

# ADVISORSHARES<sup>®</sup>

Actively Managed ETFs



NYSE Arca Ticker: FWDD  
NYSE Arca Ticker: FDWI  
NYSE Arca Ticker: FWDB



Sub-advised by:  
Madrona Funds, LLC

## ADVISORSHARES TRUST

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Bethesda, Maryland 20814  
[www.advisorshares.com](http://www.advisorshares.com)  
877.843.3831

Prospectus dated November 1, 2018

This Prospectus provides important information about the AdvisorShares Madrona Domestic ETF, AdvisorShares Madrona International ETF, and AdvisorShares Madrona Global Bond ETF, each a series of AdvisorShares Trust. Before you invest, please read this Prospectus and the Funds' Statement of Additional Information carefully and keep them for future reference.

The shares of the Funds 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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## FUND SUMMARIES

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### ADVISORSHARES MADRONA DOMESTIC ETF NYSE Arca Ticker: FWDD

#### INVESTMENT OBJECTIVE

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The AdvisorShares Madrona Domestic ETF (the “Fund”) seeks to provide long-term capital appreciation above the capital appreciation of its benchmark, the S&P 500 Index.

#### FUND FEES AND EXPENSES

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This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund. Most investors will incur customary brokerage commissions when buying or selling shares of the Fund, which are not reflected in the table below.

<b>SHAREHOLDER FEES</b> ( <i>fees paid directly from your investment</i> )	None
<b>ANNUAL FUND OPERATING EXPENSES</b> ( <i>expenses that you pay each year as a percentage of the value of your investment</i> )	
MANAGEMENT FEES	0.80%
DISTRIBUTION (12b-1) FEES	0.00%
OTHER EXPENSES	0.57%
<b>TOTAL ANNUAL OPERATING EXPENSES</b>	1.37%
FEE WAIVER/EXPENSE REIMBURSEMENT*	-0.12%
<b>TOTAL ANNUAL OPERATING EXPENSES AFTER FEE WAIVER/EXPENSE REIMBURSEMENT</b>	1.25%

\* *AdvisorShares Investments, LLC (the “Advisor”) has contractually agreed to waive its fees and/or reimburse expenses to keep the Fund’s 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 1.25% 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 it becomes unnecessary for the Advisor to waive fees or reimburse expenses, the Trust’s Board of Trustees 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 made during the immediately preceding three-year period.*

#### 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 creation or redemption transaction fees, or the brokerage commissions that you pay when purchasing or selling shares of the Fund. If these fees and commissions were included, your costs would be higher.

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

	1 YEAR	3 YEARS	5 YEARS	10 YEARS
<b>AdvisorShares Madrona Domestic ETF</b>	\$127	\$422	\$739	\$1,636

## **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 Fund performance. This rate excludes the value of portfolio securities received or delivered as a result of in-kind creations or redemptions of the Fund’s shares. During the most recent fiscal year ended June 30, 2018, the Fund’s portfolio turnover rate was 53% of the average value of its portfolio.

## **PRINCIPAL INVESTMENT STRATEGIES**

The Fund is an actively managed exchange-traded fund (“ETF”). Madrona Funds, LLC (the “Sub-Advisor”) seeks to achieve the Fund’s investment objective by selecting a portfolio of up to 500 of the largest U.S.-traded equity securities. The Sub-Advisor selects the securities for the Fund’s portfolio using a weighted allocation system based on consensus analyst estimates of the present value of future expected earnings relative to the share price of each security. The Sub-Advisor’s investment committee meets on a bi-weekly basis to monitor the portfolio and make allocation decisions. The investment committee uses third-party analyst research and a proprietary fundamental process to make allocation decisions and employs guidelines to protect against dramatic over or under weighting of individual securities in the Fund’s portfolio. The investment committee relies heavily on a stock’s price and market capitalization relative to its future expected earnings in its analysis of individual securities.

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

The Fund is subject to a number of risks, as 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.

**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 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 can lead to differences between the market price of the ETF’s shares and the underlying value of those shares.

**Large-Capitalization Risk.** Large-cap securities tend to go in and out of favor based on market and economic conditions. During a period when the demand for large-cap securities is less than for other types of investments — small-cap securities, for instance — the Fund’s performance could be reduced.

**Management Risk.** The Sub-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 Sub-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. 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.

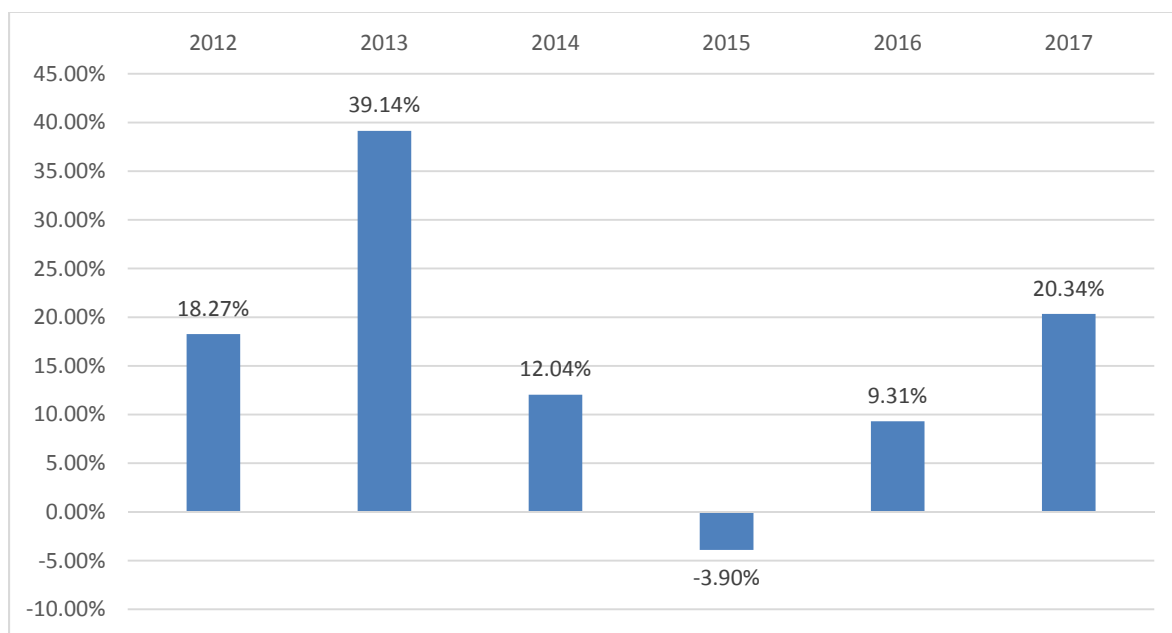
**Trading Risk.** Shares of the Fund may trade above or below their net asset value (“NAV”). The trading price of the Fund’s shares may deviate significantly from their NAV during periods of market volatility and, in such instances, you may pay significantly more or receive significantly less than the 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.

## FUND PERFORMANCE

The bar chart and table that follow show how the Fund has performed on a calendar year basis and provide an indication of the risks of investing in the Fund. The table also shows how the Fund’s performance compares to the S&P 500 Index, which is a broad-based, unmanaged measurement of changes in stock market conditions based on the average of 500 widely held common stocks. Both the bar chart and the table assume the reinvestment of all dividends and distributions. Past performance (before and after taxes) does not necessarily indicate how the Fund will perform in the future.

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

### Calendar Year Total Returns



The Fund’s year-to-date total return as of September 30, 2018 was 3.93%.

### Best and Worst Quarter Returns (for the period reflected in the bar chart above)

	Return	Quarter/Year
Highest Return	14.83%	1Q/2012
Lowest Return	-9.23%	3Q/2015

**AVERAGE ANNUAL TOTAL RETURNS FOR THE PERIODS ENDED DECEMBER 31, 2017**

<b>ADVISORSHARES MADRONA DOMESTIC ETF</b>	<b>1 Year</b>	<b>5 Year</b>	<b>Since Inception (6/20/2011)</b>
Return Before Taxes Based on NAV	20.34%	14.53%	12.79%
Return After Taxes on Distributions	20.24%	14.41%	12.68%
Return After Taxes on Distributions and Sale of Fund Shares	11.59%	11.68%	10.39%
S&P 500 Index (reflects no deduction for fees, expenses, or taxes)	21.83%	15.79%	14.37%

After-tax returns are calculated using the highest historical individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on your tax situation and may differ from those shown and are not relevant if you hold your shares through tax-advantaged arrangements, such as 401(k) plans or individual retirement accounts. In some cases, the return after taxes on distributions and sale of fund shares may exceed other average annual total returns due to an assumed tax benefit from any losses on a sale of shares at the end of the measurement period.

**MANAGEMENT**

<b>Name</b>	<b>Title</b>
AdvisorShares Investments, LLC	Advisor
Madrona Funds, LLC	Sub-Advisor

**PORTFOLIO MANAGERS**

<b>Name and Title</b>	<b>Length of Service with Sub-Advisor</b>
Brian K. Evans, Founder, Managing Member and Portfolio Manager	since 2010
Robert W. Bauer, Member and Portfolio Manager	since 2010
Kristi R. Henderson, Member and Portfolio Manager	since 2010

**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." The shares of the Fund that trade on the Exchange are "created" at their NAV by market makers, large investors and institutions only in block-size Creation Units of at least 25,000 shares. A "creator" enters into an authorized participant agreement ("Participant Agreement") with the Fund's distributor or uses a Depository Trust Company ("DTC") participant who has executed a Participant Agreement (an "Authorized Participant"), and deposits into the Fund a portfolio of securities closely approximating the holdings of the Fund and a specified amount of cash, together totaling the NAV of the Creation Unit(s), in exchange for at least 25,000 shares of the Fund (or multiples thereof).

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 or less than NAV.

**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 Fund, the Advisor or the Sub-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.

**ADVISORSHARES MADRONA INTERNATIONAL ETF**  
**NYSE Arca Ticker: FWDI**

**INVESTMENT OBJECTIVE**

The AdvisorShares Madrona International ETF (the “Fund”) seeks to provide long-term capital appreciation above the capital appreciation of its international benchmarks, such as the MSCI EAFE Index, the Fund’s primary benchmark, and the BNY Mellon Classic ADR Index, the Fund’s secondary benchmark.

**FUND FEES AND EXPENSES**

This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund. Most investors will incur customary brokerage commissions when buying or selling shares of the Fund which are not reflected in the table below.

<b>SHAREHOLDER FEES</b> ( <i>fees paid directly from your investment</i> )	None
<b>ANNUAL FUND OPERATING EXPENSES</b> ( <i>expenses that you pay each year as a percentage of the value of your investment</i> )	
MANAGEMENT FEES	0.80%
DISTRIBUTION (12b-1) FEES	0.00%
OTHER EXPENSES	0.98%
<b>TOTAL ANNUAL OPERATING EXPENSES</b>	1.78%
FEE WAIVER/EXPENSE REIMBURSEMENT*	-0.53%
<b>TOTAL ANNUAL OPERATING EXPENSES AFTER FEE WAIVER/ EXPENSE REIMBURSEMENT</b>	1.25%

\* *AdvisorShares Investments, LLC (the “Advisor”) has contractually agreed to waive its fees and/or reimburse expenses to keep the Fund's 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 1.25% 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 it becomes unnecessary for the Advisor to waive fees or reimburse expenses, the Trust’s Board of Trustees 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 made during the immediately preceding three-year period.*

**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 creation or redemption transaction fees, or the brokerage commissions that you pay when purchasing or selling shares of the Fund. If these fees and commissions were included, your costs would be higher.

