

ANNUAL REPORT

FRANKLIN TEMPLETON ETF TRUST

March 31, 2024



FRANKLIN
TEMPLETON

Franklin Emerging Market Core Dividend Tilt
Index ETF

Franklin International Core Dividend Tilt Index ETF

Franklin U.S. Core Dividend Tilt Index ETF

Franklin U.S. Large Cap Multifactor Index ETF

Franklin U.S. Mid Cap Multifactor Index ETF

Franklin U.S. Small Cap Multifactor Index ETF

The Securities and Exchange Commission has adopted new regulations that will result in changes to the design and delivery of annual and semiannual shareholder reports beginning in July 2024.

If you have previously elected to receive shareholder reports electronically, you will continue to do so and need not take any action.

Otherwise, paper copies of the Fund's shareholder reports will be mailed to you beginning in July 2024. If you would like to receive shareholder reports and other communications from the Fund electronically instead of by mail, you may make that request at any time by contacting your financial intermediary (such as a broker-dealer or bank).

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Visit **franklintempleton.com** for fund updates and documents, or to find helpful financial planning tools.

Not FDIC Insured | May Lose Value | No Bank Guarantee

Franklin Emerging Market Core Dividend Tilt Index ETF

This annual report for Franklin Emerging Market Core Dividend Tilt Index ETF covers the fiscal year ended March 31, 2024.

Fund Overview

Q. What is the Fund's investment strategy?

A. The Fund seeks to provide investment results that closely correspond, before fees and expenses, to the performance of the Morningstar® Emerging Markets Dividend Enhanced Select IndexSM-NR (the Underlying Index).¹ Under normal market conditions, the Fund invests at least 80% of its assets in the component securities of the Underlying Index and in depositary receipts representing such securities. The Underlying Index is a systematic, rules-based proprietary index that is maintained and calculated by Morningstar, Inc. (Morningstar or Index Provider). The Underlying Index is based on the Morningstar® Emerging Markets Target Market Exposure Index (Parent Index) and is constructed by applying an optimization process to the Parent Index that aims to deliver a higher dividend yield than the Parent Index, while limiting expected tracking error to the Parent Index (i.e., to provide a “dividend tilt” through the selection and weighting of securities from the Parent Index), as described in greater detail below. The Parent Index includes large- and mid-capitalization stocks representing the top 85% of the investable universe (i.e., emerging markets equity markets) by float-adjusted market capitalization (“float-adjusted” means that only shares that are estimated to be publicly available to investors are included in the calculation of market capitalization). The Underlying Index is governed by published, objective rules for security selection, exclusion, rebalancing and adjustments for corporate actions. The Underlying Index is reconstituted quarterly.

The Fund, using a “passive” or indexing investment approach, seeks investment results that closely correspond, before fees and expenses, to the performance of the Underlying Index. The Fund may use either a replication strategy or representative sampling strategy.

The Fund may invest in equity futures (including equity index futures) and equity total return swaps to provide additional opportunities to add value and better track the performance of the Fund's Underlying index, such as to equitize cash and

accrued income (i.e., gain equity market exposure and maintain liquidity until the Fund invests in individual securities), simulate investments in the Underlying Index, facilitate trading or minimize transaction costs.

The Fund may enter into foreign currency forward contracts and/or currency futures contracts to provide the Fund with additional opportunities to add value and better track the performance of the Fund's Underlying Index, such as by facilitating local securities settlements or protecting against currency exposure in connection with distributions to Fund shareholders.

Q. What were the overall market conditions during the Funds' reporting period?

A. While inflation remained elevated in most parts of the world, it moderated substantially, bolstering equities. A significant shift in the policies of most major central banks also supported stocks, as interest rate increases stopped early in the reporting period and investors began to anticipate future easing. While economic growth slowed in some countries, most of the world avoided recession, despite higher interest rates and borrowing costs. Equity performance varied notably by region, as the impact of changing economic conditions varied depending on local circumstances.

Emerging market stocks, which are sensitive to interest rate changes in developed markets, benefited from shifting policy among large central banks.

Q. How did we respond to these changing market conditions?

A. The Fund uses a passive investment approach to achieve its investment objective, and therefore made no change in investment approach in response to market conditions.

Performance Overview

During the 12-month period, the Fund posted cumulative total returns of +12.83% based on market price and +12.41% based on net asset value (NAV). The Underlying Index, the Morningstar® Emerging Markets Dividend Enhanced Select IndexSM-NR posted a cumulative total

1. The Morningstar® Emerging Markets Dividend Enhanced Select IndexSM-NR is a systematic, rules-based proprietary index that is maintained and calculated by Morningstar, Inc.

The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Schedule of Investments (SOI). The SOI begins on page 43.

return of +13.16%.² The Linked Morningstar® Emerging Markets Dividend Enhanced Select Index-NR, which measures the performance of the Underlying Index, posted a +12.90% cumulative total return.² The Parent Index, the Morningstar® Emerging Markets Target Market Exposure Index-NR posted a cumulative total return of +9.00%.² The Linked Morningstar® Emerging Markets Target Market Exposure Index-NR, which measures the performance of the Parent Index, posted a +9.00% cumulative total return for the same period.²

You can find more of the Fund's performance data in the Performance Summary beginning on page 5.

Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to franklintempleton.com or call (800) 342-5236.

Geographic Composition*

3/31/24

	% of Total Net Assets
Asia	75.6%
Latin America & Caribbean	10.2%
Middle East & Africa	10.1%
North America	2.0%
Europe	1.8%
Other Net Assets	0.3%

*Figures are stated as a percentage of total and may not equal 100% or may be negative due to rounding, use of any derivatives, unsettled trades or other factors.

Top 10 Sectors/Industries

3/31/24

	% of Total Net Assets
Banks	19.6%
Semiconductors & Semiconductor Equipment	12.6%
Oil, Gas & Consumable Fuels	8.7%
Technology Hardware, Storage & Peripherals	6.2%
IT Services	4.2%
Electronic Equipment, Instruments & Components	3.8%
Diversified Telecommunication Services	3.3%
Insurance	3.0%
Chemicals	2.9%
Metals & Mining	2.8%

Top 10 Holdings

3/31/24

Company Sector/Industry, Country	% of Total Net Assets
Taiwan Semiconductor Manufacturing Co. Ltd. <i>Semiconductors & Semiconductor Equipment, Taiwan</i>	7.5%
Samsung Electronics Co. Ltd. <i>Technology Hardware, Storage & Peripherals, South Korea</i>	3.3%
Tencent Holdings Ltd. <i>Interactive Media & Services, China</i>	2.0%
Infosys Ltd. <i>IT Services, India</i>	1.5%
Hon Hai Precision Industry Co. Ltd. <i>Electronic Equipment, Instruments & Components, Taiwan</i>	1.5%
Alibaba Group Holding Ltd., Class A <i>Broadline Retail, China</i>	1.4%
China Construction Bank Corp., Class H <i>Banks, China</i>	1.3%
MediaTek, Inc. <i>Semiconductors & Semiconductor Equipment, Taiwan</i>	1.3%
Petroleo Brasileiro SA, 7.947%, pfd. <i>Oil, Gas & Consumable Fuels, Brazil</i>	1.3%
HDFC Bank Ltd. <i>Banks, India</i>	1.1%

2. Source: FactSet.

The indexes are unmanaged and include reinvestment of any income or distributions. They do not reflect any fees, expenses or sales charges. One cannot invest directly in an index. Net Returns (NR) reflects no deduction for fees, expenses or taxes but are net of dividend tax withholding.

Important data provider notices and terms available at www.franklintempletondatasources.com.

Top 10 Countries

3/31/24

	% of Total Net Assets
China	25.1%
Taiwan	22.5%
India	14.7%
South Korea	7.6%
Brazil	4.8%
Saudi Arabia	4.6%
South Africa	3.5%
Mexico	2.8%
Malaysia	2.5%
Indonesia	2.3%

The foregoing information reflects our analysis, opinions and portfolio holdings as of March 31, 2024, the end of the reporting period. The way we implement our main investment strategies and the resulting portfolio holdings may change depending on factors such as market and economic conditions. These opinions may not be relied upon as investment advice or an offer for a particular security. The information is not a complete analysis of every aspect of any market, country, industry, security or the Fund. Statements of fact are from sources considered reliable, but the investment manager makes no representation or warranty as to their completeness or accuracy. Although historical performance is no guarantee of future results, these insights may help you understand our investment management philosophy.

Q. What were the leading contributors to performance?

A. For the fiscal year ended March 31, 2024, the sectors that contributed to the Fund's absolute performance were information technology, financials, and energy. Individual holdings that lifted the Fund's absolute return included Taiwan Semiconductor Manufacturing, Samsung Electronics, and Quanta Computer.

Q. What were the leading detractors from performance?

A. For the same period, the sectors that detracted most from the Fund's absolute performance were materials, real estate, and communication services. Individual holdings that hindered the Fund's absolute return included Tencent, Alibaba, and Ping An Insurance.

As of March 31, 2024, the Franklin Emerging Market Core Dividend Tilt Index ETF held Russian securities that were fair valued at zero. While Russian securities were removed from the Fund's former underlying index and Russian securities are not included in the Fund's new Underlying Index, as of March 31, 2024, the Fund has not been able to dispose of all such securities due to ongoing issues related to Russia's invasion of Ukraine. The Fund will continue to monitor Russian-related developments and will seek to dispose of such securities as soon as it is practicable.

Thank you for your participation in Franklin Emerging Market Core Dividend Tilt Index ETF. We look forward to serving your future investment needs.

Dina Ting, CFA
Hailey Harris
Joe Diederich
Basit Amin, CFA

Portfolio Management Team

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Performance Summary as of March 31, 2024

Total return reflects reinvestment of the Fund's dividends and capital gain distributions, if any, and any unrealized gains or losses. Total returns do not include brokerage commissions that may be payable on secondary market transactions. The performance table and graph do not reflect any taxes that a shareholder would pay on Fund dividends, capital gain distributions, if any, or any realized gains on the sale of Fund shares.

Net asset value or "NAV" is the value of one share of a fund as calculated in accordance with the standard formula for valuing mutual fund shares. Market Price returns typically are based upon the official closing price of the ETF's shares. 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 (6/3/16), the NAV of the Fund is used as a proxy for the Market Price to calculate market returns. Market and NAV returns assume that dividends and capital gain distributions have been reinvested at Market Price and NAV.

Your dividend income will vary depending on dividends or interest paid by securities in the Fund's portfolio, adjusted for operating expenses. Capital gain distributions are net profits realized from the sale of portfolio securities.

Performance as of 3/31/24^{1,2}

	Cumulative Total Return ³		Average Annual Total Return ³	
	Based on NAV ⁴	Based on market price ⁵	Based on NAV ⁴	Based on market price ⁵
1-Year	+12.41%	+12.83%	+12.41%	+12.83%
3-Year	-3.48%	-3.55%	-1.17%	-1.20%
5-Year	+9.32%	+9.59%	+1.80%	+1.85%
Since Inception (6/1/16)	+35.46%	+35.65%	+3.95%	+3.97%

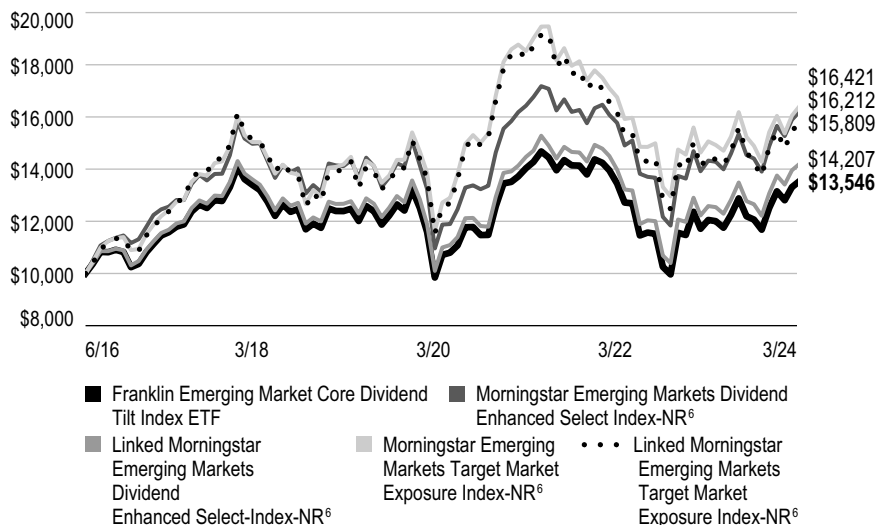
Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to franklintempleton.com or call (800) 342-5236.

See page 7 for Performance Summary footnotes.

Total Return Index Comparison for a Hypothetical \$10,000 Investment^{1,4}

Total return represents the change in value of an investment over the periods shown. It includes any applicable maximum sales charge, Fund expenses, account fees and reinvested distributions. The unmanaged indexes include reinvestment of any income or distributions. They differ from the Fund in composition and do not pay management fees or expenses. One cannot invest directly in an index.

6/1/16-3/31/24



See page 7 for Performance Summary footnotes.

Distributions (4/1/23–3/31/24)**Net Investment
Income**

\$1.131927

Total Annual Operating Expenses⁷

0.19%

Events such as the spread of deadly diseases, disasters, and financial, political or social disruptions, may heighten risks and adversely affect performance.

All investments involve risks, including possible loss of principal. Equity securities are subject to price fluctuation and possible loss of principal. **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. **Dividends** may fluctuate and are not guaranteed, and a company may reduce or eliminate its dividend at any time. Performance of the Fund may vary significantly from the performance of an **index**, as a result of transaction costs, expenses and other factors. There can be no assurance that the **underlying index's** calculation methodology or sources of information will provide an accurate assessment of included issuers or that the included issuers will provide the Fund with the market exposure it seeks. **Small- and mid-cap stocks** involve greater risks and volatility than large-cap stocks. These and other risks are discussed in the Fund's prospectus.

To the extent that the Fund has exposure to Russian investments or investments in countries affected by the invasion, the Fund's ability to price, buy, sell, receive or deliver such investments may be impaired. The Fund could determine at any time that certain of the most affected securities have zero value. In addition, any exposure that the Fund may have to counterparties in Russia or in countries affected by the invasion could negatively impact the Fund's portfolio. The extent and duration of Russia's military actions and the repercussions of such actions (including any retaliatory actions or countermeasures that may be taken by those subject to sanctions) are impossible to predict, but could result in significant market disruptions, including in the oil and natural gas markets, and may negatively affect global supply chains, inflation and global growth. These and any related events could significantly impact the Fund's performance and the value of an investment in the Fund, even beyond any direct exposure the Fund may have to Russian issuers or issuers in other countries affected by the invasion.

ETFs trade like stocks, fluctuate in market value and may trade at prices above or below their net asset value. Brokerage commissions and ETF expenses will reduce returns.

1. 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.
2. Effective December 1, 2017, the Fund adopted a unified fee structure whereby Management has agreed to reimburse the Fund's acquired fund fees and expenses (if any) and pay all of the ordinary operating expenses of the Fund, excluding: (i) payments under the Fund's Rule 12b-1 plan (if any); (ii) brokerage expenses (including any costs incidental to transactions in portfolio securities or instruments); (iii) taxes; (iv) interest (including borrowing costs and dividend expenses on securities sold short and overdraft charges); (v) litigation expenses (including litigation to which the Trust or a Fund may be a party and indemnification of the Trustees and officers with respect thereto); and (vi) other non-routine or extraordinary expenses.
3. Total return calculations represent the cumulative and average annual changes in value of an investment over the periods indicated. Return for less than one year, if any, has not been annualized.
4. Assumes reinvestment of distributions based on net asset value. Total return information is based on net asset values calculated for shareholder transactions. Certain adjustments were made to the net assets of the Fund at 03/31/2024 for financial reporting purposes. Accordingly, adjusted total returns have been disclosed in the Financial Highlights and differ from those reported here.
5. Assumes reinvestment of distributions based on market price.
6. Source: FactSet. The Underlying Index, the Morningstar® Emerging Markets Dividend Enhanced Select IndexSM-NR is a systematic, rules-based proprietary index that is maintained and calculated by Morningstar, Inc. The Linked Morningstar® Emerging Markets Dividend Enhanced Select Index-NR measures the performance of the Fund's old underlying index, LibertyQ Emerging Markets Index-NR, from inception through July 31, 2022, followed by the performance of the Underlying Index thereafter. The Parent Index, the Morningstar® Emerging Markets Target Market Exposure Index-NR includes large- and mid-capitalization stocks representing the top 85% of the investable universe (i.e., emerging markets equity markets) by float-adjusted market capitalization ("float-adjusted" means that only shares that are estimated to be publicly available to investors are included in the calculation of market capitalization). The Linked Morningstar® Emerging Markets Target Market Exposure Index-NR measures the performance of the Fund's old primary benchmark, the MSCI Emerging Markets Index-NR, from inception through July 31, 2022, followed by the performance of the Parent Index thereafter. Net Return (NR) reflects no deduction for fees, expenses or taxes but are net of dividend tax withholding.
7. Figures are as stated in the Fund's current prospectus and may differ from the expense ratios disclosed in the Your Fund's Expenses and Financial Highlights sections in this report.

Important data provider notices and terms available at www.franklintempletondatasources.com.

Your Fund's Expenses

As a Fund shareholder, you can incur two types of costs: (1) transaction costs, including brokerage commissions on purchases and sales of Fund shares; and (2) ongoing Fund costs, including management fees and other Fund expenses. All funds have ongoing costs, sometimes referred to as operating expenses. The table below shows ongoing costs of investing in the Fund and can help you understand these costs and compare them with those of other funds. The table assumes a \$1,000 investment held for the six months indicated.

Actual Fund Expenses

The table below provides information about actual account values and actual expenses in the columns under the heading "Actual." In these columns the Fund's actual return, which includes the effect of Fund expenses, is used to calculate the "Ending Account Value." You can estimate the expenses you paid during the period by following these steps (*of course, your account value and expenses will differ from those in this illustration*): Divide your account value by \$1,000 (*if your account had an \$8,600 value, then $\$8,600 \div \$1,000 = 8.6$*). Then multiply the result by the number in the row under the headings "Actual" and "Expenses Paid During Period" (*if Actual Expenses Paid During Period were \$7.50, then $8.6 \times \$7.50 = \64.50*). In this illustration, the actual expenses paid this period are \$64.50.

Hypothetical Example for Comparison with Other Funds

Under the heading "Hypothetical" in the table, information is provided about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. This information may not be used to estimate the actual ending account balance or expenses you paid for the period, but it can help you compare ongoing costs of investing in the Fund with those of other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that expenses shown in the table are meant to highlight ongoing costs and do not reflect any transactional costs. Therefore, information under the heading "Hypothetical" is useful in comparing ongoing costs only, and will not help you compare total costs of owning different funds. In addition, if transactional costs were included, your total costs would have been higher.

Beginning Account Value 10/1/23	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio
	Ending Account Value 3/31/24	Expenses Paid During Period 10/1/23–3/31/24 ^{1,2}	Ending Account Value 3/31/24	Expenses Paid During Period 10/1/23–3/31/24 ¹	
\$1,000.00	\$1,122.70	\$1.01	\$1,024.05	\$0.96	0.19%

1. Expenses are equal to the annualized expense ratio for the six-month period as indicated above—in the far right column—multiplied by the simple average account value over the period indicated, and then multiplied by 183/366 to reflect the one-half year period.

2. Reflects expenses after fee waivers and expense reimbursements.

Franklin International Core Dividend Tilt Index ETF

This annual report for Franklin International Core Dividend Tilt Index ETF covers the fiscal year ended March 31, 2024.

Fund Overview

Q. What is the Fund's investment strategy?

A. The Fund seeks to provide investment results that closely correspond, before fees and expenses, to the performance of the Morningstar® Developed Markets ex-North America Dividend Enhanced Select IndexSM-NR (the Underlying Index).¹ Under normal market conditions, the Fund invests at least 80% of its assets in the component securities of the Underlying Index and in depositary receipts representing such securities. The Underlying Index is a systematic, rules-based proprietary index that is maintained and calculated by Morningstar, Inc. (Morningstar or Index Provider). The Underlying Index is based on the Morningstar® Developed Markets ex-North America Target Market Exposure Index (Parent Index) and is constructed by applying an optimization process to the Parent Index that aims to deliver a higher dividend yield than the Parent Index, while limiting expected tracking error to the Parent Index (i.e., to provide a “dividend tilt” through the selection and weighting of securities from the Parent Index), as described in greater detail below. The Parent Index includes large- and midcapitalization stocks representing the top 85% of the investable universe (i.e., developed markets equity markets excluding North America) by float-adjusted market capitalization (“float-adjusted” means that only shares that are estimated to be publicly available to investors are included in the calculation of market capitalization). The Underlying Index is governed by published, objective rules for security selection, exclusion, rebalancing and adjustments for corporate actions. The Underlying Index is reconstituted quarterly.

The Fund, using a “passive” or indexing investment approach, seeks investment results that closely correspond, before fees and expenses, to the performance of the Underlying Index. The Fund may use either a replication strategy or representative sampling strategy.

The Fund may invest in equity futures (including equity index futures) and equity total return swaps to provide additional

opportunities to add value and better track the performance of the Fund's Underlying index, such as to equitize cash and accrued income (i.e., gain equity market exposure and maintain liquidity until the Fund invests in individual securities), simulate investments in the Underlying Index, facilitate trading or minimize transaction costs.

The Fund may enter into foreign currency forward contracts and/or currency futures contracts to provide the Fund with additional opportunities to add value and better track the performance of the Fund's Underlying Index, such as by facilitating local securities settlements or protecting against currency exposure in connection with distributions to Fund shareholders.

Q. What were the overall market conditions during the Funds' reporting period?

A. While inflation remained elevated in most parts of the world, it moderated substantially, bolstering equities. A significant shift in the policies of most major central banks also supported stocks, as interest rate increases stopped early in the reporting period and investors began to anticipate future easing. While economic growth slowed in some countries, most of the world avoided recession, despite higher interest rates and borrowing costs. Equity performance varied notably by region, as the impact of changing economic conditions varied depending on local circumstances.

Q. How did we respond to these changing market conditions?

A. The Fund uses a passive investment approach to achieve its investment objective, and therefore made no change in investment approach in response to market conditions.

Performance Overview

During the 12-month period, the Fund posted cumulative total returns of +15.58% based on market price and +15.53% based on net asset value (NAV). The Underlying Index, the Morningstar® Developed Markets ex-North America Dividend Enhanced Select IndexSM-NR, posted a cumulative total return of +15.42%.² The Linked Morningstar® Developed Markets ex-North America Dividend

1. The Morningstar® Developed Markets ex-North America Dividend Enhanced Select IndexSM-NR is a systematic, rules-based proprietary index that is maintained and calculated by Morningstar, Inc.

The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Schedule of Investments (SOI). The SOI begins on page 57.

Enhanced Select Index-NR, which measures the performance of the Underlying Index, posted a +15.34% cumulative total return.² The Parent Index, the Morningstar® Developed Markets ex-North America Target Market Exposure Index-NR posted a cumulative total return of +15.78%.² The Linked Morningstar® Developed Markets ex-North America Target Market Exposure Index-NR, which measures the performance of the Parent Index, posted a +15.78% cumulative total return for the same period.²

You can find more of the Fund's performance data in the Performance Summary beginning on page 12.

Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to franklintempleton.com or call (800) 342-5236.

Geographic Composition*

3/31/24

	% of Total Net Assets
Europe	59.3%
Asia	27.3%
Australia & New Zealand	11.1%
Middle East & Africa	0.7%
North America	0.7%
Short-Term Investments & Other Net Assets	0.9%

*Figures are stated as a percentage of total and may not equal 100% or may be negative due to rounding, use of any derivatives, unsettled trades or other factors.

Top 10 Sectors/Industries

3/31/24

	% of Total Net Assets
Banks	13.0%
Pharmaceuticals	10.2%
Insurance	5.5%
Semiconductors & Semiconductor Equipment	5.3%
Automobiles	5.0%
Metals & Mining	4.1%
Oil, Gas & Consumable Fuels	3.4%
Chemicals	2.9%
Capital Markets	2.8%
Textiles, Apparel & Luxury Goods	2.8%

Top 10 Holdings

3/31/24

Company Sector/Industry, Country	% of Total Net Assets
Novo Nordisk AS, Class B Pharmaceuticals, Denmark	2.5%
ASML Holding NV Semiconductors & Semiconductor Equipment, Netherlands	2.3%
Toyota Motor Corp. Automobiles, Japan	1.7%
Nestle SA Food Products, Switzerland	1.6%
Novartis AG Pharmaceuticals, Switzerland	1.5%
LVMH Moet Hennessy Louis Vuitton SE Textiles, Apparel & Luxury Goods, France	1.4%
HSBC Holdings PLC Banks, United Kingdom	1.3%
Roche Holding AG Pharmaceuticals, Switzerland	1.3%
AstraZeneca PLC Pharmaceuticals, United Kingdom	1.2%
SAP SE Software, Germany	1.2%

Top 10 Countries

3/31/24

	% of Total Net Assets
Japan	22.1%
United Kingdom	12.1%
Australia	10.8%
France	9.6%
Switzerland	8.7%
Germany	8.1%
Netherlands	5.0%
Italy	4.3%
Denmark	3.1%
Hong Kong	2.8%

Q. What were the leading contributors to performance?

A. For the fiscal year ended March 31, 2024, the sectors that contributed to the Fund's absolute performance were financials, information technology, and consumer

2. Source: FactSet.

The indexes are unmanaged and include reinvestment of any income or distributions. They do not reflect any fees, expenses or sales charges. One cannot invest directly in an index. Net Return (NR) reflects no deduction for fees, expenses or taxes but are net of dividend tax withholding.

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discretionary. Individual holdings that lifted the Fund's absolute return included Novo Nordisk, ASML Holding, and Tokyo Electron.

Q. What were the leading detractors from performance?

A. For the same period, the sectors that detracted most from the Fund's absolute performance were consumer staples and real estate. Individual holdings that hindered the Fund's absolute return included Nestle, Bayer, and AIA Group.

Thank you for your participation in Franklin International Core Dividend Tilt Index ETF. We look forward to serving your future investment needs.

Dina Ting, CFA
Hailey Harris
Joe Diederich
Basit Amin, CFA

Portfolio Management Team

The foregoing information reflects our analysis, opinions and portfolio holdings as of March 31, 2024, the end of the reporting period. The way we implement our main investment strategies and the resulting portfolio holdings may change depending on factors such as market and economic conditions. These opinions may not be relied upon as investment advice or an offer for a particular security. The information is not a complete analysis of every aspect of any market, country, industry, security or the Fund. Statements of fact are from sources considered reliable, but the investment manager makes no representation or warranty as to their completeness or accuracy. Although historical performance is no guarantee of future results, these insights may help you understand our investment management philosophy.

Performance Summary as of March 31, 2024

Total return reflects reinvestment of the Fund's dividends and capital gain distributions, if any, and any unrealized gains or losses. Total returns do not include brokerage commissions that may be payable on secondary market transactions. The performance table and graph do not reflect any taxes that a shareholder would pay on Fund dividends, capital gain distributions, if any, or any realized gains on the sale of Fund shares.

Net asset value or "NAV" is the value of one share of a fund as calculated in accordance with the standard formula for valuing mutual fund shares. Market Price returns typically are based upon the official closing price of the ETF's shares. 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 (6/3/16), the NAV of the Fund is used as a proxy for the Market Price to calculate market returns. Market and NAV returns assume that dividends and capital gain distributions have been reinvested at Market Price and NAV.

Your dividend income will vary depending on dividends or interest paid by securities in the Fund's portfolio, adjusted for operating expenses. Capital gain distributions are net profits realized from the sale of portfolio securities.

Performance as of 3/31/24^{1,2}

	Cumulative Total Return ³		Average Annual Total Return ³	
	Based on NAV ⁴	Based on market price ⁵	Based on NAV ⁴	Based on market price ⁵
1-Year	+15.53%	+15.58%	+15.53%	+15.58%
3-Year	+36.81%	+36.31%	+11.01%	+10.88%
5-Year	+62.06%	+62.06%	+10.14%	+10.14%
Since Inception (6/1/16)	+95.32%	+96.42%	+8.93%	+9.00%

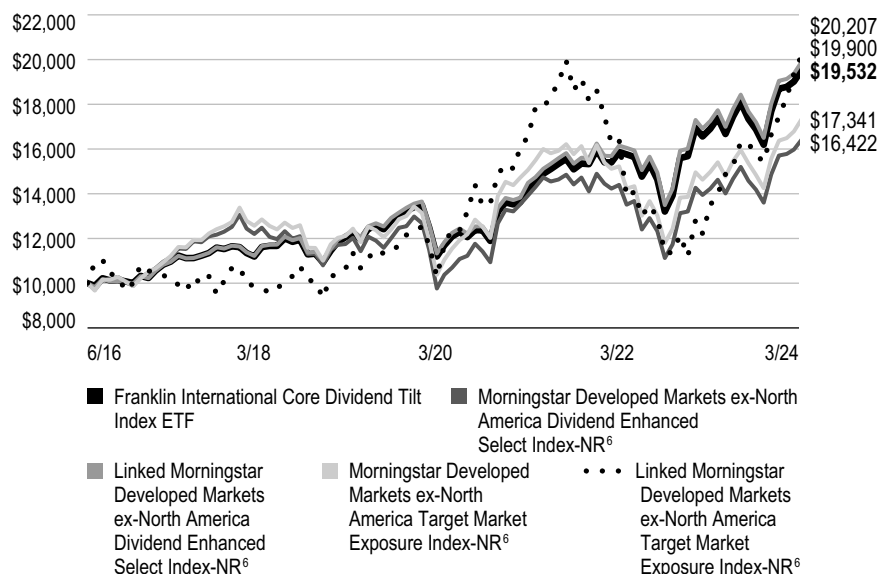
Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to franklintempleton.com or call (800) 342-5236.

See page 14 for Performance Summary footnotes.

Total Return Index Comparison for a Hypothetical \$10,000 Investment^{1,4}

Total return represents the change in value of an investment over the periods shown. It includes any applicable maximum sales charge, Fund expenses, account fees and reinvested distributions. The unmanaged indexes include reinvestment of any income or distributions. They differ from the Fund in composition and do not pay management fees or expenses. One cannot invest directly in an index.

6/1/16-3/31/24



See page 14 for Performance Summary footnotes.

Distributions (4/1/23–3/31/24)

Net Investment Income

\$0.947431

Total Annual Operating Expenses⁷

0.09%

Events such as the spread of deadly diseases, disasters, and financial, political or social disruptions, may heighten risks and adversely affect performance.

All investments involve risks, including possible loss of principal. Equity securities are subject to price fluctuation and possible loss of principal. **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. **Dividends** may fluctuate and are not guaranteed, and a company may reduce or eliminate its dividend at any time. Performance of the Fund may vary significantly from the performance of an **index**, as a result of transaction costs, expenses and other factors. There can be no assurance that the **underlying index's** calculation methodology or sources of information will provide an accurate assessment of included issuers or that the included issuers will provide the Fund with the market exposure it seeks. **Small- and mid-cap stocks** involve greater risks and volatility than large-cap stocks. These and other risks are discussed in the Fund's prospectus.

ETFs trade like stocks, fluctuate in market value and may trade at prices above or below their net asset value. Brokerage commissions and ETF expenses will reduce returns.

1. 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.
2. Effective December 1, 2017, the Fund adopted a unified fee structure whereby Management has agreed to reimburse the Fund's acquired fund fees and expenses (if any) and pay all of the ordinary operating expenses of the Fund, excluding: (i) payments under the Fund's Rule 12b-1 plan (if any); (ii) brokerage expenses (including any costs incidental to transactions in portfolio securities or instruments); (iii) taxes; (iv) interest (including borrowing costs and dividend expenses on securities sold short and overdraft charges); (v) litigation expenses (including litigation to which the Trust or a Fund may be a party and indemnification of the Trustees and officers with respect thereto); and (vi) other non-routine or extraordinary expenses.
3. Total return calculations represent the cumulative and average annual changes in value of an investment over the periods indicated. Return for less than one year, if any, has not been annualized.
4. Assumes reinvestment of distributions based on net asset value. Total return information is based on net asset values calculated for shareholder transactions. Certain adjustments were made to the net assets of the Fund at 03/31/2024 for financial reporting purposes. Accordingly, adjusted total returns have been disclosed in the Financial Highlights and differ from those reported here.
5. Assumes reinvestment of distributions based on market price.
6. Source: FactSet. The Underlying Index, the Morningstar[®] Developed Markets ex-North America Dividend Enhanced Select IndexSM-NR is a systematic, rules-based proprietary index that is maintained and calculated by Morningstar, Inc. The Linked Morningstar[®] Developed Markets ex-North America Dividend Enhanced Select Index-NR measures the performance of the Fund's old underlying index, LibertyQ International Equity Hedged Index-NR, from inception through July 31, 2022, followed by the performance of the Underlying Index thereafter. The Parent Index, the Morningstar[®] Developed Markets ex-North America Target Market Exposure Index-NR includes large- and mid-capitalization stocks representing the top 85% of the investable universe (i.e., developed markets equity markets excluding North America) by float-adjusted market capitalization ("float-adjusted" means that only shares that are estimated to be publicly available to investors are included in the calculation of market capitalization). The Linked Morningstar[®] Developed Markets ex-North America Target Market Exposure Index-NR measures the performance of the Fund's old primary benchmark, the MSCI Europe, Australasia and the Far East (EAFE) 100% Hedged to USD Index-NR, from inception through July 31, 2022, followed by the performance of the Parent Index thereafter. Net Return (NR) reflects no deduction for fees, expenses or taxes but are net of dividend tax withholding.
7. Figures are as stated in the Fund's current prospectus and may differ from the expense ratios disclosed in the Your Fund's Expenses and Financial Highlights sections in this report.

Important data provider notices and terms available at www.franklintempletondatasources.com.

Your Fund's Expenses

As a Fund shareholder, you can incur two types of costs: (1) transaction costs, including brokerage commissions on purchases and sales of Fund shares; and (2) ongoing Fund costs, including management fees and other Fund expenses. All funds have ongoing costs, sometimes referred to as operating expenses. The table below shows ongoing costs of investing in the Fund and can help you understand these costs and compare them with those of other funds. The table assumes a \$1,000 investment held for the six months indicated.

Actual Fund Expenses

The table below provides information about actual account values and actual expenses in the columns under the heading "Actual." In these columns the Fund's actual return, which includes the effect of Fund expenses, is used to calculate the "Ending Account Value." You can estimate the expenses you paid during the period by following these steps (*of course, your account value and expenses will differ from those in this illustration*): Divide your account value by \$1,000 (*if your account had an \$8,600 value, then $\$8,600 \div \$1,000 = 8.6$*). Then multiply the result by the number in the row under the headings "Actual" and "Expenses Paid During Period" (*if Actual Expenses Paid During Period were \$7.50, then $8.6 \times \$7.50 = \64.50*). In this illustration, the actual expenses paid this period are \$64.50.

Hypothetical Example for Comparison with Other Funds

Under the heading "Hypothetical" in the table, information is provided about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. This information may not be used to estimate the actual ending account balance or expenses you paid for the period, but it can help you compare ongoing costs of investing in the Fund with those of other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that expenses shown in the table are meant to highlight ongoing costs and do not reflect any transactional costs. Therefore, information under the heading "Hypothetical" is useful in comparing ongoing costs only, and will not help you compare total costs of owning different funds. In addition, if transactional costs were included, your total costs would have been higher.

Beginning Account Value 10/1/23	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio
	Ending Account Value 3/31/24	Expenses Paid During Period 10/1/23–3/31/24 ^{1,2}	Ending Account Value 3/31/24	Expenses Paid During Period 10/1/23–3/31/24 ¹	
\$1,000.00	\$1,157.30	\$0.49	\$1,024.55	\$0.46	0.09%

1. Expenses are equal to the annualized expense ratio for the six-month period as indicated above—in the far right column—multiplied by the simple average account value over the period indicated, and then multiplied by 183/366 to reflect the one-half year period.

2. Reflects expenses after fee waivers and expense reimbursements.

Franklin U.S. Core Dividend Tilt Index ETF

This annual report for Franklin U.S. Core Dividend Tilt Index ETF covers the fiscal year ended March 31, 2024.

Fund Overview

Q. What is the Fund's investment strategy?

A. The Fund seeks to provide investment results that closely correspond, before fees and expenses, to the performance of the Morningstar® US Dividend Enhanced Select IndexSM-NR (the Underlying Index).¹ Under normal market conditions, the Fund invests at least 80% of its assets in the component securities of the Underlying Index. The Underlying Index is a systematic, rules-based proprietary index that is maintained and calculated by Morningstar, Inc. (Morningstar or Index Provider). The Underlying Index is based on the Morningstar® US Target Market Exposure Index-NR (Parent Index) and is constructed by applying an optimization process to the Parent Index that aims to deliver a higher dividend yield than the Parent Index, while limiting expected tracking error to the Parent Index (i.e., to provide a “dividend tilt” through the selection and weighting of securities from the Parent Index), as described in greater detail below. The Parent Index includes large- and mid-capitalization stocks representing the top 85% of the investable universe (i.e., U.S. equity market) by float-adjusted market capitalization (“float-adjusted” means that only shares that are estimated to be publicly available to investors are included in the calculation of market capitalization). The Underlying Index is governed by published, objective rules for security selection, exclusion, rebalancing and adjustments for corporate actions. The Underlying Index is reconstituted quarterly.

The Fund, using a “passive” or indexing investment approach, seeks investment results that closely correspond, before fees and expenses, to the performance of the Underlying Index. The Fund may use either a replication strategy or representative sampling strategy.

The Fund may invest in equity futures (including equity index futures) and equity total return swaps to provide additional opportunities to add value and better track the performance of the Fund's Underlying index, such as to equitize cash and

accrued income (i.e., gain equity market exposure and maintain liquidity until the Fund invests in individual securities), simulate investments in the Underlying Index, facilitate trading or minimize transaction costs.

Q. What were the overall market conditions during the Funds' reporting period?

A. While inflation remained elevated in most parts of the world, it moderated substantially, bolstering equities. A significant shift in the policies of most major central banks also supported stocks, as interest rate increases stopped early in the reporting period and investors began to anticipate future easing. While economic growth slowed in some countries, most of the world avoided recession, despite higher interest rates and borrowing costs. Equity performance varied notably by region, as the impact of changing economic conditions varied depending on local circumstances.

In the U.S., the economy was strong, posting solid gross domestic product (GDP) growth in the final three quarters of 2023. The labor market remained tight but showed some signs of easing. Unemployment grew slightly while remaining low by historic standards, and wages continued to grow even as the pace of wage increases slowed. The U.S. Federal Reserve (Fed) shifted its monetary policy, moving from a tightening stance early in the period to a more neutral policy as the period continued and inflation decelerated.

Q. How did we respond to these changing market conditions?

A. The Fund uses a passive investment approach to achieve its investment objective, and therefore made no change in investment approach in response to market conditions.

Performance Overview

During the 12-month period, the Fund posted cumulative total returns of +28.00% based on market price and +27.72% based on net asset value (NAV). The Underlying Index, the Morningstar® US Dividend Enhanced Select IndexSM-NR, posted a cumulative total return of +27.80%.² The Linked Morningstar® US Dividend Enhanced Select

1. The Morningstar® US Dividend Enhanced Select IndexSM-NR is a systematic, rules-based proprietary index that is maintained and calculated by Morningstar, Inc.

The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Schedule of Investments (SOI). The SOI begins on page 69.

IndexSM-NR, which measures the performance of the Underlying Index, posted a +27.80% cumulative total return.² The Parent Index, the Morningstar[®] US Target Market Exposure IndexSM-NR posted a cumulative total return of +30.33%.² The Linked Morningstar[®] US Target Market Exposure Index-NR, which measures by the performance of the Parent Index, posted a +30.33% cumulative total return for the same period.²

You can find more of the Fund's performance data in the Performance Summary beginning on page 19.

Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to franklintempleton.com or call (800) 342-5236.

Geographic Composition*

3/31/24

	% of Total Net Assets
North America	98.8%
Europe	0.5%
Latin America & Caribbean	0.2%
Short-Term Investments & Other Net Assets	0.5%

*Figures are stated as a percentage of total and may not equal 100% or may be negative due to rounding, use of any derivatives, unsettled trades or other factors.

Top 10 Sectors/Industries

3/31/24

	% of Total Net Assets
Semiconductors & Semiconductor Equipment	11.9%
Software	11.4%
Interactive Media & Services	5.9%
Computers & Peripherals	5.7%
Pharmaceuticals	5.3%
Banks	5.0%
Oil, Gas & Consumable Fuels	4.5%
Capital Markets	4.3%
Broadline Retail	4.1%
Electric Utilities	2.8%

Top 10 Holdings

3/31/24

Company Sector/Industry	% of Total Net Assets
Microsoft Corp. Information Technology	7.3%
Apple, Inc. Information Technology	5.7%
NVIDIA Corp. Information Technology	4.4%
Amazon.com, Inc. Consumer Discretionary	3.8%
Meta Platforms, Inc., Class A Communication Services	2.3%
Alphabet, Inc., Class A Communication Services	1.9%
Alphabet, Inc., Class C Communication Services	1.7%
Broadcom, Inc. Information Technology	1.7%
Eli Lilly & Co. Health Care	1.4%
JPMorgan Chase & Co. Financials	1.3%

Q. What were the leading contributors to performance?

A. For the fiscal year ended March 31, 2024, the sectors that contributed to the Fund's absolute performance were information technology, financials, and communication services. Individual holdings that lifted the Fund's absolute return included NVIDIA, Microsoft, and Amazon.com.

Q. What were the leading detractors from performance?

A. For the same period, the sectors that detracted most from the Fund's absolute performance were utilities, consumer staples, and materials. Individual holdings that hindered the Fund's absolute return included Pfizer, United Parcel Service, and Bristol Myers Squibb.

As of March 31, 2024, the Franklin U.S. Core Dividend Tilt Index ETF held Russian securities that were fair valued at zero. While Russian securities were removed from the Fund's former underlying index and Russian securities are not included in the Fund's new Underlying Index, as of March 31, 2024, the Fund has not been able to dispose of all such securities due to ongoing issues related to Russia's invasion of Ukraine. The Fund will continue to monitor

2. Source: FactSet.

The indexes are unmanaged and include reinvestment of any income or distributions. They do not reflect any fees, expenses or sales charges. One cannot invest directly in an index. Net Return (NR) reflects no deduction for fees, expenses or taxes but are net of dividend tax withholding. Important data provider notices and terms available at www.franklintempletondatasources.com.

Russian-related developments and will seek to dispose of such securities as soon as it is practicable.

Thank you for your participation in Franklin U.S. Core Dividend Tilt Index ETF. We look forward to serving your future investment needs.

Dina Ting, CFA
Hailey Harris
Joe Diederich
Basit Amin, CFA

Portfolio Management Team

The foregoing information reflects our analysis, opinions and portfolio holdings as of March 31, 2024, the end of the reporting period. The way we implement our main investment strategies and the resulting portfolio holdings may change depending on factors such as market and economic conditions. These opinions may not be relied upon as investment advice or an offer for a particular security. The information is not a complete analysis of every aspect of any market, country, industry, security or the Fund. Statements of fact are from sources considered reliable, but the investment manager makes no representation or warranty as to their completeness or accuracy. Although historical performance is no guarantee of future results, these insights may help you understand our investment management philosophy.

Performance Summary as of March 31, 2024

Total return reflects reinvestment of the Fund's dividends and capital gain distributions, if any, and any unrealized gains or losses. Total returns do not include brokerage commissions that may be payable on secondary market transactions. The performance tables and graph do not reflect any taxes that a shareholder would pay on Fund dividends, capital gain distributions, if any, or any realized gains on the sale of Fund shares.

