MONEDA CHILE FUND LIMITED

Annual Report
December 31, 2020 and 2019

(With the Independent Auditors' Report Thereon)

MONEDA CHILE FUND LIMITED

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US$: Amount expressed in United States dollars

Independent Auditors' Report

To the Board of Directors of
Moneda Chile Fund Limited:

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, 2020 and 2019, and the related statements of comprehensive income, 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 in 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 risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers in order to design audit procedures that the 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.

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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, 2020 and 2019, and he results of its operations and its cash flows for the years then ended, in accordance with International Financial Reporting Standards.

Ernesto Guzmán V. KPMG SpA

Santiago, June 11, 2021

Audited Financial Statements

MONEDA CHILE FUND LIMITED

2020 and 2019

STATEMENTS OF FINANCIAL POSITION

Annual Report 2020 and 2019

(expressed in US Dollars)

	Note	December 31, 2020	December 31, 2019
ASSETS			
Cash and cash equivalents	4(b)iv	127,442	3,615,742
Financial instruments at fair value through profit or loss	10	24,757,838	29,173,822
Receivables for investments sold	3(h)vi	25,533	421,785
Total assets		**24,910,813**	**33,211,349**
LIABILITIES			
Payables for investments purchased	3(h)vi	78,648	68,796
Management fees payable	11	41,667	41,667
Other liabilities	12	73,091	5,340,740
Total liabilities		**193,406**	**5,451,203**
Net assets applicable to outstanding shares	13	**24,717,407**	**27,760,146**

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

STATEMENTS OF COMPREHENSIVE INCOMES

Annual Report 2020 and 2019

(expressed in US Dollars)

	Note	**December 31, 2020**	**December 31, 2019**
Income and loss			
Dividend income		735,427	1,622,234
Net realized gains from financial instruments at fair value through profit or loss and foreign currency transactions	7	(2,486,292)	(224,416)
Change in net unrealized appreciation (depreciation) from financial instruments at fair value through profit or loss and foreign currency transactions	7	(59,068)	(8,610,312)
Total net income (loss)		**(1,809,933)**	**(7,212,494)**
Expenses			
Management fees	8(a)	(500,000)	(500,000)
Custodian fees	8(b)	(14,295)	(18,047)
Audit and legal fees		(17,010)	(28,191)
Administrators fees	8(c)	(21,077)	(14,974)
Board of directors fees		(32,000)	(32,000)
Board meetings cost		-	(31,744)
Others		(93,612)	(63,288)
Total expenses		**(677,994)**	**(688,244)**
Net profit/(loss) before tax		**(2,487,927)**	**(7,900,738)**
Withholding tax expense	9	(65,992)	-
Increase / (Decrease) in net assets applicable to outstanding shares		**(2,553,919)**	**(7,900,738)**
Total comprehensive income		**(2,553,919)**	**(7,900,738)**

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

STATEMENTS OF CHANGES IN NET ASSETS APPLICABLE TO OUTSTANDING SHARES

Annual Report 2020 and 2019

(expressed in US Dollars)

	December 31, 2020	December 31, 2019
Net asset applicable to outstanding shares, beginning of the period	**27,760,146**	**43,709,333**
Total comprehensive income (loss)	(2,553,919)	(7,900,738)
Distributions to shareholders from financial assets at fair value and foreign currency transactions	-	-
Redeemed shares	(488,820)	(8,048,449)
Net assets applicable to outstanding shares, end of the period	**24,717,407**	**27,760,146**

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

STATEMENTS OF CASH FLOWS

Annual Report 2020 and 2019

(expressed in US Dollars)

