

Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

Product

Fondul Proprietatea S.A. (the “Fund”)

ISIN: ROFPTAACNOR5

Manufacturer: Fondul Proprietatea SA www.fondulproprietatea.ro Call +40-21-200-96-00 for more information

Competent authority: The Financial Supervisory Authority

Date of production of the KID: 12/02/2024

What is this product?

Type

Type Nominative unmaterialised ordinary shares issued by Fondul Proprietatea SA (an alternative investment fund addressed to retail investors with a diversified investment policy), listed on the Bucharest Stock Exchange under symbol FP.

Objectives

The Fund's investment objective is the maximization of returns to investors and the increase of the net asset value per share, through investments predominantly in Romanian equities and equity linked securities, subject to legislation and regulations in force. There are two Performance Objectives:
a. Discount Objective: The discount between the daily closing price of the shares issued by the Fund on the Bucharest Stock Exchange and the latest reported NAV per share should be equal to or lower than 15% on at least two thirds of the trading days during the Reporting Period. **b. NAV Objective:** The level of adjusted NAV per share should be higher than the reported NAV per share as at the end of the previous Reporting Period. The

adjusted NAV for a given date will be calculated as the sum of: the reported NAV as at the end of the Reporting Period, any dividend distribution or return of capital to investors and any distribution fee and cost related to either dividend or non-dividend distributions, including buy-backs, after the end of the previous Reporting Period.

Intended retail investors

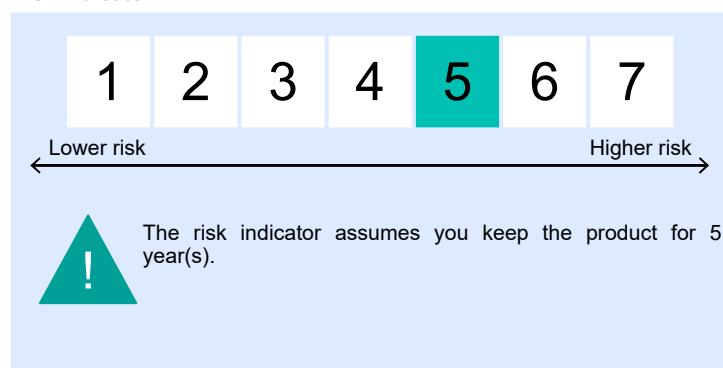
The shares are intended for investors who are seeking capital appreciation over the long term, are willing to accept the heightened risks of investment exposure to emerging market equities and understand the potential for significant volatility or currency fluctuations that may affect the value of their investments. This type of investment is not suitable for investors that cannot afford any loss of their investment or require a steady income.

Term

There is no minimum holding period for the Fund. You can sell your shares on the Bucharest Stock Exchange or the London Stock Exchange during trading period.

What are the risks and what could I get in return?

Risk Indicator



The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because the Fund is not able to pay you.

We have classified this product as 5 out of 7, which is a medium-high risk class. Due to the nature of the Fund's investments, the Fund's performance can fluctuate considerably over time.

The stocks in which the fund invests have historically been subject to significant price movements that may occur suddenly due to market or company-specific factors. As a result, the Fund's performance can fluctuate over time.

Other materially relevant risks not already captured in the risk indicator include: counterparty risk, share price discount to NAV risk and unlisted investment risk (creating liquidity risk within the portfolio). Please refer to the prospectus for more detail.

This product does not include any protection from future market performance so you could lose some or all of your investment.

Investment performance information

Main factors affecting performance

The main factors which are likely to affect future returns for investors in the Fund (such as sale proceeds and dividends received) are those which affect the price at which you might be able to sell your shares in the Fund, and those which affect the value of the underlying investments made by the Fund.

Fund-level factors

For example, shares in the Fund may trade at a discount or a premium to the value of the Fund's Net Asset Value ("NAV"), depending on demand for the shares, which could cause the price of shares in the Fund to rise or fall. In addition, a large percentage of the holdings of the Fund are investments in unlisted shares issued by Romanian companies as well as listed but illiquid shares of such companies, for which valuations are based on unobservable input data such as EBITDA multiples or discounted cash flow multiples. Since the Fund has significant holdings in companies that are majority state-owned by the Romanian government and are in sectors such as electricity generation, energy distribution and supply, and infrastructure the potential divestiture by the Fund of its holdings in such companies may be dependent on the actions of or the prior consent of the Romanian Government or other relevant authority. The Fund has listed shares on the Bucharest Stock Exchange denominated in Romanian lei and Global Depository Receipts (GDRs) in U.S. dollars on the London Stock Exchange, with the restriction that no more than one third of the aggregate number of shares issued by the Fund may be in the form of GDRs according to Romanian regulation.

Investment-level factors

Volatility in the price of shares, and political, financial and macroeconomic factors to which the Fund is exposed via its investments, is also likely to affect the future returns of the Fund. Other investment-level factors include, for example, difficulties in disposing of its investments, particularly for illiquid unlisted shares for which there is no observable market, which could cause the Fund's value to fall, or where an investment made by the Fund is very successful, which in turn would cause the Fund's value to increase.

Benchmark

The Fund does not have a reference benchmark. The Fund was created in the interest of compensating persons whose assets were abusively expropriated by the communist regime. Given the mix of listed and unlisted assets, with the predominant portion being unlisted, no suitable benchmark exists that could serve as a reference benchmark.

