The EFG-Hermes Telecom Fund

June 30, 2007

EFG - Hermes

ASSET MANAGEMENT FACT SHEET

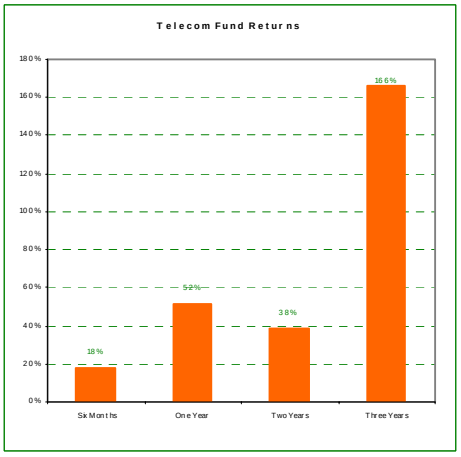
Fund Manager's Strategy & Outlook

During a month of sideways trading and profit taking, the EFG-Hermes Telecom Fund lost 1%, and registered its first negative return in 8 months. The YTD return currently stands at roughly 18%.

In Kuwait, we lowered our exposure to take advantage of strong gains and to reduce our exposure to investments that could be affected by negative news. The Investment Manager decided to further reduce Mobile Telecommunications Company (MTC) to lock profits following a YTD gain that exceeded 100%. Furthermore, we started to reduce Wataniya Telecom (NMTC) as we felt that recent events could have an adverse effect on the stock. During the month, it was announced that the company had lost operational control of its Iraqi unit and that the joint venture with its local partner will be liquidated. With Iraq contributing 30% of the company's revenues, the Investment Manager believes that current valuations are not factoring these events.

As part of our continued efforts to gain exposure to new markets, we initiated a position in the Saudi market during the month to take advantage of compelling valuations in the local telecom sector. Additionally, with the Saudi market significantly lagging regional peers and valuations becoming more compelling, the Investment Manager believes this is an attractive entry point. Our first investment was in Etihad Etisalat (Mobily), which is the second largest mobile operator in the Kingdom and the fastest growing mobile company in our universe. The company currently has a 33% market share in the mobile segment and is expected to post strong bottom line growth during the year. Trading at an attractive multiple of 12.9x 2007 earnings, the Investment Manager felt that the company's valuation warranted a position in our portfolio. Furthermore we built a small position in Saudi Telecom Company (STC), the incumbent fixed/mobile operator. While the company dominates both the fixed and mobile segments of the market, it is growing at a slower pace typical of a more mature operator. Additionally, the company recently announced plans to acquire a 25% stake in Maxis Communications. The Malaysian company has operations in Malaysia, India, and Indonesia. In addition to this investment, STC also purchased a 51% direct stake in Maxis's Indonesian operation. While we are confident that this deal will be a growth driver for the company, we will be monitoring developments and results before we increase our position.

Going forward, the Investment Manager remains confident in the Telecom sector's prospects. The structural upturn in the sector should continue, and the Fund will continue to seek out new investment opportunities.



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	-1.02%
Year to Date	17.96%
Six Months	17.96%

Returns	Telecom Fund
One Year	51.71%
Two Years	38.19%
Three Years	166.08%

Fund Information

NAV per share	USD 34.09
No. of share certificates	1,468,785
Launch Date	April, 2000
Listing	Dubai Financial Market
Structure	Open Ended
Management fee	1.75%
Incentive fee	15% of outperformance
Benchmark	10% with a high watermark
Expense ratio	2.17%
Minimum Subscription	USD 10,000
Subscription/Redemption	Monthly
ISIN	BMG294021073
Sedol	0-415-433
Reuters Code	LCFR13, RSJA65, WDRIFMEA1
Bloomberg Ticker	EFGHTEL BH

Fund Characteristics

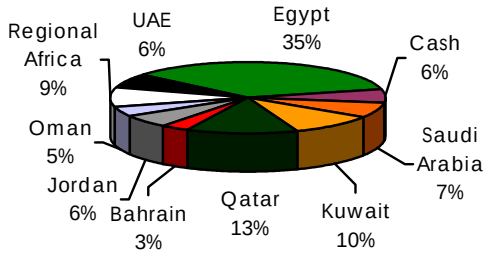
No. of Holdings	16
Wtd. Market Cap.(mm)	USD6,738
P/E Ratio 07	12.81x
Beta	0.23
Sharpe Ratio	1.12
Tracking Error	23.55%

Top Holdings

Holding	Country	% of NAV
Orascom Telecom	Egypt	20.05%
Qatar Telecom	Qatar	13.11%
Telecom Egypt	Egypt	8.66%
MTC	Kuwait	6.49%
Mobinil	Egypt	6.34%

(*) **Country assigned by primary listing**

Allocation By Country



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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 Middle East and Africa Funds 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.