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

	1 YEAR	3 YEARS	5 YEARS	10 YEARS
<b>AdvisorShares Madrona International ETF</b>	\$127	\$509	\$915	\$2,051



## **PORTFOLIO TURNOVER**

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The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in Total Annual Operating Expenses or in the Example, affect Fund performance. This rate excludes the value of portfolio securities received or delivered as a result of in-kind creations or redemptions of the Fund’s shares. During the most recent fiscal year ended June 30, 2018, the Fund’s portfolio turnover rate was 78% of the average value of its portfolio.

## **PRINCIPAL INVESTMENT STRATEGIES**

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The Fund is an actively managed exchange-traded fund (“ETF”). Madrona Funds, LLC (the “Sub-Advisor”) seeks to achieve the Fund’s investment objective by selecting a portfolio primarily composed of American Depository Receipts (“ADRs”) from among the largest issuers of Europe, Australasia and the Far East (“EAFE”) and Canada. ADRs are U.S. traded equity securities that represent interests in securities issued by foreign publicly listed companies. The Fund’s portfolio may also include ADRs that provide exposure to the largest issuers in markets deemed to be emerging markets. The Fund also may invest in repurchase agreements.

Securities are selected, weighted and sold based upon the Sub-Advisor’s proprietary investment process. The Sub-Advisor’s investment committee meets on a bi-weekly basis to monitor the portfolio and make allocation decisions. The investment committee uses third-party analyst research and a proprietary fundamental process to make allocation decisions. The Fund’s strategy may frequently involve buying and selling securities, which may lead to relatively high portfolio turnover.

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

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The Fund is subject to a number of risks, as 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.

**American Depository Receipt Risk.** ADRs have the same currency and economic risks as the underlying non-U.S. shares they represent. They are affected by the risks associated with non-U.S. securities, such as changes in political or economic conditions of other countries, changes in the exchange rates of, or exchange control regulations associated with, foreign currencies, and differing accounting, auditing, financial reporting, and legal standards and practices. In addition, investments in ADRs may be less liquid than the underlying securities in their primary trading market.

**Currency Risk.** As a result of the Fund’s investments in securities receiving revenues in, foreign currencies, the Fund will be subject to currency risk. This is the risk that currencies to which the Fund is exposed will decline in value relative to the U.S. dollar, which may cause the dollar value of an investment in the Fund to be adversely affected.

**Emerging Markets Risk.** Certain of the Fund’s investments will expose the Fund’s portfolio to the risks of investing in emerging markets. Emerging markets, which consist of countries or markets with low to middle income economies as classified by the World Bank and other countries or markets with similar characteristics as determined by the Advisor, can be subject to greater social, economic, regulatory, and political uncertainties and can be extremely volatile.

**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 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 can lead to differences between the market price of the ETF’s shares and the underlying value of those shares.

**Foreign Investment Risk.** The Fund's investments in securities of foreign issuers, including ADRs, may involve certain risks that are greater than those associated with investments in securities of U.S. issuers. These include risks of adverse changes in foreign economic, political, regulatory and other conditions; changes in currency exchange rates or exchange control regulations (including limitations on currency movements and exchanges); differing accounting, auditing, financial reporting, and legal standards and practices; differing securities market structures; and higher transaction costs. In addition, the securities of some foreign companies may be less liquid and, at times, more volatile than securities of comparable U.S. companies.

**Geographic Investment Risk.** To the extent that the Fund has significant investments in a particular country or region, the Fund will be susceptible to loss due to adverse market, political, regulatory, and geographic events affecting that country or region. The Fund has significant investment exposure to the countries and regions listed below.

**Asia.** While certain Asian economies are exemplars of growth and development others have been and continue to be subject, to some extent, to over-extension of credit, currency devaluations and restrictions, high unemployment, high inflation, decreased exports and economic recessions.

**Canada.** The Canadian economy is susceptible to adverse changes in certain commodities markets, including those related to the agricultural and mining industries. It is also heavily dependent on trading with key partners. Any reduction in this trading may adversely affect the Canadian economy.

**Europe.** The European economy is diverse and includes both large, competitive economies and small, struggling economies. The European economy is vulnerable to decreasing imports or exports, changes in governmental regulations on trade, changes in the exchange rate of the euro and recessions in EU economies.

**United States.** The United States is a significant trading partner of many emerging markets in which the Fund invests. The United States economy has traditionally been considered to be one of the most stable and productive economies in the world. However, the recent financial crisis, declining United States imports, new trade regulations, changes in exchange rates, and increasing public debt pose concerns for many of the United States' trading partners that depend on its historically high levels of consumer spending and foreign investment.

**Large-Capitalization Risk.** Large-cap securities tend to go in and out of favor based on market and economic conditions. During a period when the demand for large-cap securities is less than for other types of investments — small-cap securities, for instance — the Fund's performance could be reduced.

**Management Risk.** The Sub-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 Sub-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. 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.

**Portfolio Turnover Risk.** The Fund may experience relatively high portfolio turnover, which may result in increased transaction costs and Fund performance that is lower than expected.

**Repurchase Agreement Risk.** The Fund will be subject to credit risk with respect to the counterparties with which the Fund enters into repurchase agreements, including with respect to recovering or realizing on collateral.

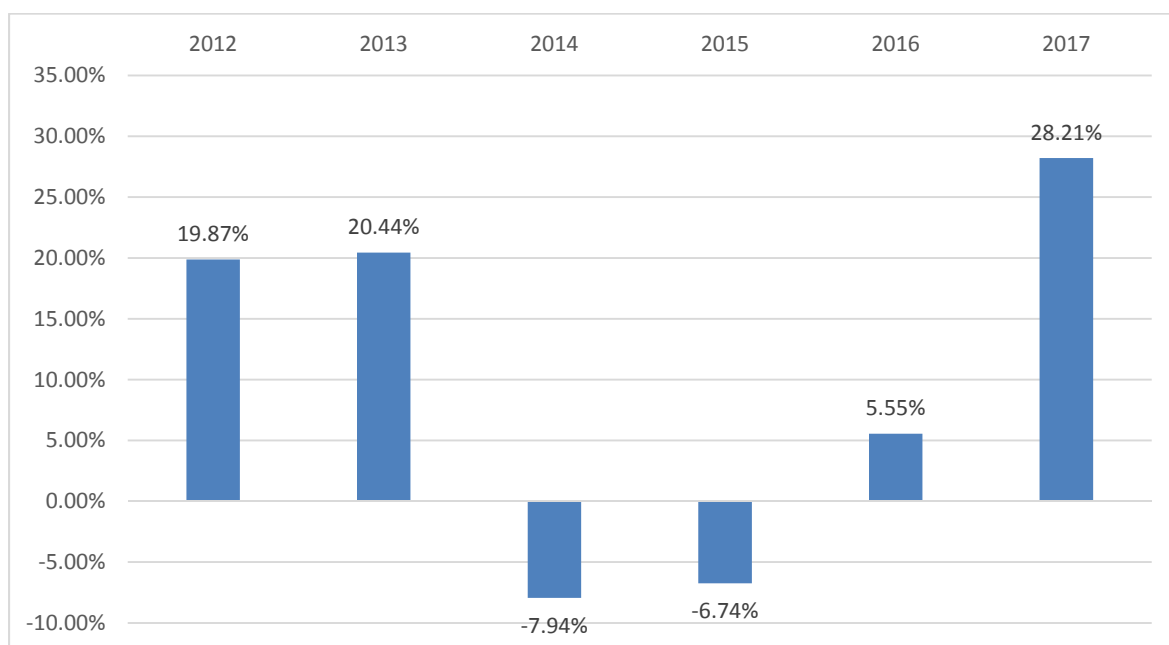
**Trading Risk.** Shares of the Fund may trade above or below their net asset value (“NAV”). The trading price of the Fund’s shares may deviate significantly from their NAV during periods of market volatility and, in such instances, you may pay significantly more or receive significantly less than the 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.

## FUND PERFORMANCE

The bar chart and table that follow show how the Fund has performed on a calendar year basis and provide an indication of the risks of investing in the Fund. The table also shows how the Fund’s performance compares to the MSCI EAFE Index and the BNY Mellon Classic ADR Index. The MSCI EAFE Index is an unmanaged free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the United States and Canada. The BNY Mellon Classic ADR Index combines the over the counter (OTC) traded ADRs with exchange-listed ADRs bringing transparency to the available universe of American Depositary Receipts, including those issued by many of the world’s premier companies. Both the bar chart and the table assume the reinvestment of all dividends and distributions. Past performance (before and after taxes) does not necessarily indicate how the Fund will perform in the future.

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

### Calendar Year Total Returns



The Fund’s year-to-date total return as of September 30, 2018 was -8.52%.

### Best and Worst Quarter Returns (for the period reflected in the bar chart above)

	Return	Quarter/Year
Highest Return	14.39%	1Q/2012
Lowest Return	-16.60%	3Q/2015

**AVERAGE ANNUAL TOTAL RETURNS FOR THE PERIODS ENDED DECEMBER 31, 2017**

<b>ADVISORSHARES MADRONA INTERNATIONAL ETF</b>	<b>1 Year</b>	<b>5 Year</b>	<b>Since Inception (6/20/2011)</b>
Return Before Taxes Based on NAV	28.21%	6.95%	4.92%
Return After Taxes on Distributions	27.82%	6.66%	4.65%
Return After Taxes on Distributions and Sale of Fund Shares	16.24%	5.52%	3.91%
MSCI EAFE Index (reflects no deduction for fees, expenses, or taxes)	25.03%	7.90%	6.37%
BNY Mellon Classic ADR Index (reflects no deduction for fees, expenses, or taxes)	27.26%	7.14%	5.70%

After-tax returns are calculated using the highest historical individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on your tax situation and may differ from those shown and are not relevant if you hold your shares through tax-advantaged arrangements, such as 401(k) plans or individual retirement accounts. In some cases, the return after taxes on distributions and sale of fund shares may exceed other average annual total returns due to an assumed tax benefit from any losses on a sale of shares at the end of the measurement period.

**MANAGEMENT**

<b>Name</b>	<b>Title</b>
AdvisorShares Investments, LLC	Advisor
Madrona Funds, LLC	Sub-Advisor

**PORTFOLIO MANAGERS**

<b>Name and Title</b>	<b>Length of Service with Sub-Advisor</b>
Brian K. Evans, Founder, Managing Member and Portfolio Manager	since 2010
Robert W. Bauer, Member and Portfolio Manager	since 2010
Kristi R. Henderson, Member and Portfolio Manager	since 2010

**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.” The shares of the Fund that trade on the Exchange are “created” at their NAV by market makers, large investors and institutions only in block-size Creation Units of at least 25,000 shares. A “creator” enters into an authorized participant agreement (“Participant Agreement”) with the Fund’s distributor or uses a Depository Trust Company (“DTC”) participant who has executed a Participant Agreement (an “Authorized Participant”), and deposits into the Fund a portfolio of securities closely approximating the holdings of the Fund and a specified amount of cash, together totaling the NAV of the Creation Unit(s), in exchange for at least 25,000 shares of the Fund (or multiples thereof).

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 prices rather than at NAV, shares may trade at a value greater than or less than NAV.

**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 Fund, the Advisor or the Sub-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.

**ADVISORSHARES MADRONA GLOBAL BOND ETF**  
**(NYSE Arca Ticker: FWDB)**

**INVESTMENT OBJECTIVE**

The AdvisorShares Madrona Global Bond ETF (the “Fund”) seeks investment results that exceed the price and yield performance of its benchmark, the Bloomberg Barclays U.S. Aggregate Bond Index.

**FUND FEES AND EXPENSES**

This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund. Most investors will incur customary brokerage commissions when buying or selling shares of the Fund which are not reflected in the table below.

