

£	
NAV	108.82p
RETURN	+1.35%
SHARE PRICE*	104.75p
Opening NAV per £ share 98.25p	

€	
NAV	1.5543
RETURN	+1.65%
SHARE PRICE*	1.4650
Opening NAV per € share €1.4208	

US\$	
NAV	1.9200
RETURN	+1.42%
SHARE PRICE*	1.8275
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

	JULY(%)	YTD (%)	ITD* (%)	VOLATILITY* (%)	SHARPE**
DEXION ALPHA STRATEGIES £ SHARE NAV	1.35	8.44	7.96	4.66	0.60
DEXION ALPHA STRATEGIES € SHARE NAV	1.65	8.42	6.97	4.84	0.73
DEXION ALPHA STRATEGIES US\$ SHARE NAV	1.42	8.56	8.54	4.62	0.71
HFRI FUND OF FUNDS INDEX (US\$)	0.43	8.33	10.26	3.77	1.32
MSCI WORLD INDEX GROSS (TR) (US\$)	-2.19	7.08	15.82	7.52	1.40
JPM GLOBAL GOV'T BOND INDEX (TR) (US\$)	3.02	2.46	6.57	5.56	0.23

\* Annualised from inception date and based on monthly data. \*\* Risk free rate is average 1M GBP LIBOR since March 2006 (5.16%) for DASL £, average 1M EUR LIBOR since March 2006 (3.42%) for DASL € and average 1M USD LIBOR since March 2006 (5.28%) for DASL US\$ and US\$ indices.

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

## MONTHLY COMMENTARY

The long term uptrend in equities came to an abrupt end in July; after reaching an all time high mid-month, the S&P 500 fell more than -6%, and in Europe the major bourses shed nearly -5% in a week. In Asia, there was a delayed reaction and while intra-month losses were substantial, the region's equity markets were mostly positive by month end. The catalyst for the rapid sell-off was growing concern over credit deterioration within US sub-prime and the possible spill-over into wider credit markets. The ensuing flight to quality caused bonds to rally, pushing rates to multi-month lows. Markets in Brazil, Turkey and Korea reached all time highs before correcting. Commodities had another volatile month, as crude oil was up +10% and natural gas fell by -9%. In softs, sugar rose +8.5% and hog futures jumped +14% in response to short covering and rumours over Chinese imports.

**Asian Opportunities** - Managers had an excellent month with several managers posting returns in excess of +7%. A Japanese focused manager was the only manager to record a loss. Long exposure in Hong Kong was beneficial, particularly in real estate developers, shipping, financials and energy companies. **Healthcare Opportunities** - Managers sustained losses both on their long and short positions, amid a difficult environment in which healthcare indices lost between -3.5% and -4%. Exposure to US small-cap biotechnology stocks and emerging market healthcare exposure hurt performance. Elsewhere, positive returns were derived from long-term holdings in pharmaceuticals. **Special Situations** - This was the best performing strategy in July. Managers derived profits from various areas including exposure to Taiwanese and Chinese financial and banking stocks, Chinese property exposure and positions in mining stocks as M&A opportunities remained strong. The bulk of the performance came from a manager with a significant short-bias to the US sub-prime mortgage market, which posted returns in excess of +30%. **Energy & Emissions** - Solid returns were posted by the majority of managers. Profits accrued from a short bias to natural gas, which fell significantly as a result of high storage levels and lack of demand. Performance from equity focused managers was mixed; a long-biased small-cap Canadian manager holding oil-related stocks suffered losses, while managers with a bias to shipping and transportation stocks outperformed. **Commodity Strategies** - Amid a choppy trading environment, managers posted good returns. Positions in base metals added to performance, benefiting from US Dollar weakness and the release of favourable Q2 China GDP growth data. Equity-biased commodity managers also fared well with gains coming from both base and precious metal holdings. An agricultural-focused manager incurred a loss, with positions in soybeans and corn off-setting gains made in the livestock complex and in wheat. **Emerging Markets** - Managers generated an excellent return as a combination of global liquidity, increased risk appetite and solid earnings fuelled emerging market assets higher for most of the month. The picture changed swiftly during the last week as indications emerged that the sub-prime problems were worsening and that the potential for a global credit crisis was growing. The main contributors to performance were equity positions in Korea, Taiwan, Thailand and Brazil, with long and short positions in the banking industry generating healthy returns. Stock-picking in China, Korea, Australia, Brazil and Saudi Arabia generated a sizeable return for one manager in particular. **European Loans** - Returns suffered as a result of mark-to-market losses across most corporate loans. While the returns were disappointing, it should be noted that the credit quality of the portfolio remains strong and this bodes well for performance once fundamentals begin to dominate credit pricing once more.

**Outlook** Given the turn that we saw in markets towards the end of July, it was pleasing to report another strong positive month. Conditions have worsened since then and no markets or assets have been immune to the turmoil. While the portfolio has been affected, the increasingly cautious stance we have taken in recent months has provided a degree of protection. The risks of a recession in the US are beginning to loom large and given our expectation of further market volatility, we have recently reduced exposure to long-biased Asian long/short and emerging market strategies.

