

Scarecrow Trading Inc.

CROW CHASER STRATEGY

2x Leveraged Nasdaq-100 Returns with Downside Protection

EOY 2021

WHO IS SCARECROW TRADING?



Scarecrow Trading

- Provide Quantitative Investment Research to other Registered Investment Advisors. Website: www.ScareCrowTrading.com
- Founded in 2003 & Registered Investment Advisors
- Equities Specialist: consistent record of outperformance versus S&P 500 Index

WHAT WE DO?



Scarecrow Trading

- Equity Market Macro Research and investment strategy Development
- 100% Quantitative Analysis
- Process data every single day, rerun strategies and reconfirm positions

HOW ARE WE DIFFERENT?



We provide specialized high-performing equity strategies and risk management



Our strategy has a remarkable fifteen-year track record that has consistently outperformed S&P 500



We believe in active portfolio management



We use time-tested algorithms to unemotionally manage through market opportunities and challenges



Our strategies have generated better returns than index in both Bull and Bear markets

CROW CHASER STRATEGY

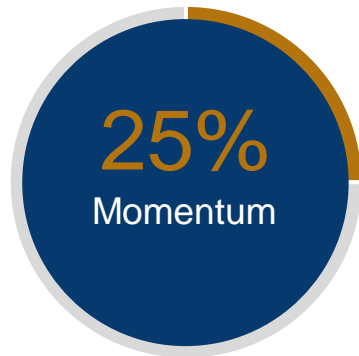
DESCRIPTION

- Built on research done by various investment managers with over 33 years of combined experience
- Completely quantitative investment approach
- Combines data from multiple algorithms to move into long, short, or cash positions as directed by trade signals
- Implemented by taking exposure to large-cap growth equity through the Nasdaq-100 index
- Utilizes leverage at opportune times to enhance returns given its ability to limit the impact of severe drawdowns

CROW CHASER STRATEGY

BUILDING BLOCKS OF STRATEGY

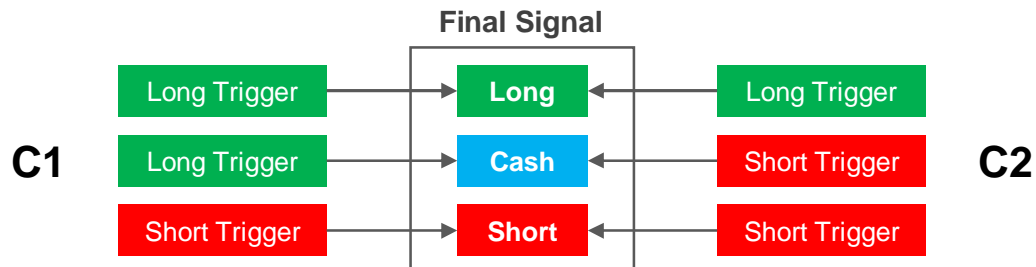
The strategy integrates 17 proprietary market indicators that align with four different disciplines. Taken together, they generate a high-probability trading signal.



CROW CHASER STRATEGY

HOW SIGNAL IS GENERATED

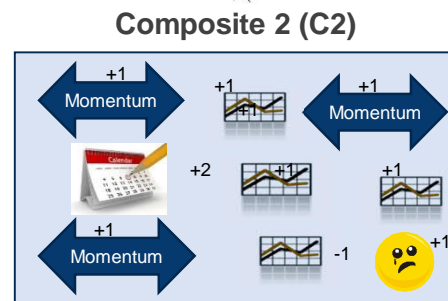
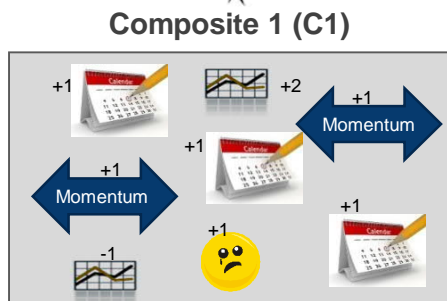
Level 3:
Combining C1 & C2 a final signal is achieved



Level 2:
Each composite in aggregate gives a Long/Short signal



Level 1:
17 algorithms give an On (long) or Off (short) signal



CROW CHASER STRATEGY – Net of Fees

CHARACTERISTICS

| | | | |
|-------------------------------|--------|---------------------------------|--------|
| Number of Months Measured | 197 | % of Time in Cash | 21.13% |
| Total Trades | 178 | Winning Trades | 114 |
| Average Trades Per Year | 11 | Average Winning Trades Per Year | 7 |
| Average Loss Per Losing Trade | -5.82% | Average Gain Per Winning Trade | 11.43% |
| % of Time Long | 72.8% | % of Time Short | 5.5% |

Statistics from Theta Research 1/24/2022 – Net of Fees

Statistics above suggest that the Crow Chaser strategy consistently produced significantly higher risk-adjusted returns.

