



Article 10 (SFDR) Website disclosure for an Article 8 fund

AQR Global Risk Parity UCITS Fund (the “Fund”)



Product name: AQR Global Risk Parity UCITS Fund
Legal entity identifier: 549300F27ZBMBQ39T162

Does this financial product have a sustainable investment objective?

<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ___% <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective
<input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___%	<input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments



A. Summary

The Fund has been classified as an Article 8 fund under Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (“**SFDR**”). Terms used but not defined herein shall have the respective meanings given to them in the prospectus of the Fund.

No sustainable investment objective

This financial product promotes environmental or social characteristics, but does not have as its objective a sustainable investment.

Environmental or social characteristics of the product

Through the equity risk premia portion of the portfolio, specifically the allocation to corporate equity issuers, the Fund promotes environmental or social characteristics by utilising *inter alia* negative screens, exclusions, positive tilts and managing carbon emissions.

Investment strategy

The Investment Manager, AQR Capital Management, LLC (“**AQR**”) offers a diversified product offering including dedicated environmental, social and governance (“**ESG**”) solutions and ESG investing strategies that focus on broad ESG considerations (incorporating negative screens and positive tilts), low-carbon portfolios, or portfolios customized for other client-specific ESG priorities.

The Fund implements the following ESG characteristics and indicators into its investment policy. In this context the Fund’s objective would in particular be to better manage risk, generate sustainable, long-term returns and promote environmental or social characteristics. For further details investors should refer to the Fund’s prospectus.



Exclusions					ESG Characteristics	Good Governance	
Static screen: excluding tobacco	Static screen: excluding controversial weapons	Static screen: excluding fossil-fuels related stock	Dynamic screen: excluding issuers with weakest ESG scores	Managing carbon emissions footprint	Active tilt towards securities with superior ESG characteristics	Good governance signals	Excluding issuers with inferior governance
✓	✓	✓	✓	✓	✓		✓

Proportion of investments

The Fund plans to use 10% of its investments to attain the environmental or social characteristics promoted, while the remaining investments of the Fund which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments are planned to be 90%.

Monitoring of environmental or social characteristics

A number of sustainability indicators are coded directly into the portfolio optimization process. Adherence to the ESG characteristics and indicators is monitored on a regular basis as part of the investment process.

Methodologies

A separate methodology is associated with each of the sustainability indicators, which facilitates codification of the indicators into the portfolio construction process. Reporting is provided to clients consistent with the methodologies, and the portfolio management team is able to monitor the same data.

Data sources and processing

The Investment Manager makes use of a variety of data sources. Specific to ESG-related data, this Fund's portfolio construction process deploys a combination of proprietary models and a variety of third-party data sources in its portfolio construction process, such as raw data which is processed into proprietary ESG investment signals; MSCI ESG ratings data; and carbon-related data.

Limitations to methodologies and data

Data for ESG can face comparatively short time periods and sparse or inconsistent coverage. In addition, there is an ongoing due diligence of the 3rd party data solutions utilized, and proactive due diligence of new data solutions. Such due diligence involves an economic analysis to help validate whether the data actually captures the dimensions of ESG that it is designed to capture.

Due diligence

Third-party and internal ESG data monitors assets in our investment universe, and any changes with such data are dynamically reflected in our models' views. AQR also utilizes an ESG company monitor that identifies problematic exposures. AQR also hosts several exclusion lists, and portfolios are continuously monitored to ensure compliance with the precise exclusion criteria.

Engagement policies

AQR undertakes direct engagement with companies based on ESG concerns, and to improve companies' environmental-related data disclosures. AQR's Stewardship Committee is responsible for



monitoring and tracking its engagement activities. Each engagement has a defined objective, and failure to attain this objective over a given time horizon can trigger our escalation process.

Designated reference benchmark

No reference benchmark has been designated for the purpose of attaining these characteristics promoted by the financial product.



B. No sustainable investment objective

This financial product promotes environmental or social characteristics, but does not have as its objective a sustainable investment.



C. Environmental or social characteristics of the financial product

What are the environmental or social characteristics promoted by this financial product?

Through the equity risk premia portion of the portfolio, specifically the allocation to corporate equity issuers, the Fund promotes environmental or social characteristics by having: (i) carbon intensity lower than the reference universe of the Fund's allocation to corporate equity issuers; (ii) exposures to companies with superior ESG characteristics; and (iii) the application of sectoral exclusions.

