



FRANKLIN TEMPLETON  
INVESTMENTS

# FONDUL PROPRIETATEA

MONTHLY REPORT

30 JUNE 2013

## FUND DESCRIPTION

Fondul Proprietatea 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 in January 2011.

## INVESTMENT OBJECTIVE

Long-term capital appreciation via investments mainly in Romanian equity or equity-linked securities with strict adherence to the principles of value investing, supported by in-house research, and a long-term time horizon.

## 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 30/06/2013

**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

**Number of shares in issue:** 13,778,392,208

**Number of shares corresponding to paid capital:** 13,413,137,586

**Subscribed and paid capital:** RON 13,413,137,586

## ANNUAL DIVIDENDS

**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

**Bloomberg:** FP RO

**ISIN:** ROFPTAACNOR5

**CNVM Register No:** PJR09SIIR/400006/18.08.2010

**CIVM Registration No:** AC-3632-5/03.09.2012

## DESCRIPTION OF NAV BASIS

Net Asset Value is calculated according to regulations currently applying to Fondul Proprietatea, approved by CNVM (CNVM Regulation no. 11/2012, which amended CNVM Regulation no. 4/2010). Listed investments are valued using the last available closing price where there is trading activity in the last 30 trading days. 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.

## Contact Us

tel: +40 21 200 9600

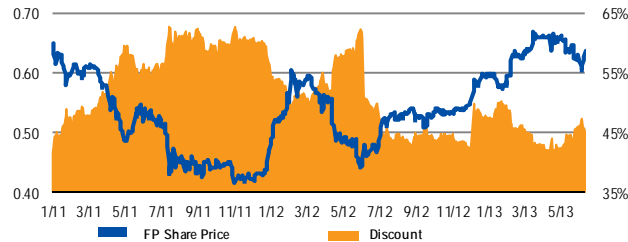
fax: +40 21 200 9631/32

email: [investor.relations@fondulproprietatea.ro](mailto:investor.relations@fondulproprietatea.ro)

web: [www.fondulproprietatea.ro](http://www.fondulproprietatea.ro)

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

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



**NAV/Share:** RON 1.1514 / € 0.2582

**Ordinary Share Price:**

RON 0.6195 / € 0.1389

**Discount:** 46.20%

**Fund Size:**

RON 15.00 billion / € 3.36 billion

**Market Capitalisation:**

RON 8.54 billion / € 1.91 billion

**Average Daily Turnover\*:**

RON 9.83 million / € 2.20 million

\*For the period 1 June – 30 June 2013

## CUMULATIVE PERFORMANCE %

	1-MO	3-MO	6-MO	9-MO	12-MO	2-YR*	SINCE PERF. INCEPT.
NAV	0.32	3.10	4.89	25.87	28.01	2.40	13.70
Ordinary Share Price	-5.56	4.35	19.92	24.80	44.35	15.04	15.56

\*Annualized rate of return.

## PORTFOLIO STRUCTURE – BY ASSET TYPE

ASSET	% OF NAV
Listed Equities	37.54
Unlisted Equities	56.13
Net Cash & Receivables*	6.33

## COUNTRY BREAKDOWN

COUNTRY	% OF NAV
Romania	99.19
Austria	0.81

## SECTOR BREAKDOWN

SECTOR	% OF NAV
Oil & Gas	39.75
Power utilities: generation	23.53
Power & Gas utilities: transport, distribution, supply	22.63
Infrastructure	2.61
Banks	2.54
Heavy Industry	0.97
Aluminium	0.74
Postal services	0.54
Others	0.36
Net Cash and receivables*	6.33

\*Net cash and receivables includes bank deposits, current bank accounts, treasury bills, dividend receivables, as well as other assets, net of all liabilities (including 2012 dividends) and provisions.

## TOP 10 HOLDINGS

SECURITY NAME	% OF NAV
OMV Petrom SA	30.21
Hidroelectrica SA	13.34
Romgaz SA	8.92
Complexul Energetic Oltenia SA	5.87
Nuclearelectrica SA	4.32
ENEL Distributie Banat SA	3.24
ENEL Distributie Muntenia SA	2.90
GDF Suez Energy Romania	2.31
ENEL Distributie Dobrogea SA	2.16
E.ON Moldova Distributie SA	2.16
<b>Total</b>	<b>75.43</b>

## SHAREHOLDERS BREAKDOWN\*

	%
Foreign institutional investors	57.67
Romanian private individuals	23.91
Romanian institutional investors	9.53
Foreign private individuals	6.02
Ministry of Public Finance	0.02
Treasury Shares**	2.85
	<b>100.00</b>
<b>Total Number of Shareholders</b>	<b>8,228</b>

\*Based on paid share capital. 365,254,622 shares unpaid by Ministry of Public Finance.

\*\*240,304,801 treasury shares acquired by the Fund through the first buyback program and 147,016,000 treasury share acquired through the second buyback program.

## LARGEST SHAREHOLDERS

Shareholder	Date of Disclosure	% of paid share capital
Elliott Associates	14 September 2012	14.95
City of London Investment Management	21 September 2012	9.69*
The Royal Bank of Scotland	24 September 2012	5.39

Source: Ownership disclosures submitted by shareholders.

\*Based on the ownership disclosure sent by City of London Investment Management Company Limited, the reported holdings were as follows: 575,062,100 million shares (4.29% of the Fund's paid share capital) and 724,298,586 warrants issued by The Royal Bank of Scotland – without the right of physical delivery (the underlying shares represent 5.39% of the Fund's paid share capital).

## 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 SC 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 CNVM under no. PJR09SIIR/400006/18.08.2010. © 2013 Franklin Templeton Investments.