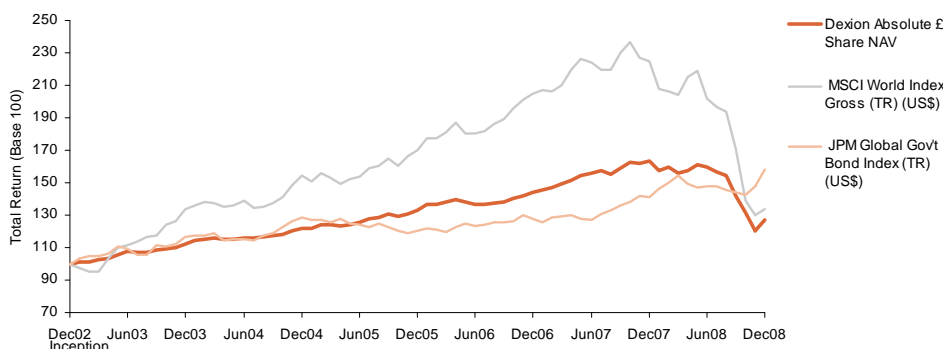


### Investment Adviser Commentary

Cash and liquidity are scarce resources in the current market environment and are likely to command premiums for the foreseeable future. In light of this, the portfolio's managers begin 2009 focused on these portfolio attributes while remaining committed to capital appreciation. Over the near term, we anticipate that global financial markets will remain volatile as investors seek equilibrium among competing economic forces. Over a longer time horizon, the state of the financial world has the potential to expand greatly the opportunities for long/short credit and activist managers as the need for corporate re-organisation and the reform of governance intensifies, while irrational swings in valuation may create attractive entry points for multi-strategy and long/short equity strategies

### Performance Data<sup>1</sup>



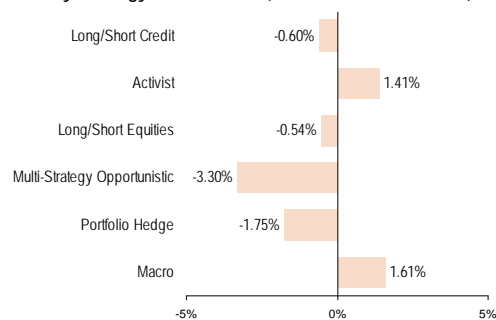
Source: Bloomberg

	Dec (%) <sup>1</sup>	YTD (%) <sup>1</sup>	3Y (%) <sup>1,2</sup>	5Y (%) <sup>1,2</sup>	Inc (%) <sup>1,2</sup>	Vol (%) <sup>1,2</sup>	Sharpe Ratio <sup>1,2,3</sup>
Dexion Absolute £ Share NAV	5.55%	-22.31%	-1.65%	2.40%	4.03%	7.61%	-0.10
Dexion Absolute € Share NAV	-9.76%	-31.38%	-6.68%	N/A	-4.49%	9.69%	-0.83
Dexion Absolute US\$ Share NAV	-1.11%	-23.06%	-1.84%	N/A	-0.02%	7.82%	-0.55
Dexion Absolute A\$ Share NAV	-7.66%	-29.91%	N/A	N/A	-7.86%	11.57%	-1.26
MSCI World Index Gross (TR) (US\$) <sup>4</sup>	3.26%	-40.33%	-7.61%	0.00%	4.99%	14.39%	0.13
JPM Global Gov't Bond Index (TR) (US\$) <sup>4</sup>	7.06%	12.00%	9.55%	6.23%	7.94%	7.37%	0.65

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

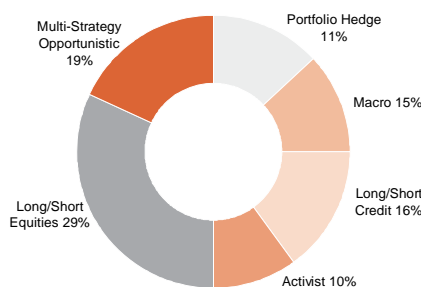
### Strategy Overview

#### Monthly Strategy Performance (as at 31 December 2008)<sup>5</sup>



Source: Harris Alternatives L.L.C.

#### Monthly Strategy Allocation (as at 1 January 2009)<sup>6</sup>



Source: Harris Alternatives L.L.C.

