

£	
NAV	101.06p
RETURN	-4.62%
SHARE PRICE*	95.00p
Opening NAV per £ share 98.25p	

€	
NAV	1.4157
RETURN	-5.11%
SHARE PRICE*	1.3050
Opening NAV per € share €1.4208	

US\$	
NAV	1.7341
RETURN	-5.39%
SHARE PRICE*	1.6475
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

	SEPTEMBER(%)	YTD (%)	ITD* (%)	VOLATILITY* (%)	SHARPE [^]
DEXION ALPHA STRATEGIES £ SHARE NAV	-4.62	-10.03	1.13	6.86	-0.63
DEXION ALPHA STRATEGIES € SHARE NAV	-5.11	-11.25	-0.14	7.03	-0.57
DEXION ALPHA STRATEGIES US\$ SHARE NAV	-5.39	-12.62	0.30	7.29	-0.58
HFRI FUND OF FUNDS INDEX (US\$)	-5.76	-11.84	0.88	6.88	-0.53
MSCI WORLD INDEX GROSS (TR) (US\$)	-11.85	-23.84	-2.12	13.61	-0.49
JPM GLOBAL GOV'T BOND INDEX (TR) (US\$)	-0.97	2.07	7.62	6.37	0.49

* 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 (3.87%) for DASL € and average 1M USD LIBOR since March 2006 (4.53%) for DASL US\$ and US\$ indices.

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

MONTHLY COMMENTARY

In September, markets were dominated by the turmoil in the financial system which led to unprecedented levels of intervention by central banks. Lehman Brothers filing for bankruptcy triggered frantic price movements and caused the credit markets to seize up. As investors de-leveraged from risky assets, equities, emerging markets and commodities recorded extraordinary price falls in a flight to quality where cash became the asset of choice. The impact extended globally and a number of countries implemented mid-month short selling bans, ranging from absolute bans of all short sales (Australia, Korea) to banning shorting in specific sectors. These restrictions exacerbated the difficulties faced by the hedge fund industry from running properly hedged portfolios.

Asian Opportunities - While the short selling ban created challenges for long/short funds, especially in Taiwan and Australia, managers have quickly been adapting to the new environment, finding alternative methods of expressing bearish views on specific sectors. Losses stemmed from managers with long exposure to Asian banks and short exposure to Korea. **Healthcare Opportunities** - Technical factors and sentiment continued to cause difficulties for many fundamental stock pickers. Losses were predominantly from the long side of portfolios, while profits were generated from shorts in companies with weak clinical data and those experiencing disappointing news with regard to regulatory approvals. Despite the difficult markets, earnings stability remained high and as the industry is largely self-financed there is little reliance on external financing. **Special Situations** - The strategy was only slightly negative, despite the dramatic widening of credit and event equity spreads. Overall M&A volumes were high, but mainly driven by rescue takeovers in the financial sector, often as share deals, thus unsuitable for hedge funds given the restrictions on short selling. **Energy & Emissions** - Extreme volatility across various energy markets benefited one manager, who realised gains from spread strategies in gasoline and crude oil. US oil demand has dropped approximately -5% year-on-year, back to 2003 levels. However, the US represents less than 25% of global demand and non-US demand remains fairly strong, providing some support to prices. **Commodity Strategies** - Equity traders with a long bias were negatively impacted by declining commodity prices. Funds trading precious metals posted lacklustre returns, with flat to negative performance. Gold equities suffered as forced liquidations caused indiscriminate selling. Losses were limited thanks to good performance from diversified managers holding a short bias, as they were well-positioned for declines in base metal and energy prices. **Environmental Strategies** - Our Asia-focused clean water manager was punished by the collapse in the region's equity valuations during the month; the availability of single name stock borrowing was much reduced and managers were forced to rely on index futures, with the attendant basis risk that implies. On the positive side, a carbon manager enjoyed excellent performance during the month, stemming from their hedging program and active trading style. The strategy also benefited from an improved outlook for CER volumes. **Emerging Markets** - Emerging markets were flooded with withdrawals, as a flight to quality and evaporating liquidity dominated the environment. One manager focused on Asia benefited significantly from the decision to simplify their strategies and to concentrate risk on the short side in local currency and equity markets. **Short-Term Managed Futures** - The strategy posted a strong gain during the month, continuing to provide excellent diversification within the portfolio. The extreme intra-day volatility levels created an ideal environment for short-term traders, especially those managers whose models turned short on commodities and equities. **European Loans** - Leveraged loans posted a large loss this month, as banks continued to mark down prices. Unlike recent months, during which secondary market activity has been weak, there was an improvement in volumes this month. However, this was driven by forced selling, as Lehman Brothers liquidated a large bank loan portfolio in a market devoid of buyers.

Outlook There is little change to the view that economic and corporate earnings fundamentals will continue to deteriorate in the months ahead. We maintain significant long volatility exposure and believe we hold a high quality portfolio of hedge funds capable of generating meaningful returns going forward.

