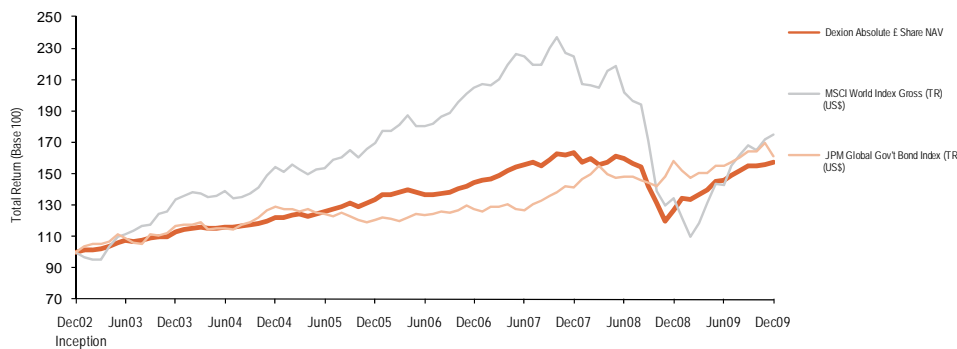


Investment Adviser Portfolio Outlook

The Investment Adviser has observed that the Portfolio's managers are optimistic about the outlook for their portfolios in 2010. The Portfolio's managers are keen to pursue opportunities despite there being a considerable dispersion of views as to the sustainability of the recent recovery. This is largely due to the growing belief that markets are returning to an environment where fundamentals drive returns and market forces increasingly differentiate the best performers from the worst.

Performance Data¹



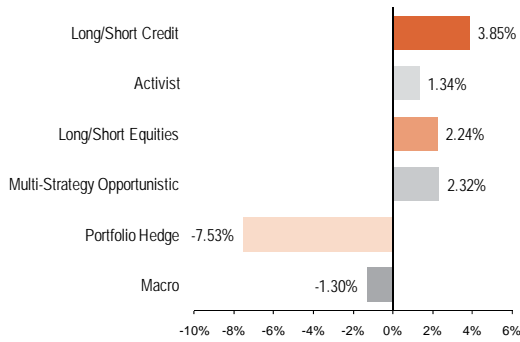
Source: Bloomberg

	Dec (%) ¹	YTD (%) ¹	3Y (%) ^{1,2}	5Y (%) ^{1,2}	Inc (%) ^{1,2}	Vol (%) ^{1,2}	Sharpe Ratio ^{1,2,3}
Dexion Absolute £ Share NAV	1.03%	23.95%	2.93%	5.23%	6.67%	7.63%	0.32
Dexion Absolute € Share NAV	1.01%	29.34%	-0.38%	N/A	1.91%	10.49%	-0.10
Dexion Absolute US\$ Share NAV	0.96%	23.35%	2.35%	N/A	4.53%	7.88%	0.14
MSCI World Index Gross (TR) (US\$) ⁴	1.83%	30.79%	-5.09%	2.57%	8.34%	16.00%	0.35
JPM Global Govt Bond Index (TR) (US\$) ⁴	-4.99%	1.90%	8.14%	4.60%	7.06%	7.69%	0.56

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

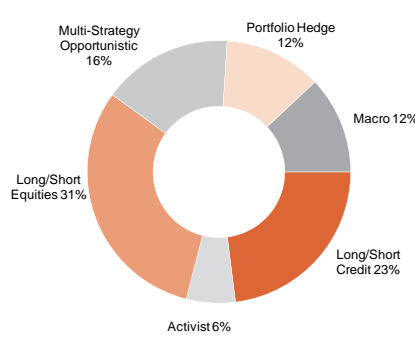
Strategy Overview

Monthly Strategy Performance (as at 31 December 2009)⁵



Source: Aurora Investment Management L.L.C.

Strategy Allocation (as at 1 January 2010)⁶



Source: Aurora Investment Management 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

£ as at 31 December 2009

NAV	154.36p
Return¹	+1.03%
Share Price*	140.20p
Net Assets	£884.04M
Opening NAV per £ share 98.25p	

€ as at 31 December 2009

NAV	2.0180
Return¹	+1.01%
Share Price*	1.76625
Net Assets	€41.40M
Opening NAV per € share €1.8325	

US\$ as at 31 December 2009

NAV	2.7312
Return	+0.96%
Share Price*	2.4100
Net Assets	US\$76.53M
Opening NAV per US\$ share US\$2.2158	
*Closing mid-price at month end	

Key Facts

FTSE 250 Listed Company

Manager

Dexion Capital (Guernsey) Limited

Investment Adviser

Aurora Investment Management 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 and US 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, and Euro Shares. (Currency hedging was suspended between 14 November 2008 and 27 January 2009.)

