Dexion Alpha Strategies Limited

FEBRUARY 2009

Monthly Portfolio Review

www.dexionalpha.com

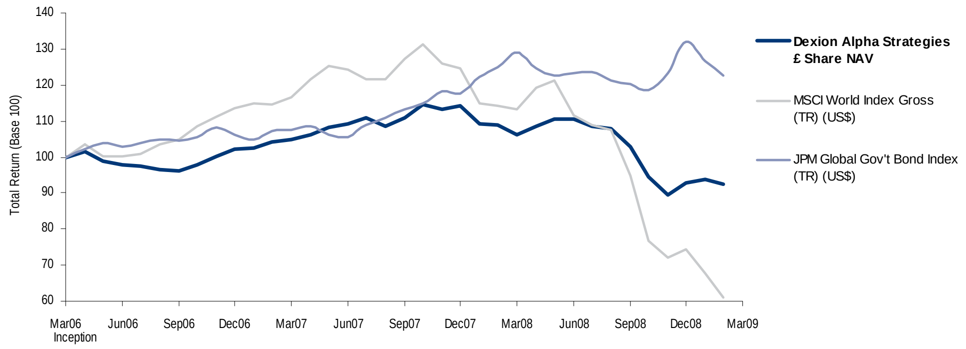
Investment Adviser Portfolio Outlook

The Investment Adviser continues to maintain significant long volatility exposure, given weak macroeconomic fundamentals and the potential for additional corporate earnings downgrades. Whilst the Investment Adviser recognises that some more established strategies and hedge funds have performed well year to date, they believe the Portfolio's focus should be on less exploited strategies and niche alpha sources in order to deliver performance in 2009.

In February Short-Term Managed Futures, Emerging Markets Macro, Environmental Strategies as well as Energy and Emissions all recorded modest gains. However on the negative side poor performance from one Healthcare manager was compounded by a disappointing return from European loans.

The Investment Adviser has already reduced the allocation to Healthcare at the start of 2009 and will continue this trend at the end of March by significantly cutting allocation to the manager primarily responsible for February's poor return. This move is in keeping with the Investment Adviser's intention to reduce exposure to directional equity or credit strategies where the investment terms are not particularly liquid. Further changes to the Portfolio have included a reduction to Asian Opportunities' long/short strategies with an increase in allocation to Short-Term Managed Futures.

Performance Data[1]



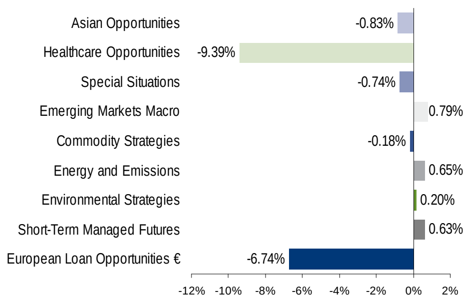
Source: Bloomberg

	Feb (%)[1]	YTD (%)[1]	Inc (%)[1,2]	Vol (%)[1,2]	Sharpe Ratio[1,2,3]
Dexion Alpha Strategies Limited £ Share NAV	-1.36%	0.42%	-2.68%	8.90%	-0.88
Dexion Alpha Strategies Limited € Share NAV	-1.36%	-0.56%	-7.78%	9.94%	-1.16
Dexion Alpha Strategies Limited US$ Share NAV	-1.35%	0.52%	-3.04%	8.02%	-0.89
MSCI World Index Gross (TR) (US$)[4]	-10.17%	-18.01%	-15.64%	18.62%	-1.06
JPM Global Govt Bond Index (TR) (US$)[4]	-3.11%	-6.92%	7.27%	8.16%	0.39

