HIMALAYAN MUTUAL FUND

MUTUAL FUND INSIGHTS



COMMON ABBREVIATIONS USED

Abbreviations	Full Form
H8020	Himalayan 80-20
AUM	Assets Under Management
BANKING	Commercial Bank
BVPS	Book Value Per Share
DEVBANK	Development Bank
DP	Depositary Participant
DRIP	Dividend Reinvestment Plan
EPS	Earning Per Share
FIN	Finance
FY	Fiscal Year
HOTELS	Hotels and Tourism
HYDRO	Hydropower
INV	Investment

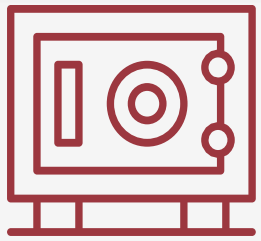
Abbreviations	Full Form
LI	Life Insurance
MAN & PRO	Manufacturing and Processing
MF	Mutual Fund
MICRO	Microfinance
NAV	Net Asset Value
NEPSE	Nepal Stock Exchange
NFO	New Fund Offering
NLI	Non-Life Insurance
Q1	Quarter 1
Q2	Quarter 2
Q3	Quarter 3
Q4	Quarter 4
SEBON	Securities Board of Nepal

Macroeconomic Outlook



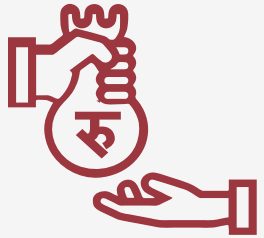
Inflation

5.96%



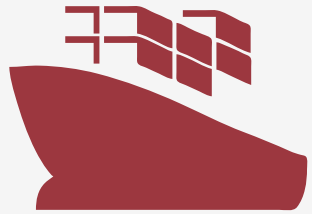
Deposit Growth

-0.3%



Credit Growth

0.4%



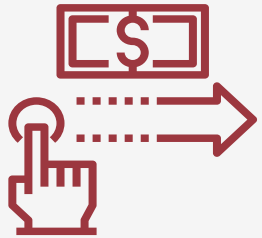
Import Growth

31.0%



Export Growth

61.7%



Remittance Growth

21.2%



FX Reserve Growth

1.2%

- *Growth refers to the change between the eleven month's data of FY 81/82 and FY 82/83, Credit refers to a claim on the private sector and all the numbers are in NPR term.*

NEPSE Overview



As of 11th September 2026, the NEPSE Index closed at 2,559.49, [change and intraday range to be inserted, see note below]. The index sits roughly 84 points (-3.19%) below the 14th August close of 2,643.83, suggesting that the earlier range-bound drift may have given way to a clearer corrective phase. Turnover stood at NPR 4.38 billion, a moderate figure, which may indicate that the decline reflects a gradual lack of buying conviction rather than panic-driven selling. The index appears to have slipped below the 0.236 Fibonacci level (2,569.56) and now trades in the lowest band of the retracement, between that level and the 0.0 level (2,427.70). The rebound from the early-September low near 2,500 seems to have stalled around the 0.236 level, which might now act as immediate resistance rather than support.

Momentum indicators point to weak but possibly stabilizing conditions. The RSI at 41.55 remains below the neutral 50 mark, though it appears to have recovered from its early-September dip towards the oversold zone, which could suggest that selling pressure is easing. The MACD line, at around -29.42, sits deep in negative territory and marginally below its signal line, with the histogram at -0.69. The narrowing histogram may indicate that bearish momentum is fading, and a bullish crossover might emerge if the recovery attempt continues, although confirmation is still lacking.

Looking ahead, support may be placed near 2,500 (S1) and 2,427 (S2), while resistance is likely at 2,569 (R1) and 2,657 (R2). A sustained move above 2,569, ideally accompanied by stronger volume, could signal returning buying interest and might open the path toward 2,657. Failure to reclaim that level may keep the near-term setup fragile and could raise the risk of a retest of 2,500, and possibly a slide toward 2,427. Overall, the NEPSE appears to retain a cautiously weak tone, with price capped below the 0.236 level, RSI holding under 50, and MACD hinting at a tentative easing of downside momentum.

HIMALAYAN MUTUAL FUND

Himalayan Mutual Fund, managed by Himalayan Capital Limited, currently operates a single Scheme: Himalayan 80-20.

Himalayan 80-20

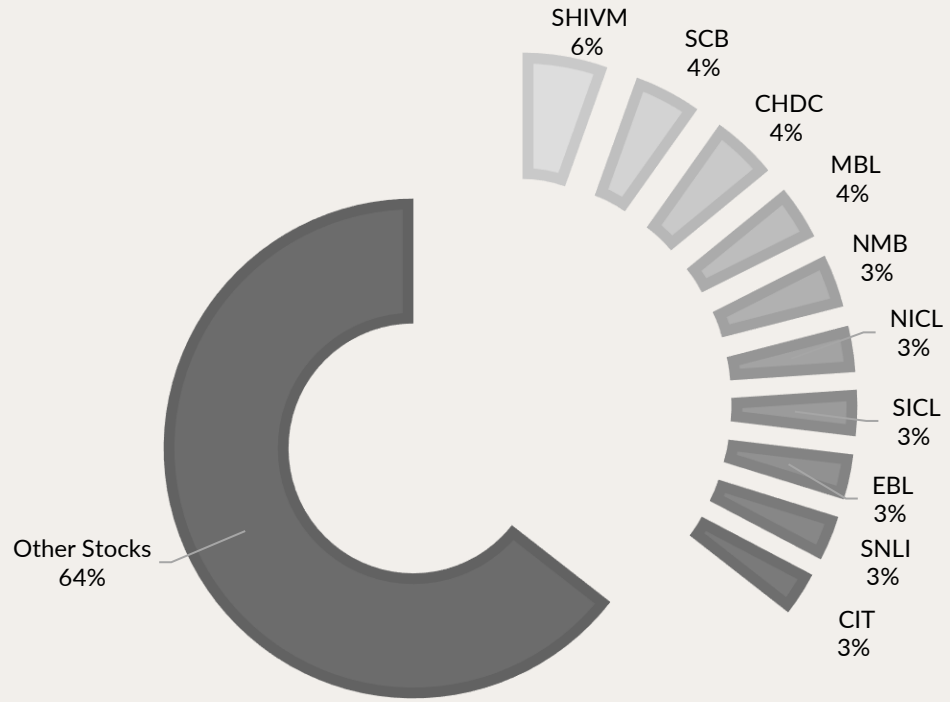
Fund Details

Allotment Date	13-Sep-23
Maturity Date	01-Oct-33
Monthly NAV as of Bhadra, 2083	12.53
AUM on End of FY 82/83 in NPR	1.26 Billion
Scheme Type	Close Ended
Scheme Objective	Growth Oriented
Benchmark	NEPSE
Fund Management Fee	1.50% of NAV
DP Fee	0.20% of NAV
Fund Supervisor Fee	0.20% of NAV annually or NPR 20,000 per supervisor per meeting whichever is lower
Fund Manager	Himalayan Capital Limited
H8020 Returns since FY 2081/82 End	9.85%
NEPSE returns since FY 2081/82 End	-6.53%
Adjusted Beta Since Inception (Monthly)	0.70
Standard Deviation Since Inception (Monthly)	1.49
Average Monthly Return Since Inception*	1.212%

Investment Philosophy

The fund structure involves investing 80% of its capital in long-term investments within the capital and financial markets, aiming for compounding returns. The remaining 20% is actively managed to maximize returns based on market conditions.

