

ABERDEEN CHILE FUND, INC.

Form 40-17G

October 05, 2012

Investment Company Blanket Bond

In the name of Aberdeen Chile Fund Inc. and others

Willis Limited,

The Willis Building,

51 Lime Street,

London, EC3M 7DQ.

DECLARATIONS

INSURER	CORRESPONDENT OFFICE	BROKER
AXIS Specialty Europe Plc	AXIS Specialty London Plantation Place South, 60 Great Tower Street, London EC3R 5AZ.	Willis Limited The Willis Building, 51 Lime Street, London, EC3M 7DQ.

Item 1. Insured Bond Number
Aberdeen Chile Fund, Inc **B080120870P12**

Principal Address: 1735 Market Street, 32nd Floor
 Philadelphia, PA 19103

Item 2. Bond Period: From 12.01 a.m. on 1st July, 2012
 To 12.01 a.m. on 1st July, 2013

or the earlier effective date of the termination of this **Bond**, standard time at the Principal Address as to each of said dates (hereinafter **Bond Period**).

Item 3. Limit of Liability:
 Subject to Sections 9, 10 and 12 hereof:

			LIMIT OF LIABILITY		DEDUCTIBLE AMOUNT
Insuring Agreement A	FIDELITY	USD	2,000,000		N/A
Insuring Agreement B	AUDIT EXPENSE	USD	50,000	USD	10,000
Insuring Agreement C	ON PREMISES	USD	2,000,000	USD	50,000
Insuring Agreement D	IN TRANSIT	USD	2,000,000	USD	50,000
Insuring Agreement E	FORGERY OR ALTERATION	USD	2,000,000	USD	50,000
Insuring Agreement F	SECURITIES	USD	2,000,000	USD	50,000
Insuring Agreement G	COUNTERFEIT CURRENCY	USD	2,000,000	USD	50,000
Insuring Agreement H	UNCOLLECTIBLE ITEMS OF DEPOSIT	USD	25,000	USD	5,000
Insuring Agreement I	PHONE/ELECTRONIC TRANSACTIONS	USD	2,000,000	USD	50,000
Insuring Agreement J	COMPUTER SECURITY	USD	2,000,000	USD	50,000
Insuring Agreement K	VERIFICATION AND RECONSTITUTION EXPENSES	USD	250,000	USD	10,000
Insuring Agreement L	FRAUDULENT RETENTION OF FUNDS OR PROPERTY	USD	1,000,000	USD	50,000

Item 4. Offices or Premises Covered:

All the **Insured** s offices or other premises in existence at the time this **Bond** becomes effective are covered under this **Bond**, except the offices or other premises excluded by Rider. Offices or other premises acquired or established after the effective date of this **Bond** are covered subject to the terms of General Agreement A.

Item 5.

Riders attached hereto at inception:

Riders Nos. 1-5 inclusive attached hereto.

INVESTMENT COMPANY BLANKET BOND

NOTICE

The insurer identified on the Declarations, herein called the **Insurer**, in consideration of the payment of or promise to pay the premium, and in reliance upon the material statements made in the **Application** and all other information furnished to the **Insurer** by the **Insured**, and subject to and in accordance with the Declarations, General Agreements, Provisions, Conditions and Limitations and other terms of this bond (including all riders hereto) (hereinafter **Bond**), to the extent of the **Limit of Liability** and subject to the **Deductible Amount**, agrees to indemnify the **Insured** for the loss, as described in the Insuring Agreements, sustained by the **Insured** at any time but discovered during the **Bond Period**.

INSURING AGREEMENTS

A. FIDELITY

Loss caused by any **Dishonest or Fraudulent Act** or **Theft** committed by an **Employee** anywhere, alone or in collusion with other persons (whether or not **Employees**), during the time such **Employee** has the status of an **Employee** as defined herein, and even if such loss is not discovered until after he or she ceases to be an **Employee**, EXCLUDING loss covered under Insuring Agreement B.

