



EDGA & EDGX STOCK EXCHANGES			
Regulatory Information Circular			
Circular Number:	2011-085	Contact:	Jeff Rosenstock
Date:	June 21, 2011	Telephone:	(201) 942-8295

**Subject: Madrona Forward Domestic ETF
Madrona Forward International ETF
Madrona Forward Global Bond ETF**

Background Information on the Fund

AdvisorShares Trust (the "Trust") is a management investment company registered under the Investment Company Act of 1940, as amended (the "1940 Act"). The Trust consists of several exchange-traded funds (each, a "Fund" and collectively, the "Funds"). This circular refers only to the Funds listed above. The shares of each of the Funds listed above are referred to herein as "Shares." AdvisorShares Investments, LLC (the "Advisor") is the investment adviser for the Funds. Madrona Funds, LLC ("Madrona" or the "Sub-Advisor") is the sub-advisor for the Funds.

Madrona Forward Domestic ETF

The Madrona Forward Domestic ETF (the "Fund") seeks to provide long-term capital appreciation above the capital appreciation of its benchmark, the S&P 500 Index. According to the Fund's Registration Statement, 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 cap relative to its future expected earnings in its analysis of individual securities.

Madrona Forward International ETF

The Madrona Forward 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. According to the Fund's Registration Statement, the Sub-Advisor seeks to achieve the Fund's investment objective by selecting a portfolio primarily composed of American Depositary Receipts ("ADRs") from among the largest issuers of Europe, Australasia and the Far East and Canada. The Fund's portfolio may also include U.S.

traded securities of large-capitalization non-U.S. issuers that provide exposure to certain markets deemed to be emerging markets. 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.

Madrona Forward Global Bond ETF

The Madrona Forward Global Bond ETF (the "Fund") seeks investment results that exceed the price and yield performance of its benchmark, the Barclays Capital Aggregate Bond Index. According to the Fund's Registration Statement, the Sub-Advisor seeks to achieve the Fund's investment objective by selecting a portfolio of fixed income (bond) exchange-traded funds and other exchange-traded products, including but not limited to, exchange-traded notes, exchange-traded currency trusts and exchange-traded commodity pools. The Fund invests in ETFs that provide exposure to at least 12 distinct bond classes, including but not limited to short-term 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 biweekly 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. Each major bond category will have a three percent minimum percentage inclusion in the Fund's portfolio.

AdvisorShares Investments, LLC is the investment advisor to the Funds. Madrona Funds, LLC serves as the investment sub-advisor. Foreside Fund Services, LLC is the distributor for the Funds. The Bank of New York Mellon Corporation is the administrator, custodian and transfer agent for the Funds.

The Funds pay out dividends to shareholders at least annually. The Funds distribute their net capital gains, if any, to shareholders annually.

The Funds are subject to the risks identified in the Prospectus as applicable to the Funds. The Funds' registration statement describes the various fees and expenses for the Funds' Shares. For a more complete description of the Funds and the underlying portfolios, 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 commodities risk, concentration risk, credit risk, currency risk, depositary receipt risk, early closing risk, emerging markets risk, equity risk, exchange-traded investments risk, fixed income risk, foreign investment risk, geographic concentration risk, high yield risk, income risk, interest rate risk, investment risk, large-cap risk, liquidity risk, market risk, trading risk, underlying fund investment risk and the risk that a Fund's return may not match the return of its index for a number of reasons including the incursion by a Fund of operating expenses and costs not applicable to its index. 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 a 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 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 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 Funds' website. The Prospectuses do 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 Funds, 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 Funds rely 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 June 16, 2011 ("June 16, 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 June 16, 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 Funds' website for relevant information.

Appendix A

Ticker	Fund Name	CUSIP
FWDB	Madrona Forward Global Bond ETF	00768Y834
FWDI	Madrona Forward International ETF	00768Y842
FWDD	Madrona Forward Domestic ETF	00768Y859