



FRANKLIN TEMPLETON  
INVESTMENTS

# FONDUL PROPRIETATEA

MONTHLY REPORT

30 SEPTEMBER 2014

## 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

The FP'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 30/09/2014

**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 issued shares:** 12,437,136,723

**Number of shares corresponding to paid share capital:** 12,073,322,962

**Subscribed share capital:** RON 11,815,279,886.85

**Paid share capital:** RON 11,469,656,813.90

## DISTRIBUTION PER SHARE

**2013 Dividend:** 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

**Bloomberg:** FP RO

**ISIN:** ROFPTAACNOR5

**ASF Public Register No:** PJR09SIIR/400006/18.08.2010

**CIVM Registration No:** AC-4025-1/12.08.2014

## 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). 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 RGSB of Nasdaq and the average price for the securities listed on section XMBS of Nasdaq and UNLS. 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

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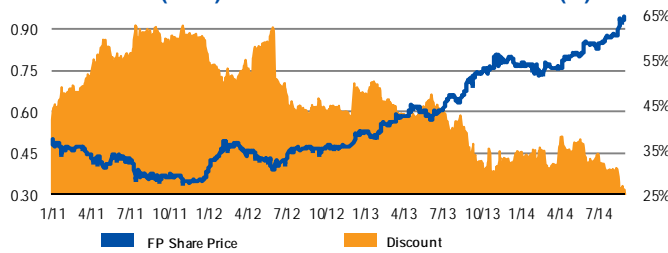
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Fund's headquarters are at 78-80 Buzesti Str, 7th Floor, Bucharest District 1, 011017, Romania. Fund's Fiscal Identification Code (CIF): 18253260 and Trade Registry registration no: J40/21901/2005

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



NAV/Share: RON 1.2438 / € 0.2820

**Ordinary Share Price:**

0.9490 RON / € 0.2151

**Discount:** 23.70%

**Fund Size:**

RON 14.70 billion / € 3.33 billion

**Market Capitalisation:**

12.85 billion RON / € 2.91 billion

**Average Daily Turnover\*:**

12.92 million RON / € 2.93 million

\*For the period 1 – 30 September 2014

## CUMULATIVE PERFORMANCE %

	1-MO	3-MO	6-MO	9-MO	12-MO	2-YR*	SINCE PERF. INCEPT.
NAV	-1.59	-0.64	9.50	4.01	11.41	18.93	27.73
Ordinary Share Price	8.21	11.25	21.82	21.31	33.04	42.76	88.60

\*Annualized rate of return.

Performance data is shown rounded to the nearest hundredth.

## PORTFOLIO STRUCTURE – BY ASSET TYPE

ASSET	% OF NAV
Listed Equities	49.65
Unlisted Equities	42.41
Net Cash & Receivables*	7.94

## SECTOR BREAKDOWN

SECTOR	% OF NAV
Oil & Gas	44.74
Electricity & Gas: distribution & supply	23.08
Electricity: generation	16.67
Infrastructure	2.73
Banks	2.39
Heavy Industry	1.12
Aluminium	0.60
Postal services	0.41
Others	0.32
Net Cash and receivables*	7.94

\*Net cash and receivables includes bank deposits, current bank accounts, treasury bills and bonds, dividend receivables, as well as other assets, net of all liabilities (including dividends and the liabilities to shareholders related to the return of capital) and provisions.

## SHAREHOLDERS STRUCTURE\*

	%
Foreign institutional investors	60.66
Romanian private individuals	21.23
Romanian institutional investors	10.37
Foreign private individuals	5.61
Ministry of Public Finance**	0.04
Treasury Shares***	2.09
	<b>100.00</b>
<b>Total Number of Shareholders</b>	<b>7,995</b>

\* Based on the paid share capital.

\*\* = 363,813,761 shares unpaid by Ministry of Public Finance

\*\*\* = 252,858,056 treasury shares acquired through the third buyback program.

## TOP 10 HOLDINGS

SECURITY NAME	% OF NAV
OMV Petrom SA	34.41
Hydroelectrica SA	14.32
Romgaz SA	9.44
ENEL Distributie Banat SA	3.90
ENEL Distributie Muntenia SA	3.22
GDF Suez Energy Romania	2.75
ENEL Distributie Dobrogea SA	2.58
E.ON Moldova Distributie SA	2.35
Electrica Distributie Muntenia Nord SA	2.01
CN Aeroporturi Bucuresti SA	1.96
<b>Total</b>	<b>76.94</b>

## LARGEST SHAREHOLDER

Shareholder	Date of Disclosure	% of paid share capital
Elliott Associates	14 September 2012	15.22

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. © 2014 Franklin Templeton Investments.