### Share Class Information

	INCEPTION DATE	BLOOMBERG	REUTERS	ISIN	SEDOL
£	19 Dec 2002	DAB LN	DAB.L	GB0032287020	3228702
€	28 Jun 2005	DABE LN	DABx.L	GB00B0FXK920	B0FXK92
US\$	28 Jun 2005	DABU LN	DABu.L	GB00B0FXL332	B0FXL33
A\$	26 Sep 2006	DABA LN	DABA.L	GB00B1BPPM77	B1BPPM7

£	
NAV	124.53p
Return <sup>1</sup>	+5.55%
Share Price*	86.125p
Net Assets	£905.41M
Opening NAV per £ share 98.25p	
€	
NAV	1.5602
Return <sup>1</sup>	-9.76%
Share Price*	1.000
Net Assets	€130.23M
Opening NAV per € share €1.8325	
US\$	
NAV	2.2142
Return	-1.11%
Share Price*	1.3700
Net Assets	US\$183.99M
Opening NAV per US\$ share US\$2.2158	
A\$	
NAV	2.8324
Return <sup>1</sup>	-7.66%
Share Price*	1.6000
Net Assets	A\$66.86M
Opening NAV per A\$ share A\$3.4055	
*Closing mid-price at month end.	

### Key Facts

#### FTSE 250 Listed Company

#### Manager

Dexion Capital (Guernsey) Limited

#### Investment Adviser

Harris Alternatives L.L.C.

#### Investment Consultant

Dexion Capital plc

#### 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 generally implements a hedging policy in an attempt to reduce the impact of currency fluctuations on the Sterling, Euro and Australian Dollar Shares. (Currency hedging was suspended between 14 November 2008 and 27 January 2009.)

**Total Net Assets** £1,191.72M

#### Fees

Management 1.50%  
Performance 10% (Trigger 3%)

#### Contact Details

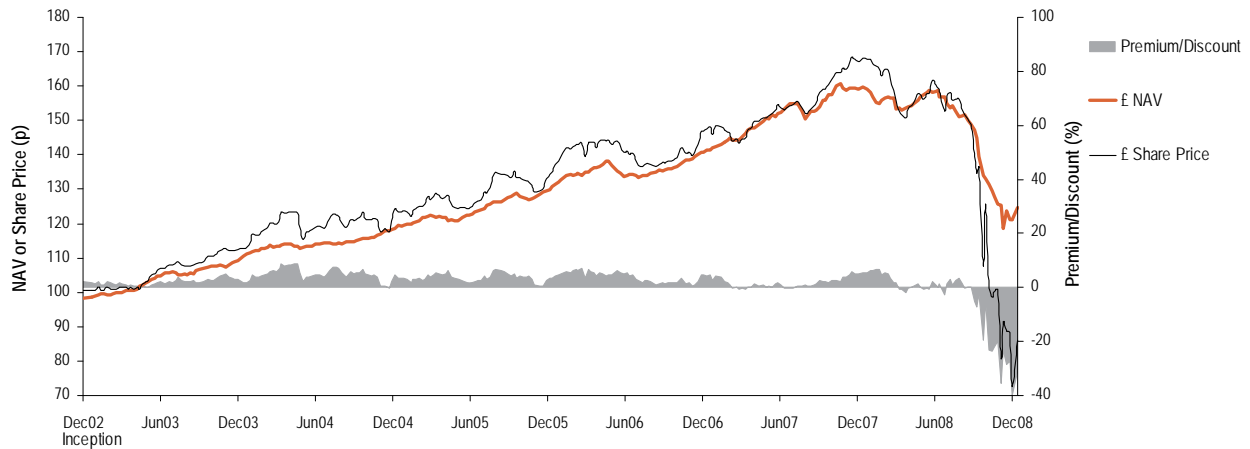
**Dexion Absolute Limited,**  
1 Le Truchot, St Peter Port,  
Guernsey

#### Email

clientservices@dexionabsolute.com

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#### Share Price Performance (€)<sup>1,7</sup>



Source: Bloomberg

#### Historical NAV Performance (%)<sup>8</sup>

##### Monthly € NAV Performance (%)<sup>1</sup>

	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%	-8.43%	5.55%	-22.31%
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%

