



MONEDA[®]
ASSET MANAGEMENT

ANNUAL REPORT 2016

**MONEDA CHILE FUND
LIMITED**

The image features a background of vertical wood grain with a light tan and beige color palette. A white rectangular frame with slightly beveled corners is centered on the page. Overlapping the bottom half of this frame is a semi-transparent green circle. The word "CONTENTS" is printed in white, uppercase, sans-serif font, centered within the green circle.

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CHAIRMAN'S STATEMENT

Dear Investors,

We noted last year that periods of economic difficulty and uncertainty are frequently the best times when to invest. The events of 2016 validated this principle, as it was a good year for the Chilean equity market.

Local markets' gains stemmed in part to an improved external scenario. Copper prices bounced back and international interest rates remained low, increasing global appetite for risk. Investors' confidence also improved due to the economic measures taken by the Mauricio Macri administration in Argentina, the surprising impeachment of Dilma Rouseff followed by Micheal Temer taking office in Brazil, and the election of Pedro Pablo Kuczynski in Peru.

Unfortunately, Chile seems to be out of step with the region since, unlike its neighbors, the reforms proposed and passed by the government have generated uncertainty and difficulties, and there is tacit support for those lashing out against the market, forgetting the progress made by the country in recent decades. These are obstacles that prevent us from regaining our confidence and lifting the economy out of its increasing lethargy, which has become unnecessarily protracted.

Locally, the price of risk assets rose despite mediocre economic growth, confirming our expectation that many companies would post significantly improved results due to maturing investments and efforts to improve operating efficiency. Additionally, the positioning of market-friendly political leaders for the next presidential election has helped improve the outlook for the coming years.

These external and internal factors helped boost market values and reduce credit spreads, as well as support a higher Chilean peso and lower local interest rates.

It was in this context that Moneda Chile Fund exhibited an annual return of 28.2%, higher than the 23% return reported by the Moneda 500 index but below the 33.8% posted by MSCI Chile Small Caps Net. The greatest contributors to the Fund's performance were Banmédica, Cristalerías Chile, and Pucobre, all companies that reported earnings 20% higher than in 2015 despite the significant contextual challenges each one faced in conducting its business.

Moneda Chile Fund closed 2016 holding USD 37.4 million in managed assets, of which 95.2% are invested in Chilean equities and, in line with the fund's strategy, only 2% is invested in large capitalization companies. The Fund is also exposed to the growth rates of our neighboring countries, with 41% of the revenues of the companies in the portfolio coming from abroad.

We are committed to delivering superior returns versus the index consistently over time. Accordingly, the Fund has had compound annual performance of 10.4% since inception, compared to the 3.9% return on MSCI Chile Small Cap Net over the same period.

We anticipate that businesses' returns will continue to recover in 2017 as their previous investments and cost-reduction programs begin to bear fruit, the costs of which were borne in 2016. From a bottom-up perspective, many national firms continue to be well positioned for continuing the uptrend in earnings, increasing profits on equity, and meeting financial commitments, all of which leads to greater value for the companies.

The global scene is brighter than in recent years. Commodity prices are no longer falling, the dollar has stopped rising, and reference rates remain low. While interest rates are expected to continue rising in the U.S., past experience shows that justified increases, such as those based on expectations of higher inflation in the U.S., tend to work in favor of the region's commodity prices, stock markets, and currencies.

The slowdown in the economies in which Chilean companies do business is starting to improve. Adverse pressures on inflation, the labor market, foreign accounts, exchange rates, and interest rates have eased and even reversed. In Chile and its neighboring countries, there is room for significant recovery over the next few years provided that, over time, the signals are convincing enough to increase confidence. Accordingly, it is encouraging to note that the Argentine and Brazilian economies are showing signs of reactivation.

