SCHRODER FUNDS ICAV

SUPPLEMENT

for

SCHRODER STERLING SHORT DURATION BOND FUND

(the "Fund")

DATED 19 DECEMBER 2023

This Supplement forms part of, and should be read in conjunction with, the Prospectus dated 19 December 2023. Unless otherwise defined herein, capitalised terms used in this Supplement shall have the meaning given to them in the Prospectus. To the extent that there is any inconsistency between the Supplement and the Prospectus, the Supplement shall prevail. The ICAV is a UCITS umbrella fund and details of the other Funds offered by the ICAV will be available on request.

The Fund may invest a significant amount of its Net Asset Value in cash deposits and cash equivalents. The attention of investors is drawn to the difference between the nature of a deposit and the nature of an investment in the Fund because an investment in the Fund is capable of fluctuation as the Net Asset Value of the Fund fluctuates.

The ICAV has obtained the approval of the Central Bank for the establishment of the Fund as a UCITS pursuant to the UCITS Regulations.

Definitions	
"Approved Bank"	A credit institution which has its registered office in a Member State or in a signatory state, other than a Member State, to the Basle Capital Convergence Agreement of July 1988 or in a third country where it is subject to prudential rules equivalent to those laid down in EU law in accordance with the procedure laid down in Article 107(4) of the Regulation (EU) No 575/2013 of the European Parliament and Council of 26 June 2013 on prudential requirements for credit institutions and investment firms.

Investment Objective	
Investment Objective	The Fund aims to provide capital growth and income by investing in fixed and floating rate securities, as well as Money Market Instruments, denominated in Sterling and issued by governments, government agencies, supranationals and companies worldwide. **There can be no assurance that the Fund will achieve its investment objective.**
Performance Target	The Fund aims to provide a return in excess of the ICE BofA Sterling 3-Month Government Bill Index before fees have been deducted* over a three- to five-year period, whilst aiming to avoid loss of capital. *For the target return after fees for each Share Class, please visit the Schroders website: https://www.schroders.com/en/ie/professional-investor/target-return-after-fees/. **This is a target and not a forecast and there can be no guarantee or assurance**

Investment Objective	
	that the Fund will achieve a return which meets or exceeds the performance target.

Investment Policy	
Investment Policy	The Fund is actively managed and shall seek to achieve its objective by investing in fixed and floating rate securities and Money Market Instruments with the following characteristics: • rated investment grade as measured by a Recognised Rating Agency; • denominated in Sterling (or in other currencies and hedged back to Sterling in accordance with the currency hedging strategy described below in the section entitled "Derivatives and Leverage" and in the section of the Prospectus entitled "Risk Factors - Currency Risk"); and • issued by governments, government agencies, supranationals and companies in any sector worldwide. The maximum expected maturity of investments within the Fund is five years and the maximum duration of investments is not be expected to exceed one year. The types of fixed and floating rate securities and Money Market Instruments in which the Fund may invest include those set out below and, with the exception of permitted investments in unlisted securities, will generally be traded or listed on a Regulated Market listed in Schedule 1 of the Prospectus. However, this list is not exhaustive and such other eligible fixed and floating rate securities and Money Market Instruments may be invested in from time to time in accordance with the investment policy of the Fund. *Cash and cash equivalents:* these include certificates of deposit, commercial paper, floating rate notes and UK treasury bills with a maximum maturity of 12 months; *Covered bonds:* being debt securities issued by UK and non-UK governments, agencies, authorities, instrumentalities or by private issuers or credit institution and backed by a separate pool of assets (comprising commercial and residential mortgages) that, in the case of failure by the issuer, can cover claims at any point in time. Such covered bonds have a maximum maturity of five years; *Asset-backed securities:* which are issued or guaranteed by UK and non-UK governments, agencies, authorities, instrumentalities or by private issuers or credit institution with a maximum maturity of five years (such as, for example, asset-backed securities related to automobile loans); *Government and high quality corporate bonds:* with a maximum expected maturity of five years and the maximum duration not to exceed 12 months; *Government and other public securities:* being debt securities issued or guaranteed by a government, or other public bodies, their agencies, authorities or instrumentalities (e.g. bonds, debentures and notes which may be secured or unsecured, such as treasury notes and promissory notes). In the case of unsecured notes, these will be issued by the UK government or government agencies or non-UK government agencies such as the European Investment Bank or International Bank for Reconstruction & Development. Such securities may be supported either

