



ECONOMIC AND SOCIAL STABILIZATION FUND

Monthly Executive Report as of October, 2019

I. Market Value as of October, 2019

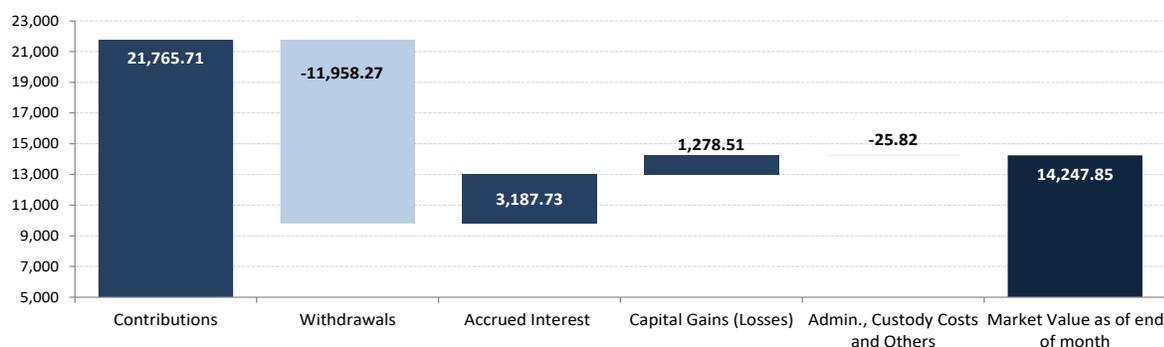
The market value of the Economic and Social Stabilization Fund (ESSF) totaled US\$14,247.85 million at the end of the month. The variation of the period was due to: (i) accrued interest of US\$12.66 million, (ii) capital gains on investments of US\$71.79 million and (iii) administrative, custody and others costs of US\$0.21 million.

Changes in Market Value (US\$ million)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019			Since Inception ⁽¹⁾	
													Q1	Q2	Q3	October	
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	13,966.28	13,772.06	14,738.82	14,133.85	14,344.02	14,189.90	14,163.61	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	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	-463.88	-462.29	0.00	-541.58	0.00	-563.89	0.00	0.00	-11,958.27
Accrued Interest	326.15	623.95	404.27	227.63	236.99	201.89	184.10	188.28	167.08	161.56	153.01	166.92	46.56	45.37	41.30	12.66	3,187.73
Capital Gains (Losses)	606.81	556.08	-50.83	-3.51	200.71	-59.71	-363.71	-416.97	-422.87	109.12	816.56	-227.51	164.40	365.16	-67.01	71.79	1,278.51
Admin., Custody and Other Costs ⁽²⁾	-0.35	-1.96	-1.62	-1.13	-1.16	-1.30	-2.17	-2.69	-2.87	-2.61	-2.80	-2.82	-0.79	-0.77	-0.58	-0.21	-25.82
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	13,966.28	13,772.06	14,738.82	14,133.85	14,344.02	14,189.90	14,163.61	14,247.85	14,247.85

⁽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, accounting adjustment 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	2017	2018	2019			
													Q1	Q2	Q3	October
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	4,766.70	4,622.49	4,976.47	4,777.23	4,793.65	4,721.79	4,801.52	4,821.03
Sovereign Bonds ⁽³⁾	9,323.73	13,583.62	7,508.85	8,501.34	8,755.83	9,987.37	8,524.08	8,099.28	7,720.56	7,531.68	8,045.82	7,938.70	8,011.37	7,872.93	7,770.17	7,801.58
Sovereign Inflation Linked Bonds	492.59	669.93	402.27	445.26	461.48	522.01	541.64	512.29	489.36	478.50	514.58	488.36	495.47	494.42	491.00	494.17
Equities	-	-	-	-	-	-	1,245.83	1,142.49	989.65	1,139.39	1,201.95	929.55	1,043.53	1,100.76	1,100.92	1,131.08
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	13,966.28	13,772.06	14,738.82	14,133.85	14,344.02	14,189.90	14,163.61	14,247.85

⁽¹⁾ A new investment policy that includes equities was implemented in August 2013.

