

£	
NAV	112.53p
RETURN	+3.14%
SHARE PRICE*	108.25p
Opening NAV per £ share 98.25p	

€	
NAV	1.6030
RETURN	+3.23%
SHARE PRICE*	1.5338
Opening NAV per € share €1.4208	

US\$	
NAV	1.9918
RETURN	+3.55%
SHARE PRICE*	1.9100
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

	OCTOBER(%)	YTD (%)	ITD* (%)	VOLATILITY* (%)	SHARPE <sup>1A</sup>
DEXION ALPHA STRATEGIES £ SHARE NAV	3.14	12.14	8.95	5.42	0.67
DEXION ALPHA STRATEGIES € SHARE NAV	3.23	11.82	7.92	5.57	0.78
DEXION ALPHA STRATEGIES US\$ SHARE NAV	3.55	12.62	9.66	5.51	0.79
HFRI FUND OF FUNDS INDEX (US\$)	2.88	11.23	10.40	4.67	1.09
MSCI WORLD INDEX GROSS (TR) (US\$)	3.09	15.64	18.80	7.63	1.77
JPM GLOBAL GOV'T BOND INDEX (TR) (US\$)	1.55	8.24	9.23	5.36	0.74

\* Annualised from inception date and based on monthly data. <sup>1A</sup> Risk free rate is average 1M GBP LIBOR since March 2006 (5.34%) for DASL £, average 1M EUR LIBOR since March 2006 (3.57%) 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

October saw equity markets continue to rally from their August lows and the MSCI World Index added +2.06%. Once again, Asia led the way, followed by European, US and Japanese markets. Asian equities soared as investors poured money into emerging markets to escape both a slowing US economy and a falling US Dollar. Investors widely anticipated supportive central bank policy, pricing in additional rate cuts following weak US economic data. The Fed subsequently obliged, cutting rates by 25bps. This move added further momentum to already well developed trends. Commodities, in particular crude oil and gold, posted some of the largest moves over the month.

**Asian Opportunities** – The Asian managers enjoyed an excellent month of performance with most managers well positioned to profit from the upward moves. Long positions in Chinese H-Shares, Hong Kong, South Korea and Singapore were central to the performance of the best performing managers, while a number of other sectors and countries also contributed positively. Returns were not limited solely to long positions: a sizeable gain derived from a manager with short positions in the Korean auto sector and an Australian food company. **Healthcare Opportunities** – A European manager performed well with a short position in a company developing a prostate drug underpinning performance, the FDA delaying its decision to approve the drug. A US manager benefited from core long positions in three mid-cap companies. Losses came from exposures to Indian healthcare stocks and a US manager with a small-cap biotechnology bias. **Special Situations** - Two managers achieved double digit returns and all others posted gains. The US manager with significant short positions in the sub-prime mortgage market – and in special situations - profited once again. Other gains included those from a global special situations manager's long term holdings in financial exchanges, utilities and mining stocks. **Energy & Emissions** - The rise in natural gas prices was detrimental to one manager who was short this market. An equity biased manager generated an excellent gain, profiting from the rally in small and mid-cap stocks and increased levels of M&A activity. A power trader was another key performer with strong gains accruing from their long positions in European power markets. **Commodity Strategies** – Commodity prices surged higher, largely as a consequence of the decline in the US Dollar and continued fears over the US economy. Exposure to precious metals was central to the gains made in October, across a range of asset classes. Elsewhere, a multi-strategy trader registered solid returns from agriculture positions. **Environmental Strategies** - This strategy, added to the portfolio on October 1<sup>st</sup>, generated an impressive return with all managers contributing positively. The core water and energy infrastructure holdings of the best performing manager were central to their strong performance. Further gains were derived from a long bias to solar power, while bio-fuel positions generated profits as a consequence of surging crude oil prices. **Emerging Markets** - All managers posted strong returns derived from a wide diversity of trades, including Brazilian equities, currency and real estate, Middle Eastern equities and real estate in India and Hong Kong. **European Loans** - The loan market continued to show signs of improvement. Liquidity improved, driven by increased cash availability at the manager level and secondary prices rose as a result. Primary pipeline deals for European loans also picked up.

**Outlook** October saw the strongest monthly performance for the fund since inception, which serves to illustrate the wide opportunity set available to the managers in which the Company invests. The debt crunch continues, with the losers in the sub-prime crisis slowly revealing their losses and funds raising significant assets in anticipation of distressed debt opportunities. Equity markets are experiencing high volatility and spot commodity prices racing ever upward. While there will be some setbacks, the opportunity set for hedge fund managers remains good and we are focused on building upon the strong returns achieved in the past twelve months.

