



# ECONOMIC AND SOCIAL STABILIZATION FUND

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Monthly Executive Report as of September, 2022

## I. Market Value as of September, 2022

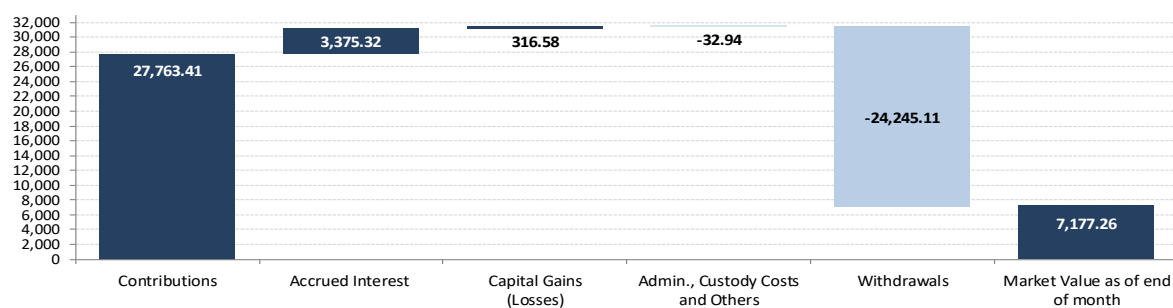
The market value of the Economic and Social Stabilization Fund (ESSF) totaled US\$ 7,177.26 million at the end of the month. The variation of the period was due to: (i) accrued interest of US\$ 5.13 million, (ii) capital losses on investments of US\$ 301.11 million, and (iii) administration, custody and other costs of US\$ 0.34 million.

Changes in Market Value (US\$ million)	2016	2017	2018	2019	2020	2021	Q1	Q2	2022 July	August	September	Since Inception <sup>(1)</sup>
Starting Market Value	13,966.28	13,772.06	14,738.82	14,133.85	12,233.41	8,955.24	2,457.20	8,147.74	7,611.25	7,744.87	7,473.58	0.00
Contributions	0.00	0.00	0.00	0.00	0.00	0.00	5,997.70	0.00	0.00	0.00	0.00	27,763.41
Withdrawals	-462.29	0.00	-541.58	-2,563.89	-4,090.00	-6,196.78	0.00	-0.05	0.00	0.00	0.00	-24,245.11
Accrued Interest	161.56	153.01	166.92	171.28	95.44	34.99	6.38	11.12	4.46	4.68	5.13	3,375.32
Capital Gains (Losses)	109.12	816.56	-227.51	495.33	719.26	-334.07	-313.05	-547.25	129.16	-275.85	-301.11	316.58
Admin., Custody and Other Costs <sup>(2)</sup>	-2.61	-2.80	-2.82	-3.17	-2.86	-2.18	-0.48	-0.31	0.00	-0.12	-0.34	-32.94
<b>Final Market Value</b>	<b>13,772.06</b>	<b>14,738.82</b>	<b>14,133.85</b>	<b>12,233.41</b>	<b>8,955.24</b>	<b>2,457.20</b>	<b>8,147.74</b>	<b>7,611.25</b>	<b>7,744.87</b>	<b>7,473.58</b>	<b>7,177.26</b>	<b>7,177.26</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, accounting adjustment and others.

### Changes in Market Value Since Inception (US\$ million)



By Asset Class (US\$ million)	2016	2017	2018	2019	2020	2021	Q1	Q2	2022 July	August	September
Money Market <sup>(1)</sup>	4,622.49	4,976.47	4,777.23	4,148.52	3,122.23	907.94	3,005.66	2,769.31	2,829.64	2,775.76	2,661.67
Sovereign Bonds <sup>(2)</sup>	7,531.68	8,045.82	7,938.70	6,716.23	5,058.33	1,456.83	4,829.80	4,546.96	4,612.91	4,408.86	4,252.73
Sovereign Inflation Linked Bonds	478.50	514.58	488.36	429.81	312.17	91.94	311.83	294.60	301.98	288.64	262.54
Equities <sup>(3)</sup>	1,139.39	1,201.95	929.55	938.84	462.51	0.48	0.46	0.39	0.33	0.32	0.31
<b>Market Value</b>	<b>13,772.06</b>	<b>14,738.82</b>	<b>14,133.85</b>	<b>12,233.41</b>	<b>8,955.24</b>	<b>2,457.20</b>	<b>8,147.74</b>	<b>7,611.25</b>	<b>7,744.87</b>	<b>7,473.58</b>	<b>7,177.26</b>

<sup>(1)</sup> It includes sovereign bills and money market. As of June 17, 2015, it may include instruments issued by Supranational institutions, agencies and eligible entities with explicit government guarantee with remanent maturity lower than one year.

