



EDGA & EDGX STOCK EXCHANGES			
Regulatory Information Circular			
Circular Number:	2011-012	Contact:	Jeff Rosenstock
Date:	January 27, 2011	Telephone:	(201) 942-8295

Subject: AdvisorShares Active Bear ETF

Background Information on the Funds

As more fully explained in the Registration Statement (Nos. 811-22110 and 333-157876) for the Trust, the Trust is an open-end management investment company registered under the Investment Company Act of 1940, as amended ("1940 Act").

The Active Bear ETF (the "Fund") seeks capital appreciation through short sales of domestically traded equity securities. The Fund is an actively managed ETF and thus, does not seek to replicate the performance of a specific index, but rather uses an active investment strategy to meet its investment objective. Accordingly, the Sub-Advisor, subject to the oversight of the Advisor and the Board, has discretion on a daily basis to actively manage the Fund's portfolio in accordance with the Fund's investment objective.

According to the Fund's Registration Statement, the Sub-Advisor utilizes a disciplined, consistent investment approach to both security selection and risk management. The Sub Advisor implements a bottom-up, fundamental, research driven security selection process. The Sub-Advisor seeks to achieve its investment objective by short-selling a portfolio of liquid, mid- and large cap U.S. exchange-traded securities, ETFs and ETNs. The Sub-Advisor selects short positions on accordance with quantitative and qualitative measures as described in the Registration Statement.

As described more fully in the Trust's prospectus ("Prospectus") and Statement of Additional Information ("SAI"), the Fund issues and redeems shares on a continuous basis at the net asset value ("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 25,000 shares.

AdvisorShares Investments, LLC is the investment advisor to the Fund. Ranger Alternative Management L.P. ("Ranger") serves as investment sub-advisor for the Trust's Active Bear ETF. Foreside Fund Services, LLC is the distributor for the Fund ("Distributor"). The Bank of New York Mellon Corporation is the administrator, custodian and transfer agent for the Fund. The Fund pays out dividends to shareholders at least annually. The Fund distributes its net capital gains, if any, to shareholders annually.

The Fund is subject to the risks identified in the Prospectus as applicable to the Fund.

The Fund's registration statement describes the various fees and expenses for the Fund's Shares. For a more complete description of the Fund and the underlying portfolio, visit www.advisorshares.com.

Principal Risks

Interested persons are referred to the Prospectus for a description of risks associated with an investment in the Shares. These risks include market risk, fixed income risk, liquidity risk, equity risk, exchange-traded investments risk and short-selling risk. In addition, as noted in the Prospectus, the Shares may trade at market prices that may differ from their NAV. The NAV of the Shares will fluctuate with changes in the market value of the Fund's holdings. The market prices of the Shares will fluctuate in accordance with changes in NAV as well as the supply and demand for the Shares.

Exchange Rules Applicable to Trading in the Shares

The Shares are considered equity securities, thus rendering trading in the Shares subject to the Exchange's existing rules governing the trading of equity securities.

Trading Hours

Trading in the shares on EDGA and EDGX Exchanges (the "Exchanges") is on a UTP basis and is subject to the Exchanges equity trading rules. The shares will trade from 8:00 a.m. until 8:00 p.m. Eastern Time. Members trading the shares during the Extended Market Sessions (Pre-opening and Post-closing sessions) are exposed to the risk of the lack of the calculation or dissemination of underlying index value or intraday indicative value ("IIV"). For certain derivative securities products, an updated underlying index value or IIV may not be calculated or publicly disseminated in the Extended Market hours. Since the underlying index value and IIV are not calculated or widely disseminated during Extended Market hours, an investor who is unable to calculate implied values for certain derivative securities products during Extended Market hours may be at a disadvantage to market professionals.

Trading Halts

The Exchanges will halt trading in the Shares of a Trust in accordance with Exchange Rules 14.1(c)(4). The grounds for a halt under this Rule include a halt by the primary market because it stops trading the Shares and/or a halt because dissemination of the IIV or applicable currency spot price has ceased, or a halt for other regulatory reasons. In addition, the Exchanges will stop trading the Shares of a Trust if the primary market de-lists the Shares.

Suitability

Trading in the Shares on the Exchanges will be subject to the provisions of EDGA and EDGX Exchange Rules 3.7. Members recommending transactions in the Shares to customers should make a determination that the recommendation is suitable for the customer. In addition, members must possess sufficient information to satisfy the "know your customer" obligation that is embedded in Exchange Rules 3.7.

