



Investment manager's comments

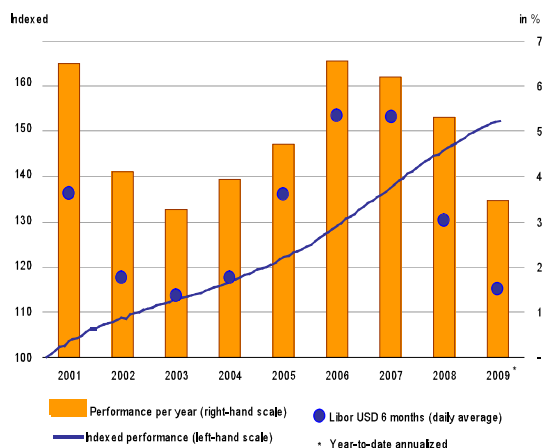
July was a strong month for placements in the Dexia Micro-Credit Fund, and loans were extended to 8 microfinance institutions (MFIs), for an aggregate amount of almost USD 26 million. The new disbursements are well-diversified geographically, with loans going to institutions in Colombia, Peru, Ecuador, Mongolia, Serbia and Jordan. Investor interest in the sector remains strong, and the fund's net asset value reached another record level of USD 514 million, in part due to investor inflows and in part as a result of EUR and CHF strength versus the USD. Returns remain well in line with target levels of 6-month Libor + 100-200 basis points, though with the decline in Libor in all three share class currencies, the absolute return levels are lower than in prior months. We continue to monitor the impacts of the global crisis carefully, and while we see ongoing trends of somewhat higher portfolio at risk and lower growth, for the most part these effects are manageable and MFIs in the portfolio are performing well.

Summary portfolio details

Net Asset Value (NAV) *	USD	514,124,414.97
Total Assets	USD	507,926,535.22
Microfinance loan portfolio	USD	384,122,429.93
Average loan size	USD	1,990,271.66
Portfolio average life (in months)		15.62
Number of countries		32
Number of MFIs		98
Number of loans outstanding		193
Total new disbursements this month:	USD	25,956,727.57
Number of new loans disbursed this month		8
Total loans disbursements (since inception)	USD	671,661,221.10
Number of loans disbursed (since inception)		610

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

Performance chart - USD share class



Performance data

	USD	EUR	CHF
NAV	178,066,832.08	201,205,632.17	49,193,513.93
Share Value	16,865.60	12,976.57	12,158.10
Monthly return (35 days)	0.25%	0.26%	0.22%
Return on investment year-to-date	1.99%	2.14%	1.63%
Last 12 months	4.13%	4.09%	3.11%
Last 3 years (annualized)*	5.42%	4.85%	3.26%
Last 5 years (annualized)*	5.31%	4.43%	2.89%
Since inception (total return)	68.66%	29.77%	21.58%
Inception date	September 1998	April 2003	December 2001

*Calculation takes into account compounding effect.

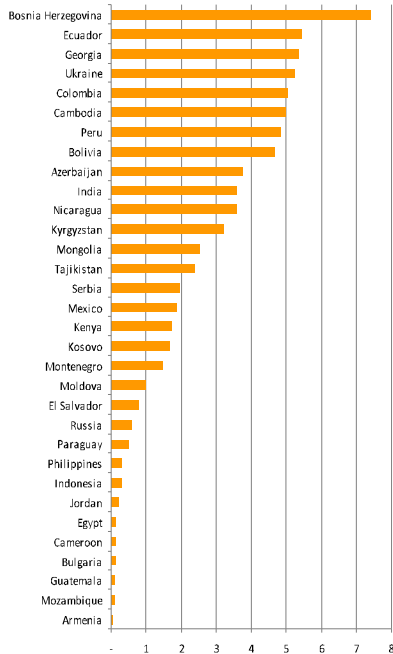
Social performance indicators

Total # of microentrepreneurs reached by MFIs in the portfolio	8,843,513
# of microentrepreneurs reached by funding provided by DMCF	391,965
% of rural clients*	43%
% of female clients*	52%
Average loan outstanding in USD	1,489

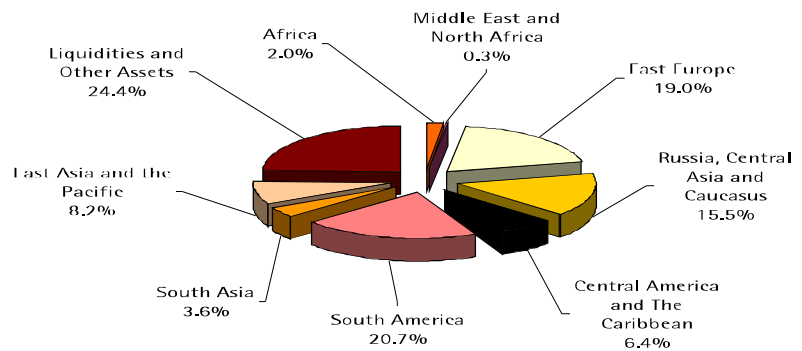
*Data as of 30 June 2009



Exposure by country (in % of NAV)



Exposure by region (as % of total assets)



Five largest outstanding positions (as % of NAV)

PROCREDIT BANK UKRAINE	Ukraine	5.25%
PROCREDIT BANK GEORGIA	Georgia	4.86%
WWB - BUCARAMANGA	Colombia	2.92%
PROCREDIT ECUADOR	Ecuador	2.66%
EKI	Bosnia-Herzegovina	2.56%

Fund description, facts and information



Structure: Luxembourg SICAV, part II
 Inception date: September 1998
 Registration: Luxembourg
 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:

At BlueOrchard Finance S.A.: Lynn Martin, Director of Investor Relations, lynn.martin@blueorchard.com
 or Jean-Pierre Klumpp, CEO, jean-pierre.klumpp@blueorchard.com

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%.