



# PENSION RESERVE FUND

---

Monthly Executive Report as of November 2010

### I. Market Value as of November, 2010

The market value of the Pension Reserve Fund (PRF) totaled **US\$3,795.22** million as of November 30, 2010. This value is **US\$122.49** million lower than in the previous month due to: (i) accrued interest of **US\$4.47** million, (ii) capital losses on investments of **US\$126.94** million, and (iii) administration and custody costs of **US\$0.02** million.

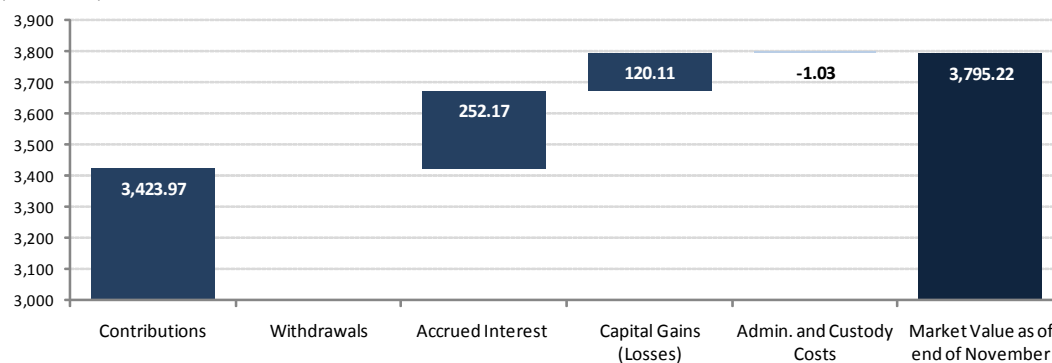
Changes in Market Value (US\$ million)	2007	2008	2009	2010					Since Inception
				1st Quarter	2nd Quarter	3rd Quarter	October <sup>(2)</sup>	November	
Starting Market Value <sup>(1)</sup>	604.63	1,466.35	2,506.76	3,420.83	3,373.68	3,656.19	3,877.10	3,917.70	0.00
Contributions	736.35	909.07	836.71	0.00	337.30	0.00	0.00	0.00	3,423.97
Withdrawals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Accrued Interest	45.62	71.25	71.86	16.93	14.81	20.36	6.87	4.47	252.17
Capital Gains (Losses)	79.79	60.41	5.85	-64.01	-69.44	200.63	33.73	-126.94	120.11
Admin. and Custody Costs	-0.04	-0.32	-0.35	-0.07	-0.15	-0.08	0.00	-0.02	-1.03
<b>Final Market Value</b>	<b>1,466.35</b>	<b>2,506.76</b>	<b>3,420.83</b>	<b>3,373.68</b>	<b>3,656.19</b>	<b>3,877.10</b>	<b>3,917.70</b>	<b>3,795.22</b>	<b>3,795.22</b>

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

(2) The information on accrued interest and capital gains were adjusted in October.

#### Changes in Market Value Since Inception

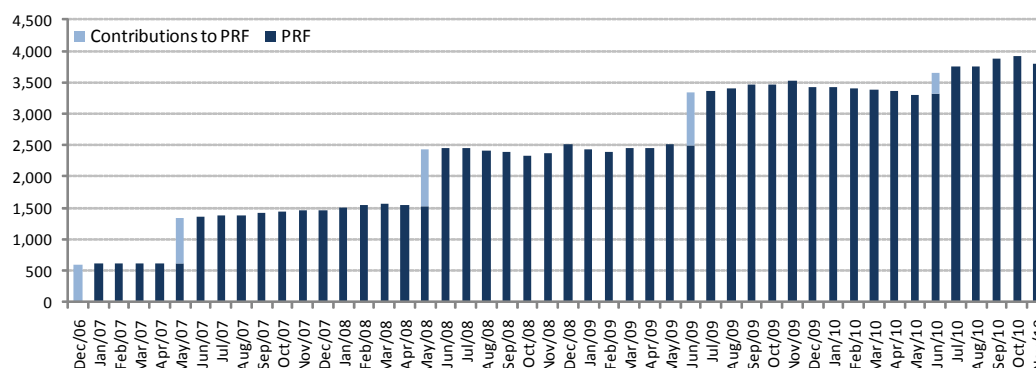
(US\$ million)



By Asset Class (US\$ million)	2007	2008	2009	2010				
				1st Quarter	2nd Quarter	3rd Quarter	October	November
Money Market	439.54	736.05	1,018.55	1,010.08	1,436.44	1,156.29	1,180.65	1,149.03
Sovereign Bonds	974.69	1,686.93	2,280.42	2,241.52	2,110.37	2,590.28	2,600.52	2,510.64
Inflation Indexed Sov. Bonds	52.13	83.79	121.86	122.08	109.39	130.54	136.54	135.55
<b>Market Value</b>	<b>1,466.35</b>	<b>2,506.76</b>	<b>3,420.83</b>	<b>3,373.68</b>	<b>3,656.19</b>	<b>3,877.10</b>	<b>3,917.70</b>	<b>3,795.22</b>

