



IBIS Global Media Fund

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January 2009	IBIS Global Media (USD Cl.1)	IBIS Global Media (EUR Cl.2)*	MSCI World	MSCI Media
NAV	109.32	105.26	-	-
Performance on month	+1.2%	+1.6%	-9.2%	-10.5%
Performance YTD	+1.2%	+1.6%	-9.2%	-10.5%
Performance since inception	+9.3%	+5.3%	-47.8%	-53.5%

*Euro class launched April 2008

Performance Table (USD Sub Class 1) – 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%	+0.0%	-0.8%	+1.4%	+1.1%	+2.1%	+0.1%	-3.1%	-0.3%	-0.2%	+2.9%	+5.5%
2009	+1.2%	-	-	-	-	-	-	-	-	-	-	-	+1.2%

Fund Statistics – Gross (Portfolio) Returns

# longs	11
# shorts	9
Volatility	+4.5%
Annualised Alpha*	+9.1%
Annualised Sharpe Ratio*	0.49
Beta*	0.01
Correlation (to S&P 500)*	0.4

NAV Performance- USD Sub Class 1

Month	Best	+2.9%
	Worst	-3.1%
	Average	+0.5%
	% Positive months	68%
Exposure	Gross (δ adj.)	51.3%
	Net	+7.0%

Fund Description & Strategy

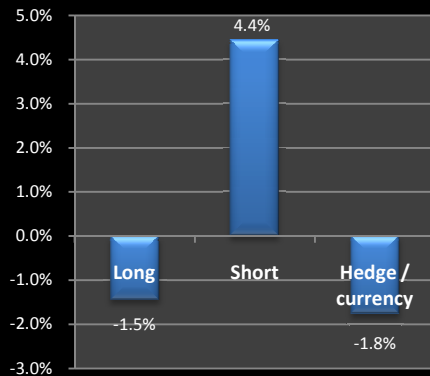
IBIS Global Media Fund is a specialist long/short equity fund focused on the global media sector. Sub-sectors covered include entertainment & content, professional & consumer publishing, marketing services, broadcasting & pay TV, radio & outdoor and internet stocks.

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.

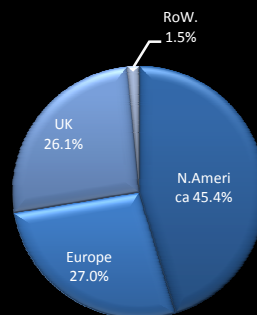
The management team consists of David Forster, Peter Wilton and Edward Montague (Operations Manager and Analyst). David Forster has 6 years of industry experience and 15 years experience as an equity analyst specialising in media. He was latterly responsible for global media research at Citigroup. Peter Wilton was previously a fund manager at Threadneedle Asset Management with long only and hedge fund experience. He has covered the media sector for 18 years.

IBIS Global Media Fund is registered in the Cayman Islands and its shares are listed on the Irish Stock Exchange (USD Class SEDOL code B1VPPH2; EUR Class SEDOL codes B1VPC7 & B1VPPD8). IBIS Capital Partners LLP is authorised and regulated by the Financial Services Authority (FSA), UK.

Monthly Contribution %

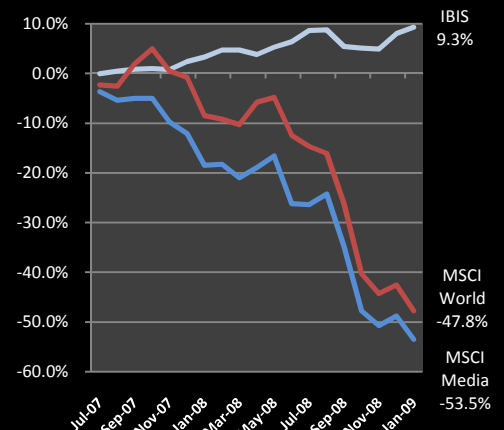


Gross Regional Exposure



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

- We have had a solid start to the year, with our EUR NAV per share +1.6% in January. This was achieved against a backdrop of another tough month for both the overall market and media, with MSCI World down 9.2% and MSCI Media down 10.5%.
- We are pleased to be able to report that we have realised a useful profit on the Fund's largest position, a long in NDS Group, whose acquisition by Permira and News Corp at \$63 per share was consummated on February 5th. The deal was first announced in June last year and we have had some nervous moments given that we have seen numerous other announced deals fail to complete. However, ultimately our analysis of the probability of a successful outcome in this instance was vindicated.
- Excluding NDS, we ran with a virtually flat net position through January and we deliberately reduced our gross towards the month end to lock in a decent performance.
- We are still wary about taking a strongly directional market view. However, although the market remains volatile, it appears less technically driven by comparison with 2H 2008. We like a more fundamentally driven market and consequently we are now building our gross through the addition of new ideas to both long and short books. Notably we continue to find compelling short ideas more readily than longs. Hopefully this will change as the year progresses.

