



FRANKLIN
TEMPLETON

Proposal to Establish National Investment Fund of Mongolia

Prepared by Templeton Global Investments

April 2026



Overview of Franklin Templeton

Your investment specialists



One relationship. Multiple specialized managers across public and private markets.



Global alternative credit specialist offering strategies spanning private and public markets.



Investing in private real estate across the risk/return spectrum.



Active equity strategies across global developed, emerging and local markets.



Offers secondary private equity and co-investments.



Equity manager pursuing stock-driven alpha across styles.



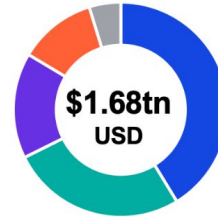
A pioneer in small-cap investing with a 45+ year track record.



Provides actively managed global fixed-income solutions.

Deep expertise within and across asset classes and vehicles

AUM by asset class¹



\$697bn Equity

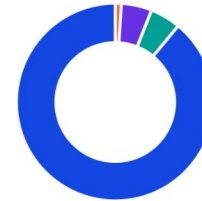
\$438bn Fixed income

\$274bn Alternatives

\$199bn Multi-asset

\$77bn Liquidity

Client demand by vehicle²



89% Mutual funds

5% SMA

5% ETF

1% Other

1. As of 31 December 2025

2. As of 31 December 2025. Data reflect long-term sales by investment vehicle for international retail for FY25 YTD.

Track Record



Franklin Templeton has significantly contributed to the Development of the Capital Market in Romania



FONDUL
PROPRIETATEA

- The activity of the Fund Manager has had a significant impact on the development of the capital market in Romania, by promoting high standards of transparency, efficiency in asset management, and attracting private and institutional capital.
- Through constant efforts to promote the Fund among both Romanian and foreign investors, FT has actively contributed to diversifying the investor base and strengthening confidence in the Romanian capital market and the companies in FP's portfolio.
- Below are the key milestones of FT's mandate from 2010 to 28 February 2026:
 - Total return for shareholders of 1,439.3% for Fund shares and 494.5% for NAV/share in RON, respectively 1,011.2% and 337.0% in USD, from the Fund's listing on the BSE in January 2011 to 28 February 2026.
 - USD1.5bn in new foreign portfolio investments in Romania.
 - Nearly 50 transactions totaling USD4.3bn, including the historic listing of Hidroelectrica S.A., the third largest on a stock exchange in Central Europe, the largest in Romania, and the largest initial public offering ("IPO") in Europe in 2023.
 - Over USD7.1bn returned to Fund shareholders through dividends, capital returns, and share buybacks.
 - Direct contribution to promoting BSE to emerging market status (FTSE Russell, 2020), and to promoting to Advanced Frontier Market status (MSCI, 2025).
 - Increasing Romania's visibility and attractiveness as an investment destination by organizing over 6,200 meetings with institutional investors, 2,200 conference calls, and over 260 roadshows, investor events, and conferences.

Fondul Proprietatea Mandate



Active portfolio management

15+
Years of active management

- Franklin Templeton has an extensive track record in Romania through the administration mandate of Fondul Proprietatea since 2010.
- FT listed the Fund on the Bucharest Stock Exchange in January 2011, only 3 months after starting the management of the Fund.
- Fondul Proprietatea stood as the largest publicly traded closed-end private equity fund in Romania following the listing in 2011.
- During the Fund's operation, completed 48 exits totaling USD4.3bn (through IPOs/other capital market transactions and M&A), returning more than USD7bn to shareholders.
- In addition, actively contributed to value creation / corporate restructurings of portfolio companies, unlocking significant value for shareholders.

