

QUARTERLY MARKET REVIEW

FIRST QUARTER 2021



SARGENT

INVESTMENT GROUP



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APRIL 30, 2021

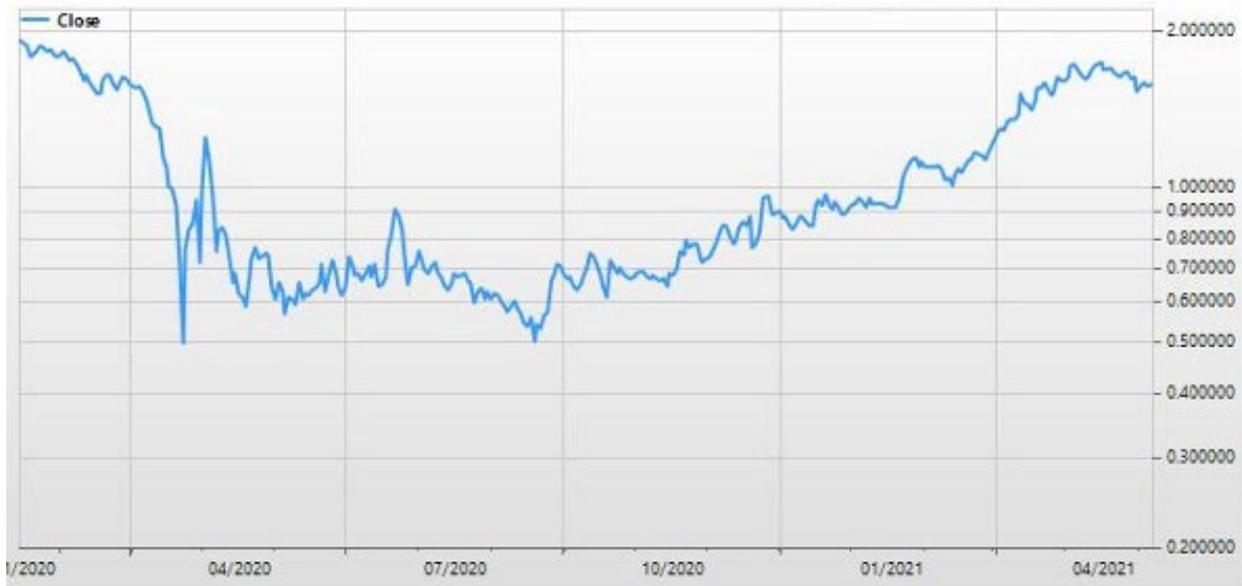
Dear Investors,

Last quarter we began our letter highlighting the historic challenges we faced in 2020. As we are writing this quarter, approximately one third of the U.S. population has been vaccinated (after multiple vaccines were developed at a historic pace), the U.S. government has dispersed trillions of dollars of stimulus, the market is anticipating trillions more to be spent on infrastructure and other programs, 2021 GDP growth is on pace to be 6%+ for the year, unemployment rates have declined from over 14% to approximately 6%,¹ inventories/GDP are at record lows, money supply has exploded, pent up demand is being unleashed, the Fed has remained committed to keeping interest rates suppressed for the foreseeable future, and subsequently, corporate profits soared in the first quarter.² Needless to say, this environment has set the stage for the continuation of one of the most dramatic recoveries of equities in history. During the first quarter of 2021 the S&P 500 was up 6.17% while the DOW appreciated 8.29%.³ On the other hand, we saw the Barclays U.S. Bond Index decline by 3.37% during the quarter as the key 10-year treasury yield climbed from 0.92% at year end to 1.75% on March 31st.⁴

