



## ADVISORSHARES MSOS 2X DAILY ETF (NYSE Arca Ticker: MSOX)

### SUMMARY PROSPECTUS – November 1, 2023

Before you invest in the AdvisorShares Fund, you may want to review the Fund’s prospectus and statement of additional information, which contain more information about the Fund and the risks of investing in the Fund. The Fund’s current prospectus and statement of additional information, each dated November 1, 2023, as supplemented from time to time, are incorporated by reference into this summary prospectus. You can find the Fund’s prospectus and statement of additional information, as well as other information about the Fund, online at <http://advisorshares.com/etfs/msox>. You may also obtain this information at no charge by calling 877.843.3831 or by sending an email request to [info@advisorshares.com](mailto:info@advisorshares.com).

#### Important Information Regarding the Fund

The AdvisorShares MSOS 2x Daily ETF (the “Fund”) seeks daily investment results that correspond to two times (2x) the return of AdvisorShares Pure US Cannabis ETF (the “US Cannabis ETF”), an affiliated exchange-traded fund (“ETF”), and is very different from most other ETFs. The pursuit of a daily 2x investment goal means that the return of the Fund for a period longer than a full trading day may have no resemblance to 200% of the return of the US Cannabis ETF. This means that the return of the Fund for a period longer than a trading day will be the result of each single day’s compounded return over the period, which will very likely differ from 200% of the return of the US Cannabis ETF for that period. Longer holding periods and higher volatility of the US Cannabis ETF increase the impact of compounding on an investor’s returns. During periods of higher volatility, the volatility of the US Cannabis ETF may affect the Fund’s return as much as, or more than, the return of the US Cannabis ETF. Further, the return for investors that invest for periods longer or shorter than a trading day should not be expected to be 200% of the performance of the US Cannabis ETF for the period. It also is important to understand that while the Fund seeks daily investment results that correspond to two times (2x) the return of the US Cannabis ETF, there is no guarantee that such results will be achieved. The Fund’s ability to achieve its target leverage may be affected by several things including, but not limited to, fees and expenses, assets under management, volatility in the cannabis market, unusual end-of-day volatility, regulatory limitations, end-of-day capacity constraints, and counterparty limitations.

**The Fund is not suitable for all investors. The Fund is designed to be utilized only by knowledgeable investors who understand the potential consequences of seeking daily 2x investment results, understand the risks associated with the use of leverage, and are willing to monitor their portfolios frequently. The Fund is not intended to be used by, and is not appropriate for, investors who do not intend to actively monitor and manage their portfolios. An investor could lose the full principal value of their investment within a single day.**

#### INVESTMENT OBJECTIVE

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The Fund seeks daily investment results that, before fees and expenses, correspond to two times (2x) the daily total return of the US Cannabis ETF. **The Fund does not seek to achieve its stated investment objective over a period of time greater than a single day.**

#### FUND FEES AND EXPENSES

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This table describes the fees and expenses that you may pay if you buy, hold and sell shares of the Fund. **You may pay other fees, such as brokerage commissions and other fees to financial intermediaries, which are not reflected in the table below.**

<b>SHAREHOLDER FEES</b> (fees paid directly from your investment)	None
<b>ANNUAL FUND OPERATING EXPENSES</b> (expenses that you pay each year as a percentage of the value of your investment)	
MANAGEMENT FEES	0.85%
DISTRIBUTION (12b-1) FEES	0.00%
OTHER EXPENSES	3.69%
ACQUIRED FUND FEES AND EXPENSES <sup>(a)</sup>	0.18%
<b>TOTAL ANNUAL OPERATING EXPENSES<sup>(b)</sup></b>	<b>4.72%</b>
FEE WAIVER/EXPENSE REIMBURSEMENT <sup>(c)</sup>	-3.59%
<b>TOTAL ANNUAL OPERATING EXPENSES AFTER WAIVER/REIMBURSEMENT</b>	<b>1.13%</b>

