

Fondul Proprietatea – General Shareholders Meeting

4 September 2019



Fund Information



The Fund – Key Facts



Fund Details¹

	RON	USD ²
NAV	10.93 bn	2.57 bn ²
NAV/Share	1.5389	0.3624 ²
Price/Share	1.0900	0.2567 ²
Price/GDR	53.94	12.70
Market Capitalization as at 3 September 2019 ³	7.88 bn	1.82 bn
Discount/Share as at 3 September 2019		26.25%
Discount/GDR as at 3 September 2019		27.02%
Number of Paid Shares less Treasury Shares ⁴		6,940,914,284
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 July 2019 Factsheet.

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

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

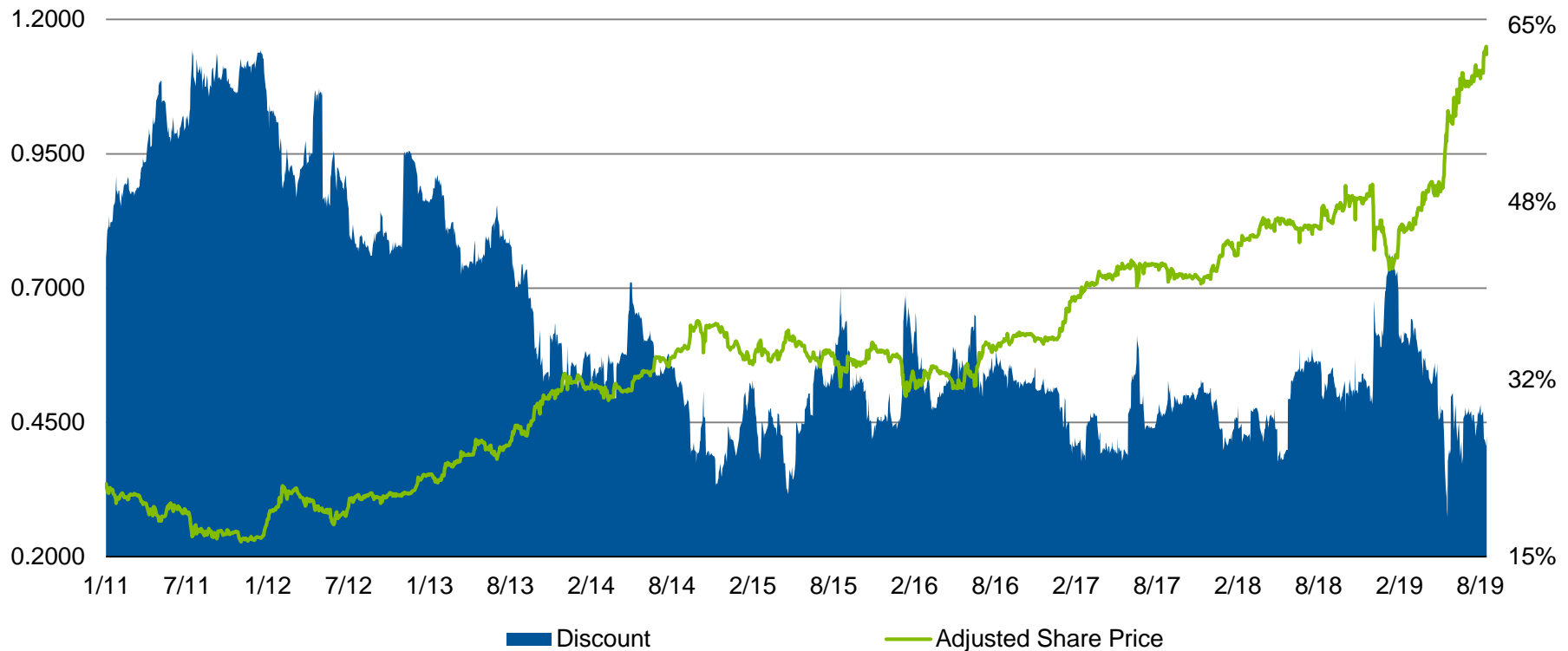
3. Excluding Treasury shares and the equivalent number of shares corresponding to the GDRs, repurchased as at 30 August 2019. Computed using the NBR USD/RON FX rate as at 3 September 2019.