<b>SHAREHOLDER FEES</b> <i>(fees paid directly from your investment)</i>	None
<b>ANNUAL FUND OPERATING EXPENSES</b> <i>(expenses that you pay each year as a percentage of the value of your investment)</i>	
MANAGEMENT FEES	0.50%
DISTRIBUTION (12b-1) FEES	0.00%
OTHER EXPENSES	0.72%
ACQUIRED FUND FEES AND EXPENSES <sup>(a)</sup>	0.46%
<b>TOTAL ANNUAL OPERATING EXPENSES</b>	<b>1.68%</b>
FEE WAIVER/EXPENSE REIMBURSEMENT <sup>(b)</sup>	-0.27%
<b>TOTAL ANNUAL OPERATING EXPENSES AFTER FEE WAIVER/EXPENSE REIMBURSEMENTS</b>	<b>1.41%</b>

- (a) *Total Annual Operating Expenses and Total Annual Operating Expenses After Fee Waiver/Expense Reimbursements in this fee table may not correlate to the expense ratios in the Fund’s financial highlights (and the Fund’s financial statements) because the financial highlights include only the Fund’s direct operating expenses and do not include Acquired Fund Fees and Expenses, which represent the Fund’s pro rata share of the fees and expenses of the exchange-traded funds in which it invests.*
- (b) *AdvisorShares Investments, LLC (the “Advisor”) has contractually agreed to waive its fees and/or reimburse expenses to keep net expenses (excluding amounts payable pursuant to any plan adopted in accordance with Rule 12b-1, interest expense, taxes, brokerage commissions, acquired fund fees and expenses, other expenditures which are capitalized in accordance with generally accepted accounting principles, and extraordinary expenses) from exceeding 0.95% of the Fund’s average daily net assets for at least one year from the date of this Prospectus. The expense limitation agreement 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 it becomes unnecessary for the Advisor to waive fees or reimburse expenses, the Trust’s Board of Trustees 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 made during the immediately preceding three-year period.*

**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 creation or redemption transaction fees, or the brokerage commissions that you pay when purchasing or selling shares of the Fund. If these fees and commissions were included, your costs would be higher.

The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then sell all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return

each year and that the Fund’s operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	1 YEAR	3 YEARS	5 YEARS	10 YEARS
<b>AdvisorShares Madrona Global Bond ETF</b>	\$144	\$503	\$887	\$1,965

## **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 Fund performance. This rate excludes the value of portfolio securities received or delivered as a result of in-kind creations or redemptions of the Fund’s shares. During the most recent fiscal year ended June 30, 2018, the Fund’s portfolio turnover rate was 39% of the average value of its portfolio.

## **PRINCIPAL INVESTMENT STRATEGIES**

The Fund is an actively managed exchange-traded fund (“ETF”). Madrona Funds, LLC (the “Sub-Advisor”) seeks to achieve the Fund’s investment objective by selecting a portfolio of fixed income (bond) exchange-traded funds (“Underlying ETFs”) and other exchange-traded products, including, but not limited to, exchange-traded notes (“ETNs”), exchange-traded currency trusts, and exchange-traded commodity pools (collectively with Underlying ETFs and ETNs, “ETPs”). Under normal circumstances, the Fund invests in ETPs such that at least 80% of its net assets (plus any borrowings for investment purposes) are invested in bonds. The Fund also may invest in repurchase agreements.

The Fund invests in ETPs that provide exposure to at least 12 distinct global bond classes, that may include treasury bonds, municipal bonds, and high-yield U.S. corporate bonds (sometimes referred to as “junk bonds”). The Sub-Advisor will construct the Fund’s portfolio using a weighted allocation system based on yield curve analysis of each bond category. The investment committee meets on a bi-weekly basis to monitor the Fund’s portfolio and make allocation decisions. The investment committee uses third-party analyst research and a proprietary fundamental process to make allocation decisions. At least 12 global bond categories each will have a three percent minimum percentage inclusion in the Fund’s portfolio.

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

The Fund is subject to a number of risks, as 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.

**ETF Market Risk.** In stressed market conditions, the market for 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 can lead to differences between the market price of the ETF’s shares and the underlying value of those shares.

**Exchange-Traded Note Risk.** ETNs are senior, unsecured unsubordinated debt securities issued by an underwriting bank that are designed to provide returns that are linked to a particular reference asset or benchmark less investor fees. ETNs have a maturity date and generally are backed only by the creditworthiness of the issuer. As a result, the value of an ETN may be influenced by time to maturity, level of supply and demand for the ETN, volatility and lack of liquidity in the underlying market (e.g., the commodities market), changes in the applicable interest rates, and changes in the issuer’s credit rating and economic, legal, political or geographic events that affect the underlying market. ETNs also may be subject to commodities market risk and credit risk.

**Exchange-Traded Product Risk.** Through its investments in ETPs, the Fund is subject to the risks associated with the ETPs’ investments or reference assets/benchmark components, including the possibility that the value of the securities or assets held by or linked to an ETP 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 and each ETP's asset allocation.

Commodity Risk. The commodities industries can be significantly affected by the level and volatility of commodity prices; world events including international monetary and political developments; import controls and worldwide competition; exploration and production spending; and tax and other government regulations and economic conditions.

Concentration Risk. An ETP may, at various times, concentrate in the securities of a particular industry, group of industries, or sector, and when a fund is over-weighted in an industry, group of industries, or sector, it may be more sensitive to any single economic, business, political, or regulatory occurrence than a fund that is not over-weighted in an industry, group of industries, or sector.

Credit Risk. Certain of the ETPs are subject to the risk that a decline in the credit quality of a portfolio investment or reference asset could cause the ETP's share price to fall. The ETPs could lose money if the issuer or guarantor of a portfolio investment or the counterparty to a derivatives contract fails to make timely principal or interest payments or otherwise honor its obligations.

Fixed Income Securities Risk. An ETP's investments in, or exposure to, fixed income securities are subject to the risk that the securities may be paid off earlier or later than expected. Either situation could cause the ETP to hold securities paying lower- than-market rates of interest, which could hurt the Fund's yield or share price.

Foreign Securities Risk. An ETP's investments in, or exposure to, foreign issuers involve certain risks including, but not limited to, risks of adverse changes in foreign economic, political, regulatory and other conditions, or changes in currency exchange rates or exchange control regulations (including limitations on currency movements and exchanges). In certain countries, legal remedies available to investors may be more limited than those available with respect to investments in the United States. In addition, the securities of some foreign companies may be less liquid and, at times, more volatile than securities of comparable U.S. companies.

High-Yield Risk. An ETP may invest in, or be exposed to, high-yield securities and unrated securities of similar credit quality (commonly known as "junk bonds"). High-yield securities generally pay higher yields (greater income) than investment in higher quality securities; however, high-yield securities and junk bonds may be subject to greater levels of interest rate, credit and liquidity risk than funds that do not invest in such securities, and are considered predominantly speculative with respect to an issuer's continuing ability to make principal and interest payments.

Income Risk. An ETP may derive dividend and interest income from certain of its investments. This income can vary widely over the short- and long-term. If prevailing market interest rates drop, distribution rates of an ETP's income producing investments may decline which then may adversely affect the Fund's value.

Interest Rate Risk. An ETP's investments in or exposure to fixed income securities are subject to the risk that interest rates rise and fall over time. As with any investment whose yield reflects current interest rates, an ETP's yield will change over time. During periods when interest rates are low, an ETP's yield (and total return) also may be low. To the extent that the investment advisor or issuer of an ETP anticipates interest rate trends imprecisely, the ETP could miss yield opportunities or its share price could fall.

**Illiquid Investments Risk.** This risk exists when particular Fund investments are difficult to purchase or sell, which can reduce the Fund's returns because the Fund may be unable to transact at advantageous times or prices.



**Management Risk.** The Sub-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 Sub-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. 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.

**Repurchase Agreement Risk.** The Fund will be subject to credit risk with respect to the counterparties with which the Fund enters into repurchase agreements, including with respect to recovering or realizing on collateral.

**Tax Risk.** In order to qualify for the favorable U.S. federal income tax treatment accorded to regulated investment companies (“RICs”), the Fund must derive at least 90% of its gross income in each taxable year from certain categories of income (“qualifying income”) and must satisfy certain asset diversification requirements. Certain of the Fund’s investments may generate income that is not qualifying income. If the Fund were to fail to meet the qualifying income test or asset diversification requirements and fail to qualify as a RIC, it would be taxed in the same manner as an ordinary corporation, and distributions to its shareholders would not be deductible by the Fund in computing its taxable income.

**Trading Risk.** Shares of the Fund may trade above or below their net asset value (“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.

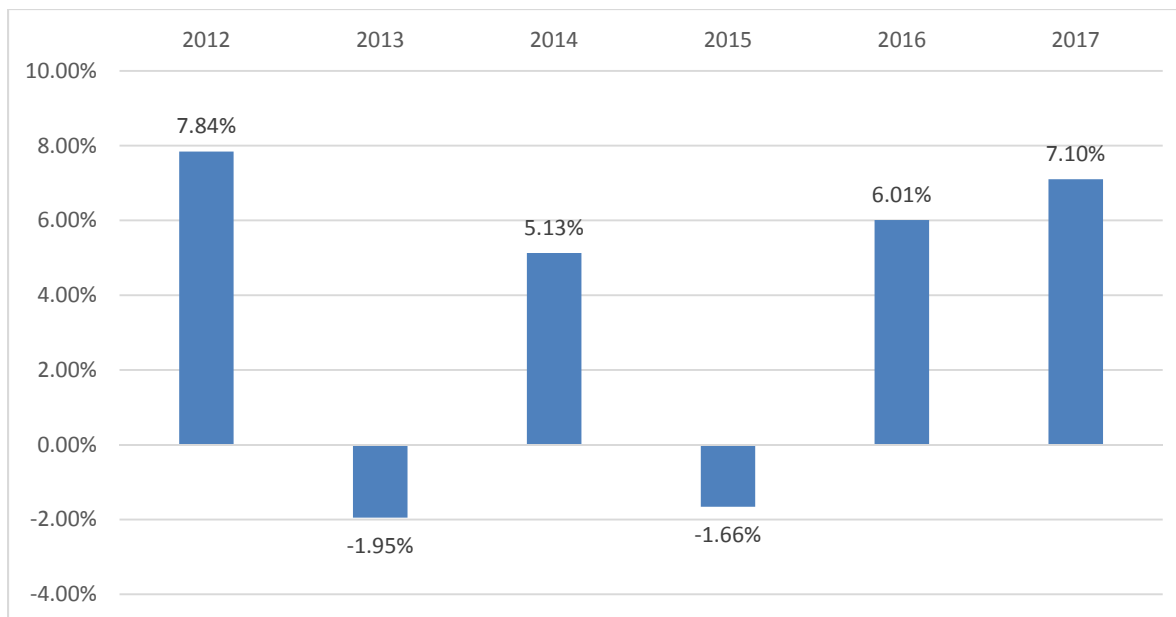
## **FUND PERFORMANCE**

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The bar chart and table that follow show how the Fund has performed on a calendar year basis and provide an indication of the risks of investing in the Fund. The table also shows how the Fund’s performance compares to the Bloomberg Barclays U.S. Aggregate Bond Index, which measures the performance of the U.S. investment-grade bond market. Both the bar chart and the table assume the reinvestment of all dividends and distributions. Past performance (before and after taxes) does not necessarily indicate how the Fund will perform in the future.

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

## Calendar Year Total Returns



The Fund's year-to-date total return as of September 30, 2018 was 0.12%.