##### Monthly € NAV Performance (%)<sup>1</sup>

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2008	-3.62%	1.18%	-2.35%	1.07%	2.17%	-0.97%	-2.11%	-1.41%	-8.31%	-7.44%	-4.69%	-9.76%	-31.38%
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%

##### Monthly US\$ NAV Performance (%)

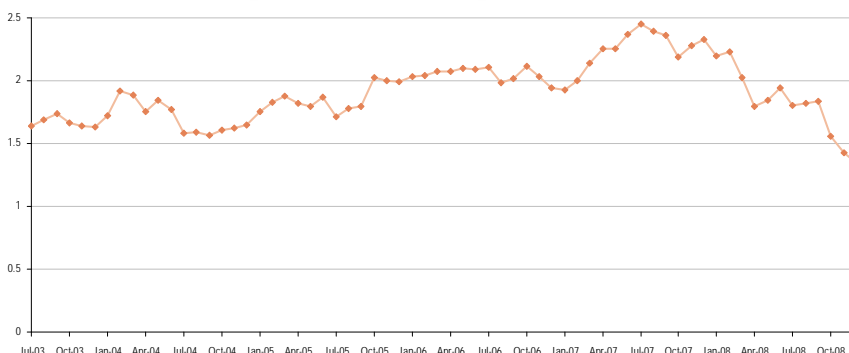
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2008	-3.61%	1.10%	-2.52%	0.98%	2.05%	-1.10%	-2.21%	-1.49%	-8.42%	-5.71%	-3.41%	-1.11%	-23.06%
2007	1.15%	0.85%	1.45%	1.74%	1.81%	1.04%	1.01%	-1.46%	2.06%	2.73%	-0.57%	0.53%	12.99%
2006	2.58%	0.25%	0.71%	1.54%	-1.45%	-0.71%	-0.01%	0.92%	0.38%	1.45%	1.53%	1.33%	8.79%
2005	-	-	-	-	-	-	1.37%	0.82%	1.74%	-1.41%	1.32%	1.72%	5.66%

##### Monthly A\$ NAV Performance (%)<sup>1</sup>

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2008	-3.38%	1.43%	-2.23%	1.37%	2.41%	-0.75%	-1.82%	-1.19%	-8.60%	-9.00%	-4.72%	-7.66%	-29.91%
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%

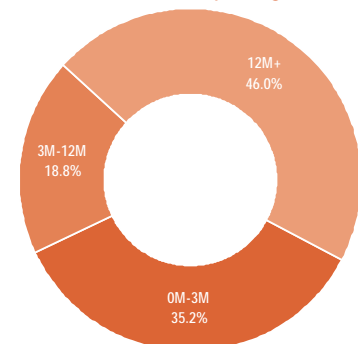
Source: Bloomberg

#### Historical Look-Through Portfolio Leverage<sup>9</sup>



Source: Harris Alternatives L.L.C.

