

**13 November 2020**

Dear Shareholder,

## **Schroder Special Situations Fund Sterling Liquidity Plus – change of benchmark**

As indicated in the Company's prospectus, as part of an industry driven reform to strengthen the resilience of global financial markets, some interest rate benchmarks (including London Interbank Offered Rate (LIBOR) and other Interbank Offered Rates (IBORs)) are being discontinued by the end of December 2021. This means that an alternative benchmark is needed for funds which currently use LIBOR or other IBORs.

One such fund is Schroder Special Situations Fund - Sterling Liquidity Plus (the "Fund"). The Fund will now target a return equivalent to Sterling Overnight Index Average rather than 3 month sterling LIBOR. This change of benchmark will be with effect from 14 December 2020 ("the Effective Date").

The Fund's investment objective and policy, which is contained in the Company's prospectus, is being changed from:

### **"Investment Objective**

The Fund aims to provide capital growth equivalent to 3 month sterling LIBOR (or an alternative reference rate) before fees have been deducted\* by investing in Money Market Instruments worldwide. There is no guarantee that this objective will be met and your capital is at risk.

\*For the target return after fees for each Share Class please visit the Schroder website:

<https://www.schroders.com/en/uk/private-investor/investing-with-us/historical-ongoing-charges/>

### **Investment Policy**

The Fund is actively managed and invests at least two thirds of its assets in Money Market Instruments (at least rated investment grade as measured by Standard & Poor's or any equivalent grade of other credit rating agencies in addition to receiving a favourable assessment of their credit quality pursuant to the Management Company's internal credit quality assessment procedure), that are denominated in Sterling and issued by governments, government agencies, supra-nationals and companies worldwide. The Fund may also invest in non-Sterling denominated Money Market Instruments provided that any foreign exchange exposure is hedged to Sterling. The maturity of all such securities does not exceed 2 years.

The Fund may use derivatives with the aim of hedging currency and interest rate risks. The Fund may also hold cash and make deposits with a credit institution."

to:

### **"Investment Objective**

The Fund aims to provide capital growth equivalent to Sterling Overnight Index Average before fees have been deducted\* by investing in Money Market Instruments worldwide. There is no guarantee that this objective will be met and your capital is at risk.

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All other key features of the Fund and its risk profile will remain the same. There is no change in the Fund's investment style, investment philosophy, investment strategy, and the operation and/or manner in which the Fund is being managed following this clarification. The ISIN codes of the Fund's share classes affected by the above clarification are listed in the appendix of this letter.

If you have any questions or would like more information about Schroders' products please contact your local Schroders office, your usual professional adviser, or Schroder Investment Management (Europe) S.A. on (+352) 341 342 202.

Yours faithfully,



**Cecilia Vernerson**  
Authorised Signatory



**Nirosha Jayawardana**  
Authorised Signatory

**Appendix**

ISIN codes of share classes affected by the change

<b>Share class</b>	<b>Share class currency</b>	<b>ISIN code</b>
C Accumulation	GBP	LU0269939624
C Distribution	GBP	LU0338805616
I Accumulation	GBP	LU0269940127
I Distribution	GBP	LU0338806184
S Accumulation	GBP	LU1076529814
S Distribution	GBP	LU1076531554
X Accumulation	GBP	LU0979391793
X1 Accumulation	GBP	LU1673092919
X2 Accumulation	GBP	LU2218772924