

Fondul Proprietatea – General Shareholders Meeting

15 November 2019



Fund Information

Open	838.63
Low	856.45
Close	836.23
on Close (50)	845.12
on Close (100)	NA
on Close (200)	NA



The Fund – Key Facts



Fund Details¹

	RON	USD ²
NAV	10.71 bn	2.51 bn ²
NAV/Share	1.5579	0.3656 ²
Price/Share	1.1550	0.2710 ²
Price/GDR	57.96	13.60
Market Capitalization as at 14 November 2019 ³	8.10 bn	1.87 bn ³
Discount/Share as at 14 November 2019		24.08%
Discount/GDR as at 14 November 2019		22.48%
Number of Paid Shares less Treasury Shares ⁴		6,867,615,903
Investment Objective		
2018 FY Dividend/Share ⁵		RON 0.0903
Dividend Yield for 2018 FY ⁵		8.90%
Maximization of returns to shareholders and increase of the net asset value per share via investments mainly in Romanian equities and equity-linked securities		

Source: BVB, FP October 2019 Factsheet.

1. As at 31 October 2019. Based on local regulator methodology.

2. Computed using the NBR USD/RON FX rate as at 31 October 2019.

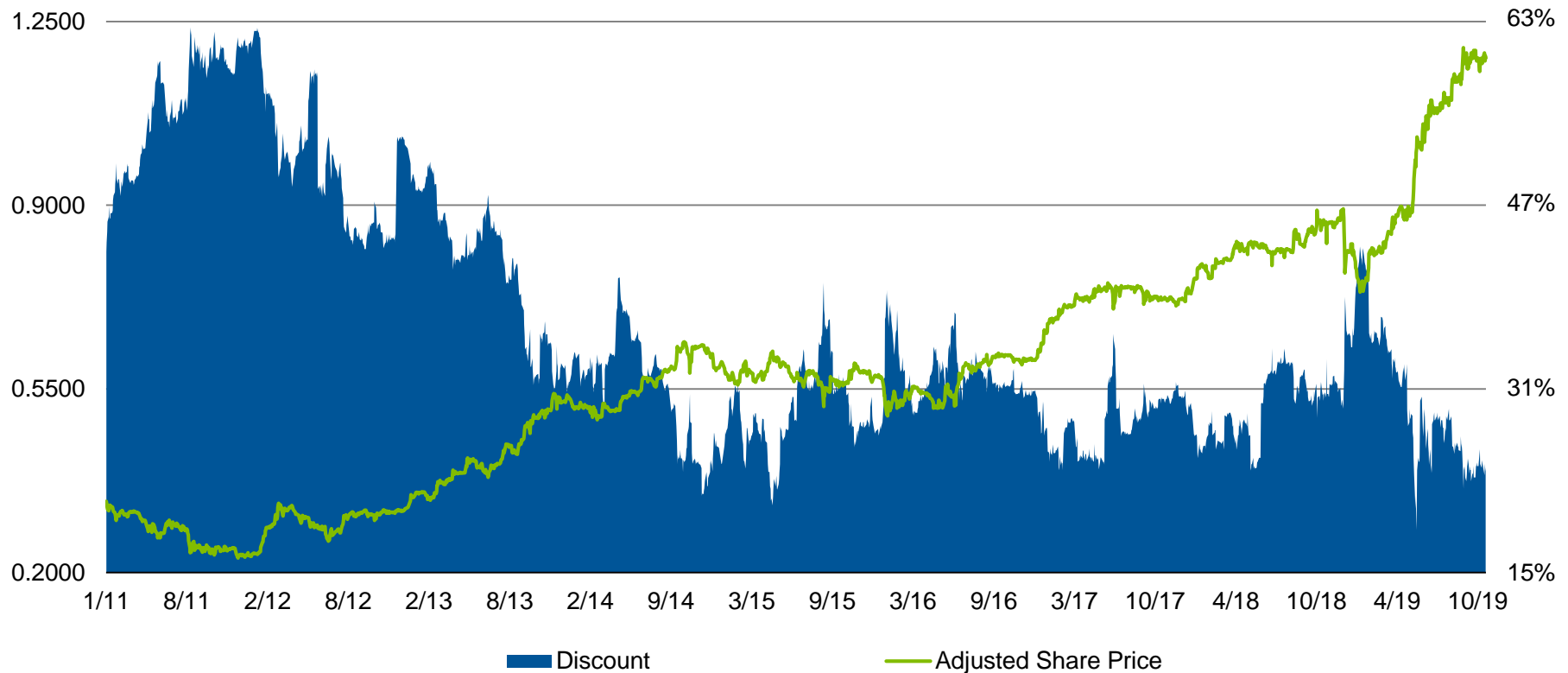
3. Excluding Treasury shares and the equivalent number of shares corresponding to the GDRs, repurchased as at 8 November 2019. Computed using the NBR USD/RON FX rate as at 14 November 2019.

