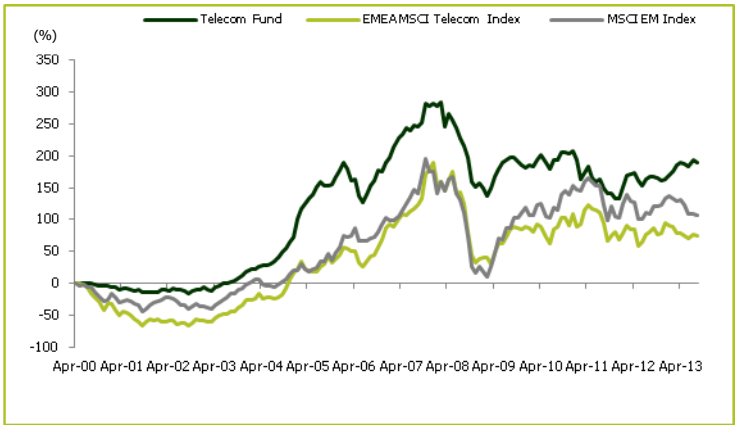
The EFG-Hermes Middle East & Africa Telecom Fund
August 2013

Fund Manager's Strategy & Outlook

The EFG-Hermes Telecom Fund declined during August as geopolitical risk came to the fore causing a mild panic amongst investors. During the month, the Fund declined by 1.1% to bring its YTD returns to 9.7%. This compares to 10.5% and 12.7% YTD declines for the MSCI EMEA Telecom Services and MSCI Emerging Market indices respectfully. The specter of military conflict reared its ugly ahead once again in the Middle East as tensions in Syria and Egypt dominated headlines. In Syria, a chemical weapons attack allegedly carried out by the Assad regime increased the risk of a US led strike. Meanwhile in Egypt, the transitional government's efforts to stabilize the country in the face of terror attacks and political strife spooked investors. Finally, the results of the elections in Zimbabwe sent ripples through the local exchange. As investment managers, we continue to focus on fundamental value and try as much as possible to drown out political issues that have no bearing on earnings prospects, in order to achieve long term capital appreciation.

During the month, the majority of our holdings were affected by geopolitical forces. In Egypt, our holdings were affected by the ongoing events in that market. The transitional government's decision to disperse the Muslim Brotherhood's 46 day long sit-in caused casualties on both sides. The country also suffered terrorist attacks in Sinai as Muslim Brotherhood sympathizers continue to wreak havoc. All these events had an adverse effect on our holdings in Egypt. Meanwhile, Robert Mugabe's victory in Zimbabwe for yet another term spooked investors and caused a sell-off across the board. We used the sentiment driven move to begin to increase our position in EcoNet Wireless. The company's market leading position and compelling valuation mitigates any short term moves and will create value in the near term. Finally, the bulk of our other holdings were affected by the very real threat of a US strike against Syria which continues to loom on the horizon.

We remain constructive on the markets despite the short term volatility which we expect to continue in the short term. The heightened geopolitical risk is definitely a nuisance but as of yet does not change our overall investment case and the value we see in our holdings. Our plan is to use the volatility to slightly realign our portfolio to maximize value creation opportunities in the medium to long term.



* Line Graph is as of August 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*	-1.1%
Year to Date	9.7%
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	8.0%
3 year	-1.2%
5 year	-8.4%
Since Inception	189.6%

* MTD figures reflect performance between July 31st, 2013 and August 31st, 2013.

Fund Characteristics

No. of Holdings	12
Wtd. Market Cap	USD 10.0 billion
Dividend Yield*	4.1%
P/E Ratio 13	12.6x

*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	18.6%

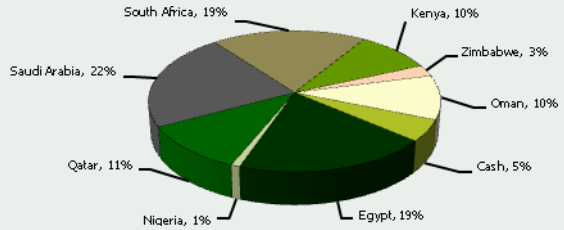
*Calculated vs. MSCI EMEA Telecom Index since Fund inception in April 2000

Top Five Equity Holdings

Holding	Country*	% of NAV
Etihad Etisalat	Saudi Arabia	18.3%
Qatar Telecom	Qatar	8.9%
Nawras	Oman	8.2%
Access Kenya	Kenya	7.8%
Telecom Egypt	Egypt	6.7%

* Country assigned by primary listing

Allocation by Country



Fund Data

NAV per share	USD 28.96
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

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.