

£	
NAV	146.48p
RETURN	+1.44%
SHARE PRICE*	145.00p
Opening NAV per £ share 98.25p	

€	
NAV	2.1042
RETURN	+1.29%
SHARE PRICE*	2.0750
Opening NAV per € share €1.8325	

US\$	
NAV	2.6360
RETURN	+1.45%
SHARE PRICE*	2.6375
Opening NAV per US\$ share US\$2.2158	

AUS\$	
NAV	3.6880
RETURN	+1.47%
SHARE PRICE*	3.6300
Opening NAV per A\$ share A\$3.4055	

Note: \*Closing mid-price at month end.

## 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 implements a hedging policy in an attempt to reduce the impact of currency fluctuations on the Sterling, Euro and Australian Dollar Shares.

## PERFORMANCE DATA

	MARCH(%)	YTD (%)	ITD\$**1 (%)	VOLATILITY\$**1 (%)	SHARPE\$**1
DEXION ABSOLUTE £ SHARE NAV	1.44	3.47	9.85	3.07	1.75
DEXION ABSOLUTE € SHARE NAV	1.29	3.08	8.22	3.55	1.52
DEXION ABSOLUTE US\$ SHARE NAV	1.45	3.49	10.43	3.56	1.59
DEXION ABSOLUTE AUS\$ SHARE NAV	1.47	3.67	-	-	-
HFRI FUND OF FUNDS INDEX (US\$)	0.86	2.98	9.27	3.61	1.76
MSCI WORLD INDEX GROSS (TR) (US\$)	1.87	2.60	19.11	8.93	1.81
JPM GLOBAL GOV'T BOND INDEX (TR) (US\$)	0.17	1.19	6.17	6.77	0.48

\$ Insufficient data points for DAB A\$ Shares. \* Annualised from inception date of DAB £, DAB € and DAB US\$, based on monthly data. ^ Risk free rate is average 1M GBP LIBOR since December 2002 (4.49%) for DAB £, average 1M EUR LIBOR since June 2005 (2.83%) for DAB €, average 1M USD LIBOR since June 2005 (4.77%) for DAB US\$ and average 1M USD LIBOR since December 2002 (2.93%) for US\$ indices. ^ MSCI World Index and JPM Global Gov't Bond Index annualised since December 2002 and HFRI Fund of Funds Index annualised from 1st January 2003.

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

## MONTHLY COMMENTARY

On the whole, equity markets ended March with solid gains after struggling to find support at the start of the month amid concerns over the potential fallout from sub-prime mortgage lenders in the US. Despite inflationary concerns, the Federal Reserve left interest rates unchanged, triggering a rally in US equity markets. European and Asian equity markets, with the exception of Japanese equities, traced similar patterns, struggling in the first half of the month only to regain a footing at end. In fixed-income markets, the yield curve spread between 10-year and 2-year Treasury notes was positive for the first time since July 2006; corporate credit spreads were largely unchanged. In currency trading, the US Dollar weakened against most major currencies. Commodities enjoyed another month of gains. Crude oil prices rose amid OPEC supply concerns and mounting political tension in Iran.

**Long/Short Equities: +1.28%.** Geographic specialists yielded the best sub-strategy performance led by managers focused on European stocks. The UK specialist benefited from long exposure to mining stocks and short positions in the financial sector which profited due to sub-prime credit worries. Another European specialist enjoyed widespread gains from core long positions across a variety of sectors. Technology sector specialists performed well as a group with gains emanating from good stock selection. **Multi-Strategy Opportunistic: +3.21%.** Managers enjoyed robust profits; corporate activity across a variety of sectors remained strong, amplifying already strong performance. Select short exposure to the debt and equity of various names engaged in sub-prime mortgage financing benefited several managers. **Long/Short Credit: +0.48%.** Managers did well posting moderate gains in the face of uncertainty over the Federal Reserve's interest rate plans and future corporate earnings growth rates. Performance came from debt and equity positions in industrial, manufacturing and utility companies. Negatives came from airline debt positions which traded lower on fears of an economic downturn and rising fuel prices. **Macro: +2.57%.** All but one of our managers contributed positively through profitable investments across a number of regions and asset classes. Successful interest rate trading resulted in outsized returns for one manager. Others successfully employed a number of commodity-related themes. Fixed income trading in Brazil and Mexico was also profitable, as were selective local currency trades in Asian emerging markets. **Activist: +2.59%.** Amid a backdrop of favourable equity markets, managers generated considerable alpha from corporate manoeuvres across a number of industries. One reaped sizable gains from a recently-disclosed core position in an iconic food and beverage company. Another extracted gains from a core holding in a UK-based global provider of business news and information. **Portfolio Hedge: +0.47%.** The negative momentum in the shares of sub-prime mortgage originators was a source of profit for our short sellers. The technology sector also provided opportunities, specifically shares of office-equipment and photo-imaging companies.

**Outlook** Despite the current resilient nature of global markets, economic, geopolitical and sector-specific risks persist. Our managers remain focused on the current market environment and are alert for signs of dislocations that may present investment opportunities.

