

FWDB

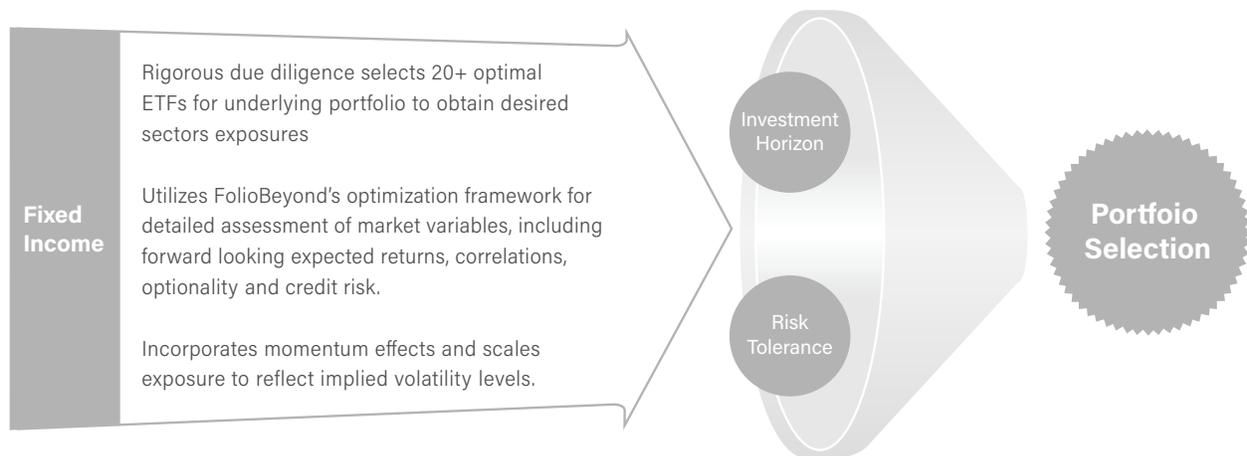
AdvisorShares FolioBeyond Smart Core Bond ETF

The AdvisorShares FolioBeyond Smart Core Bond ETF (Ticker: FWDB) seeks investment results that exceed the price and yield performance of its benchmark, the Bloomberg Barclays U.S. Aggregate Bond Index. FWDB's quantitative investment process invests without selection bias. The strategy utilizes an advanced optimization framework that dynamically invests across 20-plus distinct fixed income classes and actively maintains exposure typically among five to ten bond classes primarily using liquid ETFs.

FWDB utilizes rigorous risk management that customizes constraints and estimates return volatility based on a combination of implied and historical volatility measures, and determines correlations across all asset classes with controlled downside risk in stressed environments.

Investment Process Overview

FWDB's quantitative process utilizes FolioBeyond's advanced optimization framework which integrates deep investment management expertise with state-of-the-art financial technology.



Analysis & Allocation

FWDB can dynamically invest across 20-plus distinct fixed income classes across various credits and duration, primarily using liquid ETFs in its underlying portfolio.

US GOVERNMENT		AGENCY / SOVEREIGN			INVESTMENT GRADE			SUB INVESTMENT GRADE			
Treasuries	TIPS	Gov't Agency	Inter-national	Structured	Structured	Corporate Bonds	Municipals	Corporate Loans	Corporate Bonds	Municipals	Inter-national
Ultra-Short											
Short	Short					Short	Short	Bank Loans	Short		
Intermediate	Intermediate	Debentures	Developed Non-US	MBS	CMBS	Intermediate	Intermediate		Intermediate		
Long					Mortgage REIT	Int/Long				Long	Emerging Markets
Ultra-Long						Long					

Security Selection

- Best of Breed ETFs – From a universe of ETFs representing each investable subsector, which is agnostic to fund families, FWDB focuses on multitude of factors including sector exposures, size, liquidity, cost, index tracking, manager quality.
- Systematic Model – Demonstrative of an experienced institutional portfolio manager, the strategy incorporates primary and secondary factors to make systematic asset allocation decisions without selection bias.
- Forward-Looking Focus – With a focus on value, manager examines forward-looking yields as opposed to historical returns; factors in all adjustments to reflect costs and benefits of embedded options, credit risk, tax effects and inflation forecasts.

Portfolio Management



*Portfolio weightings are dynamic, based on proprietary optimization output.
Individual positions can't exceed 30% weighting.*

Risk Management

FWDB employs rigorous risk management that integrates major risk attributes and customizes constraints and estimates return volatility.

- Model automated and rebalanced daily as needed
- Estimate return volatility based on combination of both historical volatility and forward-looking, implied volatility measures
- Determine correlations across all asset classes
- Manage downside risk in stressed environments
- Overlay momentum effects to adjust risk projections

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.

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. ETNs have a maturity date and generally, are backed only by the creditworthiness of the issuer. The value of an ETN may be influenced by time to maturity, level of supply and demand for the ETN, volatility and lack of liquidity in the underlying market (e.g., the commodities market), changes in applicable interest rates, and changes in the issuer's credit rating and economic, legal, political or geographic events that affect the market. Other Fund risks include market risk, equity risk, early closing risk, liquidity risk and trading risk. The Fund will be subject to the risks associated the Underlying ETFs' or ETP's investments such as commodity risk, concentration risk, credit risk, fixed income risk, high yield risk, income risk, interest rate risk, and investment risk.