

Franklin ClearBridge Enhanced Income ETF



YLDE | The Nasdaq Stock Market LLC

Annual Shareholder Report | March 31, 2025

This annual shareholder report contains important information about Franklin ClearBridge Enhanced Income ETF (previously known as ClearBridge Dividend Strategy ESG ETF) for the period April 1, 2024, to March 31, 2025.

You can find additional information about the Fund at <https://www.franklintempleton.com/regulatory-fund-documents>. You can also request this information by contacting us at (800) DIAL BEN/342-5236.

This report describes changes to the Fund that occurred during the reporting period.

WHAT WERE THE FUND COSTS FOR THE LAST YEAR? (based on a hypothetical \$10,000 investment)

Fund Name	Costs of a \$10,000 investment	Costs paid as a percentage of a \$10,000 investment
Franklin ClearBridge Enhanced Income ETF	\$50	0.47%

HOW DID THE FUND PERFORM LAST YEAR AND WHAT AFFECTED ITS PERFORMANCE?

For the twelve months ended March 31, 2025, Franklin ClearBridge Enhanced Income ETF returned 11.20%. The Fund compares its performance to the S&P 500 Index and the CBOE S&P 500 BuyWrite Index, which returned 8.25% and 9.80%, respectively, for the same period.

PERFORMANCE HIGHLIGHTS

Top contributors to performance:

- ↑ Williams Companies, an energy infrastructure company within the energy sector, shares rose on strong financial results, with several growth projects set to come online, and improved natural gas price outlook and growing acknowledgment midstream infrastructure plays a key role to back up renewable power as artificial intelligence (AI) demand increases.
- ↑ T-Mobile, a wireless network operator within the communication services sector, has been growing at a strong clip, leading the industry in postpaid net phone additions. Its stable capital expenditures, network quality and sustainable market share gains in both rural markets and in the enterprise segment continued to drive the best free cash flow growth among global telecoms. The announced acquisition of U.S. Cellular further underpinned its growth trajectory and competitive positioning.
- ↑ Kinder Morgan, an energy infrastructure company within the energy sector, shares were higher as investors grew more positive on the growth outlook for natural gas pipelines, driven by the need to ensure power grid stability and meet energy demand from a variety of sources, such as AI and data centers (not held at period-end).

Top detractors from performance:

- ↓ Intel, a leading manufacturer of semiconductors within the IT sector, saw results decline and its profitability outlook continued to disappoint, sending shares lower. With its turnaround taking longer than expected, and with the suspension of its dividend, the Fund exited the position.
- ↓ Merck, a global health care company that delivers innovative health solutions within the health care sector, shares were down amid the news it was nearing a \$1.3 billion deal to acquire Eyebiotec. In addition, its vaccine franchise, in particular Gardasil, lagged in China, forcing the company to reset near-term growth expectations (not held at period-end).
- ↓ Microsoft, a software technology company within the IT sector, shares traded down after a period of strong performance on broad concerns around mega-cap tech stocks and elevated costs of AI-related capital expenditure.

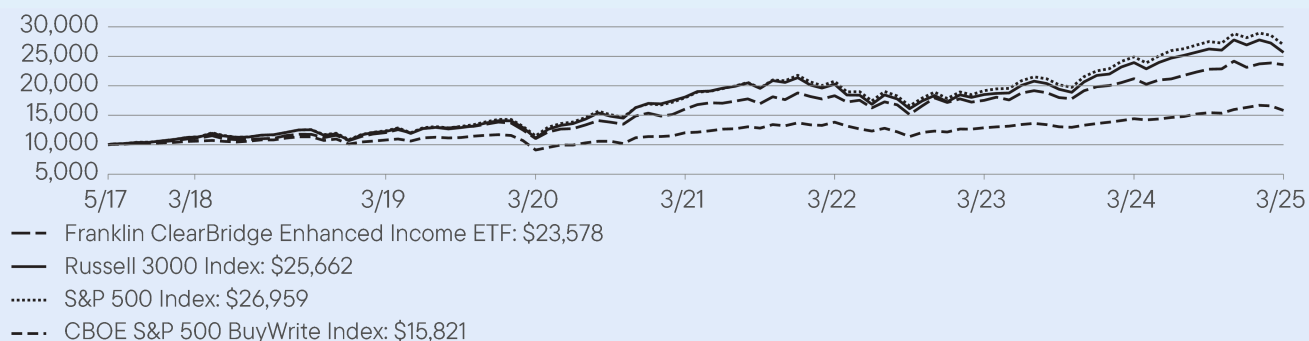
Use of derivatives and the impact on performance:

The Fund utilized equity risk written options to pursue additional premium income, which contributed to performance.

HOW DID THE FUND PERFORM OVER THE LAST 10 YEARS?

The Fund's past performance is not necessarily an indication of how the Fund will perform in the future. The graph and table do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or redemption of Fund shares.

VALUE OF A \$10,000 INVESTMENT – FRANKLIN CLEARBRIDGE ENHANCED INCOME ETF 5/22/2017 – 3/31/2025



AVERAGE ANNUAL TOTAL RETURNS (%) Period Ended March 31, 2025

	1 Year	5 Year	Since Inception (5/22/2017)
Franklin ClearBridge Enhanced Income ETF (NAV)	11.20	16.38	11.53
Russell 3000 Index	7.22	18.18	12.68
S&P 500 Index	8.25	18.59	13.36
CBOE S&P 500 BuyWrite Index	9.80	11.69	6.01

Fund performance figures may reflect fee waivers and/or expense reimbursements, without which the performance would have been lower.

Effective February 28, 2025, the Fund changed its name and adopted the Fund's current investment strategies.

