



PENSION RESERVE FUND

Monthly Executive Report as of May 2014

I. Market Value as of May, 2014

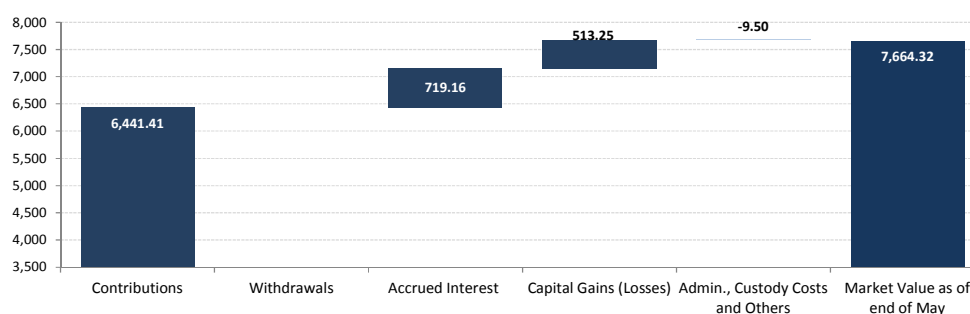
The market value of the Pension Reserve Fund (PRF) totaled US\$7,664.3 million as of May, 2014. The market value changed during this month due to: (i) accrued interests of US\$18.1 million, (ii) capital gains on investments of US\$48.5 million and (iii) administrative, custody and other costs of US\$0.4 million

Changes in Market Value (US\$ million)	2007	2008	2009	2010	2011	2012	2013	Q1	2014 April	May	Since Inception
Starting Market Value ⁽¹⁾	604.63	1,466.35	2,506.76	3,420.83	3,836.70	4,405.60	5,883.25	7,335.11	7,507.41	7,598.19	0.00
Contributions	736.35	909.07	836.71	337.30	443.32	1,197.37	1,376.75	0.00	0.00	0.00	6,441.41
Withdrawals	0.00	0.00	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	70.23	75.20	130.65	174.06	45.64	16.59	18.06	719.16
Capital Gains (Losses)	79.79	60.42	5.85	8.74	50.81	150.87	-94.60	128.39	74.42	48.47	513.25
Admin., Custody and Other Costs ⁽²⁾	-0.04	-0.33	-0.35	-0.41	-0.43	-1.23	-4.35	-1.73	-0.23	-0.39	-9.50
Final Market Value	1,466.35	2,506.76	3,420.83	3,836.70	4,405.60	5,883.25	7,335.11	7,507.41	7,598.19	7,664.32	7,664.32

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

(2) It includes costs associated with consultants and others.

Changes in Market Value Since Inception
(US\$ million)



By Asset Class (US\$ million)	2007	2008	2009	2010	2011	2012 ⁽¹⁾	2013	Q1	2014 April	May
Money Market	439.54	736.05	1,018.55	1,142.37	1,311.07	-	-	-	-	-
Sovereign and Government Related Bonds ⁽²⁾	974.69	1,686.93	2,280.42	2,559.90	2,940.06	2,703.67	3,431.55	3,516.18	3,570.29	3,590.66
Inflation Indexed Sov. Bonds	52.13	83.79	121.86	134.42	154.47	1,029.31	1,233.25	1,269.75	1,272.90	1,280.94
Corporate Bonds	-	-	-	-	-	1,198.96	1,453.66	1,491.51	1,512.25	1,523.71
Equity	-	-	-	-	-	951.31	1,216.65	1,229.97	1,242.74	1,269.00
Market Value	1,466.35	2,506.76	3,420.83	3,836.70	4,405.60	5,883.25	7,335.11	7,507.41	7,598.19	7,664.32

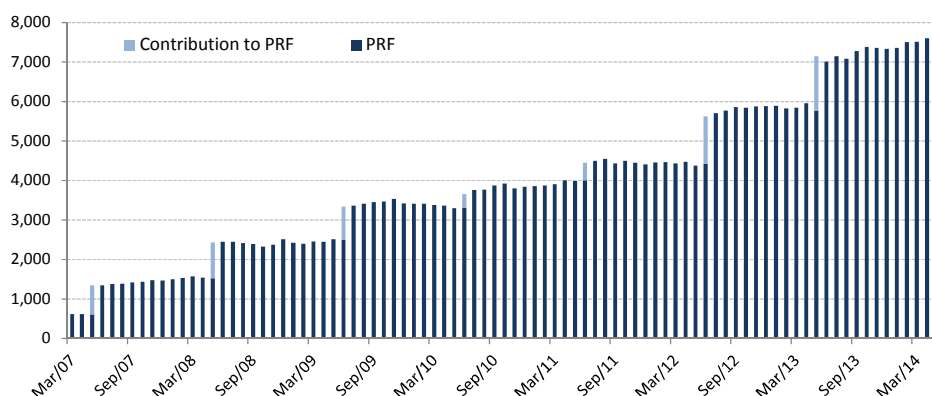
(1) The new investment policy was implemented between January and mid-March. This policy considers the following asset classes: Sovereign and Government Related Bonds, Inflation Indexed Sovereign Bonds, Corporate Bonds, and Equity.

(2) Investment in Government Related Bonds started in January 2012.

