

30 January 2023

Name
Address1
Address2
Address3
Address4
Postcode

Dear Sir/Madam

Account number:

Account name:

Designation:

Schroder Sterling Corporate Bond Fund (the "Fund"): Fund change

We are writing to notify you of a change to the Schroder Sterling Corporate Bond Fund (the "Fund"), a sub-fund of Schroder Investment Fund Company ("the Company"), in which you are invested.

Following a review of our funds, we have decided to increase the expected level of leverage for the Fund from 150% to 350%, with effect from 13 February 2023. This change is being made to allow for increased currency hedging within the Fund. The Fund is able to invest in non-sterling bonds, and hedge the currency exposure back to sterling. Non-sterling exposure has steadily increased from 25% of the fund to 45%, due to a broadening opportunity set predominantly in Europe. The expected level of leverage takes into account derivative usage (including for hedging purposes), so the increased level reflects this greater need for currency hedging in addition to the existing derivative exposure capacity via interest rate and credit derivatives. The expected level of leverage described within the prospectus is shown in the appendix.

There will be no change to the nature or purpose of the Fund, or its risk profile as a result of these changes.

These changes do not require unitholder approval and you do not need to take any action, however, we encourage you to read this letter as it contains important information about your investment.

The Fund and share classes affected are shown in the Appendix.

Schroders

Your options

We hope that you will remain invested in the Fund, but you are entitled to switch your units in the Fund for units in another Schroders' fund, free of any initial charge, at any time before the Effective Date.

Costs

Any costs associated with the change described in this letter, i.e. legal and administrative costs will be borne by Schroder Unit Trust Limited.

Further information

If you have any questions or concerns about the changes, please contact your financial adviser. If you do not have a financial adviser you can find one in your area by visiting www.unbiased.co.uk or calling a member of our Investor Services Team on 0800 182 2399. Please be aware that Schroders does not offer investment advice.

Yours sincerely,



Paul Truscott
Director
Schroder Unit Trusts Limited

Appendix:

Extract from SIFCO Prospectus, Appendix III:

“Expected Level of Leverage”

Funds quantifying global exposure using a VaR approach disclose their expected level of leverage.

The expected level of leverage is an indicator and not a regulatory limit. The Fund's levels of leverage may be higher than this expected level as long as the Fund remains in line with its risk profile and complies with its VaR limit.

The annual report will provide the actual level of leverage over the past period and additional explanations on this figure.

The level of leverage is a measure of (i) the derivative usage and (ii) the reinvestment of collateral in relation to efficient portfolio management transactions. It does not take into account other physical assets directly held in the portfolio of the relevant Funds. It also does not represent the level of potential capital losses that a Fund may incur. The level of leverage is calculated as (i) the sum of notionals of all financial derivative contracts entered into by the Fund expressed as a percentage of the Fund's Net Asset Value and (ii) any additional leverage generated by the reinvestment of collateral in relation to efficient portfolio management transactions.

This methodology does not:

- *make a distinction between financial derivative instruments that are used for investment or hedging purposes. As a result strategies that aim to reduce risk will contribute to an increased level of leverage for the Fund.*
- *allow the netting of derivative positions. As a result, derivative roll-overs and strategies relying on a combination of long and short positions may contribute to a large increase of the level of leverage when they do not increase or only cause a moderate increase of the overall Fund risk.*
- *take into account the derivative underlying assets' volatility or make a distinction between short-dated and long-dated assets. As a result, a Fund that exhibits a high level of leverage is not necessarily riskier than a Fund that exhibits a low level of leverage.”*

Share classes:

Fund Name	Income / Accumulation	Class	ISIN
Schroder Sterling Corporate Bond Fund	Accumulation	A	GB00BDV0KY38
Schroder Sterling Corporate Bond Fund	Income	A	GB0031093247
Schroder Sterling Corporate Bond Fund	Accumulation	C	GB0007220477
Schroder Sterling Corporate Bond Fund	Income	C	GB0007220584
Schroder Sterling Corporate Bond Fund	Income	S	GB00BDRZN764
Schroder Sterling Corporate Bond Fund	Accumulation	Z	GB0009379370
Schroder Sterling Corporate Bond Fund	Income	Z	GB00B7458508
Schroder Sterling Corporate Bond Fund	Accumulation	S	GB00BDRZN657
Schroder Sterling Corporate Bond Fund	Income	Q	GB00BF77ZM59
Schroder Sterling Corporate Bond Fund	Accumulation	Q	GB00BF780D41