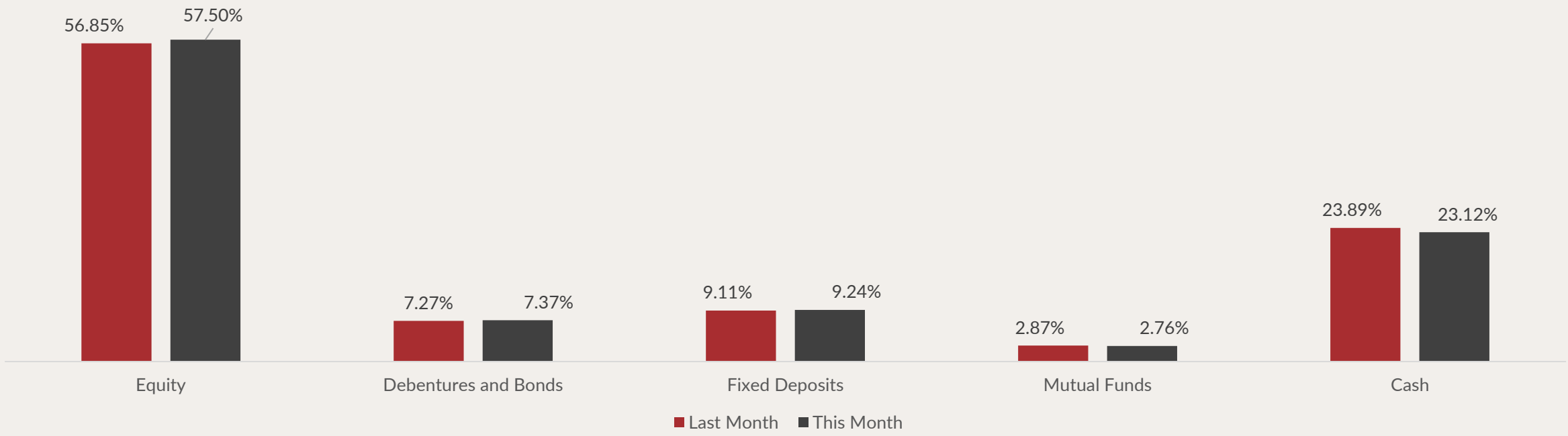
Top 10 Equity Holdings



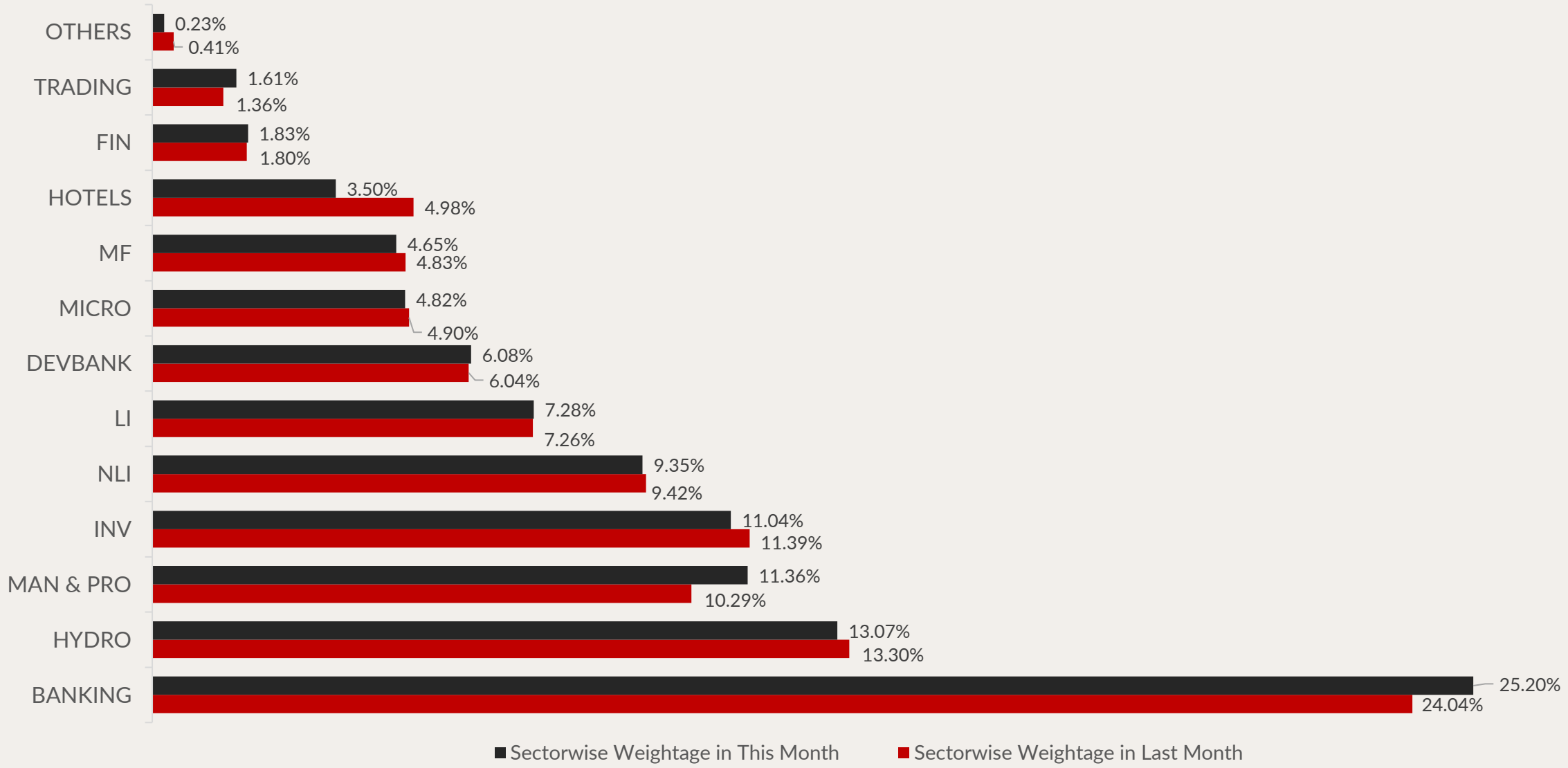
*Average monthly return is based on the geometric mean to reflect the compounding effect.

Asset Allocation of Himalayan 80-20

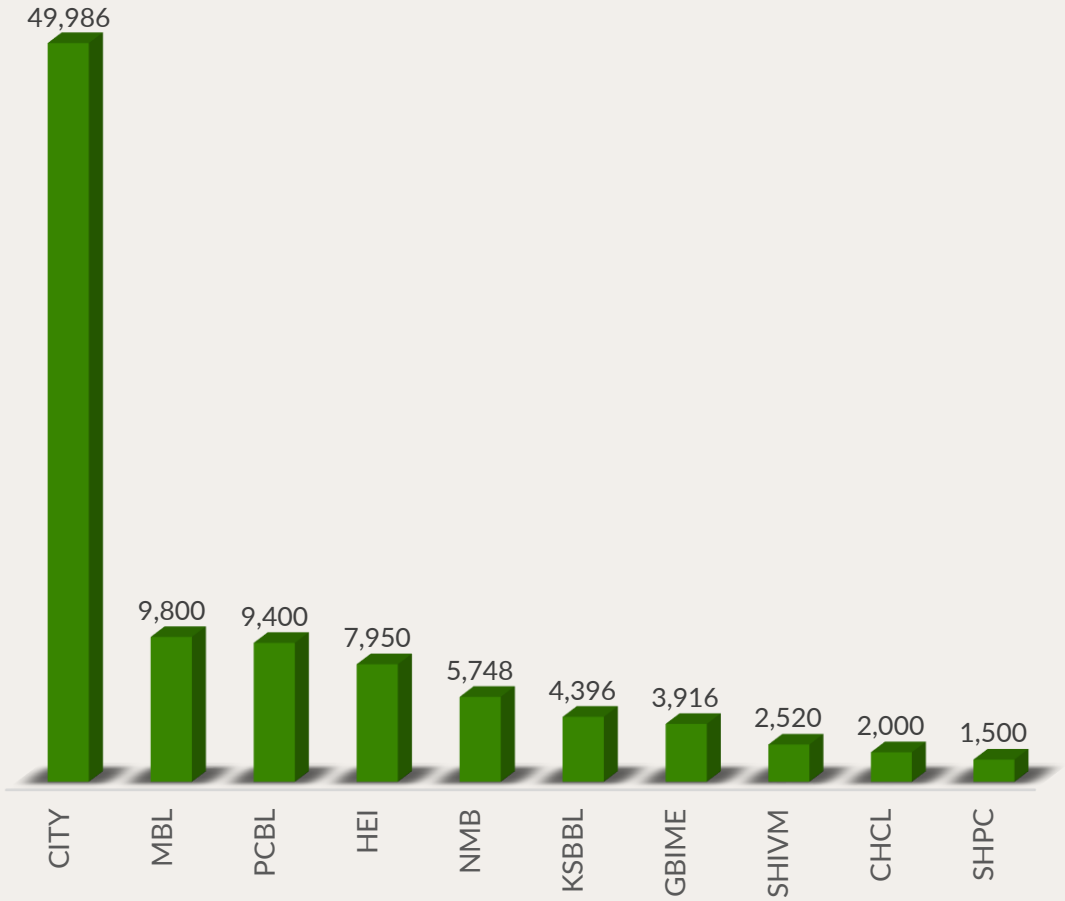
The fund's asset allocation remained broadly stable during the month, with only marginal shifts across asset classes. The equity allocation edged up to 57.50% from 56.85%, keeping equities as the dominant component of the portfolio. The weights of Debentures and Bonds and Fixed Deposits inched higher to 7.37% and 9.24% respectively; the near-identical proportional rise in both suggests that these holdings were likely unchanged in absolute terms, with the increase arising from a slight contraction in the fund's total size. Mutual Fund investments continued to trend lower, easing to 2.76% of the portfolio from 2.87%. The most notable movement was in cash, where the allocation declined to 23.12% from 23.89%, which may reflect selective deployment into equities during the market correction, though the fund still retains a comfortable liquidity buffer. Overall, the fund has maintained its core investment strategy with a marginally higher tilt toward equities, positioning it to participate in any market recovery while the substantial cash position continues to provide flexibility to capitalize on future opportunities and cushion against market volatility.



