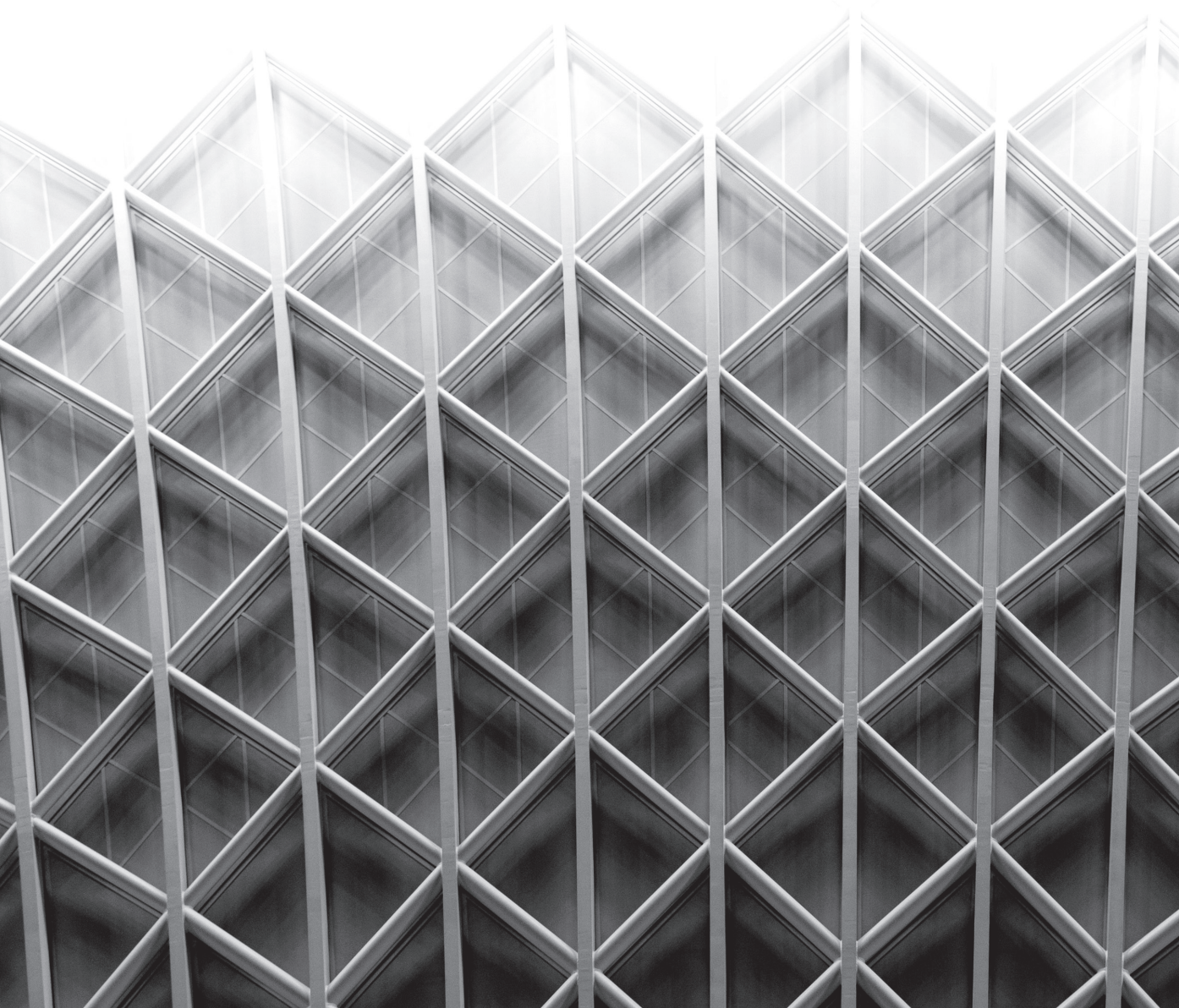




AN INVESTOR'S GUIDE

Style Premia




SEEKS ATTRACTIVE
RISK-ADJUSTED RETURNS



OPPORTUNITY TO
PERFORM IN RISING
AND FALLING MARKETS



A CORE ALLOCATION
TO ALTERNATIVES



The AQR Investor Guides are designed to help investors develop a clearer understanding of how certain investment strategies work, and how AQR's distinctive approach to managing them may help investors achieve their long-term investment objectives.

What is Style Premia?

