

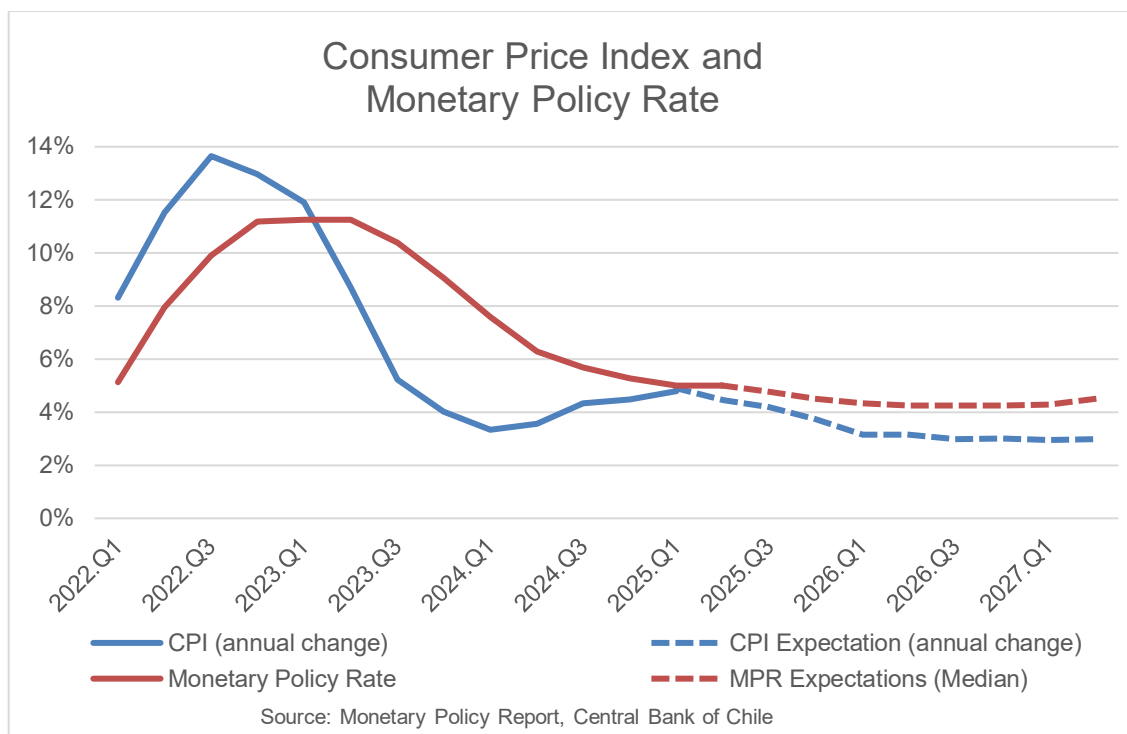


Chile Country Report 2025

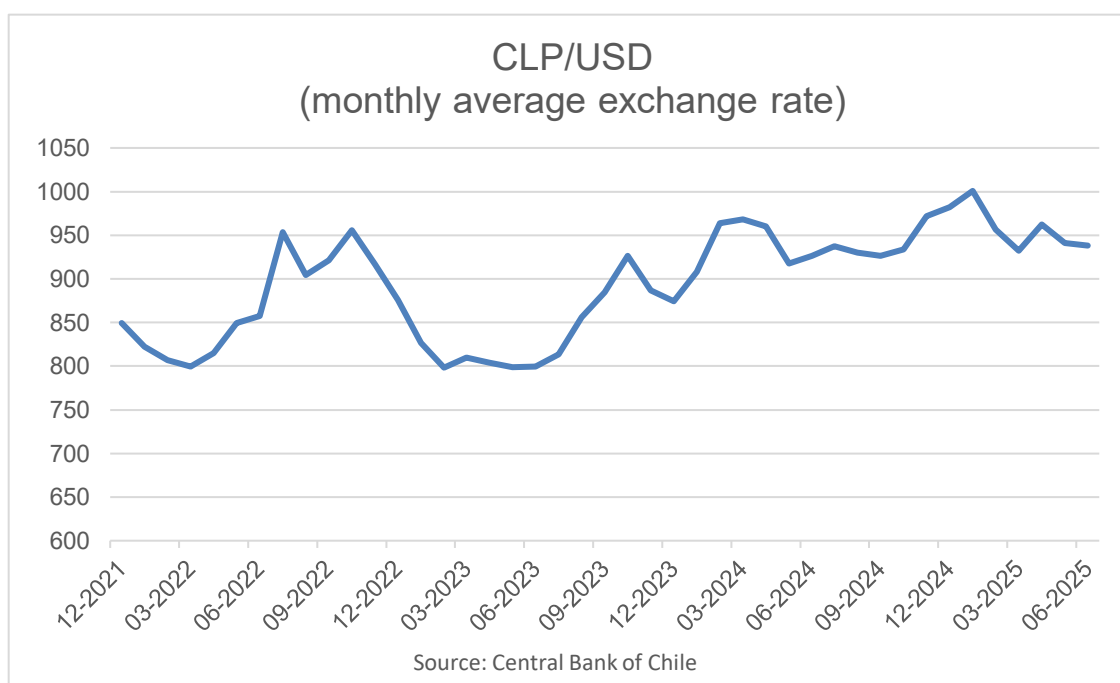
1. Economic and Financial Background

Main Economic and Financial Indicators				
	2022	2023	2024	Jun. 2025
Nominal GDP (Million USD)	301,863	335,885	330,140	340,768
Real GDP Growth (%)*	2.2	0.5	2.6	2.9
Inflation Rate (%)*	12.8	3.9	4.5	4.1
Exchange Rate (CLP/USD)	872.33	839.07	943.58	955.16**
(*) Annual change, (**) 6-month average. Source: Central Bank of Chile (CBC)				

Chile's Gross Domestic Product (GDP) grew by 2.6% in 2024, primarily driven by exports. The strong performance of the manufacturing industry and copper mining, along with the boost from external demand in exports, were particularly notable. Over the past few years, the Central Bank of Chile has been easing monetary policy as inflation has