2012

ANNUAL REPORT

MONEDA CHILE FUND LIMITED

INVESTMENT FUND

MONEDA®

ASSET MANAGEMENT

ANNUAL REPORT

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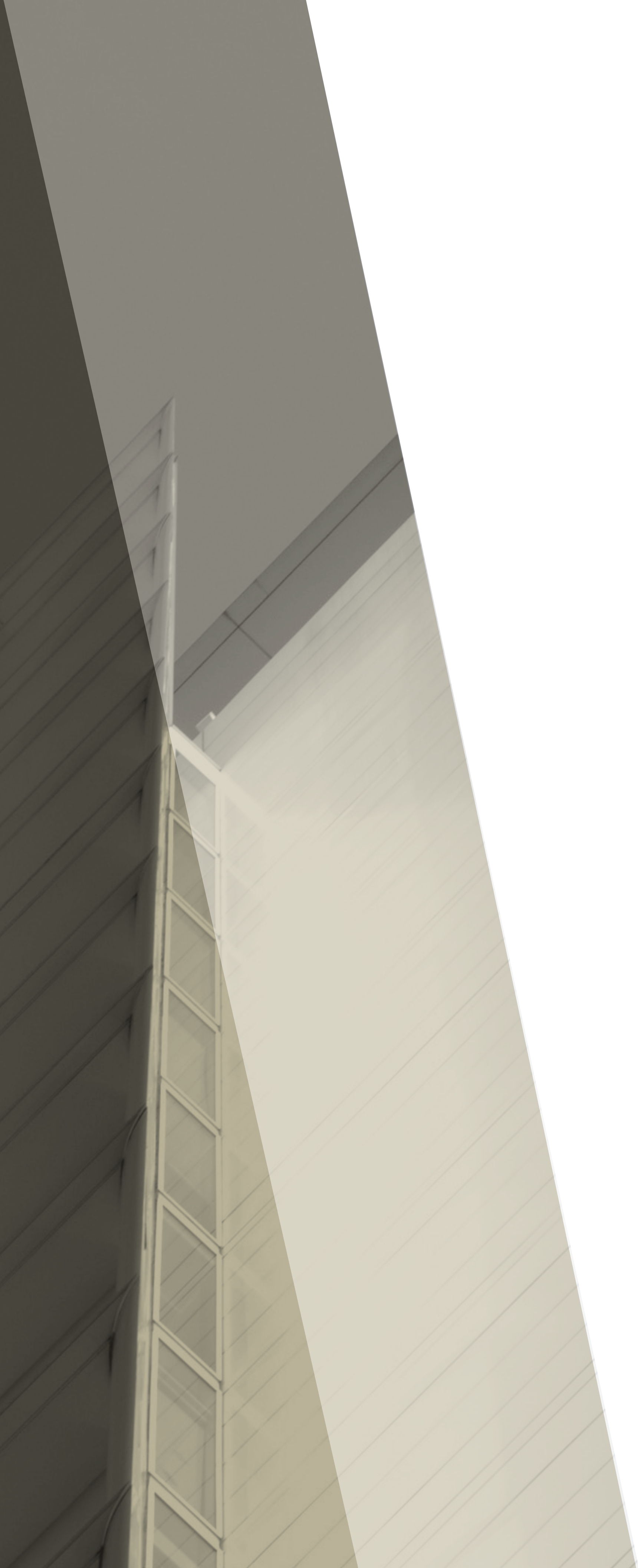
INVESTMENT FUND



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CHAIRMAN'S STATEMENT

Dear Investors:

The purpose of this report is to share with you Moneda Chile Fund's results during the fiscal year ended December 31st, 2012.

The year 2012 was a favorable one for international risk assets; equity and high-yield fixed-income markets ended the year with returns in dollars of 16.1% and 16.2%, respectively (as measured by the MSCI ACWI and JPM HY indexes). This positive performance on global markets was made possible by a decline in risk premiums after the Central Bank of Europe stepped up to defend the euro, slow but positive progress in bank and fiscal integration in the Eurozone, the U.S. Federal Reserve's monetary easing policy, and the reduced risk of an abrupt downturn in the Chinese economy.

In contrast with the good performance of risk asset markets, preliminary estimates indicate that the global economy grew only 3.0% in terms of purchasing power parity, substantially less than the 3.8% growth of the previous year. This mediocre result was influenced by uncertainties that arose in 2011 regarding the future of the Eurozone, along with the conclusion of fiscal and/or stimulus programs in several large economies, particularly that of China. Still, favorable aspects of this scenario were inflation and the outlook for inflation, which remained in check during the year, and interest rates on benchmark sovereign bonds, which trended downwards.

In this context, international prices for raw materials were more in line with the slowdown in world and Chinese economies than with the reduction in risk premiums. Measured by the aggregate CRB index, raw material prices had dropped by 3.4% at the end of the year and by 9.8% in the average value compared to the previous year. The average price of copper fell to US$3.61/lb. (down from US$4.00 the previous year) because of zero growth in the world's demand for the metal under the impact of European demand, which fell by 6.9%, and Chinese demand, which grew less than expected. Oil prices averaged US$94.00 per barrel (compared to US$94.8 the previous year) partially buoyed by U.S. and Eurozone sanctions against Iran for its nuclear program.

The year 2012 was also largely positive for equity and high yield fixed-income investments in Latin America, which returned 8.7% and 15.9% in dollars, respectively (according to the MSCI and JPM CEMBI HY indexes). Besides the worldwide decline in risk premiums, other contributing factors are the good economic performance of the Pacific Alliance member countries (Chile, Colombia, Mexico, and Peru) and a significant improvement in the outlook for Mexico after Enrique Peña Nieto's election as President with his agenda to carry out the structural reforms needed to spur economic growth. In contrast, Brazil once again disappointed markets with its meager economic growth, which was only 0.9% higher than the year before, and with its increased government intervention that adversely affected the power, energy, and financial industries.

Our Moneda Chile Fund exhibited profitability of 21.6% in 2012, comparing favorably with the returns in the Moneda 500 and IPSA indexes, which were 15.0% and 11.4%, respectively. This gives the fund compound annual profitability of 27.2% over the last 10 years, amply surpassing the returns of 21.1% and 20.5% recorded in the Moneda 500 and IPSA indexes, respectively, also for 10 years. These results only reinforce our investment strategy based on a fundamental analysis of companies with a long-term focus. The solid results forecast from 2013 through 2015 for the companies in the Moneda Chile Fund portfolio leave us optimistic about the developments to be seen in the fund over the coming year.

Before closing, I would like to thank Moneda's collaborators for their constant dedication to continuing to add value to our clients. I would also like to thank our clients for the trust they have placed in Moneda for 19 years and to confirm to them our commitment to working with the utmost professionalism and commitment.

Jorge Carey T.
Chairman Moneda Chile Fund Ltd.

DESCRIPTION OF THE COMPANY

OBJECTIVE

The objective of the Moneda Chile Fund Limited (the "Company") is to achieve long-term capital appreciation by investing primarily in shares issued by Chilean small and medium sized companies. The Company will seek to achieve its objective by investing primarily in companies that have a market capitalization less than the companies in the top quartile of stocks listed in Chile, and that are listed on a Chilean stock exchange or are expected to be listed through initial public offerings.

DESCRIPTION OF THE COMPANY

Moneda Chile Fund Limited is an exempted company that was incorporated in Bermuda on August 31st, 1995. The shares of the Company are currently listed on the Bermuda Stock Exchange. The Company makes investments in Chile under the provisions of two Chilean laws and a contract with the Chilean Government that grants investment funds based outside of Chile a privileged withholding tax rate of 10% on the remittance of profits.

On June 23rd, 2011 Moneda Chile Fund was renewed for an additional period of two years.

DIRECTORS

There are no existing or proposed Directors' service contracts between any of the Directors and the Company.

Each Director receives a fee of US$ 10,000 per annum and US$ 500 per day of additional time spent on Company business. In addition, each of the three Directors that form the Audit Committee receives a US$ 500 fee for every meeting attended. The Directors' maximum aggregate remuneration shall be USD 50,000 per annum, distributed at the Board's discretion. All the directors mentioned above are non-executive directors.

As of December 31st, 2012, Mr. Donald Campbell, Director of the Company, personally or beneficially owned 335,000 shares of the Company. Mr. Campbell is also the Chief Executive Officer of Guaranty Finance Investors LLC, which owns 240,000 shares in the Company. Together these two holdings amount to 45.27% of the Company's outstanding shares, most of which are registered under the name of Citivic Nominees Limited.

As of December 31st, 2012, Mr. Jorge Carey and Mr. Scott Perry, both Directors of the Company, personally or beneficially did not own shares of the Company.

The Company's Board can issue any un-issued shares on terms and conditions, including subscription price, which it may determine from time to time.

THE MANAGER

The Company is managed by Moneda S.A. Administradora de Fondos de Inversión (the Manager), a Chilean Fund management company. The Manager is a wholly owned subsidiary of Moneda Asset Management S.A. (Moneda), which also provides investment advisory services to the Manager.

The Manager and Moneda comprise a team of professional investment managers specialized in Chilean small and medium sized companies, as well as having extensive knowledge in Latin American markets.

Moneda was organized in 1993 by three executives (Mr. Sergio Undurraga, Mr. Antonio Cruz and Mr. Pablo Echeverría), International Finance Corporation (IFC), and Larraín Vial S.A. In June 1998, the management team acquired the 40% interest Larraín Vial S.A. held in Moneda. In May 2006, the management team acquired the 20% interest held by the IFC. In November 2007, part of the management team, along with Consorcio Financiero, the largest non-banking financial services conglomerate and Estrella del Sur Ltda., acquired the stake of five partners deciding to leave Moneda, including Mr. Undurraga and Mr. Cruz. On May 2008, Alfredo Reyes joined Moneda as partner and head of Moneda's wealth management division. As of December 31st, 2011, the partners of Moneda were the following individuals, through their corresponding legal entities: Pablo Echeverría (Chairman), Fernando Tisné, Juan Luis Rivera, Raimundo Valenzuela, Alfonso Duval, Alfredo Reyes, Alejandro Olea, and Consorcio Financiero as Moneda's financial institutional partner.

As of December 31st, 2012 Moneda manages assets above US$ 4,714 million, distributed in the following asset classes:

Chilean Equities Investment Funds:	US$ 1,902 million
Latin American HY Corporates:	US$ 1,194 million
Latin American Corporate Local Currency Debt:	US$ 294 million
Latin American Absolute Return:	US$ 281 million
Latin American Small Caps:	US$ 433 million
Others:	US$ 610 million

SIGNIFICANT SHAREHOLDERS

As of December 31st, 2012, the top 5 shareholders in the share registry of the company were:

Citivic Nominees Limited	38.32%
LOM Nominees Limited	34.64%
The Bank of New York Mellon NA FBO Donald Miller Campbel IRA Rollover	10.23%
Case Children's 1991 IR TR	3.35%
LLS Charitable Remainder Unitrust dtd 12/28/99	3.15%

CHANGES IN BYLAWS

There have been no changes in the bylaws of the Company during 2011, other than the extension of the duration of the Company as indicated below.

The abolition, alteration or amendment of the Company's bylaws require a resolution of the Directors, confirmed by a simple majority of the shares present at an annual general meeting voting in person or by proxy.

RENEWAL OF THE COMPANY

This year 2013, the Company shall call a general meeting to vote about its discontinuance. At the annual general meeting every two years, commencing in 2007, a proposal to extend the Company for a two year period is submitted to the Company's shareholders. A resolution approving the extension requires a simple majority of the shares present at the meeting voting in person or by proxy. Shares voted against the extension shall be considered dissenting shares and their holders shall have the right to receive from the Company the payment of the fair value of the dissenting shares.

The last general meeting of the Company was celebrated on June 23th, 2011 and during both, the Company's Annual general Meeting, celebrated on June 9th, 2011, and the adjourned Annual General Meeting, celebrated on June 23rd, 2011, an extension of the life of the Company for an additional period of two years was approved. The Company's Administrator received 1,007,863 votes (equivalent to 66.38% of the outstanding shares by that date, representing 82.17% of the shareholders who voted) favoring the continuation of the Company, and 248,681 votes (equivalent to 16.4% of the outstanding shares by that date) against the continuation of the Company (Dissenting Shareholders). By voting against the continuation of the Company, Dissenting Shareholders received the right to effectively redeem their shares to the Company at USD 76.1 per share. Dissenting Shareholders enforcing their right to redeem had to manifest it in writing to the Company's Administrator prior to July 8th, 2011. 100% of Dissenting Shareholders enforced their right to redeem.

The Company may at its own discretion, with shareholder agreement, redeem or repurchase shares of such holders, on terms and conditions determined at the Board's discretion. Shares will be redeemed at the NAV per share on the applicable redemption date less a redemption charge to be determined by the Board, provided that such charge may not exceed 10% of such NAV and less any withholding taxes or other uncovered costs or liabilities attributable to the shares being redeemed. Upon the Board's decision, the Company may limit redemptions to a given aggregate percentage of issued shares. If redemption notices in excess of such limit are received, all redemptions may be reduced pro-rata.