- (a) Total Annual Operating Expenses and Total Annual Operating Expenses After Waiver/Reimbursement in this fee table may not correlate to the expense ratios in the Fund's financial highlights because the financial highlights include only the Fund's direct operating expenses and do not include Acquired Fund Fees and Expenses, which represent the Fund's pro rata share of the fees and expenses of money market funds in which it invests.
- (b) The cost of investing in swaps, including the embedded cost of the swap and the operating expenses of the referenced assets, is an indirect expense that is not included in the above fee table and is not reflected in the expense Example. The total indirect cost of investing in swaps, including the embedded cost of the swap and the operating expenses of the referenced assets, was 6.99% for the most recent fiscal year, which may be partially offset by interest earned on cash collateral balances in connection with the swaps.
- (c) AdvisorShares Investments, LLC (the "Advisor") has contractually agreed to waive its fees and/or reimburse expenses to keep net expenses (excluding amounts payable pursuant to any plan adopted in accordance with Rule 12b-1, interest expense, taxes, brokerage commissions, acquired fund fees and expenses, other expenditures which are capitalized in accordance with generally accepted accounting principles, and extraordinary expenses) from exceeding 0.95% of the Fund's average daily net assets for at least one year from the date of this Prospectus. The expense limitation agreement will remain in effect unless terminated and may be terminated without payment of any penalty (i) by AdvisorShares Trust (the "Trust") for any reason and at any time and (ii) by the Advisor, for any reason, upon ninety (90) days' prior written notice to the Trust, such termination to be effective as of the close of business on the last day of the then-current one-year period. If it becomes unnecessary for the Advisor to waive fees or reimburse expenses, the Trust's Board of Trustees (the "Board") may permit the Advisor to retain the difference between the Fund's total annual operating expenses and the expense limitation currently in effect, or, if lower, the expense limitation that was in effect at the time of the waiver and/or reimbursement, to recapture all or a portion of its prior fee waivers or expense reimbursements within three years of the date they were waived or reimbursed.

## EXAMPLE

This Example is intended to help you compare the cost of investing in the shares of the Fund with the cost of investing in other funds. This Example does not take into account brokerage commissions and other fees to financial intermediaries that you may pay when purchasing or selling shares of the Fund. If these fees were included, your costs would be higher.

The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then sell all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	1 YEAR	3 YEARS	5 YEARS	10 YEARS
<b>AdvisorShares MSOS 2x Daily ETF</b>	\$115	\$1,098	\$2,087	\$4,584

## **PORTFOLIO TURNOVER**

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The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in Total Annual Operating Expenses or in the Example, affect the Fund’s performance. This rate excludes the value of portfolio securities received or delivered as a result of in-kind creations or redemptions of the Fund’s shares. During the most recent fiscal year, the Fund’s portfolio turnover rate was 0% of the average value of its portfolio.

## **PRINCIPAL INVESTMENT STRATEGIES**

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The Fund is an actively managed ETF that seeks to provide investment results that are two times (2x) the daily total return, before fees and expenses, of the US Cannabis ETF, an affiliated ETF, by entering into one or more swap agreements on the US Cannabis ETF. The Fund does not seek to achieve its stated investment objective for a period of time different than a single day. A single day is measured from the time the Fund calculates its net asset value (“NAV”) to the time of the Fund’s next NAV calculation.

The Fund will enter into one or more swap agreements intended to produce economically-leveraged investment results relative to the returns of the US Cannabis ETF. The Fund expects that cash balances in connection with the use of such financial instruments (“Collateral”) will typically be held in money market instruments, including money market funds, or other cash equivalents.

As described in its prospectus, the US Cannabis ETF seeks long-term capital appreciation by investing, under normal circumstances, at least 80% of its net assets (plus any borrowings for investment purposes) in securities of companies that derive at least 50% of their net revenue from the marijuana and hemp business in the United States and in derivatives that have economic characteristics similar to such securities. The US Cannabis ETF primarily invests in exchange-listed equity securities, including common and preferred stock, of mid- and small-capitalization companies, and in total return swaps intended to provide exposure to such companies.

