Dexion Alpha Strategies Limited

MAY 2009

Monthly Portfolio Review

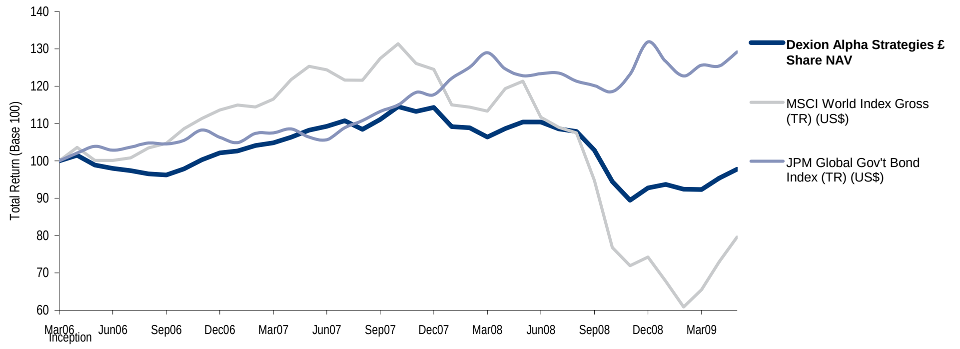
www.dexionalpha.com

Investment Adviser Portfolio Outlook

Positive performance across all strategies led to an overall gain for the Portfolio. As the global economic recovery theme grew in popularity and spread across virtually all sectors, outstanding returns were recorded from the underlying managers in the Portfolio's Healthcare and Emerging Market strategies.

The Portfolio remains highly flexible with the underlying managers able to extract alpha from directional and spread trades, while the significant long volatility exposure within the portfolio should serve it well should market conditions deteriorate significantly.

Performance Data[1]



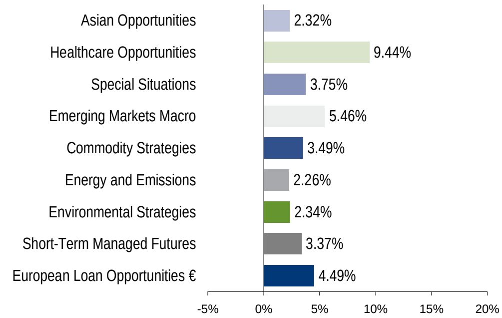
Source: Bloomberg

	May (%)[1]	YTD (%)[1]	Inc (%)[1,2]	Vol (%)[1,2]	Sharpe Ratio[1,2,3]
Dexion Alpha Strategies Limited £ Share NAV	2.52%	5.39%	-0.71%	8.88%	-0.62
Dexion Alpha Strategies Limited € Share NAV	2.52%	2.77%	-6.22%	9.76%	-1.00
Dexion Alpha Strategies Limited US$ Share NAV	2.82%	3.32%	-1.63%	7.93%	-0.69
MSCI World Index Gross (TR) (US$)[4]	9.19%	7.23%	-6.94%	20.54%	-0.52
JPM Global Gov't Bond Index (TR) (US$)[4]	2.99%	-2.04%	8.42%	8.00%	0.57

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

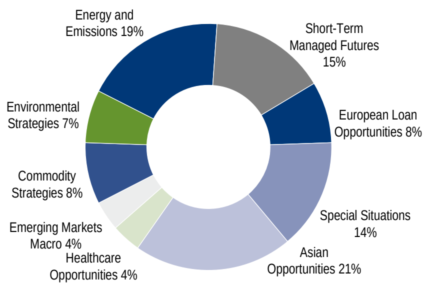
Strategy Overview

Monthly Strategy Performance (as at 29 May 2009)[5]



Source: RMF Investment Management

Strategy Allocation (as at 1 June 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

£	as of 29 May 2009
NAV	96.06p
Return[1]	**+2.52%**
Share Price*	84.50p
Net Assets	£66.82M
Opening NAV per £ share 98.25p	

€	as of 29 May 2009
NAV	1.1594
Return[1]	**+2.52%**
Share Price*	1.0300
Net Assets	€18.43M
Opening NAV per € share €1.4208	

US$	as of 29 May 2009
NAV	1.6339
Return	**+2.82%**
Share Price*	1.3450
Net Assets	US$2.23M
Opening NAV per US$ 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 £84.32M

Fees
Management 1.50%
Performance 10%

Contact Details
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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.