## SHARE CLASS

	INCEPTION DATE	BLOOMBERG	REUTERS	ISIN	SEDOL	TOTAL NET ASSETS
£	24 MAR 2006	DASL LN	DASL.L	GB00B0ZQ8Q41	B0ZQ8Q4	£103.52m
€	24 MAR 2006	DASE LN	DASLx.L	GB00B0ZQ9943	B0ZQ994	€40.07m
US\$	24 MAR 2006	DASU LN	DASLu.L	GB00B0ZQBH64	B0ZQBH6	US\$10.93m

## KEY FACTS

### MANAGER

DEXION CAPITAL (GUERNSEY) LIMITED

### INVESTMENT ADVISER

RMF INVESTMENT MANAGEMENT

### INVESTMENT CONSULTANT

DEXION CAPITAL PLC

### TOTAL NET ASSETS

£135.89M

### MANAGEMENT FEE

1.50%

### PERFORMANCE FEE

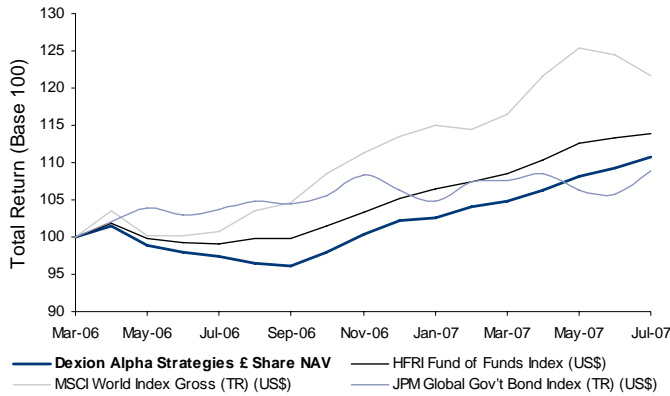
10%

## CONTACT DETAILS

DEXION ALPHA STRATEGIES LIMITED  
ARNOLD HOUSE  
ST JULIAN'S AVENUE  
ST PETER PORT  
GUERNSEY GY1 3NF

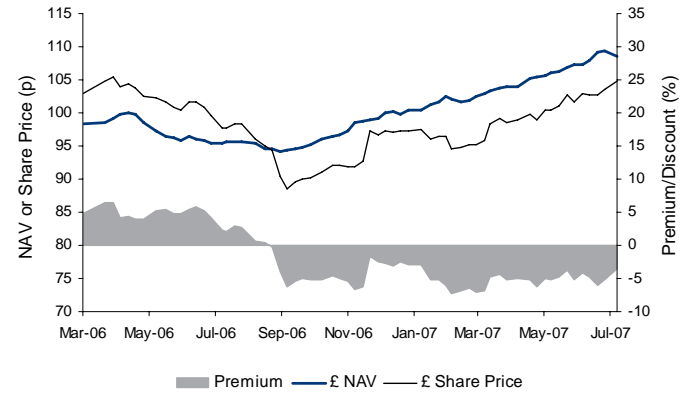
email [clientservices@dexionalpha.com](mailto:clientservices@dexionalpha.com)  
web [www.dexionalpha.com](http://www.dexionalpha.com)

NET ASSET VALUE PERFORMANCE



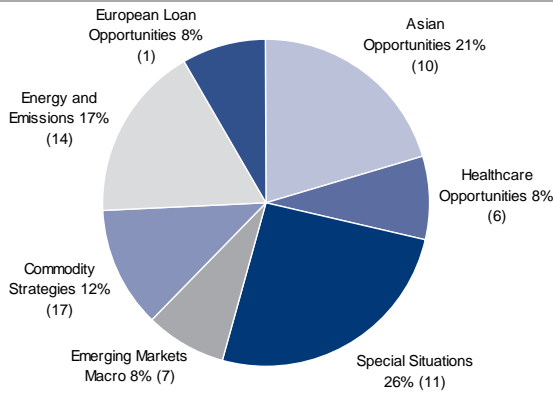
Source: Bloomberg

SHARE PRICE PERFORMANCE



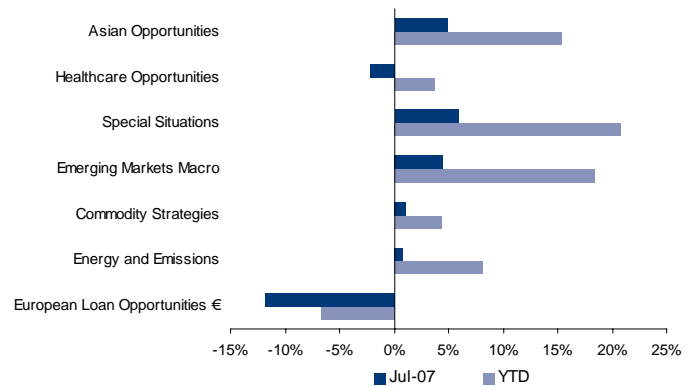
Source: Bloomberg

PORTFOLIO ALLOCATION AS OF 1 AUGUST 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	0.97	1.35						8.44
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	1.19	1.65						8.42
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	0.97	1.42						8.56
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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