



# PENSION RESERVE FUND

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Monthly Executive Report as of January 2012

## I. Market Value as of January, 2012<sup>1</sup>

The market value of the Pension Reserve Fund (PRF) totaled US\$4,457.73 million as of January, 2012. The market value changed during this month due to: (i) accrued interest of US\$5.77 million, (ii) capital gain on investments of US\$46.44 million, and (iii) administrative, custody, and other costs of US\$0.07 million.

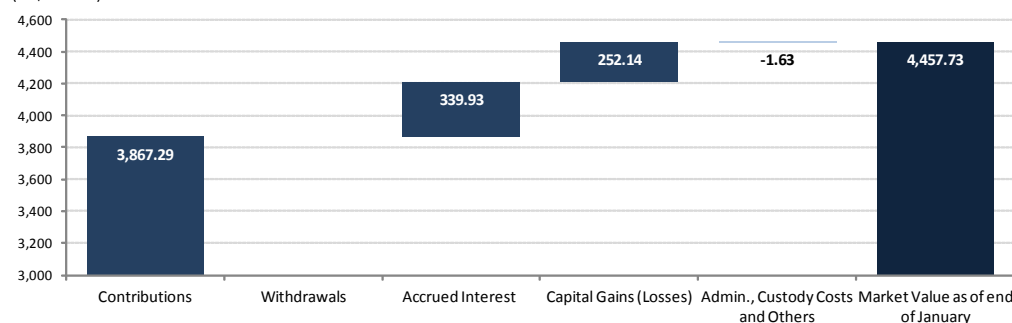
Changes in Market Value (US\$ million)	2007	2008	2009	2010	1Q	2Q	2011	3Q	4Q	2012	Since Inception <sup>(1)</sup>
Starting Market Value <sup>(1)</sup>	604.63	1,466.35	2,506.76	3,420.83	3,836.70	3,903.74	4,444.31	4,428.21	4,405.60	4,405.60	-
Contributions	736.35	909.07	836.71	337.30	0.00	443.32	0.00	0.00	0.00	0.00	3,867.29
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	18.53	19.00	19.11	18.57	5.77	5.77	339.93
Capital Gains (Losses)	79.79	60.42	5.85	8.74	48.60	78.36	-35.08	-41.06	46.44	46.44	252.14
Admin., Custody and Other Costs <sup>(2)</sup>	-0.04	-0.33	-0.35	-0.41	-0.09	-0.11	-0.12	-0.12	-0.07	-0.07	-1.63
<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>4,444.31</b>	<b>4,428.21</b>	<b>4,405.60</b>	<b>4,457.73</b>	<b>4,457.73</b>	

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

<sup>(2)</sup> 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	1Q	2Q	2011	3Q	4Q	2012
Money Market	439.54	736.05	1,018.55	1,142.37	1,183.84	1,334.63	1,340.14	1,311.07	1,311.07	-
Sovereign and Government Related Bonds <sup>(2)</sup>	974.69	1,686.93	2,280.42	2,559.90	2,582.61	2,954.93	2,933.33	2,940.06	2,940.06	2,907.41
Inflation Indexed Sov. Bonds	52.13	83.79	121.86	134.42	137.28	154.74	154.75	154.47	154.47	733.60
Corporate Bonds	-	-	-	-	-	-	-	-	-	508.70
Equity	-	-	-	-	-	-	-	-	-	308.02
<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>4,444.31</b>	<b>4,428.21</b>	<b>4,405.60</b>	<b>4,457.73</b>	<b>4,457.73</b>

<sup>(1)</sup> The implementation of the new investment policy started in January. This policy considers the following asset classes: Sovereign and Government Related Bonds, Inflation Indexed Sovereign Bonds, Corporate Bonds, and Equity.