Members also should review FINRA Notice to Members 03-71 for guidance on trading these products. The Notice reminds members of their obligations to: (1) conduct adequate due diligence to understand the features of the product; (2) perform a reasonable-basis suitability

analysis; (3) perform customer-specific suitability analysis in connection with any recommended transactions; (4) provide a balanced disclosure of both the risks and rewards associated with the particular product, especially when selling to retail investors; (5) implement appropriate internal controls; and (6) train registered persons regarding the features, risk and suitability of these products.

Delivery of a Prospectus

Pursuant to federal securities laws, investors purchasing Shares must receive a prospectus prior to or concurrently with the confirmation of a transaction. Investors purchasing Shares directly from the Fund (by delivery of the Deposit Amount) must also receive a prospectus.

Prospectuses may be obtained through the Distributor or on the Fund's website. The Prospectus does not contain all of the information set forth in the registration statement (including the exhibits to the registration statement), parts of which have been omitted in accordance with the rules and regulations of the SEC. For further information about the Fund, please refer to the Trust's registration statement.

Exemptive, Interpretive and No-Action Relief Under Federal Securities Regulations

The SEC Division of Trading and Markets has issued revised Staff Legal Bulletin No. 9 (Revised September 10, 2010) ("Staff Bulletin", available at www.sec.gov, at Staff Legal Bulletins, SLB 9), in which the Division has granted exceptions from certain provisions of Regulation M (Rules 101(c)(4) and 102(d)(4)), under the Securities Exchange Act of 1934 with respect to certain transactions in Shares of actively-managed ETFs. The Fund relies on the exceptions stated in the Staff Bulletin.

The Staff Bulletin states, that (1) the Rule 101(c)(4) exception is available to permit persons who may be deemed to be participating in a distribution of actively managed ETF shares Shares to bid for or purchase such Shares during their participation in a distribution, and (2) the Rule 102(d)(4) exception is available to permit an open-end investment company to redeem actively managed ETF Shares, if the following conditions are met: (i) the Shares are issued by a registered open-end investment company; (ii) the Shares are exchange listed and exchange traded; (iii) the ETF continuously redeems the Shares at net asset value (NAV); (iv) a close alignment between the Shares' secondary market price and the ETF's NAV is expected; (v) on each day the Shares trade, prior to commencement of such trading, the ETF discloses on its website the identities and quantities of the securities and assets held by the ETF which will form the basis of the calculation of the ETF's NAV at the end of such day; (vi) the exchange listing the Shares or other information provider disseminates every 15 seconds throughout the trading day, through the facilities of the Consolidated Tape Association, an amount representing on a per Share basis the sum of the current value of the securities, assets, and cash required to create new Shares (intraday indicative value or IIV); (vii) arbitrageurs are expected to take advantage of price variations between Shares' secondary market price and the ETF's NAV; and (viii) the arbitrage mechanism will be facilitated by the transparency of the ETF's portfolio, the availability of the IIV, the liquidity of the ETF's portfolio securities, the ability to access such securities, and the arbitrageurs' ability to create workable hedges.

In addition, the Staff Bulletin states that the redemption of creation unit sized aggregations of ETF Shares and the receipt of securities in exchange therefore by persons who may be deemed to be participating in a distribution of Shares do not constitute an "attempt to induce any person to bid for or purchase" a covered security during an applicable restricted period for purposes of

Rule 101, but only if the redemptions are not made for the purpose of creating actual, or apparent, active trading in or raising or otherwise affecting the price of Shares or the securities received in exchange for the Shares redeemed.

In addition, the Trust relies on the letter dated January 19, 2011 (January 19, 2011 Letter") to W. John McGuire, Morgan, Lewis & Bockius, LLP, granting exemptive or no-action relief from Section 11(d)(1) of the 1934 Act and Rules 10b-10, 11d1-2, 15c1-5 and 15c1-6 thereunder with respect to the Fund. Members are referred to the January 19, 2011 Letter, available at www.sec.gov, for additional information.

This Regulatory Information Circular is not a statutory Prospectus. Members should consult the Trust's Registration Statement, SAI, Prospectus and the Fund's website for relevant information.

Appendix A

Ticker	Fund Name	Cusip
HDGE	AdvisorShares Active Bear ETF	00768Y883