



IBIS Global Media Fund

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June 2009	IBIS – USD 1	IBIS – EUR 1	IBIS – GBP 1	MSCI World	MSCI Media
NAV	115.42	110.93	104.03	-	-
Month	+1.2%	+1.3%	+1.2%	-0.6%	-0.2%
YTD	+6.9%	+7.1%	+4.0%	+4.8%	+2.0%
Prior 12 mths	+8.4%	+8.8%	+4.0%	-31.2%	-28.2%
Since launch	+15.4%	+10.9%	+4.0%	-39.8%	-47.0%

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%	-	-	-	-	-	-	+6.9%

Fund Statistics – Gross (Portfolio) Returns

# longs	13
# shorts	9
Volatility	+10.9%
Annualised Alpha*	+16.3%
Annualised Sharpe Ratio*	1.14
Beta*	0.14
Correlation (to S&P 500)*	0.19

NAV Performance- USD Sub Class 1

Month	Best	+2.9%
	Worst	-3.1%
	Average	+0.6%
	% Positive months	71%
Exposure	Gross (δ adj.)	80.0%
	Net	+9.6%

Fund Description & Strategy

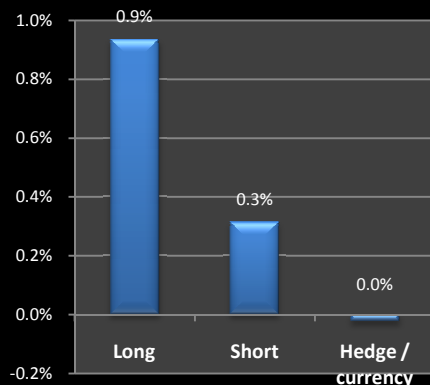
IBIS Global Media Fund is a specialist long/short equity fund focused on the global media sector. Sub-sectors covered include entertainment & content, professional & consumer publishing, marketing services, broadcasting & pay TV, radio & outdoor and internet stocks.

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.

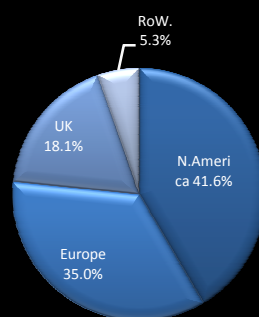
The management team consists of David Forster, Peter Wilton and Edward Montague (Operations Manager and Analyst). David Forster has 6 years of industry experience and 15 years experience as an equity analyst specialising in media. He was latterly responsible for global media research at Citigroup. Peter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

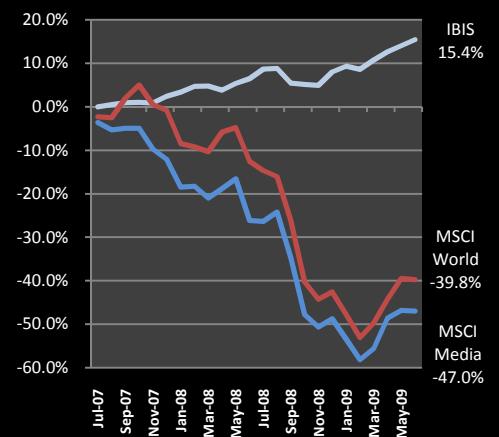


Gross Regional Exposure



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
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Summary

- June was a further month of steady progress, with our NAV per share up a further 1.3%, while the MSCI World Index was -0.6% and MSCI Media was -0.2%.
- The end of June marked the second anniversary of our Fund and given the environment in which we have been investing we are pleased to have been able to report absolute returns for each 6 month period since launch, with this latest period being our most successful to date. We are up 7.1% YTD, while MSCI World is +4.8% and MSCI Media is +2.0%.
- We began June with a net exposure of +4.4% which we increased to +9.6% by month end. Once again our ability to produce positive absolute returns in a falling market was down to our individual stock selection, with both our long and short books making money.
- With first half trading completed a new earnings reporting season will be upon us shortly. Companies will also be commenting on 2H prospects and we think it likely that this will lead to a further round of negative earnings' revisions. Most of our industry contacts are seeing scant evidence of any recovery and in some cases are still anticipating big year on year revenue declines in Q3. A number of stocks are already underperforming sharply in anticipation of earnings' downgrades and it will be interesting to see how share prices react when the bad news is confirmed. 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.

