

Overview

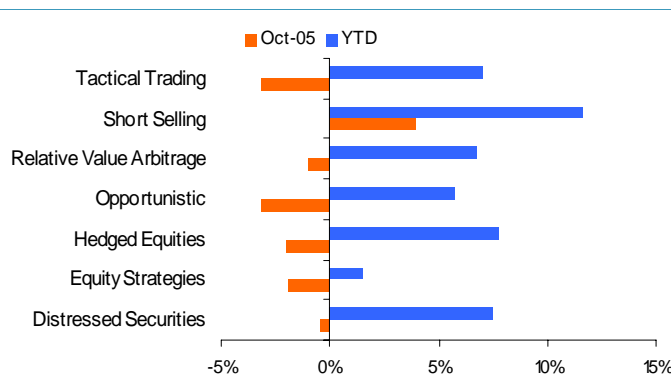
Dexion Absolute Limited is a Guernsey registered, closed-ended investment company listed on the London Stock Exchange. Consistent with Harris Alternatives' Aurora LP, whose investment rationale, methodology and portfolio management are shared by the Company, the Company no longer has a target return 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

With the notable exception of Japan, nearly all global equity markets declined during October. In the U.S., market participants fixated on inflation fears, rising interest rates, and mixed economic data despite generally favourable corporate earnings reports and the benefits of declining energy prices. Meanwhile, European markets weakened as a result of rising jobless claims, evidence of higher inflation, and cuts in growth projections. Foreign bullishness in Japanese stocks resulted in modest gains in that market, while nearly all other Asian indices recorded sizable declines. Global bond markets fell on inflationary concerns and the hawkish tone of the U.S. Federal Reserve and European Central Bank. Finally, reflecting the rise in U.S. interest rates, the dollar gained ground against both the Euro and the yen.

Dexion Absolute's tactical trading and opportunistic managers posted the weakest results during the month, while short selling was the only profitable strategy. October was a particularly challenging month for **hedged equity** investing as negative market returns were compounded by a sharp spike in intra-stock correlation. Amid a steep decline in crude-oil and natural gas prices, the energy sector was especially hard-hit in October and accounted for a disproportionate share of the broader market's losses. Among our hedged equities managers, the European specialists turned in the weakest results as their net long exposure was a hindrance amid the sell off in the region. Although indiscriminate selling characterized European markets during October, managers were significantly impacted by fundamental developments related to holdings in European telecom stocks. The difficult market conditions provided few sanctuaries from losses, and our **opportunistic** managers reported declines in both the developed and emerging markets. Exposure to energy and commodity-related stocks were notably poor performers and a number of managers' holdings also reported weak third-quarter earnings, specifically entities in the energy and consumer sectors. In emerging markets, positions in Argentinean fixed-income securities and Brazilian equities resulted in losses, as did Eastern European equities, particularly in Russia. Credit markets were resilient but down during October resulting in a moderate loss for our **distressed securities** managers. Long-standing, thematic investments in energy companies, primarily electricity and natural gas firms, were the largest detractors from returns. Other areas of weakness included cable television and wireless telecommunications. Our **tactical trading** managers struggled across all asset classes during October, resulting in the strategy's weakest performance of the year. Fixed-income trading proved especially difficult for our managers' positions as inflationary concerns led to an unanticipated rise in interest rates across the globe. In equities, long holdings in the energy sector hurt performance. FX trading was also unprofitable following losses in various short euro positions, and exposure to both emerging market debt and equity resulted in negative performance as well. Our **short sellers** were strong performers during October, highlighting the important role these managers play in our portfolio during difficult periods in the financial markets. Although October provided a favourable backdrop for the strategy, it was our managers' skilful stock selection during the month that resulted in substantial alpha generation, particularly in light of their minimal exposure to energy equities. However, a contraction of the market's risk appetite was beneficial as small-caps, an area of emphasis for most of our short sellers, underperformed the overall U.S. equity market. Our **equity strategies** managers posted a loss during October as the equity market's headwinds proved too stiff to overcome. A number of company-specific developments, both favourable and unfavourable, impacted our managers' portfolios during the month. **Relative value** arbitrage managers were modestly down during October. Extreme volatility in energy prices, especially in crude oil, electricity and natural gas, led to losses in our managers' energy trading books. Fortunately, broad diversification across energy commodities and a reduction in risk following Hurricanes Katrina and Rita softened the negative impact. On the positive side, a sharp spike in global equity volatility did lift returns in convertible bond arbitrage across all regions, mitigating losses in what proved to be a challenging month for our managers.

Outlook - Although October has been the most difficult month of the year, we remain optimistic about the attractiveness of the opportunities for our managers. The increased volatility levels should foster an interesting trading environment for many of our managers' underlying strategies, while difficulties in the airline and automotive sectors may provide new prospects for our managers investing in distressed securities.