Net asset value or "NAV" is the value of one share of a fund as calculated in accordance with the standard formula for valuing mutual fund shares. Market Price returns typically are based upon the official closing price of the ETF's shares. 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 (6/3/16), the NAV of the Fund is used as a proxy for the Market Price to calculate market returns. Market and NAV returns assume that dividends and capital gain distributions have been reinvested at Market Price and NAV.

Your dividend income will vary depending on dividends or interest paid by securities in the Fund's portfolio, adjusted for operating expenses. Capital gain distributions are net profits realized from the sale of portfolio securities.

Performance as of 3/31/24^{1,2}

	Cumulative Total Return ³		Average Annual Total Return ³	
	Based on NAV ⁴	Based on market price ⁵	Based on NAV ⁴	Based on market price ⁵
1-Year	+27.72%	+28.00%	+27.72%	+28.00%
3-Year	+31.64%	+31.85%	+9.60%	+9.65%
5-Year	+65.99%	+66.35%	+10.67%	+10.71%
Since Inception (6/1/16)	+101.68%	+101.95%	+9.37%	+9.39%

Distribution Rate ⁶	30-Day Standardized Yield ⁷
1.21%	2.08%

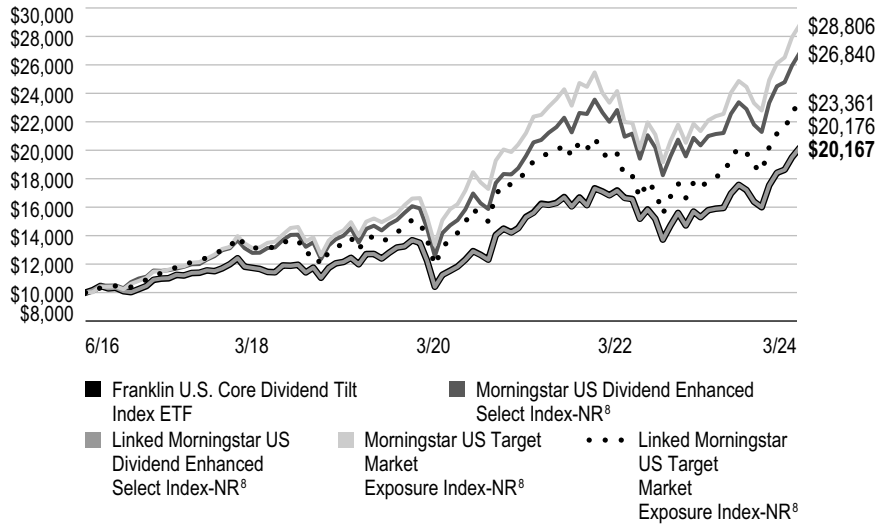
Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to franklintempleton.com or call (800) 342-5236.

See page 21 for Performance Summary footnotes.

Total Return Index Comparison for a Hypothetical \$10,000 Investment¹

Total return represents the change in value of an investment over the periods shown. It includes any applicable maximum sales charge, Fund expenses, account fees and reinvested distributions. The unmanaged indexes include reinvestment of any income or distributions. They differ from the Fund in composition and do not pay management fees or expenses. One cannot invest directly in an index.

6/1/16-3/31/24



See page 21 for Performance Summary footnotes.

Distributions (4/1/23–3/31/24)**Net Investment
Income**

\$0.790249

Total Annual Operating Expenses⁹

0.06%

Events such as the spread of deadly diseases, disasters, and financial, political or social disruptions, may heighten risks and adversely affect performance.

All investments involve risks, including possible loss of principal. Equity securities are subject to price fluctuation and possible loss of principal. To the extent the portfolio invests in a **concentration of certain securities, regions or industries**, it is subject to increased volatility. **Dividends** may fluctuate and are not guaranteed, and a company may reduce or eliminate its dividend at any time. Performance of the Fund may vary significantly from the performance of an **index**, as a result of transaction costs, expenses and other factors. There can be no assurance that the **underlying index's** calculation methodology or sources of information will provide an accurate assessment of included issuers or that the included issuers will provide the Fund with the market exposure it seeks. **Small- and mid-cap stocks** involve greater risks and volatility than large-cap stocks. These and other risks are discussed in the Fund's prospectus.

To the extent that the Fund has exposure to Russian investments or investments in countries affected by the invasion, the Fund's ability to price, buy, sell, receive or deliver such investments may be impaired. The Fund could determine at any time that certain of the most affected securities have zero value. In addition, any exposure that the Fund may have to counterparties in Russia or in countries affected by the invasion could negatively impact the Fund's portfolio. The extent and duration of Russia's military actions and the repercussions of such actions (including any retaliatory actions or countermeasures that may be taken by those subject to sanctions) are impossible to predict, but could result in significant market disruptions, including in the oil and natural gas markets, and may negatively affect global supply chains, inflation and global growth. These and any related events could significantly impact the Fund's performance and the value of an investment in the Fund, even beyond any direct exposure the Fund may have to Russian issuers or issuers in other countries affected by the invasion.

ETFs trade like stocks, fluctuate in market value and may trade at prices above or below their net asset value. Brokerage commissions and ETF expenses will reduce returns.

1. 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.
2. Effective December 1, 2017, the Fund adopted a unified fee structure whereby Management has agreed to reimburse the Fund's acquired fund fees and expenses (if any) and pay all of the ordinary operating expenses of the Fund, excluding: (i) payments under the Fund's Rule 12b-1 plan (if any); (ii) brokerage expenses (including any costs incidental to transactions in portfolio securities or instruments); (iii) taxes; (iv) interest (including borrowing costs and dividend expenses on securities sold short and overdraft charges); (v) litigation expenses (including litigation to which the Trust or a Fund may be a party and indemnification of the Trustees and officers with respect thereto); and (vi) other non-routine or extraordinary expenses.
3. Total return calculations represent the cumulative and average annual changes in value of an investment over the periods indicated. Return for less than one year, if any, has not been annualized.
4. Assumes reinvestment of distributions based on net asset value.
5. Assumes reinvestment of distributions based on market price.
6. Distribution Rate is calculated by annualizing the most recent distribution amount paid, divided by the closing market price or NAV as of the date indicated. The Distribution Rate calculation includes income and return of capital, and includes a prorated special distribution in the month it is paid. The Distribution Rate is not guaranteed, subject to change, and is not a quotation of Fund performance.
7. The Fund's 30-day standardized yield is calculated over a trailing 30-day period using the yield to maturity on bonds and/or the dividends accrued on stocks. It may not equal the Fund's actual income distribution rate, which reflects the Fund's past dividends paid to shareholders.
8. Source: FactSet. The Underlying Index, the Morningstar[®] US Dividend Enhanced Select IndexSM-NR is a systematic, rules-based proprietary index that is maintained and calculated by Morningstar, Inc. The Linked Morningstar[®] US Dividend Enhanced Select IndexSM-NR measures the performance of the Fund's old underlying index, LibertyQ Global Dividend Index, from inception through July 31, 2022, followed by the performance of the Underlying Index thereafter. The Underlying Index reflects no deduction for fees, expenses or taxes. The LibertyQ Global Dividend Index reflects no deduction for fees, expenses or taxes but is net of dividend tax withholding. The Parent Index, the Morningstar[®] US Target Market Exposure Index-NR includes large- and mid-capitalization stocks representing the top 85% of the investable universe (i.e., U.S. equity market) by float-adjusted market capitalization ("float-adjusted" means that only shares that are estimated to be publicly available to investors are included in the calculation of market capitalization). The Linked Morningstar[®] US Target Market Exposure Index-NR measures the performance of the Fund's old primary benchmark, the MSCI All Country World Index (ACWI) ex REITs Index-NR, from inception through July 31, 2022, followed by the performance of the Parent Index thereafter. The Parent Index reflects no deduction for fees, expenses or taxes. Net Return (NR) reflects no deduction for fees, expenses or taxes but are net of dividend tax withholding.
9. Figures are as stated in the Fund's current prospectus and may differ from the expense ratios disclosed in the Your Fund's Expenses and Financial Highlights sections in this report.

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Your Fund's Expenses

As a Fund shareholder, you can incur two types of costs: (1) transaction costs, including brokerage commissions on purchases and sales of Fund shares; and (2) ongoing Fund costs, including management fees and other Fund expenses. All funds have ongoing costs, sometimes referred to as operating expenses. The table below shows ongoing costs of investing in the Fund and can help you understand these costs and compare them with those of other funds. The table assumes a \$1,000 investment held for the six months indicated.

Actual Fund Expenses

The table below provides information about actual account values and actual expenses in the columns under the heading "Actual." In these columns the Fund's actual return, which includes the effect of Fund expenses, is used to calculate the "Ending Account Value." You can estimate the expenses you paid during the period by following these steps (*of course, your account value and expenses will differ from those in this illustration*): Divide your account value by \$1,000 (*if your account had an \$8,600 value, then $\$8,600 \div \$1,000 = 8.6$*). Then multiply the result by the number in the row under the headings "Actual" and "Expenses Paid During Period" (*if Actual Expenses Paid During Period were \$7.50, then $8.6 \times \$7.50 = \64.50*). In this illustration, the actual expenses paid this period are \$64.50.

Hypothetical Example for Comparison with Other Funds

Under the heading "Hypothetical" in the table, information is provided about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. This information may not be used to estimate the actual ending account balance or expenses you paid for the period, but it can help you compare ongoing costs of investing in the Fund with those of other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that expenses shown in the table are meant to highlight ongoing costs and do not reflect any transactional costs. Therefore, information under the heading "Hypothetical" is useful in comparing ongoing costs only, and will not help you compare total costs of owning different funds. In addition, if transactional costs were included, your total costs would have been higher.

Beginning Account Value 10/1/23	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio
	Ending Account Value 3/31/24	Expenses Paid During Period 10/1/23–3/31/24 ^{1,2}	Ending Account Value 3/31/24	Expenses Paid During Period 10/1/23–3/31/24 ¹	
\$1,000.00	\$1,230.80	\$0.33	\$1,024.70	\$0.30	0.06%

1. Expenses are equal to the annualized expense ratio for the six-month period as indicated above—in the far right column—multiplied by the simple average account value over the period indicated, and then multiplied by 183/366 to reflect the one-half year period.

2. Reflects expenses after fee waivers and expense reimbursements.

Franklin U.S. Large Cap Multifactor Index ETF

This annual report for Franklin U.S. Large Cap Multifactor Index ETF covers the fiscal year ended March 31, 2024.

Fund Overview

Q. What is the Fund's investment strategy?

A. The Fund seeks to provide investment results that closely correspond, before fees and expenses, to the performance of the LibertyQ U.S. Large Cap Equity Index (the Underlying U.S. Large Cap Index).¹ Under normal market conditions, the Fund invests at least 80% of its assets in the component securities of the U.S. Large Cap Underlying Index. The U.S. Large Cap Underlying Index is a systematic, rules-based proprietary index maintained and calculated by FTSE Russell. The U.S. Large Cap Underlying Index is based on the Russell 1000[®] Index¹ using a methodology developed with Franklin Templeton to reflect Franklin Templeton's desired investment strategy. The Russell 1000[®] Index is a subset of the Russell 3000[®] Index and is designed to measure the performance of large capitalization stocks in the United States. It includes approximately 1,000 of the largest issuers based on a combination of their market cap and current index membership.

The Fund, using a "passive" or indexing investment approach, seeks investment results that closely correspond, before fees and expenses, to the performance of the Underlying Index. The Fund may use either a replication strategy or representative sampling strategy.

The Fund may invest in equity futures (including equity index futures) and equity total return swaps to provide additional opportunities to add value and better track the performance of the Fund's Underlying index, such as to equitize cash and accrued income (i.e., gain equity market exposure and maintain liquidity until the Fund invests in individual securities), simulate investments in the Underlying Index, facilitate trading or minimize transaction costs.

Q. What were the overall market conditions during the Funds' reporting period?

1. The LibertyQ U.S. Large Cap Equity Index is a systematic, rules-based proprietary index maintained and calculated by FTSE Russell (Russell) based on the Russell 1000[®] Index using a methodology developed with Franklin Templeton to reflect Franklin Templeton's desired investment strategy. Russell 1000[®] Index is market capitalization weighted and measures performance of the largest companies in the Russell 3000[®] Index, which represents the majority of the U.S. market's total capitalization.

2. Source: FactSet.

The indexes are unmanaged and include reinvestment of any income or distributions (after the deduction of certain withholding taxes). They do not reflect any fees, expenses or sales charges. One cannot invest directly in an index.

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The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Schedule of Investments (SOI). The SOI begins on page 76.

A. While inflation remained elevated in most parts of the world, it moderated substantially, bolstering equities. A significant shift in the policies of most major central banks also supported stocks, as interest rate increases stopped early in the reporting period and investors began to anticipate future easing. While economic growth slowed in some countries, most of the world avoided recession, despite higher interest rates and borrowing costs. Equity performance varied notably by region, as the impact of changing economic conditions varied depending on local circumstances.

In the U.S., the economy was strong, posting solid gross domestic product (GDP) growth in the final three quarters of 2023. The labor market remained tight but showed some signs of easing. Unemployment grew slightly while remaining low by historic standards, and wages continued to grow even as the pace of wage increases slowed. The U.S. Federal Reserve (Fed) shifted its monetary policy, moving from a tightening stance early in the period to a more neutral policy as the period continued and inflation decelerated.

Q. How did we respond to these changing market conditions?

A. The Fund uses a passive investment approach to achieve its investment objective, and therefore made no change in investment approach in response to market conditions.

Performance Overview

During the 12-month period, the Fund posted cumulative total returns of +30.60% based on market price and +30.68% based on net asset value (NAV). In comparison, the LibertyQ U.S. Large Cap Equity Index posted a +30.85% cumulative total return for the same period, while the Russell 1000[®] Index posted a +29.87% cumulative total return.²

You can find more of the Fund's performance data in the Performance Summary beginning on page 25.

Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to franklintempleton.com or call (800) 342-5236.

Top 10 Sectors/Industries

3/31/24

	% of Total Net Assets
Information Technology	36.0%
Health Care	17.5%
Consumer Discretionary	10.2%
Financials	9.5%
Industrials	9.4%
Communication Services	8.4%
Consumer Staples	2.4%
Energy	2.3%
Materials	1.9%
Real Estate	1.6%

Top 10 Holdings

3/31/24

Company Sector/Industry	% of Total Net Assets
Microsoft Corp. Information Technology	7.3%
Apple, Inc. Information Technology	5.4%
NVIDIA Corp. Information Technology	3.7%
Amazon.com, Inc. Consumer Discretionary	3.0%
Meta Platforms, Inc., Class A Communication Services	2.4%
Broadcom, Inc. Information Technology	1.9%
Alphabet, Inc., Class A Communication Services	1.8%
Visa, Inc., Class A Financials	1.8%
UnitedHealth Group, Inc. Health Care	1.8%
Mastercard, Inc., Class A Financials	1.8%

Q. What were the leading contributors to performance?

A. For the fiscal year ended March 31, 2024, the sectors that contributed to the Fund's absolute performance were information technology, consumer discretionary and

industrials. Individual holdings that lifted the Fund's absolute return included Microsoft, NVIDIA, and Eli Lilly.

Q. What were the leading detractors from performance?

A. For the same period, the sectors that detracted most from the Fund's absolute performance were utilities and consumer staples. Individual holdings that hindered the Fund's absolute return included Pfizer, AT&T, and General Mills.

Thank you for your participation in Franklin U.S. Large Cap Multifactor Index ETF. We look forward to serving your future investment needs.

Dina Ting, CFA

Hailey Harris

Joe Diederich

Basit Amin, CFA

Portfolio Management Team

The foregoing information reflects our analysis, opinions and portfolio holdings as of March 31, 2024, the end of the reporting period. The way we implement our main investment strategies and the resulting portfolio holdings may change depending on factors such as market and economic conditions. These opinions may not be relied upon as investment advice or an offer for a particular security. The information is not a complete analysis of every aspect of any market, country, industry, security or the Fund. Statements of fact are from sources considered reliable, but the investment manager makes no representation or warranty as to their completeness or accuracy. Although historical performance is no guarantee of future results, these insights may help you understand our investment management philosophy.

Performance Summary as of March 31, 2024

Total return reflects reinvestment of the Fund's dividends and capital gain distributions, if any, and any unrealized gains or losses. Total returns do not include brokerage commissions that may be payable on secondary market transactions. The performance tables and graph do not reflect any taxes that a shareholder would pay on Fund dividends, capital gain distributions, if any, or any realized gains on the sale of Fund shares.

Net asset value or "NAV" is the value of one share of a fund as calculated in accordance with the standard formula for valuing mutual fund shares. Market Price returns typically are based upon the official closing price of the ETF's shares. 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 (4/28/17), the NAV of the Fund is used as a proxy for the Market Price to calculate market returns. Market and NAV returns assume that dividends and capital gain distributions have been reinvested at Market Price and NAV.

Your dividend income will vary depending on dividends or interest paid by securities in the Fund's portfolio, adjusted for operating expenses. Capital gain distributions are net profits realized from the sale of portfolio securities.

Performance as of 3/31/24^{1,2}

	Cumulative Total Return ³		Average Annual Total Return ³	
	Based on NAV ⁴	Based on market price ⁵	Based on NAV ⁴	Based on market price ⁵
1-Year	+30.68%	+30.60%	+30.68%	+30.60%
3-Year	+40.58%	+40.46%	+12.02%	+11.99%
5-Year	+86.96%	+86.89%	+13.33%	+13.32%
Since Inception (4/26/17)	+138.31%	+138.22%	+13.35%	+13.35%

Distribution Rate ⁶	30-Day Standardized Yield ⁷
0.80%	1.16%

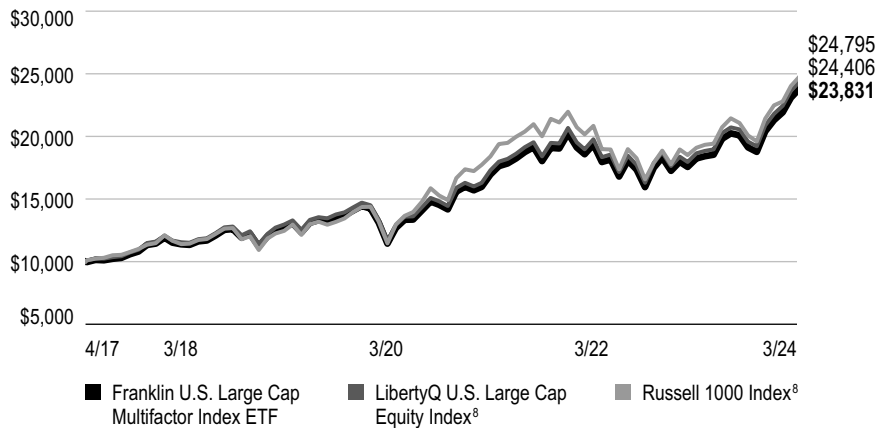
Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to franklintempleton.com or call (800) 342-5236.

See page 27 for Performance Summary footnotes.

Total Return Index Comparison for a Hypothetical \$10,000 Investment¹

Total return represents the change in value of an investment over the periods shown. It includes any applicable maximum sales charge, Fund expenses, account fees and reinvested distributions. The unmanaged indexes include reinvestment of any income or distributions. They differ from the Fund in composition and do not pay management fees or expenses. One cannot invest directly in an index.

4/26/17-3/31/24



See page 27 for Performance Summary footnotes.

Distributions (4/1/23–3/31/24)**Net Investment
Income**

\$0.679638

Total Annual Operating Expenses⁹

0.15%

Events such as the spread of deadly diseases, disasters, and financial, political or social disruptions, may heighten risks and adversely affect performance.

All investments involve risks, including possible loss of principal. Equity securities are subject to price fluctuation and possible loss of principal. To the extent the portfolio invests in a **concentration of certain securities, regions or industries**, it is subject to increased volatility. 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 transaction costs, expenses and other factors. **Derivative instruments** can be illiquid, may disproportionately increase losses, and have a potentially large impact on performance. These and other risks are discussed in the Fund's prospectus.

ETFs trade like stocks, fluctuate in market value and may trade at prices above or below their net asset value. Brokerage commissions and ETF expenses will reduce returns.

1. 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.
2. Effective December 1, 2017, the Fund adopted a unified fee structure whereby Management has agreed to reimburse the Fund's acquired fund fees and expenses (if any) and pay all of the ordinary operating expenses of the Fund, excluding: (i) payments under the Fund's Rule 12b-1 plan (if any); (ii) brokerage expenses (including any costs incidental to transactions in portfolio securities or instruments); (iii) taxes; (iv) interest (including borrowing costs and dividend expenses on securities sold short and overdraft charges); (v) litigation expenses (including litigation to which the Trust or a Fund may be a party and indemnification of the Trustees and officers with respect thereto); and (vi) other non-routine or extraordinary expenses.
3. Total return calculations represent the cumulative and average annual changes in value of an investment over the periods indicated. Return for less than one year, if any, has not been annualized.
4. Assumes reinvestment of distributions based on net asset value.
5. Assumes reinvestment of distributions based on market price.
6. Distribution Rate is calculated by annualizing the most recent distribution amount paid, divided by the closing market price or NAV as of the date indicated. The Distribution Rate calculation includes income and return of capital, and includes a prorated special distribution in the month it is paid. The Distribution Rate is not guaranteed, subject to change, and is not a quotation of Fund performance.
7. The Fund's 30-day standardized yield is calculated over a trailing 30-day period using the yield to maturity on bonds and/or the dividends accrued on stocks. It may not equal the Fund's actual income distribution rate, which reflects the Fund's past dividends paid to shareholders.
8. Source: FactSet. The LibertyQ U.S. Large Cap Equity Index is a systematic, rules-based proprietary index maintained and calculated by FTSE Russell (Russell) based on the Russell 1000[®] Index using a methodology developed with Franklin Templeton to reflect Franklin Templeton's desired investment strategy. The Russell 1000[®] Index is market capitalization weighted and measures performance of the largest companies in the Russell 3000[®] Index, which represents the majority of the U.S. market's total capitalization.
9. Figures are as stated in the Fund's current prospectus and may differ from the expense ratios disclosed in the Your Fund's Expenses and Financial Highlights sections in this report.

Important data provider notices and terms available at www.franklintempletondatasources.com.

Your Fund's Expenses

As a Fund shareholder, you can incur two types of costs: (1) transaction costs, including brokerage commissions on purchases and sales of Fund shares; and (2) ongoing Fund costs, including management fees and other Fund expenses. All funds have ongoing costs, sometimes referred to as operating expenses. The table below shows ongoing costs of investing in the Fund and can help you understand these costs and compare them with those of other funds. The table assumes a \$1,000 investment held for the six months indicated.

Actual Fund Expenses

The table below provides information about actual account values and actual expenses in the columns under the heading "Actual." In these columns the Fund's actual return, which includes the effect of Fund expenses, is used to calculate the "Ending Account Value." You can estimate the expenses you paid during the period by following these steps (*of course, your account value and expenses will differ from those in this illustration*): Divide your account value by \$1,000 (*if your account had an \$8,600 value, then $\$8,600 \div \$1,000 = 8.6$*). Then multiply the result by the number in the row under the headings "Actual" and "Expenses Paid During Period" (*if Actual Expenses Paid During Period were \$7.50, then $8.6 \times \$7.50 = \64.50*). In this illustration, the actual expenses paid this period are \$64.50.

Hypothetical Example for Comparison with Other Funds

Under the heading "Hypothetical" in the table, information is provided about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. This information may not be used to estimate the actual ending account balance or expenses you paid for the period, but it can help you compare ongoing costs of investing in the Fund with those of other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that expenses shown in the table are meant to highlight ongoing costs and do not reflect any transactional costs. Therefore, information under the heading "Hypothetical" is useful in comparing ongoing costs only, and will not help you compare total costs of owning different funds. In addition, if transactional costs were included, your total costs would have been higher.

Beginning Account Value 10/1/23	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio
	Ending Account Value 3/31/24	Expenses Paid During Period 10/1/23–3/31/24 ^{1,2}	Ending Account Value 3/31/24	Expenses Paid During Period 10/1/23–3/31/24 ¹	
\$1,000.00	\$1,246.10	\$0.84	\$1,024.25	\$0.76	0.15%

1. Expenses are equal to the annualized expense ratio for the six-month period as indicated above—in the far right column—multiplied by the simple average account value over the period indicated, and then multiplied by 183/366 to reflect the one-half year period.

2. Reflects expenses after fee waivers and expense reimbursements.

Franklin U.S. Mid Cap Multifactor Index ETF

This annual report for Franklin U.S. Mid Cap Multifactor Index ETF covers the fiscal year ended March 31, 2024.

Fund Overview

Q. What is the Fund's investment strategy?

A. The Fund seeks to provide investment results that closely correspond, before fees and expenses, to the performance of the LibertyQ U.S. Mid Cap Equity Index (the U.S. Mid Cap Underlying Index).¹ Under normal market conditions, the Fund invests at least 80% of its assets in the component securities of the U.S. Mid Cap Underlying Index. The U.S. Mid Cap Underlying Index is a systematic, rules-based proprietary index that is maintained and calculated by FTSE Russell. The U.S. Mid Cap Underlying Index is based on the Russell Midcap[®] Index¹ using a methodology developed with Franklin Templeton to reflect Franklin Templeton's desired investment strategy. The Russell Midcap[®] Index is a subset of the Russell 1000[®] Index and is designed to measure the performance of mid-capitalization stocks in the United States. It includes approximately 800 of the smallest issuers in the Russell 1000[®] Index.

The Fund, using a "passive" or indexing investment approach, seeks investment results that closely correspond, before fees and expenses, to the performance of the Underlying Index. The Fund may use either a replication strategy or representative sampling strategy.

The Fund may invest in equity futures (including equity index futures) and equity total return swaps to provide additional opportunities to add value and better track the performance of the Fund's Underlying index, such as to equitize cash and accrued income (i.e., gain equity market exposure and maintain liquidity until the Fund invests in individual securities), simulate investments in the Underlying Index, facilitate trading or minimize transaction costs.

Q. What were the overall market conditions during the Funds' reporting period?

A. While inflation remained elevated in most parts of the world, it moderated substantially, bolstering equities. A significant shift in the policies of most major central banks also supported stocks, as interest rate increases stopped early in the reporting period and investors began to anticipate future easing. While economic growth slowed in some countries, most of the world avoided recession, despite higher interest rates and borrowing costs. Equity performance varied notably by region, as the impact of changing economic conditions varied depending on local circumstances.

In the U.S., the economy was strong, posting solid gross domestic product (GDP) growth in the final three quarters of 2023. The labor market remained tight but showed some signs of easing. Unemployment grew slightly while remaining low by historic standards, and wages continued to grow even as the pace of wage increases slowed. The U.S. Federal Reserve (Fed) shifted its monetary policy, moving from a tightening stance early in the period to a more neutral policy as the period continued and inflation decelerated.

Q. How did we respond to these changing market conditions?

A. The Fund uses a passive investment approach to achieve its investment objective, and therefore made no change in investment approach in response to market conditions.

Performance Overview

During the 12-month period, the Fund posted cumulative total returns of +25.21% based on market price and +25.04% based on net asset value (NAV). In comparison, the LibertyQ U.S. Mid Cap Equity Index posted a +25.44% cumulative total return for the same period, while the Russell Midcap[®] Index posted a +22.35% cumulative total return for the same period.²

1. The LibertyQ U.S. Mid Cap Equity Index is a systematic, rules-based proprietary index that is maintained and calculated by FTSE Russell (Russell). It is based on the Russell Midcap[®] Index using a methodology developed with Franklin Templeton to reflect Franklin Templeton's desired investment strategy. Russell Midcap[®] Index is market capitalization weighted and measures performance of the smallest companies in the Russell 1000[®] Index, which represents a modest amount of the Russell 1000[®] Index's total market capitalization.

2. Source: FactSet.

The indexes are unmanaged and include reinvestment of any income or distributions (after the deduction of certain withholding taxes). They do not reflect any fees, expenses or sales charges. One cannot invest directly in an index.

Important data provider notices and terms available at www.franklintempletondatasources.com.

The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Schedule of Investments (SOI). The SOI begins on page 82.

You can find more of the Fund's performance data in the Performance Summary beginning on page 32.

Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to franklintempleton.com or call (800) 342-5236.

Top 10 Sectors/Industries

3/31/24

	% of Total Net Assets
Industrials	22.7%
Consumer Discretionary	17.8%
Information Technology	12.2%
Financials	12.0%
Health Care	8.4%
Materials	6.8%
Energy	6.6%
Consumer Staples	5.3%
Real Estate	4.2%
Utilities	2.1%

Q. What were the leading contributors to performance?

A. For the fiscal year ended March 31, 2024, the sectors that contributed to the Fund's absolute performance were industrials, consumer discretionary, and information technology. Individual holdings that lifted the Fund's absolute return included Builders FirstSource, Williams-Sonoma, and Fair Isaac.

Q. What were the leading detractors from performance?

A. For the same period, the sectors that detracted most from the Fund's absolute performance were utilities and consumer staples. Individual holdings that hindered the Fund's absolute return included Paycom Software, Mettler-Toledo, and American Water Works.

Top 10 Holdings

3/31/24

Company Sector/Industry	% of Total Net Assets
Trane Technologies PLC <i>Industrials</i>	1.1%
Fastenal Co. <i>Industrials</i>	1.1%
WW Grainger, Inc. <i>Industrials</i>	1.1%
Kroger Co. <i>Consumer Staples</i>	1.1%
DR Horton, Inc. <i>Consumer Discretionary</i>	1.1%
Diamondback Energy, Inc. <i>Energy</i>	1.1%
Builders FirstSource, Inc. <i>Industrials</i>	1.1%
Ferguson PLC <i>Industrials</i>	1.1%
Phillips 66 <i>Energy</i>	1.1%
Discover Financial Services <i>Financials</i>	1.1%

Thank you for your participation in Franklin U.S. Mid Cap Multifactor Index ETF. We look forward to serving your future investment needs.

Dina Ting, CFA
Hailey Harris
Joe Diederich
Basit Amin, CFA

Portfolio Management Team

The foregoing information reflects our analysis, opinions and portfolio holdings as of March 31, 2024, the end of the reporting period. The way we implement our main investment strategies and the resulting portfolio holdings may change depending on factors such as market and economic conditions. These opinions may not be relied upon as investment advice or an offer for a particular security. The information is not a complete analysis of every aspect of any market, country, industry, security or the Fund. Statements of fact are from sources considered reliable, but the investment manager makes no representation or warranty as to their completeness or accuracy. Although historical performance is no guarantee of future results, these insights may help you understand our investment management philosophy.

Performance Summary as of March 31, 2024

Total return reflects reinvestment of the Fund's dividends and capital gain distributions, if any, and any unrealized gains or losses. Total returns do not include brokerage commissions that may be payable on secondary market transactions. The performance tables and graph do not reflect any taxes that a shareholder would pay on Fund dividends, capital gain distributions, if any, or any realized gains on the sale of Fund shares.

Net asset value or "NAV" is the value of one share of a fund as calculated in accordance with the standard formula for valuing mutual fund shares. Market Price returns typically are based upon the official closing price of the ETF's shares. 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 (4/28/17), the NAV of the Fund is used as a proxy for the Market Price to calculate market returns. Market and NAV returns assume that dividends and capital gain distributions have been reinvested at Market Price and NAV.

Your dividend income will vary depending on dividends or interest paid by securities in the Fund's portfolio, adjusted for operating expenses. Capital gain distributions are net profits realized from the sale of portfolio securities.

Performance as of 3/31/24^{1,2}

	Cumulative Total Return ³		Average Annual Total Return ³	
	Based on NAV ⁴	Based on market price ⁵	Based on NAV ⁴	Based on market price ⁵
1-Year	+25.04%	+25.21%	+25.04%	+25.21%
3-Year	+36.01%	+35.83%	+10.80%	+10.75%
5-Year	+88.18%	+88.08%	+13.48%	+13.47%
Since Inception (4/26/17)	+129.79%	+129.87%	+12.76%	+12.76%

Distribution Rate ⁶	30-Day Standardized Yield ⁷
0.62%	1.41%

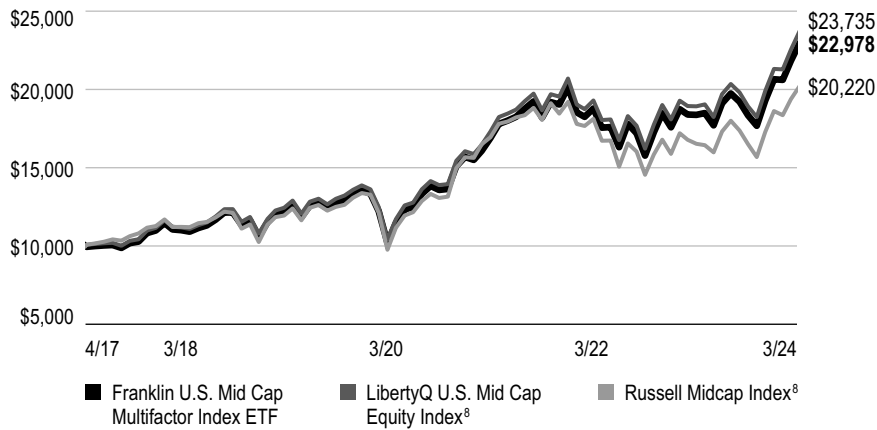
Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to franklintempleton.com or call (800) 342-5236.

See page 34 for Performance Summary footnotes.

Total Return Index Comparison for a Hypothetical \$10,000 Investment¹

Total return represents the change in value of an investment over the periods shown. It includes any applicable maximum sales charge, Fund expenses, account fees and reinvested distributions. The unmanaged indexes include reinvestment of any income or distributions. They differ from the Fund in composition and do not pay management fees or expenses. One cannot invest directly in an index.

4/26/17-3/31/24



See page 34 for Performance Summary footnotes.

Distributions (4/1/23–3/31/24)

Net Investment Income

\$0.606012

Total Annual Operating Expenses⁹

0.30%

Events such as the spread of deadly diseases, disasters, and financial, political or social disruptions, may heighten risks and adversely affect performance.

All investments involve risks, including possible loss of principal. Equity securities are subject to price fluctuation and possible loss of principal. **Small- and mid-cap stocks** involve greater risks and volatility than large-cap stocks. 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 transaction costs, expenses and other factors. **Derivative instruments** can be illiquid, may disproportionately increase losses, and have a potentially large impact on performance. These and other risks are discussed in the Fund's prospectus.

ETFs trade like stocks, fluctuate in market value and may trade at prices above or below their net asset value. Brokerage commissions and ETF expenses will reduce returns.

1. 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.
2. Effective December 1, 2017, the Fund adopted a unified fee structure whereby Management has agreed to reimburse the Fund's acquired fund fees and expenses (if any) and pay all of the ordinary operating expenses of the Fund, excluding: (i) payments under the Fund's Rule 12b-1 plan (if any); (ii) brokerage expenses (including any costs incidental to transactions in portfolio securities or instruments); (iii) taxes; (iv) interest (including borrowing costs and dividend expenses on securities sold short and overdraft charges); (v) litigation expenses (including litigation to which the Trust or a Fund may be a party and indemnification of the Trustees and officers with respect thereto); and (vi) other non-routine or extraordinary expenses.
3. Total return calculations represent the cumulative and average annual changes in value of an investment over the periods indicated. Return for less than one year, if any, has not been annualized.
4. Assumes reinvestment of distributions based on net asset value.
5. Assumes reinvestment of distributions based on market price.
6. Distribution Rate is calculated by annualizing the most recent distribution amount paid, divided by the closing market price or NAV as of the date indicated. The Distribution Rate calculation includes income and return of capital, and includes a prorated special distribution in the month it is paid. The Distribution Rate is not guaranteed, subject to change, and is not a quotation of Fund performance.
7. The Fund's 30-day standardized yield is calculated over a trailing 30-day period using the yield to maturity on bonds and/or the dividends accrued on stocks. It may not equal the Fund's actual income distribution rate, which reflects the Fund's past dividends paid to shareholders.
8. Source: FactSet. The LibertyQ U.S. Mid Cap Equity Index is a systematic, rules-based proprietary index maintained and calculated by FTSE Russell (Russell) based on the Russell Midcap[®] Index using a methodology developed with Franklin Templeton to reflect Franklin Templeton's desired investment strategy. Russell Midcap Index is market capitalization weighted and measures performance of the smallest companies in the Russell 1000[®] Index, which represents a modest amount of the Russell 1000[®] Index's total market capitalization.
9. Figures are as stated in the Fund's current prospectus and may differ from the expense ratios disclosed in the Your Fund's Expenses and Financial Highlights sections in this report.

Important data provider notices and terms available at www.franklintempletondatasources.com.

Your Fund's Expenses

As a Fund shareholder, you can incur two types of costs: (1) transaction costs, including brokerage commissions on purchases and sales of Fund shares; and (2) ongoing Fund costs, including management fees and other Fund expenses. All funds have ongoing costs, sometimes referred to as operating expenses. The table below shows ongoing costs of investing in the Fund and can help you understand these costs and compare them with those of other funds. The table assumes a \$1,000 investment held for the six months indicated.

Actual Fund Expenses

The table below provides information about actual account values and actual expenses in the columns under the heading "Actual." In these columns the Fund's actual return, which includes the effect of Fund expenses, is used to calculate the "Ending Account Value." You can estimate the expenses you paid during the period by following these steps (*of course, your account value and expenses will differ from those in this illustration*): Divide your account value by \$1,000 (*if your account had an \$8,600 value, then $\$8,600 \div \$1,000 = 8.6$*). Then multiply the result by the number in the row under the headings "Actual" and "Expenses Paid During Period" (*if Actual Expenses Paid During Period were \$7.50, then $8.6 \times \$7.50 = \64.50*). In this illustration, the actual expenses paid this period are \$64.50.

Hypothetical Example for Comparison with Other Funds

Under the heading "Hypothetical" in the table, information is provided about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. This information may not be used to estimate the actual ending account balance or expenses you paid for the period, but it can help you compare ongoing costs of investing in the Fund with those of other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that expenses shown in the table are meant to highlight ongoing costs and do not reflect any transactional costs. Therefore, information under the heading "Hypothetical" is useful in comparing ongoing costs only, and will not help you compare total costs of owning different funds. In addition, if transactional costs were included, your total costs would have been higher.

Beginning Account Value 10/1/23	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio
	Ending Account Value 3/31/24	Expenses Paid During Period 10/1/23–3/31/24 ^{1,2}	Ending Account Value 3/31/24	Expenses Paid During Period 10/1/23–3/31/24 ¹	
\$1,000.00	\$1,252.40	\$1.69	\$1,023.50	\$1.52	0.30%

1. Expenses are equal to the annualized expense ratio for the six-month period as indicated above—in the far right column—multiplied by the simple average account value over the period indicated, and then multiplied by 183/366 to reflect the one-half year period.

2. Reflects expenses after fee waivers and expense reimbursements.

Franklin U.S. Small Cap Multifactor Index ETF

This annual report for Franklin U.S. Small Cap Multifactor Index ETF covers the fiscal year ended March 31, 2024.

Fund Overview

Q. What is the Fund's investment strategy?

A. The Fund seeks to provide investment results that closely correspond, before fees and expenses, to the performance of the LibertyQ U.S. Small Cap Equity Index (the U.S. Small Cap Underlying Index).¹ Under normal market conditions, the Fund invests at least 80% of its assets in the component securities of the U.S. Small Cap Underlying Index. The U.S. Small Cap Underlying Index is a systematic, rules-based proprietary index that is maintained and calculated by FTSE Russell. The U.S. Small Cap Underlying Index is based on the Russell 2000® Index¹ using a methodology developed with Franklin Templeton to reflect Franklin Templeton's desired investment strategy. The Russell 2000® Index is a subset of the Russell 3000® Index and is designed to measure the performance of small capitalization stocks in the United States. It includes approximately 2000 of the smallest issuers in the Russell 3000® Index.

The Fund, using a "passive" or indexing investment approach, seeks investment results that closely correspond, before fees and expenses, to the performance of the Underlying Index. The Fund may use either a replication strategy or representative sampling strategy.

The Fund may invest in equity futures (including equity index futures) and equity total return swaps to provide additional opportunities to add value and better track the performance of the Fund's Underlying index, such as to equitize cash and accrued income (i.e., gain equity market exposure and maintain liquidity until the Fund invests in individual securities), simulate investments in the Underlying Index, facilitate trading or minimize transaction costs.

Q. What were the overall market conditions during the Funds' reporting period?

1. The LibertyQ U.S. Small Cap Equity Index is a systematic, rules-based proprietary index that is maintained and calculated by FTSE Russell (Russell). It is based on the Russell 2000® Index using a methodology developed with Franklin Templeton to reflect Franklin Templeton's desired investment strategy. Russell 2000® Index is market capitalization weighted and measures performance of the approximately 2,000 smallest companies in the Russell 3000® Index, which represent a small amount of the total market capitalization of the Russell 3000® Index.

2. Source: FactSet.

The indexes are unmanaged and include reinvestment of any income or distributions (after the deduction of certain withholding taxes). They do not reflect any fees, expenses or sales charges. One cannot invest directly in an index.

Important data provider notices and terms available at www.franklintempletondatasources.com.

The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Schedule of Investments (SOI). The SOI begins on page 88.

A. While inflation remained elevated in most parts of the world, it moderated substantially, bolstering equities. A significant shift in the policies of most major central banks also supported stocks, as interest rate increases stopped early in the reporting period and investors began to anticipate future easing. While economic growth slowed in some countries, most of the world avoided recession, despite higher interest rates and borrowing costs. Equity performance varied notably by region, as the impact of changing economic conditions varied depending on local circumstances.

In the U.S., the economy was strong, posting solid gross domestic product (GDP) growth in the final three quarters of 2023. The labor market remained tight but showed some signs of easing. Unemployment grew slightly while remaining low by historic standards, and wages continued to grow even as the pace of wage increases slowed. The U.S. Federal Reserve (Fed) shifted its monetary policy, moving from a tightening stance early in the period to a more neutral policy as the period continued and inflation decelerated.

Q. How did we respond to these changing market conditions?

A. The Fund uses a passive investment approach to achieve its investment objective, and therefore made no change in investment approach in response to market conditions.

Performance Overview

During the 12-month period, the Fund posted cumulative total returns of +20.74% based on market price and +20.59% based on net asset value (NAV). In comparison, the LibertyQ U.S. Small Cap Equity Index posted a +21.05% cumulative total return for the same period, while the Russell 2000® Index posted a +19.71% cumulative total return.²

You can find more of the Fund's performance data in the Performance Summary beginning on page 38.

Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to franklintempleton.com or call (800) 342-5236.

Top 10 Sectors/Industries

3/31/24

	% of Total Net Assets
Industrials	23.7%
Consumer Discretionary	17.5%
Information Technology	14.0%
Financials	9.8%
Consumer Staples	8.2%
Health Care	6.8%
Energy	6.1%
Utilities	4.1%
Materials	3.7%
Real Estate	3.6%

Top 10 Holdings

3/31/24

Company Sector/Industry	% of Total Net Assets
MicroStrategy, Inc., Class A Information Technology	1.4%
Comfort Systems USA, Inc. Industrials	1.4%
elf Beauty, Inc. Consumer Staples	1.3%
Simpson Manufacturing Co., Inc. Industrials	1.1%
Applied Industrial Technologies, Inc. Industrials	1.1%
Sprouts Farmers Market, Inc. Consumer Staples	1.0%
Chord Energy Corp. Energy	1.0%
BellRing Brands, Inc. Consumer Staples	0.9%
UFP Industries, Inc. Industrials	0.9%
SPS Commerce, Inc. Information Technology	0.9%

Q. What were the leading contributors to performance?

A. For the fiscal year ended March 31, 2024, the sectors that contributed to the Fund's absolute performance were industrials, consumer discretionary, and financials. Individual

holdings that lifted the Fund's absolute return included MicroStrategy, Abercrombie & Fitch, and Comfort Systems USA.

