



MONTHLY REPORT AND FACTSHEET FOR OCTOBER 2014

NET ASSET VALUE

Net Assets: \$12.1 millions

NAV/Share: \$50.07

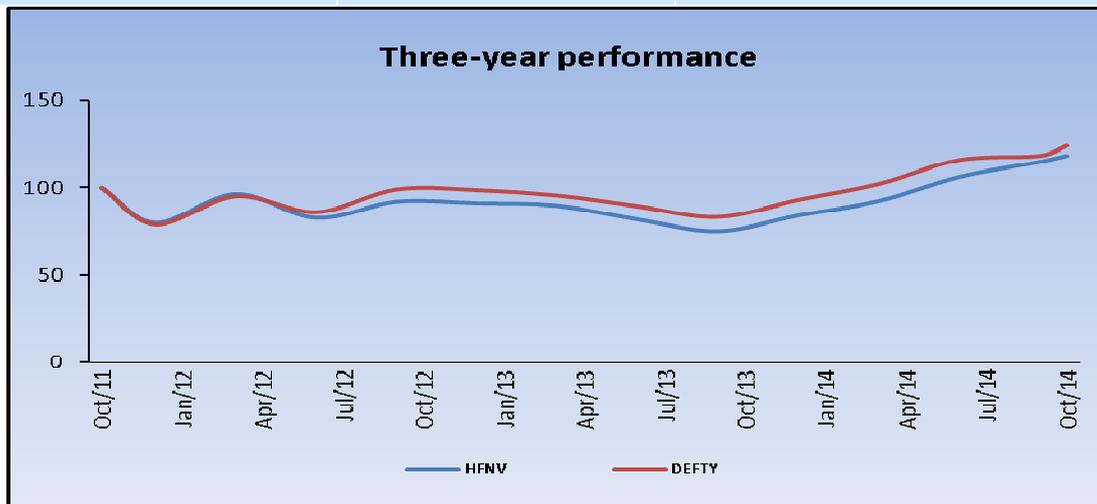
ASSET ALLOCATION

India: 98.8%

Cash: 1.2%

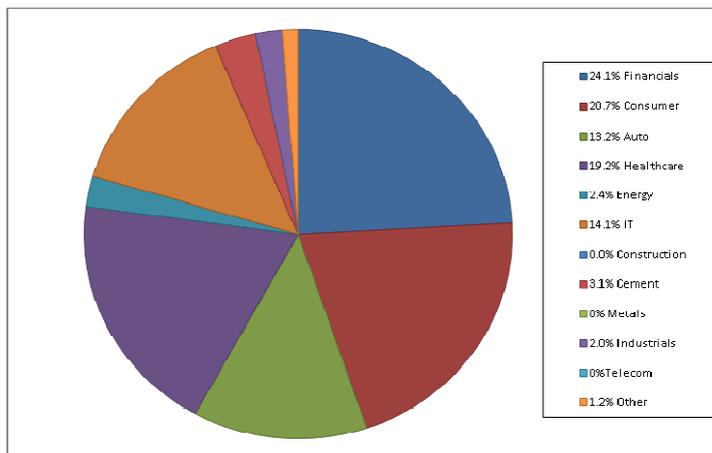
PERFORMANCE (net of fees and charges)

Period	Fund %	Benchmark %
One Month	3.0	4.8
Three Months	40.5	33.1
One Year	39.7	32.1
Three Years	18.3	23.9



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

INDUSTRY CONCENTRATION OCTOBER 30



Top Ten Holdings %

Pidilite Inds	10.6
Torrent Pharma	9.9
LUPIN	9.3
Kotak Bank	8.1
Balkrishna Inds.	8.7
TCS	6.9
HDFC Bank	5.8
Bajaj Auto	4.5
ICICI Bank	4.4
Infosys	4.3
Total	73.9
Number of Holdings	21
% Invested in Nifty	51.4

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:	Euronext Fund Services, Amsterdam The London Stock Exchange
Managed by:	Himalayan Fund N.V.
Administrator:	Caceis Bank Amsterdam Branch
London Broker:	Arden Partners plc
Base Currency:	USD
Inception Date:	June 1990
SRRI Category	6
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:

October was a tricky month for equity markets as the end of QE in the US approached. Good employment numbers and early positive signs for third quarter earnings carried US markets to a gain of 2.3%. Globally the picture was not so good: the MSCI World index added only 0.6%, dragged down by Europe (-2.7%) and the UK (-2.5%). The MSCI Far East was just in negative territory (-0.4%), in spite of China contributing +4.3%. India had a good month, as quarterly earnings supported the market and economic data points started to point to monetary easing next year. The Nifty added 4.8% in US dollar terms and the broader MSCI India added 3.8%. The Rupee appreciated by 0.7% during the month.

Performance:

The Fund's portfolio appreciated by 3% in USD dollar terms, underperforming our benchmark by 1.8% and underperforming the MSCI India by 0.8\$. The portfolio continues to outperform, by 7.4% year-to-date and by 7.6% over the past twelve months.

Eleven of our holdings underperformed in October while nine equalled or bettered the index performance. On the downside, Supreme Industries lost 7.6% on weaker earnings and TCS fell 4% as the market was unimpressed with the outlook accompanying its strong earnings report. ITC lost 3.5% but we were still awaiting its earnings at month-end. Ultratech cement fell 2.6% on weaker sales than expected during the monsoon season. Lupin dropped 1.3% despite reporting profits 55% up. On the upside, ICICI Bank rose 14% on improved asset quality, Bajaj Auto rose 14% in spite of flat earnings but a favourable outlook for new product sales. VST Industries rose 12% as it achieved price increases to cover the rise in duty in the budget. Finally, Infosys recovered from disappointment with its earnings report to end the month 9.5% ahead. During the month we took some profits on HDFC Bank to generate liquidity and exited Larsen & Toubro because its execution is falling short. We added to Bajaj Auto for better momentum.

Outlook:

Economic data points are steadily improving, with inflation within the RBI's target range. The falling oil price will bring balance of payments benefits and allowed the government to abandon diesel price subsidies, improving the fiscal balance. State election wins also gave the government the confidence to maintain the drip-feed of economic reform. The market will maintain upward momentum in the expectation of continuing reform with monetary easing looking inevitable early next year.

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.