AQR Sustainable Emerging Relaxed Constraint Equity UCITS Fund

Factsheet | March 2024

Key Information

Share Class:
IAU (USD)

Fund Inception Date:
2 May 2019

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2 May 2019

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

Domicile:
Luxembourg

ISIN:
LU1958527746

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

Share Price:
121.22 (as of 31 Mar. 2024)

Number of Holdings:[1]
451 (as of 31 Mar. 2024)

Morningstar© Category:
Global Large-Cap Blend Equity

Minimum Subscription:
500mm

Investment Management Fee:[2]
Up to 0.40%

Administrative & Operating Fee:[3]
0.09%

Performance Fee:
15.0%

Local Lux Tax:
0.01%

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.

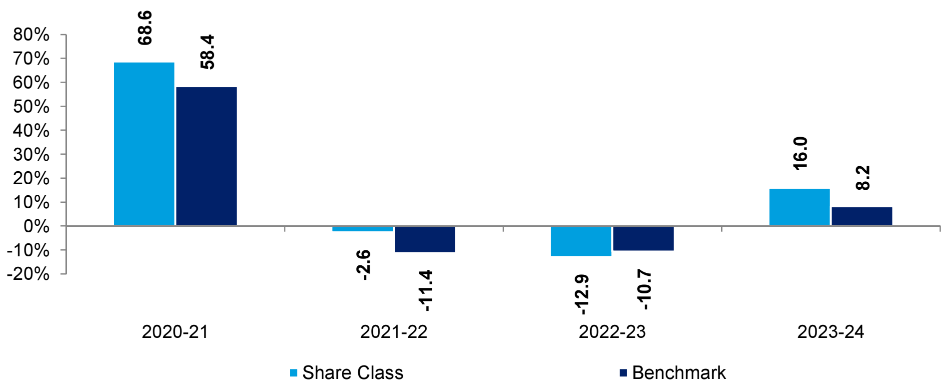
Risk Management:
Risk control is built into the Fund's portfolio construction process with a focus on diversification and managing tracking error relative to the benchmark.
AQR's Risk Management Team and the Fund's portfolio managers actively assess risk of the Fund.

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

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

	Share Class	Benchmark
1 Month	0.5%	2.5%
3 Months	4.5%	2.4%
YTD	4.5%	2.4%
1 Year	16.0%	8.2%
3 Year	-0.6%	-5.1%
Since Inception	4.0%	1.8%



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

[1] Holdings subject to change without notice.
[2] Local Lux Tax per annum of Fund's NAV, payable quarterly.
[3] 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*

	Fund
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%
Total	**100.0%**

Sector Exposures*

	Fund
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%
Total	**100.0%**

Top 5 Holdings***

	% of Net Assets
TSMC	8.57%
Samsung Elec	2.91%
CCB	2.46%
MediaTek	2.43%
ASEH	1.97%

Portfolio Statistics**

	Fund
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 cyclicality) 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.

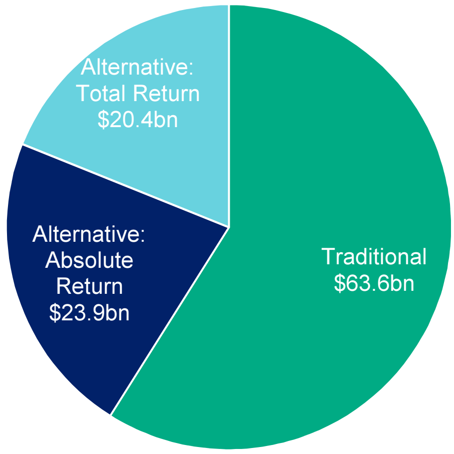
Company Profile

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[6]

Total Assets: $107.9bn



Portfolio Managers

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B.S., University of Rome III

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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

[6] Approximate as of 31 Mar. 2024. Includes assets managed by AQR and its advisory affiliates.

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/.

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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.

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.

The Investment Manager is entitled to receive a performance fee in relation to the IAU share class. The performance fee is calculated in respect of each twelve-month period ending on 31 March of each year (the "Calculation Period"). The performance fee will be calculated and accrued as an expense of the share class as of each Valuation Day, as defined in the prospectus. The performance fee that may be charged is 15% of any increase in value of the share class above the MSCI Emerging Markets Total Return Index with Net Dividends Unhedged in USD Index (the "Benchmark"), subject to the operation of the underperformance carryforward, the performance fee cap and overperformance carryforward. Underperformance carryforward means that where the share class has underperformed the Benchmark in a past Calculation Period or Calculation Periods, no performance fee will be charged for the current Calculation Period unless that underperformance is caught up. The performance fee cap means that the performance fee paid in any Calculation Period is capped at 1.40% of the share class's average daily net assets. The overperformance carryforward means that where the performance fee that would be paid were it not for the performance fee cap would exceed 1.40% of the share class's average daily net assets, this excess is carried forward to the next Calculation Period. 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 underperformance 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. You should note that a performance fee may be charged even for periods when the Fund's performance is negative.

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