

AdvisorShares Focused Equity ETF



CWS | NYSE Arca, Inc.
Annual Shareholder Report | JUNE 30, 2025

This annual shareholder report contains important information about AdvisorShares Focused Equity ETF (the "Fund") for the period of July 1, 2024 to June 30, 2025. You can find additional information about the Fund at <https://www.advisorshares.com/about/literature-center>. You can also request this information by contacting us at 1-877-843-3831.

What were the Fund's costs for the period?

(based on a hypothetical \$10,000 investment)

| Fund | Cost of \$10K Investment | Cost Paid as % of \$10K Investment |
|----------------------------------|--------------------------|------------------------------------|
| AdvisorShares Focused Equity ETF | \$70 | 0.65% |

How did the Fund perform last year?

The AdvisorShares Focused Equity ETF (CWS) performed well during the most recent fiscal year (July 2024 through June 2025).

There were several key factors that impacted the fund's return over that period. Most importantly, the stock market experienced a dramatic period over the last half of 2024 and into the first half of 2025.

The presidential election and victory for Donald Trump were especially noteworthy. There were also ongoing geopolitical troubles in the Middle East and Eastern Europe.

In early 2025, the fund and the broader stock market were roiled by President Trump's tariff agenda. The stock market dropped sharply in February and March. The S&P 500 experienced some of its worst days in decades. On April 9, President Trump announced a pause to his tariffs and the stock market rallied strongly.

The rally greatly helped the Advisor Shares Focused Equity ETF and the fund continued to make steady gains in the new bull market. The ETF has beaten the market over the first half of 2025, and it's done it with less risk.

Another important factor in the fund's performance has been the Federal Reserve and its outlook for the U.S. economy. The central bank raised interest rates a few times in late 2024, but it has held off on any rates hikes during the first half of 2025.

The daily volatility of the market calmed down considerably during the early spring of 2025. That was very reassuring for investors. Before the end of the first half of 2025, the S&P 500 reached a new all-time high.

After peaking at over 9%, inflation has also cooled off dramatically. In fact, inflation has reached the point where many investors think the Fed may be too late in cutting rates. President Trump has been especially vocal on the need for lower rates. Lower interest rates would be very good for the economy, stock market and CWS.

Some of the best-performing stocks for CWS over the past fiscal year have been companies such as Moody's (MCO), FICO (FICO), IES Holdings (IESC) and Amphenol (APH). At CWS, we follow a cautious, safety-first approach. We continue to expect strong gains in the weeks and months ahead.

As the White House announced the new tariff policies, there was evidence that shoppers moved quickly to make purchases before the new rates went into effect.

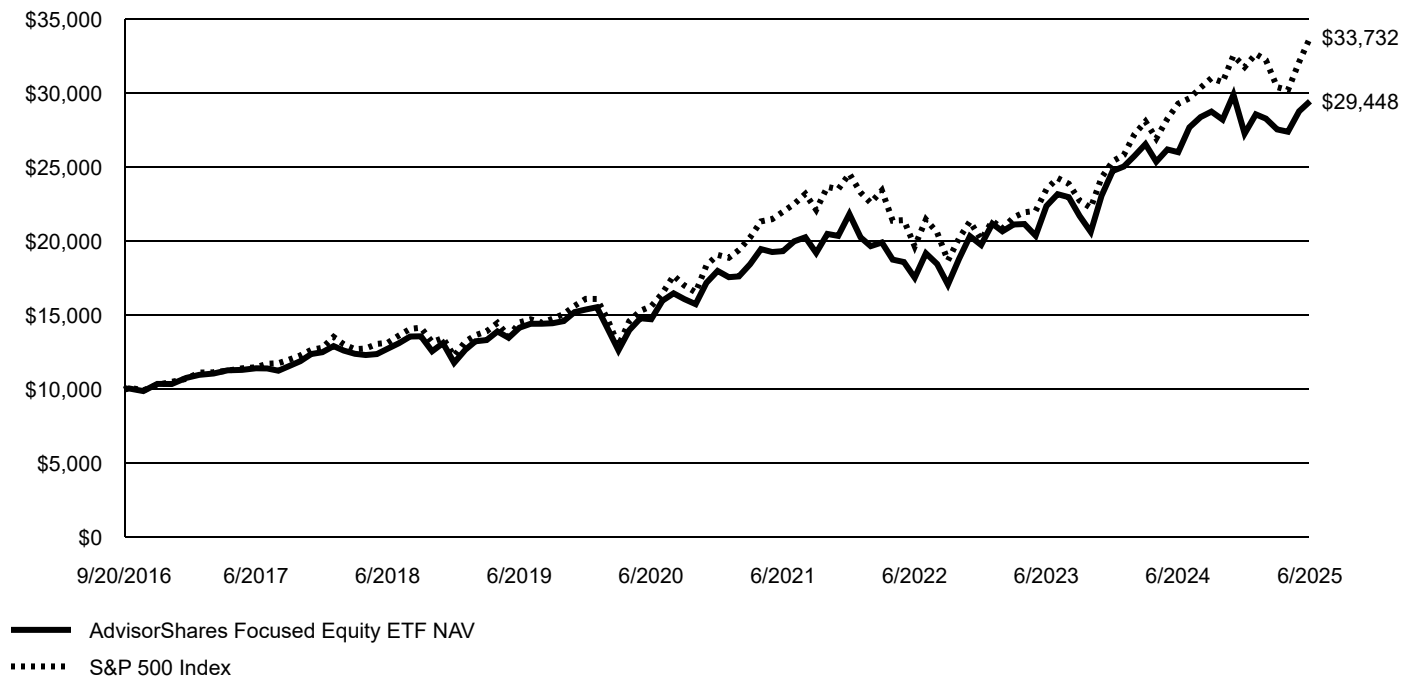
The unemployment rate continues to remain low which is beneficial for the fund. Consumers have mostly been in a good mood. Robust consumer spending is very important for the economy and our fund.