By Risk Exposure ⁽¹⁾ (US\$ million)	2007	2008	2009	2010	2011	2012	2013	Q1	2014 April	May
Sovereign and Government Related	1,026.81	2,102.55	2,689.79	3,024.63	3,652.58	3,713.54	3,643.15	4,751.47	4,818.59	4,862.26
Banks	439.54	404.21	731.04	812.06	753.02	37.11	16.74	48.50	34.37	19.43
Corporate Bonds	-	-	-	-	-	1,186.74	1,177.51	1,481.42	1,505.74	1,516.08
Equity	-	-	-	-	-	945.87	1,007.52	1,226.02	1,239.48	1,266.54
Market Value	1,466.35	2,506.76	3,420.83	3,836.70	4,405.60	5,883.25	5,844.92	7,507.41	7,598.19	7,664.32

(1) Only for the purposes of this table the term deposits and cash equivalents associated to each asset class are reported as Banks.

Historical Market Value
(US\$ million)



II. Return as of May, 2014

Return in May was 0.87% in US dollars and -1.36% in Chilean pesos. Cumulative return during the year totaled 4.51% in US dollars and 9.15% in Chilean pesos. Annualized return since inception was 4.77% in US dollars and 4.99% in Chilean pesos.

Returns ^(a)	Month	Last 3 Months	YTD	Last 12 months	Last 3 years (annualized)	Since Inception ^(b)
Sovereign and Government Related Bonds	0.45%	1.46%	4.12%	4.93%		
Inflation Indexed Sov. Bonds	0.98%	2.88%	5.43%	5.44%		
Corporate Bonds	0.76%	2.17%	4.82%	6.36%		
Equity	2.11%	3.71%	4.30%	17.73%		
Total Portfolio	0.87%	2.20%	4.51%	7.24%	3.34%	4.77%
Exchange rate (CLP)	-2.23%	-2.71%	4.64%	11.21%	5.45%	0.22%
Return in CLP ^(c)	-1.36%	-0.51%	9.15%	18.45%	8.79%	4.99%

(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 longterm 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.

II. Portfolio Composition and Duration as of May, 2014

Portfolio by Asset Class	US\$ million	% of Total
Sovereign and Government Related Bonds	3,590.66	46.8%
Inflation Indexed Sov. Bonds	1,280.94	16.7%
Corporate Bonds	1,523.71	19.9%
Equity	1,269.00	16.6%
Total	7,664.32	100.0%

Duration	Years
Sovereign and Government Related Bonds	6.2
Inflation Indexed Sov. Bonds	10.8
Corporate Bonds	6.2
Total	7.1

Portfolio by Currency as percentage of Asset Class	USD	EUR	JPY	GBP	CAD	AUD	CHF	OTHERS	Total
Sovereign and Government Related Bonds	31.7%	29.8%	21.4%	6.5%	3.3%	2.2%	0.7%	4.5%	100.0%
Inflation Indexed Sov. Bonds	38.7%	24.0%	1.7%	29.8%	2.7%	1.3%	0.0%	1.8%	100.0%
Corporate Bonds	60.4%	24.3%	3.0%	7.8%	3.3%	0.3%	0.8%	0.1%	100.0%
Equity	52.4%	11.7%	7.2%	7.9%	3.7%	2.9%	3.4%	10.8%	100.0%
Total	41.9%	24.7%	12.1%	10.9%	3.3%	1.8%	1.0%	4.2%	100.0%

	Fixed Income Portfolio by Credit Rating			
	Sovereign and Government Related Bonds	Inflation Indexed Sov. Bonds	Corporate Bonds	Total Fixed Income
AAA	8.4%	9.6%	0.1%	18.1%
AA+	21.9%	8.5%	0.2%	30.6%
AA	0.9%	0.0%	0.6%	1.5%
AA-	1.7%	0.0%	1.8%	3.5%
A+	12.4%	0.3%	2.3%	15.0%
A	0.0%	0.0%	4.2%	4.2%
A-	1.0%	0.0%	4.2%	5.2%
BBB+	6.1%	1.5%	4.7%	12.4%
BBB	0.7%	0.0%	3.3%	4.0%
BBB-	2.9%	0.0%	2.4%	5.3%
Others ⁽¹⁾	0.1%	0.0%	0.0%	0.1%
Total	56.1%	20.0%	23.8%	100.0%

⁽¹⁾ Includes cash and cash equivalents

Portfolio by Country (US\$ million)	Sovereign and Government Related Bonds	Inflation Indexed Sov. Bonds	Corporate Bonds	Equity	Total
Germany	198.73	50.63	21.98	51.99	323.33
Australia	53.39	16.97	28.33	36.72	135.42
Belgium	65.72	0.00	2.75	5.68	74.15
Canada	176.33	33.70	72.83	46.77	329.63
S.Korea	72.01	0.00	6.55	21.56	100.12
Spain	185.75	0.00	19.30	17.00	222.04
United States	842.69	495.99	749.34	654.00	2,742.03
France	219.83	157.87	100.29	46.70	524.69
Netherlands	81.17	0.00	123.67	13.93	218.77
Italy	337.07	98.64	30.46	12.25	478.41
Japan	739.60	21.48	47.82	90.05	898.95
United Kingdom	159.49	381.80	167.63	100.55	809.47
Supranational	210.82	0.00	0.00	0.00	210.82
Others ⁽¹⁾	248.07	23.87	152.75	171.81	596.49
Total	3,590.66	1,280.94	1,523.71	1,269.00	7,664.32

⁽¹⁾ Includes cash and cash equivalents