



IBIS Global Media Fund

IBIS Capital Partners LLP
 22 Soho Square
 London W1D 4NS
 Tel: (+44) 20 7070 7080
 Fax: (+44) 20 7070 7081
 Email: ibis@ibiscapital.co.uk

July 2009	IBIS – USD 1	IBIS – EUR 1	IBIS – GBP 1	MSCI World	MSCI Media
NAV	115.15	110.36	103.44	-	-
Month	-0.2%	-0.5%	-0.6%	+8.4%	+7.6%
YTD	+6.6%	+6.6%	+3.4%	+13.5%	+9.8%
Prior 12 mths	+6.0%	+5.9%	+3.4%	-23.6%	-22.5%
Since launch	+15.2%	+10.4%	+3.4%	-34.8%	-42.9%

IBIS USD Class 1 launched July 2007; IBIS EUR Class 1 launched April 2008; IBIS GBP Class 1 launched April 2009

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%	-0.7%	+2.0%	+1.8%	+1.2%	+1.2%	-0.2%	-	-	-	-	-	+6.6%

Fund Statistics – Gross (Portfolio) Returns

# longs	13
# shorts	12
Volatility	+11.4%
Annualised Alpha*	+15.9%
Annualised Sharpe Ratio*	1.09
Beta*	0.04
Correlation (to S&P 500)*	0.23

NAV Performance- USD Sub Class 1

Month	Best	+2.9%
	Worst	-3.1%
	Average	+0.6%
	% Positive months	68%
Exposure	Gross (δ adj.)	92.1%
	Net	+13.9%

Fund Description & Strategy

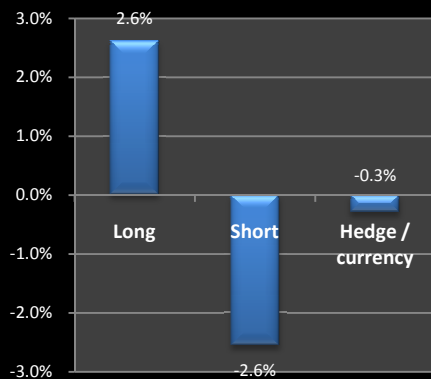
IBIS Global Media Fund is a specialist long/short equity fund focused on the global media sector. Sub-sectors covered include entertainment & content, professional & consumer publishing, marketing services, broadcasting & pay TV, radio & outdoor and internet stocks.

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.

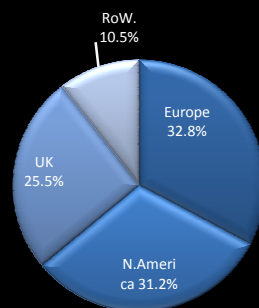
The management team consists of David Forster, Peter Wilton and Edward Montague (Operations Manager and Analyst). David Forster has 6 years of industry experience and 15 years experience as an equity analyst specialising in media. He was latterly responsible for global media research at Citigroup. Peter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

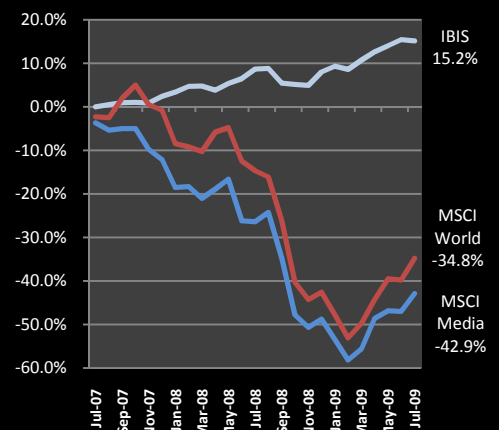


Gross Regional Exposure



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, GBP
Min. investment	\$100,000
Subscription	Monthly
Redemption	Quarterly
Contacts:	David Forster +44 207 070 7087 Peter Wilton +44 207 070 7083

Summary

- July was a frustrating month for us, in which ultimately we failed to record any further progress in our NAV, although within hours of the start of August our Fund NAV hit a new record high.
- After a lacklustre June, markets saw a snap change in investor sentiment in early July, which resulted in a widespread spike up in equity prices. Renewed optimism was spurred by a 'results' season that was better than many had feared, although in most cases "earnings beats" were cost rather than revenue driven. Furthermore, recent economic data, while still mixed, has been broadly improving for choice.
- We entered the month modestly net long and moved more long as the month progressed. However, squeezes on some of our short positions proved more than enough to wipe out some impressive gains on our long book.
- Looking at the relative moves of media stocks it was clear that cyclical names have led the charge, with many CEOs calling Q2 as an inflection point in terms of revenue deterioration. However, as we have noted before there is a big difference between things deteriorating at an ameliorating rate and a return to absolute growth. In the short term we think cyclical valuations have probably got ahead of themselves.
- With the 'results' season behind us August is proving to be a less volatile month and after July's major moves we are seeing a good range of new long and short investment ideas.

