

Overview

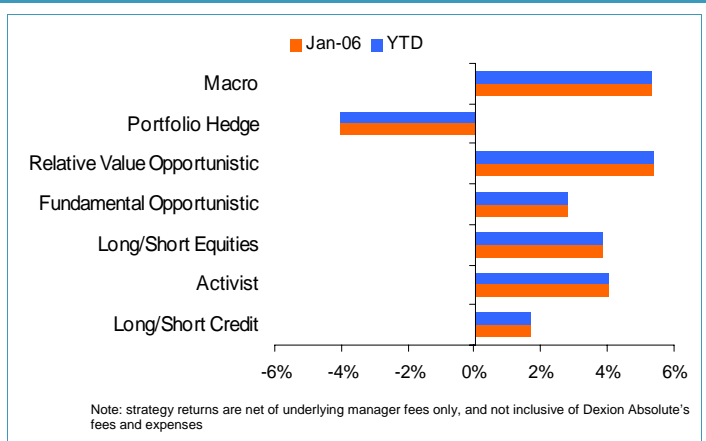
Dexion Absolute Limited is a Guernsey registered, closed-ended investment company listed on the London Stock Exchange. Consistent with Harris Alternatives' Aurora LP, whose investment rationale, methodology and portfolio management are shared by the Company, the Company no longer has a target return 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

Markets had a healthy appetite for risk during January, leading to rallies across most asset classes. In U.S. equities, for example, the Russell 2000 Index, a barometer of small-cap stocks, advanced a staggering +8.98%, significantly outdistancing the +2.65% return of the S&P 500 Index. Foreign equity markets followed up a strong 2005 with impressive gains. January also witnessed the return of greater market volatility, which was conspicuously absent during much of 2005. In commodities, base and precious metals continued their meteoric rise, while crude oil also rose in a month marked by extreme price volatility. Natural gas, on the other hand, was a noticeable exception as spot prices declined precipitously due to mild winter weather across much of the U.S. Elsewhere, fixed-income securities performed well during January, especially high-yield bonds.

Dexion Absolute's **long/short equities** managers started 2006 with a strong return with all but one manager recording a gain. U.S. managers' long positions in the technology sector were significant drivers of returns. A number of managers, for example, held substantial positions in a semiconductor stock, which soared in January on favourable earnings news. The company reported that its fourth-quarter profit more than doubled amid higher sales of its wireless chips used in consumer electronic devices and high-speed Internet networking gear. Other profitable positions in the technology sector included holdings in wireless towers, hardware, and disk drives. Long energy positions, especially oil-services and coal stocks, were also large contributors. Elsewhere, our European specialists continued to extract profits from a number of thematic positions that worked very well at the end of last year with the continued rise in metals prices benefiting their long positions in European metals and mining stocks, while good stock selection resulted in significant gains in the financial services and energy sectors. Capturing substantial profits in a number of asset classes, the Company's **macro** managers delivered the strongest return among our strategies during January. One manager produced outsized gains as a result of solid security selection as well as savvy tactical positioning. The manager's best-performing positions were equity holdings that benefited from their inherent long commodity exposure, specifically steel and oil-services stocks. The strategy's exposure to emerging markets was also a significant contributor to performance with equity holdings in Brazil and Russia being especially rewarding. Credit spreads narrowed in January, and our **long/short credit** managers posted a positive return. Holdings in the securities of energy companies were among the largest contributors to performance. Amid a favourable equity backdrop, our **activist** managers posted a good gains. Corporate action, resulting from their involvement, led to especially robust performance in a number of positions. For example, one manager's holdings in a South Korean tobacco company rallied as a result of the market's positive reaction to a number of shareholder-friendly initiatives, including a share buyback. The Company's **portfolio hedge** managers incurred a loss amid a difficult environment for dedicated short selling. Small-cap stocks, an area of greater activity for our managers, severely outperformed the broader market during January, exacerbating the challenging conditions. Robust levels of corporate activity and other favourable company-specific developments led to profits for our **fundamental opportunistic** managers. These returns were achieved in a diverse set of geographic regions and strategies. Long positions that benefited from merger activity included a port operator in Singapore that is embroiled in takeover proceedings and a Canadian steel producer that is an acquisition target. Other managers also saw their U.S. holdings in physical storage and steel companies rise on reports of merger speculation and hostile takeovers. In January, our **relative value opportunistic** managers continued their positive momentum from the end of 2005. Distressed securities trading was a significant contributor to performance, as was the emergence from bankruptcy of a large U.S. airline. Energy trading, particularly in natural gas and to a lesser extent in electrical power, continued to add significantly to performance. Gains were captured from the volatility in natural gas prices as our managers were well-positioned along the forward curve. Convertible bond arbitrage performed well due to a sharp rise in implied equity volatility and a favourable credit environment.

Outlook - Global markets witnessed a sharp spike in volatility during January following a prolonged period of depressed volatility levels. Given a number of fresh macroeconomic uncertainties, including the introduction of a new Fed chairman, an inverted U.S. yield curve, and heightened geopolitical risk, support may exist for sustained market volatility in the near term. We believe our managers remain well-positioned to capture opportunities from market dislocations that may arise.



