

This document contains key information you should know about Franklin U.S. Quality Moat Dividend Index ETF. You can find more details about this exchange-traded fund (ETF) in its prospectus. Ask your representative for a copy, contact Franklin Templeton Investments Corp. (Franklin Templeton) at 1.800.387.0830 or service.CAN.franklintempleton@fisglobal.com or visit www.franklintempleton.ca.

Before you invest, consider how the ETF would work with your other investments and your tolerance for risk.

Quick facts

Date ETF started:	August 14, 2025	Fund manager:	Franklin Templeton Investments Corp.
Total value on July 25, 2025:	Not available as the ETF is new	Portfolio manager:	Franklin Templeton Investments Corp.
Management expense ratio (MER):	Not available as the ETF is new	Sub-advisor(s):	Franklin Templeton Institutional, LLC and Franklin Advisory Services, LLC
		Distributions:	Quarterly

Trading information (12 months ending July 25, 2025)

Ticker symbol:	FDIV	Average daily volume:	Not available as the ETF is new
Exchange:	Cboe Canada Inc.	Number of days traded:	Not available as the ETF is new
Currency:	Canadian Dollars		

Pricing information (12 months ending July 25, 2025)

Market price:	Not available as the ETF is new	Average bid-ask spread:	Not available as the ETF is new
Net asset value (NAV):	Not available as the ETF is new		

For more up-to-date Quick Facts, Trading Information and Pricing Information, visit www.franklintempleton.ca/en-ca/investor/products/etf/.

What does the ETF invest in?

Franklin U.S. Quality Moat Dividend Index ETF seeks to provide investment results that closely correspond, before fees and expenses, to the performance of its corresponding underlying index, Morningstar US Dividend Opportunity Index – NR (the “**Index**”), or any successor thereto. Franklin U.S. Quality Moat Dividend Index ETF invests primarily in U.S. dividend equity securities of large and mid capitalization issuers with durable competitive advantages, strong growth, and high-quality characteristics.

The Index is a systematic, rules-based index that is based on an underlying index, the Morningstar US Target Market Exposure Index-NR, and is calculated by Morningstar. The Index is designed to target U.S. dividend stocks with durable competitive advantages, strong growth, and high-quality characteristics.

The charts below give you a snapshot of the ETF's investments on July 25, 2025. The ETF's investments will change.

Top 10 investments (July 25, 2025)

This information is not available because this ETF is new.

Investment mix (July 25, 2025)

How risky is it?

The value of the ETF can go down as well as up. You could lose money.

One way to gauge risk is to look at how much an ETF's returns change over time. This is called “volatility”.

In general, ETF's with higher volatility will have returns that change more over time. They typically have a greater chance of losing money and may have a greater chance of higher returns. ETFs with lower volatility tend to have returns that change less over time. They typically have lower returns and may have a lower chance of losing money.

Risk rating

Franklin Templeton has rated the volatility of this ETF as **medium**. Because this is a new ETF, the risk rating is only an estimate by Franklin Templeton.

This rating is based on how much the ETF's returns have changed from year to year. It doesn't tell you how volatile the ETF will be in the future. The rating can change over time. An ETF with a low risk rating can still lose money.



For more information about the risk rating and specific risks that can affect the ETF's returns, see the “Risk Factors” section of the ETF's prospectus.

No guarantees

ETFs do not have any guarantees. You may not get back the amount of money you invest.

How has the ETF performed?

This section tells you how the ETF has performed, with returns calculated using the ETF's net asset value (NAV). However, this information is not available because the ETF is new.

Year-by-year returns

This chart tells you how the ETF has performed in past calendar years. However, this information is not available because the ETF is new.

Best and worst 3-month returns

This section shows the best and worst returns for the ETF in a 3-month period. However, this information is not available because ETF is new.

Average return

This section shows the value and annual compounded rate of return of a hypothetical \$1,000 investment in the ETF. However, this information is not available because the ETF is new.

Trading ETFs

ETFs hold a basket of investments, like mutual funds, but trade on exchanges like stocks. Here are a few things to keep in mind when trading ETFs:

Pricing

ETFs have two sets of prices: market price and net asset value (NAV).

Market price

- ETFs are bought and sold on exchanges at the market price. The market price can change throughout the trading day. Factors like supply, demand, and changes in the value of an ETF's investments can effect the market price.
- You can get price quotes any time during the trading day. Quotes have two parts: **bid** and **ask**.
- The bid is the highest price a buyer is willing to pay if you want to sell your ETF units. The ask is the lowest price a seller is willing to accept if you want to buy ETF units. The difference between the two is called the "**bid-ask spread**".
- In general, a smaller bid-ask spread means the ETF is more liquid. That means you are more likely to get the price you expect.

Net asset value (NAV)

- Like mutual funds, ETFs have a NAV. It is calculated after the close of each trading day and reflects the value of an ETF's investments at that point in time.
- NAV is used to calculate financial information for reporting purposes – like the returns shown in this document.

