



# PENSION RESERVE FUND

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Monthly Executive Report as of December, 2021

## I. Market Value as of December, 2021

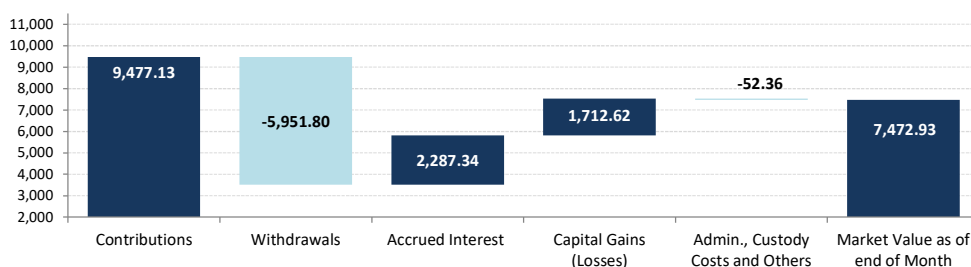
The market value of the Pension Reserve Fund (PRF) totaled US\$7,472.93 million at the end of the month. It changed due to: (i) accrued interests of US\$15.33 million, (ii) capital gains on investments of US\$84.45 million and (iii) administrative, custody and other costs of US\$1.32 million.

| Changes in Market Value<br>(US\$ million)      | 2015            | 2016            | 2017             | 2018            | 2019             | 2020             | 2021             |                 |                 |                 |                 |                 | Since<br>Inception |
|------------------------------------------------|-----------------|-----------------|------------------|-----------------|------------------|------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------------|
|                                                |                 |                 |                  |                 |                  |                  | Q1               | Q2              | Q3              | October         | November        | December        |                    |
| Starting Market Value <sup>(1)</sup>           | 7,943.70        | 8,112.21        | 8,862.07         | 10,010.95       | 9,663.25         | 10,812.08        | 10,156.83        | 10,080.12       | 7,386.48        | 7,331.39        | 7,452.78        | 7,374.47        | 0.00               |
| Contributions                                  | 463.88          | 462.29          | 505.15           | 541.58          | 563.89           | 0.00             | 0.00             | 0.00            | 0.00            | 0.00            | 0.00            | 0.00            | 9,477.13           |
| Withdrawals                                    | 0.00            | 0.00            | -313.95          | -525.05         | -576.51          | -1,576.48        | 0.00             | -2,959.82       | 0.00            | 0.00            | 0.00            | 0.00            | -5,951.80          |
| Accrued Interest                               | 194.29          | 197.38          | 207.71           | 221.70          | 265.13           | 220.42           | 37.81            | 39.72           | 36.62           | 10.75           | 11.42           | 15.33           | 2,287.34           |
| Capital Gains (Losses)                         | -485.19         | 94.45           | 754.81           | -581.19         | 903.79           | 709.27           | -112.92          | 228.05          | -90.71          | 110.98          | -89.22          | 84.45           | 1,712.62           |
| Admin., Custody and Other Costs <sup>(2)</sup> | -4.47           | -4.24           | -4.85            | -4.74           | -7.46            | -8.47            | -1.60            | -1.59           | -0.99           | -0.34           | -0.52           | -1.32           | -52.36             |
| <b>Final Market Value</b>                      | <b>8,112.21</b> | <b>8,862.07</b> | <b>10,010.95</b> | <b>9,663.25</b> | <b>10,812.08</b> | <b>10,156.83</b> | <b>10,080.12</b> | <b>7,386.48</b> | <b>7,331.39</b> | <b>7,452.78</b> | <b>7,374.47</b> | <b>7,472.93</b> | <b>7,472.93</b>    |

(1) The PRF was established with an initial contribution of US\$604.5 million on December 28, 2006. Also, there is a contribution of US\$0.09 million originated from accrued interest in 2006.

