

Overview

Dexion Alpha Strategies Limited is a Guernsey registered, closed-ended investment company listed on the London Stock Exchange. The investment objective is to maximise medium-term returns in a manner commensurate with acceptable risk management. The Company seeks to achieve its investment objective through investment in an actively managed portfolio of underlying funds diversified across a range of alternative investment strategies which target emerging and/or under-exploited sources of alpha.

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

There were significant moves in the majority of asset classes during April. The US dollar weakened severely against all major currencies over the month as a number of factors weighed heavily on the greenback. Mounting expectations of an end to rate increases by the Fed in May had already placed the US dollar under pressure. Activity in parts of the commodity market was frenetic as metals shot up rapidly. Production concerns and low stockpiles pushed copper to record price levels as it gained over 34%. Increases in zinc and nickel of over 20% followed strong continuing demand. Energies also rose strongly, if less spectacularly, as oil added 8%. There were decisive moves in fixed income markets, as rising trends in the interest rate spectrum extended further. Apart from emerging markets, equities were fairly quiet in April. The MSCI Asia Pacific Index rose by 4.6% and reached a new 16 year high during the month.

The various sectors in the portfolio performed as follows:-

Asia - The largest index gains came in Asia where Indonesian stocks added in excess of 11% and Taiwanese stocks rose over 8%. While Asian managers took advantage of these moves, it was far from a smooth ride for most Japanese managers who suffered as equity indices ended down in April. Managers were affected as the Nikkei fluctuated heavily during the month and had a peak-to-trough move of almost 4%.

Healthcare - Our Healthcare managers felt some pain as the sector came under pressure in April. In particular, the biotech sector suffered as a result of investors' worries that there is a major overhang of new pipeline drugs, as well as weak acquisition activity by larger pharmaceuticals.

Special Situations - The main reason behind this month's good performance was the continued high level of M&A activity which aided most special situations managers. This month's activities included more developments amongst the exchanges, e.g. Euronext, NASDAQ and the LSE, with the market generally expecting a reaction from the NYSE, and ongoing discussions between Mittal and Arcelor.

Commodities - Given some of the huge moves in metals, it is perhaps unsurprising that there were some extremely strong performances within this segment. The majority of metals recorded double digit gains in April and gold hit a 25 year high.

Energy - Managers were tested by a major collapse in European carbon prices which led to huge losses in the power markets. The sharp fall in emission prices, as well as a drop of 25% in Scandinavian power prices, had a negative impact on our energy portfolio.

Emerging Markets Macro - Emerging market managers contributed in April as stock markets in both Asia and Latin America rallied strongly. Chinese stocks rose 11% while Brazil's Bovespa index gained over 6%. Asian currencies appreciated against the dollar to provide further opportunities.

European Loans - The European loan portfolio performed well, despite heavy new issuance, as spreads continue to grind tighter. Default rates continue to be low and most company fundamentals are generally strong.

Outlook - Large financial imbalances, such as the US trade and budget deficits, have started to impact world markets, with the US dollar declining despite higher US interest rates. This, combined with higher energy and commodity prices, has raised fears about the risk of inflation. As a result, the near-term impact on the portfolio is likely to be negative as stops are hit and positions covered, particularly in emerging markets and Asia. However, looking beyond the initial reversal, the pick up in volatility means increased opportunities. Our managers in commodities and energy will benefit from this increase in volatility, just as our managers in Special Situations will benefit from continued strong corporate activity.

Performance data

	April (%)	YTD (%)	ITD*^ (%)	Volatility*^ (%)	Sharpe*^
Dexion Alpha Strategies £ Share NAV	1.47	1.47	-	-	-
FT All Share (TR) (£)	0.00	0.00	-	-	-
FT Govt All Stocks (TR) (£)	-1.85	-1.85	-	-	-
Dexion Alpha Strategies € Share NAV	1.32	1.32	-	-	-
MSCI Eurozone (TR) (€)	-0.10	-0.10	-	-	-
JPMorgan Eurozone Govt Bond Index (€)	-1.54	-1.54	-	-	-
Dexion Alpha Strategies US\$ Share NAV	1.55	1.55	-	-	-
MSCI World (TR) (US\$)	3.16	3.16	-	-	-
JPMorgan World Govt Bond Index (US\$)	1.78	1.78	-	-	-
HFRI Fund of Funds Index (US\$)	1.76	1.76	-	-	-

* Annualised from inception date and based on monthly data. ^ Insufficient Data Points.

