

# Franklin Systematic Style Premia ETF (FLSP)



Risk Premia Factsheet as of June 30, 2024

## Investment Overview

The fund seeks to provide absolute return by employing a multi-asset long/short strategy across four factors: Quality, Value, Momentum, Carry.

## Total Returns (%)

|                     | Cumulative |       |      | Average Annual |      |      |       | Inception | Inception Date |
|---------------------|------------|-------|------|----------------|------|------|-------|-----------|----------------|
|                     | 3-Mth      | 6-Mth | YTD  | 1-Yr           | 3-Yr | 5-Yr | 10-Yr |           |                |
| Market Price Return | -1.21      | 9.33  | 9.33 | 9.62           | 7.08 | —    | —     | 1.55      | 12/18/2019     |
| NAV Returns         | -0.96      | 8.63  | 8.63 | 9.36           | 7.06 | —    | —     | 1.56      | 12/18/2019     |
| Benchmark           | 1.32       | 2.63  | 2.63 | 5.40           | 3.03 | —    | —     | 2.17      | —              |

## Calendar Year Total Returns (%)

|                     | 2023 | 2022  | 2021  | 2020   | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---------------------|------|-------|-------|--------|------|------|------|------|------|------|
| Market Price Return | 3.14 | 0.32  | 11.43 | -15.17 | —    | —    | —    | —    | —    | —    |
| NAV Returns         | 4.69 | -0.53 | 11.99 | -14.79 | —    | —    | —    | —    | —    | —    |
| Benchmark           | 5.01 | 1.46  | 0.05  | 0.67   | —    | —    | —    | —    | —    | —    |

**Performance data quoted represents past performance, which does not guarantee future results.** Current performance may be lower or higher than the figures shown. Principal value and investment returns will fluctuate, and investors' shares, when redeemed, may be worth more or less than the original cost. Performance would have been lower if fees had not been waived in various periods. 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, expense or sales charges. Returns for periods of less than one year are not annualized. For current month-end performance, please visit [franklintempleton.com](http://franklintempleton.com).

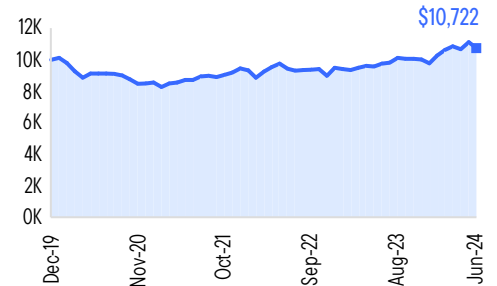
Net Asset Value (NAV) returns are based on the NAV of the ETF; Market Price returns are based upon the official closing price of the ETF's shares. Returns are average annualized total returns, except for those periods of less than one year, which are cumulative. Market Price returns are calculated using the closing price as of 4 p.m. Eastern 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 December 20, 2019, 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 expenses may be higher and may impact portfolio returns.

## Growth of \$10,000

Inception through June 30, 2024

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     | 12/18/2019   |
| Total Expense Ratio (%) | 0.65         |
| ETF Category            | Active       |
| Asset Class             | Alternatives |
| Listed Exchange         | NYSE Arca    |
| NYSE Arca Ticker        | FLSP         |
| CUSIP                   | 35473P546    |
| ISIN                    | US35473P5465 |
| Shares Outstanding      | 8,000,000    |

## Benchmark(s)

ICE BofA US 3-Month Treasury Bill Index

## Fund Characteristics

| Fund Characteristics | Fund             |
|----------------------|------------------|
| Total Net Assets     | \$189.33 Million |

## Risk Statistics (3-Year)

|                        | Fund | Benchmark |
|------------------------|------|-----------|
| Beta                   | 4.35 | —         |
| R-Squared              | 0.00 | —         |
| Sharpe Ratio           | 0.67 | -0.23     |
| Standard Deviation (%) | 5.76 | 0.66      |
| Alpha (%)              | 4.59 | —         |

## Portfolio Management

|                           | Years with Firm | Years of Experience |
|---------------------------|-----------------|---------------------|
| Chandra Seethamraju, PhD  | 10              | 23                  |
| Sundaram Chettiappan, CFA | 5               | 18                  |
| Vaneet Chadha, CFA        | 11              | 18                  |
| Chris Floyd, CFA          | 23              | 25                  |
| Robert Christian          | 14              | 34                  |

### What should I know before investing?

**All investments involve risks, including possible loss of principal.** Equity securities are subject to price fluctuation and possible loss of principal. The fund is actively managed and could experience losses if the manager's judgment about particular investments, or its evaluation of the risks, potential returns and correlation properties of the various **risk premia** in which the fund invests, prove to be incorrect. The **allocation** of assets among different strategies, asset classes and investments may not prove beneficial or produce the desired results. **Trading models** used by the manager for securities selection and asset allocation may become outdated, and the historical patterns upon which the models are based may weaken or disappear. **Derivative instruments** can be illiquid, may disproportionately increase losses, and have a potentially large impact on performance. **Currency management** strategies could result in losses to the fund if currencies do not perform as expected. **Fixed income securities** involve interest rate, credit, inflation and reinvestment risks, and possible loss of principal. As interest rates rise, the value of fixed income securities falls. **Liquidity risk** exists when securities or other investments become more difficult to sell, or are unable to be sold, at the price at which they have been valued. **International investments** are subject to special risks, including currency fluctuations and social, economic and political uncertainties, which could increase volatility. These risks are magnified in **emerging markets**. To the extent the portfolio invests in a **concentration of certain securities, regions or industries**, it is subject to increased volatility. 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. **Alpha** is the annualized percentage difference between a portfolio's actual returns and its expected performance given its level of market risk, as measured by beta.

### Important Information

**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.

**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.

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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.**