AdvisorShares Focused Equity ETF

ADVISORSHARES®
Actively Managed ETFs

CWS | NYSE Arca, Inc.

Annual Shareholder Report | JUNE 30, 2026

This annual shareholder report contains important information about AdvisorShares Focused Equity ETF (the "Fund") for the period of July 1, 2025 to June 30, 2026. 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	$64	0.65%

Management's Discussion of Fund Performance

Over the past several months, CWS was impacted by several important financial and geopolitical events, most prominently the ongoing war in Ukraine and the war with Iran. At the onset of hostilities with Iran, the price for oil rose to nearly $120 per barrel.

During the final four months of 2025, the Federal Reserve voted to lower interest rates three times, bringing the Fed's target rate for overnight loans to 3.50% to 3.75%, an attempt to spur economic growth despite a generally elevated environment for inflation. The Fed later brought these rate cuts to an end, making no changes to interest rates during the first half of 2026. By mid-year, market participants expected the Fed to raise interest rates before year-end, with the possibility of two hikes by 2027. In May 2026, Kevin Warsh took over from Jerome Powell as Chairman of the Federal Reserve. Mr. Warsh appears to favor a more aggressive approach to inflation, and he has streamlined the Fed's policy statements. Lower interest rates are generally beneficial for the stock market and our ETF. They cut borrowing costs and ease the valuation competition that bonds pose to stocks, so as yields go down, stocks tend to rise.

Conversely, higher oil prices act as a tax on consumer spending. Each dollar that is spent at the pump is one that's not spent at the shopping mall. As 2026 went on, oil prices gradually started to fall, and by mid-year, oil dipped below $70 per barrel.

One of our new stocks for 2026, Casey's General Stores (CASY), runs a successful pizza and gasoline business. The idea is to bring in customers looking for gasoline and sell them pizza while they wait. It has been a winning formula, and Casey's has profited amid the volatility in energy markets.

Most of the ETF's holdings are high-quality stocks with a conservative profile, and the Fund tends to be less volatile than the overall market. While CWS is not a strictly value fund, it tends to move in general alignment with value indexes.

The Fund was greatly helped in 2025 and 2026 by additions of Comfort Systems USA (FIX) and IES Holdings (IESC). Both have benefited enormously from very large investments in data storage facilities needed to help power AI services. Relatedly, the Fund holds Amphenol (APH) which is a key manufacturer of fiber optic connectors.

CWS also has a large allocation of healthcare stocks currently including Stryker (SYK), Abbott Laboratories (ABT), ResMed (RMD), Henry Schein (HSIC), Cencora (COR) and McKesson (MCK). The healthcare sector was out of favor over the last 12 months, which was an obstacle for the Fund. Many of our positions there are defensive in nature, which was also at odds with the market's temperament as Wall Street shifted towards a more aggressive outlook. Many tech stocks did well while many conservative stocks lagged.

