



# AQR Managed Futures UCITS Fund

Factsheet | May 2020

## Key Information

### Share Class:

E (EUR)

### Fund Inception Date:

1 October 2014

### Share Class Inception Date:

22 July 2015

### Fund Size:

\$597mm (as of 31 May. 2020)

### Domicile:

Luxembourg

### ISIN:

LU1103258437

### Benchmark:

EONIA

### Share Price:

86.63 (as of 31 May. 2020)

### Number of Holdings:<sup>1</sup>

75 (47 Long, 28 Short)

### Currency Pairs:

46

### Morningstar® Category:

EAA Fund Alt - Systematic Futures

### Minimum Subscription:

80mm

### Investment Management Fee:<sup>2</sup>

0.40%

### Administrative & Operating Fee:

0.14%

### Performance Fee:<sup>3</sup>

10.0%

### Local Lux Tax:<sup>4</sup>

0.01%

## Fund Overview

### Fund Aspects:

Global, long/short absolute return portfolio that seeks to efficiently execute an active trend-following strategy across three asset classes: equities, fixed income and currencies.

The Fund emphasizes diversification across several themes:

*Signal Types:* Combines short-term, long-term and overextended signals.

*Investments:* Trades over 80 liquid contract exposures across three major asset classes.

*Risk:* Position sizes are based on risk, allocating more capital to less-risky instruments.

Seeks a targeted level of volatility, utilizing index futures and other liquid derivatives to increase or decrease the notional exposure of the portfolio (generally employs leverage).

The Fund targets 10% annualized volatility.

### Fund Objective:

The Fund seeks to produce attractive risk-adjusted returns while maintaining low-to-zero long-term, average correlation to traditional markets.

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 AQR's portfolio construction process with a focus on downside risk management. Portfolio managers, investment committee and risk management team actively assess the risk of the Fund. The Fund also incorporates a systematic risk reduction procedure overseen by the Risk Manager to mitigate downside risk.

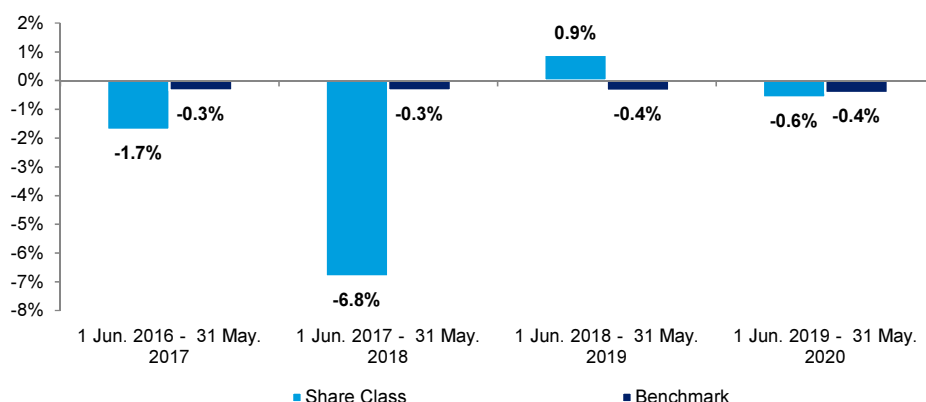
### Risk and Reward Profile:

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 as of 31 May. 2020<sup>5</sup>

|                 | Share Class | Benchmark |
|-----------------|-------------|-----------|
| 1 Month         | -1.7%       | 0.0%      |
| 3 Months        | 3.4%        | -0.1%     |
| YTD             | 0.0%        | -0.2%     |
| 1 Year          | -0.6%       | -0.4%     |
| 3 Year          | -2.2%       | -0.4%     |
| Since Inception | -2.9%       | -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 (subscription minus redemptions) vs. a blended weighted average approach.

<sup>3</sup> Please note performance fees are charged over a cash hurdle measured by the EONIA for this share class.

<sup>4</sup> Local Lux Tax per annum of Fund's NAV, payable quarterly.

<sup>5</sup> Source: AQR, Bloomberg. Past performance is not a guarantee of future performance. Returns over one year are annualised.

