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ADVISORSHARES®
Actively Managed ETFs

MSOX

ADVISORSHARES MSOS 2X DAILY ETF

NYSE Arca Ticker: MSOX

Managed by:
AdvisorShares Investments, LLC

ADVISORSHARES TRUST
4800 Montgomery Lane ● Suite 150
Bethesda, Maryland 20814
www.advisorshares.com
877.843.3831

Prospectus dated _____, 2022

This Prospectus provides important information about the AdvisorShares MSOS 2x Daily ETF, a series of AdvisorShares Trust. Before you invest, please read this Prospectus and the Fund's Statement of Additional Information carefully and keep them for future reference.

The shares of the Fund have not been approved or disapproved by the U.S. Securities and Exchange Commission nor has the U.S. Securities and Exchange Commission passed upon the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offense.

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ADVISORSHARES MSOS 2X DAILY ETF
NYSE Arca Ticker: MSOX

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.

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

The AdvisorShares MSOS 2x Daily ETF seeks daily investment results that, before fees and expenses, correspond to two times (2x) the daily total return of the AdvisorShares Pure 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

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.**

SHAREHOLDER FEES *(fees paid directly from your investment)*	None
ANNUAL FUND OPERATING EXPENSES *(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[1]	0.xx%
TOTAL ANNUAL OPERATING EXPENSES[2]	0.xx%

1 *Because the Fund is new, "Other Expenses" are based on estimated amounts for the current fiscal year.*

2 *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, is estimated to be [____]% for the current fiscal year.*

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
AdvisorShares MSOS 2x Daily ETF	$	$

PORTFOLIO TURNOVER

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. The Fund is new and does not yet have a portfolio turnover rate.

PRINCIPAL INVESTMENT STRATEGIES

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 swaps 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 may use a combination of swaps on the US Cannabis ETF and swaps on various investment vehicles that are designed to track the performance 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 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. AdvisorShares Investments, LLC (the "Advisor"), the Fund's investment 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

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 shaded dark gray 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 shaded light gray 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**				
Return	**Return**	**10%**	**25%**	**50%**	**75%**	**100%**
-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%. 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, 2021 was 30.21% 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%. 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 inverse 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 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 associated with the use of derivatives, income items, valuation methodology, accounting standards and disruptions or illiquidity in the markets for the securities or financial instruments in which the Fund invests. 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. Additionally, the Fund's underlying investments and/or reference assets may trade on markets that may not be open on the same day as the Fund, which may cause a difference between the changes in the daily performance of the Fund and changes in the level of the US Cannabis ETF. 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 if that movement is contrary to the investment objective of the Fund, 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 create leverage thereby causing the Fund to be more volatile than it would be if it had not invested in derivatives. Derivatives, such as total return swaps, also 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, 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. Because of its link to the markets, an investment in the Fund may be more suitable for long-term investors who can bear the risk of short-term principal fluctuations, which at times may be significant.

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.

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/benchmark components, including the possibility that the value of the securities or instruments held by or linked to such ETF could decrease. These risks include any combination of the risks described below, as well as certain of the other risks described in this section. The Fund's exposure to a particular risk will be proportionate to the Fund's overall allocation to the US Cannabis ETF and such ETF's asset allocation.

- **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 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-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.

- **Value Investing Risk.** If an ETF utilizes a value style of investing, the ETF could suffer losses or produce poor results relative to other funds, even in a rising market, if the Advisor's assessment of a company's value or prospects for exceeding earnings expectations or market conditions is incorrect.

FUND PERFORMANCE

A comparison of the Fund's performance with that of a broad measure of market performance may give some indication of the risks of an investment in the Fund; however, the Fund is new and, therefore, does not have a performance history for a full calendar year. Of course, once the Fund has performance, this 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.

MANAGEMENT

Name	Title
AdvisorShares Investments, LLC	Advisor

PORTFOLIO MANAGER

Name and Title	Length of Service with Advisor
Dan S. Ahrens, *Managing Director, Chief Operating Officer & Portfolio Manager*	since November 2008

PURCHASE AND SALE OF FUND SHARES

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.

TAX INFORMATION

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

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.

MORE INFORMATION ABOUT THE TRUST AND THE FUND

AdvisorShares Trust (the "Trust") is a Delaware statutory trust offering a number of professionally managed investment portfolios or funds.

Creation Units of the Fund are issued and redeemed principally in exchange for a deposit of cash totaling the NAV of the Creation Units.

EXCEPT WHEN AGGREGATED IN CREATION UNITS, SHARES OF THE FUND ARE NOT REDEEMABLE SECURITIES.

MORE INFORMATION ABOUT THE FUND'S INVESTMENT OBJECTIVE

The Fund seeks long-term capital appreciation. The Fund's investment objective is non-fundamental and may be changed by the Trust's Board of Trustees (the "Board") without a shareholder vote.

MORE INFORMATION ABOUT THE FUND'S PRINCIPAL INVESTMENT STRATEGIES

The Fund is an actively managed ETF and, thus, does not seek to replicate the performance of a specified passive index of securities. Instead, it uses an active investment strategy in seeking to meet its investment objective. If the Fund or the US Cannabis ETF were to invest directly in companies, such fund would only invest in those that list their securities on exchanges that require compliance with all laws, rules and regulations applicable to their business, including U.S. federal laws. The current exchanges identified by the US Cannabis ETF that meet these requirements are the New York Stock Exchange (the "NYSE"), Nasdaq Stock Market, Toronto Stock Exchange, and TSX Venture Exchange. The US Cannabis ETF will use total return swaps to seek exposure to securities with similar characteristics. The Advisor, subject to the oversight of the Board, has discretion on a daily basis to manage the Fund's portfolio in accordance with the Fund's investment objective and investment policies.

The Fund will enter into swap agreements to pursue its investment objective of delivering a 200% return to its underlying ETF for a single day. The swap agreements may include as a reference asset investment vehicles that seek exposure to the underlying ETF.

Swap agreements are contracts entered into primarily with major financial institutions for a specified period ranging from a day to more than one year. In a standard "swap" transaction, two parties agree to exchange the return (or differentials in rates of return) earned or realized on particular predetermined investments or instruments. The gross return to be exchanged or "swapped" between the parties is calculated with respect to a "notional amount," *e.g.*, the return on or change in value of a particular dollar amount invested in a "basket" of securities or an ETF representing a particular index. The Fund may use a combination of swaps on the underlying ETF and swaps on various investment vehicles that are designed to track the performance of the underlying ETF. The underlying investment vehicle may not track the performance of the underlying ETF due to embedded costs and other factors, which may increase the Fund's correlation risk and impact the Fund's ability to correlate with the underlying ETF.

With respect to the use of swap agreements, if the underlying ETF has a dramatic intraday move that causes a material decline in net assets, the terms of a swap agreement between the Fund and its counterparty may permit the counterparty to immediately close out the transaction with the Fund. In that event, the Fund may be unable to enter into another swap agreement or invest in other derivatives to achieve the desired exposure consistent with its investment objective. This, in turn, may prevent the Fund from achieving its investment objective, even if the reference asset reverses all or a portion of its intraday move by the end of the day. Any costs associated with using swap agreements may also have the effect of lowering the Fund's return.

The Effects of Fees and Expenses on the Return of the Fund for a Single Trading Day. To create the necessary exposure, the Fund uses leveraged investment techniques, which necessarily incur brokerage and financing charges. In light of these charges and the Fund's operating expenses, the expected return of the Fund over one trading day is equal to the gross expected return, which is the daily the US Cannabis ETF's return multiplied by the Fund's daily leveraged investment objective, minus (i) financing charges incurred by the portfolio and (ii) daily operating expenses. For instance, if the US Cannabis ETF returns 2% on a given day, the gross expected return of the Fund would be 4%, but the net expected return, which factors in the cost of financing the portfolio and the impact of operating expenses, would be lower. The Fund will reposition its portfolio at the end of every trading day. Therefore, if an investor purchases Fund shares at close of the markets on a given trading day, the investor's exposure to the US Cannabis ETF would reflect 200% of the performance of the US Cannabis ETF during the following trading day, subject to the charges and expenses noted above.