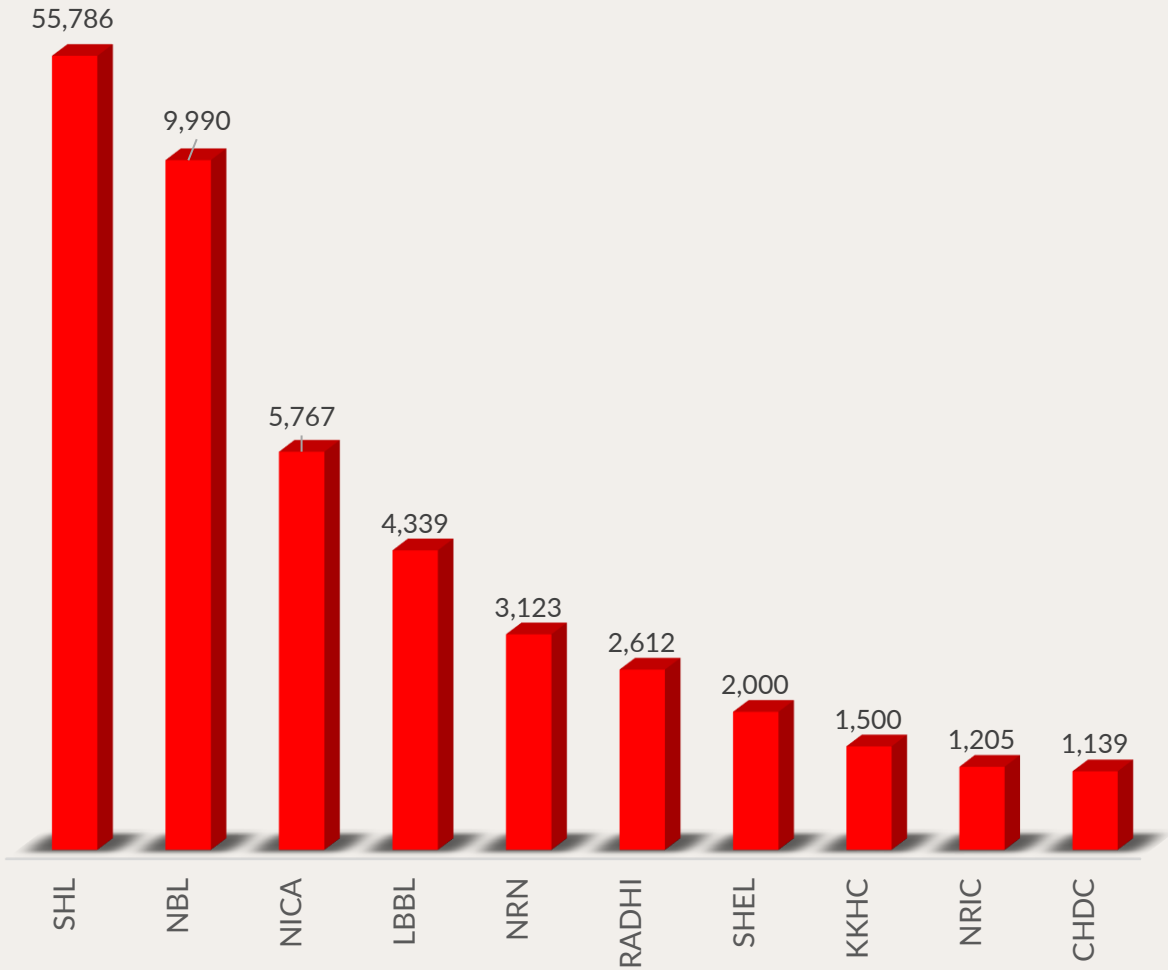
Sector wise Allocation of Equities by Himalayan 80-20



H8020-Top 10 Equity Net Purchase (Units)



H8020-Top 10 Equity Net Sales (Units)



Note: Mutual fund schemes are excluded from both purchase and sale transactions
Purchases may include bonus and right share listings, IPOs, and FPOs as well.

NEPALESE MUTUAL FUND INDUSTRY – FUND MANAGERS

Himalayan Capital
A Subsidiary of Himalayan Bank Limited

Citizens Capital Ltd.

Global IME Capital Limited
ग्लोबल आइएमई क्यापीटल लि.
GROW WITH US

कुमारी क्यापिटल लिमिटेड
KUMARI CAPITAL LIMITED
Invest for your Future

L S CAPITAL
लक्ष्मी सन्राइज क्यापिटल लिमिटेड
A Wholly Owned Subsidiary of Laxmi Sunrise Bank

NABIL INVESTMENT BANKING LIMITED

NIMB ACE CAPITAL LIMITED
Managing Shares. Managing Investments.

NIC ASIA CAPITAL

NMB CAPITAL
एनएमबि क्यापिटल
Partnership for Prosperity

prabhu CAPITAL
(A Subsidiary of Prabhu Bank Limited)

आरविवि मर्चेन्ट बैंकिङ्ग लि.
RBB MERCHANT BANKING LTD.
A subsidiary company of Rastriya Banijya Bank Ltd.

SanimaCapital
(A wholly owned subsidiary of Sanima Bank Ltd.)

Siddhartha Capital Limited
Investing happiness

मुक्तिनाथ क्यापिटल लि.
MUKTINATH CAPITAL LTD.
A Subsidiary of Muktinath Bikas Bank Ltd.

Machhapuchchhre Capital Limited
माछापुच्छे क्यापिटल लिमिटेड
(Subsidiary of Machhapuchchhre Bank Limited)

गरिमा क्यापिटल लिमिटेड
GARIMA CAPITAL LIMITED
(A Merchant Banker Licensed by SEBON)

ReliableCapital
Investment & Merchant Limited

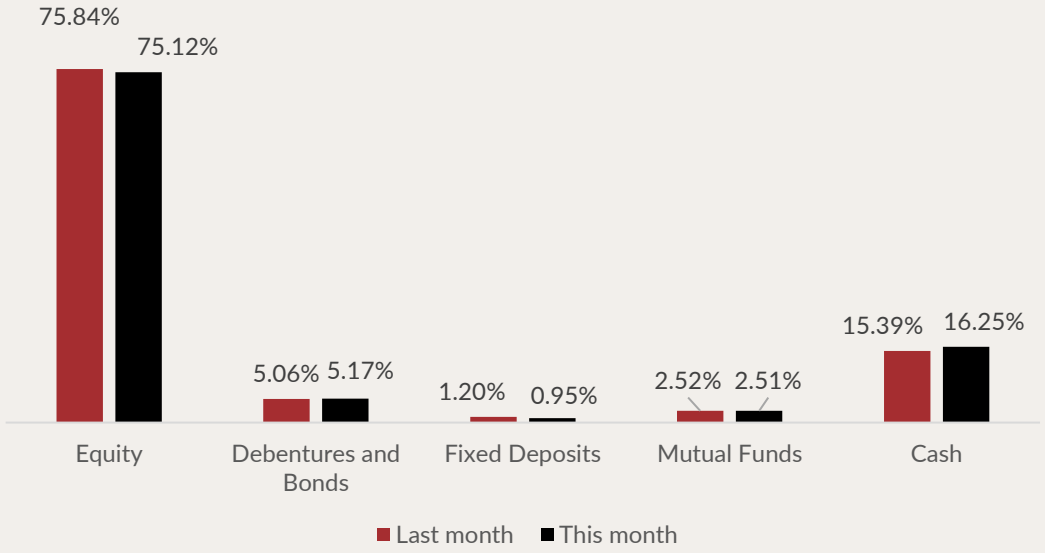
HIMALAYAN INVESTMENT BANKER LIMITED.
A SUBSIDIARY OF HIMALAYAN LIFE INSURANCE LIMITED.
YOUR CAPITAL, OUR EXPERTISE

