AQR Style Premia UCITS Fund

Factsheet | January 2024

Key Information

Share Class:
RAE (EUR)

Fund Inception Date:
1 October 2014

Share Class Inception Date:
19 October 2017

Fund Size:
$506mm (as of 31 Jan. 2024)

Domicile:
Luxembourg

ISIN:
LU1662506093

Index:
ESTR

Share Price:
94.68 (as of 31 Jan. 2024)

Number of Holdings:[1]
3594 (1752 Long, 1842 Short)

Morningstar© Category:
EAA Fund Alt - Multistrategy

Minimum Subscription:
10k

Investment Management Fee:
0.60%

Administrative & Operating Fee:[2]
0.20%

Performance Fee:[3]
10.0%

Local Lux Tax:[4]
0.05%

Fund Overview

Fund Aspects:

Global, long/short absolute return portfolio that seeks to efficiently provide diversified exposure to four investment styles:

Value: The tendency for relatively cheap assets to outperform relatively expensive ones.

Momentum: The tendency for an asset's recent relative performance to continue in the near future.

Carry: The tendency for higher-yielding assets to provide higher returns than lower-yielding assets.

Defensive: The tendency for lower-risk and higher-quality assets to generate higher risk-adjusted returns.

The Fund constructs long/short portfolios across stocks/industries, equity indices, bonds, interest rates and currencies.

Fund Objective:

The Fund seeks to produce high risk-adjusted returns while maintaining low-to-zero 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 drawdown control procedure overseen by the Risk Manager to mitigate downside risk.

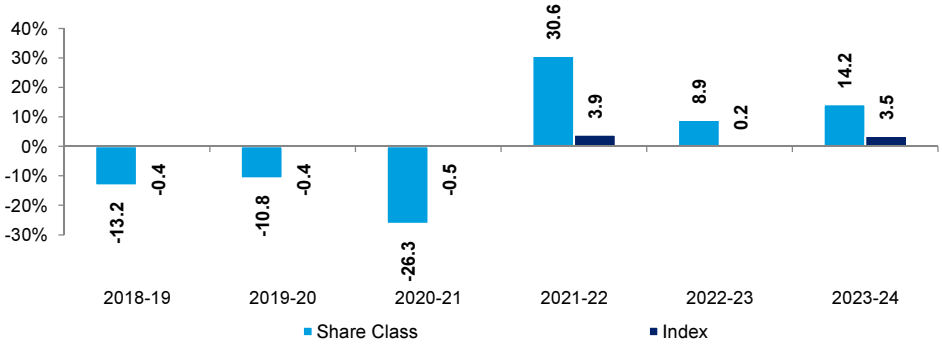
Risk and Reward Profile:

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.

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

Share Class Performance (Net) as of 31 Jan. 2024[7]

	Share Class	Index[8]
1 Month	9.4%	0.4%
3 Months	4.4%	1.0%
YTD	9.4%	0.4%
1 Year	14.2%	3.5%
3 Year	17.6%	2.5%
5 Year	1.3%	1.3%
Since Inception	-0.9%	1.0%

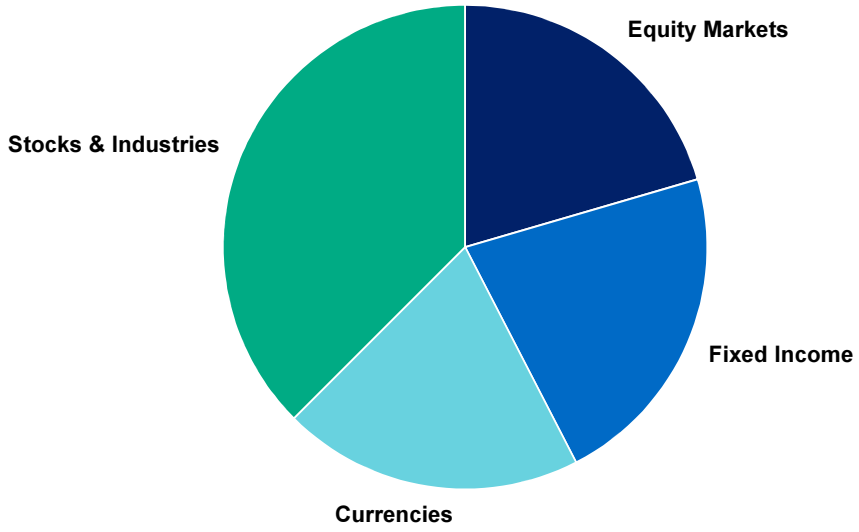


Past performance results in complete 12-month periods (1 February – 31 January)