Dexion ALPHA strategies

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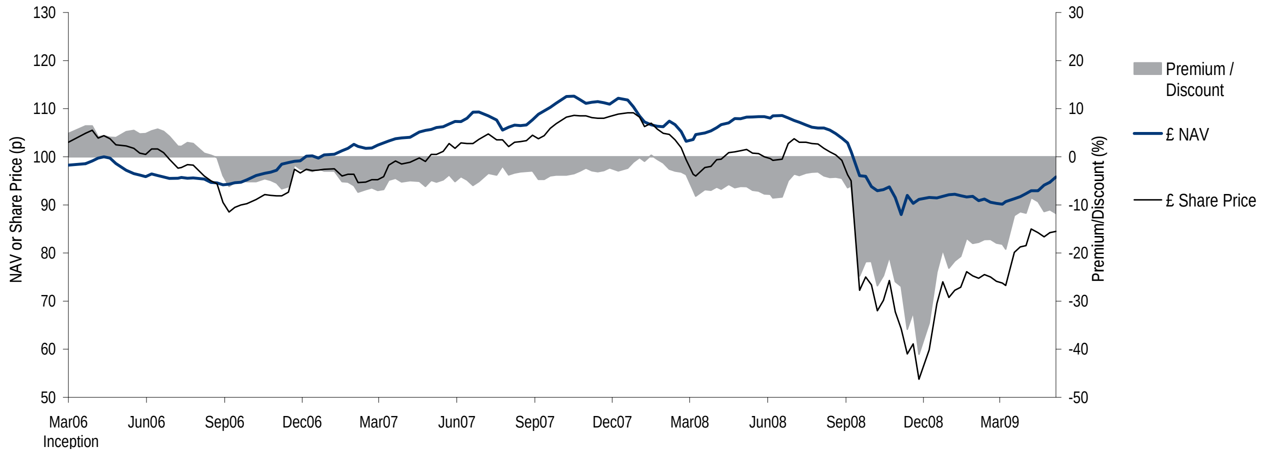
Share Price Performance[1,7]



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%	-0.04%	3.27%	2.52%								5.39%
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%	-0.66%	1.47%	2.52%								2.77%
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%

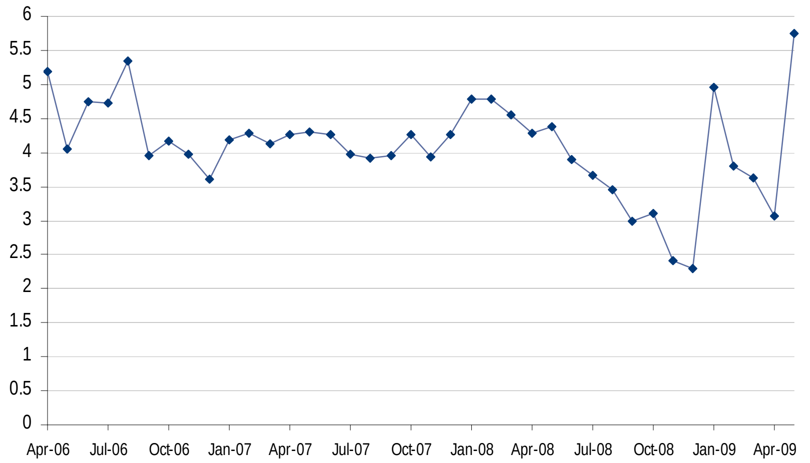
Monthly US$ NAV Performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2009	0.84%	-1.35%	-0.43%	1.45%	2.82%								3.32%
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]

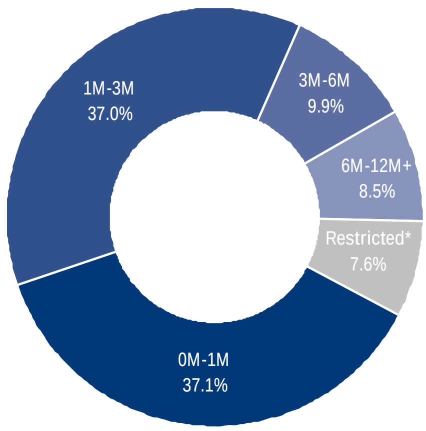
Source: Dexion Capital plc

Historical Look-Through Portfolio Leverage[9]



Source: RMF Investment Management

Portfolio Liquidity[10]