Asset Allocation Comparison: H8020 and Industry Average

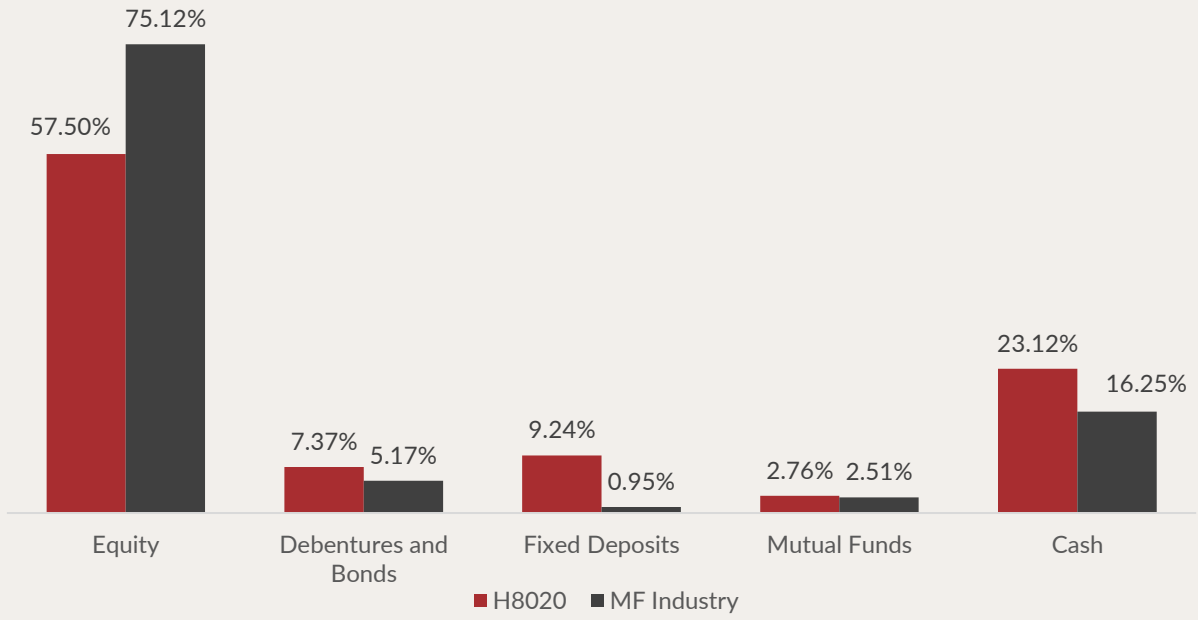
The mutual fund industry's asset allocation remained broadly stable during the month, though with a slight tilt toward liquidity. Equity exposure eased to 75.12% from 75.84%, while cash rose to 16.25% from 15.39%, which may reflect a combination of softer equity valuations during the market correction and a somewhat more cautious stance among fund managers. Debentures and Bonds edged up to 5.17% from 5.06%, Fixed Deposits declined to 0.95% from 1.20%, and Mutual Fund investments were essentially unchanged at 2.51% against 2.52%. Overall, the industry continues to maintain a firmly equity-weighted portfolio, which might suggest that fund managers remain constructive on the long-term market outlook while holding slightly more liquidity amid near-term uncertainty.

H8020 is positioned more conservatively than the overall mutual fund industry. While the industry holds 75.12% in equities, H8020 keeps a notably lower share at 57.50%, leaving it far less exposed to secondary market swings. Instead, it allocates more to fixed deposits (9.24% against 0.95%) and debentures/bonds (7.37% against 5.17%), which are generally steadier and offer more predictable interest income. H8020 also maintains a substantially larger cash position of 23.12% compared with the industry's 16.25%, providing both a downside cushion and the flexibility to deploy when opportunities emerge. Overall, this mix suggests H8020 is focused on greater stability and lower volatility, though it may benefit less during strong market upswings than more equity-heavy funds.

