



# ECONOMIC AND SOCIAL STABILIZATION FUND

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Monthly Executive Report as of January 2015

## I. Market Value as of January, 2015

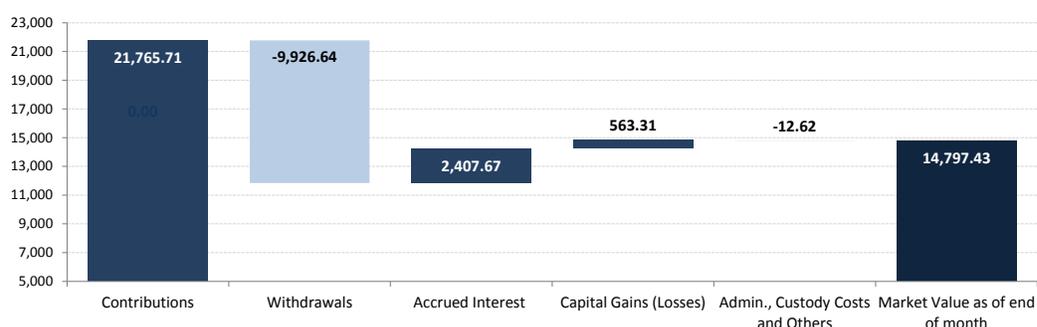
The market value of the Economic and Social Stabilization Fund (ESSF) totaled US\$14,797.42 million as of January of 2015. The market value changed during this month due to: (i) accrued interest of US\$14.40 million, (ii) capital gains on investments of US\$94.45 million and (iii) administrative, custody and others costs of US\$ 0.24 million.

Changes in Market Value (US\$ million)	2007	2008	2009	2010	2011	2012	2013	2014				2015	Since Inception <sup>(1)</sup>
								Q1	Q2	Q3	Q4	January	
Starting Market Value	0.00	14,032.61	20,210.68	11,284.78	12,720.10	13,156.64	14,997.52	15,419.13	15,724.43	15,514.02	14,937.53	14,688.82	0.00
Contributions	13,100.00	5,000.00	0.00	1,362.33	0.00	1,700.00	603.39	0.00	0.00	0.00	0.00	0.00	21,765.71
Withdrawals	0.00	0.00	-9,277.71	-150.00	0.00	0.00	0.00	0.00	-498.93	0.00	0.00	0.00	-9,926.64
Accrued Interest	326.15	623.95	404.27	227.63	236.99	201.89	184.10	49.79	52.40	44.02	42.08	14.40	2,407.67
Capital Gains (Losses)	606.81	556.08	-50.83	-3.51	200.71	-59.71	-363.71	256.12	236.73	-619.62	-290.20	94.45	563.31
Admin., Custody and Other Costs <sup>(2)</sup>	-0.35	-1.96	-1.62	-1.13	-1.16	-1.30	-2.17	-0.60	-0.60	-0.90	-0.58	-0.24	-12.62
<b>Final Market Value</b>	<b>14,032.61</b>	<b>20,210.68</b>	<b>11,284.78</b>	<b>12,720.10</b>	<b>13,156.64</b>	<b>14,997.52</b>	<b>15,419.13</b>	<b>15,724.43</b>	<b>15,514.02</b>	<b>14,937.53</b>	<b>14,688.82</b>	<b>14,797.43</b>	<b>14,797.43</b>

<sup>(1)</sup> The ESSF was established by the merger of the fiscal assets saved under Decree Law N° 3.653 (1981) with those of the Copper Income Compensation Fund. The first payment into the new fund was made on March 6, 2007.

