



IBIS Global Media Fund

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August 2009	IBIS – USD 1	IBIS – EUR 1	IBIS – GBP 1	MSCI World	MSCI Media
NAV	116.32	111.51	104.58	-	-
Month	+1.0%	+1.0%	+1.1%	+3.9%	+4.7%
YTD	+7.7%	+7.7%	+4.6%	+18.0%	+15.0%
Prior 12 mths	+6.9%	+6.6%	+4.6%	-19.3%	-21.0%
Since launch	+16.3%	+11.5%	+4.6%	-32.2%	-40.2%

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%	+1.0%	-	-	-	-	+7.7%

Fund Statistics – Gross (Portfolio) Returns

# longs	14
# shorts	14
Volatility	+11.9%
Annualised Alpha*	+19.2%
Annualised Sharpe Ratio*	0.87
Beta*	0.14
Correlation (to S&P 500)*	0.25

NAV Performance- USD Sub Class 1

Month	Best	+2.9%
	Worst	-3.1%
	Average	+0.6%
	% Positive months	69%
Exposure	Gross (δ adj.)	102.6%
	Net	+17.7%

Fund Description & Strategy

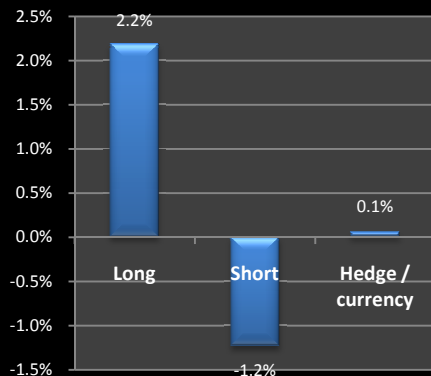
IBIS Global Media Fund is a specialist long/short equity fund focused on the global media sector. Sub-sectors covered include entertainment & content, professional & consumer publishing, marketing services, broadcasting & pay TV, radio & outdoor and internet stocks.

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.

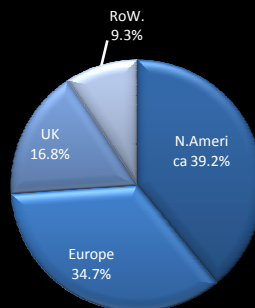
The management team consists of David Forster, Peter Wilton and Edward Montague (Operations Manager and Analyst). David Forster has 6 years of industry experience and 15 years experience as an equity analyst specialising in media. He was latterly responsible for global media research at Citigroup. Peter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

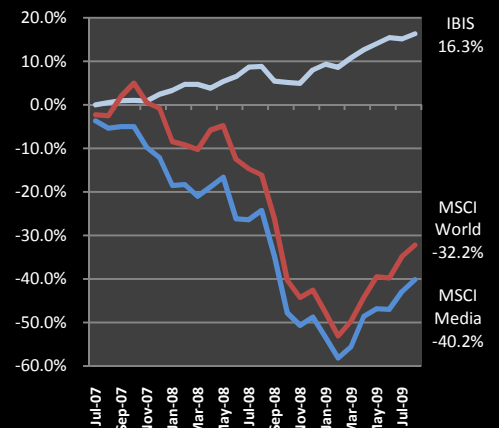


Gross Regional Exposure



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

- August saw our fund establish a new high water mark, with a 1.0% increase in NAV per share. This was achieved in the context of a still buoyant equity market, with the renewed appetite for risk and exposure to economic recovery being reflected in cyclically and financially leveraged names strongly outperforming more defensive stocks.
- During the month we took our gross from 92.1% to 102.6% and our net exposure from +13.9% to +17.7%. We increased the number of names in our portfolio from 25 to 28.
- Our decision to move more pro-cyclical and to increase our net exposure has been vindicated by recent market trends. However, our long book still has a backbone of more defensive names as we question the extent to which the cyclical rally can persist.
- The star performer on our long book was Sky Deutschland which rose 18% in the month. While we lost money in most names on our short book, we managed to avoid the "squeezier" names that had the potential to inflict serious pain on those with short exposure.
- Although August saw big moves in the share prices of many media stocks underlying trading volumes were very thin. September should prove to be a more meaningful test of the sustainability of the market's recent rally.
- Our recent conversations with media company management indicate scant evidence of a pending revenue recovery although the "bumping along the bottom" theme is widespread. We are continuing to run a balanced cyclical/defensive book with an increasing long bias towards quality as we expect "the dash for trash" to peter out in due course.