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

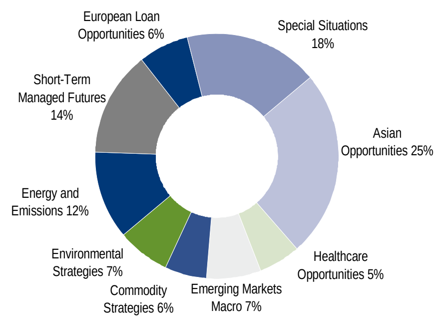
Strategy Overview

Monthly Strategy Performance (as at 28 February 2009)[5]



Source: RMF Investment Management

Strategy Allocation (as at 1 March 2009)[6]



Source: RMF Investment Management

Share Class Information

	INCEPTION DATE	BLOOMBERG	REUTERS	ISIN	SEDOL
£	24 Mar 2006	DASL LN	DASL.L	GB00B0ZQ8Q41	B0ZQ8Q4
€	24 Mar 2006	DASE LN	DASLx.L	GB00B0ZQ9943	B0ZQ994
US$	24 Mar 2006	DASU LN	DASLu.L	GB00B0ZQBH64	B0ZQBH6

£	
NAV	90.77p
Return[1]	**-1.36%**
Share Price*	74.750p
Net Assets	£72.43M
Opening NAV per £ share 98.25p	

€	
NAV	1.1219
Return[1]	**-1.36%**
Share Price*	0.9225
Net Assets	€17.14M
Opening NAV per € share €1.4208	

US$	
NAV	1.5732
Return	**-1.35%**
Share Price*	1.2700
Net Assets	US$2.15M
Opening NAV per US$ share US$1.7212	

*Closing mid-price at month end.

Key Facts

FTSE All-Share Company (£ and US$ share classes)

Manager
Dexion Capital (Guernsey) Limited

Investment Adviser
RMF Investment Management

Investment Consultant
Dexion Capital plc

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 generally implements a hedging policy to protect the Sterling and Euro value of its US Dollar denominated investments. The currency hedge for the £ and € Share classes was suspended between 12 November 2008 and 23 December 2008. For further information please refer to the RNS announcements of 13 November 2008 (No. 1531I) entitled 'Suspension of currency hedging' and of 22 December 2008 (No.6046K) entitled 'Currency hedging'.

Total Net Assets £89.18M

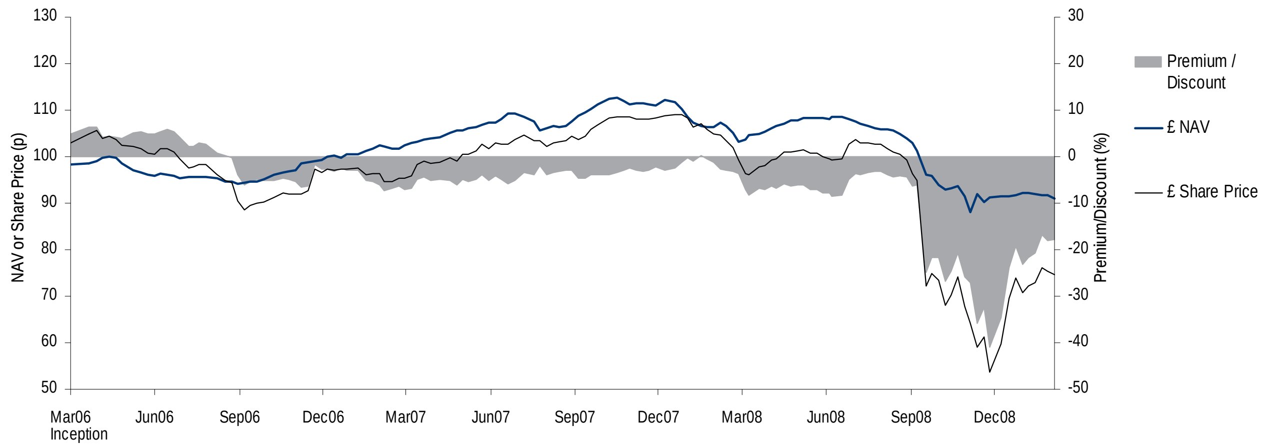
Fees
Management 1.50%
Performance 10%

Contact Details
Dexion Alpha Strategies Limited, 1 Le Truchot, St Peter Port, Guernsey

Email
clientservices@dexionalpha.com

For footnotes, please see final page. For information only - your attention is drawn to the disclaimer on the final page of this document. Past performance is not necessarily indicative of, and cannot be relied on as a guide to, future performance and may be affected by currency fluctuations.

