

# 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	Depository 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



# NEPSE Overview



As of the latest trading day, the NEPSE index closed at 2,838.40, up 5.37 points (+0.19%), holding slightly above the 2,800 level. The index remains in a consolidation phase after rebounding from sub-2,700 levels, sustaining above the 0.618 Fibonacci (2,815) but facing resistance near 2,900-2,910, indicating a range-bound structure with limited upside momentum. Daily turnover stood at around NPR 7.46 billion, reflecting moderate participation and reduced conviction compared to earlier rallies. The softer volume alongside stalled price movement suggests cautious sentiment, which may limit immediate breakout potential unless supported by stronger buying interest.

Momentum indicators reflect a neutral-to-mildly positive bias but continue to show signs of weakening strength. The RSI at 53.17 suggests balanced momentum, indicating neither overbought nor oversold conditions, and pointing toward a continuation of sideways movement in the near term. Meanwhile, MACD remains slightly above the signal line but is flattening, with the histogram hovering near the zero line, signaling fading bullish momentum and a transition into consolidation rather than expansion.

Looking ahead, immediate support levels are seen at 2,815 and 2,750, while resistance stands at 2,900-2,910 and 3,025. Sustained holding above 2,815 will be critical to maintain the current structure and avoid downside pressure. A decisive breakout above 2,910, supported by stronger volume, could open the path toward the 3,000-3,025 zone. On the downside, failure to hold above support may lead to a retest of the lower range near 2,750. Overall, the market outlook remains cautiously constructive, but the index requires a strong breakout with volume confirmation to signal continuation of the broader upward trend; otherwise, consolidation is likely to persist in the near term.

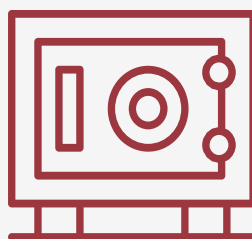


# Macroeconomic Outlook



**Inflation**

3.62% ▲



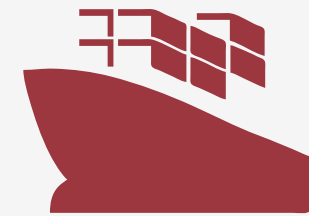
**Deposit Growth**

15.10% ▲



**Credit Growth**

6.74% ▲



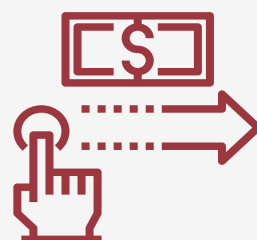
**Import Growth**

12.54% ▲



**Export Growth**

20.83% ▲



**Remittance Growth**

37.67% ▲



**FX Reserve Growth**

41.69% ▲

• Growth refers to the change between the eight 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.





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



Fund Details

Allotment Date	13-Sep-23
Maturity Date	01-Oct-33
Monthly NAV as of Falgun 2082	12.58
AUM on End of FY 81/82 in NPR	1.14 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	10.29%
NEPSE returns since FY 2081/82 End	0.92%
Adjusted Beta Since Inception (Monthly)	0.70
Standard Deviation Since Inception (Monthly)	1.32
Average Monthly Return Since Inception*	1.47%

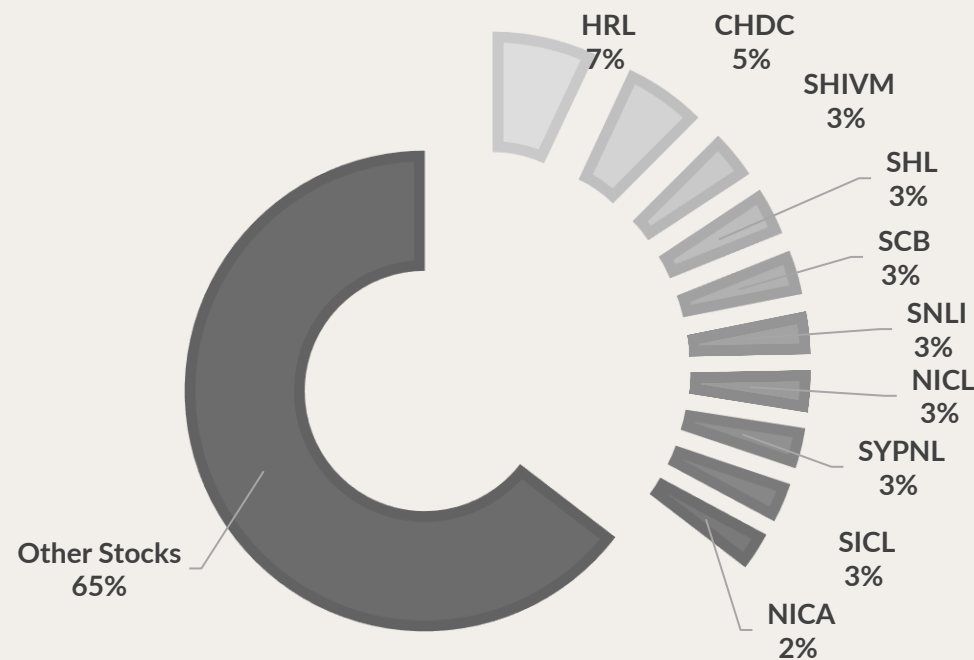
Investment Philosophy

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.