	Note	December 31, 2020	December 31, 2019
Cash flows from operating activities			
Dividend received		740,339	1,613,047
Sales of investments		7,864,229	12,617,648
Purchase of investments		(5,600,588)	(7,399,574)
Operating expenses paid		(756,042)	(629,554)
Others		68	5,004
Net cash from operating activities		**2,248,006**	**6,206,571**
Cash flows from financing activities			
Payment for redemption of shares		(5,737,337)	(2,799,932)
Payment for dividends		-	-
Net Cash from financing activities		**(5,737,337)**	**(2,799,932)**
Net increase (decrease) in cash and cash equivalents		**(3,489,331)**	**3,406,639**
Cash and cash equivalents beginning of the period		3,615,742	233,271
Effect of exchange rate fluctuations on cash and cash equivalents		1,031	(24,168)
Cash and cash equivalents at end of the period		**127,442**	**3,615,742**

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

NOTES TO THE FINANCIAL STATEMENTS

Annual Report 2020 and 2019

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 the top 25% of the companies in the Santiago´s 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 to operate 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 a settlement date on December 31th, 2007. However, at each Company's annual general meetings, extensions of its continuity were approved for an additional period of two years on the following dates: June 8th, 2009; June 26th, 2011; October 29th 2013, November 16th, 2015; August 14th, 2017 and October 30th, 2019.

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 2, 2021.

(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.

(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.

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 interest 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

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.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES, continued

(h) FINANCIAL ASSETS AND FINANCIAL LIABILITIES, continued

iii. Fair value measurement, continued

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

In terms of provisions, the standard establishes a single model that will be applied to all financial instruments, thus eliminating a source of complexity associated with the requirements previous accounting, which will require timely recognition of credit losses expected.

The impairment model of IFRS 9 is based on expected credit losses, difference of the incurred loss model established by IAS 39.

IFRS 9 introduces flexibilities to the regulatory requirements for the hedge accounting as well as new alternatives of strategies to be used, new instructions represent an important revision of hedge accounting, which will align the accounting treatment with the risk management activities, allowing to entities to better reflect these activities in their financial statements.

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.

3. SIGNIFICANT ACCOUNTING POLICIES, continued

(h) FINANCIAL ASSETS AND FINANCIAL LIABILITIES, continued

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.

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

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after January 1, 2021, 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 a 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

NOTES TO THE FINANCIAL STATEMENTS

Annual Report 2020 and 2019

4. FINANCIAL RISK MANAGEMENT, continued

(a) INTRODUCTION AND OVERVIEW, continued

i. Investment in debt securities Risk management framework, continued

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.

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 12.31.2020 amount to USD152,975, representing only 0.61% of the total assets (the data as to 12.31.2019 amounted to USD4,037,527, which represented 12.16% 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.

NOTES TO THE FINANCIAL STATEMENTS

Annual Report 2020 and 2019

4. FINANCIAL RISK MANAGEMENT, continued

(b) CREDIT RISK, continued

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 12.31.2020 accounts receivables for unsettled sales amount to USD 25,533, which represent 0.10% of the total assets (the data as to 12.31.2019 amounted to USD 421,785 which represented 1.27% of total assets).

iv. Cash and cash equivalents

Cash is primarily held at Banco Chile which has a credit rating A-1 granted by Standard & Poor's, Northern Trust wich has a credit rating A-1+ granted by Standard & Poor's and Pershing wich has a credit rating A-1 granted by Standard & Poor's.

At 12.31.2020 does not present cash equivalents and at 12.31.2019 Moneda Chile Fund Limited present cash equivalents were invested in local mutual funds managers by top investment managers (Security S.A.).

v. Portfolio concentration risk

As at 12.31.2020 the investment portfolio was distributed as follows:

Schedule of Investment (*)	MMUSD	% FUND
Consumer Staples	6.5520	26.50
Materials	6.7730	27.40
Industrials	4.8550	19.60
Financials	1.9190	7.80
Consumer Discretionary	2.0300	8.20
Communication Services	1.4970	6.00
Energy	0.6560	2.60
Utilities	0.4770	1.90
Total	**24.7590**	**100.00**

