



## MONTHLY REPORT AND FACTSHEET FOR SEPTEMBER 2014

### NET ASSET VALUE

Net Assets: \$12.2 millions

NAV/Share: \$48.59

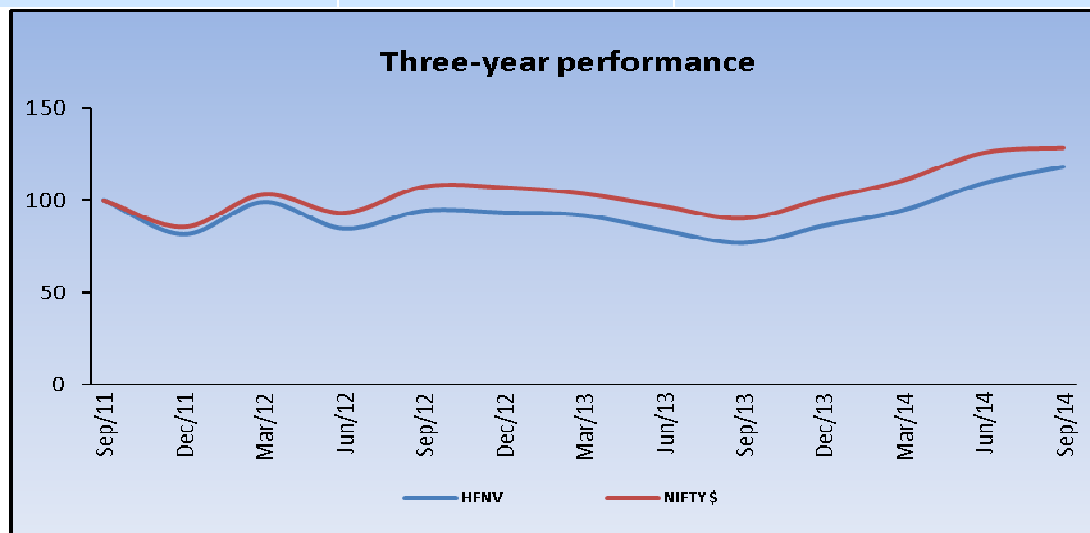
### ASSET ALLOCATION

India: 98.0%

Cash: 2.0%

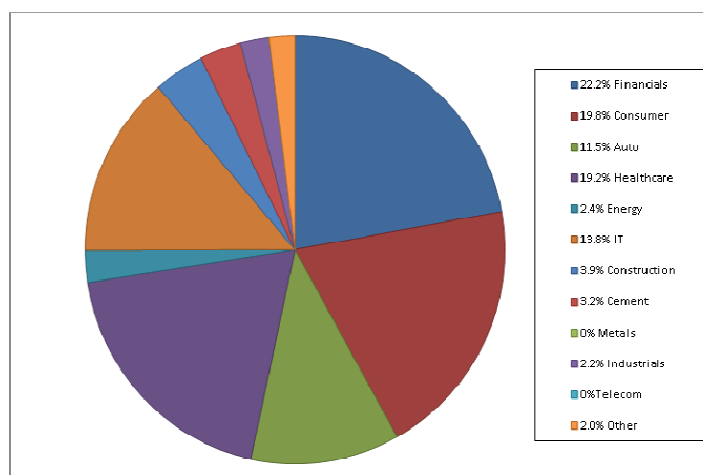
### PERFORMANCE (net of fees and charges)

Period	Fund %	Benchmark %
One Month	0.5	-1.7
Three Months	36.3	26.9
One Year	67.3	57.3
Three Years	17.9	28.1



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

### INDUSTRY CONCENTRATION SEPTEMBER 30



### Top Ten Holdings %

Pidilite Inds	10.6
Torrent Pharma	9.9
LUPIN	9.3
Balkrishna Inds.	8.7
Kotak Bank	8.1
TCS	6.9
HDFC Bank	5.8
Infosys	4.0
Larsen & Toubro	3.9
ICICI Bank	3.8
<b>Total</b>	<b>71.0</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:

In September, world markets swooned as evidence of widespread economic fragility emerged which in combination with uncertainty about the direction of monetary policy undermined investor sentiment. The MSCI World index fell by 2.9% dragged down by particularly heavy selling in Japan (-8.6%) and Europe (-6.1%). The US retreated by 4.3%, the UK by 5.3% and China dropped 6.8%. India also suffered, with FIIs selling equities for the first month in a long time, though the scale of the pullback was less than elsewhere: the Nifty was roughly flat for the month but lost 1.7% in USD terms after taking account of Rupee depreciation. The MSCI India dropped 1.5%.

### Performance:

**Our portfolio added 0.5% in September, outperforming our benchmark by 2.2% 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 September; in 2014 to-date, we are 9.8% above benchmark and over 12 months 10% above.**

Fourteen of our holdings outperformed in September: the top performer was Supreme Industries, contributing 9.9%. Agro Tech Foods returned 8.7%. Elsewhere, our healthcare stocks continue to contribute: Lupin added 6.7% and Torrent Pharma 2.8%. Our IT holdings also performed: TCS added 6.6%, Cyient 5.1% and Infosys 2.3% as we approach the second quarter results season. Our Auto sector holdings also contributed, Bajaj Auto rose 2.3% and Balkrishna Industries 5.8%. Financials were mixed: HDFC Bank added 1.6% and Magma Fincorp 1.9%; ICICI Bank, on the other hand, dropped 9.5%. Also on the downside, Nestle, South Indian Bank and Larsen & Toubro dropped 6-7% each. Our outperformers were still strong enough to offset losses of about 4% in two of our heaviest holdings: Pidilite and Kotak Mahindra Bank. There were no changes to the portfolio during the month.

### Outlook:

Second quarter results will dominate the market action next month while the outcome of state elections in Maharashtra and Haryana will have a significant impact on the effectiveness of the BJP government. It seems that the government's reform impetus has slowed as Modi waits for a boost to his party's Upper House position from state government gains. A strong showing should see new momentum on reform. The Diwali season and sustained political momentum should drive the market up through year-end. .

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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.