



# AQR Sustainable Emerging Relaxed Constraint Equity UCITS Fund

Factsheet | March 2024

## Key Information

**Share Class:**  
RAEF (EUR)

**Fund Inception Date:**  
2 May 2019

**Share Class Inception Date:**  
1 March 2021

**Fund Size:**  
\$1361mm (as of 31 Mar. 2024)

**Domicile:**  
Luxembourg

**ISIN:**  
LU1978638978

**Benchmark:**  
MSCI Emerging Markets Total Return Index with Net Dividends Unhedged in EUR

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

**Number of Holdings:**<sup>1</sup>  
451 (as of 31 Mar. 2024)

**Morningstar® Category:**  
Global Large-Cap Blend Equity

**Minimum Subscription:**  
1K

**Investment Management Fee:**<sup>2</sup>  
0.85%

**Administrative & Operating Fee:**<sup>3</sup>  
0.15%

**Local Lux Tax:**  
0.05%

## Fund Overview

### Fund Aspects:

The Fund employs a systematic investment approach to create an emerging market equity portfolio of companies that satisfy sustainable environmental, social, and governance ("Sustainable ESG") criteria. The fund seeks to provide diversified exposure to broad investment themes, including Value, Momentum, Earnings Quality, Stability, Investor Sentiment and Management Signaling, and implements the investment strategy in a relaxed constraint (130% Long and 30% Short) manner. The Fund is actively managed, which means that the investments are selected at the discretion of the Investment Manager. The Fund is managed in reference to the Benchmark. The Fund's portfolio will be managed by investing more or less in securities, countries and currencies, relative to the Benchmark. The investment manager will impose operational limits on the extent that the Fund may deviate from the Benchmark but may not observe these limits in certain circumstances, for example, where movements in the market so require or in the case of corporate actions (e.g. stock splits, mergers). Over extended periods, the Fund's performance may be correlated with that of the Benchmark.

### Fund Objective:

The Fund seeks to outperform its benchmark (MSCI Emerging Markets Total Return Index with net dividends) in a full market cycle by employing a bottom-up stock and industry selection investment process with a long-term average forecasted tracking error of 3-5% relative to the benchmark. The Fund seeks to integrate environmental, social, and governance ("Sustainable ESG") considerations within the investment process to achieve reduced ESG-related risks and portfolio carbon intensity, as well as improved ESG-characteristics of the portfolio. The Fund generally intends to target a long exposure of 130% of the Fund's net assets and a short exposure of 30% of the Fund's net assets. Further information about the sustainability-related aspects of the Fund is available at <https://ucits.aqr.com/Sustainability-Related-Disclosures>.

### 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 Fund's portfolio construction process with a focus on diversification and managing tracking error relative to the benchmark. AQR's Risk Management Team and the Fund's portfolio managers actively assess risk of the Fund.

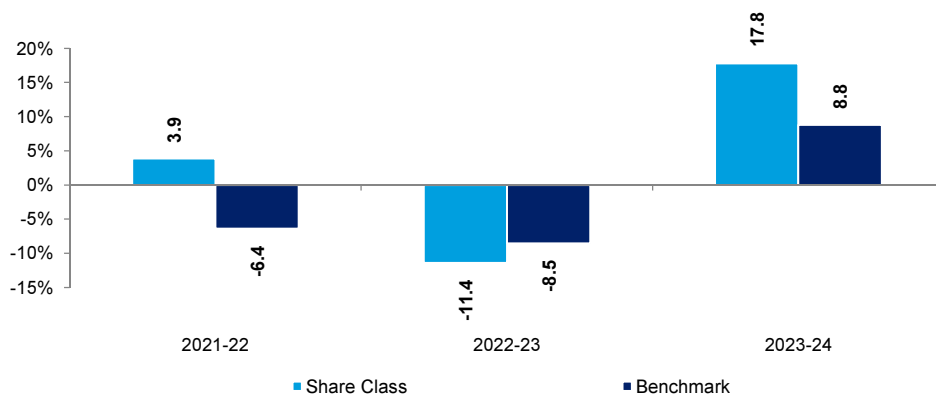
### Risk and Reward Profile:

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

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

	Share Class	Benchmark
<b>1 Month</b>	0.6%	2.7%
<b>3 Months</b>	7.5%	4.7%
<b>YTD</b>	7.5%	4.7%
<b>1 Year</b>	17.8%	8.8%
<b>3 Year</b>	2.7%	-2.3%
<b>Since Inception</b>	3.1%	-2.5%



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

<sup>1</sup> Holdings subject to change without notice.

<sup>2</sup> Local Lux Tax per annum of Fund's NAV, payable quarterly.

<sup>3</sup> Source: AQR, Bloomberg. Past performance does not predict future returns. Returns over one year are annualised. For fees, refer to the Key Information section.

