



MONTHLY REPORT AND FACTSHEET FOR JANUARY 2014

NET ASSET VALUE

Net Assets: \$10.0 millions

NAV/Share: \$34.08

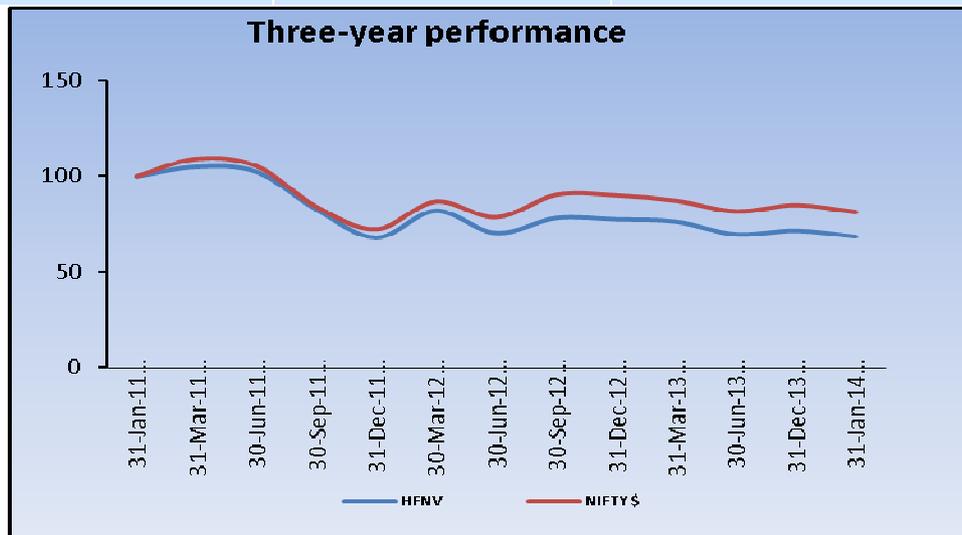
ASSET ALLOCATION

India: 97.6%

Cash: 2.4 %

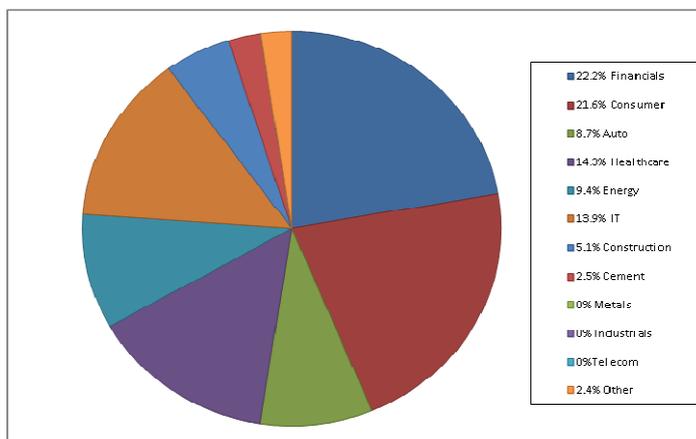
PERFORMANCE (net of fees and charges)

Period	Fund %	Benchmark %
One Month	-4.4	-4.3
Three Months	-4.9	-5.0
One Year	-14.9	-14.0
Three Years	-31.5	-18.7



Sources: CACEIS: NAV to NAV in \$; NSE India: S&P CNX defty

INDUSTRY CONCENTRATION January 31



Top Ten Holdings %

Pidilite Inds	8.9
Nestle India	8.0
HDFC Bank	7.5
Torrent Pharma	7.3
INFOSYS	7.1
LUPIN	7.0
TCS	6.8
Kotak Bank	6.3
ICICI Bank	6.3
Balkrishna Inds.	6.0
Total	71.4
Number of Holdings	20
% Invested in Nifty	62.8

FUND INFORMATION

Investment Objective:	Long-term growth through investing in listed companies in India and neighbouring countries
Benchmark:	S&P CNX "NIFTY" Index in US Dollars
Listings:	NYSE Euronext Fund Service, Amsterdam The London Stock Exchange
Managed by::	Himalayan Fund N.V.
Administrator:	Caceis Netherlands NV
London Broker:	Arden Partners plc
Base Currency:	USD
Inception Date:	June 1990
Investment Advisory Fee:	1.5%
Share Type:	Accumulation

OPERATIONAL DETAILS

Valuation:	Weekly	Dealing:	Euronext: Weekly (NAV) LSE: Daily (bid/offer)
Subscription Fee:	0.35% (to Fund)(Euronext)	Redemption Fee:	0.35% (to Fund)(Euronext)
ISIN Code:	NL0000464154	Sedol	0454038-GB
LSE TMID	HYF	Website:	www.himalayanfund.nl

COMMENTARY

Market Context:

After a breathtaking year in 2013, January saw equity markets under pressure from profit-taking and, in the case of emerging markets, panic selling as a bit of drama in Argentina and Turkey saw investors hit the risk-off brakes. More than \$3trn was wiped off global equity values as the US saw its markets drop by almost 5% on some weak economic data. MSCI's World index retreated by 3.8% and its Emerging Markets Index dropped 6.6%. Against this background, the Nifty fell by 4.3% in USD terms, including 1.3% of currency depreciation.

Performance:

Himalayan Fund's portfolio retreated by 4.4% in value in January, underperforming its benchmark by just 0.1%. The best performing stock in the portfolio in January was Torrent Pharma, which jumped by 13.8% after announcing spectacular results. The next best performer was Infosys, up 4.8%, also on good results, followed by TCS, up 2% for the same reason. Another eight stocks did better than benchmark, resisting the selling downdraft on better than expected results. The Banks led the underperformers as good quarterly numbers still failed to shake off concerns about credit quality in an economy which is still slowing. We sold our holdings in IDFC and Titan to raise liquidity, a decision which was subsequently justified when both companies released poor quarterly numbers.

Outlook:

As expected, India's markets are being dominated by politics. The BJP may be responding better to the threat posed by the anti-corruption AAP phenomenon while Congress appears to be preparing itself for a drubbing as voters punish it for chronic inflation and corruption. Meanwhile, the new monetary regime seems to be having a stabilizing effect on the Rupee and with another 25 bp hike in policy rates has moderated its hawkish tone on inflation a bit. Third quarter results are evenly matched between positive and negative surprises but analysts appear to be ready to start a cycle of upward earnings forecast revisions. The inflation outlook does seem to be improving, with high expectations of moderation through this quarter helped by softening vegetable and energy prices. The combination of this with rising expectations of a decisive outcome to the election is driving a gradual improvement in sentiment, with over the counter futures moving to a sharp premium over the election period. The cash equity markets still have room for a favourable response to a decisive election result.

Please note that the value of investments and the income derived from them may fluctuate and an investor may not receive back the amount originally invested. Past performance is not necessarily indicative of future performance and the value and any income arising from this fund may go down as well as up. Where an investment is denominated in a currency other than your base currency, exchange rates may have an adverse effect on the value or income of that investment.