declined from its post-pandemic peak in 2022. However, fluctuations in the exchange rate and specific price shocks in the Consumer Price Index have kept inflation slightly above the Central Bank's target.



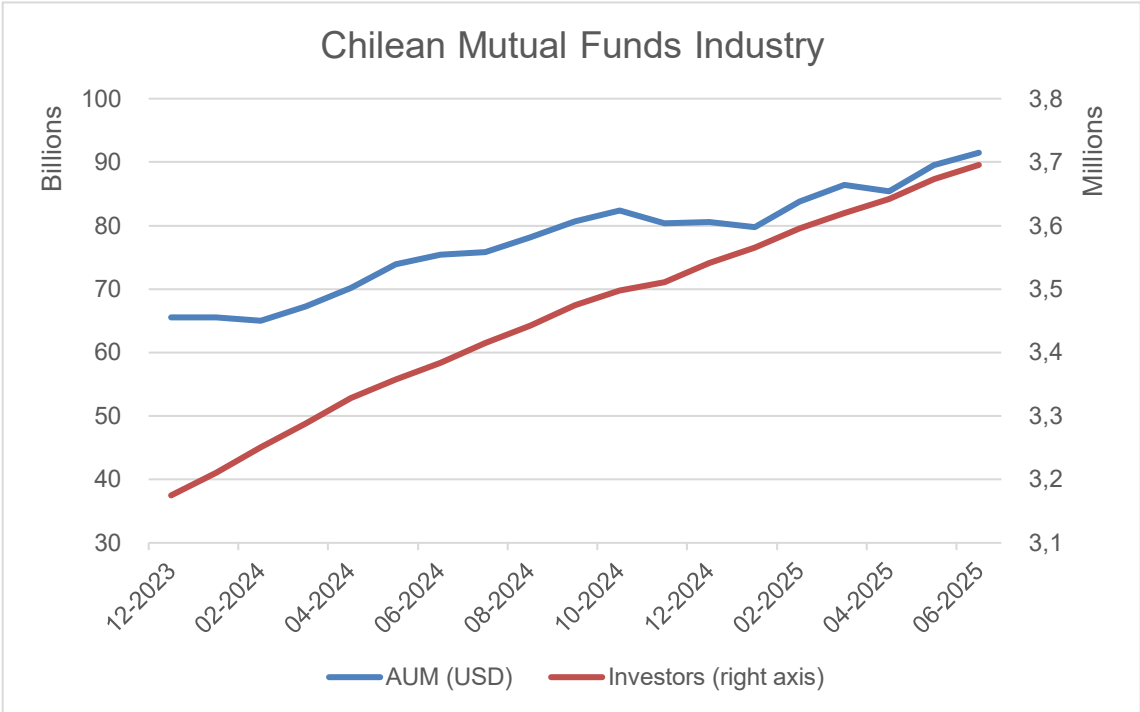
The exchange rate volatility has decreased since the last report, fluctuating the USD between 900 and 1000 Chilean pesos (CLP) in 2024 and 2025. From 2023 to 2025, the Central Bank of Chile (CBC) has been lowering the MPR. In this context, with the delayed United States Federal Reserve (Fed) rate cuts, the shrinking differential of rates has been pushing up the currency depreciation since the second quarter of 2023. The Fed fund's rate had been held in 4.25 - 4.50% in 2025, while the CBC has cut its monetary policy rate from 11.25% in June 2023 to 5.00% in June 2025.



