# AQR Global Risk Parity UCITS Fund

Factsheet | March 2024

## Key Information

**Share Class:**
D2 (CHF)

**Fund Inception Date:**
30 August 2012

**Share Class Inception Date:**
21 April 2017

**Fund Size:**
$880mm (as of 31 Mar. 2024)

**Domicile:**
Luxembourg

**ISIN:**
LU0995953451

**Index:**
SARON

**Share Price:**
104.89 (as of 31 Mar. 2024)

**Number of Holdings:**[1]
1008

**Morningstar© Category:**
EAA Fund CHF Flexible Allocation

**Minimum Subscription:**
150mm

**Investment Management Fee:**[2]
0.35%

**Administrative & Operating Fee:**
0.09%

**Performance Fee:**
N/A

**Local Lux Tax:**[3]
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.

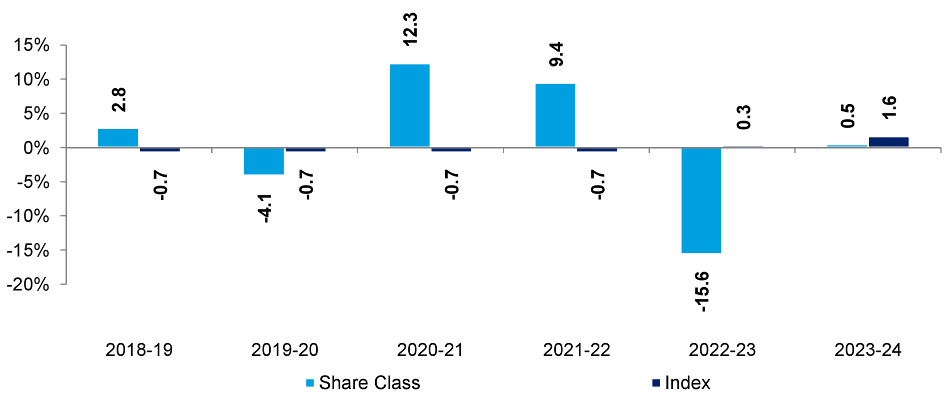
**Risk and Reward Profile:**

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.

**Lower Risk** Potentially Lower Rewards ← 1 2 3 4 **5** 6 7 → **Higher Risk** Potentially Higher Rewards

## Share Class Performance (Net) as of 31 Mar. 2024[4]

| | Share Class | Index[5] |
|---|---|---|
| **1 Month** | 2.5% | 0.1% |
| **3 Months** | 1.1% | 0.4% |
| **YTD** | 1.1% | 0.4% |
| **1 Year** | 0.5% | 1.6% |
| **3 Year** | -2.5% | 0.4% |
| **5 Year** | 0.0% | 0.0% |
| **Since Inception** | 0.7% | -0.2% |



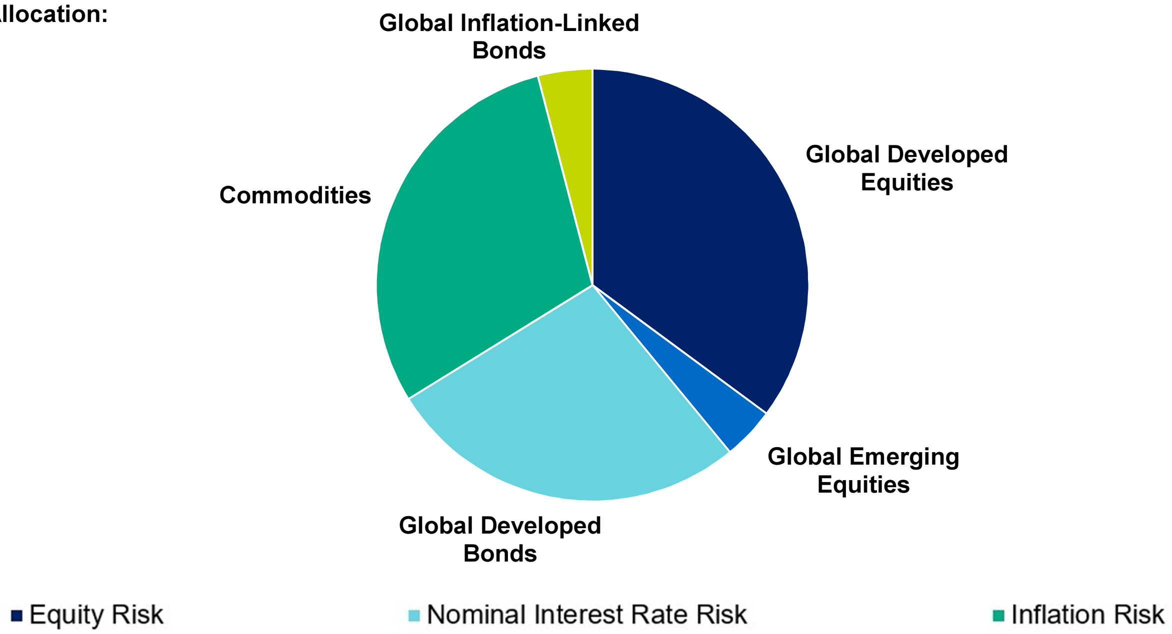

Past performance results in complete 12-month periods (1 April – 31 March)

