



# PENSION RESERVE FUND

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Monthly Executive Report as of May, 2021

## I. Market Value as of May, 2021

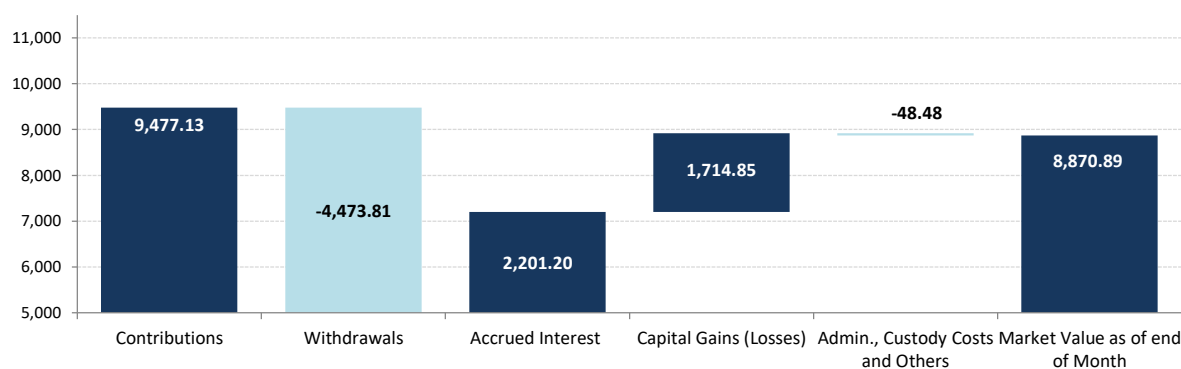
The market value of the Pension Reserve Fund (PRF) totaled US\$8,870.89 million at the end of the month. It changed due to: (i) accrued interests of US\$14.62 million, (ii) capital gains on investments of US\$81.95 million and (iii) administrative, custody and other costs of US\$0.21 million.

Changes in Market Value (US\$ million)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Since Inception		
										Q1	April	May	
Starting Market Value <sup>(1)</sup>	4,405.60	5,883.25	7,335.11	7,943.70	8,112.21	8,862.07	10,010.95	9,663.25	10,812.08	10,156.83	10,080.12	8,774.54	0.00
Contributions	1,197.37	1,376.75	498.93	463.88	462.29	505.15	541.58	563.89	0.00	0.00	0.00	0.00	9,477.13
Withdrawals	0.00	0.00	0.00	0.00	0.00	-313.95	-525.05	-576.51	-1,576.48	0.00	-1,481.82	0.00	-4,473.81
Accrued Interest	130.65	174.06	190.18	194.29	197.38	207.71	221.70	265.13	220.42	37.81	13.08	14.62	2,201.20
Capital Gains (Losses)	150.87	-94.60	-75.90	-485.19	94.45	754.81	-581.19	903.79	709.27	-112.92	163.83	81.95	1,714.85
Admin., Custody and Other Costs <sup>(2)</sup>	-1.23	-4.35	-4.63	-4.47	-4.24	-4.85	-4.74	-7.46	-8.47	-1.60	-0.67	-0.21	-48.48
<b>Final Market Value</b>	<b>5,883.25</b>	<b>7,335.11</b>	<b>7,943.70</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>8,774.54</b>	<b>8,870.89</b>	<b>8,870.89</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)



Allocation	By Asset Class (US\$ million)	2012	2013	2014	2015	2016	2017	2018	2019 <sup>(1)</sup>	2020	2021	2021	
											Q1	April	May
<b>Short Term</b>	Sovereign Bills and Bonds <sup>(2)</sup>	-	-	-	-	-	-	-	-	2,806.13	2,806.62	1,325.05	1,325.14
	Sovereign and Government Related Bonds	2,703.67	3,431.55	3,766.56	3,975.33	4,099.88	4,695.10	4,404.18	3,653.35	2,431.35	2,314.30	2,348.83	2,377.32
	Inflation Indexed Sov. Bonds	1,029.31	1,233.25	1,356.21	1,344.03	1,529.29	1,729.17	1,649.91	1,148.62	578.55	555.48	559.59	571.26
<b>Long Term</b>	US Agencies MBS	-	-	-	-	-	-	-	619.96	416.61	412.50	414.88	413.58
	Corporate Bonds	1,198.96	1,453.66	1,609.61	1,628.69	1,788.70	1,993.53	1,918.37	1,415.47	925.68	884.82	898.53	907.10
	High Yield Bonds	-	-	-	-	-	-	-	845.68	577.54	572.16	582.97	588.33
	Equities	951.31	1,216.65	1,211.32	1,164.15	1,444.20	1,593.15	1,690.79	3,128.99	2,420.96	2,534.23	2,644.68	2,688.16
<b>Total</b>	<b>Market Value</b>	<b>5,883.25</b>	<b>7,335.11</b>	<b>7,943.70</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>8,774.54</b>	<b>8,870.89</b>