⁽²⁾ It includes sovereign bills and commercial money market. It may include instruments issued by Supranational institutions, agencies and eligible entities with explicit government guarantee with remanent maturity lower than one year.

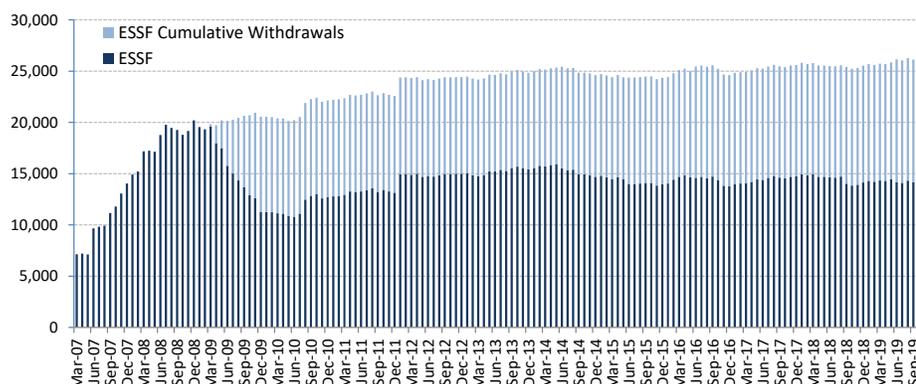
⁽³⁾ This item may include instruments issued by Supranational institutions, agencies and eligible entities with explicit government guarantee with remanent maturity higher than one year.

By Risk Exposure (US\$ million)	2007	2008	2009	2010	2011	2012	2013 ⁽¹⁾	2014	2015	2016	2017	2018	2019			
													Q1	Q2	Q3	October
Sovereigns ⁽²⁾	9,283.19	16,617.20	8,913.96	10,112.22	10,949.50	12,746.00	11,450.71	9,773.08	9,780.39	9,492.27	10,125.91	10,025.86	9,748.23	9,883.36	9,760.12	9,793.80
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	3,196.23	3,140.40	3,410.96	3,178.43	3,552.26	3,205.78	3,302.57	3,322.97
Agencies	533.12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equities	-	-	-	-	-	-	1,245.83	1,142.49	989.65	1,139.39	1,201.95	929.55	1,043.53	1,100.76	1,100.92	1,131.08
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	13,966.28	13,772.06	14,738.82	14,133.85	14,344.02	14,189.90	14,163.61	14,247.85

⁽¹⁾ A new investment policy that includes equities was implemented in August 2013.

⁽²⁾ This item may include instruments issued by Supranational institutions, agencies and eligible entities with explicit government guarantee.

Market Value
(US\$ million)



II. Return as of October, 2019

The net return in US dollars was 0.60% in the month. This is broken down in the returns of Money Market and Sovereign Bonds, 0.41%, Sovereign Inflation Linked Bonds, 0.64%, and Equities, 2.74%. The Money Market and Sovereign Bonds portfolio and the Sovereign Inflation Linked Bonds portfolio returns were explained by the impact of the appreciation (relative to the US dollar) of the currencies in which are invested. Equities portfolio's return was mainly explained by the positive performance in local currency, and to a lesser extent by the appreciation (relative to US dollar) of the currencies in which is invested. The fund's monthly return in pesos was 0.69%. Year to Date return in dollars was 4.82% and 9.44% in pesos. Finally, annualized return since inception was 2.63% in US dollars and 5.08% 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 ^(c)	0.41%	0.93%	3.75%	6.60%	1.46%	0.96%
Sovereign Inflation Linked Bonds	0.64%	0.14%	3.89%	4.33%	1.92%	0.57%
Equities	2.74%	2.49%	19.67%	12.95%	11.64%	8.68%
Return in USD	0.60%	1.02%	4.82%	6.99%	2.28%	2.63%
Exchange Rate (CLP)	0.09%	3.77%	4.41%	4.76%	3.68%	2.39%
Return in CLP ^(d)	0.69%	4.83%	9.44%	12.09%	6.04%	5.08%

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

^(b) For the entire ESSF the performance is calculated from March 31, 2007, when the Central Bank of Chile's performance started to be measured. Due to the change in the fund's investment policy occurred in 2013, the return of the following asset classes, "Money market and sovereign bonds" and "Sovereign bonds indexed to inflation" are calculated since the beginning of August 2013 and for "Equities" since the middle of August of 2013.