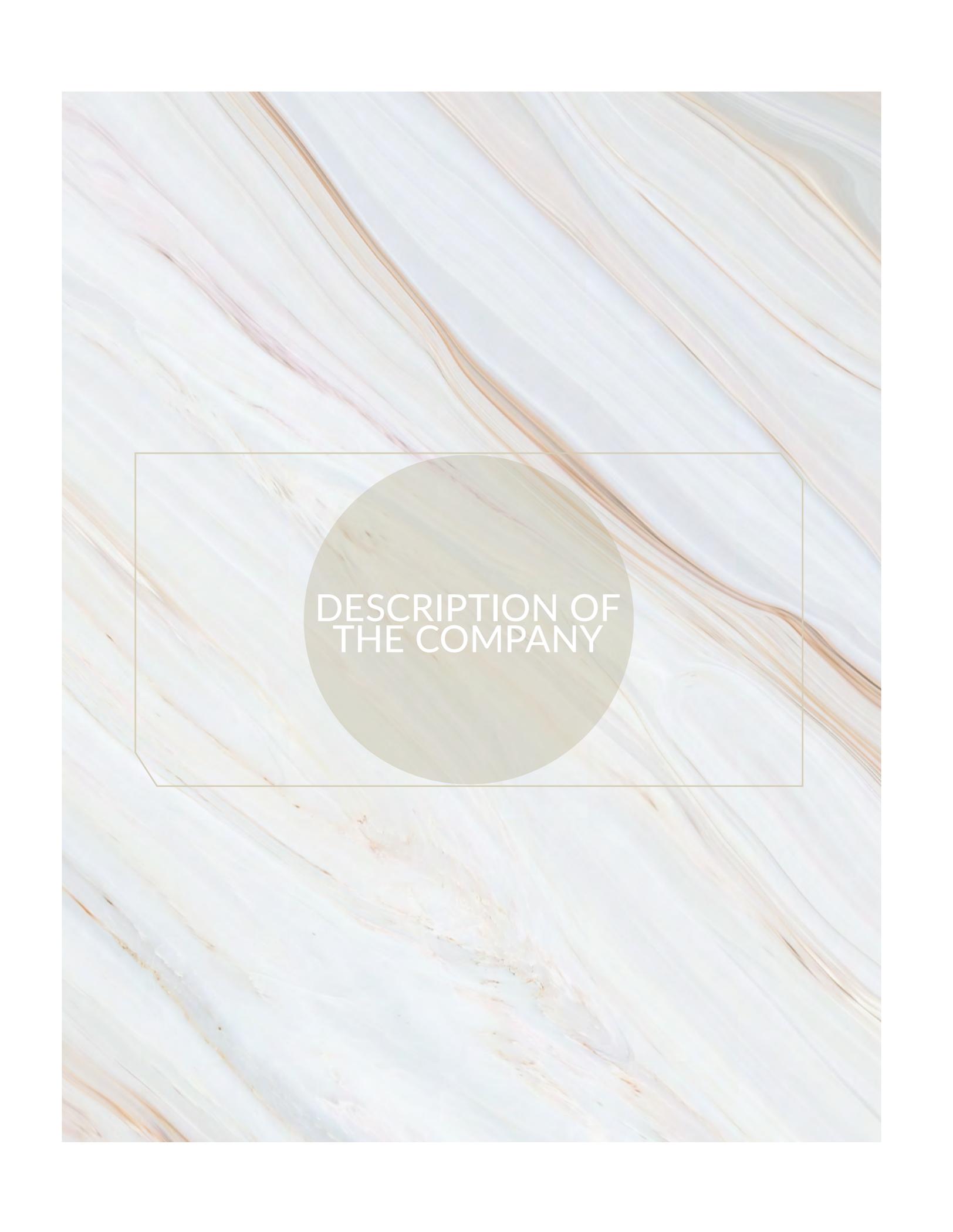
The risks have not disappeared. There is great uncertainty worldwide regarding developments in economic policies in the U.S., European elections, and the Chinese economy, issues that can impact markets positively or negatively. Chile and its neighbors will be watching to see how each country's reforms, elections, and economic situation evolve.

We know that, in investment theory and practice, returns are tied to risks. We will continue working systematically to identify and manage, with selectivity and caution, the opportunities and risks of the companies in which we invest, basing our decisions on fundamental analysis with a long-term focus. All of this is carried out by Moneda investment team, one of the largest dedicated to the region.

We appreciate the trust you have placed in us to manage your investments over these last 23-plus years since Moneda was founded. We reiterate our commitment to continue working with the utmost professionalism and dedication to continue adding value to the funds that you have entrusted to us.

Warm regards,

Jorge Carey T.
Chairman
Moneda Chile Fund Ltd.

The background is a full-page image of marbled paper with wavy, organic patterns in shades of light blue, beige, and cream. In the center, there is a semi-transparent, light beige circle. This circle is enclosed within a thin, dark brown rectangular border with clipped corners. The text "DESCRIPTION OF THE COMPANY" is centered within the circle in a white, sans-serif font.

