



**FRANKLIN  
TEMPLETON**

# Franklin Liberty International Aggregate Bond ETF

Fund Fact Sheet | Multi-Sector | December 31, 2021

**FLIA**

## Fund Description

The fund seeks to maximize total investment return, consisting of a combination of interest income and capital appreciation, by investing primarily in investment grade fixed or floating-rate bonds issued by governments, government agencies and governmental-related or corporate issuers located outside the U.S. The investment manager seeks to hedge substantially all of the fund's foreign currency exposure using currency-related derivatives.

## Fund Overview

<b>Total Net Assets</b>	\$220 million
<b>Fund Inception Date</b>	5/30/2018
<b>ETF Type</b>	Active
<b>Distributions</b>	Monthly
<b>Number of Holdings</b>	68
<b>Asset Class</b>	Fixed Income
<b>Listing Exchange</b>	Cboe
<b>CUSIP</b>	35473P 611
<b>Cboe Ticker</b>	FLIA
<b>Shares Outstanding</b>	9,000,000
<b>Benchmark</b>	Bloomberg Global Aggregate ex-USD Index Hedged USD, Linked Bloomberg Global Aggregate ex-USD Index Hedged USD

## Fund Management

	Years with Firm	Years of Experience
David Zahn, CFA	15	28
John Beck	31	35
Patrick A. Klein, PhD	16	17
Sonal Desai, PhD	12	28

## Total Annual Operating Expenses

0.25%

## 30-Day SEC Yield

0.30%

Effective 3/1/2020, the fund's benchmark changed to Bloomberg Global Aggregate ex-USD Index Hedged USD from Bloomberg Global Aggregate ex-USD Index due to a strategy change whereby the fund will seek to hedge substantially all of its non-U.S. dollar exposure.

Linked Bloomberg Global Aggregate ex-USD Index Hedged USD reflects performance of the Bloomberg Global Aggregate ex-USD Index from fund inception through 2/29/2020 and the Bloomberg Global Aggregate ex-USD Index Hedged USD thereafter.

## Total Returns % (as of 12/31/2021)

Fund	CUMULATIVE			AVERAGE ANNUAL			Since Inception	Inception Date
	3 Mths	6 Mths	YTD	1 Yr	3 Yrs			
FLIA (NAV Returns)	-0.51	-0.36	-1.96	-1.96	2.26	1.31		5/30/2018
FLIA (Market Price Returns)	-0.44	-0.24	-2.00	-2.00	2.24	1.33		5/30/2018
Bloomberg Global Aggregate ex-USD Index Hedged USD	0.07	0.16	-1.40	-1.40	3.30	3.41		
Linked Bloomberg Global Aggregate ex-USD Index Hedged USD	0.07	0.16	-1.40	-1.40	1.84	1.23		

Performance data represents past performance, which does not guarantee future results. Current performance may differ from figures shown. The fund's investment return and principal value will change with market conditions, and you may have a gain or a loss when you sell your shares. Please call Franklin Templeton at (800) DIAL BEN/(800) 342-5236 or visit [franklintempleton.com](http://franklintempleton.com) for the most recent month-end performance.

Net Asset Value (NAV) returns are based on the NAV of the ETF; Market Price returns are based upon the official closing price of the ETF's shares. Returns are average annualized total returns, except for those periods of less than one year, which are cumulative. Market returns are calculated using the closing price as of 1 p.m. Pacific time on each trading day (when NAV is normally determined for most Funds), and do not represent the returns you would receive if you traded shares at other times.

Since shares of the Fund did not trade in the secondary market until after the Fund's inception, for the period from inception to the first day of secondary trading June 1, 2018, the NAV of the Fund is used as a proxy for the Market Price to calculate market returns.

## Top Ten Holdings (% of Total)

Security Name	
Government of Japan, senior bond, 1.00%, 12/20/35	7.96
Government of Germany, Reg S, Strip, 8/15/26	7.40
Japan Government Five Year Bond, senior note, .10%, 12/20/24	5.16
Bundesobligation, Reg S, 10/18/24	4.47
Development Bank of Japan, senior bond, 2.30%, 3/19/26	4.34
United Kingdom Treasury Bond, Reg S, 4.75%, 12/07/30	3.44
Government of Belgium Bond, Reg S, 144A, 1.00%, 6/22/31	3.10
Japan Government Thirty Year Bond, senior bond, .40%, 12/20/49	2.02
Spain Government Bond, senior bond, Reg S, 144A, 1.25%, 10/31/30	2.00
Italy Treasury Bond, senior bond, 1.25%, 12/01/26	1.99

## Fund Measures

Average Duration	6.58 Years
Average Weighted Maturity	7.09 Years
Standard Deviation (3 Yrs)	3.84%
Sharpe Ratio (3 Yrs)	0.37
Tracking Error (3 Yrs)	0.98%
Information Ratio (3 Yrs)	0.43
Measured against Linked Bloomberg Global Aggregate ex-USD Index Hedged USD.	

