

PROSPECTUS
Class N Shares
April 28, 2010

AQR Global Equity Fund
AQR International Equity Fund
AQR Diversified Arbitrage Fund
AQR Managed Futures Strategy Fund

**THE AQR FUNDS
PROSPECTUS
April 28, 2010
CLASS N SHARES**

INTERNATIONAL AND GLOBAL EQUITY FUNDS

**AQR Global Equity Fund
AQR International Equity Fund**

**ABSOLUTE RETURN FUNDS
AQR Diversified Arbitrage Fund
AQR Managed Futures Strategy Fund**

This prospectus contains important information about each Fund, including its investment objective, fees and expenses. For your benefit and protection, please read it before you invest and keep it for future reference. This prospectus relates only to the Class N Shares of each Fund.

Fund	Ticker Symbol
AQR Global Equity Fund	AQGNX
AQR International Equity Fund	AQINX
AQR Diversified Arbitrage Fund	ADANX
AQR Managed Futures Strategy Fund	AQMNX

The Securities and Exchange Commission has not approved or disapproved these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense. In addition, your investment in any of the Funds is not a deposit in a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. You may lose money by investing in any of the Funds. The likelihood of loss may be greater if you invest for a shorter period of time.

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FUND SUMMARY: AQR GLOBAL EQUITY FUND

INVESTMENT OBJECTIVE

The AQR Global Equity Fund (the “Fund”) seeks long-term capital appreciation.

FEES AND EXPENSES OF THE FUND

This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund.

Shareholder Fees (fees paid directly from your investment)

	<u>Class N</u>
Maximum Sales Charge (Load) Imposed on Purchases (as a percentage of offering price)	None
Maximum Deferred Sales Charge (Load) (as a percentage of the lesser of the amount redeemed or original purchase cost)	None
Redemption Fee (as a percentage of amount redeemed or exchanged, only within 60 days)	2.00%

Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)

	<u>Class N</u>
Management Fee	0.40%
Distribution (12b-1) fee	0.25%
Other Expenses ¹	0.69%
Total Annual Fund Operating Expenses	1.34%
Less: Fee Waivers and/or Expense Reimbursements ²	0.00%
Total Annual Fund Operating Expenses after Fee Waivers and/or Expense Reimbursements	1.34%

¹ Other expenses are estimated for the current fiscal year.

² The *Adviser* has contractually agreed to waive its management fee and/or to reimburse expenses of the Fund to the extent necessary to maintain the total annual fund operating expenses at no more than 1.20% for Class N Shares for the period commencing as of the date of this prospectus through December 31, 2010 and 1.35% for Class N Shares for the period commencing January 1, 2011 through May 1, 2011 (the “Fee Waiver Agreement”). The Fee Waiver Agreement may only be terminated with the consent of the *Board*, including a majority of the Trustees of the *Trust* who are not “interested persons” of the *Trust* within the meaning of the *1940 Act* and does not extend to interest, taxes, dividend expense, borrowing costs, acquired fund fees and expenses, interest expense relating to short sales and extraordinary expenses.

Example: This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other *mutual funds*. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund’s operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	<u>1 Year</u>	<u>3 Years</u>
Class N Shares	\$122	\$411

Portfolio Turnover:

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover may indicate higher transaction costs and may result in higher taxes when shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund’s performance. The Fund recently commenced operations and has not yet completed a fiscal year.

PRINCIPAL INVESTMENT STRATEGIES OF THE FUND

The Fund seeks to outperform the *MSCI World Index* (the *Global Equity Benchmark*) while seeking to control its *tracking error* relative to this benchmark. The Fund will target an average forecasted *tracking error* of approximately 4.0% relative to the *Global Equity Benchmark* over a long-term business cycle but actual *tracking error* will vary based on market conditions, sector positioning, securities selection and other factors. The *Global Equity Benchmark* is a free float-adjusted market capitalization index that is designed to measure the performance of equities in developed markets, including the United States and Canada.

Generally, the Fund will invest in instruments of companies located in a number of different countries throughout the world, one of which may be the United States. Under normal circumstances, the Fund will invest significantly (at least 40%) in companies (i) organized or located outside the U.S., (ii) whose primary trading market is located outside the U.S. or (iii) doing a substantial amount of business outside the U.S., which the Fund considers as a company that derives at least 50% of its revenue from business outside the U.S. or has at least 50% of its assets outside the U.S. The Fund will allocate its assets among various regions and countries, including the United States (but in no less than three different countries outside of the U.S.). For temporary defensive purposes, the Fund may invest in cash equivalents such as money market instruments, interests in short-term investment funds, repurchase agreements, or shares of money market or short-term bond funds.

The *Adviser* uses a set of value, momentum and economic factors to generate an investment portfolio based on the *Adviser’s* global asset allocation models and security selection procedures. The *Adviser* believes that a better risk-adjusted return may be achievable by applying both value and momentum strategies simultaneously.

- Value strategies favor securities that appear cheap based on fundamental measures, often as a result of distress or lack of favor. Examples of value strategies include using price-to-earnings and price-to-book ratios for choosing individual equities and countries, and interest rate differentials for choosing currencies.
- Momentum strategies favor securities with strong short-term performance. Examples of momentum strategies include simple price momentum for choosing individual equities and countries, and foreign exchange rate momentum for selecting currencies.
- In addition to these two main strategies, the *Adviser* may use a number of additional quantitative strategies based on the *Adviser’s* proprietary research.

In seeking to achieve its investment objective, the Fund may enter into both “long” and “short” positions in country exposures and currencies using derivative instruments. The owner of a “long” position in a derivative instrument will benefit from an increase in the price of the underlying investment. The owner of a “short” position in a derivative instrument will benefit from a decrease in the price of the underlying investment.

Generally, the Fund will invest at least 80% of its net assets (including any borrowings for investment purposes) in equity and equity-related instruments (including, but not limited to, exchange-traded funds, equity index futures, equity index swaps and depositary receipts). The Fund will invest in companies with a broad range of market capitalizations. The Fund has no market capitalization constraints. The Fund invests primarily in securities comprising the *Global Equity Benchmark* or those that will be admitted to the benchmark within 180 days of purchase. The Fund may invest in or use options, warrants, equity swaps, financial futures contracts and

other types of derivative instruments in seeking to achieve its investment objective. A portion of the Fund's assets may be held in cash or cash equivalents including, but not limited to, short-term investment funds. However, net economic exposure to the equity markets (i.e. the total value of equity positions plus the net notional value of equity derivatives) will generally equal at least 95% of the Fund's net assets.

PRINCIPAL RISKS OF INVESTING IN THE FUND

Risk is inherent in all investing. The value of your investment in the Fund, as well as the amount of return you receive on your investment, may fluctuate significantly from day to day and over time. You may lose part or all of your investment in the Fund or your investment may not perform as well as other similar investments. The following is a summary description of certain risks of investing in the Fund.

Common Stock Risk: Common stocks are subject to greater fluctuations in market value than other asset classes as a result of such factors as a company's business performance, investor perceptions, stock market trends and general economic conditions.

Counterparty Risk: The Fund may enter into various types of derivative contracts. Many of these derivative contracts will be privately negotiated in the over-the-counter market. These contracts also involve exposure to credit risk, since contract performance depends in part on the financial condition of the counterparty. If a privately negotiated over-the-counter contract calls for payments by the Fund, the Fund must be prepared to make such payments when due. In addition, if a counterparty's creditworthiness declines, the Fund may not receive payments owed under the contract, or such payments may be delayed under such circumstances and the value of agreements with such counterparty can be expected to decline, potentially resulting in losses by the Fund.

Derivatives Risk: In general, a derivative contract typically involves leverage, i.e., it provides exposure to potential gain or loss from a change in the level of the market price of a security, currency or commodity (or a basket or index) in a notional amount that exceeds the amount of cash or assets required to establish or maintain the derivative contract. The use of derivative instruments also exposes the Fund to additional risks and transaction costs. These instruments come in many varieties and have a wide range of potential risks and rewards, and may include futures contracts, options on futures contracts, options (both written and purchased), swaps, and forward currency exchange contracts. A risk of the Fund's use of derivatives is that the fluctuations in their values may not correlate perfectly with the overall securities markets.

Foreign Securities Risk: Foreign investments often involve special risks not present in U.S. investments that can increase the chances that the Fund will lose money. These risks include:

- The Fund generally holds its foreign securities and cash in foreign banks and securities depositories, which may be recently organized or new to the foreign custody business and may be subject to only limited or no regulatory oversight.
- Changes in foreign currency exchange rates can affect the value of the Fund's portfolio.
- The economies of certain foreign markets may not compare favorably with the economy of the United States with respect to such issues as growth of gross national product, reinvestment of capital, resources and balance of payments position.
- The governments of certain countries may prohibit or impose substantial restrictions on foreign investments in their capital markets or in certain industries.
- Many foreign governments do not supervise and regulate stock exchanges, brokers and the sale of securities to the same extent as does the United States and may not have laws to protect investors that are comparable to U.S. securities laws.
- Settlement and clearance procedures in certain foreign markets may result in delays in payment for or delivery of securities not typically associated with settlement and clearance of U.S. investments.

Manager Risk: If the Fund's portfolio managers make poor investment decisions, it will negatively affect the Fund's investment performance.

Market Risk: Market risk is the risk that the markets on which the Fund's investments trade will increase or decrease in value. Prices may fluctuate widely over short or extended periods in response to company, market or economic news. Markets also tend to move in cycles, with periods of rising and falling prices. If there is a general decline in the securities and other markets, your investment in the Fund may lose value, regardless of the individual results of the securities and other instruments in which the Fund invests.

Mid Cap Securities Risk: The prices of securities of mid cap companies generally are more volatile than those of large capitalization companies and are more likely to be adversely affected than large cap companies by changes in earnings results and investor expectations or poor economic or market conditions, including those experienced during a recession.

Momentum Style Risk: Investing in securities with positive *Momentum* entails investing in securities that have had above-average recent returns. These securities may be more volatile than a broad cross-section of securities. In addition, there may be periods when the *Momentum* style is out of favor, and during which the investment performance of a Fund using a *Momentum* strategy may suffer.

New Fund Risk: The Fund is newly-formed. Accordingly, investors in the Fund bear the risk that the Fund may not be successful in implementing its investment strategy, and may not employ a successful investment strategy, any of which could result in the Fund being liquidated at any time without shareholder approval and at a time that may not be favorable for all shareholders. Such a liquidation could have negative tax consequences for shareholders.

Securities Lending Risk: The Fund's risk in lending portfolio securities, as with other extensions of credit, consists of the possibility of loss to the Fund due to (i) the inability of the borrower to return the securities, (ii) a delay in receiving additional collateral to adequately cover any fluctuations in the value of securities on loan, (iii) a delay in recovery of the securities, or (iv) the loss of rights in the collateral should the borrower fail financially. In addition, the Fund is responsible for any loss that might result from its investment of the borrower's collateral.

Short Sale Risk: The Fund enters into a short sale by selling a security it has borrowed (typically from a broker or other institution). 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. In certain cases, purchasing a security to cover a short position can itself cause the price of the security to rise further, thereby exacerbating the loss. In addition, the Fund may not always be able to borrow the security at a particular time or at an acceptable price. Short sales also involve transaction and other costs that will reduce potential Fund gains and increase potential Fund losses.

Small Cap Securities Risk: While the *Adviser* believes these investments may provide significant potential for appreciation, they involve higher risks in some respects than do investments in stocks of larger companies. For example, prices of such stocks are often more volatile than prices of large-capitalization stocks. In addition, due to thin trading in some such stocks, an investment in these stocks may be more illiquid (*i.e.*, harder to sell) than that of larger capitalization stocks. Smaller capitalization companies also fail more often than larger companies and may have more limited management and financial resources than larger companies.

Value Style Risk: Investing in "value" stocks presents the risk that the stocks may never reach what the *Adviser* believes are their full market values, either because the market fails to recognize what the *Adviser* considers to be the companies' true business values or because the *Adviser* misjudged those values. In addition, value stocks may fall out of favor with investors and underperform growth stocks during given periods.

