



ECONOMIC AND SOCIAL STABILIZATION FUND¹

Monthly Executive Report as of August 2013

¹ Preliminary figures.

I. Market Value as of August, 2013

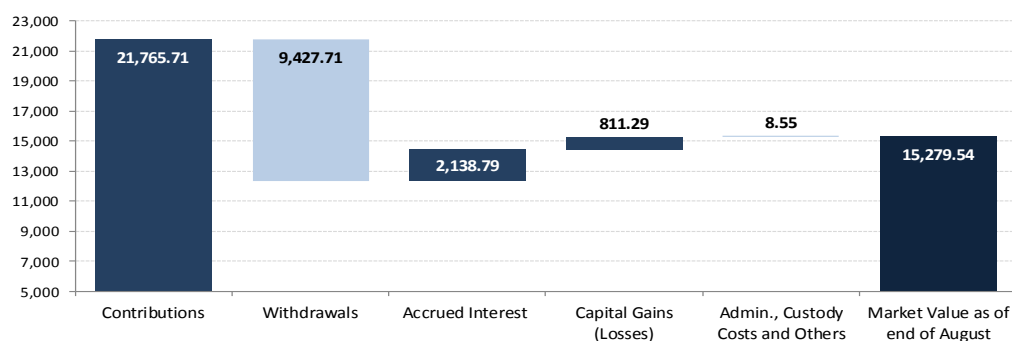
The market value of the Economic and Social Stabilization Fund (ESSF) totaled US\$15,279.5 million as of August of 2013. The market value changed during this month due to: (i) accrued interest of US\$13.5 million and (ii) capital losses on investments of US\$112.8 million.

Changes in Market Value (US\$ million)	2007	2008	2009	2010	2011	2012	2013	1Q	2Q	July	August	Since Inception ⁽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	15,378.85	15,378.85	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	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	0.00	-9,427.71
Accrued Interest	326.15	623.95	404.27	227.63	236.99	201.89	42.52	45.87	16.06	13.46	13.46	2,138.79
Capital Gains (Losses)	606.81	556.08	-50.83	-3.51	200.71	-59.71	-284.88	-195.56	154.97	-112.78	-112.78	811.29
Admin., Custody and Other Costs ⁽²⁾	-0.35	-1.96	-1.62	-1.13	-1.16	-1.30	-0.51	-0.51	0.00	0.00	0.00	-8.55
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	15,378.85	15,279.54	15,279.54	15,279.54

⁽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

⁽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	1Q	2Q	July	August ⁽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	4,759.92	4,759.92	5,320.50
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	10,083.09	10,083.09	8,776.21
Sovereign Inflation Linked Bonds	492.59	669.93	402.27	445.26	461.48	522.01	514.82	535.70	535.84	535.84	588.45
Equities	-	-	-	-	-	-	-	-	-	-	594.37
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	15,378.85	15,279.54	15,279.54

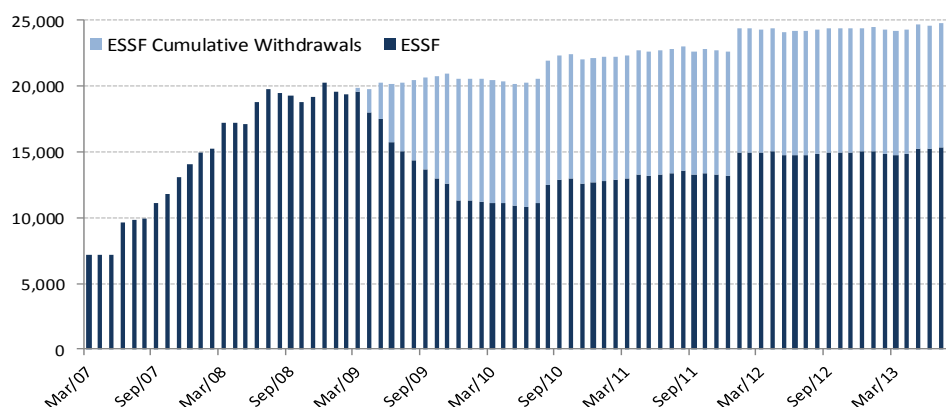
⁽¹⁾ A new investment policy including equities was implemented.

