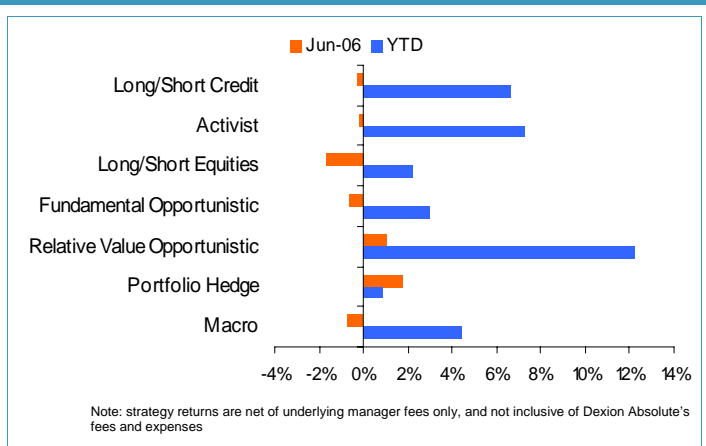


Overview

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

Global equity markets experienced a rollercoaster ride in June, rising off of May's lows only to again fall precipitously, stabilize, and then arrive at the end of the month generally where they started. Central bank's monetary policies took centre stage, as market participants feared further tightening by the Federal Reserve. Those concerns were compounded when the European Central Bank also raised rates in the middle part of the month. Intra-month volatility in U.S. equities spiked to its highest level since 2003 and intra-stock correlation increased dramatically, diminishing fundamental differentiation. By the end of the month new economic data, renewed optimism over quarterly corporate earnings, and a surge in merger activity all helped to moderate these concerns, and global equities ended the month mixed. Meanwhile, credit markets experienced a



flight to quality, driving yields higher and causing a marked widening in emerging market spreads. Risk aversion also permeated commodities markets, which experienced broad-based declines.

Long/Short Equities: -1.7%. Macroeconomic concerns dominated equity market movements throughout June and our managers ended the month with a loss. Equities in most sectors and geographies moved almost in lock-step, providing few opportunities for fundamental stock-selection strategies to prosper. All of our sub-strategies reported losses, with our generalist managers being hit the hardest. Commodity-related stocks also proved to be troublesome for some managers. Elsewhere, long technology exposure hurt both generalists and sector specialists, particularly positions in the semiconductor industry. **Macro:** -0.7%. The global shift away from risky asset classes that began in May continued throughout the month of June and resulted in a moderate loss for our macro managers. In addition, G3 central banks continued to telegraph a rising rate regime and a commensurate removal of liquidity from global markets, which contributed to losses in a number of fixed income strategies. **Fundamental Opportunistic:** -0.7%. The indiscriminate manner in which investors sold stocks, as indicated by the high intra-stock correlation, created a very difficult environment for our managers in June. All but one of our managers reported losses for the month with event-driven strategies being a major detractor. **Portfolio Hedge:** +1.8%. Despite generally flat equity markets in June, our portfolio hedge strategy posted a sizable gain during the month as a result of impressive stock selection. As an example, a number of our managers held long-standing short positions in the shares of a publisher of software games, which fell sharply on two separate occasions during the month. Our managers also profited from short positions in the consumer staples, industrials, and financial services sectors, all of which were hurt by concerns over waning consumer spending. **Activist:** -0.2%. Our activist managers posted a nominal loss for the month of June. Negative market sentiment, combined with a lack of new developments in many of our managers' positions, resulted in modest negative returns. **Long/Short Credit:** -0.3%. The flight to quality by investors in June resulted in a sell-off in high yield credit markets which contributed to a modest loss for our long/short credit managers. Telecommunications companies contributed to losses for a number of managers and equity positions were also a drag on performance. Meanwhile, several managers profited from positions in the airline industry after a number of carriers reported double-digit gains in passenger miles. **Relative Value Opportunistic:** +1.1%. Energy once again drove the bulk of performance within the strategy, particularly in the natural gas markets, as liquidity normalized after last month's plunge. **Outlook** - July has proven to be remarkably similar to June, with investors driving equity markets lower on macroeconomic concerns, shrugging off those concerns, and pushing indices back to their starting points. Intra-stock correlations remain high, hampering, over the short-term, those strategies that seek to profit from fundamental differences in equities and credit. In light of this, our managers maintain a cautious stance while our dedicated portfolio hedge managers appear well positioned to provide market protection in this period of uncertainty.

