



# Fondul Proprietatea



## Franklin Templeton – Firm Overview

**FONDUL**  
PROPRIETATEA

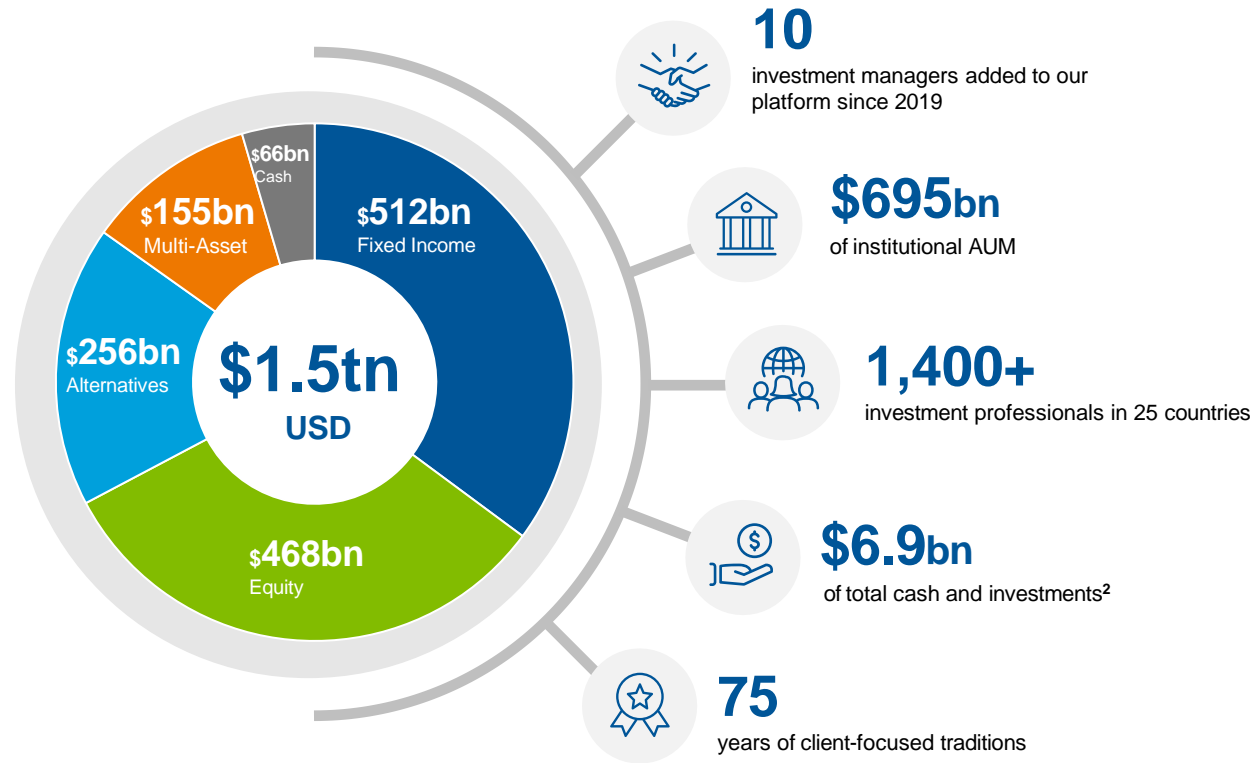


**FRANKLIN  
TEMPLETON**

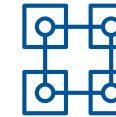
# Extensive range of specialised capabilities

\$1.5 trillion in assets under management<sup>1</sup>

FONDUL  
PROPRIETATEA



Product innovation



Cutting edge technology



Thought leadership



Clients in  
**150+**  
countries

1. AUM is in USD as of 31 December 2023 and does not include AUM from Putnam Investments (\$148bn). Franklin Templeton completed its acquisition of Putnam Investments on 1 January 2024.

2. Total cash and investments is as of 30 September 2023 includes approximately \$300 million of employee-owned and other third-party investments made through partnerships.

# Gateway to investment specialists

## Our Investment Capabilities

### Fixed Income ● \$512bn

Loans  
Credit  
Emerging Markets  
Government  
Green / Social Bonds  
Multi-Sector  
Securitized  
Sukuk

### Equity ● \$468bn

Emerging / Frontier  
Global  
Preferred / Convertibles  
Sector  
Shariah  
Single Country Equity  
Thematic  
US Equity

### Alternatives ● \$256bn

Alternative Credit  
Digital Assets  
Hedged Strategies  
Private Equity  
Real Estate  
Secondaries  
Venture Capital

### Multi-Asset ● \$155bn

Balanced  
Income  
Managed Volatility  
Model Portfolios  
Target Date  
Target Risk  
Target Volatility

## Our Investment Managers

## Asset Classes

Franklin Templeton (1947)	●	●	●	●
Alcentra (2002)			●	
Benefit Street Partners (2008)			●	
Brandywine Global (1986)	●	●		
Clarion Partners (1982)			●	
ClearBridge Investments (2005)		●	●	
K2 Advisors (1994)			●	
Lexington Partners (1994)			●	
Martin Currie (1881)		●		
Putnam Investments (1937)		●		
Royce Investment Partners (1972)		●		
Western Asset (1971)	●			

## Complemented by innovations in

Sustainable and Impact investing, Smart Beta, Custom Indexing, Frontier Risk Alternatives, and others

AUM is in USD as of 31 December 2023 and does not include AUM from Putnam Investments (\$148bn). Franklin Templeton acquired Putnam Investments on 1 January 2024. Total AUM of \$1.5tn includes \$66bn in cash management not represented here.



# Worldwide locations

## US

Andover	Pasadena
Atlanta	Philadelphia
Baltimore	Raleigh
Boston	Rancho Cordova
Chicago	Rochester
Columbus	Salt Lake City
Dallas	San Mateo
Ft. Lauderdale	San Ramon
Greenwich	Short Hills
Jackson	St. Petersburg
Lincoln	Stamford
Los Angeles	Washington D.C.
Menlo Park	West Palm Beach
Miami	Westport
New York	Wilmington

## EMEA

Amsterdam	Luxembourg
Bratislava	Madrid
Brussels	Milan
Bucharest	Paris
Budapest	Poznan
Cape Town	Riyadh
Douglas	Stockholm
Dubai	Tel Aviv
Dublin	Vienna
Edinburgh	Warsaw
Frankfurt	Zurich
Geneva	
Istanbul	
Leeds	
London	

## APAC

Ahmedabad	Singapore
Bangalore	Sydney
Beijing	Tokyo
Brisbane	Visakhapatnam
Chennai	
Hong Kong	
Hyderabad	
Kolkata	
Kuala Lumpur	
Melbourne	
Mumbai	
New Delhi	
Pune	
Seoul	
Shanghai	

## Americas

Buenos Aires
Calgary
Mexico City
Montevideo
Montreal
Nassau
Rio de Janeiro
Santiago
Sao Paulo
Toronto

# Fund Information

**FONDUL**  
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# History of the Fund



The Fund was created by the Romanian Government in 2005 as a vehicle for providing compensation to those individuals whose real estate assets had been abusively confiscated by the Communist regime and could not be given back in-kind – Romania is still the only country in the world that attempted full restitution for the properties confiscated

The Fund was one of the largest closed-end funds in the world with an estimated value of assets of USD 4.3 billion<sup>1</sup>



In 2008, the Government initiated an international tender process to select a Fund Manager.



More than 35 asset managers participated in the selection process.



Franklin Templeton won the selection process in June 2009 and started managing the Fund in September 2010.



The mandate is renewed every 2 years. Current mandate is valid until 31 March 2024.

As at 31 October 2010. Source: Fondul Proprietatea Prospectus for admission to trading on the Bucharest Stock Exchange, 31 October 2010 NBR USD/RON FX rate.

# Key terms of the Management Agreement in force

**Management Agreement**  
**1 April 2022 –**  
**31 March 2024**



## Base Fee per Year

- 0.45%



## Distribution Fees for Cash Distribution

- 2.50%: 1 April 2022 – 31 March 2023
- 1.75%: 1 April 2023 – 31 March 2024



## Duration

- 2 years



## Consideration for Base Fee

- Weighted average market cap of the Fund



## Consideration for Cash Distribution Fee

- Share buy-backs, GDR buy-backs, share capital returns, dividends

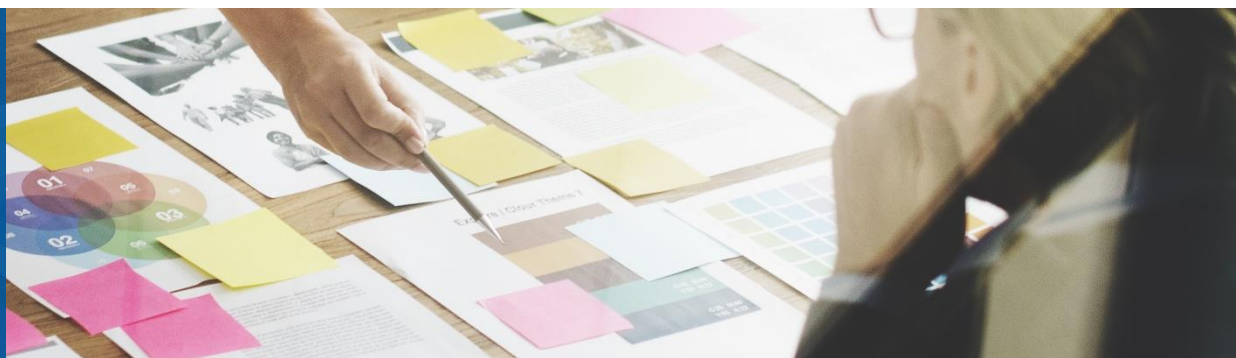
Source: Fondul Proprietatea 29 September 2021 and 15 December 2021 GSM decisions.



