

AdvisorShares Pure Cannabis ETF

The AdvisorShares Pure Cannabis ETF (Ticker: YOLO) seeks long-term capital appreciation by investing in cannabis securities. The ETF invests primarily in U.S. and Canadian exchange-listed equity securities, including common and preferred stock, of mid- and small-capitalization ranges.

YOLO employs a fundamental process to actively select the equities of cannabis-related companies engaging in legal business including those establishing dominant positions in their respective markets, as well as those in unique positions for upside growth potential and expansion. The portfolio manager believes that cannabis represents an emerging growth opportunity across multiple industries and various formats. YOLO's actively managed strategy can adjust more quickly than a passive index-based strategy -- an important attribute in a rapidly evolving cannabis marketplace that can witness market price fluctuations and changes among tradeable equities and an influx of new stock issues.

Investment Process

1. Investable Universe

- Universe of cannabis securities that span different industries, including those specializing in consumer products
- Primarily U.S. and Canadian exchange-listed securities, including common and preferred stock, of mid- and small-capitalization ranges

2. Portfolio Construction

- Employs a fundamental process to identify cannabis-related companies establishing dominant positions in their respective markets
- Screens for emerging companies in unique positions for upside growth and expansion
- Holdings: typically less than 40 equities, designed to be concentrated on the most relevant securities to the ETF's investment mandate

3. Risk Management

- YOLO may sell or reduce a position size when the portfolio manager believes that a security is overvalued or better investment opportunities become available

4. Rebalancing Methodology

- Portfolio is monitored daily
- Portfolio manager regularly reviews securities on a name by name basis
- Portfolio rebalances may happen at any time based on the manager's assessment of position sizes and tax efficiency
- Securities are added or deleted based on the investment selection and risk management process



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.

The Fund is subject to a number of risks that may affect the value of its shares. This section provides additional information about the Fund's principal risks. The degree to which a risk applies to the Fund varies according to its investment allocation. Each investor should review the complete description of the principal risks before investing in the Fund. As with investing in other securities whose prices increase and decrease in market value, you may lose money by investing in the Fund.

Cannabis-Related Company Risk. Cannabis-related companies are subject to various laws and regulations that may differ at the state/local and federal level. These laws and regulations may (i) significantly affect a cannabis-related company's ability to secure financing, (ii) impact the market for marijuana industry sales and services, and (iii) set limitations on marijuana use, production, transportation, and storage. Cannabis-related companies may also be required to secure permits and authorizations from government agencies to cultivate or research marijuana. In addition, cannabis-related companies are subject to the risks associated with the greater agricultural industry, including changes to or trends that affect commodity prices, labor costs, weather conditions, and laws and regulations related to environmental protection, health and safety. Cannabis-related companies may also be subject to risks associated with the biotechnology and pharmaceutical industries. These risks include increased government regulation, the use and enforcement of intellectual property rights and patents, technological change and obsolescence, product liability lawsuits, and the risk that research and development may not necessarily lead to commercially successful products.