<sup>(2)</sup> 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	2012	2013 <sup>(1)</sup>	2014				2015
								Q1	Q2	Q3	Q4	January
Money Market <sup>(2)</sup>	4,216.29	5,957.12	3,373.66	3,773.50	3,939.33	4,488.14	5,107.57	5,236.27	5,091.13	5,052.89	4,934.76	5,021.99
Sovereign Bonds	9,323.73	13,583.62	7,508.85	8,501.34	8,755.83	9,987.37	8,524.08	8,584.55	8,828.75	8,226.44	8,099.28	8,131.91
Sovereign Inflation Linked Bonds	492.59	669.93	402.27	445.26	461.48	522.01	541.64	643.85	431.17	521.30	512.29	518.86
Equities	-	-	-	-	-	-	1,245.83	1,259.76	1,162.97	1,136.90	1,142.49	1,124.67
<b>Market Value</b>	<b>14,032.61</b>	<b>20,210.68</b>	<b>11,284.78</b>	<b>12,720.10</b>	<b>13,156.64</b>	<b>14,997.52</b>	<b>15,419.13</b>	<b>15,724.43</b>	<b>15,514.02</b>	<b>14,937.53</b>	<b>14,688.82</b>	<b>14,797.43</b>

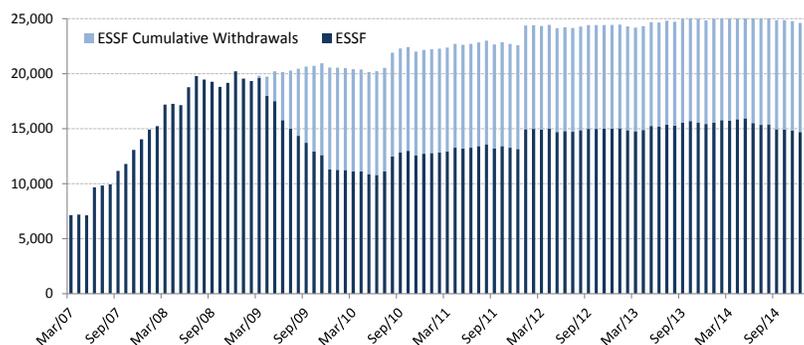
<sup>(1)</sup> In August a new investment policy that includes equities was implemented.

<sup>(2)</sup> Includes sovereign bills and commercial money market.

By Risk Exposure (US\$ million)	2007	2008	2009	2010	2011	2012	2013 <sup>(1)</sup>	2014				2015
								Q1	Q2	Q3	Q4	January
Sovereigns	9,283.19	16,617.20	8,913.96	10,112.22	10,949.50	12,746.00	11,450.71	11,973.43	11,390.48	10,497.48	9,773.08	10,344.63
Banks	4,216.29	3,593.47	2,370.82	2,607.88	2,207.14	2,251.52	2,722.58	2,491.23	2,960.58	3,303.15	3,773.24	3,328.13
Agencies	533.12	-	-	-	-	-	-	-	-	-	-	-
Equities	-	-	-	-	-	-	1,245.83	1,259.76	1,162.97	1,136.90	1,142.49	1,124.67
<b>Market Value</b>	<b>14,032.61</b>	<b>20,210.68</b>	<b>11,284.78</b>	<b>12,720.10</b>	<b>13,156.64</b>	<b>14,997.52</b>	<b>15,419.13</b>	<b>15,724.43</b>	<b>15,514.02</b>	<b>14,937.53</b>	<b>14,688.82</b>	<b>14,797.43</b>

<sup>(1)</sup> In August a new investment policy that includes equities was implemented.

**Market Value**  
(US\$ million)



## II. Return as of January 2015

Return in January was 0.74% in US dollars and 3.88% in Chilean pesos. Cumulative return during the year totaled 0.74% in US dollars and 3.88% in Chilean pesos. Annualized return since inception was 2.88% in US dollars and 4.81% in Chilean pesos.

