



MONTHLY REPORT AND FACTSHEET FOR MAY 2013

NET ASSET VALUE

Net Assets: \$13.4 millions

NAV/Share: \$38.17

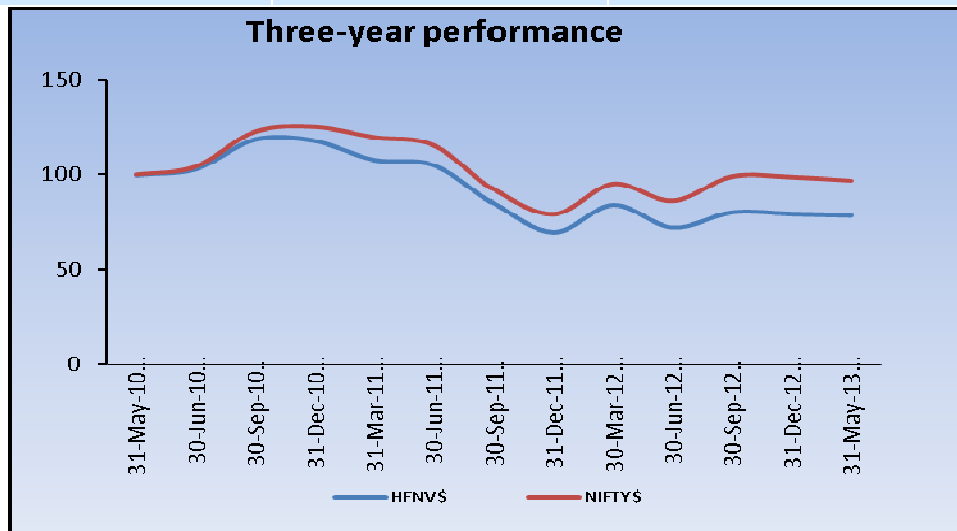
ASSET ALLOCATION

India: 98%

Cash: 2%

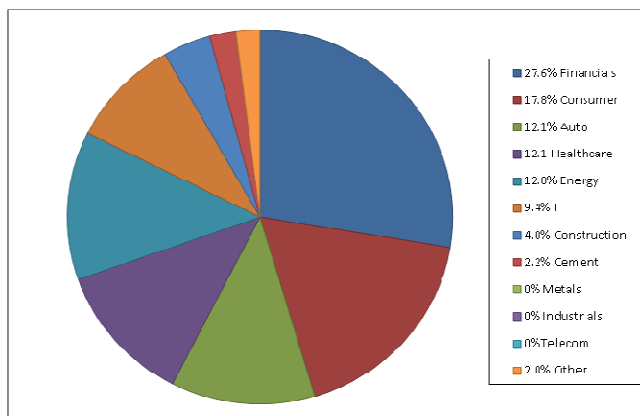
PERFORMANCE (net of fees and charges)

Period	Fund %	Benchmark %
One Month	-1.0	-1.9
Year-to-date	-2.2	-3.1
One Year	15.7	20.4
Three Years	-21.2	-3.2



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

INDUSTRY CONCENTRATION MAY 31



Top Ten Holdings %

HDFC Bank	7.9
Nestle India	7.9
Pidilite Inds.	7.6
Kotak Bank	6.2
ICICI Bank	6.1
Torrent Pharma	5.2
TCS	5.0
LUPIN	4.9
Balkrishna Inds	4.8
ONGC	4.8
Total	60.4
Number of Holdings	24
% Invested in Nifty	56.7

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:

Equity markets had a difficult month in May, as Japan went into sharp reverse and markets generally became very anxious about whether the Fed would start to "taper" off quantitative easing. The MSCI World index lost 0.6% but the major casualties were in Asia, where Japan lost 5.7%, driving the Pacific index overall down by 7.3%. India was volatile but the Nifty advanced by almost 2%; the Rupee went into reverse though, in spite of sustained foreign portfolio inflows, depreciating almost 3% on the on the month. In US dollar terms, the index lost 1.9%.

Performance:

The portfolio lost just 1% in May, **out-performing its benchmark by 0.9%**. Wockhardt, one of our healthcare holdings, did the most harm, losing 38% on the month as rumours of a difficult USFDA inspection were confirmed. The company announced a remedial action, diverting production to compliant factories but earnings growth may be affected over new next few reporting periods. We also suffered sharp losses in IGL (-12.3%) as its Supreme Court decision was postponed to July. Larsen & Toubro fell 11.7% and IDFC 9.8% as infrastructure project approvals remained slow. Bank of Baroda lost 11.1% amidst concerns about asset quality at PSU banks.

On the upside, Torrent Pharma added 9% on excellent results; Pidilite also had excellent results and rose by 9.2%. Kotak Mahindra Bank reported strong profit growth and an excellent balance sheet, adding 5.6% on the month. Both TCS and Infosys atoned for the previous month's reversals, adding around 4% each. Titan Industries added 3.4% on strong demand for gold as the precious metal saw its price decline on international markets.

We received dividends on Bosch, Castrol, ICICI Bank, Infosys and Reliance Industries. We trimmed our extended position in HDFC Bank for liquidity purposes.

Outlook:

The fourth quarter FY13 results season so far has produced slightly more negative surprises than positive overall but the most significant market influence in May has been Rupee depreciation. The currency hit a low of 57 to the dollar in spite of sustained portfolio inflows from foreign investors. Strong dollar demand to settle energy and gold imports appears to be the main driver. The government has announced another sharp increase in duty on gold and platinum to stem imports, which imperil the softening rate of inflation. Signs are that GDP growth has bottomed and recent data points are encouraging for a recovery in the second half of this year. Meanwhile, the dominant risk factors in the market will still be external.

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.