The promotion of environmental or social characteristics will be made by: (i) utilising negative screens aimed at excluding issuers with weakest ESG scores; (ii) principles-based exclusion framework; (iii) positive tilts; and (iv) managing carbon emissions (as described below). The Fund will also invest in companies which follow good governance practices, as further described below.

No reference benchmark has been designated for the purpose of attaining the promoted environmental and social characteristics.



D. Investment strategy

What investment strategy does this financial product follow and how is the strategy implemented in the investment process on a continuous basis?

With respect to the equity risk premia portion of the portfolio, specifically the allocation to corporate equity issuers, the Investment Manager will exclude long positions in 5-12% of issuers with the weakest ESG scores in the given universe, targeting an exclusion rate of 10%. Additionally, the Investment Manager will not purchase fossil-fuels related issuers and tobacco and controversial weapons related securities.



In addition, the Investment Manager will explicitly manage the portfolio's carbon intensity, to be lower than the equivalent measure computed for a reference universe of the Fund's equity risk premia allocation (specifically the allocation to corporate equity issuers).

In addition to good governance and the exclusions prerequisites, the Fund's equity risk premia allocation, specifically the allocation to corporate equity issuers, will prioritise exposures with superior ESG characteristics.

With respect to the equity risk premia portion of the portfolio, the positive tilt towards securities with superior ESG characteristics will apply to some of the derivative instruments in which the Fund invests. The Investment Manager screens single-name positions, whether held in cash or in single-name swaps (such as CFDs), and assesses their ESG characteristics.

ESG characteristics shall be determined by ESG ratings data (selected at the Investment Manager's discretion), with the aim of identifying the extent to which each company in the universe is exposed to, and how well it manages, a range of Environmental, Social, and Governance factors.

ESG factors taken into account with respect to this approach include amongst others:

- **Environmental:** gas emissions, resource depletion, waste and pollution, deforestation, carbon footprint;
- **Social:** working conditions, relation to the local communities, health and safety, employee relations, diversity considerations;
- **Governance:** executive pay, bribery and corruption, political lobbying and donations, tax strategy.

The ESG characteristics are generated using a combination of the Investment Manager's proprietary models, as well as third party models and data. Such models mainly take into account the ESG scoring as well as other metrics integrated in and applicable to the models of the target companies. Investors should note that assessment criteria may change over time or vary depending on the sector or industry in which the relevant issuer operates.

Note that ESG-related data received from third parties may be incomplete, inaccurate or unavailable from time to time. As a result, there is a risk that the Investment Manager may incorrectly assess a security or issuer, resulting in the incorrect direct or indirect inclusion or exclusion of a security in the portfolio of a Fund.

Applying ESG criteria to the investment process may lead the Investment Manager to invest in or exclude securities for non-financial reasons, irrespective of market opportunities in order to achieve the ESG characteristics of the Fund following the approach described above.

In addition to the preliminary assessment of investment opportunities against the ESG characteristics described herein, the Investment Manager will monitor the invested positions on an ongoing basis. Should an invested security not fulfil or meet the ESG criteria, the Investment Manager will take appropriate actions deemed necessary (including but not limited to portfolio rebalancing), within a reasonable timeframe and in such manner that is line with the interest of the Fund.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following elements are only binding to the equity risk premia portion of the Fund's portfolio and specifically the allocation to cash equities within that.



The Investment Manager will not purchase 5-12% (but targeting 10%) of issuers with the weakest ESG scores, fossil-fuels related issuers, tobacco and controversial weapons related securities in the given universe.

A company is deemed to be a fossil-fuel related company if it owns fossil fuel reserves, derives 10% or more revenue from thermal coal, or derives 10% or more revenue from oil sands.

A company is deemed to be a tobacco-related company if it derives 5% or more revenue from tobacco-related business activities.

A company is deemed to be a controversial weapons related company if it is involved in the manufacturing of cluster munitions, anti-personnel landmines, depleted uranium, or biological weapons, or derives 5% or more revenue from the manufacturing of nuclear weapons.

The Investment Manager will explicitly manage the portfolio's carbon intensity to be lower than the equivalent measure computed for a reference universe of the Fund's allocation to corporate equity issuers, at the time of rebalance.

The Fund's equity risk premia allocation, specifically the allocation to corporate equity issuers, will prioritise exposures with superior ESG characteristics.

What is the policy to assess good governance practices of the investee companies?

The Investment Manager imposes a restriction on issuers which have particularly weak governance relative to peers.

