IBIS Global Media Fund

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JUNE 2008	IBIS Global Media (USD Cl.2)	IBIS Global Media (EUR Cl.2)	MSCI World	MSCI Media
NAV	106.44	101.93	-	-
Performance on month	+1.1%	+1.2%	-8.1%	-11.5%
Performance YTD	+4.0%	+1.9%	-11.7%	-16.0%
Performance since inception	+6.4%	+1.9%	-12.5%	-26.2%

Performance Table (USD Sub Class 2) – 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%	-	-	-	-	-	-	+4.0%

Summary Table

Volatility	5.5%
Target volatility	8-10%
Sharpe ratio (gross portfolio return)	1.3
# longs	15
# shorts	15

Performance- USD Sub Class 2

Return	Month	+1.1%
	Year to date	+4.0%
	Since inception	+6.4%
Month	Best	+1.6%
	Worst	-0.8%
	Average	+0.5%
	% Positive months	75%
Exposure	Gross (δ adj.)	92.2%
	Net	4.9%

Fund Description & Strategy

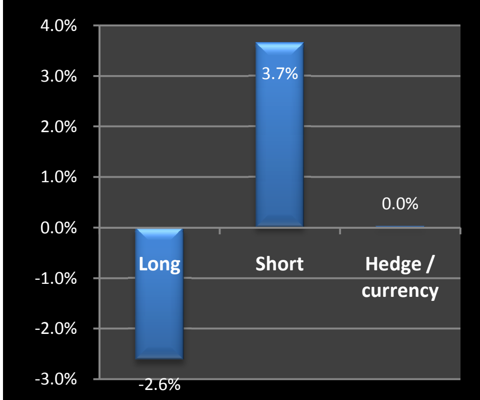
IBIS Global Media Fund is a specialist long/short equity fund focused on the global media sector. Sub-sectors covered include entertainment & content, professional & consumer publishing, marketing services, broadcasting & pay TV, radio & outdoor and internet stocks.

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.

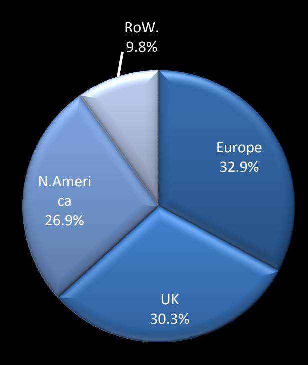
The management team consists of David Forster, Peter Wilton and Edward Montague (Operations Manager and Analyst). David Forster has 6 years of industry experience and 15 years experience as an equity analyst specialising in media. He was latterly responsible for global media research at Citigroup. Peter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

IBIS Global Media Fund is registered in the Cayman Islands and its shares are listed on the Irish Stock Exchange (USD Class SEDOL codes B1VPFH2 & B1VPFJ4; EUR Class SEDOL codes B1VPC7 & B1VPFD8). IBIS Capital Partners LLP is authorised and regulated by the Financial Services Authority (FSA), UK.

Monthly Contribution %

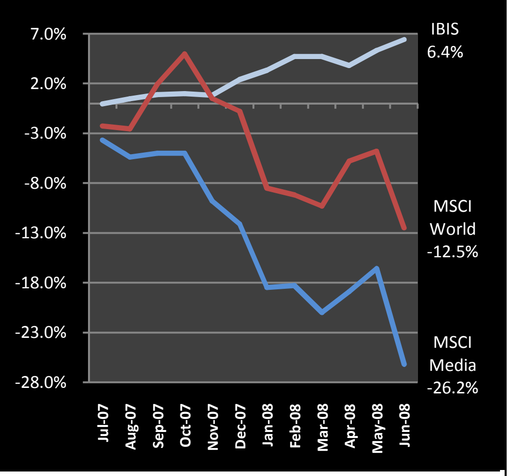


Gross Regional Exposure



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

- June was another solid month, with our Euro Class NAV per share +1.2%. We were particularly pleased with this outcome as it was achieved against a backdrop of the Global Media MSCI falling 11.5% on the month and the MSCI World 8.1%.
- Although our short book was the source of the month's profit, our long book did well given the market backdrop. Its performance was boosted by a cash offer for NASDAQ listed NDS, one of our bigger long book positions.
- By our standards we traded heavily during the month, adjusting our portfolio regularly in light of the highly volatile market. We opened 6 new positions and closed 3 and in total dealt in 16 different stocks including additions/reductions to the existing portfolio. We flipped two long positions to our short book, with both trades proving profitable.
- Our gross finished the month at 92.2% and was affected by the sector's precipitous decline in value. Although our net finished at +4.9% we were slightly net short for the early part of the month.
- Our caution about 2H 08 and 2009 prospects is becoming more consensual by the day. However, with many more earnings downgrades to come we continue to see good shorting opportunities as well as increasingly interesting long value.

