



**FNG**

## AdvisorShares New Tech & Media ETF

The AdvisorShares New Tech and Media ETF (Ticker: FNG) seeks long-term capital appreciation by investing primarily in U.S. equities, and internationally through American depository receipts (ADRs), of technology and technology-related companies including social media and internet retail companies within the information technology and consumer discretionary sectors. The ETF seeks to provide exposure and a high correlation to the market leadership characterized by the “FANG” stocks acronym -- representative of the first letters of Facebook, Amazon, Netflix and Google (now Alphabet), as well as Alibaba often providing an additional “A” to make the “FAANG” acronym.

FNG uses a quantitative process to select equities 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 typically the companies within this high-growth equity segment drive commerce and can outperform broad market benchmarks, while also recognizing those leaders can continue to evolve and change over time.



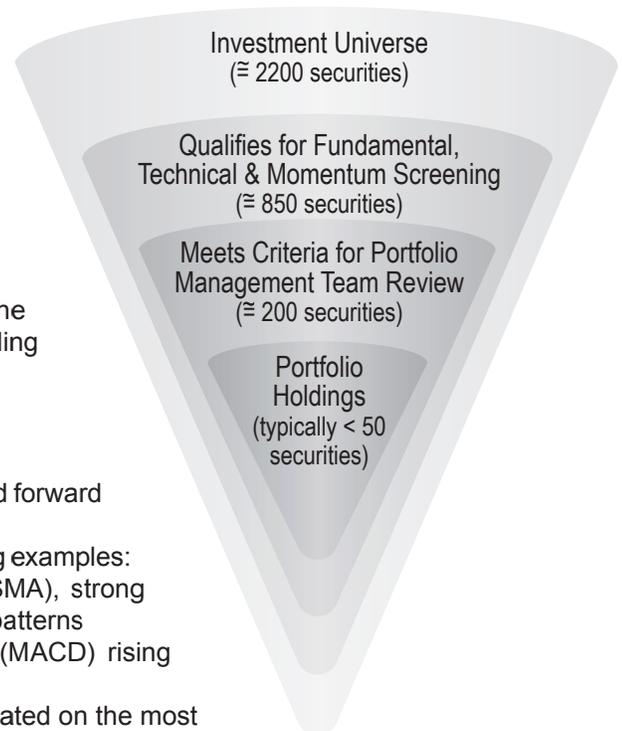
### Investment Process

#### 1. Investable Universe

- Universe of equities that focuses on technology, media & social media industries typically within the information technology and consumer discretionary sectors
- U.S. equities and American depository receipts (ADRs)
- Equities with a market cap greater than \$750 million, rolling average daily volume (ADV) above 500,000 shares
- Seeks to identify disruptive innovators with similar influence as the current day market leaders – looking for companies on the leading edge of technological innovation

#### 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) above 40, breaking out of technical patterns
- Momentum Rules – Moving average convergence divergence (MACD) rising above signal
- Holdings – Typically less than 50 stocks, designed to be concentrated on the most relevant securities to the ETF’s investment objective
- Weightings – Narrowed exposure to market leaders are given highest individual weightings, and the remaining positions in the portfolio are weighted based on their correlation to the market leaders as identified by the portfolio management team



### 3. Risk Management

Certain factors may cause the portfolio manager to reduce exposure or remove a specific holding, which includes:

- 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 management team meets weekly to review securities on a name by name basis
- A full portfolio rebalance typically occurs on an as-needed basis but at a minimum on a quarterly basis
- Securities are added or deleted based on the investment selection and risk management process

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**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. 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.