

CHILE FUND INC  
Form N-Q  
November 14, 2008

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED  
MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number 811-05770

THE CHILE FUND, INC.  
(Exact name of registrant as specified in charter)

c/o Credit Suisse Asset Management, LLC

Eleven Madison Avenue

New York, New York  
(Address of principal executive offices)

10010  
(Zip code)

J. Kevin Gao, Esq.

Eleven Madison Avenue

New York, New York 10010  
(Name and address of agent for service)

Registrant's telephone number, including (212) 325-2000  
area code:

Date of fiscal year end: December 31st

Date of reporting period: July 1, 2008 to September 30, 2008

**Item 1: Schedule of Investments**

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## The Chile Fund, Inc.

## Schedule of Investments

September 30, 2008 (unaudited)

Description	No. of Shares	Value
<b>EQUITY SECURITIES - 100.37%</b>		
<b>Airlines-3.30%</b>		
Lan Airlines S.A.	493,000	\$ 5,397,778
<b>Beverages-5.30%</b>		
Coca-Cola Embonor S.A., Class A	1,360,000	1,258,345
Compañía Cervecerías Unidas S.A.	150,000	979,409
Viña Concha y Toro S.A.	3,644,000	6,439,144
		8,676,898
<b>Building Products-0.18%</b>		
Cerámicas Cordillera S.A.	67,165	285,134
<b>Chemicals-6.13%</b>		
Sociedad Química y Minera de Chile S.A., Class B	256,428	6,629,352
Sociedad Química y Minera de Chile S.A., Class B, ADR §	134,650	3,394,526
		10,023,878
<b>Commercial Banks-6.80%</b>		
Banco de Crédito e Inversiones	125,881	3,197,268
Banco Santander Chile S.A.	198,886,987	7,934,552
		11,131,820
<b>Diversified Financial Services-0.44%</b>		
Invercap S.A.	80,000	725,689
<b>Diversified Telecommunication-5.19%</b>		
Compañía de Telecomunicaciones de Chile S.A., Class A	586,936	1,000,943
Compañía de Telecomunicaciones de Chile S.A., Class A, ADR	23,760	161,806
Empresa Nacional de Telecomunicaciones S.A.	576,876	7,326,074
		8,488,823
<b>Electric Utilities-8.05%</b>		
Almendra S.A.	7,541,247	608,827
Enersis S.A.	34,000,000	11,041,364
Enersis S.A., ADR	93,200	1,521,024
		13,171,215
<b>Food &amp; Staples Retailing-5.37%</b>		
Cencosud S.A.	3,087,000	7,387,070
Distribución y Servicio S.A.	3,850,000	1,403,937
		8,791,007
<b>Independent Power Producers &amp; Energy Traders-23.02%</b>		
Empresa Nacional de Electricidad S.A.	21,068,000	31,303,868
Empresa Nacional de Electricidad S.A., ADR	12,500	556,375
Gener S.A.	18,037,931	5,800,478
		37,660,721

<b>Industrial Conglomerates-16.20%</b>		
Empresas Copec S.A.	2,338,185	26,512,439
<b>Metals &amp; Mining-4.57%</b>		
CAP S.A.	296,284	7,471,065
<b>Multiline Retail-3.14%</b>		
Ripley Corp. S.A.	285,661	173,615
S.A.C.I. Falabella, S.A.	1,419,324	4,969,694
		5,143,309
<b>Oil, Gas &amp; Consumable Fuels-0.12%</b>		
Geopark Holdings Ltd.	30,209	199,230
<b>Paper &amp; Forest Products-10.61%</b>		
Empresas CMPC S.A.	580,000	17,361,067
<b>Water Utilities-1.95%</b>		
Inversiones Aguas Metropolitanas S.A.	3,740,000	3,189,042
<b>Total Equity Securities-100.37%</b>		
(Cost \$94,802,512)		164,229,115
	<b>Principal Amount (000 s)</b>	
<b>SHORT-TERM INVESTMENTS-1.92%</b>		
<b>Grand Cayman-0.41%</b>		
Bank of America, London overnight deposit, 3.22%, 10/1/08 (Cost \$671,000)	\$ 671	671,000
<b>United States-1.51%</b>		
Brown Brothers Investment Trust Securities Lending Fund, 3.07%, 10/01/08 §§ (Cost \$2,475,000)	2,475	2,475,000
<b>Total Short-Term Investments</b>		
(Cost \$3,146,000)		3,146,000
<b>Total Investments-102.29%</b>		
(Cost \$97,948,512)		167,375,115
<b>Liabilities in Excess of Cash and Other Assets-(2.29)%</b>		
		(3,749,113)
<b>NET ASSETS-100.00%</b>		
	\$	163,626,002

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§ Non-income producing security.  
 § Security or portion thereof is out on loan.  
 §§ Represents security purchased with cash collateral received for securities on loan.  
 ADR American Depositary Receipts.

