

## QPX

**How** the Q Portfolio Blended Allocation ETF Works

The **AdvisorShares Q Dynamic Growth ETF** (Ticker: **QPX**) is an actively managed ETF seeking to target equity market upside while tactically managing downside risk during abnormal market volatility. Using ETFs, QPX may invest in a broad variety of equities across market cap, style or sectors and will use various fixed income categories and commodities to manage risk. QPX applies ThinkBetter's Q Methodology™ proprietary risk management program to optimally allocate the fund's assets against a given level of risk. Normally, QPX seeks to provide broad-market equity like returns and re-optimizes the portfolio monthly. However, during periods of high market volatility, QPX can allocate to a more defensive portfolio and seek short-term fixed income returns. QPX's market volatility indicator, the Q Implied Volatility Index™ (QIX), is reviewed daily which may result in mid-month allocation changes. Asset classes may be added or removed from QPX's portfolio based on changing risk/reward characteristics.

**Q Methodology™** is a modern quantitative approach from ThinkBetter that assesses risk/reward and optimizes investment portfolios. The methodology is based on heavy-tail distribution mathematical analysis and focuses on estimating the downside of a portfolio (expected drawdown) under extreme but plausible stress (tail risk). Using high performance computing power, Q Methodology generates tens of thousands of portfolio simulations to identify the asset allocation offering the greatest return for a given level of risk. Simply put, we believe Q Methodology is "better math" for better investment management.

**Q Implied Volatility Index™** (QIX) is a proprietary indicator designed to tactically and unemotionally identify market volatility and to help avoid drawdowns. When QIX indicates normal volatility, QPX will have long equity exposure; when QIX is high, QPX moves to a defensive fixed income portfolio.

**Key** Attributes

**Quantitative Management Process** – QPX removes the emotion from the investment process by using a disciplined, repeatable quantitative process, Q Methodology, to manage the portfolio.

**Optimized Risk/Reward Portfolio** – QPX targets historical expected drawdown periods of a typical balanced fund and optimizes its portfolio using Q Methodology to identify the best risk/reward characteristics

**Operational & Tax Efficiency** – QPX's ETF structure allows for diverse asset class and security exposure in a single trade, as well as operational and tax efficiencies.

**Defense Trigger** – When triggered, QPX's portfolio will tactically allocate to a more defensive portfolio and seek short-term fixed income returns until market volatility returns to normal.

**Why** Invest in QPX?

**Better Math: Better Management** – Recognizing the flaws in Modern Portfolio Theory and other Bell curve or Gaussian-based analysis, Q Methodology focuses on heavy-tail risk models in an effort to more accurately represent the frequency and impact of more severe losses in financial markets and to optimize risk accordingly.

**Potential Risk Solution** – Q Methodology uses modern financial theory and computing power to analyze tens of thousands of potential portfolio simulations and uncover which offers the highest expected return based on a pre-determined level of risk.

**Flexible Unconstrained Portfolio** – Utilizes a broad range of asset classes to optimally balance and avoid risk concentration in the portfolio

**Fund Basics**

Portfolio Manager: ThinkBetter
Fund Inception: 12.28.2020
Symbol: QPX
Exchange: NYSE Arca
Options: No
Dividend Frequency: Annual
Indicative Value: QPX.IV
Net Asset Value: QPX.NV
Fund Type: Actively-Managed ETF
CUSIP: 00768Y 438

**Where Does QPX Fit in a Traditional Portfolio?**

QPX can be used as a core equity position.

# The AdvisorShares Q Portfolio Blended Allocation ETF

## About the Portfolio Manager

### Ron Piccinini, Ph.D, Chief Investment Officer of ThinkBetter, LLC

Mr. Piccinini's expertise is in quantitative analysis and business strategy. He wrote his dissertation on heavy-tailed distributions using neural networks in 2004. Mr. Piccinini developed and refined the Q Methodology, a proprietary heavy tails risk analysis program used in the construction and ongoing management of QPX. He is also the author of the Q Implied Volatility Index (QIX), which is used to measure market volatility and indicate trigger points for defensive portfolio positioning. He co-founded Prairie Smarts, LLC in 2012, a cloud-based risk analytics company that was eventually acquired in 2017 by Covisum. Mr. Piccinini earned a master's degree from Strasbourg University and holds a Doctorate in Finance from the University of Nebraska-Lincoln. He has worked in various positions related to risk estimation and financial management systems since 2005, including at TD Ameritrade and First National Nebraska, Inc.

## About ThinkBetter

ThinkBetter is a registered investment advisory firm based in Sarasota, Florida. Using a proprietary quantitative analysis process (Q Methodology) to make investment management decisions, ThinkBetter's goal is to provide investors with a means to better understand and manage risk, with the objectives of maximizing returns.

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**Before investing you should carefully consider the Fund's investment objectives, risks, charges and expenses. This and other information are in the prospectus, a copy of which may be obtained by visiting the Fund's website at [www.AdvisorShares.com](http://www.AdvisorShares.com). Please read the prospectus carefully before you invest.** Foreside Fund Services, LLC, Distributor.

**Investing involves risk including possible loss of principal.** There is no guarantee the Advisors investment strategy will be successful. When models and data prove to be incorrect or incomplete, any decisions made in reliance thereon expose the Fund to potential risks. In addition, the use of predictive models has inherent risk. Because predictive models are usually constructed based on historical data supplied by third parties, the success of relying on such models may depend heavily on the accuracy and reliability of the supplied historical data. The Fund's particular allocations may have a significant effect on the Fund's performance. Allocation risk is the risk that the selection of ETFs and the allocation of assets among such ETFs will cause the Fund to underperform other funds with a similar investment objective that do not allocate their assets in the same manner or the market as a whole. For a list of the asset class specific risks, please see the prospectus.

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