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

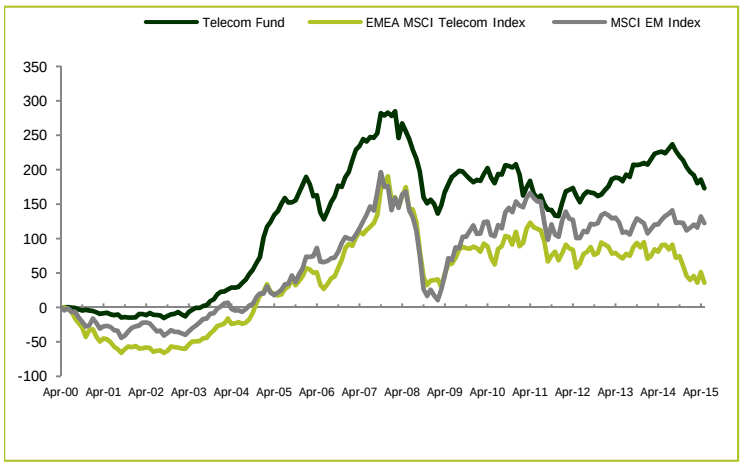
Fund Manager's Strategy & Outlook

The EFG-Hermes Telecom lost 4.4% during the month to bring YTD returns to -10%. This compares to a 9.5% decline in the Bloomberg Middle East and Africa Telecom Carriers Index (BITEMEAC). Its continues to be a tough year for the telecom sector across the region, as the dual effects of slower growth and declining currencies eats into both sentiment and share price returns. Against a backdrop of increased Greek Crisis fears, returns were impacted during May.

During the month, we rebalanced our holdings in Egypt, which has been one of the markets that has pressured returns so far this year, driven by skittish sentiment and currency weakness relative to the US Dollar. We exited Global Telecom Holding (GTH), as that stock continues to suffer from FX headwinds and slower growth as next generation networks are rolled out. We strongly believe that the stock will do better in 2016, but feel it would be prudent to re-visit the name closer to that date as we expect further downside in the interim.

We took the proceeds from our sales in GTH and effectively doubled down on Telecom Egypt. The company's share price has been pummeled so far this year on the back of MSCI exclusion, unclear strategy and management changes. After 30% YTD declines, the shares trade at cash plus the value of their 45% stake in Vodafone Egypt only, implying that their fixed line voice and data assets are worth zero! While those businesses may be witnessing operating pressures, the fixed assets alone surely have a positive replacement value! We felt that the implied valuation warranted an increase in allocation. Coupled with the fact that it provides single country exposure and is thus shielded from reported FX losses, the risk reward is favorable over the medium

We look forward to what will hopefully be a more positive second half of 2015, driven by our core fundamental approach that looks beyond short term price movements, and towards long term capital appreciation opportunities.



* Line Graph is as of May 2015

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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*	-4.4%
Year to Date	-10.1%
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	-16.3%
3 year	4.2%
5 year	-5.4%
Since Inception	173.0%

* MTD figures reflect performance between April 30, 2015 and May 31, 2015.

Fund Characteristics

No. of Holdings	9
Wtd. Market Cap	USD 15.3 billion
Dividend Yield*	3.9%
P/E Ratio 15	11.23

*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	22.8%

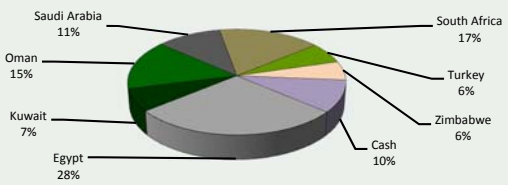
*Calculated vs. MSCI EMEA Telecom Index since Fund inception in April 2000

Top Five Equity Holdings

Holding	Country*	% of NAV
Telecom Egypt	Egypt	14.2%
MTN Group	South Africa	13.1%
Omani Qatari Telecom	Oman	11.7%
Saudi Telecom	Saudi Arabia	8.3%
VIVA Kuwait Telecom	Kuwait	5.4%

* Country assigned by primary listing

Allocation by Country



Fund Data

NAV per share	USD 27.29
No. of Share Certificates	612,973
Launch Date	April 2000
Management Fee	1.75%
Incentive Fee	15%
Benchmark	10% with a high watermark
Expense Ratio	3.1%
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.