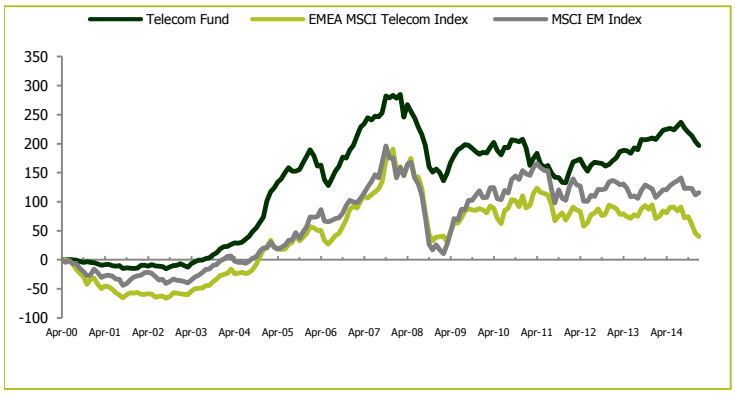
The EFG-Hermes Middle East & Africa Telecom Fund
January 2015

Fund Manager's Strategy & Outlook

The EFG-Hermes Telecom Fund started 2015 on a negative note, losing 2.3% in January. This compares to a 3.8% decline in the MSCI EMEA Telecom Services index. Increased volatility witnessed during the final quarter of 2014 has carried through to the New Year, driven mainly by oil price weakness, currency instability and renewed fears of Greek contagion in Europe. Markets have been difficult to traverse of late, particularly within our investable universe where good valuations and decent dividends seem to have been ignored. In spite of this, the opportunities in the market continue to offer good medium to long term investments.

Within our portfolio, returns were dragged down by our investments in Zimbabwe and South Africa. In Zimbabwe, Econet wireless slashed tariffs for voice and data services by 35%. Furthermore, the company slashed tariffs by 13% for its burgeoning mobile banking service. While these moves should stimulate growth in the medium term, the share price suffered during the month. In South Africa, MTN reported slightly weaker KPIs and reported that it was facing currency headwinds in Nigeria, one of its key markets.

In several of our previous notes, we had highlighted the increased volatility that we expect to grip markets. While we take no pleasure in being right in this regard, we feel that over the medium term this will support our central thesis: increased volatility will eventually lead to a flight to the quality of the telecom sector and the good dividend yields available within our universe.



* Line Graph is as of January 2015

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*	-2.3%
Year to Date	-2.3%
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	-3.5%
3 year	18.0%
5 year	4.0%
Since Inception	196.7%

* MTD figures reflect performance between December 31, 2014 and January 29, 2015.

Fund Characteristics

No. of Holdings	9
Wtd. Market Cap	USD 12.3 billion
Dividend Yield*	3.2%
P/E Ratio 15	16.0

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

Fund Metrics*

Beta	0.3
Annualized Standard Deviation	13.2%
Annualized Information Ratio	25.3%

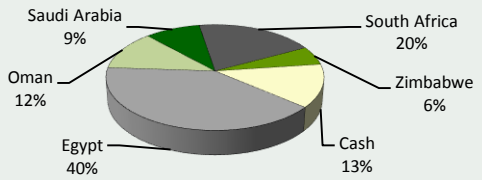
*Calculated vs. MSCI EMEA Telecom Index since Fund inception in April 2000

Top Five Equity Holdings

Holding	Country*	% of NAV
Global Telecom	Egypt	15.7%
MTN Group	South Africa	9.8%
Omani Qatari Telecom	Oman	9.5%
Telecom Egypt	Egypt	8.0%
Saudi Telecom	Saudi Arabia	7.3%

* Country assigned by primary listing

Allocation by Country



Fund Data

NAV per share	USD 29.67
No. of Share Certificates	618,614
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.