For current month-end performance, please call Franklin Templeton at (800) DIAL BEN/342-5236 or visit <https://www.franklintempleton.com/investments/options/exchange-traded-funds>.

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

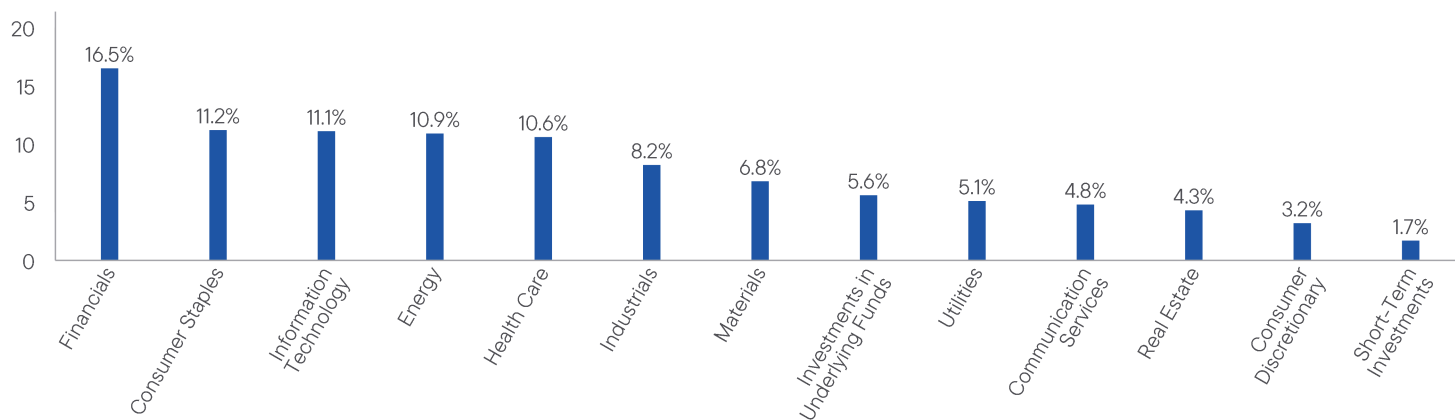
KEY FUND STATISTICS (as of March 31, 2025)

Total Net Assets	\$103,386,890
Total Number of Portfolio Holdings*	53
Total Management Fee Paid (based on a unitary fee)	\$242,321
Portfolio Turnover Rate	45%

* Does not include derivatives, except purchased options, if any.

WHAT DID THE FUND INVEST IN? (as of March 31, 2025)

Portfolio Composition* (% of Total Investments)



* Does not include derivatives, except purchased options, if any.

HOW HAS THE FUND CHANGED?

Effective February 28, 2025 (the “Effective Date”), the Fund’s name was changed from ClearBridge Dividend Strategy ESG ETF to Franklin ClearBridge Enhanced Income ETF.

On the Effective Date, the Fund changed its investment objective to seek to provide income and long-term capital appreciation.

The Fund’s principal investment strategies also changed to reflect that, under normal market conditions, the Fund pursues an enhanced equity income strategy by (1) investing primarily in dividend-paying equity securities and (2) “enhancing” income through the employment of an options overlay by writing (selling) U.S. exchange-traded call options based upon U.S. large capitalization equity indices. The Fund removed its 80% investment policy to invest at least 80% of its net assets, plus borrowings for investment purposes, if any, in dividend-paying stocks or other instruments with similar economic characteristics that offer the potential for income growth and capital appreciation over time and that meet its financial and environmental, social and governance (“ESG”) criteria. As part of these changes, disclosure regarding the Fund’s ESG focus was removed from the Fund’s principal investment strategies and disclosure regarding the Fund’s options overlay was added. Disclosure regarding principal investments in preferred securities, convertible securities, securities of other investment companies and warrants and rights was also removed from the Fund’s principal investment strategies. Additional disclosure was added to the Fund’s principal investment strategies to reflect the Fund’s exposure to securities in the financial services and information technology sectors.

In connection with the changes to the Fund’s principal investment strategies, disclosure was added for the Fund to reflect the additional principal risks related to the Fund’s new investment strategy including derivatives risk, REIT risk and the risks associated with option writing.

Effective October 8, 2024, shareholders of the Fund approved the Fund’s use of a “manager of managers” structure whereby the Fund’s investment manager can appoint and replace both affiliated and unaffiliated subadvisers, and enter into, amend and terminate subadvisory agreements with such subadvisers, each subject to approval by the Fund’s Board of Trustees but without obtaining prior shareholder approval. On the Effective Date, Franklin Managed Options Strategies, LLC (“Franklin MOST”) was added as a subadviser to the Fund to manage the options overlay portion of the Fund’s portfolio.

Finally, effective December 31, 2024, Peter Vanderlee stepped down as a portfolio manager for the Fund and effective February 28, 2025, Bradley S. Berggren and Jonathan Orseck from Franklin MOST were added as portfolio managers for the Fund.

This is a summary of certain changes to the Fund since April 1, 2024. For more complete information, you may review the Fund’s current prospectus and any applicable supplements and the Fund’s next prospectus, which we expect to be available by August 1, 2025, at <https://www.franklintempleton.com/regulatory-fund-documents> or upon request at (800) DIAL BEN/342-5236 or ETFs-Product@franklintempleton.com.



WHERE CAN I FIND ADDITIONAL INFORMATION ABOUT THE FUND?

Additional information is available on <https://www.franklintempleton.com/regulatory-fund-documents>, including its:

- prospectus
- proxy voting information
- financial information
- holdings
- tax information