

Press Release



SUPERINTENDENCIA
VALORES Y SEGUROS

SVS Provides Information of Interest for Mutual Fund Participants

Given that varying information has been going out to mutual fund contributors regarding the valuation of portfolios with funds invested in short-term (90 days or less) debt instruments (Type 1 Funds), the Superintendencia de Valores y Seguros (SVS) clarifies the following:

- a) The valuation of instruments that make up the mutual fund investment portfolio is done according to current regulations, contained in Circular No. 1,579, issue on January 17, 2002.
- b) These regulations establish that Type 1 Mutual Funds must value the instruments that comprise their investment portfolio “at the resulting value after updating the future payment or payments of each instrument, using the internal rate of return implicit in the instrument acquisition (Purchase IRR) as the rate of discount. Nevertheless, **when the CEO of the administrating company determines that there are significant differences between one or more instruments between the valuation at the Purchase IRR and the rate given by the valuation model referred to in Title I, Number 1, Section 1.2.1, letter a), of the present Circular, the latter must be used for the valuation of these instruments**”.
- c) The instructions of this circular, **from its issuance, with respect to the valuation of Type 1 Mutual Funds, have not suffered any major modifications** and are fully in effect, since fund administrators must value their respective investment portfolios on a daily basis. For this reason, the adjustments made by companies in charge of mutual fund administration respond exclusively to the exercise of authority and obligations given to the CEOs by current regulations, in the correct valuation of Type 1 Mutual Funds, and it is in use of this authority that fund administrators informed the SVS that they had proceeded to make the necessary adjustments in the valuation of their investment portfolios.
- d) These regulations are aimed at ensuring that the value of the payment effectively corresponds to the market value of all instruments that comprise the investment portfolio of each fund, part of which must be occasionally transferred from recoveries requested by the contributors. **It should be noted that the regulations seek to avoid prejudice against less-informed investors, which may be at a disadvantage in the event of significant differences between the rate of acquisition of an instrument and its valuation in the market.**

- e) **Each fund administrator must work to ensure that information provided to its participants is adjusted based on current regulations; otherwise, they may be subject to administrative sanctions from the SVS.**

Seven things that an investor must consider

A mutual fund corresponds to equity made up of contributions by individuals and companies, called participants, for their investment in public offer securities.

When investing in a mutual fund, the contributor's money is managed by a fund administration company specialized in investment portfolio administration, in such a way that the interest payment may be representative of national and/or International financial instruments, among which shares and bonds are included.

1. **It is important that those people interested in investing in mutual funds get information about who will be in charge of administration of their funds: their experience, professional career path, administered amounts, number of participants, etc.**
2. Mutual funds are supervised by the SVS, as well as the fund administration companies.
3. When investing in mutual funds, the investor acquires participation interest payments, **and these may be recovered partially or fully at any moment**, subject to the conditions agreed upon with the fund administrator.
4. **The value of each interest payment is variable, that is, it may increase or decrease on a daily basis due to fluctuations in the price of the instruments that comprise the investment portfolio**, and also based on the investment decisions made by the administrator.
5. Information about a determined mutual fund can be found in its Internal Regulations and Interest Payment Registration Contract, which contain: identification of the fund, investment policy, compensation, administration fees, conditions for registration and interest payment recovery, among others. At the same time, the Internal Regulations of a determined Mutual Fund can be found on the SVS website:
<http://www.svs.cl/sitio/mercados/consulta.php?mercado=V&entidad=RGFMU>
6. It is important to emphasize that **it is not possible to ensure profitability when investing in mutual funds**, except for "Guaranteed Structured Mutual Funds" that guarantee profits at the end of the term, under conditions defined by their Internal Regulations.
7. For more information you can go to the SVS website, Investor Education section (<http://www.svs.cl/sitio/inversionista/inversionistas.php>), the SVS offices (Alameda 1449, Information Office, first floor), or call: **600-473 8000 and/or 473 4000**.

Santiago, October 7, 2008.