



# AQR Global Risk Parity UCITS Fund

Factsheet | September 2021

## Key Information

**Share Class:**  
F (EUR)

**Fund Inception Date:**  
30 August 2012

**Share Class Inception Date:**  
9 December 2013

**Fund Size:**  
\$985mm (as of 30 Sep. 2021)

**Domicile:**  
Luxembourg

**ISIN:**  
LU0995954426

**Benchmark:**  
EONIA

**Share Price:**  
130.14 (as of 30 Sep. 2021)

**Number of Holdings:**<sup>1</sup>  
52

**Morningstar® Category:**  
EAA Fund EUR Flexible Allocation - Global

**Minimum Subscription:**  
100k

**Investment Management Fee:**<sup>2</sup>  
0.32%

**Administrative & Operating Fee:**  
0.45% - Expense Cap

**Performance Fee:**  
N/A

**Local Lux Tax:**<sup>3</sup>  
0.01%

## Fund Overview

### Fund Aspects:

Global, long-only and benchmark-agnostic portfolio that seeks to maintain a diversified, risk-balanced portfolio across three main risk exposures: equity risk, nominal interest rate risk and inflation risk.

The Fund is actively managed to maintain a diversified risk exposure across its three main asset categories with over 50 underlying exposures and to keep total portfolio risk as steady as possible.

Seeks to achieve a targeted level of volatility by dynamically sizing notional positions based on forecasts of market risks.

### Fund Objective:

The Fund uses a risk budgeting approach (commonly called "risk parity") to combine a large number of liquid global risk premia into a well-diversified portfolio that seeks to provide higher risk-adjusted returns than traditional beta exposures.

There can be no assurance that the Fund will achieve its investment objective.

### Umbrella Fund:

The Fund is a sub-fund of AQR UCITS Funds, a Luxembourg based UCITS of which the management company is FundRock Management Company S.A.

### Risk Management:

Risk control is built into the portfolio construction process with a focus on maintaining a consistent amount of risk taking.

Portfolio managers, Investment Committee and Risk Management Department actively assess the risk of the Fund.

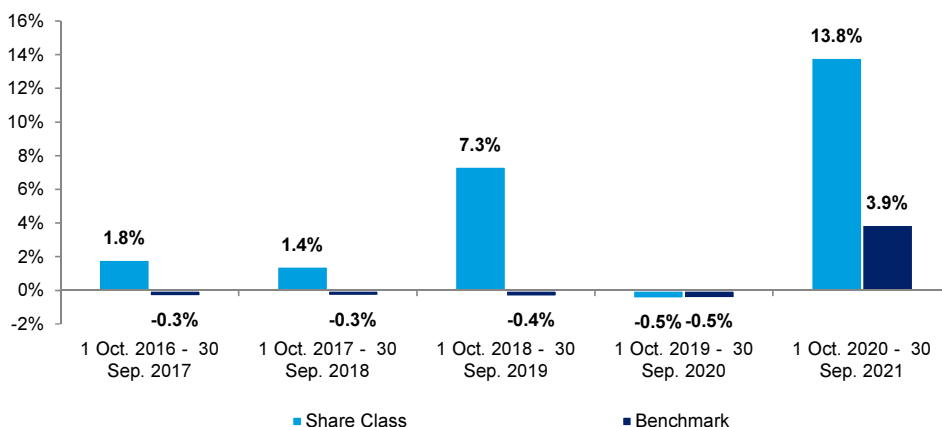
### Risk and Reward Profile:

Calculated using historical data which may not be a reliable indicator of the Fund's future risk profile. See Key Investor Information Document (KIID) for details.



## Share Class Performance (Net) as of 30 Sep. 2021<sup>4</sup>

	Share Class	Benchmark
1 Month	-3.1%	0.0%
3 Months	1.5%	4.3%
YTD	7.5%	4.0%
1 Year	13.8%	3.9%
3 Year	6.7%	1.0%
5 Year	4.7%	0.5%
Since Inception	4.2%	0.3%



<sup>1</sup> Holdings subject to change without notice.

<sup>2</sup> Fees follow a step-down structure. Fees are charged on an investor's net aggregate subscription (subscriptions minus redemptions) vs. a blended weighted average approach.