**Suspended or gated redemptions (8 managers)*

Source: RMF Investment Management

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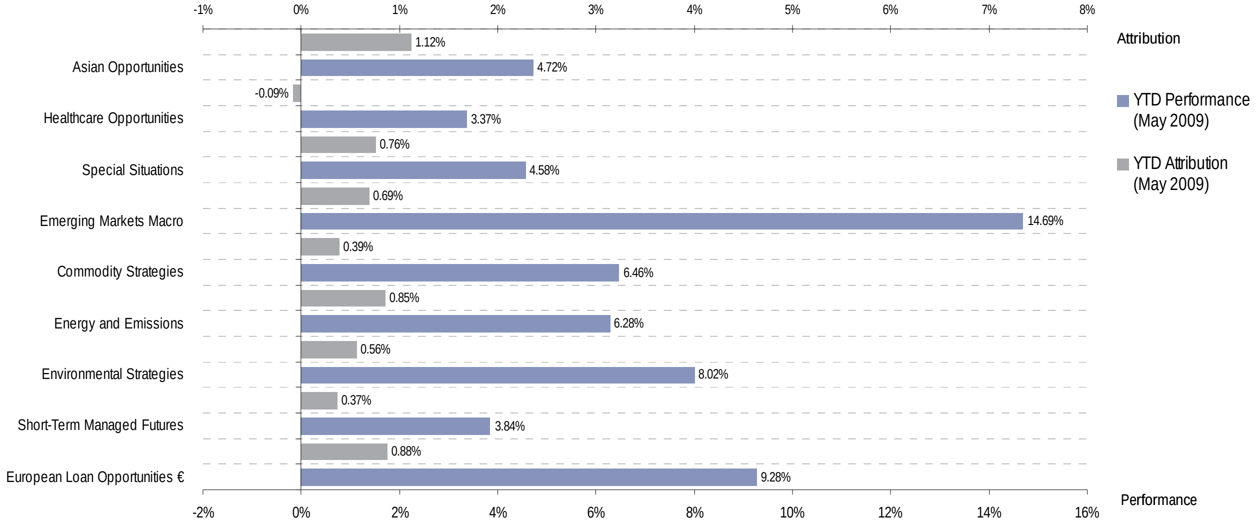
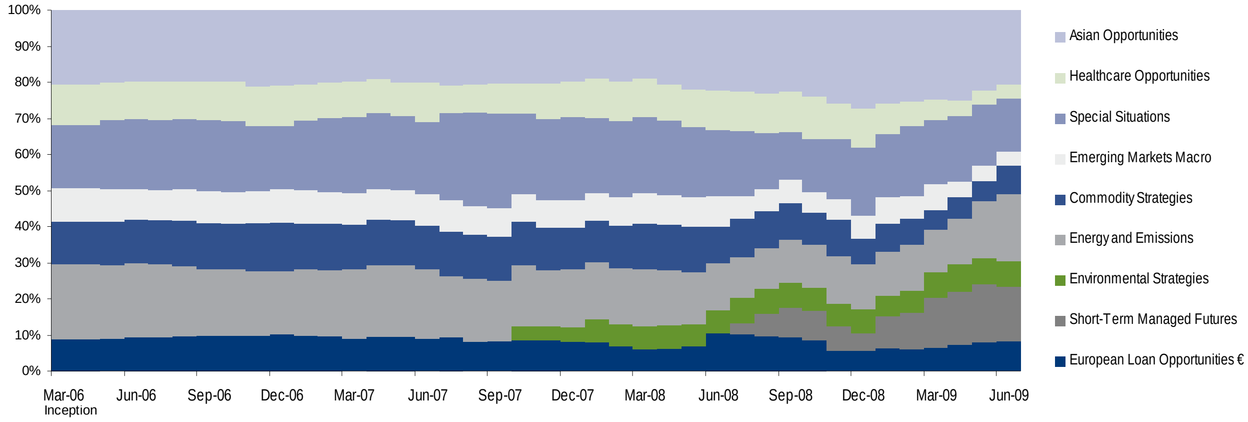
Strategy Performance and Attribution[11]



