

£	
NAV	87.87p
RETURN	-5.31%
SHARE PRICE*	64.25p

Opening NAV per £ share 98.25p

€	
NAV	1.2377
RETURN	-4.25%
SHARE PRICE*	0.88125

Opening NAV per € share €1.4208

US\$	
NAV	1.5706
RETURN	-3.06%
SHARE PRICE*	1.0925

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 invests in underlying assets which are predominantly US Dollar denominated and may be subject to currency fluctuations in the Sterling and Euro share classes. For further information please refer to the RNS announcements of 13 November 2008 (No. 15311) entitled 'Suspension of currency hedging' and of 22 December 2008 (No. 6046K) entitled 'Currency hedging'.

## PERFORMANCE DATA

	NOVEMBER(%)	YTD (%)	ITD* (%)	VOLATILITY* (%)	SHARPE**
DEXION ALPHA STRATEGIES £ SHARE NAV	-5.31	-21.78	-4.10	8.93	-1.07
DEXION ALPHA STRATEGIES € SHARE NAV	-4.25	-22.41	-5.04	8.98	-1.00
DEXION ALPHA STRATEGIES US\$ SHARE NAV	-3.06	-20.86	-3.38	8.32	-0.94
HFRI FUND OF FUNDS INDEX (US\$)	-1.93	-19.42	-2.52	7.94	-0.87
MSCI WORLD INDEX GROSS (TR) (US\$)	-6.40	-42.22	-11.63	17.84	-0.90
JPM GLOBAL GOV'T BOND INDEX (TR) (US\$)	3.89	4.62	8.13	6.60	0.56

\* Annualised from inception date and based on monthly data. \*\* Risk free rate is average 1M GBP LIBOR since March 2006 (5.42%) for DASL £, average 1M EUR LIBOR since March 2006 (3.90%) for DASL € and average 1M USD LIBOR since March 2006 (4.42%) for DASL US\$ and US\$ indices.

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

## MONTHLY COMMENTARY

Following on from October's severe conditions, financial markets exhibited high levels of volatility in November. Credit and commodity markets were weaker as concerns over the health of the global economy weighed on these sectors. Leveraged loans dropped significantly as a result of forced selling caused by de-leveraging and hedge fund redemptions. One of the catalysts for the drop in prices of credit assets was the announcement by US Treasury Secretary Paulson that the TARP program would not be targeted at illiquid mortgage-related assets. Currencies were active, with the US Dollar strengthening significantly against most currencies bar the Yen. Emerging markets stabilised following October's dramatic declines, although economic conditions across the developing world continued to deteriorate.

**Asian Opportunities** - The strategy finished only slightly down following managers' defensive positioning going into November, thereby limiting participation in the month-end rally. Short positions in Japanese consumer and industrial stocks struggled, while one manager profited from their long volatility exposure and the CDS swaps they held on various counterparties. **Healthcare Opportunities** - Only the most cautiously positioned managers were able to post close to flat performance. The largest detractors came from managers' small and mid cap exposures. While recent performance has been disappointing, our managers continue to believe that current valuations offer compelling opportunities going forward. **Special Situations** - The strategy finished the month down as a result of weakening credit conditions and volatile equity markets. One manager profited from the closing of the Anheuser Busch/Inbev deal, while another posted a loss following the collapse of the Rio/BHP Billiton deal. Bank loan exposure hurt the two distressed managers. **Energy & Emissions** - Given the drastically falling energy prices, it was hard for the strategy to generate gains during November. One energy trader was hurt through weakness in their small cap E&P holdings, while another manager bet correctly that shipping rates would be trending downward. Despite the cold weather, European power markets continued to fall, providing gains for one manager who maintained a short bias. **Commodity Strategies** - A late rally in commodity-related strategies helped boost the month-end performance. Profits were generated by managers with short industrial metals exposure, as prices came under pressure due to poor economic data in the US. Agricultural markets experienced relative stability compared to October's steep declines; cocoa prices rallied, while managers with positions in coffee also realised profits. **Environmental Strategies** - Financing for projects continued to sit on the back burner this month. Strong performance stemmed from carbon exposure, with one manager well-positioned for the sharp market fall and significant contraction in the CER and EUA spread. The biggest losses came from our alternative energy manager, too focused on under-performing small/mid cap stocks. While most managers found solace by focusing on short exposures, long positions in wind energy, forestry and waste management performed reasonably well. **Emerging Markets** - November provided opportunities for some managers to protect capital. With central banks cutting interest rates across all regions, managers were able to profit from their exposure to currencies. The majority of losses stemmed from equities, as managers struggled in markets driven by fear and irrationality. **Short-Term Managed Futures** - Another impressive month for the strategy, with the continuation of well-established trends. Strong drivers of performance were trades involving interest rate futures, and short exposures to equities and commodities. **European Loans** - End-of-month loan prices reflected the negative sentiment towards fundamentals, the market ending down -8.5% during November. Given the current difficulties associated with being leveraged, the portfolio is in the process of de-levering.

**Outlook** We believe a further deterioration in the fundamentals of the global economy is going to manifest itself more significantly at the corporate level. Given this, we think that there will be opportunities in the future for some of our managers in the equity space, but in the meantime we want to ensure we have sufficient liquidity and flexibility to move relatively nimbly as opportunities emerge within individual strategies. In the near-term, we are increasing the short-term managed futures allocation; this is a very liquid strategy that benefits from market volatility and is thus expected to do well in early 2009.

