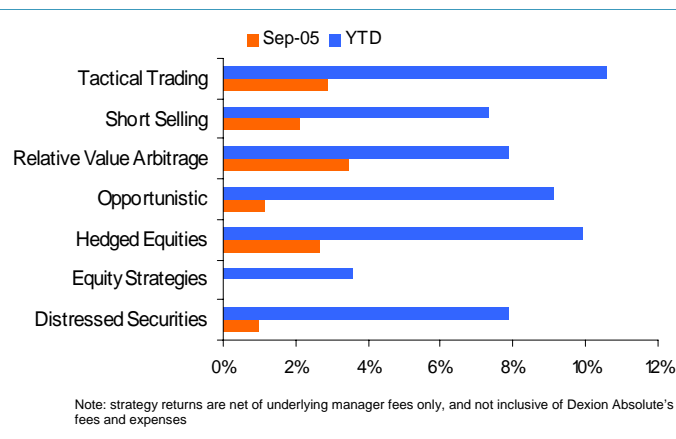


Overview

Dexion Absolute Limited is a Guernsey registered, closed-ended investment company listed on the London Stock Exchange. Consistent with Harris Alternatives' Aurora LP, whose investment rationale, methodology and portfolio management are shared by the Company, the Company no longer has a target return as part of its investment objective. The Company's investment objective is to generate consistent long-term capital appreciation with low volatility and little correlation with the general equity and bond markets through a portfolio having a diversified risk profile. The Company seeks to achieve this through investment in an actively managed portfolio of hedge funds diversified by investment strategy, style and manager. 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

U.S. equities recorded slight gains in September as an initial rally in the ran out of steam towards mid-month due to a number of factors, including an interest rate rise by the U.S. Federal Reserve, disappointing corporate news, and concerns about the aftermaths of Hurricanes Katrina and Rita. Meanwhile, international markets exhibited much stronger performance. A weak euro aided European markets, which posted healthy gains despite release of data indicating slowing economic growth. Asian equities, most notably in Japan and Korea, and emerging market equities performed strongly. In fixed income, credit spreads were largely unchanged with lower-rated credit spreads widening marginally, while Treasuries sold off in response to the Federal Reserve raising rates another 25 basis points.



The Company's **hedged equities** managers extended their run of strong positive performance. Gains were broad-based and the majority of managers were profitable, with long positions in the base materials and energy sectors notably profitable for domestic managers. Reaccelerating growth in China helped propel the base materials sector, while high prices for natural gas and crude oil continued to provide a tailwind for the energy sector. Geographically, in both Asia and Europe, managers' profits were spread across both their long and short portfolios. The **opportunistic** strategy produced a solid return during September, with positions in the natural gas industry being a profitable theme for one manager. Emerging markets benefited from an increase in demand for emerging market exposure by investors, which drove prices higher across a number of asset classes. **Distressed securities** managers finished September with robust returns despite choppiness in the credit markets throughout the month. Electrical-power producers were again notable contributors to performance as higher energy prices continued to propel valuations in the industry. The Company's **tactical trading** managers posted a solid gain during the month. Drivers of performance included relative value fixed-income positions, which benefited from the flattening U.S. yield curve, and global equities, particularly long Japanese stocks. Trading in emerging markets, energy-related equities, and natural gas and crude-oil futures also contributed to performance. Deft stock selection resulted in considerable alpha generation, and **short selling** managers posted strong gains during September. A common theme driving returns across many of our managers' portfolios was their short exposure to consumer stocks. Weakness in consumer confidence and a sharp decline in consumer spending delivered a severe setback to the sector during the month. Short exposure to financial-services stocks also contributed to performance as many of these companies struggle amid a rising interest rate environment. Our **equity strategies** managers generated slight gains in September. During September, our **relative value arbitrage** managers posted their largest monthly return since the inception of the Company. Energy trading was again a large contributor to performance as Hurricane Rita's impact resulted in volatile movements in energy-related securities. Distressed positions in the U.S. and European markets traded higher during the month, while convertible bond arbitrage continued its rebound following one of the most difficult periods for the strategy earlier this year. Japanese convertibles were especially profitable, due in large part to the recent bullishness in Japanese equities. Finally, our managers produced generally positive results in global equities trading and merger arbitrage during the month.

Outlook - Looking ahead to the remainder of the year and beyond, most hedge fund strategies offer attractive opportunities, especially the stock-selection strategies that rely on fundamental analysis, including hedged equities, equity strategies, and short selling. We are also optimistic that our opportunistic and tactical trading managers will continue to profit from the areas of market dislocation that they have identified.

