



# AQR Systematic Total Return UCITS Fund

Factsheet | January 2023

## Key Information

**Share Class:**  
B2 (EUR)

**Fund Inception Date:**  
1 February 2017

**Share Class Inception Date:**  
16 March 2017

**Fund Size:**  
\$261mm (as of 31 Jan. 2023)

**Domicile:**  
Luxembourg

**ISIN:**  
LU1532680458

**Index:**  
ESTR

**Share Price:**  
104.25 (as of 31 Jan. 2023)

**Number of Holdings:**<sup>1</sup>  
2151

**Morningstar® Category:**  
EAA Fund Alt - Multistrategy

**Minimum Subscription:**  
80mm

**Investment Management Fee:**<sup>2</sup>  
1.00%

**Administrative & Operating Fee:**  
0.14%

**Performance Fee:**  
N/A

**Local Lux Tax:**<sup>3</sup>  
0.01%

## Fund Overview

### Fund Aspects:

Global, total return portfolio with exposures to traditional asset classes, alternative risk premia and differentiated alpha sources, delivered in a transparent, liquid vehicle.

The Fund takes long and short positions and seeks to deliver low long-term correlation to traditional asset classes.

The Fund is actively managed to maintain a moderate risk level and to preserve balanced risk allocations across three underlying competencies: Risk-Balanced Market Exposures, Multi-Asset Trend and Market-Neutral Security Selection, deployed across multiple asset classes and regions.

### Fund Objective:

The Fund seeks to achieve an annual total return of cash + 6% while targeting a volatility level between 6%-10% in most environments and low long-term correlation to traditional asset classes.

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 the portfolio construction process with a focus on volatility, liquidity, and funding risk management.

Portfolio managers, the Investment Committee and firm-wide Risk Management Department actively assess the risk of the Fund.

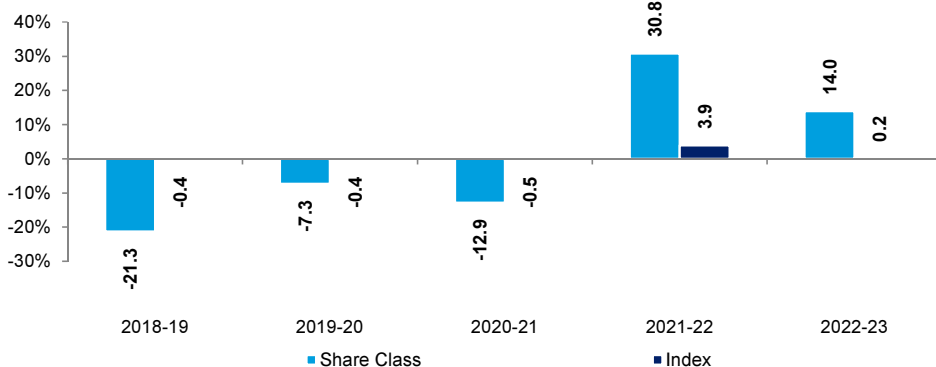
### Risk and Reward Profile:

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.



## Share Class Performance (Net) as of 31 Jan. 2023<sup>4</sup>

	Share Class	Index <sup>5</sup>
1 Month	0.7%	0.2%
3 Months	2.9%	0.4%
YTD	0.7%	0.2%
1 Year	14.0%	0.2%
3 Year	9.1%	1.2%
5 Year	-1.1%	0.6%
Since Inception	0.7%	0.4%



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

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

<sup>2</sup> 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.

<sup>3</sup> Local Lux Tax per annum of Fund's NAV, payable quarterly.

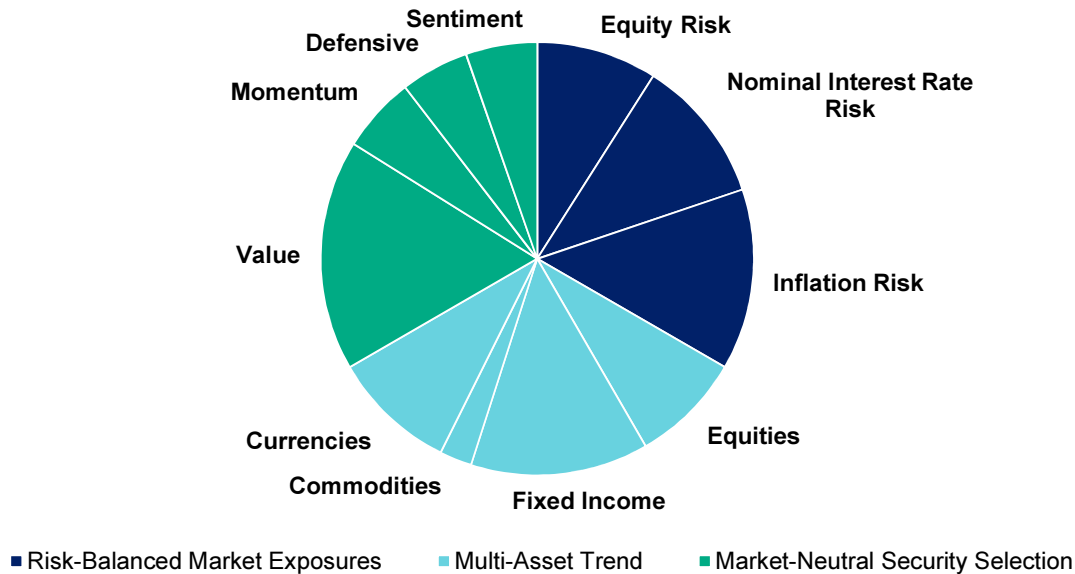
<sup>4</sup> Source: AQR, Bloomberg. Past performance does not predict future returns. Returns over one year are annualised. For fees, refer to the Key Information section.

