

Franklin U.S. Large Cap Multifactor Index ETF (FLQL)



Multi-Factor | Fact Sheet as of September 30, 2022

Investment Overview

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. Large Cap Equity Index. The underlying LibertyQ U.S. Large Cap Equity Index generally includes U.S. large capitalization companies that have favorable exposure to three investment style factors: quality, value and momentum.

Total Returns (%)

	Cumulative			Average Annual				Inception	
	3-Mth	6-Mth	YTD	1-Yr	3-Yr	5-Yr	10-Yr	Inception	Date
Market Price Return	-5.06	-17.61	-21.12	-11.42	5.66	8.57	—	8.99	4/26/2017
NAV Returns	-5.04	-17.61	-21.22	-11.53	5.67	8.54	—	8.98	4/26/2017
Investment Universe	-4.61	-20.51	-24.59	-17.22	7.94	9.00	—	9.50	—
Underlying Index	-4.99	-17.56	-21.16	-11.44	5.80	8.73	—	9.18	—

Calendar Year Total Returns (%)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Market Price Return	26.57	10.70	29.08	-2.78	—	—	—	—	—	—
NAV Returns	26.69	10.64	28.76	-1.96	—	—	—	—	—	—
Investment Universe	26.45	20.96	31.43	-4.78	—	—	—	—	—	—
Underlying Index	26.89	10.77	29.03	-1.73	—	—	—	—	—	—

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.

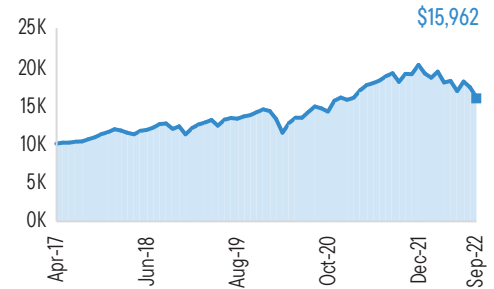
Net Asset Value (NAV) returns are based on the NAV of the ETF; Market Price returns are based upon the official closing price of the ETF's shares. Returns are average annualized total returns, except for those periods of less than one year, which are cumulative. Market Price returns are calculated using 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 April 28, 2017, the NAV of the Fund is used as a proxy for the Market Price to calculate market returns.

The total annual operating expenses are as of the fund's prospectus available at the time of publication. Actual fees may be higher and may impact portfolio returns.

Growth of \$10,000

Inception through September 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	04/26/2017
Total Expense Ratio (%)	0.15
ETF Category	Smart Beta
Frequency of Index	
Restructuring	Quarterly
Asset Class	Equity
Listed Exchange	Cboe
Cboe Ticker	FLQL
CUSIP	354 73P 801
ISIN	US35473P8014
Shares Outstanding	23,600,000
Underlying Index	LibertyQ U.S. Large Cap Equity Index
Investment Universe	Russell 1000 Index

30-Day SEC Yield (%)

30-Day SEC Yields (%)	2.10
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Fund Characteristics

	Fund	Investment Universe
Total Net Assets	\$863.30 Million	
Average Market Cap (Millions)	\$430,592	\$424,783
Price to Book	3.49x	3.49x
Price to Earnings (12-Month Trailing)	13.71x	17.59x
Number of Holdings	212	1,016

Risk Statistics (3-Year vs. Russell 1000 Index)

	Fund	Investment Universe
Standard Deviation (%)	18.62	20.51
Beta	0.89	—

Top Equity Issuers (% of Total)

	Fund
APPLE INC	7.14
MICROSOFT CORP	5.25
ALPHABET INC	2.96
AMAZON.COM INC	1.98
ELI LILLY & CO	1.93
TESLA INC	1.90
CHEVRON CORP	1.77
ABBVIE INC	1.74
PFIZER INC	1.73
MERCK & CO INC	1.69

Sector Allocation (% of Total)

	Fund	Investment Universe
Information Technology	30.06	26.03
Health Care	20.26	14.70
Consumer Discretionary	11.57	11.59
Industrials	7.85	8.59
Energy	7.77	4.64
Communication Services	6.59	7.73
Consumer Staples	5.88	6.44
Financials	4.27	11.40
Other	5.55	8.88
Cash & Cash Equivalents	0.20	0.00

Portfolio Management

	Years with Firm	Years of Experience
Dina Ting, CFA	6	26
Hailey Harris	4	12
Joe Diederich	3	11
Basit Amin, CFA	1	12

What should I know before investing?

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. To the extent the fund concentrates in a specific industry or a group of industries, the fund will carry much greater risks of adverse developments and price movements in such industries than a fund that invests in a wider variety of industries; there is also the risk that the fund will perform poorly during a slump in demand for securities of companies in such industries. 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

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. **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. 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. **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-Month Trailing)** is 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.

Important Information

The LibertyQ U.S. Large Cap Index methodology utilizes a custom factor weighting (40% Quality, 30% Value, 30% Momentum) and custom factor definitions. This methodology automatically selects securities with wrights of 1% or greater in the Russell 1000 Index. Of the remaining securities in the Russell 1000 Index, those in the top 20% (ranked by their factor score) are selected. All securities are held according to their (Benchmark Weight) x (Composite Factor Score), subject to security constraints. **Quality** is measured by return on equity (ex. REITs), 5-year earnings variability, cash return on assets (ex. REITs and Financials), leverage (ex. Financials and REITs), and operating cash to sales (REITs only) and ROA (REITs and financials only). **Value** is measured by 12-month trailing price-to-earnings (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.

Prior to August 1, 2022, the fund was named Franklin LibertyQ U.S. Equity ETF.

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.

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The **LibertyQ U.S. Large Cap Equity Index** is a systematic, rules-based proprietary index that is calculated by FTSE Russell based on the Russell 1000® Index that aims to reflect the performance of Franklin Templeton's desired investment strategy. The Fund is not sponsored, endorsed, issued, sold or promoted by, or affiliated with FTSE Russell. FTSE Russell does not make any representation regarding the advisability of investing in the Fund. The index includes stocks from the U.S. market that have favorable exposure to multiple investment style factors, subject to a maximum 1% per company weighting. The LibertyQ U.S. Equity Index utilizes a multi-factor selection process that is designed to select equity securities from the Russell 1000® Index that has exposure to four investment style-factors: quality, value, momentum and low volatility while seeking a lower level of risk and higher risk-adjusted performance than the Russell 1000® Index over the long term. The **Russell 1000 Index** measures the performance of the 1,000 largest companies in the Russell 3000 Index, and represents approximately 90% of the total market capitalization of the Russell 3000 Index. Source: FTSE Russell. 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.

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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. Please read it carefully.