



Investment manager's comments

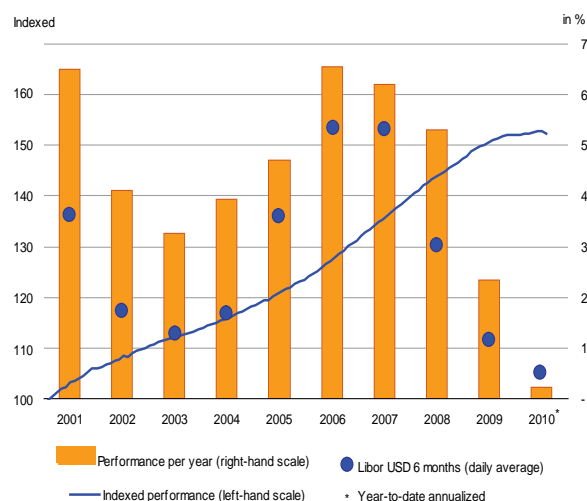
New loans were extended this month from the Dexia Micro-Credit fund to 5 MFIs in a diversified group of countries including Colombia, Ecuador, Jordan, Kyrgyzstan and Mexico. The MFI portfolio declined somewhat, as new loans were offset by amortizations on the existing loan book. The overall microfinance investment level remained roughly constant at 80% of NAV, however, as USD strength has continued to reduce the size of the EUR and CHF-denominated share classes. Year-to-date the USD has appreciated over 17% against the EUR and 14% against the CHF, lowering the overall NAV of the fund. Performance this month was negative due to increased provisioning against an MFI in Nicaragua that continues to face considerable vulnerabilities. BlueOrchard is actively involved in creditor discussions, for additional information do not hesitate to contact us directly.

Summary portfolio details

Net Asset Value (NAV) *	USD	478'160'736.32
Total Assets	USD	496'018'738.77
Microfinance loan portfolio	USD	383'918'362.17
Average loan size	USD	2'384'586.10
Portfolio average life (in months)		13.66
Number of countries		36
Number of MFIs		95
Number of loans outstanding		161
Total new disbursements this month:	USD	8'520'980.92
Number of new loans disbursed this month		5
Total loans disbursements (since inception)	USD	831'674'568.15
Number of loans disbursed (since inception)		668

*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	183'869'070.76	200'193'216.42	55'689'965.49
Share Value	16'936.43	13'023.12	12'188.34
Monthly return (28 days)	-0.39%	-0.43%	-0.43%
Return on investment year-to-date	0.09%	0.05%	0.08%
Last 12 months	0.80%	0.77%	0.57%
Last 3 years (annualized)*	3.79%	3.68%	2.59%
Last 5 years (annualized)*	4.65%	3.84%	2.51%
Since inception (total return)	69.36%	30.23%	21.88%
Inception date	September 1998	April 2003	December 2001

*Calculation takes into account compounding effect.

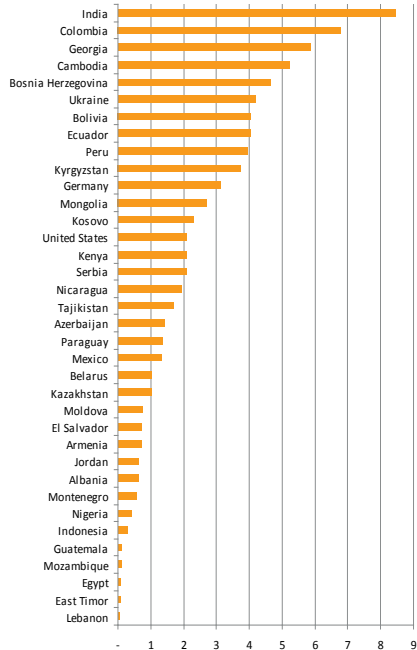
Social performance indicators

Total # of microentrepreneurs reached by MFIs in the portfolio	14'771'328.00
# of microentrepreneurs reached by funding provided by DMCF	516'853.89
% of rural clients*	46%
% of female clients*	60%
Average loan outstanding in USD	1'770

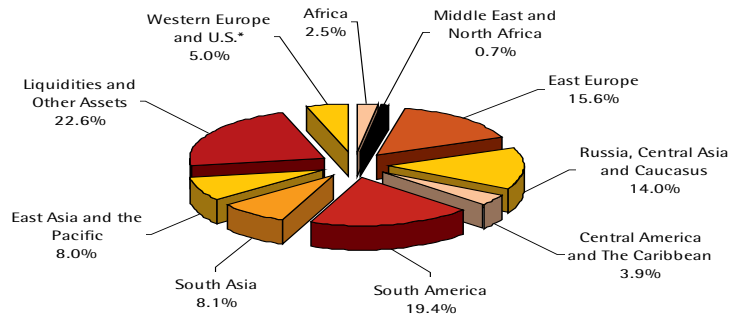
*Data as of 31 December 2009



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	5.23%
PROCREDIT BANK UKRAINE	Ukraine	4.18%
WWB - BUCARAMANGA	Colombia	3.57%
SPANDANA	India	3.14%
PROCREDIT HOLDING	Germany	3.13%*

* 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
 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 + 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:

At BlueOrchard Finance S.A.: Vincent Oswald, Investor Relations, vincent.oswald@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%.