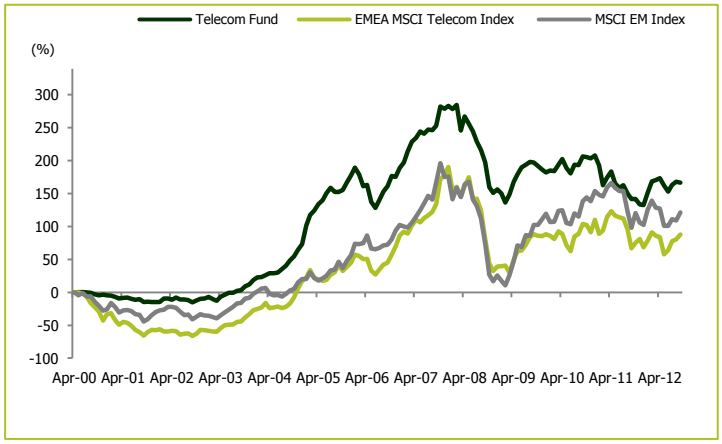
The EFG-Hermes Middle East & Africa Telecom Fund
September 2012

Fund Manager's Strategy & Outlook

September witnessed the EFG-Hermes Telecom Fund edge lower by 0.5% to bring its YTD returns to 14.7%. This compares to a 10.8% and 7.1% YTD return for the MSCI EMEA Telecom Services and S&P Pan Arabia LargeMidcap NTR indices respectively. Despite significant central bank intervention in both Europe and the United States, markets within our investable universe tapered off towards the end of the month as investors elected to lock in gains accumulated during the past 10 weeks. Macroeconomic data remains mixed, with European numbers reflecting the slowdown while American indicators are beginning to show signs of life.

During the month, the fund's positions in Orascom Telecom (OTH) and Emirates Integrated Telecom Company (Du) contributed the bulk of positive returns. In Egypt, OT continued to benefit from that market's robust YTD performance. Although there has been no progress in the company's ongoing dispute with the Algerian government, investors have been focusing on the company's impressive operational performance. In the UAE, the flourishing local economy continues to gather pace, boosted by higher YoY tourist arrivals and a rebounding real estate market. Du continues to provide excellent exposure to this rebound at an attractive valuation with significant scope for re-rating.

With the markets' continued volatility, the investment manager will be adding new positions over the coming weeks in an effort to increase diversification and broaden the fund's geographic exposure. Potential investments in Turkey, Morocco and Saudi Arabia will be evaluated. As always, our focus will be on achieving long term capital appreciation through investments in companies offering growth at cheap valuations.



* Line Graph is as of September 2012.

EFG-Hermes Asset Management

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Objective

Long-term capital appreciation through investing in listed and unlisted equities and equity-related securities of telecommunications, media, entertainment, information technology, internet and e-commerce companies and related infrastructure companies established or operating in the Middle East and Africa.

Fund Performance

Returns	Telecom Fund
Month to Date*	-0.5%
Year to Date	14.7%
2011	-24.5%
2010	9.2%
2009	9.9%
2008	-33.1%
2007	32.5%
2006	4.0%
2005	60.6%

Returns	Telecom Fund
1 year	10.3%
3 year	-10.3%
5 year	-24.4%
Since Inception	166.7%

* MTD figures reflect performance between August 30th, 2012 and September 27th, 2012.

Fund Characteristics

No. of Holdings	9
Wtd. Market Cap	USD 6.4 billion
Dividend Yield*	17.8%
P/E Ratio 12	10.1x

*Figure reflects the weighted average yield of a dividend-bearing security in the fund

Fund Metrics*

Beta	0.3
Annualized Standard Deviation	14.1%
Annualized Information Ratio	13.7%

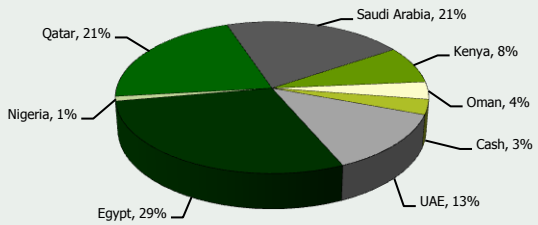
*Calculated vs. MSCI EMEA Telecom Index since Fund inception in April 2000

Top Five Equity Holdings

Holding	Country*	% of NAV
Qatar Telecom	Qatar	17.5%
Etihad Etisalat	Saudi Arabia	16.9%
Orascom Telecom	Egypt	14.4%
Emirates Integrated Telecomm	UAE	10.3%
Access Kenya	Kenya	6.4%

* Country assigned by primary listing

Allocation by Country



Fund Data

NAV per share	USD 26.67
No. of Share Certificates	667,922
Launch Date	April 2000
Management Fee	1.75%
Incentive Fee	15%
Benchmark	10% with a high watermark
Expense Ratio	2.3%
Minimum Subscription	USD 10,000
Subscription / Redemption	Monthly

Fund Identifiers

ISIN	BMG294021073
Bloomberg Ticker	EFGHTEL BH

This update does not constitute an offer of shares and should not be relied upon by any person acquiring or otherwise dealing in shares of the company. Subscription of shares in the company may only currently be made on the terms of the Placing Memorandum of the company. It should be noted that investment in the fund is only suitable for sophisticated investors who are aware of the risks of investing in The EFG-Hermes Telecom Fund Limited and should be regarded as long term. Please remember that past performance is not necessarily a guide to the future. Market and currency movements may cause the value of shares and the income from them to fluctuate and you may get back less than you invested when you decide to sell your share.