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

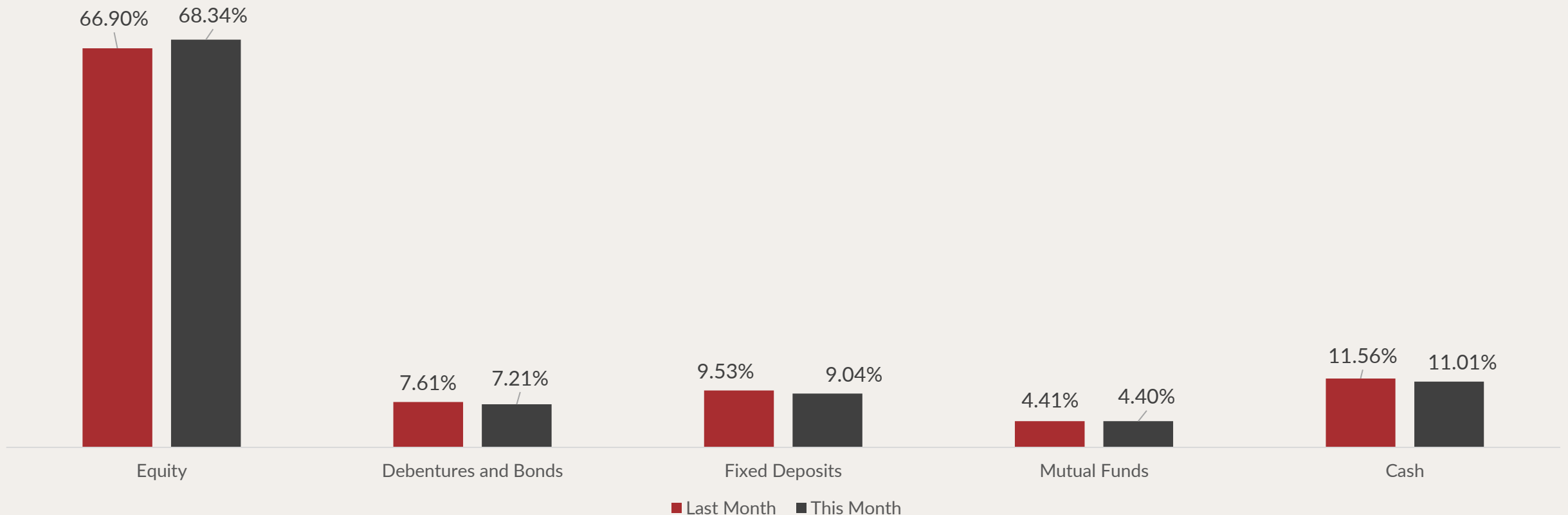
# Himalayan 80-20

Top 10 Equity Holdings

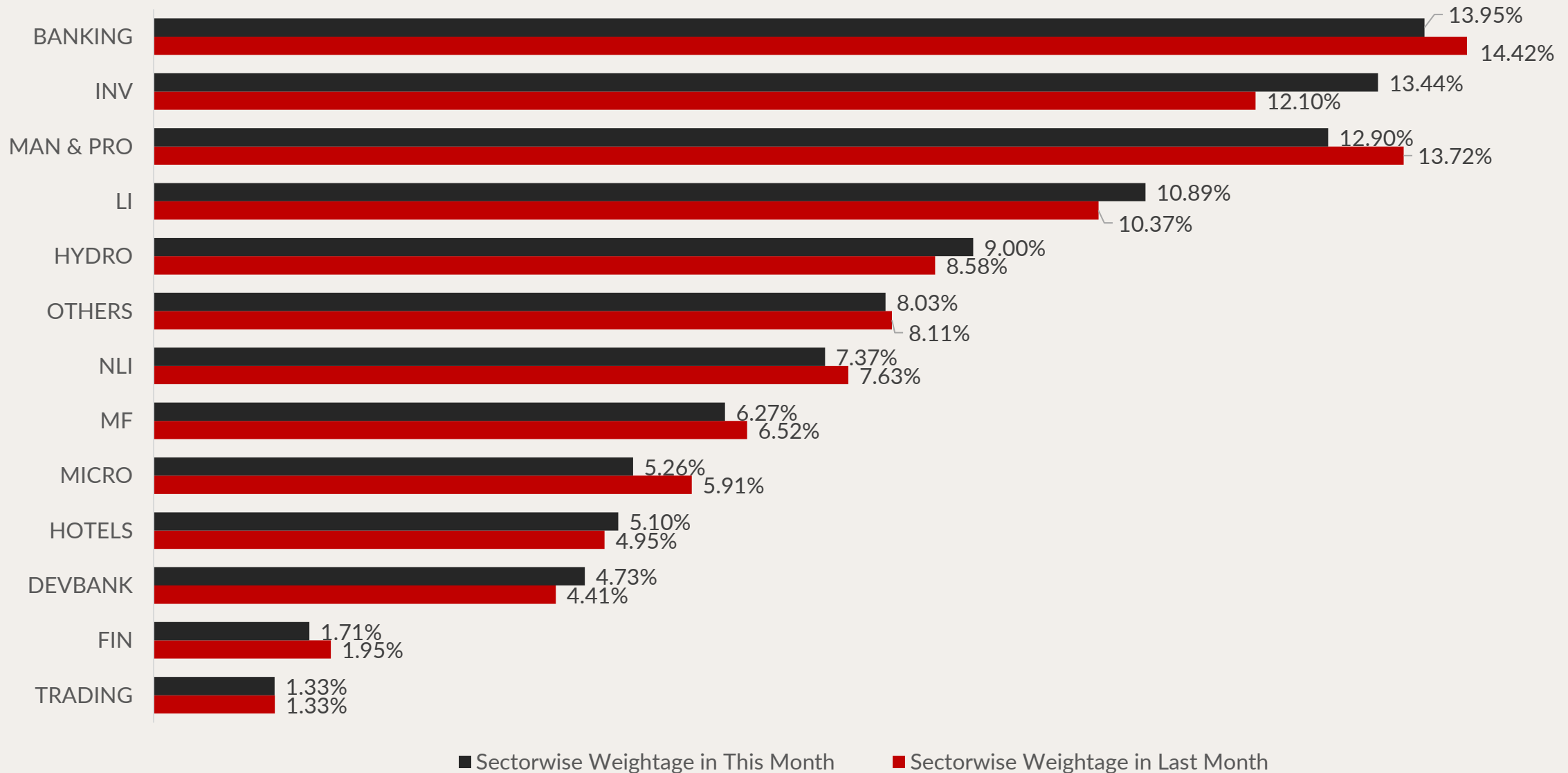


## Asset Allocation of Himalayan 80-20

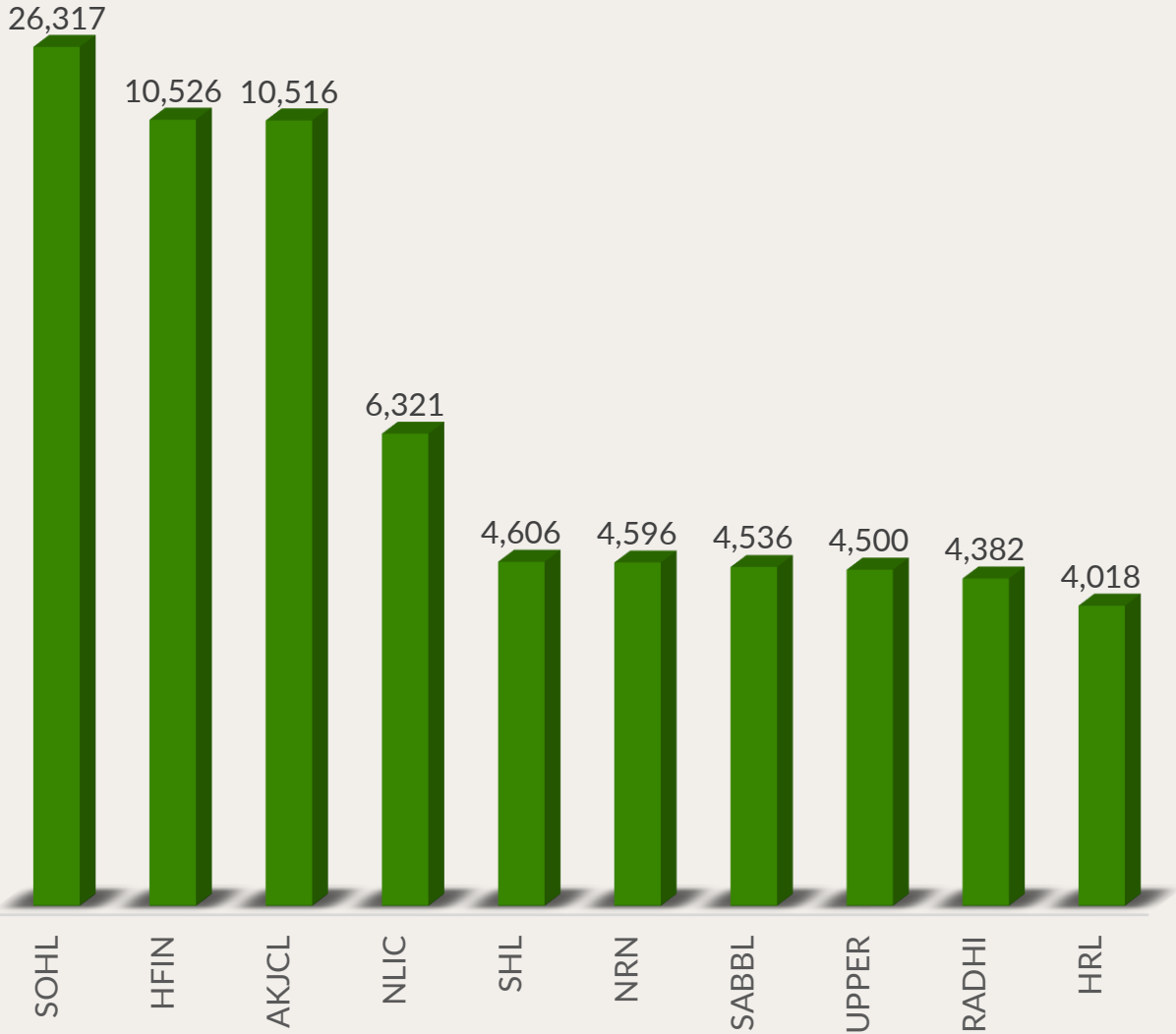
The total asset value of the H8020 Mutual Fund Scheme increased from NPR 1.22 billion in Magh to NPR 1.29 billion in Falgun, supported by a short-term improvement in market conditions. During the period, equity exposure rose from 65.90% to 68.34%, driven by an increase in investments in listed and non-listed shares from NPR 807.31 million to NPR 869.63 million, reflecting the impact of improved market performance and the addition of newly listed stocks to the exchange. Meanwhile, the proportion of debentures, bonds, and other fixed-income instruments declined marginally, primarily due to the expansion of the overall asset base rather than any reduction in absolute holdings. Overall, the portfolio reflects a measured tilt toward equities while maintaining diversified exposure to fixed-income assets for prudent risk management.