2. Data on funds under management and portfolios

Industry Evolution 2024-2025

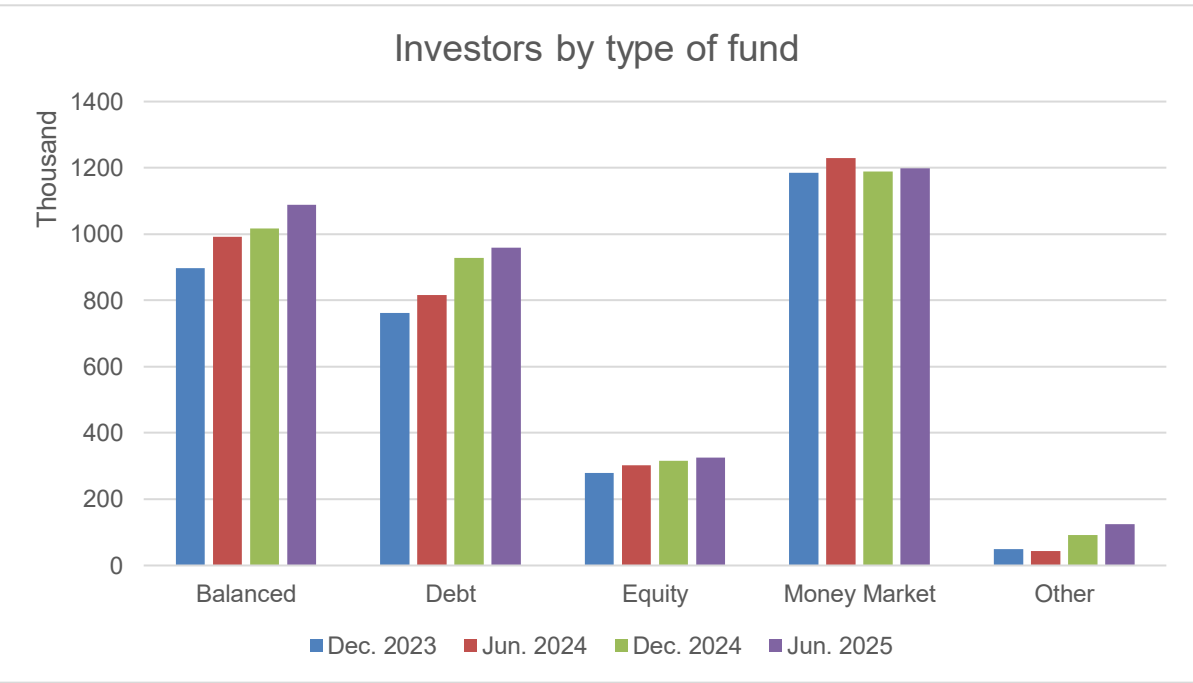
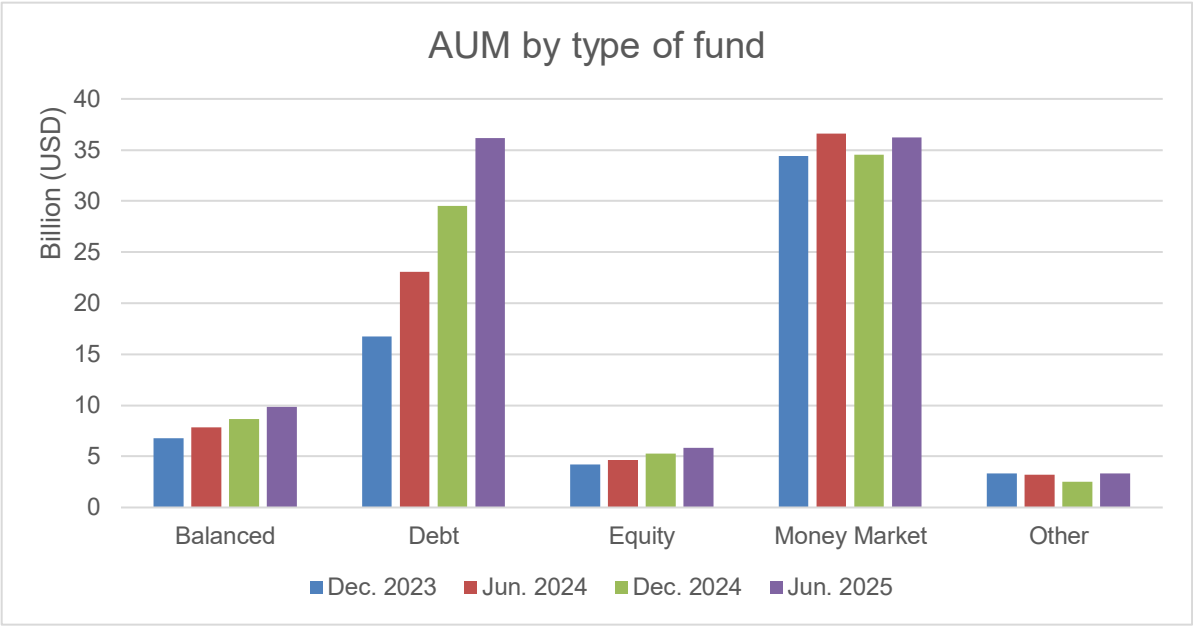
Since late 2023, the assets under management (AUM) have increased by more than USD 25 billion, reaching USD 91.5 billion in mid-2025. AUM in local currency grew by 38.2% in 2024 and 8.4% YTD in 2025. The AUM to GDP ratio of the mutual funds industry rose from 20% in December 2023 to 25% in June 2025. The number of investors in the mutual funds industry rose to 3,695,653, it's a historical maximum. Investors grew by 11.6% in 2024 and 4.4% YTD (2025). Driven by these growth rates, the investor base expanded by more than half a million from late 2023 to mid-2025.