CROW CHASER STRATEGY

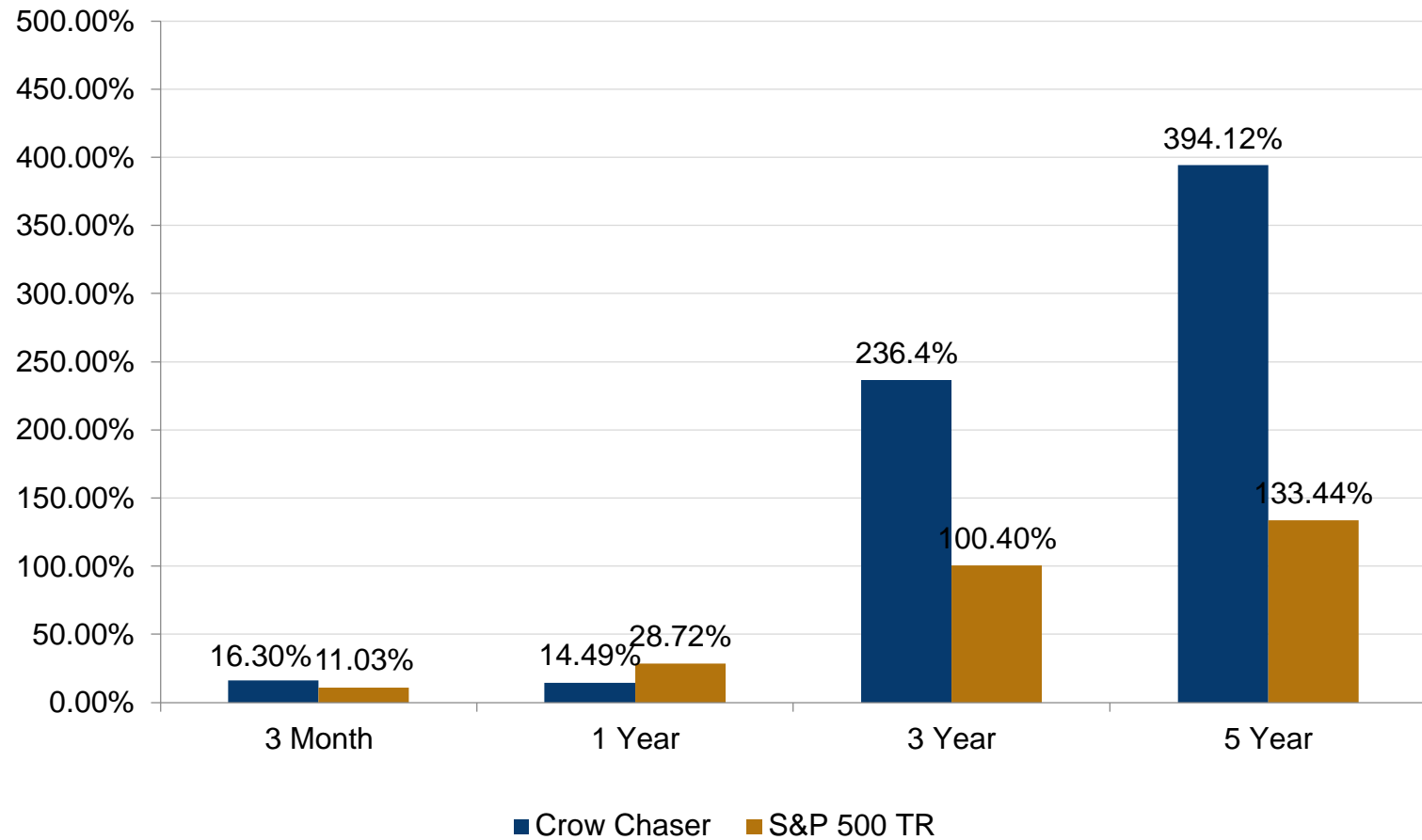
ADVANTAGES



- Better Risk-adjusted Returns
- Bear Market Protection

HIGH RETURNS - Gross

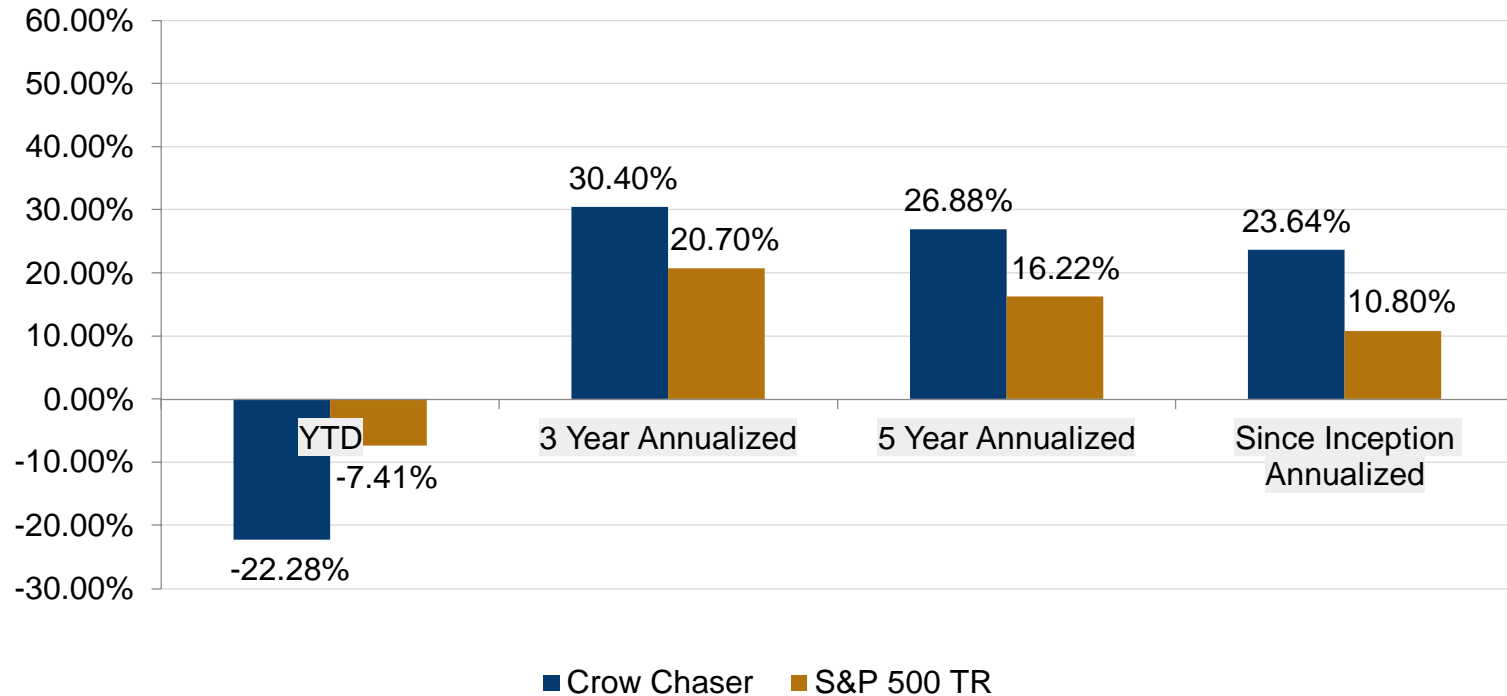
Crow Chaser vs. S&P 500 TR



Data as of Dec 31, 2021. Crow Chaser - Gross

BETTER RISK ADJUSTED RETURNS – Net of Fees

Crow Chaser Strategy vs. S&P 500 TR



Inception Data as of Dec 31, 2021 Annualized and YTD Data as of Jan 25, 2022 from Theta Research and Morningstar. Crow Chaser, net of 2.5% fees. S&P 500 TR (TR means total return, it includes dividend reinvestments)

HIGH RETURNS - Gross

Monthly Return of the Crow Chaser vs. S&P 500 TR

All returns are Gross. All accounts are actual funded accounts and not a back-test. Underlying track record monitoring account is held at Guggenheim Investments.