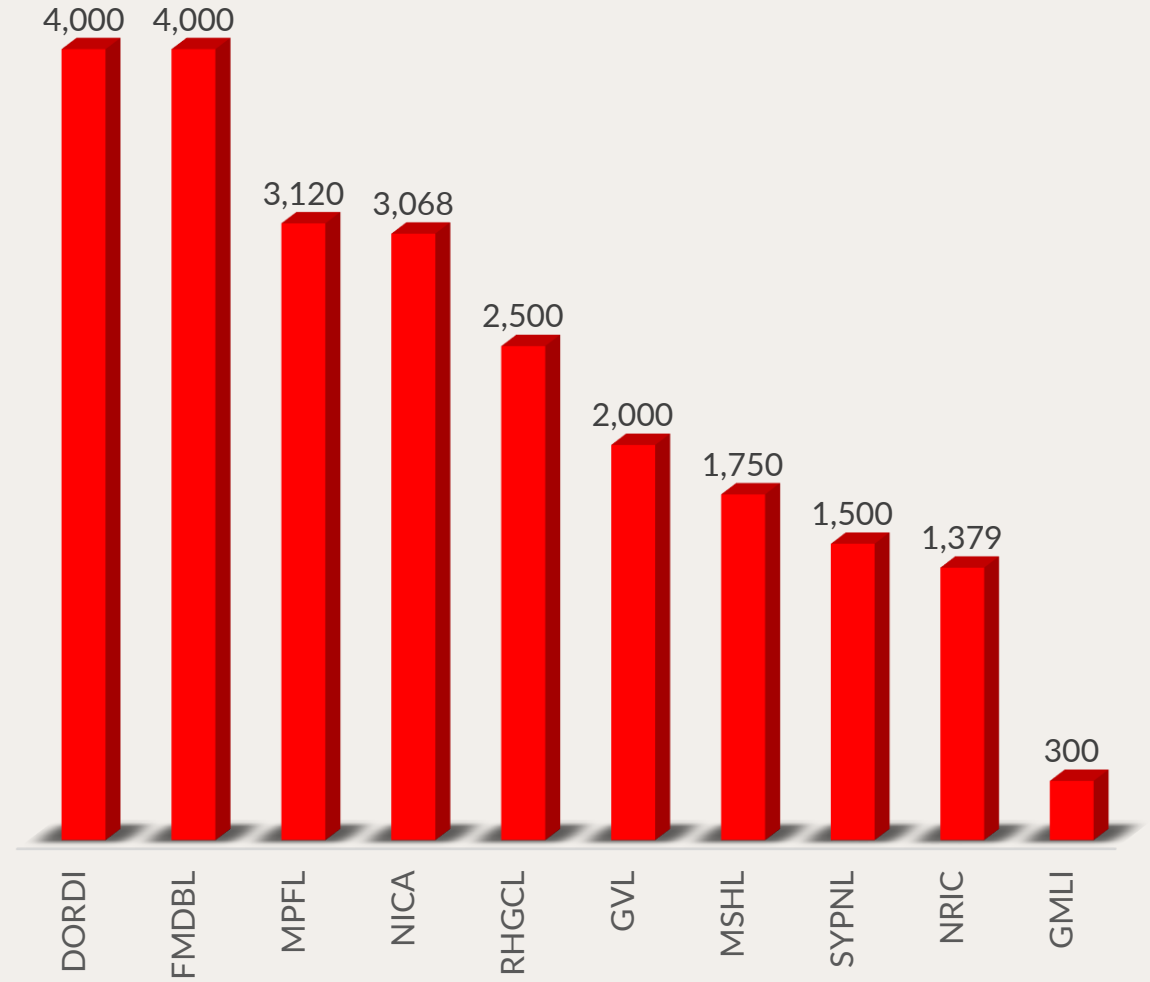
# Sector wise Allocation of Equities by Himalayan 80-20



### 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

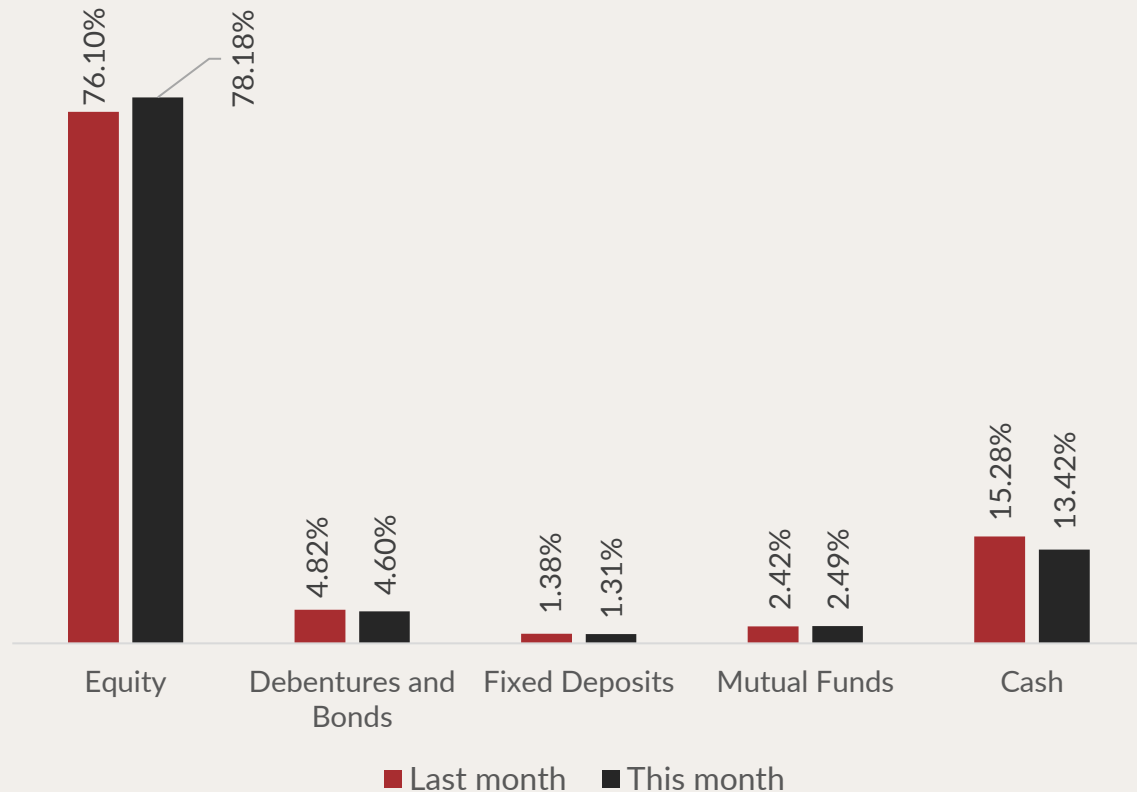


# Asset Allocation Comparison: H8020 and Industry Average

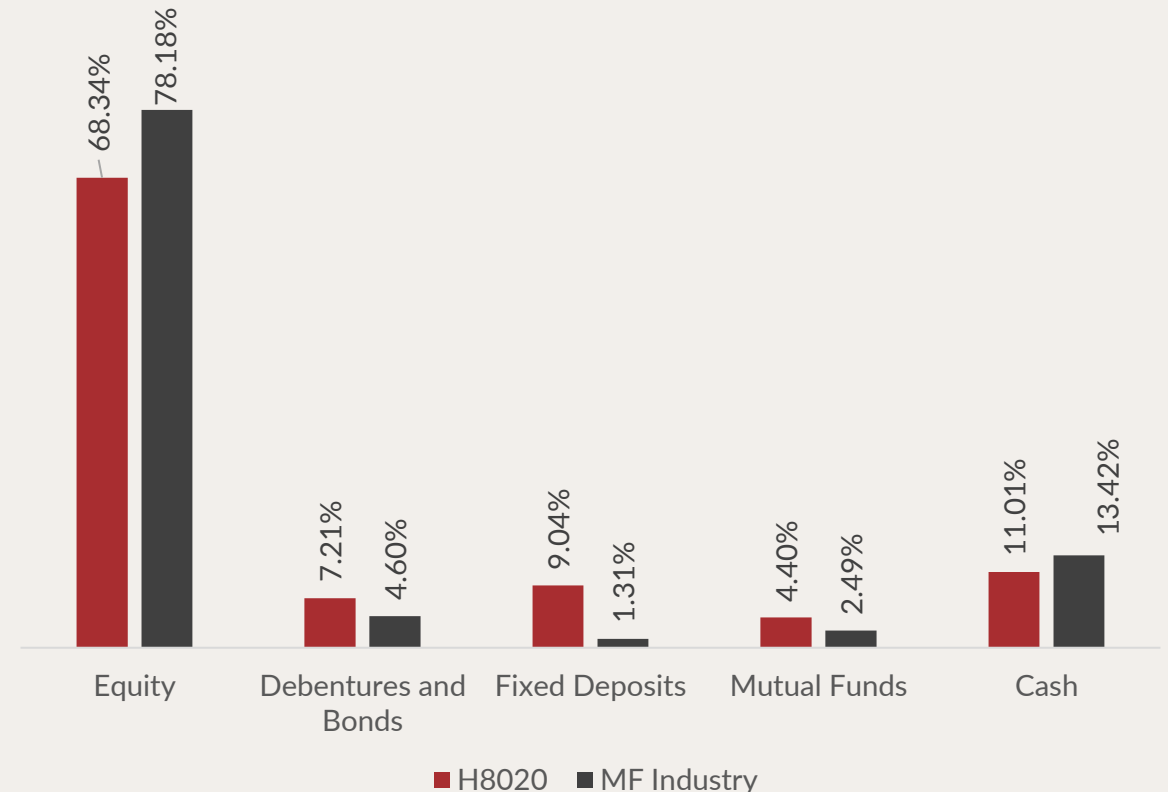
Between Magh and Falgun, 2082, mutual fund Industry recorded a moderate expansion in total assets. Equity exposure increased from 76.10% to 78.18%, largely supported by improved market conditions and incremental participation in equities. Debentures and bonds edged down from 4.82% to 4.60% despite a slight increase in absolute investment, reflecting dilution from asset growth. Fixed income remained stable at 1.31% (from 1.38%), and bank balances fell to 13.42% from 15.28%, though still relatively elevated. Overall, the industry shows a cautious tilt toward equities while maintaining adequate liquidity and diversification.

