المجموعة المالية - هيرميس
EFG HERMES

The EFG-Hermes Middle East & Africa Telecom Fund
June 30th, 2009

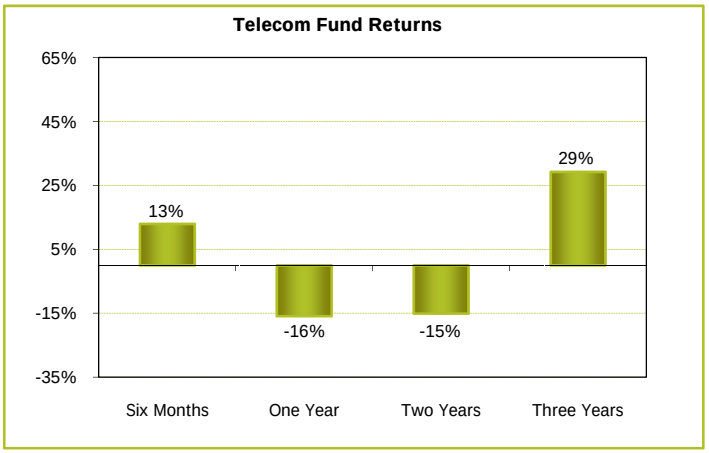
Fund Manager's Strategy & Outlook

In a month of global profit taking, the EFG-Hermes Telecom Fund continued its positive performance and gained 3.5% to bring its YTD performance to 13.0%. As global and regional markets took a breather from the recent rally and investors booked profits, the regional TMT sector's defensive attributes shined through. During the summer months and the upcoming Ramadan holiday, liquidity is expected to dry up in regional markets while volatility is expected to increase. Consequently, the Fund is increasing exposure to markets with lower correlation to regional and emerging market indices in order to remain well-positioned for the coming period.

During the month, the Fund's holdings in Qatar, Kuwait and South Africa once again contributed the bulk of positive returns. In Qatar, Q-Tel continued its recent outperformance as investors began to price in currency appreciation in its key market of Indonesia. Investments in Kuwait, specifically Zain, continued to gain ground as speculation about M&A continues unabated. In South Africa, the Fund's investment in Telkom appreciated as investors were drawn to the company's appealing valuation and the local currency which continues to gain against the dollar. Towards the end of the month, the Investment Manager booked profits as the rally appeared overdone and did not appear to be fundamentally-driven.

The EFG-Hermes Telecom Fund added a new holding in Nigeria during the month. Starcomms, an integrated telecom services provider, offers exposure to Africa's largest and fastest growing TMT market. The CDMA operator, with a presence in 22 cities across Nigeria, is the country's fixed-wireless leader and is steadily increasing market share in the underserved data segment. With the company trading at a discount to book value and reporting improving financial figures, the Investment Manager believes a position in the fund is warranted.

As volatility reared its head again during the month and we enter the summer lull, investor appetite for defensive names seems to have returned. The Investment Manager has positioned the Fund to take advantage of this sentiment. Moreover, the Fund continues to add new holdings in an attempt to increase diversification and lower correlation. With the sector's fundamental thesis still intact and appealing valuations, the EFG-Hermes Telecom Fund continues to offer a unique value proposition.



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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*	3.8%
Year to Date	13.0%
Six Months	13.0%
One Year	-15.9%
Two Years	-15.1%
Three Years	29.2%

*Performance figures are from May 28th, 2009- June 30th, 2009

Fund Information

NAV per share	USD28.96
No. of Share Certificates	780,252
Launch Date	April, 2000
Listing	Dubai Financial Market
Structure	Open Ended
Management Fee	1.75%
Incentive Fee	15%
Benchmark	10% with a high watermark
Expense Ratio	2.7%
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	15
Wtd. Market Cap (mm)	USD9,668
P/E Ratio 09	8.9x
Beta	0.3*
Sharpe Ratio	0.6
Standard Deviation	14.3%*

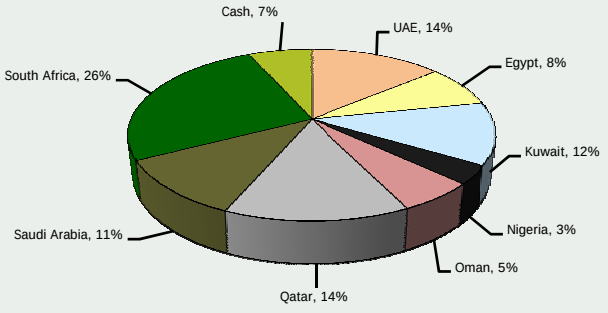
* Calculated against the MSCI EMEA Telecom Index

Top Holdings

Holding	Country*	% of NAV
Thuraya Telecom	UAE	13.9%
Qatar Telecom	Qatar	13.8%
MTN	South Africa	9.1%
Vodacom Group	South Africa	8.9%
National Mobile Telecom Co.	Kuwait	8.8%

* 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.