AQR Sustainable Delphi Long-Short Equity UCITS Fund

July 2023

Fund Overview

The AQR Sustainable Delphi Long-Short Equity UCITS Fund seeks to outperform the equity markets over a full cycle with a moderate level of market exposure. The Fund favors low risk, high quality stocks where safety and risk are identified through a variety of indicators including ESG.

The resulting portfolio is a highly diversified long-short global equity portfolio of large and small cap stocks which will dynamically integrate climate, sustainability and ESG considerations through ESG-related alpha signals, active tilting, active and static screening. The portfolio will also be carbon aware seeking negative exposure to fossil fuels and taking into consideration emissions, fossil fuel reserves and revenues from fossil-fuel type sources.

Fund Assets Under Management: $146m

Estimated as of August 1, 2023

Realized Gross Return Analysis in USD

	July Est.	QTD	YTD
Low Beta	-1.7%	-1.7%	-1.4%
Quality	-0.4%	-0.4%	-1.5%
Value	0.8%	0.8%	0.8%
Excess Return	**-1.3%**	**-1.3%**	**-2.2%**
Benchmark	**1.7%**	**1.7%**	**10.7%**
Total Fund	**0.4%**	**0.4%**	**8.5%**

Estimated Exposures Analysis (% of NAV) as of August 1, 2023

	Long Exposure	Short Exposure	Net Exposure
US	157.0%	97.3%	59.7%
Europe	75.1%	51.4%	23.8%
Japan	60.5%	42.5%	18.0%
Australia	5.6%	2.6%	3.0%
Canada	10.0%	5.5%	4.4%
Asia ex-Japan	4.2%	2.1%	2.1%
Total	**312.5%**	**201.4%**	**111.1%**

Individual Equities

	Number of Positions	Exposure (% of NAV)
Long	2,041	312.5%
Short	1,806	201.4%

	Position Name	Position Size
Largest Overweight Positions	Apple Ord Shs	3.67%
	Microsoft Ord Shs	2.60%
	Alphabet Ord Shs Class A	1.77%
	Mizuho Financial Group Ord Shs	1.17%
	Walmart Ord Shs	1.16%
Largest Underweight Positions	Denso Ord Shs	-1.05%
	Nidec Ord Shs	-1.04%
	T&D Holdings Ord Shs	-0.87%
	Tokyo Electric Power Holdings Ord Shs	-0.87%
	Kubota Ord Shs	-0.85%

Estimated Exposures Breakdown (% of NAV) as of August 1, 2023

		Long Exposure	Short Exposure	Net Exposure
MSCI Sector Exposure				
Comm. Services		16.9%	12.1%	4.8%
Consumer Disc.		42.2%	29.4%	12.8%
Consumer Staples		25.2%	11.4%	13.7%
Energy		6.6%	3.6%	3.0%
Financials		40.7%	26.6%	14.1%
Health Care		35.5%	21.8%	13.7%
Industrials		63.3%	42.1%	21.2%
Information Tech		46.4%	21.0%	25.5%
Materials		19.2%	16.3%	2.8%
Real Estate		7.8%	8.3%	-0.4%
Utilities		8.6%	8.8%	-0.2%
Total		**312.5%**	**201.4%**	**111.1%**
Market Cap Exposure				
Lower	Upper			
$0	$500	2.5%	5.0%	-2.6%
$501	$1,000	11.4%	9.6%	1.7%
$1,001	$5,000	63.9%	59.1%	4.8%
$5,001	$10,000	59.4%	49.8%	9.6%
$10,001	$20,000	47.4%	40.4%	7.0%
$20,001		127.9%	37.5%	90.5%
Total		**312.5%**	**201.4%**	**111.1%**

Performance Commentary

The Sustainable Delphi Long-Short Equity UCITS Fund returned 0.4% (gross of fees) in July 2023, underperforming the beta-adjusted benchmark which returned 1.7%. From a thematic perspective, Low Beta and Quality drove losses while Value theme contributed to excess returns during the month.

Source: AQR, Bloomberg. Past performance is not a guarantee of future performance. Current month's returns based on gross, unaudited estimates. Benchmark is 50/50 MSCI World 100% Hedged to USD Net Total Return / T Bills. Returns shown are for the AQR Sustainable Delphi Long-Short Equity UCITS Fund. The exposures above are subject to change at any time.

Portfolio Characteristics

	Long*	Short*
Number of Holdings	2,041	1,806
D/P	2.7	2.6
Debt/EQ	0.8	1.1
Market Beta	0.8	1.0
P/B	2.1	1.5
P/CF	10.2	10.0
P/E (trailing)	15.3	18.5
ROE (5-yr)	20.5	6.3
Specific Risk	0.2	0.3
Total Risk	0.3	0.4

*As of 08/01/2023.
Average P/E ratios of the stocks in the portfolios exclude individual stock earnings-to-price ratios that are negative and the top and bottom 1 percentile of the remaining. Average P/B ratios of the stocks in the portfolios exclude individual stock book-to-price ratios that are negative and the top and bottom 1 percentile of the remaining. Holdings subject to change without notice. Data sources: Compustat, Datastream, Bloomberg, XpressFeed and IBES.

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) 55% (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): 1.2%
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.