Landmark transactions

1 Capital markets (IPOs/ SPOs/ ABBS)

14 Full exits via capital markets transactions

USD3.5bn

cumulated value



2 M&A activity

35 Private transactions¹

USD0.8bn

cumulated value



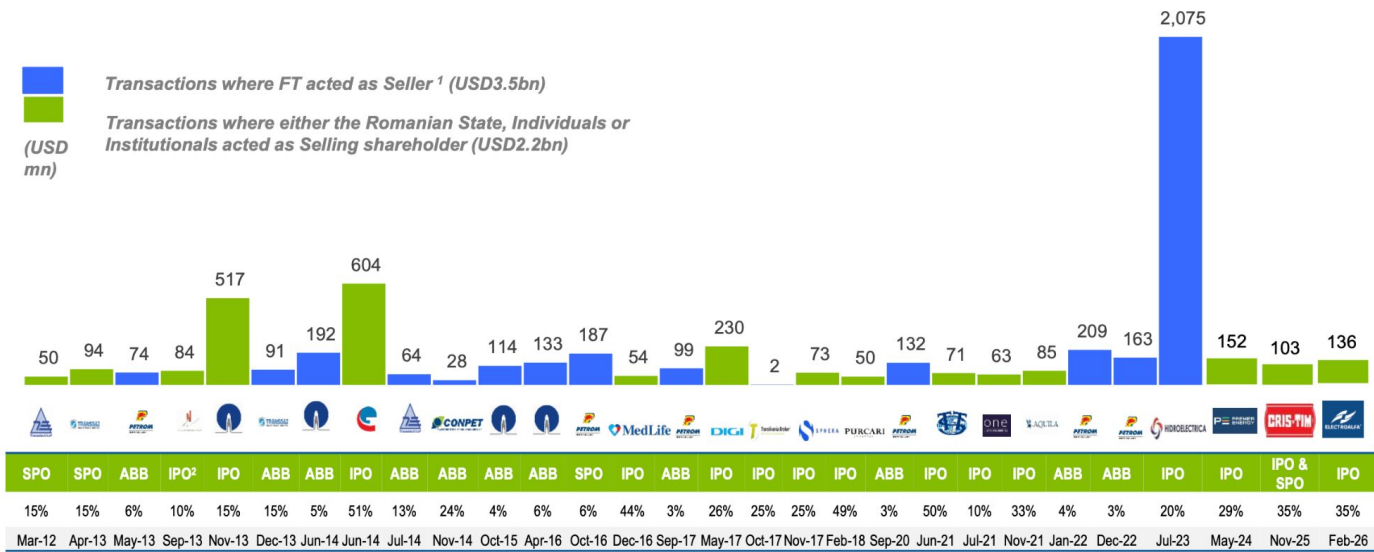
3 Value creation and Corporate Restructuring

More than **15 years proven track record** in value creation / bolt-on M&A in the portfolio companies / corporate restructurings / reorganizations



- 1. Of which ca. 14 represent M&A transactions above USD1mn and 21 represent disposals below USD1mn. Data includes transaction with Engie (USD95mn).
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Capital Markets: FT was involved in 60%¹ of all ECM Deals (USD3.5bn) Executed During last 14 years on the Romanian Stock Exchange



1. Through Fondul Proprietatea.
2. Although not actively involved as Seller, FT through Fondul supported the IPO of Nuclearelectrica.

Source: Bloomberg, Franklin Templeton research.

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Fondul - Significant Increase in the Profitability of SOEs



Net profit (RON mn)

