

Franklin ETFs

Semi-Annual Report

March 31, 2019

Franklin FTSE Canada All Cap Index ETF

Franklin FTSE Europe ex U.K. Index ETF

Franklin FTSE Japan Index ETF

Franklin FTSE U.S. Index ETF

Franklin Liberty Canadian Investment Grade
Corporate ETF

Franklin Liberty Core Balanced ETF

Franklin Liberty Global Aggregate Bond ETF
(CAD-Hedged)

Franklin Liberty Risk Managed Canadian Equity ETF

Franklin Liberty Senior Loan ETF (CAD-Hedged)

Franklin Liberty U.S. Investment Grade Corporate ETF
(CAD-Hedged)

Franklin LibertyQT Emerging Markets Index ETF

Franklin LibertyQT Global Dividend Index ETF

Franklin LibertyQT International Equity Index ETF

Franklin LibertyQT U.S. Equity Index ETF

Dear Investor,

It has been a tumultuous six months for the world's capital markets, characterized by heightened volatility across asset classes. The sell-off that bookended 2018 was followed by a strong rebound in the first quarter of this year. That recovery was notable in that it meant the current bull market has now stretched into its 11th year, extending what is the longest bull run in history.

Despite this, the markets are facing a series of economic and geopolitical headwinds, which enhances the need for a well-diversified portfolio of equity and fixed income holdings.

To provide you and your advisor with more choice in constructing diversified portfolios, our Franklin LibertyShares ETF platform has expanded to include 14 different solutions using smart beta, active and passive strategies.

Over the past decade, exchange-traded funds have become a popular tool of many investors, and that trend will likely continue in the years to come. Franklin Templeton understands that, and we remain committed to delivering the kind of innovative ETF strategies investors need to meet their goals in an evolving marketplace.

If you would like to learn more about our full range of ETFs and how they can benefit your portfolio, please contact either your own advisor, or our Client Services team at 1 (800) 387-0830. I also encourage you to visit our website at www.franklintempleton.ca.

Thank you for investing with us.

Sincerely,

A handwritten signature in black ink, appearing to read 'Duane W. Green', with a large, sweeping flourish at the end.

Duane W. Green
President and Chief Executive Officer
Franklin Templeton Investments Corp.

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Franklin FTSE Canada All Cap Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited)

	Shares	Average Cost	Fair Value
		(000s)	(000s)
INVESTMENTS: 99.68%			
COMMON STOCKS: 99.68%			
Banks: 22.87%			
Bank of Montreal	74,358	\$ 7,369	\$ 7,435
Bank of Nova Scotia	143,127	10,810	10,182
Canadian Imperial Bank of Commerce	51,516	5,881	5,440
Canadian Western Bank	10,206	313	285
Laurentian Bank of Canada	4,860	220	197
National Bank of Canada	39,366	2,462	2,374
Royal Bank of Canada	167,913	17,256	16,929
Toronto-Dominion Bank	214,326	16,344	15,543
		<u>60,655</u>	<u>58,385</u>
Oil, Gas & Consumable Fuels: 18.08%			
ARC Resources Ltd.	41,310	424	377
Baytex Energy Corp.	61,722	146	140
Birchcliff Energy Ltd.	30,618	109	109
Cameco Corp.	45,927	727	723
Canadian Natural Resources Ltd.	138,024	5,140	5,064
Cenovus Energy Inc.	119,070	1,385	1,381
Crescent Point Energy Corp.	63,909	253	277
Enbridge Inc.	231,822	11,196	11,220
Encana Corp.	172,287	1,567	1,668
Enerplus Corp.	28,188	322	316
Gibson Energy Inc.	16,767	352	385
Gran Tierra Energy Inc.	45,441	140	138
Husky Energy Inc.	35,478	566	470
Imperial Oil Ltd.	27,459	1,000	1,002
Inter Pipeline Ltd.	47,142	1,004	1,042
Kelt Exploration Ltd.	17,739	86	98
Keyera Corp.	24,057	704	758
MEG Energy Corp.	28,917	157	147
NuVista Energy Ltd.	21,141	94	91
Paramount Resources Ltd., A	8,262	79	59
Parex Resources Inc.	17,010	343	356
Parkland Fuel Corp.	16,524	624	675
Pembina Pipeline Corp.	58,077	2,803	2,851
Peyto Exploration & Development Corp.	18,954	145	132
PrairieSky Royalty Ltd.	26,973	534	486
Seven Generations Energy Ltd., A	31,347	332	302
Suncor Energy Inc.	186,624	8,437	8,083
TORC Oil & Gas Ltd.	16,524	77	76
Tourmaline Oil Corp.	28,917	585	597
TransCanada Corp.	106,679	6,196	6,403
Vermilion Energy Inc.	16,038	538	529
Whitecap Resources Inc.	48,357	238	223
		<u>46,303</u>	<u>46,178</u>
Metals & Mining: 8.06%			
Agnico Eagle Mines Ltd.	27,216	1,568	1,581
Alacer Gold Corp.	15,309	54	56

The accompanying notes are an integral part of these financial statements.

Franklin FTSE Canada All Cap Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
Metals & Mining: 8.06% (Continued)			
Alamos Gold Inc., A	44,226	\$ 286	\$ 300
B2Gold Corp.	110,808	464	414
Barrick Gold Corp.	202,176	3,662	3,704
Centerra Gold Inc.	24,300	167	170
China Gold International Resources Corp. Ltd.	28,431	51	47
Detour Gold Corp.	20,412	287	256
Eldorado Gold Corp.	18,711	108	115
Endeavour Mining Corp.	8,505	185	171
First Majestic Silver Corp.	18,954	166	167
First Quantum Minerals Ltd.	78,975	1,156	1,196
Franco-Nevada Corp.	21,141	2,141	2,118
Goldcorp Inc.	100,116	1,521	1,531
Hudbay Minerals Inc.	27,702	241	265
IAMGOLD Corp.	54,432	267	252
Ivanhoe Mines Ltd., A	69,741	234	223
Kinross Gold Corp.	145,314	725	668
Kirkland Lake Gold Ltd.	21,627	952	879
Lundin Mining Corp.	74,115	497	460
Novagold Resources Inc.	28,674	146	160
OceanaGold Corp.	71,685	326	301
Osisko Gold Royalties Ltd.	17,739	246	266
Pan American Silver Corp.	23,571	455	416
Pretium Resources Inc.	19,440	203	222
SEMAFO Inc.	38,151	137	142
SSR Mining Inc.	14,094	258	238
Teck Resources Ltd., B	58,563	1,784	1,811
Torex Gold Resources Inc.	9,720	145	163
Turquoise Hill Resources Ltd.	114,453	287	252
Wheaton Precious Metals Corp.	51,516	1,493	1,639
Yamana Gold Inc.	111,051	402	386
		<u>20,614</u>	<u>20,569</u>
Insurance: 6.48%			
Fairfax Financial Holdings Ltd.	3,159	2,100	1,955
Great-West Lifeco Inc.	32,076	961	1,038
IA Financial Corp. Inc.	12,393	631	611
Intact Financial Corp.	16,038	1,778	1,814
Manulife Financial Corp.	230,607	5,133	5,212
Power Corp. of Canada	45,198	1,249	1,408
Power Financial Corp.	28,674	823	895
Sun Life Financial Inc.	70,470	3,497	3,618
		<u>16,172</u>	<u>16,551</u>
Road & Rail: 5.85%			
Canadian National Railway Co.	84,321	9,560	10,087
Canadian Pacific Railway Ltd.	16,281	4,458	4,483
TFI International Inc.	9,477	376	374
		<u>14,394</u>	<u>14,944</u>

The accompanying notes are an integral part of these financial statements.

Franklin FTSE Canada All Cap Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
Diversified Telecommunication Services: 3.67%			
BCE Inc.	99,873	\$ 5,762	\$ 5,927
TELUS Corp.	69,498	3,267	3,437
		<u>9,029</u>	<u>9,364</u>
Food & Staples Retailing: 3.24%			
Alimentation Couche-Tard Inc., B	49,572	3,625	3,902
Empire Co. Ltd., A	19,683	608	570
George Weston Ltd.	8,505	831	817
Loblaw Companies Ltd.	21,870	1,455	1,442
Metro Inc.	27,702	1,353	1,363
North West Co. Inc.	5,832	189	168
		<u>8,061</u>	<u>8,262</u>
Capital Markets: 2.94%			
Brookfield Asset Management Inc., A	98,415	5,776	6,127
CI Financial Corp.	27,216	512	497
IGM Financial Inc.	9,720	336	334
TMX Group Ltd.	6,318	532	544
		<u>7,156</u>	<u>7,502</u>
IT Services: 2.26%			
CGI Inc.	28,431	2,499	2,612
Shopify Inc., A	11,421	3,123	3,151
		<u>5,622</u>	<u>5,763</u>
Software: 2.25%			
BlackBerry Ltd.	58,077	653	782
Constellation Software Inc.	2,310	2,672	2,616
Descartes Systems Group Inc.	8,991	398	437
Enghouse Systems Ltd.	4,617	174	157
Kinaxis Inc.	2,916	237	227
Open Text Corp.	29,889	1,485	1,534
		<u>5,619</u>	<u>5,753</u>
Chemicals: 2.23%			
Methanex Corp.	8,991	690	682
Nutrien Ltd.	70,956	5,089	5,001
		<u>5,779</u>	<u>5,683</u>
Equity Real Estate Investment Trusts (REITs): 2.20%			
Allied Properties Real Estate Investment Trust	11,907	567	587
Artis Real Estate Investment Trust	16,038	172	178
Boardwalk Real Estate Investment Trust	4,374	179	179
Canadian Apartment Properties REIT	16,524	784	849
Choice Properties Real Estate Investment Trust	26,244	355	369
Cominar Real Estate Investment Trust	21,384	252	253
Dream Global Real Estate Investment Trust	20,169	263	286
Dream Office Real Estate Investment Trust	5,832	138	144
Granite Real Estate Investment Trust	5,346	330	341
H&R Real Estate Investment Trust	33,534	762	785
Morguard Real Estate Investment Trust	3,159	39	39
Northview Apartment Real Estate Investment Trust	5,103	137	148

The accompanying notes are an integral part of these financial statements.

Franklin FTSE Canada All Cap Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
Equity Real Estate Investment Trusts (REITs): 2.20% (Continued)			
RioCan Real Estate Investment Trust	35,964	\$ 906	\$ 952
SmartCentres Real Estate Investment Trust	14,823	502	519
		<u>5,386</u>	<u>5,629</u>
Commercial Services & Supplies: 1.81%			
Boyd Group Income Fund	2,187	272	301
Ritchie Bros Auctioneers Inc.	12,393	596	562
Transcontinental Inc., A	8,748	185	147
Waste Connections Inc.	30,618	3,367	3,624
		<u>4,420</u>	<u>4,634</u>
Electric Utilities: 1.77%			
Emera Inc.	26,973	1,252	1,348
Fortis Inc.	48,843	2,266	2,412
Hydro One Ltd.	36,936	762	767
		<u>4,280</u>	<u>4,527</u>
Pharmaceuticals: 1.73%			
Aphria Inc.	23,085	309	288
Aurora Cannabis Inc.	91,611	860	1,107
Bausch Health Companies Inc.	40,095	1,268	1,322
Canopy Growth Corp.	20,655	1,256	1,194
Cronos Group Inc.	20,655	581	507
		<u>4,274</u>	<u>4,418</u>
Hotels, Restaurants & Leisure: 1.23%			
Great Canadian Gaming Corp.	6,561	355	329
Restaurant Brands International Inc.	27,702	2,361	2,408
Stars Group Inc.	17,253	384	403
		<u>3,100</u>	<u>3,140</u>
Wireless Telecommunication Services: 1.18%			
Rogers Communications Inc., B	41,796	3,035	3,004
		<u>3,035</u>	<u>3,004</u>
Auto Components: 1.06%			
Linamar Corp.	5,346	274	256
Magna International Inc.	35,964	2,499	2,340
Martinrea International Inc.	9,963	120	121
		<u>2,893</u>	<u>2,717</u>
Multiline Retail: 0.93%			
Canadian Tire Corp. Ltd., A	6,804	992	980
Dollarama Inc.	36,936	1,369	1,317
Hudson's Bay Co.	11,664	89	86
		<u>2,450</u>	<u>2,383</u>
Professional Services: 0.88%			
Stantec Inc.	13,122	422	415
Thomson Reuters Corp.	23,085	1,602	1,825
		<u>2,024</u>	<u>2,240</u>

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Franklin FTSE Canada All Cap Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
Media: 0.87%			
Cogeco Communications Inc.	2,673	\$ 201	\$ 228
Corus Entertainment Inc., B	13,365	77	79
Quebecor Inc., B	13,851	436	454
Shaw Communications Inc., B	52,245	1,430	1,453
		<u>2,144</u>	<u>2,214</u>
Multi-Utilities: 0.70%			
Algonquin Power & Utilities Corp.	54,918	787	825
Atco Ltd., I	8,748	370	394
Canadian Utilities Ltd., A	14,094	472	514
Just Energy Group Inc.	11,421	54	52
		<u>1,683</u>	<u>1,785</u>
Food Products: 0.66%			
Maple Leaf Foods Inc.	8,991	267	278
Premium Brands Holdings Corp.	3,402	262	262
Saputo Inc.	25,272	1,056	1,151
		<u>1,585</u>	<u>1,691</u>
Construction & Engineering: 0.66%			
Aecon Group Inc.	6,804	126	119
SNC-Lavalin Group Inc.	20,412	701	692
WSP Global Inc.	11,907	840	869
		<u>1,667</u>	<u>1,680</u>
Textiles, Apparel & Luxury Goods: 0.61%			
Canada Goose Holdings Inc.	6,561	463	421
Gildan Activewear Inc.	23,814	1,073	1,144
		<u>1,536</u>	<u>1,565</u>
Aerospace & Defense: 0.61%			
Bombardier Inc., B	243,972	691	627
CAE Inc.	31,104	873	921
		<u>1,564</u>	<u>1,548</u>
Independent Power and Renewable Electricity Producers: 0.54%			
Capital Power Corp.	12,150	358	380
Innergex Renewable Energy Inc.	13,608	195	192
Northland Power Inc.	13,365	327	315
TransAlta Corp.	33,777	255	332
TransAlta Renewables Inc.	11,178	136	151
		<u>1,271</u>	<u>1,370</u>
Airlines: 0.50%			
Air Canada	31,590	1,039	1,017
WestJet Airlines Ltd.	13,365	262	260
		<u>1,301</u>	<u>1,277</u>
Diversified Financial Services: 0.49%			
ECN Capital Corp.	24,786	100	107
Element Fleet Management Corp.	49,329	369	417
Onex Corp.	9,720	753	733
		<u>1,222</u>	<u>1,257</u>

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Franklin FTSE Canada All Cap Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
Trading Companies & Distributors: 0.48%			
Finning International Inc.	19,197	\$ 500	\$ 456
Russel Metals Inc.	6,804	168	160
Toromont Industries Ltd.	8,991	620	614
		<u>1,288</u>	<u>1,230</u>
Real Estate Management & Development: 0.45%			
Colliers International Group Inc.	3,888	356	347
First Capital Realty Inc.	18,225	395	390
FirstService Corp.	3,402	394	405
		<u>1,145</u>	<u>1,142</u>
Containers & Packaging: 0.44%			
Cascades Inc.	7,776	78	65
CCL Industries Inc., B	16,767	961	907
Winpak Ltd.	3,402	165	147
		<u>1,204</u>	<u>1,119</u>
Energy Equipment & Services: 0.42%			
CES Energy Solutions Corp.	28,188	94	77
Enerflex Ltd.	10,206	181	195
Ensign Energy Services Inc.	15,066	80	81
Mullen Group Ltd.	11,664	143	140
Pason Systems Inc.	8,748	180	171
Precision Drilling Corp.	34,506	119	109
Secure Energy Services Inc.	17,739	154	145
ShawCor Ltd.	8,262	174	165
		<u>1,125</u>	<u>1,083</u>
Paper & Forest Products: 0.42%			
Canfor Corp.	7,047	111	97
Norbord Inc.	5,832	209	215
Stella-Jones Inc.	6,561	279	296
West Fraser Timber Co. Ltd.	7,047	484	458
		<u>1,083</u>	<u>1,066</u>
Gas Utilities: 0.29%			
AltaGas Ltd.	31,347	500	551
Superior Plus Corp.	16,767	191	192
		<u>691</u>	<u>743</u>
Machinery: 0.15%			
ATS Automation Tooling Systems Inc.	8,505	156	167
NFI Group Inc.	6,318	229	207
		<u>385</u>	<u>374</u>
Health Care Providers & Services: 0.14%			
Chartwell Retirement Residences	24,786	371	371
		<u>371</u>	<u>371</u>
Thriffs & Mortgage Finance: 0.14%			
First National Financial Corp.	2,187	64	67
Genworth MI Canada Inc.	4,374	191	177

The accompanying notes are an integral part of these financial statements.

Franklin FTSE Canada All Cap Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	<u>Shares</u>	<u>Average Cost</u> (000s)	<u>Fair Value</u> (000s)
Thriffs & Mortgage Finance: 0.14% (Continued)			
Home Capital Group Inc.	7,533	\$ 123	\$ 119
		<u>378</u>	<u>363</u>
Beverages: 0.12%			
Cott Corp.	15,795	<u>324</u>	<u>308</u>
		<u>324</u>	<u>308</u>
Leisure Products: 0.07%			
BRP Inc.	4,860	<u>183</u>	<u>180</u>
		<u>183</u>	<u>180</u>
Entertainment: 0.07%			
Cineplex Inc.	7,290	<u>183</u>	<u>177</u>
		<u>183</u>	<u>177</u>
Electronic Equipment, Instruments & Components: 0.06%			
Celestica Inc.	14,094	<u>169</u>	<u>159</u>
		<u>169</u>	<u>159</u>
Transportation Infrastructure: 0.04%			
Westshore Terminals Investment Corp.	5,346	<u>119</u>	<u>107</u>
		<u>119</u>	<u>107</u>
Communications Equipment: 0.03%			
Sierra Wireless Inc.	4,131	<u>69</u>	<u>68</u>
		<u>69</u>	<u>68</u>
TOTAL INVESTMENTS: 99.68%		<u>\$253,956</u>	254,523
OTHER ASSETS, less liabilities: 0.32%			<u>805</u>
TOTAL NET ASSET: 100.00%			<u>\$255,328</u>

The accompanying notes are an integral part of these financial statements.

Franklin FTSE Canada All Cap Index ETF

STATEMENT OF FINANCIAL POSITION As at March 31, 2019 (Unaudited)

	<u>2019</u> <u>(000s)</u>
Assets	
Current assets	
Non-derivative investments at fair value through profit or loss	\$ 254,523
Cash	
Canadian	115
Foreign	2
Receivables	
Dividends	700
	<u>255,340</u>
Liabilities	
Current liabilities	
Payables	
Management fees	12
	<u>12</u>
Net assets attributable to holders of redeemable units	<u>\$ 255,328</u>
Number of redeemable units outstanding (Note 4)	12,150,000
Net assets attributable to holders of redeemable units per unit — CAD	\$ 21.01

• Fund launched January 15, 2019

Signed on behalf of Franklin Templeton Investments Corp. as Manager-Trustee

(Signed) DUANE GREEN
Director

(Signed) GHION SHEWANGZAW
Director

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Franklin FTSE Canada All Cap Index ETF

STATEMENT OF COMPREHENSIVE INCOME For the period January 15, 2019 to March 31, 2019 (Unaudited)

	<u>2019</u> <u>(000s)</u>
Income	
Dividends	\$ 1,153
Net realized gain (loss) on investments	(1)
Net change in unrealized appreciation (depreciation) in value of investments	<u>568</u>
Total income (loss), net	<u>1,720</u>
Expenses	
Management fees (Note 5(a))	<u>14</u>
Operating expenses	14
Transaction costs	<u>36</u>
Total expenses, net	<u>50</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>\$ 1,670</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations per series (000s)	\$ 1,670
Weighted average number of units outstanding	11,786,250
Increase (decrease) in net assets attributable to holders of redeemable units from operations per unit	\$ 0.15

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Franklin FTSE Canada All Cap Index ETF

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the period January 15, 2019 to March 31, 2019 (Unaudited)

	2019
Net assets attributable to holders of redeemable units at beginning of period	\$ —
Increase (decrease) in net assets attributable to holders of redeemable units from operations	1,670
Distributions to holders of redeemable units	
From net investment income	(219)
From net realized gains on investments	—
From return of capital	—
Total distributions to holders of redeemable units	(219)
Redeemable units transactions	
Subscriptions	253,877
Reinvestments	—
Redemptions	—
Net increase (decrease) from redeemable units transactions	253,877
Increase (decrease) in net assets attributable to holders of redeemable units	255,328
Net assets attributable to holders of redeemable units at end of period	\$255,328

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Franklin FTSE Canada All Cap Index ETF

STATEMENT OF CASH FLOWS For the period January 15, 2019 to March 31, 2019 (Unaudited)

	<u>2019</u> <u>(000s)</u>
Cash flows from operating activities	
Dividends received, net of withholding taxes	\$ 453
Proceeds from sale and maturity of investments	4,028
Purchases of investments	(5,004)*
Operating expenses paid	(2)
	<u>(525)</u>
Net cash from/(used in) operating activities	
Cash flows from financing activities	
Proceeds from issuances of redeemable units	861*
Distributions paid to holders of redeemable units, net of reinvested distributions	(219)
	<u>642</u>
Net cash from/(used in) financing activities	
Net increase (decrease) in cash	117
Cash at beginning of period	—
Cash at end of period	<u><u>\$ 117</u></u>

* Amount shown excludes in-kind subscriptions of \$253,017.

The accompanying notes are an integral part of these financial statements.

Franklin FTSE Europe ex U.K. Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited)

	Shares	Average Cost (000s)	Fair Value (000s)
INVESTMENTS: 99.63%			
COMMON STOCKS: 99.63%			
Pharmaceuticals: 10.93%			
Bayer AG	17,199	\$ 1,741	\$ 1,486
H Lundbeck A/S	1,078	63	62
Ipsen SA	637	118	117
Merck KGaA	2,352	338	359
Novartis AG	39,886	4,774	5,125
Novo Nordisk A/S, B	31,115	2,043	2,178
Orion OYJ, B	1,862	83	93
Recordati SpA	1,764	88	92
Roche Holding AG	490	177	178
Roche Holding AG	12,740	4,652	4,689
Sanofi	19,845	2,184	2,344
UCB SA	2,205	258	253
Vifor Pharma AG	833	138	151
		<u>16,657</u>	<u>17,127</u>
Banks: 8.37%			
ABN AMRO Group NV	7,595	231	229
AIB Group PLC	14,357	84	86
Banco Bilbao Vizcaya Argentaria SA	121,912	952	931
Banco BPM SpA	27,783	79	77
Banco de Sabadell SA	102,851	147	137
Banco Santander SA	294,441	1,826	1,830
Bank of Ireland Group PLC	16,807	138	134
Bank Polska Kasa Opieki SA	2,891	113	111
Bankia SA	22,099	85	77
Bankinter SA	12,544	130	128
Banque Cantonale Vaudoise	49	51	52
BNP Paribas SA	19,943	1,247	1,275
CaixaBank SA	65,758	296	275
Commerzbank AG	19,061	188	197
Credit Agricole SA	20,874	329	337
Danske Bank A/S	12,103	294	284
DNB ASA	19,404	469	478
Erste Group Bank AG	5,243	248	258
FinecoBank Banca Fineco SpA	7,203	109	127
ING Groep NV	71,295	1,167	1,153
Intesa Sanpaolo SpA	278,957	855	908
Jyske Bank A/S	1,176	60	61
KBC Group NV	4,998	458	467
mBank SA	392	58	58
Mediobanca Banca di Credito Finanziario SpA	13,573	171	189
Nordea Bank Abp	58,163	666	594
Powszechna Kasa Oszczednosci Bank Polski SA	15,582	209	209
Raiffeisen Bank International AG	2,352	80	71
Santander Bank Polska SA	539	70	72
Skandinaviska Enskilda Banken AB, C	392	5	5
Skandinaviska Enskilda Banken AB, A	26,313	339	305
Societe Generale SA	13,230	496	511

The accompanying notes are an integral part of these financial statements.

Franklin FTSE Europe ex U.K. Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost	Fair Value
		(000s)	(000s)
Banks: 8.37% (Continued)			
Svenska Handelsbanken AB, A	26,705	\$ 389	\$ 377
Svenska Handelsbanken AB, B	637	10	9
Swedbank AB, A	18,326	429	347
UniCredit SpA	40,866	681	700
Unione di Banche Italiane SpA	18,620	65	66
		<u>13,224</u>	<u>13,125</u>
Insurance: 6.41%			
Aegon NV	32,095	223	206
Ageas	3,430	222	221
Allianz SE	7,742	2,240	2,303
ASR Nederland NV	2,450	137	136
Assicurazioni Generali SpA	23,716	542	587
AXA SA	35,182	1,131	1,184
Baloise Holding AG	833	174	184
CNP Assurances	3,136	94	92
Gjensidige Forsikring ASA	3,038	71	70
Hannover Rueck SE	1,078	210	207
Helvetia Holding AG	147	117	120
Mapfre SA	18,081	67	67
Muenchener Rueckversicherungs-Gesellschaft AG in Muenchen	2,744	847	868
NN Group NV	6,223	353	346
Poste Italiane SpA	8,477	99	110
Powszechny Zaklad Ubezpieczen SA	10,241	149	144
Sampo OYJ, A	8,967	564	544
SCOR SE	2,891	170	165
Swiss Life Holding AG	637	349	375
Swiss Re AG	5,537	715	723
Talanx AG	882	45	45
Tryg A/S	2,205	78	81
UnipolSai Assicurazioni SpA	10,584	35	38
Vienna Insurance Group AG Wiener Versicherung Gruppe	686	22	24
Zurich Insurance Group AG	2,744	1,178	1,213
		<u>9,832</u>	<u>10,053</u>
Food Products: 6.19%			
Barry Callebaut AG	49	113	118
Chocoladefabriken Lindt & Spruengli AG	49	418	445
Danone SA	10,927	1,111	1,126
Glanbia PLC	3,626	98	95
Kerry Group PLC, A	2,646	366	395
Leroy Seafood Group ASA	4,900	48	48
Mowi ASA	7,546	230	225
Nestle SA	55,125	6,675	7,018
Orkla ASA	13,965	147	143
Salmar ASA	980	64	63
Suedzucker AG	1,421	29	24
		<u>9,299</u>	<u>9,700</u>
Textiles, Apparel & Luxury Goods: 4.75%			
adidas AG	3,479	1,059	1,130

The accompanying notes are an integral part of these financial statements.

Franklin FTSE Europe ex U.K. Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost	Fair Value
		(000s)	(000s)
Textiles, Apparel & Luxury Goods: 4.75% (Continued)			
Cie Financiere Richemont SA	9,359	\$ 909	\$ 911
EssilorLuxottica SA	5,292	849	773
Hermes International	588	488	519
HUGO BOSS AG	1,176	114	107
Kering SA	1,372	983	1,052
LVMH Moet Hennessy Louis Vuitton SE	4,557	2,036	2,241
Moncler SpA	3,430	179	185
Pandora A/S	1,862	124	117
Puma SE	147	103	114
Salvatore Ferragamo SpA	1,225	34	35
Swatch Group AG	539	200	206
Swatch Group AG	833	60	62
		<u>7,138</u>	<u>7,452</u>
Oil, Gas & Consumable Fuels: 4.73%			
Aker BP ASA	1,960	89	93
Enagas SA	4,165	156	162
Eni SpA	46,158	1,056	1,091
Equinor ASA	18,326	550	537
Galp Energia SGPS SA	9,408	207	202
Grupa Lotos SA	1,813	59	53
Koninklijke Vopak NV	1,225	79	78
Lundin Petroleum AB	3,185	137	144
Neste OYJ	2,548	331	363
OMV AG	2,597	179	189
Polski Koncern Naftowy ORLEN SA	5,684	205	193
Polskie Gornictwo Naftowe i Gazownictwo SA	31,801	77	69
Repsol SA	24,745	562	567
Snam SpA	41,552	262	286
TOTAL SA	45,668	3,409	3,392
		<u>7,358</u>	<u>7,419</u>
Chemicals: 4.68%			
Air Liquide SA	7,693	1,258	1,308
Akzo Nobel NV	4,116	487	488
Arkema SA	1,323	169	168
BASF SE	16,807	1,654	1,652
Chr Hansen Holding A/S	1,813	241	246
Clariant AG	3,675	102	103
Covestro AG	2,989	228	220
EMS-Chemie Holding AG	147	109	107
Evonik Industries AG	3,038	112	111
Fuchs Petrolub SE	637	33	34
Fuchs Petrolub SE	1,274	72	70
Givaudan SA	147	479	502
K+S AG	3,479	86	85
Koninklijke DSM NV	3,185	433	464
LANXESS AG	1,666	121	119
Novozymes A/S, B	3,773	231	232
OCI NV	1,764	54	65

The accompanying notes are an integral part of these financial statements.

Franklin FTSE Europe ex U.K. Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost	Fair Value
		(000s)	(000s)
Chemicals: 4.68% (Continued)			
Sika AG	2,548	\$ 437	\$ 475
Solvay SA	1,274	190	184
Symrise AG	2,303	266	277
Umicore SA	3,773	206	224
Wacker Chemie AG	294	40	34
Yara International ASA	3,185	177	174
		<u>7,185</u>	<u>7,342</u>
Diversified Telecommunication Services: 3.28%			
Cellnex Telecom SA	4,816	174	189
Deutsche Telekom AG	59,094	1,296	1,311
Elisa OYJ	2,597	144	157
Iliad SA	441	58	59
Koninklijke KPN NV	60,564	250	257
Orange SA	35,133	720	764
Proximus SADP	2,548	88	98
Swisscom AG	490	297	320
Telecom Italia SpA	197,078	156	164
Telecom Italia SpA	110,495	75	84
Telefonica Deutschland Holding AG	12,201	55	51
Telefonica SA	83,104	965	931
Telekom Austria AG	2,499	25	24
Telenor ASA	12,201	311	327
Telia Co. AB	49,098	280	297
United Internet AG	2,107	101	103
		<u>4,995</u>	<u>5,136</u>
Machinery: 2.89%			
Aalberts Industries NV	1,764	83	82
Alfa Laval AB	5,733	166	176
Alstom SA	2,842	161	165
ANDRITZ AG	1,274	84	73
Atlas Copco AB, A	11,515	409	414
Atlas Copco AB, B	6,909	228	229
CNH Industrial NV	18,179	257	247
Epiroc AB, A	11,515	149	156
Epiroc AB, B	6,909	84	89
GEA Group AG	3,038	96	106
Georg Fischer AG	98	119	119
KION Group AG	1,274	101	89
Knorr-Bremse AG	833	110	111
Kone OYJ, B	7,154	477	482
Metso OYJ	1,960	87	90
OC Oerlikon Corp. AG	3,528	62	60
Rational AG	49	44	40
Sandvik AB	19,698	422	428
Schindler Holding AG	735	218	204
Schindler Holding AG	343	99	95
SKF AB, B	6,958	156	155
Sulzer AG	343	45	45

The accompanying notes are an integral part of these financial statements.

Franklin FTSE Europe ex U.K. Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
Machinery: 2.89% (Continued)			
Trelleborg AB, B	4,459	\$ 98	\$ 92
Volvo AB, B	27,391	532	568
Wartsila OYJ Abp	8,330	182	180
Zardoya Otis SA	3,234	36	36
		<u>4,505</u>	<u>4,531</u>
Automobiles: 2.84%			
Bayerische Motoren Werke AG	5,880	642	607
Bayerische Motoren Werke AG, pfd.	980	93	86
Daimler AG	16,023	1,247	1,256
Ferrari NV	2,303	384	413
Fiat Chrysler Automobiles NV	20,188	396	402
Peugeot SA	9,947	333	324
Porsche Automobil Holding SE, pfd.	2,793	239	234
Renault SA	3,381	304	299
Volkswagen AG	588	133	128
Volkswagen AG	3,332	730	701
		<u>4,501</u>	<u>4,450</u>
Electric Utilities: 2.70%			
Acciona SA	392	50	58
EDP — Energias de Portugal SA	41,503	201	218
Electricite de France SA	9,114	179	167
Endesa SA	5,782	190	197
Enel SpA	142,394	1,122	1,218
Fortum OYJ	7,889	227	216
Iberdrola SA	112,161	1,244	1,317
Orsted A/S	2,744	264	278
PGE Polska Grupa Energetyczna SA	13,377	55	46
Red Electrica Corp. SA	7,889	223	225
Terna Rete Elettrica Nazionale SpA	25,823	208	219
Verbund AG	1,225	76	79
		<u>4,039</u>	<u>4,238</u>
Personal Products: 2.55%			
Beiersdorf AG	1,813	250	252
L'Oreal SA	4,410	1,495	1,587
Unilever NV	27,734	2,056	2,154
		<u>3,801</u>	<u>3,993</u>
Beverages: 2.49%			
Anheuser-Busch InBev SA	14,112	1,446	1,583
Carlsberg A/S, B	1,911	307	319
Davide Campari-Milano SpA	10,388	129	136
Heineken Holding NV	1,911	243	256
Heineken NV	4,312	570	608
Pernod Ricard SA	3,871	889	929
Remy Cointreau SA	441	75	79
		<u>3,659</u>	<u>3,910</u>

The accompanying notes are an integral part of these financial statements.

Franklin FTSE Europe ex U.K. Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
Aerospace & Defense: 2.38%			
Airbus SE	10,045	\$ 1,674	\$ 1,777
Dassault Aviation SA	49	100	97
Leonardo SpA	7,105	92	110
MTU Aero Engines AG	931	270	282
S.A.A. AB, B	1,715	79	74
Safran SA	5,978	1,061	1,096
Thales SA	1,813	291	290
		<u>3,567</u>	<u>3,726</u>
Capital Markets: 2.21%			
Amundi SA	1,029	86	87
Credit Suisse Group AG	46,550	732	725
Deutsche Bank AG	37,338	428	407
Deutsche Boerse AG	3,381	563	580
DWS Group GmbH & Co. KGa	637	25	30
Julius Baer Group Ltd.	3,969	209	214
Natixis SA	15,288	102	109
Partners Group Holding AG	294	275	285
UBS Group AG	63,455	1,034	1,027
		<u>3,454</u>	<u>3,464</u>
Software: 2.19%			
Dassault Systemes SE	2,401	460	478
SAP SE	17,738	2,519	2,741
Temenos AG	1,078	200	212
		<u>3,179</u>	<u>3,431</u>
Electrical Equipment: 1.91%			
ABB Ltd.	32,634	864	819
Legrand SA	4,900	427	439
OSRAM Licht AG	1,617	94	74
Prysmian SpA	4,802	123	121
Schneider Electric SE	9,359	981	982
Siemens Gamesa Renewable Energy SA	4,116	84	88
Signify NV	1,960	69	70
Vestas Wind Systems A/S	3,626	400	408
		<u>3,042</u>	<u>3,001</u>
Health Care Equipment & Supplies: 1.71%			
Ambu A/S, B	2,989	95	106
BioMerieux	735	77	81
Carl Zeiss Meditec AG	686	79	77
Coloplast A/S, B	2,401	312	352
Demant A/S	2,009	79	79
DiaSorin SpA	392	50	53
Elekta AB, B	6,566	119	109
GN Store Nord A/S	2,450	139	152
Koninklijke Philips NV	16,954	882	924
Sartorius AG	637	139	146
Siemens Healthineers AG	2,401	130	134

The accompanying notes are an integral part of these financial statements.

Franklin FTSE Europe ex U.K. Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
Health Care Equipment & Supplies: 1.71% (Continued)			
Sonova Holding AG	931	\$ 226	\$ 246
Straumann Holding AG	196	199	214
		<u>2,526</u>	<u>2,673</u>
Semiconductors & Semiconductor Equipment: 1.67%			
ASML Holding NV	7,350	1,765	1,843
Infineon Technologies AG	20,531	602	545
STMicroelectronics NV	11,613	254	229
		<u>2,621</u>	<u>2,617</u>
Construction & Engineering: 1.47%			
ACS Actividades de Construccion y Servicios SA	4,508	253	265
Boskalis Westminster	1,470	54	51
Bouygues SA	3,724	182	178
Eiffage SA	1,372	173	176
Ferrovial SA	8,918	266	279
Fomento de Construcciones y Contratas SA	1,323	25	23
HOCHTIEF AG	343	69	66
Skanska AB, B	6,517	151	159
Vinci SA	8,526	1,051	1,109
		<u>2,224</u>	<u>2,306</u>
Multi-Utilities: 1.43%			
A2A SpA	28,273	68	69
E.ON SE	39,739	577	591
Engie SA	30,037	635	598
Hera SpA	14,700	64	71
Innogy SE	2,352	144	145
RWE AG	9,751	323	350
RWE AG	735	24	26
Suez	6,713	115	119
Veolia Environnement SA	9,114	270	273
		<u>2,220</u>	<u>2,242</u>
Industrial Conglomerates: 1.38%			
Investment AB Latour, B	2,205	38	40
Rheinmetall AG	784	110	109
Siemens AG	14,014	1,981	2,017
		<u>2,129</u>	<u>2,166</u>
IT Services: 1.31%			
Adyen NV	147	146	154
Amadeus IT Group SA	7,546	773	808
Atos SE	1,666	208	215
Capgemini SE	2,842	435	461
Wirecard AG	2,107	349	353
Worldline SA	735	55	58
		<u>1,966</u>	<u>2,049</u>
Diversified Financial Services: 1.27%			
Ackermans & van Haaren NV	392	82	79
Aker ASA, A	441	43	45

The accompanying notes are an integral part of these financial statements.

Franklin FTSE Europe ex U.K. Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
Diversified Financial Services: 1.27% (Continued)			
Banca Mediolanum SpA	5,537	\$ 50	\$ 52
Corp. Financiera Alba SA	392	26	26
Eurazeo SE	882	86	89
EXOR NV	1,960	163	170
GRENKE AG	490	63	64
Groupe Bruxelles Lambert SA	1,323	166	172
Industrivarden AB, A	3,822	105	110
Industrivarden AB, C	3,038	82	85
Investor AB, A	2,450	143	148
Investor AB, B	8,281	488	499
Kinnevik AB, B	4,361	138	151
L E Lundbergforetagen AB, B	1,568	64	66
Pargesa Holding SA	686	72	72
Sofina SA	294	77	77
Wendel SA	539	90	91
		<u>1,938</u>	<u>1,996</u>
Real Estate Management & Development: 1.20%			
Aroundtown SA	12,201	139	134
Castellum AB	4,900	124	127
Deutsche Wohnen SE	6,517	411	423
Fastighets AB Balder, B	1,764	72	76
LEG Immobilien AG	1,176	177	193
PSP Swiss Property AG	735	99	107
Swiss Prime Site AG	1,372	153	161
Vonovia SE	9,506	626	659
		<u>1,801</u>	<u>1,880</u>
Building Products: 1.02%			
Assa Abloy AB, B	16,807	458	486
Cie de Saint-Gobain	9,016	445	437
Geberit AG	686	363	374
Kingspan Group PLC	2,744	162	170
Nibe Industrier AB, B	5,488	88	94
Rockwool International A/S, B	98	33	31
		<u>1,549</u>	<u>1,592</u>
Professional Services: 0.99%			
Adecco Group AG	2,793	195	199
Bureau Veritas SA	5,047	152	158
DKSH Holding AG	490	38	38
Randstad NV	2,009	139	131
SGS SA	98	323	326
Teleperformance	1,029	237	247
Wolters Kluwer NV	4,900	425	446
		<u>1,509</u>	<u>1,545</u>
Food & Staples Retailing: 0.95%			
Carrefour SA	10,241	273	256
Casino Guichard Perrachon SA	980	64	57
Colruyt SA	980	92	97

The accompanying notes are an integral part of these financial statements.

Franklin FTSE Europe ex U.K. Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
Food & Staples Retailing: 0.95% (Continued)			
Dino Polska SA	882	\$ 30	\$ 37
ICA Gruppen AB	1,421	72	76
Jeronimo Martins SGPS SA	4,459	86	88
Kesko OYJ, B	1,225	95	100
Koninklijke Ahold Delhaize NV	19,845	682	706
METRO AG	3,087	68	68
		<u>1,462</u>	<u>1,485</u>
Communications Equipment: 0.93%			
Nokia OYJ	102,410	825	779
Telefonaktiebolaget LM Ericsson, A	686	9	9
Telefonaktiebolaget LM Ericsson, B	54,341	660	669
		<u>1,494</u>	<u>1,457</u>
Auto Components: 0.90%			
Cie Generale des Etablissements Michelin SCA	3,234	502	511
Cie Plastic Omnium SA	1,029	39	37
Continental AG	1,960	421	395
Faurecia SA	1,323	81	74
Hella GmbH & Co. KGaA	833	49	49
Nokian Renkaat OYJ	2,450	113	110
Pirelli & C SpA	7,889	72	68
Valeo SA	4,361	182	169
		<u>1,459</u>	<u>1,413</u>
Equity Real Estate Investment Trusts (REITs): 0.81%			
Covivio	833	110	118
Gecina SA	980	186	194
ICADE	588	65	67
Inmobiliaria Colonial Socimi SA	5,537	73	76
Klepierre SA	3,675	167	172
Merlin Properties Socimi SA	6,125	104	107
Unibail-Rodamco-Westfield	50	11	11
Unibail-Rodamco-Westfield	2,400	519	526
		<u>1,235</u>	<u>1,271</u>
Specialty Retail: 0.80%			
Dufry AG	539	70	75
Fielmann AG	441	39	41
GrandVision NV	882	26	25
Hennes & Mauritz AB, B	16,072	317	359
Industria de Diseno Textil SA	19,257	734	757
		<u>1,186</u>	<u>1,257</u>
Household Products: 0.71%			
Essity AB, B	11,123	417	430
Henkel AG & Co. KGaA	1,862	232	237
Henkel AG & Co. KGaA	3,234	432	441
		<u>1,081</u>	<u>1,108</u>
Health Care Providers & Services: 0.71%			
Fresenius Medical Care AG & Co. KGaA	3,871	408	417

The accompanying notes are an integral part of these financial statements.

Franklin FTSE Europe ex U.K. Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
Health Care Providers & Services: 0.71% (Continued)			
Fresenius SE & Co. KGaA	7,448	\$ 557	\$ 556
Orpea	833	122	134
		<u>1,087</u>	<u>1,107</u>
Media: 0.70%			
Axel Springer SE	833	64	58
Cyfrowy Polsat SA	4,900	43	44
Eutelsat Communications SA	3,430	96	80
JCDecaux SA	1,323	55	54
Lagardere SCA	2,107	72	72
Mediaset SpA	5,635	24	23
ProSiebenSat.1 Media SE	4,214	98	80
Publicis Groupe SA	3,871	280	277
RTL Group SA	686	50	50
Schibsted ASA, B	1,813	86	87
Schibsted ASA, A	1,470	76	77
SES SA	6,419	177	134
Telenet Group Holding NV	882	51	57
		<u>1,172</u>	<u>1,093</u>
Transportation Infrastructure: 0.69%			
Aena SME SA	1,176	274	283
Aeroports de Paris	539	140	139
Atlantia SpA	9,751	313	338
Flughafen Zurich AG	343	80	84
Fraport AG Frankfurt Airport Services Worldwide	637	67	65
Getlink SE	8,281	157	168
		<u>1,031</u>	<u>1,077</u>
Metals & Mining: 0.64%			
Acerinox SA	3,185	46	42
ArcelorMittal	11,074	335	300
Boliden AB	4,998	175	190
KGHM Polska Miedz SA	2,499	84	93
Norsk Hydro ASA	24,451	130	133
thyssenkrupp AG	8,820	173	162
voestalpine AG	2,058	82	84
		<u>1,025</u>	<u>1,004</u>
Life Sciences Tools & Services: 0.62%			
Eurofins Scientific SE	196	105	108
Lonza Group AG	1,372	520	568
QIAGEN NV	4,018	205	218
Sartorius Stedim Biotech	441	69	75
		<u>899</u>	<u>969</u>
Entertainment: 0.60%			
CD Projekt SA	1,127	70	78
Ubisoft Entertainment SA	1,568	156	187
Vivendi SA	17,542	632	680
		<u>858</u>	<u>945</u>

The accompanying notes are an integral part of these financial statements.

Franklin FTSE Europe ex U.K. Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
Construction Materials: 0.59%			
Buzzi Unicem SpA	1,274	\$ 32	\$ 35
Buzzi Unicem SpA	735	12	13
HeidelbergCement AG	2,744	265	264
Imerys SA	686	50	46
LafargeHolcim Ltd.	8,673	558	572
		<u>917</u>	<u>930</u>
Air Freight & Logistics: 0.56%			
Bollre SA	17,934	98	108
Deutsche Post AG	17,738	714	772
		<u>812</u>	<u>880</u>
Biotechnology: 0.53%			
Galapagos NV	833	109	130
Genmab A/S	1,029	223	239
Grifols SA, B	4,802	121	127
Grifols SA	6,076	214	227
Swedish Orphan Biovitrum AB	3,430	98	108
		<u>765</u>	<u>831</u>
Paper & Forest Products: 0.44%			
Stora Enso OYJ, R	10,241	178	168
Svenska Cellulosa AB SCA, A	637	8	8
Svenska Cellulosa AB SCA, B	10,878	128	126
UPM-Kymmene OYJ	9,751	383	380
		<u>697</u>	<u>682</u>
Commercial Services & Supplies: 0.42%			
Edenred	4,361	248	265
Elis SA	3,479	73	75
ISS A/S	3,381	135	138
Securitas AB, B	5,635	119	122
Societe BIC SA	490	62	58
		<u>637</u>	<u>658</u>
Energy Equipment & Services: 0.37%			
Saipem SpA	10,290	66	73
Subsea 7 SA	4,704	72	78
TechnipFMC PLC	8,379	252	262
Tenaris SA	8,575	156	161
		<u>546</u>	<u>574</u>
Marine: 0.33%			
AP Moller — Maersk A/S, B	98	166	166
AP Moller — Maersk A/S, A	98	156	158
Hapag-Lloyd AG	490	20	21
Kuehne + Nagel International AG	931	169	171
		<u>511</u>	<u>516</u>
Hotels, Restaurants & Leisure: 0.27%			
Accor SA	3,675	213	199
Sodexo SA	1,568	227	231
		<u>440</u>	<u>430</u>

The accompanying notes are an integral part of these financial statements.