MATERIAL CONTRACTS

A) Management And Advisory Agreement

Effective January 1st, 2007, the Board of Directors agreed with the Manager a new remuneration scheme, aimed at reducing the fixed burden and adding an incentive fee based on the return of the Company. The Company pays to the Manager each calendar year, a management fee consisting of:

a. fixed annual fee of 1% of the Company's Net Asset Value, paid monthly in arrears; plus
b. an incentive fee equal to 4% of any dividends paid in that same calendar year; plus
c. an incentive fee equal to 2% of any increase in the Net Asset Value of the Company, if any in the same calendar year, not paid out as a dividend. This last fee will be paid after the Board of Directors approves the Company's annual financial statements.

The Manager is not liable to the Company or its shareholders, except in certain specified cases such as willful negligence.

The management agreement can be terminated by either side six months notice, and also contains immediate termination clauses in qualified cases.

In the same agreement, the Company appointed Moneda Asset Management S.A., the parent company of the Investment Manager, as its Investment Advisor. The Investment Manager pays the fee of the Investment Advisor.

On September 16th, 2003, the Board of Directors agreed to change the base over which the Management Fee is calculated, adding to the Total Net Assets the amount of the debt and accrued interests starting as of January 1st, 2003. This was done to recognize that assets under management increased as a result of gearing.

Management fees paid and accrued for the period ended December 31st, 2012 amounted to US$1,230,387 (2011 US$1,169,325), composed by US$841,205 of fixed fees (US$1,015,325 in 2011) and US$389,182 of incentive fees (US$154,000 in 2011).

B) Administration Agreement:

In October 2006, Apex Fund Services Ltd ("Apex") was appointed Administrator of the Company, replacing Management International (Bermuda) Limited (MIL). The Administrator receives the following fees and remuneration:

- Registrar and transfer agency fees of US$500 per month plus US$50 per transaction.
- Corporate secretarial services at a fee of US$7,500 per annum.
- Listing sponsor fees of US$2,500 per annum.

The amount paid to the administrator for the period ended December 31st, 2012 was US$ 12,735 (2011 - US$ 21,480). Either party giving sixty days notice can terminate the agreement.

C) Custodian Agreement:

On June 17th, 2002, Banco de Chile was appointed custodian of the Company's assets in Chile. Through Banco de Chile, the Company's securities are kept at the Depósito Central de Valores, which is a central deposit and the custodian of most financial assets of institutional investors (mainly pension funds) in Chile.

On October 1st, 2008 a new custodian agreement was signed with the Banco de Chile which included all of the funds Moneda S.A. Administradora de Fondos de Inversión and its related management companies have under management. The new economic terms consider charging a fee based on monthly portfolio valuations and monthly portfolio transactions of all Funds under Banco de Chile's custody according to a fee scale. Once the total amount of custodian fee is determined, it is prorated according to the proportion that each Fund represents of the total assets under custody.

Pershing LLC, a Bank of New York Securities Group company, is the custodian for Chilean ADRs held by the Company, providing custodial and securities clearing services.

During the period ended December 31st, 2012, the Fund paid US$ 19,913 for these services (US$ 25,383 in 2011).

CHAIRMAN

JORGE M. CAREY
Chile

DIRECTORS

DONALD M. CAMPBELL
United States of America

W. SCOTT PERRY
Uruguay, Ireland

All the Directors mentioned above are non-executive directors.

REGISTERED OFFICE

3rd Floor, 31 Reid Street,
Hamilton HM12 Bermuda

SECRETARY

MS. SHARON WARD
3rd Floor, 31 Reid Street,
Hamilton HM12 Bermuda

RESIDENT REPRESENTATIVE IN BERMUDA

MR. PETER HUGHES
3rd Floor, 31 Reid Street
Hamilton HM12 Bermuda

MANAGER

MONEDA S.A. ADMINISTRADORA DE FONDOS DE INVERSIÓN
Isidora Goyenechea 3621 8th floor, Santiago, Chile.

INVESTMENT ADVISOR

MONEDA ASSET MANAGEMENT S.A.
Isidora Goyenechea 3621 8th floor, Santiago, Chile.

CUSTODIAN

NON-CHILEAN ASSETS Pershing LLC
1 Pershing Plaza Jersey City,
NJ 07399 United States of America.

CHILEAN ASSETS
Banco de Chile Alameda 251 Santiago, Chile.

AUDITORS

KPMG AUDITORES CONSULTORES LTDA.
Monjitas 527, Piso 15 Santiago, Chile.

ADMINISTRATOR

APEX FUND SERVICES LTD.
3 Burnaby Street T.J. Pearman Building
Hamilton HM12 Bermuda

INVESTMENT PERFORMANCE

The world's stock markets exhibited returns of 16.8% in dollars in 2012, measured according to the MSCI ACWI index. Developed markets had returns of 16.5%, lower than the 18.6% recorded in emerging countries. The regions that performed best were emerging Europe and emerging Asia, with increases of 25.1% and 21.2%, respectively, while Japan and Latin America had the lowest returns in 2012 (8.4% and 8.9%, respectively).

Early in 2012, the world's stock markets rose sharply due to the positive effect of the LTRO program announced by the European Central Bank (ECB), which it used to inject one trillion euros into European banks. Starting in March, however, fears of a hard landing in the Chinese economy, together with the continuing fiscal and financial tensions in Europe, led to sharp drops in the stock markets in the second quarter. Then, around mid-year, when European leaders announced major progress in integration in the Eurozone, the ECB responded with a determined defense of the euro. It announced early in September that it would purchase an indefinite amount of sovereign bonds from Eurozone countries that requested help in what were called outright monetary transactions.

This situation significantly decreased the likelihood of a very negative financial event in Europe, which, together with the Federal Reserve Bank's announcement of quantitative easing 3 in mid-September and a recovery in the economic data coming from China, resulted in sharp increases in share prices in the last months of 2012.

The price of WTI crude oil closed at USD91.8/bbl, 7.1% lower than at the end of 2011. Its average price in 2012 was USD94.0/bbl, down 0.9% from the previous year. The basic scenario for 2012 was a sharp increase in oil production in the U.S. and Saudi Arabia along with slow growth in the world's demand for oil. Complications were added when the international community imposed sanctions against Iran and other tensions arose in the Middle East and North Africa. WTI crude reached a peak of USD109.50/bbl at the end of February when Iran announced that it would halt exports to Western countries in response to pressure over its nuclear program, and tensions persisted in countries such as Sudan, Yemen, and Syria. The year's low of USD77.7/bbl occurred at the end of June, when sluggish demand worldwide, coupled with Saudi Arabia's increased production, created a surplus of oil that pushed prices downward. The price recovered rapidly in the third quarter as central banks implemented stimulus measures. Towards the end of the year, the price of WTI crude remained relatively stable within a range of USD 85 to 90/bbl as demand rose in the U.S. and China, the U.S. continued with record production, and Saudi Arabia began to cut back on oil exports.

Copper closed out 2012 at USD3.59/lb, 4.8% higher than at the end of 2011. Prices averaged USD3.60/lb during 2012, 10.0% less than the 2011 average of USD4.0/lb. Copper prices during the year were influenced primarily by sluggish demand from China, which grew far below expectations; added to this were fears as to the scope of the European crisis. However, these factors were offset by the copper industry's record low inventories and rising production costs. Prices on the London Metal Exchange reached a peak of USD3.93/lb at the end of February just as a new rescue package was approved for Greece, and its low of USD3.29/lb occurred at the end of June amid serious concerns about the situation in Europe and the publication of negative data on China, particularly from the manufacturing industry. By the third quarter of 2012, copper prices were rising from the news of monetary stimulus plans implemented by the ECB and the Fed, as well as a stimulus package announced by the Chinese government focusing on infrastructure projects. This increase was only temporary, however, with prices again declining as copper inventories increased significantly on the exchange. Finally, positive signs from the Chinese economy in December were once again pushing prices upward.

The Chilean economy grew by 5.6% in 2012, continuing with the dynamism exhibited since mid-2009 that was interrupted only temporarily after the earthquake on February 27, 2010. It is worth noting that this growth was achieved in a weak international context, with the Eurozone going into recession and emerging countries' economies beginning to slow.

On the exchange market, the Chilean peso was up 9.0% in 2012, exhibiting a mostly positive trend that was in line with the underlying economy and was only interrupted during periods of greater aversion to risk due to international uncertainties.

The local stock market, measured by the IPSA, ended the year on an upward trend, having risen 3.0% in chilean pesos and 11.4% in dollars. This performance is below the 18.6% increase recorded by emerging countries. The lower returns in Chile are explained in part by the large number of capital events that occurred in 2012, with IPOs, secondary stock sales, and capital increases totaling USD5.87 billion, or 2.7% of the IPSA's capitalization. In addition, the companies listed on the IPSA exhibited slow growth in 2012.

During the first nine months of the year, the Chilean included in the Moneda General Index recorded growth in sales and EBITDA of 8.4% and 7.8%, respectively. However, it is important to note that EBITDA growth benefited from La Polar and Vapores, companies that reported heavy losses in 2011. If we exclude these two companies, EBITDA fell by 3.8%. The profits of the companies listed on that index fell by 0.4% due to tightened margins and the impact from the tax hike announced by the government in August of 2012, which raised taxes on corporate earnings to 20%. If we remove Vapores and La Polar from the sampling, profits fell by 21.4%.

The industry exhibiting the highest growth in EBITDA during the first nine months of the year was shipping and transportation (1.806%), which started with a low 2011 basis for comparison due to falling maritime shipping rates and the surge in oil prices in 2011 that affected Vapores and Interoceánica. Second in growth was the retail industry, reporting a 70.6% increase in EBITDA. Like the shipping industry, it started with a low basis for comparison due to La Polar's losses of over CLP557.2 billion in 2011. The industries with the lowest growth were salmon production (-111%), resulting from a drop of some 23% in average salmon prices during the year; packaging (-38.7%) due to decreased physical invoicing at Edelpa, whose production fell because of technical problems; and steel (-37.7%) as a result of a 25.4% decline in the average price of iron.

The highest performance shares on the IPSA in 2012 were Embonor-B (69.4%), Parque Arauco (44.1%), SK (37.5%), and Andina-B (36.9%). Andina-B's increase stems from the merger with Kopolar that was announced in February of 2012 and took place in October of the same year. In addition, a wave of mergers in the soft drink industry has increased the value of the companies in the sector and has driven Embonor-B upward, seen as a possible candidate for acquisition. Parque Arauco stock rose along with the company's earnings, which were at an accumulated 28% as of September. The company's results are explained by the 20% increase in leasable area in 2011, which began to mature in 2012. As for SK, its capital increase in January 2012 boosted the liquidity of the company's shares, which resulted in greater coverage by market analysts.

SalfaCorp's shares were those with the poorest performance on the IPSA in 2012. Its stock dropped -23.2% due to the company's poor results, which, as of September, had accumulated losses of -15.2%, and to delays in the municipal approval of certain of its real estate projects. Salmon producers Multifoods and Aquachile also recorded significant losses of -21.1% and -17.5%, respectively, as average salmon prices fell by 23% during the year. In addition to the above, the companies' great need for working capital to continue with their expansion projects resulted in new debt renegotiations with banks.

Medium- and small-capitalization companies, which are included on the Moneda 500 Index where the fund invests 82.4% of its assets, closed the year up 15.0%. This compares favorably with the return on large-capitalization companies, included on the Moneda 501 Index, which rose 10.1%.

Moneda Chile Fund ended the year with a gain of 21.6%, ahead of the Moneda 500 index and the IPSA. The Fund's positive performance compared to the index is fundamentally due to better selectivity.

MONEDA CHILE FUND RELATIVE TO INDICES (IN USD)

Total annualized return for the period ended on December 31st, 2011

	2012	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION
Moneda Chile Fund	21.6%	19.0%	13.8%	27.2%	14.6%
IGPA	13.2%	10.2%	9.2%	20.2%	6.3%
IPSA	11.4%	8.3%	7.9%	20.5%	7.6%
Moneda 500 Index	15.0%	11.7%	7.8%	21.1%	8.7%
MSCI Chile Small Caps	25.5%	4.9%	3.9%	19.4%	8.0%

IPSA: Index compiled by the Santiago Stock Exchange, which Includes the 40 most traded stocks (the Index does Include dividend reinvestment).

IGPA: Index compiled by the Santiago Stock Exchange that includes all the companies listed on this Stock Exchange (the index does not include dividend reinvestment).

Moneda 500 is an index compiled by Moneda Asset Management. It includes companies that have a market capitalization of less than that of the companies in the top quartile of stocks listed in Chile.

MSCI Chile Small Cap Index was developed by Morgan Stanley Capital International - Barra and officially launched on May 2008.

On 31st December 2012, the Chilean stock market1 was worth US$ 312,568 million. The top-quartile companies represent 75.8% of this total.

