



## MONTHLY REPORT AND FACTSHEET FOR AUGUST 2014

### NET ASSET VALUE

Net Assets: \$12.1 millions

NAV/Share: \$48.36

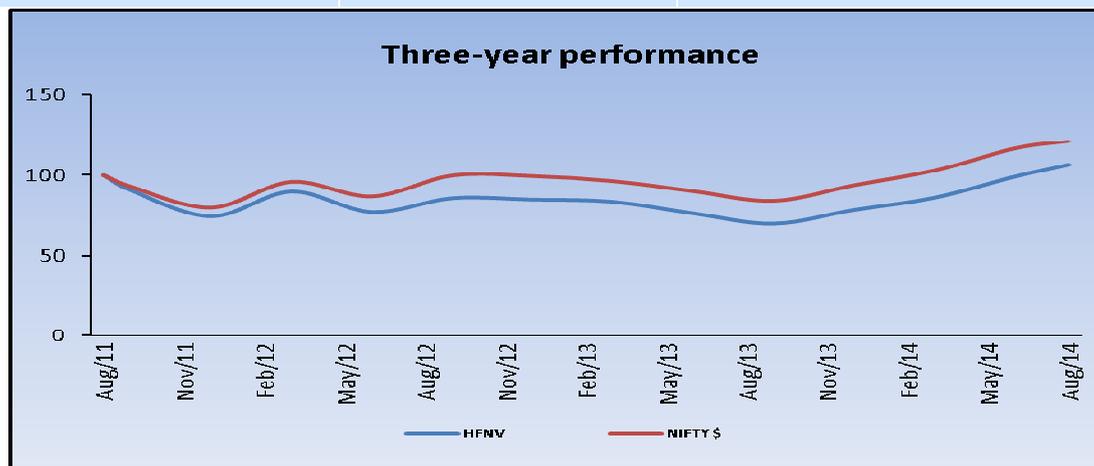
### ASSET ALLOCATION

India: 97.5%

Cash: 2.5%

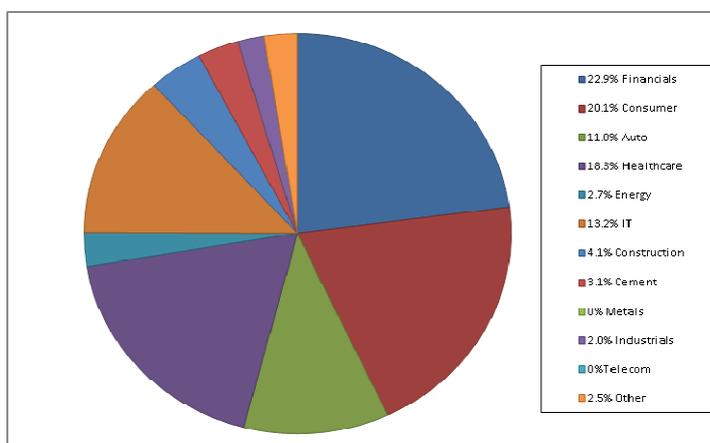
### PERFORMANCE (net of fees and charges)

Period	Fund %	Benchmark %
One Month	4.4	2.6
Three Months	35.7	25.8
One Year	66.5	60.0
Three Years	6.5	21.3



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

### INDUSTRY CONCENTRATION AUGUST 31



### Top Ten Holdings %

Pidilite Inds	11.2
Torrent Pharma	9.6
LUPIN	8.7
Kotak Bank	8.5
Balkrishna Inds.	8.3
TCS	6.5
HDFC Bank	5.7
Larsen & Toubro	4.2
ICICI Bank	4.2
Infosys	3.9
<b>Total</b>	<b>70.7</b>
Number of Holdings	22
% Invested in Nifty	52.2

## 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:	<a href="http://www.himalayanfund.nl">www.himalayanfund.nl</a>

## COMMENTARY

### Market Context:

The MSCI All Countries World Index gained 2% in August as equity markets saw a sharp divide between some clearly in the doldrums and others setting new record highs. Europe was broadly flat, with the UK off a touch, down 0.3%. The MSCI Far East was 2.1% off and Pacific 1.5%. India continued to enjoy sustained foreign portfolio inflows and the Nifty gained 2.6% in USD terms, with the Rupee adding 0.5% in appreciation. The MSCI India added 2.4% in August.

### Performance:

**Our portfolio added 4.4% in August, outperforming our benchmark by 1.8% and outperforming the MSCI India by 2.0%. The portfolio continues to outperform its benchmark over one, six and twelve month periods through the end of August.**

Twelve of our holdings outperformed the benchmark during the month but the performance was accentuated by the fact that four of the top performers were top-weighted stocks, comprising 39% of the portfolio. The top performer was Nestle India (+17.2%) which reported better quarterly earnings than forecast. Magma Fincorp was next (+15.6%), rumoured to be negotiating a private placement with a US private equity fund. Our healthcare positions were again in the front line, with Torrent adding 11.7% and Lupin 8.5%. Pidilite added 10% and new holding Cyient contributed 10.2%. One of our largest holdings, Balkrishna Industries, was in the red, down 8.5% and the next biggest loser was South Indian Bank, which gave up 8.2% following an earnings disappointment. Five other stocks lost money more modestly and three more added less than the benchmark. During the month, we received \$46,000 in dividends and top-sliced HDFC Bank again, for liquidity reasons.

### Outlook:

We continue to review our holdings for momentum and earnings prospects. We believe the market prospects are supported by valuation levels which are about midway along their historic ranges in earnings terms (16x) and slightly below in price to book terms (2.8). These numbers do not yet take account of upward revisions coming as a result of the recent quarterly results. On a long-term perspective, we believe long-term investors will be handsomely rewarded for their commitment to the Indian markets.

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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.