

£	
NAV	158.31p
RETURN	+2.27%
SHARE PRICE*	157.875p
Opening NAV per £ share 98.25p	

€	
NAV	2.2361
RETURN	+2.17%
SHARE PRICE*	2.1850
Opening NAV per € share €1.8325	

US\$	
NAV	2.8173
RETURN	+2.05%
SHARE PRICE*	2.8050
Opening NAV per US\$ share US\$2.2158	

A\$	
NAV	4.0195
RETURN	+2.41%
SHARE PRICE*	3.9400
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

	MAY(%)	YTD (%)	ITD** (%)	VOLATILITY** (%)	SHARPE**^1
DEXION ABSOLUTE £ SHARE NAV	2.27	-1.24	9.21	3.97	1.11
DEXION ABSOLUTE € SHARE NAV	2.17	-1.66	7.06	4.79	0.77
DEXION ABSOLUTE US\$ SHARE NAV	2.05	-2.10	8.58	4.88	0.81
DEXION ABSOLUTE A\$ SHARE NAV	2.41	-0.53	10.46	5.35	0.71
HFRI FUND OF FUNDS INDEX (US\$)	1.92	-1.44	8.27	4.44	1.13
MSCI WORLD INDEX GROSS (TR) (US\$)	1.65	-2.50	15.56	9.87	1.25
JPM GLOBAL GOV'T BOND INDEX (TR) (US\$)	-1.50	4.27	7.41	6.94	0.60

\* Annualised from inception date of DAB £, DAB €, DAB US\$ and DAB A\$, based on monthly data. ^ Risk free rate is average 1M GBP LIBOR since December 2002 (4.78%) for DAB £, average 1M EUR LIBOR since June 2005 (3.39%) for DAB €, average 1M USD LIBOR since June 2005 (4.64%) for DAB US\$, average 1M AUD LIBOR since September 2006 (6.64%) for DAB A\$ and average 1M USD LIBOR since December 2002 (3.26%) for US\$ indices. ^1 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

In May, rising commodity prices drove valuations of energy and natural resources companies higher, yet market participants remained wary of the long-term impact on inflation and global economic growth. In equity markets, the US enjoyed gains overall, although the range of returns varied by sector and market capitalisation. Most developed European markets were flat, except for Germany and France, where equity markets rallied in response to favourable GDP data. Japanese equity markets rose, but most Asian markets fell amid rising inflationary pressures. In fixed income, rising Treasury yields contributed to a decline in investment grade bonds, while high yield securities generally traded modestly higher in line with tightening credit spreads. Crude oil, coal and natural gas prices continued to surge higher, while most industrial metals traded lower. Finally, the US Dollar appreciated against the Yen but was little changed with respect to the Euro and Sterling.

**Long/Short Equities: +2.31%.** Generalist managers gained from a variety of sources including short exposure to large cap financial institutions and investments in the energy, industrial, and technology sectors. Sector specialists also added, particularly our basic industries manager, who generated alpha from thematic investments in coal companies. The geographic specialists ended the month on a positive note, despite divergent returns from Europe and Asia. **Multi-Strategy Opportunistic: +2.70%.** Exposure to natural resource companies and the industries that support them drove performance. A longstanding position in a company focused on the offshore drilling industry generated outsized gains for one manager, due to booming demand for its products and services. Long holdings in a variety of metals and mining companies also added. At the same time, industries negatively affected by rising commodity prices were lucrative sources of alpha on the short side. **Macro: +3.98%.** The top-performing manager generated positive returns from directional exposure to long-dated crude oil futures as they reached record high prices. Other gains came from ample relative value trading opportunities across the commodity sector. Losses resulted from one manager's view that US small cap stocks were overvalued on a relative basis. **Activist: +2.37%.** Company-specific developments and a rich environment for stock-picking contributed to solid performance for our activist managers. Strong returns resulted from long thematic exposure to various sectors including infrastructure, engineering, steel, alternative energy and transportation equipment manufacturing. **Long/Short Credit: +0.37%.** Several managers with positions in an education finance company profited, and elsewhere exposure to a communications equipment manufacturer appreciated following the announcement of new contracts. Performance detractors came from long exposure to a restructuring automotive manufacturer and a rubber goods producer. Two managers profited from debt positions in a real estate finance company. **Portfolio Hedge: +0.97%.** Alpha was generated through core positions and by carefully controlling losses. Short exposures to a specialty beverage maker, a troubled mortgage financing company, a software maker and bonds in the financial sector all added. Losses came from positions in the technology sector.

**Outlook** Inflationary price pressures driven by soaring food and energy prices threaten to undermine global financial markets still recovering from the recent credit crisis. Amid these fresh uncertainties, we remain satisfied with the composition of the portfolio and confident in the expertise of our underlying managers. The portfolio hedge strategy appears well-positioned to help insulate the fund from heightened market volatility, and we note that imbalances in the markets often yield rich opportunities for the rest of our fundamentally-based strategies.

