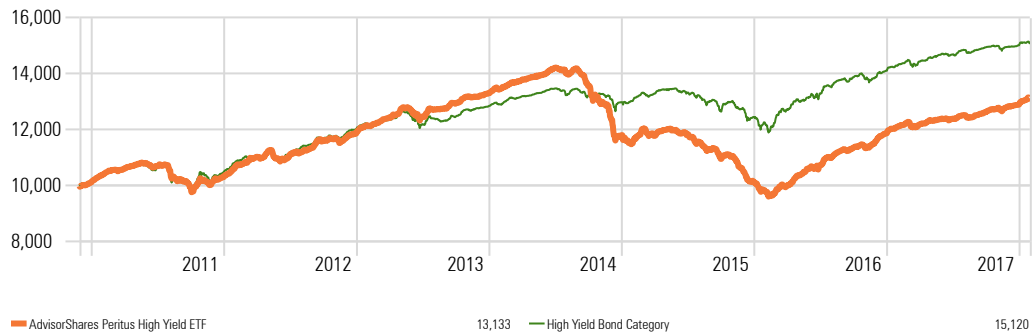


### Investment Strategy

HYLD provides exposure to a high income investment strategy that selects a focused portfolio of high yield securities. Utilizing a value-based, active credit approach to the markets, HYLD primarily focuses on the secondary market where there is less competition and more opportunities for capital gains. The Portfolio Manager relies on their own fundamental credit analysis with an emphasis on a company's ability to pay back their debts with free cash flow. HYLD seeks to provide high income and diversification benefits to the income portion of a portfolio.

### Investment Growth

Time Period: 12/1/2010 to 1/31/2018



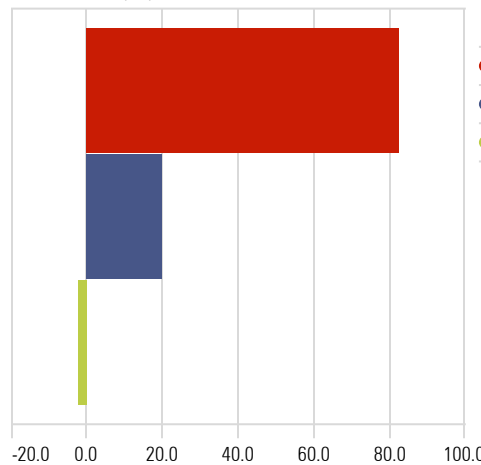
### Snapshot

Ticker	HYLD
Morningstar Rating 3 Yr	★★
Morningstar Rating 5 Yr	★
Morningstar Rating Overall	★
Morningstar Risk Rating Overall	High
Category	High Yield Bond
# in Category	605
Inception Date	11/30/2010
Management Fee	1.10
Assets Under Management	150,154,315

Overall Morningstar rating is derived from a weighted average of the fund's 3-, 5-, and 10-year (if applicable) risk-adjusted returns as of the date of this report. Category consists of 605 funds in 3 year, 500 in 5 year, and 325 in 10 year.

### Asset Allocation

Portfolio Date: 1/31/2018



	%
● Bonds	82.5
● Loans	19.7
● Cash	-2.2
<b>Total</b>	<b>100.0</b>

30 Day Unsubsidized SEC Yield	7.27	Prospectus Net Expense Ratio	1.25	Average Eff Duration	2.91
30 Day Subsidized SEC Yield	7.27	Prospectus Gross Expense Ratio	1.25	Modified Duration	2.75

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

As of Date: 1/31/2018

	1 Year	3 Year	5 Year	Since Inception
AdvisorShares Peritus High Yield ETF (NAV)	8.52	4.45	1.58	3.87
AdvisorShares Peritus High Yield ETF (Market)	9.07	3.99	1.34	3.68
Bloomberg Barclays US Corporate High Yield TR USD	6.60	6.33	5.62	7.22
Bloomberg Barclays US Agg Bond TR USD	2.15	1.14	2.01	2.80
High Yield Bond Category	5.75	5.06	4.42	5.94

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

As of Date: 12/31/2017

	1 Year	3 Year	5 Year	Since Inception
AdvisorShares Peritus High Yield ETF (NAV)	8.64	3.12	1.68	3.67
AdvisorShares Peritus High Yield ETF (Market)	9.09	3.31	1.32	3.44
Bloomberg Barclays US Corporate High Yield TR USD	7.50	6.35	5.78	7.22
Bloomberg Barclays US Agg Bond TR USD	3.54	2.24	2.10	3.01
High Yield Bond Category	6.42	4.96	4.57	5.92

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 1.35% 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.

