Dexion ALPHA strategies
A FTSE All-Share Company

July 2008

£	
NAV	106.64p
RETURN	**-1.69%**
SHARE PRICE*	103.00p

Opening NAV per £ share 98.25p

€	
NAV	1.5014
RETURN	**-2.16%**
SHARE PRICE*	1.4400

Opening NAV per € share €1.4208

US$	
NAV	1.8462
RETURN	**-2.27%**
SHARE PRICE*	1.7500

Opening NAV per US$ share US$1.7212

Note: *Closing mid-price at month end.

KEY FACTS

MANAGER
DEXION CAPITAL (GUERNSEY) LIMITED

INVESTMENT ADVISER
RMF INVESTMENT MANAGEMENT

INVESTMENT CONSULTANT
DEXION CAPITAL PLC

TOTAL NET ASSETS
£110.25M

MANAGEMENT FEE
1.50%

PERFORMANCE FEE
10%

CONTACT DETAILS

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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	**-1.69**	**-5.07**	**3.57**	**6.31**	**-0.30**
DEXION ALPHA STRATEGIES € SHARE NAV	**-2.16**	**-5.88**	**2.39**	**6.38**	**-0.22**
DEXION ALPHA STRATEGIES US$ SHARE NAV	**-2.27**	**-6.97**	**3.05**	**6.57**	**-0.24**
HFRI FUND OF FUNDS INDEX (US$)	-2.73	-5.04	4.21	5.81	-0.08
MSCI WORLD INDEX GROSS (TR) (US$)	-2.42	-12.42	3.76	11.58	-0.08
JPM GLOBAL GOV'T BOND INDEX (TR) (US$)	0.11	4.88	9.46	6.30	0.76

* Annualised from inception date and based on monthly data. ^ Risk free rate is average 1M GBP LIBOR since March 2006 (5.45%) for DASL £, average 1M EUR LIBOR since March 2006 (3.82%) for DASL € and average 1M USD LIBOR since March 2006 (4.66%) for DASL US$ and US$ indices.
Source: Bloomberg (data), Dexion Capital (calculation)

MONTHLY COMMENTARY

July was an extremely volatile month for global stock markets. Sectors such as energy and materials, which had until recently seen relatively good performance, witnessed the greatest declines; those that had struggled since January, such as financials and consumer stocks, performed better than expected. The reversal of core strategies began when commodities started trading down due to the belief that slower economic growth would curb demand. This led to a change in inflation expectations, a drop in global bond yields and US Dollar strengthening. Financial stocks reversed their downward trend following clear and vocal support from the US Treasury and the Fed for the banking and housing systems. US markets were best positioned to profit from the environment, while Emerging Markets were the laggards.

Asian Opportunities - Despite managers reducing exposure, the sector rotation in July caused losses on both the long and short sides. A marginally positive return was posted by the volatility manager, which took profits as implied volatility rose mid-month. **Healthcare Opportunities -** This strategy was the best performer this month and benefitted from sector rotation in equity markets and good earnings guidance. Managers were rewarded for their specialised sector knowledge and stock-picking ability. Impressive returns came from one manager due to a large holding gaining drug approval in China. **Special Situations -** Net long equity exposures detracted from managers' returns, due in particular to the reversal in financials and the sell-off in energy and mining. Credit-focused managers saw positions marked down as liquidity continued to deteriorate. One manager was able to benefit from a large merger in the drinks industry and a trade based on a radio and television company. **Energy & Emissions -** A combination of weaker fundamentals, a dramatic reversal in bullish commodity sentiment and fund liquidations led to significant price declines in natural gas, crude oil and coal. The energy market was also buffeted by the failure to pass legislation aiming to curb oil market speculation. Some managers were unable to successfully hedge their portfolios, as the volatility of energy equities far outstripped that of the general market and of crude oil. The top-performing manager reduced their natural gas exposure entering the month and gained from shorts in refined products and from trading the WTI-Brent crude oil spread. **Commodity Strategies -** Managers were hit by the reversal in commodity prices across the board. Our strongest managers held short positions in metals, while those with shares in metal mining companies saw large losses. Negative returns also came from long exposure to gold stocks. Other precious metal prices also declined, but some managers with base metal exposure gained through calendar spreads in aluminium, copper, lead, nickel and zinc. **Environmental Strategies -** Managers' cautious positioning and aggressive hedging limited the downside. Those with a long bias to carbon strategies witnessed a steep drop in EUA and CER prices, although losses were somewhat offset by the continued narrowing of the EUA/CER basis. **Emerging Markets -** Managers with large exposure to commodity-producing countries suffered from the rapid sell-off. One manager posted impressive returns as Turkish assets (i.e. bonds, the Turkish Lira and equities) all rallied. Other positives came from Brazilian FX and fixed income positions. **Short-Term Managed Futures -** The trading environment favoured short-term trend followers over long-term traders, but performance was still flat. Some managers were able to take advantage of the equity and bond market choppiness, profiting from momentum and mean reversion trades. **European Loans -** Although the primary market remained well below the levels seen in 2007, July was a busy month with issuance totalling €9.5bn. However, overall prices eased as deteriorating news concerning Western economies saw prospective buyers sit on the sidelines. The structured credit market remained closed, with balance sheet deals being the main focus and secondary markets staying volatile.

Outlook The outlook for the world economy is worsening. Further deleveraging amongst the financial community has kept credit conditions tight and it feels like this slowdown has some time to run. Against this background, volatility is likely to remain high and there will be opportunities to exploit, and risks to avoid, for our managers. We believe that the Company's portfolio has the right line-up of managers to navigate through the turbulence, and we look forward with confidence.

