



Investment manager's comments

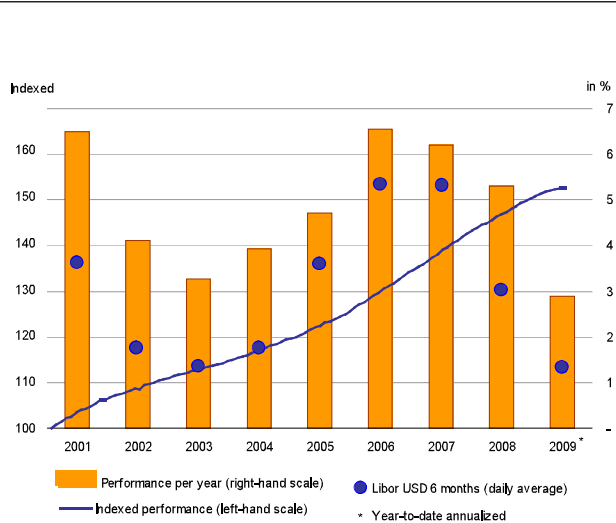
The Dexia Micro-Credit Fund posted a flat to slightly negative performance in its three share classes this month as we took provisions against loans to three microfinance institutions (MFIs) in Nicaragua that offset the portfolio's income accruals. The microfinance sector in Nicaragua has suffered from negative economic and political developments over the past several months, and many MFIs have seen a deterioration in portfolio quality and decline in profitability. The international financial crisis has hurt exports and remittances from Nicaraguan workers abroad, particularly given the country's close ties to the U.S., and this has impacted the repayment capacity of some of the MFIs' borrowers. In addition, a "no pay" movement in the North of the country has caused problems for MFIs with operations in that region. BlueOrchard has been taking a proactive role in creditors' groups, is closely monitoring the situation, and will keep investors informed of developments. Overall exposure to Nicaraguan MFIs in the fund is relatively low, and currently equals 3% of NAV. Elsewhere in the portfolio, performance of the MFIs remains largely stable and new loans of USD 14.4 millions were made this month. The new loans were made to a diverse group of MFIs located in Peru, Paraguay, Albania, Kosovo and Georgia. Significant loan maturities and amortizations during September, and a decline in the value of the USD versus the EUR and CHF (which makes the EUR and CHF share classes increase in value relative to the USD-denominated portfolio), meant that the cash position of the fund is slightly higher than in last month's report. The microfinance portfolio currently equals 73% of NAV.

Summary portfolio details

Net Asset Value (NAV) *	USD	531,484,379.01
Total Assets	USD	512,308,139.69
Microfinance loan portfolio	USD	390,772,419.00
Average loan size	USD	2,078,576.70
Portfolio average life (in months)		15.56
Number of countries		34
Number of MFIs		98
Number of loans outstanding		188
Total new disbursements this month:	USD	14,420,664.33
Number of new loans disbursed this month		5
Total loans disbursements (since inception)	USD	700,267,420.17
Number of loans disbursed (since inception)		622

*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	180,694,220.13	205,116,393.14	49,509,371.51
Share Value	16,894.02	12,998.25	12,170.59
Monthly return (35 days)	-0.01%	0.00%	-0.05%
Return on investment year-to-date	2.17%	2.31%	1.74%
Last 12 months	3.61%	3.21%	2.56%
Last 3 years (annualized)*	5.09%	4.65%	3.15%
Last 5 years (annualized)*	5.19%	4.31%	2.81%
Since inception (total return)	68.94%	29.98%	21.71%
Inception date	September 1998	April 2003	December 2001

*Calculation takes into account compounding effect.

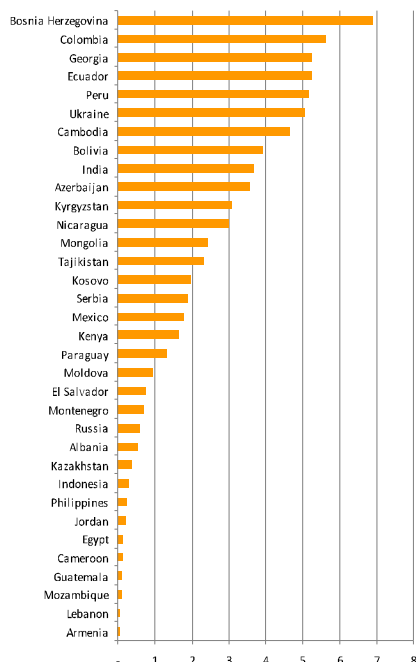
Social performance indicators

Total # of microentrepreneurs reached by MFIs in the portfolio	9,157,877
# of microentrepreneurs reached by funding provided by DMCF	383,229
% of rural clients*	43%
% of female clients*	52%
Average loan outstanding in USD	1,505

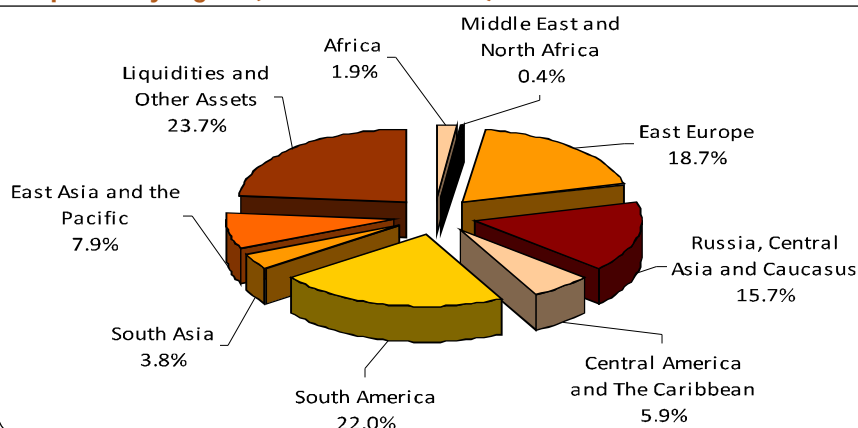
*Data as of 30 June 2009



Exposure by country (in % of NAV)



Exposure by region (as % of total assets)



Five largest outstanding positions (as % of NAV)

PROCREDIT BANK UKRAINE	Ukraine	5.08%
PROCREDIT BANK GEORGIA	Georgia	4.70%
WWB - BUCARAMANGA	Colombia	2.82%
PROCREDIT ECUADOR	Ecuador	2.58%
EKI	Bosnia-Herzegovina	2.48%

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%.