

FLQH

Franklin LibertyQ International Equity

Hedged ETF Analyst Report

The Franklin LibertyQ International Equity Hedged ETF (FLQH) tracks an index of developed market stocks outside of North America 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. It is distinct from other smart-beta international ETFs in that it hedges out the currency exposure that an investment in international stocks brings. This delivers isolated exposure to the performance of the underlying equities in local prices. Currency fluctuations can be a significant driver of gains and losses, and some investors may prefer the potential diversification benefit of exposure to non-U.S. dollar investments.

FLQH owns a far shallower universe of stocks than the iShares Core MSCI EAFE ETF (IEFA), which covers many of the same markets but offers more liquidity at a fraction of the price. The currency hedges and the multi-factor approach make FLQH more expensive than broadly diversified funds like IEFA. FLQH has been on the market since 2016 but has failed to attract significant assets and trades at wider spreads. Investors who want international exposure with a currency hedge might also consider the WisdomTree International Hedged Quality Dividend Growth Fund (IHDG).

ESG Themes and Scores

8.97/10

ESG Rate

88.17%

Global Percentile

63.58%

Peer Percentile

Performance Data

	FLQH	ETF Database Category Average	Factset Segment Average
1 Month	2.86%	1.23%	2.30%
3 Month	-0.68%	-3.57%	-2.22%
YTD Return	-3.29%	-14.31%	-11.56%
1 Year Return	0.02%	-14.40%	-9.94%
3 Year Return	21.40%	6.67%	6.71%
5 Year Return	37.33%	8.15%	9.96%

Top 5 Holdings

Symbol	Holding	% Assets
ULVR	Unilever PLC	2.30%
NOVO.B	Novo Nordisk A/S Class B	2.29%
NESN	Nestle S.A.	2.16%
CSL	CSL Limited	2.16%
ASML	ASML Holding NV	2.08%

Vitals

Issuer	Franklin Templeton
Brand	Franklin
Structure	ETF
Expense Ratio	0.40%
Inception	Jun 01, 2016
Index Tracked	LibertyQ International Equity Hedged Index

ETF Database Themes

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

FactSet Classifications

Segment	Equity: Developed Markets Ex-North America - Total Market
Category	Size and Style
Focus	Total Market
Niche	Broad-based
Strategy	Currency Hedged Multi-Factor
Weighting Scheme	Multi-Factor

