



**REPUBLIC OF CHILE**  
Ministry of Finance

**MONTHLY EXECUTIVE REPORT**  
**ECONOMIC AND SOCIAL STABILIZATION FUND**

**APRIL 2007**

**I. The Economic and Social Stabilization Fund**

The Economic and Social Stabilization Fund (ESSF) was established on March 6, 2007, in conformity with the *Decreto con Fuerza de Ley* N° 1 of 2006. The fund received an initial contribution of US\$ 6,000 million, of which US\$ 2,563.7 million were derived from the former Copper Compensation Fund which was merged with the new ESSF. On March 30, 2007, the ESSF received an additional contribution of US\$ 1,100 million. Both contributions constitute advances to the final amount that should be deposited to the fund this year.

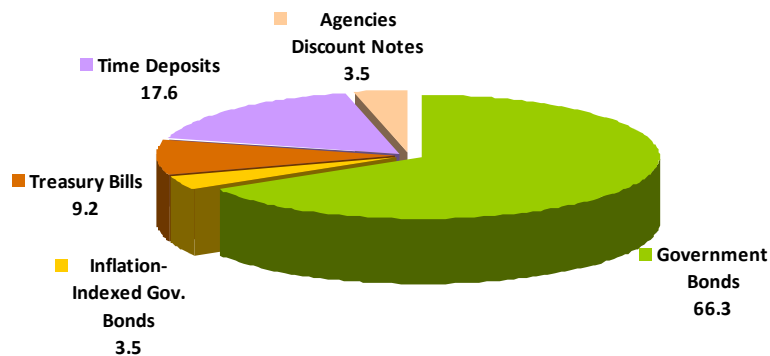
The ESSF as well as the PRF have been managed by the Central Bank of Chile, acting as fiscal agent, since March 6, 2007, according to Ministry of Finance’s Supreme Decree N° 1,383 of December 11, 2006.

The following shows the ESSF’s market value<sup>1</sup> in United States dollars as of April 30, 2007. The fund’s investments are governed by DFL N°1 of 2006 of the Ministry of Finance and supplementary regulations.

Asset Class	US\$ Million	%
Government Bonds	4,764.7	66.3
Inflation-Indexed Gov. Bonds <sup>2</sup>	250.4	3.5
Treasury Bills	664.3	9.2
Time Deposits	1,263.1	17.6
Agencies Discount Notes	248.2	3.5
<b>Total</b>	<b>7,190.7</b>	

Currency	Duration (years)
Government Bonds	3.4
Inflation-Indexed Gov. Bonds	2.6
Treasury Bills	0.1
Time Deposits	0.1
Agencies Discount Notes	0.1
<b>Average</b>	<b>2.38</b>

Chart 1: Composition by Asset Class

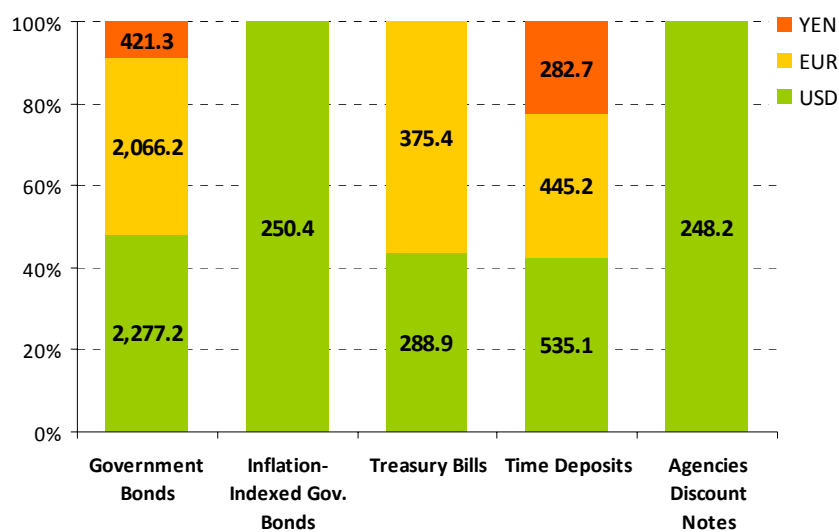


<sup>1</sup> Bloomberg is the source of market prices for all the fund’s fixed-income securities.

<sup>2</sup> Inflation-Indexed Bonds: Bonds whose value is adjusted according to a specific inflation index. These financial instruments are known as TIPS (Treasury Inflation-Protected Securities) in the US.

Asset Class	USD	EUR	YEN	Total
Government Bonds	2,277.2	2,066.2	421.3	4,764.7
Inflation-Indexed Gov. Bonds	250.4	0.0	0.0	250.4
Treasury Bills	288.9	375.4	0.0	664.3
Time Deposits	535.1	445.2	282.7	1,263.1
Agencies Discount Notes	248.2	0.0	0.0	248.2
<b>Total</b>	<b>3,599.8</b>	<b>2,886.8</b>	<b>704.1</b>	<b>7,190.7</b>
<b>% of Portfolio</b>	<b>50.1</b>	<b>40.2</b>	<b>9.8</b>	

Chart 2: Composition by Asset Class and Currency



<sup>3</sup> The end-of-month exchange rates utilized were 1.3603 USD/EUR and 120.05 JPY/USD. Source: Bloomberg.