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**Security Valuation** - The net asset value of the Fund is determined daily as of the close of regular trading on the New York Stock Exchange, Inc. (the Exchange) on each day the Exchange is open for business. Equity investments are valued at market value, which is generally determined using the closing price on the exchange or market on which the security is primarily traded at the time of valuation (the Valuation Time). If no sales are reported, equity investments are generally valued at the most recent bid quotation as of the Valuation Time or at the lowest ask quotation in the case of a short sale of securities. Debt securities with a remaining maturity greater than 60 days are valued in accordance with the price supplied by a pricing service, which may use a matrix, formula or other objective method that takes into consideration market indices, yield curves and other specific adjustments. Debt obligations that will mature in 60 days or less are valued on the basis of amortized cost, which approximates market value, unless it is determined that using this method would not represent fair value. Investments in mutual funds are valued at the mutual fund's closing net asset value per share on the day of valuation. Securities and other assets for which market quotations are not readily available, or whose values have been materially affected by events occurring before the Fund's Valuation Time, but after the close of the securities' primary market, are valued at fair value as determined in good faith by, or under the direction of, the Board of Directors under procedures established by the Board of Directors. The Fund may utilize a service provided by an independent third party which has been approved by the Board of Directors to fair value certain securities. When fair-value pricing is employed, the prices of securities used by a fund to calculate its net asset value may differ from quoted or published prices for the same securities. The Fund's estimate of fair value assumes a willing buyer and a willing seller neither acting under a compulsion to buy or sell.

The Fund adopted Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, Fair Value Measurements (FAS 157), effective January 1, 2008. In accordance with FAS 157, fair value is defined as the price that the Fund would receive upon selling an investment in a timely transaction to an independent buyer in the principal or most advantageous market of the investment. FAS 157 established a three-tier hierarchy to maximize the use of observable market data and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk, for example, the risk inherent in a particular valuation technique used to measure fair value including such a pricing model and/or the risk inherent in the inputs to the valuation technique. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The three-tier hierarchy of inputs is summarized in the three broad Levels listed below.

- Level 1 - quoted prices in active markets for identical investments
- Level 2 - other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 - significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The following is a summary of the inputs used as of September 30, 2008 in valuing the Fund's investments carried at value:

Valuation Inputs	Investments in Securities	Other Financial Instruments*
Level 1 - Quoted Prices	\$ 167,375,115	\$

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Level 2 - Other Significant Observable Inputs

Level 3 - Significant Unobservable Inputs

<b>Total</b>	<b>\$</b>	<b>167,375,115</b>	<b>\$</b>
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\*Other financial instruments include futures, forwards and swap contracts.

**Federal Income Tax Cost** - At September 30, 2008, the identified cost for federal income tax purposes, as well as the gross unrealized appreciation from investments for those securities having an excess of value over cost, gross unrealized depreciation from investments for those securities having an excess of cost over value and the net unrealized appreciation from investments were \$97,948,512, \$74,548,831, \$(5,122,228) and \$69,426,603, respectively.

Other information regarding the Fund is available in the Fund's most recent Report to Shareholders. This information is also available on the Fund's website at [www.credit-suisse.com/us](http://www.credit-suisse.com/us) as well as on the website of the Securities and Exchange Commission at [www.sec.gov](http://www.sec.gov).

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**Item 2: Controls and Procedures**

(a) As of a date within 90 days from the filing date of this report, the principal executive officer and principal financial officer concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940 (the "Act")), were effective based on their evaluation of the disclosure controls and procedures required by Rule 30a-3(b) under the Act and Rules 13a-15(b) or 15d-15(b) under the Securities and Exchange Act of 1934.

(b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Act) that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

**Item 3: Exhibits**

1. The certifications of the registrant as required by Rule 30a-2(a) under the Act are exhibits to this report.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

THE CHILE FUND, INC.

/s/George R. Hornig

Name:	George R. Hornig
Title:	Chief Executive Officer
Date:	November 14, 2008

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/George R. Hornig

Name:	George R. Hornig
Title:	Chief Executive Officer
Date:	November 14, 2008

/s/Michael A. Pignataro

Name:	Michael A. Pignataro
Title:	Chief Financial Officer
Date:	November 14, 2008

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