(*) Classification according to standard GICS

NOTES TO THE FINANCIAL STATEMENTS

Annual Report 2020 and 2019

4. FINANCIAL RISK MANAGEMENT, continued

(b) CREDIT RISK, continued

V Portfolio concentration risk, continued

As at 12.31.2019 the investment portfolio was distributed as follows:

Schedule of Investment (*)	MMUSD	% FUND
Consumer Staples	8.5120	29.20
Materials	6.2010	21.30
Industrials	5.4070	18.50
Financials	2.7120	9.30
Consumer Discretionary	2.3950	8.20
Telecommunication Services	1.7050	5.80
Energy	1.4280	4.90
Utilities	0.8140	2.80
Total	**29.1740**	**100.00**

(*) Classification according to standard GICS

(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 2020 and 2019 for each of the top 5 equity shares in the Fund as of December 31, 2020 and December 31, 2019. 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.

31-12-2020					
Share	Amount US$	% Portfolio	% Equity	Standard deviation	Effect on equity
PUCOBRE	2,381,340	9.60%	9.60%	18.80%	1.81%
WATTS	2,359,862	9.50%	9.50%	19.50%	1.86%
ENAEX	2,137,266	8.60%	8.60%	19.50%	1.69%
SMSAAM	1,822,857	7.40%	7.40%	35.80%	2.64%
ALMENDRAL	1,496,510	6.00%	6.10%	30.70%	1.86%

31-12-2019					
Share	Amount US$	% Portfolio	% Equity	Standard deviation	Effect on equity
WATTS	2,668,574	9.15%	9.61%	12.20%	1.18%
ENAEX	1,990,138	6.82%	7.17%	9.90%	0.71%
PUCOBRE	1,903,197	6.52%	6.86%	17.60%	1.20%
SMSAAM	1,796,264	6.16%	6.47%	19.80%	1.28%
BLUMAR	1,767,805	6.06%	6.37%	16.00%	1.02%

NOTES TO THE FINANCIAL STATEMENTS

Annual Report 2020 and 2019

4. FINANCIAL RISK MANAGEMENT, continued

(c) MARKET RISK, continued

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.

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

	31-12-2020	Exchange rate	Corresponding date
Performance Moneda Chile Fund (USD)	-13.40%	711.2	31-12-2020
Exchange rate ended at the lowest point	-13.30%	710.3	28-12-2020
Exchange rate ended at the highest point	-29.00%	867.8	20-03-2020

	31-12-2019	Exchange rate	Corresponding date
Performance Moneda Chile Fund (USD)	-10.50%	744,6	31-12-2019
Exchange rate ended at the lowest point	2.70%	649,2	26-02-2019
Exchange rate ended at the highest point	-19.50%	828,3	29-11-2019

(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.

4. FINANCIAL RISK MANAGEMENT, continued

(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.

(f) COVID-19:

Since the end of 2020 and 2019, the outbreak of the covid19 pandemic has caused severe turmoil and slowdown in the world economy. The investment manager will continue to assess the impact of the slowdown in the portfolio.

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(h)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(h)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

5. USE OF ESTIMATES AND JUDGMENTS, continued

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

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 are traded in active markets and are based on quoted prices or dealer price quotations therefore in 2020 this financial assets are classified as Level 1 except MUS$386 classified as Level 2. In 2019 all financial assets are classified as Level 1 except MUS$304 classified as Level 2.

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)).

NOTES TO THE FINANCIAL STATEMENTS

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 USD	Banks, Loans and receivables USD	Other liabilities USD	Total carrying amount USD
December 31, 2020				
Cash and cash equivalents	-	127,442	-	127,442
Financial instruments at fair value through profit and loss	24,757,838	-	-	24,757,838
Receivable for investment sold	-	25,533	-	25,533
	24,757,838	**152,975**	**-**	**24,910,813**
Payables for investments purchased	-	-	78,648	78,648
Management fees payable	-	-	41,667	41,667
Performance fees payable	-	-	-	-
Other liabilities	-	-	73,091	73,091
Net assets applicable to outstanding shares	-	-	24,717,407	24,717,407
	-	**-**	**24,910,813**	**24,910,813**