4. As at 8 November 2019.

5. As at 10 June 2019, the Registration date for the 2018 dividend distribution.



FP Share Price (RON) and Discount (%)



Source: BVB, Bloomberg, for the period 25 January 2011 – 14 November 2019.

Portfolio

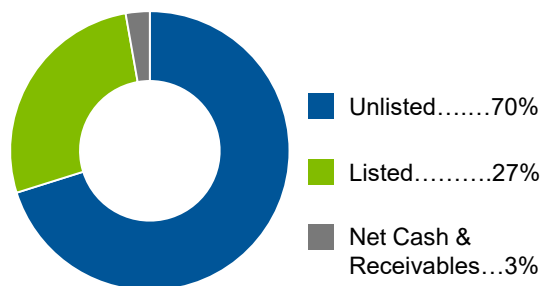


Portfolio Structure



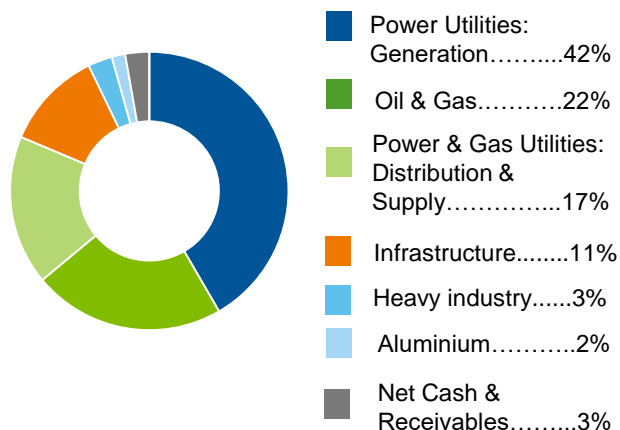
Listed vs Unlisted

as at 31 October 2019 (% NAV)¹



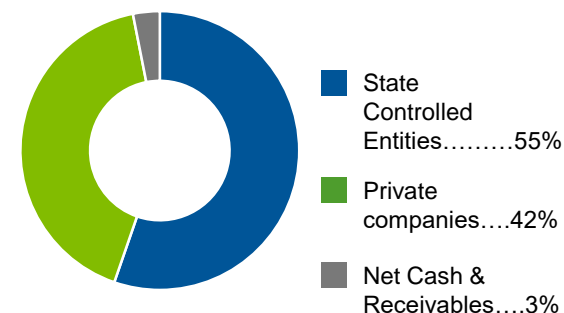
By Sector

as at 31 October 2019 (% NAV)¹



By Controlling Ownership

as at 30 September 2019²



- As at 31 October 2019, the portfolio included stakes in 33 companies (7 listed and 26 unlisted)
- Net cash and receivables position as at 31 October 2019 was USD 69.8 mn.

1. Source: FP October 2019 Factsheet.

2. Source: FP Q3 2019 Results report.

Largest Holdings by NAV

Portfolio Company	Status	Majority Shareholder	% Stake ¹	NAV as at 31 October 2019 (USD mn)	% in NAV as at 31 October 2019
Hidroelectrica	Unlisted	Romanian State	19.9%	972.45	38.71%
OMV Petrom	Listed	OMV	9.9%	559.52	22.27%
Bucharest Airports	Unlisted	Romanian State	20.0%	214.01	8.52%
E-Distributie Banat	Unlisted	Enel Group	24.1%	120.95	4.81%
Engie Romania	Unlisted	Engie	12.0%	114.75	4.57%
E-Distributie Muntenia	Unlisted	Enel Group	12.0%	99.71	3.97%
E-Distributie Dobrogea	Unlisted	Enel Group	24.1%	76.57	3.05%
Nuclearelectrica	Listed	Romanian State	7.1%	71.47	2.84%
Salrom	Unlisted	Romanian State	49.0%	64.02	2.55%
Constanta Port	Unlisted	Romanian State	20.0%	57.26	2.28%
Top 10 Portfolio Holdings				2,350.71	93.57
NAV				2,512.39	100.00
NAV Per Share (USD)				0.3656	