## KEY FACTS

### MANAGER

DEXION CAPITAL (GUERNSEY) LIMITED

### INVESTMENT ADVISER

RMF INVESTMENT MANAGEMENT

### INVESTMENT CONSULTANT

DEXION CAPITAL PLC

### TOTAL NET ASSETS

£138.17M

### MANAGEMENT FEE

1.50%

### PERFORMANCE FEE

10%

## CONTACT DETAILS

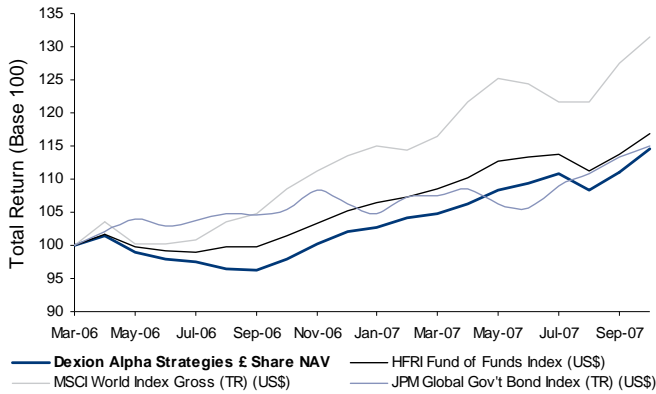
DEXION ALPHA STRATEGIES LIMITED  
ARNOLD HOUSE  
ST JULIAN'S AVENUE  
ST PETER PORT  
GUERNSEY GY1 3NF

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

## SHARE CLASS

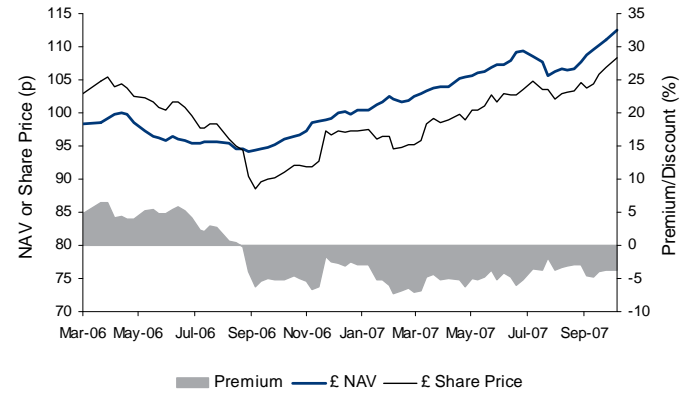
	INCEPTION DATE	BLOOMBERG	REUTERS	ISIN	SEDOL	TOTAL NET ASSETS
£	24 MAR 2006	DASL LN	DASL.L	GB00B0ZQ8Q41	B0ZQ8Q4	£105.45m
€	24 MAR 2006	DASE LN	DASLx.L	GB00B0ZQ9943	B0ZQ994	€39.72m
US\$	24 MAR 2006	DASU LN	DASLu.L	GB00B0ZQBH64	B0ZQBH6	US\$10.55m

NET ASSET VALUE PERFORMANCE



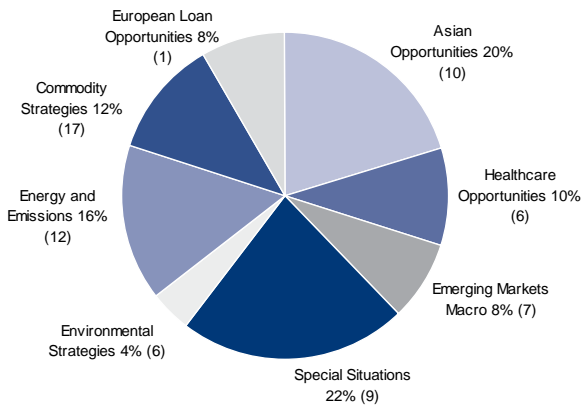
Source: Bloomberg

SHARE PRICE PERFORMANCE



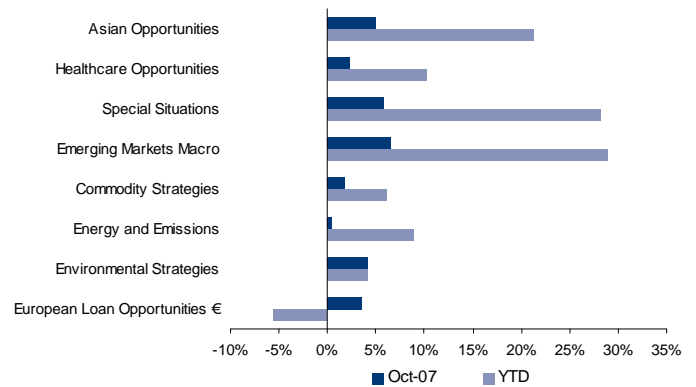
Source: Bloomberg

PORTFOLIO ALLOCATION AS OF 1 NOVEMBER 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	2.41	3.14			12.14
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	2.18	3.23			11.82
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	2.39	3.55			12.62
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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