### Best and Worst Quarter Returns (for the period reflected in the bar chart above)

	Return	Quarter/Year
Highest Return	3.18%	2Q/2014
Lowest Return	-3.94%	2Q/2013

### AVERAGE ANNUAL TOTAL RETURNS FOR THE PERIODS ENDED DECEMBER 31, 2017

ADVISORSHARES MADRONA GLOBAL BOND ETF	Since Inception (6/20/2011)		
	1 Year	5 Year	
Return Before Taxes Based on NAV	7.10%	2.85%	3.73%
Return After Taxes on Distributions	5.73%	1.55%	2.50%
Return After Taxes on Distributions and Sale of Fund Shares	4.11%	1.63%	2.37%
Bloomberg Barclays U.S. Aggregate Bond Index (reflects no deduction for fees, expenses or taxes)	3.54%	2.10%	2.93%

After-tax returns are calculated using the highest historical individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on your tax situation and may differ from those shown and are not relevant if you hold your shares through tax-advantaged arrangements, such as 401(k) plans or individual retirement accounts. In some cases, the return after taxes on distributions and sale of fund shares may exceed other average annual total returns due to an assumed tax benefit from any losses on a sale of shares at the end of the measurement period.

### MANAGEMENT

Name	Title
AdvisorShares Investments, LLC	Advisor
Madrona Funds, LLC	Sub-Advisor

## PORTFOLIO MANAGERS

<b>Name and Title</b>	<b>Length of Service with Sub-Advisor</b>
Brian K. Evans, Founder, Managing Member and Portfolio Manager	since 2010
Robert W. Bauer, Member and Portfolio Manager	since 2010
Kristi R. Henderson, Member and Portfolio Manager	since 2010

## **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.” The shares of the Fund that trade on the Exchange are “created” at their NAV by market makers, large investors and institutions only in block-size Creation Units of at least 25,000 shares. A “creator” enters into a Participant Agreement with the Fund’s distributor or uses an Authorized Participant, and deposits into the Fund a basket of shares of specific ETPs and a specified amount of cash, together totaling the NAV of the Creation Unit(s), in exchange for at least 25,000 shares of the Fund (or multiples thereof).

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 or less than NAV.

## **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 Fund, the Advisor or the Sub-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 FUNDS**

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

Section 12(d)(1) of the Investment Company Act of 1940 (the “1940 Act”) restricts investments by investment companies in the securities of other investment companies, including shares of each Fund and, with respect to the AdvisorShares Madrona Global Bond ETF, Underlying ETFs. However, under certain circumstances and subject to certain terms and conditions, registered investment companies may invest in other investment companies (“underlying investment companies”) beyond the limits set forth in Section 12(d)(1). In particular, if an underlying investment company has obtained a Section 12(d)(1) exemptive order from the U.S. Securities and Exchange Commission (the “SEC”), a Fund may enter into an agreement with the underlying investment company pursuant to which the Fund may invest in the underlying investment company beyond the Section 12(d)(1) limits subject to the terms and conditions of the underlying investment company’s exemptive order. The Fund may enter into such agreements with certain Underlying ETFs to permit the Fund to invest in the Underlying ETFs to an unlimited extent.

With respect to the AdvisorShares Madrona Domestic ETF and AdvisorShares Madrona International ETF, Creation Units of the Funds are issued and redeemed principally in-kind for portfolio securities and a specific cash payment. With respect to the AdvisorShares Madrona Global Bond ETF, Creation Units of the Fund are issued and redeemed principally in-kind for shares of specific ETPs and a specific cash payment.

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

## **MORE INFORMATION ABOUT THE FUNDS’ INVESTMENT OBJECTIVES**

The investment objective of each Fund is non-fundamental and may be changed by the Trust’s Board of Trustees (the “Board”) without a shareholder vote. Each Fund’s benchmark(s) also may be changed without shareholder approval.

## **MORE INFORMATION ABOUT THE FUNDS’ PRINCIPAL INVESTMENT STRATEGIES**

Each Fund is an actively managed ETF and, thus, does not seek to replicate the performance of a specified passive index of securities. Instead, each Fund uses an active investment strategy in seeking to meet its investment objective. The Sub-Advisor, subject to the oversight of the Advisor and the Board, has discretion on a daily basis to manage each Fund’s portfolio in accordance with each Fund’s investment objective and investment policies.

### **The Funds’ Investment Philosophies**

Madrona employs a forward-looking fundamental investment process when making capital allocation decisions across investment strategies for the Funds. The underlying investment process for the AdvisorShares Madrona Domestic ETF and the AdvisorShares Madrona International ETF is based on a measure of forecasted earnings and projected growth relative to the price of the equities. The underlying investment process for the AdvisorShares Madrona Global Bond ETF is based on fundamental yield curve analysis and a measure of mean reversion for future expected yield curve trajectory.

Each Fund utilizes a core investment allocation strategy which seeks to replace what Madrona’s investment committee deems inefficient index methodologies for core investing that are prevalent in the marketplace. The Funds invest in actively managed broadly diversified portfolios and differ from most traditional indices in that the proportion, or weighting, of the securities in the Funds are based on forward-looking fundamental analysis. Most traditional indices and index funds weight their securities by looking simply at the market capitalization of such securities. Risk management guidelines are employed to protect against dramatic over or under weighting of individual securities, reducing company specific risks, as most traditional index funds allocate more than 65% of its total investment into the top quartile of companies.

### **AdvisorShares Madrona Domestic ETF**

The AdvisorShares Madrona Domestic ETF invests in an actively managed broadly diversified portfolio of up to 500 of the largest domestic stocks selected and weighted using their proprietary fundamental investment process. The Fund is expected to have low turnover and be tax efficient. Changes to the Fund's portfolio typically occur upon the reporting and analysis of individual securities through the earnings season and rely heavily on a stock's price and market cap relative to the future expected earnings.

#### **Investment Process**

Step 1: Madrona's use of third-party research consists of analyzing the consensus analyst valuation estimates to drive the proprietary models that derive the present value of future expected earnings relative to current stock price of each stock.

Step 2: Madrona reviews this data on a company by company basis and the companies are put in order from most attractive to least attractive and the Fund weights these companies accordingly.

Step 3: Risk management guidelines are established to allocate the total percentage invested in each quartile of securities. In other words, each group of 125 securities will receive a certain investment percentage within Madrona's established guidelines. This process ensures no dramatic over-weighting or under-weighting of individual securities.

Step 4: The Fund's portfolio is consistently monitored when company specific data is released and the Sub-Advisor's models are updated to drive allocation changes.

#### **Who should invest in the AdvisorShares Madrona Domestic ETF?**

- Investors Seeking Diversification. Spreading your investment risk among 500 companies with a material allocation to all quartiles can help diversify an overall portfolio.
- Investors Looking For Alternatives. The Fund is an alternative to market cap indices, such as its benchmark, the S&P 500 Index.

### **AdvisorShares Madrona International ETF**

The AdvisorShares Madrona International ETF primarily invests in an actively managed broadly diversified portfolio of a maximum of 200 of the largest securities traded as ADRs in developed and emerging international countries. The Fund is expected to have low turnover and be tax efficient. Changes to the Fund's portfolio typically occur upon the reporting and analysis of individual securities through the earnings season and rely heavily on a security's price and market cap relative to future earnings.

All securities selected for investment in the Fund must meet the following constraint tests:

- Each security selected for the Fund's portfolio shall have a minimum market value of at least \$100 million at the time it is selected for investment.
- Each security selected for the Fund's portfolio shall have a minimum global monthly trading volume of 250,000 shares, or a minimum global notional volume traded per month of \$25 million, averaged over the last six months.

## Investment Process

Step 1: Madrona's use of third-party research consists of analyzing the consensus analyst valuation estimates to drive the proprietary models that derive the present value of future expected earnings relative to current stock price of each stock.

Step 2: Madrona reviews this data on a company by company basis and the companies are put in order from most attractive to least attractive and the Fund weights these companies accordingly.

Step 3: Risk management guidelines are established to allocate the total percentage invested in each quartile of securities. Each quartile will receive a certain investment percentage within Madrona's established guidelines. This process ensures no dramatic over-weighting or under-weighting of individual securities.

Step 4: The Fund's portfolio is consistently monitored when company specific data is released and the Sub-Advisor's models are updated to drive allocation changes.

### **Who should invest in the AdvisorShares Madrona International ETF?**

- Investors Seeking Diversification. Spreading your investment risk among EAFE, Canadian and Emerging Market companies with a material allocation to all quartiles can help diversify an overall portfolio.
- Investors Looking for Alternatives. The Fund is an alternative to market cap indices, such as its benchmarks, the MSCI EAFE Index and the BNY Mellon Classic ADR Index.

### **AdvisorShares Madrona Global Bond ETF**

The AdvisorShares Madrona Global Bond ETF invests in at least 12 distinct global bond classes that may include, but are not limited to, the list below. The Fund invests in an ETP for each of the bond classes held in the portfolio. The Fund is expected to have low turnover and be tax efficient. Changes to the Fund's portfolio typically occur upon the reporting and analysis of each bond category's risk assessment.

#### Bond Classes

- Mortgage Backed/Agency
- Investment Grade U.S. Corporate
- Short-Term Treasury
- Intermediate-Term Treasury
- Long-Term Treasury
- Inflation Protected Treasury (TIPS)
- High-Yield U.S. Corporate
- International Treasury
- Convertible and Preferred
- Emerging Markets
- Municipal
- International Investment Grade Corporate
- International High-Yield
- Build America Bonds

Under normal market conditions, the Fund will purchase shares of or interest in ETPs in the secondary market. When the Fund invests in an ETP (except an ETN), in addition to directly bearing the expenses

associated with its own operations, it also will bear a pro rata portion of the ETP's expenses (including operating costs and management fees). Because ETNs are debt securities and not pools of securities, the Fund pays a specific investor fee for its investments in ETNs. Consequently, an investment in the Fund entails more direct and indirect expenses than a direct investment in an ETP.

#### Investment Process

Step 1: Madrona selects an ETP for each bond category based on expense ratios and institutional strengths of each ETP provider to ensure efficient internal trading.

Step 2: Madrona's use of third-party research consists of analyzing the historical class by class yield-curve analysis and how the curve stands in relation to the current yield-curve of the particular bond class. Based on the research, Madrona determines which bond classes will receive higher and lower than average allocations as compared to typical bond indices.

Step 3: Risk management guidelines are established to allocate the total percentage invested in each bond class. Each class will receive a minimum investment within Madrona's established guidelines. This process ensures no dramatic over-weighting or under-weighting of individual bond categories.

Step 4: The Fund's portfolio is consistently monitored when bond class data is released and the Sub-Advisor's models are updated to drive allocation changes.

#### **Who should invest in the AdvisorShares Madrona Global Bond ETF?**

- Investors Seeking Diversification. Spreading your investment risk among bonds in all of the material global bond sectors, including bonds with different maturities and credit qualities and investing in thousands of individual bonds by using a fund of funds structure can help diversify an overall portfolio.
- Investors Seeking Simplification. The Fund is designed for investors seeking one bond fund that includes all the major global bond sectors.

#### **MORE INFORMATION ABOUT PRINCIPAL RISKS OF INVESTING IN THE FUNDS**

Each Fund is subject to a number of risks that may affect the value of its shares. This section provides additional information about the Funds' principal risks. The principal risks specific to each Fund are listed in the Fund's summary section above. The degree to which a risk applies to a Fund varies according to its investment allocation. Each investor should review the complete description of the principal risk before investing in a Fund. As with investing in other securities whose prices increase and decrease in market value, you may lose money by investing in a Fund.

