FRANKLIN TEMPLETON LIQUIDITY FUNDS PLC
FRANKLIN STERLING LIQUIDITY FUND

SUPPLEMENT

1 July 2026

The Franklin Sterling Liquidity Fund (the "**Fund**"), is a sub-fund of Franklin Templeton Liquidity Funds plc (the "**Company**"), which is an investment company with variable capital constituted as an umbrella fund with segregated liability between its sub-funds under the laws of Ireland and authorised by the Central Bank of Ireland (the "**Central Bank**") as a UCITS under Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities as amended by EC Council Directive 2014/91/EU and as amended by Directive (EU) 2024/927 of the European Parliament and of the Council of 13 March 2024 as regards delegation arrangements, liquidity risk management, supervisory reporting, the provision of depositary and custody services (as amended, consolidated or substituted from time to time) ("**UCITS Directive**").

For the purposes of the MMF Regulation, the Fund is a Short Term MMF and a LVNAV MMF.

This Supplement forms part of, and should be read in conjunction with, the Prospectus dated 1 July 2026 (the "Prospectus") in relation to the Company and contains information relating to the Fund, which is a separate portfolio of the Company, represented by the Fund's series of shares in the Company (the "Shares"). Words and terms defined in the Prospectus have the same meaning in this Supplement unless otherwise stated.

An investment in the Company and this Fund is not a guaranteed investment and is not in the nature of a deposit in a bank account, as the principal invested in the Fund is capable of fluctuation. The Fund does not rely on external support for guaranteeing the liquidity of the Fund or stabilizing the Net Asset Value per Share and is not protected by any government, government agency or other guarantee scheme which may be available to protect the holder of a bank deposit account. The risk of loss of the principal is borne by the investors.

In addition to seeking to produce a return to investors in line with money market rates the investment objective of the Fund is to aim to maintain capital value. There is no guarantee that capital will be maintained. Further, no guarantee of any type is given in any way in relation to an investment in Shares. External support to guarantee the Fund's liquidity or stabilise its Net Asset Value per Share may not be provided.

The profile of a typical investor in the Fund is an investor seeking:

- liquidity;
- capital value maintenance; and
- returns in line with money market rates.

The Directors accept responsibility for the information contained in this Supplement and the Prospectus. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure this is the case) the information contained in this Supplement is in accordance with the facts and does not omit any material information likely to affect the import of such information. The Directors accept responsibility accordingly.

INVESTMENT OBJECTIVE

The investment objective of the Fund is to aim to maintain capital value while seeking to produce a return to the investor in line with money market rates.

The Fund seeks to provide current income while maintaining liquidity and a constant Net Asset Value (calculated in accordance with the MMF Regulation) of GBP 1.00 per Distributing Share Class.

INVESTMENT POLICY

The Fund will seek to achieve its investment objectives by investing directly in a wide range of high quality eligible Money Market Instruments and short term debt instruments which comply with the criteria for money market instruments as set out in the UCITS Directive and the MMF Regulation at the time of purchase, are denominated in GBP or fully hedged back into GBP such as United Kingdom treasury bills and United Kingdom treasury notes, securities issued or guaranteed by United Kingdom government sponsored agencies , bonds, medium term notes, commercial paper, floating rate securities, certificates of deposit, banker's acceptances, and asset backed commercial paper.

For efficient portfolio management purposes only and in accordance with the terms of the Prospectus, the Fund may utilise Repo Agreements and Reverse Repo Agreements with counterparties approved by the Investment Manager and/or Sub-Investment Manager.

There is no assurance that the Fund will be able to maintain a constant Net Asset Value per Share of GBP 1.00 per Distributing Share Class or otherwise meet its investment objective. In accordance with the MMF Regulation if the constant Net Asset Value per Share of GBP 1.00 deviates from the Net Asset Value per Share by more than 0.2%, subscriptions and redemptions will be undertaken at a price that is equal to the Net Asset Value per Share.

The Fund may also invest in deposits and GBP denominated time deposits with credit institutions.

Subject to the investment restrictions set out both in the Prospectus and below, the securities acquired by the Fund will be listed or traded on Recognised Markets. Investment will not be made in markets which the Investment Manager and/or Sub-Investment Manager considers to be emerging markets.

Details of the minimum credit quality, the maturity of the Money Market Instruments and securities in which the Fund may invest, minimum daily and weekly maturing assets, the WAM and the WAL of the Fund's portfolio and liquidity management are set out in the section headed "Investment Profile" below.

Notwithstanding the above, the Fund will not invest in credit default swaps, collateralised loan obligations, below investment grade securities and mortgage-backed securities.

It is anticipated that 100% of the assets of the Fund may be comprised of long positions achieved through direct investments. The Fund does not currently intend to take long or short investment positions through the use of derivatives.

The investment objective and any material aspect of the investment policy of the Fund will not be altered without the approval of the Shareholders by ordinary resolution.

The primary responsibility of the Investment Manager's and/or Sub-Investment Manager's portfolio managers in constructing the Fund's portfolio is to synthesise the fundamental and relative value opinions of the research analysts with the input of the traders on liquidity and market technicals in order to construct a portfolio that reflects the Investment Manager's and/or Sub-Investment Manager's investment views within the context of each portfolio's guidelines and risk tolerance. Building on the rigorous ESG research conducted by the research analysts as outlined in greater detail in the section headed "Environmental, Social and Governance Factors", the Investment Manager and/or Sub-Investment Manager constructs investment portfolios to capitalise on investment opportunities identified by the research analysts while adhering to investors' risk tolerance including the mitigation of ESG risks. The portfolio undergoes rigorous top-down analysis that draws on various metrics, including ESG considerations such that ESG factors are evaluated when setting the Investment Manager's and/or Sub-Investment Manager's sector and issuer positioning across the portfolio. The

Investment Manager and/or Sub-Investment Manager believes that issuers with superior ESG practices are likely to have a lower cost of debt, favourable future bond spreads and tend to experience lower drawdowns during periods of market stress, while the converse is considered true for issuers deemed to be lower in ESG quality. Further, the Investment Manager and/or Sub-Investment Manager considers that poor quality ESG issuers are more likely to be adversely affected by developments such as legal sanctions, the introduction of new regulations, or shifts in consumer sentiment.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE FACTORS

The Fund promotes environmental characteristics and is classified as an Article 8 financial product pursuant to the Sustainable Finance Disclosure Regulation ((EU) 2019/2088).