Cannabis securities may be categorized among a wide variety of sectors and industries including agriculture, biotechnology, pharmaceuticals, real estate, retail, and finance. The types of companies that may engage in cannabis-related business include companies that conduct medical research, produce drug products, manufacture hemp products, or engage in agricultural activities, real estate activities, or financial services activities. The terms “marijuana” and “cannabis” are used interchangeably. Hemp refers to the industrial/commercial use of the cannabis stalk and seed for textiles, foods, papers, body care products, detergents, plastics and building materials. Cannabinoids are the chemical compounds secreted by cannabis plants. Cannabinoids can also be synthetically produced chemical compounds and used in lawful research and development of prescription drugs or other products utilizing cannabinoids as an active ingredient. The Advisor believes that continued legislative changes and social acceptance of cannabis in its various formats could lead to significant growth in cannabis-related public corporations. Companies involved in cannabis-related business could also benefit from significant merger and acquisition activity as the cannabis market matures. Neither the Fund nor the US Cannabis ETF will invest directly in or hold ownership in any companies that engage in cannabis-related business unless permitted by national and local laws of the relevant jurisdiction, including U.S. federal and state laws.

The Fund will concentrate at least 25% of its investments in the pharmaceuticals, biotechnology & life sciences industry group within the health care sector. The Fund is non-diversified and may invest a greater percentage of its assets in a particular issuer than a diversified fund.

## **PRINCIPAL RISKS OF INVESTING IN THE FUND**

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The Fund is subject to a number of risks, described below, that may affect the value of its shares, including the possible loss of money. As with any fund, there is no guarantee that the Fund will achieve its investment objective.

**Cash Transaction Risk.** Although most ETFs generally make in-kind redemptions to avoid being taxed at the fund level on gains on the distributed portfolio securities, the Fund intends to effect redemptions for cash. As such, the Fund may be required to sell portfolio securities to obtain the cash needed to distribute redemption proceeds. Therefore, the Fund may recognize a capital gain on these sales that might not have been incurred if the Fund had made a redemption in kind. This may decrease the tax efficiency of the Fund compared to ETFs that utilize an in-kind redemption process, and there may be a substantial difference in the after-tax rate of return between the Fund and other ETFs. Further, effecting purchases and redemptions primarily in cash may cause the Fund to incur certain costs, such as portfolio transaction costs. These costs can decrease the Fund's NAV if not offset by an authorized participant transaction fee.

**Collateral Securities Risk.** Collateral may include obligations issued or guaranteed by the U.S. Government, its agencies and instrumentalities, including bills, notes and bonds issued by the U.S. Treasury, money market funds and corporate debt securities, such as commercial paper. Some securities issued or guaranteed by federal agencies and U.S. government-sponsored instrumentalities may not be backed by the full faith and credit of the United States, in which case the investor must look principally to the agency or instrumentality issuing or guaranteeing the security for ultimate repayment, and may not be able to assert a claim against the United States itself in the event that the agency or instrumentality does not meet its commitment. The U.S. Government, its agencies and instrumentalities do not guarantee the market value of their securities, and consequently, the value of such securities may fluctuate. Although the Fund may hold securities that carry U.S. Government guarantees, these guarantees do not extend to shares of the Fund. The Fund's investments in U.S. government securities will change in value in response to interest rate changes and other factors, such as the perception of an issuer's creditworthiness. Money market funds are subject to management fees and other expenses. Therefore, investments in money market funds will cause the Fund to bear indirectly a proportional share of the fees and costs of the money market funds in which it invests. At the same time, the Fund will continue to pay its own management fees and expenses with respect to all of its assets, including any portion invested in the shares of the money market fund. It is possible to lose money by investing in money market funds. Corporate debt securities such as commercial paper generally are short-term unsecured promissory notes issued by businesses. Corporate debt may be rated investment-grade or below investment-grade and may carry variable or floating rates of interest. Corporate debt securities carry both credit risk and interest rate risk. Credit risk is the risk that the Fund could lose money if the issuer of a corporate debt security is unable to pay interest or repay principal when it is due. Interest rate risk is the risk that interest rates rise and fall over time. For example, the value of fixed-income securities generally decrease when interest rates rise, which may cause the Fund's value to decrease. Also, investments in fixed-income securities with longer maturities fluctuate more in response to interest rate changes. Some corporate debt securities that are rated below investment-grade generally are considered speculative because they present a greater risk of loss, including default, than higher quality debt securities.