Duration is the change of a fixed income security that will result from a 1% change in interest rates, and is based on the yield to worst date; this measure only represents the fixed income portion of the portfolio and assumes a .25 duration for loans. 30-Day SEC Yield (Standardized Yield) is an annualized yield that is calculated by dividing the investment income earned by the Fund less expenses over the most recent 30-day period by the current maximum offering price. The Subsidized Yield reflects fee waivers and/or expense reimbursements recorded by the Fund during the period. Without waivers and/or reimbursements, yields would be reduced. The Unsubsidized Yield does not adjust for any fee waivers and/or expense reimbursements in effect. If the Fund does not incur any fee waivers and/or expense reimbursements during the period, the 30-Day Subsidized Yield and 30-Day Unsubsidized Yield will be identical.

### Calendar Year Returns

	12/1/2010 - 12/31/2010	2011	2012	2013	2014	2015	2016	2017	YTD
AdvisorShares Peritus High Yield ETF (NAV)	1.25	1.91	15.10	12.12	-11.62	-13.88	17.21	8.64	1.75
AdvisorShares Peritus High Yield ETF (Market)	1.18	2.92	14.32	11.96	-13.52	-13.30	16.58	9.09	1.97
Bloomberg Barclays US Corporate High Yield TR USD	1.81	4.98	15.81	7.44	2.45	-4.47	17.13	7.50	0.60
Bloomberg Barclays US Agg Bond TR USD	-1.08	7.84	4.21	-2.02	5.97	0.55	2.65	3.54	-1.15
High Yield Bond Category	1.98	2.75	14.71	6.93	1.10	-4.06	13.28	6.42	0.61

### Risk

	HYLD	Barclay US Corp HY
Alpha	-1.20	0.00
Beta	0.71	1.00
Std Dev	4.32	4.55
Information Ratio (arith)	-1.57	
Sortino Ratio (arith)	1.30	2.55
Sharpe Ratio (arith)	1.23	2.27
Down Capture Ratio	83.43	100.00
Correlation	0.75	1.00
Tracking Error	3.17	0.00
R2	55.73	100.00

### Top 10 Holdings

Holdings are subject to change.	Value (mil)	Weight %
OSUM PRODUCTION 07/31/20 TERM LOAN	3.30	2.21
Horizon Pharma Inc/Horizon Ph 144A 8.75%	2.72	1.82
Windstream Svcs Llc / Windst 144A 8.625%	2.59	1.74
Bi-Lo Llc / Bi-Lo Fin 144A 9.25%	2.57	1.72
Stonemor Partners L.P. / Corne 7.875%	2.44	1.64
Artesyn Escrow 144A 9.75%	2.40	1.61
Global Tel Link 5/13 2nd Lien C 11/23/20 Term Loan	2.39	1.60
Amag Pharmaceuticals 144A 7.875%	2.37	1.59
Cng Hldgs 144A 9.375%	2.32	1.56
Shearer's Foods 6/14 Cov-Lite 2 06/30/22 Term Loan	2.31	1.55

*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.*

An investment in the Fund is subject to risk, including the possible loss of principal amount invested. Non-diversification exposes the Fund to greater market risk than if its assets were diversified among a greater number of issuers and/or sectors. High yield, lower rated bonds involve a greater degree of risk than investment grade bonds in return for higher yield potential. As such, securities rated below investment grade generally entail greater credit, market, issuer and liquidity risk than investment grade securities. Interest rate risk occurs when interest rates rise as bond prices usually fall. This Fund may not be suitable for all investors.

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 Morningstar Rating™ for funds, or "star rating," is calculated for managed products with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive five stars, the next 22.5% receive four stars, the next 35% receive three stars, the next 22.5% receive two stars, and the bottom 10% receive one star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three- and five-year Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns.

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The Bloomberg Barclays U.S. Corp High Yield TR USD Index is an unmanaged index considered representative of the universe of U.S. fixed rate, non investment grade debt. The Bloomberg Barclays U.S. Agg Bond TR USD Index is an unmanaged index considered representative of the performance of the U.S. investment grade bond market. One cannot invest directly in an index. The High Yield Bond Category represents portfolios primarily invested in U.S. high-income debt securities where at least 65% or more of bond assets are not rated or are rated by a major agency such as Standard & Poor's or Moody's at the level of BB (considered speculative for taxable bonds) and below. 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.