Franklin FTSE Europe ex U.K. Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
Electronic Equipment, Instruments & Components: 0.27%			
Hexagon AB, B	4,557	\$ 307	\$ 318
Ingenico Group SA	1,127	97	108
		<u>404</u>	<u>426</u>
Gas Utilities: 0.26%			
Italgas SpA	8,967	70	74
Naturgy Energy Group SA	5,684	203	213
Rubis SCA	1,568	121	114
		<u>394</u>	<u>401</u>
Road & Rail: 0.25%			
ALD SA	1,470	29	28
DSV A/S	3,283	359	363
		<u>388</u>	<u>391</u>
Household Durables: 0.22%			
Electrolux AB, Series B	4,361	149	150
Husqvarna AB, B	7,448	81	82
SEB SA	490	102	110
		<u>332</u>	<u>342</u>
Trading Companies & Distributors: 0.18%			
Brenntag AG	2,842	187	196
Rexel SA	5,537	92	83
		<u>279</u>	<u>279</u>
Internet & Direct Marketing Retail: 0.17%			
Delivery Hero SE	2,009	103	97
Rocket Internet SE	1,176	38	40
Zalando SE	2,499	100	130
		<u>241</u>	<u>267</u>
Wireless Telecommunication Services: 0.16%			
1&1 Drillisch AG	833	43	39
Tele2 AB, B	9,751	168	174
VEON Ltd.	11,025	37	32
		<u>248</u>	<u>245</u>
Tobacco: 0.14%			
Swedish Match AB	3,136	196	214
		<u>196</u>	<u>214</u>
Airlines: 0.12%			
Air France-KLM	3,920	67	59
Deutsche Lufthansa AG	4,312	149	126
		<u>216</u>	<u>185</u>
Independent Power and Renewable Electricity Producers: 0.11%			
EDP Renovaveis SA	2,793	34	36
Uniper SE	3,577	137	144
		<u>171</u>	<u>180</u>

The accompanying notes are an integral part of these financial statements.

Franklin FTSE Europe ex U.K. Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	<u>Shares</u>	<u>Average Cost</u> (000s)	<u>Fair Value</u> (000s)
Technology Hardware, Storage & Peripherals: 0.09%			
Logitech International SA	2,646	\$ 129	\$ 139
		<u>129</u>	<u>139</u>
Interactive Media & Services: 0.09%			
Scout24 AG	1,960	135	136
		<u>135</u>	<u>136</u>
Containers & Packaging: 0.05%			
Huhtamaki OYJ	1,715	82	85
		<u>82</u>	<u>85</u>
TOTAL INVESTMENTS: 99.63%		<u>\$152,447</u>	156,141
OTHER ASSETS, less liabilities: 0.37%			<u>573</u>
TOTAL NET ASSET: 100.00%			<u>\$156,714</u>

The accompanying notes are an integral part of these financial statements.

Franklin FTSE Europe ex U.K. Index ETF

STATEMENT OF FINANCIAL POSITION

As at March 31, 2019 (Unaudited)

	<u>2019</u> <u>(000s)</u>
Assets	
Current assets	
Non-derivative investments at fair value through profit or loss	\$ 156,141
Cash	
Canadian	37
Foreign	380
Receivables	
Investment securities sold	114
Dividends and withholding tax	370
	<u>157,042</u>
Liabilities	
Current liabilities	
Payables	
Investment securities purchased	315
Management fees	13
	<u>328</u>
Net assets attributable to holders of redeemable units	<u>\$ 156,714</u>
Number of redeemable units outstanding (Note 4)	7,350,000
Net assets attributable to holders of redeemable units per unit — CAD	\$ 21.32

• Fund launched January 15, 2019

Signed on behalf of Franklin Templeton Investments Corp. as Manager-Trustee

(Signed) DUANE GREEN
Director

(Signed) GHION SHEWANGZAW
Director

The accompanying notes are an integral part of these financial statements.

Franklin FTSE Europe ex U.K. Index ETF

STATEMENT OF COMPREHENSIVE INCOME For the period January 15, 2019 to March 31, 2019 (Unaudited)

	<u>2019</u>
	<u>(000s)</u>
Income	
Dividends	\$ 785
Net realized gain (loss) on investments	169
Net change in unrealized appreciation (depreciation) in value of investments	<u>3,694</u>
Total income (loss), net	<u>4,648</u>
Expenses	
Management fees (Note 5(a))	<u>16</u>
Operating expenses	16
Transaction costs (Note 3(h))	161
Withholding tax expense	<u>107</u>
Total expenses, net	<u>284</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>\$ 4,364</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations per series (000s)	\$ 4,364
Weighted average number of units outstanding	6,798,750
Increase (decrease) in net assets attributable to holders of redeemable units from operations per unit	\$ 0.64

The accompanying notes are an integral part of these financial statements.

Franklin FTSE Europe ex U.K. Index ETF

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the period January 15, 2019 to March 31, 2019 (Unaudited) (000s)

	<u>2019</u>
Net assets attributable to holders of redeemable units at beginning of period	\$ —
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>4,364</u>
Distributions to holders of redeemable units	
From net investment income	—
From net realized gains on investments	—
From return of capital	—
Total distributions to holders of redeemable units	<u>—</u>
Redeemable units transactions	
Subscriptions	152,350
Reinvestments	—
Redemptions	—
Net increase (decrease) from redeemable units transactions	<u>152,350</u>
Increase (decrease) in net assets attributable to holders of redeemable units	<u>156,714</u>
Net assets attributable to holders of redeemable units at end of period	<u><u>\$156,714</u></u>

The accompanying notes are an integral part of these financial statements.

Franklin FTSE Europe ex U.K. Index ETF

STATEMENT OF CASH FLOWS For the period January 15, 2019 to March 31, 2019 (Unaudited)

	<u>2019</u>
	<u>(000s)</u>
Cash flows from operating activities	
Dividends received, net of withholding taxes	\$ 308
Proceeds from sale and maturity of investments	383
Purchases of investments	(152,622)
Operating expenses paid	(3)
Net cash from/(used in) operating activities	<u>(151,934)</u>
Cash flows from financing activities	
Proceeds from issuances of redeemable units	152,350
Net cash from/(used in) financing activities	<u>152,350</u>
Net increase (decrease) in cash	416
Cash at beginning of period	—
Effect of exchange rate changes	1
Cash at end of period	<u>\$ 417</u>

The accompanying notes are an integral part of these financial statements.

Franklin FTSE Japan Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited)

	Shares	Average Cost	Fair Value
		(000s)	(000s)
INVESTMENTS: 99.90%			
Exchange-Traded Funds: 99.90%			
Franklin FTSE Japan ETF*	2,096,965	\$66,859	\$67,906
TOTAL INVESTMENTS: 99.90%		\$66,859	67,906
OTHER ASSETS, less liabilities: 0.10%			65
TOTAL NET ASSETS: 100.00%			\$67,971

* An exchange traded fund, managed by an affiliate of the Manager and set up as a separate fund as part of Franklin Templeton ETF Trust which is registered under the Investment Company Act of 1940 as an open-end management investment company in the U.S.

The accompanying notes are an integral part of these financial statements.

Franklin FTSE Japan Index ETF

STATEMENT OF FINANCIAL POSITION

As at March 31, 2019 (Unaudited)

	<u>2019</u>
	<u>(000s)</u>
Assets	
Current assets	
Non-derivative investments at fair value through profit or loss	\$ 67,906
Cash	
Canadian	65
Receivables	
Other assets (Note 5(d))	<u>6</u>
	<u>67,977</u>
Liabilities	
Current liabilities	
Payables	
Management fees	<u>6</u>
	<u>6</u>
Net assets attributable to holders of redeemable units	<u>\$ 67,971</u>
Number of redeemable units outstanding (Note 4)	3,250,000
Net assets attributable to holders of redeemable units per unit — CAD	\$ 20.91

• Fund launched January 15, 2019

Signed on behalf of Franklin Templeton Investments Corp. as Manager-Trustee

(Signed) DUANE GREEN
Director

(Signed) GHION SHEWANGZAW
Director

The accompanying notes are an integral part of these financial statements.

Franklin FTSE Japan Index ETF

STATEMENT OF COMPREHENSIVE INCOME For the period January 15, 2019 to March 31, 2019 (Unaudited)

	<u>2019</u> <u>(000s)</u>
Income	
Net change in unrealized appreciation (depreciation) in value of investments	\$ 1,047
Total income (loss), net	<u>1,047</u>
Expenses	
Management fees (Note 5(a))	<u>7</u>
Operating expenses before amounts waived/paid by Manager	7
Operating expenses waived/paid by Manager	<u>(7)</u>
Total expenses, net	<u>—</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>\$ 1,047</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations per series (000s)	\$ 1,047
Weighted average number of units outstanding	3,092,500
Increase (decrease) in net assets attributable to holders of redeemable units from operations per unit	\$ 0.34

The accompanying notes are an integral part of these financial statements.

Franklin FTSE Japan Index ETF

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS For the period January 15, 2019 to March 31, 2019 (Unaudited) (000s)

	2019
Net assets attributable to holders of redeemable units at beginning of period	\$ —
Increase (decrease) in net assets attributable to holders of redeemable units from operations	1,047
Distributions to holders of redeemable units	
From net investment income	—
From net realized gains on investments	—
From return of capital	—
Total distributions to holders of redeemable units	—
Redeemable units transactions	
Subscriptions	66,924
Reinvestments	—
Redemptions	—
Net increase (decrease) from redeemable units transactions	66,924
Increase (decrease) in net assets attributable to holders of redeemable units	67,971
Net assets attributable to holders of redeemable units at end of period	\$67,971

The accompanying notes are an integral part of these financial statements.

Franklin FTSE Japan Index ETF

STATEMENT OF CASH FLOWS For the period January 15, 2019 to March 31, 2019 (Unaudited)

	<u>2019</u> <u>(000s)</u>
Cash flows from operating activities	
Purchases of investments	—*
Net cash from/(used in) operating activities	—
Cash flows from financing activities	
Proceeds from issuances of redeemable units	65*
Net cash from/(used in) financing activities	65
Net increase (decrease) in cash	65
Cash at beginning of period	—
Cash at end of period	<u>\$65</u>

* Amount shown excludes in-kind subscriptions of \$66,859.

The accompanying notes are an integral part of these financial statements.

Franklin FTSE U.S. Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited)

	Shares	Average Cost (000s)	Fair Value (000s)
INVESTMENTS: 99.67%			
COMMON STOCKS: 99.67%			
Software: 6.75%			
Adobe Inc.	4,619	\$ 1,573	\$ 1,644
ANSYS Inc.	745	172	182
Atlassian Corp. PLC, A	1,043	153	157
Autodesk Inc.	2,086	438	434
Cadence Design Systems Inc.	2,682	197	228
CDK Global Inc.	1,192	91	94
Check Point Software Technologies Ltd.	1,192	189	201
Citrix Systems Inc.	1,192	165	159
Fortinet Inc.	1,192	132	134
Intuit Inc.	2,384	747	833
Microsoft Corp.	71,967	10,228	11,339
Oracle Corp.	23,542	1,613	1,689
Palo Alto Networks Inc.	894	269	290
PTC Inc.	1,043	126	128
Red Hat Inc.	1,639	394	400
salesforce.com Inc.	7,003	1,464	1,482
ServiceNow Inc.	1,788	546	589
Splunk Inc.	1,341	234	223
SS&C Technologies Holdings Inc.	1,937	152	165
Symantec Corp.	5,960	176	183
Synopsys Inc.	1,341	182	206
VMware Inc., A	745	168	180
Workday Inc., A	1,341	333	345
		<u>19,742</u>	<u>21,285</u>
IT Services: 5.23%			
Accenture PLC, A	6,109	1,290	1,437
Akamai Technologies Inc.	1,639	152	157
Alliance Data Systems Corp.	447	102	105
Amdocs Ltd.	1,341	99	97
Automatic Data Processing Inc.	4,172	829	890
Broadridge Financial Solutions Inc.	1,043	138	144
Cognizant Technology Solutions Corp., A	5,513	525	534
DXC Technology Co.	2,682	234	230
Fidelity National Information Services Inc.	3,129	442	473
Fiserv Inc.	3,725	417	439
FleetCor Technologies Inc.	894	269	295
Gartner Inc.	894	167	181
Global Payments Inc.	1,490	249	272
GoDaddy Inc., A	1,639	158	165
International Business Machines Corp.	8,791	1,598	1,657
Mastercard Inc., A	8,791	2,568	2,765
Paychex Inc.	2,980	297	319
PayPal Holdings Inc.	11,324	1,419	1,571
Square Inc., A	2,831	283	283
Total System Services Inc.	1,639	202	208
VeriSign Inc.	1,043	243	253
Visa Inc., A	16,688	3,197	3,482

The accompanying notes are an integral part of these financial statements.

Franklin FTSE U.S. Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
IT Services: 5.23% (Continued)			
Western Union Co.	4,172	\$ 98	\$ 103
Worldpay Inc., A	2,831	334	429
		<u>15,310</u>	<u>16,489</u>
Banks: 5.18%			
Bank of America Corp.	86,122	3,333	3,174
BB&T Corp.	7,301	496	454
CIT Group Inc.	1,043	70	67
Citigroup Inc.	22,648	1,924	1,883
Citizens Financial Group Inc.	4,470	220	194
Comerica Inc.	1,490	173	146
Commerce Bancshares Inc.	894	74	69
Fifth Third Bancorp	6,258	230	211
First Republic Bank	1,490	203	200
Huntington Bancshares Inc.	9,983	187	169
JPMorgan Chase & Co.	31,439	4,373	4,252
KeyCorp	9,834	231	207
M&T Bank Corp.	1,341	310	281
People's United Financial Inc.	3,576	83	79
PNC Financial Services Group Inc.	4,470	747	732
Regions Financial Corp.	9,834	211	186
SunTrust Banks Inc.	4,321	377	342
SVB Financial Group	447	147	133
US Bancorp	14,304	973	921
Wells Fargo & Co.	39,485	2,596	2,549
Zions Bancorp NA	1,341	90	81
		<u>17,048</u>	<u>16,330</u>
Oil, Gas & Consumable Fuels: 4.84%			
Anadarko Petroleum Corp.	4,768	282	290
Apache Corp.	3,576	159	166
Cabot Oil & Gas Corp.	3,874	127	135
Cheniere Energy Inc.	2,384	209	218
Chevron Corp.	18,029	2,867	2,967
Cimarex Energy Co.	894	89	83
Concho Resources Inc.	1,788	262	265
ConocoPhillips	10,877	1,005	970
Continental Resources Inc.	894	52	53
Devon Energy Corp.	4,470	176	188
Diamondback Energy Inc.	1,490	207	202
EOG Resources Inc.	5,662	726	720
EQT Corp.	2,384	61	66
Equitrans Midstream Corp.	1,937	50	56
Exxon Mobil Corp.	40,230	4,174	4,343
Hess Corp.	2,533	195	204
HollyFrontier Corp.	1,490	109	98
Kinder Morgan Inc.	18,029	458	482
Marathon Oil Corp.	7,897	177	176
Marathon Petroleum Corp.	6,407	543	512
Murphy Oil Corp.	1,490	59	58

The accompanying notes are an integral part of these financial statements.

Franklin FTSE U.S. Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
Oil, Gas & Consumable Fuels: 4.84% (Continued)			
Noble Energy Inc.	4,619	\$ 145	\$ 153
Occidental Petroleum Corp.	7,152	638	633
ONEOK Inc.	3,874	347	361
Phillips 66	4,023	516	512
Pioneer Natural Resources Co.	1,639	303	333
Targa Resources Corp.	2,086	122	116
Valero Energy Corp.	4,023	450	456
Williams Companies Inc.	11,473	414	440
		<u>14,922</u>	<u>15,256</u>
Pharmaceuticals: 4.70%			
Allergan PLC	3,129	582	612
Bristol-Myers Squibb Co.	15,496	1,049	988
Elanco Animal Health Inc.	2,773	115	119
Eli Lilly & Co.	8,435	1,372	1,462
Jazz Pharmaceuticals PLC	596	100	114
Johnson & Johnson	25,479	4,593	4,758
Merck & Co. Inc.	24,734	2,596	2,748
Mylan NV	4,917	201	186
Perrigo Co. PLC	1,192	77	77
Pfizer Inc.	54,981	3,054	3,120
Zoetis Inc.	4,619	574	621
		<u>14,313</u>	<u>14,805</u>
Internet Software & Services: 4.41%			
Alphabet Inc., C	2,831	4,179	4,438
Alphabet Inc., A	2,831	4,204	4,451
Facebook Inc., A	22,499	4,854	5,010
		<u>13,237</u>	<u>13,899</u>
Technology Hardware, Storage & Peripherals: 4.08%			
Apple Inc.	45,147	10,269	11,457
Dell Technologies, C	1,490	109	117
Hewlett Packard Enterprise Co.	12,665	267	261
HP Inc.	15,049	454	390
NetApp Inc.	2,384	205	221
Seagate Technology PLC	2,533	154	162
Western Digital Corp.	2,682	171	172
Xerox Corp.	1,639	67	70
		<u>11,696</u>	<u>12,850</u>
Semiconductors & Semiconductor Equipment: 3.89%			
Advanced Micro Devices Inc.	8,642	271	295
Analog Devices Inc.	3,576	504	503
Applied Materials Inc.	9,089	467	482
Broadcom Inc.	3,874	1,438	1,556
Intel Corp.	43,061	2,930	3,089
KLA-Tencor Corp.	1,490	222	238
Lam Research Corp.	1,490	355	356
Marvell Technology Group Ltd.	5,215	135	139
Maxim Integrated Products Inc.	2,682	196	190

The accompanying notes are an integral part of these financial statements.

Franklin FTSE U.S. Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
Semiconductors & Semiconductor Equipment: 3.89% (Continued)			
Microchip Technology Inc.	2,235	\$ 263	\$ 248
Micron Technology Inc.	10,728	592	592
NVIDIA Corp.	5,513	1,149	1,322
NXP Semiconductors NV	3,278	407	387
Qorvo Inc.	1,192	104	114
QUALCOMM Inc.	11,473	797	874
Skyworks Solutions Inc.	1,639	178	181
Texas Instruments Inc.	9,089	1,291	1,288
Xilinx Inc.	2,384	378	404
		<u>11,677</u>	<u>12,258</u>
Internet & Direct Marketing Retail: 3.57%			
Amazon.com Inc.	3,874	8,301	9,216
Booking Holdings Inc.	447	1,122	1,042
eBay Inc.	8,344	404	414
Expedia Group Inc.	1,192	201	190
MercadoLibre Inc.	447	224	303
Qurate Retail Inc.	3,874	109	83
		<u>10,361</u>	<u>11,248</u>
Health Care Equipment & Supplies: 3.39%			
Abbott Laboratories	16,241	1,623	1,735
ABIOMED Inc.	447	210	171
Align Technology Inc.	745	247	283
Baxter International Inc.	4,768	467	518
Becton Dickinson and Co.	2,533	832	845
Boston Scientific Corp.	13,112	693	672
Cooper Cos. Inc./Cooper Cos Inc/The	447	168	177
Danaher Corp.	5,960	899	1,051
Dentsply Sirona Inc.	2,086	120	138
DexCom Inc.	894	180	142
Edwards Lifesciences Corp.	1,937	450	495
Hologic Inc.	2,533	155	164
IDEXX Laboratories Inc.	745	207	223
Intuitive Surgical Inc.	1,043	755	795
Medtronic PLC	12,814	1,566	1,559
ResMed Inc.	1,341	177	186
Stryker Corp.	3,278	812	865
Teleflex Inc.	447	169	180
Varian Medical Systems Inc.	894	157	169
Zimmer Biomet Holdings Inc.	1,937	316	331
		<u>10,203</u>	<u>10,699</u>
Equity Real Estate Investment Trusts (REITs): 3.00%			
Alexandria Real Estate Equities Inc.	1,043	186	199
American Tower Corp.	4,172	977	1,098
AvalonBay Communities Inc.	1,341	344	360
Boston Properties Inc.	1,490	263	267
Crown Castle International Corp.	4,023	638	688
Digital Realty Trust Inc.	1,937	301	308
Duke Realty Corp.	3,427	135	140

The accompanying notes are an integral part of these financial statements.

Franklin FTSE U.S. Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost	Fair Value
		(000s)	(000s)
Equity Real Estate Investment Trusts (REITs): 3.00% (Continued)			
Equinix Inc.	745	\$ 424	\$ 451
Equity Residential	3,427	330	345
Essex Property Trust Inc.	596	219	230
Extra Space Storage Inc.	1,192	151	162
Federal Realty Investment Trust	745	131	137
HCP Inc.	4,470	182	187
Hospitality Properties Trust	1,490	54	52
Host Hotels & Resorts Inc.	7,003	182	177
Invitation Homes Inc.	2,831	87	92
Iron Mountain Inc.	2,682	126	127
Kimco Realty Corp.	3,874	90	96
Liberty Property Trust	1,341	84	87
Macerich Co.	1,192	68	69
Mid-America Apartment Communities Inc.	1,192	164	174
Park Hotels & Resorts Inc.	1,937	79	80
Prologis Inc.	5,960	553	573
Public Storage	1,341	366	390
Realty Income Corp.	2,831	258	278
Regency Centers Corp.	1,490	129	134
SBA Communications Corp.	1,043	252	278
Simon Property Group Inc.	2,980	703	725
SL Green Realty Corp.	745	89	90
UDR Inc.	2,533	149	154
Ventas Inc.	3,427	286	292
VEREIT Inc.	9,238	99	103
Vornado Realty Trust	1,639	147	148
Welltower Inc.	3,576	357	371
Weyerhaeuser Co.	7,152	243	252
WP Carey Inc.	1,341	138	140
		<u>8,984</u>	<u>9,454</u>
Health Care Providers & Services: 2.63%			
AmerisourceBergen Corp.	1,490	168	158
Anthem Inc.	2,533	1,039	971
Cardinal Health Inc.	2,831	206	182
Centene Corp.	4,023	340	286
Cigna Corp.	3,576	899	768
Covetrus Inc. Covetrus inc.	596	28	25
CVS Health Corp.	12,218	1,015	880
DaVita Inc.	1,192	91	87
HCA Healthcare Inc.	2,533	469	441
Henry Schein Inc.	1,341	106	108
Humana Inc.	1,341	538	477
Laboratory Corp. of America Holdings	894	176	183
McKesson Corp.	1,788	310	280
Quest Diagnostics Inc.	1,341	157	161
UnitedHealth Group Inc.	9,089	3,189	3,002
Universal Health Services Inc., B	745	132	133
WellCare Health Plans Inc.	447	161	161
		<u>9,024</u>	<u>8,303</u>

The accompanying notes are an integral part of these financial statements.

Franklin FTSE U.S. Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
Capital Markets: 2.61%			
Affiliated Managers Group Inc.	447	\$ 64	\$ 64
Ameriprise Financial Inc.	1,341	233	229
Bank of New York Mellon Corp.	8,642	606	582
BlackRock Inc.	1,192	685	681
Cboe Global Markets Inc.	1,043	131	133
Charles Schwab Corp.	11,324	689	647
CME Group Inc.	3,278	758	721
E*TRADE Financial Corp.	2,235	142	139
Franklin Resources Inc.	2,831	121	125
Goldman Sachs Group Inc.	3,278	858	841
Intercontinental Exchange Inc.	5,364	526	546
Invesco Ltd.	3,874	97	100
Janus Henderson Group PLC	1,937	63	65
Moody's Corp.	1,639	367	396
Morgan Stanley	12,367	691	697
MSCI Inc.	894	209	237
Nasdaq Inc.	1,043	121	122
Northern Trust Corp.	1,937	238	234
Raymond James Financial Inc.	1,192	130	128
S&P Global Inc.	2,384	623	671
SEI Investments Co.	1,192	82	83
State Street Corp.	3,576	339	314
T Rowe Price Group Inc.	2,235	289	299
TD Ameritrade Holding Corp.	2,682	200	179
		<u>8,262</u>	<u>8,233</u>
Insurance: 2.53%			
Aflac Inc.	7,301	473	488
Alleghany Corp.	149	127	122
Allstate Corp.	3,278	410	412
American International Group Inc.	8,493	484	489
Aon PLC	2,235	506	510
Arch Capital Group Ltd.	3,725	159	161
Arthur J Gallagher & Co.	1,639	174	171
Assurant Inc.	447	58	57
Axis Capital Holdings Ltd.	745	56	54
Brown & Brown Inc.	2,235	87	88
Chubb Ltd.	4,470	794	836
Cincinnati Financial Corp.	1,490	169	171
CNA Financial Corp.	298	18	17
Everest Re Group Ltd.	447	130	129
Fidelity National Financial Inc.	2,533	117	124
Hartford Financial Services Group Inc.	3,427	222	228
Lincoln National Corp.	1,788	147	140
Loews Corp.	2,682	168	172
Markel Corp.	149	199	198
Marsh & McLennan Companies Inc.	4,768	577	598
MetLife Inc.	7,748	460	441
Old Republic International Corp.	2,682	75	75
Principal Financial Group Inc.	2,533	174	170

The accompanying notes are an integral part of these financial statements.

Franklin FTSE U.S. Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
Insurance: 2.53% (Continued)			
Progressive Corp.	5,513	\$ 527	\$ 531
Prudential Financial Inc.	3,874	485	475
RenaissanceRe Holdings Ltd.	447	86	86
Torchmark Corp.	1,043	115	114
Travelers Companies Inc.	2,533	435	464
Unum Group	1,639	80	74
Willis Towers Watson PLC	1,192	269	280
WR Berkley Corp.	894	98	101
		<u>7,879</u>	<u>7,976</u>
Aerospace & Defense: 2.46%			
Arconic Inc.	4,172	101	107
Boeing Co.	5,066	2,814	2,582
General Dynamics Corp.	2,533	580	573
Harris Corp.	1,192	259	254
Huntington Ingalls Industries Inc.	447	129	124
L3 Technologies Inc.	745	209	205
Lockheed Martin Corp.	2,384	965	956
Northrop Grumman Corp.	1,490	564	537
Raytheon Co.	2,682	660	652
Textron Inc.	2,235	161	151
TransDigm Group Inc.	447	257	271
United Technologies Corp.	7,748	1,308	1,334
		<u>8,007</u>	<u>7,746</u>
Biotechnology: 2.40%			
AbbVie Inc.	14,453	1,521	1,556
Alexion Pharmaceuticals Inc.	2,086	357	377
Alkermes PLC	1,788	79	87
Alnylam Pharmaceuticals Inc.	1,043	111	130
Amgen Inc.	5,960	1,466	1,513
Biogen Inc.	1,937	849	612
BioMarin Pharmaceutical Inc.	1,639	196	194
Celgene Corp.	6,556	776	826
Gilead Sciences Inc.	12,218	1,073	1,061
Incyte Corp.	1,788	198	205
Regeneron Pharmaceuticals Inc.	745	414	409
Vertex Pharmaceuticals Inc.	2,384	588	586
		<u>7,628</u>	<u>7,556</u>
Specialty Retail: 2.37%			
Advance Auto Parts Inc.	596	129	136
AutoZone Inc.	298	363	408
Best Buy Co. Inc.	2,235	181	212
Burlington Stores Inc.	745	139	156
CarMax Inc.	1,639	134	153
Foot Locker Inc.	1,043	83	84
Gap Inc.	2,086	69	73
Home Depot Inc.	10,877	2,737	2,788
L Brands Inc.	2,235	80	82
Lowe's Companies Inc.	7,748	1,073	1,133

The accompanying notes are an integral part of these financial statements.

Franklin FTSE U.S. Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
Specialty Retail: 2.37% (Continued)			
O'Reilly Automotive Inc.	745	\$ 375	\$ 387
Ross Stores Inc.	3,427	423	426
Tiffany & Co.	1,192	145	168
TJX Companies Inc.	11,771	786	837
Tractor Supply Co.	1,192	152	156
Ulta Salon Cosmetics & Fragrance Inc.	596	241	278
		<u>7,110</u>	<u>7,477</u>
Hotels, Restaurants & Leisure: 2.02%			
Aramark	2,384	101	94
Carnival Corp.	3,725	287	252
Chipotle Mexican Grill Inc.	149	118	141
Darden Restaurants Inc.	1,192	173	194
Domino's Pizza Inc.	447	162	154
Hilton Worldwide Holdings Inc.	2,682	295	298
Las Vegas Sands Corp.	3,427	277	279
Marriott International Inc., A	2,682	447	448
McDonald's Corp.	7,301	1,739	1,852
MGM Resorts International	4,619	174	158
Norwegian Cruise Line Holdings Ltd.	2,086	148	153
Royal Caribbean Cruises Ltd.	1,639	260	251
Starbucks Corp.	11,473	1,065	1,140
Vail Resorts Inc.	447	125	130
Wyndham Hotels & Resorts Inc.	894	63	60
Wynn Resorts Ltd.	1,043	176	166
Yum China Holdings Inc.	3,278	180	197
Yum! Brands Inc.	2,980	374	397
		<u>6,164</u>	<u>6,364</u>
Diversified Telecommunication Services: 1.95%			
AT&T Inc.	68,987	2,801	2,890
CenturyLink Inc.	9,089	164	146
Verizon Communications Inc.	39,336	2,902	3,107
		<u>5,867</u>	<u>6,143</u>
Electric Utilities: 1.94%			
Alliant Energy Corp.	2,235	134	141
American Electric Power Co. Inc.	4,619	492	517
Avangrid Inc.	596	38	40
Duke Energy Corp.	6,854	806	824
Edison International	2,980	246	247
Entergy Corp.	1,788	216	228
Evergy Inc.	2,533	197	196
Eversource Energy	2,980	276	282
Exelon Corp.	9,089	578	609
FirstEnergy Corp.	4,619	242	257
NextEra Energy Inc.	4,619	1,136	1,193
PG&E Corp.	4,917	119	117
Pinnacle West Capital Corp.	1,043	126	133
PPL Corp.	6,854	283	291
Southern Co.	9,834	648	679

The accompanying notes are an integral part of these financial statements.

Franklin FTSE U.S. Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
Electric Utilities: 1.94% (Continued)			
Xcel Energy Inc.	4,768	\$ 342	\$ 358
		<u>5,879</u>	<u>6,112</u>
Chemicals: 1.91%			
Air Products & Chemicals Inc.	2,086	490	532
Albemarle Corp.	1,043	114	114
Ashland Global Holdings Inc.	596	62	62
Celanese Corp.	1,192	161	157
CF Industries Holdings Inc.	2,235	130	122
DowDuPont Inc.	21,605	1,598	1,539
Eastman Chemical Co.	1,341	149	136
Ecolab Inc.	2,533	557	597
FMC Corp.	1,341	153	138
International Flavors & Fragrances Inc.	894	153	154
Linde PLC	5,215	1,172	1,226
LyondellBasell Industries NV, A	2,980	350	335
Mosaic Co.	3,278	142	119
PPG Industries Inc.	2,235	324	337
Sherwin-Williams Co.	745	429	429
Westlake Chemical Corp.	447	45	40
		<u>6,029</u>	<u>6,037</u>
Beverages: 1.79%			
Brown-Forman Corp., B	2,980	191	210
Coca Cola European Partners	1,788	110	124
Coca-Cola Co.	36,356	2,166	2,276
Constellation Brands Inc., A	1,490	328	349
Keurig Dr Pepper Inc.	1,937	71	72
Molson Coors Brewing Co., B	1,639	132	131
Monster Beverage Corp.	3,725	290	272
PepsiCo Inc.	13,410	2,050	2,195
		<u>5,338</u>	<u>5,629</u>
Entertainment: 1.77%			
Activision Blizzard Inc.	7,152	403	435
Electronic Arts Inc.	2,831	368	384
Live Nation Entertainment Inc.	1,192	101	101
Netflix Inc.	4,023	1,906	1,916
Take-Two Interactive Software Inc.	1,043	122	132
Viacom Inc., B	3,278	126	123
Walt Disney Co.	16,837	2,515	2,498
		<u>5,541</u>	<u>5,589</u>
Diversified Financial Services: 1.64%			
AXA Equitable Holdings Inc.	1,937	50	52
Berkshire Hathaway Inc., B	18,476	5,008	4,959
Jefferies Financial Group Inc.	2,831	77	71
Voya Financial Inc.	1,490	98	99
		<u>5,233</u>	<u>5,181</u>

The accompanying notes are an integral part of these financial statements.

Franklin FTSE U.S. Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
Household Products: 1.61%			
Church & Dwight Co. Inc.	2,384	\$ 205	\$ 227
Clorox Co.	1,192	245	255
Colgate-Palmolive Co.	8,195	718	750
Kimberly-Clark Corp.	3,278	512	543
Procter & Gamble Co.	23,691	3,103	3,293
		<u>4,783</u>	<u>5,068</u>
Machinery: 1.51%			
Caterpillar Inc.	5,364	986	971
Cummins Inc.	1,341	275	283
Deere & Co.	3,129	660	668
Dover Corp.	1,341	162	168
Flowserve Corp.	1,192	74	72
Fortive Corp.	2,831	303	317
Illinois Tool Works Inc.	3,129	592	600
Ingersoll-Rand PLC	2,384	332	344
PACCAR Inc.	3,278	298	298
Parker-Hannifin Corp.	1,192	275	273
Pentair PLC	1,490	84	89
Snap-on Inc.	596	126	125
Stanley Black & Decker Inc.	1,490	267	271
Wabtec Corp.	1,167	116	115
Xylem Inc.	1,639	161	173
		<u>4,711</u>	<u>4,767</u>
Media: 1.51%			
CBS Corp., B, NVDR	3,129	210	199
Charter Communications Inc., A	1,639	754	760
Comcast Corp., A	43,359	2,167	2,316
Discovery Inc., A	1,490	57	54
Discovery Inc., C	3,278	119	111
DISH Network Corp., A	2,086	86	88
Fox Corp., A	2,904	160	142
Fox Corp., B	1,364	75	65
Interpublic Group of Companies Inc.	3,576	111	100
Liberty Broadband Corp., C	1,192	141	146
Liberty Broadband Corp., A	298	35	37
Liberty Global PLC, C	4,917	161	159
Liberty Global PLC, A	1,937	65	65
Liberty Media Corp-Liberty SiriusXM, A	1,639	88	84
Liberty Media Corp-Liberty SiriusXM, A	745	40	38
News Corp., B	1,192	21	20
News Corp., A	3,576	61	59
Omnicom Group Inc.	2,086	206	203
Sirius XM Holdings Inc.	15,645	125	119
		<u>4,682</u>	<u>4,765</u>
Industrial Conglomerates: 1.42%			
3M Co.	5,364	1,471	1,489
General Electric Co.	81,801	1,085	1,092
Honeywell International Inc.	7,003	1,426	1,487

The accompanying notes are an integral part of these financial statements.

Franklin FTSE U.S. Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
Industrial Conglomerates: 1.42% (Continued)			
Roper Technologies Inc.	894	\$ 371	\$ 408
		<u>4,353</u>	<u>4,476</u>
Food & Staples Retailing: 1.40%			
Costco Wholesale Corp.	4,172	1,203	1,349
Kroger Co.	7,450	278	245
Sysco Corp.	4,470	396	399
Walgreens Boots Alliance Inc.	7,599	707	642
Walmart Inc.	13,559	1,783	1,767
		<u>4,367</u>	<u>4,402</u>
Communications Equipment: 1.23%			
Arista Networks Inc.	596	214	250
Cisco Systems Inc.	43,061	2,832	3,106
F5 Networks Inc.	596	131	125
Juniper Networks Inc.	3,278	117	116
Motorola Solutions Inc.	1,490	274	280
		<u>3,568</u>	<u>3,877</u>
Food Products: 1.14%			
Archer-Daniels-Midland Co.	5,364	297	309
Bunge Ltd.	1,341	93	95
Campbell Soup Co.	1,639	76	84
Conagra Brands Inc.	4,321	136	160
General Mills Inc.	5,662	351	391
Hershey Co.	1,341	196	206
Hormel Foods Corp.	2,533	144	152
Ingredion Inc.	596	73	75
JM Smucker Co.	1,043	147	162
Kellogg Co.	2,384	182	183
Kraft Heinz Co.	5,662	345	247
Lamb Weston Holdings Inc.	1,341	124	134
McCormick & Co. Inc., NVDR	1,192	207	240
Mondelez International Inc., A	13,559	856	904
Tyson Foods Inc., A	2,831	237	263
		<u>3,464</u>	<u>3,605</u>
Road & Rail: 1.06%			
CSX Corp.	7,599	733	760
JB Hunt Transport Services Inc.	894	133	121
Kansas City Southern	1,043	153	162
Norfolk Southern Corp.	2,533	611	632
Old Dominion Freight Line Inc.	596	119	115
Union Pacific Corp.	7,003	1,573	1,564
		<u>3,322</u>	<u>3,354</u>
Multi-Utilities: 1.04%			
Ameren Corp.	2,235	208	220
CenterPoint Energy Inc.	4,768	194	195
CMS Energy Corp.	2,682	188	199
Consolidated Edison Inc.	2,980	313	338
Dominion Energy Inc.	7,152	697	732

The accompanying notes are an integral part of these financial statements.

Franklin FTSE U.S. Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
Multi-Utilities: 1.04% (Continued)			
DTE Energy Co.	1,788	\$ 288	\$ 298
MDU Resources Group Inc.	1,788	63	62
NiSource Inc.	3,427	120	131
Public Service Enterprise Group Inc.	4,768	358	378
Sempra Energy	2,533	394	426
WEC Energy Group Inc.	2,980	296	315
		<u>3,119</u>	<u>3,294</u>
Tobacco: 0.99%			
Altria Group Inc.	18,029	1,216	1,383
Philip Morris International Inc.	14,751	1,662	1,742
		<u>2,878</u>	<u>3,125</u>
Life Sciences Tools & Services: 0.99%			
Agilent Technologies Inc.	2,980	309	320
Illumina Inc.	1,341	534	557
IQVIA Holdings Inc.	1,490	277	286
Mettler-Toledo International Inc.	298	265	288
Thermo Fisher Scientific Inc.	3,874	1,289	1,417
Waters Corp.	745	231	250
		<u>2,905</u>	<u>3,118</u>
Textiles, Apparel & Luxury Goods: 0.79%			
Capri Holdings Ltd.	1,341	78	82
Hanesbrands Inc.	3,427	86	82
Lululemon Athletica Inc.	894	174	196
NIKE Inc., B	11,920	1,335	1,341
PVH Corp.	745	112	121
Ralph Lauren Corp.	447	74	78
Tapestry Inc.	2,682	123	116
Under Armour Inc., A	1,788	50	51
Under Armour Inc., C	1,788	45	45
VF Corp.	3,129	356	363
		<u>2,433</u>	<u>2,475</u>
Consumer Finance: 0.69%			
Ally Financial Inc.	4,023	144	148
American Express Co.	6,258	884	914
Capital One Financial Corp.	4,470	487	488
Discover Financial Services	3,129	295	298
Santander Consumer USA Holdings Inc.	1,043	28	29
Synchrony Financial	7,003	294	298
		<u>2,132</u>	<u>2,175</u>
Air Freight & Logistics: 0.62%			
CH Robinson Worldwide Inc.	1,341	162	156
Expeditors International of Washington Inc.	1,639	163	166
FedEx Corp.	2,384	569	578
United Parcel Service Inc., B	6,556	958	979
XPO Logistics Inc.	1,192	85	85
		<u>1,937</u>	<u>1,964</u>

The accompanying notes are an integral part of these financial statements.

Franklin FTSE U.S. Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost	Fair Value
		(000s)	(000s)
Electronic Equipment, Instruments & Components: 0.61%			
Amphenol Corp., A	2,980	\$ 368	\$ 376
Arrow Electronics Inc.	894	96	92
Avnet Inc.	894	53	52
CDW Corp.	1,341	168	173
Corning Inc.	7,450	340	329
Flex Ltd.	5,066	69	68
IPG Photonics Corp.	298	60	60
Jabil Inc.	1,490	56	53
Keysight Technologies Inc.	1,788	192	208
TE Connectivity Ltd.	3,427	374	370
Trimble Inc.	2,384	125	129
		<u>1,901</u>	<u>1,910</u>
Electrical Equipment: 0.55%			
Acuity Brands Inc.	447	76	72
AMETEK Inc.	2,235	235	248
Eaton Corp. PLC	4,172	439	449
Emerson Electric Co.	5,960	538	545
nVent Electric PLC	1,490	54	54
Rockwell Automation Inc.	1,192	281	279
Sensata Technologies Holding PLC	1,490	97	89
		<u>1,720</u>	<u>1,736</u>
Automobiles: 0.51%			
Ford Motor Co.	36,952	433	434
General Motors Co.	12,367	649	613
Harley-Davidson Inc.	1,490	73	71
Tesla Inc.	1,341	532	501
		<u>1,687</u>	<u>1,619</u>
Multiline Retail: 0.49%			
Dollar General Corp.	2,533	398	404
Dollar Tree Inc.	2,235	293	314
Kohl's Corp.	1,639	142	150
Macy's Inc.	2,533	83	81
Nordstrom Inc.	1,043	62	62
Target Corp.	5,066	489	543
		<u>1,467</u>	<u>1,554</u>
Energy Equipment & Services: 0.47%			
Baker Hughes a GE Co.	4,917	172	182
Halliburton Co.	8,344	349	327
Helmerich & Payne Inc.	1,043	78	78
National Oilwell Varco Inc.	3,576	139	127
Schlumberger Ltd.	13,112	785	763
		<u>1,523</u>	<u>1,477</u>
Professional Services: 0.42%			
CoStar Group Inc.	298	164	185
Equifax Inc.	1,192	170	189
IHS Markit Ltd.	3,576	250	260
ManpowerGroup Inc.	596	66	66

The accompanying notes are an integral part of these financial statements.

Franklin FTSE U.S. Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
Professional Services: 0.42% (Continued)			
Nielsen Holdings PLC	3,427	\$ 117	\$ 108
Robert Half International Inc.	1,192	106	104
TransUnion	1,788	149	159
Verisk Analytics Inc.	1,490	243	265
		<u>1,265</u>	<u>1,336</u>
Commercial Services & Supplies: 0.40%			
Cintas Corp.	894	239	241
Copart Inc.	1,937	138	157
Republic Services Inc.	2,086	213	224
Rollins Inc.	1,341	70	75
Waste Management Inc.	4,023	527	558
		<u>1,187</u>	<u>1,255</u>
Household Durables: 0.34%			
DR Horton Inc.	3,278	173	181
Garmin Ltd.	1,043	114	120
Leggett & Platt Inc.	1,192	71	67
Lennar Corp., A	2,682	173	176
Mohawk Industries Inc.	596	109	101
Newell Brands Inc.	4,172	94	86
NVR Inc.	30	109	111
PulteGroup Inc.	2,384	86	89
Toll Brothers Inc.	1,043	50	50
Whirlpool Corp.	596	112	106
		<u>1,091</u>	<u>1,087</u>
Metals & Mining: 0.30%			
Alcoa Corp.	2,086	80	79
Freeport-McMoRan Inc.	13,708	239	236
Newmont Mining Corp.	5,066	235	242
Nucor Corp.	2,980	240	232
Southern Copper Corp.	1,043	50	55
Steel Dynamics Inc.	2,086	106	98
		<u>950</u>	<u>942</u>
Containers & Packaging: 0.29%			
Avery Dennison Corp.	745	105	112
Ball Corp.	3,129	225	242
International Paper Co.	3,874	243	239
Packaging Corp. of America	894	118	119
Sealed Air Corp.	1,490	85	92
Westrock Co.	2,384	126	122
		<u>902</u>	<u>926</u>
Building Products: 0.26%			
Allegion PLC	894	104	108
Fortune Brands Home & Security Inc.	1,341	84	85
Johnson Controls International PLC	8,791	412	434
Masco Corp.	2,831	141	149
Resideo Technologies Inc.	1,192	39	31
		<u>780</u>	<u>807</u>

The accompanying notes are an integral part of these financial statements.

Franklin FTSE U.S. Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost	Fair Value
		(000s)	(000s)
Interactive Media & Services: 0.25%			
IAC/InterActiveCorp	745	\$ 212	\$ 209
TripAdvisor Inc.	1,043	75	72
Twitter Inc.	6,854	283	301
Yandex NV, A	2,533	111	116
Zillow Group Inc., C	1,192	56	55
Zillow Group Inc., A	894	42	41
		<u>779</u>	<u>794</u>
Auto Components: 0.22%			
Aptiv PLC	2,533	274	269
Autoliv Inc.	894	97	88
BorgWarner Inc.	1,937	106	100
Gentex Corp.	2,533	68	70
Goodyear Tire & Rubber Co.	1,788	45	43
Lear Corp.	596	123	108
		<u>713</u>	<u>678</u>
Personal Products: 0.19%			
Coty Inc., A	4,470	66	69
Estee Lauder Companies Inc., A	2,086	431	461
Herbalife Nutrition Ltd.	1,043	78	74
		<u>575</u>	<u>604</u>
Trading Companies & Distributors: 0.19%			
AerCap Holdings NV	1,192	74	74
Fastenal Co.	2,682	220	230
United Rentals Inc.	745	132	114
WW Grainger Inc.	447	182	180
		<u>608</u>	<u>598</u>
Independent Power and Renewable Electricity Producers: 0.14%			
AES Corp.	6,258	142	151
NRG Energy Inc.	2,682	149	152
Vistra Energy Corp.	4,023	140	140
		<u>431</u>	<u>443</u>
Health Care Technology: 0.13%			
Cerner Corp.	2,980	226	227
Veeva Systems Inc., A	1,043	170	177
		<u>396</u>	<u>404</u>
Construction Materials: 0.11%			
Martin Marietta Materials Inc.	596	152	160
Vulcan Materials Co.	1,192	179	189
		<u>331</u>	<u>349</u>
Airlines: 0.11%			
Alaska Air Group Inc.	298	25	22
American Airlines Group Inc.	1,043	48	44
Delta Air Lines Inc.	1,639	110	113
Southwest Airlines Co.	1,341	96	93
United Continental Holdings Inc.	596	69	64
		<u>348</u>	<u>336</u>

The accompanying notes are an integral part of these financial statements.