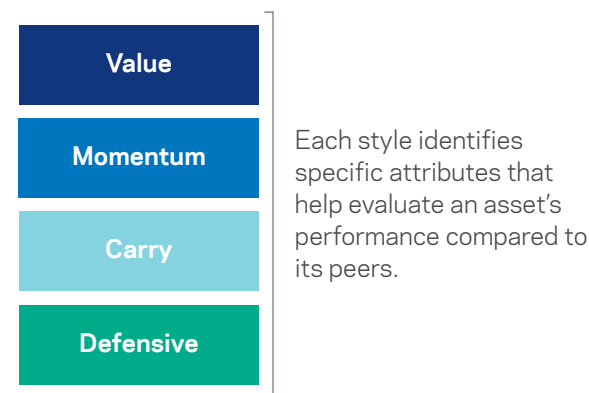
Every asset such as a stock, bond or currency has certain attributes that help explain its performance. For over 50 years, investment managers and academics have sought to identify those attributes, in an effort to understand which may perform better or worse than their peers. From that research, four ideas stand out, supported both by strong economic theory and a wealth of empirical evidence: Value, Momentum, Carry and Defensive.¹

Each of these four styles identifies a specific set of characteristics within the asset group that helps distinguish winners from losers. For Value, Momentum, Carry and Defensive, these characteristics include trading at a cheaper price, benefiting from recent out-performance, exhibiting higher yields and possessing lower risk, respectively.

Style investing uses a disciplined, systematic process to identify securities with these attributes. It combines these four pervasive styles in one portfolio, implemented across a broad investment universe, including multiple asset classes and countries.

¹ Source: "Understanding Style Premia," *The Journal of Investing*, (Israel, Maloney), 2014.

Styles offer a consistent and repeatable way to identify drivers of return.



Source: AQR. For illustrative purposes only.

How does Style Premia work?

Style Premia strategies have the flexibility to invest “long” and “short” to take advantage of both positive and negative price movements between different markets and asset classes. A long position profits if the price of the asset rises. A short position profits if the price of the asset declines.

The combination of long and short positions has the potential to generate positive returns in both rising and falling markets. Likewise, losses may occur regardless of market direction.

Across the four styles, the strategy invests both long and short, exhibiting the following characteristics:

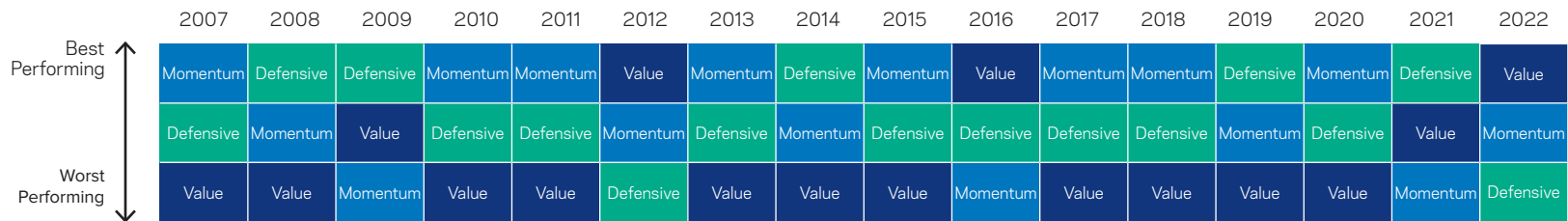
	Long Positions	Short Positions
Value	Cheap	Expensive
Momentum	Recent outperformers	Recent underperformers
Carry	Higher-yielding	Lower-yielding
Defensive	Lower risk, higher quality	Higher risk, lower quality

Source: AQR. For illustrative purposes only.

When does it work?

Since each style seeks to capture a distinct source of return, they tend to perform well at different times for different reasons. As one example, the chart below illustrates how style performance (Value, Momentum and Defensive) varies among global equities from year to year. When one or more styles provide significant contributions, the strategy is more likely to perform well.

Performance of styles will vary over time.



Momentum, Value and Defensive are represented by the MSCI World Momentum Index, the MSCI World Value Index and the MSCI World Quality Index (as a proxy for Defensive), respectively. The example above focuses on global equities, to which Carry does not apply.

When does it struggle?

Although the four styles are intended to be diversifying to each other, when one or more of them suffers significant losses, the overall portfolio is likely to suffer. In addition, because security selection is driven by economic fundamentals, periods when security prices do not accurately reflect their intrinsic value tend to be environments where the strategy may suffer losses.

What are the benefits of Style Premia?



SEEKS ATTRACTIVE RISK-ADJUSTED RETURNS

Style Premia selects securities based on consistent and repeatable return drivers, through a disciplined, systematic process. In doing so, the strategy seeks to eliminate human emotion and behavioral biases from the decision-making process.

By combining four different styles, and implementing each style across multiple asset classes, the strategy delivers sixteen distinct sources of returns. The combination of these largely unrelated return sources is designed to increase the overall efficacy of the portfolio. Allocating risk evenly across both styles and asset classes aims to further enhance the consistency of returns.

