



MONTHLY REPORT AND FACTSHEET FOR FEBRUARY 2014

NET ASSET VALUE

Net Assets: \$10.0 millions

NAV/Share: \$35.91

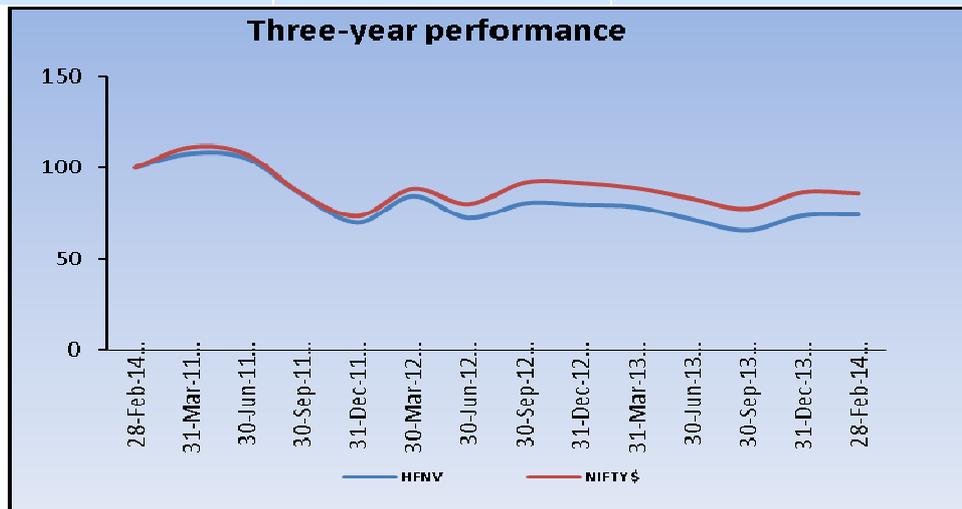
ASSET ALLOCATION

India: 97.4%

Cash: 2.6 %

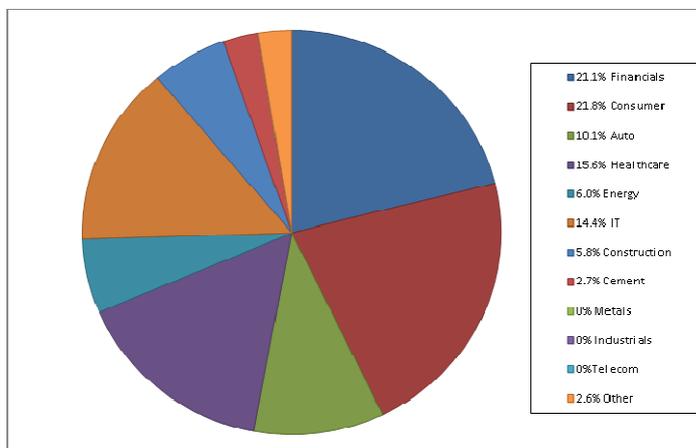
PERFORMANCE (net of fees and charges)

Period	Fund %	Benchmark %
One Month	5.4	3.8
Three Months	3.7	2.2
One Year	-4.3	-3.4
Three Years	-26.1	-14.3



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

INDUSTRY CONCENTRATION February 28



Top Ten Holdings %

Pidilite Inds	9.2
HDFC Bank	8.1
LUPIN	8.0
Nestle India	7.9
Torrent Pharma	7.6
INFOSYS	7.4
Balkrishna Inds.	7.3
TCS	7.0
Kotak Bank	6.6
Larsen & Toubro	5.8
Total	74.9
Number of Holdings	20
% Invested in Nifty	60.8

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:

A month of profit-taking was followed in February by a return of risk-taking, as equity markets adjusted to the reality that monetary stimulus by the Fed would be reduced by \$10bn per FOMC meeting but was still running at \$65bn a month. The MSCI World index gained 4.8% with strong contributions from Europe (+7.1%) the UK (+6.6%) and the US (+4.5%). Emerging Markets recovered by 3.2%, with South East Asia adding 5.1%. India enjoyed a return of foreign liquidity, as the Nifty added 3.8% in USD terms, with the appreciating Rupee contributing 1.3% on the back of moderating inflation and an improving current account deficit.

Performance:

Our portfolio added 5.4% in February, outperforming the benchmark by 1.6% and the MSCI India index by 2%. The best-performing stock in the portfolio was Balkrishna Industries which added 21.6% following a good quarterly report showing sound export performance. Lupin added 14.4% for the same reason as did Larsen & Toubro (+13.8%). Another six stocks outperformed the benchmark but the portfolio weightings of the advancing stocks made a critical contribution to performance. There were only two stocks which delivered negative returns: Nestle India (-2.6%) which reported weak earnings and Reliance Industries which still struggles with controversy over production from its KG-D6 field.

During the month, we reduced our holding in Reliance Industries, ONGC and in ICICI Bank to generate liquidity; we received dividends on Torrent Pharma, TCS and Lupin.

Outlook:

The market sentiment of foreign investors has been boosted by the prospect of a decisive outcome in the general election due by mid-May as well as by a return of risk appetite among investors riding global liquidity flows. Indian macro-economic data have also started to move in the right direction, with food price inflation allowing CPI numbers to recede towards the RBI target level and the current account deficit falling back to numbers which will protect foreign reserves and limit the potential for a currency crisis. Improving sentiment may have accelerated ahead of what can only be described as public opinion polling which is of dubious quality. Nonetheless, the Indian equity markets still offer reasonable value on a historic basis, plus markets have traditionally greeted a decisive outcome to an election with a sharp boost.

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.