Investment Policy	
	by the full faith and credit of the government or public body, the right of the issuer to borrow from the government or public body, the discretionary authority of the government or public body to purchase the obligations or only the credit of the issuer; *Certain deposits with an Approved Bank:* which are repayable within 12 months; *Bills of exchange:* short term negotiable financial instrument repayable within 12 months and which are accepted by a credit institution; and *Certain debenture stock (being a form of registered participation in debt) and fixed and floating rate bonds:* which are repayable within 12 months, not subordinated and are issued by a credit institution. The Fund may invest up to 100% of its Net Asset Value in government securities issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members. The Fund must hold securities from at least six different issues, with securities from any one issue not exceeding 30% of the Net Asset Value of the Fund. Please refer to the section of the Prospectus entitled "Investment Restrictions Applicable to the Funds" for further information. The Fund may not invest in units/shares in other collective investment schemes. ***Use of Financial Derivative Instruments*** The Fund may use financial derivative instruments with the aim of reducing risk and managing the Fund more efficiently. The financial derivative instruments used by the Fund may be traded on an exchange or over-the-counter. A list of the Regulated Markets on which financial derivative instruments may be quoted or traded is set out in Schedule 1 of the Prospectus. For more information on the use of financial derivative instruments by the Fund please refer to the section below entitled "Currency Exposure" and the section of the Prospectus entitled "Investment Techniques and Instruments" ***Investment Strategy*** The Investment Manager uses a top down, thematic investment process that considers both economic factors (e.g. economic growth, monetary and fiscal policy, interest rates and inflation) and market-based factors (positioning, sentiment and asset flows) when investing in fixed income markets. Furthermore, in terms of corporate bonds the Investment Manager will select the corporate bonds to be acquired by focusing on fundamental credit analysis of corporate issuers on both an absolute (e.g. the creditworthiness of an issuer itself) and a relative basis (e.g. the creditworthiness of an issuer within its sector). The fundamental credit analysis consists of the Investment Manager's process for evaluating issuer creditworthiness and relies on proprietary credit research. Fundamental credit analysis is two-fold, providing internal views on individual issuers, independent of commercial credit rating agencies, which concern an issuer's credit quality direction and ranking within its sector. Quantitative and qualitative methods, proprietary to the Investment Manager, are used to analyse the credit standing of corporate issuers by analysing relevant data including pricing, yield and financial

Investment Policy	
	information of the issuer (quantitative) and issuer financial conditions, guarantor financial conditions and instrument liquidity (qualitative).The Investment Manager will use the output of this analysis to identify investment opportunities, taking into consideration factors such as the level of credit spreads, market supply and demand imbalances of credits, and liquidity. When an investment is made it will be closely monitored, taking into account the quantitative and qualitative analysis outlined above, and the investment rationale for retaining the investment will be kept under review by the Investment Manager. For government bonds the Investment Manager will similarly focus on fundamental credit analysis of government issuers on both an absolute and a relative basis. Such credit analysis will result in a fundamental appraisal of country's financial health and assessment of the probability of sovereign default and estimate loses in such a default scenario. The Investment Manager uses the techniques set out above to focus on high quality issuers and diversification within the portfolio in order to aim to avoid loss of capital.

Fund Characteristics	
Classes of Shares	Class l Income Class l Accumulation Class L Income Class X Income Class X Accumulation Class D Income Class D Accumulation For further information on the classes of Shares available in the Fund, please refer to the section below entitled "Share Class Features".
Base Currency	Sterling
Valuation Point	1:00 p.m. (Irish time) on each Dealing Day
Dealing Frequency	Daily (on each Dealing Day)
Trade Cut Off Time	12:59 (Irish time) on the relevant Dealing Day
Settlement Date for Subscription and Redemption Proceeds	By close of business within one Business Day from the relevant Dealing Day
Annual Accounting Date	30 September

Fund Characteristics	
Semi Annual Accounting Dates	31 March
Distribution Policy	*Income Shares*: Dividends are declared on the first Business Day of each month and usually payable on the first Business Day of the next month. *Accumulation Shares*: It is not intended to pay dividends in respect of the Accumulation Shares. Income and other profits will be accumulated and reinvested in respect of these Shares. For further information please refer to the section of the Prospectus entitled "Distribution Policy".
Profile of a Typical Investor	The Fund may be suitable for investors who are seeking returns in excess of prevailing money market rates, whilst aiming to avoid loss of capital and/or high liquidity through a fund that invests in a well-diversified portfolio of high quality fixed and floating rate securities and Money Market Instruments. Investors should be aware, however, that the preservation of capital is not guaranteed.
Risk Factors	Please refer to the section of the Prospectus entitled "Risk Factors" for information on the risks of investing in the Fund. ***Securitisation Regulation*** The Securitisation Regulation (Regulation EU 2017/2402) (the "**Securitisation Regulation**") came into force across the EU from 1 January 2019. The Securitisation Regulation replaces the existing sector-specific approach to securitisation regulation with a new set of rules that apply to EU-regulated institutional investors investing in Securitisations. The Fund is within scope of the Securitisation Regulation. "**Securitisation**" means a transaction or scheme, whereby the credit risk associated with an exposure or a pool of exposures is tranched, having all of the following characteristics set out in the Securitisation Regulation. Essentially, the definition includes any investment with tranches or classes where payments in the transaction or scheme are dependent on the performance of the exposure or of the pool of exposures and the participation in losses differs between the tranches during the life of the transaction or scheme. The Securitisation Regulation applies to Securitisations the securities of which are issued on or after 1 January 2019 or which create new Securitisation Positions on or after that date. The Investment Manager must ensure that the originator, sponsor or original lender of a Securitisation retains at least a 5% net economic interest in the Securitisation. These rules will mean that the Investment Manager will need to conduct due diligence before the Fund invests in an exposure to a Securitisation (a "**Securitisation Position**") and continue to perform due diligence during the period the investment continues in a Securitisation. Where the Fund is exposed to a Securitisation Position which does not meet the requirements of the Securitisation Regulation, the Investment Manager is required to, in the best interests of the investors in the Fund, act and take corrective action, if appropriate.
Initial Offer	Beginning at 9.00 am (Irish time) on 31 August 2020 and terminating at 5.00 pm