Total Net Assets £968.22M

Fees

Management 1.50%
Performance 10% (Trigger 3%)

Contact Details

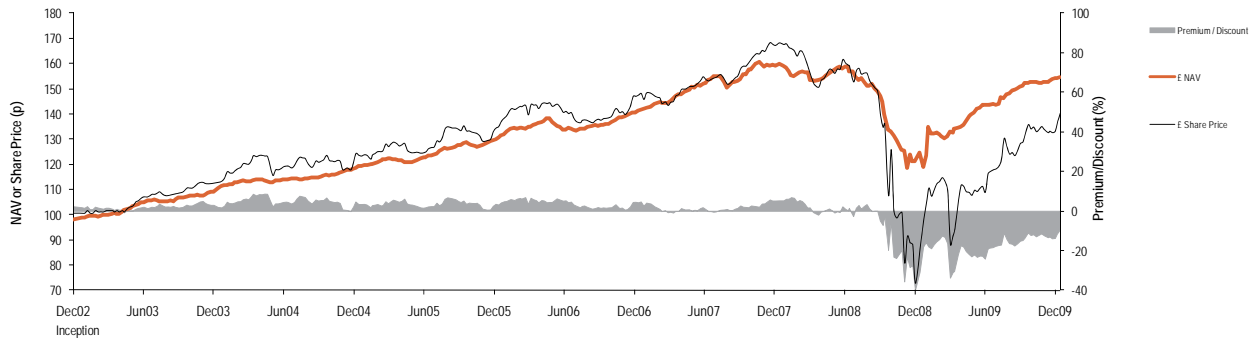
Dexion Absolute Limited,
1 Le Truchot, St Peter Port,
Guernsey

Email

clientservices@dexionabsolute.com

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Share Price Performance (€)^{1,7}



Source: Bloomberg

Historical NAV Performance (%)⁸

Monthly £ NAV Performance (%) ¹	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2009	5.89%	-0.68%	2.37%	2.37%	4.10%	0.42%	2.15%	2.10%	1.94%	-0.16%	0.30%	1.03%	23.95%
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 (%) ¹	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2009	11.13%	-0.49%	1.34%	2.65%	4.20%	0.70%	2.13%	1.87%	1.85%	-0.16%	0.28%	1.01%	29.34%
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%

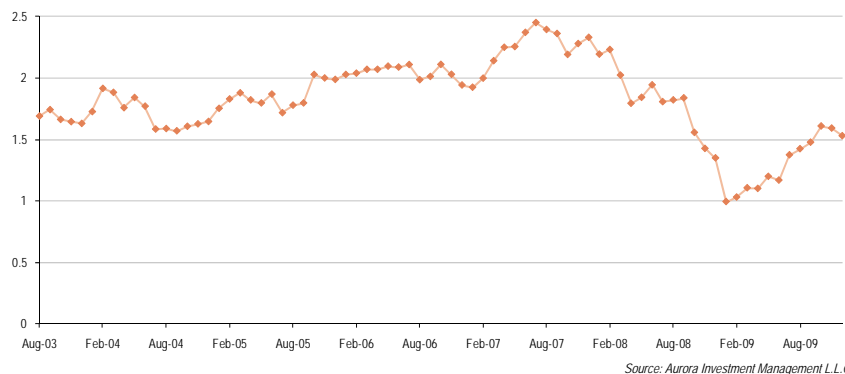
Monthly US\$ NAV Performance (%) ¹	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2009	5.54%	-0.41%	1.58%	2.37%	4.67%	0.49%	2.16%	2.00%	1.89%	-0.17%	0.27%	0.96%	23.35%
2008	-3.61%	1.10%	-2.52%	0.98%	2.05%	-1.10%	-2.21%	-1.49%	-8.42%	-5.71%	-3.41%	-1.11%	-23.06%
2007	1.15%	0.85%	1.45%	1.74%	1.81%	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 (%) ¹	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2009	6.31%	-0.80%	0.74%	1.96%	4.04%	0.35%	2.31%	2.18%	-	-	-	-	18.22%
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%

