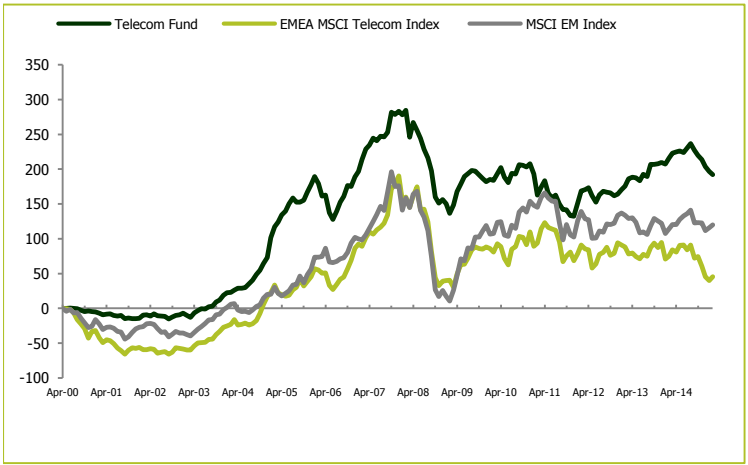
The EFG-Hermes Middle East & Africa Telecom Fund
February 2015

Fund Manager's Strategy & Outlook

The EFG-Hermes Telecom Fund lost 1.6% during the month to bring its YTD returns to -3.8%. Returns within our mandate continue to be affected by poor sentiment and weakening currencies in our investable universe's biggest markets. During the month, holdings in Egypt and Turkey in particular dragged performance down on the back of declining share prices compounded by weaker currencies. Although we continue to believe in the value proposition of all our holdings, external factors like foreign currency moves are providing amplified headwinds to performance. Below, we detail the reasons for and our strategy to counter this through a portfolio rebalancing.

During the past 5 years, the regional telecom sector can be characterized as having gradually shifted from a stage of consolidation to a "semi-mature" one. We reference the term "semi-mature" here to highlight the differentiation of our universe. While growth rates have certainly tapered off, particularly in the past 2 years, they remain elevated compared to more developed markets. This is indicative of the relative under-penetration of integrated telecom services and the demographic make-up of our region. Regional telecom operators had sought to counter this inevitable "maturing" of the markets by acquiring TMT assets within emerging/frontier markets. While this boosted and diversified growth sources, it also brought increased risks, including but not limited to exposure to currency risk. During the phase of consolidation, these risks were more than offset by robust growth. However, as we are now into the "semi-mature" phase, the dynamic has changed.

In an environment where the US dollar has appreciated by nearly 10% during the past 3 months alone, companies most exposed to varying emerging currencies have suffered. We continue to believe that some select companies exposed to this particular risk warrant a place within our holdings due to a favorable risk/reward profile. However, in the months ahead, we will be actively rebalancing our holdings to reflect a bias towards companies with single market exposure and superior dividend growth prospects.



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*	-1.6%
Year to Date	-3.8%
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	-7.4%
3 year	6.0%
5 year	2.9%
Since Inception	192.1%

* MTD figures reflect performance between January 29, 2014 and February 26, 2015.

Fund Characteristics

No. of Holdings	9
Wtd. Market Cap	USD 13.3 billion
Dividend Yield*	4.3%
P/E Ratio 15	15.4

*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	23.3%

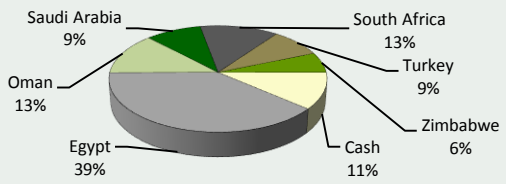
*Calculated vs. MSCI EMEA Telecom Index since Fund inception in April 2000

Top Five Equity Holdings

Holding	Country*	% of NAV
Global Telecom	Egypt	15.2%
MTN Group	South Africa	10.2%
Omani Qatari Telecom	Oman	10.1%
Telecom Egypt	Egypt	7.8%
Saudi Telecom	Saudi Arabia	7.3%

* Country assigned by primary listing

Allocation by Country



Fund Data

NAV per share	USD 29.21
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	2.71%
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.