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

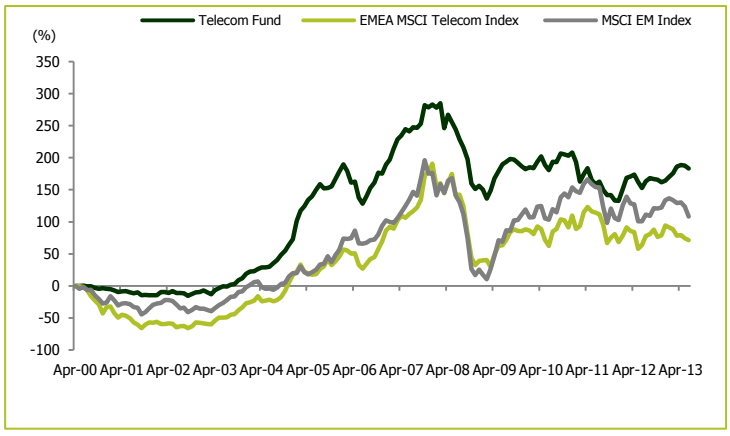
Fund Manager's Strategy & Outlook

The EFG-Hermes Telecom Fund declined 1.5% during June to bring its YTD returns to 7.3%. Global markets weakened across the board, with the MSCI EMEA Telecom Services and MSCI Emerging Market indices declining by 1.9% and 6.8% respectively. A strange dichotomy played out during the month, with the US Federal Reserve saying that as the economy there stabilizes, the aggressive quantitative easing program would begin to be "tapered"; bringing an end to cheap, easy money. Although the conditions preceding this would mean a healthier economy, markets still took the news badly. So in effect, as data gets better, investors will become more pessimistic! Although this duplicitous state will not last long, it will be interesting to see how markets react if in fact global macro data improves.

Within our investable universe, positive events took place which should provide support to the markets in general and the sector in particular over the medium term. News that the UAE and Qatar have been upgraded by MSCI to emerging market status is extremely positive and should improve liquidity and transparency in those markets. Furthermore, this bodes well and gives motivation to the Saudi Arabian market to fast track steps needed to also gain inclusion. Over the long term, the investment manager feels this will close the valuation discount that companies within those markets and in our universe trade at relative to emerging market peers.

During the month, Qatar Telecom announced that it had been granted one of two 15 year mobile licenses in Myanmar. Although the country is exposed to significant geo-political risk, the fact that it has mobile penetration of around 5% and a population of 49 million bodes well for growth prospects. Overall we view this as a positive development for the company. On the flipside, political risks in Egypt came to the fore towards the end of the month which adversely affected our holdings. We are closely monitoring events in that market.

Although we have seen markets retreat during the past two months, we continue to find value in our markets and thus remain constructive on markets over the medium term.



* Line Graph is as of June 2013.

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*	-1.5%
Year to Date	7.3%
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	12.1%
3 year	1.0%
5 year	-17.7%
Since Inception	183.3%

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

Fund Characteristics

No. of Holdings	11
Wtd. Market Cap	USD 10.1 billion
Dividend Yield*	4.0%
P/E Ratio 13	10.2x

*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	18.6%

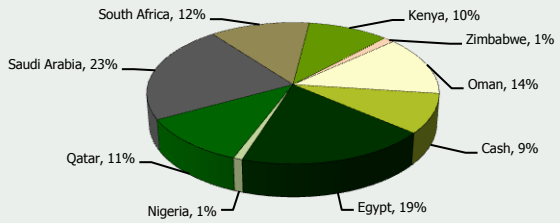
*Calculated vs. MSCI EMEA Telecom Index since Fund inception in April 2000

Top Five Equity Holdings

Holding	Country*	% of NAV
Etihad Etisalat	Saudi Arabia	18.1%
Nawras	Oman	10.9%
Qatar Telecom	Qatar	9.0%
Access Kenya	Kenya	8.1%
Telecom Egypt	Egypt	6.2%

* Country assigned by primary listing

Allocation by Country



Fund Data

NAV per share	USD 28.33
No. of Share Certificates	662,493
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

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.