	
80,000	Titan Industries	415,185	
Energy		**1,604,815**	**11.4**
110,000	Indraprastha Gas	499,808	
110,000	ONGC	538,054	
37,000	Reliance Industries	566,953	
Financials		**3,539,892**	**25.0**
30,000	Bank of Baroda	474,420	
100,000	HDFC Bank	1,238,547	
40,000	ICICI Bank	830,991	
60,000	Kotak Mahindra Bank	711,863	
194,675	Magma Fincorp	284,071	
Healthcare		**1,731,619**	**12.2**
31,000	Cadila Healthcare	510,320	
50,000	Lupin	560,184	
50,000	Torrent Pharmaceuticals	661,115	
Technology		**1,165,506**	**8.2**
14,000	Infosys	592,477	
25,000	TCS	573,029	
Total Equity		**13,886,491**	**98.2**
Cash		**250,035**	**1.8**
Canbank mutual fund		154,417	
Net		**95,618**	**0.7**
NAV:		**14,136,526**	

For identification purpose only.
Related to auditor's report
dated ... 29 APR 2013 ...

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 2011 & 2012 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 26 August 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.

Appropriation of result

In accordance with the Fund's Articles of Association the Board will propose to the Annual General Meeting of Shareholders that the result will be added to the general reserve and that no dividend will be distributed.

Independent Auditor's report

Reference is made to the independent auditor's report included hereafter.

Post balance sheet events

There have occurred no significant events after balance sheet date which will have an impact on the Fund.

For identification purpose only.
Related to auditor's report
dated ..2 9 APR 2013..........

Deloitte.

Deloitte Accountants B.V.
Orlyplein 10
1043 DP Amsterdam
P.O.Box 58110
1040 HC Amsterdam
Netherlands

Tel: +31 (0)88 288 2888
Fax: +31 (0)88 288 9739
www.deloitte.nl

Independent auditor's report

To the Shareholders and the Directors of Himalayan Fund N.V.

Report on the financial statements

We have audited the accompanying financial statements ended 31 December 2012 of Himalayan Fund N.V., Amsterdam, which comprise the balance sheet as at 31 December 2012, the profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Director's responsibility

The board of directors is responsible for the preparation and fair presentation of these financial statements and for the preparation of the directors' report, both in accordance with Part 9 of Book 2 of the Dutch Civil Code and the Financial Supervision Act. Furthermore the board of directors is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the financial statements.

Deloitte.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion with respect to the financial statements

In our opinion, the financial statements give a true and fair view of the financial position of Himalayan Fund N.V. as at 31 December 2012, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code and the Financial Supervision Act.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2:393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the directors' report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b-h has been annexed. Further we report that the directors' report, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Dutch Civil Code.

Amsterdam, April 29, 2013

Deloitte Accountants B.V.

W.H.E. van Ommeren