



ECONOMIC AND SOCIAL STABILIZATION FUND

Monthly Executive Report as of October 2013

I. Market Value as of October, 2013

The market value of the Economic and Social Stabilization Fund (ESSF) totaled US\$15,696.3 million as of October of 2013. The market value changed during this month due to: (i) accrued interest of US\$15.8 million and (ii) capital losses on investments of US\$121.0 million.

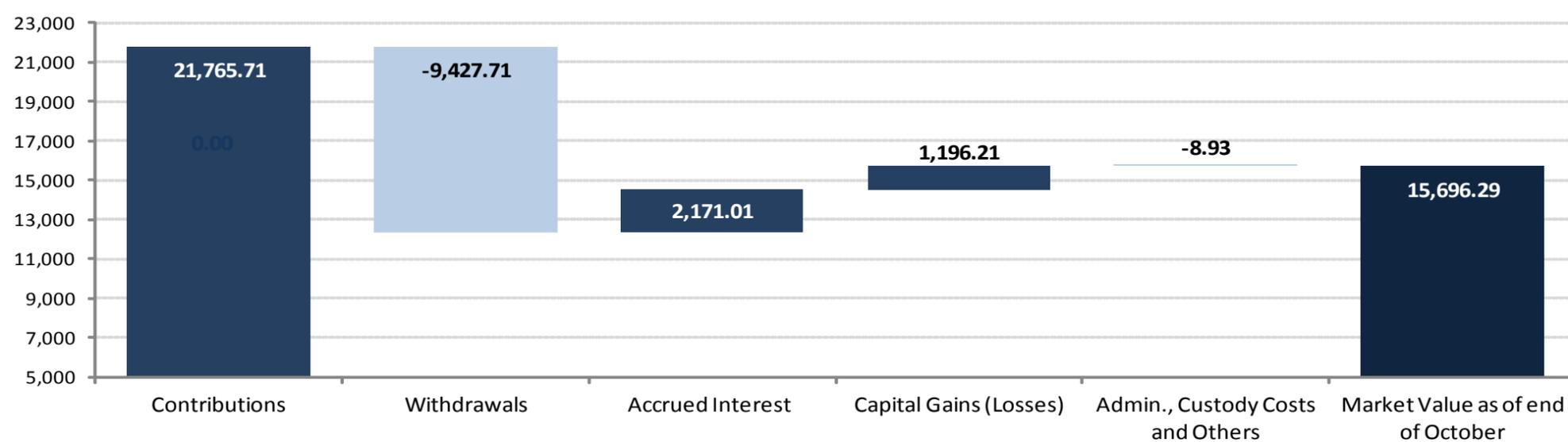
Changes in Market Value (US\$ million)	2007	2008	2009	2010	2011	2012	2013			October	Since Inception ⁽¹⁾
							1Q	2Q	3Q ⁽¹⁾		
Starting Market Value	0.00	14,032.61	20,210.68	11,284.78	12,720.10	13,156.64	14,997.52	14,754.65	15,207.83	15,559.49	0.00
Contributions	13,100.00	5,000.00	0.00	1,362.33	0.00	1,700.00	0.00	603.39	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	0.00	0.00	-9,427.71
Accrued Interest	326.15	623.95	404.27	227.63	236.99	201.89	42.52	45.87	45.97	15.77	2,171.01
Capital Gains (Losses)	606.81	556.08	-50.83	-3.51	200.71	-59.71	-284.88	-195.56	306.08	121.03	1,196.21
Admin., Custody and Other Costs ⁽²⁾	-0.35	-1.96	-1.62	-1.13	-1.16	-1.30	-0.51	-0.51	-0.39	0.00	-8.93
Final Market Value	14,032.61	20,210.68	11,284.78	12,720.10	13,156.64	14,997.52	14,754.65	15,207.83	15,559.49	15,696.29	15,696.29

