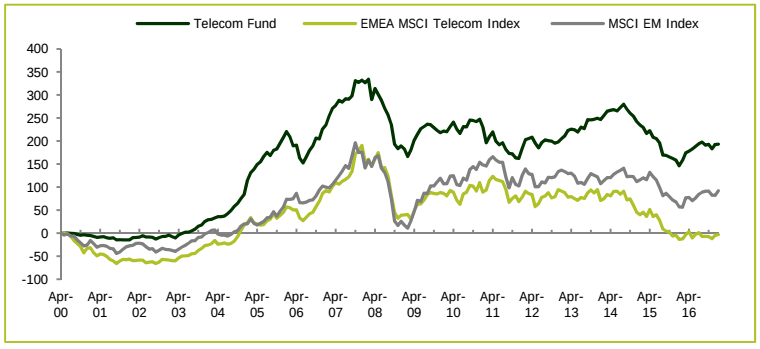
The EFG-Hermes Middle East & Africa Telecom Fund
January 2017

Fund Strategy & Outlook

The EFG-Hermes Telecom Fund gained a marginal 0.3% during the month to start the year. Regional markets in general, and our investable universe in particular, were muted during the month when compared to developed and emerging markets. While the Trump rally continued unabated globally, our part of the world seemed stuck in second gear. Fiscal uncertainty and apprehension with regards to the OPEC production cuts dominated investor sentiment during the month. Within the regional TMT sector, increased royalties and weak currencies held back performance.

During the month, strong performance from Zain in Kuwait was offset by negative news flow for our largest holding in Oman. In Kuwait which began the year as the world's best performing market, Zain benefitted from increased inflows to the country's market. Moreover, a recent buy-out of one of the country's large caps diverted inflows to the remaining large cap listings in the market. Investors also speculated on a potential sale of the company; news which was subsequently denied. In Oman, confirmation by the government of increased royalties charged to Telco operators and a potential new license award adversely affected the fund's largest holding, Ooreedo Oman. While this news was expected and reflected in the price, investors reeacted in their predictable manner.

Looking out to the first quarter of the year, we expect dividends to play a large role in market direction as there is a seasonality element to distributions in the region. While we welcome income generation, our goal as ever is long term capital appreciation, and that is the primary driver of our allocation for the fund. Finally, and as mentioned previously, the manager has begun filing the necessary paperwork to broaden the investable region of the fund. The goal is to be a frontier markets TMT fund by the end of April 2017. We thank you for the continued support.



*Line Graph is as of January 2017

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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

	Telecom Fund
Month to Date*	0.3%
YTD	0.3%
2016	13.2%
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%
1 Year	19.0%
3 Year	-15.5%
5 Year	3.4%
Inception to Date	193.2%

* MTD figures reflect performance between December 31, 2016 and January 31, 2017.

Fund Characteristics

No. of Holdings	6
Weighted Market Cap	USD 2.7 billion
Dividend Yield*	5.8%
P/E Ratio 17	10.5

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

Fund Metrics*

	Telecom Fund
Beta	0.3
Annualized Standard Deviation	13.2%
Annualized Information Ratio	32.7%

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

Top Holdings

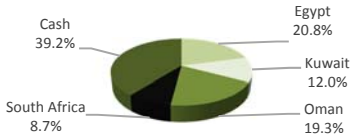
Holding	Country*	% Holding
Ooreedo Oman	Oman	12.2%
Mobile Telecommunications Co KSC	Kuwait	7.6%
Global Telecom Holding SAE	Egypt	7.4%
Telkom SA SOC Ltd	South Africa	5.5%
Telecom Egypt Co	Egypt	4.1%

*Country assigned by primary listing

Fund Information

NAV per share	USD 25.54
Launch Date	April, 2000
Management Fee	1.75%
Minimum Subscription	USD 10,000
Subscription/Redemption	Monthly
No. of Share Certificates	591,559
Expense Ratio	3.2%
Incentive Fee	15%
Benchmark	10% with a high watermark

Allocation by Country



Fund Indentifiers

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.