

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

This annual shareholder report contains important information about AdvisorShares HVAC and Industrials ETF (the "Fund") for the period of February 3, 2025 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 HVAC and Industrials ETF	\$42 ⁽¹⁾	0.99% ⁽²⁾

- (1) The Fund commenced operations during the reporting period. Expenses for a full reporting period would be higher than the amount shown.
- (2) Annualized.

How did the Fund perform last year?

From its inception on February 3, 2025, through the fiscal year ended June 30, 2025, the AdvisorShares HVAC and Industrials ETF (ticker: HVAC) achieved a positive return, more than doubling the S&P 500 Index's performance over the same period.

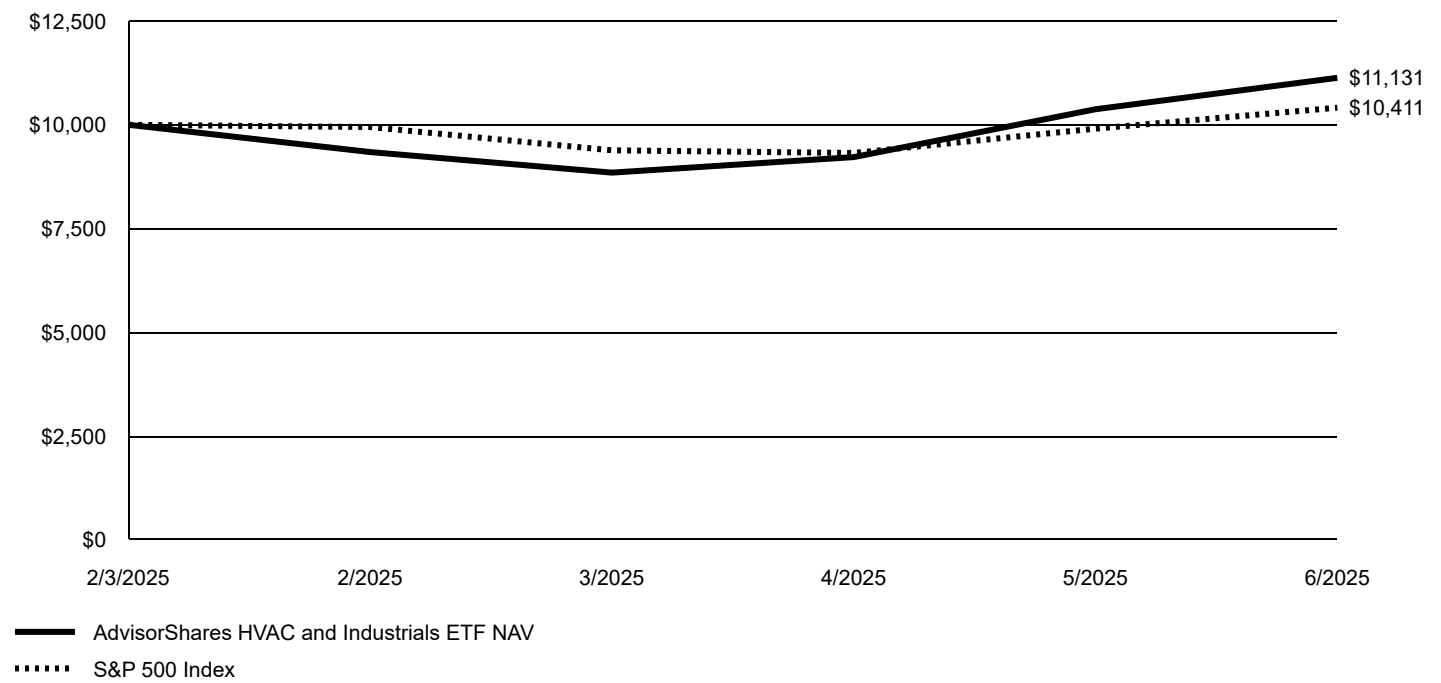
The HVAC (heating, ventilation, and air conditioning) industry, a critical component of building products and construction, benefited from multiple growth drivers. Urbanization in developing regions drove demand for housing and commercial infrastructure, while rising global temperatures, particularly in traditionally cooler regions like Europe, increased the need for advanced cooling systems. The explosive growth of data centers, where cooling represents a major portion of energy consumption, continued to expand market opportunities.

The sector also saw strong momentum in retrofitting and upgrading legacy systems to meet stricter environmental standards. Technological innovation and sustainability initiatives prompted replacement of outdated systems, while maintenance and upgrades offered revenue resilience even during economic downturns. Smart building initiatives and regulatory mandates further drove adoption of innovative HVAC solutions.

While short-term tariff pressures and industrial stock volatility persist, the longer-term prospects remain compelling as HVAC systems become increasingly integral to sustainable construction, smart buildings, and modern infrastructure development.

Fund Performance

GROWTH OF AN ASSUMED \$10,000 INVESTMENT



AVERAGE ANNUAL TOTAL RETURN

Fund/Index	Since Inception 2/3/2025
AdvisorShares HVAC and Industrials ETF NAV	11.31%
S&P 500 Index	4.11%

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	\$1,113,107
Total advisory fees paid	\$0
Total number of portfolio holdings	25
Period portfolio turnover rate	62%

Portfolio Composition

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

Sector	% of Net Assets
Commercial Services	2.7%
REITS	2.9%
Retail	5.2%
Electric	5.9%
Electronics	7.3%
Miscellaneous Manufacturing	8.8%
Machinery - Construction & Mining	9.8%
Machinery - Diversified	10.5%
Electrical Components & Equipment	11.3%
Building Materials	15.4%
Engineering & Construction	16.1%
Money Market Fund	9.7%
Assets Less Liabilities	(5.6)%
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.