PERFORMANCE INFORMATION

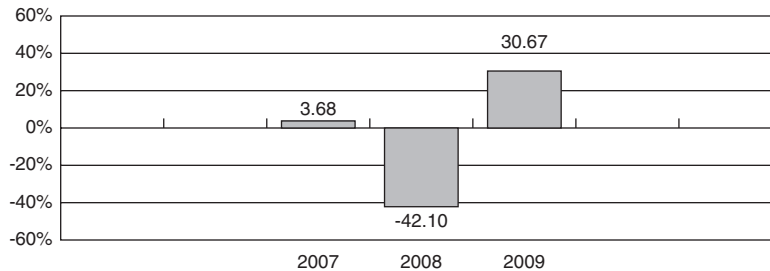
The information shows you how the Fund’s performance has varied year by year and provides some indication of the risks of investing in the Fund. A privately offered fund managed by the *Adviser* was reorganized into the Class Y Shares of the Fund on December 31, 2009, the date the Fund commenced operations. This privately offered fund was organized in March 2006 and commenced operations in June 2006 and had an investment objective, investment policies and restrictions that were, in all material respects, the same as those of the Fund. However, the privately offered fund was not registered as an investment company under the *1940 Act*. In addition, this privately offered fund was not subject to certain investment limitations, diversification requirements, liquidity requirements, and other restrictions imposed by the *1940 Act* and the *Code*, which, if applicable, might have adversely affected its performance.

The Class N Shares of the Fund commenced operations on December 31, 2009. The performance for periods prior to December 31, 2009 is that of the privately offered fund. The privately offered fund’s expense ratio during the periods presented was lower than the Fund’s estimated expense ratio for Class N Shares. The Fund has restated the privately offered fund’s performance to reflect the Fund’s fees, estimated expenses and fee waivers/expense limitations of Class N Shares upon their initial offering.

The Fund’s past performance (before and after taxes), as provided by the bar chart and performance table that follows, is not an indication of future results. Updated information on the Fund’s performance can be obtained by visiting <http://www.aqrfunds.com>

Class N Shares—Total Returns for Year Ended December 31, 2009

The bar chart below provides an illustration of how the Fund’s performance has varied in each of the indicated calendar years.



Highest Quarterly Return	Lowest Quarterly Return
21.92% (2Q09)	-21.04% (4Q08)

During the first quarter of 2010, the Fund had a total return of 3.10% for Class N Shares.

Average Annual Total Returns for Year Ended December 31, 2009

The following table compares the Fund's average annual *total returns* for Class N Shares as of December 31, 2009 to the *Global Equity Benchmark*. The table includes all applicable fees and sales charges.

	1 Year	Since Inception (July 1, 2006)
AQR Global Equity Fund		
Return Before Taxes	30.67%	-3.32%
Return After Taxes on Distributions	30.67%	-3.72%
Return After Taxes on Distributions and Sale of Fund Shares . . .	19.81%	-2.95%
<i>MSCI World Index</i> (reflects no deductions for fees, expenses or taxes)	29.99%	-1.41%

After-tax returns are calculated using the historical highest individual marginal tax rates and do not reflect the impact of state and local taxes. In some cases, the return after taxes may exceed the return before taxes due to an assumed benefit from any losses on a sale of Fund shares at the end of the measurement period. Actual after-tax returns depend on an investor's tax situation and may differ from those shown, and after-tax returns are not relevant to investors who hold their Fund shares through tax-deferred arrangements such as 401(k) plans or individual retirement accounts.

INVESTMENT MANAGER

The Fund's investment manager is AQR Capital Management, LLC.

PORTFOLIO MANAGERS

Name	Portfolio Manager of the Fund Since	Title
Clifford S. Asness, Ph.D	December 31, 2009	Managing and Founding Principal of the <i>Adviser</i>
Ronen Israel	December 31, 2009	Principal of the <i>Adviser</i>
Oktay Kurbanov	December 31, 2009	Principal of the <i>Adviser</i>
John M. Liew, Ph.D.	December 31, 2009	Founding Principal of the <i>Adviser</i>
Lars Nielsen	December 31, 2009	Principal of the <i>Adviser</i>

For important information about purchase and sale of Fund shares, tax information, and financial intermediary compensation, please turn to "Important Additional Information" on page 26 of the Prospectus.

FUND SUMMARY: AQR INTERNATIONAL EQUITY FUND

INVESTMENT OBJECTIVE

The AQR International Equity Fund (the “Fund”) seeks long-term capital appreciation.

FEES AND EXPENSES OF THE FUND

This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund.

Shareholder Fees (fees paid directly from your investment)

	<u>Class N</u>
Maximum Sales Charge (Load) Imposed on Purchases (as a percentage of offering price)	None
Maximum Deferred Sales Charge (Load) (as a percentage of the lesser of the amount redeemed or original purchase cost)	None
Redemption Fee (as a percentage of amount redeemed or exchanged, only within 60 days)	2.00%

Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)

	<u>Class N</u>
Management Fee	0.45%
Distribution (12b-1) fee	0.25%
Other Expenses ¹	<u>0.73%</u>
Total Annual Fund Operating Expenses	1.43%
Less: Fee Waivers and/or Expense Reimbursements ²	<u>0.00%</u>
Total Annual Fund Operating Expenses after Fee Waivers and/or Expense Reimbursements	1.43%

¹ Other expenses are estimated for the current fiscal year.

² The *Adviser* has contractually agreed to waive its management fee and/or to reimburse expenses of the Fund to the extent necessary to maintain the total annual fund operating expenses at no more than 1.25% for Class N Shares for the period commencing as of the date of this prospectus through December 31, 2010 and 1.45% for Class N Shares for the period commencing January 1, 2011 through May 1, 2011 (the “Fee Waiver Agreement”). The Fee Waiver Agreement may only be terminated with the consent of the *Board*, including a majority of the Trustees of the *Trust* who are not “interested persons” of the *Trust* within the meaning of the *1940 Act* and does not extend to interest, taxes, dividend expense, borrowing costs, acquired fund fees and expenses, interest expense relating to short sales and extraordinary expenses.

Example: This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other *mutual funds*. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund’s operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	<u>1 Year</u>	<u>3 Years</u>
Class N Shares	\$127	\$435

Portfolio Turnover:

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover may indicate higher transaction costs and may result in higher taxes when shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 29% of the average value of its portfolio.

PRINCIPAL INVESTMENT STRATEGIES OF THE FUND

The Fund seeks to outperform the *MSCI EAFE Index* (the *International Equity Benchmark*) while seeking to control its *tracking error* relative to this benchmark. The Fund will target a forecasted *tracking error* generally in the range of 3 - 7% relative to the *International Equity Benchmark* over a long-term business cycle but actual *tracking error* will vary based on market conditions, sector positioning, securities selection and other factors. The *International Equity Benchmark* is a free float-adjusted market capitalization index that is designed to measure the performance of equities in developed markets, excluding the United States and Canada.

The *Adviser* uses a set of value, momentum and economic factors to generate an investment portfolio based on the *Adviser’s* global asset allocation models and security selection procedures. The *Adviser* believes that a better risk-adjusted return may be achievable by applying both value and momentum strategies simultaneously:

- Value strategies favor securities that appear cheap based on fundamental measures, often as a result of distress or lack of favor. Examples of value strategies include using price-to-earnings and price-to-book ratios for choosing individual equities and countries, and interest rate differentials for choosing currencies.
- Momentum strategies favor securities with strong short-term performance. Examples of momentum strategies include simple price momentum for choosing individual equities and countries, and foreign exchange rate momentum for selecting currencies.
- In addition to these two main strategies, the *Adviser* may use a number of additional quantitative strategies based on the *Adviser’s* proprietary research.

Generally, the Fund will invest at least 80% of its net assets (including any borrowings for investment purposes) in equity and equity-related instruments (including, but not limited to, exchange-traded funds, equity index futures, equity index swaps and depositary receipts). The Fund will invest in companies with a broad range of market capitalizations, including smaller capitalization companies. The Fund invests primarily in securities comprising the *International Equity Benchmark* or that will be admitted to the benchmark within 180 days of purchase. The Fund may invest in or use options, warrants, equity swaps, financial futures contract or other types of derivative instruments in seeking to achieve its investment objective. A portion of the Fund’s assets will be held in cash or cash equivalents including, but not limited to, short-term investment funds.

The Fund may invest to a lesser extent in securities of issuers in countries and currencies not included in the *International Equity Benchmark*. However, the *Adviser* does not currently expect such securities to be a significant component of the Fund’s investment portfolio.

The *Adviser* believes that the management of transaction costs should be considered when determining whether an investment is attractive. Transaction costs include commissions, bid-ask spreads, market impact and time delays (time between decision and implementation when a market may move for or against you). The *Adviser* considers transaction costs both in its forecasting model and optimization process to seek to ensure that trades for the Fund will remain attractive after transaction costs are reflected.

PRINCIPAL RISKS OF INVESTING IN THE FUND

Risk is inherent in all investing. The value of your investment in the Fund, as well as the amount of return you receive on your investment, may fluctuate significantly from day to day and over time. You may lose part or all of your investment in the Fund or your investment may not perform as well as other similar investments. The following is a summary description of certain risks of investing in the Fund.

Common Stock Risk: Common stocks are subject to greater fluctuations in market value than other asset classes as a result of such factors as a company's business performance, investor perceptions, stock market trends and general economic conditions.

Counterparty Risk: The Fund may enter into various types of derivative contracts. Many of these derivative contracts will be privately negotiated in the over-the-counter market. These contracts also involve exposure to credit risk, since contract performance depends in part on the financial condition of the counterparty. If a privately negotiated over-the-counter contract calls for payments by the Fund, the Fund must be prepared to make such payments when due. In addition, if a counterparty's creditworthiness declines, the Fund may not receive payments owed under the contract, or such payments may be delayed under such circumstances and the value of agreements with such counterparty can be expected to decline, potentially resulting in losses by the Fund.

Derivatives Risk: In general, a derivative contract typically involves leverage, i.e., it provides exposure to potential gain or loss from a change in the level of the market price of a security, currency or commodity (or a basket or index) in a notional amount that exceeds the amount of cash or assets required to establish or maintain the derivative contract. The use of derivative instruments also exposes the Fund to additional risks and transaction costs. These instruments come in many varieties and have a wide range of potential risks and rewards, and may include futures contracts, options on futures contracts, options (both written and purchased), swaps, and forward currency exchange contracts. A risk of the Fund's use of derivatives is that the fluctuations in their values may not correlate perfectly with the overall securities markets.

Foreign Securities Risk: Foreign investments often involve special risks not present in U.S. investments that can increase the chances that the Fund will lose money. These risks include:

- The Fund generally holds its foreign securities and cash in foreign banks and securities depositories, which may be recently organized or new to the foreign custody business and may be subject to only limited or no regulatory oversight.
- Changes in foreign currency exchange rates can affect the value of the Fund's portfolio.
- The economies of certain foreign markets may not compare favorably with the economy of the United States with respect to such issues as growth of gross national product, reinvestment of capital, resources and balance of payments position.
- The governments of certain countries may prohibit or impose substantial restrictions on foreign investments in their capital markets or in certain industries.
- Many foreign governments do not supervise and regulate stock exchanges, brokers and the sale of securities to the same extent as does the United States and may not have laws to protect investors that are comparable to U.S. securities laws.
- Settlement and clearance procedures in certain foreign markets may result in delays in payment for or delivery of securities not typically associated with settlement and clearance of U.S. investments.

Manager Risk: If the Fund's portfolio managers make poor investment decisions, it will negatively affect the Fund's investment performance.

Market Risk: Market risk is the risk that the markets on which the Fund's investments trade will increase or decrease in value. Prices may fluctuate widely over short or extended periods in response to company, market

or economic news. Markets also tend to move in cycles, with periods of rising and falling prices. If there is a general decline in the securities and other markets, your investment in the Fund may lose value, regardless of the individual results of the securities and other instruments in which the Fund invests.

Mid Cap Securities Risk: The prices of securities of mid cap companies generally are more volatile than those of large capitalization companies and are more likely to be adversely affected than large cap companies by changes in earnings results and investor expectations or poor economic or market conditions, including those experienced during a recession.

