



PENSION RESERVE FUND

Monthly Executive Report as of December 2011

I. Market Value as of December, 2011

The market value of the Pension Reserve Fund (PRF) totaled US\$4,405.60 million as of December, 2011. The market value changed during this month due to: (i) accrued interest of US\$5.46 million, (ii) capital losses on investments of US\$42.08 million, and (iii) administrative, custody, and other costs of US\$0.10 million.

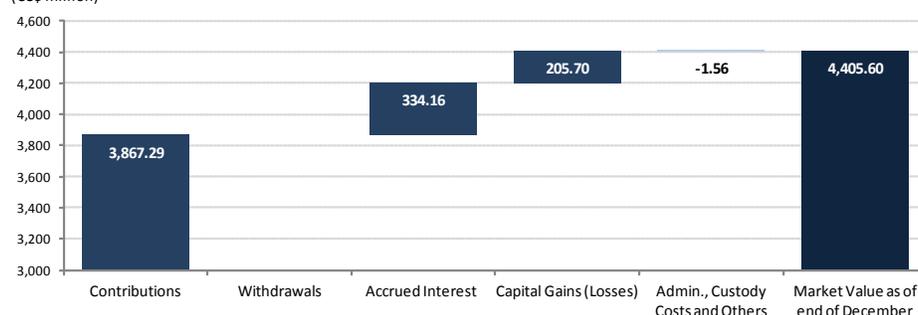
Changes in Market Value (US\$ million)	2007	2008	2009	2010	2011			October	November	December	Since Inception
					1Q	2Q	3Q				
Starting Market Value ⁽¹⁾	604.63	1,466.35	2,506.76	3,420.83	3,836.70	3,903.74	4,444.31	4,428.21	4,493.65	4,442.32	-
Contributions	736.35	909.07	836.71	337.30	0.00	443.32	0.00	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	7.47	5.64	5.46	334.16
Capital Gains (Losses)	79.79	60.42	5.85	8.74	48.60	78.36	-35.08	57.97	-56.95	-42.08	205.70
Admin., Custody and Other Costs ⁽²⁾	-0.04	-0.33	-0.35	-0.41	-0.09	-0.11	-0.12	0.00	-0.02	-0.10	-1.56
Final Market Value	1,466.35	2,506.76	3,420.83	3,836.70	3,903.74	4,444.31	4,428.21	4,493.65	4,442.32	4,405.60	4,405.60

(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.

Changes in Market Value Since Inception

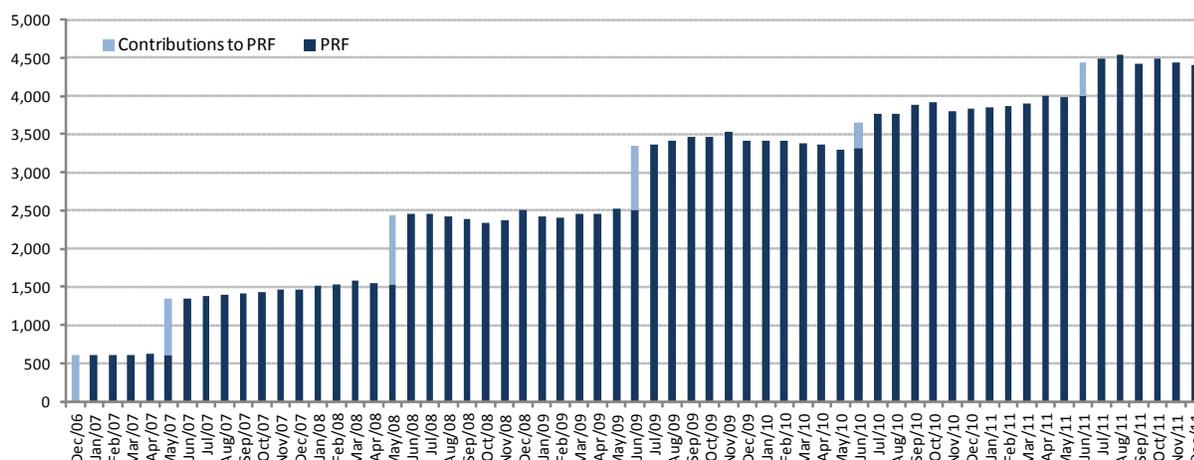
(US\$ million)