On December 31st, 2012, 98.4% of the Fund's portfolio was invested in shares of national companies. 92.4% of total investments in shares were in companies situated in the three lower market quartiles. This strategy has been maintained consistently since Moneda Chile Fund was launched in 1995 and the Fund has become a unique opportunity to complete and complement a portfolio in this sector of national equities.

TABLE N°3*

Quartile N° of companies at December 31st, 2011 of market capital US$ MM

			MIN.	MAX.	AVGE.
1	21	75.8%	4,371	25,194	9,668
2	21	16.5%	905	5,405	2,108
3	22	6.0%	182	1,453	729
4	20	1.7%	42	353	228
	267,892				

* Quartiles defined according to market values on 31st December 2012.

1. The share universe comprising the Moneda General index; stocks meeting certain criteria relating to turnover and market presence.

TABLE N°4

Portfolio	IPSA	AFPs	MONEDA CHILE FUND 2012	MONEDA CHILE FUND 2011
Large Caps (Q1)	83.84%	79.68%	7.55%	15.69%
Small y Mid Caps *	16.16%	20.32%	92.45%	84.31%
Cuartil 2 (Q2)	14.25%	14.90%	51.75%	47.81%
Cuartil 3 (Q3)	1.42%	3.80%	16.30%	13.27%
Cuartil 4 (Q4)	0.50%	1.26%	11.89%	11.96%
Off Index	0.00%	0.35%	12.51%	11.26%
IPSA	100.00%	92.84%	37.81%	35.21%

* Table based on Moneda General Index, 2011.

OPERATING EXPENSES

Operating expenses for the Company decreased to 1.74% in 2012, compared to 1.82% in 2011, primarily as a result of lower management fee paid to the Investment Manager (this ratio Is calculated as operational expenses over net assets)

PORTFOLIO INVESTMENTS

As of December 31st, 2012, 98.4% of the assets of the Company were invested in Chilean equities (including American Depositary Receipts).

Since the Company's amalgamation and renewal in 2005, it has changed its primary investment scope, recognizing the significant increase in the absolute levels of market capitalization of Chilean companies. Previously the Company mainly invested in companies with a market capitalization of less than US$ 500 million. Today, the Company looks to invest primarily in companies situated in the second, third and fourth quartiles of companies, according to their market capitalization.

As of December 2011, 7.6% of the Company's total assets were invested in companies with market capitalizations within the first quartile.

The Company has neither issued any new shares during this period nor since its inception. The total number of subscribed shares was 1,270,159 as of December 31st 2012.

As of December 31st, 2012, the net asset value of the Company was USD 88,706,849.-, representing a net asset value per share of US$ 69.839.

DESCRIPTION OF THE TEN LARGEST INVESTMENTS

Ten largest holdings of the Company as of December 31st, 2012

Stock	Industry	Market Cap (USD m) (12/31/12)	% of Portfolio (12/31/12)	% of Total Assets (12/31/11)	P/E LTM
BANMEDICA	Health Care & Insurance	1,982	9.4%	9.3%	20.3
CORPBANCA	Banking	3,969	7.6%	7.5%	17.2
EMBONOR*	Conglomerates	1,345	6.0%	5.9%	16.8
SK	Metal Mining	2,624	5.8%	5.7%	14.0
PUCOBRE	Holdings	905	5.6%	5.5%	22.0
ALMENDRAL	Technology	2,081	5.3%	5.3%	13.0
SONDA	Beverages	2,789	4.8%	4.8%	27.8
ANDROMACO	Pharmaceuticals	266	4.2%	4.1%	37.2
WATTS	Food	351	3.7%	3.7%	13.2
QUIÑENCO	Conglomerates	4,371	3.7%	3.6%	22.6
Total Top 10			**56.0%**	**55.5%**	**19.9**
MCF			**100.0%**	**99.0%**	

* Sum of Embonor A and Embonor B.

MOST SIGNIFICANT INVESTMENTS

In fulfillment of General regulation no. 30 of the Securities and Insurance Supervisor creating the obligation to report on investments representing more than 5% of the Fund's assets, this report includes a description of the largest investments in the portfolio.

MAIN INVESTMENTS

In compliance with General Regulation No. 30 issued by the Superintendencia de Valores y Seguros (SVS, Securities and Insurance Authority), which requires that investments comprising more than 5% of the Fund's assets be described, this report includes a description of the portfolio's most important investments.

BANMÉDICA

Banmédica is Chile's largest holding company in the health industry, with operations in Chile, Colombia, and Peru. It has an integrated services network and more than 25 years of experience in the industry. Its main areas of business are divided into health insurance and health service providers in Chile and its international health business. The company is controlled by the Penta and Fernández-León Groups.

The company's main line of business is providing health services through its high-complexity and medium-complexity hospitals out-patient and emergency services, represent approximately 55% of the company's EBITDA. Of particular importance are its investments in Clínica Santa María and Clínica Dávila, high-complexity hospitals with a total of 880 beds. They hold a 17% and 24% market share, respectively, and represent 43% of the company's total EBITDA. These hospitals have the industry's highest occupation rate, at 77% and 84%, respectively, as of September 2012. Banmédica's medium-complexity hospitals cases are Clínica Vespucio, Clínica Biobío and Clínica Ciudad del Mar, with a total of 230 beds. Altogether, Banmédica's hospitals hold a 44% market share of total bed-days. The EBITDA of this business activity has exhibited sustained growth over time, with an annual growth rate of 12% over the last five years.

Health insurance is Banmédica's second-largest line of business, accounting for 23% low loss ratio of its EBITDA. It runs two insurance companies in Chile: Isapre Banmédica and Isapre Vida Tres. Combined, they have 751,468 beneficiaries and 1,948 employees. Both companies maintained their market leadership positions in 2012, with a joint market share of 28%. The industry's earnings recorded a strong recovery in 2012 due primarily to a low claims rate during the third quarter.

The company's international business represents 23% of its EBITDA and has grown by 36% over the last five years. Banmédica has been involved in the Colombian health insurance industry since 1994 through its company Colmédica, which has over 528,000 beneficiaries and a market share of over 20% in pre-paid medical services and more than 2% in the POS (Programa Obligatorio de Salud, Obligatory Health Program). The company provides health services through its Clínica del Country hospital, which has over 230 beds, 14 operating rooms, three birthing rooms, and 24 cubicles. In Peru, the company owns the Clínica San Felipe and the ROE Laboratories. Clínica San Felipe is a hospital serving the high income segment of the population with over 130 beds, 83 of which have just been added. Laboratorios ROE has 15 locations in Lima and Arequipa, two of which opened this year. The company is currently investing heavily in Colombia, with the construction of two new hospitals, and in Peru, more than doubling the capacity of the Clínica San Felipe.

As of September 2012, Banmédica had recorded profits of CLP 37.511 billion, up 8.4% over the same period in 2011. This growth stems from the company's strong activity throughout all of its areas of business, particularly its international business, whose profits had grown by 64% as of September.

In terms of investments, the company is in the final stages of building two hospitals in Colombia that should go into operation in 2013. Banmédica is continuing with its ongoing plans for expansion in its different assets; projected for this year is the construction of a new 41,350 m2 building at the Clínica Dávila that will add 172 new beds, 88 cubicles for medical consultations, and 500 parking spaces. This new building is expected to go into operation in the first half of 2014.

The financial data as of September 30th, 2012 obtained from the financial statements presented to the SVS are as follows:

ASSETS	(in millions of CLP)	LIABILITIES	(in millions of CLP)
Current assets	212,385	Current liabilities	277,498
PP&E	313,432	Non-current liabilities	178,319
Other non-current assets	118,781	Non-controlling interests	19,684
Total Assets	644,598	Equity	169,096

INCOME STATEMENT	Sept 2011 (millions of CLP)	Sept 2012 (millions of CLP)	Nominal Var. 2012/2011
Operating Revenues	583,485	654,271	12.1%
Operating costs	-443,726	-498,645	12.4%
Sales and general administrative expenses	-98,215	-105,879	7.8%
Other net operating revenues	11,545	11,357	-1.6%
Operating Results	53,089	61,103	15.1%
Interest in associated companies	932	1,105	18.6%
Net financial expense	-3,279	-4,759	45.1%
Other revenues	-2,206	-1,871	-15.2%
Nonoperating Results	-4,552	-5,524	21%
Profits before taxes	48,536	55,579	14.5%
Taxes	-11,049	-14,545	31.6%
Profit from non-controlling interests	2,887	3,523	22.0%
Profit attributable to owners	34,600	37,512	8%

Stock Market Data	
Share price (12/31/2012)	CLP 1,167
Earnings per share (Sept. 2012)	CLP 58
Price / Earning (Sept. 2012)	20.3
Price / Book value (Sept. 2012)	5.6

CORPBANCA

CorpBanca is the fifth largest bank in Chile, with a market share of 10.1%. It had net lending of CLP 9.838 trillion and market capitalization of USD 3.918 billion at the close of 2012.

CorpBanca was founded in 1871 as the Banco de Concepción. It was purchased by the Sociedad Nacional de Minería (National Mining Society) in 1986, who sold it to Álvaro Saieh in 1995. The bank changed its name to CorpBanca in 1997 and its shares were first traded on the stock market in 2002.

Over the last 12 months, up to November 2012, CorpBanca increased its share of the Chilean market from 7.6% to 8.3%. It also has a 3.0% share of the Colombian market through its purchase of the Santander Colombia bank, which it took control of in May 2012. The combined gross lending in both countries had increased by 51% as of November, with the largest rise occurring in consumer loans (161%). Commercial loans grew by 47%, and home loans were up 32%. With these variations, the current portfolio has a breakdown of 74% in commercial loans, 15% in home loans, and 11% in consumer loans.

Accumulated provisions expense was CLP 42.679 billion as of November, equivalent to 0.47% of average lending for the period. This rate declined significantly over the year, since CLP 43.848 billion was spent in 2011 for this item (0.74% of lending). Support expenditures increased by 68% due to higher personnel expense. As a result, profits were CLP 113.642 billion, 2.2% less than during the same period the previous year.

The agreement with Banco Santander S.A. to acquire 95% of Banco Santander Colombia was signed this year, giving CorpBanca access to one of the most solid in Latin America, a banking system with an excellent growth outlook. Was complemented by the agreement reached in October to acquire the Colombian bank Helm, which will merge with CorpBanca's current operations in that country. This will give CorpBanca control over Colombia's fifth largest bank, with a total market share of 7.1%, as well as expected synergies of over USD 100 million. The consolidated operation will have very defensive coverage (198%) and an ROAE of 13.7% without the synergies.

The company announced capital increase for USD 610 million in order to be able to close the transaction which took place in January of 2013.

The financial data as of September 30th, 2012 obtained from the financial statements presented to the SBJF[2] are as follows:

ASSETS	(in millions of CLP)
Cash and Equivalents	484,342
Loans	9,999,872
Provisions	-161,400
Other loans	309,507
Investments	1,209,263
Other assets	1,409,670
Fixed assets	68,679
Total Assets	13,319,933

LIABILITIES	(in millions of CLP)
Deposits and other obligations	8,398,461
Debt instruments	1,890,062
Bank and Central Bank loans	902,126
Other liabilities	1,202,255
Equity	927,029

INCOME STATEMENT	Nov. 2011 (millions of CLP)	Nov. 2012 (millions of CLP)	Nominal Var. 2012/2011
Operating revenue	317,661	405,047	27.5%
Provisions expense	-43,848	-42,679	-2.7%
Net operating revenue	273,813	362,368	32.3%
Administrative exp.	-136,050	-228,204	67.7%
Net operating results	137,763	134,164	-2.6%
Non-operating results	250	-71	-128.4%
Earnings before taxes	138,013	134,093	-2.8%
Taxes	-23,378	-20,665	-11.6%
Profit from non-controlling interests	-1,610	-214	NS
Profit attributable to owners	116,245	113,642	-2.2%

Stock Market Data	
Share price (12/31/2012)	CLP 6.4
Profit per share (Nov. 2012)	CLP 0.4
Price / Profit (Nov. 2012)	15.7
Price / Book Value (Nov. 2012)	2.0

2 Superintendency of Banks and Financial Sustitutions

SIGDO KOPPERS

Sigdo Koppers S.A. is a Chilean business group with more than 50 years of experience providing products and services to mining and industry. The company does business in Chile, Latin America, Asia, and Europe, and it is organized into three business areas: services, industrial, and commercial and automotive.

The services area groups together industrial construction and assembly, and transportation and logistics companies. This area consists of SK Ingeniería y Construcción, which specializes in large-scale industrial construction and assembly, and Puerto Ventanas, a bulk product and fuels port controlled by Fepasa, a railway transport company. In the first nine months of 2012, SK Ingeniería y Construcción doubled its sales and increased its EBITDA by 53% over that of the previous period, while Ventanas increased its sales by 6% and its EBITDA by 20%, from both increased volumes and low-margin sales.

