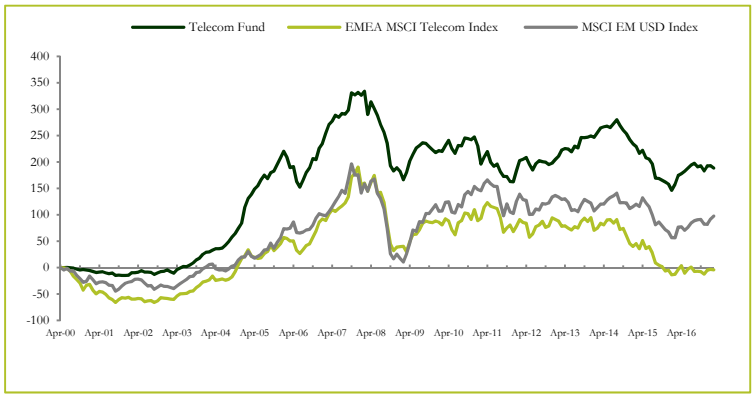
The EFG-Hermes Middle East & Africa Telecom Fund
February 2017

Fund Strategy & Outlook

The EFG-Hermes Telecom Fund lost 1.6% during February to bring the YTD return to -1.3%. In a repeat of the previous month, regional markets sat out the latest leg of the Trump inspired global rally. The regional benchmark, the S&P Pan Arab LargeMidcap (SPACNUX) lost 0.3% while the MSCI World Index gained 2.6%. Lacklustre results for Q4 2016 and continued Macro worries gripped regional investors. Within the TMT space, disappointing dividend announcements and negative news flow compounded investor indiffference. During the month, our holding in Oman continued to adversely effect returns.

Ooreedo Oman continued to witness selling pressure during the month. Fourth quarter results came in within expectations for revenues and operating profits, but disappointed on the bottom line with a 5.4% contraction. Furthermore, an anemic increase in dividends despite significant excess cash disappointed local investors. The company also announced a management change with a new CEO appointed during the month. Against a backdrop of a incresing royalties and new license auction, one would be hard pressed to blame investors for their negative reaction. As long term investors though, we see no change in the long term value proposition, and view the company's return on capital as being superior to most opportunities within the investable universe.

As our region continues to be cordoned off from the drivers of global markets such as "reflation" and fiscal stimulus, our expectations for the TMT sector in the near term are muted. Although we tend to think in terms of years and not quarters, part of the mootivation behind broadening our geographical mandate is to increase the opportunity set for return generation. We are two months away from this happening and have already highlighted opportunities within this broader universe.



*Line Graph is as of February 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*	-1.6%
YTD	-1.3%
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	11.9%
3 Year	-18.9%
5 Year	-4.7%
Inception to Date	188.6%

* MTD figures reflect performance between January 31, 2017 and February 28, 2017.

Fund Characteristics

No. of Holdings	4
Weighted Market Cap	USD 2.9 billion
Dividend Yield*	7.9%
P/E Ratio 17	8.8

*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	32.4%

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

Top Holdings

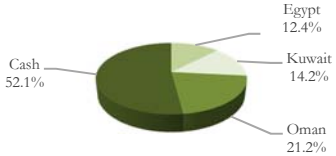
Holding	Country*	% Holding
Ooreedo Oman	Oman	11.1%
Mobile Telecommunications Co KSC	Kuwait	7.4%
Telecom Egypt Co	Egypt	4.5%
National Telecom Co	Egypt	2.0%

*Country assigned by primary listing

Fund Information

NAV per share	USD 25.14
Launch Date	April, 2000
Management Fee	1.75%
Minimum Subscription	USD 10,000
Subscription/Redemption	Monthly
No. of Share Certificates	591,301
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.