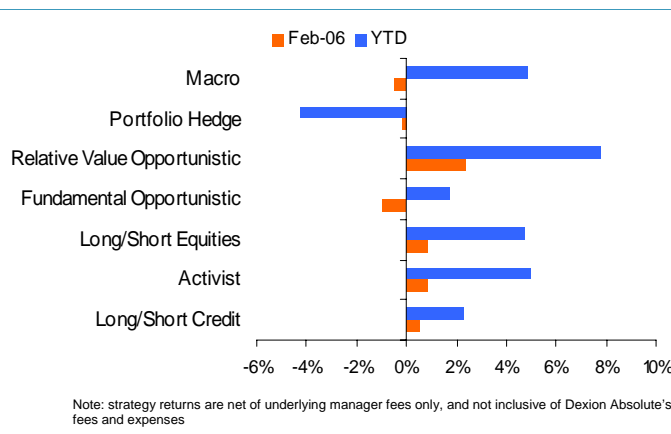


Overview

**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

Following a good start to 2006, financial markets were more subdued in February, resulting from concerns over rising interest rates, a weakening housing sector, softening consumer confidence and a lower corporate growth outlook. In U.S. equities, returns were mixed with large-cap indices recording slight gains while smaller-cap stocks incurred moderate losses. European bourses traded higher whereas Asian equities were hurt by concerns surrounding rising interest rates in Japan. In the credit markets, corporate debt spreads were resilient despite ongoing weakness in the U.S. auto sector. Elsewhere, commodity prices reversed sharply following robust gains in January, with oil and gas showing notable losses. Finally, the U.S. dollar gained against the Euro but lost ground to the Yen following speculation of an imminent hike in Japanese interest rates. **Long/short equities** performed well during February. Europe was among the top-performing equity markets and as a result our specialists in the region were the largest contributors to performance. In addition,



our globally-focused managers with exposure to European stocks generally outperformed our U.S.-focused generalists. From a sector perspective, healthcare was a significant contributor to returns as one of our specialists in the area delivered one of the highest returns among our long/short equities managers. Mitigating these gains were losses incurred by our U.S.-focused managers who maintained net long exposure to the energy and homebuilding sectors. Mixed performance from our **macro** strategy across several asset classes led to a negative return during the month. Fixed-income trading was a major contributor to performance as our managers profited from further inversion of the U.S. yield curve. Elsewhere, strong stock selection led to gains in emerging market equities for one of our managers despite negative returns for most indices in the region. Large losses stemmed from one manager's short U.S. dollar position and its long positions in energy equities. Another manager incurred significant losses from long positions in Asian equities, particularly in Japan. The Company's **long/short credit** managers posted mixed returns in a relatively uneventful month. Positions in the debt securities of a bankrupt U.S. power producer rallied following favourable firm-specific developments. Holdings in the securities of wireless telecommunications, cable and semiconductor companies also contributed to performance. Detracting from returns were positions in the debt of a U.S. automaker and its financing subsidiary, which declined following a downgrade of the parent company during the month. In a relatively quiet month, the Company's **activists** recorded a modest gain. However, there were a number of stock-specific developments, including events related to our managers' activism. For example, a consumer-goods company's stock price experienced gains following news that one of our managers might be mounting a campaign to challenge the management team in a proxy battle. The Company's **portfolio hedge** managers posted a slightly negative performance following an up-and-down month for a number of our short sellers. The best-performing manager captured returns from energy-related short positions as well as heavy exposure to small-cap stocks. These gains were offset by other managers who incurred stock-specific losses in the consumer-discretionary, technology and healthcare sectors. A dearth of corporate activity and a decline in energy and commodity prices resulted in a negative return from the **fundamental opportunistic** managers. Holdings in two Canadian-based, international oil and gas producers were among the largest detractors from performance. Mitigating these losses were long positions in select energy trading and natural resources companies. Allocations to financial services stocks also continued to deliver attractive returns during the period. The Company's **relative value opportunistic** managers continued their recent run of strong performance. Global convertible bond arbitrage and other equity derivative strategies delivered solid gains during the month, driven by new issuance, rising equity volatility and good security selection. Directional credit strategies performed well as a result of continued strength in our managers' structured credit and CDO positions. Energy trading managers captured profits from extreme price volatility in the underlying commodities. Various spread trades in natural gas generated large gains for one manager, while crude- and refined-oil positions were also contributors to performance. Finally, long/short equity trading was profitable across a number of sectors and geographic regions.

**Outlook** - The geographic diversity of the Company's portfolio should continue to benefit performance as we continue to see significant opportunities, particularly in non-U.S. markets. In Europe, for example, equity returns have been strong, while M&A and other corporate activities remain robust. In other parts of the world, an increase in Japanese equity volatility and the continued rise of the emerging markets present opportunities for a number of our managers' strategies.

Performance data

	February (%)	YTD <sup>1</sup> (%)	ITD* (%)	Volatility* (%)	Sharpe** <sup>^</sup>
<b>Dexion Absolute £ Share NAV</b>	<b>0.28</b>	<b>2.83</b>	<b>10.46</b>	<b>3.04</b>	<b>2.02</b>
FT All Share (TR) (£)	1.20	4.15	18.97	10.22	1.43
FT Govt All Stocks (TR) (£)	0.13	0.83	5.49	3.42	0.34
<b>Dexion Absolute € Share NAV</b>	<b>0.15</b>	<b>2.42</b>	<b>11.17</b>	<b>4.10</b>	<b>2.18</b>
MSCI Eurozone (TR) (€)	2.60	6.56	32.55	10.06	3.01
JPMorgan Eurozone Govt Bond Index (€)	0.16	-0.45	-0.48	2.54	-1.07
<b>Dexion Absolute US\$ Share NAV</b>	<b>0.25</b>	<b>2.83</b>	<b>13.25</b>	<b>4.17</b>	<b>2.21</b>
MSCI World (TR) (US\$)	-0.11	4.37	23.80	7.84	2.52
JPMorgan World Govt Bond Index (US\$)	-0.46	0.81	-3.43	5.09	-1.47
HFRI Fund of Funds Index (US\$)	0.41	3.34	9.30	3.54	2.02