Franklin FTSE U.S. Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
Wireless Telecommunication Services: 0.10%			
Sprint Corp.	6,258	\$ 52	\$ 47
T-Mobile US Inc.	2,980	285	275
		<u>337</u>	<u>322</u>
Distributors: 0.10%			
Genuine Parts Co.	1,341	193	201
LKQ Corp.	2,980	106	113
		<u>299</u>	<u>314</u>
Mortgage Real Estate Investment Trusts (REITs): 0.09%			
AGNC Investment Corp.	4,917	115	118
Annaly Capital Management Inc.	13,112	175	175
		<u>290</u>	<u>293</u>
Water Utilities: 0.07%			
American Water Works Co. Inc.	1,639	215	228
		<u>215</u>	<u>228</u>
Real Estate Management & Development: 0.07%			
CBRE Group Inc., A	3,129	207	207
		<u>207</u>	<u>207</u>
Leisure Products: 0.06%			
Hasbro Inc.	1,043	120	119
Polaris Industries Inc.	596	68	67
		<u>188</u>	<u>186</u>
Construction & Engineering: 0.06%			
Fluor Corp.	1,341	66	66
Jacobs Engineering Group Inc.	1,192	116	120
		<u>182</u>	<u>186</u>
Gas Utilities: 0.04%			
Atmos Energy Corp.	894	121	123
		<u>121</u>	<u>123</u>
Thriffs & Mortgage Finance: 0.02%			
New York Community Bancorp Inc.	4,470	72	69
		<u>72</u>	<u>69</u>
Diversified Consumer Services: 0.02%			
H&R Block Inc.	1,937	61	62
		<u>61</u>	<u>62</u>
TOTAL INVESTMENTS: 99.67%		<u>\$304,734</u>	314,229
NET UNREALIZED GAIN ON DERIVATIVES: 0.01%			21
OTHER ASSETS, less liabilities: 0.32%			<u>1,011</u>
TOTAL NET ASSET: 100.00%			<u>\$315,261</u>

The accompanying notes are an integral part of these financial statements.

Franklin FTSE U.S. Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

SCHEDULE OF DERIVATIVE INSTRUMENTS (As at March 31, 2019)

FUTURES CONTRACTS

<u>Description</u>	<u>Counterparty</u>	<u>Delivery Date</u>	<u>Number of contracts bought (sold)</u>	<u>Currency</u>	<u>Notional Amount (000s)</u>	<u>Unrealized Appreciation/ (Depreciation) (000s)</u>
E-Mini S&P 500	JP Morgan Chase Bank, N.A.	6/21/2019	5	USD	\$250	\$21
					<u>\$250</u>	<u>\$21</u>
Net Unrealized Gain on Futures						<u>\$21</u>
Net Unrealized Gain on Derivatives						<u>\$21</u>

The accompanying notes are an integral part of these financial statements.

Franklin FTSE U.S. Index ETF

STATEMENT OF FINANCIAL POSITION

As at March 31, 2019 (Unaudited)

	<u>2019</u>
	<u>(000s)</u>
Assets	
Current assets	
Non-derivative investments at fair value through profit or loss	\$ 314,229
Unrealized gain on derivatives	21
Cash	
Canadian	185
Foreign	605
Receivables	
Variation margin (Note 3(d))	44
Dividends and withholding tax	197
	<u>315,281</u>
Liabilities	
Current liabilities	
Payables	
Management fees	20
	<u>20</u>
Net assets attributable to holders of redeemable units	<u>\$ 315,261</u>
Number of redeemable units outstanding (Note 4)	14,900,000
Net assets attributable to holders of redeemable units per unit — CAD	\$ 21.16

• Fund launched January 15, 2019

Signed on behalf of Franklin Templeton Investments Corp. as Manager-Trustee

(Signed) DUANE GREEN
Director

(Signed) GHION SHEWANGZAW
Director

The accompanying notes are an integral part of these financial statements.

Franklin FTSE U.S. Index ETF

STATEMENT OF COMPREHENSIVE INCOME For the period January 15, 2019 to March 31, 2019 (Unaudited)

	2019
	(000s)
Income	
Dividends	\$ 696
Net realized and/or unrealized foreign exchange gain (loss)	6
Net realized gain (loss) on investments and derivatives	63
Net change in unrealized appreciation (depreciation) in value of investments and derivatives	9,516
Total income (loss), net	10,281
Expenses	
Management fees (Note 5(a))	24
Operating expenses	24
Withholding tax expense	178
Total expenses, net	202
Increase (decrease) in net assets attributable to holders of redeemable units from operations	\$ 10,079
Increase (decrease) in net assets attributable to holders of redeemable units from operations per series (000s)	\$ 10,079
Weighted average number of units outstanding	13,722,500
Increase (decrease) in net assets attributable to holders of redeemable units from operations per unit	\$ 0.73

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Franklin FTSE U.S. Index ETF

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the period January 15, 2019 to March 31, 2019 (Unaudited) (000s)

	<u>2019</u>
Net assets attributable to holders of redeemable units at beginning of period	\$ —
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>10,079</u>
Distributions to holders of redeemable units	
From net investment income	(190)
From net realized gains on investments	—
From return of capital	—
Total distributions to holders of redeemable units	<u>(190)</u>
Redeemable units transactions	
Subscriptions	305,372
Reinvestments	—
Redemptions	—
Net increase (decrease) from redeemable units transactions	<u>305,372</u>
Increase (decrease) in net assets attributable to holders of redeemable units	<u>315,261</u>
Net assets attributable to holders of redeemable units at end of period	<u><u>\$315,261</u></u>

The accompanying notes are an integral part of these financial statements.

Franklin FTSE U.S. Index ETF

STATEMENT OF CASH FLOWS For the period January 15, 2019 to March 31, 2019 (Unaudited)

	<u>2019</u> <u>(000s)</u>
Cash flows from operating activities	
Dividends received, net of withholding taxes	\$ 320
Proceeds from sale and maturity of investments	1,825
Receipts on settlement of derivative activities	(40)
Purchases of investments	(1,975)*
Realized foreign exchange gain/(loss)	6
Operating expenses paid	(4)
Net cash from/(used in) operating activities	<u>132</u>
Cash flows from financing activities	
Proceeds from issuances of redeemable units	848*
Distributions paid to holders of redeemable units, net of reinvested distributions	(190)
Net cash from/(used in) financing activities	<u>658</u>
Net increase (decrease) in cash	790
Cash at beginning of period	—
Cash at end of period	<u>\$ 790</u>

* Amount shown excludes in-kind subscriptions of \$304,524

The accompanying notes are an integral part of these financial statements.

Franklin Liberty Canadian Investment Grade Corporate ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited)

	Shares	Average Cost (000s)	Fair Value (000s)
INVESTMENTS: 98.94%			
PREFERRED STOCKS: 0.43%			
Canada: 0.43%			
Bank of Nova Scotia, pfd.	300	\$ 7	\$ 7
Kinder Morgan Canada Ltd., pfd.	3,000	68	70
Manulife Financial Corp., pfd.	3,000	60	63
TransCanada Corp., pfd.	3,000	54	50
Total Preferred Stocks:		<u>189</u>	<u>190</u>
		Principal Amount in Currency of Issue	
Bonds: 98.51%			
Canada: 89.04%			
407 International Inc.			
Senior Secured Bond, 6.47%, 7/27/2029	60,000 CAD	79	80
Subordinated Secured Note, 06-D1, 5.75%, 2/14/2036	805,000 CAD	1,039	1,035
AltaGas Canada Inc., Senior Unsecured Bond, 4.26%, 12/5/2028	75,000 CAD	78	81
AltaGas Ltd.			
3.98%, 10/4/2027	20,000 CAD	20	21
Senior Bond, 3.84%, 1/15/2025	240,000 CAD	246	247
Senior Bond, 4.50%, 8/15/2044	115,000 CAD	105	109
Senior Unsecured Note, 4.07%, 6/1/2020	190,000 CAD	192	193
AltaLink LP			
Secured Note, 3.668%, 11/6/2023	130,000 CAD	137	138
Senior Secured Bond, 4.09%, 6/30/2045	480,000 CAD	531	542
Bank of Montreal			
2.27%, 7/11/2022	135,000 CAD	133	135
Senior Bond, 4.609%, 9/10/2025	215,000 CAD	239	243
Senior Bond, 3.19%, 3/1/2028	415,000 CAD	419	435
Senior Note, 2.70%, 9/11/2024	600,000 CAD	595	608
Senior Unsecured Note, 2.85%, 3/6/2024	240,000 CAD	241	242
Subordinated Bond, Floating Rate Note, 6/1/2027	495,000 CAD	488	493
Bell Canada Inc.			
6.55%, 5/1/2029	175,000 CAD	217	219
6.10%, 3/16/2035	230,000 CAD	282	288
4.75%, 9/29/2044	260,000 CAD	273	283
Senior Bond, 7.85%, 4/2/2031	295,000 CAD	411	408
Senior Bond, 7.30%, 2/23/2032	355,000 CAD	477	480
British Columbia Ferry Services Inc., 5.021%, 3/20/2037	60,000 CAD	71	75
Bruce Power LP			
Senior Note, 3.969%, 6/23/2026	255,000 CAD	266	266
Senior Unsecured Bond, 4.01%, 6/21/2029	170,000 CAD	172	175
Senior Unsecured Bond, 4.746%, 6/21/2049	210,000 CAD	212	216
Cameco Corp.			
Senior Bond, 5.09%, 11/14/2042	140,000 CAD	131	132
Senior Note, 4.19%, 6/24/2024	240,000 CAD	244	247
Canadian Imperial Bank of Commerce			
3.30%, 5/26/2025	420,000 CAD	425	439
Senior Bond, 2.97%, 7/11/2023	280,000 CAD	282	287
Senior Unsecured Note, 3.29%, 1/15/2024	180,000 CAD	181	186

The accompanying notes are an integral part of these financial statements.

Franklin Liberty Canadian Investment Grade Corporate ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Principal Amount in Currency of Issue	Average Cost (000s)	Fair Value (000s)
Canada: 89.04% (Continued)			
Canadian National Railway Co.			
Senior Bond, 3.95%, 9/22/2045	165,000 CAD	\$ 178	\$ 180
Senior Bond, 3.60%, 8/1/2047	325,000 CAD	328	337
Senior Bond, 3.60%, 7/31/2048	135,000 CAD	136	140
Canadian Natural Resources Ltd.			
Senior Bond, 4.85%, 5/30/2047	75,000 CAD	76	84
Senior Note, 3.31%, 2/11/2022	520,000 CAD	530	529
Senior Note, 3.42%, 12/1/2026	135,000 CAD	134	136
Capital Power Corp., Senior Unsecured Note, 4.986%, 1/23/2026	235,000 CAD	237	244
Choice Properties Real Estate Investment Trust, 4.178%, 3/8/2028	730,000 CAD	741	761
CIBC Capital Trust, Junior Subordinated Bond, 9.976% to 6/30/19, Floating Rate Note thereafter, 6/30/2108	1,270,000 CAD	1,404	1,293
CU Inc.			
Senior Bond, 9.40%, 5/1/2023	50,000 CAD	68	63
Senior Bond, 4.543%, 10/24/2041	70,000 CAD	80	82
Senior Bond, 4.085%, 9/2/2044	65,000 CAD	71	72
Senior Bond, 3.964%, 7/27/2045	110,000 CAD	118	120
Senior Note, 4.801%, 11/22/2021	135,000 CAD	147	144
Senior Note, 5.563%, 5/26/2028	130,000 CAD	155	159
Senior Note, 5.183%, 11/21/2035	10,000 CAD	13	12
Daimler Canada Finance Inc., 3.30%, 8/16/2022	285,000 CAD	287	291
Dollarama Inc., Senior Unsecured Note, 3.55%, 11/6/2023	240,000 CAD	241	246
Eagle Credit Card Trust			
2.631%, 10/17/2022	290,000 CAD	288	293
3.042%, 7/17/2023	80,000 CAD	81	82
Emera Inc., Senior Note, 2.90%, 6/16/2023	265,000 CAD	265	265
Enbridge Inc.			
Senior Bond, 7.22%, 7/24/2030	180,000 CAD	232	235
Senior Unsecured Note, 3.94%, 1/13/2023	460,000 CAD	473	481
Subordinated Bond, 5.375% to 9/27/27, Floating Rate Note thereafter, 9/27/2077	75,000 CAD	75	73
Subordinated Bond, 6.625% to 4/15/23, Floating Rate Note thereafter, 4/12/2078	260,000 CAD	266	275
Enbridge Pipelines Inc., Senior Bond, 5.08%, 12/19/2036	85,000 CAD	98	96
ENMAX Corp., Senior Bond, 3.836%, 6/5/2028	145,000 CAD	145	151
Federation des Caisses Desjardins du Quebec, Senior Note, 3.056%, 9/11/2023	255,000 CAD	257	262
First Capital Realty Inc.			
Senior Note, 3.604%, 5/6/2026	210,000 CAD	209	210
Senior Unsecured Note, 5.48%, 7/30/2019	20,000 CAD	20	20
Ford Credit Canada Co.			
3.742%, 5/8/2023	230,000 CAD	229	223
Senior Note, 3.279%, 7/2/2021	80,000 CAD	80	79
Senior Note, 2.766%, 6/22/2022	205,000 CAD	198	196
Senior Unsecured Note, 2.71%, 2/23/2022	45,000 CAD	43	43
Fortified Trust, Senior Unsecured Note, 2.558%, 3/23/2024	265,000 CAD	266	267
FortisAlberta Inc.			
Senior Bond, 3.30%, 9/30/2024	215,000 CAD	223	224
Senior Bond, 4.27%, 9/22/2045	15,000 CAD	17	17
Senior Bond, 3.34%, 9/21/2046	330,000 CAD	319	325
FortisBC Energy Inc.			
Senior Bond, 6.00%, 10/2/2037	40,000 CAD	52	55
Senior Bond, 6.05%, 2/15/2038	5,000 CAD	7	7
Senior Bond, 5.80%, 5/13/2038	55,000 CAD	73	74

The accompanying notes are an integral part of these financial statements.

Franklin Liberty Canadian Investment Grade Corporate ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Principal Amount in Currency of Issue	Average Cost (000s)	Fair Value (000s)
Canada: 89.04% (Continued)			
FortisBC Inc., Senior Bond, 4.00%, 10/28/2044	45,000 CAD	\$ 48	\$ 49
GE Capital Canada Funding Co., Senior Unsecured Note, 4.60%, 1/26/2022	280,000 CAD	291	292
General Motors Financial of Canada Ltd., Senior Note, 3.00%, 2/26/2021	420,000 CAD	420	422
Great-West Lifeco Inc.			
Senior Bond, 3.337%, 2/28/2028	220,000 CAD	222	230
Senior Bond, 6.67%, 3/21/2033	205,000 CAD	277	281
H&R Real Estate Investment Trust			
3.416%, 1/23/2023	199,000 CAD	199	201
Senior Note, 2.923%, 5/6/2022	260,000 CAD	256	260
HSBC Bank Canada, Senior Note, 2.542%, 1/31/2023	100,000 CAD	100	100
Hydro One Inc.			
Senior Bond, 4.89%, 3/13/2037	675,000 CAD	798	805
Senior Bond, 6.03%, 3/3/2039	675,000 CAD	915	925
Senior Bond, 4.59%, 10/9/2043	325,000 CAD	377	381
IGM Financial Inc., Senior Bond, 4.115%, 12/9/2047	160,000 CAD	157	160
Industrial Alliance Insurance & Financial Services Inc.			
Subordinated Bond, 2.64% to 2/23/22, Floating Rate Note thereafter, 2/23/2027	765,000 CAD	757	768
Subordinated Note, 2.80% to 5/16/19, Floating Rate Note thereafter, 5/16/2024	395,000 CAD	399	395
Inter Pipeline Ltd.			
3.173%, 3/24/2025	210,000 CAD	209	211
Senior Unsecured Note, 2.734%, 4/18/2024	230,000 CAD	217	227
Keyera Corp., 3.934%, 6/21/2028	330,000 CAD	330	342
Manitoba Telecom Services Inc., Senior Bond, 4.00%, 5/27/2024	250,000 CAD	261	264
Manulife Finance Delaware LP, Subordinated Bond, 5.059% to 12/14/36, Floating Rate Note thereafter, 12/15/2041	175,000 CAD	201	202
Manulife Financial Capital Trust II, Junior Subordinated Note, 7.405% to 12/31/19, Floating Rate Note thereafter, 12/31/2108	310,000 CAD	328	321
Manulife Financial Corp., Subordinated Note, 3.049% to 8/20/24, Floating Rate Note thereafter, 8/20/2029	130,000 CAD	129	131
MBarc Credit Canada Inc., Senior Unsecured Note, 2.715%, 10/16/2023	95,000 CAD	95	96
Morguard Corp., Senior Unsecured Note, 4.715%, 1/25/2024	220,000 CAD	221	224
North West Redwater Partnership / NWR Financing Co. Ltd.			
First Lien, 4.05%, 7/22/2044	215,000 CAD	223	230
Senior Bond, H, 4.15%, 6/1/2033	115,000 CAD	124	125
Senior Note, First Lien, A, 3.20%, 4/24/2026	290,000 CAD	294	297
Nova Scotia Power Inc.			
Senior Bond, 3.612%, 5/1/2045	335,000 CAD	335	336
Senior Note, 8.85%, 5/19/2025	100,000 CAD	135	133
Senior Unsecured Bond, 3.571%, 4/5/2049	115,000 CAD	115	114
OMERS Realty Corp., Senior Note, 2.858%, 2/23/2024	405,000 CAD	409	413
Ontario Power Generation Inc., Senior Bond, 3.838%, 6/22/2048	260,000 CAD	261	265
Pembina Pipeline Corp.			
4.02%, 3/27/2028	135,000 CAD	136	141
Senior Bond, 3.54%, 2/3/2025	570,000 CAD	571	587
Senior Bond, 4.75%, 4/30/2043	115,000 CAD	119	120
Royal Bank of Canada, Senior Note, 4.93%, 7/16/2025	210,000 CAD	239	240
Scotiabank Capital Trust, 5.65%, 12/31/2056	190,000 CAD	232	238
Scotiabank Tier I Trust, Junior Subordinated Bond, 7.802% to 6/30/19, Floating Rate Note thereafter, 6/30/2108	1,155,000 CAD	1,245	1,170
SmartCentres Real Estate Investment Trust			
Senior Note, 3.444%, 8/28/2026	230,000 CAD	224	229
Senior Note, I, 3.985%, 5/30/2023	485,000 CAD	501	503
Sun Life Capital Trust, Junior Subordinated Note, B, 7.093%, 6/30/2052	35,000 CAD	48	48

The accompanying notes are an integral part of these financial statements.

Franklin Liberty Canadian Investment Grade Corporate ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Principal Amount in Currency of Issue	Average Cost (000s)	Fair Value (000s)
Canada: 89.04% (Continued)			
Sun Life Capital Trust II, Senior Subordinated Note, 5.863% to 12/31/19, Floating Rate Note thereafter, 12/31/2108	530,000 CAD	\$ 546	\$ 543
Sun Life Financial Inc., Subordinated Bond, 5.40% to 5/29/37, Floating Rate Note thereafter, 5/29/2042	70,000 CAD	84	86
Suncor Energy Inc.			
Senior Bond, 3.00%, 9/14/2026	230,000 CAD	229	231
Senior Bond, 4.34%, 9/13/2046	110,000 CAD	116	121
TD Capital Trust IV			
Junior Subordinated Bond, 9.523% to 6/30/19, Floating Rate Note thereafter, 6/30/2108	765,000 CAD	842	779
Junior Subordinated Bond, 10.00% to 6/30/39, Floating Rate Note thereafter, 6/30/2108	90,000 CAD	113	113
Junior Subordinated Bond, 6.631% to 6/30/21, Floating Rate Note thereafter, 6/30/2108	1,310,000 CAD	1,431	1,425
TELUS Corp.			
Senior Bond, 3.625%, 3/1/2028	310,000 CAD	307	320
Senior Bond, 4.85%, 4/5/2044	290,000 CAD	309	314
Senior Bond, 4.75%, 1/17/2045	170,000 CAD	181	182
Senior Note, 2.35%, 3/28/2022	410,000 CAD	406	409
Senior Note, 3.35%, 3/15/2023	45,000 CAD	46	46
Senior Unsecured Bond, 3.30%, 5/2/2029	160,000 CAD	159	159
The Bank of Nova Scotia			
2.98%, 4/17/2023	100,000 CAD	100	102
3.10%, 2/2/2028	400,000 CAD	403	416
Senior Note, 2.29%, 6/28/2024	325,000 CAD	314	323
Senior Note, 2.62%, 12/2/2026	370,000 CAD	366	372
The Toronto-Dominion Bank			
3.005%, 5/30/2023	200,000 CAD	200	206
Senior Bond, 4.859% to 3/4/26, Floating Rate Note thereafter, 3/4/2031	55,000 CAD	61	61
Senior Note, 3.226%, 7/24/2024	65,000 CAD	67	68
Senior Unsecured Note, 2.85%, 3/8/2024	115,000 CAD	116	116
Subordinated Note, 9.15%, 5/26/2025	225,000 CAD	314	298
Subordinated Note, 3.224% to 7/25/24, Floating Rate Note thereafter, 7/25/2029	60,000 CAD	59	61
Toyota Credit Canada Inc., 3.04%, 7/12/2023	135,000 CAD	135	138
TransCanada PipeLines Ltd.			
Senior Bond, 8.23%, 1/16/2031	145,000 CAD	208	199
Senior Bond, 4.55%, 11/15/2041	250,000 CAD	266	266
Senior Bond, 4.35%, 6/6/2046	120,000 CAD	126	125
Senior Note, 3.65%, 11/15/2021	190,000 CAD	196	196
Senior Note, 7.90%, 4/15/2027	441,000 CAD	594	583
Senior Unsecured Bond, 8.05%, 2/17/2039	45,000 CAD	64	68
TransCanada Trust, Junior Subordinated Bond, 4.65% to 5/18/27, Floating Rate Note thereafter, 5/18/2077	550,000 CAD	539	519
Union Gas Ltd.			
Senior Bond, 4.20%, 6/2/2044	80,000 CAD	88	91
Senior Note, 8.65%, 11/10/2025	255,000 CAD	351	340
Veresen Inc., Senior Note, 3.43%, 11/10/2021	410,000 CAD	421	419
VW Credit Canada Inc., Senior Unsecured Note, Floating Rate Note, 2.786%, 11/13/2020	230,000 CAD	230	230
Westcoast Energy Inc., 8.85%, 7/21/2025	210,000 CAD	284	281
WTH Car Rental ULC, 3.279%, 7/20/2023	45,000 CAD	45	46
		<u>39,780</u>	<u>39,877</u>
United States: 7.23%			
AT&T Inc., Senior Unsecured Note, 4.00%, 11/25/2025	560,000 CAD	579	578
Bank of America Corp., Senior Bond, 3.301% to 4/24/23, Floating Rate Note thereafter, 4/24/2024	355,000 CAD	356	362

The accompanying notes are an integral part of these financial statements.

Franklin Liberty Canadian Investment Grade Corporate ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Principal Amount in Currency of Issue	Average Cost (000s)	Fair Value (000s)
United States: 7.23% (Continued)			
Citigroup Inc., Subordinated Note, 4.09%, 6/9/2025	145,000 CAD	\$ 150	\$ 151
The Goldman Sachs Group Inc., Senior Note, 3.307% to 10/31/24, Floating Rate Note thereafter, 10/31/2025	715,000 CAD	709	720
Wells Fargo & Co.			
2.094%, 4/25/2022	170,000 CAD	165	168
Senior Bond, 2.975%, 5/19/2026	275,000 CAD	266	273
Senior Note, 2.222%, 3/15/2021	100,000 CAD	99	100
Senior Unsecured Note, 3.184%, 2/8/2024	255,000 CAD	257	259
Subordinated Note, 3.874%, 5/21/2025	605,000 CAD	620	626
		<u>3,201</u>	<u>3,237</u>
United Kingdom: 1.66%			
Heathrow Funding Ltd.			
3.782%, 9/4/2032	240,000 CAD	240	249
Secured Note, 3.25%, 5/21/2027	485,000 CAD	488	494
		<u>728</u>	<u>743</u>
Australia: 0.58%			
BHP Billiton Finance Ltd., 3.23%, 5/15/2023	100,000 CAD	101	102
Transurban Finance Co Pty Ltd., Senior Secured Bond, 4.555%, 11/14/2028	145,000 CAD	149	158
		<u>250</u>	<u>260</u>
Total Bonds:		<u>43,959</u>	<u>44,118</u>
TOTAL INVESTMENTS: 98.94%		<u>\$44,148</u>	<u>44,308</u>
OTHER ASSETS, less liabilities: 1.06%			476
TOTAL NET ASSETS: 100.00%			<u>\$44,784</u>

	2019	2018
	% of Net Assets	% of Net Assets
Credit Ratings*		
AAA	1.75	1.62
AA	4.94	5.34
A	31.86	30.11
BBB	59.96	61.76

* Credit ratings of issuers of interest bearing instruments, excluding cash and overnight term deposits.

Source: Standard & Poor's, and/or composite of Moody's, Standard & Poor's, Fitch and DBRS ratings.

The accompanying notes are an integral part of these financial statements.

Franklin Liberty Canadian Investment Grade Corporate ETF

STATEMENT OF FINANCIAL POSITION As at March 31, 2019 (Unaudited) and September 30, 2018

	<u>2019</u> <u>(000s)</u>	<u>2018</u> <u>(000s)</u>
Assets		
Current assets		
Non-derivative investments at fair value through profit or loss	\$ 44,308	\$ 31,930
Cash		
Canadian	36	19
Receivables		
Investment securities sold	275	144
Subscription of redeemable units	1,951	—
Dividends, interest and withholding tax	463	372
	<u>47,033</u>	<u>32,465</u>
Liabilities		
Current liabilities		
Payables		
Investment securities purchased	2,236	145
Management fees	13	10
	<u>2,249</u>	<u>155</u>
Net assets attributable to holders of redeemable units	<u>\$ 44,784</u>	<u>\$ 32,310</u>
Number of redeemable units outstanding (Note 4)	2,300,000	1,700,000
Net assets attributable to holders of redeemable units per unit — CAD	\$ 19.47	\$ 19.01

Signed on behalf of Franklin Templeton Investments Corp. as Manager-Trustee

(Signed) DUANE GREEN
Director

(Signed) GHION SHEWANGZAW
Director

The accompanying notes are an integral part of these financial statements.

Franklin Liberty Canadian Investment Grade Corporate ETF

STATEMENT OF COMPREHENSIVE INCOME For the six months ended March 31, 2019 and 2018 (Unaudited)

	<u>2019</u>	<u>2018</u>
	(000s)	(000s)
Income		
Dividends	\$ 3	\$ —
Interest for distribution purposes (Note 3(i))	779	337
Net realized gain (loss) on investments	(112)	(40)
Net change in unrealized appreciation (depreciation) in value of investments	1,016	(18)
Total income (loss), net	<u>1,686</u>	<u>279</u>
Expenses		
Management fees (Note 5(a))	68	34
Independent review committee fees	2	—
Total expenses, net	<u>70</u>	<u>34</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>\$ 1,616</u>	<u>\$ 245</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations per series (000s)	\$ 1,616	\$ 245
Weighted average number of units outstanding	1,839,560	771,429
Increase (decrease) in net assets attributable to holders of redeemable units from operations per unit	\$ 0.88	\$ 0.32

The accompanying notes are an integral part of these financial statements.

Franklin Liberty Canadian Investment Grade Corporate ETF

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS For the six months ended March 31, 2019 and 2018 (Unaudited) (000s)

	<u>2019</u>	<u>2018</u>
Net assets attributable to holders of redeemable units at beginning of period	\$32,310	\$ 9,704
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>1,616</u>	<u>245</u>
Distributions to holders of redeemable units		
From net investment income	(746)	(322)
From net realized gains on investments	—	—
From return of capital	—	—
Total distributions to holders of redeemable units	<u>(746)</u>	<u>(322)</u>
Redeemable units transactions		
Subscriptions	11,604	13,682
Reinvestments	—	—
Redemptions	—	(1,956)
Net increase (decrease) from redeemable units transactions	<u>11,604</u>	<u>11,726</u>
Increase (decrease) in net assets attributable to holders of redeemable units	<u>12,474</u>	<u>11,649</u>
Net assets attributable to holders of redeemable units at end of period	<u>\$44,784</u>	<u>\$21,353</u>

The accompanying notes are an integral part of these financial statements.

Franklin Liberty Canadian Investment Grade Corporate ETF

STATEMENTS OF CASH FLOWS

For the periods ended March 31, 2019 and 2018 (Unaudited)

	<u>2019</u>	<u>2018</u>
	(000s)	(000s)
Cash flows from operating activities		
Interest received	\$ 688	\$ 204
Dividends received, net of withholding taxes	3	—
Proceeds from sale and maturity of investments	4,339	2,672
Purchases of investments	(13,853)	(14,261)
Operating expenses paid	(67)	(29)
Net cash from/(used in) operating activities	<u>(8,890)</u>	<u>(11,414)</u>
Cash flows from financing activities		
Proceeds from issuances of redeemable units	9,653	13,682
Amounts paid on redemption of redeemable units	—	(1,956)
Distributions paid to holders of redeemable units, net of reinvested distributions	(746)	(322)
Net cash from/(used in) financing activities	<u>8,907</u>	<u>11,404</u>
Net increase (decrease) in cash	17	(10)
Cash at beginning of period	19	15
Cash at end of period	<u>\$ 36</u>	<u>\$ 5</u>

The accompanying notes are an integral part of these financial statements.

Franklin Liberty Core Balanced ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited)

	Shares	Average Cost (000s)	Fair Value (000s)
INVESTMENTS: 99.43%			
COMMON STOCKS: 54.83%			
United States: 28.30%			
Accenture PLC, A	127	\$ 30	\$ 30
AES Corp.	136	2	3
Akamai Technologies Inc.	32	3	3
Alliant Energy Corp.	39	2	2
Altria Group Inc.	360	29	28
Ameren Corp.	45	4	4
American Electric Power Co. Inc.	96	9	11
American Water Works Co. Inc.	36	5	5
Archer-Daniels-Midland Co.	109	6	6
Atmos Energy Corp.	23	3	3
Automatic Data Processing Inc.	84	15	18
AutoZone Inc.	1	1	1
Berkshire Hathaway Inc., B	327	88	88
Best Buy Co. Inc.	41	4	4
Biogen Inc.	38	15	12
Booking Holdings Inc.	8	19	19
Boston Scientific Corp.	241	10	12
Brown-Forman Corp., B	36	2	3
Cadence Design Systems Inc.	55	3	5
Campbell Soup Co.	26	1	1
Capri Holdings Ltd.	30	2	2
CarMax Inc.	29	2	3
Choe Global Markets Inc.	18	2	2
CBRE Group Inc., A	55	3	4
CBS Corp., B, NVDR	74	5	5
Celgene Corp.	134	14	17
CenterPoint Energy Inc.	91	4	4
Church & Dwight Co. Inc.	49	4	5
Citrix Systems Inc.	26	4	3
Clorox Co.	23	4	5
CMS Energy Corp.	52	3	4
Coca-Cola Co.	687	42	43
Colgate-Palmolive Co.	160	14	15
Conagra Brands Inc.	99	4	4
Consolidated Edison Inc.	61	6	7
Constellation Brands Inc., A	32	8	8
Costco Wholesale Corp.	84	22	27
Darden Restaurants Inc.	24	3	4
Dollar General Corp.	50	7	8
Dominion Energy Inc.	122	12	13
DTE Energy Co.	33	5	6
Duke Energy Corp.	133	16	16
Edison International	59	5	5
Eli Lilly & Co.	170	22	29
Entergy Corp.	34	4	4
Estee Lauder Companies Inc., A	38	7	8
Evergy Inc.	50	4	4
Eversource Energy	59	5	6

The accompanying notes are an integral part of these financial statements.

Franklin Liberty Core Balanced ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
United States: 28.30% (Continued)			
Exelon Corp.	181	\$ 10	\$ 12
Expedia Group Inc.	22	4	4
F5 Networks Inc.	11	3	2
Fidelity National Information Services Inc.	55	8	8
FirstEnergy Corp.	101	5	6
Fiserv Inc.	75	7	9
General Mills Inc.	118	8	8
General Motors Co.	270	13	13
H&R Block Inc.	38	1	1
Hanesbrands Inc.	75	2	2
Hershey Co.	29	4	4
Hilton Worldwide Holdings Inc.	55	6	6
Hologic Inc.	58	3	4
Home Depot Inc.	215	53	55
Hormel Foods Corp.	54	3	3
Intel Corp.	855	57	61
Intercontinental Exchange Inc.	109	11	11
International Business Machines Corp.	173	32	33
JM Smucker Co.	21	3	3
Johnson & Johnson	503	92	94
Kellogg Co.	42	3	3
Kimberly-Clark Corp.	63	9	10
Kroger Co.	146	5	5
Lowe's Companies Inc.	152	19	22
Marriott International Inc., A	55	9	9
Mastercard Inc., A	67	16	21
McCormick & Co. Inc., NVDR	23	4	5
McDonald's Corp.	150	34	38
Merck & Co. Inc.	493	43	55
Mettler-Toledo International Inc.	4	3	4
Molson Coors Brewing Co., B	30	3	2
Mondelez International Inc., A	275	15	18
Monster Beverage Corp.	63	5	5
Motorola Solutions Inc.	32	5	6
NextEra Energy Inc.	90	19	23
NIKE Inc., B	226	24	25
NiSource Inc.	69	2	3
Nordstrom Inc.	19	1	1
NRG Energy Inc.	55	2	3
O'Reilly Automotive Inc.	14	5	7
Omnicom Group Inc.	41	4	4
Oracle Corp.	461	31	33
PepsiCo Inc.	266	40	44
Philip Morris International Inc.	296	36	35
Pinnacle West Capital Corp.	19	2	2
PPL Corp.	142	6	6
Procter & Gamble Co.	471	56	65
Progressive Corp.	107	9	10
Public Service Enterprise Group Inc.	92	6	7
Realty Income Corp.	53	5	5

The accompanying notes are an integral part of these financial statements.

Franklin Liberty Core Balanced ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
United States: 28.30% (Continued)			
Ross Stores Inc.	69	\$ 7	\$ 9
S&P Global Inc.	48	11	14
SBA Communications Corp.	20	4	5
Sempra Energy	53	8	9
Simon Property Group Inc.	57	13	14
Southern Co.	193	12	13
Starbucks Corp.	234	19	23
Stryker Corp.	38	8	10
Synopsys Inc.	26	4	4
Sysco Corp.	96	8	9
Target Corp.	101	9	11
TJX Companies Inc.	233	13	17
Tractor Supply Co.	19	2	2
Tyson Foods Inc., A	51	5	5
Ulta Salon Cosmetics & Fragrance Inc.	11	4	5
Varian Medical Systems Inc.	17	2	3
VeriSign Inc.	23	4	6
Verizon Communications Inc.	796	56	63
Visa Inc., A	421	71	88
Walgreens Boots Alliance Inc.	185	18	16
Walmart Inc.	231	30	30
Waste Connections Inc.	274	25	32
Waters Corp.	15	4	5
WEC Energy Group Inc.	60	5	6
Western Union Co.	75	2	2
Xcel Energy Inc.	100	6	8
Yum! Brands Inc.	58	6	8
Zoetis Inc.	91	10	12
		<u>1,593</u>	<u>1,763</u>
Canada: 26.47%			
Aecon Group Inc.	71	1	1
Alaris Royalty Corp.	30	1	1
Algonquin Power & Utilities Corp.	496	7	7
Alimentation Couche-Tard Inc., B	462	31	36
Allied Properties Real Estate Investment Trust	116	5	6
AltaGas Ltd.	274	7	5
Artis Real Estate Investment Trust	166	2	2
Atco Ltd., I	81	3	4
B2Gold Corp.	1,061	4	4
Badger Daylighting Ltd.	31	1	1
Bank of Montreal	673	70	67
Bank of Nova Scotia	1,294	105	92
Barrick Gold Corp.	1,815	32	33
BCE Inc.	940	54	56
Boardwalk Real Estate Investment Trust	45	2	2
Brookfield Renewable Partners LP	137	5	6
Canadian Imperial Bank of Commerce	464	56	49
Canadian National Railway Co.	761	77	91
Canadian Pacific Railway Ltd.	149	35	41

The accompanying notes are an integral part of these financial statements.

Franklin Liberty Core Balanced ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
Canada: 26.47% (Continued)			
Canadian Tire Corp. Ltd., A	62	\$ 11	\$ 9
Canadian Utilities Ltd., A	120	4	4
Canadian Western Bank	101	4	3
Capital Power Corp.	102	2	3
Cascades Inc.	60	1	1
CCL Industries Inc., B	146	9	8
CES Energy Solutions Corp.	196	1	1
CGI Inc.	261	18	24
Choice Properties Real Estate Investment Trust	232	3	3
CI Financial Corp.	228	7	4
Cineplex Inc.	73	2	2
Cogeco Communications Inc.	21	2	2
Cominar Real Estate Investment Trust	198	3	2
Computer Modelling Group Ltd.	91	1	1
Constellation Software Inc.	20	16	23
Dream Global Real Estate Investment Trust	182	2	3
Element Fleet Management Corp.	489	3	4
Emera Inc.	248	11	12
Empire Co. Ltd., A	160	4	5
Enbridge Inc.	2,269	108	110
Enerflex Ltd.	92	2	2
Exchange Income Corp.	36	1	1
Finning International Inc.	173	6	4
First Capital Realty Inc.	174	4	4
Fortis Inc.	452	20	22
Freehold Royalties Ltd.	63	1	1
Genworth MI Canada Inc.	40	2	2
George Weston Ltd.	78	8	7
Gibson Energy Inc.	141	3	3
Gildan Activewear Inc.	220	9	11
Granite Real Estate Investment Trust	50	3	3
Great-West Lifeco Inc.	281	10	9
H&R Real Estate Investment Trust	296	6	7
Hydro One Ltd.	331	7	7
IA Financial Corp. Inc.	119	7	6
IGM Financial Inc.	91	4	3
Imperial Oil Ltd.	237	9	9
Intact Financial Corp.	146	15	16
Inter Pipeline Ltd.	421	11	9
InterRent Real Estate Investment Trust	131	2	2
Intertape Polymer Group Inc.	63	1	1
Keyera Corp.	221	8	7
Killam Apartment Real Estate Investment Trust	106	1	2
Kinder Morgan Canada Ltd.	35	1	1
Kirkland Lake Gold Ltd.	203	9	8
Laurentian Bank of Canada	45	2	2
Linamar Corp.	47	3	2
Loblaw Companies Ltd.	188	11	12
Magna International Inc.	325	23	21
Manulife Financial Corp.	2,097	51	47

The accompanying notes are an integral part of these financial statements.

Franklin Liberty Core Balanced ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
Canada: 26.47% (Continued)			
Maple Leaf Foods Inc.	89	\$ 2	\$ 3
Martinrea International Inc.	87	1	1
MEG Energy Corp.	235	1	1
Metro Inc.	245	10	12
Morneau Shepell Inc.	68	2	2
MTY Food Group Inc.	21	1	1
Mullen Group Ltd.	97	2	1
National Bank of Canada	355	23	21
NFI Group Inc.	51	3	2
North West Co. Inc.	54	2	2
Northland Power Inc.	122	3	3
Northview Apartment Real Estate Investment Trust	64	2	2
Nutrien Ltd.	637	42	45
Open Text Corp.	280	12	14
Osisko Gold Royalties Ltd.	83	1	1
Parkland Fuel Corp.	140	5	6
Pason Systems Inc.	89	2	2
Peyto Exploration & Development Corp.	169	2	1
Power Corp. of Canada	382	12	12
Power Financial Corp.	249	8	8
Premium Brands Holdings Corp.	31	3	2
Pretium Resources Inc.	166	2	2
Quebecor Inc., B	192	5	6
Richelieu Hardware Ltd.	49	1	1
RioCan Real Estate Investment Trust	319	8	8
Ritchie Bros Auctioneers Inc.	118	5	5
Rogers Communications Inc., B	378	24	27
Royal Bank of Canada	1,523	162	154
Russel Metals Inc.	78	2	2
Saputo Inc.	240	10	11
Seven Generations Energy Ltd., A	313	3	3
Shaw Communications Inc., B	453	12	13
Sleep Country Canada Holdings Inc.	26	1	—
SmartCentres Real Estate Investment Trust	125	4	4
SNC-Lavalin Group Inc.	186	10	6
Stantec Inc.	114	4	4
Stella-Jones Inc.	59	3	3
Sun Life Financial Inc.	631	34	32
Superior Plus Corp.	159	2	2
TELUS Corp.	626	29	31
TFI International Inc.	89	3	4
TMX Group Ltd.	36	3	3
Torex Gold Resources Inc.	79	1	1
Toromont Industries Ltd.	89	5	6
Toronto-Dominion Bank	1,944	145	141
TransAlta Renewables Inc.	97	1	1
TransCanada Corp.	959	56	58
Transcontinental Inc., A	65	2	1
Uni-Select Inc.	48	1	1
Western Forest Products Inc.	334	1	1

The accompanying notes are an integral part of these financial statements.

Franklin Liberty Core Balanced ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
Canada: 26.47% (Continued)			
Westshore Terminals Investment Corp.	55	\$ 1	\$ 1
Wheaton Precious Metals Corp.	474	12	15
Winpak Ltd.	29	1	1
		<u>1,642</u>	<u>1,649</u>
Australia: 0.03%			
OceanaGold Corp.	597	2	2
		<u>2</u>	<u>2</u>
Cayman Islands: 0.03%			
Endeavour Mining Corp.	93	2	2
		<u>2</u>	<u>2</u>
Total Common Stocks:		<u>3,239</u>	<u>3,416</u>
		Principal Amount in Currency of Issue	
Bonds: 44.60%			
Canada: 40.41%			
Bank of Montreal, Senior Bond, 3.19%, 3/1/2028	20,000 CAD	20	21
Cameco Corp., 5.67%, 9/2/2019	27,000 CAD	28	27
Canadian Government Bond, 5.00%, 6/1/2037	107,000 CAD	151	158
Canadian Imperial Bank of Commerce 3.30%, 5/26/2025	30,000 CAD	30	31
Senior Bond, 2.97%, 7/11/2023	30,000 CAD	30	31
Canadian Natural Resources Ltd., Senior Note, 3.42%, 12/1/2026	37,000 CAD	36	37
Canadian Utilities Ltd., Senior Note, 3.122%, 11/9/2022	25,000 CAD	26	26
City of Montreal Canada, 3.00%, 9/1/2025	77,000 CAD	77	80
CPPIB Capital Inc., Senior Note, 3.00%, 6/15/2028	94,000 CAD	94	99
Enbridge Inc. Senior Note, 3.95%, 11/19/2024	17,000 CAD	17	18
Subordinated Bond, 6.625% to 4/12/23, Floating Rate Note thereafter, 4/12/2078	24,000 CAD	25	25
Hydro One Inc., 5.49%, 7/16/2040	16,000 CAD	21	21
IGM Financial Inc., Senior Note, 3.44%, 1/26/2027	25,000 CAD	25	26
Labrador-Island Link Funding Trust, 3.76%, 6/1/2033	50,000 CAD	55	57
Manulife Financial Capital Trust II, Junior Subordinated Note, 7.405% to 12/31/19, Floating Rate Note thereafter, 12/31/2108	45,000 CAD	49	47
Municipal Finance Authority of British Columbia, 3.05%, 10/23/2028	73,000 CAD	73	77
North West Redwater Partnership / NWR Financing Co. Ltd. 3.20%, 7/22/2024	42,000 CAD	42	43
First Lien, 4.05%, 7/22/2044	13,000 CAD	14	14
OPB Finance Trust, 2.95%, 2/2/2026	84,000 CAD	84	87
Pembina Pipeline Corp., Senior Bond, 3.54%, 2/3/2025	31,000 CAD	31	32
Province of Alberta Canada, 3.90%, 12/1/2033	152,000 CAD	169	174
Province of Manitoba Canada 6.30%, 3/5/2031	60,000 CAD	82	83
4.40%, 9/5/2025	24,000 CAD	27	27
Province of New Brunswick Canada, 4.55%, 3/26/2037	102,000 CAD	122	125

The accompanying notes are an integral part of these financial statements.

