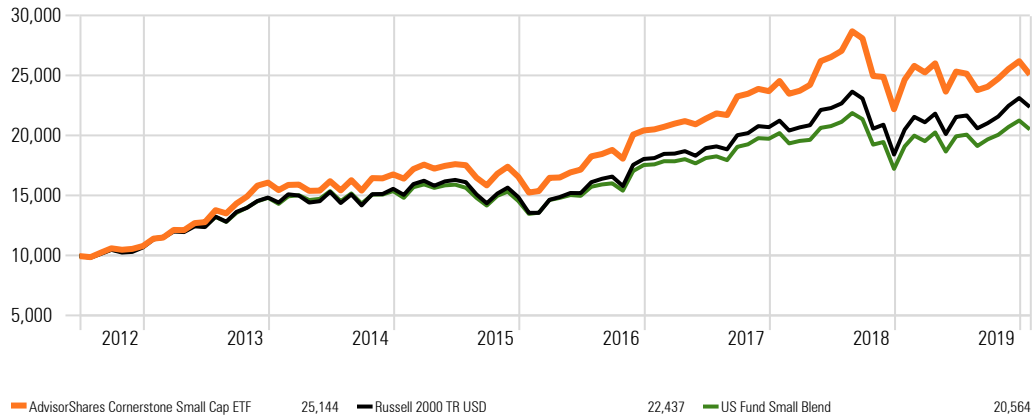


### Investment Strategy

SCAP provides exposure to a quantitative strategy utilizing small cap U.S. listed equities with a market value between \$250M and \$3B. The portfolio is well-diversified, typically comprised of 200-300 small-cap equities that begin with modified equally-weighted positions and sector weights limited to plus or minus 15% of the Russell 2000 benchmark weights. SCAP can serve as a core allocation of small cap equities and an alternative to a fundamental or market cap weighted small cap allocation.

### Investment Growth

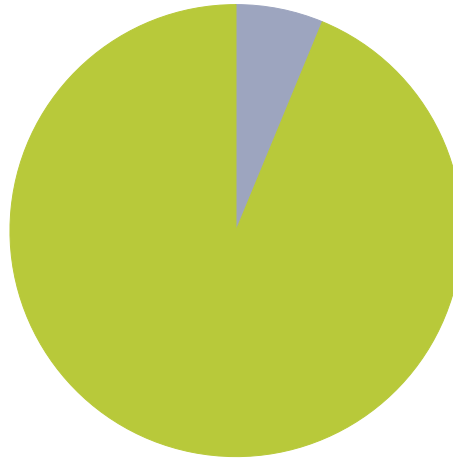
Time Period: Since Common Inception (6/30/2012) to 1/31/2020



### Snapshot

Ticker	SCAP
Morningstar Category	US Fund Small Blend
Inception Date	6/29/2012
Management Fee	0.65
Prospectus Net Expense Ratio*	0.90
Prospectus Gross Expense Ratio	3.39
Assets Under Management	4,901,710

### Equity Style Capitalization



Mid Cap	6.24
Small Cap	93.76
<b>Total</b>	<b>100.00</b>

### Trailing Returns Month-End (Annualized over 1 year)

As of Date: 1/31/2020

	1 Month	3 Month	6 Month	1 Year	3 Year	5 Year	Since Inception
AdvisorShares Cornerstone Small Cap ETF (NAV)	-4.21	1.39	-0.26	1.76	6.93	8.84	12.93
AdvisorShares Cornerstone Small Cap ETF(Market)	-4.08	1.71	-0.37	1.82	7.02		
Russell 2000 TR USD	-3.21	3.68	3.26	9.21	7.28	8.23	11.25
US Fund Small Blend	-3.50	2.25	2.22	7.56	5.24	6.73	10.00

### Trailing Returns Quarter-End (Annualized over 1 year)

As of Date: 12/31/2019

	1 Year	3 Year	5 Year	Since Inception
AdvisorShares Cornerstone Small Cap ETF (NAV)	17.99	8.63	9.32	13.73
AdvisorShares Cornerstone Small Cap ETF(Market)	17.25	8.67		
Russell 2000 TR USD	25.52	8.59	8.23	11.86
US Fund Small Blend	23.51	6.60	6.70	10.64

Performance data quoted represents past performance and is no guarantee of future results. Current performance may be lower or higher than the performance data quoted. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than original cost. Returns less than one year are not annualized. For the Fund's most recent month end performance, please visit [www.advisorshares.com](http://www.advisorshares.com). \*The Advisor has contractually agreed to keep net expenses from exceeding 0.90% of the Fund's daily net assets for at least a year from the date of the Prospectus and for an indefinite period thereafter subject to annual reapproval of the agreement by the Board of Trustees.

Simultaneous with the commencement of the Fund's investment operations on July 7, 2016, a separate account (the "Predecessor Account"), which was managed by the same portfolio management team, converted into the Fund. The Predecessor Account began trading June 30, 2012. All performance prior to July 7, 2016 represents actual trading of the Predecessor Account and has not been restated to reflect the estimated total annual operating expenses of the Fund, which, if reflected, would lower returns. Performance after July 7, 2016 is reflective of the total annual operating expenses of the Fund.