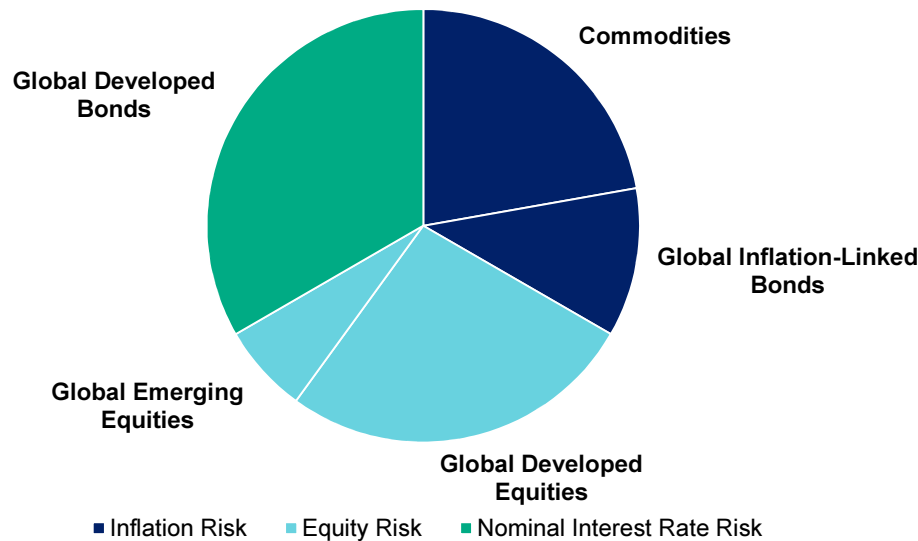
<sup>3</sup> Local Lux Tax per annum of Fund's NAV, payable quarterly.

<sup>4</sup> Source: AQR, Bloomberg. Past performance is not a guarantee of future performance. Returns over one year are annualised. For fees, refer to the Key Information section. Please note this share class is exclusively reserved for seed investors of the Fund as well as to certain strategic investors, subject to discretion of the Board of Directors.

Approved as a Financial Promotion for non-MiFID II regulated activities and for Institutional Investors only.

## Fund Characteristics

### Target Risk Allocation:



Source: AQR. For illustrative purpose only. There is no guarantee that the target risk allocations will be achieved and actual allocations may be significantly different than that shown here. The illustrative allocation above does not represent the actual allocation of any AQR client account, fund or strategy. Please read important disclosures at the end of this document.

## Principal Risks

The use of derivatives, forward and futures contracts, and commodities exposes the Fund to additional risks including increased volatility, lack of liquidity, insolvency and possible losses greater than the Fund's initial investment as well as increased transaction costs. Commodity prices react, among other things, to economic factors such as changing supply and demand relationships, weather conditions and other natural events, all of which may affect your investment.

Diversification does not eliminate the risk of experiencing investment losses.

This Fund is not suitable for all investors. An investor considering the Funds should be able to tolerate potentially wide price fluctuations.

The Fund will invest in bonds, and asset-backed and mortgage backed-securities. There is a liquidity risk with these investments as they cannot always be bought or sold quickly enough to prevent or minimize a loss due to a lack of marketability.

The Fund may invest in less economically developed (known as emerging) markets which can involve greater risks than well developed economies. Amongst other issues, the level of government supervision and market regulation may be less than in more developed economies and could affect the value of your investment. Investment in emerging markets also increases the risk of settlement default.

The Fund may invest in bonds, the value of which depends on the issuer being able to make its payments. There is always a risk that the issuer will fail to do so and this may result in your investment suffering a loss. This risk increases where the Fund invests in bonds which may not be recognised or which are rated below investment grade by major rating agencies or which are backed by more risky assets such as mortgages.

The Funds are subject to high portfolio turnover risk as a result of frequent trading, and thus will incur a higher level of brokerage fees and commissions, and cause a higher level of tax liability to shareholders in the Funds.

The Fund relies upon the performance of the investment manager of the Fund. If the investment manager performs poorly the value of your investment is likely to be adversely affected.

More information in relation to risks in general may be found in the "Risk Factors" section of the prospectus.

## Investment Approach

The Fund uses a risk budgeting approach to combine a large number of liquid, global risk premia into a diversified portfolio, which aims to provide positive total returns. We seek assets that we believe are liquid, provide a positive expected return and some portfolio diversification benefit over the long term. The Fund seeks to balance the allocation of risk across asset classes (as measured by forecasted volatility and other proprietary measures) when building a diversified portfolio. This means that lower-risk asset classes (such as global nominal and inflation-linked government bonds) will generally have higher capital allocations than higher-risk asset classes (such as global developed and emerging market equities). The Fund targets a volatility of 10% and an equal risk allocation from each of the three following major risk sources: equity risk, fixed income risk, and inflation risk, which consists of allocations to commodities and inflation-linked bonds.

### Philosophy - Risk Parity

The Fund's investment thesis is built upon the observations that risk-adjusted returns of traditional asset classes are more similar than they are different and that investing in each market pays off but not necessarily at the same time. This leads to a straightforward conclusion: adding a risk-balanced portfolio to a traditional asset allocation should increase its risk-adjusted return and provide much needed diversification. Additionally, the Fund's approach is based in part on the observation that it is very difficult to predict which asset class will do best (on a risk-adjusted basis) over either short- or long-term horizons. The Fund relies on the continued appreciation of traditional asset classes, diversification and active risk management, which keeps the portfolio diversified across different market environments and the level of portfolio risk in line with investors' risk preferences, to generate returns over the long term. The Fund's risk-balanced approach seeks to allow all asset classes to equally and meaningfully contribute to portfolio risk and return as well as maintain a consistent risk profile and diversification at each point in time. This contrasts with most asset allocation strategies in which the exposure to equities dominates the risk of the portfolio and for which changes in total portfolio risk are often an incidental outcome of changes in market risk. We believe the Fund's approach is a better solution for gaining diversified long-only exposure to various asset classes.

