



PENSION RESERVE FUND

Monthly Executive Report as of January, 2020

I. Market Value as of January, 2020

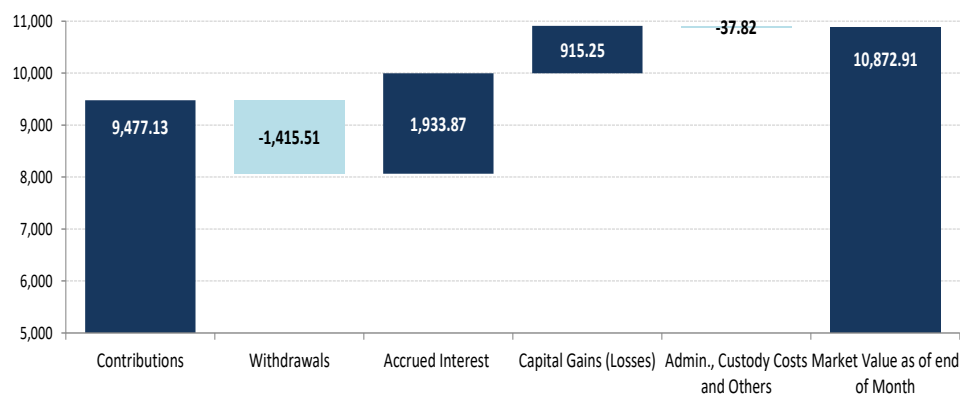
The market value of the Pension Reserve Fund (PRF) totaled US\$10,872.91 million at the end of the month. It changed due to: (i) accrued interests of US\$18.60 million, (ii) capital gains on investments of US\$42.51 million and (iii) administrative, custody and other costs of US\$0.29 million.

Changes in Market Value (US\$ million)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019				2020	Since
													Q1	Q2	Q3	Q4	January	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	7,943.70	8,112.21	8,862.07	10,010.95	9,663.25	10,106.13	10,435.69	10,498.42	10,812.08	0.00
Contributions	736.35	909.07	836.71	337.30	443.32	1,197.37	1,376.75	498.93	463.88	462.29	505.15	541.58	0.00	563.89	0.00	0.00	0.00	9,477.13
Withdrawals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-313.95	-525.05	0.00	-576.51	0.00	0.00	0.00	-1,415.51
Accrued Interest	45.62	71.25	71.86	70.23	75.20	130.65	174.06	190.18	194.29	197.38	207.71	221.70	67.03	71.61	62.75	63.74	18.60	1,933.87
Capital Gains (Losses)	79.79	60.42	5.85	8.74	50.81	150.87	-94.60	-75.90	-485.19	94.45	754.81	-581.19	377.32	272.24	1.49	252.75	42.51	915.25
Admin., Custody and Other Costs ⁽²⁾	-0.04	-0.33	-0.35	-0.41	-0.43	-1.23	-4.35	-4.63	-4.47	-4.24	-4.85	-4.74	-1.47	-1.67	-1.51	-2.82	-0.29	-37.82
Final Market Value	1,466.35	2,506.76	3,420.83	3,836.70	4,405.60	5,883.25	7,335.11	7,943.70	8,112.21	8,862.07	10,010.95	9,663.25	10,106.13	10,435.69	10,498.42	10,812.08	10,872.91	10,872.91

(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 (US\$ million)	2007	2008	2009	2010	2011	2012 ⁽¹⁾	2013	2014	2015	2016	2017	2018	2019				2020	
													Q1	Q2	Q3	Q4	January	
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	3,766.56	3,975.33	4,099.88	4,695.10	4,404.18	3,833.56	3,636.03	3,658.61	3,653.35	3,706.35	
Inflation Indexed Sov. Bonds	52.13	83.79	121.86	134.42	154.47	1,029.31	1,233.25	1,356.21	1,344.03	1,529.29	1,729.17	1,649.91	1,101.11	1,127.90	1,146.87	1,148.62	975.95	
US Agencies MBS	-	-	-	-	-	-	-	-	-	-	-	-	596.03	607.72	616.14	619.96	624.53	
Corporate Bonds	-	-	-	-	-	1,198.96	1,453.66	1,609.61	1,628.69	1,788.70	1,993.53	1,918.37	1,321.12	1,374.62	1,390.03	1,415.47	1,438.44	
High Yield Bonds	-	-	-	-	-	-	-	-	-	-	-	-	795.57	820.67	816.82	845.68	845.90	
Equities	-	-	-	-	-	951.31	1,216.65	1,211.32	1,164.15	1,444.20	1,593.15	1,690.79	2,458.74	2,868.74	2,869.95	3,128.99	3,281.73	
Market Value	1,466.35	2,506.76	3,420.83	3,836.70	4,405.60	5,883.25	7,335.11	7,943.70	8,112.21	8,862.07	10,010.95	9,663.25	10,106.13	10,435.69	10,498.42	10,812.08	10,872.91	

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

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

(3) Investments in US Agencies MBS and High Yield Bonds started on January 22nd 2019 as part of the new investment policy defined at the end of 2017.