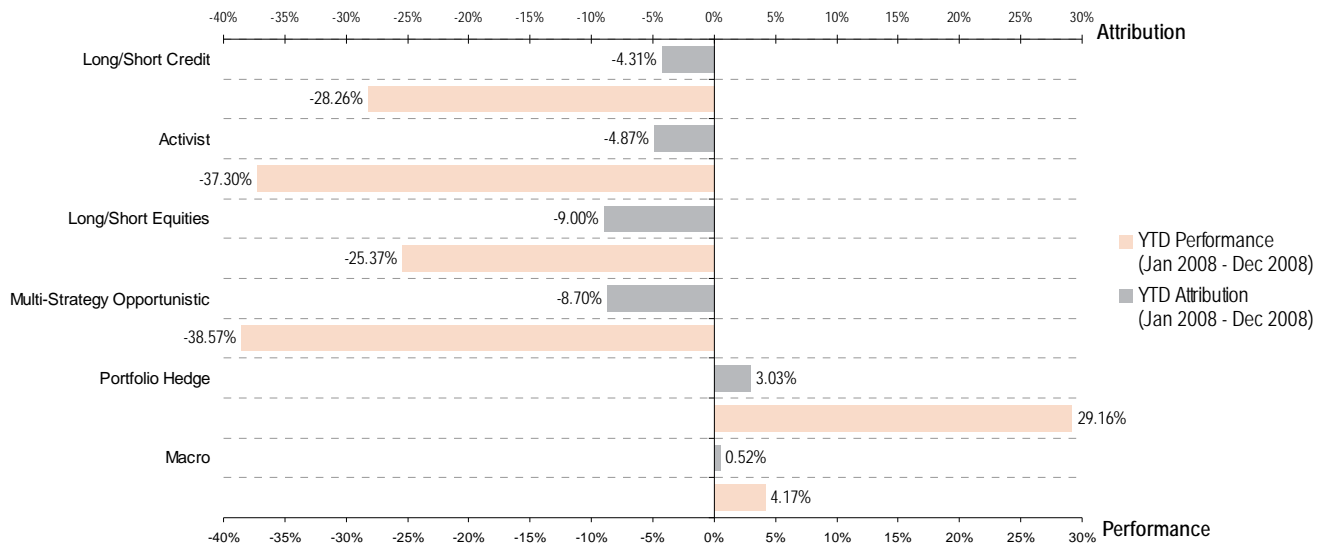
#### Portfolio Liquidity<sup>10</sup>



Source: Harris Alternatives L.L.C.

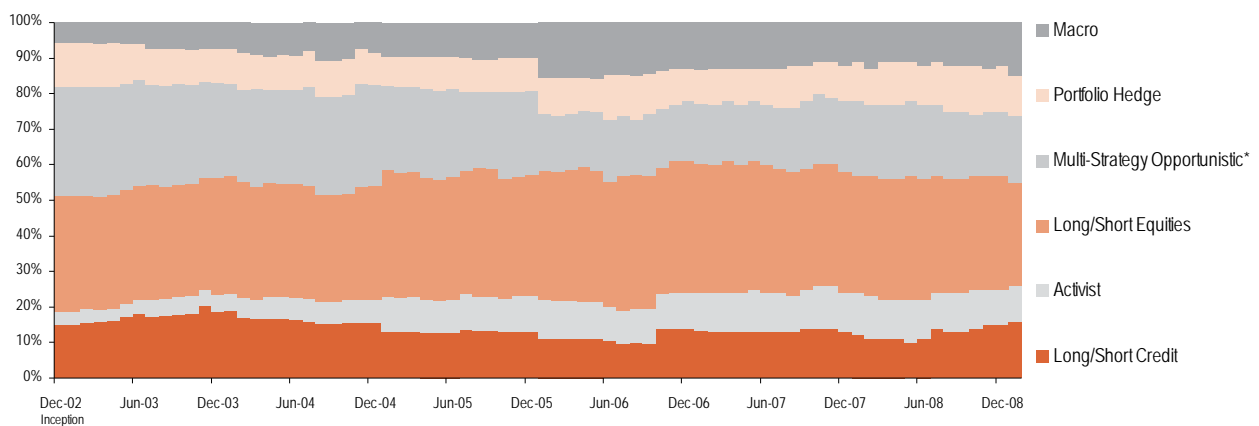
For footnotes, please see final page. For information only - your attention is drawn to the disclaimer on the final page of this document. Past performance is not necessarily indicative of, and cannot be relied on as a guide to, future performance and may be affected by currency fluctuations.

#### Strategy Performance and Attribution<sup>11</sup>



Source: Dexion Capital plc

#### Historical Strategy Allocation<sup>12,13</sup>



Source: Dexion Capital plc

#### Country / Region Weightings

Equities <sup>14</sup> (as at 1 Dec 2008)	Long	Short	Net	Gross
Asia	2.6%	-1.2%	1.4%	3.7%
Japan	1.0%	-0.9%	0.1%	1.8%
Emerging Markets	3.6%	-1.4%	2.1%	5.0%
Europe	11.0%	-6.1%	4.9%	17.1%
United Kingdom	3.7%	-1.3%	2.4%	5.0%
United States	28.5%	-22.4%	6.2%	50.9%
<b>Total</b>	<b>50.4%</b>	<b>-33.2%</b>	<b>17.2%</b>	<b>83.5%</b>

Credit <sup>15</sup> (as at 1 Dec 2008)	Long	Short	Net	Gross
Asia	1.4%	-0.8%	0.6%	2.2%
Europe	1.8%	-0.7%	1.1%	2.6%
Emerging Markets	1.5%	-0.9%	0.6%	2.4%
United States	16.1%	-6.8%	9.3%	23.0%
<b>Total</b>	<b>20.9%</b>	<b>-9.2%</b>	<b>11.7%</b>	<b>30.1%</b>

Numbers may not total due to rounding.  
Source: Harris Alternatives L.L.C.

