

**ACT**

## The AdvisorShares Vice ETF

The AdvisorShares Vice ETF (Ticker: ACT) seeks long-term capital appreciation by investing primarily in U.S. equities, including common and preferred stock, and internationally through American depositary receipts (ADRs) of companies related to alcohol, cannabis and tobacco.

ACT employs a fundamental approach to select equities for its underlying portfolio, which focuses on consistent, steady growth coupled with a value overlay that seeks the significant upside of certain emerging companies. The portfolio manager believes that companies associated with alcohol and tobacco products can deliver investment growth through more predictable investment returns complemented by the high-growth potential of emerging cannabis-related companies.

### Investment Process

#### 1. Investable Universe

- Universe of equities related to alcohol, cannabis and tobacco companies
- U.S. exchange-listed equity securities including common and preferred stock, and American depositary receipts (ADRs)

#### 2. Portfolio Construction

- Employs a fundamental approach, and the portfolio manager identifies companies that have shown consistency in their financial results and earnings quality, as well as strong operating histories and dominant positions in their respective markets
- Screens for emerging companies that possess tremendous upside for growth
- Holdings: typically less than 50 equities, designed to be concentrated on the most relevant securities to the ETF's investment mandate
- Weightings: may range from normally 1% to 6% or more, as determined by the portfolio manager adjusting levels of exposure to companies according to strong fundamentals and long-term upside

#### 3. Risk Management

- ACT may sell or reduce a position size when the portfolio manager believes that a security is overvalued or better investment opportunities become available

#### 4. Rebalancing Methodology

- Portfolio is monitored daily
- Portfolio manager regularly reviews securities on a name by name basis
- Portfolio rebalances may happen at any time based on the manager's assessment of position sizes and tax efficiency
- Securities are added or deleted based on the investment selection and risk management process



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

There is no guarantee that the Fund will achieve its investment objective. An investment in the Fund is subject to risk, including the possible loss of principal amount invested. Cannabis-related companies are subject to various laws and regulations that may differ at the state/local and federal level. These laws and regulations may significantly affect a cannabis-related company's ability to secure financing, impact the market for marijuana industry sales and services, and set limitations on marijuana use, production, transportation, and storage. Companies in the food, beverage and tobacco industry are very competitive and subject to a number of risks. Demographic and product trends, changing consumer preferences, nutritional and health-related concerns, competitive pricing, marketing campaigns, environmental factors, adverse changes in general economic conditions, government regulation, food inspection and processing control, consumer boycotts, risks of product tampering, product liability claims, and the availability and expense of liability insurance can affect the demand for, and success of, such companies' products in the marketplace. For a full summary of the risks please see the prospectus.