Share Price Performance[1,7]



Source: Bloomberg

Historical NAV Performance (%)[8]

Monthly £ NAV Performance (%)[1]

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2009	0.95%	-1.36%											-0.42%
2008	-4.54%	-0.27%	-2.29%	2.17%	1.58%	0.02%	-1.69%	-0.64%	-4.62%	-8.17%	-5.31%	3.73%	-18.86%
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%

Monthly € NAV Performance (%)[1]

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2009	0.82%	-1.36%											-0.56%
2008	-4.51%	-0.26%	-2.22%	1.97%	1.39%	-0.08%	-2.16%	-0.63%	-5.11%	-8.69%	-4.25%	-8.85%	-29.28%
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%

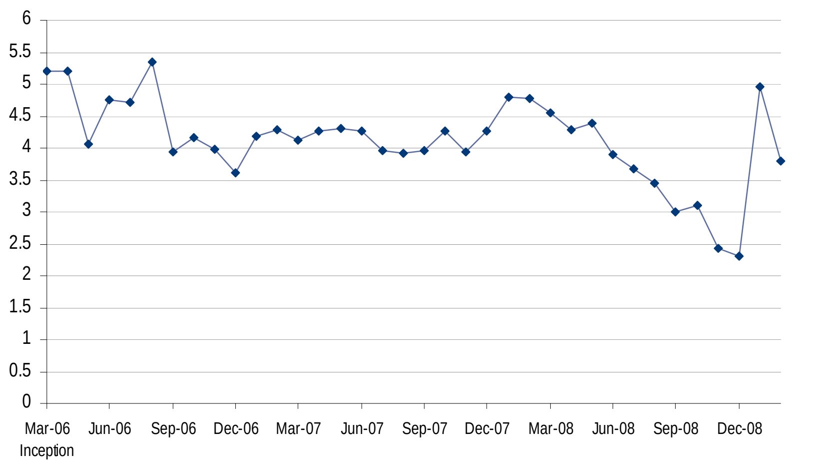
Monthly US$ NAV Performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2009	0.84%	-1.35%											-0.52%
2008	-4.66%	-0.45%	-2.61%	1.89%	1.30%	-0.23%	-2.27%	-0.73%	-5.39%	-6.57%	-3.06%	0.69%	-20.31%
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%

Legend: Reflects the impact of foreign exchange[1]

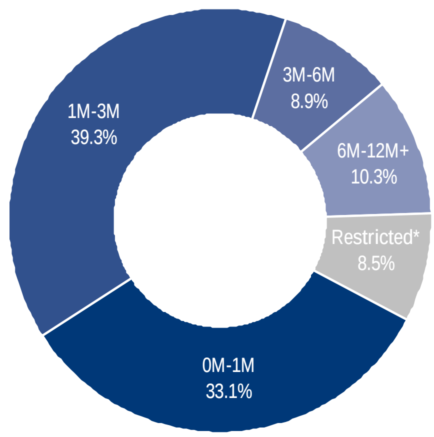
Source: Dexion Capital plc

Historical Look-Through Portfolio Leverage[9]