## SHARE CLASS

	INCEPTION DATE	BLOOMBERG	REUTERS	ISIN	SEDOL	TOTAL NET ASSETS
£	19 DEC 2002	DAB LN	DAB.L	GB0032287020	3228702	£1,138.27M
€	28 JUN 2005	DABE LN	DABx.L	GB00B0FXK920	B0FXK92	€236.65M
US\$	28 JUN 2005	DABU LN	DABu.L	GB00B0FXL332	B0FXL33	US\$235.43M
A\$	26 SEP 2006	DABA LN	DABA.L	GB00B1BPPM77	B1BPPM7	A\$104.21M

## KEY FACTS

### MANAGER

DEXION CAPITAL  
(GUERNSEY) LIMITED

### INVESTMENT ADVISER

HARRIS ALTERNATIVES LLC

### INVESTMENT CONSULTANT

DEXION CAPITAL PLC

### TOTAL NET ASSETS

£1,493.78M

### MANAGEMENT FEE

1.50%

### PERFORMANCE FEE

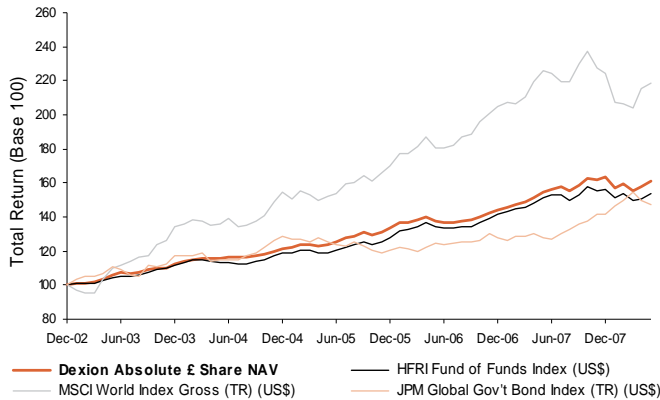
10%  
(TRIGGER 3%)

## CONTACT DETAILS

DEXION ABSOLUTE LIMITED  
1 LE TRUCHOT  
ST PETER PORT  
GUERNSEY

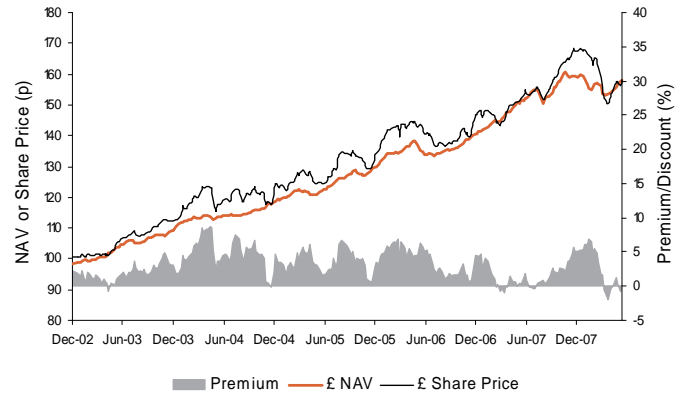
email [clientservices@dexionabsolute.com](mailto:clientservices@dexionabsolute.com)  
web [www.dexionabsolute.com](http://www.dexionabsolute.com)

NET ASSET VALUE PERFORMANCE



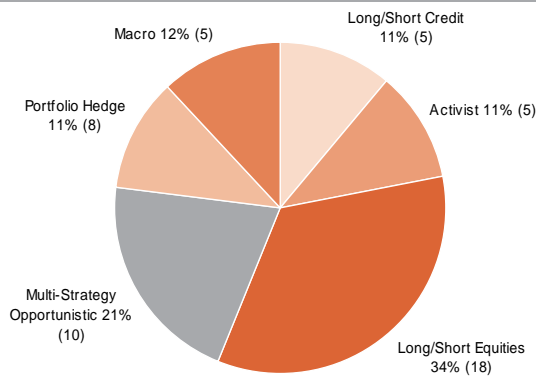
Source: Bloomberg

SHARE PRICE PERFORMANCE



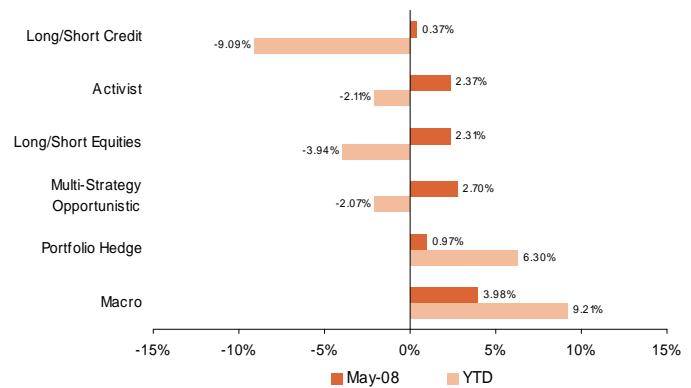
Source: Bloomberg

PORTFOLIO ALLOCATION AS OF 1 JUNE 2008



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
2008	-3.52	1.26	-2.34	1.21	2.27								-1.24
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
€													
2008	-3.62	1.18	-2.35	1.07	2.17								-1.66
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
US\$													
2008	-3.61	1.10	-2.52	0.98	2.05								-2.10
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
AS\$													
2008	-3.38	1.43	-2.23	1.37	2.41								-0.53
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

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