DESCRIPTION OF
THE COMPANY

DESCRIPTION OF THE COMPANY

OBJECTIVE

The objective of 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 principally in companies that have a market capitalization less than that of 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 maintains investments in Chile under a contract with the Chilean Government that granted investment funds based outside of Chile a privileged withholding tax rate of 10% on the remittance of profits.

On November 11th, 2015 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.

As of December 31st, 2016, Mr. Donald Campbell, a Director of the Company, personally or beneficially owned 142,750 shares of the Company. Mr. Campbell is also the Chief Executive Officer of Guaranty Finance Management LLC, which as of December 31st, 2016, managed the investments of four entities which together owned 251,000 shares of the Company. Together the managed and personally and beneficially owned holdings amount to 53.24% of the Company’s outstanding shares, many of which are registered under the name of Citivic Nominees Limited.

As of December 31st, 2016, Mr. Jorge Carey and Mr. Nicolas Gellona, both Directors of the Company, did not personally or beneficially 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 General de Fondos (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 who are specialized in Chilean small and medium sized companies and have extensive knowledge of Latin American markets.

CHANGES IN BY-LAWS

By unanimous written resolution of the Board of Directors dated December 20th, 2014, confirmed by the Shareholders at the Annual General Meeting of November 16th, 2015, the bye-laws of the Company was amended by deleting the figure “50,000” in the first line of bye-law 45 and inserting the figure “65,000”. As a result of the foregoing, the maximum aggregate remuneration of the Directors is \$65,000 per annum.

The abolition, alteration or amendment of the Company’s bye-laws require a resolution of the Directors, confirmed by a simple majority of the shares represented at an Annual General Meeting through a voting process conducted in person or by proxy.

RENEWAL OF THE COMPANY

According to its bye-laws, at the Annual General Meeting held every two years, commencing in 2007, a proposal to extend the term of 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 represented at the meeting through a voting process 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 held on November 16th, 2015 at which an additional period of two years was approved for the Company.

MATERIAL CONTRACTS

A. Management Agreement

Under the Management Agreement, the Manager has agreed to provide non-exclusive discretionary investment management services to the Fund. These services include the assumption of the powers, duties, discretions and functions delegated by the Directors, subject to the ultimate supervision of the Directors.

Effective January 1st, 2015, the Board of Directors agreed with the Manager a new remuneration scheme, aimed at reducing the fixed burden of costs and adding an Incentive fee based on the return of the Fund. The Fund pays to the Manager each calendar year, a management fee consisting of:

- (i) the greater of (a) a fixed annual fee of 1% of the Fund's NAV, paid monthly in arrears; and (b) a minimum annual payment of \$500,000.
- (ii) If in any calendar year: a) the NAV per share increases, the Manager is paid as an incentive fee (the "Incentive Fee") 10% of the amount of that increase, multiplied by the number of shares outstanding at year end. If in any event the NAV per share decreases, that decrease must be made up (recovered) before any future incentive fees is due. The Incentive Fee will be accrued daily and is payable after the Board of Directors approves the Fund's annual financial statements; or b) a redemption event were to take place from the Fund within the year, the Incentive Fee provision related to the shares being redeemed will be crystallized, and will become payable to the Manager once the redemptions have been paid to the dissenting shareholders.

B. Administration Agreement:

Under the Administration Agreement, the Administrator agrees to provide administrative services including book keeping, registry and company secretarial services to the Fund.

In October 2006, Apex Fund Services Ltd ("Apex") was appointed Administrator of the Fund, replacing Management International (Bermuda) Limited (MIL). The Fund agrees to pay to the Administrator a fee as detailed in the Administration Agreement.

C. Custodian Agreement:

Under the Custodian Agreement, the Custodian acts as custodian of the Fund's investments and cash equivalents, which is held in a segregated account.

On June 17th, 2002, Banco de Chile was appointed custodian of the Fund's assets in Chile. Through Banco de Chile, the Fund'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 Banco de Chile which included all of the funds under management of Moneda and its related management companies. The new financial terms include 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 the 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 Fund, providing custodial and securities clearing services.

DIRECTORS

CHAIRMAN

JORGE M. CAREY
Chile.

DIRECTORS

DONALD M. CAMPBELL
United States of America

NICOLÁS GELLONA
Chile.