[1] Holdings subject to change without notice.
[2] Please note this retail share class is clean, meaning it does not include underlying fees for sales or distribution. Additional costs/expenses (including transaction costs) may be incurred by the Fund. Further information in this respect is available from AQR Capital Management LLC on request. 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] Please note performance fees are charged over a cash hurdle measured by the ESTR for this share class.
[4] Local Lux Tax per annum of Fund's NAV, payable quarterly.
[5] A style, or factor, is a systematic investment strategy that has long-term evidence of positive returns in all applicable asset classes and regions. Please refer to the journal article, "Investing with Style," for further information – https://www.aqr.com/Insights/Research/Journal-Article/Investing-With-Style
[6] Please reference page 52 of the Prospectus.
[7] Source: AQR, Bloomberg. Past performance does not predict future returns. The return of your investment may increase or decrease as a result of currency fluctuations if your investment is made in a currency other than that used in the past performance calculation. All fund performance data are on a NAV to NAV basis, net income reinvested. Performance data is unavailable for the time periods with no percentage growth shown. Where a share class is created after the fund's launch date, and has been active for less than a year, a simulated past performance is used, based upon the performance of the fund by converting the gross USD returns into the relevant share class currency and then taking into account the difference in the ongoing charges and including the impact of any performance fees. Returns over one year are annualised. For fees, refer to the Key Information section.
[8] 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.

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 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 unit prices to fluctuate which may in turn result in loss to the Fund.

The Fund is exposed to the currency markets which may be highly volatile. Large price swings can occur in such markets within very short periods and may result in your investment suffering a loss.

The Fund may enter into one or more derivatives with a counterparty. 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 is exposed to concentration risk as it may have increased exposure to a particular asset or reference rate. A fall in value of the asset or reference rate can result in a greater loss to the Fund which may be more than the amount borrowed or invested.

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 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.

[8] Please reference page 52 of the Prospectus

Investment Approach

The Fund seeks to provide investors with truly diversifying returns, at both the strategy and portfolio levels. It is diversified across the four key styles and well-diversified within each style, holding a large number of positions across a range of global markets.

The Fund invests only in highly liquid instruments and those for which there is substantial market data history. In general, the Fund seeks to trade in the most liquid markets. In each asset class, a portfolio is built using a bottom-up systematic process to offer roughly equal exposures across the styles pertinent to that asset class.

Advanced Portfolio Construction

AQR employs several sophisticated techniques to implement a portfolio that both efficiently harvests returns and effectively manages risk.

Diversification: Actively maintained across both styles and across asset classes.

Risk targeting: Targets a consistent level of volatility in changing market conditions.

Style agreement: Allows for the risk levels of asset classes to vary depending on the degree of agreement across styles.

Non-directionality: Allows for hedging should any strategy take on conditional correlations to equity markets.

Efficient execution: Utilizes proprietary, time-tested algorithms to minimize trading costs.

Reasons to Invest

Multi-asset, Multi-style Approach: The Fund employs a market-neutral, long/short strategy across four asset groups and four distinct investment styles. The four styles have delivered consistent long-term performance backed by sound economic reasoning across many unrelated asset classes, in different markets and in out-of-sample tests.

Portfolio Diversification: The Fund seeks to provide long-term returns with a low correlation to traditional asset class returns.

Disciplined and Systematic Investment Process: The Fund employs a transparent method of investing that produces unique long-term positive returns across markets and asset classes.

A Core Alternative Solution: Investors may benefit from the simplicity of a single, balanced, core solution compared to the challenges of picking several single style products.

AQR Advantages

Experience: AQR's experience in identifying style premia in many contexts is unique, with more than 20 years of research in fundamental investment styles.

Acumen: Strong quantitative research team combining some of the best minds of academia and industry.

Breadth and Depth of Team: The Style Premia strategy is managed by a more than 18-member team of portfolio managers and researchers, supported by AQR's global asset allocation, global stock selection, risk management, trading and information technology teams.

