



# PENSION RESERVE FUND

---

Monthly Executive Report as of October, 2021

## I. Market Value as of October, 2021

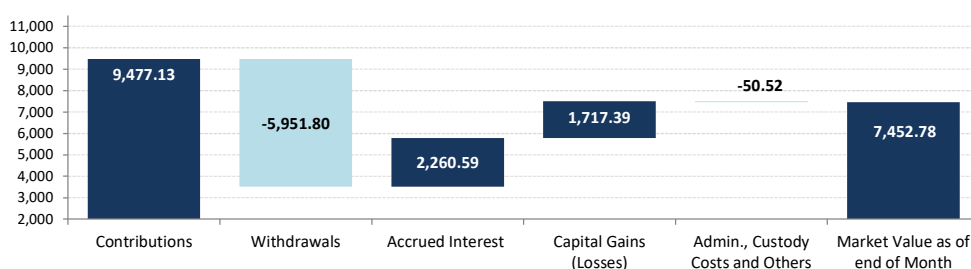
The market value of the Pension Reserve Fund (PRF) totaled US\$7,452.78 million at the end of the month. It changed due to: (i) accrued interests of US\$10.75 million, (ii) capital gains on investments of US\$110.98 million and (iii) administrative, custody and other costs of US\$0.34 million.

Changes in Market Value (US\$ million)	2015	2016	2017	2018	2019	2020	2021			Since Inception	
							Q1	Q2	Q3		
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	0.00
Contributions	463.88	462.29	505.15	541.58	563.89	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	-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	2,260.59
Capital Gains (Losses)	-485.19	94.45	754.81	-581.19	903.79	709.27	-112.92	228.05	-90.71	110.98	1,717.39
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	-50.52
<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>7,452.78</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 (US\$ million)	2015	2016	2017	2018	2019 <sup>(1)</sup>	2020	2021			October
							Q1	Q2	Q3	
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
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
US Agencies MBS	-	-	-	-	619.96	416.61	412.50	439.62	440.73	439.52
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
High Yield Bonds	-	-	-	-	845.68	577.54	572.16	589.37	586.80	582.45
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
<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>

(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> (US\$ million)	2015	2016	2017	2018	2019	2020	2021			October
							Q1	Q2	Q3	
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
Banks <sup>(4)</sup>	39.97	22.16	24.96	37.34	-19.60	-12.18	-16.25	-41.36	-36.29	-47.83
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
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
<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>

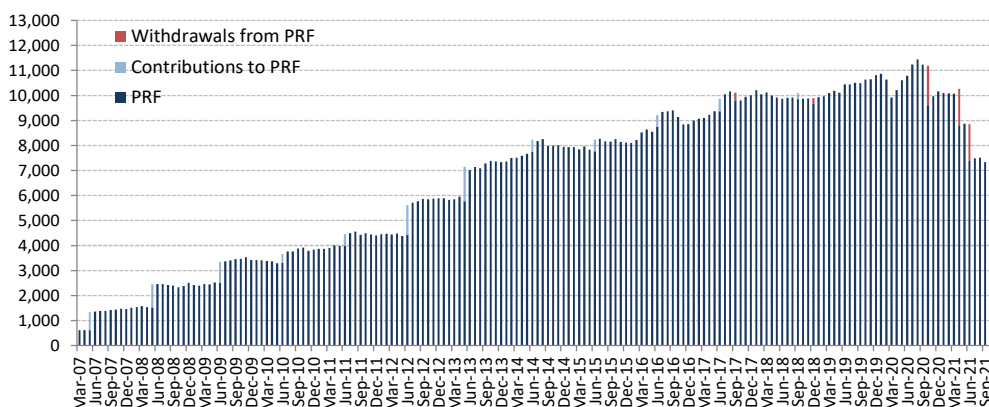
(1) Only for the purposes of this table the term deposits and cash equivalents associated to each asset class are reported as Banks.

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

(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

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



**II. Return as of October**

The net return in US dollars was 1.66% in the month. The portfolio return is broken down into the return of the Sovereign and Government Related Bonds, -0.34%, Inflation Indexed Sovereign Bonds, 2.53%, US Agencies MBS, -0.27%, Corporate Bonds, 0.06%, High Yield Bonds, -0.74%, and Equities, 5.17%. The monthly return of the total fund in pesos was 1.89%. The fund's accumulated return for the year was 2.98% in US dollars and 16.62% in pesos, while the annualized return since inception was 4.23% in US dollars and 7.13% 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	-0.34%	-2.83%	-5.18%	-2.17%	4.38%	1.20%	01-Jan-12
Inflation Indexed Sov. Bonds	2.53%	-0.79%	2.49%	7.50%	7.69%	3.58%	01-Jan-12
US Agencies MBS	-0.27%	-0.71%	-0.74%	-0.44%	-	3.30%	22-Jan-19
Corporate Bonds	0.06%	-1.93%	-2.47%	1.71%	6.57%	3.68%	17-Jan-12
High Yield Bonds	-0.74%	-1.16%	0.85%	8.48%	-	5.74%	22-Jan-19
Equities	5.17%	3.33%	16.96%	37.43%	17.21%	11.79%	17-Jan-12
<b>Long Term Total</b>	<b>1.66%</b>	<b>-0.35%</b>	<b>3.49%</b>	<b>11.74%</b>	<b>9.01%</b>	<b>4.40%</b>	<b>01-Apr-07</b>
<b>Total Composite <sup>(b)</sup></b>	<b>1.66%</b>	<b>-0.35%</b>	<b>2.98%</b>	<b>8.79%</b>	<b>8.14%</b>	<b>4.23%</b>	<b>01-Apr-07</b>
Exchange rate (CLP)	0.23%	6.19%	13.25%	4.55%	5.13%	2.79%	01-Apr-07
<b>Total in CLP <sup>(c)</sup></b>	<b>1.89%</b>	<b>5.82%</b>	<b>16.62%</b>	<b>13.74%</b>	<b>13.69%</b>	<b>7.13%</b>	<b>01-Apr-07</b>

