EFG-Hermes Telecom Fund

Monthly Report *November 2003*

Dear Shareholder,

November was another positive month for the Telecom Fund with the NAV increasing 2.7%, outperforming Emerging MSCI and NASDAQ telecom indices by 2% and 4.4% respectively. Last month's performance added to the year's appreciation, which has now reached 26.5% on total return basis. Your Fund is currently 18% up since its inception in May 2000 outperforming all telecom indices by more than 60%.

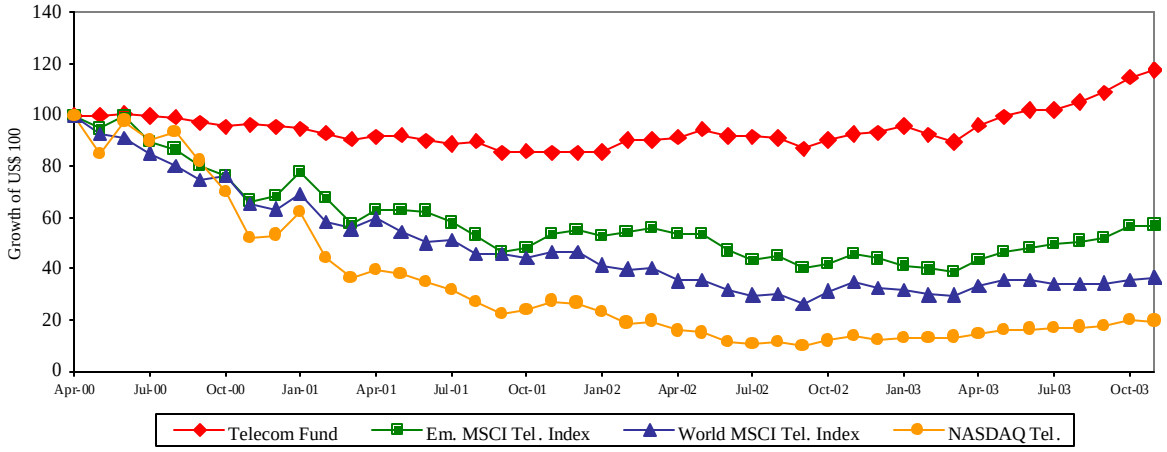
Gulf Telecom companies enjoyed a strong performance. Q-Tel increased 5%, reaching a year and all time high towards the end of the month. Kuwait's two mobile operators outperformed the market. NMTC, the second mobile operator in Kuwait, increased 10% after announcing its nine-month results at the end of October. MTC, the first mobile operator in Kuwait, increased 3.8% during the month after announcing its nine month results showing an increase of 57% in net profit over the same period in 2002. The company is planning to launch the service in Bahrain before the end of 2003. In Bahrain, Batelco, 10% of your fund outperformed the local stock market by 2%. Investors are becoming more positive on the restructuring during the year ahead of the 2nd operator's entrance. In addition, the dividend season is approaching and Batelco pays one of the highest yields in the region.

Telecom stocks in Egypt corrected during the month. Orascom Telecom (OT) and MobiNil under performed the HFI index by 6.8% and 4.8% respectively. The two listed telecom companies were affected by news that the agreement in which Telecom Egypt was to delay the launch of the third operator for five years was likely to be consummated. This would affect MobiNil and Vodafone Egypt due to the likelihood of increased competition and compressed margins. This development has not been confirmed. However, MobiNil remains cheap compared to its peers in the region and other emerging markets. Vodafone Egypt listing is scheduled for mid December, the stock is still valued in your Fund at a 20% discount from MobiNil's 03 PE according to the BVCA guidelines.

OT has also been impacted by an alleged Pentagon investigation into the award of the Central Iraq mobile license. This has been mitigated by OT announcing surprising results compared to analysts' expectations. The company posted LE 484m in net profit for the nine-month ending September 2003 excluding unusual figures compares to LE 92m. Operationally, results were also impressive with the operating margin increasing in most of the subsidiaries and on the consolidated level. There was also a stable to increasing revenue per user figure. This resulted in a revision in our forecasts for the year, and we now believe the company is trading at 10x and 6x 03 and 04 PE respectively.

The South African operator accounting for 13% of your Fund, MTN, added 5.2% to its year to date performance. This performance is now 185% in US$ term. The company announced the six-month results ending August 2003, also exceeding our expectations. Results showed a 39% year on year (y-o-y) increase while still having a healthy revenue per user. Net profit showed 157% y-o-y growth with operating margin increasing to 38% from 31% a year earlier. The company is currently well positioned with a clean balance sheet to add to its present six subsidiaries. Your largest private equity holding with operations in 12 African countries, MSI, is planning a capital increase at a Price of US$ 17, 41.7% higher than our current valuation. We would revalue the stock as soon as we have confirmation of this from the company.

Telecom Fund Performance



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	36.8%
Regional Africa	20.0%
Egypt	15.9%
Regional ME	7.5%
TOTAL	**80.2%**

Table 2: Sector Breakdown

Telecom	66.4%
IT	5.6%
Media	3.9%

Table 3: Listed Stocks

Q-Tel	17.0%
MTN	13.3%
Batelco	10.3%
MobiNil	6.0%
Bonds	4.3%
Orascom Telecom	4.2%
MTC	2.7%
NMTC	2.4%
Qatar Cinema	0.6%
TOTAL	**60.9%**

Table 4: Unlisted Stocks

MSI	6.2%
Vodafone Egypt	4.3%
NTC	4.0%
LuxSAT ME	2.0%
Founoon	1.3%
Raya Holdings	1.2%
African Lakes	0.5%
TOTAL	**19.3%**

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 = 2,317,104

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$ 11.18

ENQUIRIES: EFG-Hermes Asset Management – Youssef Saada –Tel: 2-02-3365960

Tristan Clube- Investment Advisor
Tel: 971-14-3300335 Fax: 971-4-3300336
44-131-6237800
e-mail:tclube@wwmail.co.uk

Maha Baligh- Investment Manager
Tel: 2-02-3365960 Fax: 2-02-3365589
e-mail: mbaligh@efg-hermes.com

Yasmin I Hassan- Vice President
Tel: 2-02-3365960 Fax: 2-02-3365589
e-mail: yibrahim@efg-hermes.com

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.