Innovative ETF AOTG Seeks Elevated Gains from Low Marginal Cost Companies

A Strong 3-year Track Record

Having just passed its 3-year milestone, the **AOT Growth and Innovation ETF (Ticker: AOTG)** has had a strong 3-year performance. The AOT Growth and Innovation ETF combines elements of growth, technology, value and low marginal cost investing into a single long term buy and hold strategy. Over the past 3 years AOTG has outperformed the leading broad -based indexes such as the S&P 500 (an index of the 500 leading companies in the United States), Nasdaq 100 (an index of the largest non-financial companies listed on the Nasdaq), and Dow Jones Index (an index of 30 prominent companies listed on stock exchanges in the United States), represented by NDX, SPX, DJX

AOTG Has Outperformed Leading Indexes Over the Last 3 Years

The performance data quoted represents past performance and is no guarantee of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. For the more recent Standardized Performance and month-end performance, please call (215) 882 – 9983 or visit www.aotetf.com

This performance is strong validation for AOTG's rationale: By focusing on companies that could significantly profit from every marginal dollar of revenue, investors can benefit, too. AOT believes that outperforming the S&P 500 hasn't been just a proof of concept the past three years – it's been a reality with the AOTG ETF's strategy of investing in growing low marginal cost companies.

To grow profits on a long-term basis, firms need sustained revenue growth. Yet for the broad equity market, revenue growth is slowing notably. Indeed, the benchmark S&P 500 Index has seen sales growth fall for four consecutive years now, down to 4.2% on a year-over-year as of June

2025. Earnings growth shows a similar trajectory, with estimates that profits increased just 5% in the second quarter.

Clearly, this situation is problematic. With revenue growth decelerating for the market as a whole, it's difficult to see solid gains unless revenue or earnings multiples such as P/E or P/S (the ratio of the stock price to earnings per share or the stock price to revenue per share, respectively) increase.

The good news is that investors may not have to own the broad market, they can focus on companies that still sport impressive revenue and earnings growth potential.

AOTG is built with this goal in mind. The fund aims to invest in industries with the potential to meaningfully increase sales in the next 5-10 years. Within these sectors, the portfolio managers target market leaders—ideally, ones that enjoy low marginal costs. AOTG's portfolio strives to identify companies that have growing year-over-year revenue and earnings per share that exceed the S&P 500's revenue and earnings per share growth.

Revenue growth is essential. But it's easy to forget the other part of the profit equation— costs. Marginal cost is the added expense of generating incremental revenue for a business. In a perfect world, a company would have a marginal cost of zero. In other words, they would be able to bring in new sales without spending more money, and all the added revenue would benefit the bottom line.

At the other end of the spectrum, some companies generate revenue growth, but at the expense (no pun intended) of profits. This can happen when a firm underprices its product to gain market share or invests inefficiently in its own operations. Not all revenue growth is good growth.

AOTG seeks to own a basket of stocks that fall into the marginal cost sweet spot, where each incremental dollar of sales increases profits at an even faster rate. Before adding any stock to the portfolio, AOT Invest conducts rigorous fundamental analysis. By owning companies that are reasonably priced and well-managed, the portfolio managers believe that the underlying shares have the potential to appreciate at an above-average rate.

AOTG portfolio manager and AOT Invest founder John Tinsman are optimistic for the future as well:

"The past three years have been incredible from an investment performance perspective. When I evaluate the portfolio three years ago combined with macroeconomic factors versus today, I think there are signs the next three years have the potential to be better than the past. AI tailwinds are coming to technology companies through lower software development costs and reduced employee headcount. These factors combined could significantly increase profitability and increase the rate of innovation amongst the portfolio companies."

This outlook is great news for investors who own AOTG. The past three years have been bright, and AOT Invest believes the next three AOTG has the potential to keep shining.

Disclosures:

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Investments involve risk, including the loss of principal.

The Fund will invest in growth-oriented common stock which may involve greater price swings and be particularly sensitive to market conditions. Investments made in small to mid-capitalization companies are subject to greater risks than large company stocks due to limited resources and inventory as well as more sensitivity to adverse conditions. The Fund may also invest in other investment companies. Shareholders of the Fund bear their proportionate share of the other investment company fees and expenses in addition to the Fund's own expenses.

Stock selection is based on fundamental research and analysis which will have an impact on the fund's performance. Fund holdings may include exposure to the technology sector which can be vulnerable to the potential obsolescence of products and services due to technological advances and global competition. The Fund's concentration in the securities of a particular issuer, country, industry, sector or asset class may cause it to be more susceptible to greater fluctuations in share price and volatility due to adverse events that affect the Fund's investments.

The Fund is distributed by Quasar Distributors, LLC. The fund's investment advisor is Empowered Funds, LLC, which is doing business as ETF Architect.