The EFG-Hermes Middle East & Africa Telecom Fund
March 2013

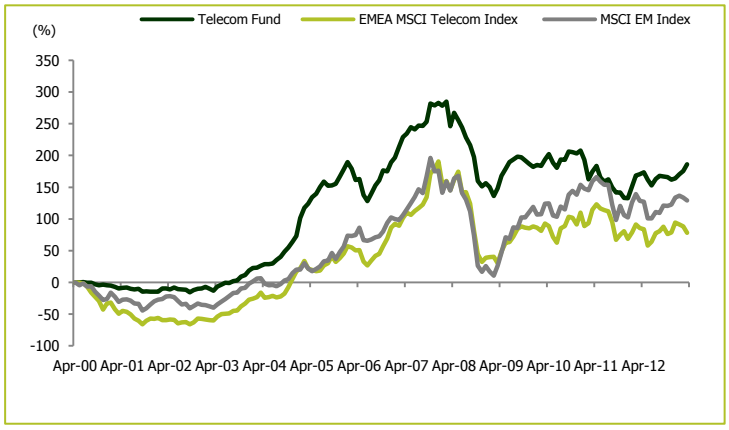
Fund Manager's Strategy & Outlook

The EFG-Hermes Telecom Fund gained 3.9% during March to bring its YTD return to 8.4%. This compares to an 8.3% decline and a 5.1% gain for the MSCI EMEA Telecom Services and S&P PanArabia LargeMidcap indices respectively. Markets continued their positive trajectory during the month as improving macroeconomic indicators and low yields on fixed income instruments increased the allure of equities. Markets in our investable universe continue to track the rise in developed markets and outpace emerging market peers. During the month, holdings in Kenya, Saudi Arabia and Oman provided the bulk of returns.

Access Kenya, the country's largest independent data provider, stole the limelight for a 3rd month running. The stock added 36.2% during the month to bring its YTD return to a whopping 101.3%. The company's shares were lifted after the strong FY 2012 results which we discussed last month. Furthermore, management indicated on a recent conference call, that they would be sellers at the right price and that the current share price still undervalued the company. Even with spectacular gains YTD, we tend to agree with management, as the company still trades at around 9x forward earnings.

In Saudi Arabia, top holding Etihad Etisalat (Mobily) shares added 9.4% to bring its YTD total return to 19.8%. The Kingdom's premiere telecom operator continued to attract new money as its growth prospects and valuation continue to stand out. Nawras, Oman's second largest mobile operator, gained 7% during the month, bringing its YTD total return to 23% as it continues to recover from a trough. All eyes will be on Q1 results to see if the margin expansion witnessed in Q4 2012 can be carried over to the new year.

As we close out the first quarter of the year, we remain transfixed on delivering long term value and blocking out any short term distractions. It is tempting to get caught up with the frenzy gripping markets so far this year. However, despite many of our long term positions crystallizing their respective value propositions, we remain wary of momentum and choose to focus on value instead.



* Line Graph is as of March 2013.

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*	3.9%
Year to Date	8.4%
2012	13.5%
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	5.8%
3 year	-2.5%
5 year	-17.2%
Since Inception	186.3%

* MTD figures reflect performance between February 28th, 2013 and March 31st, 2013.

Fund Characteristics

No. of Holdings	9
Wtd. Market Cap	USD 7.3 billion
Dividend Yield*	4.6%
P/E Ratio 13	10.4x

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

Fund Metrics*

Beta	0.3
Annualized Standard Deviation	13.8%
Annualized Information Ratio	17.8%

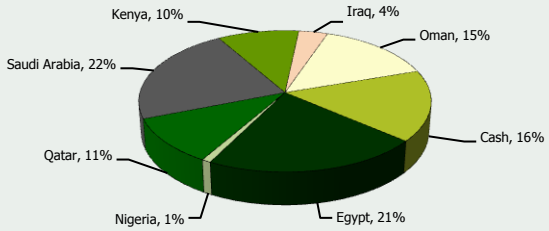
*Calculated vs. MSCI EMEA Telecom Index since Fund inception in April 2000

Top Five Equity Holdings

Holding	Country*	% of NAV
Etihad Etisalat	Saudi Arabia	18.0%
Nawras	Oman	11.5%
Qatar Telecom	Qatar	8.4%
Access Kenya	Kenya	8.0%
Telecom Egypt	Egypt	7.2%

* Country assigned by primary listing

Allocation by Country



Fund Data

NAV per share	USD 28.63
No. of Share Certificates	665,730
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

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