

## **SEQUENTIS CAPITAL LLC** *(PART 2A OF FORM ADV)*

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This brochure provides information about the qualifications and business practices of Sequentis Capital LLC. If you have any questions about the contents of this brochure, please contact Ryan Nagle at: (617) 535-7674 or by email at: [Ryan.nagle@sequentis-capital.com](mailto:Ryan.nagle@sequentis-capital.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Registration with the SEC or a state securities authority does not imply a certain level of skill or training.

Additional information about Sequentis Capital LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

## ITEM 2: MATERIAL CHANGES

### ***Material Changes Since the Last Update***

This item is not applicable as Sequentis Capital LLC (“Sequentis”) is a newly registered investment adviser and this brochure is Sequentis’ initial brochure.

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#### **ITEM 4: ADVISORY BUSINESS***Firm Description*

Sequentis Capital LLC (“Sequentis” or “we”), a Delaware limited liability company, is an independent investment management and advisory firm. Its principal office is located at One International Place, Suite 1400, Boston, Massachusetts 02110. Sequentis was formed in 2018.

##### ***Principal Owners***

Ryan T. Nagle is the owner, founder and lead portfolio manager of Sequentis.

##### ***Types of Advisory Services***

Sequentis provides quantitative analysis based investment management and investment advice to separately managed account clients. Sequentis provides investment solutions that employ an asset allocation approach focused on constructing portfolios designed to grow and protect wealth through the changing market environment. Sequentis provides security selection, portfolio management, and asset allocation advice to its clients. We use risk measures to identify when the market is changing, and have the ability to adjust portfolio exposures to accommodate for these changes. Sequentis’ investment advice may relate to U.S. equities, global equities, large and small capitalization issues, emerging market equities and commodities, exchange traded funds (“ETFs”), global real estate, global fixed income, commodities, mutual funds, cash, bonds and cash equivalent investments.

In addition, Sequentis may provide certain customized property management services to its clients (for additional fees).

##### ***Tailored Relationships***

Investment programs for separate accounts will be customized for each client based on the client’s current financial situation, financial goals, attitude towards risk and desired investment restrictions.

##### ***Wrap Fee Programs***

Sequentis does not participate in any wrap fee programs.

***Assets Under Discretionary and Non-Discretionary Management***As of September 18, 2018, Sequentis has no assets under discretionary management and no assets under non-discretionary management.

#### **ITEM 5: FEES AND COMPENSATION**

***Description***Sequentis charges its separate account client an annual asset-based management fee based on a percentage of assets under management, generally in a range from 0.18% to 1.0%.

Sequentis retains the right to negotiate different fees or waive all or any portion of the standard fees with respect to any client.

### ***Fee Billing***

For separate account clients, fees are payable upon inception of the account and at the end of each month in arrears. The market value of the securities shall be computed as of the close of trading on the last business day of each month. If a contribution to an account is made during the month, then the fees will be prorated based on the number of days remaining in such month. If a withdrawal to an account is made before the end of the month, then the client will only pay a portion of the fee based on the number of days remaining in each month. Fees may be deducted monthly in arrears at one-twelfth the annual fee rate from the client's assets or billed separately to the client, at the client's discretion.

### ***Other Fees or Expenses***

Separate account clients will be responsible for brokerage, transaction and custody charges charged by the custodian (Schwab or any other broker used) and by outside managers including by mutual funds and 529 plans. For more information regarding our brokerage arrangements see Item 12 below.

### ***Participation or Interest in Client Transaction***

Neither Sequentis nor any of its supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

## **ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Currently, Sequentis does not receive performance-based compensation, nor does Sequentis or any of its supervised persons manage or receive any type of fees from any other accounts.

## **ITEM 7: TYPES OF CLIENTS**

Currently, Sequentis provides its investment advisory services to:

- individuals, including high net worth individuals;
- family offices;
- trusts, estates or charitable organizations; and
- foundations and endowments.

Generally, the minimum dollar account value required to open an account for clients of Sequentis is \$1,000,000. Sequentis reserves the right to reduce this minimum on a case-by-case basis.

## ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

### ***Methods of Analysis and Investment Strategies***

Investment strategies, methods of analysis and risks will be discussed in detail with potential separately managed account clients. In general, Sequentis uses a quantitative method of analysis and asset allocation to provide diversification. Sequentis will suggest multiple strategies that will be used to meet client objectives. Methods of analysis will differ for individual securities and for mutual funds. For mutual funds, Sequentis will look at factors such as investment process, corporate culture, management tenure, expense ratios, portfolio turnover, load structure.

### ***Risk of Loss***

Listed below is a summary of the material risks. Any investing in securities involves risk of loss that clients should be prepared to bear.

#### Limited Operating History

Sequentis was formed in 2018 and has no operating history. Any investment should be evaluated on the basis that there can be no assurance that Sequentis' assessment of the short-term or long-term prospects of investments will prove accurate or that the program will achieve its investment objectives.

#### Limited Experience of Principal of Sequentis

Although Ryan Nagle has experience in investment management, he has not managed a private investment fund or separate client accounts. The past investment performance of portfolios managed by Ryan Nagle should not be construed as an indication of the future results for client accounts.

#### No Guarantee of Achievement of Investment Objective

No guarantee or representation is made that a client's investment strategy will be successful. A client's investment program may include such investment techniques as leverage and small cap investing, which practices can, in certain circumstances, increase the risk and losses to a client. No assurance can be given that a client will achieve its investment objective or that the ultimate achievement of the investment objective will be profitable for any of the client accounts.

#### Unspecified Investments

Clients must rely on the ability of Sequentis and Ryan Nagle in particular to identify and make investments consistent with such client's investment strategy. Clients neither participate in the making of any investment decisions nor have the opportunity to evaluate personally the relevant economic, financial and other information used by Sequentis in its selection, monitoring and disposition of investments. Accordingly, prospective clients should be willing to entrust all aspects of the management and investments of their accounts to Sequentis.

#### Turnover and Trading Costs

The investment strategy employed by Sequentis may result in the client's portfolio having a high degree of turnover which results in higher transaction costs than would be the case if the client's portfolio employed a buy-and-hold strategy. The transaction costs associated with an active trading strategy may lower returns.

#### Stock Portfolios

Client accounts will be subject to the risks associated with any equity investment strategy. Sharp downward market moves may adversely impact a client's positions and result in losses. Losses may also be incurred on individual positions as a result of issuer-specific matters such as unexpectedly disappointing earnings, lawsuits, patent issues, analyst action or other matters. Equity returns are volatile and may fluctuate substantially over time.

#### Market Losses and Volatility; Economic Conditions

Changes in economic conditions, including, for example, interest rates, foreign currency fluctuations, inflation rates, credit availability, inflation rates, systemic financial market instability, industry conditions, government regulation, competition, technological developments, political and diplomatic events and trends, tax and other laws and innumerable other factors, can affect a client's investments and prospects materially and adversely. None of these conditions is within Sequentis' control, and it may not anticipate these developments. These factors may affect the volatility of securities prices and the liquidity of a client's investments. Unexpected volatility or illiquidity could impair profitability or result in losses.

#### Hedging

Sequentis may attempt to structure client investments, and/or use various investment strategies and instruments, in a manner intended to hedge a client account's exposure to market movements or other risks or limit losses. No assurance can be given that any hedging strategies or techniques employed by Sequentis will be successful or will operate as intended. The use of hedging instruments or strategies may reduce the profit realized by a client account in some cases, and may cause the account to incur additional expenses.

#### Information Sources and Analysis

Sequentis selects investments for its clients based in part on information and data that the issuers of securities file with various government agencies or make directly available to Sequentis or that it obtains from other sources. Sequentis is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information may not be readily available. Sequentis is not in a position to obtain all relevant information regarding a company or a security. Further, Sequentis may misinterpret or incorrectly analyze the information that it has about a particular fund, company or security. These and other factors may cause Sequentis to (a) invest a client's securities at times that will lead to losses in a client's portfolio and may cause a client to lose a significant portion of its investment or (b) refrain from investing in particular securities at times that would have resulted in gains in the client's portfolio if Sequentis would have caused the client's account to invest.

