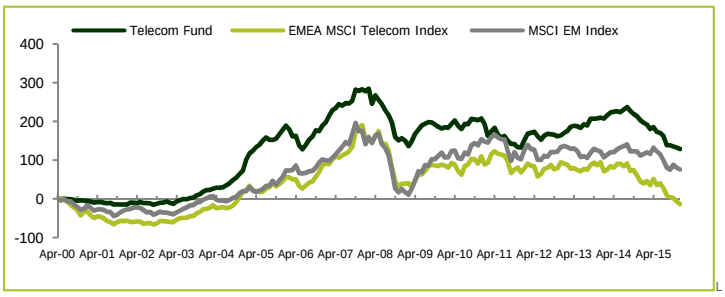
The EFG-Hermes Middle East & Africa Telecom Fund
December 2015

Fund Manager's Strategy & Outlook

A disappointing end to what has been a volatile year saw the EFG-Hermes Telecom Fund lose 1.6% in December to bring 2015 returns to -24.6%. This compares to a -7.8% and -40.7% return for the MSCI EMEA Telecom Services index for the month and full year, respectively. 2015 will be remembered as a brutal year for developing economies, with the two headed monster of slower growth and weaker currencies decimating nearly all asset classes in the broader EM space. Despite the underlying fundamental resilience of our investment universe, the TMT sector has been dragged down by this undertow. In many cases, we have stocks in the sector that actually underperformed shares of companies exposed to the oil and gas sector – which has seen end product prices decline by more than 70% over the past 18 months. The dissonance between sentiment and fundamentals adversely affected us in 2015, and looks set to continue in the short term.

Looking at our 2015 performance, it is important to note that nearly a third of our losses (-7.50%) for the year where a result of currency weakness. So effectively, the returns of the underlying securities we hold were actually -17.1% during the year. Given that we are a dollar based investment fund, the translation effect on the currency level was painful and compounded the negative performance. Unfortunately, that is a risk we have to contend with in order to gain exposure to underpenetrated TMT markets that still offer growth and income opportunities. We have tried to mitigate this by having a bias towards single country operators, but those are often denominated in local currencies susceptible to volatility.

Looking out to the 2016, which has had the worst start to a year in a long time, we predict that the short term will hold more pain. Having said that, we are taking advantage of this by narrowing our focus to deep value, high dividend plays. Over the medium term, we remain optimistic.



*line Graph is as of December 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*	-1.6%
Year to Date	-24.6%
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	-24.6%
3 year	-13.3%
5 year	-25.6%
Since Inception	129.0%

* MTD figures reflect performance between November 30, 2015 and December 31, 2015.

Fund Characteristics

No. of Holdings	6
Wtd. Market Cap	USD 7.5 billion
Dividend Yield*	2.5%
P/E Ratio 16	3.6p

*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	30.2%

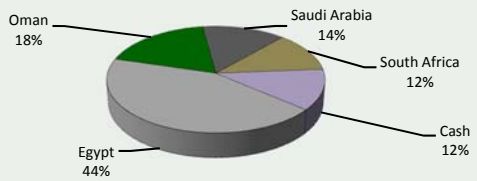
*Calculated vs. MSCI EMEA Telecom Index since Fund inception in April 2000

Top Five Equity Holdings

Holding	Country*	% of NAV
Telecom Egypt	Egypt	18.0%
Ooreedo Oman	Oman	13.2%
Saudi Telecom	Saudi Arabia	10.0%
Global Telecom Holding	Egypt	9.1%
MTN Group	South Africa	8.7%

* Country assigned by primary listing

Allocation by Country



Fund Data

NAV per share	USD 22.898
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.