



## MONTHLY REPORT AND FACTSHEET FOR DECEMBER 2015

### NET ASSET VALUE

Net Assets: \$10.5 millions

NAV/Share: \$50.64

### ASSET ALLOCATION

India: 94.8%

Cash: 5.2%

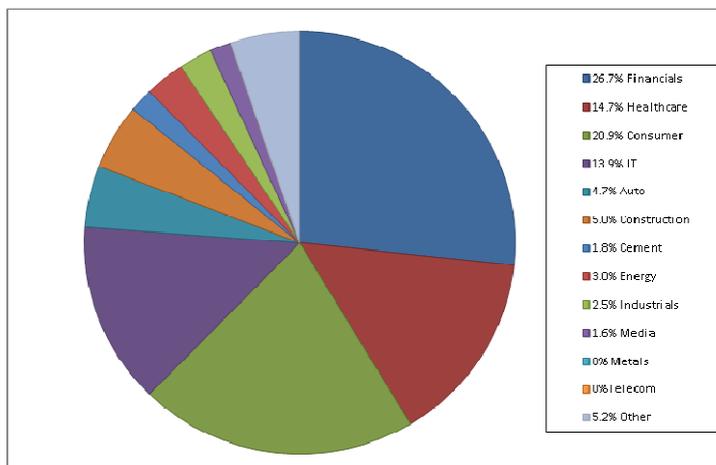
### PERFORMANCE (net of fees and charges)

Period	Fund %	Benchmark %
One Month	1.8	0.9
One Year	-0.7	-8.4
Two Years	42.1	17.6
Three Years	31.4	11.0



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

### INDUSTRY CONCENTRATION DECEMBER 31



### Top Ten Holdings %

Kotak Bank	10.6
Pidilite Inds	9.5
Torrent Pharma	8.3
TCS	6.6
LUPIN	6.3
HDFC Bank	6.1
ICICI Bank	5.1
Kalpataru PT	5.0
Bajaj Auto	4.7
Indian Hotels	4.0
<b>Total</b>	<b>68.3</b>
Number of Holdings	24
% Invested in Nifty	49.0

## FUND INFORMATION

Investment Objective:	Long-term growth through investing in listed companies in India and neighbouring countries
Benchmark:	NSE <b>NIFTY 50 USD</b> Index
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:	<a href="http://www.himalayanfund.nl">www.himalayanfund.nl</a>

## COMMENTARY

### Market Context:

December was an ugly month for equity markets as investors adjusted to the closing of the book on extraordinary monetary easing in the US. The MSCI All-Countries World Index registered a loss of 1.9% for the month with major contributors all recording losses: the US -1.9%, Europe -2.6%, the UK -3.9%. In Asia, Japan eked out a small gain of 0.2% but China was in the red again at -1.3%. Amidst broad market turmoil, in India, the Nifty added 0.9% in USD terms, including Rupee appreciation of 0.4%.

### Performance:

**The Fund's portfolio gained 1.8% in US Dollar terms in December, outperforming our performance benchmark by 0.9% for the month. This means we closed the year with a small loss of 0.7%, compared to a loss of 8.4% on the Nifty in USD; our returns over two and three years show handsome margins of outperformance compared to the Nifty 50 USD (as the index has been re-named).**

The month's sectoral performance leaders were Energy and Healthcare, while the laggards were Finance, Consumer and Capital Goods. In our portfolio, eleven stocks outperformed the index return for the month. The standout performer was Indian Hotels, which added more than 28% in the month. Otherwise, outperformers were all in single figures, notably Indraprastha Gas (+8.8%), Supreme Industries (+5.9%), HDFC Bank (+4.3%) and Kotak Mahindra Bank (3%). New purchase Shemaroo Entertainment made a spirited debut, adding 6%. On the downside Kalpataru FT was down 8.1%, ICICI Bank lost 6.2%, Axis Bank was off 5.4% and Agro Tech Foods was off 2.9%.

During December, we took some profits in HDFC Bank and Magma Fincorp to reduce our overall Financial Sector exposure. We sold out our position in Ultratech Cements in a switch to Heidelberg Cement, which we initiated on a medium term view. We also initiated a position in VIP Industries in the Consumer Sector and added significantly to Shemaroo Entertainment in the Media Sector.

### Outlook:

Thanks to domestic investor support, Indian markets are doing relatively better as the year has opened on a path of sharp volatility and negative global risk appetites. Uncertainty on China's economic prospects is undermining global markets and volatile sentiment on the effects of oil price weakness is driving investors towards so-called "safe havens". India, as an emerging economy mostly driven by domestic demand, with a government bent on attracting foreign investment and facilitating business has become the fastest-growing major economy. Public sector investment and especially execution on infrastructure, is improving strongly but available capacity is delaying a recovery on private investment. The forthcoming Union Budget is the next significant catalyst for Indian equities.

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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.