^(c) This item may include instruments issued by Supranational institutions, agencies and eligible entities with explicit government guarantee.

^(d) 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.

III. Portfolio Composition and Duration as of October, 2019

Portfolio by Country and Credit Exposures	US\$ million	% of Total
Nominal Sovereign Exposure		
United States	3,706.20	26.0%
Japan	2,968.42	20.8%
Germany	1,559.26	10.9%
Switzerland	1,065.75	7.5%
Others ⁽¹⁾	-	0.0%
Total Nominal Sovereign Exposure⁽²⁾	9,299.64	65.3%
Sovereign Inflation Linked Exposure		
United States	354.83	2.5%
Germany	139.12	1.0%
Others ⁽¹⁾	0.21	0.0%
Total Sovereign Inflation Linked Exposure	494.17	3.5%
Banking Exposure		
Japan	552.91	3.9%
France	516.86	3.6%
Germany	418.20	2.9%
Spain	417.04	2.9%
Australia	302.87	2.1%
China	263.19	1.8%
Denmark	252.85	1.8%
United Kingdom	178.20	1.3%
Belgium	157.80	1.1%
Sweden	107.02	0.8%
Israel	58.86	0.4%
Singapore	46.82	0.3%
Canada	40.18	0.3%
Others ⁽¹⁾	10.17	0.1%
Total Banking Exposure	3,322.97	23.3%
Equities Exposure		
United States	643.18	4.5%
Japan	83.82	0.6%
United Kingdom	54.95	0.4%
China	36.53	0.3%
Switzerland	35.55	0.2%
Canada	35.17	0.2%
France	34.73	0.2%
Germany	29.64	0.2%
Australia	23.29	0.2%
The Netherlands	21.01	0.1%
Hong Kong	16.76	0.1%
South Korea	16.08	0.1%
Ireland	14.93	0.1%
Brazil	10.07	0.1%
Spain	9.62	0.1%
Sweden	8.85	0.1%
Italy	7.10	0.0%
South Africa	6.11	0.0%
Others ⁽¹⁾	43.67	0.3%
Total Equities Exposure	1,131.08	7.9%
Total Portfolio	14,247.85	100.0%

⁽¹⁾ It includes cash, cash equivalents and unsettled transactions.

⁽²⁾ This item may include instruments issued by Supranational institutions, agencies and eligible entities with explicit government guarantee.

Duration	Years
Sovereign Bills and Bonds ⁽¹⁾	6.5
Sovereign Inflation Linked Bonds	5.0
Banking	0.3
Portfolio Total	4.9

⁽¹⁾ This item may include instruments issued by Supranational institutions, agencies and eligible entities with explicit government guarantee.

Portfolio by Asset Classes	US\$ million	% of Total
Sovereign and Banking ⁽¹⁾	12,622.61	88.6%
Sovereign Inflation Linked Bonds	494.17	3.5%
Equities	1,131.08	7.9%
Portfolio Total	14,247.85	100.0%

⁽¹⁾ This item may include instruments issued by Supranational institutions, agencies and eligible entities with explicit government guarantee.

Portfolio by Issuer Credit Rating	Sovereigns ⁽¹⁾	Banking	Total Fixed Income
Credit Rating			
AAA	52.0%	0.0%	52.0%
AA+	0.0%	0.0%	0.0%
AA	0.0%	0.8%	0.8%
AA-	0.0%	4.0%	4.0%
A+	22.6%	5.3%	27.9%
A	0.0%	12.7%	12.7%
A-	0.0%	2.5%	2.5%
Others ⁽²⁾	0.0%	0.0%	0.0%
Total Fixed Income	74.7%	25.3%	100.0%

⁽¹⁾ This item may include instruments issued by Supranational institutions, agencies and eligible entities with explicit government guarantee.

⁽²⁾ It includes cash, cash equivalents and unsettled transactions.