Franklin Liberty Core Balanced ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Principal Amount in Currency of Issue	Average Cost (000s)	Fair Value (000s)
Canada: 40.41% (Continued)			
Province of Ontario Canada			
6.50%, 3/8/2029	148,000 CAD	\$ 198	\$ 200
3.15%, 6/2/2022	119,000 CAD	123	124
3.45%, 6/2/2045	13,000 CAD	14	15
Province of Quebec Canada, Senior Subordinated Bond, 9.375%, 1/16/2023	45,000 CAD	57	57
Province of Saskatchewan Canada, 4.75%, 6/1/2040	22,000 CAD	28	29
PSP Capital Inc.			
3.29%, 4/4/2024	205,000 CAD	213	217
1.73%, 6/21/2022	39,000 CAD	38	39
Royal Bank of Canada, Senior Note, 4.93%, 7/16/2025	55,000 CAD	62	63
Scotiabank Capital Trust, 5.65%, 12/31/2056	11,000 CAD	13	14
SmartCentres Real Estate Investment Trust, Senior Note, 3.444%, 8/28/2026	44,000 CAD	43	44
Sun Life Capital Trust II, Senior Subordinated Note, 5.863% to 12/31/19, Floating Rate Note thereafter, 12/31/2108	72,000 CAD	76	74
Suncor Energy Inc., Senior Bond, 3.00%, 9/14/2026	37,000 CAD	36	37
TD Capital Trust IV, Junior Subordinated Bond, 10.00% to 6/30/39, Floating Rate Note thereafter, 6/30/2108	10,000 CAD	13	12
The Bank of Nova Scotia			
2.98%, 4/17/2023	50,000 CAD	50	51
Senior Note, 2.29%, 6/28/2024	25,000 CAD	24	25
3.10%, 2/2/2028	35,000 CAD	35	36
The Toronto-Dominion Bank, 3.005%, 5/30/2023	13,000 CAD	13	13
TransCanada PipeLines Ltd., 3.30%, 7/17/2025	75,000 CAD	76	77
Transcanada Trust, Junior Subordinated Bond, 4.65% to 5/18/27, Floating Rate Note thereafter, 5/18/2077	27,000 CAD	27	25
		<u>2,467</u>	<u>2,518</u>
United States: 2.52%			
Bank of America Corp., Senior Bond, 3.301% to 4/24/23, Floating Rate Note thereafter, 4/24/2024	25,000 CAD	25	26
Citigroup Inc., Subordinated Note, 4.09%, 6/9/2025	24,000 CAD	25	25
PepsiCo Inc., 2.15%, 5/6/2024	37,000 CAD	35	37
The Goldman Sachs Group Inc., Senior Note, 3.307% to 10/31/24, Floating Rate Note thereafter, 10/31/2025	30,000 CAD	30	30
Wells Fargo & Co., Subordinated Note, 3.874%, 5/21/2025	38,000 CAD	39	39
		<u>154</u>	<u>157</u>
Australia: 1.22%			
BHP Billiton Finance Ltd., 3.23%, 5/15/2023	74,000 CAD	75	76
		<u>75</u>	<u>76</u>
Belgium: 0.45%			
Anheuser-Busch InBev Finance Inc., 2.60%, 5/15/2024	28,000 CAD	27	28
		<u>27</u>	<u>28</u>
Total Bonds:		<u>2,723</u>	<u>2,779</u>
TOTAL INVESTMENTS: 99.43%		<u>\$5,962</u>	6,195
OTHER ASSETS, less liabilities: 0.57%			<u>35</u>
TOTAL NET ASSETS: 100.00%			<u>\$6,230</u>

The accompanying notes are an integral part of these financial statements.

Franklin Liberty Core Balanced ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

Credit Ratings*	2019	2018
	% of Net Assets	% of Net Assets
AAA	10.38	10.20
AA	5.42	4.68
A	20.96	21.13
BBB	7.84	8.42

* Credit ratings of issuers of interest bearing instruments, excluding cash and overnight term deposits.

Source: Standard & Poor's, and/or composite of Moody's, Standard & Poor's, Fitch and DBRS ratings.

The accompanying notes are an integral part of these financial statements.

Franklin Liberty Core Balanced ETF

STATEMENT OF FINANCIAL POSITION As at March 31, 2019 (Unaudited) and September 30, 2018

	<u>2019</u> <u>(000s)</u>	<u>2018</u> <u>(000s)</u>
Assets		
Current assets		
Non-derivative investments at fair value through profit or loss	\$ 6,195	\$ 6,032
Cash		
Canadian	4	11
Foreign	1	1
Receivables		
Dividends, interest and withholding tax	33	30
	<u>6,233</u>	<u>6,074</u>
Liabilities		
Current liabilities		
Payables		
Management fees	3	2
	<u>3</u>	<u>2</u>
Net assets attributable to holders of redeemable units	<u>\$ 6,230</u>	<u>\$ 6,072</u>
Number of redeemable units outstanding (Note 4)	300,000	300,000
Net assets attributable to holders of redeemable units per unit — CAD	\$ 20.77	\$ 20.24

• Fund launched January 5, 2018

Signed on behalf of Franklin Templeton Investments Corp. as Manager-Trustee

(Signed) DUANE GREEN
Director

(Signed) GHION SHEWANGZAW
Director

The accompanying notes are an integral part of these financial statements.

Franklin Liberty Core Balanced ETF

STATEMENT OF COMPREHENSIVE INCOME For the six months ended March 31, 2019 and 2018 (Unaudited)

	2019 (000s)	2018 (000s)
Income		
Dividends	\$ 49	\$ 18
Interest for distribution purposes (Note 3(i))	49	17
Net realized and/or unrealized foreign exchange gain (loss)	1	12
Net realized gain (loss) on investments	(18)	(11)
Net change in unrealized appreciation (depreciation) in value of investments	165	(163)
Total income (loss), net	246	(127)
Expenses		
Management fees (Note 5(a))	15	5
Independent review committee fees	1	—
Operating expenses	16	5
Transaction costs (Note 3(h))	—	1
Withholding tax expense	2	1
Total expenses, net	18	7
Increase (decrease) in net assets attributable to holders of redeemable units from operations	\$ 228	\$ (134)
Weighted average number of units outstanding	300,000	300,000
Increase (decrease) in net assets attributable to holders of redeemable units from operations per unit	\$ 0.76	\$ (0.45)

• Fund launched January 5, 2018

The accompanying notes are an integral part of these financial statements.

Franklin Liberty Core Balanced ETF

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six months ended March 31, 2019 and 2018 (Unaudited) (000's)

	<u>2019</u>	<u>2018</u>
Net assets attributable to holders of redeemable units at beginning of period	\$6,072	\$ —
Increase (decrease) in net assets attributable to holders of redeemable units from operations	228	(134)
Distributions to holders of redeemable units		
From net investment income	(70)	(14)
From net realized gains on investments	—	—
From return of capital	—	—
Total distributions to holders of redeemable units	<u>(70)</u>	<u>(14)</u>
Redeemable units transactions		
Subscriptions	—	6,000
Reinvestments	—	—
Redemptions	—	—
Net increase (decrease) from redeemable units transactions	<u>—</u>	<u>6,000</u>
Increase (decrease) in net assets attributable to holders of redeemable units	<u>158</u>	<u>5,852</u>
Net assets attributable to holders of redeemable units at end of period	<u>\$6,230</u>	<u>\$5,852</u>

• Fund launched January 5, 2018

The accompanying notes are an integral part of these financial statements.

Franklin Liberty Core Balanced ETF

STATEMENT OF CASH FLOWS For the periods ended March 31, 2019 and 2018 (Unaudited)

	<u>2019</u>	<u>2018</u>
	<u>(000s)</u>	<u>(000s)</u>
Cash flows from operating activities		
Interest received	\$ 49	\$ (5)
Dividends received, net of withholding taxes	44	11
Proceeds from sale and maturity of investments	1,879	476
Purchases of investments	(1,895)	(6,442)
Realized foreign exchange gain/(loss)	1	12
Operating expenses paid	(15)	(3)
Net cash from/(used in) operating activities	<u>63</u>	<u>(5,951)</u>
Cash flows from financing activities		
Proceeds from issuances of redeemable units	—	6,000
Distributions paid to holders of redeemable units, net of reinvested distributions	(70)	(14)
Net cash from/(used in) financing activities	<u>(70)</u>	<u>5,986</u>
Net increase (decrease) in cash	(7)	35
Cash at beginning of period	12	—
Cash at end of period	<u>\$ 5</u>	<u>\$ 35</u>

• Fund launched January 5, 2018

The accompanying notes are an integral part of these financial statements.

Franklin Liberty Global Aggregate Bond ETF (CAD-Hedged)

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited)

	Principal Amount in Currency of Issue		Average Cost (000s)	Fair Value (000s)
INVESTMENTS: 95.55%				
Bonds: 95.00%				
United States: 25.90%				
Aflac Inc., Senior Bond, 3.625%, 11/15/2024	1,010,000 USD	\$	1,312	\$ 1,400
Anthem Inc., Senior Bond, 4.375%, 12/1/2047	1,070,000 USD		1,299	1,424
Baker Hughes a GE Co. LLC / Baker Hughes Co-Obligor Inc., Senior Bond, 4.08%, 12/15/2047	1,130,000 USD		1,313	1,388
Bank of America Corp., Senior Bond, 2.738% to 1/23/21, Floating Rate Note thereafter, 1/23/2022	1,790,000 USD		2,303	2,383
Bunge Ltd. Finance Corp., Senior Bond, 3.75%, 9/25/2027	1,390,000 USD		1,696	1,692
Burlington Northern Santa Fe LLC, Senior Bond, 3.90%, 8/1/2046	1,630,000 USD		2,011	2,203
Celgene Corp., Senior Note, 3.25%, 2/20/2023	1,420,000 USD		1,813	1,914
CIT Group Inc., Senior Bond, 5.00%, 8/1/2023	1,250,000 USD		1,657	1,756
Citigroup Inc.				
Senior Bond, 8.125%, 7/15/2039	705,000 USD		1,314	1,418
Senior Note, 2.70%, 3/30/2021	1,030,000 USD		1,323	1,376
Comcast Corp., Senior Bond, 4.00%, 3/1/2048	2,140,000 USD		2,482	2,792
CVS Health Corp., Senior Bond, 3.70%, 3/9/2023	1,020,000 USD		1,324	1,386
Enterprise Products Operating LLC, Senior Note, 2.80%, 2/15/2021	1,020,000 USD		1,319	1,364
Federal Home Loan Mortgage Corp.				
3.50%, 4/1/2048	1,425,157 USD		1,828	1,937
4.00%, 5/1/2048	3,560,160 USD		4,799	4,915
3.50%, 9/1/2048	1,995,868 USD		2,608	2,711
Federal National Mortgage Association				
2.625%, 9/6/2024	1,040,000 USD		1,317	1,411
3.50%, 5/1/2033	1,285,922 USD		1,683	1,758
4.50%, 5/1/2048	1,430,645 USD		1,989	2,001
4.50%, 11/1/2048	3,105,874 USD		4,165	4,342
Ford Motor Credit Co. LLC, Senior Note, 3.813%, 10/12/2021	1,030,000 USD		1,334	1,364
GE Capital International Funding Co. Unlimited Co., 2.342%, 11/15/2020	1,300,000 USD		1,660	1,716
Gilead Sciences Inc., Senior Bond, 3.50%, 2/1/2025	1,030,000 USD		1,321	1,406
Government National Mortgage Association				
3.50%, 2/20/2048	534,309 USD		705	730
3.50%, 4/20/2048	1,097,588 USD		1,464	1,500
4.50%, 9/20/2048	2,442,952 USD		3,284	3,394
Johnson & Johnson, Senior Note, .25%, 1/20/2022	1,570,000 EUR		2,394	2,384
JPMorgan Chase & Co., Senior Bond, 4.25%, 10/15/2020	1,865,000 USD		2,487	2,550
Morgan Stanley, Subordinated Bond, 3.95%, 4/23/2027	1,835,000 USD		2,297	2,454
Simon Property Group LP, Senior Bond, 3.375%, 10/1/2024	1,040,000 USD		1,327	1,422
Sprint Corp., Senior Bond, 7.625%, 3/1/2026	1,200,000 USD		1,632	1,629
T-Mobile USA Inc., Senior Bond, 4.75%, 2/1/2028	1,350,000 USD		1,649	1,795
The Goldman Sachs Group Inc., Senior Bond, 3.85%, 1/26/2027	1,825,000 USD		2,300	2,450
The Walt Disney Co., Senior Note, 6.40%, 12/15/2035	525,000 USD		944	932
Toyota Motor Credit Corp., Senior Note, 2.20%, 1/10/2020	1,015,000 USD		1,316	1,352
U.S. Treasury Bond				
4.50%, 8/15/2039	1,490,000 USD		2,363	2,572
3.125%, 8/15/2044	1,830,000 USD		2,373	2,593
2.50%, 2/15/2046	2,550,000 USD		3,014	3,206
U.S. Treasury Note				
1.75%, 5/15/2023	1,990,000 USD		2,461	2,608
2.25%, 11/15/2027	6,010,000 USD		7,845	7,948
United Rentals North America Inc., Senior Note, 4.875%, 1/15/2028	1,350,000 USD		1,634	1,759

The accompanying notes are an integral part of these financial statements.

Franklin Liberty Global Aggregate Bond ETF (CAD-Hedged)

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Principal Amount in Currency of Issue		Average Cost (000s)	Fair Value (000s)
United States: 25.90% (Continued)				
Verizon Communications Inc., Senior Bond, 5.15%, 9/15/2023	950,000	USD	\$ 1,325	\$ 1,396
Walmart Inc., Senior Bond, 3.40%, 6/26/2023	1,755,000	USD	2,324	2,416
Western Digital Corp., Senior Note, 4.75%, 2/15/2026	1,040,000	USD	1,326	1,331
			<u>90,334</u>	<u>94,478</u>
Spain: 8.44%				
Government of Spain				
.45%, 10/31/2022	1,500,000	EUR	2,285	2,294
Senior Bond, 2.35%, 7/30/2033	8,000,000	EUR	12,751	13,232
Senior Unsecured Bond, 1.85%, 7/30/2035	10,000,000	EUR	15,214	15,273
			<u>30,250</u>	<u>30,799</u>
Poland: 8.17%				
Government of Poland				
2.50%, 7/25/2027	38,000,000	PLN	12,719	13,070
5.75%, 4/25/2029	38,000,000	PLN	16,568	16,734
			<u>29,287</u>	<u>29,804</u>
Australia: 7.45%				
Queensland Treasury Corp.				
3.25%, 7/21/2026	5,400,000	AUD	5,239	5,531
3.25%, 7/21/2026	7,600,000	AUD	7,529	7,784
3.25%, 8/21/2029	13,500,000	AUD	13,755	13,860
			<u>26,523</u>	<u>27,175</u>
Mexico: 6.43%				
Government of Mexico				
10.00%, 12/5/2024	160,000,000	MXN	12,149	12,104
7.50%, 6/3/2027	170,000,000	MXN	11,144	11,344
			<u>23,293</u>	<u>23,448</u>
Italy: 5.74%				
Government of Italy				
4.25%, 9/1/2019	7,200,000	EUR	11,341	10,986
5.50%, 9/1/2022	5,800,000	EUR	10,010	9,959
			<u>21,351</u>	<u>20,945</u>
Japan: 4.59%				
Government of Japan				
Senior Bond, 1.00%, 12/20/2035	652,500,000	JPY	8,418	8,887
Senior Note, .10%, 9/20/2019	652,500,000	JPY	7,740	7,878
			<u>16,158</u>	<u>16,765</u>
Canada: 4.15%				
Bank of Montreal, 3.10%, 4/13/2021	1,525,000	USD	1,986	2,057
Canadian Government Bond, 2.75%, 6/1/2022 ^(a)	6,000,000	CAD	6,149	6,223
Canadian Imperial Bank of Commerce, 2.70%, 2/2/2021	1,790,000	USD	2,303	2,395
Canadian Natural Resources Ltd., Senior Bond, 4.95%, 6/1/2047	1,850,000	USD	2,509	2,693
Province of Quebec Canada, 2.50%, 4/20/2026	1,335,000	USD	1,648	1,766
			<u>14,595</u>	<u>15,134</u>

The accompanying notes are an integral part of these financial statements.

Franklin Liberty Global Aggregate Bond ETF (CAD-Hedged)

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Principal Amount in Currency of Issue	Average Cost (000s)	Fair Value (000s)
France: 3.01%			
AXA SA, Subordinated Bond, 3.25% to 5/28/29, Floating Rate Note thereafter, 5/28/2049	2,000,000 EUR	\$ 3,003	\$ 3,105
Government of France			
1.00%, 5/25/2019	1,600,000 EUR	2,453	2,404
1.00%, 11/25/2025	3,400,000 EUR	5,385	5,473
		<u>10,841</u>	<u>10,982</u>
Indonesia: 2.76%			
Government of Indonesia, Senior Unsecured Bond, 4.35%, 1/8/2027	1,000,000 USD	1,394	1,383
Indonesia Treasury Bond, Senior Bond, 8.25%, 5/15/2036	90,754,000,000 IDR	7,977	8,693
		<u>9,371</u>	<u>10,076</u>
South Africa: 2.34%			
Government of South Africa, 7.00%, 2/28/2031	110,000,000 ZAR	8,599	8,543
		<u>8,599</u>	<u>8,543</u>
Germany: 1.51%			
Government of Germany, 1.50%, 2/15/2023	3,400,000 EUR	5,560	5,508
		<u>5,560</u>	<u>5,508</u>
Switzerland: 1.42%			
Glencore Funding LLC, 3.875%, 10/27/2027	2,020,000 USD	2,457	2,595
Syngenta Finance NV, 4.892%, 4/24/2025	1,900,000 USD	2,445	2,588
		<u>4,902</u>	<u>5,183</u>
Netherlands: 1.02%			
BMW Finance NV, Senior Bond, .75%, 4/15/2024	1,570,000 EUR	2,379	2,391
Shell International Finance B.V., Senior Note, 2.125%, 5/11/2020	1,015,000 USD	1,311	1,350
		<u>3,690</u>	<u>3,741</u>
Russia: 0.88%			
Russian Foreign Bond — Eurobond, Senior Unsecured Bond, 4.875%, 9/16/2023	1,000,000 USD	1,411	1,402
Russian Railways Via RZD Capital PLC, Senior Unsecured Bond, 5.70%, 4/5/2022	1,300,000 USD	1,821	1,809
		<u>3,232</u>	<u>3,211</u>
Chile: 0.85%			
Government of Chile, Senior Bond, 1.44%, 2/1/2029	2,000,000 EUR	3,037	3,088
		<u>3,037</u>	<u>3,088</u>
Hong Kong: 0.83%			
CGNPC International Ltd., 1.625%, 12/11/2024	2,000,000 EUR	3,040	3,046
		<u>3,040</u>	<u>3,046</u>
Czech Republic: 0.81%			
Energo-Pro A/S, 4.00%, 12/7/2022	2,000,000 EUR	3,014	2,951
		<u>3,014</u>	<u>2,951</u>
Luxembourg: 0.79%			
Aroundtown SA, Senior Bond, 1.625%, 1/31/2028	2,000,000 EUR	2,832	2,883
		<u>2,832</u>	<u>2,883</u>
China: 0.75%			
Alibaba Group Holding Ltd., Senior Bond, 4.20%, 12/6/2047	2,100,000 USD	2,506	2,750
		<u>2,506</u>	<u>2,750</u>

The accompanying notes are an integral part of these financial statements.

Franklin Liberty Global Aggregate Bond ETF (CAD-Hedged)

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Principal Amount in Currency of Issue	Average Cost (000s)	Fair Value (000s)
Peru: 0.75%			
Government of Peru, Senior Bond, 6.55%, 3/14/2037	520,000 USD	\$ 844	\$ 939
Lima Metro Line 2 Finance Ltd., Senior Secured Bond, 5.875%, 7/5/2034	1,300,000 USD	1,806	1,792
		<u>2,650</u>	<u>2,731</u>
United Kingdom: 0.74%			
HSBC Holdings PLC, Senior Bond, 4.041% to 3/13/27, Floating Rate Note thereafter, 3/13/2028	2,000,000 USD	2,541	2,695
		<u>2,541</u>	<u>2,695</u>
Belgium: 0.68%			
Anheuser-Busch InBev SA, 1.50%, 3/17/2025	1,570,000 EUR	2,463	2,481
		<u>2,463</u>	<u>2,481</u>
Guernsey: 0.67%			
Globalworth Real Estate Investments Ltd., Senior Bond, 3.00%, 3/29/2025	1,570,000 EUR	2,389	2,429
		<u>2,389</u>	<u>2,429</u>
Angola: 0.50%			
Government of Angola, Senior Unsecured Bond, 8.25%, 5/9/2028	1,300,000 USD	1,813	1,817
		<u>1,813</u>	<u>1,817</u>
British Virgin Islands: 0.48%			
State Grid Overseas Investment 2016 Ltd, Senior Note, 3.50%, 5/4/2027	1,300,000 USD	1,758	1,742
		<u>1,758</u>	<u>1,742</u>
Israel: 0.47%			
Teva Pharmaceutical Finance Netherlands III B.V., Senior Bond, 2.80%, 7/21/2023	1,430,000 USD	1,634	1,706
		<u>1,634</u>	<u>1,706</u>
Gabon: 0.46%			
Government of Gabon, Senior Unsecured Bond, 6.95%, 6/16/2025	1,300,000 USD	1,686	1,681
		<u>1,686</u>	<u>1,681</u>
Iraq: 0.46%			
Government of Iraq, Senior Unsecured Bond, 5.80%, 1/15/2028	1,300,000 USD	1,670	1,673
		<u>1,670</u>	<u>1,673</u>
Ukraine: 0.43%			
Government of Ukraine, 7.375%, 9/25/2032	1,300,000 USD	1,559	1,553
		<u>1,559</u>	<u>1,553</u>
Kazakhstan: 0.39%			
Government of Kazakhstan, Senior Unsecured Bond, 4.875%, 10/14/2044	1,000,000 USD	1,434	1,426
		<u>1,434</u>	<u>1,426</u>
Colombia: 0.38%			
Government of Colombia, Senior Unsecured Bond, 5.00%, 6/15/2045	1,000,000 USD	1,407	1,406
		<u>1,407</u>	<u>1,406</u>
Tunisia: 0.38%			
Government of Tunisia, Senior Unsecured Bond, 5.625%, 2/17/2024	1,000,000 EUR	1,391	1,388
		<u>1,391</u>	<u>1,388</u>

The accompanying notes are an integral part of these financial statements.

Franklin Liberty Global Aggregate Bond ETF (CAD-Hedged)

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Principal Amount in Currency of Issue	Average Cost (000s)	Fair Value (000s)
Supranational: 0.37%			
Corp. Andina de Fomento, 4.375%, 6/15/2022	975,000 USD	\$ 1,316	\$ 1,354
		<u>1,316</u>	<u>1,354</u>
Total Bonds:		<u>338,126</u>	<u>346,592</u>
SHORT-TERM SECURITIES: 0.55%			
Royal Bank of Canada, Term Deposit, 1.40%, 4/1/2019	2,000 CAD	2,000	2,000
Total Short-Term Securities:		<u>2,000</u>	<u>2,000</u>
TOTAL INVESTMENTS: 95.55%		<u>\$340,126</u>	<u>348,592</u>
NET UNREALIZED GAIN ON DERIVATIVES: 0.32%			1,173
OTHER ASSETS, less liabilities: 4.13%			<u>15,044</u>
TOTAL NET ASSETS: 100.00%			<u>\$364,809</u>

(a) Principal amount of CAD \$605,000 pledged as collateral as at March 31, 2019.

SCHEDULE OF DERIVATIVE INSTRUMENTS As at March 31, 2019

FORWARD FOREIGN EXCHANGE CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency to	Par Value	Currency to	Par Value	Contract Price	Unrealized Gain/(Loss)
			be Delivered	in Canadian Dollars	be Received	in Canadian Dollars		
			(000s)	(000s)	(000s)	(000s)		(000s)
CITIBANK NA	A+	April 5, 2019	4,000 AUD	\$ 3,795	3,800 CAD	\$ 3,800	\$0.9500	\$ 5
CITIBANK NA	A+	July 8, 2019	28,350 AUD	26,885	26,938 CAD	26,938	0.9502	53
CITIBANK NA	A+	April 5, 2019	450 EUR	675	684 CAD	684	1.5200	9
CITIBANK NA	A+	April 5, 2019	4,500 EUR	6,747	6,833 CAD	6,833	1.5184	86
CITIBANK NA	A+	April 5, 2019	59,650 EUR	89,434	91,106 CAD	91,106	1.5273	1,672
CITIBANK NA	A+	July 8, 2019	61,100 EUR	92,123	92,529 CAD	92,529	1.5144	406
CITIBANK NA	A+	April 5, 2019	1,366,000 JPY	16,473	16,765 CAD	16,765	0.0123	292
CITIBANK NA	A+	July 8, 2019	1,366,000 JPY	16,556	16,651 CAD	16,651	0.0122	95
CITIBANK NA	A+	April 5, 2019	70,000 MXN	4,817	4,958 CAD	4,958	0.0708	141
CITIBANK NA	A+	July 8, 2019	190,000 MXN	12,850	12,975 CAD	12,975	0.0683	125
CITIBANK NA	A+	April 5, 2019	6,500 PLN	2,262	2,302 CAD	2,302	0.3542	40
CITIBANK NA	A+	April 5, 2019	78,500 PLN	27,323	27,753 CAD	27,753	0.3535	430
CITIBANK NA	A+	July 8, 2019	85,000 PLN	29,604	29,771 CAD	29,771	0.3502	167
CITIBANK NA	A+	July 8, 2019	102,034 USD	136,027	136,750 CAD	136,750	1.3402	723
CITIBANK NA	A+	April 5, 2019	800 ZAR	74	75 CAD	75	0.0938	1
CITIBANK NA	A+	April 5, 2019	4,000 CAD	4,000	3,022 USD	4,038	1.3236	38
CITIBANK NA	A+	April 5, 2019	74 CAD	74	800 ZAR	74	0.0925	—
Total Number of Contracts		17						\$4,283

The accompanying notes are an integral part of these financial statements.

Franklin Liberty Global Aggregate Bond ETF (CAD-Hedged)

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

SCHEDULE OF DERIVATIVE INSTRUMENTS As at March 31, 2019 (Continued)

FORWARD FOREIGN EXCHANGE CONTRACTS (Continued)

Counterparty	Credit Rating	Settlement Date	Currency to be Delivered (000s)	Par Value in Canadian Dollars (000s)	Currency to be Received (000s)	Par Value in Canadian Dollars (000s)	Contract Price	Unrealized Gain Loss (000s)
CITIBANK NA	A+	April 5, 2019	26,956 CAD	\$ 26,956	28,350 AUD	\$ 26,900	\$0.9508	\$ (56)
CITIBANK NA	A+	April 5, 2019	24,350 AUD	23,105	23,017 CAD	23,017	0.9453	(88)
CITIBANK NA	A+	April 5, 2019	120,000 MXN	8,257	8,094 CAD	8,094	0.0675	(163)
CITIBANK NA	A+	July 8, 2019	1,501 USD	2,001	2,000 CAD	2,000	1.3324	(1)
CITIBANK NA	A+	April 5, 2019	3,200 USD	4,276	4,254 CAD	4,254	1.3294	(22)
CITIBANK NA	A+	July 8, 2019	3,753 USD	5,003	5,000 CAD	5,000	1.3323	(3)
CITIBANK NA	A+	April 5, 2019	7,522 USD	10,050	10,000 CAD	10,000	1.3294	(50)
CITIBANK NA	A+	April 5, 2019	95,459 USD	127,554	126,500 CAD	126,500	0.0013	(1,054)
CITIBANK NA	A+	July 8, 2019	800 ZAR	73	73 CAD	73	0.0913	(0)
CITIBANK NA	A+	April 5, 2019	92,056 CAD	92,056	61,100 EUR	91,608	1.5066	(448)
CITIBANK NA	A+	April 5, 2019	5,335 CAD	5,335	3,500 EUR	5,248	1.5243	(87)
CITIBANK NA	A+	April 5, 2019	16,571 CAD	16,571	1,366,000 JPY	16,473	0.0121	(98)
CITIBANK NA	A+	April 5, 2019	13,206 CAD	13,206	190,000 MXN	13,074	0.0695	(132)
CITIBANK NA	A+	April 5, 2019	29,765 CAD	29,765	85,000 PLN	29,586	0.3502	(179)
CITIBANK NA	A+	April 5, 2019	132,500 CAD	132,500	98,633 USD	131,794	1.3434	(706)
CITIBANK NA	A+	April 5, 2019	4,299 CAD	4,299	3,200 USD	4,276	1.3434	(23)
Total Number of Contracts		16						<u>\$(3,110)</u>
Net Unrealized Gain on Forward Exchange Contracts								<u>\$ 1,173</u>
Net Unrealized Gain on Derivatives								<u>\$ 1,173</u>

Credit Ratings*	2019	2018
	% of Net Assets	% of Net Assets
AAA	9.06	14.79
AA	18.26	19.48
A	35.32	29.91
BBB	24.04	23.23
BB	5.30	3.11
B	3.02	1.08

* Credit ratings of issuers of interest bearing instruments, excluding cash and overnight term deposits.

Source: Standard & Poor's

The accompanying notes are an integral part of these financial statements.

Franklin Liberty Global Aggregate Bond ETF (CAD-Hedged)

STATEMENT OF FINANCIAL POSITION As at March 31, 2019 (Unaudited) and September 30, 2018

	<u>2019</u>	<u>2018</u>
	(000s)	(000s)
Assets		
Current assets		
Non-derivative investments at fair value through profit or loss	\$ 348,592	\$ 217,977
Unrealized gain on derivatives	4,283	4,448
Cash		
Canadian	165	185
Foreign	7,859	4,143
Receivables		
Investment securities sold	20,808	—
Subscription of redeemable units	2,050	—
Interest and withholding tax	3,750	1,802
	<u>387,507</u>	<u>228,555</u>
Liabilities		
Current liabilities		
Unrealized loss on derivatives	3,110	247
Payables		
Investment securities purchased	19,311	—
Management fees	117	69
Foreign capital taxes	160	—
	<u>22,698</u>	<u>316</u>
Net assets attributable to holders of redeemable units	<u>\$ 364,809</u>	<u>\$ 228,239</u>
Number of redeemable units outstanding (Note 4)	17,800,000	11,450,000
Net assets attributable to holders of redeemable units per unit — CAD	\$ 20.49	\$ 19.93

- Fund launched February 22, 2018

Signed on behalf of Franklin Templeton Investments Corp. as Manager-Trustee

(Signed) DUANE GREEN
Director

(Signed) GHION SHEWANGZAW
Director

The accompanying notes are an integral part of these financial statements.

Franklin Liberty Global Aggregate Bond ETF (CAD-Hedged)

STATEMENT OF COMPREHENSIVE INCOME For the six months ended March 31, 2019 (Unaudited)

	<u>2019</u> <u>(000s)</u>
Income	
Interest for distribution purposes (Note 3(i))	\$ 5,625
Net realized and/or unrealized foreign exchange gain (loss)	(1,358)
Net realized gain (loss) on investments	1,266
Net change in unrealized appreciation (depreciation) in value of investments and derivatives	<u>9,591</u>
Total income (loss), net	<u>15,124</u>
Expenses	
Management fees (Note 5(a))	616
Independent review committee fees	<u>1</u>
Operating expenses	617
Withholding tax expense	<u>95</u>
Total expenses, net	<u>712</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>\$ 14,412</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations per series (000s)	\$ 14,412
Weighted average number of units outstanding	16,333,791
Increase (decrease) in net assets attributable to holders of redeemable units from operations per unit	\$ 0.88

• Fund launched February 22, 2018

The accompanying notes are an integral part of these financial statements.

Franklin Liberty Global Aggregate Bond ETF (CAD-Hedged)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS For the six months ended March 31, 2019 (Unaudited) (000s)

	<u>2019</u>
Net assets attributable to holders of redeemable units at beginning of period	\$228,239
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>14,412</u>
Distributions to holders of redeemable units	
From net investment income	(4,302)
From net realized gains on investments	(4,458)
From return of capital	<u>—</u>
Total distributions to holders of redeemable units	<u>(8,760)</u>
Redeemable units transactions	
Subscriptions	140,469
Reinvestments	4,458
Redemptions	<u>(14,009)</u>
Net increase (decrease) from redeemable units transactions	<u>130,918</u>
Increase (decrease) in net assets attributable to holders of redeemable units	<u>136,570</u>
Net assets attributable to holders of redeemable units at end of period	<u>\$364,809</u>

• Fund launched February 22, 2018

The accompanying notes are an integral part of these financial statements.

Franklin Liberty Global Aggregate Bond ETF (CAD-Hedged)

STATEMENT OF CASH FLOWS For the period ended March 31, 2019 (Unaudited)

	<u>2019</u>
	<u>(000s)</u>
Cash flows from operating activities	
Interest received	\$ 3,582
Proceeds from sale and maturity of investments	1,648,285
Purchases of investments	(1,766,342)
Realized foreign exchange gain/(loss)	(1,466)
Operating expenses paid	(569)
Net cash from/(used in) operating activities	<u>(116,510)</u>
Cash flows from financing activities	
Proceeds from issuances of redeemable units	138,419
Amounts paid on redemption of redeemable units	(14,009)
Distributions paid to holders of redeemable units, net of reinvested distributions	(4,302)
Net cash from/(used in) financing activities	<u>120,108</u>
Net increase (decrease) in cash	3,598
Cash at beginning of period	4,328
Effect of exchange rate changes	98
Cash at end of period	<u><u>\$ 8,024</u></u>

• Fund launched February 22, 2018

The accompanying notes are an integral part of these financial statements.

Franklin Liberty Risk Managed Canadian Equity ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited)

	Shares	Average Cost (000s)	Fair Value (000s)
INVESTMENTS: 98.19%			
COMMON STOCKS: 97.50%			
Banks: 30.44%			
Bank of Montreal	5,639	\$ 544	\$ 564
Bank of Nova Scotia	10,846	827	772
Canadian Imperial Bank of Commerce	3,875	429	409
Canadian Western Bank	820	25	23
Laurentian Bank of Canada	393	19	16
National Bank of Canada	2,938	174	177
Royal Bank of Canada	12,747	1,246	1,285
Toronto-Dominion Bank	16,299	1,145	1,182
		<u>4,409</u>	<u>4,428</u>
Oil, Gas & Consumable Fuels: 12.04%			
Enbridge Inc.	19,041	882	922
Freehold Royalties Ltd.	792	8	7
Gibson Energy Inc.	1,271	28	29
Imperial Oil Ltd.	2,025	79	74
Inter Pipeline Ltd.	3,502	82	77
Keyera Corp.	1,886	66	59
Kinder Morgan Canada Ltd.	274	4	4
MEG Energy Corp.	2,518	13	13
Parkland Fuel Corp.	1,223	48	50
Peyto Exploration & Development Corp.	1,538	23	11
Seven Generations Energy Ltd., A	2,377	25	23
TransCanada Corp.	8,044	476	483
		<u>1,734</u>	<u>1,752</u>
Road & Rail: 7.77%			
Canadian National Railway Co.	6,351	658	760
Canadian Pacific Railway Ltd.	1,239	288	341
TFI International Inc.	746	25	29
		<u>971</u>	<u>1,130</u>
Insurance: 7.57%			
Great-West Lifeco Inc.	2,467	82	80
IA Financial Corp. Inc.	988	51	49
Intact Financial Corp.	1,237	124	140
Manulife Financial Corp.	17,550	419	396
Power Corp. of Canada	3,146	94	98
Power Financial Corp.	2,158	70	67
Sun Life Financial Inc.	5,293	264	272
		<u>1,104</u>	<u>1,102</u>
Diversified Telecommunication Services: 5.01%			
BCE Inc.	7,900	458	469
TELUS Corp.	5,258	244	260
		<u>702</u>	<u>729</u>
Food & Staples Retailing: 4.32%			
Alimentation Couche-Tard Inc., B	3,876	248	305
Empire Co. Ltd., A	1,431	35	41
George Weston Ltd.	642	67	62

The accompanying notes are an integral part of these financial statements.

Franklin Liberty Risk Managed Canadian Equity ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
Food & Staples Retailing: 4.32% (Continued)			
Loblaw Companies Ltd.	1,579	\$ 92	\$ 104
Metro Inc.	2,088	91	103
North West Co. Inc.	451	14	13
		<u>547</u>	<u>628</u>
Metals & Mining: 4.03%			
B2Gold Corp.	8,996	35	34
Barrick Gold Corp.	15,176	268	278
Endeavour Mining Corp.	661	15	13
Kirkland Lake Gold Ltd.	1,727	75	70
OceanaGold Corp.	5,673	20	24
Osisko Gold Royalties Ltd.	892	11	13
Pretium Resources Inc.	1,577	17	18
Torex Gold Resources Inc.	757	11	13
Wheaton Precious Metals Corp.	3,885	106	124
		<u>558</u>	<u>587</u>
Equity Real Estate Investment Trusts (REITs): 2.67%			
Allied Properties Real Estate Investment Trust	940	38	46
Artis Real Estate Investment Trust	1,184	14	13
Boardwalk Real Estate Investment Trust	358	15	15
Choice Properties Real Estate Investment Trust	2,051	25	29
Cominar Real Estate Investment Trust	1,706	20	20
Dream Global Real Estate Investment Trust	1,733	21	24
Granite Real Estate Investment Trust	400	22	25
H&R Real Estate Investment Trust	2,549	54	60
InterRent Real Estate Investment Trust	934	12	14
Killam Apartment Real Estate Investment Trust	820	12	16
Northview Apartment Real Estate Investment Trust	513	12	15
RioCan Real Estate Investment Trust	2,730	67	72
SmartCentres Real Estate Investment Trust	1,131	35	40
		<u>347</u>	<u>389</u>
Chemicals: 2.59%			
Nutrien Ltd.	5,345	347	377
Electric Utilities: 2.36%			
Emera Inc.	2,033	92	102
Fortis Inc.	3,739	167	185
Hydro One Ltd.	2,720	58	56
		<u>317</u>	<u>343</u>
Commercial Services & Supplies: 2.28%			
Ritchie Bros Auctioneers Inc.	1,034	44	47
Transcontinental Inc., A	700	17	12
Waste Connections Inc.	2,298	218	272
		<u>279</u>	<u>331</u>
Software: 2.19%			
Constellation Software Inc.	175	152	198
Open Text Corp.	2,362	108	121
		<u>260</u>	<u>319</u>

The accompanying notes are an integral part of these financial statements.

Franklin Liberty Risk Managed Canadian Equity ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
Wireless Telecommunication Services: 1.57%			
Rogers Communications Inc., B	3,180	\$ 203	\$ 229
Auto Components: 1.42%			
Linamar Corp.	411	26	20
Magna International Inc.	2,737	180	178
Martinrea International Inc.	730	11	9
		<u>217</u>	<u>207</u>
IT Services: 1.37%			
CGI Inc.	2,170	162	199
Media: 1.33%			
Cineplex Inc.	582	21	14
Cogeco Communications Inc.	207	16	18
Quebecor Inc., B	1,611	41	53
Shaw Communications Inc., B	3,880	105	108
		<u>183</u>	<u>193</u>
Multi-Utilities: 0.91%			
Algonquin Power & Utilities Corp.	4,172	56	63
Atco Ltd., I	679	31	30
Canadian Utilities Ltd., A	1,065	39	39
		<u>126</u>	<u>132</u>
Food Products: 0.90%			
Maple Leaf Foods Inc.	686	20	21
Premium Brands Holdings Corp.	268	26	20
Saputo Inc.	1,946	82	89
		<u>128</u>	<u>130</u>
Independent Power and Renewable Electricity Producers: 0.78%			
Brookfield Renewable Partners LP	1,128	45	48
Capital Power Corp.	913	24	28
Northland Power Inc.	1,045	24	25
TransAlta Renewables Inc.	946	12	13
		<u>105</u>	<u>114</u>
Trading Companies & Distributors: 0.75%			
Finning International Inc.	1,522	43	36
Richelieu Hardware Ltd.	480	13	11
Russel Metals Inc.	542	15	13
Toromont Industries Ltd.	716	39	49
		<u>110</u>	<u>109</u>
Capital Markets: 0.66%			
Alaris Royalty Corp.	297	6	6
CI Financial Corp.	2,016	51	37
IGM Financial Inc.	764	29	26
TMX Group Ltd.	315	24	27
		<u>110</u>	<u>96</u>
Containers & Packaging: 0.66%			
Cascades Inc.	673	6	6
CCL Industries Inc., B	1,282	78	69

The accompanying notes are an integral part of these financial statements.

Franklin Liberty Risk Managed Canadian Equity ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
Containers & Packaging: 0.66% (Continued)			
Intertape Polymer Group Inc.	484	\$ 10	\$ 9
Winpak Ltd.	275	14	12
		<u>108</u>	<u>96</u>
Textiles, Apparel & Luxury Goods: 0.60%			
Gildan Activewear Inc.	1,834	73	88
Construction & Engineering: 0.54%			
Aecon Group Inc.	556	9	10
Badger Daylighting Ltd.	340	12	14
SNC-Lavalin Group Inc.	1,612	82	54
		<u>103</u>	<u>78</u>
Multiline Retail: 0.52%			
Canadian Tire Corp. Ltd., A	518	82	75
Gas Utilities: 0.43%			
AltaGas Ltd.	2,444	57	43
Superior Plus Corp.	1,643	20	19
		<u>77</u>	<u>62</u>
Energy Equipment & Services: 0.34%			
CES Energy Solutions Corp.	2,308	9	6
Computer Modelling Group Ltd.	724	6	5
Enerflex Ltd.	802	14	15
Mullen Group Ltd.	955	14	11
Pason Systems Inc.	649	12	13
		<u>55</u>	<u>50</u>
Professional Services: 0.34%			
Morneau Shepell Inc.	582	14	16
Stantec Inc.	1,053	35	33
		<u>49</u>	<u>49</u>
Diversified Financial Services: 0.23%			
Element Fleet Management Corp.	4,068	30	34
Real Estate Management & Development: 0.23%			
First Capital Realty Inc.	1,542	31	33
Paper & Forest Products: 0.19%			
Stella-Jones Inc.	495	22	22
Western Forest Products Inc.	3,175	7	6
		<u>29</u>	<u>28</u>
Machinery: 0.11%			
NFI Group Inc.	494	24	16
Thriffs & Mortgage Finance: 0.09%			
Genworth MI Canada Inc.	331	13	13
Hotels, Restaurants & Leisure: 0.07%			
MTY Food Group Inc.	175	11	10
Airlines: 0.06%			
Exchange Income Corp.	261	8	9

The accompanying notes are an integral part of these financial statements.

Franklin Liberty Risk Managed Canadian Equity ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
Transportation Infrastructure: 0.05%			
Westshore Terminals Investment Corp.	397	\$ 9	\$ 8
Specialty Retail: 0.05%			
Sleep Country Canada Holdings Inc.	350	11	7
Distributors: 0.03%			
Uni-Select Inc.	344	6	5
Total Common Stocks:		<u>13,638</u>	<u>14,185</u>
Short-Term Securities: 0.69%			
Royal Bank of Canada, Term Deposit	100,000	100	100
Total Short-Term Securities:		<u>100</u>	<u>100</u>
TOTAL INVESTMENTS: 98.19%		<u>\$13,738</u>	14,285
PURCHASED OPTIONS: 0.43%			62
OTHER ASSETS, less liabilities: 1.38%			<u>201</u>
TOTAL NET ASSETS: 100.00%			<u>\$14,548</u>

SCHEDULE OF DERIVATIVE INSTRUMENTS (As at March 31, 2019)

OPTION CONTRACTS

PURCHASED OPTIONS

ETF Option Puts	Counterparty	Strike Price	Expiration Date	Currency	Number of contracts	Notional amount (000s)	Fair Value (000s)
iShares S&P/TSX 60 Index ETF	TD Securities Inc	\$22.00	June 2019	CAD	66,600	61	10
iShares S&P/TSX 60 Index ETF	TD Securities Inc	\$23.50	September 2019	CAD	76,300	62	52
						<u>123</u>	<u>62</u>

Total Premiums Paid: \$121,743

The accompanying notes are an integral part of these financial statements.

Franklin Liberty Risk Managed Canadian Equity ETF

STATEMENT OF FINANCIAL POSITION As at March 31, 2019 (Unaudited) and September 30, 2018

	<u>2019</u> <u>(000s)</u>	<u>2018</u> <u>(000s)</u>
Assets		
Current assets		
Non-derivative investments at fair value through profit or loss	\$ 14,285	\$ 12,165
Purchased options	62	88
Cash		
Canadian	163	—
Receivables		
Investment securities sold	—	120
Dividends and interest	42	32
	<u>14,552</u>	<u>12,405</u>
Liabilities		
Current liabilities		
Cash overdraft		
Canadian	—	49
Payables		
Management fees	4	3
	<u>4</u>	<u>52</u>
Net assets attributable to holders of redeemable units	<u>\$ 14,548</u>	<u>\$ 12,353</u>
Number of redeemable units outstanding (Note 4)	700,000	600,000
Net assets attributable to holders of redeemable units per unit — CAD	\$ 20.78	\$ 20.59

Signed on behalf of Franklin Templeton Investments Corp. as Manager-Trustee

(Signed) DUANE GREEN
Director

(Signed) GHION SHEWANGZAW
Director

The accompanying notes are an integral part of these financial statements.

Franklin Liberty Risk Managed Canadian Equity ETF

STATEMENT OF COMPREHENSIVE INCOME For the six months ended March 31, 2019 and 2018 (Unaudited)

	2019 (000s)	2018 (000s)
Income		
Dividends	\$ 219	\$ 107
Net realized gain (loss) on investments and derivatives	43	(38)
Net change in unrealized appreciation (depreciation) in value of investments and derivatives	54	(179)
Total income (loss), net	316	(110)
Expenses		
Management fees (Note 5(a))	20	11
Independent review committee fees	2	
Operating expenses	22	11
Transaction costs (Note 3(h))	5	2
Total expenses, net	27	13
Increase (decrease) in net assets attributable to holders of redeemable units from operations	\$ 289	\$ (123)
Increase (decrease) in net assets attributable to holders of redeemable units from operations per series (000s)	\$ 289	\$ (123)
Weighted average number of units outstanding	602,198	324,725
Increase (decrease) in net assets attributable to holders of redeemable units from operations per unit	\$ 0.48	\$ (0.38)

The accompanying notes are an integral part of these financial statements.

