



IBIS Global Media Fund

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FEBRUARY 2008	IBIS Global Media	MSCI World	MSCI Media
NAV per share	104.7	-	-
Performance on month	+1.3%	-0.7%	+0.3%
Performance YTD	+2.3%	-8.4%	-7.0%
Performance since inception	+4.7%	-9.2%	-18.3%

Performance Table – Fund inception July 2007

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2007	-	-	-	-	-	-	-0.0%	+0.5%	+0.4%	+0.1%	-0.1%	+1.6%	+2.4%
2008	+0.9%	+1.3%	-	-	-	-	-	-	-	-	-	-	+2.3%

Summary Table

Volatility	5.1%
Target volatility	8-10%
Sharpe ratio	n.a.
# longs	13
# shorts	15
Return	
Month	+1.3%
Year to date	+2.3%
Since inception	+4.7%
Month	
Best	+1.6%
Worst	-0.1%
Average	+0.6%
% Positive months	75%
Exposure	
Gross (δ adj.)	97.6%
Net	+6.8%

Fund Description & Strategy

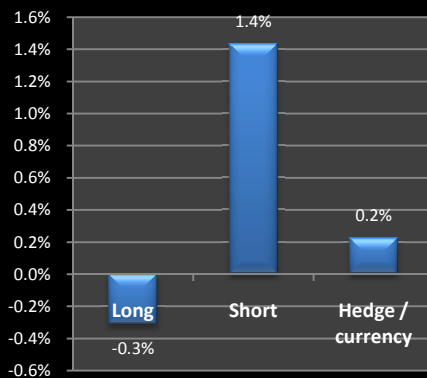
IBIS Global Media Fund is a specialist long/short equity fund focused on the global media sector. Sub-sectors covered include entertainment & content, professional & consumer publishing, marketing services, broadcasting & pay TV, radio & outdoor and internet stocks.

The fund's objective is to provide investors with attractive absolute returns and moderate volatility. The managers employ a blend of intensive top down and bottom up research in order to generate investment ideas at the sector, sub-sector and stock specific level.

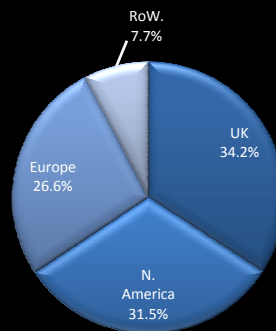
The management team consists of David Forster, Peter Wilton and Edward Montague (Operations Manager and Analyst). David Forster has 6 years of industry experience and 15 years experience as an equity analyst specialising in media. He was latterly responsible for global media research at Citigroup. Peter Wilton was previously a fund manager at Threadneedle Asset Management with long only and hedge fund experience. He has covered the media sector for 17 years.

IBIS Global Media Fund is registered in the Cayman Islands and its shares are listed on the Irish Stock Exchange (SEDOL codes B1VPFH2 & B1VPFJ4). IBIS Capital Partners LLP is authorised and regulated by the Financial Services Authority (FSA), UK.

Monthly Contribution %

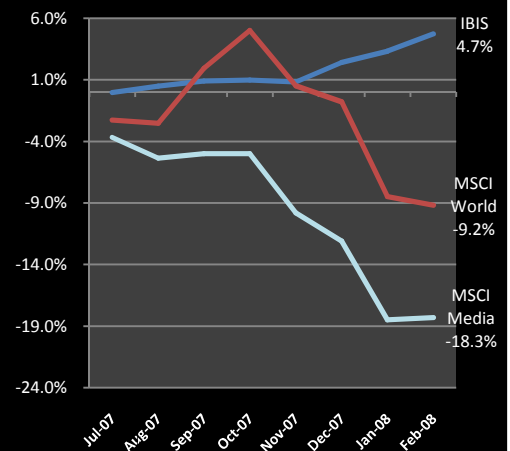


Gross Regional Exposure



Note: Most major media companies have significant global operations

Performance since inception vs Indices



Fund Details

Manager	IBIS Capital Partners LLP
Administrator	PFPC (Ireland) Ltd.
Prime Broker	Goldman Sachs Intl.
Domiciled	Cayman Is.
Inception date	02 July 2007
Performance fee	20% (with H.W.M.)
Management fee	1.75%
Share classes	USD, Euro
Min. investment	\$100,000
Subscription	Monthly
Redemption	Quarterly
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Summary