Momentum Style Risk: Investing in securities with positive *Momentum* entails investing in securities that have had above-average recent returns. These securities may be more volatile than a broad cross-section of securities. In addition, there may be periods when the *Momentum* style is out of favor, and during which the investment performance of a Fund using a *Momentum* strategy may suffer.

New Fund Risk: The Fund commenced operations on August 28, 2009. Accordingly, investors in the Fund bear the risk that the Fund may not be successful in implementing its investment strategy, and may not employ a successful investment strategy, any of which could result in the Fund being liquidated at any time without shareholder approval and at a time that may not be favorable for all shareholders. Such a liquidation could have negative tax consequences for shareholders.

Small Cap Securities Risk: While the *Adviser* believes these investments may provide significant potential for appreciation, they involve higher risks in some respects than do investments in stocks of larger companies. For example, prices of such stocks are often more volatile than prices of large-capitalization stocks. In addition, due to thin trading in some such stocks, an investment in these stocks may be more illiquid (*i.e.*, harder to sell) than that of larger capitalization stocks. Smaller capitalization companies also fail more often than larger companies and may have more limited management and financial resources than larger companies.

Securities Lending Risk: The Fund's risk in lending portfolio securities, as with other extensions of credit, consists of the possibility of loss to the Fund due to (i) the inability of the borrower to return the securities, (ii) a delay in receiving additional collateral to adequately cover any fluctuations in the value of securities on loan, (iii) a delay in recovery of the securities, or (iv) the loss of rights in the collateral should the borrower fail financially. In addition, the Fund is responsible for any loss that might result from its investment of the borrower's collateral.

Value Style Risk: Investing in "value" stocks presents the risk that the stocks may never reach what the *Adviser* believes are their full market values, either because the market fails to recognize what the *Adviser* considers to be the companies' true business values or because the *Adviser* misjudged those values. In addition, value stocks may fall out of favor with investors and underperform growth stocks during given periods.

PERFORMANCE INFORMATION

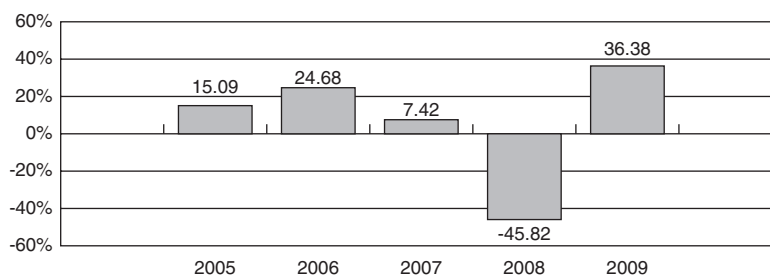
The information shows you how the Fund's performance has varied year by year and provides some indication of the risks of investing in the Fund. A privately offered fund managed by the *Adviser* was reorganized into the Class Y Shares of the Fund on August 28, 2009, the date the Fund commenced operations. This privately offered fund was organized in June 2004 and commenced operations in August 2004 and had an investment objective, investment policies and restrictions that were, in all material respects, the same as those of the Fund. However, the privately offered fund was not registered as an investment company under the *1940 Act*. In addition, this privately offered fund was not subject to certain investment limitations, diversification requirements, liquidity requirements, and other restrictions imposed by the *1940 Act* and the *Code* which, if applicable, might have adversely affected its performance.

The Class N Shares of the Fund commenced operations on September 30, 2009. The performance for the period from August 28, 2009 (the date the Class Y Shares of the Fund commenced operations) to September 30, 2009 is based on the performance of the Class Y Shares of the Fund, and for periods prior to August 28, 2009 is that of the privately offered fund. The expense ratio for both the privately offered fund and the Class Y Shares of the Fund was lower than the Fund's estimated expense ratio for Class N Shares during the periods presented. The Fund has restated the privately offered fund's and the Class Y Shares' performance to reflect the Fund's fees, estimated expenses and fee waivers/expense limitations of Class N Shares upon their initial offering.

The Fund's past performance (before and after taxes), as provided by the bar chart and performance table that follows, is not an indication of future results. Updated information on the Fund's performance can be obtained by visiting <http://www.aqrfunds.com>.

Class N Shares—Total Returns for Year Ended December 31, 2009

The bar chart below provides an illustration of how the Fund's performance has varied in each of the indicated calendar years.



Highest Quarterly Return	Lowest Quarterly Return
26.09% (2Q09)	-25.17% (3Q08)

During the first quarter of 2010, the Fund had a total return of 0.91% for Class N Shares.

Average Annual Total Returns for Year Ended December 31, 2009

The following table compares the Fund's average annual *total returns* for Class N Shares as of December 31, 2009 to the *International Equity Benchmark*. The table includes all applicable fees and sales charges.

	1 Year	5 Years	Since Inception (August 1, 2004)
AQR International Equity Fund			
Return Before Taxes	36.38%	3.54%	5.79%
Return After Taxes on Distributions	34.24%	1.23%	4.18%
Return After Taxes on Distributions and Sale of Fund Shares	23.64%	2.12%	4.35%
<i>MSCI EAFE Index</i> (reflects no deductions for fees, expenses or taxes)	31.78%	4.80%	6.60%

After-tax returns are calculated using the historical highest individual marginal tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown, and after-tax returns are not relevant to investors who hold their Fund shares through tax-deferred arrangements such as 401(k) plans or individual retirement accounts.

INVESTMENT MANAGER

The Fund's investment manager is AQR Capital Management, LLC.

PORTFOLIO MANAGERS

Name	Portfolio Manager of the Fund Since	Title
Clifford S. Asness, Ph.D	August 28, 2009	Managing and Founding Principal of the <i>Adviser</i>
Ronen Israel	August 28, 2009	Principal of the <i>Adviser</i>
Oktay Kurbanov	August 28, 2009	Principal of the <i>Adviser</i>
John M. Liew, Ph.D.	August 28, 2009	Founding Principal of the <i>Adviser</i>
Lars Nielsen	August 28, 2009	Principal of the <i>Adviser</i>

For important information about purchase and sale of Fund shares, tax information, and financial intermediary compensation, please turn to "Important Additional Information" on page 26 of the Prospectus.

FUND SUMMARY: AQR DIVERSIFIED ARBITRAGE FUND

INVESTMENT OBJECTIVE

The AQR Diversified Arbitrage Fund (the “Fund”) seeks long-term absolute (positive) returns.

FEES AND EXPENSES OF THE FUND

This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund.

Shareholder Fees (fees paid directly from your investment)

	<u>Class N</u>
Maximum Sales Charge (Load) Imposed on Purchases (as a percentage of offering price)	None
Maximum Deferred Sales Charge (Load) (as a percentage of the lesser of the amount redeemed or original purchase cost)	None
Redemption Fee (as a percentage of amount redeemed or exchanged)	None

Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)

	<u>Class N</u>
Management Fee	0.70%
Distribution (12b-1) fee	0.25%
Other Expenses	
Dividends on short sales ¹	1.19%
All other expenses	<u>1.28%</u>
Total Other Expenses	<u>2.47%</u>
Total Annual Fund Operating Expenses	3.42%
Less: Fee Waivers and/or Expense Reimbursements ²	<u>0.73%</u>
Total Annual Fund Operating Expenses after Fee Waivers and/or Expense Reimbursements	2.69%

¹ Expenses relating to dividends on short sales are estimated.

² The *Adviser* has contractually agreed to waive its management fee and/or to reimburse expenses of the Fund to the extent necessary to maintain the total annual fund operating expenses at no more than 1.50% for Class N Shares (the “Fee Waiver Agreement”). This arrangement will continue at least through May 1, 2011. The Fee Waiver Agreement may only be terminated with the consent of the *Board*, including a majority of the Trustees of the *Trust* who are not “interested persons” of the *Trust* within the meaning of the *1940 Act* and does not extend to interest, taxes, dividend expense, borrowing costs, acquired fund fees and expenses, interest expense relating to short sales and extraordinary expenses.

Example: This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other *mutual funds*. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund’s operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	<u>1 Year</u>	<u>3 Years</u>	<u>5 years</u>	<u>10 years</u>
Class N Shares	\$272	\$959	\$1,694	\$3,637

Portfolio Turnover:

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover may indicate higher transaction costs and may result in higher taxes when shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 482% of the average value of its portfolio.

PRINCIPAL INVESTMENT STRATEGIES OF THE FUND

The Fund seeks to outperform the BofA Merrill Lynch 3 Month Treasury Bill Index (the *Absolute Return Benchmark*) while seeking to control its *tracking risk* relative to this benchmark. The *Absolute Return Benchmark* is designed to measure the performance of a high-quality short-term cash-equivalent investment. An investment in the Fund is more volatile than an investment in Treasury Bills, and is also not backed by the full faith and credit of the U.S. government.

The Fund uses a number of arbitrage and alternative investment strategies employed by hedge funds and proprietary trading desks of investment banks, including merger arbitrage, convertible arbitrage, and other kinds of arbitrage or alternative investment strategies described more fully below. The Fund normally invests primarily in equities, convertible securities, debt securities, options and warrants. The *Sub-Adviser* tactically allocates the Fund’s assets across alternative investment strategies with desirable anticipated returns based on market conditions.

The *Sub-Adviser* will utilize hedging strategies with the intent of (i) reducing the risk associated with each of the arbitrage strategies; (ii) keeping the overall *volatility* of the Fund’s net asset value relatively low; and (iii) keeping a relatively low correlation with the overall equity market.

The Fund will also engage extensively in short sales of securities. When the Fund sells a security short, it borrows the security from a third party and sells it at the then current market price. The Fund is then obligated to buy the security on a later date so that it can return the security to the lender. For arbitrage strategies, the Fund will generally buy securities and simultaneously sell securities short in amounts that are intended to result in an approximately neutral economic exposure to overall market movements.

The Fund has no policy with respect to the credit rating, maturity or duration of the debt securities in which it may invest, and may invest in debt securities of any credit rating, maturity or duration. In response to adverse market, economic or other conditions, such as the availability of attractive arbitrage and alternative investment opportunities (or lack thereof), the Fund may temporarily invest a substantial portion of its assets in cash or cash-equivalent securities. During such periods it may not achieve its investment objective.

Examples of Arbitrage and Other Alternative Investment Strategies:

Merger Arbitrage: When engaging in merger arbitrage, the *Sub-Adviser* buys shares of the “target” company in a proposed merger or other reorganization between two companies. If the transaction is for the stock of the acquirer, the *Sub-Adviser* may seek to hedge the exposure to the acquirer by shorting the stock of the acquiring company in an amount determined with reference to the exchange ratio specified in the agreement between the acquirer and the target company.

Convertible Arbitrage: When employing a convertible arbitrage strategy, the *Sub-Adviser* invests in *Convertible Securities* trading at substantial discounts to their fundamental values and attempts to mitigate the various risks associated with investing in such *Convertible Securities*.

Other arbitrage strategies: The *Sub-Adviser* also may employ other arbitrage strategies, such as “when-issued trading” arbitrage, “stub-trading” arbitrage and “dual-class” arbitrage. The Fund may employ additional arbitrage strategies as they arise.

Other Types of Alternative Investment Strategies: The *Sub-Adviser* also pursues other, non-arbitrage “alternative” investment strategies as the *Sub-Adviser* sees market opportunities to do so.

PRINCIPAL RISKS OF INVESTING IN THE FUND

Risk is inherent in all investing. The value of your investment in the Fund, as well as the amount of return you receive on your investment, may fluctuate significantly from day to day and over time. You may lose part or all of your investment in the Fund or your investment may not perform as well as other similar investments. The following is a summary description of certain risks of investing in the Fund.

Arbitrage Risk: Employing arbitrage strategies has the risk that the anticipated arbitrage opportunity does not play out as planned, resulting in potentially reduced returns or losses to the Fund as it unwinds its trade.

Below Investment Grade Securities Risk: Although bonds rated below investment grade generally pay higher rates of interest than investment grade bonds, bonds rated below investment grade are high risk investments that may cause income and principal losses for the Fund.

Common Stock Risk: Common stocks are subject to greater fluctuations in market value than other asset classes as a result of such factors as a company’s business performance, investor perceptions, stock market trends and general economic conditions.

