



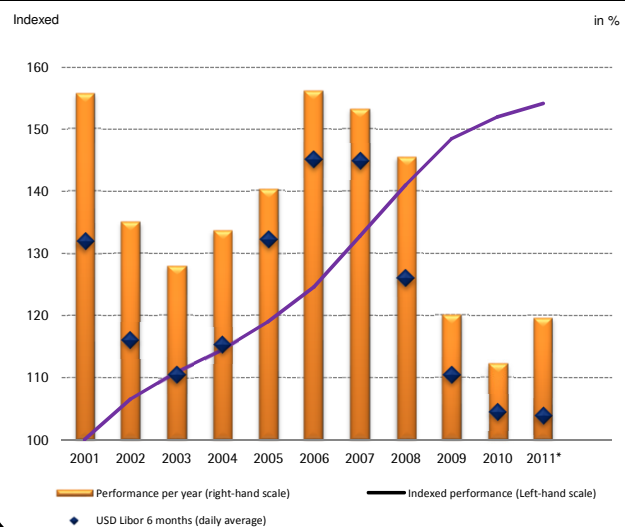
Investment manager's comments

The Dexia Micro Credit Fund closed at the end of February at an historical NAV level of USD 545 mm and an investment level of 84% in line with the funds target. This renewed growth of the investment portfolio is a reflection of the recovery of growth rates at the microfinance level and the increased outreach of the fund due to access to local currency hedging opportunities. In February, loans were made in Eastern Europe, Central Asia and South East Asia for a total amount of USD 30 mm. Performance remains stable in all share classes, and trends in most regions continue to advance positively. Indeed, the outlook for most regions continues to be positive, as shown by the demand from credit by MFIs which has picked up. We will continue to monitor closely the situations in specific regions/countries and will keep investors posted on the evolutions. Moreover, we have been actively improving and refining our social performance metrics and recently released a best practice tool. Indeed, we are convinced that further enhancing the social performance metrics and further embedding these metrics in our investment and monitoring process are key in mitigating some of the reputational risk in our business. We remain open for any questions that investors may have regarding specific situations.

Summary Portfolio details

Net Asset Value (NAV)	USD	545,500,182.76
Total Assets	USD	545,500,182.76
Microfinance loan portfolio	USD	458,767,496.16
Average loan size	USD	2,562,946.91
Portfolio average life (in months)		18.05
Number of countries		40
Number of MFIs		106
Number of loans outstanding		179
Total new disbursements	USD	34,635,500.00
Number of loans disbursed		7
Total disbursement since inception	USD	1,054,807,676.53
Number of loans disbursed since inception		734

Performance chart - USD Share Class



Performance data

	USD	EUR	CHF
NAV	179,744,523.15	209,345,682.65	70,742,459.88
Share Value	17,226.04	13,242.89	12,338.28
Monthly return (28 days)	0.19%	0.22%	0.16%
Return on investment year-to-date	0.37%	0.40%	0.30%
Last 12 months	1.62%	1.55%	1.17%
Last 3 years (annualized) *	2.77%	2.92%	2.15%
Last 5 years (annualized) *	4.22%	3.65%	2.46%
Since inception (total return)	72.26%	32.43%	23.38%
Inception date	September 1998	April 2003	December 2001

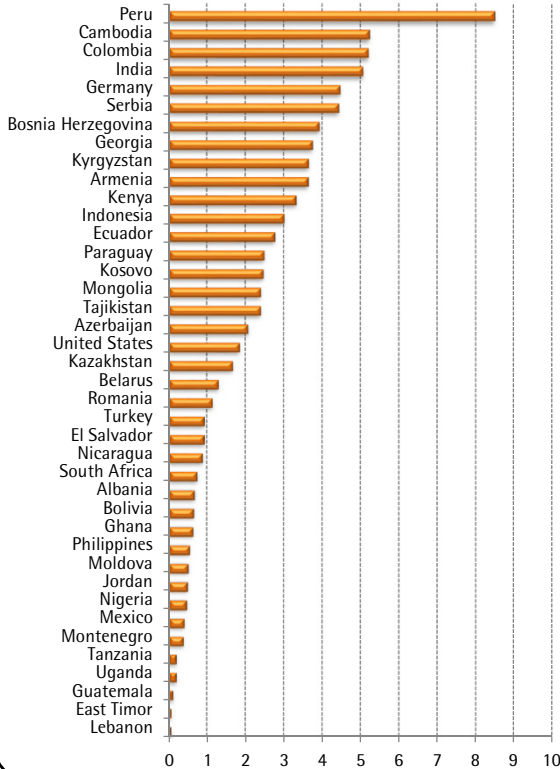
Social performance indicators

Total # of microentrepreneurs by MFIs in the portfolio	17,561,194
# of microentrepreneurs reached by funding provided by DMCF	548,150
% of rural clients*	45%
% of female clients*	58%
Average loan outstanding in USD	1,973.39

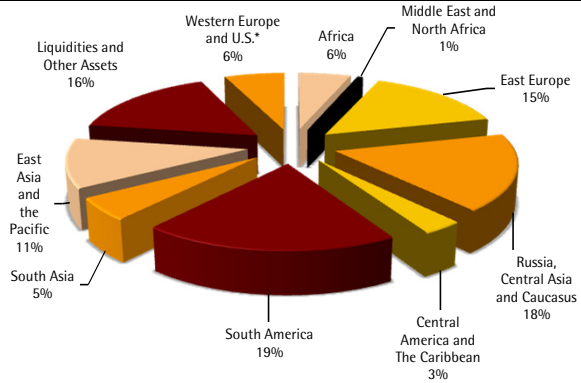
*Data as of 30 June 2010



Exposure by country (in % NAV)



Exposure by country (in % NAV)



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

Data are net of provisions

Five largest outstanding positions (as % of NAV)

ProCredit Holding	Germany	4.44% *
PROCREDIT BANK SERBIA	Serbia	4.41%
MIBANCO	Peru	3.77%
WWB - BUCARAMANGA	Colombia	2.95%
PROCREDIT BANK GEORGIE	Georgia	2.75%

*Additional information can be provided upon request

Fund description, facts and information

Structure : Luxembourg SICAV, part II
 Inception date : September-98
 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 BD
 Issuing Fees: 0-4%
 Redemptions: Monthly, with 30 days notice,
 effective the 1st Wed + 3 BD
 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

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, microentrepreneurs 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%.

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