Note: Values in USD calculated using the USD/RON FX rate as at 31 October 2019.

Source: FP October 2019 Factsheet.

1. Based on the FP 30 September 2019 Detailed Statement of Investments.

Top Portfolio Holdings – 9-months 2019 financials

Company	Net profit (RON mn)		
	9mo 2018	9mo 2019	%yoy
Hydroelectrica	1,675.8	1,315.1	(27.4)%
OMV Petrom	2,667.2	2,759.9	3.4%
Bucharest Airports	333.3	321.3	(3.6)%
Nuclearelectrica	321.0	416.0	29.6%
Alro	202.9	(110.0)	(154.2)%
Total	5,200.2	4,702.3	(9.6)%

Source: Companies' Q3 2019 financial statements.

Corporate Actions

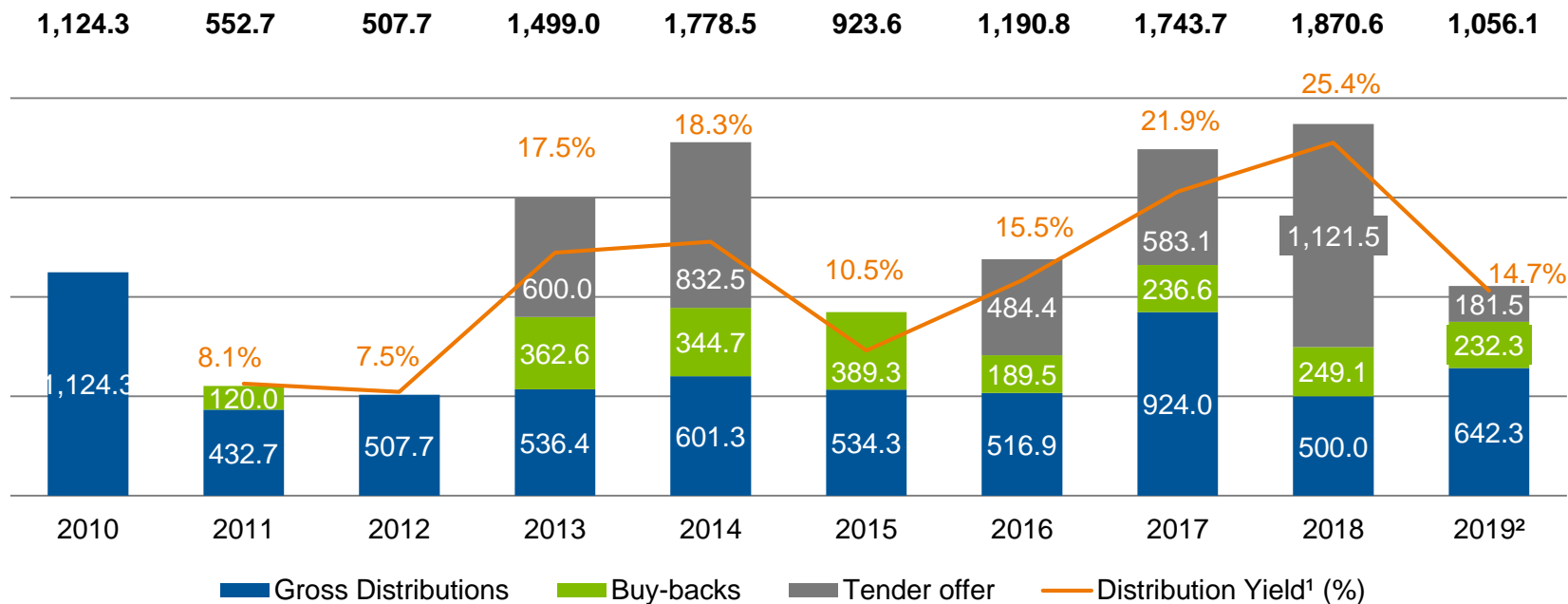


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Distributions to shareholders



Annual Distributions to Shareholders (RON mn)



The total distributions through buy-backs and cash would amount to RON 12.25 bn/USD 3.34 bn³

Source: Fund Manager calculations, Fund Manager annual results reports, Fund Manager current reports.