Convertible Securities Risk: The market value of a convertible security performs like that of a regular debt security; that is, if market interest rates rise, the value of a convertible security usually falls. In addition, convertible securities are subject to the risk that the issuer will not be able to pay interest or dividends when due, and their market value may change based on changes in the issuer’s credit rating or the market’s perception of the issuer’s creditworthiness. Since it derives a portion of its value from the common stock into which it may be converted, a convertible security is also subject to the same types of market and issuer risks that apply to the underlying common stock.

Counterparty Risk: The Fund may enter into various types of derivative contracts. Many of these derivative contracts will be privately negotiated in the over-the-counter market. These contracts also involve exposure to credit risk, since contract performance depends in part on the financial condition of the counterparty. If a privately negotiated over-the-counter contract calls for payments by the Fund, the Fund must be prepared to make such payments when due. In addition, if a counterparty’s creditworthiness declines, the Fund may not receive payments owed under the contract, or such payments may be delayed under such circumstances and the value of agreements with such counterparty can be expected to decline, potentially resulting in losses by the Fund.

Credit Risk: Credit risk refers to the possibility that the issuer of the security will not be able to make principal and interest payments when due. Changes in an issuer’s credit rating or the market’s perception of an issuer’s creditworthiness may also affect the value of the Fund’s investment in that issuer. Securities rated in the four highest categories by the rating agencies are considered investment grade but they may also have some speculative characteristics. Investment grade ratings do not guarantee that bonds will not lose value.

Derivatives Risk: In general, a derivative contract typically involves leverage, i.e., it provides exposure to potential gain or loss from a change in the level of the market price of a security, currency or commodity (or a basket or index) in a notional amount that exceeds the amount of cash or assets required to establish or maintain the derivative contract. The use of derivative instruments also exposes the Fund to additional risks and transaction costs. These instruments come in many varieties and have a wide range of potential risks and rewards, and may include futures contracts, options on futures contracts, options (both written and purchased), swaps, and forward currency exchange contracts. A risk of the Fund’s use of derivatives is that the fluctuations in their values may not correlate perfectly with the overall securities markets.

Foreign Securities Risk: Foreign investments often involve special risks not present in U.S. investments that can increase the chances that the Fund will lose money. These risks include:

- The Fund generally holds its foreign securities and cash in foreign banks and securities depositories, which may be recently organized or new to the foreign custody business and may be subject to only limited or no regulatory oversight.
- Changes in foreign currency exchange rates can affect the value of the Fund's portfolio.
- The economies of certain foreign markets may not compare favorably with the economy of the United States with respect to such issues as growth of gross national product, reinvestment of capital, resources and balance of payments position.
- The governments of certain countries may prohibit or impose substantial restrictions on foreign investments in their capital markets or in certain industries.
- Many foreign governments do not supervise and regulate stock exchanges, brokers and the sale of securities to the same extent as does the United States and may not have laws to protect investors that are comparable to U.S. securities laws.
- Settlement and clearance procedures in certain foreign markets may result in delays in payment for or delivery of securities not typically associated with settlement and clearance of U.S. investments.

High Portfolio Turnover Risk: The risk that when investing on a shorter-term basis, the Fund may as a result trade more frequently and incur higher levels of brokerage fees and commissions, and cause higher levels of current tax liability to shareholders in the Fund.

Illiquid Investments Risk: The Fund may experience difficulty in selling illiquid investments in a timely manner at the price it believes the investments are worth.

Interest Rate Risk: Interest rate risk is the risk that prices of fixed income securities generally increase when interest rates decline and decrease when interest rates increase. The Fund may lose money if short term or long term interest rates rise sharply or otherwise change in a manner not anticipated by the *Adviser*.

Leverage Risk: If the Fund uses leverage through activities such as borrowing, entering into short sales, purchasing securities on margin or on a "when-issued" basis or purchasing derivative instruments in an effort to increase its returns, the Fund has the risk of magnified capital losses that occur when losses affect an asset base, enlarged by borrowings or the creation of liabilities, that exceeds the net assets of the Fund. The net asset value of a Fund employing leverage will be more volatile and sensitive to market movements. Leverage may involve the creation of a liability that requires the Fund to pay interest.

Manager Risk: If the Fund's portfolio managers make poor investment decisions, it will negatively affect the Fund's investment performance.

Market Risk: Market risk is the risk that the markets on which the Fund's investments trade will increase or decrease in value. Prices may fluctuate widely over short or extended periods in response to company, market or economic news. Markets also tend to move in cycles, with periods of rising and falling prices. If there is a general decline in the securities and other markets, your investment in the Fund may lose value, regardless of the individual results of the securities and other instruments in which the Fund invests.

Securities Lending Risk: The Fund's risk in lending portfolio securities, as with other extensions of credit, consists of the possibility of loss to the Fund due to (i) the inability of the borrower to return the securities, (ii) a delay in receiving additional collateral to adequately cover any fluctuations in the value of securities on loan, (iii) a delay in recovery of the securities, or (iv) the loss of rights in the collateral should the borrower fail financially. In addition, the Fund is responsible for any loss that might result from its investment of the borrower's collateral.

Short Sale Risk: The Fund enters into a short sale by selling a security it has borrowed (typically from a broker or other institution). 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. In certain cases, purchasing a security to cover a short position can itself cause the price of the security to rise further, thereby exacerbating the loss. In addition, a Fund may not always be able to borrow the security at a particular time or at an acceptable price. Short sales also involve transaction and other costs that will reduce potential Fund gains and increase potential Fund losses.

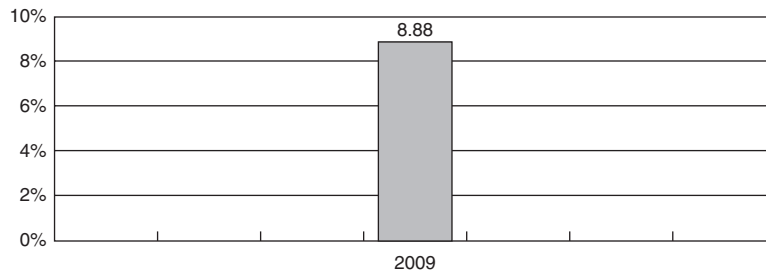
Volatility Risk: The Fund may have investments that appreciate or decrease significantly in value over short periods of time. This may cause the Fund's net asset value per share to experience significant appreciations or decreases in value over short periods of time.

PERFORMANCE INFORMATION

The performance information below shows summary performance information for the Fund in a bar chart and an average annual *total returns* table. The information shows you how the Fund's performance has varied year by year and provides some indication of the risks of investing in the Fund. **The Fund's past performance (before and after taxes), as provided by the bar chart and performance table that follows, is not an indication of future results.** Updated information on the Fund's performance can be obtained by visiting <http://www.aqrfunds.com>.

Class N Shares—Total Returns for Year Ended December 31, 2009

The bar chart below provides an illustration of how the Fund's performance has varied in each of the indicated calendar years.



Highest Quarterly Return	Lowest Quarterly Return
4.59% (3Q09)	-0.47% (4Q09)

During the first quarter of 2010, the Fund had a total return of 0.37% for Class N Shares.

Average Annual Total Returns for Year Ended December 31, 2009

The following table compares the Fund's average annual *total returns* for Class N Shares as of December 31, 2009 to the *Absolute Return Benchmark*. The table includes all applicable fees and sales charges.

	Since Inception (January 15, 2009)
AQR Diversified Arbitrage Fund	
Return Before Taxes	8.88%
Return After Taxes on Distributions	8.50%
Return After Taxes on Distributions and Sale of Fund Shares	5.77%
BofA Merrill Lynch 3 Month Treasury Bill Index (reflects no deductions for fees, expenses or taxes)	0.21%

After-tax returns are calculated using the historical highest individual marginal tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown, and after-tax returns are not relevant to investors who hold their Fund shares through tax-deferred arrangements such as 401(k) plans or individual retirement accounts.

INVESTMENT MANAGER

The Fund's investment manager is AQR Capital Management, LLC. CNH Partners, LLC is the *Sub-Adviser* of the Fund.

PORTFOLIO MANAGERS

Name	Portfolio Manager of the Fund Since	Title
Ronen Israel	January 16, 2009	Principal of the <i>Adviser</i>
Lars Nielsen	January 16, 2009	Principal of the <i>Adviser</i>
Mark Mitchell, Ph.D.	January 16, 2009	Principal of the <i>Sub-Adviser</i>
Todd Pulvino, Ph.D.	January 16, 2009	Principal of the <i>Sub-Adviser</i>

For important information about purchase and sale of Fund shares, tax information, and financial intermediary compensation, please turn to "Important Additional Information" on page 26 of the Prospectus.

FUND SUMMARY: AQR MANAGED FUTURES STRATEGY FUND

INVESTMENT OBJECTIVE

The AQR Managed Futures Strategy Fund (the “Fund”) seeks positive absolute returns.

FEES AND EXPENSES OF THE FUND

This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund.

Shareholder Fees (fees paid directly from your investment)

	<u>Class N</u>
Maximum Sales Charge (Load) Imposed on Purchases (as a percentage of offering price)	None
Maximum Deferred Sales Charge (Load) (as a percentage of the lesser of the amount redeemed or original purchase cost)	None
Redemption Fee (as a percentage of amount redeemed or exchanged, only within 60 days)	1.00%

Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)²

	<u>Class N</u>
Management Fee	1.05%
Distribution (12b-1) fee	0.25%
Other Expenses of the Fund ¹	0.56%
Other Expenses of the <i>Subsidiary</i>	0.01%
Total Annual Fund Operating Expenses	1.87%
Less: Fee Waivers and/or Expense Reimbursements ²	0.37%
Total Annual Fund Operating Expenses after Fee Waivers and/or Expense Reimbursements	1.50%

¹ Other expenses are estimated for the current fiscal year.

² The *Adviser* has contractually agreed to waive its management fee and/or to reimburse expenses of the Fund to the extent necessary to maintain the total annual fund operating expenses at no more than 1.50% for Class N Shares (the “Fee Waiver Agreement”). This arrangement will continue at least through May 1, 2011. The Fee Waiver Agreement may only be terminated with the consent of the *Board*, including a majority of the Trustees of the *Trust* who are not “interested persons” of the *Trust* within the meaning of the *1940 Act* and does not extend to interest, taxes, dividend expense, borrowing costs, acquired fund fees and expenses, interest expense relating to short sales and extraordinary expenses.

Example: This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other *mutual funds*. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund’s operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	<u>1 Year</u>	<u>3 Years</u>
Class N Shares	\$153	\$539

Portfolio Turnover:

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover may indicate higher transaction costs and may result in higher taxes when shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund’s performance. The Fund recently commenced operations and has not completed a fiscal year.

PRINCIPAL INVESTMENT STRATEGIES OF THE FUND

To pursue its investment objective, the Fund invests primarily in a portfolio of futures contracts and futures-related instruments (defined below). The Fund’s universe of investments currently includes more than 100 exchange-traded futures, futures-related instruments and forward contracts across four major asset classes (commodities, currencies, fixed income and equities); however, this universe of investments is subject to change under varying market conditions and as these instruments evolve over time.

Generally, the Fund invests in futures contracts and futures-related instruments including, but not limited to, equity index futures, currency forwards, commodity futures, swaps on commodity futures, fixed income futures, bond futures and swaps on bond futures (collectively, the “Instruments”), either by investing directly in those Instruments, or indirectly by investing in the *Subsidiary* (as described below) that invests in those Instruments. The Fund may also invest in exchange traded funds or exchange traded notes through which the Fund can participate in the performance of one or more Instruments. The Fund’s return is expected to be derived principally from changes in the value of securities and its portfolio is expected to consist principally of securities.

The Fund’s portfolio managers use proprietary quantitative models to identify price trends in equity, fixed income, currency and commodity Instruments. Once a trend is determined, the Fund will take either a long or short position in the given Instrument. When taking a “long” position, the Fund purchases an instrument outright; when taking a “short” position, the Fund sells an instrument that it does not own and must borrow to meet its settlement obligations. A “long” position will benefit from an increase in price of the underlying Instrument, while a “short” position will benefit from a decrease in price of the underlying Instrument. The size of the position taken will relate to the *Adviser’s* confidence in the trend continuing as well as the *Adviser’s* estimate of the Instrument’s risk. The *Adviser* generally expects that the Fund will have exposure in long and short positions across all four major asset classes (commodities, currencies, fixed income and equities), but at any one time the Fund may emphasize one or two of the asset classes or a limited number of exposures within an asset class.