Franklin Liberty Risk Managed Canadian Equity ETF

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six months ended March 31, 2019 and 2018 (Unaudited) (000s)

	<u>2019</u>	<u>2018</u>
Net assets attributable to holders of redeemable units at beginning of period	\$12,353	\$6,074
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>289</u>	<u>(123)</u>
Distributions to holders of redeemable units		
From net investment income	(178)	(83)
From net realized gains on investments	(29)	—
From return of capital	<u>—</u>	<u>—</u>
Total distributions to holders of redeemable units	<u>(207)</u>	<u>(83)</u>
Redeemable units transactions		
Subscriptions	2,084	4,014
Reinvestments	29	—
Redemptions	<u>—</u>	<u>—</u>
Net increase (decrease) from redeemable units transactions	<u>2,113</u>	<u>4,014</u>
Increase (decrease) in net assets attributable to holders of redeemable units	<u>2,195</u>	<u>3,808</u>
Net assets attributable to holders of redeemable units at end of period	<u>\$14,548</u>	<u>\$9,882</u>

The accompanying notes are an integral part of these financial statements.

Franklin Liberty Risk Managed Canadian Equity ETF

STATEMENTS OF CASH FLOWS

For the periods ended March 31, 2019 and 2018 (Unaudited)

	<u>2019</u>	<u>2018</u>
	(000s)	(000s)
Cash flows from operating activities		
Dividends received, net of withholding taxes	\$ 209	\$ 98
Proceeds from sale and maturity of investments	2,944	870
Receipts on settlement of derivative activities	118	5
Payments on settlement of derivative activities	(123)	(79)
Purchases of investments	(2,789)*	(851)*
Operating expenses paid	(21)	(10)
Net cash from/(used in) operating activities	<u>338</u>	<u>33</u>
Cash flows from financing activities		
Proceeds from issuances of redeemable units	52*	54*
Distributions paid to holders of redeemable units, net of reinvested distributions	(178)	(83)
Net cash from/(used in) financing activities	<u>(126)</u>	<u>(29)</u>
Net increase (decrease) in cash	212	4
Cash at beginning of period	(49)	16
Cash at end of period	<u>\$ 163</u>	<u>\$ 20</u>

* Amount shown excludes in-kind subscriptions of \$2,032 (2018 - \$3,960)

The accompanying notes are an integral part of these financial statements.

Franklin Liberty Senior Loan ETF (CAD-Hedged)

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited)

	Principal Amount in Currency of Issue	Average Cost (000s)	Fair Value (000s)
INVESTMENTS: 87.10%			
Bonds: 87.10%			
United States: 70.41%			
American Airlines Inc., Term Loan B, Floating Rate Note, 6/27/2025	190,000 USD	\$ 242	\$ 247
Aramark Corp., Term Loan B3, Floating Rate Note, 3/11/2025	187,000 USD	246	248
Asurion LLC, Term Loan B6, Floating Rate Note, 11/3/2023	296,902 USD	385	395
Berry Global Inc., Term Loan Q, Floating Rate Note, 10/1/2022	170,000 USD	223	226
Caesars Resort Collection LLC, First Lien Term Loan B, Floating Rate Note, 12/22/2024	257,393 USD	332	341
Charter Communications Operating LLC, Term Loan B, Floating Rate Note, 4/30/2025	197,995 USD	256	263
CommScope Inc., Term Loan B, Floating Rate Note, 2/6/2026	268,000 USD	361	359
CSC Holdings LLC, First Lien Term Loan, Floating Rate Note, 7/17/2025	228,258 USD	294	297
First Data Corporation, Term Loan, Floating Rate Note, 7/8/2022	106,019 USD	138	142
Global Medical Response Inc., Term Loan B2, Floating Rate Note, 3/14/2025	336,591 USD	439	424
Global Payments Inc., Term Loan B4, Floating Rate Note, 10/17/2025	199,500 USD	259	264
Go Daddy Operating Company LLC, Repriced Term Loan, Floating Rate Note, 2/15/2024	217,781 USD	282	290
Gray Television Inc., Term Loan C, Floating Rate Note, 1/2/2026	99,750 USD	130	132
Grifols Worldwide Operations USA Inc., Acquisition Term Loan, Floating Rate Note, 1/31/2025	217,778 USD	282	289
Harbor Freight Tools USA Inc., Term Loan B, Floating Rate Note, 8/18/2023	197,321 USD	255	258
HCA Inc., Term Loan B11, Floating Rate Note, 3/17/2023	158,400 USD	205	212
JBS USA LUX LLC, Term Loan B, Floating Rate Note, 10/30/2022	267,273 USD	347	355
Las Vegas Sands LLC, Term Loan B, Floating Rate Note, 3/27/2025	158,400 USD	205	208
Michaels Stores Inc., Term Loan B, Floating Rate Note, 1/30/2023	277,651 USD	357	364
Nielsen Finance LLC, Term Loan B4, Floating Rate Note, 10/4/2023	238,182 USD	311	314
NRG Energy Inc., Term Loan B, Floating Rate Note, 6/30/2023	237,557 USD	307	314
Post Holdings Inc., Series A Incremental Term Loan, Floating Rate Note, 5/24/2024	149,931 USD	194	199
Prime Security Services Borrower LLC, First Lien Term Loan, Floating Rate Note, 5/2/2022	217,783 USD	281	289
Reynolds Group Holdings Inc., Term Loan, Floating Rate Note, 2/5/2023	179,084 USD	235	237
Sinclair Television Group Inc., Term Loan B2, Floating Rate Note, 1/3/2024	257,367 USD	333	341
SS&C Technologies Inc., Term Loan B5, Floating Rate Note, 4/16/2025	198,984 USD	260	264
Trans Union LLC, Term Loan A2, Floating Rate Note, 8/9/2022	97,490 USD	127	129
Univar Inc., Term Loan B, Floating Rate Note, 7/1/2024	222,366 USD	289	294
US Foods Inc., Term Loan B, Floating Rate Note, 6/27/2023	98,982 USD	130	131
Western Digital Corp., Term Loan B4, Floating Rate Note, 4/29/2023	227,700 USD	292	297
		<u>7,997</u>	<u>8,123</u>
Canada: 7.00%			
1011778 B.C. Unlimited Liability Company, Term Loan B3, Floating Rate Note, 2/16/2024	119,644 USD	156	157
Panther BF Aggregator 2 LP, Term Loan B, Floating Rate Note, 3/18/2026	250,000 USD	330	331
Valeant Pharmaceuticals International Inc., Term Loan B, Floating Rate Note, 6/2/2025	240,500 USD	313	320
		<u>799</u>	<u>808</u>
Luxembourg: 5.12%			
Endo Luxembourg Finance Company I S.a r.l. and Endo LLC, Term Loan B, Floating Rate Note, 4/29/2024	336,574 USD	430	443
Mallinckrodt International Finance SA/Mallinckrodt CB LLC, Term Loan B, Floating Rate Note, 9/24/2024	117,806 USD	149	147
		<u>579</u>	<u>590</u>
Australia: 2.32%			
Aristocrat Technologies Inc., First Lien Term Loan, Floating Rate Note, 10/19/2024	204,309 USD	261	268
		<u>261</u>	<u>268</u>

The accompanying notes are an integral part of these financial statements.

Franklin Liberty Senior Loan ETF (CAD-Hedged)

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Principal Amount in Currency of Issue	Average Cost (000s)	Fair Value (000s)
Netherlands: 2.25%			
Axalta Coating Systems US Holdings Inc., Term Loan B3, Floating Rate Note, 6/1/2024	198,000 USD	\$ 256	\$ 259
		<u>256</u>	<u>259</u>
Total Bonds:		<u>9,892</u>	<u>10,048</u>
SHORT-TERM SECURITIES: 15.06%			
Federal Farm Credit Discount Notes, 4/1/2019	700,000 USD	935	935
Federal Home Loan Bank Discount Notes, 4/1/2019	600,000 USD	802	802
Total Short-Term Securities:		<u>1,737</u>	<u>1,737</u>
TOTAL INVESTMENTS: 102.16%		<u>\$11,629</u>	<u>11,785</u>
UNREALIZED LOSS ON DERIVATIVES: (1.79)%			(207)
OTHER ASSETS, less liabilities: (0.37)%			(42)
TOTAL NET ASSETS: 100.00%			<u>\$11,536</u>

SCHEDULE OF DERIVATIVE INSTRUMENTS (As at March 31, 2019)

FORWARD FOREIGN EXCHANGE CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency to be Delivered (000s)	Par Value in Canadian Dollars (000s)	Currency to be Received (000s)	Par Value in Canadian Dollars (000s)	Contract Price	Unrealized Gain (Loss) (000s)
GOLDMAN SACHS BANK USA	A+	May 7, 2019	721 USD	\$ 966	962 CAD	\$ 962	\$1.3403	\$ 4
CITIBANK NA	A+	May 7, 2019	7,837 USD	10,252	10,464 CAD	10,464	1.3082	(211)
Total Number of Contracts		2						\$(207)
Net Unrealized Loss on Forward Exchange Contracts								\$(207)
Net Unrealized Loss on Derivatives								\$(207)

	2019	2018
Credit Ratings*	% of Net Assets	% of Net Assets
BBB	20.63	22.65
BB	48.03	56.62
B	18.44	12.24

* Credit ratings of issuers of interest bearing instruments, excluding cash and overnight term deposits.

Source: Standard & Poor's, and/or composite of Moody's, Standard & Poor's, Fitch and DBRS ratings.

The accompanying notes are an integral part of these financial statements.

Franklin Liberty Senior Loan ETF (CAD-Hedged)

STATEMENT OF FINANCIAL POSITION As at March 31, 2019 (Unaudited) and September 30, 2018

	<u>2019</u> <u>(000s)</u>	<u>2018</u> <u>(000s)</u>
Assets		
Current assets		
Non-derivative investments at fair value through profit or loss	\$ 11,785	\$ 9,552
Unrealized gain on derivatives	4	80
Cash		
Canadian	268	271
Foreign	99	47
Receivables		
Variation margin (Note 3(d))	10	—
Investment securities sold	242	39
Interest	34	30
	<u>12,442</u>	<u>10,019</u>
Liabilities		
Current liabilities		
Unrealized loss on derivatives	211	—
Payables		
Investment securities purchased	690	—
Management fees	5	4
	<u>906</u>	<u>4</u>
Net assets attributable to holders of redeemable units	<u>\$ 11,536</u>	<u>\$ 10,015</u>
Number of redeemable units outstanding (Note 4)	600,000	500,000
Net assets attributable to holders of redeemable units per unit — CAD	\$ 19.23	\$ 20.03

• Fund launched February 22, 2018

Signed on behalf of Franklin Templeton Investments Corp. as Manager-Trustee

(Signed) DUANE GREEN
Director

(Signed) GHION SHEWANGZAW
Director

The accompanying notes are an integral part of these financial statements.

Franklin Liberty Senior Loan ETF (CAD-Hedged)

STATEMENT OF COMPREHENSIVE INCOME For the six months ended March 31, 2019 (Unaudited)

	2019
	(000s)
Income	
Interest for distribution purposes (Note 3(i))	\$ 245
Net realized and/or unrealized foreign exchange gain (loss)	(102)
Net realized gain (loss) on investments and derivatives	35
Net change in unrealized appreciation (depreciation) in value of investments and derivatives	(138)
Total income (loss), net	40
Expenses	
Management fees (Note 5(a))	26
Independent review committee fees	1
Total expenses, net	27
Increase (decrease) in net assets attributable to holders of redeemable units from operations	\$ 13
Increase (decrease) in net assets attributable to holders of redeemable units from operations per series (000s)	\$ 13
Weighted average number of units outstanding	540,385
Increase (decrease) in net assets attributable to holders of redeemable units from operations per unit	\$ 0.02

• Fund launched February 22, 2018

The accompanying notes are an integral part of these financial statements.

Franklin Liberty Senior Loan ETF (CAD-Hedged)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six months ended March 31, 2019 (Unaudited) (000s)

	2019
Net assets attributable to holders of redeemable units at beginning of period	\$10,015
Increase (decrease) in net assets attributable to holders of redeemable units from operations	13
Distributions to holders of redeemable units	
From net investment income	(453)
From net realized gains on investments	—
From return of capital	—
Total distributions to holders of redeemable units	(453)
Redeemable units transactions	
Subscriptions	4,919
Reinvestments	—
Redemptions	(2,958)
Net increase (decrease) from redeemable units transactions	1,961
Increase (decrease) in net assets attributable to holders of redeemable units	1,521
Net assets attributable to holders of redeemable units at end of period	\$11,536

• Fund launched February 22, 2018

The accompanying notes are an integral part of these financial statements.

Franklin Liberty Senior Loan ETF (CAD-Hedged)

STATEMENT OF CASH FLOWS For the period ended March 31, 2019 (Unaudited)

	<u>2019</u> <u>(000s)</u>
Cash flows from operating activities	
Interest received	\$ 241
Proceeds from sale and maturity of investments	2,134
Purchases of investments	(3,857)
Realized foreign exchange gain/(loss)	49
Operating expenses paid	<u>(26)</u>
Net cash from/(used in) operating activities	<u>(1,459)</u>
Cash flows from financing activities	
Proceeds from issuances of redeemable units	4,919
Amounts paid on redemption of redeemable units	(2,958)
Distributions paid to holders of redeemable units, net of reinvested distributions	<u>(453)</u>
Net cash from/(used in) financing activities	<u>1,508</u>
Net increase (decrease) in cash	49
Cash at beginning of period	<u>318</u>
Cash at end of period	<u>\$ 367</u>

• Fund launched February 22, 2018

The accompanying notes are an integral part of these financial statements.

Franklin Liberty U.S. Investment Grade Corporate ETF (CAD-Hedged)

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited)

	Principal Amount in Currency of Issue		Average Cost (000s)	Fair Value (000s)
INVESTMENTS: 100.57%				
Bonds: 100.57%				
United States: 72.74%				
Anadarko Petroleum Corp., Senior Note, 6.20%, 3/15/2040	55,000 USD		\$ 82	\$ 83
Anheuser-Busch Companies LLC / Anheuser-Busch InBev Worldwide Inc., Senior Bond, 4.70%, 2/1/2036	100,000 USD		125	134
Anthem Inc., Senior Note, 4.101%, 3/1/2028	70,000 USD		88	96
AT&T Inc., Senior Note, 5.35%, 9/1/2040	50,000 USD		65	70
Bank of America Corp., Subordinated Bond, 4.183%, 11/25/2027	155,000 USD		194	211
Biogen Inc., Senior Bond, 5.20%, 9/15/2045	60,000 USD		80	85
Capital One Financial Corp., Senior Note, 2.50%, 5/12/2020	125,000 USD		160	167
Celgene Corp., Senior Note, 3.25%, 2/20/2023	70,000 USD		88	94
Charter Communications Operating LLC / Charter Communications Operating Capital, Senior Secured Note, 4.464%, 7/23/2022	60,000 USD		79	83
Chevron Corp., Senior Note, 2.954%, 5/16/2026	150,000 USD		184	202
Citigroup Inc., Subordinated Note, 4.05%, 7/30/2022	125,000 USD		163	172
CSX Corp., Senior Note, 3.25%, 6/1/2027	70,000 USD		85	92
CVS Health Corp., Senior Note, 4.10%, 3/25/2025	100,000 USD		128	137
Dell International LLC / EMC Corp., Senior Secured Note, 4.42%, 6/15/2021	60,000 USD		79	82
Dollar Tree Inc., Senior Note, 3.70%, 5/15/2023	50,000 USD		63	68
Dominion Energy Inc., Senior Bond, 3.90%, 10/1/2025	65,000 USD		81	90
Duke Energy Corp., Senior Bond, 4.80%, 12/15/2045	60,000 USD		81	87
Energy Transfer Operating LP, Senior Bond, 6.50%, 2/1/2042	30,000 USD		41	45
Enterprise Products Operating LLC, Senior Bond, 5.10%, 2/15/2045	75,000 USD		101	110
FedEx Corp., Senior Bond, 4.75%, 11/15/2045	70,000 USD		91	93
Ford Motor Credit Co. LLC, Senior Note, 8.125%, 1/15/2020	100,000 USD		138	139
General Electric Co., Senior Bond, 5.875%, 1/14/2038	85,000 USD		124	121
Georgia Power Co., Senior Bond, 4.30%, 3/15/2042	100,000 USD		128	132
Glencore Funding LLC, Senior Note, 4.125%, 5/30/2023	75,000 USD		96	102
HCA Inc., Senior Secured Note, 6.50%, 2/15/2020	60,000 USD		81	83
Home Depot Inc., Senior Bond, 3.00%, 4/1/2026	100,000 USD		123	134
HSBC USA Inc., Subordinated Note, 5.00%, 9/27/2020	150,000 USD		201	206
IHS Markit Ltd., Senior Unsecured Note, 4.75%, 8/1/2028	30,000 USD		39	42
JPMorgan Chase & Co., Subordinated Note, 3.375%, 5/1/2023	155,000 USD		196	209
Kimberly-Clark Corp., Senior Unsecured Note, 3.95%, 11/1/2028	80,000 USD		104	115
Kohl's Corp., Senior Bond, 5.55%, 7/17/2045	40,000 USD		51	52
Kraft Heinz Foods Co., Senior Bond, 5.20%, 7/15/2045	60,000 USD		76	78
Kroger Co., Senior Note, 4.00%, 2/1/2024	80,000 USD		104	110
MetLife Inc., Junior Subordinated Bond, 6.40%, 12/15/2036	75,000 USD		105	108
Michael Kors USA Inc., Senior Bond, 4.00%, 11/1/2024	60,000 USD		75	77
Microsoft Corp., Senior Bond, 4.45%, 11/3/2045	100,000 USD		137	152
Morgan Stanley, Subordinated Bond, 3.95%, 4/23/2027	135,000 USD		167	181
MPLX LP, Senior Bond, 4.125%, 3/1/2027	70,000 USD		87	94
NBCUniversal Media LLC, Senior Note, 4.375%, 4/1/2021	100,000 USD		133	138
NIKE Inc., Senior Unsecured Bond, 3.875%, 11/1/2045	65,000 USD		79	89
Prudential Financial Inc., Junior Subordinated Bond, 5.20% to 3/15/24, Floating Rate Note thereafter, 3/15/2044	80,000 USD		104	108
Realty Income Corp., Senior Bond, 3.00%, 1/15/2027	90,000 USD		106	117
Sabine Pass Liquefaction LLC, Senior Secured Bond, 4.20%, 3/15/2028	65,000 USD		81	88
The Goldman Sachs Group Inc., Subordinated Note, 4.25%, 10/21/2025	165,000 USD		209	226
The Walt Disney Co., Senior Bond, 6.40%, 12/15/2035	70,000 USD		126	124
U.S. Treasury Bond, 2.75%, 11/15/2047	135,000 USD		162	178
U.S. Treasury Note, 2.75%, 2/15/2028	65,000 USD		82	89

The accompanying notes are an integral part of these financial statements.

Franklin Liberty U.S. Investment Grade Corporate ETF (CAD-Hedged)

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Principal Amount in Currency of Issue	Average Cost (000s)	Fair Value (000s)
United States: 72.74% (Continued)			
Verizon Communications Inc., Senior Bond, 5.50%, 3/16/2047	120,000 USD	\$ 163	\$ 188
Walgreens Boots Alliance Inc., Senior Bond, 4.80%, 11/18/2044	65,000 USD	80	83
Walmart Inc., Senior Bond, 3.40%, 6/26/2023	65,000 USD	86	89
Wells Fargo & Co., Subordinated Bond, 4.75%, 12/7/2046	65,000 USD	82	91
		<u>5,583</u>	<u>5,944</u>
United Kingdom: 8.55%			
CNH Industrial NV, Senior Note, 4.50%, 8/15/2023	65,000 USD	85	90
Reynolds American Inc., Senior Bond, 5.85%, 8/15/2045	55,000 USD	78	76
Santander UK Group Holdings PLC, Senior Note, 2.875%, 8/5/2021	200,000 USD	252	265
Standard Chartered PLC, Senior Bond, 3.885% to 3/15/23, Floating Rate Note thereafter, 3/15/2024	200,000 USD	252	268
		<u>667</u>	<u>699</u>
China: 3.27%			
Alibaba Group Holding Ltd., Senior Note, 2.50%, 11/28/2019	200,000 USD	255	267
		<u>255</u>	<u>267</u>
Switzerland: 3.26%			
UBS AG, Senior Note, 2.45%, 12/1/2020	200,000 USD	251	266
		<u>251</u>	<u>266</u>
British Virgin Islands: 3.26%			
Sinopec Capital 2013 Ltd., Senior Note, 3.125%, 4/24/2023	200,000 USD	248	266
		<u>248</u>	<u>266</u>
Ireland: 2.55%			
AerCap Ireland Capital DAC / AerCap Global Aviation Trust, Senior Note, 5.00%, 10/1/2021	150,000 USD	200	208
		<u>200</u>	<u>208</u>
France: 1.64%			
Electricite de France SA, Junior Subordinated Note, 5.25% to 1/29/23, Floating Rate Note thereafter, 1/29/2023	100,000 USD	129	134
		<u>129</u>	<u>134</u>
Netherlands: 1.22%			
Shell International Finance B.V., Senior Note, 2.125%, 5/11/2020	75,000 USD	95	100
		<u>95</u>	<u>100</u>
Spain: 1.20%			
Telefonica Emisiones SA, Senior Bond, 7.045%, 6/20/2036	60,000 USD	97	98
		<u>97</u>	<u>98</u>
Canada: 1.16%			
Canadian Natural Resources Ltd., Senior Bond, 4.95%, 6/1/2047	65,000 USD	86	95
		<u>86</u>	<u>95</u>
Australia: 1.05%			
Woodside Finance Ltd., Senior Bond, 3.65%, 3/5/2025	65,000 USD	80	86
		<u>80</u>	<u>86</u>

The accompanying notes are an integral part of these financial statements.

Franklin Liberty U.S. Investment Grade Corporate ETF (CAD-Hedged)

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	<u>Principal Amount in Currency of Issue</u>	<u>Average Cost (000s)</u>	<u>Fair Value (000s)</u>
Colombia: 0.67%			
Ecopetrol SA, Senior Bond, 5.875%, 5/28/2045	40,000 USD	\$ 49	\$ 55
		<u>49</u>	<u>55</u>
TOTAL INVESTMENTS: 100.57%		<u>\$7,740</u>	8,218
NET UNREALIZED GAIN ON DERIVATIVES: (1.97)%			(161)
OTHER ASSETS, less liabilities: 1.40%			<u>115</u>
TOTAL NET ASSETS: 100.00%			<u>\$8,172</u>

SCHEDULE OF DERIVATIVE INSTRUMENTS (As at March 31, 2019)

FORWARD FOREIGN EXCHANGE CONTRACTS

<u>Counterparty</u>	<u>Credit Rating</u>	<u>Settlement Date</u>	<u>Currency to be Delivered (000s)</u>	<u>Par Value in Canadian Dollars (000s)</u>	<u>Currency to be Received (000s)</u>	<u>Par Value in Canadian Dollars (000s)</u>	<u>Contract Price</u>	<u>Unrealized Gain (Loss) (000s)</u>
CITIBANK NA	A+	May 7, 2019	130 USD	\$ 174	175 CAD	\$ 175	1.3428	\$ 1
CITIBANK NA	A+	May 7, 2019	6,012 USD	8,027	7,865 CAD	7,865	1.3082	(162)
Total Number of Contracts		2						\$(161)
Net Unrealized Loss on Forward Exchange Contracts								\$(161)
Net Unrealized Loss on Derivatives								\$(161)

	2019	2018
Credit Ratings*	% of Net Assets	% of Net Assets
AAA	5.12	4.40
AA	5.88	3.36
A	25.46	25.90
BBB	62.46	61.56
BB	1.65	2.10

* Credit ratings of issuers of interest bearing instruments, excluding cash and overnight term deposits.

Source: Standard & Poor's, and/or composite of Moody's, Standard & Poor's, Fitch and DBRS ratings.

The accompanying notes are an integral part of these financial statements.

Franklin Liberty U.S. Investment Grade Corporate ETF (CAD-Hedged)

STATEMENT OF FINANCIAL POSITION As at March 31, 2019 (Unaudited) and September 30, 2018

	<u>2019</u> <u>(000s)</u>	<u>2018</u> <u>(000s)</u>
Assets		
Current assets		
Non-derivative investments at fair value through profit or loss	\$ 8,218	\$ 7,781
Unrealized gain on derivatives	1	67
Cash		
Canadian	24	20
Foreign	10	50
Receivables		
Interest	84	81
	<u>8,337</u>	<u>7,999</u>
Liabilities		
Current liabilities		
Unrealized loss on derivatives	162	—
Payables		
Management fees	3	3
	<u>165</u>	<u>3</u>
Net assets attributable to holders of redeemable units	<u>\$ 8,172</u>	<u>\$ 7,996</u>
Number of redeemable units outstanding (Note 4)	400,000	400,000
Net assets attributable to holders of redeemable units per unit — CAD	\$ 20.43	\$ 19.99

• Fund launched February 22, 2018

Signed on behalf of Franklin Templeton Investments Corp. as Manager-Trustee

(Signed) DUANE GREEN
Director

(Signed) GHION SHEWANGZAW
Director

The accompanying notes are an integral part of these financial statements.

Franklin Liberty U.S. Investment Grade Corporate ETF (CAD-Hedged)

STATEMENT OF COMPREHENSIVE INCOME For the six months ended March 31, 2019 (Unaudited)

	<u>2019</u> <u>(000s)</u>
Income	
Interest for distribution purposes (Note 3(i))	\$ 166
Net realized and/or unrealized foreign exchange gain (loss)	(66)
Net realized gain (loss) on investments	8
Net change in unrealized appreciation (depreciation) in value of investments and derivatives	<u>230</u>
Total income (loss), net	<u>338</u>
Expenses	
Management fees (Note 5(a))	16
Independent review committee fees	<u>1</u>
Total expenses, net	<u>17</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>\$ 321</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations per series (000s)	\$ 321
Weighted average number of units outstanding	400,000
Increase (decrease) in net assets attributable to holders of redeemable units from operations per unit	\$ 0.80

• Fund launched February 22, 2018

The accompanying notes are an integral part of these financial statements.

Franklin Liberty U.S. Investment Grade Corporate ETF (CAD-Hedged)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS For the six months ended March 31, 2019 (Unaudited) (000s)

	<u>2019</u>
Net assets attributable to holders of redeemable units at beginning of period	<u>\$7,996</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>321</u>
Distributions to holders of redeemable units	
From net investment income	(145)
From net realized gains on investments	—
From return of capital	—
Total distributions to holders of redeemable units	<u>(145)</u>
Redeemable units transactions	
Subscriptions	—
Reinvestments	—
Redemptions	—
Net increase (decrease) from redeemable units transactions	<u>—</u>
Increase (decrease) in net assets attributable to holders of redeemable units	<u>176</u>
Net assets attributable to holders of redeemable units at end of period	<u><u>\$8,172</u></u>

• Fund launched February 22, 2018

The accompanying notes are an integral part of these financial statements.

Franklin Liberty U.S. Investment Grade Corporate ETF (CAD-Hedged)

STATEMENT OF CASH FLOWS For the period ended March 31, 2019 (Unaudited)

	<u>2019</u> <u>(000s)</u>
Cash flows from operating activities	
Interest received	\$ 163
Proceeds from sale and maturity of investments	534
Purchases of investments	(501)
Realized foreign exchange gain/(loss)	(70)
Operating expenses paid	(17)
Net cash from/(used in) operating activities	<u>109</u>
Cash flows from financing activities	
Distributions paid to holders of redeemable units, net of reinvested distributions	(145)
Net cash from/(used in) financing activities	<u>(145)</u>
Net increase (decrease) in cash	(36)
Cash at beginning of period	70
Cash at end of period	<u>\$ 34</u>

• Fund launched February 22, 2018

The accompanying notes are an integral part of these financial statements.

Franklin LibertyQT Emerging Markets Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited)

	Shares	Average Cost (000s)	Fair Value (000s)
INVESTMENTS: 99.38%			
COMMON STOCKS: 99.38%			
China: 15.06%			
Shenzhou International Group Holdings Ltd.	15,700	\$ 238	\$ 281
Dongfeng Motor Group Co. Ltd., H	120,000	177	161
China CITIC Bank Corp. Ltd., H	292,000	261	248
ANTA Sports Products Ltd.	37,000	258	336
Guangzhou Automobile Group Co. Ltd., H	120,000	200	189
Sihuan Pharmaceutical Holdings Group Ltd.	128,000	47	41
Longfor Group Holdings Ltd.	54,000	208	254
China Everbright Bank Co. Ltd., H	96,000	62	61
Agricultural Bank of China Ltd., H	424,000	289	261
China Shenhua Energy Co. Ltd., H	78,000	253	238
Bank of Communications Co. Ltd., H	236,000	245	258
China Minsheng Banking Corp. Ltd., H	176,200	178	171
China Medical System Holdings Ltd.	36,000	73	47
Focus Media Information Technology Co. Ltd., A	4,800	7	6
Henan Shuanghui Investment & Development Co. Ltd., A	1,200	6	6
Industrial Bank Co. Ltd., A	6,400	21	23
Bank of Communications Co. Ltd., A	12,800	15	16
China Yangtze Power Co. Ltd., A	4,400	14	15
Anhui Conch Cement Co. Ltd., A	1,600	11	12
HLA Corp. Ltd., A	400	1	1
Foshan Haitian Flavouring & Food Co. Ltd., A	800	11	14
Dali Foods Group Co. Ltd.	56,000	55	56
Bank of Guiyang Co. Ltd., A	400	1	1
Shanghai International Airport Co. Ltd., A	400	4	5
Anhui Conch Cement Co. Ltd., H	22,000	155	180
China Petroleum & Chemical Corp., H	216,000	245	228
Maanshan Iron & Steel Co. Ltd., H	32,000	20	21
China Oriental Group Co. Ltd.	24,000	20	20
China Conch Venture Holdings Ltd.	30,000	127	143
Shenzhen Salubris Pharmaceuticals Co. Ltd., A	400	2	2
Wuhu Shunrong Sanqi Interactive Entertainment Network Technology Co. Ltd., A	400	1	1
China Cinda Asset Management Co. Ltd., H	160,000	58	59
China Petroleum & Chemical Corp., A	3,200	4	4
China Shenhua Energy Co. Ltd., A	800	3	3
China CITIC Bank Corp. Ltd., A	2,000	2	2
Daqin Railway Co. Ltd., A	4,400	7	7
Huayu Automotive Systems Co. Ltd., A	800	3	3
Sinopec Shanghai Petrochemical Co. Ltd., A	2,000	2	2
Fangda Carbon New Material Co. Ltd., A	800	3	4
Maanshan Iron & Steel Co. Ltd., A	1,600	1	1
Shaanxi Coal Industry Co. Ltd., A	2,000	3	4
Jiangsu Expressway Co. Ltd., H	40,000	74	76
China Mobile Ltd.	19,500	255	265
Sinopec Shanghai Petrochemical Co. Ltd., H	152,000	116	97
YY Inc., ADR	1,424	181	160
Weifu High-Technology Group Co. Ltd., A	400	2	2
		<u>3,919</u>	<u>3,985</u>

The accompanying notes are an integral part of these financial statements.

Franklin LibertyQT Emerging Markets Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
Taiwan: 13.24%			
Vanguard International Semiconductor Corp.	32,000	\$ 92	\$ 92
Nien Made Enterprise Co. Ltd.	6,000	72	71
AU Optronics Corp.	232,000	126	114
Formosa Plastics Corp.	56,000	263	266
Formosa Chemicals & Fibre Corp.	54,000	272	262
Nan Ya Plastics Corp.	76,000	268	260
Micro-Star International Co. Ltd.	24,000	90	90
Chicony Electronics Co. Ltd.	20,050	60	62
Catcher Technology Co. Ltd.	22,000	288	226
Nanya Technology Corp.	44,000	137	117
Chunghwa Telecom Co. Ltd.	56,000	263	266
Taiwan Mobile Co. Ltd.	52,000	244	251
Feng TAY Enterprise Co. Ltd.	13,000	97	123
Novatek Microelectronics Corp.	22,000	143	189
Far EasTone Telecommunications Co. Ltd.	60,000	191	193
President Chain Store Corp.	18,130	243	239
Formosa Petrochemical Corp.	47,000	253	235
Phison Electronics Corp.	6,000	70	79
Taiwan Semiconductor Manufacturing Co. Ltd.	28,000	310	298
Yageo Corp.	5,000	78	70
		3,560	3,503
India: 12.88%			
ITC Ltd.	47,500	259	272
Marico Ltd.	15,588	97	104
Bajaj Auto Ltd.	2,880	165	162
Tech Mahindra Ltd.	16,888	224	253
Nestle India Ltd.	744	144	157
Pidilite Industries Ltd.	3,156	68	76
Britannia Industries Ltd.	1,072	65	64
Page Industries Ltd.	120	60	58
Bharat Petroleum Corp. Ltd.	28,716	229	220
Eicher Motors Ltd.	504	250	200
Hindustan Petroleum Corp. Ltd.	29,240	176	160
Infosys Ltd.	21,088	264	302
Indian Oil Corp. Ltd.	56,108	175	176
Hindustan Unilever Ltd.	7,980	230	263
HCL Technologies Ltd.	13,340	259	280
Dabur India Ltd.	17,652	132	139
Hero MotoCorp Ltd.	2,144	133	106
Coal India Ltd.	30,680	161	140
Tata Consultancy Services Ltd.	7,160	219	276
		3,310	3,408
Russia: 12.08%			
Tatneft PJSC	16,660	245	256
Novolipetsk Steel PJSC	49,236	171	171
Gazprom PJSC	82,064	266	250
Transneft PJSC	16	60	58
LUKOIL PJSC	2,580	250	309

The accompanying notes are an integral part of these financial statements.

Franklin LibertyQT Emerging Markets Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
Russia: 12.08% (Continued)			
Rosneft Oil Co. PJSC	37,000	\$ 299	\$ 310
Magnitogorsk Iron & Steel Works PJSC	77,496	77	72
MMC Norilsk Nickel PJSC	1,064	276	297
Inter RAO UES PJSC	1,464,236	121	111
Severstal PJSC	11,316	238	237
Surgutneftegas PJSC	186,300	112	94
Surgutneftegas PJSC	201,812	150	168
Novatek PJSC, GDR	792	150	181
Polyus PJSC	780	72	86
Polymetal International PLC	3,524	48	53
Mobile TeleSystems PJSC, Sponsored ADR	24,408	303	247
Novatek PJSC, GDR	272	62	62
Alrosa PJSC	124,172	249	233
		<u>3,149</u>	<u>3,195</u>
South Korea: 10.86%			
Hana Financial Group Inc.	5,504	290	236
KB Financial Group Inc.	4,540	296	224
Hanwha Life Insurance Co. Ltd.	9,692	64	46
DGB Financial Group Inc.	6,604	82	63
NCSOFT Corp.	324	190	189
Coway Co. Ltd.	2,136	228	238
KT&G Corp.	2,104	259	256
S-1 Corp.	624	71	74
SK Telecom Co. Ltd.	748	227	221
LG Chem Ltd.	252	65	62
Lotte Chemical Corp.	712	283	243
SK Hynix Inc.	3,156	279	276
Industrial Bank of Korea	9,964	182	165
Kangwon Land Inc.	4,096	147	154
Samsung Electronics Co. Ltd.	4,280	240	225
Samsung Electronics Co. Ltd.	832	38	35
BNK Financial Group Inc.	9,124	96	72
Hyundai Marine & Fire Insurance Co. Ltd.	2,112	101	94
		<u>3,138</u>	<u>2,873</u>
Thailand: 5.52%			
Glow Energy PCL, NVDR	18,400	66	70
PTT PCL, NVDR	128,000	270	259
Advanced Info Service PCL, NVDR	34,800	278	270
Delta Electronics Thailand PCL, NVDR	17,200	50	51
Siam Cement PCL, NVDR	11,200	195	227
PTT Global Chemical PCL, NVDR	74,800	251	212
Central Pattana PCL, NVDR	49,200	160	152
Bumrungrad Hospital PCL, NVDR	13,200	103	100
Thai Oil PCL, NVDR	41,200	147	120
		<u>1,520</u>	<u>1,461</u>
Brazil: 4.85%			
M Dias Branco SA	3,200	53	48
Cia de Saneamento Basico do Estado de Sao Paulo	10,800	133	156

The accompanying notes are an integral part of these financial statements.

Franklin LibertyQT Emerging Markets Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
Brazil: 4.85% (Continued)			
Cielo SA	45,600	\$ 278	\$ 148
BB Seguridade Participacoes SA	26,800	268	244
Itausa — Investimentos Itau SA, pfd.	58,800	218	242
Telefonica Brasil SA, pfd.	13,200	206	215
IRB Brasil Resseguros S/A	3,200	74	100
Engie Brasil Energia SA	8,800	107	129
		<u>1,337</u>	<u>1,282</u>
South Africa: 4.74%			
Truworths International Ltd.	18,456	161	119
Tiger Brands Ltd.	5,892	193	145
Kumba Iron Ore Ltd.	2,680	86	107
Vodacom Group Ltd.	22,440	304	232
Clicks Group Ltd.	6,776	125	115
RMB Holdings Ltd.	19,600	144	138
Exxaro Resources Ltd.	8,816	122	134
Telkom SA SOC Ltd.	9,196	52	62
Mr Price Group Ltd.	11,528	275	202
		<u>1,462</u>	<u>1,254</u>
Indonesia: 3.69%			
Surya Citra Media Tbk PT	255,600	53	40
Telekomunikasi Indonesia Persero Tbk PT	696,400	246	258
Adaro Energy Tbk PT	395,200	59	50
Bukit Asam Tbk PT	59,600	22	23
United Tractors Tbk PT	57,600	175	146
Hanjaya Mandala Sampoerna Tbk PT	431,200	164	152
Unilever Indonesia Tbk PT	66,400	305	307
		<u>1,024</u>	<u>976</u>
Malaysia: 3.38%			
Hartalega Holdings Bhd	46,400	85	70
Petronas Chemicals Group Bhd	85,200	240	255
Westports Holdings Bhd	38,800	46	48
DiGi.Com Bhd	130,400	201	194
Nestle Malaysia Bhd	2,800	131	134
Petronas Dagangan Bhd	6,800	55	56
British American Tobacco Malaysia Bhd	8,000	82	95
AirAsia Group Bhd	47,200	51	41
		<u>891</u>	<u>893</u>
Turkey: 2.84%			
Tupras Turkiye Petrol Rafinerileri A/S	5,808	205	171
BIM Birlesik Magazalar A/S	8,452	187	152
TAV Havalimanlari Holding A/S	6,992	49	39
Turkiye Halk Bankasi A/S	22,556	48	34
Turkcell Iletisim Hizmetleri A/S	27,548	87	79
Eregli Demir ve Celik Fabrikalari TAS	61,464	174	132
Ford Otomotiv Sanayi A/S	3,272	54	38
Petkim Petrokimya Holding A/S	28,900	47	31
Turkiye Is Bankasi A/S, C	57,396	95	75
		<u>946</u>	<u>751</u>

The accompanying notes are an integral part of these financial statements.

Franklin LibertyQT Emerging Markets Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
Qatar: 2.33%			
Barwa Real Estate Co.	4,316	\$ 59	\$ 58
Qatar National Bank QPSC	3,556	252	236
Qatar Electricity & Water Co. QSC	1,524	101	96
Industries Qatar QSC	5,000	206	227
		<u>618</u>	<u>617</u>
Mexico: 2.16%			
Grupo Aeroportuario del Pacifico SAB de CV, B	12,212	157	145
Wal-Mart de Mexico SAB de CV	76,312	268	273
Megacable Holdings SAB de CV	5,588	34	34
Kimberly-Clark de Mexico SAB de CV, A	52,340	122	119
		<u>581</u>	<u>571</u>
United Arab Emirates: 1.77%			
Aldar Properties PJSC	131,512	94	87
Emaar Development PJSC	24,284	42	34
Dubai Islamic Bank PJSC	55,480	102	99
Emirates Telecommunications Group Co. PJSC	40,836	249	248
		<u>487</u>	<u>468</u>
Chile: 0.94%			
Aguas Andinas SA, A	92,308	74	70
Cia Cervecerias Unidas SA	2,772	49	53
Enel Chile SA	893,732	132	125
		<u>255</u>	<u>248</u>
Hungary: 0.74%			
MOL Hungarian Oil & Gas PLC	12,796	196	196
		<u>196</u>	<u>196</u>
Philippines: 0.67%			
Manila Electric Co.	8,080	70	78
DMCI Holdings Inc.	144,800	45	44
Globe Telecom Inc.	1,100	52	55
		<u>167</u>	<u>177</u>
Hong Kong: 0.62%			
Nine Dragons Paper Holdings Ltd.	48,000	75	61
Kingboard Laminates Holdings Ltd.	32,000	47	45
Lee & Man Paper Manufacturing Ltd.	52,000	68	59
		<u>190</u>	<u>165</u>
Czech Republic: 0.32%			
Moneta Money Bank A/S	18,196	89	84
		<u>89</u>	<u>84</u>
Egypt: 0.32%			
Eastern Tobacco	34,032	51	48
ElSewedy Electric Co.	30,104	40	36
		<u>91</u>	<u>84</u>

The accompanying notes are an integral part of these financial statements.

Franklin LibertyQT Emerging Markets Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
Pakistan: 0.23%			
MCB Bank Ltd.	14,000	\$ 31	\$ 26
Oil & Gas Development Co. Ltd.	26,000	43	36
		74	62
Poland: 0.14%			
Jastrzebska Spolka Weglowa SA	1,692	47	36
		47	36
TOTAL INVESTMENTS: 99.38%		\$27,051	26,289
NET UNREALIZED GAIN ON DERIVATIVES: 0.00%			1
OTHER ASSETS, less liabilities: 0.62%			162
TOTAL NET ASSETS: 100.00%			\$26,452

SCHEDULE OF DERIVATIVE INSTRUMENTS (As at March 31, 2019)

FUTURES CONTRACTS

Description	Counterparty	Delivery Date	Number of contracts bought (sold)	Currency	Notional Amount (000s)	Unrealized Appreciation/ (Depreciation) (000s)
MSCI Emerging Markets Index	JP Morgan Chase Bank, N.A.	6/21/2019	2	USD	\$100	\$1
						\$1
Net Unrealized Gain on Futures						\$1
Net Unrealized Gain on Derivatives						\$1

The accompanying notes are an integral part of these financial statements.

Franklin LibertyQT Emerging Markets Index ETF

STATEMENT OF FINANCIAL POSITION As at March 31, 2019 (Unaudited) and September 30, 2018

	<u>2019</u>	<u>2018</u>
	(000s)	(000s)
Assets		
Current assets		
Non-derivative investments at fair value through profit or loss	\$ 26,289	\$ 19,435
Unrealized gain on derivatives	1	1
Cash		
Canadian	4	4,869
Foreign	46	1,743
Receivables		
Variation margin (Note 3(d))	7	2
Dividends and withholding tax	121	29
	<u>26,468</u>	<u>26,079</u>
Liabilities		
Current liabilities		
Payables		
Investment securities purchased	—	6,543
Management fees	11	6
Foreign capital taxes	5	—
	<u>16</u>	<u>6,549</u>
Net assets attributable to holders of redeemable units	<u>\$ 26,452</u>	<u>\$ 19,530</u>
Number of redeemable units outstanding (Note 4)	1,400,000	1,050,000
Net assets attributable to holders of redeemable units per unit — CAD	\$ 18.89	\$ 18.60

Signed on behalf of Franklin Templeton Investments Corp. as Manager-Trustee

(Signed) DUANE GREEN
Director

(Signed) GHION SHEWANGZAW
Director

The accompanying notes are an integral part of these financial statements.

Franklin LibertyQT Emerging Markets Index ETF

STATEMENT OF COMPREHENSIVE INCOME For the six months ended March 31, 2019 and 2018 (Unaudited)

	<u>2019</u>	<u>2018</u>
	(000s)	(000s)
Income		
Dividends	\$ 367	\$ 51
Net realized and/or unrealized foreign exchange gain (loss)	(15)	(1)
Net realized gain (loss) on investments and derivatives	(453)	11
Net change in unrealized appreciation (depreciation) in value of investments and derivative	646	(352)
Total income (loss), net	<u>545</u>	<u>(291)</u>
Expenses		
Management fees (Note 5(a))	56	9
Independent review committee fees	1	—
Operating expenses	57	9
Transaction costs (Note 3(h))	12	11
Withholding tax expense	36	4
Total expenses, net	<u>105</u>	<u>24</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>\$ 440</u>	<u>\$ (315)</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations per series (000s)	\$ 440	\$ (315)
Weighted average number of units outstanding	1,073,077	451,613
Increase (decrease) in net assets attributable to holders of redeemable units from operations per unit	\$ 0.42	\$ (0.70)

The accompanying notes are an integral part of these financial statements.

Franklin LibertyQT Emerging Markets Index ETF

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six months ended March 31, 2019 and 2018 (Unaudited) (000's)

	<u>2019</u>	<u>2018</u>
Net assets attributable to holders of redeemable units at beginning of period	\$19,530	\$ —
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>440</u>	<u>(315)</u>
Distributions to holders of redeemable units		
From net investment income	(212)	—
From net realized gains on investments	—	—
From return of capital	<u>—</u>	<u>—</u>
Total distributions to holders of redeemable units	<u>(212)</u>	<u>—</u>
Redeemable units transactions		
Subscriptions	6,694	14,360
Reinvestments	—	—
Redemptions	<u>—</u>	<u>—</u>
Net increase (decrease) from redeemable units transactions	<u>6,694</u>	<u>14,360</u>
Increase (decrease) in net assets attributable to holders of redeemable units	<u>6,922</u>	<u>14,045</u>
Net assets attributable to holders of redeemable units at end of period	<u>\$26,452</u>	<u>\$14,045</u>

The accompanying notes are an integral part of these financial statements.