Mutual Fund Industry

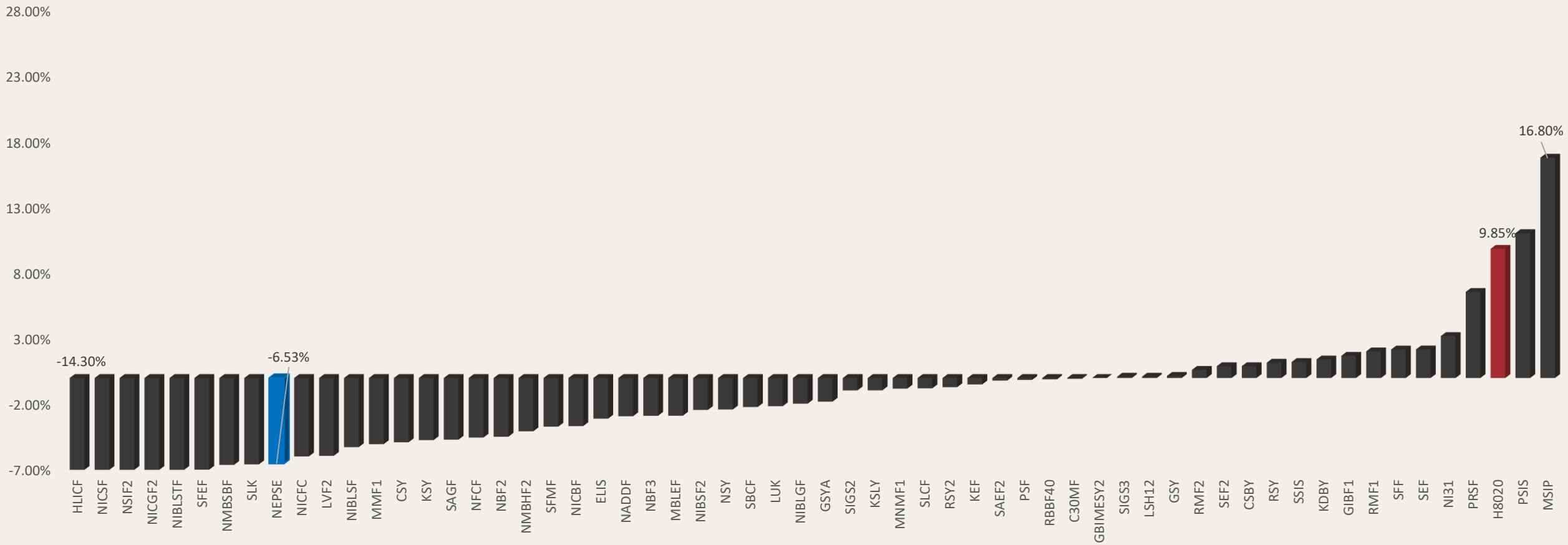


H8020 vs Mutual Fund Industry



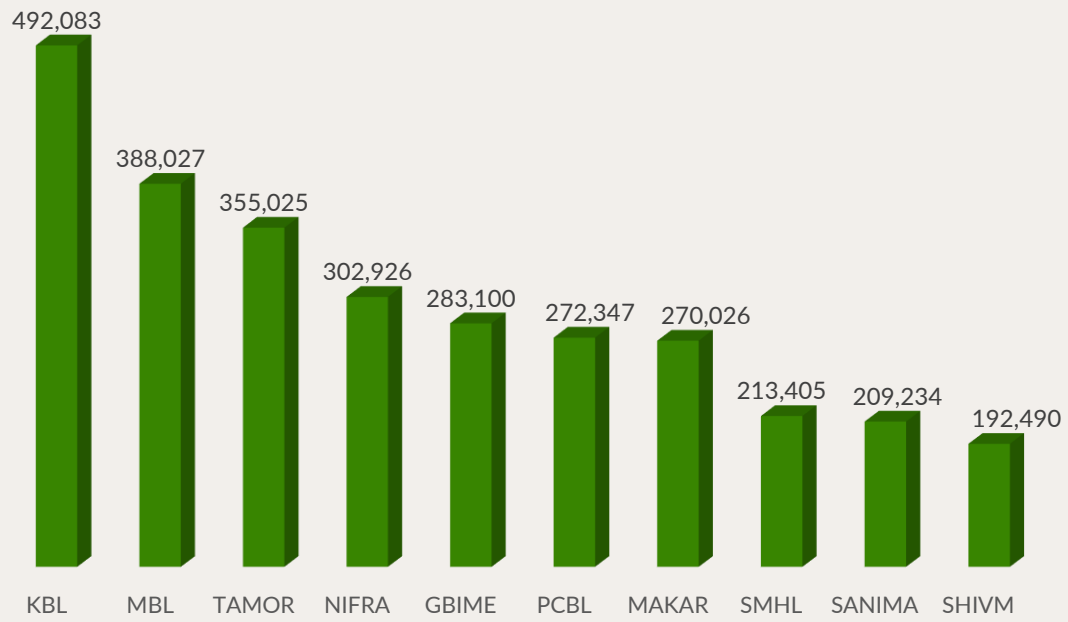
Schemes Return vs NEPSE Return (FY 82/83)

As of the end of Bhadra, 2083 (as of FY 2083/84), 40 out of 57 mutual fund schemes reported negative year-to-date (YTD) returns, reflecting mixed performance across the industry. MSIP emerged as the top-performing scheme with a YTD gain of 16.80%. H8020 delivered a return of 9.85%, outperforming the benchmark NEPSE Index, which posted a negative return of 6.53% over the same period. On the downside, HLICF recorded the weakest performance in the industry, posting a negative return of 14.30%

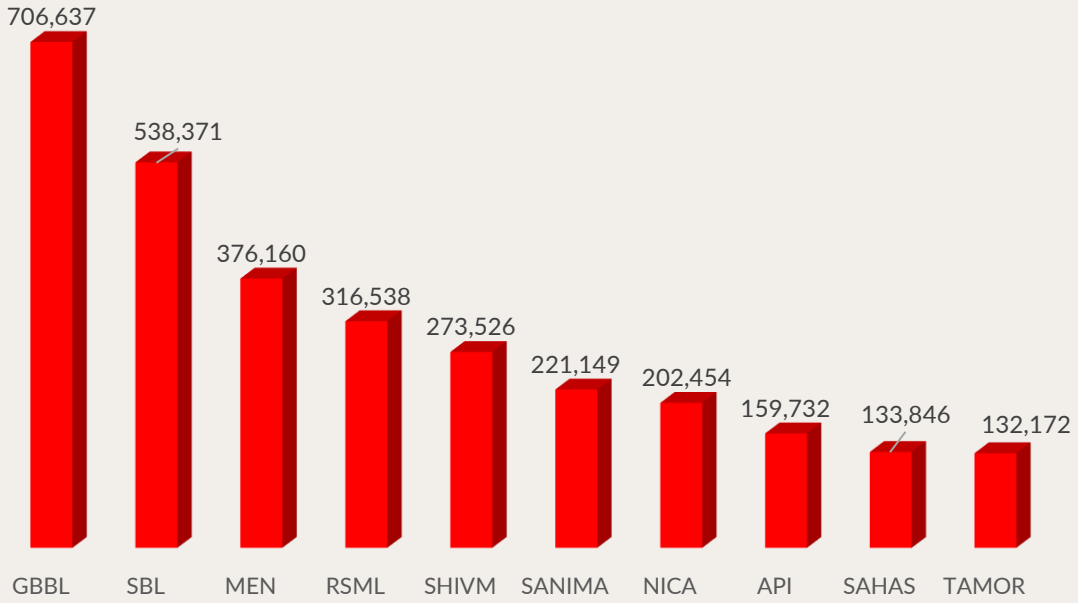


The returns have been adjusted to reflect the cash dividends provided. For new funds, YTD is calculated using NPR 10 as the starting value due to no Shrawan-end NAV

Mutual Fund Industry: Top 10 Equity Net Purchase (Units)

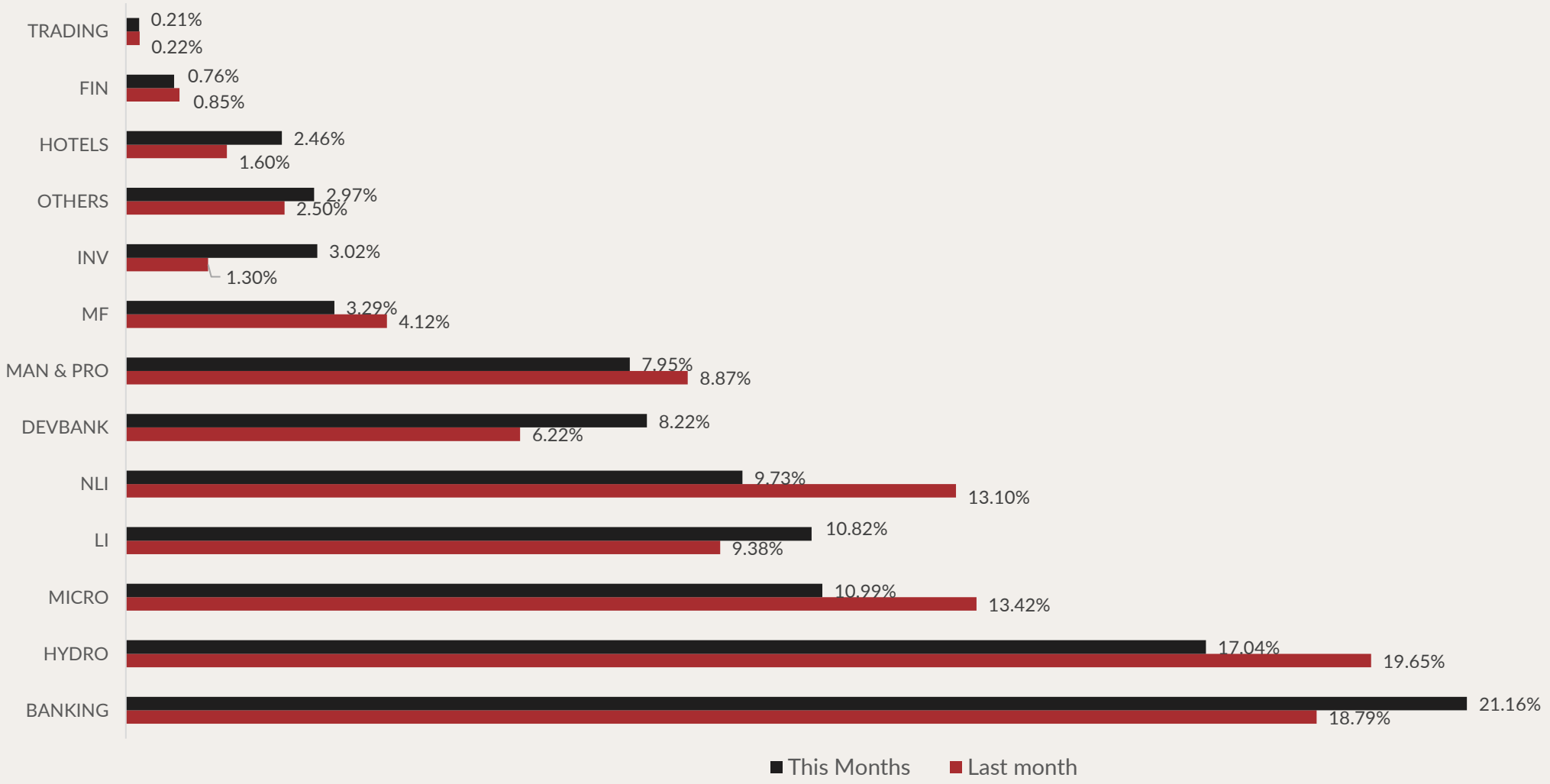


Mutual Fund Industry: Top 10 Equity Net Sales (Units)