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

£
NAV 126.92p
Return -1.41%
Share price* 132.38p

€
NAV €1.8692
Return -1.58%
Share price* €1.9475

\$
NAV \$2.2717
Return -1.41%
Share price* \$2.3450

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
£378.7m

Management Fee
1.50%

Performance Fee
10%
(trigger 3%)

Contact details

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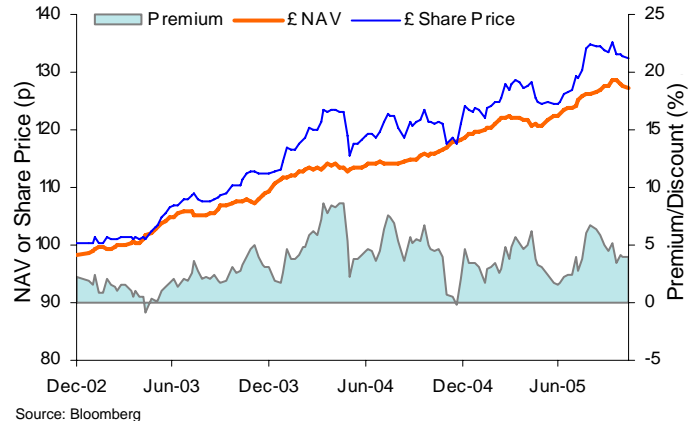
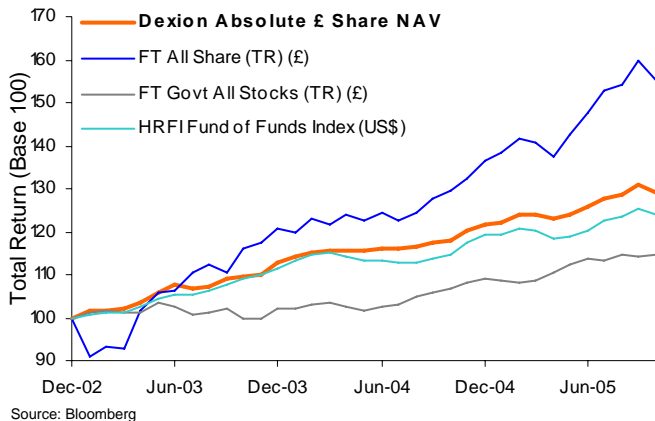
Performance data

	October (%)	YTD ¹ (%)	ITD\$* (%)	Volatility\$* (%)	Sharpe\$* ^{^A}
Dexion Absolute £ Share NAV	-1.41	6.11	9.46	2.95	1.75
FT All Share (TR) (£)	-2.89	13.67	16.73	10.62	1.17
FT Govt All Stocks (TR) (£)	0.11	5.15	4.88	3.54	0.16
Dexion Absolute € Share NAV	-1.58	2.00	-	-	-
MSCI Eurozone (TR) (€)	-3.09	4.68	-	-	-
JPMorgan Eurozone Govt Bond Index (€)	-1.12	-0.68	-	-	-
Dexion Absolute US\$ Share NAV	-1.41	2.52	-	-	-
MSCI World (TR) (US\$)	-2.41	4.51	-	-	-
JPMorgan World Govt Bond Index (US\$)	-1.80	-2.98	-	-	-
HFRI Fund of Funds Index (US\$)	-1.26	3.86	7.85	3.32	1.80

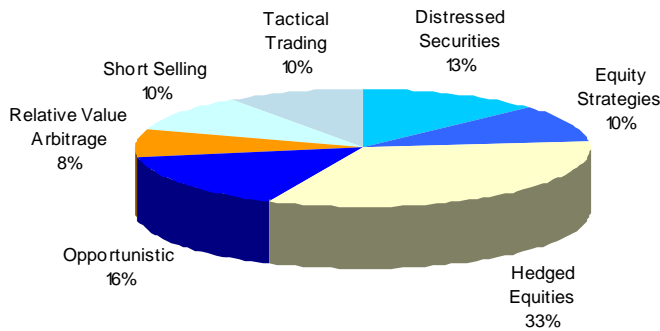
¹ Cumulative performance from inception for € and \$ Shares. § Insufficient data points for € and \$ Shares. * Annualised from inception date of DAB £, based on monthly data.
^{^A} Risk free rate is average 1M GBP LIBOR (4.30%) for GBP investments and average 1M USD LIBOR (1.90%) for USD investments.
Source: Bloomberg (data), Dexion Capital (calculation)

Net Asset Value performance

Share price performance



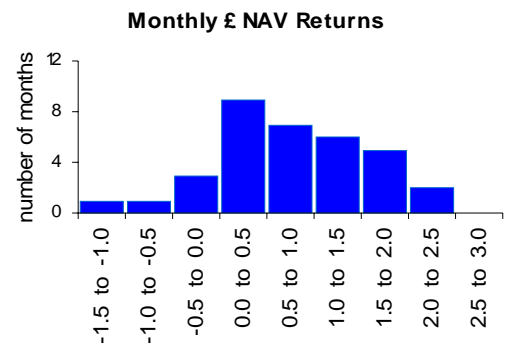
Portfolio as of 1 November 2005



	Number of funds
Distressed Securities	6
Equity Strategies	5
Hedged Equities	18
Opportunistic	6
Relative Value Arbitrage	3
Short Selling	8
Tactical Trading	5
Total	51

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	-1.41			6.11
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	-1.58			2.00
USD													
2005	-	-	-	-	-	-	1.37	0.82	1.74	-1.41			2.52



Share Class	Inception date	Bloomberg	Reuters	ISIN	Sedol	Total net assets
GBP	19 Dec 2002	DAB LN	DAB.L	GB0032287020	3228702	£327.78m
EUR	28 Jun 2005	DABE LN	DABx.L	GB00B0FXK920	B0FXK92	€48.95m
USD	28 Jun 2005	DABU LN	DABu.L	GB00B0FXL332	B0FXL33	\$31.38m

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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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