Summary

Our Fund hit a new all time high in January, with a solid EUR NAV per share increase of 1.6% for the month. This came on the back of a strong December, when the EUR Class was up 2.7%. We have managed to deliver these numbers with low risk – our gross at the end of December was 63.4%, and 51.3% at end January. We were modestly net long, +6% to +7%, across both months. However, stripping out our NDS holding, which was underpinned by its \$63 per share cash offer, our Fund was effectively net neutral. Although MSCI Media was +5.4% in December, it fell 10.5% in January. It was pleasing that our portfolio managed to register gains in both months, given that we made relatively few changes to its composition across the period.

The underlying market environment has remained fragile and, while volatility is down from the extreme levels of last year, we are still seeing rapid swings in sentiment and market direction. This has led us to be disinclined to make strongly directional bets but instead focus on selective themes and individual stock selection.

An early highlight of the year for us has been the profitable closing out of our long position in NDS Group. As it gives an insight into our investment approach we think it worth giving a brief description of why we made the investment and how it came about. NDS Group is the world's leading provider of conditional access systems to pay-TV operators. Whereas most of our portfolio companies are ones that the Fund managers have been following for many years, NDS was a relatively new opportunity which we alighted on at a TMT conference in Barcelona in November 2007. Although a sizeable business the company has historically had a relatively low stock market profile. Firstly it was majority owned by News Corp, with a free float of approximately \$1bn. Second, although a UK based company, its origins were in Israeli developed technology and its shares were quoted on NASDAQ. As a consequence the company attracted limited analytical coverage. There were many things that we liked about NDS, including a strong secular growth story, its clear market leading position and premium reputation, its net cash balance sheet and its scope for a corporate event. We steadily built our position in NDS between November 2007 and May 2008. On the 27th June 2008 News Corp and Permira announced a joint offer at \$60 to take NDS private. The Offer was subsequently revised up to a Board agreed level of \$63 in August. Notwithstanding, the shares subsequently traded below \$41 in November, more than a 35% discount to the agreed cash offer price, with the market clearly concerned that the deal would break, as was the case with many other deals around the same period. We remained confident that the deal would complete, and indeed used the period of share price weakness to add to our position. At the time the deal completed on February 5th, NDS represented approximately 7% of our Fund's NAV. Investors will recall that we also made money out of a long position in EMAP, one of the few other successfully completed media deals of recent times. We also made money from a short position in Reed Elsevier over the period of its attempted sale of its B2B division, which was ultimately aborted. Anticipated failure of this process was part of our investment thesis. We like to think that our specialist media knowledge, combined with corporate finance and private equity understanding, is giving us an edge in these special situations.

Attribution

January was yet another month in which our short book was the major source of our month's profits, although our long book held up well given that MSCI Media was down 10.5% on the month. In particular we made a useful profit on our long position in NDS, as its price rose toward the agreed \$63 takeout level.

Our best performing shorts included the Canadian line of Thomson Reuters (dual listed in Toronto and London), JC Decaux and Publicis of France, Singapore Press Holdings and Walt Disney.

Outlook

The question of whether the global economy is entering a recession has been answered, so at least we can now move on to considering how long the downturn will last. Some media companies have now seen at least 5 consecutive negative revisions to earnings estimates so we are well into the downgrading cycle. However, in our opinion, we still have a way to go for many companies. In particular there are a number of late cycle media companies that have yet to report meaningful weakness in their operations but for which it is just a question of time. There can be a tendency for investors to pool late-cycle and defensive names together, but there is a clear distinction between the two. We think that there are some useful long/short opportunities to be had by correctly distinguishing between these different business models and that at present the market is failing to differentiate sufficiently.

Many of the more cyclical media names currently appear truly bombed out. However, we see many of these as value traps. There are strong structural forces in play in many areas of media and we think that the cyclical downturn is masking, albeit exacerbating, the extent of some of these structural pressures. What this means, in essence, is that some media companies will not recover with their historic vigour as the cycle turns up. Indeed there are some media business models which we believe are effectively on their way to extinction.

The market, although still volatile, appears to be somewhat range-bound. We have little sense of which way a break-out will occur, and cannot rule out a further leg down. However, we are seeing a return of stock valuation being driven by fundamentals, whereas for a sustained period last year technical considerations were overwhelming fundamentals. This is more our kind of market and we would hope that our focus on selective

*NB: Fund statistics calculated with reference to Gross Portfolio Returns and using daily returns; Market Proxy: S & P 500; Risk Free Rate: 5.0; Figures are unaudited. Source: IBIS Capital Partners LLP

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