



FNG /NYSE Arca

The following commentary provides a monthly review of the ETF's performance and investment approach as well as other timely insights and observations from the portfolio manager.

Manager's Review
May 2018

For the month of May the New Tech and Media ETF (FNG) was up 4.45% compared to gains of 2.41% in the S&P 500 and 5.48% in the NASDAQ .

May was a bounce back for both FNG and the overall markets, with the end of a generally positive earnings season and the toning down of geopolitical rhetoric on tariffs and Asia. Core holdings such as Netflix (NASDAQ: NFLX), and Nvidia (NASDAQ: NVDA) were both up 12.5% for the month, but since there was a significant rebalance of the portfolio on May 25, 2018, I will focus more on the changes that were made than the performance numbers for individual issues during the month.

FNG now holds 31 different securities with the following new additions during May:

New Relic Inc (NYSE: NEWR)
Adobe Systems (NASDAQ: ADBE)
Analog Devices Inc (NASDAQ: ADI)
Cyber-Ark Software (NASDAQ: CYBR)
Fortinet Inc. (NASDAQ: FTNT)
Veeva Systems (NASDAQ: VEEV)
Palo Alto Networks (NASDAQ:P ANW)
Intel Corp (NASDAQ: INTC)
Salesforce.com (NASDAQ: CRM)
Intuitive Surgical (NASDAQ: ISRG)
Tencent Holdings (NASDAQ: TCEHY)
VMWare (NYSE: VMW)
Science Applications (NYSE: SAIC)
BAE Systems (NASDAQ: BAESY)
Yaskawa Electric Corp (NASDAQ: YASKY)

Long term securities that were sold out of the portfolio during May included:

Alphabet Class-C (NASDAQ: GOOG)
Twitter Inc (NASDAQ: TWTR)

Additionally, DXC Technologies (NYSE:DXC) spun off their public sector business into a new listing, Perspecta Inc (NYSE:PRSP), where investors received one share of PRSP for every 2 shares of DXC held.

The main driver behind the rebalance was performance and a perceived shift from Growth to Value on some of the names in the portfolio, as well as significant gains in some securities that had reached our internal estimates and we felt better returns could be found in other names. For example, GOOG was showing a 52-week return of approximately 17% and TWTR has exceeded our internal price target and we felt there were better (albeit lesser known) opportunities in other stocks.

If you have been following Sabretooth Advisors, you will remember that we view "FANG" as an idea and not a specific group of four stocks. At the turn of the 20th century it was railroad stocks, in the 1920's it was Radio stocks, the 1990's was Internet and dot.com stocks. Companies that had innovative technology and were changing the way people would lead their lives. Most recently those names were known as the "FANG" stocks, and while we still hold NFLX and Amazon.com (NSDQ: AMZN), you will notice that many of the new additions focus on the following sectors : Cloud, Robotics, Blockchain, Artificial Intelligence (AI), Security and 5G Infrastructure. Our focus continues to be on "leading edge" companies as opposed to "bleeding edge" companies with the singular purpose of stock price appreciation for the investors. We will continue to monitor the portfolio and the list of names eligible for inclusion to identify what we perceive to be the best opportunities for the FNG ETF.

Respectfully,

The FNG Portfolio Management Team

For more information, call AdvisorShares at 1.877.843.3831 or visit www.advisorshares.com.

FNG Performance History (%) as of 03.31.2018

	NAV	Market Price Return
1 Month	-6.07	-6.27
3 Months	-2.90	-3.17
YTD	-2.90	-3.17
Since Inception (07.11.2017)	4.08	3.85

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.

As stated in the Prospectus, the total annual operating expenses are 0.94%. The net expenses are 0.85%. The Advisor has contractually agreed to reduce its fees and/or reimburse expenses to keep net expenses from exceeding 0.85% of the Fund's average daily net assets for at least one year from the date of the Prospectus. This agreement is limited to the Fund's direct operating expenses and, therefore, does not apply to "Acquired Fund Fees and Expenses."



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Top 10 Holdings

Company	Symbol	% Weighting
Netflix	NFLX	7.85%
Alibaba	BABA	7.17%
Nvidia	NVDA	5.03%
Adobe Systems	ADBE	4.85%
Palo Alto Networks	PANW	4.68%
Microsoft	MSFT	4.62%
Square Inc	SQ	4.12%
Micron Technologies	MU	3.92%
Zebra Technologies	ZBRA	3.90%
Veeva Systems	VEEV	3.90%

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 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. When the Fund focuses its investments in a particular industry or sector, financial, economic, business, and other developments affecting issuers in that industry, market, or economic sector will have a greater effect on the Fund than if it had not done so. Market or economic factors impacting technology companies and companies that rely heavily on technological advances could have a major effect on the value of the Fund's investments. Shares of the Fund may trade above or below their net asset value ("NAV"). The trading price of the Fund's shares may deviate significantly from their NAV during periods of market volatility. There can be no assurance that an active trading market for the Fund's shares will develop or be maintained. In addition, equity markets tend to move in cycles which may cause stock prices to fall over short or extended periods of time. Other Fund risks include market risk, liquidity risk, large cap, mid cap, and small cap risk. Please see prospectus for details regarding risk.

Shares are bought and sold at market price (closing price) not 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. Holdings and allocations are subject to risks and to change.

The views in this commentary are those of the portfolio manager and may not reflect his views on the date this material is distributed or anytime thereafter. These views are intended to assist shareholders in understanding their investments and do not constitute investment advice.

Definitions:

*The **S&P 500 Index** is a broad-based, unmanaged measurement of changes in stock market conditions based on the average of 500 widely held common stocks. One cannot invest directly in an index.*

*The **Nasdaq Composite Index** is the market capitalization-weighted index of approximately 3,000 common equities listed on the Nasdaq stock exchange.*

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