**Compounding Risk.** The Fund has a single day investment objective, and the Fund's performance for any other period is the result of its return for each day compounded over the period. The performance of the Fund for periods longer than a single day will very likely differ in amount, and possibly even direction, from two times the daily return of the US Cannabis ETF for the same period, before accounting for fees and expenses. Compounding affects all investments but has a more significant impact on a leveraged fund. This effect becomes more pronounced as the US Cannabis ETF's volatility and holding periods increase. Fund performance for a period longer than a single day can be estimated given any set of assumptions for the following factors: (a) the US Cannabis ETF's volatility; (b) the US Cannabis ETF's performance; (c) period of time; (d) financing rates associated with leveraged exposure; and (e) other Fund expenses. The impact of compounding will affect each Fund shareholder differently depending on the period of time an investment in the Fund is held and the volatility of the US Cannabis ETF during the shareholder's holding period of an investment in the Fund.

As shown in the chart below, the Fund would be expected to lose 6.1% if the US Cannabis ETF provided no return over a one-year period during which the US Cannabis ETF experienced annualized volatility of 25%. At higher ranges of volatility, there is a chance of a significant loss of value in the Fund, even if the US Cannabis ETF's return is flat. For instance, if the US Cannabis ETF's annualized volatility is 100%, the Fund would be expected to lose 63.2% of its value, even if the US Cannabis ETF's cumulative return for the year was 0%. Areas darkly shaded represent those scenarios where the Fund can be expected to return less than two times (2x) the performance of the US Cannabis ETF and those lightly shaded represent those scenarios where the Fund can be expected to return more than two times (2x) the performance of the US Cannabis ETF. The Fund's actual returns may be significantly better or worse than the returns shown below.

One Year US Cannabis ETF	Two Times (2x) One Year US Cannabis ETF	One Year Volatility Rate				
		10%	25%	50%	75%	100%
Return	Return					
-60%	-120%	-84.2%	-85.0%	-87.5%	-90.9%	-94.1%
-50%	-100%	-75.2%	-76.5%	-80.5%	-85.8%	-90.8%
-40%	-80%	-64.4%	-66.2%	-72.0%	-79.5%	-86.8%
-30%	-60%	-51.5%	-54.0%	-61.8%	-72.1%	-82.0%
-20%	-40%	-36.6%	-39.9%	-50.2%	-63.5%	-76.5%
-10%	-20%	-19.8%	-23.9%	-36.9%	-53.8%	-70.2%
0%	0%	-1.0%	-6.1%	-22.1%	-43.0%	-63.2%
10%	20%	19.8%	13.7%	-5.8%	-31.1%	-55.5%
20%	40%	42.6%	35.3%	12.1%	-18.0%	-47.0%
30%	60%	67.3%	58.8%	31.6%	-3.7%	-37.8%
40%	80%	94.0%	84.1%	52.6%	11.7%	-27.9%
50%	100%	122.8%	111.4%	75.2%	28.2%	-17.2%
60%	120%	153.5%	140.5%	99.4%	45.9%	-5.8%

The US Cannabis ETF's annualized historical volatility rate for the period September 1, 2020 (inception date of the US Cannabis ETF) to December 31, 2021 was 46.28% and the historical volatility rate for the calendar year ended December 31, 2022 was 66.18%. The US Cannabis ETF's highest volatility rate for any one calendar year for the period September 1, 2020 (inception date of the US Cannabis ETF) to December 31, 2022 was 66.2% and volatility for a shorter period of time may have been substantially higher. The US Cannabis ETF's annualized performance for the period September 1, 2020 (inception date of the US Cannabis ETF) to December 31, 2021 was 1.77% and the annual performance for the calendar year ended December 31, 2022 was -41.73%. Historical US Cannabis ETF volatility and performance are not indications of what the US Cannabis ETF's volatility and performance will be in the future. The volatility of instruments that reference the value of the US Cannabis ETF, such as swaps, may differ from the volatility of the US Cannabis ETF.

**Correlation Risk.** A number of factors may impact the Fund's ability to achieve a high degree of correlation with the US Cannabis ETF, and there is no guarantee that the Fund will achieve a high degree of correlation. Failure to achieve a high degree of correlation may prevent the Fund from achieving its investment objective, and the percentage change of the Fund's NAV each day may differ, perhaps significantly in amount, and possibly even direction, from 200% of the percentage change of the US Cannabis ETF on such day.

