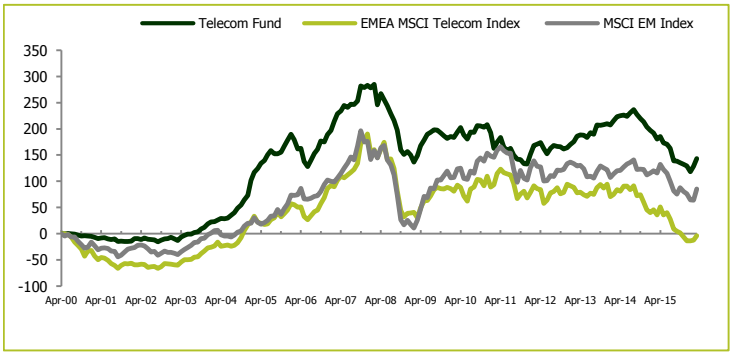
The EFG-Hermes Middle East & Africa Telecom Fund
March 2016

Fund Manager's Strategy & Outlook

The EFG-Hermes Telecom Fund continued to rebound in March, gaining 6.4% to bring YTD returns to 6.3%. The global investor panic that had gripped markets during the first 6 weeks of the year seems to have abated with sharp reversals across most asset classes. In our part of the world, markets were particularly driven by an ongoing rebound in oil prices as speculation mounted that oil producers would agree to some form of output cap. We remain skeptical about the success of these negotiations and therefore remain generally apprehensive about markets. Having said that, we feel that the profile of our investable universe will thrive amidst this uncertain environment.

During the month, holdings in Egypt and Oman contributed the bulk of returns. In Egypt, the government finally relented to logic and international pressure and devalued the local currency by approximately 13%. This lead to a massive rally in that market which greatly benefitted our holdings. While we are more than happy to benefit from this "beta" factor, we are even more excited that our picks in that market also rallied due to fundamental reasons that had been at the core of our investment thesis. Telecom Egypt (TE) rallied by 25% during the month as a new management team was appointed. The new managers promptly increased the dividend and proceeded to mend the relationship with Vodafone Egypt which had been withholding dividends from TE for more than 2 years. Even without the dividend release story finally playing out, the company had been trading at a severe discount to its intrinsic value. We continue to see significant value in the shares.

As the first quarter comes to a close, we are happy to be sitting on significant gains. Having said that, we remain cautious and apprehensive with regards to markets trajectory and volatility. Our plan is to maintain a healthy cash balance to take advantage of potential dislocations and to continue to search for new, value accretive opportunities.



* Line Graph is as of March 2016

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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*	6.4%
Year to Date	6.3%
2015	-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	-13.2%
3 year	-15.0%
5 year	-11.3%
Since Inception	143.4%

* MTD figures reflect performance between February 29, 2016 and March 31, 2016.

Fund Characteristics

No. of Holdings	7
Wtd. Market Cap	USD 7.1 billion
Dividend Yield*	6.1%
P/E Ratio 16	12.35

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

Fund Metrics*

Beta	0.3
Annualized Standard Deviation	13.4%
Annualized Information Ratio	28.5

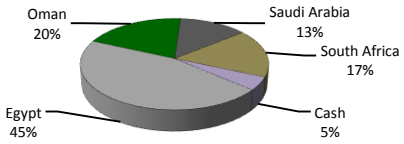
*Calculated vs. MSCI EMEA Telecom Index since Fund inception in April 2000

Top Five Equity Holdings

Holding	Country*	% of NAV
Telecom Egypt	Egypt	19.1%
Ooreedo Oman	Oman	14.8%
Global Telecom Holding SAE	Egypt	11.9%
Telkom SA SOC Ltd	South Africa	10.2%
Saudi Telecom Co	Saudi Arabia	10.0%

* Country assigned by primary listing

Allocation by Country



Fund Data

NAV per share	USD 24.34
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	2.6%
Minimum Subscription	USD 10,000
Subscription / Redemption	Monthly

Fund Identifiers

ISIN	BMG294021073
Bloomberg Ticker	EFGHTEL BH