SHARE CLASS

	INCEPTION DATE	BLOOMBERG	REUTERS	ISIN	SEDOL	TOTAL NET ASSETS
£	24 MAR 2006	DASL LN	DASL.L	GB00B0ZQ8Q41	B0ZQ8Q4	£79.11M
€	24 MAR 2006	DASE LN	DASLx.L	GB00B0ZQ9943	B0ZQ994	€25.08M
US\$	24 MAR 2006	DASU LN	DASLu.L	GB00B0ZQBH64	B0ZQBH6	US\$3.19M

KEY FACTS

MANAGER

DEXION CAPITAL (GUERNSEY) LIMITED

INVESTMENT ADVISER

RMF INVESTMENT MANAGEMENT

INVESTMENT CONSULTANT

DEXION CAPITAL PLC

TOTAL NET ASSETS

£100.77M

MANAGEMENT FEE

1.50%

PERFORMANCE FEE

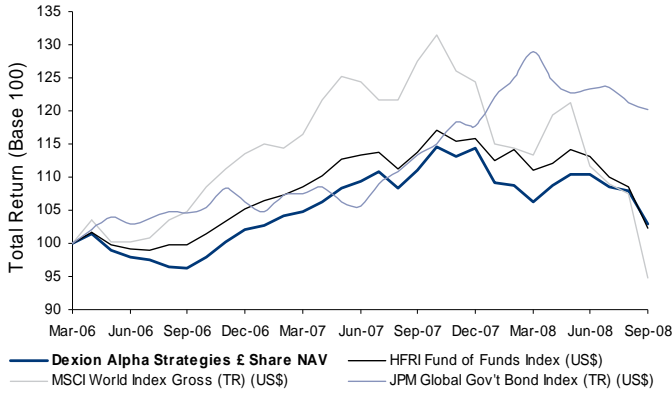
10%

CONTACT DETAILS

DEXION ALPHA STRATEGIES LIMITED
1 LE TRUCHOT
ST PETER PORT
GUERNSEY

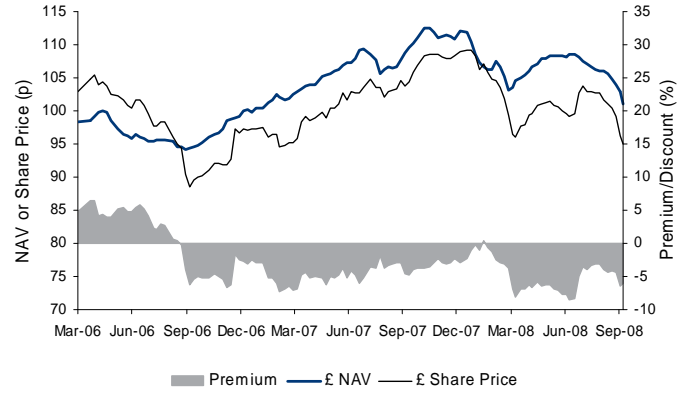
email clientservices@dexionalpha.com
web www.dexionalpha.com

NET ASSET VALUE PERFORMANCE



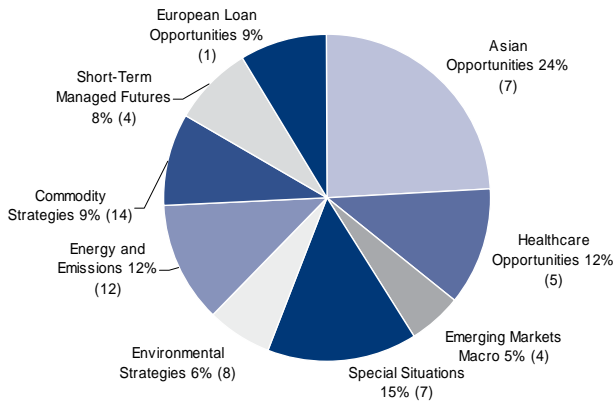
Source: Bloomberg

SHARE PRICE PERFORMANCE



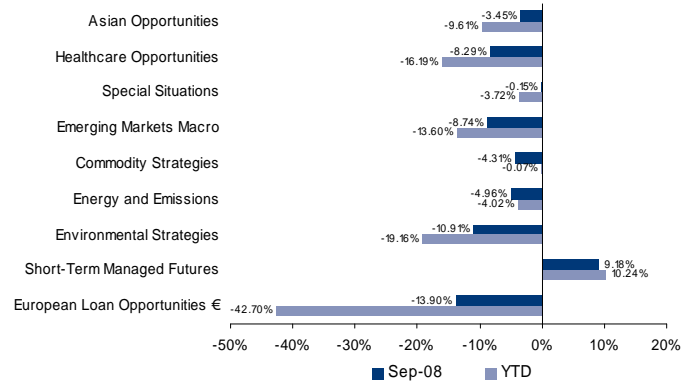
Source: Bloomberg

PORTFOLIO ALLOCATION AS OF 1 OCTOBER 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	-0.64	-4.62				-10.03
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	-0.63	-5.11				-11.25
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	-0.73	-5.39				-12.62
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

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