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## **10 YEARS OF GROWTH FOR FONDUL PROPRIETATEA WITH FRANKLIN TEMPLETON AT THE HELM**

Bucharest, 29 September 2020 – Franklin Templeton (“Franklin Templeton”) celebrates on 29 September 10 years since taking over the management of Fondul Proprietatea (“the Fund/FP”), as Investment Fund Manager and Sole Director. The decade marks a period of breakthroughs and major achievements for the Fund and its portfolio companies, which have made great strides in the optimization of their operations, implementation of more robust corporate governance resulting in increased financial performance and profitability.

Commenting on the 10-year anniversary, **Johan Meyer, CEO of Franklin Templeton Investments Limited and Portfolio Manager of Fondul Proprietatea** said: *“We are proud of the tremendous progress the Fund has made under the stewardship of Franklin Templeton as fund manager with its commitment to creating value for FP’s shareholders. Over the past 10 years the Franklin Templeton team dedicated to the activities of FP has displayed great fortitude and resilience in sometimes very challenging conditions to deliver superb results. Core to this has been the performance of the portfolio companies, that have benefited greatly from our efforts to support the implementation of corporate governance in order to unlock its full potential. We also proudly look back on a decade during which we helped to put Romania on the map for numerous foreign investors, thanks to regular roadshows and meetings with various parties. We strongly believe that the Fund’s success will continue positively reflect on Romania’s attractiveness as an investment destination for both domestic and international investors in the years to come.”*

### **10 years Anniversary Achievements**

Under the management of Franklin Templeton, Fondul Proprietatea has helped to define the role and rights of minority shareholders, being a stellar illustration of a vocal and activist minority shareholder in state-owned companies. The Fund has continuously advocated for corporate governance, transparency and professional management in state-owned companies and played an essential role in avoiding or overturning damaging decisions made by the management or majority shareholders of these companies. Hidroelectrica illustrates best the contribution of the Fund to its significant turnaround and development of a portfolio State-Owned company from the brink of insolvency.

Further highlights of the Fund’s activity since Franklin Templeton took over the management of the Fund in 2010 include:

- Listed the Fund on two stock exchanges: in 2011 on the Bucharest Stock Exchange (BVB), which gave a major boost to the local market, and in 2015 on the London Stock Exchange (LSE);
- Contributed significantly to placing Romania on the radar of international investors and attracted a broad range of large institutional investors, which subsequently invested not only in the Fund and its portfolio companies, but also in other attractive Romanian issuers.

- Initiated for the very first time in Romania corporate actions such as buy-backs programmes and tender offers, contributing to changes that rendered the regulatory environment friendlier for investors.
- Built a long track record of generating significant value for the Fund's shareholders:
  - the share price has reached an all-time high of RON 1.38 per share on 14 February 2020, well above the RON 1.00 per share which was the nominal value of the share when the Fund was initially set-up, building on consistent performance over the past 10 years;
  - share price total return since the Fund's listing on BVB of 283.99% at 31 August 2020 ;
  - total distribution yield (including buy-backs and tender offers) of the Fund over the last 10 years has constantly been around 10%;
  - total return over the last 12 months reached 14%, higher than the local benchmark indexes;
  - cumulated performance of the Net Asset Value went up to 31.23% in 2019 and to a total of 128.70% at 31 August 2020 since the end of 2010;
  - total value of dividends and returns of capital distributed over RON 6.7 billion;
  - average annual share price discount to NAV decreased to 22.95% in the first 8 months of 2020, compared to 55.67% in 2011;
  - completed ten buy-back programs and currently carrying on the eleventh one, repurchasing overall 7.16 billion own shares.
- Franklin Templeton has had its mandate as Fund Manager repeatedly renewed most recently in April 2020 which underlines shareholders' ongoing confidence in the fund manager.

### **Looking forward**

In the years to come, the Fund will maintain its objective to maximize returns to shareholders and increase the Net Asset Value per share through investments in Romanian equities and equity-linked securities. The Fund will also continue to be a watchdog for the proper observance of corporate governance rules in its portfolio companies, as well as advocate for listings of SOEs.

Finally, the Fund remains committed to the development of Romanian market and will continue to hold investor-dedicated meetings and events in order to promote Romania as a solid and promising investment destination. To this end the Fund hopes that the future Government will bring Hidroelectrica to the market next year and consolidate Romania's chances to be upgraded to Emerging Market status in the MSCI index.

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## Notes to Editors

### 1. About Fondul Proprietatea

Launched in December 2005, Fondul Proprietatea (“the Fund”) was established to compensate Romanians whose properties were confiscated by the former communist government. Following an international tender announced in December 2008, Franklin Templeton Investments was officially appointed as investment manager and sole administrator of the Fund on 29 September 2010.

The Fund is an alternative investment fund and its investment objective is the maximization of returns and per-share capital appreciation via investments mainly in Romanian equities and equity-linked securities. The Fund listed on the Bucharest Stock Exchange on 25 January 2011 and on the Specialist Fund Market of the London Stock Exchange by means of global depositary receipts (“GDRs”) on 29 April 2015.

The headquarters of Fondul Proprietatea SA are at 78-80 Buzesti Street, 7th Floor, Bucharest District 1, 011017, Romania. For more information on Fondul Proprietatea, please visit <http://www.fondulproprietatea.ro>.

### 2. About Franklin Templeton Investments

Franklin Resources, Inc. [NYSE:BEN] is a global investment management organization operating together with its subsidiaries as Franklin Templeton. Franklin Templeton’s goal is to deliver better outcomes by providing global and domestic investment management to retail, institutional and sovereign wealth clients in over 170 countries. Through specialized teams, the company has expertise across all asset classes, including equity, fixed income, alternatives and custom multi-asset solutions. The company’s more than 600 investment professionals are supported by its integrated, worldwide team of risk management professionals and global trading desk network. With offices in over 30 countries, the California-based company has more than 70 years of investment experience. For more information, please visit [www.franklintempleton.co.uk](http://www.franklintempleton.co.uk).

Franklin Templeton established an office in Bucharest in May 2010, with a team of 32 employees, including 6 locally based investment professionals who are further supported by the over 40 portfolio managers and analysts of the wider Templeton Emerging Markets team.

Starting with 1 April 2016, in view of complying with the EU Directive 2011/61 on alternative investment fund managers, the Fund is managed by Franklin Templeton Investment Services S.À R.L. (“FTIS/ Fund Manager”), 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. A0000154/21 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 B 36.979, registered with the Romanian Financial Supervisory Authority (“FSA”) under number PJM07.1AFIASMDLUX0037/10 March 2016.

Effective with the same date, i.e. 1 April 2016, FTIS has appointed Franklin Templeton Investment Management Ltd. United Kingdom Bucharest Branch to act as its investment manager (“FTIML/ Investment Manager”) and thus delegated to the latter the portfolio management and the performance of administration services over the Fund. The said delegation excludes expressly the delegation of the risk management of the Fund, which shall remain the sole prerogative of the Fund Manager.

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

The office of Franklin Templeton Investment Management Limited Bucharest Branch is located at Premium Point, 7-8th floors, 78-80 Buzesti, District 1, Bucharest, Romania. Tel: +40.200.96.00, Fax: +40.200.96.31/32.

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