



Investment manager's comments

New placements from the Dexia Micro-Credit Fund in June included loans to MFIs in El Salvador, Kenya and Tajikistan, as well as financing to an international network for on-lending to its affiliate MFIs throughout the globe. Amortizations were high again this month, and repayments from maturing loans almost fully offset new disbursements. The overall size of the loan portfolio therefore did not change month-on-month. The pipeline of new loans is very strong, however, and we expect large placements during the coming month as demand for financing from MFIs is trending higher in most regions.

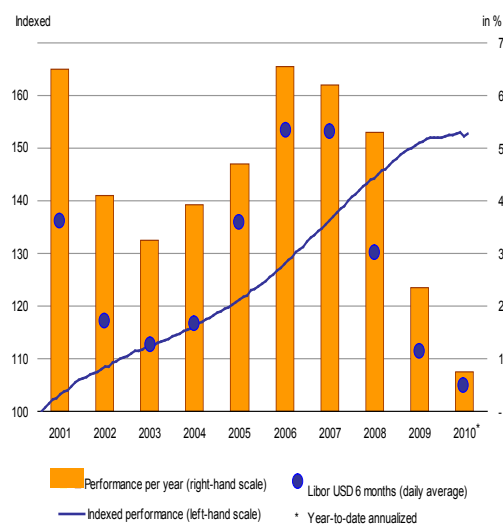
While performance of the portfolio MFIs is stable or improving in most regions, conditions worsened for a troubled MFI (for which we booked additional provisions last month) and it has now suspended interest payments. We believe that provisions in the fund adequately cover the deterioration in this credit, however, and exposure net of provisions to the MFI is negligible. For further information, please feel free to contact us.

Summary Portfolio details

Net Asset Value (NAV)	USD	491'385'225.37
Total Assets*	USD	491'385'225.37
Microfinance loan portfolio	USD	384'092'346.42
Average loan size	USD	2'543'657.92
Portfolio average life (in months)		16.45
Number of countries		35
Number of MFIs		89
Number of loans outstanding		151
Total new disbursements	USD	16'866'000.00
Number of loans disbursed		4
Total disbursements since inception	USD	848'540'568.15
Number of loans disbursed since inception		672

* Please note that the calculation of Total Assets has been changed to equal NAV plus borrowings from the credit line, in contrast to the previous definition which included outstanding net foreign exchange forwards.

Performance chart - USD share class



Performance data

	USD	EUR	CHF
NAV	184'033'888.58	201'070'259.41	56'097'998.79
Share Value	16'985.59	13'052.33	12'206.43
Monthly return (35 days)	0.29%	0.22%	0.15%
Return on investment year-to-date	0.38%	0.28%	0.23%
Last 12 months	0.96%	0.85%	0.61%
Last 3 years (annualized)*	3.68%	3.59%	2.53%
Last 5 years (annualized)*	4.61%	3.81%	2.49%
Since inception (total return)	69.86%	30.52%	22.06%
Inception date	September 1998	April 2003	December 2001

*Calculation takes into account compounding effect.

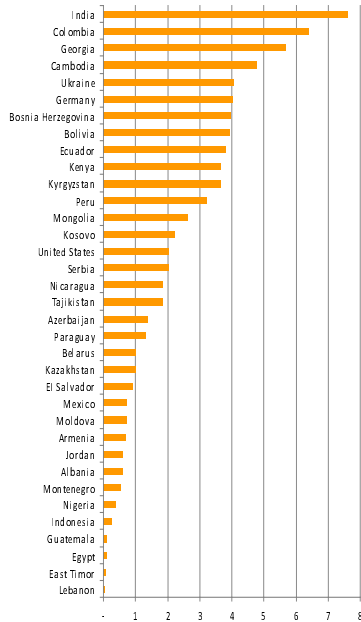
Social performance indicators

Total # of microentrepreneurs reached by MFIs in the portfolio	14'893'641
# of microentrepreneurs reached by funding provided by DMCF	526'620
% of rural clients*	45%
% of female clients*	53%
Average loan outstanding in USD	1'829

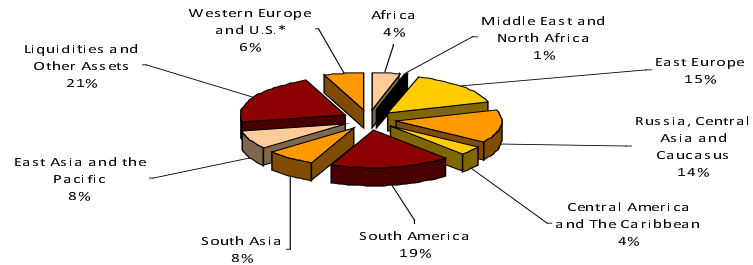
*Data as of 31 December 2009



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 GEORGIE	Georgia	5.09%
PROCREDIT BANK UKRAINE	Ukraine	4.07%
PROCREDIT HOLDING	Germany	4.04%*
WWB - BUCARAMANGA	Colombia	3.48%
SPANDANA	India	3.05%

* additional information can be provided upon request

Fund description, facts and information



Structure:	Luxemburg SICAV, part II	Valuation Dates:	1 st Wed. of each month
Inception date:	September 1998	Subscriptions:	Monthly (with 1 day's notice) effective the 1st Wed + 3 business days 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 + 3 business days of each month
Custodian Bank:	RBC Dexia	Income:	Reinvested
Sponsor Bank/ Distributor:	Dexia BIL	Total Expense Ratio:	approx. 1.8%
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

For additional information, please contact:

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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, 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%.