



MONTHLY REPORT AND FACTSHEET FOR FEBRUARY 2013

NET ASSET VALUE

Net Assets: \$13.7 millions

NAV/Share: \$37.51

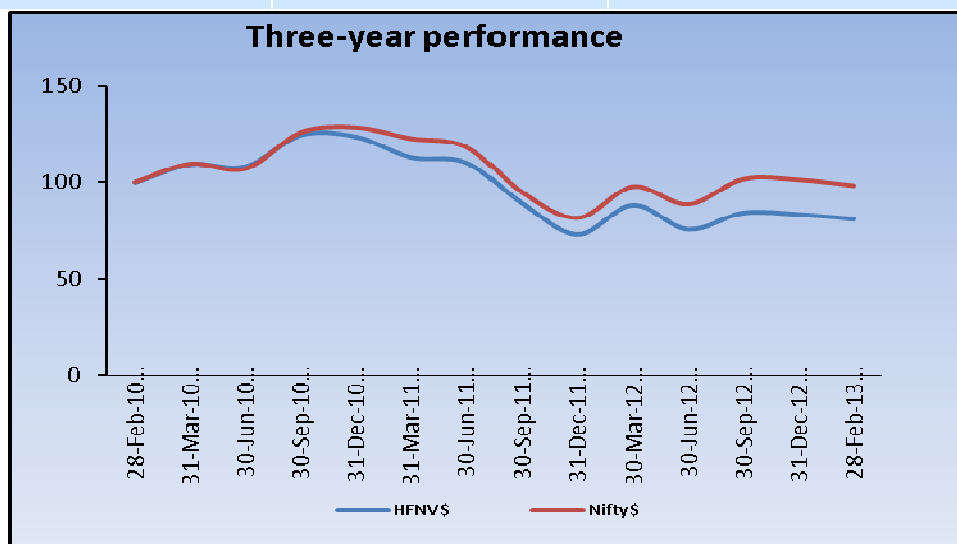
ASSET ALLOCATION

India: 95.6%

Cash: 4.4%

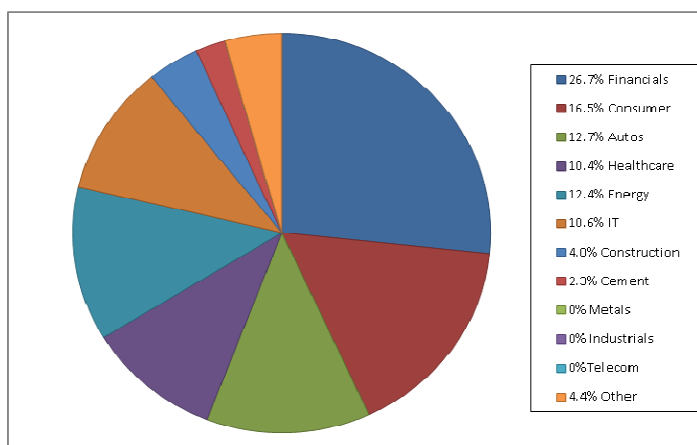
PERFORMANCE (net of fees and charges)

Period	Fund %	Benchmark %
One Month	-6.4	-7.6
Year-to-date	-2.7	-3.0
One Year	-12.3	-4.7
Three Years	-18.8	-1.9



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

INDUSTRY CONCENTRATION FEBRUARY 28



Top Ten Holdings %

HDFC Bank	8.4
Nestle India	7.2
Pidilite Inds.	6.5
ICICI Bank	5.6
Infosys	5.5
Balkrishna Inds.	5.4
Kotak Bank	5.3
TCS	5.1
ONGC	4.6
Torrent Pharma	4.5
Total	58.1
Number of Holdings	24
% Invested in Nifty	56.4

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:

World equity markets had a mixed month in February, with Europe thrown into a tailspin following the inconclusive Italian election. The MSCI World Index dropped 0.2% as positive contributions from the US and Japan were offset by 2-3% losses in European markets. India was burdened by the external pressures but also by some investor frustration at "only" 25 basis points of policy rate cuts by the RBI in January. Thus the Nifty shed 7.6% in US Dollar terms, including 2% currency depreciation.

Performance:

The portfolio lost 6.2% of its value in February but out-performed its benchmark by 1.2% in a market downdraft. The Nifty dropped 279 points in local currency, in the red every week. Two stocks added points to the index overall: TCS and INFY; 8.25% of market cap, they added 47 points between them. On the downside, six stocks representing 20% of market cap cost the index 155 points; we hold three of the six: HDFC Bank, ICICI Bank and Reliance Industries.

Our best performing stock was TCS (+10.3%), playing catch-up with Infosys (+1.9%) after excellent results and optimistic guidance for the next quarter. Next best was Castrol India (+3.1%) also on good results; Pidilite Industries (+1.4%) also added value. Bank of Baroda (-21.6%) was our biggest loser on concerns about asset quality at PSU banks; ICICI Bank (-14.6%) also got hit. Elsewhere, Cadila Healthcare (-12.2%) and Balkrishna Industries (-12.8%) were punished for disappointing earnings. Larsen & Toubro (-11.7%) and Reliance Industries (-10.3%) were also in the red for the month.

We diversified our exposure to infrastructure development by reducing our holding in Larsen & Toubro in favour of a new position in Infrastructure Development Finance Corporation (IDFC). Also, following Cadila's earnings disappointment, we sold our holding and used the proceeds to initiate a position in Wockhardt Pharmaceuticals where we believe the earnings momentum is better.

Outlook:

Market sentiment was dominated by the Union Budget during the month but it turned out to be a bit of a non-event. The Finance Minister re-affirmed his commitment to fiscal consolidation by undershooting his revised deficit target for FY13 and setting a target of 4.8% of GDP for FY14. Vote-grabbing was conspicuous by its absence with the intent clearly being to assert policy stability. The pressure will now be on the RBI to continue monetary easing at its March policy review. The government hopes to sustain foreign investor sentiment to enable it to finance the current account deficit and revive infrastructure investment. The Fund has now regained a leading position in peer group performance analysis this year to-date.

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.