The industrial area groups together companies in the business of explosive rock breaking, mill ball and wear parts manufacturing, high-tech plastic films, and a petrochemical plant. This business area is made up of Enaex, a company that provides explosive and related services and that has a 70% market share in Chile and a 60% share of the South American market; Magotteaux, a Belgium-based company with numerous plants worldwide that produce cast- and forged-steel balls (with high and low chromium content) as well as wear parts; Sigdopack, which produces plastic film for food packaging in Chile and Latin America; and CHBB, a plant that produces high-purity hydrogen that it supplies to ENAP (Chile's National Petroleum Company). In the first nine months of 2012, Enaex's sales were up 16% over the same period the previous year, due in part to a 4.6% increase in the average price of ammonia and in part to a 7.8% rise in tons sold; its EBITDA rose 13%. Magotteaux has accumulated sales of USD 596 million and an EBITDA margin of 15%.

Finally, Sigdo Kopper's commercial and automotive area is made up of companies that represent, distribute, and lease machinery and sell automobiles. One company in the commercial and automotive area is SK Comercial, a company that sells, leases, and services machinery; another company is SKBergé, the largest automobile distributer in Chile, with a 13% market share. In the first nine months of 2012, SK Comercial's sales grew by 7% and its EBITDA was up 40%, both compared to the same period of 2011, partially stemming from a surge in machinery leasing. SKBergé, despite selling the same number of units, saw its profits decline by 28%.

ASSETS	(millions of USD)
Current assets	1,253
PP&E	1,284
Other non-current assets	1,030
Total Assets	3,567

LIABILITIES	(millions of USD)
Current liabilities	1,100
Non-current liabilities	916
Non-controlling interests	390
Equity	1,161

INCOME STATEMENT	Sept. 2011 (millions of CLP)	Sept. 2012 (millions of CLP)	Var. Nominal 2012/2011
Operating revenue	1,450	2,029	39.9%
Operating costs	-1,105	-1,599	44.7%
Administration and distribution costs	-186	-246	32.4%
Other net operating revenue	166	11	-93.5%
Operating results	325	195	-40.1%
Interest in associated companies	36	27	-25.9%
Net financial expense	-27	-36	34.6%
Other revenues and disbursements	-6	3	-145%
Non-operating results	3	-7	-337%
Profit before taxes	328	188	-42.7%
Taxes	-77	-36	-53.3%
Profit from non-controlling interests	48	48	-0.2%
Profit attributable to owners	203	104	-48.7%

Stock Market Data	
Share price (12/31/2012)	CLP 1,156
Profit per share (Sept. 2012)	CLP 82
Price / Profit (Sept. 2012)	14.0
Price / Book Value (Sept. 2012)	2.3

SOCIEDAD PUNTA DEL COBRE

Pucobre is a mining company that produces and sells copper concentrates and cathodes. The ore is obtained from the Punta del Cobre mining deposit at Tierra Amarilla near Copiapó and from other smaller deposits such as Venado Sur and Manto Negro, which are located in the same region. The concentrates are produced at the San José plant, and the cathodes are manufactured at the Biocobre plant. Its geographic location and the high grade of copper at its deposits enable the company to have operating costs that are competitive with the international mining industry.

Since it was incorporated in 1989, the company has grown by 12.38% per year in its ore treatment capacity, going from 23,000 tons monthly to 330,000 tons per month after expanding the San José plant.

Pucobre has ambitious plans for expansion. The company owns the El Espino project, which it acquired in two stages for a total of USD 75 million. This deposit, located in Chile's Region IV, has proven reserves of 123 million tons with an average copper grade of 0.66%. Considering also the Puntilla Galenosa deposit as well, to which the company has access through a joint venture with Codelco, Pucobre expects to increase its production considerably over the coming years.

The price of copper was USD 3.59/lb at the close of 2012, 4.8% higher than at the end of 2011. However, the average price in 2012 was USD 3.6/lb, 10.0% lower than the previous year's average of USD 4.0/lb. Accumulated sales as of September were USD 190 million, a decline of 7.6% compared to the same period in 2011, primarily due to the fact that the average price of copper dropped from USD 4.2/lb to USD 3.6/lb during those months. The lower grade of ore, among other factors, resulted in cost increases of 11.0%. Consequently, the company's operating results as of September were down by 46%, and profits were down 42%.

The financial data as of September 30th, 2012 obtained from the financial statements presented to the SVS are as follows:

ASSETS	(millions of USD)
Current assets	77
PP&E	236
Other non-current assets	89
Total Assets	402

LIABILITIES	(millions of USD)
Current liabilities	99
Non-current liabilities	60
Non-controlling interests	0
Equity	243

INCOME STATEMENT	Sept. 2011 (millions of CLP)	Sept. 2012 (millions of CLP)	Nominal Var. 2012/2011
Operating revenue	205.8	190.2	-7.6%
Operating costs	-123.4	-136.9	11.0%
Administration and distribution costs	-14.0	-16.6	18.7%
Other net operating income	0.2	0.2	8.0%
Operating results	68.6	36.9	-46.2%
Interest in associated companies	0.0	0.0	NS
Net financial expense	1.2	-1.3	-209%
Other revenues and disbursements	-3.2	0.3	-109%
Non-operating results	-2.0	-1.0	-49.4%
Profit before taxes	66.6	35.8	-46.2%
Taxes	-15.7	-6.2	-60.9%
Profit from non-controlling interests	0.0	0.0	NS
Profit attributable to owners	50.9	29.7	-41.6%

Stock Market Data	
Share price (12/31/2012)	CLP 3,200
Profit per share (Sept. 2012)	CLP 145
Price / Profit (Sept. 2012)	22.0
Price / Book Value (Sept. 2012)	3.7

ALMENDRAL

Almendral is a holding company whose main investment is its 54.76% interest in Entel. Almendral is controlled by the Hurtado Vicuña, Matte, Fernández León, Izquierdo, and Gianoli Groups.

Entel is Chile's second largest telecommunications company, with assets of over USD 3.531 billion and income of USD 2.92 billion as of September. The company provides mobile telephone, long distance, data transmission, and Internet services, as well as network services for large companies, data center, and IT services. It also offers long distance and communications services to small- and medium-sized companies in Peru through its subsidiary Americatel Perú.

A notable development in January 2012 was Entel's introduction of number portability for Chile's countrywide mobile telephone market and its gradual implementation for landlines until it eventually reached national coverage. One year after its implementation, number portability has allowed over 776,338 users to keep their phone number when changing telephone companies. Of the customers that made the change, 436,000 had pay-as-you-go, or prepaid services, and 340,000 had mobile phone contracts with their phone companies. In net terms, Claro captured the most customers through portability in 2012, with 126,000 users. Movistar lost 109,000 users and Entel lost 52,000. However, when distinguishing between pay-as-you-go and contract customers, Entel captured 153,000 customers with high average revenue per unit (ARPU) contracts and lost 78,000 low ARPU prepay users. In addition, Virgin Mobile, Nextel, VTR, and GTD launched their mobile phone services in 2012.

The mobile telephone industry exhibited strong growth, led by increases in data transmission services such as mobile broadband. As a result, mobile phone companies had to invest in new terminals to allow for the intensive use of smartphones. As of September, total mobile telephony subscribers had reached over 24 million, 11% higher than in September of 2011. The Chilean mobile phone market has penetration of 146%, higher than that of Argentina, which is estimated at 142%, and Peru, which is at 82%. Entel's subscribers reached 8.8 million, one million more than in the same month the previous year, for a 41% share of the market. Entel has 1,074,000 mobile broadband subscribers, representing 21% growth.

On July 30, Entel was awarded the 40 MHz block B of the 2600 MHz band to use 4G technology.

As of September 2012, Entel reported consolidated revenue of over CLP 1.045 trillion, 16% higher than in September of 2011, 80.6% of which comes from mobile telephony.

The company's consolidated EBITDA was CLP 419.468 billion, a 6% increase over the same date in 2011. Profits were CLP 143.821 billion, a 4% decline from the same date the previous year. Entel distributed dividends of CLP 131.270 billion, of which Almendral received CLP 71.884 billion.

The financial data as of September 30, 2012 obtained from the financial statements presented to the SVS are as follows:

ASSETS	(millions of CLP)
Current assets	424,291
PP&E	1,107,280
Other non-current assets	392,922
Total Assets	1,924,492

LIABILITIES	(millions of CLP)
Current liabilities	458,035
Non-current liabilities	506,705
Non-controlling interests	360,417
Equity	599,335

INCOME STATEMENT	Sept. 2011 (millions of CLP)	Sept. 2012 (millions of CLP)	Nominal Var. 2012/2011
Operating revenue	906,624	1,046,380	15.4%
Operating costs	-617,074	-756,031	22.5%
Administration and distribution costs	-92,884	-101,972	9.8%
Operating results	196,667	188,376	-4.2%
Net financial expense	-7,199	-10,077	40.0%
Other revenues and disbursements	-1,291	-129	-90.0%
Non-operating results	-19,420	-19,497	0.4%
Profit before taxes	177,247	168,879	-5%
Taxes	-31,412	-26,920	-14%
Profit from non-controlling interests	-67,854	-65,059	-4.1%
Profit attributable to owners	77,981	76,900	-1.4%

Stock Market Data	
Share price (12/31/2012)	CLP 73
Profit per share (Sept. 2012)	CLP 7
Price / Profit (Sept. 2012)	10.7
Price / Book value (Sept. 12)	1.6

SONDA

Sonda is an integral information technology services provider. It does business over an extensive geographic area, with a direct presence in Latin America's largest countries including Brazil, Mexico, Chile, Colombia, and Argentina. Its income comes from three lines of business: information technology services, platform sales, and software applications sales.

Since 2006, the company has had annual growth of 21.2% in sales, driven both by growth from within and through the acquisition of companies that together contribute revenues of USD 550 million.

During 2012, Sonda focused on fully integrating Quintec, a company it acquired in September 2011. It also announced the acquisition of two new companies in Brazil: In March 2012 the company announced the purchase of PARS, a company that provides software solutions for engineering and architecture and represents the American firm Autodesk in Brazil; it had revenues of USD 77 million in 2011. In May of 2012, it announced the purchase of the Brazilian company ELUCID, which provides software solutions and services to power, water, and natural gas distribution companies and had revenues of USD 65 million in 2011. The acquisitions involved investments of USD 129 million and USD 74 million, respectively.

In August 2012, the Board of Directors approved the three-year investment plan for 2013-2015, which involves investing USD 700 million primarily in growing and consolidating Sonda in Latin America with an emphasis on Mexico, Brazil, and Colombia. The plan invests USD 200 million in organic growth and USD 500 million on acquisitions, approximately 40% of which will be financed through a capital increase, 40% through generating its own funding, and the remainder through debt. The capital increase of up to CLP 150 billion was presented at an extraordinary shareholders' meeting for approval. At the beginning of December, the company placed approximately 53 million shares on the market corresponding to the option exercised by the controlling shareholder, generating funds for the company.

As of September 2012, USD 934 million in new business deals had been closed; this figure is down 5% from that of the first nine months of 2011. However, 2011 was an exceptionally high year for comparison, as it includes the transport service contract in Panama for USD 180 million. If we deduct the contract with Panama, new business would have grown by 16%.

In terms of results, operating revenue increased by 25% due to the integration of Quintec and the acquisition of PARS and ELUCID explained above. EBITDA and profit rose by 34% and 26.3%, respectively.

ASSETS	(millions of CLP)
Current assets	270,298
PP&E	91,012
Other non-current assets	283,007
Total Assets	644,316

LIABILITIES	(millions of CLP)
Current liabilities	224,465
Non-current liabilities	125,157
Non-controlling interests	5,017
Equity	289,677

INCOME STATEMENT	Sept. 2011 (millions of USD)	Sept. 2012 (millions of USD)	Nominal Var. 2012/2011
Operating revenue	396,911	497,421	25.3%
Operating costs	-312,203	-391,592	25.4%
Administration and distribution costs	-37,884	-45,115	19.1%
Operating results	46,824	60,715	29.7%
Net financial expense	-3,124	-6,471	107.1%
Other revenues and disbursements	-8,217	-5,165	-37.1%
Non-operating results	-10,606	-12,272	15.7%
Profit before taxes	36,218	48,443	34%
Taxes	-8,634	-13,108	51.8%
Profit from non-controlling interests	-1,607	-2,517	56.6%
Profit attributable to owners	25,977	32,818	26.3%

Stock Market Data	
Share price (12/31/2012)	CLP 1,517
Profit per share (Sept. 2012)	CLP 54
Price / Profit (Sept. 2012)	27.8
Price / Book value (Sept. 2012)	3.1

THE CHILEAN ECONOMY

INTRODUCTION

In 2012, the Chilean economy grew by 5.6%, continuing the dynamic activity exhibited since mid-2009, only temporarily interrupted after the earthquake on February 27, 2010. It should be noted that this growth occurred within a weak international context, with the Eurozone in recession and emerging countries experiencing a slowdown in growth.

Despite the dynamic economy, inflation in Chile remained below the bottom limit of the Central Bank of Chile's range of tolerance (3.0%, plus or minus one percentage point). The slowdown in inflation was due primarily to the dissipation of the supply shocks that had pushed prices upward in 2011 and to lower prices of imported goods.