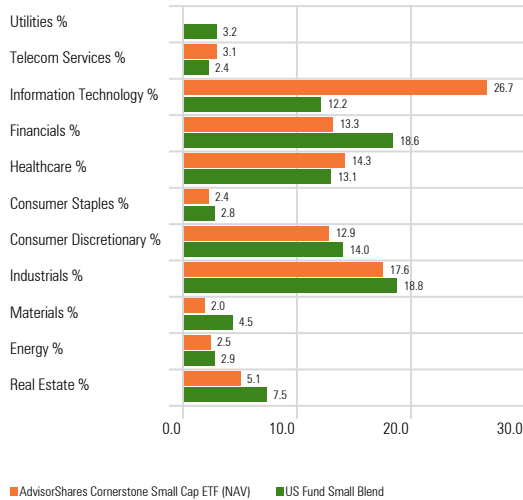
## AdvisorShares Cornerstone Small Cap ETF

As of 1/31/2020

### Calendar Year Returns

	6/30/2012 - 12/31/2012	2013	2014	2015	2016	7/9/2016 - 12/31/2016	2017	2018	2019	YTD
AdvisorShares Cornerstone Small Cap ETF (NAV)	8.40	48.81	4.23	-1.17	23.25	11.77	16.00	-6.35	17.99	-4.21
AdvisorShares Cornerstone Small Cap ETF(Market)						11.76	16.08	-5.71	17.25	-4.08
Russell 2000 TR USD	7.20	38.82	4.89	-4.41	21.31	11.99	14.65	-11.01	25.52	-3.21
US Fund Small Blend	8.03	37.55	3.82	-5.33	20.60	11.51	12.40	-12.73	23.51	-3.50

### Sector Allocation



### Risk

	SCAP	Russell 2000
Alpha	1.80	0.00
Beta	0.97	1.00
Std Dev	14.89	15.08
Information Ratio (arith)	0.53	
Sortino Ratio (arith)	1.33	1.10
Sharpe Ratio (arith)	0.84	0.72
Down Capture Ratio	88.68	100.00
Correlation	0.98	1.00
Tracking Error	3.07	0.00
R2	95.88	100.00

### Top 10 Holdings

Holdings are subject to change.	Value (mil)	Weight %
Zymeworks Inc Registered Shs When Issued	0.06	1.27
SkyWest Inc	0.06	1.17
LHC Group Inc	0.05	0.95
Five9 Inc	0.05	0.94
Sapiens International Corp NV	0.05	0.94
Onto Innovation Inc	0.05	0.92
Perficient Inc	0.04	0.86
Exponent Inc	0.04	0.83
Fox Factory Holding Corp	0.04	0.82
John Bean Technologies Corp	0.04	0.80

**Before investing you should carefully consider the Fund's investment objectives, risks, charges and expenses. This and other information is in the prospectus, a copy of which may be obtained by visiting the Fund's website at [www.AdvisorShares.com](http://www.AdvisorShares.com). Please read the prospectus carefully before you invest. Foreside Fund Services, LLC, distributor.**

There is no guarantee that the Fund will achieve its investment objective. An investment in the Fund is subject to risk, including the possible loss of principal amount invested. Investing in small capitalization companies may be riskier and more volatile than large cap companies. Security prices of small-cap companies are generally more vulnerable than those of large-cap companies to adverse business and economic developments. Other Fund risks include market risk, equity risk, large cap risk, liquidity risk and trading risk. Please see prospectus for details regarding risk.

Shares are bought and sold at market price (closing price) not net asset value (NAV) and are not individually redeemed from the Fund. Market price returns are based on the midpoint of the bid/ask spread at 4:00 pm Eastern Time (when NAV is normally determined) and do not represent the return you would receive if you traded at other times.

The Russell 2000 index is an index measuring the performance approximately 2,000 small-cap companies in the Russell 3000 Index, which is made up of 3,000 of the biggest U.S. stocks. One cannot invest directly in an index. Small-blend portfolios favor U.S. firms at the smaller end of the market-capitalization range. Some aim to own an array of value and growth stocks while others employ a discipline that leads to holdings with valuations and growth rates close to the small-cap averages. Stocks in the bottom 10% of the capitalization of the U.S. equity market are defined as small cap. The blend style is assigned to portfolios where neither growth nor value characteristics predominate. Alpha measures the risk-adjusted premium an investment earns above its benchmark. Beta measures the volatility of a security or a portfolio in comparison to the entire market. Standard Deviation measures the dispersion of a set of data from its mean and is calculated as the square root of variance. Information Ratio measures the active return of the manager's portfolio divided by the amount of risk that the manager takes relative to the benchmark. Sortino Ratio measures the excess return over the risk-free rate divided by the downside semi-variance, and so it measures the return to "bad" volatility. Sharpe Ratio measures the average return minus the risk-free return divided by the standard deviation of return on an investment. Down Capture Ratio measures an investment manager's overall performance in down-markets. Correlation measures how two securities move in relation to each other. Tracking Error measures how closely a portfolio follows the index to which it is benchmarked. R2 measures the percentage of a fund or security's movements that can be explained by movements in a benchmark index.