



# PENSION RESERVE FUND

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Quarterly Executive Report as of June 2011

## As of June 2011

Changes in Market Value (US\$ million)	2007	2008	2009	2010	1Q	2011 April	May	June	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	3,980.49	-
Contributions	736.35	909.07	836.71	337.30	0.00	0.00	0.00	443.32	3,867.29
Withdrawals	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	6.67	5.62	6.71	296.49
Capital Gains (Losses)	79.79	60.42	5.85	8.74	48.60	92.29	-27.79	13.86	281.85
Admin., Custody and Other Costs <sup>(2)</sup>	-0.04	-0.33	-0.35	-0.41	-0.09	-0.04	0.00	-0.07	-1.32
<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>4,444.31</b>	<b>4,444.31</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.

US\$ million	Currency	Q1 2011	Q2 2011	Difference
Sovereign	USD	1,651.2	1,863.4	212.2
	EUR	1,335.9	1,504.1	168.2
	JPY	298.3	373.2	75.0
Banks	USD	300.9	357.1	56.1
	EUR	231.0	274.1	43.0
	JPY	86.4	72.4	-14.0
Supranational	USD	0.0	0.0	0.0
	EUR	0.0	0.0	0.0
	JPY	0.0	0.0	0.0
Total	USD	1,952.1	2,220.5	268.4
	EUR	1,567.0	1,778.2	211.2
	JPY	384.7	445.7	61.0
<b>Total</b>		<b>3,903.7</b>	<b>4,444.3</b>	<b>540.6</b>
<b>Duration (years)</b>		<b>2.43</b>	<b>2.38</b>	<b>-0.06</b>
<b>Duration (days)</b>		<b>888</b>	<b>867</b>	<b>-21</b>

Source: Ministry of Finance based on JPMorgan information

Portfolio by currency	Q1 2011	Q2 2011	Difference
USD	50.0%	50.0%	0.0%
EUR	40.1%	40.0%	-0.1%
JPY	9.9%	10.0%	0.2%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>

Source: Ministry of Finance based on Chilean Central Bank information

Sovereign Exposure	Q1 2011	Q2 2011	Difference
Estados Unidos	42.3%	41.9%	-0.4%
Alemania	34.2%	33.8%	-0.4%
Japón	7.6%	8.4%	0.8%
<b>Total</b>	<b>84.2%</b>	<b>84.2%</b>	<b>0.0%</b>

Banking Exposure	Q1 2011	Q2 2011	Difference
Germany	1.6%	3.5%	1.9%
Netherlands	1.1%	3.0%	1.9%
France	3.6%	2.9%	-0.7%
Austria	1.0%	1.3%	0.3%
Japan	0.0%	1.3%	1.3%
Switzerland	0.5%	1.1%	0.6%
Denmark	0.0%	0.9%	0.9%
Sweden	0.9%	0.8%	-0.1%
Belgium	0.4%	0.3%	0.0%
United States	0.0%	0.3%	0.3%
Italy	1.3%	0.2%	-1.1%
Australia	0.0%	0.1%	0.1%
United Kingdom	4.1%	0.1%	-4.0%
Spain	1.4%	0.0%	-1.4%
Others	0.0%	0.0%	0.0%
<b>Total</b>	<b>15.8%</b>	<b>15.8%</b>	<b>0.0%</b>

Supranational Exposure	Q1 2011	Q2 2011	Difference
Supranational	0.0%	0.0%	0.0%
<b>Total</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>

<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-</b>
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Source: Ministry of Finance based on JPMorgan information

	2007 <sup>(a)</sup>	2008	2009	2010	2011 Q1	2011 Q2	Since Inception
Return in USD	8.86%	7.59%	2.28%	1.81%	1.74%	2.55%	5.84%
Benchmark in USD	9.10%	7.76%	2.63%	1.99%	1.71%	2.50%	6.04%
Excess return (bp)	-24	-17	-35	-18	3	5	-20
Exchange rate (CLP)	-8.07%	26.80%	-19.50%	-7.52%	2.93%	-2.27%	-3.13%
Return in CLP <sup>(b)</sup>	0.79%	34.39%	-17.22%	-5.71%	4.67%	0.28%	2.71%

<sup>(a)</sup> It's calculated from March 31, 2007, when the performance of Central Bank of Chile started to be measured.

<sup>(b)</sup> Return in CLP corresponds to the sum of the percentage change of the exchange rate CLP/USD and the return in USD.

#### Q2 2011 <sup>(a)</sup>

Standard Deviation	6.64%
Tracking Error (expost) (bp)	19

<sup>(a)</sup> Calculated from the last 30 monthly returns, annualized.

Other Flows in US\$	Q2 2011
Administration (BCCh)	-46,840
Custody (JP Morgan)	-62,378
Others	0
Total Costs	-109,218
Securities Lending	146,608
<b>Total Other flows</b>	<b>37,391</b>

Source: Ministry of Finance based on JPMorgan and BCCh information

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.