H8020 is positioned more conservatively than the overall mutual fund industry. While the industry holds a higher allocation to equities, H8020 keeps a lower share in stocks. Instead, it allocates more to fixed deposits and debentures/bonds, which are generally steadier and offer more predictable interest income. H8020 also maintains slightly less cash than the industry. 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

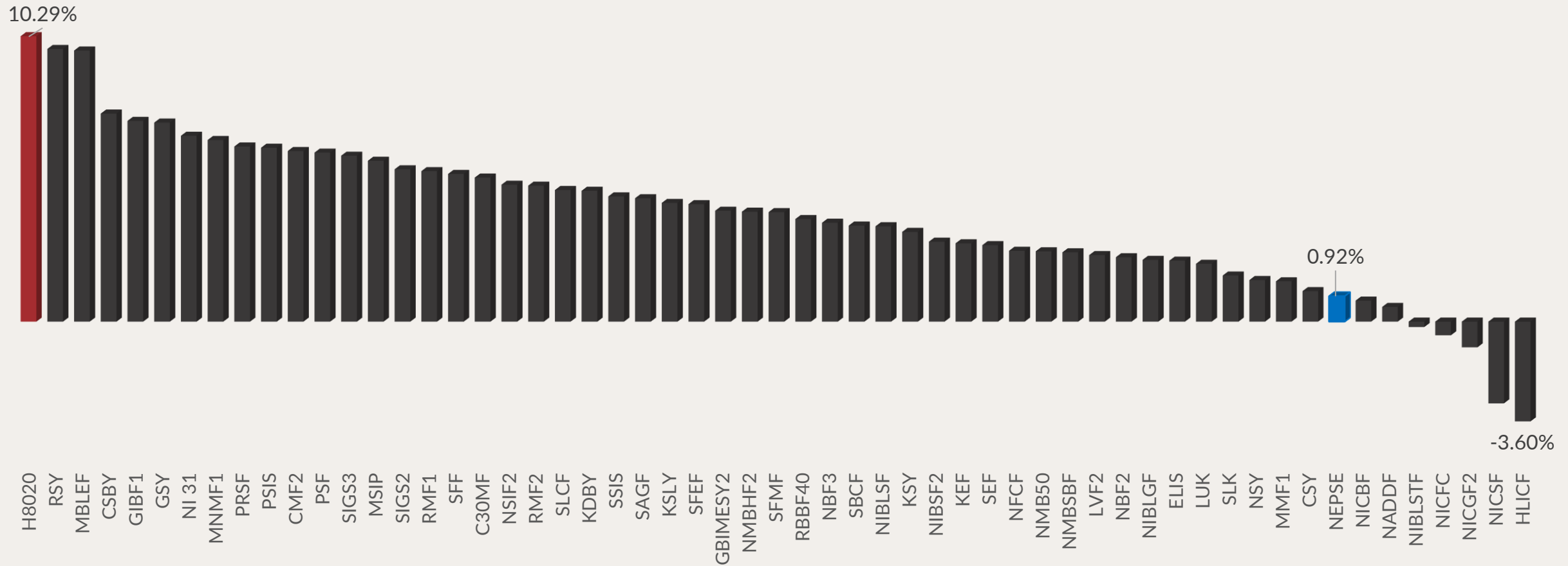


### H8020 vs Mutual Fund Industry



# Schemes Return Vs NEPSE Return (FY 82/83)

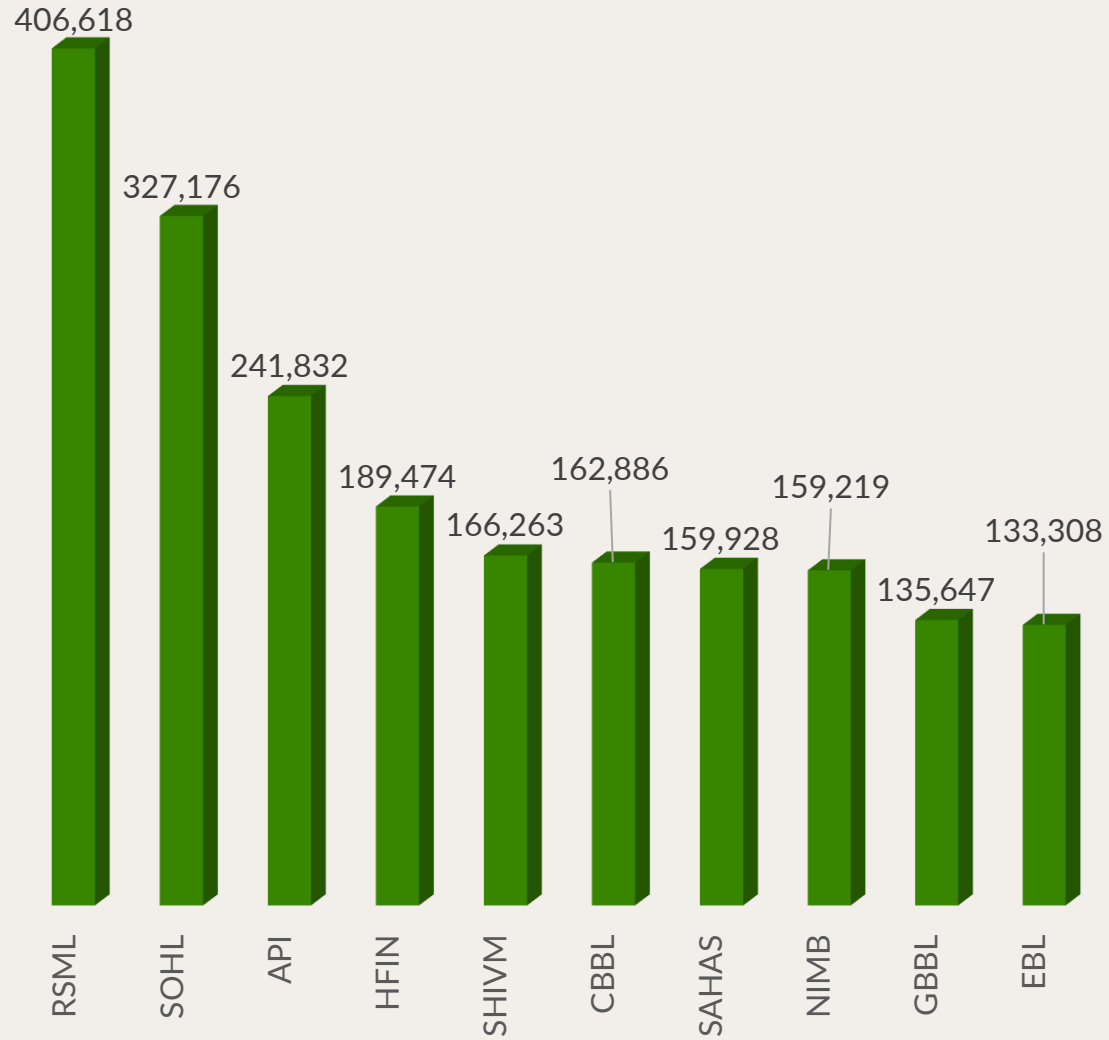
As of the end of Falgun, 2082 (eight months of FY 2082/83), only five schemes have posted negative year-to-date returns. H8020 is the top performer with a 10.29% gain. In contrast, the NEPSE Index has increased by 0.92%, and the HLICF scheme posted a -3.60% return, which is the least in the industry.



