

SCARECROW TRADING, INC

Firm Brochure - Form ADV Part 2A

This brochure provides information about the qualifications and business practices of SCARECROW TRADING INC. If you have any questions about the contents of this brochure, please contact us at (952) 250-7453 or by email at: lenfox@scarecrowtrading.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about SCARECROW TRADING INC. is also available on the SEC's website at www.advisorinfo.sec.gov. SCARECROW TRADING'S CRD number is: 171581

4815 123rd St. West
Savage, Minnesota 55378
(952) 250-7453
www.scarecrowtrading.com
lenfox@scarecrowtrading.com

Registration does not imply a certain level of skill or training.

Version Date 12/31/2025

Item 2: Material Changes

SCARECROW TRADING INC. was formed in January of 2003 and is a Registered Investment Advisor (RIA) in the State of Minnesota. It began providing investment advice to clients in 2014.

As of its last filing in March of 2025, no new material changes have occurred.

Assets Under Advisement has increased to \$ 1,000,000,000.00

Additional information about SCARECROW TRADING INC., is also available via the SEC's website www.adviserinfo.sec.gov. The SEC's website provides information about any person affiliated with SCARECROW TRADING INC., who are registered, or are required to be registered as investment advisor representatives of SCARECROW TRADING INC.,.

If you would like another copy of this brochure, please download it from the SEC website as indicated on this page one or you may contact Len Fox at 952-250-7453 or email at lenfox@scarecrowtrading.com. We encourage you to read this document in its entirety.

Item 3: Table of Contents

Table of Contents

Item 1: Cover Page	0
Item 2: Material Changes.....	i
Item 3: Table of Contents.....	ii
Item 4: Advisory Business	1
A. Description of the Advisory Firm	1
B. Types of Advisory Services.....	1
Market Trading Signals	1
C. Client Tailored Services and Client Imposed Restrictions.....	1
D. Wrap Fee Programs.....	1
E. Amounts Under Management.....	1
Item 5: Fees and Compensation.....	2
A. Method of Compensation and Fee Schedule.....	2
Advisor Platform Fee	2
B. Client Payment of Fees.....	2
C. Additional Client fees charged	2
D. Prepayment of Fees	2
E. Outside Compensation For the Sale of Securities to Clients.....	3
Item 6: Performance-Based Fees and Side-By-Side Management	3
Item 7: Types of Clients	3
Item 8: Methods of Analysis, Investment Strategies, and Risk of Investment Loss	3
A. Methods of Analysis and Investment Strategies	3
Methods of Analysis	3
Investment Strategies.....	3
B. Material Risks Involved	4
Item 9: Disciplinary Information	5
A. Criminal or Civil Actions	5
B. Administrative Proceedings	5
C. Self-regulatory Organization (SRO) Proceedings	5

Item 10: Other Financial Industry Activities and Affiliations.....	5
A. Registration as a Broker/Dealer or Broker/Dealer Representative.....	5
B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor	5
C. Relationships Material to this Advisory Business and Possible Conflicts of Interests	5
D. Selection of Other Advisors or Managers and How This Advisor is Compensated for Those Selections	6
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	6
A. Code of Ethics.....	6
B. Recommendations Involving Material Financial Interests	6
C. Investing Personal Money in the Same Securities as Clients.....	7
D. Trading Securities At/ Around the Same Time as Clients’ Securities.....	7
Item 12: Brokerage Practices	7
A. Factors Used to Select Custodians and/or Broker/Dealers	7
B. Aggregating (Block) Trading for Multiple Client Accounts	7
Item 13: Reviews of Accounts	8
A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews.....	8
B. Factors That Will Trigger a Non-Periodic Review of Client Accounts.....	8
C. Content and Frequency of Regular Reports Provided to Clients.....	8
Item 14: Client Referrals and Other Compensation	8
A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (LLCludes Sales Awards or Other Prizes).....	8
B. Compensation to Non - Advisory Personnel for Client Referrals.....	8
Item 15: Custody.....	8
Item 16: Investment Discretion.....	8
Item 17: Voting Client Securities (Proxy Voting).....	9
Item 18: Financial Information.....	9
A. Balance Sheet	9
B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients	9
C. Bankruptcy Petitions in Previous Ten Years	9
Item 19: Requirements For State Registered Advisors.....	9

A. Principal Executive Officers and Management Persons; Their Formal Education and Business Background	9
B. Other Businesses in Which This Advisory Firm or its Personnel are Engaged and Time Spent on Those (If Any).....	9
C. How Performance Based Fees are Calculated and Degree of Risk to Clients.....	10
D. Material Disciplinary Disclosures for Management Persons of this Firm	10
E. Material Relationships That Management Persons Have With Issuers of Securities (If Any)	10

Item 4: Advisory Business

A. Description of the Advisory Firm

SCARECROW TRADING INC. is organized in the state of Minnesota.

This firm was formed in 2003 and began offering investment advisory services in 2014. The firm is owned by Scarecrow Management, LLC which is solely owned by Mr. Leonard Fox. Mr. Leonard Fox is President and CCO.