**American Depositary Receipt Risk.** Depositary receipts have the same currency and economic risks as the underlying shares they represent. They are affected by the risks associated with the underlying non-U.S. securities, such as changes in political or economic conditions of other countries, changes in the exchange rates of, or exchange control regulations associated with, foreign currencies, and differing accounting, auditing, financial reporting, and legal standards and practices. The value of depositary receipts will rise and fall in response to the activities of the non-U.S. entity that issued the securities represented by the depositary receipts, regulatory actions undertaken by a foreign government, and general market and/or economic conditions. Also, if there is a rise in demand for the underlying security and it becomes less available to the market, the price of the depositary receipt may rise, causing the Funds to pay a premium in order to obtain the desired depositary receipt. Conversely, changes in foreign market conditions or access to the underlying securities could result in a decline in the value of the depositary receipt.

**Currency Risk.** A Fund's indirect and direct exposure to foreign currencies subjects the Fund to the risk that those currencies will decline in value relative to the U.S. dollar. Currency rates may fluctuate

significantly over short periods of time for a number of reasons, including changes in interest rates and the imposition of currency controls or other political developments in the U.S. or abroad. While the Fund may engage in currency hedging transactions, it generally does not intend to do so and there is no guarantee that any such transactions will effectively hedge currency risk.

**Emerging Markets Risk.** Emerging markets, which consist of countries that have an emerging stock market as defined by Standard & Poor's<sup>®</sup>, countries or markets with low- to middle-income economies as classified by the World Bank, and other countries or markets with similar characteristics as determined by the Advisor or Sub-Advisor, can be more volatile than the U.S. market due to increased risks of adverse issuer, political, regulatory, market, or economic developments and can perform differently from the U.S. market. Emerging markets are often dependent upon commodity prices and international trade, and can be subject to greater social, economic, regulatory, and political uncertainties potentially resulting in extreme market volatility. As a result, the securities of emerging market issuers may present market, credit, currency, liquidity, legal, political and other risks different from, or greater than, the risks of investing in securities of developed foreign countries. For example, investments in emerging markets are subject to a greater risk of loss due to expropriation, nationalization, confiscation or assets and other property. In addition, the risks associated with investing in a narrowly defined geographic area are generally more pronounced with respect to investments in emerging market countries. The Fund also may be subject to this risk with respect to its investments in other securities or financial instruments whose returns are related to the returns of emerging market securities.

**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 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 can lead to differences between the market price of the ETF's shares and the underlying value of those shares.

**Exchange-Traded Note Risk.** The value of an ETN may be influenced by time to maturity, level of supply and demand for the ETN, volatility and lack of liquidity in the underlying market, changes in the applicable interest rates, and changes in the issuer's credit rating and economic, legal, political or geographic events that affect the underlying market. It is expected that the issuer's credit rating will be investment-grade at the time of investment, however, the credit rating may be revised or withdrawn at any time and there is no assurance that a credit rating will remain in effect for any given time period. If a rating agency lowers the issuer's credit rating or there is a decline in the perceived creditworthiness of the issuer, the value of the ETN will decline as a lower credit rating reflects a greater risk that the issuer will default on its obligation to ETN investors. The Fund must pay an investor fee when investing in an ETN, which will reduce the amount of return on investment at maturity or upon redemption. There may be restrictions on the Fund's right to redeem its investment in an ETN, which is meant to be held until maturity. There are no periodic interest payments for ETNs and principal typically is not protected. As is the case with other ETPs, an investor could lose some of or the entire amount invested in ETNs. The Fund's decision to sell its ETN holdings may be limited by the availability of a secondary market.

**Foreign Investment Risk.** A Fund may have significant exposure to securities or obligations of foreign companies through its investments in financial instruments, such as ADRs, which are indirectly linked to the performance of foreign issuers. Foreign markets can be more volatile than the U.S. market due to increased risks of adverse issuer, political, regulatory, market, or economic developments and can perform differently from the U.S. market. Investing in financial instruments that are indirectly linked to the performance of foreign issuers may involve risks not typically associated with investing in U.S. issuers. The value of financial instruments denominated in foreign currencies, and of distributions from such



financial instruments, can change significantly when foreign currencies strengthen or weaken relative to the U.S. dollar. Foreign markets generally have less trading volume and less liquidity than U.S. markets, and prices in some foreign markets may fluctuate more than those of financial instruments traded on U.S. markets. Many foreign countries lack accounting and disclosure standards comparable to those that apply to U.S. companies, and it may be more difficult to obtain reliable information regarding a foreign issuer's financial condition and operations. In certain countries, legal remedies available to investors may be more limited than those available with respect to investments in the United States. Transaction costs and costs associated with custody services are generally higher for foreign securities than they are for U.S. securities. Some foreign governments levy withholding taxes against dividend and interest income. Although in some countries portions of these taxes are recoverable, the non-recovered portion will reduce the income received by a Fund.

**Geographic Investment Risk.** Funds that are less diversified across countries or geographic regions are generally riskier than more geographically diversified funds. A fund that focuses on a single country or a specific region is more exposed to that country's or region's economic cycles, currency exchange rates, stock market valuations and political risks (including defense concerns), among others, compared with a more geographically diversified fund. The economies and financial markets of certain regions, such as Asia or Eastern Europe, can be interdependent and may be adversely affected by the same events.

**Asia.** Certain Asian economies have experienced over-extension of credit, currency devaluations and restrictions, high unemployment, high inflation, decreased exports and economic recessions. Economic events in any one country can have a significant economic effect on the entire Asian region as well as on major trading partners outside Asia and any adverse event in the Asian markets may have a significant adverse effect on certain emerging markets and the Hong Kong and Taiwanese economies.

**Canada.** Canada is a significant exporter of natural resources, such as oil, natural gas and agricultural products. As a result, the Canadian economy is susceptible to adverse changes in certain commodities markets. It is also heavily dependent on trading with key partners, including the United States, Mexico, and China. Any reduction in trading with these key partners may adversely affect the Canadian economy. Canada's dependency on the economy of the United States, in particular, makes Canada's economy vulnerable to political and regulatory changes affecting the United States economy.

**Europe.** The European economy is diverse and includes both large, competitive economies and small, struggling economies. As a whole, the European Union is the wealthiest and largest economy in the world. The Economic and Monetary Union of the European Union (the "EU") requires compliance with restrictions on inflation rates, deficits, interest rates, debt levels and fiscal and monetary controls, each of which may significantly affect every country in Europe. Decreasing imports or exports, changes in governmental regulations on trade, changes in the exchange rate of the euro, and recessions in EU economies may have a significant adverse effect on the economies of EU member countries and their trading partners.

**United States.** The United States is a significant trading partner of many emerging markets in which the Fund invests. The United States economy has traditionally been considered to be one of the most stable and productive economies in the world. However, the recent financial crisis, decreasing United States imports, new trade regulations, changes in the U.S. dollar exchange rates, and increasing public debt pose concerns for many of the United States' trading partners that depend on its historically high levels of consumer spending and foreign investment. A weakening of the United States economy as a result of any of these factors could affect the economies of countries which rely on the United States for a disproportionate amount of their trade partnerships and foreign investment.

**Illiquid Investments Risk.** In certain circumstances, it may be difficult for a Fund to purchase and sell particular portfolio investments due to infrequent trading in such investments. The prices of such securities may experience significant volatility, make it more difficult for a Fund to transact significant amounts of such securities without an unfavorable impact on prevailing market prices, or make it difficult for the Sub-Advisor to dispose of such securities at a fair price at the time the Sub-Advisor believes it is desirable to do

so. In addition, a Fund's investments in certain ETPs, if any, may be subject to restrictions on the amount and timing of any redemptions. A Fund's investments in such securities may restrict the Fund's ability to take advantage of other market opportunities and adversely affect the value of the Fund's portfolio holdings. A Fund's investments also may be subject to trading halts caused by extraordinary market volatility pursuant to "circuit breaker" rules.

**Large-Capitalization Risk.** The large-cap segment of the market may underperform other segments of the equity market or the equity market as a whole. The underperformance of large-cap securities may cause a Fund's performance to be less than expected.

**Management Risk.** The Sub-Advisor continuously evaluates a 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 Sub-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 Sub-Advisor does, you could lose money on your investment in a Fund, just as you could with other investments. If the Sub-Advisor is incorrect in its assessment of the income, growth or price realization potential of a 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. A Fund's and an ETP'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. The value of securities convertible into equity securities, such as warrants or convertible debt, is also affected by prevailing interest rates, the credit quality of the issuer and any call provision. Fluctuations in the value of securities and financial instruments in which a Fund or an ETP invests will cause the NAV of the Fund or the ETP to fluctuate. Historically, the markets have moved in cycles, and the value of a Fund's and an ETP's securities or reference asset may fluctuate drastically from day to day. Because of its link to the markets, an investment in a 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.

**Portfolio Turnover Risk.** A Fund's strategy may frequently involve buying and selling securities, which may lead to relatively high portfolio turnover. Higher portfolio turnover may result in a Fund paying increased transaction costs and generating greater tax liabilities for shareholders. Portfolio turnover also may cause a Fund's performance to be lower than expected.

**Repurchase Agreement Risk.** A Fund will be subject to credit risk with respect to the counterparties with which the Fund enters into repurchase agreements. If a counterparty fails to meet its contractual obligations, a Fund may be unable to terminate or realize any gain on the transaction, or to recover collateral posted to the counterparty, resulting in a loss to the Fund. If a Fund holds collateral posted by its counterparty, it may be delayed or prevented from realizing on the collateral in the event of a bankruptcy or insolvency proceeding relating to the counterparty. Due to the limited number of banks handling clearing and settlement of certain repurchase agreements, parties entering into repurchase agreement transactions also could have increased exposure to risks associated with cyberattacks.

**Tax Risk.** In order to qualify for the favorable U.S. federal income tax treatment accorded to RICs, each Fund must derive at least 90% of its gross income in each taxable year from certain categories of income ("qualifying income"). AdvisorShares Madrona Global Bond ETF's investments in ETPs are generally expected to generate qualifying income. Certain of AdvisorShares Madrona Global Bond ETF's investments, however, may generate income that is not qualifying income. AdvisorShares Madrona Global Bond ETF might generate more non-qualifying income than anticipated, might not be able to generate qualifying income in a particular taxable year at levels sufficient to meet the qualifying income test, or might not be able to determine the percentage of qualifying income it derives for a taxable year until after year-end. In addition, each Fund must satisfy a quarterly asset diversification test. If a Fund were to fail to meet the qualifying income test or the asset diversification test and fail to qualify as a RIC, it would be taxed in the

same manner as an ordinary corporation, and distributions to its shareholders would not be deductible by the Fund in computing its taxable income. Under certain circumstances, a Fund may be able to cure a failure to meet the qualifying income test or the asset diversification test if such failure was due to reasonable cause and not willful neglect, but in order to do so the Fund may incur significant fund-level taxes, which would effectively reduce (and could eliminate) the Fund's returns.

**Trading Risk.** Shares of a Fund may trade above or below their NAV. The NAV of shares will fluctuate with changes in the market value of a 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 a 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 each 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 a 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 ETPs**

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The value of your investment in the AdvisorShares Madrona Global Bond ETF is based primarily on the prices of the ETPs that the Fund purchases. In turn, the price of each ETP is based on the value of its securities or reference assets/benchmark components. The prices of these securities or reference assets change daily and each ETP'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 ETPs is provided below. ETPs also may be subject to certain of the risks described above. The degree to which the risks described below apply to the Fund varies according to its asset allocation. A complete list of each ETP in which the Fund invests can be found daily on the Trust's website. Each investor should review the complete description of the principal risks of the ETPs prior to investing in the Fund.

