

# Franklin U.S. Small Cap Multifactor Index ETF (FLQS)



Multi-Factor Factsheet as of June 30, 2024

## Investment Overview

The fund seeks to provide investment results that closely correspond, before fees and expenses, to the performance of its corresponding underlying index, LibertyQ U.S. Small Cap Equity Index. The underlying LibertyQ U.S. Small Cap Equity Index generally includes U.S. small capitalization companies that have favorable exposure to four investment style factors: quality, value, momentum and low volatility.

## Total Returns (%)

	Cumulative			Average Annual				Inception	
	3-Mth	6-Mth	YTD	1-Yr	3-Yr	5-Yr	10-Yr	Inception	Date
Market Price Return	-3.92	0.34	0.34	11.13	1.97	8.46	—	7.55	4/26/2017
NAV Returns	-3.80	0.60	0.60	11.28	2.03	8.52	—	7.55	4/26/2017
Investment Universe	-3.28	1.73	1.73	10.06	-2.58	6.94	—	6.67	—
Underlying Index	-3.71	0.78	0.78	11.72	2.35	8.86	—	7.89	—

## Calendar Year Total Returns (%)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Market Price Return	20.89	-16.88	26.59	10.52	18.32	-5.07	—	—	—	—
NAV Returns	20.61	-16.80	26.62	10.27	18.21	-4.56	—	—	—	—
Investment Universe	16.93	-20.44	14.82	19.96	25.52	-11.01	—	—	—	—
Underlying Index	21.03	-16.56	26.99	10.61	18.61	-4.34	—	—	—	—

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

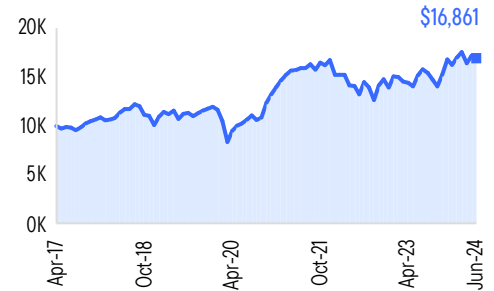
Net Asset Value (NAV) returns are based on the NAV of the ETF; Market Price returns are based upon the official closing price of the ETF's shares. Returns are average annualized total returns, except for those periods of less than one year, which are cumulative. Market Price returns are calculated using the closing price as of 4 p.m. Eastern time on each trading day (when NAV is normally determined for most funds), and do not represent the returns you would receive if you traded shares at other times. Since shares of the Fund did not trade in the secondary market until after the Fund's inception, for the period from inception to the first day of secondary trading April 28, 2017, the NAV of the Fund is used as a proxy for the Market Price to calculate market returns.

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

## Growth of \$10,000

Inception through June 30, 2024

Market Price Returns, assuming dividends reinvested



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

## Fund Overview

Fund Inception Date	04/26/2017
Total Expense Ratio (%)	0.35
ETF Category	Smart Beta
Frequency of Index	
Reconstitution	Semiannually
Asset Class	Equity
Listed Exchange	Cboe
Cboe Ticker	FLQS
CUSIP	35473P876
ISIN	US35473P8766
Shares Outstanding	1,100,000
Underlying Index	LibertyQ U.S. Small Cap Equity Index
Investment Universe	Russell 2000 Index

## 30-Day SEC Yield (%)

30-Day SEC Yields (%)	1.24
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## Fund Characteristics

	Fund	Investment Universe
Total Net Assets	\$42.76 Million	
Number of Holdings	498	1,921
Average Market Cap (Millions USD)	\$3,300	\$4,463
Price to Book	2.01x	2.06x
Price to Earnings (12-Month Trailing)	14.72x	16.59x

## Risk Statistics (3-Year vs. Russell 2000 Index)

	Fund	Investment Universe
Standard Deviation (%)	19.00	21.63
Beta	0.86	—

## Top Equity Issuers (% of Total)

	Fund
SPROUTS FARMERS MARKET INC	1.09
ABERCROMBIE & FITCH CO	1.06
APPLIED INDUSTRIAL TECHNOLOGIES INC	1.03
SPS COMMERCE INC	1.03
COMMVault SYSTEMS INC	0.96
UFP INDUSTRIES INC	0.94
RAMBUS INC	0.93
MUELLER INDUSTRIES INC	0.92
ESSENT GROUP LTD	0.88
BADGER METER INC	0.87

## Sector Allocation (% of Total)

	Investment	
	Fund	Universe
Industrials	23.82	17.17
Consumer Discretionary	15.50	10.42
Information Technology	14.28	15.29
Financials	10.68	16.00
Health Care	8.39	15.18
Consumer Staples	6.53	3.52
Energy	6.20	7.48
Real Estate	3.83	5.62
Other	11.29	9.30
Cash & Cash Equivalents	-0.52	0.00

## Portfolio Management

	Years with Firm	Years of Experience
Dina Ting, CFA	8	28
Hailey Harris	6	14
Joe Diederich	5	13
Basit Amin, CFA	3	13

## What should I know before investing?

**All investments involve risks, including possible loss of principal. Equity securities** are subject to price fluctuation and possible loss of principal. **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.

## Glossary

**Standard Deviation:** Measure of the degree to which a fund's return varies from the average of its previous returns. The larger the standard deviation, the greater the likelihood (and risk) that a fund's performance will fluctuate from the average return. **Beta:** A measure of the fund's volatility relative to the market, as represented by the stated Index. A beta greater than 1.00 indicates volatility greater than the market. The **30-day SEC yield** is calculated using the net income (interest and dividends) per share earned over a trailing 30-day period (annualized), divided by the fund's share price at the end of that period. It may not equal the fund's actual income distribution rate, which reflects the fund's past dividends paid to shareholders. **Price to Book:** The price per share of a stock divided by its book value (i.e., net worth) per share. For a portfolio, the value represents a weighted average of the stocks it holds. **Price to Earnings (12-Month Trailing)** is the share price of a stock, divided by its per-share earnings over the past year. For a portfolio, the value represents a weighted average of the stocks it holds.

## Important Information

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

ETF shares may be bought or sold throughout the day at their market price, not their Net Asset Value (NAV), on the exchange on which they are listed. Shares of ETFs are tradable on secondary markets and may trade either at a premium or a discount to their NAV on the secondary market.

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

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**Negative Cash Weightings:** The negative cash position reflects a temporary position that is a result of a delay in securities settlement transactions. Top fixed Income Issuers excludes repurchase agreement.

The **Russell 2000 Index** measures the performance of the small-cap segment of the U.S. equity universe. Source: FTSE. The **LibertyQ U.S. Small Cap Equity Index** is based on the Russell 2000 Index, its parent index, which measures the performance of the small-cap segment of the U.S. equity universe. The LibertyQ U.S. Small Cap Equity Index is designed to reflect the performance of a Franklin Templeton strategy that seeks exposure to four factors: Quality, Value, Momentum and Low Volatility. Source: FTSE Russell. The LibertyQ U.S. Small Cap Equity Index is calculated and maintained by FTSE Russell, which aims to reflect the performance of a Franklin Templeton strategy. The Franklin U.S. Small Cap Multifactor Index ETF not in any way sponsored, endorsed, sold or promoted by FTSE Russell. Important data provider notices and terms available at [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com). All data is subject to change.

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**Before investing, carefully consider a fund's investment objectives, risks, charges and expenses. You can find this and other information in each prospectus, or summary prospectus, if available, at [www.franklintempleton.com](http://www.franklintempleton.com). Please read it carefully.**