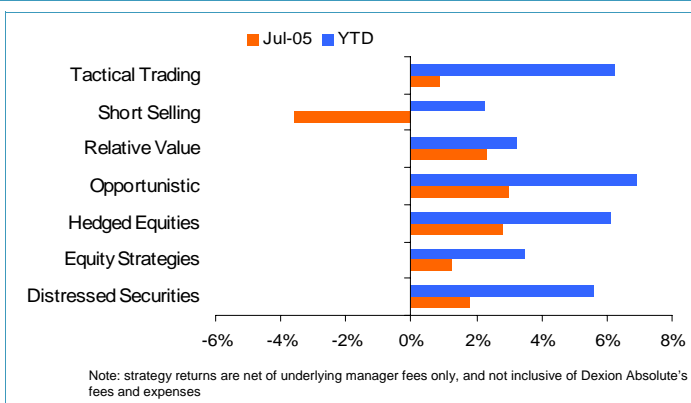


Overview

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, Euros and US Dollars and the Company implements a hedging policy to protect the Sterling and Euro value of its US Dollar denominated investments.

Monthly commentary

Global equity markets produced strong results in July. In the US, favourable economic reports and solid corporate earnings resulted in gains across the board, particularly in the more speculative Nasdaq and Russell 2000 indices. In international markets, European bourses and Asian equities also posted healthy gains, reflecting improved market sentiment following positive economic and corporate results. Buoyed by a number of credit upgrades and strong second quarter earnings, credit spreads tightened further in July. Equity volatility, as measured by the VIX Index, continued its slide and ended the month at an all-time-record low. The major development in currencies during July was the Chinese removal of the Yuan's peg to the US dollar in favour of a policy that allows it to float against a basket of currencies. For the month, the US dollar was unchanged versus the Euro, while it gained 1.4% against the Yen.



Hedged Equities: +2.8%. Global equity markets had one of their strongest months of the year as positive economic data, low inflation, and strong earnings releases proved more than enough to offset the potential drag posed by rising energy prices. Our hedged equities managers were well-positioned to capture opportunities in this strong equity market rally. Long positions in the energy and basic-materials sectors were two notable areas of strength. **Opportunistic: +3.0%.** Our opportunistic managers sustained their positive momentum in July and posted a solid return. An increase in corporate activity combined with a wave of solid earnings announcements resulted in gains for both their special-situation and value-equity portfolios. **Distressed Securities: +1.8%.** The distressed strategy was profitable in July with several higher-profile bankruptcies experiencing positive developments. **Tactical Trading: +0.9%.** Our tactical trading managers ended July with a positive return. Gains were generated from long positions in oil-company equities, shorting the 10-year Treasury note and shorting the US dollar. Managers also capitalised on commodity trading, as well as opportunities in emerging market credits. **Short Selling: -3.6%.** Following a challenging June, our managers faced one of the most difficult months of the year yet for short selling. The significant out-performance of highly-speculative, small and mid-cap stocks created a headwind that proved too much to overcome, and our managers posted a loss. **Relative Value Arbitrage: +2.3%.** July was a good month for relative value arbitrage managers due to robust market activity that created a number of profitable opportunities. Equity long/short trading was a strong contributor to performance for the fund's managers. In addition, our managers' distressed and high-yield portfolios benefited from the ongoing rally in corporate credit spreads. Our manager's tactical allocations to event-driven portfolios benefited from an acceleration in M&A activity, while a number of equity restructurings boosted returns in special situations. Results from convertible bond arbitrage were mixed as the catalysts required to drive returns, primarily new issuance and equity volatility, were once again dormant in the marketplace. Finally, our manager's energy trading portfolios were profitable due to broad-based gains in natural gas spreads and gasoline trading. **Equity Strategies: +1.2%.** The favourable equity market environment lifted our equity strategies managers' results in July. One manager's activist efforts in the restructuring of an oil-production enterprise enhanced performance for the overall strategy.

Outlook - In August, we are seeing a continuation of the recent market conditions that favour our managers' fundamental approaches to investing. We believe the portfolio is well-positioned to capture opportunities across the broad spectrum of hedge fund strategies that our managers employ.

Performance data

	July (%)	YTD (%)	ITD\$* (%)	Volatility\$* (%)	Sharpe\$*^A
Dexion Absolute £ Share NAV	1.51	4.87	9.92	2.69	2.09
FT All Share (TR) (£)	3.39	11.88	17.77	10.73	1.26
FT Govt All Stocks (TR) (£)	-0.60	3.95	4.89	3.63	0.17
Dexion Absolute €Share NAV	1.28	-	-	-	-
MSCI Eurozone (TR) (€)	4.39	-	-	-	-
JPMorgan Eurozone Govt Bond Index (€)	-0.53	-	-	-	-
Dexion Absolute US\$ Share NAV	1.37	-	-	-	-
MSCI World (TR) (US\$)	3.52	-	-	-	-
JPMorgan World Govt Bond Index (US\$)	-1.07	-	-	-	-
HFRI Fund of Funds Index (US\$)	1.69	2.69	8.17	3.20	2.02

\$ Insufficient data points for € and \$ Shares. * Annualised from inception date of DAB £, based on monthly data. ^ Risk free rate is average 1M GBP LIBOR (4.27%) for GBP investments and average 1M USD LIBOR (1.71%) for USD investments. Source: Bloomberg (data), Dexion Capital (calculation)

£
NAV 125.43p
Return +1.51%
Share price* 128.88p

€
NAV €1.8560
Return +1.28%
Share price* €1.9400

\$
NAV \$2.2462
Return +1.37%
Share price* \$2.3568

Note:
* Closing mid-price at month end.
Opening NAV per £ share 98.25p,
€ Share €1.8325 and \$ Share \$2.2158.