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	212%	49%
Healthcare Opportunities§	3	1	N/A	N/A
Special Situations	5	2	138%	40%
Emerging Markets Macro	3	3	1141%	82%
Commodity Strategies	10	7	304%	45%
Energy and Emissions	12	8	336%	31%
Environmental Strategies	7	6	93%	38%
Short Term Managed Futures	4	4	1757%	1354%
European Loan Opportunities €*	1	0	N/A	N/A

§Healthcare Opportunities has only one manager reporting so no numbers given
**RMF European Loan Opportunities is treated as one fund*
Source: RMF Investment Management

Strategy[11]

	Perf MTD%[5]	Alloc.%[13]	Number of Mgrs	Context for performance
Asian Opportunities	2.32%	21%	6	Managers took advantage of the improved sentiment towards Asia and a weakening US Dollar to deliver positive returns. Performance was underpinned by strong gains from core positions in financial and consumer discretionary sectors, especially in Hong Kong and China. One manager saw strong price appreciation in some of its smaller cap names as the rally broadened to less liquid stocks. Those managers with a more balanced portfolio, as well as portfolios focusing more on South-East Asia and less on China and India, produced lower but nevertheless positive returns. The only fund to report a loss was a multi-strategy manager with long volatility exposure who was hurt by a significant contraction of implied equity volatility and Asian credit spreads.
Healthcare Opportunities	9.44%	4%	3	The most significant position in the strategy began the month with net exposure of +100%, providing the manager with ample opportunity to capture the market moves and add alpha through security selection. Two of the fund's top holdings, a medical device company and a pharmaceutical company, appreciated +21% and +17% respectively.
Special Situations	3.75%	14%	5	Positive returns for all managers were led by a manager who bounced back after last month's loss to post strong gains from gold exposure, with one of its holdings, Anglo Gold Ashanti, rising 35%. As credit markets experienced another strong month, the Portfolio's Distressed managers were both up. One manager made money across all sub-sectors, profiting from a reduction in short exposure and a subsequent increase in long exposure, with strong returns out of the auto sector, particularly Chrysler Finance. The Portfolio's other Distressed manager was slightly up, although it underperformed its peers due to a macro hedge and illiquid positions which failed to participate in the credit rally.
Emerging Markets Macro	5.46%	4%	3	Managers profited from the continued appetite for risky assets. Long positions in credit and equities in developing countries drove profits for two managers, while another manager profited from positions in Brazilian and Mexican fixed income and currency markets, as well as a rally in their legacy positions. The Portfolio's managers have gradually increased risk during the month and are cautiously optimistic about the outlook for emerging market investing.
Commodity Strategies	3.49%	8%	10	The majority of commodity sectors rallied during the course of the month. In Canada the S&P/TSX materials sector rose 21%, driving one manager's performance upwards through exposure to precious and base metal mining stocks. Elsewhere, diversified funds with a directional bias were up, with one manager benefiting from their bullish stance on energy. Base metals were broadly positive, with managers making money on long copper calendar spreads and long nickel option positions. While losses were limited, one manager was caught on the wrong side of the commodity rally, losing from bear spread positioning at the front ends of various commodity yield curves.
Energy & Emissions	2.26%	19%	12	A continued decline in the US Dollar and stronger energy prices, as Chinese demand and OPEC's apparent control of oil production, helped maintain recent investor buying trends. After months of underperformance, natural gas moved higher in tandem with the rest of the energy complex. One manager, who has been bearish front month natural gas for a few months, was negatively impacted. On the plus side, significant returns were derived from investments oil and gas exploration companies and European utility stocks, where long positions drove returns in an environment of share price strength.
Environmental Strategies	2.34%	7%	7	The continued recovery in global equity markets provided a positive tailwind for the Portfolio's Environmental long/short equity managers. The Portfolio's Asian-focused clean technology fund held core positions in wind companies which rose sharply and contributed to the managers +19% return. The water sector posted gains, with strong performance in the Asian water space helping the Portfolio's water focused manager. Carbon markets staged a solid rally with CER futures up 10.5% and EUAs up 5.2%. While the spread narrowing did not have a negative impact on the carbon manager, the manager's short positioning did detract from performance.
Short-Term Managed Futures	3.37%	15%	4	Bullish investor sentiment drove risk assets higher, proving favourable for the Portfolio's short term traders. Strong contribution came from one manager who took advantage of a sharp worldwide downward move in mid-May 2009 and the subsequent strong recovery in equities a week later. Another manager saw returns from a number of positions in currencies, soft commodities and metals.
European Loan Opportunities €	4.49%	8%	1	The leveraged loan market maintained rallies from earlier in the year and posted strong gains. The secondary market rally was not only limited to better performing credits or flow names but also extended to names that had previously been untouched. As a consequence, bids were registered from investors looking for value in performing, but more illiquid, names.

