



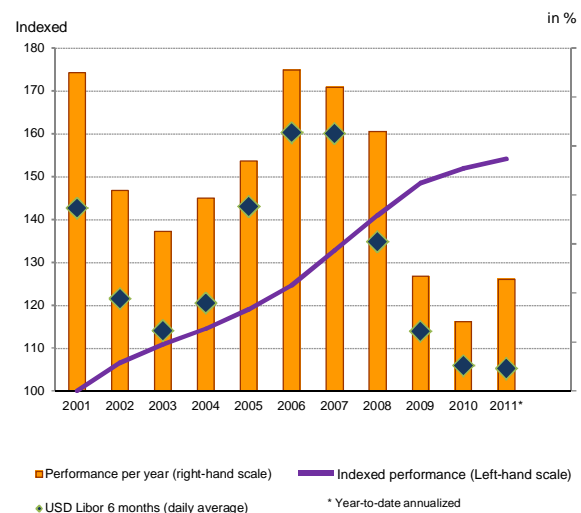
Investment manager's comments

The DMCF finished the month of January 2011 with close to record high NAV of USD 538mm, and an investment level of 82%. Loans were made principally in Central Asia this month (Kyrgyzstan and Tajikistan) and a new borrower to the fund in South Africa increased the number of countries represented to 40. Performance remains stable in all share classes, and trends in most regions continue to advance positively. While the situation in the Indian state of Andhra Pradesh remains difficult and uncertain, a sub-committee of the Reserve Bank of India (the Malegam committee) released its report in mid-January, outlining its recommendations on client protection in India, including the establishment of a credit bureau, and at the same time encouraging banks to continue lending to MFIs. The committee's recommendations are expected to lead to the RBI adopting new regulations for the microfinance industry, and we will likely have a clearer sense of these in the coming months. We remain hopeful that solutions will be found to the current crisis that will ultimately lead to a healthier microfinance market in India.

Summary Portfolio details

Net Asset Value (NAV)	USD	538,742,081.74
Total Assets	USD	538,742,081.74
Microfinance loan portfolio	USD	443,231,996.16
Average loan size	USD	2,490,067.39
Portfolio average life (in months)		17.05
Number of countries		40
Number of MFIs		106
Number of loans outstanding		178
Total new disbursements	USD	8,706,478.73
Number of loans disbursed		4
Total disbursement since inception	USD	1,020,172,176.53
Number of loans disbursed since inception		727

Performance chart - USD Share Class



Performance data

	USD	EUR	CHF
NAV	179,638,868.75	211,081,577.99	63,989,077.74
Share Value	17,193.03	13,213.57	12,318.73
Monthly return (28 days)	0.18%	0.17%	0.14%
Return on investment year-to-date	0.18%	0.17%	0.14%
Last 12 months	1.48%	1.38%	1.05%
Last 3 years (annualized) *	2.87%	3.04%	2.24%
Last 5 years (annualized) *	4.27%	3.66%	2.46%
Since inception (total return)	71.93%	32.14%	23.19%
Inception date	September 1998	April 2003	December 2001

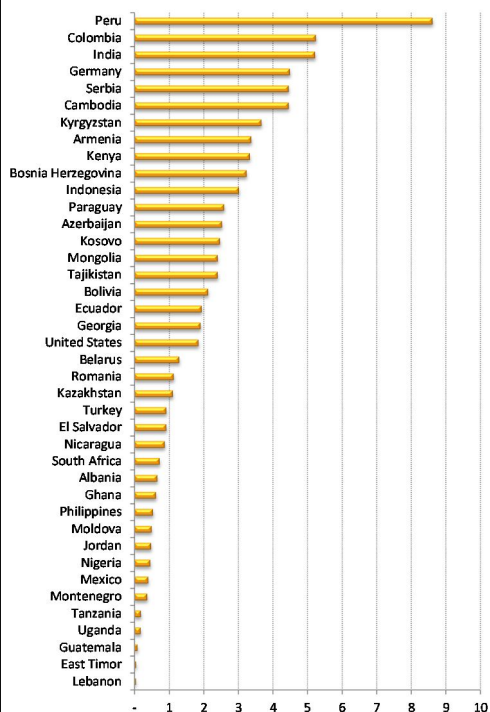
Social performance indicators

Total # of microentrepreneurs by MFIs in the portfolio	16'840'058
# of microentrepreneurs reached by funding provided by DMCF	516'431
% of rural clients*	46%
% of female clients*	59%
Average loan outstanding in USD	1'921.08

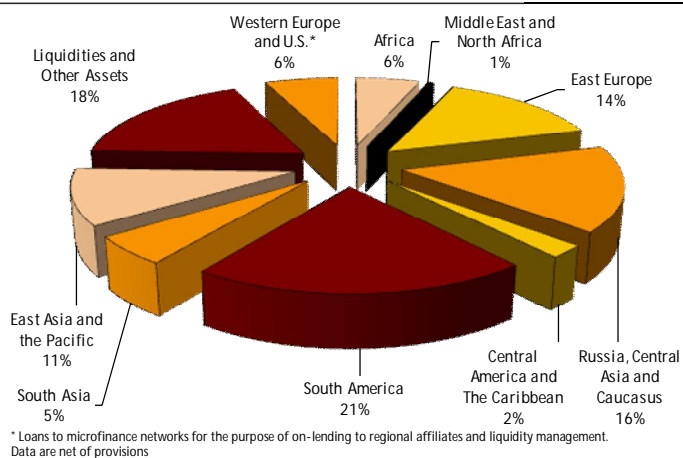
*Data as of 30 June 2010



Exposure by country (in % of NAV)



Exposure by region (as % of total assets)



Five largest outstanding positions (as % of NAV)

ProCredit Holding	Germany	4.50%*
PROCREDIT BANK SERBIA	Serbia	4.46%
MIBANCO	Peru	3.81%
WWB - BUCARAMANGA	Colombia	2.99%
BTPN	Indonesia	2.75%

*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
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
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, microentrepreneurs 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%.