

IQM

Franklin Intelligent Machines ETF

Analyst Report

The Franklin Intelligent Machines ETF (IQM) is an actively managed fund that seeks to profit from companies that will profit from advances in machine learning, such as robotics, driverless vehicles, and data analysis. It is one of three actively managed thematic funds launched by Franklin Templeton in February 2020.

IQM's management fee is high compared to ultra-low-cost plain-vanilla index funds, but it isn't outrageous for active products. Still, for the cost-conscious, there's significantly cheaper technology index ETFs out there, like the Vanguard Information Technology ETF (VGT). For investors who want innovation and don't mind paying a bit extra for active management, there's competitors like the ARK Innovation ETF (ARKK), run by the stock-picking team at ARK Invest. There are also specialized index funds that cover some of the same themes, such as the Global X Cloud Computing ETF (CLOU).

Ultimately any actively managed fund is a bet on the manager's ability to outperform the market. IQM offers a narrow portfolio and investors and advisers will want to consider whether or not IQM is suitable for their objectives. It is reasonably priced for what it offers, though IQM is not a tool for buy-and-hold investors who want low-cost asset allocation.

ESG Themes and Scores

6.74/10

ESG Rate

57.7%

Global Percentile

59.88%

Peer Percentile

Performance Data

	IQM	ETF Database Category Average	Factset Segment Average
1 Month	7.89%	15.10%	13.48%
3 Month	24.74%	29.01%	25.16%
YTD Return	33.72%	28.20%	31.44%
1 Year Return	69.60%	52.43%	55.80%
3 Year Return	36.24%	23.31%	11.77%
5 Year Return	21.37%	5.81%	2.66%

Top 5 Holdings

Symbol	Holding	% Assets
NVDA	NVIDIA Corporation	7.84%
AVGO	Broadcom Inc.	6.09%
TSM	Taiwan Semiconductor Manufacturing Co., Ltd. Sponsored	5.68%
CLS	Celestica Inc.	5.26%
BE	Bloom Energy Corporation Class A	3.89%

Vitals

Issuer	Franklin Templeton
Brand	Franklin
Structure	ETF
Expense Ratio	0.50%
Inception	Feb 25, 2020
Index Tracked	N/A

ETF Database Themes

Category	Technology Equities
Asset Class	Equity
Asset Class Size	Multi-Cap
Asset Class Style	Blend
Region (General)	North America
Region (Specific)	U.S.

FactSet Classifications

Segment	Equity: Global Robotics & AI
Category	Sector
Focus	Theme
Niche	Robotics & AI
Strategy	Active
Weighting	Proprietary