Futures and forward contracts are contractual agreements to buy or sell a particular currency, commodity or financial instrument at a pre-determined price in the future. The Fund’s use of futures contracts, forward contracts, swaps and certain other Instruments will have the economic effect of financial leverage. Financial leverage magnifies exposure to the swings in prices of an asset class underlying an Instrument and results in increased volatility, which means the Fund will have the potential for greater gains, as well as the potential for greater losses, than if the Fund does not use Instruments that have a leveraging effect. Leveraging tends to magnify, sometimes significantly, the effect of any increase or decrease in the Fund’s exposure to an asset class and may cause the Fund’s NAV to be volatile. For example, if the *Adviser* seeks to gain enhanced exposure to a specific asset class through an Instrument providing leveraged exposure to the class and that Instrument increases in value, the gain to the Fund will be magnified; however, if that investment decreases in value, the loss to the Fund will be magnified. A decline in the Fund’s assets due to losses magnified by the Instruments providing leveraged exposure may require the Fund to liquidate portfolio positions to satisfy its obligations, to meet redemption requests or to meet asset segregation requirements when it may not be advantageous to do so. There is no assurance that the Fund’s use of Instruments providing enhanced exposure will enable the Fund to achieve its investment objective.

The *Adviser* expects the Fund’s NAV over short-term periods to be volatile because of the significant use of Instruments that have a leveraging effect. Volatility is a statistical measurement of the magnitude of up and down

asset price fluctuations over time. Rapid and dramatic price swings will result in high volatility. The Fund's returns are expected to be volatile; however, the Adviser, on average, will target an annualized volatility level for the Fund of 10%. The Adviser expects that the Fund's targeted annualized forecasted volatility will typically range between 5% and 13%; however, the actual or realized volatility level for longer or shorter periods may be materially higher or lower depending on market conditions. **Actual or realized volatility can and will differ from the forecasted or target volatility described above.**

As a result of the Fund's strategy, the Fund may have highly leveraged exposure to one or more asset classes at times. The 1940 Act and the rules and interpretations thereunder impose certain limitations on the Fund's ability to use leverage; however, the Fund is not subject to any additional limitations on its net long and short exposures. For example, the Fund could hold instruments that provide five times the net return of a broad- or narrow-based securities index. For more information on these and other risk factors, please see the "Principal Risk Factors" and "Investment Techniques-Asset Segregation" sections of the Prospectus.

The Fund's strategy will result in frequent portfolio trading and high portfolio turnover (typically greater than 300%).

A significant portion of the assets of the Fund may be invested directly or indirectly in money market instruments, which may include, but are not be limited to, U.S. Government securities, U.S. government agency securities, short-term fixed income securities, overnight and/or fixed term repurchase agreements, money market mutual fund shares, and cash and cash equivalents with one year or less term to maturity. These cash or cash equivalent holdings serve as collateral for the positions the Fund takes and also earn income for the Fund.

The Fund intends to make investments through the Subsidiary and may invest up to 25% of its total assets in the Subsidiary. Generally, the Subsidiary will invest primarily in commodity futures, but it may also invest in financial futures, option and swap contracts, fixed income securities, pooled investment vehicles, including those that are not registered pursuant to the 1940 Act, and other investments intended to serve as margin or collateral for the Subsidiary's derivative positions. The Fund will invest in the Subsidiary in order to gain exposure to the commodities markets within the limitations of the federal tax laws, rules and regulations that apply to registered investment companies. Unlike the Fund, the Subsidiary may invest without limitation in commodity-linked derivatives, however, the Subsidiary will comply with the same 1940 Act asset coverage requirements with respect to its investments in commodity-linked derivatives that are applicable to the Fund's transactions in derivatives. In addition, to the extent applicable to the investment activities of the Subsidiary, the Subsidiary will be subject to the same fundamental investment restrictions and will follow the same compliance policies and procedures as the Fund. The Fund is the sole shareholder of the Subsidiary and does not expect shares of the Subsidiary to be offered or sold to other investors.

PRINCIPAL RISKS OF INVESTING IN THE FUND

Risk is inherent in all investing. The value of your investment in the Fund, as well as the amount of return you receive on your investment, may fluctuate significantly from day to day and over time. You may lose part or all of your investment in the Fund or your investment may not perform as well as other similar investments. The following is a summary description of certain risks of investing in the Fund.

Commodities Risk: Exposure to the commodities markets may subject the Fund to greater *volatility* than investments in traditional securities. The value of commodity-linked derivative investments may be affected by changes in overall market movements, commodity index *volatility*, changes in interest rates, or sectors affecting a particular industry or commodity, such as drought, floods, weather, embargoes, tariffs and international economic, political and regulatory developments.

Counterparty Risk: In general, a derivative contract typically involves leverage, i.e., it provides exposure to potential gain or loss from a change in the level of the market price of a security, currency or commodity (or a

basket or index) in a notional amount that exceeds the amount of cash or assets required to establish or maintain the derivative contract. Many of these derivative contracts will be privately negotiated in the over-the-counter market. These contracts also involve exposure to credit risk, since contract performance depends in part on the financial condition of the counterparty. If a privately negotiated over-the-counter contract calls for payments by the Fund, the Fund must be prepared to make such payments when due. In addition, if a counterparty's creditworthiness declines, the Fund may not receive payments owed under the contract, or such payments may be delayed under such circumstances and the value of agreements with such counterparty can be expected to decline, potentially resulting in losses by the Fund.

Credit Risk: Credit risk refers to the possibility that the issuer of the security will not be able to make principal and interest payments when due. Changes in an issuer's credit rating or the market's perception of an issuer's creditworthiness may also affect the value of the Fund's investment in that issuer. Securities rated in the four highest categories by the rating agencies are considered investment grade but they may also have some speculative characteristics. Investment grade ratings do not guarantee that bonds will not lose value.

Currency Risk: The risk that changes in currency exchange rates will negatively affect securities denominated in, and/or receiving revenues in, foreign currencies. The liquidity and trading value of foreign currencies could be affected by global economic factors, such as inflation, interest rate levels, and trade balances among countries, as well as the actions of sovereign governments. Adverse changes in currency exchange rates (relative to the U.S. dollar) may erode or reverse any potential gains from the Fund's investments in securities denominated in a foreign currency or may widen existing losses. The Fund's net currency positions may expose it to risks independent of its securities positions.

Derivatives Risk: The use of derivative instruments exposes the Fund to additional risks and transaction costs. These instruments come in many varieties and have a wide range of potential risks and rewards, and may include futures contracts, options on futures contracts, options (both written and purchased), swaps, and forward currency exchange contracts. A risk of the Fund's use of derivatives is that the fluctuations in their values may not correlate perfectly with the overall securities markets.

Forward and Futures Contract Risk: The successful use of forward and futures contracts draws upon the *Adviser's* skill and experience with respect to such instruments and are subject to special risk considerations. The primary risks associated with the use of futures contracts are (a) the imperfect correlation between the change in market value of the instruments held by the Fund and the price of the forward or futures contract; (b) possible lack of a liquid secondary market for a forward or futures contract and the resulting inability to close a forward or futures contract when desired; (c) losses caused by unanticipated market movements, which are potentially unlimited; (d) the *Adviser's* inability to predict correctly the direction of securities prices, interest rates, currency exchange rates and other economic factors; (e) the possibility that the counterparty will default in the performance of its obligations; and (f) if the Fund has insufficient cash, it may have to sell securities from its portfolio to meet daily variation margin requirements, and the Fund may have to sell securities at a time when it may be disadvantageous to do so.

High Portfolio Turnover Risk: The risk that when investing on a shorter-term basis, the Fund may as a result trade more frequently and incur higher levels of brokerage fees and commissions, and cause higher levels of current tax liability to shareholders in the Fund.

Interest Rate Risk: Interest rate risk is the risk that prices of fixed income securities generally increase when interest rates decline and decrease when interest rates increase. The Fund may lose money if short term or long term interest rates rise sharply or otherwise change in a manner not anticipated by the *Adviser*.

Investment in Other Investment Companies Risk: As with other investments, investments in other investment companies are subject to market and selection risk. In addition, if the Fund acquires shares of investment companies, shareholders bear both their proportionate share of expenses in the Fund (including

management and advisory fees) and, indirectly, the expenses of the investment companies. The Fund may invest in money market *mutual funds*. An investment in a money market *mutual fund* is not insured or guaranteed by a Federal Deposit Insurance Corporation or any other government agency. Although such funds seek to preserve the value of the Fund's investment at \$1.00 per share, it is possible to lose money by investing in a money market *mutual fund*.

Leverage Risk: As part of the Fund's principal investment strategy, the Fund will make investments in futures contracts, forward currency contracts and other derivative instruments to gain long and short exposure across four major asset classes (commodities, currencies, fixed income and equities). The futures contracts and certain other derivatives provide the economic effect of financial leverage by creating additional investment exposure, as well as the potential for greater loss. If the Fund uses leverage through activities such as borrowing, entering into short sales, purchasing securities on margin or on a "when-issued" basis or purchasing derivative instruments in an effort to increase its returns, the Fund has the risk of magnified capital losses that occur when losses affect an asset base, enlarged by borrowings or the creation of liabilities, that exceeds the net assets of the Fund. The net asset value of the Fund employing leverage will be more volatile and sensitive to market movements. Leverage may involve the creation of a liability that requires the Fund to pay interest.

Manager Risk: If the Fund's portfolio managers make poor investment decisions, it will negatively affect the Fund's investment performance.

Market Risk: Market risk is the risk that the markets on which the Fund's investments trade will increase or decrease in value. Prices may fluctuate widely over short or extended periods in response to company, market or economic news. Markets also tend to move in cycles, with periods of rising and falling prices. If there is a general decline in the securities and other markets, your investment in the Fund may lose value, regardless of the individual results of the securities and other instruments in which the Fund invests.

New Fund Risk: The Fund is newly-formed. Accordingly, investors in the Fund bear the risk that the Fund may not be successful in implementing its investment strategy, and may not employ a successful investment strategy, any of which could result in the Fund being liquidated at any time without shareholder approval and at a time that may not be favorable for all shareholders. Such a liquidation could have negative tax consequences for shareholders.

Non-Diversified Status Risk: The Fund is a non-diversified fund. Because the Fund may invest in securities of a smaller number of issuers, the Fund may be more exposed to the risks associated with and developments affecting an individual issuer than a fund that invests more widely, which may, therefore, have a greater impact on the Fund's performance.

Short Sale Risk: The Fund enters into a short sale by selling a security it has borrowed (typically from a broker or other institution). 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. In certain cases, purchasing a security to cover a short position can itself cause the price of the security to rise further, thereby exacerbating the loss. In addition, the Fund may not always be able to borrow the security at a particular time or at an acceptable price. Short sales also involve transaction and other costs that will reduce potential Fund gains and increase potential Fund losses.

Structured Note Risk: The Fund may invest in notes, sometimes called "structured notes," linked to the performance of securities or commodities. Commodity-linked structured notes provide exposure, which may include long and/or short exposure, to the investment returns of "real assets" (i.e., assets that have tangible properties such as oil, gold and silver) that trade in the commodities markets without investing directly in physical commodities. The performance of these notes is determined by the price movement of the commodities underlying the note. These notes are subject to the credit risk of the issuing party and may be less liquid than other types of securities. This means that the Fund may lose money if the issuer of the note defaults and that the Fund may not be able to readily close out its investment in such notes without incurring losses.