Monetary policy remained neutral during most of the year, a decision that was based on the fact that uncertainty about the extent of the worsening international scenario (with lower growth outlooks worldwide) counterbalanced the solidity of the Chilean economy, which was growing faster than expected without generating inflationary pressure.

On the exchange market, the value of the Chilean peso was in line with the basic economic trend, with fluctuations appearing only during periods of greater aversion to risk due to the uncertain international situation.

Dynamic demand continued to spur growth in imports, although at a slower rate than the previous year, in accord with the cycle. The value of exports declined under the influence of weak international demand and lower prices for the relevant commodities.

Public finances were positive, as the government once again ended the year with a cash surplus. Macroeconomic policy, and fiscal policy in particular, were rewarded with two successful international bond issues and an upgrade from A+ to AA- in Chile's international credit rating with Standard & Poor's in December.

The following sections summarize the economic highlights for Chile in 2012.

ECONOMIC ACTIVITY

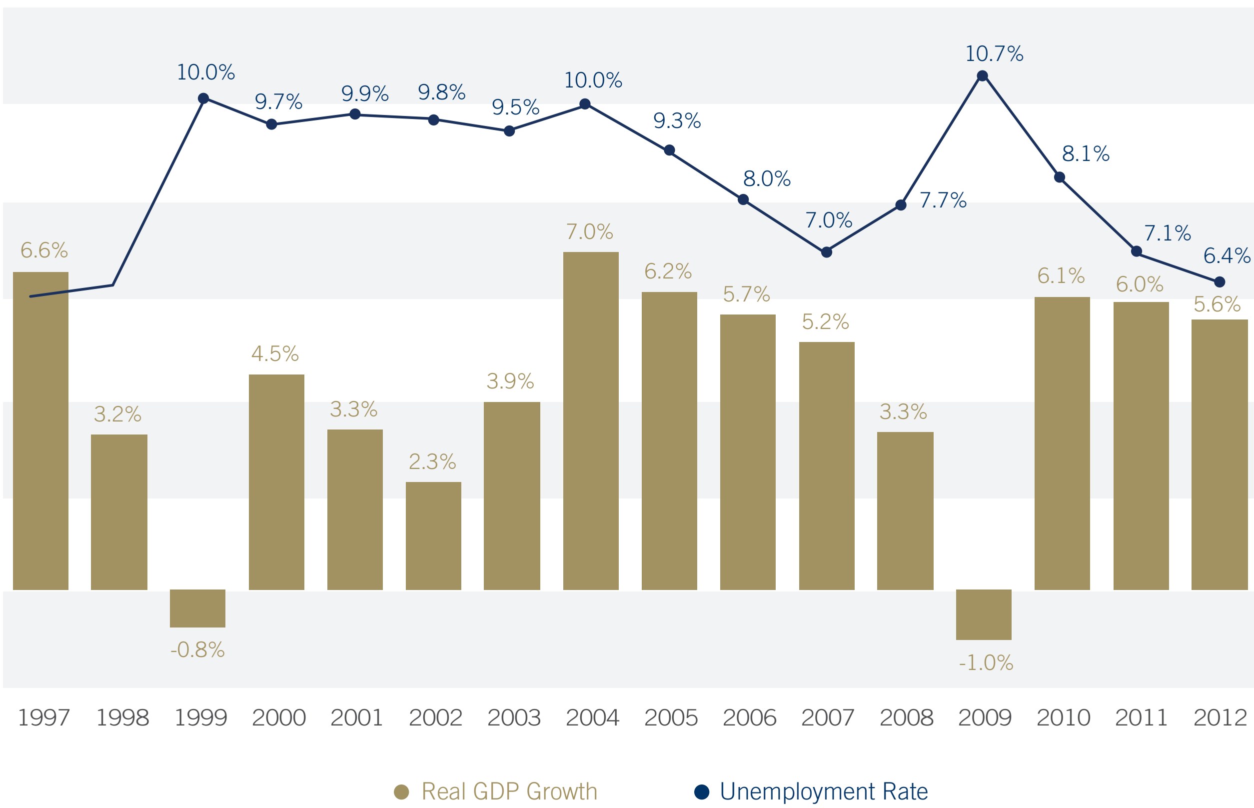
In 2012 the Chilean economy grew by 5.6%, a slight moderation with respect to the 6.0% growth of 2011. This growth continues to reflect the dynamic activity exhibited since mid-2009, which was only temporarily interrupted by the earthquake that occurred on February 27, 2010. It should be noted that this result occurred within a weak international context, contrasting with a Eurozone in recession and emerging countries experiencing a slowdown in growth.

As in the previous year, the main driver of economic growth was internal demand, which rose faster than the GDP. Demand was led by investment, which increased by 10.1%, while consumption was up 5.1%. Growth in investment was driven by investments in machinery & equipment and construction, while improvements in employment rates and salaries spurred consumption.

The slow growth in the external sector was in line with the weak international context. Exports in 2012 rose by 1.1% compared to 2011 due to a similar increase in sales of copper and industrial products. Imports were up only 3.3% compared to 2011, when they grew by 14.9%, in line with the cyclical slowdown in durable good purchases.

The industries that experienced strongest growth in demand were retail (up 6.9% over 2011) and construction (8.4% expansion); followed by services, particularly transport, financial and personal services. Supply-side industries exhibited slower growth. Copper production increased by 3.3% due primarily to new projects entering the production phase, improved ore grades, and a recovery over 2011 production in the country's largest mine. Industrial production, however, grew by only 1.4%, in line with low international demand, while output in the fishing industry fell in the first half of the year due to adverse oceanographic conditions.

REAL GDP GROWTH AND UNEMPLOYMENT RATE



Source: Chilean Central Bank, Moneda.

INFLATION, MONETARY POLICY AND FOREIGN EXCHANGE RATE

Inflation

In 2012, the inflation rate measured by the PCI was 1.5% per year, slower than the 4.4% of 2011 and below the bottom limit of the Central Bank of Chile's range of tolerance of 3.0%, plus or minus one percentage point. This decrease is due primarily to the dissipation of the supply shocks that had pushed prices upward in 2011 and to lower prices of imported goods.

Particularly important among the supply shocks that reverted in 2012 is the price of fuel, which dropped 1.1% in 2012 after rising by 15.3% in 2011. This effect had repercussions on transport prices, down 0.3% in 2012 vs. a 5.2% increase in 2011. Food price increases also slowed, up 4.7% in 2012 compared to 8.6% price hikes in 2011.

Another factor in lower inflation was the 11.4% decline in clothing prices stemming in part from falling prices of imports and a rising peso. Electricity and household gas rates also fell as energy prices in contracts between power generation and distribution companies declined and international prices for natural gas dropped, respectively.

Core inflation was also on a downward trend, increasing by only 1.3% in 2012. Salaries remained relatively stable in nominal terms, growing 6.4% per year despite the tight labor market, with the average unemployment rate falling to 6.4%, down from the 2011 jobless rate of 7.1%.

Monetary Policy

The Central Bank Board kept its monetary policy rate (MPR) unchanged during most of 2012.

The Board changed the MPR only once during the year, in January, when it lowered the rate by 25 basis points from 5.25%, where it had been for seven months. This decision was based on the fact that the international scenario became significantly more adverse in the second half of 2012 due primarily to a worsening of the fiscal crisis in European countries.

The Board held the MPR at 5.0% throughout the rest of 2012, a rate considered neutral for the Chilean economy. The Board's communiqués retained their neutral tone, as the uncertainty as to how far the international situation would worsen (with declining growth outlooks worldwide) contrasted with the solidity of the Chilean economy, whose activity exceeded expectations on several occasions without giving rise to concerns about inflationary pressure.

In November, the Board of the Central Bank of Chile decided to implement a temporary program to facilitate the financial system's liquidity in pesos in order to mitigate possible tensions that could arise towards year-end. This temporary program (in effect until December 18, 2012) offered the opportunity to carry out 60- to 90-day repo operations at a floating rate.

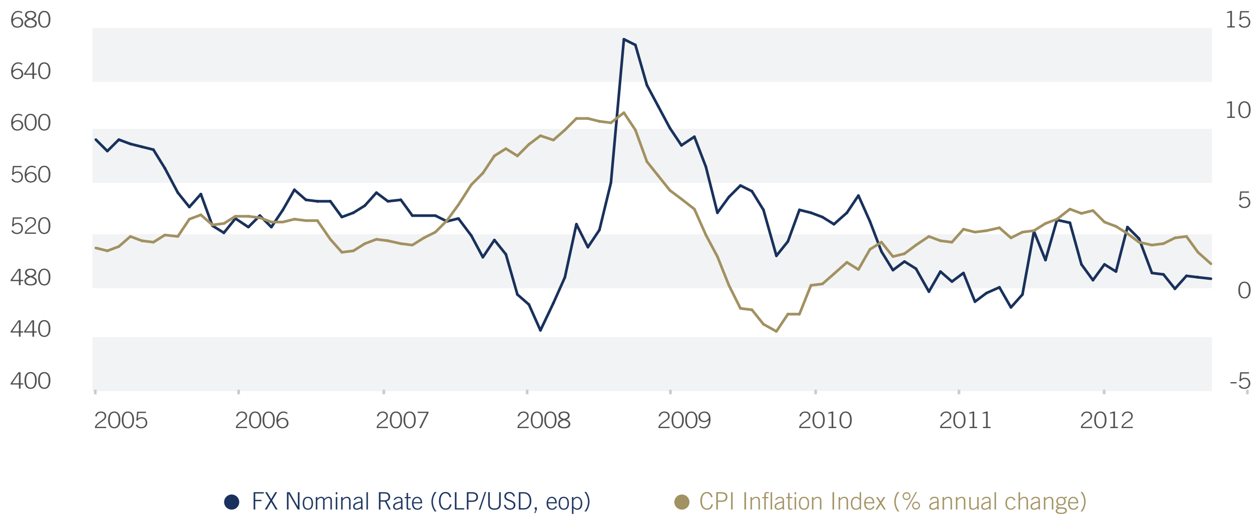
Foreign Exchange Rate

The Chilean peso rose 9.0% against the U.S. dollar in 2012, ending the year at a rate of CLP/US$ 478.6. The currency appreciated throughout the year except in May, when it depreciated due to factors outside the Chilean economy.

The Chilean peso was on an upswing in January and February, which took it to the first half of the year's lowest exchange rate of CLP/US$ 475.3. This was due to an improvement in the international situation as the outlook for China recovered, the monetary stimulus in the U.S. was extended, the European Central Bank purchased a greater share of the sovereign debt in Europe, and a second rescue package was delivered to Greece.

The peso depreciated in May, closing the month at CLP/US$ 517.9 on a wave of increased concerns for the economic and fiscal situation in European countries, particularly regarding uncertainty as to whether Greece would remain in the Eurozone and the possible consequences if it did not.

CONSUMER INFLATION AND FOREIGN EXCHANGE RATES



Source: Bloomberg and National institute of statistics

In subsequent months, the Chilean peso began to appreciate again, reaching the current exchange rate low for the year of CLP/US$ 470.5 at the end of September. This was due to the solidity of the local economy reflected in financial figures that exceeded expectations, differential rates with respect to developed markets, and an international situation that improved when the European Central Bank proved itself willing to purchase European sovereign debt when necessary (the OMT program) and China's outlook improved.

THE EXTERNAL SECTOR

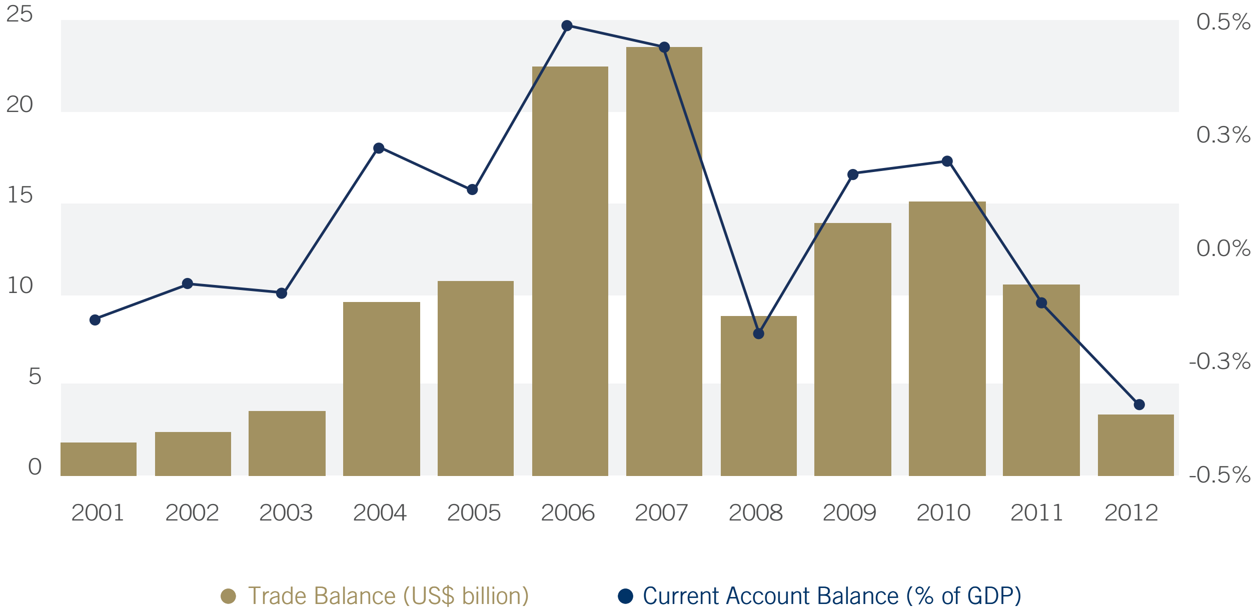
In 2012, there was a US$9.5 billion deficit in the balance of payments, equivalent to 3.5% of the GDP; this was worse than in 2011, when the deficit was 1.3% of GDP. This result was due primarily to a reduction in the surplus of the trade balance of goods, down to US$ 3.4 billion, 61% lower than the previous year due to a decrease in exports.

