المجموعة المالية - هيرميس
EFG HERMES

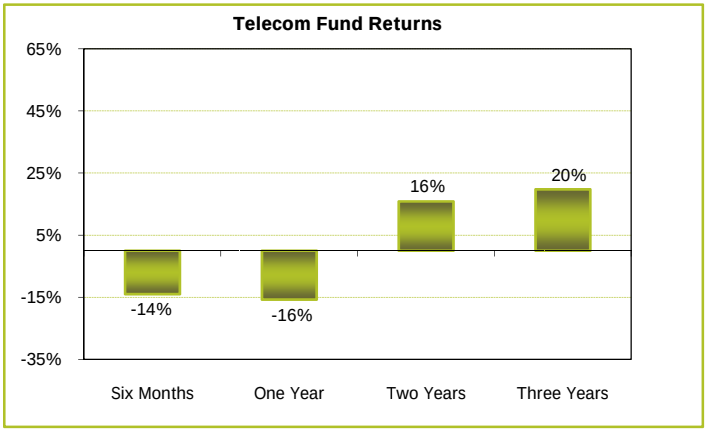
The EFG-Hermes Middle East & Africa Telecom Fund
September 30th, 2008

Fund Manager's Strategy & Outlook

During a calamitous month that witnessed an unprecedented international drawdown that de-rated global markets, the EFG-Hermes Telecom Fund managed to outperform emerging market telecom indices and regional markets, losing 5.9% to bring its YTD loss to -22.3%. The MSCI EMEA Telecom Services Index lost 18.9% during September and is down 37.5% so far this year. Furthermore, losses registered by regional bourses during the month were significant, with the MSCI Arabia Index losing 16.3% during the month and 28.8% for the year. While the Investment Manager targets positive absolute returns, which is what the Fund has achieved over the last 6 years, it is important to put into context this year's performance amid the global panic.

The Fund's monthly performance is attributed to increased allocation to Kuwait. During September, the Investment Manager ramped up exposure to Wataniya Telecom (NMTC), which rebounded 35% from its monthly low. The company had reached unwarranted valuations, particularly when considering that it had reported its best quarterly results in August. With operations in Algeria registering a profit for the first time, and with improved performance in the Tunisian market, it was clear that there was a disconnect between valuation and market price. Furthermore, with one of the main shareholders being Kuwait Investment Authority (KIA), the probability that the stock would be supported amid the sovereign wealth fund's program of investing in the local stock exchange was high. Despite the rally during the month, the stock still trades at an attractive valuation of 9.6x PE 08 and 4.4x EV/EBITDA 09.

In what has proven to be a particularly challenging year, it is clear that the EFG-Hermes Telecom Fund is being affected by problems not localized to the sector or the region, but those which are afflicting global markets across the board. In the past, the Investment Manager's fundamental based investment approach has benefitted long term investors and will continue to do so. With the Telecom sector trading at 9.9x PE 08, the Investment Manager remains bullish on its prospects for re-rating. The Investment Manager is wary of the global situation and increased volatility, but is confident that valuations will return to reasonable levels sooner rather than later.



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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	-5.9%
Year to Date	-22.3%
Six Months	-14.0%
One Year	-15.7%
Two Years	-15.9%
Three Years	19.8%

Fund Information

NAV per Share	USD 29.75
No. of Share Certificates	848,470
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	14
Wtd. Market Cap (mm)	USD 5,584
P/E Ratio 08	9.4x
Beta	0.3 *
Sharpe Ratio	0.8
Standard Deviation	13.5%*

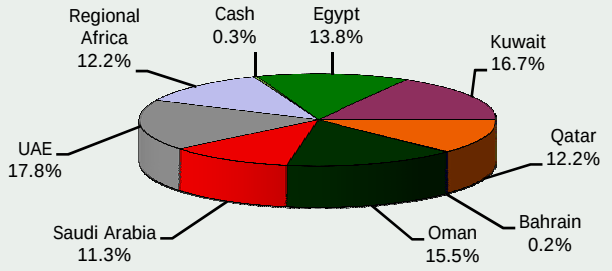
* Calculated against the MSCI EMEA Telecom Index

Top Holdings

Holding	Country *	% of NAV
Oman Telecom	Oman	15.5%
National Mobile Telecom	Kuwait	15.2%
Thuraya Telecom	UAE	12.4%
Qatar Telecom	Qatar	12.2%
Telecom Egypt	Egypt	9.0%

* 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.