



ECONOMIC AND SOCIAL STABILIZATION FUND

Monthly Executive Report as of January 2016

I. Market Value as of January, 2016

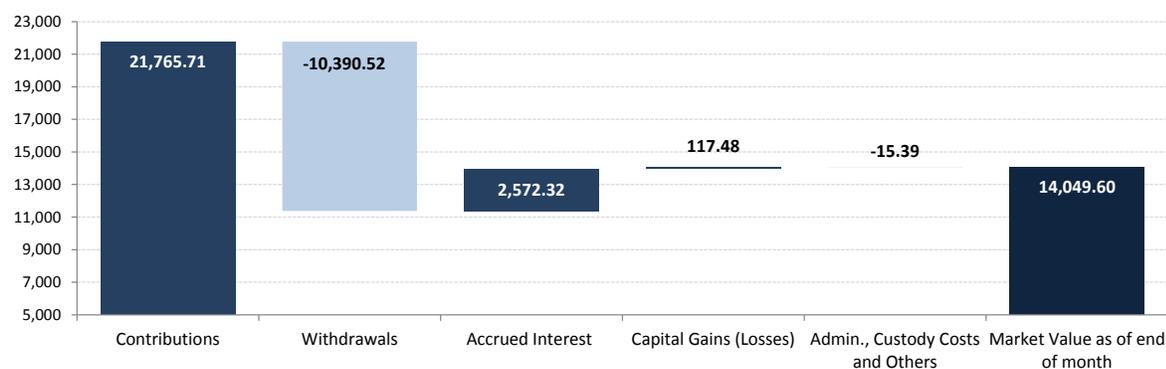
The market value of the Economic and Social Stabilization Fund (ESSF) totaled US\$14,049.60 million as of January of 2016. The market value changed during this month due to: (i) accrued interest of US\$11.98 million, (ii) capital gains on investments of US\$71.48 million and (iii) administrative, custody and others costs of US\$ 0.14 million.

Changes in Market Value (US\$ million)	2007	2008	2009	2010	2011	2012	2013	2014	2015				2016 January	Since Inception ⁽¹⁾
									Q1	Q2	Q3	Q4		
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	14,688.82	14,487.40	13,998.07	14,094.39	13,966.28	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	0.00	21,765.71
Withdrawals	0.00	0.00	-9,277.71	-150.00	0.00	0.00	0.00	-498.93	0.00	-463.88	0.00	0.00	0.00	-10,390.52
Accrued Interest	326.15	623.95	404.27	227.63	236.99	201.89	184.10	188.28	41.91	48.33	38.27	38.57	11.98	2,572.32
Capital Gains (Losses)	606.81	556.08	-50.83	-3.51	200.71	-59.71	-363.71	-416.97	-242.67	-73.10	58.83	-165.93	71.48	117.48
Admin., Custody and Other Costs ⁽²⁾	-0.35	-1.96	-1.62	-1.13	-1.16	-1.30	-2.17	-2.69	-0.67	-0.68	-0.78	-0.74	-0.14	-15.39
Final Market Value	14,032.61	20,210.68	11,284.78	12,720.10	13,156.64	14,997.52	15,419.13	14,688.82	14,487.40	13,998.07	14,094.39	13,966.28	14,049.60	14,049.60

⁽¹⁾ 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.

⁽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	2012	2013 ⁽¹⁾	2014	2015				2016 January
									Q1	Q2	Q3	Q4	
Money Market ⁽²⁾	4,216.29	5,957.12	3,373.66	3,773.50	3,939.33	4,488.14	5,107.57	4,934.76	4,900.88	4,892.17	4,812.42	4,766.70	4,786.78
Sovereign Bonds	9,323.73	13,583.62	7,508.85	8,501.34	8,755.83	9,987.37	8,524.08	8,099.28	7,917.09	7,574.40	7,840.34	7,720.56	7,829.55
Sovereign Inflation Linked Bonds	492.59	669.93	402.27	445.26	461.48	522.01	541.64	512.29	499.60	492.43	499.38	489.36	502.51
Equities	-	-	-	-	-	-	1,245.83	1,142.49	1,169.82	1,039.06	942.24	989.65	930.76
Market Value	14,032.61	20,210.68	11,284.78	12,720.10	13,156.64	14,997.52	15,419.13	14,688.82	14,487.40	13,998.07	14,094.39	13,966.28	14,049.60

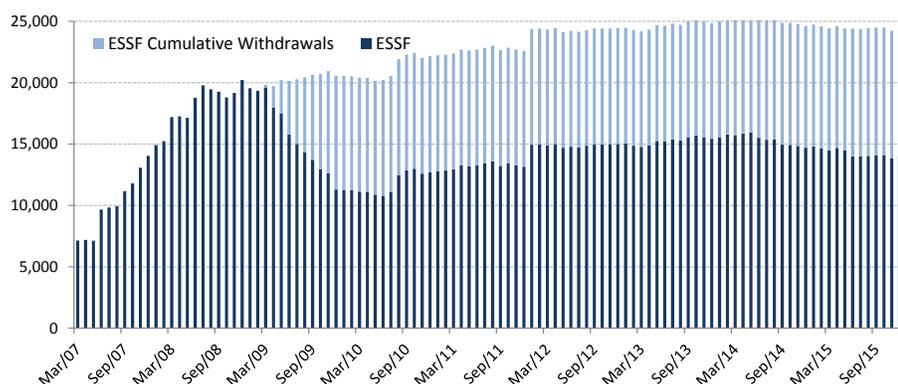
⁽¹⁾ In August 2013 a new investment policy that includes equities was implemented.

⁽²⁾ Includes sovereign bills and commercial money market.

