



PENSION RESERVE FUND

Monthly Executive Report as of May 2012

I. Market Value as of May, 2012

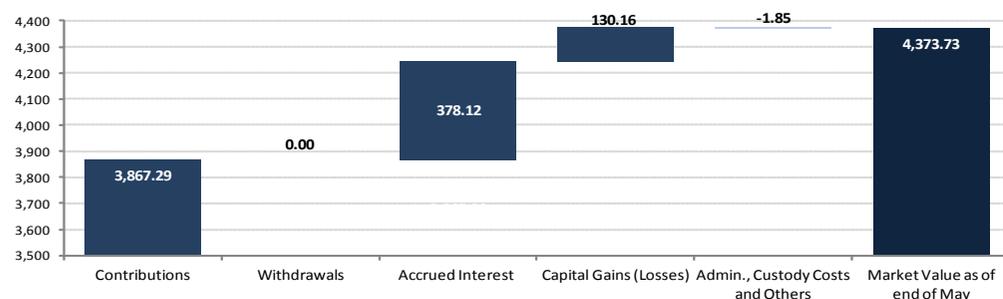
The market value of the Pension Reserve Fund (PRF) totaled US\$ 4,373.73 million as of May, 2012. The market value changed during this month due to: (i) accrued interest of US\$ 9.99 million and (ii) capital losses on investments of US\$ 107.67 million.

| Changes in Market Value (US\$ million) | 2007 | 2008 | 2009 | 2010 | 2011 | Q1 | 2012 April | May | Since Inception |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Starting Market Value ⁽¹⁾ | 604.63 | 1,466.35 | 2,506.76 | 3,420.83 | 3,836.70 | 4,405.60 | 4,435.88 | 4,471.41 | 0.00 |
| Contributions | 736.35 | 909.07 | 836.71 | 337.30 | 443.32 | 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 |
| Accrued Interest | 45.62 | 71.25 | 71.86 | 70.23 | 75.20 | 23.54 | 10.43 | 9.99 | 378.12 |
| Capital Gains (Losses) | 79.79 | 60.42 | 5.85 | 8.74 | 50.81 | 7.04 | 25.09 | -107.67 | 130.16 |
| Admin., Custody and Other Costs ⁽²⁾ | -0.04 | -0.33 | -0.35 | -0.41 | -0.43 | -0.29 | 0.00 | 0.00 | -1.85 |
| Final Market Value | 1,466.35 | 2,506.76 | 3,420.83 | 3,836.70 | 4,405.60 | 4,435.88 | 4,471.41 | 4,373.73 | 4,373.73 |

(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 | Q1 ⁽¹⁾ | 2012 April | May |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------|-----------------|-----------------|
| 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 | 2,152.71 | 2,178.72 | 2,174.14 |
| Inflation Indexed Sov. Bonds | 52.13 | 83.79 | 121.86 | 134.42 | 154.47 | 705.11 | 714.88 | 697.81 |
| Corporate Bonds | - | - | - | - | - | 890.94 | 898.00 | 882.05 |
| Equity | - | - | - | - | - | 687.13 | 679.81 | 619.73 |
| Market Value | 1,466.35 | 2,506.76 | 3,420.83 | 3,836.70 | 4,405.60 | 4,435.88 | 4,471.41 | 4,373.73 |

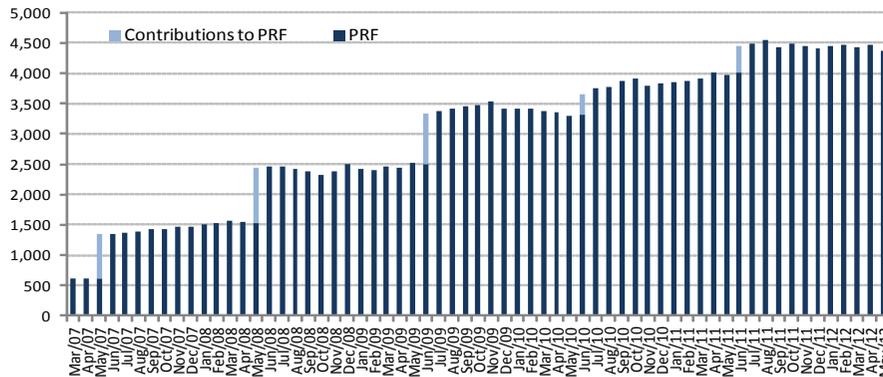
(1) The new investment policy was implemented between January and mid-March. This policy considers the following asset classes: Sovereign and Government Related Bonds, Inflation Indexed Sovereign Bonds, Corporate Bonds, and Equity.

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

| By Risk Exposure ⁽¹⁾ (US\$ million) | 2007 | 2008 | 2009 | 2010 | 2011 | Q1 | 2012 April | May |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Sovereign and Government Related | 1,026.81 | 2,102.55 | 2,689.79 | 3,024.63 | 3,652.58 | 2,795.87 | 2,880.06 | 2,859.41 |
| Banks | 439.54 | 404.21 | 731.04 | 812.06 | 753.02 | 85.25 | 33.92 | 16.07 |
| Corporate Bonds | - | - | - | - | - | 868.29 | 878.94 | 879.37 |
| Equity | - | - | - | - | - | 686.47 | 678.49 | 618.87 |
| Market Value | 1,466.35 | 2,506.76 | 3,420.83 | 3,836.70 | 4,405.60 | 4,435.88 | 4,471.41 | 4,373.73 |

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

Historical Market Value
(US\$ million)



II. Return as of May, 2012

Return in May was -2.18% in US dollars and 4.96% in Chilean pesos. Cumulative return during the year totaled -0.72% in US dollars and -1.40% in Chilean pesos. Annualized return since inception was 4.45% in US dollars and 3.67% in Chilean pesos.