Legend: Reflects the impact of the reverse auction¹ Reflects the impact of foreign exchange¹ Reflects the impact of the reverse auction and foreign exchange¹

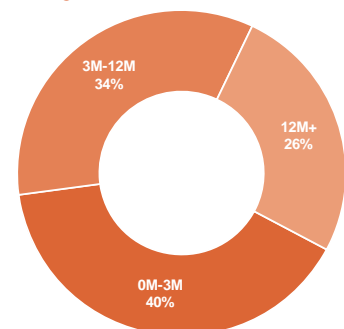
Source: Bloomberg

Historical Look-Through Portfolio Leverage⁹ as at 1 December 2009



Source: Aurora Investment Management L.L.C.

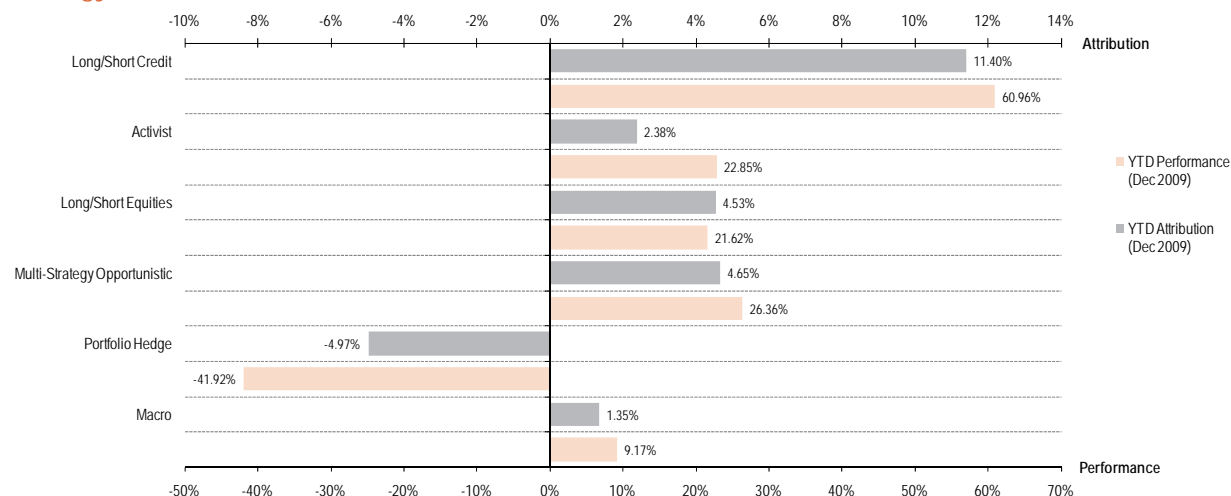
Portfolio Liquidity¹⁰ as at 1 January 2010



Source: Aurora Investment Management L.L.C.

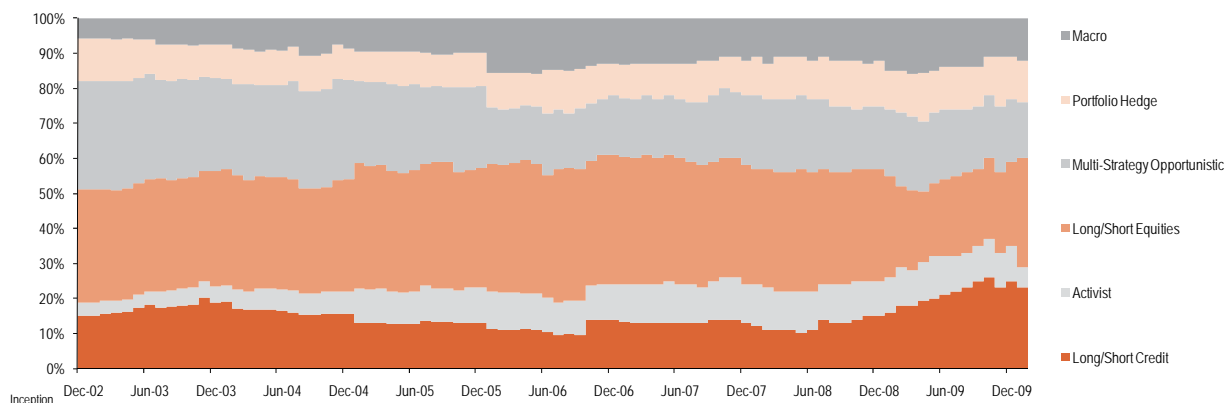
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Strategy Performance and Attribution¹¹



