



Investment manager's comments

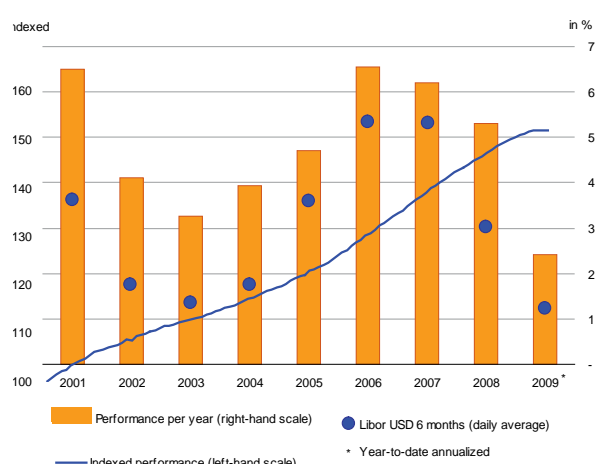
The Dexia Micro-Credit Fund posted a slightly negative performance in all share classes this month due to increased provisioning against loans to MFIs in Nicaragua. The year-to-date performance of the fund remains in line with target levels. The microfinance industry in Nicaragua has been under strain for the past several months, due in part to effects of the international financial crisis (reduced local economic activity, lowered remittances from abroad, lower commodity prices), as well as domestic factors, including a "No Pay" movement that emerged in the north of the country in mid-2008. Please note that the total exposure of the fund to Nicaragua stands at less than 2.5% of NAV net of provisions, some loans to Nicaraguan MFIs have fully repaid in the past month, and BlueOrchard is actively involved in creditor discussions with key MFIs in the country. We will continue to keep investors updated. Elsewhere in the portfolio, we have added exposure this month to an MFI in Nigeria, DMCF's first loan in that country, made additional loans in Cambodia and Azerbaijan and extended a new loan to the ProCredit Holding group, the Frankfurt-based microfinance network that owns 22 MFIs throughout the world.

Summary portfolio details

Net Asset Value (NAV) *	USD	536'299'665.98
Total Assets	USD	527'652'727.82
Microfinance loan portfolio	USD	401'764'971.03
Average loan size	USD	2'171'702.55
Portfolio average life (in months)		14.48
Number of countries		35
Number of MFIs		98
Number of loans outstanding		185
Total new disbursements this month:	USD	19'480'000.00
Number of new loans disbursed this month		4
Total loans disbursements (since inception)	USD	727'272'354.55
Number of loans disbursed (since inception)		629

*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	181'488'653.15	199'833'196.46	53'142'239.49
Share Value	16'895.18	12'994.58	12'163.37
Monthly return (28 days)	-0.04%	-0.05%	-0.08%
Return on investment year-to-date	2.17%	2.29%	1.68%
Last 12 months	2.70%	2.59%	1.99%
Last 3 years (annualized)*	4.73%	4.39%	2.98%
Last 5 years (annualized)*	5.05%	4.23%	2.74%
Since inception (total return)	68.95%	29.95%	21.63%
Inception date	September 1998	April 2003	December 2001

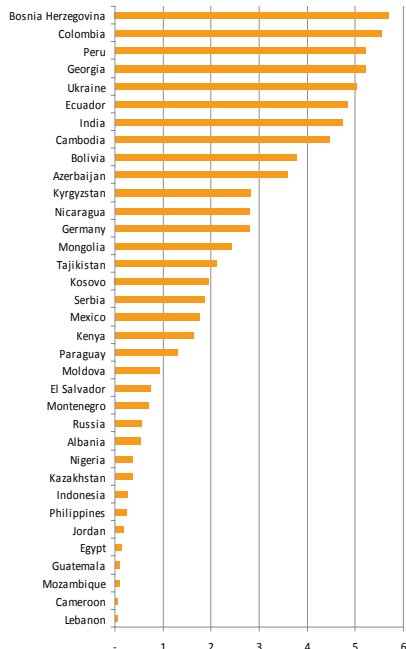
*Calculation takes into account compounding effect.

Social performance indicators

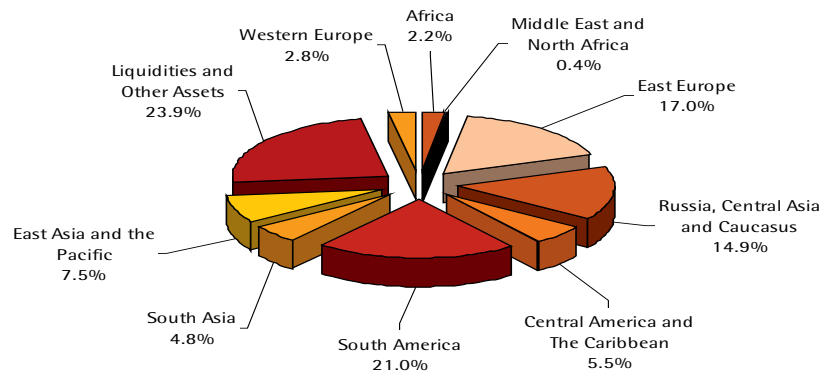
Total # of microentrepreneurs reached by MFIs in the portfolio	9'884'580
# of microentrepreneurs reached by funding provided by DMCF	401'398
% of rural clients*	43%
% of female clients*	52%
Average loan outstanding in USD	1'539



Exposure by country (in % of NAV)



Exposure by region (as % of total assets)



Five largest outstanding positions (as % of NAV)

PROCREDIT BANK UKRAINE	Ukraine	5.03%
PROCREDIT BANK GEORGIA	Georgia	4.66%
SHARE MICROFIN LTD.	India	3.26%
WWB - BUCARAMANGA	Colombia	2.80%
ProCredit Holding	Germany	2.79%

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%.