

Overview

Dexion Absolute Limited is a Guernsey registered, closed-ended investment company listed on the London Stock Exchange.

The Company's investment objective is to provide shareholders with consistent capital appreciation, with a target US dollar annualised return of 12 per cent. to 15 per cent. in any three to five year period, independent of equity market direction and with low volatility, by investing in an actively managed portfolio of hedge funds.

The Company's shares are denominated in Sterling and the Company implements a hedging policy to protect the Sterling value of its US Dollar denominated investments.

NAV: 121.88p
Mar return: +0.06%
Share price: 128.75p*

*Closing mid-price on 31 March 2005.
 Opening NAV per share 98.25p

Performance review

In March, the global equity markets generally produced negative results. Uneasiness about inflation and increasing energy prices weighed heavily on markets. Equity volatility recorded a slight improvement due in large part to the sell-off in U.S. equities, a decline in Treasuries, and a widening in credit spreads. The U.S. dollar experienced gains against both the euro and the yen due to the rise in U.S. interest rates during the month.

	Mar %	YTD %	ITD* %	Volatility* %	Sharpe ratio*^
Dexion Absolute NAV	0.06	1.90	10.05	2.59	2.26
FT All Share TR £	-0.87	3.05	16.33	10.96	1.11
FT Govt All Stocks TR £	0.39	-0.08	3.80	3.59	-0.11
HFRI Fund of Funds Index \$	-0.38	0.95	8.60	2.98	2.39

* Annualised from inception date of DAB, based on monthly data. ^ Risk free rate is average of 1M GBP LIBOR (4.19%) for GBP investments, average of 1M USD LIBOR (1.49%) for USD investments. Averages calculated using daily data from inception date of DAB. Source: Bloomberg (data), Dexion (calculation)

Dexion Absolute's **hedged equities** managers' long positions were not immune to the broad sell-off that occurred. Many sectors that were large contributors to the strategy's positive performance over the past few months, such as homebuilders, and basic materials, were the largest detractors from performance during the month. Not surprisingly, short equity positions, particularly in the technology, financial-services, and basic materials sectors, were the largest positive contributors to returns during the period. Our **opportunistic** managers experienced gains despite the difficult global market conditions. In our managers' event-driven equity portfolios, a number of company-specific positions contributed to gains. In emerging markets, equity and bond indices were battered during the month, as rising U.S. interest rates drove investors to reduce their exposure to riskier markets. Although our managers who trade emerging market securities were negatively impacted, prudent risk management minimized potentially larger losses. After nine consecutive profitable months, **distressed securities** managers produced a modest loss in March. Credit spreads widened during the month, resulting in a decline in the fixed-income markets across all classes, with lower-quality credits especially hard-hit. Much of this sell-off in credit securities was triggered by the downgrade of General Motors, one of the largest investment-grade borrowers, after the company significantly reduced its earnings forecast. The Company's **tactical trading** managers posted a positive return in March despite difficult market conditions for the strategy. The majority of these gains emanated from the portfolio of one manager who profited from several different areas, including positions long the U.S. dollar, long crude-oil futures, and short U.S. equities. The difficult equity market conditions in March created a favourable environment for **short selling** that capped off a strong quarter for the strategy. Our **equity strategies** managers were negatively impacted by a broad decline in the U.S. equity markets; however, a number of stock-specific gains mitigated losses in the month. In the face of harsh market conditions for arbitrage strategies, **relative value arbitrage** managers still recorded a positive return for the month. Merger arbitrage and special situations were the largest contributors to our managers' gains. Although deal spreads remained tight, managers benefited from their thorough understanding of specific industry dynamics and their proactive approach, particularly in regards to legal and credit issues.

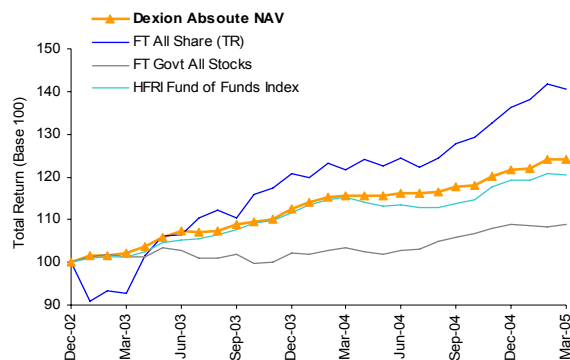
Outlook

Although the General Motors-related spread widening resulted in moderate losses for our managers' distressed portfolios in March, opportunities could be created that may spark an improvement in the attractiveness of returns in credit trading. In general, the Company's portfolio remains well-positioned to capture opportunities across the broad spectrum of hedge fund strategies.

