



The AdvisorShares
Dorsey Wright Short ETF

Ticker: DWSH

ADVISORSHARES[®]
Actively Managed ETFs



NASDAQ DORSEY WRIGHT



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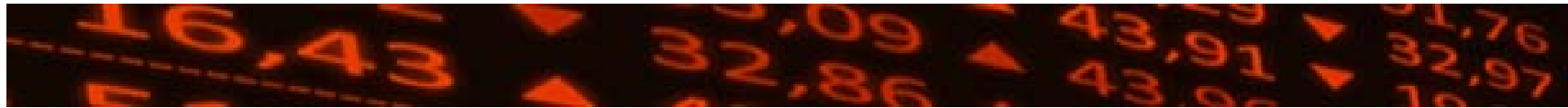
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About Dorsey Wright



- Nasdaq Dorsey Wright is a registered investment advisory firm based in Richmond, Virginia. Over the last thirty years, their research platform, SMA/UMA strategies, indexes, and team of analysts have created more informed conversations for advisors, investment managers, and their clients.
- Dorsey Wright continues to help market participants build and protect their clients' wealth. As a single company, they have emerged as a prominent ETF manager with strategic beta offerings that track custom Nasdaq indexes and actively managed AdvisorShares ETFs, including:
 - AdvisorShares Dorsey Wright Short ETF (Ticker: DWSH)
 - AdvisorShares Dorsey Wright ADR ETF (Ticker: AADR)
 - AdvisorShares Dorsey Wright Micro Cap ETF (Ticker: DWMC)



About Relative Strength

- Relative strength measures the price performance of a security versus a market average or universe of equities. A security's relative strength can improve if it rises more than the market in an uptrend, or goes down less than the market in a downtrend.
- An important attribute of relative strength is momentum, which we have identified as the most consistent factor over time.
- We believe a security's return relative to other securities is a predictor of future relative outperformance, as well as future relative underperformance