Sixteen distinct building blocks

Stocks & Industries	Value	Momentum		Defensive
Equity Indices	Value	Momentum		Defensive
Fixed Income	Value	Momentum	Carry	Defensive
Currencies	Value	Momentum	Carry	
Commodities	Value	Momentum	Carry	

Source: AQR. For illustrative purposes only.

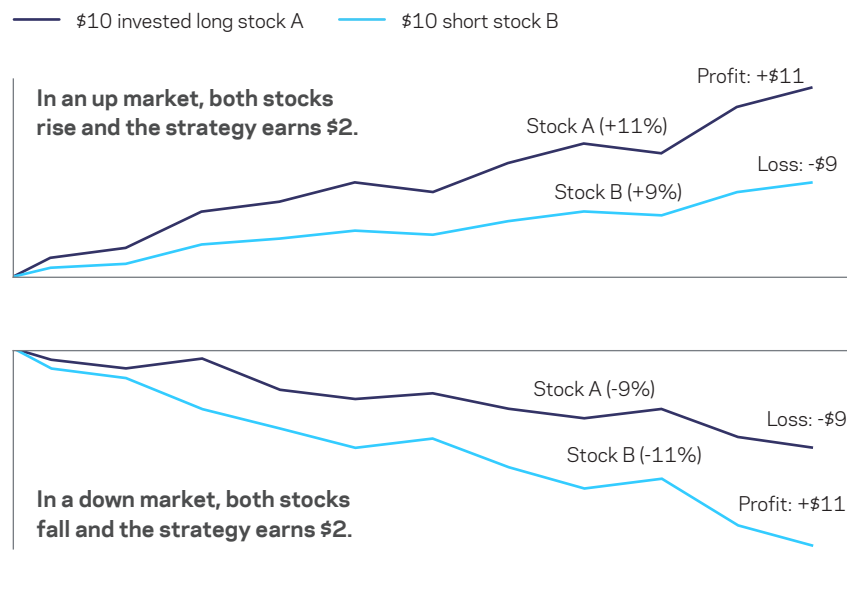


OPPORTUNITY TO PERFORM IN RISING AND FALLING MARKETS

Style Premia seeks to generate returns using techniques that are less constrained than traditional long-only strategies. Specifically, it invests “long” and “short” to take advantage of relative price movements between different assets. As a reminder, a long stock position profits if the stock price rises, while a short stock position profits if the stock price declines.

The combination of long and short positions has the potential to generate positive returns in both rising and falling markets. Style Premia invests long and short across stocks, bonds, currencies and commodities, seeking to provide positive absolute returns in both rising and falling markets.

Style Premia seeks to generate positive returns in up and down markets.



Source: AQR. The charts above are an illustration and are not representative of actual investments.



A CORE ALLOCATION TO ALTERNATIVES

Style Premia takes a holistic approach to style investing, combining exposure to four styles across five asset classes within one single portfolio. Investors may benefit from the simplicity of a single, balanced, core solution compared to the challenges of picking several single style products.

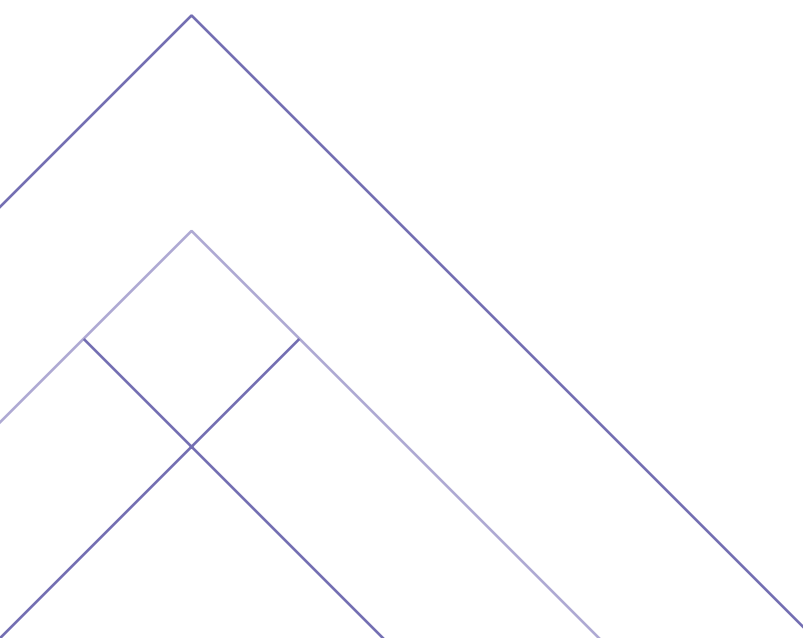
With a multi-style approach, the manager ensures...