Exports were US$ 78.3 billion, 3.9% lower than the previous year. This decrease stems from a drop in mining and industrial sales to other countries, while agricultural exports remained unchanged. Within the mining sector, copper exports, which accounted for 54.2% of all exports, fell 3.9% in 2012 due primarily to a 10.0% decline in average copper prices. Industrial exports were down 2.9% because of lower paper, wood pulp, and trout sales.

Imports reached US$ 74.8 billion, 5.6% higher than the previous year but a sharp drop compared to the 27.1% growth experienced in 2011, a decline felt in all subcategories. Imports of consumer goods grew 5.8% in 2012 after experiencing 20.4% growth in 2011, a dynamic that occurred with both durable and non-durable goods. Imports of intermediate goods rose by 3.1% (29.4% in 2011), primarily influenced by fluctuations in oil prices. Capital goods were up 14.6% (25.2% in 2011), driven mainly by imports of trucks and cargo vehicles for the mining industry.

The financial account recorded a net inflow of US$ 10.3 billion, an increase over the US$ 3.3 billion inflow seen the year before. This result was due primarily to an increase in direct foreign investment in Chile involving reinvestment of profits as well as investments in capital and debt in the financial and mining industries. This contrasted with capital outflow due to larger portfolio investments abroad, with pension funds leading this process.

EXTERNAL ACCOUNTS (% OF GDP)



Source: Chilean Central Bank, INE, Moneda.

PUBLIC FINANCES

In 2012, the central government's consolidated financial statements reflected a fiscal cash surplus for the second year in a row. This year's surplus was equivalent to 0.6% of GDP, less than the 2011 surplus (1.4% of GDP), and was the result of a 4.7% real year-over-year increase in total central government spending and increased income of 1.3%.

The increase in income was due to net growth of 4.8% in tax revenues, which more than offset the 31.1% loss of income from the Codelco transfers. Particularly important in tax revenues were non-mining taxpayers, in line with the dynamic economy, good corporate earnings in 2011, and high demand within the country. The decline from the Codelco transfer stemmed primarily from lower copper prices, down an average of 10.0% compared to 2011; this also affected the taxes paid by mining companies.

Expenditures rose, with a 5.5% real increase in current spending and a 1.0% real increase in capital spending. Particularly important within current expenditures is the 10.1% increase in subsidies and donations, which accounted for 31.6% of total budgetary spending. Capital expenditures, which accounted for 18.9%, were led by the Ministries of the Interior, Public Works, Housing (housing subsidies and urban investment), Education, and Health.

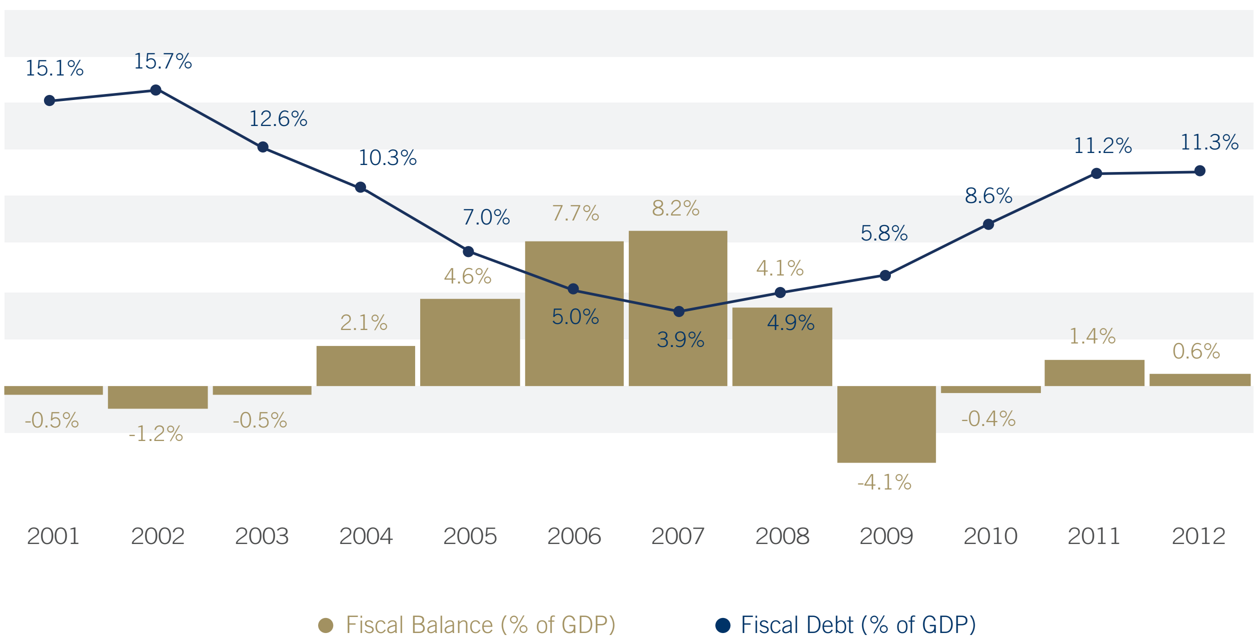
In structural terms, the central government's consolidated financial statements exhibited a 0.6% deficit in terms of GDP. This was an improvement over the 1.2% structural deficit of GDP in 2011 and is explained in part by reduced spending and higher-than-expected structural income due to an increase in long-term copper prices, which rose from USD 2.59/lb. to USD 3.02/lb. in October of 2011.

A tax reform law was passed in September that is expected to increase fiscal revenue by some US$ 1 billion per year and will be used to finance reforms to the educational system. Among the main changes to taxation is a tax increase from 17.0% to 20.0% on corporate earnings and a reduction on personal income tax.

To finance the budget and to cover maturing bonds, the government issued debt on both the local and international markets, keeping public indebtedness at 11.3% of yearly GDP. Recognition of the country's good macroeconomic management, and particularly its fiscal management, was clear in the issuance of two sovereign bonds in 2012, whose issuance rates were a milestone for the Chilean economy. The 10-year bond was issued at a rate of 2.38%, while the 30-year bond was given a 3.71% rate. In addition, Standard and Poor's upgraded the international credit rating from A+ to AA- in December.

Public Treasury assets as of December 2012 totaled US$ 31.298 billion, 11.4% higher than the previous year. These assets are held in the Economic and Social Stabilization Fund (Fondo de Estabilización Económica y Social, FEES) and the Pension Reserve Fund (Fondo de Reserva de Pensiones, FRP), which total almost US$15 billion and US$ 5.89 billion, respectively. Meanwhile, Other Public Treasury Assets had a balance of US$10.42 billion, similar to the balance held at the end of 2011. [Other assets include investments in USD-denominated instruments (64.3% of the total) such as bank deposits and Treasury notes, and investments in CLP-denominated instruments such as Central Bank bonds, bank deposits, and mutual funds].

PUBLIC SECTOR ACCOUNTS (% OF GDP)



Source: Chilean Ministry of Finance, Moneda.

FINANCIAL STATEMENTS

MONEDA CHILE FUND LIMITED

INVESTMENT FUND

INDEPENDENT AUDITOR'S REPORT

To the Board of the Directors of
Moneda Chile Fund Limited:

Report on the financial statements

We have audited the accompanying financial statements of Moneda Chile Fund Limited ("The Fund"), which comprise the statements of financial position as of December 31st, 2012 and 2011, and the related statements of comprehensive income, changes in equity and cash flows for the years then ended, and the related notes to the financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial reporting Standards; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in Chile. Those standards require that we plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Moneda Chile Fund Limited as of December 31st, 2012 and 2011, and the results of its operations and its cash flows for the years then ended, in accordance with International Financial Reporting Standards.

Cristián Bastián E.
KPMG Ltda.
Santiago, June 24, 2013.

STATEMENTS OF FINANCIAL POSITION

(expressed in US Dollars).

	NOTE	December 31, 2012	December 31, 2011
Assets			
Cash and cash equivalents		660,000	2,143,529
Financial instruments at fair value through profit or loss	10	88,457,177	73,900,171
Receivable for investments sold	3(h)vi	68,481	111,678
Total assets		**89,185,658**	**76,155,378**
Liabilities			
Payable for investments purchased	3(h)vi	13,155	153,337
Management fees payable	11	335,702	63,655
Other liabilities	12	140,851	88,355
Total liabilities		**489,708**	**305,347**
Net assets applicable to outstanding shares	**13**	**88,695,950**	**75,850,031**

The accompanying Notes 1 to 14 are an integral part of these financial statements

STATEMENTS OF COMPREHENSIVE INCOME

(expressed in US Dollars).

	NOTE	December 31, 2012	December 31, 2011
Income			
Dividend Income		4,228,066	4,907,319
Net realized gains from financial instruments at fair value through profit or loss and foreign currency transactions	7	6,263,468	19,394,839
Change in net unrealized appreciation (depreciation) from financial instruments at fair value through profit or loss and foreign currency transactions	7	7,434,237	(43,607,505)
Total net profit /(loss)		**17,925,771**	**(19,305,347)**
Expenses			
Management fees	8(a)	(1,230,387)	(1,169,325)
Custodian fees	8(b)	(19,913)	(25,383)
Audit and legal fees		(183,909)	(101,676)
Administrator's fees	8(c)	(12,735)	(21,480)
Directors' fees		(37,000)	(45,000)
Cost of Board Meetings		(47,765)	(9,526)
Other		(11,634)	(9,442)
Total expenses		**(1,543,343)**	**(1,381,832)**
Net profit /(loss) before tax		**16,382,428**	**(20,687,179)**
With holding tax expense	9	(361,111)	(674,149)
Increase / (Decrease) in net assets applicable to outstanding shares		**16,021,317**	**(21,361,328)**

The accompanying Notes 1 to 14 are an integral part of these financial statements

STATEMENTS OF CHANGES IN NET ASSETS APPLICABLE TO OUTSTANDING SHARES

(expressed in US Dollars).

	December 31, 2012	December 31, 2011
Net asset applicable to outstanding shares, beginning of the period	**75,850,031**	**119,808,215**
Increase/(Decrease) in net assets applicable to outstanding shares	16,021,317	(21,361,328)
Distributions to shareholders from financial assets at fair value and foreign currency transaction	(3,175,398)	(3,810,477)
Payments for shares redeemed	-	(18,786,379)
Net assets applicable to outstanding shares, end of the period	**88,695,950**	**75,850,031**

The accompanying Notes 1 to 14 are an integral part of these financial statements

STATEMENTS OF CASH FLOWS

(expressed in US Dollars).

	NOTE	December 31, 2012	December 31, 2011
Cash flows from operating activities			
Dividend received		4,228,066	4,907,319
Sales of investments		17,144,869	50,972,331
Purchase of investments		(18,089,955)	(29,896,388)
Operating expenses paid		(1,228,678)	(2,719,150)
Income tax paid	9	(361,111)	(674,149)
Net cash inflow from operating activities		**1,693,191**	**22,589,963**
Cash flows from financing activities			
Payment for redemption of shares		-	(18,786,379)
Payment for dividends		(3,175,398)	(3,810,477)
Net Cash flows (outflow) from financing activities		**(3,175,398)**	**(22,596,856)**
Net increase in cash and cash equivalents		**(1,482,207)**	**(6,893)**
Cash and cash equivalents beginning of the period		2,143,529	2,146,807
Effect of exchange rate fluctuations on cash and cash equivalents		(1,322)	3,615
Cash and cash equivalents at end of the period		**660,000**	**2,143,529**

The accompanying Notes 1 to 14 are an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1
REPORTING ENTITY

Moneda Chile Fund Limited (the Company) is a closed-ended, limited liability fund incorporated under the laws of Bermuda on June 20th, 1995. On May 12th, 2005, Moneda Chile Fund Limited merged with a related Bermudan fund, Moneda Chile Fund II Limited, leaving the Company as surviving entity with the same shareholders maintaining the same share interest.