After this remarkable performance over such a short period of time, we must now try and determine if the rally can be sustained. Drawing parallels to historic economic periods is one way in which we can attempt to answer this question, with the understanding that it's always "different this time." One of the more similar periods in history, when we saw a dramatic decline in the markets, followed by a decade of weak economic growth preceding another tremendous shock, followed by massive government stimulus, was the 1930's-40's. Parallels can be drawn between this period encompassing the crash of 1929, the Great Depression and government spending related to WWII with the financial crisis of 2008-09', the weakest economic expansion since WWII from 2010-2018 and the Government spending to fight the war on Covid. The key question at the moment is whether economic growth will be able to keep pace with interest rates and inflation, as it did during the golden years of the 50's and early 60's.⁵

We must try and determine if earnings growth (and the consequent rise in stock prices) expected from the acceleration in GDP growth will be reduced by a rise in interest rates, which the markets anticipated when the economy began to reopen. Although inflation and interest rates have been on the move this year, we are encouraged by their recent moderation and by the Fed's clear and repeated statements that it does not anticipate moving interest rates higher for some time, as seen in the following chart.⁶

10-YEAR INTEREST RATE



Date Range 12/31/2019 to 04/21/2021
*Source: Factset.

Putting interest rate trends in a historical context, the chart below shows the movement in the 10-year Treasury rate and the performance of the S&P 500 over the last ten years. The chart clearly shows that, on average, interest rates have been much higher at the same time as the S&P appreciated materially.

10-YEAR TREASURY RATE AND S&P 500 PERFORMANCE



*Source: Factset.

S&P 500-PRICE (LEFT) **— US BENCHMARK BOND-10-YEAR PRICE (RIGHT)**

Therefore, it is our expectation that, given the strong fundamentals we see, a moderate increase in interest rates is compatible with a further rise in stocks. However, we have positioned our clients' portfolios to include some protection should interest rates rise dramatically or sooner than expected. At the same time, as we plan for the sustained reopening of the global economies we must remain cognizant of the drivers of equities the last few years vs. the drivers in the first quarter of 2021, and potentially going forward. Over the last several years the broader equity indices have been pulled higher by growth companies, particularly large cap technology companies such as Apple, Amazon, Google and Microsoft. With the economy beginning to reopen, Main Street starting to see the light, and consequently interest rates moving higher, this trend reversed noticeably over the last few months. As a result of this rotation during the first quarter, the Russell 1000 Growth Index posted a meager 0.94% return, compared to the Russell 1000 Value Index posting a very strong 11.26% gain.⁷

In our last letter, we discussed three important investment principles which are worth repeating: 1) the market is an anticipatory organism, easily capable of looking out 6 to 12 months into the future 2) attempting to time the market can lead to impairment of capital that may be extremely difficult to recover from 3) maintaining one's discipline and commitment to a longer term plan is imperative during periods of volatility. A fourth principle that is core to what we do at Sargent Investment Group is balance. That is not to say we diversify for the sake of diversification, although we do believe balance within the confines of one's investment objectives is essential when attempting to produce less volatile returns over time. As we make our way through 2021, and hopefully to herd immunity via mass vaccinations, these four investment principles are going to remain critical as the balancing act between abundant liquidity in the economy and rising interest rates and inflation plays out. Hopefully the stage has been set for the next decade to look more like the 50's, where earnings kept pace with inflation, as opposed to the opposite.

As always, we greatly appreciate the trust and confidence you place in us.

Warm Regards,



CHRISTOPHER SARGENT
Principal



RICARDO ROSENBERG
Principal



BRIAN MCGREGOR
Principal

P.S. Housekeeping item; we have attached a summary of recent updates to our ADV, per SEC requirements.

Important Considerations:

The views and opinions expressed are for informational purposes only as of the date of writing and may change at any time based on market or other conditions and may not come to pass. This material is not intended to be relied upon as investment advice or recommendations to buy or sell securities. The information provided is taken from sources we believe to be reliable but it has not been independently verified. Past performance is not a guarantee of future results. All investments involve risk, including the loss of principal.

¹Source: Orion Advisor Solutions.

²Paulsen, James "Running It Hot!". advisors.leutholdgroup.com. March 30, 2021.

