The EFG-Hermes Telecom Fund

July 31, 2007

EFG - Hermes

ASSET MANAGEMENT FACT SHEET

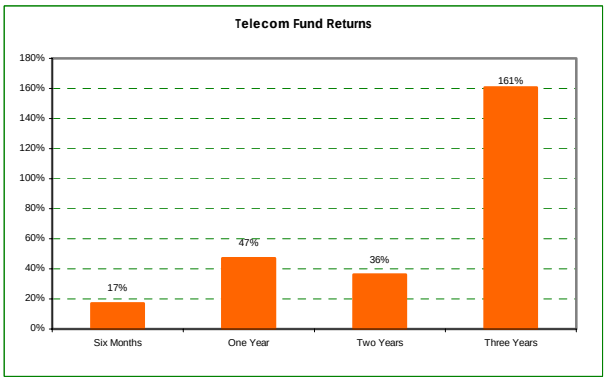
Fund Manager's Strategy & Outlook

Despite the global selloff towards the end of the month which had an adverse effect on the regional markets, the EFG-Hermes Telecom Fund gained 1.9 % in July, taking the YTD performance to 20%. The Fund showed resilience in the face of the bearish sentiment that swept across international markets and was able to continue its strong performance. This was due to our recent foray into the Saudi market where our investments outperformed the market and also due to our reduced exposure to the Kuwaiti telecom sector.

In Saudi Arabia, our investment in the local telecom sector contributed positively to the Fund's performance as both operators gained during the month. Etihad Etisalat's (Mobily) shares gained 25%, driven by strong financial results for the quarter. Mobily's revenues, EBITDA, and net income grew by 40%, 49%, and 161% respectively over the same period last year. Although the company did not release operational results, the company's impressive financial results have positioned it to more than double its bottom line during the year. Saudi Telecom (STC), our other investment in the market, also rallied during the month. Although the company continues to face declining financial results in the face of new competition, investors were positively surprised by the company's improving EBITDA margin which came in at 49.6%. Furthermore, investors are still factoring in the company's investment in Maxis Communications of Malaysia, which is expected to positively contribute to the company's profitability and diversify its income base.

The Investment Manager's decision to further reduce Mobile Telecommunications Company (MTC) of Kuwait was vindicated by the company's second quarter results and subsequent share price weakness. Although the company grew revenues by 60% and its subscriber base by 40%, its EBITDA and bottom line numbers came in below expectations. The company reported figures which implied an EBITDA margin of 42.8%, which is a significant decrease from the 50.6% margin reported in the same period last year. Furthermore, the company's bottom line grew by 13%, which is a significantly lower growth rate than previous years. MTC shares declined by 11.4% during the month.

The Investment Manager remains positive on the telecom sector's prospects, and consequently will continue to add new positions across the region. With new listings expected in the region during the coming period, the Investment Manager feels that there remains plenty of scope for 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	1.88%
Year to Date	20.17%
Six Months	16.98%

Returns	Telecom Fund
One Year	46.98%
Two Years	36.13%
Three Years	160.58%

Fund Information

NAV per share	USD 34.73
No. of share certificates	1,273,708
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	2.22%
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

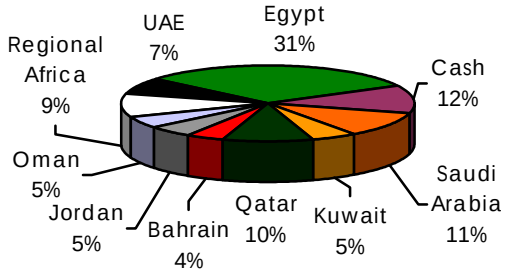
No. of Holdings	15
Wtd. Market Cap.(mm)	USD8,593
P/E Ratio 07	13.32x
Beta	0.23
Sharpe Ratio	1.14
Tracking Error	23.41%

Top Holdings

Holding	Country	% of NAV
Orascom Telecom	Egypt	13.61%
Telecom Egypt	Egypt	9.89%
Qatar Telecom	Qatar	9.67%
Etihad Etisalat	Saudi Arabia	7.66%
Mobinil	Egypt	7.40%

(*) 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.