

**PURPOSE**

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

**PRODUCT**

**Fondul Proprietatea S.A.**

**ISIN** ROFPTAACNOR5  
**Manufacturer** Fondul Proprietatea SA [www.fondulproprietatea.ro](http://www.fondulproprietatea.ro) Call +40-21-200-96-00 for more information  
**Competent authority** The Financial Supervisory Authority  
**Date of production** 02.09.2020

**You are about to purchase a product that is not simple and may be difficult to understand.**

**WHAT IS THIS PRODUCT?**

**Type:** Ordinary shares in an alternative investment fund incorporate in Romania and listed on the Bucharest Stock Exchange.

**Objectives:** The Fund's investment objective is the maximization of returns to shareholders and the increase of the net asset value per share, through investments predominantly in Romanian equities and equity linked securities, subject to legislation and regulations in force. There are two Performance Objectives: **a. Discount Objective:** The discount between the daily closing price of the shares issued by the Fund on the Bucharest Stock Exchange and the latest reported NAV per share should be equal to or lower than 15% on at least two thirds of the trading days during the Reporting Period. **b. NAV Objective:** The level of adjusted NAV per share should be higher than the reported NAV per share as at the end of the previous Reporting Period. The adjusted NAV for a given date will be calculated as the sum of: the reported NAV as at the end of the Reporting Period, any dividend distribution or return of capital to shareholders and any distribution fee and transaction cost related to

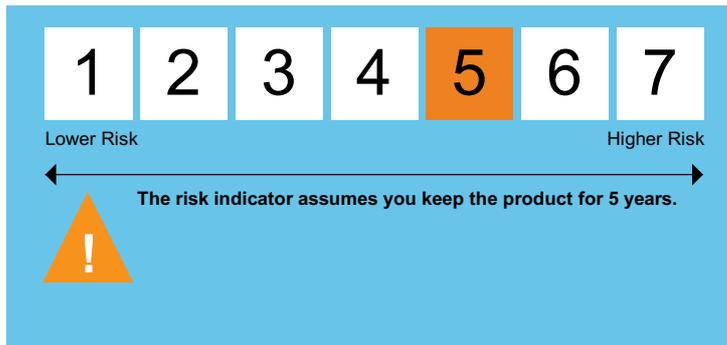
either dividend or non-dividend distributions, including buy-backs of own shares and GDRs, after the end of the previous Reporting Period.

**Intended Retail Investor:** The shares are intended for investors who are seeking capital appreciation over the long term, are willing to accept the heightened risks of investment exposure to emerging market equities and understand the potential for significant volatility or currency fluctuations that may affect the value of their investments. This type of investment is not suitable for investors that cannot afford any loss of their investment or require a steady income.

**Term:** This Fund is open for an unlimited duration. The Fund can be closed based on a resolution of the extraordinary general meeting of shareholders, and the conditions for such a resolution to be issued are (i) to have a quorum of at least 50% of the total number of voting rights, and (ii) the majority of at least two thirds of the voting rights from shareholders attending the meeting in person or by proxy to vote in favour of the dissolution.

**WHAT ARE THE RISKS AND WHAT COULD I GET IN RETURN?**

**Risk Indicator**



- This product does not include any protection from future market performance so you could lose some or all of your investment.

- The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets.
- We have classified this product as 5 out of 7, which is a medium risk class.
- The stocks in which the fund invests have historically been subject to significant price movements, sometimes to a greater extent than equity markets globally. As a result, the Fund's performance can fluctuate considerably over time.
- **Be aware of currency risk.** You may receive payments in a different currency, if so, the final return you will get depends on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.
- Other materially relevant risks not already captured in the risk indicator include: counterparty risk, share price discount to NAV risk and unlisted investment risk (creating liquidity risk within the portfolio). Please refer to the prospectus for more detail.