Commentary

Summary

June was a relatively calm month in which the market trended down for the most part, but with sufficient discrimination between different media sub-sectors and stocks for us to produce a reasonable outcome for our investors. June also marked the second anniversary of the launch of our Fund and there is no question that it has been an "interesting" 2 years. Over the period MSCI Media has fallen 47%, with market volatility hitting historic highs on a number of occasions. In the circumstances we think that our original "investment thesis" of why a focused long/short media fund run by sector specialists would be able to produce consistent non-correlated returns has been well tested. Our Fund is up 15.4% since launch; we have been up in each of the four 6 month periods; we have been down by more than 1% in just one of 24 months; our annualised return since launch is 7.4% and our annualised return in the current year to date is 14.7%.

We have been particularly focused on capital preservation and risk management from day one, principally through the management of our gross and net exposures and our hedging policies. Although we are happy to use leverage when we deem appropriate, our Fund, on average, has been unlevered since launch. In terms of net exposure we have run with an average small net long exposure and it is interesting to see that we have been able to achieve a +15.4% increase in our NAV per share in a sector that has fallen by 47% over the period with an average net long position. However, readers of prior reports will know that we have been pretty cautious about the prospects of our sector from the outset and we have typically sought to express our caution through sub-sector and specific stock allocations in our portfolio. In terms of hedging we have only ever hedged through specific stock selections and although we do have some proprietary baskets available to trade, to date we have not used these or any options, derivatives, indices or other blunt hedging instruments.

Attribution

Not surprisingly we particularly like months when we make money on both our long and short books and June was a case in point. In fact, despite the global media sector being slightly down on the month, we made more money on our long book than short, with our long book contributing 0.9% of our 1.2% gain and our short book 0.3%.

There were no truly notable performers on either our long or short books, nor, for that matter, were there any sizeable losses. However, we were particularly pleased that our two best performing shorts were positions that had been causing us some grief during the April/May rally and that it now appears that the market is moving towards our way of thinking about these businesses' prospects.

Although we did adjust the size of a number of positions we made relatively few changes to the names in our portfolio; opening just one new long and one short and closing two shorts.

Outlook

We think it possible that the next month will mark an inflection point in the media sector's performance, setting the tone for the balance of the year. We are pretty certain that the forthcoming earnings' reporting season will be poor and that consensus expectations will be cut for many companies, both for the balance of 2009 and also for 2010. There is little evidence of an imminent advertising recovery to bolster the early cycle names and meanwhile more late cycle names are starting to live up to their late cycle tags. It is probably the latter group where there is the most scope for negative surprises as many of these companies have proven resilient to date and they may have lured investors into a false state of complacency. However, even if the reporting season is bloody we think that there is plenty of long only money that is still sidelined and that may look to come into stocks if there is a sense that we have reached the bottom of the downgrading cycle. Even if there is no recovery in the 2H it is highly probable, in our opinion, that negative trends will ameliorate as we start to lap the post Lehman period a year ago when the world effectively came to a standstill. The question, therefore, is "will getting less bad" be enough to stimulate a sustainable rally in media stocks.

For many media stocks, questions about the timing and strength of a cyclical recovery are complicated by the structural pressures that are manifest in many sub-sectors. In many instances it is difficult to evaluate how much of the revenue declines being seen are cyclical and how much structural. Clearly, if one underestimates the extent of the latter it implies that revenues and hence operating margins and earnings will prove disappointing when the recovery does arrive. There are some areas of media where we have non-consensual views and we are hopeful that this will provide us with some profitable investment opportunities in due course.

Although we currently intend to increase our gross over the coming months our month-end gross at 80% was down from 95.6% at the end of May. This does not reflect our average position during the course of the month, but was principally the result of us reducing and closing some positions at the month end. In one instance we closed a sizeable short position and have since moved it to our long book, where we are pleased to say it is showing a reasonable short term profit.

While there remains a high degree of uncertainty about the prospects for earnings and markets, the investment environment is unquestionably more conducive to producing satisfactory returns when compared to the maelstrom that was 2008. Therefore we are hopeful that we can continue to build on our encouraging start to 2009 as we enter the second half of the year.

*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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