



ECONOMIC AND SOCIAL STABILIZATION FUND

Monthly Executive Report as of October 2010

I. Market Value as of October, 2010

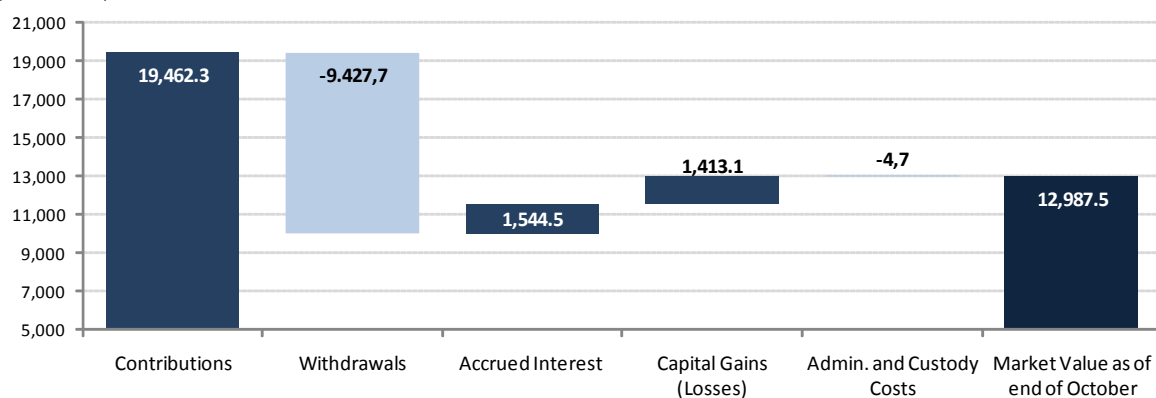
The market value of the Economic and Social Stabilization Fund (ESSF) totaled **US\$12,987.5** million as of October 29, 2010. This value is **US\$135.7** million higher than in the previous month due to: (i) accrued interest of **US\$22.7** million, and (ii) capital gains on investments of **US\$113.0** million.

| Changes in Market Value (US\$ million) | 2007 | 2008 | 2009 | 2010 | | | | Since Inception |
|-------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------------|-----------------|
| | | | | 1st Quarter | 2nd Quarter | 3rd Quarter | October ⁽¹⁾ | |
| Starting Market Value | 0.0 | 14,032.6 | 20,210.7 | 11,284.8 | 11,130.0 | 10,799.0 | 12,851.8 | 0.0 |
| Contributions | 13,100.0 | 5,000.0 | 0.0 | 0.0 | 0.0 | 1,362.3 | 0.0 | 19,462.3 |
| Withdrawals | 0.0 | 0.0 | -9,277.7 | 0.0 | -150.0 | 0.0 | 0.0 | -9,427.7 |
| Accrued Interest | 326.2 | 624.0 | 404.3 | 55.3 | 47.9 | 64.1 | 22.7 | 1,544.5 |
| Capital Gains (Losses) | 606.8 | 556.0 | -50.8 | -209.9 | -228.5 | 626.6 | 113.0 | 1,413.1 |
| Admin. and Custody Costs | -0.4 | -1.9 | -1.6 | -0.2 | -0.4 | -0.2 | 0.0 | -4.7 |
| Final Market Value | 14,032.6 | 20,210.7 | 11,284.8 | 11,130.0 | 10,799.0 | 12,851.8 | 12,987.5 | 12,987.5 |

(1) The information on accrued interest and capital gains were adjusted in October.

Changes in Market Value Since Inception

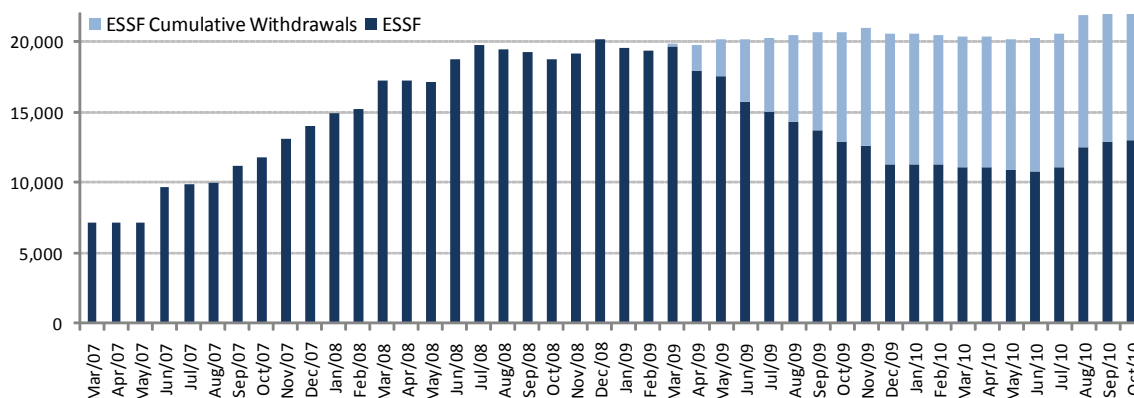
(US\$ million)