# Investment strategy and performance objectives

## Investment Objective

FP's investment objective is the maximization of returns to shareholders and the increase of the net asset value per share via investments mainly in Romanian equities and equity-linked securities.



## Investment Strategy

- Active management and engagement with current portfolio companies to increase their value
- Buy-back programs of own shares (share repurchases and / or public tender offers) and cash distributions to shareholders (annual dividend income from portfolio companies, except special cash distributions, plus interest on cash less operating expenses and taxation, and less compulsory allocation to reserves, in accordance with regulations in force)



## Performance Objectives (IPS)<sup>1</sup>

- Discount of 15% or less for at least two thirds of the trading days between 1 January – 31 December 2023
- Higher adjusted NAV per share than the NAV per share reported as at the end of the previous Reporting period, i.e., NAV per share as at 31 December 2022<sup>2</sup> (RON 2.5701 per share)

1. For the Reporting period 1 January – 31 December 2023.

2. The adjusted NAV for a given date is calculated as the sum of: (1) the reported NAV as at the end of the reporting period, (2) any distributions to shareholders, being either dividend or non-dividend ones (i.e. in this case following reductions of the par value of the shares and distribution of the decreasing amount to shareholders) implemented after the end of the previous reporting period, and (3) any distribution fees (as defined in the IMA), and any transaction costs and/or distribution costs relating to either dividend or non-dividend distributions including buy-backs of shares and/or GDRs, and/or depository interests executed through daily acquisitions or public tenders, after the end of the previous Reporting Period. The adjusted NAV per share is equal to the adjusted NAV divided by the total number of the Fund's paid shares, less treasury shares (FP ordinary shares bought back) and less equivalent in FP ordinary shares of FP GDRs acquired and not yet converted into FP ordinary shares, on the last day of the reporting period.

# Performance objectives



## NAV Objective

Adjusted NAV/share as at the end of the Reporting Period > NAV/share as at the end of the previous reporting period

## Discount Objective

The discount between closing price and last reported NAV/share  $\leq 15\%$ , in at least 2/3 of the trading days in the Reporting Period (i.e. 1 January – 31 December for each year)



## Discount Control Mechanism

- Buy-back programs of shares and GDRs, via daily buy-backs or tender offers
- Dividend distributions
- Reduction of the nominal value of shares and cash distributions
- Increasing investor demand for the shares and GDRs by:
  - Maintaining a transparent cash distribution policy
  - Increasing the share of listed companies in the portfolio and their transparency
  - Building good communication through active investor relations work
  - Supporting initiatives to make the Romanian capital market more attractive for investors

Source: FP Investment Policy.

Notes: The adjusted NAV for a given date is calculated as the sum of: (1) the reported NAV as at the end of the reporting period, (2) any distributions to shareholders, being either dividend or non-dividend ones (i.e. in this case following reductions of the par value of the shares and distribution of the decreasing amount to shareholders) implemented after the end of the previous reporting period, and (3) any distribution fees (as defined in the IMA), and any transaction costs and/or distribution costs relating to either dividend or non-dividend distributions including buy-backs of shares and/or GDRs, and/or depository interests executed through daily acquisitions or public tenders, after the end of the previous Reporting Period. The adjusted NAV per share is equal to the adjusted NAV divided by: the total number of the Fund's paid shares, less treasury shares (FP ordinary shares bought back) and less equivalent in FP ordinary shares of FP GDRs acquired and not yet converted into FP ordinary shares, on the last day of the reporting period.

Full details of the Performance Objectives can be found in the Fund's Management Agreement, available on the Fund's website [www.fondulproprietatea.ro](http://www.fondulproprietatea.ro).

# NAV objective

## Objective

- The Adjusted NAV per share at 31 December 2023 to be higher than NAV per share as at 31 December 2022 (RON 2.5701 per share).

## 2023 - monitoring

- The Adjusted NAV per share as at 31 December 2023 is 31.5% higher than the NAV per share as at 31 December 2022.

NAV Objective	Amount RON	Details
<b>Total NAV as at 31 December 2023</b>	<b>2,350,138,488</b>	
Dividend distributions after 31 December 2022	9,450,090,560	Gross dividend distributions of (1) RON 0.05 per share with Payment Date 6 June 2023 and of (2) RON 1.7225 per share with Payment date 29 September 2023
Distribution fees for dividend distributions performed after 31 December 2022	165,046,268	Distribution fee for the 2 dividend distributions mentioned above
Distribution fees for buy-backs after 31 December 2022	36,015,541	Distribution fees for buy-backs
Costs related to buy-backs after 31 December 2022	20,774,299	Fees related to the buy-back programmes, excluding the distribution fees for buy-backs
Costs related to dividends paid after 31 December 2022	140,922	Central Depository and Paying Agent fees
<b>Total Adjusted NAV 31 December 2023</b>	<b>12,022,206,077</b>	
Number of Fund's paid shares, less treasury shares and GDRs held as at 31 December 2023	3,556,427,239	
<b>Adjusted NAV per share as at 31 December 2023</b>	<b>3.3805</b>	
<b>NAV per share as at 31 December 2022</b>	<b>2.5701</b>	
<b>Variation</b>	<b>0.8104</b>	
<b>%</b>	<b>31.5%</b>	

Source: Fund Manager calculations.

Note: The adjusted NAV for a given date is calculated as the sum of: (1) the reported NAV as at the end of the reporting period, (2) any distributions to shareholders, being either dividend or non-dividend ones (i.e. in this case following reductions of the par value of the shares and distribution of the decreasing amount to shareholders) implemented after the end of the previous reporting period, and (3) any distribution fees (as defined in the IMA), and any transaction costs and/or distribution costs relating to either dividend or non-dividend distributions including buy-backs of shares and/or GDRs, and/or depository interests executed through daily acquisitions or public tenders, after the end of the previous Reporting Period. The adjusted NAV per share is equal to the adjusted NAV divided by the total number of the Fund's paid shares, less treasury shares (FP ordinary shares bought back) and less equivalent in FP ordinary shares of FP GDRs acquired and not yet converted into FP ordinary shares, on the last day of the reporting period.

# Discount objective

## Objective

- The discount between the closing price of the Fund's shares on BVB – REGS and the latest reported NAV per share to be equal to, or lower than 15%, in at least two thirds of the trading days in the reporting period 1 January – 31 December 2023.

## 2023 - monitoring

- In the period between 1 January 2023 and 31 December 2023, the discount to NAV was above 15% in all trading days.

## Discount evolution

	Discount at 3 January 2023	Discount at 31 December 2023	Average Discount 3 January – 31 December 2023	Discount Range 3 January – 31 December 2023
Share price <sup>1</sup>	-18.8%	-17.5%	-23.9%	min -15.6%/ max -84.0%
GDR <sup>1</sup>	-20.1%	-18.6%	-24.5%	min -15.6%/ max -84.5%

	Average Discount 3 January – 31 December 2023	Discount Range 3 January – 31 December 2023
Share price <sup>2</sup>	-22.8%	min -15.6%/ max -39.7%
GDR <sup>2</sup>	-23.4%	min -15.6%/ max -40.8%

The table presents information regarding the average discount and discount range under the assumption that discount for 7-14 September 2023 is calculated based on 31 August 2023 NAV (in order to eliminate the mismatch between the NAV and FP BVB market price adjustment).

Source: Fund Manager calculations.

Notes:

- The discount is calculated according to the IPS.
- The discount is calculated according to the IPS, based on the latest published NAV per share available for the day of the calculation except for the period 7-14 September 2023, when discount is calculated based on 31 August 2023 NAV, published on 15 September 202.