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 GENERAL DE FONDOS
Isidora Goyenechea 3621, 8th floor, Santiago, Chile

INVESTMENT ADVISOR

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

CUSTODIAN

PERSHING LLC (NON-CHILEAN ASSETS)
1 Pershing Plaza Jersey City,
NJ 07399 United States of America.
BANCO DE CHILE (CHILEAN ASSETS)
Alameda 251 Santiago, Chile.

ADMINISTRATOR

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

AUDITORS

KPMG AUDITORES CONSULTORES LTDA.
Apoquindo 3939, Las Condes, Santiago, Chile.

EXTERNAL COUNSELS

CONYERS DILL & Pearman Commerce House, Wickhams Cay1 Road
Town, Tortola VG1110, BVI

INVESTMENT PERFORMANCE

MONEDA CHILE FUND RELATIVE TO ÍNDICES (IN USD)

	2016	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION
Moneda Chile Fund	28.2%	-2.4%	-0.9%	7.3%	10.4%
IGPA	21.2%	-3.8%	-4.4%	2.9%	3.3%
IPSA	19.7%	-4.2%	-5.1%	2.1%	4.3%
Moneda 500 Index	23.0%	-4.1%	-4.4%	2.9%	5.2%
MSCI Chile Small Caps Net	33.8%	-0.6%	-3.3%	0.1%	3.9%

On December 31st, 2016, 95.2% of the Fund's portfolio was invested in shares of Chilean domiciled companies. 82.0% of total investments in shares were in companies situated in the three lower market quartiles of our investable universe, which comprises 82 Chilean companies that fulfill certain minimum requirements of liquidity, free float and market cap. The quartiles, which are defined by ranking of market cap adjusted by free float, are defined below in table N°3.

TABLE N°3

Quartile	N° of Companies	% of Market cap	Market Cap USD MM		
			Min.	Max.	Average
1	24	74.7%	3,379	19,271	6,964
2	21	17.7%	894	3,206	1,653
3	19	5.8%	323	871	538
4	18	1.8%	68	297	177
MARKET CAP USD MM		177.126			

In line with the fund's strategy, the majority of our portfolio is invested in small and mid-capitalization companies. Additionally, 16% of the portfolio is invested in off-index companies. 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°4

Portfolio	IPSA	AFP	MONEDA CHILE FUND	
			2016	2015
Large Caps (Q1)	75.7%	79.9%	2.0%	8.0%
Small y Mid Caps *	24.3%	20.1%	98.0%	92.0%
Quartile 2 (Q2)	20.3%	16.2%	53.0%	41.3%
Quartile 3 (Q3)	3.9%	2.4%	22.4%	36.7%
Quartile 4 (Q4)	0.0%	0.6%	6.6%	4.1%
Off Index	0.1%	0.9%	16.0%	9.9%
IPSA	100.0%	96.7%	54.3%	49.0%

* (Q2+Q3+Q4+Off Index) Source: Santiago Stock Exchange and Moneda Asset Management.

OPERATING EXPENSES

Operating expenses for the Company increased to 2.6% in 2016, compared to 2.4% in 2015 (this ratio is calculated as operational expenses over net assets).

PORTFOLIO INVESTMENTS

As of December 31st, 2016, 95.2% 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 USD 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 2016, only 2% of the Company's total assets were invested in companies with market capitalization within the first quartile.

The Company has not issued any new shares during this period. The total number of subscribed shares was 739,642 as of December 31st 2016.

As of December 31st, 2016, the net asset value of the Company was USD 37,363,582 representing a net asset value per share of USD 50.5158

MAJOR INVESTMENTS

The portfolio's most important investments are shown in the table below.

Company	% Portfolio	Investment in MM USD
BANMEDICA	10.25%	3,830,019
WATTS	8.68%	3,242,802
ALMENDRAL	6.58%	2,460,334
ENAEX	6.32%	2,361,228
EMBONOR	6.09%	2,274,185
CRISTALERIAS CHILE	5.20%	1,942,417
PUCOBRE	4.98%	1,859,680
ITAUCORP	4.89%	1,827,791
SK	4.89%	1,827,301
GEPARK	4.82%	1,801,580

Source: Moneda Asset Management

MONEDA CHILE FUND LIMITED

Annual Report
December 31, 2016 and 2015

(With the Independent Auditors' Report Thereon)

MONEDA CHILE FUND LIMITED

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Independent Auditors' Report

Statements of Financial Position

Statements of Comprehensive Income

Statements of Changes Net Assets Applicable to Outstanding Shares

Statements of Cash Flows

Notes to the Financial Statements

US\$: Amount expressed in United States dollars.



