

£	
NAV	128.84p
RETURN	-7.55%
SHARE PRICE*	98.625p
Opening NAV per £ share 98.25p	
€	
NAV	1.8139
RETURN	-7.44%
SHARE PRICE*	1.2250
Opening NAV per € share €1.8325	
US\$	
NAV	2.3180
RETURN	-5.71%
SHARE PRICE*	1.4750
Opening NAV per US\$ share US\$2.2158	
A\$	
NAV	3.2192
RETURN	-9.00%
SHARE PRICE*	2.7500
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

	OCTOBER(%)	YTD (%)	ITD** (%)	VOLATILITY** (%)	SHARPE**^1
DEXION ABSOLUTE £ SHARE NAV	-7.55	-19.63	4.76	6.44	-0.01
DEXION ABSOLUTE € SHARE NAV	-7.44	-20.23	-0.31	8.01	-0.48
DEXION ABSOLUTE US\$ SHARE NAV	-5.71	-19.45	1.36	7.75	-0.39
DEXION ABSOLUTE A\$ SHARE NAV	-9.00	-20.34	-2.66	10.46	-0.90
HFRI FUND OF FUNDS INDEX (US\$)	-6.89	-18.52	4.21	6.24	0.16
MSCI WORLD INDEX GROSS (TR) (US\$)	-18.93	-38.26	5.76	14.26	0.18
JPM GLOBAL GOV'T BOND INDEX (TR) (US\$)	-1.34	0.70	6.23	6.83	0.44

* 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 (4.84%) for DAB £, average 1M EUR LIBOR since June 2005 (3.54%) for DAB €, average 1M USD LIBOR since June 2005 (4.41%) for DAB US\$, average 1M AUD LIBOR since September 2006 (6.79%) for DAB A\$ and average 1M USD LIBOR since December 2002 (3.23%) for US\$ indices. ^1 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

Capital markets were pushed to extremes during the early weeks of October as the fallout from the bankruptcy of Lehman Brothers continued. Coordinated action by central banks and governments across the world was required in order to restore some level of stability to battered markets as stocks plunged and credit markets ground to a halt. Commodities also fell in October and global currencies sold off against the US Dollar and Japanese Yen as fears spread about the severity of the global economic crisis.

Long/Short Equities: -7.84%. With a global recession looming most of the long/short equities managers took pre-emptive steps to substantially reduce gross exposures and ease the impact of technical pressures on their portfolios, however they could not avert losses under extreme volatility in both developed and emerging markets. Asia-focused managers suffered from markets driven by non-fundamental factors. Collectively, European managers held up well on a relative basis, with several benefiting from broad European index hedges. Financial stocks delivered mixed results for several managers amid continued bouts of sector volatility. **Multi-Strategy Opportunistic: -9.98%.** A combination of higher financing costs, deteriorating margin terms and forced selling drove convertible bond valuations to record lows and negatively impacted convertible bond arbitrage trades. In addition, rapidly expanding high yield credit spreads contributed to losses across fundamental credit portfolios and also disrupted volatility arbitrage activities. In equities, managers with opportunistic long positions sustained heavy losses due to steep price declines in the basic materials and financial sectors. In merger arbitrage, spreads widened on concerns that the underwriters of previously announced deals would be unable or unwilling to fund their commitments. **Long/Short Credit: -7.21%.** Credit market turmoil continued in October as further de-leveraging, a lack of buyers and deteriorating fundamentals caused significant negative returns. Bank debt positions were amongst the largest detractors from performance, with significant declines from technical pressures related to de-leveraging across credit portfolios. The best-performing managers were the ones who held the highest cash levels during the month and some managers' positions in distressed financials also held up well. **Macro: -3.05%.** Losses were generated by a tactically contrarian position in global equities and credit holdings in Eastern Europe that were marked down considerably. Strong performance came from a commodities specialist's fundamental approach that favoured relative value and tactical trading over directional exposure. Further gains were made from rate cuts in both the US and UK, short positions in the Russell 2000 and a trade that capitalised on lower inflation as deflationary pressures intensified. **Portfolio Hedge: +11.16%.** Widespread declines in equity markets enabled managers to produce gains despite uncertainty related to short selling restrictions and volatile markets. Strong contributions came from short positions in the consumer and technology sectors as fears of a protracted economic slowdown over-shadowed earnings forecasts. Elsewhere, short credit specialists benefited from widening spreads, and short credit exposure in non-US developed and emerging markets yielded large gains. **Activist: -16.62%.** The decline in global equity indices created a difficult environment for activists' long-biased investment strategies. Managers were negatively impacted by strong selling pressure in core industrial and manufacturing holdings as investors abandoned economically-sensitive businesses. Mark-to-market losses in a number of food and beverage manufacturers detracted from returns, despite a lack of company-specific news reports.

Outlook Fear now dominates financial markets, driving a cycle of irrational price swings and widespread deleveraging that has overwhelmed fundamental factors over the near-term. Until this trepidation subsides and fundamentals reassert themselves as the primary determinant of asset prices, the environment will remain challenging for our fundamentally-driven equity and credit strategies.