In order to achieve a high degree of correlation with the US Cannabis ETF, the Fund seeks to rebalance its portfolio daily to keep exposure consistent with its investment objective. Being materially under- or over-exposed to the US Cannabis ETF may prevent the Fund from achieving a high degree of correlation with the US Cannabis ETF and may expose the Fund to greater leverage risk. Market disruptions or closure, regulatory restrictions, market volatility, illiquidity in the markets for the financial instruments in which the Fund invests, and other factors will adversely affect the Fund's ability to adjust exposure to requisite levels. The target amount of portfolio exposure is impacted dynamically by the US Cannabis ETF's movements, including intraday movements. Because of this, it is highly unlikely that the Fund will have perfect 200% exposure during the day or at the end of each day and the likelihood of being materially under- or over-exposed is higher on days when the US Cannabis ETF is volatile, particularly when the US Cannabis ETF is volatile at or near the close of the trading day.

A number of other factors may also adversely affect the Fund's correlation with the US Cannabis ETF, including fees, expenses, transaction costs, financing costs and/or regulatory requirements associated with the use of derivatives, income items, valuation methodology and calculations, and accounting standards. The Fund may take

or refrain from taking positions in order to improve tax efficiency, comply with regulatory restrictions, or for other reasons, each of which may negatively affect the Fund's correlation with the US Cannabis ETF. The Fund may also be subject to large movements of assets into and out of the Fund, potentially resulting in the Fund being under- or over-exposed to the US Cannabis ETF and may be impacted by reconstitutions of the US Cannabis ETF and the US Cannabis ETF rebalancing events. Any of these factors could decrease correlation between the performance of the Fund and the US Cannabis ETF and may hinder the Fund's ability to meet its daily investment objective on or around that day.

**Counterparty Risk.** The Fund may invest in financial instruments involving counterparties that attempt to gain exposure to a particular group of securities, index or asset class without actually purchasing those securities or investments, or to hedge a position. The Fund's use of such financial instruments, including swap agreements, involves risks that are different from those associated with ordinary portfolio securities transactions. For example, if a swap agreement counterparty defaults on its payment obligations to the Fund, this default will cause the value of your investment in the Fund to decrease.

**Daily Leverage Risk.** Leverage increases the risk of a total loss of an investor's investment, may increase the volatility of the Fund, and may magnify any differences between the performance of the Fund and the US Cannabis ETF. Because the Fund includes a multiplier of two times (2x) the US Cannabis ETF, a single day movement in the US Cannabis ETF approaching -50% at any point in the day could result in the total loss of an investor's investment, even if the US Cannabis ETF subsequently moves in an opposite direction, eliminating all or a portion of the earlier movement. This would be the case with any such single day movements in the US Cannabis ETF, even if the US Cannabis ETF maintains a level greater than zero at all times.

**Derivatives Risk.** Derivatives may be riskier than other types of investments because they may be more sensitive to changes in economic or market conditions than other types of investments and could result in losses that significantly exceed the Fund's original investment. A derivative is a financial contract the value of which depends on, or is derived from, the value of a financial asset (such as stock, bond or currency), a physical asset (such as gold), or a market index (such as the S&P 500 Index). Many derivatives, including the swaps in which the Fund will invest, create leverage thereby causing the Fund to be more volatile than it would be if it had not invested in derivatives. Investing in swaps also will expose the Fund to counterparty risk (the risk that the derivative counterparty will not fulfill its contractual obligations) and to credit risk (the risk that a counterparty is or is perceived to be unwilling or unable to make timely payments or otherwise meet its contractual obligations).

**Equity Risk.** The prices of equity securities rise and fall daily. These price movements may result from factors affecting individual issuers, industries or the securities market as a whole. In addition, equity markets tend to move in cycles, which may cause stock prices to fall over short or extended periods of time.