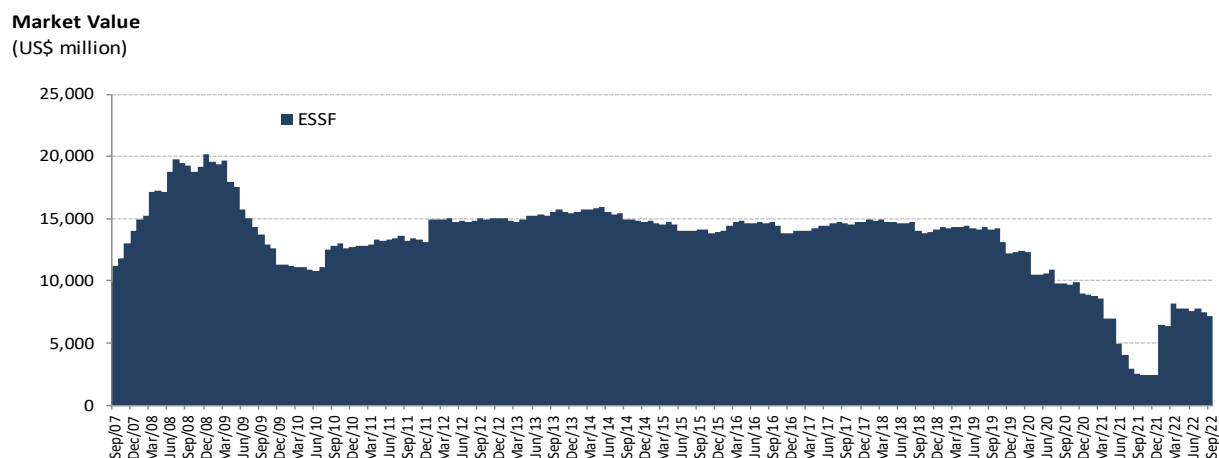
<sup>(2)</sup> This item may include instruments issued by Supranational institutions, agencies and eligible entities with explicit government guarantee with remanent maturity higher than one year.

<sup>(3)</sup> The management of the equity portfolio by UBS ended on September 27, 2021. The balance corresponds to a carryover in the account (e.g., tax reclaims).

By Risk Exposure (US\$ million)	2016	2017	2018	2019	2020	2021	Q1	Q2	2022 July	August	September
Sovereigns <sup>(1)</sup>	9,492.27	10,125.91	10,025.86	8,532.19	7,011.37	2,425.06	8,068.38	7,449.40	7,445.16	7,135.44	7,019.42
Banks	3,140.40	3,410.96	3,178.43	2,762.37	1,481.36	31.65	78.90	161.47	299.39	337.81	157.53
Agencies	-	-	-	-	-	-	-	-	-	-	-
Equities <sup>(2)</sup>	1,139.39	1,201.95	929.55	938.84	462.51	0.48	0.46	0.39	0.33	0.32	0.31
<b>Market Value</b>	<b>13,772.06</b>	<b>14,738.82</b>	<b>14,133.85</b>	<b>12,233.41</b>	<b>8,955.24</b>	<b>2,457.20</b>	<b>8,147.74</b>	<b>7,611.25</b>	<b>7,744.87</b>	<b>7,473.58</b>	<b>7,177.26</b>

<sup>(1)</sup> As of June 17, 2015, it may include instruments issued by Supranational institutions, agencies and eligible entities with explicit government guarantee.

