



PENSION RESERVE FUND¹

Monthly Executive Report as of July 2010

¹ In a continuing effort of the Ministry of Finance to increase the transparency of the Chilean Sovereign Wealth Funds, the monthly report of these funds presents a new format as of this month. This format expands and breaks down the information on the investments and increases the frequency of return disclosure.

I. Market Value as of July, 2010

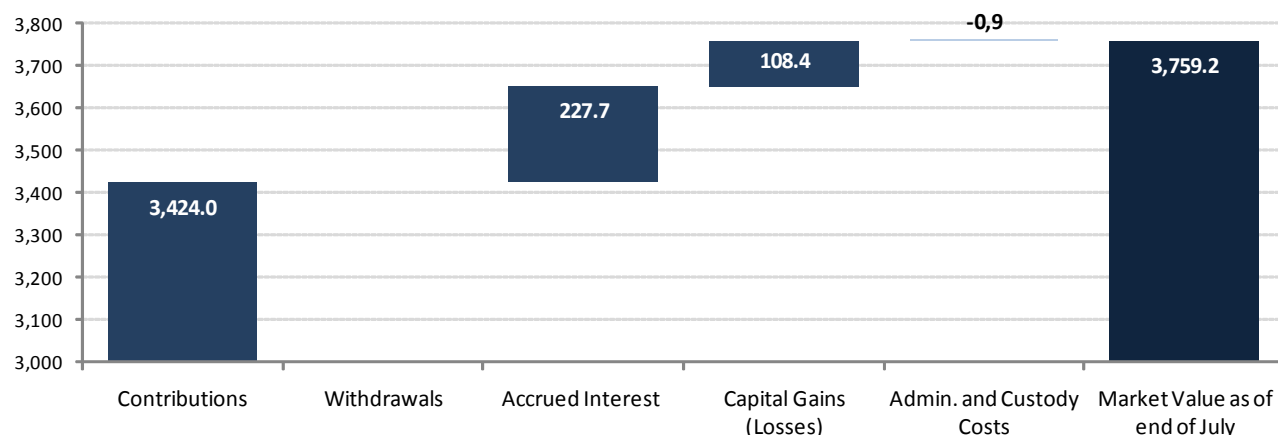
The market value of the Pension Reserve Fund (PRF) totaled **US\$3,759.2** million as of July 30, 2010. This value is **US\$103.0** million higher than in the previous month due to: (i) accrued interest of **US\$7.2** million and (ii) capital gains on investments of **US\$95.8** million.

Changes in Market Value (US\$ million)	2007	2008	2009	1st Quarter	2010 2nd Quarter	July	Since Inception
Starting Market Value	604.6	1,466.4	2,506.8	3,420.8	3,373.7	3,656.2	0.0
Contributions	736.4	909.1	836.7	0.0	337.3	0.0	3,424.0
Withdrawals	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accrued Interest	45.6	71.3	71.9	16.9	14.8	7.2	227.7
Capital Gains (Losses)	79.8	60.4	5.9	-64.0	-69.4	95.8	108.4
Admin. and Custody Costs	0.0	-0.3	-0.3	-0.1	-0.2	0.0	-0.9
Final Market Value	1,466.4	2,506.8	3,420.8	3,373.7	3,656.2	3,759.2	3,759.2

(†) The PRF was established with an initial contribution of US\$604.5 million on December 28, 2006.

Changes in Market Value Since Inception

(US\$ million)