Is there a commitment to reduce by a minimum rate the scope of investments considered prior to the application of the strategy? (Including an indication of the rate)

Yes. The Investment Manager will not purchase issuers with the weakest ESG scores in the given universe, in addition to restricting all issuers with broadly defined tobacco, fossil fuel, and controversial weapons involvement. These exclusions typically exceed 5% of stocks in a given investment universe.

Does this financial product consider principal adverse impacts on sustainability factors?

- Yes
- No



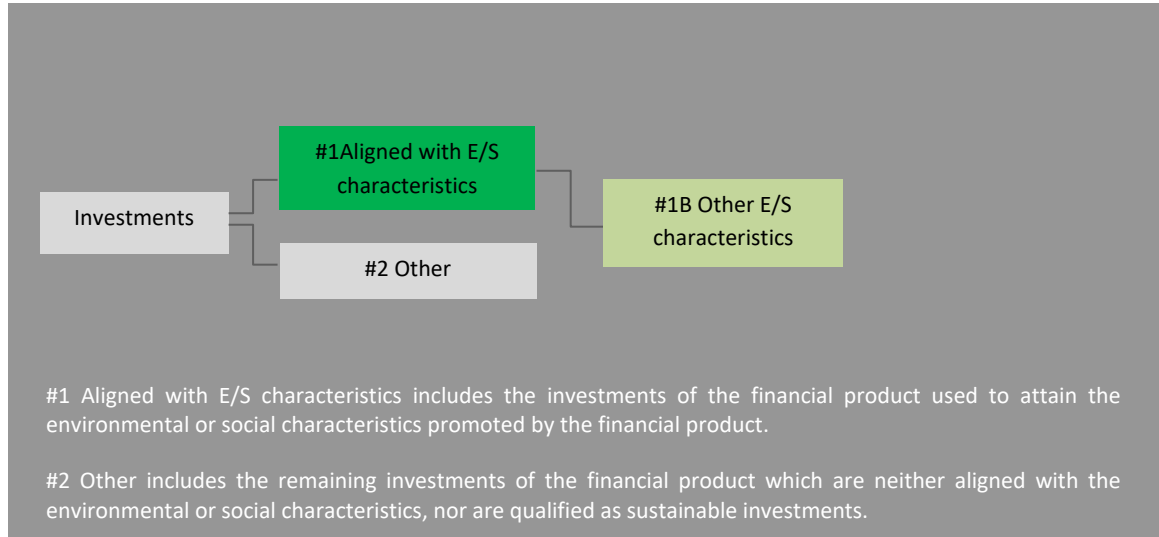
E. Proportion of investments

What is the planned asset allocation for this financial product?

The Fund plans to use 5% of its investments to attain the environmental or social characteristics promoted (#1 Aligned with E/S characteristics).



The remaining investments of the Fund which are not aligned with the environmental or social characteristics are planned to be **95%** (#2 Other). The Fund does not target a sustainable investment objective.



How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Within its equity risk premia allocation, and specifically the portion achieved through cash equities, the Fund promotes environmental or social characteristics by (i) utilising positive tilts towards securities with superior ESG characteristics as well as (ii) managing carbon emissions. The Investment Manager may also use derivatives, including swaps or CFDs, to attain the ESG-related characteristics.

What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The Fund invests in futures (including index futures, bond futures and interest rate futures), currency forwards, options and swaps (including equity swaps, swaps on index futures, total return swaps and interest rate swaps) as part of its investment policy. The Fund has also exposure to bonds, including U.S. Government securities and sovereign debt issued by other developed countries. The Fund may invest in debt securities of any credit rating, maturity or duration.

A portion of the Fund’s assets may be held in cash or cash equivalent investments, including, but not limited to, short-term investment funds, bank deposits and/or U.S. Government securities (including U.S. Treasury Bills). A portion of these assets may be used for derivatives’ margining and collateral requirements. Due to the nature of holding these instruments they are not subject to minimum environmental or social safeguards.



F. Monitoring of environmental or social characteristics



What sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by this financial product?

The indicators used include:

- the carbon intensity of the Fund's portfolio;
- the ESG score of the Fund's portfolio companies; and
- percentage of investments in companies that do not comply with the exclusion criteria.

How are the environmental or social characteristics and the sustainability indicators monitored throughout the lifecycle of the financial product and the related internal/external control mechanism?

