

# DWEQ

## AdvisorShares Dorsey Wright Alpha Equal Weight ETF

The AdvisorShares Dorsey Wright Alpha Equal Weight ETF (Ticker: DWEQ) is an actively managed ETF using a technical and systematically-driven sector rotation strategy to invest on an equal weight basis in domestic large cap equity securities across any market cap within the tax-efficient structure of an ETF.

### Investment Philosophy

Using Nasdaq Dorsey Wright's (Dorsey Wright) disciplined and quantitative proprietary relative strength research, DWEQ implements a two-factor approach to invest in top-ranked U.S. equity securities within the tax-efficient structure of an ETF. First, industry sectors are ranked based on relative strength. Next, from the three top rated sectors, individual equity securities are selected based on their relative strength ratings with those displaying both a buy or bullish signal and rising price momentum (both the "B" and "X" columns in point and figure charting) given higher ratings. DWEQ systematically reviews and rotates into the highest ranked sectors by reallocating to the highest ranked equity securities in those sectors. DWEQ also utilizes defensive investing features, allowing it to gradually add cash based on overall market momentum indicators. When cash is defensively added to the portfolio, DWEQ will reassess the strategy's momentum indicators so it may move back into equity exposure once broad equity strength is displayed.

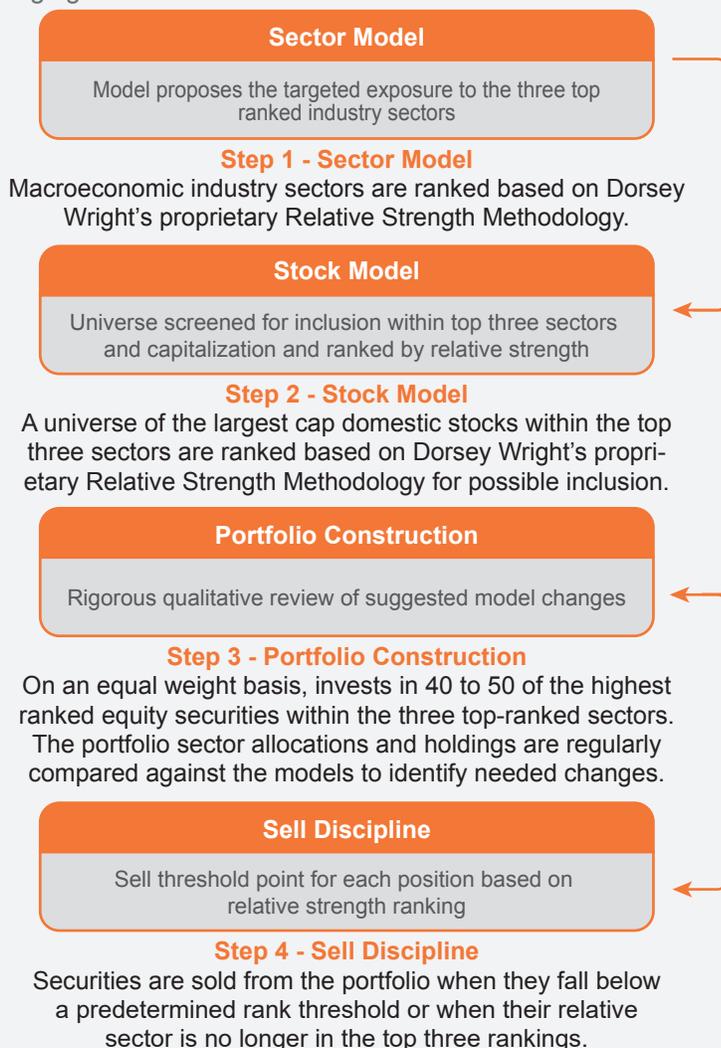
### Why Relative Strength?

The portfolio manager relies on relative strength to manage the portfolio's holdings because of its adaptive nature and long-term track record. Relative strength is simple in concept, yet powerful in application. It is the comparison of price performance within a universe of securities and relates to Newton's Law of Motion, which suggests that objects that are in motion tend to stay in motion until an extended force acts upon them. In the financial world this means that stocks with good fundamentals, in a market that in general is supporting higher prices, tend to continue to do well. Analyzing sector and securities by their relative strength provides a way to identify the current leaders. It is those market leaders that DWEQ seeks to own.

Relative strength also offers the ability to identify the laggards and successful investing is helped by avoiding big losers. With DWEQ's universe of hundreds of large cap domestic stocks there is a significant amount of dispersion, meaning there are a lot of stocks that have tremendous performance and others that have dreadful performance. Performance dispersion is great for a relative strength strategy as the portfolio manager believes it helps identify potential long-term winners and losers.

### Investment Process

The portfolio manager employs the following process in managing DWEQ:



# DWEQ



**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.

Investing Involves risk including possible loss of principal. The Advisor's judgment about the markets, the economy, or companies may not anticipate actual market movements, economic conditions or company performance, and these factors may affect the return on your investment. The prices of equity securities rise and fall daily. These price movements may result from factors affecting individual issuers, industries or the stock market as a whole. The Fund may experience relatively high portfolio turnover, which may result in increased transaction costs and performance that is lower than expected and potentially greater tax exposure.

20200204