B. Types of Advisory Services

SCARECROW TRADING INC., (hereinafter "SCARECROW TRADING") offers the following services to advisory clients:

MARKET TRADING SIGNALS

Advisor has developed software technology which processes financial market data using proprietary mathematical algorithms and produces periodic instruction to take action regarding various securities or securities markets to unaffiliated Registered Investment Advisors (RIA) under a license agreement.

Advisor will provide, upon execution of the license agreement, Signals to the unaffiliated Registered Investment Advisor (Licensee) via email on a daily basis. The Licensee is under no obligation to market or otherwise utilize the signal(s) provided by Advisor and reserves the right to use or not use the signal(s) if and when it deems appropriate or desirable in its sole discretion.

C. Client Tailored Services and Client Imposed Restrictions

Advisor does not solicit individual clients.

Agreements may not be assigned without written client consent.

D. Wrap Fee Programs

Advisor does not sponsor any wrap fee programs.

E. Amounts Under Management

SCARECROW TRADING INC. does not manage client assets.

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$ 0.00	\$0.00	Dec 31,2025

Scarecrow Trading has the following approximate Assets under Advisement:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$1,000,000,000.00	\$0.00	Dec 31, 2025

Item 5: Fees and Compensation

A. Method of Compensation and Fee Schedule

Advisor Platform

Licensed unaffiliated Registered Investment Advisors using the platform will pay Advisor an annual fee not to exceed 1.0% based on the dollar value of all assets managed using the respective signals. These fees are payable to Advisor quarterly in advance or in arrears; depending upon what the unaffiliated Registered Investment Advisor charges clients, are negotiable.

B. Client Payment of Fees

Payment of Fees

Fees are billed quarterly in advance or arrears, meaning we bill either before or after the three-month billing cycle. Fees are paid to Advisor by check or wire

C. Additional Client Fees Charged

Custodians may charge transaction fees on purchases or sales of certain mutual funds, equities, and exchange-traded funds. These charges may include Mutual Fund transaction fees, postage and handling and miscellaneous fees (fees levied to recover cost associated with fees assessed by self-regulatory organizations. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

Advisor, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

For more details on the brokerage practices, see Item 12 of this brochure.

D. Prepayment of Fees

Advisor does not charge fees in advance of more than \$500.00 per client and six months or more in advance.

E. Outside Compensation for the Sale of Securities to Clients

Advisor does not receive any external compensation for the sale of securities to clients, but investment advisor representatives of Advisor may receive compensation for the sale of securities as investment advisor representatives of unaffiliated advisory firms.

Item 6: Performance-Based Fees and Side-By-Side Management

SCARECROW ADVISORS does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7: Types of Clients

A. Description

Advisor provides investment advice to Registered Investment Advisory firms and investment companies.

Client relationships vary in scope and length of service.

B. Account Minimums

Advisor does not require a minimum to open an account.

Item 8: Methods of Analysis, Investment Strategies, and Risk of Investment Loss

A. Methods of Analysis and Investment Strategies

Methods of Analysis

The Advisor uses Absolute Return Strategy for market signals. All signals are designed for active management and are to be traded against Index based ETF's or Mutual Funds.

Investment Strategies

Absolute return investment techniques include using short selling, futures, options, derivatives, arbitrage, leverage and unconventional assets.

B. Security Specific Material Risks

All investment programs have certain risks that are borne by the investor. Fundamental analysis may involve interest rate risk, market risk, business risk, and financial risk. Risks involved in technical analysis are inflation risk, reinvestment risk, and market risk. Cyclical analysis involves inflation risk, market risk, and currency risk.

Our security analysis approach constantly keeps the risk of loss in mind. Investors face the following investment risks and should discuss these risks with Advisor:

Interest-rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

Market Risk: The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.

Currency Risk: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.

Business Risk: These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. These carry a higher risk of profitability than an electric company which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.

Financial Risk: Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Option Risk: The risk with option buying are the risk of losing your entire investment in a relatively short period of time and losing your entire investment as the option goes out of the money and as expiration nears. This risk with option selling are options sold may be exercised at any time before expiration and forgoing the right to profit when the underlying stock rises above the strike price of the call option sold.

Item 9: Disciplinary Information

A. Criminal or Civil Actions

There are no criminal or civil actions to report.

B. Administrative Proceedings

There are no administrative proceedings to report.

C. Self-regulatory Organization (SRO) Proceedings

There are no self-regulatory organization proceedings to report.

Item 10: Other Financial Industry Activities and Affiliations

A. Registration as a Broker/Dealer or Broker/Dealer Representative

Neither SCARECROW TRADING INC., nor its representatives are registered as or have pending applications to become a broker/dealer or as representatives of a broker/dealer.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither SCARECROW TRADING Inc., nor its representatives are registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

C. Relationships Material to this Advisory Business and Possible Conflicts of Interests

SCARECROW TRADING Inc., is required to disclose certain financial industry activities and affiliations. Through its Code of Ethics, SCARECROW TRADING Inc., requires all Investment Advisors to adhere to all State and Federal Securities Laws, firm policies and be properly licensed or registered with the appropriate agency prior to engagement with clients.