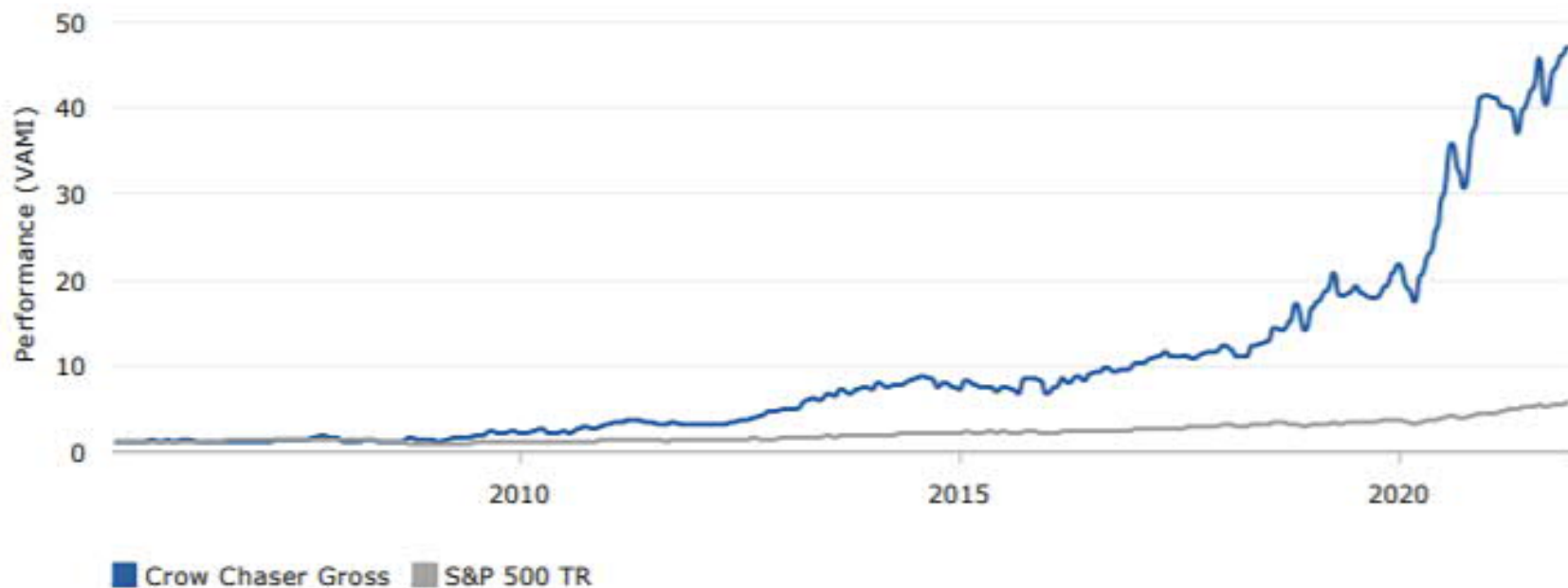
MONTHLY PERFORMANCE

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Year | S&P 500 TR |
|------|--------|--------|-------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------------|---------------|
| 2021 | 0.51 | -0.25 | -2.41 | -0.65 | -7.22 | 7.72 | 5.47 | 8.32 | -11.30 | 9.85 | 3.60 | 2.19 | 14.49 | 28.72 |
| 2020 | 4.66 | -13.19 | -7.86 | 17.49 | 12.47 | 12.59 | 14.70 | 21.23 | -8.79 | -6.47 | 22.01 | 9.97 | 98.23 | 18.40 |
| 2019 | 17.90 | 5.54 | 7.68 | 10.61 | -12.75 | 1.09 | 4.35 | -4.13 | -2.82 | 0.44 | 7.89 | 7.62 | 48.21 | 31.49 |
| 2018 | 5.50 | -2.70 | -8.15 | 0.53 | 11.01 | 1.85 | 3.02 | 11.70 | -0.83 | 6.25 | 13.52 | -18.05 | 20.86 | -4.38 |
| 2017 | 8.05 | -0.08 | 3.34 | 3.43 | 5.62 | -5.07 | 0.76 | 0.04 | -3.88 | 6.33 | 1.20 | 0.75 | 21.54 | 21.83 |
| 2016 | -19.09 | 12.41 | 13.60 | -6.51 | 9.48 | -4.99 | 10.29 | 1.87 | 4.06 | -3.21 | 0.44 | 1.93 | 16.41 | 11.96 |
| 2015 | -4.49 | 14.71 | -5.77 | -4.43 | 0.58 | -8.02 | 8.63 | -2.60 | -7.27 | 24.68 | 0.77 | -3.49 | 8.61 | 1.38 |
| 2014 | -4.11 | 10.25 | -5.57 | 3.66 | 0.29 | 4.49 | 5.35 | 0.78 | -1.81 | -11.73 | 6.49 | -4.97 | 0.99 | 13.69 |
| 2013 | 5.84 | 2.15 | 1.48 | 15.82 | 5.45 | -4.96 | 12.75 | -0.73 | 9.46 | -5.15 | 4.85 | 5.89 | 64.28 | 32.39 |
| 2012 | -0.23 | 0.96 | 2.27 | 0.95 | -2.25 | 10.71 | 1.77 | 5.80 | 6.70 | 7.67 | 9.59 | -1.43 | 50.39 | 16.00 |
| 2011 | 4.53 | 7.16 | 0.14 | 6.97 | 4.50 | -6.55 | -5.13 | -2.24 | -3.26 | 8.04 | -6.01 | -2.40 | 4.20 | 2.11 |
| 2010 | -12.90 | 0.91 | 15.73 | 5.09 | -14.92 | -9.12 | 14.43 | -10.29 | 27.22 | 6.81 | -3.28 | 9.57 | 22.20 | 15.06 |
| 2009 | -6.87 | -11.21 | 10.68 | 26.42 | 6.11 | -2.42 | 14.24 | 5.41 | 18.28 | -10.57 | 8.13 | 10.50 | 82.34 | 26.46 |
| 2008 | -23.18 | -10.67 | 7.13 | 14.95 | 11.68 | -22.28 | -2.34 | 0.13 | 0.12 | 43.49 | -14.17 | 2.74 | -9.13 | -37.00 |
| 2007 | 2.87 | 3.73 | -4.67 | 15.29 | 5.96 | 0.00 | -1.15 | 4.72 | 12.58 | 12.44 | -13.87 | -1.13 | 38.68 | 5.49 |
| 2006 | 5.60 | -7.34 | 9.84 | -0.95 | -14.31 | 6.30 | -13.72 | -6.20 | 7.17 | 6.00 | 0.33 | 0.88 | -9.75 | 15.80 |
| 2005 | | | | | | | 0.20 | 3.28 | -4.11 | 12.71 | 6.03 | -3.76 | 14.13 | 5.77 |

BETTER RISK ADJUSTED RETURNS - Gross

Value of \$1 invested in the Crow Chaser strategy since inception vs. S&P 500 TR*

MONTHLY PERFORMANCE OF \$1



Data from Theta Research. Numbers as of Jan 24, 2022. Crow Chaser Strategy return is Gross

BETTER RISK ADJUSTED RETURNS – Net of Fees

Crow Chaser Strategy vs. S&P 500 TR

| | Crow Chaser Strategy | S&P 500 TR |
|--|----------------------|------------|
| Annualized Performance | 23.64% | 10.80% |
| Maximum Drawdown (Monthly) | -41.94% | -50.95% |
| Best monthly Perf. | 42.57% | 12.82% |
| Worst Monthly Perf. | -23.67% | -16.80% |
| Max Drawdown Month | 2-2008 | 2-2009 |
| Months Up | 121 | 136 |
| Months Down | 76 | 61 |
| Standard Deviation Ann. | 31.80% | 14.72% |
| Correlation Coefficient to Benchmark (monthly) | 0.70 | N/A |
| Sharpe Ratio (RFR 1%) | 0.82 | 0.79 |
| Capture Ratio Upside | 160.96% | N/A |
| Capture Ratio Downside | 108.69% | N/A |

Data from Theta Research As of 1/25/2022, net of 2.5% fees.