## Portfolio Managers



**Ronen Israel**  
Principal, AQR  
M.S., Columbia University  
B.S., B.A.S., University of Pennsylvania



**John Liew, Ph.D.**  
Founding Principal, AQR  
Ph.D., M.B.A., University of Chicago  
B.A., University of Chicago



**Lars Nielsen**  
Principal, AQR  
M.S., B.S., University of Copenhagen



**Yao Hua Ooi**  
Principal, AQR  
B.S., B.S., University of Pennsylvania



**John Huss**  
Principal, AQR  
S.B., Massachusetts Institute of Technology



**Michael Mendelson**  
Principal, AQR  
M.B.A., UCLA  
S.M., S.B. (3), Massachusetts Institute of Technology

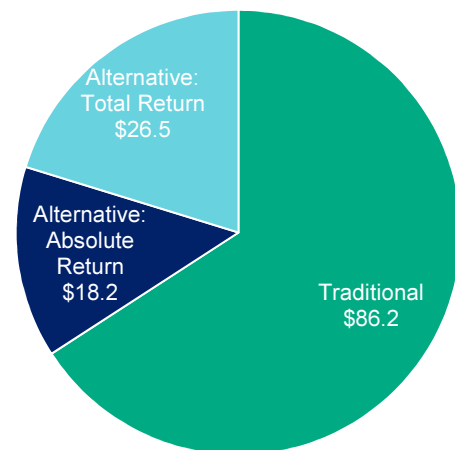
## Company Profile

### At a Glance:

AQR is a global investment management firm dedicated to delivering results for our clients. At the nexus of economics, behavioral finance, data and technology, AQR's evolution over two decades has been a continuous exploration of what drives markets and how it can be applied to client portfolios. The firm is headquartered in Greenwich, Connecticut, with offices in Bangalore, Frankfurt, Hong Kong, London, and Sydney.

### Assets Under Management<sup>5</sup>

**Total Assets: \$130.9bn**



<sup>5</sup> Approximate as of 30 Sep. 2021. Includes assets managed by AQR and its advisory affiliates.

## Disclosures

Please refer to the Prospectus and KIID for more information on general terms, risks and fees. Investors should only invest in the Fund once they have reviewed the Prospectus and KIID, which most recent versions are available free of charge, in English and in your local language at AQR UCITS Funds, c/o HedgeServ (Luxembourg) S.à r.l., 2c, rue Albert Borschette, L-1246 Luxembourg, along with the annual and semi-annual report. Investors may wish to consult an independent financial advisor for personal and specific investment advice before investing. Only the information provided in the Prospectus and the KIID is legally binding. Not all share classes are available for investment in all countries.

Copies of the prospectus, the latest annual or semi-annual report, the articles (each in English) or the KIIDs (in English or German) are available free of charge from the local agent, Marcard, Stein & Co AG, Ballindamm 36, 20095 Hamburg, Germany.

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There is a risk of substantial loss associated with trading commodities, futures, options, derivatives and other financial instruments. Before trading, investors should carefully consider their financial position and risk tolerance to determine if the proposed trading style is appropriate. Investors should realize that when trading futures, commodities, options, derivatives and other financial instruments one could lose the full balance of their account. It is also possible to lose more than the initial deposit when trading derivatives or using leverage. All funds committed to such a trading strategy should be purely risk capital.

Broad-based securities indices are unmanaged and are not subject to fees and expenses typically associated with managed accounts or investment funds. Investments cannot be made directly in an index.

Definition: EONIA (Euro OverNight Index Average) is an effective overnight interest rate computed as a weighted average of all overnight unsecured lending transactions in the interbank market in euros.

Where the benchmark is not being used in reference to the management and/or implementation of the investment policy of the Fund, the referenced benchmark is used for the calculation of performance fees and/or as a point of comparison.

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### Information for Singapore investors:

The offer or invitation of the shares of the Fund, which is the subject of the Prospectus, does not relate to a collective investment scheme which is authorised under section 286 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA") or recognised under section 287 of the SFA. The Fund is not authorised or recognised by the Monetary Authority of Singapore (the "MAS") and the shares are not allowed to be offered to the retail public. Each of the Prospectus and any other document or material issued in connection with the offer or sale is not a prospectus as defined in the SFA. Accordingly, statutory liability under the SFA in relation to the content of prospectuses would not apply. You should consider carefully whether the investment is suitable for you.

The Prospectus has not been registered as a prospectus with the MAS. Accordingly, the Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 304 of the SFA, (ii) to a relevant person pursuant to Section 305(1), or any person pursuant to Section 305(2), and in accordance with the conditions specified in Section 305 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

The Prospectus as well as a summary of investor rights are available in English. The relevant Key Investor Information Document is available in Danish, Dutch,

English, French, German, Icelandic, Italian, Norwegian, Spanish, Swedish. These documents are available at: <https://ucits.aqr.com/>

Please note that the management company may decide to terminate the arrangements made for the marketing of the Fund in any country where it has been registered for marketing.