

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

Fund Overview

Total Net Assets	\$1.24 billion
Fund Inception Date	4/26/2017
ETF Type	Smart Beta
Frequency of Index Reconstitution	Semi-Annual
Number of Holdings	252
Asset Class	Equity
Listing Exchange	CBOE BZX
CUSIP	35473P 801
CBOE Ticker	FLQL
Shares Outstanding	35,700,000
Investment Universe	Russell 1000 Index
Underlying Index	LibertyQ U.S. Large Cap Equity Index

Fund Management

	Years with Firm	Years of Experience
Dina Ting, CFA	4	24
Hailey Harris	2	10
Louis Hsu, CFA	3	13

Total Annual Operating Expenses

0.15%

30-Day Standardized Yield

1.95%

Reasons to Invest

Tracks a multi-factor index that aims to reduce market volatility and deliver a smoother investor experience over the long term.

- Seeks to provide investment results that closely correspond, before fees and expenses, to the performance of its corresponding underlying index, LibertyQ U.S. Large Cap Equity Index
- Pursues low downside capture and strong risk-adjusted returns over the long term
- The index methodology employs a rules-based, custom multi-factor approach providing exposure to four well known factors: 50% Quality, 30% Value, 10% Momentum and 10% Low Volatility

Total Returns % (as of 9/30/2020)

Fund	CUMULATIVE			AVERAGE ANNUAL			Since Inception	Inception Date
	3 Mths	6 Mths	YTD	1 Yr	3 Yrs			
FLQL (NAV Returns)	8.85	27.14	0.69	7.59	11.15	11.53	4/26/2017	
FLQL (Market Price Returns)	9.10	27.43	0.92	7.70	11.27	11.61	4/26/2017	
LibertyQ U.S. Large Cap Equity Index	8.88	27.21	0.78	7.71	11.38	11.77		
Russell 1000® Index	9.47	33.36	6.40	16.01	12.37	12.75		

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 at (800) DIAL BEN/(800) 342-5236 or visit franklintempleton.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 April 28, 2017, the NAV of the Fund is used as a proxy for the Market Price to calculate market returns.

Top Ten Holdings (% of Total)

Issuer Name	
NVIDIA CORP	1.40
UNITED PARCEL SERVICE INC	1.40
APPLE INC	1.34
QUALCOMM INC	1.25
TARGET CORP	1.19
NIKE INC	1.17
TEXAS INSTRUMENTS INC	1.10
ADOBE INC	1.10
PROCTER & GAMBLE CO	1.10
MCDONALD'S CORP	1.08

Fund Measures

	Fund	Investment Universe
Price to Earnings (12-mo Trailing)	24.40x	25.66x
Price to Book	5.70x	3.72x
Standard Deviation (3 Yrs)	15.96%	17.94%
Beta (3 Yrs)	0.88	N/A

Beta measured against the Russell 1000 Index.

Composition of Fund

■ Franklin LibertyQ U.S. Equity ETF ■ Russell 1000® Index

Sector	% of Total
Information Technology	23.60 / 28.03
Consumer Discretionary	14.91 / 12.27
Consumer Staples	14.90 / 6.47
Industrials	13.51 / 8.62
Health Care	12.22 / 14.18
Communication Services	5.85 / 10.26
Utilities	5.77 / 2.82
Financials	3.37 / 9.61
Real Estate	3.03 / 3.13
Others	2.62 / 4.61
Cash & Cash Equivalents	0.22 / 0.00

What Are the Risks?

All investments involve risks, including possible loss of principal. Stock prices fluctuate, sometimes rapidly and dramatically, due to factors affecting individual companies, particular industries or sectors, or general market conditions. To the extent the fund concentrates in a specific industry or a group of industries, the fund will carry much greater risks of adverse developments and price movements in such industries than a fund that invests in a wider variety of industries; there is also the risk that the fund will perform poorly during a slump in demand for securities of companies in such industries. There can be no assurance that the fund's multi-factor stock selection process will enhance performance. Exposure to such investment factors may detract from performance in some market environments, perhaps for extended periods. Performance of the fund may vary significantly from the performance of an index, as a result of transactions costs, expenses and other factors. These and other risks are discussed in the fund's prospectus.

Glossary

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

The LibertyQ U.S. Large Cap Index methodology utilizes a custom factor weighting (50% Quality, 30% Value, 10% Momentum, 10% Low Volatility) and custom factor definitions. The methodology targets the top 25% of securities from the parent index with the highest combined factor score.

Quality is measured by return on equity (ex. REITs), 5-year earnings variability, cash return on assets, leverage (ex. Financials and REITs), and operating cash to sales (REITs only).

Value is measured by 12-month trailing price-to-earnings (ex. REITs and Financials), 12-month forward price-to-earnings (ex. REITs and Financials), dividend yield (ex. REITs and Financials), 1/3 relative z-score of dividend yield and 2/3 relative z-scores of the price-to-book (REITs and Financials only).

Momentum is measured by 6-month risk-adjusted price momentum and 12-month risk-adjusted price momentum.

Low Volatility is measured by the historical beta of at least 104 weeks.

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 professional, call us at (800) DIAL BEN/342-5236 or visit franklintempleton.com. Please carefully read a prospectus before you invest or send money.

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.

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

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

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

Source: FTSE Russell. The LibertyQ U.S. Large Cap Equity Index is calculated and maintained by FTSE Russell which aim to reflect the performance of a Franklin Templeton strategy. The Franklin LibertyQ U.S. Equity ETF is not in any way sponsored, endorsed, sold or promoted by Russell or the London Stock Exchange Group companies ("LSEG") (together the "Licensor Parties") and none of the Licensor Parties make any claim, prediction, warranty or representation whatsoever, expressly or impliedly, either as to (i) the results to be obtained from the use of the Index (upon which the Franklin LibertyQ U.S. Equity ETF is based), (ii) the figure at which the Index is said to stand at any particular time on any particular day or otherwise, or (iii) the suitability of the Index for the purpose to which it is being put in connection with the Franklin LibertyQ U.S. Equity ETF. None of the Licensor Parties have provided or will provide any financial or investment advice or recommendation in relation to the Index to Franklin Templeton or to its clients. None of the Licensor Parties shall be (a) liable (whether in negligence or otherwise) to any person for any error in the Index or (b) under any obligation to advise any person of any error therein. Frank Russell Company is the source of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Frank Russell Company.

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: 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.

30-Day Standardized Yield: The fund's 30-Day Standardized 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.

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

Fund Measures: Source: FactSet. Price ratio calculations for weighted average use harmonic means. Any exceptions to this are noted.

Composition of Fund: Percentage may not equal 100% due to rounding.