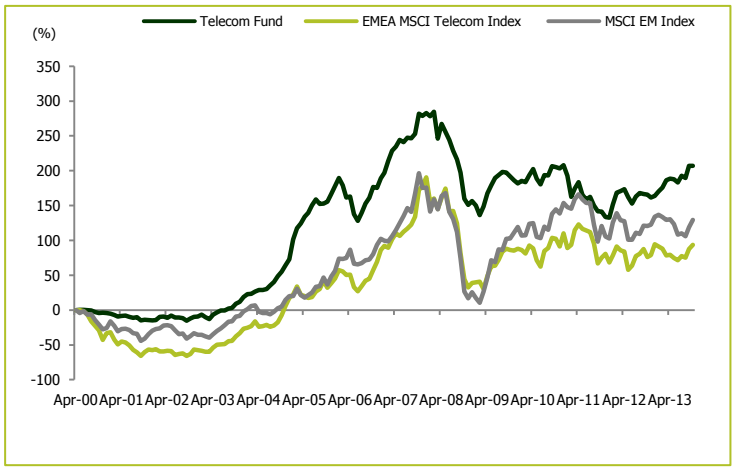
The EFG-Hermes Middle East & Africa Telecom Fund
October 2013

Fund Manager's Strategy & Outlook

The EFG-Hermes Telecom Fund lost a marginal 0.1% during the month to bring its YTD returns to 16.1%. Global and regional markets were generally volatile during the month, but all ended higher as Syrian conflict risks faded and the US debt ceiling/shutdown situation was temporarily averted. Improving macroeconomic data continues to come out of both China and the US, giving a boost to more cyclical sectors in the markets. In addition, the US Federal reserve indicated that inflation and employment figures remain below target and that tapering would be pushed back to mid 2014, providing a fillip for equities as the low interest rate environment will continue in the near term.

During the month, the Fund's largest holding, Etihad Etisalat, released solid Q3 results. Revenues, EBITDA and Net income increased by 4.2%, 11.3% and 11.6% respectively over the corresponding period last year. Furthermore, the ICT business grew by 37% YoY, leading to a 200bps margin expansion at the EBITDA level. This is encouraging given that management expects this segment to be the main driver of growth during the next couple of years. With the company continuing to trade below 10x forward earnings with a 5.5% dividend yield, the value proposition continues to be extremely attractive.

We remain constructive on markets between here and year end despite the increased volatility of the past month. Short term headwinds are minimal and valuations within our universe remain sensible. During the coming two months, we will be adding new positions to the Fund, particularly in Africa and Turkey.



* Line Graph is as of October 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*	-0.1%
Year to Date	16.2%
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	15.4%
3 year	0.5%
5 year	18.1%
Since Inception	206.8%

* MTD figures reflect performance between September 30th, 2013 and October 31st, 2013.

Fund Characteristics

No. of Holdings	12
Wtd. Market Cap	USD 10.6 billion
Dividend Yield*	3.8%
P/E Ratio 13	12.7x

*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	16.9%

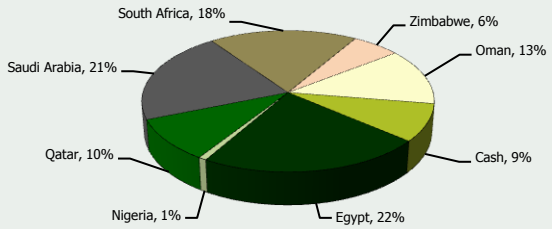
*Calculated vs. MSCI EMEA Telecom Index since Fund inception in April 2000

Top Five Equity Holdings

Holding	Country*	% of NAV
Etihad Etisalat	Saudi Arabia	17.4%
Telecom Egypt	Egypt	8.9%
Ooredoo	Qatar	8.0%
Global Telecom	Egypt	6.1%
MTN Group	South Africa	5.4%

* Country assigned by primary listing

Allocation by Country



Fund Data

NAV per share	USD 30.68
No. of Share Certificates	662,292
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.