Summary

We made further steady progress in August, with our NAV per share hitting a new high water mark. Although August share trading volumes were seasonally low, investors newly regained appetite for risk was very much in evidence. Cyclical names strongly outperformed more defensive stocks, with financial leverage proving to be an added attraction. A case in point is Yell, the UK listed yellow pages publisher, whose shares have risen 150% since the beginning of August. We have no exposure either way, but with a 10% short interest it has been painful for some.

While we are sceptical about the extent and sustainability of the rally in certain media names we have been broadly directionally right in our reading of the market. Our current portfolio is markedly different from that of a year ago, as we have introduced a more pro cyclical bias into our portfolio composition and also increased our net exposure. Clearly our returns would have been enhanced if we had been more extreme in our directional moves. However, we remain sceptical of a V shaped recovery, which appears to be increasingly priced into the valuation of many cyclical names, and consequently we have maintained a sizeable exposure to defensive names on our long book.

Significantly there has been a notable uptick in the level of corporate activity. Recent weeks have seen marketing services group, Publicis, acquiring digital advertising agency Razorfish from Microsoft for \$530m, Disney's \$4 billion acquisition of Marvel and Vivendi's \$2.9 billion offer for the Brazilian telecommunications operator, GVT. Does this mean that CEOs are calling the bottom? Not necessarily in our opinion, as it can be argued that pessimism about the pace of any recovery could also drive companies to look for consolidation/cost rationalisation opportunities, although Vivendi's move seems primarily driven by a desire to inject some higher growth exposure into a predominantly mature portfolio. It may also be the case that corporates are taking an opportunity to move at a time when most private equity firms are out of the market. Notwithstanding the motives, this is an interesting development which will hopefully throw up new stock picking opportunities for us.

Attribution

Our long book performed well in August, which was not surprising given that the market and the media sector continued to make strong positive progress. However, we had a number of long positions that comfortably outperformed the 4.7% increase in the MSCI Media index over the month. Our star performer was Sky Deutschland (formerly Premiere) which was up 18% on the month and which is now up 90% on our average buying price. Other strong performers included M6, the French free-to-air TV company, and Virgin Media, the UK cable company. M6 is currently up 24% on our average buying price and Virgin Media a very useful 140%.

Although most names on our short book cost us money there were no especially problematic positions. This was a satisfying outcome given that there have been a number of popular short names that have proven to be especially painful. As is often the case at this point in the stock market cycle, many of this year's best performers have been last year's worst, with operationally and financially leveraged companies in many cases enjoying massive re-ratings. Even though we have been reluctant to wholeheartedly jump on the "dash for trash" train with regards to our long book our capital preservation instincts have meant that we have kept most of these names clear from our short book – at least for the time being.

During the course of the month we opened one new long position and three new shorts, taking the number of names in our portfolio from 25 to 28. We closed one short position, Regal Entertainment, the US based cinema chain operator, where we banked a profit of 7.9%, which, while unspectacular, was a good outcome in a rapidly rising stock market.

We have been steadily increasing our gross exposure and ended the month at 102.6% compared to 92.1% at the end of July. We also increased our net exposure to +17.7%, from +13.9%.

Outlook

Many of the ingredients for a sustained market rally appear to be in place. Some economies have already emerged from recession with others expected to return to positive GDP growth shortly. Corporate earnings appear to have troughed, and while many recent results have beaten due to cost savings rather than revenue upside, there is no question that corporate profitability is improving. Recent trends in housing and unemployment also provide some grounds for optimism. However, this is far from a normal recovery and it is potentially dangerous to underestimate just how big a part quantitative easing is playing in propping up consumer confidence and spending. For the time being it appears that governments do not want to find out what the true underlying condition of the consumer/economy really is, which suggests that the artificially stimulated recovery will have further to run. Ameliorating revenue trends as year on year comparisons ease, plus improving confidence that an earnings base is in place, suggests that, barring an external shock, markets will remain firm, especially as many institutions remain underweight equities.

For the time being we are prepared to go with the flow, although as ever, our portfolio remains well hedged. A theme that we are working on and introducing into our long book is "quality". If economic recovery proves slow and drawn out, we believe that this will place a premium on natural market share takers, whereas in a rapidly improving environment there is often enough growth around for even poorer companies and managements to make reasonable returns. If this thesis is borne out we would expect "the dash for trash" to peter out and the market's focus to broaden to include some of the currently unfashionable defensive names as well as quality cyclicals.

We have made a solid start to the current month and hope to be able to report further progress in due course.

*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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