<sup>5</sup> 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.

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

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 may have leveraged 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 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.

There are risks involved with investing including the possible loss of principal. Past performance is not a guarantee of future results.

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.

## Investment Approach

To implement the strategy, a single multi-strategy portfolio holds positions determined by three underlying sub-strategies. Each is representative of AQR's core capabilities.

Over the long-term, we expect each of these sub-strategies to exhibit low correlation to one another, while generating attractive returns and diversifying an investor's overall portfolio. Due to the complementary nature of the sub-strategies, the portfolio aims to maintain a balanced exposure to each.

### The core sub-strategies are:

**Risk Balanced Market Exposure<sup>5</sup>:** Seeks to provide risk-diversified long-only exposure across equities, fixed income, and commodities. The sub-strategy accesses multiple sources of market risk premia while seeking to maintain diversification and manage risk through time as markets evolve.

**Multi-Asset Trend<sup>5</sup>:** Tactically allocates between and within equity, fixed income, commodity and currency markets predominantly based on price and fundamental trend-following signals across multiple horizons. The sub-strategy takes both long and short positions through time across a diversified set of liquid futures, forwards and swaps in these markets, and expects a low correlation to traditional asset classes on average.

**Market-Neutral Security Selection:** Takes long and short positions based on fundamentally-orientated and economically intuitive drivers of stock returns. The sub-strategy employs multiple styles of investing such as value, momentum, and defensive, but also seeks to generate alpha beyond these styles. The sub-strategy invests across a global equity universe in a fully market-neutral approach, seeking minimal correlation to equity indices and more generally to traditional asset classes.

### Philosophy – Systematic Total Return

By combining multiple return sources in a structurally diversified approach, we believe that Systematic Total Return offers investors an investment solution that is diversifying across macroeconomic environments and to traditional asset classes and portfolios. Core to our approach is building a portfolio founded on the criteria below:

**Economic Intuition:** Sound financial theory motivates the risk premia and market inefficiencies we seek to exploit.

**Empirical Evidence:** Ample historical data supports the existence and persistence of return sources.

**Diversification:** Our portfolio construction is built in a thoughtful manner that attempts to avoid concentration risk in any single strategy, asset class, region, or factor.

**Risk Management:** Risk management begins in the portfolio design, at the position level, asset group level, and fund level; we seek to actively manage risk across and within our sub-strategies such that we maintain consistent exposure to a broad set of diversified return sources.

## Portfolio Managers



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



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



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



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

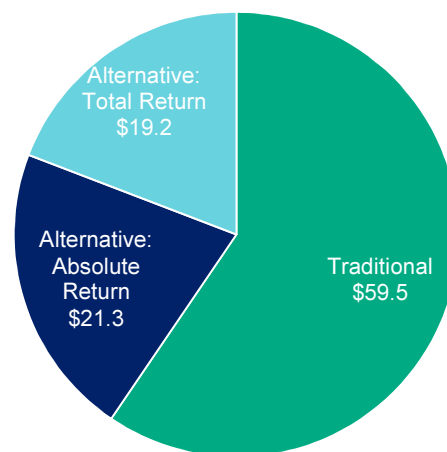
## Company Profile

### 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, Frankfurt, Hong Kong, London, and Sydney.

## Assets Under Management<sup>6</sup>

Total Assets: \$100.0bn



<sup>5</sup> Please note, the above mentioned sub strategies are referred to in the prospectus, respectively, as Market Risk Premia Strategy and Macro Asset Timing Strategy.

<sup>6</sup> Approximate as of 31 Jan. 2023. 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) S.à r.l. 1st Floor, Infinity Building, 5 Avenue John F. Kennedy, L-1855, Grand Duchy of 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/> Please refer to the Prospectus, KIID and (where applicable) KID for more information on and fees.

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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.

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 (Euro Short Term Rate) is an effective overnight interest rate computed as a weighted average of all overnight unsecured lending transactions in the interbank market in euros.

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.

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