⁽²⁾ Includes sovereign bills and commercial money market.

By Risk Exposure (US\$ million)	2007	2008	2009	2010	2011	2012	2013	1Q	2Q	July	August ⁽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	13,070.44	13,070.44	11,910.95
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	2,308.41	2,308.41	2,774.21
Agencies	533.12	-	-	-	-	-	-	-	-	-	-
Equities	-	-	-	-	-	-	-	-	-	-	594.37
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	15,378.85	15,279.54	15,279.54

⁽¹⁾ A new investment policy including equities was implemented.

Market Value
(US\$ million)



II. Return as of August, 2013

Return in August was -0.65% in US dollars and -1.17% in Chilean pesos. Cumulative return during the year totaled -2.15% in US dollars and 4.76% in Chilean pesos. Annualized return since inception was 3.54% in US dollars and 2.72% in Chilean pesos.

Returns ^(a)	August	Last 3 Months	Year to Date	Last 12 Months	Last 3 Years (Annualized)	Since Inception
Money Market and Sovereign Bonds	-0.58%					
Sovereign Inflation Linked Bonds	-1.57%					
Equities	-0.96%					
Return in USD	-0.65%	0.25%	-2.15%	-1.20%	1.40%	3.54%
Exchange Rate (CLP)	-0.52%	3.83%	6.91%	6.33%	0.82%	-0.82%
Return in CLP ^(c)	-1.17%	4.08%	4.76%	5.13%	2.22%	2.72%

^(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 August 2013

Portfolio by Country and Credit Exposures	US\$ million	% of Total
Nominal Sovereign Exposure		
U.S.A.	4,933.46	32.3%
Germany	2,664.78	17.4%
Japan	2,550.77	16.7%
Switzerland	1,173.50	7.7%
Total Nominal Sovereign Exposure	11,322.50	74.1%
Sovereign Inflation Linked Exposure		
U.S.A.	436.52	2.9%
Germany	151.94	1.0%
Total Sovereign Inflation Linked Exposure	588.45	3.9%
Banking Exposure		
Germany	929.60	6.1%
Japan	472.50	3.1%
France	326.73	2.1%
Netherlands	229.57	1.5%
Denmark	224.06	1.5%
Belgium	194.06	1.3%
Austria	189.06	1.2%
Sweden	72.81	0.5%
United Kingdom	51.02	0.3%
Australia	45.03	0.3%
Finland	39.57	0.3%
Others	0.20	0.0%
Total Banking Exposure	2,774.21	18.2%
Equities Exposure		
U.S.A.	319.01	2.1%
Japan	46.86	0.3%
United Kingdom	37.97	0.2%
Switzerland	22.77	0.1%
France	19.78	0.1%
Germany	18.93	0.1%
Australia	17.52	0.1%
Hong Kong	11.47	0.1%
South Korea	10.18	0.1%
Canada	9.31	0.1%
Others	80.57	0.5%
Total Equities Exposure	594.37	3.9%
Portfolio Total	15,279.54	100.0%

Duration	Years
Sovereign Bills and Bonds	5.8
Sovereign Inflation Linked Bonds	5.2
Banking	0.2
Portfolio Total	4.7

Portfolio by Asset Classes	US\$ million	% of Total
Sovereign and Banking	14,096.71	92.3%
Sovereign Inflation Linked Bonds	588.45	3.9%
Equities	594.37	3.9%
Portfolio Total	15,279.54	100.0%

Portfolio by Issuer Credit Rating	Sovereigns	Banking	Fixed Income Total
Credit Rating			
AAA	63.74%	0.00%	63.74%
AA+	0.00%	0.00%	0.00%
AA	0.00%	3.39%	3.39%
AA-	17.37%	0.00%	17.37%
A+	0.00%	5.36%	5.36%
A	0.00%	8.35%	8.35%
A-	0.00%	1.79%	1.79%
Fixed Income Total	81.11%	18.89%	100.00%