## Composition of Fund

Geographic (Market Value)	% of Total
Europe	48.32
Asia	30.73
North America	7.07
Supranational	2.05
Australia / New Zealand	1.95
Currency Derivatives	1.22
Latin America / Caribbean	0.09
Cash & Cash Equivalents	8.58

Currency (Notional Exposure)	% of Total
U.S. Dollar	100.76
Chinese Yuan	9.91
Canadian Dollar	0.05
Japanese Yen	0.05
Australian Dollar	-0.09
Polish Zloty	-0.13
Euro	-0.23
British Pound	-0.75
Chinese Renminbi	-9.54
Others	-0.03

Sector (Market Value)	% of Total
European Monetary Union Govt	41.17
Japan Govt	16.37
Asia ex-Japan	6.52
Euro IG Corp	5.50
Americas ex-US	4.25
Non-EMU Europe	2.04
Quasi-Sovereign	1.30
Currency Derivatives	1.22
Sovereign	1.03
Others	12.01
Cash & Cash Equivalents	8.58

Credit Quality (Market Value)	% of Total
AAA	25.99
AA	16.23
A	38.36
BBB	9.52
B	0.10
Not Applicable	1.22
Cash & Cash Equivalents	8.58

## Portfolio Data Disclosures

Market value figures reflect the trading value of the investments. Notional exposure figures are intended to estimate the portfolio's exposure, including any hedged or increased exposure through certain derivatives held in the portfolio (or their underlying reference assets). Average Duration and Average Weighted Maturity reflect certain derivatives held in the portfolio (or their reference assets). Portfolio breakdown percentages may not total 100% and may be negative due to rounding, use of any derivatives, unsettled trades or other factors.

## What Are the Risks?

All investments involve risks, including possible loss of principal. Bond prices generally move in the opposite direction of interest rates and a rise in interest rates may cause the fund's share price to decline. Changes in the financial strength of a bond issuer or in a bond's credit rating may affect its value. The fund's investments in foreign securities involve certain risks including economic and political uncertainties. Investments in developing markets involve heightened risks related to the same factors, in addition to those associated with their relatively small size and lesser liquidity. Investing in derivative securities and the use of foreign currency techniques involve special risks, including counterparty risk, and as such may not achieve the anticipated benefits and/or may result in losses to the fund. Sovereign debt securities are subject to various risks in addition to those relating to debt securities and foreign securities generally, including, but not limited to, the risk that a governmental entity may be unwilling or unable to pay interest and repay principal on its sovereign debt, or otherwise meet its obligations. These and other risks are discussed in the fund's prospectus.

## Glossary

**Average Duration:** A measure of the sensitivity of the price (the value of principal) of a fixed-income investment to a change in interest rates. Duration is expressed as a number of years. The weighted average duration of a fund reflects the effective duration of the underlying issues, based on the size of each holding.

**Average Weighted Maturity:** An estimate of the number of years to maturity, taking the possibility of early payments into account, for the underlying holdings.

**Information Ratio:** In investing terminology, the ratio of expected return to risk. Usually, this statistical technique is used to measure a manager's performance against a benchmark. This measure explicitly relates the degree by which an investment has beaten the benchmark to the consistency by which the investment has beaten the benchmark.

**Sharpe Ratio:** To calculate a Sharpe ratio, an asset's excess returns (its return in excess of the return generated by risk-free assets such as Treasury bills) are divided by the asset's standard deviation.

**Standard Deviation:** A measure of the degree to which a fund's return varies from the average of its previous returns. The larger the standard deviation, the greater the likelihood (and risk) that a fund's performance will fluctuate from the average return.

**Tracking Error:** Measure of the deviation of the return of a fund compared to the return of a benchmark over a fixed period of time. Expressed as a percentage. The more passively the investment fund is managed, the smaller the tracking error.

## Important Information

*Investors should carefully consider a fund's investment goals, risks, charges and expenses before investing. To obtain a summary prospectus and/or prospectus, which contains this and other information, talk to your financial professional, call us at (800) DIAL BEN/342-5236 or visit franklintempleton.com. Please carefully read a prospectus before you invest or send money.*

**ETFs trade like stocks, fluctuate in market value and may trade at prices above or below the ETFs net asset value. Brokerage commissions and ETF expenses will reduce returns.**

Information is historical and may not reflect current or future portfolio characteristics. All portfolio holdings are subject to change.

Indexes are unmanaged, and one cannot invest directly in an index. They do not reflect any fees, expenses or sales charges.

**Fund Management:** CFA® and Chartered Financial Analyst® are trademarks owned by CFA Institute.

**Performance:** ETF shares may be bought or sold throughout the day at their market price, not their Net Asset Value (NAV), on the exchange on which they are listed. Shares of ETFs are tradable on secondary markets and may trade either at a premium or a discount to their NAV on the secondary market.

**30-Day SEC Yield:** The fund's 30-Day SEC Yield is calculated using the net income (interest and dividends) per share earned over a trailing 30-day period (annualized), divided by the fund's share price at the end of that period. It may not equal the fund's actual income distribution rate, which reflects the fund's past dividends paid to shareholders.

**Top Ten Holdings:** All portfolio holdings are subject to change.

**Composition of Fund:** Ratings shown are assigned by one or more Nationally Recognized Statistical Rating Organizations ('NRSRO'), such as Standard & Poor's, Moody's and Fitch. The ratings are an indication of an issuer's creditworthiness and typically range from AAA or Aaa (highest) to D (lowest). When ratings from all three agencies are available, the middle rating is used; when two are available, the lowest rating is used; and when only one is available, that rating is used. Foreign government bonds without a specific rating are assigned the country rating provided by an NRSRO, if available. The Not Applicable category consists of nonratable securities (e.g., equities). Cash includes equivalents, which may be rated.

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