



FRANKLIN TEMPLETON  
INVESTMENTS

FONDUL  
PROPRIETATEA

#### Fund Description

Fondul Proprietatea (FP) is a joint stock company operating as a closed-end investment company without a set lifetime, incorporated in Romania. The Fund was established by the Romanian Government in 2005 and eligible claimants who lost property under former communist governments were awarded shares in the Fund in lieu of compensation. The Fund was listed on the Bucharest Stock Exchange on 25 January 2011, and on the Specialist Fund Market of the London Stock Exchange ("LSE"), by means of Global Depository Receipts ("GDRs"), on 29 April 2015.

#### Investment Objective

The Fund's investment objective is the maximization of returns and per-share capital appreciation via investments mainly in Romanian equities and equity-linked securities.

#### Fund Manager

Franklin Templeton Investment Management Limited UK, Bucharest Branch – since 29 September 2010.

#### Head Legal Representative & Portfolio Manager

Grzegorz Konieczny

#### Fund Details as at 31/08/2015

Base Currency of Fund: Romanian Lei (RON)

Date of Fund Launch: 28 December 2005

Performance Inception Date:

31 December 2010 for NAV

25 January 2011 for Ordinary Share Price

29 April 2015 for Global Depository Receipts

Number of Issued Shares: 11,193,423,051

Number of Shares Corresponding to Paid Share capital: 10,829,610,701

Subscribed Share Capital: RON 10,074,080,745.90

Paid Share Capital: RON 9,746,649,630.90

#### Distributions per Share

2015 Distribution: 0.05000 RON June 2015

2014 Distribution: 0.05000 RON July 2014

2012 Dividend: 0.04089 RON June 2013

2011 Dividend: 0.03854 RON June 2012

2010 Dividend: 0.03141 RON June 2011

2008–2009 Dividend: 0.0816 RON October 2010

#### Fund Identifier

Bucharest Stock Exchange Symbol: FP

London Stock Exchange Symbol: FP

Bloomberg: FP RO (for BVB) and FP/LI (for GDRs)

ISIN: ROFPTAACNOR5

ASF Public Register No: PJR09SIIR/400006/18.08.2010

CIVM Registration No: AC-4199-2/26.08.2015

#### Description of NAV Basis

Net Asset Value is calculated according to regulations currently applying to Fondul Proprietatea, approved by Local Regulator (CNVM Regulation no. 11/2012, which amended CNVM Regulation no. 4/2010). Where there is trading activity in the last 30 trading days, shares listed on a regulated market are valued at closing price, while the shares admitted to trading on Nasdaq market are valued based on the Reference Price method, respectively the closing price for the securities listed on section XMB5 of Rasdaq and the average price for the securities listed on section XMB5 of Rasdaq and UNLS. The shares admitted to trading on AeRO market (alternative trading system) are valued based on the Reference Price method, respectively the average price. Where there is no trading activity in the 30 trading day period for listed investments, the unlisted valuation approach applies. Investments in unlisted companies are valued using either shareholders' equity value per latest annual financial statements (proportionally with the stake held) or by using valuation methods in accordance with International Valuation Standards (fair value principles). Any holding in companies going through an insolvency or reorganization procedure is valued either at zero or at the value provided by an independent valuer, using valuation methods in accordance with International Valuation Standards (fair value principles). Any holding in companies under judicial liquidation procedure, or any other liquidation procedures, as well as in companies under temporary or final suspension of operation, is valued at zero until the procedure is finalised.

As at 19 May 2015, the FSA Instruction no 1 / 2015 stating that the adoption of IFRS as statutory accounting basis (official accounting regulations) was postponed until 1 January 2016 entered into force. Consequently, starting with the NAV report for 29 May 2015, the accounting records under Romanian Accounting Regulations (CNVM Regulation no. 4/2011) were used for the computation of NAV for non-portfolio items. In the previous period, starting with 1 January 2015, the FSA Instruction no. 2/2014 was in force stating that the IFRS should be the statutory accounting basis and consequently for NAV reports as at 30 January 2015, 27 February 2015, 31 March 2015 and 30 April 2015, the accounting records under IFRS were used for the computation of NAV for non-portfolio items.

#### Contact Us:

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Fund's headquarters are at 78-80 Buzesti Str, 7th Floor, Bucharest

District 1, 011017, Romania. Fund's Fiscal Identification Code

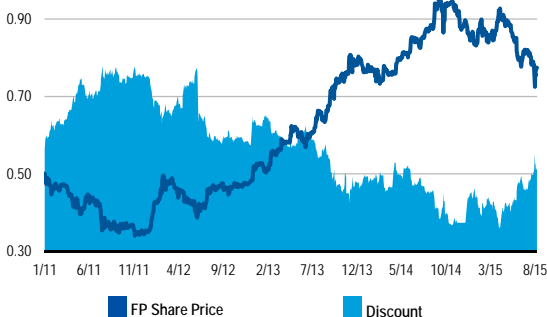
(CIF): 18253260 and Trade Registry registration no:

J40/21901/2005.

