



**FRANKLIN
TEMPLETON**

Franklin LibertyQ U.S. Small Cap Equity ETF

Fund Fact Sheet | Smart Beta | December 31, 2021

FLQS

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. Small Cap Equity Index. The underlying LibertyQ U.S. Small Cap Equity Index generally includes U.S. small capitalization companies that have favorable exposure to four investment style factors: quality, value, momentum and low volatility.

Fund Overview

| | |
|--|--------------------------------------|
| Total Net Assets | \$18 million |
| Fund Inception Date | 4/26/2017 |
| ETF Type | Smart Beta |
| Frequency of Index Reconstitution | Semi-Annual |
| Number of Holdings | 508 |
| Asset Class | Equity |
| Listing Exchange | Cboe |
| CUSIP | 35473P 876 |
| Cboe Ticker | FLQS |
| Shares Outstanding | 450,000 |
| Investment Universe | Russell 2000 Index |
| Underlying Index | LibertyQ U.S. Small Cap Equity Index |

Fund Management

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

Total Annual Operating Expenses

0.35%

30-Day SEC Yield

0.90%

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

| Fund | CUMULATIVE | | | AVERAGE ANNUAL | | | Since Inception | Inception Date |
|--------------------------------------|------------|--------|-------|----------------|-------|-------|-----------------|----------------|
| | 3 Mths | 6 Mths | YTD | 1 Yr | 3 Yrs | | | |
| FLQS (NAV Returns) | 6.28 | 5.19 | 26.62 | 26.62 | 18.18 | 11.58 | | 4/26/2017 |
| FLQS (Market Price Returns) | 6.21 | 5.16 | 26.59 | 26.59 | 18.29 | 11.61 | | 4/26/2017 |
| LibertyQ U.S. Small Cap Equity Index | 6.33 | 5.33 | 26.99 | 26.99 | 18.54 | 11.92 | | |
| Russell 2000® Index | 2.14 | -2.31 | 14.82 | 14.82 | 20.02 | 11.72 | | |

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 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 | |
|----------------------------------|------|
| LATTICE SEMICONDUCTOR CORP | 0.98 |
| SAIA INC | 0.98 |
| MACY'S INC | 0.89 |
| TETRA TECH INC | 0.89 |
| BJ'S WHOLESALE CLUB HOLDINGS INC | 0.87 |
| TEXAS ROADHOUSE INC | 0.84 |
| EXPONENT INC | 0.83 |
| NOVANTA INC | 0.81 |
| AMN HEALTHCARE SERVICES INC | 0.79 |
| SIMPSON MANUFACTURING CO INC | 0.76 |

Fund Measures

| | Fund | Investment Universe |
|------------------------------------|-------------|----------------------------|
| Price to Earnings (12-mo Trailing) | 17.41x | 15.74x |
| Price to Book | 2.70x | 2.57x |
| Standard Deviation (3 Yrs) | 20.45% | 23.35% |
| Beta (3 Yrs) | 0.86 | N/A |

Beta measured against the Russell 2000 Index.

Composition of Fund

■ Franklin LibertyQ U.S. Small Cap Equity ETF ■ Russell 2000® Index

| Geographic | % of Total |
|-------------------------|----------------|
| United States | 98.20 / 100.00 |
| Bermuda | 0.39 / 0.00 |
| Singapore | 0.38 / 0.00 |
| Puerto Rico | 0.32 / 0.00 |
| Chile | 0.26 / 0.00 |
| Ireland | 0.14 / 0.00 |
| Monaco | 0.08 / 0.00 |
| Panama | 0.06 / 0.00 |
| United Kingdom | 0.06 / 0.00 |
| Others | 0.05 / 0.00 |
| Cash & Cash Equivalents | 0.06 / 0.00 |

| Sector | % of Total |
|-------------------------|---------------|
| Industrials | 20.43 / 15.18 |
| Consumer Discretionary | 20.09 / 11.33 |
| Information Technology | 14.84 / 14.52 |
| Health Care | 9.53 / 18.06 |
| Financials | 9.53 / 16.04 |
| Consumer Staples | 6.60 / 3.47 |
| Real Estate | 6.27 / 7.42 |
| Utilities | 4.95 / 2.67 |
| Communication Services | 3.86 / 3.11 |
| Others | 3.83 / 8.20 |
| Cash & Cash Equivalents | 0.06 / 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. Smaller, mid-sized and relatively new or unseasoned companies can be particularly sensitive to changing economic conditions, and their prospects for growth are less certain than those of larger, more established companies. Historically, these securities have experienced more price volatility than larger company stocks, especially over the short-term. Smaller companies may be more susceptible to particular events or economic conditions, less certain growth prospects, lack of depth of management and funds for growth and development and limited or less developed product lines and markets. 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

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.

Source: FTSE Russell. The LibertyQ U.S. Small 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. Small 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. Small 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. Small 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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