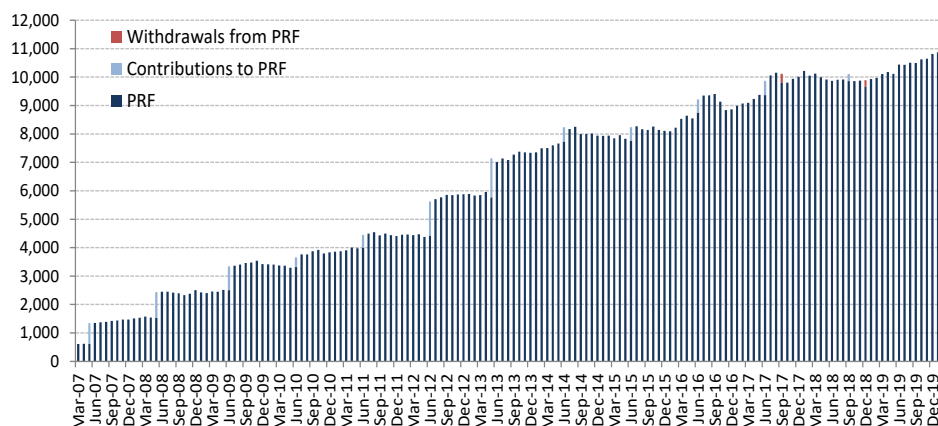
By Risk Exposure ⁽¹⁾ (US\$ million)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019				2020
													Q1	Q2	Q3	Q4	January
Sovereign and Government Related ⁽²⁾	1,026.81	2,102.55	2,689.79	3,024.63	3,652.58	3,713.54	3,643.15	5,122.40	5,295.10	5,624.09	6,422.43	6,035.00	5,704.29	5,559.96	5,605.23	5,613.99	5,463.72
Banks ⁽³⁾	439.54	404.21	731.04	812.06	753.02	37.11	16.74	13.90	39.97	22.16	24.96	37.34	-1.98	-2.45	-29.94	-19.60	11.86
Corporate Bonds	-	-	-	-	-	1,186.74	1,177.51	1,600.48	1,616.86	1,777.89	1,978.33	1,906.92	1,953.94	2,037.68	2,060.13	2,101.75	2,128.56
Equities	-	-	-	-	-	945.87	1,007.52	1,206.92	1,160.27	1,437.93	1,585.22	1,683.99	2,449.88	2,840.49	2,863.00	3,115.94	3,268.77
Market Value	1,466.35	2,506.76	3,420.83	3,836.70	4,405.60	5,883.25	5,844.92	7,943.70	8,112.21	8,862.07	10,010.95	9,663.25	10,106.13	10,435.69	10,498.42	10,812.08	10,872.91

(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 forwards and TBA's.

(3) It represents cash, cash equivalents and unliquidated transactions since 2012.

Historical Market Value
(US\$ million)



II. Return as of January

The net return in US dollars was 0.56% in the month. This is broken down in the returns of the Sovereign and Government Related Bonds, 1.46%, Inflation Indexed Sovereign Bonds, 2.20%, US Agencies MBS, 0.74%, Corporate Bonds, 1.62%, High Yield Bonds, 0.03%, and Equities, -1.13%. The positive returns in US dollars experienced by the Sovereign and Government Related Bonds, Inflation Indexed Sovereign Bonds, US Agencies MBS, Corporate Bonds and High Yield Bonds portfolios were explained by the positive impact of the interest rates. The negative return in US dollars experienced by Equities portfolio was mainly explained by the result in local currency and, to a lesser extent, by the negative impact of the depreciation (relative to the US dollar) of the currencies in which is invested. Finally, the monthly return of the fund in pesos was 7.77%. Year to date return was 0.56% in US dollars and 7.77% in pesos, while the annualized return since inception was 3.90% in US dollars and 7.12% in pesos.

Returns ^(a)	Month	Last 3 Months	YTD	Last 12 Months	Last 3 years (annualized)	Since Inception ^(b)
Sovereign and Government Related Bonds	1.46%	0.78%	1.46%	5.97%	4.31%	1.09%
Inflation Indexed Sov. Bonds	2.20%	2.02%	2.20%	7.92%	4.33%	2.81%
US Agencies MBS	0.74%	1.01%	0.74%	6.23%	-	6.39%
Corporate Bonds	1.62%	2.24%	1.62%	10.95%	5.66%	3.76%
High Yield Bonds	0.03%	2.76%	0.03%	8.15%	-	8.03%
Equities	-1.13%	4.92%	-1.13%	16.37%	11.27%	10.24%
Total Portfolio	0.56%	2.33%	0.56%	9.61%	5.80%	3.90%
Exchange rate (CLP)	7.16%	9.86%	7.16%	19.68%	7.14%	3.10%
Return in CLP ^(c)	7.77%	12.42%	7.77%	31.18%	13.36%	7.12%

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

(b) Performance since inception for: Sovereign and Government Related Bonds, Inflation Indexed Sovereign Bonds, and Equities is calculated since December 31, 2011. Performance since inception for US Agencies MBS and High Yield Bonds is calculated since January 22, 2019. Performance since inception for the total portfolio, exchange rate and return in CLP is calculated since March 31, 2007.