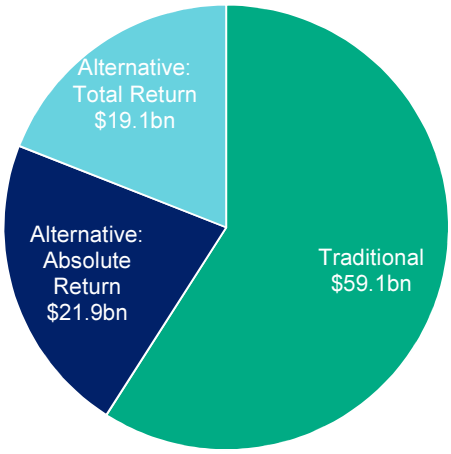
Company Profile

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[11]

Total Assets: $100.0bn



Portfolio Managers



Andrea Frazzini, Ph.D.
Principal, AQR
Ph.D., Yale University
M.S., London School of Economics
B.S., University of Rome III



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



Tobias J. Moskowitz
Principal, AQR
Ph.D., University of California, Los Angeles
M.S., B.S., Purdue University

[9] Past performance is not a guarantee of current or future performance. Please note that changes in the rate of exchange of a currency may affect the value, price or income of an investment.
[10] Investing in styles, or factors, within and across asset classes, that have been proven to generate significant risk-adjusted returns over time. Please refer to the journal article, "Investing with Style," for further information – https://www.aqr.com/Insights/Research/Journal-Article/Investing-With-Style.
[11] Approximate as of 31 Jan. 2024. Includes assets managed by AQR and its advisory affiliates. Past performance is not a guarantee of current or future performance. Our traditional strategies track an industry benchmark, with an expectation of appreciation, absolute return strategies target zero exposure to traditional markets, either at all times, or on average; and total return strategies, maintain some exposure to traditional markets.

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/.

The information set forth herein has been obtained or derived from sources believed by AQR Capital Management, LLC ("AQR") to be reliable. However, AQR does not make any representation or warranty, express or implied, as to the information's accuracy or completeness, nor does AQR recommend that the attached information serve as the basis of any investment decision. This document has been provided to you solely for information purposes and does not constitute an offer or solicitation of an offer, or any advice or recommendation, to purchase any securities or other financial instruments, and may not be construed as such. This document is intended exclusively for the use of the person to whom it has been delivered by AQR and it is not to be reproduced or redistributed to any other person.

This document is not research and should not be treated as research. This document does not represent valuation judgments with respect to any financial instrument, issuer, security or sector that may be described or referenced herein and does not represent a formal or official view of AQR.

The views expressed reflect the current views as of the date hereof and AQR does not undertake to advise you of any changes in the views expressed herein. It should not be assumed that AQR will make investment recommendations in the future that are consistent with the views expressed herein, or use any or all of the techniques or methods of analysis described herein in managing client accounts. AQR and its affiliates may have positions (long or short) or engage in securities transactions that are not consistent with the information and views expressed in this document.

The information contained herein is only as current as of the date indicated, and may be superseded by subsequent market events or for other reasons. Charts and graphs provided herein are for illustrative purposes only. The information in this document has been developed internally and/or obtained from sources believed to be reliable; however AQR does not guarantee the accuracy, adequacy or completeness of such information. Nothing contained herein constitutes investment, legal, tax or other advice nor is it to be relied on in making an investment or other decision.

There can be no assurance that an investment strategy will be successful. This document should not be viewed as a current or past recommendation or a solicitation of an offer to buy or sell any securities or to adopt any investment strategy.

The investment strategy and themes discussed herein may be unsuitable for investors depending on their specific investment objectives and financial situation. Please note that changes in the rate of exchange of a currency may affect the value, price or income of an investment adversely.

No representation or warranty, express or implied, is made or given by or on behalf of AQR or any other person as to the accuracy and completeness or fairness of the information contained in this document, and no responsibility or liability is accepted for any such information.

There is no guarantee, express or implied, that long-term return and/or volatility targets will be achieved. Realized returns and/or volatility may come in higher or lower than expected. Past performance does not predict future returns. Diversification does not eliminate the risk of experiencing investment losses.

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. Investors should note that UCITS funds will not trade in commodities.

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: ESTR is based on actual transactions and reflects the average of the interest rates that banks pay to borrow sterling overnight from other financial institutions.

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.