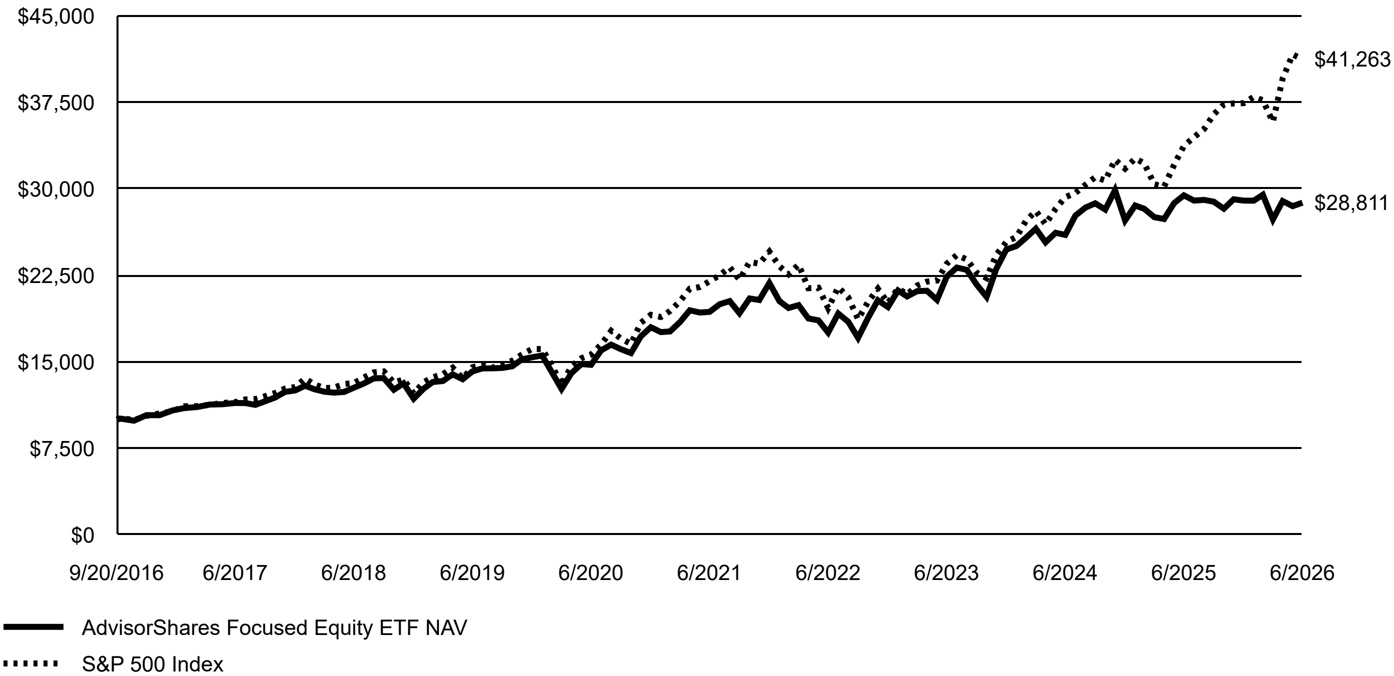
In the financial services sector, CWS owns Fair Isaac (FICO), Broadridge Financial Solutions (BR), Moody's (MCO), FactSet Research Systems (FDS) and Intercontinental Exchange (ICE).

The Fund holds many stocks that dominate their respective industries. One is Allison Transmission Holdings (ALSN), the world's largest maker of fully automatic transmissions for medium- and heavy-duty commercial vehicles and medium- and heavy-tactical U.S. defense vehicles. Another good example is HEICO (HEI), which makes replacement parts for the aircraft industry.

CWS is a conservative fund made up of high-quality stocks. We remain optimistic for strong performance for the rest of 2026.

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	-2.16%	8.30%	11.43%
S&P 500 Index	22.32%	13.41%	15.60%

The fund's past performance is not a good predictor of how the fund will perform in the future. The graph and table do not reflect the deduction of taxes that a shareholder would pay on fund distributions or redemption of fund shares. 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.

Key Fund Statistics

The following table outlines key fund statistics as of 6/30/2026.

Fund net assets	$132,397,860
Total advisory fees paid	$897,311
Total number of portfolio holdings	26
Period portfolio turnover rate	27%

Portfolio Composition

The table below shows the investment makeup of the Fund as of 6/30/2026.

Sector	**% of Net Assets**
Engineering & Construction	16.0%
Healthcare - Products	13.3%
Pharmaceuticals	11.5%
Software	9.2%
Commercial Services	6.5%
Retail	5.7%
Electronics	5.3%
Auto Parts & Equipment	4.6%
Aerospace/Defense	4.4%
Computers	4.4%
Food	4.3%
Metal Fabricate/Hardware	4.2%
Water	4.1%
Other	6.6%
Assets Less Liabilities	(0.1)%
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.