AQR Diversified Arbitrage Fund

Performance as of 09/30/2020

<table>
<thead>
<tr>
<th>Strategy Exposure</th>
<th>Long Positions as % of Net Assets</th>
<th>Short Positions as % of Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Convertible Arbitrage</td>
<td>85.6%</td>
<td>.584%</td>
</tr>
<tr>
<td>Event Driven</td>
<td>41.1%</td>
<td>-8.2%</td>
</tr>
<tr>
<td>Merger Arbitrage</td>
<td>25.0%</td>
<td>-9.5%</td>
</tr>
<tr>
<td>Total</td>
<td>151.7%</td>
<td>-76.1%</td>
</tr>
</tbody>
</table>

Top 5 Long Holdings* | % of Net Assets |
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Novellus Systems</td>
<td>3.7%</td>
</tr>
<tr>
<td>Tesla Inc Tala 2.000 05/15/24 Cvt</td>
<td>3.6%</td>
</tr>
<tr>
<td>0.0025 12/9999 Bullet Swap</td>
<td>2.2%</td>
</tr>
<tr>
<td>Carnival Corp Cclx 5.750 04/01/23 Cvt</td>
<td>1.6%</td>
</tr>
<tr>
<td>LiVi</td>
<td>1.5%</td>
</tr>
</tbody>
</table>

Top 5 Short Holdings* | % of Net Assets |
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>E-Mini S&amp;P 500 Index Future</td>
<td>-5.0%</td>
</tr>
<tr>
<td>CDX.NA.HY</td>
<td>-3.8%</td>
</tr>
<tr>
<td>Lam Research</td>
<td>-3.7%</td>
</tr>
<tr>
<td>U.S. 5 Yr Treasury Note Futures</td>
<td>-3.7%</td>
</tr>
<tr>
<td>Tesla</td>
<td>-3.6%</td>
</tr>
</tbody>
</table>

Sector Exposure* | % of Long Assets |
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Communication Services</td>
<td>6.1%</td>
</tr>
<tr>
<td>Consumer Discretionary</td>
<td>11.0%</td>
</tr>
<tr>
<td>Consumer Staples</td>
<td>0.2%</td>
</tr>
<tr>
<td>Energy</td>
<td>2.0%</td>
</tr>
<tr>
<td>Financials</td>
<td>5.4%</td>
</tr>
<tr>
<td>Health Care</td>
<td>15.2%</td>
</tr>
<tr>
<td>Industrials</td>
<td>7.5%</td>
</tr>
<tr>
<td>Information Technology</td>
<td>21.7%</td>
</tr>
<tr>
<td>Materials</td>
<td>1.4%</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>25.9%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>0.9%</td>
</tr>
<tr>
<td>Utilities</td>
<td>2.6%</td>
</tr>
</tbody>
</table>

Security Types* | % of Net Assets |
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Convertible Bonds</td>
<td>56.6%</td>
</tr>
<tr>
<td>Individual Stocks</td>
<td>39.9%</td>
</tr>
<tr>
<td>Close-end Funds</td>
<td>2.9%</td>
</tr>
<tr>
<td>Debt</td>
<td>0.7%</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Portfolio Statistics* |
<table>
<thead>
<tr>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td># of long holdings</td>
</tr>
<tr>
<td># of short holdings</td>
</tr>
<tr>
<td>Total Fund Assets (MM)</td>
</tr>
</tbody>
</table>

Includes holdings with a long portfolio weight of .10% or greater

Fund Facts

<table>
<thead>
<tr>
<th>Ticker</th>
<th>CUSIP</th>
<th>Inception Date</th>
<th>Investment Minimum*</th>
<th>12b-1 Fee</th>
<th>Gross Expense Ratio</th>
<th>Net Expense Ratio**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class I Shares: ADAIX</td>
<td>00203H602</td>
<td>1/15/09</td>
<td>$5 Million</td>
<td>None</td>
<td>2.15%</td>
<td>2.07%</td>
</tr>
<tr>
<td>Class N Shares: ADANX</td>
<td>00203H107</td>
<td>1/15/09</td>
<td>$1 Million</td>
<td>0.25%</td>
<td>2.39%</td>
<td>2.32%</td>
</tr>
<tr>
<td>Class R6 Shares: QDARX</td>
<td>00191K104</td>
<td>9/2/14</td>
<td>$50 Million</td>
<td>None</td>
<td>2.05%</td>
<td>1.97%</td>
</tr>
</tbody>
</table>

*Investment minimums are waived or reduced for certain investors. Some financial intermediaries may not offer Class R6 Shares or may impose different or additional eligibility and minimum investment requirements. See the Prospectus for additional details.
**The Adviser has contractually agreed to reimburse operating expenses of the Fund at least through April 30, 2021.