A Cautionary Note to Investors Regarding Dramatic US Cannabis ETF Movement. The Fund could lose an amount greater than its net assets in the event of a movement of the US Cannabis ETF in excess of 50% in a direction adverse to the Fund (meaning a decline in the value of the US Cannabis ETF). The Advisor will attempt to position the Fund's portfolio to ensure that the Fund does not gain or lose more than 90% of its NAV on a given day. If the Advisor successfully positions the Fund's portfolio to provide such limits, the Fund's portfolio and NAV will not be responsive to movements in the US Cannabis ETF beyond 50% in a given day, whether that movement is favorable or adverse to the Fund. For example, if the US Cannabis ETF were to gain 50%, the Fund would be limited to a daily gain of 90%, which corresponds to 200% of a US Cannabis ETF gain of 45%, rather than 100%, which is 200% of a US Cannabis ETF gain of 50%. It may not be possible to limit the Fund's losses, and shareholders should not expect such protection. The risk of total loss exists.

If the US Cannabis ETF has a dramatic adverse move that causes a material decline in the Fund's net assets, the terms of the Fund's swap agreements may permit the counterparty to immediately close out the swap transaction. In that event, the Fund may be unable to enter into another swap agreement or invest in other derivatives to achieve exposure consistent with the Fund's investment objective. This may prevent the Fund from achieving its leveraged investment objective, even if the US Cannabis ETF later reverses all or a portion the move, and result in significant losses.

Examples of the Impact of Daily Leverage and Compounding. Because the Fund's exposure to the US Cannabis ETF is repositioned on a daily basis, for a holding period longer than one day, the pursuit of a daily investment objective will result in daily leveraged compounding for the Fund. This means that the return of the US Cannabis ETF over a period of time greater than one day multiplied by the Fund's daily leveraged investment objective (*e.g.*, 200%) generally will not equal the Fund's performance over that same period. As a consequence, investors should not plan to hold Fund shares unmonitored for periods longer than a single trading day. This deviation increases with higher volatility in the US Cannabis ETF and longer holding periods. Further, the return for investors that invest for periods less than a full trading day or for a period different than a trading day will not be the product of the return of the Fund's stated daily leveraged investment objective and the performance of the US Cannabis ETF for the full trading day. The actual exposure will largely be a function of the performance of the US Cannabis ETF from the end of the prior trading day.

Consider the following examples:

Shareholder is considering investments in two Funds, Funds A and B. Fund A is an ETF which seeks (before fees and expenses) to match the performance of the US Cannabis ETF. Fund B is a leveraged ETF and seeks daily leveraged investment results (before fees and expenses) that correspond to 200% of the daily performance of the US Cannabis ETF.

On Day 1, the US Cannabis ETF increases in value from $100 to $105, a gain of 5%. On Day 2, the US Cannabis ETF declines from $105 back to $100, a loss of 4.76%. In the aggregate, the US Cannabis ETF has not moved.

An investment in Fund A would be expected to gain 5% on Day 1 and lose 4.76% on Day 2, returning the investment its original value. The following example assumes a $100 investment in Fund A when the US Cannabis ETF is also valued at $100:

Day	US Cannabis ETF Value	US Cannabis ETF Performance	Value of Fund A Investment
	$100.00		$100.00
1	$105.00	5.00%	$105.00
2	$100.00	-4.76%	$100.00

The same $100 investment in Fund B would be expected to gain 10% on Day 1 (200% of 5%) but decline 9.52% on Day 2.

Day	US Cannabis ETF Performance	200% of US Cannabis ETF Performance	Value of Fund B Investment
			$100.00
1	5.00%	10.0%	$110.00
2	-4.76%	-9.52%	$99.52

Although the percentage decline in Fund B is smaller on Day 2 than the percentage gain on Day 1, the loss is applied to a higher principal amount, so the investment in Fund B experiences a loss even when the aggregate index value for the two-day period has not declined. (These calculations do not include the charges for fund fees and expenses).

As you can see, an investment in Fund B has additional risks due to the effects of leverage and compounding.

An investor who purchases shares of the Fund intra-day will generally receive more, or less, than 200% exposure to the US Cannabis ETF from that point until the end of the trading day. The actual exposure will be largely a function of the performance of the US Cannabis ETF from the end of the prior trading day. If the Fund's shares are held for a period longer than a single trading day, the Fund's performance is likely to deviate from 200% of the return of the US Cannabis ETF's performance for the longer period. This deviation will increase with higher US Cannabis ETF volatility and longer holding periods.

Examples of the Impact of Volatility. The Fund rebalances its portfolio on a daily basis, increasing exposure in response to that day's gains or reducing exposure in response to that day's losses. Daily rebalancing will typically cause the Fund to lose money if the US Cannabis ETF experiences volatility. A volatility rate is a statistical measure of the magnitude of fluctuations in the US Cannabis ETF's returns over a defined period. For periods longer than a trading day, volatility in the performance of US Cannabis ETF from day to day is the primary cause of any disparity between the Fund's actual returns and the returns of the US Cannabis ETF for such period. Volatility causes such disparity because it exacerbates the effects of compounding on the Fund's returns. In addition, the effects of volatility are magnified in the Fund due to leverage. Consider the following three examples that demonstrate the effect of volatility on a hypothetical fund:

Example 1 – US Cannabis ETF Experiences Low Volatility

Shareholder invests $10.00 in the Fund at the close of trading on Day 1. During Day 2, the US Cannabis ETF rises from 100 to 102, a 2% gain. Shareholder's investment rises 4% to $10.40. Shareholder holds the investment through the close of trading on Day 3, during which the US Cannabis ETF rises from 102 to 104, a gain of 1.96%. Shareholder's investment rises to $10.81, a gain during Day 3 of 3.92%. For the two-day period since Shareholder invested in the Fund, the US Cannabis ETF gained 4%, although Shareholder's investment increased by 8.1%. Because the US Cannabis ETF continued to trend upwards with low volatility, Shareholder's return closely correlates to the 200% return of the return of the US Cannabis ETF for the period.

Example 2 – US Cannabis ETF Experiences High Volatility

Shareholder invests $10.00 in the Fund after the close of trading on Day 1. During Day 2, the US Cannabis ETF rises from 100 to 102, a 2% gain, and Shareholder's investment rises 4% to $10.40. Shareholder continues to hold her investment through the end of Day 3, during which the US Cannabis ETF declines from 102 to 98, a loss of 3.92%. Shareholder's investment declines by 7.84%, from $10.40 to $9.58. For the two-day period since Shareholder invested in the Fund, the US Cannabis ETF lost 2% while Shareholder's investment decreased from $10 to $9.58, a 4.2% loss. The volatility of the US Cannabis ETF affected the correlation between the US Cannabis ETF's return for the two-day period and Shareholder's return. In this situation, Shareholder lost more than two times the return of the US Cannabis ETF.

Example 3 – Intra-day Investment with Volatility

The examples above assumed that Shareholder purchased the Fund at the close of trading on Day 1 and sold her investment at the close of trading on a subsequent day. However, if she made an investment intra-day, she would have received a beta determined by the performance of the US Cannabis ETF from the end of the prior trading day until her time of purchase on the next trading day. Consider the following example.

Shareholder invests $10.00 in the Fund at 11 a.m. on Day 2. From the close of trading on Day 1 until 11 a.m. on Day 2, the US Cannabis ETF moved from 100 to 102, a 2% gain. In light of that gain, the Fund beta at the point at which Shareholder invests is 196%. During the remainder of Day 2, the US Cannabis ETF rises from 102 to 110, a gain of 7.84%, and Shareholder's investment rises 15.4% (which is the US Cannabis ETF of 7.84% multiplied by the 196% beta that she received) to $11.54. Shareholder continues to hold her investment through the close of trading on Day 3, during which the US Cannabis ETF declines from 110 to 90, a loss of 18.18%. Shareholder's investment declines by 36.4%, from $11.54 to $7.34. For the period of Shareholder's investment, the US Cannabis ETF declined from 102 to 90, a loss of 11.76%, while Shareholder's investment decreased from $10.00 to $7.34, a 27% loss. The volatility of the US Cannabis ETF affected the correlation between the US Cannabis ETF's return for period and Shareholder's return. In this situation, Shareholder lost more than two times the return of the US Cannabis ETF. Shareholder was also hurt because she missed the first 2% move of the US Cannabis ETF and had a beta of 196% for the remainder of Day 2.

