

£	
NAV	106.34p
RETURN	+1.79%
SHARE PRICE*	100.50p
Opening NAV per £ share 98.25p	

€	
NAV	1.5110
RETURN	+1.68%
SHARE PRICE*	1.4075
Opening NAV per € share €1.4208	

US\$	
NAV	1.8751
RETURN	+1.75%
SHARE PRICE*	1.7450
Opening NAV per US\$ share US\$1.7212	

Note: \*Closing mid-price at month end.

## 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.

## PERFORMANCE DATA

	MAY(%)	YTD (%)	ITD* (%)	VOLATILITY* (%)	SHARPE**
DEXION ALPHA STRATEGIES £ SHARE NAV	1.79	5.97	7.02	4.95	0.40
DEXION ALPHA STRATEGIES € SHARE NAV	1.68	5.40	5.42	5.04	0.42
DEXION ALPHA STRATEGIES US\$ SHARE NAV	1.75	6.02	7.62	4.90	0.48
HFRI FUND OF FUNDS INDEX (US\$)	2.14	7.16	10.77	4.03	1.36
MSCI WORLD INDEX GROSS (TR) (US\$)	2.90	10.30	21.32	6.97	2.30
JPM GLOBAL GOV'T BOND INDEX (TR) (US\$)	-2.03	0.10	5.42	5.34	0.03

\* Annualised from inception date and based on monthly data. \*\* Risk free rate is average 1M GBP LIBOR since March 2006 (5.06%) for DASL £, average 1M EUR LIBOR since March 2006 (3.32%) for DASL € and average 1M USD LIBOR since March 2006 (5.27%) for DASL US\$ and US\$ indices.

## MONTHLY COMMENTARY

Global equity markets had another strong month in May, reflecting robust economic fundamentals and strong risk appetite. By the end of the month, several indices, including the S&P 500, had reached all time highs. These gains were achieved in the face of ongoing concerns over inflation levels in major world economies and growing uncertainty over the direction of interest rates. Emerging markets indices demonstrated a rich vein of form, mainly driven by Asia and Latin America. Over the month, emerging market bond spreads tightened, currencies surged and stock markets soared. In commodities, most base metals fell despite starting the month positively. Energy markets were also weaker during May while, by contrast, softs rebounded having fallen steadily since the start of the year. A surfeit of supply fears boosted coffee, corn and wheat prices.

**Asian Opportunities** - Asian managers once again posted strong gains as Asian markets continued to march higher. The Korean market surged by over 10% and managers with a long bias to this market achieved significant gains. Further positive contribution was achieved from long positions in China and Hong Kong, which also witnessed exceptionally strong rallies. Performance from Japanese focused managers was mixed, depending on market capitalization and sector. **Healthcare Opportunities** - A lack of news flow in the sector meant that although healthcare equities posted positive performance in May, the sector largely underperformed the general markets. Our managers performed largely in line with this. A core manager that takes long-term concentrated holdings in drug-related companies outperformed, while our exposure to emerging market healthcare stocks proved damaging as losses were recorded in the Indian market. **Special Situations** - Once again special situations managers saw plentiful opportunities with M&A activity continuing at record levels and global equity markets moving higher. Positive performance was posted by all managers within the strategy. An American based manager achieved a return of almost 10% with positions in two mining resource companies performing strongly. Basic material, energy, industrial and technology positions in Asia were also profitable. **Energy & Emissions** - Energy equities outperformed physicals over the month, and so managers with equity exposure dominated performance. A Canadian manager with exposure to small-cap Canadian energy and power stocks delivered the strongest performance, while a power and emissions manager with a tactical long bias to emissions sustained a small loss as emissions prices declined. **Commodity Strategies** - May was a mixed month for commodities as softs and grains rallied and base metals sustained losses. The continuing rally in global stocks once again led to good performance for the portfolio's equity-biased managers. A multi-strategy manager delivered the most impressive performance with strong gains coming from positions in softs, equities and grains, while disappointing returns came from a base metal trader with a bullish fundamental outlook. **Emerging Markets** - Benefiting from a benign trading environment, emerging market traders enjoyed an excellent month, with four of the eight managers posting returns in excess of 5%. As with other styles, equity positions were central to performance in May. Exposure to Middle East equity markets provided pleasing profits as share values surged. Further profits were achieved from local rate positions in Brazil, Turkey and Mexico. **European Loans** - The style posted another positive month in May. Returns were underpinned by the high quality investments and by supportive secondary prices, fuelled by strong demand for paper.

**Outlook** The portfolio continues to benefit from the upward march of equity markets and continued corporate activity. The outlook for special situations managers continues to be positive with yet more record deal flow announced, and record amounts of private equity money waiting on the sidelines to be invested. However, there are increasing signs of cracks appearing in the benign credit environment and further uncertainty surrounding the future path of interest rates in the context of large trade imbalances. We remain vigilant as to how our selected managers are positioning themselves against this backdrop.

