



REPUBLIC OF CHILE
Ministry of Finance

MONTHLY EXECUTIVE REPORT

ECONOMIC AND SOCIAL STABILIZATION FUND

MAY 2008

I. The Economic and Social Stabilization Fund

The Economic and Social Stabilization Fund (ESSF) was established on March 6, 2007, in conformity with the *Decreto con Fuerza de Ley* N° 1 of 2006. The first contribution to the fund was received on that date and deposited in a special Treasury Services account for a total amount of US\$ 2,580 million. US\$ 2,563 million of this contribution was derived from the Copper Compensation Fund, which was merged with the ESSF under Law 20,128.

It is important to point out that the final contribution amount for 2007 depends on: (a) the actual surplus of the year prior; (b) the contribution to the Pension Reserve Fund (PRF); and (c) the utilization of the authority provided under article 11 of Law N° 20,128 pertaining to capitalization of the Central Bank of Chile.

The following table contains a summary of the net contributions:

Contributions ESSF	
Date	US\$ Million
March-07	7,100.0
June-07	2,500.0
September-07	1,000.0
October-07	500.0
November-07	1,000.0
December-07	1,000.0
January-08	500.0
March-08	1,600.0
Total	15,200.0

The ESSF's resources have been managed by the Central Bank of Chile, acting as fiscal agent, since March 6, 2007, according to Ministry of Finance's Supreme Decree N° 1,383 of 2006.

The following shows the ESSF's market value¹ in United States dollars as of May 31, 2008. The fund's investments are governed by DFL N°1 of 2006 of the Ministry of Finance and supplementary regulations.

Table 1: Portfolio break-down by currency and duration

Currency	Market Value (in Million)		Duration in Years	% of the Portfolio
	Local Currency	US\$ ²		
USD	8,643.5	8,643.5	2.26	50.5%
EUR	4,396.4	6,832.3	2.29	39.9%
YEN	174,872.3	1,656.5	2.66	9.7%
Total		17,132.3	2.34	100.0%

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

² The end-of-month exchange rates utilized were 1.554 USD/EUR and 105.565 JPY/USD. Source: JP Morgan.

Table 2: Portfolio break-down by asset class and duration

Assets	Market Value (in Million)		Duration in Years	% of the Portfolio	
	Local Currency	US\$			
Sovereigns	USD	5,772.9	5,772.9	3.27	69.0%
	EUR	3,150.5	4,896.0		
	YEN	121,704.8	1,152.9		
Agencies	USD	0.0	0.0	0.00	0.0%
	EUR	0.0	0.0		
	YEN	0.0	0.0		
Banks	USD	2,870.7	2,870.7	0.16	31.0%
	EUR	1,245.9	1,936.2		
	YEN	53,167.6	503.7		
Total			17,132.3	2.34	100.0%

Chart 1: Composition by Asset Class

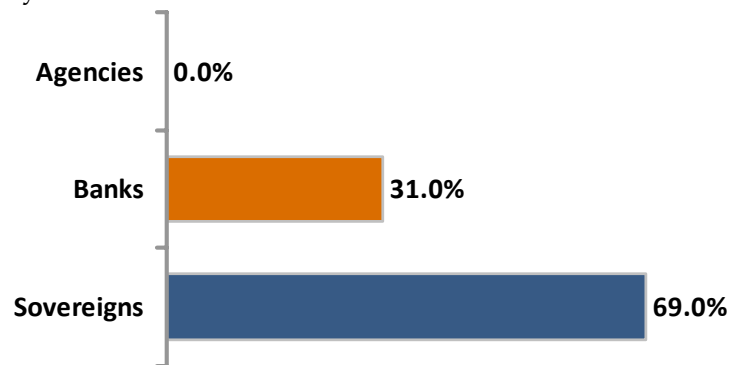


Chart 2: Composition by Asset Classes and Currency

