EFG-Hermes Telecom Fund

Monthly Report *April 2004*

Dear Shareholder,

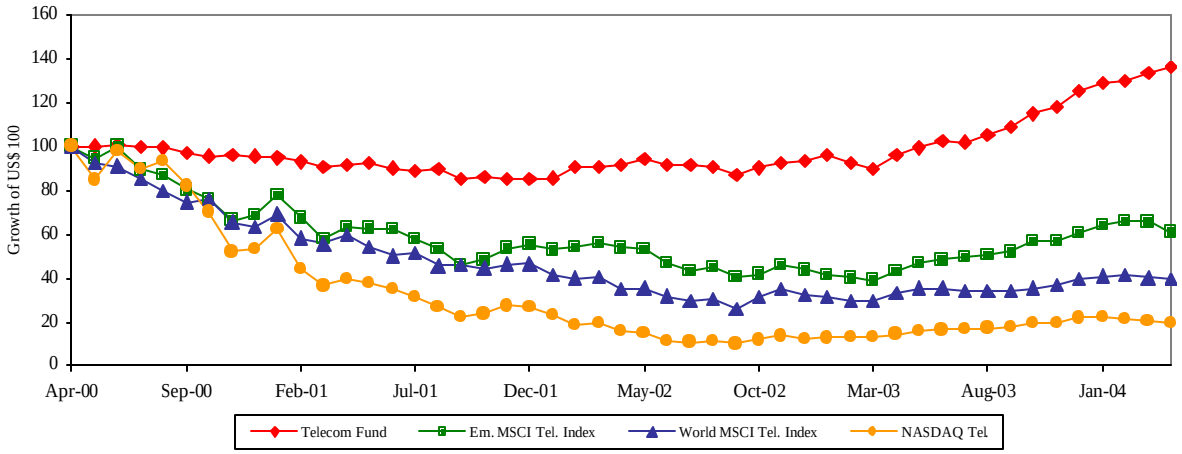
April saw another month of out-performance, with your Fund gaining 2% compared to negative returns in all international telecom indices. Your Fund has now returned 8% since the beginning of the year, outperforming MSCI world and emerging telecom indices by more than 8% while returns have exceeded the NASDAQ telecom index by 19%.

Gulf markets had a positive performance lead by the Qatari stock market, which gained 11% during the month, followed by the Bahraini and Kuwaiti markets, returning 3% and 2% respectively. Holdings in Qatar and Kuwait under-performed their local markets while Batelco, your second largest holding outperformed the local market by 10%. During the month QTel, the Qatari monopoly operator, announced its first quarter results, showing 20% increase in revenues and 26% in net profits compared to the same period in 2003. These results exceeded our expectation of bottom line growth during the quarter. In addition, the second Kuwaiti GSM operator, Wataniya Telecom, showed an impressive first quarter revenue and net profit growth of 60% and 67% respectively, in line with our forecasts for the year.

The Egyptian stock market gained 9% in April and 37% year to date. Orascom Telecom, the regional telecom operator and one of your top ten holdings out performed the market by 16% and announced its first quarter subscribers figures showing a 15% increase over the fourth quarter of 2003. On the other hand, the two Egyptian mobile operators under-performed the Hermes index by 4% and 7%. MobiNil's stock performance was worst than its competitor, Vodafone, as investors were surprised by the decrease in the company's first quarter operating margin compared to the fourth quarter in 2004. MobiNil's revenue increased 7% while net profit decreased 4% compared to the fourth quarter of 2003.

Raya Holding, the Egyptian information technology (IT) company and one of your private equity holdings, released its 2003 results, showing a 40% increase in revenues. The company turned profitable with net income reaching LE 11m compared to a LE 4m loss in 2002. Management is expecting more than a doubling in 2004 bottom line profits due to the high growth expected from regional integration services.

Telecom Fund Performance Since Inception



The EFG-Hermes Telecom Fund distributed US$ 0.25 dividend per share in March 2002 and US$ 0.25 in August 2003.

Table 1: Regional Breakdown	
Gulf Region	37.9%
Regional Africa	20.5%
Egypt	16.5%
Regional ME	13.6%
TOTAL	**88.5%**

Table 2: Sector Breakdown	
Telecom	78.2%
IT	5.3%
Media	1.6%

Table 3: Listed Stocks	
Q-Tel	15.0%
Batelco	13.5%
Orascom Telecom	12.8%
MTN	12.5%
MobiNil	8.1%
Vodafone Egypt	3.5%
Bonds	3.4%
MTC	3.2%
NMTC	2.0%
Qatar Cinema	0.8%
TOTAL	**74.8%**

Table 4: Unlisted Stocks	
MSI	7.6%
NTC	3.5%
Raya Holdings	1.4%
LuxSAT ME	0.8%
African Lakes	0.4%
TOTAL	**13.7%**

BACKGROUND:
The EFG-Hermes Middle East and Africa Funds Limited is an investment company incorporated in Bermuda for the purpose of providing Shareholders with the opportunity of investing indirectly in the Middle East and Africa.

EFG-Hermes Telecom Fund is the first sub-fund to be established by the Company. The Telecom Fund invests 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.

# of shares = 2,319,188

MANAGER:
EFG-Hermes Financial Management (Egypt) Limited.

TECHNICAL ADVISORS:
Detecon GmbH

FUND CUSTODIANS:
Citibank N.A. (Cairo branch)
The Hong Kong and Shanghai Banking Corporation Limited (HSBC)

AUDITORS:
Deloitte & Touche

ADMINISTRATION, SECRETARY AND REGISTRAR:
MQ Services Limited
Chancery Hall, 52 Reid Street, Hamilton HM 12
Tel: 1441-295-9294 Fax: 1441-292-8899

THE FOLLOWING MAKE A MARKET IN THE FUNDS SHARES:

JP Morgan -USA / Mr. Jeremy Barkes Mr. Robert Brown	Tel: 1-212-2706 0000	
JP Morgan - UK / Mr. Richard Harris	Tel: 44-207-742 8111	**REUTERS PAGE:RSJA68**
UBS Warburg / Mr. David Bliff	Tel: 44-207-568 4587	**REUTERS PAGE: WDRIFMEA1**
LCF Rothschild Securities/Mr. Johnny Hewitson	Tel: 44-207-845 5960	**REUTERS PAGE: LCFR13** **BLOOMBERG: LCFR**

The fund is open for monthly subscription and quarterly redemption. Subscription and redemption requests have to be submitted to MQ Services 7 working days before quarter end.

FACT FILE:
Launched: April 2000 *NAV*: US$ 12.89

ENQUIRIES:

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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.