المجموعة المالية - هيرميس
EFG HERMES

The EFG-Hermes Middle East & Africa Telecom Fund
June 30th, 2008

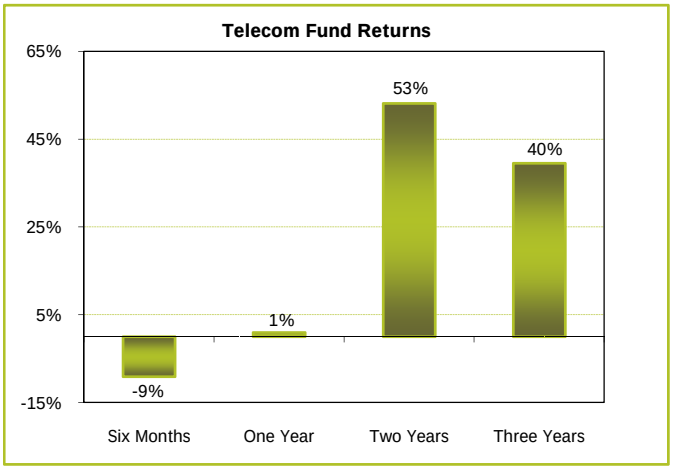
Fund Manager's Strategy & Outlook

After yet another difficult month for the region generally and the telecom sector specifically, the EFG-Hermes Telecom Fund lost 3.2% during June. With some of the larger markets in the region losing significant ground during the month, prices of telecom shares were adversely affected as investors searched for a positive catalyst. With second quarter results expected during the coming period, it is the Investment Manager's belief that regional markets, in particular the telecom sector, will be given a boost that should help fuel a rally during the second half of the year.

The bulk of the portfolios negative contribution can be attributed to holdings in Egypt and South Africa. The Egyptian market lost 11.1% during June bringing its 2 month loss to 17.4%. Continuing macro-economic issues and other top-down concerns weighed heavily on the Egyptian market, and the Fund's telecom holdings lost ground as a result. The Investment Manager has reduced exposure to Egypt during the month in light of the negative over-hang that exists. In South Africa, telecom stocks were negatively affected by an apparent break-down in talks between MTN and a potential buyer. Although the increased volatility is a concern, share prices are now trading at an attractive valuation.

On a positive note, the month of June witnessed the initial public offering (IPO) of Safaricom in Kenya. The stock gained 45% during its first 2 days of trading and the Fund was able to lock in a significant gain. Although international investors received a paltry allocation, the Investment Manager will be closely monitoring the stock to identify an attractive re-entry point where we can re-build a meaningful position.

As mentioned in previous notes, volatility has been expected although the significant underperformance, on a valuation basis, seems unwarranted. As the Fund enters the second half of the year, it is the Investment Manager's view that strong financial results and new listings will provide impetus for the sector. With the weighted PE(x) of the Fund standing at 10.7x, the sector and subsequently the EFG-Hermes Telecom fund present an appealing value proposition.



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STANDARD &POOR'S FUND MANAGEMENT RATING

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	-3.2%
Year to Date	-10.1%
Six Months	-9.1%
One Year	1.0%
Two Years	53.2%
Three Years	39.5%

Fund Information

NAV per Share	USD 34.42
No. of Share Certificates	935,797
Launch Date	April, 2000
Listing	Dubai Financial Market
Structure	Open Ended
Management Fee	1.75%
Incentive Fee	15% of out-performance
Benchmark	10% with a high watermark
Expense Ratio	2.3%
Minimum Subscription	USD 10,000
Subscription / Redemption	Monthly

Fund Identifiers

ISIN	BMG294021073
Sedol	0-415-433
Reuters Code	LCFR13, RSJA65, WDRIFMEA1
Bloomberg Ticker	EFGHTEL BH

Fund Characteristics

No. of Holdings	17
Wtd. Market Cap (mm)	USD 9,936
P/E Ratio 08	10.7x
Beta	0.3 *
Sharpe Ratio	1.0
Standard Deviation	13.2%*

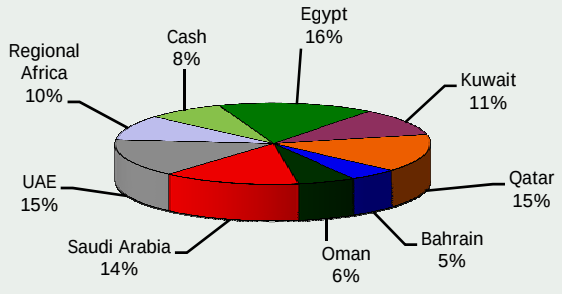
* Calculated against the MSCI EMEA Telecom Index

Top Holdings

Holding	Country *	% of NAV
Qatar Telecom	Qatar	15.3%
Etihad Etisalat	Saudi Arabia	14.3%
Thuraya Telecom	UAE	9.7%
Telkom South Africa	Regional Africa	6.8%
NMTC	Kuwait	6.4%

* Country assigned by primary listing

Allocation by Country



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.