ESG-related investment guidelines and constraints, namely the sustainability indicators noted, are coded directly into the portfolio optimization process. Adherence to the ESG characteristics and indicators is monitored on a regular basis as part of the investment process and compliance controls of the Fund. Reporting is provided to Fund clients relating to the sustainability indicators noted.



G. Methodologies

What is the methodology to measure the attainment of the environmental or social characteristics promoted by the financial product using the sustainability indicators?

The Investment Manager has a methodology associated with each of the sustainability indicators above, for example an ESG score threshold determined from third-party ESG ratings data or a carbon intensity formula consistent with industry frameworks. This facilitates codification of the indicators into the portfolio construction process. Reporting is provided to clients consistent with the methodologies, and the portfolio management team is able to monitor the same data.



H. Data sources and processing

What are the data sources used to attain each of the environmental or social characteristics including the measures taken to ensure data quality, how data is processed and the proportion of data that is estimated?

The Investment Manager is quantitatively-oriented and makes use of a variety of data sources. Specific to ESG-related data, this Fund's portfolio construction process deploys a combination of proprietary models and a variety of third-party data sources in its portfolio construction process.

Data sources include:

- Raw data which we process into proprietary ESG investment signals;
- MSCI ESG ratings data;
- Carbon-related data (e.g., emissions, reserves, etc.) from Trucost and MSCI; as a CDP signatory, we also have access to their climate-related data; and
- Screening lists based on industry codes, restricted activities, etc.



Data integrity has been a well-known historic research issue for ESG, and we carefully analyze the quality and scope of third-party ESG data we consume. The Investment Manager maintains a regular dialogue with its data providers, and is vigilant in pointing out any issues in the data for resolution.

Data is never taken in “as is”, but rather is subject to coverage checks and the Investment Manager imputing gaps where possible. This may include estimating carbon emissions for companies in the investment universe that are not yet covered by providers. Estimations vary by data provider and investment universe, although for the sustainability indicators noted above, the Investment Manager finds existing coverage suitable and observes improving trends.

In addition to checks to promote data integrity, the Investment Manager seeks to proactively identify and address omissions or errors in individual data points provided by vendors, enriching the data set for all consumers.

Moreover, the Investment Manager participates in broad consultations with data providers to improve the usefulness of their current and future offerings as the ESG landscape evolves and matures.



I. Limitations to methodologies and data

What are the limitations to the methodologies and data sources? (Including how such limitations do not affect the attainment of the environmental or social characteristics and the actions taken to address such limitations)

Data for ESG has its limitations, with, for example, comparatively short time periods and sparse or inconsistent coverage. We view handling potentially incomplete and noisy data as one of our competitive advantages, further described in our response to point H above.

In addition, we have ongoing due diligence of the third-party data solutions we utilize, and proactive due diligence of new data solutions that may further strengthen our process. This due diligence involves an economic analysis to help validate whether the data actually captures the dimensions of ESG that it is designed to capture. We believe this economic analysis is not always undertaken by data providers, but we consider it critical to inform us about the potential usefulness of the data. Examples of the types of analyses we undertake can be found in our public whitepapers, for example “Looking Forward with Historical Carbon Data” or “Assessing Risk through Environmental, Social and Governance Exposures” which reviews ESG scores.



J. Due diligence

What is the due diligence carried out on the underlying assets and what are the internal and external controls in place?

Third-party and internal ESG data monitors assets in our investment universe, and any changes with such data are dynamically reflected in our models’ views. AQR also hosts several exclusion lists, e.g., for controversial weapons, that can be applied to portfolios; such companies are identified using,



for instance, MSCI’s controversial weapons flag, and portfolios are continuously monitored to ensure compliance with the precise exclusion criteria.



K. Engagement policies

Is engagement part of the environmental or social investment strategy?

- Yes
- No

If so, what are the engagement policies? (Including any management procedures applicable to sustainability-related controversies in investee companies)

The Investment Manager’s engagement policy can be found on AQR’s [ESG webpage](#).

AQR’s engagements are conducted at the firm level, not specific to individual portfolios, and are focused on transparency and relevant holdings are considered within the overall assessment for engaging with a company.

AQR undertakes direct engagement with companies based on ESG concerns, and to improve companies’ environmental-related data disclosures. AQR’s Stewardship Committee is responsible for monitoring and tracking its engagement activities. Each engagement has a defined objective, and failure to attain this objective over a given time horizon can trigger our escalation process.



L. Reference benchmark

Has a reference benchmark been designated for the purpose of attaining these characteristics promoted by the financial product?

- Yes
- No