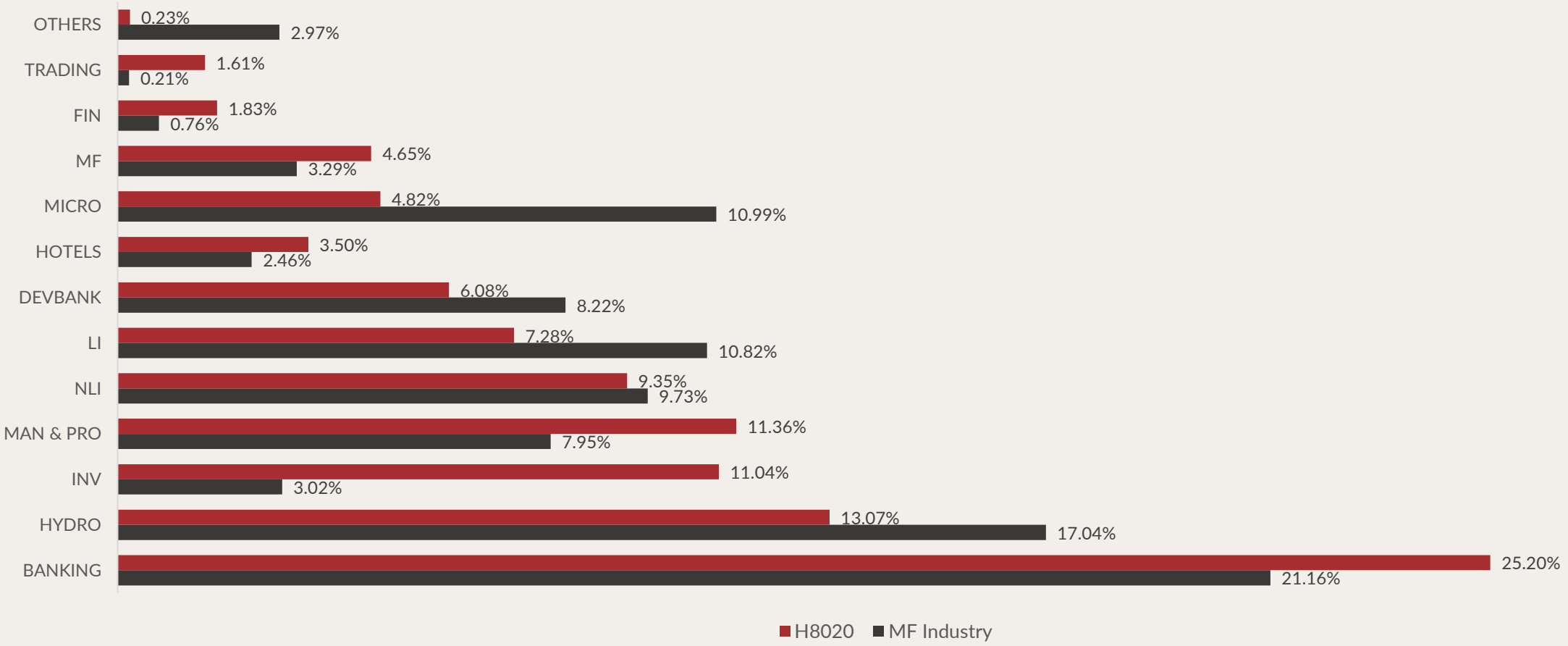
Note: Mutual fund schemes are excluded from both purchase and sale transactions, Purchases may include bonus and right share listings, IPOs, and FPOs as well.

Sector-wise Weightage of Equity in Mutual Fund Industry (Last vs This Month)



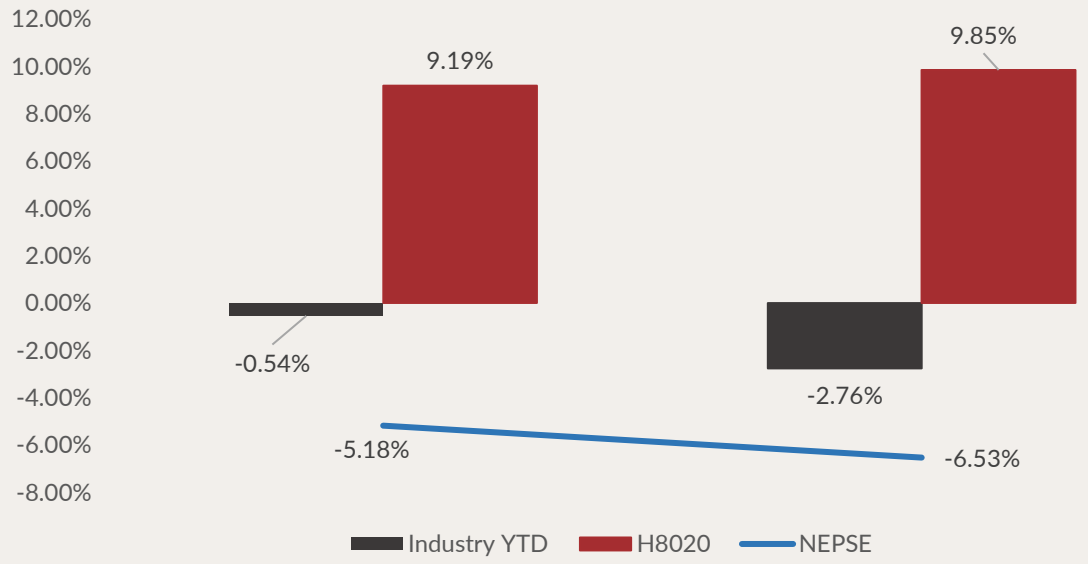
Sector Wise Weightage Comparison of Mutual Fund Industry and H8020

Compared with the overall mutual fund industry, H8020 maintains a more selective sector allocation strategy. The scheme has significantly higher exposure toward Banking, Manufacturing & Processing, Investment companies, Mutual Funds, Hotels, Finance, and Trading sectors, indicating a stronger tilt toward sectors with higher growth and cyclical return potential. In contrast, H8020 remains relatively underweight in Hydropower, Development Banks, Microfinance, and both Life and Non-life Insurance segments, which continue to dominate the broader mutual fund industry portfolio. The lower allocation toward hydropower and insurance suggests a differentiated positioning aimed at capturing sector-specific opportunities beyond conventional market-heavy allocations. Overall, the portfolio reflects a higher-conviction and actively positioned strategy that could outperform during favorable sector rotations, although it may also experience relatively higher volatility compared to the broader mutual fund industry.



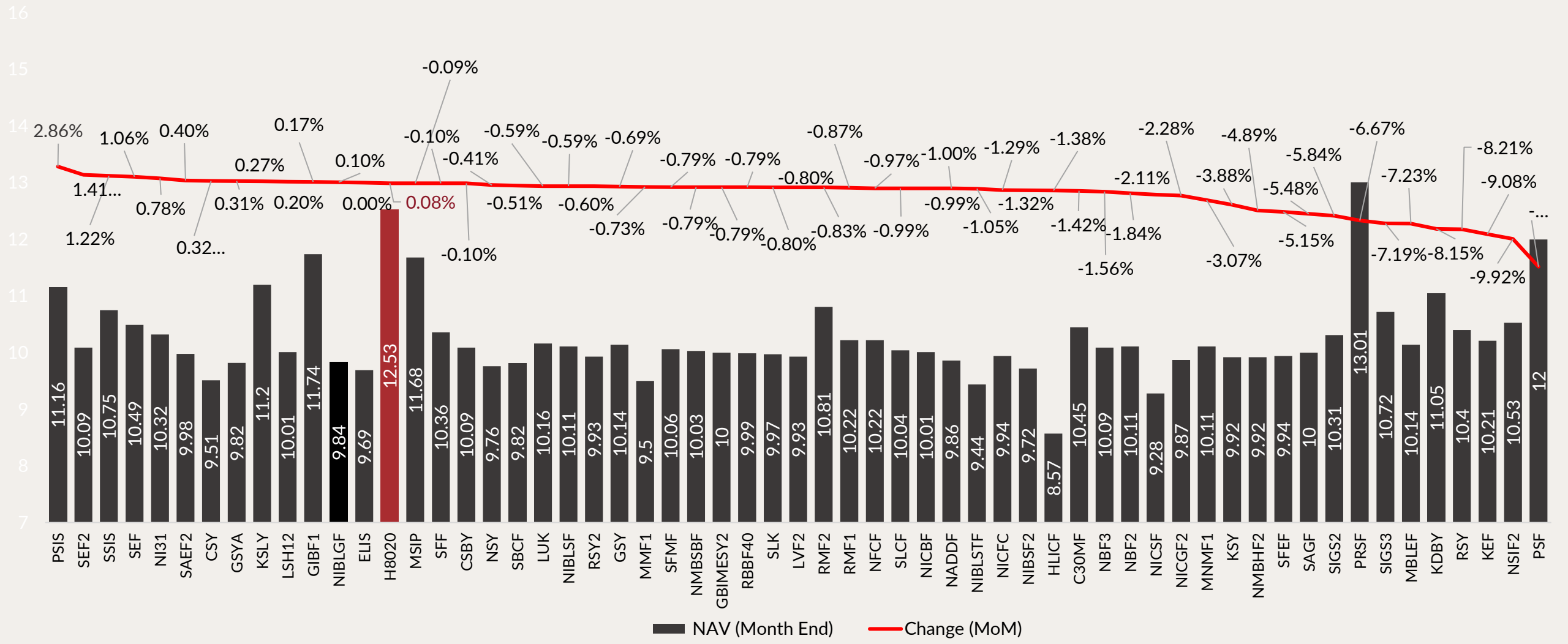
H8020 vs NEPSE vs Average NAV (YTD Performance - FY 2083/84)

