

# Franklin Liberty Short Duration U.S. Government ETF (FTSD)



Government | Fact Sheet as of June 30, 2022

## Investment Overview

The fund seeks to provide a high level of current income as is consistent with prudent investing, while seeking preservation of shareholders' capital by investing at least 80% of its net assets in securities issued or guaranteed by the U.S. government, its agencies, or instrumentalities. The fund targets an estimated average portfolio duration of three (3) years or less.

## Total Returns (%)

	Cumulative			Average Annual				Inception	
	3-Mth	6-Mth	YTD	1-Yr	3-Yr	5-Yr	10-Yr	Inception	Date
NAV Returns	-0.72	-2.51	-2.51	-2.99	0.21	0.81	—	0.83	11/4/2013
Market Price Return	-0.59	-2.37	-2.37	-2.95	0.23	0.83	—	0.80	11/4/2013
Benchmark	-0.52	-3.01	-3.01	-3.50	0.18	0.91	—	0.81	—

## Calendar Year Total Returns (%)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
NAV Returns	-0.84	2.98	2.97	1.20	0.79	1.01	0.35	0.59	—	—
Market Price Return	-0.90	3.13	2.39	1.64	0.63	0.91	0.52	0.77	—	—
Benchmark	-0.60	3.14	3.59	1.58	0.45	0.87	0.57	0.64	—	—

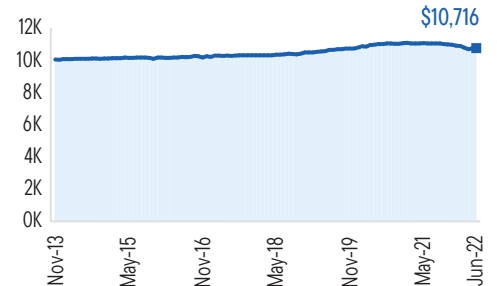
**Performance data represents past performance, which does not guarantee future results.** Current performance may differ from figures shown. The fund's investment return and principal value will change with market conditions, and you may have a gain or a loss when you sell your shares. Total returns 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 November 6, 2013, 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	11/04/2013
Total Expense Ratio (%)	0.25
ETF Category	Active
Asset Class	Fixed Income
Listed Exchange	NYSE Arca
NYSE Arca TICKER	FTSD
CUSIP	353 506 108
ISIN	US3535061085
Shares Outstanding	3,551,000

## Benchmark(s)

Bloomberg US Government Index: 1-3 Year Component

## 30-Day SEC Yield (%)

30-Day SEC Yields (%)	1.68
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## Fund Characteristics

	Fund
Total Net Assets	\$324.17 Million
Weighted Average Maturity	4.71 Years
Effective Duration	1.16 Years
Number of Holdings	392

## Risk Statistics (3-Year vs. Bloomberg US Government Index: 1-3 Year Component)

	Fund
Beta	0.53
R-Squared	0.58
Sharpe Ratio	-0.28
Standard Deviation (%)	1.14

**Sector Exposure (% of Total)**

	Fund	Benchmark
Mortgage-Backed Securities (MBS)	63.38	0.00
U.S. Treasuries	34.10	95.33
Agency Adjustable Rate Mortgages (ARMs)	3.77	0.00
U.S. Agency	2.18	4.67
Cash & Cash Equivalents	-8.07	0.00

**Duration Exposure (%)**

	Fund	Benchmark
0 to 1 Year	35.16	4.23
1 to 2 Years	37.19	55.71
2 to 3 Years	10.28	40.05
3 to 5 Years	18.57	0.00
5 to 7 Years	-1.78	0.00
7 to 10 Years	-1.53	0.00
10 to 15 Years	-2.48	0.00
15 to 20 Years	-0.05	0.00

**Maturity Allocation (%)**

	Fund	Benchmark
0 to 1 Year	-2.56	4.20
1 to 2 Years	28.79	55.52
2 to 3 Years	11.11	40.28
3 to 5 Years	18.29	0.00
5 to 7 Years	21.66	0.00
7 to 10 Years	22.69	0.00
15 to 20 Years	0.03	0.00

**Portfolio Data Information**

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). Portfolio breakdown percentages may not total 100% and may be negative due to rounding, use of any derivatives, unsettled trades or other factors.

**Portfolio Management**

	Years with Firm	Years of Experience
Patrick A. Klein, PhD	16	16
Paul Varunok	21	30
Neil Dhruv	20	20

**What should I know before investing?**

All investments involve risks, including possible loss of principal. Interest rate movements, unscheduled mortgage prepayments and other risk factors will affect the fund's share price and yield. Bond prices, and thus a fund's share price, generally move in the opposite direction of interest rates. Therefore, as the prices of bonds in the fund adjust to a rise in interest rates, the fund's share price may decline. Changes in the financial strength of a bond issuer or in a bond's credit rating may affect its value. 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.

**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.

The **Bloomberg U.S. Government Index:** 1-3 Year Component includes public obligations of the U.S. Treasury with at least one year up to, but not including, three years to final maturity and publicly issued debt of U.S. government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. government. 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](http://www.franklintempletondatasources.com).

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**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](http://www.franklintempleton.com). Please read it carefully.**