£
NAV 134.25p
Return +2.54%
Share price* 142.00p

€
NAV €1.9635
Return +2.26%
Share price* €2.0750

\$
NAV \$2.4015
Return +2.58%
Share price* \$2.5150

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
£533.9m

Management Fee
1.50%

Performance Fee
10%
(trigger 3%)

Contact details

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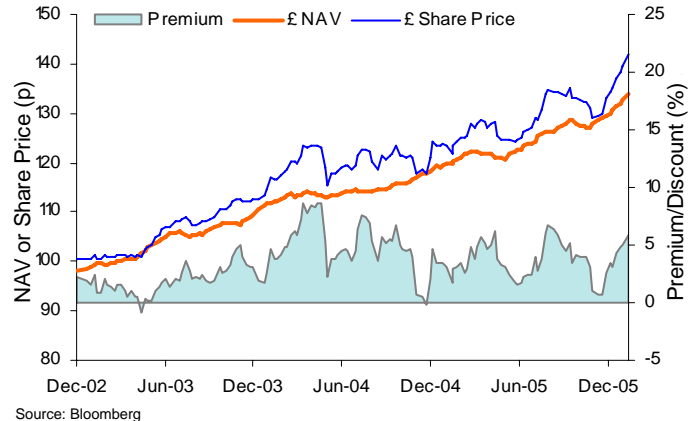
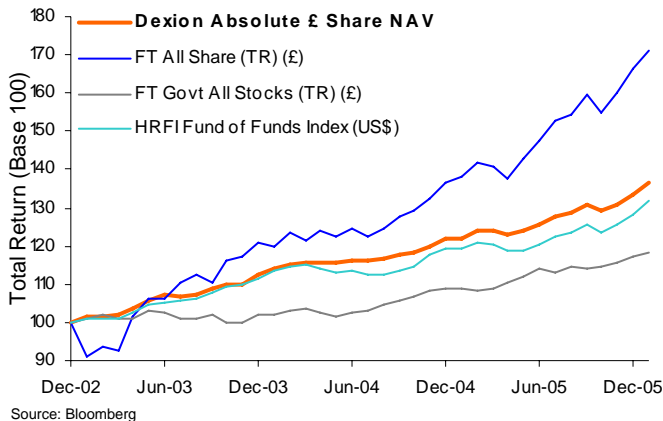
Performance data

	January (%)	YTD ¹ (%)	ITD* (%)	Volatility* (%)	Sharpe** [^]
Dexion Absolute £ Share NAV	2.54	2.54	10.66	3.06	2.07
FT All Share (TR) (£)	2.91	2.91	19.07	10.36	1.42
FT Govt All Stocks (TR) (£)	0.70	0.70	5.60	3.47	0.37
Dexion Absolute €Share NAV	2.26	2.26	12.57	4.28	2.42
MSCI Eurozone (TR) (€)	3.87	3.87	32.07	10.86	2.75
JPMorgan Eurozone Govt Bond Index (€)	-0.60	-0.60	-0.81	2.72	-1.11
Dexion Absolute US\$ Share NAV	2.58	2.58	14.79	4.34	2.50
MSCI World (TR) (US\$)	4.48	4.48	27.87	7.95	3.01
JPMorgan World Govt Bond Index (US\$)	1.28	1.28	-3.15	5.49	-1.29
HFRI Fund of Funds Index (US\$)	2.89	2.89	9.42	3.58	2.05

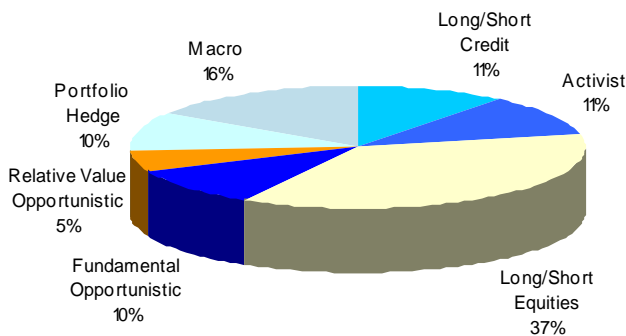
¹ Cumulative performance from inception for € and \$ Shares. * Annualised from inception date of DAB £, DAB € and DAB \$, based on monthly data. ^ Risk free rate is average 1M GBP LIBOR since December 2002 (4.32%) for GBP investments, average 1M EUR LIBOR since July 2005 (2.21%) for EUR investments, average 1M USD LIBOR since July 2005 (3.95%) for Dexion Absolute US\$ class and average 1M USD LIBOR since December 2002 (2.09%) for USD indices. Source: Bloomberg (data), Dexion Capital (calculation)

Net Asset Value performance

Share price performance



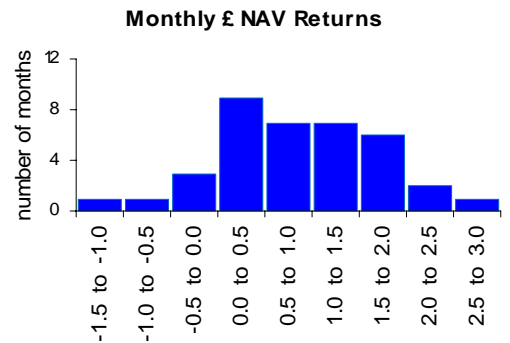
Portfolio as of 1 February 2006



	Number of funds
Long/Short Credit	6
Activist	5
Long/Short Equities	19
Fundamental Opportunistic	5
Relative Value Opportunistic	3
Portfolio Hedge	9
Macro	7
Total	54

Historical NAV performance (%)

GBP	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2006	2.54												2.54
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													Year
2006	2.26												2.26
2005	-	-	-	-	-	-	1.28	0.67	1.64	-1.58	1.16	1.54	4.78
USD													Year
2006	2.58												2.58
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	£406.65m
EUR	28 Jun 2005	DABE LN	DABx.L	GB00B0FXK920	B0FXK92	€106.08m
USD	28 Jun 2005	DABU LN	DABu.L	GB00B0FXL332	B0FXL33	\$97.61m

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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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