

## Profile of Micro-Entrepreneurs Served

- Number of micro-entrepreneurs served by MFIs funded by the Dignity Fund: 807,500
- Average loan size of MFIs funded by the Dignity Fund: \$605 (smallest is \$41 by MBK in Indonesia and largest is \$1,308 by EDPYME Confianza in Peru)

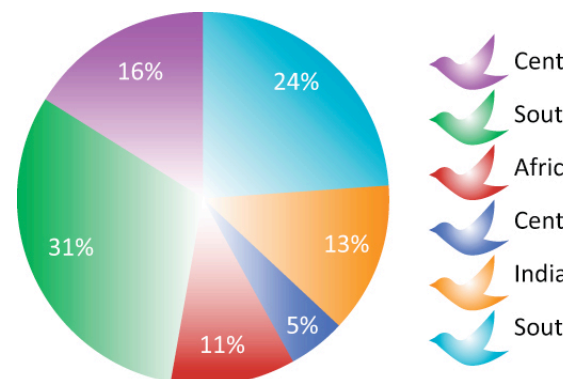
## Portfolio Investments | December 31, 2008

MFI/Country	Amount Invested	% of Total
ACODEP/Nicaragua	\$500,000	10.8%
Adhikar/India	300,000	6.5%
Ajiwika/India	300,000	6.5%
Confianza/Peru	750,000	16.2%
D-MIRO/Ecuador	583,332	12.6%
FIS/Argentina	130,000	2.8%
KAMURJ/Armenia	225,000	4.8%
Lifebank/Philippines	400,000	8.6%
MBK/Indonesia	725,811	15.6%
Pro Mujer/Mexico	500,000	4.8%
SOCREMO/Mozambique	225,000	10.8%
<b>Subtotal Investments</b>	<b>4,639,143</b>	<b>100.0%</b>

## MFI Loan Portfolio

- Value of MFI facilities committed and funded: \$4.6 million (additional \$120,000 in follow-on funding closed in Q1 2009 and a minimum of \$1.4 million in new deal pipeline to close in Q2/Q3 2009)
- Number of new MFIs currently under evaluation: 3
- Number of MFI loan portfolio defaults: Zero

Facilities by Region



## Financial Results

- **The Dignity Fund has been profitable since inception.**
- With continued deployment of capital from deposit accounts into loans/guarantees to MFIs, the fund's average investment income yield for Class A limited partners rose from 7.9% for the fiscal year ended 12/31/07 to 8.4% for the fiscal year ended 12/31/08
- Cash revenues rose from \$380,229 in the fiscal year ended 12/31/07 to \$400,620 in the fiscal year ended 12/31/08
- General partner and operating expenses were \$74,514, or 1.2% of total assets, in the fiscal year ended 12/31/08
- Fund net income rose from \$189,735 in the fiscal year ended 12/31/07 to \$326,106 in the fiscal year ended 12/31/08, or a **net return of 6.1% to Class A Limited Partners**

	12/31/06	12/31/07	12/31/08
Total loans and guarantees to MFIs	\$2,254,980	\$5,353,935	\$4,639,143
Total assets	\$5,516,008	\$5,795,809	\$6,312,131
Total partners' equity	\$5,506,075	\$5,778,785	\$6,310,761
Total revenues	\$214,236	\$380,229	\$400,620
Organizational expenses	\$60,871	\$0	\$0
Fund operating	\$132,317	\$151,973	\$74,514

expenses			
Net income	\$11,095	\$189,735	\$326,106
Loans and guarantees/total assets	40.9%	92.4%	73.5%
Interest income and guarantee fees/earning assets	7.1%	7.9%	8.4%
Fund expenses/total assets	2.8%	2.7%	1.2%
Net return to Class A Limited Partners	1.6%	4.1%	6.1%

## Profile of Microfinance Institutions Funded (Data as of 12/31/2008)

MFI   Country	# Clients	Loan Portfolio	PAR > 30 days
<p><b>ACODEP   Nicaragua</b> During the year, an \$800,000 fraud was encountered, the CEO/Chairman was replaced and other changes at the leadership level were made. Management has taken corrective action and put additional controls in place. Lenders are actively monitoring. All principal and interest payments have been made as scheduled.</p>	47,211	\$21,942,421	16.2%
<p><b>Adhikar   India</b> They have experienced good growth of 22%, but which falls short of their projections. This is due to the current economic situation and Adhikar's difficulty in raising debt.</p>	53,595	\$4,892,073	0.3%
<p><b>Ajiwika   India</b> Ajiwika experienced significant delinquency and related risk to their loan portfolio due to poor targeting and inadequate internal controls. Our partner, Unitus and other agencies have been working diligently over the past several months to determine the root causes and ensure systems are in place to prevent recurrence.</p>	12,826	\$1,302,493	14.0%
<p><b>Confianza   Peru</b> The number of active borrowers grew 24% and the loan portfolio 40% during the year. They have strengthened their shareholder base and reduced leverage to 5x.</p>	59,633	\$86,280,520	4.2%
<p><b>D-MIRO   Ecuador</b> The number of active borrowers grew 75% and the loan portfolio 72% during the year. D-Miro has not had difficulty obtaining funding from international sources but is planning on becoming a regulated entity that accepts deposits in order to reduce its dependency on foreign debt.</p>	36,174	\$23,976,832	2.5%
<p><b>FIS   Argentina</b> The local impact of the current economic situation has been difficult and a significant number of repeat customers are experiencing problems. Management is has acted quickly and aggressively to help their clients restructure loans in a variety of ways.</p>	3,776	\$2,905,257	8.3%
<p><b>KAMURJ   Armenia</b> Kamurj's financial performance remains solid. Its portfolio quality is outstanding, it has very little external debt and a strong capital base, and it remains very profitably. The MFI's borrower and loan growth has been modest, with an increase in borrowers of only approximately 30% in the two years since we first extended a facility.</p>	13,361	\$10,935,732	0.4%
<p><b>Lifebank   Philippines</b> Lifebank's performance in 2008 has been impressive with 60% growth in its loan portfolio and total assets. It has an extensive branch network with 219 offices with nearly 2,000 employees providing loans averaging US\$ 92.</p>	207,545	\$19,296,801	0.5%
<p><b>MBK Ventura   Indonesia</b> Unrealized foreign exchange losses have impacted MBK's balance sheet. Management and lenders are actively working to address the issue. Otherwise, MBK is doing fine operationally.</p>	105,364	\$5,206,746	0.0%
<p><b>Pro Mujer Mexico   Mexico</b> Pro Mujer Mexico experienced an increase in PAR in 2008 due to a change in how it computes this ratio (it now reports more conservatively). PAR aside, the MFI's financial and operating statistics are strong. That being said, disappointed with the lack of strong growth by the MFI, Pro Mujer International, PMM's governing institution, replaced PMM's CEO and Board of Directors of the MFI. The new team is strong and is positioning the MFI for more aggressive growth.</p>	26,113	\$3,995,424	3.5%
<p><b>SOCREMO   Mozambique</b> Socrema continues to grow their savings program with customers and replace borrowings with deposit accounts. Additionally, they have paid back our guarantee in full during Q1 2009. The cost of funding from abroad became prohibitively high due to a punitive tax regime.</p>	14,930	\$21,923,464	2.3%

Since its launch in December 2005, the Dignity Fund has committed **\$6.3 million** in debt financing and guarantees to **13 microfinance institutions (MFIs)** in developing countries around the world. The indicators above are current as of December 31, 2008.