



### Investment manager's comments

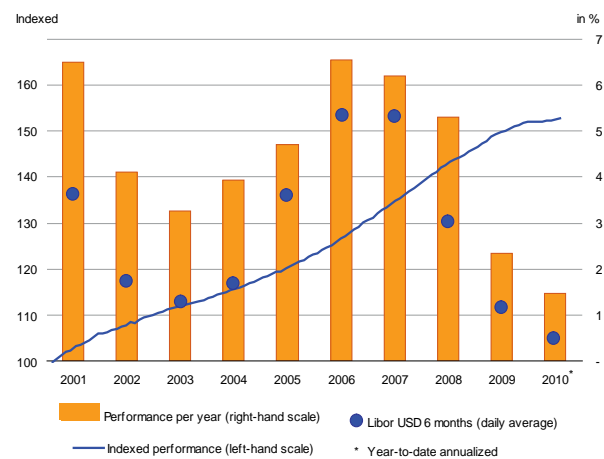
Placement activity was quite strong during March, and over USD 35mm in new loans were extended by the Dexia Micro Credit Fund over the month to MFIs in Colombia, Cambodia and several countries in Central Asia and the Caucasus. We also made a small loan to a strong MFI in Nicaragua. While this MFI faces the same difficult environment as other institutions in the country, we feel that its strong management and important social orientation make it well-placed to perform well and continue serving microentrepreneurs in the region. One of the other new loans disbursed was to a microfinance network. The proceeds of the loan will be used to provide short-term liquidity management and long-term financing to a mix of medium and small size MFIs across various regions. This enables the DMCF to increase its outreach and strengthen its social objectives, whilst maintaining an appropriate level of risk. Performance was given an additional boost this month by the reversal of some provisions, as the recovery on one distressed situation now appears to be better than we had previously anticipated.

### Summary portfolio details

Net Asset Value (NAV) *	USD	498'191'051.56
Total Assets	USD	499'021'226.54
Microfinance loan portfolio	USD	398'194'072.39
Average loan size	USD	2'288'471.68
Portfolio average life (in months)		16.54
Number of countries		37
Number of MFIs		102
Number of loans outstanding		174
Total new disbursements this month:	USD	35'577'221.61
Number of new loans disbursed this month		10
Total loans disbursements (since inception)	USD	810'183'087.23
Number of loans disbursed (since inception)		659

\*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	183'928'128.94	198'100'758.75	52'574'230.91
Share Value	16'983.96	13'066.12	12'215.08
Monthly return (35 days)	0.19%	0.19%	0.16%
Return on investment year-to-date	0.37%	0.38%	0.30%
Last 12 months	1.79%	1.77%	1.34%
Last 3 years (annualized)*	4.22%	4.04%	2.81%
Last 5 years (annualized)*	4.89%	4.07%	2.66%
Since inception (total return)	69.84%	30.66%	22.15%
Inception date	September 1998	April 2003	December 2001

\*Calculation takes into account compounding effect.

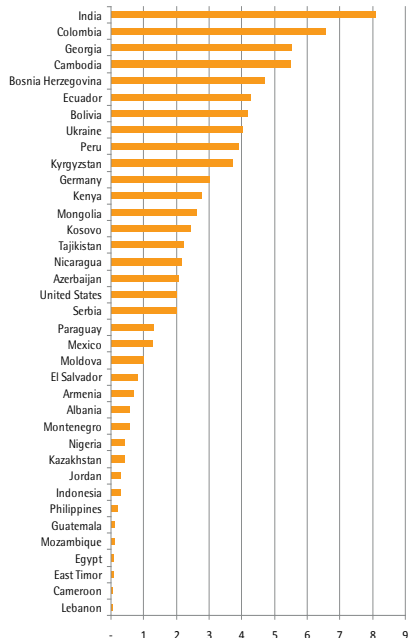
### Social performance indicators

Total # of microentrepreneurs reached by MFIs in the portfolio	14'804'593
# of microentrepreneurs reached by funding provided by DMCF	534'956
% of rural clients*	46%
% of female clients*	58%
Average loan outstanding in USD	1'550

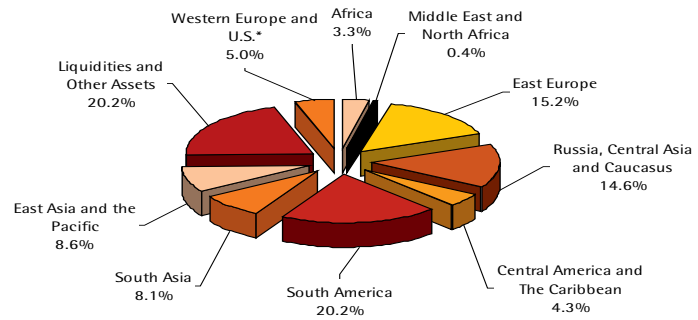
\*Data as of 31 December 2009



**Exposure by country (in % of NAV)**



**Exposure by region (as % of total assets)**



\*Loans to microfinance networks for the purpose of on-lending to regional affiliates and liquidity management

**Five largest outstanding positions (as % of NAV)**

PROCREDIT BANK GEORGIA	Georgia	5.02%
PROCREDIT BANK UKRAINE	Ukraine	4.01%
WWB - BUCARAMANGA	Colombia	3.43%
SPANDANA	India	3.01%
PROCREDIT HOLDING	Germany	3.01%*

\* additional information can be provided upon request

**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](http://www.blueorchard.com)  
 Dexia Asset Management  
[www.dexia-am.com](http://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: 1<sup>st</sup> Wed. of each month  
 Subscriptions: Monthly (with 1 day's notice) effective the 1st Wed + 3 business days of each month  
 Issuing Fees: 0-4%  
 Redemptions: Monthly, with 30 days notice, effective the 1st Wed + 3 business days of each month  
 Income: Reinvested  
 Total Expense Ratio: approx. 1.8%  
 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](mailto: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%.