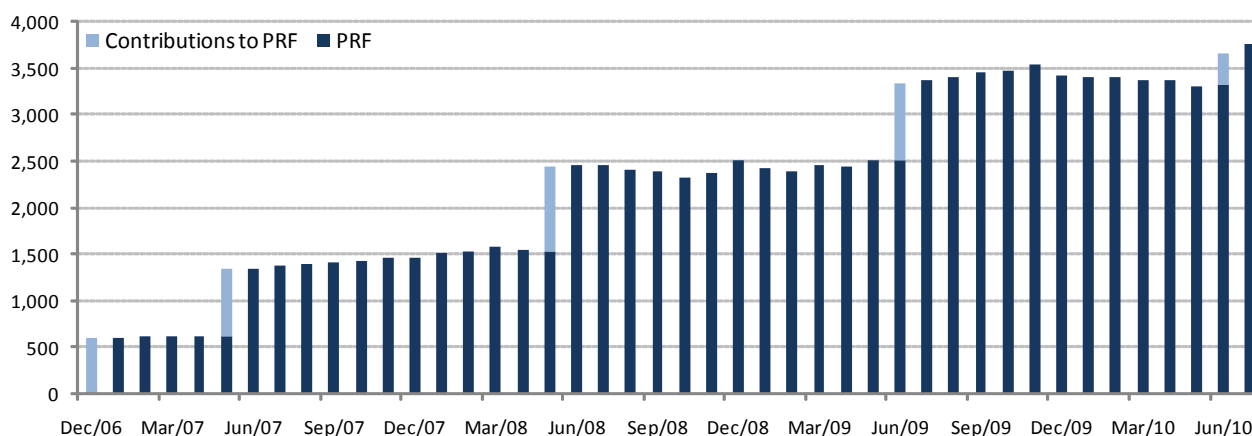


By Asset Class (US\$ million)	2007	2008	2009	1st Quarter	2010 2nd Quarter	July
Money Market	439.5	736.0	1,018.6	1,010.1	1,436.4	1,122.5
Sovereign Bonds	974.7	1,686.9	2,280.4	2,241.5	2,110.4	2,508.2
Inflation Indexed Sov. Bonds	52.1	83.8	121.9	122.1	109.4	128.5
Market Value	1,466.4	2,506.8	3,420.8	3,373.7	3,656.2	3,759.2

By Risk Exposure (US\$ million)	2007	2008	2009	1st Quarter	2010 2nd Quarter	July
Sovereigns	980.1	2,102.5	2,689.8	2,624.3	2,632.2	3,062.1
Banks	439.5	404.2	731.0	749.3	941.8	614.9
Supranational	0.0	0.0	0.0	0.0	82.2	82.2
Agencies	46.7	0.0	0.0	0.0	0.0	0.0
Market Value	1,466.4	2,506.8	3,420.8	3,373.7	3,656.2	3,759.2

Historical Market Value

(US\$ million)



II. Return as of July, 2010

Return in July was 2.82% in US dollars and -1.00% in Chilean pesos. Cumulative return in 2010 totaled -0.25% in US dollars and 2.90% in Chilean pesos. Annualized return since inception was 5.49% in US dollars and 4.53% in Chilean pesos.

Returns ^(a)	July	Last 3 Months	Year to Date	Last 12 Months	Last 3 Years (Annualized)	Since Inception (Annualized) ^(b)
Local Currency	0.09%	1.35%	2.73%	3.58%	4.74%	4.58%
Exchange Rate Return	2.73%	0.06%	-2.98%	-2.24%	0.66%	0.91%
Return in USD	2.82%	1.41%	-0.25%	1.34%	5.40%	5.49%
Exchange Rate (CLP)	-3.82%	0.26%	3.15%	-3.61%	-0.05%	-0.96%
Return in CLP	-1.00%	1.67%	2.90%	-2.27%	5.35%	4.53%

(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 July 2010

Portfolio by Credit Risk			US\$ million	% from Total	Portfolio by Currency			US\$ million	% from Total
Sovereign Exposure by Country									
USA			1,360.3	36.2%	Sovereign	USD	1,541.0	41.0%	
Germany		1,156.0	30.8%	EUR		1,256.9	33.4%		
Japan		264.1	7.0%	JPY		264.1	7.0%		
France		77.7	2.1%	Total		3,062.1	81.5%		
Netherlands		73.8	2.0%	Banks	USD	260.5	6.9%		
Belgium		53.2	1.4%		EUR	244.6	6.5%		
Finland		38.9	1.0%		JPY	109.8	2.9%		
Sweden		24.9	0.7%	Total	614.9	16.4%			
Italy		12.0	0.3%	Supranational	USD	82.2	2.2%		
Austria		1.0	0.0%		EUR	0.0	0.0%		
Total Sovereign Exposure		3,062.1	81.5%		JPY	0.0	0.0%		
				Total	82.2	2.2%			
Bank Exposure by Country									
United Kingdom			210.7	5.6%	Agencies	USD	0.0	0.0%	
Switzerland			102.4	2.7%		EUR	0.0	0.0%	
Netherlands			78.4	2.1%		JPY	0.0	0.0%	
France			60.2	1.6%		Total	0.0	0.0%	
Germany			58.4	1.6%	Total	USD	1,883.8	50.1%	
Spain			50.2	1.3%		EUR	1,501.5	39.9%	
Sweden			19.6	0.5%		JPY	373.9	9.9%	
Belgium			17.3	0.5%	Total	3,759.2	100.0%		
Japan			16.5	0.4%					
Others			1.2	0.0%					
Total Bank Exposure			614.9	16.4%					
Supranational Exposure by Issuer									
European Investment Bank			51.8	1.4%					
European Bank For Reconstruction			30.4	0.8%					
Total Supranational Exposure			82.2	2.2%					
Total			3,759.2	100.0%					

Portfolio by Issuer Credit Rating					Duration	
Credit Rating	Sovereigns	Banks	Supranational	Total	Years	
AAA	72.7%	2.7%	2.2%	77.6%	Sovereign	2.84
AA+	1.4%	0.0%	0.0%	1.4%	Banks	0.28
AA	7.0%	1.3%	0.0%	8.4%	Supranational	0.23
AA-	0.3%	7.7%	0.0%	8.0%	Agencies	0
A+	0.0%	4.1%	0.0%	4.1%	Total	2.35
A	0.0%	0.5%	0.0%	0.5%		
A-	0.0%	0.0%	0.0%	0.0%		
Total	81.5%	16.4%	2.2%	100.0%		