BETTER RISK ADJUSTED RETURNS - Gross

vs. 2x Leveraged RYTNX S&P 500 Index

Crow Chaser Strategy significantly outperformed a 2x leveraged investment in the S&P 500 Index with much lower drawdowns.

| | S&P500 2x | Crow Chaser |
|------------------------|----------------|---------------|
| 2005 | | |
| 2006 | 21.87% | -9.75% |
| 2007 | 1.94% | 38.68% |
| 2008 | -68.09% | -9.13% |
| 2009 | 46.76% | 82.34% |
| 2010 | 24.05% | 22.20% |
| 2011 | -4.21% | 4.2% |
| 2012 | 24.85% | 50.39% |
| 2013 | 74.59% | 64.28% |
| 2014 | 21.90% | 0.99% |
| 2015 | 0.59% | 8.61% |
| 2016 | 19.04% | 16.41% |
| 2017 | 35.39% | 21.54% |
| 2018 | -11.65% | 20.86% |
| 2019 | 61.99% | 48.21% |
| 2020 | 21.70% | 98.23% |
| 2021 | 56.44% | 14.49% |
| Avg. Annualized | 13.59% | 24.7% |
| Max Drawdown | -81.70% | -42% |

MONTHLY PERFORMANCE OF \$1



DRAWDOWN



BETTER RISK ADJUSTED RETURNS - Gross

vs. 2x leveraged RYVYX Nasdaq-100 index

Though strategy did not outperform a 2x leveraged RYVYX investment in the NASDAQ-100 index, it had much lower drawdowns.

| | NDX 2X * | Crow Chaser |
|------------------------|----------------|---------------|
| 2005 | | |
| 2006 | 8.9% | -9.75% |
| 2007 | 29.04% | 38.68% |
| 2008 | -72.76% | -9.13% |
| 2009 | 118.55% | 82.34% |
| 2010 | 36.46% | 22.20% |
| 2011 | -0.90% | 4.2% |
| 2012 | 28.58% | 50.39% |
| 2013 | 74.98% | 64.28% |
| 2014 | 41.23% | 0.99% |
| 2015 | 16.30% | 8.61% |
| 2016 | 8.74% | 16.41% |
| 2017 | 50.91% | 21.54% |
| 2018 | 1.74% | 20.86% |
| 2019 | 73.94% | 48.21% |
| 2020 | 81.57% | 98.23% |
| 2021 | 58.34% | 14.49% |
| Avg. Annualized | 25.16% | 24.70% |
| Max Drawdown | -80.75% | -42% |

MONTHLY PERFORMANCE OF \$1



DRAWDOWN



BETTER RISK ADJUSTED RETURNS – Net of Fees

Rolling Returns – Crow Chaser

| Rolling Period Statistics | 3 Mo | 6 Mo | 12 Mo | 24 Mo | 36 Mo | 48 Mo | 60 Mo | 84 Mo | 120 Mo |
|---------------------------|---------|---------|---------|---------|---------|---------|---------|---------|----------|
| # of Periods | 195 | 192 | 186 | 174 | 162 | 150 | 138 | 114 | 78 |
| % of Periods Profitable | 70 | 73 | 79 | 94 | 96 | 100 | 100 | 100 | 100 |
| Average Period Return | 6.45% | 12.80% | 27.33% | 59.63% | 98.86% | 146.50% | 206.47% | 347.98% | 741.71% |
| Average Period Gain | 13.31% | 21.01% | 37.56% | 64.32% | 103.62% | 146.50% | 206.47% | 347.98% | 741.71% |
| Average Period Loss | -9.35% | -9.88% | -11.19% | -9.79% | -6.47% | 0.00% | 0.00% | 0.00% | 0.00% |
| Best Performance | 55.74% | 88.20% | 126.11% | 187.63% | 244.15% | 314.24% | 557.57% | 616.54% | 1336.83% |
| Worst Performance | -35.01% | -30.45% | -32.97% | -18.43% | -10.71% | 30.16% | 67.67% | 171.83% | 333.76% |
| Standard Deviation | 14.57% | 20.35% | 31.65% | 45.28% | 60.31% | 70.42% | 107.55% | 95.98% | 221.75% |

Data taken from Theta Research 1/24/2022 – Net of Fees

BEAR MARKET PROTECTION - Gross

During Great Recessession

The Crow Chaser Strategy generated positive return even during great recession



Chart taken from TimerTrac – Dates 10/1/2007 through 12/31/2009 – Gross

BEAR MARKET PROTECTION - Gross

Recovery from The Great Recession for S&P 500

During the time it took S&P to recover, the Crow Chaser Strategy made 258% (Gross)



