



AQR CAPITAL MANAGEMENT (EUROPE) LLP
UK MODERN SLAVERY ACT STATEMENT

1. OPENING STATEMENT

- 1.1 This statement is made voluntarily by AQR Capital Management (Europe) LLP (“**AQR Europe**”, “**we**”, “**us**” and “**our**”), in order to be transparent about our efforts to ensure that, in so far as we can be aware, modern slavery does not take place in our business or supply chains.
- 1.2 AQR Europe is a subsidiary of AQR Capital Management, LLC (together “**AQR**”). To the extent applicable, AQR is committed to eliminating modern slavery from its business and supply chains.
- 1.3 This statement relates to the financial year ending 31 December 2017. In this statement, we use the term “modern slavery,” to include slavery, servitude and forced or compulsory labour and human trafficking, all of which are abuses of a person’s freedoms and rights.

2. OUR BUSINESS AND ORGANISATION

- 2.1 AQR is an employee-owned, global investment management firm. We invest in alternative and long-only strategies in commingled vehicles as well as segregated managed accounts. All investment decisions are made using a series of systematic global asset allocation, arbitrage and security selection models and are implemented using proprietary trading and risk-management systems.
- 2.2 AQR carries out business in the United Kingdom through AQR Europe which is an alternative investment fund manager (“**AIFM**”) regulated by the FCA.
- 2.3 AQR Europe employs approximately 40 skilled professionals in its London office..
- 2.4 Given the nature of our business, and our workforce, we believe that there is no material risk of modern slavery in our workforce. Further, as is discussed in more detail below, we also believe that the risk of modern slavery in our vendor base is minimal.



3. POLICIES AND PROCEDURES

- 3.1 We are committed to adhering to the highest standard of business conduct; compliance with the law and regulatory requirements; and best practice.
- 3.2 As a firm authorised and regulated by the FCA we adhere to the eleven Principles set out in the FCA Handbook, which includes conducting business with: ‘Integrity’ (Principle 1); ‘Skill Care and Diligence’ (Principle 2); and with effective ‘Management and Control’ (Principle 3).
- 3.3 We have policies that provide for the fair treatment of employees and are committed to a policy of equal opportunities. This policy applies to recruiting, hiring, placement, promotions, training, discipline, terminations, layoffs, transfers, leaves of absence, compensation and all other terms and conditions of employment.
- 3.4 AQR has a complaint procedure that employees should follow in the event any employee feels that he or she has been the subject of any type of impermissible harassment or discrimination. Any employee found to have violated this policy will be subject to such disciplinary action as AQR deems appropriate, up to and including immediate termination.
- 3.5 As part of AQR’s commitment to ethics and compliance, it encourages all employees to escalate any issues or concerns they may have to their manager, Compliance, Legal or Human Resources. To provide our employees with an additional means to report their issues or concerns, AQR also offers an anonymous telephone hotline. The AQR Compliance Hotline is independently administered by a third party compliance solutions company. Employees may submit their issues or concerns via the telephone hotline anonymously and without fear of reprisal.

These policies are incorporated in AQR’s Business Conduct Manual and Code of Ethics. It is a requirement for all staff to read these documents and certify that they have done so.

- 3.6 Further, AQR expects that companies, which it invests in, comply with all relevant laws and regulations, including those relating to modern slavery and human trafficking.
- 3.7 We are also committed to helping clients achieve Environmental, Social and Governance (“ESG”) objectives. As part of this approach AQR has appointed ISS Governance Services (“ISS”) to provide corporate engagement services to AQR through its Pooled Engagement Service. This allows us to join with other investment managers and asset owners to request improved disclosure from targeted companies on potential issues related to ESG, including compliance with human rights and labour standards. We believe that this improved disclosure and greater transparency is in the best interests of all investors and allows asset owners to make more informed decisions about investable companies. Further details of AQR’s corporate



engagement activities can be found in its ESG Policy Statement <https://www.aqr.com/esg-policy>.

- 3.8 This statement does not discuss the compliance activities of companies which are not our subsidiaries.

4. OUR VENDORS AND VENDOR MANAGEMENT

- 4.1 Our primary third-party vendors are professional services firms, for example legal accounting and other consulting firms, as well as information technology, software and data analytics services. In light of the nature of the services provided by those third-party vendors, we believe that the risk of modern slavery and human trafficking is minimal in relation to the services that they provide to us.

- 4.2 To a lesser extent, our service vendors include airlines, hotels and restaurants and food, cleaning and car services. We also purchase from retailers off-the-shelf goods such as office equipment and supplies. We believe that the risk of modern slavery at these vendors is low with respect to the goods and services we purchase from them due to the particular vendors and/or the location of performance. However, given the nature of our business relationships with these vendors, we have limited ability to assess their employment practices or supply chains. We have a large vendor base; accordingly, we do not describe in this Statement all of the types of vendors that we do business with.

- 4.3 On behalf of the segregated managed accounts and funds that AQR manages for its clients and investors, we maintain trading relationships with counterparties that include US and non-US banks, broker-dealers, and other regulated financial institutions. All new counterparties are reviewed by AQR's Counterparty Risk Committee ("CRC") prior to trading. All current counterparties are reviewed by the CRC on a periodic basis and any additional product approvals for existing counterparties will be reviewed as needed. Responsibilities of the CRC include the review, approval and monitoring of all counterparties and counterparty exposure. A list of approved counterparties is maintained by the CRC and posted on AQR's intranet site.

- 4.4 This statement will be published on AQR's website in order to make our vendors aware of AQR's policies and expectations in relation to modern slavery and human trafficking.

5. TRAINING

- 5.1 We educate relevant internal and compliance personnel about the risk of modern slavery and human trafficking. We will also provide copies of this statement to the AQR Europe Senior Management Team.

- 5.2 We believe in investing in and educating all personnel. Personnel are trained on relevant policies and procedures including those referred to above and are encouraged



to bring any questions or concerns to designated internal personnel. We will keep under review the need for any further training.

- 5.3 We intend to continue to consider and review the risk of modern slavery taking place in our business or supply chain, including through considering the business that we engage in; the services we provide; the procedures that we use for selecting and approving third-party vendors, and the ongoing monitoring of compliance with existing policies and procedures.

APPROVAL

This statement is made voluntarily but with reference to section 54 of the Modern Slavery Act 2015. This statement has been reviewed and approved by the members of AQR Europe Senior Management and AQR ESG Team and signed by a designated member.

6. February 2018

Tobias Ettlin

Compliance Officer and Money Laundering Reporting Officer (CF10, CF11)