Franklin LibertyQT Emerging Markets Index ETF

STATEMENT OF CASH FLOWS For the periods ended March 31, 2019 and 2018 (Unaudited)

	<u>2019</u>	<u>2018</u>
	(000s)	(000s)
Cash flows from operating activities		
Dividends received, net of withholding taxes	\$ 239	\$ 27
Proceeds from sale and maturity of investments	2,682	191
Receipts on settlement of derivative activities	(5)	—
Purchases of investments	(15,890)	(14,535)
Realized foreign exchange gain/(loss)	(2)	(1)
Operating expenses paid	(52)	(4)
Net cash from/(used in) operating activities	<u>(13,028)</u>	<u>(14,322)</u>
Cash flows from financing activities		
Proceeds from issuances of redeemable units	6,694	14,360
Distributions paid to holders of redeemable units, net of reinvested distributions	(212)	—
Net cash from/(used in) financing activities	<u>6,482</u>	<u>14,360</u>
Net increase (decrease) in cash	(6,557)	38
Cash at beginning of period	6,612	—
Effect of exchange rate changes	(16)	—
Cash at end of period	<u>\$ 50</u>	<u>\$ 38</u>

The accompanying notes are an integral part of these financial statements.

Franklin LibertyQT Global Dividend Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited)

	Shares	Average Cost (000s)	Fair Value (000s)
INVESTMENTS: 99.44%			
COMMON STOCKS: 99.44%			
United States: 39.10%			
Altria Group Inc.	2,608	\$ 207	\$ 200
Arthur J Gallagher & Co.	480	49	50
Clorox Co.	848	145	182
Darden Restaurants Inc.	664	80	108
Eli Lilly & Co.	1,186	132	206
Emerson Electric Co.	2,164	200	198
Gap Inc.	628	23	22
Garmin Ltd.	592	47	68
H&R Block Inc.	1,202	42	38
Intel Corp.	3,060	196	220
International Business Machines Corp.	1,238	224	233
Johnson & Johnson	990	168	185
Kimberly-Clark Corp.	1,298	181	215
Las Vegas Sands Corp.	2,064	198	168
Leggett & Platt Inc.	588	33	33
Lockheed Martin Corp.	494	205	198
LyondellBasell Industries NV, A	1,590	230	179
Maxim Integrated Products Inc.	1,590	117	113
McDonald's Corp.	790	169	200
Merck & Co. Inc.	1,938	148	215
Paychex Inc.	1,906	165	204
Philip Morris International Inc.	1,676	195	198
Procter & Gamble Co.	1,572	162	218
Seagate Technology PLC	1,434	99	92
Sysco Corp.	1,968	161	176
Tapestry Inc.	1,298	75	56
		<u>3,651</u>	<u>3,975</u>
Australia: 11.60%			
Ancor Ltd.	5,396	75	79
ASX Ltd.	542	32	36
Brambles Ltd.	8,582	81	96
Challenger Ltd.	2,580	34	20
Commonwealth Bank of Australia	2,880	209	193
Flight Centre Travel Group Ltd.	256	14	10
Macquarie Group Ltd.	916	102	113
National Australia Bank Ltd.	8,356	213	200
Telstra Corp. Ltd.	22,686	71	71
Wesfarmers Ltd.	5,108	215	168
Westpac Banking Corp.	7,838	223	193
		<u>1,269</u>	<u>1,179</u>
United Kingdom: 8.79%			
BAE Systems PLC	11,084	119	93
BT Group PLC	32,884	134	128
Direct Line Insurance Group PLC	7,048	42	43
Legal & General Group PLC	23,698	110	114
Marks & Spencer Group PLC	5,974	32	29

The accompanying notes are an integral part of these financial statements.

Franklin LibertyQT Global Dividend Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
United Kingdom: 8.79% (Continued)			
Next PLC	494	\$ 41	\$ 48
Smiths Group PLC	1,406	41	35
Unilever NV	2,596	187	202
Unilever PLC	2,646	190	202
		<u>896</u>	<u>894</u>
Canada: 8.64%			
Bank of Nova Scotia	2,754	220	196
Canadian Imperial Bank of Commerce	1,710	203	181
CI Financial Corp.	1,876	43	34
IGM Financial Inc.	434	18	15
Royal Bank of Canada	2,048	211	206
TELUS Corp.	690	32	34
Toronto-Dominion Bank	2,726	205	198
Vermilion Energy Inc.	418	19	14
		<u>951</u>	<u>878</u>
Switzerland: 6.96%			
Novartis AG	1,636	168	210
Roche Holding AG	580	171	213
SGS SA	22	73	73
Zurich Insurance Group AG	476	193	211
		<u>605</u>	<u>707</u>
Japan: 3.07%			
Daito Trust Construction Co. Ltd.	580	130	108
Lawson Inc.	200	17	15
NTT DOCOMO Inc.	6,400	205	189
		<u>352</u>	<u>312</u>
Germany: 2.64%			
Deutsche Boerse AG	908	146	156
Hannover Rueck SE	260	45	50
HUGO BOSS AG	424	49	39
ProSiebenSat.1 Media SE	1,272	54	24
		<u>294</u>	<u>269</u>
South Africa: 2.63%			
Absa Group Ltd.	2,320	40	33
FirstRand Ltd.	16,938	111	99
Mr Price Group Ltd.	1,442	37	25
Rand Merchant Investment Holdings Ltd.	3,612	15	11
RMB Holdings Ltd.	4,612	35	33
Sanlam Ltd.	7,602	62	52
Truworths International Ltd.	2,204	20	14
		<u>320</u>	<u>267</u>
Finland: 2.35%			
Elisa OYJ	658	35	40
Kone OYJ, B	1,518	102	102
Nokian Renkaat OYJ	540	30	24

The accompanying notes are an integral part of these financial statements.

Franklin LibertyQT Global Dividend Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
Finland: 2.35% (Continued)			
Sampo OYJ, A	1,204	\$ 71	\$ 73
		<u>238</u>	<u>239</u>
Sweden: 2.02%			
Atlas Copco AB, B	2,212	106	73
Hennes & Mauritz AB, B	5,902	134	132
		<u>240</u>	<u>205</u>
France: 1.87%			
Sanofi	1,610	167	190
		<u>167</u>	<u>190</u>
Brazil: 1.80%			
Itau Unibanco Holding SA	15,500	178	183
		<u>178</u>	<u>183</u>
Singapore: 1.60%			
ComfortDelGro Corp. Ltd.	10,000	22	25
SATS Ltd.	3,390	18	17
Singapore Telecommunications Ltd.	31,600	105	94
Singapore Telecommunications Ltd.	3,000	9	9
Venture Corp. Ltd.	1,000	18	18
		<u>172</u>	<u>163</u>
Qatar: 1.38%			
Qatar National Bank QPSC	2,112	121	140
		<u>121</u>	<u>140</u>
Macau: 1.00%			
Sands China Ltd.	15,200	108	102
		<u>108</u>	<u>102</u>
China: 0.90%			
ANTA Sports Products Ltd.	4,000	27	36
China Vanke Co. Ltd., A	400	2	3
China Vanke Co. Ltd., H	5,200	28	29
Longfor Group Holdings Ltd.	5,000	19	24
		<u>76</u>	<u>92</u>
Norway: 0.73%			
Telenor ASA	2,764	76	74
		<u>76</u>	<u>74</u>
Indonesia: 0.69%			
Telekomunikasi Indonesia Persero Tbk PT	188,000	63	70
		<u>63</u>	<u>70</u>
Spain: 0.41%			
Red Electrica Corp. SA	1,474	40	42
		<u>40</u>	<u>42</u>
Taiwan: 0.36%			
Feng TAY Enterprise Co. Ltd.	2,000	12	19
Phison Electronics Corp.	500	6	7

The accompanying notes are an integral part of these financial statements.

Franklin LibertyQT Global Dividend Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
Taiwan: 0.36% (Continued)			
Vanguard International Semiconductor Corp.	4,000	\$ 11 29	\$ 11 37
Belgium: 0.28%			
Proximus SADP	734	28 28	28 28
Denmark: 0.27%			
Tryg A/S	746	23 23	27 27
Malaysia: 0.19%			
Nestle Malaysia Bhd	400	18 18	19 19
Mexico: 0.16%			
Kimberly-Clark de Mexico SAB de CV, A	6,900	15 15	16 16
TOTAL INVESTMENTS: 99.44%		<u>\$9,930</u>	10,108
NET UNREALIZED GAIN ON DERIVATIVES: 0.00%			—
OTHER ASSETS, less liabilities: 0.56%			57
TOTAL NET ASSETS: 100.00%			<u>\$10,165</u>

SCHEDULE OF DERIVATIVE INSTRUMENTS (As at March 31, 2019)

FUTURES CONTRACTS

Description	Counterparty	Delivery Date	Number of contracts bought (sold)	Currency	Notional Amount (000s)	Unrealized Appreciation/ (Depreciation) (000s)
MSCI All Country World Index	JP Morgan Chase Bank, N.A.	6/21/2019	1	USD	\$100 \$100	\$— \$—
Net Unrealized Gain on Futures						\$—
Net Unrealized Gain on Derivatives						\$—

The accompanying notes are an integral part of these financial statements.

Franklin LibertyQT Global Dividend Index ETF

STATEMENT OF FINANCIAL POSITION As at March 31, 2019 (Unaudited) and September 30, 2018

	2019 (000s)	2018 (000s)
Assets		
Current assets		
Non-derivative investments at fair value through profit or loss	\$ 10,108	\$ 9,876
Cash		
Canadian	—	1
Foreign	20	8
Receivables		
Variation margin (Note 3(d))	2	—
Dividends and withholding tax	39	25
	10,169	9,910
Liabilities		
Current liabilities		
Payables		
Management fees	4	4
	4	4
Net assets attributable to holders of redeemable units	\$ 10,165	\$ 9,906
Number of redeemable units outstanding (Note 4)	500,000	500,000
Net assets attributable to holders of redeemable units per unit — CAD	\$ 20.33	\$ 19.81

• Fund launched September 12, 2017

Signed on behalf of Franklin Templeton Investments Corp. as Manager-Trustee

(Signed) DUANE GREEN
Director

(Signed) GHION SHEWANGZAW
Director

The accompanying notes are an integral part of these financial statements.

Franklin LibertyQT Global Dividend Index ETF

STATEMENT OF COMPREHENSIVE INCOME For the six months ended March 31, 2019 and 2018 (Unaudited)

	<u>2019</u>	<u>2018</u>
	(000s)	(000s)
Income		
Dividends	\$ 245	\$ 48
Net realized and/or unrealized foreign exchange gain (loss)	1	—
Net realized gain (loss) on investments and derivatives	74	5
Net change in unrealized appreciation (depreciation) in value of investments	200	(143)
Total income (loss), net	<u>520</u>	<u>(90)</u>
Expenses		
Management fees (Note 5(a))	24	4
Independent review committee fees	1	—
Operating expenses	25	4
Transaction costs (Note 3(h))	1	5
Withholding tax expense	7	6
Total expenses, net	<u>33</u>	<u>15</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>\$ 487</u>	<u>\$ (105)</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations per series (000s)	\$ 487	\$ (105)
Weighted average number of units outstanding	500,000	250,000
Increase (decrease) in net assets attributable to holders of redeemable units from operations per unit	\$ 0.97	\$ (0.42)

The accompanying notes are an integral part of these financial statements.

Franklin LibertyQT Global Dividend Index ETF

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six months ended March 31, 2019 and 2018 (Unaudited) (000s)

	<u>2019</u>	<u>2018</u>
Net assets attributable to holders of redeemable units at beginning of period	\$ 9,906	\$ —
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>487</u>	<u>(105)</u>
Distributions to holders of redeemable units		
From net investment income	(228)	(21)
From net realized gains on investments	(40)	—
From return of capital	<u>—</u>	<u>—</u>
Total distributions to holders of redeemable units	<u>(268)</u>	<u>(21)</u>
Redeemable units transactions		
Subscriptions	—	9,895
Reinvestments	40	—
Redemptions	<u>—</u>	<u>(4,847)</u>
Net increase (decrease) from redeemable units transactions	<u>40</u>	<u>5,048</u>
Increase (decrease) in net assets attributable to holders of redeemable units	<u>259</u>	<u>4,922</u>
Net assets attributable to holders of redeemable units at end of period	<u>\$10,165</u>	<u>\$ 4,922</u>

The accompanying notes are an integral part of these financial statements.

Franklin LibertyQT Global Dividend Index ETF

STATEMENT OF CASH FLOWS

For the six months ended March 31, 2019 and 2018 (Unaudited)

	<u>2019</u>	<u>2018</u>
	<u>(000s)</u>	<u>(000s)</u>
Cash flows from operating activities		
Dividends received, net of withholding taxes	\$ 224	\$ 26
Proceeds from sale and maturity of investments	1,216	67
Receipts on settlement of derivative activities	(7)	—
Purchases of investments	(1,170)	(5,096)
Realized foreign exchange gain/(loss)	1	—
Operating expenses paid	(24)	(2)
	<u>240</u>	<u>(5,005)</u>
Net cash from/(used in) operating activities		
Cash flows from financing activities		
Proceeds from issuances of redeemable units	—	9,895
Amounts paid on redemption of redeemable units	—	(4,847)
Distributions paid to holders of redeemable units, net of reinvested distributions	(228)	(21)
	<u>(228)</u>	<u>5,027</u>
Net cash from/(used in) financing activities		
Net increase (decrease) in cash	12	22
Cash at beginning of period	9	—
Effect of exchange rate changes	(1)	—
	<u>\$ 20</u>	<u>\$ 22</u>
Cash at end of period		

The accompanying notes are an integral part of these financial statements.

Franklin LibertyQT International Equity Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited)

	Shares	Average Cost (000s)	Fair Value (000s)
INVESTMENTS: 98.97%			
COMMON STOCKS: 98.97%			
Australia: 21.80%			
AGL Energy Ltd.	1,808	\$ 39	\$ 37
Alumina Ltd.	5,382	14	12
Ancor Ltd.	3,302	46	48
Aristocrat Leisure Ltd.	1,766	42	41
ASX Ltd.	450	24	30
Aurizon Holdings Ltd.	5,218	24	22
Bank of Queensland Ltd.	460	4	4
Bendigo & Adelaide Bank Ltd.	862	9	8
BHP Group Ltd.	6,558	206	239
BHP Group PLC	2,618	67	84
BlueScope Steel Ltd.	1,338	19	18
Brambles Ltd.	4,720	48	53
Caltex Australia Ltd.	628	19	16
Challenger Ltd.	1,176	14	9
CIMIC Group Ltd.	244	11	11
Coca-Cola Amatil Ltd.	1,476	14	12
Cochlear Ltd.	194	32	32
Commonwealth Bank of Australia	3,318	235	222
Computershare Ltd.	1,032	18	17
Crown Resorts Ltd.	1,002	12	11
CSL Ltd.	1,288	203	238
Dexus	2,864	28	35
Domino's Pizza Enterprises Ltd.	114	5	5
Flight Centre Travel Group Ltd.	162	7	6
Fortescue Metals Group Ltd.	5,038	21	34
Goodman Group	1,968	20	25
GPT Group	5,062	25	30
Harvey Norman Holdings Ltd.	1,980	7	8
Macquarie Group Ltd.	382	42	47
Medibank Pvt Ltd.	8,980	24	23
Mirvac Group	8,760	19	23
National Australia Bank Ltd.	6,378	172	153
REA Group Ltd.	142	10	10
Rio Tinto Ltd.	1,176	84	109
Rio Tinto PLC	3,376	211	262
Scentre Group	9,980	38	39
Sonic Healthcare Ltd.	982	23	23
South32 Ltd.	12,308	44	44
Telstra Corp. Ltd.	14,790	54	47
TPG Telecom Ltd.	914	6	6
Vicinity Centres	7,956	20	20
Washington H Soul Pattinson & Co. Ltd.	150	4	4
Wesfarmers Ltd.	3,372	148	111
Westpac Banking Corp.	8,364	231	206
Woodside Petroleum Ltd.	1,128	34	37
Woolworths Group Ltd.	3,574	93	103
		<u>2,470</u>	<u>2,574</u>

The accompanying notes are an integral part of these financial statements.

Franklin LibertyQT International Equity Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
United Kingdom: 21.34%			
3i Group PLC	2,094	\$ 33	\$ 36
Admiral Group PLC	734	26	28
AstraZeneca PLC	2,078	199	222
Auto Trader Group PLC	1,292	10	12
Babcock International Group PLC	296	3	2
BAE Systems PLC	7,744	85	65
Barratt Developments PLC	3,434	34	36
Berkeley Group Holdings PLC	430	26	28
British Land Co. PLC	2,012	21	21
BT Group PLC	26,514	122	103
Burberry Group PLC	1,256	40	43
Centrica PLC	12,106	31	24
Compass Group PLC	3,838	110	121
Croda International PLC	330	26	29
Diageo PLC	4,008	189	219
Direct Line Insurance Group PLC	3,788	22	23
easyJet PLC	450	10	9
Experian PLC	2,132	64	77
GlaxoSmithKline PLC	8,210	221	228
Hammerson PLC	1,484	12	9
Hargreaves Lansdown PLC	852	26	28
Imperial Brands PLC	2,738	146	125
Intertek Group PLC	412	32	35
ITV PLC	12,628	39	28
Kingfisher PLC	5,344	26	22
Land Securities Group PLC	1,770	29	28
Marks & Spencer Group PLC	4,556	26	22
Mondi PLC	932	32	27
Next PLC	528	44	51
Pearson PLC	1,332	20	19
Persimmon PLC	1,228	50	46
RELX PLC	5,334	146	152
Royal Mail PLC	2,946	20	12
SSE PLC	2,712	61	56
Taylor Wimpey PLC	11,344	36	35
Unilever NV	2,982	218	232
Unilever PLC	2,970	215	227
Whitbread PLC	442	33	39
		<u>2,483</u>	<u>2,519</u>
Japan: 20.11%			
ABC-Mart Inc.	100	7	8
Aisin Seiki Co. Ltd.	200	12	10
Asahi Kasei Corp.	2,800	45	39
Astellas Pharma Inc.	5,400	107	108
Bandai Namco Holdings Inc.	400	19	25
Bridgestone Corp.	1,600	84	82
Canon Inc.	2,400	105	93
Daicel Corp.	600	9	9
Daito Trust Construction Co. Ltd.	230	43	43

The accompanying notes are an integral part of these financial statements.

Franklin LibertyQT International Equity Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
Japan: 20.11% (Continued)			
Daiwa House Industry Co. Ltd.	600	\$ 25	\$ 26
Disco Corp.	62	13	12
Hoya Corp.	1,000	72	88
Idemitsu Kosan Co. Ltd.	200	12	9
Iida Group Holdings Co. Ltd.	200	5	5
Isuzu Motors Ltd.	1,200	22	21
ITOCHU Corp.	3,200	78	77
Japan Airlines Co. Ltd.	400	17	19
Japan Post Bank Co. Ltd.	1,000	16	15
Japan Tobacco Inc.	2,800	118	93
JFE Holdings Inc.	600	14	14
JXTG Holdings Inc.	6,200	54	38
Kajima Corp.	1,000	20	20
Kakaku.com Inc.	400	9	10
Kao Corp.	1,200	113	126
KDDI Corp.	5,400	193	155
Koito Manufacturing Co. Ltd.	200	17	15
Kuraray Co. Ltd.	600	13	10
Lawson Inc.	200	17	15
Marubeni Corp.	2,800	30	26
McDonald's Holdings Co. Japan Ltd.	200	12	12
Mitsubishi Chemical Holdings Corp.	2,800	35	26
Mitsubishi Gas Chemical Co. Inc.	600	15	11
Mizuho Financial Group Inc.	27,400	60	57
MS&AD Insurance Group Holdings Inc.	1,000	42	41
Nippon Telegraph & Telephone Corp.	1,800	110	102
Nissan Motor Co. Ltd.	6,400	78	70
NTT DOCOMO Inc.	4,400	147	130
Obayashi Corp.	1,600	22	22
Oracle Corp. Japan	100	9	9
ORIX Corp.	1,600	34	31
Park24 Co. Ltd.	200	8	6
Pigeon Corp.	200	11	11
Ryohin Keikaku Co. Ltd.	28	10	10
Sekisui House Ltd.	1,400	30	31
Shionogi & Co. Ltd.	800	63	66
Showa Shell Sekiyu KK	400	9	7
Sony Financial Holdings Inc.	200	6	5
Subaru Corp.	1,800	76	55
Sumitomo Chemical Co. Ltd.	1,800	13	11
Sumitomo Rubber Industries Ltd.	400	8	6
Sundrug Co. Ltd.	200	10	7
Suzuki Motor Corp.	800	56	47
Taisei Corp.	600	36	37
Teijin Ltd.	400	10	9
Tokyo Electron Ltd.	400	78	77
Tosoh Corp.	600	13	12
Toyota Motor Corp.	2,800	213	219
USS Co. Ltd.	400	10	10

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Franklin LibertyQT International Equity Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
Japan: 20.11% (Continued)			
Yamaha Motor Co. Ltd.	400	\$ 15	\$ 11
ZOZO Inc.	600	21	15
		<u>2,549</u>	<u>2,374</u>
Switzerland: 5.44%			
EMS-Chemie Holding AG	22	18	16
Geberit AG	82	50	45
Kuehne + Nagel International AG	126	26	23
Partners Group Holding AG	60	55	58
Roche Holding AG	676	228	249
Swiss Life Holding AG	78	37	46
Swisscom AG	68	41	44
Zurich Insurance Group AG	364	146	161
		<u>601</u>	<u>642</u>
Hong Kong: 4.88%			
AIA Group Ltd.	19,600	218	261
ASM Pacific Technology Ltd.	600	9	9
CK Asset Holdings Ltd.	5,000	50	59
CK Infrastructure Holdings Ltd.	2,000	22	22
CLP Holdings Ltd.	4,000	58	62
HKT Trust & HKT Ltd.	10,000	17	21
Hongkong Land Holdings Ltd.	3,000	28	29
Jardine Matheson Holdings Ltd.	400	32	33
Kerry Properties Ltd.	2,000	10	12
NWS Holdings Ltd.	4,000	10	12
Swire Properties Ltd.	3,200	15	18
WH Group Ltd.	20,000	23	29
Yue Yuen Industrial Holdings Ltd.	2,000	9	9
		<u>501</u>	<u>576</u>
France: 4.06%			
Cie Generale des Etablissements Michelin SCA	438	71	69
Covivio	74	10	10
Eutelsat Communications SA	198	6	5
Hermes International	86	64	76
Peugeot SA	1,416	42	46
Renault SA	222	21	20
Sanofi	1,270	153	150
Societe BIC SA	80	11	9
Societe Generale SA	922	45	36
Unibail-Rodamco-Westfield	266	70	58
		<u>493</u>	<u>479</u>
Denmark: 3.26%			
Coloplast A/S, B	390	48	57
Novo Nordisk A/S, B	3,752	216	263
Novozymes A/S, B	448	31	28
Pandora A/S	428	44	27
Tryg A/S	282	8	10
		<u>347</u>	<u>385</u>

The accompanying notes are an integral part of these financial statements.

Franklin LibertyQT International Equity Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
Spain: 3.13%			
Amadeus IT Group SA	1,136	\$ 112	\$ 121
Banco de Sabadell SA	10,498	20	14
Enagas SA	414	15	16
Endesa SA	848	26	29
Industria de Diseno Textil SA	2,972	138	117
Red Electrica Corp. SA	1,078	31	31
Repsol SA	1,845	42	42
		<u>384</u>	<u>370</u>
Netherlands: 2.85%			
Aegon NV	4,512	35	29
Koninklijke Ahold Delhaize NV	2,502	77	89
Royal Dutch Shell PLC, A	5,188	209	218
		<u>321</u>	<u>336</u>
Sweden: 1.98%			
Atlas Copco AB, B	912	35	30
Boliden AB	610	23	23
Electrolux AB, Series B	532	18	18
Hennes & Mauritz AB, B	2,904	83	65
ICA Gruppen AB	186	8	10
Swedbank AB, A	1,002	31	19
Swedish Match AB	478	27	33
Telia Co. AB	5,928	35	36
		<u>260</u>	<u>234</u>
Germany: 1.80%			
Aroundtown SA	1,324	15	14
Bayerische Motoren Werke AG, pfd.	108	11	9
Continental AG	246	65	49
Covestro AG	596	61	44
Deutsche Lufthansa AG	600	17	18
Fuchs Petrolub SE	158	12	9
HUGO BOSS AG	198	20	18
Porsche Automobil Holding SE, pfd.	272	24	23
ProSiebenSat.1 Media SE	738	33	14
TUI AG	1,078	25	14
		<u>283</u>	<u>212</u>
Singapore: 1.37%			
CapitaLand Mall Trust	6,000	12	14
ComfortDelGro Corp. Ltd.	6,200	14	16
Jardine Cycle & Carriage Ltd.	200	7	6
SATS Ltd.	1,800	9	9
Singapore Exchange Ltd.	3,000	21	22
Singapore Press Holdings Ltd.	1,800	4	4
Singapore Technologies Engineering Ltd.	3,800	13	14
Singapore Telecommunications Ltd.	22,200	74	66
Venture Corp. Ltd.	600	10	11
		<u>164</u>	<u>162</u>

The accompanying notes are an integral part of these financial statements.

Franklin LibertyQT International Equity Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
Finland: 1.20%			
Elisa OYJ	408	\$ 21	\$ 25
Kone OYJ, B	806	53	54
Nokian Renkaat OYJ	290	15	13
Orion OYJ, B	292	20	15
UPM-Kymmene OYJ	906	41	35
		<u>150</u>	<u>142</u>
Italy: 1.15%			
Intesa Sanpaolo SpA	30,552	109	99
Moncler SpA	370	20	20
Poste Italiane SpA	1,294	13	17
		<u>142</u>	<u>136</u>
Israel: 1.06%			
Bank Hapoalim BM	2,446	22	21
Bank Leumi Le-Israel BM	3,262	26	28
Bezeq The Israeli Telecommunication Corp. Ltd.	6,988	13	7
Check Point Software Technologies Ltd.	320	47	54
Israel Chemicals Ltd.	840	7	6
Mizrahi Tefahot Bank Ltd.	320	8	9
		<u>123</u>	<u>125</u>
Macau: 0.88%			
Galaxy Entertainment Group Ltd.	5,000	43	46
Sands China Ltd.	7,200	45	48
Wynn Macau Ltd.	3,200	12	10
		<u>100</u>	<u>104</u>
Norway: 0.88%			
Mowi ASA	1,288	35	38
Orkla ASA	934	10	10
Telenor ASA	2,080	49	56
		<u>94</u>	<u>104</u>
South Africa: 0.63%			
Anglo American PLC	2,060	60	74
		<u>60</u>	<u>74</u>
New Zealand: 0.38%			
Fisher & Paykel Healthcare Corp. Ltd.	1,464	18	21
Spark New Zealand Ltd.	6,912	24	24
		<u>42</u>	<u>45</u>
Belgium: 0.29%			
Colruyt SA	162	12	16
Proximus SADP	462	18	18
		<u>30</u>	<u>34</u>
Austria: 0.22%			
OMV AG	354	26	26
		<u>26</u>	<u>26</u>

The accompanying notes are an integral part of these financial statements.

Franklin LibertyQT International Equity Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
Portugal: 0.10%			
Jeronimo Martins SGPS SA	624	\$ 14	\$ 12
		<u>14</u>	<u>12</u>
China: 0.08%			
Yangzijiang Shipbuilding Holdings Ltd.	6,200	8	9
		<u>8</u>	<u>9</u>
Luxembourg: 0.08%			
RTL Group SA	118	11	9
		<u>11</u>	<u>9</u>
TOTAL INVESTMENTS: 98.97%		<u>\$11,656</u>	11,683
NET UNREALIZED GAIN ON DERIVATIVES: 0.00%			1
OTHER ASSETS, less liabilities: 1.03%			<u>121</u>
TOTAL NET ASSETS: 100.00%			<u>\$11,805</u>

SCHEDULE OF DERIVATIVE INSTRUMENTS (As at March 31, 2019)

FUTURES CONTRACTS

Description	Counterparty	Delivery Date	Number of contracts bought (sold)	Currency	Notional Amount (000s)	Unrealized Appreciation/ (Depreciation) (000s)
MSCI All Country World Index	JP Morgan Chase Bank, N.A.	6/21/2019	3	USD	\$300	\$1
					<u>\$300</u>	<u>\$1</u>
Net Unrealized Gain on Futures						<u>\$1</u>
Net Unrealized Gain on Derivatives						<u>\$1</u>

The accompanying notes are an integral part of these financial statements.

Franklin LibertyQT International Equity Index ETF

STATEMENT OF FINANCIAL POSITION As at March 31, 2019 (Unaudited) and September 30, 2018

	<u>2019</u> <u>(000s)</u>	<u>2018</u> <u>(000s)</u>
Assets		
Current assets		
Non-derivative investments at fair value through profit or loss	\$ 11,683	\$ 5,840
Unrealized gain on derivatives	1	—
Cash		
Canadian	—	1
Foreign	33	17
Receivables		
Variation margin (Note 3(d))	6	—
Dividends and withholding tax	89	29
	<u>11,812</u>	<u>5,887</u>
Liabilities		
Current liabilities		
Cash overdraft		
Canadian	3	—
Payables		
Management fees	4	2
	<u>7</u>	<u>2</u>
Net assets attributable to holders of redeemable units	<u>\$ 11,805</u>	<u>\$ 5,885</u>
Number of redeemable units outstanding (Note 4)	600,000	300,000
Net assets attributable to holders of redeemable units per unit — CAD	\$ 19.67	\$ 19.62

Signed on behalf of Franklin Templeton Investments Corp. as Manager-Trustee

(Signed) DUANE GREEN
Director

(Signed) GHION SHEWANGZAW
Director

The accompanying notes are an integral part of these financial statements.

Franklin LibertyQT International Equity Index ETF

STATEMENT OF COMPREHENSIVE INCOME For the six months ended March 31, 2019 and 2018 (Unaudited)

	<u>2019</u>	<u>2018</u>
	(000s)	(000s)
Income		
Dividends	\$ 271	\$ 114
Net realized and/or unrealized foreign exchange gain (loss)	1	1
Net realized gain (loss) on investments	(11)	6
Net change in unrealized appreciation (depreciation) in value of investments and derivatives	209	122
Total income (loss), net	<u>470</u>	<u>243</u>
Expenses		
Management fees (Note 5(a))	23	13
Independent review committee fees	2	—
Operating expenses	25	13
Transaction costs (Note 3(h))	12	1
Withholding tax expense	17	6
Total expenses, net	<u>54</u>	<u>20</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>\$ 416</u>	<u>\$ 223</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations per series (000s)	\$ 416	\$ 223
Weighted average number of units outstanding	586,813	300,000
Increase (decrease) in net assets attributable to holders of redeemable units from operations per unit	\$ 0.71	\$ 0.74

The accompanying notes are an integral part of these financial statements.

Franklin LibertyQT International Equity Index ETF

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six months ended March 31, 2019 and 2018 (Unaudited) (000s)

	<u>2019</u>	<u>2018</u>
Net assets attributable to holders of redeemable units at beginning of period	\$ 5,885	\$5,791
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>416</u>	<u>223</u>
Distributions to holders of redeemable units		
From net investment income	(244)	(109)
From net realized gains on investments	—	—
From return of capital	—	—
Total distributions to holders of redeemable units	<u>(244)</u>	<u>(109)</u>
Redeemable units transactions		
Subscriptions	5,748	—
Reinvestments	—	—
Redemptions	—	—
Net increase (decrease) from redeemable units transactions	<u>5,748</u>	<u>—</u>
Increase (decrease) in net assets attributable to holders of redeemable units	<u>5,920</u>	<u>114</u>
Net assets attributable to holders of redeemable units at end of period	<u>\$11,805</u>	<u>\$5,905</u>

The accompanying notes are an integral part of these financial statements.

Franklin LibertyQT International Equity Index ETF

STATEMENTS OF CASH FLOWS

For the periods ended March 31, 2019 and 2018 (Unaudited)

	<u>2019</u>	<u>2018</u>
	(000s)	(000s)
Cash flows from operating activities		
Dividends received, net of withholding taxes	\$ 194	\$ 97
Proceeds from sale and maturity of investments	1,600	1,012
Receipts on settlement of derivative activities	(6)	—
Purchases of investments	(7,260)	(986)
Realized foreign exchange gain/(loss)	2	—
Operating expenses paid	(26)	(13)
Net cash from/(used in) operating activities	<u>(5,496)</u>	<u>110</u>
Cash flows from financing activities		
Proceeds from issuances of redeemable units	5,748	—
Distributions paid to holders of redeemable units, net of reinvested distributions	(244)	(109)
Net cash from/(used in) financing activities	<u>5,504</u>	<u>(109)</u>
Net increase (decrease) in cash	8	1
Cash at beginning of period	18	24
Effect of exchange rate changes	4	—
Cash at end of period	<u>\$ 30</u>	<u>\$ 25</u>

The accompanying notes are an integral part of these financial statements.

Franklin LibertyQT U.S. Equity Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited)

	Shares	Average Cost	Fair Value
		(000s)	(000s)
INVESTMENTS: 99.79%			
COMMON STOCKS: 99.79%			
Specialty Retail: 7.45%			
Advance Auto Parts Inc.	944	\$ 196	\$ 215
AutoZone Inc.	630	648	862
Best Buy Co. Inc.	12,508	1,048	1,187
Dick's Sporting Goods Inc.	4,130	165	203
Foot Locker Inc.	7,080	390	573
Gap Inc.	13,216	448	462
Home Depot Inc.	11,682	2,516	2,995
L Brands Inc.	12,508	605	461
Lowe's Companies Inc.	22,420	2,727	3,279
Michaels Companies Inc.	4,248	104	65
O'Reilly Automotive Inc.	4,130	1,344	2,143
Penske Automotive Group Inc.	826	53	49
Ross Stores Inc.	22,302	2,107	2,774
Tiffany & Co.	4,484	590	632
TJX Companies Inc.	43,306	2,297	3,079
Tractor Supply Co.	6,018	539	786
Ulta Salon Cosmetics & Fragrance Inc.	2,832	899	1,319
Urban Outfitters Inc.	3,658	142	145
Williams-Sonoma Inc.	4,720	300	355
		<u>17,118</u>	<u>21,584</u>
Semiconductors & Semiconductor Equipment: 6.87%			
Applied Materials Inc.	41,654	2,373	2,207
Intel Corp.	42,834	2,394	3,073
KLA-Tencor Corp.	6,254	807	998
Lam Research Corp.	5,664	1,223	1,354
Maxim Integrated Products Inc.	12,390	814	880
Micron Technology Inc.	37,406	2,143	2,065
NVIDIA Corp.	12,980	3,356	3,114
Skyworks Solutions Inc.	9,912	1,194	1,092
Texas Instruments Inc.	21,122	2,523	2,993
Xilinx Inc.	12,626	1,163	2,139
		<u>17,990</u>	<u>19,915</u>
IT Services: 6.64%			
Accenture PLC, A	12,862	2,387	3,025
Amdocs Ltd.	7,080	583	512
Automatic Data Processing Inc.	14,396	2,220	3,072
Broadridge Financial Solutions Inc.	6,136	726	850
Cognizant Technology Solutions Corp., A	12,862	1,203	1,245
International Business Machines Corp.	16,992	2,983	3,203
Jack Henry & Associates Inc.	3,894	586	722
Mastercard Inc., A	10,502	2,207	3,303
Paychex Inc.	17,464	1,398	1,871
VeriSign Inc.	4,838	751	1,173
Western Union Co.	10,738	273	265
		<u>15,317</u>	<u>19,241</u>

The accompanying notes are an integral part of these financial statements.

Franklin LibertyQT U.S. Equity Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
Pharmaceuticals: 4.76%			
Bristol-Myers Squibb Co.	38,822	\$ 2,722	\$ 2,474
Eli Lilly & Co.	17,816	2,161	3,088
Johnson & Johnson	14,396	2,486	2,689
Merck & Co. Inc.	26,668	2,640	2,963
Pfizer Inc.	45,666	2,164	2,591
		<u>12,173</u>	<u>13,805</u>
Hotels, Restaurants & Leisure: 4.37%			
Carnival Corp.	15,576	1,265	1,055
Choice Hotels International Inc.	1,652	152	172
Darden Restaurants Inc.	6,726	808	1,092
Domino's Pizza Inc.	2,124	608	732
Las Vegas Sands Corp.	11,446	987	932
McDonald's Corp.	11,210	2,415	2,844
Six Flags Entertainment Corp.	1,652	139	109
Starbucks Corp.	31,742	2,390	3,152
Wyndham Destinations Inc.	1,534	72	83
Yum! Brands Inc.	18,762	1,980	2,502
		<u>10,816</u>	<u>12,673</u>
Software: 3.73%			
Adobe Inc.	8,378	2,650	2,983
Aspen Technology Inc.	944	99	131
Fortinet Inc.	3,186	286	357
Intuit Inc.	9,912	2,164	3,462
Microsoft Corp.	19,116	2,169	3,012
VMware Inc., A	3,540	563	854
		<u>7,931</u>	<u>10,799</u>
Electric Utilities: 3.66%			
Alliant Energy Corp.	9,204	508	580
Eversource Energy	3,422	270	265
Exelon Corp.	10,502	862	995
Hawaiian Electric Industries Inc.	45,666	2,386	3,058
NextEra Energy Inc.	4,602	205	251
OGE Energy Corp.	11,682	2,451	3,017
Pinnacle West Capital Corp.	7,670	362	442
PPL Corp.	5,310	588	678
Southern Co.	9,794	378	415
	13,216	809	913
		<u>8,819</u>	<u>10,614</u>
Equity Real Estate Investment Trusts (REITs): 3.65%			
EPR Properties	3,068	262	315
Gaming and Leisure Properties Inc.	7,670	354	395
Kimco Realty Corp.	14,278	315	353
National Retail Properties Inc.	8,142	451	602
Omega Healthcare Investors Inc.	10,266	417	523
Public Storage	8,378	2,201	2,438
Realty Income Corp.	14,396	1,073	1,415
Senior Housing Properties Trust	11,328	251	178

The accompanying notes are an integral part of these financial statements.

Franklin LibertyQT U.S. Equity Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
Equity Real Estate Investment Trusts (REITs): 3.65% (Continued)			
Simon Property Group Inc.	9,676	\$ 2,173	\$ 2,355
Spirit Realty Capital Inc.	4,720	247	251
STORE Capital Corp.	7,670	267	343
Ventas Inc.	4,602	376	392
VEREIT Inc.	48,734	492	545
WP Carey Inc.	4,602	408	482
		<u>9,287</u>	<u>10,587</u>
Food & Staples Retailing: 3.54%			
Casey's General Stores Inc.	1,534	223	264
Costco Wholesale Corp.	9,086	2,459	2,939
Kroger Co.	11,210	416	368
Sprouts Farmers Market Inc.	3,068	96	88
Sysco Corp.	23,482	1,774	2,094
Walgreens Boots Alliance Inc.	20,060	1,863	1,696
Walmart Inc.	21,594	2,440	2,814
		<u>9,271</u>	<u>10,263</u>
Biotechnology: 3.52%			
AbbVie Inc.	22,420	2,409	2,414
Amgen Inc.	10,148	2,406	2,576
Biogen Inc.	6,372	2,436	2,012
Exelixis Inc.	8,850	244	281
Gilead Sciences Inc.	29,382	2,712	2,552
United Therapeutics Corp.	2,360	374	370
		<u>10,581</u>	<u>10,205</u>
Household Products: 3.37%			
Church & Dwight Co. Inc.	12,154	842	1,157
Clorox Co.	7,434	1,360	1,594
Colgate-Palmolive Co.	33,276	2,918	3,047
Kimberly-Clark Corp.	5,192	814	859
Procter & Gamble Co.	22,302	2,524	3,100
		<u>8,458</u>	<u>9,757</u>
Food Products: 2.66%			
Archer-Daniels-Midland Co.	12,744	754	734
Flowers Foods Inc.	7,670	191	219
General Mills Inc.	27,848	1,819	1,925
Hershey Co.	8,024	1,087	1,231
Hormel Foods Corp.	14,160	683	847
Ingredion Inc.	2,832	431	358
JM Smucker Co.	2,596	355	404
Kellogg Co.	3,422	267	263
Lamb Weston Holdings Inc.	5,546	442	555
Tyson Foods Inc., A	12,626	1,071	1,171
		<u>7,100</u>	<u>7,707</u>
Textiles, Apparel & Luxury Goods: 2.66%			
Capri Holdings Ltd.	8,378	535	512
Carter's Inc.	2,124	257	286
Lululemon Athletica Inc.	4,720	558	1,033

The accompanying notes are an integral part of these financial statements.

Franklin LibertyQT U.S. Equity Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
Textiles, Apparel & Luxury Goods: 2.66% (Continued)			
NIKE Inc., B	28,084	\$ 2,297	\$ 3,160
Ralph Lauren Corp.	1,180	182	204
Tapestry Inc.	15,222	829	661
VF Corp.	15,930	1,473	1,850
		<u>6,131</u>	<u>7,706</u>
Media: 2.56%			
AMC Networks Inc., A	1,534	115	116
Cable One Inc.	50	54	65
Cinemark Holdings Inc.	1,416	70	76
Comcast Corp., A	54,162	2,509	2,893
Interpublic Group of Companies Inc.	8,968	268	252
John Wiley & Sons Inc., A	944	70	56
Omnicom Group Inc.	9,558	932	932
Viacom Inc., B	8,732	334	327
Walt Disney Co.	18,290	2,639	2,713
		<u>6,991</u>	<u>7,430</u>
Beverages: 2.25%			
Brown-Forman Corp., A	2,832	193	194
Coca-Cola Co.	41,890	2,697	2,622
Monster Beverage Corp.	11,918	885	869
PepsiCo Inc.	17,346	2,549	2,840
		<u>6,324</u>	<u>6,525</u>
Multi-Utilities: 2.18%			
Ameren Corp.	3,186	289	313
Consolidated Edison Inc.	13,570	1,410	1,537
DTE Energy Co.	8,496	1,208	1,416
Public Service Enterprise Group Inc.	26,078	1,678	2,070
WEC Energy Group Inc.	9,322	832	985
		<u>5,417</u>	<u>6,321</u>
Oil, Gas & Consumable Fuels: 2.13%			
Cimarex Energy Co.	1,180	97	110
Exxon Mobil Corp.	26,550	2,460	2,866
Phillips 66	9,440	1,234	1,200
Valero Energy Corp.	17,700	1,835	2,006
		<u>5,626</u>	<u>6,182</u>
Aerospace & Defense: 2.12%			
BWX Technologies Inc.	4,012	286	266
Huntington Ingalls Industries Inc.	1,888	530	522
Lockheed Martin Corp.	7,080	2,784	2,839
Raytheon Co.	10,384	2,448	2,526
		<u>6,048</u>	<u>6,153</u>
Technology Hardware, Storage & Peripherals: 2.11%			
Apple Inc.	11,800	2,597	2,995
HP Inc.	84,724	2,286	2,199
NetApp Inc.	9,912	741	918
		<u>5,624</u>	<u>6,112</u>

The accompanying notes are an integral part of these financial statements.

Franklin LibertyQT U.S. Equity Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
Tobacco: 2.02%			
Altria Group Inc.	38,586	\$ 3,030	\$ 2,961
Philip Morris International Inc.	24,426	3,039	2,884
		<u>6,069</u>	<u>5,845</u>
Diversified Telecommunication Services: 1.94%			
AT&T Inc.	67,850	2,995	2,843
Verizon Communications Inc.	35,046	2,429	2,768
		<u>5,424</u>	<u>5,611</u>
Capital Markets: 1.90%			
Evercore Inc., A	944	112	115
FactSet Research Systems Inc.	1,652	418	548
Invesco Ltd.	5,192	113	134
Lazard Ltd., A	6,018	346	290
MarketAxess Holdings Inc.	1,534	402	504
Morningstar Inc.	826	110	139
MSCI Inc.	3,422	644	909
S&P Global Inc.	9,204	2,138	2,589
SEI Investments Co.	3,776	298	264
		<u>4,581</u>	<u>5,492</u>
Multiline Retail: 1.86%			
Dollar General Corp.	8,378	1,107	1,335
Kohl's Corp.	9,086	628	835
Macy's Inc.	14,042	503	451
Nordstrom Inc.	6,018	375	357
Target Corp.	22,538	1,966	2,416
		<u>4,579</u>	<u>5,394</u>
Communications Equipment: 1.82%			
Cisco Systems Inc.	44,132	2,189	3,183
F5 Networks Inc.	3,422	627	718
Motorola Solutions Inc.	6,844	919	1,284
Ubiquiti Networks Inc.	472	61	94
		<u>3,796</u>	<u>5,279</u>
Chemicals: 1.80%			
Eastman Chemical Co.	3,068	352	311
Huntsman Corp.	2,832	70	85
Linde PLC	10,974	2,248	2,580
LyondellBasell Industries NV, A	18,172	2,210	2,041
NewMarket Corp.	354	186	205
		<u>5,066</u>	<u>5,222</u>
Insurance: 1.80%			
American National Insurance Co.	472	76	76
Assured Guaranty Ltd.	1,416	71	84
Erie Indemnity Co., A	1,062	171	253
Everest Re Group Ltd.	944	280	273
Marsh & McLennan Companies Inc.	20,178	2,113	2,531
Mercury General Corp.	1,298	89	87

The accompanying notes are an integral part of these financial statements.