#### Portfolio Valuation



Because of the size and nature of the positions held by a client account, the value at which its investments can be liquidated may differ, sometimes significantly, from the interim valuations arrived at by using Sequentis' methodology. In addition, the timing of liquidations may also affect the values obtained on liquidation. Securities to be held by a client account may routinely trade with bid-ask spreads that may be significant. At times, third-party pricing information may not be available for certain positions held by a client account.

### Options

Sequentis may engage in options trading for a client. Stock or index options that may be purchased or sold by client accounts include options not traded on a securities exchange. Options not traded on an exchange are not issued by the Options Clearing Corporation; therefore, the risk of nonperformance by the obligor on such an option may be greater and the ease with which client's account can dispose of such an option may be less than in the case of an exchange traded option issued by the Options Clearing Corporation. The trading of options is highly speculative and may entail risks that are greater than those present when investing in other securities. Prices of options are generally more volatile than prices of other securities. To the extent that a client account purchases options that such account does not sell or exercise, it will suffer the loss of the premium paid in such purchase. To the extent that the client account sells options and must deliver the underlying securities at the option price, the client has a theoretically unlimited risk of loss if the price of such underlying securities increases. To the extent that the client must buy the underlying securities, it risks the loss of the difference between the market price of the underlying securities and the option price. Any gain or loss derived from the sale or exercise of an option will be reduced or increased, respectively, by the amount of the premium paid. The expenses of option investing include commissions payable on the purchase and on the exercise or sale of an option. Special risks are associated with the use of options. A decision as to whether, when and how to use options involves the exercise of skill and judgment which are different from those needed to select securities, and even a well-conceived transaction may be unsuccessful to some degree because of market behavior, currency fluctuations or interest rate trends. The potential loss incurred by a client in writing uncovered options is unlimited. When options are used as a hedging technique, there can be no guaranty of a correlation between price movements in the option and in the portfolio securities being hedged. A lack of correlation could result in a loss on both the hedged securities and the hedging vehicle, so that a client's return might have been better had hedging not been attempted.

## **ITEM 9: DISCIPLINARY INFORMATION**

Sequentis has no legal or disciplinary events to report. See also Item 19 for additional information.

## **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

### ***Broker-Dealer Registration***

Sequentis does not have a registration or an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

### ***Futures, Commodity Pool Operator, Commodity Trading Advisor***

Sequentis does not have a registration or an application pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

### ***Related Person Arrangements***

Neither Sequentis nor its principal has any relationship or arrangement with a related person that is material to its advisory business or to its clients.

### ***Arrangements With Other Investment Advisers***

Sequentis does not recommend or select other investment advisers for our clients nor do we have other business relationships with those advisers that create a material conflict of interest.

## **ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

Sequentis has adopted a Code of Ethics (the “Code”). Sequentis will provide a copy of this Code of Ethics to clients or prospective clients upon request without charge.

The purpose of this Code of Ethics is to set forth certain key guidelines that have been adopted by Sequentis as office policy for the guidance of all personnel and to specify the responsibility of all employees of Sequentis to act in accordance with their fiduciary duty to Sequentis clients and to comply with applicable federal and state laws and regulations, including, but not limited to, securities laws, governing their conduct. The Code requires that all employees conduct themselves in accordance with high ethical standards, which should be premised on the concepts of integrity, honesty and trust.

The following is a summary of certain provisions of the Code of Ethics:

**Confidential Information:** As an investment adviser, we have a fiduciary duty to our clients not to divulge or misuse information obtained in connection with our services as an adviser. Therefore, all information, whether of a personal or business nature, that an employee or consultant obtains about a client's affairs in the course of employment or in connection with a consulting agreement with us should be treated as confidential and used only to provide services to or otherwise to the benefit of the client. Such information may sometimes include information about non-clients, and that information should likewise be held in confidence. Even the fact that Sequentis advises a particular client should ordinarily be treated as confidential.

