



# AQR Systematic Total Return UCITS Fund

Factsheet | February 2021

## Key Information

**Share Class:**  
RAGF (GBP)

**Fund Inception Date:**  
1 February 2017

**Share Class Inception Date:**  
16 March 2018

**Fund Size:**  
\$182mm (as of 28 Feb. 2021)

**Domicile:**  
Luxembourg

**ISIN:**  
LU1662497756

**Benchmark:**  
SONIA

**Share Price:**  
71.09 (as of 28 Feb. 2021)

**Number of Holdings:**<sup>1</sup>  
2256

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

**Minimum Subscription:**  
10k

**Investment Management Fee:**<sup>2</sup>  
1.25%

**Administrative & Operating Fee:**<sup>3</sup>  
0.20%

**Performance Fee:**  
N/A

**Local Lux Tax:**<sup>4</sup>  
0.05%

## 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.

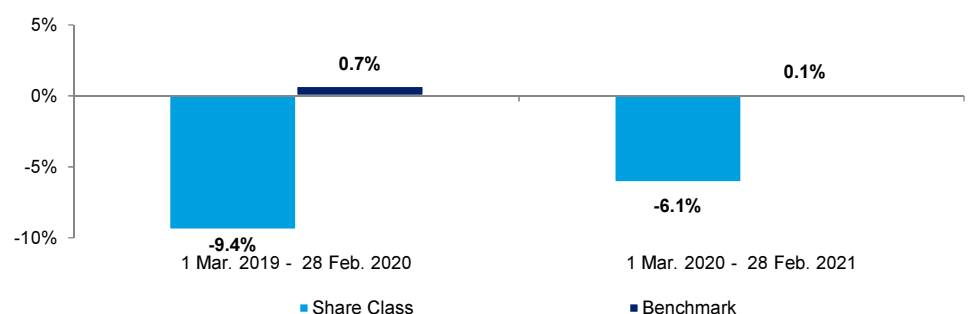
### Risk and Reward Profile:

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 28 Feb. 2021<sup>6</sup>

	Share Class	Benchmark
1 Month	3.2%	0.0%
3 Months	8.1%	0.0%
YTD	6.0%	0.0%
1 Year	-6.1%	0.1%
Since Inception	-10.9%	0.5%



<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> Please note this retail share class is clean, meaning it does not include underlying fees for sales or distribution. Additional costs/expenses (including transaction costs) may be incurred by the Fund. Further information in this respect is available from AQR Capital Management LLC on request.

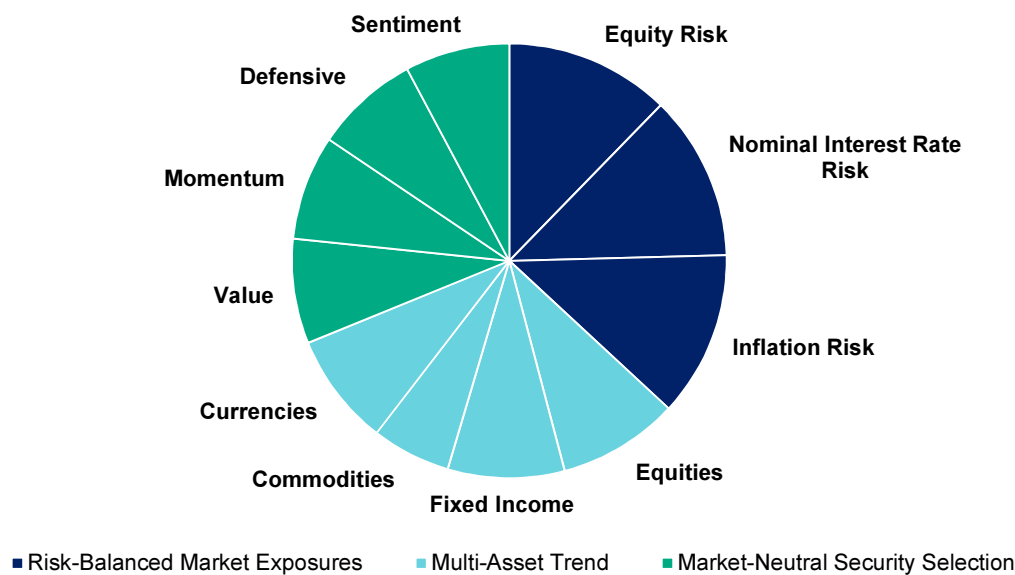
<sup>4</sup> Local Lux Tax per annum of Fund's NAV, payable quarterly.