Adjusted Expense Ratio***

| Class I Shares: 1.29% | Class N Shares: 1.54% | Class R6 Shares: 1.19% |

***Reflects the Net Expense Ratio adjusted for certain investment related expenses, such as interest expense from borrowings and repurchase agreements and dividend expense from investments on short sales, incurred directly by the Fund, none of which are paid to the Adviser.

About the Fund

Investment Objective:
Seeks long-term positive absolute returns.

Reasons to Invest:
Access to Hedge Fund Strategies
The Fund delivers corporate arbitrage strategies in a mutual fund vehicle.

Portfolio Diversification
Arbitrage strategies seek to generate returns that are uncorrelated to traditional asset classes on average, and can increase a portfolio’s diversification.

Potential Advantages:
Academic Research Foundation
Investment philosophy grounded in academic research by Mark Mitchell, Todd Pulvino and AQR principals dating back to the late 1980s.

Experienced Management Team
The Fund’s portfolio managers have managed various merger and convertible arbitrage strategies since 2001.

Proprietary Database
Extensive proprietary databases provide rigorous framework to evaluate risk and return characteristics.

Trading Infrastructure
Customized liquidity-providing algorithms seeking to minimize transaction costs.

Cutting Edge Research
Ongoing commitment to research and development.
Convertible bond buyers hope to earn a liquidity premium. Generally, the Fund will invest in convertible bonds shortly after the deal closes. The discount reflects the tension between the likelihood that the deal will close at the stated terms and the willingness of holders of the target’s stock to sell at a discount to lock in gains and avoid the risks if the deal fails to close. Arbitrageurs provide liquidity to holders of target stocks who often sell after a merger or other corporate event is announced.

**Convertible Arbitrage**

The intuition behind this strategy is to capture a liquidity premium. Convertible bonds are usually sold at a discount to their components (bond + option) due to illiquidity. Convertible bond buyers hope to earn a liquidity premium for holding an illiquid asset and providing financing for companies that would otherwise have difficulty borrowing. The return premium for convertible arbitrage is compensation for liquidity risk and the risk that the value of a convertible bond fails to converge with component parts — or, stated another way, that investors are forced to liquidate positions before this convergence occurs.

Basic implementation:  
- Take a long position in the target company and a short position in the acquirer (stock only deal).  
- The Fund will invest in deals based on the expected risk-adjusted return for the arbitrage transaction.  
- Generally, the Fund will invest soon after the announcement of the merger transaction and in most cases will hold the stock until the deal is completed.

**Definitions:**  
- Volatility: a statistical measure of the dispersion of returns for a given security or index.  
- Beta: A measure of systematic risk of a portfolio  
- Sharpe Ratio: a ratio which measures risk-adjusted performance  
- ICE Bank of America Merrill Lynch 3-Month Treasury Bill Index: An index consisting of U.S. Treasury Bills maturing in 90 days.

**PRINCIPAL RISKS:**  
The Fund has the risk that the anticipated arbitrage opportunities do not play out as planned, resulting in potentially reduced returns or losses to the Fund as it unwinds its trades. The use of derivative instruments exposes the Fund to additional risks and transaction costs. The Fund enters into a short sale by selling a security it has borrowed. If the market price of a security increases after the Fund borrows the security, the Fund will suffer a potentially unlimited loss when it replaces the borrowed security at the higher price. Short sales also involve transaction and other costs that will reduce potential Fund gains and increase potential Fund losses. Please refer to the Prospectus for complete information regarding all risks associated with the Fund. Risk Allocation and attribution are based on estimated data, and may be subject to change.

An investor considering the Fund should be able to tolerate potentially wide price fluctuations. The Fund is subject to high portfolio turnover risk as a result of frequent trading, and thus, will incur a higher level of brokerage fees and commissions, and cause a higher level of tax liability to shareholders in the Fund.

This Fund is not suitable for all investors. There are risks involved with investing including the possible loss of principal. Past performance does not guarantee future results. Diversification does not eliminate the risk of experiencing investment losses. 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 without AQR’s written consent.

Please refer to the prospectus or summary prospectus for complete information regarding all risks associated with the fund. An investor should consider the investment objectives, risks, charges and expenses of the fund carefully before investing. To obtain a prospectus or summary prospectus containing this and other information, please call 1-866-290-2688 or download the file from www.aqrfunds.com. Read the prospectus carefully before you invest. There is no assurance the stated objectives will be met.

