

£	
NAV	154.66p
RETURN	-3.52%
SHARE PRICE*	166.00p
Opening NAV per £ share 98.25p	

€	
NAV	2.1915
RETURN	-3.62%
SHARE PRICE*	2.3550
Opening NAV per € share €1.8325	

US\$	
NAV	2.7740
RETURN	-3.61%
SHARE PRICE*	3.0000
Opening NAV per US\$ share US\$2.2158	

A\$	
NAV	3.9045
RETURN	-3.38%
SHARE PRICE*	4.2100
Opening NAV per A\$ share A\$3.4055	

Note: \*Closing mid-price at month end.

## 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 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, US Dollars and Australian Dollars. The Company invests in underlying assets which are predominantly US Dollar denominated and the Company implements a hedging policy in an attempt to reduce the impact of currency fluctuations on the Sterling, Euro and Australian Dollar Shares.

## PERFORMANCE DATA

	JANUARY(%)	YTD (%)	ITD** (%)	VOLATILITY** (%)	SHARPE**^1
DEXION ABSOLUTE £ SHARE NAV	-3.52	-3.52	9.34	3.79	1.21
DEXION ABSOLUTE € SHARE NAV	-3.62	-3.62	7.17	4.61	0.85
DEXION ABSOLUTE US\$ SHARE NAV	-3.61	-3.61	9.09	4.69	0.90
DEXION ABSOLUTE A\$ SHARE NAV	-3.38	-3.38	10.80	5.13	0.85
HFRI FUND OF FUNDS INDEX (US\$)	-2.93	-2.93	8.51	4.28	1.22
MSCI WORLD INDEX GROSS (TR) (US\$)	-7.62	-7.62	15.43	9.95	1.22
JPM GLOBAL GOV'T BOND INDEX (TR) (US\$)	3.73	3.73	7.80	6.74	0.67

\* Annualised from inception date of DAB £, DAB €, DAB US\$ and DAB A\$, based on monthly data. ^ Risk free rate is average 1M GBP LIBOR since December 2002 (4.73%) for DAB £, average 1M EUR LIBOR since June 2005 (3.27%) for DAB €, average 1M USD LIBOR since June 2005 (4.87%) for DAB US\$, average 1M AUD LIBOR since September 2006 (6.45%) for DAB A\$ and average 1M USD LIBOR since December 2002 (3.29%) for US\$ indices. ^ MSCI World Index and JPM Global Gov't Bond Index annualised since December 2002 and HFRI Fund of Funds Index annualised from 1st January 2003.

Source: Bloomberg (data), Dexion Capital (calculation)

## MONTHLY COMMENTARY

Negative headlines battered investor confidence, sending financial markets into a tailspin for much of January. US equity markets relentlessly traded lower in response to a series of negative news reports and the Fed took the extraordinary action of reducing interest rates by a total of 1.25% in two cuts. This, combined with a proposed fiscal stimulus package, shored up US financial markets for the remainder of the month, however, European and Asian equity markets sustained heavy losses. Spreads widened in corporate and high yield instruments as investors fled to the safety of Treasuries and high-quality sovereign issues. Commodity markets had mixed performance, crude oil prices eased, but prices in the US for natural gas surged, as did many base and precious metals prices. In FX, the US Dollar weakened against the Euro, Sterling and Yen.

