REPUBLIC OF CHILE
Ministry of Finance

MONTHLY EXECUTIVE REPORT

THE PENSION RESERVE FUND

JULY 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 № 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 PRF received a new contribution for a total amount of US$ 736.4 million on May 24, 2007 according to letter a) of article 6 and article 20, both under Law № 20,128. This new contribution was delivered to the Central Bank for its management.

The following shows the PRF's portfolio market value[1] in United States dollars as of July 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: Portfolio break-down by asset class and duration

Assets	Market Value (in Million)		Duration in Years	% of the Portfolio
	Local Currency	US$[2]		
Sovereigns USD	530.1	530.1		
EUR	319.5	437.3	3.02	77.2%
YEN	11,155.0	93.7		
Banks USD	156.0	156.0		
EUR	82.4	112.8	0.17	22.8%
YEN	5,338.3	44.8		
Total		**1,374.8**	**2.36**	**100.0%**

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[1] JP Morgan, as custodian bank, provides the market value for fixed-income securities and respective durations for each currency in the PRF.

[2] The end-of-month exchange rates utilized were 1.3689 USD/EUR and 119.065 JPY/USD. Source: JP Morgan.

Table 2: Portfolio break-down by currency and duration

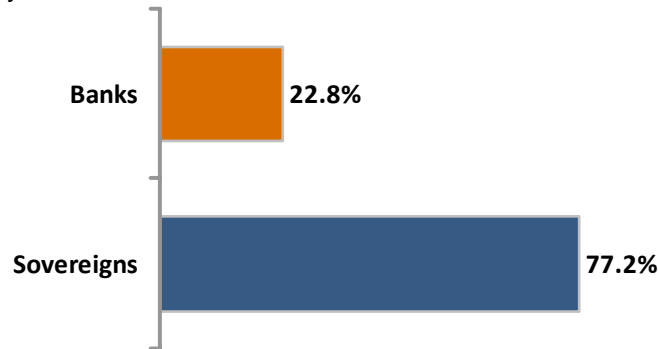| Currency	Market Value (in Million)		Duration in Years	% of the Portfolio
	Local Currency	US$		
USD	686.1	686.1	2.30	49.9%
EUR	401.9	550.2	2.29	40.0%
YEN	16,493.3	138.5	2.54	10.1%
Total		**1,374.8**	**2.36**	**100.0%**

Chart 1: Composition by Asset Class

Chart 2: Composition by Asset Classes and Currency