**Concentration Risk.** An ETP may, at various times, concentrate in the securities of a particular industry, group of industries, or sector, and when a fund is over-weighted in an industry, group of industries, or sector, it may be more sensitive to any single economic, business, political, or regulatory occurrence than a fund that is not over-weighted in an industry, group of industries, or sector.

**Credit Risk.** Certain of the ETPs are subject to the risk that a decline in the credit quality of a portfolio investment or reference asset could cause the ETPs' share price to fall. The ETPs could lose money if the issuer or guarantor of a portfolio investment or the counterparty to a derivatives contract fails to make timely principal or interest payments or otherwise honor its obligations. Below investment-grade bonds (junk bonds) involve greater risks of default or downgrade and are more volatile than investment-grade bonds. Below investment-grade bonds also involve greater risk of price declines than investment-grade securities due to actual or perceived changes in an issuer's creditworthiness. In addition, issuers of below investment-grade bonds may be more susceptible than other issuers to economic downturns. Such bonds are subject to the risk that the issuer may not be able to pay interest or dividends and ultimately to repay principal upon maturity. Discontinuation of these payments could substantially adversely affect the market value of the bonds.

**Fixed Income Securities Risk.** An ETP's investments in, or exposure to, fixed income securities are subject to the risk that the securities may be paid off earlier or later than expected. Either situation could cause the ETP to hold securities paying lower-than-market rates of interest, which could hurt the fund's yield or share price. In addition, rising interest rates tend to extend the duration of certain fixed income securities, making them more sensitive to changes in interest rates. As a result, in a period of rising interest rates, an ETP that holds these securities may exhibit additional volatility. This is known as extension risk. When interest rates decline, borrowers may pay off their fixed income securities sooner than expected. This can reduce the returns of an ETP because it will have to reinvest that money at the lower prevailing interest rates. This is known as prepayment risk.

**Foreign Securities Risk.** An ETP's investments in or exposure to securities of foreign issuers involve certain risks that are greater than those associated with investments in securities of U.S. issuers. These include risks of adverse changes in foreign economic, political, regulatory and other conditions, or changes in currency exchange rates or exchange control regulations (including limitations on currency movements and exchanges). In certain countries, legal remedies available to investors may be more limited than those available with respect to investments in the United States. The securities of some foreign companies may be less liquid and, at times, more volatile than securities of comparable U.S. companies. An ETP with exposure to foreign investments may also experience more rapid or extreme changes in value than a fund that invests solely in securities of U.S. companies because the securities markets of many foreign countries are relatively small, with a limited number of companies representing a small number of industries. Foreign withholding taxes may be imposed on income earned by an ETP's investment in or exposure to foreign securities, which may reduce the return on such investments. There also is a risk that the cost of buying, selling, and holding foreign securities, including brokerage, tax, and custody costs, may be higher than those involved in domestic transactions.

**High-Yield Risk.** An ETP may invest in, or have exposure to, high-yield securities and unrated securities of similar credit quality (commonly known as "junk bonds"). High-yield securities generally pay higher yields (greater income) than investment in higher quality securities; however, high-yield securities and junk bonds may be subject to greater levels of interest rate, credit and liquidity risk than funds that do not invest in such securities, and are considered predominantly speculative with respect to an issuer's continuing ability to make principal and interest payments. The value of these securities often fluctuates in response to company, political or economic developments and declines significantly over short periods of time or during periods of general economic difficulty. An economic downturn or period of rising interest rates could adversely affect the market for these securities and reduce the ability of certain of the underlying funds to sell these securities (liquidity risk). These securities can also be thinly traded or have restrictions on resale, making them difficult to sell at an acceptable price. If the issuer of a security is in default with respect to interest or principal payments, the ETP may lose its entire investment.

**Income Risk.** An ETP may derive dividend and interest income from certain of its investments. This income can vary widely over the short- and long-term. If prevailing market interest rates drop, distribution rates of an ETP's income producing investments may decline which then may adversely affect its value. The dividend and interest income produced by certain of the ETP's portfolio holdings or reference assets also may be adversely affected by the particular circumstances and performance of the individual issuers of such investments.

**Interest Rate Risk.** An ETP's investments in, or exposure to, fixed income securities are subject to the risk that interest rates rise and fall over time. As with any investment whose yield reflects current interest rates, an ETP's yield will change over time. During periods when interest rates are low, an ETP's yield (and total return) also may be low. Changes in interest rates also may affect an ETP's share price: a sharp rise in interest rates could cause its share price to fall. This risk is greater when the ETP holds bonds with longer maturities. To the extent that the investment advisor or issuer of an ETP or the issuer of an Underlying ETP anticipates interest rate trends imprecisely, the ETP could miss yield opportunities or its share price could fall.

## **OTHER INVESTMENT PRACTICES AND STRATEGIES**

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**Temporary Defensive Positions.** To respond to adverse market, economic, political or other conditions, a Fund may invest up to 100% of its total assets, without limitation in high-quality debt securities and money market instruments. A Fund may be invested in this manner for extended periods, depending on the Sub-Advisor's assessment of market conditions. Debt securities and money market instruments include shares of other mutual funds, commercial paper, certificates of deposit, bankers' acceptances, U.S. government securities, repurchase agreements, and bonds that are rated BBB or higher. While a Fund is in a defensive position, the Fund may not achieve its investment objective. Furthermore, to the extent that a 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.

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

#### **PORTFOLIO HOLDINGS**

A description of the Funds' 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](http://www.advisorshares.com). Each Fund's daily portfolio holdings information also is available on the Trust's website.

#### **MANAGEMENT OF THE FUNDS**

##### **INVESTMENT ADVISOR**

AdvisorShares Investments, LLC, located at 4800 Montgomery Lane, Suite 150, Bethesda, Maryland 20814, serves as investment advisor of the Funds. As of September 30, 2018, the Advisor had approximately \$794 million in assets under management.

The Advisor continuously reviews, supervises, and administers the Funds' investment program. In particular, the Advisor provides investment and operational oversight of the Sub-Advisor. The Board supervises the Advisor and establishes policies that the Advisor must follow in its day-to-day management activities. Pursuant to an investment advisory agreement between the Trust and the Advisor, the Advisor is entitled to receive an annual advisory fee of 0.80% based on the average daily net assets of the AdvisorShares Madrona Domestic ETF, 0.80% based on the average daily net assets of the AdvisorShares Madrona International ETF, and 0.50% based on the average daily net assets of the AdvisorShares Madrona Global Bond ETF. The Advisor pays the Sub-Advisor out of the advisory fee it receives from each Fund. For the most recent fiscal year, each Fund paid the following amounts to the Advisor after waivers based on its average daily net assets:

<b><u>Fund</u></b>	<b><u>Advisory Fee Paid as a Percentage of Net Assets</u></b>
AdvisorShares Madrona Domestic ETF	0.68%
AdvisorShares Madrona International ETF	0.27%
AdvisorShares Madrona Global Bond ETF	0.23%

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 (i) 1.25% of the AdvisorShares Madrona Domestic ETF's average daily net assets, (ii) 1.25% of the AdvisorShares Madrona International ETF's average daily net assets, and (iii) 0.95% of the AdvisorShares Madrona Global Bond ETF'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 a Fund's total annual operating expenses and its 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 made during the immediately preceding three-year period.

Pursuant to an exemptive order from 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 a Fund. The Prospectus will be supplemented when there is a significant change in a Fund's sub-advisory arrangement.

A discussion regarding the basis for the Board's most recent approval of the Funds' investment advisory agreement is available in the Trust's Semi-Annual Report to Shareholders dated December 31, 2017.

#### **INVESTMENT SUB-ADVISOR**

Madrona Funds, LLC, located at 2911 Bond Street, Suite 200, Everett, Washington 98201, serves as investment sub-advisor to each Fund and is an affiliate of Madrona Financial Services, LLC. The Sub-Advisor is responsible for selecting the Funds' investments in accordance with each Fund's investment objective, policies and restrictions. Madrona Funds, LLC was established in 2010. As of September 30, 2018, the Sub-Advisor had approximately \$63 million in assets under management. Madrona Financial Services, LLC is an independent registered investment advisor, serving a variety of individual and institutional investor accounts and offering comprehensive global investment services.

A discussion regarding the basis for the Board's most recent approval of the Funds' investment sub-advisory agreement is available in the Trust's Semi-Annual Report to Shareholders dated December 31, 2017.

#### **PORTFOLIO MANAGERS**

The following portfolio managers are primarily responsible for the day-to-day management of the Funds.

##### **Brian K. Evans, CPA/PFS, *Founder, Managing Member, and Portfolio Manager***

Mr. Evans founded the Sub-Advisor in September 2010. He is primarily responsible for operational management as well as implementation and development of investment strategies for the Sub-Advisor. Mr. Evans is also President and owner of Bauer Evans, Inc. P.S. ("Bauer Evans") and has been a CPA since 1986. Bauer Evans is a full service CPA firm offering estate and trust planning, broad based business consulting, tax compliance and planning, reviewed and compiled financial statements for non-profits, for profits, and retirement plans, complete back office accounting solutions, and consultation services on real estate tax and investment opportunities. Mr. Evans is also principal and owner of Madrona Financial Services, LLC (previously BondStreet Wealth Management, LLC). Madrona Financial Services, LLC is an SEC-registered investment advisor offering comprehensive global investment services. Madrona Financial Services, LLC's staff manages approximately \$180 million of client assets. As the key financial advisor for Madrona Financial Services, LLC, Mr. Evans holds a personal financial specialist accreditation, which covers investments, retirement planning, income tax, estates and trusts, and insurance planning. Mr. Evans is responsible for analyzing investments in the world's markets to create client portfolios. He is nationally published in The Black Book on Personal Finance on his progressive global targeted asset allocation strategy.

##### **Robert W. Bauer, CPA, *Member and Portfolio Manager***

Mr. Bauer has been a member and portfolio manager of the Sub-Advisor since its inception in September 2010. He is primarily responsible for the implementation and development of investment strategies for the Sub-Advisor. Mr. Bauer attended the University of Washington and received a B.A. in Political Science, and he later completed graduate-level coursework in business, taxation, special education and broadcast journalism at Seattle University, Golden Gate University and the University of Washington. After various jobs in teaching, banking and the restaurant industry, Mr. Bauer settled on a career in public accounting and, 13 years later, started his own CPA firm, which later became Bauer Evans when Mr. Evans joined him. Through Mr. Bauer's experience as a CPA, he has attained many years of experience in business valuation and has been engaged as a business valuation expert witness in multiple litigation cases. Mr. Bauer also holds his Series 65 license as an investment advisor representative for Madrona Financial Services, LLC.

**Kristi R. Henderson, CPA/PFS, Member and Portfolio Manager**

Ms. Henderson has been a member and portfolio manager of the Sub-Advisor since its inception in September 2010. She is primarily responsible for the implementation and development of investment strategies for the Sub-Advisor. Ms. Henderson decided to pursue a career in accounting and investment advisory after an internship at Bauer Evans in 2005. As an Academic All-American nominee for the University of Oregon softball team, Ms. Henderson graduated with honors in June 2007 and received a degree in Accounting while also taking numerous finance classes. She holds a Series 65 license as an investment advisor representative for Madrona Financial Services, LLC, where she helped create securities trades, ran the performance software and performed various other duties. Ms. Henderson has worked at Bauer Evans since October 2007, where she focuses on a full complement of CPA services, including income tax planning and preparation, various levels of financial statement engagements, and services for individuals, corporations, limited liability companies, trusts and non-profits.

