

Net Tangible Assets (NTA)

NTA Per Share	February	January
NTA Before Tax	35.9	40.3
Tax – realised and deferred	(2.3)	(5.0)
NTA After Tax	33.6	35.3

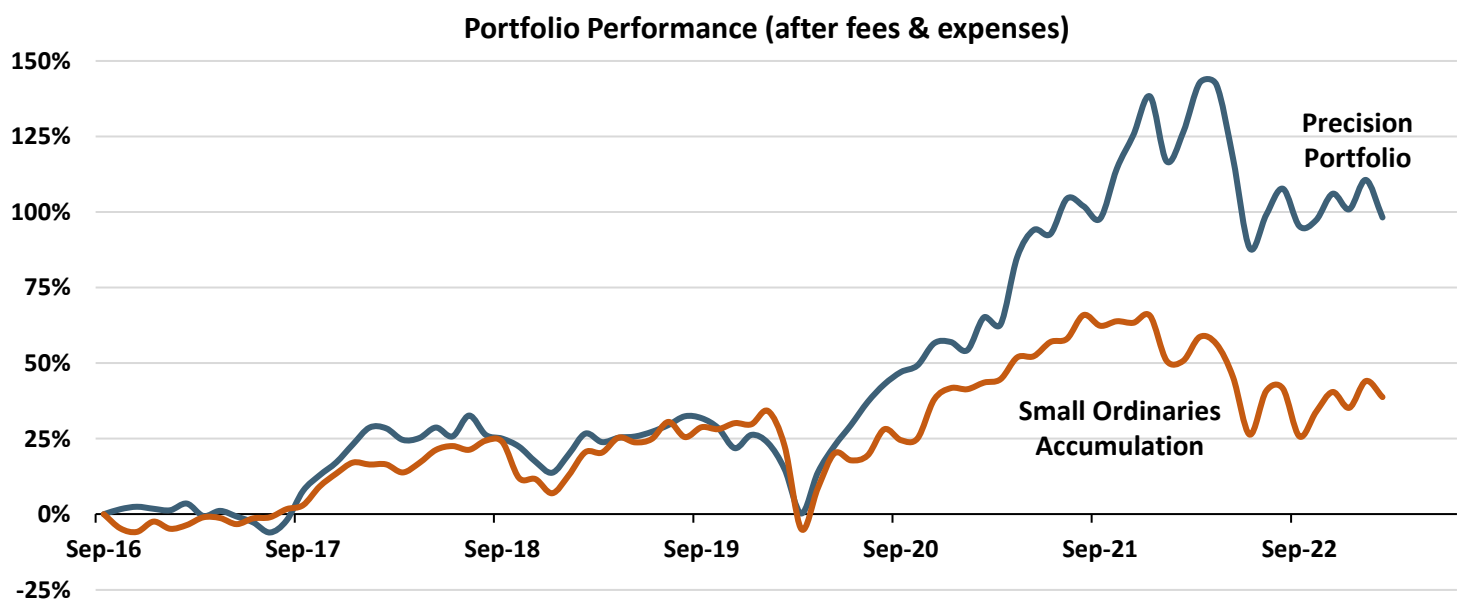
Monthly Review

In keeping with the inverse relationship between stock market performance and economic news which we have all come to know and love/fear, significantly better than expected job additions in the US sent global interest rate expectations up and asset prices down. This was compounded by further evidence of economic and cost inflation resilience and the inevitable accompanying jawboning from Central Bankers. In our last report we voiced concerns about signs of ebullience in the resources market and, lo it came to pass, as commodity prices reduced between 4% (oil) and 15% (nickel) over the month. This had the impact of multiplying the market's decline in the sector e.g. the small resources index was down over 9% versus a wider market drop of 2.5%.

The main conclusions from reporting season are that both the Aussie consumer and inflationary forces are proving more resilient than expected. Half Yearly reports for our investments went relatively smoothly, to the extent that the industrial side of the portfolio increased in value over a tough month. The highlight was another very solid financial performance from SRG Global, which was accompanied by increased full year earnings guidance and what appears to be a sensible and reasonably priced acquisition. This positive and our large cash holdings were not enough to offset the impact of the decline in the commodity space, with the net impact being that the portfolio gave up January's gain. The out-sized impact on the pre-tax NTA above is due to a significant tax payment, as can be appreciated by the associated decline in the tax deduction. This tax payment will significantly boost POF's franking credit reserve and ability to fully frank future dividend payments.