4. As at 30 August 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 – 3 September 2019.

NAV, Share price and GDR Performance



Cumulative Performance

	2011	2012	2013	2014	2015	2016	2017	2018	H1 2019	YTD ¹	Since Performance Inception ¹
NAV (RON)	(0.47)%	8.91%	13.29%	1.39%	(0.60)%	7.33%	13.10%	19.94%	14.37%	16.47%	109.88%
Ordinary Share Price (RON)	(30.32)%	38.30%	61.34%	14.53%	(4.06)%	4.90%	21.46%	9.90%	21.18%	23.44%	195.31%
GDR (USD)	N/A	N/A	N/A	N/A	N/A	1.15%	35.88%	(1.94)%	20.95%	20.95%	49.15%



Average Annual Discount

2011	2012	2013	2014	2015	2016	2017	2018	YTD ²	Current Share Price Discount ³	Current GDR Price Discount ³
55.67%	50.09%	40.74%	30.87%	29.12%	32.08%	28.05%	29.54%	31.85%	26.25%	27.02%

Source: BVB, LSE, Bloomberg, FP NAV reports.

Note: The discount is calculated based on the latest published NAV available for the day of the calculation.

The Performance Inception date for the NAV is 31 December 2010, for the Share Price is 25 January 2011, and for the GDRs is 29 April 2015.

1. As at 31 July 2019.

2. For the period 3 January – 3 September 2019.

3. As at 3 September 2019.

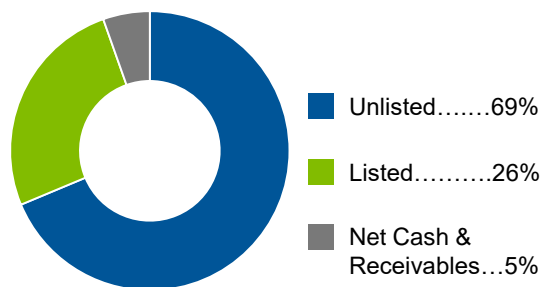
Portfolio



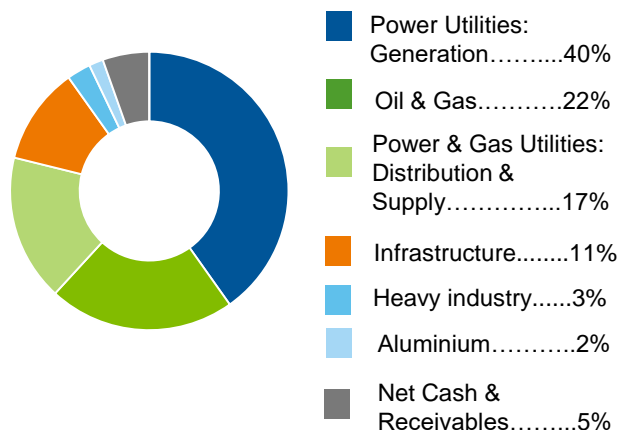
Portfolio Structure



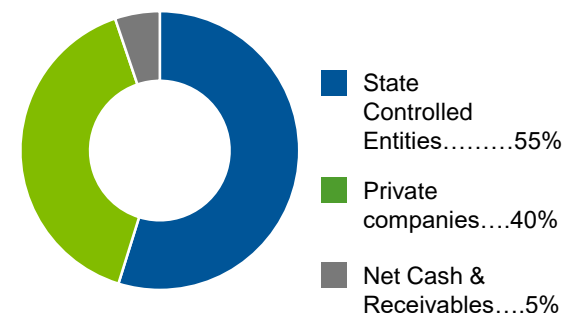
Listed vs Unlisted
as at 31 July 2019 (% NAV)¹



By Sector
as at 31 July 2019 (% NAV)¹



By Controlling Ownership
as at 28 June 2019²



- As at 31 July 2019, the portfolio included stakes in 34 companies (7 listed and 27 unlisted)
- Net cash and receivables position as at 31 July 2019 was USD 138.9 mn.