NOTES TO THE FINANCIAL STATEMENTS

Annual Report 2020 and 2019

6. CLASSIFICATIONS AND FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES, continued

	Designated at fair value through profit and loss USD	Banks, Loans and receivables USD	Other liabilities USD	Total carrying amount USD
December 31, 2019				
Cash and cash equivalents	-	3,615,742	-	3,615,742
Financial instruments at fair value through profit and loss	29,173,822	-	-	29,173,822
Receivable for investment sold	-	421,785	-	421,785
	29,173,822	**4,037,527**	**-**	**33,211,349**
Payables for investments purchased	-	-	68,796	68,796
Management fees payable	-	-	41,667	41,667
Performance fees payable	-	-	-	-
Other liabilities	-	-	5,340,740	5,340,740
Net assets applicable to outstanding shares	-	-	27,760,146	27,760,146
	-	**-**	**33,211,349**	**33,211,349**

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.

Total realized gains/ losses from financial assets and foreign currency transactions for the years ended December 31, 2020 and 2019 amounted to USD (2.486.292) and USD (224,416), 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, 2020 and 2019 amounted to USD (59,068) and USD (8,610,312), respectively.

NOTES TO THE FINANCIAL STATEMENTS

8. MANAGEMENT, CUSTODIAN AND ADMINISTRATORS 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 arreas; 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 year end. 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, 2020 decreased to USD 500,000 (USD 500,000 in 2019), these includes USD 500,000 of fixed fees (USD 500,000 in 2019).

(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**

NOTES TO THE FINANCIAL STATEMENTS

Annual Report 2020 and 2019

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, 2020, the Company paid USD 14,295 for these services (USD 18,047 in 2019).

(c) ADMINISTRATORS 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, 2020 was of USD 21,077 (2019 USD 14,974).

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, 2020, the Company remitted from Chile to Bermuda the net amount of USD 2,380,000 and some it was subject to a withholding tax rate of 10% USD 65,992.

During the year ended December 31, 2019, the Company remitted from Chile to Bermuda the net amount of USD 5,250,000 (in this period it wasn't subject to withholding tax).

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, 2020 and 2019 total securities at fair value amounted to USD 24,757,838 and USD 29,173,822, 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, 2020	December 31, 2019
	USD	USD
Management fixed fee	41,667	41,667
	41,667	41,667

12. OTHER LIABILITIES

Other liabilities are summarized as follows:

	December 31, 2020	December 31, 2019
	USD	USD
Custodian fees	4,711	4,301
Audit fees	16,926	15,149
Legal fees	22,862	28,181
Board of directors fees	-	16,000
Unpaid dividend	28,592	28,592
Redeemed shares payable (*)	-	5,248,517
	73,091	**5,340,740**

(*) By December 31, 2019, there was $5,248,517 related to redeemed shares payable paid during 2020 ($3,901,183 on January 15, 2020 and $1,347,334 on February 03, 2020).

13. NET ASSETS APPLICABLE TO OUTSTANDING SHARES

Net assets attributable to outstanding shares consist of the following:

	2020	2019
Numbers of shares		
Authorized	5.000.000	5.000.000
Outstanding	493.430	505.361

	2020	2019
	USD	USD
Share Capital (USD 0.01 par)	4.931	5.051
Additional paid in capital (USD 9.84)	4.852.426	4.969.757
Accumulated net investment income	5.597.651	5.621.892
Accumulated net realized gains from investments and foreign currency transactions	19.427.566	22.269.545
Net unrealized appreciation on investments and foreign currency	(5.165.167)	(5.106.099)
	24.717.407	27.760.146

14. SUBSEQUENT EVENTS

The Company´s management has evaluated subsequent events from the statement of financial position date through June 2, 2021, the date which the financial statements were available to be issued, and determined there are no others items to disclose.