| Returns ^(a) | May | Last 3 Months ^(b) | YTD ^(b) | Last 12 months ^(b) | Last 3 years (annualized) ^(b) | Since Inception ^{(b) (c)} |
|---|---------------|------------------------------|--------------------|-------------------------------|--|------------------------------------|
| Sovereign and Government Related Bonds | -0.51% | -0.04% | | | | |
| Inflation Indexed Sov. Bonds | -1.47% | -1.55% | | | | |
| Corporate Bonds | -1.78% | -1.84% | | | | |
| Equity | -8.84% | -9.17% | | | | |
| Total Portfolio | -2.18% | -2.04% | -0.72% | -1.03% | 2.13% | 4.45% |
| Exchange rate (CLP) | 7.14% | 8.48% | -0.68% | 10.80% | -2.84% | -0.78% |
| Return in CLP^(d) | 4.96% | 6.44% | -1.40% | 9.77% | -0.71% | 3.67% |

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

(b) Returns by asset class are unavailable before January 17, 2012.

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

(d) 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.

II. Portfolio Composition and Duration as of May, 2012

| Portfolio by Asset Class | US\$ million | % from Total |
|--|-----------------|---------------|
| Sovereign and Government Related Bonds | 2,174.14 | 49.7% |
| Inflation Indexed Sov. Bonds | 697.81 | 16.0% |
| Corporate Bonds | 882.05 | 20.2% |
| Equity | 619.73 | 14.2% |
| Total | 4,373.73 | 100.0% |

| Duration | Years |
|--|------------|
| Sovereign and Government Related Bonds | 6.5 |
| Inflation Indexed Sov. Bonds | 11.7 |
| Corporate Bonds | 5.8 |
| Total | 7.3 |

| Portfolio by Currency as percentage of Asset Class | USD | EUR | JPY | GBP | CAD | AUD | CHF | OTHERS | Total |
|--|--------------|--------------|--------------|-------------|-------------|-------------|-------------|-------------|---------------|
| Sovereign and Government | 29.7% | 25.6% | 29.5% | 5.5% | 4.5% | 3.9% | 0.1% | 1.1% | 100.0% |
| Inflation Indexed Sov. Bonds | 43.4% | 21.7% | 0.0% | 26.5% | 3.5% | 1.4% | 0.0% | 3.5% | 100.0% |
| Corporate Bonds | 59.3% | 23.8% | 5.5% | 7.2% | 3.0% | 0.5% | 0.5% | 0.1% | 100.0% |
| Equity | 50.8% | 9.3% | 7.9% | 8.3% | 4.4% | 3.1% | 3.0% | 13.1% | 100.0% |
| Total | 40.9% | 22.3% | 16.9% | 9.6% | 4.0% | 2.7% | 0.6% | 3.0% | 100.0% |

| | Fixed Income Portfolio by Credit Rating | | | |
|-----------------------|---|------------------------------|-----------------|--------------------|
| | Sovereign and Government Related | Inflation Indexed Sov. Bonds | Corporate Bonds | Total Fixed Income |
| AAA | 18.1% | 9.2% | 0.0% | 27.4% |
| AA+ | 17.5% | 8.1% | 0.2% | 25.9% |
| AA | 1.1% | 0.0% | 0.6% | 1.7% |
| AA- | 0.7% | 0.0% | 2.0% | 2.7% |
| A+ | 15.9% | 0.0% | 4.1% | 20.1% |
| A | 0.1% | 0.0% | 4.6% | 4.8% |
| A- | 2.0% | 1.2% | 4.4% | 7.6% |
| BBB+ | 2.1% | 0.0% | 7.4% | 9.5% |
| Others ⁽¹⁾ | 0.3% | 0.0% | 0.0% | 0.3% |
| Total | 57.9% | 18.6% | 23.5% | 100.0% |

(1) Includes cash and time deposits

| Portfolio by Country (US\$ million) | Sovereign and Government Related Bonds | Inflation Indexed Sov. Bonds | Corporate Bonds | Equity | Total |
|-------------------------------------|--|------------------------------|-----------------|---------------|-----------------|
| Germany | 201.99 | 21.22 | 12.83 | 20.72 | 256.75 |
| Australia | 84.26 | 9.96 | 25.80 | 19.20 | 139.22 |
| Belgium | 18.87 | 0.00 | 1.46 | 2.25 | 22.58 |
| Canada | 97.66 | 24.75 | 49.96 | 27.02 | 199.39 |
| S.Korea | 0.00 | 0.00 | 4.53 | 11.66 | 16.19 |
| Spain | 0.00 | 0.00 | 13.76 | 5.21 | 18.97 |
| United States | 524.87 | 305.32 | 377.31 | 305.28 | 1,512.78 |
| France | 169.98 | 86.20 | 45.82 | 18.89 | 320.89 |
| Netherlands | 75.30 | 0.00 | 66.43 | 5.79 | 147.51 |
| Italy | 69.37 | 45.37 | 8.06 | 4.48 | 127.28 |
| Japan | 587.10 | 0.00 | 47.01 | 49.28 | 683.38 |
| United Kingdom | 110.62 | 186.61 | 121.18 | 51.42 | 469.83 |
| Supranational | 63.49 | 0.00 | 0.00 | 0.00 | 63.49 |
| Others ⁽¹⁾ | 170.63 | 18.38 | 107.90 | 98.54 | 395.45 |
| Total | 2,174.14 | 697.81 | 882.05 | 619.73 | 4,373.73 |

(1) Includes cash and time deposits