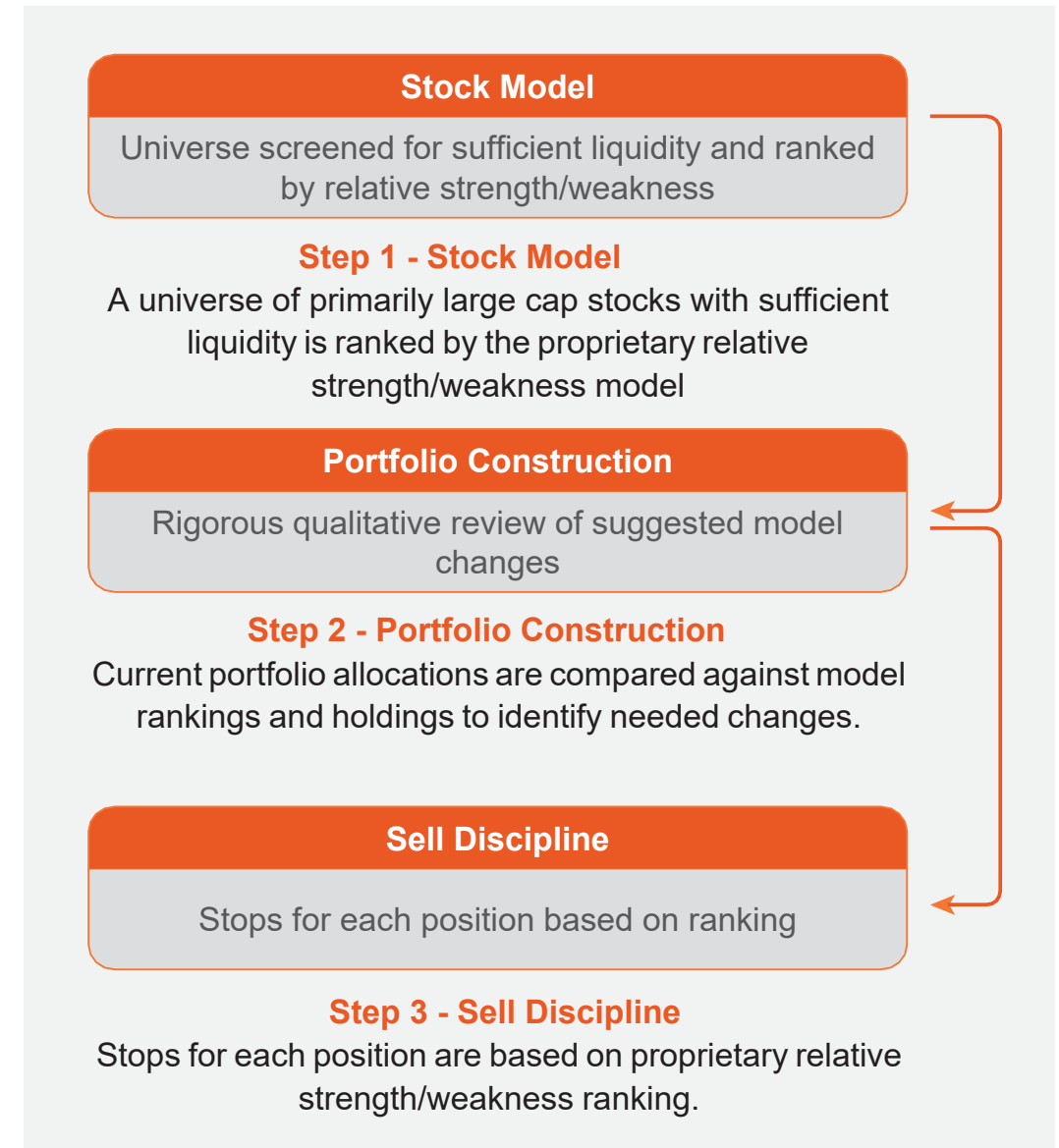
Investment Strategy Overview

- DWSH is an actively managed ETF that seeks capital appreciation through short selling securities using a **technical, systematically-driven** investment approach.
- Dorsey Wright adheres to a core philosophy of **relative strength** investing, using a proprietary methodology that involves buying securities that have appreciated in price more than other securities within its investment universe and holding those stocks until they exhibit sell signals.
- In implementing DWSH's shorting strategy to its core philosophy of relative strength investing, Dorsey Wright identifies and **short sells those securities with the highest relative weakness** within an investment universe primarily comprised of large-capitalization U.S.-traded equities.
- **Dedicated short equity portfolio** demonstrating the highest relative weakness characteristics.
- May be used to **hedge long equity exposure** and seek positive returns in a declining equity market.



Investment Process

- In managing the DWSH short equity portfolio, Dorsey Wright begins with an **investment universe of exchange-listed domestic equities** of primarily large cap companies.
- From that investment universe, the portfolio manager employs a **systematic process** that uses Dorsey Wright's proprietary stock model to construct DWSH's portfolio with built-in technical risk management tools.





Drivers for Security Selection

Relative
Strength

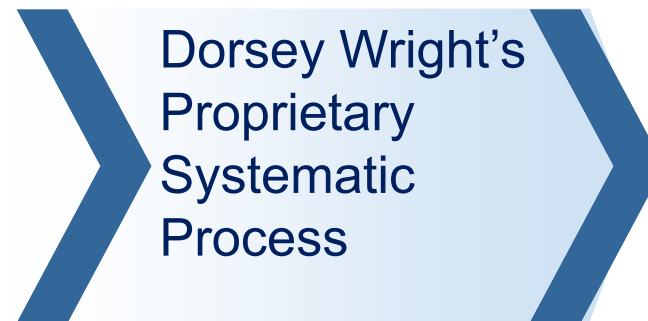
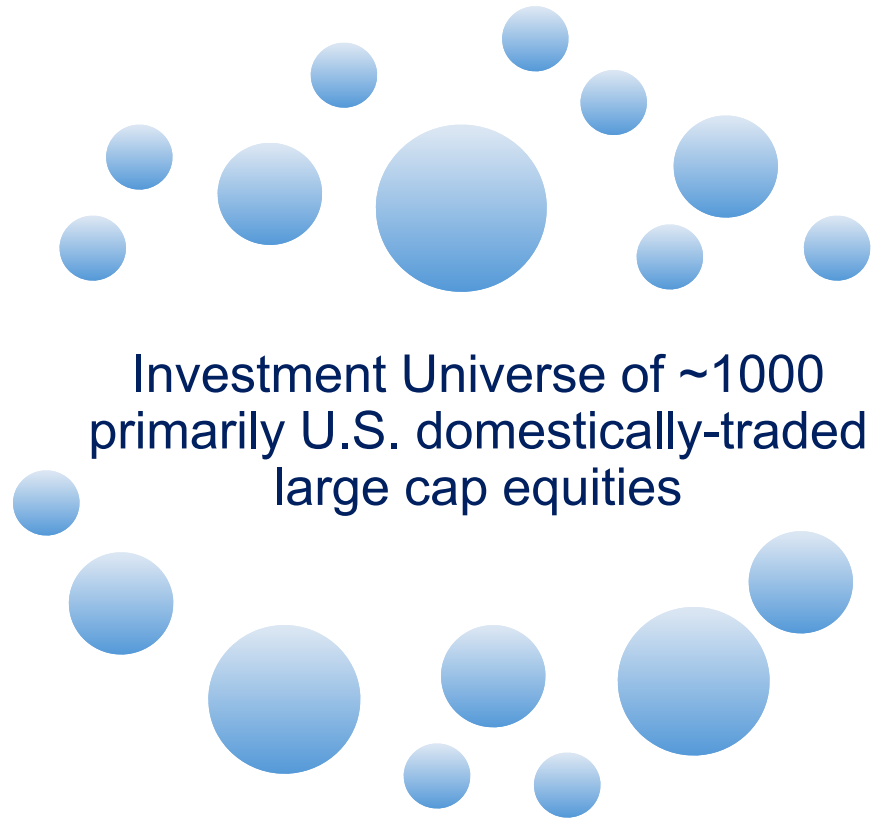
Core philosophy of relative strength investing drives security selection – identifying primarily large cap equities to sell short according to the highest relative weakness within the investment universe, and holding those securities until they exhibit signals to remove from the portfolio.