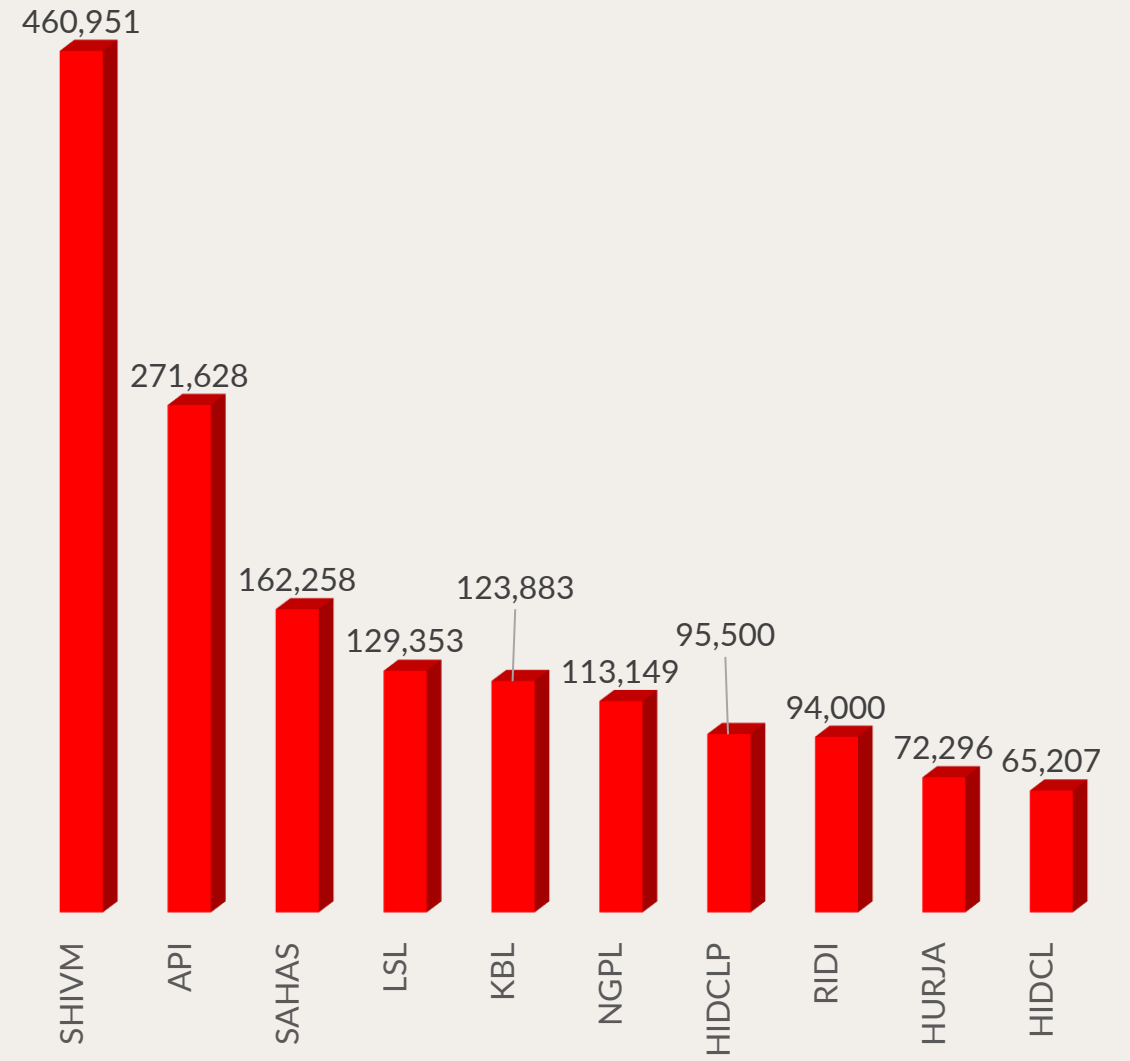
The returns have been adjusted to reflect the cash dividends provided. For new funds, YTD is calculated using NPR 10 as the starting value due to no Ashad-end NAV



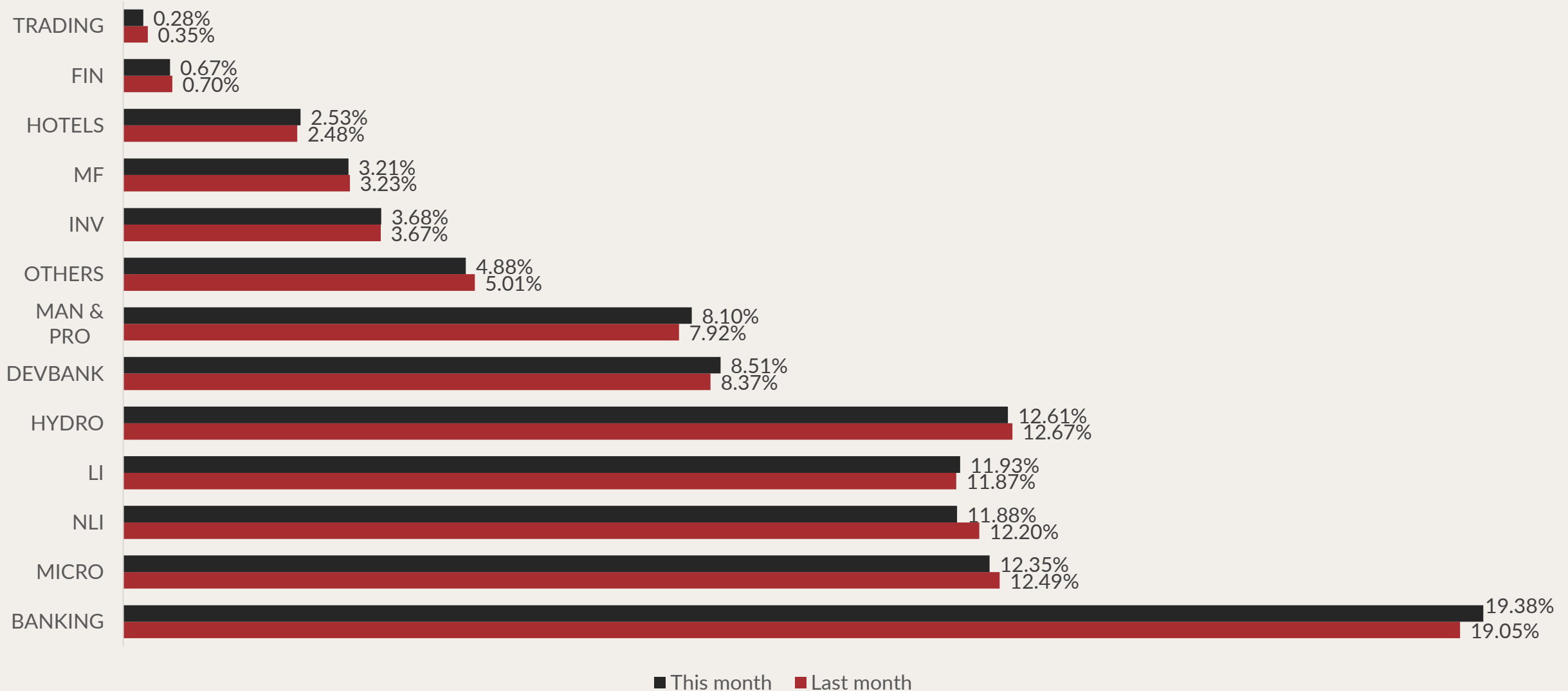
### Mutual Fund Industry: Top 10 Equity Net Purchase (Units)