ESG considerations are fully integrated into the Investment Manager's and/or Sub-Investment Manager's research, investment process and risk management. The Investment Manager's and/or Sub-Investment Manager's research analysts are responsible for providing fundamental analysis at the industry and issuer levels and opining on industry and issuer risk/reward characteristics. The Investment Manager's and/or Sub-Investment Manager's research analysts have designed proprietary frameworks that identify material E, S and G risks across sovereigns, various credit sectors and securitised fixed-income asset classes. The Investment Manager and/or Sub-Investment Manager utilises ESG data and issuer industry-exposure screens as part of its proprietary research to identify issuers that fail to meet certain industry guidelines. These include the OECD Guidelines for Multinational Enterprises and the United Nations Global Compact, which are described in further detail in the annex. Furthermore, the assessment of ESG risks as part of the Investment Manager's and/or Sub-Investment Manager's fundamental research enables the Investment Manager and/or Sub-Investment Manager to assess the key issues likely to affect the creditworthiness of issuers and to engage with issuers on ESG risks, as further described below.

The Investment Manager's and/or Sub-Investment Manager's research analysts document the E, S and G factors deemed relevant and financially material for each issuer. Analysts opine on the ESG factors' potential impact on the sustainability of the issuer's business model and on the risk premium associated with the issuer's securities that is appropriate for its ESG profile. The Investment Manager and/or Sub-Investment Manager seeks to identify issuers with improving ESG profiles and avoid issuers with deteriorating ESG profiles and to assess the extent to which these profiles are appropriately reflected in security valuations. The Investment Manager and/or Sub-Investment Manager believes that its research analysts are best equipped to analyse ESG factors in conjunction with traditional credit metrics such as assessing an issuer's ability to generate cash, profitability, debt levels, and operating and net income margins, given their deep expertise of the sectors and industries they cover.

The Fund promotes the following E, S and G characteristics:

- Maintaining a minimum Fund portfolio ESG rating of BBB as rated by MSCI;
- alignment with the following PAI indicators:
  - Compliance with international norms by excluding investments in violation of the United Nations Global Compact principles and OECD Guidelines for Multinational Enterprises (PAI #10); and
  - Controversial Weapons (PAI #14).
- Social wellbeing which is achieved through the exclusion of the production and/or distribution of civilian firearms, nuclear weapons, and the production and/or distribution of controversial weapons;
- Public health which is achieved through the exclusion of tobacco;
- Environmentally friendly corporate practices achieved through the exclusions of the exploration, mining, extraction, distribution or refining of hard coal and lignite.

In addition, the Fund will not invest in the following;

- issuers that cultivate or produce tobacco or those deriving 5% or more of their revenue from tobacco;
- issuers deriving 1% or more of their revenues from exploration, mining, extraction, distribution or refining of hard coal and lignite;
- issuers deriving 5% or more of their revenue from nuclear weapons production;
- issuers deriving 10% or more of their revenue from civilian firearms (manufacture or supply), conventional weapons or thermal coal mining (production or distribution);

- issuers that manufacture controversial weapons (anti-personnel landmines, biochemical weapons, blinding laser weapons, depleted uranium, incendiary weapons, and non-detectable fragments), own a controversial weapons company, or are owned by a controversial weapons company; or
- issuers that are not compliant with the 10 principles of the United Nations Global Compact.[1]

TAXONOMY REGULATION

The investments underlying the Fund include investments in debt instruments and other money market instruments which may not, in general, be capable of being assessed for taxonomy alignment due to their short-term nature and the type of underlying counterparties and issuers. Accordingly, the investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities, including enabling or transitional activities, within the meaning of the Taxonomy Regulation at this time and, therefore, the proportion of the Fund's investments in environmentally sustainable economic activities for the purposes of the EU Taxonomy Regulation is expected to be 0%.. However, in line with its ESG methodology, the Fund may hold investments that seek to contribute to climate change mitigation and climate change adaptation.

Investors should note that the "do no significant harm" principle under Taxonomy Regulation applies only to those investments underlying the Fund that take into account the EU criteria for environmentally sustainable economic activities.

INTEGRATION OF SUSTAINABILITY RISKS

The Investment Manager and/or Sub-Investment Manager seeks to integrate sustainability risks, where it considers them material and relevant, into its fundamental research process and investment decision-making for the Fund. The Investment Manager and/or Sub-Investment Manager believes that sustainability risks, like other, more traditional subjects of investment analysis such as market position, growth prospects or valuation levels, and business strategy, have the potential to impact financial risk and investment returns. The Investment Manager and/or Sub-Investment Manager considers ESG analysis as additive and complementary to the fundamental understanding that is at the centre of its investment philosophy. The Investment Manager and/or Sub-Investment Manager believes that issuers with superior ESG practices are likely to have a lower cost of debt, favourable future bond spreads and tend to experience lower drawdowns during periods of market stress, while the converse is considered true for issuers deemed to be lower in ESG quality. Further, the Investment Manager and/or Sub-Investment Manager considers that poor quality ESG issuers are more likely to be adversely affected by developments such as legal sanctions, the introduction of new regulations, or shifts in consumer sentiment. The Investment Manager and/or Sub-Investment Manager believes that sustainability risks are best analysed in combination with a company's fundamentals, such as a company's industry, geography, and strategic position. When considering sustainability and its risks, the Investment Manager and/or Sub-Investment Manager uses company disclosures, public data sources, and independent third-party data as inputs into its analytical processes. The Investment Manager and/or Sub-Investment Manager may make investment decisions for the Fund other than on the basis of relevant sustainability risks.