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

**OTHER SERVICE PROVIDERS**

Foreside Fund Services, LLC (the "Distributor") is the principal underwriter and distributor of the Funds' 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. ("FINRA"). The Distributor is not affiliated with the Advisor, Sub-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 Funds.

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

Tait, Weller & Baker LLP, located at 1818 Market Street, Philadelphia, Pennsylvania 19103, serves as the Funds' independent registered public accounting firm. The independent registered public accounting firm is responsible for auditing the annual financial statements of the Funds.

**SHAREHOLDER INFORMATION**

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**CALCULATING NET ASSET VALUE**

The Funds calculate 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 Funds calculate NAV once each business day as of the regularly scheduled close of normal trading on the New York Stock Exchange, LLC (the "NYSE") (normally 4:00 p.m. Eastern Time). The NYSE is typically closed on weekends and most national holidays.

In calculating NAV, each Fund generally values its portfolio investments at market prices. If market prices are unavailable or a Fund thinks that they are unreliable, or when the value of a security has been materially affected by events occurring after the relevant market closes, the Funds will price those securities at fair value as determined in good faith using methods approved by the Board. Because the Funds invest primarily in U.S.-traded securities with readily available pricing, it is expected that there would be limited circumstances in which a 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 security 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 security might actually trade if a reliable market price were readily available.

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

### **SHARE TRADING PRICES**

The price of each Fund's shares is based on market price, which may differ from a Fund's daily NAV per share and can be affected by market forces of supply and demand, economic conditions and other factors. The Exchange intends to disseminate the approximate value (also known as the "indicative optimized portfolio value" or IOPV) of the portfolio underlying a share of a Fund every fifteen seconds. This approximate value should not be viewed as a "real-time" update of the NAV per share of a Fund because the approximate value may not be calculated in the same manner as the NAV per share, which is computed once per day. The approximate value generally is determined by using current market quotations, price quotations obtained from broker-dealers that may trade in the securities and instruments held by a Fund, and/or amortized cost for securities with remaining maturities of 60 days or less, based on securities and/or cash as reflected in the basket for a Creation Unit. If applicable, each approximate value also reflects changes in currency exchange rates between the U.S. dollar and the applicable currency. The approximate value is based on applicable quotes or closing prices from the securities' local market and may not reflect events that occur subsequent to the local market's close. The approximate value does not necessarily reflect the precise composition of the current portfolio of securities held by a Fund at a particular point in time (*e.g.*, the securities in the basket for a Creation Unit may include securities that are not part of the Fund's portfolio) or the precise valuation of the current portfolio. The Funds are not involved in, or responsible for, the calculation or dissemination of such values and makes no warranty as to their accuracy.

### **PREMIUM/DISCOUNT INFORMATION**

Information showing the number of days that the market price of a 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 Funds' website at <http://www.advisorshares.com>.

### **DIVIDENDS AND DISTRIBUTIONS**

The Funds pay out dividends and distributes its net capital gains, if any, to shareholders at least annually.

### **ACTIVE INVESTORS AND MARKET TIMING**

Shares of each 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 a 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 Funds' 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 Funds' shares because a 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. Direct trading by Authorized Participants is critical to ensuring that the Funds' shares trade at or close to NAV. The Funds also impose transaction fees on such Creation Unit transactions that are designed to offset the Funds' transfer and other transaction costs associated with the issuance and redemption of the Creation Unit shares.

### **BOOK-ENTRY**

Shares of each Fund are held in book-entry form, which means that no stock certificates are issued. DTC, or its nominee, is the record owner of all outstanding shares of the Funds and is recognized as the owner of all shares.



Investors owning shares of a 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 A FUND**

For more information on how to buy and sell shares of a Fund, call the Trust at 877.843.3831 or visit the Funds’ website at [www.advisorshares.com](http://www.advisorshares.com).

### **DISTRIBUTION PLAN**

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The Funds have adopted a Distribution Plan pursuant to Rule 12b-1 under the 1940 Act that allows each Fund to pay distribution fees to the Distributor and other firms that provide distribution services. The Funds 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 Funds; 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 Funds will notify investors by adding disclosure to the Funds’ website and in the Funds’ Prospectus. Any distribution fees will be approved by the Board.

### **ADDITIONAL TAX INFORMATION**

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The following is a summary of some important tax issues that affect the Funds and their 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 accounts. More information about taxes is located in the SAI.

Recently enacted tax legislation commonly referred to as the Tax Cuts and Jobs Act (the “Tax Act”) makes significant changes to the U.S. federal income tax rules for taxation of individuals and corporations, generally effective for taxable years beginning after December 31, 2017. Many of the changes applicable to individuals are temporary and would apply only to taxable years beginning after December 31, 2017 and before January 1, 2026. There are only minor changes with respect to the specific rules only applicable to a regulated investment company, such as the Funds. The Tax Act, however, makes numerous other changes to the tax rules that may affect shareholders and the Funds. You are urged to consult with your own tax advisor regarding how the Tax Act affects your investment in a Fund.

***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 Funds**

Each Fund is treated as a separate entity for U.S. federal income tax purposes and intends to qualify for the special tax treatment afforded to RICs under the Internal Revenue Code of 1986, as amended (the “Internal Revenue Code”). As long as a Fund qualifies for treatment as a RIC, it pays no federal income tax on the earnings it timely distributes to shareholders. However, a 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

### **Tax Status of Distributions**

- Each Fund intends to distribute, at least annually, substantially all of its net investment income and net capital gains income.
- The income dividends you receive from a Fund will be taxed as either ordinary income or “qualified dividend income.” For non-corporate shareholders, dividends reported by a 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. In general, dividends received by a Fund from an ETP taxable as a RIC may be distributed and reported as qualified dividend income by the Fund to the extent the dividend distributions distributed and reported as qualified dividend income by the ETP. Certain of the Funds’ investment strategies may limit their ability to report distributions 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 a Fund (directly or in some cases indirectly) from U.S. corporations, subject to certain limitations. Certain of the Funds’ investment strategies may limit their ability to report distributions as eligible for the dividends received deduction.
- Distributions from a Fund’s short-term capital gains are generally taxable as ordinary income. Any distributions of net capital gain (the excess of a Fund’s net long-term capital gains over its net short-term capital losses) that you receive from a 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.
- Distributions paid in January but declared by a 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, each Fund in which you invest (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 a 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.

Although the ETPs in which AdvisorShares Madrona Global Bond ETF invests may invest in municipal bonds the interest on which would be exempt from U.S. federal income tax if received by shareholders directly, distributions from AdvisorShares Madrona Global Bond ETF, if any, attributable to that interest are not expected to be exempt from U.S. federal income tax.

### **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.

### **Derivatives and Complex Securities**

ETPs in which AdvisorShares Madrona Global Bond ETF invests may invest in complex securities. These investments may be subject to numerous special and complex tax rules. These rules could affect the Fund's or the ETPs in which the AdvisorShares Madrona Global Bond ETF Fund invests that are taxed as RICs ability to qualify as a RIC, affect whether gains and losses recognized by AdvisorShares Madrona Global Bond ETF or the ETPs are treated as ordinary income or loss or capital gain or loss, accelerate the recognition of income to AdvisorShares Madrona Global Bond ETF or the ETPs, cause income or gain to be recognized even though corresponding cash is not received by AdvisorShares Madrona Global Bond ETF or the ETPs and/or defer AdvisorShares Madrona Global Bond ETF's, or the ETPs' ability to recognize losses. In turn, those rules may affect the amount, timing or character of the income distributed by AdvisorShares Madrona Global Bond ETF. Additional information regarding AdvisorShares Madrona Global Bond ETF's and the ETPs' investments in complex securities can be found in the Funds' SAI.

### **Investment in Foreign Securities**

AdvisorShares Madrona International ETF, AdvisorShares Madrona Global Bond ETF and the ETPs in which AdvisorShares Madrona Global Bond ETF invests may be subject to withholding and other taxes imposed by foreign countries on dividends, interest, and other income they may earn from investing in foreign securities, which may reduce the return on such investments. The U.S. has entered into tax treaties with certain foreign countries that may entitle a Fund or the ETPs in which AdvisorShares Madrona Global Bond ETF invests to a reduced rate of, or exemption from, foreign taxes on certain income. The Fund may need to file special claims for refunds to secure the benefits of a reduced rate. The effective rate of foreign tax cannot be determined in advance because the amount of a Fund's assets to be invested within various countries is not known. In addition, investments by those Funds or the ETPs in foreign currencies may increase or accelerate those Funds' recognition of ordinary income and may affect the timing or amount of those Funds' distributions. If as of the close of a taxable year more than 50% of the total assets of the AdvisorShares Madrona International ETF or AdvisorShares Madrona Global Bond ETF consist of stock or securities of foreign corporations then such Fund(s) may elect to "pass through" to investors the amount of foreign income and similar taxes (including withholding taxes) paid by the Fund during that taxable year. If a Fund elects to "pass through" such foreign taxes, then investors will be considered to have received as additional income their respective shares of such foreign taxes, but may be entitled to either a corresponding tax deduction in calculating taxable income, or, subject to certain limitations, a credit in calculating federal income tax.

### **Medicare Tax**

U.S. individuals with income exceeding certain thresholds are subject to a 3.8% Medicare contribution tax on all or a portion of their "net investment income," including interest, dividends (but not any exempt-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 Funds' 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 Funds 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.

### **Backup Withholding**

Each Fund 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.

Each 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. Each Fund also has the right to require information necessary to determine beneficial share ownership for purposes of the 80% determination. If a 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.

A 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. A Fund may be required to sell portfolio securities in order to obtain the cash needed to distribute redemption proceeds. This may cause such 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, a 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 Funds. 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 Funds under all tax laws applicable to you.

#### **FINANCIAL HIGHLIGHTS**

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The financial highlights table is intended to help you understand the Funds' financial performance for the past five years. Certain information reflects financial results for a single Fund share. The total returns in the table represent the rate that an investor would have earned or lost, on an investment in a Fund (assuming reinvestment of all dividends and distributions). This information has been derived from the financial statements audited by Tait, Weller & Baker LLP, an independent registered public accounting firm, whose report, along with the Funds' financial statements, are included in the Funds' Annual Report, which is available upon request.

