



ECONOMIC AND SOCIAL STABILIZATION 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.

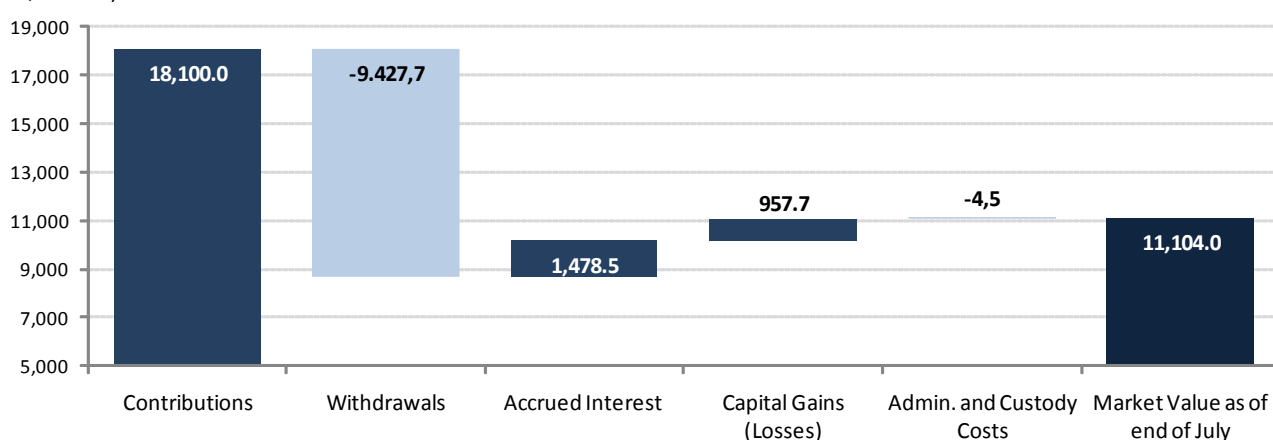
I. Market Value as of July, 2010

The market value of the Economic and Social Stabilization Fund (ESSF) totaled **US\$11,104.0** million as of July 30, 2010. This value is **US\$305.0** million higher than in the previous month due to: (i) accrued interest of **US\$20.9** million and (ii) capital gains on investments of **US\$284.1** million.

Changes in Market Value (US\$ million)	2007	2008	2009	2010			Since Inception
				1st Quarter	2nd Quarter	July	
Starting Market Value	0.0	14,032.6	20,210.7	11,284.8	11,130.0	10,799.0	0.0
Contributions	13,100.0	5,000.0	0.0	0.0	0.0	0.0	18,100.0
Withdrawals	0.0	0.0	-9,277.7	0.0	-150.0	0.0	-9,427.7
Accrued Interest	326.2	624.0	404.3	55.3	47.9	20.9	1,478.5
Capital Gains (Losses)	606.8	556.0	-50.8	-209.9	-228.5	284.1	957.7
Admin. and Custody Costs	-0.4	-1.9	-1.6	-0.2	-0.4	0.0	-4.5
Final Market Value	14,032.6	20,210.7	11,284.8	11,130.0	10,799.0	11,104.0	11,104.0

Changes in Market Value Since Inception

(US\$ million)