B. AUDIT EXPENSE

Expense incurred by the **Insured** for that part of audits or examinations required by any governmental regulatory authority or **Self Regulatory Organization** to be conducted by such governmental regulatory authority or **Self Regulatory Organization** or by an independent accountant or other person, by reason of the discovery of loss sustained by the **Insured** and covered by this **Bond**.

C. ON PREMISES

Loss resulting from the physical loss of, destruction of, damage to, or mysterious unexplainable disappearance of **Property** within any premises wherever located, howsoever or by whomsoever caused (including but not limited to loss of such **Property** through **Theft** or any **Dishonest or Fraudulent Act**) but EXCLUDING loss covered under Insuring Agreement A.

D. IN TRANSIT

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Loss resulting from the physical loss of, destruction of, damage to, or mysterious unexplainable disappearance of **Property**, howsoever or by whomsoever caused (including but not limited to loss of such **Property** through **Theft** or any **Dishonest or Fraudulent Act**) while such **Property** is in transit anywhere in the custody of any person or persons authorized by an **Insured** to act as messenger(s), except while in the mail or with a carrier for hire (other than a **Security Company**) but EXCLUDING loss covered under Insuring Agreement A.

Property is in transit beginning immediately upon receipt of such **Property** by the transporting person or persons and ending immediately upon delivery at the specified destination.

E. FORGERY OR ALTERATION

Loss caused by the **Forgery** or **Alteration** of or on (1) any bills of exchange, checks, drafts, or other written orders or directions to pay certain sums in money, acceptances, certificates of deposit, due bills, money orders, or letters of credit; or (2) other written instructions, requests or applications to the **Insured** or any **Financial Organisation** acting on behalf of the **Insured**, authorizing or acknowledging the transfer, payment, redemption, delivery or receipt of funds or **Property**, or giving notice of any bank account, which instructions or requests or applications purport to have been signed or endorsed by (a) any customer of the **Insured**, or (b) any shareholder of or subscriber to shares issued by any **Investment Company**, or (c) any **Financial Organisation**; or (3) withdrawal orders or receipts for the withdrawal of funds or **Property**, or receipts or certificates of deposit for funds or **Property** and bearing the name of the **Insured** as issuer or of another **Investment Company** for which the **Insured** acts as agent. This Insuring Agreement E does not cover loss caused by **Forgery** or **Alteration** of **Securities** or loss covered under Insuring Agreement A.

F. SECURITIES

Loss resulting from the **Insured**, in good faith, in the ordinary course of business, and in any capacity whatsoever, whether for its own account or for the account of others, having acquired, accepted or received, or sold or delivered, or given any value, extended any credit or assumed any liability on the faith of any **Securities**, where such loss results from the fact that such **Securities** (1) were **Counterfeit**, or (2) were lost or stolen, or (3) contain a **Forgery** or **Alteration**, and notwithstanding whether or not the act of the **Insured** causing such loss violated the constitution, by-laws, rules or regulations of any **Self Regulatory Organization**, whether or not the **Insured** was a member thereof, EXCLUDING loss covered under Insuring Agreement A.

G. COUNTERFEIT CURRENCY

Loss caused by the **Insured** in good faith having received or accepted (1) any money orders which prove to be **Counterfeit** or to contain an **Alteration** or (2) paper currencies or coins which prove to be **Counterfeit**. This Insuring Agreement G does not cover loss covered under Insuring Agreement A.

