

Objective

The investment objective of the Fund is to achieve total returns (a combination of income and capital growth, net of charges) over any 5-year rolling cycle of 3.5% in excess of the return that could be expected from long term cash deposits, represented by the Bank of England 1 Year Fixed Rate Bond IUMWTF A. Capital in the Fund is at risk and there is no guarantee that the investment objective will be achieved over this or any other time period.

Investment policy

The Fund will seek to achieve its investment objective predominantly by gaining exposure to fixed interest securities, UK and overseas equities, money market instruments, cash and near cash. The Fund's allocation between these asset classes will be dependent on the Investment Manager's view on market conditions. For full investment objectives and policy information please refer to the prospectus.

Other information

Our appointed investment manager is Momentum Global Investment Management (Momentum). Momentum has been carefully chosen for its strong long-term performance and distinctive investment process that focuses on multi-asset value investing. Momentum focuses on valuation and quality in its investment decisions, whether this is investing directly in individual companies, third party funds or entire markets and asset classes. Momentum recognises that investors may need to search wider than traditional asset classes to achieve their investment goals. Any income the Balanced Fund generates in respect of your investment is rolled up and included in the value of your shares. You can buy or sell shares in the Fund at 12 noon on any business day in the UK if you tell us before 12 noon that you want to do so. The Sequel Balanced Fund aims to mitigate excessive risk by limiting volatility to less than 75% of recognised UK indices per annum (over a 5-7 year investment term). There are no additional product charges for ISA or direct investments.

Fund key facts

SEDOL code	
A Share Class:	BBDRR58
B Share Class:	BBDRQW8
ISIN	
A Share Class:	GB00BBDRR584
B Share Class:	GB00BBDRQW82
Initial charge	
A Share Class:	nil
B Share Class:	Standard is 0.50% but this is currently discounted to 0%
Annual management charge (AMC)	
A Share Class:	0.35%
B Share Class:	0.50%
Ongoing charges figure*	
A Share Class:	1.57%
B Share Class:	1.82%
Price	
A Share Class:	£1.5117
B Share Class:	£1.5517
Launch Date:	07 October 2013
Investment Manager:	Momentum Global Investment Mgmt
Authorised Corporate Director (ACD):	Waystone Management (UK) Ltd
Administrator:	Caceis Investor Services

*As at 28/02/2021

Performance history



— WS Sequel Bal Trgt Ret Strat BEAcc 55.2% — Bank of England Fixed Rate Bond +3.5% 44.1%

01/04/2021 31/03/2022	01/04/2020 31/03/2021	01/04/2019 31/03/2020	01/04/2018 31/03/2019	01/04/2017 31/03/2018	07/10/2013 31/03/2022
Return (Annualised)	Return (Annualised)	Return (Annualised)	Return (Annualised)	Return (Annualised)	Return (Cumulative)
4.30	38.12	-17.16	1.51	0.54	55.17
3.82	3.93	4.54	4.44	4.28	44.11

WS Sequel Balanced Target Return Strategy	4.30	38.12	-17.16	1.51	0.54	55.17
Cash +3.5%	3.82	3.93	4.54	4.44	4.28	44.11

The cash line is based on the Bank of England monthly interest rate of UK monetary financial institutions (excluding Central Bank), sterling fixed rate bond deposits from households (in percent) not seasonally adjusted and is used to represent the return that could be expected from long-term cash deposits.

Past performance is not a reliable indicator of future results.

Top holdings

Portfolio Date: 31/03/2022

	Equity Style Box	Portfolio Weighting %
Invesco Physical Gold ETC	—	4.89
Samarang Asian Prosperity A1 Cap	—	2.15
United Kingdom of Great Britain and Northern Ireland 0.125%	—	2.09
United Kingdom of Great Britain and Northern Ireland 0.25%	—	1.74
Schroder UK Public Private Trust Ord	—	1.61
Master Fund Iii	—	1.45
Investments at fair value through profit or loss	—	1.28
JLEN Environmental Assets Group Ord	—	1.10
Cordiant Digital Infrastructure Ord	—	0.95
Senior PLC	—	0.94

Top investment funds

Portfolio Date: 31/03/2022

	Equity Style Box	Portfolio Weighting %
Royal London Cash Plus Y Acc	—	12.95
Morant Wright Fuji Yield GBP Inc UnHdg	—	5.36
Invesco Physical Gold ETC	—	4.89
Royal London Enhanced Cash Plus Y Acc	—	3.67
ABSALON - EM Corporate Debt I GBP	—	3.36
Ninety One Global Gold I Acc E	—	3.29
Royal London Shrt Dur Gbl HY Bd 2Inc	—	3.03
Akya Global Em Mkts UCITS S GBP UnH Acc	—	2.26
Prusik Asian Equity Income X USD	—	2.18
CIM Div Inc Fd K Ordinary Shares Acc	—	2.15

Sequel Investments Limited is an appointed representative of Foster Denovo Limited which is authorised and regulated by the Financial Conduct Authority. The Authorised Corporate Director of the WS Sequel Funds is Waystone Management (UK) Ltd which is authorised and regulated by the Financial Conduct Authority.