Q. What were the leading detractors from performance?

A. For the same period, the sectors that detracted most from the Fund's absolute performance were utilities and health care. Individual holdings that hindered the Fund's absolute return included Forward Air, Nu Skin Enterprises, and Axcelis Technologies.

Thank you for your participation in Franklin U.S. Small Cap Multifactor Index ETF. We look forward to serving your future investment needs.

Dina Ting, CFA

Hailey Harris

Joe Diederich

Basit Amin, CFA

Portfolio Management Team

The foregoing information reflects our analysis, opinions and portfolio holdings as of March 31, 2024, the end of the reporting period. The way we implement our main investment strategies and the resulting portfolio holdings may change depending on factors such as market and economic conditions. These opinions may not be relied upon as investment advice or an offer for a particular security. The information is not a complete analysis of every aspect of any market, country, industry, security or the Fund. Statements of fact are from sources considered reliable, but the investment manager makes no representation or warranty as to their completeness or accuracy. Although historical performance is no guarantee of future results, these insights may help you understand our investment management philosophy.

Performance Summary as of March 31, 2024

Total return reflects reinvestment of the Fund's dividends and capital gain distributions, if any, and any unrealized gains or losses. Total returns do not include brokerage commissions that may be payable on secondary market transactions. The performance tables and graph do not reflect any taxes that a shareholder would pay on Fund dividends, capital gain distributions, if any, or any realized gains on the sale of Fund shares.

Net asset value or "NAV" is the value of one share of a fund as calculated in accordance with the standard formula for valuing mutual fund shares. Market Price returns typically are based upon the official closing price of the ETF's shares. 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 (4/28/17), the NAV of the Fund is used as a proxy for the Market Price to calculate market returns. Market and NAV returns assume that dividends and capital gain distributions have been reinvested at Market Price and NAV.

Your dividend income will vary depending on dividends or interest paid by securities in the Fund's portfolio, adjusted for operating expenses. Capital gain distributions are net profits realized from the sale of portfolio securities.

Performance as of 3/31/24^{1,2}

	Cumulative Total Return ³		Average Annual Total Return ³	
	Based on NAV ⁴	Based on market price ⁵	Based on NAV ⁴	Based on market price ⁵
1-Year	+20.59%	+20.74%	+20.59%	+20.74%
3-Year	+15.53%	+15.36%	+4.93%	+4.88%
5-Year	+56.95%	+56.99%	+9.43%	+9.44%
Since Inception (4/26/17)	+75.32%	+75.49%	+8.44%	+8.46%

Distribution Rate ⁶	30-Day Standardized Yield ⁷
0.36%	1.22%

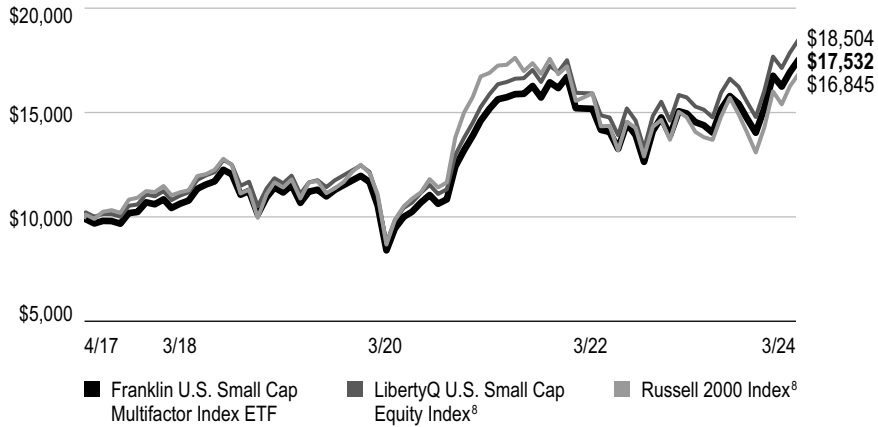
Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to franklintempleton.com or call (800) 342-5236.

See page 40 for Performance Summary footnotes.

Total Return Index Comparison for a Hypothetical \$10,000 Investment¹

Total return represents the change in value of an investment over the periods shown. It includes any applicable maximum sales charge, Fund expenses, account fees and reinvested distributions. The unmanaged indexes include reinvestment of any income or distributions. They differ from the Fund in composition and do not pay management fees or expenses. One cannot invest directly in an index.

4/26/17-3/31/24



See page 40 for Performance Summary footnotes.

Distributions (4/1/23–3/31/24)

Net Investment Income

\$0.493875

Total Annual Operating Expenses⁹

0.35%

Events such as the spread of deadly diseases, disasters, and financial, political or social disruptions, may heighten risks and adversely affect performance.

All investments involve risks, including possible loss of principal. Equity securities are subject to price fluctuation and possible loss of principal. **Small- and mid-cap stocks** involve greater risks and volatility than large-cap stocks. 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 transaction costs, expenses and other factors. **Derivative instruments** can be illiquid, may disproportionately increase losses, and have a potentially large impact on performance. These and other risks are discussed in the Fund's prospectus.

ETFs trade like stocks, fluctuate in market value and may trade at prices above or below their net asset value. Brokerage commissions and ETF expenses will reduce returns.

1. 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.
2. Effective December 1, 2017, the Fund adopted a unified fee structure whereby Management has agreed to reimburse the Fund's acquired fund fees and expenses (if any) and pay all of the ordinary operating expenses of the Fund, excluding: (i) payments under the Fund's Rule 12b-1 plan (if any); (ii) brokerage expenses (including any costs incidental to transactions in portfolio securities or instruments); (iii) taxes; (iv) interest (including borrowing costs and dividend expenses on securities sold short and overdraft charges); (v) litigation expenses (including litigation to which the Trust or a Fund may be a party and indemnification of the Trustees and officers with respect thereto); and (vi) other non-routine or extraordinary expenses.
3. Total return calculations represent the cumulative and average annual changes in value of an investment over the periods indicated. Return for less than one year, if any, has not been annualized.
4. Assumes reinvestment of distributions based on net asset value.
5. Assumes reinvestment of distributions based on market price.
6. Distribution Rate is calculated by annualizing the most recent distribution amount paid, divided by the closing market price or NAV as of the date indicated. The Distribution Rate calculation includes income and return of capital, and includes a prorated special distribution in the month it is paid. The Distribution Rate is not guaranteed, subject to change, and is not a quotation of Fund performance.
7. The Fund's 30-day standardized yield is calculated over a trailing 30-day period using the yield to maturity on bonds and/or the dividends accrued on stocks. It may not equal the Fund's actual income distribution rate, which reflects the Fund's past dividends paid to shareholders.
8. Source: FactSet. The LibertyQ U.S. Small Cap Equity Index is a systematic, rules-based proprietary index that is maintained and calculated by FTSE Russell (Russell) based on the Russell 2000[®] Index using a methodology developed with Franklin Templeton to reflect Franklin Templeton's desired investment strategy. The Russell 2000[®] Index is market capitalization weighted and measures performance of the approximately 2,000 smallest companies in the Russell 3000[®] Index, which represent a small amount of the total market capitalization of the Russell 3000[®] Index.
9. Figures are as stated in the Fund's current prospectus and may differ from the expense ratios disclosed in the Your Fund's Expenses and Financial Highlights sections in this report.

Important data provider notices and terms available at www.franklintempletondatasources.com.

Your Fund's Expenses

As a Fund shareholder, you can incur two types of costs: (1) transaction costs, including brokerage commissions on purchases and sales of Fund shares; and (2) ongoing Fund costs, including management fees and other Fund expenses. All funds have ongoing costs, sometimes referred to as operating expenses. The table below shows ongoing costs of investing in the Fund and can help you understand these costs and compare them with those of other funds. The table assumes a \$1,000 investment held for the six months indicated.

Actual Fund Expenses

The table below provides information about actual account values and actual expenses in the columns under the heading "Actual." In these columns the Fund's actual return, which includes the effect of Fund expenses, is used to calculate the "Ending Account Value." You can estimate the expenses you paid during the period by following these steps (*of course, your account value and expenses will differ from those in this illustration*): Divide your account value by \$1,000 (*if your account had an \$8,600 value, then $\$8,600 \div \$1,000 = 8.6$*). Then multiply the result by the number in the row under the headings "Actual" and "Expenses Paid During Period" (*if Actual Expenses Paid During Period were \$7.50, then $8.6 \times \$7.50 = \64.50*). In this illustration, the actual expenses paid this period are \$64.50.

Hypothetical Example for Comparison with Other Funds

Under the heading "Hypothetical" in the table, information is provided about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. This information may not be used to estimate the actual ending account balance or expenses you paid for the period, but it can help you compare ongoing costs of investing in the Fund with those of other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that expenses shown in the table are meant to highlight ongoing costs and do not reflect any transactional costs. Therefore, information under the heading "Hypothetical" is useful in comparing ongoing costs only, and will not help you compare total costs of owning different funds. In addition, if transactional costs were included, your total costs would have been higher.

Beginning Account Value 10/1/23	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio
	Ending Account Value 3/31/24	Expenses Paid During Period 10/1/23–3/31/24 ^{1,2}	Ending Account Value 3/31/24	Expenses Paid During Period 10/1/23–3/31/24 ¹	
\$1,000.00	\$1,191.30	\$1.92	\$1,023.25	\$1.77	0.35%

1. Expenses are equal to the annualized expense ratio for the six-month period as indicated above—in the far right column—multiplied by the simple average account value over the period indicated, and then multiplied by 183/366 to reflect the one-half year period.

2. Reflects expenses after fee waivers and expense reimbursements.

Financial Highlights

Franklin Emerging Market Core Dividend Tilt Index ETF

	Year Ended March 31,				
	2024	2023	2022	2021	2020
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$23.88	\$28.33	\$30.78	\$22.20	\$29.70
Income from investment operations ^a :					
Net investment income ^b	1.07	1.39	1.32	0.84	1.24
Net realized and unrealized gains (losses)	1.86	(4.42)	(2.55)	8.55	(6.96)
Total from investment operations	2.93	(3.03)	(1.23)	9.39	(5.72)
Less distributions from net investment income	(1.13)	(1.42)	(1.22)	(0.81)	(1.78)
Net asset value, end of year	\$25.68	\$23.88	\$28.33	\$30.78	\$22.20
Total return ^c	12.67%	(10.36)%	(4.21)%	42.57%	(20.55)%
Ratios to average net assets^d					
Expenses before waiver and payments by affiliates	0.19%	0.29%	0.45%	0.45%	0.49%
Expenses net of waiver and payments by affiliates	0.19%	0.29%	0.45%	0.45%	0.49%
Net investment income	4.47%	5.83%	4.28%	3.15%	4.26%
Supplemental data					
Net assets, end of year (000's)	\$12,838	\$11,939	\$17,000	\$24,627	\$57,711
Portfolio turnover rate ^e	51.44% ^f	110.78% ^f	34.27% ^f	40.22% ^f	44.11% ^f

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of Creation Unit Fund shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cTotal return is not annualized for periods less than one year. Total return is calculated assuming an initial investment made at the net asset value at the beginning of the period, reinvestment of all dividends and distributions at net asset value during the period, and redemption at net asset value on the last day of the period.

^dRatios are annualized for periods less than one year.

^ePortfolio turnover rate includes portfolio transactions that are executed as a result of the Fund offering and redeeming Creation Units solely for cash ("Cash creations").

^fPortfolio turnover rate excluding cash creations was as follows: 51.44% 110.78% 34.27% 36.91% 41.78%

Schedule of Investments, March 31, 2024

Franklin Emerging Market Core Dividend Tilt Index ETF

	Industry	Shares	Value
Common Stocks 97.1%			
Brazil 3.3%			
Alupar Investimento SA, UNIT	Electric Utilities	1,040	\$ 6,349
Ambev SA	Beverages	23,500	58,638
BB Seguridade Participacoes SA	Insurance	3,700	24,038
Cia Energetica de Minas Gerais	Electric Utilities	1,500	4,375
Cia Siderurgica Nacional SA	Metals & Mining	3,500	10,978
CPFL Energia SA	Electric Utilities	1,000	6,954
CSN Mineracao SA	Metals & Mining	3,000	3,177
Energisa SA	Electric Utilities	1,500	14,345
Engie Brasil Energia SA	Independent Power Producers & Energy Traders	1,500	12,065
Itausa SA	Banks	4,500	9,404
Lojas Renner SA	Specialty Retail	4,500	15,265
Neoenergia SA	Electric Utilities	3,000	12,196
Petroleo Brasileiro SA	Oil, Gas & Consumable Fuels	10,000	76,475
Porto Seguro SA	Insurance	1,000	6,249
Telefonica Brasil SA	Diversified Telecommunication Services	2,000	20,218
Transmissora Alianca de Energia Eletrica SA	Electric Utilities	1,000	7,254
Vale SA	Metals & Mining	11,200	136,108
			424,088
Chile 0.8%			
AntarChile SA	Industrial Conglomerates	730	5,740
Banco de Chile	Banks	235,885	26,214
^a Banco de Credito e Inversiones SA	Banks	480	13,707
Banco Santander Chile	Banks	341,165	16,974
Cencosud SA	Consumer Staples Distribution & Retail	7,950	13,779
Cencosud Shopping SA	Real Estate Management & Development	2,325	3,556
Cia Sud Americana de Vapores SA	Marine Transportation	86,135	6,472
Empresas CMPC SA	Paper & Forest Products	6,340	12,869
Quinenco SA	Industrial Conglomerates	1,610	5,663
			104,974
China 25.1%			
37 Interactive Entertainment Network Technology Group Co. Ltd., Class A			
	Entertainment	1,000	2,398
Agricultural Bank of China Ltd., Class A	Banks	62,500	36,413
Agricultural Bank of China Ltd., Class H	Banks	145,000	61,139
^b Alibaba Group Holding Ltd., Class A	Broadline Retail	20,500	184,007
Anhui Conch Cement Co. Ltd., Class A	Construction Materials	1,500	4,603
Anhui Conch Cement Co. Ltd., Class H	Construction Materials	6,170	12,834
Anhui Kouzi Distillery Co. Ltd., Class A	Beverages	500	2,782
ANTA Sports Products Ltd., Class A	Textiles, Apparel & Luxury Goods	2,840	30,191
^b Autohome, Inc., Class A	Interactive Media & Services	1,500	9,928
Avary Holding Shenzhen Co. Ltd., Class A	Electronic Equipment, Instruments & Components	500	1,598
AviChina Industry & Technology Co. Ltd., Class H	Aerospace & Defense	5,000	1,968
Bank of Beijing Co. Ltd., Class A	Banks	8,000	6,237
Bank of Changsha Co. Ltd., Class A	Banks	2,000	2,135
Bank of Chengdu Co. Ltd., Class A	Banks	1,500	2,810
Bank of China Ltd., Class H	Banks	305,000	125,874
Bank of Communications Co. Ltd., Class A	Banks	15,500	13,535
Bank of Communications Co. Ltd., Class H	Banks	40,000	26,270
Bank of Hangzhou Co. Ltd., Class A	Banks	2,500	3,826
Bank of Jiangsu Co. Ltd., Class A	Banks	7,000	7,617
Bank of Nanjing Co. Ltd., Class A	Banks	4,000	4,936
Bank of Shanghai Co. Ltd., Class A	Banks	6,000	5,553
Bank of Suzhou Co. Ltd., Class A	Banks	1,000	986
Beijing Enterprises Holdings Ltd., Class H	Gas Utilities	2,500	7,251

Franklin Emerging Market Core Dividend Tilt Index ETF (continued)

	Industry	Shares	Value
Common Stocks (continued)			
China (continued)			
BOC Hong Kong Holdings Ltd.	Banks	20,000	\$ 53,536
C&D International Investment Group Ltd.	Real Estate Management & Development	5,000	8,727
China CITIC Bank Corp. Ltd., Class H	Banks	50,000	26,640
China Construction Bank Corp., Class A	Banks	2,000	1,892
China Construction Bank Corp., Class H	Banks	280,000	168,863
China Everbright Bank Co. Ltd., Class A	Banks	18,000	7,735
China Everbright Bank Co. Ltd., Class H	Banks	15,000	4,312
China Feihe Ltd.	Food Products	20,000	9,404
China Jushi Co. Ltd., Class A	Construction Materials	1,000	1,485
China Lesso Group Holdings Ltd.	Building Products	5,000	2,370
China Life Insurance Co. Ltd., Class H	Insurance	41,000	49,191
China Longyuan Power Group Corp. Ltd., Class A	Independent Power Producers & Energy Traders	1,000	2,580
China Longyuan Power Group Corp. Ltd., Class H	Independent Power Producers & Energy Traders	10,000	7,002
China Medical System Holdings Ltd.	Pharmaceuticals	7,000	7,352
China Merchants Bank Co. Ltd., Class A	Banks	8,000	35,480
China Merchants Bank Co. Ltd., Class H	Banks	17,500	69,204
China Merchants Expressway Network & Technology Holdings Co. Ltd., Class A	Transportation Infrastructure	2,000	3,113
China Merchants Port Holdings Co. Ltd.	Transportation Infrastructure	6,670	8,003
China Minsheng Banking Corp. Ltd., Class A	Banks	14,500	8,088
China Minsheng Banking Corp. Ltd., Class H	Banks	37,500	12,985
China National Building Material Co. Ltd., Class H	Construction Materials	19,000	6,530
China National Medicines Corp. Ltd., Class A	Health Care Providers & Services	500	2,273
China Overseas Land & Investment Ltd., Class A	Real Estate Management & Development	22,500	32,371
China Pacific Insurance Group Co. Ltd., Class A	Insurance	3,000	9,504
China Pacific Insurance Group Co. Ltd., Class H	Insurance	14,000	24,507
China Petroleum & Chemical Corp., Class A	Oil, Gas & Consumable Fuels	18,500	16,282
China Petroleum & Chemical Corp., Class H	Oil, Gas & Consumable Fuels	130,000	73,750
China Railway Group Ltd., Class A	Construction & Engineering	3,500	3,379
China Railway Group Ltd., Class H	Construction & Engineering	10,000	4,945
China Railway Signal & Communication Corp. Ltd., Class A	Electronic Equipment, Instruments & Components	3,345	2,594
China Railway Signal & Communication Corp. Ltd., Class H	Electronic Equipment, Instruments & Components	10,000	3,808
China Resources Building Materials Technology Holdings Ltd.	Construction Materials	10,000	1,520
China Resources Mixc Lifestyle Services Ltd.	Real Estate Management & Development	3,000	9,487
China Resources Pharmaceutical Group Ltd., Class A	Pharmaceuticals	2,500	1,597
China Resources Power Holdings Co. Ltd.	Independent Power Producers & Energy Traders	10,000	23,331
China Shenhua Energy Co. Ltd., Class A	Oil, Gas & Consumable Fuels	2,500	13,460
China Shenhua Energy Co. Ltd., Class H	Oil, Gas & Consumable Fuels	17,500	68,757
China Taiping Insurance Holdings Co. Ltd.	Insurance	7,000	6,127
China Tower Corp. Ltd., Class H	Diversified Telecommunication Services	240,000	27,599
China Vanke Co. Ltd., Class A	Real Estate Management & Development	4,500	5,578
China Vanke Co. Ltd., Class H	Real Estate Management & Development	12,500	8,657
China Yangtze Power Co. Ltd., Class A	Independent Power Producers & Energy Traders	9,500	32,620
China Zheshang Bank Co. Ltd., Class A	Banks	7,500	3,089
China Zheshang Bank Co. Ltd., Class H	Banks	15,000	4,389
Chongqing Brewery Co. Ltd., Class A	Beverages	200	1,776
Chongqing Changan Automobile Co. Ltd., Class A	Automobiles	1,000	2,314
Chongqing Changan Automobile Co. Ltd., Class B	Automobiles	2,500	1,335

Franklin Emerging Market Core Dividend Tilt Index ETF (continued)

	Industry	Shares	Value
Common Stocks (continued)			
China (continued)			
Chongqing Fuling Zhacai Group Co. Ltd., Class A	Food Products	500	\$ 930
Chongqing Rural Commercial Bank Co. Ltd., Class A	Banks	4,000	2,567
Chongqing Rural Commercial Bank Co. Ltd., Class H	Banks	10,000	4,140
Chow Tai Fook Jewellery Group Ltd., Class A	Specialty Retail	10,000	14,745
CITIC Ltd., Class B	Industrial Conglomerates	35,000	33,630
COFCO Sugar Holding Co. Ltd., Class A	Food Products	1,000	1,322
COSCO SHIPPING Development Co. Ltd., Class A	Trading Companies & Distributors	2,000	642
COSCO SHIPPING Holdings Co. Ltd., Class H	Marine Transportation	15,000	15,773
CSPC Pharmaceutical Group Ltd.	Pharmaceuticals	48,000	37,718
Daqin Railway Co. Ltd., Class A	Ground Transportation	7,000	7,096
DaShenLin Pharmaceutical Group Co. Ltd., Class A	Consumer Staples Distribution & Retail	500	1,470
Do-Fluoride New Materials Co. Ltd., Class A	Chemicals	500	977
Easyhome New Retail Group Co. Ltd., Class A	Broadline Retail	1,500	591
ENN Energy Holdings Ltd.	Gas Utilities	4,000	30,819
Focus Media Information Technology Co. Ltd., Class A	Media	6,000	5,388
Foxconn Industrial Internet Co. Ltd., Class A	Electronic Equipment, Instruments & Components	4,000	12,545
Fuyao Glass Industry Group Co. Ltd., Class A	Automobile Components	1,000	5,958
Fuyao Glass Industry Group Co. Ltd., Class H	Automobile Components	3,200	16,109
GCL Technology Holdings Ltd.	Semiconductors & Semiconductor Equipment	110,000	17,990
GD Power Development Co. Ltd., Class A	Independent Power Producers & Energy Traders	6,500	4,521
Giant Network Group Co. Ltd., Class A	Entertainment	1,000	1,646
Goneo Group Co. Ltd., Class A	Electrical Equipment	200	2,844
Gree Electric Appliances, Inc. of Zhuhai, Class A	Household Durables	2,000	10,829
Guanghui Energy Co. Ltd., Class A	Oil, Gas & Consumable Fuels	2,000	2,049
Guangxi Guiguan Electric Power Co. Ltd., Class A	Independent Power Producers & Energy Traders	500	404
Guangzhou Shiyuan Electronic Technology Co. Ltd., Class A	Electronic Equipment, Instruments & Components	500	2,380
Guangzhou Tinci Materials Technology Co. Ltd., Class A	Chemicals	1,000	3,062
Guangzhou Yuexiu Capital Holdings Group Co. Ltd., Class A	Capital Markets	2,500	1,921
Guotai Junan Securities Co. Ltd., Class A	Capital Markets	3,000	5,731
Guotai Junan Securities Co. Ltd., Class H	Capital Markets	4,000	4,385
H World Group Ltd.	Hotels, Restaurants & Leisure	500	1,936
Hangzhou Oxygen Plant Group Co. Ltd., Class A	Chemicals	500	1,994
Heilongjiang Agriculture Co. Ltd., Class A	Food Products	500	848
Henan Shenhua Coal Industry & Electricity Power Co. Ltd., Class A	Metals & Mining	1,000	2,741
Henan Shuanghui Investment & Development Co. Ltd., Class A	Food Products	1,500	5,423
Hengan International Group Co. Ltd.	Personal Care Products	3,250	10,236
HLA Group Corp. Ltd., Class A	Specialty Retail	1,500	1,859
Hoyuan Green Energy Co. Ltd., Class A	Semiconductors & Semiconductor Equipment	500	1,660
Huadian Power International Corp. Ltd., Class A	Independent Power Producers & Energy Traders	3,000	2,839
Huadian Power International Corp. Ltd., Class H	Independent Power Producers & Energy Traders	10,000	5,354
Huaibei Mining Holdings Co. Ltd., Class A	Metals & Mining	1,000	2,289
Huatai Securities Co. Ltd., Class A	Capital Markets	3,000	5,801
Huatai Securities Co. Ltd., Class H	Capital Markets	8,000	9,138
Huaxia Bank Co. Ltd., Class A	Banks	6,500	5,801
Huaxin Cement Co. Ltd., Class A	Construction Materials	500	941

Franklin Emerging Market Core Dividend Tilt Index ETF (continued)

	Industry	Shares	Value
Common Stocks (continued)			
China (continued)			
Huaxin Cement Co. Ltd., Class H	Construction Materials	1,000	\$ 874
Huayu Automotive Systems Co. Ltd., Class A	Automobile Components	1,500	3,452
Hubei Jumpcan Pharmaceutical Co. Ltd., Class A	Pharmaceuticals	500	2,578
Hubei Xingfa Chemicals Group Co. Ltd., Class A	Chemicals	500	1,260
Hunan Valin Steel Co. Ltd., Class A	Metals & Mining	2,500	1,822
Industrial & Commercial Bank of China Ltd., Class A	Banks	27,500	19,999
Industrial & Commercial Bank of China Ltd., Class H	Banks	240,000	120,821
Industrial Bank Co. Ltd., Class A	Banks	8,500	18,474
Inner Mongolia ERDOS Resources Co. Ltd., Class A	Metals & Mining	700	1,058
Inner Mongolia ERDOS Resources Co. Ltd., Class B	Metals & Mining	2,000	1,874
Inner Mongolia Junzheng Energy & Chemical Industry Group Co. Ltd., Class A	Chemicals	3,500	1,779
Inner Mongolia MengDian HuaNeng Thermal Power Corp. Ltd., Class A	Independent Power Producers & Energy Traders	2,000	1,267
Inner Mongolia Yili Industrial Group Co. Ltd., Class A	Food Products	2,500	9,607
Inner Mongolia Yitai Coal Co. Ltd., Class B	Oil, Gas & Consumable Fuels	5,500	10,505
Jason Furniture Hangzhou Co. Ltd., Class A	Household Durables	500	2,539
^b JD.com, Inc., Class A	Broadline Retail	6,250	86,166
Jiangsu Expressway Co. Ltd., Class A	Transportation Infrastructure	500	802
Jiangsu Expressway Co. Ltd., Class H	Transportation Infrastructure	6,000	6,141
Jiangsu Yanghe Brewery Joint-Stock Co. Ltd., Class A	Beverages	500	6,725
Jinduicheng Molybdenum Co. Ltd., Class A	Metals & Mining	1,000	1,567
Joynn Laboratories China Co. Ltd., Class A	Life Sciences Tools & Services	500	1,245
^c Joynn Laboratories China Co. Ltd., Class H	Life Sciences Tools & Services	1,000	1,172
Jointown Pharmaceutical Group Co. Ltd., Class A	Health Care Providers & Services	2,000	2,220
Kingboard Holdings Ltd.	Electronic Equipment, Instruments & Components	3,340	6,811
LB Group Co. Ltd., Class A	Chemicals	1,000	2,609
Lenovo Group Ltd.	Technology Hardware, Storage & Peripherals	35,000	40,561
Li Ning Co. Ltd.	Textiles, Apparel & Luxury Goods	12,500	33,221
Lingyi iTech Guangdong Co., Class A	Electronic Equipment, Instruments & Components	3,000	2,268
Livzon Pharmaceutical Group, Inc., Class A	Pharmaceuticals	300	1,508
Livzon Pharmaceutical Group, Inc., Class H	Pharmaceuticals	1,000	3,405
^{b,c} Longfor Group Holdings Ltd.	Real Estate Management & Development	11,420	16,138
^{a,b,c} Meituan, Class B	Hotels, Restaurants & Leisure	3,500	43,289
Ming Yang Smart Energy Group Ltd., Class A	Electrical Equipment	1,000	1,296
Minth Group Ltd.	Automobile Components	3,340	5,275
^b NetEase, Inc.	Entertainment	2,317	48,197
New China Life Insurance Co. Ltd., Class A	Insurance	1,000	4,107
New China Life Insurance Co. Ltd., Class H	Insurance	5,000	8,855
Ningbo Tuopu Group Co. Ltd., Class A	Automobile Components	500	4,352
People's Insurance Co. Group of China Ltd., Class H	Insurance	45,000	14,374
Perfect World Co. Ltd., Class A	Entertainment	1,000	1,450
PetroChina Co. Ltd., Class H	Oil, Gas & Consumable Fuels	116,000	99,156
PICC Property & Casualty Co. Ltd., Class H	Insurance	38,000	50,107
Ping An Insurance Group Co. of China Ltd., Class A	Insurance	3,000	16,863
Ping An Insurance Group Co. of China Ltd., Class H	Insurance	23,700	100,082

Franklin Emerging Market Core Dividend Tilt Index ETF (continued)

	Industry	Shares	Value
Common Stocks (continued)			
China (continued)			
Poly Developments & Holdings Group Co. Ltd., Class A	Real Estate Management & Development	5,500	\$ 6,916
Postal Savings Bank of China Co. Ltd., Class A	Banks	14,000	9,159
Postal Savings Bank of China Co. Ltd., Class H	Banks	55,000	28,742
Qingdao Port International Co. Ltd., Class A	Transportation Infrastructure	1,500	1,527
Qingdao Port International Co. Ltd., Class H	Transportation Infrastructure	5,000	2,939
Shaanxi Coal Industry Co. Ltd., Class A	Oil, Gas & Consumable Fuels	4,000	13,823
Shan Xi Hua Yang Group New Energy Co. Ltd., Class A	Oil, Gas & Consumable Fuels	1,500	1,938
Shandong Hi-speed Co. Ltd., Class A	Transportation Infrastructure	1,000	1,179
Shandong Weigao Group Medical Polymer Co. Ltd., Class H	Health Care Equipment & Supplies	14,000	8,729
Shanghai Bairun Investment Holding Group Co. Ltd., Class A	Beverages	500	1,227
Shanghai Baosight Software Co. Ltd., Class A	Software	1,000	5,227
Shanghai Baosight Software Co. Ltd., Class B	Software	3,500	7,136
Shanghai Pharmaceuticals Holding Co. Ltd., Class A	Health Care Providers & Services	1,000	2,332
Shanghai Pharmaceuticals Holding Co. Ltd., Class H	Health Care Providers & Services	4,000	5,775
Shanghai Pudong Development Bank Co. Ltd., Class A	Banks	12,000	11,784
Shanghai Putailai New Energy Technology Co. Ltd., Class A	Chemicals	1,000	2,656
Shanghai Yuyuan Tourist Mart Group Co. Ltd., Class A	Specialty Retail	1,000	843
Shanxi Coking Coal Energy Group Co. Ltd., Class A	Oil, Gas & Consumable Fuels	2,500	3,554
Shanxi Lu'an Environmental Energy Development Co. Ltd., Class A	Oil, Gas & Consumable Fuels	1,000	2,850
Shengyi Technology Co. Ltd., Class A	Electronic Equipment, Instruments & Components	1,000	2,373
Shenzhen Transsion Holdings Co. Ltd., Class A	Technology Hardware, Storage & Peripherals	295	6,837
Shenzhou International Group Holdings Ltd.	Textiles, Apparel & Luxury Goods	4,000	37,872
Shijiazhuang Yiling Pharmaceutical Co. Ltd., Class A	Pharmaceuticals	500	1,389
Sichuan Road & Bridge Group Co. Ltd., Class A	Construction & Engineering	3,500	3,654
Sinoma Science & Technology Co. Ltd., Class A	Chemicals	500	1,060
Sinomine Resource Group Co. Ltd., Class A	Metals & Mining	500	2,529
Sinopharm Group Co. Ltd., Class H	Health Care Providers & Services	7,200	18,445
Sinotrans Ltd., Class A	Air Freight & Logistics	1,500	1,225
Sinotrans Ltd., Class H	Air Freight & Logistics	10,000	4,881
Smooore International Holdings Ltd.	Tobacco	3,000	2,553
Sun Art Retail Group Ltd.	Consumer Staples Distribution & Retail	10,000	1,993
TBEA Co. Ltd., Class A	Electrical Equipment	2,000	4,220
Tencent Holdings Ltd.	Interactive Media & Services	6,500	252,311
Tianqi Lithium Corp., Class A	Chemicals	500	3,304
Tianshan Aluminum Group Co. Ltd., Class A	Metals & Mining	1,500	1,362
Tingyi Cayman Islands Holding Corp.	Food Products	2,000	2,193
Tongwei Co. Ltd., Class A	Semiconductors & Semiconductor Equipment	2,000	6,851
Topsports International Holdings Ltd.	Specialty Retail	10,000	6,695
Uni-President China Holdings Ltd.	Food Products	5,000	3,558
Universal Scientific Industrial Shanghai Co. Ltd., Class A	Electronic Equipment, Instruments & Components	500	953
Want Want China Holdings Ltd.	Food Products	25,000	14,758
Western Superconducting Technologies Co. Ltd., Class A	Metals & Mining	287	1,455
Wuchan Zhongda Group Co. Ltd., Class A	Distributors	2,500	1,519

Franklin Emerging Market Core Dividend Tilt Index ETF (continued)

	Industry	Shares	Value
Common Stocks (continued)			
China (continued)			
Wuhan Guide Infrared Co. Ltd., Class A	Electronic Equipment, Instruments & Components	2,000	\$ 1,992
Wuliangye Yibin Co. Ltd., Class A	Beverages	1,500	31,715
Xiamen C & D, Inc., Class A	Trading Companies & Distributors	1,000	1,413
Xinyi Solar Holdings Ltd.	Semiconductors & Semiconductor Equipment	25,000	19,357
Yadea Group Holdings Ltd.	Automobiles	6,000	9,721
Yankuang Energy Group Co. Ltd., Class A	Oil, Gas & Consumable Fuels	2,000	6,553
Yankuang Energy Group Co. Ltd., Class H	Oil, Gas & Consumable Fuels	10,000	21,006
YongXing Special Materials Technology Co. Ltd., Class A	Metals & Mining	500	3,287
Youngor Fashion Co. Ltd., Class A	Real Estate Management & Development	2,000	1,953
Yuexiu Property Co. Ltd.	Real Estate Management & Development	10,000	5,507
Yunnan Baiyao Group Co. Ltd., Class A	Pharmaceuticals	500	3,498
Yutong Bus Co. Ltd., Class A	Machinery	1,000	2,737
Zhejiang Dahua Technology Co. Ltd., Class A	Electronic Equipment, Instruments & Components	1,000	2,603
Zhejiang Supor Co. Ltd., Class A	Household Durables	500	4,008
Zhejiang Weixing New Building Materials Co. Ltd., Class A	Building Products	500	1,060
Zhongsheng Group Holdings Ltd.	Specialty Retail	4,000	6,930
Zhuzhou Kibing Group Co. Ltd., Class A	Building Products	1,500	1,525
Zoomlion Heavy Industry Science & Technology Co. Ltd., Class A	Machinery	2,500	2,827
Zoomlion Heavy Industry Science & Technology Co. Ltd., Class H	Machinery	7,000	4,338
^b ZTO Express Cayman, Inc.	Air Freight & Logistics	1,500	32,543
			3,218,244
Colombia 0.4%			
Banco de Bogota SA	Banks	430	3,004
Bancolombia SA	Banks	1,440	12,771
Ecopetrol SA	Oil, Gas & Consumable Fuels	28,255	15,168
Grupo de Inversiones Suramericana SA	Financial Services	345	2,688
Grupo Energia Bogota SA ESP	Gas Utilities	13,710	8,406
Interconexion Electrica SA ESP	Electric Utilities	2,190	11,207
			53,244
Czech Republic 0.3%			
CEZ AS	Electric Utilities	845	30,208
Komerčni Banka AS	Banks	330	11,840
			42,048
Greece 0.5%			
Hellenic Telecommunications Organization SA	Diversified Telecommunication Services	1,135	16,757
Helleniq Energy Holdings SA	Oil, Gas & Consumable Fuels	295	2,657
Jumbo SA	Specialty Retail	600	17,302
Motor Oil Hellas Corinth Refineries SA	Oil, Gas & Consumable Fuels	285	8,501
Mytilineos SA	Industrial Conglomerates	40	1,545
OPAP SA	Hotels, Restaurants & Leisure	1,005	18,104
			64,866
Hong Kong 1.6%			
Beijing Enterprises Water Group Ltd., Class A	Water Utilities	20,000	4,446
Bosideng International Holdings Ltd., Class A	Textiles, Apparel & Luxury Goods	20,000	9,992
China Everbright Environment Group Ltd., Class B	Commercial Services & Supplies	20,000	7,768
China Gas Holdings Ltd., Class A	Gas Utilities	14,000	12,629
China Power International Development Ltd., Class H	Independent Power Producers & Energy Traders	25,000	10,254
China Resources Gas Group Ltd., Class A	Gas Utilities	5,000	15,940

Franklin Emerging Market Core Dividend Tilt Index ETF (continued)

	Industry	Shares	Value
Common Stocks (continued)			
Hong Kong (continued)			
China Resources Land Ltd., Class H	Real Estate Management & Development	17,000	\$ 53,760
Far East Horizon Ltd.	Financial Services	10,000	7,411
Geely Automobile Holdings Ltd.	Automobiles	30,000	35,418
Guangdong Investment Ltd.	Water Utilities	15,000	6,421
Kingboard Laminates Holdings Ltd.	Electronic Equipment, Instruments & Components	5,000	3,699
Orient Overseas International Ltd.	Marine Transportation	750	8,960
Sino Biopharmaceutical Ltd.	Pharmaceuticals	55,000	21,223
Xinyi Glass Holdings Ltd.	Building Products	9,000	9,533
			207,454
Hungary 0.3%			
MOL Hungarian Oil & Gas PLC	Oil, Gas & Consumable Fuels	1,955	15,861
Richter Gedeon Nyrt	Pharmaceuticals	750	19,035
			34,896
India 14.7%			
^a Adani Green Energy Ltd.	Independent Power Producers & Energy Traders	500	11,002
Ashok Leyland Ltd.	Machinery	7,600	15,605
Asian Paints Ltd.	Chemicals	615	20,992
Bajaj Auto Ltd.	Automobiles	345	37,842
Bank of Baroda	Banks	4,720	14,943
Bharat Petroleum Corp. Ltd.	Oil, Gas & Consumable Fuels	5,135	37,089
Bosch Ltd.	Automobile Components	45	16,203
Britannia Industries Ltd.	Food Products	675	39,748
Canara Bank	Banks	1,390	9,684
Coal India Ltd.	Oil, Gas & Consumable Fuels	11,700	60,897
Colgate-Palmolive India Ltd.	Personal Care Products	715	23,236
Eicher Motors Ltd.	Automobiles	40	1,928
Embassy Office Parks REIT	Office REITs	3,080	13,649
GAIL India Ltd.	Gas Utilities	14,880	32,301
HCL Technologies Ltd.	IT Services	5,175	95,775
^c HDFC Asset Management Co. Ltd.	Capital Markets	130	5,852
HDFC Bank Ltd.	Banks	8,035	139,491
Hero MotoCorp Ltd.	Automobiles	680	38,502
Hindustan Petroleum Corp. Ltd.	Oil, Gas & Consumable Fuels	3,420	19,504
Hindustan Unilever Ltd.	Personal Care Products	3,475	94,345
Indian Oil Corp. Ltd.	Oil, Gas & Consumable Fuels	19,035	38,286
^c Indian Railway Finance Corp. Ltd.	Financial Services	6,155	10,505
Indraprastha Gas Ltd.	Gas Utilities	1,945	10,047
Info Edge India Ltd.	Interactive Media & Services	455	30,507
Infosys Ltd.	IT Services	10,945	196,591
ITC Ltd.	Tobacco	16,190	83,151
^c LTIMindtree Ltd.	IT Services	375	22,204
Marico Ltd.	Food Products	3,155	18,808
Mphasis Ltd.	IT Services	470	13,457
Muthoot Finance Ltd.	Consumer Finance	240	4,260
Nestle India Ltd.	Food Products	285	8,961
NHPC Ltd.	Independent Power Producers & Energy Traders	15,225	16,375
NMDC Ltd.	Metals & Mining	5,750	13,909
NTPC Ltd.	Independent Power Producers & Energy Traders	12,890	51,898
Oil & Natural Gas Corp. Ltd.	Oil, Gas & Consumable Fuels	19,660	63,186
Oracle Financial Services Software Ltd.	Software	120	12,624
Persistent Systems Ltd.	IT Services	470	22,454
Petronet LNG Ltd.	Oil, Gas & Consumable Fuels	3,115	9,830
Power Finance Corp. Ltd.	Financial Services	6,765	31,654
Power Grid Corp. of India Ltd.	Electric Utilities	23,610	78,386
REC Ltd.	Financial Services	5,685	30,742
Reliance Industries Ltd.	Oil, Gas & Consumable Fuels	1,255	44,717

Franklin Emerging Market Core Dividend Tilt Index ETF (continued)

	Industry	Shares	Value
Common Stocks (continued)			
India (continued)			
Shree Cement Ltd.	Construction Materials	5	\$ 1,540
Shriram Finance Ltd.	Consumer Finance	1,290	36,499
State Bank of India	Banks	190	1,714
Tata Communications Ltd.	Diversified Telecommunication Services	580	13,981
Tata Consultancy Services Ltd.	IT Services	2,695	125,256
Tata Consumer Products Ltd.	Food Products	710	9,332
Tata Steel Ltd.	Metals & Mining	5,165	9,652
Tech Mahindra Ltd.	IT Services	3,820	57,165
Union Bank of India Ltd.	Banks	6,515	11,991
Vedanta Ltd.	Metals & Mining	6,105	19,885
^a Zomato Ltd.	Hotels, Restaurants & Leisure	25,325	55,294
			1,883,449
Indonesia 2.3%			
Adaro Energy Indonesia Tbk. PT, Class B	Oil, Gas & Consumable Fuels	66,500	11,325
Aneka Tambang Tbk. PT	Metals & Mining	44,000	4,440
Astra International Tbk. PT, Class H	Industrial Conglomerates	110,500	35,892
Bank Mandiri Persero Tbk. PT, Class A	Banks	70,500	32,237
Bank Rakyat Indonesia Persero Tbk. PT, Class A	Banks	277,000	105,699
Bayan Resources Tbk. PT	Oil, Gas & Consumable Fuels	14,000	16,777
Bukit Asam Tbk. PT, Class A	Oil, Gas & Consumable Fuels	19,500	3,653
Gudang Garam Tbk. PT	Tobacco	2,500	3,138
Indofood Sukses Makmur Tbk. PT	Food Products	24,500	9,851
Semen Indonesia Persero Tbk. PT	Construction Materials	18,500	6,884
Telkom Indonesia Persero Tbk. PT, Class B	Diversified Telecommunication Services	240,500	52,635
Tower Bersama Infrastructure Tbk. PT	Diversified Telecommunication Services	20,000	2,371
Unilever Indonesia Tbk. PT	Household Products	33,000	5,620
United Tractors Tbk. PT	Oil, Gas & Consumable Fuels	7,500	11,436
			301,958
Kuwait 0.5%			
Kuwait Finance House KSCP	Banks	22,915	59,299
Malaysia 2.5%			
AMMB Holdings Bhd.	Banks	13,000	11,454
Axiata Group Bhd., Class A	Wireless Telecommunication Services	14,500	8,241
CIMB Group Holdings Bhd., Class A	Banks	43,500	60,200
Genting Malaysia Bhd.	Hotels, Restaurants & Leisure	16,000	9,229
HAP Seng Consolidated Bhd.	Industrial Conglomerates	2,500	2,356
KLCCP Stapled Group	Diversified REITs	3,500	5,502
Malayan Banking Bhd.	Banks	39,000	79,516
Maxis Bhd.	Wireless Telecommunication Services	16,500	11,748
MISC Bhd.	Marine Transportation	12,000	19,396
Petronas Dagangan Bhd.	Oil, Gas & Consumable Fuels	2,000	9,085
Petronas Gas Bhd.	Gas Utilities	4,000	14,824
RHB Bank Bhd.	Banks	20,500	24,428
Sime Darby Bhd.	Industrial Conglomerates	16,000	8,789
Tenaga Nasional Bhd.	Electric Utilities	24,000	56,995
Westports Holdings Bhd.	Transportation Infrastructure	5,500	4,474
			326,237
Mexico 2.8%			
Coca-Cola Femsa SAB de CV	Beverages	2,880	27,789
Fibra Uno Administracion SA de CV	Diversified REITs	15,410	25,597
^c GMexico Transportes SAB de CV, Class C	Ground Transportation	3,040	6,670
Grupo Aeroportuario del Pacifico SAB de CV, Class B	Transportation Infrastructure	2,160	34,698
Grupo Financiero Banorte SAB de CV, Class O	Banks	11,135	118,151
Grupo Mexico SAB de CV, Class B	Metals & Mining	1,650	9,741

