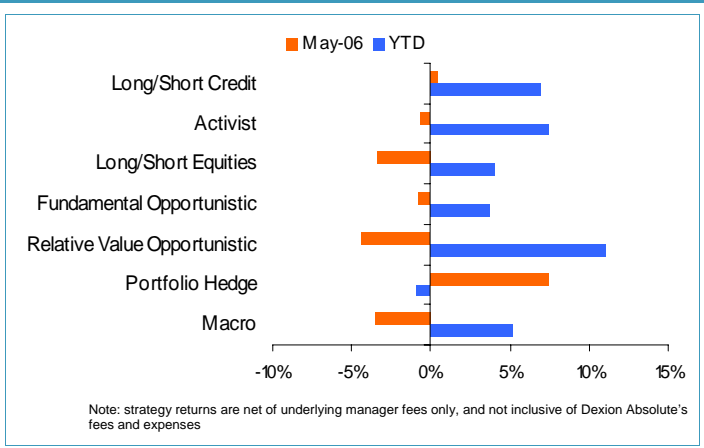


Overview

Dexion Absolute Limited is a Guernsey registered, closed-ended investment company listed on the London Stock Exchange. Consistent with Harris Alternatives' Aurora LP, whose investment rationale, methodology and portfolio management are shared by the Company, the Company no longer has a target return as part of its investment objective. 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 and the Company implements a hedging policy to protect the Sterling and Euro value of its US Dollar denominated investments.

Monthly commentary

May proved to be a difficult month for global markets as illiquidity and uncertainty overwhelmed the rally that began last October. At first, favourable economic news and better-than-expected corporate earnings reports in the U.S. helped push the major indices to multi-year highs. Thereafter, uncertainty crept into the markets following statements made by the Federal Reserve concerning inflation and the possibility of future rate hikes. The trend towards a less-accommodative monetary policy permeated to non-U.S. markets, as evidenced by the Bank of Japan's decision to end its quantitative easing. Heightened fear was evident in the VIX, which spiked to its highest level since April 2004. The Dow Jones flirted with an all-time high at the start of May, only to end the month down 1.5%. European and Asian equities experienced similar moves. Emerging markets also declined near month end. Despite the turmoil in equities, global credit markets were relatively calm with spreads widening only slightly. Commodities delivered mixed results with gold and oil trading lower, while some base metals posted double-digit gains. May was a challenging month for our **long/short equities** managers as each of our sub-groups reported drawdowns. Losses were larger in non-U.S. markets and in small-cap stocks. The sector specialists experienced sizable losses from positions in the technology, homebuilding and industrials sectors. The Company's geographic specialists posted negative returns, primarily from positions in metals, mining, and energy. Our generalist managers also reported drawdowns, but losses were mitigated through diversification across sectors and geographies. Hawkish comments from the Federal Reserve caused a back-up in interest rates and a flattening of the yield curve, leading to losses for certain **macro** managers. Movements in interest rates also contributed to a sharp reversal in the U.S. dollar and a difficult trading environment for managers active in the currency space. Managers with exposure to emerging markets posted losses, with positions in Brazil and Mexico experiencing steep declines. Commodity trading also proved challenging for these managers. Our **portfolio hedge** managers posted sizable gains in May, mitigating losses elsewhere in the portfolio. Profits were extracted from virtually every sector, with short positions in consumer, technology, and financial services stocks among the leading contributors to returns. Good stock selection further added to our short sellers' performance. The Company's **fundamental opportunistic** strategy experienced losses in May principally from interest-rate fears and exposure to commodities. Another source of weakness for our managers was the financial services sector, where positions in banks and insurance companies declined in the face of rising interest rates, despite positive company-specific news. Global credit markets were quiet and largely unaffected by the negative trends in other markets and our **long/short credit** managers ended the month with a nominal gain as a result. Several managers profited from distressed debt in certain telecom and airline companies, thanks to improved expectations for these firms. Adverse economic sentiment, rather than company-specific news, placed downward pressure on our **activists'** positions, resulting in losses for the month. After a good start to the year, our **relative value opportunistic** managers experienced their first down month in 2006. A number of commodity trades that had contributed heavily to earlier gains in the year reversed direction in May. Investor skittishness negated many positive developments for equity restructurings in the U.S. and Europe, while global equity strategies gave back some profits as a result of the unexpected spike in volatility.



