



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.

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

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.

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The AQR Delphi Long-Short Equity UCITS Fund underwent a strategy change to become a sustainable fund, and was renamed AQR Sustainable Delphi Long-Short Equity UCITS Fund on February 8, 2021.

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PAST PERFORMANCE IS NOT AN INDICATION OF FUTURE PERFORMANCE.

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.

The exposures above are subject to change at any time.

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.

For further information regarding the risks of investing in the Fund please refer to the Risk and Reward section of the KIID and the section of the Prospectus entitled "Risk Factors."

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There is a risk of substantial loss associated with trading commodities, futures, options and leverage. Before investing carefully consider your financial position and risk tolerance to determine if the proposed trading style is appropriate. Investors should realize that when engaging in leverage, trading futures, commodities and/or granting/writing options one could lose the full balance of their account. It is also possible to lose more than the initial deposit when engaging in leverage, trading futures and/or granting/writing options. All funds committed should be purely risk capital.

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