³Source: Orion Advisor Solutions.

⁴Source: Factset.

⁵Paulsen, James "Running It Hot!". advisors.leutholdgroup.com. March 30, 2021.

⁶Wesbury, Brian S. "Inflation and The Fed". www.ftportfolios.com. Monday Morning Outlook, March 15, 2021.

⁷Source: Orion Advisor Solutions.



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INVESTMENT GROUP

Dear Investors,

APRIL 30, 2021

The U.S Securities and Exchange Commission (SEC) requires registered investment advisors to update their Form ADV Disclosure Brochures (the “Brochures” – including the Wrap Fee Program Brochure) annually. To remain compliant with SEC rules, we are obligated to notify you of any material changes to Sargent Investment Group’s Brochures since our last yearly update on March 17, 2020. Please contact us if you would like a full copy of our updated Brochure or a copy of our proxy voting policy, by telephone at 202-580-6400 or by email at info@sargentinvestmentgroup.com. Additional information about SIG, including a full copy of the current Brochures, is also available on the SEC website at www.adviserinfo.sec.gov. Simply type in the company name “Sargent Investment Group”. Also included with this mailing is a copy of our most recent Privacy Statement.

There were no material changes to the SIG Brochures, however, a summary of changes from our March 17, 2020 Wrap Fee Brochure and our Form ADV 2a Disclosure Brochure (“2a Brochure” - for clients not in the Wrap Fee Program) include:

- In the Wrap Fee Brochure, updates were made to Item 4, Services, Fees and Compensation to update the description of SIG’s service offering and self-directed assets, and additional disclosures related to Advisory Fees and additional fees paid by clients. SIG has also updated its disclosure related to the differences between the fees charged in its Wrap Fee Program and the fees charged under its regular investment advisory program. SIG has not included any additional fees to cover brokerage transactions in the pricing structure of the Wrap Fee Program, thus the Advisory Fees for the two programs are the same. Also, TD Ameritrade, SIG’s Custodian, in October 2019, eliminated their brokerage charges to clients for US listed Equities and ETF’s. SIG no longer bears the brokerage cost for those types of trades for its clients but continues to pay brokerage on unlisted or foreign equities, other securities and many Mutual Funds. These same topics are included in Items 4 and 5 in the 2a Brochure.
- In the Wrap Fee Brochure, updates made to Item 6, Portfolio Manager Selection and Evaluation – Investment Strategies, including further details of the nature of risk related to Margin accounts and description of monitoring of client investment objectives. These same topics are included in Item 8 in the 2a Brochure.
- In the Wrap Fee Brochure, updates made to Item 9, Additional Information, including further details describing:
 - » The termination of Additional Services provided by TD Ameritrade to SIG as of October 19, 2020 and the merger of TD Ameritrade with Charles Schwab Corporation on October 6, 2020.
 - » The Paycheck Protection Program (PPP) loan received by SIG in 2020.

These same topics are included in Items 12, 14 and 18 of the 2a Brochure.

We have also recently updated our Client Agreements to include the following clarification:

“Client Conflicts. If this Agreement is between Advisor and related Clients (i.e., husband and wife, life partners, etc.), Advisor’s services shall be based upon the joint goals communicated to Advisor, unless specific goals for different Accounts are communicated to Advisor. Advisor shall be permitted to rely upon instructions from either party to this Agreement with respect to the assets in Accounts, unless and until such reliance is revoked in writing to Advisor. Advisor shall not be responsible for any claims or damages resulting from such reliance or from any change in the status of the relationship between the Clients.”

If you have any questions concerning this update or any of our practices, please feel free to contact us at 202-580-6400 or reach out to your Advisor or team members.

If we do not hear back from you by June 30, 2021 regarding the changes to our agreement, we will assume that you are in agreement with our changes.