Mr. Leonard Fox is also Independent Advisor Representative (IAR), of Scarecrow Advisors, LLC. Mr. Fox spends approximately 20% of his time during market hours in this endeavor.

D. Selection of Other Advisors or Managers/Strategists and How This Advisor is Compensated for Those Selections

SCARECROW TRADING Inc. does not recommend or select other investment advisors.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

A. Code of Ethics

We have a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Our Code of Ethics is available free upon request to any client or prospective client.

B. Recommendations Involving Material Financial Interests

SCARECROW TRADING Inc., does not recommend that clients buy or sell any security in which a related person to SCARECROW TRADING Inc., or SCARECROW TRADING Inc., has a material financial interest.

C. Investing Personal Money in the Same Securities as Clients

From time to time, representatives of SCARECROW TRADING Inc., may buy or sell securities for themselves that they also recommend to clients. This provides an opportunity for representatives of SCARECROW TRADING Inc., to buy or sell the same

securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. SCARECROW TRADING Inc., will always document any transactions that could be construed as conflicts of interest and will always transact client business before or simultaneous to their own when similar securities are being bought or sold. Trading of affiliates is prohibited from front running or disadvantaging clients.

D. Trading Securities At/Around the Same Time as Clients' Securities

From time to time, representatives of SCARECROW TRADING Inc., may buy or sell securities for themselves at or around the same time as clients. This provides an opportunity for representatives of SCARECROW TRADING Inc., to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. SCARECROW TRADING Inc., will always transact client's transactions either before or simultaneous to its own when similar securities are being bought. Trading of affiliates is prohibited from front running or disadvantaging clients.

Item 12: Brokerage Practices

A. Factors Used to Select Custodians and/or Broker/Dealers

Broker/Dealers selected for use by SCARECROW TRADING Inc., are selected due to the availability of technology interfaces for automated trade execution, which is not generally available at other brokerages, and also for very low cost trade commissions, which are typically well below that of other brokerages available to SCARECROW TRADING Inc.. Clients pay for any and all custodial fees in addition to the advisory fee charged by Advisor.

Directed Brokerage: Advisor does not provide direct asset-management and therefore does not take direction from clients as to what broker-dealer to use.

Best Execution: Investment Advisors who manage or supervise client portfolios on a discretionary basis have a fiduciary obligation of best execution. Advisor does not exercise discretion of client accounts.

Soft Dollar Arrangements: Advisor does not maintain any soft dollar arrangements.

B. Aggregating (Block) Trading for Multiple Client Accounts

SCARECROW TRADING Inc., does not trade for its client's accounts and therefore aggregation of securities transactions is not applicable.

Item 13: Reviews of Accounts

A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

Advisor does not review client accounts.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Advisor does not review client accounts

C. Content and Frequency of Regular Reports Provided to Clients

Advisor does not provide reports

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (includes Sales Awards or Other Prizes)

Advisor does not receive any economic benefits from external sources.

B. Compensation to Non – Advisory Personnel for Client Referrals

Advisor does not compensate for client referrals.

Item 15: Custody

A. Account Statements

Advisor does not provide account statements.

Item 16: Investment Discretion

Advisor does not accept discretionary authority to manage securities accounts on behalf of clients

Item 17: Voting Client Securities (Proxy Voting)

SCARECROW Trading Inc., does not vote proxies on securities. Clients are expected to vote their own proxies. The client will receive their proxies directly from the custodian of their account or from a transfer agent.

Item 18: Financial Information

A. Balance Sheet

SCARECROW TRADING Inc., does not require nor solicit prepayment of more than \$500 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither SCARECROW TRADING Inc., nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in Previous Ten Years

SCARECROW TRADING Inc., has not been the subject of a bankruptcy petition in the last ten years.

Item 19: Requirements for State Registered Advisors

A. Principal Executive Officers and Management Persons; Their Formal Education and Business Background

The education and business background for all management and supervised persons can be found on the Part 2B brochure.

B. Other Businesses in Which This Advisory Firm or its Personnel are Engaged and Time Spent on Those (If Any)

The outside business activities for all management and supervised persons can be found on the Part 2B Brochure

C. How Performance Based Fees are Calculated and Degree of Risk to Clients

SCARECROW TRADING Inc., does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

D. Material Disciplinary Disclosures for Management Persons of this Firm

No management person at SCARECROW TRADING Inc., has been involved in an arbitration claim or been found liable in a civil, self-regulatory organization, or administrative proceeding that is material to the client's evaluation of the firm or its management.

E. Material Relationships That Management Persons Have With Issuers of Securities (If Any)

Neither SCARECROW TRADING Inc., nor its management persons, has any relationship or arrangement with issuers of securities.