⁽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 1

⁽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			October
							1Q	2Q	3Q ⁽¹⁾	
Money Market ⁽²⁾	4,216.29	5,957.12	3,373.66	3,773.50	3,939.33	4,488.14	4,385.13	4,571.79	5,367.89	5,235.70
Sovereign Bonds	9,323.73	13,583.62	7,508.85	8,501.34	8,755.83	9,987.37	9,854.70	10,100.34	8,967.56	8,705.56
Sovereign Inflation Linked Bonds	492.59	669.93	402.27	445.26	461.48	522.01	514.82	535.70	598.91	549.28
Equities	-	-	-	-	-	-	-	-	625.14	1,205.75
Market Value	14,032.61	20,210.68	11,284.78	12,720.10	13,156.64	14,997.52	14,754.65	15,207.83	15,559.49	15,696.29

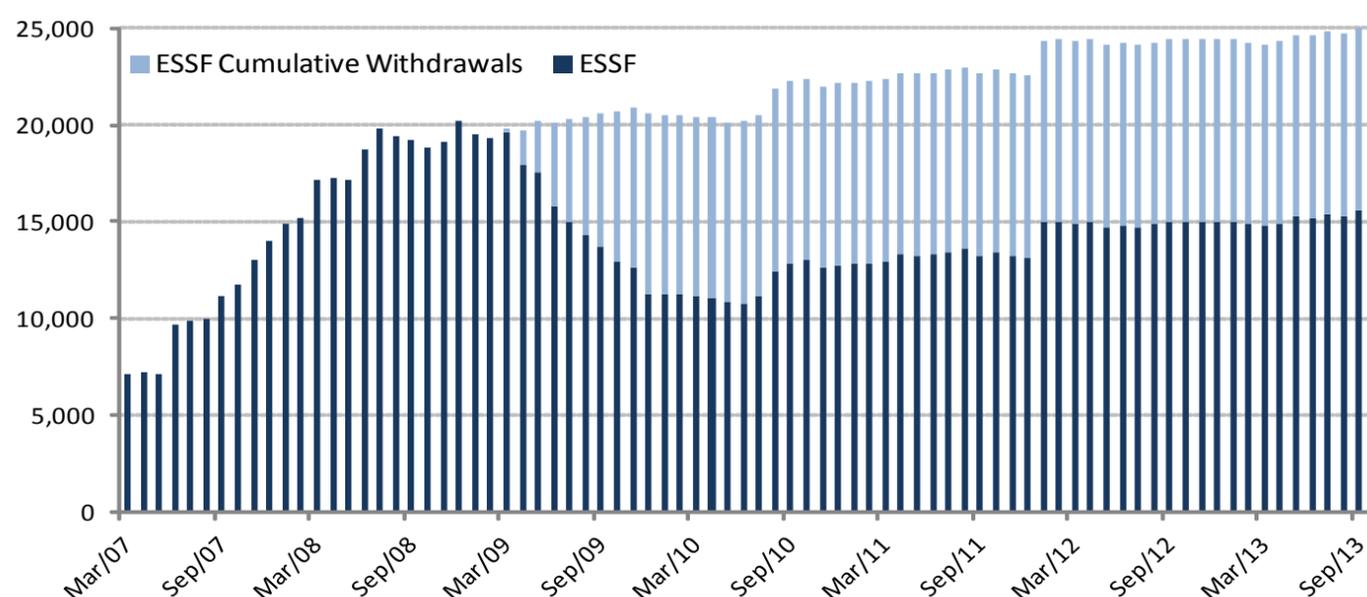
⁽¹⁾ In august a new investment policy that includes equities was implemented.

⁽²⁾ Includes sovereign bills and commercial money market.

