The EFG-Hermes Telecom Fund

September 30, 2007

EFG - Hermes

ASSET MANAGEMENT FACT SHEET

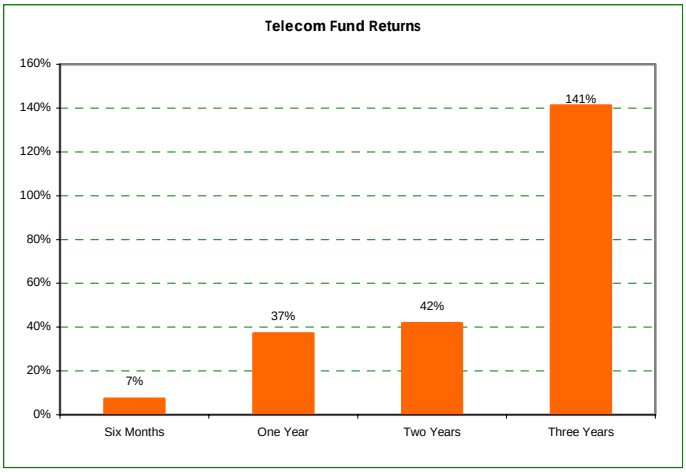
Fund Manager's Strategy & Outlook

The EFG-Hermes Telecom Fund gained 1.9% in the month of September placing its YTD return at 22%. With global credit fears subsiding, international investors took advantage of the region's historically low correlation with other markets to build positions. The majority of regional indices witnessed a significant rebound during the month.

Orascom Telecom (OT), the Fund's largest holding, allayed investor concerns regarding its Iraqi unit by announcing a Joint Venture (JV) with Korek Telecom that will enable it to operate in Iraq for the next 15 years. OT will remain in Iraq and consolidate its position as the largest network operator in the country. Korek Telecom's operations, which are focused in the Northern region will compliment OT's existing subscriber base, which predominantly comes from Central and Southern Iraq. OT will have a 70% stake in the venture, which will enable the company to remain in the expanding market without being solely exposed to the licensing cost and ongoing volatility in the country. Additionally, with OT retaining management control, it is expected that the operation will continue to be consolidated in its financials. Furthermore, the company announced another share buyback initiative that added to the momentum of the share price which appreciated by 14% in September.

In Oman, Oman Telecommunications (Omantel) took another step towards expanding beyond its local market. Omantel's board approved the proposed purchase of a 65% stake in Pakistan's Worldcall, which operates a large telephony network focusing on international dialing and broadband solutions. If completed, the deal would give Omantel access to one of Asia's largest markets, and would diversify its revenue stream away from the increasingly saturated Omani market. Although the transaction is yet to be completed, the stock gained 5% during the month on the back of this positive news.

As we enter the final quarter of the year, the Investment Manager maintains a positive outlook on the sector as a whole; strong financial results and continued corporate activity will drive the sector. Moreover, the Investment Manager will continue to identify potential new investment opportunities for the Fund.



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	1.91%
Year to Date	22.15%
Six Months	7.36%

Returns	Telecom Fund
One Year	37.11%
Two Years	41.73%
Three Years	141.08%

Fund Information

NAV per share	USD 35.30
No. of share certificates	952,240
Launch Date	April, 2000
Listing	Dubai Financial Market
Structure	Open Ended
Management fee	1.75%
Incentive fee	15% of outperformance
Benchmark	10% with a high watermark
Expense ratio	2.33%
Minimum Subscription	USD 10,000
Subscription/Redemption	Monthly
ISIN	BMG294021073
Sedol	0-415-433
Reuters Code	LCFR13, RSJA65, WDRIFMEA1
Bloomberg Ticker	EFGHTEL BH

Fund Characteristics

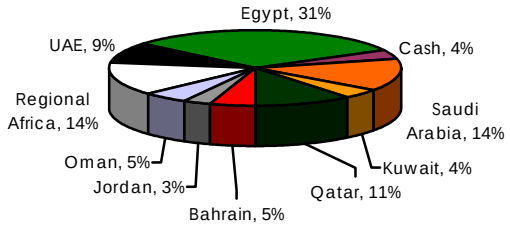
No. of Holdings	15
Wtd. Market Cap.(mm)	USD9,026
P/E Ratio 07	14.42x
Beta	0.23
Sharpe Ratio	1.17
Standard Deviation	12.55%

Top Holdings

Holding	Country	% of NAV
Orascom Telecom	Egypt	13.56%
Qatar Telecom	Qatar	10.86%
Etihad Etisalat	Saudi Arabia	9.84%
TELEKOM SA	Regional Africa	9.33%
Thuraya satelite Telecommunication	UAE	9.32%

(*) Country assigned by primary listing

Allocation By Country



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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.