## SHARE CLASS

	INCEPTION DATE	BLOOMBERG	REUTERS	ISIN	SEDOL	TOTAL NET ASSETS
£	19 DEC 2002	DAB LN	DAB.L	GB0032287020	3228702	£609.02m
€	28 JUN 2005	DABE LN	DABx.L	GB00B0FXK920	B0FXK92	€146.53m
US\$	28 JUN 2005	DABU LN	DABu.L	GB00B0FXL332	B0FXL33	US\$156.83m
AUS\$	26 SEP 2006	DABA LN	DABA.L	GB00B1BPPM77	B1BPPM7	A\$75.32m

## KEY FACTS

### MANAGER

DEXION CAPITAL  
(GUERNSEY) LIMITED

### INVESTMENT ADVISER

HARRIS ALTERNATIVES LLC

### INVESTMENT CONSULTANT

DEXION CAPITAL PLC

### TOTAL NET ASSETS

£819.21M

### MANAGEMENT FEE

1.50%

### PERFORMANCE FEE

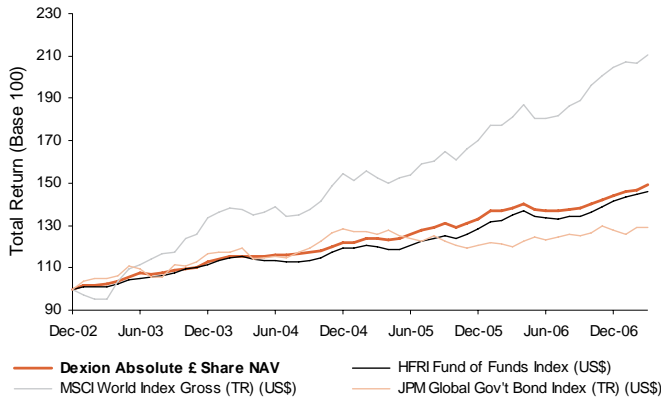
10%  
(TRIGGER 3%)

## CONTACT DETAILS

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ARNOLD HOUSE  
ST JULIAN'S AVENUE  
ST PETER PORT  
GUERNSEY GY1 3NF

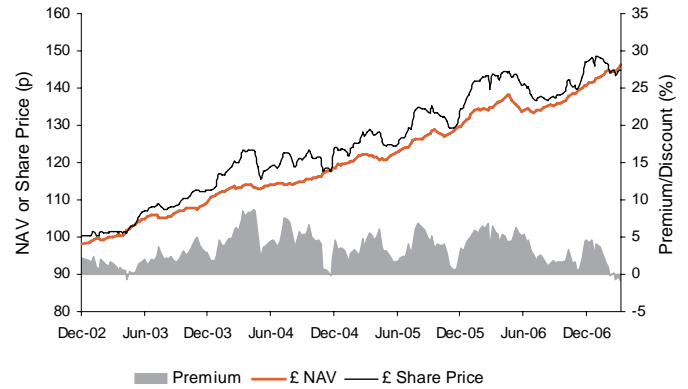
email [clientservices@dexionabsolute.com](mailto:clientservices@dexionabsolute.com)  
web [www.dexionabsolute.com](http://www.dexionabsolute.com)

**NET ASSET VALUE PERFORMANCE**



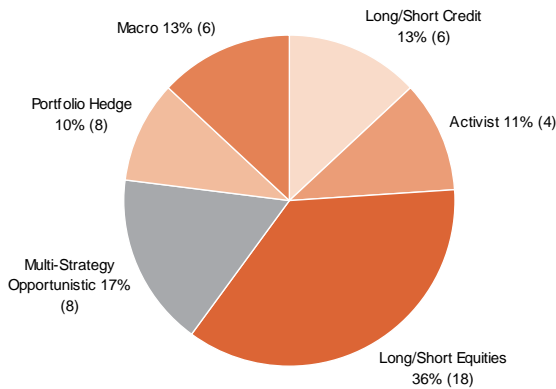
Source: Bloomberg

**SHARE PRICE PERFORMANCE**



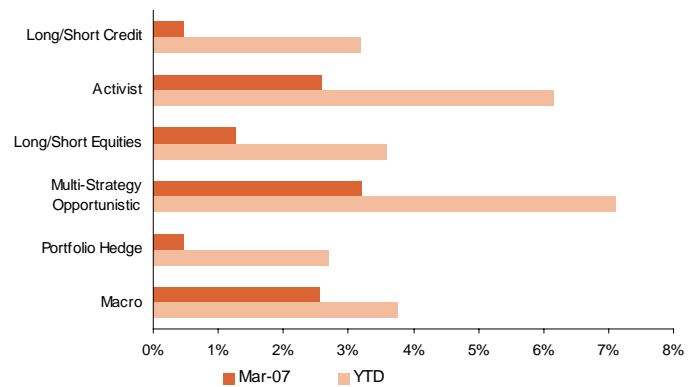
Source: Bloomberg

**PORTFOLIO ALLOCATION**  
AS OF 1 APRIL 2007



Note: Allocations are net of cash effect and include, for portfolio hedge only, the delta-adjusted exposure derived from option hedges, if any. Numbers in brackets indicate number of managers.  
Source: Harris Alternatives

**PERFORMANCE BY STRATEGY**



Note: Strategy returns are in US\$ and net of underlying manager fees only, and not inclusive of Dexion Absolute's fees and expenses.  
Source: Harris Alternatives

**HISTORICAL NAV PERFORMANCE (%)**

£	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2007	1.14	0.85	1.44										3.47
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
€													
2007	1.02	0.73	1.29										3.08
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
US\$													
2007	1.15	0.85	1.45										3.49
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
AUS\$													
2007	1.28	0.88	1.47										3.67
2006	-	-	-	-	-	-	-	-	-	1.46	1.54	1.40	4.46

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