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

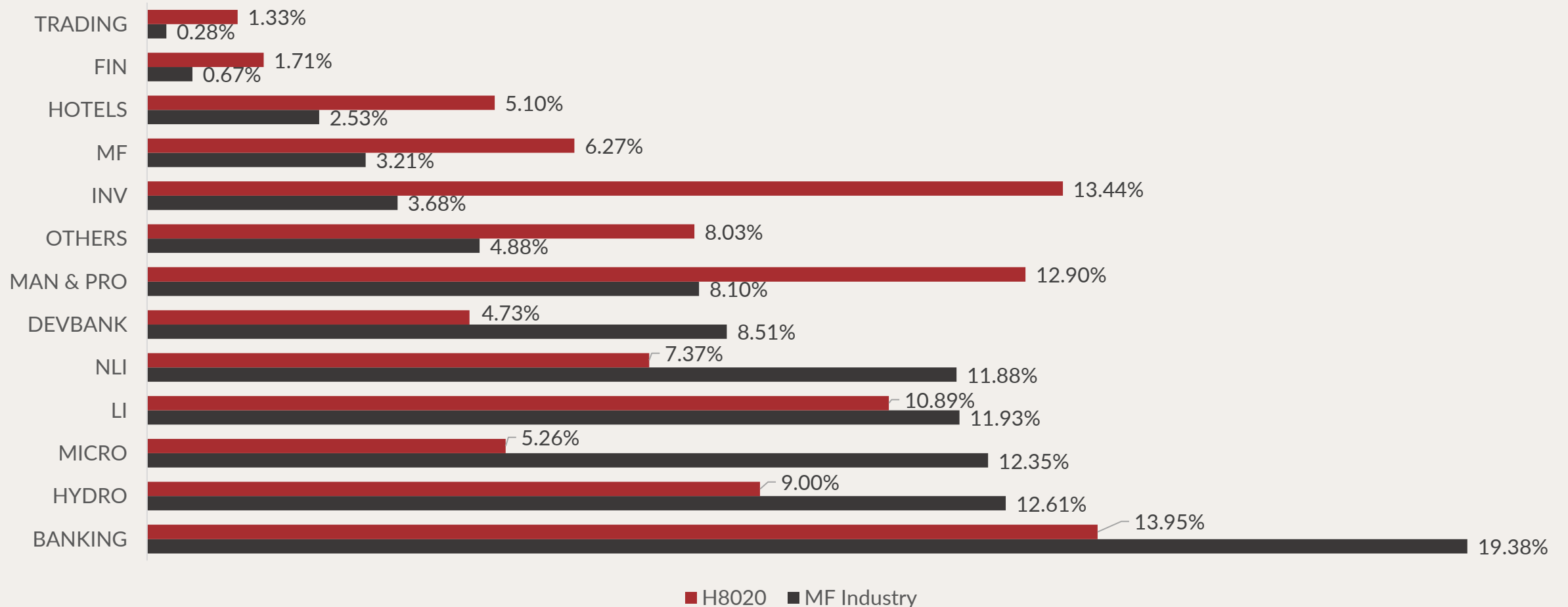


# Sector-wise Weightage of Equity in Mutual Fund Industry (Last Vs This Month)



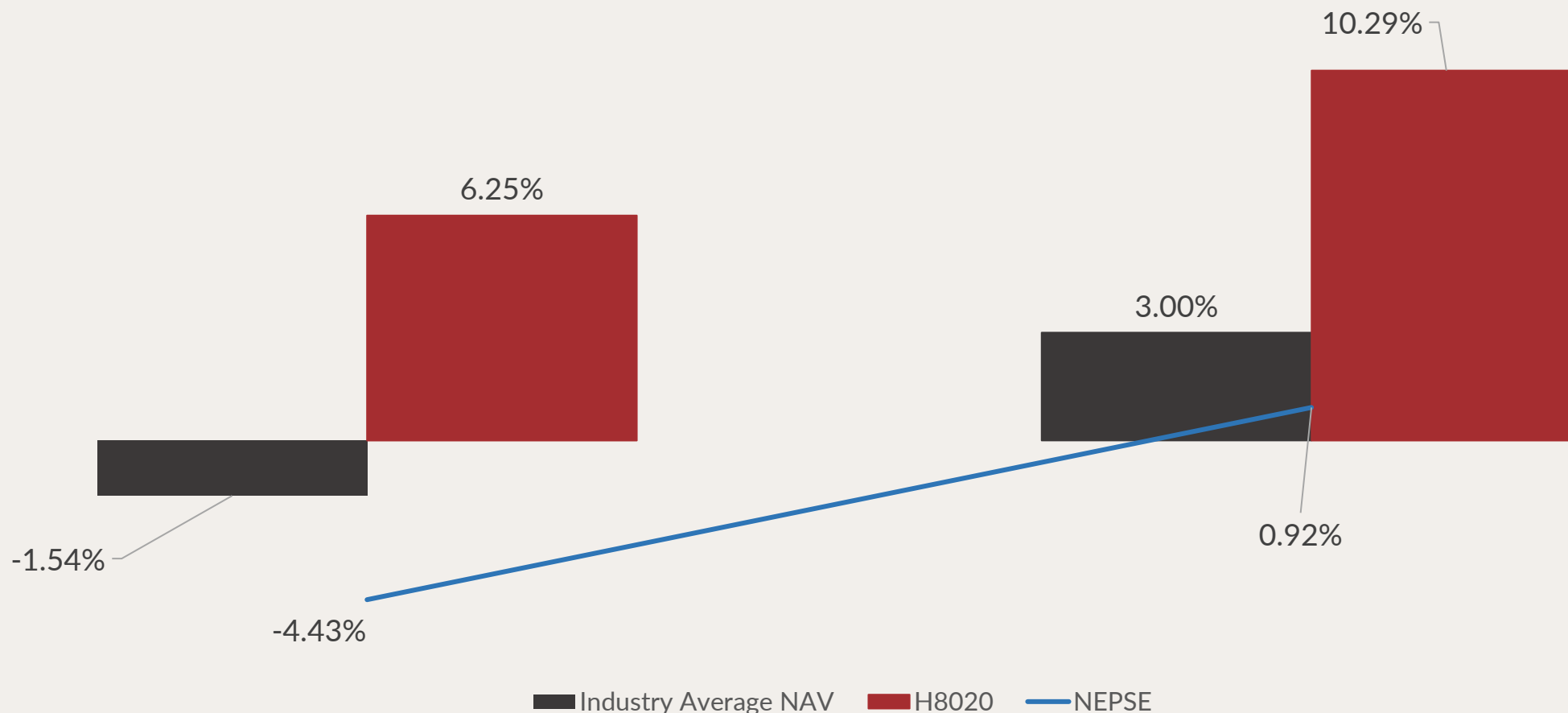
# Sector Wise Weightage Comparison of Mutual Fund Industry and H8020

Compared with the overall mutual fund industry, H8020 has a more selective sector mix. The scheme allocates more to Investment companies, Hotels, Manufacturing & Processing, Mutual Funds, Others, Trading, and Finance areas that can deliver higher upside in a market rebound but may also bring higher short-term volatility. It is relatively lighter in Banking, Hydropower, Development Banks, Microfinance, and Life/Non-life Insurance, which are typically the industry's core holdings. Overall, this reflects a differentiated strategy that can add value if the preferred sectors perform, but it also means its return may differ more noticeably from the overall mutual fund industry.



# H8020 vs NEPSE vs Average NAV (YTD Performance - FY 2082/83)

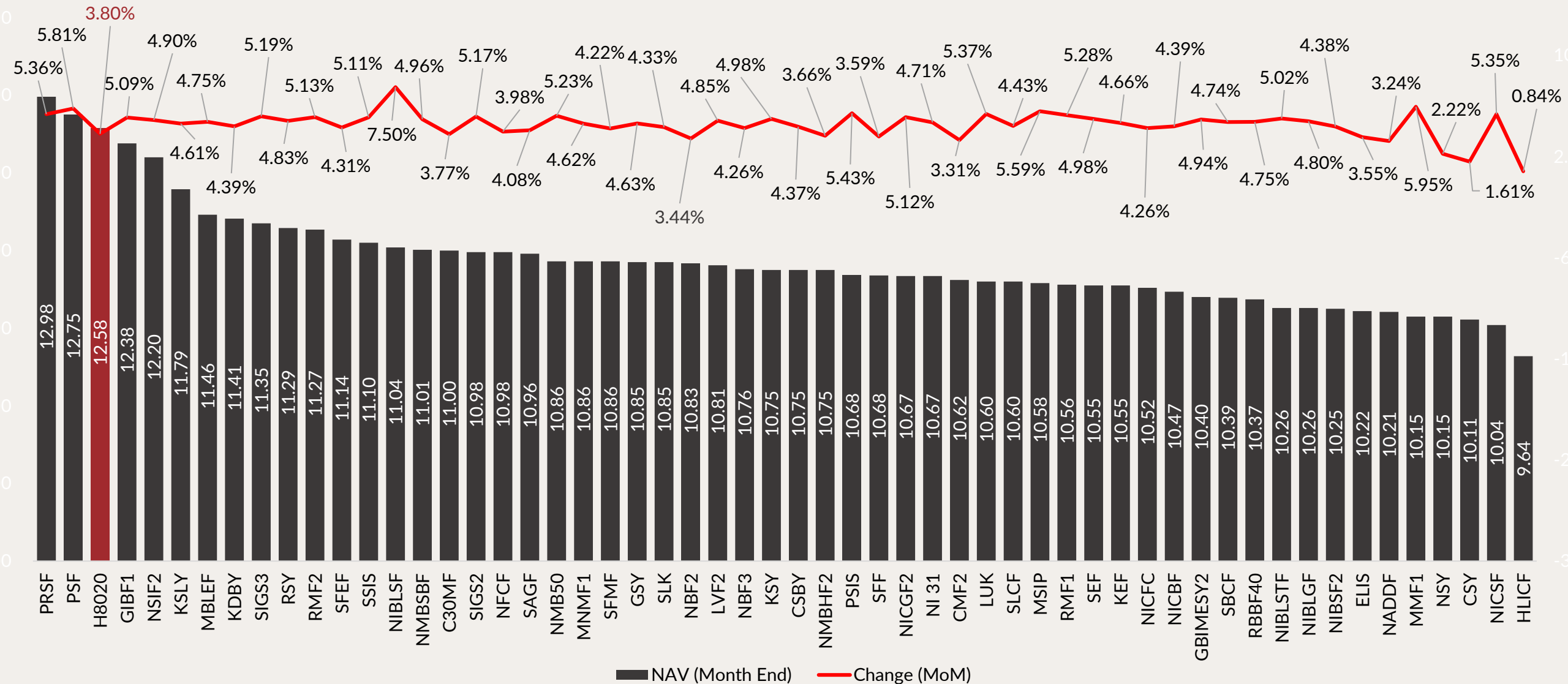
YTD in FY 2082/83 (as of Falgun end), H8020 outperformed (10.29%) both the NEPSE index (0.92%) and the mutual fund industry average NAV (6.25%), indicating comparatively stronger portfolio positioning than the NEPSE and Overall Mutual Fund Industry.