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

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

(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 October

Portfolio by Asset Class	US\$ million	% of Total
Sovereign and Government Related Bonds <sup>(1)</sup>	2,449.1	32.9%
Inflation Indexed Sov. Bonds	590.2	7.9%
US Agencies MBS	439.5	5.9%
Corporate Bonds <sup>(2)</sup>	951.5	12.8%
High Yield Bonds	582.4	7.8%
Equities	2,440.0	32.7%
<b>Total Long Term</b>	<b>7,452.8</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	7.7
Inflation Indexed Sov. Bonds	12.5
US Agencies MBS	3.6
Corporate Bonds	7.3
High Yield Bonds	4.5
<b>Total</b>	<b>7.5</b>

Portfolio by Currency as percentage of Asset Class	USD	EUR	JPY	GBP	CAD	AUD	CHF	CNY	Others	Total
Sovereign and Government Related Bonds	28.1%	25.4%	18.7%	5.6%	3.3%	2.1%	0.3%	10.7%	5.7%	100.0%
Inflation Indexed Sov. Bonds	37.3%	20.3%	3.0%	34.8%	2.0%	1.0%	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	66.6%	23.6%	0.9%	4.8%	3.3%	0.4%	0.4%	0.0%	0.0%	100.0%
High Yield Bonds	79.8%	18.3%	0.0%	1.9%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Equities	65.1%	8.6%	5.7%	3.5%	3.0%	1.8%	2.5%	0.6%	9.2%	100.0%
<b>Total</b>	<b>54.1%</b>	<b>17.2%</b>	<b>8.4%</b>	<b>6.5%</b>	<b>2.6%</b>	<b>1.4%</b>	<b>1.0%</b>	<b>3.7%</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	15.5%	5.1%	9.3%	0.2%	0.0%	30.0%
AA+ / AA-	8.7%	5.4%	0.0%	1.1%	0.0%	15.2%
A+ / A-	19.4%	0.3%	0.0%	7.1%	0.0%	26.8%
BBB+ / BBB-	5.1%	1.0%	0.0%	10.4%	0.0%	16.5%
BB+ / BB-	0.0%	0.0%	0.0%	0.1%	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>	0.1%	0.0%	-0.5%	0.1%	0.6%	0.2%
<b>Total</b>	<b>48.9%</b>	<b>11.8%</b>	<b>8.8%</b>	<b>19.0%</b>	<b>11.6%</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)	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	9.01	2.52	11.53
Australia	52.40	5.98	0.00	13.06	1.12	41.71	114.27
Belgium	33.96	0.00	0.00	4.68	0.79	4.99	44.42
Brazil	0.00	0.00	0.00	0.70	7.94	11.36	20.01
Canada	108.31	11.74	0.00	41.74	15.07	74.98	251.84
China	286.80	0.00	0.00	4.02	6.68	89.41	386.91
Denmark	17.36	1.70	0.00	2.20	0.37	17.10	38.73
France	183.84	51.53	0.00	53.83	13.46	63.49	366.15
Germany	82.20	17.90	0.00	23.98	11.13	53.44	188.64
Hong Kong	5.82	0.00	0.00	4.47	3.01	24.43	37.74
Ireland	9.23	0.00	0.00	9.70	4.85	32.95	56.73
Italy	150.90	36.21	0.00	9.50	14.38	12.53	223.52
Japan	465.43	17.48	0.00	26.42	1.96	139.04	650.32
Luxembourg	2.96	0.00	0.00	13.49	24.37	2.31	43.13
Mexico	8.88	0.00	0.00	6.28	16.14	5.34	36.65
Netherlands	39.23	0.00	0.00	55.50	23.67	42.93	161.32
Republic of Korea	53.81	0.00	0.00	3.75	0.00	34.75	92.32
Spain	82.81	13.91	0.00	17.25	4.04	14.43	132.45
Switzerland	7.37	0.00	0.00	2.37	0.08	69.47	79.29
Turkey	0.00	0.00	0.00	0.00	17.97	0.00	17.97
United Kingdom	135.43	205.54	0.00	72.72	25.27	91.43	530.40
United States	532.39	220.25	439.52	544.58	274.25	1,516.54	3,527.54
Others <sup>(1)</sup>	190.00	8.00	0.00	41.22	106.86	94.83	440.90
<b>Total</b>	<b>2,449.13</b>	<b>590.23</b>	<b>439.52</b>	<b>951.47</b>	<b>582.45</b>	<b>2,439.98</b>	<b>7,452.78</b>

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