Franklin U.S. Low Volatility High Dividend Index ETF (LVHD)

Investment Overview

The Franklin U.S. Low Volatility High Dividend Index ETF (LVHD) seeks to track the investment results of an underlying index composed of equity securities of U.S. companies with relatively high yield and low price and earnings volatility. LVHD may benefit investors who want income but are concerned about the volatility that can come from traditional equity income investments.

The Franklin Low Volatility High Dividend Index (the Index):

The Index starts with the largest 3,000 U.S. stocks as determined by the Solactive U.S. Broad Market Index, an index calculated and published by Solactive AG composed of 3,000 U.S. large-cap, mid-cap and small-cap companies. Based on historical and projected data using Franklin Templeton Investment Solutions' proprietary methodology, the index screens for profitable companies that have the potential to pay relatively high sustainable dividend yields. Yields of the remaining securities are then scored higher or lower based on the attractiveness of their price and earnings volatility.

The portfolio is constructed of the highest scoring securities subject to concentration limits: no individual component of the Index will exceed 2.5%, no individual sector (as defined by FTIS) will exceed 25%, and real estate investment trust ("REIT") components as a whole will not exceed 15%. The number of component securities in the Index is anticipated to range from 50 to 100. The Underlying Index's components are reconstituted annually and rebalanced quarterly.

Total Returns (%)

|                | Cumulative  | Average Annual | Inception
|----------------|-------------|----------------|-------------
|                | 3-Mth       | 6-Mth          | YTD         | 1-Yr | 3-Yr | 5-Yr | 10-Yr | Date |
| Market Price Return | -6.70       | -7.53          | -9.26       | 2.72 | 8.01 | 5.35 | —     | 7.36 | 12/28/2015 |
| NAV Returns     | -6.60       | -7.52          | -9.35       | 2.90 | 7.95 | 5.34 | —     | 7.37 | 12/28/2015 |
| Underlying Index | -6.61       | -7.51          | -9.32       | 3.06 | 8.20 | 5.56 | —     | 7.63 | —     |

Calendar Year Total Returns (%)

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<tbody>
<tr>
<td>Market Price Return</td>
<td>14.21</td>
<td>18.08</td>
<td>—</td>
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<td>—</td>
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<tr>
<td>NAV Returns</td>
<td>14.11</td>
<td>18.32</td>
<td>—</td>
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<td>—</td>
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<tr>
<td>Investment Universe</td>
<td>21.13</td>
<td>12.74</td>
<td>—</td>
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<td>—</td>
<td>—</td>
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<tr>
<td>Underlying Index</td>
<td>14.47</td>
<td>18.72</td>
<td>—</td>
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Risk Statistics (3-Year vs. Russell 3000 Index)

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<th>Fund</th>
<th>Investment Universe</th>
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<td>Standard Deviation (%)</td>
<td>15.90</td>
<td>18.15</td>
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<tr>
<td>Beta</td>
<td>0.73</td>
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Fees and Expenses

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.

Factsheet as of September 30, 2023

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. 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, expenses or sales charges. Please call Franklin Templeton at (800) DIAL BEN/(800) 342-5236 or visit franklintempleton.com for the most recent month-end performance.

Not FDIC Insured | May Lose Value | No Bank Guarantee
Top Equity Securities (% of Total)  Fund
Cisco Systems, Inc.  3.10
Johnson & Johnson  2.71
Verizon Communications Inc.  2.63
Philip Morris International Co  2.59
Kraft Heinz Co.  2.57
PepsiCo Inc  2.55
Southern Co/The  2.55
Pfizer Inc  2.51
The Coca-Cola Company  2.51
Lockheed Martin Corp  2.50

Sector Allocation (Equity % of Total)  Fund
Utilities  21.31
Consumer Staples  20.00
Industrials  13.54
Real Estate  12.95
Financials  12.65
Health Care  7.60
Communication Services  5.20
Information Technology  3.10
Consumer Discretionary  0.98
Other  1.40

Market Cap Breakdown (% of Equity) (USD)  Fund
0-3 Billion  6.86
3-10 Billion  11.73
10-25 Billion  19.82
25-50 Billion  27.99
>50 Billion  33.61

Portfolio Management
Vaneet Chadha, CFA  Years with Firm: 11, Years of Experience: 17
Chris Floyd, CFA  Years with Firm: 23, Years of Experience: 24
Jacqueline Hurley Kenney, CFA  Years with Firm: 15, Years of Experience: 15
Jose Maldonado, CFA  Years with Firm: 9, Years of Experience: 15

Franklin Templeton Investment Solutions translates a wide variety of investor goals into portfolios powered by Franklin Templeton’s best thinking around the globe. The team includes more than 100 investment professionals, specializing in strategic asset allocation and tactical positioning, fundamental and quantitative research, active integration, and risk management.

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. Dividends may fluctuate and are not guaranteed, and a company may reduce or eliminate its dividend at any time. Small- and mid-cap stocks involve greater risks and volatility than large-cap stocks. Real estate investment trusts (REITs) are closely linked to the performance of the real estate markets. REITs are subject to illiquidity, credit and interest rate risks, and risks associated with small- and mid-cap investments. 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.
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The Russell 3000 Index measures the performance of the 3,000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the U.S. equity market. Source: FTSE Russell. Fund Benchmark and Index Methodology: The Franklin Low Volatility High Dividend Index (the “Index”) is based on a proprietary methodology created and sponsored by Franklin Templeton Investment Solutions, LLC (FTIS), the sub-adviser. The methodology calculates a composite “stable yield” score, with the yield of stocks with relatively high price and earnings volatility adjusted downward and the yield of stocks with relatively low price and earnings volatility adjusted upward. The composition of the Index after annual reconstitution and rebalancing may fluctuate and exceed the aforementioned limits due to market movements. The components of the Underlying Index, and the degree to which these components represent certain sectors and industries, may change over time. Information is historical and may not reflect current or future portfolio characteristics. All portfolio holdings are subject to change. Important data provider notices and terms available at www.franklintempletondatasources.com.
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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.
Please read it carefully.