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

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



| By Asset Class<br>(US\$ million)         | 2015            | 2016            | 2017             | 2018            | 2019 <sup>(1)</sup> | 2020             | 2021             |                 |                 |                 |                 |                 |                 |
|------------------------------------------|-----------------|-----------------|------------------|-----------------|---------------------|------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                                          |                 |                 |                  |                 |                     |                  | Q1               | Q2              | Q3              | October         | November        | December        |                 |
| Sovereign Bills and Bonds <sup>(2)</sup> | -               | -               | -                | -               | -                   | 2,806.13         | 2,806.62         | -               | -               | -               | -               | -               | -               |
| Sovereign and Government Related Bonds   | 3,975.33        | 4,099.88        | 4,695.10         | 4,404.18        | 3,653.35            | 2,431.35         | 2,314.30         | 2,469.52        | 2,458.17        | 2,449.13        | 2,451.17        | 2,451.13        | 2,451.13        |
| Inflation Indexed Sov. Bonds             | 1,344.03        | 1,529.29        | 1,729.17         | 1,649.91        | 1,148.62            | 578.55           | 555.48           | 585.79          | 574.90          | 590.23          | 589.47          | 577.99          | 577.99          |
| US Agencies MBS                          | -               | -               | -                | -               | 619.96              | 416.61           | 412.50           | 439.62          | 440.73          | 439.52          | 438.85          | 437.90          | 437.90          |
| Corporate Bonds                          | 1,628.69        | 1,788.70        | 1,993.53         | 1,918.37        | 1,415.47            | 925.68           | 884.82           | 958.19          | 950.87          | 951.47          | 943.20          | 945.13          | 945.13          |
| High Yield Bonds                         | -               | -               | -                | -               | 845.68              | 577.54           | 572.16           | 589.37          | 586.80          | 582.45          | 570.40          | 581.75          | 581.75          |
| Equities                                 | 1,164.15        | 1,444.20        | 1,593.15         | 1,690.79        | 3,128.99            | 2,420.96         | 2,534.23         | 2,344.01        | 2,319.93        | 2,439.98        | 2,381.37        | 2,479.03        | 2,479.03        |
| <b>Market Value</b>                      | <b>8,112.21</b> | <b>8,862.07</b> | <b>10,010.95</b> | <b>9,663.25</b> | <b>10,812.08</b>    | <b>10,156.83</b> | <b>10,080.12</b> | <b>7,386.48</b> | <b>7,331.39</b> | <b>7,452.78</b> | <b>7,374.47</b> | <b>7,472.93</b> | <b>7,472.93</b> |

(1) Investments in US Agencies MBS and High Yield Bonds started on January 22nd 2019.

(2) Corresponds to the Short-Term Portfolio of the FRP composed of US Treasury Bills and Bonds, which begins on October 1, 2020 and ends on June 8, 2021.

| By Risk Exposure <sup>(1)</sup><br>(US\$ million) | 2015            | 2016            | 2017             | 2018            | 2019             | 2020             | 2021             |                 |                 |                 |                 |                 |                 |
|---------------------------------------------------|-----------------|-----------------|------------------|-----------------|------------------|------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                                                   |                 |                 |                  |                 |                  |                  | Q1               | Q2              | Q3              | October         | November        | December        |                 |
| Sovereign <sup>(2)</sup>                          | -               | -               | -                | -               | -                | 2,806.05         | 2,806.62         | -               | -               | -               | -               | -               | -               |
| Sovereign and Government Related <sup>(3)</sup>   | 5,295.10        | 5,624.09        | 6,422.43         | 6,035.00        | 5,613.99         | 3,563.17         | 3,410.38         | 3,657.02        | 3,632.72        | 3,645.93        | 3,613.46        | 3,606.44        | 3,606.44        |
| Banks <sup>(4)</sup>                              | 39.97           | 22.16           | 24.96            | 37.34           | -19.60           | -12.18           | -16.25           | -41.36          | -36.29          | -47.83          | -17.70          | -12.31          | -12.31          |
| Corporate Bonds                                   | 1,616.86        | 1,777.89        | 1,978.33         | 1,906.92        | 2,101.75         | 1,390.91         | 1,354.50         | 1,440.15        | 1,426.82        | 1,426.49        | 1,408.93        | 1,415.41        | 1,415.41        |
| Equities                                          | 1,160.27        | 1,437.93        | 1,585.22         | 1,683.99        | 3,115.94         | 2,408.87         | 2,524.86         | 2,330.68        | 2,308.14        | 2,428.20        | 2,369.77        | 2,463.39        | 2,463.39        |
| <b>Market Value</b>                               | <b>8,112.21</b> | <b>8,862.07</b> | <b>10,010.95</b> | <b>9,663.25</b> | <b>10,812.08</b> | <b>10,156.83</b> | <b>10,080.12</b> | <b>7,386.48</b> | <b>7,331.39</b> | <b>7,452.78</b> | <b>7,374.47</b> | <b>7,472.93</b> | <b>7,472.93</b> |