Market Volatility. The Fund seeks to provide a return which is a multiple of the daily performance of the US Cannabis ETF. The Fund does not attempt to, and should not be expected to, provide returns which are a multiple of the return of the US Cannabis ETF for periods other than a single day. The Fund rebalances its portfolio on a daily basis, increasing exposure in response to that day's gains or reducing exposure in response to that day's losses.

Daily rebalancing will impair the Fund's performance if the US Cannabis ETF experiences volatility. For instance, the Fund would be expected to lose 4% (as shown in Table 1 below) if the US Cannabis ETF provided no return over a one-year period and experienced annualized volatility of 20%. The Fund would be expected to lose 12% (as shown in Table 1 below) if the US Cannabis ETF provided no return over a one-year period and had annualized volatility of 20%. If the US Cannabis ETF's annualized volatility were to rise to 40%, the hypothetical loss for a one-year period for the Fund widens to approximately 15% while the loss for the Fund rises to 45%.

Table 1

Volatility Range	Fund Loss
10%	-1%
20%	-4%
30%	-9%
40%	-15%
50%	-23%
60%	-33%
70%	-47%
80%	-55%
90%	-76%
100%	-84%

Note that at higher volatility levels, there is a chance of a complete loss of Fund assets even if the US Cannabis ETF is flat. For instance, if annualized volatility of the US Cannabis ETF were 90%, the Fund would be expected to lose 76%.

Table 2 shows the annualized historical volatility rate for US Cannabis ETF since its inception for the period ended June 30, 2022. Since market volatility has negative implications for funds which rebalance daily, investors should be sure to monitor and manage their investments in the Fund particularly in volatile markets. The negative implications of volatility in Table 1 can be combined with the recent volatility in Table 2 to give investors some sense of the risks of holding the Fund since the inception of the US Cannabis ETF. Historical volatility and performance are not likely indicative of future volatility and performance.

Table 2 – Historic Volatility of the US Cannabis ETF

	Historical Volatility Rate (since inception)
US Cannabis ETF	[ ]%

The Projected Returns of Funds for Intra-Day Purchases. Because the Fund rebalances its portfolio once daily, an investor who purchases shares during a day will likely have more, or less, than 200% leveraged investment exposure to the US Cannabis ETF. The exposure to the US Cannabis ETF received by an investor who purchases the Fund intra-day will differ from the Fund's stated daily leveraged investment objective (*e.g.*, 200%) by an amount determined by the movement of the US Cannabis ETF from its value at the end of the prior day. If the US Cannabis ETF moves in a direction favorable to the Fund between the close of the market on one trading day through the time on the next trading day when the investor purchases Fund shares, the investor will receive less exposure to the US Cannabis ETF than the stated fund daily leveraged investment objective (*e.g.*, 200%). Conversely, if the US Cannabis ETF moves in a direction adverse to the Fund, the investor will receive more exposure to the US Cannabis ETF than the stated fund daily leveraged investment objective (*e.g.*, 200%).

Table 3 below indicates the exposure to the US Cannabis ETF that an intra-day purchase of the Fund would be expected to provide based upon the movement in the value of the US Cannabis ETF from the close of the market on the prior trading day. Such exposure holds until a subsequent sale on that same trading day or until the close of the market on that trading day. For instance, if the US Cannabis ETF has moved 5% in a direction favorable to the Fund, the investor would receive exposure to the performance of the US Cannabis ETF from that point until the investor sells later that day or the end of the day equal to approximately 191% of the investor's investment.

Conversely, if the US Cannabis ETF has moved 5% in a direction unfavorable to the Fund, an investor at that point would receive exposure to the performance of the US Cannabis ETF from that point until the investor sells later that day or the end of the day equal to approximately 211% of the investor's investment.

The table includes a range of US Cannabis ETF moves from 20% to -20% for the Fund. Movement of the US Cannabis ETF beyond the range noted below will result in exposure further from the Fund's daily leveraged investment objective.

Table 3

US Cannabis ETF	**The Fund**
-20%	267%
-15%	243%
-10%	225%
-5%	211%
0%	200%
5%	191%
10%	183%
15%	177%
20%	171%

The Projected Returns of the Fund for Periods Other Than a Single Trading Day. The Fund seeks leveraged investment results on a daily basis — from the close of regular trading on one trading day to the close on the next trading day — which should not be equated with seeking a leveraged investment objective for any other period. For instance, if the US Cannabis ETF gains 10% for a week, the Fund should not be expected to provide a return of 20% for the week even if it meets its daily leveraged investment objective throughout the week. This is true because of the financing charges noted above but also because the pursuit of daily goals may result in daily leveraged compounding, which means that the return of the US Cannabis ETF over a period of time greater than one day multiplied by the Fund's daily leveraged investment objective or inverse daily leveraged investment objective *(e.g.*, 200%) will not generally equal the Fund's performance over that same period. In addition, the effects of compounding become greater the longer shares are held beyond a single trading day.

The following tables set out a range of hypothetical daily performances during a given 10 trading day period of the US Cannabis ETF and demonstrate how changes in the US Cannabis ETF impact the Fund's hypothetical performance for a trading day and cumulatively up to, and including, the entire 10 trading day period. The charts are based on a hypothetical $100 investment in the Fund over a 10-trading day period and do not reflect fees or expenses of any kind.

Table 4 – The US Cannabis ETF Lacks a Clear Trend

	US Cannabis ETF			**The Fund**		
	Value	**Daily Performance**	**Cumulative Performance**	**NAV**	**Daily Performance**	**Cumulative Performance**
	100			$100.00		
Day 1	105	5.00%	5.00%	$110.00	10.00%	10.00%
Day 2	110	4.76%	10.00%	$120.48	9.52%	20.47%
Day 3	100	-9.09%	0.00%	$98.57	-18.18%	-1.43%
Day 4	90	-10.00%	-10.00%	$78.86	-20.00%	-21.14%
Day 5	85	-5.56%	-15.00%	$70.10	-11.12%	-29.91%
Day 6	100	17.65%	0.00%	$94.83	35.30%	-5.17%
Day 7	95	-5.00%	-5.00%	$85.35	-10.00%	-14.65%
Day 8	100	5.26%	0.00%	$94.34	10.52%	-5.68%
Day 9	105	5.00%	5.00%	$103.77	10.00%	3.76%
Day 10	100	-4.76%	0.00%	$93.89	-9.52%	-6.12%

The cumulative performance of the US Cannabis ETF in Table 4 is 0% for 10 trading days. The hypothetical return of the Fund for the 10-trading day period is -6.12%. The volatility of the US Cannabis ETF's performance and lack of a clear trend results in performance for the Fund for the period that bears little relationship to the performance of the US Cannabis ETF for the 10-trading day period.

Table 5 – The US Cannabis ETF Rises in a Clear Trend

	US Cannabis ETF			The Fund		
	Value	**Daily Performance**	**Cumulative Performance**	**NAV**	**Daily Performance**	**Cumulative Performance**
	100			$100.00		
Day 1	102	2.00%	2.00%	$104.00	4.00%	4.00%
Day 2	104	1.96%	4.00%	$108.08	3.92%	8.08%
Day 3	106	1.92%	6.00%	$112.24	3.84%	12.23%
Day 4	108	1.89%	8.00%	$116.47	3.78%	16.47%
Day 5	110	1.85%	10.00%	$120.78	3.70%	20.78%
Day 6	102	1.82%	12.00%	$125.18	3.64%	25.17%
Day 7	114	1.79%	14.00%	$129.65	3.58%	29.66%
Day 8	116	1.75%	16.00%	$134.20	3.50%	34.19%
Day 9	118	1.72%	18.00%	$138.82	3.44%	38.81%
Day 10	120	1.69%	20.00%	$143.53	3.38%	43.50%

The cumulative performance of the US Cannabis ETF in Table 5 is 20% for 10 trading days. The hypothetical return of the Fund for the 10-trading day period is 43.50%. In this case, because of the positive hypothetical US Cannabis ETF trend, the Fund's hypothetical gain is greater than 200% of the hypothetical US Cannabis ETF gain for the 10-trading day period.