Franklin Emerging Market Core Dividend Tilt Index ETF (continued)

	Industry	Shares	Value
Common Stocks (continued)			
Mexico (continued)			
Kimberly-Clark de Mexico SAB de CV, Class A	Household Products	8,095	\$ 18,799
Orbia Advance Corp. SAB de CV	Chemicals	4,500	9,403
Wal-Mart de Mexico SAB de CV, Class V	Consumer Staples Distribution & Retail	25,510	102,827
			353,675
Peru 0.1%			
Credicorp Ltd.	Banks	100	16,943
Philippines 0.2%			
Aboitiz Power Corp., Class A	Independent Power Producers & Energy Traders	7,500	4,736
Manila Electric Co.	Electric Utilities	1,750	11,114
PLDT, Inc.	Wireless Telecommunication Services	450	10,967
			26,817
Russia 0.0%†			
^{a,d} Alrosa PJSC	Metals & Mining	54,971	—
^{a,d} Gazprom PJSC	Oil, Gas & Consumable Fuels	44,709	—
^{a,d} Inter RAO UES PJSC	Electric Utilities	811,741	—
^{a,d} LUKOIL PJSC	Oil, Gas & Consumable Fuels	2,268	—
^{a,d} MMC Norilsk Nickel PJSC	Metals & Mining	693	—
^{a,d} Moscow Exchange MICEX-Rates PJSC	Capital Markets	21,224	—
^{a,d} Novolipetsk Steel PJSC	Metals & Mining	35,119	—
^d PhosAgro PJSC	Chemicals	1,073	—
^{a,d} PhosAgro PJSC	Chemicals	21	—
^{a,d,e} PhosAgro PJSC, GDR	Chemicals	1	—
^{a,d} Polyus PJSC	Metals & Mining	756	—
^{a,d} Rosneft Oil Co. PJSC	Oil, Gas & Consumable Fuels	20,055	—
^{a,d} Severstal PAO	Metals & Mining	6,090	—
^{a,d} Surgutneftegas PJSC	Oil, Gas & Consumable Fuels	132,846	—
^{a,d} Tatneft PJSC	Oil, Gas & Consumable Fuels	29,792	—
^{a,d} United Co. RUSAL International PJSC	Metals & Mining	24,749	—
			—
Saudi Arabia 4.6%			
Banque Saudi Fransi	Banks	3,245	32,965
Jarir Marketing Co.	Specialty Retail	3,335	12,893
Riyad Bank	Banks	7,725	60,556
SABIC Agri-Nutrients Co.	Chemicals	1,265	40,812
Sahara International Petrochemical Co.	Chemicals	1,965	16,425
^c Saudi Arabian Oil Co.	Oil, Gas & Consumable Fuels	13,010	107,015
Saudi Awwal Bank	Banks	4,280	45,647
Saudi Basic Industries Corp.	Chemicals	4,325	90,294
Saudi Electricity Co.	Electric Utilities	725	3,816
Saudi Industrial Investment Group	Chemicals	1,915	11,836
Saudi Investment Bank	Banks	2,655	11,680
Saudi National Bank	Banks	4,915	52,682
Saudi Telecom Co.	Diversified Telecommunication Services	9,130	96,400
Yanbu National Petrochemical Co.	Chemicals	1,275	12,833
			595,854
Singapore 0.1%			
^c BOC Aviation Ltd., Class A	Trading Companies & Distributors	1,000	7,705
South Africa 3.5%			
Absa Group Ltd.	Banks	4,575	35,788
African Rainbow Minerals Ltd.	Metals & Mining	630	5,472
Anglo American Platinum Ltd.	Metals & Mining	305	12,378
Exxaro Resources Ltd.	Oil, Gas & Consumable Fuels	1,205	10,753
FirstRand Ltd.	Financial Services	27,960	91,146

Franklin Emerging Market Core Dividend Tilt Index ETF (continued)

	Industry	Shares	Value
Common Stocks (continued)			
South Africa (continued)			
Gold Fields Ltd.	Metals & Mining	765	\$ 12,277
Growthpoint Properties Ltd.	Diversified REITs	17,600	10,465
Impala Platinum Holdings Ltd.	Metals & Mining	4,805	19,871
Kumba Iron Ore Ltd.	Metals & Mining	310	7,568
Mr Price Group Ltd.	Specialty Retail	1,350	12,391
Nedbank Group Ltd.	Banks	2,220	26,808
Northam Platinum Holdings Ltd.	Metals & Mining	2,100	12,524
Old Mutual Ltd.	Insurance	25,015	15,522
Sanlam Ltd.	Insurance	9,330	34,189
Santam Ltd.	Insurance	180	2,832
Sasol Ltd.	Chemicals	3,075	23,772
Sibanye Stillwater Ltd.	Metals & Mining	15,335	17,565
Standard Bank Group Ltd.	Banks	7,115	69,601
Vodacom Group Ltd.	Wireless Telecommunication Services	2,750	14,312
Woolworths Holdings Ltd.	Broadline Retail	4,990	15,603
			450,837
South Korea 7.0%			
BNK Financial Group, Inc., Class H	Banks	1,560	9,004
DB Insurance Co. Ltd., Class A	Insurance	245	17,234
^a Ecopro BM Co. Ltd.	Electrical Equipment	10	2,035
F&F Co. Ltd.	Textiles, Apparel & Luxury Goods	100	5,222
GS Holdings Corp.	Industrial Conglomerates	155	5,555
Hana Financial Group, Inc.	Banks	1,495	64,075
Hanon Systems	Automobile Components	880	3,837
HD Hyundai Co. Ltd.	Oil, Gas & Consumable Fuels	240	12,818
HMM Co. Ltd.	Marine Transportation	1,550	18,099
Hyundai Glovis Co. Ltd.	Air Freight & Logistics	100	12,932
Hyundai Marine & Fire Insurance Co. Ltd.	Insurance	295	6,683
Hyundai Motor Co.	Automobiles	525	90,864
Industrial Bank of Korea	Banks	1,445	14,490
Kangwon Land, Inc.	Hotels, Restaurants & Leisure	635	7,684
KB Financial Group, Inc.	Banks	1,365	70,468
KT&G Corp.	Tobacco	570	39,588
LG Corp.	Industrial Conglomerates	35	2,275
LG Uplus Corp.	Diversified Telecommunication Services	1,155	8,554
Samsung Electronics Co. Ltd.	Technology Hardware, Storage & Peripherals	6,145	376,117
Samsung Securities Co. Ltd.	Capital Markets	345	10,276
Shinhan Financial Group Co. Ltd.	Banks	590	20,160
SK Hynix, Inc.	Semiconductors & Semiconductor Equipment	290	39,421
SK Telecom Co. Ltd.	Wireless Telecommunication Services	580	22,618
Woori Financial Group, Inc.	Banks	3,570	37,974
			897,983
Taiwan 22.5%			
Acer, Inc., Class H	Technology Hardware, Storage & Peripherals	10,000	14,623
Advanced Energy Solution Holding Co. Ltd.	Electrical Equipment	150	3,257
ASE Technology Holding Co. Ltd., Class A	Semiconductors & Semiconductor Equipment	17,000	85,522
Asia Cement Corp.	Construction Materials	15,000	19,357
Asustek Computer, Inc.	Technology Hardware, Storage & Peripherals	2,350	31,538
AUO Corp., Class H	Electronic Equipment, Instruments & Components	35,200	19,688
Catcher Technology Co. Ltd.	Technology Hardware, Storage & Peripherals	3,170	21,692
Chailease Holding Co. Ltd., Class A	Financial Services	1,000	5,374
Chicony Electronics Co. Ltd.	Technology Hardware, Storage & Peripherals	3,340	23,169
China Steel Corp., Class A	Metals & Mining	15,000	11,202
Chunghwa Telecom Co. Ltd.	Diversified Telecommunication Services	21,000	82,678
Compal Electronics, Inc., Class H	Technology Hardware, Storage & Peripherals	20,000	22,623
Delta Electronics, Inc., Class A	Electronic Equipment, Instruments & Components	10,000	106,551

Franklin Emerging Market Core Dividend Tilt Index ETF (continued)

	Industry	Shares	Value
Common Stocks (continued)			
Taiwan (continued)			
Evergreen Marine Corp. Taiwan Ltd.	Marine Transportation	5,500	\$ 29,559
Far Eastern New Century Corp.	Industrial Conglomerates	18,000	18,701
Far EastOne Telecommunications Co. Ltd.	Wireless Telecommunication Services	10,000	25,466
Feng TAY Enterprise Co. Ltd.	Textiles, Apparel & Luxury Goods	4,000	20,060
Formosa Plastics Corp.	Chemicals	27,000	58,128
Giant Manufacturing Co. Ltd.	Leisure Products	2,000	13,592
Globalwafers Co. Ltd.	Semiconductors & Semiconductor Equipment	1,200	21,748
Hon Hai Precision Industry Co. Ltd.	Electronic Equipment, Instruments & Components	40,000	187,480
Inventec Corp.	Technology Hardware, Storage & Peripherals	5,000	9,327
Lite-On Technology Corp.	Technology Hardware, Storage & Peripherals	11,700	36,924
MediaTek, Inc.	Semiconductors & Semiconductor Equipment	4,400	164,295
Mega Financial Holding Co. Ltd.	Banks	15,000	19,006
Micro-Star International Co. Ltd.	Technology Hardware, Storage & Peripherals	3,400	18,007
momo.com, Inc.	Broadline Retail	460	5,563
Nan Ya Plastics Corp.	Chemicals	32,040	56,064
Nan Ya Printed Circuit Board Corp.	Electronic Equipment, Instruments & Components	1,000	6,265
Nien Made Enterprise Co. Ltd.	Household Durables	950	10,434
Novatek Microelectronics Corp.	Semiconductors & Semiconductor Equipment	3,300	62,281
Pegatron Corp.	Technology Hardware, Storage & Peripherals	11,000	35,059
Pou Chen Corp.	Textiles, Apparel & Luxury Goods	15,000	16,943
Powertech Technology, Inc.	Semiconductors & Semiconductor Equipment	4,000	25,060
President Chain Store Corp.	Consumer Staples Distribution & Retail	400	3,331
Quanta Computer, Inc.	Technology Hardware, Storage & Peripherals	7,000	64,196
Radiant Opto-Electronics Corp.	Semiconductors & Semiconductor Equipment	2,000	10,561
Realtek Semiconductor Corp.	Semiconductors & Semiconductor Equipment	2,367	41,418
Shanghai Commercial & Savings Bank Ltd.	Banks	12,000	18,129
Simplo Technology Co. Ltd.	Electronic Equipment, Instruments & Components	1,000	13,998
Sino-American Silicon Products, Inc.	Semiconductors & Semiconductor Equipment	3,340	22,386
Synnex Technology International Corp.	Electronic Equipment, Instruments & Components	7,500	18,490
Taiwan Fertilizer Co. Ltd.	Chemicals	4,000	7,874
Taiwan Mobile Co. Ltd.	Wireless Telecommunication Services	7,000	22,529
Taiwan Semiconductor Manufacturing Co. Ltd.	Semiconductors & Semiconductor Equipment	39,650	965,124
Teco Electric & Machinery Co. Ltd.	Electrical Equipment	8,000	14,523
Tripod Technology Corp.	Electronic Equipment, Instruments & Components	2,200	14,058
Unimicron Technology Corp.	Electronic Equipment, Instruments & Components	7,000	41,777
Uni-President Enterprises Corp.	Food Products	27,000	65,383
United Microelectronics Corp.	Semiconductors & Semiconductor Equipment	63,000	102,758
Vanguard International Semiconductor Corp.	Semiconductors & Semiconductor Equipment	5,000	13,358
Voltronic Power Technology Corp.	Electrical Equipment	350	17,936
Walsin Lihwa Corp.	Electrical Equipment	15,000	17,600
Wan Hai Lines Ltd.	Marine Transportation	8,200	11,299
Winbond Electronics Corp.	Semiconductors & Semiconductor Equipment	15,000	12,749
Wistron Corp.	Technology Hardware, Storage & Peripherals	6,000	23,435
Wiwynn Corp.	Technology Hardware, Storage & Peripherals	350	24,825
WPG Holdings Ltd.	Electronic Equipment, Instruments & Components	9,000	26,969
Yang Ming Marine Transport Corp.	Marine Transportation	10,000	13,874
Zhen Ding Technology Holding Ltd.	Electronic Equipment, Instruments & Components	3,000	11,717
			2,887,533
Thailand 1.5%			
Advanced Info Service PCL, NVDR	Wireless Telecommunication Services	5,500	30,901
Banpu PCL, Class A, NVDR	Oil, Gas & Consumable Fuels	22,000	3,346
BTS Group Holdings PCL, Class A, NVDR	Ground Transportation	34,500	5,342
Electricity Generating PCL, Class A, NVDR	Independent Power Producers & Energy Traders	1,500	4,687
Home Product Center PCL, NVDR	Specialty Retail	23,000	6,682
Indorama Ventures PCL, NVDR	Chemicals	10,000	6,495
Intouch Holdings PCL, NVDR	Wireless Telecommunication Services	5,000	9,455
Krung Thai Bank PCL, NVDR	Banks	18,000	8,386

Franklin Emerging Market Core Dividend Tilt Index ETF (continued)

	Industry	Shares	Value
Common Stocks (continued)			
Thailand (continued)			
Land & Houses PCL, NVDR	Real Estate Management & Development	20,500	\$ 4,158
Osotspa PCL, NVDR	Beverages	7,900	4,395
PTT Exploration & Production PCL, NVDR	Oil, Gas & Consumable Fuels	7,500	31,449
PTT PCL, NVDR	Oil, Gas & Consumable Fuels	46,500	43,330
Ratch Group PCL, NVDR	Independent Power Producers & Energy Traders	2,000	1,521
Ratch Group PCL	Independent Power Producers & Energy Traders	1,000	761
Thai Oil PCL, NVDR	Oil, Gas & Consumable Fuels	4,500	7,338
Thai Union Group PCL, NVDR	Food Products	12,000	4,769
Tisco Financial Group PCL, NVDR	Banks	2,000	5,454
TMBThanachart Bank PCL, NVDR	Banks	206,500	10,300
			188,769
Turkey 0.8%			
Akbank TAS	Banks	18,270	26,418
Ford Otomotiv Sanayi AS	Automobiles	385	13,471
Turkiye Garanti Bankasi AS	Banks	2,925	6,193
Turkiye Is Bankasi AS, Class C	Banks	54,005	19,014
Turkiye Petrol Rafinerileri AS	Oil, Gas & Consumable Fuels	4,800	26,261
^a Yapi ve Kredi Bankasi AS	Banks	19,990	16,893
			108,250
United Arab Emirates 1.5%			
Abu Dhabi Islamic Bank PJSC	Banks	8,000	24,007
Abu Dhabi National Oil Co. for Distribution PJSC	Specialty Retail	15,695	15,686
Dubai Islamic Bank PJSC	Banks	15,945	25,314
Emaar Development PJSC	Real Estate Management & Development	4,190	9,516
Emirates Telecommunications Group Co. PJSC	Diversified Telecommunication Services	19,360	96,795
First Abu Dhabi Bank PJSC	Banks	4,935	17,766
			189,084
United States 0.2%			
JBS SA	Food Products	4,000	17,181
Parade Technologies Ltd.	Semiconductors & Semiconductor Equipment	385	11,236
			28,417
Total Common Stocks			
(Cost \$12,759,257)			12,472,624
Preferred Stocks 2.6%			
Brazil 1.5%			
^f Cia Energetica de Minas Gerais, 10.139%, pfd.	Electric Utilities	8,000	20,074
^f Gerdau SA, 6.802%, pfd.	Metals & Mining	5,975	26,500
^f Itausa SA, 8.361%, pfd.	Banks	24,500	51,393
^f Petroleo Brasileiro SA, 7.947%, pfd.	Oil, Gas & Consumable Fuels	12,500	93,296
			191,263
Chile 0.3%			
^f Sociedad Quimica y Minera de Chile SA, Class B, 0.011%, pfd.	Electrical Equipment	835	40,605
Colombia 0.2%			
^f Bancolombia SA, 10.754%, pfd.	Banks	2,415	20,543
^f Grupo Aval Acciones y Valores SA, 9.674%, pfd.	Banks	23,020	2,561
^f Grupo de Inversiones Suramericana SA, 6.904%, pfd.	Financial Services	575	2,758
			25,862
Russia 0.0%[†]			
^{a,d} Surgutneftegas PJSC, pfd.	Oil, Gas & Consumable Fuels	162,582	—

Franklin Emerging Market Core Dividend Tilt Index ETF (continued)

	Industry	Shares	Value
Preferred Stocks (continued)			
South Korea 0.6%			
^f Hyundai Motor Co., 8.789%, pfd.	Automobiles	125	\$ 14,262
^f Hyundai Motor Co., 8.622%, pfd.	Automobiles	80	9,270
^f Samsung Electronics Co. Ltd., 2.125%, pfd.	Technology Hardware, Storage & Peripherals	1,010	51,016
			<u>74,548</u>
Total Preferred Stocks (Cost \$388,614)			<u>332,278</u>
Total Investments (Cost \$13,147,871) 99.7%			12,804,902
Other Assets, less Liabilities 0.3%			<u>33,310</u>
Net Assets 100.0%			<u>\$12,838,212</u>

^fRounds to less than 0.1% of net assets.

^aNon-income producing.

^bVariable interest entity (VIE). See Note 6 regarding investments made through a VIE structure.

^cSecurity was purchased pursuant to Rule 144A under the Securities Act of 1933 and may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. At March 31, 2024, the value of was \$352,727, representing 2.7% of net assets.

^dFair valued using significant unobservable inputs. See Note 8 regarding fair value measurements.

^eSecurity was purchased pursuant to Regulation S under the Securities Act of 1933, which exempts from registration securities offered and sold outside of the United States. Such a security cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At March 31, 2024, the value of was \$0, representing 0.0% of net assets.

^fVariable rate security. The rate shown represents the yield at period end.

At March 31, 2024, the Fund had the following futures contracts outstanding. See Note 1(c).

Futures Contracts

Description	Type	Number of Contracts	Notional Amount*	Expiration Date	Value/Unrealized Appreciation (Depreciation)
Equity Contracts					
MSCI Emerging Markets Index	Long	1	\$52,450	6/21/24	\$153

*As of year end.

See Note 7 regarding other derivative information.
See Abbreviations on page 120.

Financial Highlights

Franklin International Core Dividend Tilt Index ETF

	Year Ended March 31,				
	2024	2023	2022	2021	2020
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$28.63	\$28.65	\$26.52	\$22.55	\$24.70
Income from investment operations ^a :					
Net investment income ^b	1.07	1.21	1.00	0.73	0.89
Net realized and unrealized gains (losses)	3.31	0.43	1.93	5.27	(2.61)
Total from investment operations	4.38	1.64	2.93	6.00	(1.72)
Less distributions from:					
Net investment income	(0.95)	(1.19)	(0.80)	(0.91)	(0.19)
Net realized gains	—	(0.47)	—	(1.12)	(0.24)
Total distributions	(0.95)	(1.66)	(0.80)	(2.03)	(0.43)
Net asset value, end of year	\$32.06	\$28.63	\$28.65	\$26.52	\$22.55
Total return ^c	15.64%	6.56%	11.13%	27.54%	(7.12)%
Ratios to average net assets^d					
Expenses before waiver and payments by affiliates	0.11% ^e	0.12%	0.40%	0.40%	0.40%
Expenses net of waiver and payments by affiliates	0.11% ^e	0.12%	0.40%	0.40%	0.40%
Net investment income	3.64%	4.49%	3.54%	2.97%	3.44%
Supplemental data					
Net assets, end of year (000's)	\$766,199	\$240,459	\$17,192	\$13,260	\$9,021
Portfolio turnover rate ^f	21.29% ^g	49.07% ^g	30.20% ^g	42.33% ^g	26.82% ^g

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of Creation Unit Fund shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cTotal return is not annualized for periods less than one year. Total return is calculated assuming an initial investment made at the net asset value at the beginning of the period, reinvestment of all dividends and distributions at net asset value during the period, and redemption at net asset value on the last day of the period.

^dRatios are annualized for periods less than one year.

^eExpense ratios include European Union tax reclaims contingency fees that were incurred by the Fund during the year. Without these fees, the gross and net expense ratios would have been 0.09% and 0.09%, respectively, for the year ended March 31, 2024.

^fPortfolio turnover rate includes portfolio transactions that are executed as a result of the Fund offering and redeeming Creation Units solely for cash ("Cash creations").

^gPortfolio turnover rate excluding cash creations was as follows:

2024	2023	2022	2021	2020
21.29%	49.07%	30.20%	41.62%	26.82%

Schedule of Investments, March 31, 2024

Franklin International Core Dividend Tilt Index ETF

	Industry	Shares	Value
Common Stocks 98.4%			
Australia 10.8%			
Ampol Ltd.	Oil, Gas & Consumable Fuels	34,636	\$ 899,116
ANZ Group Holdings Ltd.	Banks	275,567	5,285,529
APA Group	Gas Utilities	174,709	958,573
ASX Ltd.	Capital Markets	26,529	1,149,565
Atlas Arteria Ltd.	Transportation Infrastructure	152,960	531,887
Aurizon Holdings Ltd.	Ground Transportation	255,440	666,596
BHP Group Ltd.	Metals & Mining	299,706	8,656,033
Cochlear Ltd.	Health Care Equipment & Supplies	478	105,255
Coles Group Ltd.	Consumer Staples Distribution & Retail	187,408	2,071,169
Commonwealth Bank of Australia	Banks	74,329	5,835,556
CSL Ltd.	Biotechnology	14,340	2,693,611
Dexus	Office REITs	145,073	748,647
Endeavour Group Ltd.	Consumer Staples Distribution & Retail	186,661	670,995
Fortescue Ltd.	Metals & Mining	220,119	3,690,665
Glencore PLC	Metals & Mining	1,012,404	5,567,136
Goodman Group	Industrial REITs	7,226	159,388
GPT Group	Diversified REITs	249,516	743,924
IGO Ltd.	Metals & Mining	97,273	448,669
Incitec Pivot Ltd.	Chemicals	259,315	488,922
Macquarie Group Ltd.	Capital Markets	19,120	2,491,035
Medibank Pvt Ltd.	Insurance	357,305	876,478
Mirvac Group	Diversified REITs	189,649	291,996
National Australia Bank Ltd.	Banks	145,790	3,294,728
Northern Star Resources Ltd.	Metals & Mining	18,441	174,087
Origin Energy Ltd.	Electric Utilities	95,696	574,375
Pilbara Minerals Ltd.	Metals & Mining	225,535	563,542
REA Group Ltd.	Interactive Media & Services	3,107	375,949
Rio Tinto Ltd.	Metals & Mining	23,422	1,860,555
Rio Tinto PLC	Metals & Mining	91,298	5,786,216
Scentre Group	Retail REITs	657,728	1,454,655
SEEK Ltd.	Interactive Media & Services	25,812	421,836
Sonic Healthcare Ltd.	Health Care Providers & Services	29,905	573,790
Stockland	Diversified REITs	323,606	1,023,935
Telstra Group Ltd.	Diversified Telecommunication Services	561,411	1,413,781
TPG Telecom Ltd.	Diversified Telecommunication Services	58,814	173,050
Transurban Group	Transportation Infrastructure	419,445	3,644,963
Treasury Wine Estates Ltd.	Beverages	24,173	196,342
Vicinity Ltd.	Retail REITs	482,063	669,880
Wesfarmers Ltd.	Broadline Retail	98,707	4,404,717
Westpac Banking Corp.	Banks	200,999	3,422,538
WiseTech Global Ltd.	Software	22,944	1,406,306
Woodside Energy Group Ltd.	Oil, Gas & Consumable Fuels	260,271	5,178,924
Woolworths Group Ltd.	Consumer Staples Distribution & Retail	38,240	827,518
			82,472,432
Austria 0.5%			
ANDRITZ AG	Machinery	7,226	451,076
^a BAWAG Group AG	Banks	10,755	681,824
Erste Group Bank AG	Banks	11,472	511,697
Mondi PLC	Paper & Forest Products	51,624	910,061
OMV AG	Oil, Gas & Consumable Fuels	19,837	939,655
Strabag SE	Construction & Engineering	1,992	84,011
^b Strabag SE	Construction & Engineering	488	18,973
Verbund AG	Electric Utilities	3,486	255,071
			3,852,368

Franklin International Core Dividend Tilt Index ETF (continued)

	Industry	Shares	Value
Common Stocks (continued)			
Belgium 0.5%			
Ageas SA	Insurance	21,678	\$ 1,004,385
KBC Group NV	Banks	30,592	2,293,592
Solvay SA	Chemicals	10,038	274,278
Warehouses De Pauw CVA	Industrial REITs	12,667	361,983
			3,934,238
China 0.0%†			
^{a,b} Wuxi Biologics Cayman, Inc.	Life Sciences Tools & Services	45,910	83,884
Denmark 3.1%			
AP Moller - Maersk AS, Class A	Marine Transportation	370	473,315
AP Moller - Maersk AS, Class B	Marine Transportation	516	671,962
Coloplast AS, Class B	Health Care Equipment & Supplies	9,082	1,226,099
Novo Nordisk AS, Class B	Pharmaceuticals	149,614	19,091,409
Novonosis (Novozymes) B, Class B	Chemicals	14,579	855,341
^{a,b} Orsted AS	Electric Utilities	8,365	465,577
Tryg AS	Insurance	27,410	564,353
			23,348,056
Finland 1.7%			
Elisa OYJ	Diversified Telecommunication Services	19,598	875,207
Fortum OYJ	Electric Utilities	57,838	714,912
Kesko OYJ, Class A	Consumer Staples Distribution & Retail	13,705	259,912
Kesko OYJ, Class B	Consumer Staples Distribution & Retail	39,123	731,608
Kone OYJ, Class B	Machinery	51,832	2,414,915
Metso OYJ	Machinery	46,127	548,238
Neste OYJ	Oil, Gas & Consumable Fuels	7,475	202,632
Nordea Bank Abp	Banks	453,622	5,056,931
Orion OYJ, Class A	Pharmaceuticals	3,735	139,569
Orion OYJ, Class B	Pharmaceuticals	14,579	544,316
Sampo OYJ, Class A	Insurance	10,961	468,070
Stora Enso OYJ, Class R	Paper & Forest Products	56,643	788,233
UPM-Kymmene OYJ	Paper & Forest Products	6,931	231,077
Wartsila OYJ Abp	Machinery	25,667	390,580
			13,366,200
France 9.6%			
Air Liquide SA	Chemicals	13,145	2,737,672
Airbus SE	Aerospace & Defense	717	132,199
^a Amundi SA	Capital Markets	8,720	599,430
AXA SA	Insurance	101,575	3,819,240
BNP Paribas SA	Banks	90,103	6,408,918
Bouygues SA	Construction & Engineering	27,246	1,113,173
Bureau Veritas SA	Professional Services	13,862	423,379
Capgemini SE	IT Services	3,486	803,049
Cie Generale des Etablissements Michelin SCA	Automobile Components	9,218	353,617
Credit Agricole SA	Banks	168,256	2,510,595
Danone SA	Food Products	32,026	2,071,480
Dassault Systemes SE	Software	42,781	1,896,191
Engie SA	Multi-Utilities	248,799	4,167,582
EssilorLuxottica SA	Health Care Equipment & Supplies	7,170	1,623,833
Hermes International SCA	Textiles, Apparel & Luxury Goods	1,195	3,053,559
Kering SA	Textiles, Apparel & Luxury Goods	3,107	1,229,309
Legrand SA	Electrical Equipment	3,824	405,641
L'Oreal SA	Personal Care Products	5,497	2,604,160
LVMH Moet Hennessy Louis Vuitton SE	Textiles, Apparel & Luxury Goods	11,792	10,617,469
Orange SA	Diversified Telecommunication Services	244,258	2,872,239
Pernod Ricard SA	Beverages	4,731	766,166
Sanofi SA	Pharmaceuticals	68,354	6,714,878

Franklin International Core Dividend Tilt Index ETF (continued)

	Industry	Shares	Value
Common Stocks (continued)			
France (continued)			
^b Sartorius Stedim Biotech	Life Sciences Tools & Services	546	\$ 155,852
Schneider Electric SE	Electrical Equipment	22,466	5,086,796
Societe Generale SA	Banks	96,556	2,587,199
TotalEnergies SE	Oil, Gas & Consumable Fuels	76,002	5,214,679
Veolia Environnement SA	Multi-Utilities	19,598	637,727
Vinci SA	Construction & Engineering	20,554	2,636,272
			<u>73,242,304</u>
Germany 7.4%			
adidas AG	Textiles, Apparel & Luxury Goods	1,743	389,665
Allianz SE	Insurance	27,007	8,102,748
BASF SE	Chemicals	96,317	5,505,903
Bayer AG	Pharmaceuticals	93,688	2,876,634
Bayerische Motoren Werke AG	Automobiles	34,655	4,003,234
Deutsche Boerse AG	Capital Markets	3,486	714,009
Deutsche Post AG	Air Freight & Logistics	88,430	3,812,058
Deutsche Telekom AG	Diversified Telecommunication Services	101,814	2,474,080
E.ON SE	Multi-Utilities	219,163	3,049,828
Evonik Industries AG	Chemicals	27,246	539,226
Infineon Technologies AG	Semiconductors & Semiconductor Equipment	54,731	1,862,835
Mercedes-Benz Group AG	Automobiles	77,914	6,210,898
Muenchener Rueckversicherungs-Gesellschaft AG in Muenchen	Insurance	717	350,243
SAP SE	Software	47,800	9,316,066
Siemens AG	Industrial Conglomerates	34,416	6,577,475
Vonovia SE	Real Estate Management & Development	26,165	774,275
			<u>56,559,177</u>
Hong Kong 2.8%			
AIA Group Ltd.	Insurance	265,400	1,782,005
CK Asset Holdings Ltd.	Real Estate Management & Development	283,100	1,164,745
CK Infrastructure Holdings Ltd., Class A	Electric Utilities	84,700	495,660
CLP Holdings Ltd.	Electric Utilities	249,100	1,984,474
Hang Lung Properties Ltd.	Real Estate Management & Development	249,000	255,158
Hang Seng Bank Ltd.	Banks	103,600	1,133,763
Henderson Land Development Co. Ltd.	Real Estate Management & Development	176,500	502,904
HKT Trust & HKT Ltd.	Diversified Telecommunication Services	498,425	581,441
Hong Kong & China Gas Co. Ltd.	Gas Utilities	1,434,000	1,086,523
Hong Kong Exchanges & Clearing Ltd.	Capital Markets	39,350	1,145,338
Jardine Matheson Holdings Ltd.	Industrial Conglomerates	31,460	1,173,458
Link REIT	Retail REITs	373,500	1,605,872
MTR Corp. Ltd.	Ground Transportation	239,000	787,867
Power Assets Holdings Ltd.	Electric Utilities	194,000	1,135,278
Sino Land Co. Ltd.	Real Estate Management & Development	498,000	517,315
Sun Hung Kai Properties Ltd.	Real Estate Management & Development	261,774	2,523,602
Swire Pacific Ltd., Class A	Real Estate Management & Development	39,000	320,912
Swire Pacific Ltd., Class B	Real Estate Management & Development	80,000	104,262
Swire Properties Ltd.	Real Estate Management & Development	149,400	313,825
Techtronic Industries Co. Ltd.	Machinery	90,600	1,228,227
^a WH Group Ltd.	Food Products	1,075,500	709,080
Wharf Real Estate Investment Co. Ltd.	Real Estate Management & Development	239,000	777,179
			<u>21,328,888</u>
Ireland 0.2%			
DCC PLC	Industrial Conglomerates	1,245	90,590
Experian PLC	Professional Services	10,755	469,269
Smurfit Kappa Group PLC	Containers & Packaging	27,246	1,243,824
			<u>1,803,683</u>

Franklin International Core Dividend Tilt Index ETF (continued)

	Industry	Shares	Value
Common Stocks (continued)			
Isle Of Man 0.0%†			
Entain PLC	Hotels, Restaurants & Leisure	10,961	\$ 110,412
Israel 0.6%			
Bank Hapoalim BM	Banks	147,463	1,408,741
Bank Leumi Le-Israel BM	Banks	71,222	602,637
Bezeq The Israeli Telecommunication Corp. Ltd.	Diversified Telecommunication Services	275,878	356,171
ICL Group Ltd.	Chemicals	97,990	521,818
Israel Discount Bank Ltd., Class A	Banks	100,183	532,129
Mizrahi Tefahot Bank Ltd.	Banks	16,252	621,033
^b Nice Ltd.	Software	2,151	558,637
			4,601,166
Italy 4.3%			
A2A SpA	Multi-Utilities	216,068	390,517
Assicurazioni Generali SpA	Insurance	137,186	3,475,854
Banca Mediolanum SpA	Financial Services	29,905	328,787
Banco BPM SpA	Banks	96,317	641,610
Enel SpA	Electric Utilities	910,829	6,019,231
Eni SpA	Oil, Gas & Consumable Fuels	214,622	3,395,285
Ferrari NV	Automobiles	4,063	1,772,768
FinecoBank Banca Fineco SpA	Banks	51,146	766,975
Hera SpA	Multi-Utilities	60,945	214,970
^a Infrastrutture Wireless Italiane SpA	Diversified Telecommunication Services	47,848	544,147
Intesa Sanpaolo SpA	Banks	1,814,488	6,590,292
Mediobanca Banca di Credito Finanziario SpA	Banks	86,996	1,297,528
Moncler SpA	Textiles, Apparel & Luxury Goods	10,994	821,410
^a Poste Italiane SpA	Insurance	60,228	754,862
Recordati Industria Chimica e Farmaceutica SpA	Pharmaceuticals	12,211	675,747
Snam SpA	Gas Utilities	286,322	1,353,181
Terna - Rete Elettrica Nazionale	Electric Utilities	172,797	1,429,515
UniCredit SpA	Banks	55,687	2,115,493
UnipolSai Assicurazioni SpA	Insurance	63,047	182,756
			32,770,928
Japan 22.1%			
Advantest Corp.	Semiconductors & Semiconductor Equipment	60,900	2,743,910
AGC, Inc.	Building Products	16,700	609,981
Aisin Corp.	Automobile Components	21,600	887,863
Ajinomoto Co., Inc.	Food Products	11,500	430,077
Asahi Intecc Co. Ltd.	Health Care Equipment & Supplies	3,000	52,222
Asahi Kasei Corp.	Chemicals	33,200	243,935
Asics Corp.	Textiles, Apparel & Luxury Goods	13,000	627,130
Astellas Pharma, Inc.	Pharmaceuticals	143,400	1,557,223
Bridgestone Corp.	Automobile Components	68,640	3,018,718
Brother Industries Ltd.	Technology Hardware, Storage & Peripherals	2,700	50,336
Canon, Inc.	Technology Hardware, Storage & Peripherals	85,985	2,557,194
Capcom Co. Ltd.	Entertainment	39,804	735,090
Chugai Pharmaceutical Co. Ltd.	Pharmaceuticals	23,900	911,815
Daifuku Co. Ltd.	Machinery	2,980	70,569
Daiichi Sankyo Co. Ltd.	Pharmaceuticals	70,200	2,215,768
Daikin Industries Ltd.	Building Products	11,198	1,524,192
Daito Trust Construction Co. Ltd.	Real Estate Management & Development	2,042	235,442
Daiwa House REIT Investment Corp.	Diversified REITs	199	340,290
Denso Corp.	Automobile Components	106,500	2,028,739
Dentsu Group, Inc.	Media	32,800	909,155
Disco Corp.	Semiconductors & Semiconductor Equipment	10,614	4,010,801
East Japan Railway Co.	Ground Transportation	3,030	58,440

Franklin International Core Dividend Tilt Index ETF (continued)

	Industry	Shares	Value
Common Stocks (continued)			
Japan (continued)			
Eisai Co. Ltd.	Pharmaceuticals	19,937	\$ 818,847
FANUC Corp.	Machinery	21,320	589,542
Fast Retailing Co. Ltd.	Specialty Retail	3,810	1,186,715
Fuji Electric Co. Ltd.	Electrical Equipment	2,300	155,770
FUJIFILM Holdings Corp.	Technology Hardware, Storage & Peripherals	9,240	205,747
Fujitsu Ltd.	IT Services	12,800	210,592
GLP J-Reit	Industrial REITs	692	574,285
Hamamatsu Photonics KK	Electronic Equipment, Instruments & Components	18,700	661,410
Haseko Corp.	Household Durables	34,900	437,216
Hirose Electric Co. Ltd.	Electronic Equipment, Instruments & Components	3,700	378,569
Hitachi Construction Machinery Co. Ltd.	Machinery	14,300	426,983
Hitachi Ltd.	Industrial Conglomerates	23,900	2,195,841
Honda Motor Co. Ltd.	Automobiles	49,800	622,233
Hoshizaki Corp.	Machinery	2,500	92,884
Hoya Corp.	Health Care Equipment & Supplies	13,380	1,656,752
Hulic Co. Ltd.	Real Estate Management & Development	69,300	719,581
Ibiden Co. Ltd.	Electronic Equipment, Instruments & Components	17,400	764,430
Iida Group Holdings Co. Ltd.	Household Durables	20,400	268,707
Isuzu Motors Ltd.	Automobiles	78,200	1,061,819
ITOCHU Corp.	Trading Companies & Distributors	19,200	820,293
Japan Metropolitan Fund Invest	Retail REITs	881	551,262
Japan Post Bank Co. Ltd.	Banks	103,600	1,113,044
Japan Post Holdings Co. Ltd.	Insurance	95,600	967,717
Japan Real Estate Investment Corp.	Office REITs	204	725,178
Japan Tobacco, Inc.	Tobacco	157,200	4,210,835
Kajima Corp.	Construction & Engineering	16,730	345,555
Kao Corp.	Personal Care Products	17,228	641,788
Kawasaki Kisen Kaisha Ltd.	Marine Transportation	62,100	830,079
KDDI Corp.	Wireless Telecommunication Services	31,630	936,705
Keyence Corp.	Electronic Equipment, Instruments & Components	8,063	3,704,787
Kirin Holdings Co. Ltd.	Beverages	107,100	1,484,660
Koei Tecmo Holdings Co. Ltd.	Entertainment	14,896	159,447
Komatsu Ltd.	Machinery	82,200	2,402,264
Kubota Corp.	Machinery	11,000	173,273
Kyocera Corp.	Electronic Equipment, Instruments & Components	49,800	665,503
Kyowa Kirin Co. Ltd.	Pharmaceuticals	17,500	311,102
Kyushu Railway Co.	Ground Transportation	18,900	442,451
Lasertec Corp.	Semiconductors & Semiconductor Equipment	8,954	2,473,007
Lawson, Inc.	Consumer Staples Distribution & Retail	1,425	97,310
LY Corp.	Interactive Media & Services	286,800	734,505
M3, Inc.	Health Care Technology	26,300	371,357
Marubeni Corp.	Trading Companies & Distributors	71,700	1,245,494
Mazda Motor Corp.	Automobiles	49,800	577,646
MINEBEA MITSUMI, Inc.	Machinery	14,500	282,728
Mitsubishi Chemical Group Corp.	Chemicals	21,900	132,547
Mitsubishi Corp.	Trading Companies & Distributors	119,500	2,753,289
Mitsubishi Electric Corp.	Electrical Equipment	69,100	1,146,911
Mitsubishi HC Capital, Inc.	Financial Services	95,600	675,886
Mitsubishi UFJ Financial Group, Inc.	Banks	358,500	3,688,159
Mitsui & Co. Ltd.	Trading Companies & Distributors	19,000	892,094
Mitsui OSK Lines Ltd.	Marine Transportation	49,900	1,519,964
Mizuho Financial Group, Inc.	Banks	132,900	2,674,772
MonotaRO Co. Ltd.	Trading Companies & Distributors	18,740	225,048
MS&AD Insurance Group Holdings, Inc.	Insurance	35,160	629,811
Murata Manufacturing Co. Ltd.	Electronic Equipment, Instruments & Components	106,570	1,988,527
NEC Corp.	IT Services	800	58,092
NIDEC Corp.	Electrical Equipment	30,400	1,231,306

Franklin International Core Dividend Tilt Index ETF (continued)

	Industry	Shares	Value
Common Stocks (continued)			
Japan (continued)			
Nikon Corp.	Household Durables	47,800	\$ 483,543
Nintendo Co. Ltd.	Entertainment	72,700	3,937,026
Nippon Building Fund, Inc.	Office REITs	220	869,272
Nippon Paint Holdings Co. Ltd.	Chemicals	49,800	353,235
Nippon Prologis REIT, Inc.	Industrial REITs	339	602,537
Nippon Steel Corp.	Metals & Mining	44,200	1,071,232
Nippon Yusen KK	Marine Transportation	47,800	1,286,395
Niterra Co. Ltd.	Automobile Components	27,800	933,861
Nitto Denko Corp.	Chemicals	13,002	1,183,835
Nomura Holdings, Inc.	Capital Markets	167,300	1,080,660
Nomura Real Estate Master Fund, Inc.	Diversified REITs	597	592,878
Nomura Research Institute Ltd.	IT Services	20,970	587,900
Obayashi Corp.	Construction & Engineering	47,800	588,242
Obic Co. Ltd.	IT Services	2,530	380,724
Omron Corp.	Electronic Equipment, Instruments & Components	4,603	164,570
Ono Pharmaceutical Co. Ltd.	Pharmaceuticals	24,900	403,826
Oracle Corp.	Software	985	74,553
Oriental Land Co. Ltd.	Hotels, Restaurants & Leisure	28,920	926,579
ORIX Corp.	Financial Services	41,700	908,972
Otsuka Corp.	IT Services	34,040	719,058
Panasonic Holdings Corp.	Household Durables	47,800	456,539
Persol Holdings Co. Ltd.	Professional Services	262,900	370,869
Recruit Holdings Co. Ltd.	Professional Services	65,000	2,880,538
Renesas Electronics Corp.	Semiconductors & Semiconductor Equipment	71,700	1,265,155
Rohm Co. Ltd.	Semiconductors & Semiconductor Equipment	45,200	725,285
SBI Holdings, Inc.	Capital Markets	37,700	984,193
Sega Sammy Holdings, Inc.	Leisure Products	23,900	317,888
Seiko Epson Corp.	Technology Hardware, Storage & Peripherals	28,500	498,178
Sekisui Chemical Co. Ltd.	Household Durables	52,100	767,670
Sekisui House Ltd.	Household Durables	78,850	1,831,298
Seven & i Holdings Co. Ltd.	Consumer Staples Distribution & Retail	111,328	1,622,713
SG Holdings Co. Ltd.	Air Freight & Logistics	24,900	313,091
Shimadzu Corp.	Electronic Equipment, Instruments & Components	4,600	128,567
Shimano, Inc.	Leisure Products	2,895	437,086
Shin-Etsu Chemical Co. Ltd.	Chemicals	106,650	4,639,622
Shiseido Co. Ltd.	Personal Care Products	11,400	308,303
SMC Corp.	Machinery	710	397,960
SoftBank Corp.	Wireless Telecommunication Services	391,400	5,045,567
SoftBank Group Corp.	Wireless Telecommunication Services	29,900	1,770,549
Sompo Holdings, Inc.	Insurance	6,270	132,157
Sony Group Corp.	Household Durables	40,600	3,483,372
Square Enix Holdings Co. Ltd.	Entertainment	8,100	314,752
Subaru Corp.	Automobiles	38,300	872,565
SUMCO Corp.	Semiconductors & Semiconductor Equipment	47,800	760,214
Sumitomo Chemical Co. Ltd.	Chemicals	216,900	485,264
Sumitomo Corp.	Trading Companies & Distributors	68,000	1,640,860
Sumitomo Electric Industries Ltd.	Automobile Components	15,400	238,868
Sumitomo Mitsui Financial Group, Inc.	Banks	40,784	2,400,771
Suzuki Motor Corp.	Automobiles	11,200	128,654
System Corp.	Health Care Equipment & Supplies	23,178	407,600
Takeda Pharmaceutical Co. Ltd.	Pharmaceuticals	178,200	4,926,418
TDK Corp.	Electronic Equipment, Instruments & Components	38,060	1,881,310
Terumo Corp.	Health Care Equipment & Supplies	19,000	342,601
Tokio Marine Holdings, Inc.	Insurance	52,911	1,644,193
Tokyo Century Corp.	Financial Services	24,900	261,101
Tokyo Electron Ltd.	Semiconductors & Semiconductor Equipment	27,053	7,073,159
Toray Industries, Inc.	Chemicals	12,000	58,682

