



IBIS Global Media Fund

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JANUARY 2008	IBIS Global Media	MSCI World	MSCI Media
NAV per share	103.3	-	-
Performance on month	+0.9%	-7.7%	-7.3%
Performance YTD	+0.9%	-7.7%	-7.3%
Performance since inception	+3.3%	-8.5%	-18.5%

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%	-	-	-	-	-	-	-	-	-	-	-	+0.9%

Summary Table

Volatility	4.9%
Target volatility	8-10%
Sharpe ratio	n.a.
# longs	14
# shorts	14
Return	Month +0.9%
	Year to date +0.9%
	Since inception +3.3%
Month	Best +1.6%
	Worst -0.1%
	Average +0.5%
	% Positive months 71%
Exposure	Gross (δ adj.) 95.1%
	Net +8.4%

Fund Description & Strategy

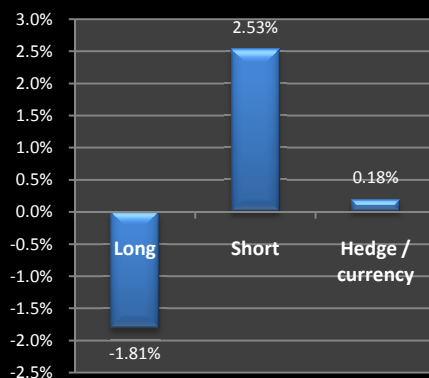
IBIS Global Media Fund is a specialist long/short equity fund focused on the global media sector. Sub-sectors covered include entertainment & content, professional & consumer publishing, marketing services, broadcasting & pay TV, radio & outdoor and internet stocks.

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.

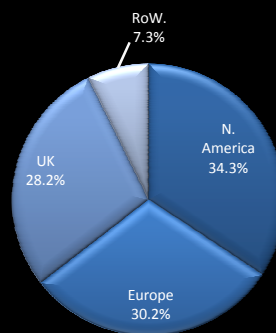
The management team consists of David Forster, Peter Wilton and Edward Montague (Operations Manager and Analyst). David Forster has 6 years of industry experience and 15 years experience as an equity analyst specialising in media. He was latterly responsible for global media research at Citigroup. Peter 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 %

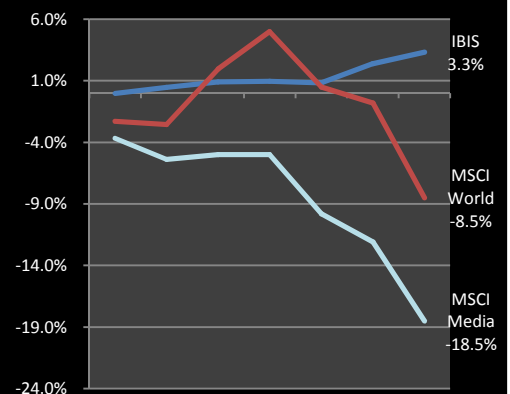


Gross Regional Exposure



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	Monthly
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Summary

- January was not an easy month in which to make money with a net long position. However, against a backdrop of a 7.7% fall in the MSCI World index and a 7.3% fall in MSCI Media we were able to deliver a 0.9% uplift in our NAV.
- The MSCI Media index is now -18.5% since our launch which means that our shorting ability has been well tested. Not surprisingly it was our shorts that made us money in January, although our long book did well in the circumstances.
- We continued to run a reasonably concentrated portfolio with 28 positions at month end (14 long/14 short), in conjunction with a conservative net and gross, reflecting our caution on the market and in particular the very high levels of volatility. According to our VaR analysis we had 4 out of 22 trading days when our daily movement exceeded the 99% confidence VaR (i.e. 1 in 100 day events)!
- In January our 3 best performing shorts comprised JC Decaux (France domicile), Yell (UK) and Lamar (US) while our 3 best performing longs comprised Interpublic (US), Daily Mail & General Trust (UK) and Viacom (US).
- Somewhat counter-intuitively the worst performers on our long book were stocks that we would characterise as defensive. Broadly it was our ability to distinguish between different types of cyclical names and allocate them appropriately between our long and short book that led to our positive outcome.