Key facts

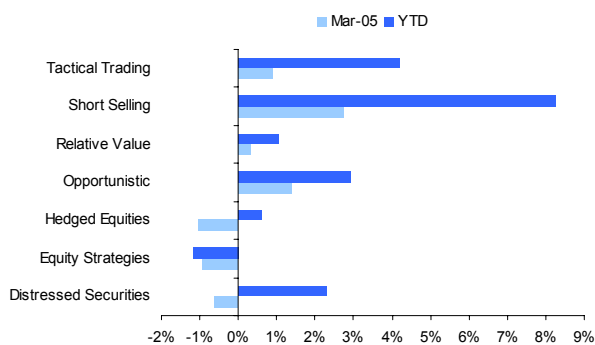
Manager	Dexion Capital (Guernsey) Ltd	Bloomberg	DAB LN
Investment Advisor	Harris Alternatives LLC	Reuters	DAB.L
Investment Consultant	Dexion Capital Plc	ISIN	GB0032287020
Inception date	19 December 2002	SEDOL	3228702
Total net assets	£255.5m		

Comparative Performance



Source: Bloomberg

Performance attribution

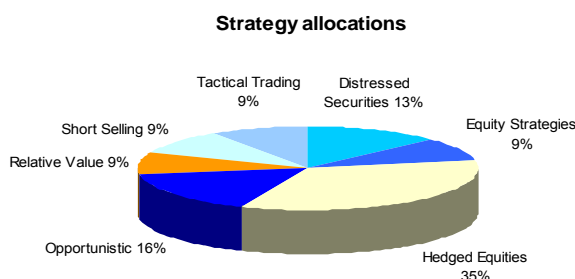


Note: strategy returns are net of underlying manager fees only, and not inclusive of Dexion Absolute's fees and expenses

Historical NAV performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2005	0.29	1.54	0.06										1.90
2004	1.39	0.96	0.38	-0.18	0.03	0.61	-0.06	0.39	0.86	0.41	1.70	1.38	8.13
2003	1.44	0.02	0.78	1.37	2.11	1.56	-0.48	0.27	1.48	0.72	0.31	2.39	12.59

Portfolio as of 1 April 2005



	Number of funds
Distressed securities	5
Equity strategies	4
Hedged equities	18
Opportunistic	7
Relative value	4
Short selling	8
Tactical trading	4
Total	50

Dexion Absolute Limited, Arnold House, St Julian's Avenue, St Peter Port, Guernsey GY1 3NF
Email: info@dexionabsolute.com Website: www.dexionabsolute.com

This report is issued and has been approved for the purposes of Section 21 Financial Services and Markets Act 2000 ("FSMA") by Dexion Capital plc, which is authorised and regulated by the Financial Services Authority in the United Kingdom. This document relates only to securities of Dexion Absolute Limited ("the Company") which are dealt in on the London Stock Exchange and no other securities. It does not constitute an invitation to underwrite, subscribe or otherwise acquire or dispose of any securities in the Company and should not be construed as advice to any person to engage in any of the foregoing activities. It does not constitute an invitation to effect any transaction with the Company. Whilst certain of the information in this document may refer to the price of the Company's securities or the yield on them, past performance cannot be relied on as a guide to future performance.

The information in this report is based on information which is otherwise publicly available and, whilst Dexion Capital plc uses all reasonable efforts to ensure the information in this report is accurate, and up to date, no representations or warranties are given as to the reliability, accuracy or completeness of the information in this report. Dexion Capital plc does not accept any liability for any loss or damage which may arise directly or indirectly from any use of or reliance on such information save in circumstances where such exclusion or restriction of liability would be expressly prohibited by the rules of the Financial Services Authority or any other applicable laws or regulations in England and Wales. In particular, recipients should note that, since many or all of Dexion Absolute's investments are unquoted, net asset value figures in relation to Dexion Absolute are based wholly or partly on estimates of the values of Dexion Absolute's investments provided by the investment managers or administrators of those underlying investments, which estimates may themselves have been subject to no verification or auditing process or may relate to a valuation at a date before the relevant net asset valuation for Dexion Absolute, or which have otherwise been estimated by Dexion Absolute's Investment Advisor. Other information in this report may be historic and/or may no longer be of relevance.

The information contained in this report, which relates to the net asset value performance of Dexion Absolute may not be indicative of how Dexion Absolute's investments may perform in the future. Moreover the values of such investments may fluctuate considerably and the historic net asset values shown for Dexion Absolute take no account of the costs or practical difficulties of realising some or all of such investments. The value of investments mentioned in this report may go down as well as up and investors may not get back the amount invested. Information on past performance, where given, is not necessarily a guide to future performance. Changes in rates of exchange between currencies may cause the value of investments to decrease or increase. The information in this report is provided solely for information and does not constitute investment advice or personal investment recommendations. Investments mentioned in this report may not be suitable for all recipients and in each case potential investors are advised not to take any investment decision unless they have taken independent advice from an advisor authorised under FSMA.

Your attention is drawn to the Risk Factors set out in Part I of the Dexion Absolute prospectus dated 3 June 2004. This report may not be mailed or distributed or redistributed or otherwise sent into, and does not constitute any offer to sell or the solicitation of any offer to buy securities, in or from the United States, Canada, Japan or Australia or any other territory where the same would require compliance with any regulatory, filing or like requirements or where the same would constitute an offence.

In particular, the information in this report is not for distribution and does not constitute an offer to sell or the solicitation of any offer to buy any securities in the United States of America to or for the benefit of United States persons being resident in the United States of America or partnerships or corporations organised under the laws of the United States of America or any state, territory or possession thereof. The shares in Dexion Absolute have not been, and will not be registered under the United States Securities Act 1933.