



Investment manager's comments

The performance of the Dexia Micro-Credit Fund continues to be stable and in line with target returns across all share classes. The fund resumed lending during the month of March, focusing on broad geographical diversification of high quality, promising microfinance institutions (MFIs). While only one loan was disbursed during the past month - to a Kyrgyz apex microfinance lender that lends to a number of MFIs in Kyrgyzstan Kazakhstan and Tajikistan - BlueOrchard's credit committee approved an additional 9 loans, totalling more than USD 15 million equivalent to be disbursed in April. These include loans to new as well as returning borrowers to DMCF, and the MFIs are located in a broad range of countries, such as Peru, Mexico, Moldova, Mongolia and others.

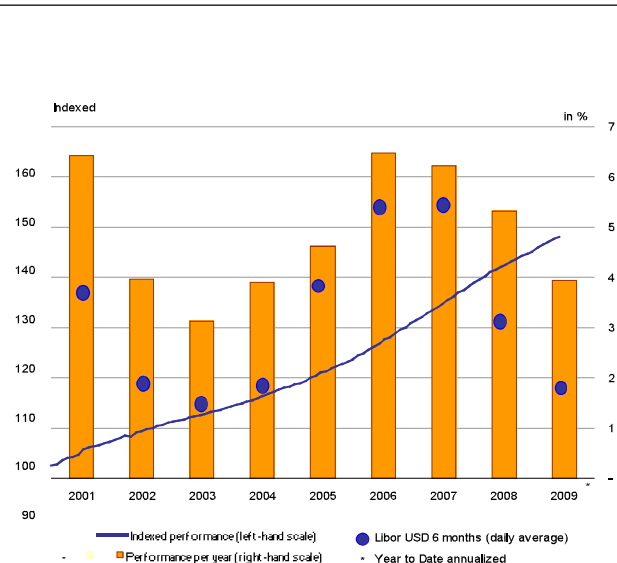
Summary portfolio details

Net Asset Value (NAV) *	USD	451,395,545.19
Total Assets	USD	436,490,509.38
Microfinance loan portfolio	USD	341,448,111.40
Average loan size	USD	1,876,088.52
Portfolio average life (in months)		16.67
Number of countries		29
Number of MFIs		93
Number of loans outstanding		182
Total new disbursements this month:	USD	600,000.00
Number of new loans disbursed this month		1
Total loans disbursements (since inception)**	USD	607,983,552.53
Number of loans disbursed (since inception)		582

*Net Assets are equal to Total Assets less liabilities, plus current receivables net of current payables.

**The volume of loans disbursed since inception is lower in this report than prior ones due a change in calculation of the USD-value of EUR-denominated loans. The calculation is now based on USD equivalent at time of the original loan disbursement.

Performance chart - USD share class



Performance data

	USD	EUR	CHF
NAV	175,152,151.83	179,479,941.00	43,148,622.29
Share Value	16,685.62	12,838.34	12,053.11
Monthly return (28 days)	0.23%	0.23%	0.17%
Return on investment year-to-date	0.91%	1.06%	0.76%
Last 12 months	4.70%	5.17%	3.77%
Last 3 years (annualized)	6.14%	5.19%	3.36%
Last 5 years (annualized)	5.98%	4.99%	3.10%
Since inception (total return)	66.86%	28.38%	20.53%
Inception date	September 1998	April 2003	December 2001

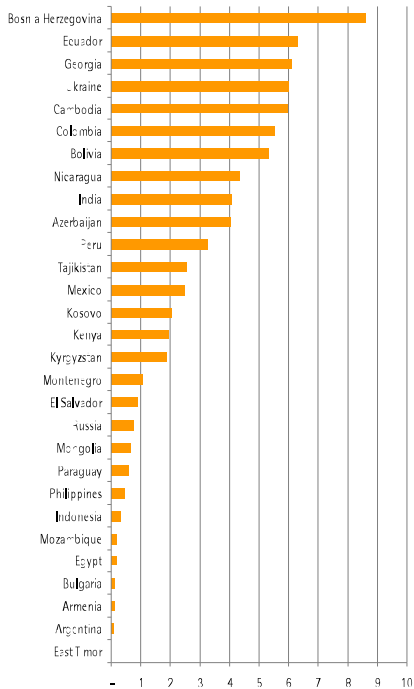
Social performance indicators

Total # of microentrepreneurs reached by MFIs in the portfolio	7,754,044
# of microentrepreneurs reached by funding provided by DMCF	369,060
% of rural clients*	41%
% of female clients*	52%
Average loan outstanding in USD	1,425

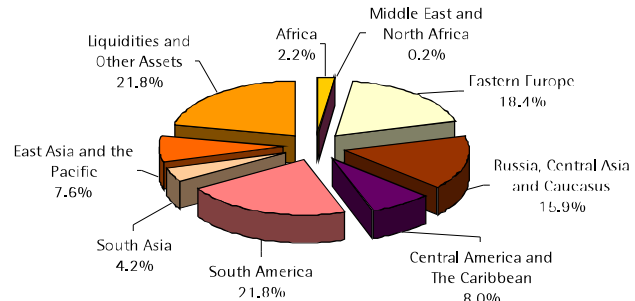
*Data as of 31 December 2008



Exposure by country (in % of NAV)



Exposure by region (as % of total assets)



Five largest outstanding positions (as % of NAV)

PROCREDIT BANK UKRAINE	Ukraine	5.98%
PROCREDIT BANK GEORGIA	Georgia	5.54%
WWB - BUCARAMANGA	Colombia	3.32%
PROCREDIT ECUADOR	Ecuador	3.04%
EKI	Bosnia-Herzegovina	2.92%

Fund description, facts and information



Structure: Luxembourg SICAV, part II
 Inception date: September 1998
 Registration: Luxemburg
 Investment Managers: BlueOrchard Finance S.A.
www.blueorchard.com
 Dexia Asset Management
www.dexia-am.com
 Custodian Bank: RBC Dexia
 Sponsor Bank/ Distributor: Dexia BIL
 ISIN Number: USD share class – LU0091117944
 CHF share class – LU0136928586
 EUR share class – LU0164081316

Valuation Dates: 1st Wed. of each month
 Subscriptions: Monthly (with 1 day's notice) effective the 1st Wed of each month
 Issuing Fees: 0-4%
 Redemptions: Monthly, with 30 days notice, effective the 1st Wed of each month
 Income: Reinvested
 Total Expense Ratio: approx. 2.2%
 Minimum subscriptions: USD 10,000
 CHF 15,000
 EUR 10,000

For additional information, please contact:

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At RBC Dexia Investor Services: David Rossi, Client Service Manager, David.Rossi@rbcdexia-is.net

Fund description

The Dexia Micro Credit Fund (DMCF) invests in debt instruments of up to 3 years in maturity issued by microfinance institutions (MFIs) located in Africa, Asia, Eastern and Central Europe and Latin America. The MFIs provide small loans and other financial services to microentrepreneurs who lack access to traditional banking services. With the capital provided by these loans, micro-entrepreneurs are able to develop and grow productive businesses and improve their families' standard of living. Thus, the DMCF seeks to achieve an attractive return for investors while providing important social impacts, including poverty alleviation, empowerment of the working poor and the strengthening of inclusive financial systems. The target annual return of the fund is 6-month Libor plus 1-2%.