

# LIBERTYQ EUROPEAN DIVIDEND INDEX (EUR)

The LibertyQ European Dividend Index is based on the MSCI Europe Investable Market (IMI) ex REITs Index, and includes large, mid and small cap stocks across 15 Developed Markets (DM) countries in Europe\*. The Index is designed to represent the performance of a Franklin Templeton strategy that seeks exposure to securities with high and persistent dividend income along with superior Quality characteristics in Europe.

## CUMULATIVE INDEX PERFORMANCE - NET RETURNS (EUR) (FEB 2007 – FEB 2019)



## ANNUAL PERFORMANCE (%)

Year	LibertyQ European Dividend	MSCI Europe IMI ex REITs
2018	-7.35	-11.18
2017	-0.74	11.40
2016	-1.27	2.55
2015	11.25	9.84
2014	13.78	6.60
2013	25.02	21.32
2012	14.61	18.13
2011	-14.82	-9.10
2010	16.67	12.94
2009	32.05	33.80
2008	-45.08	-44.39

## INDEX PERFORMANCE — NET RETURNS (%) (FEB 28, 2019)

	1 Mo	3 Mo	1 Yr	YTD	ANNUALIZED			
					3 Yr	5 Yr	10 Yr	Since Feb 28, 2007
LibertyQ European Dividend	2.36	2.02	0.17	7.72	1.87	3.34	10.14	2.28
MSCI Europe IMI ex REITs	4.11	4.60	0.55	10.85	7.05	4.96	11.40	3.26

## INDEX RISK AND RETURN CHARACTERISTICS (FEB 28, 2007 – FEB 28, 2019)

	Beta	Tracking Error (%)	Turnover (%) <sup>1</sup>	ANNUALIZED STD DEV (%) <sup>2</sup>			SHARPE RATIO <sup>2,3</sup>			Since Feb 28, 2007 (%)	MAXIMUM DRAWDOWN Period YYYY-MM-DD	
				3 Yr	5 Yr	10 Yr	3 Yr	5 Yr	10 Yr			
LibertyQ European Dividend	1.01	4.92	13.62	9.30	10.64	13.81	0.29	0.38	0.76	0.17	62.03	2007-07-16—2009-03-09
MSCI Europe IMI ex REITs	1.00	0.00	1.77	10.25	11.98	13.07	0.75	0.48	0.88	0.23	59.04	2007-07-16—2009-03-09

<sup>1</sup> Last 12 months

<sup>2</sup> Based on monthly net returns data

<sup>3</sup> Based on ICE LIBOR 1M

\* DM countries include: Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the UK.

<sup>1</sup> The LibertyQ Indexes are custom indexes owned and calculated by MSCI, based on MSCI Parent Indexes, and aim to reflect the performance of certain Franklin Templeton strategies.

The LibertyQ European Dividend Index was launched on Apr 26, 2017. Data prior to the launch date is back-tested data (i.e. calculations of how the index might have performed over that time period had the index existed). There are frequently material differences between back-tested performance and actual results. Past performance -- whether actual or back-tested -- is no indication or guarantee of future performance.

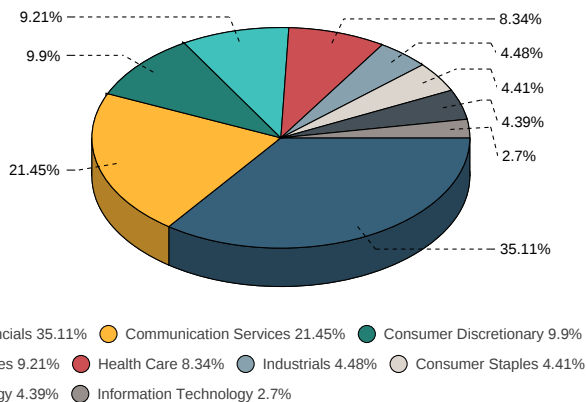
## INDEX CHARACTERISTICS

	LibertyQ European Dividend	MSCI Europe IMI ex REITs
Number of Constituents	50	1,381
	Weight (%)	
Largest	3.36	2.86
Smallest	0.24	0.00
Average	2.00	0.07
Median	2.43	0.02

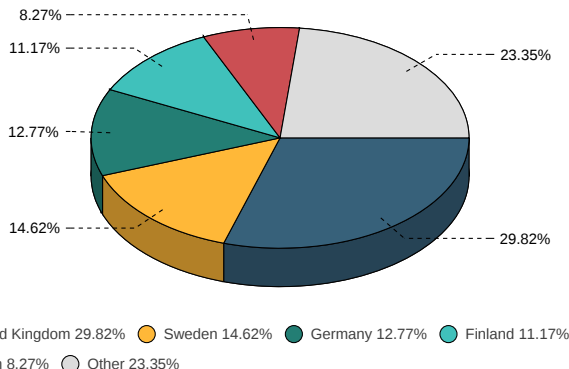
## TOP 10 CONSTITUENTS

	Country	Index Wt. (%)	Parent Index Wt. (%)	Sector
ADMIRAL GROUP	GB	3.36	0.06	Financials
SSE	GB	3.22	0.17	Utilities
ZURICH INSURANCE GROUP	CH	3.20	0.52	Financials
SVENSKA HANDELSBK A	SE	3.18	0.18	Financials
SAMPO A	FI	3.17	0.22	Financials
HANNOVER RUECK	DE	3.16	0.09	Financials
ALLIANZ	DE	3.09	0.99	Financials
ENDESA	ES	3.07	0.08	Utilities
HUGO BOSS	DE	3.05	0.05	Cons Discr
NORDEA BANK	SE	3.05	0.28	Financials
<b>Total</b>		<b>31.56</b>	<b>2.63</b>	

## SECTOR WEIGHTS



## COUNTRY WEIGHTS



## INDEX METHODOLOGY

The LibertyQ European Dividend Index targets companies with high dividend income and quality characteristics and includes companies that have higher than average dividend yield that is persistent. Index construction starts with a dividend persistence and yield screening process: Securities with any two negative year-over-year ("YoY") Dividend per Share (DPS) growth in any of the last five years are excluded from the Index. Securities with a 5 year average monthly dividend less than 1.2 times the 5 year average monthly dividend yield of the Parent Index are also excluded from the Index. Quality factor Score is then determined for each security in the eligible universe by combining region relative z-scores of the underlying descriptors. A region relative z-score is computed for an underlying descriptor by standardizing the individual descriptor z-scores within specific sector groups for each region.

The LibertyQ European Dividend Index is constructed with a fixed number of securities approach. All the constituents in the eligible universe are ranked based on their quality factor z-score and 50 securities with the highest rank are selected. The securities included are weighted by the product of their market cap weight in the parent index and their quality factor score. Issuer weights are capped at 3%. The LibertyQ European Dividend Index is rebalanced on a semi-annual basis, as of the close of the last business day of May and November.

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