

AdvisorShares

ETF Product Guide



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ADVISORSHARES[®]
Actively Managed ETFs

EQUITY ETFs

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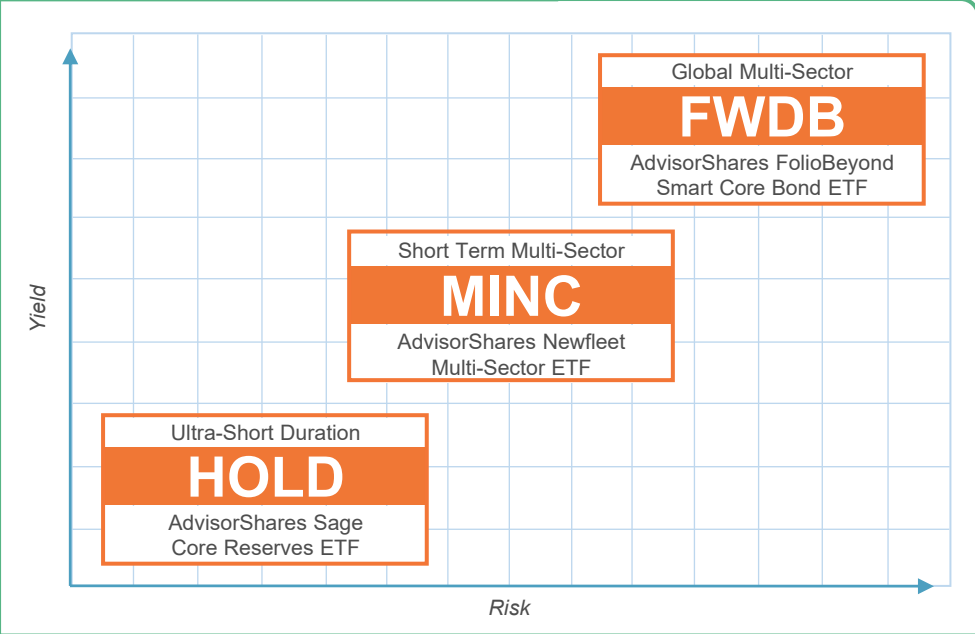
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AADR

AdvisorShares Dorsey Wright ADR ETF

AADR focuses on traditional growth sectors and uses a technical approach to identify companies with the highest relative strength. Relative strength investing involves buying securities that have appreciated in price more than the other securities in the investment universe and holding those securities until they experience sufficient underperformance. Various risk management techniques are utilized to ensure sector, industry, and security diversification. AADR can be used in a portfolio to add a technical alpha seeking manager in your foreign equity allocation.

Equity	Income	Multi-Asset	Thematic
Foreign Large Cap Growth			

Strategy	Technical, Relative Strength
Benchmark Index	MSCI EAFE Index & BNY Mellon Classic ADR Index
Alpha Approach	Concentrated, Technical Stock Selection
Risk Mitigation	Fully Invested

CWS

AdvisorShares Focused Equity ETF

CWS invests in fundamentally sound companies that have shown consistency in their financial results and demonstrated high earnings quality. The investment strategy has been employed by the portfolio manager, Eddy Elfenbein, since 2006 and is published annually as the Crossing Wall Street “Buy List.” As a focused portfolio, CWS will typically look very different than a traditional benchmark like the S&P 500. CWS can be used in a portfolio to add a fundamental alpha seeking manager in your domestic equity allocation.

Equity	Income	Multi-Asset	Thematic
Domestic Large Cap Blend			

Strategy	Fundamental Bottom-Up
Benchmark Index	S&P 500 Index
Alpha Approach	Concentrated, Fundamental Stock Selection
Risk Mitigation	Fully Invested

ACT

AdvisorShares Vice ETF

ACT seeks concentrated exposure to U.S. exchange-listed equity securities of alcohol and tobacco companies that historically have exhibited consistent, steady growth with durable moat advantages. These areas of the market can be viewed as recession-resistant as consumers traditionally spend on leisure & vices in all economic environments. ACT also seeks emerging, untapped growth opportunities by investing in cannabis-related equities that are in compliance with U.S. federal regulations across multiple industries. ACT can serve as a growth equity allocation in a diversified portfolio.

Equity	Income	Multi-Asset	Thematic
Alcohol, Cannabis, Tobacco Exposure			

Strategy	Fundamental Stock Selection
Benchmark Index	S&P 500 Index
Alpha Approach	Thematic, Stock Selection
Risk Mitigation	Fully Invested

DBLV

AdvisorShares DoubleLine Value Equity ETF

DBLV applies a differentiated approach to value investing, looking beyond “classic” value strategy and low stock prices or price-to-book ratios. Using a repeatable process, DBLV’s management emphasizes a team approach to idea sourcing, detailed due diligence, a long-term time horizon and on-going risk monitoring. DBLV uses fundamental analysis to screen multiple factors for return potential and risk assessment, while also considering macroeconomic and business cycle factors. While DBLV is not limited by market-cap, it will typically hold 30-50 larger-cap U.S. traded equities.