Given the investment strategy of the Fund and its risk profile, the likely impact of sustainability risks on the Fund's returns is expected to be low.

[1] The United Nations Global Compact is a corporate sustainability initiative and requires participating companies to produce an annual Communication on Progress ("COP") that details their work to embed the Ten Principles (the Ten Principles may be accessed using the following link:https://www.unglobalcompact.org/what-is-gc/mission/principles) into their strategies and operations, as well as efforts to support the societal priorities of labour, environment, human rights and anti-corruption. The COP is a visible expression of commitment to sustainability and stakeholders can view it on a participating company's profile page.

INVESTMENT RESTRICTIONS

The assets of the Fund will be invested in accordance with the concentration and other restrictions imposed under the UCITS Directive and the MMF Regulation as summarised in the "**Investment Objectives and Policies**" section of the Prospectus.

The Fund may not invest more than 10% of its Net Asset Value in units or shares of other collective investment schemes within the meaning of Regulation 68(1)(e) of the UCITS Regulations.

By way of derogation, the Central Bank has authorised the Fund to invest, in accordance with the principle of risk-spreading, up to 100% of its net assets in different Money Market Instruments issued or guaranteed separately or jointly by the European Union, the national, regional and local administrations of the EU Member States or their central banks, the European Central Bank, the European Investment Bank, the European Investment Fund, the European Stability Mechanism, the European Financial Stability Facility, a central authority or central bank of a third country, the International Monetary Fund, the International Bank for Reconstruction and Development, the Council of Europe Development Bank, the European Bank for Reconstruction and Development, the Bank for International Settlements, or any other relevant international financial institution or organisation to which one or more Member States belong, as listed in paragraph (g) of the section of the Prospectus headed "Investment Restrictions".

INVESTMENT PROFILE:

Investment structure:	GBP denominated, diversified open-ended fund.
Minimum Initial Subscription:	See section titled "Summary of Shares''
Minimum Holding:	There is no minimum holding requirement applicable to any Class of Shares following their initial purchase.
Shares:	Class A Shares, Class F Shares, Class X Shares, and Premier Class Shares are available for subscription in the Fund.
Accumulation Shares:	Shares where the principal amount invested accumulates through the roll-up of daily net investment income, increasing the Net Asset Value of the Shares. The Net Asset Value of these Shares will fluctuate.
Distribution Shares:	Shares which convert income into new Shares at the daily dealing price which are allocated to the investors proportionately or at the option of the investor pay a cash dividend. The Fund will seek to maintain a constant Net Asset Value for these Shares.
Minimum Credit Quality:	The Assessment Procedure is used for determining the credit quality of the Money Market Instruments, Securitisations and ABCPs in which the Fund invests, taking into account the issuer of the instrument and the characteristics of the instrument itself. Please see the Prospectus for further details on the Assessment Procedure.
Maturity:	The Fund will invest in securities or instruments with a residual maturity (the length of time remaining until the legal maturity of a security) until the legal redemption date of less than or equal to 397 days.
Maximum WAM:	As a Short Term MMF, the WAM of the Fund's portfolio must not exceed sixty (60) days.

Maximum WAL:	As a Short Term MMF, the WAL of the Fund's portfolio must not exceed one hundred and twenty (120) days.
Minimum Daily Maturing Assets:	At least 10% of the Fund's assets must be comprised of daily maturing assets, Reverse Repo Agreements which are able to be terminated by giving prior notice of one (1) working day or cash which is able to be withdrawn by giving prior notice of one (1) working day. The Fund may not acquire any asset other than a daily maturing asset when its acquisition would result in the Fund investing less than 10% of its portfolio in daily maturing assets.
Minimum Weekly Maturing Assets:	At least 30% of the Fund's assets are to be comprised of weekly maturing assets, Reverse Repo Agreements which are able to be terminated by giving prior notice of five (5) working days or cash which is able to be withdrawn by giving prior notice of five (5) working days. The Fund may not acquire any asset other than a weekly maturing asset when its acquisition would result in the Fund investing less than 30% of its portfolio in weekly maturing assets. Assets which are highly liquid and can be redeemed and settled within one working day and have a residual maturity of up to one hundred and ninety (190) days may also be included within the Fund's weekly maturing assets up to a 17.5% limit, provided such assets meet the requirements set out in Article 17(7) of the MMF Regulation.

If the maximum WAM, maximum WAL, minimum daily maturing assets and minimum weekly maturing assets limits are exceeded for reasons beyond the Investment Manager's and/or Sub-Investment Manager's control or as a result of the exercise of subscription or redemption rights, the Company and the Investment Manager and/or Sub-Investment Manager shall adopt as a priority objective the correction of that situation, taking due account of the interests of the Shareholders.