Chart taken from TimerTrac – Dates 10/1/2007 through 3/28/2013 – Gross

BEAR MARKET PROTECTION - Gross

Recovery from The Great Recession for the strategy

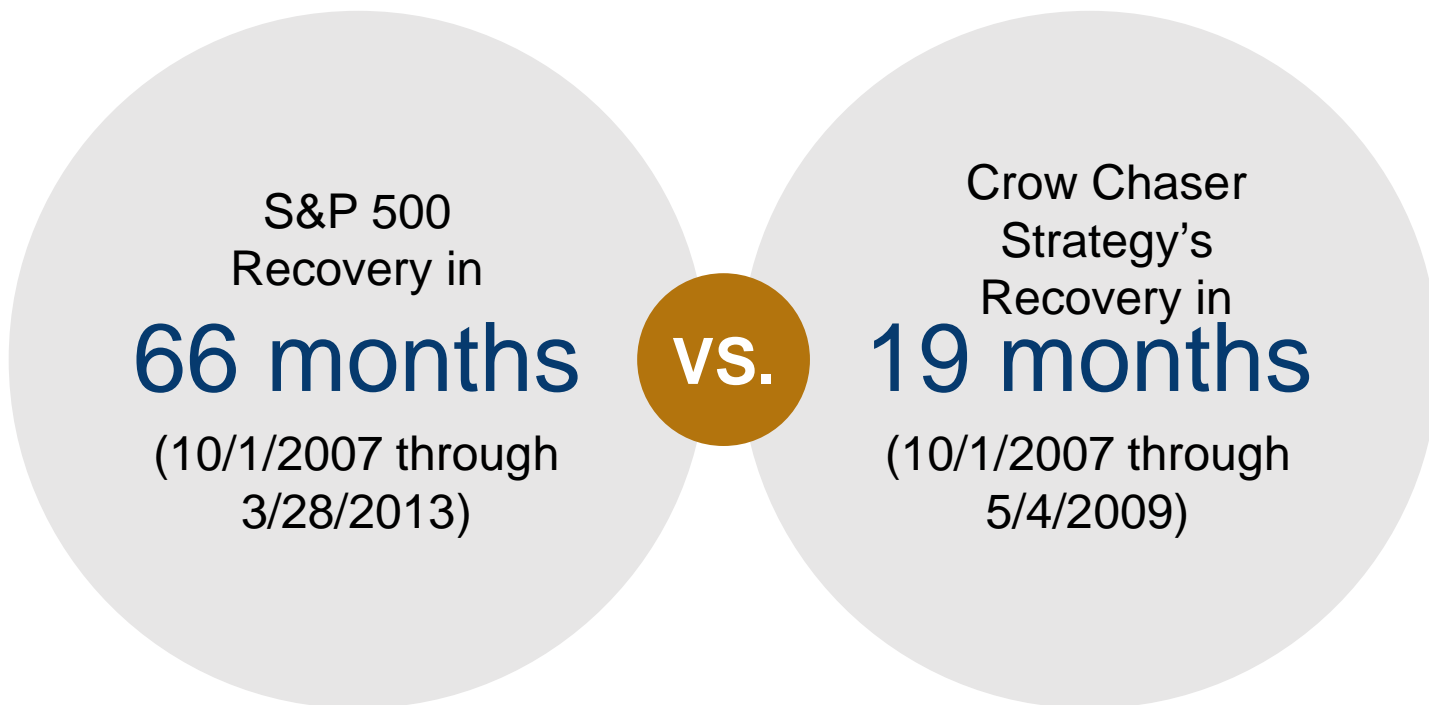
S&P was still down more than 40% when the Crow Chaser strategy recovered from all its losses



Chart taken from TimerTrac – Dates 10/1/2007 through 5/4/2009 – Gross

BEAR MARKET PROTECTION - Gross

Summary: recovery from the great recession



During the time it took S&P to recover, the Crow Chaser Strategy made 258% (Gross)

BEAR MARKET PROTECTION - Gross

Equity Market Drop in 2018

High for S&P 500 – 8/29/2018

Low for S&P 500 – 12/24/2018

How did we perform versus Buy-and-Hold S&P 500 TR & 2 times leveraged Nasdaq-100 Index?

| | |
|---------------------|----------|
| S&P 500 TR | - 18.79% |
| 2x Nasdaq-100 Index | - 43.56% |
| Crow Chaser | - 15.91% |

Even though we were invested in a 2 beta market fund, we lost less than S&P500, as the Crow Chaser strategy moved to a risk-off position.

Crow Chaser Return taken from Timer Trac Dates 8/29/2018 through 12/24/2018 – Gross

BEAR MARKET PROTECTION - Gross

During 2018 Equity Drop

Crow Chaser 2X strategy outperforms SP500 drawdown.