<sup>1</sup> 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 (4.33%) for GBP investments, average 1M EUR LIBOR since July 2005 (2.24%) for EUR investments, average 1M USD LIBOR since July 2005 (4.03%) for Dexion Absolute US\$ class and average 1M USD LIBOR since December 2002 (2.15%) for USD indices. Source: Bloomberg (data), Dexion Capital (calculation)

£  
NAV 134.62p  
Return +0.28%  
Share price\* 142.88p

€  
NAV €1.9665  
Return +0.15%  
Share price\* €2.1013

\$  
NAV \$2.4075  
Return +0.25%  
Share price\* \$2.5250

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  
£535.8m

Management Fee  
1.50%

Performance Fee  
10%  
(trigger 3%)

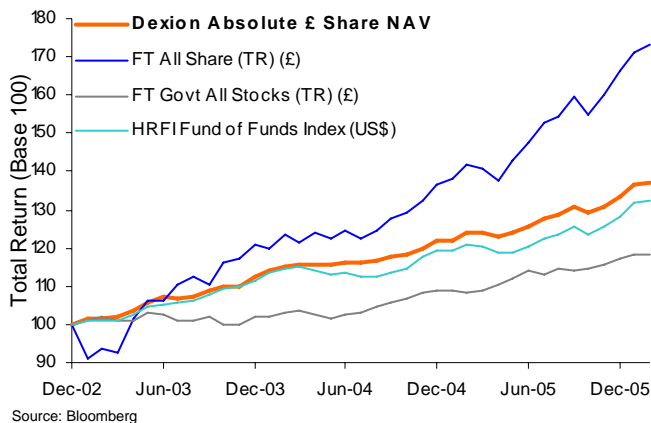
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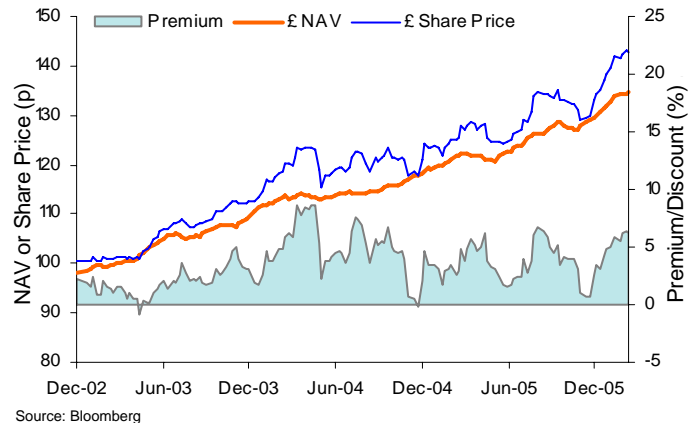
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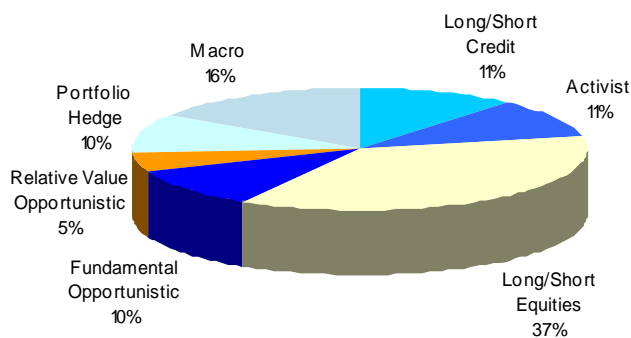
**Net Asset Value performance**



**Share price performance**



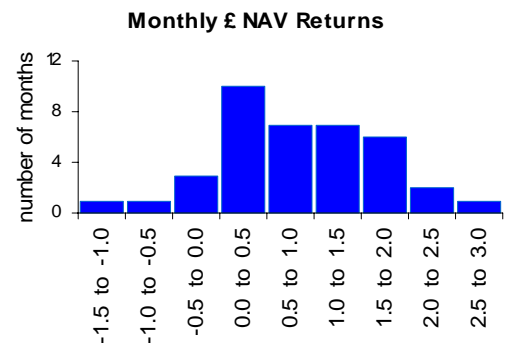
**Portfolio as of 1 March 2006**



	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
<b>Total</b>	<b>54</b>

**Historical NAV performance (%)**

GBP	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2006	2.54	0.28											<b>2.83</b>
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	<b>9.46</b>
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	<b>8.13</b>
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	<b>12.59</b>
EUR													Year
2006	2.26	0.15											<b>2.42</b>
2005	-	-	-	-	-	-	1.28	0.67	1.64	-1.58	1.16	1.54	<b>4.78</b>
USD													Year
2006	2.58	0.25											<b>2.83</b>
2005	-	-	-	-	-	-	1.37	0.82	1.74	-1.41	1.32	1.72	<b>5.66</b>



Share Class	Inception date	Bloomberg	Reuters	ISIN	Sedol	Total net assets
GBP	19 Dec 2002	DAB LN	DAB.L	GB0032287020	3228702	£407.75m
EUR	28 Jun 2005	DABE LN	DABx.L	GB00B0FXK920	B0FXK92	€106.24m
USD	28 Jun 2005	DABU LN	DABu.L	GB00B0FXL332	B0FXL33	\$97.86m

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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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