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

(2) The Short term investment portfolio started in October 2020. This portfolio is composed of Sovereign Bills and Bonds.

Allocation	By Risk Exposure <sup>(1)</sup> (US\$ million)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2021	
											Q1	April	May
<b>Short term</b>	Sovereign <sup>(2)</sup>	-	-	-	-	-	-	-	-	2,806.05	2,806.62	1,325.05	1,325.14
	Sovereign and Government Related <sup>(3)</sup>	3,713.54	4,654.00	5,122.40	5,295.10	5,624.09	6,422.43	6,035.00	5,613.99	3,563.17	3,410.38	3,458.89	3,503.77
<b>Long Term</b>	Banks <sup>(4)</sup>	37.11	25.14	13.90	39.97	22.16	24.96	37.34	-19.60	-12.18	-16.25	-16.52	-17.81
	Corporate Bonds	1,186.74	1,444.15	1,600.48	1,616.86	1,777.89	1,978.33	1,906.92	2,101.75	1,390.91	1,354.50	1,374.26	1,389.22
	Equities	945.87	1,211.83	1,206.92	1,160.27	1,437.93	1,585.22	1,683.99	3,115.94	2,408.87	2,524.86	2,632.86	2,670.56
<b>Total</b>	<b>Market Value</b>	<b>5,883.25</b>	<b>7,335.11</b>	<b>7,943.70</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>8,774.54</b>	<b>8,870.89</b>

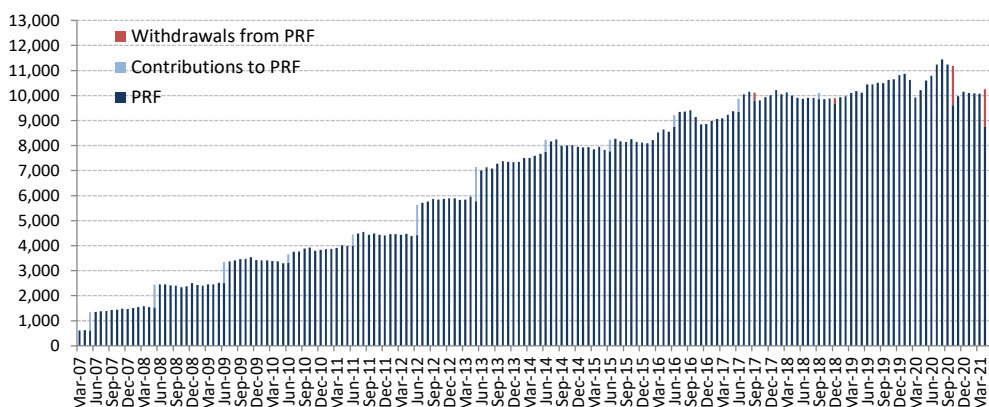
(1) Only for the purposes of this table the term deposits and cash equivalents associated to each asset class are reported as Banks.

(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 May**

The net return in US dollars was 1.10% in the month. This is broken down into 1.29% for the Long Term Investment portfolio (LTIP) and 0.01% for the Short Term Investment Portfolio (STIP). The LTIP return is broken down into the return of the Sovereign and Government Related Bonds, 1.02%, Inflation Indexed Sovereign Bonds, 2.89%, US Agencies MBS, -0.32%, Corporate Bonds, 0.95%, High Yield Bonds, 0.92%, and Equities, 1.64%. The STIP return corresponds to a Bills and Bonds portfolio whose return was 0.01%. The monthly return of the total fund in pesos was 3.94%. Finally, the fund's accumulated return for the year was 2.20% in US dollars and 4.17% in pesos, while the annualized return since inception was 4.30% in US dollars and 6.50% in pesos.

