

Net Tangible Assets (NTA)

NTA Per Share	September	August
NTA Before Tax	37.2	39.9
Tax – realised and deferred	(4.6)	(5.5)
NTA After Tax	32.6	34.4

Monthly Review

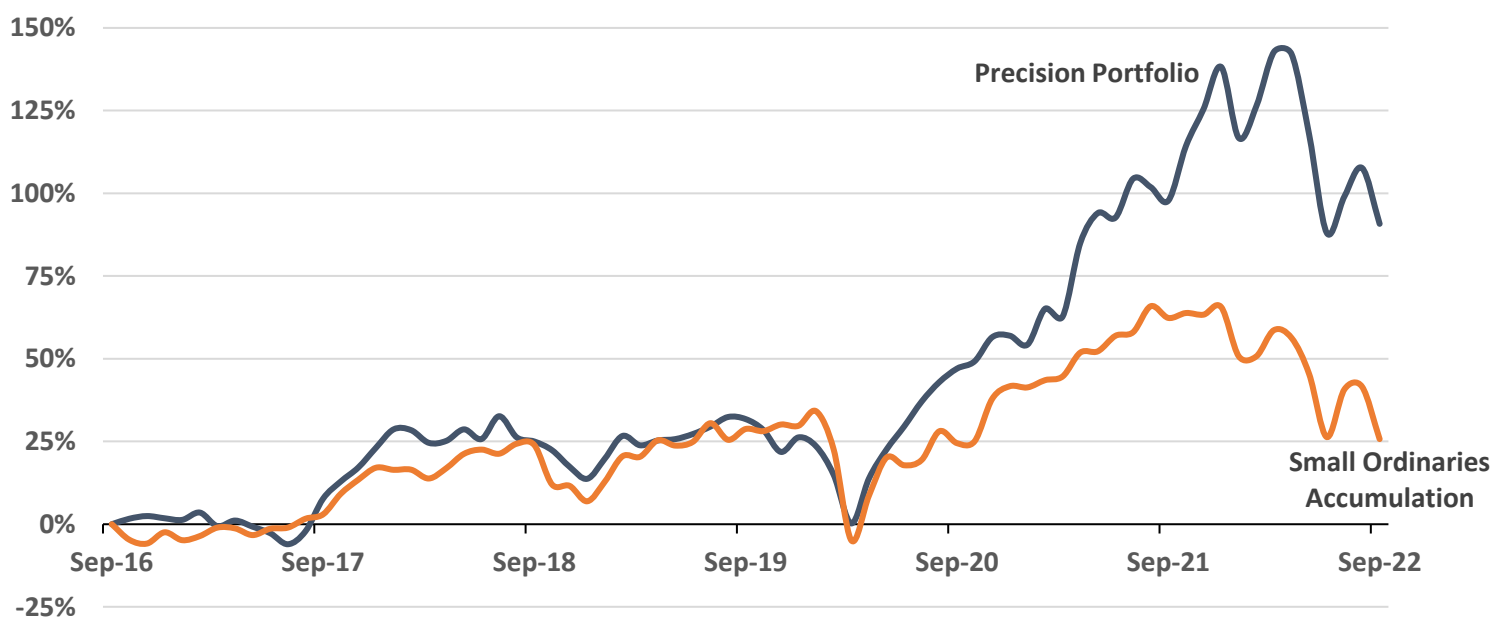
September was a month of true capitulation in financial markets. The only place of refuge was the mighty US dollar, as bond yields surged on tough talk from central bankers. Equity and bond markets were whacked worldwide. Locally, the All-Ordinaries Index shed approx. 6.4%, whilst the Small Ordinaries declined over 11%. Commodities fared reasonably well with mostly modest declines which were more than offset, for Aussie producers, by a 6% decline in the A\$ vs U\$. Accordingly, materials was the ‘best’ performing sector with a decline of just over 2%. The bond proxy REIT and utility sectors were both sold down over 13%.

Net tangible asset value per share after tax for POF declined by 5.2%. The negative side of the portfolio performance ledger was mostly driven by weakness in gold and base metal names, despite the modest decline in commodity prices outlined above. We took the opportunity afforded by this price weakness to selectively add to these positions, with a focus on higher margin producers.

Elsewhere, we took some profits from uranium and industrial positions. We also exited our holding in Maca Ltd as it became evident the anticipated bidding war between Theiss and NRW Holdings was not going to materialise. We would not be surprised if institutional shareholders wring a few more shekels out of Theiss but, given the current level of market volatility, we prefer to have the cash immediately to hand.

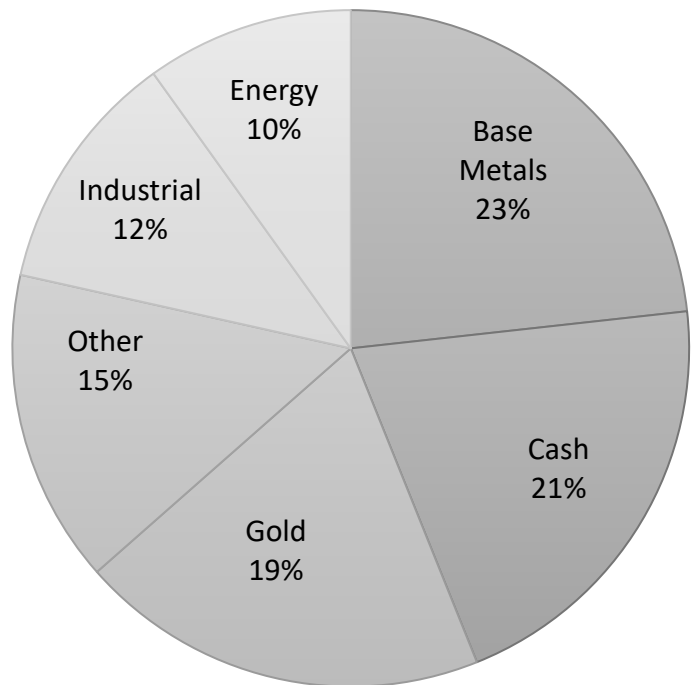
We added a portfolio position in domestic gas producer Cooper Energy (COE.ASX). COE appears to be on the verge of solving throughput bottlenecks at the Orbost gas plant in Victoria which the company recently purchased from APA Group. We expect COE’s earnings will grow over the next two years as gas output increases and offtake contracts are repriced upwards quite significantly.

Portfolio Performance (after fees and expenses)



Portfolio Performance (after fees and expenses)

Company	Portfolio %
Develop Global Ltd	12%
Capricorn Metals	6%
Red Dirt Metals Ltd	5%
Centaurus Metals Ltd	5%
Genesis Minerals	4%
Austin Engineering	4%
Orecorp Ltd	3%
Talon Energy Ltd	3%
SRG Global Ltd	2%
Nickel Industries	2%
Other	33%
Cash	21%



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\$6.5m between them, thereby aligning their interests with all shareholders of POF.

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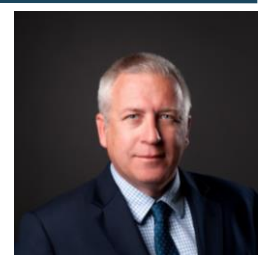
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