Equity	Income	Multi-Asset	Thematic
Domestic Large Cap Value			

Strategy	Fundamental Value Stock Selection
Benchmark Index	Russell 1000 Value Index
Alpha Approach	Concentrated, Fundamental Stock Selection
Risk Mitigation	Fully Invested

DWEQ

AdvisorShares Dorsey Wright Alpha Equal Weight ETF

DWEQ takes a modern targeted sector approach to domestic large cap equities. Using a technically driven process, DWEQ identifies industry sectors and companies with the high relative strength and invests equally in the top ranked U.S. equity securities within the three highest ranked sectors. Regularly, DWEQ will rebalance its portfolio to maintain targeted exposure to the highest relative strength sectors and equal weighted allocation to the strongest stocks in those sectors. DWEQ seeks to add alpha by tactically targeting sectors based on the successful relative strength trend process.

Equity	Income	Multi-Asset	Thematic
Domestic Large Cap Growth			

Strategy	Technical, Relative Strength, Tactical Sector Rotation
Benchmark Index	S&P 500 Index
Alpha Approach	Concentrated, Technical Sector and Stock Selection
Risk Mitigation	Incremental move to cash based on momentum indicators

DWUS

AdvisorShares Dorsey Wright FSM U.S. Core ETF

DWUS is an actively managed, targeted U.S. Core market strategy applying a technical, systematically-driven process to answer the question – "What part of the U.S. Large Cap equity market should be owned?" Using Nasdaq Dorsey Wright's Fund Score Method framework, DWUS allocates its portfolio to the domestic large cap funds in its U.S. Core investment universe that demonstrate the highest-ranked relative strength, regularly reassessing and reallocating its holdings. DWUS's tactical strategy seeks to benefit from evolving factor- or market-based themes in the domestic large cap equity market.

Equity	Income	Multi-Asset	Thematic
Domestic Large Cap Growth			

Strategy	Technical, Relative Strength, Tactical Rotation
Benchmark Index	S&P 500 Index
Alpha Approach	Technical Stock Selection
Risk Mitigation	Incremental move to cash based on momentum indicators

DWAW

AdvisorShares Dorsey Wright FSM All Cap World ETF

DWAW is an actively managed, global strategy that provides an objective, rules-based approach to "go-anywhere" equity investing. Using Nasdaq Dorsey Wright's relative strength-based Fund Score Method framework, DWAW tactically allocates its portfolio to only the highest ranked securities in its investment universe and may include exposure to domestic, international, or emerging markets; small, mid or large caps; growth or value styles; factor- or market-based weights; or even cash. DWAW seeks to identify and benefit from changing leadership themes in the market.

Equity	Income	Multi-Asset	Thematic
Global All-Cap			

Strategy	Technical, Relative Strength, Tactical Rotation
Benchmark Index	MSCI All Cap World Index (ACWI)
Alpha Approach	Technical Fund Selection
Risk Mitigation	Incremental move to cash based on momentum indicators

DWMC

AdvisorShares Dorsey Wright Micro-Cap ETF

DWMC focuses on micro cap companies and uses a technical approach to identify the ones with the highest relative strength. Relative strength investing involves buying securities that have appreciated in price more than others in the investment universe and holding those securities until they exhibit sell signals. Management seeks to spread out allocations within its portfolio, trimming back a security's weight when it becomes too large. Typically, DWMC will hold 150+ micro cap stocks.

Equity	Income	Multi-Asset	Thematic
Domestic Micro Cap Growth			

Strategy	Technical, Relative Strength
Benchmark Index	Russell Microcap Index
Alpha Approach	Technical Stock Selection
Risk Mitigation	Fully Invested

DWSH

Equity	Income	Multi-Asset	Thematic
U.S. Listed Equity			

AdvisorShares Dorsey Wright Short ETF

DWSH implements a technical stock selection process to short large cap U.S. equities utilizing Dorsey's proprietary relative strength process. DWSH will short sell securities exhibiting the high relative weakness from its universe. Relative weakness investing involves short selling securities that have depreciated in price more than others in their investment universe and holding those securities until they exhibit buy signals. DWSH can be used as part of a long/short strategy to hedge an investor's long domestically traded equity exposure.