**ETF Market Risk.** In stressed market conditions, the market for certain ETF shares may become less liquid in response to deteriorating liquidity in the markets for the ETF's underlying portfolio holdings. This adverse effect on liquidity for the ETF's shares in turn could lead to differences between the market price of the ETF's shares and the underlying value of those shares. In addition, there are a limited number of institutions that act as authorized participants. If these institutions exit the business or are, for any reason, unable to process creation and/or redemption orders with respect to the Fund, or purchase and sell securities in connection with creation and/or redemption orders, as applicable, and no other authorized participant steps forward to create or redeem, or purchase or sell securities, as applicable, Fund shares may trade at a premium or discount to their NAV and possibly face operational issues such as trading halts and/or delisting. The absence of an active market in the Fund's shares could lead to a heightened risk of differences between the market price of the Fund's shares and the underlying value of those shares.

**Management Risk.** The Advisor continuously evaluates the Fund's holdings, purchases and sales with a view to achieving the Fund's investment objective. However, achievement of the stated investment objective cannot be guaranteed. The Advisor's judgment about the markets, the economy, or companies may not anticipate actual market movements, economic conditions or company performance, and these factors may affect the return on your investment.

**Market Risk.** Due to market conditions, the value of the Fund's investments may fluctuate significantly from day to day. Price fluctuations may be temporary or may last for extended periods. This volatility may cause the value of

your investment in the Fund to decrease. Local, regional, or global events such as war, acts of terrorism, the spread of infectious illness or other public health issues, recessions, uncertainties regarding interest rates, rising inflation, or other events could have a significant impact on the market generally and on specific securities. The market value of a security may also decline because of factors that affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry.

**Non-Diversification Risk.** As a non-diversified fund under the federal securities laws, the Fund may invest a greater percentage of its assets in a particular issuer and hold a smaller number of portfolio securities; therefore, the value of the Fund's shares may be more volatile than the value of shares of more diversified funds.

**Rebalancing Risk.** If for any reason the Fund is unable to rebalance all or a portion of its portfolio, or if all or a portion of the portfolio is rebalanced incorrectly, the Fund's investment exposure may not be consistent with the Fund's investment objective. In these instances, the Fund may have investment exposure to the US Cannabis ETF that is significantly greater or less than its stated multiple. As a result, the Fund may be more exposed to leverage risk than if it had been properly rebalanced and may not achieve its investment objective.

**Tax Risk.** The Fund has elected to be treated as a regulated investment company ("RIC") under the Internal Revenue Code and intends each year to qualify and be eligible to be treated as such, so that it generally will not be subject to U.S. federal income tax on its net investment income or net short-term or long-term capital gains that are distributed to shareholders. In order to qualify and be eligible for such treatment, the Fund must, in relevant part, meet certain asset diversification tests. The Fund's investment in certain derivatives may potentially be limited by its intention to qualify for treatment as a RIC. Further, the application of the diversification tests with respect to derivatives is uncertain. If, for any year, the Fund were to fail to qualify as a RIC under the Internal Revenue Code, and were ineligible to or did not otherwise cure such failure, the Fund would be subject to tax on its taxable income at the corporate rate. In addition, the Fund's investment strategy attributable to derivatives is expected to significantly limit its ability to distribute dividends eligible to be reported as qualified dividend that may qualify for reduced U.S. federal tax rates for non-corporate investors as well as dividends eligible for the dividends-received deduction for corporate shareholders.

**Trading Risk.** Shares of the Fund may trade above or below their NAV. The trading price of the Fund's shares may deviate significantly from their NAV during periods of market volatility and, in such instances, you may pay significantly more or receive significantly less than the underlying value of the Fund's shares. There can be no assurance that an active trading market for the Fund's shares will develop or be maintained. In addition, trading in shares of the Fund may be halted because of market conditions or for reasons that, in the view of the NYSE Arca, Inc. (the "Exchange"), make trading in shares inadvisable.

**Underlying ETF Risk.** Through its investments in the US Cannabis ETF, the Fund is subject to the risks associated with such ETF's investments or reference assets, including the possibility that the value of the securities or instruments held by or linked to such ETF could decrease. These risks include the risks described below as well as certain of the other risks described in this section.