© AQR Funds are distributed by ALPS Distributors, Inc. AQR Capital Management, LLC is the Investment Manager of the Funds and a federally registered investment adviser. ALPS Distributors is not affiliated with AQR Capital Management. [AQR007683 Exp: 06/30/2022]

Not FDIC Insured - No Bank Guarantee - May Lose Value

**Example of Underlying Strategies**

**Merger Arbitrage**

The intuition behind this strategy is to capture a liquidity and deal risk / insurance premium.  
- When a merger is announced, the stock price of the target generally trades at a discount to the consideration offered by the acquirer until the deal closes.  
- The discount reflects the tension between the likelihood that the deal will close at the stated terms and the willingness of holders of the target’s stock to sell at a discount to lock in gains and avoid the risks if the deal fails to close.  
- Arbitrageurs provide liquidity to holders of target stocks who often sell after a merger or other corporate event is announced.

Basic implementation:  
- Take a long position in the target company and a short position in the acquirer (stock only deal).  
- The Fund will invest in deals based on the expected risk-adjusted return for the arbitrage transaction.  
- Generally, the Fund will invest soon after the announcement of the merger transaction and in most cases will hold the stock until the deal is completed.

**Convertible Arbitrage**

The intuition behind this strategy is to capture a liquidity premium. Convertible bonds are usually sold at a discount to their components (bond + option) due to illiquidity. Convertible bond buyers hope to earn a liquidity premium for holding an illiquid asset and providing financing for companies that would otherwise have difficulty borrowing. The return premium for convertible arbitrage is compensation for liquidity risk and the risk that the value of a convertible bond fails to converge with component parts — or, stated another way, that investors are forced to liquidate positions before this convergence occurs.

Basic implementation:  
- Take a long position in the convertible bond and a short position in its underlying common stock.  
- Rehedge the position as the underlying stock price and/or economic conditions change.  
- Generally, the holding period for an investment by the Fund in a convertible arbitrage trade will be longer than a year, and could be up to several years for some convertible bonds.

**Definitions:**  
- Volatility: a statistical measure of the dispersion of returns for a given security or index.  
- Beta: A measure of systematic risk of a portfolio  
- Sharpe Ratio: a ratio which measures risk-adjusted performance  
- ICE Bank of America Merrill Lynch 3-Month Treasury Bill Index: An index consisting of U.S. Treasury Bills maturing in 90 days.

**Corporate Events and Other Arbitrage**

- **Event-Driven Credit:** This strategy purchases debt securities (and corporate loans) on a hedged basis, typically around corporate events such as bankruptcies, recapitalizations, refinancings, and near-term maturities.
- **Dual-Class Arbitrage:** This strategy takes advantage of inefficiencies in the prices at which different classes of a publicly traded company’s stock are trading.
- **When-Issued Arbitrage:** This strategy takes advantage of inefficiencies in the prices at which a parent’s and subsidiary’s stock are trading on a “when-issued” basis immediately prior to the split-off of the subsidiary.
- **Subtract- Arbitrage:** This strategy takes advantage of inefficiencies in the prices at which a stock of a publicly traded parent corporation and its publicly traded subsidiary are trading.

**Special Purpose Acquisition Companies (SPACs):** SPACs, often called “blank check” companies, are publicly traded companies whose primary asset is a trust invested in short-term high-grade securities. The Fund seeks to capture a liquidity premium when these securities, which are typically thinly traded, are selling at a discount.

**Price Pressure:** This strategy captures a risk premium by providing liquidity around different types of securities issues and restructurings events.

The Fund may employ additional arbitrage and alternative strategies as they arise. Please see the Fund’s Prospectus for a more detailed description of the strategies employed by the Fund.

**Fund Managers**

**Investment Advisor:**

- AQR Capital Management, LLC

**Investment Sub-Advisor:**

- CNH Partners, LLC, a merger arbitrage, convertible arbitrage and diversified arbitrage research affiliate of the Investment Advisor.

**Robert Bryant**

Principal, CNH

B.S., Massachusetts Institute of Technology

**Ronen Israel**

Principal, AQR

M.A., Columbia University

B.S., B.A.S., University of Pennsylvania

**Mark Mitchell, Ph.D.**

Founding Principal, CNH Partners

Ph.D., Clemson University

B.A.A., University of Louisiana at Monroe

**Lars Nielsen**

Principal, AQR

M.Sc., B.Sc., University of Copenhagen

**Todd Pulvino, Ph.D.**

Founding Principal, CNH Partners

Ph.D., A.M., Harvard University

M.S., California Institute of Technology

B.Sc., University of Wisconsin-Madison

**AQR Capital Management, LLC**

Individual Investor:  
- Information about the AQR Capital Management, LLC

**Advisor Support:**  
- Contact information for AQR Capital Management, LLC

© AQR Funds are distributed by ALPS Distributors, Inc. AQR Capital Management, LLC is the Investment Manager of the Funds and a federally registered investment adviser. ALPS Distributors is not affiliated with AQR Capital Management. [AQR007683 Exp: 06/30/2022]

Not FDIC Insured - No Bank Guarantee - May Lose Value