



# AQR Corporate Arbitrage UCITS Fund

Factsheet | May 2024

## Key Information

### Share Class:

IAU1F (USD)

### Fund Inception Date:

3 June 2021

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3 June 2021

### Fund Size:

\$149mm (as of 31 May. 2024)

### Domicile:

Luxembourg

### ISIN:

LU2319525270

### Benchmark:

ICE BofAML US 3-M T-Bill Index

### Share Price:

102.17 (as of 31 May. 2024)

### Morningstar® Category:

Relative Value Arbitrage

### Minimum Subscription:

100K

### Investment Management Fee:<sup>2</sup>

1.30%

### Administrative & Operating Fee:<sup>3</sup>

0.14%

### Performance Fee:<sup>4</sup>

N/A

### Local Lux Tax:

0.01%

## Fund Overview

### Fund Aspects:

The AQR Corporate Arbitrage UCITS Fund provides diversified exposure to several types of arbitrage opportunities, while maintaining low correlation to equity and bond markets. The Fund invests across three core types of arbitrage strategies, while dynamically allocating more capital to strategies which are tactically attractive:

- Convertible Arbitrage
- Merger Arbitrage
- Event Driven (including SPAC Arbitrage, Closed-End Funds and Capital Markets)

The Fund incorporates AQR's Sustainable process, featuring a positive tilt toward deals with more attractive ESG characteristics, and employing a negative screen to exclude deals with relatively poor ESG-rated securities.

### Fund Objective:

The investment objective of the Fund is to seek to maximize risk adjusted returns through the implementation of arbitrage strategies. The Fund aims to outperform, after expenses, the ICE BofAML US 3-M T-Bill Index (the "Benchmark").

### 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 AQR's investment process with risk management applied at every step of the portfolio's construction. Separate portfolio and risk management teams actively monitor and assess risk of the Fund. Separate risk management oversight incorporates a systematic risk-reduction process to better manage risk during periods of significant loss.

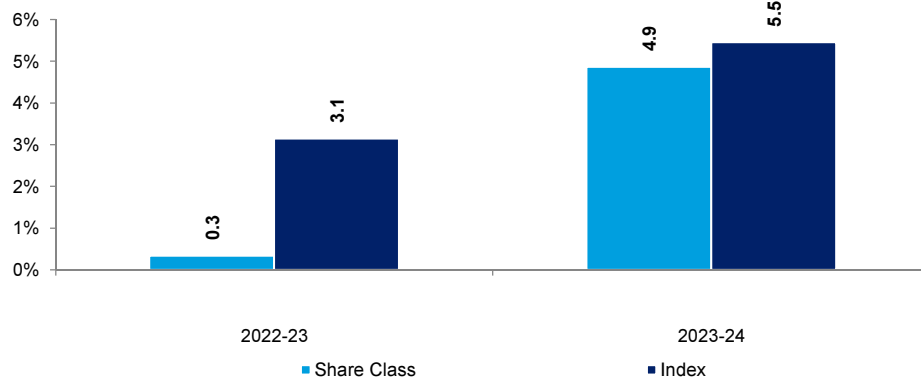
### Risk and Reward Profile:

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 May. 2024

|                 | Share Class | Benchmark |
|-----------------|-------------|-----------|
| 1 Month         | 0.1%        | 0.5%      |
| 3 Months        | 0.0%        | 1.4%      |
| YTD             | -0.6%       | 2.2%      |
| 1 Year          | 4.9%        | 5.5%      |
| Since Inception | 0.7%        | 2.9%      |



Past performance results in complete 12-month periods (1 June – 31 May)

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

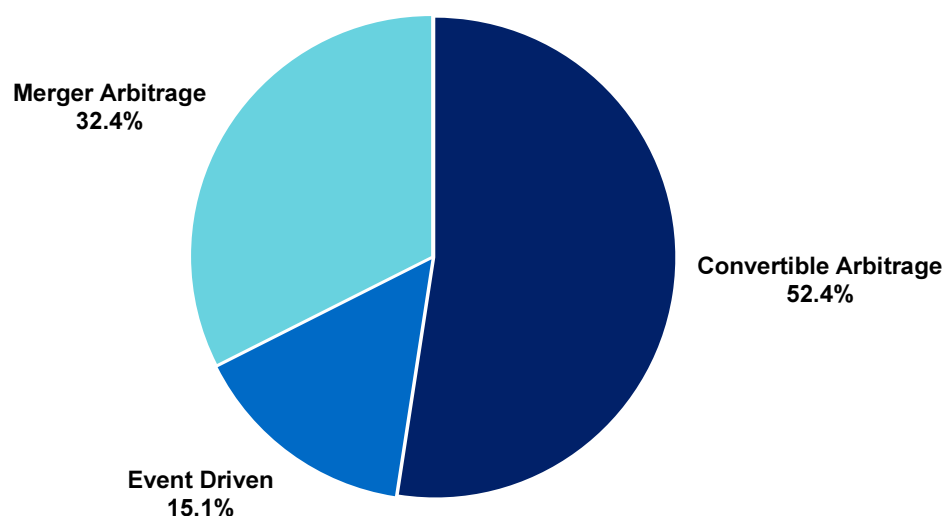
<sup>2)</sup> Local Lux Tax per annum of Fund's NAV, payable quarterly.

<sup>3)</sup> Source: AQR, Bloomberg. Past performance is not a guarantee of future performance. 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.

## Fund Characteristics

### Portfolio Composition as of 05/2024:



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.

