



# PENSION RESERVE FUND

---

Monthly Executive Report as of May 2011

## I. Market Value as of May, 2011

The market value of the Pension Reserve Fund (PRF) totaled **US\$3,980.49** million as of May 31, 2011. The market value changed during this month due to: (i) accrued interest of **US\$5.62** million, (ii) capital losses on investments of **US\$27.79** million.

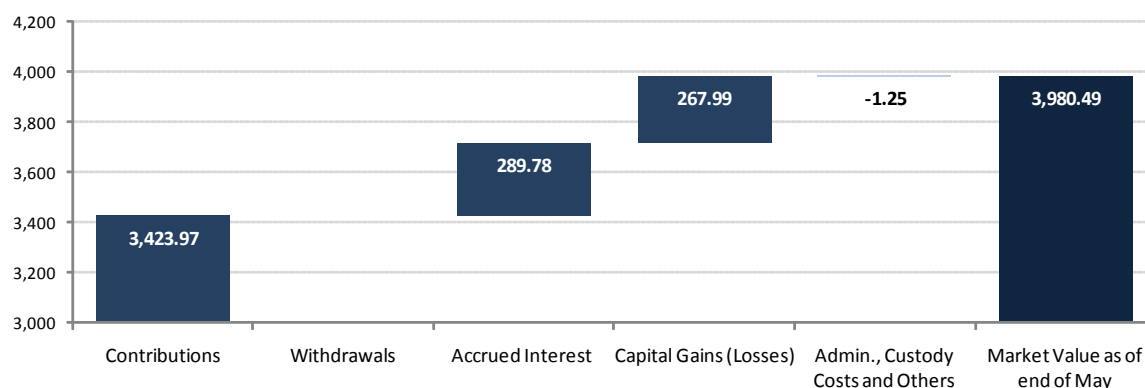
Changes in Market Value (US\$ million)	2007	2008	2009	2010	T1	2011 Abril	May	Since Inception
Starting Market Value <sup>(1)</sup>	604.63	1,466.35	2,506.76	3,420.83	3,836.70	3,903.74	4,002.66	0.00
Contributions	736.35	909.07	836.71	337.30	0.00	0.00	0.00	3,423.97
Withdrawals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Accrued Interest	45.62	71.25	71.86	70.23	18.53	6.67	5.62	289.78
Capital Gains (Losses)	79.79	60.42	5.85	8.74	48.60	92.29	-27.79	267.99
Admin., Custody and Other Costs <sup>(2)</sup>	-0.04	-0.33	-0.35	-0.41	-0.09	-0.04	0.00	-1.25
<b>Final Market Value</b>	<b>1,466.35</b>	<b>2,506.76</b>	<b>3,420.83</b>	<b>3,836.70</b>	<b>3,903.74</b>	<b>4,002.66</b>	<b>3,980.49</b>	<b>3,980.49</b>

(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)

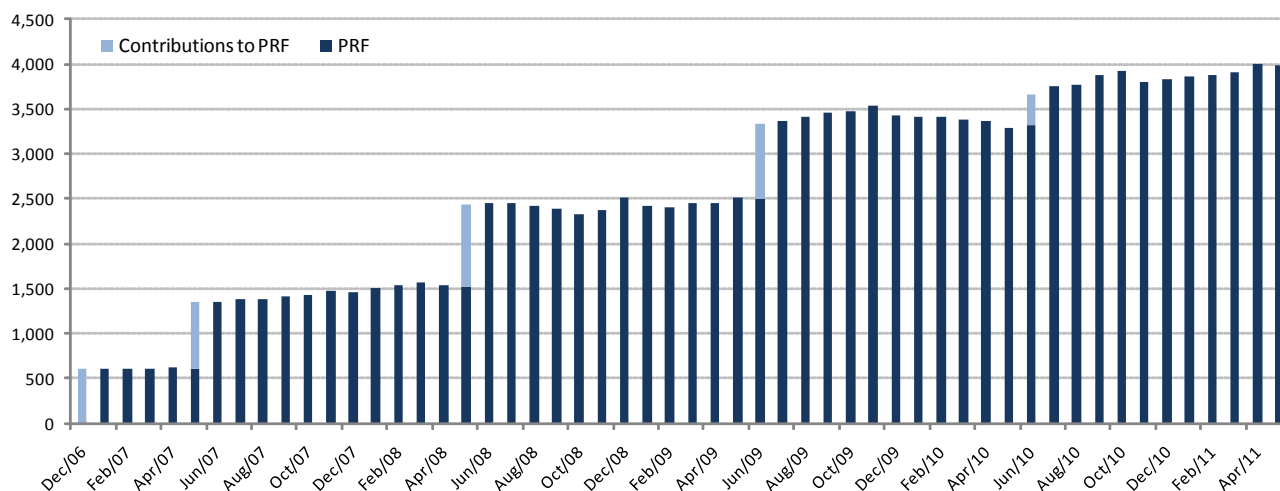


By Asset Class (US\$ million)	2007	2008	2009	2010	2011 1Q	2011 April	May
Money Market	439.54	736.05	1,018.55	1,142.37	1,183.84	1,204.28	1,189.47
Sovereign Bonds	974.69	1,686.93	2,280.42	2,559.90	2,582.61	2,658.94	2,652.23
Inflation Indexed Sov. Bonds	52.13	83.79	121.86	134.42	137.28	139.44	138.79
<b>Market Value</b>	<b>1,466.35</b>	<b>2,506.76</b>	<b>3,420.83</b>	<b>3,836.70</b>	<b>3,903.74</b>	<b>4,002.66</b>	<b>3,980.49</b>

