



## MONTHLY REPORT AND FACTSHEET FOR OCTOBER 2013

### NET ASSET VALUE

Net Assets: \$11.4 millions

NAV/Share: \$35.84

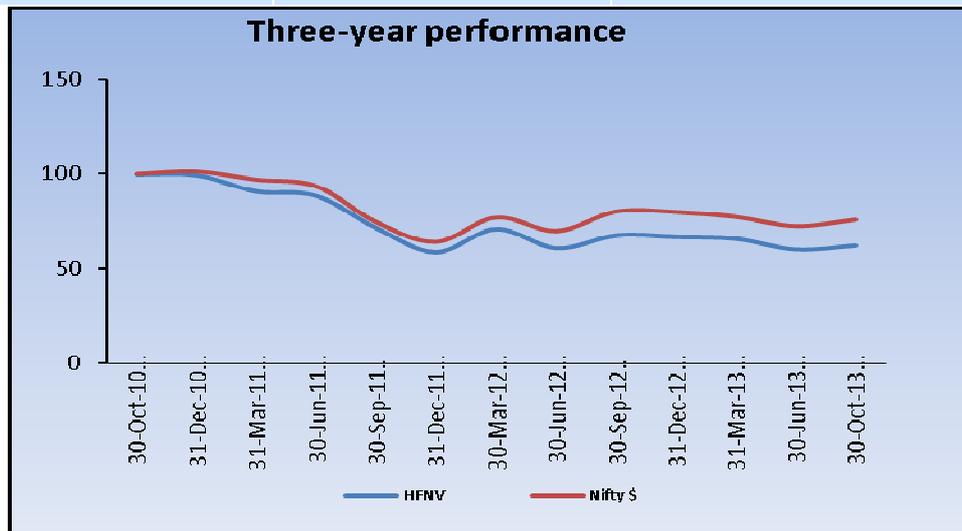
### ASSET ALLOCATION

India: 95.7%

Cash:4.3%

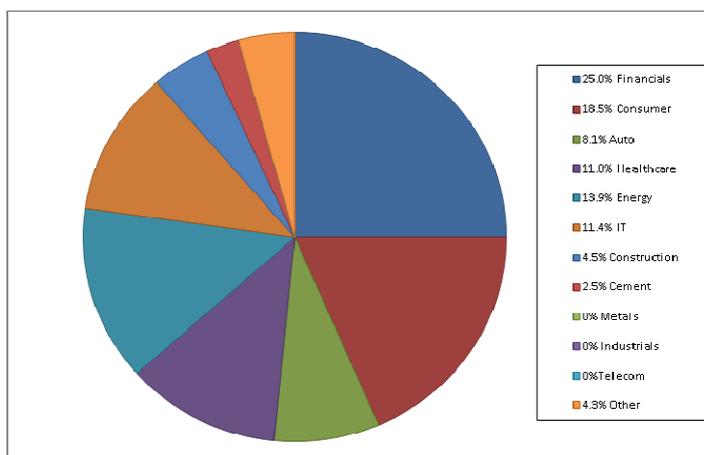
### PERFORMANCE (net of fees and charges)

Period	Fund %	Benchmark %
One Month	12.7	12.3
Year-to-date	-7.0	-5.0
One Year	-4.3	-1.7
Three Years	-37.6	-24.7



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

### INDUSTRY CONCENTRATION October 30



### Top Ten Holdings %

HDFC Bank	8.3
Pidilite Inds	8.2
Nestle India	8.0
Kotak Bank	6.4
ICICI Bank	6.4
LUPIN	6.3
TCS	5.7
INFOSYS	5.7
Torrent Pharma	5.5
Balkrishna Inds.	5.3
<b>Total</b>	<b>65.8</b>
Number of Holdings	20
% Invested in Nifty	59.7

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

## COMMENTARY

### Market Context:

The US government shut down for three weeks in October while the politicians played chicken with the nation's credit standing again. In the meantime, global equity markets had a strong month as "tapering" worries were shunted into the background and speculation centred on the impact the shutdown would have on GDP growth. The MSCI World index added 3.8%, substantially driven by emerging markets: the Emerging Markets index added 4.8% while Pacific ex-Japan added 4.4%. Europe added 4.2% and the US climbed 1.2%. India was a star as the Nifty added 10.6% and the Rupee appreciated by 1.7% on top as foreign portfolio flows were sustained at record levels. By the end of month, the currency had recovered by 12% from its summer lows.

### Performance:

**The portfolio outperformed the Defty by 0.4%**, generating a return of 12.7% compared to 12.3% for the Nifty in USD terms. We outperformed the broader MSCI Index by 2.2% for the month. The Nifty returned 10.6% in local currency returns, driven strongly by Financials (+1.7%) and construction (+0.5%); a loss of 1.5% in the Consumer sector reflected concerns about soft consumer demand coming into the festival season. In our portfolio we had eleven stocks worth 57.7% of the overall portfolio value outperform the benchmark. The best performing stock was ICICI Bank (+29.2%) followed by Larsen & Toubro (+25.8%) and IDFC (+22.3%). Magma Fincorp added 19.6%, Balkrishna 17.5%, Titan 17.3% and Pidilite 17.1%. On the downside, the Pharmaceutical stocks were weak with Lupin returning just 5.7% and Torrent 4.5%. We trimmed Torrent to take some profit for liquidity purposes and we sold Castrol India to initiate some stock rotation.

### Outlook:

The outlook is looking stable now for equities, as the Fed may take a more doveish tone with its new Chairman elect and US growth having been setback by a slowdown in construction and the federal shutdown. An exit from QE3 seems to have faded into the distance. With second quarter results having exceeded expectations, the Indian market seems set for some stability before election fever takes hold. Meanwhile sentiment is still enjoying a boost with the new RBI governor scoring points all around for transparency and decisive action.

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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.