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 31, 2016 and 2015, and the related statements of comprehensive loss, changes in net assets applicable to outstanding shares 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 auditors' 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 31, 2016 and 2015, and the results of its operations and its cash flows for the years then ended, in accordance with International Financial Reporting Standards.

A handwritten signature in blue ink, appearing to read 'J. P. Belderrain P.', with a long horizontal stroke extending to the right.

Juan Pablo Belderrain P.

KPMG Ltda.

Santiago, June 7, 2017



MONEDA[®]
ASSET MANAGEMENT



FINANCIAL STATEMENTS

Moneda Chile Fund Limited
December 31st, 2016 and 2015

Moneda Chile Fund Limited
Annual Report 2016 and 2015

STATEMENTS OF FINANCIAL POSITION

(expressed in US Dollars)

	Note	December 31, 2016	December 31, 2015
ASSETS			
Cash and cash equivalents	4(b)iv	49,175	78,205
Financial instruments at fair value through profit or loss	10	37,638,732	31,251,257
Receivable for investments sold	3(h)vi	3,869	8,157
Dividends and interest receivable		601	-
Total assets		37,692,377	31,337,619
LIABILITIES			
Payable for investments purchased	3(h)vi	9,781	10,602
Management fees payable	11	41,667	65,686
Performance Fee payable	11	202,473	-
Other liabilities	12	74,874	116,111
Total liabilities		328,795	192,399
Net assets applicable to outstanding shares	13	37,363,582	31,145,220

Moneda Chile Fund Limited
Annual Report 2016 and 2015

STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(expressed in US Dollars)

	Note	December 31, 2016	December 31, 2015
Income and loss			
Dividend Income		1,084,962	2,296,006
Net realized gains from financial instruments at fair value through profit or loss and foreign currency transactions	7	(416,577)	(11,751,804)
Change in net unrealized appreciation (depreciation) from financial instruments at fair value through profit or loss and foreign currency transactions	7	8,589,091	698,925
Total net income (loss)		<u>9,257,476</u>	<u>(8,756,873)</u>
Expenses			
Management fees	8(a)	(500,000)	(500,413)
Performance Fee Expense	8(a)	(202,473)	-
Custodian fees	8(b)	(13,768)	(21,668)
Audit and legal fees		(88,753)	(105,264)
Administrator's fees	8(c)	(41,802)	(10,350)
Directors' fees		(32,000)	(34,337)
Cost of Board Meetings		(45,218)	(40,652)
Other		(30,812)	(23,373)
Total expenses		<u>(954,826)</u>	<u>(736,057)</u>
Net profit/(loss) before tax		8,302,650	(9,492,930)
Withholding tax expense	9	-	(120,239)
Increase / (Decrease) in net assets applicable to outstanding shares		<u>8,302,650</u>	<u>(9,613,169)</u>
Other comprehensive income		-	-
Total comprehensive income (loss)		<u>8,302,650</u>	<u>(9,613,169)</u>

Moneda Chile Fund Limited
Annual Report 2016 and 2015

STATEMENTS OF CHANGES IN NET ASSETS APPLICABLE TO OUTSTANDING SHARES

(expressed in US Dollars)

	December 31, 2016	December 31, 2015
Net asset applicable to outstanding shares , beginning of the period	31,145,220	51,424,117
Total comprehensive income (loss)	8,302,650	(9,613,169)
Distributions to shareholders from financial assets at fair value and foreign currency transactions	-	-
Payments for shares redeemed	(2,084,288)	(10,665,728)
Net assets applicable to outstanding shares, end of the period	<u>37,363,582</u>	<u>31,145,220</u>

Moneda Chile Fund Limited
Annual Report 2016 and 2015

STATEMENTS OF CASH FLOWS

(expressed in US Dollars)

	Note	December 31, 2016	December 31, 2015
Cash flows from operating activities			
Dividend received		1,084,354	2,296,006
Sales of investments		9,740,243	14,848,892
Purchase of investments		(7,975,945)	(5,794,672)
Operating expenses paid		(800,081)	(685,778)
Withholding tax paid	9	-	(120,239)
Net cash inflows from operating activities		<u>2,048,571</u>	<u>10,544,209</u>
 Cash flows from financing activities			
Payment for redemption of shares		(2,084,288)	(10,665,728)
Payment for dividends		-	-
Net Cash outflows from financing activities		<u>(2,084,288)</u>	<u>(10,665,728)</u>
Net increase (decrease) in cash and cash equivalents		<u>(35,717)</u>	<u>(121,519)</u>
Cash and cash equivalents beginning of the period		78,205	235,093
Effect of exchange rate fluctuations on cash and cash equivalents		6,687	(35,369)
Cash and cash equivalents at end of the period		<u>49,175</u>	<u>78,205</u>