1. Source: FP July 2019 Factsheet.

2. Source: FP H1 2019 Results report.

Largest Holdings by NAV

Portfolio Company	Status	Majority Shareholder	% Stake ¹	NAV as at 31 July 2019 (USD mn)	% in NAV as at 31 July 2019
Hidroelectrica	Unlisted	Romanian State	19.9%	975.77	37.91
OMV Petrom	Listed	OMV	9.9%	556.10	21.60
Bucharest Airports	Unlisted	Romanian State	20.0%	214.74	8.34
E-Distributie Banat	Unlisted	Enel Group	24.1%	121.36	4.71
Engie Romania	Unlisted	Engie	12.0%	115.14	4.47
E-Distributie Muntenia	Unlisted	Enel Group	12.0%	100.05	3.89
E-Distributie Dobrogea	Unlisted	Enel Group	24.1%	76.83	2.98
Salrom	Unlisted	Romanian State	49.0%	64.24	2.50
Constanta Port	Unlisted	Romanian State	20.0%	57.45	2.23
Nuclearelectrica	Listed	Romanian State	7.1%	56.29	2.19
Top 10 Portfolio Holdings				2,337.97	90.82
NAV				2,573.99	100.00
NAV Per Share (USD)				0.3624	

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

Source: FP July 2019 Factsheet.

1. Based on the FP 28 June 2019 Detailed Statement of Investments.

Top Portfolio Holdings – H1 2019 financials

Company	Net profit (RON mn)		
	H1 2018	H1 2019	%yoy
Hidroelectrica	983.5	901.5	(8.3)%
OMV Petrom	1,287.7	1,974.5	53.3%
Nuclearelectrica	182.3	290.6	59.4%
Alro	154.2	79.7	(48.3)%
Bucharest Airport	192.4	193.6	0.6%
Constanta Port	74.9	72.6	(3.1)%
Total	2,875.0	3,512.6	22.2%

Source: Companies' H1 2019 financial statements.