## PERFORMANCE SCENARIOS

Investment RON 50,000.00

Scenarios		1-Year	3-Year	5-Year (recommended holding period)
Stress Scenario	What you might get back after costs (RON)	32,567.27	22,906.62	17,653.26
	Average return each year (%)	-34.87	-22.91	-18.80
Unfavourable scenario	What you might get back after costs (RON)	44,309.54	48,429.94	56,285.88
	Average return each year (%)	-11.38	-1.06	2.40
Moderate scenario	What you might get back after costs (RON)	57,663.00	76,648.84	101,885.85
	Average return each year (%)	15.33	15.30	15.30
Favourable scenario	What you might get back after costs (RON)	74,970.95	121,197.30	184,256.99
	Average return each year (%)	49.94	34.33	29.80

This table shows the money you could get back over the next 5 years, under different scenarios, assuming that you invest RON 50,000. The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products. The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the investment. The figures are calculated according to the PRIIPS methodology and take into account, among other things, measurements in share prices. The stress scenario shows what you might get back in extreme market circumstances.

The figures shown include all the costs of the product itself, but may not include all the costs that you pay your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

## WHAT HAPPENS IF FRANKLIN TEMPLETON INTERNATIONAL SERVICES S.à r.l. IS UNABLE TO PAY OUT?

As a shareholder of the Fund, you will be able to receive some dividends from the Fund during your investments. The majority of your return will likely be from the buyer of the shares when you sell your shares. BRD-Groupe Societe Generale S.A, as depositary of the Fund, is liable to the Fund or its shareholders for any loss of financial instruments held in custody by it or any of its delegates.

## WHAT ARE THE COSTS?

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs.

The amounts shown here are the cumulative costs of the product itself, for three different holding periods. The figures assume you invest RON 50,000. The figures are estimates and may change in the future.

### Cost over time

Investment RON 50,000.00

Scenarios	IF YOU CASH IN AFTER		
	1-Year	3-Year	5-Year
<b>Total costs</b>	513.20	2,064.82	4,615.44
<b>Impact on return (RIY) per year</b>	1.03%	1.03%	1.03%

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

### Composition of costs

The table below shows:

- the impact each of the different types of costs on the investment return you might achieve at the end of the recommended holding period
- the meaning of the different cost categories

### This table shows the impact on return per year

<b>One-off costs</b>	<b>Entry costs</b>	0.00%	The impact of the costs you pay when entering your investment. This is the most you will pay, and you could pay less. (This includes the costs of distribution of your product.)
	<b>Exit costs</b>	0.00%	The impact of the costs of exiting your investment.
<b>Ongoing costs</b>	<b>Portfolio transaction costs</b>	0.13%	The impact of the costs of us buying and selling underlying investments for the product.
	<b>Other ongoing costs</b>	0.90%	The impact of the costs that we take each year for managing your investments.
<b>Incidental costs</b>	<b>Performance fees</b>	0.00%	Impact of performance fee taken where the discount is equal or below 20%.
	<b>Carried interests</b>	N/A	

## HOW LONG SHOULD I HOLD IT AND CAN I TAKE MONEY OUT EARLY?

### **Recommended holding period: 5 Years**

The Fund has no minimum required holding period, although listed funds are designed to be long term investments and the returns from them can be variable during their life. You can sell your shares on Bucharest Stock Exchange during the market trading days.

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## HOW CAN I COMPLAIN?

Investors that would like to receive the internal process relating to complaints handling or wish to submit a written complaint about the deeds of Franklin Templeton employees likely to prejudice the rights or interests of the investor can access the website [www.franklintempleton.ro](http://www.franklintempleton.ro) or [www.fondulproprietatea.ro](http://www.fondulproprietatea.ro), contact the Compliance Officer or Client Service Department, Premium Point, Buzesti Street 78-80, 7th-8th floor, 1st District, Bucharest 011017, Romania, or send an e-mail to [investor.relations@fondulproprietatea.ro](mailto:investor.relations@fondulproprietatea.ro).

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## OTHER RELEVANT INFORMATION

Copies of the latest prospectus, annual, semi-annual, quarterly and monthly reports and other information are available online at [www.fondulproprietatea.ro](http://www.fondulproprietatea.ro). In particular, investors should read the risk factors as described in the annual report. Past performance is not indicative of future performance.