



MONTHLY REPORT AND FACTSHEET FOR DECEMBER 2014

NET ASSET VALUE

Net Assets: \$12.0 millions

NAV/Share: \$51.01

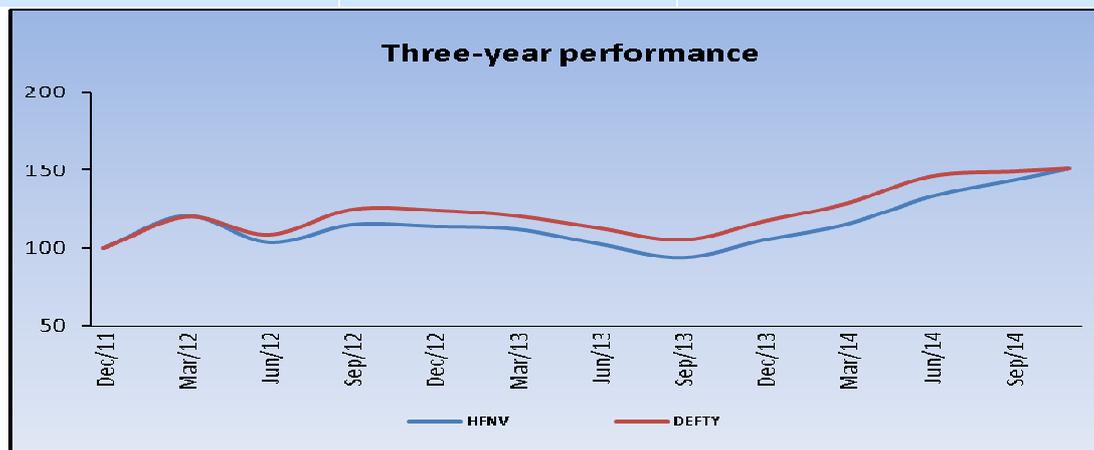
ASSET ALLOCATION

India: 98.1%

Cash:1.9%

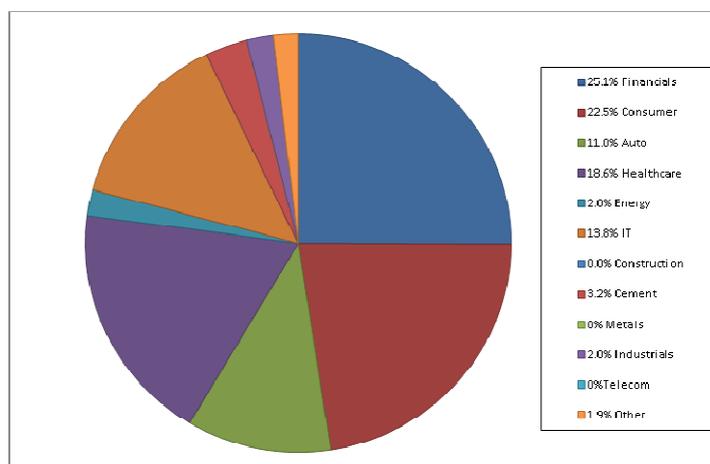
PERFORMANCE (net of fees and charges)

Period	Fund %	Benchmark %
One Month	-0.12.0	-5.6
One Year	43.1	28.4
Two Years	32.4	21.1
Three Years	50.8	50.8



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

INDUSTRY CONCENTRATION DECEMBER 30



Top Ten Holdings %

Pidilite Inds	12.9
Torrent Pharma	10.1
Kotak Bank	10.1
LUPIN	8.5
Balkrishna Inds.	6.8
TCS	6.4
HDFC Bank	6.3
ICICI Bank	4.7
Infosys	4.2
Bajaj Auto	4.2
Total	74.1
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:

By December, the sharp fall in the oil price was starting to look too good to be true and markets were looking for clouds among all the silver lining. Then Greece became politically unstable again, impeding the apparently smooth path to EU quantitative easing. In the US, questions about the viability of debt-laden shale oil producers was called into question and so equity markets moved towards year-end in reverse gear. The MSCI World Index lost 1.7% in December, substantially driven by the Eurozone, which was 5.6% off; the US lost 0.5% and Asia ex-Japan lost 2.6% in sympathy. India was no different: the Nifty surrendered 5.6% in USD terms as the Rupee came under pressure, losing 1.5% against the dollar for the month.

Performance:

The Fund's portfolio lost 0.1% in USD dollar terms in December, outperforming our benchmark by 5.5% and outperforming the MSCI India by 5.9%. The Fund outperformed its benchmark by 14.7% for the year and performance now exceeds the benchmark by 11.3% over two years and matches the benchmark over three years.

Only eight of our holdings generated positive returns during December. The best performance came from ICICI Bank, which got a big boost from a bonus issue which drove the stock up by about 22%. Pidilite continued to delight with a contribution of 14.9%, Torrent Pharma added 8.3% and Ultratech Cement added a nice 5.9%. Most of the portfolio still outperformed the benchmark except for three: Infosys contrived to lose 11% on its bonus issue; ONGC dropped 10.3% as realizations suffered from the falling oil price and Bajaj Auto fell 9.4% as competitive pressures build.

For liquidity purposes, we took some profit on Pidilite and Torrent Pharma yet their price performance ensured they remain at the top of our holdings list.

Outlook:

The year closed with the Nifty having retreated from record highs but the outlook framed by the prospect of a sustained period of monetary easing in quarter point steps as inflation continues to surprise on the downside, along with the oil price. This makes it easier for the Finance Minister to contemplate a reduced fiscal deficit as he prepares his Budget for presentation at the end of February. The prospects for returns from Indian equities in 2015 remain very favourable.

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.