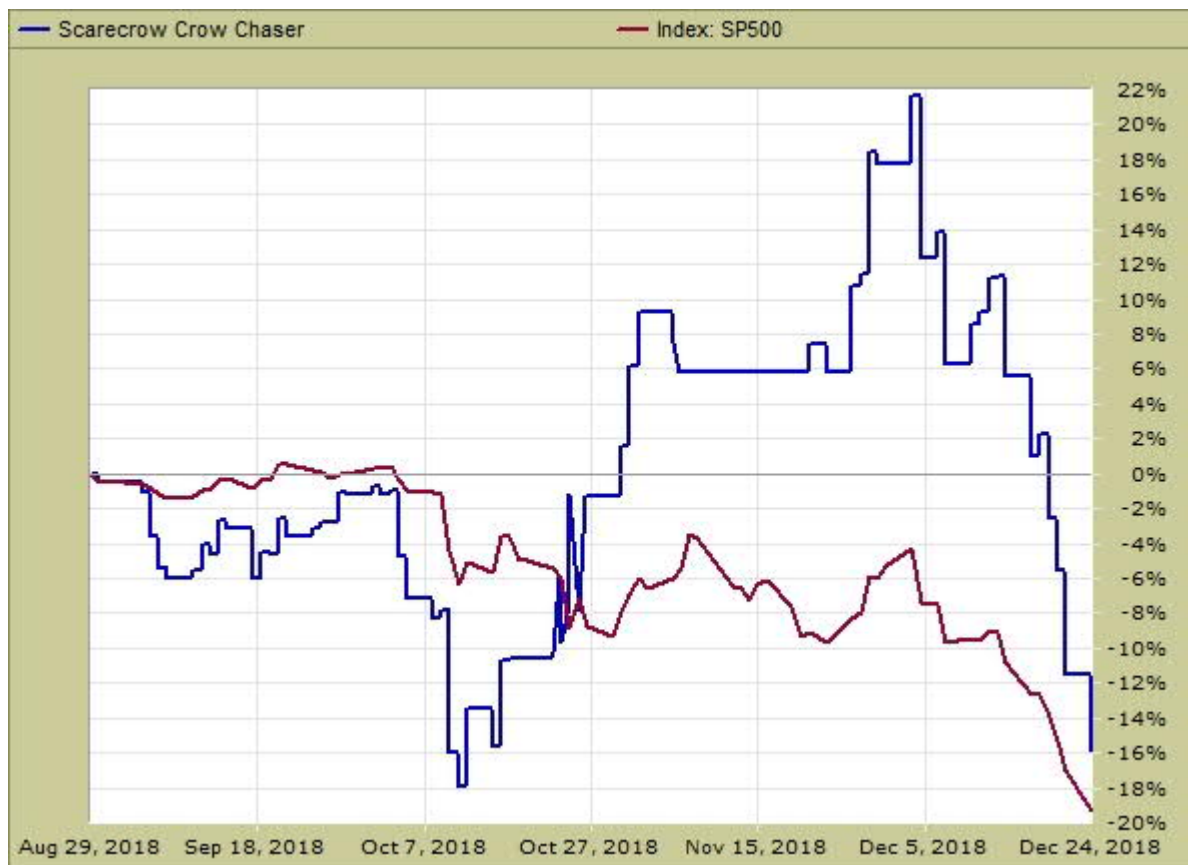


Chart taken from TimerTrac – Dates 8/29/2018 through 12/24/2018 – Gross

BEAR MARKET PROTECTION - Gross

Recovery from 2018 Equity Drop

Crow Chaser grows by 26%

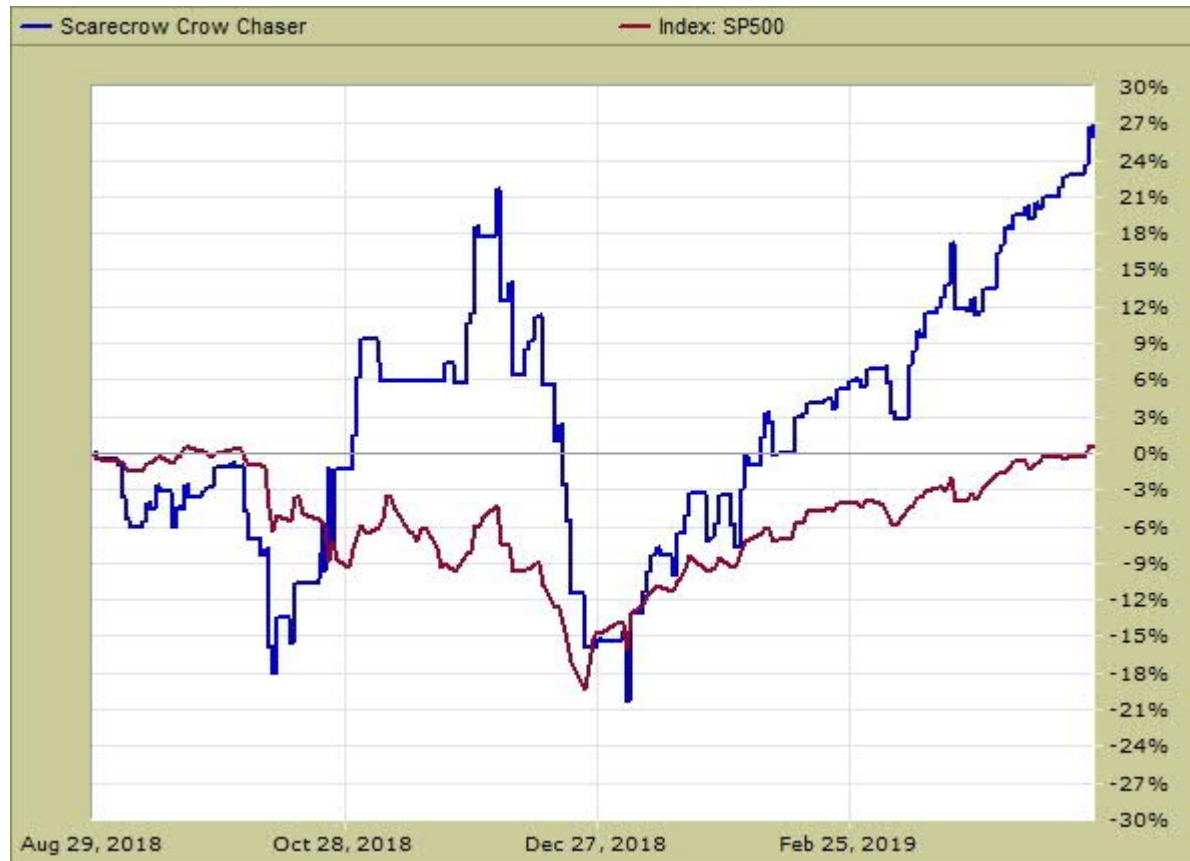
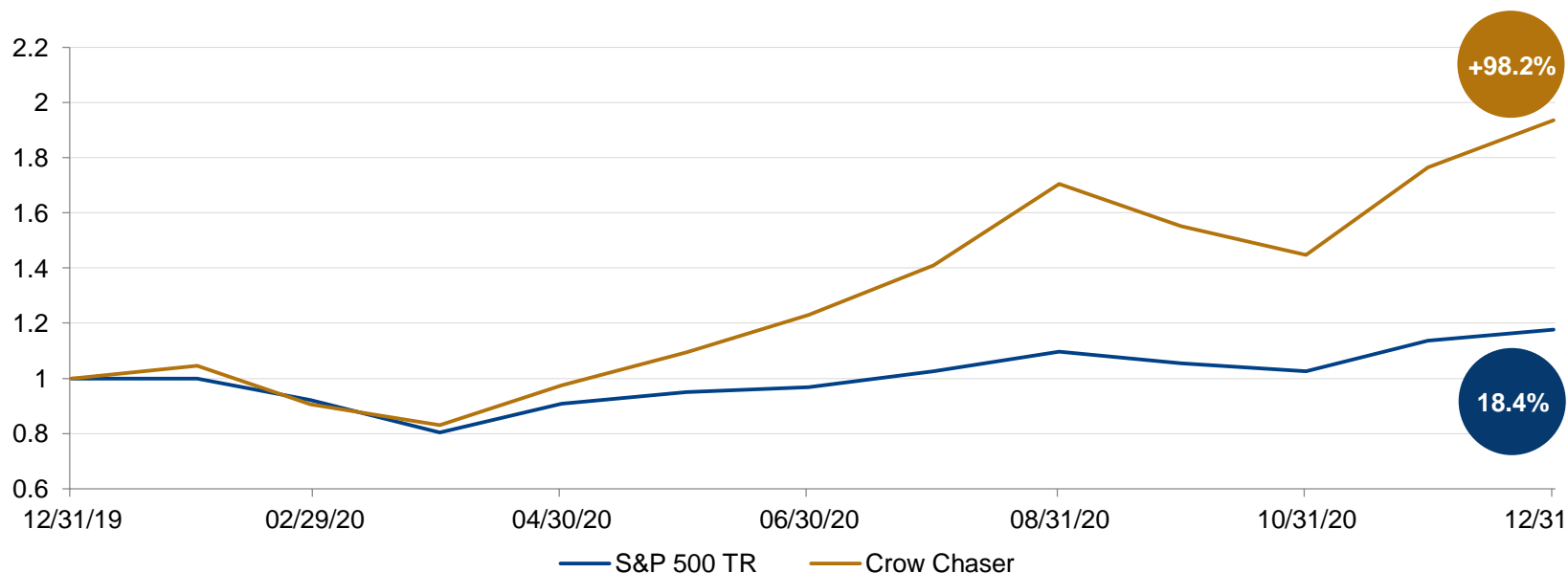


Chart taken from TimerTrac – Dates 8/29/2018 through 4/24/2019 – Gross

BEAR MARKET PROTECTION - Gross

Covid-19 Crisis

Value of \$1 Invested



Even though we were invested in a 2 beta market fund, we lost slightly less than S&P500, as the Crow Chaser strategy moved to a risk-off position.

