



Investment manager's comments

The Dexia Micro-Credit Fund continued its stable growth in August, with net assets up to USD 521 million and the Microfinance Institutions' (MFIs) portfolio reaching USD 390 million. During the month of August new loans were extended to 7 MFIs in Ecuador, Colombia, Bosnia and Herzegovina, Kazakhstan, Lebanon and India for an aggregated amount of USD 14 million, with a first-time loan to a MFI in Lebanon and a renewed presence in Kazakhstan.

While investors' appetite for microfinance remains high, we continue to focus on the risk assessment of potential new placements and align our investment activity to the industry's growth forecasts. This explains the relatively high level of liquidity in the fund at approximately 25%. Returns on the fund remain in line with the target levels.

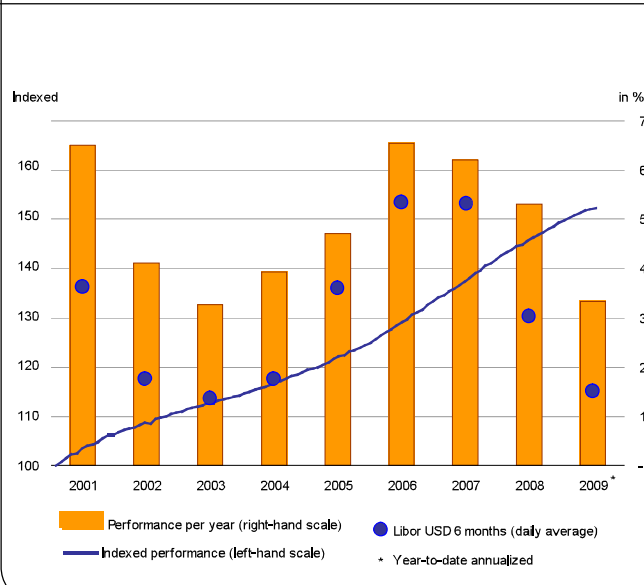
Going forward we expect to see some improvements in terms of investment opportunities on the MFI side after the summer period. However, each opportunity will be considered carefully in the context of the overall global economic crisis and each country and MFI's specific situation.

Summary portfolio details

Net Asset Value (NAV) *	USD	520,779,842.91
Total Assets	USD	525,071,537.14
Microfinance loan portfolio	USD	390,587,314.67
Average loan size	USD	2,013,336.67
Portfolio average life (in months)		15.47
Number of countries		34
Number of MFIs		100
Number of loans outstanding		194
Total new disbursements this month:	USD	14,185,534.74
Number of new loans disbursed this month		7
Total loans disbursements (since inception)	USD	685,846,755.84
Number of loans disbursed (since inception)		617

*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	181,577,477.04	204,445,537.92	49,545,042.19
Share Value	16,896.21	12,998.62	12,176.36
Monthly return (28 days)	0.20%	0.19%	0.17%
Return on investment year-to-date	2.18%	2.32%	1.79%
Last 12 months	3.99%	3.75%	2.95%
Last 3 years (annualized)*	5.30%	4.79%	3.25%
Last 5 years (annualized)*	5.28%	4.39%	2.87%
Since inception (total return)	68.96%	29.99%	21.76%
Inception date	September 1998	April 2003	December 2001

*Calculation takes into account compounding effect.

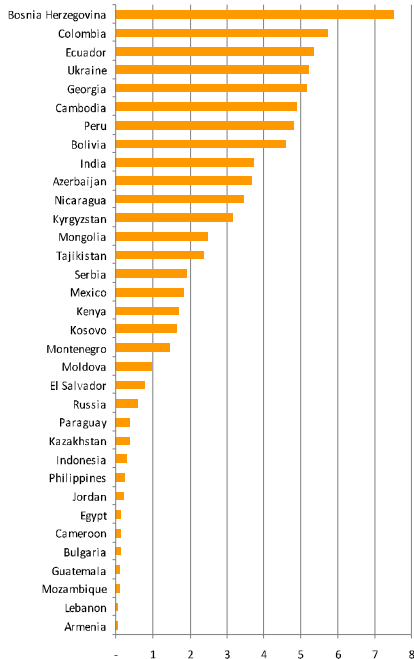
Social performance indicators

Total # of microentrepreneurs reached by MFIs in the portfolio	9,004,990
# of microentrepreneurs reached by funding provided by DMCF	375,143
% of rural clients*	43%
% of female clients*	52%
Average loan outstanding in USD	1,041

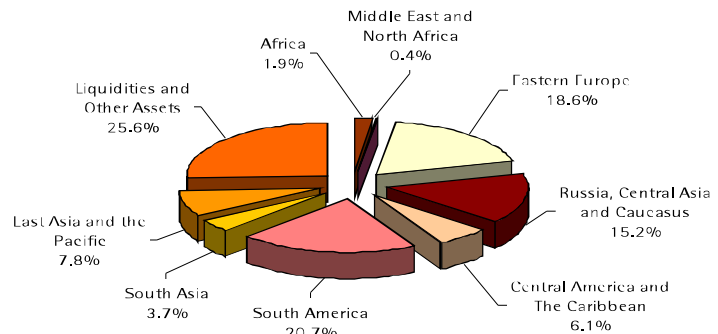
*Data as of 30 June 2009



Exposure by country (in % of NAV)



Exposure by region (as % of total assets)



Five largest outstanding positions (as % of NAV)

PROCREDIT BANK UKRAINE	Ukraine	5.18%
PROCREDIT BANK GEORGIA	Georgia	4.80%
WWB - BUCARAMANGA	Colombia	2.88%
PROCREDIT ECUADOR	Ecuador	2.63%
EKI	Bosnia-Herzegovina	2.53%

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:

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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%.