## SHARE CLASS

	INCEPTION DATE	BLOOMBERG	REUTERS	ISIN	SEDOL	TOTAL NET ASSETS
£	24 MAR 2006	DASL LN	DASL.L	GB00B0ZQ8Q41	B0ZQ8Q4	£95.86m
€	24 MAR 2006	DASE LN	DASLx.L	GB00B0ZQ9943	B0ZQ994	€48.86m
US\$	24 MAR 2006	DASU LN	DASLu.L	GB00B0ZQBH64	B0ZQBH6	US\$13.60m

## KEY FACTS

### MANAGER

DEXION CAPITAL  
(GUERNSEY) LIMITED

### INVESTMENT ADVISER

RMF INVESTMENT MANAGEMENT

### INVESTMENT CONSULTANT

DEXION CAPITAL PLC

### TOTAL NET ASSETS

£135.93M

### MANAGEMENT FEE

1.50%

### PERFORMANCE FEE

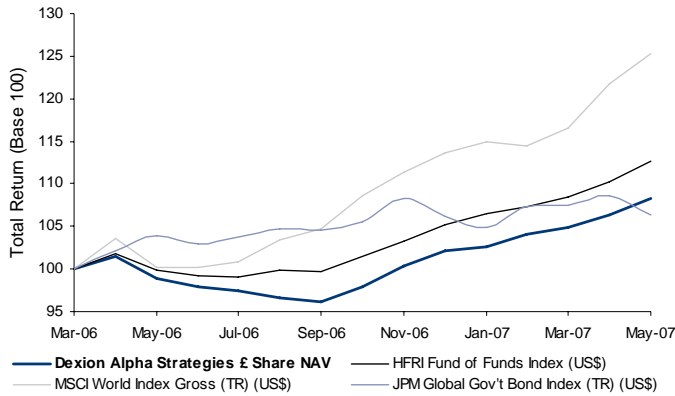
10%

## CONTACT DETAILS

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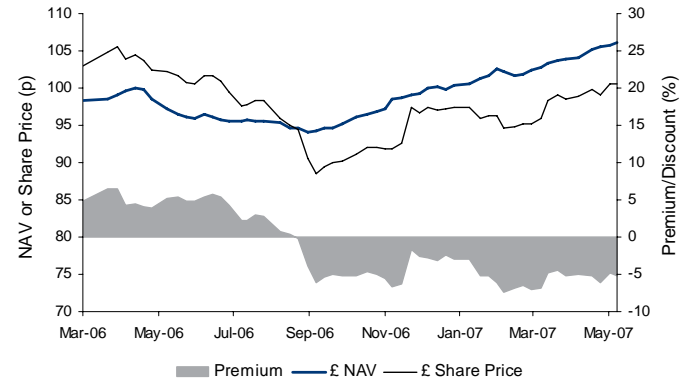
email [clientservices@dexionalpha.com](mailto:clientservices@dexionalpha.com)  
web [www.dexionalpha.com](http://www.dexionalpha.com)

NET ASSET VALUE PERFORMANCE



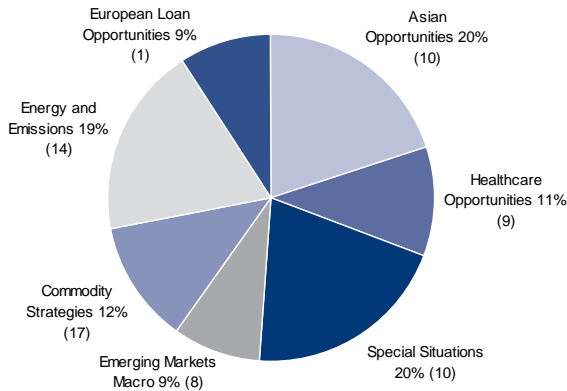
Source: Bloomberg

SHARE PRICE PERFORMANCE



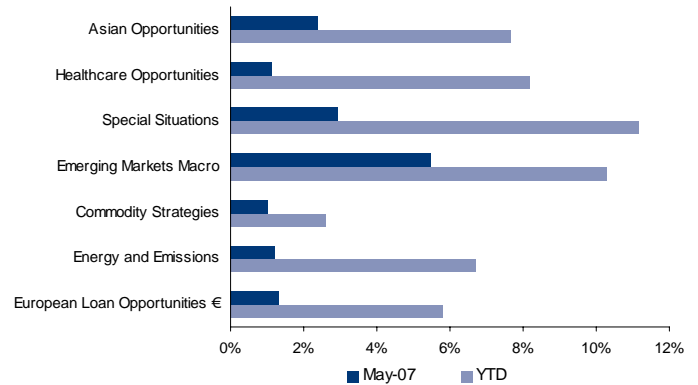
Source: Bloomberg

PORTFOLIO ALLOCATION AS OF 1 JUNE 2007



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. Numbers in brackets indicate number of managers.  
Source: RMF Investment Management

PERFORMANCE BY STRATEGY



Note: Strategy returns are in US\$ (except where annotated) and net of underlying manager fees only, and not inclusive of Dexion Alpha Strategies' fees and expenses.  
Source: RMF Investment Management

HISTORICAL NAV PERFORMANCE (%)

£	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2007	0.50	1.42	0.70	1.43	1.79								5.97
2006	-	-	-	1.47	-2.53	-0.95	-0.57	-0.89	-0.35	1.74	2.48	1.84	2.14

€	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2007	0.42	1.29	0.56	1.34	1.68								5.40
2006	-	-	-	1.32	-2.72	-1.09	-0.71	-1.05	-0.52	1.62	2.33	1.82	0.90

US\$	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2007	0.53	1.42	0.71	1.48	1.75								6.02
2006	-	-	-	1.55	-2.44	-0.86	-0.49	-0.81	-0.32	1.79	2.59	1.83	2.75

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