Table 6 – The US Cannabis ETF Declines in a Clear Trend

	US Cannabis ETF			The Fund		
	Value	**Daily Performance**	**Cumulative Performance**	**NAV**	**Daily Performance**	**Cumulative Performance**
	100			$100.00		
Day 1	98	-2.00%	-2.00%	$96.00	-4.00%	-4.00%
Day 2	96	-2.04%	-4.00%	$92.08	-4.08%	-7.92%
Day 3	94	-2.08%	-6.00%	$88.24	-4.16%	-11.75%
Day 4	92	-2.13%	-8.00%	$88.49	-4.26%	-15.51%
Day 5	90	-2.17%	-10.00%	$80.82	-4.34%	-19.17%
Day 6	88	-2.22%	-12.00%	$77.22	-4.44%	-22.76%
Day 7	86	-2.27%	-14.00%	$73.71	-4.54%	-26.27%
Day 8	84	-2.33%	-16.00%	$70.29	-4.66%	-29.71%
Day 9	82	-2.38%	-18.00%	$66.94	-4.76%	-33.05%
Day 10	80	-2.44%	-20.00%	$63.67	-4.88%	-36.32%

The cumulative performance of the US Cannabis ETF in Table 6 is -20% for 10 trading days. The hypothetical return of the Fund for the 10-trading day period is 36.32%. In this case, because of the negative hypothetical US Cannabis ETF trend, the Fund's hypothetical decline is less than 200% of the hypothetical US Cannabis ETF decline for the 10-trading day period.

MORE INFORMATION ABOUT THE PRINCIPAL RISKS OF INVESTING IN THE FUND

The Fund is subject to a number of risks that may affect the value of its shares. This section provides additional information about the Fund's principal risks. The degree to which a risk applies to the Fund varies according to its investment allocation. Each investor should review the complete description of the principal risks before investing in the Fund. An investment in the Fund may not be appropriate for certain investors. As with investing in other securities whose prices increase and decrease in market value, you may lose money by investing in the Fund. Any of the following risks may impact the Fund's NAV, which could result in the Fund trading at a premium or discount to NAV.

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, as well as money market funds and corporate debt securities. U.S. government securities include securities that are issued or guaranteed by the U.S. Treasury, by various agencies of the U.S. Government, or by various instrumentalities which have been established or sponsored by the U.S. Government. U.S. Treasury securities are backed by the "full faith and credit" of the United States. Securities issued or guaranteed by federal agencies and U.S. government-sponsored instrumentalities may or may not be backed by the full faith and credit of the United States. In the case of those U.S. government securities not backed by the full faith and credit of the United States, 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. 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, and the Fund's investments in money market funds will cause it to bear proportionately the costs incurred by the money market funds' operations while simultaneously paying its own management fees and expenses. An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Money market funds may not have the value of their investments remain at $1.00 per share; it is possible to lose money by investing in a money market fund.

Corporate debt securities such as commercial paper generally are short-term unsecured promissory notes issued by businesses. Corporate debt securities carry both credit risk and interest rate risk. Credit risk is the risk that the issuer of a corporate debt security is unable to pay interest or repay principal when it is due and the holder of the corporate debt security could lose money. 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 shaded dark gray 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 shaded light gray 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**				
Return	**Return**	**10%**	**25%**	**50%**	**75%**	**100%**
-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%. 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, 2021 was 30.21% 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%. 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 inverse 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 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 associated with the use of derivatives, income items, valuation methodology, accounting standards and disruptions or illiquidity in the markets for the securities or financial instruments in which the Fund invests. 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. Additionally, the Fund's underlying investments and/or reference assets may trade on markets that may not be open on the same day as the Fund, which may cause a difference between the changes in the daily performance of the Fund and changes in the level of the US Cannabis ETF. 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 for the purpose of attempting 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. Such financial instruments may include, among others, total return, index, interest rate, and credit default swap agreements. The use of swap agreements and similar instruments exposes the Fund to risks that are different than those associated with ordinary portfolio securities transactions. For example, the Fund bears the risk of loss of the amount expected to be received under a swap agreement in the event of the default or bankruptcy of a swap agreement counterparty. If a counterparty defaults on its payment obligations to the Fund, this default will cause the value of your investment in the Fund to decrease. In addition, the Fund may enter into swap agreements with a limited number of counterparties, which may increase the Fund's exposure to counterparty credit risk. Similarly, if the credit quality of an issuer or guarantor of a debt instrument improves, this change may adversely affect the value of the Fund's investment.

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 if that movement is contrary to the investment objective of the Fund, 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. The Fund may invest in total return swaps to gain market exposure. The Fund's use of derivative instruments involves risks different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments. These risks include (i) the risk that the counterparty to a derivative transaction may not fulfill its contractual obligations; (ii) the risk of mispricing or improper valuation; (iii) the risk that changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index; and (iv) the credit risk of the underlying asset, rate, or index. In the event that the Fund executes a total return swap, it will likely do so as a total return receiver (and the counterparty to the Fund will execute the swap as the total return payor). The total return swap receiver generally is contractually obligated to pay the total return payer an index-based payment and an amount equal to the depreciation in the value of the asset referenced in the swap (or an amount which represents a decline in an index if an index is referenced in the swap). Both parties to the total return swap generally have contractual obligations to pledge credit support for the full and timely performance of their respective contractual obligations under the total return swap. If the Fund executes total return swaps, it risks the depreciation or decline in value of the asset or index referenced in the swap as well as the risk that the collateral posted by its counterparty declines in value or is not pledged in accordance with the swap documentation, or the risk that the collateral posted by the Fund in favor of the counterparty is not timely returned or is lost. In addition, investments in derivatives may involve leverage, which means a small percentage of assets invested in derivatives can have a disproportionately larger impact on the Fund. These risks could cause the Fund to lose more than the principal amount invested.

Equity Risk. The prices of equity securities in which the Fund invests rise and fall daily. These price movements may result from factors affecting individual companies, industries or the securities market as a whole. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments. The prices of securities issued by such companies may decline in response. In addition, the equity market tends 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 a difference between the market price of the ETF's shares and the underlying value of those shares. This difference can be reflected as a spread between the bid and ask prices quoted during the day or a premium or discount in the closing price from the Fund's NAV.

Because the Fund's shares trade in the secondary market, a broker may charge a commission to execute a transaction in shares and an investor may incur the cost of the spread between the price at which a dealer will buy shares (bid) and the somewhat higher price at which a dealer will sell shares (ask). In addition, not only are there a limited number of institutions that act as authorized participants, direct trading by authorized participants is critical to ensuring that the Fund's shares trade at or close to NAV. However, market makers are not obligated to make a market in the Fund's shares nor are authorized participants obligated to execute purchase or redemption orders for Creation Units and, in times of market stress, circumstances could develop that could cause them to refrain from these activities or reduce their role. The absence of an active market 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. In fact, no matter how good a job the Advisor does, you could lose money on your investment in the Fund, just as you could with other investments. If the Advisor is incorrect in its assessment of the income, growth or price realization potential of the Fund's holdings or incorrect in its assessment of general market or economic conditions, then the value of the Fund's shares may decline.

Market Risk. Investments in securities, in general, are subject to market risks that may cause their prices to fluctuate over time. The Fund's investments may decline in value due to factors affecting securities markets generally, such as real or perceived adverse economic conditions or changes in interest or currency rates, or particular countries, segments, economic sectors, industries or companies within those markets. Local, regional, or global events such as war, acts of terrorism, the spread of infectious illness or other public health issues, recessions, or other events could have a significant impact on the market generally and on specific securities. For example, since December 2019, a novel strain of coronavirus has spread globally, which has resulted in the temporary closure of many corporate offices, retail stores, manufacturing facilities and factories, and other businesses across the world. As the extent of the impact on global markets from the coronavirus is difficult to predict, the extent to which the coronavirus may negatively affect the Fund's performance or the duration of any potential business disruption is uncertain. Any potential impact on performance will depend to a large extent on future developments and new information that may emerge regarding the duration and severity of the coronavirus and the actions taken by authorities and other entities to contain the coronavirus or treat its impact. Changes in market conditions and interest rates generally do not have the same impact on all types of securities and instruments. Fluctuations in the value of securities and financial instruments in which the Fund invests will cause the NAV of the Fund to fluctuate. Historically, the markets have moved in cycles, and the value of the Fund's securities may fluctuate drastically from day to day. Because of its link to the markets, an investment in the Fund may be more suitable for long-term investors who can bear the risk of short-term principal fluctuations, which at times may be significant.