The Investment Manager is entitled to receive a performance fee in relation to certain share classes of the Fund. Please refer to the prospectus to check if a performance fee is charged on your shares and for further detail of the performance fee calculation method. Where charged, the performance fee is calculated in respect of each twelve-month period ending on 31 March of each year ("Calculation Period"). The performance fee calculation methodology applies a high-on-high model, whereby the performance fee may only be charged if the net asset value per share exceeds the net asset value per share at which the performance fee was last crystallised. The performance fee may only be charged if the cumulative overperformance/(underperformance) since the date at which the performance fee was last crystallised is a positive amount. In other words, the methodology incorporates a "loss carryforward" mechanism, meaning that losses carried forward from a previous Calculation Period will have to be recovered before any performance fee becomes payable. The performance fee amounts to 10% of any increase in value of the share class above the relevant hurdle. Negative performance of the hurdle will not be taken into account in calculating the performance fee. The performance fee is crystallised annually on 31 March, or the date when shares are redeemed. The performance reference period (i.e. the time horizon over which the performance is measured and the loss carryforward mechanism applies) corresponds to the whole life of the share class and cannot be reset. Generally, the performance fee is paid to the Investment Manager within 14 business days of the month end in which crystallisation occurs.

© Morningstar 2024. All rights reserved. Use of this content requires expert knowledge. It is to be used by specialist institutions only. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied, adapted or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information, except where such damages or losses cannot be limited or excluded by law in your jurisdiction. Past financial performance is no guarantee of future results.

Information for United Kingdom investors:

The information set forth herein has been prepared and issued by AQR Capital Management (Europe) LLP, a UK limited liability partnership with its office at Charles House 5-11, Regent St., London, SW1Y 4LR, which is authorised and regulated by the UK Financial Conduct Authority ("FCA"). This factsheet is a financial promotion and has been approved by AQR Capital Management (Europe) LLP.

Information for EEA investors:

AQR in the European Economic Area is AQR Capital Management (Germany) GmbH, a German limited liability company (Gesellschaft mit beschränkter Haftung; "GmbH"), with registered offices at Maximilianstrasse 13, 80539 Munich, authorized and regulated by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, „BaFin"), with offices at Marie-Curie-Str. 24-28, 60439, Frankfurt am Main und Graurheindorfer Str. 108, 53117 Bonn, to provide the services of investment advice (Anlageberatung) and investment broking (Anlagevermittlung) pursuant to the German Securities Institutions Act (Wertpapierinstitutsgesetz; "WpIG"). The Complaint Handling Procedure for clients and prospective clients of AQR in the European

Economic Area can be found here: https://ucits.aqr.com/Legal-and-Regulatory.

Information for Swiss investors:

This document is an advertising document. The Swiss Representative of the Fund is Carnegie Fund Services S.A., 11, rue du Général-Dufour, CH-1204 Geneva, Switzerland, +41 22 705 11 78, Internet: www.carnegie-fund-services.ch. The Swiss Paying Agent of the Fund is Banque Cantonale de Genève, 17, quai de l'Ile, CH-1204 Geneva, Switzerland.

Information for AQR Capital Management (Asia) investors:

This presentation may not be copied, reproduced, republished, posted, transmitted, disclosed, distributed or disseminated, in whole or in part, in any way without the prior written consent of AQR Capital Management (Asia) Limited (together with its affiliates, "AQR") or as required by applicable law. This presentation and the information contained herein are for educational and informational purposes only and do not constitute and should not be construed as an offering of advisory services or as an invitation, inducement or offer to sell or solicitation of an offer to buy any securities, related financial instruments or financial products in any jurisdiction. Investments described herein will involve significant risk factors which will be set out in the offering documents for such investments and are not described in this presentation. The information in this presentation is general only and you should refer to the final private information memorandum for complete information. To the extent of any conflict between this presentation and the private information memorandum, the private information memorandum shall prevail. The contents of this presentation have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution and if you are in any doubt about any of the contents of this presentation, you should obtain independent professional advice.

AQR Capital Management (Asia) Limited is licensed by the Securities and Futures Commission ("SFC") in the Hong Kong Special Administrative Region of the People's Republic of China ("Hong Kong") pursuant to the Securities and Futures Ordinance (Cap 571) (CE no: BHD676).

AQR Capital Management (Asia) Limited

Unit 2023, 20/F, One IFC, 1 Harbour View Street, Central Hong Kong, Hong Kong

Licensed and regulated by the Securities and Futures Commission of Hong Kong (CE no: BHD676).

Information for Singapore investors:

This document does not constitute an offer of any fund which AQR Capital Management, LLC ("AQR") manages. Any fund that this document may relate to and any fund related prospectus that this document may relate to has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of 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 pursuant to Section 304 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA")) or (ii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.