H. UNCOLLECTIBLE ITEMS OF DEPOSIT

Loss resulting from the payment of dividends, issuance of **Fund** shares or redemptions or exchanges permitted from an account with the **Fund** as a consequence of

(1) uncollectible **Items of Deposit** of a **Fund**'s customer, shareholder or subscriber credited by the **Insured** or its agent to such person's **Fund** account, or

(2) any **Items of Deposit** processed through an automated clearing house which is reversed by a **Fund**'s customer, shareholder or subscriber and is deemed uncollectible by the **Insured**,

PROVIDED, that (a) **Items of Deposit** shall not be deemed uncollectible until the **Insured**'s collection procedures have failed, (b) exchanges of shares between **Funds** with exchange privileges shall be covered hereunder only if all such **Funds** are **Insured** by the **Insurer** for uncollectible **Items of Deposit**, and (c) the **Insured Fund** shall have implemented and maintained a policy to hold **Items of Deposit** for the minimum number of days stated in its

Application (as amended from time to time) before paying any dividend or permitting any withdrawal with respect to such **Items of Deposit** (other than exchanges between **Funds**). Regardless of the number of transactions between **Funds** in an exchange program, the minimum number of days an **Item of Deposit** must be held shall begin from the date the **Item of Deposit** was first credited to any **Insured Fund**.

This Insuring Agreement H does not cover loss covered under Insuring Agreement A.

I. PHONE/ELECTRONIC TRANSACTIONS

Loss caused by a **Phone/Electronic Transaction**, where the request for such **Phone/Electronic Transaction**:

- (1) is transmitted to the **Insured** or its agents by voice over the telephone or by **Electronic Transmission**; and
- (2) is made by an individual purporting to be a **Fund** shareholder or subscriber or an authorized agent of a **Fund** shareholder or subscriber; and
- (3) is unauthorized or fraudulent,

PROVIDED, that the entity receiving such request generally maintains and follows during the **Bond Period** all **Phone/Electronic Transaction Security Procedures** with respect to all **Phone/Electronic Transactions**; and

EXCLUDING loss resulting from:

- (1) the failure to pay for shares attempted to be purchased; or
- (2) any redemption of **Investment Company** shares which had been improperly credited to a shareholder's account where such shareholder (a) did not cause, directly or indirectly, such shares to be credited to such account, and (b) directly or indirectly received any proceeds or other benefit from such redemption; or
- (3) any redemption of shares issued by an **Investment Company** where the proceeds of such redemption were requested to be paid or made payable to other than (a) the **Shareholder or Record**, or (b) any other person or bank account designated to receive redemption proceeds

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(i) in the initial account application, or (ii) in writing (not to include **Electronic Transmission**) accompanied by a signature guarantee; or

(4) any redemption of shares issued by an **Investment Company** where the proceeds of such redemption were requested to be sent to other than any address for such account which was designated (a) in the initial account application, or (b) in writing (not to include **Electronic Transmission**), where such writing is received at least one (1) day prior to such redemption request, or (c) by voice over the telephone or by **Electronic Transmission** at least fifteen (15) days prior to such redemption; or

(5) the intentional failure to adhere to one or more **Phone/Electronic Transaction Security Procedures**; or

(6) a **Phone/Electronic Transaction** request transmitted by electronic mail or transmitted by any method not subject to the **Phone/Electronic Transaction Security Procedures**; or

(7) the failure or circumvention of any physical or electronic protection device, including any firewall, that imposes restrictions on the flow of electronic traffic in or out of any **Computer System**.

This Insuring Agreement I does not cover loss covered under Insuring Agreement A, Fidelity or Insuring Agreement J, Computer Security .

J. COMPUTER SECURITY

Loss (including loss of **Property**) resulting directly from **Computer Fraud**; provided that the **Insured** has adopted in writing and generally maintains and follows during the **Bond Period** all **Computer Security Procedures**. The isolated failure of the **Insured** to maintain and follow a particular **Computer Security Procedure** in a particular instance will not preclude coverage under this Insuring Agreement, subject to the specific exclusions applying solely to this Insuring Agreement herein and in the **Bond**.

K. VERIFICATION AND RECONSTITUTION EXPENSES

Expense incurred by the **Insured** with the prior written approval by the **Insurer** (such approval not to be unreasonably withheld or unduly), for the verification or reconstitution or removal of data or programs within a **Covered Computer System** following a paid loss under Insuring Agreement J of this Policy.