Franklin International Core Dividend Tilt Index ETF (continued)

	Industry	Shares	Value
Common Stocks (continued)			
Japan (continued)			
Tosoh Corp.	Chemicals	43,200	\$ 588,578
Toyota Industries Corp.	Machinery	10,400	1,075,424
Toyota Motor Corp.	Automobiles	513,240	12,859,401
Toyota Tsusho Corp.	Trading Companies & Distributors	6,700	454,429
Trend Micro, Inc.	Software	2,290	118,491
USS Co. Ltd.	Specialty Retail	54,200	452,129
West Japan Railway Co.	Ground Transportation	11,400	236,293
Yamaha Motor Co. Ltd.	Automobiles	47,800	449,591
Yaskawa Electric Corp.	Machinery	13,204	553,391
Zensho Holdings Co. Ltd.	Hotels, Restaurants & Leisure	5,800	246,800
ZOZO, Inc.	Specialty Retail	16,070	404,126
			169,132,372
Luxembourg 0.0%†			
Eurofins Scientific SE	Life Sciences Tools & Services	4,302	274,495
Netherlands 5.0%			
^{a,b} Adyen NV	Financial Services	1,503	2,545,240
^b Argenx SE	Biotechnology	1,434	566,986
ASM International NV	Semiconductors & Semiconductor Equipment	3,241	1,980,808
ASML Holding NV	Semiconductors & Semiconductor Equipment	18,403	17,732,688
ING Groep NV	Banks	163,237	2,687,808
Koninklijke Ahold Delhaize NV	Consumer Staples Distribution & Retail	14,701	440,113
Koninklijke KPN NV	Diversified Telecommunication Services	423,269	1,584,414
Koninklijke Philips NV	Health Care Equipment & Supplies	105,399	2,117,938
NN Group NV	Insurance	31,309	1,447,904
Randstad NV	Professional Services	15,199	803,018
Shell PLC	Oil, Gas & Consumable Fuels	163,476	5,420,915
Universal Music Group NV	Entertainment	31,787	957,119
Wolters Kluwer NV	Professional Services	478	74,958
			38,359,909
New Zealand 0.3%			
Contact Energy Ltd.	Electric Utilities	108,654	562,176
Fisher & Paykel Healthcare Corp. Ltd.	Health Care Equipment & Supplies	47,083	722,373
Mercury NZ Ltd.	Electric Utilities	86,040	356,651
Spark New Zealand Ltd.	Diversified Telecommunication Services	248,082	707,080
			2,348,280
Norway 1.0%			
Aker ASA, Class A	Industrial Conglomerates	2,868	164,832
Aker BP ASA	Oil, Gas & Consumable Fuels	41,347	1,028,282
^{a,b} AutoStore Holdings Ltd.	Machinery	99,934	184,050
DNB Bank ASA	Banks	109,940	2,179,829
Gjensidige Forsikring ASA	Insurance	25,169	364,708
Norsk Hydro ASA	Metals & Mining	181,640	994,544
Orkla ASA	Food Products	97,273	686,289
Salmar ASA	Food Products	7,887	520,100
Telenor ASA	Diversified Telecommunication Services	88,719	987,484
Yara International ASA	Chemicals	22,466	710,100
			7,820,218
Poland 0.3%			
LPP SA	Textiles, Apparel & Luxury Goods	45	172,654
ORLEN SA	Oil, Gas & Consumable Fuels	77,914	1,271,555
Powszechny Zakład Ubezpieczeń SA	Insurance	72,768	890,679
Santander Bank Polska SA	Banks	1,673	238,925
			2,573,813

Franklin International Core Dividend Tilt Index ETF (continued)

	Industry	Shares	Value
Common Stocks (continued)			
Portugal 0.2%			
EDP - Energias de Portugal SA	Electric Utilities	287,039	\$ 1,119,108
Singapore 2.4%			
CapitaLand Integrated Commercial Trust, Class A	Retail REITs	649,300	952,589
CapitaLand Investment Ltd.	Real Estate Management & Development	143,400	284,760
DBS Group Holdings Ltd., Class A	Banks	161,600	4,314,203
Genting Singapore Ltd.	Hotels, Restaurants & Leisure	430,200	282,104
Great Eastern Holdings Ltd.	Insurance	5,900	79,652
Jardine Cycle & Carriage Ltd.	Industrial Conglomerates	16,200	290,126
Keppel Ltd.	Industrial Conglomerates	191,200	1,039,869
Mapletree Pan Asia Commercial Trust	Retail REITs	348,600	330,622
Oversea-Chinese Banking Corp. Ltd.	Banks	443,600	4,434,028
Singapore Airlines Ltd.	Passenger Airlines	199,200	944,635
Singapore Exchange Ltd.	Capital Markets	119,500	815,497
Singapore Technologies Engineering Ltd.	Aerospace & Defense	224,100	667,518
United Overseas Bank Ltd.	Banks	153,300	3,329,300
Wilmar International Ltd.	Food Products	224,100	569,549
			18,334,452
Spain 1.6%			
ACS Actividades de Construccion y Servicios SA	Construction & Engineering	28,202	1,181,167
Banco Bilbao Vizcaya Argentaria SA	Banks	260,032	3,100,413
CaixaBank SA	Banks	132,884	644,812
Endesa SA	Electric Utilities	42,542	788,652
Iberdrola SA	Electric Utilities	113,286	1,406,400
Industria de Diseno Textil SA	Specialty Retail	13,456	678,231
Naturgy Energy Group SA	Gas Utilities	17,694	384,101
Redeia Corp. SA	Electric Utilities	50,190	856,713
Telefonica SA	Diversified Telecommunication Services	714,849	3,156,859
			12,197,348
Sweden 2.5%			
Assa Abloy AB, Class B	Building Products	12,460	357,861
Atlas Copco AB, Class A	Machinery	112,330	1,899,376
Atlas Copco AB, Class B	Machinery	67,876	1,003,927
Axfood AB	Consumer Staples Distribution & Retail	12,906	375,619
Boliden AB	Metals & Mining	23,183	644,478
EQT AB	Capital Markets	27,724	877,929
Essity AB, Class B	Household Products	11,459	272,420
^a Evolution AB	Hotels, Restaurants & Leisure	13,862	1,725,004
H & M Hennes & Mauritz AB, Class B	Specialty Retail	81,738	1,334,551
Husqvarna AB, Class B	Machinery	46,598	399,364
Nibe Industrier AB, Class B	Building Products	10,214	50,208
Nordnet AB publ	Capital Markets	18,881	346,803
Skandinaviska Enskilda Banken AB, Class A	Banks	88,191	1,195,526
Skanska AB, Class B	Construction & Engineering	27,963	498,191
SKF AB, Class B	Machinery	7,724	157,838
SSAB AB, Class A	Metals & Mining	36,806	271,933
SSAB AB, Class B	Metals & Mining	92,254	680,736
Svenska Handelsbanken AB, Class A	Banks	115,437	1,168,664
Svenska Handelsbanken AB, Class B	Banks	3,984	50,449
Swedbank AB, Class A	Banks	72,656	1,442,574
Tele2 AB, Class B	Wireless Telecommunication Services	74,760	614,575
Telefonaktiebolaget LM Ericsson, Class B	Communications Equipment	258,120	1,391,433
Telia Co. AB	Diversified Telecommunication Services	314,046	805,630
Volvo AB, Class A	Machinery	6,692	184,502

Franklin International Core Dividend Tilt Index ETF (continued)

	Industry	Shares	Value
Common Stocks (continued)			
Sweden (continued)			
Volvo AB, Class B	Machinery	54,731	\$ 1,484,902
			19,234,493
Switzerland 8.7%			
ABB Ltd.	Electrical Equipment	45,171	2,100,825
Cie Financiere Richemont SA, Class A	Textiles, Apparel & Luxury Goods	27,963	4,268,805
EMS-Chemie Holding AG	Chemicals	424	325,755
Geberit AG	Building Products	1,245	736,744
Givaudan SA	Chemicals	343	1,529,353
Julius Baer Group Ltd.	Capital Markets	25,334	1,464,855
Kuehne & Nagel International AG	Marine Transportation	8,126	2,264,490
Lonza Group AG	Life Sciences Tools & Services	2,629	1,576,758
Nestle SA	Food Products	118,066	12,551,148
Novartis AG	Pharmaceuticals	119,022	11,545,411
Partners Group Holding AG	Capital Markets	2,856	4,084,077
Roche Holding AG	Pharmaceuticals	35,133	8,959,754
Roche Holding AG	Pharmaceuticals	1,494	403,066
Schindler Holding AG, PC	Machinery	249	62,782
^b SGS SA	Professional Services	20,076	1,949,425
Sika AG	Chemicals	3,237	965,314
STMicroelectronics NV	Semiconductors & Semiconductor Equipment	6,230	268,598
Swatch Group AG	Textiles, Apparel & Luxury Goods	259	60,214
Swiss Life Holding AG	Insurance	1,565	1,098,471
Swiss Re AG	Insurance	26,051	3,353,629
^b Swisscom AG	Diversified Telecommunication Services	3,346	2,048,389
UBS Group AG	Capital Markets	33,460	1,030,510
Zurich Insurance Group AG	Insurance	7,887	4,258,297
			66,906,670
United Kingdom 12.1%			
3i Group PLC	Capital Markets	32,026	1,136,433
abrdn PLC	Capital Markets	251,954	449,094
Admiral Group PLC	Insurance	13,207	473,318
Anglo American PLC	Metals & Mining	32,265	795,529
Ashtead Group PLC	Trading Companies & Distributors	6,931	493,815
AstraZeneca PLC	Pharmaceuticals	69,071	9,316,975
Aviva PLC	Insurance	367,104	2,302,953
B&M European Value Retail SA	Broadline Retail	102,053	703,637
BAE Systems PLC	Aerospace & Defense	87,952	1,499,367
Barratt Developments PLC	Household Durables	135,820	816,009
BP PLC	Oil, Gas & Consumable Fuels	396,501	2,482,861
British American Tobacco PLC	Tobacco	233,264	7,089,778
BT Group PLC	Diversified Telecommunication Services	455,534	630,985
Burberry Group PLC	Textiles, Apparel & Luxury Goods	17,191	263,422
CK Hutchison Holdings Ltd., Class A	Industrial Conglomerates	373,500	1,803,921
Diageo PLC	Beverages	53,331	1,970,920
DS Smith PLC	Containers & Packaging	184,166	922,913
GSK PLC	Pharmaceuticals	266,007	5,741,465
Hargreaves Lansdown PLC	Capital Markets	44,932	417,756
Hikma Pharmaceuticals PLC	Pharmaceuticals	23,600	571,957
HSBC Holdings PLC	Banks	1,252,838	9,796,588
Imperial Brands PLC	Tobacco	124,519	2,784,185
Intermediate Capital Group PLC	Capital Markets	38,718	1,004,622
J Sainsbury PLC	Consumer Staples Distribution & Retail	231,352	790,259
Kingfisher PLC	Specialty Retail	264,165	832,264
Land Securities Group PLC	Diversified REITs	92,015	765,078
Legal & General Group PLC	Insurance	819,053	2,632,197
London Stock Exchange Group PLC	Capital Markets	7,409	888,209

Franklin International Core Dividend Tilt Index ETF (continued)

	Industry	Shares	Value
Common Stocks (continued)			
United Kingdom (continued)			
M&G PLC	Financial Services	305,920	\$ 852,130
National Grid PLC	Multi-Utilities	425,898	5,735,246
NatWest Group PLC	Banks	350,135	1,174,328
Persimmon PLC	Household Durables	42,781	711,207
Phoenix Group Holdings PLC	Insurance	104,167	727,161
Reckitt Benckiser Group PLC	Household Products	35,850	2,043,372
RELX PLC	Professional Services	57,599	2,491,369
Rentokil Initial PLC	Commercial Services & Supplies	158,218	942,781
^b Rolls-Royce Holdings PLC	Aerospace & Defense	78,870	425,132
Sage Group PLC	Software	38,479	615,142
Schroders PLC	Capital Markets	125,103	595,165
Severn Trent PLC	Water Utilities	30,592	954,540
Smith & Nephew PLC	Health Care Equipment & Supplies	9,965	124,825
Spirax-Sarco Engineering PLC	Machinery	2,490	316,122
SSE PLC	Electric Utilities	129,538	2,700,041
St. James's Place PLC	Capital Markets	79,348	465,598
Taylor Wimpey PLC	Household Durables	491,199	850,405
Tesco PLC	Consumer Staples Distribution & Retail	179,250	671,614
Unilever PLC	Personal Care Products	133,123	6,685,504
United Utilities Group PLC	Water Utilities	83,411	1,084,246
Vodafone Group PLC	Wireless Telecommunication Services	3,008,771	2,678,065
^b Wise PLC, Class A	Financial Services	42,280	495,967
			92,716,470
United States 0.7%			
Holcim AG, Class B	Construction Materials	11,711	1,061,752
Stellantis NV	Automobiles	145,312	4,134,504
			5,196,256
Total Common Stocks			
(Cost \$689,229,067)			753,687,620
Preferred Stocks 0.7%			
Germany 0.7%			
^d Bayerische Motoren Werke AG, 8.571%, pfd.	Automobiles	6,931	744,057
^d Porsche Automobil Holding SE, 5.212%, pfd.	Automobiles	13,456	713,835
^d Sartorius AG, 0.391%, pfd.	Life Sciences Tools & Services	996	396,496
^d Volkswagen AG, 7.131%, pfd.	Automobiles	28,919	3,836,602
			5,690,990
Total Preferred Stocks			
(Cost \$5,403,665)			5,690,990
Total Investments before Short-Term			
Investments (Cost \$694,632,732)			759,378,610

Franklin International Core Dividend Tilt Index ETF (continued)

	Industry	Shares	Value
Short-Term Investments 0.5%			
Investments from Cash Collateral Received for Loaned Securities 0.5%			
United States 0.5%			
^{e,f} Institutional Fiduciary Trust - Money Market Portfolio, 5.16%	Money Market Funds	4,095,900	\$ 4,095,900
Total Short-Term Investments (Cost \$4,095,900)			<u>4,095,900</u>
Total Investments (Cost \$698,728,632) 99.6%			763,474,510
Other Assets, less Liabilities 0.4% . . .			<u>2,724,287</u>
Net Assets 100.0%			<u>\$766,198,797</u>

†Rounds to less than 0.1% of net assets.

^aSecurity was purchased pursuant to Rule 144A under the Securities Act of 1933 and may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. At March 31, 2024, the value of was \$8,293,098, representing 1.1% of net assets.

^bNon-income producing.

^cA portion or all of the security is on loan at March 31, 2024. See Note 1(d).

^dVariable rate security. The rate shown represents the yield at period end.

^eThe rate shown is the annualized seven-day effective yield at period end.

^fSee Note 3(c) regarding investments in affiliated management investment companies.

At March 31, 2024, the Fund had the following futures contracts outstanding. See Note 1(c).

Futures Contracts

Description	Type	Number of Contracts	Notional Amount*	Expiration Date	Value/Unrealized Appreciation (Depreciation)
Equity Contracts					
MSCI EAFE	Long	51	\$6,010,605	6/21/24	\$35,699

*As of year end.

See Note 7 regarding other derivative information.
See Abbreviations on page 120.

Financial Highlights

Franklin U.S. Core Dividend Tilt Index ETF

	Year Ended March 31,				
	2024	2023	2022	2021	2020
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$32.29	\$36.29	\$33.29	\$23.32	\$28.20
Income from investment operations ^a :					
Net investment income ^b	0.84	0.82	1.03	0.92	1.04
Net realized and unrealized gains (losses)	8.00	(3.82)	2.98	9.95	(4.90)
Total from investment operations	8.84	(3.00)	4.01	10.87	(3.86)
Less distributions from net investment income	(0.79)	(1.00)	(1.01)	(0.90)	(1.02)
Net asset value, end of year	\$40.34	\$32.29	\$36.29	\$33.29	\$23.32
Total return ^c	27.72%	(8.09)%	12.14%	47.20%	(14.34)%
Ratios to average net assets^d					
Expenses before waiver and payments by affiliates	0.06%	0.19%	0.45%	0.45%	0.45%
Expenses net of waiver and payments by affiliates	0.06%	0.19%	0.45%	0.45%	0.45%
Net investment income	2.36%	2.58%	2.92%	3.21%	3.60%
Supplemental data					
Net assets, end of year (000's)	\$62,534	\$24,219	\$30,851	\$26,632	\$18,653
Portfolio turnover rate ^e	18.11% ^f	130.60% ^f	28.73% ^f	42.38% ^f	19.79% ^f

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of Creation Unit Fund shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cTotal return is not annualized for periods less than one year. Total return is calculated assuming an initial investment made at the net asset value at the beginning of the period, reinvestment of all dividends and distributions at net asset value during the period, and redemption at net asset value on the last day of the period.

^dRatios are annualized for periods less than one year.

^ePortfolio turnover rate includes portfolio transactions that are executed as a result of the Fund offering and redeeming Creation Units solely for cash ("Cash creations").

^fPortfolio turnover rate excluding cash creations was as follows: 18.11% 130.60% 27.86% 42.38% 19.79%

Schedule of Investments, March 31, 2024

Franklin U.S. Core Dividend Tilt Index ETF

	Industry	Shares	Value
Common Stocks 99.5%			
Brazil 0.2%			
^a MercadoLibre, Inc.	Broadline Retail	93	\$ 140,612
Netherlands 0.4%			
NXP Semiconductors NV	Semiconductors & Semiconductor Equipment	1,054	261,150
Russia 0.0%[†]			
^b Tatneft PJSC	Oil, Gas & Consumable Fuels	15,990	—
United Kingdom 0.1%			
CNH Industrial NV	Machinery	3,937	51,023
United States 98.8%			
3M Co.	Industrial Conglomerates	2,272	240,991
Abbott Laboratories	Health Care Equipment & Supplies	3,038	345,299
AbbVie, Inc.	Biotechnology	4,030	733,863
Accenture PLC, Class A	IT Services	775	268,623
^a Adobe, Inc.	Software	589	297,209
^a Advanced Micro Devices, Inc.	Semiconductors & Semiconductor Equipment	2,139	386,068
AES Corp.	Independent Power Producers & Energy Traders	2,573	46,134
Air Products & Chemicals, Inc.	Chemicals	527	127,676
^a Airbnb, Inc., Class A	Hotels, Restaurants & Leisure	62	10,228
Alexandria Real Estate Equities, Inc.	Office REITs	651	83,920
Alliant Energy Corp.	Electric Utilities	1,023	51,559
^a Alphabet, Inc., Class A	Interactive Media & Services	7,874	1,188,423
^a Alphabet, Inc., Class C	Interactive Media & Services	7,068	1,076,174
Altria Group, Inc.	Tobacco	7,223	315,067
^a Amazon.com, Inc.	Broadline Retail	13,020	2,348,548
Amcor PLC	Containers & Packaging	5,866	55,786
American Electric Power Co., Inc.	Electric Utilities	1,829	157,477
American Tower Corp.	Specialized REITs	1,116	220,510
Amgen, Inc.	Biotechnology	1,736	493,580
Analog Devices, Inc.	Semiconductors & Semiconductor Equipment	1,953	386,284
Annaly Capital Management, Inc.	Mortgage Real Estate Investment Trusts (REITs)	2,046	40,286
Apollo Global Management, Inc.	Financial Services	1,581	177,783
Apple, Inc.	Computers & Peripherals	20,770	3,561,640
Applied Materials, Inc.	Semiconductors & Semiconductor Equipment	1,426	294,084
ARES Management Corp., Class A	Capital Markets	682	90,692
^a Arista Networks, Inc.	Communications Equipment	496	143,830
AT&T, Inc.	Diversified Telecommunication Services	25,482	448,483
Automatic Data Processing, Inc.	Professional Services	310	77,419
AvalonBay Communities, Inc.	Residential REITs	527	97,790
Avangrid, Inc.	Electric Utilities	288	10,495
Baker Hughes Co.	Energy Equipment & Services	1,736	58,156
Bank of America Corp.	Banks	9,114	345,603
Bank of New York Mellon Corp.	Capital Markets	3,162	182,194
Baxter International, Inc.	Health Care Equipment & Supplies	1,984	84,796
Becton Dickinson & Co.	Health Care Equipment & Supplies	128	31,674
Bentley Systems, Inc., Class B	Software	64	3,342
^a Berkshire Hathaway, Inc., Class B	Financial Services	713	299,831
Best Buy Co., Inc.	Specialty Retail	806	66,116
BlackRock, Inc.	Capital Markets	556	463,537
Blackstone, Inc.	Capital Markets	2,697	354,305
^a Block, Inc.	Financial Services	341	28,842
Boston Properties, Inc.	Office REITs	651	42,517
Bristol-Myers Squibb Co.	Pharmaceuticals	7,874	427,007
Broadcom, Inc.	Semiconductors & Semiconductor Equipment	792	1,049,725
Broadridge Financial Solutions, Inc.	Professional Services	465	95,260
^a Cadence Design Systems, Inc.	Software	341	106,146
Camden Property Trust	Residential REITs	434	42,706

Franklin U.S. Core Dividend Tilt Index ETF (continued)

	Industry	Shares	Value
Common Stocks (continued)			
United States (continued)			
Campbell Soup Co.	Food Products	744	\$ 33,071
Cardinal Health, Inc.	Health Care Providers & Services	93	10,407
Carlyle Group, Inc.	Capital Markets	806	37,809
Caterpillar, Inc.	Machinery	403	147,671
CH Robinson Worldwide, Inc.	Air Freight & Logistics	155	11,802
Chevron Corp.	Oil, Gas & Consumable Fuels	4,371	689,482
^a Chipotle Mexican Grill, Inc.	Hotels, Restaurants & Leisure	28	81,390
Cigna Group	Health Care Providers & Services	62	22,518
Cincinnati Financial Corp.	Insurance	620	76,985
Cisco Systems, Inc.	Communications Equipment	9,889	493,560
Citigroup, Inc.	Banks	7,316	462,664
Citizens Financial Group, Inc.	Banks	1,736	62,999
Clorox Co.	Household Products	527	80,689
^a Cloudflare, Inc., Class A	IT Services	558	54,031
CME Group, Inc.	Capital Markets	1,488	320,352
CMS Energy Corp.	Multi-Utilities	1,054	63,598
Coca-Cola Co.	Beverages	8,308	508,283
^a Coinbase Global, Inc., Class A	Capital Markets	186	49,312
Colgate-Palmolive Co.	Household Products	651	58,623
Comcast Corp., Class A	Media	5,394	233,830
Conagra Brands, Inc.	Food Products	1,856	55,012
Consolidated Edison, Inc.	Multi-Utilities	1,364	123,865
Corning, Inc.	Electronic Equipment, Instruments & Components	3,131	103,198
Costco Wholesale Corp.	Consumer Staples Distribution & Retail	213	156,050
Coterra Energy, Inc., Class A	Oil, Gas & Consumable Fuels	3,069	85,564
^a Crowdstrike Holdings, Inc., Class A	Software	620	198,766
Crown Castle, Inc.	Specialized REITs	1,767	187,002
Cummins, Inc.	Machinery	572	168,540
CVS Health Corp.	Health Care Providers & Services	3,193	254,674
Darden Restaurants, Inc.	Hotels, Restaurants & Leisure	496	82,906
^a Datadog, Inc., Class A	Software	496	61,306
^a Dayforce, Inc.	Professional Services	186	12,315
Dell Technologies, Inc., Class C	Technology Hardware, Storage & Peripherals	434	49,524
Devon Energy Corp.	Oil, Gas & Consumable Fuels	2,573	129,113
^a Dexcom, Inc.	Health Care Equipment & Supplies	93	12,899
Diamondback Energy, Inc.	Oil, Gas & Consumable Fuels	713	141,295
Digital Realty Trust, Inc.	Specialized REITs	1,209	174,144
Discover Financial Services	Consumer Finance	341	44,702
Dominion Energy, Inc.	Multi-Utilities	3,503	172,313
Dow, Inc.	Chemicals	2,852	165,216
DTE Energy Co.	Multi-Utilities	806	90,385
Duke Energy Corp.	Electric Utilities	3,069	296,803
^a Dynatrace, Inc.	Software	576	26,749
East West Bancorp, Inc.	Banks	527	41,691
Eastman Chemical Co.	Chemicals	496	49,709
Eaton Corp. PLC	Electrical Equipment	744	232,634
eBay, Inc.	Broadline Retail	1,488	78,537
Edison International	Electric Utilities	1,581	111,824
Eli Lilly & Co.	Pharmaceuticals	1,147	892,320
Emerson Electric Co.	Electrical Equipment	868	98,449
Entegris, Inc.	Semiconductors & Semiconductor Equipment	96	13,492
Entergy Corp.	Electric Utilities	868	91,730
EOG Resources, Inc.	Oil, Gas & Consumable Fuels	217	27,741
Equinix, Inc.	Specialized REITs	164	135,354
Equity Residential	Residential REITs	1,488	93,908
Essex Property Trust, Inc.	Residential REITs	248	60,713
Estee Lauder Cos., Inc., Class A	Personal Care Products	310	47,787

Franklin U.S. Core Dividend Tilt Index ETF (continued)

	Industry	Shares	Value
Common Stocks (continued)			
United States (continued)			
Evergy, Inc.	Electric Utilities	899	\$ 47,989
Eversource Energy	Electric Utilities	1,426	85,232
Exelon Corp.	Electric Utilities	3,131	117,632
Extra Space Storage, Inc.	Specialized REITs	806	118,482
Exxon Mobil Corp.	Oil, Gas & Consumable Fuels	6,572	763,929
Fastenal Co.	Trading Companies & Distributors	2,325	179,350
Federal Realty Investment Trust	Retail REITs	341	34,823
FedEx Corp.	Air Freight & Logistics	186	53,892
Fidelity National Financial, Inc.	Insurance	1,023	54,321
Fidelity National Information Services, Inc.	Financial Services	1,302	96,582
Fifth Third Bancorp	Banks	2,511	93,434
FirstEnergy Corp.	Electric Utilities	2,077	80,214
Ford Motor Co.	Automobiles	16,337	216,955
^a Fortinet, Inc.	Software	589	40,235
Franklin Resources, Inc.	Capital Markets	1,147	32,242
Garmin Ltd.	Household Durables	620	92,299
Gen Digital, Inc.	Software	1,705	38,192
General Dynamics Corp.	Aerospace & Defense	128	36,159
General Mills, Inc.	Food Products	2,294	160,511
Genuine Parts Co.	Distributors	372	57,634
Gilead Sciences, Inc.	Biotechnology	4,960	363,320
Goldman Sachs Group, Inc.	Capital Markets	620	258,968
Healthpeak Properties, Inc.	Health Care REITs	2,176	40,800
Hewlett Packard Enterprise Co.	Technology Hardware, Storage & Peripherals	3,100	54,963
Home Depot, Inc.	Specialty Retail	1,798	689,713
Honeywell International, Inc.	Industrial Conglomerates	558	114,529
Hormel Foods Corp.	Food Products	589	20,550
Host Hotels & Resorts, Inc.	Hotel & Resort REITs	2,728	56,415
HP, Inc.	Technology Hardware, Storage & Peripherals	3,348	101,177
Hubbell, Inc., Class B	Electrical Equipment	96	39,845
^a HubSpot, Inc.	Software	128	80,200
Huntington Bancshares, Inc.	Banks	5,518	76,976
Illinois Tool Works, Inc.	Machinery	961	257,865
Intel Corp.	Semiconductors & Semiconductor Equipment	6,696	295,762
International Business Machines Corp.	IT Services	2,542	485,420
International Flavors & Fragrances, Inc.	Chemicals	1,023	87,968
International Paper Co.	Containers & Packaging	1,364	53,223
Interpublic Group of Cos., Inc.	Media	1,550	50,577
Intuit, Inc.	Software	495	321,750
^a Intuitive Surgical, Inc.	Health Care Equipment & Supplies	341	136,090
Invitation Homes, Inc.	Residential REITs	2,387	85,001
Iron Mountain, Inc.	Specialized REITs	1,147	92,001
J M Smucker Co.	Food Products	403	50,726
Johnson & Johnson	Pharmaceuticals	5,053	799,334
Johnson Controls International PLC	Building Products	1,829	119,470
JPMorgan Chase & Co.	Banks	4,216	844,465
Juniper Networks, Inc.	Communications Equipment	1,302	48,252
Kellanova	Food Products	1,116	63,936
KeyCorp	Banks	3,689	58,323
Kimberly-Clark Corp.	Household Products	1,364	176,433
Kimco Realty Corp.	Retail REITs	2,852	55,928
Kinder Morgan, Inc.	Oil, Gas & Consumable Fuels	7,936	145,546
KKR & Co., Inc.	Capital Markets	372	37,416
KLA Corp.	Semiconductors & Semiconductor Equipment	335	234,021
Kraft Heinz Co.	Food Products	3,296	121,622
Lam Research Corp.	Semiconductors & Semiconductor Equipment	300	291,471
Lear Corp.	Automobile Components	248	35,930

Franklin U.S. Core Dividend Tilt Index ETF (continued)

	Industry	Shares	Value
Common Stocks (continued)			
United States (continued)			
Linde PLC	Chemicals	202	\$ 93,793
Lockheed Martin Corp.	Aerospace & Defense	93	42,303
Lowe's Cos., Inc.	Specialty Retail	713	181,622
^a Lululemon Athletica, Inc.	Textiles, Apparel & Luxury Goods	62	24,220
LyondellBasell Industries NV, Class A	Chemicals	1,085	110,974
M&T Bank Corp.	Banks	682	99,190
MarketAxess Holdings, Inc.	Capital Markets	64	14,032
Marvell Technology, Inc.	Semiconductors & Semiconductor Equipment	992	70,313
Masco Corp.	Building Products	224	17,669
Mastercard, Inc., Class A	Financial Services	372	179,144
McDonald's Corp.	Hotels, Restaurants & Leisure	527	148,588
Medtronic PLC	Health Care Equipment & Supplies	4,557	397,143
Merck & Co., Inc.	Pharmaceuticals	4,619	609,477
Meta Platforms, Inc., Class A	Interactive Media & Services	2,933	1,424,206
MetLife, Inc.	Insurance	868	64,327
Microchip Technology, Inc.	Semiconductors & Semiconductor Equipment	2,108	189,109
Micron Technology, Inc.	Semiconductors & Semiconductor Equipment	651	76,746
Microsoft Corp.	Software	10,881	4,577,854
Mid-America Apartment Communities, Inc.	Residential REITs	465	61,185
^a MongoDB, Inc.	IT Services	217	77,825
Monolithic Power Systems, Inc.	Semiconductors & Semiconductor Equipment	145	98,226
Morgan Stanley	Capital Markets	4,433	417,411
MSCI, Inc.	Capital Markets	264	147,959
NetApp, Inc.	Technology Hardware, Storage & Peripherals	744	78,098
^a Netflix, Inc.	Entertainment	558	338,890
Newmont Corp.	Metals & Mining	4,278	153,324
NextEra Energy, Inc.	Electric Utilities	1,891	120,854
NIKE, Inc., Class B	Textiles, Apparel & Luxury Goods	1,395	131,102
NiSource, Inc.	Multi-Utilities	1,674	46,303
Northern Trust Corp.	Capital Markets	837	74,426
NRG Energy, Inc.	Electric Utilities	527	35,673
NVIDIA Corp.	Semiconductors & Semiconductor Equipment	3,069	2,773,026
^a Okta, Inc.	IT Services	160	16,739
Omnicom Group, Inc.	Media	775	74,989
ONEOK, Inc.	Oil, Gas & Consumable Fuels	2,325	186,395
Oracle Corp.	Software	2,418	303,725
Packaging Corp. of America	Containers & Packaging	341	64,715
^a Palantir Technologies, Inc., Class A	Software	3,937	90,590
^a Palo Alto Networks, Inc.	Software	527	149,737
Parker-Hannifin Corp.	Machinery	62	34,459
Paychex, Inc.	Professional Services	1,364	167,499
PepsiCo, Inc.	Beverages	2,387	417,749
Pfizer, Inc.	Pharmaceuticals	18,755	520,451
Philip Morris International, Inc.	Tobacco	5,456	499,879
Phillips 66	Oil, Gas & Consumable Fuels	992	162,033
Pinnacle West Capital Corp.	Electric Utilities	465	34,749
Pioneer Natural Resources Co.	Oil, Gas & Consumable Fuels	930	244,125
PNC Financial Services Group, Inc.	Banks	1,612	260,499
PPL Corp.	Electric Utilities	2,976	81,929
Principal Financial Group, Inc.	Insurance	961	82,944
Procter & Gamble Co.	Household Products	3,255	528,124
Prologis, Inc.	Industrial REITs	2,387	310,835
Prudential Financial, Inc.	Insurance	1,488	174,691
Public Service Enterprise Group, Inc.	Multi-Utilities	1,736	115,930
Public Storage	Specialized REITs	651	188,829
QUALCOMM, Inc.	Semiconductors & Semiconductor Equipment	2,666	451,354
Realty Income Corp.	Retail REITs	3,441	186,158

Franklin U.S. Core Dividend Tilt Index ETF (continued)

	Industry	Shares	Value
Common Stocks (continued)			
United States (continued)			
Regency Centers Corp.	Retail REITs	682	\$ 41,302
Regions Financial Corp.	Banks	3,720	78,269
Rockwell Automation, Inc.	Electrical Equipment	465	135,468
Royalty Pharma PLC, Class A	Pharmaceuticals	512	15,549
RTX Corp.	Aerospace & Defense	1,612	157,218
Salesforce, Inc.	Software	1,088	327,684
Schlumberger NV	Energy Equipment & Services	837	45,876
Seagate Technology Holdings PLC	Technology Hardware, Storage & Peripherals	837	77,883
^a ServiceNow, Inc.	Software	362	275,989
Simon Property Group, Inc.	Retail REITs	1,302	203,750
Skyworks Solutions, Inc.	Semiconductors & Semiconductor Equipment	651	70,516
Snap-on, Inc.	Machinery	217	64,280
^a Snowflake, Inc., Class A	IT Services	620	100,192
Southern Co.	Electric Utilities	4,185	300,232
Southern Copper Corp.	Metals & Mining	352	37,495
Southwest Airlines Co.	Passenger Airlines	1,891	55,198
Stanley Black & Decker, Inc.	Machinery	620	60,717
Starbucks Corp.	Hotels, Restaurants & Leisure	3,131	286,142
State Street Corp.	Capital Markets	1,302	100,671
Stryker Corp.	Health Care Equipment & Supplies	155	55,470
Sun Communities, Inc.	Residential REITs	341	43,846
^a Synopsys, Inc.	Software	155	88,582
Sysco Corp.	Consumer Staples Distribution & Retail	1,054	85,564
T Rowe Price Group, Inc.	Capital Markets	899	109,606
Target Corp.	Consumer Staples Distribution & Retail	775	137,338
TE Connectivity Ltd.	Electronic Equipment, Instruments & Components	160	23,238
^a Tesla, Inc.	Automobiles	4,061	713,883
Texas Instruments, Inc.	Semiconductors & Semiconductor Equipment	2,976	518,449
Tractor Supply Co.	Specialty Retail	217	56,793
^a Trade Desk, Inc., Class A	Media	651	56,910
Trane Technologies PLC	Building Products	31	9,306
Truist Financial Corp.	Banks	5,177	201,799
Tyson Foods, Inc., Class A	Food Products	1,056	62,019
U.S. Bancorp	Banks	6,262	279,911
^a Uber Technologies, Inc.	Ground Transportation	2,883	221,962
UDR, Inc.	Residential REITs	1,302	48,708
Union Pacific Corp.	Ground Transportation	837	205,843
United Parcel Service, Inc., Class B	Air Freight & Logistics	2,666	396,248
UnitedHealth Group, Inc.	Health Care Providers & Services	1,074	531,308
Vail Resorts, Inc.	Hotels, Restaurants & Leisure	155	34,539
Valero Energy Corp.	Oil, Gas & Consumable Fuels	341	58,205
Ventas, Inc.	Health Care REITs	1,550	67,487
Verizon Communications, Inc.	Diversified Telecommunication Services	13,392	561,928
Viatis, Inc.	Pharmaceuticals	4,557	54,411
VICI Properties, Inc.	Specialized REITs	4,433	132,059
Visa, Inc., Class A	Financial Services	775	216,287
Walgreens Boots Alliance, Inc.	Consumer Staples Distribution & Retail	3,007	65,222
Walmart, Inc.	Consumer Staples Distribution & Retail	248	14,922
Walt Disney Co.	Entertainment	899	110,002
Watsco, Inc.	Trading Companies & Distributors	128	55,292
WEC Energy Group, Inc.	Multi-Utilities	1,240	101,829
Wells Fargo & Co.	Banks	3,999	231,782
Welltower, Inc.	Health Care REITs	713	66,623
Westrock Co.	Containers & Packaging	1,023	50,587
Williams Cos., Inc.	Oil, Gas & Consumable Fuels	4,960	193,291
^a Workday, Inc., Class A	Software	217	59,187
WP Carey, Inc.	Diversified REITs	868	48,990

Franklin U.S. Core Dividend Tilt Index ETF (continued)

	Industry	Shares	Value
Common Stocks (continued)			
United States (continued)			
Xcel Energy, Inc.	Electric Utilities	2,418	\$ 129,967
^a Zscaler, Inc.	Software	310	59,715
			<u>61,788,755</u>
Total Common Stocks (Cost \$52,783,961)			<u>62,241,540</u>
Total Investments before Short-Term Investments (Cost \$52,783,961)			<u>62,241,540</u>
Short-Term Investments 0.3%			
Money Market Funds 0.3%			
United States 0.3%			
^{c,d} Institutional Fiduciary Trust - Money Market Portfolio, 5.16%	Money Market Funds	164,064	<u>164,064</u>
Total Short-Term Investments (Cost \$164,064)			<u>164,064</u>
Total Investments (Cost \$52,948,025) 99.8%			62,405,604
Other Assets, less Liabilities 0.2%			<u>128,163</u>
Net Assets 100.0%			<u>\$62,533,767</u>

[†]Rounds to less than 0.1% of net assets.

^aNon-income producing.

^bFair valued using significant unobservable inputs. See Note 8 regarding fair value measurements.

^cThe rate shown is the annualized seven-day effective yield at period end.

^dSee Note 3(c) regarding investments in affiliated management investment companies.

At March 31, 2024, the Fund had the following futures contracts outstanding. See Note 1(c).

Futures Contracts

Description	Type	Number of Contracts	Notional Amount*	Expiration Date	Value/Unrealized Appreciation (Depreciation)
Equity Contracts					
S&P 500 E-Mini	Long	9	\$238,883	6/21/24	\$4,376

*As of year end.

See Note 7 regarding other derivative information.

See Abbreviations on page 120.

Financial Highlights

Franklin U.S. Large Cap Multifactor Index ETF

	Year Ended March 31,				
	2024	2023	2022	2021	2020
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$41.37	\$44.86	\$40.04	\$27.61	\$31.41
Income from investment operations ^a :					
Net investment income ^b	0.69	0.82	0.77	0.72	0.76
Net realized and unrealized gains (losses)	11.89	(3.48)	4.89	12.49	(3.89)
Total from investment operations	12.58	(2.66)	5.66	13.21	(3.13)
Less distributions from net investment income	(0.68)	(0.83)	(0.84)	(0.78)	(0.67)
Net asset value, end of year	\$53.27	\$41.37	\$44.86	\$40.04	\$27.61
Total return ^c	30.68%	(5.79)%	14.19%	48.22%	(10.27)%
Ratios to average net assets^d					
Expenses before waiver and payments by affiliates	0.15%	0.15%	0.15%	0.15%	0.18%
Expenses net of waiver and payments by affiliates	0.15%	0.15%	0.15%	0.15%	0.18%
Net investment income	1.50%	2.02%	1.77%	2.06%	2.32%
Supplemental data					
Net assets, end of year (000's)	\$1,283,815	\$860,419	\$966,737	\$1,353,407	\$1,311,583
Portfolio turnover rate ^e	56.10% ^f	51.95% ^f	68.37% ^f	25.05% ^f	19.44% ^f

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of Creation Unit Fund shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cTotal return is not annualized for periods less than one year. Total return is calculated assuming an initial investment made at the net asset value at the beginning of the period, reinvestment of all dividends and distributions at net asset value during the period, and redemption at net asset value on the last day of the period.

^dRatios are annualized for periods less than one year.

^ePortfolio turnover rate includes portfolio transactions that are executed as a result of the Fund offering and redeeming Creation Units solely for cash ("Cash creations").