Stock
Model

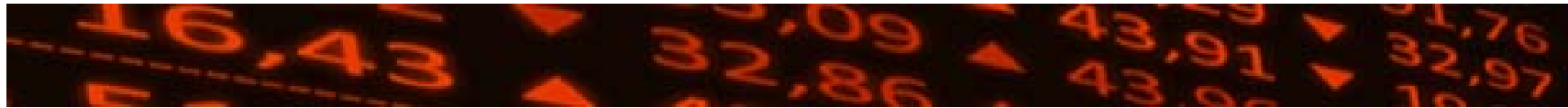
Liquidity and relative strength screens are applied to investable equity universe.



Portfolio Construction



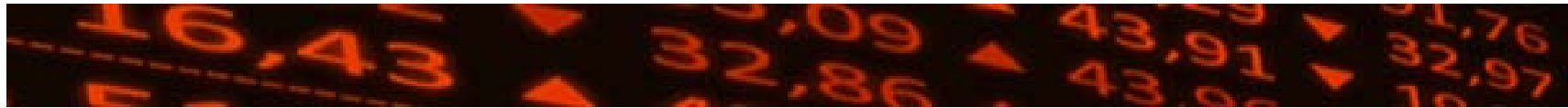
Securities will be determined according to relative strength rankings and carry a modified equal weighting at all times.



Risk Management

Certain factors may cause the portfolio manager to reduce exposure or remove a specific holding, which includes:





The Case for DWSH

Employs technical, **systematic process with an alpha-seeking component** – using a time-tested trend following methodology that harnesses momentum and drives returns during volatility

Dedicated short portfolio of individual stocks with the highest relative weakness characteristics

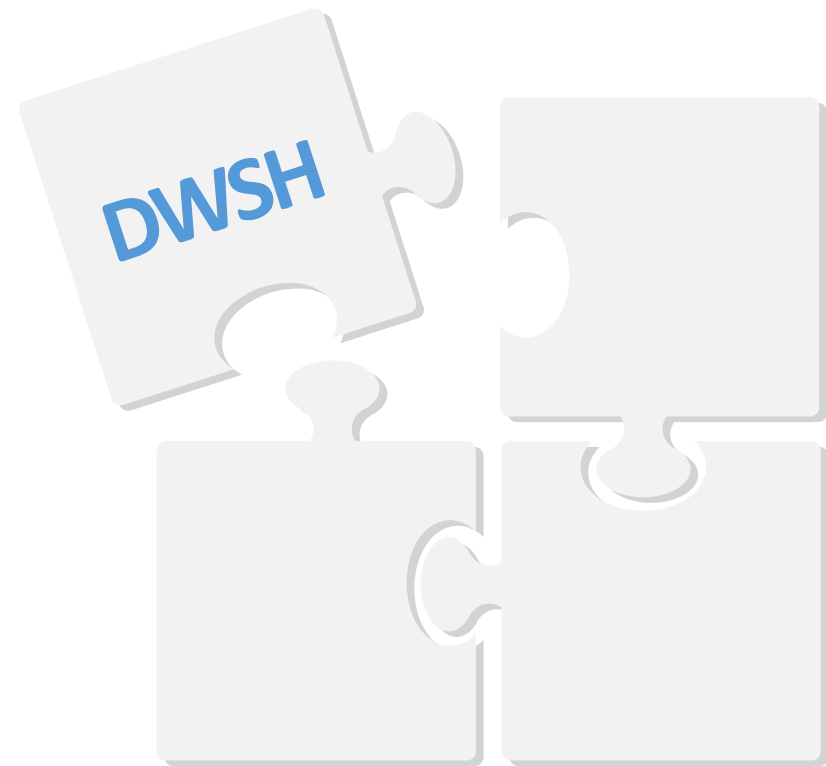
During **severe market downturns**, can re-allocate short exposure more broadly to the domestic equity market – by shorting individual ETFs or futures contracts

Utilizes a **disciplined approach** that allows its systematic nature to remove any human emotion from its security selection and risk management – especially important during a bear market



How DWSH Fits Within a Portfolio

- DWSH can provide a satellite equity holding to a broad-based equity allocation that may be used to hedge volatility and risk for similar long equity exposure, seeking positive returns in a declining equity market.





