

On the potential of Media Funds



**This little piggy went to market... and cleaned up. With Global Merces you can too!
Here's how to bring home the financial bacon with Media Funds.**

Holly Grofski - C.E.O Global Merces: On the potential of Media Funds

Investing in Media Funds is an outstanding and compelling alternative to more traditional options.

Peppa Pig is a powerful example. Most parents would be aware of this brand and the incredible appeal it has for their children. That appeal translates into huge amounts of money.

It's a fantastic example of a piece of Intellectual Property (IP) that a production company developed, took to the market..and turned into a world wide phenomenon. Obviously, not every investment in IP is going to be this successful but you need to look at it as a journey across the entire asset class.

Peppa Pig was recently valued at \$1 Billion (U.S) and all based on a couple of animated characters. It's an incredibly clever brand and has made a fortune for everyone involved.

Interestingly, the brand was created more than a decade ago and the IP sat on the shelf for a long time. There are many reasons for that - including the intense competition in children's animation brands - but when it finally got its opportunity it took off. And what's fascinating (and important) about that is that it will be ongoing as an annuity for the next 30-40 years. Likewise, The Wiggles.

In a way, there's nothing new about this. You can go back to Peter Pan and plenty of others, but Peter Pan is the one that has plenty in common with Peppa Pig in that the enduring Peter Pan royalty has been donated by the original owners and has funded an entire hospital in the UK.

That gives you an idea of the level of returns you can get from the right IP.

From an investor's point of view there are clearly many advantages with this kind of IP. You not only get extraordinary returns in the short and mid-term, but you have a legacy investment you can pass on to your children or donate to your favourite charity.

There are many different ways to profit from an IP, including access to:

- *Merchandise.*

Things like T-shirts with our favourite brand of the IP we like.

- *Broadcasting Rights.*

Not just from the original broadcast but the International Rights as well. Globally there are lots of markets that operate at different times. It might be that the initial rights are sold to the UK, the U.S and Australia but over the next 10-20 years the rights are sold to other countries and markets. "Friends", for instance, is only just starting to air in some Eastern European countries and they love it as much as everyone else. That's an excellent example of the longevity of broadcasting rights even with the changes that are happening in that space.

- *Licensing.*

This is really important because you're actually giving someone the chance to use the IP but you don't have to pay for anything they create. They take on all the risk. Using the Peppa Pig example, if I was a toy producer I would go to the owners of Peppa Pig and negotiate the use of the license. In doing so I would agree to accept all the responsibilities related to the marketing of the product etc. So the owners of Peppa Pig get a nice royalty - with no risk. That's an attractive arrangement.

There are at least a dozen other benefits that companies must possess across the range of media assets before we get involved, but you can see that the kind of returns (and revenue streams) you can get across the media class of assets are quite staggering.