SHARE CLASS

	INCEPTION DATE	BLOOMBERG	REUTERS	ISIN	SEDOL	TOTAL NET ASSETS
£	19 DEC 2002	DAB LN	DAB.L	GB0032287020	3228702	£936.78M
€	28 JUN 2005	DABE LN	DABx.L	GB00B0FXK920	B0FXK92	€151.41M
US\$	28 JUN 2005	DABU LN	DABu.L	GB00B0FXL332	B0FXL33	US\$192.62M
A\$	26 SEP 2006	DABA LN	DABA.L	GB00B1BPPM77	B1BPPM7	A\$75.99M

KEY FACTS

MANAGER

DEXION CAPITAL
(GUERNSEY) LIMITED

INVESTMENT ADVISER

HARRIS ALTERNATIVES LLC

INVESTMENT CONSULTANT

DEXION CAPITAL PLC

TOTAL NET ASSETS

£1,205.84M

MANAGEMENT FEE

1.50%

PERFORMANCE FEE

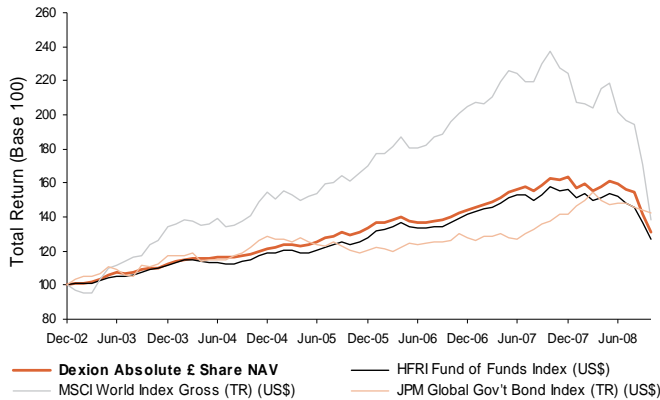
10%
(TRIGGER 3%)

CONTACT DETAILS

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1 LE TRUCHOT
ST PETER PORT
GUERNSEY

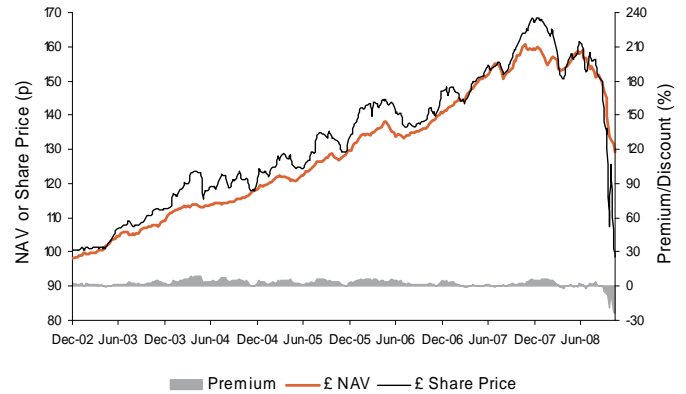
email clientservices@dexionabsolute.com
web www.dexionabsolute.com

NET ASSET VALUE PERFORMANCE



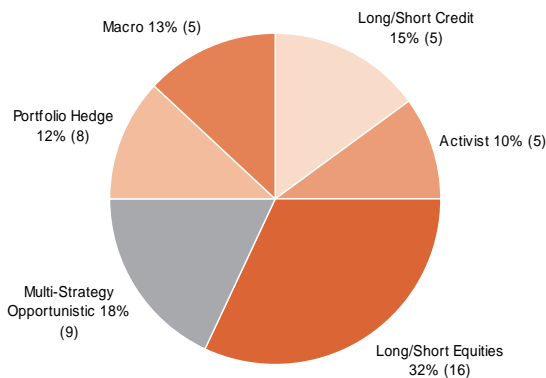
Source: Bloomberg

SHARE PRICE PERFORMANCE



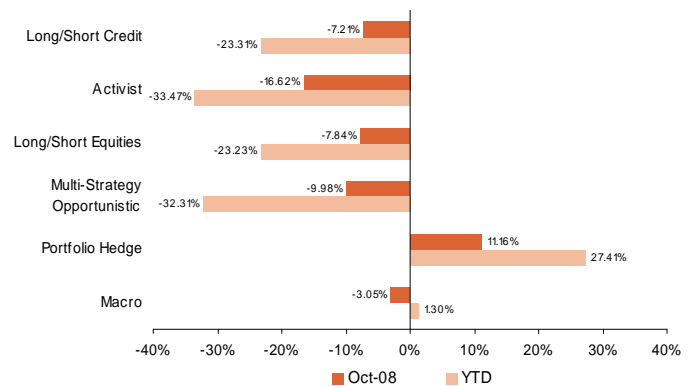
Source: Bloomberg

PORTFOLIO ALLOCATION AS OF 1 NOVEMBER 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	1.26	-2.34	1.21	2.27	-0.89	-1.99	-1.35	-8.13	-7.55			-19.63
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	1.18	-2.35	1.07	2.17	-0.97	-2.11	-1.41	-8.31	-7.44			-20.23
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	1.10	-2.52	0.98	2.05	-1.10	-2.21	-1.49	-8.42	-5.71			-19.45
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	1.43	-2.23	1.37	2.41	-0.75	-1.82	-1.19	-8.60	-9.00			-20.34
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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