Company	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Hidroelectrica ¹	292.3	6.5	(508.0)	719.0	941.5	899.4	1,227.7	1,296.5	1,939.3	1,386.5	1,443.2	3,085.6	4,461.2	6,365.3	4,127.9
CN Aeroporturi Bucuresti ²	42.6	52.6	53.1	72.0	98.8	178.8	224.7	290.7	371.8	359.6	(146.4)	34.0	304.0	453.3	608.8
Romgaz	344.5	1,187.7	1,119.2	995.6	1,409.9	1,194.3	1,024.6	1,854.7	1,366.2	1,089.6	1,247.9	1,915.0	2,546.7	2,812.1	3,206.0
Nuclearelectrica	16.1	95.0	34.5	427.0	137.1	147.4	111.5	306.5	410.6	535.7	699.3	1,036.3	2,762.0	2,486.4	1,688.6
Transgaz	370.3	387.2	329.3	331.4	502.5	488.7	594.6	583.5	490.5	341.4	165.2	176.8	347.1	200.4	410.7
Transelectrica	104.0	135.5	47.9	206.4	353.4	346.1	259.0	21.4	75.4	88.7	141.9	1.3	521.6	263.1	557.0
CN Admin. Porturilor Maritime	24.7	42.2	35.6	65.0	70.3	97.4	36.8	79.7	75.7	108.2	130.3	130.5	114.5	195.4	256.3
Soc. Nationala a Sarii – Salrom ²	5.9	1.4	20.8	42.8	24.5	15.8	27.4	81.1	76.4	77.0	11.5	60.2	120.7	130.6	111.3
Posta Romana	(121.0)	(182.9)	(52.1)	(29.4)	22.9	(33.0)	10.5	12.7	41.6	24.4	29.4	42.5	11.3	36.8 ⁴	70.7
CN Admin. Porturilor Dunarii Maritime	0.9	1.0	1.2	1.4	1.4	1.3	1.6	1.8	2.0	3.8	2.3	2.7	2.2	3.6	6.2
A.I. Timisoara – Traian Vuia	12.5	8.7	4.2	(21.6)	0.7	0.8	5	8.5	3.8	2.7	(3.7)	(1.0)	0.1	0.1	(14.4)
CN Admin. Canalelor Navigabile	1.5	2.6	4.8	1.0	2.3	1.5	1.6	2.5	2.3	2.1	3.0	(2.0)	4.1	16.0	0.9
CN Admin. Porturilor Dunarii Fluviale	2.8	4	2.5	0.0	(2.5)	0.2	5.1	1.3	0.9	1.6	0.4	3.7	0.9	2.7	2.5
Plafar ³	(0.6)	0.1	(1.0)	0.0	0.0	0.0	(0.4)	0.0	1.3	0.4	0.3	(1.5)	(0.2)	(2.0)	(1.9)
A.I. M. Kogalniceanu – Constanta	0.0	(0.1)	(1.4)	(3.8)	0.0	0.0	(0.3)	(0.2)	(0.6)	(2.0)	(4.2)	(0.9)	(1.1)	(16.3)	(8.9)
Romaero	0.5	0.4	(46.7)	(19.8)	(45.0)	(34.1)	(60.3)	(39.4)	(35.3)	(51.4)	(55.8)	(63.0)	(53.8)	(142.6)	(39.7)
Complexul Energetic Oltenia	(126.6)	179.8	191.2	4.6	(693.6)	(960.9)	(139.8)	187.1	(1,133.5)	(798.1)	(939.4)	(1,523.3)	3,500.0	1,027.3	317.5
Total	970.4	1,921.7	1,235.1	2,791.6	2,824.2	2,343.7	3,329.3	4,688.4	3,688.4	3,170.2	2,725.2	4,896.9	14,641.3	13,832.2	11,299.5
Total excluding Exited companies	970.4	1,921.7	1,235.1	2,460.2	1,968.3	1,508.9	1,451.1	2,228.8	1,756.3	1,650.5	470.9	1,767.5	8,463.9	1,704.9	1,309.3

Note: companies that were exited from the Fund's portfolio. Financials starting with the year of the exit.

Source: Companies' annual financial statements and annual reports.

1. From June 2012 to June 2013, and February 2014 to June 2016 the company was in insolvency procedure.
2. Starting 2016, the financial statements are based on IFRS.
3. The company was in insolvency procedure until September 2013.
4. 2023 results restated in FS 2024. Previous stated net profit according to FS 2023 equals to RON mn 14.3.

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National Investment Fund of Uzbekistan (UzNIF)

A Key Component of Uzbekistan's Reform Program



1 Established in 2024 through a **strategic partnership** between **Franklin Templeton** and the **Government of Uzbekistan**

A significant step forward in Uzbekistan's **ongoing economic reform program** aiming to:

- a) enhance **SOE capabilities**,
- 2 b) attract **international investment**,
- c) strengthen **capital markets**, and
- d) drive **economic growth**

3 UzNIF manages **13 strategic minority stakes** ranging from 25-40% in **some of the country's most important SOEs**, independently valued at over **USD 2bn** as of **2025**

4 The key priority of the mandate is to **list UzNIF** on both the **Tashkent Stock Exchange (TSE)** and a **leading international stock exchange**

“The objective of the fund is to deliver value for the Government, because the Uzbek Government is a sole shareholder at this stage. We will deliver value to international shareholders once the fund is listed and through our work with the portfolio companies to help enhance their corporate governance, efficiency and profitability.”

