

Schroder Special Situations Fund

Sterling Liquidity Plus

Important Information

This simplified prospectus (hereinafter called the "Simplified Prospectus") contains key information about the Fund which is a sub-fund of Schroder Special Situations Fund (hereinafter called the "Company"). If you would like more information before you invest, please consult the full prospectus. Should any inconsistency arise between the translated and the English version of this document, the English version shall always prevail. The rights and duties of the investor as well as the legal relationship with the Company are laid down in the full prospectus. The full prospectus and the annual and semi-annual reports may be obtained free of charge from Schroder Investment Management (Luxembourg) S.A. and from all Distributors. The terms with capital letters used in this Simplified Prospectus shall have the same meaning than the terms used in the full prospectus of the Company unless otherwise defined herein.

Investment Objective

To target a return of 3-month Sterling Libor net of fees, with a low level of volatility through investment in a portfolio of money market instruments, short term bonds, other fixed and floating rate securities issued by governments, government agencies, supranational, corporate issuers, and financial institutions.

Investment Policy

The Fund may invest in non-Sterling denominated securities, provided that any FX exposure is hedged. The Fund will maintain a maximum duration of one

year.

The Fund may employ financial derivative instruments for hedging or investment purposes in accordance with its risk profile as disclosed below. The financial derivative instruments may include over-the-counter or exchange traded options, futures, warrants, swaps or forward contracts.

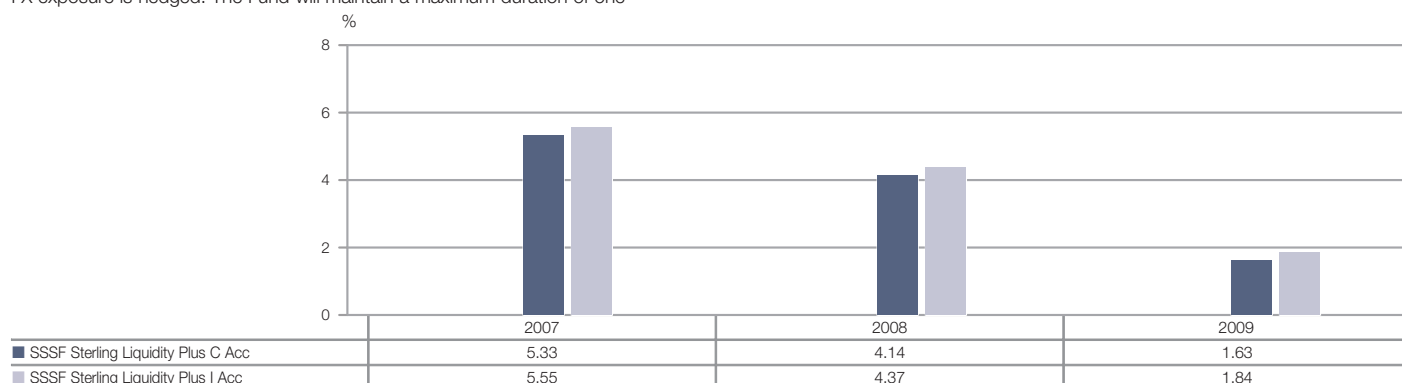
Fund's risk profile and specific risk considerations

The Fund is a low risk vehicle aiming to provide preservation of capital in terms of its own Fund Currency. The Fund may employ financial derivative instruments, which may reduce or increase risk depending on the motive and type of derivative contract.

For full details of the risks applicable to investing in this Fund, investors should refer to Appendix II "Risks of Investment" of the full prospectus.

Performance of the Fund

Annual performance on a Net Asset Value to Net Asset Value price basis, income reinvested, in base currency. The performance of Share Classes that were launched after the start of the last financial year are not shown in the chart below. Where Accumulation and Distribution Share Classes are in issue, the performance of the Share Class with the longer track record is shown in the chart below.



Cumulative performance, offer to bid, income reinvested in base currency, I Acc, as at 31 December 2009

	3 years	5 years	10 years	Since Launch
SSSF Sterling Liquidity Plus I Acc	12.36	n/a	n/a	12.83

Source: Schroders

Performance Disclaimer

Past performance is not a guide to future performance and may not be repeated. Investors may not get back the full amount invested, as prices of Shares and the income from them may fall as well as rise.

Profile of the Typical Investor

The Fund may be suitable for investors who are conservative risk averse, where income and preservation of principal are their primary objectives over the long term. Investors should be aware however that preservation of capital is not guaranteed.

