The EFG-Hermes Middle East & Africa Telecom Fund
April 2011

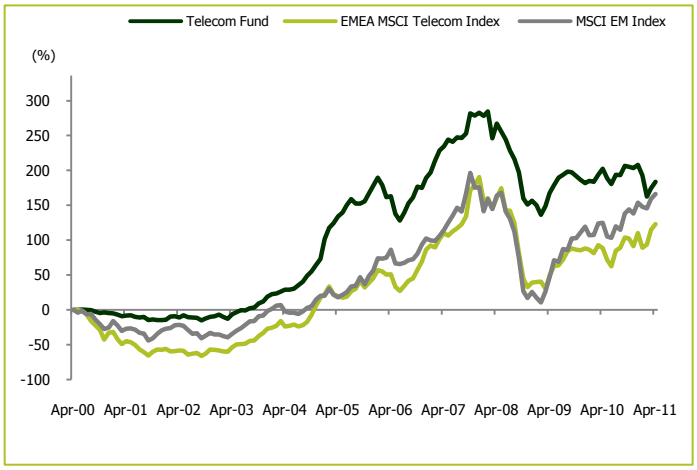
Fund Manager's Strategy & Outlook

The EFG-Hermes Telecom Fund gained 3.4% in April as regional markets continued their recovery from recent geo-political crises. Although worries about political stability persist in our region, investors viewed the glass as half full due to compelling valuations and encouraging first quarter results. The telecom sector grabbed headlines with some robust financial results and increased M&A activity and this had a positive impact on returns. During the month, holdings in South Africa and Qatar provided the bulk of returns.

Etihad Etisalat, or Mobily as it is more popularly known, released stellar Q1 results that reaffirmed its position as the Fund's top holding. The company reported growth of 34%, 25% and 40% for revenues, EBITDA and net income respectively over the same period last year. Taking the seasonality affect into account, with Q1 typically being the slowest period of the year for regional mobile operators, these results are even more impressive. Sales growth of 34% in a market that has more than a 150% mobile penetration is indicative of the company's successful mobile broadband strategy. With the company trading at 8.4x 2011 earnings, the company's value proposition is compelling to say the least.

As a sector, telecoms witnessed a spate of industry events that grabbed the headlines. In Kuwait, Etisalat called off its proposed buy-out of Zain after a five month due diligence process. This had a spillover effect in Saudi Arabia, where Zain is selling its 25% stake in Zain KSA to clear regulatory hurdles the Etisalat deal would have created. A consortium involving Prince Al-Waleed's Kingdom Holding and Batelco is currently completing the due diligence process which will not be affected by events on the holding level. Finally in Egypt, Orascom Telecom provided details about the spin-off of its Egyptian and North Korean operations post the finalization of the Vimplecom transaction.

Looking ahead to the near term, the Investment Manager is constructively optimistic on the prospects of regional economies and markets in general, particularly the telecom sector. Compelling valuations and increased consolidation should benefit investors over the medium term and the Fund is well positioned to capture this.



* Line Graph is as of April 2011.

EFG-Hermes Asset Management

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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*	3.4%
Year to Date	-7.9%
2010	9.2%
2009	9.9%
2008	-33.1%
2007	32.5%
2006	4.0%
2005	60.6%

Returns	Telecom Fund
1 year	-6.2%
3 year	-22.7%
5 year	7.9%
Since Inception	183.6%

* MTD figures reflect performance between March 31st, 2011 and April 28th, 2011.

Fund Characteristics

No. of Holdings	14
Wtd. Market Cap	USD 10.9 billion
Dividend Yield*	4.7%
P/E Ratio 10	11.4x

*Figure reflects the weighted average yield of a dividend-bearing security in the fund

Fund Metrics*

Beta	0.3
Annualized Standard Deviation	14.0%
Information Ratio	0.4

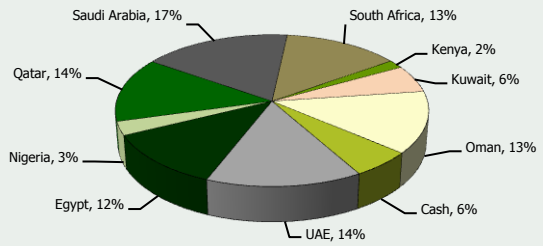
*Calculated vs. MSCI EMEA Telecom Index since Fund inception in April 2000

Top Five Equity Holdings

Holding	Country*	% of NAV
Etihad Etisalat	Saudi Arabia	14.5%
Thuraya Satellite Telecom	UAE	14.4%
Qatar Telecom	Qatar	13.8%
Nawras	Oman	13.2%
MTN	South Africa	9.0%

* Country assigned by primary listing

Allocation by Country



Fund Data

NAV per share	USD 28.36
No. of Share Certificates	701,627
Launch Date	April 2000
Management Fee	1.75%
Incentive Fee	15%
Benchmark	10% with a high watermark
Expense Ratio	2.3%
Minimum Subscription	USD 10,000
Subscription / Redemption	Monthly

Fund Identifiers

ISIN	BMG294021073
Bloomberg Ticker	EFGHTEL BH

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.