YTD in FY 2083/84 (as of Bhadra end), H8020 outperformed (9.85%) both the NEPSE index (-6.53%) and the mutual fund industry average NAV (-2.76%), indicating comparatively stronger portfolio positioning than the NEPSE and the overall Mutual Fund Industry.



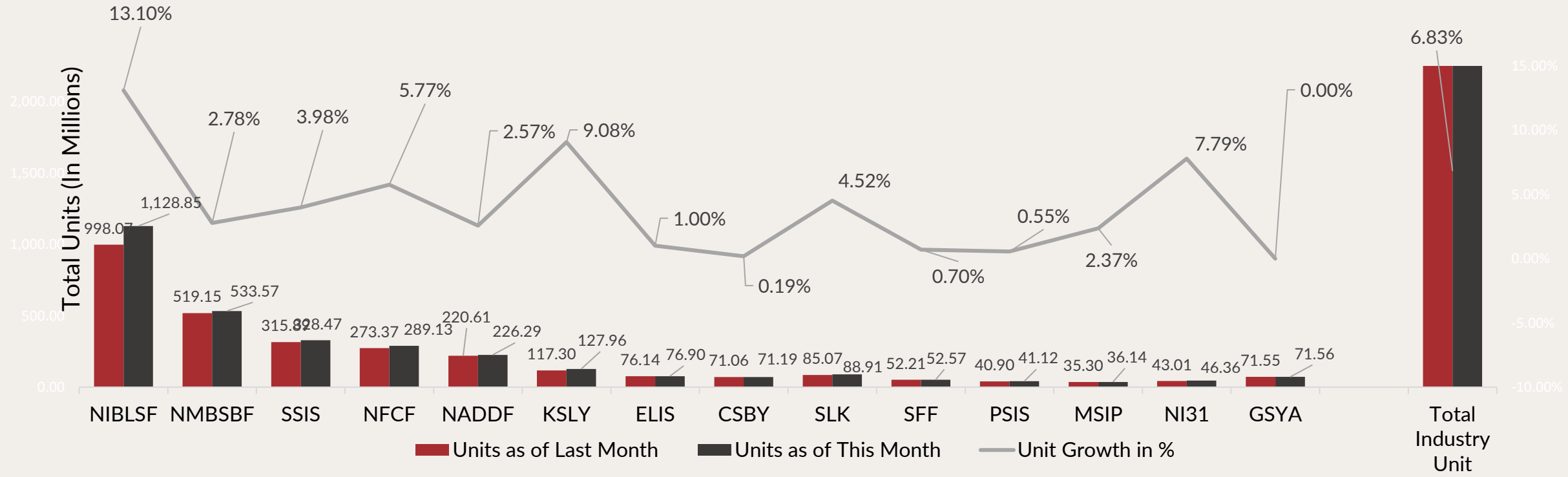
Note: NAV of all the mutual funds have been adjusted for cash dividend. For instance, if the dividend book close were in mid-Ashwin 2082, the previous NAV for Shrawan 2082 and Bhadra 2082 would be adjusted based on this formula: NAV for the previous months / (1 + Cash dividend %)

Month on Month NAV Comparison (Mutual Fund Schemes in Industry)



Open Ended Mutual Funds

Among the fourteen open ended mutual fund schemes, there was a net unit growth of 199.40 million units as of the end of Bhadra, 2083. This represents a monthly increase of 6.83.%.

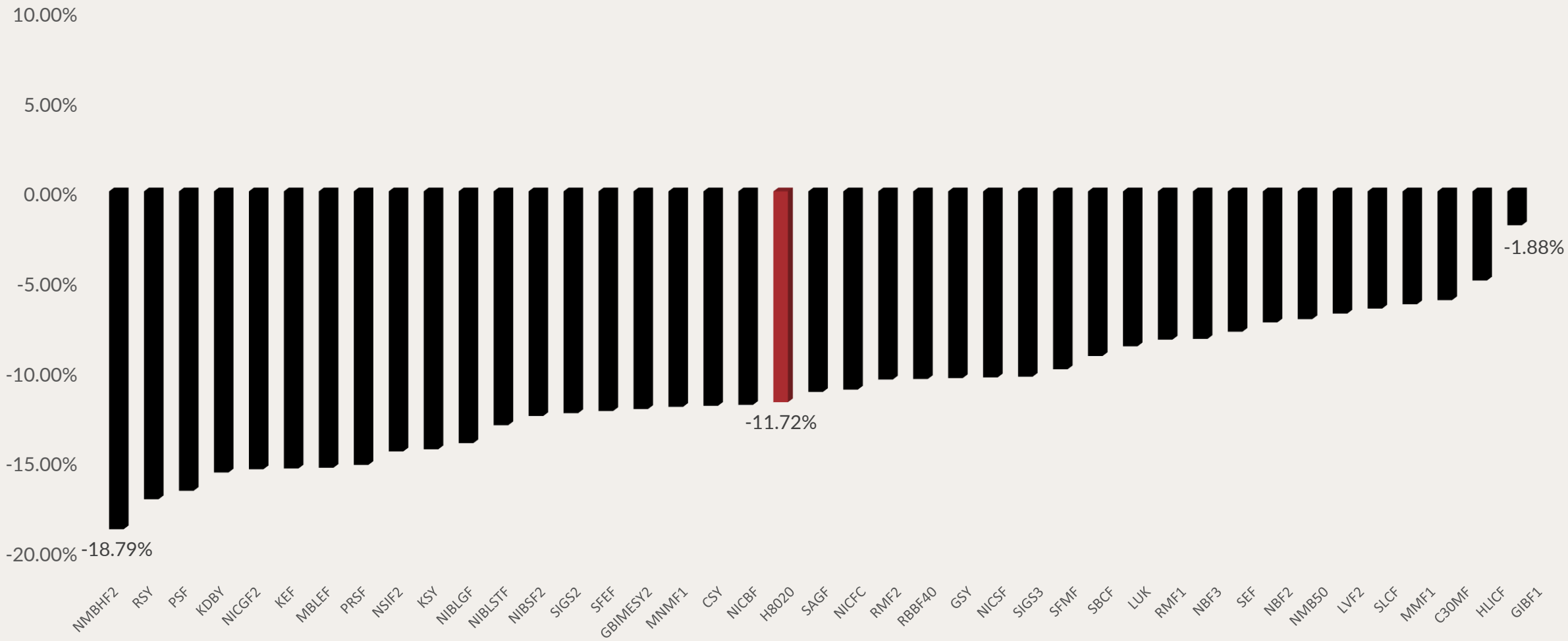


Mutual Funds (Monthly Vs 3 Month Average NAV)