Returns <sup>(a)</sup>	Month	Last 3 Months	Year to Date	Last 12 Months	Last 3 Years (Annualized)	Since Inception (Annualized) <sup>(b)</sup>
Money Market and Sovereign Bonds	0.97%	-0.74%	0.97%	-2.56%		
Sovereign Inflation Linked Bonds	-0.05%	-2.37%	-0.05%	-3.41%		
Equities	-1.56%	-1.81%	-1.56%	7.13%		
<b>Return in USD</b>	<b>0.74%</b>	<b>-0.88%</b>	<b>0.74%</b>	<b>-1.85%</b>	<b>-0.64%</b>	<b>2.88%</b>
Exchange Rate (CLP)	3.14%	8.64%	3.14%	14.48%	8.60%	1.93%
<b>Return in CLP<sup>(c)</sup></b>	<b>3.88%</b>	<b>7.76%</b>	<b>3.88%</b>	<b>12.63%</b>	<b>7.96%</b>	<b>4.81%</b>

<sup>(a)</sup> Time Weighted Return (it's calculated as the growth rate of the funds that were invested throughout the period).

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

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

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.

## II. Portfolio Composition and Duration as of January 2015

Portfolio by Country and Credit Exposures	US\$ million	% of Total
<b>Nominal Sovereign Exposure</b>		
U.S.A.	4,476.73	30.3%
Japan	2,647.06	17.9%
Germany	1,621.27	11.0%
Switzerland	1,080.71	7.3%
<b>Total Nominal Sovereign Exposure</b>	<b>9,825.77</b>	<b>66.4%</b>
<b>Sovereign Inflation Linked Exposure</b>		
U.S.A.	376.39	2.5%
Germany	142.47	1.0%
Others <sup>(1)</sup>	-	0.0%
<b>Total Sovereign Inflation Linked Exposure</b>	<b>518.86</b>	<b>3.5%</b>
<b>Banking Exposure</b>		
France	771.78	5.2%
Germany	588.04	4.0%
Japan	378.90	2.6%
Denmark	377.09	2.5%
Netherlands	344.06	2.3%
United Kingdom	279.93	1.9%
Australia	156.90	1.1%
China	154.32	1.0%
Belgium	149.20	1.0%
Israel	85.86	0.6%
Others <sup>(1)</sup>	42.04	0.3%
<b>Total Banking Exposure</b>	<b>3,328.13</b>	<b>22.5%</b>
<b>Equities Exposure</b>		
U.S.A.	603.29	4.1%
Japan	83.48	0.6%
United Kingdom	80.15	0.5%
Germany	48.76	0.3%
Hong Kong	38.94	0.3%
Canada	37.26	0.3%
France	36.48	0.2%
Switzerland	36.13	0.2%
Australia	28.42	0.2%
South Korea	17.67	0.1%
Spain	12.88	0.1%
Sweden	11.96	0.1%
Netherlands	11.65	0.1%
Brazil	9.93	0.1%
Others <sup>(1)</sup>	67.67	0.5%
<b>Total Equities Exposure</b>	<b>1,124.67</b>	<b>7.6%</b>
<b>Portfolio Total</b>	<b>14,797.43</b>	<b>100.0%</b>

<sup>(1)</sup> includes cash and cash equivalents

Duration	Years
Sovereign Bills and Bonds	6.4
Sovereign Inflation Linked Bonds	5.2
Banking	0.3
<b>Portfolio Total</b>	<b>4.9</b>

Portfolio by Asset Classes	US\$ million	% of Total
Sovereign and Banking	13,153.90	88.9%
Sovereign Inflation Linked Bonds	518.86	3.5%
Equities	1,124.67	7.6%
<b>Portfolio Total</b>	<b>14,797.43</b>	<b>100.0%</b>

Portfolio by Issuer Credit Rating	Sovereigns	Banking	Fixed Income Total
Credit Rating			
AAA	56.3%	0.0%	56.3%
AA+	0.0%	0.0%	0.0%
AA	0.0%	0.0%	0.0%
AA-	0.0%	3.1%	3.1%
A+	19.4%	5.3%	24.6%
A	0.0%	13.0%	13.0%
A-	0.0%	2.9%	2.9%
Others	0.0%	0.1%	0.1%
<b>Fixed Income Total</b>	<b>75.7%</b>	<b>24.3%</b>	<b>100.0%</b>