By Risk Exposure (US\$ million)	2007	2008	2009	2010	2011	2012	2013			October
							1Q	2Q	3Q ⁽¹⁾	
Sovereigns	9,283.19	16,617.20	8,913.96	10,112.22	10,949.50	12,746.00	12,523.65	12,904.21	12,068.94	11,732.04
Banks	4,216.29	3,593.47	2,370.82	2,607.88	2,207.14	2,251.52	2,230.99	2,303.62	2,865.41	2,758.49
Agencies	533.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-	-
Equities	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	625.14	1,205.75
Market Value	14,032.61	20,210.68	11,284.78	12,720.10	13,156.64	14,997.52	14,754.65	15,207.83	15,559.49	15,696.29

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

Market Value
(US\$ million)



II. Return as of October, 2013

Return in October was 0.88% in US dollars and 2.00% in Chilean pesos. Cumulative return during the year totaled 0.52% in US dollars and 6.78% in Chilean pesos. Annualized return since inception was 3.87% in US dollars and 2.98% in Chilean pesos.

Returns ^(a)	October	Last 3 Months	Year to Date	Last 12 Months	Last 3 Years (Annualized)	Since Inception (Annualized) ^(b)
Money Market and Sovereign Bonds	0.63%					
Sovereign Inflation Linked Bonds	0.50%					
Equities	4.12%					
Return in USD	0.88%	2.06%	0.52%	0.65%	0.94%	3.87%
Exchange Rate (CLP)	1.12%	-1.12%	6.26%	5.95%	1.13%	-0.89%
Return in CLP^(c)	2.00%	0.94%	6.78%	6.60%	2.07%	2.98%

^(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 October 2013

Portfolio by Country and Credit Exposures			Duration			
	US\$ million	% of Total			Years	
Nominal Sovereign Exposure			Sovereign Bills and Bonds			
U.S.A.	4,903.28	31.2%	Sovereign Inflation Linked Bonds			
Germany	2,704.15	17.2%	Banking			
Japan	2,405.71	15.3%	Portfolio Total			
Switzerland	1,169.63	7.5%	4.8			
Total Nominal Sovereign Exposure	11,182.77	71.2%				
Sovereign Inflation Linked Exposure			Portfolio by Asset Classes			
U.S.A.	391.76	2.5%	Sovereign and Banking	13,941.26	88.8%	
Germany	157.50	1.0%	Sovereign Inflation Linked Bonds	549.28	3.5%	
Others ⁽¹⁾	0.02	0.0%	Equities	1,205.75	7.7%	
Total Sovereign Inflation Linked Exposure	549.28	3.5%	Portfolio Total	15,696.29	100.0%	
Banking Exposure			Portfolio by Issuer Credit Rating			
Germany	777.61	5.0%	Credit Rating	Sovereigns	Banking	Fixed Income Total
Japan	521.93	3.3%	AAA	64.4%	0.0%	64.4%
Netherlands	284.45	1.8%	AA+	0.0%	0.0%	0.0%
France	255.54	1.6%	AA	0.0%	1.8%	1.8%
United Kingdom	244.08	1.6%	AA-	16.6%	0.4%	17.0%
Belgium	226.41	1.4%	A+	0.0%	5.9%	5.9%
Denmark	209.07	1.3%	A	0.0%	9.0%	9.0%
Austria	119.81	0.8%	A-	0.0%	1.9%	1.9%
Israel	60.03	0.4%	Fixed Income Total	81.0%	19.0%	100.0%
Finland	40.81	0.3%				
Sweden	13.25	0.1%				
Others ⁽¹⁾	5.52	0.0%				
Total Banking Exposure	2,758.49	17.6%				
Equities Exposure						
U.S.A.	612.86	3.9%				
United Kingdom	97.93	0.6%				
Japan	94.23	0.6%				
Canada	44.94	0.3%				
France	42.84	0.3%				
Germany	41.63	0.3%				
Switzerland	40.60	0.3%				
Hong Kong	39.42	0.3%				
Australia	36.73	0.2%				
South Korea	21.18	0.1%				
Brazil	15.70	0.1%				
Spain	15.27	0.1%				
Sweden	14.06	0.1%				
Netherlands	13.71	0.1%				
Italy	10.94	0.1%				
Others ⁽¹⁾	63.72	0.4%				
Total Equities Exposure	1,205.75	7.7%				
Portfolio Total	15,696.29	100.0%				

⁽¹⁾ includes cash and cash equivalents