# AQR Style Premia UCITS Fund

October 2019

## Fund Objectives and Investment Process

The AQR Style Premia UCITS Fund aims to provide efficient, diversified exposure to four fundamental investment styles - value, momentum, carry and defensive - in a transparent and liquid vehicle with low correlation to traditional asset groups. The strategy pursues exposures to the four styles by constructing diversified, long-short portfolios across stocks/industries, equity indices, bonds, interest rates and currencies.

A style is a disciplined and systematic method of investing that has produced unique long-term positive returns across markets and asset groups. For years, academics and practitioners have been studying markets, trying to identify persistent, systematic sources of return. This has resulted in the identification of classic long-short styles that deliver long-term performance backed by sound economic reasoning across many unrelated asset groups, in different markets, and in out-of-sample tests.

Fund Objectives:

- Seeks to provide efficient, diversified exposure to four fundamental investment styles - value, momentum, carry and defensive
- Seeks very low correlation to traditional asset group returns
- Maintain attractive liquidity characteristics
- Achieve a long-term net Sharpe ratio of at least 0.6 over a full market cycle

(Strategies subject to change at any time.)

**Assets Under Management** (approx. as of 11/01/19)
Estimated Master Fund Net Assets: $2.3 billion

## Realized Style Contributions to Returns

October

| | Stocks & Industries | Equity Indices | Fixed Income | Currencies | Total |
|---|---|---|---|---|---|
| Value | 0.5% | 0.2% | 1.2% | 1.9% | **3.8%** |
| Momentum | -0.3% | -0.2% | -0.3% | -0.8% | **-1.6%** |
| Carry | - | -0.1% | -0.4% | -0.6% | **-1.1%** |
| Defensive | 0.2% | -0.6% | -1.2% | - | **-1.6%** |
| **Total** | **0.4%** | **-0.6%** | **-0.7%** | **0.5%** | **-0.4%** |

4Q19 Qtr-to-Date

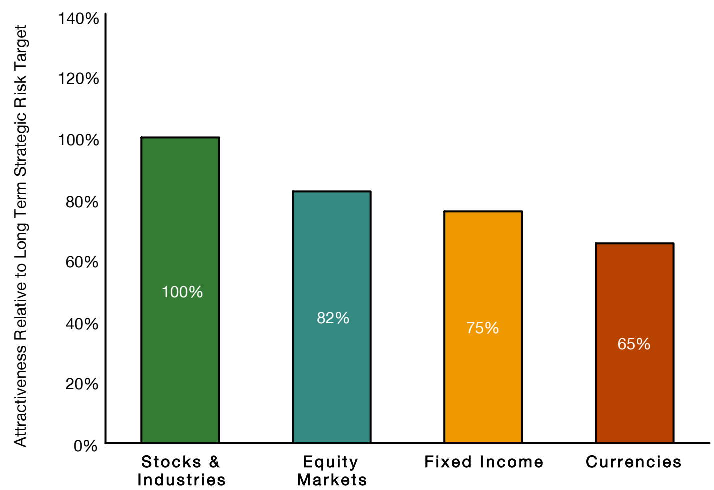
| | Stocks & Industries | Equity Indices | Fixed Income | Currencies | Total |
|---|---|---|---|---|---|
| Value | 0.5% | 0.2% | 1.2% | 1.9% | **3.8%** |
| Momentum | -0.3% | -0.2% | -0.3% | -0.8% | **-1.6%** |
| Carry | - | -0.1% | -0.4% | -0.6% | **-1.1%** |
| Defensive | 0.2% | -0.6% | -1.2% | - | **-1.6%** |
| **Total** | **0.4%** | **-0.6%** | **-0.7%** | **0.5%** | **-0.4%** |

2019 Year-to-Date

| | Stocks & Industries | Equity Indices | Fixed Income | Currencies | Total |
|---|---|---|---|---|---|
| Value | -9.9% | -3.0% | 0.7% | 0.8% | **-11.3%** |
| Momentum | -4.4% | 2.8% | 0.5% | 0.4% | **-0.7%** |
| Carry | - | 0.5% | 0.5% | 1.6% | **2.6%** |
| Defensive | 3.5% | 1.3% | 1.0% | - | **5.8%** |
| **Total** | **-10.8%** | **1.7%** | **2.8%** | **2.8%** | **-3.6%** |

Current month's returns based on gross, unaudited estimates. Returns shown are for the Master Account.