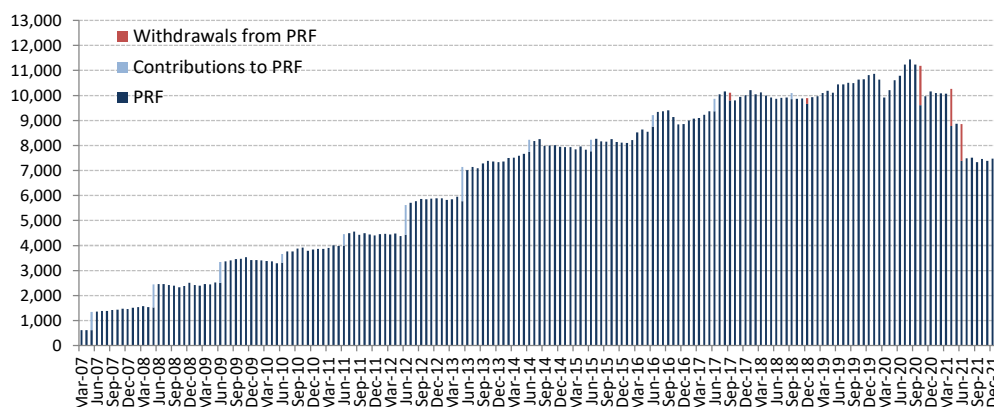
(1) Only for the purposes of this table the term deposits and cash equivalents associated to each asset class are reported as Banks.

(2) It includes cash and cash equivalents related to the short term investment portfolio.

(3) It includes US Agencies MBS, forwards and TBA's.

(4) It represents cash, cash equivalents and unliquidated transactions related to the long term investment portfolio since 2012.

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



## II. Return as of December

The net return in US dollars was 1.34% in the month. The portfolio return is broken down into the return of the Sovereign and Government Related Bonds, -0.27%, Inflation Indexed Sovereign Bonds, -0.71%, US Agencies MBS, -0.22%, Corporate Bonds, 0.20%, High Yield Bonds, 1.99%, and Equities, 4.10%. The monthly return of the total fund in pesos was 2.98%. The fund's accumulated return for the year was 3.27% in US dollars and 23.45% in pesos, while the annualized return since inception was 4.20% in US dollars and 7.46% in pesos.

| Returns <sup>(a)</sup>                 | Month        | Last 3 Months | YTD           | Last 12 Months | Last 3 years (annualized) | Since Inception | Inception        |
|----------------------------------------|--------------|---------------|---------------|----------------|---------------------------|-----------------|------------------|
| Sovereign and Government Related Bonds | -0.27%       | -0.75%        | -5.57%        | -5.57%         | 3.31%                     | 1.14%           | 01-Jan-12        |
| Inflation Indexed Sov. Bonds           | -0.71%       | 2.66%         | 2.62%         | 2.62%          | 7.73%                     | 3.54%           | 01-Jan-12        |
| US Agencies MBS                        | -0.22%       | -0.64%        | -1.10%        | -1.10%         | 2.99%                     | 2.99%           | 22-Jan-19        |
| Corporate Bonds                        | 0.20%        | -0.60%        | -3.12%        | -3.12%         | 6.06%                     | 3.55%           | 17-Jan-12        |
| High Yield Bonds                       | 1.99%        | -0.86%        | 0.73%         | 0.73%          | 5.37%                     | 5.37%           | 22-Jan-19        |
| Equities                               | 4.10%        | 6.86%         | 18.83%        | 18.83%         | 20.13%                    | 11.76%          | 17-Jan-12        |
| <b>Long Term Total</b>                 | <b>1.34%</b> | <b>1.94%</b>  | <b>3.79%</b>  | <b>3.79%</b>   | <b>9.00%</b>              | <b>4.37%</b>    | <b>01-Apr-07</b> |
| <b>Total Composite<sup>(b)</sup></b>   | <b>1.34%</b> | <b>1.94%</b>  | <b>3.27%</b>  | <b>3.27%</b>   | <b>8.13%</b>              | <b>4.20%</b>    | <b>01-Apr-07</b> |
| Exchange rate (CLP)                    | 1.62%        | 5.81%         | 19.54%        | 19.54%         | 6.92%                     | 3.13%           | 01-Apr-07        |
| <b>Total in CLP<sup>(c)</sup></b>      | <b>2.98%</b> | <b>7.86%</b>  | <b>23.45%</b> | <b>23.45%</b>  | <b>15.61%</b>             | <b>7.46%</b>    | <b>01-Apr-07</b> |

<sup>(a)</sup> Time Weighted Return (it is calculated as the growth rate of the funds that were invested throughout the period).