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## II. Return as of September, 2022

The net return in US dollars was -3.97% in the month. This is broken down into the returns of Money Market and Sovereign Bonds portfolio, -3.90% and Sovereign Inflation Linked Bonds, -5.75%. The fund's monthly return measured in pesos was 5.17%. Finally, the accumulated return for the year is -16.28% in dollars and -4.89% in pesos, while the annualized return since the beginning is 1.13% in dollars and 5.01% in pesos.

Returns <sup>(1)</sup>	Month	Last 3 Months	Year to Date	Last 12 Months	Last 3 Years (Annualized)	Since Inception (Annualized)	Start Date
Money Market and Sovereign Bonds <sup>(2)</sup>	-3.90%	-5.71%	-16.45%	-17.32%	-5.46%	-1.22%	01-Aug-2013
Sovereign Inflation Linked Bonds	-5.75%	-5.63%	-12.18%	-11.27%	0.04%	0.33%	05-Aug-2013
<b>Return in USD<sup>(3)</sup></b>	<b>-3.97%</b>	<b>-5.71%</b>	<b>-16.28%</b>	<b>-17.10%</b>	<b>-4.74%</b>	<b>1.13%</b>	<b>01-Apr-2007</b>
Exchange Rate (CLP)	9.51%	5.00%	13.61%	20.21%	10.00%	3.83%	01-Apr-2007
<b>Return in CLP<sup>(4)</sup></b>	<b>5.17%</b>	<b>-0.99%</b>	<b>-4.89%</b>	<b>-0.34%</b>	<b>4.79%</b>	<b>5.01%</b>	<b>01-Apr-2007</b>

<sup>(1)</sup> Time Weighted Return (it's calculated as the growth rate of the funds that were invested throughout the period).

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

<sup>(3)</sup> It includes the return of the equity portfolio that was invested from August 21, 2013 to September 27, 2021. In that date, the administrator liquidated all its positions whose resources were transferred to the fixed income portfolio on October 1, 2021.

<sup>(4)</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.

### III. Portfolio Composition and Duration as of September, 2022

Portfolio by Country and Asset Class	US\$ million	% of Total
<b>Nominal Sovereign Exposure</b>		
United States	2,897.93	40.4%
Germany	1,872.13	26.1%
Japan	1,551.36	21.6%
Switzerland	592.99	8.3%
<b>Total Nominal Sovereign Exposure <sup>(1)</sup></b>	<b>6,914.40</b>	<b>96.3%</b>
<b>Sovereign Inflation Linked Exposure</b>		
United States	186.60	2.6%
Germany	75.95	1.1%
<b>Total Sovereign Inflation Linked Exposure</b>	<b>262.54</b>	<b>3.7%</b>
<b>Equity Exposure <sup>(2)</sup></b>		
Others	0.31	0.0%
<b>Total Equity Exposure</b>	<b>0.31</b>	<b>0.0%</b>
<b>Total Portfolio</b>	<b>7,177.26</b>	<b>100.0%</b>

<sup>(1)</sup> This item may include instruments issued by Supranational institutions, agencies and eligible entities with explicit government guarantee, cash, cash equivalents and unsettled transactions.

<sup>(2)</sup> The management of the equity portfolio by UBS ended on September 27, 2021. The balance corresponds to a carryover in the account (e.g., tax reclaims).

Duration	Years
Sovereign Bills and Bonds <sup>(1)</sup>	4.8
Sovereign Inflation Linked Bonds	4.8
<b>Total Portfolio</b>	<b>4.8</b>

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

Portfolio by Issuer Credit Rating	Sovereign Bills and Bonds <sup>(1)</sup>	Sovereign Inflation Linked Bonds	Total Fixed Income
AAA	71.2%	3.7%	74.9%
AA+	0.0%	0.0%	0.0%
AA	0.0%	0.0%	0.0%
AA-	0.0%	0.0%	0.0%
A+	22.9%	0.0%	22.9%
A	0.0%	0.0%	0.0%
A-	0.0%	0.0%	0.0%
Others <sup>(2)</sup>	2.2%	0.0%	2.2%
<b>Total Fixed Income</b>	<b>96.3%</b>	<b>3.7%</b>	<b>100.0%</b>

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

<sup>(2)</sup> It includes cash, cash equivalents and unsettled transactions.