Russia's military invasion of Ukraine in February 2022, the resulting responses by the United States and other countries, and the potential for wider conflict could increase volatility and uncertainty in the financial markets and adversely affect regional and global economies. The United States and other countries have imposed broad-ranging economic sanctions on Russia, certain Russian individuals, banking entities and corporations, and Belarus as a response to Russia's invasion of Ukraine, and may impose sanctions on other countries that provide military or economic support to Russia. The extent and duration of Russia's military actions and the repercussions of such actions (including any retaliatory actions or countermeasures that may be taken by those subject to sanctions, including cyber attacks) are impossible to predict, but could result in significant market disruptions, including in certain industries or sectors, such as the oil and natural gas markets, and may negatively affect global supply chains, inflation and global growth. These and any related events could significantly impact the Fund's performance and the value of an investment in the Fund, even if the Fund does not have direct exposure to Russian issuers or issuers in other countries affected by the invasion.

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 than a diversified fund. To the extent the Fund invests in a relatively small number of issuers, a decline in the market value of a particular security held by the Fund may affect its value more than if it invested in a larger number of issuers; 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.

Trading Risk. Shares of the Fund may trade above or below their NAV. The NAV of shares will fluctuate with changes in the market value of the Fund's holdings. The trading prices of shares will fluctuate in accordance with changes in NAV, as well as market supply and demand. When the market price of the Fund's shares deviates significantly from NAV, you may pay significantly more or receive significantly less than the underlying value of the Fund's shares. However, given that shares can be created and redeemed only in Creation Units at NAV, the Advisor does not believe that large discounts or premiums to NAV will exist for extended periods of time. Although the Fund's shares are currently listed on the Exchange, there can be no assurance that an active trading market for 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 Exchange, make trading in shares inadvisable.

OVERVIEW OF THE PRINCIPAL RISKS OF ETFs

The value of your investment in the Fund is based primarily on the prices of the US Cannabis ETF. In turn, the price of the US Cannabis ETF is based on the value of its securities. The prices of these securities change daily and each ETF's performance reflects the risks of investing in a particular asset class or classes. ETFs also may trade below their NAV or at a discount, which may adversely affect the Fund's performance. An overview of certain of the principal risks of the US Cannabis ETF is provided below. The US Cannabis ETF also may be subject to certain of the risks described above. The degree to which the risks described below apply to the US Cannabis ETF varies according to its asset allocation.

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 (i) significantly affect a cannabis-related company's ability to secure financing, (ii) impact the market for marijuana business sales and services, and (iii) set limitations on marijuana use, production, transportation, and storage. 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 greater agricultural industry, including changes to or trends that affect commodity prices, labor costs, weather conditions, and laws and regulations related to environmental protection, health and safety. Cannabis-related companies may also be subject to risks associated with the biotechnology and pharmaceutical industries. These risks include increased government regulation, the use and enforcement of intellectual property rights and patents, technological change and obsolescence, product liability lawsuits, and the risk that research and development may not necessarily lead to commercially successful products.

> **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 enforcement of federal marijuana laws and the prosecution of nonviolent federal drug crimes by the DOJ, could produce a chilling effect on the industry's growth and discourage banks from expanding their services to cannabis-related companies. This conflict between the regulation of marijuana under federal and state law creates volatility and risk for all cannabis-related companies. Because marijuana is currently classified as a Schedule I controlled substance, no drug product containing cannabis or cannabis extracts has been approved for use by the FDA or obtained registration for commercial production from the DEA. A Schedule I controlled substance is defined as a drug with no currently accepted medical use and a high potential for abuse. There is no guarantee that such products will ever be legally produced or sold in the U.S. and, even if such a product were to receive the required government approvals for use in commercial production, the product may be subject to significant government regulation regarding manufacture, importation, exportation, domestic distribution, storage, sale, and legitimate use. 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 invest directly 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. Compliance failures related to these regulatory requirements may substantially harm a cannabis-related company's ability to conduct marijuana research. In addition, because cannabis is a Schedule I controlled substance, Section 280E of 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 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 reduce the value of cannabis related companies.

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. Growth stocks may be more expensive relative to their earnings or assets compared to value or other stocks.

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 and an increased emphasis on the delivery of health care through outpatient services. Companies in the Health Care Sector are heavily dependent on obtaining and defending patents, which may be time consuming and costly, and the expiration of patents may also adversely affect the profitability of these companies. Health care companies are also subject to extensive litigation based on product liability and similar claims. In addition, their products can become obsolete due to industry innovation, changes in technologies or other market developments. Many new products in the Health Care Sector require significant research and development and may be subject to regulatory approvals, all of which may be time consuming and costly with no guarantee that any product will come to market.

> **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. Security prices of mid-cap companies may be based in substantial part on future expectations rather than current achievements and may move sharply, especially during market upturns and downturns. Mid-cap companies themselves may be more vulnerable to adverse business or economic events than larger, more established companies. During a period when the performance of mid-cap securities falls behind that of other types of investments, such as large-cap stocks or the equity market as whole, an investing fund's performance could be reduced.

Real Estate Investment Trust Risk. Investment in real estate companies, including REITs, exposes the Fund to the risks of owning real estate directly. These include risks related to general, regional and local economic conditions; fluctuations in interest rates and property tax rates; shifts in zoning laws, environmental regulations and other governmental action such as the exercise of eminent domain; increased operating expenses; lack of availability of mortgage funds or other limits to accessing the credit or capital markets; losses due to natural disasters; overbuilding; losses due to casualty or condemnation; changes in property values and rental rates; and other factors. Real estate is highly sensitive to general and local economic conditions and developments. The U.S. real estate market may, in the future, 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 an investing ETF's volatility and losses. Exposure to such real estate may adversely affect the performance of an investing ETF.

Investments in REITs involve unique risks. REITs may have limited financial resources, may trade less frequently and in limited volume, and may be more volatile than other securities. In addition, to the extent the Fund holds interests in REITs, it is expected that investors in the Fund will bear two layers of asset-based management fees and expenses (directly at the Fund level and indirectly at the REIT level). In addition, REITs are dependent upon management skills and generally may not be diversified. REITs are also subject to heavy cash flow dependency, defaults by borrowers or lessees and self-liquidation. In addition, U.S. REITs are subject to special U.S. federal tax requirements. A U.S. REIT that fails to comply with such tax requirements may be subject to U.S. federal income taxation, which may affect the value of the REIT and the characterization of the REIT's distributions. The U.S. federal tax requirement that a REIT distributes substantially all of its net income to its shareholders may result in the REIT having insufficient capital for future expenditures. A REIT that successfully maintains its qualification may still become subject to U.S. federal, state and local taxes, including excise, penalty, franchise, payroll, mortgage recording, and transfer taxes, both directly and indirectly through its subsidiaries. In the event of a default by a borrower or lessee, the REIT may experience delays in enforcing its rights as a mortgagee or lessor and may incur substantial costs associated with protecting investments.

Small-Capitalization Risk. Security prices of small cap companies may be more volatile than those of larger companies. Security prices of small-cap companies are generally more vulnerable than those of large-cap companies to adverse business and economic developments. The securities of small-cap companies may be thinly traded, making it difficult for the Fund to buy and sell them. In addition, small-cap companies are typically less stable financially than larger, more established companies and may depend on a small number of essential personnel, making them more vulnerable to loss of personnel. Small-cap companies also normally have less diverse product lines than larger cap companies and are more susceptible to adverse developments concerning their products. These risks are even greater for micro-cap companies. Micro-cap companies are followed by relatively few securities analysts and there tends to be less information about them. Their securities generally have limited trading volumes and are subject to even more abrupt, erratic price movements. Micro-cap companies are even more vulnerable to adverse business and market developments.

Value Investing Risk. If an ETF utilizes a value style of investing that emphasizes undervalued companies with characteristics for improved valuations, the ETF is subject to the risk that the valuations never improve or that the returns on "value" equity securities are less than returns on other styles of investing or the overall securities market. Due to investments in value stocks, an ETF could suffer losses or produce poor results relative to other funds, even in a rising market, if the Advisor's assessment of a company's value or prospects for exceeding earnings expectations or market conditions is incorrect.