- **Cannabis-Related Company Risk.** Cannabis-related companies are subject to various laws and regulations that may differ at the state/local and federal level. These laws and regulations may significantly affect a cannabis-related company's ability to secure financing, impact the market for marijuana business sales and services, and set limitations on marijuana use, production, transportation, and storage. In addition to regulatory action, litigation initiated by private citizens or companies could have a negative impact on the financial and/or operational status of cannabis-related companies. Cannabis-related companies may also be required to secure permits and authorizations from government agencies to cultivate or research marijuana. In addition, cannabis-related companies are subject to the risks associated with the agricultural, biotechnology, and pharmaceutical industries.

**U.S. Regulation of Marijuana.** Although the medical use of marijuana is legal in more than half of the states, as well as the District of Columbia, and non-medical use of marijuana is legal in an increasing number of states and the District of Columbia, the possession and use of marijuana remains illegal under U.S. federal law. Actions by federal regulatory agencies, such as increased enforcement of federal marijuana laws and the prosecution of nonviolent federal

drug crimes by the Department of Justice (“DOJ”), could produce a chilling effect on the industry’s growth and discourage banks from expanding their services to cannabis-related companies where such services are currently limited. This conflict between the regulation of marijuana under federal and state law creates volatility and risk for all cannabis-related companies. Because marijuana is a Schedule I controlled substance, no drug product containing cannabis or cannabis extracts has been approved for use by the Food and Drug Administration (“FDA”), nor has such a product obtained registration from the Drug Enforcement Administration (the “DEA”) for commercial production. Further, there is no guarantee that such products will ever be legally produced or sold in the U.S. Cannabis-related companies in the U.S. that engage in medical or pharmaceutical research or the production and distribution of controlled substances such as marijuana must be registered with the DEA to perform such activities and have the security, control, recordkeeping, reporting and inventory mechanisms required by the DEA to prevent drug loss and diversion. With respect to cannabis-related companies and vendors servicing such companies, the Fund will not make direct investments in the securities of companies that grow, sell, distribute, transport, or handle cannabis unless they are registered with the DEA or otherwise in compliance with U.S. federal regulations, thus allowing them to legally handle the product. In addition, because cannabis is a Schedule I controlled substance, Section 280E of the Internal Revenue Code of 1986, as amended (the “Internal Revenue Code”) applies by its terms to the purchase and sale of medical-use cannabis products and provides that no deduction or credit is allowed for expenses incurred during a taxable year “in carrying on any trade or business if such trade or business (or the activities which comprise such trade or business) consists of trafficking in controlled substances (within the meaning of Schedules I and II of the Controlled Substances Act (“CSA”)) which is prohibited by federal law or the law of any state in which such trade or business is conducted.” The disallowance of such tax deductions will likely affect the value of cannabis-related companies. All of these factors and others may prevent cannabis-related companies from becoming profitable, which may materially reduce the value of certain Fund investments.

- **Growth Investing Risk.** Growth stocks can be volatile for several reasons. Since those companies usually invest a high portion of earnings in their businesses, they may lack the dividends of value stocks that can cushion stock prices in a falling market. The prices of growth stocks are based largely on projections of the issuer’s future earnings and revenues. If a company’s earnings or revenues fall short of expectations, its stock price may fall dramatically.
- **Health Care Sector Risk.** Companies in the health care sector are subject to extensive government regulation and their profitability can be significantly affected by restrictions on government reimbursement for medical expenses, rising costs of medical products and services, pricing pressure (including price discounting), limited product lines, litigation, obsolescence of technology and an increased emphasis on the delivery of health care through outpatient services.

**Pharmaceuticals, Biotechnology & Life Sciences Industry Group Risk.** Each of the Fund and the US Cannabis ETF will concentrate at least 25% of its investments in the pharmaceuticals, biotechnology & life sciences industry group within the health care sector. The business operations and profitability of companies in the pharmaceuticals, biotechnology & life sciences industry group can be significantly affected by, among other things, government approval of products and services, government regulation and reimbursement rates, product liability claims, patent expirations and protection, and intense competition.