Performance data

	June (%)	YTD (%)	ITD* (%)	Volatility* (%)	Sharpe**^
Dexion Absolute £ Share NAV	-0.78	2.62	9.35	3.28	1.52
FT All Share (TR) (£)	2.01	6.11	18.50	9.74	1.45
FT Govt All Stocks (TR) (£)	-0.52	-1.73	4.44	3.64	0.02
Dexion Absolute €Share NAV	-0.91	1.61	6.47	4.48	0.91
MSCI Eurozone (TR) (€)	0.69	5.69	21.55	11.24	1.70
JPMorgan Eurozone Govt Bond Index (€)	-0.25	-2.71	-2.71	2.60	-1.96
Dexion Absolute US\$ Share NAV	-0.71	2.90	8.72	4.49	0.97
MSCI World (TR) (US\$)	0.01	6.37	17.70	8.48	1.58
JPMorgan World Govt Bond Index (US\$)	-0.97	2.59	-1.31	5.54	-1.02
HFRI Fund of Funds Index (US\$)	-0.60	4.19	8.63	3.79	1.64

* Annualised from inception date of DAB £, DAB € and DAB \$, based on monthly data. ^ Risk free rate is average 1M GBP LIBOR since December 2002 (4.36%) for GBP investments, average 1M EUR LIBOR since July 2005 (2.39%) for EUR investments, average 1M USD LIBOR since July 2005 (4.35%) for Dexion Absolute US\$ class and average 1M USD LIBOR since December 2002 (2.42%) for USD indices. Source: Bloomberg (data), Dexion Capital (calculation)

£
NAV 134.35p
Return -0.78%
Share price* 140.13p

€
NAV €1.9510
Return -0.91%
Share price* €2.0500

\$
NAV \$2.4090
Return -0.71%
Share price* \$2.5275

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
£532.9m

Management Fee
1.50%

Performance Fee
10%
(trigger 3%)

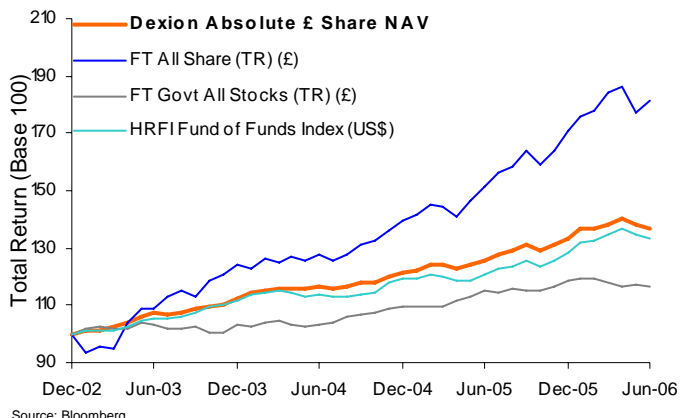
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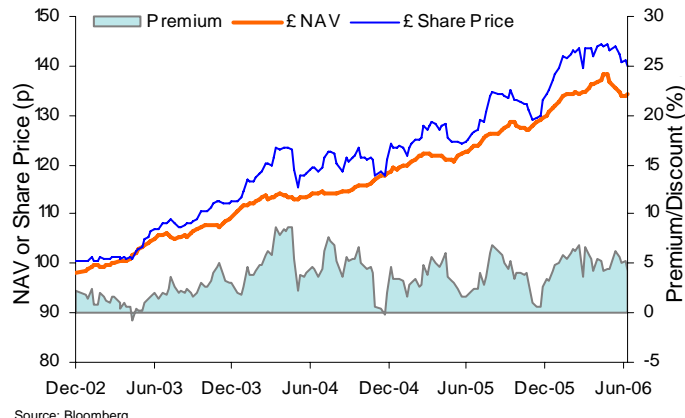
Email
info@dexionabsolute.com

Website
www.dexionabsolute.com

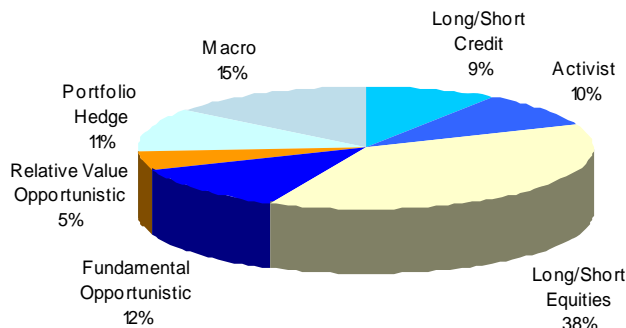
Net Asset Value performance



Share price performance



Portfolio as of 1 July 2006

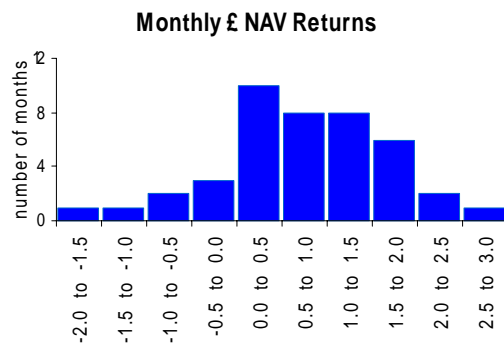


	Number of funds
Long/Short Credit	6
Activist	5
Long/Short Equities	20
Fundamental Opportunistic	6
Relative Value Opportunistic	3
Portfolio Hedge	9
Macro	7
Total	56

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	-0.78							2.62
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	-0.91							1.61
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	-0.71							2.90
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	£406.95m
EUR	28 Jun 2005	DABE LN	DABx.L	GB00B0FXK920	B0FXK92	€105.41m
USD	28 Jun 2005	DABU LN	DABu.L	GB00B0FXL332	B0FXL33	\$97.92m

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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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