



# AQR Large Cap Defensive Style Fund

6/30/2020

Performance as of 6/30/2020

|                                 | Annualized Total Return |        |       |        |        | Since Inception<br>(07/09/2012) |
|---------------------------------|-------------------------|--------|-------|--------|--------|---------------------------------|
|                                 | QTD                     | YTD    | 1 Yr  | 3 Yr   | 5 Yr   |                                 |
| Class I Shares: AUEIX           | 17.90%                  | -3.95% | 4.23% | 10.85% | 11.90% | 13.67%                          |
| Class N Shares: AUENX           | 17.83%                  | -4.08% | 3.92% | 10.55% | 11.61% | 13.38%                          |
| Class R6 Shares: QUERX          | 17.98%                  | -3.91% | 4.34% | 10.94% | 12.00% | 13.80%                          |
| Russell 1000 Total Return Index | 21.82%                  | -2.81% | 7.48% | 10.64% | 10.47% | 13.25%                          |

The performance data quoted represents past performance. Past performance does not guarantee future results. Investment returns and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Call 1-866-290-2688 or visit [www.aqrfunds.com](http://www.aqrfunds.com) for current month-end performance. Indexes are unmanaged and one cannot invest directly in an index.

## Top Ten Holdings (%)\*

| Security          | % of Net Assets |
|-------------------|-----------------|
| Amazon.com        | 1.6%            |
| Microsoft         | 1.6%            |
| Procter Gamble    | 1.5%            |
| Costco Wholesale  | 1.5%            |
| Walmart           | 1.5%            |
| PepsiCo           | 1.5%            |
| T-Mobile US       | 1.5%            |
| Alphabet          | 1.5%            |
| Johnson&Johnson   | 1.5%            |
| Verizon           | 1.5%            |
| <b>Total Fund</b> | <b>15.1%</b>    |

## Sector Exposure (%)\*

|                        | Large Cap<br>Def Style<br>Fund | RUSSELL<br>1000<br>Index | Fund -<br>Index |
|------------------------|--------------------------------|--------------------------|-----------------|
| Communication Services | 7.3%                           | 10.3%                    | -3.0%           |
| Consumer Discretionary | 8.3%                           | 11.3%                    | -3.0%           |
| Consumer Staples       | 17.2%                          | 6.4%                     | 10.8%           |
| Energy                 | 0.0%                           | 2.6%                     | -2.6%           |
| Financials             | 13.2%                          | 10.2%                    | 3.1%            |
| Health Care            | 14.5%                          | 14.6%                    | 0.0%            |
| Industrials            | 9.1%                           | 8.4%                     | 0.7%            |
| Information Technology | 16.6%                          | 27.3%                    | -10.7%          |
| Materials              | 4.3%                           | 2.6%                     | 1.7%            |
| Real Estate            | 1.7%                           | 3.4%                     | -1.6%           |
| Utilities              | 7.6%                           | 2.9%                     | 4.7%            |
| <b>Total</b>           | <b>100.0%</b>                  | <b>100.0%</b>            | <b>0.0%</b>     |

\* Portfolio holdings are subject to change and should not be considered a recommendation to buy or sell securities. Any ETFs held by the Fund are accounted for in the sector exposures by the index's underlying holdings.

## Portfolio Statistics\*\*

|                          | Large Cap<br>Def Style Fund | RUSSELL<br>1000 Index |
|--------------------------|-----------------------------|-----------------------|
| # of stocks              | 290                         | 1,004                 |
| EPS Growth (5 Year)      | 12.27                       | 11.89                 |
| P/B                      | 4.09                        | 3.25                  |
| P/E (trailing 12 months) | 22.45                       | 22.46                 |
| Debt/Equity              | 0.67                        | 0.71                  |

\*\*Please see following page for Portfolio Statistic details and definitions.

## Fund Facts

|                 | Ticker | CUSIP     | Inception Date | Investment Minimum* | 12b-1 Fee | Gross Expense Ratio | Net Expense Ratio** |
|-----------------|--------|-----------|----------------|---------------------|-----------|---------------------|---------------------|
| Class I Shares  | AUEIX  | 00203H719 | 7/9/12         | \$5 Million         | None      | 0.39%               | 0.39%               |
| Class N Shares  | AUENX  | 00203H750 | 7/9/12         | \$1 Million         | 0.25%     | 0.66%               | 0.65%               |
| Class R6 Shares | QUERX  | 00191K831 | 9/2/14         | \$50 Million        | None      | 0.31%               | 0.30%               |

\*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 January 28, 2021.

## About the Fund

### Investment Objective:

Seeks total return.

### Reasons to Invest:

The Fund seeks to provide exposure to the U.S. stock market with lower volatility than its stock market benchmark.

The Fund's strategy seeks to provide downside protection with upside potential through active stock selection, risk management and diversification.

### Potential Advantages:

#### Experienced Management Team

AQR's core investment and research team has been together since the early 1990s.

#### Trading Infrastructure

Customized liquidity-providing algorithms seeking to minimize transaction costs.

#### Cutting Edge Research

AQR is a thought leader on low-risk, high-quality investing with an ongoing commitment to research and development.

## Investment Approach

- The Fund pursues a “defensive” strategy that provides exposure to the U.S. stock market with lower volatility and draw-downs relative to its stock market benchmark through active stock selection, risk management and diversification.
- The investment universe for the Fund is comprised of U.S. large-cap equities.
- The Fund seeks to invest in lower beta stocks of companies with stable businesses, high profitability, low operating and financial leverage, lower earnings-per-share variability and other measures of quality.
- These stocks generally are less volatile than the market average, and are expected to produce higher risk-adjusted returns over a full market cycle than market indexes.
- The Fund utilizes a proprietary optimization process and a number of sophisticated trading techniques to manage transaction costs.

## Definitions

**Russell 1000 Index:** Measures the performance of the 1,000 largest companies in the Russell 3000 Index. One cannot invest directly in an index.

**Beta:** A measure of systematic risk of a stock or a portfolio.

**Debt/Equity:** A leverage measure of a company's net debt to book value of equity ratio.

**P/B (Price to Book Ratio):** A valuation ratio of a company's current share price compared to its book value.

**P/E (Price to Earnings Ratio):** A valuation ratio of a company's current share price compared to its per-share earnings.

**EPS Growth (5 Year):** The growth of the earning per share over the last five years.

**Volatility:** Annualized standard deviation of the past 12 month daily returns of a given security or index.

## Fund Managers



**Michele Aghassi, Ph.D., CFA**  
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B.S., Brown University



**Andrea Frazzini, Ph.D.**  
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**Ronen Israel**  
Principal, AQR  
M.A., Columbia University  
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**Lars Nielsen**  
Principal, AQR  
M.Sc., B.Sc., University of Copenhagen

## PRINCIPAL RISKS:

Funds that emphasize investments in small and mid-cap companies generally will experience greater price volatility. The Adviser from time to time employs various hedging techniques, it is not possible to hedge fully or perfectly against any risk, and hedging entails its own costs.

This Fund is not suitable for all investors. An investor considering the Funds should be able to tolerate potentially wide price fluctuations. The Funds may attempt to increase its income or total return through the use of securities lending, and they may be subject to the possibility of additional loss as a result of this investment technique.

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](http://www.aqrfunds.com). Read the prospectus carefully before you invest. There is no assurance the stated objectives will be met.**

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**Not FDIC Insured - No Bank Guarantee - May Lose Value**

## AQR Capital Management, LLC

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