Moneda Chile Fund Limited

Annual Report 2016 and 2015

Notes to the Financial Statements

1. REPORTING ENTITY

Moneda Chile Fund Limited (the Company) is a closed-ended, limited liability fund incorporated under the laws of Bermuda on June 20, 1995. On May 12, 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 General de Fondos, 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.

On May 1, 2015, Law N. 20.712 regarding funds and investments administration was enacted, and in its article 4, letter c), revokes Law N. 18.657. Transitory article 5 of the new law states that, regardless of the revocation, those investment funds created under Law N. 18.657 could continue operating in Chile, maintaining the invariability principles included in the revoked law, in conformity with a foreign investment contract under DL N. 600. These funds will remain under the tax regime established by article 106 of the Income Tax Law, and could neither transform into, nor merge with, funds created under the new law.

Pursuant to its bylaws, the Company had an settlement date on December 31th, 2007. However, at each Company's annual general meetings, extensions of the life were approved for an additional period of two years on the following dates: June 8th, 2009; June 26th, 2011; October 29th 2013 and November 16th, 2015.

Moneda Chile Fund Limited
Annual Report 2016 and 2015
Notes to the Financial Statements

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 May 31, 2017.

(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.

Moneda Chile Fund Limited
Annual Report 2016 and 2015
Notes to the Financial Statements

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 translation 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 a separate line item.

Moneda Chile Fund Limited
Annual Report 2016 and 2015
Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES, continued

(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.

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 18, 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 for 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 the 31th day of March 2035.

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3. SIGNIFICANT ACCOUNTING POLICIES, continued

(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 data 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 wholly supported 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.

Moneda Chile Fund Limited
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Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES, continued
(h) FINANCIAL ASSETS AND FINANCIAL LIABILITIES, continued

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 evidence 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 events 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 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 funds.

Financial assets at fair value through profit and loss

The Company invests only in common stocks.

Moneda Chile Fund Limited

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Notes to the Financial Statements

- 3. SIGNIFICANT ACCOUNTING POLICIES, continued
- (h) FINANCIAL ASSETS AND FINANCIAL LIABILITIES, continued
- v. Derecognition, continued

Receivables for investments sold and payables for investment purchased

Receivables for investments sold relate to sales of shares 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, 2017, 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.

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. Meetings with suppliers and clients are also sustained in order to get a comprehensive understanding of the company's competitive advantage and its sustainability over the long term. 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.

Moneda Chile Fund Limited
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- 4. FINANCIAL RISK MANAGEMENT, continued
- (a) CREDIT RISK INTRODUCTION AND OVERVIEW, continued
- i. Risk management framework

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 12.31.2016 amount to USD53,645, representing only 0.14% of the total assets (the data as to 12.31.2015 amounted to USD86,362 which represented 0.28% 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 12.31.2016 accounts receivables for unsettled sales amount to USD 3,869, which represent 0.01% of the total assets (the data as to 12.31.2015 amounted to USD 8,157 which represented 0.03% 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 (Santander Asset Management S.A).

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4. FINANCIAL RISK MANAGEMENT, continued
 (b) CREDIT RISK, continued

- v. Portfolio concentration risk

As at 12.31.2016 the investment portfolio was distributed as follows:

Schedule of Investment (*)	MMUSD	% FUND
Consumer Staples	8.4971	22.5754
Industrials	6.0163	15.9843
Financials	4.7223	12.5465
Materials	6.1633	16.3750
Health Care	3.8300	10.1757
Telecommunication Services	2.4603	6.5367
Utilities	1.3968	3.7110
Consumer Discretionary	1.8554	4.9294
Information Technology	0.8956	2.3795
Energy	1.8016	4.7865
Total	37.6387	100.0000

(*) Classification according to standard GICS

As at 12.31.2015 the investment portfolio was distributed as follows:

Schedule of Investment (*)	MMUSD	% FUND
Consumer Staples	7.5990	24.3200
Industrials	5.8979	18.8700
Financials	5.0459	16.1500
Materials	4.3395	13.8800
Health Care	2.6296	8.4100
Telecommunication Services	1.4389	4.6000
Utilities	1.3019	4.1700
Consumer Discretionary	1.1551	3.7000
Information Technology	1.0816	3.4600
Energy	0.7618	2.4400
Total	31.2513	100.0000

(*) Classification according to standard GICS

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4. FINANCIAL RISK MANAGEMENT, continued

(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 2016 and 2015 for each of the top 5 equity shares in the Fund as of December 31, 2016 and December 31, 2015. It should be noted that the effect on equity of each of equity shares should not be directly added due to the current portfolio diversification in the Fund.