Despite the turmoil in equities, global credit markets were relatively calm with spreads widening only slightly. Commodities delivered mixed results with gold and oil trading lower, while some base metals posted double-digit gains. May was a challenging month for our **long/short equities** managers as each of our sub-groups reported drawdowns. Losses were larger in non-U.S. markets and in small-cap stocks. The sector specialists experienced sizable losses from positions in the technology, homebuilding and industrials sectors. The Company's geographic specialists posted negative returns, primarily from positions in metals, mining, and energy. Our generalist managers also reported drawdowns, but losses were mitigated through diversification across sectors and geographies. Hawkish comments from the Federal Reserve caused a back-up in interest rates and a flattening of the yield curve, leading to losses for certain **macro** managers. Movements in interest rates also contributed to a sharp reversal in the U.S. dollar and a difficult trading environment for managers active in the currency space. Managers with exposure to emerging markets posted losses, with positions in Brazil and Mexico experiencing steep declines. Commodity trading also proved challenging for these managers. Our **portfolio hedge** managers posted sizable gains in May, mitigating losses elsewhere in the portfolio. Profits were extracted from virtually every sector, with short positions in consumer, technology, and financial services stocks among the leading contributors to returns. Good stock selection further added to our short sellers' performance. The Company's **fundamental opportunistic** strategy experienced losses in May principally from interest-rate fears and exposure to commodities. Another source of weakness for our managers was the financial services sector, where positions in banks and insurance companies declined in the face of rising interest rates, despite positive company-specific news. Global credit markets were quiet and largely unaffected by the negative trends in other markets and our **long/short credit** managers ended the month with a nominal gain as a result. Several managers profited from distressed debt in certain telecom and airline companies, thanks to improved expectations for these firms. Adverse economic sentiment, rather than company-specific news, placed downward pressure on our **activists'** positions, resulting in losses for the month. After a good start to the year, our **relative value opportunistic** managers experienced their first down month in 2006. A number of commodity trades that had contributed heavily to earlier gains in the year reversed direction in May. Investor skittishness negated many positive developments for equity restructurings in the U.S. and Europe, while global equity strategies gave back some profits as a result of the unexpected spike in volatility.

Outlook - So far in June, we have seen a continuation of the correction in global markets that began in May. Nearly all global equity and credit markets have reported losses, with non-U.S. and emerging markets again hardest hit. Commodities have also extended their losses from the previous month. The Company's managers are maintaining their cautious positioning but remain optimistic about the possibility of opportunities provided by the correction, while the dedicated portfolio hedge managers should continue to provide support during the current market environment.

Performance data

	May (%)	YTD (%)	ITD* (%)	Volatility* (%)	Sharpe**^
Dexion Absolute £ Share NAV	-1.52	3.43	9.84	3.21	1.71
FT All Share (TR) (£)	-4.78	4.02	18.30	9.86	1.42
FT Govt All Stocks (TR) (£)	0.68	-1.22	4.71	3.65	0.10
Dexion Absolute €Share NAV	-1.68	2.54	8.15	4.40	1.32
MSCI Eurozone (TR) (€)	-4.35	4.97	22.80	11.74	1.74
JPMorgan Eurozone Govt Bond Index (€)	0.24	-2.46	-2.68	2.72	-1.85
Dexion Absolute US\$ Share NAV	-1.45	3.63	10.40	4.42	1.39
MSCI World (TR) (US\$)	-3.33	6.35	19.45	8.75	1.74
JPMorgan World Govt Bond Index (US\$)	1.79	3.59	-0.38	5.72	-0.81
HFRI Fund of Funds Index (US\$)	-1.62	5.12	9.13	3.72	1.82

* Annualised from inception date of DAB £, DAB € and DAB \$, based on monthly data. ^ Risk free rate is average 1M GBP LIBOR since December 2002 (4.35%) for GBP investments, average 1M EUR LIBOR since July 2005 (2.35%) for EUR investments, average 1M USD LIBOR since July 2005 (4.26%) for Dexion Absolute US\$ class and average 1M USD LIBOR since December 2002 (2.35%) for USD indices. Source: Bloomberg (data), Dexion Capital (calculation)

£
NAV 135.41p
Return -1.52%
Share price* 143.88p

€
NAV €1.9689
Return -1.68%
Share price* €2.0750

\$
NAV \$2.4262
Return -1.45%
Share price* \$2.5625

Note:
* Closing mid-price at month end.
Opening NAV per £ share 98.25p,
€ Share €1.8325 and \$ Share \$2.2158.