- ✓ Each style within the portfolio is distinct from the others
- ✓ Styles are implemented across multiple asset classes
- ✓ Diversification is maintained across market environments
- ✓ Unintended risks are proactively managed
- ✓ Transaction costs are netted across strategies

How does Style Premia fit into a portfolio?

Given its propensity to be diversifying to traditional assets, this strategy should be viewed as a valuable component of a long-term strategic asset allocation. Over time, the strategy may help to improve returns, reduce risk and mitigate the likelihood of large losses for the overall portfolio.

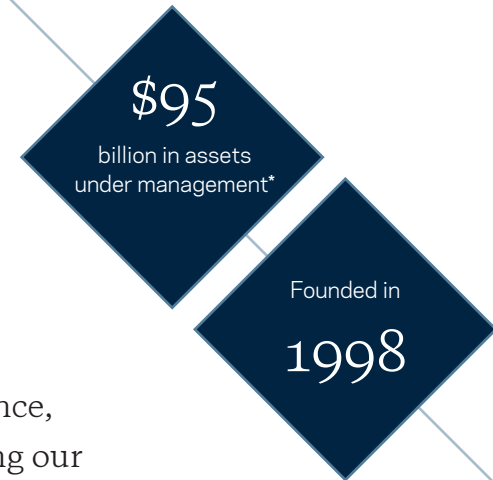
Like any investment strategy, Style Premia can go through challenging periods of performance. Investors who develop a clear understanding of how the strategy works and the role it is designed to play in a portfolio may be better positioned to stay invested over the long term and reap the potential benefits when needed most.







About AQR

AQR is a global investment management firm dedicated to delivering results for our clients through an innovative and forward-thinking approach. Our ideas were born in academia, and education has been paramount ever since. Today, approximately half our employees hold advanced degrees. We maintain ties with top universities, financial leaders and industry influencers around the globe.

As quantitative investors, AQR lives at the nexus of economics, behavioral finance, data and technology — continuously exploring what drives markets and applying our findings in a systematic and disciplined way to our clients’ portfolios. Our senior management team has been managing complex hedge fund strategies since the early 1990s. Our innovative approach has one simple purpose: to help our clients succeed through more informed investment decisions.



-  **A pioneer in quantitative investing**
-  **A leading provider of alternative strategies**
-  **Clients representing some of the largest and most sophisticated investors around the globe**
-  **Investment opportunities spanning most asset classes and markets throughout the world**

*Data as of December 31, 2022.

DISCLOSURES

The use of derivatives, forward and futures contracts, and commodities exposes the Fund to additional risks including increased volatility, lack of liquidity, and possible losses greater than the Fund's initial investment as well as increased transaction costs. Concentration generally will lead to greater price volatility. This 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.

The Style Premia Alternative Fund seeks long-term absolute (positive) returns. This Fund is not suitable for all investors. An investor considering the Fund should be able to tolerate potentially wide price fluctuations. The Fund may attempt to increase its income or total return through the use of securities lending, and it may be subject to the possibility of additional loss as a result of this investment technique. Risk allocation and attribution are based on estimated data, and may be subject to change.

Diversification does not eliminate the risk of losses.

Credit Suisse Hedge Fund Index: an asset-weighted hedge fund index that uses the Credit Suisse Hedge Fund Database, which tracks approximately 9,000 funds and consists only of funds with a minimum of U.S. \$50 million under management, a 12-month track record and audited financial statements. The index is calculated and rebalanced on a monthly basis, and reflects performance net of all hedge fund component performance fees and expenses.

MSCI Momentum Index: an index that is designed to target securities based on risk-adjusted performance, with the goal of mitigating momentum crashes and reducing unnecessary turnover.

MSCI Quality Index: an index that aims to reflect the performance of high quality stocks by weighting based on debt-to-equity, return-on-equity and earnings variability.

MSCI Value Index: an index based on research that has found that combining value ratio descriptors has captured the value factor better than using any individual ratio descriptor alone.

MSCI World Index: a free float-adjusted, market-capitalization-weighted index that is designed to measure the equity market performance of developed markets.

S&P 500 Index: a free-float, market-capitalization-weighted index of 500 of the largest U.S. companies. The index is calculated on a total return basis with dividends reinvested.

Absolute return: the excess return above the risk-free rate.

One cannot invest directly in an index.

Investors should carefully consider the investment objectives, risks, charges and expenses of the funds before investing. To obtain a prospectus or summary prospectus containing this and other important information, please call 1-866-290-2688 or visit www.aqrfunds.com to view or download a prospectus or summary prospectus online. Read the prospectus or summary prospectus carefully before you invest. There are risks involved with investing including the possible loss of principal. Past performance does not guarantee future results.

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