Source: Dexion Capital plc

Historical Strategy Allocation^{12,13}



Source: Dexion Capital plc

Country / Region Weightings

Equities ¹⁴ (as at 1 December 2009)	Long	Short	Net	Gross
Asia	1.3%	-0.9%	0.4%	2.2%
Japan	1.2%	-0.3%	0.9%	1.5%
Emerging Markets	6.6%	-2.9%	3.7%	9.5%
Europe	9.4%	-3.4%	6.0%	12.8%
United Kingdom	5.1%	-1.7%	3.4%	6.8%
United States	22.9%	-21.4%	1.5%	44.3%
Total	46.5%	-30.6%	15.9%	77.1%

Credit ¹⁵ (as at 1 December 2009)	Long	Short	Net	Gross
Asia	0.3%	-0.1%	0.2%	0.4%
Europe	3.4%	-0.2%	3.2%	3.6%
Emerging Markets	0.6%	-0.7%	-0.1%	1.3%
United States	22.7%	-3.3%	19.4%	26.0%
Total	27.0%	-4.3%	22.7%	31.3%

Numbers may not total due to rounding.
Source: Aurora Investment Management L.L.C.

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Strategy

Market Overview

Global financial markets ended the year on a positive note with most indices performing strongly. US equities rose following the announcement of positive economic data, including initial US jobless claims, non-farm payrolls and construction spending. US markets also benefited as several market-leading companies released positive earnings reports and several large banks announced plans to raise capital in order to repay TARP funds. The Russell 2000 index appreciated sharply as small-capitalisation stocks continued to outperform relative to large-capitalisation stocks over the year. In Europe, markets were resilient and posted significant gains despite concerns over Greece's widening deficit and its sovereign debt downgrade. The UK, in particular, benefited from rising consumer confidence and falling jobless claims. In Asia, China benefited from favourable economic data announcements and the Japanese stock market recorded a sharp recovery from November levels, buoyed by a weaker Yen and further monetary easing by the Bank of Japan. The US Dollar rallied after several months of weakness and the increased strength was accompanied by gold and silver trading lower, while base metals underwent strong upward momentum. Finally, credit markets experienced mixed results as high yield indices gained while investment grade indices marginally declined.