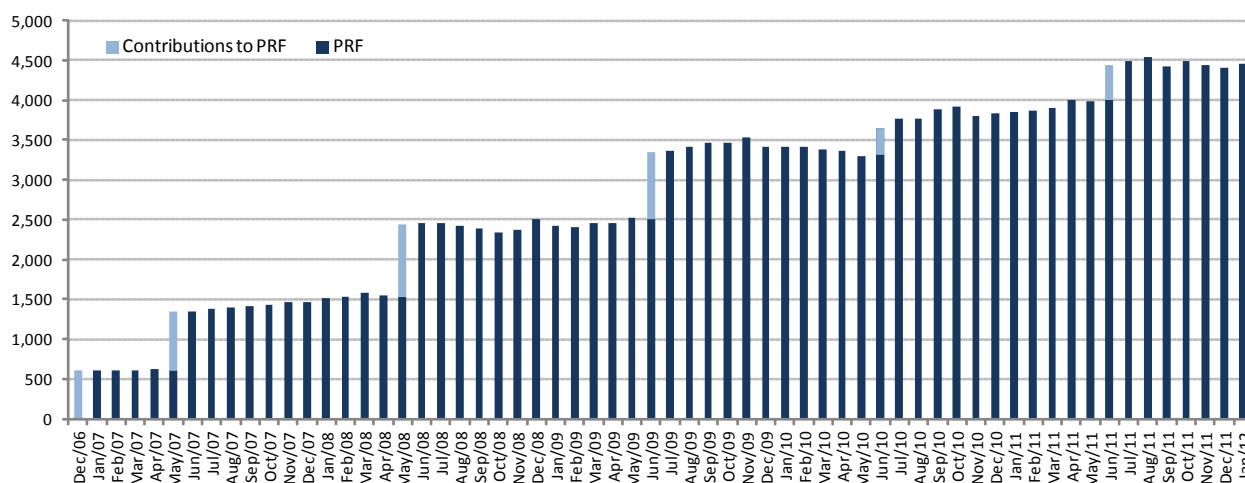
<sup>(2)</sup> Investment in Government Related Bonds started in January 2012.

By Risk Exposure <sup>(1)</sup> (US\$ million)	2007	2008	2009	2010	1Q	2Q	2011	3Q	4Q	2012
Sovereign and Government Related	1,026.81	2,102.55	2,689.79	3,024.63	3,285.34	3,740.76	3,666.27	3,652.58	3,652.58	2,696.35
Banks	439.54	404.21	731.04	812.06	618.40	703.55	761.94	753.02	753.02	992.96
Corporate Bonds	-	-	-	-	-	-	-	-	-	460.86
Equity	-	-	-	-	-	-	-	-	-	307.57
<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>4,444.31</b>	<b>4,428.21</b>	<b>4,405.60</b>	<b>4,457.73</b>	<b>4,457.73</b>

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

<sup>1</sup> Figures in January 2012 are subject to modifications.

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



Return in January was 1.18% in US dollars and -5.05% in Chilean pesos. Cumulative return in 2012 totaled 1.18% in US dollars and -5.05% in Chilean pesos. Annualized return since inception was 5.17% in US dollars and 3.16% in Chilean pesos.

Returns <sup>(a)</sup>	January <sup>(b)</sup>	Last 3 Months <sup>(c)</sup>	YTD <sup>(c)</sup>	Last 12 months <sup>(c)</sup>	Last 3 years (annualized) <sup>(c)</sup>	Since Inception <sup>(c) (d)</sup>
Sovereign and Government Related Bonds	0.87%					
Inflation Indexed Sov. Bonds	4.13%					
<i>Portfolio Managed by CBC</i>	1.13%					
Corporate Bonds	2.08%					
Equity	2.66%					
<b>Total Portfolio</b>	<b>1.18%</b>	<b>-0.80%</b>	<b>1.18%</b>	<b>4.04%</b>	<b>4.07%</b>	<b>5.17%</b>
Exchange rate (CLP)	-6.23%	-0.62%	-6.23%	1.17%	-7.23%	-2.01%
<b>Return in CLP<sup>(e)</sup></b>	<b>-5.05%</b>	<b>-1.42%</b>	<b>-5.05%</b>	<b>5.21%</b>	<b>-3.16%</b>	<b>3.16%</b>

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

(b) Returns for Sovereign and Gov. Related Bonds, Inflation Indexed Sov. Bonds, Corporate Bonds and Equity are reported since January 17, 2012. Total portfolio, exchange rate (CLP), CLP returns are reported for the total month.

