The EFG-Hermes Telecom Fund

April 30, 2007

EFG - Hermes

ASSET MANAGEMENT FACT SHEET

Fund Manager's Strategy & Outlook

The Fund enjoyed another positive month during April, gaining 1.7% and taking the YTD return to 15.7%. Positive first quarter results and dividend distributions drove share prices in the sector higher.

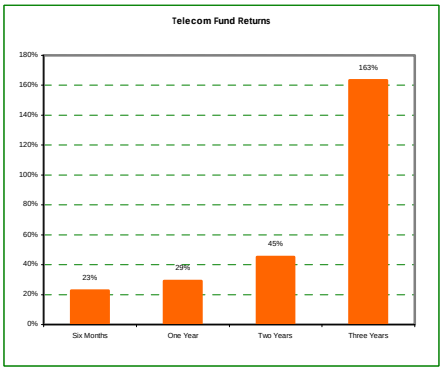
Mobile Telecommunications Company (MTC), the largest contributor to returns during the month, released positive first quarter results. In terms of customers, the company grew its subscriber base by 95% over the corresponding period last year. MTC also posted strong financial results, with revenues, EBITDA, and net income growing by 66%, 57%, and 33% respectively. The stock's impressive YTD return of 60% has caused us to reduce our position and lock some profits. We continue to see value in the stock and will be trading it should the opportunity arise.

In Qatar, Q-Tel also released first quarter results that were in line with our projections. Revenues, EBITDA, and net income grew by 53%, 41%, and 15% respectively. The company's Omani operations were particularly impressive, growing revenues by 91% over the same quarter last year. Going forward, we feel that there will be an increasing contribution from Q-Tel's foreign operations, especially after the company's purchase of a 51% stake in Wataniya Telecom during March. In light of the anticipated conclusion of Q-Tel's monopoly in Qatar later this year, we feel that the company's expansionary strategy will benefit investors.

Towards the end of the month, we decided to add Egyptian mobile operator Mobinil to the Fund. This decision came on the back of impressive first quarter results that saw the company grow subscribers at the highest quarterly rate since it commenced operations. This growth translated into impressive financial results, with revenue, EBITDA, and net income growing by 27%, 21%, and 28% respectively. With the company trading at an attractive valuation of 9.4x 2007 earnings, we are comfortable with increasing our position.

Finally, Jordan Telecom released positive first quarter results that reflected growth in revenue, EBITDA, and net income by 13%, 16% and 33% respectively. The company, which operates in the fixed, mobile, and internet segments of the market also distributed dividends during the month which represented a yield of 7.2%. Furthermore, the government has announced plans to sell its remaining 14% stake in the company during the year. In light of the stock trading at a discount to its most recent transaction multiple, we maintain our bullish outlook.

Despite the significant rally in the sector during first 4 months of the year, we continue to see plenty of scope for investors to achieve positive returns. Our strategy of locking profits at attractive levels and opportunistic trading to take advantage of volatility will continue to prove beneficial for the Fund. Furthermore, we feel that the rebalancing of our holdings to take advantage of attractive valuations coupled with strong fundamentals in the sector will continue to pay off and sustain the Funds momentum.



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	1.70%
Year to Date	15.71%
Six Months	22.66%

Returns	Telecom Fund
One Year	29.10%
Two Years	45.09%
Three Years	163.30%

Fund Information

NAV per share	USD 33.44
No. of share certificates	1,604,949
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	2.13%
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

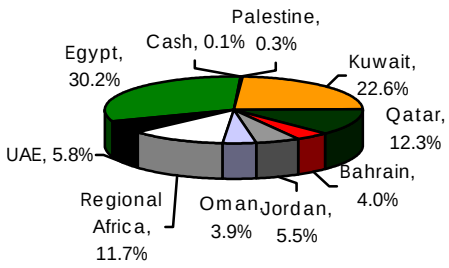
No. of Holdings	17
Wtd. Market Cap.(mm)	USD 8,841
P/E Ratio 07	13.23x
Beta	0.24
Sharpe Ratio	0.31
Tracking Error	23.91%

Top Holdings

Holding	Country	% of NAV
Orascom Telecom	Egypt	19.96%
MTC	Kuwait	15.44%
Qatar Telecom	Qatar	12.26%
Telecom Egypt	Egypt	8.25%
Telkom SA	Regional Africa	6.48%

(*) **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.