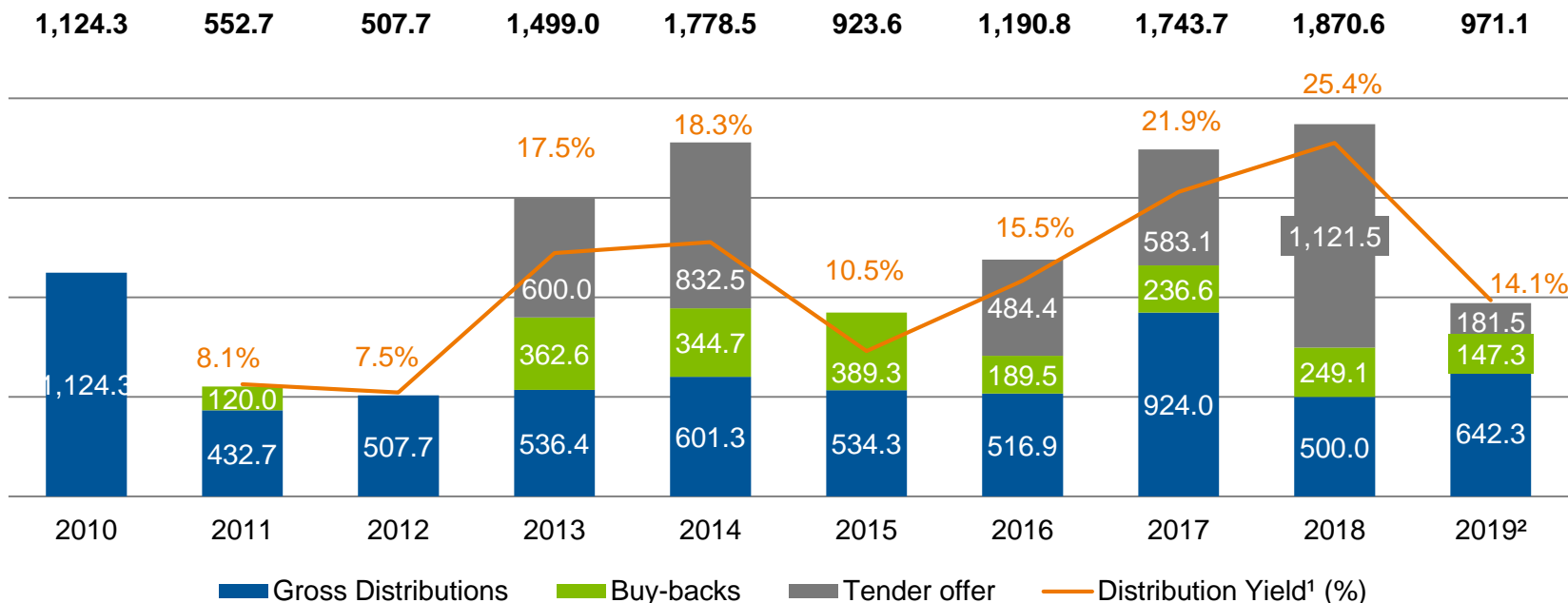
Corporate Actions



Distributions to shareholders



Annual Distributions to Shareholders (RON mn)



The total distributions through buy-backs and cash would amount to RON 12.16 bn/USD 3.32 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 3 September.

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 3 September.