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:  $NAV \text{ for the previous months} / (1 + \text{Cash dividend } \%)$

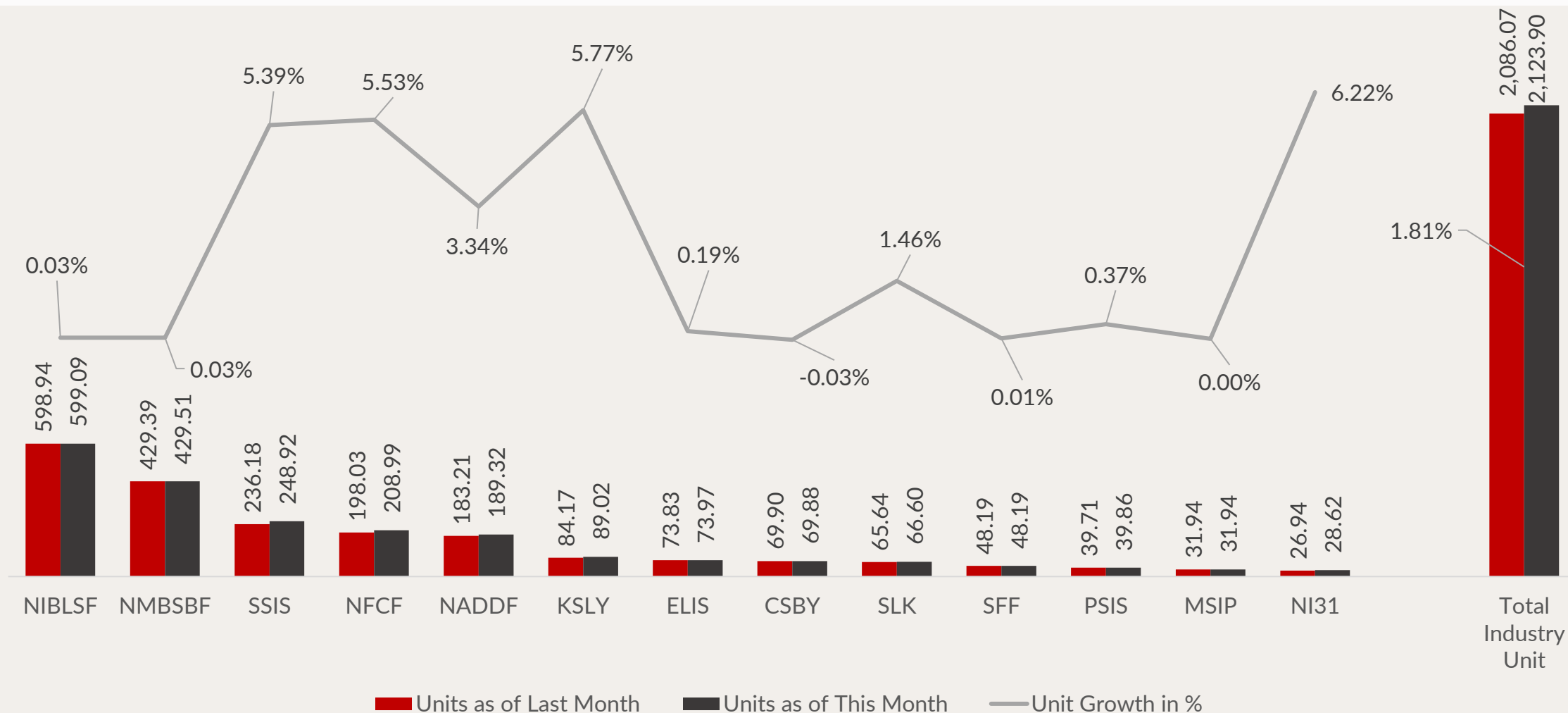


# Month on Month NAV Comparison (Mutual Fund Schemes in Industry)



# Open Ended Mutual Funds

Among the thirteen open ended mutual fund schemes, there was a net unit growth of 35.05 millions units as of the end of Falgun, 2082. This represents a monthly increase of 1.81%.



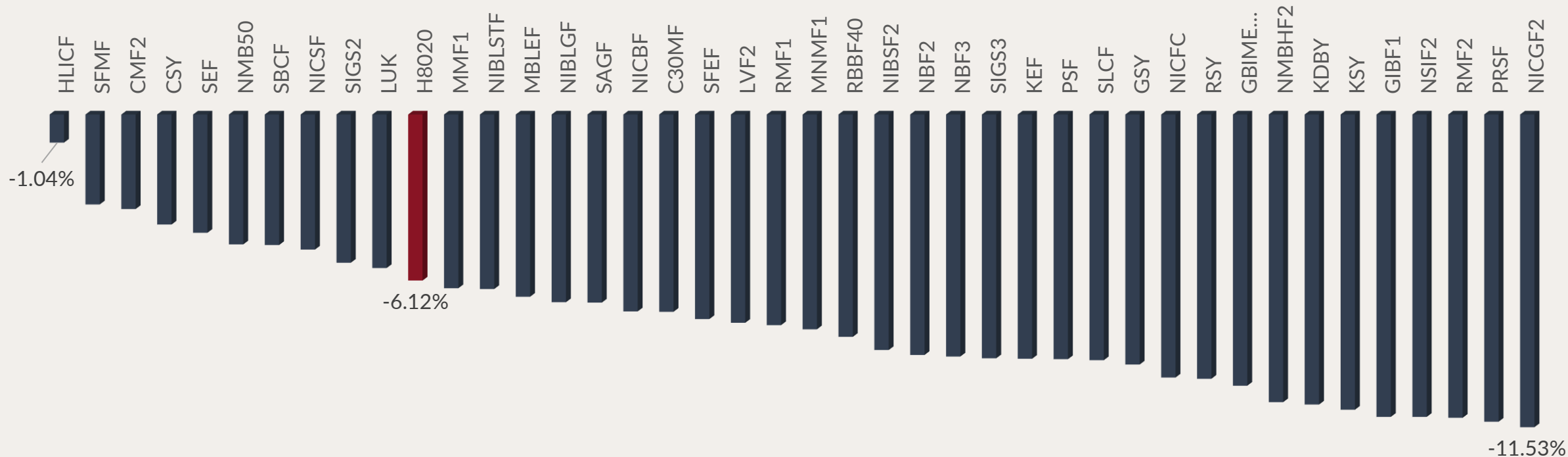
## Mutual Funds (Monthly Vs 3 Month Average NAV)

Scrip	Falgun, 2082	Average (3Months)	Deviation
NIBLSF	11.04	10.53	4.88%
MMF1	10.15	9.76	4.00%
GSY	10.85	10.44	3.93%
PSF	12.75	12.28	3.86%
MSIP	10.58	10.20	3.76%
PSIS	10.68	10.30	3.66%
GIBF1	12.38	11.95	3.63%
LUK	10.6	10.23	3.62%
PRSF	12.98	12.53	3.59%
GBIMESY2	10.4	10.04	3.55%
RSY	11.29	10.90	3.55%
MNMF1	10.86	10.49	3.53%
RMF1	10.56	10.20	3.50%
SIGS2	10.98	10.61	3.49%
NICSF	10.04	9.70	3.47%
CSBY	10.75	10.39	3.46%
SIGS3	11.35	10.97	3.46%
NMB50	10.86	10.50	3.46%
MBLEF	11.46	11.08	3.46%
NI 31	10.67	10.31	3.46%
SSIS	11.1	10.73	3.45%
LVF2	10.81	10.45	3.41%
RMF2	11.27	10.90	3.39%
NICGF2	10.67	10.32	3.39%
SBCF	10.39	10.05	3.38%
SEF	10.55	10.21	3.36%
NIBLSTF	10.26	9.93	3.36%
SFEF	11.14	10.79	3.28%

Scrip	Falgun, 2082	Average (3Months)	Deviation
NIBLGF	10.26	9.94	3.22%
NSIF2	12.2	11.82	3.21%
KSY	10.75	10.42	3.20%
NBF3	10.76	10.43	3.20%
NMBSBF	11.01	10.67	3.19%
SFMF	10.86	10.53	3.17%
H8020	12.58	12.20	3.11%
NFCF	10.98	10.65	3.10%
KSLY	11.79	11.44	3.09%
KEF	10.55	10.24	3.06%
NICFC	10.52	10.21	3.04%
NIBSF2	10.25	9.95	3.02%
SLCF	10.6	10.29	3.01%
SLK	10.85	10.54	2.97%
CMF2	10.62	10.31	2.97%
C30MF	11	10.69	2.90%
RBBF40	10.37	10.08	2.88%
NICBF	10.47	10.18	2.85%
SAGF	10.96	10.66	2.85%
KDBY	11.41	11.10	2.82%
SFF	10.68	10.42	2.46%
NMBHF2	10.75	10.49	2.45%
NBF2	10.83	10.57	2.43%
ELIS	10.22	9.99	2.34%
NADDF	10.21	9.98	2.27%
NSY	10.15	10.04	1.10%
CSY	10.11	10.06	0.50%
HLICF	9.64	9.61	0.28%