Source: RMF Investment Management

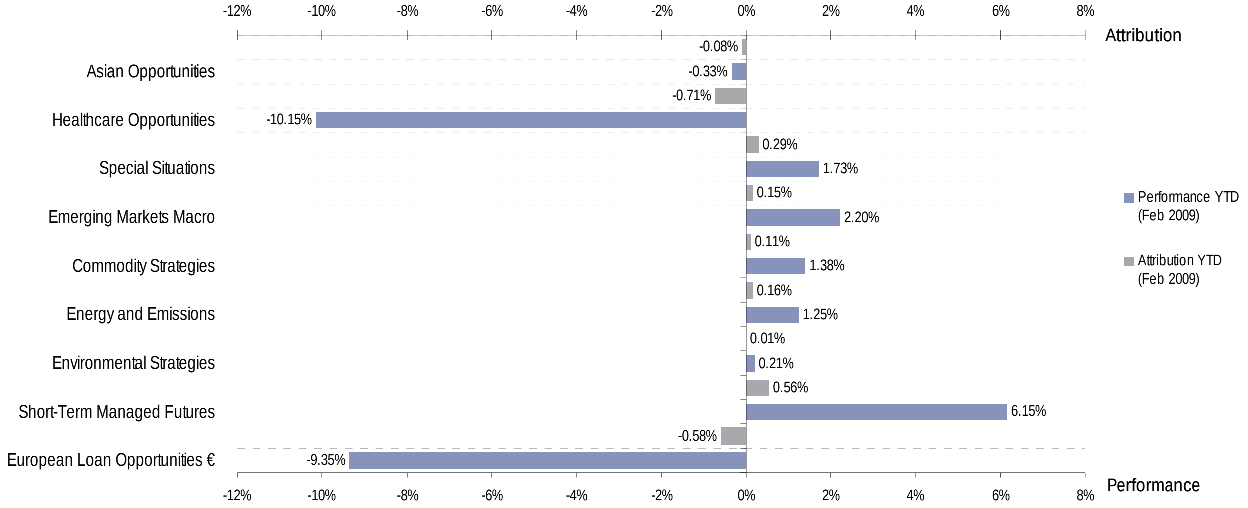
Portfolio Liquidity[10]



**Suspended or gated redemptions (6 managers)*
Source: RMF Investment Management

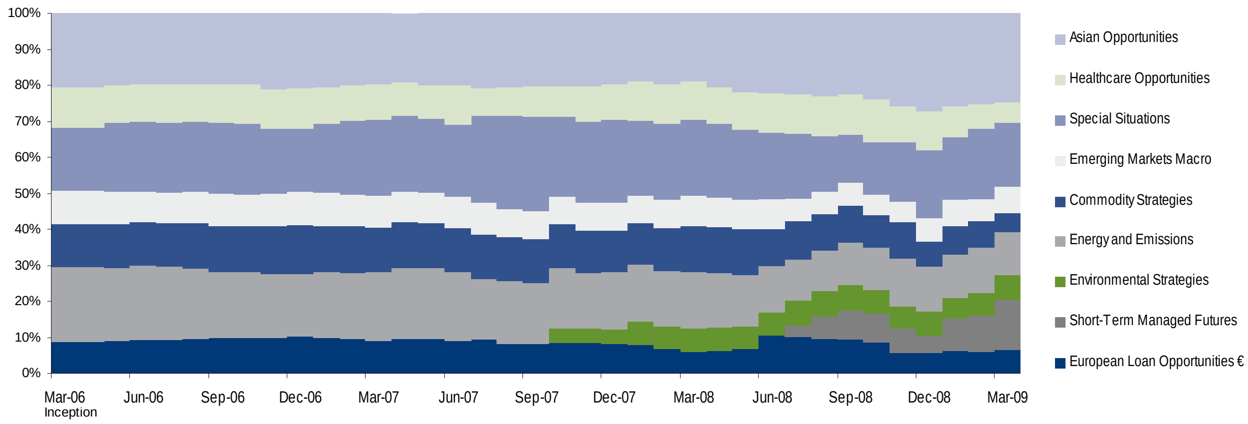
For footnotes, please see final page. For information only - your attention is drawn to the disclaimer on the final page of this document.
Past performance is not necessarily indicative of, and cannot be relied on as a guide to, future performance and may be affected by currency fluctuations.

