



### Investment manager's comments

The Dexia Micro Credit Fund Net Asset Value (NAV) grew to over USD 530 million this month, and the fund made new investments in three MFIs located in Peru, India and Georgia. Principal amortizations and maturities on existing loans on the portfolio were somewhat greater than new disbursements, however, and the portfolio size therefore remained largely unchanged, and currently equals 73% of NAV.

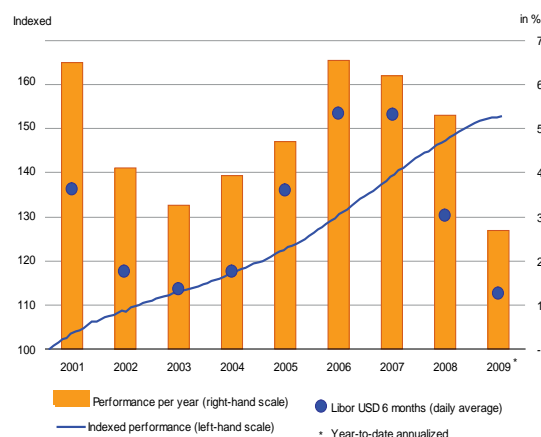
We remain selective in extending new loans: while the majority of MFIs continue to have strong operating results, there are some institutions facing difficulty, in part due to the impacts of the global financial crisis. This month, for instance, we have made some additional provisions against a loan to an MFI in Azerbaijan that is experiencing financial problems. The performance of the fund was therefore lower again this month, though the fund's year-to-date returns remain within target levels of Libor + 100-200 bps. BlueOrchard is actively involved in creditor talks with the institution and will keep investors advised of further developments.

### Summary portfolio details

Net Asset Value (NAV) *	USD	534,373,961.41
Total Assets	USD	534,768,380.72
Microfinance loan portfolio	USD	389,753,128.38
Average loan size	USD	2,106,773.67
Portfolio average life (in months)		15.21
Number of countries		33
Number of MFIs		98
Number of loans outstanding		185
Total new disbursements this month:	USD	7,524,934.38
Number of new loans disbursed this month		3
Total loans disbursements (since inception)	USD	707,792,354.55
Number of loans disbursed (since inception)		625

\*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	182,542,727.67	204,821,227.82	52,717,988.30
Share Value	16,901.26	13,001.36	12,172.60
Monthly return (28 days)	0.04%	0.02%	0.02%
Return on investment year-to-date	2.21%	2.34%	1.75%
Last 12 months	3.12%	3.15%	2.46%
Last 3 years (annualized)*	4.96%	4.49%	3.12%
Last 5 years (annualized)*	5.12%	4.25%	2.77%
Since inception (total return)	69.01%	30.01%	21.73%
Inception date	September 1998	April 2003	December 2001

\*Calculation takes into account compounding effect.

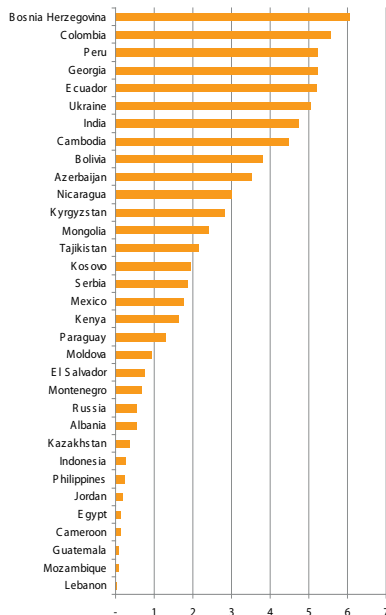
### Social performance indicators

Total # of microentrepreneurs reached by MFIs in the portfolio	9,450,457
# of microentrepreneurs reached by funding provided by DMCF	380,349
% of rural clients*	43%
% of female clients*	52%
Average loan outstanding in USD	1,514

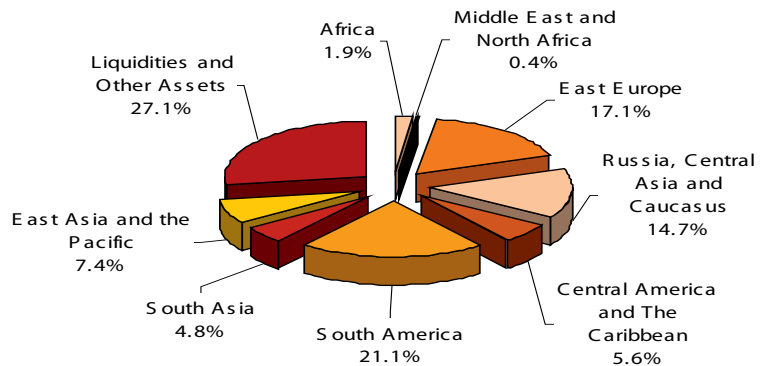
\*Data as of 30 June 2009



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



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



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

PROCREDIT BANK UKRAINE	Ukraine	5.05%
PROCREDIT BANK GEORGIA	Georgia	4.68%
SHARE MICROFIN LTD.	India	3.27%
WWB - BUCARAMANGA	Colombia	2.81%
PROCREDIT ECUADOR	Ecuador	2.56%

**Fund description, facts and information**



Structure:	Luxemburg SICAV, part II	Valuation Dates:	1 <sup>st</sup> Wed. of each month
Inception date:	September 1998	Subscriptions:	Monthly (with 1 day's notice) effective the 1st Wed of each month
Registration:	Luxemburg	Issuing Fees:	0-4%
Investment Managers:	BlueOrchard Finance S.A. www.blueorchard.com Dexia Asset Management www.dexia-am.com	Redemptions:	Monthly, with 30 days notice, effective the 1st Wed of each month
Custodian Bank:	RBC Dexia	Income:	Reinvested
Sponsor Bank/ Distributor:	Dexia BIL	Total Expense Ratio:	approx. 2.2%
ISIN Number:	USD share class – LU0091117944 CHF share class – LU0136928586 EUR share class – LU0164081316	Minimum subscriptions:	USD 10,000 CHF 15,000 EUR 10,000

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**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%.