# The Alternative Investment Fund Manager

## Local functions



**Portfolio  
Management  
& Investment  
Research**



**Fund  
Accounting**



**Corporate  
Accounting**



**Legal and  
Company  
Secretary**



**Investor  
Relations &  
Corporate  
Strategy**



**Public  
Relations**



**Client Dealer  
Services**

## Central functions



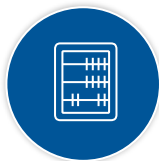
**Regulatory  
Compliance**



**Risk  
Management**








**Trading and  
cash  
management**



**Portfolio  
valuation**

# Board of Nominees – Members

	Position in BoN	Current Position	Mandate Until
	<b>Ilinca von Derenthall</b> Chairperson	Independent non-Executive Board Director	26 November 2026
	<b>Ciprian Ladunca</b> Chairperson of the Audit and Valuation Committee	Independent non-Executive Board Director	16 November 2026
	<b>Nick Paris</b> Chairperson of the Nomination and Remuneration Committee	Managing Director of LIM Advisors and Myanmar Investments Internat. Ltd	6 April 2024
	<b>Omer Tetik</b> Member	CEO, Banca Transilvania	6 April 2024
	<b>Martin Bernstein</b> Member	Investment Manager, B. Riley Financial	27 April 2025

# Key Facts

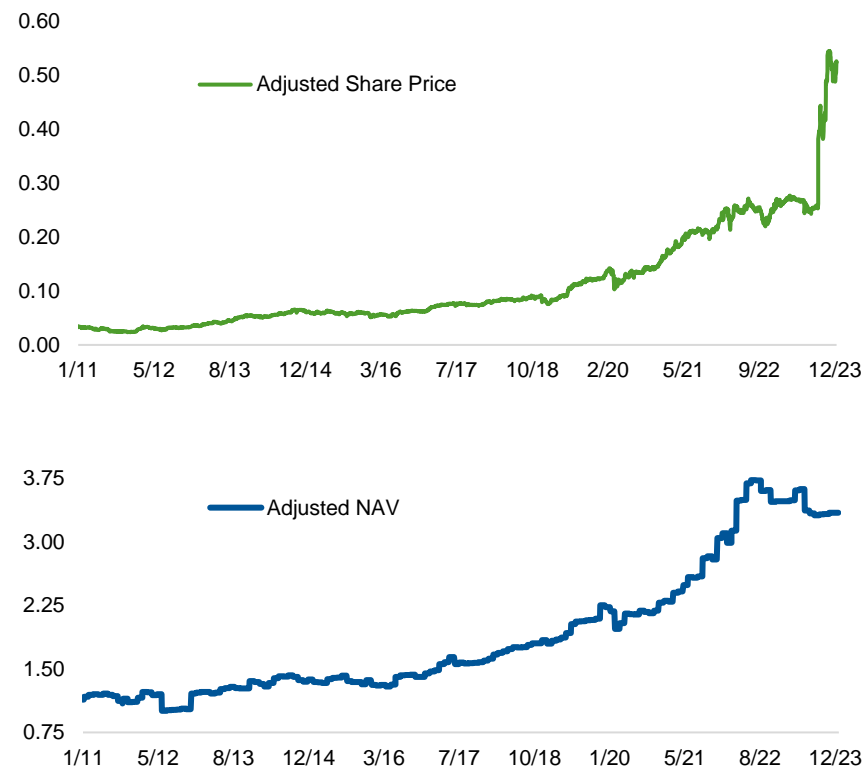


## Fund Details as at 31 December 2023

	RON	USD
Total NAV	<b>2.35 bn</b>	<b>0.52 bn</b>
NAV / Share	<b>0.6608</b>	<b>0.1470</b>
Price / Share	<b>0.5230</b>	<b>0.1163</b>
Price / GDR	<b>25.63</b>	<b>5.70</b>
Market Capitalization <sup>1</sup>	<b>1.86 bn</b>	<b>0.41 bn</b>
Discount per Share	<b>(17.53)%</b>	
Discount per GDR	<b>(18.57)%</b>	
Dividend Yield for the RON 0.05 RON Dividend/Share <sup>2</sup>	<b>2.46%</b>	
Dividend Yield for the RON 1.7225 RON Dividend/Share <sup>3</sup>	<b>86.82%</b>	



## Adjusted Share Price and NAV (RON)



Source: FP December 2023 Factsheet, BVB and Bloomberg, NBR for the RON/USD FX rate, Fund Manager calculations.

Note 1: The discount/premium is calculated based on the latest published NAV available for the day of the calculation, according to the IPS.

Note 2: The USD values are calculated based on the NBR FX as at the day of the calculation.

1.Excluding Treasury shares and the equivalent number of shares corresponding to the GDRs repurchased as at 31 December 2023.

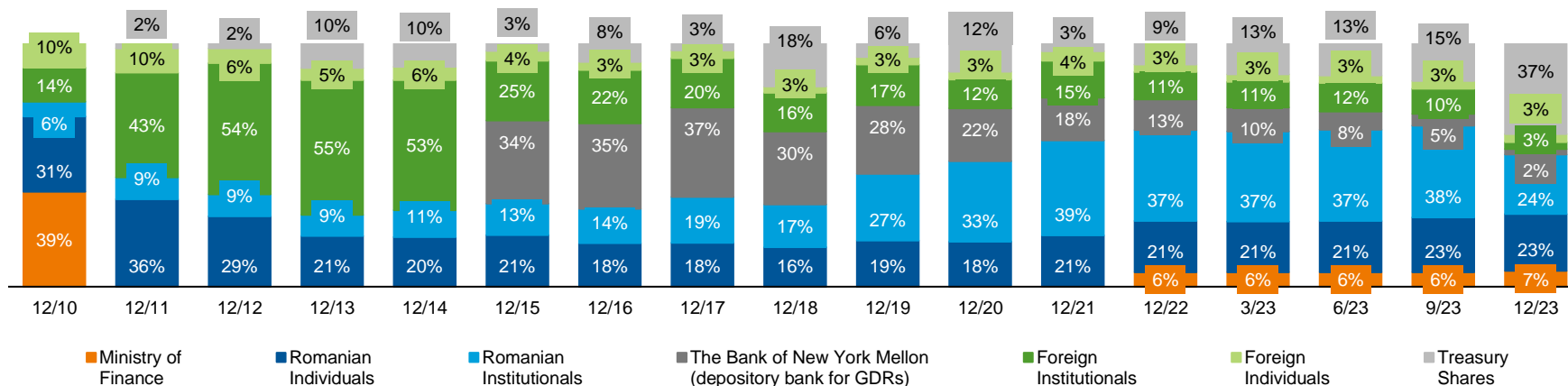
2. Based on FP share price as at 12 May 2023, the Registration date for the RON 0.05 dividend per share distribution approved by shareholders during the 21 April 2023 Annual GSM.

3. RON 1.7225 dividend per share distribution approved by shareholders in the 18 August 2023 OGSM. Yield calculated based on the FP share price as at 6 September 2023.

# Shareholder structure



## Evolution (% Held)<sup>1</sup>



## Largest Shareholders<sup>2</sup>

NN Private Pension Funds	11.24%
Ministry of Finance	5.97%
Silver Point Capital Funds	4.89%
Metropolitan Life Pension and Insurance Funds	4.74%
Allianz-Tiriac Private Pension Funds and Allianz Insurance	4.13%

Total Number of Shareholders<sup>3</sup> 22,673

All treasury shares repurchased by the Fund are being cancelled on a regular basis.

1. Note: Based on the paid share capital starting December 2011. Source: FP shareholder structure reports.

2. Based on the total voting rights as declared by shareholders through the ownership disclosures submitted on: 22 December 2023 by Metropolitan Life Pension Fund and Metropolitan Insurance, 12 December 2023 by Allianz-Tiriac Private Pension Funds and Allianz Insurance, 5 April 2023 by Silver Point Capital Funds, 11 April 2022 by NN Private Pension Funds and 1 April 2022 by Ministry of Finance.

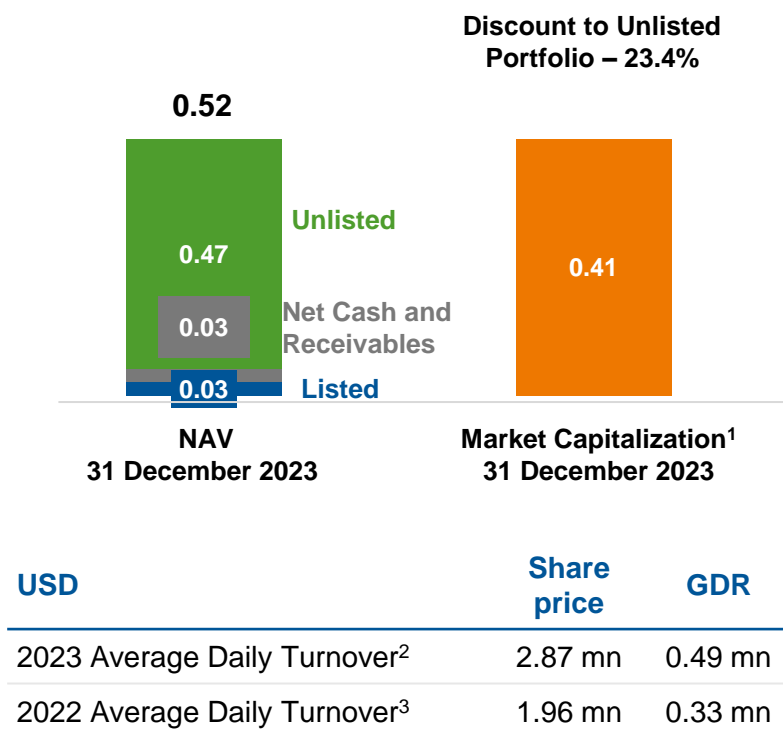
3. Source: FP shareholder structure report as at 31 December 2023.