Franklin LibertyQT U.S. Equity Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
Insurance: 1.80% (Continued)			
Progressive Corp.	19,824	\$ 1,514	\$ 1,909
		<u>4,314</u>	<u>5,213</u>
Health Care Equipment & Supplies: 1.56%			
Intuitive Surgical Inc.	3,658	2,058	2,788
ResMed Inc.	6,608	754	918
Varian Medical Systems Inc.	4,366	622	827
		<u>3,434</u>	<u>4,533</u>
Health Care Providers & Services: 1.40%			
Chemed Corp.	354	141	151
Encompass Health Corp.	2,242	198	175
HCA Healthcare Inc.	6,018	944	1,048
UnitedHealth Group Inc.	7,552	2,176	2,495
Universal Health Services Inc., B	1,062	166	190
		<u>3,625</u>	<u>4,059</u>
Electrical Equipment: 1.38%			
Emerson Electric Co.	28,438	2,341	2,601
Rockwell Automation Inc.	6,018	1,309	1,411
		<u>3,650</u>	<u>4,012</u>
Airlines: 1.37%			
Alaska Air Group Inc.	6,254	567	469
Copa Holdings SA, A	1,062	144	114
Delta Air Lines Inc.	26,196	1,735	1,808
Southwest Airlines Co.	22,892	1,604	1,587
		<u>4,050</u>	<u>3,978</u>
Road & Rail: 1.37%			
JB Hunt Transport Services Inc.	4,720	640	639
Landstar System Inc.	1,652	206	241
Schneider National Inc., B	1,062	35	30
Union Pacific Corp.	13,688	2,233	3,057
		<u>3,114</u>	<u>3,967</u>
Industrial Conglomerates: 0.97%			
3M Co.	10,148	2,695	2,817
		<u>2,695</u>	<u>2,817</u>
Machinery: 0.97%			
Allison Transmission Holdings Inc.	1,652	95	99
Cummins Inc.	6,608	1,292	1,394
Graco Inc.	7,434	398	492
Snap-on Inc.	708	134	148
Toro Co.	5,900	492	542
WABCO Holdings Inc.	708	100	125
		<u>2,511</u>	<u>2,800</u>
Trading Companies & Distributors: 0.96%			
Fastenal Co.	15,222	951	1,308
MSC Industrial Direct Co. Inc., A	1,770	183	195
Watsco Inc.	1,180	239	226

The accompanying notes are an integral part of these financial statements.

Franklin LibertyQT U.S. Equity Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
Trading Companies & Distributors: 0.96% (Continued)			
WW Grainger Inc.	2,596	\$ 787	\$ 1,044
		<u>2,160</u>	<u>2,773</u>
Personal Products: 0.91%			
Estee Lauder Companies Inc., A	11,210	1,801	2,479
Nu Skin Enterprises Inc., A	2,360	201	151
		<u>2,002</u>	<u>2,630</u>
Commercial Services & Supplies: 0.76%			
Cintas Corp.	3,894	799	1,051
Copart Inc.	8,732	498	707
Rollins Inc.	7,906	343	440
		<u>1,640</u>	<u>2,198</u>
Air Freight & Logistics: 0.58%			
CH Robinson Worldwide Inc.	7,434	764	864
Expeditors International of Washington Inc.	8,142	663	826
		<u>1,427</u>	<u>1,690</u>
Household Durables: 0.52%			
Garmin Ltd.	6,254	466	721
Leggett & Platt Inc.	6,254	351	353
NVR Inc.	118	432	436
		<u>1,249</u>	<u>1,510</u>
Distributors: 0.49%			
Genuine Parts Co.	7,080	822	1,060
Pool Corp.	1,652	283	364
		<u>1,105</u>	<u>1,424</u>
Containers & Packaging: 0.48%			
Avery Dennison Corp.	2,950	384	445
Packaging Corp. of America	2,596	353	345
Sealed Air Corp.	3,540	185	218
Sonoco Products Co.	4,602	302	378
		<u>1,224</u>	<u>1,386</u>
Automobiles: 0.41%			
Ford Motor Co.	84,370	1,120	989
Thor Industries Inc.	2,242	281	187
		<u>1,401</u>	<u>1,176</u>
Life Sciences Tools & Services: 0.39%			
Mettler-Toledo International Inc.	1,180	897	1,140
		<u>897</u>	<u>1,140</u>
Leisure Products: 0.34%			
Hasbro Inc.	5,664	675	643
Polaris Industries Inc.	3,068	396	346
		<u>1,071</u>	<u>989</u>
Auto Components: 0.30%			
Gentex Corp.	12,508	329	346

The accompanying notes are an integral part of these financial statements.

Franklin LibertyQT U.S. Equity Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

	Shares	Average Cost (000s)	Fair Value (000s)
Auto Components: 0.30% (Continued)			
Lear Corp.	2,832	\$ 583	\$ 513
		912	859
Gas Utilities: 0.27%			
Atmos Energy Corp.	4,484	519	617
UGI Corp.	2,242	169	166
		688	783
Health Care Technology: 0.26%			
Cerner Corp.	10,030	789	767
		789	767
Professional Services: 0.21%			
Robert Half International Inc.	6,844	471	596
		471	596
Diversified Consumer Services: 0.19%			
Grand Canyon Education Inc.	1,180	165	180
H&R Block Inc.	11,682	420	374
		585	554
Banks: 0.11%			
People's United Financial Inc.	14,750	323	324
		323	324
Mortgage Real Estate Investment Trusts (REITs): 0.07%			
Chimera Investment Corp.	8,378	202	210
		202	210
Consumer Finance: 0.06%			
Navient Corp.	3,422	40	53
Santander Consumer USA Holdings Inc.	4,366	98	123
		138	176
Metals & Mining: 0.05%			
Steel Dynamics Inc.	2,832	116	133
		116	133
Internet Software & Services: 0.04%			
Match Group Inc.	1,534	80	116
		80	116
TOTAL INVESTMENTS: 99.79%		\$252,410	289,235
NET UNREALIZED GAIN ON DERIVATIVES: 0.00%			3
OTHER ASSETS, less liabilities: 0.21%			601
TOTAL NET ASSET: 100.00%			\$289,839

The accompanying notes are an integral part of these financial statements.

Franklin LibertyQT U.S. Equity Index ETF

SCHEDULE OF INVESTMENTS, As at March 31, 2019 (Unaudited) (Continued)

SCHEDULE OF DERIVATIVE INSTRUMENTS (As at March 31, 2019)

FUTURES CONTRACTS

<u>Description</u>	<u>Counterparty</u>	<u>Delivery Date</u>	<u>Number of contracts bought (sold)</u>	<u>Currency</u>	<u>Notional Amount (000s)</u>	<u>Unrealized Appreciation/ (Depreciation) (000s)</u>
E-Mini S&P 500	JP Morgan Chase Bank, N.A.	6/21/2019	2	USD	\$100	\$3
					<u>\$100</u>	<u>\$3</u>
Net Unrealized Gain on Futures						<u>\$3</u>
Net Unrealized Gain on Derivatives						<u>\$3</u>

The accompanying notes are an integral part of these financial statements.

Franklin LibertyQT U.S. Equity Index ETF

STATEMENT OF FINANCIAL POSITION As at March 31, 2019 (Unaudited) and September 30, 2018

	<u>2019</u> <u>(000s)</u>	<u>2018</u> <u>(000s)</u>
Assets		
Current assets		
Non-derivative investments at fair value through profit or loss	\$ 289,235	\$ 227,816
Unrealized gain on derivatives	3	2
Cash		
Canadian	12	4
Foreign	354	180
Receivables		
Variation margin (Note 3(d))	15	1
Dividends and withholding tax	288	170
	<u>289,907</u>	<u>228,173</u>
Liabilities		
Current liabilities		
Payables		
Management fees	68	55
	<u>68</u>	<u>55</u>
Net assets attributable to holders of redeemable units	<u>\$ 289,839</u>	<u>\$ 228,118</u>
Number of redeemable units outstanding (Note 4)	11,800,000	9,600,000
Net assets attributable to holders of redeemable units per unit — CAD	\$ 24.56	\$ 23.76

Signed on behalf of Franklin Templeton Investments Corp. as Manager-Trustee

(Signed) DUANE GREEN
Director

(Signed) GHION SHEWANGZAW
Director

The accompanying notes are an integral part of these financial statements.

Franklin LibertyQT U.S. Equity Index ETF

STATEMENT OF COMPREHENSIVE INCOME For the six months ended March 31, 2019 and 2018 (Unaudited)

	<u>2019</u>	<u>2018</u>
	(000s)	(000s)
Income		
Dividends	\$ 3,535	\$ 2,467
Interest for distribution purposes (Note 3(i))	1	—
Net realized and/or unrealized foreign exchange gain (loss)	42	2
Net realized gain (loss) on investments and derivatives	2,738	6,195
Net change in unrealized appreciation (depreciation) in value of investments and derivatives	9,308	10,571
Total income (loss), net	<u>15,624</u>	<u>19,235</u>
Expenses		
Management fees (Note 5(a))	376	278
Independent review committee fees	2	—
Operating expenses	378	278
Transaction costs (Note 3(h))	1	3
Withholding tax expense	509	345
Total expenses, net	<u>888</u>	<u>626</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>\$ 14,736</u>	<u>\$ 18,609</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations per series (000s)	\$ 14,736	\$ 18,609
Weighted average number of units outstanding	11,646,703	9,271,429
Increase (decrease) in net assets attributable to holders of redeemable units from operations per unit	\$ 1.27	\$ 2.01

The accompanying notes are an integral part of these financial statements.

Franklin LibertyQT U.S. Equity Index ETF

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six months ended March 31, 2019 and 2018 (Unaudited) (000s)

	<u>2019</u>	<u>2018</u>
Net assets attributable to holders of redeemable units at beginning of period	\$228,118	\$165,619
Increase (decrease) in net assets attributable to holders of redeemable units from operations	14,736	18,609
Distributions to holders of redeemable units		
From net investment income	(2,669)	(1,568)
From net realized gains on investments	(5,381)	(2,412)
From return of capital	—	—
Total distributions to holders of redeemable units	<u>(8,050)</u>	<u>(3,980)</u>
Redeemable units transactions		
Subscriptions	78,192	51,947
Reinvestments	5,381	2,412
Redemptions	<u>(28,538)</u>	<u>(33,317)</u>
Net increase (decrease) from redeemable units transactions	<u>55,035</u>	<u>21,042</u>
Increase (decrease) in net assets attributable to holders of redeemable units	<u>61,721</u>	<u>35,671</u>
Net assets attributable to holders of redeemable units at end of period	<u>\$289,839</u>	<u>\$201,290</u>

The accompanying notes are an integral part of these financial statements.

Franklin LibertyQT U.S. Equity Index ETF

STATEMENTS OF CASH FLOWS

For the periods ended March 31, 2019 and 2018 (Unaudited)

	<u>2019</u>	<u>2018</u>
	(000s)	(000s)
Cash flows from operating activities		
Dividends received, net of withholding taxes	\$ 2,909	\$ 2,081
Proceeds from sale and maturity of investments	33,279**	21,761**
Receipts on settlement of derivative activities	92	—
Purchases of investments	(33,315)*	(21,842)*
Realized foreign exchange gain/(loss)	39	—
Operating expenses paid	(365)	(265)
Net cash from/(used in) operating activities	<u>2,639</u>	<u>1,735</u>
Cash flows from financing activities		
Proceeds from issuances of redeemable units	333*	286*
Amounts paid on redemption of redeemable units	(128)**	(159)**
Distributions paid to holders of redeemable units, net of reinvested distributions	(2,669)	(1,568)
Net cash from/(used in) financing activities	<u>(2,464)</u>	<u>(1,441)</u>
Net increase (decrease) in cash	175	294
Cash at beginning of period	184	192
Effect of exchange rate changes	7	4
Cash at end of period	<u>\$ 366</u>	<u>\$ 490</u>

* Amount shown excludes in-kind subscriptions of \$77,859 (2018 - \$51,661)

** Amount shown excludes in-kind redemptions of \$28,410 (2018 - \$33,158)

The accompanying notes are an integral part of these financial statements.

Franklin ETFs

NOTES TO FINANCIAL STATEMENTS

For the periods ended March 31, 2019 (Unaudited) and September 30, 2018

1. Organization

Inception and Financial Reporting Dates

The Franklin Exchange-Traded Funds (the “Franklin ETFs”) are exchange-traded funds established as trusts under the laws of the Province of Ontario pursuant to the applicable Declaration of Trusts. The Franklin ETFs are part of a group of exchange-traded funds referred to as the Franklin LibertyShares offered by the Manager and its affiliates. Franklin Templeton Investments Corp. (“FTIC”), a corporation duly incorporated under the laws of the Province of Ontario (hereinafter called the “Manager”), having its registered business office at 200 King Street West, Suite 1500, Toronto, Ontario, M5H 3T4 and an indirectly wholly owned subsidiary of Franklin Resources Inc. (“FRI”), a United States Securities and Exchange Commission (“SEC”) registered company listed on the New York Stock Exchange, is the trustee, portfolio advisor and manager of the Franklin ETFs. Units of the Franklin ETFs are listed on the Toronto Stock Exchange (“TSX”). The date of establishment and available for sale dates for each Franklin ETF are as follows:

	TSX Ticker Symbol	Establishment Date	Commencement of Operations Date
Franklin FTSE Canada All Cap Index ETF	FLCD	January 15, 2019	February 20, 2019
Franklin FTSE Europe ex U.K. Index ETF	FLUR	January 15, 2019	February 20, 2019
Franklin FTSE Japan Index ETF	FLJA	January 15, 2019	February 20, 2019
Franklin FTSE U.S. Index ETF	FLAM	January 15, 2019	February 20, 2019
Franklin Liberty Canadian Investment Grade Corporate ETF	FLCI	April 18, 2017	May 30, 2017
Franklin Liberty Core Balanced ETF	FLBA	January 5, 2018	January 29, 2018
Franklin Liberty Global Aggregate Bond ETF (CAD-Hedged)	FLGA	February 22, 2018	May 14, 2018
Franklin Liberty Risk Managed Canadian Equity ETF	FLRM	April 18, 2017	May 30, 2017
Franklin Liberty Senior Loan ETF (CAD-Hedged)	FLSL	February 22, 2018	May 14, 2018
Franklin Liberty U.S. Investment Grade Corporate ETF (CAD-Hedged)	FLUI	February 22, 2018	May 14, 2018
Franklin LibertyQT Emerging Markets Index ETF	FLEM	September 12, 2017	January 29, 2018
Franklin LibertyQT Global Dividend Index ETF	FLGD	September 12, 2017	January 29, 2018
Franklin LibertyQT International Equity Index ETF	FLDM	April 18, 2017	June 5, 2017
Franklin LibertyQT U.S. Equity Index ETF	FLUS	April 18, 2017	June 5, 2017

Franklin FTSE Canada All Cap Index ETF seeks to replicate, to the extent reasonably possible before fees and expenses, the performance of the FTSE Canada All Cap Domestic Index, or any successor thereto. It invests primarily in equity securities of Canadian issuers.

Franklin FTSE Europe ex U.K. Index ETF seeks to replicate, to the extent reasonably possible before fees and expenses, the performance of the FTSE Developed Europe ex UK Index, or any successor thereto. It invests primarily in equity securities of large- and mid-capitalization issuers in developed markets in Europe excluding the United Kingdom.

Franklin FTSE Japan Index ETF seeks to replicate, to the extent reasonably possible before fees and expenses, the performance of the FTSE Japan Index, or any successor thereto. It invests, directly or indirectly, primarily in equity securities of large- and mid-capitalization Japanese issuers.

Franklin FTSE U.S. Index ETF seeks to replicate, to the extent reasonably possible before fees and expenses, the performance of the FTSE USA Index. It invests primarily in equity securities of large- and mid-capitalization U.S. issuers.

Franklin Liberty Canadian Investment Grade Corporate ETF seeks to provide long-term capital growth and current income by investing primarily in investment grade corporate debt issued by Canadian corporations.

Franklin Liberty Core Balanced ETF seeks to provide a balance of long-term capital appreciation and current income by investing primarily in a diversified portfolio of North American equity and fixed income securities.

Franklin Liberty Global Aggregate Bond ETF (CAD-Hedged) seeks to maximize, consistent with prudent investment management, total investment return, consisting of a combination of interest income and capital appreciation by investing primarily in investment grade fixed or floating-rate debt securities issued by governments, government related entities (including supranational organizations supported by several national governments) and corporations worldwide.

Franklin Liberty Risk Managed Canadian Equity ETF seeks to provide long-term capital appreciation with reduced volatility relative to the broad Canadian equity market by investing primarily in a diversified portfolio of Canadian equities.

Franklin Liberty Senior Loan ETF (CAD-Hedged) seeks to provide a high level of current income while seeking preservation of capital by investing primarily in senior secured income-producing floating rate corporate loans made to, and corporate debt securities issued by, U.S. and non-U.S. entities.

Franklin ETFs

NOTES TO FINANCIAL STATEMENTS For the periods ended March 31, 2019 (Unaudited) and September 30, 2018 (Continued)

1. Organization (Continued)

Franklin Liberty U.S. Investment Grade Corporate ETF (CAD-Hedged) seeks to provide a high level of current income while seeking preservation of capital by investing primarily in U.S. dollar denominated investment grade corporate debt securities issued by U.S. and non-U.S. entities.

Franklin LibertyQT Emerging Markets Index ETF seeks to replicate, to the extent reasonably possible before fees and expenses, the performance of LibertyQ Emerging Markets Index, or any successor thereto. It invests primarily in equity securities of issuers located in emerging markets.

Franklin LibertyQT Global Dividend Index ETF seeks to replicate, to the extent reasonably possible before fees and expenses, the performance of LibertyQ Global Dividend Index, or any successor thereto. It invests primarily in equity securities of issuers located in developed and emerging markets.

Franklin LibertyQT International Equity Index ETF is designed to replicate, to the extent possible before fees and expenses, the performance of LibertyQ International Equity Index, or any successor thereto. It invests primarily in equity securities of issuers located in developed markets, excluding the United States and Canada.

Franklin LibertyQT U.S. Equity Index ETF is designed to replicate, to the extent possible before fees and expenses, the performance of LibertyQ U.S. Large Cap Equity Index, or any successor thereto. It invests primarily in equity securities of large- and mid-capitalization U.S. issuers.

The financial statements of each Franklin ETF include the Schedule of Investments as at March 31, 2019, and the Statements of Financial Position as at March 31, 2019 and September 30, 2018, where applicable. The Statements of Comprehensive Income, Changes in Net Assets Attributable to Holders of Redeemable Units and Cash Flows for each Franklin ETF are for the periods ended March 31, 2019 and 2018, except for Franklin ETFs established during either period, in which case the period is from the establishment date to March 31.

These financial statements have been authorized for issue by the Board of Directors of the Manager on May 22, 2019.

2. Basis of Presentation of IFRS

These financial statements have been prepared in compliance with International Financial Reporting Standards (“IFRS”).

The financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets and financial liabilities (including derivatives) at fair value through profit or loss.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented.

3. Summary of Significant Accounting Policies

The significant accounting policies are as follows:

(a) Classification of financial assets and liabilities — Effective October 1, 2018, the Franklin ETFs retrospectively adopted *IFRS 9 Financial Instruments*, which includes a new credit loss impairment model. The Franklin ETFs’ financial assets and financial liabilities are managed together, and their performance evaluated on a fair value basis in accordance with their documented investment strategies. This is consistent with the classification category prior to the transition to IFRS 9, with the exception of derivatives which are categorized as fair value through profit and loss. Derivatives were previously classified as held for trading under IAS 39, however such sub-categorization is not applicable under IFRS 9. All financial assets and financial liabilities are shown on the respective Franklin ETF’s Statements of Financial Position and are measured as FVTPL with the associated unrealized gain/loss included in the Statements of Comprehensive Income in net change in unrealized appreciation (depreciation) in value of investments and derivatives.

There were no changes in the measurement attributes in either the current or comparative period for any of the financial assets and liabilities upon transition to IFRS 9.

The Franklin ETFs’ obligation for net assets attributable to holders of redeemable units is presented at the redemption amount. All other financial assets and liabilities are carried at amortized cost which approximates fair value due to their short-term nature.

Franklin ETFs

NOTES TO FINANCIAL STATEMENTS For the periods ended March 31, 2019 (Unaudited) and September 30, 2018 (Continued)

3. Summary of Significant Accounting Policies (Continued)

The net asset value (“NAV”) is the value of the total assets of a Franklin ETF less the value of its total liabilities determined, on each valuation day, in accordance with Part 14 of National Instrument (NI) 81-106 Investment Fund Continuous Disclosure for the purpose of processing unitholder transactions (herein called the “Trading NAV”). Net assets are determined in accordance with IFRS (herein called the “IFRS NAV”) and may differ to the Franklin ETF’s Trading NAV. Where a Franklin ETF’s Trading NAV is not equal to its IFRS NAV, a reconciliation is shown in Note 8.

- (b) **Classification of redeemable units** — The Franklin ETFs’ outstanding redeemable units’ entitlements include a contractual obligation to distribute any net income and net realized capital gains annually in cash and therefore the ongoing redemption feature is not the units’ only contractual obligation. Consequently, the Franklin ETFs’ outstanding redeemable units are classified as financial liabilities in accordance with the requirements of International Accounting Standard 32 “*Financial Instruments: Presentation*”.
- (c) **Valuation of investments** — The Franklin ETFs’ investments in financial instruments are carried at fair value daily. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The fair value of equity securities and derivative financial instruments (“derivatives”) traded in active markets is measured at quoted market prices at the close of trading on the reporting date. The Franklin ETFs use the last traded market price for both financial assets and financial liabilities where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager will review and apply a price that is most representative of fair value based on the specific facts and circumstances. Over the counter (“OTC”) securities are valued within the range of the most recent quoted bid and ask prices. Securities that trade in multiple markets or on multiple exchanges are valued according to the broadest and most representative market (that is, the principal market). Certain equity securities are valued based upon fundamental characteristics or relationships to similar securities.

Debt and certain preferred securities generally trade in the OTC market rather than on a securities exchange. The Franklin ETFs pricing services use multiple valuation techniques to determine fair value. In instances where sufficient market activity exists, a market-based approach utilizing quotes from market makers is used to determine fair value. In instances where sufficient market activity may not exist or is limited, proprietary valuation models are used, which may consider market characteristics such as benchmark yield curves, credit spreads, estimated default rates, anticipated market interest rate volatility, coupon rates, anticipated timing of principal repayments, underlying collateral and other unique security features in order to estimate the relevant cash flows, which are then discounted to calculate the fair value.

The Manager has procedures to determine the fair value of securities and other financial instruments for which market prices are not readily available or which may not be reliably priced. Under these fair valuation procedures, the Franklin ETFs primarily employ a market-based approach, which may use related or comparable assets or liabilities, recent transactions, market multiples, book values, and other relevant information for the investment to determine the fair value of the investment. The Franklin ETFs may also use an income-based valuation approach in which the anticipated future cash flows of the investment are discounted to calculate fair value. Discounts may also be applied due to the nature or duration of any restrictions on the disposition of the investments, but only if they arise as a feature of the instrument itself. Due to the inherent uncertainty of valuations of such investments, the fair values may differ significantly from the values that would have been used had an active market existed.

Trading in securities on foreign securities stock exchanges and OTC markets may not be completed before 4 p.m. EST. In addition, trading in certain foreign markets may not take place on every Franklin ETFs’ business day. Occasionally, events occur between the time at which trading in a foreign security is completed and 4 p.m. EST that might call into question the reliability of the value of a portfolio security held by the Franklin ETF. As a result, differences may arise between the value of the Franklin ETFs’ portfolio securities as determined at the foreign market close and the latest indications of value at 4 p.m. EST. In order to minimize the potential for these differences, the price movements are monitored following the close of trading in foreign stock markets through a series of country specific market proxies (such as baskets of American Depositary Receipts, futures contracts and exchange traded funds). These price movements are measured against established trigger threshold for each specific market proxy to assist in determining if an event has occurred that may call into question the reliability of the values of the foreign securities held by the Franklin ETFs. If such an event occurs, the securities may be valued using fair value procedures, which may include the use of independent pricing services.

All security valuation techniques are periodically reviewed by the Valuation Committee of the Manager and are approved by the Manager. The Valuation Committee provides administration and oversight of the Franklin ETFs’ valuation policies and procedures.

Franklin ETFs

NOTES TO FINANCIAL STATEMENTS For the periods ended March 31, 2019 (Unaudited) and September 30, 2018 (Continued)

3. Summary of Significant Accounting Policies (Continued)

These procedures allow the Valuation Committee to utilize independent pricing services, quotations from securities and financial instrument dealers, and other market sources to determine fair value.

(d) Derivative financial instruments — Certain Franklin ETFs may invest in derivatives in order to manage risk or gain exposure to various other investments or markets. Derivatives may also be used for trading purposes where the Portfolio Manager believes this would be more effective than investing directly in the underlying financial instruments. Derivatives are financial contracts based on an underlying or notional amount, require no initial investment or an initial investment that is smaller than would normally be required to have similar response to changes in market factors, and require or permit net settlement. Derivatives contain various risks including the potential inability of the counterparty to fulfill its obligations under the terms of the contract, the potential for an illiquid secondary market, and/or the potential for market movements, which expose the applicable Franklin ETFs to gains and losses in excess of the amounts shown on the Statements of Financial Position. Realized gain and loss and unrealized appreciation and depreciation on these contracts for the period are included in the Statements of Comprehensive Income.

(i) Foreign/Forward exchange contracts — When a Franklin ETF purchases or sells foreign securities, it may enter into foreign exchange contracts to minimize foreign exchange risk from the trade date to the settlement date of the transactions. A foreign exchange contract is an agreement between two parties to exchange different currencies at an agreed upon exchange rate at a future date.

A Franklin ETF may also enter into forward exchange contracts to hedge against fluctuations in foreign exchange rates. These contracts are valued as the difference between the contractual forward foreign exchange rates and the mid forward rate for currency held or sold short at the reporting date. The unrealized gains or losses on the contracts are included in the Statements of Financial Position, as unrealized gain/loss on derivatives. Realized gains and losses and changes in unrealized gains and losses are included in the Statements of Comprehensive Income, as net realized gain/loss on investments and derivatives and net change in unrealized appreciation (depreciation) in value of investments and derivatives.

(ii) Options — Options give the purchaser the right but not the obligation, to buy (call) or sell (put) an underlying security or financial instrument at an agreed exercise or strike price during a specified period or on a specified date.

Options purchased are recorded as derivatives; options written (sold) are recorded as liabilities on the Statements of Financial Position. These investments are reported at fair value on the Franklin ETF's Statements of Financial Position and any gains or losses resulting from revaluation are included in net change in unrealized appreciation (depreciation) in value of investments and derivatives on the Statements of Comprehensive Income.

When an option is purchased or written, an amount equal to the premium paid or received is recorded as a financial asset or financial liability, respectively and subsequently adjusted to the current fair value of the option. Upon exercise of an option, the acquisition cost or sales proceeds of the underlying investment is adjusted by any premium received or paid. Upon expiration of an option, any premium received or paid is recorded as a realized gain (loss) from investments and derivatives. Upon closing an option other than through expiration or exercise, the difference between the premium received or paid and the cost to close the position, excluding brokerage commissions, is recorded as a realized gain (loss) from investments and derivatives.

Open options at period end are presented in the Schedule of Investments under the captions "Purchased options", "Written options" as applicable.

(iii) Futures contracts — Certain Franklin ETFs may enter into futures contracts to manage and/or gain exposure to commodity price, interest rate and equity price risk. A futures contract is an agreement between the Franklin ETF and a counterparty to buy or sell an asset at a specified price on a future date. Required initial margins are pledged by the Franklin ETF, and the daily change in fair value is accounted for as a variation margin payable/receivable in the Statements of Financial Position.

For OTC derivatives traded under an International Swaps and Derivatives Agreement ("ISDA") master agreement, posting of collateral is required by either the Franklin ETF or the applicable counterparty if the total net exposure of all OTC derivatives with the applicable counterparty exceeds a minimum transfer amount and can vary depending on the counterparty and the type of agreement. Generally, collateral is determined at the close of business each day and any additional collateral required due to changes in derivative values may be delivered by the Franklin ETF or the counterparty within a few business days. Collateral

Franklin ETFs

NOTES TO FINANCIAL STATEMENTS For the periods ended March 31, 2019 (Unaudited) and September 30, 2018 (Continued)

3. Summary of Significant Accounting Policies (Continued)

pledged may be in the form of cash and/or securities. Cash pledged as collateral by the Franklin ETF for OTC derivatives is presented in the Statements of Financial Position as margin and collateral receivable/payable and securities pledged as collateral are identified in the respective Franklin ETF's Schedule of Investments. Should a Franklin ETF fail to meet any of these provisions, the derivative counterparty has the right to terminate the derivative contract and require immediate payment by the Franklin ETF for those OTC derivatives with that particular counterparty that are in a net liability position.

- (e) **Offsetting of derivative financial instruments** — Derivative counterparty credit risk is managed through formal evaluation of the creditworthiness of all potential counterparties. Each Franklin ETF attempts to reduce its exposure to counterparty risk on OTC derivatives, whenever possible, by entering into ISDA master agreements with certain counterparties. These agreements contain various provisions, including but not limited to enforceable master netting arrangements, collateral requirements, events of default, or early termination. Termination events applicable to the counterparty include certain deteriorations in the credit quality of the counterparty. Termination events applicable to the Franklin ETF include failure of the Franklin ETF to maintain certain net asset levels and/or, limit the decline in net assets over various periods of time. In the event of default or early termination, the ISDA master agreement gives the non-defaulting party the right to net and close-out all transactions traded to one net amount, payable by one counterparty to the other, however, absent an event of default or early termination, OTC derivatives assets and liabilities are settled on a gross basis, presented gross, and not offset in the Statements of Financial Position. Early termination by the counterparty may result in an immediate payment by the Franklin ETF of any net liability owed to that counterparty under ISDA agreement.

See Note 9 for details of derivative assets and liabilities presented gross, amounts available for offset and collateral amounts pledged or held in trust for the applicable Franklin ETF.

- (f) **Senior floating rate loans** — Certain Franklin ETFs invest in senior secured corporate loans that pay interest at rates which are periodically reset by reference to a base lending rate plus a spread. These senior loans are generally rated below investment grade debt. Senior secured corporate loans often require prepayment of principal from excess cash flows or at the discretion of the borrower. As a result, actual maturity may be substantially less than the stated maturity. Senior secured corporate loans in which the Franklin ETF invests are generally readily marketable, but may be subject to certain restrictions on resale.
- (g) **Securities purchased on a delayed delivery basis** — Certain Franklin ETFs may purchase securities on a delayed delivery basis, with payment and delivery scheduled for a future date. These transactions are subject to market fluctuations and are subject to the risk that the value at delivery may be more, or less than the trade date purchase price. Although the Franklin ETFs will generally purchase these securities with the intention of holding the securities, they may sell the securities before the settlement date.
- (h) **Transaction costs** — Transaction costs incurred on the purchase and sale of equity securities generally include brokerage commissions, trade execution costs, stamp duty and exchange fees and are charged as an expense for the period and shown on the Statements of Comprehensive Income. Transaction costs associated with the purchase and sale of fixed income securities are generally traded on a net basis, which includes an embedded transaction cost.
- (i) **Security transactions, investment income, expenses and distributions** — Security transactions are recorded on the trade date. Estimated expenses are accrued daily. Dividend income, distributions received from or made to Underlying Funds are recorded on the ex-dividend date.

Interest for distribution purposes shown on the Statements of Comprehensive Income represents the coupon interest received by the Franklin ETF accounted for on an accrual basis. The Franklin ETFs do not amortize premiums paid or discounts received on the purchase of fixed income securities except for zero coupon bonds which are amortized on a straight line basis.

Realized and unrealized gains or losses on security transactions are determined on an average cost basis. Average cost does not include amortization of premiums or discounts on fixed income securities with the exception of zero coupon bonds.

- (j) **Income Taxes** — The Franklin ETFs qualify as mutual fund trusts, within the meaning of the Income Tax Act (Canada) (the "Act"). Accordingly, the Franklin ETFs would be entitled to a capital gains refund and, as a result, income taxes payable on net realized capital gains would be refundable on a formula basis when units of the Franklin ETF are redeemed. In addition, such Franklin ETFs would not be subject to alternative minimum tax or taxes on prescribed investments and certain designated income as defined under Part X.2 and Part XII.2, respectively of the Act.

Franklin ETFs

NOTES TO FINANCIAL STATEMENTS For the periods ended March 31, 2019 (Unaudited) and September 30, 2018 (Continued)

3. Summary of Significant Accounting Policies (Continued)

Each year, each Franklin ETF intends to distribute sufficient net taxable income and net realized capital gains for the taxation year so that the Franklin ETF does not pay tax under Part 1 of the Act. As a result, the Franklin ETFs do not record income taxes. Since the Franklin ETFs do not record income taxes, the tax benefit of capital and non-capital losses has not been reflected in the Statements of Financial Position as a deferred income tax asset.

Certain Franklin ETFs may be subject to foreign taxation related to income received, capital gains on the sale of securities and certain foreign currency transactions in the foreign jurisdictions in which they invest. Foreign taxes, if any, are recorded based on the tax regulations and rates that exist in the foreign markets in which the Franklin ETF invests. When a foreign capital gain tax is determined to apply, the Franklin ETF records an estimated tax liability in an amount that would be payable if the securities were disposed of on the valuation date.

(k) Functional and presentation currency — The Franklin ETFs' functional currency is the Canadian Dollar ("CAD") which is the currency of the primary economic environment in which they operate. The Franklin ETFs are distributed within Canada with subscriptions and redemptions primarily denominated in CAD. Accordingly, the Manager has determined that the functional currency of the Franklin ETFs is CAD. The Franklin ETFs' presentation currency is also CAD.

(l) Foreign currency translation — Portfolio securities and other assets and liabilities denominated in foreign currencies are translated into the functional currency based on the mid exchange rate on the valuation date. Purchases and sales of securities and income items denominated in foreign currencies are translated into the functional currency at the exchange rate in effect on the transaction date. When an exchange rate is unavailable or unreliable, it will be determined using procedures established and accepted by the Board of Directors and the Manager.

Realized foreign exchange gains or losses arise from sales of foreign currencies, changes between the trade date and settlement date values on foreign security and foreign capital transactions, and the difference between the recorded amounts of foreign currency denominated dividends, interest, withholding taxes, and U.S. short-term holdings, and the functional currency equivalent of the amounts actually received or paid. These gains or losses are reported on the Statements of Comprehensive Income as net realized and/or unrealized foreign exchange gain (loss).

(m) Unconsolidated structured entities — Certain Franklin ETFs may invest in ETFs, which are considered to be unconsolidated structured entities, as decision making in the ETF is not governed by the voting right or other similar right held by the Franklin ETF.

The Franklin ETFs do not consolidate their investments in ETFs but accounts for these investments at fair value, as the Manager has determined that the ETFs are investment entities in accordance with *IFRS 10 "Consolidated Financial Statements"*, since the ETFs meet the following criteria:

- (i) The Franklin ETFs obtain funds from one or more investors for the purpose of providing those investors with investment management services.
- (ii) The Franklin ETFs commit to its investors that its business purpose is to invest funds solely for the returns from capital appreciation, investment income or both and
- (iii) The Franklin ETFs measure and evaluate the performance of substantially all of its investments on a fair value basis.

Therefore, the fair value of the investments in the Underlying ETFs is included in the Schedule of Investments and included in non-derivative investments at fair value in the Franklin ETF's Statements of Financial Position. The change in fair value of the investment held in the Underlying ETFs is included in the net change in unrealized appreciation (depreciation) in value of investments in the Statements of Comprehensive Income.

(n) Increase (decrease) in net assets from operations per unit — This calculation is based on the increase (decrease) in net assets from operations attributable to each series divided by the weighted average number of units of that series outstanding during the period.

(o) Accounting judgements, estimates, and assumptions — The preparation of financial statements in accordance with IFRS may require the Manager to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the amounts of income and expense reported during the periods. Actual results may differ from those estimates.

Franklin ETFs

NOTES TO FINANCIAL STATEMENTS For the periods ended March 31, 2019 (Unaudited) and September 30, 2018 (Continued)

3. Summary of Significant Accounting Policies (Continued)

The key areas where judgement is applied is in the determination of whether the Franklin ETF meets the definition of an investment entity and whether the Franklin ETFs investments are made in structured entities as discussed in Note 3(m). Assumptions and estimates are made in the classification of financial instruments and in the determination of fair values of financial instruments not traded on an active market as discussed in Note 3(c).

4. Capital Risk Management

The capital of each Franklin ETF is comprised of its net assets attributable to holders of redeemable units. Each Franklin ETF's capital is managed in accordance with its respective investment objectives and policies, and there are no externally imposed restrictions in relation to each Franklin ETF's units. Changes in capital during the period are reflected in the Statements of Changes in Net Assets Attributable to Holders of Redeemable Units for each Franklin ETF.

Each Franklin ETF is authorized to issue unlimited units on a continuous basis. Units of the Franklin ETFs are issued and redeemed at their respective NAV only in blocks of units ("Creation Units").

	Units per Creation Unit
Franklin FTSE Canada All Cap Index ETF	50,000
Franklin FTSE Europe ex U.K. Index ETF	150,000
Franklin FTSE Japan Index ETF	50,000
Franklin FTSE U.S. Index ETF	100,000
Franklin Liberty Canadian Investment Grade Corporate ETF	100,000
Franklin Liberty Core Balanced ETF	100,000
Franklin Liberty Global Aggregate Bond ETF (CAD Hedged)	50,000
Franklin Liberty Risk Managed Canadian Equity ETF	100,000
Franklin Liberty Senior Loan ETF (CAD Hedged)	50,000
Franklin Liberty U.S. Investment Grade Corporate ETF (CAD Hedged)	50,000
Franklin LibertyQT Emerging Markets Index ETF	350,000
Franklin LibertyQT Global Dividend Index ETF	250,000
Franklin LibertyQT International Equity Index ETF	300,000
Franklin LibertyQT U.S. Equity Index ETF	100,000

Only certain designated brokers and dealers ("Designated Brokers") may engage in creation or redemption transactions directly with the Franklin ETFs. Once created, units of the Franklin ETFs generally trade in the secondary market in amounts less than one Creation Unit. The market price of the Franklin ETFs' units will be based on the price in the secondary market which may be at, above or below the most recent NAV. Creation Units may be issued and redeemed in exchange for a designated portfolio of securities and or cash (which may include cash in lieu of certain securities). On any trading day, unitholders may redeem units in any number for cash at a redemption price per unit equal to 95% of the closing price for the units on the effective day of the redemption, subject to the maximum redemption price of the applicable NAV per unit. For the periods ended March 31, 2019 and September 30, 2018, transactions in the Franklin ETFs' units were as follows:

Franklin FTSE Canada All Cap Index ETF

	March 31, 2019
Outstanding units — beginning	—
Subscriptions	12,150,000
Reinvestments	—
Redemptions	—
Outstanding units — ending	<u>12,150,000</u>

Franklin FTSE Europe ex U.K. Index ETF

	March 31, 2019
Outstanding units — beginning	—
Subscriptions	7,350,000
Reinvestments	—
Redemptions	—
Outstanding units — ending	<u>7,350,000</u>

Franklin ETFs

NOTES TO FINANCIAL STATEMENTS

For the periods ended March 31, 2019 (Unaudited) and September 30, 2018 (Continued)

4. Capital Risk Management (Continued)

Franklin FTSE Japan Index ETF

	<u>March 31, 2019</u>
Outstanding units — beginning	—
Subscriptions	3,250,000
Reinvestments	—
Redemptions	—
Outstanding units — ending	<u>3,250,000</u>

Franklin Liberty Canadian Investment Grade Corporate ETF

	<u>March 31, 2019</u>	<u>September 30, 2018</u>
Outstanding units — beginning	1,700,000	500,000
Subscriptions	600,000	1,300,000
Reinvestments	—	—
Redemptions	—	(100,000)
Outstanding units — ending	<u>2,300,000</u>	<u>1,700,000</u>

Franklin Liberty Global Aggregate Bond ETF (CAD-Hedged)

	<u>March 31, 2019</u>	<u>September 30, 2018</u>
Outstanding units — beginning	11,450,000	—
Subscriptions	7,050,000	11,450,000
Reinvestments	—	—
Redemptions	(700,000)	—
Outstanding units — ending	<u>17,800,000</u>	<u>11,450,000</u>

Franklin Liberty Senior Loan ETF (CAD-Hedged)

	<u>March 31, 2019</u>	<u>September 30, 2018</u>
Outstanding units — beginning	500,000	—
Subscriptions	250,000	500,000
Reinvestments	—	—
Redemptions	(150,000)	—
Outstanding units — ending	<u>600,000</u>	<u>500,000</u>

Franklin LibertyQT Emerging Markets Index ETF

	<u>March 31, 2019</u>	<u>September 30, 2018</u>
Outstanding units — beginning	1,050,000	—
Subscriptions	350,000	1,050,000
Reinvestments	—	—
Redemptions	—	—
Outstanding units — ending	<u>1,400,000</u>	<u>1,050,000</u>

Franklin FTSE U.S. Index ETF

	<u>March 31, 2019</u>
Outstanding units — beginning	—
Subscriptions	14,900,000
Reinvestments	—
Redemptions	—
Outstanding units — ending	<u>14,900,000</u>

Franklin Liberty Core Balanced ETF

	<u>March 31, 2019</u>	<u>September 30, 2018</u>
Outstanding units — beginning	300,000	—
Subscriptions	—	300,000
Reinvestments	—	—
Redemptions	—	—
Outstanding units — ending	<u>300,000</u>	<u>300,000</u>

Franklin Liberty Risk Managed Canadian Equity ETF

	<u>March 31, 2019</u>	<u>September 30, 2018</u>
Outstanding units — beginning	600,000	300,000
Subscriptions	100,000	300,000
Reinvestments	—	—
Redemptions	—	—
Outstanding units — ending	<u>700,000</u>	<u>600,000</u>

Franklin Liberty U.S. Investment Grade Corporate ETF (CAD-Hedged)

	<u>March 31, 2019</u>	<u>September 30, 2018</u>
Outstanding units — beginning	400,000	—
Subscriptions	—	400,000
Reinvestments	—	—
Redemptions	—	—
Outstanding units — ending	<u>400,000</u>	<u>400,000</u>

Franklin LibertyQT Global Dividend Index ETF

	<u>March 31, 2019</u>	<u>September 30, 2018</u>
Outstanding units — beginning	500,000	—
Subscriptions	—	750,000
Reinvestments	—	—
Redemptions	—	(250,000)
Outstanding units — ending	<u>500,000</u>	<u>500,000</u>

Franklin ETFs

NOTES TO FINANCIAL STATEMENTS For the periods ended March 31, 2019 (Unaudited) and September 30, 2018 (Continued)

4. Capital Risk Management (Continued)

Franklin LibertyQT International Equity Index ETF

	March 31, 2019	September 30, 2018
Outstanding units — beginning	300,000	300,000
Subscriptions	300,000	—
Reinvestments	—	—
Redemptions	—	—
Outstanding units — ending	600,000	300,000

Franklin LibertyQT U.S. Equity Index ETF

	March 31, 2019	September 30, 2018
Outstanding units — beginning	9,600,000	8,400,000
Subscriptions	3,400,000	4,900,000
Reinvestments	—	—
Redemptions	(1,200,000)	(3,700,000)
Outstanding units — ending	11,800,000	9,600,000

5. Related Party Transactions

(a) Management and investment advisory fees (“management fees”)

The Franklin ETFs pay an aggregate monthly fee for management and investment advisory services (“management fees”) to the Manager. Management fees payable at the period ends are shown in the Statements of Financial Position of each Franklin ETF. The monthly fee is calculated and accrued daily and paid monthly. The Management Fee is calculated on the annual rate applied against the monthly average net assets of each series plus applicable taxes. The annual rates are set out below.

Franklin FTSE Canada All Cap Index ETF	0.05%
Franklin FTSE Europe ex U.K. Index ETF	0.09%
Franklin FTSE Japan Index ETF	0.09%
Franklin FTSE U.S. Index ETF	0.07%
Franklin Liberty Canadian Investment Grade Corporate ETF	0.35%
Franklin Liberty Core Balanced ETF	0.45%
Franklin Liberty Global Aggregate Bond ETF (CAD-Hedged)	0.35%
Franklin Liberty Risk Managed Canadian Equity ETF	0.30%
Franklin Liberty Senior Loan ETF (CAD-Hedged)	0.45%
Franklin Liberty U.S. Investment Grade Corporate ETF (CAD-Hedged)	0.35%
Franklin LibertyQT Emerging Markets Index ETF	0.55%
Franklin LibertyQT Global Dividend Index ETF	0.45%
Franklin LibertyQT International Equity Index ETF	0.40%
Franklin LibertyQT U.S. Equity Index ETF	0.25%

(b) Other Expenses

The Manager pays the operating expenses of the Franklin ETFs, other than certain operating costs (“Fund Costs”), such as borrowing and interest costs, investor meeting costs (as permitted by Canadian securities regulation), the fees and expenses of the Independent Review Committee, any costs and expenses associated with litigation for the benefit of the Franklin ETFs or brought to pursue rights on behalf of the Franklin ETFs and the cost of compliance with any new government and regulatory requirements. The operating expenses payable by the Manager include, but are not limited to, transfer agent fees, custodian fees, legal fees and audit fees. As such, the Franklin ETFs did not directly pay these costs; hence line items for these amounts are not shown on the Statements of Comprehensive Income.

(c) Manager Holdings and Funds Managed by the Manager.

The Manager did not hold any units in the Franklin ETFs as at March 31, 2019 and September 30, 2018.

Franklin ETFs

NOTES TO FINANCIAL STATEMENTS For the periods ended March 31, 2019 (Unaudited) and September 30, 2018 (Continued)

5. Related Party Transactions (Continued)

The following Funds managed by the Manager or its affiliates owned units exceeding 10% of the total outstanding units of the Franklin ETF as at March 31, 2019 and September 30, 2018.

