



SABRETOOTH
ADVISORS LLC

BKCH

AdvisorShares Sabretooth ETF

AdvisorShares Sabretooth ETF (Ticker: BKCH) seeks long-term capital appreciation by investing primarily in U.S.-listed equities, and internationally through American depository receipts (ADRs), of companies using and developing cloud and emerging digital technologies including technology, social media, financial, health care and internet retail companies across a variety of sectors. BKCH seeks to provide exposure and a high correlation to the market leadership of the top cloud computing stocks as well as companies using digital ledger technology, also known as blockchain, to increase security, reduce expenses and drive greater profitability. Blockchain conceptually represents a decentralized digital ledger where information is compiled independently by a number of third parties into a secured, stored block of information that is incapable of alteration. The ETF only intends to invest in companies utilizing the applications of blockchain outside of the cryptocurrency space.

BKCH uses a quantitative process to select stocks in the ETF's portfolio, with a technical analysis overlay for entering and exiting individual positions in the portfolio. The portfolio manager's investment philosophy is based on the view that best of breed companies within the cloud segment and best of breed blockchain adopters and users will drive commerce and can outperform broad market benchmarks, while also recognizing that those leaders can continue to evolve and change over time.

Investment Process

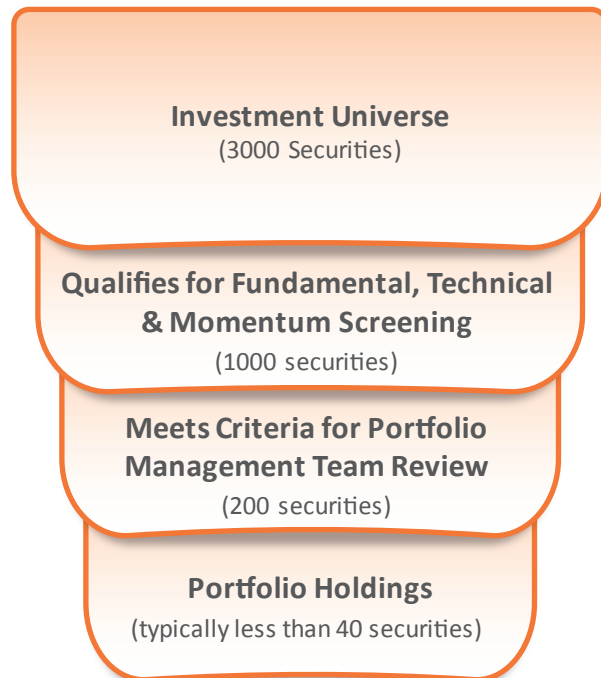
1. Investable Universe

- Universe of equities of companies that focus on cloud computing and companies using blockchain technology primarily among technology, financials and other sectors pertinent to cloud and blockchain adoption and usage
- U.S.-listed equities and American depository receipts (ADRs)
- Equities with a market cap greater than \$750 million, rolling average daily volume (ADV) above 200,000 shares
- Seeks to identify high-growth companies within the cloud computing space as well as growth potential within companies using blockchain technology through proprietary screening, fundamental analysis, sampling and growth trends

2. Portfolio Construction

- Fundamental Rules – Company has improving earnings trends and forward guidance
- Technical Rules – Strong short-term technicals such as the following examples: securities trading above their 50-day simple moving average (SMA), strong relative strength index (RSI), breaking out of technical patterns
- Momentum Rules – Moving average convergence divergence (MACD) rising above signal
- BKCH's portfolio manager anticipates a typical portfolio size of usually less than 40 securities, allowing an emphasis on the most relevant securities relative to the ETF's investment objective

Portfolio Construction



3. Risk Management

If a security no longer meets the selection criteria, or meets any of the sell triggers, including:

- Creates new 52-week low
- 50% retracement over a minimum 6-month period
- Break of critical technical chart level
- Break of the 150-day SMA

4. Rebalancing Methodology

- Portfolio is monitored daily
- Portfolio manager reviews securities on a name by name basis no less than weekly
- A full portfolio rebalance typically occurs on an as-needed basis but at a minimum on a quarterly basis
- Portfolio manager can add new securities without deleting existing names, or sell an existing security without adding a new name as seen fit

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. Please read the prospectus carefully before you invest. Foreside Fund Services, LLC, Distributor.

Investing involves risk including possible loss of principal. Computer software/services companies can be significantly affected by competitive pressures, aggressive pricing, technological developments, changing domestic demand, the ability to attract and retain skilled employees and availability and price of components. Many computer software/services companies rely on a combination of patents, copyrights, trademarks and trade secret laws to establish and protect their proprietary rights in their products and technologies. There can be no assurance that the steps taken by computer software/services companies to protect their proprietary rights will be adequate to prevent misappropriation of their technology or that competitors will not independently develop technologies that are substantially equivalent or superior to such companies' technology. Stocks of technology companies and companies that rely heavily on technology, especially those of smaller, less-seasoned companies, tend to be more volatile than the overall market. Additionally, companies in the technology sector may face dramatic and often unpredictable changes in growth rates and competition for the services of qualified personnel. For other risks specific to the fund please read the prospectus.