Performance data

	September (%)	YTD ¹ (%)	ITD\$* (%)	Volatility\$* (%)	Sharpe\$* ^{^A}
Dexion Absolute £ Share NAV	1.75	7.62	10.32	2.67	2.26
FT All Share (TR) (£)	3.42	17.05	18.54	10.46	1.36
FT Govt All Stocks (TR) (£)	-0.31	5.04	4.99	3.59	0.19
Dexion Absolute € Share NAV	1.64	3.64	-	-	-
MSCI Eurozone (TR) (€)	4.65	8.02	-	-	-
JPMorgan Eurozone Govt Bond Index (€)	-0.07	0.44	-	-	-
Dexion Absolute US\$ Share NAV	1.74	3.99	-	-	-
MSCI World (TR) (US\$)	2.63	7.08	-	-	-
JPMorgan World Govt Bond Index (US\$)	-1.93	-1.20	-	-	-
HFRI Fund of Funds Index (US\$)	1.42	5.07	8.55	3.14	2.14

¹ Cumulative performance from inception for € and \$ Shares. § Insufficient data points for € and \$ Shares. * Annualised from inception date of DAB £, based on monthly data. ^{^A} Risk free rate is average 1M GBP LIBOR (4.29%) for GBP investments and average 1M USD LIBOR (1.83%) for USD investments. Source: Bloomberg (data), Dexion Capital (calculation)

£

NAV 128.73p
Return +1.75%
Share price* 135.25p

€

NAV €1.8992
Return +1.64%
Share price* €1.9750

\$

NAV \$2.3041
Return +1.74%
Share price* \$2.3850

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
£384.3m

Management Fee
1.50%

Performance Fee
10%
(trigger 3%)

Contact details

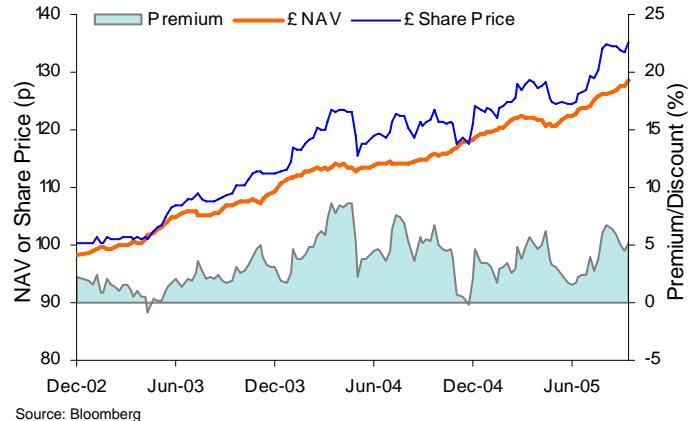
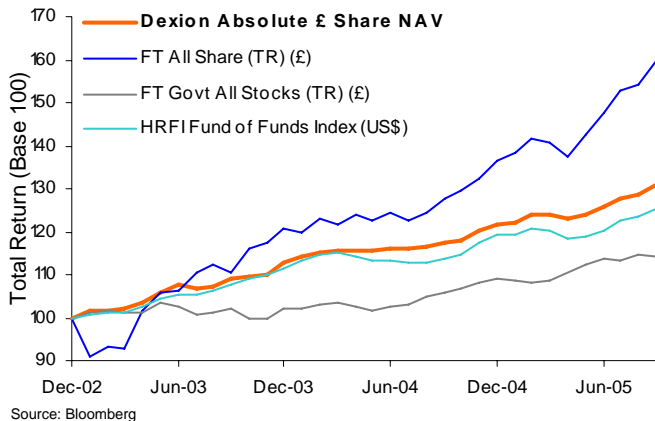
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info@dexionabsolute.com

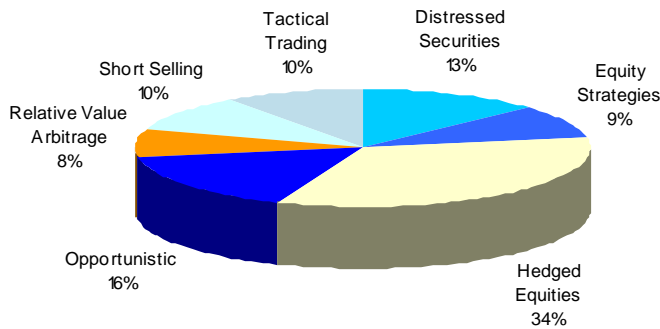
Website
www.dexionabsolute.com

Net Asset Value performance

Share price performance



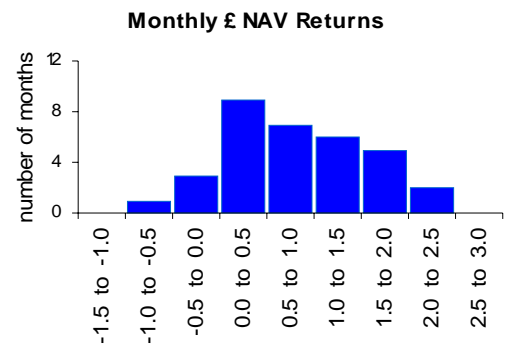
Portfolio as of 1 October 2005



	Number of funds
Distressed Securities	6
Equity Strategies	4
Hedged Equities	18
Opportunistic	6
Relative Value Arbitrage	3
Short Selling	8
Tactical Trading	5
Total	50

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	0.86	1.75				7.62
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	0.67	1.64				3.64
USD													
2005	-	-	-	-	-	-	1.37	0.82	1.74				3.99



Share Class	Inception date	Bloomberg	Reuters	ISIN	Sedol	Total net assets
GBP	19 Dec 2002	DAB LN	DAB.L	GB0032287020	3228702	£332.44m
EUR	28 Jun 2005	DABE LN	DABx.L	GB00B0FXK920	B0FXK92	€49.74m
USD	28 Jun 2005	DABU LN	DABu.L	GB00B0FXL332	B0FXL33	\$31.82m

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Your attention is drawn to the Risk Factors set out in the Dexion Absolute prospectus dated 26 October 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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