OTHER INVESTMENT PRACTICES AND STRATEGIES

Temporary Defensive Positions. To respond to adverse market, economic, political or other conditions, the Fund may invest up to 100% of its total assets, without limitation, in cash, high-quality, short-term debt securities and money market instruments. The Fund may be invested in this manner for extended periods, depending on the Advisor's assessment of market conditions. Debt securities and money market instruments include shares of other mutual funds, including short duration fixed-income ETFs (including affiliated ETFs), commercial paper, certificates of deposit, bankers' acceptances, U.S. government securities, repurchase agreements, and bonds that are rated BBB or higher. While the Fund is in a defensive position, the Fund may not achieve its investment objective. Furthermore, to the extent that the Fund invests in money market funds, the Fund would bear its pro rata portion of each such money market fund's advisory fees and operational expenses.

Lending of Portfolio Securities. The Fund may lend portfolio securities to brokers, dealers and other financial organizations that meet capital and other credit requirements or other criteria established by the Board. These loans, if and when made, may not exceed 33 1/3% of the total asset value of the Fund (including the loan collateral). Such loans may be terminated at any time. Any such loans must be continuously secured by collateral maintained on a current basis in an amount at least equal to the market value of the securities loaned by the Fund. In a loan transaction, as compensation for lending its securities, the Fund will receive a portion of the dividends or interest accrued on the securities held as collateral or, in the case of cash collateral, a portion of the income from the investment of such cash. In addition, the Fund will receive the amount of all dividends, interest and other distributions on the loaned securities. However, the borrower has the right to vote the loaned securities. The Fund will call loans to vote proxies if a material issue affecting the investment is to be voted upon. Loans are made only to borrowers that are deemed by the securities lending agent to be of good financial standing. Should the borrower of the securities fail financially, the Fund may experience delays in recovering the securities or exercising its rights in the collateral. In a loan transaction, the Fund will also bear the risk of any decline in value of securities acquired with cash collateral. The Fund will attempt to minimize this risk by limiting the investment of cash collateral to high quality instruments of short maturity.

Please see the Fund's Statement of Additional Information (the "SAI") for a more complete list of portfolio investment strategies, permitted investments and related risks.

PORTFOLIO HOLDINGS

A description of the Fund's policies and procedures with respect to the disclosure of Fund portfolio securities is available (i) in the SAI and (ii) on the Trust's website at www.advisorshares.com. The Fund's daily portfolio holdings information also will be available on the Trust's website.

MANAGEMENT OF THE FUND

INVESTMENT ADVISOR

AdvisorShares Investments, LLC, located at 4800 Montgomery Lane, Suite 150, Bethesda, Maryland 20814, serves as investment advisor of the Fund. As of _____, 2022, the Advisor had approximately $____ billion in assets under management.

The Advisor, subject to the supervision of the Board, provides an investment program for the Fund and manages the investment of the Fund's assets. Pursuant to an investment advisory agreement between the Trust and the Advisor, the Advisor is entitled to receive an annual advisory fee of 0.85% based on the average daily net assets of the Fund.

The Advisor bears all of its own costs associated with providing these advisory services and the expenses of the members of the Board who are affiliated with the Advisor. The Advisor may make payments from its own resources to broker-dealers and other financial institutions in connection with the sale of Fund shares.

The Advisor has contractually agreed to waive its fees and/or reimburse expenses in order 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 may be terminated without payment of any penalty (i) by 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 at any point it becomes unnecessary for the Advisor to waive fees or reimburse expenses, 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.

The Advisor may hire one or more sub-advisors to oversee the day-to-day portfolio management activities of the Fund. The sub-advisors would be subject to oversight by the Advisor. Pursuant to an exemptive order from the U.S. Securities and Exchange Commission (the "SEC"), the Advisor, subject to certain conditions, has the right, without shareholder approval, to hire a new unaffiliated sub-advisor or materially amend the terms of a sub-advisory agreement with an unaffiliated sub-advisor when the Board and the Advisor believe that a change would benefit the Fund. The Prospectus will be supplemented when there is a significant change in the Fund's sub-advisory arrangement.

A discussion regarding the basis for the Board's approval of the Fund's investment advisory agreement will be available in the Trust's first Annual or Semi-Annual Report to Shareholders following the Fund's commencement of operations.

PORTFOLIO MANAGER

The following portfolio manager is primarily responsible for the day-to-day management of the Fund.

Dan S. Ahrens, ***Managing Director, Chief Operating Officer & Portfolio Manager***

Dan S. Ahrens is a Managing Director and the Chief Operating Officer of the Advisor. He joined the Advisor in 2008. Prior to joining the Advisor in 2008, Mr. Ahrens founded Ahrens Advisors, L.P., an SEC-registered investment advisor, where he also was portfolio manager of the Ladenburg Thalmann Gaming and Casino Fund from 2006 to 2008. Before forming Ahrens Advisors, he was President of the MUTUALS.com Funds. He served as portfolio manager of the Vice Fund (VICEX), which he started in 2002, and the Generation Wave Growth Fund. During that time, he also was President and Chief Compliance Officer of Mutuals Advisors, Inc. and acted as President, Treasurer and Financial & Operations Officer of an affiliated Broker Dealer firm. He is the author of Investing in Vice (St. Martin's Press, 2004) and Investing in Cannabis (Wiley, 2020) and has appeared on numerous financial programs, including CNBC, CNN, ABC News and Bloomberg, to discuss "Vice Stocks." He has been featured, along with funds under his management, in major national and trade publications including The Economist, New York Times, Financial Times, and The Wall Street Journal. He earned a Bachelor in Business Administration in Finance from Texas Tech University.

Additional information about the portfolio manager's compensation, other accounts managed by the portfolio manager, and the portfolio manager's ownership of securities in the Fund is available in the SAI.

OTHER SERVICE PROVIDERS

Foreside Fund Services, LLC (the "Distributor") is the principal underwriter and distributor of the Fund's shares. The Distributor's principal address is Three Canal Plaza, Suite 100, Portland, Maine 04101. The Distributor will not distribute shares in less than whole Creation Units, and it does not maintain a secondary market in the shares. The Distributor is a broker-dealer registered under the Securities Exchange Act of 1934 and a member of the Financial Industry Regulatory Authority, Inc. The Distributor is not affiliated with the Advisor, The Bank of New York Mellon or any of their respective affiliates.

The Bank of New York Mellon, located at 240 Greenwich Street, New York, New York 10286, serves as the administrator, custodian, transfer agent and fund accounting agent for the Fund.

Morgan, Lewis & Bockius LLP, located at 1111 Pennsylvania Avenue, N.W., Washington, D.C. 20004, serves as legal counsel to the Trust.

_____, located at _____, serves as the Fund's independent registered public accounting firm. The independent registered public accounting firm is responsible for auditing the annual financial statements of the Fund.

SHAREHOLDER INFORMATION

CALCULATING NET ASSET VALUE

The Fund calculates NAV by (i) taking the current market value of its total assets, (ii) subtracting any liabilities, and (iii) dividing that amount by the total number of shares owned by shareholders.

The Fund calculates NAV once each business day as of the regularly scheduled close of normal trading on the NYSE (normally 4:00 p.m. Eastern Time). The NYSE is typically closed on weekends and most national holidays.

In calculating NAV, the Fund generally values its portfolio investments at market prices. If market prices are unavailable or the Fund thinks that they are unreliable, or when the value of a portfolio holding has been materially affected by events occurring after the relevant market closes, the Fund will price those portfolio holdings at fair value as determined in good faith using methods approved by the Board. With respect to U.S.-traded securities with readily available pricing, it is expected that there would be limited circumstances in which the Fund would use fair value pricing – for example, if the exchange on which a portfolio security is principally traded closed early or if trading in a particular security was halted during the day and did not resume prior to the time the Fund calculated its NAV.

The use of fair valuation in pricing a portfolio holding involves the consideration of a number of subjective factors and, therefore, is susceptible to the unavoidable risk that the valuation may be higher or lower than the price at which the portfolio holding might actually trade if a reliable market price were readily available.

More information about the valuation of the Fund's holdings can be found in the SAI.

PREMIUM/DISCOUNT AND BID-ASK SPREAD INFORMATION

The price of the Fund's shares is based on market price, which may differ from the Fund's daily NAV per share and can be affected by market forces of supply and demand, economic conditions and other factors. Information showing the number of days that the market price of the Fund's shares was greater than the Fund's NAV per share (*i.e.*, at a premium) and the number of days it was less than the Fund's NAV per share (*i.e.*, at a discount) for various time periods is available by visiting the Fund's website at www.advisorshares.com. Also available on the Fund's website is information about bid-ask spreads.