2. Buy-backs as at 30 August.

3. As at 30 August 2019, USD value based on the NBR USD/RON FX as at 3 September 2019.

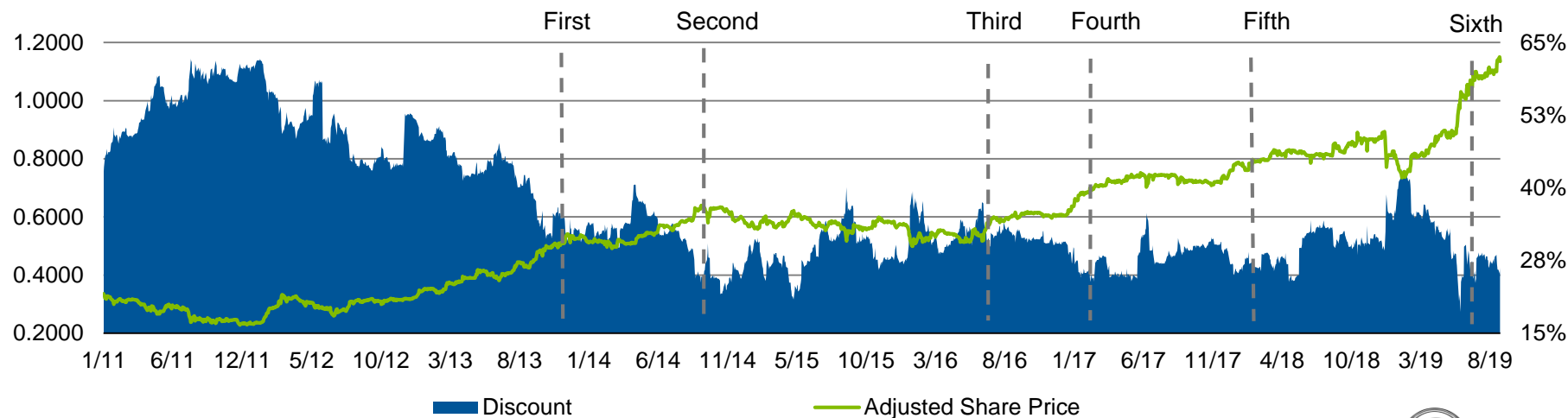
Sixth Tender Offer

Size of the Offer	150,000,000 shares (90,057,550 in the form of shares and 59,942,450 shares in the form of GDRs, namely 1,198,849 GDRs)
Purchase price	RON 1.21 per share and the USD equivalent of RON 60.50 per GDR, i.e USD 14.1493 per GDR
Subscription period	15 July 2019 – 19 August 2019
Total subscriptions	4,672,180,622 shares representing 3,114.8% of the Offer (2,805,099,522 were subscribed in the form of shares and 1,867,081,100 shares in the form of global depository receipts which represent the shares (“GDR”), namely 37,341,622 GDRs)
Allocation method	Pro-rata
Allocation ratio	0.0321049232
Intermediary	Banca Comerciala Romana S.A.
Dealer managers	Banca Comerciala Romana S.A. and Auerbach Grayson
GDR Tender Agent	The Bank of New York Mellon

Source: Investment Manager current reports and Tender offer documentation.

Fondul Proprietatea Completed Tender Offers

Tender Offer	Announcement date	Tender price (RON/share)	FP pre-announcement share price (RON/share)	Premium to pre-announcement share price (%)	Discount of offer price to NAV (%) ¹	Take-up rate (%)
First	10 Oct 2013	1.0000	0.7770	28.70%	15.12%	78.42%
Second	20 Oct 2014	1.1100	0.8965	23.81%	10.76%	83.74%
Third	5 Jul 2016	0.8420	0.7380	14.09%	26.43%	62.52%
Fourth	27 Jan 2017	0.9100	0.8640	5.32%	23.30%	63.13%
Fifth	15 Dec 2017	0.9350	0.8400	11.31%	22.84%	54.10%
Sixth	24 Jun 2019	1.2100	1.0550	14.69%	16.00%	53.47%



Source: Investment Manager current reports and Tender offer documentation, BVB as at 3 September 2019.

1. Latest NAV available at the date of the Tender offer announcement: 31 August 2013 for the First Offer, 30 September 2014 for the Second Offer, 30 June 2016 NAV for the Third Offer, 30 December 2016 NAV for the Fourth Tender, 31 October 2017 NAV for the Fifth Tender, and 31 May 2019 for the Sixth Tender.

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
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
Nuclearelectrica	70	88	93	90	6.9	8.6	8.6	18.5	25.4
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 July 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	485.5
Total Annual Dividend Income (RON mn)	649.7	682.1	567.4	351.2	552.6	566.5	673.8
Total Special Dividend Income (RON mn)	-	-	-	-	185.2	199.5	34.7 ⁹
Total Dividends (RON mn)	649.7	682.1	567.4	351.2	737.8	766.0	708.5
Total Annual Dividend Income per Share (RON) ¹	0.04954	0.05674	0.05310	0.0331	0.0750	0.0797	0.0971
Total Special Dividend Income per Share (RON) ¹	-	-	-	-	0.0251	0.0281	0.0050
Dividend/Distribution per Share (RON)	0.05000	0.05000	0.05000	0.05000	0.0678	0.0903	0.1021¹⁰
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 30 August 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 July 2019 and the number of paid shares excluding treasury shares acquired as at 30 August 2019.

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

GSM Agenda





OGM agenda:

- The appointment, for a period of three years, of two members in the Board of Nominees of Fondul Proprietatea S.A. following the expiration on 29 September 2019 of the mandates of Mr. Sorin Mihai Mîndruțescu and Mr. Mark Henry Gitenstein
- The appointment of Deloitte Audit S.R.L. as the financial auditor of Fondul Proprietatea S.A., setting the duration of the financial audit agreement for the period starting with the date of approval of this decision and 31 August 2021

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