

CWS/NYSE Arca

AdvisorShares Focused Equity ETF

The AdvisorShares Focused Equity ETF (NYSE Arca: CWS) seeks long-term capital appreciation by buying and holding high-quality stocks. CWS is managed by Eddy Eifenbein (“Portfolio Manager.”)

The CWS Investment Philosophy

CWS believes that with investing, less is more. Too many investors believe they have to constantly go in out of stocks in the pursuit of outperformance. The CWS philosophy is to select a small group of what CWS believes to be best of breed stocks—buy them and hold through good times and bad.

Selecting the Portfolio

CWS typically owns just 20 stocks, hence the name “focused.” Portfolios are all too often constructed to hold so many stocks as to create the appearance of diversification without any added benefit. CWS is built in the belief that proper diversification can be achieved through a focused approach.

Can CWS stocks be elite?

The Portfolio Manager believes the answer is yes when they are typically very well-run businesses that have a history of demonstrated dominance in their market place, and when they’ve often delivered year after year of rising sales and earnings. CWS also favors stocks that have a track record of increasing their dividends year after year, sometimes for decades.

CWS is also careful to overlay its strategy with a value approach. The Portfolio Manager keeps a close eye on valuation, without chasing the latest fad that happens down Wall Street.

Occasionally stocks do need to be sold. Each year, CWS typically adds and deletes five names to the portfolio. At the start of the year, all the positions in the ETF are adjusted to be equally weighted. What causes a name to be dropped? It can be because the stock has soared to an untenable valuation. Other times, CWS will part ways with a position when the reason for owning it has changed. For example, it completes a major merger or spinoff.

How does CWS find its candidates?

The Portfolio Manager tracks a Watch List of about 70 to 80 names. These are names to “keep an eye on.” The Watch List has companies that have shown themselves to be financially sound with proven managements. Investors can think of the Watch List as the minor leagues for the ETF. If a Watch List stock has dropped down for some transient reason, then it’s a possible candidate to add to the ETF.

Most of the CWS portfolio is in large-cap stocks, but will occasionally go into mid-cap territory to find a compelling bargain. CWS will even go after small-caps if the numbers look right.

CWS won’t play by hunches or simply guess. The Portfolio Manager searches out companies that have proven their success.



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. 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. The prices of equity securities rise and fall daily. These price movements may result from factors affecting individual issuers, industries or the stock market as a whole. 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. There can be no assurance that an active trading market for the Fund's shares will develop or be maintained. In addition, equity markets tend to move in cycles which may cause stock prices to fall over short or extended periods of time. Other Fund risks include market risk, liquidity risk, large cap, mid cap, and small cap risk. Please see prospectus for details regarding risk.