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#### Strategy<sup>1</sup>

	Perf MTD % <sup>5</sup>	Alloc. % <sup>12</sup>	Number of Mgrs	Context for performance
Long/Short Equities	-0.54%	29%	15	Exposure to the energy, technology and healthcare sectors, as well as European equities, contributed to the overall negative performance of this strategy in December. The energy sector traded lower this month, resulting in sizeable losses for several generalists. Double-digit declines in crude oil and natural gas translated into lower valuations for two managers' positions in exploration and production equities, while decreased demand due to a slowing global economy placed negative pressure on energy distribution companies. Meanwhile, the sector specialist sub-strategy posted a small loss after negative performance from our healthcare and technology specialists offset positive performance from our global financials manager. Long positions in US asset managers contributed to gains for our global financials specialist, with added performance generated by a short equity stake in an Irish bank involved in a loan scandal. Geographic specialists delivered a modest gain as strong performance from our Asian equity managers made up for lacklustre returns from European specialists. Two managers, generated profits from a diverse set of opportunities that included Chinese real estate and retailers, Indian banks, and Korean energy and industrial companies.
Multi-Strategy Opportunistic	-3.30%	19%	9	This strategy ended the month with a loss due to continuing portfolio liquidations, volatility and illiquidity in various markets. Mark-to-market losses in credit securities contributed to declines for two managers as forced sellers drove down the valuation of debt issues in small companies and financial institutions. Furthermore, bond basis trading and dividend swap strategies also detracted from performance. Meanwhile, exposure to the energy sector also led to losses for several managers. One, in particular, suffered losses from debt and equity positions in oil & gas distribution companies amid distressed selling pressure and an uncertain corporate financing environment. Another manager also witnessed declines in oil-related equity positions, although commodity hedges and short equity positions in housing and real estate offset some of the losses. Finally, investments in a West Asian asset management company and a US automaker drove losses for an event-driven manager, moderated by gains from US insurance companies and a steelmaker.
Long/Short Credit	-0.60%	16%	5	Company-specific developments and a narrowly focused rally in the credit markets contributed to a wide dispersion of returns amongst managers. Managers with holdings in less-actively traded corporate debt and leveraged loans made losses despite the rallies in debt markets, which were driven by larger on-the-run credits and select bank debt issues. At the same time, exposure to the financial and automotive industries offset most of these losses. Three managers profited from long positions in the cash bonds of a US auto-finance company. Those securities experienced considerable appreciation after the company won approval to become a bank holding company, paving the way for a capital injection from the US Treasury's \$700 billion Troubled Asset Relief Program ("TARP"). The cash bonds of other auto-finance companies rose in sympathy following this development, which benefited several managers' portfolios. Elsewhere, debt and preferred securities in distressed US financials were also profitable.
Portfolio Hedge	-1.75%	11%	6	The sharp rebound in equity markets undermined many short positions in companies despite strong evidence of deteriorating fundamentals. Technology and healthcare stocks caused the most damage due to renewed interest on the part of market participants in both sectors, and index reconstitution resulted in losses for one manager, whose short position in an electronic data storage and protection company rallied upon being added to a major equity index. Small capitalisation stocks also posted sizeable gains, resulting in an adverse backdrop for short sellers focused on this area of the market.
Macro	1.61%	15%	4	The macro strategy delivered solid performance amidst a volatile market environment. The top contributor to performance captured outsized gains from positions in US interest rates following the Federal Reserve's historic rate cut mid-month. Additionally, this manager took related positions in non-US markets—primarily the UK and Canada—that benefited from the ongoing malaise in the global economy. Elsewhere, our commodities specialist profited from tactical trading in metals and energy. Finally, our emerging markets manager detracted from the strategy's overall performance due, in part, to losses stemming from positions in Emerging Europe.
Activist	1.41%	10%	4	The activist strategy posted a gain as a result of the rebound in global equity markets. One manager drove returns for the strategy after two of their positions ended the month with strong gains. A core holding in a world-renowned jewellery and luxury-goods retailer traded sharply higher despite declining profit margins, due to expectations that the company would grow its market share. Meanwhile, the Nordic markets activist made gains in the equity holdings of a European truck manufacturer and a telecommunications company after announcements of cost cutting measures.