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

£

NAV 99.69p

Return +1.47%

Share price* 103.88p

€

NAV €1.4396

Return +1.32%

Share price* €1.5100

\$

NAV \$1.7479

Return +1.55%

Share price* \$1.8250

Note:
* Closing mid-price at month end.
Opening NAV per £ share 98.25p,
€ Share €1.4208 and \$ Share \$1.7212.

Key facts

Manager

Dexion Capital
(Guernsey) Limited

Investment
Adviser

RMF Investment
Management

Investment
Consultant

Dexion Capital plc

Total net assets
£129.2m

Management Fee
1.50%

Performance Fee
10%

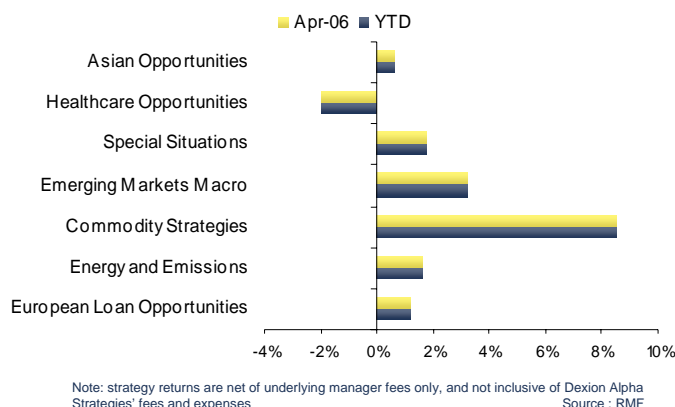
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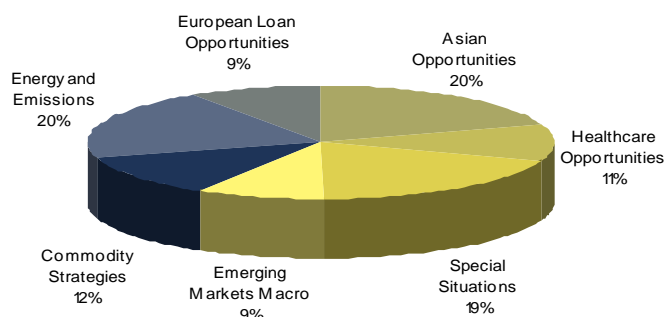
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Performance by Strategy



Portfolio as of 1 May 2006



Strategy	Number of funds
Asian Opportunities	7
Healthcare Opportunities	10
Special Situations	9
Emerging Markets Macro	7
Commodity Strategies	16
Energy and Emissions	11
European Loan Opportunities	1
Total	61

Note: Allocations are net of cash effect and are calculated on a look-through basis, where relevant, as of the end of the previous month.
Source : RMF

Historical NAV performance (%)

GBP	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2006	-	-	-	1.47									1.47
EUR													
2006	-	-	-	1.32									1.32
USD													
2006	-	-	-	1.55									1.55

Share Class	Inception date	Bloomberg	Reuters	ISIN	Sedol	Total net assets
GBP	24 Mar 2006	DASL LN	DASL.L	GB00B0ZQ8Q41	B0ZQ8Q4	£87.48m
EUR	24 Mar 2006	DASE LN	DASLx.L	GB00B0ZQ9943	B0ZQ994	€46.43m
USD	24 Mar 2006	DASU LN	DASLu.L	GB00B0ZQBH64	B0ZQBH6	\$17.48m

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Your attention is drawn to the Risk Factors set out in the Dexion Alpha Strategies prospectus dated 10 March 2006 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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