

Franklin Liberty Risk Managed Canadian Equity ETF

TSX **FLRM**

This actively managed ETF seeks to provide long-term capital appreciation with reduced volatility relative to the broad Canadian equity market by investing primarily in a diversified portfolio of Canadian equities. The investment approach incorporates a mix of historical and projected financial and stock market data. Stocks are analyzed and ranked using growth, value, low volatility and momentum factors.

ACTIVE MANAGEMENT AT COMPETITIVE PRICING

MANAGEMENT FEE: 0.30%



Reason to Invest

- **Ideal Complement** to individual stock models and global/U.S. equity strategies
- **Low Volatility** targeting a beta of 0.65-0.75
- **Active management at passive pricing**
- Put options for **reduced downside volatility**

Anticipated Sources of Alpha and Risk Management

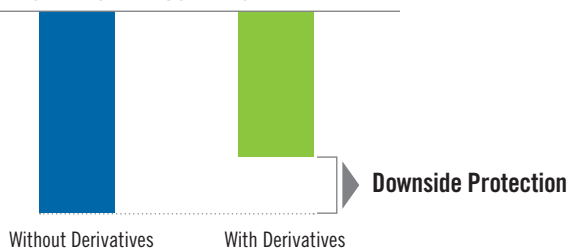
- Emphasis on **compelling risk-adjusted returns through a low overall portfolio beta**
- **Actively-managed** holdings that are continuously evaluated and rebalanced to optimize asset allocation, volatility and returns
- **Multi-factor approach** to security selection (quality, value, momentum and growth, but with a low volatility bias)
- **Monthly re-selection** of securities (equities not meeting the selection rank are eliminated and replaced with new, higher-ranking equities)
- Sector and portfolio **diversification** (120–140 stocks)

Reduced Downside Volatility with Derivatives

FLRM purchases and trades put options to manage the overall downside risk profile of the portfolio. This is combined with an equity selection process aiming for an overall lower portfolio beta.

Impact of Downside Protection on a Portfolio with Put Options

HYPOTHETICAL ILLUSTRATION



Hypothetical illustration based on assumption of a portfolio mix of 98% S&P/TSX Composite TR Index and 2% Put Options.

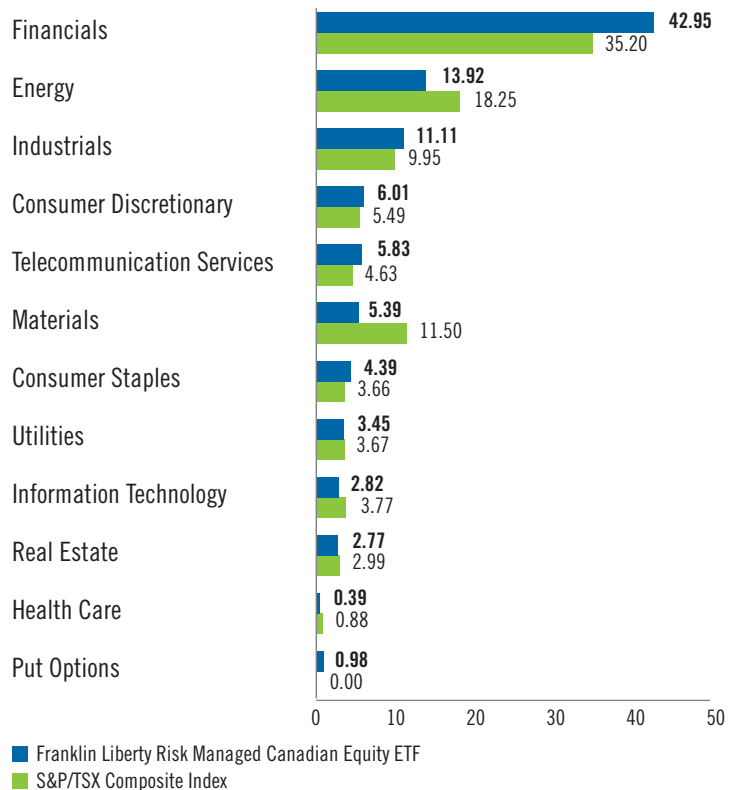
Portfolio Characteristics

As of February 28, 2018

Characteristic	FLRM	S&P/TSX Composite Index
Return on Equity	15.29%	12.29%
Dividend Yield	3.26%	3.02%
Price-to-Earnings (12-month trailing)	14.94x	17.06x
5-Year EPS Growth	8.31%	7.58%
Average Market Cap (billions)	\$56	\$47

Sector Allocation (%) (ex-Cash)

