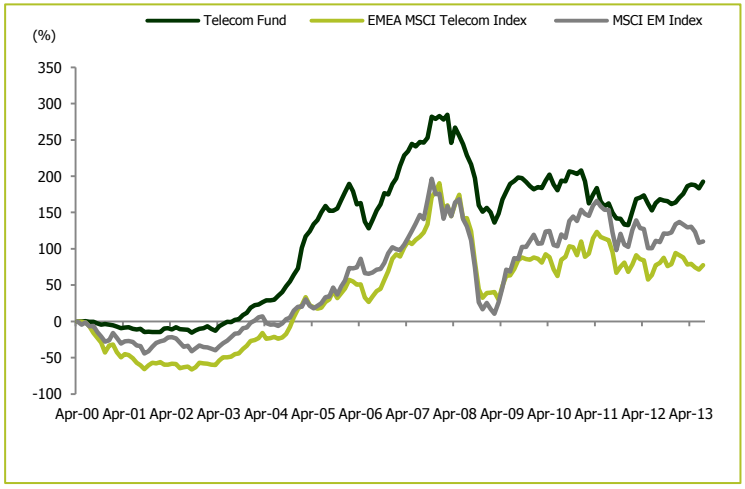
The EFG-Hermes Middle East & Africa Telecom Fund
July 2013

Fund Manager's Strategy & Outlook

The EFG-Hermes Telecom Fund rebounded during the month as global and regional markets rallied on the back of improved growth prospects and continued accommodation from central banks. During the month, the Fund gained 3.3% to bring its YTD returns to 10.9%. This compares to YTD declines of 8.6% and 10.2% for the MSCI EMEA Telecom Services and the MSCI Emerging Market indices respectively. Improving macro data and more dovish statements from the Federal Reserve and global central bankers buoyed markets and lead to gains across the board. In our universe, robust Q2 results and new license awards drove shares higher.

During the month, some of the Fund's largest holdings released strong financial results for the second quarter. Etihad Etisalat (Mobily) reported revenue and net income growth of 6% and 13.4% respectively over the same period as last year. More impressively, revenues from their next generation fiber-optic and LTE network increased by 89% during first half compared to last year. This bodes well for the future growth of the higher margin data business. In Qatar, Qatar Telecom (Q-Tel) reported revenues and net income that increased by 4.2% and 44% respectively over the same period as last year. Net income growth reflected the minority buy-outs that occurred during the previous year. Strong share price performance was also driven by the announcement that Q-Tel was one of 2 companies awarded a telecom license in Myanmar. Although the country is risky in a geopolitical sense, it is one of the few "virgin" markets remaining in the world. With a population of 48mn and mobile penetration below 6%, its growth prospects look promising.

As mentioned in previous notes, we are constantly looking for new investments and opportunities within our universe that offer a solid value proposition. During the month, we have allocated money to an exciting new opportunity in Zimbabwe. Econet Wireless is the leading Telecom services provider in the country and boasts the country's widest coverage through its network. It was the first operator to receive a 3G license and this bodes well for prospects of growth in the underpenetrated data segment. While the country is risky like most sub-saharan markets; it has the highest literacy rate in the region and a relatively steady economy. With the company's shares trading in USD, currency risk is mitigated, and the shares trade at an attractive forward PE of 6x. The Investment Manager feels that the risk reward trade off makes sense and represents a good opportunity to achieve long term capital appreciation.



* Line Graph is as of July 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*	3.3%
Year to Date	10.9%
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	11.3%
3 year	-0.4%
5 year	-10.9%
Since Inception	192.7%

* MTD figures reflect performance between June 30th, 2013 and July 31st, 2013.

Fund Characteristics

No. of Holdings	11
Wtd. Market Cap	USD 11.0 billion
Dividend Yield*	3.9%
P/E Ratio 13	11.6x

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

Fund Metrics*

Beta	0.3
Annualized Standard Deviation	13.7%
Annualized Information Ratio	18.5%

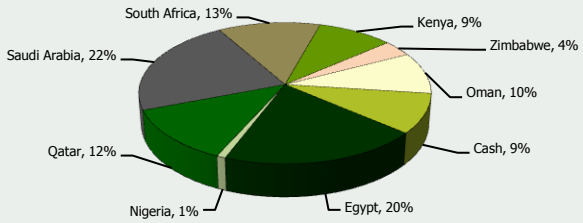
*Calculated vs. MSCI EMEA Telecom Index since Fund inception in April 2000

Top Five Equity Holdings

Holding	Country*	% of NAV
Etihad Etisalat	Saudi Arabia	18.2%
Qatar Telecom	Qatar	10.1%
Access Kenya	Kenya	7.7%
Nawras	Oman	7.7%
Telecom Egypt	Egypt	7.1%

* Country assigned by primary listing

Allocation by Country



Fund Data

NAV per share	USD 29.27
No. of Share Certificates	662,373
Launch Date	April 2000
Management Fee	1.75%
Incentive Fee	15%
Benchmark	10% with a high watermark
Expense Ratio	2.4%
Minimum Subscription	USD 10,000
Subscription / Redemption	Monthly

Fund Identifiers

ISIN	BMG294021073
Bloomberg Ticker	EFGHTEL BH

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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.