



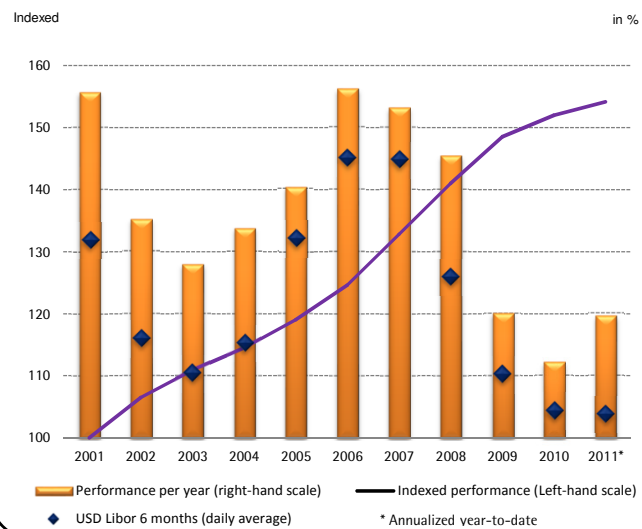
Investment manager's comments

New loans totaling more than USD 30mm were extended by the Dexia Micro Credit Fund during March to a diverse group of 15 MFIs located in nine different countries, including Tanzania, Sri Lanka, Ecuador, Nigeria, and Tajikistan. The wide geographic distribution reflects both the generalized increase in demand by microfinance institutions, which is a strong positive trend in the market, and enhanced hedging capacity of the fund. Hedged local currency loans were made this month in Armenian dram, the Nigerian naira, Tanzanian schilling, and Russian rouble. We also added a new exposure in the portfolio to another international network, which in turn will use the funds to on-lend to its global affiliates. Such network lending, to three different organizations, now equals just over 8% of the fund's NAV. DMCF's investment level remains within our targeted range at 85% of NAV, while the fund NAV rose to another historical high, at USD 557mm. Performance was stable in all share classes and within targeted levels of L + 100-200bps on an annualized basis. In India, the crisis in Andhra Pradesh is still unfolding and we are closely monitoring any impact that developments here could have on the DMCF portfolio.

Summary portfolio details

Net Asset Value (NAV)	USD	557,065,396
Total Assets	USD	557,065,396
Microfinance loan portfolio	USD	473,171,615
Average loan size	USD	2,530,329
Portfolio average life (in months)		17.86
Number of countries		39
Number of MFIs		106
Number of loans outstanding		187
Total new disbursements	USD	31,581,023
Number of loans disbursed		15
Total disbursement since inception	USD	1,086,388,700
Number of loans disbursed since inception		749

Performance chart - USD share class



Performance data

	USD	EUR	CHF
NAV	180,059,689	211,575,585	70,594,485
Share value	17,257.30	13,270.98	12,356.23
Monthly return (35 days)	0.18%	0.21%	0.15%
Return on investment year-to-date	0.55%	0.61%	0.44%
Last 12 months	1.61%	1.57%	1.16%
Last 3 years (annualized) *	2.68%	2.82%	2.08%
Last 5 years (annualized) *	4.13%	3.61%	2.44%
Since inception (total return)	72.57%	32.71%	23.56%
Inception date	September 1998	April 2003	December 2001

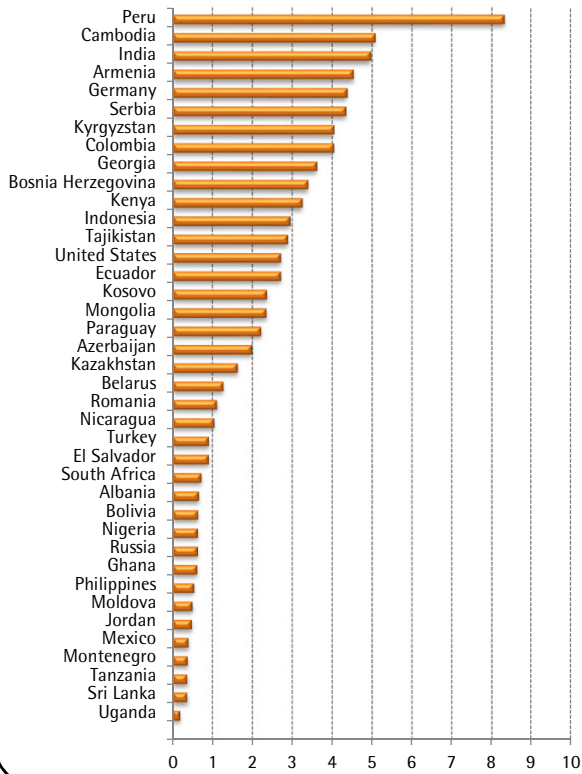
Social performance indicators

Total # of microentrepreneurs by MFIs in the portfolio	17,414,944
# of microentrepreneurs reached by funding provided by DMCF	539,182
% of rural clients*	44%
% of female clients*	58%
Average loan outstanding in USD	2,127.32

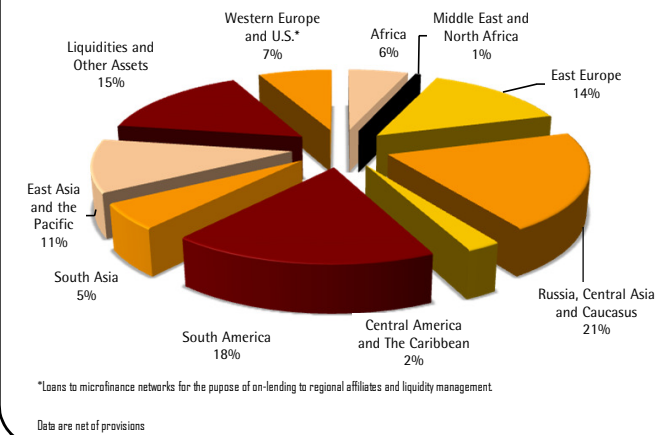
*Data as of 31 December 2010



Exposure by country (in % NAV)



Exposure by country (in % NAV)



Five largest outstanding positions (as % of NAV)

ProCredit Holding	Germany	4.35% *
PROCREDIT BANK SERBIA	Serbia	4.32%
MIBANCO	Peru	3.69%
PROCREDIT BANK GEORGIE	Georgia	2.69%
SPANDANA	India	2.69%

*Additional information can be provided upon request

Fund description, facts and information

Structure :	Luxemburg SICAV, part II
Inception date :	September-98
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:	1 st Wed. of each month
Subscriptions:	Monthly (with 1 day's notice) effective the 1st Wed + 3 BD
Issuing Fees:	0-4%
Redemptions:	Monthly, with 30 days notice, effective the 1st Wed + 3 BD
Income:	Reinvested
Total Expense Ratio:	approx. 1.8%
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%.