

FLAX

Franklin FTSE Asia ex Japan ETF

Analyst Report

The Franklin FTSE Asia ex Japan ETF (FLAX) tracks and index of large- and mid-cap stocks in developed and emerging markets in Asia, excluding Japan. Many Asia-Pacific equity funds make a large allocation to Japan. While Japan is one of the world's largest economies, it has also had extended periods of low growth rates and rising debt burdens. Some investors would rather avoid this potential drag on their portfolio. FLAX invests in China, South Korea, Hong Kong, India, Indonesia, Malaysia, Pakistan, the Philippines, Singapore, Taiwan, and Thailand. The inclusion of emerging and developed markets, plus a sizable allocation to mid cap stocks gives FLAX a deeper portfolio than some of its rivals.

FLAX is reasonably priced, and as of June 2020 is significantly cheaper than rival iShares MSCI Pacific ex-Japan ETF (EPP), though investors should always comparison shop since issuers regularly cut prices. Despite the lower management fee, FLAX has been slow to attract assets and liquidity.

ESG Themes and Scores

6.65/10

ESG Rate

54.26%

Global Percentile

17.65%

Peer Percentile

Performance Data

	FLAX	ETF Database Category Average	Factset Segment Average
1 Month	-6.58%	-2.75%	-6.75%
3 Month	16.36%	10.07%	18.27%
YTD Return	21.10%	12.85%	22.74%
1 Year Return	39.94%	25.12%	42.00%
3 Year Return	22.29%	12.69%	14.77%
5 Year Return	6.82%	4.79%	4.28%

Top 5 Holdings

Symbol	Holding	% Assets
2330	Taiwan Semiconductor Manufacturing Co., Ltd.	15.62%
005930	Samsung Electronics Co., Ltd.	7.07%
000660	SK hynix Inc.	6.50%
700	Tencent Holdings Ltd	2.85%
9988	Alibaba Group Holding Limited	1.84%

Vitals

Issuer	Franklin Templeton
Brand	Franklin
Structure	ETF
Expense Ratio	0.19%
Inception	Feb 06, 2018
Index Tracked	FTSE Asia ex Japan RIC Capped Index

ETF Database Themes

Category	Asia Pacific Equities
Asset Class	Equity
Asset Class Size	Large-Cap
Asset Class Style	Blend
Region (General)	Broad Asia
Region (Specific)	Pacific ex-Japan

FactSet Classifications

Segment	Equity: Asia-Pacific Ex-Japan - Total Market
Category	Size and Style
Focus	Total Market
Niche	Broad-based
Strategy	Vanilla
Weighting	Market Cap

