



REPUBLIC OF CHILE
Ministry of Finance

MONTHLY EXECUTIVE REPORT

THE PENSION RESERVE FUND

MARCH 2007

I. The Pension Reserve Fund

The establishment of the Pension Reserve Fund (PRF) was formalized on December 28, 2006, in conformity with the third transitory article under Law N° 20,128. The first contribution to the fund was for a total amount of US\$ 604.5 million. These resources were invested in a term deposit in the Central Bank of Chile until March 28, 2007.

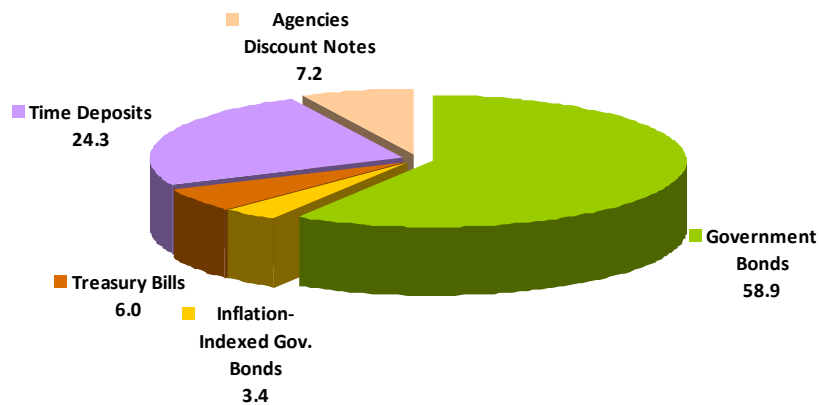
The PRF’s resources have been managed by the Central Bank of Chile, acting as fiscal agent, since March 28, 2007, pursuant to the Ministry of Finance’s Supreme Decree N° 1,383 of 2006.

The following shows the PRF’s portfolio market value¹ in United States dollars as of March 31, 2007. The fund’s investments are governed by the Ministry of Finance’s Supreme Decree N° 1,383 of 2006 and supplementary regulations.

Table 1: Composition by Instruments		
Asset Class	US\$ Million	%
Government Bonds	361.6	58.9
Inflation-Indexed Gov. Bonds ²	21.0	3.4
Treasury Bills	37.1	6.0
Time Deposits	149.3	24.3
Agencies Discount Notes	44.4	7.2
Total	613.5	

Table 2: Duration by Asset Class	
Currency	Duration (years)
Government Bonds	3.4
Inflation-Indexed Gov. Bonds	3.0
Treasury Bills	0.2
Time Deposits	0.0
Agencies Discount Notes	0.2
Average	2.14

Chart 1: Composition by Asset Class

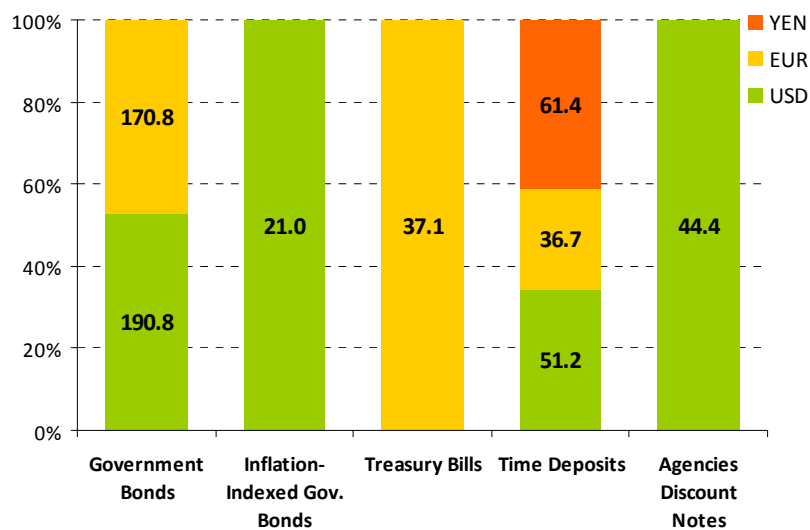


¹ Bloomberg is the source of market prices for all the fund’s fixed-income securities.

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.

Table 3: Composition by Asset Class and Currency (US\$ Million) ³				
Asset Class	USD	EUR	YEN	Total
Government Bonds	190.8	170.8	0.0	361.6
Inflation-Indexed Gov. Bonds	21.0	0.0	0.0	21.0
Treasury Bills	0.0	37.1	0.0	37.1
Time Deposits	51.2	36.7	61.4	149.3
Agencies Discount Notes	44.4	0.0	0.0	44.4
Total	307.4	244.7	61.4	613.5
% of Portfolio	50.1	39.9	10.0	

Chart 2: Composition by Asset Classes and Currency



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