المجموعة المالية هيرميس
EFG HERMES

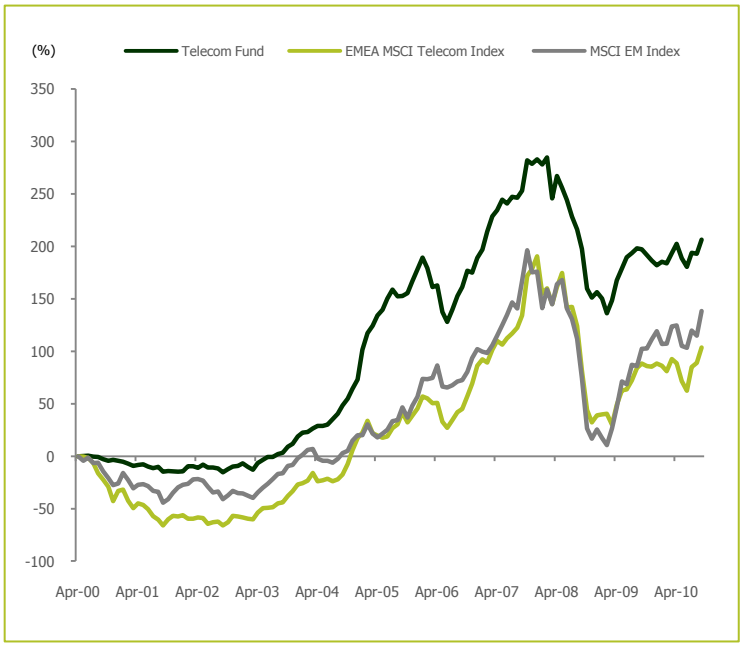
The EFG-Hermes Middle East & Africa Telecom Fund
September 2010

Fund Manager's Strategy & Outlook

The EFG-Hermes Telecom fund gained 4.5% during September to bring its YTD return to 8.7%. As markets exited the doldrums of summer and Ramadan, a marked increase in trading activity was witnessed. Investors returned to the markets and performance across most of our investable universe was positive. Several regional TMT M&A transactions announced during the month provided further impetus for the sector. The fund's holdings in South Africa contributed the bulk of positive returns for the month as our investments in that market continue to do well.

In South Africa, shares of both MTN and Vodacom gained 4.3% and 12.6% respectively during the month. MTN continues to rally on the expected increase in dividends as well as the noticeable uptick in M&A activity in the sector continued unabated. With Etisalat seemingly on the verge of offering 10.5x EV/EBITDA for Zain, shares of African powerhouse MTN seem undervalued to investors. With regards to Vodacom, the stock reacted positively to announcements of several management changes.

As we enter the final quarter of the year, the Investment Manager continues to seek new opportunities in new markets. Furthermore, with several Telecom IPOs expected over the coming period, the opportunities for diversification are set to increase. Overall, prospects for the sector remain healthy.



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*	4.5%
YTD	8.7%
2009	9.9%
2008	-33.1%
2007	32.5%
2006	4.0%
2005	60.6%

Returns	Telecom Fund
1 year	3.1%
3 year	-13.2%
5 year	21.3%
Since Inception	206.4%

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

Fund Characteristics

No. of Holdings	12
Wtd. Market Cap	USD 13.3 billion
Dividend Yield*	3.5%
P/E Ratio 10	12.3x

*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	0.7

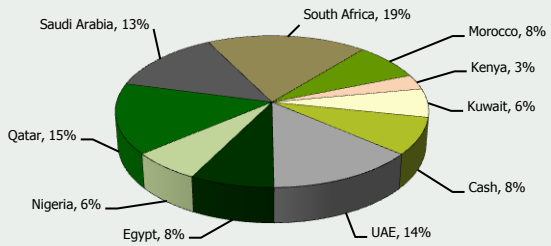
*Calculated vs. MSCI EMEA Telecom Index since Fund inception in April 2000

Top Five Equity Holdings

Holding	Country*	% of NAV
Qatar Telecom	Qatar	15.1%
MTN	South Africa	14.2%
Thuraya Satellite Telecom	UAE	13.7%
Etihad Etisalat	Saudi Arabia	13.4%
Maroc Telecom	Morocco	7.9%

* Country assigned by primary listing

Allocation by Country



Fund Data

NAV per share	USD 30.64
No. of Share Certificates	745,259
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.