**Material Inside Information:** All partners, employees and consultants of Sequentis (in any capacity) and all persons - friends, relatives, business associates and others - who receive nonpublic material inside information from employees concerning an issuer of securities (whether such issuer is a client or not) are subject to rules against insider trading. The Code of Ethics sets forth an extensive list of subject information about which is likely to be material inside information. The Code of Ethics forbids trading on material inside information and also explicitly forbids disclosing material inside information to another person (“tipping”) who subsequently

uses that information for his or her profit.

The Code of Ethics addresses, among others, the following common examples of conflicts of interest.

#### ***Participation or Interest in Client Transactions***

Sequentis and its employees have a fiduciary duty to Sequentis' clients to act for the benefit of the clients and to take action on the clients' behalf before taking action in the interest of any employee or Sequentis. Sequentis and its employees must act for the clients' benefit and treat the clients fairly. The manner in which any employee discharges its fiduciary duty and addresses a conflict of interest depends on the circumstances. Sometimes general disclosure of common conflicts of interest may suffice. In other circumstances, explicit consent of the client to the particular transaction giving rise to a conflict of interest may be required or an employee may be prohibited from engaging in the transaction regardless of whether the client consents.

The duty to disclose and obtain a client's consent to a conflict of interest must always be undertaken in a manner consistent with the employee's duty to deal fairly with the client. Therefore, even when taking action with a client's consent, each employee must always seek to assure that the action taken is fair to the client.

#### ***Participation or Interest in Client Transactions and Personal Trading***

**Personal Trading:** No employee may buy, sell, or pledge any security for any Covered Account (as defined in the Code of Ethics) without obtaining written clearance from the Chief Compliance Officer before the transaction, specifying the securities involved, dated, and signed by the Chief Compliance Officer. It is each Employee's responsibility to bring proposed transactions to the Chief Compliance Officer's attention and to obtain from the Chief Compliance Officer follow-up written documentation of any oral clearance. Transactions effected without preclearance are subject, in the Chief Compliance Officer's discretion (after consultation with other members of management, if appropriate), to being reversed or, if the employee made profits on the transaction, to disgorgement of such profits. Employees are required to file quarterly trading reports, and annual attestation reports, with the Chief Compliance Officer.

**Participation or Interest in Client Transactions:** No employee may (i) buy a security within seven calendar days before any client account buys the same or a related security, (ii) sell such a security within seven days before any client account sells the same or a related security, (iii) sell a security within seven days after any client account has bought the same or a related security or (iv) buy a security within seven days after any client account has sold the same or a related security. The Chief Compliance Officer may grant exemptions to the foregoing rules in his discretion (for example, when an employee has sold a security and, before the expiration of seven days, external events make it important for a client to sell the same or a related security quickly). If an employee completes a transaction during a "blackout" period, he or she may be required to turn over any profits realized on the transaction, in most cases for crediting to client accounts.

## **ITEM 12: BROKERAGE PRACTICES**

### ***Selecting Brokerage Firms***

When placing trades on behalf of a client, Sequentis has a fiduciary duty to seek to obtain the best execution possible for the client. While a primary criterion for all transactions in portfolio securities is the execution of orders at the most favorable net price, numerous additional factors may be considered when arranging for the purchase and sale of clients' portfolio securities. In determining the abilities of the broker-dealer to obtain best execution of a particular transaction, Sequentis will consider all relevant factors.

### ***Research and Other Soft Dollar Benefits***

Sequentis may receive brokerage and research services via soft dollar arrangements, but such services will be limited to those permitted by Section 28(e) of the Exchange Act. These services may include (but are not limited to): systems consulting (trading and portfolio management), systems hardware (including storage disks/volatile RAM, CPU's, monitors, keyboards, CD roms and other hardware) and software, research consulting, research services (data, periodicals and seminars), data services, trading consulting, telephone equipment, telephone lines (trading and data feeds), proxy research, and trading communication services. In some cases, Sequentis may acquire a research product or service with soft dollars that also has non-research uses. In these cases Sequentis will make a reasonable allocation of the cost of the product or service according to its use. That portion of the product or service which provides administrative or other non-research services will be paid for by Sequentis in hard dollars.

