



# Franklin LibertyQ U.S. Mid Cap Equity ETF

# FLQM

Fund Fact Sheet | Smart Beta | December 31, 2021

## Fund Description

The fund seeks to provide investment results that closely correspond, before fees and expenses, to the performance of its corresponding underlying index, LibertyQ U.S. Mid Cap Equity Index. The underlying LibertyQ U.S. Mid Cap Equity Index generally includes U.S. mid capitalization companies that have favorable exposure to four investment style factors: quality, value, momentum and low volatility.

## Fund Overview

Total Net Assets	\$58 million
Fund Inception Date	4/26/2017
ETF Type	Smart Beta
Frequency of Index Reconstitution	Semi-Annual
Number of Holdings	207
Asset Class	Equity
Listing Exchange	Cboe
CUSIP	35473P 884
Cboe Ticker	FLQM
Shares Outstanding	1,200,000
Investment Universe	Russell Mid Cap Index
Underlying Index	LibertyQ U.S. Mid Cap Equity Index

## Fund Management

	Years with Firm	Years of Experience
Dina Ting, CFA	6	26
Hailey Harris	3	12

## Total Annual Operating Expenses

0.30%

## 30-Day SEC Yield

1.10%

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

Fund	CUMULATIVE			AVERAGE ANNUAL			Since Inception	Inception Date
	3 Mths	6 Mths	YTD	1 Yr	3 Yrs			
FLQM (NAV Returns)	10.78	10.44	28.51	28.51	23.90	16.15	4/26/2017	
FLQM (Market Price Returns)	10.86	10.54	28.77	28.77	24.11	16.21	4/26/2017	
LibertyQ U.S. Mid Cap Equity Index	10.88	10.61	28.94	28.94	24.25	16.49		
Russell Midcap® Index	6.44	5.45	22.58	22.58	23.28	14.61		

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 Price 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 April 28, 2017, the NAV of the Fund is used as a proxy for the Market Price to calculate market returns.

## Top Ten Holdings (% of Total)

Issuer Name	
ARISTA NETWORKS INC	1.10
AUTOZONE INC	1.09
PAYCHEX INC	1.09
AMERICAN WATER WORKS CO INC	1.06
METTLER-TOLEDO INTERNATIONAL INC	1.06
O'REILLY AUTOMOTIVE INC	1.05
CONSOLIDATED EDISON INC	1.04
HERSHEY CO/THE	1.03
KROGER CO/THE	1.03
FORTINET INC	1.03

## Fund Measures

	Investment	
	Fund	Universe
Price to Earnings (12-mo Trailing)	20.74x	21.16x
Price to Book	4.53x	3.64x
Standard Deviation (3 Yrs)	18.44%	20.55%
Beta (3 Yrs)	0.88	N/A

Beta measured against the Russell Midcap Index.

**Composition of Fund**

■ Franklin LibertyQ U.S. Mid Cap Equity ETF ■ Russell Midcap® Index

Sector	% of Total
Information Technology	19.35 / 19.43
Industrials	18.86 / 15.34
Consumer Discretionary	15.29 / 12.35
Health Care	10.88 / 11.21
Financials	9.64 / 12.33
Real Estate	7.19 / 8.39
Consumer Staples	6.46 / 3.41
Utilities	4.72 / 4.72
Materials	4.49 / 5.50
Others	2.95 / 7.33
Cash & Cash Equivalents	0.18 / 0.00

**What Are the Risks?**

All investments involve risks, including possible loss of principal. Stock prices fluctuate, sometimes rapidly and dramatically, due to factors affecting individual companies, particular industries or sectors, or general market conditions. Historically, mid-size company securities have been more volatile in price than larger company securities, especially over the short term. Mid-size companies may be more susceptible to particular economic events or competitive factors than are larger, more broadly diversified companies. There can be no assurance that the fund's multi-factor stock selection process will enhance performance. Exposure to such investment factors may detract from performance in some market environments, perhaps for extended periods. Performance of the fund may vary significantly from the performance of an index, as a result of transactions costs, expenses and other factors. These and other risks are discussed in the fund's prospectus.

**Glossary**

**Beta:** A measure of the fund's volatility relative to the market, as represented by the stated Index. A beta greater than 1.00 indicates volatility greater than the market.

**Price to Book:** The price per share of a stock divided by its book value (i.e., net worth) per share. For a portfolio, the value represents a weighted average of the stocks it holds.

**Price to Earnings (12-mo Trailing):** The share price of a stock, divided by its per-share earnings over the past year. For a portfolio, the value represents a weighted average of the stocks it holds.

**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.

**Important Information**

The LibertyQ U.S. Mid Cap Index methodology utilizes a custom factor weighting (50% Quality, 30% Value, 10% Momentum, 10% Low Volatility) and custom factor definitions. The methodology targets the top 25% of securities from the parent index with the highest combined factor score.

**Quality** is measured by return on equity, gross profit over asset, 5 year gross margin sustainability (ex. Financials and REITs), Cash ROA and 5 year ROA sustainability (Financials and REITs).

**Value** is measured by EBITDA to Enterprise Value Ratio (ex. REITs and Financials), 12-month forward price-to-earnings (ex. REITs and Financials), dividend yield (ex. REITs and Financials), 1/3 relative z-score of dividend yield and 2/3 relative z-scores of the price-to-book (REITs and Financials only).

**Momentum** is measured by 6-month risk-adjusted price momentum and 12-month risk-adjusted price momentum.

**Low Volatility** is measured by the historical beta of at least 104 weeks.

*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.

Source: FTSE. Important data provider notices and terms available at [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com).

Source: FTSE Russell. The LibertyQ U.S. Mid Cap Equity Index is calculated and maintained by FTSE Russell which aim to reflect the performance of a Franklin Templeton strategy. The Franklin LibertyQ U.S. Mid Cap Equity ETF is not in any way sponsored, endorsed, sold or promoted by Russell or the London Stock Exchange Group companies ("LSEG") (together the "Licensor Parties") and none of the Licensor Parties make any claim, prediction, warranty or representation whatsoever, expressly or impliedly, either as to (i) the results to be obtained from the use of the Index (upon which the Franklin LibertyQ U.S. Mid Cap Equity ETF is based), (ii) the figure at which the Index is said to stand at any particular time on any particular day or otherwise, or (iii) the suitability of the Index for the purpose to which it is being put in connection with the Franklin LibertyQ U.S. Mid Cap Equity ETF. None of the Licensor Parties have provided or will provide any financial or investment advice or recommendation in relation to the Index to Franklin Templeton or to its clients. None of the Licensor Parties shall be (a) liable (whether in negligence or otherwise) to any person for any error in the Index or (b) under any obligation to advise any person of any error therein. Frank Russell Company is the source of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Frank Russell Company.

**Rules Based Approach:** An investment strategy based on various, pre-determined rules.

**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:** Percentage may not equal 100% due to rounding.

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