- Marius Dan, Chief Executive Officer – Central Asia, Templeton Global Investments

Proposal to establish National Investment Fund of Mongolia (“NIF of Mongolia”)



Proposal for NIF of Mongolia



In line with the Government's strategic reforms of its SOEs, efforts to attract capital and strategic investments, and increase the wealth of the country, we believe Mongolia could benefit from the establishment of NIF of Mongolia. The envisioned structure of the Fund is:

1. Portfolio structure

Diversified portfolio of the largest SOEs to be injected into the Fund - 40% of the State's ownership valuing the Fund at a minimum size of USD 1.5 billion for it to be diversified and attractive for investors.

2. Initial Ownership

100% owned by the Government through its ministries or agencies.

3. Fund Manager

An independent Fund Manager (e.g., Franklin Templeton) to manage the Fund and list it on the local stock exchange and an international exchange within 12-18 months. The remuneration of the Fund Manager is paid by the NIF based on the Net Asset Value of the Fund.

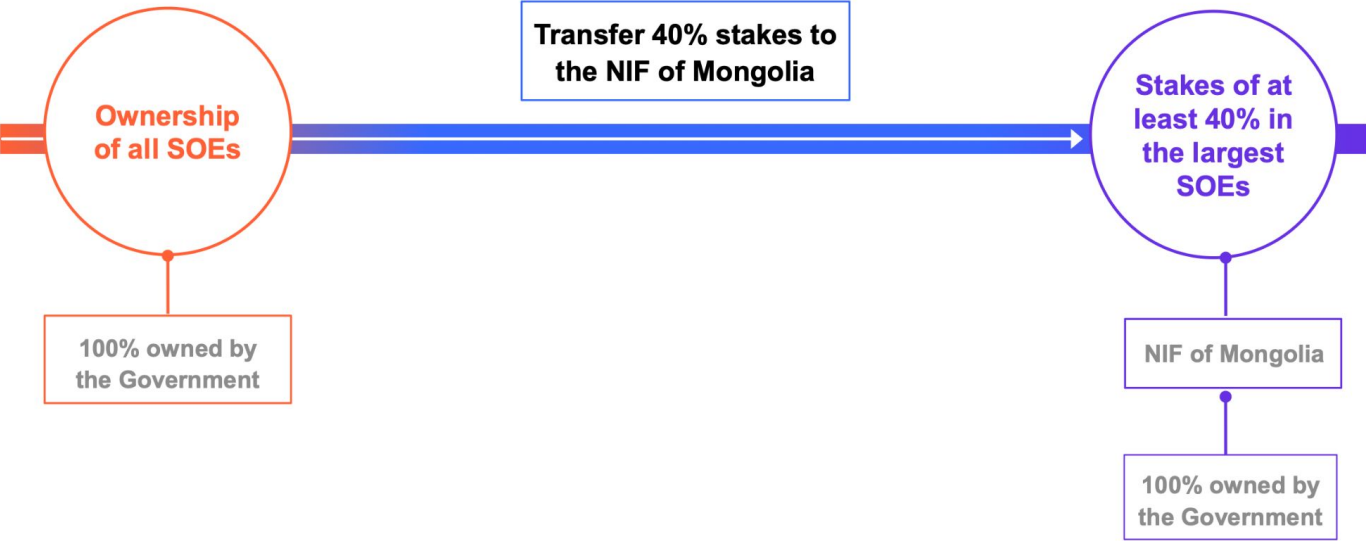
4. Initial Public Offering ("IPO")

Government could raise at least USD 600-750 million by selling a 40-50% stake in the NIF. This allows the Government to raise funds while retaining control of the NIF and without selling any of its SOEs.