| By Asset Class (US\$ million) | 2007 | 2008 | 2009 | 2010 | | | |
|----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | | | | 1st Quarter | 2nd Quarter | 3rd Quarter | October |
| Money Market | 4,216.3 | 5,957.1 | 3,373.7 | 3,335.6 | 3,576.5 | 3,825.1 | 3,913.3 |
| Sovereign Bonds | 9,323.7 | 13,583.6 | 7,508.9 | 7,392.0 | 6,862.1 | 8,592.9 | 8,622.0 |
| Inflation Indexed Sov. Bonds | 492.6 | 669.9 | 402.3 | 402.3 | 360.4 | 433.8 | 452.2 |
| Market Value | 14,032.6 | 20,210.7 | 11,284.8 | 11,130.0 | 10,799.0 | 12,851.8 | 12,987.5 |

| By Risk Exposure (US\$ million) | 2007 | 2008 | 2009 | 2010 | | | |
|------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | | | | 1st Quarter | 2nd Quarter | 3rd Quarter | October |
| Sovereigns | 9,283.2 | 16,617.2 | 8,914.0 | 8,672.6 | 8,834.3 | 10,256.4 | 10,272.3 |
| Banks | 4,216.3 | 3,593.5 | 2,370.8 | 2,457.4 | 1,801.8 | 2,551.5 | 2,671.2 |
| Supranational | 0.0 | 0.0 | 0.0 | 0.0 | 162.8 | 44.0 | 44.0 |
| Agencies | 533.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Market Value | 14,032.6 | 20,210.7 | 11,284.8 | 11,130.0 | 10,799.0 | 12,851.8 | 12,987.5 |

Historical Market Value
(US\$ million)



II. Return as of October, 2010

Return in October was 1.05% in US dollars and 2.40% in Chilean pesos. Cumulative return in 2010 totaled 3.97% in US dollars and 1.07% in Chilean pesos. Annualized return since inception was 6.40% in US dollars and 3.85% in Chilean pesos.

| Returns ^(a) | October | Last 3 Months | Year to Date | Last 12 Months | Last 3 Years (Annualized) | Since Inception (Annualized) ^(b) |
|------------------------------------|--------------|---------------|--------------|----------------|---------------------------|---------------------------------------------|
| Local Currency | -0.05% | 0.79% | 3.63% | 3.58% | 4.48% | 4.60% |
| Exchange Rate Return | 1.10% | 3.43% | 0.34% | -1.03% | 0.93% | 1.80% |
| Return in USD | 1.05% | 4.22% | 3.97% | 2.55% | 5.41% | 6.40% |
| Exchange Rate (CLP) | 1.35% | -5.86% | -2.90% | -7.52% | -0.19% | -2.55% |
| Return in CLP^(c) | 2.40% | -1.64% | 1.07% | -4.97% | 5.22% | 3.85% |

(a) Time Weighted Return (it is calculated as the growth rate of the funds that were invested throughout the period).

(b) It is calculated from March 31, 2007, when the performance of Central Bank of Chile started to be measured.

(c) Return in CLP corresponds to the sum of the percentage change of the exchange rate CLP/USD and the return in USD.

Returns for periods of more than one year are compound annualized rates while those for less than a year correspond to the change as seen in the stated period. With a view to meeting high standards of transparency and providing a better assessment of the gains or losses on investments, the Ministry of Finance discloses the fund's return in different time horizons and currencies. With respect to the horizon, it is important to note that, in keeping with the medium- and long-term investment policy, the return assessment should focus on that period, disregarding fluctuations that may occur monthly or quarterly. With regard to returns expressed in different currencies, the return in US dollars allows for an assessment which is more in line with the investment policy given that the fund's resources are wholly invested abroad and in foreign currency. The return in Chilean pesos is also disclosed. This return reflects changes in the peso-dollar exchange rate and, therefore, may experience greater fluctuations. Finally, as with any investment, returns obtained in the past do not guarantee future positive results.