The Company, which is registered as a foreign capital investment fund in the Republic of Chile, and whose shares are listed on the Bermuda Stock Exchange, is managed by Moneda S.A. Administradora de Fondos de Inversión, a Chilean fund management company and wholly-owned subsidiary of Moneda Asset Management S.A.

The Company's investment objective is to achieve long-term capital appreciation by investing primarily in shares issued by small and medium-sized Chilean companies. The Company seeks to achieve its objective by investing primarily in companies that have a market capitalization of less than that of the top 25% of the companies on a Santiago Stock Exchange or that are expected to be listed through initial public offerings.

The Company invests in Chile under the provisions of Chilean Decree Law 600 ("DL 600") and Chilean Law Nº 18,657 which gives certain tax advantages to investment funds organized outside of Chile. The Foreign Investment Committee, a Chilean governmental agency, had authorized the Company to invest up to USD 50 million in Chile. This authorization expired on 1998, thus the Company cannot bring additional capital into Chile to be invested without obtaining additional authorization from the Foreign Investment Committee. Following the merger (mentioned above), the Company maintained the investments that it made in Chile under the provisions of DL 600 and Law Nº 18,657, as well as certain tax advantages.

Pursuant to its bylaws, the Company had an original liquidation date of December 31st, 2007; however on May 30th, 2007 during the Company's annual general meeting, an extension of the life of the Company for an additional period of two years was approved. On June 8th, 2009 during the Company's annual general meeting, another extension of the life of the Company for an additional period of two years was approved. As of June 26th, 2011 another extension of the life of the Company was approved.

NOTE 2
BASIS OF PREPARATION

a) Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS).

The financial statements were authorized for issue by the Board of Directors on June 24th, 2013.

b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for financial assets at fair value through profit or loss, which are measured at fair value.

c) Functional and presentation currency

These financial statements are presented in US dollars, which is the Company's functional currency. The financial information presented in US dollars has been rounded to the nearest thousand.

d) Use of estimates and judgments

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements relate to the fair value of investments (note 4 and note 5).

e) Changes in accounting policies

There were no changes in the accounting policies of the company during the year.

NOTE 3
SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

a) Foreign currency

Transactions in foreign currencies are translated into US dollars at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the reporting date into US dollars at the exchange rate of that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated into US dollar at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognized in the statement of comprehensive income as net foreign exchange gain (loss), except for those arising on financial assets at fair value through profit or loss, which are recognized as net realized gain (loss) from financial assets at fair value through profit or loss or change in net unrealized (depreciation) appreciation from financial assets at fair value through profit or loss respectively.

b) Interest

Interest income and expense are recognized in the statement of comprehensive income using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, when appropriate, a shorter period) to the carrying amount of the financial asset or liability. When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses. Interest received or receivable and interest paid or payable are recognized in the statement of comprehensive income as interest income and interest expense, respectively.

c) Dividend income

Dividend income is recognized in the statement of comprehensive income when the right to receive income is established. For quoted equity securities this is usually the ex-dividend date. For unquoted equity securities this is usually the date when the shareholders have approved the payment of dividend. Dividend income from equity securities designated at fair value through profit or loss is recognized in the statement of comprehensive income as separate line item.

d) Distributions to shareholders

Distributions to shareholders of redeemable shares are recognized in the statement of changes in net assets applicable to outstanding shares when they are authorized and no longer at the discretion of the Company.

The capital invested in Chile by the Company has remained in Chile for more than five years, and therefore may be remitted out of Chile at any time, and will not be subject to tax by Chile.

On an annual basis, the Company can expatriate from Chile, substantially all dividends and interest received plus net realized gains from securities transactions and transactions in foreign currency (after deducting all Chilean expenses). These remittances are subject to the approval of the Foreign Investment Committee and such approval may be withheld where the accumulated net investment income and net realized gains and losses on investments and foreign currencies as expressed in US dollar terms, are negative. Such remittances are used to pay the expenses of the Company outside of Chile and for distributions to Shareholders. Until June 18th, 2001 these remittances were subject to a uniform withholding tax rate of 10%, however after that date the net realized gains from some securities transactions such as listed shares, Chilean Central Bank and certain corporate bonds are not subject to a withholding tax. Only dividends and interest received plus net realized gains from transactions in foreign currency, less all-Chilean expenses, are subject to a withholding tax rate of 10% if they are remitted outside of Chile.

e) Net realized gain from financial instruments at fair value through profit or loss

Net realized gain from financial instruments at fair value through profit or loss and foreign currency transactions includes all realized fair value changes and foreign exchange differences, but excludes interest and dividend income.

Net realized gain from investments and foreign currency transactions is calculated using the average cost method.

f) Fees and commission expense

Fees and commission expenses are recognized in the statement of comprehensive income as the related services are performed.

g) Income tax

Under the current Bermuda law, the Company is not required to pay taxes in Bermuda or income or capital gains. The Company has received an undertaking from the Bermuda government that, in the event of income or capital gains taxes being imposed, the Company will be exempt of such taxes until March 28th, 2016.

h) Financial assets and financial liabilities

i. Recognition and initial measurement

Financial assets and liabilities at fair value through profit or loss are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument. Other financial assets and liabilities are recognized at the date they are originated.

Financial assets and financial liabilities at fair value through profit and loss are measured initially at fair value, with transaction costs recognized in the statement of comprehensive income. Financial assets or financial liabilities not at fair value through profit or loss are measured initially at fair value plus transaction costs that are directly attributable to its acquisition or issue.

ii. Classification

The Company has classified financial assets and financial liabilities into the following categories:

- Financial assets at fair value through profit and loss– investments in common stock.
- Financial liabilities at amortized cost – payable for investments purchased and management fees payable.

The Company has designated certain financial assets at fair value through profit or loss when assets are managed, evaluated and reported internally on fair value.

iii. Fair value measurement

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date.

The Company measures the fair value of an instrument using quoted prices in an active market (Santiago Stock Exchange) for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis.

The best evidence of fair value of a financial instrument at initial recognition is the transaction price, i.e. the fair value of the consideration given or received, unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique whose variable include only date from observable markets. When transaction price provides the best evidence of fair value at initial recognition, the financial instrument is initially measured at the transaction price and any difference between this price and the value initially obtained from a valuation model is subsequently recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is supported wholly by observable market data or the transaction is closed out.

All changes in fair value, other than interest and dividend income and expense, are recognized in the statement of comprehensive income as change in net unrealized appreciation (depreciation) from financial investments at fair value through profit or loss and foreign currency transactions.

iv. Impairment

A financial asset not classified at fair value through profit or loss is assessed at each reporting date to determine whether there is objective of impairment. A financial asset or group of financial assets is impaired if there is objective evidence of impairment as a result of one or more event that occurred after the initial recognition of the asset(s), and that the loss event has an impact on the future cash flows of the asset(s) that can be estimated reliably.

Objective evidence that financial assets are impaired can include significant financial difficulty of the borrower, default or delinquency by a borrower, indications that a borrower will enter bankruptcy or other observable data relating to a group of assets such as adverse change in payments status of borrowers in the group, or economic conditions that correlate with defaults in a group. When subsequent event causes the amount of impairment loss to decrease, the decrease in impairment is reversed through profit or loss.

Impairment losses on assets carried at amortized cost are measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the asset's original effective interest rate. Impairment losses are recognized in profit or loss and reflected in an allowance account against receivables. Interest on impaired assets continues to be recognized through the unwinding of the discount.

The Company writes off financial assets carried at amortized cost when they are determined to be uncollectible.

v. Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expires, or it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the financial assets. Any interest in transferred financial assets that qualify for derecognition that is created by the Company is recognized as a separate asset or liability in the statement of financial position.

On derecognition of a financial asset, the difference between the carrying amount of the asset, and the consideration received is recognized in the statement of comprehensive income.

The Company enters into transactions whereby it transfers assets recognized on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognized.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

vi. Specific instruments

Cash and cash equivalents

The Company invests its excess or idle cash in highly-liquid money-market mutual fund.

Financial assets at fair value through profit and loss

The Company invests only in common stocks.

Receivables for investments sold and payables for investment purchased

Receivables for investments sold relate to sales of shares are traded at year end and settled at the beginning of the following year.

Payables for investments purchased relate to purchases of shares that are traded at year end and settled at the beginning of the following year.

i) New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after January 1, 2012, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the measurement of the amounts recognized in the financial statements of the Company.

NOTE 4
FINANCIAL RISK MANAGEMENT

a) Introduction and overview

The investment philosophy of the Company is based on a fundamental analysis of the issuers and their capacity to create shareholder value in the long term.

i. Risk management framework

The investment process of the Company is based on an active, fundamental, bottom-up, long term analysis. It has four stages: company selection, portfolio construction, monitoring, and risk control. The investment team is composed of a portfolio manager, a co-portfolio manager and senior analyst and five dedicated investment analysts.

Companies are chosen from more than 100 actively covered companies. For each prospective company, the research team studies the industry and its main competitors, company operations are visited, and conversations are held with multi-level top executives of the company, including directors, first-line executives and investor relations managers. A proprietary financial model is built, incorporating specialized industry and company research.

The portfolio is constructed from companies which have an outstanding management team and have sustainable competitive advantages. The weekly investment committee analyzes the companies that are currently in the portfolio and the investment opportunities identified by the portfolio manager or the rest of the research team.

The Investment Manager participates in the board of eight of the largest ten positions. There is permanent contact with management of covered companies, including on-site visits and calls, and an ongoing performance review. At the market level, industry trends and fundamentals are constantly monitored by the analysts and the economics team, which also provides input on macroeconomic conditions of the region and the world.

Risk control is a core element of the Company´s investment strategy. Companies are chosen considering downside risk, prudent leverage required by the Company bylaws (up to 20% debt/equity), there is a dedicated compliance and risk management unit, and the portfolio manager is responsible for all investment decisions. There is a compliance department and risk management unit that oversees operations and ensures that the Company abides by local law and ethical standards.

b) Credit risk

Credit risk is the risk that counterparty to a financial assets will fail to discharge an obligation or commitment that it has entered into with the Company, resulting in a financial loss to the Company.

Since the Company only invests in equity, the credit risk is limited to cash balances held in Banks or invested in mutual funds and accounts receivables resulting from unsettled trades, which as at 12.31.2012 amount to USD 728,481, representing only 0,82% of the total assets (the data to 12.31.2011 was amount to USD 2,255,207 which represented to 2.96% of the total assets).

i. Investment in debt securities

The Company does not invest in debt instruments.

ii. Derivative financial instruments

The Company does not invest in derivative instruments.

iii. Balances due from brokers

The credit risk associated to unsettled sales is deemed to be very low given the short settlement period and the fact that that all trades are settled through the settlement and clearing mechanisms defined by the Chilean Stock Exchange, where the majority of the trades take place. As at 12.31.2012 accounts receivables for unsettled sales amount USD 68,481, which represent 0,08% of the total assets (the data to 12.31.2011 was amount to USD 111,678 which represented to 0.15% of total assets).

iv. Cash and cash equivalents

Cash is primarily held at Banco Chile, which has a credit rating A granted by Fitch Ratings, and HSBC, which has a credit rating AA granted by Fitch Ratings. Cash equivalents are invested in three local mutual funds managed by top investment managers (Celfin-Cruz del Sur and Security).

v. Portfolio concentration risk

As at 12.31.2012 the investment portfolio was distributed as follows:

Schedule of Investment	MMUSD	% FUND
Beverages	11.4143	12.9%
Investment Companies	9.7856	11.1%
Diversified Operations	9.2546	10.5%
Health Care	8.3176	9.4%
Banks	7.6036	8.6%
Building and Construction	5.9266	6.7%
Pharmaceuticals	5.4836	6.2%
Metals-Diversified	4.9271	5.6%
Information Technology	4.2892	4.8%
Containers	3.5716	4.0%
Explosives	3.0502	3.4%
Retail	2.9137	3.3%
Harbor Transport Services	2.7332	3.1%
Food	1.7632	2.0%
Oil - Gas Exploration & Production	1.4646	1.7%
Financial Services	1.2267	1.4%
Shipping industry	1.1602	1.3%
Manufacturing Industry	0.9681	1.1%
Iron / Steel	0.9474	1.1%
Electric	0.7582	0.9%
Transport - Rail	0.6417	0.7%
Building Products / Cement	0.2563	0.3%
TOTAL	**88.4572**	**100.0%**

As at 12.31.2011 the investment portfolio was distributed as follows:

Schedule of Investment	MMUSD	% FUND
Beverages	10.2494	13.9%
Investment Companies	8.7646	11.9%
Metals-Diversified	5.8128	7.9%
Retail	1.4097	1.9%
Banks	6.9640	9.4%
Diversified Operations	5.9195	8.0%
Shipping industry	1.1471	1.6%
Health Care	5.6554	7.7%
Information Technology	4.6638	6.3%
Building and Construction	3.3469	4.5%
Containers	2.8907	3.9%
Pharmaceuticals	4.8061	6.5%
Electric	2.7487	3.7%
Explosives	2.5285	3.4%
Food	1.7668	2.4%
Harbor Transport Services	1.5721	2.1%
Oil - Gas Exploration & Production	0.9516	1.3%
Iron / Steel	0.9747	1.3%
Transport - Rail	0.6091	0.8%
Footwear & Related Apparel	0.8642	1.2%
Building Products / Cement	0.2544	0.3%
TOTAL	**73.9002**	**100.0%**

c) Market risk

Market risk is the risk that changes in market prices, such as interest rates, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor´s/issuer´s credit standing) will affect the Company´s income or the fair value of its holdings of financial assets.