L. FRAUDULENT RETENTION OF FUNDS OR PROPERTY

Loss resulting directly from the **Fraudulent Retention** by a third party recipient of any funds or **Property**, as a direct result of:

(1) the misdirection or erroneous transfer of such funds or **Property** by the **Insured** or by a **Financial Organisation** acting upon instructions from the **Insured**, to a third party recipient account other than that actually intended; or

(2) the transfer of such funds or **Property** by the **Insured** or by a **Financial Organisation** acting upon instructions from the **Insured**, to a third party recipient account in an amount greater than that actually intended.

Special Condition

The **Insured** shall make reasonable efforts to secure the recovery of such funds or **Property**.

GENERAL AGREEMENTS

A. ADDITIONAL OFFICES OR EMPLOYEES CONSOLIDATION OR MERGER NOTICE

1. Except as provided in paragraph 2 below, this **Bond** shall apply to any additional office(s) established by the **Insured** during the **Bond Period** and to all **Employees** during the **Bond Period**, without the need to give notice thereof or pay additional premiums to the **Insurer** for the **Bond Period**.

2. If during the **Bond Period** an **Insured Investment Company** shall merge or consolidate with an institution in which such **Insured** is the surviving entity, or purchase substantially all the assets or capital stock of another institution, or acquire or create a separate investment portfolio, and shall within sixty (60) days notify the **Insurer** thereof, then this **Bond** shall automatically apply to the **Property** and **Employees** resulting from such merger, consolidation, acquisition or creation from the date thereof; provided, that the **Insurer** may make such coverage contingent upon the payment of an additional premium.

B. WARRANTY

No statement made by or on behalf of the **Insured**, whether contained in the **Application** or otherwise, shall be deemed to be an absolute warranty, but only a warranty that such statement is true to the best of the knowledge of the person responsible for such statement.

C. COURT COSTS AND ATTORNEYS FEES

The **Insurer** will indemnify the **Insured** against court costs and reasonable attorneys fees incurred and paid by the **Insured** in defense of any legal proceeding brought against the **Insured** seeking recovery for any loss which, if established against the **Insured**, would constitute a loss covered under the terms of this **Bond**; provided, however, that with respect to Insuring Agreement A this indemnity shall apply only in the event that

1. an **Employee** admits to having committed or is adjudicated to have committed a **Dishonest or Fraudulent Act** or **Theft** which caused the loss; or

2. in the absence of such an admission or adjudication, an arbitrator or arbitrators acceptable to the **Insured** and the **Insurer** concludes, after a review of an agreed statement of facts, that an **Employee** has committed a **Dishonest or Fraudulent Act** or **Theft** which caused the loss.

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The **Insured** shall promptly give notice to the **Insurer** of any such legal proceeding and upon request shall furnish the **Insurer** with copies of all pleadings and other papers therein. At the **Insurer**'s election the **Insured** shall permit the **Insurer** to conduct the defense of such legal proceeding in the **Insured**'s name, through attorneys of the **Insurer**'s selection. In such event, the **Insured** shall give all reasonable information and assistance which the **Insurer** shall deem necessary to the proper defense of such legal proceeding.

If the amount of the **Insured**'s liability or alleged liability in any such legal proceeding is greater than the amount which the **Insured** would be entitled to recover under this **Bond** (other than pursuant to this General Agreement C), or if a **Deductible Amount** is applicable, or both, the indemnity liability of the **Insurer** under this General Agreement C is limited to the proportion of court costs and attorneys' fees incurred and paid by the **Insured** or by the **Insurer**.

that the amount which the **Insured** would be entitled to recover under this **Bond** (other than pursuant to this General Agreement C) bears to the sum of such amount plus the amount which the **Insured** is not entitled to recover. Such indemnity shall be in addition to the **Limit of Liability** for the applicable Insuring Agreement.