Note: Values exclude related acquisition fees. USD values based on the NBR average USD/RON FX for each year. For 2019, average USD/RON FX as at 14 November.

1. Based on the total annual distributions through buy-backs and cash, based on the average closing share price on BVB for the respective year and the average number of paid shares, excluding Treasury shares. For 2019, average closing share price as at 14 November.

2. Buy-backs as at 8 November.

3. As at 8 November 2019, USD value calculated using the NBR USD/RON FX as at 14 November.

Annual dividend income – Top 10 portfolio companies

Top 10 Holdings ¹	Dividend Payout (%)				FP Net Dividend (RON mn)				
	2015	2016	2017	2018	2015	2016	2017	2018	2019
Hydroelectrica	80	90	90	90	128.9	134.6	206.6	226.2	358.7
OMV Petrom	- ²	94	46	38	120.5	- ²	106.8	107.6	145.3
Bucharest Airports	75	90	90	90	10.2	27.4	41.2	61.2	68.0
E-Distributie Banat	44	40	39	- ²	20.7	16.8	8.9	7.7	- ²
Engie Romania	- ²	30	50	30	24.0	- ²	13.3	20.2	16.4
E-Distributie Muntenia	- ²	- ²	- ²	- ²	- ²	- ²	- ²	- ²	- ²
E-Distributie Dobrogea	44	37	36	- ²	10.5	12.0	6.6	4.3	- ²
Nuclearelectrica	70	88	93	90	6.9	8.6	8.6	18.5	25.4
Salrom	- ²	90	100	90	10.2	- ²	13.8	42.3	37.4
Constanta Port	75	90	25	25	6.5	14.1	11.0	4.1	3.7
Total Top 10 Holdings (RON mn)					338.4	213.5	416.8	492.1	654.9

Source: Companies' GSM decisions for approving the annual dividend payments.

Note: Annual regular dividends, i.e. excluding special dividends. The annual regular dividends are distributed based on the individual financial statements.

1. Source: FP October 2019 Factsheet.

2. The company registered losses.

Total dividend income from portfolio companies

	FP Net Dividend (RON mn)						
	2013	2014	2015	2016	2017	2018	2019
Total Dividends from Listed Companies (RON mn)	373.9	538.6	251.5	36.0	148.1	199.6	223.0
Total Dividends from Unlisted Companies (RON mn)	275.8 ²	143.5	315.9	315.2	404.5	366.9	490.5
Total Annual Dividend Income (RON mn)	649.7	682.1	567.4	351.2	552.6	566.5	673.7
Total Special Dividend Income (RON mn)	-	-	-	-	185.2	199.5	39.8 ⁹
Total Dividends (RON mn)	649.7	682.1	567.4	351.2	737.8	766.0	713.5
Total Annual Dividend Income per Share (RON) ¹	0.04954	0.05674	0.05310	0.0331	0.0750	0.0797	0.0981
Total Special Dividend Income per Share (RON) ¹	-	-	-	-	0.0251	0.0281	0.0058
Dividend/Distribution per Share (RON)	0.05000	0.05000	0.05000	0.05000	0.0678	0.0903	0.1039¹⁰
Share Price (RON)	0.7640 ³	0.8130 ⁴	0.7200 ⁵	0.9180 ⁶	0.8990 ⁷	1.0150 ⁸	
Yield	6.54%	5.84%	6.94%	8.76%	7.54%	8.90% ⁸	
Yield for Romanian companies (BET)	5.10%	3.50%	4.56%	7.07%	8.59%	9.17%	

Source: Fund Manager calculations.