III. Portfolio Composition and Duration as of October, 2010

| Portfolio by Credit Risk | | | US\$ million | % from Total | Portfolio by Currency | | | US\$ million | % from Total |
|--------------------------------------------------|--|-----------------|--------------|---------------|-----------------------|-----------------|---------------|--------------|--------------|
| <i>Sovereign Exposure by Country</i> | | | | | | | | | |
| USA | | | 4,638.1 | 35.7% | Sovereign | USD | 5,250.5 | 40.4% | |
| Germany | | 3,749.6 | 28.9% | EUR | | 4,057.1 | 31.2% | | |
| Japan | | 964.8 | 7.4% | JPY | | 964.8 | 7.4% | | |
| Netherlands | | 295.6 | 2.3% | <i>Total</i> | | <i>10,272.3</i> | <i>79.1%</i> | | |
| Finland | | 162.8 | 1.3% | Banks | USD | 1,208.0 | 9.3% | | |
| France | | 162.1 | 1.2% | | EUR | 1,109.4 | 8.5% | | |
| Austria | | 124.2 | 1.0% | | JPY | 353.8 | 2.7% | | |
| Belgium | | 116.7 | 0.9% | | <i>Total</i> | <i>2,671.2</i> | <i>20.6%</i> | | |
| Sweden | | 58.5 | 0.5% | Supranational | USD | 44.0 | 0.3% | | |
| Total Sovereign Exposure | | 10,272.3 | 79.1% | | EUR | 0.0 | 0.0% | | |
| | | | | | JPY | 0.0 | 0.0% | | |
| | | | | | <i>Total</i> | <i>44.0</i> | <i>0.3%</i> | | |
| <i>Bank Exposure by Country</i> | | | | | | | | | |
| United Kingdom | | | 981.3 | 7.6% | Agencies | USD | 0.0 | 0.0% | |
| Italy | | 418.2 | 3.2% | EUR | | 0.0 | 0.0% | | |
| Switzerland | | 353.0 | 2.7% | JPY | | 0.0 | 0.0% | | |
| Germany | | 314.2 | 2.4% | <i>Total</i> | | <i>0.0</i> | <i>0.0%</i> | | |
| Austria | | 232.0 | 1.8% | Total | USD | 6,502.5 | 50.1% | | |
| Netherlands | | 206.1 | 1.6% | | EUR | 5,166.5 | 39.8% | | |
| Spain | | 125.2 | 1.0% | | JPY | 1,318.5 | 10.2% | | |
| Sweden | | 23.3 | 0.2% | | Total | 12,987.5 | 100.0% | | |
| Belgium | | 12.7 | 0.1% | | | | | | |
| Others | | 5.2 | 0.0% | | | | | | |
| Total Bank Exposure | | 2,671.2 | 20.6% | | | | | | |
| <i>Supranational Exposure by Issuer</i> | | | | | | | | | |
| European Bank For Reconstruction and Development | | | 44.0 | 0.3% | | | | | |
| Total | | 44.0 | 0.3% | | | | | | |
| <i>Supranational Exposure by Issuer</i> | | | | | | | | | |
| Total | | 44.0 | 0.3% | | | | | | |

| Portfolio by Issuer Credit Rating | | | | | Duration | |
|-----------------------------------|--------------|--------------|---------------|---------------|---------------|-------------|
| Credit Rating | Sovereigns | Banks | Supranational | Total | Years | |
| AAA | 70.8% | 2.7% | 0.3% | 73.8% | Sovereign | 3.08 |
| AA+ | 0.9% | 0.0% | 0.0% | 0.9% | Banks | 0.30 |
| AA | 7.4% | 1.0% | 0.0% | 8.4% | Supranational | 0.13 |
| AA- | 0.0% | 10.1% | 0.0% | 10.1% | Agencies | 0.00 |
| A+ | 0.0% | 3.6% | 0.0% | 3.6% | Total | 2.50 |
| A | 0.0% | 3.1% | 0.0% | 3.1% | | |
| A- | 0.0% | 0.0% | 0.0% | 0.0% | | |
| Total | 79.1% | 20.6% | 0.3% | 100.0% | | |