Strategy Performance and Attribution[11]



Source: Dexion Capital plc

Historical Strategy Allocation[6]



Source: Dexion Capital plc

Gross and Net Exposures[12]

	Total Funds	Covered Funds	Average Capital Weighted Gross	Average Capital Weighted Net
Asian Opportunities	6	4	132%	2%
Healthcare Opportunities	4	2	125%	79%
Special Situations	6	4	61%	22%
Emerging Markets Macro	3	3	1440%	55%
Commodity Strategies	10	7	263%	22%
Energy and Emissions	11	7	340%	20%
Environmental Strategies	8	4	68%	19%
Short Term Managed Futures	3	3	730%	548%
European Loan Opportunities*	1	0	N/A	N/A

**RMF European Loan Opportunities is treated as one fund*
Source: RMF Investment Management

Strategy[1]

	Perf MTD%[5]	Alloc.%[13]	Number of Mgrs	Context for performance
Asian Opportunities	-0.83%	25%	6	Returns in the strategy were impacted by losses from two fundamental long/short managers. Both are running low net exposures, but poor stock picking on the long and short sides, most notably in Japan, proved damaging. However, another long/short manager posted a gain as its short positioning, especially in Korea, benefited from weakness in exporters and the banking sector. Elsewhere, three multi-strategy managers delivered gains of 1 - 2%, taking advantage of equity-orientated trades with near-term catalysts and spread trading within Asian fixed income and currency markets.
Healthcare Opportunities	-9.39%	5%	3	The strategy incurred a heavy loss due to one long biased manager who maintains the view that healthcare stocks offer compelling value. The manager's strong growth companies fell heavily, with positions in drug makers for epilepsy and various forms of sexual health afflictions falling. As noted previously, the Investment Adviser recognises the value offered by healthcare stocks at present, but feels that long biased equity strategies will struggle in the current environment. Consequently the Investment Adviser will continue to make reductions in the allocation to this strategy.
Special Situations	-0.74%	18%	6	It was an uneventful month for special situations strategies. Despite cautious positioning, most managers were slightly down as volatile equity markets led to a widening in the spreads of strategic deals in which they had exposure. In the distressed area, one manager posted a loss as mark-to-market declines in less liquid positions outweighed gains from hedges, while another profited from specific shorts in US publishing companies and European sovereign credits.
Emerging Markets Macro	0.79%	7%	3	Amid ongoing weakness in emerging market assets, some managers in the Portfolio delivered positive returns, with short positions in Asian currencies proving to be a key driver of returns. Nervous investors caused Asian currencies to continue their fall against the US Dollar, and shorts in the Korean Won and Indian Rupee worked particularly well.
Commodity Strategies	-0.18%	6%	10	Gains from agriculturals and hard assets this month were erased by losses from managers with exposure to softs markets, particularly cocoa. A number of managers were positioned to the long side in this market, but prices fell following forecasts of lower demand and a strengthening US Dollar. Elsewhere, short positions in corn and wheat profited from price declines. Long holdings of gold and precious metal equities performed well as shares in this sector continued to rally.
Energy & Emissions	0.65%	12%	11	The bulk of positive performance in this strategy was generated by a long/short equity manager who was short oil tankers and global refiners, and benefited as share values in these sectors fell sharply. Additional gains accrued from a US manager who profited from spread trades in oil and gasoline futures contracts. There was no significant contribution from natural gas trading last month, and as prices continue to slide, the managers see few reasons to turn bullish given the declining industrial demand, above average underground storage levels and forecasts of higher liquefied natural gas imports.
Environmental Strategies	0.20%	7%	7	Short selling drove performance in a month when long only Environmental indices fell. Managers have shifted exposure away from well-known sectors such as wind and solar and are focusing on areas benefiting directly from policy initiatives such as energy efficiency, storage, water and infrastructure. Exposure to water companies worked well over the month, with shorts in US water utilities and longs in Brazilian water stocks performing nicely. Despite carbon markets falling -15% over the month, losses from our carbon exposure were minor.
Short-Term Managed Futures	0.63%	14%	3	The early month negative reversal in equity markets led to good gains from the Portfolio's managers' largely contrarian systems. These gains were partially eroded by losses in currency markets, where the managers were not well positioned to capture the rapid declines in the Japanese Yen.
European Loan Opportunities €	-6.74%	6%	1	Declines in off-the-run loan prices had a negative impact on the performance. While the European leveraged loan market has seen some stabilisation in recent weeks, the bulk of liquidity has centred on larger issues, and smaller names have continued to be marked-down irrespective of credit quality. The leverage within the portfolio has continued to be reduced and the portfolio will be unlevered from the beginning of April 2009.