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	7.50%	Diversified commodity focused fund of funds
Pemba European Loan Opportunities (EUR)	European Loan Opportunities	6.84%	Long biased European senior secured loans
RMF Environmental Opportunities Fund	Environmental Strategies	5.80%	Diversified environmental focused fund of funds
Brevan Howard Asia Fund	Asian Opportunities	4.77%	Asia biased multi-strategy
Tiger Asia Overseas Fund	Asian Opportunities	4.74%	Bottom up Asian equity long/short
Roy G. Niederhoffer Negative Correlation Fund	Short-Term Managed Futures	4.67%	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
Paulson Advantage Plus	Special Situations	4.20%	Fundamental event driven multi-strategy
Arnott Opportunities Fund	Asian Opportunities	3.95%	Asia biased equity long/short & volatility trading
York Credit Opportunities Unit Trust Fund	Special Situations	3.46%	US-based fundamental distressed manager
Plainfield Special Situations Offshore Feeder Fund	Special Situations	3.44%	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 May 2009)

Fund	Strategy	Contribution %[14]	Context for performance
Fund 1	Special Situations	0.40%	Gold surged on inflation concerns and a weakened US Dollar delivered gains from holdings in AngloGold Ashanti.
Fund 2	European Loan Opportunities	0.35%	Posted strong returns on the back of an ongoing rally in European bank loans.
Fund 3	Healthcare Opportunities	0.35%	Outperformed the long only Healthcare index and had substantial net exposure of +100%, which allowed the manager to capture the market rally. Two core positions appreciated significantly.
Fund 4	Short-Term Managed Futures	0.31%	Short-term trader who was able to tactically trade the upward move in stock indices.
Fund 5	Commodity Strategies	0.24%	Benefited from the upward trend of crude oil as well as rallies in small and mid cap mining stocks.

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

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

Fund	Strategy	Contribution %[14]	Context for performance
Fund 1	Energy and Emissions	-0.05%	The manager was hurt by bear spreads in the front part of certain energy curves, in particular natural gas, as the commodity participated in the rally.
Fund 2	Short-Term Managed Futures	-0.02%	The majority of losses for the manager came from short positions in the commodity sector as these markets continued to rally, in particular heating oil and WTI crude.
Fund 3	Asian Opportunities	-0.02%	The manager had increased long volatility and short credit positions entering the month, both of which detracted from performance.
Fund 4	Energy and Emissions	0.00%	The manager posted a small gain due to upward revaluations in long control positions.
Fund 5	Special Situations	0.00%	The manager underperformed peers after investing in short positions and off-the-run long positions with little price movement.

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

Summary of Recent RNS Announcements*

Reorganisation Proposals (11 June 2009)

Following the Continuation Resolutions of the GBP Shares and the € Shares not being passed at the separate Class Meetings of the Company held on 24 April 2009, the Board announces its intention to put forward proposals to all Shareholders to reorganise the Company (the "Reorganisation Proposals").

The key features of the Reorganisation Proposals are expected to be as follows:

- a full cash exit opportunity at NAV (less costs) for all Shareholders of each class on a similar basis and timetable to that envisaged in the Circular dated 31 March 2009;

Summary of Recent RNS Announcements* continued

- a change in the Company's investment policy providing for a refocus as a commodities themed portfolio with RMF Investment Management continuing as Investment Adviser and subject to a minimum viable size of approximately £40 million (or such higher or lower threshold amount as the Board in its absolute discretion determines); and
- a change in the Company's Articles of Association providing for, amongst other things, the provision of a fixed continuation vote in 2010 with accelerated cash exit proposals if such continuation vote is not approved.

The Board expects a circular to be posted to Shareholders in late June 2009 (or shortly thereafter) which will contain further details of the Reorganisation Proposals. Shareholders who wish to remain invested in the Company are advised to take no action at this time.

*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 (4.81%) for DASL £, average 1M EUR LIBOR since March 2006 (3.55%) for DASL € and average 1M USD LIBOR since March 2006 (3.82%) 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 May 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 29 May 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 29 May 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 June 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.

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