



Franklin LibertyQ Emerging Markets ETF

Fund Fact Sheet | Equity | December 31, 2017

FLQE

Fund Description

The fund seeks to provide investment results that closely correspond, before fees and expenses, to the performance of its corresponding underlying index, LibertyQ Emerging Markets Index. The underlying LibertyQ Emerging Markets Index includes stocks from emerging market countries that have favorable exposure to four investment-style factors: quality, value, momentum and low volatility.

Fund Overview

Total Net Assets	\$411 million
Fund Inception Date	6/1/2016
Frequency of Index Reconstruction	Semi-Annual
Number of Holdings	202
Asset Class	Equity
Listing Exchange	NYSE Arca
NYSE Ticker	FLQE
Intraday NAV Ticker	FLQE.IV
CUSIP	35473P 207
Shares Outstanding	12,400,000
Investment Universe	MSCI Emerging Markets Index
Underlying Index	LibertyQ Emerging Markets Index

Fund Management

	Years with Firm	Years of Experience
Dina Ting, CFA	2	22

Total Annual Operating Expenses

With Waiver	0.55%
Without Waiver	0.55%

Reasons to Invest

Strategic Style Factor Diversification Offers the Potential for Strong Risk-Adjusted Performance

Our proprietary rules-based approach, which focuses on four investment-styles, is designed to pursue market upside with reduced downside, and seeks higher risk-adjusted returns than market cap-weighted indices over the long-term.

Developed and Monitored by Seasoned and Quantitative ETF Specialists

Franklin LibertyQ ETF strategies were developed by Franklin's team of seven quantitative experts and are managed by portfolio management professionals who have more than a decade of ETF experience.

Benefits of Traditional ETF Features

ETFs typically offer investors daily transparency of fund holdings, no minimum investment and trading throughout the day. The structure of ETFs may also allow for more effective management of the ETF's trading costs, portfolio turnover and potential tax liabilities.

Total Returns % (as of 12/31/2017)

Fund	CUMULATIVE			AVERAGE ANNUAL		
	3 Mths	6 Mths	YTD	1 Yr	Since Inception	Inception Date
FLQE (NAV Returns)	6.39	12.01	28.37	28.37	19.78	6/1/2016
FLQE (Market Price Returns)	5.84	12.05	27.64	27.64	19.64	6/1/2016
LibertyQ Emerging Markets Index	6.54	12.58	28.90	28.90	20.69	
MSCI Emerging Markets Index	7.44	15.92	37.28	37.28	28.77	

Performance data represents past performance, which does not guarantee future results. Current performance may differ from figures shown. The fund's investment return and principal value will change with market conditions, and you may have a gain or a loss when you sell your shares. Please call Franklin Templeton Investments at (800) DIAL BEN/(800) 342-5236 or visit libertyshares.com for the most recent month-end performance.

Returns are average annualized total returns, except for those periods of less than one year, which are cumulative. Market returns are based upon the midpoint of the bid/ask spread at 1:00 p.m. Pacific time (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 June 3, 2016, the NAV of the Fund is used as a proxy for the Market Price to calculate market returns.

Top Ten Holdings (% of Total)

Security Name	
Maruti Suzuki India Ltd.	1.16
Unilever Indonesia Tbk PT	1.11
Country Garden Holdings Co. Ltd.	1.09
Hindustan Unilever Ltd.	1.08
KB Financial Group Inc.	1.08
Vodacom Group Ltd.	1.07
Hana Financial Group Inc.	1.05
Hyundai Mobis Co. Ltd.	1.03
Emirates Telecommunications Group Co.	1.03
PJSC	
Tatneft PAO	1.02

Fund Measures

	Fund	Investment Universe
Price to Earnings (12-mo Trailing)	12.40x	15.13x
Price to Book	1.78x	1.79x
Standard Deviation (1 Yr)	5.75%	6.26%
Beta (1 Yr)	0.85	N/A
Beta measured against the MSCI Emerging Markets Index.		