	Perf MTD % ⁵	Alloc. % ¹²	Number of Mgrs	Context for performance
Long/Short Credit	3.85%	23%	6	A beneficial credit environment saw credit spreads continue to tighten as the Portfolio's managers ended the year with another strong month of performance. Financial services companies' corporate bonds were a substantial contributor to performance, including holdings in a rescued bank, a global insurance firm and a residential mortgage provider. In addition, specific events also led to gains for the Portfolio's managers. For example, one manager's position in the bonds of a Japanese consumer lender rallied strongly after the company won approval from creditors for a debt restructuring plan that will enable it to avoid bankruptcy. Elsewhere, performance contribution came from positions in real estate, media, transportation, auto and auto parts and manufacturing. One long/short credit manager's holdings in the debt of a Middle East real estate developer bounced back strongly during the month after the government of Abu Dhabi stepped in to provide the company with several billions of US Dollars to help repay some of the company's bonds due to mature in December. Offsetting a small portion of these gains in the Portfolio were losses from bank stocks, which generally declined during the month.
Long/Short Equities	2.24%	31%	17	The Portfolio's geographic specialists performed well, driven by strong stock selection and net long exposure to the strong overseas markets. European managers experienced price appreciation across their portfolios, including investments in a dental implants producer, a discount airline, a smokeless tobacco company and a satellite operator. The Portfolio's Asian markets specialists also performed well. A core holding in a Japanese semiconductor manufacturer traded higher after the company announced it may deliver its first annual operating profit in three years. Long positions in China, Hong Kong and India also performed well. Among the Portfolio's generalists, one manager profited from a core investment in an aluminium producer, which surged after sell side analysts upgraded its price target, predicting continued increases in demand for the metal. Other sources of profits for generalists included long exposure to basic materials and energy. Sector specialists produced a more modest return. The Portfolio's healthcare manager was up for the month but experienced mixed results at the sub-sector level. Meanwhile, the Portfolio's global financial specialist earned a positive return driven by investments in emerging markets.
Multi-Strategy Opportunistic	2.32%	16%	7	A favourable equity and credit environment, as well as company-specific developments, drove returns. Positions in metals and mining companies contributed to performance across several funds. In particular, equities in steel companies rose after the metal's price traded higher during the month. Sizeable profits also came from a manager that agreed to sell its private equity interest in an Israeli asset management company. Another manager witnessed gains from its top holding in a large enterprise software provider that rallied after the company reported unexpectedly positive earnings and improvements in market share. Meanwhile, the Portfolio's event-driven manager generated positive performance from a number of positions, including the announced acquisition of a US railroad company, a spinoff in the healthcare industry, and a merger arbitrage position in the healthcare sector. Finally, a number of managers reaped profits from credit positions. These included convertible bonds in an offshore cargo ship provider, distressed debt of a media company and debt in a small business loan originator.
Macro	-1.30%	12%	5	The rally in global markets challenged the macro managers' portfolios which were not positioned to capitalise on the strong recovery. One manager's poor performance accounted for a considerable portion of the Portfolio's loss in this strategy. This manager's long US debt position was the largest detractor, while further losses stemmed from short positions in US equities and a long position in gold, which sold down from its peak during the month. Another manager recorded a loss as a result of unprofitable fixed income positions, including long US rates, yield curve steepeners, and volatility trades. This manager also incurred losses in its long high quality and short low quality equity trades, which experienced a sharp reversal from prior months. The Portfolio's commodities manager delivered a small negative return following unprofitable relative value trading in base metals and agricultural commodities, in addition to a long equity position in a gold producer, which traded lower alongside falling gold prices. Off-setting these losses, one macro manager achieved a small gain from profitable rates and foreign exchange trading, while the Portfolio's emerging markets manager had a good month following a broader rise in riskier assets.

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Strategy continued

	Perf MTD % ⁵	Alloc. % ¹²	Number of Mgrs	Context for performance
Portfolio Hedge	-7.53%	12%	5	Short-sellers were challenged by their focus on smaller, low quality stocks, which outperformed larger, high quality stocks by a wide margin. This reversal in trend from the previous two months created sizeable losses across a wide range of industries for one manager, including a nutritional supplement manufacturer, an online photograph publisher and a food processing firm. The Portfolio's technology-focused manager also delivered negative returns, with positions in an ATM producer and communications interface designer proving especially costly. Short exposure to the discretionary consumer, industrial and financial sectors also detracted from returns. Additional poor performance came from a coffee maker, a thin film solar manufacturer and a real estate investment trust. On a positive note, one manager performed relatively well with short positions in casinos driving positive returns.
Activist	1.34%	6%	3	Few company-specific developments occurred during the month, and the Portfolio's managers' holdings appreciated broadly in line with global equity markets. One manager's core holding in an internet portal company performed well, as did a position in a biotechnology company whose bid to acquire a competitor was rejected by shareholders mid-month. Another manager's gains were broad-based and included investments in a fast food chain, a beverage manufacturer and an asset management firm. Elsewhere, the Portfolio's Nordic region specialist profited from investments in a reinsurance company, a machinery and equipment producer and a telecommunications network operator, whilst a long position in an automobile manufacturer sold off due to declining truck sales. Finally, a loss was made by the Portfolio's manager who focuses on small- and mid-capitalisation companies as a result of markdowns in two private positions that offset gains from investments in healthcare, credit services and packaged foods industries.

Source of commentary: Aurora Investment Management L.L.C.

Source of data: Dexion Capital plc

Top 10 Investments¹⁶

Name of Investment	Strategy	Alloc. %	Trading Style
Palomino / Thoroughbred Composite	Long/Short Credit	12.31%	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.
TPG-Axon Partners Offshore Fund	Multi-Strategy Opportunistic	3.79%	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.
Redwood Offshore Fund	Long/Short Credit	3.60%	A long/short credit fund focused primarily on investments in the debt securities of leveraged or financially distressed companies. The fund's investment manager seeks to capitalise on situations involving a restructuring or reorganisation of a company which may occur through the bankruptcy process or outside of bankruptcy. The fund also invests in securities that are trading substantially below their underlying value, particularly if there are catalysts to eliminate those discounts.
Eton Park Overseas Fund	Multi-Strategy Opportunistic	3.28%	A global multi-strategy opportunistic fund that allocates capital across a number of strategies primarily focused on equities, bonds, bank debt, structured credit, derivatives and private investments. The fund's investment manager applies a rigorous investment process to identify opportunities in mispriced securities.
Icahn Fund	Activist	3.02%	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.
Touradj Global Resources Offshore Fund	Macro	2.93%	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	2.92%	The fund's 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.
Brevan Howard Fund	Macro	2.87%	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.