**Long/Short Equities: -6.15%.** Managers across all sub-strategies incurred losses but geographic specialists bore the brunt of the market slump. Aggressive monetary and fiscal policy announcements in the US complicated matters towards the end of the month by triggering a moderate US equity rebound that blunted the effectiveness of short positions. **Multi-Strategy Opportunistic: -6.09%.** Managers with long exposures to the financial services industry saw those holdings trade lower, and valuations among oil exploration and other energy-related holdings also deteriorated, as investors abandoned high-risk investments for safer capital havens. Positive performance was derived primarily on the short side of the portfolio where credit default swaps covering monoline insurers, asset-backed indices and index hedges yielded sizable gains. **Macro: +5.21%.** One manager's tactical short positioning in US equities provided the lion's share of the gains at the start of the month, only to close out those profitable positions and then benefit from the remaining long exposure as the US market rallied towards the end of January. Elsewhere, two other managers profitably expressed their pessimistic views on the US and UK economies, positioning their portfolios to capture profits from declining global interest rates. **Activist: -5.54%.** Managers' heavily long-biased portfolios suffered from the sharp sell-off in global equity markets. Nordic markets posted especially poor results, leading the manager who focuses on the region to record a large loss. Positive performance came from one manager's exposure to small-cap US banks which delivered strong gains amid a sharp rebound for the industry. **Long/Short Credit: -5.83%.** Pervasive uncertainty beset global credit markets as market participants questioned the validity of credit ratings and expressed heightened sensitivity to negative company specific news. For example, the credit of a domestic auto-financing entity recorded lower valuations for the month as default expectations rose and auto-loan profits fell. **Portfolio Hedge: +6.81%.** The widespread decline in equity prices across most regions and industries provided ample tailwinds for managers. Profits were derived from a variety of sources including short exposure to consumer discretionary companies, a specialty furniture maker and CDS contracts covering the bonds of financial institutions with sub-prime mortgage and ABS exposure.

**Outlook** Thus far in February financial markets appear directionless as investors assess the current state of the global economy and the future path that financial markets will take. We believe that volatility should remain elevated over the near-term, which we expect to create dislocations from which our managers may benefit.

## SHARE CLASS

	INCEPTION DATE	BLOOMBERG	REUTERS	ISIN	SEDOL	TOTAL NET ASSETS
£	19 DEC 2002	DAB LN	DAB.L	GB0032287020	3228702	£1,011.00m
€	28 JUN 2005	DABE LN	DABx.L	GB00B0FXK920	B0FXK92	€210.86m
US\$	28 JUN 2005	DABU LN	DABu.L	GB00B0FXL332	B0FXL33	US\$210.75m
A\$	26 SEP 2006	DABA LN	DABA.L	GB00B1BPPM77	B1BPPM7	A\$92.03m

## KEY FACTS

### MANAGER

DEXION CAPITAL  
(GUERNSEY) LIMITED

### INVESTMENT ADVISER

HARRIS ALTERNATIVES LLC

### INVESTMENT CONSULTANT

DEXION CAPITAL PLC

### TOTAL NET ASSETS

£1,315.38M

### MANAGEMENT FEE

1.50%

### PERFORMANCE FEE

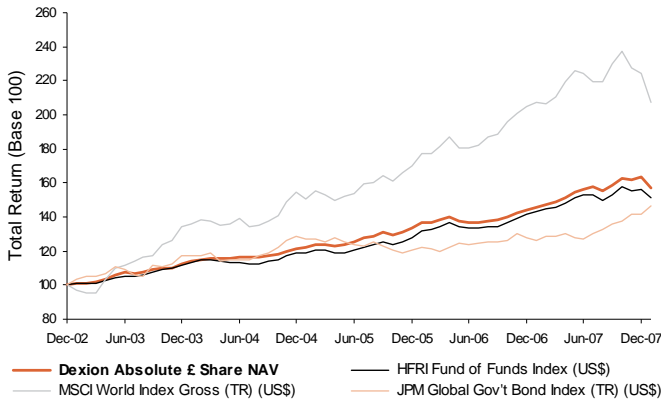
10%  
(TRIGGER 3%)

## CONTACT DETAILS

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GUERNSEY GY1 3DA

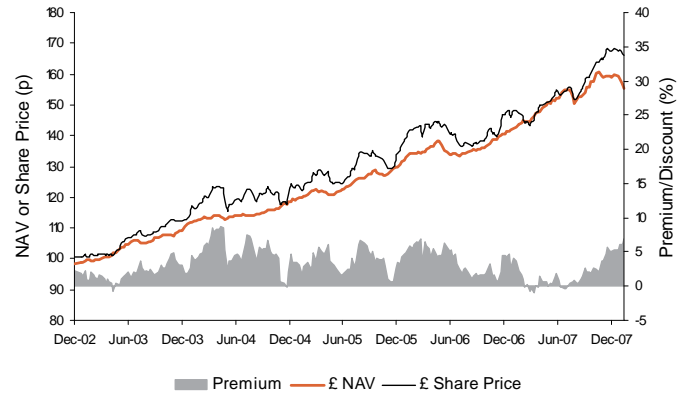
email [clientservices@dexionabsolute.com](mailto:clientservices@dexionabsolute.com)  
web [www.dexionabsolute.com](http://www.dexionabsolute.com)