# Monthly Report

31 AUGUST 2015

#### SHARE PRICE (RON) AND DISCOUNT (%) SINCE LISTING ON BVB



#### NAV/Share:

RON 1.1457 / EUR 0.2585 / USD 0.2900

#### Ordinary Share Price:

RON 0.7740 / EUR 0.1746 / USD 0.1883

GDR price (1 GDR = 50 shares):

RON 39.51 / EUR 8.91 / USD 10.00

Share Price Discount: 32.44%

GDR Discount: 31.03%

Fund Size: RON 12.15 billion / EUR 2.74 billion

USD 3.07 billion

Market Capitalisation (Excluding treasury

shares): 8.21 billion RON / EUR 1.85 billion /

USD 2.08 billion

Average Daily Turnover on the BVB\*:

RON 4.30 million / EUR 0.97 million /

USD 1.09 million

Average Daily Turnover on the LSE\*:

RON 1.81 million / EUR 0.41 million /

USD 0.46 million

\*For the period 1-31 August 2015

#### Cumulative

Performance %	1-Mo	3-Mo	6-Mo	YTD	1-Yr	2-Yr*	3-Yr*	Since perf. incept.
NAV RON	(5.35)	(3.19)	1.26	(1.52)	(5.52)	2.67	10.84	22.63
Ordinary Share Price RON	(5.03)	(7.08)	(4.26)	(8.32)	(6.33)	13.38	20.90	63.26
GDR RON	(3.48)	(0.57)	N/A	N/A	N/A	N/A	N/A	(2.73)
NAV USD	(3.87)	(0.90)	1.54	(7.61)	(19.94)	(5.41)	7.05	(1.61)
Ordinary Share Price USD	(3.54)	(4.88)	(4.00)	(13.99)	(20.62)	4.46	16.77	28.66
GDR USD	(1.96)	1.78	N/A	N/A	N/A	N/A	N/A	(2.22)

#### AVERAGE ANNUAL DISCOUNT

2011	2012	2013	2014	YTD*	Current Discount**
55.67%	50.20%	41.30%	30.57%	28.87%	31.03%

\*Annualized rate of return.

Performance data is shown rounded to the nearest hundredth.

\*For the period 5 January – 31 August 2015.

\*\* As at 31 August 2015.

#### PORTFOLIO STRUCTURE

Asset	% of NAV
Listed Equities	47.21
Unlisted Equities	53.30
Net Cash & Receivables*	(0.51)
<b>Sector</b>	<b>% of NAV</b>
Oil & Gas	40.81
Power & Gas utilities: transport, distribution, supply	28.43
Power utilities: generation	20.39
Infrastructure	4.23
Banks	3.69
Heavy Industry	1.50
Aluminium	0.81
Postal services	0.46
Others	0.19
Net Cash and receivables*	(0.51)

#### SHAREHOLDERS STRUCTURE\*

	%
The Bank of New York Mellon (depository bank for Global Depository Receipts)	33.16
Foreign institutional investors	23.41
Romanian private individuals	22.14
Romanian institutional investors	13.03
Foreign private individuals	6.12
Ministry of Public Finance**	0.04
Treasury shares***	2.10
<b>Total Number of Shareholders</b>	<b>8,605</b>

\* Based on the paid share capital.

\*\* 363,812,350 shares unpaid by Ministry of Public Finance

\*\*\* 227,572,250 treasury shares acquired in the fifth buyback program.

#### TOP 10 HOLDINGS

Security name	% of NAV
OMV Petrom SA	30.56
Hydroelectrica SA	17.93
Romgaz SA	9.93
ENEL Distributie Banat SA	5.27
ENEL Distributie Muntenia SA	3.83
GDF Suez Energy Romania SA	3.80
E.ON Distributie Romania SA	3.67
ENEL Distributie Dobrogea SA	3.27
CN Aeroporturi Bucuresti SA	2.74
BRD Groupe Societe Generale SA	2.14
<b>Total</b>	<b>83.14</b>

\*Net cash and receivables includes bank deposits, current bank accounts, short-term treasury bills and bonds, dividend receivables, as well as other assets, net of all liabilities (including short-term bank loans, liabilities to shareholders related to the returns of capital and dividends from previous years) and provisions.

#### LARGEST SHAREHOLDER

Shareholder	As at	% of total voting rights
Elliott Associates	5 May 2015	18.76

Source: Ownership disclosure submitted by shareholder.

#### Important Information and Disclaimers

The above portfolio information is calculated on the basis of the NAV. The portfolio manager for the Fund reserves the right to withhold release of information with respect to holdings that would otherwise be included in the Top 10 Holdings list where the protection of such information is in the best interests of the Fund. The price of shares and income from them can go down as well as up and you may not get back the full amount that you invested. Past performance is no guarantee of future performance. In emerging markets, the risks can be greater than in developed markets. Investment in the Fund may not be suitable for all investors; we suggest investors seek guidance from a financial adviser. Read the issue prospectus before investing in this fund/investment firm. Franklin Templeton Investment Management Limited United Kingdom, Bucharest Branch, as sole administrator of Fondul Proprietatea SA issues quarterly, semi-annual and annual reports which are published on the Fund's website at [www.fondulproprietatea.ro](http://www.fondulproprietatea.ro). This is a short summary for the information of existing shareholders only and is not intended to be used as the basis for investment decisions.

Existing and potential investors should refer to the Fund's prospectus and amendment, available at [www.fondulproprietatea.ro](http://www.fondulproprietatea.ro). All information presented in the report is provided by Franklin Templeton Investment Management Limited United Kingdom, Bucharest Branch. This report is issued in Romania by Franklin Templeton Investment Management Limited United Kingdom, Bucharest Branch, at 78-80 Buzesti Str, Premium Point, 7<sup>th</sup> and 8<sup>th</sup> Floors, Bucharest 1, 011017, ROMANIA registered with ASF Public Register No. PJR09SIIR/400006/18.08.2010. © 2015 Franklin Templeton Investments. All rights reserved.