Liquidity Management:	Prudent and rigorous liquidity management procedures must be established, implemented and applied in managing the Fund, as described in the section of the Prospectus headed "Liquidity Management Procedures". Please see the "Liquidity Management Procedures" section of the Prospectus for details on complying with weekly liquidity requirements.
Base Currency:	GBP
Valuation:	The "Determination of Net Asset Value" section of the Prospectus sets out details the methods used to value the Fund's assets and how its Net Asset Value is calculated.
Investment Manager	Western Asset Management Company Limited shall be appointed as the Investment Manager of the Fund.
Sub-Investment Manager	Western Asset Management Company, LLC shall be appointed as discretionary sub-investment manager of the Fund, the fees for which will be paid by the Manager and shall not be borne by the Fund.
Sub-Investment Advisor	Franklin Templeton Investment Management Limited shall be appointed as a non-discretionary investment advisor to the Investment Manager and in respect of the Fund, to provide non-discretionary research and advice on GBP denominated

fixed income securities, the fees for which will be paid by the Manager and shall not be borne by the Fund. The combined expertise of the Investment Manager and Sub-Investment Advisor shall provide greater resources and researching capabilities to the Fund,

KEY INFORMATION FOR BUYING AND SELLING SHARES IN THE FUND

Dealing Deadline: 1.00 p.m. (UK time) on the relevant Dealing Day or such other time as the Directors may from time to time determine,

Valuation Point 1.00 p.m. (UK time) on the relevant Dealing Day or such other time as the Directors may from time to time determine in their absolute discretion provided always that such Valuation Point is after the applicable Dealing Deadline for the Fund.

Settlement: subscription monies must be received in immediately available funds on the same Dealing Day or such other time as the Directors may from time to time determine.

redemption proceeds in respect of Distribution Shares which are paid by way of redemption monies will be sent (net of any fees or expenses) usually on the same Business Day on which redemption is effected.

redemption proceeds in respect of Accumulation Shares which are paid by way of redemption monies will be sent (net of any fees or expenses) one Business Day after the Business Day on which redemption is effected.

Business Day: shall mean a day on which markets in the United Kingdom are open and/or such other day or days as the Directors may determine and notify in advance to Shareholders provided that there shall be at least one Dealing Day per fortnight.

Dealing Day: in respect of each class of Shares shall mean every Business Day as defined in this Supplement.

Credit for Dividends/Income:

On Purchase: From the relevant Dealing Day

On Redemption: Up to and including the day before the relevant Dealing Day.

Website: www.walfmmf.com

SUBSCRIPTIONS

Shares in the Fund are available for subscription on each Business Day at their Net Asset Value per Share, which the Company will seek to maintain at GBP 1.00 per Distributing Share Class. This is subject to the information set out in the section headed “Valuation” above.

Shares will be issued at the next determined Net Asset Value per Share after receipt and acceptance by the Administrator of a request for subscription. Subscription requests must be sent to the Administrator in original form, electronically, or by fax or telephone to the numbers indicated on the application form (with the original copy received promptly thereafter) by the Dealing Deadline in order to be issued as of the next Net Asset Value per Share. In addition, settlement monies must be received in accordance with the “Settlement” section above. Applications received after the Dealing Deadline will be treated as being received on the next Business Day.

Applications for Shares received during any period when the Share dealings have been temporarily suspended in the circumstances described in the “Temporary Suspension of Dealings” section of the Prospectus will be treated as received on the first Business Day after dealings have recommenced, unless such application has been withdrawn during the period of suspension.

All Shares issued will be in registered form. Written confirmation of the execution of an application for the subscription of Shares will be sent to Shareholders by the Administrator along with the written confirmation of ownership usually within 1 Business Day (and no later than 10 Business Days) after the Dealing Day on which Shares are allotted subject to receipt of payment in respect of such Shares.

The address of the Administrator is:

BNY Mellon Fund Services (Ireland) Designated Activity Company
20-26 Sir John Rogerson's Quay
Grand Canal Dock
Dublin,
Ireland

Details of the minimum initial subscription amounts in respect of each Class of Shares are set out in the section headed "*Investment Profile*" above and in the Summary of Shares below.

REDEMPTIONS

The Fund redeems the Shares at their next determined Net Asset Value per Share (less any fees or expenses, if applicable). Redemption requests must be received in proper form and are only effective upon acceptance by the Administrator. This is subject to the information set out in the section headed "Valuation" above.

Redemption requests may be given on any Business Day by way of facsimile or telephone to the numbers indicated on the application form (with the original copy to be received by post promptly thereafter) or by post to the Administrator at the address specified in the "Subscriptions" section above, provided that the relevant redemption request is received by the Administrator no later than the Dealing Deadline or such other time as the Directors may from time to time determine, on the relevant Business Day. Redemption requests received after that time will be treated as being received on the following Business Day.

Redemption requests must specify the Shareholder's full name, address and Shareholder number and the number or USD amount of Shares to be redeemed.

Shareholders will be notified in writing of the confirmation of the execution of an application for the redemption of Shares by the Administrator and such notification will be dispatched promptly by the Administrator. Redemption proceeds which are paid by way of redemption monies will be sent (net of any fees or expenses) usually on the same Business Day on which redemption is effected.

FEES AND EXPENSES

Investors should read this section in conjunction with the section headed "Fees and Expenses" in the Prospectus.

The Fund's operating expenses are based on a percentage of the average daily Net Asset Value of the Fund on an annual basis. See "Summary of Shares" table below for the total operating expenses borne by the Shares as a percentage of the average daily Net Asset Value of the Fund on an annual basis. Operating expenses are inclusive of portfolio management, custody, administration, distribution and all other services and out of pocket expenses associated with the Fund's operation. Dividends, paid or accrued, are net of fees and expenses. To the extent the actual total operating expenses borne by the Shares is less than the maximum total operating expenses as set out in the "Summary of Shares" table below, only the actual total operating expenses will be borne by the Shares.

