



# ECONOMIC AND SOCIAL STABILIZATION FUND

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Monthly Executive Report as of October, 2021

## I. Market Value as of October, 2021

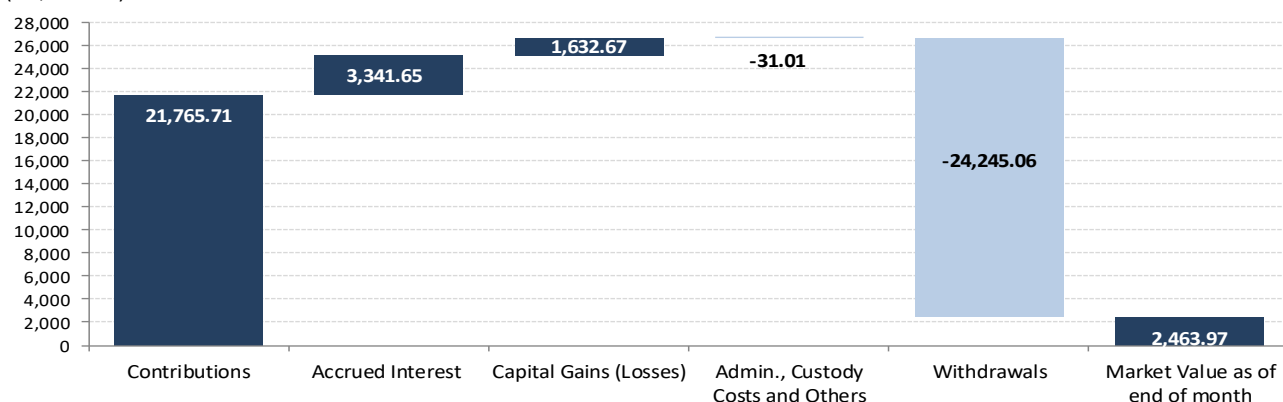
The market value of the Economic and Social Stabilization Fund (ESSF) totaled US\$2,463.97 million at the end of the month. The variation of the period was due to: (i) accrued interest of US\$1.13 million and (ii) capital losses on investments of US\$18.77 million.

Changes in Market Value (US\$ million)	2015	2016	2017	2018	2019	2020	2021			October	Since Inception <sup>(1)</sup>
							Q1	Q2	Q3		
Starting Market Value	14,688.82	13,966.28	13,772.06	14,738.82	14,133.85	12,233.41	8,955.24	8,551.92	4,930.16	2,481.60	0.00
Contributions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	21,765.71
Withdrawals	-463.88	-462.29	0.00	-541.58	-2,563.89	-4,090.00	0.00	-3,750.00	-2,446.78	0.00	-24,245.06
Accrued Interest	167.08	161.56	153.01	166.92	171.28	95.44	14.34	12.55	5.06	1.13	3,341.65
Capital Gains (Losses)	-422.87	109.12	816.56	-227.51	495.33	719.26	-417.08	116.20	-6.45	-18.77	1,632.67
Admin., Custody and Other Costs <sup>(2)</sup>	-2.87	-2.61	-2.80	-2.82	-3.17	-2.86	-0.59	-0.52	-0.39	0.00	-31.01
<b>Final Market Value</b>	<b>13,966.28</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>8,551.92</b>	<b>4,930.16</b>	<b>2,481.60</b>	<b>2,463.97</b>	<b>2,463.97</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)	2015	2016	2017	2018	2019	2020	2021			October
							Q1	Q2	Q3	
Money Market <sup>(1)</sup>	4,766.70	4,622.49	4,976.47	4,777.23	4,148.52	3,122.23	2,978.28	1,678.11	856.46	911.02
Sovereign Bonds <sup>(2)</sup>	7,720.56	7,531.68	8,045.82	7,938.70	6,716.23	5,058.33	4,787.06	2,692.65	1,389.99	1,461.72
Sovereign Inflation Linked Bonds	489.36	478.50	514.58	488.36	429.81	312.17	302.45	191.31	87.21	90.65
Equities <sup>(3)</sup>	989.65	1,139.39	1,201.95	929.55	938.84	462.51	484.13	368.08	147.94	0.57
<b>Market Value</b>	<b>13,966.28</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>8,551.92</b>	<b>4,930.16</b>	<b>2,481.60</b>	<b>2,463.97</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.

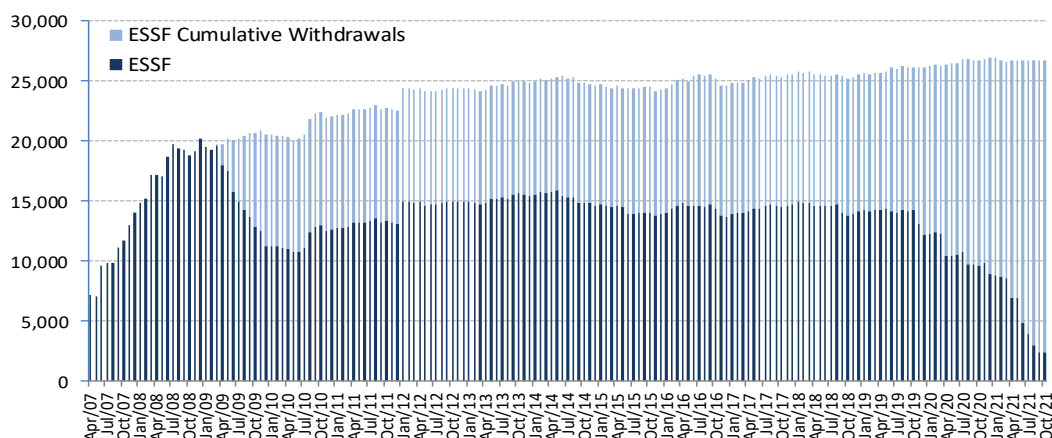
<sup>(3)</sup> The management of the equity portfolio by UBS ended on September 27, 2021. The balance in the month of October corresponds to a remainder in the account.