(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.

III. Portfolio Composition and Duration as of January

Portfolio by Asset Class	US\$ million	% of Total
Sovereign and Government Related Bonds ⁽¹⁾	3,706.35	34.1%
Inflation Indexed Sov. Bonds	975.95	9.0%
US Agencies MBS	624.53	5.7%
Corporate Bonds ⁽²⁾	1,438.44	13.2%
High Yield Bonds	845.90	7.8%
Equities	3,281.73	30.2%
Total	10,872.91	100.0%

(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	8.0
Inflation Indexed Sov. Bonds	12.4
US Agencies MBS	2.4
Corporate Bonds	6.9
High Yield Bonds	3.9
Total	7.4

Portfolio by Currency as percentage of Asset Class	USD	EUR	JPY	GBP	CAD	AUD	CHF	Otros	Total
Sovereign and Government Related Bonds	30.4%	25.2%	23.1%	5.6%	2.9%	1.7%	0.4%	10.9%	100.0%
Inflation Indexed Sov. Bonds	42.1%	19.4%	3.2%	30.7%	2.0%	1.0%	0.0%	1.5%	100.0%
US Agencies MBS	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Corporate Bonds	65.8%	23.6%	0.9%	5.4%	3.5%	0.4%	0.4%	0.0%	100.0%
High Yield Bonds	83.2%	15.0%	0.0%	1.9%	0.0%	0.0%	0.0%	0.0%	100.0%
Equities	61.3%	9.3%	7.2%	4.7%	3.0%	2.0%	2.8%	9.8%	100.0%
Total	53.4%	17.4%	10.5%	6.9%	2.6%	1.3%	1.0%	6.9%	100.0%

	Sovereign and Government Related Bonds	Inflation Indexed Sov. Bonds	US Agencies MBS	Corporate Bonds	High Yield Bonds	Total Fixed Income
AAA	18.9%	6.3%	8.2%	0.0%	0.0%	33.4%
AA+ / AA-	8.5%	5.1%	0.0%	1.2%	0.0%	14.8%
A+ / A-	16.2%	0.4%	0.0%	7.5%	0.0%	24.2%
BBB+ / BBB-	5.2%	1.0%	0.0%	9.6%	0.0%	15.8%
BB+ / BB-	0.0%	0.0%	0.0%	0.4%	5.1%	5.5%
B+ / B-	0.0%	0.0%	0.0%	0.0%	4.5%	4.5%
CCC+ or below	0.0%	0.0%	0.0%	0.0%	1.2%	1.2%
Others ⁽¹⁾	0.0%	0.0%	0.0%	0.2%	0.3%	0.6%
Total	48.8%	12.9%	8.2%	18.9%	11.1%	100.0%

(1) It includes cash, cash equivalents and unliquidated transactions. Also, in the case of High Yield Bonds, it includes bonds with rating over BB+.

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	0.00	0.00	0.00	0.00	15.67	2.13	17.79
Australia	60.62	10.18	0.00	23.34	1.26	65.43	160.83
Belgium	51.59	0.00	0.00	6.74	0.25	8.96	67.54
Brazil	0.00	0.00	0.00	0.12	13.04	28.09	41.25
Canada	127.58	19.93	0.00	80.49	31.04	101.19	360.23
Denmark	9.66	2.24	0.00	2.98	0.10	18.40	33.37
France	232.72	84.27	0.00	76.56	15.95	96.51	506.00
Germany	134.28	24.54	0.00	32.22	8.53	82.17	281.74
Hong Kong	0.00	0.00	0.00	6.83	4.44	45.21	56.48
Ireland	18.44	0.00	0.00	13.72	8.21	43.11	83.47
Italy	184.48	59.65	0.00	12.25	18.97	19.59	294.94
Japan	865.40	31.00	0.00	28.07	3.43	234.38	1,162.28
Luxembourg	6.00	0.00	0.00	18.72	44.93	2.96	72.61
Mexico	29.27	0.00	0.00	10.67	4.37	9.22	53.53
Netherlands	67.19	0.00	0.00	90.41	52.29	58.28	268.17
Republic of Korea	78.95	0.00	0.00	1.54	0.78	45.00	126.27
Spain	125.33	20.87	0.00	25.14	4.63	26.89	202.86
Switzerland	13.50	0.00	0.00	9.49	0.00	104.55	127.53
Turkey	0.00	0.00	0.00	0.00	34.61	0.00	34.61
United Kingdom	180.93	299.92	0.00	116.03	30.98	154.10	781.95
United States	1,086.12	410.50	624.53	813.98	392.83	1,896.41	5,224.38
Others ⁽¹⁾	434.31	12.84	0.00	69.16	159.59	239.16	915.07
Total	3,706.35	975.95	624.53	1,438.44	845.90	3,281.73	10,872.91

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