12/31/2016					
Share	Amount MUS\$	% Portfolio	% Equity	Standard deviation	Effect on equity
BANMEDICA	5,720,972	10.20%	10.80%	18.80%	2.02%
WATTS	4,843,835	8.60%	9.10%	16.10%	1.47%
ALMENDRAL	3,675,047	6.50%	6.90%	17.60%	1.22%
ENAEX	3,527,011	6.30%	6.60%	10.50%	0.70%
CRISTALES	2,901,425	5.20%	5.50%	12.00%	0.66%

12/31/2015					
Share	Amount MUS\$	% Portfolio	% Equity	Standard deviation	Effect on equity
WATTS	5,398,842	12.20%	12.60%	10.30%	1.29%
BANMEDICA	3,711,578	8.40%	8.70%	26.70%	2.31%
CORPBANCA	2,770,843	6.30%	6.50%	20.20%	1.30%
ENAEX	2,620,921	5.90%	6.10%	6.90%	0.42%
SK	2,552,197	5.80%	6.00%	16.90%	1.00%

Interest Rate Risk

Because the Fund invests primarily in equity securities, interest rate risk does not apply to 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.

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4. FINANCIAL RISK MANAGEMENT, continued
(c) MARKET RISK, continued

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 12 months
- The exchange rate is at its highest daily closing price of the last 12 months

	12/31/2016	Exchange rate	Corresponding date
Performance Moneda Chile Fund (USD)	28.20%	670.5	12/30/2016
Exchange rate ended at the lowest point	17.50%	731.5	1/11/2016
Exchange rate ended at the highest point	33.40%	644.2	8/11/2016

	12/31/2015	Exchange rate	Corresponding date
Performance Moneda Chile Fund (USD)	-18.00%	708.5	12/30/2015
Exchange rate ended at the lowest point	-2.50%	596	5/15/2015
Exchange rate ended at the highest point	-18.80%	715.1	11/23/2015

(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.

Moneda Chile Fund Limited
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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 based 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 are traded in active markets and are based on quoted prices or dealer price quotations and are classified as Level 1, both in 2016 and 2015.

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5. USE OF ESTIMATES AND JUDGEMENTS, continued

(b) CRITICAL ACCOUNTING JUDGMENTS IN APPLYING THE COMPANY'S ACCOUNTING POLICY, continued

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)).

6. CLASSIFICATIONS AND FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

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

	Designated at fair value through profit and loss	Banks, Loans and receivables	Other liabilities	Total carrying amount
December 31, 2016				
Cash and cash equivalents		49,175	-	49,175
Financial instruments at fair value through profit and loss	37,638,732	-	-	37,638,732
Receivable for investment sold	-	4,470	-	4,470
	<u>37,638,731</u>	<u>53,645</u>	<u>-</u>	<u>37,692,377</u>
Payable for investment purchased	-	-	9,781	9,781
Management fees payable	-	-	41,667	41,667
Performance Fee payable	-	-	202,473	202,473
Other liabilities	-	-	74,874	74,874
Net assets applicable to outstanding shares	-	-	37,363,582	37,363,582
	<u>-</u>	<u>-</u>	<u>37,692,377</u>	<u>37,692,377</u>

Moneda Chile Fund Limited
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6. CLASSIFICATIONS AND FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES, continued

	Designated at fair value through profit and loss	Banks, Loans and receivables	Other liabilities	Total carrying amount
December 31, 2015				
Cash and cash equivalents	36,619	41,586	-	78,205
Financial instruments at fair value through profit and loss	31,251,257	-	-	31,251,257
Receivable for investment sold	-	8,157	-	8,157
	<u>31,287,877</u>	<u>49,743</u>	<u>-</u>	<u>31,337,619</u>
Payable for investment purchased	-	-	10,602	10,602
Manager fees payable	-	-	65,686	65,686
Other liabilities	-	-	116,111	116,111
Net assets applicable to outstanding shares	-	-	31,145,220	31,145,220
	<u>-</u>	<u>-</u>	<u>31,337,619</u>	<u>31,337,619</u>

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/ losses from financial assets and foreign currency transactions for the years ended December 31, 2016 and 2015 amounted to USD -416,577 and USD -11,751,804, respectively.