As of 12/31/2020. ETF SPY is used as a proxy for S&P 500 TR (TR means total return, it includes dividend reinvestments)

BEAR MARKET PROTECTION – Gross

During Covid Crisis Recession

The Crow Chaser Strategy (2x) slightly exceeds benchmark.



Chart taken from TimerTrac – Dates 2/14/2020 through 4/30/2020 – Gross

BEAR MARKET PROTECTION - Gross

Recovery from Covid Crisis Recession

The Crow Chaser Strategy generated positive return of 28.5%

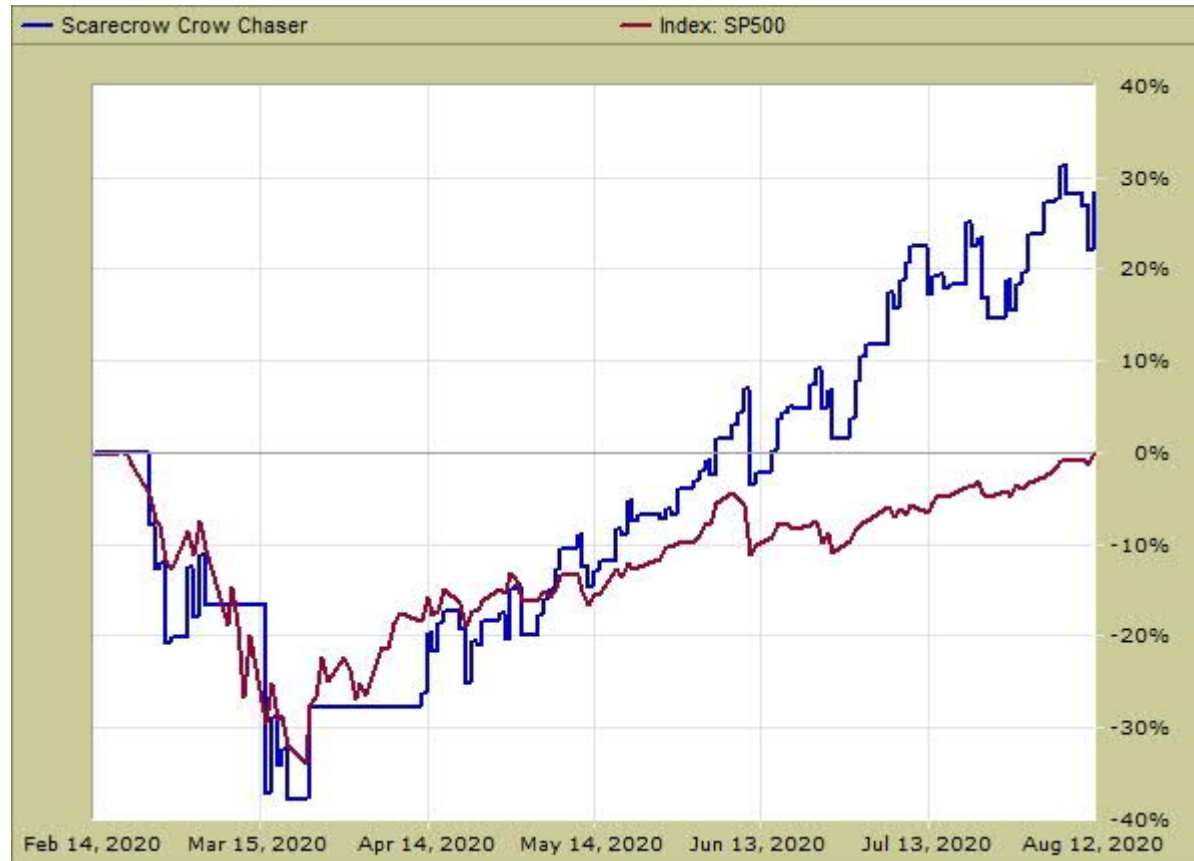
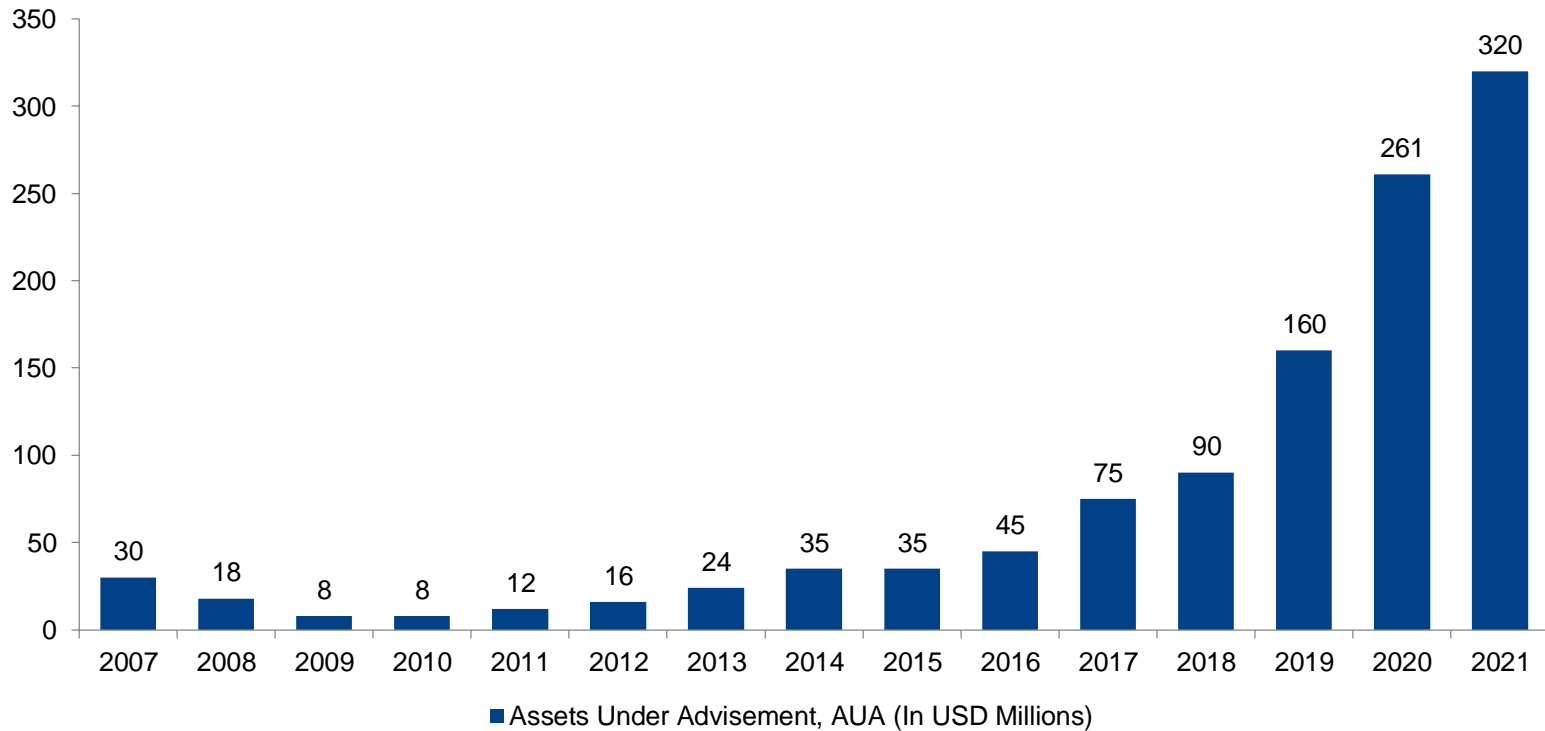


Chart taken from TimerTrac – Dates 2/14/2020 through 8/12/2020 – Gross

HIGH RETURNS

Assets Under Advisement

Assets Under Advisement for Crow Chaser have grown consistently.



