

**21 March 2019**

Dear Shareholder,

## **Schroder Special Situations Fund – Sterling Liquidity Plus**

The board of directors of Schroder Special Situations Fund (the "Company") has decided to change the investment objective and policy of Schroder Special Situations Fund – Sterling Liquidity Plus (the "Fund") to align the Fund with the European Union's Money Market Funds Regulation (2017/1131) (the "MMFR").

The Fund qualifies as a Standard Variable Net Asset Value Money Market Fund in accordance with the provisions of the MMFR.

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 (gross of fees) by investing in money market instruments and fixed and floating rate securities worldwide. There is no guarantee that this objective will be met and your capital is at risk.

### **Investment Policy**

The Fund invests at least two thirds of its assets in money market instruments and investment grade short-term fixed and floating rate securities (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies), 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 and investment grade short-term fixed and floating rate securities (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies), provided that any foreign exchange exposure is hedged to Sterling.

The fund invests in fixed rate securities with less than 12 months to maturity and may invest in floating rate securities with over 12 months to maturity.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. The Fund may also hold cash."

To:

### **"Investment Objective**

The Fund aims to provide capital growth equivalent to 3 month sterling LIBOR (gross of fees) by investing in Money Market Instruments worldwide. There is no guarantee that this objective will be met and your capital is at risk.

### **Investment Policy**

The Fund 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.

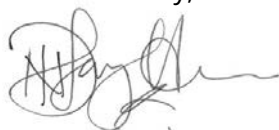
The Fund may use derivatives with the aim of hedging currency and interest rate risks. The Fund may also hold cash and make deposits with a credit institution."

Money Market Instruments means such instruments as defined under the MMFR and as detailed in the Company's prospectus.

All other key features of the Fund and its risk profile will remain the same. There will be no change to the Fund's investment style or investment philosophy following this change. The ISIN codes of the share classes affected by this change are listed in the appendix of this letter.

If you have any questions or would like more information about Schrodgers' products please contact your local Schrodgers office, your usual professional adviser, or Schroder Investment Management (Europe) S.A. on (+352) 341 342 212.

Yours faithfully,



**Nirosha Jayawardana**  
Authorised Signatory



**Cecilia Vernerson**  
Authorised Signatory

**Appendix**

List of ISIN codes for share classes in the Fund affected by the changes.

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