AdvisorShares HVAC and Industrials ETF

HVAC | NYSE Arca, Inc.

Annual Shareholder Report | JUNE 30, 2026

This annual shareholder report contains important information about AdvisorShares HVAC and Industrials 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 HVAC and Industrials ETF	$124	0.99%

Management's Discussion of Fund Performance

For the fiscal year ended June 30, 2026, HVAC achieved a positive return and benefited from continued investment in cooling, building efficiency, and infrastructure modernization. The heating, ventilation, and air conditioning industry remained supported by several long-term growth drivers, including rising global temperatures, urbanization, electrification, and increasing demand for more efficient and reliable building systems. Recurring heat waves across Europe also highlighted the region’s relatively low penetration of air-conditioning systems, supporting increased interest in residential and commercial cooling solutions.

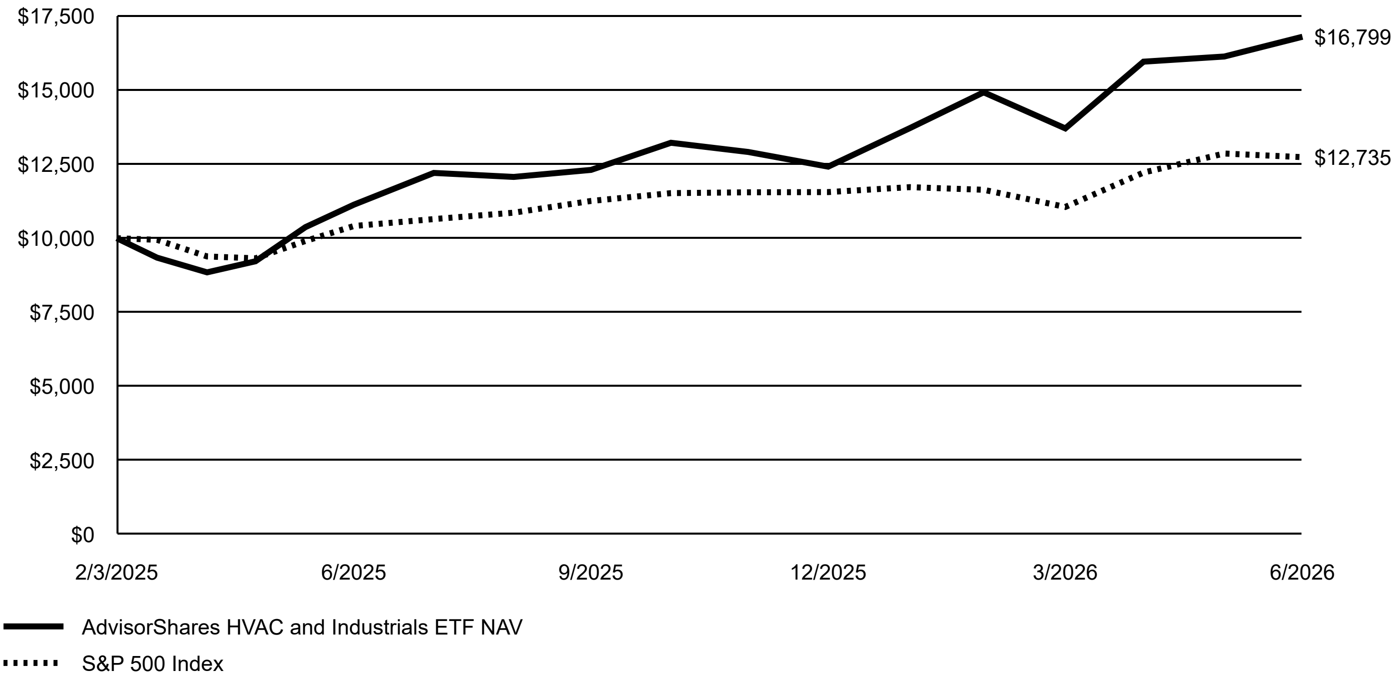
The rapid expansion of artificial intelligence and cloud computing infrastructure remained an important source of demand during the period. Data centers require advanced cooling and thermal-management systems to support increasingly powerful computing equipment, creating opportunities for HVAC manufacturers, component suppliers, service providers, and other industrial companies involved in data center construction and operation.

The sector also continued to benefit from the replacement and modernization of aging HVAC systems. More stringent energy-efficiency standards, sustainability initiatives, and smart-building adoption encouraged building owners to upgrade legacy equipment, while recurring maintenance, repair, and replacement needs provided a degree of revenue resilience across economic cycles.

Looking ahead, near-term factors such as tariffs, input-cost pressures, construction activity, and industrial market volatility may affect individual companies. During the reporting period, HVAC and related industrial systems were increasingly important to data center development, climate adaptation, energy efficiency, infrastructure reliability, and the modernization of residential and commercial buildings.

Fund Performance

GROWTH OF AN ASSUMED $10,000 INVESTMENT



AVERAGE ANNUAL TOTAL RETURN

Fund/Index	1 year	Since Inception 2/3/2025
AdvisorShares HVAC and Industrials ETF NAV	50.92%	44.74%
S&P 500 Index	22.32%	18.81%

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	$16,346,154
Total advisory fees paid	$0
Total number of portfolio holdings	23
Period portfolio turnover rate	174%

Portfolio Composition

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

Sector	**% of Net Assets**
REITS	2.5%
Aerospace/Defense	4.8%
Commercial Services	10.4%
Building Materials	12.5%
Electrical Components & Equipment	12.5%
Engineering & Construction	19.0%
Machinery - Construction & Mining	19.1%
Electronics	19.2%
Money Market Fund	0.4%
Assets Less Liabilities	(0.4)%
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.