

Newsletter

General Market Review November 2005

After two straight months of mediocre job gains, job growth in November has reverted back to its pre-hurricane trend, which averaged 200,000 additional jobs per month for the three months prior to Hurricane Katrina. In line with this trend, non-farm payrolls in November increased by 215,000 jobs, representing an unemployment rate of 5.0%. Payroll gains were broad-based by industry group with the construction (post-Katrina), private service and government sectors supporting the growth.

The University of Michigan Consumer Sentiment Index for November (81.6 vs. 74.2 in October) has begun to regain strength and will likely reach pre-hurricane levels in December. Consumer confidence has been boosted, in part, by a continued fall in gasoline prices, as well as good news in the labor and stock markets. In addition, November showed no change in the outlook for Fed policy and the Federal Open Market Committee ("FOMC") raised the Federal Funds rate another 25 basis points in December.

Source: CSFB Research & Analytics

Absolute U.S. Ltd.

Absolute U.S. is an investment company, which invests in a variety of absolute return-oriented management styles. These investment strategies are focussing on globally diversified and industrialized financial markets. The investment company was established to respond to investors who desire an attractive, well-diversified portfolio of alternative investments in US Dollar values, which can be actively allocated across different investment styles and strategies throughout the universe of alternative investments.

Investment Performance as of November 30, 2005

| | | Monthly Return | Year to Date Return | Inception*) To Date (Nov 2000) | Average Annual Return | Annual Standard Deviation | Sharpe Ratio |
|-------------------------|---------|----------------|---------------------|--------------------------------|-----------------------|---------------------------|--------------|
| Absolute U.S. NAV (USD) | 272.16 | 0.84% | 1.93% | 21.89% | 3.97% | 5.58% | Neg. |
| Share price (USD) | 240.50 | -0.66% | 5.34% | 2.05% | 0.29% | 7.55% | Neg. |
| S&P 500 Index (USD) | 1249.48 | 3.52% | 3.10% | -12.76% | -2.65% | 15.10% | Neg. |

Past performance is no guarantee of future results. Performance figures are estimated net of management and performance fees and are subject to change.

*) Absolute US has paid out Sfr. 9 (= US\$ 7.36 or ca. 2.70 %) on June 30, 2004 due to a par value repayment. This Special Dividend is not included in the above numbers.

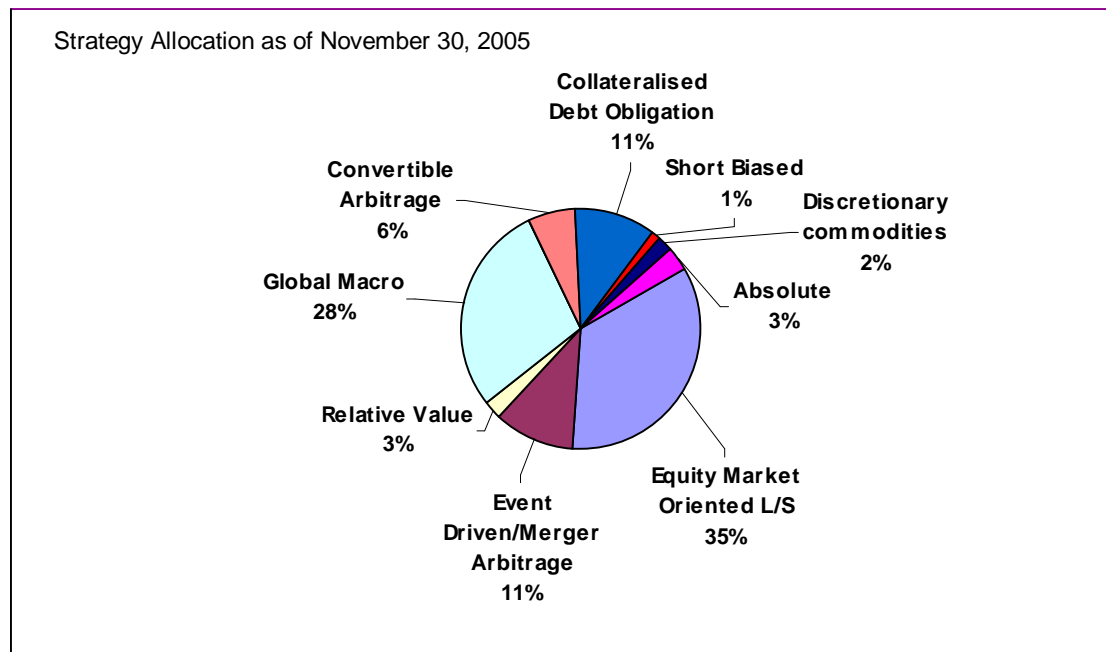
Investment Review

The overall portfolio generated a positive return of 0.84% for the month of November. Global macro managers generally posted positive returns in November. Managers cited strong growth, benign inflation, and lower energy prices as several catalysts for November's equity rally; and many were appropriately positioned long equity indices in the U.S. and Japan. However, fixed income trading generated mixed to negative results, as many managers were short duration in both the U.S. and Japan leading into the rally. Currency trading also generated mixed to negative results, as the Euro further appreciated versus the Japanese Yen and many managers have had strong growth expectations for Japan.

Event driven managers generally posted positive returns in November. Equity, multi-strategy, and distressed managers all posted gains with equity managers generally outperforming the rest. A reversal from October's equity markets losses, particularly in the energy sector, helped many equity managers that previously lost money on longer dated event trades.

Convertible Arbitrage managers posted mixed returns in November. The convertible market began the month on unsteady ground and redemptions led to selling in an environment somewhat analogous to this spring's sell-off. Although selling pressure facilitated the liquidation of some smaller managers, several managers took advantage of the drop in valuations and selling bottomed out towards the end of November.

Long short equity managers generally posted positive returns in November. In the U.S., small and mid cap stocks generally outperformed the broader market. Managers profited from a reversal in equity markets, and several sectors harvested profits, including energy, technology, homebuilding, healthcare and consumer related goods. Managers that held positions through October or added to those that had declined sharply tended to be among the best performers in November. On the short side, most managers posted negative returns as many growth stocks rose throughout the month.



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