Fund Characteristics	
Period	(Irish time) on 26 February 2021. The Initial Offer Price for each class of Shares is set in the section below entitled "Share Class Features".
Currency Exposure	Sterling primarily. However, the Fund will also invest in securities denominated in non-Sterling currencies, provided the foreign exchange exposure resulting from investment in securities denominated in non-Sterling currencies is hedged back to Sterling. For further information, please refer to the section below entitled "Derivatives and Leverage" and the section of the Prospectus entitled "Currency Risk".
Derivatives, Securities Financing Transactions and Leverage	The Fund may use the following financial derivative instruments with the aim of reducing risk, hedging currency exposure and managing the Fund more efficiently: • swaps (interest rate swaps) • forwards (currency forwards)* • futures (interest rate and currency futures) **currency forwards will be used only for the purpose of hedging* In addition, the Fund may use securities financing transactions in the form of repurchase and reverse repurchase agreements for efficient portfolio management purposes only. For further information on financial derivative instruments and securities financing transactions used by the Fund and their commercial purpose as well as associated leverage please refer to the section of the Prospectus entitled "Investment Techniques and Instruments".
Borrowing	The Fund may not borrow money except in accordance with the provisions set out in the section of the Prospectus entitled "Borrowing".
Credit Rating	The Fund will seek to obtain and maintain a credit rating of Aa1 or above from a Recognised Rating Agency.
Determination of Net Asset Value	Following the Initial Offer Period the Net Asset Value per Share of the Fund shall be calculated on each Dealing Day and will be rounded upwards or downwards, as appropriate, to the nearest two decimal places. Please refer to the section of the Prospectus entitled "Determination of Net Asset Value" for information on the valuation of the Fund.
Benchmark	The Fund's performance should be assessed against its target benchmark, being to provide a return in excess of the ICE BofA Sterling 3-Month Government Bill Index. The Investment Manager invests on a discretionary basis and is not limited to investing in accordance with the composition of a benchmark.
Benchmark Selection	The target benchmark has been selected because the target return of the Fund is to exceed the return of that benchmark as stated in the investment objective.

Classes of Shares	**Initial Charge**	**Redemption Charge**	**Initial Offer Price**
Class X Shares (Accumulation)	None	None	£100.00
Class X Shares (Income)	None	None	£100.00
Class I Shares (Accumulation)	None	None	£100.00
Class I Shares (Income)	None	None	£100.00
Class D Shares (Accumulation)	None	None	£100.00
Class D Shares (Income)	None	None	£100.00
Class L Shares (Income)	None	None	£100.00

Fees and Expenses			
Classes of Shares	**Investment Manager's Fee**	**Administrator's Fee**	**Depositary's Fee**
Class X Shares (Accumulation and Income)	0%[1]	Up to a maximum of 0.015% of NAV	Up to a maximum of 0.01% of NAV
Class I Shares (Accumulation and Income)	0.1% of NAV	Up to a maximum of 0.015% of NAV	Up to a maximum of 0.01% of NAV
Class D Shares (Accumulation and Income)	Up to a maximum of 0.1% of NAV	Up to a maximum of 0.015% of NAV	Up to a maximum of 0.01% of NAV
Class L (Income)	Up to a maximum of 0.2% of NAV	Up to a maximum of 0.015% of NAV	Up to a maximum of 0.01% of NAV

In addition to the fees set out above, the Manager, the Investment Manager, the Administrator and the Depositary shall each be entitled to receive reasonable out-of-pocket expenses (charged at normal commercial rates) from the Fund.

[1] In respect of Class X Shares, the Investment Manager's fee is charged outside the Fund in the manner described in the definition of "X Shares" in the Prospectus.