

£	
NAV	106.53p
RETURN	-2.10%
SHARE PRICE*	103.00p
Opening NAV per £ share 98.25p	

€	
NAV	1.5198
RETURN	-2.22%
SHARE PRICE*	1.4275
Opening NAV per € share €1.4208	

US\$	
NAV	1.8787
RETURN	-2.15%
SHARE PRICE*	1.7850
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

	AUGUST(%)	YTD (%)	ITD* (%)	VOLATILITY* (%)	SHARPE**
DEXION ALPHA STRATEGIES £ SHARE NAV	-2.10	6.16	5.88	5.07	0.13
DEXION ALPHA STRATEGIES € SHARE NAV	-2.22	6.01	4.87	5.24	0.27
DEXION ALPHA STRATEGIES US\$ SHARE NAV	-2.15	6.23	6.38	5.07	0.21
HFRI FUND OF FUNDS INDEX (US\$)	-2.01	6.02	7.97	4.36	0.61
MSCI WORLD INDEX GROSS (TR) (US\$)	-0.03	7.05	14.80	7.36	1.29
JPM GLOBAL GOV'T BOND INDEX (TR) (US\$)	1.78	4.28	7.50	5.48	0.40

* Annualised from inception date and based on monthly data. ** Risk free rate is average 1M GBP LIBOR since March 2006 (5.23%) for DASL £, average 1M EUR LIBOR since March 2006 (3.48%) for DASL € and average 1M USD LIBOR since March 2006 (5.29%) for DASL US\$ and US\$ indices.

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

MONTHLY COMMENTARY

August was a month of severe financial market turbulence. Problems started early in the month as large institutions were forced to de-leverage amid mounting credit based losses. Added to this were increased worries over the US housing market and a massive re-pricing of risk. The ensuing search for quality sent T-Bill yields tumbling and banks were no longer willing to transact with each another sending overnight lending rates soaring. A wave of risk aversion caused violent moves among risky assets and volatility rocketed to levels not seen since 1998, with the VIX peaking at 30.7%. In an effort to restore some confidence and liquidity to markets, the Fed lowered the discount rate. This resulted in a 180 degree reversal sparing most markets from further immediate losses. By month end equities had clawed back, and in some cases, even finished in positive territory.

Asian Opportunities - Managers faced a challenging trading environment and returns were very disappointing. The US credit crisis sparked a huge global risk reduction exercise and Asian equity markets were not spared in the capital flight. The scale and speed of the correction, combined with the dramatic turnaround, caught out the majority of managers with all but one manager posting a loss. **Healthcare Opportunities** - Healthcare was the one bright spot amid the market turmoil. The sector was a beneficiary of asset flows due to its perceived safe-haven status in times of severe market stress. Good earnings momentum contributed to an increased interest in healthcare stocks, further boosting managers' performance. **Emerging Markets** - Managers encountered a difficult market place with concerns about the US housing sector leading to investors being risk averse. Exchange rate positions in the Mexican Peso and long positions in Turkish T-bills combined to detract from performance, as did Asian gaming and leisure equity positions. Gains came from equity exposure in Saudi Arabia, short positions in Japan, a long bias to Hong Kong and the China H share market. **Special Situations** - Managers, on the whole struggled. Those with a long bias to equities were impacted by the contagion effects of the sub-prime crisis. Gains were achieved by an Asian-focused special situations manager who profited from the divergence between Chinese A and H shares. Further gains came from a US-based manager who continued to profit from short positions in the US sub-prime mortgage market. **Energy & Emissions** - A modest loss was recorded as equity-focused managers incurred the brunt of losses. US natural gas was extremely volatile, surging on fears of production losses resulting from hurricane Dean and a heat wave in the US, and then falling as a consequence of storage inventories remaining very healthy for the upcoming heating season. In contrast, oil and refined product prices came under pressure but recovered in the second half of August on the back of fundamental news regarding low stock levels. **Commodity Strategies** - Commodities were far from exempt from the turmoil; wheat was the only notable exception as it continued its phenomenal up-trend. Elsewhere, directional and spread trading in copper and aluminium were detrimental to performance. Further losses came from exposure to mid-cap equities and gold stocks. On a positive note, profits were derived from inter-product volatility spreads and inter-class wheat spreads. **European Loans** - The ongoing sub-prime mortgage crisis and the associated tightening of liquidity continued to cast a cloud over the leveraged loans market. The sub-portfolio suffered as prices were marked down a little further, despite the fact that all the assets in the fund are performing assets with strong underlying fundamentals. We continue to view the correction as being overdone, but prices are unlikely to recover until liquidity improves.

Outlook While the Fed's decision to cut interest rates has stabilised markets, the underlying reasons for the turmoil remain. Falling US house prices could drag the US into recession and liquidity in the credit markets remains tight. The move into this more turbulent period was difficult for hedge funds, but now that the altered financial position is upon us, we expect our managers to take advantage of, rather than avoid, the opportunities that emerge.

