
FOR IMMEDIATE DISTRIBUTION: 13 SEPTEMBER 2023**Franklin Templeton believes that it is in the best position to continue as Fund Manager of Fondul Proprietatea and generate returns for all shareholders**

Bucharest, September 13, 2023 – Franklin Templeton International Services S.À R.L. (“FTIS”), in its capacity of alternative investment fund manager and sole director of [Fondul Proprietatea S.A.](#) (the “Fund”/ “Fondul Proprietatea”), notes the proposal put forward by the Ministry of Finance to supplement the agenda of the convening notice of the Fund’s GSM called on September 25.

The Ministry’s proposal refers to a) the renewal of the mandate of Franklin Templeton as Fund Manager of Fondul Proprietatea for one year (between 1 April 2024 - 31 March 2025), instead of four-year, as initially proposed in the convening notice, and b) the empowerment of the Board of Nominees of the Fund to initiate a selection process for a new Fund Manager.

Franklin Templeton, having put forward the proposal of a four-year investment management mandate, believes it is in the best position to continue to create value for all its shareholders building on the implementation of a well proven strategy to increase the value of portfolio companies, active engagement in relation to the companies in the Fund’s portfolio and cash distributions to shareholders.

This effort is supported by a highly qualified and experienced Franklin Templeton team in Bucharest, which is in turn supported by the Franklin Templeton organisation, which is one of the largest global investment managers. This joint effort has delivered exceptional results for its shareholders over the past 13 years, as most recently demonstrated by the successful listing of Hidroelectrica, which was the largest listing in Romania to date and one of the biggest listings in Eastern Europe.

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

- **Active management of the Fund’s portfolio:** Franklin Templeton focused on the introduction of proper corporate governance in the portfolio SOEs, and measures to improve efficiency and profitability of all portfolio companies (including undertaking certain legal actions to protect the value of underlying holdings).
- The share price has consistently been on an upward trend, with **a total return of over 624%** in RON since the Fund was listed on the Bucharest Stock Exchange in January 2011¹.

¹ As of 15 August 2023

- The **total return of the Fund's NAV/share** has been over **301%** since December 2010.²
- Total distributions to shareholders made since 2010, including the current estimates for 2023, reaches **RON 27.4 billion (USD 6.7 billion)**.³
- Over the years, constantly worked towards **narrowing the discount to NAV** through the implementation of clear and transparent capital allocation, which was enabled by vastly improved governance and profitability of the underlying holdings in the portfolio.
- Swiftly planned for the distribution of a **special dividend** from the proceeds of the Hidroelectrica IPO, with a gross value of **RON 1.7225** per share.
- The Fund Manager has attracted over **USD 1.5 billion** from foreign investors in Fondul Proprietatea since its Bucharest listing in January 2011.
- The Fund Manager has constantly promoted the Fund, Romania and the local capital market to a wide base of global institutional investors organizing **6,200 meetings, 2200 conference calls** and **over 260 road-shows, investor days events, and conferences** over the 13 years since the listing on the Bucharest Stock Exchange.
- Executed 34 private transactions, 14 full exits via the capital market (IPOs, SPOs, ABBs, market sales) with a cumulated value exceeding **RON 19.4 billion (USD 4.2 billion)**.
- The Fund Manager has completed **13 buy-back programs** of **RON 8,109.6 million** in total and repurchased over 58% of the Fund's issued shares as at end of January 2011, between May 2011 – Dec 2022. The 14th buy-back programme started on 3 January 2023 and is currently ongoing.⁴

The Fund Manager recommends shareholders to support a four-year mandate for Franklin Templeton as Fund Manager at the helm of Fondul Proprietatea. This will ensure stability and the potential to continue building on a proven track record of creating value for all its shareholders, and with the support of shareholders, the implementation of an investment strategy to continue the further development of the Romanian capital market.

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² As of 15 August 2023

³ As of 15 August 2023

⁴ As of 15 July 2023



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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 76-80 Buzesti Street, 7th Floor, District 1, Bucharest, 011017, Romania. For more information on Fondul Proprietatea, please visit <http://www.fondulproprietatea.ro>.

2. About Franklin Templeton

Franklin Resources, Inc. [NYSE:BEN] is a global investment management organization with subsidiaries operating as Franklin Templeton and serving clients in over 165 countries. Franklin Templeton's mission is to help clients achieve better outcomes through investment management expertise, wealth management and technology solutions. Through its specialist investment managers, the company brings extensive capabilities in equity, fixed income, multi-asset solutions and alternatives. With offices in more than 30 countries and approximately 1,300 investment professionals, the California-based company has over 75 years of investment experience and approximately \$1.42 trillion in assets under management as of 31 August 2023. For more information, please visit www.franklintempleton.ro.



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Franklin Templeton established an office in Bucharest in May 2010, with a team of 29 employees, including 6 locally based investment professionals, who are further supported by 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 International 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. A00000154/21 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.

This release herein is issued by FTIS Bucharest Branch, registered therein under the number 40198471.

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