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

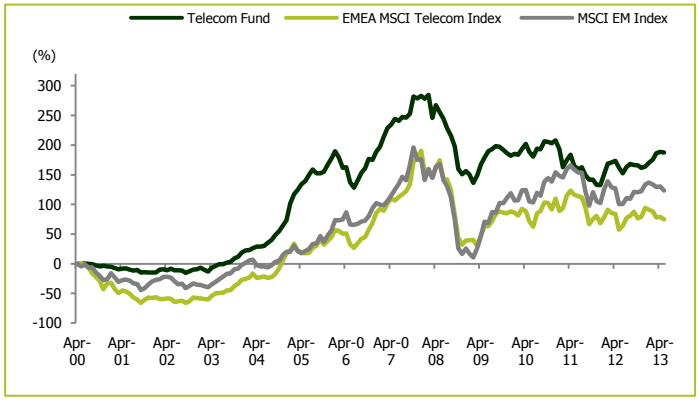
Fund Manager's Strategy & Outlook

The EFG-Hermes Telecom Fund lost 0.3% during May to bring its 2013 return to 9%. During the month, markets began to disentangle themselves for the first time this year and we began to see investors' selection bias. Developed markets, particularly in the USA, are clearly at the top of most investor's lists, and this is evident when analyzing the monthly performance of various indices. While the S&P 500 gained 2.1% during the month, the MSCI Emerging Markets index declined by 2.9%. This can be attributed to softening Chinese macro data and continued Brazilian and Indian underperformance.

During the month, returns were boosted by Qatari and Egyptian holdings. In Qatar, Qatar Telecom's (Q-Tel) participation in a potential acquisition of a 53% stake in Maroc Telecom helped support the company's share price. Additionally, speculation that Qatar may be reclassified as an "Emerging Market" by MSCI provided support for the broader market.

In Egypt, holdings contributed positively despite the murky economic and political situation in that country. News that Telecom Egypt would receive an integrated telecom license, and thus allow it to offer mobile services, helped support the share price. Meanwhile, Orascom Telecom (OT) shares were in the news as Altimo's bid to buy out minority investors at a feeble premium to market price helped to support the share price. Although the tender offer was ultimately rejected by investors, speculation that a resolution in Algeria is imminent helped create a floor for the shares. While we are glad these holdings rebounded during the month, we maintain our cautious view on the Egyptian market as protests planned for June 30th may lead to another round of violence.

At the start of the year, despite being structurally positive on 2013 prospects, we voiced our concern that market momentum would not be sustainable for the entire year. There are signs that weakening data from emerging market stalwarts and a tapering off of coordinated easing by central banks will continue to temper the overall positive investment climate. We expect more volatility during the summer period and are adjusting our holdings to reflect that.



* Line Graph is as of May 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*	-0.3%
Year to Date	9.0%
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	9.8%
3 year	-0.3%
5 year	-19.1%
Since Inception	187.7%

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

Fund Characteristics

No. of Holdings	10
Wtd. Market Cap	USD 10.0 billion
Dividend Yield*	4.4%
P/E Ratio 13	11.3x

*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	18.6%

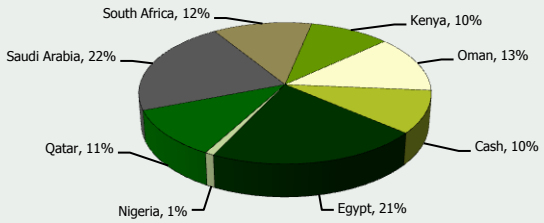
*Calculated vs. MSCI EMEA Telecom Index since Fund inception in April 2000

Top Five Equity Holdings

Holding	Country*	% of NAV
Etihad Etisalat	Saudi Arabia	17.5%
Nawras	Oman	10.5%
Qatar Telecom	Qatar	8.9%
Access Kenya	Kenya	8.1%
Telecom Egypt	Egypt	7.3%

* Country assigned by primary listing

Allocation by Country



Fund Data

NAV per share	USD 28.77
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	2.3%
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.