Returns <sup>(a)</sup>		Month	Last 3 Months	YTD	Last 12 Months	Last 3 years (annualized)	Since Inception	Inception
Long Term	Sovereign and Government Related Bonds	1.02%	0.33%	-2.66%	4.49%	4.27%	1.53%	01-01-2012
	Inflation Indexed Sov. Bonds	2.89%	4.22%	0.81%	10.98%	6.13%	3.56%	01-01-2012
	US Agencies MBS	-0.32%	-0.21%	-0.73%	-0.27%	-	3.88%	22-01-2019
	Corporate Bonds	0.95%	0.72%	-2.01%	7.44%	6.13%	3.90%	17-01-2012
	High Yield Bonds	0.92%	1.98%	1.87%	16.73%	-	7.21%	22-01-2019
	Equities	1.64%	9.01%	11.04%	40.33%	13.66%	11.73%	17-01-2012
	<b>Total</b>	<b>1.29%</b>	<b>3.71%</b>	<b>2.67%</b>	<b>16.57%</b>	<b>7.65%</b>	<b>4.47%</b>	<b>01-04-2007</b>
Short Term	Sovereign Bills and Bonds	0.01%	0.03%	0.04%	-	-	0.07%	01-10-2020
	<b>Total</b>	<b>0.01%</b>	<b>0.03%</b>	<b>0.04%</b>	<b>-</b>	<b>-</b>	<b>0.07%</b>	<b>01-10-2020</b>
Composite	<b>Total USD</b>	<b>1.10%</b>	<b>2.95%</b>	<b>2.20%</b>	<b>13.85%</b>	<b>6.80%</b>	<b>4.30%</b>	<b>01-04-2007</b>
	Exchange rate (CLP)	2.81%	2.38%	1.92%	-10.81%	4.88%	2.11%	01-04-2007
	<b>Total in CLP <sup>(b)</sup></b>	<b>3.94%</b>	<b>5.41%</b>	<b>4.17%</b>	<b>1.55%</b>	<b>12.02%</b>	<b>6.50%</b>	<b>01-04-2007</b>

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

(b) 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

Portfolio by Asset Class	US\$ million	% of Total
Sovereign and Government Related Bonds <sup>(1)</sup>	2,377.32	26.8%
Inflation Indexed Sov. Bonds	571.26	6.4%
US Agencies MBS	413.58	4.7%
Corporate Bonds <sup>(2)</sup>	907.10	10.2%
High Yield Bonds	588.33	6.6%
Equities	2,688.16	30.3%
<b>Total Long Term</b>	<b>7,545.75</b>	<b>85.1%</b>
Sovereign Bills and Bonds	1,325.14	14.9%
<b>Total Short Term</b>	<b>1,325.14</b>	<b>14.9%</b>
<b>Total Composite</b>	<b>8,870.89</b>	<b>100.0%</b>

(1) It includes Sovereign and Government Related Bonds with investment grade.

(2) It includes Corporate Bonds with investment grade.

Duration	Years
Sovereign and Government Related Bonds	7.8
Inflation Indexed Sov. Bonds	12.5
US Agencies MBS	3.1
Corporate Bonds	7.0
High Yield Bonds	4.5
<b>Total Long Term</b>	<b>7.4</b>
Sovereign Bills and Bonds	0.4
<b>Total Short Term</b>	<b>0.4</b>
<b>Total Composite</b>	<b>5.9</b>

Portfolio by Currency as percentage of Asset Class		USD	EUR	JPY	GBP	CAD	AUD	CHF	CNY	Others	Total
Long Term	Sovereign and Government Related Bonds	26.7%	26.2%	19.3%	5.9%	3.3%	2.2%	0.3%	10.2%	5.9%	100.0%
	Inflation Indexed Sov. Bonds	36.7%	21.5%	3.2%	33.9%	2.0%	1.0%	0.0%	0.0%	1.7%	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	65.2%	24.7%	0.9%	5.0%	3.4%	0.4%	0.4%	0.0%	0.1%	100.0%
	High Yield Bonds	79.6%	18.4%	0.0%	2.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
	Equities	62.6%	9.1%	6.1%	3.7%	3.0%	1.9%	2.5%	0.6%	10.4%	100.0%
	<b>Total</b>	<b>53.0%</b>	<b>17.5%</b>	<b>8.6%</b>	<b>6.5%</b>	<b>2.7%</b>	<b>1.5%</b>	<b>1.0%</b>	<b>3.4%</b>	<b>5.7%</b>	<b>100.0%</b>
Short Term	Sovereign Bills and Bonds	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
	<b>Total</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>100.0%</b>
Composite	<b>Portfolio Total</b>	<b>60.0%</b>	<b>14.9%</b>	<b>7.3%</b>	<b>5.5%</b>	<b>2.3%</b>	<b>1.3%</b>	<b>0.9%</b>	<b>2.9%</b>	<b>4.9%</b>	<b>100.0%</b>