As of February 28, 2018



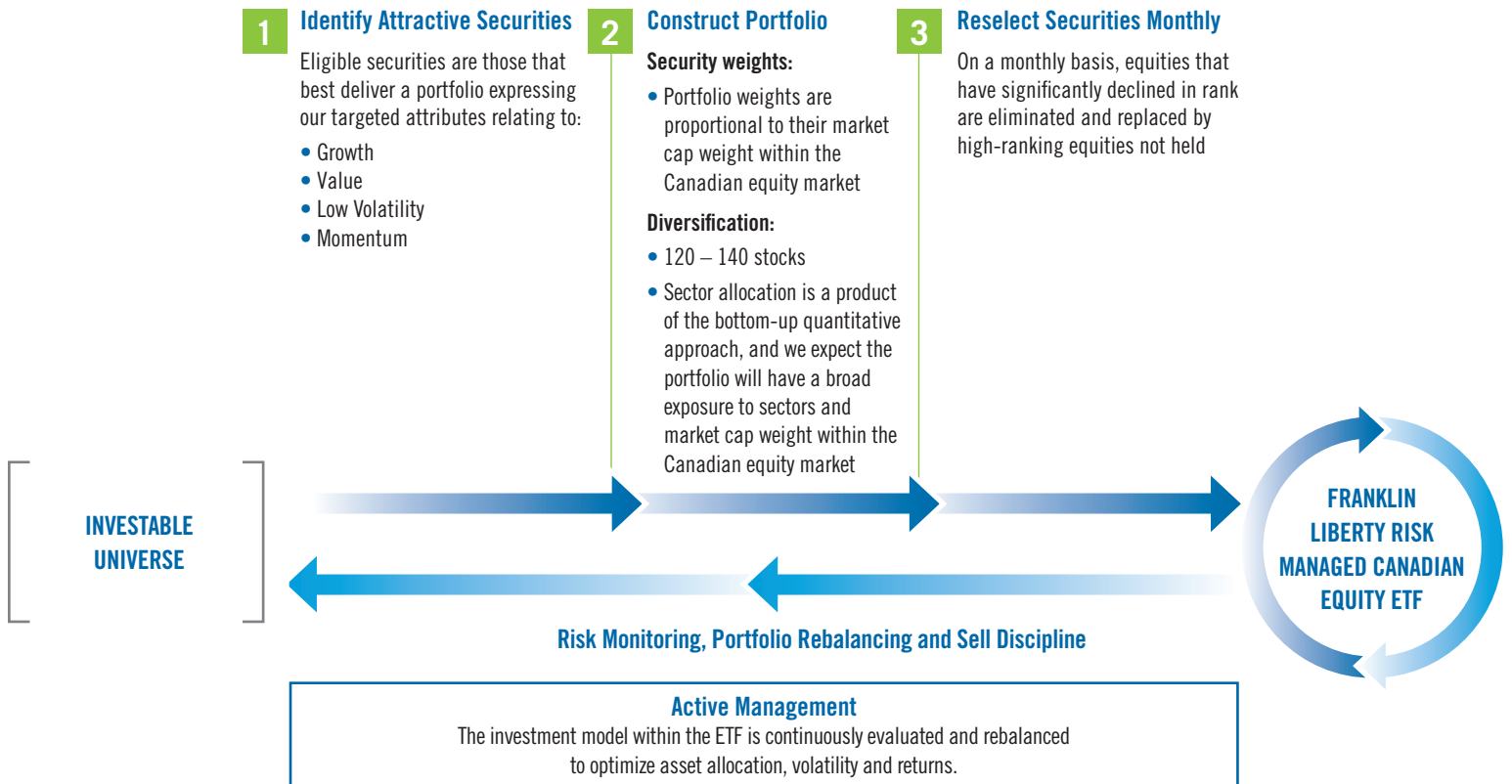
Franklin LibertyShares™

Franklin Bissett Investment Management Overview

- An investment team covering Canadian capital markets for over 35 years, and part of Franklin Templeton since 2000
- Manages more than \$19.64 billion in assets, including \$12.79 billion in equity mandates¹

¹ As of February 28, 2018

Portfolio Construction



The above chart is for illustrative and discussion purposes only. The way we implement our main investment strategies and the resulting portfolio holdings may change depending on factors such as market and economic conditions.

Investment Team

FLRM is co-managed by three senior equity leaders with Franklin Bissett Investment Management in Calgary:



Jason Hornett, CFA

Vice President, Portfolio Manager
Franklin Bissett Investment Management
Industry Experience: 22 years



Tim Caulfield, CFA

Vice President, Director of Equity Research
Franklin Bissett Investment Management
Industry Experience: 18 years



Izabel Flis, CFA

Vice President, Portfolio Manager
Franklin Bissett Investment Management
Industry Experience: 16 years

**For more information about Franklin LibertyShares™ ETFs,
please speak to your investment advisor or visit libertyshares.ca**

Commissions, management fees and expenses may all be associated with investments in ETFs. Investors should carefully consider an ETF's investment objectives and strategies, risks, fees and expenses before investing. The prospectus and ETF facts contain this and other information. Please read the prospectus and ETF facts carefully before investing. ETFs trade like stocks, fluctuate in market value and may trade at prices above or below the ETF's net asset value. Brokerage commissions and ETF expenses will reduce returns. Performance of an ETF may vary significantly from the performance of an index, as a result of transaction costs, expenses and other factors. ETFs are not guaranteed, their values change frequently and past performance may not be repeated.

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