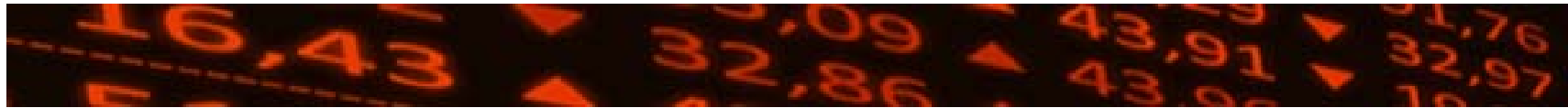
Strategy Summary

- Actively managed ETF that employs a **technical, systematically-driven investment process** designed to harness momentum that seeks to outperform during equity market downturns.
- **Dorsey Wright's renowned trend following model** and time-tested approach of relative strength investing delivered in a short equity strategy for the first time ever via fully transparent active ETF structure.
- **Dedicated short equity portfolio** investment mandate allows DWSH to seek and identify the companies with the highest relative weakness characteristics – **removing any human emotion** – and can re-allocate short exposure more broadly to the domestic equity market during extremely severe bear markets.
- **Turning laggards into winners** - DWSH opportunistically seeks the best equity opportunities, or laggards, to short sell and the systematic nature of its risk management eliminates positions according to relative strength stock model.



Benefits of the Active ETF Structure

- **Full Transparency** – Investors can view all the underlying holdings of this active ETF on a daily basis.
- **Intraday Liquidity** – This active ETF can be bought and sold like a stock during market trading day. Also, volume does not equal liquidity. This ETF's liquidity is driven by the constituents of its underlying portfolio.
- **Operational & Tax Efficiency** – Unlike mutual funds where investors are responsible for taxes on capital gains, this active ETF structure provides the potential to not pay any taxable capital gain distributions.



About AdvisorShares

- AdvisorShares is a **leading provider** of actively managed exchange-traded funds (ETFs) with approximately \$1.1 billion in assets under management.
- AdvisorShares became **among the first firms to bring actively managed ETFs** to market, delivering numerous “industry firsts,” and remains a leading and innovative provider in the rapidly expanding actively managed ETF space.
- Our diversified suite of investment strategies features accomplished investment managers making active decisions, similar to traditional mutual funds, except our fund portfolios are **delivered in a fully-transparent ETF structure**.



Contact Us

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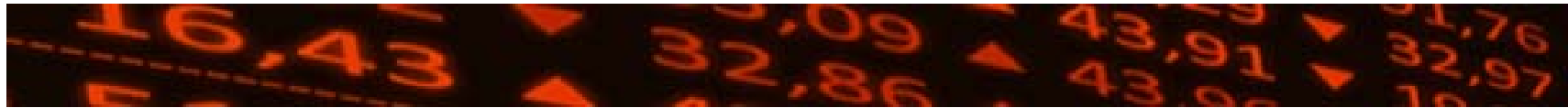
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Disclosure

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. Please read the prospectus carefully before you invest. Foreside Fund Services, LLC, distributor.

This Fund may not be suitable for all investors. There is no guarantee that the Fund will achieve its investment objective. An investment in the Fund is subject to risk, including the possible loss of principal amount invested. Short sales are transactions in which the Fund sells a security it does not own. To complete the transaction, the Fund must borrow the security to make delivery to the buyer. The Fund is then obligated to replace the security borrowed by purchasing the security at the market price at the time of replacement. The price at such time may be higher or lower than the price at which the security was sold by the Fund. If the underlying security goes down in price between the time the Fund sells the security and buys it back, the Fund will realize a gain on the transaction. Conversely, if the underlying security goes up in price during the period, the Fund will realize a loss on the transaction. Any such loss is increased by the amount of premium or interest the Fund must pay to the lender of the security. Likewise, any gain will be decreased by the amount of premium or interest the Fund must pay to the lender of the security. Because a short position loses value as the security's price increases, the loss on a short sale is theoretically unlimited. Short sales involve leverage because the Fund borrows securities and then sells them, effectively leveraging its assets. The use of leverage may magnify gains or losses for the Fund. Other Fund risks include equity risk, ETF market risk, ETF investment risk, management risk, market risk, and trading risk.