Treatment of Income

It is intended that the Company will distribute dividends to holders of Distribution Shares in the form of cash in the relevant Share Class currency. However, the Directors may decide that dividends be automatically reinvested by the purchase of further Shares. No dividends will be distributed if their amount is below EUR 50 or its equivalent. Such amount will be automatically reinvested.

Expenses per Share Class

	C	I*
Shareholder expenses		
Initial Charge **	-	-
Redemption Charges	-	-
Fund Expenses		
Investment Management Fee	0.10%	-
Other Administration Costs***	0.15%	0.07%

All percentages (except initial charge) are stated with reference to the Net Asset Value of the Fund or relevant Class or the Net Asset Value per Share, as may be appropriate.

* I Shares are available only to Schroders clients who have entered into a separate investment management agreement.

** Percentages are stated with reference to the total subscription amount.

*** This includes administrative, custodian and transfer agency fees.

The Directors may, at their discretion, allow certain selected Distributors to make a charge for switching which shall not exceed 1% of the value of the Share being requested to be switched. In certain countries, investors may be charged with additional amounts in connection with the duties and services of local paying agents, correspondent banks or similar entities.



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Taxation of the Fund

The Fund is not subject to any taxes in Luxembourg on income or capital gains. The only tax to which the Fund is subject is the "taxe d'abonnement" at a rate of 0.01% per annum based on the Net Asset Value of the Fund. The tax is not applicable for the portion of the assets of a fund invested in other Luxembourg undertakings for collective investment. Interest and dividend income received by the Fund may be subject to non-recoverable withholding tax in the country of origin. The Fund may further be subject to tax on the realised or unrealised capital appreciation of its assets in the countries of origin. The effects of investment in the Fund on the tax bill of an individual investor is dependent on the fiscal regulations applicable to that individual. Please consult your Distributor or other professional adviser for further information.

Daily price publication

The Net Asset Value per Share is calculated on each Business Day, may be made available on Schroder Investment Management (Luxembourg) S.A. internet site, <http://www.schroders.lu>, and is available from the registered office of the Company.

How to Buy/Sell and Switch

You can buy and sell Shares directly from the Company or via an authorised Distributor. Instructions to buy, switch or redeem Shares must be received by the Management Company on any Dealing Day before 3.00 p.m. Luxembourg Time to be executed at the relevant Net Asset Value per Share on that day. Instructions received after 3.00 p.m. Luxembourg Time will normally be executed on the immediately following Dealing Day. Further details on how to buy, switch or redeem shares are available in section 2 - Share Dealing of the full prospectus. A Business Day is a week day on which banks are normally open for business in Luxembourg. A Dealing Day is each Business Day.

Subscription Information

The Fund's base currency is the British Pound. Shares are priced in the base currency of the Fund. The minimum initial subscription and holding for C Shares is GBP 300,000 or the near equivalent in any other freely convertible currency. I Shares have a minimum of GBP 3,000,000. Additional subscriptions must be at least GBP 150,000 and GBP 1,500,000 respectively. The Company operates separate Funds, each of which is represented by one or more classes of Shares. This Simplified Prospectus does not comprise a description of all the classes of Shares and Funds of the Company currently existing, for which separate Simplified Prospectuses are available.

Additional Important Information

Legal Structure

The Company is an umbrella structured open-ended investment company with limited liability, organised as a "société anonyme" incorporated on 7th February 1997 for an unlimited period and which is registered under Part I of the Luxembourg Law of 20th December 2002 as amended, as a "Société d'Investissement à Capital Variable" ("SICAV").

Management Company, Promoter, and Domiciliary Agent

Schroder Investment Management (Luxembourg) S.A., 5, rue Höhenhof, L-1736 Senningerberg, Grand Duchy of Luxembourg.

Investment Manager

Schroder Investment Management Limited, 31 Gresham Street, London, EC2V 7QA, United Kingdom.

Custodian, Company Accounting, and Listing Agent

J.P. Morgan Bank Luxembourg S.A., European Bank & Business Centre, 6 route de Trèves, L-2633 Senningerberg, Grand Duchy of Luxembourg.

Independent Auditor

PricewaterhouseCoopers S.à r.l., 400 route d'Esch, L-1471 Luxembourg, Grand Duchy of Luxembourg.

Supervisory Authority

Commission de Surveillance du Secteur Financier, Luxembourg.

Launch Date of the Fund

24th November 2006.

Local Agents

Your local Distributor's office.

Further Information

Please contact Schroder Investment Management (Luxembourg) S.A., 5, rue Höhenhof, L-1736 Senningerberg, Grand Duchy of Luxembourg. Telephone (+352) 341 342 202 www.schroders.lu



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