Strategy	Technical, Relative Strength, Short Selling
Benchmark Index	S&P 500 Index
Alpha Approach	Technical Stock Selection
Risk Mitigation	After bear market trigger, moves from concentrated to broad market

HDGE

Equity	Income	Multi-Asset	Thematic
U.S. Listed Equity			

AdvisorShares Ranger Equity Bear ETF

HDGE implements a fundamental, research driven stock selection process based on forensic accounting techniques that short sell U.S. listed equities. HDGE seeks to identify stocks with low earnings quality or aggressive accounting designed to bolster short-term corporate performance and may exhibit above-average downside volatility. HDGE may be used to hedge volatility and risk for similar long equity exposure, seeking positive returns in a declining equity market.

Strategy	Fundamental Short Selling
Benchmark Index	S&P 500 Index
Alpha Approach	Stock Selection
Risk Mitigation	Defensive Cash up to 20%

FWDB

Equity	Income	Multi-Asset	Thematic
Global Bond			

AdvisorShares FolioBeyond Smart Core Bond ETF

FWDB is an actively managed core bond ETF using a quantitative investing strategy to assess over 20 distinct bond classes to construct its portfolio. The systematic model evaluates a variety of factors, including value, momentum, correlation effects and implied volatility levels, to identify the fixed income allocation. Exposure to the desired fixed income sectors will be via liquid ETFs. FWDB's goal is to outperform the Bloomberg Barclays U.S. Aggregate Bond Index over time while targeting a similar level of risk as the index.

Strategy	Systematic / Quantitative
Benchmark Index	Bloomberg Barclays Capital Aggregate Bond Index
Alpha Approach	Fixed Income Sector Allocation
Risk Mitigation	Fully Invested

HOLD

Equity	Income	Multi-Asset	Thematic
Ultra Short Duration Bond			

AdvisorShares Sage Core Reserves ETF

HOLD provides exposure to an institutional style ultra short duration bond strategy that will normally not exceed one year in targeted duration. HOLD will invest in a broad range of investment grade debt securities, including mortgage or asset-backed rated Baa or higher. The investment process is a top-down approach focused on actively managing portfolio duration risk, yield curve positioning, market segment allocation, and security selection. HOLD may serve as an alternative to cash or other short term cash equivalents with more risk.

Strategy	Fundamental Bond Selection
Benchmark Index	Bloomberg Barclays US Treasury Bill 1-3 Month Index
Alpha Approach	Duration and Credit Management
Risk Mitigation	Fully Invested

MINC

Equity	Income	Multi-Asset	Thematic
Short Duration Multi-Sector			

AdvisorShares Newfleet Multi-Sector Income ETF

MINC provides exposure to low duration fixed income consistent with preservation of capital, while limiting fluctuations in net asset value due to changes in interest rates. The portfolio manager uses an active sector rotation process to identify areas of the fixed income market that they believe may outperform. The fund employs a disciplined risk management approach that seeks to minimize exposure to higher risk sectors of the market. MINC can be used to provide conservative income to a portfolio

Strategy	Fundamental Sector and Credit Analysis
Benchmark Index	Barclays Capital Aggregate Bond Index
Alpha Approach	Sector and Security Selection
Risk Mitigation	Fully Invested

SCAP

Equity	Income	Multi-Asset	Thematic
U.S. Listed Small Cap Equities			

AdvisorShares Cornerstone Small Cap ETF

SCAP provides exposure to a quantitative strategy utilizing small cap U.S. listed equities with a market value between \$250M and \$3B. The portfolio is well-diversified, typically comprised of 200-300 small-cap equities that begin with modified equally-weighted positions and sector weights limited to plus or minus 15% of the Russell 2000 benchmark weights. SCAP can serve as a core allocation of small cap equities and an alternative to a fundamental or market cap weighted small cap allocation.

Strategy	Equally Weighted Quantitative Stock Selection
Benchmark Index	Russell 2000 Index
Alpha Approach	Sector Over/Under Weight
Risk Mitigation	Fully Invested

VEGA

Equity	Income	Multi-Asset	Thematic
Global Alternative Asset Allocation			

AdvisorShares STAR Global Buy-Write ETF

VEGA is a low volatility, moderate risk global balanced portfolio that strategically allocates to the capital markets, tactically weights regions, sectors, or securities and then employs option strategies seeking to create additional sources of income and enhancements to risk management. Over a market cycle, the portfolio manager strives to manage the portfolio to a beta of 0.6 of the S&P 500. VEGA can serve as a complete portfolio or core holding.

Strategy	Risk Managed Quantitative Asset Allocation
Benchmark Index	MSCI World Index
Alpha Approach	Asset Allocation, Option Premium
Risk Mitigation	Defensive Cash, Hedging, Option Overlay

YOLO

Equity	Income	Multi-Asset	Thematic
Cannabis Exposure			

AdvisorShares Pure Cannabis ETF

YOLO seeks growth opportunities by investing in the equities of U.S. and foreign cannabis-related companies engaging in legal business. The portfolio manager uses a fundamental investment process to identify cannabis-related companies across multiple industries with dominant positions in their respective markets, as well as companies in unique positions for upside growth and expansion. Additionally, the actively managed YOLO can adjust its portfolio more quickly than a passive index-based strategy – an important attribute in a rapidly evolving cannabis marketplace.

