### AQR Diversified Arbitrage Fund

#### Performance as of 03/31/2018

<table>
<thead>
<tr>
<th>Security Type</th>
<th>Top 5 Long Holdings*</th>
<th>% of Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual Stocks</td>
<td>58.0%</td>
<td>Consumer Discretionary</td>
</tr>
<tr>
<td>Convertible Bonds</td>
<td>33.7%</td>
<td>Consumer Staples</td>
</tr>
<tr>
<td>Debt</td>
<td>5.6%</td>
<td>Energy</td>
</tr>
<tr>
<td>Close-end Funds</td>
<td>2.8%</td>
<td>Financials</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
<td>Health Care</td>
</tr>
</tbody>
</table>

#### Portfolio Statistics*

- **# of long holdings**: 230
- **# of short holdings**: 94
- **Total Fund Assets (AMM)**: $448 Million

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

#### Strategy Exposure

<table>
<thead>
<tr>
<th>Long Positions as % of Net Assets</th>
<th>Short Positions as % of Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Event Driven</td>
<td>56.9%</td>
</tr>
<tr>
<td>Convertible Arbitrage</td>
<td>42.3%</td>
</tr>
<tr>
<td>Merger Arbitrage</td>
<td>38.2%</td>
</tr>
<tr>
<td>Total</td>
<td>137.5%</td>
</tr>
</tbody>
</table>

#### Top 5 Long Holdings

- **Class I Shares: ADAIX**
  - **0.77%**
- **Class N Shares: ADANX**
  - **0.77%**
- **Class R6 Shares: QDARX**
  - **0.88%**
- **Bank of America ML 3 Month T-Bill Index**
  - **0.35%**

#### Top 5 Short Holdings

- **QTD**
  - **0.77%**
- **YTD**
  - **0.77%**
- **1 Yr**
  - **4.80%**
- **3 Yr**
  - **2.97%**
- **5 Yr**
  - **0.90%**
- **Since Inception (01/16/2009)**
  - **2.52%**

#### 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.

**Key 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 help minimize transaction costs.

**Cutting Edge Research**
Ongoing commitment to research and development.
Merger Arbitrage
The intuition behind this strategy is to capture a liquidity premium 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 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.

Corporation 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 spin-off of the subsidiary.

Stub-Trading 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 restructuring 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.

PRINCIPAL RISKS:
An investment in The Fund involves risk, including loss of principal. The Fund is not suitable for all investors.

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 the 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.

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.

An investor should consider the investment objectives, risks, charges and expenses of The Fund carefully before investing. To obtain a 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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