By Asset Class (US\$ million)	2007	2008	2009	2010	2011			October	November	December
					1Q	2Q	3Q			
Money Market	439.54	736.05	1,018.55	1,142.37	1,183.84	1,334.63	1,340.14	1,339.73	1,324.95	1,311.07
Sovereign Bonds	974.69	1,686.93	2,280.42	2,559.90	2,582.61	2,954.93	2,933.33	2,995.75	2,961.95	2,940.06
Inflation Indexed Sov. Bonds	52.13	83.79	121.86	134.42	137.28	154.74	154.75	158.17	155.42	154.47
Market Value	1,466.35	2,506.76	3,420.83	3,836.70	3,903.74	4,444.31	4,428.21	4,493.65	4,442.32	4,405.60

By Risk Exposure (US\$ million)	2007	2008	2009	2010	2011			October	November	December
					1Q	2Q	3Q			
Sovereigns	980.14	2,102.55	2,689.79	3,024.63	3,285.34	3,740.76	3,666.27	3,818.46	3,707.85	3,652.58
Banks	439.54	404.21	731.04	812.06	618.40	703.55	761.94	675.19	734.46	753.02
Supranational	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Agencies	46.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Market Value	1,466.35	2,506.76	3,420.83	3,836.70	3,903.74	4,444.31	4,428.21	4,493.65	4,442.32	4,405.60

Historical Market Value
(US\$ million)



II. Return as of December, 2011

Return in December was -0.83% in US dollars and -1.36% in Chilean pesos. Cumulative return in 2011 totaled 3.41% in US dollars and 14.75% in Chilean pesos. Annualized return since inception was 5.01% in US dollars and 4.30% in Chilean pesos.

Returns ^(a)	December	Last 3 Months	Year to Date	Last 12 Months	Last 3 Years (Annualized)	Since Inception (Annualized) ^(b)
Local Currency	0.52%	0.72%	4.00%	4.00%	2.64%	4.09%
Exchange Rate Return	-1.35%	-1.24%	-0.59%	-0.59%	-0.14%	0.92%
Return in USD	-0.83%	-0.52%	3.41%	3.41%	2.50%	5.01%
Exchange Rate (CLP)	-0.53%	1.23%	11.34%	11.34%	-6.06%	-0.71%
Return in CLP ^(c)	-1.36%	0.71%	14.75%	14.75%	-3.56%	4.30%

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

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

(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 December, 2011

Portfolio by Credit Risk	US\$ million	% from Total
<i>Sovereign Exposure by Country</i>		
USA	1,839.12	41.75%
Germany	1,435.19	32.58%
Japan	378.27	8.59%
Total Sovereign Exposure	3,652.58	82.91%
<i>Bank Exposure by Country</i>		
Netherlands	264.97	6.01%
Germany	225.86	5.13%
Austria	78.94	1.79%
Norway	63.48	1.44%
Japan	38.08	0.86%
Denmark	32.00	0.73%
United Kingdom	24.67	0.56%
Sweden	23.41	0.53%
Others	1.61	0.04%
Total Bank Exposure	753.02	17.09%
Total	4,405.60	100.00%

Portfolio by Currency	US\$ million	% from Total
<i>Sovereign</i>		
USD	1,839.12	41.75%
EUR	1,435.19	32.58%
JPY	378.27	8.59%
Total	3,652.58	82.91%
<i>Banks</i>		
USD	358.41	8.14%
EUR	327.36	7.43%
JPY	67.25	1.53%
Total	753.02	17.09%
<i>Supranational</i>		
USD	0.00	0.00%
EUR	0.00	0.00%
JPY	0.00	0.00%
Total	0.00	0.00%
<i>Agencies</i>		
USD	0.00	0.00%
EUR	0.00	0.00%
JPY	0.00	0.00%
Total	0.00	0.00%
Total	4,405.60	100.00%

Portfolio by Issuer Credit Rating			
Credit Rating	Sovereigns	Banks	Total
AAA	74.32%	4.75%	79.07%
AA+	0.00%	0.00%	0.00%
AA	8.59%	0.00%	8.59%
AA-	0.00%	0.00%	0.00%
A+	0.00%	5.15%	5.15%
A	0.00%	6.46%	6.46%
A-	0.00%	0.00%	0.00%
BBB+	0.00%	0.70%	0.70%
Others	0.00%	0.04%	0.04%
Total	82.91%	17.09%	100.00%

Duration		Years
Sovereign		3.00
Banks		0.04
Supranational		0.00
Agencies		0.00
Total		2.50