



Investment manager's comments

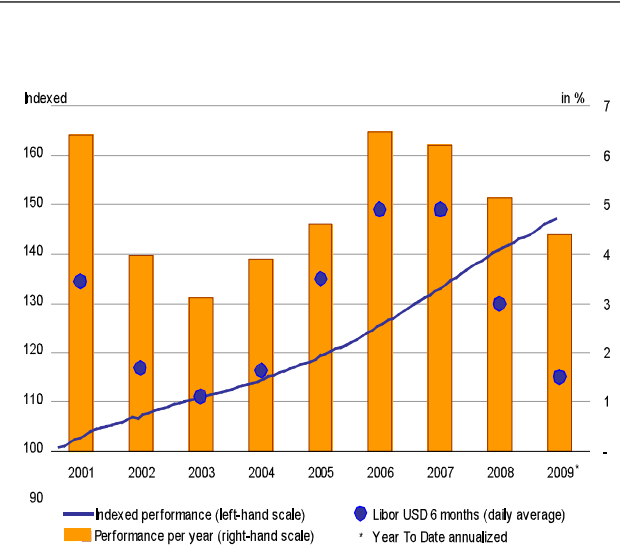
We are pleased to announce both a sizeable subscription into the Dexia Micro Credit Fund in March (which will be incorporated in NAV figures in next month's update) and the full deleveraging of the fund. As such, we will begin again this coming month to extend new loans to micro-finance institutions after a 4-month interruption. As always, we will choose the MFIs with the utmost care and rigorous due diligence, selecting those institutions with a strong financial and social performance that we believe are well-positioned to face the challenges of the global financial crisis. We continue to monitor closely the impact of the crisis on the portfolio MFIs: With now 5 months of (unaudited) data since the crisis began in earnest last fall, we can confirm the trends noted in previous reports: slowing asset and portfolio growth, though still positive in most cases (annual portfolio growth averages approximately 41% for 2008 vs 71% in 2007); some deterioration in portfolio quality, though the average PAR30 remains a very low 2.5%, and a slight reduction in profitability. With some regional variation, we therefore continue to see MFIs sustaining themselves well in the current, very difficult economic environment.

Summary portfolio details

Net Asset Value (NAV) *	USD	389,830,961.56
Total Assets	USD	395,705,532.67
Microfinance loan portfolio	USD	344,531,623.90
Average loan size	USD	1,872,454.48
Portfolio average life (in months)		17.44
Number of countries		29
Number of MFIs		93
Number of loans outstanding		184
Total new disbursements this month:	USD	0
Number of new loans disbursed this month		0
Total loans disbursements (since inception)	USD	611,977,048.70
Number of loans disbursed (since inception)		579

*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	176,745,629.49	140,947,395.77	42,378,751.09
Share Value	16,646.70	12,808.82	12,032.83
Monthly return (28 days)	0.34%	0.38%	0.30%
Return on investment year-to-date	0.67%	0.82%	0.59%
Last 12 months	4.86%	5.42%	3.94%
Last 3 years (annualized)	6.25%	5.22%	3.37%
Last 5 years (annualized)	5.98%	5.02%	3.10%
Since inception (total return)	66.47%	28.09%	20.33%
Inception date	September 1998	April 2003	December 2001

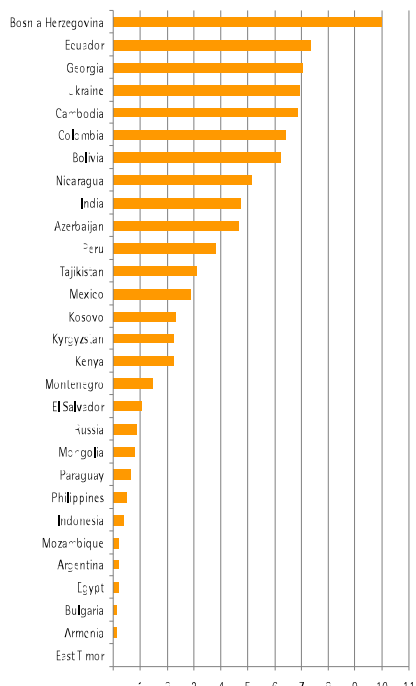
Social performance indicators

Total # of microentrepreneurs reached by MFIs in the portfolio	7,524,502
# of microentrepreneurs reached by funding provided by DMCF	360,658
% of rural clients*	41%
% of female clients*	52%
Average loan outstanding in USD	1,464

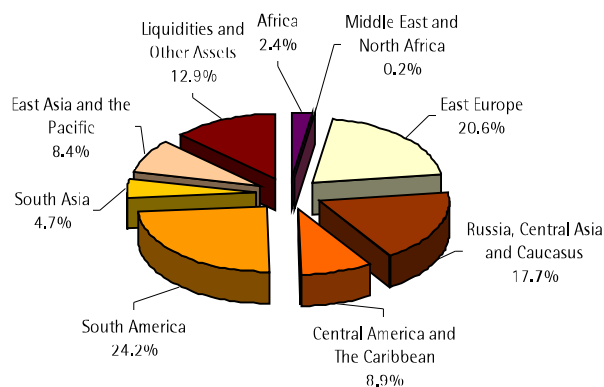
*Data as of 31 December 2008



Exposure by country (in % of NAV)



Exposure by region (as % of total assets)



Five largest outstanding positions (as % of NAV)

PROCREDIT BANK UKRAINE	Ukraine	6.93%
PROCREDIT BANK GEORGIA	Georgia	6.41%
WWB - BUCARAMANGA	Colombia	3.85%
PROCREDIT ECUADOR	Ecuador	3.51%
EKI	Bosnia-Herzegovina	3.38%

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%.