



REPUBLIC OF CHILE
Ministry of Finance

MONTHLY EXECUTIVE REPORT

ECONOMIC AND SOCIAL STABILIZATION FUND

MARCH 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.

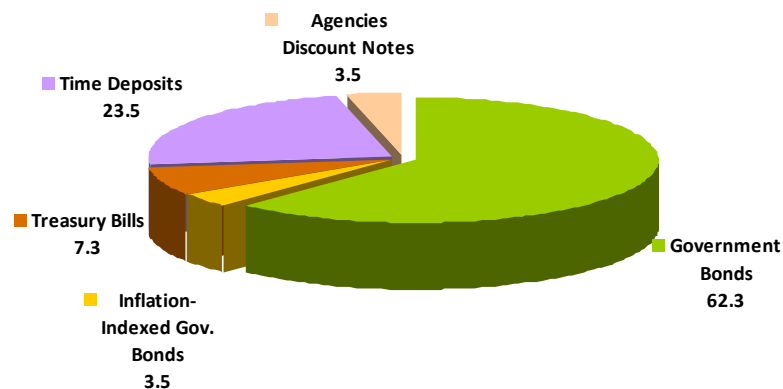
The ESSF as well as the PRF have been managed by the Central Bank of Chile, acting as fiscal agent, since March 6, 2007, according to Ministry of Finance's Supreme Decree N° 1,383 of December 11, 2006.

The following shows the ESSF's market value¹ in United States dollars as of March 31, 2007. The fund's investments are governed by DFL N°1 of 2006 of the Ministry of Finance and supplementary regulations.

Table 1: Composition by Asset Class		
Asset Class	US\$ Million	%
Government Bonds	4,444.6	62.3
Inflation-Indexed Gov. Bonds ²	248.8	3.5
Treasury Bills	523.1	7.3
Time Deposits	1,673.7	23.5
Agencies Discount Notes	247.0	3.5
Total	7,137.3	

Table 2: Duration by Asset Class	
Currency	Duration (years)
Government Bonds	3.2
Inflation-Indexed Gov. Bonds	2.7
Treasury Bills	0.2
Time Deposits	0.0
Agencies Discount Notes	0.2
Average	2.14

Chart 1: Composition by Asset Class

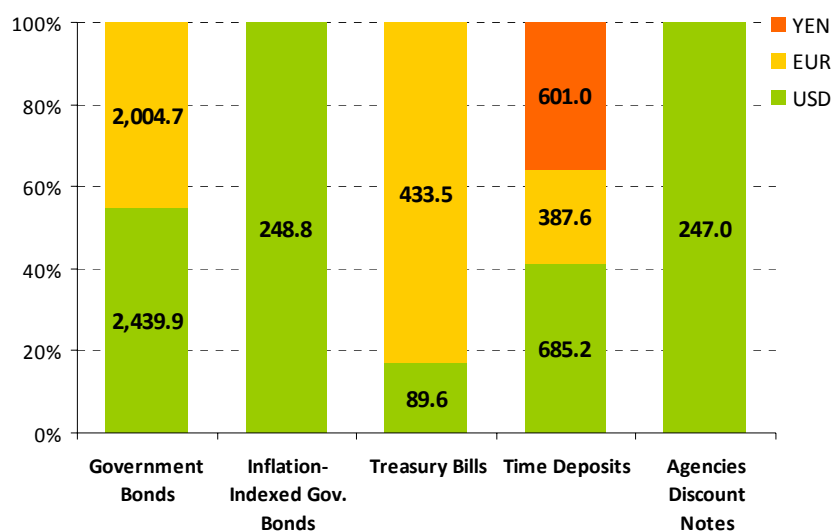


¹ Bloomberg is the source of market prices for all the fund's fixed-income securities.

² 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	2,439.9	2,004.7	0.0	4,444.6
Inflation-Indexed Gov. Bonds	248.8	0.0	0.0	248.8
Treasury Bills	89.6	433.5	0.0	523.1
Time Deposits	685.2	387.6	601.0	1,673.7
Agencies Discount Notes	247.0	0.0	0.0	247.0
Total	3,710.5	2,825.8	601.0	7,137.3
% of Portfolio	52.0	39.6	8.4	

Chart 2: Composition by Asset Class and Currency



³ The end-of-month exchange rates utilized were 1.3354 USD/EUR and 117.83 JPY/USD. Source: Bloomberg.