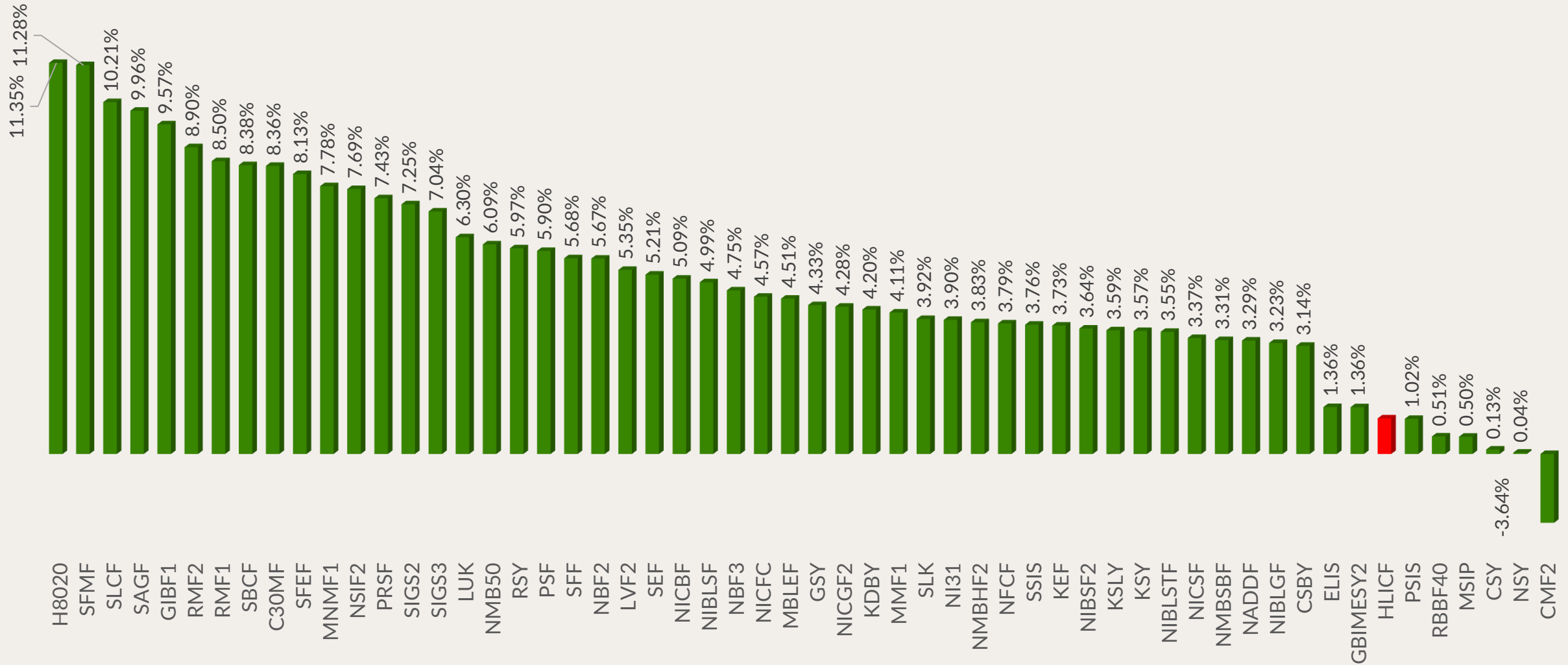
# Closed-End Mutual Funds: Discount Analysis Based on NAV and Price



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 2082/83



Note: Mutual fund schemes with NAV ≥ NPR 10 are eligible for dividend distribution. The table shows cumulative realized gains for each scheme in FY 2082/83, 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.



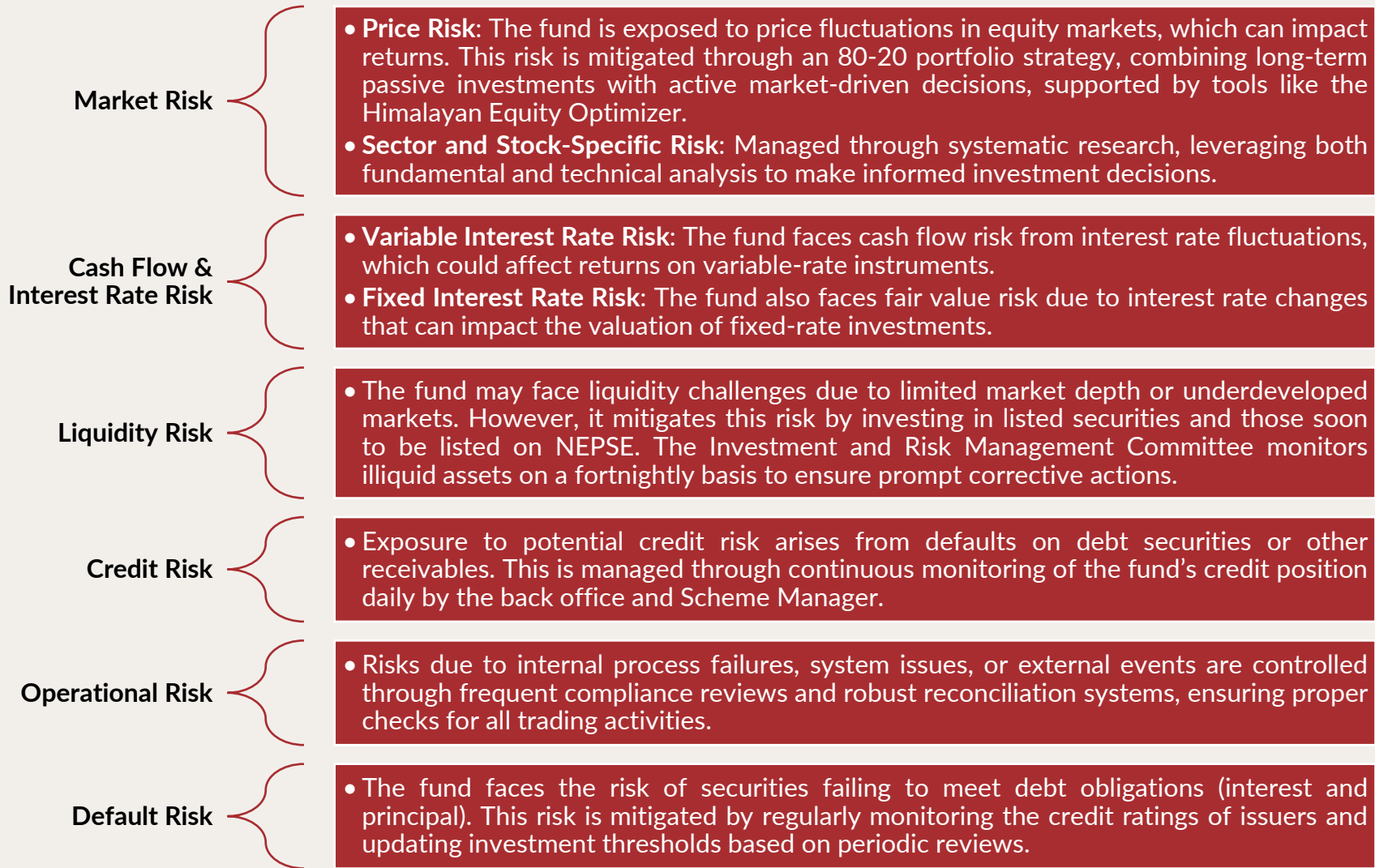
## Rationale for: Top 5 Equity Purchase (Units) of H8020

SCRIP	Net Purchase Quantity	Rationale
SOHL	26,317	MF reserved quota share listed
HFIN	10,526	MF reserved quota share listed
AKJCL	10,516	Good technical setup supported by volume
NLIC	6,321	Market leader in Life segment with massive investment size backed by good technical setup
SHL	4,606	Asset-backed hotel with multiple revenue stream; rapid expansion within and outside the country

## Rationale for: Top 5 Equity Sales (Units) of H8020

SCRIP	Net Sale Quantity	Rationale
DORDI	4,000	Profit/ Loss Booking
FMDBL	4,000	Profit/ Loss Booking
MPFL	3,120	Profit/ Loss Booking
NICA	3,068	Profit/ Loss Booking
RHGCL	2,500	Profit/ Loss Booking

# Risk Factors Associated with Himalayan 80-20 Operations



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