Chilean Mutual Funds Industry			
	Dec. 2023	Dec. 2024	Jun. 2025
AUM (Million USD)	65,500	80,598	91,486
AUM (% GDP)	20%	25%	25%
Investors	3,174,829	3,541,576	3,695,653

Industry Structure

The structure of the Chilean mutual funds industry has gone through some minor changes. Between December 2023 and June 2025, debt funds grew by over USD 19 billion (116%), now accounting for 40% of the industry's assets under management (AUM). Money market funds also play a significant role, holding another 40% of total AUM and representing 35% of all mutual fund investors. Balanced funds attract a significant share of mutual fund investors, partly driven by voluntary retirement savings plans available in the industry.



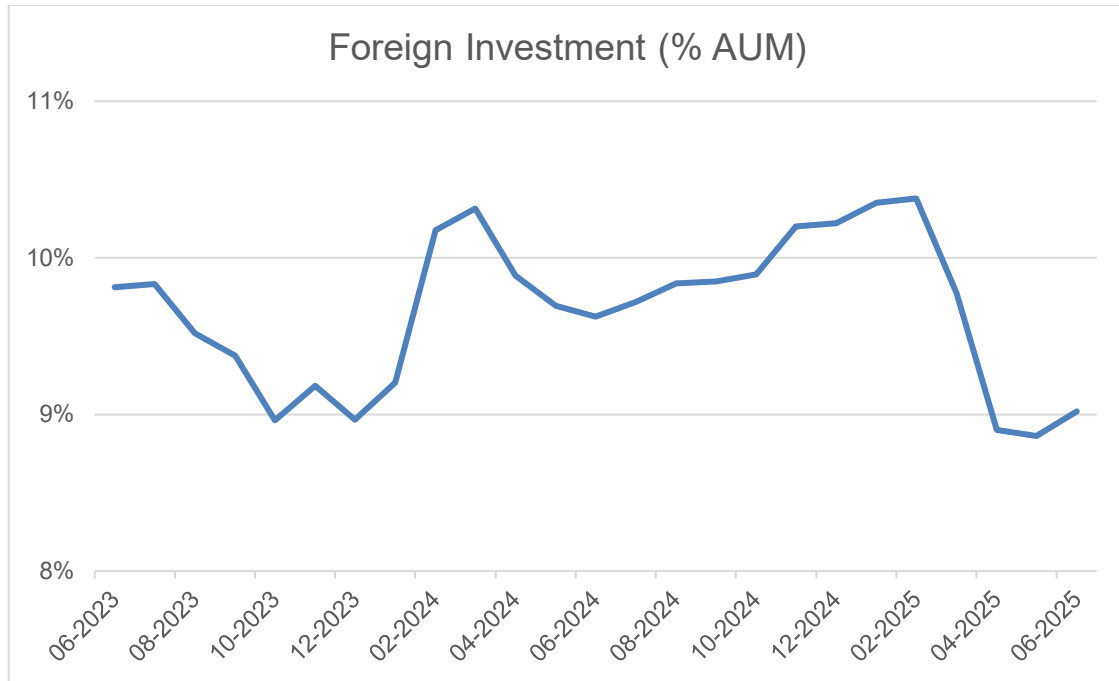
Industry Investment Allocation

Looking at the investment allocation of the mutual funds industry, most are directed towards short-term assets, such as fixed deposits. As shown in the table below, fixed deposits, corporate bonds, mutual funds, as well as government and central bank securities stand out as the most significant local instruments. Overall, resources were primarily invested in local securities, while foreign investments were concentrated in mutual funds and exchange-traded funds (ETFs).