Source of commentary: Harris Alternatives L.L.C.  
Source of data: Dexion Capital plc

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#### Top 10 Investments

Name of Investment	Strategy	Alloc. % <sup>12</sup>	Trading Style
Palomino / Thoroughbred Composite	Long/Short Credit	8.69%	Palomino Fund Ltd and Thoroughbred Offshore Fund Ltd are long/short credit funds focused on distressed debt and other opportunistic investments across global markets. The investment approach of these funds is fundamentally-oriented and emphasises analysis of the creditworthiness of the issuer, including a review of cyclical and secular events that impact the valuation of the enterprise.
Touradji Global Resources Offshore Fund	Macro	6.22%	Specialises in fundamental long/short investing in commodities and commodity-related equities. The Fund trades a variety of assets including base and precious metals, energy, agricultural products, as well as equities and derivatives related to these markets. The portfolio consists of directional trading opportunities as well as relative value investments.
Lansdowne UK Equity Fund	Long/Short Equities	4.74%	Principal investment strategy is to identify both long and short opportunities primarily in UK listed securities across a broad array of sectors. The manager of this fund combines bottom-up, fundamental company research with macro-oriented themes to create both directional and relative positioning.
TPG-Axon Partners Offshore Fund	Multi-Strategy Opportunistic	4.68%	A multi-strategy opportunistic approach across global markets. While the majority of the fund's exposure is to publicly traded equities, the fund may invest in the entire capital structure, as well as currencies, commodities, and interest rate instruments. The fund uses bottom-up, fundamental analysis to develop views on companies and industries.
Lansdowne Global Financials Fund	Long/Short Equities	4.53%	A long/short equity fund focused on the financial services sector. The fund's investment manager looks to identify both long and short opportunities by employing a bottom-up stock selection process utilising deep, independent, fundamental research. The portfolio consists of relative value and directional trading strategies.
AKO Fund	Long/Short Equities	4.06%	Investment strategy focuses on long and short equity opportunities primarily in European markets. The fund invests in a broad range of sectors and generally focuses on mid- and large- capitalisation public equities. The fund's investment manager conducts both industry and company level research to generate bottom-up ideas.
Seasons Pinnacle Fund	Portfolio Hedge	3.83%	A short-biased equity fund focused on the global information technology, media and telecommunication industries. The fund's investment manager seeks to invest in companies that it believes will be negatively impacted by secular trends and/or company specific events. The fund employs both long- and short-term investment strategies.
Brevan Howard Fund	Macro	3.78%	Utilises a macro strategy employing a variety of directional and relative value trading strategies on a global basis. The fund invests predominantly in the fixed income and currency markets but also has exposure to equities, credit and commodities.
Icahn Fund	Activist	3.53%	Investment manager applies a concentrated, value oriented, activist approach to investing across a variety of industries and types of securities including equities, bonds, bank debt and other corporate obligations. The fund seeks to acquire securities in companies that trade at a discount to inherent value and focuses on implementing business, structural or governance changes to unlock value.
York Select Unit Trust	Multi-Strategy Opportunistic	3.51%	A global multi-strategy opportunistic fund that engages in event-driven investment strategies, focusing on event and value equities, distressed securities and risk arbitrage. The fund's investment manager specialises in the identification of companies that are experiencing material changes to their business or industry.

Source of commentary: Harris Alternatives L.L.C.  
Source of data: Dexion Capital plc

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#### Top 5 Investments (by contribution)

Fund	Strategy	Contribution % <sup>16</sup>	Context for performance
Fund 1	Long/Short Credit	0.28%	Holdings in distressed financial companies provided the largest contribution to performance, including the equity and debt of US commercial banks and debt holdings in an insurer and a real estate lender.
Fund 2	Macro	0.20%	Exposure to US, UK, and Canadian interest rates drove returns as the global economic downturn intensified.
Fund 3	Long/Short Credit	0.14%	Short-dated cash bonds in non-bank financials, including automotive finance companies, drove performance following government intervention.
Fund 4	Long/Short Equities	0.11%	Winners for the month included successful short positions in European banks mired in toxic debt; while on the long side, select holdings in U.S asset managers produced solid profits.
Fund 5	Macro	0.09%	The manager profited from tactical opportunities in relative value trading in metals and energy.

