



AQR Sustainable Long-Short Equity Carbon Aware Fund

Class I: QNZIX

Class N: QNZNX

Class R6: QNZRX

[AQRfunds.com](https://www.aqrfunds.com)

A Sustainable Approach to Alternative Investing

In recent years, the importance of global issues such as climate change and workplace inequality has encouraged investors to prioritize their ESG efforts. By incorporating certain ESG considerations into security selection and portfolio construction processes, this global, long/short equity Fund seeks to help investors meet their ESG goals while capitalizing on the potential benefits of an alternative investment strategy.

Diversifying and Sustainable Sources of Return

ESG-conscious investors should not have to choose between a responsible investment approach and a well-diversified portfolio. This Fund seeks to provide exposure to companies with positive ESG characteristics and to multiple sources of return that may not be available through a traditional investment strategy.

Stronger Expression of ESG Views

Compared to long-only approaches that may prohibit exposure to a company with poor ESG characteristics, shorting it may allow investors to more effectively achieve ESG goals, such as reducing the carbon footprint of their portfolio.

Seeks to Help Hedge Against Climate Risk

The portfolio incorporates multiple metrics of climate exposure, such as carbon emissions and fossil fuel reserves, in an effort to hedge against climate-type investment risks.

Shorting, or selling a borrowed security and buying it back later, may produce unique benefits:

- Improving expression of a manager's active views, including ESG-related signals
- Offering a more effective way to achieve impact than through divestment
- Hedging the portfolio against climate-related risks
- Reducing the portfolio's overall carbon footprint

Source: AQR.

Related Resources

[Fact Sheet](#) >

[Fund Details](#) >

[ESG Introduction](#) >

[ESG Podcast](#) >



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Sustainable Alternative Investing at AQR

- AQR has used ESG-related signals in investment models since our inception in 1998. As a leader in systematic, sustainable investing, AQR is uniquely positioned to manage the mutual fund industry's first sustainable alternative fund.
- This Fund uses filters to screen the investment universe, seeking to prohibit the purchase of companies and industries with particularly poor ESG characteristics. Once these filters have been applied, we use quantitative investment factors to generate a long/short portfolio based on the investment model, inclusive of ESG signals.
- AQR continues to expand our commitment to ESG through research, product innovation, and industry partnerships. As a firm, we integrate ESG in both our asset selection and ownership decisions, which are guided by the responsible investment framework we developed with the UN PRI. Learn more [here](#).

About AQR

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. AQR's investment and research team has been incorporating ESG considerations into investment processes and managing complex long-only and alternatives strategies since the firm's inception in 1998.

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DISCLOSURES

The AQR Sustainable Long-Short Equity Carbon Aware Fund seeks capital appreciation. This Fund is new and has a limited operating history.

Investing in securities that meet ESG criteria may result in the fund forgoing otherwise attractive opportunities, which may result in underperformance when compared to funds that do not consider ESG factors.

The Fund's use of derivative instruments and short positions exposes the Fund to additional risks, such as increased volatility, risk of default by the counterparty to the transaction and possible losses greater (sometimes substantially) than the Fund's initial investment as well as increased transaction costs. Investments in foreign and emerging markets involves risks not associated with investments in US markets, such as currency fluctuations and political and regulatory uncertainty. Funds that have exposure to mid and small-cap companies generally will experience greater price volatility. The Adviser employs various hedging techniques. It is not possible to hedge fully or perfectly against any risk, and hedging entails its own costs.

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, including, but not limited to, the carbon emissions of the companies to which the Fund has exposure, 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.

Please review the Fund's prospectus for additional details regarding the risks associated with an investment in the Fund.



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This Fund is not suitable for all investors. An investor considering the Funds should be able to tolerate potentially wide price fluctuations.

An investment in the Fund is subject to risks, including the possibility that the value of the Fund's portfolio holdings may fluctuate in response to events specific to the companies in which the Fund invests, as well as economic, political or social events in the United States or abroad.

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.

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 objective(s) will be met.

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AQR008563 12/31/2023