(c) Returns are unavailable before January 17, 2012.

(d) It is calculated from March 31, 2007, when the performance of Central Bank of Chile started to be measured.

(e) 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 January, 2012

Portfolio by Asset Class	MM US\$	% of Total
Sovereign and Government Related Bonds	2,907.41	65.2%
Inflation Indexed Sov. Bonds	733.60	16.5%
Corporate Bonds	508.70	11.4%
Equity	308.02	6.9%
<b>Total</b>	<b>4,457.73</b>	<b>100.0%</b>

Duration	Years
Sovereign and Government Related Bonds	6.3
Inflation Indexed Sov. Bonds	10.8
Corporate Bonds	5.7
<b>Total Fondo</b>	<b>7.2</b>

Portfolio by Currency as percentage of Asset Class	USD	EUR	JPY	GBP	CAD	AUD	CHF	OTHERS	Total
Sovereign and Government Related	27.8%	25.0%	31.9%	6.0%	5.0%	4.1%	0.2%	0.0%	100.0%
Inflation Indexed Sov. Bonds	44.6%	26.6%	0.0%	24.3%	0.0%	0.0%	0.0%	4.4%	100.0%
Corporate Bonds	57.6%	26.8%	3.8%	7.8%	2.5%	0.7%	0.5%	0.2%	100.0%
Equity	52.6%	10.2%	8.0%	8.3%	4.5%	3.3%	3.1%	10.0%	100.0%
<b>Total</b>	<b>37.1%</b>	<b>24.4%</b>	<b>19.9%</b>	<b>10.1%</b>	<b>3.6%</b>	<b>2.8%</b>	<b>0.4%</b>	<b>1.7%</b>	<b>100.0%</b>

Fixed Income Portfolio by Credit Rating	Sovereign and Government Related Bonds	Inflation Indexed Sov. Bonds	Corporate Bonds	Total Fixed Income
AAA	15.6%	8.9%	0.4%	24.9%
AA+	4.5%	0.0%	0.2%	4.7%
AA	0.5%	0.0%	0.7%	1.2%
AA-	13.7%	0.0%	1.2%	14.8%
A+	0.3%	0.0%	2.1%	2.4%
A	2.5%	0.3%	1.8%	4.7%
A-	0.0%	0.5%	2.4%	3.0%
BBB+	12.6%	7.9%	3.5%	24.0%
Others <sup>(1)</sup>	20.3%	0.0%	0.0%	20.3%
<b>Total</b>	<b>70.1%</b>	<b>17.7%</b>	<b>12.3%</b>	<b>100.0%</b>

<sup>(1)</sup> Includes cash and time deposits

Portfolio by Country	Sovereign and Government Related	Inflation Indexed Sov. Bonds	Corporate Bonds	Equity	Total
Germany	165.88	49.10	5.39	12.31	232.68
Australia	87.95	-	19.49	10.25	117.68
Austria	56.89	-	0.00	0.00	56.89
Belgium	18.57	-	0.10	1.06	19.73
Canada	99.90	-	31.45	13.75	145.09
South Korea	0.00	-	1.95	0.00	1.95
Spain	31.84	-	9.58	3.54	44.96
United States	533.33	327.22	198.90	151.04	1,210.49
France	156.32	110.01	25.43	9.94	301.70
Netherlands	76.70	-	45.09	3.03	124.82
Italy	73.46	36.31	4.81	2.55	117.14
Japan	598.66	-	15.91	24.61	639.18
United Kingdom	109.20	178.20	66.60	28.20	382.20
Supranational	45.02	-	0.00	0.00	45.02
Others <sup>(1)</sup>	853.70	32.76	84.01	47.73	1,018.19
<b>Total</b>	<b>2,907.41</b>	<b>733.60</b>	<b>508.70</b>	<b>308.02</b>	<b>4,457.73</b>

<sup>(1)</sup> Includes cash and time deposits