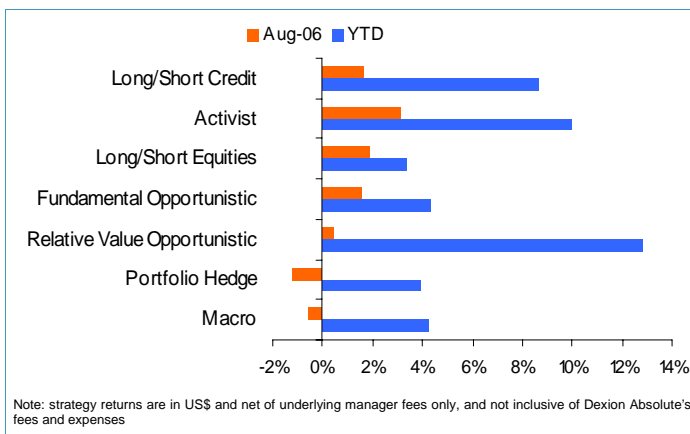


Overview

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

The Federal Reserve's decision not to raise interest rates in August created a favourable backdrop and the major U.S. equity indices all posted healthy gains. While the rally in U.S. equities was led by technology, most sectors ended the month in positive territory including healthcare, consumer-related stocks, and materials. On the other hand, weaker commodity prices contributed to declines in the energy sector. Outside of the U.S., most global equity markets also performed well. In the credit markets, the Fed's decision resulted in a rally in U.S. Treasuries and also caused a modest widening of credit spreads for both speculative and investment grade debt. Elsewhere, the commodity market witnessed sharp declines in crude oil and natural gas prices while metals prices were mixed. Lastly, the U.S. dollar appreciated versus the yen but declined against both the Pound Sterling and the Euro.



Each of the Company's **long/short equities** strategy groups was profitable during the month. Thematic positions within the U.S. technology industry bore fruit for managers, including holdings in the semiconductor, computer networking, and hardware manufacturing industries. Additionally, investments in the financial services, healthcare, and gaming and leisure industries added to returns. European specialists also profited from such diverse holdings as a German financial institution, a Norwegian oil service company, and a Swedish lock provider, while our international markets specialist extracted profits from a Brazilian home builder and Indian banks. Improved market sentiment proved to be beneficial for our **fundamental opportunistic** managers. Fundamental equities and event driven strategies produced the best results while derivatives positions performed poorly due to the defensive posture of several managers, particularly with regard to U.S. equity markets. Holdings in satellite television providers enhanced the returns of several managers. The **macro** strategy suffered a loss in August. Global fixed income investments proved to be treacherous after market participants interpreted the recent decision by the Federal Reserve as signalling a slowdown in the U.S. market. Meanwhile, declines in commodity prices exerted downward pressure on energy-related equities during the month causing losses for a some managers. Our **activist** managers posted solid returns for the month due to a spate of positive news reports and improved corporate circumstances. A European-focused manager benefited after a truck manufacturer in which it held a large stake rallied amid takeover speculation. Another manager profited when the shares of a holding company, whose business units provide various industrial products and services, also rallied following a jump in profits of more than 50%. Our **long/short credit** managers ended the month with a solid gain due in part to the upbeat sentiment that permeated both credit and equity markets. Strong price moves in equity markets lifted portfolio valuations for one manager whose opportunistic positions in the technology sector netted large profits. Elsewhere, subdued economic concerns contributed to an improved market view of the automotive industry, which benefited several managers. Facing the headwind of a rising equity market, our **portfolio hedge** managers lost ground in August. Although most sectors were challenging amid the broad-based advance of stocks during the month, our managers' short positions in technology companies were among the largest detractors from performance. Our **relative value opportunistic** strategy delivered a positive return despite the summer slowdown and a reduction in liquidity with global hedged equity and convertible arbitrage strategies showing positive results. Elsewhere, paired equity trades benefited from significant price moves in the biotech industry. Profits in these strategies were mitigated by setbacks in one manager's event driven portfolio, specifically in Asia.

Outlook - While a significant decline in energy prices has eased inflation fears for some, concerns still persist regarding the health of the global economy. The outlook for our managers remains materially unchanged and we believe that they will be able to take advantage of profitable situations as they arise.

Performance data

	August (%)	YTD (%)	ITD* (%)	Volatility* (%)	Sharpe**^
Dexion Absolute £ Share NAV	0.83	3.38	9.13	3.23	1.47
FT All Share (TR) (£)	0.71	8.27	18.23	9.52	1.46
FT Govt All Stocks (TR) (£)	1.00	0.50	4.88	3.60	0.14
Dexion Absolute €Share NAV	0.55	2.13	5.98	4.16	0.84
MSCI Eurozone (TR) (€)	3.53	10.64	22.93	10.50	1.95
JPMorgan Eurozone Govt Bond Index (€)	1.22	-0.42	-0.36	2.96	-0.96
Dexion Absolute US\$ Share NAV	0.92	3.83	8.27	4.19	0.90
MSCI World (TR) (US\$)	2.65	9.89	18.25	7.92	1.74
JPMorgan World Govt Bond Index (US\$)	1.00	4.45	0.41	5.25	-0.78
HFRI Fund of Funds Index (US\$)	0.80	4.77	8.38	3.74	1.56