Subsidiary Risk: By investing in the *Subsidiary*, the Fund is indirectly exposed to the risks associated with the *Subsidiary's* investments. The commodity-related instruments held by the *Subsidiary* are generally similar to those that are permitted to be held by the Fund and are subject to the same risks that apply to similar investments if held directly by the Fund (see “Commodities Risk” above). There can be no assurance that the investment objective of the *Subsidiary* will be achieved. The *Subsidiary* is not registered under the *1940 Act*, and, unless otherwise noted in this prospectus, is not subject to all the investor protections of the *1940 Act*. However, the Fund wholly owns and controls the *Subsidiary*, and the Fund and the *Subsidiary* are both managed by the *Adviser*, making it unlikely that the *Subsidiary* will take action contrary to the interests of the Fund and its shareholders. The Board has oversight responsibility for the investment activities of the Fund, including its investment in the *Subsidiary*, and the Fund’s role as sole shareholder of the *Subsidiary*. The *Subsidiary* will be subject to the same investment restrictions and limitations, and follow the same compliance policies and procedures, as the Fund. Changes in the laws of the United States and/or the Cayman Islands could result in the inability of the Fund and/or the *Subsidiary* to operate as described in this prospectus and the SAI and could adversely affect the Fund.

Swap Agreements Risk: Swap agreements involve the risk that the party with whom a Fund has entered into the swap will default on its obligation to pay the Fund and the risk that the Fund will not be able to meet its obligations to pay the other party to the agreement.

Tax Risk: In order for the Fund to qualify as a regulated investment company under Subchapter M of the *Code*, the Fund must derive at least 90 percent of its gross income each taxable year from qualifying income, which is described in more detail in the SAI. Income from certain commodity-linked derivative instruments in which the Fund invests is not considered qualifying income. The Fund will therefore restrict its income from commodity-linked derivative instruments that do not generate qualifying income, such as commodity-linked swaps, to a maximum of 10 percent of its gross income.

The Fund’s investment in the *Subsidiary* is expected to provide the Fund with exposure to the commodities markets within the limitations of the federal tax requirements of Subchapter M. The annual net profit, if any, realized by the *Subsidiary* and imputed for income tax purposes to the Fund will constitute “qualifying income” for purposes of the Fund remaining qualified as a regulated investment company for U.S. federal income tax purposes.

Volatility Risk: The Fund may have investments that appreciate or decrease significantly in value over short periods of time. This may cause the Fund’s net asset value per share to experience significant appreciations or decreases in value over short periods of time.

U.S. Government Securities Risk: Treasury obligations may differ in their interest rates, maturities, times of issuance and other characteristics. Obligations of U.S. Government agencies and authorities are supported by varying degrees of credit but generally are not backed by the full faith and credit of the U.S. Government. No assurance can be given that the U.S. Government will provide financial support to its agencies and authorities if it is not obligated by law to do so. Certain of the government agency securities the Fund may purchase are backed only by the credit of the government agency and not by full faith and credit of the United States.

PERFORMANCE INFORMATION

As the AQR Managed Futures Strategy Fund commenced operations on January 5, 2010, full calendar year performance information is not available.

INVESTMENT MANAGER

The Fund’s investment manager is AQR Capital Management, LLC.

PORTFOLIO MANAGERS

Name	Portfolio Manager of the Fund Since	Title
Clifford S. Asness, Ph.D	January 5, 2010	Managing and Founding Principal of the <i>Adviser</i>
John M. Liew, Ph.D	January 5, 2010	Founding Principal of the <i>Adviser</i>
Brian K. Hurst	January 5, 2010	Principal of the <i>Adviser</i>
Lasse H. Pedersen, Ph.D	January 5, 2010	Principal of the <i>Adviser</i>
Yao Hua Ooi	January 5, 2010	Vice President of the <i>Adviser</i>

For important information about purchase and sale of Fund shares, tax information, and financial intermediary compensation, please turn to “Important Additional Information” on page 26 of the Prospectus.

IMPORTANT ADDITIONAL INFORMATION

PURCHASE AND SALE OF FUND SHARES

You may purchase or redeem Class N Shares of each Fund each day the *NYSE* is open. To purchase or redeem shares you should contact your financial intermediary, or, if you hold your shares through the Fund, you should contact the Fund by phone at 1-866-290-2688, by mail (c/o AQR Funds, P.O. Box 2248, Denver, CO 80201-2248), or by the Internet at www.aqrfunds.com. Each Fund's initial and subsequent investment minimums for Class N Shares generally are as follows:

	Class N Shares
Minimum Initial Investment	\$5,000 for all accounts except shareholders investing through certain tax-qualified retirement plans or wrap fee programs may be subject to lower or no minimums.
Minimum Subsequent Investment	\$100 for all accounts except shareholders investing through certain tax-qualified retirement plans or wrap fee programs may be subject to lower or no minimums.

TAX INFORMATION

Each Fund's dividends and distributions may be subject to federal income taxes and may be taxed as ordinary income or capital gains, unless you are a tax-exempt investor or are investing through a retirement plan, in which case you may be subject to federal income tax upon withdrawal from such tax deferred arrangements.

PAYMENTS TO BROKER/DEALERS AND OTHER FINANCIAL INTERMEDIARIES

If you purchase shares of a Fund through a broker-dealer or other financial intermediary, the Fund and the *Adviser*, or its affiliates may pay the intermediary for the sale of Fund shares and other services. These payments may create a conflict of interest by influencing the broker-dealer or other financial intermediary and your individual financial professional to recommend the Fund over another investment. Ask your individual financial professional or visit your financial intermediary's website for more information.

DETAILS ABOUT THE FUNDS

Glossary. To keep things simple, we have defined and explained a number of terms and concepts in a Glossary at the back of this prospectus. Terms that are in italics have definitions or explanations in the Glossary.

Included in this prospectus are sections that tell you about buying and selling shares, management information, shareholder features of the Funds and your rights as a shareholder.

INVESTMENT PHILOSOPHY

The AQR Global Equity Fund and the AQR International Equity Fund (collectively, the “International and Global Equity Funds”) are managed by the *Adviser* and share a common investment philosophy and investment process.

Each of the AQR Diversified Arbitrage Fund and the AQR Managed Futures Strategy Fund is managed according to its own philosophy and process, which is described in detail in the discussion of each Fund’s investment strategies in this prospectus.

Investment Philosophy for the International and Global Equity Funds: The *Adviser’s* core beliefs are that (1) equity markets are neither completely efficient nor completely inefficient and (2) a disciplined quantitative approach can be used effectively in seeking to outperform market benchmarks. In implementing its investment philosophy, the *Adviser* uses quantitative measures to analyze and understand the vast amount of data available regarding the markets and securities in which the *Adviser* is investing. Examples of these quantitative measures include valuation metrics, such as price-to-book and price-to-earnings ratios, momentum metrics such as relative earnings growth, relative price appreciation, and earnings surprises, as well a number of proprietary measures such as insider buying behavior. In contrast to the stereotypical “black box” concept of quantitative investing (*i.e.*, obscure mathematical models generating unintuitive trades with no transparency), the *Adviser’s* investment process is “quantitative” in the sense that the *Adviser* employs quantitative measures to implement a fundamental investment process. The *Adviser* also believes that a large set of small trades, coupled with systematic risk controls, can offer a more attractive risk-adjusted return than a small set of large trades.

The *Adviser’s* investment philosophy is based on the fundamental concepts of value and momentum. Value investing is simply buying securities that are considered by the *Adviser* to be undervalued by the market and selling securities that the *Adviser* believes are overvalued by the market. Momentum investing is simply buying securities whose stock price is increasing and selling securities whose stock price is not increasing or may be falling.

The *Adviser* believes that using both value and momentum strategies in selecting investments is a powerful and effective approach because the two strategies are usually negatively correlated. As a result, when the two strategies are used together by the *Adviser* in making investment selections, the investments chosen by the *Adviser* tend to be either cheap stocks or stocks that are coming into favor with investors. Stocks that score well by taking into account both factors will generally have the highest weightings. The combination of the two strategies is designed to produce a Fund portfolio that seeks to preserve the positive expected return of each strategy while having the added benefit of significantly lower *volatility* than would otherwise be achieved by using either strategy alone.

The concepts of value and momentum are taken into account by the *Adviser* broadly across many factors and quantitative measures that help guide the *Adviser* in selecting: (1) individual securities within an industry, (2) the relative weighting of various sectors and industries, and/or (3) countries and currencies. The value and momentum philosophy for selecting individual securities and for determining the weightings of various industry

sectors is common to the AQR Global Equity Fund, and AQR International Equity Fund. The explicit selection of countries and currencies is applied to the AQR Global Equity Fund and AQR International Equity Fund.

Over the years, the *Adviser* has refined its methods of measuring value and momentum and has undertaken extensive research into stock selection factors and themes that augment these core approaches. Certain factors or themes can degrade over time and, therefore, the *Adviser* works on refining the measurement of the various factors and themes it believes will produce positive investment results. The *Adviser* believes that the factors and themes it employs are economically intuitive and are generally based on extensive academic research.

INVESTMENT PROCESS FOR THE INTERNATIONAL AND GLOBAL EQUITY FUNDS

The *Adviser* sees the world in “views,” which are simply quantitative processes that rank every stock in a Fund’s investment universe from most attractive to least attractive with respect to a particular investment factor *i.e.*, a quantitative measure such as price-to-book ratio, earnings growth, etc. Portfolio weights are assigned to reflect each stock’s degree of attractiveness. Each “view” has an associated forecasted *volatility* based on a risk model for each factor.

For stock selection there are two types of “views” used by the *Adviser*:

- one view is used to select stocks within an industry,
- the other view is used to select industries.

In the stock selection view, each stock is ranked by the *Adviser* based on how the quantitative measure for each investment factor compares to the industry’s average for that same factor. For example, one of the metrics would be the price-to-book ratio of a stock compared to all its peers within the same industry. This “within industry” ranking would be applied to each investment factor considered by the *Adviser*, which includes dozens of factors related to valuation, momentum, and other proprietary measures. Stock selection views are designed to be approximately industry-neutral.

In the industry selection view, each industry is ranked as to how the quantitative measure for each investment factor, averaged across all firms in that industry, compares to the average of that same investment factor for all the other industries. For example, one of the metrics would be the average price-to-book ratio for one industry compared to the average price-to-book ratio for other industries. This “across industries” ranking would be applied to each investment factor considered by the *Adviser*, which includes dozens of factors related to valuation, momentum, and other proprietary measures. Industry selection views explicitly overweight or underweight industries as a whole.

The final aggregate view of the *Adviser* is a combination of the stock and industry views and all the underlying factors, resulting in a weight assigned to each stock, which is a cumulative measure of its overall attractiveness. The weighting for each stock reflects the anticipated level of excess return potential of that stock and is used by the *Adviser* to forecast anticipated “*Alpha*” for that stock. As used herein, the term “*Alpha*” means the risk-adjusted level of outperformance of the Fund over its benchmark index, the *MSCI World Index*. The *Adviser* then combines the *Alpha* forecasts for each stock with trading costs, liquidity constraints, and other portfolio constraints in attempting to create an optimal portfolio for each Fund. For Funds that are long only, the smallest weighting of an unattractive stock is zero.

The *Adviser*’s portfolio optimization process also has a strong risk-control element. Since each “view” has an associated *volatility* forecast, it is possible to estimate the *tracking error* of each Fund (*i.e.*, the deviation in performance of a Fund’s underlying portfolio from its benchmark). The *Adviser* sets explicit *tracking error* targets for each Fund and its portfolio construction process takes into account how much each of the views contributes to the overall risk of each Fund.

Buys and sells for each Fund are made through periodic rebalancing. The *Adviser* monitors each Fund relative to moves in the *Adviser*’s proprietary models. The *Adviser* employs a rebalancing strategy that seeks to

provide an optimal balance between maintaining up-to-date views and minimizing trading costs. Stock trading is primarily executed electronically through direct connections to exchanges that allow the *Adviser* to employ automated trading algorithms that place their trades in a liquidity-providing manner. By trading passively and providing liquidity to the market the *Adviser* seeks to reduce market impact costs and reduce the total cost of trading.

In summary, the *Adviser's* investment process for the Funds entails the following key steps:

- Develop a ranking for each stock using a disciplined, systematic approach to analyze a wide variety of factors based on the underlying philosophy of value and momentum.
- Combine these rankings into a Fund portfolio that takes into account trading costs, liquidity considerations, *tracking error* targets, and portfolio construction constraints (e.g. no shorting for Funds that do not enter into short sales).
- Rebalance each Fund's portfolio in a manner that seeks to create a balance between keeping the portfolio in line with the ideal desired portfolio and the need to minimize trading costs.
- Execute trades primarily in a highly automated and liquidity-providing manner to seek to reduce the total cost of trading.