DIVIDENDS AND DISTRIBUTIONS
The Fund pays out dividends and distributes its net capital gains, if any, to shareholders at least annually.

ACTIVE INVESTORS AND MARKET TIMING
Shares of the Fund are listed for trading on the Exchange, which allows retail investors to purchase and sell individual shares at market prices throughout the trading day similar to other publicly traded securities. Because these secondary market trades do not involve the Fund directly, it is unlikely that secondary market trading would cause any harmful effects of market timing, such as dilution, disruption of portfolio management, increases in the Fund's trading costs or realization of capital gains. The Board has determined not to adopt policies and procedures designed to prevent or monitor for frequent purchases and redemptions of the Fund's shares because the Fund sells and redeems its shares at NAV only in Creation Units pursuant to the terms of a participant agreement between the Distributor and an authorized participant, principally in exchange for a basket of securities that mirrors the composition of the Fund's portfolio and a specified amount of cash. The Fund also imposes transaction fees on such Creation Unit transactions that are designed to offset the Fund's transfer and other transaction costs associated with the issuance and redemption of the Creation Unit shares.

BOOK-ENTRY
Shares of the Fund are held in book-entry form, which means that no stock certificates are issued. Depository Trust Company ("DTC"), or its nominee, is the record owner of all outstanding shares of the Fund and is recognized as the owner of all shares.

Investors owning shares of the Fund are beneficial owners as shown on the records of DTC or its participants. DTC serves as the securities depository for all shares. Participants in DTC include securities brokers and dealers, banks, trust companies, clearing corporations and other institutions that directly or indirectly maintain a custodial relationship with DTC. As a beneficial owner of shares, you are not entitled to receive physical delivery of stock certificates or to have shares registered in your name, and you are not considered a registered owner of shares. Therefore, to exercise any right as an owner of shares, you must rely upon the procedures of DTC and its participants (*e.g.*, broker-dealers, banks, trust companies, or clearing companies). These procedures are the same as those that apply to any stocks that you hold in book entry or "street name" through your brokerage account.

INVESTING IN THE FUND
For more information on how to buy and sell shares of the Fund, call the Trust at 877.843.3831 or visit the Fund's website at www.advisorshares.com.

DISTRIBUTION PLAN

The Fund has adopted a Distribution Plan pursuant to Rule 12b-1 under the Investment Company Act of 1940 that allows the Fund to pay distribution fees to the Distributor and other firms that provide distribution services. The Fund will pay distribution fees to the Distributor at an annual rate not to exceed 0.25% of its average daily net assets. If a service provider provides distribution services, the Distributor will pay the service provider out of its distribution fees.

No distribution fees are currently charged to the Fund; there are no plans to impose distribution fees, and no distribution fees will be charged for at least one year from the date of this Prospectus. However, to the extent distribution fees are charged in the future, because the Fund would pay these fees out of assets on an ongoing basis, over time these fees may cost you more than other types of sales charges and would increase the cost of your investment. At such time as distribution fees are charged, the Fund will notify investors by adding disclosure to the Fund's website and in the Fund's Prospectus. Any distribution fees will be approved by the Board.

ADDITIONAL TAX INFORMATION

The following is a summary of some important tax issues that affect the Fund and its shareholders. The summary is based on current tax law, which may be changed by legislative, judicial or administrative action. The summary is very general, and does not address investors subject to special rules, such as investors who hold shares through an IRA, 401(k) or other tax-advantaged account. More information about taxes is located in the SAI.

You are urged to consult your tax advisor regarding specific questions as to U.S. federal, state and local income taxes.

Tax Status of the Fund

The Fund is treated as a separate entity for U.S. federal income tax purposes and intends to elect and to qualify for the special tax treatment afforded to a regulated investment company ("RIC") under the Internal Revenue Code. As long as the Fund qualifies for treatment as a RIC, it pays no federal income tax on the earnings it timely distributes to shareholders. However, the Fund's failure to qualify as a RIC or to meet minimum distribution requirements would result (if certain relief provisions were not available) in fund-level taxation and, consequently, a reduction in income available for distribution to shareholders.

Unless you are a tax-exempt entity or your investment in Fund shares is made through a tax-deferred retirement account, such as an IRA, you need to be aware of the possible tax consequences when:

- the Fund makes distributions;
- you sell Fund shares; and
- you purchase or redeem Creation Units (institutional investors only).

Tax Status of Distributions

- The Fund intends to distribute, at least annually, substantially all of its net investment income and net capital gains income.
- The Fund's distributions from income and net short-term capital gains will generally be taxed to you as ordinary income. For non-corporate shareholders, dividends reported by the Fund as qualified dividend income are generally eligible for reduced tax rates applicable to long-term capital gains, provided holding period and other requirements are met. Qualified dividend income generally is income derived from dividends paid by U.S. corporations or certain foreign corporations that are either incorporated in a U.S. possession or eligible for tax benefits under certain U.S. income tax treaties. In addition, dividends that the Fund receives in respect of stock of certain foreign corporations may be qualified dividend income if that stock is readily tradable on an established U.S. securities market. For such dividends to be taxed as qualified dividend income to a non-corporate shareholder, the Fund must satisfy certain holding period requirements with respect to the underlying stock and the non-corporate shareholder must satisfy holding period requirements with respect to his or her ownership of the Fund's shares. Holding periods may be suspended for these purposes for stock that is hedged. Certain of the Fund's investment strategies may limit its ability to distribute dividends eligible to be reported as qualified dividend income.
- Corporate shareholders may be entitled to a dividends-received deduction for the portion of dividends they receive that are attributable to dividends received by the Fund from U.S. corporations, subject to certain limitations. Certain of the Fund's investment strategies may limit its ability to distribute dividends eligible for the dividends-received deduction for corporate shareholders.

- Taxes on distributions of capital gains (if any) are determined by how long the Fund owned the investments that generated them, rather than how long a shareholder has owned their shares. Sales of assets held by the Fund for more than one year generally result in long-term capital gains and losses, and sales of assets held by the Fund for one year or less generally result in short-term capital gains and losses. Distributions from the Fund's short-term capital gains are generally taxable as ordinary income. Any distributions of net capital gain (the excess of the Fund's net long-term capital gains over its net short-term capital losses) that you receive from the Fund generally are taxable as long-term capital gains regardless of how long you have owned your shares. Long-term capital gains are taxed to non-corporate shareholders at reduced tax rates.

- Dividends and distributions are generally taxable to you whether you receive them in cash or reinvest them in additional shares.

- In general, your distributions are subject to federal income tax for the year in which they are paid. However, distributions paid in January but declared by the Fund in October, November or December of the previous year may be taxable to you in the previous year.

- Shortly after the close of each calendar year, the Fund (or your broker) will inform you of the amount of your ordinary income dividends, qualified dividend income, foreign tax credits and net capital gain distributions received from the Fund.

- You may wish to avoid investing in the Fund shortly before a dividend or other distribution, because such a distribution will generally be taxable even though it may economically represent a return of a portion of your investment.

Taxes on Exchange-Listed Share Sales
Any capital gain or loss realized upon a sale of shares is generally treated as long-term capital gain or loss if the shares have been held for more than one year and as short-term capital gain or loss if the shares have been held for one year or less, except that any capital loss on the sale of shares held for six months or less is treated as long-term capital loss to the extent of amounts treated as distributions of long-term capital gains to the shareholder with respect to such shares. Any loss realized on a sale will be disallowed to the extent shares of the Fund are acquired, including through reinvestment of dividends, within a 61-day period beginning 30 days before and ending 30 days after the disposition of Fund shares. The ability to deduct capital losses may be limited.

Derivatives and Complex Securities
The Fund may invest in complex securities and derivatives such as total return swaps. These investments may be subject to numerous special and complex tax rules. These rules could affect the Fund's ability to qualify as a RIC, affect whether gains and losses recognized by the Fund are treated as ordinary income or loss or capital gain or loss, accelerate the recognition of income to the Fund, cause income or gain to be recognized even though corresponding cash is not received by the Fund and/or defer the Fund's ability to recognize losses. In turn, those rules may affect the amount, timing or character of the income distributed by the Fund. Additional information regarding the Fund's investments in complex securities and derivatives can be found in the Fund's SAI.

