DIGNITY FUND

Investor Update

as of September 30, 2010

Report from Management

With only two months left until the fund winds down, we plan on returning the final 40% of our investors' initial capital in mid-December. The final distribution of earnings is anticipated in March or April of 2011. With no further deployments and the remaining loans maturing, the decline in revenue and profitability will continue until the close. Since July 1, 2010, the PRISMA and FIS loans matured but were not repaid in full as scheduled. Tight cash flow necessitated short-term restructuring but we anticipate full repayment plus penalty interest prior to yearend. The Dignity Fund has received several principal repayments and prepayments since July 1, 2010.

Summary of Principal Repayments Made

Subsequent to July 1, 2010

MFI/Country	Amount
ACODEP/Nicaragua	$118,274
D-MIRO/Ecuador	43,405
FIS/Argentina	120,000
PRISMA/Peru	227,673
Total	**$509,352**

Portfolio Investments

September 30, 2010

MFI/Country	Amount Invested	Percent of Total
ACODEP/Nicaragua	$147,191	4.3%
D-MIRO/Ecuador	41,667	1.1%
FIS/Argentina	250,000	7.3%
MBK/Indonesia	150,000	4.4%
PRISMA/Peru	440,000	12.8%
Pro Mujer/Mexico	500,000	14.5%
Subtotal portfolio investments	**1,528,858**	**44.4%**
Liquid assets	1,911,532	55.6%
Total investment assets	**$3,440,945**	**100.0%**

The Dignity Fund, L.P.

Balance Sheet (unaudited)

	9/30/2010
Total loans receivable	$ 898,858
Interest in MFI obligations to GCMC	500,000
Certificates of deposit (for guarantee)	134,856
Cash and equivalents	1,877,968
Other current assets	29,263
Total assets	**$3,440,945**
Foreign currency exchange contracts	$ 0
Other liabilities	6,570
Total liabilities	6,570
Limited partnership interests	5,444,377
Increase in Retained earnings	59,253
Distributions	(2,069,255)
Total equity	3,434,375
Total liabilities and equity	**$3,440,945**

Income Statement (unaudited)

	Year-to-date Period Ended		
	12/31/08	12/31/09	9/30/10
Investment income	$400,620	$367,698	$ 102,522
Operating expenses	74,514	81,178	43,269
Non-operating expenses	0	0	0
Net income	**$326,106**	**$286,520**	**$59,253**

The most significant changes in the balance sheet result from the repayments noted above. Revenue and profitability continue to decline. This is due primarily to the decrease in funds deployed, excess cash earning low money market rates, and the impact of the maturity of the PRISMA non-deliverable forward contract (hedge). Q3 investment income of $31,000 is offset by previously unaccrued hedging expenses of approximately $45,000 resulting in a negative allocation to capital accounts this quarter. Despite these expenses, the XIRR on the loan instrument is expected to be 10.4 %. Otherwise, operating expenses remain low and are expected to continue at this level through the close.