^fPortfolio turnover rate excluding cash creations was as follows:

56.10% 51.95% 68.37% 25.05% 19.44%

Schedule of Investments, March 31, 2024

Franklin U.S. Large Cap Multifactor Index ETF

	Shares	Value
Common Stocks 99.7%		
Communication Services 8.4%		
^a Alphabet, Inc., Class A	155,204	\$ 23,424,939
^a Alphabet, Inc., Class C	132,550	20,182,063
AT&T, Inc.	301,732	5,310,483
Comcast Corp., Class A	295,948	12,829,346
Meta Platforms, Inc., Class A	62,660	30,426,443
Verizon Communications, Inc.	385,600	16,179,776
		<u>108,353,050</u>
Consumer Discretionary 10.2%		
^a Amazon.com, Inc.	214,008	38,602,763
Booking Holdings, Inc.	3,210	11,645,495
^a Chipotle Mexican Grill, Inc.	2,410	7,005,316
Darden Restaurants, Inc.	9,158	1,530,760
^a Deckers Outdoor Corp.	2,610	2,456,689
Dick's Sporting Goods, Inc.	7,230	1,625,738
Domino's Pizza, Inc.	3,106	1,543,309
DR Horton, Inc.	29,884	4,917,412
Garmin Ltd.	11,568	1,722,128
Gentex Corp.	34,222	1,236,099
^a Grand Canyon Education, Inc.	9,158	1,247,411
H&R Block, Inc.	25,546	1,254,564
Hilton Worldwide Holdings, Inc.	9,640	2,056,308
Lennar Corp., Class A	24,100	4,144,718
Lennar Corp., Class B	8,676	1,337,666
Macy's, Inc.	71,336	1,426,007
Marriott International, Inc., Class A	16,870	4,256,470
Murphy USA, Inc.	2,892	1,212,326
^a NVR, Inc.	296	2,397,588
^a O'Reilly Automotive, Inc.	5,505	6,214,484
PulteGroup, Inc.	22,654	2,732,526
PVH Corp.	9,158	1,287,706
Ralph Lauren Corp.	6,748	1,267,004
Tapestry, Inc.	26,028	1,235,809
^a Tesla, Inc.	49,646	8,727,270
Texas Roadhouse, Inc.	8,194	1,265,727
TJX Cos., Inc.	95,436	9,679,119
Toll Brothers, Inc.	12,050	1,558,909
^a TopBuild Corp.	3,374	1,487,023
^a Ulta Beauty, Inc.	2,270	1,186,938
Williams-Sonoma, Inc.	7,230	2,295,742
		<u>130,557,024</u>
Consumer Staples 2.4%		
Albertsons Cos., Inc., Class A	61,214	1,312,428
Altria Group, Inc.	182,678	7,968,414
Casey's General Stores, Inc.	3,856	1,227,943
Colgate-Palmolive Co.	56,876	5,121,684
Costco Wholesale Corp.	19,736	14,459,186
Ingredion, Inc.	10,604	1,239,078
		<u>31,328,733</u>
Energy 2.3%		
Antero Midstream Corp.	93,026	1,307,945
Diamondback Energy, Inc.	7,712	1,528,287
Marathon Petroleum Corp.	39,042	7,866,963
Ovintiv, Inc.	25,064	1,300,822
Phillips 66	41,452	6,770,770
Pioneer Natural Resources Co.	17,352	4,554,900

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

	Shares	Value
Energy (continued)		
^a Southwestern Energy Co.	176,894	\$ 1,340,856
Valero Energy Corp.	29,884	5,100,900
		<u>29,771,443</u>
Financials 9.5%		
^a Arch Capital Group Ltd.	30,848	2,851,589
Assurant, Inc.	6,748	1,270,244
Assured Guaranty Ltd.	13,978	1,219,581
^a Berkshire Hathaway, Inc., Class B	34,704	14,593,726
Cboe Global Markets, Inc.	9,640	1,771,157
Citigroup, Inc.	162,916	10,302,808
Evercore, Inc., Class A	6,748	1,299,597
First Citizens BancShares, Inc., Class A	1,047	1,711,845
JPMorgan Chase & Co.	65,552	13,130,066
Loews Corp.	16,388	1,283,017
LPL Financial Holdings, Inc.	6,266	1,655,477
Marsh & McLennan Cos., Inc.	34,704	7,148,330
Mastercard, Inc., Class A	46,754	22,515,324
MGIC Investment Corp.	62,660	1,401,078
Moody's Corp.	13,978	5,493,773
New York Community Bancorp, Inc.	269,920	869,142
OneMain Holdings, Inc.	26,510	1,354,396
Reinsurance Group of America, Inc.	7,230	1,394,522
Rithm Capital Corp.	117,126	1,307,126
SLM Corp.	59,768	1,302,345
Synchrony Financial	38,078	1,641,923
Travelers Cos., Inc.	9,158	2,107,622
Visa, Inc., Class A	83,386	23,271,365
Western Union Co.	93,026	1,300,503
		<u>122,196,556</u>
Health Care 17.5%		
Abbott Laboratories	71,336	8,108,050
AbbVie, Inc.	113,270	20,626,467
Amgen, Inc.	42,416	12,059,717
^a Boston Scientific Corp.	59,286	4,060,498
Bruker Corp.	14,460	1,358,372
Cardinal Health, Inc.	26,510	2,966,469
Cencora, Inc.	8,194	1,991,060
^a Centene Corp.	21,690	1,702,231
Chemed Corp.	1,989	1,276,799
Cigna Group	11,568	4,201,382
^a DaVita, Inc.	10,122	1,397,342
Eli Lilly & Co.	25,840	20,102,486
Encompass Health Corp.	16,870	1,393,125
^a Exelixis, Inc.	56,876	1,349,667
HCA Healthcare, Inc.	18,316	6,108,936
^a ICON PLC, ADR	5,302	1,781,207
^a IDEXX Laboratories, Inc.	7,712	4,163,940
^a Intuitive Surgical, Inc.	29,402	11,734,044
Johnson & Johnson	136,406	21,578,065
McKesson Corp.	8,676	4,657,711
^a Medpace Holdings, Inc.	3,374	1,363,602
Merck & Co., Inc.	159,542	21,051,567
^a Molina Healthcare, Inc.	4,338	1,782,181
^a Neurocrine Biosciences, Inc.	9,640	1,329,549
Organon & Co.	71,336	1,341,117
^a Regeneron Pharmaceuticals, Inc.	9,821	9,452,614
^a Roivant Sciences Ltd.	108,932	1,148,143

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

	Shares	Value
Health Care (continued)		
STERIS PLC	6,787	\$ 1,525,853
Stryker Corp.	32,294	11,557,054
UnitedHealth Group, Inc.	46,272	22,890,758
Universal Health Services, Inc., Class B	7,230	1,319,186
^a Vertex Pharmaceuticals, Inc.	26,510	11,081,445
Zoetis, Inc.	34,222	5,790,705
		224,251,342
Industrials 9.4%		
Acuity Brands, Inc.	4,820	1,295,279
Allison Transmission Holdings, Inc.	16,388	1,330,050
Armstrong World Industries, Inc.	10,122	1,257,355
Booz Allen Hamilton Holding Corp.	8,194	1,216,317
Broadridge Financial Solutions, Inc.	9,158	1,876,108
^a Builders FirstSource, Inc.	13,978	2,915,112
Carlisle Cos., Inc.	3,374	1,322,102
Caterpillar, Inc.	37,596	13,776,302
Cintas Corp.	3,421	2,350,330
^a Clean Harbors, Inc.	6,748	1,358,440
^a Copart, Inc.	79,048	4,578,460
Eaton Corp. PLC	29,884	9,344,129
EMCOR Group, Inc.	4,820	1,687,964
Fastenal Co.	46,754	3,606,604
Huntington Ingalls Industries, Inc.	4,338	1,264,397
Illinois Tool Works, Inc.	26,028	6,984,093
ITT, Inc.	10,122	1,376,896
Leidos Holdings, Inc.	10,604	1,390,078
Lennox International, Inc.	2,892	1,413,494
Lincoln Electric Holdings, Inc.	5,302	1,354,343
Masco Corp.	19,280	1,520,806
MSC Industrial Direct Co., Inc., Class A	12,532	1,216,105
Owens Corning	9,158	1,527,554
PACCAR, Inc.	55,912	6,926,938
Parker-Hannifin Corp.	7,712	4,286,252
Republic Services, Inc.	20,244	3,875,511
Robert Half, Inc.	15,424	1,222,815
Ryder System, Inc.	10,604	1,274,495
^a Saia, Inc.	2,410	1,409,850
Science Applications International Corp.	8,676	1,132,999
Snap-on, Inc.	4,338	1,285,002
Trane Technologies PLC	14,460	4,340,892
^a Uber Technologies, Inc.	123,392	9,499,950
United Rentals, Inc.	6,266	4,518,475
Waste Management, Inc.	43,862	9,349,185
Watsco, Inc.	3,374	1,457,467
WW Grainger, Inc.	4,565	4,643,975
		121,186,124
Information Technology 36.0%		
^a Adobe, Inc.	31,812	16,052,335
^a Advanced Micro Devices, Inc.	62,178	11,222,507
^a Akamai Technologies, Inc.	11,568	1,258,136
Amphenol Corp., Class A	37,114	4,281,100
Apple, Inc.	408,254	70,007,396
Applied Materials, Inc.	80,976	16,699,681
^a Arista Networks, Inc.	26,028	7,547,600
Avnet, Inc.	26,510	1,314,366
Broadcom, Inc.	18,196	24,117,160
^a Cadence Design Systems, Inc.	25,546	7,951,959

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

	Shares	Value
Information Technology (continued)		
CDW Corp.	7,712	\$ 1,972,575
Cisco Systems, Inc.	322,940	16,117,935
Cognizant Technology Solutions Corp., Class A	37,114	2,720,085
^a Crowdstrike Holdings, Inc., Class A	14,460	4,635,731
^a Fair Isaac Corp.	2,282	2,851,610
^a Gartner, Inc.	4,820	2,297,549
^a GoDaddy, Inc., Class A	11,086	1,315,687
Hewlett Packard Enterprise Co.	119,054	2,110,827
HP, Inc.	83,386	2,519,925
Intel Corp.	309,444	13,668,142
International Business Machines Corp.	75,192	14,358,664
Intuit, Inc.	16,870	10,965,500
Jabil, Inc.	12,050	1,614,098
Juniper Networks, Inc.	33,740	1,250,404
KLA Corp.	14,460	10,101,322
Lam Research Corp.	13,514	13,129,797
^a Manhattan Associates, Inc.	6,748	1,688,552
Microchip Technology, Inc.	45,790	4,107,821
Microsoft Corp.	221,720	93,282,038
Motorola Solutions, Inc.	7,230	2,566,505
NetApp, Inc.	20,244	2,125,013
^a Nutanix, Inc., Class A	20,244	1,249,460
NVIDIA Corp.	52,779	47,688,993
^a Palo Alto Networks, Inc.	18,753	5,328,290
QUALCOMM, Inc.	107,004	18,115,777
Skyworks Solutions, Inc.	13,496	1,461,887
^a Synopsys, Inc.	13,496	7,712,964
Texas Instruments, Inc.	74,228	12,931,260
Vontier Corp.	28,920	1,311,811
		461,652,462
Materials 1.9%		
Celanese Corp.	8,194	1,408,221
CF Industries Holdings, Inc.	17,352	1,443,860
Eagle Materials, Inc.	4,820	1,309,835
LyondellBasell Industries NV, Class A	24,100	2,464,948
NewMarket Corp.	1,928	1,223,547
Nucor Corp.	23,136	4,578,615
Packaging Corp. of America	7,309	1,387,102
Reliance, Inc.	5,302	1,771,822
Sherwin-Williams Co.	9,640	3,348,261
Southern Copper Corp.	15,424	1,642,965
Steel Dynamics, Inc.	15,906	2,357,746
U.S. Steel Corp.	26,510	1,081,078
		24,018,000
Real Estate 1.6%		
Cousins Properties, Inc.	54,466	1,309,363
EPR Properties	30,366	1,289,037
Gaming & Leisure Properties, Inc.	27,474	1,265,727
Kilroy Realty Corp.	32,776	1,194,030
Lamar Advertising Co., Class A	11,568	1,381,335
NET Lease Office Properties	51,092	1,215,989
NNN REIT, Inc.	30,848	1,318,443
Omega Healthcare Investors, Inc.	40,006	1,266,990
Public Storage	13,496	3,914,650
Simon Property Group, Inc.	31,812	4,978,260
STAG Industrial, Inc.	33,413	1,284,396
		20,418,220

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

	Shares	Value
Utilities 0.5%		
Atmos Energy Corp.	13,014	\$ 1,546,974
Hawaiian Electric Industries, Inc.	102,184	1,151,614
National Fuel Gas Co.	25,546	1,372,331
Vistra Corp.	31,812	2,215,706
		<u>6,286,625</u>
Total Common Stocks (Cost \$1,022,761,092)		<u>1,280,019,579</u>
Total Investments before Short-Term Investments (Cost \$1,022,761,092)		<u>1,280,019,579</u>
Short-Term Investments 0.2%		
Money Market Funds 0.2%		
^{b,c} Institutional Fiduciary Trust - Money Market Portfolio, 5.16%	2,867,178	2,867,178
Total Short-Term Investments (Cost \$2,867,178)		<u>2,867,178</u>
Total Investments (Cost \$1,025,628,270) 99.9%		<u>1,282,886,757</u>
Other Assets, less Liabilities 0.1%		<u>927,830</u>
Net Assets 100.0%		<u>\$1,283,814,587</u>

^aNon-income producing.

^bThe rate shown is the annualized seven-day effective yield at period end.

^cSee Note 3(c) regarding investments in affiliated management investment companies.

At March 31, 2024, the Fund had the following futures contracts outstanding. See Note 1(c).

Futures Contracts

Description	Type	Number of Contracts	Notional Amount*	Expiration Date	Value/Unrealized Appreciation (Depreciation)
Equity Contracts					
S&P 500 E-Mini	Long	13	\$3,450,525	6/21/24	\$56,086

*As of year end.

Financial Highlights

Franklin U.S. Mid Cap Multifactor Index ETF

	Year Ended March 31,				
	2024	2023	2022	2021	2020
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$43.31	\$44.90	\$40.84	\$24.94	\$30.32
Income from investment operations ^a :					
Net investment income ^b	0.80	0.71	0.54	0.45	0.50
Net realized and unrealized gains (losses)	9.95	(1.73)	4.03	15.86	(5.41)
Total from investment operations	10.75	(1.02)	4.57	16.31	(4.91)
Less distributions from net investment income	(0.61)	(0.57)	(0.51)	(0.41)	(0.47)
Net asset value, end of year	\$53.45	\$43.31	\$44.90	\$40.84	\$24.94
Total return ^c	25.04%	(2.17)%	11.18%	65.69%	(16.50)%
Ratios to average net assets^d					
Expenses before waiver and payments by affiliates	0.30%	0.30%	0.30%	0.30%	0.30%
Expenses net of waiver and payments by affiliates	0.30%	0.30%	0.30%	0.30%	0.30%
Net investment income	1.74%	1.69%	1.21%	1.30%	1.60%
Supplemental data					
Net assets, end of year (000's)	\$611,988	\$166,748	\$62,855	\$36,759	\$13,718
Portfolio turnover rate ^e	19.41% ^f	24.07% ^f	22.76% ^f	25.02% ^f	24.20% ^f

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of Creation Unit Fund shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cTotal return is not annualized for periods less than one year. Total return is calculated assuming an initial investment made at the net asset value at the beginning of the period, reinvestment of all dividends and distributions at net asset value during the period, and redemption at net asset value on the last day of the period.

^dRatios are annualized for periods less than one year.

^ePortfolio turnover rate includes portfolio transactions that are executed as a result of the Fund offering and redeeming Creation Units solely for cash ("Cash creations").

^fPortfolio turnover rate excluding cash creations was as follows:

19.41% 24.07% 22.76% 25.02% 24.20%

Schedule of Investments, March 31, 2024

Franklin U.S. Mid Cap Multifactor Index ETF

	Shares	Value
Common Stocks 99.8%		
Communication Services 1.7%		
Electronic Arts, Inc.	37,327	\$ 4,952,173
Omnicom Group, Inc.	47,174	4,564,556
Playtika Holding Corp.	11,450	80,723
TKO Group Holdings, Inc.	6,870	593,637
		10,191,089
Consumer Discretionary 17.8%		
Advance Auto Parts, Inc.	16,717	1,422,450
^a AutoNation, Inc.	8,015	1,327,124
Bath & Body Works, Inc.	48,777	2,439,826
Best Buy Co., Inc.	54,502	4,470,799
Brunswick Corp.	15,114	1,458,803
Carter's, Inc.	9,389	795,061
^b Choice Hotels International, Inc.	7,099	896,959
Columbia Sportswear Co.	7,786	632,067
^a Crocs, Inc.	9,618	1,383,068
^a Deckers Outdoor Corp.	5,394	5,077,156
Dick's Sporting Goods, Inc.	14,656	3,295,548
DR Horton, Inc.	40,304	6,632,023
eBay, Inc.	56,563	2,985,395
Garmin Ltd.	37,098	5,522,779
Genuine Parts Co.	30,228	4,683,224
^a Grand Canyon Education, Inc.	4,580	623,842
H&R Block, Inc.	38,472	1,889,360
Hasbro, Inc.	28,854	1,630,828
Kohl's Corp.	22,900	667,535
LKQ Corp.	55,418	2,959,875
Macy's, Inc.	67,097	1,341,269
^a Mister Car Wash, Inc.	11,221	86,963
Murphy USA, Inc.	3,435	1,439,952
Nordstrom, Inc.	26,106	529,169
^a NVR, Inc.	466	3,774,581
Penske Automotive Group, Inc.	5,038	816,106
Polaris, Inc.	13,511	1,352,721
Pool Corp.	8,702	3,511,257
PulteGroup, Inc.	45,800	5,524,396
Ralph Lauren Corp.	9,389	1,762,879
^a Skechers USA, Inc., Class A	29,770	1,823,710
Tapestry, Inc.	62,975	2,990,053
Tempur Sealy International, Inc.	39,846	2,264,050
Texas Roadhouse, Inc.	13,740	2,122,418
Toll Brothers, Inc.	10,076	1,303,532
Tractor Supply Co.	24,274	6,352,991
^a Ulta Beauty, Inc.	11,404	5,962,923
VF Corp.	69,387	1,064,397
^a Victoria's Secret & Co.	19,694	381,670
Williams-Sonoma, Inc.	19,236	6,108,007
Wingstop, Inc.	4,580	1,678,112
Yum! Brands, Inc.	40,991	5,683,402
		108,668,280
Consumer Staples 5.3%		
Albertsons Cos., Inc., Class A	99,386	2,130,836
^a BJ's Wholesale Club Holdings, Inc.	29,770	2,252,100
Casey's General Stores, Inc.	7,328	2,333,602
Church & Dwight Co., Inc.	48,090	5,016,268
Clorox Co.	28,854	4,417,836

Franklin U.S. Mid Cap Multifactor Index ETF (continued)

	Shares	Value
Consumer Staples (continued)		
^a Dollar Tree, Inc.	35,495	\$ 4,726,159
Flowers Foods, Inc.	48,777	1,158,454
Kroger Co.	116,332	6,646,047
Lamb Weston Holdings, Inc.	23,129	2,463,932
Walgreens Boots Alliance, Inc.	70,532	1,529,839
		<u>32,675,073</u>
Energy 6.6%		
Antero Midstream Corp.	81,295	1,143,008
APA Corp.	56,792	1,952,509
Chesapeake Energy Corp.	33,205	2,949,600
Coterra Energy, Inc., Class A	153,659	4,284,013
Devon Energy Corp.	114,500	5,745,610
Diamondback Energy, Inc.	33,434	6,625,616
HF Sinclair Corp.	27,251	1,645,143
Ovintiv, Inc.	60,227	3,125,781
Phillips 66	40,075	6,545,851
Range Resources Corp.	54,731	1,884,388
^a Southwestern Energy Co.	268,159	2,032,645
Texas Pacific Land Corp.	4,122	2,384,618
		<u>40,318,782</u>
Financials 12.0%		
Affiliated Managers Group, Inc.	8,931	1,495,675
Allstate Corp.	37,327	6,457,944
Ally Financial, Inc.	61,372	2,491,090
Assured Guaranty Ltd.	10,763	939,072
Cincinnati Financial Corp.	34,350	4,265,240
CNA Financial Corp.	5,496	249,628
^a Corpay, Inc.	12,137	3,744,750
Discover Financial Services	49,693	6,514,255
Everest Group Ltd.	8,015	3,185,963
First American Financial Corp.	22,442	1,370,084
Globe Life, Inc.	22,900	2,664,873
Hanover Insurance Group, Inc.	9,160	1,247,317
Hartford Financial Services Group, Inc.	55,189	5,687,226
Janus Henderson Group PLC	28,854	949,008
Kinsale Capital Group, Inc.	3,435	1,802,482
Lazard, Inc.	16,259	680,764
MGIC Investment Corp.	75,112	1,679,504
MSCI, Inc.	9,847	5,518,751
Old Republic International Corp.	43,052	1,322,557
OneMain Holdings, Inc.	19,923	1,017,866
Prosperity Bancshares, Inc.	18,549	1,220,153
Regions Financial Corp.	182,971	3,849,710
Rithm Capital Corp.	91,142	1,017,145
SEI Investments Co.	27,938	2,008,742
Synchrony Financial	104,882	4,522,512
T Rowe Price Group, Inc.	34,350	4,187,952
Unum Group	38,472	2,064,408
Western Union Co.	110,607	1,546,286
		<u>73,700,957</u>
Health Care 8.4%		
^a Acadia Healthcare Co., Inc.	19,923	1,578,300
Chemed Corp.	2,977	1,911,026
^a DaVita, Inc.	5,267	727,109
Encompass Health Corp.	28,854	2,382,763
^a IDEXX Laboratories, Inc.	10,992	5,934,911

Franklin U.S. Mid Cap Multifactor Index ETF (continued)

	Shares	Value
Health Care (continued)		
^a Incyte Corp.	44,884	\$ 2,557,041
^a Integra LifeSciences Holdings Corp.	6,412	227,305
^a Mettler-Toledo International, Inc.	4,122	5,487,577
^a Neurocrine Biosciences, Inc.	25,190	3,474,205
Organon & Co.	62,288	1,171,014
^a Qiagen NV	32,976	1,417,638
ResMed, Inc.	24,274	4,806,980
Royalty Pharma PLC, Class A	83,356	2,531,522
^a Shockwave Medical, Inc.	5,267	1,715,093
^a Tenet Healthcare Corp.	19,923	2,094,107
^a United Therapeutics Corp.	9,847	2,262,053
Universal Health Services, Inc., Class B	14,885	2,715,917
Viatis, Inc.	257,625	3,076,043
^a Waters Corp.	16,259	5,596,836
		<u>51,667,440</u>
Industrials 22.7%		
Allegion PLC	19,923	2,683,827
Allison Transmission Holdings, Inc.	24,045	1,951,492
Booz Allen Hamilton Holding Corp.	38,014	5,642,798
^a Builders FirstSource, Inc.	31,602	6,590,597
^a CACI International, Inc., Class A	2,061	780,769
CH Robinson Worldwide, Inc.	27,251	2,074,891
Cintas Corp.	9,343	6,418,921
Curtiss-Wright Corp.	7,786	1,992,749
Delta Air Lines, Inc.	60,914	2,915,953
Donaldson Co., Inc.	28,167	2,103,512
Dover Corp.	31,602	5,599,558
EMCOR Group, Inc.	4,351	1,523,720
Esab Corp.	10,763	1,190,065
Expeditors International of Washington, Inc.	37,098	4,510,004
Fastenal Co.	86,333	6,659,728
Ferguson PLC	29,999	6,552,682
Genpact Ltd.	30,915	1,018,649
Graco, Inc.	37,098	3,467,179
Landstar System, Inc.	8,473	1,633,256
Lennox International, Inc.	7,740	3,783,002
Lincoln Electric Holdings, Inc.	14,656	3,743,729
ManpowerGroup, Inc.	11,221	871,198
Masco Corp.	44,655	3,522,386
MSC Industrial Direct Co., Inc., Class A	12,595	1,222,219
Nordson Corp.	12,137	3,332,092
Old Dominion Freight Line, Inc.	26,564	5,825,751
Otis Worldwide Corp.	59,998	5,956,001
PACCAR, Inc.	48,777	6,042,983
Paychex, Inc.	42,136	5,174,301
Paycom Software, Inc.	10,305	2,050,798
Robert Half, Inc.	23,129	1,833,667
Rollins, Inc.	63,433	2,935,045
Ryder System, Inc.	9,618	1,155,987
^a Saia, Inc.	4,351	2,545,335
Schneider National, Inc., Class B	13,740	311,074
Snap-on, Inc.	13,511	4,002,228
Toro Co.	21,984	2,014,394
Trane Technologies PLC	22,900	6,874,580
Watsco, Inc.	8,015	3,462,240
WW Grainger, Inc.	6,544	6,657,211
		<u>138,626,571</u>

Franklin U.S. Mid Cap Multifactor Index ETF (continued)

	Shares	Value
Information Technology 12.2%		
Amdocs Ltd.	25,877	\$ 2,338,505
Avnet, Inc.	8,931	442,799
CDW Corp.	24,503	6,267,377
^a Cirrus Logic, Inc.	8,244	763,065
Crane NXT Co.	7,557	467,778
Dolby Laboratories, Inc., Class A	13,740	1,151,000
^a F5, Inc.	12,595	2,387,886
^a Fair Isaac Corp.	4,738	5,920,652
^a Gartner, Inc.	11,908	5,676,186
Gen Digital, Inc.	123,202	2,759,725
^a GoDaddy, Inc., Class A	23,816	2,826,483
Hewlett Packard Enterprise Co.	258,312	4,579,872
HP, Inc.	164,422	4,968,833
^a HubSpot, Inc.	6,412	4,017,503
Jabil, Inc.	18,091	2,423,289
Juniper Networks, Inc.	68,471	2,537,535
^a Manhattan Associates, Inc.	15,801	3,953,884
Monolithic Power Systems, Inc.	8,817	5,972,812
NetApp, Inc.	56,334	5,913,380
Teradyne, Inc.	32,289	3,643,168
^a VeriSign, Inc.	21,755	4,122,790
Vontier Corp.	37,785	1,713,928
		<u>74,848,450</u>
Materials 6.8%		
Avery Dennison Corp.	18,778	4,192,188
CF Industries Holdings, Inc.	45,342	3,772,908
International Paper Co.	70,990	2,770,030
LyondellBasell Industries NV, Class A	52,670	5,387,087
NewMarket Corp.	989	627,639
Nucor Corp.	30,228	5,982,121
Packaging Corp. of America	16,946	3,216,012
Reliance, Inc.	14,198	4,744,688
RPM International, Inc.	26,564	3,159,788
Sealed Air Corp.	34,579	1,286,339
Sonoco Products Co.	22,213	1,284,800
Steel Dynamics, Inc.	35,953	5,329,313
		<u>41,752,913</u>
Real Estate 4.2%		
AvalonBay Communities, Inc.	27,709	5,141,682
Boston Properties, Inc.	23,816	1,555,423
Camden Property Trust	21,526	2,118,158
EastGroup Properties, Inc.	7,099	1,276,187
Equity LifeStyle Properties, Inc.	29,999	1,931,936
Extra Space Storage, Inc.	33,434	4,914,798
Highwoods Properties, Inc.	26,106	683,455
Kilroy Realty Corp.	16,717	609,000
NNN REIT, Inc.	39,159	1,673,656
STAG Industrial, Inc.	28,167	1,082,740
VICI Properties, Inc.	150,224	4,475,173
		<u>25,462,208</u>
Utilities 2.1%		
American Water Works Co., Inc.	35,037	4,281,872
Consolidated Edison, Inc.	55,189	5,011,713
National Fuel Gas Co.	18,091	971,849

Franklin U.S. Mid Cap Multifactor Index ETF (continued)

	Shares	Value
Utilities (continued)		
Vistra Corp.	34,579	\$ 2,408,427
		12,673,861
Total Common Stocks (Cost \$518,973,049)		610,585,624
Total Investments before Short-Term Investments (Cost \$518,973,049)		610,585,624
Short-Term Investments 0.3%		
Investments from Cash Collateral Received for Loaned Securities 0.1%		
Money Market Funds 0.1%		
^{c,d} Institutional Fiduciary Trust - Money Market Portfolio, 5.16%	717,750	717,750
Money Market Funds 0.2%		
^{c,d} Institutional Fiduciary Trust - Money Market Portfolio, 5.16%	1,346,815	1,346,815
Total Short-Term Investments (Cost \$2,064,565)		2,064,565
Total Investments (Cost \$521,037,614) 100.1%		612,650,189
Other Assets, less Liabilities (0.1%)		(662,535)
Net Assets 100.0%		\$611,987,654

^aNon-income producing.

^bA portion or all of the security is on loan at March 31, 2024. See Note 1(d).

^cThe rate shown is the annualized seven-day effective yield at period end.

^dSee Note 3(c) regarding investments in affiliated management investment companies.

At March 31, 2024, the Fund had the following futures contracts outstanding. See Note 1(c).

Futures Contracts

Description	Type	Number of Contracts	Notional Amount*	Expiration Date	Value/Unrealized Appreciation (Depreciation)
Equity Contracts					
S&P MidCap 400 E-Mini	Long	4	\$1,230,960	6/21/24	\$38,692

*As of year end.

Financial Highlights

Franklin U.S. Small Cap Multifactor Index ETF

	Year Ended March 31,				
	2024	2023	2022	2021	2020
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	\$34.10	\$36.16	\$36.53	\$20.48	\$27.66
Income from investment operations ^a :					
Net investment income ^b	0.55	0.54	0.38	0.28	0.39
Net realized and unrealized gains (losses)	6.41	(2.10)	(0.36)	16.15	(7.15)
Total from investment operations	6.96	(1.56)	0.02	16.43	(6.76)
Less distributions from net investment income	(0.49)	(0.50)	(0.39)	(0.38)	(0.42)
Net asset value, end of year	\$40.57	\$34.10	\$36.16	\$36.53	\$20.48
Total return ^c	20.59%	(4.21)%	0.02%	80.74%	(24.83)%
Ratios to average net assets^d					
Expenses before waiver and payments by affiliates	0.35%	0.35%	0.35%	0.35%	0.35%
Expenses net of waiver and payments by affiliates	0.35%	0.35%	0.35%	0.35%	0.35%
Net investment income	1.53%	1.60%	1.00%	0.99%	1.41%
Supplemental data					
Net assets, end of year (000's)	\$36,510	\$17,048	\$16,273	\$14,613	\$13,310
Portfolio turnover rate ^e	23.57% ^f	28.79% ^f	27.64% ^f	34.77% ^f	23.83% ^f

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of Creation Unit Fund shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cTotal return is not annualized for periods less than one year. Total return is calculated assuming an initial investment made at the net asset value at the beginning of the period, reinvestment of all dividends and distributions at net asset value during the period, and redemption at net asset value on the last day of the period.

^dRatios are annualized for periods less than one year.

^ePortfolio turnover rate includes portfolio transactions that are executed as a result of the Fund offering and redeeming Creation Units solely for cash ("Cash creations").

^fPortfolio turnover rate excluding cash creations was as follows: 23.57% 28.79% 27.64% 34.77% 23.83%

Schedule of Investments, March 31, 2024

Franklin U.S. Small Cap Multifactor Index ETF

	Shares	Value
Common Stocks 99.9%		
Communication Services 2.4%		
^a AMC Networks, Inc., Class A	1,368	\$ 16,594
^a Cargurus, Inc.	3,078	71,040
Cogent Communications Holdings, Inc.	2,070	135,233
IDT Corp., Class B	702	26,543
John Wiley & Sons, Inc., Class A	1,926	73,438
^a Liberty Latin America Ltd., Class A	1,548	10,790
^a Ooma, Inc.	1,170	9,980
^a Playstudios, Inc.	3,654	10,158
Scholastic Corp.	1,278	48,193
Shutterstock, Inc.	1,170	53,598
Spok Holdings, Inc.	738	11,771
TEGNA, Inc.	9,666	144,410
Telephone & Data Systems, Inc.	4,896	78,434
^a Thryv Holdings, Inc.	1,206	26,809
^a Yelp, Inc.	3,762	148,223
^a ZipRecruiter, Inc., Class A	3,114	35,780
		900,994
Consumer Discretionary 17.5%		
^a 1-800-Flowers.com, Inc., Class A	1,242	13,451
^a Abercrombie & Fitch Co., Class A	2,610	327,111
Academy Sports & Outdoors, Inc.	3,366	227,340
Acushnet Holdings Corp.	1,818	119,897
^a Adtalem Global Education, Inc.	1,638	84,193
American Eagle Outfitters, Inc.	7,596	195,901
^a Asbury Automotive Group, Inc.	918	216,446
Bloomin' Brands, Inc.	5,400	154,872
Buckle, Inc.	1,782	71,761
Build-A-Bear Workshop, Inc.	666	19,893
Caleres, Inc.	1,764	72,377
Camping World Holdings, Inc., Class A	1,944	54,140
Cato Corp., Class A	774	4,466
Cheesecake Factory, Inc.	2,934	106,064
^a Chuy's Holdings, Inc.	918	30,964
Cracker Barrel Old Country Store, Inc.	1,368	99,495
Designer Brands, Inc., Class A	1,584	17,313
^a Destination XL Group, Inc.	2,538	9,137
Dillard's, Inc., Class A	206	97,158
^a Duluth Holdings, Inc., Class B	666	3,263
^a Duolingo, Inc.	1,008	222,345
^a Envela Corp.	198	915
Escalade, Inc.	342	4,702
Ethan Allen Interiors, Inc.	1,314	45,425
^a Figs, Inc., Class A	6,462	32,181
Foot Locker, Inc.	3,672	104,652
^a Frontdoor, Inc.	3,582	116,702
^a Genesco, Inc.	576	16,209
^a G-III Apparel Group Ltd.	1,872	54,307
Group 1 Automotive, Inc.	666	194,625
Guess?, Inc.	1,368	43,051
Haverty Furniture Cos., Inc.	918	31,322
^a Helen of Troy Ltd.	1,026	118,236
Hibbett, Inc.	666	51,155
Hooker Furnishings Corp.	360	8,644
Installed Building Products, Inc.	1,170	302,714
^a J Jill, Inc.	180	5,755
Jack in the Box, Inc.	774	53,003

Franklin U.S. Small Cap Multifactor Index ETF (continued)

	Shares	Value
Consumer Discretionary (continued)		
^a JAKKS Pacific, Inc.	252	\$ 6,224
Johnson Outdoors, Inc., Class A	234	10,790
Kontoor Brands, Inc.	3,168	190,872
La-Z-Boy, Inc.	2,250	84,645
LCI Industries	1,134	139,550
^a Lincoln Educational Services Corp.	882	9,111
^a Lovesac Co.	630	14,238
^a M/I Homes, Inc.	882	120,208
^a Malibu Boats, Inc., Class A	864	37,394
Marine Products Corp.	504	5,922
^a MasterCraft Boat Holdings, Inc.	774	18,359
MDC Holdings, Inc.	2,538	159,666
^a Modine Manufacturing Co.	2,034	193,616
Monarch Casino & Resort, Inc.	630	47,244
Monro, Inc.	1,332	42,011
Movado Group, Inc.	864	24,132
Nathan's Famous, Inc.	108	7,646
^a ODP Corp.	1,746	92,625
^a ONE Group Hospitality, Inc.	1,026	5,715
Oxford Industries, Inc.	810	91,044
Papa John's International, Inc.	1,458	97,103
Patrick Industries, Inc.	918	109,673
Perdoceo Education Corp.	3,942	69,221
^a Portillo's, Inc., Class A	1,728	24,503
^a Potbelly Corp.	936	11,335
^a Revolve Group, Inc.	2,052	43,441
Rocky Brands, Inc.	306	8,302
^a Sally Beauty Holdings, Inc.	6,174	76,681
Shoe Carnival, Inc.	810	29,678
Signet Jewelers Ltd.	2,124	212,549
Smith & Wesson Brands, Inc.	2,178	37,810
Sonic Automotive, Inc., Class A	774	44,072
^a Sonos, Inc.	5,238	99,836
^a Sportsman's Warehouse Holdings, Inc.	2,052	6,382
Standard Motor Products, Inc.	1,062	35,630
Steven Madden Ltd.	3,888	164,385
Strategic Education, Inc.	1,152	119,946
^a Stride, Inc.	2,106	132,783
Sturm Ruger & Co., Inc.	846	39,043
^a Super Group SGHC Ltd.	3,042	10,495
^a Target Hospitality Corp.	1,026	11,153
^a Tile Shop Holdings, Inc.	1,476	10,376
^{a,b} Torrid Holdings, Inc.	468	2,284
^a United Homes Group, Inc.	144	1,007
^a Universal Technical Institute, Inc.	1,332	21,232
Upbound Group, Inc.	2,898	102,039
^a Vera Bradley, Inc.	594	4,039
Weyco Group, Inc.	342	10,903
Winmark Corp.	153	55,340
Winnebago Industries, Inc.	882	65,268
Wolverine World Wide, Inc.	3,348	37,531
^a XPEL, Inc.	990	53,480
		<u>6,379,717</u>
Consumer Staples 8.2%		
^a BellRing Brands, Inc.	5,850	345,325
Cal-Maine Foods, Inc.	1,782	104,871
^a Central Garden & Pet Co.	450	19,274
^a Central Garden & Pet Co., Class A	2,412	89,051

Franklin U.S. Small Cap Multifactor Index ETF (continued)

	Shares	Value
Consumer Staples (continued)		
Coca-Cola Consolidated, Inc.	259	\$ 219,220
Edgewell Personal Care Co.	2,052	79,289
^a elf Beauty, Inc.	2,502	490,467
Energizer Holdings, Inc.	1,728	50,872
Ingles Markets, Inc., Class A	738	56,590
Inter Parfums, Inc.	1,008	141,634
J & J Snack Foods Corp.	576	83,267
John B Sanfilippo & Son, Inc.	414	43,851
Lancaster Colony Corp.	846	175,655
Medifast, Inc.	612	23,452
^a National Beverage Corp.	1,260	59,800
Natural Grocers by Vitamin Cottage, Inc., Class C	491	8,863
^a Nature's Sunshine Products, Inc.	468	9,720
Nu Skin Enterprises, Inc., Class A	2,934	40,577
Oil-Dri Corp. of America	180	13,421
PriceSmart, Inc.	1,170	98,280
SpartanNash Co.	1,818	36,742
^a Sprouts Farmers Market, Inc.	5,418	349,353
^a United Natural Foods, Inc.	2,322	26,680
Universal Corp.	1,206	62,374
^a USANA Health Sciences, Inc.	576	27,936
Vector Group Ltd.	7,092	77,728
Village Super Market, Inc., Class A	522	14,934
WD-40 Co.	738	186,943
Weis Markets, Inc.	918	59,119
		2,995,288
Energy 6.1%		
Archrock, Inc.	3,096	60,898
Ardmore Shipping Corp.	1,530	25,123
Atlas Energy Solutions, Inc.	396	8,958
California Resources Corp.	3,420	188,442
Chord Energy Corp.	1,944	346,499
Civitas Resources, Inc.	2,700	204,957
^a CNX Resources Corp.	3,438	81,549
Comstock Resources, Inc.	3,708	34,410
CONSOL Energy, Inc.	1,854	155,291
Crescent Energy Co., Class A	2,232	26,561
CVR Energy, Inc.	1,206	43,006
Evolution Petroleum Corp.	1,170	7,184
Granite Ridge Resources, Inc.	1,152	7,488
^a Gulfport Energy Corp.	378	60,525
International Seaways, Inc.	1,296	68,947
Magnolia Oil & Gas Corp., Class A	7,722	200,386
Northern Oil & Gas, Inc.	3,006	119,278
^a Par Pacific Holdings, Inc.	1,152	42,693
PBF Energy, Inc., Class A	2,502	144,040
Peabody Energy Corp.	4,464	108,297
Riley Exploration Permian, Inc.	342	11,286
Scorpio Tankers, Inc.	1,584	113,335
SFL Corp. Ltd.	5,436	71,646
^a SilverBow Resources, Inc.	756	25,810
Teekay Tankers Ltd., Class A	522	30,490
VAALCO Energy, Inc.	4,536	31,616
		2,218,715
Financials 9.8%		
1st Source Corp.	774	40,573
^a Ambac Financial Group, Inc.	1,548	24,195

Franklin U.S. Small Cap Multifactor Index ETF (continued)

	Shares	Value
Financials (continued)		
Arrow Financial Corp.	648	\$ 16,213
Associated Banc-Corp.	6,822	146,741
Banco Latinoamericano de Comercio Exterior SA, Class E	1,350	39,987
Bank of Marin Bancorp	504	8,452
^b Blackstone Mortgage Trust, Inc., Class A	8,622	171,664
Brookline Bancorp, Inc.	3,816	38,007
Cass Information Systems, Inc.	522	25,145
Chemung Financial Corp.	126	5,353
City Holding Co.	612	63,783
^a Consumer Portfolio Services, Inc.	360	2,722
CVB Financial Corp.	5,292	94,409
Donegal Group, Inc., Class A	666	9,417
^a Donnelley Financial Solutions, Inc.	1,098	68,087
Dynex Capital, Inc.	2,142	26,668
Eagle Bancorp, Inc.	990	23,255
Enact Holdings, Inc.	1,422	44,338
^a Enova International, Inc.	954	59,940
ESSA Bancorp, Inc.	324	5,907
Essent Group Ltd.	4,518	268,866
EVERTEC, Inc.	2,754	109,885
Farmers & Merchants Bancorp, Inc.	432	9,629
Farmers National Banc Corp.	1,404	18,757
Financial Institutions, Inc.	630	11,857
First Business Financial Services, Inc.	342	12,825
First Foundation, Inc.	2,160	16,308
First Merchants Corp.	2,538	88,576
First of Long Island Corp.	1,170	12,975
FirstCash Holdings, Inc.	1,134	144,630
Flushing Financial Corp.	1,062	13,392
^a Genworth Financial, Inc., Class A	20,430	131,365
German American Bancorp, Inc.	1,206	41,776
Granite Point Mortgage Trust, Inc.	1,152	5,495
Guaranty Bancshares, Inc.	360	10,930
Home Bancorp, Inc.	252	9,654
Home BancShares, Inc.	6,012	147,715
Hope Bancorp, Inc.	4,716	54,281
^a International Money Express, Inc.	1,836	41,916
Investors Title Co.	54	8,812
Jackson Financial, Inc., Class A	3,528	233,342
KKR Real Estate Finance Trust, Inc.	1,980	19,919
Lakeland Bancorp, Inc.	3,042	36,808
Macatawa Bank Corp.	1,044	10,221
Mercury General Corp.	1,062	54,799
^a Mr Cooper Group, Inc.	2,898	225,899
National Western Life Group, Inc., Class A	116	57,067
NBT Bancorp, Inc.	2,052	75,267
^a NerdWallet, Inc., Class A	1,692	24,872
Nexpoint Real Estate Finance, Inc.	306	4,394
^a NMI Holdings, Inc., Class A	3,150	101,871
Northeast Community Bancorp, Inc.	486	7,645
Northfield Bancorp, Inc.	1,962	19,071
Northwest Bancshares, Inc.	5,688	66,265
OceanFirst Financial Corp.	2,412	39,581
Parke Bancorp, Inc.	504	8,681
Penns Woods Bancorp, Inc.	216	4,193
Peoples Bancorp, Inc.	1,458	43,171
Peoples Financial Services Corp.	306	13,192
Preferred Bank	450	34,547
Regional Management Corp.	342	8,280

Franklin U.S. Small Cap Multifactor Index ETF (continued)