AUM investment, securities distribution (millions USD)				
Foreign Securities	Dec. 2023	Jun. 2024	Dec. 2024	Jun. 2025
Equity Shares	221	271	317	345
Government & Central Bank Bonds	145	456	498	181
Corporate Bonds	137	121	112	114
ETF	2,551	3,361	4,026	4,189
Mutual Funds	2,710	2,939	3,160	3,315
Investment Funds	10	13	9	11
Others	18	23	33	17

Local Securities	Dec. 2023	Jun. 2024	Dec. 2024	Jun. 2025
Equity Shares	1,252	1,511	1,568	2,252
Government & Central Bank Bonds	2,135	3,919	3,375	4,943
Corporate Bonds	12,932	15,823	18,929	22,423
Fixed Deposits	17,996	22,282	24,803	27,046
Mutual Funds	4,473	6,499	8,417	10,712
Investment Funds	712	580	637	663
Others	75	90	102	96
Central Bank Promissory Notes	18,720	16,027	12,915	13,016
Corporate Promissory Notes	506	712	872	1,256

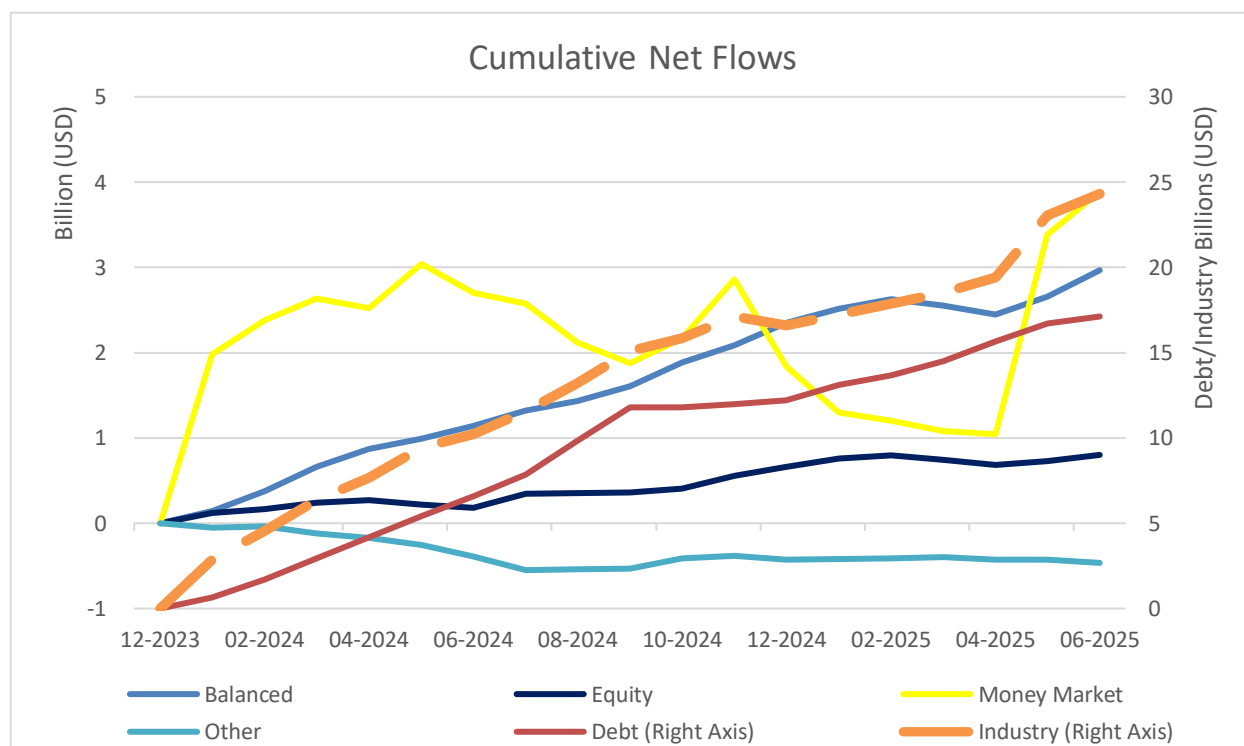
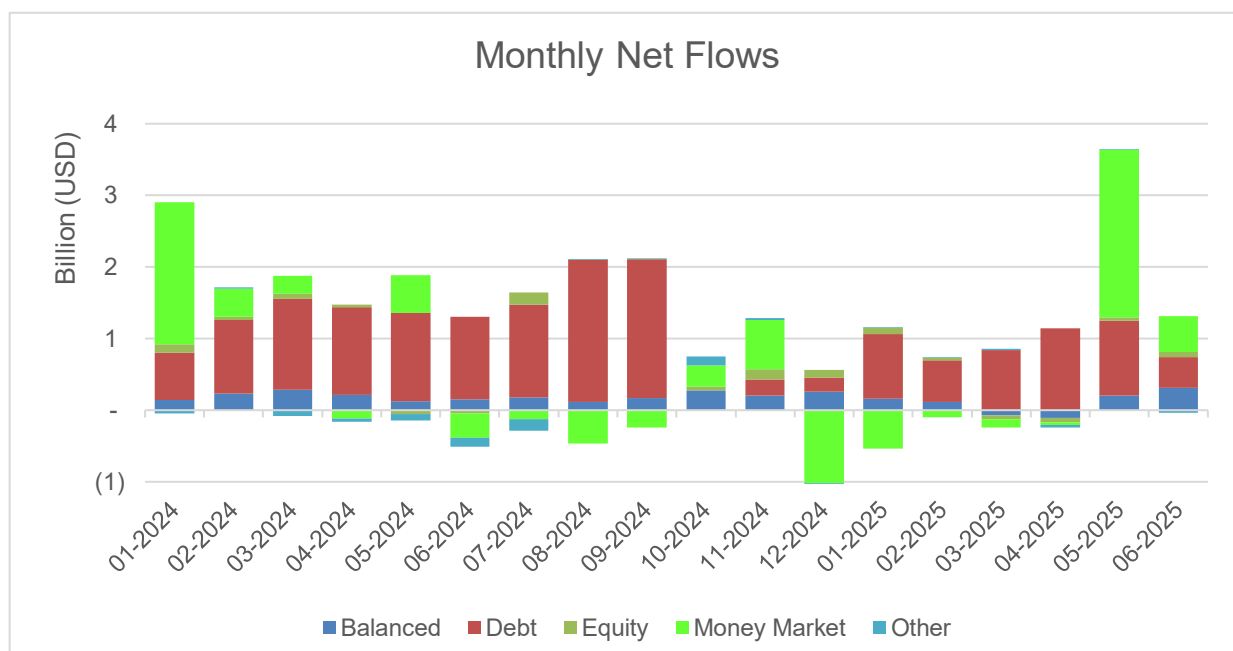
As noted, domestic securities continue to represent the bulk of industry assets, accounting for 91% as of June 2025. Over the past few months, foreign exposure has fluctuated between 9% and 10%, mostly through balanced and equity funds. A closer look at the industry's foreign allocation shows that resources are mainly invested in the U.S., which represents about half of the assets held abroad. The table below shows foreign investment by region.



