



MONTHLY REPORT AND FACTSHEET FOR DECEMBER 2013

NET ASSET VALUE

Net Assets: \$10.7 millions

NAV/Share: \$35.64

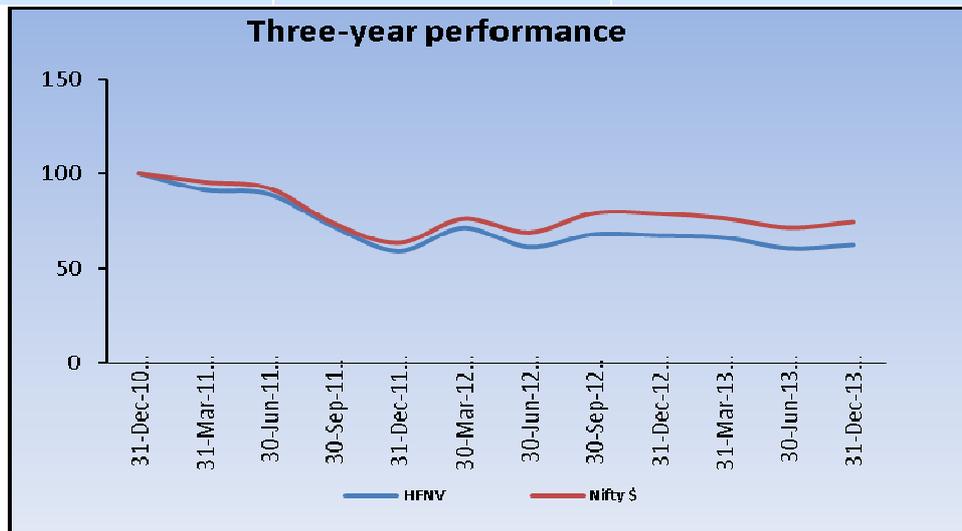
ASSET ALLOCATION

India: 97.8%

Cash: 2.2%

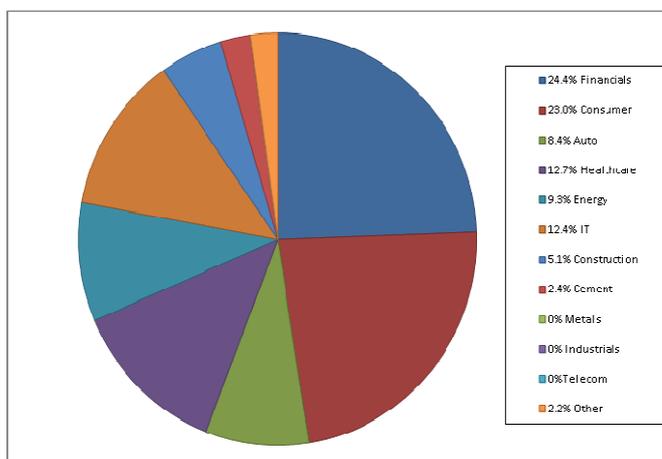
PERFORMANCE (net of fees and charges)

Period	Fund %	Benchmark %
One Month	2.9	2.9
Three Months	12.0	11.5
One Year	-7.5	-5.7
Three Years	-37.7	-25.7



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

INDUSTRY CONCENTRATION December 31



Top Ten Holdings %

Pidilite Inds	8.9
Nestle India	7.9
HDFC Bank	7.4
LUPIN	6.8
Kotak Bank	6.5
ICICI Bank	6.5
INFOSYS	6.2
TCS	6.1
Torrent Pharma	6.0
Balkrishna Inds.	5.8
Total	68.1
Number of Holdings	22
% Invested in Nifty	62.8

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:

In December, global equity markets brought the curtain down on 2013 with a robust performance, driving the year's returns into record territory. The MSCI World index returned 2% for the month, largely driven by 250 bp returns in major developed markets, riding out the first announcement of "tapering" of QE by the US Fed. In India, the Nifty returned 2.9% in USD terms, including 1% in Rupee appreciation.

Performance:

The portfolio generated 2.9% in December, equalling the performance of the Defty; in the last quarter, the portfolio outperformed the Defty by 0.5%. We underperformed the MSCI index in December by 0.4% but outperformed over three months by 1.9%. The Nifty was driven in local currency terms by the IT (+0.8%) and Energy (+0.3%) stocks; Financials, Autos and consumer stocks declined. Our best performing stock was Balkrishna Industries (+18.4%) by a wide margin. The next best contributions came from TCS (+9.5%) and Lupin (+7.2%) as our IT and healthcare stocks outperformed. Infosys added 5% and Torrent Pharma 3.3%. Powergrid added 6.9%, IDFC 6.5% and VST another 6.1%. Ultratech was in negative territory, dropping 6.6%, as were Kotak Bank (-2.8%) and Pidilite (-4.1%). During the month we trimmed HDFC Bank, Reliance Industries and Balkrishna Industries to take profits and generate some liquidity. We initiated new positions in Powergrid and ITC to add some earnings momentum to the portfolio.

Outlook:

As the New Year opens, political activity is increasing and the urban phenomenon of the AAP seems to be gathering momentum. This anti-corruption party has formed the state government in Delhi and is generating impressive membership growth in Karnataka as well; the impact in the BJP stronghold of Maharashtra is weaker. Both major parties are unsettled by AAP's achievement but the BJP still has national momentum. In the market, earnings prospects for Q3 seem good and the Nifty is being sustained near record levels, even as FII support weakened at the turn of the year. Broadly, we still expect a strong first quarter, driven by an improving inflation outlook and current account deficit. Externally, we do not see a big threat from QE easing in the US, where GDP growth still seems uncertain.

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.