

XIDV

Franklin International Dividend Multiplier Index ETF

Fund Description

XIDV tracks an index of large- and mid-cap companies from developed markets, excluding the US. The fund uses an optimizer that aims for high dividend yield balanced against volatility relative to the broad international equity market.

FactSet Analyst Report

XIDV seeks to deliver high dividend yield relative to the broad international equity market. The passively managed fund invests in stocks and depositary receipts, including derivatives with similar economic characteristics and exposure. The underlying index applies an optimizer to stocks of its parent index, composed of large- and mid-cap companies from developed countries outside the United States. The optimization process selects and weights stocks to maximize dividend yield, subject to various constraints that try to limit volatility. Such constraints limit weights for individual stocks to 2.5%, sectors to 30%, country weights from 2.5% to 30%, and the one-way turnover of the parent index to 20% that can be relaxed if not feasible. The fund may invest in equity futures and swaps or enter currency forward and/or futures contracts. The index is reconstituted and rebalanced semi-annually.