Foreign investment by region, million USD				
Region	Dec. 2023	Jun. 2024	Dec. 2024	Jun. 2025
North America	3,006	4,309	4,742	4,343
East Asia & Pacific	720	731	632	790
Europe & Central Asia	761	883	894	1,033
Latin America & Caribbean	591	593	600	615
Other	830	1,112	1,265	1,338

3. Key trends in flows and assets under management

In line with the evolution of AUM, the industry overall has experienced positive net flows. The main contributors have been inflows into debt funds and money market funds, driven by the easing of the country's monetary policy as inflation declined, resulting in lower interest rates. Over the reporting period (2024 to mid-2025), the industry has accumulated positive net flows of over 24 billion USD. Debt funds have accumulated 17.1 billion USD between January 2024 and June 2025 and money market funds accumulated 3.9 billion USD during the same period.



4. Product developments

Funds Comparison Tool

A fund comparison tool has been developed by the Association to help retail investors in their investment decision making process and those with less financial knowledge. The tool provides easy access to key information such as risk, risk-adjusted returns, historical performance, investment costs, and entry requirements like minimum investment amounts. It also highlights specific features, such as whether a fund is aimed at voluntary pension savings or only allows contributions through digital platforms. Furthermore, it ensures that funds are compared within the same category, preventing misleading comparisons. We are currently developing a new fund comparison tool that provides the same information as the one presented here, but with enhanced interactivity for users, including interactive charts and tables.

 Mutual Funds Comparison Tool – June 2025 Instructions Fund Type ▾													
Equity													
RUN	Serie	Fund	Manager	Category	Risk	R% 1 Year CLP	R% 2 Years CLP	R% 5 Years CLP	TER	Min. Initial Investment (M\$ CLP)	Currency	Voluntary Pension Savings	Digital
All	All	All	All	All	All	All	All	All	All	All	All	All	All
CAP													
8819	CLASICA	Acciones Chile Activo	BICE Inversiones	Accionario Nacional Large CAP	R6	23.61%	49.47%	145.71%	4.17%	0	Pesos	No	No
8872	F	Acciones Nacionales	LarrainVial	Accionario Nacional Large CAP	R6	34.13%	61.69%	145.05%	4.32%	250,000	Pesos	No	No
8043	M	Acciones	Banchile	Accionario Nacional Large CAP	R6	24.29%	51.52%	144.70%	3.10%	0	Pesos	No	No

5. Regulatory and self-regulatory development

5.1 Regulatory: General Rules (NCG), issued by the regulatory authority

- **NCG 501**

Seeks to enhance the standards for transactions with related parties by refining the criteria that entities must consider when assessing whether specific operations are customary and part of the ordinary course of business. It also establishes minimum requirements for policies on recurring transactions and sets rules for the public disclosure of such operations.