This document is issued by Sequel Investments Limited, June 2022

Fund commentary

- The benign conditions enjoyed by financial markets in the 18 months since the depths of the pandemic were well and truly shattered in the first quarter of 2022, driven by two powerful shocks, both largely unexpected and each with huge consequences globally: Russia's invasion of Ukraine and the Fed's very sharp hawkish shift in policy. The immediate consequences of the war produced surges in energy prices and further disruptions to key commodity markets and supply chains, adding to the damage inflicted by the pandemic. But away from commodities, there were few markets that could withstand the heightened risk of a significant slowdown in global growth and much higher interest rates than anticipated only a few months earlier.
- Healthcare business Clinigen was exited over the period. The company has received takeover offers which have supported the share price since December and given the risk of the deal falling through, we decided to exit the position.
- Phoenix Group was reintroduced to the portfolio after the share price de-rated from where we exited. With the shares now yielding at close to 8% and the dividend expected to grow at a low single digit per annum, we believe this was an attractive re-entry point.
- We introduced Games Workshop to the portfolio. The company designs, manufactures and distributes collectable miniatures that are used by hobbyists for tabletop gaming, under the Warhammer brand. Revenue growth has picked up markedly in recent years, as the business increased online distribution and benefitted from the pandemic. Competition is limited and the company is tentatively looking to expand further into international markets such as China. With the share price drifting lower since the third quarter of last year, we were able to initiate a position at a favourable valuation, given the high-quality nature of the business. We also believe Games Workshop's revenue stream provides useful diversification relative to the rest of the UK portfolio.
- Asset manager and insurer M&G also announced a £500m share buyback programme, after reporting a strong Solvency II coverage ratio, freeing up excess capital to be returned to shareholders. Within its Asset Management division, retail outflows were significantly reduced from previous reporting periods, while institutional net flows remain positive. Downing European Unconstrained Income Fund was introduced into the portfolio. Managed by an experienced team, they seek to identify high quality companies with a focus on contrarian investment opportunities and 'under the radar' ideas. Having an unconstrained approach allows them to focus on lesser known and under researched companies where intensive in-house research can provide an informational edge. The fund aims to provide a diversified source of income with a target dividend yield of 2-4%. This was funded by a reduction in European Assets Trust.
- Over the quarter, the Royal London Sterling Extra Yield fund was reduced to fund other opportunities in the portfolio.
- JLEN Environmental Assets was re-introduced to the portfolio, after the share price de-rated from where we exited. The company invests in a portfolio of 39 assets across energy sources such as wind, solar, anaerobic digestion, and hydropower. With a well-diversified portfolio now yielding over 6%, and 70% of project revenues linked to the UK retail price index, we believe the shares offer an attractive entry point.
- We reduced our holding in Ediston Property Investment Company. The company will be focused on retail parks in the future following the disposals of a number of offices so is no longer a diversified sector play. Given the re-rating over the last 12 months, our holding was reduced to utilise capital elsewhere in the portfolio.
- Greencoat UK Wind reported annual results for 2021, during the quarter. Over 2021, the UK experienced the lowest wind speeds since 2010. However, with power prices over three times higher than 2020, due to higher gas prices, net cash generation from the Group's wind farm assets covered the dividend by 1.9 times. Net asset value per share increased by 11.3% over the year, driven by an increase in forecast power prices and inflation assumptions. The company also announced it will target a dividend increase in line with December's RPI inflation print of 7.5%. Management anticipate the Group will continue to benefit from higher power prices over the next few years.

Source: Momentum 31.03.22

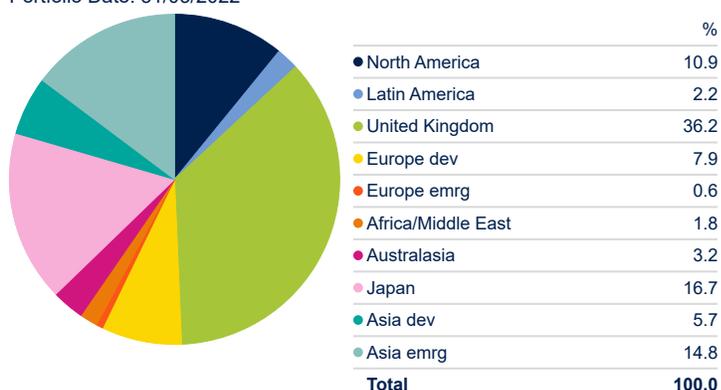
Asset allocation*

Portfolio Date: 31/03/2022



Current portfolio - equity regional exposure*

Portfolio Date: 31/03/2022



The value of investments can fall as well as rise – you may get back less than you put in

Although the fund also aims to provide capital returns over the long-term of 3.5% above that expected from long-term cash deposits, this is not guaranteed. For more information please see the Key Investor Information, Supplementary Information Documents and Prospectus from www.sequelinvestments.com or contact your financial adviser.

Sequel Investments Limited does not offer investment advice or make recommendations regarding investments.

Important information: Past performance should not be seen as a guide to future performance. All performance information is based on the A and B Share Class Accumulation Shares unless otherwise stated. The value of this investment and the income from it can go down as well as up, it may be affected by exchange rate variations, and you may not get back the amount invested. The outlook expressed in this factsheet represents the views of the Investment Manager at the time of preparation and are not necessarily those of Sequel Investments Limited. These may be subject to change and should not be interpreted as investment advice. The asset allocations detailed within the factsheet are correct as at 31st March 2022 and are subject to change, whilst operating within the objectives of the Fund. This document should be read in conjunction with the Fund's Key Investor Information Document, which will exclusively form the basis of any application, and the Fund's Principal Prospectus. A comprehensive list of risk factors is detailed in the Key Investor Information Document and the Principal Prospectus and an investment should not be contemplated until the risks are fully considered and understood. Current tax levels and reliefs will depend on your individual circumstances and details are also contained in the Key Features (including the Key Investor Information Document and Principal Prospectus). If you are unsure of the suitability of this investment please contact your Financial Adviser. This factsheet is issued by Sequel Investments Limited which is an appointed representative of Foster Denovo Limited, which is authorised and regulated by the Financial Conduct Authority.

Contact us

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