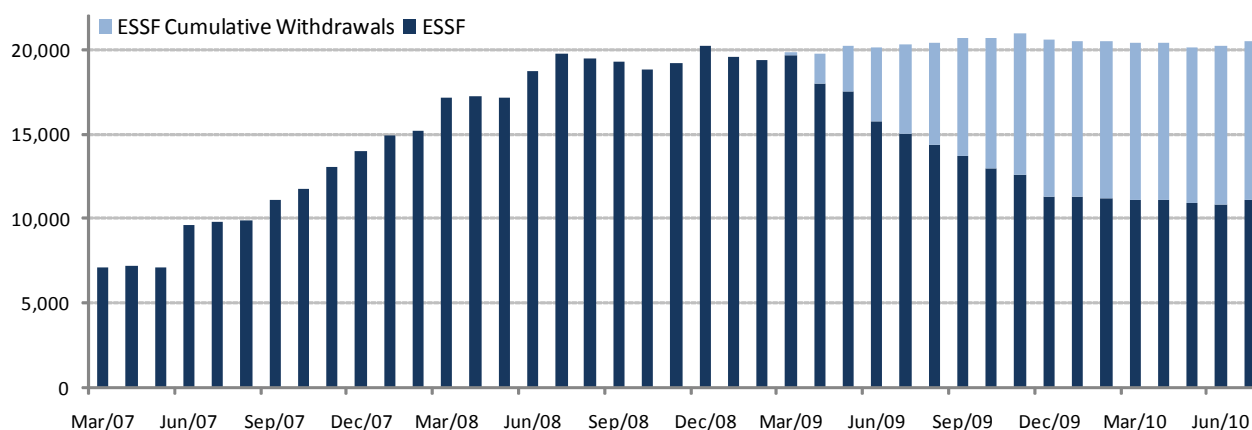


By Asset Class (US\$ million)	2007	2008	2009	2010		
				1st Quarter	2nd Quarter	July
Money Market	4,216.3	5,957.1	3,373.7	3,335.6	3,576.5	3,313.5
Sovereign Bonds	9,323.7	13,583.6	7,508.9	7,392.0	6,862.1	7,410.7
Inflation Indexed Sov. Bonds	492.6	669.9	402.3	402.3	360.4	379.7
Market Value	14,032.6	20,210.7	11,284.8	11,130.0	10,799.0	11,104.0

By Risk Exposure (US\$ million)	2007	2008	2009	2010		
				1st Quarter	2nd Quarter	July
Sovereigns	9,283.2	16,617.2	8,914.0	8,672.6	8,834.3	9,124.6
Banks	4,216.3	3,593.5	2,370.8	2,457.4	1,801.8	1,816.5
Supranational	0.0	0.0	0.0	0.0	162.8	162.9
Agencies	533.1	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	11,104.0

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 -0.24% in US dollars and 2.91% in Chilean pesos. Annualized return since inception was 5.58% in US dollars and 4.62% 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%	1.36%	2.74%	3.67%	4.84%	4.67%
Exchange Rate Return	2.73%	0.06%	-2.98%	-2.24%	0.66%	0.91%
Return in USD	2.82%	1.42%	-0.24%	1.43%	5.50%	5.58%
Exchange Rate (CLP)	-3.82%	0.26%	3.15%	-3.61%	-0.05%	-0.96%
Return in CLP	-1.00%	1.68%	2.91%	-2.18%	5.45%	4.62%

(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			Portfolio by Currency		
	US\$ million	% from Total		US\$ million	% from Total
Sovereign Exposure by Country					
USA	4,027.1	36.3%	Sovereign	USD 4,688.6	42.2%
Germany	3,330.7	30.0%		EUR 3,654.3	32.9%
Japan	781.7	7.0%		JPY 781.7	7.0%
Netherlands	290.3	2.6%	Total	9,124.6	82.2%
France	240.5	2.2%			
Finland	162.6	1.5%	Banks	USD 713.5	6.4%
Austria	124.0	1.1%		EUR 780.7	7.0%
Belgium	109.3	1.0%		JPY 322.3	2.9%
Sweden	58.4	0.5%	Total	1,816.5	16.4%
Total Sovereign Exposure	9,124.6	82.2%			
Bank Exposure by Country					
United Kingdom	621.5	5.6%	Supranational	USD 162.9	1.5%
Switzerland	352.3	3.2%		EUR 0.0	0.0%
Germany	286.5	2.6%		JPY 0.0	0.0%
Netherlands	177.5	1.6%	Total	162.9	1.5%
Belgium	132.2	1.2%			
Japan	104.8	0.9%	Agencies	USD 0.0	0.0%
Sweden	72.4	0.7%		EUR 0.0	0.0%
Austria	59.6	0.5%		JPY 0.0	0.0%
Spain	7.8	0.1%	Total	0.0	0.0%
Others	2.0	0.0%			
Total Bank Exposure	1,816.5	16.4%			
Supranational Exposure by Issuer					
European Investment Bank	119.0	1.1%	Total	USD 5,565.0	50.1%
European Bank For Reconstruction	43.9	0.4%		EUR 4,435.0	39.9%
Total Supranational Exposure	162.9	1.5%		JPY 1,104.0	9.9%
Total	11,104.0	100.0%	Total	11,104.0	100.0%

Portfolio by Issuer Credit Rating				
Credit Rating	Sovereigns	Banks	Supranational	Total
AAA	74.1%	3.17%	1.5%	78.8%
AA+	1.0%	0.00%	0.0%	1.0%
AA	7.0%	0.00%	0.0%	7.0%
AA-	0.0%	5.79%	0.0%	5.8%
A+	0.0%	6.01%	0.0%	6.0%
A	0.0%	1.28%	0.0%	1.3%
A-	0.0%	0.09%	0.0%	0.1%
Total	82.2%	16.4%	1.5%	100.0%

Duration		Years
Sovereign		2.84
Banks		0.34
Supranational		0.15
Agencies		0.00
Total		2.37