Source of commentary: RMF Investment Management
Source of data: Dexion Capital plc

Manager Analysis

Top 10 Investments	Strategy	Alloc.%[13]	Trading Style
RMF Commodity Strategies	Commodity Strategies	11.66%	Diversified commodity focused fund of funds
Brevan Howard Asia Fund	Asian Opportunities	6.78%	Asia biased multi-strategy
Paulson Advantage Plus	Special Situations	5.91%	Fundamental event driven multi-strategy
RMF Environmental Opportunities Fund	Environmental Strategies	5.77%	Diversified environmental focused fund of funds
Pemba European Loan Opportunities (EUR)	European Loan Opportunities	5.45%	Long biased European senior secured loans
Arnott Opportunities Fund	Asian Opportunities	4.98%	Asia biased equity long/short & volatility trading
Tiger Asia Overseas Fund	Asian Opportunities	4.56%	Bottom up Asian equity long/short
Roy G. Niederhoffer Negative Correlation Fund	Short-Term Managed Futures	4.44%	The fund employs a primarily short-term contrarian strategy benefiting from electronic execution algorithms. The average holding period is 4-5 days and the fund trades across bond, equity, currency and commodity markets
Deephaven European Event Fund Limited	Special Situations	4.09%	Highly hedged European focused manager, utilising derivatives to create asymmetric pay-offs
Plainfield Special Situations Offshore Feeder Fund	Special Situations	3.85%	A market neutral multi-strategy approach to credit investing with a focus on traditional distressed and special situations.

Source of trading style: RMF Investment Management
Source of data: Dexion Capital plc

Top 5 Investments (by contribution to performance in February 2009)

Fund	Strategy	Contribution %[14]	Context for performance
Fund 1	Asian Opportunities	0.11%	Profited from volatility in Asian bond markets and established short positions in Asian currencies, which continued to weaken against the US Dollar.
Fund 2	Energy and Emissions	0.09%	Good return driven by alpha shorts in shipping tankers and global oil refiners.
Fund 3	Emerging Markets Macro	0.06%	Returns driven by short positions in Asian currencies, notably the Korean won & Indian rupee.
Fund 4	Asian Opportunities	0.05%	Benefited from tactical & spread trades in Asian derivative markets, with limited directional volatility exposure.
Fund 5	Asian Opportunities	0.05%	Profits derived from short-term catalyst trades centred on Japanese equities, while maintaining low to negative net exposure

Source of commentary: RMF Investment Management
Source of data: Dexion Capital plc

Bottom 5 Investments (by contribution to performance in February 2009)

Fund	Strategy	Contribution %[14]	Context for performance
Fund 1	Healthcare Opportunities	-0.59%	Heavy falls in biotechnology stocks inflicted losses on the manager's long positions. Despite strong earnings growth, these stocks continue to experience selling pressure. The Investment Adviser is cutting the position size significantly at the end of March.
Fund 2	European Loan Opportunities	-0.41%	Losses due to declines in less liquid European bank loan prices.
Fund 3	Asian Opportunities	-0.26%	The bulk of losses were registered from long positions in Japanese domestic industries & Korean financials.
Fund 4	Asian Opportunities	-0.18%	While the manager is running with a very low net exposure, disappointing stock picking on both the long and short side impaired performance in February.
Fund 5	Special Situations	-0.05%	A small loss was realised as markdowns in illiquid positions outweighed gains from hedge positions.