*Total assets influenced by research manager. Assets managed away from the primary research provider are considered assets under advisement (AUA) and not assets under management (AUM).

GIPS Compliance Letter



Alpha Performance Verification Services

PO Box 1203
Wiggsville Beach, NC 28480
(804) 677-4343
www.alphaverification.com

Independent Verifier's Report on GIPS® Compliance

Scarecrow Trading Inc.
Savage, Minnesota 55378

We have verified whether Scarecrow Trading Inc. (the "Firm") has, for the periods from July 1, 2005 through December 31, 2020, established policies and procedures for complying with the Global Investment Performance Standards (GIPS®) related to composite and pooled fund maintenance and the calculation, presentation, and distribution of performance that are designed in compliance with the GIPS standards, as well as whether these policies and procedures have been implemented on a firm-wide basis. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

Management's Responsibility

The Firm's management is responsible for its claim of compliance with the GIPS standards and the design and implementation of its policies and procedures. Our responsibilities are to be independent from the Firm and to express an opinion based on our verification. We conducted this verification in accordance with the required verification procedures of the GIPS standards, which includes testing performed on a sample basis. We also conducted such other procedures as we considered necessary in the circumstances.

Opinion

In our opinion, for the periods from July 1, 2005 through December 31, 2020, the Firm's policies and procedures for complying with the GIPS standards related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been, in all material respects:

- Designed in compliance with the GIPS standards, and
- Implemented on a firm-wide basis.

This report does not relate to or provide assurance on any specific performance report of the Firm or on the operating effectiveness of the Firm's controls or policies and procedures for complying with the GIPS standards.

A handwritten signature in cursive script that reads "Alpha Performance Verification".

Alpha Performance Verification Services
Michael W. Hultzapple, CPA, CFA, CIPM
September 13, 2021

GIPS® Verification & Compliance Consultation

BIOGRAPHY



Len Fox is Portfolio Manager and CEO of Scarecrow Trading Inc. He is responsible for signal development and market investment strategies. He is also the designer of a proprietary market positioning systems that is used to optimally expose client's assets for growth opportunity and risk mitigation. This system is currently being used by several money management firms to assist in directing client's assets. Len holds an MBA from Regis University in Denver Colorado. Len is also a U.S. Army Veteran. He had an extended career with AT&T working in various management positions prior to starting Scarecrow Trading, INC. In 2003, he commercialized the algorithms he uses today for servicing individuals and firms in the financial industry. His signal strategies are consistently found in the top 10% relative to performance over time. He has also served as a market consultant for various firms successfully applying the strategies in various portfolio configurations throughout the industry.



Ben Fox is Business/Portfolio Manager of Scarecrow Trading Inc. He is responsible for publishing daily newsletter updates and distributing these updates to the Scarecrow Trading customer base and tracking entities. He supports the Numetrix Capital partnership. Previously, Ben was in a sales capacity for Family Heritage, a supplemental health and life insurance company. He holds a Baccalaureate degree from Patten University in Oakland, CA and has his Series 65 designation, as well as, his Life and Health licenses. Ben is a veteran of United States Air Force reserve. He is an active member of the National Association of Active Investment Managers (NAAIM). He lives in Cottage Grove, Minnesota.

DISCLAIMER

Scarecrow Trading Incorporated ("STI") is a Registered Investment Advisor in the State of Minnesota in accordance with Minnesota Statute 80A. A listing of composite descriptions is available upon request.

STI claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. STI has been independently verified for the periods July 1, 2005 through August 31, 2018. The verification report is available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Composite and benchmark performance included dividends, interest income, and capital gains. Past performance is not indicative of future results. The composite is comprised of all non fee-paying accounts. Net returns are calculated using model fees. The annual fee is 2.5%. Composite dispersion is not presented since the composite contained five or fewer accounts for all years.

The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of management fees and include the reinvestment of all income. The annual composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite the entire year. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

The preceding illustration for the Scarecrow Trading programs represents a combination of Scarecrow Trading strategies based on a rules-based decision tree. Indicators designed and maintained by Scarecrow Trading determine the allocation to the various Scarecrow Trading strategies.

No representation is being made that any account will or is likely to achieve profits or have losses similar to those shown. In fact, there may be frequent sharp differences between the historical performance record and actual client results.

Performance results illustrated are net of fees. Performance results are gross of custodian costs and do not consider the impact of taxes.

Historical trading does involve risk and may reflect the impact that any material market or economic factor may have on SCARECROW TRADING's decision making. Since all trades are actually executed, the performance record will represent the impact, if any, of certain market factors (e.g. lack of liquidity, trading costs, etc.). The conditions, objectives or investment strategies may have changed materially during the time period, or after the time period, portrayed in this performance record, and the effect of such change is portrayed in the performance record.

There is no guarantee that future portfolio management or strategy selection decisions will mirror this performance record. The investment strategies followed may only partially relate to the type of services currently offered by Scarecrow Trading. The assets utilized in this performance record may be different from the assets utilized by Scarecrow Trading when trading actual client accounts (e.g. the performance record may include some assets that Scarecrow Trading no longer has access to or recommends to its clients).

The performance of different assets varies widely. As a result, actual client account results may vary widely from those shown in this performance record. There are numerous other factors related to the markets in general or to the implementation of any specific strategy which cannot be fully accounted for in the preparation of this historical performance record, all of which can adversely affect results when actually managing client assets.

Information pertaining to Scarecrow Trading's advisory operations, services, and fees is set forth in Scarecrow Trading's current disclosure statement, a copy of which is available from Scarecrow Trading upon request. Performance results have been compiled solely by Scarecrow Trading and have been independently verified by Theta Research. Scarecrow Trading will provide passes to Theta Research upon request. Theta Research maintains all information supporting the performance results.

Past performance may not be indicative of future results.