Key facts

Manager

Dexion Capital
(Guernsey) Limited

Investment
Advisor

Harris Alternatives LLC

Investment
Consultant

Dexion Capital plc

Total net assets
£375.1m

Management Fee
1.50%

Performance Fee
10%
(trigger 3%)

Contact details

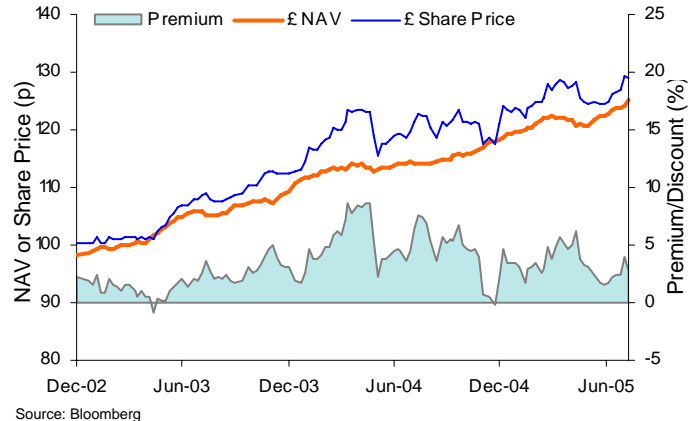
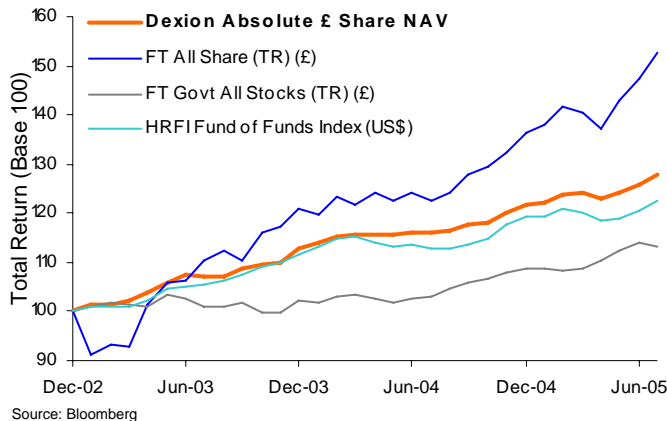
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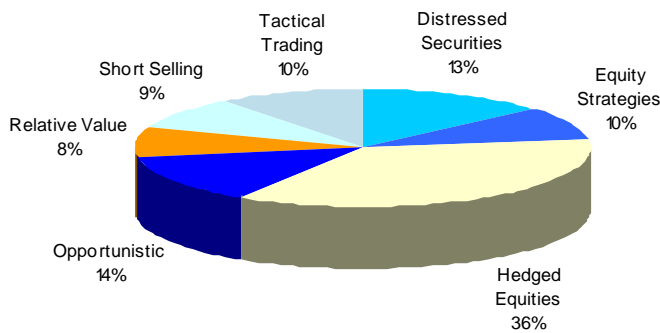
Website
www.dexionabsolute.com

Net Asset Value performance

Share price performance



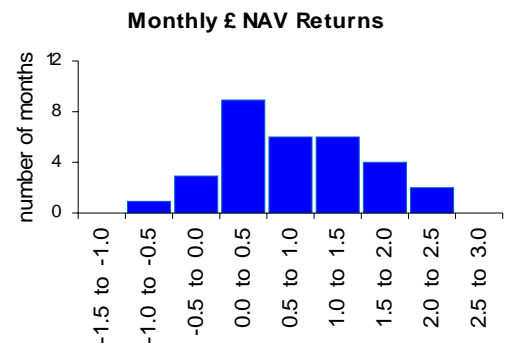
Portfolio as of 1 August 2005



	Number of funds
Distressed Securities	6
Equity Strategies	4
Hedged Equities	20
Opportunistic	6
Relative Value	3
Short Selling	8
Tactical Trading	5
Total	52

Historical NAV performance (%)

GBP	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2005	0.29	1.54	0.06	-0.87	0.88	1.38	1.51						4.87
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
EUR													
2005	-	-	-	-	-	-	1.28						1.28
USD													
2005	-	-	-	-	-	-	1.37						1.37



Share Class	Inception date	Bloomberg	Reuters	ISIN	Sedol	Total net assets
GBP	19 Dec 2002	DAB LN	DAB.L	GB0032287020	3228702	£323.92m
EUR	28 Jun 2005	DABE LN	DABx.L	GB00B0FXK920	B0FXK92	€48.60m
USD	28 Jun 2005	DABU LN	DABu.L	GB00B0FXL332	B0FXL33	\$31.02m

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Your attention is drawn to the Risk Factors set out in the Dexion Absolute prospectus dated 27 May 2005 and the fact that no securities are currently being offered by the Company and that certain information in the above prospectus may now be out of date.

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