



Investment manager's comments

Nearly USD 14mm in new loans were extended this month from the Dexia Micro Credit Fund to seven MFIs located in a diverse group of countries in Latin America, South East Asia, Central Asia and the Caucasus. Three of these MFIs are new borrowers to the fund, and the total number of MFIs included in the portfolio is now 96, located in 38 countries.

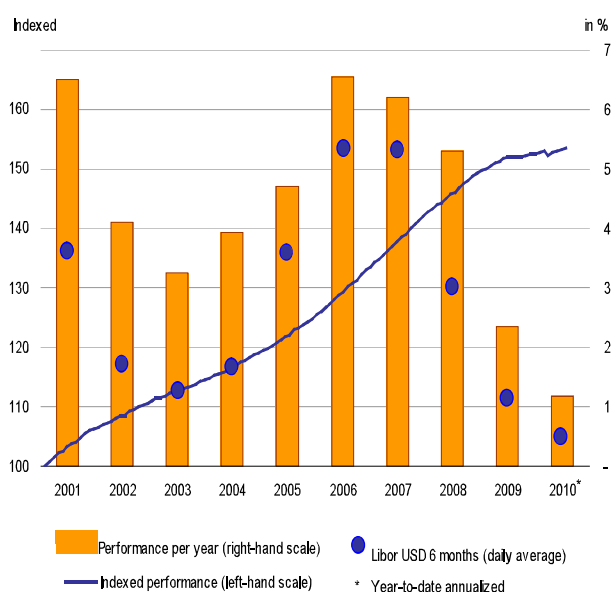
Large repayments from maturing loans offset these new exposures, however, and a sharp devaluation of the USD versus the EUR and CHF at the end of the month resulted in a decline in the fund's investment level to 82%. No new provisions were taken this month, and performance was stable in all share classes.

Summary Portfolio details

Net Asset Value (NAV)*	USD	515'514'918.11
Total Assets	USD	515'514'918.11
Microfinance loan portfolio	USD	424'943'703.64
Average loan size	USD	2'672'601.91
Portfolio average life (in months)		16.22
Number of countries		38
Number of MFIs		96
Number of loans outstanding		159
Total new disbursements	USD	13'903'206.99
Number of loans disbursed		7
Total disbursements since inception	USD	922'561'319.88
Number of loans disbursed since inception		692

* 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	176'305'328.40	203'388'326.08	55'735'756.06
Share Value	17'070.42	13'113.28	12'250.33
Monthly return (35 days)	0.23%	0.22%	0.17%
Return on investment year-to-date	0.88%	0.75%	0.59%
Last 12 months	1.04%	0.89%	0.66%
Last 3 years (annualized)*	3.33%	3.35%	2.42%
Last 5 years (annualized)*	4.48%	3.75%	2.48%
Since inception (total return)	70.70%	31.13%	22.50%
Inception date	September 1998	April 2003	December 2001

*Calculation takes into account compounding effect.

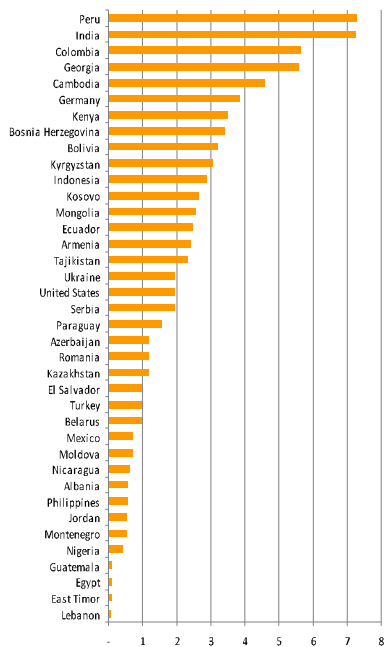
Social performance indicators

Total # of microentrepreneurs reached by MFIs in the portfolio	16'256'675
# of microentrepreneurs reached by funding provided by DMCF	568'072
% of rural clients*	45%
% of female clients*	53%
Average loan outstanding in USD	1'924.67

*Data as of 30 June 2010

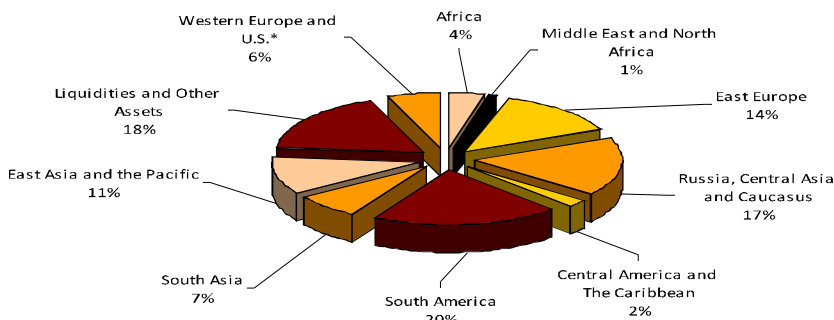


Exposure by country (in % of NAV)



* Data is net of provisions

Exposure by region (as % of total assets)



* Loans to microfinance networks for the purpose of on-lending to regional affiliates and liquidity management
** Data is net of provisions

Five largest outstanding positions (as % of NAV)

PROCREDIT BANK GEORGIE	Georgia	4.85%
MIBANCO	Peru	3.98%
PROCREDIT HOLDING	Germany	3.85%*
WWB - BUCARAMANGA	Colombia	3.13%
SPANDANA	India	2.91%

* additional information can be provided upon request

Fund description, facts and information



Structure: Luxemburg SICAV, part II
 Inception date: September 1998
 Registration: Luxemburg
 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:

At BlueOrchard Finance S.A.: Vincent Oswald, Investor Relations, vincent.oswald@blueorchard.com

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%.