- **Mid-Capitalization Risk.** Mid-cap companies may be more volatile and more likely than large-cap companies to have limited product lines, markets, or financial resources, and to depend on a few key employees. Returns on investments in stocks of mid-cap companies could trail the returns on investments in stocks of large-cap companies or the equity market as a whole.
- **Real Estate Investment Trust Risk.** Investment in real estate companies, including real estate investment trusts (“REITs”), exposes the Fund to the risks of owning real estate directly. Real estate is highly sensitive to general and local economic conditions and developments. The U.S. real estate market may experience



and has, in the past, experienced a decline in value, with certain regions experiencing significant losses in property values. Many real estate companies, including REITs, utilize leverage (and some may be highly leveraged), which increases investment risk and the risk normally associated with debt financing, and could potentially increase the Fund's volatility and losses. Exposure to such real estate may adversely affect Fund performance. Further, REITs are dependent upon specialized management skills, and their investments may be concentrated in relatively few properties, or in a small geographic area or a single property type. REITs are also subject to heavy cash flow dependency and, as a result, are particularly reliant on the proper functioning of capital markets. A variety of economic and other factors may adversely affect a lessee's ability to meet its obligations to a REIT. In the event of a default by a lessee, the REIT may experience delays in enforcing its rights as a lessor and may incur substantial costs associated in protecting its investments. In addition, a REIT could fail to qualify for favorable regulatory treatment.

- **Small- and Micro-Capitalization Risk.** Security prices of small-cap companies may be more volatile than those of larger companies and therefore the Fund's share price may be more volatile than those of funds that invest a larger percentage of their assets in securities issued by larger-cap companies. These risks are even greater for micro-cap companies.

## **FUND PERFORMANCE**

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The Fund does not have performance history for a full calendar year. Once the Fund has completed a full calendar year of operation, information will be included that may give some indication of the risks of investing in the Fund by showing changes in the Fund's performance from year to year and comparing the Fund's performance to a broad measure of market performance. Of course, once the Fund has performance, past performance (before and after taxes) does not necessarily indicate how the Fund will perform in the future.

Updated performance information is available on the Fund's website at [www.advisorshares.com](http://www.advisorshares.com).

## **MANAGEMENT**

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<b>Name</b>	<b>Title</b>
AdvisorShares Investments, LLC	Advisor

## **PORTFOLIO MANAGER**

<b>Name and Title</b>	<b>Length of Service with Advisor</b>
<b>Dan S. Ahrens</b> , <i>Managing Director, Chief Operating Officer, Chief Investment Officer &amp; Portfolio Manager</i>	since November 2008

## **PURCHASE AND SALE OF FUND SHARES**

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The Fund issues and redeems shares on a continuous basis at NAV only in a large specified number of shares called a "Creation Unit." Only institutional investors that are acting as the Fund's authorized participants (typically broker-dealers) may purchase or redeem Creation Units. A Creation Unit transaction generally is conducted in exchange for a basket of securities closely approximating the holdings of the Fund along with a specified amount of cash.

Individual Fund shares may only be purchased and sold in secondary market transactions through brokers. The shares of the Fund are listed on the Exchange and, because shares trade at market price rather than at NAV, shares may trade at a value greater than (premium) or less than (discount) NAV. When buying or selling shares in the secondary market, you may incur costs attributable to the difference between the highest price a buyer is willing to pay to purchase shares of the Fund (bid) and the lowest price a seller is willing to accept for shares of the Fund (ask) (the "bid-ask spread"). Recent information regarding the Fund's NAV, market price, premiums and discounts, and bid-ask spreads will be available on the Fund's website at [www.advisorshares.com](http://www.advisorshares.com).

## **TAX INFORMATION**

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The Fund intends to make distributions that may be taxed as ordinary income, qualified dividend income or capital gains (or a combination thereof), unless you are investing through a tax-advantaged arrangement such as a 401(k) plan or an individual retirement account (“IRA”), which may be taxed upon withdrawal.

## **PAYMENTS TO BROKER-DEALERS AND OTHER FINANCIAL INTERMEDIARIES**

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Investors purchasing shares in the secondary market through a brokerage account or with the assistance of a broker may be subject to brokerage commissions and charges. If you purchase Fund shares through a broker-dealer or other financial intermediary (such as a bank), the Advisor may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing broker-dealers or other intermediaries and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary’s website for more information.