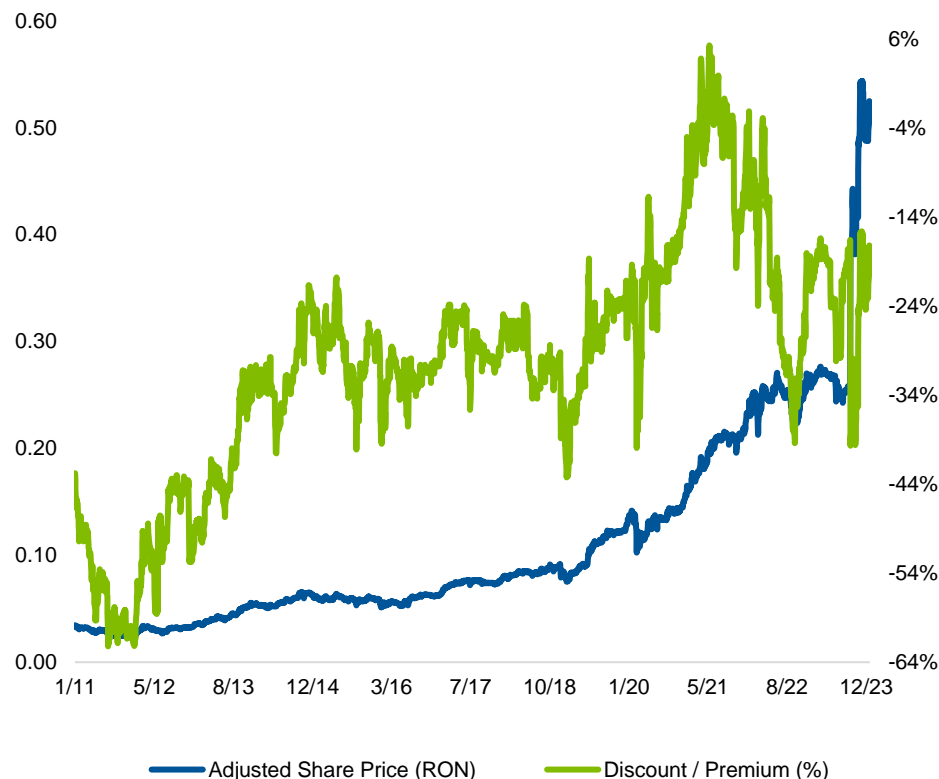
# FP Market valuation / performance



## NAV vs. Market Capitalization (USD bn)



## FP Adjusted Share Price (RON) vs. Discount / Premium (%)



Source: FP December 2023 Factsheet, Bloomberg and BVB, NBR USD/RON FX rate, Fund Manager calculations.

1. Excluding Treasury shares and the equivalent number of shares corresponding to the GDRs repurchased as at 31 December 2023.

2. As at 31 December 2023. Share price USD value based on the 31 December 2023 NBR USD/RON FX rate.

3. Share price USD value based on the 31 December 2022 NBR USD/RON FX rate.

# NAV, Share price and GDR Performance



## Cumulative Performance<sup>1</sup>

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	YTD <sup>2</sup>	Since Performance Inception <sup>2</sup>
NAV (RON)	(0.5)%	8.9%	13.3%	1.4%	(0.6)%	7.3%	13.1%	19.9%	31.2%	2.2%	47.8%	19.1%	(2.4)%	315.3%
Share Price (RON)	(30.3)%	38.3%	61.3%	14.5%	(4.1)%	4.9%	21.5%	9.9%	49.1%	37.8%	48.5%	12.2%	45.0%	989.5%
GDR (USD)	N/A	N/A	N/A	N/A	N/A	1.2%	35.9%	(1.9)%	41.4%	48.5%	42.0%	3.9%	34.9%	355.2%



## Average Discount to NAV

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	YTD <sup>3</sup>	Current <sup>3</sup>
Share Price	(55.7)%	(50.1)%	(40.7)%	(30.9)%	(29.1)%	(32.1)%	(28.1)%	(29.5)%	(29.4)%	(21.1)%	(5.7)%	(21.6)%	(23.9)%	(17.5)%
GDR	N/A	N/A	N/A	N/A	(29.6)%	(30.0)%	(27.0)%	(29.8)%	(30.7)%	(21.7)%	(7.6)%	(22.4)%	(24.5)%	(18.6)%

Source: BVB, Bloomberg, FP Factsheets.

Note: The discount/premium is calculated based on the latest published NAV available for the day of the calculation.

The Performance Inception date for the NAV is 31 December 2010, for the Share Price is 25 January 2011, and for the GDRs is 29 April 2015.

1. Dividend adjusted.

2. As at 31 December 2023.

3. As at 31 December 2023, calculated in accordance with the IPS.



# Portfolio

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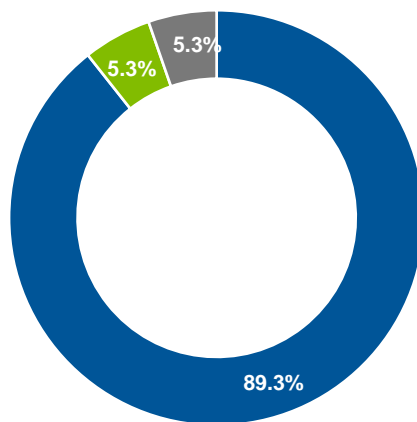
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# Portfolio Structure



## Listed vs Unlisted

(% of NAV as at 31 December 2023)<sup>1</sup>

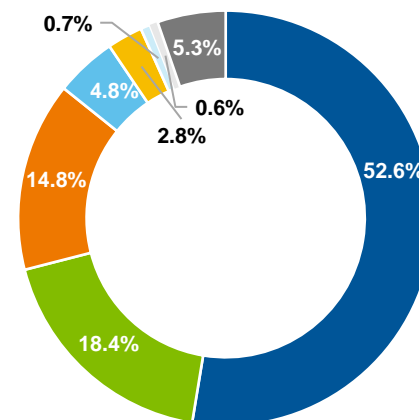


■ Unlisted ■ Listed ■ Net Cash & receivables



## By Sector

(% of NAV as at 31 December 2023)<sup>1</sup>



■ Infrastructure ■ Power & Gas Utilities: Transport, Distribution & Supply ■ Heavy Industry ■ Aluminium ■ Power utilities: Generation ■ Postal Services ■ Others ■ Net Cash & Receivables

- As at 31 December 2023, the portfolio included stakes in 25 companies (5 listed and 20 unlisted).
- The net cash and receivables as at 31 December 2023 was USD 27.8 million<sup>2</sup>.

1. Source: FP December 2023 Factsheet.

2. Source: 31 December 2023 NAV report, based on the NBR RON/USD FX rate as at 31 December 2023.



# Largest Holdings by NAV

Portfolio Company	Status	Majority Shareholder	% FP Stake <sup>1</sup>	NAV as at 31 December 2023 (USD mn)	% in NAV as at 31 December 2023
Bucharest Airports	Unlisted	Romanian State	20.0%	195.2	37.4%
Engie Romania	Unlisted	Engie	12.0%	96.2	18.4%
Constanta Port	Unlisted	Romanian State	20.0%	73.0	14.0%
Salrom	Unlisted	Romanian State	49.0%	70.8	13.6%
Alro SA	Listed	Vimetco PLC	10.2%	25.0	4.8%
<b>Top Portfolio Holdings</b>				<b>460.3</b>	<b>88.1%</b>
<b>Net Cash and Receivables</b>				<b>27.8</b>	<b>5.3%</b>
<b>Total NAV</b>				<b>522.7</b>	
<b>NAV Per Share (USD)</b>				<b>0.1470</b>	

Source: FP December 2023 Factsheet.

Note: Values in USD calculated using the NBR RON/USD FX rate as at 31 December 2023.

1. Based on the FP 30 September 2023 Detailed Statement of Investments.



# Corporate Actions

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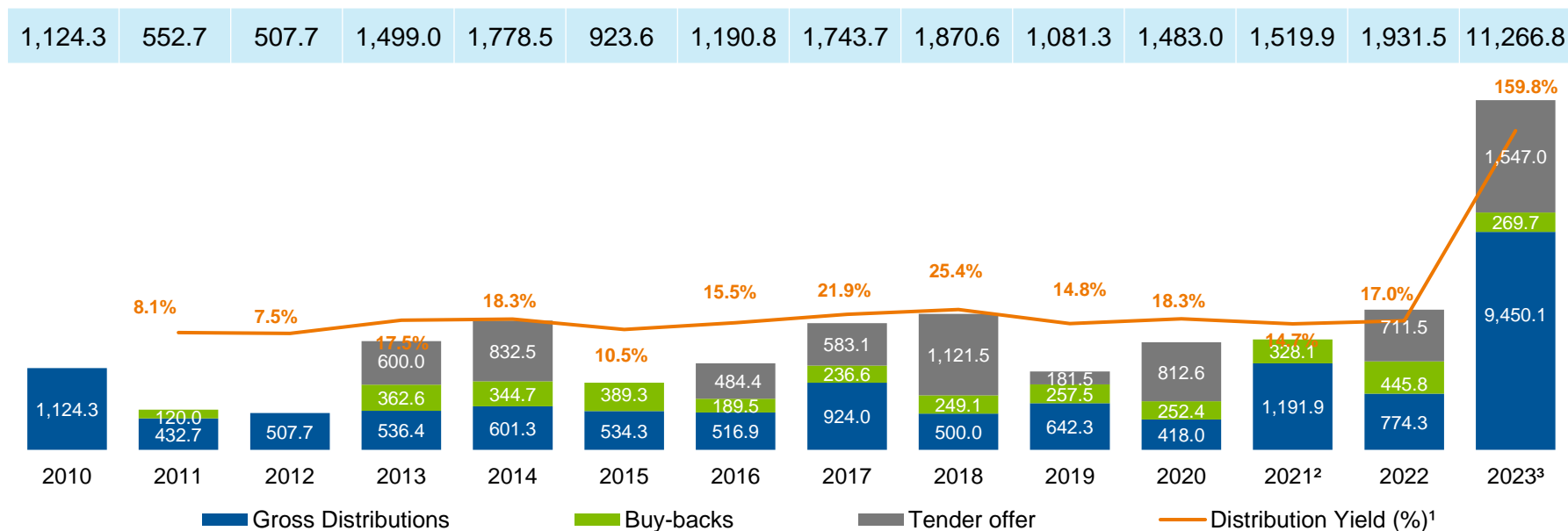


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# Distributions to Shareholders



## Annual Distributions to Shareholders (RON mn)



**The total distributions through buy-backs and cash would amount to RON 28.5 bn / USD 6.9 bn<sup>4</sup>**

Source: Fund Manager calculations, Fund Manager annual results reports, Fund Manager current reports.