<sup>5</sup> This assumes reinvestment of income, before taxes, and after fees.

<sup>6</sup> Source: AQR, Bloomberg. Past performance is not a guarantee of future performance. The return of your investment may increase or decrease as a result of currency fluctuations if your investment is made in a currency other than that used in the past performance calculation. All fund performance data are on a NAV to NAV basis, net income reinvested. Performance data is unavailable for the time periods with no percentage growth shown. Where a share class is created after the fund's launch date, and has been active for less than a year, a simulated past performance is used, based upon the performance of the fund by converting the gross USD returns into the relevant share class currency and then taking into account the difference in the ongoing charges and including the impact of any performance fees. Returns over one year are annualised. For fees, refer to the Key Information section.

## 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 use of derivatives, forward and futures contracts, and commodities exposes the Fund to additional risks including increased volatility, lack of liquidity, insolvency and possible losses greater than the Fund's initial investment as well as increased transaction costs. Commodity prices react, among other things, to economic factors such as changing supply and demand relationships, weather conditions and other natural events, all of which may affect your investment.

Concentration generally will lead to greater price volatility.

Diversification does not eliminate the risk of experiencing investment losses.

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.

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

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.

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

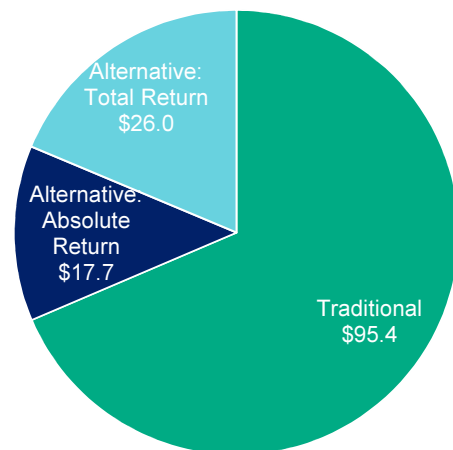
## Company Profile

### 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>11</sup>

**Total Assets: \$139.1bn**



<sup>5</sup> The above mentioned sub-strategy is referred to in the prospectus as the Multi-Asset Trend Timing Strategy.

<sup>9</sup> **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.

<sup>10</sup> A style, or factor, is a systematic investment strategy that has long-term evidence of positive returns in all applicable asset classes and regions. Please refer to the journal article, "Investing with Style," for further information – <https://www.aqr.com/Insights/Research/Journal-Article/Investing-With-Style>.

<sup>11</sup> Approximate as of 28 Feb. 2021. Includes assets managed by AQR and its advisory affiliates. Our traditional strategies track an industry benchmark, with an expectation of appreciation, absolute return strategies target zero exposure to traditional markets, either at all times, or on average; and total return strategies, maintain some exposure to traditional markets.

## Disclosures

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.

Copies of the prospectus, the latest annual or semi-annual report, the articles (each in English) or the KIIDs (in English or German) are available free of charge from the local agent, Marcard, Stein & Co AG, Ballindamm 36, 20095 Hamburg, Germany.

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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.

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: SONIA (Sterling Overnight Index Average) is based on actual transactions and reflects the average of the interest rates that banks pay to borrow sterling overnight from other financial institutions.

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.

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### Information for Swiss investors:

The Swiss representative of the Fund is Carnegie Fund Services SA, rue du Général-Dufour 11, 1204 Geneva, Switzerland. The paying agent of the Fund in Switzerland is Banque Cantonale de Genève, quai de l'Île 17, 1204 Geneva, Switzerland. The Prospectus, Key Investor Information Document, Articles of Incorporation as well as the annual and semi-annual reports may be obtained free of charge from the Swiss representative. In respect of the shares distributed in Switzerland, the place of performance and jurisdiction is the registered office of the Swiss representative.

### Information for United Kingdom investors:

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### Information for Singapore investors:

The offer or invitation of the shares of the Fund, which is the subject of the Prospectus, does not relate to a collective investment scheme which is authorised under section 286 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA") or recognised under section 287 of the SFA. The Fund is not authorised or recognised by the Monetary Authority of Singapore (the "MAS") and the shares are not allowed to be offered to the retail public. Each of the Prospectus and any other document or material issued in connection with the offer or sale is not a prospectus as defined in the SFA. Accordingly, statutory

liability under the 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.