Price Risk

Below is a sensitivity analysis that shows the individual effect on the Fund's assets to a variation of share price equivalent to the standard deviation experienced in the years 2012 and 2011 for each of the top 5 equity shares in the Fund as of December 31, 2012 and December 31, 2011. It should be noted that the effect on equity of each of equity shares does not the directly by current portfolio diversification in the Fund.

December 31, 2012 Share	Amount MUS$	%Portfolio	%Equity	Standard deviation	Effect on equity
BANMEDICA	8,318	9.40%	9.38%	15.80%	1.48%
CORPBANCA	6,705	7.58%	7.56%	19.30%	1.46%
SK	5,091	5.76%	5.74%	19.70%	1.13%
PUCOBRE-A	4,927	5.57%	5.55%	18.40%	1.02%
ALMENDRAL	4,725	5.34%	5.33%	11.70%	0.62%

December 31, 2011 Share	Amount MUS$	%Portfolio	%Equity	Standard deviation	Effect on equity
PUCOBRE-A	5,813	7.87%	7.66%	19.50%	1.49%
CORPBANCA	5,683	7.69%	7.49%	26.70%	2.00%
BANMEDICA	5,655	7.65%	7.46%	22.30%	1.66%
SONDA	4,664	6.31%	6.15%	32.00%	1.97%
ALMENDRAL	4,178	5.65%	5.51%	20.40%	1.12%

Interest Rate Risk

Because the Fund invests primarily in equity securities, interest rate risk would not apply in this Fund.

The Company's assets are invested primarily in securities denominated in Chilean Pesos or UF (Unidad de Fomento, a Chilean inflation-adjustment monetary unit). However, the Company's accounting records, net asset value per share and dividends are denominated in US dollars. The Company may opt to hedge its exposure to this foreign currency exchange risk, but it has not in the past.

Exposure to currency risk

The chart below shows how the Company´s profitability changes in the following scenarios where:

- The exchange rate is at its lowest daily closing price of the last 24 months
- The exchange rate is at its highest daily closing price of the last 24 months

	December 31, 2012	Exchange rate	Corresponding date
Performance Moneda Chile Fund (USD)	21.6%	480.0	
Exchange rate ended at the lowest point	28.0%	455.9	07-30-2011
Exchange rate ended at the highest point	9.4%	533.7	05-10-2011

	December 31, 2011	Exchange rate	Corresponding date
Performance Moneda Chile Fund (USD)	-20.5%	519.2	
Exchange rate ended at the lowest point	-9.5%	455.9	07-30-2011
Exchange rate ended at the highest point	-24.8%	549.2	05-21-2010

d) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner disadvantageous to the Company.

The Company is a close-end fund and redemptions are only allowed every two years. The Company may offer to redeem or repurchase part or all of the shares of any member, if so determined by the Board at its discretion, on dates determined by the Board. The Board may require that any redeeming shareholder must give up to 30 days prior written notice to the Company for redemption of its shares to be effected on any specific redemption date, and may set other terms and conditions of redemption as the Board deems advisable. The latter gives the portfolio manager ample time to provide the necessary liquidity, should redemptions take place.

e) Capital management

It is the manager's policy to invest the capital always taking into account the shareholders' best interest. In that process it uses as a benchmark the Moneda 500 index, which is a fair representation of the Chilean small cap market. The Company is not subject to externally imposed capital requirements.

NOTE 5
USE OF ESTIMATES AND JUDGEMENTS

a) Key sources of estimation uncertainty

i. Determining fair values

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in note 3(e)iii. For financial instruments that trade infrequently and have little price transparency, fair value is less objective and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

b) Critical accounting judgments in applying the company's accounting policy

i. Valuation of financial instruments

The Company's accounting policy on fair value measurements is discussed in note 3(e)iii.

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1 – Quoted price (unadjusted) in an active market for an identical instrument.
- Level 2 – Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques for which all significant inputs are directly or indirectly observable from market data.
- Level 3 – Valuation technique using significant unobservable inputs. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued base on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between instruments.

The level in fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

Availability of observable market prices and model inputs reduces the need for management judgment and estimation and also reduces the uncertainty associated with determination of fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

All of the Company's financial assets and financial liabilities are traded in active markets and are based on quoted prices or dealer price quotations and are classified as Level 1, both in 2012 and 2011.

ii. Determination of functional currency

Functional currency is the currency of the primary economic environment in which the Company operates. When indicators of primary economic environment are mixed, management uses its judgment to determine the functional currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. Management has determined that the functional currency of the Company is US Dollar (see note 2.(c)).

NOTE 6
CLASSIFICATIONS AND FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

The table below provides a reconciliation of the lien items in the Company's statement of financial position to the categories of financial instruments.

December 31, 2012	Designated at fair value through profit and loss	Loans and receivables	Other liabilities	Total carrying amount
Cash and cash equivalents	642,114	17,886	-	660,000
Financial instruments at fair value through profit and loss	88,457,177	-	-	88,457,177
Receivable for investment sold	-	68,481	-	68,481
	89,099,291	**86,367**	**-**	**89,185,658**
Payable for investment purchased	-	-	13,155	13,155
Manager fees payable	-	-	335,702	335,702
Other liabilities	-	-	140,874	140,874
Net assets applicable to outstanding shares	-	-	88,695,927	88,695,927
	-	**-**	**89,185,658**	**89,185,658**

December 31, 2011	Designated at fair value through profit and loss	Loans and receivables	Other liabilities	Total carrying amount
Cash and cash equivalents	2,100,643	42,886	-	2,143,529
Financial instruments at fair value through profit and loss	73,900,171	-	-	73,900,171
Receivable for investment sold	-	111,678	-	111,678
	76,000,814	**154,564**	**-**	**76,155,378**
Payable for investment purchased	-	-	153,337	153,337
Manager fees payable	-	-	63,655	63,655
Other liabilities	-	-	88,355	88,355
Net assets applicable to outstanding shares	-	-	75,850,031	75,850,031
	-	**-**	**76,155,378**	**76,155,378**

NOTE 7
NET GAINS FROM INVESTMENTS AND FOREIGN CURRENCY TRANSACTION

The realized gain from financial instruments at fair value through profit and loss represents the difference between the carrying amount of a financial instrument at the beginning of the reporting period, or transaction price when purchased in the current reporting period and its sales settlement price sales.

Total realized gains from financial assets and foreign currency transactions for the years ended December 31st, 2012 and 2011 amounted to USD 6,263,468 and USD 19,394,839, respectively.

The unrealized gain represents the difference between the carrying amount of a financial instrument at the beginning of the period, or transaction price when purchased in the current reporting period and its carrying amount at the end of the period.

The change in net unrealized gain on investments and foreign currency transactions for the years ended December 31st, 2012 and 2011 amounted to USD7,434,237 appreciation and (USD43,607,505) depreciation, respectively.

NOTE 8
MANAGEMENT, CUSTODIAN AND ADMINISTRATOR'S FEES

a) Management fees

Moneda S.A. Administradora de Fondos de Inversión receives in each calendar year, starting from January 1st 2007, a management fee consisting of:

i. a fixed annual fee of 1% of the Company's net asset value, paid monthly in arrears; plus

ii. an incentive fee equal to 4% of any dividends paid in that same calendar year; plus

iii. an incentive fee equal to 2% of any increase in the net asset value of the Company, if any in that same calendar year, not paid out as a dividend. This last fee will be paid after the Board of Directors approves the Company's annual financial statements.

For purposes of section 8(a)i. above, the net asset value of the Company shall be increased by the amount of any debt and accrued interest approved by the Board of Director, to recognize that assets under management increased as a result of gearing.

Management fees paid and accrued for the year ended December 31st, 2012 amounted to USD 1,230,387 (2011 – USD 1,169,325), the includes USD 841,205 of fixed fees (USD 1,016,906 in 2011), USD 262,167 of Variable fee (USD 0 in 2011) and USD 127,015 of incentive management fees (USD 152,419 in 2011).

b) Custodian fees

On June 17th, 2002, Banco de Chile was appointed custodian of the Company's assets in Chile. The custodian agreement provides for the Company to pay to the Custodian an annual fee of 0.08% of the Company's assets under custody with a minimum per month of UF 50.

On October 1st, 2008 a new custodian agreement was signed with Banco de Chile, which included all of the companies under the management of Moneda S.A. Administradora de Fondos de Inversión and its related manager companies. The fees included in the new custodian agreement are described as:

Monthly Custody Fees: Consider the proportion of the monthly valuation portfolio of the Company related to the monthly valuation portfolios of the Companies under Banco Chile´s Custodian according to the following scale of fees:

From	0	UF	To	5,000,000	UF	0.0009%	On value
Over	5,000,000	UF	To	10,000,000	UF	0.0006%	On value
Over	10,000,000	UF	To	20,000,000	UF	0.0004%	On value
Over	20,000,000	UF	To	40,000,000	UF	0.0002%	On value
			Over	40,000,000	UF	0.0001%	On value

Monthly Transactions Fees: Consider the proportion of the monthly transactions of the Company related to the monthly transactions of the Company under Banco Chile´s Custodian according to the following scale of fees:

From	1	TRX	To	150	TRX	UF	0.30	per TRX
Over	150	TRX	To	300	TRX	UF	0.24	per TRX
Over	300	TRX	To	600	TRX	UF	0.20	per TRX
			Over	600	TRX	UF	0.16	per TRX

All fees are subject to value added tax in Chile.

The Company's custodian outside of Chile is Pershing LLC, part of the Bank of New York group. During the period ended December 31st, 2012, the Company paid USD19,913 for these services (USD25,383 in 2011).

c) Administrator's fees

The Company's administrator is Apex Fund Services Ltd., a Fund incorporated in Bermuda. The administrator receives the following fees and remunerations:

- Registrar and transfer agency fees of USD 500 per month plus USD 50 per transaction.
- Corporate secretarial services at annual fee of USD 7,500.
- Listing sponsor annual fees of USD2,500.

The amount of administrator´s fees for the year ended December 31st, 2012 was of USD12,735(2011-USD21,480).

NOTE 9
WITHHOLDING TAX EXPENSE

The Company is exempt from paying income taxes under the current system of taxation in Bermuda. Certain dividends and interest received from transactions in foreign currency, less all Chilean expenses, are subject to a withholding tax rate of 10% if remitted outside of Chile.

During the year ended December 31st, 2012, the Company remitted from Chile to Bermuda the net sum of USD 3,250,000 it was subject to a withholding tax rate of 10% (USD 361,111).

During the year ended December 31st, 2011, the Company remitted from Chile to Bermuda the sum of USD 22,893,723 of which amount USD 6,741,490 was subject to a withholding tax rate of 10% (USD 674,149).

NOTE 10
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss include shares that are trading. At December 31st, 2012 and 2011 total securities at fair value amounted to USD 88,457,177 and USD 73,900,171, respectively.

The Company designates all share investments at fair value through profit or loss upon initial recognition as it manages these securities on a fair value basis in accordance with its documented investment strategy. Internal reporting and performance measurement of these securities are on a fair value basis.

NOTE 11
MANAGEMENT FEES

Management fees payables are summarized as follows:

	December 31, 2012	December 31, 2011
Management fixed fee	73,535	63,655
Management incentive fee (2%)	262,167	-
	335,702	**63,655**

NOTE 12
OTHER LIABILITIES

Other liabilities are summarized as follows:	December 31, 2012	December 31, 2011
Custodian fees	4,000	6,245
Audit fees	28,553	25,764
Legal fees	43,310	31,346
Administrator's fees	1,521	2,245
Directors' fees	52,000	16,500
Dividend unpaid	11,467	6,255
	140,851	**88,355**

NOTE 13
NET ASSETS APPLICABLE TO OUTSTANDING SHARES

Net assets attributable to outstanding shares consist of the following:

		Outstanding
	2012	2011
Numbers of shares		
Authorized	5,000,000	5,000,000
Outsanding	1,270,159	1,270,159

	2012	2011
Share Capital (USD 0.01 par)	12,697	12,697
Additional paid in capital (USD 9.84)	12,493,445	12,493,445
Accumulated net investment income	7,814,265	5,490,468
Accumulated net realized gains from investments and foreign currency transactions	47,377,374	44,289,489
Net unrealized appreciation on investments and foreign currency	20,998,169	13,563,932
	88,695,950	**75,850,031**

NOTE 14
SUBSEQUENT EVENTS

The Company´s management has evaluated subsequent events from the statement of financial position date through June 24th, 2013, the date which the financial statements were available to be issued, and determined there are no items to disclose.