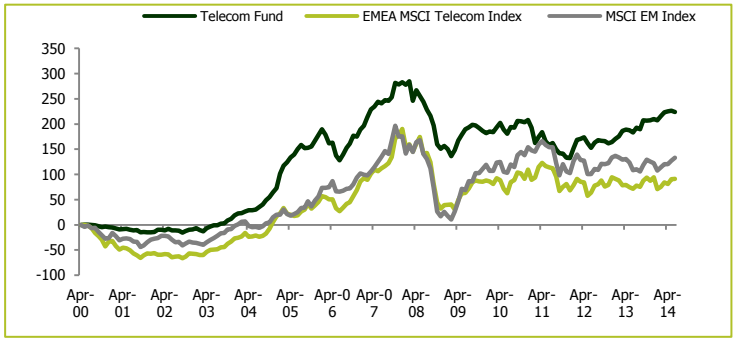
The EFG-Hermes Middle East & Africa Telecom Fund
August 2014

Fund Manager's Strategy & Outlook

The EFG-Hermes Telecom Fund gained 1.9% during August to bring its YTD performance to 8.8%. This compares to a 1.8% decline in the MSCI EMEA Telecom Services Index. During the month a relatively benign investment climate drove most global markets higher. Regional markets were driven by the recently announced opening of the Saudi market to foreigners sometime in 2015. Within our investable universe, holdings in South Africa, Egypt and Saudi Arabia delivered the bulk of returns.

Within our African holdings, South African and Egyptian holdings lifted returns. MTN, the African mobile leader, released robust H1 2014 figures, with earnings and dividends increasing by 9% and 20% respectively. Furthermore, the company announced that it was in advanced talks to sell its telecom towers in Nigeria. In Egypt, positive news flow benefitted both Telecom Egypt and Global Telecom. As expected, Telecom Egypt was officially awarded a unified telecom license. Finally, Global Telecom Holding received shareholder approval in its AGM to proceed with selling a 51% stake in its Algerian operations to the local government. This removes a major long term overhang on the shares.

As mentioned in our previous note, we are deploying our cash prudently as we seek to add holdings to the fund. Our targets – as ever – remain companies trading below their intrinsic worth and offering a reasonable balance of growth and income. We are particularly keen on playing the convergence of digital media and telecom networks in our emerging markets.



* Line Graph is as of August 2014.

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*	1.9%
Year to Date	8.8%
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	16.3%
3 year	34.8%
5 year	13.0%
Since Inception	236.9%

* MTD figures reflect performance between July 31, 2014 and August 31, 2014.

Fund Characteristics

No. of Holdings	12
Wtd. Market Cap	USD 8.9 billion
Dividend Yield*	3.1%
P/E Ratio 14	11.07x

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

Fund Metrics*

Beta	0.3
Annualized Standard Deviation	13.3%
Annualized Information Ratio	19.9%

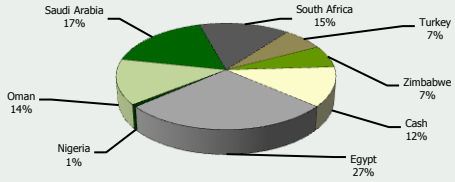
*Calculated vs. MSCI EMEA Telecom Index since Fund inception in April 2000

Top Five Equity Holdings

Holding	Country*	% of NAV
Etihad Etisalat	Saudi Arabia	14.4%
Global Telecom	Egypt	12.5%
Omani Qatari Telecommunication	Oman	7.6%
Turkcell Iletism Hizmet	Turkey	6.0%
Econet Wireless Zimbabwe LTD	Zimbabwe	5.7%

* Country assigned by primary listing

Allocation by Country



Fund Data

NAV per share	USD 33.69
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	2.9%
Minimum Subscription	USD 10,000
Subscription / Redemption	Monthly

Fund Identifiers

ISIN	BMG294021073
Bloomberg Ticker	EFGHTEL BH

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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.