The EFG-Hermes Middle East & Africa Telecom Fund
June 2010

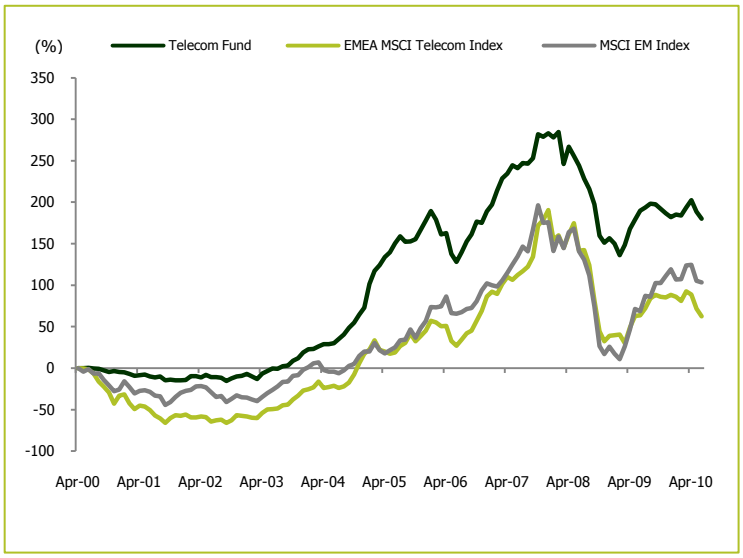
Fund Manager's Strategy & Outlook

The EFG-Hermes Middle East and Africa Telecom Fund declined 2.8% in June bringing its YTD return to -0.5%. The MSCI EMEA Telecom Services posted a 5.4% decline to bring its YTD performance to -13.7%.

Fears about the possibility of a double-dip recession were driven by negative news headlines and mixed economic data, which resulted in increased market volatility and weakness. Contagion over the debt situation in Europe continued to weigh on investor sentiment. Despite this prevailing market uncertainty, the Investment Manager continues to believe in the underlying fundamentals of the regional telecom sector, namely resilient demand and increasingly attractive valuations.

During the month, the Fund's holdings in Qatar and Kenya contributed positively to returns. Qatar Telecom benefitted from its increasingly important Indonesian subsidiary being upgraded by global research houses. The operator also gained as the Indonesian Rupiah continued to strengthen amid the positive macroeconomic backdrop in the Southeast Asian country. In Kenya, the data services provider, Access Kenya, performed positively amid speculation that a new undersea cable to the East African country will provide much needed bandwidth as the operator seeks greater expansion and penetration.

Close correlation between global markets and the relatively healthy regional telecom sector has resulted in increased volatility in the short-term. The Investment Manager has maintained the Fund's diversified holdings in telecom companies with attractive valuations and growth profiles in the medium-term. We believe the sector is poised to generate positive gains despite the uncertainty in the strength of the global economic recovery. In the coming month, the Investment Manager will seek to raise exposure in order to take advantage of the recent sell-off and attractive opportunities in the regional telecom space.



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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*	-2.8%
YTD	-0.5%
2009	9.9%
2008	-33.1%
2007	32.5%
2006	4.0%
2005	60.6%

Returns	Telecom Fund
1 year	-3.1%
3 year	-17.7%
5 year	12.1%
Since Inception	180.5%

*Performance figures are reflective of the period from May 31st, 2010 to June 30th, 2010

Fund Characteristics

No. of Holdings	13
Wtd. Market Cap	USD 9.7 billion
Dividend Yield*	5.5%
P/E Ratio 10	10.9x

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

Fund Metrics*

Beta	0.3
Standard Deviation	13.8%
Information Ratio	0.9

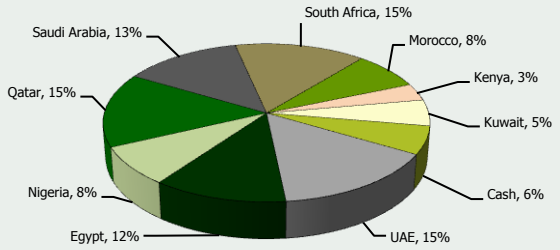
*Calculated vs. MSCI EMEA Telecom Index since Fund inception in April 2000

Top Five Equity Holdings

Holding	Country*	% of NAV
Qatar Telecom	Qatar	15.2%
Thuraya Satellite Telecom	UAE	15.0%
Etihad Etisalat	Saudi Arabia	13.2%
MTN	South Africa	11.3%
Starcomms PLC	Nigeria	8.0%

* Country assigned by primary listing

Allocation by Country



Fund Data

NAV per share	USD28.05
No. of Share Certificates	746,132
Launch Date	April 2000
Management Fee	1.75%
Incentive Fee	15%
Benchmark	10% with a high watermark
Expense Ratio	2.4%
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.