A redemption fee of up to 0.10% may be charged if it is believed that a Shareholder is redeeming Shares in the Fund for trading or arbitrage purposes.

As set out and in the circumstances explained in the section of the Prospectus headed "Liquidity Management Procedures", liquidity fees may be applied on redemptions that adequately reflect the cost to the Fund of achieving liquidity and to ensure that Shareholders who remain in the Fund are not unfairly disadvantaged when other Shareholders redeem their Shares.

The Manager will be responsible for paying the fees and expenses of the Sub-Investment Manager and Sub-Investment Advisor.

SUMMARY OF SHARES

SHARE CLASSES AVAILABLE				
	Class A	Class F	Class X	Premier Class
Accumulating Share Classes	Yes	Yes	Yes	Yes
Distributing Share Classes	Yes	Yes	Yes	Yes
Minimum Initial Subscription	GBP 1,000	GBP 1,000,000	None	GBP 5,000,000
Total Operating Expenses (Max)	0.45 %	0.20%	0.06%	0.16%
OTHER INFORMATION				
Currency Denominations	GBP			
Share Class Eligibility & Restrictions	Please refer to the 'Investment Profile' section of this Supplement and the Prospectus.			
Initial Offer Period	The initial offer period for each new and/or unlaunched Share Class shall begin at 9:00am (Irish time) on 24 June 2026 and shall end at 4:00pm (Irish time) on 23 December 2026 or such other date as the Directors may determine, in accordance with the requirements of the Central Bank			
Initial Offer Price	GBP 1.00 per Share			

BENCHMARK

The Fund's benchmark index is the Sterling Overnight Index Average (SONIA) (the "**Benchmark**"). The Fund is actively managed, and the Investment Manager and/or Sub-Investment Manager is not constrained by the Benchmark. The Investment Manager and/or Sub-Investment Manager has discretion in selecting investments within the Fund's objective and investment policies. The Benchmark is used for performance comparison purposes and by the Investment Manager and/or Sub-Investment Manager in measuring and managing investment risk.

PROFILE OF A TYPICAL INVESTOR

The Fund could be a suitable investment for investors who are looking to invest in a fund that is seeking to provide consistent returns in line with money market rates while preserving their capital.

INVESTMENT RISKS

Investment in the Fund carries with it a degree of risk including, but not limited to, the risks described in the "Investment Risks" section of the Prospectus and those referred to below. These investment risks are not purporting to be exhaustive and potential investors should review the Prospectus and this Supplement carefully before making an application for Shares. The value of investments in the Fund, and income earned from them, can go down as well as up and an investor may not recover the amount invested. There is no assurance that the Fund will be able to maintain a constant Net Asset Value per Share of USD 1.00 or otherwise achieve its investment objective. External support to guarantee the Fund's liquidity or stabilise its Net Asset Value per Share shall not be provided. In accordance with the MMF Regulation if the constant Net Asset Value per Share of USD1.00 deviates from the Net Asset Value per Share by more than 0.2%, subscriptions and redemptions will be undertaken at a price that is equal to the Net Asset Value per Share.

Income risk
The Fund invests in short-term securities whose performance is closely correlated to short-term interest rates. Historically, short-term interest rate fluctuations have been influenced by government monetary policy and by markets' growing demand. The Fund is subject to income risk, which is the possibility that dividends or interest payments (i.e. income) will decline because of falling interest rates. Because the Fund's income is based on short-term interest rates which can fluctuate significantly over short periods, income risk is expected to be high.

Credit risk
The Fund is subject to credit risk, which is the possibility that the issuer of a security will be unable to repay interest and principal in a timely manner. While the credit quality of government securities is generally high, the Fund invests in money market securities of private financial and non-financial corporations and, accordingly, not all of the securities in which it invests are issued or guaranteed by sovereign governments or government agencies.

Floating rate securities
The Fund may invest in floating rate securities whose interest rates are not set but which fluctuate periodically. These securities reset their yield on a periodic basis (for example, daily, weekly or quarterly) and are closely correlated to changes in money market interest rates. These securities may be subject to price volatility due to such factors including, but not limited to, changes in interest rates, market perception of the creditworthiness of the issuer and the general market liquidity.

Fixed income securities
The fixed-income securities in which a Fund may invest are interest rate sensitive and may be subject to price volatility due to such factors including, but not limited to, changes in interest rates, market perception of the creditworthiness of the issuer and general market liquidity. The magnitude of these fluctuations will normally be greater when the maturity of the outstanding securities is longer. An increase in interest rates will generally reduce the value of fixed-income securities, while a decline in interest rates will generally increase the value of fixed-income securities. The performance of a Fund which invests in fixed income securities will therefore depend in part on the ability of the Investment Manager and/or Sub-Investment Manager to anticipate and respond to such fluctuations in market interest rates and to utilise appropriate strategies to maximise returns, while attempting to minimise the associated risks to investment capital. The risk imposed by investment in fixed-income securities is lesser for a Short Term MMF and a LVNAV MMF.

Portfolio turnover
Because of the short-term nature of portfolio securities, the turnover rate for the Fund is expected to be high. The turnover rate should not increase portfolio costs however, since brokerage commissions are not usually charged for the purchase or sale of short-term fixed income securities.

Government Intervention
Instability in the financial markets has in the past led the US and other governments to take a number of unprecedented actions designed to support certain financial institutions and segments of the financial markets that have experienced extreme volatility and in some cases a lack of liquidity. Federal, state and other governments, their regulatory agencies or self-regulatory organisations may take actions that affect the regulation of securities in which the Fund invests, or the issuers of securities, in ways that are unforeseeable. Legislation or regulation may also impact the Fund and the ability to manage the Fund's portfolio in a manner consistent with its investment objective.