Summary

After a succession of positive months it was disappointing to make no further progress in July, which was a strong month for both the broader equity market and the global media sector. Directionally we made some good decisions, having substantially reduced a number of our short positions going into the month. However, we had not anticipated the speed of change in market sentiment and with the benefit of hindsight we should have been more aggressive in closing some of our shorts. The net result was that losses on our short book effectively wiped out some good gains on our longs.

The vast majority of the companies in which we have positions reported earnings during July and the buoyant mood of the market meant that share price moves on the back of results were more volatile than usual. However, there was a notable discrepancy in the reactions of media shares on either side of the Atlantic. In the US, shares had typically run up ahead of results and in many cases the reported numbers failed to lead to any follow through. By contrast, some of the reactions in relation to UK and European companies verged on the hysterical, with modest bottom line beats being rewarded with step changes in valuation. For example, in response to its results Google fell 2.8% on the day, Disney was -4.2%, DirecTV -3.6% and Interpublic -12.6%. Meanwhile Pearson was up 12% on the day of its results, BSkyB was +5.2%, Publicis +6.5%, TF1 +13.9% and JC Decaux +14.4%. In some cases, as with JC Decaux, the share price move was not a function of results materially beating expectations or forward guidance being raised. JC Decaux reported a 13.8% organic decline in revenue, a 95.6% decline in net income and commented that visibility remained very low, with the Q3 organic revenue performance expected to be in line with the first half. In an attempt to post rationalise it seems that European investors entered the results' season in a more cautious frame of mind than their US counterparts, and it appears that a number of moves were exaggerated by the effect of short squeezes, as each of the European names we have cited has sizeable outstanding short positions.

During the course of the month we increased our gross exposure to 92.1% compared to 80% at the end of June, while our net exposure rose from +9.6% to +13.9%. We opened one new long position and opened 3 new short positions. We closed one short position and also partially covered a number of others.

Attribution

We do not expect our investors to have time for hard luck stories but July was a month when it felt as if the fates were conspiring against us. In our prior investor monthly we wrote: "Our sense is that there is likely to be long interest from those who think that Q2 may mark the nadir and hence we are wary of being overly bearish." We reflected this sentiment in our actions by substantially reducing a number of shorts early in the month, which in every case proved to be directionally the right thing to have done, although we would have done better to have closed down our short book more aggressively. However, one short that we did not reduce, French media conglomerate Lagardere, had a particularly strong month buoyed by the "surprise" announcement of the provisional outcome of the EADS insider dealing investigation. The surprise was not so much that the company was exonerated but the timing of the announcement, which was not expected before autumn. Given that the story revolved around an insider dealing investigation it is worth having a look at a Lagardere share price chart covering the days ahead of the "surprise" announcement!

Given the market's strength in July, not surprisingly our long book had a good month, with notable performances from Virgin Media, BSkyB, Time Warner and M6, the French free-to-air broadcaster. BSkyB's strong performance was particularly gratifying as we had only just closed a profitable short position in the company. We also made good money on a new position in a Canadian company that we had recently identified as an attractive opportunity. We had a modest setback on one long position, namely the credit rating agency Moody's. As we had expected, the company posted strong results during the month and raised its full year guidance. However, the shares reacted negatively when it became public that Warren Buffett's, Berkshire Hathaway, a major long standing shareholder, was reducing its stake. Notwithstanding, the damage to our performance was limited by the fact we had already taken some sizeable profits on this position.

We made a modest amount of money on two short positions in July, namely McGraw-Hill and US cinema operator, Regal Entertainment Group. All our other shorts cost us money to varying degrees, with the more cyclical names inflicting the most pain.

On a net basis our short book losses exactly cancelled out our long book profits, with some modest negative currency movements being the difference in the month proving to be slightly down as opposed to flat.

Outlook

We are not great fans of results' season months as they can prove to be a bit of a lottery, with the market's reaction to a set of numbers often decided by the mood of the day – for or against cyclical risk, for example – as opposed to a measured reaction to the numbers reported. This is exaggerated when the market is in a frothy mood, as it was in July. With the latest results' season behind us we look forward to some months where medium/long term fundamentals are the principal driving forces of individual stock discrimination. Having had a strong start to the current month we are hopeful that August will see a return to further progress in our NAV.

*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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