

LVHD

Franklin U.S. Low Volatility High Dividend Index ETF

Fund Description

LVHD tracks an index of roughly 50-100 US stocks selected from across the market cap spectrum. Stocks are selected and weighted to emphasize profitability, high dividends, low price volatility and low earnings volatility.

FactSet Analyst Report

LVHD explicitly aims for what it calls stable yield. Its use of technical inputs as well as fundamental factors in search of dividend sustainability sets it apart from many competing funds which rely solely on the latter. Specifically, LVHD considers the volatility of prices and earnings in addition to yield and positive earnings. The fund culls a relative handful of names (roughly 50 to 100) from its broad parent index using this approach, and weights them in the same fashion, subject to constraints on concentration, turnover and liquidity. For alternatives to LVHD, investors can consider ETFs in the high-dividend segment, from which we exclude LVHD due to its emphasis on low vol. Prior to June 22, 2022 the fund name was Legg Mason Low Volatility High Dividend ETF. The name change was due to acquisition occurring in July of 2020.