DETAILS ABOUT THE AQR GLOBAL EQUITY FUND

INVESTMENT OBJECTIVE

The AQR Global Equity Fund seeks long-term capital appreciation.

PRINCIPAL INVESTMENT STRATEGIES

The Fund seeks to outperform the *MSCI World Index* (the *Global Equity Benchmark*) while seeking to control its *tracking error* relative to this benchmark. The Fund will target an average forecasted *tracking error* of approximately 4.0% relative to the *Global Equity Benchmark* over a long-term business cycle but actual *tracking error* will vary based on market conditions, sector positioning, securities selection and other factors. The *Global Equity Benchmark* is a free float-adjusted market capitalization index that is designed to measure the performance of equities in developed markets, including the United States and Canada.

Generally, the Fund will invest in instruments of companies located in a number of different countries throughout the world, one of which may be the United States. Under normal circumstances, the Fund will invest significantly (at least 40%) in companies (i) organized or located outside the U.S., (ii) whose primary trading market is located outside the U.S. or (iii) doing a substantial amount of business outside the U.S., which the Fund considers as a company that derives at least 50% of its revenue from business outside the U.S. or has at least 50% of its assets outside the U.S. The Fund will allocate its assets among various regions and countries, including the United States (but in no less than three different countries outside of the U.S.). For temporary defensive purposes, the Fund may invest in cash equivalents such as money market instruments, interests in short-term investment funds, repurchase agreements, or shares of money market or short-term bond funds.

The Fund's portfolio normally will be managed by both overweighting and underweighting securities, countries and currencies relative to the *Global Equity Benchmark*, using the *Adviser's* proprietary quantitative return forecasting models and systematic risk-control methods. The *Adviser* starts with the securities that are included in the *Global Equity Benchmark* and augments them with additional securities that are deemed to have similar characteristics. From this investment universe, the *Adviser* employs a disciplined approach emphasizing both top-down country/currency allocation and bottom-up security selection decisions that include selection of individual stocks within industries as well as explicit industry/sector selection.

The *Adviser* uses a set of value, momentum and economic factors to generate an investment portfolio based on the *Adviser's* global asset allocation models and security selection procedures. The *Adviser* believes that a better risk-adjusted return may be achievable by applying both value and momentum strategies simultaneously.

- Value strategies favor securities that appear cheap based on fundamental measures, often as a result of distress or lack of favor. Examples of value strategies include using price-to-earnings and price-to-book ratios for choosing individual equities and countries, and interest rate differentials for choosing currencies.
- Momentum strategies favor securities with strong short-term performance. Examples of momentum strategies include simple price momentum for choosing individual equities and countries, and foreign exchange rate momentum for selecting currencies.
- In addition to these two main strategies, the *Adviser* may use a number of additional quantitative strategies based on the *Adviser's* proprietary research.

The *Adviser* views the selection of individual securities, countries and currencies as three independent decisions. The *Adviser* may utilize country index futures, index swaps and foreign currency forwards to overweight or underweight the country and currency exposure of the overall portfolio relative to the *Global Equity Benchmark*.

In seeking to achieve its investment objective, the Fund may enter into both “long” and “short” positions in country exposures and currencies using derivative instruments. The owner of a “long” position in a derivative instrument will benefit from an increase in the price of the underlying investment. The owner of a “short” position in a derivative instrument will benefit from a decrease in the price of the underlying investment. Short positions in any currency generally will not exceed -20% of the net assets of the Fund. For example, if 5% of the Fund’s net assets are invested in Swiss stocks held long, generally the Fund’s collective short positions in Swiss francs would be 25% or less of the Fund’s net assets. Foreign currency denominated stock positions and the notional value of foreign currency spot and forward positions are included in determining aggregate long and short currency positions.

Short positions in the equity of issuers in a particular country generally will not exceed -12% of the net assets of the Fund. In other words, the total value of stock positions held long in a country, plus the notional value of equity derivatives providing long exposure to issuers in that country, minus the notional value of equity derivatives providing short exposure to issuers in that country must be greater than -12% of the Fund’s net assets. For example, if 3% of the net assets of the Fund are invested in Spanish equities, generally the largest short position in Spanish equity futures would be 15% of the Fund’s net assets.

Generally, the Fund will invest at least 80% of its net assets (including any borrowings for investment purposes) in equity and equity-related instruments (including, but not limited to, exchange-traded funds, equity index futures, equity index swaps and depositary receipts). The Fund will invest in companies with a broad range of market capitalizations. The Fund has no market capitalization constraints. The Fund invests primarily in securities comprising the *Global Equity Benchmark* or those that will be admitted to the benchmark within 180 days of purchase. The Fund may invest in or use options, warrants, equity swaps, financial futures contracts and other types of derivative instruments in seeking to achieve its investment objective. A portion of the Fund’s assets may be held in cash or cash equivalents including, but not limited to, short-term investment funds. However, net economic exposure to the equity markets (i.e. the total value of equity positions plus the net notional value of equity derivatives) will generally equal at least 95% of the Fund’s net assets.

In general, the Fund expects to be broadly diversified, typically holding the securities of between 600 and 900 different issuers. The Fund generally will not invest more than 5% of its net assets, measured at the time of purchase, in a single class of the securities of any issuer within the *Global Equity Benchmark*. The Fund will also be diversified by sector under normal market conditions. The maximum allocation of Fund assets to any

particular global sector relative to the weighting of that sector in the *Global Equity Benchmark*, generally will not exceed (or be less than) 15%. Equity derivatives that gain exposure to countries, rather than individual stocks or sectors, are excluded from these sector exposure calculations.

The Fund may invest to a lesser extent in securities of issuers, countries and currencies not included in the *Global Equity Benchmark*. However, the *Adviser* does not currently expect such securities to be a significant component of the Fund's investment portfolio.

The *Adviser* believes that the management of transaction costs should be considered when determining whether an investment is attractive. Transaction costs include commissions, bid-ask spreads, market impact and time delays (time between decision and implementation when a market may move for or against you). The *Adviser* considers transaction costs both in its forecasting model and optimization process to seek to ensure that trades for the Fund will remain attractive after transaction costs are reflected.

DETAILS ABOUT THE AQR INTERNATIONAL EQUITY FUND

INVESTMENT OBJECTIVE

The AQR International Equity Fund seeks long-term capital appreciation.

PRINCIPAL INVESTMENT STRATEGIES

The Fund seeks to outperform the *MSCI EAFE Index* (the *International Equity Benchmark*) while seeking to control its *tracking error* relative to this benchmark. The Fund will target a forecasted *tracking error* generally in the range of 3 - 7% relative to the *International Equity Benchmark* over a long-term business cycle but actual *tracking error* will vary based on market conditions, sector positioning, securities selection and other factors. The *International Equity Benchmark* is a free float-adjusted market capitalization index that is designed to measure the performance of equities in developed markets, excluding the United States and Canada.

The Fund's portfolio normally will be managed by both overweighting and underweighting securities, countries and currencies relative to the *International Equity Benchmark*, using the *Adviser's* proprietary quantitative return forecasting models and systematic risk-control methods. The *Adviser* starts with the securities that are included in the *International Equity Benchmark* and augments them with additional securities that are deemed to have similar characteristics. From this investment universe, the *Adviser* employs a disciplined approach emphasizing both top-down country/currency allocation and bottom-up security selection decisions that include selection of individual stocks within industries as well as explicit industry/sector selection.

The *Adviser* uses a set of value, momentum and economic factors to generate an investment portfolio based on the *Adviser's* global asset allocation models and security selection procedures. The *Adviser* believes that a better risk-adjusted return may be achievable by applying both value and momentum strategies simultaneously:

- Value strategies favor securities that appear cheap based on fundamental measures, often as a result of distress or lack of favor. Examples of value strategies include using price-to-earnings and price-to-book ratios for choosing individual equities and countries, and interest rate differentials for choosing currencies.
- Momentum strategies favor securities with strong short-term performance. Examples of momentum strategies include simple price momentum for choosing individual equities and countries, and foreign exchange rate momentum for selecting currencies.
- In addition to these two main strategies, the *Adviser* may use a number of additional quantitative strategies based on the *Adviser's* proprietary research.

The *Adviser* views the selection of individual securities, countries and currencies as three independent decisions. The *Adviser* may utilize country index futures, index swaps and foreign currency forwards to overweight or underweight the country and currency exposure of the overall portfolio relative to the *International Equity Benchmark*.

Generally, the Fund will invest at least 80% of its net assets (including any borrowings for investment purposes) in equity and equity-related instruments (including, but not limited to, exchange-traded funds, equity index futures, equity index swaps and depositary receipts). The Fund will invest in companies with a broad range of market capitalizations, including smaller capitalization companies. The Fund invests primarily in securities comprising the *International Equity Benchmark* or that will be admitted to the benchmark within 180 days of purchase. The Fund may invest in or use options, warrants, equity swaps, financial futures contract or other types of derivative instruments in seeking to achieve its investment objective. A portion of the Fund's assets will be held in cash or cash equivalents including, but not limited to, short-term investment funds.

The Fund may invest to a lesser extent in securities of issuers in countries and currencies not included in the *International Equity Benchmark*. However, the *Adviser* does not currently expect such securities to be a significant component of the Fund's investment portfolio.

The *Adviser* believes that the management of transaction costs should be considered when determining whether an investment is attractive. Transaction costs include commissions, bid-ask spreads, market impact and time delays (time between decision and implementation when a market may move for or against you). The *Adviser* considers transaction costs both in its forecasting model and optimization process to seek to ensure that trades for the Fund will remain attractive after transaction costs are reflected.

DETAILS ABOUT THE AQR DIVERSIFIED ARBITRAGE FUND

INVESTMENT OBJECTIVE

The AQR Diversified Arbitrage Fund sees long-term absolute (positive) returns.

PRINCIPAL INVESTMENT STRATEGIES

The Fund seeks to outperform the BofA Merrill Lynch 3 Month Treasury Bill Index (the *Absolute Return Benchmark*) while seeking to control its *tracking risk* relative to this benchmark. The *Absolute Return Benchmark* is designed to measure the performance of a high-quality short-term cash-equivalent investment. An investment in the Fund is more volatile than an investment in Treasury Bills, and is also not backed by the full faith and credit of the U.S. government

The Fund uses a number of arbitrage and alternative investment strategies employed by hedge funds and proprietary trading desks of investment banks, including merger arbitrage, convertible arbitrage, and other kinds of arbitrage or alternative investment strategies described more fully below. The Fund normally invests primarily in equities, convertible securities, debt securities, options and warrants. The *Sub-Adviser* tactically allocates the Fund's assets across alternative investment strategies with desirable anticipated returns based on market conditions.

The *Sub-Adviser* will utilize hedging strategies with the intent of (i) reducing the risk associated with each of the arbitrage strategies; (ii) keeping the overall *volatility* of the Fund's net asset value relatively low; and (iii) keeping a relatively low correlation with the overall equity market. As conditions warrant, the Fund may borrow from banks to increase its portfolio holdings of securities. The *1940 Act* requires the Fund to maintain continuous asset coverage of not less than 300% with respect to all borrowings. This allows the Fund to borrow for such purposes an amount equal to as much as 33 1/3% of the value of its total assets.

The Fund will also engage extensively in short sales of securities. When the Fund sells a security short, it borrows the security from a third party and sells it at the then current market price. The Fund is then obligated to buy the security on a later date so that it can return the security to the lender. For arbitrage strategies, the Fund will generally buy securities and simultaneously sell securities short in amounts that are intended to result in an approximately neutral economic exposure to overall market movements.

In response to recent market events, regulatory authorities in various countries, including the United States, United Kingdom and several European countries, have enacted rules prohibiting the short-selling of certain stocks and/or naked short selling (i.e., selling short without having stock available for delivery and intentionally failing to deliver stock within the standard settlement cycle). The length and extent of the bans and type of securities included in the bans vary from country to country. In most cases, the bans focus on the short selling of financial stocks and/or naked short selling. These bans may restrict the Fund's ability to fully implement its strategy.

