

Franklin Liberty International Aggregate Bond ETF (FLIA)



Multi-Sector | Fact Sheet as of June 30, 2022

Investment Overview

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.

Total Returns (%)

	Cumulative			Average Annual				Inception	
	3-Mth	6-Mth	YTD	1-Yr	3-Yr	5-Yr	10-Yr	Inception	Date
NAV Returns	-1.99	-5.23	-5.23	-5.57	-1.77	—	—	-0.18	5/30/2018
Market Price Return	-2.49	-5.51	-5.51	-5.74	-1.87	—	—	-0.22	5/30/2018
Benchmark 1	-4.01	-7.90	-7.90	-7.75	-2.51	—	—	-0.93	—
Benchmark 2	-4.01	-7.90	-7.90	-7.75	-1.36	—	—	0.94	—

Calendar Year Total Returns (%)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
NAV Returns	-1.96	1.31	7.67	—	—	—	—	—	—	—
Market Price Return	-2.00	1.39	7.57	—	—	—	—	—	—	—
Benchmark 1	-1.40	1.94	5.09	—	—	—	—	—	—	—
Benchmark 2	-1.40	3.94	7.57	—	—	—	—	—	—	—

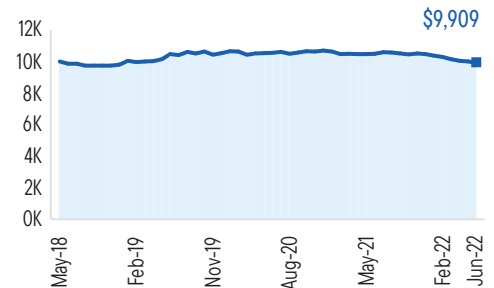
Performance data represents past performance, which does not guarantee future results. Current performance may differ from figures shown. The fund's investment return and principal value will change with market conditions, and you may have a gain or a loss when you sell your shares. Total returns assume the reinvestment of all distributions and the deduction of all fund expenses. An investor cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses or sales charges. 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 June 1, 2018, the NAV of the Fund is used as a proxy for the Market Price to calculate market returns.

Growth of \$10,000

Inception through June 30, 2022

Market Price Returns, assuming dividends reinvested



The Growth of \$10,000 chart reflects a hypothetical \$10,000 investment on Market Price and assumes reinvestment of dividends and capital gains. Fund expense, including management fees and other expenses were deducted.

Fund Overview

Fund Inception Date	05/30/2018
Total Expense Ratio (%)	0.25
ETF Category	Active
Asset Class	Fixed Income
Listed Exchange	Cboe
Cboe TICKER	FLIA
CUSIP	354 73P 611
ISIN	US35473P6117
Shares Outstanding	8,050,000

Benchmark(s)

- 1—Linked Bloomberg Global Aggregate ex-USD Index Hedged USD
- 2—Bloomberg Global Aggregate ex-USD Index Hedged USD

30-Day SEC Yield (%)

30-Day SEC Yields (%)	1.13
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Fund Characteristics

	Fund
Total Net Assets	\$186.60 Million
Number of Holdings	89
Weighted Average Maturity	4.90 Years
Effective Duration	4.56 Years

Risk Statistics (3-Year vs. Linked Bloomberg Global Aggregate ex-USD Index Hedged USD)

	Fund
Beta	0.90
R-Squared	0.90
Sharpe Ratio	-0.71
Standard Deviation (%)	3.26

Geographic Allocation (% of Total)

	Fund
Europe	40.58
Asia	29.91
North America	8.78
Australia/New Zealand	2.43
Latin America/Caribbean	0.09
Currency Derivatives	2.15
Supranational	2.02
Cash & Cash Equivalents	14.04

Sector Allocation (% of Total)

	Fund
EMU Govt	34.30
Japan Govt	14.62
Asia ex-Japan	7.41
Americas ex-US	5.95
Euro IG Corp	5.34
Non-EMU Europe	1.71
Quasi-Sovereign	1.28
Sovereign	0.82
Other	14.55
Cash & Cash Equivalents	14.04

