



ECONOMIC AND SOCIAL STABILIZATION FUND

Monthly Executive Report as of July, 2020

I. Market Value as of July, 2020

The market value of the Economic and Social Stabilization Fund (ESSF) totaled US\$10,860.38 million at the end of the month. The variation of the period was due to: (i) accrued interest of US\$7.60 million, (ii) capital gains on investments of US\$283.44 million and (iii) administrative, custody and others costs of US\$0.15 million.

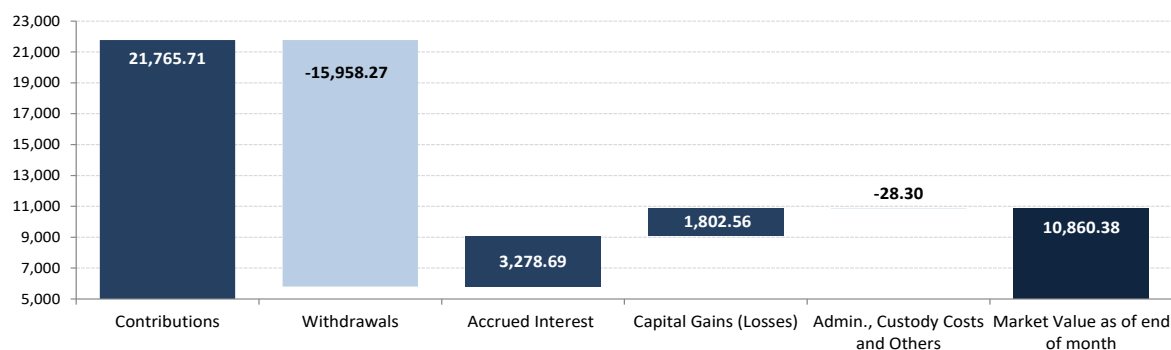
| Changes in Market Value (US\$ million) | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 Q1 | 2020 Q2 | July | Since Inception ⁽¹⁾ |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------------------------|
| Starting Market Value | 0.00 | 14,032.61 | 20,210.68 | 11,284.78 | 12,720.10 | 13,156.64 | 14,997.52 | 15,419.13 | 14,688.82 | 13,966.28 | 13,772.06 | 14,738.82 | 14,133.85 | 12,233.41 | 12,334.30 | 10,569.49 | 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 | -2,563.89 | 0.00 | -2,000.00 | 0.00 | -15,958.27 |
| 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 | 171.28 | 32.33 | 25.65 | 7.60 | 3,278.69 |
| 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 | 495.33 | 69.22 | 210.39 | 283.44 | 1,802.56 |
| 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 | -3.17 | -0.66 | -0.85 | -0.15 | -28.30 |
| 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 | 12,233.41 | 12,334.30 | 10,569.49 | 10,860.38 | 10,860.38 |

⁽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 | 2020 Q1 | 2020 Q2 | July |
|----------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|---------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| 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 | 4,148.52 | 4,256.21 | 3,664.69 | 3,754.53 |
| 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 | 6,716.23 | 6,914.55 | 5,930.30 | 6,090.10 |
| 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 | 429.81 | 424.27 | 367.32 | 377.22 |
| Equities | - | - | - | - | - | - | 1,245.83 | 1,142.49 | 989.65 | 1,139.39 | 1,201.95 | 929.55 | 938.84 | 739.26 | 607.18 | 638.52 |
| 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 | 12,233.41 | 12,334.30 | 10,569.49 | 10,860.38 |

⁽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.

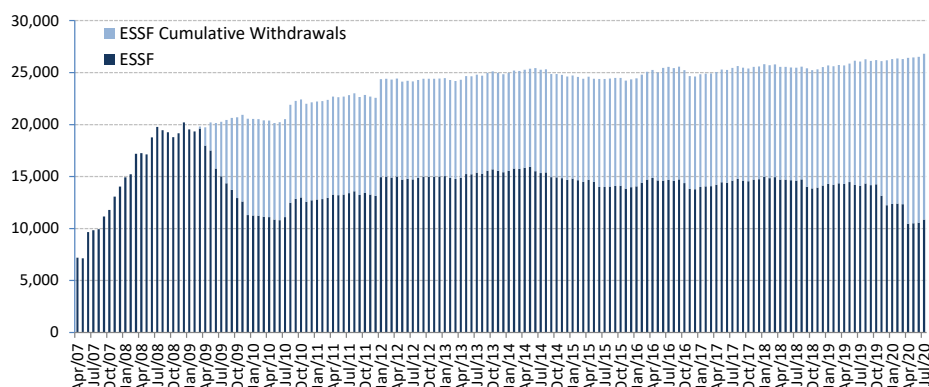
⁽³⁾ This item may include instruments issued by Supranational institutions, agencies and eligible entities with explicit government guarantee with remanent maturity higher than one year.

| By Risk Exposure (US\$ million) | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 ⁽¹⁾ | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 Q1 | 2020 Q2 | July |
|---------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|---------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| 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 | 8,532.19 | 9,123.23 | 8,335.37 | 8,535.82 |
| 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 | 2,762.37 | 2,471.81 | 1,626.94 | 1,686.03 |
| Agencies | 533.12 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Equities | - | - | - | - | - | - | 1,245.83 | 1,142.49 | 989.65 | 1,139.39 | 1,201.95 | 929.55 | 938.84 | 739.26 | 607.18 | 638.52 |
| 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 | 12,233.41 | 12,334.30 | 10,569.49 | 10,860.38 |