- February was another challenging month in which our positive outcome was yet again due to the strong performance of our short book. The Global Media MSCI actually rose, +0.3%, although a notable feature of the month was some very sharp sell-offs in certain names.
- Our February NAV per share increase of +1.35% was achieved against a backdrop of +0.3% for the Global Media MSCI index and -0.7% for MSCI World.
- Our best performing long was a Hong Kong based TV broadcaster; our best performing shorts were two US stocks, GOOGLE and Lamar Advertising, and UK based regional newspaper publisher, Johnston Press.
- Our total positions number was unchanged at 28 month on month, although we closed two long positions and replaced them with a new long and short idea.
- Our month end gross was 97.6%, although we ran with a gross of just over 100% for most of the month, scaling back a few positions just ahead of the month end.
- It is becoming increasingly apparent that many companies are experiencing deteriorating trading conditions and, while this is being discounted to a degree, a rising trend of negative earnings revisions is likely to create a strong headwind for the overall sector and further fertile territory for stock specific short ideas.

Summary

Although a virtually unchanged Global Media MSCI (+0.3% on the month) may imply that February was an easier month, in fact there was extreme intra sector volatility. For example, Yahoo! soared on the back of the bid from Microsoft while GOOGLE fell sharply due to concerns about its business model performance in a deteriorating macro environment and the prospect of increased competition from a combined Microsoft/Yahoo!. Indeed the principal feature of the month was the precipitous share price falls of a number of stocks, some of which had already been severely savaged by the media bear market. At the time of writing we are showing profits on two short positions of 23.5% and 36% that we put in place approximately 6 weeks and 5 weeks ago respectively. One of these is one of the largest names in the Global Media universe, the other a smaller UK domestic business that we know well, demonstrating that there are still rewarding short investment ideas across the market cap spectrum.

Our persistent caution about the economic outlook and hence operating environment for many of the sector's cyclical names has led us to develop an appropriately positioned higher beta short book, even though we have continued to be modestly net long. February was an important company reporting month, with over 50% of the companies in our portfolio releasing results and trading updates. Broadly we came through this potentially dangerous period unscathed. It was notable that certain areas of media continue to prove very robust, especially in business and professional markets, whereas some areas of advertising, notably classified and local are already deteriorating sharply. This degree of operating performance diversity should be a good environment in which to structure a portfolio with some strong themes and stock specific ideas, and will hopefully play to our skills as a sector specialist.

Although we are wary of becoming complacent that high operational and financial gearing will always be overweight on our short book, for the time being we remain cautious about the outlook for earnings revisions and believe that there is still a lot of denial built into many estimates. Consequently we are likely to continue with a relatively conservative portfolio structure, whilst recognising the need to be prepared to be opportunistic given the speed with which the market's mood can change.

Attribution

We had useful returns from 3 names on our long book but once again it was our short book that was responsible for our overall positive outcome. Four of our top 5 best performing shorts were US names, while we also had a good return from UK regional newspaper publisher Johnston Press, which collapsed approximately 35% in a 5 week period post the establishment of our short position. Of our present 15 short positions, 8 are showing unrealised gains of over 20%, including one at c35% and one at c50%. Clearly our long book is a less pretty picture. However, only 2 positions are showing losses of greater than 20% and both of these are hedged to some degree in pairs' trades with worse performing shorts. Our worst performing individual position was one of the prior month's best performers, symptomatic of the continuing gyrations in market sentiment and high volatility levels.

In February we continued to pursue a policy of hedging through individual stock positions and to date have not used any derivatives, futures or basket trades. Given that we continue to find good numbers of targeted short ideas we are likely to persist with this strategy for the time being.

Outlook

There has clearly been a sharp deterioration in current trading for a number of media companies in the early part of 2008, although some are seeing only mild softening and others are proving resilient. This is unsurprising given the widely diversified revenue exposure of the media sector. While there has been much pre-emptive de-rating, especially of perceived cyclical names, it is notable that negative earnings revisions are still typically being met with share price falls and that investors are quick to pounce on any evidence of weakness in what may overall be a solid set of results. This is symptomatic of a market that thinks that things can only get worse from here on and that slight softness today will be something more severe in 6 months time. Meanwhile consensus earnings expectations indicate that 2008 will be a better year than 2007 and 2009 better still. However, stock prices beg to differ and we are of a similar persuasion.

Although we dream of a sustained period of an improving economy matched by a steady recovery in the media sector we expect that in reality we are in for more of the same high volatility with a negative bias which has persisted from mid July (i.e. two weeks after we launched our Fund). While this is likely to prove challenging it should lend itself to our specialist skills and intimate knowledge of the media sector.

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