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Top 10 Investments¹⁶ continued

Name of Investment	Strategy	Alloc. %	Trading Style
Cevian Capital II Fund	Activist	2.63%	Investment manager takes substantial ownership positions in a limited number of companies and works to unlock shareholder value through operational, hands-on activism. The fund's activist strategy focuses on corporate governance improvements, operational improvements, corporate restructuring, strategic re-orientation and financial structuring in order to create value. The fund is deeply involved in portfolio companies typically through board participation.
WCG Offshore Fund Limited	Macro	2.46%	A fundamentally-driven, discretionary global macro fund focused predominantly on fixed income, foreign exchange, equity, and mortgage securities. The fund's investment manager utilises directional and relative value positions to express its short- and long-term macro views.

Source of commentary: Aurora Investment Management L.L.C.
Source of data: Dexion Capital plc

Top 5 Investments (by contribution to performance in December 2009)

Fund	Strategy	Contribution % ¹⁷	Context for performance
Fund 1	Long/Short Credit	0.69%	Debt in financial services companies was the largest contributor to performance, including a rescued bank, a global insurance company and a residential mortgage provider.
Fund 2	Long/Short Credit	0.27%	Credit investments across the globe in industries such as real estate, newspaper, trucking, advertising and broadcasting delivered strong gains.
Fund 3	Multi-Strategy Opportunistic	0.17%	The equity portfolio achieved broad-based gains, including top holdings in technology and healthcare companies.
Fund 4	Long/Short Credit	0.16%	The manager profited from debt positions in a large commercial lender and automobile parts supplier, as well as investments in mortgage securities.
Fund 5	Long/Short Equities	0.12%	Core holdings in a smokeless tobacco company, an Italian toll road operator and a satellite company all delivered positive returns in December.

Source of commentary: Aurora Investment Management L.L.C.
Source of data: Dexion Capital plc

Bottom 5 Investments (by contribution to performance in December 2009)

Fund	Strategy	Contribution % ¹⁷	Context for performance
Fund 1	Long/Short Credit	-0.33%	Unsuccessful fund restructuring and illiquid holdings resulted in a write down of the value of the investment.
Fund 2	Portfolio Hedge	-0.15%	Short exposure to technology stocks drove losses as the sector outperformed the broader market.
Fund 3	Activist	-0.12%	Mark-downs in private investments drove losses, despite positive returns in public holdings, including healthcare, credit services and packaged foods industries.
Fund 4	Macro	-0.10%	Losses were concentrated in long positions in US debt and gold and short positions in US equity trades.
Fund 5	Portfolio Hedge	-0.10%	Losses were driven by short exposure to the consumer dictionary, industrial and financial sectors, including a coffee firm, a sporting goods store and a provider of accounting and finance staffing services.

Source of commentary: Aurora Investment Management L.L.C.
Source of data: Dexion Capital plc

Summary of Recent Announcements

Reverse Auction Redemption Offer and Continuation Resolutions (15 January 2010) *

As previously announced, the Company posted a Circular to Shareholders in connection with (i) the Reverse Auction Redemption Offer to redeem Ordinary Shares up to a maximum value of approximately £97 million, and (ii) Class Meetings of the £ Shares, € Shares and US\$ Shares to consider the 2010 Continuation Resolutions required to be put forward by reason of the average discount to NAV at which those Shares traded in 2009.

Additional Information – Highwater marks

Given the level of corporate activity since 31 December 2007, the highwater mark per share (the hurdle above which performance fees accrue) is higher than the NAV per share as at 31 December 2007 (the last time that performance fees were earned) for each of the share classes. The estimated current highwater mark (unaudited) NAVs are £1.67 per share, €2.38 per share and US\$3.03 per share, but these levels will continue to change with future corporate activity, including the forthcoming reverse auction. For the avoidance of doubt, gains from corporate actions do not earn performance fees.