Scrip	Bhadra 2083	Average (3Months)	Deviation
NMBHF2	9.92	10.28	-3.47%
NADDF	9.86	9.92	-0.60%
NMB50	0.00	6.96	-
NBF2	10.11	10.26	-1.46%
NICBF	10.01	10.08	-0.73%
NSY	9.76	9.74	0.17%
RMF1	10.22	10.27	-0.49%
NMBSBF	10.03	10.24	-2.08%
MBLEF	10.14	10.64	-4.70%
NIBSF2	9.72	9.77	-0.55%
RSY	10.40	10.96	-5.14%
NICFC	9.94	10.03	-0.93%
GIBF1	11.74	11.75	-0.06%
RMF2	10.81	10.86	-0.43%
RBBF40	9.99	10.00	-0.13%
NICSF	9.28	9.44	-1.66%
SFF	10.36	10.34	0.19%
NBF3	10.09	10.20	-1.08%
NSIF2	10.53	11.29	-6.76%
NI31	10.32	10.23	0.88%
NIBLGF	9.84	9.81	0.31%
H8020	12.53	12.48	0.40%
HLICF	8.57	8.66	-1.08%
NICGF2	9.87	10.03	-1.60%
LUK	10.16	10.19	-0.26%
SAGF	10.00	10.37	-3.60%
C30MF	10.45	10.53	-0.73%
NIBLSF	10.11	10.10	0.07%

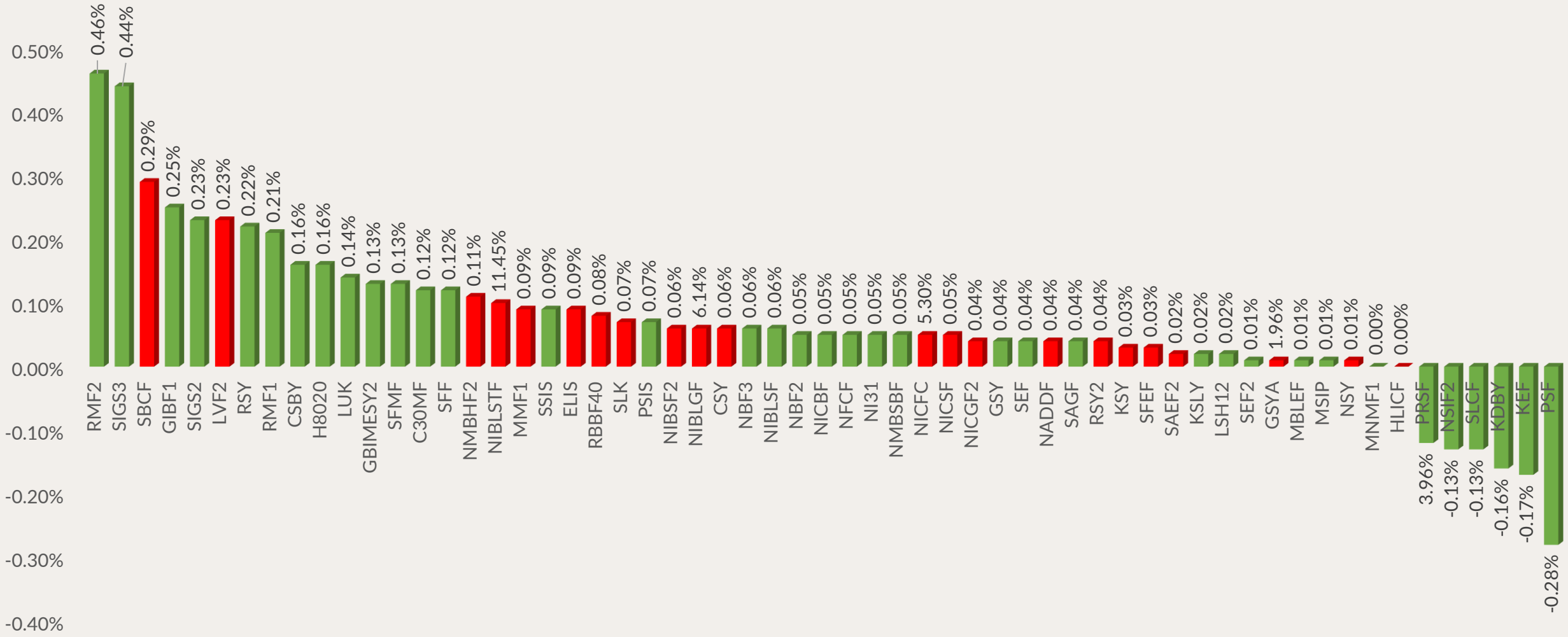
Scrip	Bhadra 2083	Average (3Months)	Deviation
GSYA	9.82	9.75	0.75%
KSY	9.92	10.18	-2.52%
SLCF	10.04	10.09	-0.46%
MMF1	9.50	9.52	-0.18%
SEF	10.49	10.41	0.77%
SBCF	9.82	9.84	-0.17%
ELIS	9.69	9.65	0.38%
MSIP	11.68	11.55	1.10%
CSBY	10.09	10.05	0.36%
PSIS	11.16	10.86	2.76%
GBIMESY2	10.00	10.00	-0.03%
SFMF	10.06	10.12	-0.59%
SFEF	9.94	10.29	-3.40%
SSIS	10.75	10.69	0.59%
NFCF	10.22	10.25	-0.29%
NIBLSTF	9.44	9.48	-0.39%
SIGS2	10.31	10.70	-3.67%
MNMF1	10.11	10.25	-1.40%
SLK	9.97	10.01	-0.37%
KSLY	11.20	11.34	-1.23%
LVF2	9.93	9.96	-0.27%
SIGS3	10.72	11.24	-4.60%
CSY	9.51	9.44	0.71%
KDBY	11.05	11.78	-6.20%
PSF	12.00	13.04	-8.00%
KEF	10.21	10.96	-6.84%
GSY	10.14	10.10	0.36%
PRSF	13.01	13.66	-4.76%

Closed-End Mutual Funds: Discount Analysis Based on NAV and Price



Note: Closed-ended mutual funds often trade at a discount due to low demand and liquidity. Many investors prefer trading stocks for higher short-term returns compared to the long-term and relatively safer nature of mutual funds. While there is some level of institutional participation, it remains limited, which affects market activity. Furthermore, a lack of widespread understanding of how the Net Asset Value (NAV) reflects the intrinsic value of mutual funds further contributes to their lower market prices.

Realized Gain of Mutual Fund Schemes (%) in FY 2083/84



Note: Mutual fund schemes with NAV ≥ NPR 10 are eligible for dividend distribution. The table shows cumulative realized gains for each scheme in FY 2083/84, which exclude expenses and all unrealized gains/losses. Schemes with NAV ≥ NPR 10 are in GREEN; those below NPR 10 are in RED. Dividends may be declared only from realized gains and/or reserves, and the final amount is determined at the discretion of the fund manager.

Risk Factors Associated with Himalayan 80-20 Operations

Market Risk	• **Price Risk**: The fund is exposed to price fluctuations in equity markets, which can impact returns. This risk is mitigated through an 80-20 portfolio strategy, combining long-term passive investments with active market-driven decisions, supported by tools like the Himalayan Equity Optimizer. • **Sector and Stock-Specific Risk**: Managed through systematic research, leveraging both fundamental and technical analysis to make informed investment decisions.
Cash Flow & Interest Rate Risk	• **Variable Interest Rate Risk**: The fund faces cash flow risk from interest rate fluctuations, which could affect returns on variable-rate instruments. • **Fixed Interest Rate Risk**: The fund also faces fair value risk due to interest rate changes that can impact the valuation of fixed-rate investments.
Liquidity Risk	• The fund may face liquidity challenges due to limited market depth or underdeveloped markets. However, it mitigates this risk by investing in listed securities and those soon to be listed on NEPSE. The Investment and Risk Management Committee monitors illiquid assets on a fortnightly basis to ensure prompt corrective actions.
Credit Risk	• Exposure to potential credit risk arises from defaults on debt securities or other receivables. This is managed through continuous monitoring of the fund's credit position daily by the back office and Scheme Manager.
Operational Risk	• Risks due to internal process failures, system issues, or external events are controlled through frequent compliance reviews and robust reconciliation systems, ensuring proper checks for all trading activities.
Default Risk	• The fund faces the risk of securities failing to meet debt obligations (interest and principal). This risk is mitigated by regularly monitoring the credit ratings of issuers and updating investment thresholds based on periodic reviews.



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