

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

| | |
|----------------------------|--|
| ISIN | ROFPTAACNOR5 |
| Manufacturer | Franklin Templeton International Services S.à r.l. https://www.fondulproprietatea.ro/fund-management . Call +40-21-200-96-00 for more information. |
| Competent authority | The Financial Supervisory Authority |
| Date of production | 02/01/2018 |

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

WHAT IS THIS PRODUCT?

Type: A joint stock company operating as a closed-end investment company, qualified as an alternative investment fund. The Fund's shares have been listed on the Bucharest Stock Exchange and the Fund's global depository receipts have been listed on the Specialist Fund Market of the London Stock Exchange.

Objectives: The Fund's investment objective is the maximization of returns and per-share capital appreciation via investments mainly focussed on Romanian equities and equity-linked securities. 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 period between 1st July and 30th June of the following year.

b. NAV Objective: The level of adjusted NAV per share should be higher than the reported NAV per share as at 30 June 2015. 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, distribution fees, transaction costs relating to non-dividend

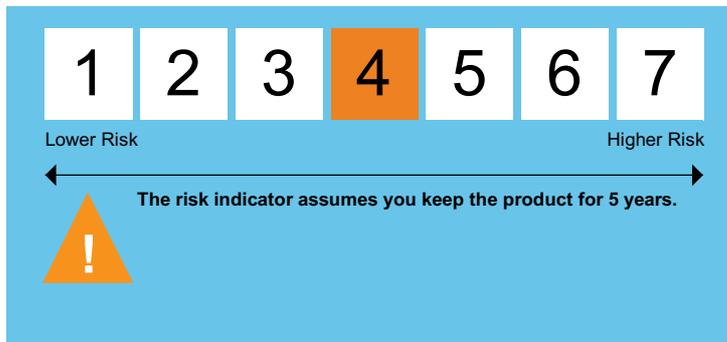
distributions and any returns to shareholders following reductions of the share capital implemented after 30 June 2015.

Intended Retail Investor: Fondul Proprietatea's shares and GDRs may appeal to 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



- 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 4 out of 7, which is a medium risk class.
- The stocks in which the fund invests have historically been subject to significant price movements that may occur suddenly due to market or company-specific factors. As a result, the Fund's performance can fluctuate 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.
- This product does not include any protection from future market performance so you could lose some or all of your investment.

PERFORMANCE SCENARIOS

Investment 50000 RON

| Scenarios | | 1-Year | 3-Year | 5-Year (recommended holding period) |
|-----------------------|---|----------|-----------|--|
| Stress Scenario | What you might get back after costs (RON) | 35124.49 | 26417.61 | 21437.49 |
| | Average return each year (%) | -29.75 | -19.16 | -15.58 |
| Unfavourable scenario | What you might get back after costs (RON) | 47832.08 | 55935.43 | 68374.48 |
| | Average return each year (%) | -4.34 | 3.81 | 6.46 |
| Moderate scenario | What you might get back after costs (RON) | 58041.69 | 78237.98 | 105461.81 |
| | Average return each year (%) | 16.08 | 16.1 | 16.1 |
| Favourable scenario | What you might get back after costs (RON) | 70467.14 | 109489.93 | 162750.51 |
| | Average return each year (%) | 40.93 | 29.86 | 26.62 |

This table shows the money you could get back over the next 5 years, under different scenarios, assuming that you invest 50000 RON. 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, and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the investment/product. The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you.

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 make a claim against the Fund in insolvency procedure in the event that the Fund is unable to pay out. Franklin Templeton International Services S.à r.l.(FTIS) is the investment manager of the Fund, but the assets are held separately from FTIS. BRD-Groupe Societe Generale S.A., as depository 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. (Cash could however be lost in case of default of the depository or 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. They include potential early exit penalties. The figures assume you invest 50000 RON. The figures are estimates and may change in the future.

Cost over time

Investment 50000 RON

| Scenarios | IF YOU CASH IN AFTER | | |
|--|----------------------|---------|---------|
| | 1-Year | 3-Year | 5-Year |
| Total costs | 869.46 | 3568.95 | 8139.32 |
| Impact on return (RIY) per year | 1.74% | 1.74% | 1.74% |

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

| | | | |
|-------------------------|------------------------------------|-------|--|
| One-off costs | Entry costs | 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.) |
| | Exit costs | 0.00% | The impact of the costs of exiting your investment. |
| Ongoing costs | Portfolio transaction costs | 0.62% | The impact of the costs of us buying and selling underlying investments for the product. |
| | Other ongoing costs | 1.12% | The impact of the costs that we take each year for managing your investments. |
| Incidental costs | Performance fees | N/A | |
| | Carried interests | 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. You can sell your shares or global depository receipts on Bucharest Stock Exchange or London Stock Exchange during the market trading days.

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 or 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.

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