By Risk Exposure (US\$ million)	2007	2008	2009	2010	2011	2012	2013 ⁽¹⁾	2014	2015				2016 January
									Q1	Q2	Q3	Q4	
Sovereigns	9,283.19	16,617.20	8,913.96	10,112.22	10,949.50	12,746.00	11,450.71	9,773.08	10,170.15	9,706.70	10,122.17	9,780.39	10,044.84
Banks	4,216.29	3,593.47	2,370.82	2,607.88	2,207.14	2,251.52	2,722.58	3,773.24	3,147.42	3,252.31	3,029.98	3,196.23	3,074.00
Agencies	533.12	-	-	-	-	-	-	-	-	-	-	-	-
Equities	-	-	-	-	-	-	1,245.83	1,142.49	1,169.82	1,039.06	942.24	989.65	930.76
Market Value	14,032.61	20,210.68	11,284.78	12,720.10	13,156.64	14,997.52	15,419.13	14,688.82	14,487.40	13,998.07	14,094.39	13,966.28	14,049.60

⁽¹⁾ In August 2013 a new investment policy that includes equities was implemented.

Market Value
(US\$ million)



II. Return as of January 2016

Return in US dollars was 0.60% in January. This was mainly due to the positive return of the Money Market and Sovereign Bonds of 1.10%, and the Sovereign Inflation Linked Bonds of 1.04%. By month-end these portfolios represented 89.8% and 3.6% of the fund, respectively. The Equity portfolio, 6.6% of the fund, experienced a negative return of 5.95%. Money Market and Sovereign Bonds portfolios' returns were explained mainly by local currency performance resulting from interest rate reductions in U.S.A., Germany, Japan, and Switzerland. This effect was compensated in part by the depreciation of the main currencies that compound the portfolio in relation to dolar. The monthly performance of the Sovereign Inflation Indexed Bonds was also positive due to the interest rate reduction in the main countries in which that portfolio is invested. The return of the fund in pesos during January was 1.22%, explained mostly by the dollar appreciation of 0.62% relative to peso. Annualized return since inception was 2.33% in dollars and 5.51% in pesos.

Returns ^(a)	Month	Last 3 Months	Year to Date	Last 12 Months	Last 3 Years (Annualized)	Since Inception (Annualized) ^(b)
Money Market and Sovereign Bonds	1.10%	0.25%	1.10%	-1.64%		
Sovereign Inflation Linked Bonds	1.04%	-0.22%	1.04%	-2.18%		
Equities	-5.95%	-8.39%	-5.95%	-6.11%		
Return in USD	0.60%	-0.39%	0.60%	-1.92%	-1.45%	2.34%
Exchange Rate (CLP)	0.62%	3.10%	0.62%	13.61%	14.72%	3.18%
Return in CLP^(c)	1.22%	2.71%	1.22%	11.69%	13.27%	5.52%

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

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

^(c) 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 2016

Portfolio by Country and Credit Exposures	US\$ million	% of Total
Nominal Sovereign Exposure		
U.S.A.	3,768.75	26.8%
Japan	2,838.53	20.2%
Germany	1,843.74	13.1%
Switzerland	1,063.23	7.6%
Supranational	28.08	0.2%
Total Nominal Sovereign Exposure	9,542.33	67.9%
Sovereign Inflation Linked Exposure		
U.S.A.	359.86	2.6%
Germany	142.65	1.0%
Total Sovereign Inflation Linked Exposure	502.51	3.6%
Banking Exposure		
Germany	666.13	4.7%
France	576.88	4.1%
Spain	406.24	2.9%
Japan	378.38	2.7%
China	243.64	1.7%
Denmark	226.53	1.6%
Netherlands	195.89	1.4%
United Kingdom	174.65	1.2%
Israel	85.87	0.6%
Others ⁽¹⁾	119.79	0.9%
Total Banking Exposure	3,074.00	21.9%
Equities Exposure		
U.S.A.	523.19	3.72%
Japan	73.36	0.52%
United Kingdom	62.76	0.45%
Germany	32.51	0.23%
France	30.47	0.22%
Switzerland	29.87	0.21%
Hong Kong	28.99	0.21%
Canada	26.28	0.19%
Australia	21.42	0.15%
South Korea	13.96	0.10%
Netherlands	10.02	0.07%
Spain	10.01	0.07%
Sweden	8.39	0.06%
Italy	7.22	0.05%
Others ⁽¹⁾	52.30	0.37%
Total Equities Exposure	930.76	6.6%
Total Portfolio	14,049.60	100.0%

⁽¹⁾ includes cash, cash equivalents and unsettled transactions

Duration	Years
Sovereign Bills and Bonds	6.5
Sovereign Inflation Linked Bonds	5.0
Banking	0.2
Portfolio Total	4.8

Portfolio by Asset Classes	US\$ million	% of Total
Sovereign and Banking	12,616.33	89.8%
Sovereign Inflation Linked Bonds	502.51	3.6%
Equities	930.76	6.6%
Portfolio Total	14,049.60	100.0%

Portfolio by Issuer Credit Rating	Sovereigns	Banking	Fixed Income Total
Credit Rating			
AAA	54.7%	0.0%	54.7%
AA+	0.0%	0.0%	0.0%
AA	0.0%	0.0%	0.0%
AA-	0.0%	1.7%	1.7%
A+	21.6%	1.9%	23.5%
A	0.0%	12.1%	12.1%
A-	0.0%	6.9%	6.9%
Others ⁽¹⁾	0.2%	0.9%	1.1%
Fixed Income Total	76.6%	23.4%	100.0%

⁽¹⁾ includes cash, cash equivalents and unsettled transactions