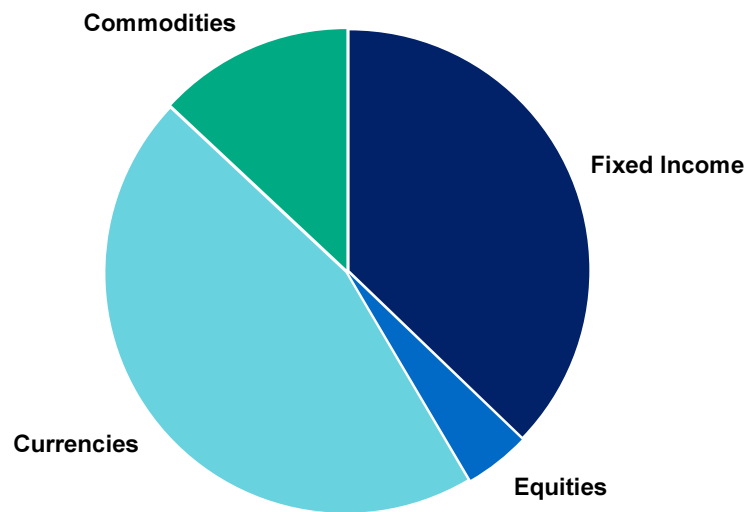
Please note this share class is exclusively reserved for seed investors of the Fund as well as to certain strategic investors, subject to discretion of the Board of Directors.

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

## Fund Characteristics

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### 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

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The use of derivatives, forward and futures contracts and commodities exposes the Fund to additional risks including increased volatility, lack of liquidity and possible losses greater than the Fund's initial investment as well as increased transaction costs. Concentration generally will lead to greater price volatility. This fund enters into a short sale by selling a security it has borrowed. If the market price of a security increases after the Fund borrows the security, the Fund will suffer a potentially unlimited loss when it replaces the borrowed security at the higher price. Short sales also involve transaction and other costs that will reduce potential Fund gains and increase potential Fund losses. Diversification does not eliminate risk.

An investor considering the Funds should be able to tolerate potentially wide price fluctuations. 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 Funds may attempt to increase its income or total return through the use of securities lending, and they may be subject to the possibility of additional loss as a result of this investment technique.

## Investment Approach

The Fund invests in a portfolio of futures contracts and futures-related instruments, utilizing more than 80 contracts across three major asset classes: equities, fixed income and currencies. The Fund can take long or short positions in any of these instruments, and thus seeks to benefit if the price of the underlying instrument rises or falls.

### Trading Strategies

#### Short-Term Trend Strategy

This strategy aims to profit from a number of behavioral biases and market frictions that cause prices to under-react to either good or bad news. These biases present opportunities for the Fund to invest before prices move fully to reflect the change in fundamental value.

#### Long-Term Trend Strategy

This strategy aims to profit from a number of behavioral biases that may cause market participants to overreact.

#### Over-Extended Trend Strategy

This strategy aims to recognize when a trend is over-extended, which can increase the probability that the trend will reverse.

### Trading and Risk Control

#### Trading Cost Management

The Fund employs proprietary portfolio optimization techniques to reduce the costs of trading. Trading is performed by a 24-hour global trading team with extensive expertise in many asset classes. The Fund employs proprietary electronic order placement algorithms to minimize the market impact of trades.

#### Risk Reduction

The Fund's portfolio managers utilize a proprietary risk reduction system engineered to reduce the size of drawdowns.

### Reasons to Invest

Managed Futures as a strategy is built upon sound economic intuition and is backed by extensive research. The strategy has delivered attractive risk-adjusted returns with a low correlation to both equity markets and other hedge fund strategies, historically.

The strategy tends to have positive beta in equity up markets and negative beta in equity down markets, which has contributed to stronger performance during "stress periods".

## Portfolio Managers



**Clifford S. Asness, Ph.D.**  
Managing & Founding  
Principal, AQR  
Ph.D., M.B.A., University of  
Chicago  
B.S., B.S., University of  
Pennsylvania



**Ari Levine**  
Principal, AQR  
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**John Liew, Ph.D.**  
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**Yao Hua Ooi**  
Principal, AQR  
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Pennsylvania

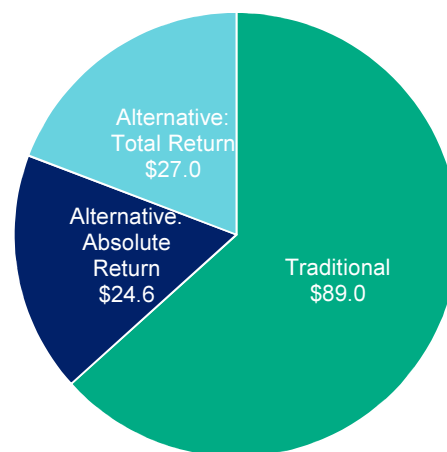
## Company Profile

### 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, Boston, Chicago, Frankfurt, Hong Kong, London, Los Angeles and Sydney.

### Assets Under Management<sup>6</sup>

**Total Assets: \$140.5bn**



<sup>6</sup> Approximate as of 31 May, 2020. Includes assets managed by AQR and its advisory affiliates.

## Disclosures

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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.

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.

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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.

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.

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