

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
AQR FUNDS-AQR DIVERSIFIED ARBITRAGE FUND		26-3315049	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
PATRICK RYAN	203-742-3940	PATRICK.RYAN@AQR.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and ZIP code of contact	
TWO GREENWICH PLAZA		GREENWICH, CT 06830	
8 Date of action		9 Classification and description	
12/23/2020		COMMON STOCK - REGULATED INVESTMENT COMPANY	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
SEE BELOW	N/A	SEE BELOW	N/A

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ ON DECEMBER 23, 2020, AQR FUNDS-AQR DIVERSIFIED ARBITRAGE FUND PAID A DISTRIBUTION TO COMMON SHAREHOLDERS OF RECORD AS OF DECEMBER 21, 2020. A PORTION OF THE DISTRIBUTION CONSTITUTES A NON-TAXABLE RETURN OF CAPITAL.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ THE PORTION OF THE DISTRIBUTION THAT CONSTITUTES A NON-TAXABLE RETURN OF CAPITAL WILL DECREASE A U.S. TAXPAYER'S BASIS IN THE SHARES OF AQR FUNDS-AQR DIVERSIFIED ARBITRAGE FUND. THE NON-TAXABLE RETURN OF CAPITAL IS AS FOLLOWS:

CLASS	CUSIP	TICKER	PER SHARE REDUCTION OF BASIS IN COMMON STOCK
CLASS I	00203H602	ADAIX	\$0.027769
CLASS N	00203H107	ADANX	\$0.023148
CLASS R6	00191K104	QDARX	\$0.029059

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ AQR FUNDS-AQR DIVERSIFIED ARBITRAGE FUND'S CURRENT AND ACCUMULATED EARNINGS WERE COMPARED TO DISTRIBUTIONS PAID DURING THE YEAR ENDED DECEMBER 31, 2020. THE NON-TAXABLE RETURN OF CAPITAL REPRESENTS THE AMOUNT OF DISTRIBUTIONS PAID DURING THE TAXABLE YEAR ENDED DECEMBER 31, 2020 IN EXCESS OF AQR FUNDS-AQR DIVERSIFIED ARBITRAGE FUND'S CURRENT AND ACCUMULATED EARNINGS AND PROFITS UNDER IRC SEC. 316.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ IRC SECTIONS 301, 316, 852

18 Can any resulting loss be recognized? ▶ NO

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ THIS ORGANIZATIONAL ACTION IS REPORTABLE WITH RESPECT TO CALENDAR YEAR 2020

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here
Signature ▶ _____ Date ▶ _____

Paid Preparer Use Only	Print your name ▶ <u>A SIGNED COPY IS MAINTAINED BY THE ISSUER</u>		Title ▶ _____	
	Print/Type preparer's name	Preparer's signature	Date	Check <input checked="" type="checkbox"/> if self-employed
	<u>Tara Bongiorno</u>	<u>Tara Bongiorno</u>	<u>2/19/2021</u>	PTIN <u>P02359596</u>
	Firm's name ▶ <u>Deloitte Tax LLP</u>	Firm's EIN ▶ <u>86-1065772</u>		Phone no. <u>212-492-4000</u>
Firm's address ▶ <u>30 Rockefeller Plaza, New York, NY 10112-0015</u>				