Proposal for NIF of Mongolia – Step 1

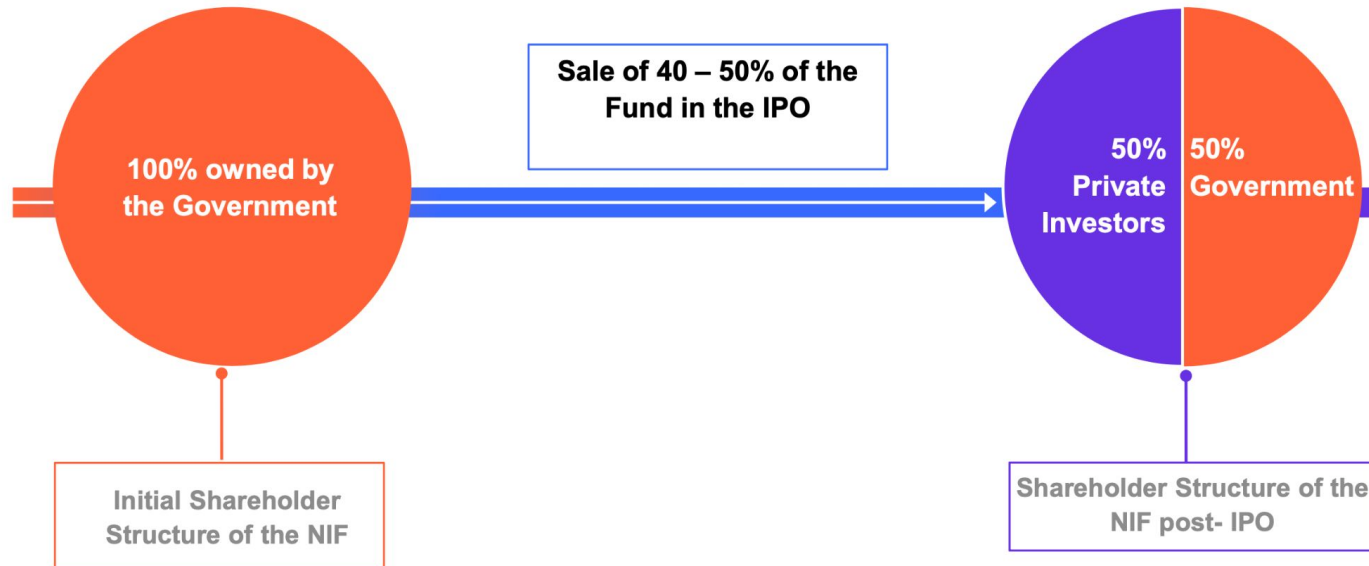


Step 1 – Create the NIF of Mongolia by transferring 40% stakes in the largest SOEs from the Government into the NIF. NIF of Mongolia will initially be 100% owned by the Government. A target value of USD 1.5 billion is required for the NIF of Mongolia to be a diversified and liquid portfolio that is representative of Mongolia’s economy, and hence attractive to investors.



Proposal for NIF of Mongolia – Step 2

Step 3 – The Fund Manager lists the NIF allowing the Government to raise **USD 600-750 million through the IPO (assuming a USD 1.5 billion fund size)** by selling a stake of 40-50% of the Fund in the IPO. The Fund Manager will also list the underlying portfolio assets of NIF of Mongolia when their valuations increase, allowing the Government to further monetize its assets, and attracting more investors into Mongolia.



Commitment



Franklin Templeton's Commitment



If appointed as **Fund Manager** of the NIF of Mongolia, Franklin Templeton would commit to the following:

- **Open an office in Ulaanbataar**
- **Hire local** team members
- **Invest** in transfer of knowledge and **integrate** the investment team into the Templeton Global Investments team, as well as the broader organization
- **Partner with the Government** as a shareholder in the Fund to ensure a swift IPO
- Work tirelessly to **put Mongolia on the radar of the broader international institutional investor community** to attract them to invest in the NIF of Mongolia as well as in the underlying holdings when listed
- **Partner with the Government** to ensure the SOEs in the Fund benefit from value enhancing efforts to increase the efficiency and profitability of the SOEs

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