	Shares	Value
Financials (continued)		
Selective Insurance Group, Inc.	1,854	\$ 202,401
Southern Missouri Bancorp, Inc.	378	16,522
Summit Financial Group, Inc.	414	11,244
Tompkins Financial Corp.	630	31,683
TPG RE Finance Trust, Inc.	3,258	25,152
TrustCo Bank Corp.	792	22,303
Victory Capital Holdings, Inc., Class A	1,206	51,171
West BanCorp, Inc.	774	13,800
^a World Acceptance Corp.	198	28,706
		<u>3,566,567</u>
Health Care 6.8%		
^a ACADIA Pharmaceuticals, Inc.	4,284	79,211
^a Alkermes PLC	7,434	201,238
^a AMN Healthcare Services, Inc.	2,106	131,646
^a Amphastar Pharmaceuticals, Inc.	1,260	55,327
^a AtriCure, Inc.	2,052	62,422
Atrion Corp.	54	25,032
^a Axogen, Inc.	1,314	10,604
^a Biote Corp., Class A	324	1,879
^a Catalyst Pharmaceuticals, Inc.	4,590	73,165
^a Community Health Systems, Inc.	5,760	20,160
CONMED Corp.	1,350	108,108
^a Corcept Therapeutics, Inc.	4,014	101,113
^a CorVel Corp.	414	108,865
^a Cross Country Healthcare, Inc.	1,710	32,011
^a Eagle Pharmaceuticals, Inc.	522	2,735
Embeta Corp.	2,970	39,412
^a Harmony Biosciences Holdings, Inc.	1,008	33,849
^a Harvard Bioscience, Inc.	1,440	6,106
^a Hims & Hers Health, Inc.	4,608	71,286
^a Ideaya Biosciences, Inc.	1,260	55,289
^a Inari Medical, Inc.	2,070	99,319
^a InfuSystem Holdings, Inc.	684	5,862
^a Inmode Ltd.	2,916	63,015
^a Innoviva, Inc.	3,240	49,378
iRadimed Corp.	396	17,420
^a Ironwood Pharmaceuticals, Inc.	6,300	54,873
^a Joint Corp.	738	9,638
^a Kiniksa Pharmaceuticals Ltd., Class A	1,026	20,243
LeMaitre Vascular, Inc.	828	54,946
^a Merit Medical Systems, Inc.	2,376	179,982
^a MiMedx Group, Inc.	4,590	35,343
National HealthCare Corp.	612	57,840
National Research Corp.	774	30,658
^a Nevro Corp.	1,242	17,934
^a Organogenesis Holdings, Inc.	3,042	8,639
Patterson Cos., Inc.	4,572	126,416
^a Pediatrix Medical Group, Inc.	4,698	47,121
Phibro Animal Health Corp., Class A	1,080	13,964
^a Prestige Consumer Healthcare, Inc.	2,322	168,484
^a Protalix BioTherapeutics, Inc.	1,548	1,950
^a Quipt Home Medical Corp.	1,350	5,900
^a Semler Scientific, Inc.	198	5,784
SIGA Technologies, Inc.	2,106	18,027
^a Surmodics, Inc.	306	8,978
^a Tactile Systems Technology, Inc.	1,062	17,257
^a Treace Medical Concepts, Inc.	1,926	25,134
^a UFP Technologies, Inc.	270	68,094

Franklin U.S. Small Cap Multifactor Index ETF (continued)

	Shares	Value
Health Care (continued)		
^a Vanda Pharmaceuticals, Inc.	2,592	\$ 10,653
^a Viemed Healthcare, Inc.	1,170	11,033
^a Zymeworks, Inc.	1,206	12,687
^{a,b} Zynex, Inc.	1,170	14,473
		2,480,503
Industrials 23.7%		
ACCO Brands Corp.	4,500	25,245
Alamo Group, Inc.	468	106,858
Allient, Inc.	630	22,478
Apogee Enterprises, Inc.	468	27,706
Applied Industrial Technologies, Inc.	1,998	394,705
Atkore, Inc.	1,728	328,942
^a Atmus Filtration Technologies, Inc.	360	11,610
Barrett Business Services, Inc.	306	38,776
^a BlueLinx Holdings, Inc.	360	46,886
Boise Cascade Co.	1,872	287,109
^a Bowman Consulting Group Ltd.	342	11,898
Brink's Co.	2,178	201,204
^a Cimpress PLC	918	81,252
Comfort Systems USA, Inc.	1,566	497,534
CompX International, Inc.	76	2,607
^a Concrete Pumping Holdings, Inc.	954	7,537
Costamare, Inc.	2,250	25,538
Covenant Logistics Group, Inc.	522	24,200
CRA International, Inc.	306	45,771
CSG Systems International, Inc.	1,602	82,567
CSW Industrials, Inc.	666	156,244
^a Daseke, Inc.	1,818	15,089
Deluxe Corp.	2,178	44,845
^a Distribution Solutions Group, Inc.	414	14,689
^a DXP Enterprises, Inc.	648	34,817
Eagle Bulk Shipping, Inc.	486	30,360
Encore Wire Corp.	702	184,472
Ennis, Inc.	1,314	26,950
ESCO Technologies, Inc.	1,062	113,687
Exponent, Inc.	2,520	208,379
Forward Air Corp.	1,260	39,199
^a Franklin Covey Co.	594	23,320
Franklin Electric Co., Inc.	2,250	240,323
^a GEO Group, Inc.	4,878	68,877
Global Industrial Co.	792	35,466
^a GMS, Inc.	2,106	204,998
Gorman-Rupp Co.	918	36,307
H&E Equipment Services, Inc.	1,368	87,798
^a Healthcare Services Group, Inc.	3,276	40,884
Heartland Express, Inc.	2,394	28,584
Heidrick & Struggles International, Inc.	1,170	39,382
Hillenbrand, Inc.	2,844	143,025
HNI Corp.	2,412	108,854
^a Hudson Technologies, Inc.	1,872	20,611
^a Huron Consulting Group, Inc.	396	38,262
Hyster-Yale Materials Handling, Inc.	234	15,016
^a IBEX Holdings Ltd.	414	6,388
ICF International, Inc.	954	143,701
^a IES Holdings, Inc.	288	35,032
Insperty, Inc.	1,674	183,487
Kadant, Inc.	558	183,080
Karat Packaging, Inc.	288	8,240

Franklin U.S. Small Cap Multifactor Index ETF (continued)

	Shares	Value
Industrials (continued)		
Kelly Services, Inc., Class A	1,494	\$ 37,410
Kforce, Inc.	1,098	77,431
Korn Ferry	2,844	187,021
^a Legalzoom.com, Inc.	5,616	74,917
^a Liquidity Services, Inc.	1,098	20,423
LSI Industries, Inc.	936	14,152
Luxfer Holdings PLC	1,170	12,133
Marten Transport Ltd.	2,736	50,561
^a Masterbrand, Inc.	4,302	80,619
Matson, Inc.	1,620	182,088
Matthews International Corp., Class A	1,170	36,364
McGrath RentCorp	1,098	135,460
Miller Industries, Inc.	486	24,349
MillerKnoll, Inc.	3,330	82,451
^a Mistras Group, Inc.	756	7,227
Moog, Inc., Class A	990	158,054
Mueller Industries, Inc.	5,166	278,602
Mueller Water Products, Inc., Class A	6,480	104,263
National Presto Industries, Inc.	216	18,101
NL Industries, Inc.	414	3,035
^a NV5 Global, Inc.	630	61,746
Omega Flex, Inc.	198	14,044
^a PAM Transportation Services, Inc.	288	4,668
^a Performant Financial Corp.	2,754	8,097
Pitney Bowes, Inc.	6,516	28,214
Preformed Line Products Co.	126	16,212
^a Radiant Logistics, Inc.	1,818	9,854
Resources Connection, Inc.	1,818	23,925
Rush Enterprises, Inc., Class A	2,808	150,284
Rush Enterprises, Inc., Class B	450	23,981
Safe Bulkers, Inc.	2,772	13,749
Simpson Manufacturing Co., Inc.	1,926	395,177
Standex International Corp.	540	98,399
Steelcase, Inc., Class A	4,266	55,799
Tennant Co.	990	120,394
^a Thermon Group Holdings, Inc.	702	22,969
^a Titan Machinery, Inc.	936	23,222
^a Transcat, Inc.	306	34,098
TriNet Group, Inc.	1,188	157,398
^a TrueBlue, Inc.	1,242	15,550
UFP Industries, Inc.	2,790	343,198
UniFirst Corp.	630	109,261
Universal Logistics Holdings, Inc.	324	11,946
Wabash National Corp.	1,476	44,191
Watts Water Technologies, Inc., Class A	1,422	302,246
Werner Enterprises, Inc.	3,654	142,945
		<u>8,647,017</u>
Information Technology 14.0%		
A10 Networks, Inc.	3,978	54,459
Adeia, Inc.	2,430	26,536
American Software, Inc., Class A	1,332	15,251
^a Appfolio, Inc., Class A	918	226,507
^a Aviat Networks, Inc.	450	17,253
^a Axcelis Technologies, Inc.	1,098	122,449
Badger Meter, Inc.	1,404	227,181
Belden, Inc.	1,584	146,694
^a Blackbaud, Inc.	1,926	142,794
^a Box, Inc., Class A	5,148	145,791

Franklin U.S. Small Cap Multifactor Index ETF (continued)

	Shares	Value
Information Technology (continued)		
^a Calix, Inc.	2,322	\$ 76,998
Climb Global Solutions, Inc.	126	8,931
^a CommVault Systems, Inc.	2,412	244,649
^a CompoSecure, Inc.	558	4,034
^a Consensus Cloud Solutions, Inc.	882	13,989
^a CPI Card Group, Inc.	90	1,607
^a eGain Corp.	954	6,153
^a Enfusion, Inc., Class A	1,494	13,820
^a ePlus, Inc.	1,278	100,374
^a Extreme Networks, Inc.	5,922	68,340
Hackett Group, Inc.	1,260	30,618
^a Harmonic, Inc.	4,068	54,674
Immersion Corp.	1,044	7,809
Information Services Group, Inc.	1,602	6,472
^a Insight Enterprises, Inc.	1,404	260,470
InterDigital, Inc.	918	97,730
^a inTEST Corp.	360	4,770
Kulicke & Soffa Industries, Inc.	2,538	127,687
^a MicroStrategy, Inc., Class A	297	506,254
^a Mitek Systems, Inc.	918	12,944
Napco Security Technologies, Inc.	1,584	63,614
^a NetScout Systems, Inc.	2,736	59,754
^a Novanta, Inc.	1,674	292,565
NVE Corp.	198	17,856
^a OneSpan, Inc.	1,692	19,678
^a OSI Systems, Inc.	792	113,114
PC Connection, Inc.	522	34,416
^a Plexus Corp.	576	54,616
Power Integrations, Inc.	2,484	177,730
Progress Software Corp.	2,124	113,231
^a PROS Holdings, Inc.	1,458	52,969
^a Qualys, Inc.	1,728	288,351
^a Rambus, Inc.	4,662	288,158
Richardson Electronics Ltd.	414	3,813
^a Rimini Street, Inc.	2,772	9,037
Sapiens International Corp. NV	1,008	32,417
^a SPS Commerce, Inc.	1,800	332,820
^a Squarespace, Inc., Class A	2,304	83,958
Vishay Intertechnology, Inc.	5,634	127,779
^a Vishay Precision Group, Inc.	522	18,442
^a Workiva, Inc.	1,566	132,797
^a Yext, Inc.	3,942	23,770
		5,114,123
Materials 3.7%		
Alpha Metallurgical Resources, Inc.	450	149,027
Arch Resources, Inc.	810	130,240
Caledonia Mining Corp. PLC	540	5,978
Commercial Metals Co.	4,842	284,564
^a Core Molding Technologies, Inc.	234	4,430
Greif, Inc., Class A	1,296	89,489
Greif, Inc., Class B	270	18,770
Hawkins, Inc.	414	31,795
Innospec, Inc.	1,080	139,255
Myers Industries, Inc.	1,746	40,455
Olympic Steel, Inc.	396	28,068
Ramaco Resources, Inc., Class A	936	15,762
Ramaco Resources, Inc., Class B	234	2,937
Ryerson Holding Corp.	1,044	34,974

Franklin U.S. Small Cap Multifactor Index ETF (continued)

	Shares	Value
Materials (continued)		
Sensient Technologies Corp.	1,818	\$ 125,787
SunCoke Energy, Inc.	3,510	39,558
Sylvamo Corp.	1,476	91,128
Warrior Met Coal, Inc.	2,250	136,575
		<u>1,368,792</u>
Real Estate 3.6%		
American Assets Trust, Inc.	2,142	46,931
Broadstone Net Lease, Inc.	8,064	126,363
CareTrust REIT, Inc.	5,328	129,843
City Office REIT, Inc.	1,890	9,847
Community Healthcare Trust, Inc.	1,152	30,585
COPT Defense Properties	5,292	127,908
^a Forestar Group, Inc.	612	24,596
Four Corners Property Trust, Inc.	3,960	96,901
Hudson Pacific Properties, Inc.	5,112	32,972
Innovative Industrial Properties, Inc.	918	95,050
LTC Properties, Inc.	1,764	57,348
Marcus & Millichap, Inc.	1,044	35,673
Orion Office REIT, Inc.	2,070	7,266
Piedmont Office Realty Trust, Inc., Class A	4,662	32,774
PotlatchDeltic Corp.	3,582	168,426
RE/MAX Holdings, Inc., Class A	1,026	8,998
Retail Opportunity Investments Corp.	4,590	58,844
RMR Group, Inc., Class A	774	18,576
Tanger, Inc.	5,022	148,300
^a Transcontinental Realty Investors, Inc.	54	2,033
Universal Health Realty Income Trust	468	17,180
Whitestone REIT	2,196	27,560
		<u>1,303,974</u>
Utilities 4.1%		
American States Water Co.	1,854	133,933
Artesian Resources Corp., Class A	378	14,028
Avista Corp.	3,348	117,247
California Water Service Group	2,826	131,352
Genie Energy Ltd., Class B	720	10,858
Global Water Resources, Inc.	504	6,471
MGE Energy, Inc.	1,620	127,526
Northwest Natural Holding Co.	1,548	57,617
Northwestern Energy Group, Inc.	2,610	132,927
Otter Tail Corp.	1,710	147,744
PNM Resources, Inc.	3,816	143,634
SJW Group	1,350	76,397
Southwest Gas Holdings, Inc.	3,114	237,069
Spire, Inc.	2,016	123,722
Unitil Corp.	684	35,807
York Water Co.	684	24,809
		<u>1,521,141</u>
Total Common Stocks (Cost \$30,970,615)		<u>36,496,831</u>
Total Investments before Short-Term Investments (Cost \$30,970,615)		<u>36,496,831</u>
Short-Term Investments 0.7%		
Investments from Cash Collateral Received for Loaned Securities 0.5%		
Money Market Funds 0.5%		
^{c,d} Institutional Fiduciary Trust - Money Market Portfolio, 5.16%	167,840	167,840

Franklin U.S. Small Cap Multifactor Index ETF (continued)

	Shares	Value
Short-Term Investments (continued)		
Money Market Funds 0.2%		
^{c,d} Institutional Fiduciary Trust - Money Market Portfolio, 5.16%	78,668	78,668
Total Short-Term Investments (Cost \$246,508)		<u>246,508</u>
Total Investments (Cost \$31,217,123) 100.6%		36,743,339
Other Assets, less Liabilities (0.6)%		<u>(233,783)</u>
Net Assets 100.0%		<u>\$36,509,556</u>

^aNon-income producing.

^bA portion or all of the security is on loan at March 31, 2024. See Note 1(d).

^cThe rate shown is the annualized seven-day effective yield at period end.

^dSee Note 3(c) regarding investments in affiliated management investment companies.

At March 31, 2024, the Fund had the following futures contracts outstanding. See Note 1(c).

Futures Contracts

Description	Type	Number of Contracts	Notional Amount*	Expiration Date	Value/Unrealized Appreciation (Depreciation)
Index Contracts					
Micro E-Mini Russell 2000 Index Futures	Long	2	\$21,459	6/21/24	\$529

*As of year end.

See Note 7 regarding other derivative information.
See Abbreviations on page 120.

Statements of Assets and Liabilities
March 31, 2024

	Franklin Emerging Market Core Dividend Tilt Index ETF	Franklin International Core Dividend Tilt Index ETF	Franklin U.S. Core Dividend Tilt Index ETF
Assets:			
Investments in securities:			
Cost – Unaffiliated issuers	\$ 13,147,871	\$694,632,732	\$52,783,961
Cost – Non-controlled affiliates (Note 3c)	—	4,095,900	164,064
Value – Unaffiliated issuers*	\$ 12,804,902	\$759,378,610	\$62,241,540
Value – Non-controlled affiliates (Note 3c)	—	4,095,900	164,064
Cash	—	33,812	20,674
Foreign currency, at value (cost \$39,417, \$2,299,546 and \$7, respectively)	39,354	2,291,462	7
Receivables:			
Dividends and interest	70,908	4,189,032	100,619
European Union tax reclaims receivable (Note 1e)	—	297,703	—
Variation margin on futures contracts	212	—	4,387
Deposits with brokers for:			
Futures contracts	1,512	190,569	6,275
Total assets	12,916,888	770,477,088	62,537,566
Liabilities:			
Payables:			
Investment securities purchased	—	—	739
European Union tax reclaims contingency fees payable (Note 1e)	—	74,426	—
Management fees	2,058	56,423	3,060
Variation margin on futures contracts	—	51,542	—
Funds advanced by custodian	16,539	—	—
Payable upon return of securities loaned	—	4,095,900	—
Deferred tax	60,079	—	—
Total liabilities	78,676	4,278,291	3,799
Net assets, at value	\$ 12,838,212	\$766,198,797	\$62,533,767
Net assets consist of:			
Paid-in capital	\$ 43,917,962	\$704,425,089	\$53,631,622
Total distributable earnings (loss)	(31,079,750)	61,773,708	8,902,145
Net assets, at value	\$ 12,838,212	\$766,198,797	\$62,533,767
Shares outstanding	500,000	23,900,000	1,550,000
Net asset value per share	\$ 25.68	\$ 32.06	\$ 40.34
*Includes securities loaned	—	3,890,335	—

Statements of Assets and Liabilities (continued)
March 31, 2024

	Franklin U.S. Large Cap Multifactor Index ETF	Franklin U.S. Mid Cap Multifactor Index ETF	Franklin U.S. Small Cap Multifactor Index ETF
Assets:			
Investments in securities:			
Cost – Unaffiliated issuers	\$1,022,761,092	\$518,973,049	\$30,970,615
Cost – Non-controlled affiliates (Note 3c)	2,867,178	2,064,565	246,508
Value – Unaffiliated issuers*	\$1,280,019,579	\$610,585,624	\$36,496,831
Value – Non-controlled affiliates (Note 3c)	2,867,178	2,064,565	246,508
Cash	284,771	155,715	11,674
Receivables:			
Dividends and interest	684,630	756,897	35,214
Investment securities sold	2,641,655	—	—
Variation margin on futures contracts	152	4,325	78
Deposits with brokers for:			
Futures contracts	153,400	60,400	1,300
Total assets	1,286,651,365	613,627,526	36,791,605
Liabilities:			
Payables:			
Investment securities purchased	11,083	778,249	103,687
Capital shares redeemed	2,663,511	—	—
Management fees	162,184	143,873	10,522
Payable upon return of securities loaned	—	717,750	167,840
Total liabilities	2,836,778	1,639,872	282,049
Net assets, at value	\$1,283,814,587	\$611,987,654	\$36,509,556
Net assets consist of:			
Paid-in capital	\$1,144,906,853	\$525,006,269	\$33,410,502
Total distributable earnings (loss)	138,907,734	86,981,385	3,099,054
Net assets, at value	\$1,283,814,587	\$611,987,654	\$36,509,556
Shares outstanding	24,100,000	11,450,000	900,000
Net asset value per share	\$ 53.27	\$ 53.45	\$ 40.57
*Includes securities loaned	—	703,450	164,206

Statements of Operations
for the year ended March 31, 2024

	Franklin Emerging Market Core Dividend Tilt Index ETF	Franklin International Core Dividend Tilt Index ETF	Franklin U.S. Core Dividend Tilt Index ETF	Franklin U.S. Large Cap Multifactor Index ETF
Investment income:				
Dividends: (net of foreign taxes) ^a				
Unaffiliated issuers	\$ 560,229	\$17,664,344	\$ 914,139	\$ 16,538,577
Non-Controlled affiliates (Note 3c)	—	—	2,138	38,949
European Union tax reclaims (Note 1e)	—	297,703	—	—
Interest:				
Unaffiliated issuers	—	12,395	509	11,750
Interest from securities loaned (Note 1d):				
Unaffiliated issuers (net of fees and rebates)	—	—	465	9,583
Non-Controlled affiliates (Note 3c)	—	983	376	11,588
Total investment income	560,229	17,975,425	917,627	16,610,447
Expenses:				
Management fees (Note 3a)	22,864	432,359	22,792	1,512,566
European Union tax reclaims contingency fees (Note 1e)	—	74,426	—	—
Total expenses	22,864	506,785	22,792	1,512,566
Expenses waived/paid by affiliates (Note 3c)	—	(627)	(24)	(794)
Net expenses	22,864	506,158	22,768	1,511,772
Net investment income	537,365	17,469,267	894,859	15,098,675
Realized and unrealized gains (losses):				
Net realized gain (loss) from:				
Investments:				
Unaffiliated issuers	65,312	(6,977,240)	(158,199)	(362,648)
In-kind redemptions	—	17,424,509	2,722,660	62,054,666
Foreign currency transactions	(7,722)	(33,659)	1,045	—
Futures contracts	1,144	214,128	26,537	253,876
Net realized gain (loss)	58,734	10,627,738	2,592,043	61,945,894
Net change in unrealized appreciation (depreciation) on:				
Investments:				
Unaffiliated issuers	917,047	52,201,714	10,127,187	220,666,040
Translation of other assets and liabilities denominated in foreign currencies	(439)	(28,351)	(62)	—
Futures contracts	(1,625)	6,191	669	6,613
Change in deferred taxes on unrealized appreciation	(46,309)	—	—	—
Net change in unrealized appreciation (depreciation)	868,674	52,179,554	10,127,794	220,672,653
Net realized and unrealized gain (loss)	927,408	62,807,292	12,719,837	282,618,547
Net increase (decrease) in net assets resulting from operations	\$1,464,773	\$80,276,559	\$13,614,696	\$297,717,222
^a Foreign taxes withheld on dividends	\$78,252	\$1,784,771	\$470	\$2,522

Statements of Operations (continued)
for the year ended March 31, 2024

	Franklin U.S. Mid Cap Multifactor Index ETF	Franklin U.S. Small Cap Multifactor Index ETF
Investment income:		
Dividends: (net of foreign taxes) ^a		
Unaffiliated issuers	\$ 6,386,547	\$ 516,287
Non-Controlled affiliates (Note 3c)	20,156	615
Interest:		
Unaffiliated issuers	3,998	199
Interest from securities loaned (Note 1d):		
Non-Controlled affiliates (Note 3c)	160	1,481
Total investment income	6,410,861	518,582
Expenses:		
Management fees (Note 3a)	943,509	96,532
Total expenses	943,509	96,532
Expenses waived/paid by affiliates (Note 3c)	(215)	(250)
Net expenses	943,294	96,282
Net investment income	5,467,567	422,300
Realized and unrealized gains (losses):		
Net realized gain (loss) from:		
Investments:		
Unaffiliated issuers	(3,924,894)	(290,742)
In-kind redemptions	6,927,046	1,036,345
Futures contracts	90,811	367
Net realized gain (loss)	3,092,963	745,970
Net change in unrealized appreciation (depreciation) on:		
Investments:		
Unaffiliated issuers	84,992,609	4,786,952
Futures contracts	38,692	529
Net change in unrealized appreciation (depreciation)	85,031,301	4,787,481
Net realized and unrealized gain (loss)	88,124,264	5,533,451
Net increase (decrease) in net assets resulting from operations	\$93,591,831	\$5,955,751

^a Foreign taxes withheld on dividends \$524 \$607

Statements of Changes in Net Assets

	Franklin Emerging Market Core Dividend Tilt Index ETF		Franklin International Core Dividend Tilt Index ETF	
	Year Ended March 31, 2024	Year Ended March 31, 2023	Year Ended March 31, 2024	Year Ended March 31, 2023
Increase (decrease) in net assets:				
Operations:				
Net investment income	\$ 537,365	\$ 781,802	\$ 17,469,267	\$ 3,041,681
Net realized gain (loss)	58,734	(1,041,456)	10,627,738	(512,681)
Net change in unrealized appreciation (depreciation) . .	868,674	(1,864,591)	52,179,554	10,343,790
Net increase (decrease) in net assets resulting from operations	1,464,773	(2,124,245)	80,276,559	12,872,790
Distributions to shareholders (Note 1f)	(565,964)	(808,733)	(14,817,600)	(1,624,260)
Capital share transactions: (Note 2)	—	(2,127,127)	460,280,490	212,018,520
Net increase (decrease) in net assets	898,809	(5,060,105)	525,739,449	223,267,050
Net assets:				
Beginning of year	11,939,403	16,999,508	240,459,348	17,192,298
End of year	\$12,838,212	\$11,939,403	\$766,198,797	\$240,459,348

Statements of Changes in Net Assets (continued)

	Franklin U.S. Core Dividend Tilt Index ETF		Franklin U.S. Large Cap Multifactor Index ETF	
	Year Ended March 31, 2024	Year Ended March 31, 2023	Year Ended March 31, 2024	Year Ended March 31, 2023
Increase (decrease) in net assets:				
Operations:				
Net investment income	\$ 894,859	\$ 846,405	\$ 15,098,675	\$ 18,872,049
Net realized gain (loss)	2,592,043	(312,029)	61,945,894	(23,086,299)
Net change in unrealized appreciation (depreciation) . .	10,127,794	(5,195,037)	220,672,653	(54,043,236)
Net increase (decrease) in net assets resulting from operations	13,614,696	(4,660,661)	297,717,222	(58,257,486)
Distributions to shareholders (Note 1f)	(868,418)	(1,064,664)	(15,243,065)	(19,321,124)
Capital share transactions: (Note 2)	25,568,686	(906,573)	140,921,518	(28,739,866)
Net increase (decrease) in net assets	38,314,964	(6,631,898)	423,395,675	(106,318,476)
Net assets:				
Beginning of year	24,218,803	30,850,701	860,418,912	966,737,388
End of year	\$62,533,767	\$24,218,803	\$1,283,814,587	\$ 860,418,912

Statements of Changes in Net Assets (continued)

	Franklin U.S. Mid Cap Multifactor Index ETF		Franklin U.S. Small Cap Multifactor Index ETF	
	Year Ended March 31, 2024	Year Ended March 31, 2023	Year Ended March 31, 2024	Year Ended March 31, 2023
Increase (decrease) in net assets:				
Operations:				
Net investment income	\$ 5,467,567	\$ 1,602,216	\$ 422,300	\$ 245,401
Net realized gain (loss)	3,092,963	2,382,285	745,970	(599,460)
Net change in unrealized appreciation (depreciation) . .	85,031,301	(833,649)	4,787,481	(440,618)
Net increase (decrease) in net assets resulting from operations	93,591,831	3,150,852	5,955,751	(794,677)
Distributions to shareholders (Note 1f)	(4,562,908)	(1,398,123)	(392,866)	(231,686)
Capital share transactions: (Note 2)	356,211,158	102,139,664	13,899,110	1,801,034
Net increase (decrease) in net assets	445,240,081	103,892,393	19,461,995	774,671
Net assets:				
Beginning of year	166,747,573	62,855,180	17,047,561	16,272,890
End of year	\$611,987,654	\$166,747,573	\$36,509,556	\$17,047,561

Notes to Financial Statements

1. Organization and Significant Accounting Policies

Franklin Templeton ETF Trust (Trust) is registered under the Investment Company Act of 1940 (1940 Act) as an open-end management investment company consisting of forty-nine separate funds, six of which are included in this report (Funds). The Funds follow the accounting and reporting guidance in Financial Accounting Standards Board ("FASB") Accounting Standard Codification Topic 946, Financial Services - Investment Companies ("ASC 946") and applies the specialized accounting and reporting guidance in U.S. Generally Accepted Accounting Principles (U.S. GAAP), including, but not limited to, ASC 946. The Funds are exchange traded funds (ETF) and seek to provide the investment results that closely correspond, before fees and expenses, to the performance of Fund's corresponding underlying index.

The following summarizes the Funds' significant accounting policies.

a. Financial Instrument Valuation

The Funds' investments in financial instruments are carried at fair value daily. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The Funds calculate the net asset value (NAV) per share each business day as of 4 p.m. Eastern time or the regularly scheduled close of the New York Stock Exchange (NYSE), whichever is earlier. Under compliance policies and procedures approved by the Funds' Board of Trustees (the Board), the Board has designated the Fund's investment manager as the valuation designee and has responsibility for oversight of valuation. The investment manager is assisted by the Fund's administrator in performing this responsibility, including leading the cross-functional Valuation Committee (VC).

The Funds may utilize independent pricing services, quotations from securities and financial instrument dealers, and other market sources to determine fair value.

Equity securities, exchange trade funds and derivative financial instruments listed on an exchange or on the NASDAQ National Market System are valued at the last quoted sale price or the official closing price of the day, respectively. Foreign equity securities are valued as of the close of trading on the foreign stock exchange on which the security is primarily traded or as of 4 p.m. Eastern time. The value is then converted into its U.S. dollar equivalent at the foreign exchange rate in effect at 4 p.m. London time on the

day that the value of the security is determined. Over-the-counter (OTC) securities are valued within the range of the most recent quoted bid and ask prices. Securities that trade in multiple markets or on multiple exchanges are valued according to the broadest and most representative market. Certain equity securities are valued based upon fundamental characteristics or relationships to similar securities.

Investments in open-end mutual funds are valued at the closing NAV.

The Funds have procedures to determine the fair value of financial instruments for which market prices are not reliable or readily available. Under these procedures, the Funds primarily employ a market-based approach which may use related or comparable assets or liabilities, recent transactions, market multiples, As per standards minutes and other relevant information for the investment to determine the fair value of the investment. An income-based valuation approach may also be used in which the anticipated future cash flows of the investment are discounted to calculate fair value. Discounts may also be applied due to the nature or duration of any restrictions on the disposition of the investments. Due to the inherent uncertainty of valuations of such investments, the fair values may differ significantly from the values that would have been used had an active market existed.

Trading in securities on foreign securities stock exchanges and OTC markets may be completed before 4 p.m. Eastern time. In addition, trading in certain foreign markets may not take place on every Funds' business day. Occasionally, events occur between the time at which trading in a foreign security is completed and 4 p.m. Eastern time that might call into question the reliability of the value of a portfolio security held by the Fund. As a result, differences may arise between the value of the Funds' portfolio securities as determined at the foreign market close and the latest indications of value at 4 p.m. Eastern time. In order to minimize the potential for these differences, an independent pricing service may be used to adjust the Fund's portfolio securities to the latest indications of fair value at 4 p.m. Eastern time on March 31, 2024. At March 31, 2024, certain securities may have been fair valued using these procedures, in which case the securities were categorized as Level 2 inputs within the fair value hierarchy (referred to as "market level fair value").

When the last day of the reporting period is a non-business day, certain foreign markets may be open on those days that the Funds' NAV is not calculated, which could result in differences between the value of the Funds' portfolio

1. Organization and Significant Accounting Policies (continued)

a. Financial Instrument Valuation (continued)

securities on the last business day and the last calendar day of the reporting period. Any significant security valuation changes due to an open foreign market are adjusted and reflected by the Funds for financial reporting purposes.

b. Foreign Currency Translation

Portfolio securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars based on the exchange rate of such currencies against U.S. dollars on the date of valuation. The Funds may enter into foreign currency exchange contracts to facilitate transactions denominated in a foreign currency. Purchases and sales of securities, income and expense items denominated in foreign currencies are translated into U.S. dollars at the exchange rate in effect on the transaction date. Portfolio securities and assets and liabilities denominated in foreign currencies contain risks that those currencies will decline in value relative to the U.S. dollar. Occasionally, events may impact the availability or reliability of foreign exchange rates used to convert the U.S. dollar equivalent value. If such an event occurs, the foreign exchange rate will be valued at fair value using procedures established and approved by the Board.

The Funds do not separately report the effect of changes in foreign exchange rates from changes in market prices on securities held. Such changes are included in net realized and unrealized gain or loss from investments in the Statements of Operations.

Realized foreign exchange gains or losses arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions and the difference between the recorded amounts of dividends, interest, and foreign withholding taxes and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in foreign exchange rates on foreign denominated assets and liabilities other than investments in securities held at the end of the reporting period.

c. Derivative Financial Instruments

Certain or all Funds invested in derivative financial instruments in order to manage risk or gain exposure to various other investments or markets. Derivatives are financial contracts based on an underlying or notional

amount, require no initial investment or an initial net investment that is smaller than would normally be required to have a similar response to changes in market factors, and require or permit net settlement. Derivatives contain various risks including the potential inability of the counterparty to fulfill their obligations under the terms of the contract, the potential for an illiquid secondary market, and/or the potential for market movements which expose the Fund to gains or losses in excess of the amounts shown in the Statements of Assets and Liabilities. Realized gain and loss and unrealized appreciation and depreciation on these contracts for the period are included in the Statements of Operations.

Derivative counterparty credit risk is managed through a formal evaluation of the creditworthiness of all potential counterparties. The Funds attempt to reduce their exposure to counterparty credit risk on OTC derivatives, whenever possible, by entering into International Swaps and Derivatives Association (ISDA) master agreements with certain counterparties. These agreements contain various provisions, including but not limited to collateral requirements, events of default, or early termination. Termination events applicable to the counterparty include certain deteriorations in the credit quality of the counterparty.

Termination events applicable to the Funds include failure of the Funds to maintain certain net asset levels and/or limit the decline in net assets over various periods of time. In the event of default or early termination, the ISDA master agreement gives the non-defaulting party the right to net and close-out all transactions traded, whether or not arising under the ISDA agreement, to one net amount payable by one counterparty to the other. However, absent an event of default or early termination, OTC derivative assets and liabilities are presented gross and not offset in the Statements of Assets and Liabilities. Early termination by the counterparty may result in an immediate payment by the Funds of any net liability owed to that counterparty under the ISDA agreement.

Collateral requirements differ by type of derivative. Collateral terms are contract specific for OTC derivatives. For OTC derivatives traded under an ISDA master agreement, posting of collateral is required by either the Fund or the applicable counterparty if the total net exposure of all OTC derivatives with the applicable counterparty exceeds the minimum transfer amount, which typically ranges from \$100,000 to \$250,000, and can vary depending on the counterparty and the type of agreement. Generally, collateral is determined at the close of Fund business each day and any additional

1. Organization and Significant Accounting Policies (continued)

c. Derivative Financial Instruments (continued)

collateral required due to changes in derivative values may be delivered by the Fund or the counterparty the next business day, or within a few business days. Collateral pledged and/or received by the Fund, if any, is held in segregated accounts with the Fund's custodian/counterparty broker and can be in the form of cash and/or securities. Unrestricted cash may be invested according to the Funds' investment objectives. To the extent that the amounts due to the Fund from its counterparties are not subject to collateralization or are not fully collateralized, the Fund bears the risk of loss from counterparty non-performance.

Certain or all Funds entered into exchange traded futures contracts primarily to manage and/or gain exposure to equity price risk. A futures contract is an agreement between the Fund and a counterparty to buy or sell an asset at a specified price on a future date. Required initial margins are pledged by the Fund, and the daily change in fair value is accounted for as a variation margin payable or receivable in the Statements of Assets and Liabilities.

See Note 7 regarding other derivative information.

d. Securities Lending

Certain or all Funds participate in an agency based securities lending program to earn additional income. The Fund receives cash collateral against the loaned securities in an amount equal to at least 102% of the fair value of the loaned securities. Collateral is maintained over the life of the loan in an amount not less than 100% of the fair value of loaned securities, as determined at the close of Fund business each day; any additional collateral required due to changes in security values is delivered to the Fund on the next business day. The collateral is deposited into a joint cash account with other funds and is used to invest in a money market fund managed by Franklin Advisers, Inc., an affiliate of the Funds. These securities received as collateral are held in segregated accounts with the Funds' custodian. The Fund cannot repledge or resell these securities received as collateral. As such, the non-cash collateral is excluded from the Statements of Assets and Liabilities. The Fund may receive income from the investment of cash collateral, in addition to lending fees and rebates paid by the borrower. Income from securities loaned, net of fees paid to the securities lending agent and/or third-party vendor, is reported separately in the Statements of Operations. The Fund bears the market risk with respect to the collateral investment,

securities loaned, and the risk that the agent may default on its obligations to the Fund. If the borrower defaults on its obligation to return the securities loaned, the Fund has the right to repurchase the securities in the open market using the collateral received. The securities lending agent has agreed to indemnify the Fund in the event of default by a third party borrower.

e. Income and Deferred Taxes

It is the Fund's policy to qualify as a regulated investment company under the Internal Revenue Code. The Fund intends to distribute to shareholders substantially all of its taxable income and net realized gains to relieve it from federal income and excise taxes. As a result, no provision for U.S. federal income taxes is required.

The Funds may be subject to foreign taxation related to income received, capital gains on the sale of securities and certain foreign currency transactions in the foreign jurisdictions in which the Funds invest. Foreign taxes, if any, are recorded based on the tax regulations and rates that exist in the foreign markets in which the Funds invest. When a capital gain tax is determined to apply, certain or all Funds record an estimated deferred tax liability in an amount that would be payable if the securities were disposed of on the valuation date.

Each Fund may recognize an income tax liability related to its uncertain tax positions under U.S. GAAP when the uncertain tax position has a less than 50% probability that it will be sustained upon examination by the tax authorities based on its technical merits. As of March 31, 2024, each Fund has determined that no tax liability is required in its financial statements related to uncertain tax positions for any open tax years (or expected to be taken in future tax years). Open tax years are those that remain subject to examination and are based on the statute of limitations in each jurisdiction in which the Fund invests.

As a result of several court cases, in certain countries across the European Union the Fund filed additional tax reclaims for previously withheld taxes on dividends earned in those countries (EU reclaims). Income recognized, if any, for EU reclaims is reflected as European Union tax reclaims in the Statements of Operations and any related receivable is reflected as European Union tax reclaims receivable in the Statements of Assets and Liabilities. Any fees associated with these filings are reflected as Professional fees in the statement of operations. When uncertainty exists as to the ultimate resolution of these proceedings, the likelihood of receipt of these EU reclaims, and the potential timing of

1. Organization and Significant Accounting Policies (continued)

e. Income and Deferred Taxes (continued)

payment, no amounts are reflected in the financial statements. For U.S. income tax purposes, EU reclaims received by the Fund, if any, reduce the amount of foreign taxes Fund shareholders can use as tax deductions or credits on their income tax returns.

f. Security Transactions, Investment Income, Expenses and Distributions

Security transactions are accounted for on trade date. Realized gains and losses on security transactions are determined on a specific identification basis. Interest Income (including interest income from payment-in-kind securities, if any) and estimated expenses are accrued daily. Dividend income is recorded on the ex-dividend date except for certain dividends from securities where the dividend rate is not available. In such cases, the dividend is recorded as soon as the information is received by the Funds. Distributions from realized capital gains and other distributions, if any, are recorded on the ex-dividend date. Distributable earnings are determined according to income tax regulations (tax basis) and may differ from earnings recorded in accordance with U.S. GAAP. These differences may be permanent or temporary. Permanent differences are reclassified among capital accounts to reflect their tax character. These reclassifications have no impact on net assets or the results of operations. Temporary differences are not reclassified, as they may reverse in subsequent periods.

2. Shares of Beneficial Interest

Shares of the Funds are issued and redeemed at their respective NAV only in aggregations of a specific number of shares or multiples thereof (Creation Units). Only certain large institutional investors (Authorized Participants) may engage in creation or redemption transactions directly with the Funds. Once created, shares of the Funds generally trade in the secondary market in amounts less than one Creation Unit. The market price of the Funds' shares will be based on the price in the secondary market which may be at, above or below the most recent NAV. Creation Units may be issued and redeemed in exchange for a designated portfolio of securities and/or cash (which may include cash in lieu of certain securities).

Authorized Participants pay a standard transaction fee to the shareholder servicing agent when purchasing or redeeming Creation Units of the Funds regardless of the number of Creation Units that are being created or redeemed on the same day by the Authorized Participant. The standard transaction fee is imposed to offset transfer and other transaction costs associated with the issuance and redemption of Creation Units and is not charged to or paid by the Funds.

In addition, for cash Creation Unit transactions, a variable fee for creation transactions and redemption transactions may be charged to the Authorized Participant to cover certain brokerage, tax, foreign exchange, execution, market impact and other costs and expenses related to the execution of trades. Variable fees, if any, are included in capital share transactions in the Statements of Changes in Net Assets.

Common expenses incurred by the Trust are allocated among the Funds based on the ratio of net assets of each Fund to the combined net assets of the Trust. Certain Fund specific expenses are allocated directly to the Fund that incurred the expense. These expenses are paid by the Fund or by the investment manager, as applicable, according to the terms of the unified management fee agreement.

g. Accounting Estimates

The preparation of financial statement in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

h. Guarantees and Indemnifications

Under the Trust's organizational documents, its officers and trustees are indemnified by the Trust against certain liabilities arising out of the performance of their duties to the Trust. Additionally, in the normal course of business, the Trust, on behalf of the Funds, enters into contracts with service providers that contain general indemnification clauses. The Trust's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Trust that have not yet occurred. Currently, the Trust expects the risk of loss to be remote.

2. Shares of Beneficial Interest (continued)

At March 31, 2024, there were an unlimited number of shares authorized (without par value). Transactions in the Funds' shares were as follows:

	Franklin Emerging Market Core Dividend Tilt Index ETF			
	Year Ended March 31, 2024		Year Ended March 31, 2023	
	Shares	Amount	Shares	Amount
Shares sold	—	\$ —	—	\$ 2,776
Shares redeemed	—	—	(100,000)	(2,129,903)
Net increase (decrease)	—	\$ —	(100,000)	\$ (2,127,127)

	Franklin International Core Dividend Tilt Index ETF			
	Year Ended March 31, 2024		Year Ended March 31, 2023	
	Shares	Amount	Shares	Amount
Shares sold	17,500,000	\$ 521,070,020	7,800,000	\$ 212,018,520
Shares redeemed	(2,000,000)	(60,789,530)	—	—
Net increase (decrease)	15,500,000	\$ 460,280,490	7,800,000	\$ 212,018,520

	Franklin U.S. Core Dividend Tilt Index ETF			
	Year Ended March 31, 2024		Year Ended March 31, 2023	
	Shares	Amount	Shares	Amount
Shares sold	1,150,000	\$ 38,219,857	700,000	\$ 23,221,006
Shares redeemed	(350,000)	(12,651,171)	(800,000)	(24,127,579)
Net increase (decrease)	800,000	\$ 25,568,686	(100,000)	\$ (906,573)

	Franklin U.S. Large Cap Multifactor Index ETF			
	Year Ended March 31, 2024		Year Ended March 31, 2023	
	Shares	Amount	Shares	Amount
Shares sold	7,450,000	\$ 342,804,051	6,300,000	\$ 256,215,911
Shares redeemed	(4,150,000)	(201,882,533)	(7,050,000)	(284,955,777)
Net increase (decrease)	3,300,000	\$ 140,921,518	(750,000)	\$ (28,739,866)

	Franklin U.S. Mid Cap Multifactor Index ETF			
	Year Ended March 31, 2024		Year Ended March 31, 2023	
	Shares	Amount	Shares	Amount
Shares sold	8,700,000	\$ 403,696,701	2,800,000	\$ 116,565,797
Shares redeemed	(1,100,000)	(47,485,543)	(350,000)	(14,426,133)
Net increase (decrease)	7,600,000	\$ 356,211,158	2,450,000	\$ 102,139,664

2. Shares of Beneficial Interest (continued)

	Franklin U.S. Small Cap Multifactor Index ETF			
	Year Ended March 31, 2024		Year Ended March 31, 2023	
	Shares	Amount	Shares	Amount
Shares sold	500,000	\$ 17,435,236	50,000	\$ 1,801,034
Shares redeemed	(100,000)	(3,536,126)	—	—
Net increase (decrease)	400,000	\$ 13,899,110	50,000	\$ 1,801,034

3. Transactions with Affiliates

Franklin Resources, Inc. is the holding company for various subsidiaries that together are referred to as Franklin Templeton. Certain officers and trustees of the Funds are also officers and/or directors of the following subsidiaries:

Subsidiary	Affiliation
Franklin Advisers, Inc. (Advisers)	Investment manager
Franklin Templeton Institutional, LLC (FT Institutional)	Investment manager
Franklin Advisory Services, LLC (FASL)	Investment manager
Franklin Templeton Services, LLC (FT Services)	Administrative manager
Franklin Distributors, LLC (Distributors)	Principal underwriter

a. Management fees

The Funds pay a unified management fee to FASL whereby FASL has agreed to reimburse the Funds' acquired fund fees and expenses (if any) and pay all of the ordinary operating expenses of the Funds, including custody, transfer agency, and Trustee fees and expenses, among others, but excluding payments under the Funds' Rule 12b-1 plan (if any), brokerage expenses (including any costs incidental to transactions in portfolio securities or instruments), taxes, interest (including borrowing costs and dividend expenses on securities sold short and overdraft charges), litigation expenses (including litigation to which the Trust or a Fund may be a party and indemnification of the Trustees and officers with respect thereto), and other non-routine or extraordinary expenses. The fee is calculated daily and paid monthly according to the terms of the management agreement. The gross effective investment management fees are based on the average daily net assets of each of the Funds as follows:

	Gross Effective Investment Management Fee Rate
Franklin Emerging Market Core Dividend Tilt Index ETF	0.19%
Franklin International Core Dividend Tilt Index ETF	0.09%
Franklin U.S. Core Dividend Tilt Index ETF	0.06%
Franklin U.S. Large Cap Multifactor Index ETF	0.15%
Franklin U.S. Mid Cap Multifactor Index ETF	0.30%
Franklin U.S. Small Cap Multifactor Index ETF	0.35%

Under a subadvisory agreement, FT Institutional provides subadvisory services to the Funds. The subadvisory fee is paid by FASL based on the Fund's average daily net assets, and is not an additional expense of the Funds.

b. Administrative Fees

Under an agreement with FASL, FT Services provides administrative services to the Fund. The fee is paid by FASL based on the Fund's average daily net assets, and is not an additional expense of the Fund.

