



PENSION RESERVE FUND

Quarterly Executive Report as of September 2012

As of September 2012

Changes in Market Value (US\$ million)	2007	2008	2009	2010	2011	2012			Since Inception
						Q1	Q2	Q3	
Starting Market Value ⁽¹⁾	604.63	1,466.35	2,506.76	3,420.83	3,836.70	4,405.60	4,435.88	5,622.52	-
Contributions	736.35	909.07	836.71	337.30	443.32	0.00	1,197.37	0.00	5,064.66
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	75.20	23.54	31.64	37.72	427.07
Capital Gains (Losses)	79.79	60.42	5.85	8.74	50.81	7.04	-42.12	192.92	363.54
Admin., Custody and Other Costs ⁽²⁾	-0.04	-0.33	-0.35	-0.41	-0.43	-0.29	-0.26	-0.18	-2.29
Final Market Value	1,466.35	2,506.76	3,420.83	3,836.70	4,405.60	4,435.88	5,622.52	5,852.98	5,852.98

(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.

Portfolio by Currency as Percentage of Asset Class	USD	EUR	JPY	GBP	CAD	AUD	CHF	Others	Total
Sovereign and Government Related Bonds	28.6%	25.0%	29.5%	6.2%	4.0%	5.3%	0.1%	1.2%	100.0%
Inflation Indexed Sov. Bonds	42.4%	23.6%	0.0%	25.2%	3.6%	1.5%	0.0%	3.7%	100.0%
Corporate Bonds	59.4%	24.2%	4.4%	7.7%	3.2%	0.6%	0.5%	0.1%	100.0%
Equity	49.7%	10.2%	7.3%	8.4%	4.4%	3.2%	3.1%	13.5%	100.0%
Total	40.4%	22.2%	16.1%	10.1%	3.8%	3.4%	0.6%	3.4%	100.0%

Portfolio by Asset Class	US\$ million	% of Total
Sovereign and Government Related Bonds	2,776.22	47.4%
Inflation Indexed Sov. Bonds	976.40	16.7%
Corporate Bonds	1,177.37	20.1%
Equity	922.99	15.8%
Total	5,852.98	100.0%

Portfolio by Country (US\$ million)	Sov. and Gov. Related Bonds	Inflation Indexed Sov. Bonds	Corporate Bonds	Equity	Total
Australia	2.5%	0.2%	0.6%	0.5%	3.8%
Belgium	0.6%	0.0%	0.0%	0.1%	0.7%
Canada	1.9%	0.6%	1.1%	0.7%	4.3%
France	3.0%	2.0%	1.1%	0.5%	6.6%
Germany	3.2%	0.4%	0.2%	0.6%	4.4%
Italy	1.8%	1.5%	0.2%	0.1%	3.6%
Japan	13.1%	0.0%	0.9%	1.2%	15.1%
Netherlands	1.3%	0.0%	1.4%	0.1%	2.9%
Supranational	1.8%	0.0%	0.0%	0.0%	1.8%
United Kingdom	2.8%	4.2%	2.6%	1.3%	10.9%
United States	11.8%	7.1%	9.1%	7.6%	35.6%
Others(1)	3.7%	0.6%	2.9%	3.1%	10.3%
Total	47.4%	16.7%	20.1%	15.8%	100.0%

(1) Includes cash and time deposits.

Fixed Income Portfolio by Credit Rating	Sovereign and Government	Inflation Indexed Sov.	Corporate Bonds	Total Fixed Income
AAA	16.5%	9.7%	0.0%	26.2%
AA+	18.1%	8.4%	0.1%	26.6%
AA	1.1%	0.0%	0.6%	1.8%
AA-	0.6%	0.0%	1.9%	2.6%
A+	15.7%	0.0%	3.0%	18.7%
A	0.3%	0.0%	4.9%	5.2%
A-	0.3%	0.0%	4.5%	4.8%
BBB+	3.5%	1.7%	3.6%	8.9%
BBB	0.0%	0.0%	3.0%	3.0%
BBB-	0.0%	0.0%	1.9%	1.9%
Otros ⁽¹⁾	0.1%	0.0%	0.2%	0.3%
Total	56.3%	19.8%	23.9%	100.0%

(1) Includes cash and time deposits

	2007 ^(a)	2008	2009	2010	2011	2012			Since Inception ^(a)
						Q1	Q2	Q3	
Return in USD	8.86%	7.59%	2.28%	1.81%	3.41%	0.69%	-0.46%	4.10%	5.11%
Excess return (bp)	-24	-17	-36	-18	0	-77	3	2	-31
Exchange rate (CLP)	-8.07%	26.80%	-19.50%	-7.52%	11.34%	-6.08%	4.08%	-7.70%	-2.45%
Return in CLP ^(b)	0.79%	34.39%	-17.22%	-5.71%	14.75%	-5.39%	3.62%	-3.60%	2.66%

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

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

Q3 2012^(a)

Standard Deviation	5.33%
Tracking Error (ex post) (bp) ^(b)	46

^(a) Calculated using the monthly return of the last 3 years, annualized.

^(b) Excludes excess returns of the components of the portfolio that had a temporary waiver due to the implementation of the new investment policy.

Other Flows in US\$	Q3 2012
Administration (BCCh)	-178,847
Custody (JP Morgan)	0
Others	0
Total Costs	-178,847
Securities Lending	48,459
Total Other Flows	-130,397

Source: Ministry of Finance based on JPMorgan and Central Bank of Chile 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 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.