- **NCG 502**

Consolidates in a single regulatory framework the provisions governing the registration, authorization, and obligations of financial service providers under Fintech Law (Law No. 21,521). It requires fintech-related entities—such as crowdfunding platforms, alternative transaction systems, intermediaries of financial instruments, order routing services, loan advisory services, investment advisory services, and custody providers—to register with the CMF and obtain prior authorization to operate. It sets requirements related to

corporate governance, comprehensive risk management, capital and collateral, inherent activities, disclosure and information obligations, among others.

- **NCG 503**

This rule introduces a new mechanism for accrediting the suitability and knowledge of individuals performing functions as stockbrokers, securities brokers, product brokers, general fund administrators, fund quota marketing agents, registered portfolio managers, and investment advisory service providers. It replaces the previous system under NCG 412 and requires candidates to pass an examination and participate in a continuous training program that must be periodically approved. By mandating ongoing education, the rule strengthens the professional standards of the Chilean financial industry, ensuring that accredited professionals keep their expertise up to date. It also enhances investor protection and aligns local practices with international standards, even requiring financial influencers who provide investment recommendations on social media to obtain accreditation.

- **NCG 507, NCG 510**

These rules aim to strengthen corporate governance and comprehensive risk management requirements across areas such as operational risk, information security and cybersecurity, business continuity, outsourcing of services, and reporting of operational incidents. By moving from a 'risk management and internal control' approach to a more robust and detailed “comprehensive risk management” framework, they raise previously required standards and significantly reinforce the regulator’s control mechanisms.

In essence, these rules transform the regulatory framework for AGFs, providing them with a much more comprehensive, proactive, and detailed risk management system, featuring a more demanding corporate governance structure, clearly segregated functions, advanced control tools, and a significant emphasis on cybersecurity, operational continuity, and the protection of investor interests.

- **NCG 514**

Establish the general framework for the implementation of an “Open Finance System”, which aims to promote interoperability and the secure, transparent, and customer-centric exchange of financial data. This system will empower consumers of financial services to have greater control over their data and facilitate competition and innovation in the financial sector. The implementation of this system will be gradual, depending on the role of each participant. By the end of 2027, the transfer of information from banks and card issuers will be operational, and by mid-2029, it will extend to the rest of the participants, including mutual fund administrators. The regulatory development of the technical aspects of implementation is currently underway. The Mutual Funds Industry is requesting more evaluation in terms of costs and graduality in its implementation to comply with its purpose.

- **NCG 532**

This rule establishes the “Fund Information System Manual”, which is intended to systematize the submission of mandatory information by fund managers and the funds under their administration. It also updates the obligations set forth in NCG 365 by requiring the submission of a file containing the relevant variables of a fund’s bylaws at the time they are filed or amended. Importantly, the rule introduces new reporting duties, including the daily disclosure of indirect costs and additional information on the characterization of investors, both of which represent significant improvements in transparency and oversight.

5.2 Self-regulatory

- **Mystery shopper study:**

To improve the availability and clarity of information, the AFM conducts a mystery shopper study every two years. The purpose of this study is to provide asset managers with practical insights to optimize the investment experience, both for investors who visit institutions in person and for those who operate through digital platforms (websites and mobile applications). Put simply, our goal is to make the investment process intuitive and to guarantee that key information is readily accessible, especially on digital channels, given their growing importance. We also seek to confirm that suitability requirements are properly embedded in these platforms, enabling investors to navigate confidently and make well-informed decisions.

- **Guide to Best Practices in Digital Marketing of Mutual Funds**

During early 2025, drawing on the most recent mystery shopping study, a guide of recommended best practices was developed based on the digital services provided by asset managers throughout the mutual fund investment process. This guide is focused on retail clients and their experience across the entire subscription process, as well as their interaction with the websites and applications offered by each asset manager.

- **ESG**

- **Sustainable Fund Labeling**

In 2025, the AFM made noteworthy progress in developing a mutual fund labeling system with sustainability objectives, becoming one of the sector's main self-regulation initiatives. The purpose of the labeling is to provide the market with a frame of clarity and transparency regarding funds that incorporate ESG (environmental, social, and governance) criteria into their investment processes, as well as to facilitate product comparability and prevent the risk of greenwashing.

