

FLQE

Franklin LibertyQ Emerging Markets ETF

Analyst Report

The Franklin LibertyQ Emerging Markets ETF (FLQE) tracks an index of stocks from emerging markets countries based on quality, value, momentum, and low volatility. The index tilts more heavily toward quality and value, with a lesser emphasis on momentum and low-vol.

Investors should note that, as of June 2020, FLQE includes South Korea, which some other funds lump in with developed markets. Unsuspecting investors who mix and match funds from different firms may find themselves either unintentionally overweight South Korea or missing out on that country entirely.

FLQE is reasonably priced for a smart-beta approach to emerging markets, though it's still more expensive than ultra-low-cost plain vanilla rivals like the iShares Core MSCI Emerging Markets ETF (IEMG) and the Vanguard FTSE Emerging Markets ETF (VWO), which lack fancy factors but offer similar exposure and great liquidity at a fraction of the price. There's also competition to consider in the multi-factor space, including funds that have attracted more assets and daily trading, like the Goldman Sachs ActiveBeta Emerging Markets Equity ETF (GEM), the PIMCO RAFI Dynamic Multi-Factor Emerging Markets Equity ETF (MFEM), and the JPMorgan Diversified Return Emerging Markets Equity ETF (JPEM).

ESG Themes and Scores

5.0/10

ESG Rate

24.56%

Global Percentile

13.43%

Peer Percentile

Performance Data

	FLQE	ETF Database Category Average	Factset Segment Average
1 Month	-0.52%	-1.96%	-1.05%
3 Month	-7.93%	-6.26%	-4.40%
YTD Return	-19.52	-16.74%	-14.36%
1 Year Return	-17.90	-16.88%	-15.06%
3 Year Return	-7.80%	-0.99%	0.84%
5 Year Return	-7.25%	0.95%	2.71%

Top 5 Holdings

Symbol	Holding	% Assets
600519	Kweichow Moutai Co., Ltd. Class A	1.19%
500875	ITC Limited	1.16%
500820	Asian Paints Ltd.	1.10%
TLKM	PT Telkom Indonesia (Persero) Tbk Class B	1.09%
500209	Infosys Limited	1.09%

Vitals

Issuer	Franklin Templeton
Brand	Franklin
Structure	ETF
Expense Ratio	0.45%
Inception	Jun 01, 2016
Index Tracked	LibertyQ Emerging Markets

ETF Database Themes

Category	Emerging Markets Equities
Asset Class	Equity
Asset Class Size	Large-Cap
Asset Class Style	Blend
Region (General)	Emerging Markets
Region (Specific)	Broad

FactSet Classifications

Segment	Equity: Emerging Markets - Total Market
Category	Size and Style
Focus	Total Market
Niche	Broad-based
Strategy	Multi-factor
Weighting Scheme	Multi-Factor