<sup>(b)</sup> Includes the Short-Term portfolio which begins on October 1, 2020 and ends on June 8, 2021.

<sup>(c)</sup> 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 December

| Portfolio by Asset Class                              | US\$ million   | % of Total    |
|-------------------------------------------------------|----------------|---------------|
| Sovereign and Government Related Bonds <sup>(1)</sup> | 2,451.1        | 32.8%         |
| Inflation Indexed Sov. Bonds                          | 578.0          | 7.7%          |
| US Agencies MBS                                       | 437.9          | 5.9%          |
| Corporate Bonds <sup>(2)</sup>                        | 945.1          | 12.6%         |
| High Yield Bonds                                      | 581.7          | 7.8%          |
| Equities                                              | 2,479.0        | 33.2%         |
| <b>Total Long Term</b>                                | <b>7,472.9</b> | <b>100.0%</b> |

<sup>(1)</sup> It includes Sovereign and Government Related Bonds with investment grade.

<sup>(2)</sup> It includes Corporate Bonds with investment grade.

| Duration                               | Years      |
|----------------------------------------|------------|
| Sovereign and Government Related Bonds | 7.8        |
| Inflation Indexed Sov. Bonds           | 12.4       |
| US Agencies MBS                        | 3.4        |
| Corporate Bonds                        | 7.2        |
| High Yield Bonds                       | 4.3        |
| <b>Total</b>                           | <b>7.4</b> |

| Portfolio by Currency as percentage of Asset Class | USD          | EUR          | JPY         | GBP         | CAD         | AUD         | CHF         | CNY         | Others      | Total         |
|----------------------------------------------------|--------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|---------------|
| Sovereign and Government Related Bonds             | 28.5%        | 25.0%        | 18.4%       | 5.8%        | 3.3%        | 2.0%        | 0.3%        | 11.0%       | 5.7%        | 100.0%        |
| Inflation Indexed Sov. Bonds                       | 38.6%        | 20.4%        | 3.0%        | 33.5%       | 2.0%        | 1.1%        | 0.0%        | 0.0%        | 1.6%        | 100.0%        |
| US Agencies MBS                                    | 100.0%       | 0.0%         | 0.0%        | 0.0%        | 0.0%        | 0.0%        | 0.0%        | 0.0%        | 0.0%        | 100.0%        |
| Corporate Bonds                                    | 66.7%        | 23.6%        | 0.9%        | 4.7%        | 3.3%        | 0.4%        | 0.4%        | 0.0%        | 0.0%        | 100.0%        |
| High Yield Bonds                                   | 79.7%        | 18.4%        | 0.0%        | 2.0%        | 0.0%        | 0.0%        | 0.0%        | 0.0%        | 0.0%        | 100.0%        |
| Equities                                           | 65.6%        | 8.5%         | 5.6%        | 3.5%        | 2.9%        | 1.7%        | 2.6%        | 0.6%        | 9.1%        | 100.0%        |
| <b>Total</b>                                       | <b>54.6%</b> | <b>17.0%</b> | <b>8.2%</b> | <b>6.4%</b> | <b>2.6%</b> | <b>1.4%</b> | <b>1.0%</b> | <b>3.8%</b> | <b>5.0%</b> | <b>100.0%</b> |

| Credit Risk Composition | Sovereign and Government Related Bonds | Inflation Indexed Sov. Bonds | US Agencies MBS | Corporate Bonds | High Yield Bonds | Total Fixed Income |
|-------------------------|----------------------------------------|------------------------------|-----------------|-----------------|------------------|--------------------|
| AAA                     | 15.6%                                  | 5.1%                         | 8.8%            | 0.2%            | 0.0%             | 29.6%              |
| AA+ / AA-               | 8.5%                                   | 5.1%                         | 0.0%            | 1.1%            | 0.0%             | 14.8%              |
| A+ / A-                 | 19.5%                                  | 0.3%                         | 0.0%            | 7.2%            | 0.0%             | 27.0%              |
| BBB+ / BBB-             | 5.4%                                   | 1.0%                         | 0.0%            | 10.2%           | 0.0%             | 16.6%              |
| BB+ / BB-               | 0.0%                                   | 0.0%                         | 0.0%            | 0.2%            | 5.6%             | 5.7%               |
| B+ / B-                 | 0.0%                                   | 0.0%                         | 0.0%            | 0.0%            | 4.2%             | 4.2%               |
| CCC+ or below           | 0.0%                                   | 0.0%                         | 0.0%            | 0.0%            | 1.2%             | 1.2%               |
| Others <sup>(1)</sup>   | 0.0%                                   | 0.0%                         | 0.0%            | 0.2%            | 0.6%             | 0.8%               |
| <b>Total</b>            | <b>49.1%</b>                           | <b>11.6%</b>                 | <b>8.8%</b>     | <b>18.9%</b>    | <b>11.6%</b>     | <b>100.0%</b>      |