The self-regulated agreement within the associates was based on the international reference frameworks, particularly the European Union's Sustainable Finance Disclosure Regulation (SFDR) —specifically its Article 8 category (funds that promote environmental or social characteristics) and Article 9 category (funds with sustainable investment objectives)— as well as from ANBIMA's ESG labeling system in Brazil. However, its design has been adapted to the regulatory and operational reality of the Chilean market, prioritizing a gradual, flexible approach consistent with existing regulation.

The labeling framework distinguishes between funds that:

- i) Integrate ESG factors into their investment process (in a systematic and documented manner)
- ii) Promote specific ESG characteristics (sectoral exclusions, thematic approaches, etc.)
- iii) Have an explicit sustainability objective (e.g.: a measurable contribution to climate change mitigation)

Each category sets out minimum eligibility criteria, requirements for consistency between the stated objective and the investment policy, and disclosure obligations toward investors. The proposal also includes a voluntary implementation phase, accompanied by technical guidance for entities wishing to adopt the system.

6. Corporate governance – major developments

New regulations on corporate governance and comprehensive risk management set forth requirements regarding roles and responsibilities of the Board of Directors or their equivalent; on entities' policies and procedures and govern risk management and internal audit functions, among other matters. These rules were issued in May of 2024; however, rules came into effect on February 1, 2025.

- **General Rule No. 507**, which applies to Asset Managers, involves updating current rules and regulations. Rule states that such entities perform adequate risk management on issues like security information and cybersecurity; business continuity; externalization of services; and reporting operational incidents and losses. This aims to have a more robust securities market and safeguard the stability of the financial system, including participating clients.
- **General Rule No. 510** instructs on operational risk management, stock and commodity exchanges; financial instruments clearing and settlement.

7. Fund governance

As part of its self-regulatory commitment, the Association introduced a fund categorization in 2007, designed around effective investment strategies and comparable policies, with the goal of providing a stronger basis for fund comparison. The system has evolved in line with industry's growth and was updated in February 2025 to reflect recent market changes, ensuring that it remains relevant and effective for investors, enhancing transparency and supporting informed decision-making.

Effective Investment Strategy Categories (Circular No. 7)

Global Category	Category	Global Category	Category
Equity Funds	Emerging Asia	Debt Funds < 365 days	National in Pesos
	Latin America		National currency-indexed
	Developed		International
	United States	Debt Funds > 365 days	International, Emerging Markets
	Emerging		International, International Markets
	Developed Europe		National, in Pesos
	National Large CAP		National, currency-indexed <= 3 years
Balanced Funds	Aggressive		National, currency-indexed > 3 & < 5 years
	Conservative		National, currency-indexed > 5 years
	Moderate		Flexible Origin
Money Market	International US Dollar	Qual. Investors Funds	Debt
	National	Others	Funds not rated/recently added
Structured Funds	Structured Debt		Funds that recently changed their effective investment policy

8. Other major issues and developments

8.1 Education and information

Financial education is a priority for the Association of Mutual Funds, not only as an expression of our social responsibility, but also as a key factor in the long-term sustainability of the industry. Over the years, we have launched many initiatives that reflect and strengthen our commitment to this cause. Our goal is to reduce financial illiteracy, which creates a gap between the market and its products, often leading to poor financial decisions that affect people's well-being. The initiatives aim to reach different age groups as well as social backgrounds.

Educational campaigns for schools:

Since 2015, the Association has been running the financial education program "A Fondo en mi Futuro" in schools, helping children and young people understand the importance of saving. In this workshop, participants learn about financial planning and budgeting, the role of financial institutions and organizations in the market, available saving and investment instruments, their characteristics and relationship with risk, as well as responsible borrowing and spending. Additionally, they are informed about their rights as financial consumers and about aspects of cybersecurity to protect against risks. The program is being implemented in fifteen of the country's sixteen regions: Atacama, Tarapacá, Antofagasta, Coquimbo, Valparaíso, Santiago, O'Higgins, Maule, Ñuble, Biobío, Los Ríos, Los Lagos, La Araucanía, Aysén, and Magallanes. It is important to mention that the program is provided to schools free of charge.

Digital Media

Since 2014, the Association has maintained a digital media presence through the Facebook page *Fondos Mutuos de Chile*, as well as the LinkedIn page *Fondos Mutuos Chile*. It has also strengthened its presence on Instagram through *@fondosmutuoschile*, focusing on financial education.

Financial Education Award (PEF, by its acronym in Spanish):

For the past eleven years, the Association has organized the PEF, an award that recognizes excellence, accuracy, and quality in financial journalism, with a special emphasis on articles related to savings and investment. The award highlights the vital role of high-quality reporting in the financial sector and celebrates journalists who contribute valuable insights to the public. By honoring those who advance financial education through the dissemination of reliable information, the PEF strengthens the Association's mission to promote a culture of financial literacy.