D. INTERPRETATION

This **Bond** shall be interpreted with due regard to the purpose of fidelity bonding under Rule 17g-1 of the Investment Company Act of 1940 (i.e., to protect innocent third parties from harm) and to the structure of the investment management industry (in which a loss of **Property** resulting from a cause described in any Insuring Agreement ordinarily gives rise to a potential legal liability on the part of the **Insured**), such that the term "loss" as used herein shall include an **Insured's** legal liability for direct compensatory damages resulting directly from a misappropriation, or measurable diminution in value, of **Property**.

**THIS BOND, INCLUDING THE FOREGOING INSURING AGREEMENTS
AND GENERAL AGREEMENTS, IS SUBJECT TO THE FOLLOWING
PROVISIONS, CONDITIONS AND LIMITATIONS:**

SECTION 1. DEFINITIONS

The following terms used in this **Bond** (in bold type font) shall have the meanings stated in this Section:

- A. Alteration** means the marking, changing or altering in a material way of the terms, meaning or legal effect of a document with the intent to deceive.
- B. Application** means the **Insured**'s application (and any attachments and materials submitted in connection therewith) furnished to the **Insurer** for this **Bond**.
- C. Authorized User** means any person or entity designated by the **Insured** (through contract, assignment of **User Identification**, or otherwise) as authorized to use a **Covered Computer System**, or any part thereof. An individual who invests in an **Insured Fund** shall not be considered to be an **Authorized User** solely by virtue of being an investor.
- D. Computer Fraud** means the unauthorized entry of data into, or the deletion or destruction of data in, or change of data elements or programs within, a **Covered Computer System** which:
- (1) is committed by any **Unauthorized Third Party** anywhere, alone or in collusion with other **Unauthorized Third Parties**; and
 - (2) causes (a) funds or **Property** to be transferred, paid or delivered; or (b) an account of the **Insured**, or of its customer, to be added, deleted, debited or credited; or (c) an unauthorized or fictitious account to be debited or credited.
- E. Computer System** means (1) computers with related peripheral components, including storage components, (2) systems and applications software, (3) terminal devices, (4) related communications networks or customer communication systems, and (5) related electronic funds transfer systems; by which data or monies are electronically collected, transmitted, processed, stored or retrieved.

F. Computer Security Procedures means procedures for prevention of unauthorized computer access and use and administration of computer access and use as provided in writing to the **Insurer**.

G. Counterfeit means, with respect to any item, one which is false but is intended to deceive and to be taken for the original authentic item.

H. Covered Computer System means any **Computer System** as to which the **Insured** has possession, custody and control.

I. Deductible Amount means, with respect to any Insuring Agreement, the amount set forth under the heading **Deductible Amount** in Item 3 of the Declarations or in any Rider for such Insuring Agreement, applicable to each **Single Loss** covered by such Insuring Agreement.

J. Depository means any securities depository (other than any foreign securities depository) in which an **Investment Company** may deposit its **Securities** in accordance with Rule 17f-4 under the Investment Company Act of 1940.

K. Dishonest or Fraudulent Act means any dishonest or fraudulent act, including larceny and embezzlement as defined in Section 37 of the Investment Company Act of 1940, committed with the conscious manifest intent (1) to cause the **Insured** to sustain a loss and (2) to obtain financial benefit for the perpetrator or any other person. As used in this definition, financial benefit does not include salaries, commissions, fees, bonuses, awards, profit sharing, pensions or other employee benefits. Where an **Employee** has obtained financial remuneration directly from the consequences of a dishonest or fraudulent act covered under Insuring Agreement A, the **Insured** may include such amount within the calculation of direct financial loss.

A **Dishonest or Fraudulent Act** does not mean or include a reckless act, a negligent act, or a grossly negligent act.

L. Electronic Transmission means any transmission effected by electronic means, including but not limited to a transmission effected by telephone tones, **Telefacsimile**, wireless device, or over the Internet.