Key facts

Manager

Dexion Capital
(Guernsey) Limited

Investment
Advisor

Harris Alternatives LLC

Investment
Consultant

Dexion Capital plc

Total net assets
£535.7m

Management Fee
1.50%

Performance Fee
10%
(trigger 3%)

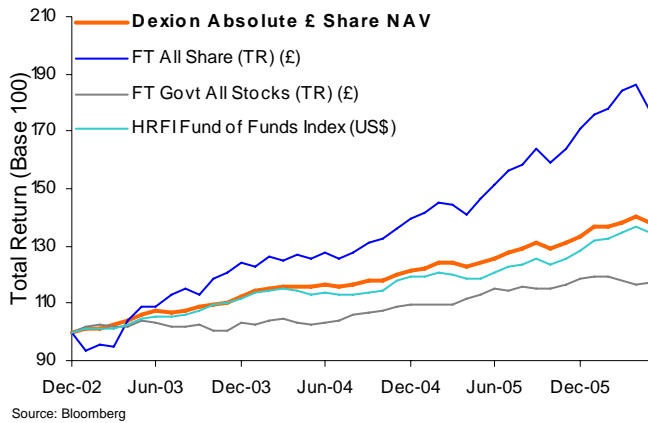
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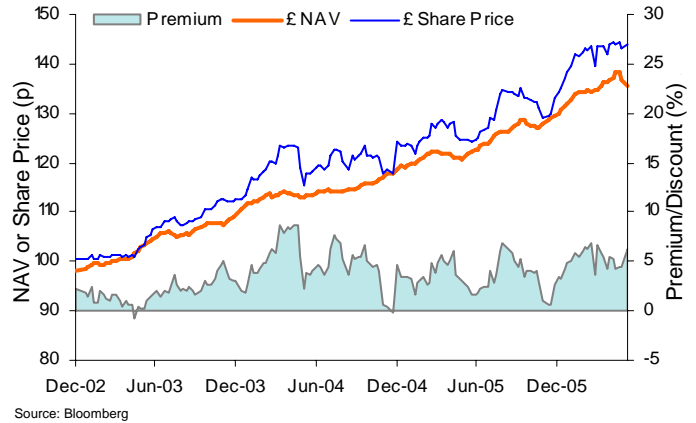
Email
info@dexionabsolute.com

Website
www.dexionabsolute.com

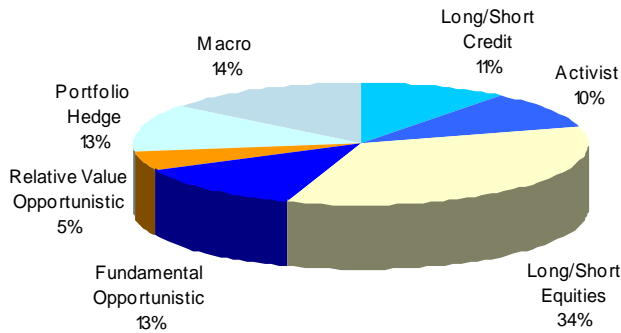
Net Asset Value performance



Share price performance



Portfolio as of 1 June 2006

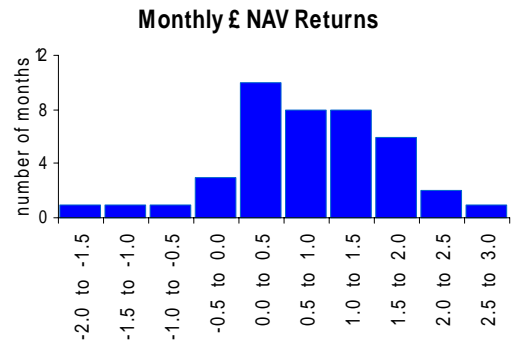


	Number of funds
Long/Short Credit	6
Activist	5
Long/Short Equities	19
Fundamental Opportunistic	6
Relative Value Opportunistic	3
Portfolio Hedge	10
Macro	7
Total	56

Note: Allocations are net of cash effect and include, for portfolio hedge only, the delta-adjusted exposure derived from option hedges, if any.

Historical NAV performance (%)

GBP	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2006	2.54	0.28	0.71	1.42	-1.52								3.43
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
EUR	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2006	2.26	0.15	0.52	1.31	-1.68								2.54
2005	-	-	-	-	-	-	1.28	0.67	1.64	-1.58	1.16	1.54	4.78
USD	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2006	2.58	0.25	0.71	1.54	-1.45								3.63
2005	-	-	-	-	-	-	1.37	0.82	1.74	-1.41	1.32	1.72	5.66



Share Class	Inception date	Bloomberg	Reuters	ISIN	Sedol	Total net assets
GBP	19 Dec 2002	DAB LN	DAB.L	GB0032287020	3228702	£410.14m
EUR	28 Jun 2005	DABE LN	DABx.L	GB00B0FXK920	B0FXK92	€106.38m
USD	28 Jun 2005	DABU LN	DABu.L	GB00B0FXL332	B0FXL33	\$98.62m

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Your attention is drawn to the Risk Factors set out in the Dexion Absolute prospectus dated 26 October 2005 and the fact that no securities are currently being offered by the Company and that certain information in the above prospectus may now be out of date.

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