By Risk Exposure (US\$ million)	2015	2016	2017	2018	2019	2020	2021			October
							Q1	Q2	Q3	
Sovereigns <sup>(1)</sup>	9,780.39	9,492.27	10,125.91	10,025.86	8,532.19	7,011.37	6,595.65	3,444.75	2,333.48	2,420.14
Banks	3,196.23	3,140.40	3,410.96	3,178.43	2,762.37	1,481.36	1,472.14	1,117.33	0.17	43.26
Agencies	-	-	-	-	-	-	-	-	-	-
Equities <sup>(2)</sup>	989.65	1,139.39	1,201.95	929.55	938.84	462.51	484.13	368.08	147.94	0.57
<b>Market Value</b>	<b>13,966.28</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>8,551.92</b>	<b>4,930.16</b>	<b>2,481.60</b>	<b>2,463.97</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.

<sup>(2)</sup> The management of the equity portfolio by UBS ended on September 27, 2021. The balance in the month of October corresponds to a remainder in the account.

**Market Value**  
(US\$ million)



## II. Return as of October, 2021

The net return in US dollars was -0.71% in the month. This is broken down in the returns of Money Market and Sovereign Bonds portfolio, -0.74% and Sovereign Inflation Linked Bonds, 0.51%. The negative return of the Money Market and Sovereign Bonds portfolio is mainly explained by the negative effect of interest rates and, to a lesser extent, by the impact of the depreciation (relative to the US dollar) of the currencies in which is invested. The positive return of the Sovereign Inflation Linked Bonds portfolio is explained by the positive performance in local currency. The fund's monthly return measured in pesos was -0.48%. Finally, the accumulated return for the year is -4.68% in US dollars and 7.95% in pesos, while the annualized return since the beginning is 2.47% in US dollars and 5.32% in pesos.

Returns <sup>(a)</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>(b)</sup>	-0.74%	-2.98%	-5.83%	-4.07%	2.50%	0.85%	01-Aug-2013
Sovereign Inflation Linked Bonds	0.51%	-0.35%	3.10%	6.36%	5.54%	1.90%	05-Aug-2013
<b>Return in USD <sup>(d)</sup></b>	<b>-0.71%</b>	<b>-2.84%</b>	<b>-4.68%</b>	<b>-2.11%</b>	<b>3.27%</b>	<b>2.47%</b>	<b>01-Apr-2007</b>
Exchange Rate (CLP)	0.23%	6.19%	13.25%	4.55%	5.13%	2.79%	01-Apr-2007
<b>Return in CLP <sup>(c)</sup></b>	<b>-0.48%</b>	<b>3.18%</b>	<b>7.95%</b>	<b>2.34%</b>	<b>8.56%</b>	<b>5.32%</b>	<b>01-Apr-2007</b>

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

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

<sup>(c)</sup> CLP return corresponds to the sum of the percentage change of the CLP/USD exchange rate and the USD return.

<sup>(d)</sup> Includes the return of the equity portfolio until September 27, 2021, when the UBS equity mandate ends.

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, 2021

Portfolio by Country and Asset Class	US\$ million	% of Total
<b>Nominal Sovereign Exposure</b>		
United States	996.50	40.4%
Germany	640.54	26.0%
Japan	531.41	21.6%
Switzerland	204.29	8.3%
<b>Total Nominal Sovereign Exposure <sup>(1)</sup></b>	<b>2,372.74</b>	<b>96.3%</b>
<b>Sovereign Inflation Linked Exposure</b>		
United States	64.71	2.6%
Germany	25.94	1.1%
<b>Total Sovereign Inflation Linked Exposure</b>	<b>90.65</b>	<b>3.7%</b>
<b>Equities Exposure <sup>(2)</sup></b>		
Others	0.57	0.0%
<b>Total Equities Exposure</b>	<b>0.57</b>	<b>0.0%</b>
<b>Total Portfolio</b>	<b>2,463.97</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 in the month of October corresponds to a remainder in the account.

Duration	Years
Sovereign Bills and Bonds <sup>(1)</sup>	5.0
Sovereign Inflation Linked Bonds	4.9
<b>Portfolio Total</b>	<b>5.0</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	72.5%	3.7%	76.2%
AA+	0.0%	0.0%	0.0%
AA	0.0%	0.0%	0.0%
AA-	0.0%	0.0%	0.0%
A+	22.1%	0.0%	22.1%
A	0.0%	0.0%	0.0%
A-	0.0%	0.0%	0.0%
Others <sup>(2)</sup>	1.8%	0.0%	1.8%
<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.