Product name: Franklin Sterling Liquidity Fund

Legal entity identifier: 2549003IV8GKEPHE8J69

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**

- ☐ It will make a minimum of **sustainable investments with an environmental objective:** ___%
  - ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
  - ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☐ It will make a minimum of **sustainable investments with a social objective:** ___%

☒ **No**

- ☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of of sustainable investments
  - ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
  - ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
  - ☐ with a social objective
- ☒ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes the following environmental and/or social characteristics:

- Maintaining a minimum Fund portfolio ESG rating of BBB as rated by MSCI;
- alignment with the following PAI indicators:
  - Compliance with international norms by excluding investments in violation of the United Nations Global Compact ("UNGC") principles and OECD Guidelines for Multinational Enterprises (PAI #10); and
  - Controversial Weapons (PAI #14).

- Social wellbeing which is achieved through the exclusion of the production and/ or distribution of civilian firearms, nuclear weapons, and the production and/ or distribution of controversial weapons;

- Public health which is achieved through the exclusion of tobacco;

- Environmentally friendly corporate practices achieved through the exclusions of the exploration, mining, extraction, distribution or refining of hard coal and lignite.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The sustainability indicators used to measure the attainment of each of the environmental or social characteristics promoted by the Fund are:

- Maintaining a minimum Fund portfolio ESG rating of BBB as rated by MSCI;

- Having 100% Compliance with the UN Global Compact, aligning with PAI #10 - Companies in violation of the UN Global Compact are deemed incompatible with the Fund's promoted social characteristics.The UN Global Compact is a corporate sustainability initiative and requires participating companies to produce an annual Communication on Progress ("COP") that details their work to embed the Ten Principles (the Ten Principles may be accessed using the following link:https://www.unglobalcompact.org/what-is-gc/mission/principles) into their strategies and operations, as well as efforts to support the societal priorities of labour, environment, human rights and anti-corruption. The COP is a visible expression of commitment to sustainability and stakeholders can view it on a participating company's profile page.

- In addition, the Fund will not invest in the following;

- issuers that cultivate or produce tobacco or those deriving 5% or more of their revenue from tobacco;
- issuers deriving 1% or more of their revenues from exploration, mining, extraction, distribution or refining of hard coal and lignite;
- issuers deriving 5% or more of their revenue from nuclear weapons production;
- issuers deriving 10% or more of their revenue from civilian firearms (manufacture or supply), conventional weapons or thermal coal mining (production or distribution);
- issuers that manufacture controversial weapons (anti-personnel landmines, biochemical weapons, blinding laser weapons, depleted uranium, incendiary weapons, and non-detectable fragments), own a controversial weapons company, or are owned by a controversial weapons company, aligning with PAI #14; and
- issuers that 'Fail' UNGC and OECD Guidelines for Multinational Enterprises principles based on internal research which seeks to identify gaps in issuers meeting their goals, aligning with PAI indicator #10.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

Not applicable.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

Not applicable.

How have the indicators for adverse impacts on sustainability factors been taken into account?

Not applicable.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Not applicable.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

✖ Yes

The Investment Manager and/or Sub-Investment Manager utilises several investment tools to consider PAI impact on the Fund. The Investment Manager's and/or Sub-Investment Manager's PAI tool uses data from multiple sources (external 3rd party vendors such as, but not limited to, MSCI ESG, World Bank, BloombergNEF, S&P Trucost, Transition Pathway Initiative, NGOs, and academic institutions) which, together with its proprietary research, helps to identify issuers that demonstrate weak sustainability attributes / adverse impacts as measured by the reference to PAI indicators. The PAI tool, together with the proprietary research as well as other investment tools, enables the Investment Manager and/or Sub-Investment Manager to invest in issuers which align with the PAI indicators while avoiding issuers which do not align. The Investment Manager and/or Sub-Investment Manager applies this approach to determine whether a bond meets sustainability criteria.

PAIs serve as a useful barometer to gauge which issuers to seek to invest in. The Fund considers the following PAI and uses third-party data to monitor associated metrics:

- **PAI #10 (Violations of UN Global Compact and OECD Guidelines)** – The Fund will not invest in companies that are not compliant with the 10 Principles of the UN Global Compact. The Investment Manager and/or Sub-Investment Manager uses a third-party provider as a best effort to monitor compliance and potential violations.

- **PAI #14 (Exposure to controversial weapons**) – The Fund does not invest in companies with involvement in the production and/or distribution of controversial weapons. The Investment Manager and/or Sub-Investment Manager uses a third-party provider as a best effort to monitor compliance and potential violations.

As a result of the comprehensive nature of data points incorporated, the PAI tool supports identification of actions to be taken with respect to issuers, including but not limited to engagements and divestments.

☐ No

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

The broad investment philosophy of the Investment Manager and/or Sub-Investment Manager is long-term fundamental value investing with diversified strategies to manage overall portfolio risk, employing multiple independent strategies so that no single allocation or strategy dominates risk or returns. Investment Manager's and/or Sub-Investment Manager's investment decision-making process and organisation are specifically designed to align with and to support this philosophy. Sector and security selection opportunities are informed by disciplined bottom-up credit analysis and research from regional and sector teams around the world. The focus is to build transparent and liquid portfolios, which invest primarily in larger, well traded, transferable fixed-income securities.