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

**Top 20 Country Exposures\***

	<b>Fund</b>
China	25.8%
Taiwan	17.2%
India	16.7%
South Korea	13.5%
Brazil	5.1%
Saudi Arabia	4.8%
South Africa	3.8%
Mexico	3.6%
Indonesia	2.3%
Poland	1.9%
Malaysia	1.7%
Chile	1.2%
Thailand	1.1%
United Arab Emirates	0.5%
Turkey	0.4%
Qatar	0.2%
Philippines	0.2%
Hungary	0.1%
Russia	0.0%
Columbia	0.0%
<b>Total</b>	<b>100.0%</b>

**Sector Exposures\***

	<b>Fund</b>
Financials	29.9%
Information Tech	28.3%
Consumer Disc.	16.2%
Comm. Services	9.6%
Industrials	8.8%
Energy	3.3%
Utilities	3.2%
Materials	1.9%
Real Estate	1.0%
Consumer Staples	-0.8%
Health Care	-1.3%
<b>Total</b>	<b>100.0%</b>

**Top 5 Holdings\*\*\***

	<b>% of Net Assets</b>
TSMC	8.57%
Samsung Elec	2.91%
CCB	2.46%
MediaTek	2.43%
ASEH	1.97%

**Portfolio Statistics\*\***

	<b>Fund</b>
Number of Stocks	451
Price Momentum (%)	40.8%
EPS Growth (5 Year)	9.7
P/B	1.0
P/E (trailing)	9.3
Median Market Cap (\$M)	8,825
Average Market Cap (\$M)	106,055

\*Exposures subject to change without notice.

\*\*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. Data sources: Compustat, Datastream, Bloomberg, XpressFeed and IBES.

\*\*\*Portfolio holdings are subject to change without notice and not a recommendation to buy or sell any particular security.

**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 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 be exposed to liquidity risk where, due to a lack of marketability, the Fund's investments cannot be bought or sold quickly enough to prevent or minimize 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 may have increased exposure to particular investments. A fall in value of such investments can result in a proportionately greater 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.

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.

More information in relation to risks in general may be found in the "Risk Factors" section of the prospectus.

## Investment Approach

The AQR Sustainable Emerging Relaxed Constraint Strategy seeks to provide balanced risk allocation across investment themes using a systematic investment process. Our research shows that these investment themes have positive expected returns and generally low correlations to each other. The combination aims to identify stocks that are cheap, high quality, stable, with positive sentiment and a catalyst for improvement. Importantly, the strategy implements these themes while emphasizing investing in companies that satisfy sustainable environmental, social, and governance ("Sustainable ESG") criteria. ESG-related considerations are important to the model, and the strategy further offers a higher ESG score and lower portfolio carbon intensity than the benchmark as well as dynamic exclusion of the worst ESG-offending names and static exclusions for controversial weapons, tobacco and fossil fuel-related names.

The underlying themes of the AQR Sustainable Emerging Relaxed Constraint are as follows:

**Valuation:** evaluates a stock's fundamental value versus its market price with the belief that relatively cheap stocks will outperform relatively expensive ones.

**Momentum:** evaluates a stock's recent relative performance through both direct (a stock's own performance) and indirect (a stock's relationship to economically linked peers) lenses in the belief that medium term trends continue.

**Earnings Quality:** examines the degree to which a company's accruals-based accounting views differ from cash flow-based views in a belief that more intensive uses of accruals are a tool used by company management to mask underlying earnings.

**Stability:** measures the competitive strength of a company through a variety of lenses (margins, credit quality and cyclicalities) in a belief that companies with better competitive positions generate higher risk-adjusted returns over time.

**Investor Sentiment:** evaluates the actions of informed investors to infer opportunities or threats that may not be captured within previous themes.

**Management Signaling:** monitors the actions of company management with respect to shareholders' interests and information dissemination.

## Portfolio Managers



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



**Michele Aghassi, Ph.D., CFA**  
Principal, AQR  
Ph.D., Massachusetts Institute of Technology  
B.S., Brown University



**John Huss**  
Principal, AQR  
S.B., Massachusetts Institute of Technology



**Laura Serban, Ph.D.**  
Managing Director, AQR  
Ph.D., Harvard University  
M.S., A.B. Harvard University

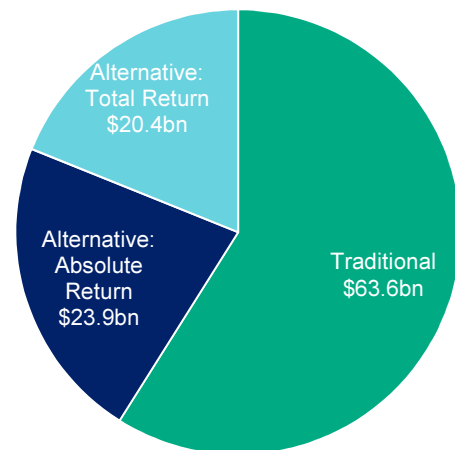
## Company Profile

### 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<sup>6</sup>

**Total Assets: \$107.9bn**



## 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: The MSCI World Index total return net dividends, unhedged in EUR is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of 23 developed markets' country indices throughout the world. Benchmark returns are not covered by the report of independent verifiers.

© 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.

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.

### 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/Sustainability-Related-Disclosures>.

### 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").

### 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).

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.