By Risk Exposure (US\$ million)	2007	2008	2009	2010				
				1st Quarter	2nd Quarter	3rd Quarter	October	November
Sovereigns	980.14	2,102.55	2,689.79	2,624.34	2,632.21	3,056.04	3,041.70	2,882.25
Banks	439.54	404.21	731.04	749.34	941.80	776.60	831.52	882.47
Supranational	0.00	0.00	0.00	0.00	82.18	44.46	44.48	30.49
Agencies	46.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Market Value</b>	<b>1,466.35</b>	<b>2,506.76</b>	<b>3,420.83</b>	<b>3,373.68</b>	<b>3,656.19</b>	<b>3,877.10</b>	<b>3,917.70</b>	<b>3,795.22</b>

**Historical Market Value**  
(US\$ million)



## II. Return as of November, 2010

Return in November was -3.13% in US dollars and -4.22% in Chilean pesos. Cumulative return in 2010 totaled 0.71% in US dollars and -3.25% in Chilean pesos. Annualized return since inception was 5.25% in US dollars and 2.47% in Chilean pesos.

Returns <sup>(a)</sup>	November	Last 3 Months	Year to Date	Last 12 Months	Last 3 Years (Annualized)	Since Inception (Annualized) <sup>(b)</sup>
Local Currency	-0.18%	-0.18%	3.33%	2.52%	3.82%	4.32%
Exchange Rate Return	-2.95%	1.04%	-2.62%	-5.10%	-0.40%	0.93%
<b>Return in USD</b>	<b>-3.13%</b>	<b>0.86%</b>	<b>0.71%</b>	<b>-2.58%</b>	<b>3.42%</b>	<b>5.25%</b>
Exchange Rate (CLP)	-1.09%	-2.58%	-3.96%	-1.91%	-1.47%	-2.78%
<b>Return in CLP <sup>(c)</sup></b>	<b>-4.22%</b>	<b>-1.72%</b>	<b>-3.25%</b>	<b>-4.49%</b>	<b>1.95%</b>	<b>2.47%</b>

(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 November, 2010

Portfolio by Credit Risk			Portfolio by Currency		
	US\$ million	% from Total		US\$ million	% from Total
<b>Sovereign Exposure by Country</b>					
USA	1,380.87	36.38%	Sovereign	USD 1,447.83	38.15%
Germany	1,073.13	28.28%		EUR 1,158.55	30.53%
Japan	275.88	7.27%		JPY 275.88	7.27%
Belgium	41.25	1.09%		<b>Total</b>	<b>75.94%</b>
France	36.24	0.95%	Banks	USD 418.30	11.02%
Sweden	25.00	0.66%		EUR 359.05	9.46%
Netherlands	18.93	0.50%		JPY 105.12	2.77%
Spain	14.99	0.39%		<b>Total</b>	<b>23.25%</b>
Finland	14.98	0.39%	Supranational	USD 30.49	0.80%
Austria	1.00	0.03%		EUR 0.00	0.00%
				JPY 0.00	0.00%
				<b>Total</b>	<b>0.80%</b>
<b>Total Sovereign Exposure</b>	<b>2,882.25</b>	<b>75.94%</b>	Agencies	USD 0.00	0.00%
				EUR 0.00	0.00%
				JPY 0.00	0.00%
				<b>Total</b>	<b>0.00%</b>
<b>Bank Exposure by Country</b>					
United Kingdom	220.48	5.81%	<b>Total</b>	<b>USD 1,896.62</b>	<b>49.97%</b>
Germany	201.61	5.31%		<b>EUR 1,517.60</b>	<b>39.99%</b>
France	182.60	4.81%		<b>JPY 380.99</b>	<b>10.04%</b>
Italy	108.80	2.87%		<b>Total</b>	<b>3,795.22</b>
Austria	52.54	1.38%			<b>100.00%</b>
Netherlands	44.59	1.17%			
Switzerland	39.81	1.05%			
Spain	27.50	0.72%			
Others	4.54	0.12%			
<b>Total Bank Exposure</b>	<b>882.47</b>	<b>23.25%</b>			
<b>Supranational Exposure by Issuer</b>					
European Bank For Reconstruction and Development	30.49	0.80%			
<b>Supranational Exposure by Issuer</b>	<b>30.49</b>	<b>0.80%</b>			
<b>Total</b>	<b>3,795.22</b>	<b>100.00%</b>			

Portfolio by Issuer Credit Rating				
Credit Rating	Sovereigns	Banks	Supranational	Total
AAA	67.19%	1.05%	0.80%	69.05%
AA+	1.48%	0.00%	0.00%	1.48%
AA	7.27%	0.72%	0.00%	7.99%
AA-	0.00%	11.80%	0.00%	11.80%
A+	0.00%	4.25%	0.00%	4.25%
A	0.00%	5.31%	0.00%	5.31%
A-	0.00%	0.00%	0.00%	0.00%
Others	0.00%	0.12%	0.00%	0.12%
<b>Total</b>	<b>75.94%</b>	<b>23.25%</b>	<b>0.80%</b>	<b>100.00%</b>

Duration		Years
Sovereign		3.17
Banks		0.25
Supranational		0.04
Agencies		2.44
<b>Total</b>		<b>2.44</b>