Note: Values exclude related acquisition fees. USD values based on the NBR average USD/RON FX for each year. For 2023, average RON / USD FX as at 31 December.

1. Based on the total annual distributions through buy-backs and cash, the average closing share price on BVB for the respective year, and the average number of paid shares excluding Treasury shares at year-end. For 2023: average closing share price as at 31 December and average number of paid shares excluding Treasury shares as at 31 December.

2. 2021 Gross distributions figure refers to the 3 special gross distributions approved during the year.

3. Fund Manager estimations based on buy-backs as at 31 December, RON 0.05 per share, RON 1.7225 per share gross dividends and number of paid shares excluding Treasury shares as at 31 December.

4. As at 31 December 2023, average NBR RON/USD FX as at 31 December 2023.

# Cash distributions to shareholders

Distribution	Financial year	Paid in	Gross Cash distribution (RON/share)	Net Cash distribution (RON/share)
Dividend	2008-2009 (aggregate)	2010	0.08160	0.06854
Dividend	2010	2011	0.03141	0.02638
Dividend	2011	2012	0.03854	0.03237
Dividend	2012	2013	0.04089	0.03435
Return of Capital	-	2014	0.05000	0.05000
Return of Capital	-	2015	0.05000	0.05000
Return of Capital	-	2016	0.05000	0.05000
Special Distribution	-	2017	0.05000	0.05000
Return of Capital	-	2017	0.05000	0.05000
Dividend	2017	2018	0.06780	0.06441
Dividend	2018	2019	0.09030	0.08579
Dividend	2019	2020	0.06420	0.06099
Special Dividend	-	Starting 22 June 2021	0.07200	0.06840
Special Dividend	-	Starting 27 August 2021	0.07000	0.06650
Special Dividend	-	Starting 18 February 2022	0.06000	0.05700
Dividend	2021	Starting 27 June 2022	0.12500	0.11875
Dividend <sup>1</sup>	2022	Starting 6 June 2023	0.05000	0.04600
Special Dividend <sup>2</sup>	-	Starting 29 September 2023	1.72250	1.58470
<b>Total</b>			<b>2.76424</b>	<b>2.56418</b>

Source: FP GSM Resolutions, Fund Manager calculations.

Note: Values resulted after applying the standard Romanian dividend withholding tax rate (amounting to 16% for the 2010 – 2013 dividend distributions, 5% for the 2018 – 2022 dividend distributions and 8% for the 2023 dividend distributions) to the value of the Gross Cash Distribution per Share. Shareholder could benefit from a reduced dividend withholding tax rate or tax exemption, if either Double Taxation Treaty provisions or a specific Romanian tax law exemption was applicable. The tax treatment of cash distributions resulting from a share capital decrease is uncertain under the Romanian tax law. Based on our understanding of Romanian tax law, we are of the opinion there are good arguments to assume that the cash distribution is not subject to Romanian withholding tax.

1. Dividend approved by shareholders during the 21 April 2023 Annual GSM.

2. Special Dividend approved by shareholders during the 18 August 2023 OGSM.

## Buy – back programs

Program	Period	Status	No. of shares (to be) repurchased / % of the Fund's issued share capital	Average share price (RON / share)	Broker	Cancellation of shares <sup>1</sup>
14 <sup>th</sup>	Jan – Dec 2023	Finalized	2.11 bn / 37.26%	0.8600 <sup>2</sup>	Auerbach Grayson, Swiss Capital	The cancellation of shares will be subject to shareholders' approval during the 30 April 2024 Annual GSM
15 <sup>th</sup>	FY 2024	Approved by shareholders during the 13 February 2024 EGM	1.00 bn / 17.64%	0.2 – 1.0	Auerbach Grayson, Swiss Capital	The cancellation of shares will be subject to shareholders' approval in 2025

Source: Fund Manager current reports, Fund Manager calculations.

1. To be effective, the FSA endorsement is legally required, and the shareholders' resolution for the share capital decrease needs to be registered with the Trade Register.
2. As at 31 December 2023. Based on 2,112,378,889 shares repurchased (1,892,873,339 ordinary shares and 219,505,550 equivalent shares of the GDRs repurchased).



# Past Buy – back programs

Program <sup>1</sup>	No. of shares repurchased (mn shares)	% of the Fund's issued share capital <sup>2</sup>	Average share price (RON/share)	Broker
First	240.30	1.74%	0.4994	Wood & Co.
Second	1,100.95	7.99%	0.8743	Wood & Co., BCR
Third	252.86	1.84%	0.8123	Raiffeisen
Fourth	990.86	7.19%	1.0557	Raiffeisen
Fifth	227.57	1.65%	0.8501	Wood & Co.
Sixth	891.77	6.47%	0.8208	Wood & Co., Goldman Sachs Int.
Seventh	830.25	6.03%	0.8967	Wood & Co., Goldman Sachs Int.
Eighth	141.87	1.03%	0.8624	Wood & Co., Jefferies Internat.
Ninth	1,487.99	10.80%	0.9319	Wood & Co., Jefferies Internat.
Tenth	403.81	2.93%	0.9198	Auerbach Grayson, BCR
Eleventh	797.96	5.79%	1.3347	Auerbach Grayson, Swiss Capital
Twelfth	194.37	1.41%	1.6878	Auerbach Grayson, Swiss Capital
Thirteenth	549.02	3.98%	2.1078	Auerbach Grayson, Swiss Capital
<b>Total</b>	<b>8,109.59</b>	<b>58.86%</b>	<b>1.0502</b>	

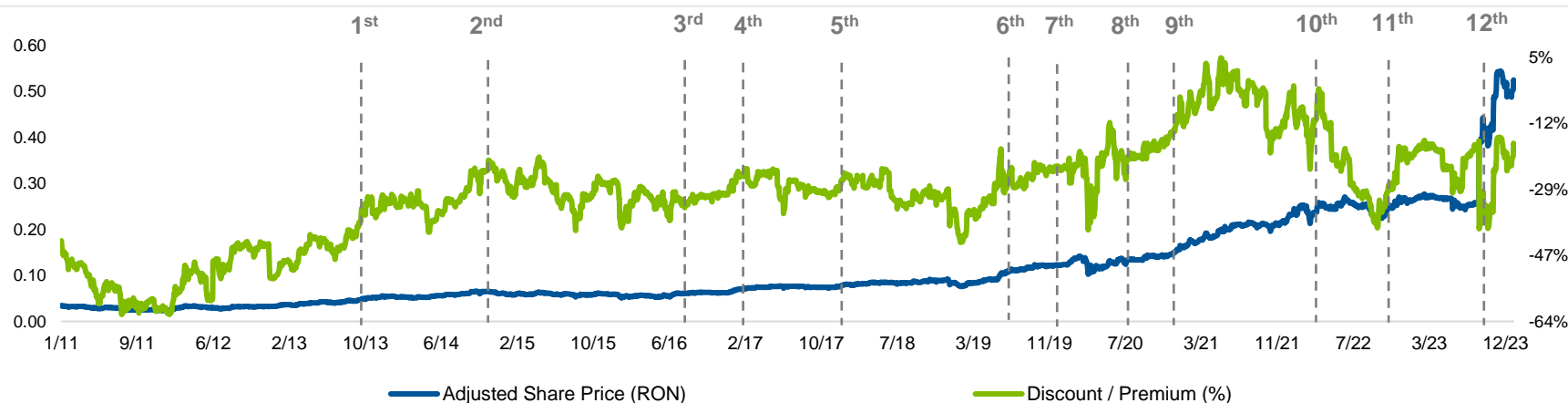
Source: Fund Manager current reports and annual results reports, Fund Manager calculations.