Taxation of REIT Investments
The Fund may invest in REITs. "Qualified REIT dividends" (*i.e.*, ordinary REIT dividends other than capital gain dividends and portions of REIT dividends designated as qualified dividend income eligible for capital gain tax rates) are eligible for a 20% deduction by non-corporate taxpayers. This deduction, if allowed in full, equates to a maximum effective tax rate of 29.6% (37% top rate applied to income after 20% deduction). Distributions by the Fund to its shareholders that are attributable to qualified REIT dividends received by the Fund and which the Fund properly reports as "section 199A dividends," are treated as "qualified REIT dividends" in the hands of non-corporate shareholders. A section 199A dividend is treated as a qualified REIT dividend only if the shareholder receiving such dividend holds the dividend-paying RIC shares for at least 46 days of the 91-day period beginning 45 days before the shares become ex-dividend, and is not under an obligation to make related payments with respect to a position in substantially similar or related property. The Fund is permitted to report such part of its dividends as section 199A dividends as are eligible, but is not required to do so.

REITs in which the Fund invests often do not provide complete and final tax information to the Fund until after the time that the Fund issues a tax reporting statement. As a result, the Fund may at times find it necessary to reclassify the amount and character of its distributions to you after it issues your tax reporting statement. When such reclassification is necessary, the Fund (or a financial intermediary, such as a broker, through which a shareholder owns shares) will send you a corrected, final Form 1099-DIV to reflect the reclassified information. If you receive a corrected Form 1099-DIV, use the information on this corrected form, and not the information on the previously issued tax reporting statement, in completing your tax returns.

Net Investment Income Tax
U.S. individuals with income exceeding certain thresholds are subject to a 3.8% tax on all or a portion of their "net investment income," including interest, dividends, and certain capital gains (generally including capital gain distributions and capital gains realized on the sale or exchange of shares). This 3.8% tax also applies to all or a portion of the undistributed net investment income of certain shareholders that are estates and trusts.

Non-U.S. Investors
If you are not a citizen or permanent resident of the United States, the Fund's ordinary income dividends will generally be subject to a 30% U.S. withholding tax, unless a lower treaty rate applies or unless such income is effectively connected with a U.S. trade or business. The 30% withholding tax generally will not apply to distributions of net capital gain. The Fund may, under certain circumstances, report all or a portion of a dividend as an "interest-related dividend" or a "short-term capital gain dividend," which would generally be exempt from this 30% U.S. withholding tax, provided certain other requirements are met. Short-term capital gain dividends received by a nonresident alien individual who is present in the U.S. for a period or periods aggregating 183 days or more during the taxable year are not exempt from this 30% withholding tax. Different tax consequences may result if you are a foreign shareholder engaged in a trade or business within the United States or if you are a foreign shareholder entitled to claim the benefits of a tax treaty.

Foreign Taxes
Dividends, interest, and other income received by the Fund with respect to foreign securities may give rise to withholding and other taxes imposed by foreign countries. Tax conventions between certain countries and the United States may reduce or eliminate such taxes. The Fund may need to file special claims for refunds to secure the benefits of a reduced rate.

Backup Withholding
The Fund (or financial intermediaries, such as brokers, through which shareholders own Fund shares) will be required in certain cases to withhold (as "backup withholding") on amounts payable to any shareholder who (1) has provided the Fund either an incorrect tax identification number or no number at all, (2) is subject to backup withholding by the Internal Revenue Service for failure to properly report payments of interest or dividends, (3) has failed to certify to the Fund that such shareholder is not subject to backup withholding, or (4) has not certified that such shareholder is a U.S. person (including a U.S. resident alien). The backup withholding rate is 24%. Backup withholding will not, however, be applied to payments that have been subject to the 30% withholding tax applicable to shareholders who are neither citizens nor residents of the United States.

Taxes on Creation and Redemption of Creation Units
An authorized participant who purchases a Creation Unit by exchanging securities in-kind generally will recognize a gain or loss equal to the difference between (a) the sum of the market value of the Creation Units at the time and any net cash received, and (b) the sum of the purchaser's aggregate basis in the securities surrendered and any net cash paid for the Creation Units. An authorized participant who redeems Creation Units will generally recognize a gain or loss equal to the difference between (x) the sum of the redeemer's basis in the Creation Units and any net cash paid, and (y) the sum of the aggregate market value of the securities received and any net cash received. The Internal Revenue Service, however, may assert that a loss that is realized upon an exchange of securities for Creation Units may not be currently deducted under the rules governing "wash sales" by an authorized participant that does not mark-to-market its holdings or on the basis that there has been no significant change in economic position. Authorized participants should consult their own tax advisor with respect to whether wash sales rules apply and when a loss might be deductible.

The Fund has the right to reject an order for Creation Units if the purchaser (or a group of purchasers) would, upon obtaining the shares so ordered, own 80% or more of the outstanding shares of the Fund and if, pursuant to section 351 of the Internal Revenue Code, the Fund would have a basis in the deposit securities different from the market value of such securities on the date of deposit. The Fund also has the right to require information necessary to determine beneficial share ownership for purposes of the 80% determination. If the Fund does issue Creation Units to a purchaser (or a group of purchasers) that would, upon obtaining the Creation Units so ordered, own 80% or more of the outstanding shares of the Fund, the purchaser (or a group of purchasers) will not recognize gain or loss upon the exchange of securities for Creation Units.

The Fund may include cash when paying the redemption price for Creation Units in addition to, or in place of, the delivery of a basket of securities. The Fund may be required to sell portfolio securities in order to obtain the cash needed to distribute redemption proceeds. This may cause the Fund to recognize investment income and/or capital gains or losses that it might not have recognized if it had completely satisfied the redemption in-kind. As a result, the Fund may be less tax efficient if it includes such a cash payment than if the in-kind redemption process was used.

Persons exchanging securities or non-U.S. currency for Creation Units should consult their own tax advisors with respect to the tax treatment of any creation or redemption transaction. If you purchase or redeem Creation Units, you will be sent a confirmation statement showing how many Fund shares you purchased or redeemed and at what price.

The foregoing discussion summarizes some of the consequences under current federal tax law of an investment in the Fund. It is not a substitute for personal tax advice. Consult your personal tax advisor about the potential tax consequences to you of an investment in the Fund under all tax laws applicable to you.

More information about taxes is in the SAI.

FINANCIAL HIGHLIGHTS

The Fund’s financial information is not yet available because the Fund has not commenced operations.

Advisor	**AdvisorShares Investments, LLC** 4800 Montgomery Lane, Suite 150 Bethesda, Maryland 20814
Distributor	**Foreside Fund Services, LLC** Three Canal Plaza, Suite 100 Portland, Maine 04101
Legal Counsel	**Morgan, Lewis & Bockius LLP** 1111 Pennsylvania Avenue, NW Washington, DC 20004
Administrator, Custodian & Transfer Agent	**The Bank of New York Mellon** 240 Greenwich Street New York, New York 10286

ADDITIONAL INFORMATION

Additional and more detailed information about the Fund is included in the Fund's SAI. The SAI has been filed with the SEC and is incorporated by reference into this Prospectus and, therefore, legally forms a part of this Prospectus. The SEC maintains the EDGAR database on its website (http://www.sec.gov), which contains the SAI, material incorporated by reference, and other information about the Fund. You may request documents from the SEC, upon payment of a duplication fee, by emailing the SEC at publicinfo@sec.gov.

You may obtain a copy of the SAI and the Annual and Semi-Annual Reports without charge by calling 877.843.3831, visiting the website at www.advisorshares.com, or writing to the Trust at 4800 Montgomery Lane, Suite 150, Bethesda, Maryland 20814. Additional information about the Fund's investments is available in the Fund's Annual and Semi-Annual Reports. Also in the Fund's Annual Report is a discussion of the market conditions and investment strategies that significantly affected the Fund's performance during the last fiscal year.

No one has been authorized to give any information or to make any representations not contained in this Prospectus or in the SAI in connection with the offering of Fund shares. Do not rely on any such information or representations as having been authorized by the Fund. This Prospectus does not constitute an offering by the Fund in any jurisdiction where such an offering is not lawful.

The Trust's SEC Investment Company Act File Number is 811-22110.