



Investment manager's comments

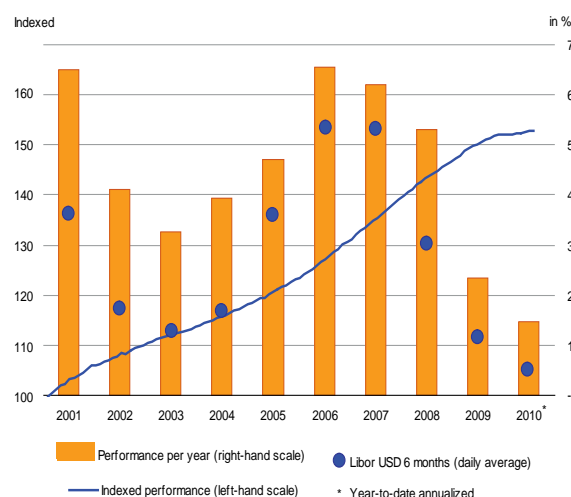
Large amortizations in April offset new loan activity in the Dexia Micro-Credit Fund, but investment levels remain close to 80% due to the continued appreciation of the USD versus the EUR and CHF (A stronger USD makes the USD-denominated portfolio larger relative to the decline in EUR and CHF NAVs, which together represent approximately two-thirds of the fund). Our pipeline for new investments is quite strong, as we are seeing a pick-up in demand by MFIs in many regions. Amortizations in the coming months are also quite high, however, and we therefore expect the microfinance portfolio to remain near 80% of NAV over the coming months. A new country exposure was added this month as the fund extended a loan to an MFI in Belarus, and the total number of countries in the DMCF is currently 37. Net new provisions lowered performance slightly, but on the positives side we continue to reverse earlier provisions as the recovery on a distressed MFI has been greater than expected.

Summary portfolio details

Net Asset Value (NAV) *	USD	496'474'293.40
Total Assets	USD	504'558'093.49
Microfinance loan portfolio	USD	389'050'445.97
Average loan size	USD	2'372'258.82
Portfolio average life (in months)		16.63
Number of countries		37
Number of MFIs		99
Number of loans outstanding		164
Total new disbursements this month:	USD	12'970'500.00
Number of new loans disbursed this month		4
Total loans disbursements (since inception)	USD	823'153'587.23
Number of loans disbursed (since inception)		663

*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	184'788'525.21	200'841'931.93	54'878'882.81
Share Value	17'002.64	13'079.93	12'241.03
Monthly return (28 days)	0.11%	0.11%	0.21%
Return on investment year-to-date	0.48%	0.49%	0.51%
Last 12 months	1.58%	1.58%	1.32%
Last 3 years (annualized)*	4.10%	3.96%	2.83%
Last 5 years (annualized)*	4.82%	4.01%	2.65%
Since inception (total return)	70.03%	30.80%	22.41%
Inception date	September 1998	April 2003	December 2001

*Calculation takes into account compounding effect.

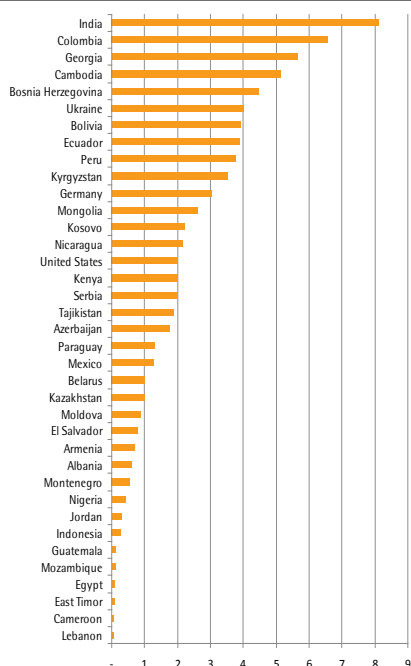
Social performance indicators

Total # of microentrepreneurs reached by MFIs in the portfolio	14'597'326
# of microentrepreneurs reached by funding provided by DMCF	516'198
% of rural clients*	46%
% of female clients*	60%
Average loan outstanding in USD	1'720

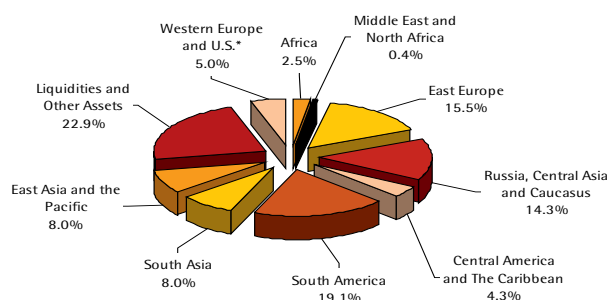
*Data as of 31 December 2009



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	5.04%
PROCREDIT BANK UKRAINE	Ukraine	4.03%
WWB - BUCARAMANGA	Colombia	3.44%
SPANDANA	India	3.02%
PROCREDIT HOLDING	Germany	3.02%*

* 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:

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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%.