Orders

There are two main options for placing trades: market orders and limit orders. A market order lets you buy or sell units at the current market price. A limit order lets you set the price at which you are willing to buy or sell units.

Timing

In general, market prices of ETFs can be more volatile around the start and end of the trading day. Consider using a limit order or placing a trade at another time during the trading day.

Who is this ETF for?

Investors:

- seeking stable equity income from U.S. dividend equity securities of large- and mid-capitalization issuers with durable competitive advantages, strong growth, and high-quality characteristics
- planning to hold their investment for the medium to long term

A word about tax

In general, you'll have to pay income tax on any money you make on an ETF. How much you pay depends on the tax laws where you live and whether or not you hold the ETF in a registered plan, such as a Registered Retirement Savings Plan or a Tax-Free Savings Account.

Keep in mind that if you hold your ETF in a non-registered account, distributions from the ETF are included in your taxable income, whether you get them in cash or have them reinvested.

How much does it cost?

This section shows the fees and expenses you could pay to buy, own and sell units of the ETF. Fees and expenses – including trailing commissions – can vary among ETFs. Higher commissions can influence representatives to recommend one investment over another. Ask about other ETFs and investments that may be suitable for you at a lower cost.

1. BROKERAGE COMMISSIONS

You may have to pay a commission every time you buy and sell units of the ETF. Commissions may vary by brokerage firm. Some brokerage firms may offer commission-free ETFs or require a minimum purchase amount.

2. ETF EXPENSES

You don't pay these expenses directly. They affect you because they reduce the ETF's returns.

The ETF's expenses are made up of the management fee, administration fee, operating expenses and trading costs. The ETF's annual management fee is 0.25% of the series' value.

As the ETF is new, operating expenses and trading costs are not yet available.

3. TRAILING COMMISSION

The trailing commission is an ongoing commission. It is paid for as long as you own the ETF. It is for the services and advice that your representative and their firm provide to you.

The ETF doesn't have a trailing commission.

4. OTHER FEES

No other fees are payable when you buy, hold, sell or switch units of the ETF.

What if I change my mind?

Under securities law in some provinces and territories, you have the right to cancel your purchase within 48 hours after you receive confirmation of the purchase.

In some provinces and territories, you also have the right to cancel a purchase, or in some jurisdictions, claim damages, if the prospectus, ETF Facts or financial statements contain a misrepresentation. You must act within the time limit set by the securities law in your province or territory.

For more information, see the securities law of your province or territory or ask a lawyer.

For more information

Contact Franklin Templeton or your representative for a copy of the ETF's prospectus and other disclosure documents. These documents and the ETF Facts make up the ETF's legal documents.

Franklin Templeton Investments Corp. 5000 Yonge Street, Suite 900
Toronto, ON M2N 0A7 Client Services Toll-Free: 1.800.387.0830 Email:
service.CAN.franklintempleton@fsglobal.com
www.franklintempleton.ca

Franklin U.S. Quality Moat Dividend Index ETF is not sponsored, endorsed, sold or promoted by Morningstar. Morningstar makes no representation or warranty, express or implied, to the owners of units of Franklin U.S. Quality Moat Dividend Index ETF or any member of the public regarding the advisability of investing in securities generally or in Franklin U.S. Quality Moat Dividend Index ETF in particular or the ability of the Index to track general stock market performance. Morningstar's only relationship to Franklin Templeton is that Franklin Templeton is a permitted sublicensee of certain trademarks, service marks and service names of Morningstar and of the Index which is determined, composed and calculated by Morningstar without regard to Franklin Templeton or Franklin U.S. Quality Moat Dividend Index ETF. Morningstar has no obligation to take the needs of Franklin Templeton or the owners of units of Franklin U.S. Quality Moat Dividend Index ETF into consideration in determining, composing or calculating the Index. Morningstar is not responsible for and has not participated in the determination of the prices and amount of units of Franklin U.S. Quality Moat Dividend Index ETF, or the timing of the issuance or sale of such units or in the determination or calculation of the equation by which units of Franklin U.S. Quality Moat Dividend Index ETF are to be converted into cash. Morningstar has no obligation or liability in connection with the administration, marketing or trading of units of Franklin U.S. Quality Moat Dividend Index ETF. MORNINGSTAR EXPRESSLY DISCLAIMS ANY WARRANTY AROUND THE ACCURACY, COMPLETENESS AND/OR TIMELINESS OF THE INDEX OR ANY DATA INCLUDED THEREIN AND MORNINGSTAR SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN. MORNINGSTAR MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY FTIC, OWNERS OR USERS OF UNITS OF FRANKLIN U.S. QUALITY MOAT DIVIDEND INDEX ETF OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE INDEX OR ANY DATA INCLUDED THEREIN. MORNINGSTAR MAKES NO EXPRESS OR IMPLIED WARRANTIES AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL MORNINGSTAR HAVE ANY LIABILITY FOR ANY SPECIAL, PUNITIVE, INDIRECT OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS) EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.