M. Employee means:

(1) each officer, director, trustee, partner or employee of the **Insured**, and

(2) each officer, director, trustee, partner or employee of any predecessor of the **Insured** whose principal assets are acquired by the **Insured** by consolidation or merger with, or purchase of assets or capital stock of, such predecessor, and

(3) each attorney performing legal services for the **Insured** and each employee of such attorney or of the law firm of such attorney while performing services for the **Insured**, and

(4) each student who is an authorized intern of the **Insured**, while in any of the **Insured**'s offices, and

(5) each officer, director, trustee, partner or employee of

(a) an investment adviser,

(b) an underwriter (distributor),

(c) a transfer agent or shareholder accounting record-keeper, or

(d) an administrator authorized by written agreement to keep financial and/or other required records,

for an **Investment Company** named as an **Insured**, BUT ONLY while (i) such officer, partner or employee is performing acts coming within the scope of the usual duties of an officer or employee of an **Insured**, or (ii) such officer, director, trustee, partner or employee is acting as a member of any committee duly elected or appointed to examine or audit or have custody of or access to the **Property** of the **Insured**, or (iii) such director or trustee (or anyone acting in a similar capacity) is acting outside the scope of the usual duties of a director or trustee; PROVIDED, that the term **Employee** shall not include any officer, director, trustee, partner or employee of a transfer agent, shareholder accounting record-keeper or administrator (x) which is not an affiliated person (as defined in Section 2(a) of the Investment Company Act of 1940) of an **Investment Company** named as **Insured** or of the adviser or underwriter of such **Investment Company**, or (y) which is a **Bank** (as defined in Section 2(a) of the

Investment Company Act of 1940), and

(6) each individual assigned, by contract or by any agency furnishing temporary personnel, in either case on a contingent or part-time basis, to perform the usual duties of an employee in any office of the **Insured**, and

(7) each individual assigned to perform the usual duties of an employee or officer of any entity authorized by written agreement with the **Insured** to perform services as electronic data processor of checks or other accounting records of the **Insured**, but excluding a processor which acts as transfer agent or in any other agency capacity for the **Insured** in issuing checks, drafts or securities, unless included under subsection (5) hereof, and

(8) each officer, partner or employee of

(a) any **Depository** or **Exchange**,

(b) any nominee in whose name is registered any Security included in the systems for the central handling of securities established and maintained by any **Depository**, and

(c) any recognized service company which provides clerks or other personnel to any **Depository** or **Exchange** on a contract basis,

while such officer, partner or employee is performing services for any **Depository** in the operation of systems for the central handling of securities, and

(9) in the case of an **Insured** which is an employee benefit plan (as defined in Section 3 of the Employee Retirement Income Security Act of 1974 (ERISA)) for officers, directors or employees of another **Insured** (In-House Plan), any fiduciary or other plan official (within the meaning of Section 412 of ERISA) of such In-House Plan, provided that such fiduciary or other plan official is a director, partner, officer, trustee or employee of an **Insured** (other than an In-House Plan).

Each employer of temporary personnel and each entity referred to in subsections (6) and (7) and their respective partners, officers and employees shall collectively be deemed to be one person for all the purposes of this **Bond**.

Brokers, agents, independent contractors, or representatives of the same general character shall not be considered **Employees**, except as provided in subsections (3), (6), and (7).

N. **Exchange** means any national securities exchange registered under the Securities Exchange Act of 1934.

O. **Financial Organisation** means any:

(1) bank, credit institution, financial institution, undertaking for collective investment in securities, investment firm, stockbroker, asset management company, or similar organisation; or

(2) automated clearing house.

P. **Forgery** means the physical signing on a document of the name of another person (whether real or fictitious) with the intent to deceive. A **Forgery** may be by means of mechanically

reproduced facsimile signatures as well as handwritten signatures. **Forgery** does not include the signing of an individual's own name, regardless of such individual's authority, capacity or purpose.