ADVISORSHARES TRUST — ADVISORSHARES MADRONA DOMESTIC ETF

**Financial Highlights**

	<u>Year ended</u> <u>June 30, 2018</u>	<u>Year ended</u> <u>June 30, 2017</u>	<u>Year ended</u> <u>June 30, 2016</u>	<u>Year ended</u> <u>June 30, 2015</u>	<u>Year ended</u> <u>June 30, 2014</u>
Selected Data for a Share of Capital Stock Outstanding					
Net Asset Value, Beginning of Year/Period	<u>\$48.61</u>	<u>\$40.66</u>	<u>\$43.55</u>	<u>\$41.26</u>	<u>\$32.34</u>
<b>Investment Operations</b>					
Net Investment Income (Loss) <sup>(1)</sup>	0.24	0.21	0.23	0.13	0.11
Net Realized and Unrealized Gain (Loss)	<u>4.50</u>	<u>8.04</u>	<u>(2.97)</u>	<u>2.30</u>	<u>8.91</u>
Distributions of Net Realized Gains by other investment companies	---	<u>0.00</u> <sup>(2)</sup>	---	---	---
Net Increase (Decrease) in Net Assets Resulting from Investment Operations <sup>(3)</sup>	<u>4.74</u>	<u>8.25</u>	<u>(2.74)</u>	<u>2.43</u>	<u>9.02</u>
Distributions from Net Investment Income	(0.18)	(0.30)	(0.15)	(0.14)	(0.10)
Distributions from Realized Capital Gains	---	---	---	---	---
Total Distributions	<u>(0.18)</u>	<u>(0.30)</u>	<u>(0.15)</u>	<u>(0.14)</u>	<u>(0.10)</u>
Net Asset Value, End of Year/Period	<u>\$53.17</u>	<u>\$48.61</u>	<u>\$40.66</u>	<u>\$43.55</u>	<u>\$41.26</u>
Market Value, End of Year/Period	<u>\$53.19</u>	<u>\$48.62</u>	<u>\$40.67</u>	<u>\$43.55</u>	<u>\$41.26</u>
<b>Total Return</b>					
Total Investment Return Based on Net Asset Value <sup>(4)</sup>	9.76%	20.36%	(6.29)%	5.89%	27.93%
Total Investment Return Based on Market Value <sup>(4)</sup>	9.78%	20.36%	(6.26)%	5.89%	27.93%
<b>Ratios/Supplemental Data</b>					
Net Assets, End of Year/Period (000's omitted)	\$30,573	\$26,736	\$27,445	\$31,574	\$24,755
Ratio to Average Net Assets of:					
Expenses, net of expense waivers and reimbursements <sup>(5)</sup>	1.25%	1.25%	1.25%	1.25%	1.25%
Expenses, prior to expense waivers and reimbursements <sup>(5)</sup>	1.37%	1.37%	1.32%	1.37%	1.42%
Net Investment Income (Loss) <sup>(5)</sup>	0.46%	0.48%	0.57%	0.30%	0.31%
Portfolio Turnover Rate <sup>(6)</sup>	53%	62%	53%	15%	14%

<sup>(1)</sup> Based on average shares outstanding.

<sup>(2)</sup> Amount represents less than \$0.005 or 0.005%.

<sup>(3)</sup> The amount shown for a share distribution throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of Fund Shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>(4)</sup> Net asset value total investment return is calculated assuming an initial investment made at the net asset value at the beginning of the period, reinvestment of all dividends and distributions on ex-date, if any, at net asset value during the period, and redemption on the last day of the period. Periods less than one year are not annualized. Market value total return is calculated assuming an initial investment made at the market value at the beginning of the period, reinvestment of all dividends and distributions at market value during the period on pay date, and sale at the market value on the last day of the period.

<sup>(5)</sup> Ratios of periods of less than one year have been annualized. Excludes expenses incurred by the underlying investments in other funds.

<sup>(6)</sup> Portfolio turnover rate is not annualized and excludes the value of portfolio securities received or delivered as in-kind creations or redemptions of the Fund's capital shares.

ADVISORSHARES TRUST — ADVISORSHARES MADRONA INTERNATIONAL ETF

**Financial Highlights**

	<u>Year ended June 30, 2018</u>	<u>Year ended June 30, 2017</u>	<u>Year ended June 30, 2016</u>	<u>Year ended June 30, 2015</u>	<u>Year ended June 30, 2014</u>
Selected Data for a Share of Capital Stock Outstanding					
Net Asset Value, Beginning of Year/Period	<u>\$27.26</u>	<u>\$22.56</u>	<u>\$27.66</u>	<u>\$29.66</u>	<u>\$23.97</u>
<b>Investment Operations</b>					
Net Investment Income (Loss) <sup>(1)</sup>	0.46	0.36	0.41	0.39	0.41
Net Realized and Unrealized Gain (Loss)	2.91	4.85	(5.17)	(1.92)	5.77
Distributions of Net realized Gains by other investment companies	---	<u>0.00<sup>(2)</sup></u>	---	---	---
Net Increase (Decrease) in Net Assets Resulting from Investment Operations <sup>(3)</sup>	<u>3.37</u>	<u>5.21</u>	<u>(4.76)</u>	<u>(1.53)</u>	<u>6.18</u>
Distributions from Net Investment Income	(0.37)	(0.51)	(0.34)	(0.47)	(0.49)
Distributions from Realized Capital Gains	---	---	---	---	---
Total Distributions	<u>(0.37)</u>	<u>(0.51)</u>	<u>(0.34)</u>	<u>(0.47)</u>	<u>(0.49)</u>
Net Asset Value, End of Year/Period	<u>\$30.26</u>	<u>\$27.26</u>	<u>\$22.56</u>	<u>\$27.66</u>	<u>\$29.66</u>
Market Value, End of Year/Period	<u>\$30.27</u>	<u>\$27.25</u>	<u>\$22.56</u>	<u>\$27.65</u>	<u>\$29.58</u>
<b>Total Return</b>					
Total Investment Return Based on Net Asset Value <sup>(4)</sup>	12.39%	23.36%	(17.32)%	(5.06)%	25.91%
Total Investment Return Based on Market Value <sup>(4)</sup>	12.42%	23.31%	(17.25)%	(4.82)%	25.64%
<b>Ratios/Supplemental Data</b>					
Net Assets, End of Year/Period (000's omitted)	\$13,619	\$10,902	\$ 14,662	\$19,365	\$19,279
Ratio to Average Net Assets of:					
Expenses, net of expense waivers and reimbursements <sup>(5)</sup>	1.25%	1.25%	1.25%	1.25%	1.25%
Expenses, prior to expense waivers and reimbursements <sup>(5)</sup>	1.78%	1.80%	1.62%	1.69%	1.55%
Net Investment Income (Loss) <sup>(5)</sup>	1.51%	1.43%	1.69%	1.41%	1.48%
Portfolio Turnover Rate <sup>(6)</sup>	78%	186%	196%	85%	182%

<sup>(1)</sup> Based on average shares outstanding.

<sup>(2)</sup> Amount represents less than \$0.005 or 0.005%.

<sup>(3)</sup> The amount shown for a share distribution throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of Fund Shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>(4)</sup> Net asset value total investment return is calculated assuming an initial investment made at the net asset value at the beginning of the period, reinvestment of all dividends and distributions on ex-date, if any, at net asset value during the period, and redemption on the last day of the period. Periods less than one year are not annualized. Market value total return is calculated assuming an initial investment made at the market value at the beginning of the period, reinvestment of all dividends and distributions at market value during the period on pay date, and sale at the market value on the last day of the period.

<sup>(5)</sup> Ratios of periods of less than one year have been annualized. Excludes expenses incurred by the underlying investments in other funds.

<sup>(6)</sup> Portfolio turnover rate is not annualized and excludes the value of portfolio securities received or delivered as in-kind creations or redemptions of the Fund's capital shares.

ADVISORSHARES TRUST — ADVISORSHARES MADRONA GLOBAL BOND ETF

**Financial Highlights**

	<u>Year ended June 30, 2018</u>	<u>Year ended June 30, 2017</u>	<u>Year ended June 30, 2016</u>	<u>Year ended June 30, 2015</u>	<u>Year ended June 30, 2014</u>
Selected Data for a Share of Capital Stock Outstanding					
Net Asset Value, Beginning of Year/Period	<u>\$25.88</u>	<u>\$25.61</u>	<u>\$24.97</u>	<u>\$26.36</u>	<u>\$25.05</u>
<b>Investment Operations</b>					
Net Investment Income (Loss) <sup>(1)</sup>	0.90	0.81	0.75	0.74	0.86
Net Realized and Unrealized Gain (Loss)	(0.50)	0.25	0.59	(1.39)	1.30
Distributions of Net Realized Gains by other investment companies	<u>---</u>	<u>0.01</u>	<u>0.06</u>	<u>0.04</u>	<u>---</u>
Net Increase (Decrease) in Net Assets Resulting from Investment Operations <sup>(2)</sup>	<u>0.40</u>	<u>1.07</u>	<u>1.40</u>	<u>(0.61)</u>	<u>2.16</u>
Distributions from Net Investment Income	(0.89)	(0.80)	(0.76)	(0.78)	(0.85)
Distributions from Realized Capital Gains	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Total Distributions	<u>(0.89)</u>	<u>(0.80)</u>	<u>(0.76)</u>	<u>(0.78)</u>	<u>(0.85)</u>
Net Asset Value, End of Year/Period	<u>\$25.39</u>	<u>\$25.88</u>	<u>\$25.61</u>	<u>\$24.97</u>	<u>\$26.36</u>
Market Value, End of Year/Period	<u>\$25.38</u>	<u>\$25.89</u>	<u>\$25.62</u>	<u>\$24.96</u>	<u>\$26.42</u>
<b>Total Return</b>					
Total Investment Return Based on Net Asset Value <sup>(3)</sup>	1.55%	4.23%	5.76%	(2.37)%	8.80%
Total Investment Return Based on Market Value <sup>(3)</sup>	1.47%	4.24%	5.84%	(2.63)%	9.44%
<b>Ratios/Supplemental Data</b>					
Net Assets, End of Year/Period (000's omitted)	\$18,405	\$17,466	\$20,488	\$28,096	\$24,383
Ratio to Average Net Assets of:					
Expenses, net of expense waivers and reimbursements <sup>(4)</sup>	0.95%	0.95%	0.95%	0.95%	0.95%
Expenses, prior to expense waivers and reimbursements <sup>(4)</sup>	1.22%	1.20%	1.05%	0.99%	1.07%
Net Investment Income (Loss) <sup>(4)</sup>	3.47%	3.15%	3.01%	2.88%	3.36%
Portfolio Turnover Rate <sup>(5)</sup>	39%	21%	24%	34%	20%

<sup>(1)</sup> Based on average shares outstanding.

<sup>(2)</sup> The amount shown for a share distribution throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of Fund Shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>(3)</sup> Net asset value total investment return is calculated assuming an initial investment made at the net asset value at the beginning of the period, reinvestment of all dividends and distributions on ex-date, if any, at net asset value during the period, and redemption on the last day of the period. Periods less than one year are not annualized. Market value total return is calculated assuming an initial investment made at the market value at the beginning of the period, reinvestment of all dividends and distributions at market value during the period on pay date, and sale at the market value on the last day of the period.

<sup>(4)</sup> Ratios of periods of less than one year have been annualized. Excludes expenses incurred by the underlying investments in other funds.

<sup>(5)</sup> Portfolio turnover rate is not annualized and excludes the value of portfolio securities received or delivered as in-kind creations or redemptions of the Fund's capital shares.

**ADVISORSHARES MADRONA DOMESTIC ETF  
ADVISORSHARES MADRONA INTERNATIONAL ETF  
ADVISORSHARES MADRONA GLOBAL BOND ETF**

Advisor	<b>AdvisorShares Investments, LLC</b> 4800 Montgomery Lane, Suite 150 Bethesda, Maryland 20814
Sub-Advisor	<b>Madrona Funds, LLC</b> 2911 Bond Street, Suite 200 Everett, Washington 98201
Distributor	<b>Foreside Fund Services, LLC</b> Three Canal Plaza, Suite 100 Portland, Maine 04101
Legal Counsel	<b>Morgan, Lewis &amp; Bockius LLP</b> 1111 Pennsylvania Avenue, N.W. Washington, D.C. 20004
Administrator, Custodian & Transfer Agent	<b>The Bank of New York Mellon</b> 240 Greenwich Street New York, New York 10286

**ADDITIONAL INFORMATION**

*Additional and more detailed information about the Funds are included in the Funds' 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 by mail, upon payment of a duplication fee, by emailing the SEC at [publicinfo@sec.gov](mailto:publicinfo@sec.gov).*

*You may obtain a copy of the SAI or the Annual or Semi-Annual Reports without charge by calling 877.843.3831, visiting the website at [www.advisorshares.com](http://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 Annual and Semi-Annual Reports. Also in a Fund's Annual Report, you will find a discussion of the market conditions and investment strategies that significantly affected a 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 Funds in any jurisdiction where such an offering is not lawful.***

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