Commentary

Summary

June marked the end of our first year since our fund launch in July 2007. First and foremost we would like to thank all our investors for their support during what has been an "interesting" period. Since we launched, the Global Media MSCI has fallen 26.2% and the MSCI World by 12.5%. Over the same period our USD Class NAV has grown by 6.4% (+8.1% pre performance fee), and our worst monthly drawdown was 0.8%. Our inaugural Sharpe ratio is 1.3. Clearly we hope to deliver improved absolute returns in the future but at least we know that we have successfully come through a baptism of fire.

Despite a difficult fund-raising environment for emerging managers we have managed to grow our AUM by over 25% since launch, with some new family office and HNW investors joining us during the course of the year. We had zero redemptions. We are also pleased to report that we had no material operational or risk management issues.

June was a month when it seemed as if the last remaining optimists in town started to capitulate. As readers of our prior investor reports will know, we have been reflecting our long held caution on the outlook for media stocks company earnings in our portfolio composition rather than running with a significant net short position. Notwithstanding we were slightly net short for much of the month, although we ended modestly net long due to some month end covering.

We had a useful fillip at the end of the month with a cash offer for one of our long positions. Despite the credit crunch, corporate activity in the media sector has remained high (Microsoft/Yahoo!, WPP/TNS/Gfk, Informa/UBM) and we have a number of other positions on our long book where we think that there is corporate activity upside potential.

There have been some volatile months where we have decided to sit back and let the market do what it had to do, in the belief that when the dust settled our heavily hedged portfolio composition with its underlying themes would come through. However, in June we traded more actively than in any month since launch. As the month unfolded it became clear that our long-held caution with regards to the more cyclical media names was becoming more consensual, leading to some dramatic falls as analysts slashed their earnings projections. While these names led the sector down it became clear that later cycle and more defensive names were going to be dragged down as well. We adjusted a significant number of our holdings and in the case of one subsector – advertising and marketing services – we moved from a net long position, which had worked well, to net short, which is also working well to date.

We still see meaningful negative earnings risk with regards to many of the companies in our universe and we have not reached the stage of the cycle where a profit warning is met with a shrug of the shoulders by investors. Consequently we think that we should continue to make good money on our short book. However, it is interesting to note that, based on our analysis, many stocks have been de-rated to a level which already assumes a long and deep recession plus significant further structural pressure. Of course, all this may come to pass but the fact that private equity interest in the sector remains high, while it has abated in many others, reinforces our view that the valuations of a number of stocks are becoming compelling.

Attribution

Although our short book worked well, with every position a positive contributor, it was a long position that gave us the greatest satisfaction in June, as identifying a profitable long in a sector down over 11% was akin to finding the proverbial needle in a haystack. NDS (market cap. US$3.4bn) is a leading global supplier of conditional access software and interactive systems for the delivery of entertainment and information to television set-top boxes and personal computers. It is majority owned by News Corp with a limited free float quoted on NASDAQ. We liked the business for its secular, non cyclical growth characteristics, its net cash balance sheet and its scope for corporate activity. On 30th June News Corp and Permira Advisers LLP offered to buy out the public shareholders at $60 per share cash, a 21% premium to the prior day closing price.

Our best performing shorts included Publicis (French based global advertising group), CETV (Eastern European TV broadcaster), Mediaset (Italian based broadcaster), Thomson Reuters, PagesJaunes (French yellow pages publisher) and Lamar Advertising (US outdoor specialist).

Outlook

Our long held caution on the prospects for 20008/09 earnings is becoming more consensual by the day. However, we think it is too early to anticipate a sustained re-rating of what is now a heavily beaten down sector, although we do not rule out meaningful bounce-backs. We think that there is still good money on the short side to be made but broadly we are starting to see the risk/reward balance to shift towards the long side. In a market upturn media tends to be early cycle and when it does turn it typically rallies strongly reflecting the high operational gearing of many media business models.