Strategy	Fundamental Stock Selection
Benchmark Index	S&P 500 Index
Alpha Approach	Thematic, Stock Selection
Risk Mitigation	Fully Invested

The **S&P 500 Index** is a broad-based, unmanaged measurement of changes in stock market conditions based on the average of 500 widely held common stocks. The **Russell 2000 Index** is an index measuring the performance approximately 2,000 small-cap companies in the Russell 3000 Index, which is made up of 3,000 of the biggest U.S. stocks. The **Russell Microcap Index** is a capitalization-weighted index of 2,000 small cap and micro cap stocks that captures the smallest 1,000 companies in the Russell 2000, plus 1,000 smaller U.S.-based listed stocks. The **Russell 1000 Value Index** measures the performance of the large-cap value segment of the U.S. equity market. It includes those Russell 1000 companies with lower price-to-book ratios and lower expected and historical growth rates. The **MSCI EAFE Index** is an unmanaged free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US & Canada. The **MSCI World Index** is an unmanaged free float-adjusted market capitalization index that is designed to measure the performance of large and mid cap equities across developed markets countries. The **BNY Mellon Classic ADR Index** combines the over the counter (OTC) traded ADRs with exchange-listed ADRs bringing transparency to the available universe of American Depository Receipts, including those issued by many of the world's premier companies. The **MSCI All Country World Index (ACWI)** is an unmanaged free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The **Bloomberg Barclays Capital Aggregate Bond Index** measures the performance of the U.S. investment grade bond market. The **Bloomberg Barclays 1-3 Month U.S. Treasury Bill Index** includes all publicly issued zero-coupon U.S. Treasury Bills that have a remaining maturity of less than 3 months and more than 1 month, are rated investment grade, and have \$250 million or more of outstanding face value. The **ICE BofA Merrill Lynch 1-5 Year US Corporate & Government Bond Index** which tracks the performance of US dollar denominated investment grade debt publicly issued in the US domestic market, including US Treasury, US agency, foreign government, supranational and corporate securities, with a remaining term to final maturity less than 5 years, calculated on a total return basis.

Alpha is a measure of performance on a risk-adjusted basis. Alpha takes the volatility (price risk) of a fund and compares its risk-adjusted performance to a benchmark index. The excess return of the fund relative to the return of the benchmark index is a fund's alpha. An **option** is a financial derivative that represents a contract sold by one party (option writer) to another party (option holder). The contract offers the buyer the right, but not the obligation, to buy (call) or sell (put) a security or other financial asset at an agreed upon price (the strike price) during a certain period of time or on a specific date (exercise date). An investor who employs a **cash-secured put** writes a put contract, and at the same time deposits in his brokerage account the full cash amount for a possible purchase of underlying shares. The purpose of depositing this cash is to ensure that it's available should the investor be assigned on the short put position and be obligated to purchase shares at the put's strike price. While the cash is on deposit, it may generally be invested in short-term, interest-bearing instruments. A **long position** is the purchase of an investment with the expectation that it will rise in value. A **short position** is the sale of a borrowed investment with the expectation that it will decline in

value. **Duration** measures (in years) the sensitivity of the price of a fixed-income investment to a 1% change in interest rates.

One cannot invest directly into an index.

An investment in the Funds is subject to risk, including the possible loss of principal amount invested. Derivatives, as associated with VEGA and YOLO, may be riskier and more sensitive to changes in economic or market conditions than other types of investments and could result in losses that significantly exceed the Fund's original investment. DWSH, HDGE and VEGA may participate in leveraged transactions to include selling securities short which creates the risk of magnified capital losses. Under certain market conditions, short sales can increase the volatility and decrease the liquidity of certain securities or positions and may lower the Fund's return or result in a loss. Writing and purchasing call and put options are specialized activities and entail greater than ordinary investment risk when considering DWSH or VEGA. AADR may use ADRs which are subject to the risk of change in political or economic conditions and exchange rates in foreign currencies. HOLD's investment in fixed income securities will change in value in response to interest rate changes and other factors, such as the perception of the issuer's creditworthiness. 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. 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. The risks associated with each Fund include the risks associated with the underlying ETFs, which can result in higher volatility, and are detailed in each Fund's prospectus. These Funds may not be suitable for all investors.

Shares are bought and sold at market price (closing price) not NAV and are not individually redeemed from the Fund. Market price returns are based on the midpoint of the bid/ask spread at 4:00pm Eastern Time (when NAV is normally determined), and do not represent the return you would receive if you traded at other times. Holdings and allocations are subject to risks and to change.

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.

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