Source of commentary: Harris Alternatives L.L.C.  
Source of data: Dexion Capital plc

#### Bottom 5 Investments (by contribution)

Fund	Strategy	Contribution % <sup>16</sup>	Context for performance
Fund 1	Long/Short Equities	-0.10%	Bullishness on European logistic companies weighed down performance as the economic slowdown hurt earnings guidance, while the rebound in UK real estate detracted from the short book.
Fund 2	Long/Short Credit	-0.14%	Scarce liquidity and distressed selling in bank debt markets contributed to reduced portfolio valuations.
Fund 3	Long/Short Equities	-0.14%	The manager sustained losses from both long and short books; long exposure to the financial and industrial sectors proved costly.
Fund 4	Multi-Strategy Opportunistic	-0.22%	Poor performance was the result of losses incurred by the credit portfolio. In addition, the bond basis and dividend swap strategies were also detractors.
Fund 5	Long/Short Credit	-0.32%	Rallies in bank debt and high yield corporate bond markets were narrowly focused on large and on-the-run issues, which did not benefit the manager's smaller value-oriented distressed positions.

Source of commentary: Harris Alternatives L.L.C.  
Source of data: Dexion Capital plc

#### Summary of Recent RNS Announcements\*

##### Results of Redemption Offer (16 January 2009)

The Board of Dexion Absolute Limited (the "Company") announces that the Strike Price to be applied across each Share class in determining the Redemption Price will be 11.25%. Those Shareholders who validly offered for redemption Shares at a Discount Level wider than the Strike Price will have all such Shares redeemed in full under the Redemption Offer. Those Shareholders who validly offered for redemption Shares at the Strike Price have been scaled back pro rata in proportion to other Shares offered for redemption at the Strike Price with approximately 10.3% of such offers being accepted. Those Shareholders who offered for redemption Shares at a Discount Level narrower than the Strike Price will not have their Shares redeemed in the Redemption Offer.

##### Currency Hedging (23 January 2009)

Further to the Company's announcement on 14 November 2008, the Board has determined that the Company now has sufficient available liquidity to reinstate its currency hedging arrangements in full through the use of monthly rolling forward foreign exchange contracts. Implementation of such currency hedging arrangements will commence in two business days and is expected to be implemented in stages over the four business days ending on 30 January 2009. Confirmation of the extent of the Company's currency hedging arrangements will be announced on a daily basis over this period.

##### Currency Hedging (27 January 2009)

Further to the Company's announcement on 23 January 2009, at approximately 1545 GMT today, the forward hedge in respect of the GBP and EUR share classes was reinstated in full. The forward hedge in respect of the AUD share class is expected to be reinstated in full at 2200 GMT on 28 January 2009.

##### Continuation Votes (27 January 2009)

Following the Company's announcement of 11 November 2008, the Company's rolling 12 month discount floor provision has now been triggered for each class of the Company's shares. This requires, in accordance with the Company's articles of association, separate continuation votes to be proposed for each class of shares by way of ordinary resolution. The articles further provide that the Board must put forward a continuation vote within 4 months of the discount floor provision being triggered. As previously announced, the Board expects to convene separate class meetings for the purpose of holding continuation votes for each class of shares in March 2009. A further announcement will be made in due course.

##### December Net Asset Values (29 January 2009)

The net asset values of the Company's Ordinary Shares as of 31 December 2008 and Manager's Report were announced.

##### Redemption Prices (30 January 2009)

Further to the Company's announcement of 16 January 2009, the Company announces that the Redemption Price per share using the actual strike price of 11.25% and the final Net Asset Values of each class of the Company's Shares as at 31 December 2008 will be as follows:

Redemption Price per £ Share	£1.1052	Redemption Price per € Share	€1.3846
Redemption Price per US\$ Share	US\$1.9651	Redemption Price per A\$ Share	A\$2.5137

Those Shareholders who validly offered for redemption Shares at the Strike Price have been scaled back pro rata in proportion to the other Shares offered for redemption at the Strike Price with 10.58% of such offers being accepted.

\*Please refer to the original announcement for further detail.