Credit Risk Composition	Long Term					Short Term	Total Fixed Income
	Sovereign and Government Related	Inflation Indexed Sov. Bonds	US Agencies MBS	Corporate Bonds	High Yield Bonds	Sovereign Bills and Bonds	
AAA	11.7%	3.9%	6.5%	0.1%	0.0%	26.0%	48.2%
AA+ / AA-	7.0%	4.2%	0.0%	0.7%	0.0%	0.0%	12.0%
A+ / A-	15.3%	0.3%	0.0%	5.4%	0.0%	0.0%	21.0%
BBB+ / BBB-	4.3%	0.8%	0.0%	8.1%	0.0%	0.0%	13.2%
BB+ / BB-	0.0%	0.0%	0.0%	0.1%	4.6%	0.0%	4.7%
B+ / B-	0.0%	0.0%	0.0%	0.0%	3.6%	0.0%	3.6%
CCC+ or below	0.0%	0.0%	0.0%	0.0%	1.0%	0.0%	1.0%
Others <sup>(1)</sup>	0.0%	0.0%	0.2%	0.1%	0.4%	-4.5%	-3.8%
<b>Total</b>	<b>38.5%</b>	<b>9.2%</b>	<b>6.7%</b>	<b>14.7%</b>	<b>9.5%</b>	<b>21.4%</b>	<b>100.0%</b>

(1) 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)	Long Term						Short Term	Total
	Sovereign and Government Related Bonds	Inflation Indexed Sov. Bonds	US Agencies MBS	Corporate Bonds	High Yield Bonds	Equities	Sovereign Bills and Bonds	
Argentina	0.00	0.00	0.00	0.00	9.37	2.51	0.00	11.88
Australia	53.96	5.96	0.00	12.18	1.29	49.66	0.00	123.05
Belgium	33.37	0.00	0.00	4.44	0.31	6.21	0.00	44.33
Brazil	0.00	0.00	0.00	0.27	8.55	16.87	0.00	25.69
Canada	94.97	11.37	0.00	40.36	15.43	82.85	0.00	244.98
Denmark	17.44	1.75	0.00	1.78	0.12	17.89	0.00	38.99
France	172.29	54.90	0.00	51.23	11.08	75.23	0.00	364.73
Germany	89.69	16.85	0.00	24.11	12.40	65.80	0.00	208.85
Hong Kong	3.84	0.00	0.00	3.96	2.94	30.67	0.00	41.41
Ireland	11.70	0.00	0.00	7.88	3.71	34.92	0.00	58.21
Italy	136.10	37.57	0.00	8.54	15.60	14.84	0.00	212.65
Japan	467.58	18.04	0.00	26.28	2.18	161.77	0.00	675.85
Luxembourg	2.90	0.00	0.00	12.33	23.16	2.75	0.00	41.13
Mexico	9.46	0.00	0.00	6.17	15.45	6.53	0.00	37.61
Netherlands	41.53	0.00	0.00	53.03	25.99	43.05	0.00	163.60
Republic of Korea	54.45	0.00	0.00	3.17	0.00	45.60	0.00	103.22
Spain	81.70	13.56	0.00	16.46	4.33	18.12	0.00	134.17
Switzerland	7.17	0.00	0.00	2.51	0.08	76.23	0.00	85.98
Turkey	0.00	0.00	0.00	0.00	19.81	0.00	0.00	19.81
United Kingdom	128.23	193.36	0.00	72.92	24.54	107.35	0.00	526.39
United States	479.02	209.87	413.58	511.19	276.67	1,606.08	1,325.14	4,821.54
Others <sup>(1)</sup>	491.92	8.03	0.00	48.32	115.33	223.23	0.00	886.83
<b>Total</b>	<b>2,377.32</b>	<b>571.26</b>	<b>413.58</b>	<b>907.10</b>	<b>588.33</b>	<b>2,688.16</b>	<b>1,325.14</b>	<b>8,870.89</b>

(1) It includes cash, cash equivalents and unliquidated transactions.