⁽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 July, 2020

The net return in US dollars was 2.75% in the month. This is broken down in the returns of Money Market and Sovereign Bonds portfolio, 2.60%, Sovereign Inflation Linked Bonds, 2.85%, and Equities, 5.16%. The returns of Money Market and Sovereign Bonds portfolio and the Sovereign Inflation Linked Bonds portfolio are explained by the appreciation (relative to the US dollar) of the currencies in which are invested and to a lesser extent, to the positive effect of interest rates on these portfolios. The Equities portfolio return is mainly explained by the positive performance in local currency and to a lesser extent, by the impact of the appreciation (relative to the US dollar) of the currencies in which is invested. The fund's monthly return measured in pesos was -5.04%. Finally, the accumulated return for the year is 5.89% in US dollars and 7.29% in pesos, while the annualized return since the beginning is 2.92% in US dollars and 5.54% 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) | 2.60% | 3.14% | 6.71% | 7.06% | 3.42% | 1.71% |
| Sovereign Inflation Linked Bonds | 2.85% | 5.05% | 5.38% | 6.22% | 3.23% | 1.36% |
| Equities | 5.16% | 13.39% | -1.27% | 7.13% | 7.17% | 8.40% |
| Return in USD | 2.75% | 3.76% | 5.89% | 6.93% | 3.69% | 2.92% |
| Exchange Rate (CLP) | -7.58% | -9.82% | 1.32% | 7.78% | 5.01% | 2.55% |
| Return in CLP ^(d) | -5.04% | -6.43% | 7.29% | 15.25% | 8.88% | 5.54% |

^(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 July, 2020

| Portfolio by Country and Credit Exposures | US\$ million | % of Total |
|---|------------------|---------------|
| Nominal Sovereign Exposure | | |
| United States | 3,196.72 | 29.4% |
| Japan | 2,190.98 | 20.2% |
| Germany | 1,981.00 | 18.2% |
| Switzerland | 841.26 | 7.7% |
| Others ⁽¹⁾ | (51.35) | -0.5% |
| Total Nominal Sovereign Exposure⁽²⁾ | 8,158.60 | 75.1% |
| Sovereign Inflation Linked Exposure | | |
| United States | 268.90 | 2.5% |
| Germany | 108.21 | 1.0% |
| Others ⁽¹⁾ | 0.11 | 0.0% |
| Total Sovereign Inflation Linked Exposure | 377.22 | 3.5% |
| Banking Exposure | | |
| France | 326.05 | 3.0% |
| United Kingdom | 316.21 | 2.9% |
| Japan | 254.43 | 2.3% |
| Singapore | 231.41 | 2.1% |
| Spain | 163.26 | 1.5% |
| China | 147.32 | 1.4% |
| Belgium | 106.83 | 1.0% |
| Sweden | 103.54 | 1.0% |
| Denmark | 59.90 | 0.6% |
| Canada | 44.72 | 0.4% |
| Others ⁽¹⁾ | (67.64) | -0.6% |
| Total Banking Exposure | 1,686.03 | 15.5% |
| Equities Exposure | | |
| United States | 439.44 | 4.0% |
| Japan | 31.99 | 0.3% |
| China | 22.85 | 0.2% |
| United Kingdom | 18.14 | 0.2% |
| Switzerland | 15.45 | 0.1% |
| Canada | 14.32 | 0.1% |
| Germany | 13.80 | 0.1% |
| France | 13.41 | 0.1% |
| Australia | 9.02 | 0.1% |
| The Netherlands | 7.75 | 0.1% |
| South Korea | 7.05 | 0.1% |
| Hong Kong | 6.45 | 0.1% |
| Ireland | 5.60 | 0.1% |
| Sweden | 4.28 | 0.0% |
| Denmark | 3.37 | 0.0% |
| Brazil | 3.29 | 0.0% |
| Spain | 3.05 | 0.0% |
| Italy | 2.75 | 0.0% |
| South Africa | 2.06 | 0.0% |
| Others ⁽¹⁾ | 14.46 | 0.1% |
| Total Equities Exposure | 638.52 | 5.9% |
| Total Portfolio | 10,860.38 | 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⁾ | 5.9 |
| Sovereign Inflation Linked Bonds | 5.4 |
| Banking | 0.1 |
| 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⁾ | 9,844.64 | 90.6% |
| Sovereign Inflation Linked Bonds | 377.22 | 3.5% |
| Equities | 638.52 | 5.9% |
| Portfolio Total | 10,860.38 | 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 | 62.6% | 0.0% | 62.6% |
| AA+ | 0.0% | 0.0% | 0.0% |
| AA | 0.0% | 1.0% | 1.0% |
| AA- | 0.0% | 2.7% | 2.7% |
| A+ | 21.4% | 8.6% | 30.0% |
| A | 0.0% | 1.2% | 1.2% |
| A- | 0.0% | 3.7% | 3.7% |
| Others ⁽²⁾ | -0.5% | -0.7% | -1.2% |
| Total Fixed Income | 83.5% | 16.5% | 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.