What could affect my return positively?

Your return will be positively affected if the Fund's share price increases, meaning that you can sell your shares in the Fund for more than the price you originally paid for them. As set out above, the Fund's share price could be positively affected by factors related to the Fund itself, and how it is operated, and factors related to the underlying investments held by the Fund.

Scenarios or factors which could positively affect returns:

- The Fund's share price increases, for example because market sentiment about the future prospects of the Fund is positive. This could be based on the Fund's investment results, including successfully selling off state-owned assets at higher prices than their present carrying value.
- As the Fund intends to increase the share of listed companies in the portfolio by way of stock exchange listings, liquidity of the underlying investments may increase benefiting valuations and driving the price of the shares higher.

What could affect my return negatively?

Your return will be negatively affected if the Fund's share price decreases, meaning that you sell your shares in the Fund for less than the price you originally paid for them. As set out above, the Fund's share price will be negatively affected by factors related to the Fund itself, and how it is operated, and factors related to the underlying investments held by the Fund.

Scenarios or factors which could negatively affect returns:

- The Fund's share price could decrease, for example because market conditions are stressed, or there is low demand for the shares of the Fund.
- The illiquid nature of the bulk of the Fund's investments and the fact that valuations for such investments are based on unobservable factors means that valuations could prove to be overstated, which once perceived by the market would cause prices of the shares to fall.
- The companies that the Fund holds participations in could be adversely affected by factors such as economic, political, market, and issuer-specific factors, including the possibility that a company the Fund invests in could fail.
- Considering that most of the companies have also state ownership and in strategically important sectors that are subject to government regulation in some cases such as the electricity sector, intervention by the Romanian government could adversely affect the value of the Fund's investments.
- The value of dividends received by foreign investors of the GDRs (denominated in US dollars) are subject to fluctuations in the exchange rate between USD and the Romanian lei (RON). In addition, the National Bank of Romania could impose restrictions with respect to converting RON to USD, negatively affecting the ability of foreign investors to receive their dividends in US dollars.

Selling shares in the Fund under severely adverse market conditions

If you sell shares in the Fund when the Fund, or its underlying investments, are experiencing severely adverse market conditions, you could suffer a loss on some or all of your investment in the Fund. In addition, the Financial Supervisory Authority (FSA) in Romania is authorised to suspend trading in the shares of the Fund if the FSA believes that its regulations have been breached or that continued trading would be detrimental to investors' interests.

What happens if Fondul Proprietatea SA is unable to pay out?

As an investor in the Fund, you will be able to receive some dividends from the Fund during your investments. The majority of your return will likely be from the buyer of the shares when you sell your shares. The individual investor may face a financial loss due to the non-fulfillment of the payment obligations by Fondul Proprietatea SA or the non-fulfillment of the payment obligations by BRD-Groupe Societe Generale S.A., as depositary of the Fund. In this case, the loss is not covered by an investor compensation or guarantee scheme and can be recovered by an action before the Romanian courts. The administrator is responsible for the payment of the amounts due as dividends or for the payment of the shares redeemed within the redemption programs.

What are the costs?

Costs over time

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs.

The amounts shown here are the cumulative costs of the product itself, for three different holding periods. The figures assume you invest RON 50,000. The figures are estimates and may change in the future.

Investment RON 50000.00

Scenarios	If you cash in after 1 year	If you cash in after 3 years	If you cash in at 5 years
Total costs	RON 593.80	RON 3052.32	RON 8719.10
Impact on return (RIY) per year	1.19%	1.19%	1.19%

Composition of costs

This table shows:

- the impact each of the different types of costs on the investment return you might achieve at the end of the recommended holding period
- the meaning of the different cost categories

This table shows the impact on return per year:

One-off costs	Entry costs	0.00%	The impact of the costs you pay when entering your investment. This is the most you will pay, and you could pay less. (This includes the costs of distribution of your product.)
	Exit costs	0.00%	The impact of the costs of exiting your investment.
Ongoing costs	Portfolio transaction costs	0.21%	The impact of the costs of us buying and selling underlying investments for the product.
	Other ongoing costs	0.98%	The impact of the costs that we take each year for managing your investments.
Incidental costs	Performance fees	0.00%	The impact of performance fees.
	Carried interests	0.00%	The impact of carried interests.

How long should I hold it and can I take money out early?

Recommended holding period: 5 year(s)

The Fund has no minimum required holding period, although listed funds are designed to be long term investments and the returns from them can be variable during their life. You can sell your shares on Bucharest Stock Exchange during the market trading days.

How can I complain?

Investors that would like to receive the internal process relating to complaints handling or wish to submit a written complaint about the deeds of Franklin Templeton employees likely to prejudice the rights or interests of the investor can access the website www.franklintempleton.ro or www.fondulproprietatea.ro, contact the Compliance Officer or Client Service Department, Premium Point, Buzesti Street 76-80, 7th-8th floor, 1st District, Bucharest 011017, Romania, or send an email to investor.relations@fondulproprietatea.ro.

Other relevant information

Copies of the latest prospectus, annual, semi-annual, quarterly and monthly reports and other information are available online at www.fondulproprietatea.ro. In particular, investors should read the risk factors as described in the annual report. Past performance is not indicative of future performance.