The EFG-Hermes Middle East & Africa Telecom Fund
April 2014

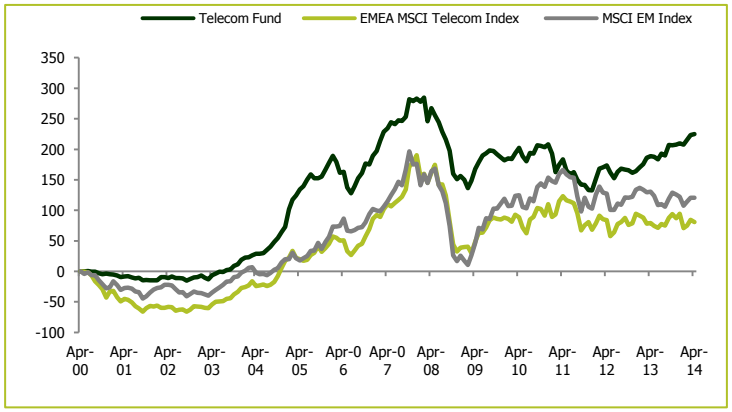
Fund Manager's Strategy & Outlook

The EFG-Hermes Telecom Fund inched higher during April by 0.6% to bring YTD returns to 4.9%. This compares to a 6.9% decline in the YTD performance of the MSCI EMEA Telecom Services index. Regional and developed markets continue to march ahead of developing market peers which continue to show relative underperformance, dragged down by concerns of slower growth in China. Within our investable universe, positive Q1 results and M&A activity drove some of our core holdings higher.

Etihad Etisalat (Mobily) released solid Q1 results that underpinned the continued strength of the company's strategy of diversifying beyond voice revenues. Revenues, EBITDA and net income increased by 12%, 15.7% and 4.5% respectively. Higher contribution from the wholesale and ICT businesses helped mitigate continued pressure in the voice segment. Furthermore, the company announced that it will take a 20% stake in Atheeb Telecom, which will enable it to offer a broader array of fixed data services. The investment manager continues to like the long term value proposition of the company.

During the month, Global Telecom Holding (formerly Orascom Telecom) finally saw a resolution to its long running conflict with the Algerian government. The Algerians agreed to buy a 51% stake in Djezzy, the market leader, for a consideration of USD 2.6bn. Global Telecom will receive net proceeds of USD 4bn as cash trapped in that market for more than 4 years is finally released. The total proceeds will be used to pay down a shareholder loan from parent company Vimplecom. This will greatly reduce the interest expense for the company and enable it to operate normally in a robust market. Launch of 3G services there and in Pakistan and Bangladesh provide good scope for further re-rating in the medium to long term.

April marked the 14th anniversary of the EFG-Hermes Telecom Fund. Annualized returns of 8.8% since inception illustrate the success in achieving long term capital appreciation. With new markets to explore and a dedication to investing in value, the investment manager looks forward to 14 more years!



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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*	0.6%
Year to Date	4.9%
2013	17.3%
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	12.6%
3 year	14.6%
5 year	21.4%
Since Inception	225.0%

* MTD figures reflect performance between March 31, 2014 and April 30, 2014.

Fund Characteristics

No. of Holdings	12
Wtd. Market Cap	USD 10.1 billion
Dividend Yield*	3.5%
P/E Ratio 14	9.5x

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

Fund Metrics*

Beta	0.3
Annualized Standard Deviation	13.4%
Annualized Information Ratio	20.8%

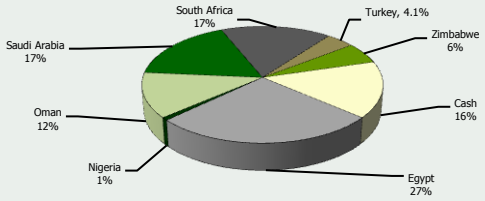
*Calculated vs. MSCI EMEA Telecom Index since Fund inception in April 2000

Top Five Equity Holdings

Holding	Country*	% of NAV
Etihad Etisalat	Saudi Arabia	14.2%
Global Telecom	Egypt	13.4%
TELKOM SA SOC	South Africa	5.8%
Telecom Egypt	Egypt	5.6%
Omani Qatari Telecom	Oman	5.4%

* Country assigned by primary listing

Allocation by Country



Fund Data

NAV per share	USD 32.50
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	2.5%
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.