<sup>(1)</sup> It includes cash, cash equivalents and unliquidated transactions. In the case of High Yield Bonds, it includes bonds with rating over BB+. Also, in the case of US agencies MBS, it includes TBA's.

| Portfolio by Country (US\$ million) | Sovereign and Government Related Bonds | Inflation Indexed Sov. Bonds | US Agencies MBS | Corporate Bonds | High Yield Bonds | Equities       | Total          |
|-------------------------------------|----------------------------------------|------------------------------|-----------------|-----------------|------------------|----------------|----------------|
| Argentina                           | 0.0                                    | 0.0                          | 0.0             | 0.0             | 8.6              | 2.3            | 10.9           |
| Australia                           | 52.0                                   | 6.1                          | 0.0             | 13.1            | 1.1              | 41.3           | 113.7          |
| Belgium                             | 33.3                                   | 0.0                          | 0.0             | 4.6             | 0.6              | 4.8            | 43.3           |
| Brazil                              | 0.0                                    | 0.0                          | 0.0             | 0.7             | 8.1              | 11.5           | 20.3           |
| Canada                              | 99.0                                   | 11.4                         | 0.0             | 43.7            | 14.3             | 74.9           | 243.2          |
| China                               | 298.4                                  | 0.0                          | 0.0             | 4.0             | 5.7              | 82.5           | 390.5          |
| Denmark                             | 7.5                                    | 1.4                          | 0.0             | 2.9             | 0.4              | 16.9           | 29.1           |
| France                              | 178.4                                  | 51.3                         | 0.0             | 53.1            | 14.0             | 64.9           | 361.7          |
| Germany                             | 85.0                                   | 17.9                         | 0.0             | 23.4            | 11.2             | 53.1           | 190.7          |
| Hong Kong                           | 5.9                                    | 0.0                          | 0.0             | 4.2             | 3.0              | 23.0           | 36.1           |
| Ireland                             | 9.1                                    | 0.0                          | 0.0             | 10.4            | 5.1              | 33.9           | 58.5           |
| Italy                               | 148.8                                  | 34.7                         | 0.0             | 9.3             | 12.8             | 12.4           | 218.0          |
| Japan                               | 463.3                                  | 17.3                         | 0.0             | 27.2            | 1.7              | 137.8          | 647.4          |
| Luxembourg                          | 2.8                                    | 0.0                          | 0.0             | 13.2            | 22.5             | 1.9            | 40.3           |
| Mexico                              | 11.7                                   | 0.0                          | 0.0             | 6.2             | 16.8             | 5.6            | 40.4           |
| Netherlands                         | 39.4                                   | 0.0                          | 0.0             | 55.0            | 23.8             | 43.7           | 161.9          |
| Republic of Korea                   | 50.5                                   | 0.0                          | 0.0             | 2.7             | 0.0              | 35.8           | 89.0           |
| Spain                               | 81.0                                   | 13.7                         | 0.0             | 16.8            | 3.8              | 13.6           | 129.1          |
| Switzerland                         | 7.4                                    | 0.0                          | 0.0             | 2.4             | 0.1              | 73.5           | 83.3           |
| Turkey                              | 0.0                                    | 0.0                          | 0.0             | 0.0             | 16.7             | 0.0            | 16.7           |
| United Kingdom                      | 134.3                                  | 193.6                        | 0.0             | 71.3            | 24.8             | 91.1           | 515.0          |
| United States                       | 547.3                                  | 222.8                        | 437.9           | 541.0           | 276.9            | 1,557.6        | 3,583.5        |
| Others <sup>(1)</sup>               | 196.0                                  | 7.8                          | 0.0             | 39.9            | 109.8            | 96.8           | 450.2          |
| <b>Total</b>                        | <b>2,451.1</b>                         | <b>578.0</b>                 | <b>437.9</b>    | <b>945.1</b>    | <b>581.7</b>     | <b>2,479.0</b> | <b>7,472.9</b> |

<sup>(1)</sup> It includes cash, cash equivalents and unliquidated transactions.