SHARE CLASS

	INCEPTION DATE	BLOOMBERG	REUTERS	ISIN	SEDOL	TOTAL NET ASSETS
£	24 MAR 2006	DASL LN	DASL.L	GB00B0ZQ8Q41	B0ZQ8Q4	£86.83M
€	24 MAR 2006	DASE LN	DASLx.L	GB00B0ZQ9943	B0ZQ994	€27.57M
US$	24 MAR 2006	DASU LN	DASLu.L	GB00B0ZQBH64	B0ZQBH6	US$3.40M

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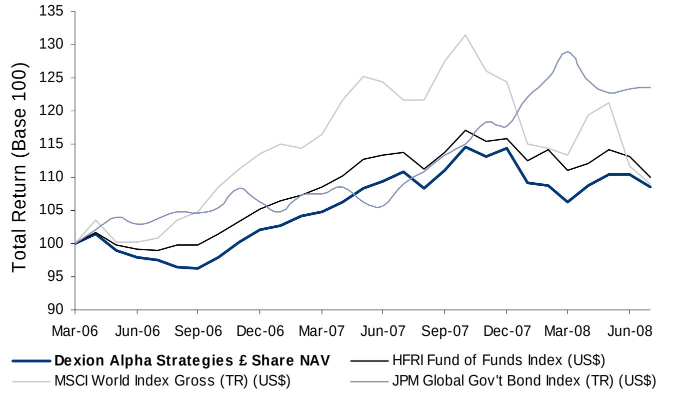
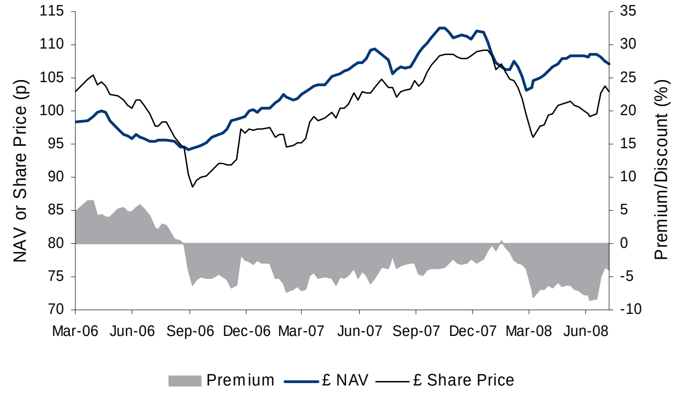
NET ASSET VALUE PERFORMANCE



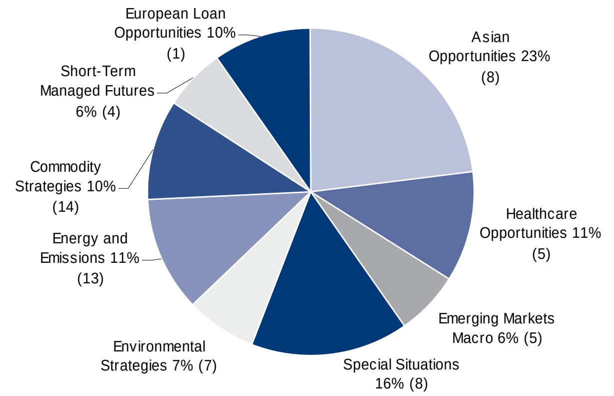
Source: Bloomberg

SHARE PRICE PERFORMANCE



Source: Bloomberg

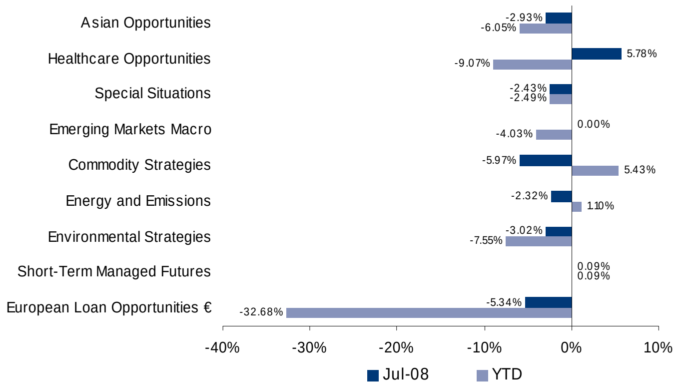
PORTFOLIO ALLOCATION
AS OF 1 AUGUST 2008



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
2008	-4.54	-0.27	-2.29	2.17	1.58	0.02	-1.69						**-5.07**
2007	0.50	1.42	0.70	1.43	1.79	0.97	1.35	-2.10	2.41	3.14	-1.16	0.99	**11.94**
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
2008	-4.51	-0.26	-2.22	1.97	1.39	-0.08	-2.16						**-5.88**
2007	0.42	1.29	0.56	1.34	1.68	1.19	1.65	-2.22	2.18	3.23	-1.35	0.88	**11.27**
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
2008	-4.66	-0.45	-2.61	1.89	1.30	-0.23	-2.27						**-6.97**
2007	0.53	1.42	0.71	1.48	1.75	0.97	1.42	-2.15	2.39	3.55	-1.31	0.96	**12.21**
2006	-	-	-	1.55	-2.44	-0.86	-0.49	-0.81	-0.32	1.79	2.59	1.83	**2.75**