



Investment manager's comments

During the month of April, the Dexia Micro-Credit Fund disbursed 10 new loans, totaling USD 17.9 million, to a diversified mix of microfinance institutions (MFIs). Four of the MFIs are new borrowers to the fund: Mol Bulak and Kompanion in Kyrgyzstan, Microinvest in Moldova and ACEP in Cameroon. The other disbursements were to institutions that have borrowed from the fund in the past, and include MFIs in Azerbaijan, Kosovo, Peru and Tajikistan. Continued strong investor inflows into the fund, as well as a slight depreciation of the USD - which has increased the value of the EUR and CHF share classes, and therefore the overall NAV - mean that the larger microfinance loan portfolio still represents 76% of NAV, but a strong pipeline of prospective investments will likely move this exposure higher during the coming months. With spreads on new loans higher than in the past due to current market conditions, we expect DMCF's performance to remain strong at the high end of the target range of 6-month Libor plus 100-200bps. As always we continue to closely monitor the portfolio, particularly in light of potential impacts of the global financial crisis.

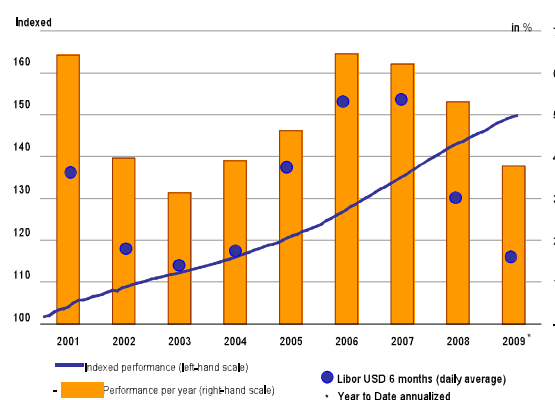
Summary portfolio details

Net Asset Value (NAV) *	USD	465,717,719.46
Total Assets	USD	462,742,068.86
Microfinance loan portfolio	USD	352,090,896.40
Average loan size	USD	1,862,914.80
Portfolio average life (in months)		16.29
Number of countries		30
Number of MFIs		94
Number of loans outstanding		189
Total new disbursements this month:	USD	17,886,400.00
Number of new loans disbursed this month		10
Total loans disbursements (since inception)**	USD	625,869,952.53
Number of loans disbursed (since inception)		592

*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	180,820,081.13	181,443,244.40	48,334,288.22
Share Value	16,737.66	12,876.91	12,081.51
Monthly return (35 days)	0.31%	0.30%	0.24%
Return on investment year-to-date	1.22%	1.36%	0.99%
Last 12 months	4.58%	4.93%	3.59%
Last 3 years (annualized)	6.06%	5.18%	3.38%
Last 5 years (annualized)	5.97%	4.96%	3.10%
Since inception (total return)	67.38%	28.77%	20.82%
Inception date	September 1998	April 2003	December 2001

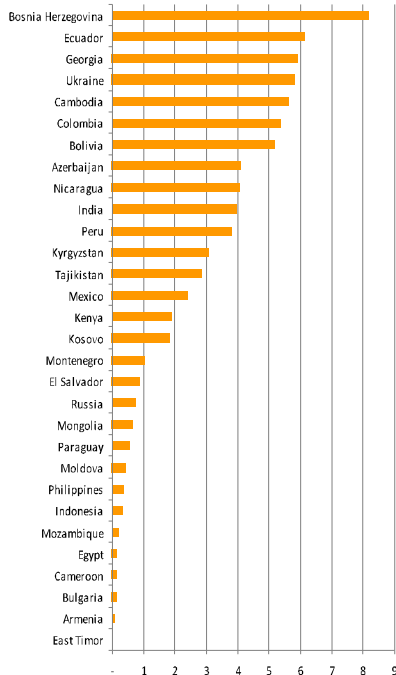
Social performance indicators

Total # of microentrepreneurs reached by MFIs in the portfolio	7,905,018
# of microentrepreneurs reached by funding provided by DMCF	383,165
% of rural clients*	41%
% of female clients*	52%
Average loan outstanding in USD	1,425

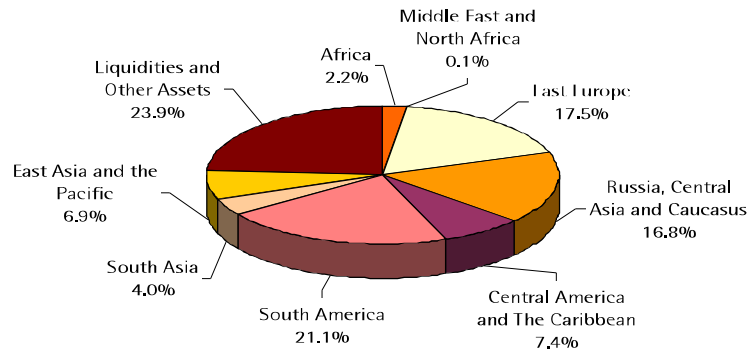
*Data as of 31 December 2008



Exposure by country (in % of NAV)



Exposure by region (as % of total assets)



Five largest outstanding positions (as % of NAV)

PROCREDIT BANK UKRAINE	Ukraine	5.80%
PROCREDIT BANK GEORGIA	Georgia	5.37%
WWB - BUCARAMANGA	Colombia	3.22%
PROCREDIT ECUADOR	Ecuador	2.94%
EKI	Bosnia-Herzegovina	2.83%

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

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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%.