Source of commentary: RMF Investment Management
Source of data: Dexion Capital plc

Summary of Recent RNS Announcements*

Result of Extraordinary General Meeting (25 March 2009)
The Board of the Company is pleased to announce that the ordinary resolution put to shareholders at the Extraordinary General Meeting held on 25 March 2009 was passed.

New Market Repurchase Authority and Continuation Votes (6 March 2009)
The Company has today posted a Circular to Shareholders in connection with a proposed new authority to make market purchases of its own Ordinary Shares. The Directors remain concerned at the current discount to NAV at which the Company's Ordinary Shares trade and on 5 March 2009 determined that the Company had sufficient available liquidity to restart its share buyback programme. The Directors intend to actively use the Company's share buy back powers from time to time to seek to manage any discount at which the Ordinary Shares might trade.

Shareholder approval for new authority
The Company is therefore seeking Shareholder approval for a new authority to make market purchases of up to 14.99 per cent. of the Ordinary Shares in issue in advance of its Annual General Meeting later in 2009 when such authority would normally be renewed. The renewal of the Company's authority to make market purchases of Ordinary Shares requires the approval of Shareholders at the Extraordinary General Meeting convened for 11.00 a.m. on 25 March 2009 (or at any adjournment thereof).

Continuation Votes
Further to the Company's announcement on 23 January 2009, the Board now expects that the circular to Shareholders putting forward the continuation resolutions will be published by the end of March 2009 convening separate class meetings of the £ Shares, € Shares and US$ Shares to be held before the end of April 2009.

Resumption of Share buyback (5 March 2009)
Dexion Alpha Strategies Limited ("the Company") was granted shareholder authority at its last AGM to make market purchases of up to 14.99% of each class of its ordinary shares. Buy-backs made from the date of such authority to 5 March 2009 total 10,640,000 £ shares (12.03% of the issued £ shares) and 1,555,373 € shares (7.89% of the issued € shares) 8,605,373 of which the Company is holding in treasury. The current shareholder authority expires on the earlier of the conclusion of the Company's AGM in 2009 and 16 December 2009.

*Please refer to the original announcement for further detail.

FOOTNOTES

Dexion Alpha Strategies Limited ("DASL" or "the Company")

1 *The approximate impact of the foreign exchange on the net asset value of DASL's ordinary shares as of the 23 December 2008 is: +0.44% £ Share, -9.56% € Share for the period 12 November to 23 December 2008, being the period that the Portfolio was unhedged in 2008 (see RNS dated 28 January 2009, No. 3876M). DASL reinstated the forward currency hedge for the £ and € Share classes on 23 December 2008 (see RNS dated 22 December 2008, No. 6046K).*

2 *Annualised from inception date of DASL £, DASL € and DASL US$, and based on monthly data.*

3 *Risk free rate is average 1M GBP LIBOR since March 2006 (5.13%) for DASL £, average 1M EUR LIBOR since March 2006 (3.76%) for DASL € and average 1M USD LIBOR since March 2006 (4.10%) for DASL US$ and US$ indices.*

4 *MSCI World Index and JPM Global Government Bond Index annualised since March 2006.*

5 *Strategy returns are in US$ (except where annotated), net of underlying manager fees only, and not inclusive of DASL's fees and expenses.*

6 *Strategy allocations are net of cash effect and calculated on a look-through basis.*

7 *Calculated using monthly published NAVs and closing monthly share prices to February 2009. Note that current premium/discount may be higher or lower.*

