



An actively managed ETF, **Franklin Liberty Short Duration U.S. Government ETF (FTSD)** is a portfolio that contains some of our best ideas within the short duration government bond spectrum.¹ We are able to invest outside of the benchmark as well as over/underweight positions relative to the benchmark if bottom-up analysis dictates.

Income-focused strategy

Invests in a broader universe of government bonds than the benchmark, accessing what we believe are the most attractive income opportunities in the short duration U.S. government sector.

Low duration profile

Has a low duration profile by design, which has helped to better manage volatility caused by changes in the interest rate environment.

No credit exposure

Investors seeking yield often turn to the corporate credit sector, taking on both interest rate risk and credit risk. FTSD invests only in U.S. government bonds and contains no corporate bonds.

Fund overview

Data as of March 31, 2019

Inception

November 4, 2013

Distributions

Monthly

Benchmark

Bloomberg Barclays U.S. Government Index: 1–3 Year Component

Total Net Assets

\$125M

Net Expense Ratio³

0.25%

Gross Expense Ratio

0.49%

Average Duration

1.19 Years

30-Day Standardized Yield w/Waiver^{3,4}

2.39%

30-Day Standardized Yield w/out Waiver⁴

2.20%

Number of Holdings

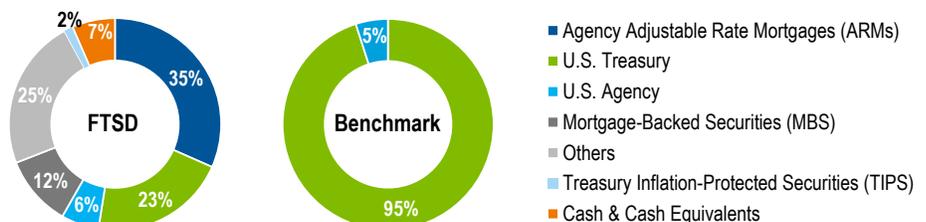
325

Active decision making: Portfolio composition vs. benchmark

Active management allows FTSD to invest outside index constraints.

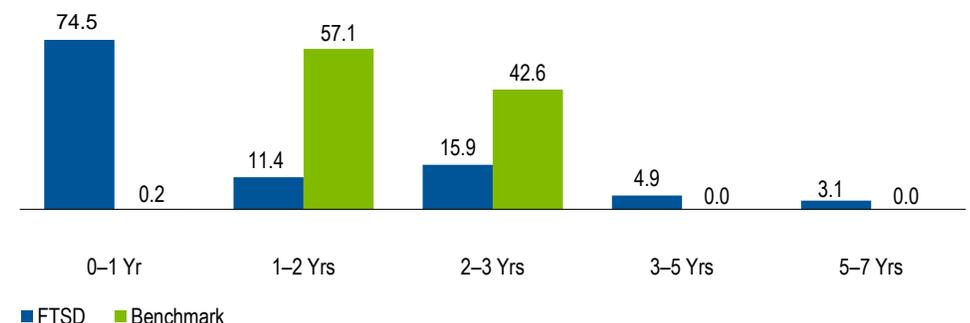
Sector (Notional Exposure)^{2,5}

Data as of March 31, 2019



Duration (Notional Exposure)^{2,5}

Data as of March 31, 2019



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

1. Securities owned by the fund, but not shares of the fund, are guaranteed by the U.S. government, its agencies or instrumentalities as to timely payment of principal and interest.

2. Notional exposure figures are intended to estimate the portfolio's exposure, including any hedged or increased exposure through certain derivatives held in the portfolio (or their underlying reference assets). Portfolio breakdown percentages may not total 100% or may be negative due to rounding, use of any derivatives, unsettled trades or other factors.

3. The fund has a fee waiver and/or expense reimbursement contractually guaranteed through July 31, 2019. Fund investment results reflect the fee waiver and/or expense reimbursement; without this, the results would have been lower.

4. 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.

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

What can you do now?

Activate Cash

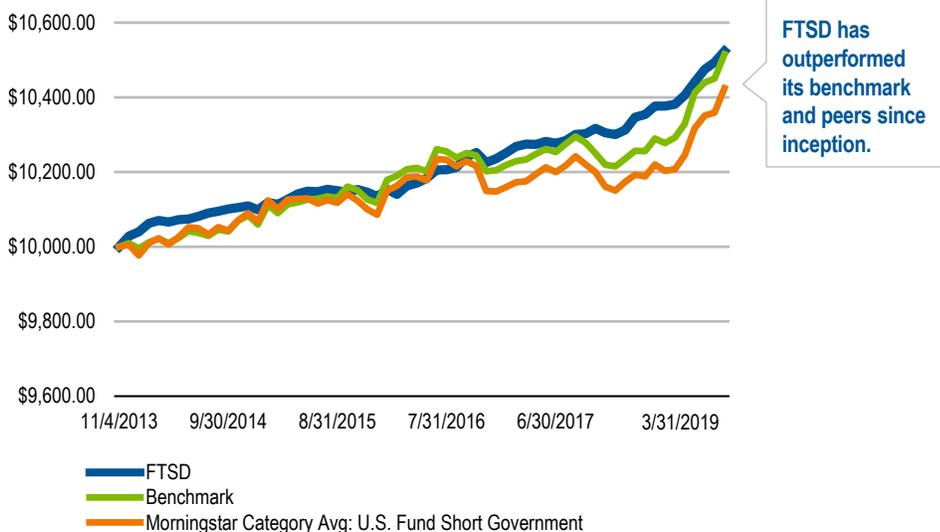
If your clients have income needs but are hesitant to get into the market, provide them with an alternative that still has a strong focus on risk management but also pursues attractive income opportunities.

Address Interest Rate Uncertainty

While it can be difficult to predict when and by how much interest rates will rise, we can start by examining the duration of our fixed income investments. By shortening the duration of fixed income allocations, you can prepare your clients' portfolios for potential changes in interest rates.

Growth of a \$10,000 investment

November 4, 2013–March 31, 2019



Average Annual Total Returns (as of March 31, 2019)

FTSD Net Asset Value (NAV) 1 Year: 2.04%, 3 Year: 1.17%; 5 Year: 0.89%; Since Inception (11.04.13) 1.01%.

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 investors may have a gain or a loss when they sell their shares. Please call Franklin Templeton at (800) DIAL BEN/342-5236 or visit franklintempleton.com for the most recent month-end performance.

What are the Risks?

All investments involve risks, including possible loss of principal. Interest rate movements, unscheduled mortgage prepayments and other risk factors will affect the fund's share price and yield. Bond prices, and thus a fund's share price, generally move in the opposite direction of interest rates. Therefore, as the prices of bonds in the fund adjust to a rise in interest rates, the fund's share price may decline. Changes in the financial strength of a bond issuer or in a bond's credit rating may affect its value. 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.

Your clients should carefully consider a fund's investment goals, risks, charges and expenses before investing. They should read the summary prospectus and/or prospectus carefully before they invest or send money. To obtain a prospectus, which contains this and other information, please visit libertyshares.com or call Franklin Templeton at (800) DIAL BEN/342-5236.

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.



Franklin Templeton Distributors, Inc.
One Franklin Parkway
San Mateo, CA 94403-1906
(800) DIAL BEN® / 342-5236
franklintempleton.com

For Financial Professional Use Only. Not For Distribution to the Public.

© 2019 Franklin Templeton Investments.

FTSD FL 05/19