	% of ETF Total Outstanding Units	
	March 30, 2019	September 30, 2018
Franklin FTSE Canada All Cap Index ETF		
Franklin Quotential Balanced Growth Portfolio	40.2%	
Franklin Quotential Balanced Income Portfolio	12.8%	
Franklin Quotential Balanced Growth Corporate Class Portfolio	10.9%	
Franklin Quotential Growth Portfolio	10.9%	
Franklin FTSE Japan Index ETF		
Franklin Quotential Growth Portfolio	16.5%	
Franklin Quotential Diversified Equity Portfolio	16.3%	
Franklin Quotential Balanced Income Portfolio	14.3%	
Franklin Quotential Diversified Income Portfolio	11.5%	
Franklin Quotential Diversified Income Corporate Class Portfolio	10.4%	
Franklin FTSE US Index ETF		
Franklin Quotential Balanced Growth Portfolio	36.4%	
Franklin Quotential Growth Portfolio	10.7%	
Franklin Quotential Diversified Equity Portfolio	10.0%	
Franklin Liberty Global Aggregate Bond ETF		
Franklin Quotential Balanced Growth Portfolio	23.4%	25.0%
Franklin Quotential Diversified Income Portfolio	17.7%	20.2%
Franklin Quotential Diversified Income Corporate Class Portfolio	16.0%	18.5%
Franklin Quotential Balanced Income Portfolio	15.3%	16.7%
Franklin LibertyQT U.S. Equity Index ETF		
Franklin Quotential Balanced Growth Portfolio	36.9%	38.9%
Franklin Quotential Growth Portfolio	10.9%	11.5%
Franklin Quotential Diversified Equity Portfolio	10.2%	7.4%
Franklin Quotential Balanced Income Portfolio	10.0%	10.6%
Franklin Quotential Balanced Growth Corporate Class Portfolio	10.0%	10.5%

(d) Other Assets

The principal amount in *other assets* are recoverable expenses from the Manager.

6. Interest in Other Entities

As discussed in Note 3(m) Underlying ETFs are unconsolidated structured entities and are measured at fair value through profit and loss.

The tables below show the respective Franklin ETF's interest in unconsolidated structured entities in dollar and percentage terms as at March 31, 2019.

	Fair value of Underlying Fund/ETF (000s)	Investments in Underlying Fund/ETF at Fair Value (000s)	% Held of Underlying Fund/ETF %
Franklin FTSE Japan Index ETF			
Franklin FTSE Japan ETF	\$387,685	\$67,906	17.5%

Certain Franklin ETFs invest in mortgage-related and other asset backed securities which may be considered structured entities. These securities include mortgage pass-through securities, collateralized mortgage obligations, commercial mortgage-backed securities, asset-backed securities, collateralized debt obligations and other securities that directly or indirectly represent a participation in, or are secured by and payable from, mortgage loans on real property. These securities may provide a monthly payment which consists of both interest and principal payments.

Mortgage-related securities are created from pools of residential or commercial mortgage loans, including mortgage loans made by savings and loan institutions, mortgage bankers, commercial banks and others. Asset-backed securities are created from many types of assets, including auto loans, credit card receivables, home equity loans, and student loans.

Franklin ETFs

NOTES TO FINANCIAL STATEMENTS For the periods ended March 31, 2019 (Unaudited) and September 30, 2018 (Continued)

6. Interest in Other Entities (Continued)

The change in fair value of mortgage related and other asset backed securities are included in the applicable Franklin ETF's Statements of Comprehensive Income in net change in unrealized appreciation (depreciation) in value of investments and derivatives.

The table below shows the carrying value of mortgage related and other asset-backed securities included in the applicable Franklin ETF's Statements of Financial Position as at March 31, 2019 and September 30, 2018. This amount also represents the maximum exposure to losses at that date.

	March 31, 2019	September 30, 2018
	(000s)	(000s)
Franklin Liberty Senior Loan ETF (CAD Hedged)	\$9,458	\$ —

7. Financial Risk Management

Risks arising from holding financial instruments are inherent in the Franklin ETFs' activities and are managed through a process of ongoing measurement and monitoring. These financial risks may include, among others, market risk (including currency risk, interest rate risk and other price risk), liquidity risk, credit risk and concentration risk. All investments result in a risk of loss of capital. These risks are moderated through careful selection of securities and other financial instruments within the Franklin ETFs' investment guidelines by the respective portfolio advisors. The risks are measured using a method that reflects the expected impact on the results and net assets attributable to unitholders of the Franklin ETFs from reasonably possible changes in the relevant risk variables.

(a) Currency risk

Certain Franklin ETFs hold assets and liabilities denominated in currencies other than their functional currency, and are therefore exposed to currency risk as the values of such assets and liabilities will fluctuate due to changes in exchange rates.

The portfolio advisors monitor the Franklin ETFs' currency risk position, and may enter into forward exchange contracts to manage foreign exchange exposure as described in Note 3(d) and disclosed in the respective Franklin ETF's Schedule of Investments, as applicable.

The tables below summarize the Franklin ETFs' exposure to currency risk, where applicable. Amounts shown are based on the carrying value of monetary and non-monetary assets, including derivatives, less liabilities, as applicable. The tables below do not include a Franklin ETF when it doesn't hold any of its net assets in foreign currencies. For those Franklin ETFs included below, when individual currencies held are less than 5% of net assets, that currency has been included in "Currencies less than 5% of net assets". The tables also illustrate, for each respective Franklin ETF, the expected decrease or increase in net assets had the functional currency strengthened or weakened by 5% in relation to all foreign currencies, with all other variables held constant. Actual results may differ from this sensitivity analysis and the difference could be material.

Franklin FTSE Canada All Cap Index ETF

	March 31, 2019	
<u>Currency</u>	Amount	As % of net assets
	(000s)	%
USD	\$145	0.06%
	\$145	0.06%
Impact on net assets from 5% currency movement	\$ 7	0.00%

Franklin FTSE Europe ex UK Index ETF

	March 31, 2019	
<u>Currency</u>	Amount	As % of net assets
	(000s)	%
EUR	\$107,347	68.50%
CHF	30,302	19.33%
SEK	9,147	5.84%
Currencies less than 5% of net assets	9,918	6.33%
	\$156,714	100.00%
Impact on net assets from 5% currency movement	\$ 7,836	5.00%

Franklin ETFs

NOTES TO FINANCIAL STATEMENTS

For the periods ended March 31, 2019 (Unaudited) and September 30, 2018 (Continued)

7. Financial Risk Management (Continued)

Franklin FTSE Japan Index ETF

March 31, 2019

Currency	March 31, 2019	
	Amount (000s)	As % of net assets %
USD	\$67,906	99.90%
Impact on net assets from 5% currency movement	\$ 3,395	5.00%

Franklin FTSE U.S. Index ETF

March 31, 2019

Currency	March 31, 2019	
	Amount (000s)	As % of net assets %
USD	\$315,077	99.94%
Impact on net assets from 5% currency movement	\$ 15,754	5.00%

Franklin Liberty Core Balanced ETF

March 31, 2019

September 30, 2018

Currency	March 31, 2019		September 30, 2018	
	Amount (000s)	As % of net assets %	Amount (000s)	As % of net assets %
USD	\$1,735	27.85%	\$1,691	27.85%
Impact on net assets from 5% currency movement	\$ 86	1.39%	\$ 85	1.39%

Franklin Liberty Global Aggregate Bond ETF (CAD Hedged) ETF

March 31, 2019

September 30, 2018

Currency	March 31, 2019		September 30, 2018	
	Amount (000s)	As % of net assets %	Amount (000s)	As % of net assets %
Currencies less than 5% of net assets	\$32,345	8.87%	\$7,628	3.34%
Impact on net assets from 5% currency movement	\$ 1,617	0.44%	\$ 381	0.17%

Franklin Liberty Risk Managed Canadian Equity ETF

March 31, 2019

September 30, 2018

Currency	March 31, 2019		September 30, 2018	
	Amount (000s)	As % of net assets %	Amount (000s)	As % of net assets %
Currencies less than 5% of net assets	\$ 8	0.06%	\$ 4	0.03%
Impact on net assets from 5% currency movement	\$—	0.00%	\$—	0.00%

Franklin ETFs

NOTES TO FINANCIAL STATEMENTS For the periods ended March 31, 2019 (Unaudited) and September 30, 2018 (Continued)

7. Financial Risk Management (Continued)

Franklin Liberty Senior Loan ETF (CAD Hedged)

Currency	March 31, 2019		September 30, 2018	
	Amount (000s)	As % of net assets %	Amount (000s)	As % of net assets %
USD	\$10	0.09%	\$(260)	-2.60%
	\$10	0.09%	\$(260)	-2.60%
Impact on net assets from 5% currency movement	\$—	0.00%	\$ (13)	-0.13%

Franklin Liberty U.S. Investment Grade Corporate ETF (CAD Hedged)

Currency	March 31, 2019		September 30, 2018	
	Amount (000s)	As % of net assets %	Amount (000s)	As % of net assets %
USD	\$110	1.35%	\$(17)	-0.21%
	\$110	1.35%	\$(17)	-0.21%
Impact on net assets from 5% currency movement	\$ 6	0.07%	\$ (1)	-0.01%

Franklin LibertyQT Emerging Markets Index ETF

Currency	March 31, 2019		September 30, 2018	
	Amount (000s)	As % of net assets %	Amount (000s)	As % of net assets %
HKD	\$ 3,857	14.58%	\$ 2,193	11.23%
TWD	3,505	13.25%	2,589	13.26%
INR	3,415	12.91%	2,480	12.70%
KRW	2,931	11.08%	2,630	13.47%
RUB	2,652	10.03%	2,127	10.89%
THB	1,479	5.59%	395	2.17%
Currencies less than 5% of net assets	8,554	32.34%	5,810	29.59%
	\$26,393	99.78%	\$18,224	93.31%
Impact on net assets from 5% currency movement	\$ 1,320	4.99%	\$ 911	4.67%

Franklin LibertyQT Global Dividend Index ETF

Currency	March 31, 2019		September 30, 2018	
	Amount (000s)	As % of net assets %	Amount (000s)	As % of net assets %
USD	\$3,989	39.24%	\$4,176	42.15%
AUD	1,200	11.81%	987	9.96%
EUR	972	9.56%	908	9.14%
CHF	715	7.03%	692	7.02%
GBP	694	6.93%	623	6.29%
Currencies less than 5% of net assets	1,715	16.87%	1,636	16.51%
	\$9,285	91.34%	\$9,025	91.10%
Impact on net assets from 5% currency movement	\$ 464	4.57%	\$ 451	4.55%

Franklin ETFs

NOTES TO FINANCIAL STATEMENTS For the periods ended March 31, 2019 (Unaudited) and September 30, 2018 (Continued)

7. Financial Risk Management (Continued)

Franklin LibertyQT International Equity Index ETF

<u>Currency</u>	March 31, 2019		September 30, 2018	
	Amount	As % of	Amount	As % of
	(000s)	net assets %	(000s)	net assets %
GBP	\$ 2,972	25.18%	\$1,295	22.00%
JPY	2,403	20.36%	1,309	22.24%
AUD	2,267	19.20%	1,049	17.82%
EUR	1,762	14.93%	865	14.70%
CHF	649	5.50%	386	6.56%
HKD	618	5.24%	302	5.13%
Currencies less than 5% of net assets	1,133	9.60%	681	11.57%
	<u>\$11,804</u>	<u>99.99%</u>	<u>\$5,887</u>	<u>100.02%</u>
Impact on net assets from 5% currency movement	\$ 590	5.00%	\$ 294	5.00%

Franklin LibertyQT U.S. Equity Index ETF

<u>Currency</u>	March 31, 2019		September 30, 2018	
	Amount	As % of	Amount	As % of
	(000s)	net assets %	(000s)	net assets %
USD	\$289,874	100.01%	\$228,165	100.02%
	<u>\$289,874</u>	<u>100.01%</u>	<u>\$228,165</u>	<u>100.02%</u>
Impact on net assets from 5% currency movement	\$ 14,494	5.00%	\$ 11,408	5.00%

(b) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of interest bearing financial instruments. The portfolio advisors monitor overall interest rate sensitivity on a periodic basis.

The table below summarizes all interest bearing financial instruments (excluding overnight term deposits) held by the respective Franklin ETF which is subject to interest rate risk, categorized by the maturity dates of the instrument. The table illustrates the increase or decrease expected in net assets for the Franklin ETF had the interest rates lowered or risen by 25 basis points, assuming all other variables remain constant. Actual results may differ from this sensitivity analysis and the difference could be material.

	March 31, 2019					
	Less Than 1 year	1-3 years	3-5 years	>5 years	Total	Interest Rate Sensitivity
	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)
Franklin Liberty Canadian Investment Grade Corporate ETF	\$ 20	\$ 3,056	\$ 6,638	\$ 34,404	\$ 44,118	\$ 697
Franklin Liberty Core Balanced ETF	27	—	417	2,335	2,779	47
Franklin Liberty Global Aggregate Bond ETF(CAD-Hedged)	22,620	18,939	46,070	258,963	346,592	5,158
Franklin Liberty Senior Loan ETF(CAD-Hedged)	—	—	4,451	5,597	10,048	4
Franklin Liberty U.S. Investment Grade Corporate ETF (CAD-Hedged)	489	1,432	1,551	4,746	8,218	143

	September 30, 2018					
	Less Than 1 year	1-3 years	3-5 years	>5 years	Total	Interest Rate Sensitivity
	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)
Franklin Liberty Canadian Investment Grade Corporate ETF	\$ 60	\$ 1,423	\$ 4,620	\$ 25,827	\$ 31,930	\$ 511
Franklin Liberty Core Balanced ETF	28	—	417	2,253	2,698	46
Franklin Liberty Global Aggregate Bond ETF(CAD-Hedged)	20,377	17,114	41,117	130,469	209,077	3,010
Franklin Liberty Senior Loan ETF(CAD-Hedged)	—	189	2,317	6,659	9,165	4
Franklin Liberty U.S. Investment Grade Corporate ETF (CAD-Hedged)	—	1,645	1,403	4,733	7,781	135

Franklin ETFs

NOTES TO FINANCIAL STATEMENTS For the periods ended March 31, 2019 (Unaudited) and September 30, 2018 (Continued)

7. Financial Risk Management (Continued)

(c) Other price risk

Other price risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from currency risk or interest rate risk). Those changes may be caused by factors specific to the individual financial instrument or its issuer, or factors affecting a market or market segment. Other assets and liabilities are monetary items that are short-term in nature, and as such they are not subject to other price risk.

The table below illustrates the expected increase or decrease in net assets if the value of the Franklin ETFs' investments had increased or decreased by 5%, with all other variables held constant. Actual results may differ from this sensitivity analysis and the difference could be material.

	March 31, 2019		September 30, 2018	
	Sensitivity on Net Assets	% Impact on Net Assets	Sensitivity on Net Assets	% Impact on Net Assets
	(000s)		(000s)	
Franklin FTSE Canada All Cap Index ETF	\$12,726	4.98%	\$ —	—%
Franklin FTSE Europe ex U.K. Index ETF	7,807	4.98%	—	—%
Franklin FTSE Japan Index ETF	3,395	4.99%	—	—%
Franklin FTSE U.S. Index ETF	15,711	4.98%	—	—%
Franklin Liberty Canadian Investment Grade Corporate ETF	9	0.02%	—	—%
Franklin Liberty Core Balanced ETF	171	2.74%	167	2.75%
Franklin Liberty Risk Managed Canadian Equity ETF	709	4.87%	608	4.92%
Franklin LibertyQT Emerging Markets Index ETF	1,314	4.97%	972	4.98%
Franklin LibertyQT Global Dividend Index ETF	505	4.97%	494	4.99%
Franklin LibertyQT International Equity Index ETF	584	4.95%	293	4.96%
Franklin LibertyQT U.S. Equity Index ETF	14,462	4.99%	11,391	4.99%

(d) Liquidity risk

Liquidity risk is the risk that a Franklin ETF will not be able to meet its liabilities as they fall due. As the Franklin ETFs are exposed to daily cash redemption of units, the assets of the Franklin ETFs are invested mainly in securities which are traded in active markets and can be readily disposed of. In addition, sufficient cash and cash equivalents are maintained to meet normal operating requirements. Each Franklin ETF has the ability to borrow up to 5% of its net assets for the purposes of funding redemptions. The Franklin ETFs, each have a non-committed redemption line of credit agreement with a Schedule 1 bank in Canada from which these amounts can be borrowed, if necessary. Franklin Liberty Senior Loan ETF (CAD-Hedged) obtained exemptive relief from the Canadian securities regulatory authorities to permit the Franklin Liberty Senior Loan ETF (CAD-Hedged) to borrow cash in an amount not to exceed 10% of the net assets of Franklin Liberty Senior Loan ETF (CAD-Hedged) as a temporary measure to accommodate requests for redemptions of units of Franklin Liberty Senior Loan ETF (CAD-Hedged). The loans are issued at prime rate and are payable on demand. There were no loans issued or outstanding as at March 31, 2019 and September 30, 2018.

Certain Franklin ETFs may invest in derivatives, debt securities and unlisted equity investments that are not traded in an active market. As a result, the applicable Franklin ETF may not be able to quickly liquidate its investments in these instruments at amounts which approximate their fair values, or be able to respond to specific events such as deterioration in the creditworthiness of any particular issuer.

The Franklin ETFs also have a policy to purchase an illiquid asset only to the extent that immediately after purchase, the value of the illiquid securities held by the ETF does not account for more than 10% of the net assets of the ETF.

The Franklin ETFs' financial liabilities which include redemptions payable, distributions payable, accrued liabilities and derivative liabilities are due within 3 months. Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer period.

In accordance with the Franklin ETFs' investment objective, the Manager monitors the Franklin ETFs' liquidity position on an ongoing basis.

Franklin ETFs

NOTES TO FINANCIAL STATEMENTS For the periods ended March 31, 2019 (Unaudited) and September 30, 2018 (Continued)

7. Financial Risk Management (Continued)

(e) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with an ETF. The fair value of a financial instrument takes into account the credit rating of its issuer, and accordingly, represents the maximum credit risk an ETF is exposed to. Credit risk is generally lower if the issuer has a high credit rating from an independent credit rating agency, while the risk is generally higher if the issuer has a low credit rating or no credit rating. Where applicable, credit ratings have been disclosed at the end of each Franklin ETF's Schedule of Investment Portfolio.

All transactions in listed securities are settled or paid for upon delivery using approved brokers. The credit risk related to the associated receivables is considered limited, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation. However, there are risks involved in dealing with custodians or prime brokers who settle trades and in rare circumstances, the securities and other assets deposited with the custodian or broker may be exposed to credit risk with regard to such parties. In addition, there may be practical problems or time delays associated with enforcing the ETFs' rights to their assets in the case of an insolvency of any such party.

The Manager monitors counterparty credit risk in order to determine the best estimate of an expected credit loss in the event of a default by a counterparty. Factors considered include, the credit ratings of the counterparty, historical and future looking information and overall exposure to a counterparty. As at March 31, 2019 and September 30, 2018, all cash and trading transactions are carried out by banks rated A or higher by Standard & Poor's. No loss allowance has been recognized based on the Manager's ongoing counterparty credit risk management process.

(f) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. Below is a summary of each ETF's concentration risk.

Franklin FTSE Canada All Cap Index ETF

Region Mix	March 31, 2019 (%)	Asset Class Weightings	March 31, 2019 (%)
North America	99.68	Common Stocks	99.68
		Short-term securities and all other assets, net	0.32

Franklin FTSE Europe ex U.K. Index ETF

Region Mix	March 31, 2019 (%)	Asset Class Weightings	March 31, 2019 (%)
Europe	99.61	Common Stocks	99.63
North America	0.02	Short-term securities and all other assets, net	0.37

Franklin FTSE Japan Index ETF

Region Mix	March 31, 2019 (%)	Asset Class Weightings	March 31, 2019 (%)
Asia	99.90	Common Stocks	99.90
		Short-term securities and all other assets, net	0.10

Franklin FTSE U.S. Index ETF

Region Mix	March 31, 2019 (%)	Asset Class Weightings	March 31, 2019 (%)
North America	95.86	Common Stocks	99.67
Europe	3.52	Short-term securities and all other assets, net	0.33
Middle East & Africa	0.14		
Latin America & Caribbean	0.13		
Asia	0.02		

Franklin ETFs

NOTES TO FINANCIAL STATEMENTS For the periods ended March 31, 2019 (Unaudited) and September 30, 2018 (Continued)

7. Financial Risk Management (Continued)

Franklin Liberty Canadian Investment Grade Corporate ETF

Region Mix	March 31, September 30,		Asset Class Weightings	March 31, September 30,	
	2019	2018		2019	2018
	(%)	(%)		(%)	(%)
North America	96.70	96.95	Canadian Corporate Bonds	89.04	90.23
Europe	1.66	1.77	Foreign Corporate Bonds	9.47	8.60
Australia & New Zealand	0.58	0.11	Preferred Stocks	0.43	—
			Short-term securities and all other assets, net	1.06	1.17

Franklin Liberty Core Balanced ETF

Region Mix	March 31, September 30,		Asset Class Weightings	March 31, September 30,	
	2019	2018		2019	2018
	(%)	(%)		(%)	(%)
North America	97.73	97.60	Common Stocks	54.83	54.91
Australia & New Zealand	1.22	1.22	Canadian Government Bonds	25.05	24.77
Europe	0.48	0.29	Canadian Corporate Bonds	15.36	15.51
			Foreign Corporate Bonds	4.19	4.15
			Short-term securities and all other assets, net	0.57	0.66

Franklin Liberty Global Aggregate Bond ETF (CAD-Hedged)

Region Mix	March 31, September 30,		Asset Class Weightings	March 31, September 30,	
	2019	2018		2019	2018
	(%)	(%)		(%)	(%)
Europe	34.53	34.27	Foreign Government Bonds	66.05	56.40
North America	30.29	35.86	Foreign Corporate Bonds	24.80	29.18
Latin America & Caribbean	10.01	7.86	Canadian Government Bonds	2.19	4.74
Asia	8.58	6.69	Canadian Corporate Bonds	1.96	1.28
Australia & New Zealand	7.45	6.26	Short-term securities and all other assets, net	5.00	8.40
Middle East & Africa	4.14	0.66			

Franklin Liberty Risk Managed Canadian Equity ETF

Sectors	March 31, September 30,		Asset Class Weightings	March 31, September 30,	
	2019	2018		2019	2018
	(%)	(%)		(%)	(%)
Financials	38.99	42.80	Common Stocks	97.50	98.48
Energy	12.38	15.75	Purchased Options	—	0.72
Industrials	11.90	12.16	Short-term securities and all other assets, net	2.50	0.80
Telecommunication Services	7.91	5.75			
Materials	7.47	5.35			
Consumer Staples	5.22	4.23			
Others	13.63	12.44			

Franklin Liberty Senior Loan ETF (CAD-Hedged)

Region Mix	March 31, September 30,		Asset Class Weightings	March 31, September 30,	
	2019	2018		2019	2018
	(%)	(%)		(%)	(%)
North America	77.41	80.30	Foreign Corporate Bonds	80.10	88.22
Europe	7.37	8.57	Canadian Corporate Bonds	7.00	3.29
Australia & New Zealand	2.32	2.64	Short-term securities and all other assets, net	12.90	8.49

Franklin Liberty U.S. Investment Grade Corporate ETF (CAD-Hedged)

Region Mix	March 31, September 30,		Asset Class Weightings	March 31, September 30,	
	2019	2018		2019	2018
	(%)	(%)		(%)	(%)
North America	73.90	72.30	Foreign Corporate Bonds	99.41	96.23
Europe	18.42	17.05	Canadian Corporate Bonds	1.16	1.09
Latin America & Caribbean	3.93	6.96	Short-term securities and all other assets, net	(0.57)	2.68
Asia	3.27	—			
Australia & New Zealand	1.05	1.01			

Franklin ETFs

NOTES TO FINANCIAL STATEMENTS

For the periods ended March 31, 2019 (Unaudited) and September 30, 2018 (Continued)

7. Financial Risk Management (Continued)

Franklin LibertyQT Emerging Markets Index ETF

Region Mix	March 31, September 30,		Asset Class Weightings	March 31, September 30,	
	2019	2018		2019	2018
	(%)	(%)		(%)	(%)
Asia	60.49	66.06	Common Stocks	99.38	99.51
Europe	16.11	17.58	Short-term securities and all other assets, net	0.62	0.49
Latin America & Caribbean	13.16	7.95			
Middle East & Africa	9.16	7.92			
North America	0.46	—			

Franklin LibertyQT Global Dividend Index ETF

Region Mix	March 31, September 30,		Asset Class Weightings	March 31, September 30,	
	2019	2018		2019	2018
	(%)	(%)		(%)	(%)
North America	44.41	50.47	Common Stocks	99.44	99.69
Europe	29.65	27.02	Short-term securities and all other assets, net	0.56	0.31
Australia & New Zealand	11.60	9.91			
Asia	6.23	6.62			
Middle East & Africa	4.00	3.70			
Latin America & Caribbean	3.55	1.97			

Franklin LibertyQT International Equity Index ETF

Region Mix	March 31, September 30,		Asset Class Weightings	March 31, September 30,	
	2019	2018		2019	2018
	(%)	(%)		(%)	(%)
Europe	51.33	49.51	Common Stocks	98.97	99.24
Asia	25.02	31.01	Short-term securities and all other assets, net	1.03	0.76
Australia & New Zealand	19.26	17.43			
Latin America & Caribbean	1.31	—			
Middle East & Africa	1.06	1.29			
North America	0.99	—			

Franklin LibertyQT U.S. Equity Index ETF

Sectors	March 31, September 30,		Asset Class Weightings	March 31, September 30,	
	2019	2018		2019	2018
	(%)	(%)		(%)	(%)
Information Technology	21.16	21.10	Common Stocks	99.79	99.87
Consumer Discretionary	18.59	21.09	Short-term securities and all other assets, net	0.21	0.13
Consumer Staples	14.74	13.23			
Health Care	11.91	13.26			
Industrials	10.69	12.27			
Utilities	6.11	7.23			
Financials	3.94	6.42			
Others	12.65	5.27			

(g) Fair value estimation

The Franklin ETFs classify fair value measurements of investments held using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 — quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices)
- Level 3 — inputs for the asset or liability that are not based on observable market data. (unobservable inputs)

The determination of what constitutes “observable” requires significant judgement by the Manager. The Manager considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by

Franklin ETFs

NOTES TO FINANCIAL STATEMENTS For the periods ended March 31, 2019 (Unaudited) and September 30, 2018 (Continued)

7. Financial Risk Management (Continued)

independent sources that are actively involved in the relevant market. Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently. These may include private equity and corporate debt securities. As observable prices are not available for these securities, the Manager has used valuation techniques to derive the fair value.

The Franklin ETFs' investments are generally classified as follows:

- **Equities** — The Franklin ETFs' equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain of the ETFs' equities may not trade frequently and therefore observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.
- **Bonds and short-term investments** — Debt securities generally trade in the OTC market rather than on a securities exchange. The inputs that are significant to valuation are generally observable such as benchmark yield curves, credit spreads, estimated default rates, anticipated market interest rate volatility, coupon rates, anticipated timing of repayments, underlying collateral and other unique security features in order to estimate the relevant cash flows. Therefore the Franklin ETFs' bonds and short-term investments have been classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.
- **Purchased and written options** — The Franklin ETFs' positions in purchased and written options are valued at their close price as reported by the principal exchange or over-the-counter market on which the contract is traded. Therefore the Franklin ETFs' purchased and written options that are exchange traded have been classified as Level 1. Purchased and written options that are traded in the OTC market have been classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.
- **Other derivative assets and liabilities** — Derivative assets and liabilities consist of forward foreign exchange contracts and futures contracts which are valued based primarily on the contract notional amount, the difference between the contract rate and the forward market rate for the same currency, interest rates and credit spreads. Contracts for which counterparty credit spreads are observable and reliable, or for which the credit-related inputs are determined not to be significant to fair value, are classified as Level 2.

The carrying values of cash, capital units sold receivable, dividends and interest receivable, payable for investments sold or purchased, capital units redeemed payable, distributions payable, accrued liabilities and the Franklin ETF's obligation for net assets attributable to holders of redeemable units approximate their fair values due to their short-term nature.

The following tables show the classification of the Franklin ETFs' financial assets and liabilities measured at fair value as at March 31, 2019 and September 30, 2018.

Franklin FTSE Canada All Cap Index ETF

	March 31, 2019			Total (000s)
	Level 1 (000s)	Level 2 (000s)	Level 3 (000s)	
Equities — Long	\$254,523	\$ —	\$ —	\$254,523
Total Investments	<u>\$254,523</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$254,523</u>

Franklin FTSE Europe ex U.K. Index ETF

	March 31, 2019			Total (000s)
	Level 1 (000s)	Level 2 (000s)	Level 3 (000s)	
Equities — Long	\$156,141	\$ —	\$ —	\$156,141
Total Investments	<u>\$156,141</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$156,141</u>

Franklin ETFs

NOTES TO FINANCIAL STATEMENTS

For the periods ended March 31, 2019 (Unaudited) and September 30, 2018 (Continued)

7. Financial Risk Management (Continued)

Franklin FTSE Japan Index ETF

	March 31, 2019			
	Level 1	Level 2	Level 3	Total
	(000s)	(000s)	(000s)	(000s)
Mutual Funds/Unit Trusts/ETFs	\$67,906	\$ —	\$ —	\$67,906
Total Investments	<u>\$67,906</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$67,906</u>

Franklin FTSE U.S. Index ETF

	March 31, 2019			
	Level 1	Level 2	Level 3	Total
	(000s)	(000s)	(000s)	(000s)
Equities — Long	\$314,229	\$ —	\$ —	\$314,229
Total Investments	<u>\$314,229</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$314,229</u>
Derivative assets	\$ —	\$ 21	\$ —	\$ 21

Franklin Liberty Canadian Investment Grade Corporate ETF

	March 31, 2019				September 30, 2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)
Equities — Long	\$190	\$ —	\$ —	\$ 190	\$ —	\$ —	\$ —	\$ —
Bonds	—	44,118	—	44,118	—	31,930	—	31,930
Total Investments	<u>\$190</u>	<u>\$44,118</u>	<u>\$ —</u>	<u>\$44,308</u>	<u>\$ —</u>	<u>\$31,930</u>	<u>\$ —</u>	<u>\$31,930</u>

Franklin Liberty Core Balanced ETF

	March 31, 2019				September 30, 2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)
Equities — Long	\$3,416	\$ —	\$ —	\$3,416	\$3,334	\$ —	\$ —	\$3,334
Bonds	—	2,779	—	2,779	—	2,698	—	2,698
Total Investments	<u>\$3,416</u>	<u>\$2,779</u>	<u>\$ —</u>	<u>\$6,195</u>	<u>\$3,334</u>	<u>\$2,698</u>	<u>\$ —</u>	<u>\$6,032</u>

Franklin Liberty Global Aggregate Bond ETF (CAD-Hedged)

	March 31, 2019				September 30, 2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)
Bonds	\$ —	\$346,592	\$ —	\$346,592	\$ —	\$209,077	\$ —	\$209,077
Short-term securities	—	2,000	—	2,000	—	8,900	—	8,900
Total Investments	<u>\$ —</u>	<u>\$348,592</u>	<u>\$ —</u>	<u>\$348,592</u>	<u>\$ —</u>	<u>\$217,977</u>	<u>\$ —</u>	<u>\$217,977</u>
Derivative assets	\$ —	\$ 4,283	\$ —	\$ 4,283	\$ —	\$ 4,448	\$ —	\$ 4,448
Derivative liabilities	—	(3,110)	—	(3,110)	—	(227)	—	(227)

Franklin ETFs

NOTES TO FINANCIAL STATEMENTS

For the periods ended March 31, 2019 (Unaudited) and September 30, 2018 (Continued)

7. Financial Risk Management (Continued)

Franklin Liberty Risk Managed Canadian Equity ETF

	March 31, 2019				September 30, 2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)
Equities — Long	\$14,185	\$ —	\$ —	\$14,185	\$12,165	\$ —	\$ —	\$12,165
Short-term securities	—	100	—	100	—	—	—	—
Total Investments	<u>\$14,185</u>	<u>\$100</u>	<u>\$ —</u>	<u>\$14,285</u>	<u>\$12,165</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$12,165</u>
Purchased options	\$ 62	\$ —	\$ —	\$ 62	\$ 88	\$ —	\$ —	\$ 88

Franklin Liberty Senior Loan ETF (CAD-Hedged)

	March 31, 2019				September 30, 2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)
Bonds	\$ —	\$11,785	\$ —	\$11,785	\$ —	\$9,165	\$ —	\$9,165
Short-term securities	—	—	—	—	—	387	—	387
Total Investments	<u>\$ —</u>	<u>\$11,785</u>	<u>\$ —</u>	<u>\$11,785</u>	<u>\$ —</u>	<u>\$9,552</u>	<u>\$ —</u>	<u>\$9,552</u>
Derivative assets	\$ —	\$ 4	\$ —	\$ 4	\$ —	\$ 80	\$ —	\$ 80
Derivative liabilities	—	(211)	—	(211)	—	—	—	—

Franklin Liberty U.S. Investment Grade Corporate ETF (CAD-Hedged)

	March 31, 2019				September 30, 2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)
Bonds	\$ —	\$8,218	\$ —	\$8,218	\$ —	\$7,781	\$ —	\$7,781
Total Investments	<u>\$ —</u>	<u>\$8,218</u>	<u>\$ —</u>	<u>\$8,218</u>	<u>\$ —</u>	<u>\$7,781</u>	<u>\$ —</u>	<u>\$7,781</u>
Derivative assets	\$ —	\$ 1	\$ —	\$ 1	\$ —	\$ 67	\$ —	\$ 67
Derivative liabilities	—	(162)	—	(162)	—	—	—	—

Franklin LibertyQT Emerging Markets Index ETF

	March 31, 2019				September 30, 2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)
Equities — Long	\$26,289	\$ —	\$ —	\$26,289	\$19,435	\$ —	\$ —	\$19,435
Total Investments	<u>\$26,289</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$26,289</u>	<u>\$19,435</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$19,435</u>
Derivative assets	\$ 1	\$ —	\$ —	\$ 1	\$ 1	\$ —	\$ —	\$ 1

Franklin LibertyQT Global Dividend Index ETF

	March 31, 2019				September 30, 2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)
Equities — Long	\$10,108	\$ —	\$ —	\$10,108	\$9,876	\$ —	\$ —	\$9,876
Total Investments	<u>\$10,108</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$10,108</u>	<u>\$9,876</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$9,876</u>

Franklin LibertyQT International Equity Index ETF

	March 31, 2019				September 30, 2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)
Equities — Long	\$11,683	\$ —	\$ —	\$11,683	\$5,840	\$ —	\$ —	\$5,840
Total Investments	<u>\$11,683</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$11,683</u>	<u>\$5,840</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$5,840</u>
Derivative assets	\$ 1	\$ —	\$ —	\$ 1	\$ —	\$ —	\$ —	\$ —

Franklin ETFs

NOTES TO FINANCIAL STATEMENTS

For the periods ended March 31, 2019 (Unaudited) and September 30, 2018 (Continued)

7. Financial Risk Management (Continued)

Franklin LibertyQT U.S. Equity Index ETF

	March 31, 2019				September 30, 2018			
	Level 1 (000s)	Level 2 (000s)	Level 3 (000s)	Total (000s)	Level 1 (000s)	Level 2 (000s)	Level 3 (000s)	Total (000s)
Equities — Long	\$289,235	\$ —	\$ —	\$289,235	\$227,816	\$ —	\$ —	\$227,816
Total Investments	<u>\$289,235</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$289,235</u>	<u>\$227,816</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$227,816</u>
Derivative assets	\$ 3	\$ —	\$ —	\$ 3	\$ 2	\$ —	\$ —	\$ 2

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of the instruments fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. The Franklin ETFs policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

In accordance with the Franklin ETFs valuation policy, the Franklin ETFs may apply fair value adjustment factors when quoted market prices are deemed to have been affected by significant market events which exceed pre-determined thresholds.

As at March 31, 2019 and September 30, 2018, there were no significant market events to cause the pre-determined tolerances to be breached; hence there were no transfers between Level 1 and Level 2.

8. Net Asset Value

Trading net asset value

As discussed in Note 3(a), the Trading NAV per unit may differ from the IFRS NAV per unit as shown in the Statements of Financial Position.

As at March 31, 2019 and September 30, 2018, the Franklin ETF's Trading NAV per unit did not differ from the IFRS NAV per unit.

9. Other Information

Offsetting of derivative financial instruments

As discussed in Note 3(e), certain Franklin ETFs holding derivatives are subject to enforceable master netting arrangements, in the form of agreements, with certain counterparties.

Absent an agreement, or an event of default or early termination, OTC derivative assets and liabilities are presented gross and not offset in the Statements of Financial Position.

The following tables present, for each respective Franklin ETF, the financial instruments, subject to enforceable master netting arrangements, but are not offset as at March 31, 2019 and September 30, 2018. The 'Net Amount' represents the impact to the Franklin ETF if all set-off rights were exercised.

Franklin Liberty Global Aggregate Bond ETF (CAD-Hedged)

Counterparty	March 31, 2019				March 31, 2019			
	Amounts available for offset				Amounts available for offset			
	Gross Assets (000s)	Financial Instruments (000s)	Collateral Held in Trust ^(a) (000s)	Net Amount (000s)	Gross Liabilities (000s)	Financial Instruments (000s)	Collateral Pledged ^(a) (000s)	Net Amount (000s)
CITIBANK NA	\$4,283	\$(3,110)	\$ —	\$1,801	\$(3,110)	\$3,110	\$ —	\$ —
Total	<u>\$4,283</u>	<u>\$(3,110)</u>	<u>\$ —</u>	<u>\$1,801</u>	<u>\$(3,110)</u>	<u>\$3,110</u>	<u>\$ —</u>	<u>\$ —</u>

Franklin ETFs

NOTES TO FINANCIAL STATEMENTS For the periods ended March 31, 2019 (Unaudited) and September 30, 2018 (Continued)

9. Other Information (Continued)

September 30, 2018

Counterparty	Amounts available for offset				Amounts available for offset			
	Gross Assets	Financial Instruments	Collateral Held in Trust ^(a)	Net Amount	Gross Liabilities	Financial Instruments	Collateral Pledged ^(a)	Net Amount
	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)
CITIBANK NA	\$4,448	\$ (247)	\$1,948	\$2,253	\$ (247)	\$ 247	\$ —	\$ —
Total	\$4,448	\$ (247)	\$1,948	\$2,253	\$ (247)	\$ 247	\$ —	\$ —

Franklin Liberty Senior Loan ETF (CAD-Hedged)

March 31, 2019

Counterparty	Amounts available for offset				Amounts available for offset			
	Gross Assets	Financial Instruments	Collateral Held in Trust ^(a)	Net Amount	Gross Liabilities	Financial Instruments	Collateral Pledged ^(a)	Net Amount
	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)
CITIBANK NA	\$—	\$ —	\$ —	\$—	\$(211)	\$ —	\$10	\$201
GOLDMAN SACHS BANK USA	4	—	—	4	—	—	—	—
Total	\$ 4	\$ —	\$ —	\$ 4	\$(211)	\$ —	\$10	\$201

September 30, 2018

Counterparty	Amounts available for offset				Amounts available for offset			
	Gross Assets	Financial Instruments	Collateral Held in Trust ^(a)	Net Amount	Gross Liabilities	Financial Instruments	Collateral Pledged ^(a)	Net Amount
	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)
CITIBANK NA	\$80	\$ —	\$ —	\$80	\$ —	\$ —	\$ —	\$ —
Total	\$80	\$ —	\$ —	\$80	\$ —	\$ —	\$ —	\$ —

Franklin Liberty U.S. Investment Grade Corporate ETF (CAD-Hedged)

March 31, 2019

Counterparty	Amounts available for offset				Amounts available for offset			
	Gross Assets	Financial Instruments	Collateral Held in Trust ^(a)	Net Amount	Gross Liabilities	Financial Instruments	Collateral Pledged ^(a)	Net Amount
	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)
CITIBANK NA	\$ 1	\$(1)	\$ —	\$—	\$(162)	\$ 1	\$ —	\$(161)
Total	\$ 1	\$(1)	\$ —	\$—	\$(162)	\$ 1	\$ —	\$(161)

September 30, 2018

Counterparty	Amounts available for offset				Amounts available for offset			
	Gross Assets	Financial Instruments	Collateral Held in Trust ^(a)	Net Amount	Gross Liabilities	Financial Instruments	Collateral Pledged ^(a)	Net Amount
	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)
CITIBANK NA	\$67	\$—	\$ —	\$67	\$ —	\$—	\$ —	\$ —
Total	\$67	\$—	\$ —	\$67	\$ —	\$—	\$ —	\$ —

^(a) In some instances, the collateral amount disclosed in the tables above may be adjusted due to the requirement to limit the collateral amounts to avoid the effect of over collateralization. Actual collateral held in trust and/or pledged may be more than the amounts disclosed therein. Collateral held in trust represents amounts held by a counterparty or custodian on behalf of the Franklin ETF and accordingly is not presented in the Statements of Financial Position. Cash pledged as collateral represents amounts held by the Franklin ETF's custodian/counterparty on behalf of the counterparty and can be in the form of cash and or securities. Cash pledged as collateral is included in margin and collateral in the Statements of Financial Position, while securities pledged as collateral is identified on the respective Franklin ETF's Schedule of Investments.

Franklin ETFs

NOTES TO FINANCIAL STATEMENTS For the periods ended March 31, 2019 (Unaudited) and September 30, 2018 (Continued)

10. Distributions

Each Franklin ETF intends to distribute a sufficient amount of its net income and net realized capital gains to unitholders for each taxation year. To the extent that a Franklin ETF has not otherwise distributed a sufficient amount of its net income or net realized capital gains, it will pay a distribution to unitholders at the end of the year and that distribution will be automatically reinvested in additional units. Immediately following such reinvestments, the number of units outstanding will be consolidated so that the NAV per unit following the distribution and reinvestment is the same as it would have been if the distribution had not been paid.

Management fee distributions, if any, will be paid generally first out of the net income and net realized capital gains of a Franklin ETF and then out of capital.

11. Broker Commissions

Commissions paid to brokers for portfolio transactions during the periods ended March 31, 2019 and March 31, 2018 are shown below.

	<u>March 31,</u> <u>2019</u>	<u>March 31,</u> <u>2018</u>
	<u>Commissions</u>	<u>Commissions</u>
	<u>(000s)</u>	<u>(000s)</u>
Franklin FTSE Canada All Cap Index ETF	\$ 36	\$—
Franklin FTSE Europe ex U.K. Index ETF	161	—
Franklin Liberty Core Balanced ETF	0	1
Franklin Liberty Risk Managed Canadian Equity ETF	5	2
Franklin LibertyQT Emerging Markets Index ETF	12	11
Franklin LibertyQT Global Dividend Index ETF	1	5
Franklin LibertyQT International Equity Index ETF	12	1
Franklin LibertyQT U.S. Equity Index ETF	1	3

12. Taxes

As at December 31, 2018, the following Franklin ETFs had unused capital losses for income tax purposes. Capital losses can be carried forward indefinitely to reduce future net realized capital gains. Non-capital losses may be carried forward to reduce future taxable income. There were no non-capital losses available to the Franklin ETFs as at December 31, 2018.

	<u>Total Capital Losses</u>
	<u>(000s)</u>
Franklin Liberty Canadian Investment Grade Corporate ETF	\$116
Franklin Liberty Core Balanced ETF	4
Franklin Liberty Senior Loan ETF (CAD-Hedged)	168
Franklin Liberty U.S. Investment Grade Corporate ETF (CAD-Hedged)	85
Franklin LibertyQT Emerging Markets Index ETF	269
Franklin LibertyQT International Equity Index ETF	81

13. Financial Statement Presentation

The amounts shown on the Statements of Financial Position, the Statements of Comprehensive Income, Changes in Net Assets Attributable to Holders of Redeemable Units and Cash Flows are rounded to the nearest thousand. As a result, balances reported may include amounts rounded to zero. Per unit amounts and number of units outstanding shown are actual amounts.

Franklin ETFs

NOTES TO FINANCIAL STATEMENTS For the periods ended March 31, 2019 (Unaudited) and September 30, 2018 (Continued)

14. Currency Legend

Below is a list of currency abbreviations that may be used throughout the financial statements.

AUD	Australian Dollar	MXN	Mexican Peso
AED	United Arab Emirates Dirham	MYR	Malaysian Ringgit
BRL	Brazilian Real	NIS	New Israeli Sheqel
CAD	Canadian Dollar	NZD	New Zealand Dollar
CHF	Swiss Franc	NOK	Norwegian Krone
CLP	Chilean Peso	PHP	Philippine Peso
CNY	Chinese Yuan	PLN	Polish Zloty
CZK	Czech Koruna	GBP	British Pound Sterling
DKK	Danish Krone	RUB	New Russian Ruble
EGP	Egyptian Pound	QAR	Qatari Riyal
EUR	Euro	SGD	Singapore Dollar
HKD	Hong Kong Dollar	SEK	Swedish Krona
HUF	Hungarian Forint	THB	Thailand Baht
IDR	Indonesian Rupiah	TRY	Turkish Lira
INR	Indian Rupee	TWD	New Taiwan Dollar
JPY	Japanese Yen	USD	United States Dollar
KRW	South Korean Won	ZAR	South African Rand



Semi-Annual Report

Franklin Templeton Investments Canada

200 King Street West, Suite 1500

Toronto, ON, M5H 3T4

www.franklintempleton.ca

Client Services Toll-free:

(800) 387-0830 Toll-free Fax: (866) 850-8241

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Commissions, management fees and expenses may all be associated with investments in ETFs. Investors should carefully consider an ETF's investment objectives and strategies, risks, fees and expenses before investing. The prospectus and ETF facts contain this and other information. Please read the prospectus and ETF facts carefully before investing. ETFs trade like stocks, fluctuate in market value and may trade at prices above or below the ETF's net asset value. Brokerage commissions and ETF expenses will reduce returns. Performance of an ETF may vary significantly from the performance of an index, as a result of transaction costs, expenses and other factors. ETFs are not guaranteed, their values change frequently and past performance may not be repeated.