Composition of Fund

■ Franklin LibertyQ Emerging Markets ETF ■ MSCI Emerging Markets Index

Geographic	% of Total
South Korea	15.22 / 15.39
China	13.47 / 29.67
India	13.05 / 8.77
Taiwan	12.76 / 11.27
Russia	10.63 / 3.33
Indonesia	4.81 / 2.25
Brazil	4.44 / 6.81
Thailand	4.41 / 2.28
South Africa	4.13 / 7.12
Others	16.41 / 13.11
Cash & Cash Equivalents	0.68 / 0.00

Sector	% of Total
Information Technology	19.31 / 27.70
Consumer Discretionary	13.88 / 10.20
Energy	13.05 / 6.77
Consumer Staples	11.44 / 6.58
Financials	10.70 / 23.45
Telecommunication Services	10.33 / 4.84
Materials	7.81 / 7.41
Industrials	4.20 / 5.23
Real Estate	3.32 / 2.82
Others	5.27 / 5.02
Cash & Cash Equivalents	0.68 / 0.00

What Are the Risks

All investments involve risks, including possible loss of principal. Generally, those offering potential for higher returns are accompanied by a higher degree of risk. Special risks are associated with foreign investing, including currency fluctuations, economic instability and political developments. Investments in developing markets involve heightened risks related to the same factors, in addition to those associated with these markets' smaller size, lesser liquidity and lack of established legal, political, business and social frameworks to support securities markets. Franklin LibertyQ Emerging Markets ETF is designed for the aggressive portion of a well-diversified portfolio. 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. The fund's risk considerations are discussed in the fund's prospectus.

Glossary

Beta: A measure of the fund's volatility relative to the market, as represented by the stated Index. A beta greater than 1.00 indicates volatility greater than the market.

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-mo Trailing): 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.

Standard Deviation: A 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.

Important Information

Investors should carefully consider a fund's investment goals, risks, charges and expenses before investing. To obtain a summary prospectus and/or prospectus, which contains this and other information, talk to your financial advisor, call us at (800) DIAL BEN/342-5236 or visit libertyshares.com. Please carefully read a prospectus before you invest or send money.

Information is historical and may not reflect current or future portfolio characteristics. All portfolio holdings are subject to change.

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.

Indexes are unmanaged, and one cannot invest directly in an index. They do not reflect any fees, expenses or sales charges.

All MSCI data is provided "as is." The Fund described herein is not sponsored or endorsed by MSCI. In no event shall MSCI, its affiliates or any MSCI data provider have any liability of any kind in connection with the MSCI data or the Fund described herein. Copying or redistributing the MSCI data is strictly prohibited.

The LibertyQ Emerging Markets Index is a systematic, rules-based proprietary index that is owned and calculated by MSCI Inc. (MSCI) based on the MSCI Emerging Markets Index that aims to reflect the performance of Franklin Templeton's strategy. The Franklin LibertyQ Emerging Markets ETF is not sponsored, endorsed, issued, sold or promoted by, or affiliated with, MSCI. MSCI does not make any representation regarding the advisability of investing in the Franklin LibertyQ Emerging Markets ETF. The index includes stocks from emerging market countries that have favorable exposure to multiple investment-style factors, subject to a maximum 1% per company weighting. The LibertyQ Emerging Markets Index utilizes a multi-factor selection process that is designed to select equity securities from the MSCI Emerging Markets Index that have exposure to four investment style-factors: quality, value, momentum and low volatility.

Rules Based Approach: An investment strategy based on various, pre-determined rules.

Fund Management: CFA® and Chartered Financial Analyst® are trademarks owned by CFA Institute.

Performance: Net Asset Value (NAV) represents an ETF's per-share-value. The NAV per share is determined by dividing the total NAV of the Fund by the number of shares outstanding. The Fund calculates the NAV per share each business day as of 1 p.m. Pacific time which normally coincides with the close of trading on the New York Stock Exchange (NYSE). The Fund does not calculate the NAV on days the NYSE is closed for trading. If the NYSE has a scheduled early close or unscheduled early close, the Fund's share price would still be determined as of 1 p.m. Pacific time. 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.

Top Ten Holdings: All portfolio holdings are subject to change.