

FLHY

Franklin High Yield Corporate ETF

Analyst Report

The Franklin Liberty High Yield Corporate ETF (FLHY) is an actively managed fund for investors looking to access to U.S.-dollar denominated 'junk' bonds — debt issued by borrowers with a higher risk of default. For taking on the added risk, investors are rewarded with higher yields than those offered on ultra-safe U.S. Treasuries or investment-grade debt issued by the most creditworthy companies. FLHY may invest assets in high-yield corporate debt, convertible securities, bank loans, corporate loans, and other instruments. Bonds have been one of the bright spots for active managers, and many bond ETFs manage to outperform their benchmarks — something stock pickers often fail to achieve. An investment in FLHY is ultimately a bet on the manager's ability to beat the market. FLHY's management fee is competitive when compared with passive rivals like the SPDR Bloomberg Barclays High-Yield Bond ETF (JNK) or the iShares iBoxx USD High Yield Corporate Bond ETF (HYG). The ETF marketplace offers quite a few high-yield variations, including active management, so-called 'smart' indexing, and even an ETF that screens junk debt based on environmental, social, and government criteria.

ESG Themes and Scores

5.16/10

ESG Rate

17.82%

Global Percentile

11.16%

Peer Percentile

Performance Data

	FLHY	ETF Database Category Average	Factset Segment Average
1 Month	0.43%	0.52%	0.33%
3 Month	2.47%	2.62%	2.02%
YTD Return	1.95%	1.69%	1.34%
1 Year Return	6.81%	5.65%	4.13%
3 Year Return	9.52%	6.31%	4.16%
5 Year Return	4.60%	2.02%	0.88%

Top 5 Holdings

Symbol	Holding	% Assets
INFXX	Institutional Fiduciary Trust Money Market Portfolio	2.24%
Other	DaVita Inc. 4.625% 01-JUN-2030	0.95%
Other	Archrock Services, L.P. 6.0% 01-FEB-2034	0.90%
Other	Beach Acquisition Bidco, LLC 10.0% 15-JUL-2033	0.88%
Other	Industrial F&B Investments III, Inc. 7.75% 11-FEB-2033	0.86%

Vitals

Issuer	Franklin Templeton
Brand	Franklin
Structure	ETF
Expense Ratio	0.40%
Inception	May 30, 2018
Index Tracked	N/A

ETF Database Themes

Category	High Yield Bonds
Asset Class	Bond
Asset Class Size	N/A
Asset Class Style	N/A
Region (General)	Developed Markets
Region (Specific)	Broad

FactSet Classifications

Segment	Fixed Income: Global - Corporate, Broad-based High Yield
Category	Corporate, Broad-based
Focus	High Yield
Niche	Broad Maturities
Strategy	Active
Weighting	Proprietary