The unrealized gain/ loss 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 31, 2016 and 2015 amounted to USD 8,588,649 and USD 698,925, respectively.

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8. MANAGEMENT, CUSTODIAN AND ADMINISTRATOR'S FEES

(a) MANAGEMENT FEES

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 Fund. The Fund pays to the Manager each calendar year, a management fee consisting of:

(i) the maximum between (a) a fixed annual fee of 1% of the Fund's NAV, paid monthly in arrears; and (b) a minimum annual payment of \$500,000.

(ii) If in any calendar year: a) the NAV per share increases, the Manager shall be paid as an incentive fee (the "Incentive Fee") 10% of the amount of that increase, multiplied by the number of shares outstanding at yearend. If in any event the NAV per share decreases, that decrease must be made up (recovered) before any future incentive fees shall be due. The Incentive Fee will be accrued daily and is payable after the Board of Directors approves the Fund's annual financial statements; or b) a redemption event were to take place from the Fund within the year, the Incentive Fee provision related to the shares being redeemed will be crystallized, becoming payable to the Manager once the redemptions would have been paid to the dissenting shareholders.

Management fees paid and accrued for the year ended December 31, 2016 increased to USD 702,473 (USD 500,413 in 2015), these includes USD 500,000 of fixed fees (USD 500,413 in 2015) and USD 202,473 of incentive management fees.

(b) CUSTODIAN FEES

On June 17, 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 monthly minimum payment of UF 50.

On October 1, 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 General de Fondos de Inversión and its related manager companies. The fees included in the new custodian agreement are described as follows:

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

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8. MANAGEMENT, CUSTODIAN AND ADMINISTRATOR'S FEES, continued

(b) CUSTODIAN FEES, continued

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.

During the year ended December 31, 2016, the Company paid USD 13,768 for these services (USD 21,668 in 2015).

(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 USD 2,500.

The amount of administrator's fees for the year ended December 31, 2016 was of USD 41,802 (2015-USD10,350).

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 31, 2016, the Company remitted from Chile to Bermuda the net amount of USD 2.671.000 (in this period wasn't subject to withholding tax).

During the year ended December 31, 2015, the Company remitted from Chile to Bermuda the net sum of USD10,751,238 and it was subject to a withholding tax rate of 10% USD 120,239.

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10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss include shares that are held for trading. At December 31, 2016 and 2015 total securities at fair value amounted to USD 37,638,732 and USD 31,251,257, 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.

11. MANAGEMENT FEES

Management fees payables are summarized as follows:

	December 31, 2016	December 31, 2015
Management fixed fee	41,667	65,686
Incentive Fee	202,473	-
	<u>244,140</u>	<u>65,686</u>

12. OTHER LIABILITIES

Other liabilities are summarized as follows:

	December 31, 2016	December 31, 2015
Custodian fees	8,000	4,000
Audit fees	8,757	10,737
Legal fees	19,731	14,761
Administrator's fees	1,794	2,550
Other Fees	-	23,472
Directors' fees	8,000	32,000
Dividend unpaid	28,592	28,592
	<u>74,874</u>	<u>116,111</u>

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13. NET ASSETS APPLICABLE TO OUTSTANDING SHARES

Net assets attributable to outstanding shares consist of the following:

	2016	2015
Numbers of shares		
Authorized	5,000,000	5,000,000
Outstanding	739,642	790,087
	2016	2015
Share Capital (USD 0.01 par)	7,396	7,901
Additional paid in capital (USD 9.84)	7,275,213	7,771,396
Accumulated net investment income	7,905,055	8,170,966
Accumulated net realized gains from investments and foreign currency transactions	22,760,505	24,368,193
Net unrealized appreciation on investments and foreign currency	(584,587)	(9,173,236)
	<u>37,363,582</u>	<u>31,145,220</u>

14. SUBSEQUENT EVENTS

The Company's management has evaluated subsequent events from the statement of financial position date through May 31, 2017, the date which the financial statements were available to be issued, and determined there are no others items to disclose.