The fund is primarily concentrated on higher-quality stocks. These stocks tend to do well in any environment, but they're often especially strong when the rest of the market gets nervous. That was a big help for CWS during the tariff panic in early 2025.

We believe the fund is poised for more gains in the new fiscal year.

Fund Performance

GROWTH OF AN ASSUMED \$10,000 INVESTMENT



AVERAGE ANNUAL TOTAL RETURN

| Fund/Index | 1 year | 5 year | Since Inception 9/20/2016 |
|--------------------------------------|--------|--------|------------------------------|
| AdvisorShares Focused Equity ETF NAV | 13.20% | 14.83% | 13.10% |
| S&P 500 Index | 15.16% | 16.64% | 14.86% |

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. Fund NAV returns are calculated using the Fund's daily 4:00 p.m. NAV. Returns shown include the reinvestment of all dividends and other distributions. Index returns do not include expenses. Returns less than one year are not annualized. The performance table and graph do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. For the Fund's most recent month end performance, please call 1-877-843-3831.

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.

Investments involve risk. Principal loss is possible. Redemptions are limited and often commissions are charged on each trade. The Fund may be non-diversified and may be more sensitive to economic, business, political or other changes affecting individual issuers or investments than a diversified fund, which may result in greater fluctuation in the value of the Fund's shares and greater risk of loss. Unlike mutual funds, ETFs may trade at a premium or discount to their net asset value.

Key Fund Statistics

The following table outlines key fund statistics as of 6/30/2025.

| | |
|------------------------------------|---------------|
| Fund net assets | \$192,417,248 |
| Total advisory fees paid | \$903,183 |
| Total number of portfolio holdings | 27 |
| Period portfolio turnover rate | 24% |

Portfolio Composition

The table below shows the investment makeup of the Fund as of 6/30/2025.

| Sector | % of Net Assets |
|--------------------------------|-----------------|
| Software | 18.3% |
| Healthcare - Products | 11.4% |
| Pharmaceuticals | 8.8% |
| Commercial Services | 8.5% |
| Auto Parts & Equipment | 5.8% |
| Electronics | 5.2% |
| Engineering & Construction | 5.2% |
| Aerospace/Defense | 5.1% |
| Diversified Financial Services | 4.6% |
| Water | 4.2% |
| Machinery - Diversified | 4.0% |
| Real Estate | 3.9% |
| Packaging & Containers | 3.9% |
| Other | 12.2% |
| Assets Less Liabilities | (1.1)% |
| Total | 100.0% |

Availability of Additional Information

If you wish to find additional information about the Fund such as the prospectus, financial information, portfolio holdings and proxy voting, please see the website address or contact number included at the beginning of this shareholder report.