NET ASSET VALUE PERFORMANCE



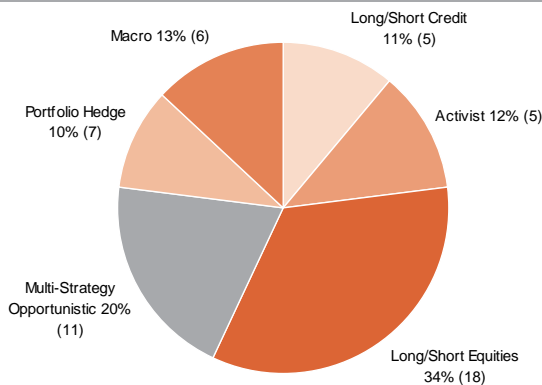
Source: Bloomberg

SHARE PRICE PERFORMANCE



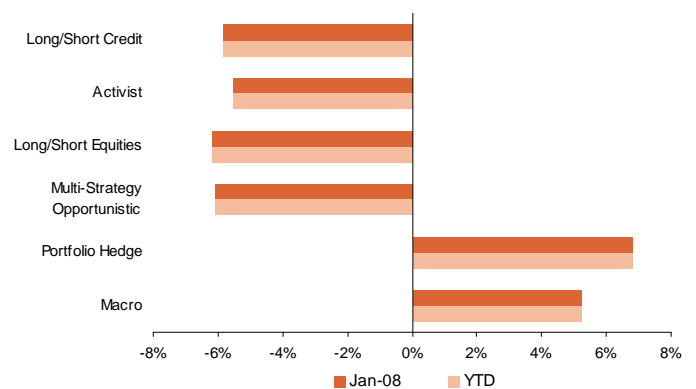
Source: Bloomberg

PORTFOLIO ALLOCATION AS OF 1 FEBRUARY 2008



Note: Allocations are net of cash effect and include, for portfolio hedge only, the delta-adjusted exposure derived from option hedges, if any. Numbers in brackets indicate number of managers.  
Source: Harris Alternatives

PERFORMANCE BY STRATEGY



Note: Strategy returns are in US\$ and net of underlying manager fees only, and not inclusive of Dexion Absolute's fees and expenses.  
Source: Harris Alternatives

HISTORICAL NAV PERFORMANCE (%)

£	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2008	-3.52												-3.52
2007	1.14	0.85	1.44	1.70	1.85	1.05	1.02	-1.43	2.08	2.73	-0.48	0.62	13.23
2006	2.54	0.28	0.71	1.42	-1.52	-0.78	-0.08	0.83	0.35	1.39	1.44	1.34	8.13
2005	0.29	1.54	0.06	-0.87	0.88	1.38	1.51	0.86	1.75	-1.41	1.40	1.72	9.46
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
€													
2008	-3.62												-3.62
2007	1.02	0.73	1.29	1.59	1.72	0.92	0.91	-1.57	1.88	2.60	-0.65	0.45	11.38
2006	2.26	0.15	0.52	1.31	-1.68	-0.91	-0.04	0.55	0.21	1.30	1.30	1.23	6.32
2005	-	-	-	-	-	-	1.28	0.67	1.64	-1.58	1.16	1.54	4.78
US\$													
2008	-3.61												-3.61
2007	1.15	0.85	1.45	1.74	1.81	1.04	1.01	-1.46	2.06	2.73	-0.57	0.53	12.99
2006	2.58	0.25	0.71	1.54	-1.45	-0.71	-0.01	0.92	0.38	1.45	1.53	1.33	8.79
2005	-	-	-	-	-	-	1.37	0.82	1.74	-1.41	1.32	1.72	5.66
AS\$													
2008	-3.38												-3.38
2007	1.28	0.88	1.47	1.73	1.92	1.08	1.05	-1.45	1.96	2.67	-0.34	0.63	13.59
2006	-	-	-	-	-	-	-	-	-	1.46	1.54	1.40	4.46

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