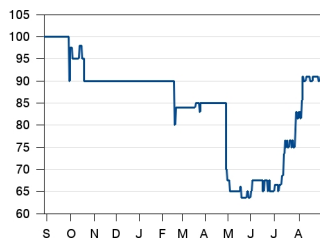


Sector: Financials

Alpha Strategic (APS)

Market cap: £4m

Price: 90.0p
 Forecast net cash (£m) 1.7
 Forecast gearing ratio (%) N/A
 Market AIM

Share price graph (p)**Company description**

Alpha Strategic plans to pool a portion of the revenue streams from several single strategy hedge funds.

% Relative to Local Index

%	1m	3m	12m
Actual	8.4	41.7	(10.0)
Relative	(0.7)	(18.0)	1.7

Analyst

Neil Shah

INVESTMENT SUMMARY

Shares have continued to rally, up 10% over the month. This follows last month's announcement of a second transaction, which was important in terms of the validity of the business model. The transaction was arranged via the purchase of Acme Advisors, a wholly owned subsidiary of IKOS Asset Management. Acme provides sales and distribution advisory services to IKOS in respect of the fund and, for the provision of these services, has an agreement to receive 7.2% of IKOS's aggregate management and performance fees from the fund. The consideration for this acquisition was \$2.8m, satisfied through the issue of 1.2m shares at 85p per share and the payment of \$1.1m in cash. \$800k of income is guaranteed from this transaction in year one.

INDUSTRY OUTLOOK

The climate for hedge funds remains challenging, but has created opportunities for Alpha.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2008A	0.7	0.2	0.3	8.0	11.3	N/A
2009A	0.3	(0.2)	(0.1)	(4.9)	N/A	99.0
2010E	0.7	0.2	0.2	3.2	28.1	19.0
2011E	0.8	0.3	0.3	4.5	20.0	16.1