3. Transactions with Affiliates (continued)**c. Investments in Affiliated Management Investment Companies**

Certain or all Funds invests in one or more affiliated management investment companies. As defined in the 1940 Act, an investment is deemed to be a "Controlled Affiliate" of a fund when a fund owns, either directly or indirectly, 25% or more of the affiliated fund's outstanding shares or has the power to exercise control over management or policies of such fund. The Fund does not invest for purposes of exercising a controlling influence over the management or policies. Management fees paid by the Fund are waived on assets invested in the affiliated management investment companies, as noted in the Statements of Operations, in an amount not to exceed the management and administrative fees paid directly or indirectly by each affiliate.

During the year ended March 31, 2024, investments in affiliated management investment companies were as follows:

	Value at Beginning of Year	Purchases	Sales	Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Value at End of Year	Number of Shares Held at End of Year	Investment Income
Franklin International Core Dividend Tilt Index ETF Non-Controlled Affiliates								Income from Securities loaned
Institutional Fiduciary Trust Money Market Portfolio 5.16%	\$ —	\$ 6,754,330	\$ (2,658,430)	\$—	\$—	\$4,095,900	4,095,900	\$ 983
Franklin U.S. Core Dividend Tilt Index ETF Non-Controlled Affiliates								Dividend Income
Institutional Fiduciary Trust - Money Market Portfolio, 5.16%	\$ —	\$ 1,159,111	\$ (995,047)	\$—	\$—	\$ 164,064	164,064	\$ 2,138
Franklin U.S. Core Dividend Tilt Index ETF Non-Controlled Affiliates								Income from Securities loaned
Institutional Fiduciary Trust Money Market Portfolio 5.16%	\$ —	\$ 482,490	\$ (482,490)	\$—	\$—	\$ —	—	\$ 376
Franklin U.S. Large Cap Multifactor Index ETF Non-Controlled Affiliates								Dividend Income
Institutional Fiduciary Trust - Money Market Portfolio, 5.16%	\$ —	\$20,448,151	\$(17,580,973)	\$—	\$—	\$2,867,178	2,867,178	\$38,949
Franklin U.S. Large Cap Multifactor Index ETF Non-Controlled Affiliates								Income from Securities loaned
Institutional Fiduciary Trust Money Market Portfolio 5.16%	\$ —	\$11,028,310	\$(11,028,310)	\$—	\$—	\$ —	—	\$11,588

3. Transactions with Affiliates (continued)

c. Investments in Affiliated Management Investment Companies (continued)

	Value at Beginning of Year	Purchases	Sales	Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Value at End of Year	Number of Shares Held at End of Year	Investment Income
Franklin U.S. Mid Cap Multifactor Index ETF Non-Controlled Affiliates								Dividend Income
Institutional Fiduciary Trust - Money Market Portfolio, 5.16%	\$ —	\$ 7,900,785	\$ (6,553,970)	\$—	\$—	\$1,346,815	1,346,815	\$20,156
Franklin U.S. Mid Cap Multifactor Index ETF Non-Controlled Affiliates								Income from Securities loaned
Institutional Fiduciary Trust Money Market Portfolio 5.16%	\$130,050	\$ 7,166,395	\$ (6,578,695)	\$—	\$—	\$ 717,750	717,750	\$ 160
Franklin U.S. Small Cap Multifactor Index ETF Non-Controlled Affiliates								Dividend Income
Institutional Fiduciary Trust - Money Market Portfolio, 5.16%	\$ —	\$ 550,006	\$ (471,338)	\$—	\$—	\$ 78,668	78,668	\$ 615
Franklin U.S. Small Cap Multifactor Index ETF Non-Controlled Affiliates								Income from Securities loaned
Institutional Fiduciary Trust Money Market Portfolio 5.16%	\$ —	\$ 2,272,918	\$ (2,105,078)	\$—	\$—	\$ 167,840	167,840	\$ 1,481

d. Other Affiliated Transactions

At March 31, 2024, the shares of Franklin U.S. Core Dividend Tilt Index ETF and Franklin U.S. Large Cap Multifactor Index ETF were owned by the following entities:

Funds	Shares	Percentage of Outstanding Shares ^a
Franklin U.S. Core Dividend Tilt Index ETF		
Franklin Resources Inc.	780,000	50.3%
Franklin U.S. Large Cap Multifactor Index ETF		
Franklin Moderate Allocation Fund	1,737,992	7.2%
Franklin Growth Allocation Fund	1,815,001	7.5%
Franklin 529 Portfolios	4,365,042	18.1%
	7,918,035	32.8%

^aInvestment activities of significant shareholders could have a material impact on the Funds.

4. Income Taxes

For tax purposes, capital losses may be carried over to offset future capital gains, if any. At March 31, 2024, the capital loss carryforwards were as follows:

	Franklin Emerging Market Core Dividend Tilt Index ETF	Franklin International Core Dividend Tilt Index ETF	Franklin U.S. Core Dividend Tilt Index ETF	Franklin U.S. Large Cap Multifactor Index ETF
Capital loss carryforwards not subject to expiration:				
Long term	\$13,368,850	\$1,037,469	\$224,799	\$ 11,107,124
Short term	17,333,237	6,344,798	435,335	106,455,341
Total capital loss carryforwards	\$30,702,087	\$7,382,267	\$660,134	\$117,562,465

	Franklin U.S. Mid Cap Multifactor Index ETF	Franklin U.S. Small Cap Multifactor Index ETF
Capital loss carryforwards not subject to expiration:		
Long term	\$ 3,024,306	\$1,498,526
Short term	2,689,447	958,094
Total capital loss carryforwards	\$ 5,713,753	\$2,456,620

The tax character of distributions paid during the year ended March 31, 2024 and 2023, were as follows:

	Franklin Emerging Market Core Dividend Tilt Index ETF	
	Year Ended March 31, 2024	Year Ended March 31, 2023
Distributions paid from Ordinary income	\$565,964	\$808,733

	Franklin International Core Dividend Tilt Index ETF	
	Year Ended March 31, 2024	Year Ended March 31, 2023
Distributions paid from:		
Ordinary income	\$ 14,817,600	\$1,377,235
Long-term Capital Gain	—	247,025
	\$ 14,817,600	\$1,624,260

	Franklin U.S. Core Dividend Tilt Index ETF	
	Year Ended March 31, 2024	Year Ended March 31, 2023
Distributions paid from Ordinary income	\$868,418	\$1,064,664

4. Income Taxes (continued)

	Franklin U.S. Large Cap Multifactor Index ETF	
	Year Ended March 31, 2024	Year Ended March 31, 2023
Distributions paid from Ordinary income	\$15,243,065	\$19,321,124

	Franklin U.S. Mid Cap Multifactor Index ETF	
	Year Ended March 31, 2024	Year Ended March 31, 2023
Distributions paid from Ordinary income	\$4,562,908	\$1,398,123

	Franklin U.S. Small Cap Multifactor Index ETF	
	Year Ended March 31, 2024	Year Ended March 31, 2023
Distributions paid from Ordinary income	\$392,866	\$231,686

At March 31, 2024, the cost of investments, net unrealized appreciation (depreciation) and undistributed ordinary income for income tax purposes were as follows:

	Franklin Emerging Market Core Dividend Tilt Index ETF	Franklin International Core Dividend Tilt Index ETF	Franklin U.S. Core Dividend Tilt Index ETF	Franklin U.S. Large Cap Multifactor Index ETF
Cost of investments	\$ 13,331,455	\$706,771,568	\$52,959,420	\$1,027,459,219
Unrealized appreciation	\$ 2,183,107	\$ 82,818,264	\$10,406,942	\$ 270,483,998
Unrealized depreciation	(2,709,660)	(26,115,322)	(960,758)	(15,056,460)
Net unrealized appreciation (depreciation)	\$ (526,553)	\$ 56,702,942	\$ 9,446,184	\$ 255,427,538
Distributable earnings – undistributed ordinary income	\$ 213,524	\$ 12,251,880	\$ 115,111	\$ 1,042,659

	Franklin U.S. Mid Cap Multifactor Index ETF	Franklin U.S. Small Cap Multifactor Index ETF
Cost of investments	\$521,191,766	\$ 31,261,993
Unrealized appreciation	\$ 96,069,282	\$ 7,511,950
Unrealized depreciation	(4,610,859)	(2,030,604)
Net unrealized appreciation (depreciation)	\$ 91,458,423	\$ 5,481,346
Distributable earnings – undistributed ordinary income	\$ 1,236,719	\$ 74,331

Differences between income and/or capital gains as determined on a book basis and a tax basis are primarily due to differing treatments of passive foreign investment company shares, EU reclaims, wash sales, and in-kind shareholder redemptions.

5. Investment Transactions

Purchases and sales of investments (excluding short term securities and in-kind transactions, if any) for the year ended March 31, 2024, were as follows:

	Franklin Emerging Market Core Dividend Tilt Index ETF	Franklin International Core Dividend Tilt Index ETF	Franklin U.S. Core Dividend Tilt Index ETF	Franklin U.S. Large Cap Multifactor Index ETF
Purchases	\$ 6,173,137	\$115,542,362	\$ 7,065,608	\$568,592,396
Sales	\$ 6,244,654	\$102,374,270	\$ 7,094,082	\$568,500,476
	Franklin U.S. Mid Cap Multifactor Index ETF	Franklin U.S. Small Cap Multifactor Index ETF		
Purchases	\$ 64,321,857	\$ 6,592,357		
Sales	\$ 62,321,283	\$ 6,505,128		

In-kind transactions associated with creation and redemptions for the year ended March 31, 2024, were as follows:

	Franklin Emerging Market Core Dividend Tilt Index ETF	Franklin International Core Dividend Tilt Index ETF	Franklin U.S. Core Dividend Tilt Index ETF	Franklin U.S. Large Cap Multifactor Index ETF
Cost of Securities Received	\$ —	\$505,746,544	\$38,031,936	\$340,581,682
Value of Securities Delivered ^a	\$ —	\$ 60,966,488	\$12,576,783	\$201,831,233
	Franklin U.S. Mid Cap Multifactor Index ETF	Franklin U.S. Small Cap Multifactor Index ETF		
Cost of Securities Received	\$399,401,503	\$ 17,418,690		
Value of Securities Delivered ^a	\$ 45,209,462	\$ 3,532,714		

^aRealized gains and losses from in-kind redemptions, as shown on the Statement of Operations, are not recognized by the Funds for tax purposes.

At March 31, 2024, in connection with securities lending transactions, certain or all Funds loaned investments and received cash collateral as follows:

	Franklin International Core Dividend Tilt Index ETF	Franklin U.S. Mid Cap Multifactor Index ETF	Franklin U.S. Small Cap Multifactor Index ETF
Securities lending transactions^a:			
Equity Investments ^b	\$4,095,900	\$717,750	\$167,840

^aThe agreements can be terminated at any time.

^bThe gross amount of recognized liability for such transactions is included in payable upon return of securities loaned in the Statements of Assets and Liabilities.

6. Concentration of Risk

Investing in foreign securities may include certain risks and considerations not typically associated with investing in U.S. securities, such as fluctuating currency values and changing local, regional and global economic, political and social conditions, which may result in greater market volatility. Political and financial uncertainty in many foreign regions may increase market volatility and the economic risk of investing in foreign securities. In addition, certain foreign securities may not be as liquid as U.S. securities.

6. Concentration of Risk (continued)

Russia's military invasion of Ukraine in February 2022, the resulting responses by the United States and other countries, and the potential for wider conflict could increase volatility and uncertainty in the financial markets and adversely affect regional and global economies. The United States and other countries have imposed broad-ranging economic sanctions on Russia and certain Russian individuals, banking entities and corporations as a response to its invasion of Ukraine. The United States and other countries have also imposed economic sanctions on Belarus and may impose sanctions on other countries that support Russia's military invasion. These sanctions, as well as any other economic consequences related to the invasion, such as additional sanctions, boycotts or changes in consumer or purchaser preferences or cyberattacks on governments, companies or individuals, may further decrease the value and liquidity of certain Russian securities and securities of issuers in other countries that are subject to economic sanctions related to the invasion. To the extent that the Funds have exposure to Russian investments or investments in countries affected by the invasion, the Funds' ability to price, buy, sell, receive or deliver such investments was impaired. The Funds could determine at any time that certain of the most affected securities have little or no value. In addition, any exposure that the Funds may have to counterparties in Russia or in countries affected by the invasion could negatively impact the Funds' portfolio. The extent and duration of Russia's military actions and the repercussions of such actions (including any retaliatory actions or countermeasures that may be taken by those subject to sanctions) are impossible to predict, but could result in significant market disruptions, including in the oil and natural gas markets, and may negatively affect global supply chains, inflation and global growth. These and any related events could significantly impact each Fund's performance and the value of an investment in the Funds, even beyond any direct exposure the Funds may have to Russian issuers or issuers in other countries affected by the invasion. The Valuation Committee determined that based on their analysis of the market and access to market participants, the Russian financial instruments held by the Franklin U.S. Core Dividend Tilt Index ETF had no value at March 31, 2024.

Certain investments in Chinese companies are made through a special structure known as a variable interest entity (VIE). In a VIE structure, foreign investors, such as Franklin Emerging Market Core Dividend Tilt Index ETF will only own stock in a shell company rather than directly in the VIE, which must be owned by Chinese nationals (and/or Chinese companies) to obtain the licenses and/or assets required to operate in a restricted or prohibited sector in China. The value of the shell company is derived from its ability to consolidate the VIE into its financials pursuant to contractual arrangements that allow the shell company to exert a degree of control over, and obtain economic benefits arising from, the VIE without formal legal ownership. While VIEs are a longstanding industry practice and are well known by Chinese officials and regulators, the structure historically has not been formally recognized under Chinese law and it is uncertain whether Chinese officials or regulators will withdraw their implicit acceptance of the structure. It is also uncertain whether the contractual arrangements, which may be subject to conflicts of interest between the legal owners of the VIE and foreign investors, would be enforced by Chinese courts or arbitration bodies. Prohibitions of these structures by the Chinese government, or the inability to enforce such contracts, from which the shell company derives its value, would likely cause the VIE-structured holding(s) to suffer significant, detrimental, and possibly permanent losses, and in turn, adversely affect the Funds' returns and net asset value.

7. Other Derivative Information

At March 31, 2024, the Funds' investments in derivative contracts are reflected in the Statements of Asset and Liabilities as follows:

	Asset Derivatives		Liability Derivatives	
	Statements of Assets and Liabilities Location	Fair Value	Statements of Assets and Liabilities Location	Fair Value
Franklin Emerging Market Core Dividend Tilt Index ETF				
Equity contracts	Variation margin on futures contracts	\$153 ^a	Variation margin on futures contracts	\$ —
Totals		<u>\$153</u>		<u>\$ —</u>

7. Other Derivative Information (continued)

	Asset Derivatives		Liability Derivatives	
	Statements of Assets and Liabilities Location	Fair Value	Statements of Assets and Liabilities Location	Fair Value
Franklin International Core Dividend Tilt Index ETF				
Equity contracts	Variation margin on futures contracts	\$35,699 ^a	Variation margin on futures contracts	\$ —
Totals		<u>\$35,699</u>		<u>\$ —</u>
Franklin U.S. Core Dividend Tilt Index ETF				
Equity contracts	Variation margin on futures contracts	\$ 4,376 ^a	Variation margin on futures contracts	\$ —
Totals		<u>\$ 4,376</u>		<u>\$ —</u>
Franklin U.S. Large Cap Multifactor Index ETF				
Equity contracts	Variation margin on futures contracts	\$56,086 ^a	Variation margin on futures contracts	\$ —
Totals		<u>\$56,086</u>		<u>\$ —</u>
Franklin U.S. Mid Cap Multifactor Index ETF				
Equity contracts	Variation margin on futures contracts	\$38,692 ^a	Variation margin on futures contracts	\$ —
Totals		<u>\$38,692</u>		<u>\$ —</u>
Franklin U.S. Small Cap Multifactor Index ETF				
Equity contracts	Variation margin on futures contracts	\$ 529 ^a	Variation margin on futures contracts	\$ —
Totals		<u>\$ 529</u>		<u>\$ —</u>

^aThis amount reflects the cumulative appreciation (depreciation) of future contracts as reported in the Schedule of Investments. Only the variation margin receivable/payable at year end is separately reported within the Statements of Assets and Liabilities. Prior variation margin movements were recorded to cash upon receipt or payment.

For the year ended March 31, 2024, the effect of derivative contracts in the Funds' Statements of Operations was as follows:

Derivative Contracts Not Accounted for as Hedging Instruments	Statements of Operations Locations	Net Realized Gain (Loss) for the Period	Statements of Operations Locations	Net Change in Unrealized Appreciation (Depreciation) for the Period
Franklin Emerging Market Core Dividend Tilt Index ETF				
	Net realized gain (loss) from:		Net change in unrealized appreciation (depreciation) on:	
Equity contracts	Futures contracts	<u>\$ 1,144</u>	Futures contracts	<u>\$(1,625)</u>
Franklin International Core Dividend Tilt Index ETF				
	Net realized gain (loss) from:		Net change in unrealized appreciation (depreciation) on:	
Equity contracts	Futures contracts	<u>\$214,128</u>	Futures contracts	<u>\$ 6,191</u>
Franklin U.S. Core Dividend Tilt Index ETF				
	Net realized gain (loss) from:		Net change in unrealized appreciation (depreciation) on:	
Equity contracts	Futures contracts	<u>\$ 26,537</u>	Futures contracts	<u>\$ 669</u>

7. Other Derivative Information (continued)

Derivative Contracts Not Accounted for as Hedging Instruments	Statements of Operations Locations	Net Realized Gain (Loss) for the Period	Statements of Operations Locations	Net Change in Unrealized Appreciation (Depreciation) for the Period
Franklin U.S. Large Cap Multifactor Index ETF				
	Net realized gain (loss) from:		Net change in unrealized appreciation (depreciation) on:	
Equity contracts	Futures contracts	\$253,876	Futures contracts	\$ 6,613
Franklin U.S. Mid Cap Multifactor Index ETF				
	Net realized gain (loss) from:		Net change in unrealized appreciation (depreciation) on:	
Equity contracts	Futures contracts	\$ 90,811	Futures contracts	\$38,692
Franklin U.S. Small Cap Multifactor Index ETF				
	Net realized gain (loss) from:		Net change in unrealized appreciation (depreciation) on:	
Equity contracts	Futures contracts	\$ 367	Futures contracts	\$ 529

For the year ended March 31, 2024, the average month end notional amount of futures contracts were as follows:

	Franklin Emerging Market Core Dividend Tilt Index ETF	Franklin International Core Dividend Tilt Index ETF	Franklin U.S. Core Dividend Tilt Index ETF	Franklin U.S. Large Cap Multifactor Index ETF
Futures contracts	\$61,223	\$2,225,600	\$110,320	\$1,358,688
	Franklin U.S. Mid Cap Multifactor Index ETF	Franklin U.S. Small Cap Multifactor Index ETF		
Futures contracts	\$509,774	\$5,607		

See Note 1(c) regarding derivative financial instruments.

8. Fair Value Measurements

The Funds follow a fair value hierarchy that distinguishes between market data obtained from independent sources (observable inputs) and the Funds' own market assumptions (unobservable inputs). These inputs are used in determining the value of the Funds' financial instruments and are summarized in the following fair value hierarchy:

- Level 1 – quoted prices in active markets for identical financial instruments
- Level 2 – other significant observable inputs (including quoted prices for similar financial instruments, interest rates, prepayment speed, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the Funds' own assumptions in determining the fair value of financial instruments)

The input levels are not necessarily an indication of the risk or liquidity associated with financial instruments at that level.

8. Fair Value Measurements (continued)

A summary of inputs used as of March 31, 2024, in valuing the Funds' assets and liabilities carried at fair value, is as follows:

	Level 1	Level 2	Level 3	Total
Franklin Emerging Market Core Dividend Tilt Index ETF				
Assets:				
Investments in Securities: ^a				
Equity Investments ^b	\$ 12,804,902	\$ —	\$ — ^c	\$ 12,804,902
Other Financial Instruments:				
Futures Contracts	\$ 153	\$ —	\$ —	\$ 153
Franklin International Core Dividend Tilt Index ETF				
Assets:				
Investments in Securities: ^a				
Equity Investments ^b	\$ 759,378,610	\$ —	\$ —	\$ 759,378,610
Short-Term Investments	4,095,900	—	—	4,095,900
Total Investments in Securities	\$ 763,474,510	\$ —	\$ —	\$ 763,474,510
Other Financial Instruments:				
Futures Contracts	\$ 35,699	\$ —	\$ —	\$ 35,699
Franklin U.S. Core Dividend Tilt Index ETF				
Assets:				
Investments in Securities: ^a				
Equity Investments ^b	\$ 62,241,540	\$ —	\$ — ^c	\$ 62,241,540
Short-Term Investments	164,064	—	—	164,064
Total Investments in Securities	\$ 62,405,604	\$ —	\$ —	\$ 62,405,604
Other Financial Instruments:				
Futures Contracts	\$ 4,376	\$ —	\$ —	\$ 4,376
Franklin U.S. Large Cap Multifactor Index ETF				
Assets:				
Investments in Securities: ^a				
Equity Investments ^b	\$ 1,280,019,579	\$ —	\$ —	\$ 1,280,019,579
Short-Term Investments	2,867,178	—	—	2,867,178
Total Investments in Securities	\$ 1,282,886,757	\$ —	\$ —	\$ 1,282,886,757
Other Financial Instruments:				
Futures Contracts	\$ 56,086	\$ —	\$ —	\$ 56,086
Franklin U.S. Mid Cap Multifactor Index ETF				
Assets:				
Investments in Securities: ^a				
Equity Investments ^b	\$ 610,585,624	\$ —	\$ —	\$ 610,585,624
Short-Term Investments	2,064,565	—	—	2,064,565
Total Investments in Securities	\$ 612,650,189	\$ —	\$ —	\$ 612,650,189
Other Financial Instruments:				
Futures Contracts	\$ 38,692	\$ —	\$ —	\$ 38,692
Franklin U.S. Small Cap Multifactor Index ETF				
Assets:				
Investments in Securities: ^a				
Equity Investments ^b	\$ 36,496,831	\$ —	\$ —	\$ 36,496,831
Short-Term Investments	246,508	—	—	246,508
Total Investments in Securities	\$ 36,743,339	\$ —	\$ —	\$ 36,743,339

8. Fair Value Measurements (continued)

	Level 1	Level 2	Level 3	Total
Franklin U.S. Small Cap Multifactor Index ETF (continued)				
Other Financial Instruments:				
Futures Contracts	\$ 529	\$ —	\$ —	\$ 529

^aFor detailed categories, see the accompanying Schedules of Investments.

^bIncludes common and preferred stocks, warrants, as well as other equity investments.

^cIncludes financial instruments determined to have no value.

9. Subsequent Events

The Funds have evaluated subsequent events through the issuance of these Financial Statements and determined that no events have occurred that require disclosure.

Abbreviations

Selected Portfolio

- ADR** American Depositary Receipt
- GDR** Global Depositary Receipt
- NVDR** Non-Voting Depositary Receipt
- REIT** Real Estate Investment Trust
- SPA** Standby Purchase Agreement

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Franklin Templeton ETF Trust and Shareholders of Franklin Emerging Market Core Dividend Tilt Index ETF, Franklin International Core Dividend Tilt Index ETF, Franklin U.S. Core Dividend Tilt Index ETF, Franklin U.S. Large Cap Multifactor Index ETF, Franklin U.S. Mid Cap Multifactor Index ETF and Franklin U.S. Small Cap Multifactor Index ETF

Opinions on the Financial Statements

We have audited the accompanying statements of assets and liabilities, including the schedules of investments, of Franklin Emerging Market Core Dividend Tilt Index ETF, Franklin International Core Dividend Tilt Index ETF, Franklin U.S. Core Dividend Tilt Index ETF, Franklin U.S. Large Cap Multifactor Index ETF, Franklin U.S. Mid Cap Multifactor Index ETF and Franklin U.S. Small Cap Multifactor Index ETF (six of the funds constituting Franklin Templeton ETF Trust, hereafter collectively referred to as the "Funds") as of March 31, 2024, the related statements of operations for the year ended March 31, 2024, the statements of changes in net assets for each of the two years in the period ended March 31, 2024, including the related notes, and the financial highlights for each of the five years in the period ended March 31, 2024 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of each of the Funds as of March 31, 2024, the results of each of their operations for the year then ended, the changes in each of their net assets for each of the two years in the period ended March 31, 2024 and each of the financial highlights for each of the five years in the period ended March 31, 2024 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

These financial statements are the responsibility of the Funds' management. Our responsibility is to express an opinion on the Funds' financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Funds in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of March 31, 2024 by correspondence with the custodian, transfer agent and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinions.

PricewaterhouseCoopers LLP

San Francisco, California

May 22, 2024

We have served as the auditor of one or more investment companies in the Franklin Templeton Group of Funds since 1948.

Tax information (unaudited)

By mid-February, tax information related to a shareholder's proportionate share of distributions paid during the preceding calendar year will be received, if applicable. Please also refer to www.franklintempleton.com for per share tax information related to any distributions paid during the preceding calendar year. Shareholders are advised to consult with their tax advisors for further information on the treatment of these amounts on their tax returns.

The following tax information for the Funds is required to be furnished to shareholders with respect to the income earned and distributions paid during their fiscal year.

The Funds below hereby report the following amounts, or if subsequently determined to be different, the maximum allowable amounts, for the fiscal year ended March 31, 2024:

	Pursuant to:	Franklin Emerging Market Core Dividend Tilt Index ETF	Franklin International Core Dividend Tilt Index ETF	Franklin U.S. Core Dividend Tilt Index ETF	Franklin U.S. Large Cap Multifactor Index ETF
Dividends Received Deduction (DRD)	§854(b)(1)(A)	\$ —	\$ —	\$801,278	\$15,041,274
Qualified Dividend Income (QDI)	§854(b)(1)(B)	\$283,498	\$16,037,848	\$822,032	\$15,171,641
	Pursuant to:			Franklin U.S. Mid Cap Multifactor Index ETF	Franklin U.S. Small Cap Multifactor Index ETF
Dividends Received Deduction (DRD)	§854(b)(1)(A)			\$4,562,908	\$392,866
Qualified Dividend Income (QDI)	§854(b)(1)(B)			\$4,562,908	\$392,866

Under Section 853 of the Internal Revenue Code, the Funds below intend to elect to pass through to their shareholders the following amounts, or amounts as finally determined, of foreign taxes paid and foreign source income earned by the Funds during the fiscal year ended March 31, 2024:

	Franklin Emerging Market Core Dividend Tilt Index ETF	Franklin International Core Dividend Tilt Index ETF
Foreign Taxes Paid	\$100,163	\$ 1,220,248
Foreign Source Income	\$619,419	\$18,568,158

Board Members and Officers

The name, year of birth and address of the officers and board members, as well as their affiliations, positions held with the Trust, principal occupations during at least the past five years and number of U.S. registered portfolios overseen in the Franklin Templeton/Legg Mason fund complex, are shown below. Generally, each board member serves until that person's successor is elected and qualified.

Independent Board Members

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member ¹	Other Directorships Held During at Least the Past 5 Years
Rohit Bhagat (1964) One Franklin Parkway San Mateo, CA 94403-1906	Lead Independent Trustee	Since 2016	60	AssetMark Financial Holdings, Inc. (investment solutions) (2018-present) and PhonePe (2020-present) (payment and financial services); Meesho (eCommerce) (2023-present); and formerly , Axis Bank (banking and financial) (2013-2021), FlipKart Limited (2019-December 2020) (eCommerce company); CapFloat Financial Services Pvt., Ltd. (non-banking finance company) (2018) and Zentific Investment Management (hedge fund) (2015-2018); Advisor, Optimal Asset Management (investment technology and advisory services company) (2015-2018); Chief Executive Officer and Director, FinTech Evolution Acquisition (February 2021-March 2023).

Principal Occupation During at Least the Past 5 Years:

Managing Member, Mukt Capital, LLC (private investment firm) (2014-present); and **formerly**, Chairman, Asia Pacific, BlackRock (investment management) (2009-2012); Global Chief Operating Officer, Barclays Global Investors (investment management) (2005-2009); and Senior Partner, The Boston Consulting Group (management consulting) (1992-2005).

Deborah D. McWhinney (1955) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2020	60	IHS Markit (information services) (2015-present), Borg Warner (automotive) (2018-present), LegalShield (consumer services) (2020-present); and formerly , Fluor Corporation (construction and engineering) (2014-2020) and Focus Financial Partner, LLC (financial services) (2018-2020).
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Principal Occupation During at Least the Past 5 Years:

Director of various companies; and **formerly**, Board Member, Lloyds Banking Group (2015-2018) (financial institution) and Fresenius Medical Group (2016-2018) (healthcare); Chief Executive Officer (2013-2014) and Chief Operating Officer (2011-2013), CitiGroup Global Enterprise Payments (financial services); and President, Citi's Personal Banking and Wealth Management (2009-2011).

Anantha K. Pradeep (1963) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2016	60	None
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Principal Occupation During at Least the Past 5 Years:

Chief Executive Officer, Smilable, Inc. (technology company) (2014-present); Chief Executive Officer, MachineVantage (technology company) (2018-present); Founder and Managing Partner, Consult Meridian, LLC (consulting company) (2009-present); and **formerly**, Founder, BoardVantage (board portal solutions provider delivering paperless process for boards and leadership) (2000-2002).

Interested Board Members and Officers

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member ¹	Other Directorships Held During at Least the Past 5 Years
Jennifer M. Johnson² (1964) One Franklin Parkway San Mateo, CA 94403-1906	Trustee and Chairperson of the Board	Since 2016	70	None
Principal Occupation During at Least the Past 5 Years: Chief Executive Officer, President and Director, Franklin Resources, Inc.; officer and/or director or trustee, as the case may be, of some of the other subsidiaries of Franklin Resources, Inc. and of certain funds in the Franklin Templeton fund complex; and formerly , Chief Operating Officer and Executive Vice President, Franklin Resources, Inc. (1994-2015); Executive Vice President of Operations and Technology, Franklin Resources, Inc. (2005-2010); and Senior Vice President, Franklin Resources, Inc. (2003-2005).				
Harris Goldblat (1969) 100 First Stamford Place 6th Floor 6th Floor Stamford, CT. 06902	Vice President and Secretary	Since June 2023	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Associate General Counsel, Franklin Templeton; officer of certain funds in the Franklin Templeton fund complex; formerly, Managing Director and Associate General Counsel for Legg Mason & Co.				
Fred Jensen (1963) 280 Park Avenue New York, NY 10018	Chief Compliance Officer	Since 2021	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Director - Global Compliance of Franklin Templeton; Managing Director of Legg Mason & Co.; Director of Compliance, Legg Mason Office of the Chief Compliance Officer; Chief Compliance Officer, Franklin Advisory Services, LLC; Compliance Officer, Franklin Advisers, Inc.; officer of certain funds in the Franklin Templeton fund complex; formerly, Chief Compliance Officer of Legg Mason Global Asset Allocation; Chief Compliance Officer, Legg Mason Private Portfolio; Chief Compliance Officer to The Reserves Funds (investment adviser, funds and broker-dealer) and Ambac Financial Group (investment adviser, funds and broker-dealer).				
Susan Kerr (1949) 280 Park Avenue New York, NY 10017	Vice President - AML Compliance	Since 2021	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Senior Compliance Analyst, Franklin Templeton; Chief Anti-Money Laundering Compliance Officer, Legg Mason & Co., or its affiliates; Anti Money Laundering Compliance Officer; Senior Compliance Officer, LMIS; and officer of certain funds in the Franklin Templeton/Legg Mason fund complex.				
Christopher Kings (1974) One Franklin Parkway San Mateo, CA 94403-1906	Chief Executive Officer - Finance and Administration	Since January 2024	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Senior Vice President, Franklin Templeton Services, LLC; and officer of certain funds in the Franklin Templeton fund complex.				
David Mann (1973) One Franklin Parkway San Mateo, CA 94403-1906	Vice President	Since 2023	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Head of Global ETF Product and Capital Markets, Franklin Templeton; and officer of certain funds in the Franklin Templeton fund complex.				
Todd Mathias (1983) One Franklin Parkway, San Mateo, Ca 94403-1906	Vice President	Since March 2022	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Head of US ETF Product Strategy, Franklin Templeton; and officer of certain funds in the Franklin Templeton/Legg Mason fund complex.				

Interested Board Members and Officers (continued)

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member ¹	Other Directorships Held During at Least the Past 5 Years
Patrick O'Connor (1967) One Franklin Parkway San Mateo, CA 94403-1906	President and Chief Executive Officer – Investment Management	Since 2016	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: President and Chief Investment Officer, Franklin Advisory Services, LLC; Senior Vice President, Franklin Advisers, Inc.; and officer of certain funds in the Franklin Templeton/Legg Mason fund complex.				
Vivek Pai (1970) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Treasurer, Chief Financial Officer and Chief Accounting Officer	Since 2019	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Treasurer, U.S. Fund Administration & Reporting and officer of certain funds in the Franklin Templeton/Legg Mason fund complex.				

Note 1: Officer information is current as of the date of this report. It is possible that after this date, information about officers may change.

1. Information is for the calendar year ended December 31, 2023, unless otherwise noted. We base the number of portfolios on each separate series of the U.S. registered investment companies within the Franklin Templeton fund complex. These portfolios have a common investment manager or affiliated investment managers.

2. Jennifer M. Johnson is considered to be an interested person of the Fund under the federal securities laws due to her position as an officer and director of Franklin Resources, Inc., which is the parent company of the Fund's investment manager and distributor.

The Sarbanes-Oxley Act of 2002 and Rules adopted by the Securities and Exchange Commission require the Fund to disclose whether the Fund's Audit Committee includes at least one member who is an audit committee financial expert within the meaning of such Act and Rules. The Fund's Board has determined that there is at least one such financial expert on the Audit Committee and has designated Rohit Bhagat and Deborah D. McWhinney as its audit committee financial experts. The Board believes that Mr. Bhagat and Ms. McWhinney qualify as such an expert in view of their extensive business background and experience, including extensive experience in the asset management and financial services industries. Mr. Bhagat has been a Member and Chairman of the Fund's Audit Committee since 2017. Ms. McWhinney has been a member of the Fund Audit Committee since 2020. As a result of such background and experience, the Board believes that Mr. Bhagat and Ms. McWhinney have acquired an understanding of generally accepted accounting principles and financial statements, the general application of such principles in connection with the accounting estimates, accruals and reserves, and analyzing and evaluating financial statements that presents a breadth and level of complexity of accounting issues generally comparable to those of the Fund, as well as an understanding of internal controls and procedures for financial reporting and an understanding of audit committee functions. Mr. Bhagat and Ms. McWhinney are independent Board members as that term is defined under the relevant Securities and Exchange Commission Rules and Releases.

Shareholder Information

Board Approval of Investment Management Agreements

FRANKLIN TEMPLETON ETF TRUST

Franklin International Core Dividend Tilt Index ETF
Franklin Emerging Market Core Dividend Tilt Index ETF
Franklin U.S. Core Dividend Tilt Index ETF
Franklin U.S. Small Cap Multifactor Index ETF
Franklin U.S. Mid Cap Multifactor Index ETF
Franklin U.S. Large Cap Multifactor Index ETF
 (each a Fund)

At a meeting held on February 29, 2024 (Meeting), the Board of Trustees (Board) of Franklin Templeton ETF Trust (Trust), including a majority of the trustees who are not “interested persons” as defined in the Investment Company Act of 1940 (Independent Trustees), reviewed and approved an amendment to the sub-advisory agreement between Franklin Advisory Services, LLC (Manager), the Funds’ investment manager, and Franklin Templeton Institutional, LLC (Sub-Adviser), an affiliate of the Manager, on behalf of each Fund (Sub-Advisory Agreement Amendment) to increase the fee payable to the Sub-Adviser by the Manager (Amended Fee) effective on or about March 1, 2024. The Independent Trustees received advice from and met separately with Independent Trustee counsel in considering whether to approve the Sub-Advisory Agreement Amendment.

In considering the approval of the Sub-Advisory Agreement Amendment, the Board reviewed and considered information provided by the Manager and Sub-Adviser at the Meeting, and throughout the year at meetings of the Board and its committees. The Board reviewed and considered all of the factors it deemed relevant in approving the Sub-Advisory Agreement Amendment, including, but not limited to: (i) the nature, extent and quality of the services provided/to be provided by the Sub-Adviser; and (ii) the current and expected costs of the services provided/to be provided by the Sub-Adviser. The Board noted that management was proposing the Sub-Advisory Agreement Amendment in order to facilitate a geographical relocation and corresponding employment change of an existing Fund portfolio manager. The Board reviewed and considered management’s representations that there would be no reduction in the nature or level of services provided to each Fund, there would be no increase in the aggregate fees paid by each Fund for such services and appropriate notice was given to shareholders. The Board also reviewed and considered the form of Sub-Advisory Agreement Amendment and its terms, which were explained at the Meeting, noting that, the only

change to the existing sub-advisory agreement was the Amended Fee. The Board noted that each Fund was seeking approval of the Amended Fee pursuant to no-action relief granted by the U.S. Securities and Exchange Commission under a comparable set of facts, whereby relief from seeking shareholder approval of an amendment to an advisory agreement was granted in instances where the amendment did not materially change the advisory relationship or terms of the advisory agreement.

In approving the Sub-Advisory Agreement Amendment, the Board, including a majority of the Independent Trustees, determined that the terms of the Sub-Advisory Agreement Amendment are fair and reasonable and that such Sub-Advisory Agreement Amendment is in the best interests of each respective Fund and its shareholders. While attention was given to all information furnished, the following discusses some primary factors relevant to the Board’s determination.

Nature, Extent and Quality of Services

The Board reviewed and considered information regarding the nature, extent and quality of investment management services to be provided by the Sub-Adviser and currently being provided by the Sub-Adviser, Manager and its affiliates to each Fund and its shareholders. In particular, the Board took into account a Fund portfolio manager’s geographic relocation and corresponding employment change from the Manager to the Sub-Adviser. This information included, among other things, management’s representation that the relocation and employment change of the portfolio manager would not result in any changes to the portfolio management team of each Fund and that the Sub-Advisory Agreement Amendment would not reduce or modify in any way the nature, extent and quality of the services currently provided to each Fund. Following consideration of such information, the Board was satisfied with the nature, extent and quality of services to be provided by the Sub-Adviser to each Fund and its shareholders under the Sub-Advisory Agreement Amendment.

Fund Performance

The Board noted its review and consideration of and conclusions made regarding the performance results of each Fund in connection with the May 2023 annual contract renewal of each Fund’s investment management agreement and the September 2023 initial contract approval of each Fund’s sub-advisory agreement (collectively, the Contract Approvals), and at regular Board meetings throughout the year.

Comparative Fees and Expenses

The Board reviewed and considered information regarding the Amended Fee to be charged by the Sub-Adviser. The Board noted that the Amended Fee would have no impact on the amount of the management fees that were currently paid by each Fund, as the Sub-Adviser would continue to be paid by the Manager out of the unitary management fee that the Manager receives from each Fund. The Board further noted that the allocation of the Amended Fee between the Manager and the Sub-Adviser reflected the services to be provided by the Sub-Adviser considering the employment change of the Fund portfolio manager. The Board concluded that the Amended Fee to be paid to the Sub-Adviser is reasonable.

Management Profitability and Economies of Scale

The Board noted management's representation that the Amended Fee would not result in any increase in the management fees that the Manager currently receives from each Fund. The Board determined that its conclusions regarding profitability and economies of scale reached in connection with each Fund's Contract Approvals of the investment management agreement and sub-advisory agreement with the Manager and Sub-Adviser had not changed as a result of the proposal to approve the Sub-Advisory Agreement Amendment.

Conclusion

Based on its review, consideration and evaluation of all factors it believed relevant, including the above-described factors and conclusions, the Board unanimously approved the Sub-Advisory Agreement Amendment for each Fund effective on or about March 1, 2024.

Proxy Voting Policies and Procedures

The Trust's investment manager has established Proxy Voting Policies and Procedures (Policies) that the Trust uses to determine how to vote proxies relating to portfolio securities. Shareholders may view the Trust's complete Policies online at franklintempleton.com. Alternatively, shareholders may request copies of the Policies free of charge by calling the Proxy Group collect at (954) 527-7678 or by sending a written request to: Franklin Templeton Companies, LLC, 300 S.E. 2nd Street, Fort Lauderdale, FL 33301, Attention: Proxy Group. Copies of the Trust's proxy voting records are also made available online at franklintempleton.com and posted on the U.S. Securities and Exchange Commission's website at sec.gov

Quarterly Schedule of Investments

The Trust files a complete schedule of investments with the U.S. Securities and Exchange Commission for the first and third quarters for each fiscal year as an exhibit to its report on Form N-PORT. Shareholders may view the filed Form N-PORT by visiting the Commission's website at sec.gov. The filed form may also be viewed and copied at the Commission's Public Reference Room in Washington, DC. Information regarding the operations of the Public Reference Room may be obtained by calling (800) SEC-0330.

Premium/Discount Information

Information about the differences between the daily market price on the secondary market for the shares of each Fund and each Fund's net asset value may be found on each Fund's website at franklintempleton.com.

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Authorized for distribution only when accompanied or preceded by a summary prospectus and/or prospectus. Investors should carefully consider a fund's investment goals, risks, charges and expenses before investing. A prospectus contains this and other information; please read it carefully before investing.

To help ensure we provide you with quality service, all calls to and from our service areas are monitored and/or recorded.



Annual Report
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