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## FOOTNOTES

**Dexion Absolute Limited ("DAB" or "the Company")**

- 1 The approximate impact of the foreign exchange on the net asset values of DAB's ordinary shares as of 31 December 2008 was: +1.13% £ Share, -9.61% € Share, -7.76 A\$ Share for the period 14 November to 31 December 2008, being the period that the portfolio was unhedged in 2008. During December, the approximate impact of the foreign exchange on the net asset values of DAB's ordinary shares was: +6.66% £ Share, -8.65% € Share, -6.55% A\$ Share (see RNS dated 29 January 2009, No. 4916M). DAB has reinstated the forward hedge for the £ and € Share classes on 27 January 2009 and the A\$ Share class on 28 January 2009 (see RNS dated 27 January 2009, No. 3345M).
- 2 Annualised from inception date of DAB £, DAB €, DAB US\$, and DAB A\$, and based on monthly data.
- 3 Risk free rate is average 1M GBP LIBOR since December 2002 (4.80%) for DAB £, average 1M EUR LIBOR since June 2005 (3.53%) for DAB €, average 1M USD LIBOR since June 2005 (4.27%) for DAB US\$, average 1M AUD LIBOR since September 2006 (6.68%) for DAB A\$ and average 1M US\$ LIBOR since December 2002 (3.18%) for US\$ indices.
- 4 MSCI World Index and JPM Global Govt Bond Index annualised since December 2002.
- 5 Strategy returns are in US\$, net of underlying manager fees only and not inclusive of DAB's fees and expenses.
- 6 Strategy allocations shown in pie chart are net of cash effect and include, for portfolio hedge only, the delta-adjusted exposure derived from option hedges, if any.
- 7 Calculated using monthly published NAVs and closing monthly share prices to December 2008. Note that current premium/discount may be higher or lower.
- 8 Historical monthly NAV performance is net of all fees.
- 9 The look-through leverage for the portfolio.
- 10 DAB's liquidity represents the estimated net asset value of the fund that could be redeemed from underlying hedge funds within the time periods specified. An underlying hedge fund is deemed to be liquid during the first twelve months if DAB can pay a 5% or less redemption fee to redeem during that time period. Other hedge funds that impose a higher redemption fee to redeem during the first twelve months are not considered liquid during the first year. Cash, receivables and other non-investment activity are excluded from the liquidity shown during the first twelve months.  
DAB's liquidity is subject to frequent change and the information set forth in the chart above is not an indication of the fund's future liquidity. The fund's liquidity will change as it allocates and reallocates capital among the underlying hedge funds. In addition, underlying hedge funds often have the ability to suspend redemptions, restrict redemptions to a specified percentage of the underlying fund's net assets (e.g., a "gate") and/or restrict investors from redeeming their interest in certain investments (e.g., "side pockets"), all of which would reduce the liquidity of DAB. In particular, the likelihood that a manager may suspend redemptions, invoke a gate or side pocket certain investments is likely to increase during times of market stress that cause investors to redeem from hedge funds. Certain investments in underlying hedge funds may not be liquid for several years or longer.
- 11 Strategy attributions and returns have been calculated using start of month weighting and performance during the month, are in US\$, net of underlying manager fees only, and not inclusive of DAB's fees and expenses.
- 12 Strategy or manager allocations are net of cash effect and are calculated on a look-through basis.
- 13 Effective 1 January 2007, Harris Alternatives L.L.C. combined the Fundamental Opportunistic, Relative Value Opportunistic, and Event Driven strategies into Multi-Strategy Opportunistic. See [www.dexionabsolute.com](http://www.dexionabsolute.com) for details.
- 14 Geographic fundamental equity exposures are approximated and calculated by using the underlying hedge funds' regional fundamental equity exposure expressed as percentage of the fund's net asset value.
- 15 Geographic fundamental credit exposures are approximated and calculated from the underlying hedge funds' regional fundamental credit exposure expressed as percentages of the fund's net asset value. Credit exposure may include, but is not limited to, the following securities: distressed debt, corporate bonds, credit default swap trading, sovereign debt, trade claims, accounts receivables, asset-backed securities, and corporate bank loans.
- 16 Individual manager contributions have been calculated using start of month weighting and performance during the month, are in US\$, net of underlying manager fees only, and not inclusive of DAB's fees and expenses.

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