SARGENT INVESTMENT GROUP, LLC
PRIVACY POLICY & NOTICE - MARCH 2021

GUIDING PRINCIPLES

Sargent Investment Group, LLC (“SIG”) places a high value on the relationships we have with our clients and prospective clients. We have adopted policies and procedures to protect the non-public personal information which we have access to. We strive to maintain our clients’ trust and confidence in our company, an essential aspect of which is our commitment to protecting their personal information in an appropriate manner, to the best of our ability. As a general rule, we will not disclose your personal information to anyone outside of SIG unless it is a fully vetted third-party service provider who assists us in providing services to you or it is otherwise permitted or required by law.

WHY YOU HAVE RECEIVED THIS NOTICE

You have received this notice because you are either a current SIG client, or you have contacted SIG about the services that we provide. This notice describes our practices and policies concerning how we handle information about you and will not be sent to you on an ongoing basis, unless there is a material update, but will always be available to view on our website at sargentinvestmentgroup.com.

THE PERSONAL INFORMATION THAT WE COLLECT, MAINTAIN, AND DISCLOSE

SIG collects and maintains your personal information so we can provide investment advisory, financial planning and family wealth services to you. The types and categories of information we collect and maintain include personally identifiable financial information (PII) about you that we obtain in connection with providing financial services to you, including:

- Information we receive from you to open an account or provide investment advice to you (such as your home address, telephone number, personal goals and financial information)
- Information that we generate to service your account (such as trade tickets and account statements)
- Information about your transactions with us
- Information that we may receive from third parties with respect to you or your account (such as trade confirmations from brokerage firms, information from consumer reporting agencies or account information on held away assets that you have provided access to).

UNAFFILIATED THIRD PARTIES TO WHOM NON-PUBLIC PERSONAL INFORMATION IS DISCLOSED

In order to assist us in servicing your account, there are non-affiliated third-party providers with whom we share your non-public personal information. These parties may include financial service providers (companies that perform services on our behalf, including securities Custodians), non-financial companies (such as technology vendors we contract with to provide you with investment services, our technology consultants who assist us in maintaining our computer systems or entities that assist us in mailing your account materials to you), and other non-affiliated third parties to whom disclosure of non-public personal information is permitted or required by law (such as our Regulators). As SIG only shares your non-public personal information as permitted by current federal and/or state statutes and law and as we will not share your non-public personal information with non-affiliates, we have not provided an Opt-Out form.

CATEGORIES OF NON-PUBLIC PERSONAL INFORMATION DISCLOSED

SIG regards non-public personal information to be data such as your name, address, telephone/fax numbers, e-mail addresses, Social Security number, assets, income, investment objectives, risk tolerance, account numbers, account balances, transaction history, beneficiary information, bank account information, credit card information as well as any health and medical information.

CATEGORIES OF INFORMATION ABOUT FORMER CLIENTS THAT ARE DISCLOSED TO NON-AFFILIATES

If you choose to close your account(s) SIG will adhere to this Privacy Policy with respect to your non-public personal information. Non-public personal information about former SIG clients will not be treated any differently than information about our current clients.

HOW WE PROTECT OUR CLIENTS' PERSONAL INFORMATION

SIG will make every effort to ensure that client information remains confidential, including computer and internet safeguards and utilizing security measures that comply with Federal law. Staff is prohibited from discussing client relationships outside of the office, or in ways not compliant with this policy. Physical client files will be kept in an organized and secure fashion. Employees are expected to make every effort to keep client specific information out of plain sight of office visitors. Secure email messenger tools are used as appropriate for sensitive personally identifiable information. Except where required by law or whenever deemed necessary to transact business on behalf of the client, SIG and its employees are not to disclose any detailed personally identifiable information to any individual, group or reporting agency without the consent of the client. SIG operates a cloud-based work environment.

If you have any questions regarding our privacy policy, please do not hesitate to contact SIG's Chief Compliance Officer via email at compliance@sargentinvestmentgroup.com or via telephone at 202-580-6400. We thank you for your continued patronage.