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FOR IMMEDIATE RELEASE

## FONDUL PROPRIETATEA, ONE OF THE WORLD'S LARGEST CLOSED-END FUNDS, LISTS ON THE LONDON STOCK EXCHANGE

- *Historic Milestone for the Fund and Franklin Templeton*
- *Listing will Increase Visibility of Romanian Capital Market on International Scene*

LONDON and BUCHAREST, 29 April 2015 – Fondul Proprietatea (the “Fund”), a Romanian closed-end fund managed by Franklin Templeton Investments and one of the world’s largest closed-end funds, has been admitted to trading today on the Specialist Fund Market of the London Stock Exchange (“LSE”) by means of global depository receipts (“GDRs”). With a robust track-record of creating shareholder value, Fondul Proprietatea consists of a portfolio of Romanian equity securities with assets of over €2.9 billion<sup>1</sup> and has been listed on the Bucharest Stock Exchange since January 2011.

The Fund was originally setup in 2005 to compensate Romanians whose properties were seized during the communist regime. Following an international tender process, Franklin Templeton Investment Management Limited was appointed in September 2010 as Fund Manager and Sole Director of the Fund. The Fund currently invests in Romania’s most profitable and largest listed companies such as OMV Petrom (the largest oil producer in Romania), Romgaz (the largest gas producer in the country) and in large unlisted state-controlled infrastructure assets such as Bucharest Airport and the port of Constanta. The Fund also offers exposure to Hidroelectrica, one of the largest European hydro-generation companies, as well as to natural commodities monopolies such as the Romanian salt mining company Salrom.

Commenting on the listing, **Dr. Mark Mobius, Executive Chairman, Templeton Emerging Markets Group** said: “Today marks a truly historic milestone for Fondul Proprietatea and Franklin Templeton, given that we have worked relentlessly towards this achievement in the past few years. The Fund has the potential to become one of the most visible and attractive closed-end funds listed in London, given its size, portfolio and discount to NAV. Moreover, we are convinced that the secondary listing of the Fund on the LSE will increase the visibility of the Romanian capital market on the international scene, will facilitate access of a broader base of foreign investors to the country, and will act as a catalyst towards unveiling Romania’s many other investment opportunities. We have witnessed a huge interest for Romanian companies during our numerous roadshows to raise awareness of the Fund abroad and we are confident that the Fund’s listing on the LSE will increase the appetite of investors for Romanian equities.”

**Greg Konieczny, CEO and Fund Manager of Fondul Proprietatea** added: “Fondul Proprietatea is ideally placed to offer investors exposure to a diversified range of Romanian listed and unlisted equity securities that should benefit from Romania’s steady growth perspectives and strong economic fundamentals. The valuations of Romanian companies are low compared to surrounding countries and we see this as the perfect timing for investors to access Romania given that it trades at one of the lowest price/earnings ratios and offers the highest dividend yield compared to other countries in Central and Eastern Europe. The low correlations between developed markets and Romania, which is a Frontier Market country, indicates diversification benefits for both short- and long-term investors. Our focus as Fund Manager continues to be to maximise returns for

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<sup>1</sup> As at 31 March 2015

the Fund's shareholders, increase the NAV per share, and decrease the discount at which the Fund's shares currently trade. In addition to regular buy-back programmes, cash distributions, and a proactive investor relations programme, we view today's listing on the LSE as an integral part of our discount reduction mechanism."

**Xavier Rolet, CEO, London Stock Exchange Group**, commented: "We are delighted to welcome Fondul Proprietatea on its first day of trading on the London Markets. As one of the most significant investment funds in Europe, the success of the listing is a reflection of the strength of the Romanian economy, which has one of the highest growth rates in the EU. This is a significant milestone which will serve to further enhance the fund's visibility and access to global capital as well as highlighting Romania's ability to attract the world's largest investors without compromising the development of a domestic shareholder base."

### **Fondul Proprietatea, an attractive investment opportunity**

- The fund management team, led by pioneer investor Dr. Mark Mobius, has successfully managed to increase the Fund's share price while narrowing the discount to NAV. The Fund is currently trading at 23.6%<sup>2</sup> discount to NAV, having reduced from over 55% four years ago, while the share price increased by approximately 71%<sup>3</sup> since its initial listing on the Bucharest Stock Exchange.
- Fondul Proprietatea has been executing regular buy-back programmes, passing on dividends and cash distributions to shareholders, totaling almost EUR 1.27 billion since Franklin Templeton started managing the Fund in September 2010.
- Another key component to the strategy is the team's activist approach to engaging with its portfolio companies, with a view to increasing their profitability, efficiency and corporate governance standards.
- After a series of IPOs – including Romania's largest gas producer Romgaz SA in November 2013 – 17 of its portfolio companies, representing 48%<sup>4</sup> of the portfolio value, are now listed. There is a strong IPO pipeline of key assets in the portfolio including Hidroelectrica, Bucharest Airports and Constanta Port planned in the near future.
- The Fund is managed by Franklin Templeton Investment Management Limited, as subsidiary of Franklin Resources Inc., which is one of the largest asset management groups in the world, with over 65 years of investment experience, offices in 35 countries and over \$880.1<sup>5</sup> billion in assets under management.

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<sup>2</sup> As at 20 April 2015

<sup>3</sup> As at 20 April 2015

<sup>4</sup> As at 31 March 2015

<sup>5</sup> As at 31 March 2015

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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. An international tender was announced in December 2008, and Franklin Templeton Investments officially took over as investment manager and sole administrator of the Fund on 29 September 2010. The Fund is a closed-end investment company 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 in 25.01.2011 and is listing on the London Stock Exchange on 29 April 2015.

Franklin Templeton established an office in Bucharest in May 2010, with a team of 30 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.

### 2. About Franklin Templeton Investments

Franklin Resources, Inc. [NYSE:BEN] is a [global investment management](#) organization operating as Franklin Templeton Investments. Franklin Templeton Investments provides global and domestic investment management to retail, institutional and sovereign wealth clients in over 150 countries. Through specialized teams, the Company has expertise across all asset classes—including equity, fixed income, alternative and custom 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 35 countries, the California-based company has more than 65 years of investment experience and over \$880.1 billion in assets under management as of 31 March, 2015. For more information, please visit [www.franklintempleton.co.uk](http://www.franklintempleton.co.uk).

Franklin Templeton Investment Management Ltd.’s office in Bucharest 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. For more information on Fondul Proprietatea, please visit <http://www.fondulproprietatea.ro>.

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