The EFG-Hermes Middle East & Africa Telecom Fund
October 2015

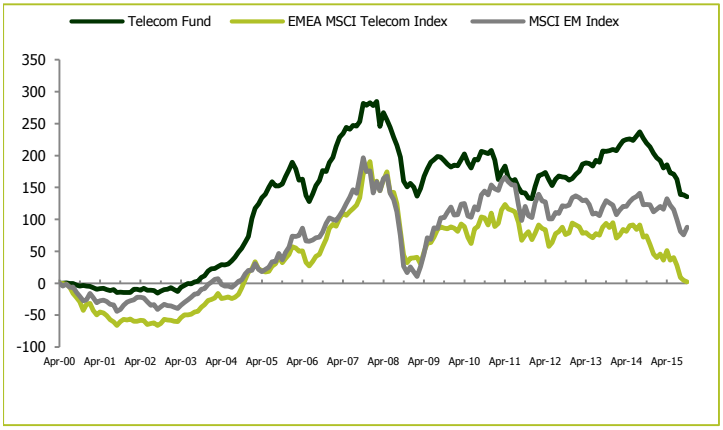
Fund Manager's Strategy & Outlook

The EFG-Hermes lost 1.3% in October to bring its YTD returns to -22.5%. The MSCI EMEA Telecom services index has lost 2.6% for the month and 30% YTD. During the month, regional markets diverged from global peers as renewed oil price weakness battered local investor sentiment. A slew of underwhelming Q3 results - particularly from Saudi companies - added further pressure. In terms of our investable universe, mixed headlines for some of our top holdings had a net negative effect on performance.

In Oman, Ooreedo Oman (Nawras) reported healthy Q3 results, with revenues and EBITDA growing by 12.3% and 15.1%, respectively. We continue to favor the company over the incumbent, as we see scope for significant dividend growth over the medium term. The company currently pays investors a 5.3% yield. Our enthusiasm for the name is slightly tempered by a potential increase in royalties paid to the government which is being mulled by the fiscally challenged administration.

On a more somber note, one of our larger holdings suffered what may potentially be a critical exogenous blow. MTN, the largest frontier market operator, was fined USD 5.3bn by the Nigerian authorities for failure to disconnect unregistered SIMs. The company, which is the market leader in Nigeria as well as one of the largest foreign investors in the country, was caught off guard by the excessive fine. In effect, the regulator is trying to charge the company USD 1,005 for each of the 5.1mn subscribers that should have been disconnected. Needless to say, the stock plummeted by nearly 20% during the month. We are actively monitoring the situation as a potentially compelling situation is arising.

As we have reiterated during what has been a generally disappointing year, fundamentals have taken a backseat to sentiment, regulatory interference and currency effects. While this is admittedly not an ideal environment, it will eventually create the circumstances in which we thrive.



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*	-1.3%
Year to Date	-22.5%
2014	-2.0%
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	-26.4%
3 year	-11.5%
5 year	-22.9%
Since Inception	135.3%

* MTD figures reflect performance between September 30, 2015 and October 31, 2015.

Fund Characteristics

No. of Holdings	7
Wtd. Market Cap	USD 22.3 billion
Dividend Yield*	2.2%
P/E Ratio 15	10.4

*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	26.4%

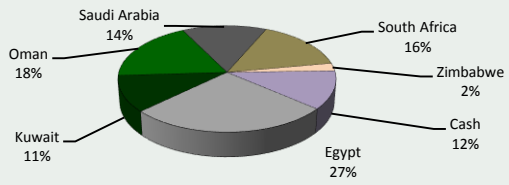
*Calculated vs. MSCI EMEA Telecom Index since Fund inception in April 2000

Top Five Equity Holdings

Holding	Country*	% of NAV
Telecom Egypt	Egypt	15.7%
Ooreedo Oman	Oman	13.4%
MTN Group	South Africa	11.4%
Saudi Telecom	Saudi Arabia	10.3%
VIVA Kuwait Telecom	Kuwait	8.1%

* Country assigned by primary listing

Allocation by Country



Fund Data

NAV per share	USD 23.53
No. of Share Certificates	610,412
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.