المجموعة المالية - هيرميس
EFG HERMES

The EFG-Hermes Middle East & Africa Telecom Fund
February 29th, 2008

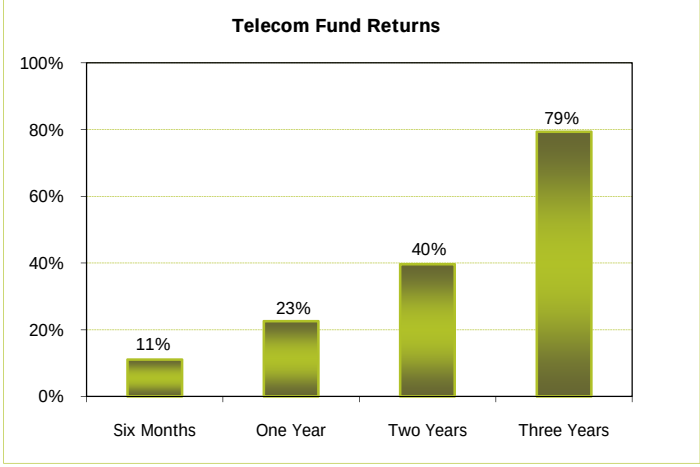
Fund Manager's Strategy & Outlook

The EFG-Hermes Telecom Fund regained its footing during the month, gaining 1.8% to wipe out losses recorded during January as regional markets reversed their negative trajectory. Encouraging financial results released during the month from the top holdings helped boost returns amidst an increasingly volatile environment.

The Fund's holdings in Oman and Egypt contributed positively to the Fund's returns, while selective stocks in Saudi Arabia and South Africa had a slight negative contribution to the overall portfolio. The Investment Manager continues to trade around core positions to take advantage of volatility and enhance returns.

In Qatar, the largest holding Qatar Telecom (Q-Tel) released mixed financial results for 2007. Revenues and EBITDA were up 134.7% and 97.5% respectively, indicating the significant growth that the company's numerous acquisitions have contributed during the year. In terms of subscriber base, the company reported 850% growth to record 16.1 million subscribers – again as a result of their strategic expansion. The only negative note was regarding the net income. While the group as a whole reported growth of 13.4% in the bottom line, the figure declined by 1% after stripping out minorities. This was mainly caused by one-off amortization charges and increased interest payments related to their acquisitions. The Investment Manager maintains a favorable view on the company as it offers relatively cheap (PE 08 11.9x) access to growth that will materialize once new units have been fully integrated.

Increased volatility is expected during the coming year across regional markets. However, the Investment Manager remains bullish on the sector and the Fund's ability to generate returns due to the unique geographical mandate (Middle East & Africa) of the portfolio, and the value proposition that exists across the investment universe.



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STANDARD &POOR'S A FUND MANAGEMENT RATING

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	1.77%
Year to Date	0.47%
Six Months	11.09%
One Year	22.55%
Two Years	39.66%
Three Years	79.38%

Fund Information

NAV per Share	USD 38.48
No. of Share Certificates	946,941
Launch Date	April, 2000
Listing	Dubai Financial Market
Structure	Open Ended
Management Fee	1.75%
Incentive Fee	15% of out-performance
Expense Ratio	10% with a high watermark
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

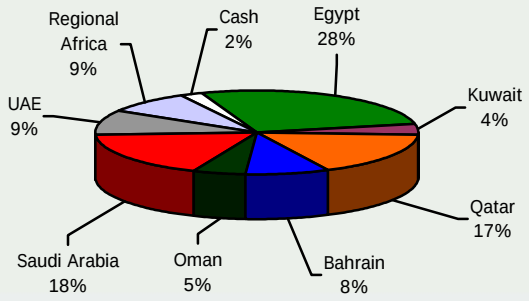
No. of Holdings	14
Wtd. Market Cap (mm)	USD 14,150
P/E Ratio 08	12.72
Beta	0.24
Sharpe Ratio	1.22
Standard Deviation	12.51%

Top Holdings

Holding	Country *	% of NAV
Qatar Telecom	Qatar	15.97%
Orascom Telecom	Egypt	11.25%
Etihad Etisalat	Saudi Arabia	8.73%
Thuraya Telecom	UAE	8.59%
Telekom South Africa	Regional Africa	8.38%

* Country assigned by primary listing

Allocation by Country



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.