### ***Brokerage for Client Referrals***

Sequentis does not consider whether it receives client referrals from a broker in selecting broker-dealers.

### ***Directed Brokerage***

Sequentis does not recommend, request or require that a client direct Sequentis to execute transactions through a specified broker-dealer.

### ***Aggregation of Client Accounts***

Sequentis makes allocations of investment opportunities among client accounts in a fair and equitable manner. As a general rule, allocations among accounts with the same or similar investment objective will be pro rata based on the total assets under management in the accounts. Allocation decisions will be made and documented before an order is placed.

No allocations may be made to an account or set of accounts based on account performance or the amount or structure of fees.

Sequentis may aggregate orders for the purchase or sale of securities on behalf of a client with orders on behalf of other portfolios it manages, or with orders for Sequentis' own account. Securities purchased or proceeds of securities sold through aggregated orders are allocated to the account of each portfolio that bought or sold such securities at the average execution price. If less than the total of the aggregated orders is executed, purchased securities or proceeds will generally be allocated pro rata among the participating portfolios in proportion to their planned

participation in the aggregated orders. Transaction costs for any transaction are shared pro rata based on each portfolio's participation in the transaction.

#### **ITEM 13: REVIEW OF ACCOUNTS**

**Periodic Reviews** Positions are usually monitored on a daily basis by Mr. Nagle. Each client's holdings will be formally reviewed at least each calendar quarter to determine that the account holdings are consistent with the investor profile, investment restrictions and risk objectives. In addition, each client's account is reviewed at least annually at an in-person meeting.

**Review Triggers** Significant contributions, withdrawals or changes in a client's personal financial situation will trigger prompt review of a client's account.

**Regular Reports** Each Sequentis client will receive reports on both a quarterly and annual basis. Included in these reviews are descriptions of goals, holdings, asset allocation, time horizon, and risk tolerance.

#### **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

Sequentis does not have any arrangements under which it or a related person compensate another for client referrals. Sequentis does not have any arrangements under which it receives any economic benefit, including sales awards or prizes.

#### **ITEM 15: CUSTODY**

Sequentis does not have custody of client funds or securities, which are held on behalf of each client by a qualified custodian. Separate account clients will receive statements from their respective custodians monthly. Clients should carefully review such statements. Sequentis will receive and review duplicate statements.

#### **ITEM 16: INVESTMENT DISCRETION**

Sequentis has complete investment discretionary authority over the purchase and sale decisions for clients, subject to any particular restrictions or guidelines imposed by clients.

#### **ITEM 17: VOTING CLIENT SECURITIES**

Sequentis has adopted a written proxy voting policy and related procedures. If a client so desires, Sequentis will accept the authority to vote proxies on their behalf in the best interests of the client or a client may retain authority and responsibility for voting of proxies directly, with no involvement from Sequentis. Sequentis' general policy is to vote proxy proposals, amendments, consents or resolutions relating to securities, in a manner that serves the best interests of the investor, as determined by us in our discretion, taking into account the following factors: (i) the impact on the value of the investments; (ii) the anticipated associated costs and benefits; (iii) the continued or increased availability of portfolio information; and (iv) industry and business practices. In limited circumstances, we may refrain from voting proxies where we believe that voting would be inappropriate taking into consideration the cost of voting the proxy and the anticipated benefit to the portfolio.

**ITEM 18: FINANCIAL INFORMATION**

Sequentis does not solicit prepayment of more than \$500 in fees per client, six months or more in advance. Please refer to Sequentis' fee disclosure in Item 5 of this Brochure. There is no financial condition affecting Sequentis that is reasonably likely to impair Sequentis' ability to meet contractual commitments to clients.

**ITEM 19: REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

This is not required as we are a federally registered investment adviser.