[1] Holdings subject to change without notice.
[2] 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.
[3] Local Lux Tax per annum of Fund's NAV, payable quarterly.
[4] Source: AQR, Bloomberg. Past performance does not predict future returns. Returns over one year are annualised. For fees, refer to the Key Information section.
[5] The Fund is actively managed. The Index is not being used in reference to the management and/or implementation of the investment policy of the Fund, the referenced Index is used for the calculation of performance fees and/or as a point of comparison only.

**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

Sustainable investing is qualitative and subjective by nature, and there is no guarantee that the environmental, social and governance ("ESG") criteria utilized, judgment exercised, or techniques employed, by AQR will be successful, or that they will reflect the beliefs or values of any one particular investor. Certain information used to evaluate ESG factors or a company's commitment to, or implementation of, responsible practices is obtained through voluntary or third-party reporting, which may not be accurate or complete. ESG investing can limit the investment opportunities available to a portfolio, such as the exclusion of certain securities or issuers for nonfinancial reasons and, therefore, the portfolio may perform differently than or underperform other similar portfolios that do not apply ESG factors.

The Fund is subject to the risk that environmental, social or governance conditions or events may occur that may have a material negative impact on the value of its investments.

The Fund provides exposure to physical goods (known as commodities). Commodity prices react, among other things, to economic factors such as changing supply and demand relationships, weather conditions and other natural events, the agricultural, trade, fiscal, monetary, and other policies of governments and other unforeseeable events all of which may affect your investment.

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 enter into various financial contracts (known as derivatives) with another party. There is a risk that this party may fail to make its payments or become insolvent which may result in the Fund and your investment suffering a loss.

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 Fund may use derivatives in an attempt to reduce risk (hedging) or for investment purposes. It may be that the use of derivatives may not always be successful and cause share prices to fluctuate which may in turn result in loss to the Fund.

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.

Your investment in the Fund is not guaranteed and is at risk. You may lose some or all of your investment.

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.

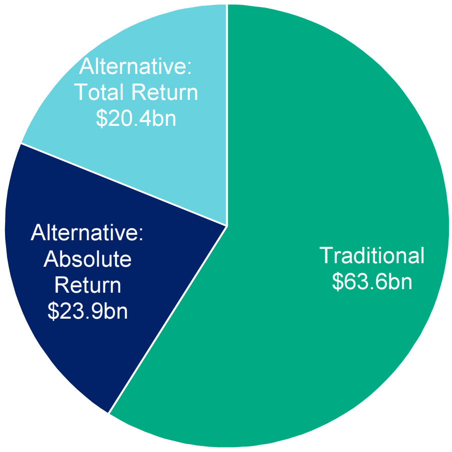
## Company Profile

**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, Dubai, Hong Kong, London, Munich and Sydney.

## Assets Under Management[5]

**Total Assets: $107.9bn**




## Portfolio Managers

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

**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

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

**Jordan Brooks, Ph.D.**
Principal, AQR
B.A., Boston College
Ph.D., M.A., New York University

[5] Approximate as of 31 Mar. 2024. Includes assets managed by AQR and its advisory affiliates.

## Disclosures

This is a marketing communication. Please refer to the Prospectus, KIID and (where applicable) KID for more information on general terms, risks and fees. Investors should only invest in the Fund once they have reviewed the Prospectus, KIID and (where applicable) KID, the most recent versions are available free of charge, in English and in your local language at AQR UCITS Funds, c/o HedgeServ (Luxembourg) 4th Floor, K2 Forte, 2-2a Rue Albert Borschette, L-1246, Luxembourg, along with the annual and semi-annual report and articles (each in English). 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. The Prospectus as well as a summary of investor rights are available in English. The relevant KIID is available in Danish, Dutch, English, French, German, Icelandic, Italian, Norwegian, Spanish, Swedish, and depending upon the specific fund, Greek and Portuguese. These documents are available at: https://ucits.aqr.com/.

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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 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.

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: The SARON represents the overnight interest rate of the secured funding market for Swiss franc (CHF). It is based on transactions and quotes posted in the Swiss repo market, a pivotal part of the Swiss Value Chain.

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.

The fees and charges paid by the Fund will reduce the return on your investment. Certain costs paid by the Fund will be charged in USD and exchange rate fluctuations may cause these costs to increase or decrease when converted into your local currency.



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