## SHARE CLASS

	INCEPTION DATE	BLOOMBERG	REUTERS	ISIN	SEDOL	TOTAL NET ASSETS
£	24 MAR 2006	DASL LN	DASL.L	GB00B0ZQ8Q41	B0ZQ8Q4	£69.50M
€	24 MAR 2006	DASE LN	DASLx.L	GB00B0ZQ9943	B0ZQ994	€19.50M
US\$	24 MAR 2006	DASU LN	DASLu.L	GB00B0ZQBH64	B0ZQBH6	US\$2.33M

## KEY FACTS

### MANAGER

DEXION CAPITAL (GUERNSEY) LIMITED

### INVESTMENT ADVISER

RMF INVESTMENT MANAGEMENT

### INVESTMENT CONSULTANT

DEXION CAPITAL PLC

### TOTAL NET ASSETS

£87.19M

### MANAGEMENT FEE

1.50%

### PERFORMANCE FEE

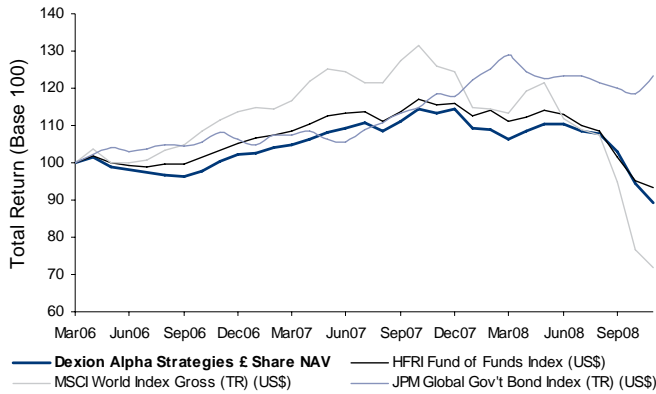
10%

## CONTACT DETAILS

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ST PETER PORT  
GUERNSEY

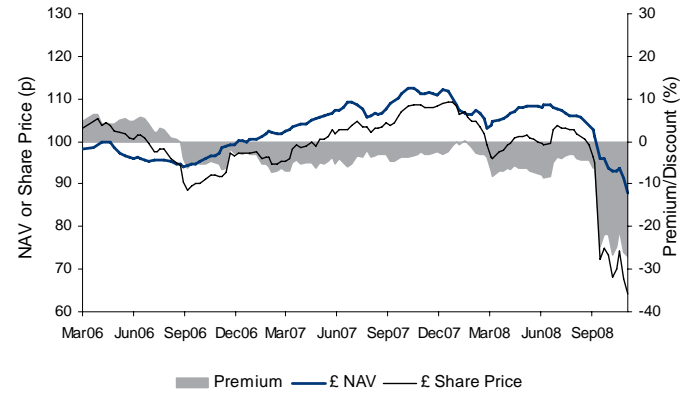
email [clientservices@dexionalpha.com](mailto:clientservices@dexionalpha.com)  
web [www.dexionalpha.com](http://www.dexionalpha.com)

NET ASSET VALUE PERFORMANCE



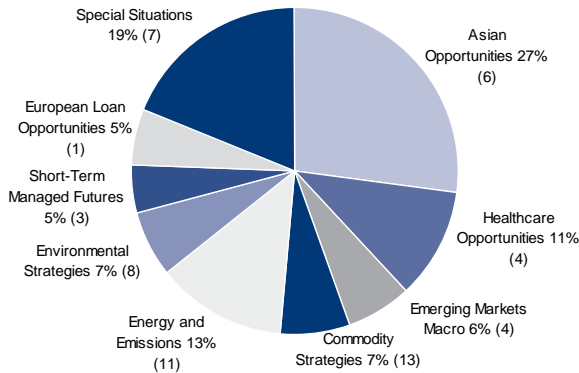
Source: Bloomberg

SHARE PRICE PERFORMANCE



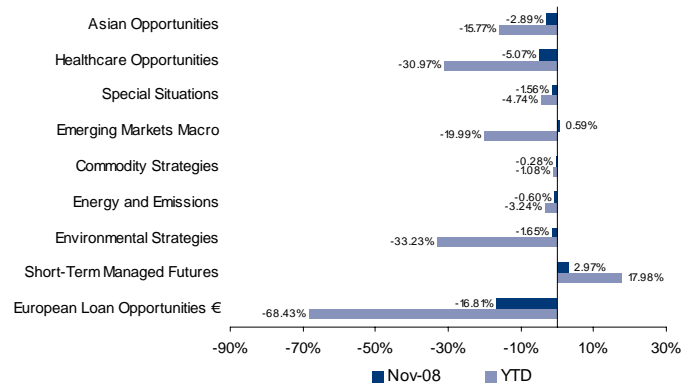
Source: Bloomberg

PORTFOLIO ALLOCATION AS OF 1 DECEMBER 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	-8.17	-5.31		-21.78
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	-8.69	-4.25		-22.41
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	-6.57	-3.06		-20.86
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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