1. Calculation based on the number of paid shares at the registration date for each year excluding treasury shares at the same date. For 2019, the calculation is based on the number of paid shares excluding treasury shares acquired as at 8 November 2019. Note: The Fund Manager's dividend proposals are calculated based on the Fund's Annual Cash Distribution Policy.

2. Includes dividends from Romgaz and Nuclearelectrica, which were unlisted at that time.

3. As at 30 April 2014.

4. As at 29 May 2015.

5. As at 9 June 2016.

6. As at 6 June 2017.

7. As at 11 June 2018.

8. As at 10 June 2019.

9. As at 24 June 2019.

10. Estimation based on the Total dividends for 2019 as at 31 October 2019 and the number of paid shares excluding treasury shares acquired as at 8 November 2019.

Note: The Fund Manager's dividend proposals are calculated based on the Fund's Annual Cash Distribution Policy.

Potential special dividends in 2019

Company	Available cash (RON mn)	Special dividend requested (RON mn)	FP's Share of Special Dividends(RON mn) ⁴	Date of approving GSM
Hidroelectrica	2,522.0 ¹	1,250.0	249.3	17 December 2019
Nuclearelectrica	1,508.0 ²	512.5	35.3	19 December 2019
Bucharest Airports	300.0 ³	147.0	29.4	9 December 2019
Total	4,330.0	1,909.5	314.0	

1. As at 30 September 2019. Source: company estimates.

2. As at 30 September 2019. Source: company financial statements.

3. As at 31 December 2019. Source: company financial statements.

4. Source: Fund manager calculations, based on FP 30 September 2019 Detailed Statement of Investments.

GSM agenda





EGM agenda:

- The approval of the 11th buy-back programme for a maximum number of 800,000,000 treasury shares (shares and/or GDRs), starting with 1 January 2020 until 31 December 2020. The buy-back shall be performed at a price that cannot be lower than RON 0.2 / share or higher than RON 2 / share. The buy-back programme is aimed at the share capital decrease.

OGM agenda:

- The approval of 2020 budget of Fondul Proprietatea S.A.



EGM agenda as per ASF decision

- The approval of the following amendment to the Constitutive Act of Fondul Proprietatea S.A. (In accordance with the Endorsement of the Financial Supervisory Authority no. 267/19.09.2019):

Article 19 paragraph (1) shall be amended and shall read as follows:

“(1) Shareholders of Fondul Proprietatea designate the Alternative Investment Fund Manager (AIFM) for the purpose of managing it. The AIFM has also the sole director role”.

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The Fund's headquarters are located at 78-80 Buzesti Street, 7th Floor, Bucharest, 1st District, 011017, Romania. Fund's Fiscal Identification Code is 18253260 and Trade Registry registration number is J40/21901/2005. The subscribed share capital is RON 3,959,264,762.44 and paid up share capital is RON 3,770,082,340.44.

Starting with 1 April 2016, in view of complying with the AIFMD, implemented in the Romanian legislation through Law no. 74/2015 on managers of alternative investment funds and Regulation no. 10/2015 on alternative investment fund management, Fondul Proprietatea SA, qualifying as an alternative investment fund, is managed by Franklin Templeton Investment Services S.À R.L. ("FTIS a société à responsabilité limitée qualifying as an alternative investment fund manager under article 5 of the Luxembourg law of 12 July 2013 on alternative investment fund managers, authorized by the Commission de Surveillance du Secteur Financier under no. A00000154/21 November 2013, whose registered office is located at 8a, rue Albert Borschette, L-1246 Luxembourg, registered with the Luxembourg register of commerce and companies under number B36.979, registered with the Romanian Financial Supervisory Authority under number PJM07.1AFIASMDLUX0037/10 March 2016.

This presentation herein is issued by Franklin Templeton Investment Management Limited ("FTIML"), registered with the FSA under no. PJM01SFIM/400005/14 September 2009, which is authorized and regulated in the UK by the Financial Conduct Authority, registered therein under the number 121779, registered as a foreign equivalent of an investment adviser with the US Securities Exchange Commission, acting through its Romanian branch having its registered office at Premium Point, 78-80 Buzesti Str., 7-8th floors, 1st. District, Bucharest, Romania.

FTIML acts herein as a delegate of FTIS with respect to the portfolio management functions as well as administration services over the Fund.

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