## Asset Class Attractiveness as of November 1, 2019 *




* Attractiveness is based on AQR's estimates and may be subject to change.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## Estimated Exposures Analysis as of November 1, 2019

| | Long Exposure (% of NAV) | Short Exposure (% of NAV) | Total Exposure (% of NAV) |
|---|---|---|---|
| Stocks & Industries | 188% | 164% | 352% |
| Equity Markets | 81% | 69% | 150% |
| Fixed Income | 219% | 162% | 381% |
| Currencies | 62% | 60% | 122% |
| **Total Fund Exposures** | **551%** | **455%** | **1006%** |

## Notes

**Leverage Reporting** To calculate portfolio leverage, the first step is the determination of position-level exposure values for all positions in the portfolio. For non-fixed income exposures, the position-level exposures are the market values (for cash securities positions) or the notional amounts (for derivatives positions). All government bonds, bond futures, swaps on bond futures, interest rate swaps and interest rate futures exposures are reported using the exposure of an equivalent hypothetical position with a duration of 7 years. Corporate bonds exposures are expressed as market values, and credit default swaps exposures are expressed as dirty bond price equivalents. Certain positions that are deemed not to be additive for calculating meaningful portfolio leverage are excluded; these positions include (but are not limited to) repo, cash and cash equivalents, risk overlays, and currency hedges. Some positive and negative position-level exposures may be netted if they meet the criteria defined by AQR's netting rules. After this netting, the portfolio leverage may be expressed as the resultant Long Exposure and Short Exposure, whose absolute values are summed and reported as Total Exposure.

**Available cash (est) 63% (of NAV)** Available cash is cash or cash equivalents that are free to use for any purpose, ie. not used up for collateral, purchases, etc.

**Daily Value at Risk (VaR): 0.9%**

The VaR (Value-at-Risk) shown is for this investment. VaR is estimated from daily portfolio returns over the last seven years of the end of day positions for the fund as of the reporting date. Approximately 5% of the historical days had losses greater than the VaR. Recent dates are weighted more heavily than older dates in this computation. Some assumptions and approximations are necessary to project historical returns, and VaR numbers are interpolated to get to exactly 5%. VaR changes over time, and can increase significantly. Losses much greater than VaR are possible in a day, and larger losses are possible over longer periods. This VaR is a backward-looking risk measure. It is not necessarily AQR's forecast of forward-looking risk.

## Estimated Exposure Breakdown as of November 1, 2019

| | Long Exposure (% of NAV) | Short Exposure (% of NAV) |
|---|---|---|
| **Stocks & Industries Exposures** | | |
| Americas | 107.0% | 94.2% |
| Europe | 47.0% | 35.9% |
| Asia ex-Japan | 7.7% | 7.5% |
| Japan | 26.4% | 26.6% |
| **Total** | **188.0%** | **164.3%** |
| **Equity Markets Exposures** | | |
| Americas | 0.0% | 32.3% |
| Europe | 60.5% | 28.7% |
| Asia ex-Japan | 20.9% | 7.6% |
| Japan | 0.1% | 0.0% |
| **Total** | **81.5%** | **68.6%** |
| **Fixed Income Exposures** | | |
| Americas | 39.1% | 58.4% |
| Europe | 100.3% | 103.9% |
| Asia | 79.6% | 0.0% |
| **Total** | **218.9%** | **162.3%** |
| **Currencies Exposures** | | |
| Asia | 20.1% | 11.3% |
| Europe | 11.0% | 47.2% |
| Latin America | 9.5% | 1.5% |
| Dollar Block ex-U.S. | 21.9% | 0.0% |
| **Total** | **62.4%** | **60.1%** |


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Gross performance results do not reflect the deduction of investment advisory fees, which would reduce an investor's actual return. For example, assume that $1 million is invested in an account with the Firm, and this account achieves a 10% compounded annualized return, gross of fees, for five years. At the end of five years that account would grow to $1,610,510 before the deduction of management fees. Assuming management fees of 1.00% per year are deducted monthly from the account, the value of the account at the end of five years would be $1,532,886 and the annualized rate of return would be 8.92%. For a ten-year period, the ending dollar values before and after fees would be $2,593,742 and $2,349,739, respectively. AQR's asset based fees may range up to 2.85% of assets under management, and are generally billed monthly or quarterly at the commencement of the calendar month or quarter during which AQR will perform the services to which the fees relate. Performance fees are generally equal to 20% of net realized and unrealized profits each year, after restoration of any losses carried forward from prior years. In addition, AQR funds incur expenses (including start-up, legal, accounting, audit, administrative and regulatory expenses) and may have redemption or withdrawal charges up to 2% based on gross redemption or withdrawal proceeds. Please refer to the Fund's Private Offering Memoranda and AQR's ADV Part 2A for more information on fees. Consultants supplied with gross results are to use this data in accordance with SEC, CFTC, NFA or the applicable jurisdiction's guidelines.

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