FRANKLIN TEMPLETON

# Franklin Dynamic Municipal Bond ETF (FLMI)



## Investment Overview

**Seeks to provide a high level of current income that is exempt from regular federal income taxes.**

- Invests across all sectors, quality ratings, and maturities within the municipal bond universe while aiming to maintain an average effective duration of two to eight years.
- Flexibility to dynamically adjust duration positioning, sector allocation, and security selection based on opportunities the portfolio management team identifies.
- Franklin Templeton is one of the largest muni bond managers in the nation. The team's experience navigating through multiple market cycles helps them uncover opportunities and identify risks.

## Total Returns (%)

| | Cumulative | | | Average Annual | | | | | Inception |
|---|---|---|---|---|---|---|---|---|---|
| | 3-Mth | 6-Mth | YTD | 1-Yr | 3-Yr | 5-Yr | 10-Yr | Inception | Date |
| Market Price Return | -6.37 | -3.94 | -3.67 | -2.07 | 4.66 | 0.91 | — | 2.27 | 8/31/2017 |
| NAV Returns | -6.45 | -3.90 | -3.75 | -1.95 | 4.64 | 0.91 | — | 2.27 | 8/31/2017 |
| Benchmark | -5.09 | -3.51 | -3.77 | -2.41 | 2.79 | 0.29 | — | 1.56 | — |

## Calendar Year Total Returns (%)

| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| Market Price Return | 5.86 | 4.93 | 7.88 | -10.25 | 4.08 | 6.09 | 6.71 | 0.47 | — | — |
| NAV Returns | 5.87 | 5.15 | 7.67 | -10.22 | 4.00 | 6.25 | 6.80 | 0.39 | — | — |
| Benchmark | 5.18 | 0.88 | 5.26 | -5.95 | 0.86 | 4.73 | 6.44 | 1.58 | — | — |

***Performance data quoted represents past performance, which does not guarantee future results.*** *Current performance may be lower or higher than the figures shown. Principal value and investment returns will fluctuate, and investors' shares, when redeemed, may be worth more or less than the original cost. Performance would have been lower if fees had not been waived in various periods. 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, expense or sales charges. Returns for periods of less than one year are not annualized. For current month-end performance, please visit franklintempleton.com.*

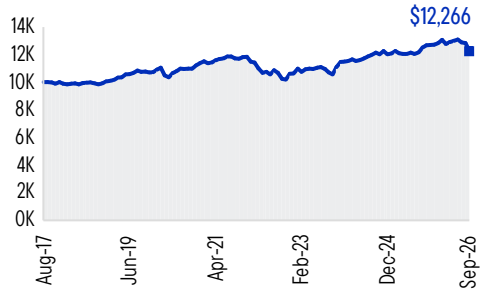
Net Asset Value (NAV) returns are based on the NAV of the ETF; Market Price returns are based upon the official closing price of the ETF's shares. Returns are average annualized total returns, except for those periods of less than one year, which are cumulative. Market Price returns are calculated using the closing price as of 4 p.m. Eastern time on each trading day (when NAV is normally determined for most funds), and do not represent the returns you would receive if you traded shares at other times. Performance for the ETF and its benchmark index are as of the ETF's last trading day before the end of the period.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 September 5, 2017, the NAV of the Fund is used as a proxy for the Market Price to calculate market returns.

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.

## Growth of $10,000

Inception through September 30, 2026

Market Price Returns, assuming dividends reinvested




The Growth of $10,000 chart reflects a hypothetical $10,000 investment on Market Price and assumes reinvestment of dividends and capital gains. Fund expense, including management fees and other expenses were deducted.

## Fund Overview

| | |
|---|---|
| Fund Inception Date | 08/31/2017 |
| Total Expense Ratio (%) | 0.30 |
| ETF Category | Active |
| Asset Class | Fixed Income |
| Listed Exchange | NYSE Arca |
| NYSE Arca Ticker | FLMI |
| CUSIP | 35473P868 |
| ISIN | US35473P8683 |
| Shares Outstanding | 98,700,000 |

## Benchmark(s)

Bloomberg Municipal 1-15 Year Index

## 30-Day SEC Yield (%)

| | |
|---|---|
| 30-Day SEC Yield (%) | 4.48 |

## Taxable Equivalent Yield

| | | |
|---|---|---|
| Taxable Equivalent Yield (%) | - | 7.57 |

## Fund Characteristics

| | Fund |
|---|---|
| Total Net Assets | $2.30 Billion |
| Number of Holdings | 1,432 |
| Weighted Average Maturity | 12.53 Years |
| Effective Duration | 7.09 Years |

## Risk Statistics (NAV Returns) (3-Year)

| | Fund | Benchmark |
|---|---|---|
| Standard Deviation (%) | 5.66 | 4.75 |
| Beta | 1.15 | — |