ESG Research

ESG considerations are fully integrated into the Investment Manager's and/or Sub-Investment Manager's research, investment process and risk management. The Investment Manager's and/or Sub-Investment Manager's research analysts are responsible for providing fundamental analysis at the industry and issuer levels and opining on industry and issuer risk/reward characteristics. The Investment Manager's and/or Sub-Investment Manager's research analysts have designed proprietary frameworks that identify material E, S and G risks across sovereigns, various credit sectors and securitised fixed-income asset classes. The Investment Manager and/or Sub-Investment Manager utilises ESG data and issuer industry-exposure screens as part of its proprietary research to identify issuers that fail certain industry guidelines. These include the OECD Guidelines for Multinational Enterprises and the United Nations Global Compact, which are described in further detail in this annex. Furthermore, the assessment of ESG risks as part of the Investment Manager's and/or Sub-Investment Manager's fundamental research enables the Investment Manager and/or Sub-Investment Manager to assess the key issues likely to affect the creditworthiness of issuers and to engage with issuers on ESG risks, as further described below.

The Investment Manager’s and/or Sub-Investment Manager’s research analysts document the E, S and G factors deemed relevant and financially material for each issuer. Analysts opine on the ESG factors’ potential impact on the sustainability of the issuer’s business model and on the risk premium associated with the issuer’s securities that is appropriate for its ESG profile. The Investment Manager and/or Sub-Investment Manager seeks to identify issuers with improving ESG profiles and avoid issuers with deteriorating ESG profiles and to assess the extent to which these profiles are appropriately reflected in security valuations. The Investment Manager and/or Sub-Investment Manager believes that its research analysts are best equipped to analyse ESG factors in conjunction with traditional credit metrics such as assessing a issuers ability to generate cash, profitability, debt levels, and operating and net income margins, given their deep expertise of the sectors and industries they cover.

Portfolio Construction

The primary responsibility of Investment Manager’s and/or Sub-Investment Manager’s portfolio managers is to synthesise the fundamental and relative value opinions of the research analysts with the input of the traders on liquidity and market technicals in order to construct a portfolio that reflects the Investment Manager’s and/or Sub-Investment Manager’s investment views within the context of each portfolio’s guidelines and risk tolerance. Building on the rigorous ESG research conducted by the research analysts as outlined above, the Investment Manager and/or Sub-Investment Manager constructs investment portfolios to capitalise on investment opportunities identified by the research analysts while adhering to investors’ risk tolerance including the mitigation of ESG risks. The portfolio undergoes rigorous top-down analysis that draws on various metrics, including ESG considerations such that ESG factors are evaluated when setting the Investment Manager's and/or Sub-Investment Manager’s sector and issuer positioning across the portfolio. The Investment Manager and/or Sub-Investment Manager believes that issuers with superior ESG practices are likely to have a lower cost of debt, favourable future bond spreads and tend to experience lower drawdowns during periods of market stress, while the converse is considered true for issuers deemed to be lower in ESG quality. Further, the Investment Manager and/or Sub-Investment Manager considers that poor quality ESG issuers are more likely to be adversely affected by developments such as legal sanctions, the introduction of new regulations, or shifts in consumer sentiment. The Investment Manager and/or Sub-Investment Manager believes that sustainability risks are best analysed in combination with a company’s fundamentals, such as a company’s industry, geography, and strategic position. When considering sustainability and its risks, the Investment Manager and/or Sub-Investment Manager uses company disclosures, public data sources, and independent third-party data as inputs into its analytical processes. The Investment Manager and/or Sub-Investment Manager may make investment decisions for the Fund other than on the basis of relevant sustainability risks.

Risk Management

The Investment Manager and/or Sub-Investment Manager incorporates an assessment of material ESG risks such as climate change – physical risks and transition risks from a move to a low carbon economy; human rights and supply chain management, product safety and security, diversity and development of talent, transparency, board structure and governance, to better assess the risks that are likely to affect creditworthiness and valuation. Therefore, every proprietary framework used for valuation identifies and assesses material E, S and G risks.

Post-investment, the research analysts monitor, evaluate and engage with companies relating to material ESG issues. Additionally, Investment Manager and/or Sub-Investment Manager has developed a proprietary methodology to conduct stress tests on the impact of climate change on investment portfolios to further support the investment process.

Engagement

Engagement with issuers' management allows the research analysts to obtain additional perspectives on ESG concerns that are inadequately addressed by existing policies and disclosures. The information gleaned through engagement provides important inputs into the Investment Manager's and/or Sub-Investment Manager's research. Although bondholders possess very different legal rights than shareholders, the Investment Manager and/or Sub-Investment Manager believes it can impact ESG practices given its role in determining issuers' cost of debt capital. As long-term, value-oriented investors, issuers that lag their peers in ESG practices, in particular due to historical ESG deficiencies, may still be held in portfolios as long as the Investment Manager and/or Sub-Investment Manager believes that the issuers' ESG profiles will improve. However, the Investment Manager and/or Sub-Investment Manager may avoid or hold less exposure to such issuers or require their securities to offer more compensation in the form of higher yields or wider yield spreads to government bonds. By reinforcing the linkage between ESG practices and the cost of capital in its meetings with issuer management, the Investment Manager and/or Sub-Investment Manager pushes issuers to improve their behaviour around material issues. The Investment Manager's and/or Sub-Investment Manager's engagement process is aligned with the principles of the United Nations Global Compact. The Investment Manager and/or Sub-Investment Manager principally seeks to engage with issuers on themes including:

- Climate Risk and Environmental Management
- Diversity and Development of Talent
- Human Rights and Supply Chain Management
- Transparency in Reporting
- Governance and Corporate Management

Escalation Process

Western Asset Management's Sustainable Investments Cross Mandate Task Force reviews high-risk sustainable investment issuers and maintains watch and red flag lists of issuers that require increased monitoring and engagement in order to facilitate thoughtful and consistent portfolio construction across mandates:

ƒ Watch List: These are issuers that are deemed to have elevated risk that warrants monitoring, but not necessarily exclusion. Portfolio managers have discretion to exclude the issuer in sustainable mandates but are not required to do so.