SHARE CLASS

	INCEPTION DATE	BLOOMBERG	REUTERS	ISIN	SEDOL	TOTAL NET ASSETS
£	24 MAR 2006	DASL LN	DASL.L	GB00B0ZQ8Q41	B0ZQ8Q4	£99.83m
€	24 MAR 2006	DASE LN	DASLx.L	GB00B0ZQ9943	B0ZQ994	€39.18m
US\$	24 MAR 2006	DASU LN	DASLu.L	GB00B0ZQBH64	B0ZQBH6	US\$10.70m

KEY FACTS

MANAGER

DEXION CAPITAL (GUERNSEY) LIMITED

INVESTMENT ADVISER

RMF INVESTMENT MANAGEMENT

INVESTMENT CONSULTANT

DEXION CAPITAL PLC

TOTAL NET ASSETS

£131.63M

MANAGEMENT FEE

1.50%

PERFORMANCE FEE

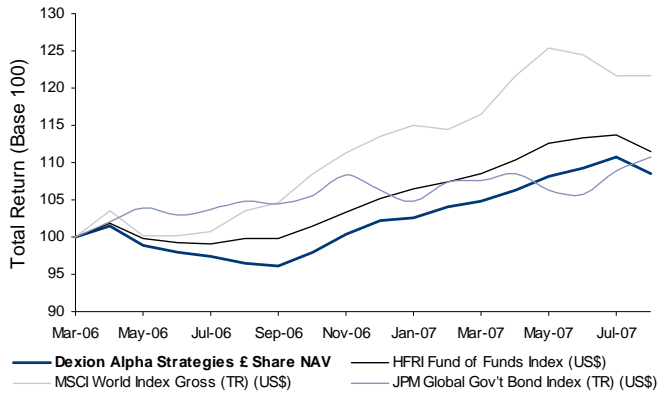
10%

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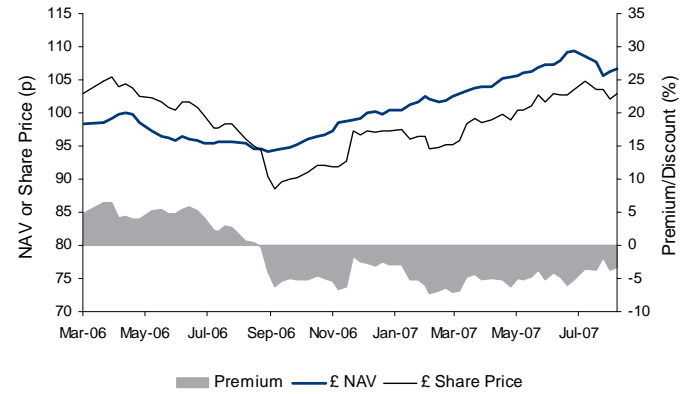
email clientservices@dexionalpha.com
web www.dexionalpha.com

NET ASSET VALUE PERFORMANCE



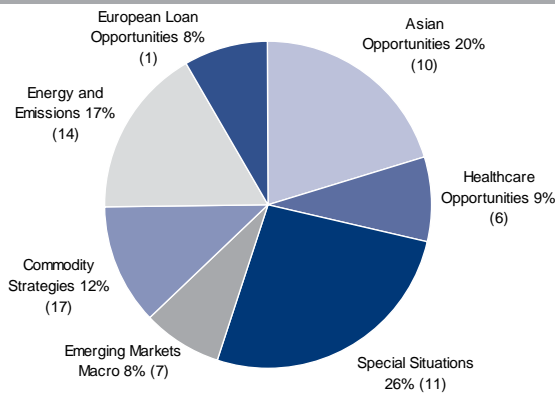
Source: Bloomberg

SHARE PRICE PERFORMANCE



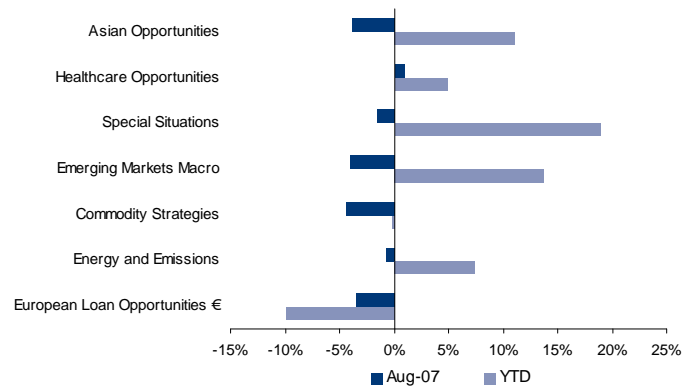
Source: Bloomberg

PORTFOLIO ALLOCATION AS OF 1 SEPTEMBER 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	-2.10					6.16
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	-2.22					6.01
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	-2.15					6.23
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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