1. Programs for which the cancelation of shares is completed.

2. Based on the Fund's issued share capital as at 31 January 2011.

# Past Tender offers

Tender Offer	Announcement date	Tender price (RON / share)	FP pre-announcement share price (RON / share)	Premium to pre-announcement share price	Discount of offer price to NAV <sup>1</sup>	Take-up rate
1 <sup>st</sup>	10 Oct 2013	1.0000	0.7770	28.70%	15.12%	78.42%
2 <sup>nd</sup>	20 Oct 2014	1.1100	0.8965	23.81%	10.76%	83.74%
3 <sup>rd</sup>	5 Jul 2016	0.8420	0.7380	14.09%	26.43%	62.52%
4 <sup>th</sup>	27 Jan 2017	0.9100	0.8640	5.32%	23.30%	63.13%
5 <sup>th</sup>	15 Dec 2017	0.9350	0.8400	11.31%	22.84%	54.10%
6 <sup>th</sup>	24 Jun 2019	1.2100	1.0550	14.69%	16.00%	53.47%
7 <sup>th</sup>	7 Jan 2020	1.3900	1.1950	16.32%	11.61%	46.51%
8 <sup>th</sup>	17 Jul 2020	1.3900	1.1450	17.63%	11.02%	46.26%
9 <sup>th</sup>	26 Oct 2020	1.3900	1.2900	7.19%	12.47%	21.99%
10 <sup>th</sup>	29 Mar 2022	2.1900	2.0550	6.57%	0.63%	21.18%
11 <sup>th</sup>	17 Jan 2023	2.1900	2.0000	9.50%	14.78%	19.90%
12 <sup>th</sup>	11 Oct 2023	0.6319	0.4000	57.98%	0.00%	61.97%



Source: FP current reports and Tender offer documentation, Bloomberg and BVB.

1. Latest NAV available at the date of the Tender offer announcement: 31 August 2013 for the 1<sup>st</sup> Offer, 30 September 2014 for the 2<sup>nd</sup> Offer, 30 June 2016 NAV for the 3<sup>rd</sup> Offer, 30 December 2016 NAV for the 4<sup>th</sup> Offer, 31 October 2017 NAV for the 5<sup>th</sup> Offer, 31 May 2019 for the 6<sup>th</sup> Offer, 29 November 2019 for the 7<sup>th</sup> Offer, 30 June 2020 for the 8<sup>th</sup> Offer, 30 September 2020 for the 9<sup>th</sup> Offer, 28 February 2022 for the 10<sup>th</sup> Offer, 31 December 2022 for the 11<sup>th</sup> Offer, 31 August 2023 for the 12<sup>th</sup> Offer.

# Annual dividend income – Largest Holdings by NAV

Top Holdings <sup>1</sup>	Dividend Payout (%)					FP Net Dividend (RON mn)				
	2018	2019	2020	2021	2022	2018	2019	2020	2021	2022
Bucharest Airports	90	90	-2	0	50	68.0	36.7	-2	0.0	31.5
Engie Romania	30	30	30	0	0	16.4	12.1	17.9	0.0	0.0
Constanta Port	25	25	25	25	25	3.7	5.5	6.7	6.7	5.7
Salrom	90	50	90	90	90	37.4	19.8	5.6	29.3	56.0
Alro SA	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0
<b>Total Top Holdings (RON mn)</b>						<b>125.5</b>	<b>74.1</b>	<b>30.2</b>	<b>36.0</b>	<b>93.2</b>

Source: Companies' GSM decisions for approving the annual dividend payments.

Note: Annual regular dividends, i.e., excluding special dividends, distributed out of the operating profit recorded during the mentioned financial year. The annual regular dividends are distributed based on the individual financial statements.

1. Source: FP December 2023 Factsheet.

2. The company registered losses.

# Total dividend income from portfolio companies

RON	FP Net Dividend									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 <sup>12</sup>
Total Dividends from Listed Companies (mn)	538.6	251.5	36.0	148.1	199.6	223.0	200.2	117.0	127.7	0.9
Total Dividends from Unlisted Companies (mn)	143.5	315.9	315.2	404.5	366.9	710.0	1,007.9	532.0	800.5	954.9
Total Annual Dividend Income (mn)	682.1	567.4	351.2	552.6	566.5	673.7	525.0	398.1	656.2	875.4
Total Special Dividend Income (mn)	–	–	–	185.2	199.5	259.3	683.1	250.9	272.0	80.4
<b>Total Dividends (mn)</b>	<b>682.1</b>	<b>567.4</b>	<b>351.2</b>	<b>737.8</b>	<b>766.0</b>	<b>933.0</b>	<b>1,208.1</b>	<b>649.0</b>	<b>928.2</b>	<b>955.8</b>
<b>Dividend / Distribution per Share</b>	<b>0.0500</b>	<b>0.0500</b>	<b>0.0500</b>	<b>0.0678</b>	<b>0.0903</b>	<b>0.0642</b>	<b>0.2020<sup>7</sup></b>	<b>0.1250</b>	<b>0.0500<sup>10</sup></b>	<b>1.7225<sup>13</sup></b>
Share Price	0.8130 <sup>1</sup>	0.7200 <sup>2</sup>	0.9180 <sup>3</sup>	0.8990 <sup>4</sup>	1.0150 <sup>5</sup>	1.1850 <sup>6</sup>	1.8520 <sup>8</sup>	1.9880 <sup>9</sup>	2.0350 <sup>11</sup>	1.9840 <sup>13</sup>
Dividend / Distribution Yield	5.84%	6.94%	8.76%	7.54%	8.90%	5.42%	11.02% <sup>8</sup>	6.29% <sup>9</sup>	2.46% <sup>11</sup>	86.82% <sup>13</sup>

Source: Fund Manager calculations, portfolio companies' GSM decisions for approving dividend payments.

Note: The Fund Manager's dividend proposals are calculated based on the Fund's Annual Cash Distribution Policy.

1. As at 29 May 2015.

2. As at 9 June 2016.

3. As at 6 June 2017.

4. As at 11 June 2018.

5. As at 10 June 2019.

6. As at 10 June 2020.

7. Includes the three special dividends distributions approved in 2021 by shareholders.

8. Average share price based on the share price as at the Registration dates for the three special dividend distributions approved in 2021. Dividend yield calculated as total dividend yield for the three special dividend distributions approved in 2021.

9. As at 3 June 2022.

10. Gross dividend distribution approved in the 21 April 2023 Annual GSM.

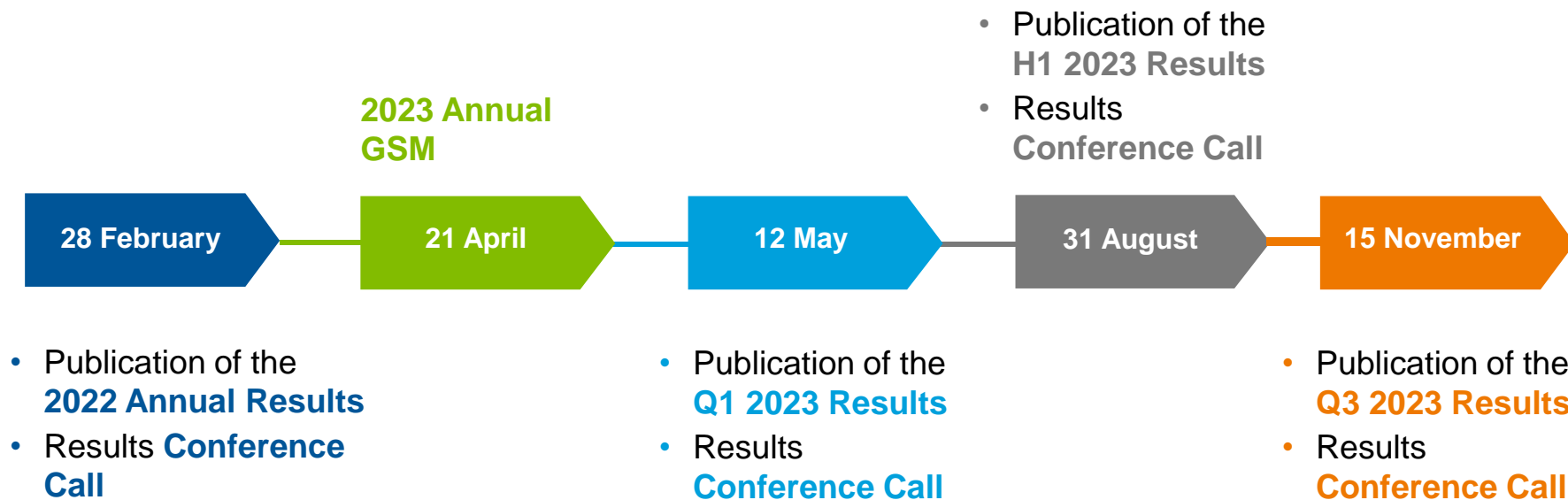
11. Based on FP share price as at 12 May 2023, the Registration date for the RON 0.05 dividend per share distribution approved by shareholders during the 21 April 2023 Annual GSM.

12. As at 31 December 2023.

13. Distribution approved by shareholders in the 18 August 2023 OGSM. Yield calculated based on the FP share price as at 6 September 2023.

# 2023 Financial calendar

## 2023 Annual GSM



More information about the Investor Relations Calendar can be found on the Fund's website  
[www.fondulproprietatea.ro](http://www.fondulproprietatea.ro)



# Fondul Proprietatea – Summary

## Investor Relations

The Fund Manager will continue to proactively engage with current and prospective investors in the Fund.



The Fund has a current Net Asset Value of USD 0.52 billion as at 31 December 2023, trading at a discount of 17.5% on BVB, and 18.6% on LSE, as at 31 December 2023.



The Fund's investment objective is the maximization of returns to shareholders and the increase of the net asset value per share via investments mainly in Romanian equities and equity-linked securities.