## State / U.S. Territory Allocation (% of Total)

| | Fund |
|---|---|
| Texas | 15.82 |
| Alabama | 12.30 |
| Illinois | 11.14 |
| Florida | 10.45 |
| Kentucky | 5.89 |
| New York | 5.16 |
| California | 4.65 |
| Michigan | 2.14 |
| Other | 25.80 |
| Cash & Cash Equivalents | 6.63 |

## Sector Allocation (% of Total)

| | Fund |
|---|---|
| Industrial Dev. Revenue and Pollution Control | 28.98 |
| Special Tax | 14.30 |
| Housing | 13.16 |
| Health Care | 10.10 |
| Local | 7.93 |
| Transportation | 5.97 |
| Education | 5.76 |
| Lease | 2.85 |
| Other | 4.34 |
| Cash & Cash Equivalents | 6.63 |

## Credit Quality Allocation (% of Total)

| | Fund |
|---|---|
| AAA | 1.38 |
| AA | 16.46 |
| A | 29.55 |
| BBB | 19.30 |
| BB | 7.14 |
| B | 0.14 |
| CCC | 0.01 |
| D | 0.01 |
| Refunded | 0.27 |
| NR | 19.11 |
| Cash & Cash Equivalents | 6.63 |

## Portfolio Data Information

Ratings shown are assigned by one or more Nationally Recognized Statistical Rating Organizations (NRSRO), such as S&P Global Ratings, Moody's Investors Service and Fitch Ratings, Inc. When ratings from multiple agencies are available, the highest is used, consistent with the portfolio investment process. Ratings reflect an NRSRO's opinion of an issuer's creditworthiness and typically range from AAA (highest) to D (lowest). The Refunded category consists of refunded bonds secured by the US government or other high-quality securities. The Not Rated category consists of ratable securities that have not been rated by an NRSRO. The Not Applicable category consists of third-party exchange-traded funds and securities that have only a short-term rating and are not cash equivalents. Cash includes equivalents, which may be rated. The methodology used for the calculation of credit quality ratings displayed may differ from the methodology for monitoring investment limits, if applicable. **Please note, the portfolio itself has not been rated by an independent rating agency.**

## Portfolio Management

| | Years with Firm | Years of Experience |
|---|---|---|
| Benjamin C. Barber, CFA | 14 | 35 |
| Daniel Workman, CFA | 23 | 23 |
| Francisco Rivera | 32 | 32 |
| James Conn, CFA | 34 | 39 |
| Garrett L Hamilton, CFA | 9 | 20 |

## What should I know before investing?

**All investments involve risks, including possible loss of principal. Fixed income securities** involve interest rate, credit, inflation and reinvestment risks, and possible loss of principal. As interest rates rise, the value of fixed income securities falls. **Low-rated, high-yield bonds** are subject to greater price volatility, illiquidity and possibility of default. **Changes in the credit rating** of a bond, or in the credit rating or financial strength of a bond's issuer, insurer or guarantor, may affect the bond's value. **Unrated debt securities** have less public information and independent credit analysis and they may be subject to a greater risk of illiquidity, price changes or default. An investor may be subject to the federal **Alternative Minimum Tax**, and state and local taxes may apply. 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. **Weighted Average Maturity:** An estimate of the number of years to maturity for the underlying holdings. **Effective Duration** is a duration calculation for bonds with embedded options. Effective duration takes into account that expected cash flows will fluctuate as interest rates change. Duration measures the sensitivity of price (the value of principal) of a fixed-income investment to a change in interest rates. The higher the duration number, the more sensitive a fixed-income investment will be to interest rate changes. **Taxable Equivalent Yield:** The Taxable Equivalent Yield assumes the maximum regular federal income tax rate, maximum state personal income tax, and Medicare tax in effect on March 2026.

## Important Information

**ETFs and ETPs trade like stocks, fluctuate in market value and may trade at prices above or below the ETFs/ETPs net asset value. Brokerage commissions and ETF expenses will reduce returns.**

ETF/ETP 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/ETPs are tradable on secondary markets and may trade either at a premium or a discount to their NAV on the secondary market.

**Canada:** This content is intended only for Canadian institutional investors that qualify as "permitted clients" as defined in National Instrument 31-103 - Registration Requirements, Exemptions and Ongoing Registrant Obligations. U.S. securities laws generally limit a non-U.S. fund's purchase of a U.S. registered mutual fund or ETF/ETP (a "U.S. Fund") to no more than 3% of the U.S. Fund's voting stock. You should consult your legal counsel prior to investing in a U.S. Fund.

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The **Bloomberg Municipal 1-15 Year Bond Index** is a market value weighted index of investment-grade fixed-rate municipal bonds with maturities of 1-15 years.

Source: Bloomberg Indices. Important data provider notices and terms available at www.franklintempletondatasources.com. All data is subject to change.

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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.***