Summary

Given that the global media sector had already fallen 12.1% since our July launch, we entered January in a battle hardened frame of mind. Notwithstanding, January surpassed everything we had seen before, not just in terms of the extent of the one month decline, but with regards to volatility, including one week when it felt as if we had been through both a bull and a bear market in the course of 5 days.

We decided not to try and chase the market and instead used extreme movements to add to established long and short positions and also to close 3 short positions, on which we realised profits of 19.8%, 20.4% and 21.2% respectively. We also closed one long position at a very small profit; a rare event in the life of our fund given that long profit opportunities have been in scarce supply. We added 5 new positions (2 long/3 short) ranging from GOOGLE to Johnston Press, a UK regional newspaper publisher.

We made money on our short book and lost on our long book, which has become a common pattern since launching our fund. The main reason that we proved able to grow our NAV further, despite being net long in a month when our sector shrunk over 7%, is the composition of the media sector, which has a high number of lowly correlated subsectors and stocks. This diversity means that we have been able to structure a portfolio suitable for a bear market, even whilst maintaining a net long bias. Similarly we believe that, when the time comes, we should be able to structure the portfolio for a bull market without necessarily pushing out the net aggressively, although clearly we would love to move into an environment where a more net long bias was appropriate.

Attribution

A major factor in our positive outcome for January was the fact that our short book was deliberately higher beta than our long. In addition our portfolio, whilst containing a deliberate long defensive bias, has cyclical names on both long and short books. In simplistic terms our short book contains names where we believe expectations are still overly optimistic and/or valuation excessive and our long book names where we think cyclical concerns are overdone and/or valuation is compelling. In January it appears that the market agreed with us, as we had some notable successes on our short book, with a positive contribution from every short position, bar one that was a new position that we opened just before the month end. By way of contrast we had positive monthly returns on 5 longs – no mean achievement given the sector's 7.3% decline. Somewhat surprisingly all of the positive longs were stocks that we would label cyclical. However, the reason for their presence on the long book was that we felt that their prior falls were overdone. Meanwhile, the four worst performers on our long book were all names that we would classify as defensive. Our rationalisation of this somewhat counter intuitive outcome is that we think that in an environment where investors were withdrawing money from the market their preferred source was large liquid names that had held up relatively well, as opposed to bombed out cyclicals where they would have been crystallising substantial losses.

As has been the case every month to date we used no hedging other than thorough specific stock positions.

Outlook

We continue to have a cautious outlook with regards to the operating environment for many media companies and, as we have noted in previous monthly newsletters, the share price performance of the media sector is consistent with a hard landing scenario. If the share prices are right then consensus earnings estimates still have a way to come down, although we are starting to see a rising number of negative earnings revisions feeding through. Notwithstanding, there are still many media companies that are enjoying solid trading, although for some we feel that this is the lull before the storm. The most obvious areas of weakness to date have been in selected areas of advertising, most notably in categories such as property and recruitment. More specific pockets of weakness include McGraw-Hill's S&P ratings business where activity levels in certain areas have gone off the proverbial edge of a cliff. Apparently the market has a diminished appetite for complex risk, and unlike management guidance we doubt that this appetite will have been reignited by H2 08.

Our belief that, despite the credit crunch, corporate activity would continue to be an important sector driver has proven vindicated with Microsoft's bid for Yahoo! Clearly the outcome has wide ramifications, not least for GOOGLE, the media sector's largest component by market cap. Meanwhile in the UK the recent successful \$4.4bn breakup of EMAP to a mixture of trade and private equity buyers has been followed by a further successful auction of a Business to Business asset, albeit much smaller at c\$250m, where the most notable feature was that the victor and 3 under-bidders were all PE.

We think that there will be more corporate activity as the year progresses and consequently our long book contains some names on which we are fundamentally positive and where we believe that we are currently getting a free ride on potential corporate activity upside.

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