Given the discount to NAV, the Fund Manager has not made any new investments. Also, the Fund Manager will continue to focus on further reducing the discount in addition to increasing the NAV per share.



**The Fund Manager seeks to enhance shareholder value through portfolio and corporate actions, such as:**

### Annual Cash Distributions:

Since the start of the mandate, the Fund Manager has paid RON 18.2 billion in total gross distributions, at an average yield of 15 – 16%.

### Buy-backs:

The Fund Manager has completed 14 buy-back programs of RON 10,319.5 million in total and repurchased over 74% of the Fund's issued shares as at end of January 2011, between May 2011 – Dec 2023. The 15th buy-back program was approved by shareholders during the 13 February 2024 EGSM.

### Active management of the Fund's portfolio:

Focus on introduction of proper corporate governance in SOEs, and measures to improve efficiency and profitability of all portfolio companies (including certain legal actions to protect the value of underlying holdings)



## Top Holdings

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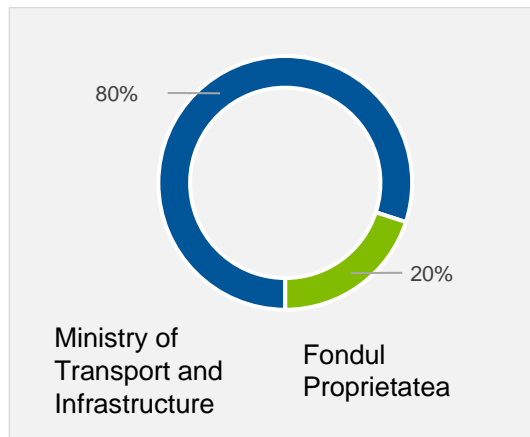
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# Bucharest Airports – Introduction

## Quick Facts

Sector	Type
<b>Infrastructure</b>	<b>Unlisted</b>
Weight in NAV <sup>1</sup>	FP Stake <sup>1</sup>
<b>37.4%</b>	<b>RON 878 mn (USD 195 mn)</b>

## Shareholding Structure



- Operates the 2 airports in Bucharest, which serviced in 2021 over 6.9 mn passengers, versus 4.5 mn in 2020 and 14.7 mn in 2019. In 2021 there were over 92 k aircraft movements, a 36% increase compared to the previous year, and 53% lower compared to 2019, when the company registered the highest traffic.
- Henri Coandă International Airport (Otopeni Airport) is situated 16.5 km from the center of Bucharest, is serviced by 2 x 3.5 km runways and has maximum annual capacity of around 18 mn passengers – it currently handles all commercial airline traffic. Baneasa Airport is 8.5 km from the center of Bucharest, is serviced by a 3.2 km runway and handles private, medical and training traffic.
- Currently, 45 airlines operate on Otopeni Airport, to 128 destinations.
- Approximately 80% of total revenues come from the aeronautical activity, while the rest from the non-aeronautical one.

Source: Bucharest Airport website.

1. Source: December 2023 Factsheet, NBR RON/USD FX rate as at 31 December 2023.



# Bucharest Airports – Update

Financials	2016	2017	2018	2019	2020	2021	2022	H1 2022	H1 2023	% y.o.y.
Operating revenues (mn RON)	754.7	890.9	992.6	1,066.6	405.6	578.0	999.6	425.2	519.5	22.2%
Operating result (mn RON)	263.6	337.6	445.9	399.0	(175.3)	40.8	344.7	160.0	247.9	54.9%
Net Income / Loss (mn RON)	224.7	290.7	371.8	359.6	(146.4)	34.0	304.0	137.6	209.4	52.2%
Number of passengers (mn)	10.99	12.84	13.84	14.73	4.47	6.92	12.61	-	-	-

- Traffic has recovered to pre-Covid levels in **9M 2023** and **surged by 18% year-over-year**, reaching **11.1 million** passengers. This was the main positive driver for the improved operating profitability, which was **up by 32% year-over-year** to **RON 420 million**.
- **Corporate Governance:** All Board members have interim mandates. Selection process was started, and it is expected to be finalised in the coming months.

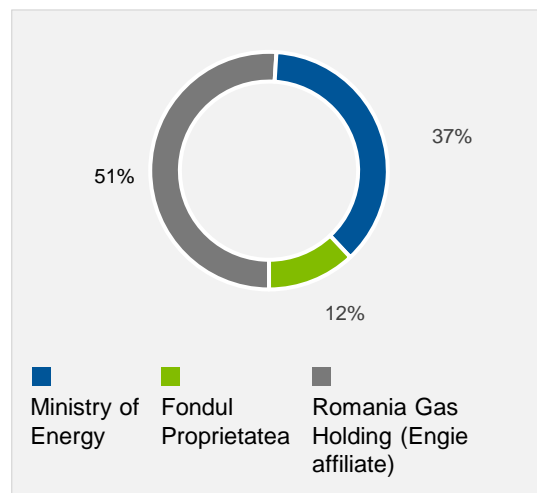
Source: Individual IFRS financial statements

# Engie Romania – Introduction

## Quick Facts

Sector	Type
<b>Power &amp; Gas Utilities</b>	<b>Unlisted</b>
Weight in NAV <sup>1</sup>	FP Stake <sup>1</sup>
<b>18.4%</b>	<b>RON 433 mn (USD 96 mn)</b>

## Shareholding Structure



RON mn <sup>2</sup>	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Sales	4,047	4,127	4,291	4,416	4,473	4,841	5,791	6,689	6,229	6,684	13,586
Operating Profit	415	519	561	475	453	422	486	434	557	86	1,079
Net Profit	353	447	439	381	385	343	429	385	493	70	852

- Source: December 2023 Factsheet, NBR RON/USD FX rate as at 31 December 2023.
- GDF Suez Energy Romania/Engie Romania Consolidated Annual IFRS financial statements.
- ANRE Order no. 75/6 May 2020.
- ANRE's Order no. 1 and no. 3/20 January 2021.
- ANRE Orders no. 39/29.03.2022, and 48/29.03.2023.

**Current regulatory period** started in 2019 until 2024: initial RRR set at 5.7% was modified in March 2019 at 6.9% and was in effect until April 2020. Subsequently ANRE amended the RRR to **6.39% starting May 2020<sup>3</sup>**.

**RRR incentives** effective starting February 2021<sup>4</sup> as follows:

- 1% above the current RRR level for newly employed assets
- 2% for investments fully or partially financed through EU grants.

Engie **gas distribution tariffs<sup>5</sup>** approved for 2023 are on average **57.2% higher** compared to tariffs approved in 2022.

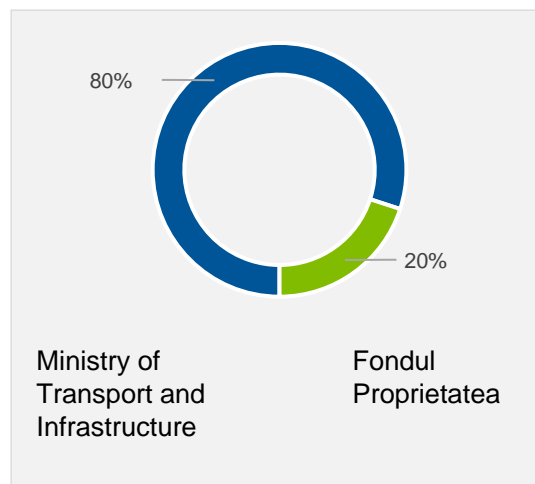


# Constanta Ports – Introduction

## Quick Facts

Sector	Type
<b>Infrastructure</b>	<b>Unlisted</b>
Weight in NAV <sup>1</sup>	FP Stake <sup>1</sup>
<b>14.0%</b>	<b>RON 328 mn (USD 73 mn)</b>

## Shareholding Structure



Operator Type <sup>2</sup>	Area (mn sqm)	Rent/sqm
Privatized operators	2 – 3	0.278
Contracts signed 2000 – 2012	1 – 2	0.782
New contracts		
• Direct award w/valuation	0.5 – 1	0.764
• Public tenders	<0.5	2.426

1. Source: December 2023 Factsheet, NBR RON/USD FX rate as at 31 December 2023.  
2. Source: CN Administratia Porturilor Maritime Constanta 2016 reports.

## Law

- The Ports law was enacted in December 2017.
- The law mandates the establishment under the Competition Council of a Supervisory Board with quite broad powers such as oversight of key decisions related to port administration (ex. endorsement of tariffs methodologies) and conflict arbitration between port administrator and the 3<sup>rd</sup> parties (including regarding rent levels).
- The law limits at 25% the dividend pay-out ratio of port administrations.

## Rent Paid by Operators

- Privatized operators pay significantly lower rents for land used compared to contracts signed more recently (see table to the right).
- Management is continuing negotiations to align these rents with market levels.