ƒ Red Flag List: These are issuers that are deemed to have severe sustainability risk. These issuers should not be purchased or held in sustainable mandates unless they are included in the mandate's benchmark universe, in which case they may be held up to their weight in the mandate's benchmark.

Based on discussion, the Sustainable Investments Cross Mandate Task Force may take a number of actions for an issuer, including addition to one of the lists or removal, amongst others.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The binding elements of the investment strategy are:

1. the Fund's portfolio will have a minimum ESG rating of BBB as rated by MSCI as the Investment Manager and/or Sub-Investment Manager seeks to identify issuers with improving ESG profiles and avoid issuers with deteriorating ESG profiles;

2. the Fund will not invest in:

    a. issuers that cultivate or produce tobacco or those deriving 5% or more of their revenue from tobacco;

    b. issuers deriving 1% or more of their revenues from exploration, mining, extraction, distribution or refining of hard coal and lignite;

    c. issuers deriving 5% or more of their revenue from nuclear weapons production;

    d. issuers deriving 10% or more of their revenue from civilian firearms (manufacture or supply), conventional weapons or thermal coal mining (production or distribution);

    e. issuers that manufacture controversial weapons (anti-personnel landmines, biochemical weapons, blinding laser weapons, depleted uranium, incendiary weapons, and non-detectable fragments), own a controversial weapons company, or are owned by a controversial weapons company, aligning with PAI indicator #14; and

    f. issuers that 'Fail' UNGC and OECD principles based on internal research which seeks to identify gaps in issuers meeting their goals, aligning with PAI indicator #10.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

There is no committed minimum rate to reduce the scope of the investments considered prior to the application of the investment strategy.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

- ***What is the policy to assess good governance practices of the investee companies?***

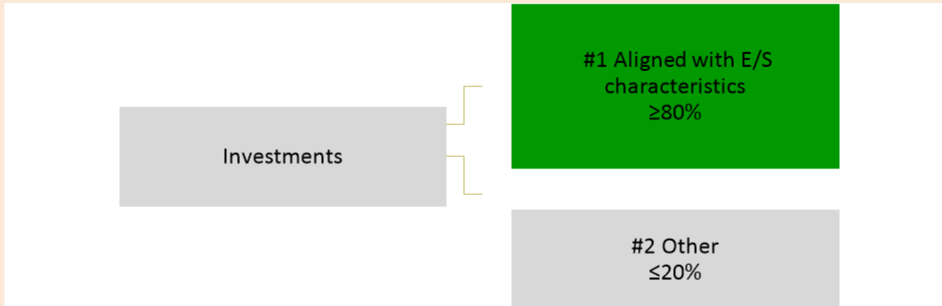
The Investment Manager’s and/or Sub-Investment Manager’s research analysts assess board and senior management’s experience, qualification, and diversity to determine leadership quality. Analysts evaluate board independence to gauge the effectiveness of board oversight, issuer ownership structure, capital management, and bond covenants to protect against potentially conflicting interests of shareholders and deal sponsors to form a holistic assessment on the effectiveness of board oversight.

In addition, the Investment Manager’s and/or Sub-Investment Manager’s PAI tool helps to demonstrate strong sustainability attributes as measured by PAIs which has been detailed previously. Issuers that are deemed to have failed PAI indicator #10 and PAI indicator #14, as described above, will not be included in the portfolio.

What is the asset allocation planned for this financial product?

The Investment Manager and/or Sub-Investment Manager employs a binding proprietary ESG methodology which is applied to at least 80% of the Fund’s portfolio. The remaining portion (≤20%) of the portfolio is not aligned with the promoted characteristics and consists of cash and unrated investments.

Asset allocation describes the share of investments in specific assets.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product*?**

N/A

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Fund does not invest in sustainable investments with an environmental objective aligned with the EU Taxonomy.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

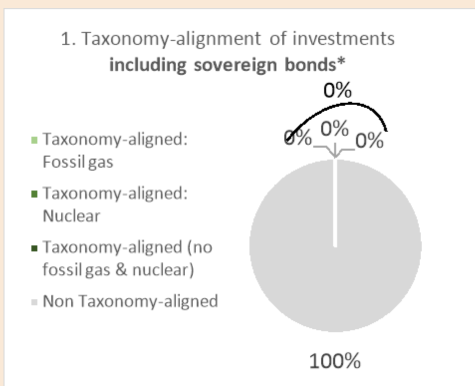
Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

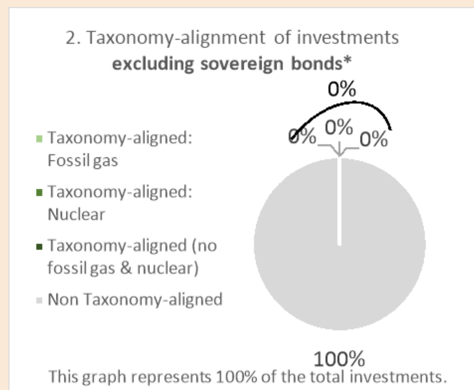
☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





This graph represents x% of the total investments.

* *For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

What is the minimum share of investments in transitional and enabling activities?

The Fund does not invest in transitional and enabling activities.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Not applicable.

What is the minimum share of socially sustainable investments?

Not applicable.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

'#2 Other' includes cash and unrated investments for which there are no minimum environmental or social safeguards.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

N/A

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

N/A

- ***How does the designated index differ from a relevant broad market index?***

N/A

- ***Where can the methodology used for the calculation of the designated index be found?***

N/A

Where can I find more product specific information online?

More product-specific information can be found on the website:

www.franklintempleton.ie/54200