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

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FOOTNOTES

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

- 1 **Foreign Exchange:** The approximate impacts of foreign exchange on the net asset values of the Company's ordinary shares during the period between the Company suspending and reinstating its currency hedging arrangements were +3.7% for the £ Shares, and -4.9% for the EUR Shares. The approximate impacts of foreign exchange on the net asset values of the Company's ordinary shares during the period between 1st January 2009 and the reinstatement of its currency hedging arrangements were +2.0% for the £ Shares and +5.5% for the EUR Shares. Currency hedging was suspended on 13 November 2008 and reinstated on 27 and 28 January 2009 (see RNS announcements dated 29 January 2009, No. 4916M and 27 January 2009, No. 3345M).
Reverse Auction: The approximate impacts of the reverse auction, held in January 2009, on the net asset values of the Company's ordinary shares on the basis of the Redemption Prices as announced on 30 January 2009 were +1.7% for the £ Shares, +2.5% for the EUR Shares and +2.9% for the US\$ Shares.
- 2 Annualised from inception date of DAB £, DAB € and DAB US\$ and based on monthly data.
- 3 Risk free rate is average 1M GBP LIBOR since December 2002 (4.23%) for DAB £, average 1M EUR LIBOR since June 2005 (2.94%) for DAB €, average 1M USD LIBOR since June 2005 (3.40%) for DAB US\$ and average 1M US\$ LIBOR since December 2002 (2.77%) for US\$ indices.
- 4 MSCI World Index and JPM Global Government 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 Allocations are based on December 31, 2009 estimated results and January 1, 2010 capital allocations, net of cash effect and including, for portfolio hedge only, the delta-adjusted exposure derived from option hedges and the notional value of any futures hedges, if any. Excludes any manager for which DAB has submitted a full withdrawal request and has at any point represented less than 0.5% of DAB's net asset value.
- 7 Calculated using monthly published NAVs and closing monthly share prices to December 2009. Note that current premium/discount may be higher or lower.
- 8 Historical monthly NAV performance is net of all fees.
- 9 Look-through portfolio leverage represents the amount of leverage used by DAB's underlying hedge fund managers and is derived from information provided by the underlying hedge funds. Except as described below, look-through leverage is calculated by dividing the aggregate leverage utilised by all underlying hedge funds by DAB's net asset value at the beginning of each calendar month. Leverage is defined generally as the sum of long and short positions. For the Macro strategy, leverage is determined by calculating a value at risk ("VaR") equivalent portfolio of asset-class indices and then dividing the value of that VaR equivalent portfolio by the Macro hedge fund's net asset value. If a hedge fund does not provide VaR information, leverage is determined from the hedge fund's balance sheet exposures. For relative value arbitrage strategies, which are included with the Multi-Strategy Opportunistic hedge funds, leverage was historically defined as the value of the long positions because the short positions were intended to offset the risk of the long positions (rather than create profit opportunities from both the long and short positions). Effective 1 December 2008, the leverage of the relative value arbitrage strategies was conformed to the general methodology applied to other strategies — i.e. leverage is the sum of the long and short positions.
- 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 included in the zero to three-month liquidity category.
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. Data as at 1 January 2010.
The Company is conducting a reverse auction for up to 10% of the Company's net asset value. The Company will not know the amount of shares that are tendered until 29 January 2010, but commenced a realisation program effective 31 December 2009 to raise capital to purchase the shares. The liquidity summary assumes that shareholders tender shares equal to 10% of the 31 December 2009 net asset value, and excludes from the zero to three month liquidity category the cash raised by the Company to repurchase the shares. The Company will be more liquid than shown above if shareholders tender less than 10% of the 31 December 2009 net asset value.
- 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, Aurora Investment Management L.L.C. combined the Fundamental Opportunistic, Relative Value Opportunistic, and Event Driven strategies into Multi-Strategy Opportunistic. See 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 Top 10 manager allocations are as of 31 December 2009. The allocation percentage is derived from dividing the value of DAB's investment with the manager by the net asset value of DAB and is net of cash effect and is calculated on a look-through basis.
- 17 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.

For footnotes, please see page 7. For information only - your attention is drawn to the disclaimer on the final page of this document.
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