* Annualised from inception date of DAB £, DAB € and DAB \$, based on monthly data. ^ Risk free rate is average 1M GBP LIBOR since December 2002 (4.38%) for GBP investments, average 1M EUR LIBOR since July 2005 (2.48%) for EUR investments, average 1M USD LIBOR since July 2005 (4.49%) for Dexion Absolute US\$ class and average 1M USD LIBOR since December 2002 (2.56%) for USD indices. Source: Bloomberg (data), Dexion Capital (calculation)

£
NAV 135.35p
Return +0.83%
Share price* 136.50p

€
NAV €1.9610
Return +0.55%
Share price* €1.9975

\$
NAV \$2.4309
Return +0.92%
Share price* \$2.4788

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
£533.2m

Management Fee
1.50%

Performance Fee
10%
(trigger 3%)

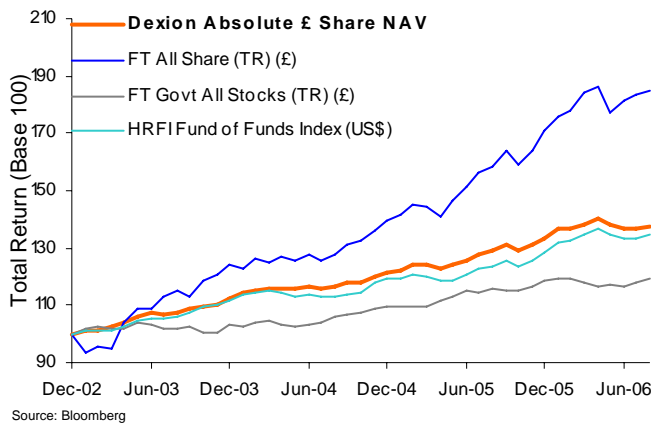
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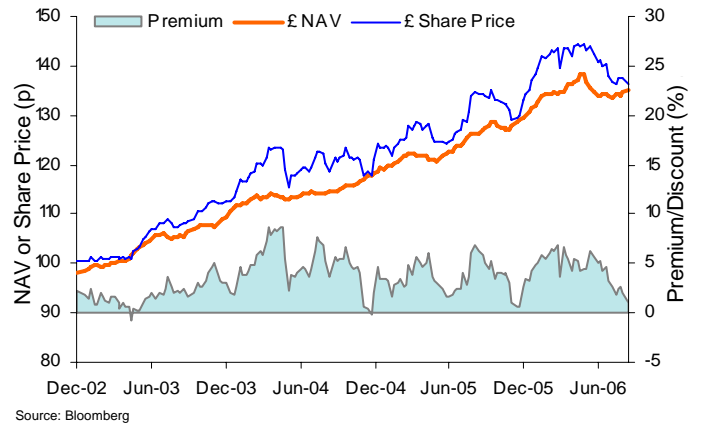
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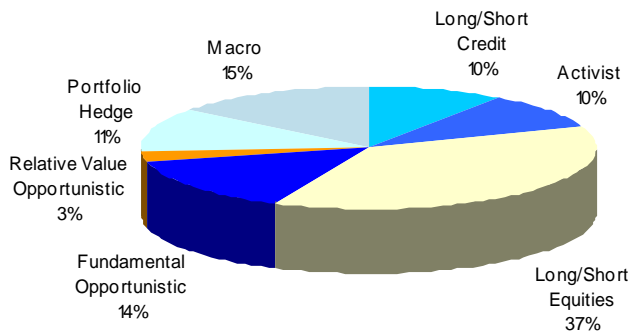
Net Asset Value performance



Share price performance



Portfolio as of 1 September 2006

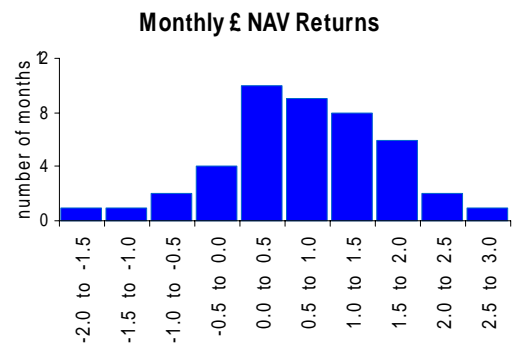


	Number of funds
Long/Short Credit	5
Activist	5
Long/Short Equities	19
Fundamental Opportunistic	7
Relative Value Opportunistic	2
Portfolio Hedge	9
Macro	7
Total	54

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	-0.08	0.83					3.38
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	0.15	0.52	1.31	-1.68	-0.91	-0.04	0.55					2.13
2005	-	-	-	-	-	-	1.28	0.67	1.64	-1.58	1.16	1.54	4.78
USD													Year
2006	2.58	0.25	0.71	1.54	-1.45	-0.71	-0.01	0.92					3.83
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	£412.13m
EUR	28 Jun 2005	DABE LN	DABx.L	GB00B0FXK920	B0FXK92	€105.97m
USD	28 Jun 2005	DABU LN	DABu.L	GB00B0FXL332	B0FXL33	\$94.76m

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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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