Quality Allocation (% of Total)

	Fund
AAA	27.43
AA	10.89
A	35.81
BBB	9.67
Not Applicable	2.15
Cash & Cash Equivalents	14.04

Portfolio Data Information

Credit Quality is a measure of a bond issuer’s ability to repay interest and principal in a timely manner. The credit ratings shown are based on each portfolio security’s rating as provided by Standard and Poor’s, Moody’s Investors Service and/or Fitch Ratings, Ltd. and typically range from AAA (highest) to D (lowest), or an equivalent and/or similar rating. For this purpose, the manager assigns each security the middle rating from these three agencies. When only two agencies provide ratings, the lower of the two ratings will be assigned. When only one agency assigns a rating, that rating will be used. Foreign government bonds without a specific rating are assigned a country rating, if available. Securities that are unrated by all three agencies are reflected as such. The credit quality of the investments in the funds portfolio does not apply to the stability or safety of the fund. These ratings are updated monthly and may change over time. **Please note, the fund itself has not been rated by an independent rating agency.**

Portfolio Management

	Years with Firm	Years of Experience
David Zahn, CFA	16	28
John Beck	32	35
Patrick A. Klein, PhD	16	16
Sonal Desai, PhD	12	28

What should I know before investing?

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. The manager’s portfolio selection strategy is not solely based on ESG considerations, and therefore the issuers in which the fund invests may not be considered ESG-focused companies. Integrating ESG considerations into the investment process is not a guarantee that better performance will be achieved. 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. **R-squared** measures the strength of the linear relationship between the fund and its benchmark. R-squared at 1 implies perfect linear relationship and zero implies no relationship exists. **Sharpe Ratio** refers to a risk-adjusted measure calculated using standard deviation and excess returns to determine reward per unit of risk. The higher the ratio, the greater the risk-adjusted performance. **Standard Deviation** 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. The **30-day SEC yield** calculated pursuant to the standard SEC formula, is based on a fund's investments over an annualized trailing 30-day period and not on the distributions paid by the fund, which may differ. **Weighted Average Maturity:** An estimate of the number of years to maturity, taking the possibility of early payments into account, for the underlying holdings. **Effective Duration** is a duration calculation for bonds with embedded options. Effective duration takes into account that expected cash flows will fluctuate as interest rates change. Duration measures the sensitivity of price (the value of principal) of a fixed-income investment to a change in interest rates. The higher the duration number, the more sensitive a fixed-income investment will be to interest rate changes.

Important Information

Canada: This content is intended only for Canadian institutional investors that qualify as “permitted clients” as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. U.S. securities laws generally limit a non-U.S. fund’s purchase of a U.S. registered mutual fund or ETF (a “U.S. Fund”) to no more than 3% of the U.S. Fund’s voting stock. You should consult your legal counsel prior to investing in a U.S. Fund.

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.

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.

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.

CFA® and **Chartered Financial Analyst®** are trademarks owned by CFA Institute. The **Bloomberg Global Aggregate Index** is a flagship measure of global investment grade debt from twenty-four local currency markets. Source: Bloomberg Indices. The **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. The Bloomberg Global Aggregate Bond ex-USD Index (100% Hedged to USD) measures global investment-grade debt from 24 local currency markets. This multicurrency benchmark is 100% hedged to the U.S. dollar and includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers. Source: Bloomberg Indices. Information is historical and may not reflect current or future portfolio characteristics. All portfolio holdings are subject to change. Important data provider notices and terms available at www.franklintempletondatasources.com. © Franklin Templeton. Franklin Distributors, LLC. Member FINRA/SIPC.

Before investing, carefully consider a fund’s investment objectives, risks, charges and expenses. You can find this and other information in each prospectus, or summary prospectus, if available, at www.franklintempleton.com. Please read it carefully.