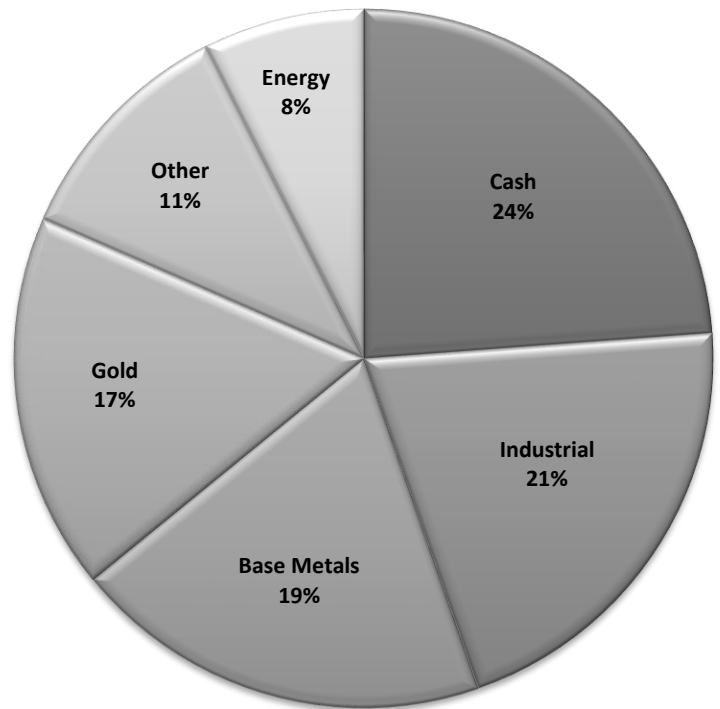
In terms of portfolio activity, we continued along a similar vein to previous months. One small resources position was exited, and we further added to industrial positions. At the start of the month, we continued to take some gains from larger resources positions. There were some outsized share price reactions to gold price declines which we took as a buying opportunity towards the period end.

Portfolio Performance (after fees and expenses)



Portfolio Performance (after fees and expenses)

Company	Portfolio %
Develop Global Ltd	8%
SRG Global Ltd	5%
Centaurus Metals Ltd	4%
Macmahon Holdings	4%
West African Resources	4%
Nickel Industries	4%
Red Dirt Metals Ltd	3%
Orecorp Ltd	3%
Austin Engineering	3%
Genesis Minerals	3%
Other holdings	35%
Cash	24%



About Precision Opportunities Fund Ltd & Precision Funds Management

Precision Opportunities Fund Ltd ("POF") is an unlisted investment company that invests in emerging opportunities and undervalued companies listed on the ASX and other recognised exchanges. The investment focus is predominantly in the small-mid cap companies outside the ASX100.

POF is suitable for investors who wish to gain exposure to small-mid cap companies and are willing to accept highly volatile returns and increased levels of risk over the short term, including returns which could be negative, with the aim of seeking higher returns over the medium to long term. The Company should only be considered by wholesale investors with a significant risk tolerance and a long-term investment time horizon.

The investment manager for POF is Precision Funds Management Pty Ltd (PFM). PFM is a specialist, independent investment manager. Precision Funds Management's principals have significant diversified investment experience in the small and mid-cap sectors of the ASX. The principals are significant investors in the fund, contributing approximately A\$9m between them, thereby aligning their interests with all shareholders of POF.

Management Team



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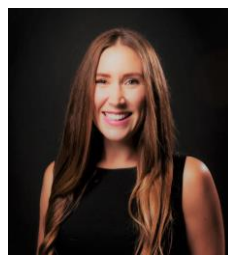
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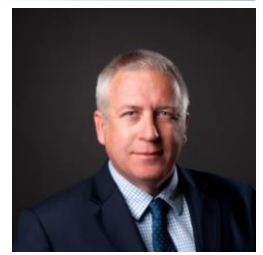
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