8 *Historical monthly NAV performance is net of all fees.*

9 *The look-through leverage for the Portfolio based on the underlying managers which report to the Risk Questionnaire System ("RQS"). The RQS is a propriety system used by RMF Investment Management to increase transparency of fund investments. The look-through leverage for the Portfolio is based on the underlying managers which report to the Risk Questionnaire System ("RQS"). The RQS is a proprietary system used by RMF Investment Management to increase transparency of fund investments. The level of leverage will fluctuate in response to changes in a) exposures at the underlying manager level, and b) changes in strategy allocations.*
Strategies which utilise derivatives, such as short-term managed futures, commodities, energies and emerging markets, have higher gross exposures, and shifts in the allocations of these strategies will significantly affect the overall leverage level. It should be noted that derivative trades do not require 100% cash financing, and the typical margin to equity ratio is 15-20%, thus the cash borrowing requirement for these strategies is very limited relative to the gross exposures.

10 *As at 28 February 2009 the percentage of the Portfolio that can be liquidated within various time periods based on the managers which report to RQS. DASL's liquidity is subject to change and the information set forth in the chart above is not an indication of the Portfolio's future liquidity. The Portfolio's liquidity will change as it allocates and reallocates capital among the underlying hedge funds. In addition, underlying hedge funds often have the ability to suspend redemptions, restrict redemptions to a specified percentage of the underlying hedge fund's net assets (eg a "gate") and/or restrict investors from redeeming their interest in certain investments (eg "side pockets"), all of which would reduce the liquidity of DASL. In particular, the likelihood that a hedge fund may suspend redemptions, invoke a gate or side pocket certain investments is likely to increase during times of market stress that cause investors to redeem from hedge funds. Cash proceeds from redemptions are received after the redemption date and this period will vary between hedge funds. Typically, hedge funds distribute 90% of a redemption amount within 30 days, with the remainder of the redemption amount distributed after the completion of the hedge fund's audit, which can be several months after the redemption date, typically without the payment of any interest. This analysis does not account for lock-ups, under which the ability to redeem is restricted for a period, typically one or two years. While most of the investments in the Portfolio have "burned off" their lock-ups, certain investments may still be subject to a lock-up. In certain cases, there may be an ability to redeem prior to the expiration of a lock-up period through the payment of an early redemption fee, generally ranging from 2-5%.*

11 *Strategy attributions have been calculated using start of month weighting and performance during the month, are in US$, net of underlying manager fees only, and not inclusive of DASL's fees and expenses.*

12 *Cash weighted gross and net exposures, by strategy, of the funds in the Portfolio which report to RQS, as at 28 February 2009. The numbers indicated by the 'Total Funds' include one fund that is in the process of being exited. The numbers indicated by 'Covered Funds' represent the number of funds that report to RQS.*
Strategies which utilise derivatives, such as short-term managed futures, commodities, energies and emerging markets will typically have higher gross exposures than equity based strategies. It should be noted that derivative trades do not require 100% cash financing, and the typical margin to equity ratio is 15-20%, thus the cash borrowing requirement for these strategies is very limited relative to the gross exposures shown.
In the case of net exposures, the exposure for short-term managed futures will fluctuate more widely relative to other strategies. These shifts are a function of the opportunity set within capital markets, and their models will systematically increase exposure when market conditions are favourable, and reduce exposures when they are less favourable. It should also be noted that the figures provide a snapshot of exposures at the end of the month, and these exposures can have changed significantly given the high trading frequency of the strategy.

13 *Manager allocations are net of cash effect and are calculated on a look-through basis as at 1 March 2009.*

14 *Individual manager contributions have been calculated using start of month weighting and performance during the month, are in US$, net of underlying manager fees only, and not inclusive of DASL's fees and expenses.*

Note: Inception date for all share classes for DASL is 24 March 2006.

Dexion Capital plc
Authorised and Regulated by the Financial Services Authority
Registered Office: 9 Bridewell Place, London EC4V 6AW. Registered in England and Wales No. 4040660.