## Constanta Ports – Update

Financial performance	2016	2017	2018	2019	2020	2021	2022	H1 2022	H1 2023	% y.o.y.
Operating revenues (RON mn)	314.0	330.5	345.2	369.0	398.8	418.9	479.5	260.3	294.4	13.1%
Operating profit (RON mn)	54.8	93.8	95.8	117.0	145.9	140.6	131.5	106.8	117.7	10.2%
Net Income (RON mn)	36.8	79.7	75.7	108.2	130.3	130.5	114.5	97.8	109.2	11.7%
Total traffic (thousands tons)	59.4	58.4	61.3	66.6	60.4	67.5	75.6	-	-	-

- Traffic reached **65.9 million tons** in **9M 2023**, **up by 15.5% year-over-year**, on the back of cereals and oily seeds linked to Ukraine. Overall, traffic of merchandise in relation with Ukraine **increased 2.6 times year-over-year**, to **17.4 million tons**. Higher traffic drove a **9% year-over-year improvement** in operating profitability, to **RON 180 million**.
- Corporate Governance:** All Board members have interim mandates. The selection process for full mandates has not yet started.

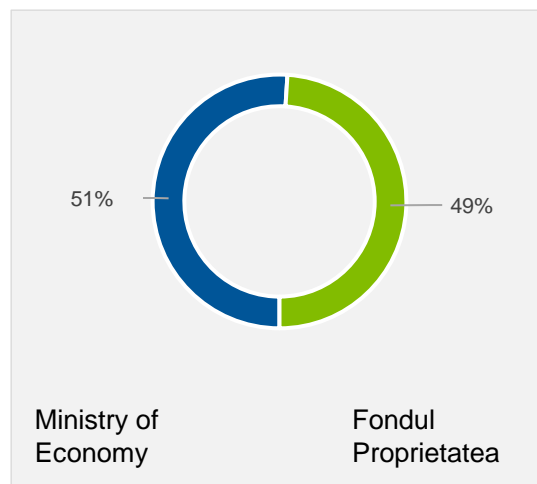
Source: Financial statements in accordance with applicable Romanian accounting regulations

# Salrom – Introduction

## Quick Facts

Sector	Type
<b>Salt mining</b>	<b>Unlisted</b>
Weight in NAV <sup>1</sup>	FP Stake <sup>1</sup>
<b>13.6%</b>	<b>RON 318 mn (USD 71 mn)</b>

## Shareholding Structure



RON mn	2016	2017	2018	2019	2020	2021	2022	% y.o.y.
Operating Revenues	312.4	394.1	436.9	469.2	300.2	374.5	495.3	32.3%
Operating Profit	36.3	107.3	93.5	84.6	15.8	70.1	134.4	91.7%
Net Profit	27.4	81.1	76.4	77.0	11.5	60.2	120.7	100.5%

- Largest **salt producer** in Romania having the concession licenses for about **10% of geological reserves**, economically proven.
- **20 years concession agreements** for 14 exploitation licenses granted in 1998 – 1999 by the National Agency for Mineral Resources (ANRM) having the possibility to be extend every 5 years.
- **Supplying** de-icing salt, industrial salt, brine and chalk used in the chemical sector, table salt, animal feed salt and water softening salt tablets.
- Secondary business line includes **salt mine tourism**.
- **Revenue split**: roughly 90% salt products and limestone and 10% tourism activities.
- **Rock salt** (de-icing and chemical) is the anchor product accounting for roughly **60% of sales** and half of the quantities extracted.
- Salrom's salt exports to Central and Eastern Europe spiked amid Russia-Ukraine conflict during 2022, company successfully managing to fill in the gaps left by the Ukrainian salt producer that halted operations since the start of the conflict.

Source: SN a Sarii S.A. IFRS statements and annual reports.

1. Source: December 2023 Factsheet, NBR RON/USD FX rate as at 31 December 2023.

# Salrom – Update

Financial performance	2016	2017	2018	2019	2020	2021	2022	H1 2022	H1 2023	% y.o.y.
Operating revenues (RON mn)	312.4	394.1	436.9	469.2	300.2	374.5	495.3	195.4	237.0	21.3%
Operating profit (RON mn)	36.3	107.3	93.5	84.6	15.8	70.1	134.4	41.7	57.5	37.9%
Net Income (RON mn)	27.4	81.1	76.4	77.0	11.5	60.2	120.7	35.9	56.5	57.5%

- **Corporate Governance:** In January 2023, shareholders approved the re-launch of the selection process for Board Members based on GEO no. 109/2011, with the selection procedure being conducted at the level of the Ministry of Economy. Currently all Board members have interim mandates.
- **IPO:** The Fund continues to engage with the majority shareholder and the company in relation to preparations for a potential IPO in the context of the protracted process for the appointment of the company's directors under the corporate governance rules applicable to state owned entities.

Source: IFRS financial statements

# Largest Holdings by NAV – Net result evolution

Top Holdings <sup>1</sup>	Net Profit (RON mn)				
	2018	2019	2020	2021	2022
Bucharest Airports	371.8	359.6	(146.4)	34.0	304.0
Engie Romania	428.7	385.2	492.8	69.9	851.9
Constanta Port	75.7	108.2	130.3	130.5	114.5
Salrom	76.4	77.0	11.5	60.2	120.7
Alro SA	235.3	(67.2)	334.8	26.3	409.5
<b>Total</b>	<b>1,187.9</b>	<b>862.8</b>	<b>823.0</b>	<b>320.9</b>	<b>1,800.6</b>

Source: Companies' annual consolidated financial statements.

1. As at 31 December 2023. Source: FP December 2023 Factsheet.





# Active Management

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# Active management – Board members

FT investment team attended  
264 GSMs and 160 Board  
meetings in 2023



No.	Holdings	% Stake <sup>1</sup>	% in Total NAV <sup>1</sup>	No. of Board Members <sup>2</sup>	No. Board Members Recommended by FP <sup>2</sup>
1	Bucharest Airports	20.0%	24.6%	7	1
2	Engie Romania	12.0%	14.5%	9	1
3	Constanta Port	20.0%	9.3%	7	1
4	Salrom	49.0%	8.8%	5	2
5	Alro	10.2%	3.4%	11	1
6	Zirom	100%	0.9%	3	3
7	Romaero	18.9%	0.8%	7	1
8	Administratia Canalelelor Navigabile	20.0%	0.4%	7	1
9	Alcom	71.9%	0.3%	3	2
10	Aeroportul International Timisoara – Traian Vuia	20.0%	0.2%	7	1
11	Administratia Porturilor Dunarii Maritime	20.0%	0.1%	7	1
12	Administratia Porturilor Dunarii Fluviale	20.0%	0.1%	7	1
13	Plafar	49.0%	0.1%	5	2
14	Aeroportul International M Kogalniceanu – Constanta	20.0%	0.1%	7	1
15	Complexul Energetic Oltenia	21.6%	0.0%	7	1
16	Electrocentrale Craiova	21.6%	0.0%	5	1
<b>Total</b>			<b>63.6%</b>	<b>104</b>	<b>21</b>

1. Source: FP 30 September 2023 Detailed Statement of Investments.

2. As at 31 December 2023.



## Research coverage

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# Research coverage



Broker	Analyst
Banca Comerciala Romana	Caius Roa Rapanu
Concorde Securities Ltd.	Gellert Gaal
Intercapital Invest	Ronnie Khreis
IPOPEMA Securities	Florin-Adrian Ciocoi
Swiss Capital	Daniela Mandru
WOOD & Company	Iuliana Ciopraga
PKO BP Securities	Andrzej Rembelski

Note: To our knowledge the above analysts followed the development of Fondul Proprietatea on their own initiative. The list may be incomplete.



# Disclaimer (I)

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February 2024

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In addition, the list of investor rights can be found in the Constitutive Act, available on the Fund's website, in the Corporate Governance section, here: <https://www.fondulproprietatea.ro/about-fund/fund-overview/corporate-governance>.

The price of shares and income from them can go down as well as up and you may lose some or all of your capital invested. The previous results of the Fund do not account for future performances. Currency fluctuations will affect the value of foreign investments. All investments are subject to certain risks. Generally, investments offering the potential for higher returns are accompanied by a higher degree of risk. Stocks and other equities representing an ownership interest in a corporation have historically outperformed other asset classes over the long term but tend to fluctuate more dramatically over the shorter term. Small or relatively new companies can be particularly sensitive to changing economic conditions due to factors such as relatively small revenues, limited product lines, and small market share. Smaller company stocks have historically exhibited greater price volatility than larger company stocks, particularly over the short term. The significant growth potential offered by Emerging Markets remains accompanied by heightened risks when compared to developed markets, including risks related to market and currency volatility, adverse social and political developments, and the relatively small size and lesser liquidity of these markets.

The Fund's headquarters are located at 76 – 80 Buzesti street, 7th Floor, Bucharest, 1st District, 011017, Romania. Fund's Fiscal Identification Code is 18253260 and Trade Registry registration number is J40/21901/2005. The subscribed and paid-up share capital is RON 2,947,779,186.56.

Starting with 1 April 2016, in view of complying with the AIFMD, implemented in the Romanian legislation through Law no. 74/2015 on managers of alternative investment funds and Regulation no. 10/2015 on alternative investment fund management, Fondul Proprietatea SA, qualifying as an alternative investment fund, is managed by Franklin Templeton Investment Services S.À R.L., 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 B36.979, registered with the Romanian Financial Supervisory Authority under number PJM07.1AFIASMDLUX0037/10 March 2016 ("FTIS" or the "Fund Manager").

This presentation herein is issued by FTIS, acting through its Romanian branch having its registered office at 76 – 80 Buzesti street, 8th Floor, 1st District, 011017, Bucharest, Romania.



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