By Risk Exposure (US\$ million)	2007	2008	2009	2010	2011 1Q	2011 April	May
Sovereigns	980.14	2,102.55	2,689.79	3,024.63	3,285.34	3,385.71	3,376.46
Banks	439.54	404.21	731.04	812.06	618.40	616.95	604.03
Supranational	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Agencies	46.67	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>3,836.70</b>	<b>3,903.74</b>	<b>4,002.66</b>	<b>3,980.49</b>

**Historical Market Value**

(US\$ million)



**II. Return as of May, 2011**

Return in May was -0.55% in US dollars and 1.03% in Chilean pesos. Cumulative return in 2011 totaled 3.74% in US dollars and 3.51% in Chilean pesos. Annualized return since inception was 5.81% in US dollars and 2.43% in Chilean pesos.

Returns <sup>(a)</sup>	May	Last 3 Months	Year to Date	Last 12 Months	Last 3 Years (Annualized)	Since Inception (Annualized) <sup>(b)</sup>
Local Currency	0.70%	1.07%	0.88%	1.71%	3.50%	3.93%
Exchange Rate Return	-1.25%	1.75%	2.86%	7.96%	0.11%	1.88%
<b>Return in USD</b>	<b>-0.55%</b>	<b>2.82%</b>	<b>3.74%</b>	<b>9.67%</b>	<b>3.61%</b>	<b>5.81%</b>
Exchange Rate (CLP)	1.58%	-1.75%	-0.23%	-11.70%	-0.87%	-3.38%
<b>Return in CLP <sup>(c)</sup></b>	<b>1.03%</b>	<b>1.07%</b>	<b>3.51%</b>	<b>-2.03%</b>	<b>2.74%</b>	<b>2.43%</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 May, 2011

Portfolio by Credit Risk			Portfolio by Currency		
	US\$ million	% from Total		US\$ million	% from Total
<b>Sovereign Exposure by Country</b>					
USA	1,674.32	42.06%	Sovereign	USD 1,674.32	42.06%
Germany	1,365.13	34.30%		EUR 1,365.13	34.30%
Japan	337.00	8.47%		JPY 337.00	8.47%
			<b>Total</b>	<b>3,376.46</b>	<b>84.83%</b>
<b>Total Sovereign Exposure</b>					
	<b>3,376.46</b>	<b>84.83%</b>			
<b>Bank Exposure by Country</b>					
France	156.79	3.94%	Banks	USD 317.96	7.99%
Germany	103.93	2.61%		EUR 223.58	5.62%
Holland	63.55	1.60%		JPY 62.49	1.57%
Spain	46.99	1.18%	<b>Total</b>	<b>604.03</b>	<b>15.17%</b>
Switzerland	43.36	1.09%			
Sweden	42.99	1.08%	Supranational	USD 0.00	0.00%
Austria	40.02	1.01%		EUR 0.00	0.00%
Denmark	37.83	0.95%		JPY 0.00	0.00%
USA	24.50	0.62%	<b>Total</b>	<b>0.00</b>	<b>0.00%</b>
Belgium	15.02	0.38%			
Japan	10.50	0.26%	Agencies	USD 0.00	0.00%
Italy	7.00	0.18%		EUR 0.00	0.00%
Australia	5.75	0.14%		JPY 0.00	0.00%
United Kingdom	5.04	0.13%	<b>Total</b>	<b>0.00</b>	<b>0.00%</b>
Others	0.73	0.02%			
			<b>USD</b>	<b>1,992.28</b>	<b>50.05%</b>
<b>Total Bank Exposure</b>	<b>604.03</b>	<b>15.17%</b>	<b>EUR</b>	<b>1,588.71</b>	<b>39.91%</b>
			<b>JPY</b>	<b>399.49</b>	<b>10.04%</b>
<b>Total</b>	<b>3,980.49</b>	<b>100.00%</b>	<b>Total</b>	<b>3,980.49</b>	<b>100.00%</b>

Portfolio by Issuer Credit Rating				Duration	
Credit Rating	Sovereigns	Banks	Total	Years	
AAA	76.36%	2.52%	78.88%	Sovereign	2.88
AA+	0.00%	0.00%	0.00%	Banks	0.13
AA	8.47%	3.40%	11.87%	Supranational	0.00
AA-	0.00%	2.17%	2.17%	Agencies	0.00
A+	0.00%	4.53%	4.53%	<b>Total</b>	<b>2.44</b>
A	0.00%	2.53%	2.53%		
A-	0.00%	0.00%	0.00%		
Others	0.00%	0.02%	0.02%		
<b>Total</b>	<b>84.83%</b>	<b>15.17%</b>	<b>100.00%</b>		