## Portfolio Managers



**Mark L. Mitchell**  
Ph.D., Co-Founder and  
Principal, CNH Partners



**Todd C. Pulvino**  
Ph.D., Co-Founder and  
Principal, CNH Partners



**Rocky Bryant**  
Principal, CNH Partners

## 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 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 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 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 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 is exposed to concentration risk as it may have increased exposure to a particular asset, reference rate or index. A fall in value of the asset, reference rate or index can result in a greater loss to the Fund which may be more than the amount borrowed or invested.

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

Broadly speaking, in a rational market, actions of market participants may create supply / demand imbalances, due to corporate events, temporary market-wide dislocations, capital market financing activities, market segmentation and others.

Arbitrageurs provide liquidity when rational market participants demand it, investing in the likelihood that the prices of the related securities will eventually converge via corporate capital raising events and control events such as mergers and bankruptcies. They seek to be compensated for bearing the “liquidity risk” that the link between the related securities may cease to exist, the convergence may take longer than necessary, or unfavourable market conditions may result in higher volatility.

The AQR Corporate Arbitrage UCITS Fund seeks to exploit this liquidity risk premium in multiple asset classes and achieve long-term absolute (positive) returns by investing in three primary arbitrage strategies, merger arbitrage, convertible arbitrage and a suite of event-driven strategies (SPAC arbitrage, closed-end funds and capital markets).

In merger arbitrage, the Fund buys shares of the target company in a proposed merger (or other reorganization), providing liquidity to existing shareholders looking to exit. If the merger is a stock deal, the Fund may short the acquiring company’s stock in an amount proportionate to the exchange ratio specified in the merger agreement.

In convertible arbitrage, the Fund invests in convertible securities trading at discounts to their fundamental values, and simultaneously sells short the corresponding equity shares against the convertible bonds.

The event-driven strategy invests in a combination of sub-strategies, such as Special Purpose Acquisition Companies (“SPAC”) and Closed-End Funds (“CEF”).

What separates the Strategy from single strategy arbitrage managers is its ability to tactically allocate capital across the various arbitrage strategies as conditions warrant. This provides two key differentiating benefits:

- Diversification across arbitrage strategies serves to lower the Strategy’s volatility.
- The Fund can shift its allocation between strategies when opportunities and attractiveness present themselves.

### AQR’s Sustainable Process:

The Fund incorporates AQR’s Sustainable process, which includes:

- Positive tilt toward deals with more attractive ESG characteristics (higher capital allocation to deals in the top decile of a reference universe)
- Dynamic screening based on governance-specific metrics
- Dynamic screening to exclude worst ~10% of ESG-rated securities
- Static screening to exclude companies in Controversial Weapons, Tobacco, and Fossil Fuels industry based on pre-determined revenue tolerance criteria

In addition, the Fund employs Sustainable protocol for proxy voting. AQR has a firmwide engagement program involving both direct and collective engagement.

### Reasons to Invest

#### 20+ Years of Experience

The Fund is managed by a team with two decades of experience refining a dynamic, systematic approach enhanced by discretionary oversight and expertise.

#### Portfolio Diversification & Attractive Risk-Adjusted Returns

The Fund seeks to provide a diversifying source of returns which tends to behave differently from a traditional portfolio of stocks and bonds.

#### Incorporates Sustainability

The Fund applies AQR’s Sustainable process, combining static and dynamic screens as well as incorporating positive ESG tilt.

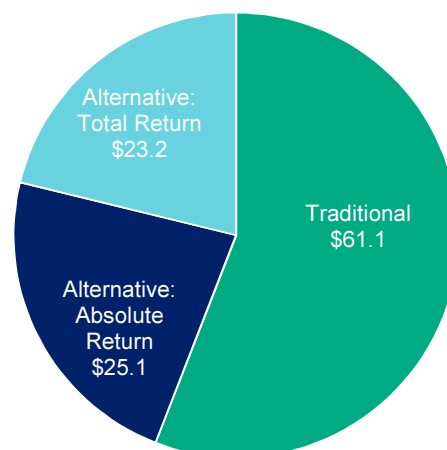
## Company Profile

### 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>†</sup>

Total Assets: \$109.3bn



<sup>†</sup>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

<sup>†</sup> Approximate as of 31 May, 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, including pre-contractual sustainability disclosures. 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. The decision to invest in the Fund should take into account all the characteristics or objectives of the Fund as described in the Prospectus.

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The AQR Sustainable Corporate Arbitrage UCITS Fund was renamed the AQR Corporate Arbitrage UCITS on August 24, 2023.

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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: The ICE BofAML US 3-M T-Bill Index measures the rate of return an investor would realize when purchasing a single U.S. 3-month treasury bill, holding it for one month, selling it, and rolling it into a newly selected issue at the beginning of the next month.

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.

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### Information for Swiss investors:

This document is an advertising document. The Swiss Representative of the Fund is Carnegie Fund Services S.A., 11, rue du Général-Dufour, CH-1204 Geneva, Switzerland, +41 22 705 11 78, Internet: [www.carnegie-fund-services.ch](http://www.carnegie-fund-services.ch). The Swiss Paying Agent of the Fund is Banque Cantonale de Genève, 17, quai de l'Île, CH-1204 Geneva, Switzerland.

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SFA in relation to the content of prospectuses would not apply. You should consider carefully whether the investment is suitable for you.

The Prospectus has not been registered as a prospectus with the MAS. Accordingly, the Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 304 of the SFA, (ii) to a relevant person pursuant to Section 305(1), or any person pursuant to Section 305(2), and in accordance with the conditions specified in Section 305 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

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