The Fund has no policy with respect to the credit rating, maturity or duration of the debt securities in which it may invest, and may invest in debt securities of any credit rating, maturity or duration. In response to adverse market, economic or other conditions, such as the availability of attractive arbitrage and alternative investment opportunities (or lack thereof), the Fund may temporarily invest a substantial portion of its assets in cash or cash-equivalent securities. During such periods it may not achieve its investment objective.

Examples of Arbitrage and Other Alternative Investment Strategies:

Merger Arbitrage: When engaging in merger arbitrage, the *Sub-Adviser* buys shares of the “target” company in a proposed merger or other reorganization between two companies. If the transaction is for the stock of the acquirer, the *Sub-Adviser* may seek to hedge the exposure to the acquirer by shorting the stock of the acquiring company in an amount determined with reference to the exchange ratio specified in the agreement between the acquirer and the target company.

- Merger arbitrage investments are based on the premise that when a merger or similar deal between two companies is announced, the stock price of the target generally increases substantially as a result of the premium offered by the acquirer, but trades at a small discount to the consideration offered by the acquirer until the deal closes.
- While most corporate deals close successfully, many investors holding a target company's shares may choose to sell them before closing to avoid the potential for a steep loss in value if the transaction fails to close.
- The discount in the value of the target company's stock reflects the tension between (i) the likelihood of a completed transaction paying a certain amount of consideration for a target's shares and (ii) the willingness of holders of the target's stock to sell their stock at a discount prior to closing to lock in gains and avoid the risk of a significant loss in value of the target's stock if the transaction does not close.

The Fund invests in stocks of target companies in potential merger transactions based on the *Sub-Adviser's* expected risk-adjusted return for the arbitrage transaction. In most cases, the Fund will buy the target's stock soon after the announcement of the merger transaction and in most cases will hold the stock until the deal is completed. While the Fund will usually invest in the common stock of the target, it may also invest in other securities of the target such as convertible debentures, options, and bonds. The Fund generally invests in target firms located in the United States, but may also invest in target firms located in other countries if circumstances warrant.

Convertible Arbitrage: When employing a convertible arbitrage strategy, the *Sub-Adviser* invests in *Convertible Securities* trading at substantial discounts to their fundamental values and attempts to mitigate the various risks associated with investing in such *Convertible Securities*.

- A *Convertible Security* is a debenture or a preferred security that the holder may exchange into the common stock of a company at a pre-specified rate of conversion under certain circumstances. Because

it offers an option to convert the security into common stock, the *Convertible Security* pays less interest or preferred dividend than any comparable non-convertible debt or preferred stock issued by the company.

- *Convertible Securities* are a substantial source of capital for many companies, especially those with high risk, low cash flows and immediate need for funding. *Convertible Securities* are usually sold at a discount to their fundamental value and, given their lower level of liquidity relative to listed equities, normally trade at a discount in the secondary market for a lengthy period of time until they mature, are redeemed or otherwise extinguished by corporate action.
- Convertible arbitrageurs (such as the Fund) normally are the primary participants in the *Convertible Securities* market, and typically buy the *Convertible Security* and seek to mitigate the various risks associated with the security (*i.e.*, equity risk, credit risk, and interest rate risk) by using various investment strategies. For example, equity risk may be hedged by *shorting* the stock of the issuer in an amount based on the sensitivity of the *Convertible Security* to the issuer's stock.

In most cases, the holding period for an investment by the Fund in a convertible arbitrage trade will be longer than a year, and could be several years for some investments. The Fund generally will hold *Convertible Securities* of domestic issuers, but may purchase *Convertible Securities* of foreign issuers if circumstances warrant.

Other arbitrage strategies: The *Sub-Adviser* also may employ other arbitrage strategies, such as “when-issued trading” arbitrage, “stub-trading” arbitrage and “dual-class” arbitrage.

- When-issued arbitrage 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 takes advantage of inefficiencies in the prices at which a stock of a publicly traded parent corporation and its publicly traded subsidiary are trading.
- Dual-class arbitrage takes advantage of inefficiencies in the prices at which different classes of a publicly traded company's stock are trading.

The Fund may employ additional arbitrage strategies as they arise.

Other Types of Alternative Investment Strategies: The *Sub-Adviser* also pursues other, non-arbitrage “alternative” investment strategies as the *Sub-Adviser* sees market opportunities to do so. For example, the Fund expects to enter into “price pressure” trades, invest in “SPACs” (special purpose acquisition vehicles), short-term debt, distressed securities, and “PIPEs” (private investments in public entities). Many of these investments are often viewed in the “Event-Driven” category which also includes the Merger Arbitrage strategy described above.

When the Fund enters into “price pressure” trades, it seeks to take advantage of situations in which concentrated buying or selling of securities by a particular group of investors overwhelms the regular trading for the security and affects the price at which the security trades. The Fund will buy stocks subject to price pressure and will hedge these purchases by shorting market indices or comparable stocks.

Distressed investments are made in securities, equities, convertibles, and straight debt, of firms which are in or near financial distress and which trade at substantial discounts to fundamental values.

PIPEs involve the direct purchase of a security from a publicly-traded firm in a private placement. The securities include equities, convertibles, debentures, and warrants, and generally are restricted for a set period before they can be resold in the secondary markets.

The Fund may employ additional alternative investment strategies as they arise.

DETAILS ABOUT THE AQR MANAGED FUTURES STRATEGY FUND

INVESTMENT OBJECTIVE

The AQR Managed Futures Strategy Fund (the “Fund”) seeks positive absolute returns.

The use of the term “positive absolute return” is intended to distinguish the Fund’s investment objective from the relative returns sought by other *mutual funds*. Funds seeking relative returns are generally managed with a goal of outperforming an index of securities or an index of competitive funds. As a result, even if these funds are successful in achieving their investment objectives, their investment returns may be positive or negative and will tend to reflect the general direction of the securities markets. A “positive absolute return” seeks to earn a positive *total return* over a reasonable period of time regardless of market conditions or general market direction. As a result, if successful, investors in the Fund should expect the Fund to generate positive performance regardless of the performance of the general securities markets.

PRINCIPAL INVESTMENT STRATEGIES

To pursue its investment objective, the Fund invests primarily in a portfolio of futures contracts and futures-related instruments (defined below). The Fund’s universe of investments currently includes more than 100 exchange-traded futures, futures-related instruments and forward contracts across four major asset classes (commodities, currencies, fixed income and equities); however, this universe of investments is subject to change under varying market conditions and as these instruments evolve over time.

Generally, the Fund invests in futures contracts and futures-related instruments including, but not limited to, equity index futures, currency forwards, commodity futures, swaps on commodity futures, fixed income futures, bond futures and swaps on bond futures (collectively, the “Instruments”), either by investing directly in those Instruments, or indirectly by investing in the Subsidiary (as described below) that invests in those Instruments. The Fund may also invest in exchange traded funds or exchange traded notes through which the Fund can participate in the performance of one or more Instruments. The Fund’s return is expected to be derived principally from changes in the value of securities and its portfolio is expected to consist principally of securities.

The Fund’s portfolio managers use proprietary quantitative models to identify price trends in equity, fixed income, currency and commodity Instruments. Once a trend is determined, the Fund will take either a long or short position in the given Instrument. When taking a “long” position, the Fund purchases an instrument outright; when taking a “short” position, the Fund sells an instrument that it does not own and must borrow to meet its settlement obligations. A “long” position will benefit from an increase in price of the underlying Instrument, while a “short” position will benefit from a decrease in price of the underlying Instrument. The size of the position taken will relate to the Adviser’s confidence in the trend continuing as well as the Adviser’s estimate of the Instrument’s risk.

The Adviser generally expects that the Fund will have exposure in long and short positions across all four major asset classes (commodities, currencies, fixed income and equities), but at any one time the Fund may emphasize one or two of the asset classes or a limited number of exposures within an asset class.

The Fund bears the risk that the proprietary quantitative models used by the portfolio managers will not be successful in identifying trends or in determining the size and direction of investment positions that will enable the Fund to achieve its investment objective.

The Adviser generally expects that the Fund’s performance will have a low correlation to the performance of the general global equity, fixed income, currency and commodity markets over any given market cycle; however, the Fund’s performance may correlate to the performance of any one or more of those markets over short-term periods.

Futures and forward contracts are contractual agreements to buy or sell a particular currency, commodity or financial instrument at a pre-determined price in the future. The Fund's use of futures contracts, forward contracts, swaps and certain other Instruments will have the economic effect of financial leverage. Financial leverage magnifies exposure to the swings in prices of an asset class underlying an Instrument and results in increased volatility, which means the Fund will have the potential for greater gains, as well as the potential for greater losses, than if the Fund does not use Instruments that have a leveraging effect. Leveraging tends to magnify, sometimes significantly, the effect of any increase or decrease in the Fund's exposure to an asset class and may cause the Fund's NAV to be volatile. For example, if the Adviser seeks to gain enhanced exposure to a specific asset class through an Instrument providing leveraged exposure to the class and that Instrument increases in value, the gain to the Fund will be magnified; however, if that investment decreases in value, the loss to the Fund will be magnified. A decline in the Fund's assets due to losses magnified by the Instruments providing leveraged exposure may require the Fund to liquidate portfolio positions to satisfy its obligations, to meet redemption requests or to meet asset segregation requirements when it may not be advantageous to do so. There is no assurance that the Fund's use of Instruments providing enhanced exposure will enable the Fund to achieve its investment objective.

The Adviser expects the Fund's NAV over short-term periods to be volatile because of the significant use of Instruments that have a leveraging effect. Volatility is a statistical measurement of the magnitude of up and down asset price fluctuations over time. Rapid and dramatic price swings will result in high volatility. The Fund's returns are expected to be volatile; however, the Adviser, on average, will target an annualized volatility level for the Fund of 10%. The Adviser expects that the Fund's targeted annualized forecasted volatility will typically range between 5% and 13%; however, the actual or realized volatility level for longer or shorter periods may be materially higher or lower depending on market conditions. **Actual or realized volatility can and will differ from the forecasted or target volatility described above.**

As a result of the Fund's strategy, the Fund may have highly leveraged exposure to one or more asset classes at times. The 1940 Act and the rules and interpretations thereunder impose certain limitations on the Fund's ability to use leverage; however, the Fund is not subject to any additional limitations on its net long and short exposures. For example, the Fund could hold instruments that provide five times the net return of a broad- or narrow-based securities index. For more information on these and other risk factors, please see the "Principal Risk Factors" and "Investment Techniques-Asset Segregation" sections of the Prospectus.

The Fund's strategy will result in frequent portfolio trading and high portfolio turnover (typically greater than 300%). The Adviser utilizes portfolio optimization techniques to determine the frequency of trading, taking into account the transaction costs associated with trading each Instrument. A higher portfolio turnover rate results in correspondingly greater brokerage commissions and other transactional expenses, which are borne by the Fund, and may have adverse tax consequences. The Fund employs sophisticated proprietary trading techniques in an effort to mitigate trading costs and execution impact on the Fund.

A significant portion of the assets of the Fund may be invested directly or indirectly in money market instruments, which may include, but are not be limited to, U.S. Government securities, U.S. government agency securities, short-term fixed income securities, overnight and/or fixed term repurchase agreements, money market mutual fund shares, and cash and cash equivalents with one year or less term to maturity. These cash or cash equivalent holdings serve as collateral for the positions the Fund takes and also earn income for the Fund. While the Fund normally does not engage in any direct borrowing, leverage is implicit in the futures and other derivatives it trades.

The Fund intends to make investments through the Subsidiary and may invest up to 25% of its total assets in the Subsidiary. Generally, the Subsidiary will invest primarily in commodity futures, but it may also invest in financial futures, option and swap contracts, fixed income securities, pooled investment vehicles, including those that are not registered pursuant to the 1940 Act, and other investments intended to serve as margin or collateral for the Subsidiary's derivative positions. The Fund will invest in the Subsidiary in order to gain exposure to the

commodities markets within the limitations of the federal tax laws, rules and regulations that apply to registered investment companies. Unlike the Fund, the Subsidiary may invest without limitation in commodity-linked derivatives, however, the Subsidiary will comply with the same 1940 Act asset coverage requirements with respect to its investments in commodity-linked derivatives that are applicable to the Fund's transactions in derivatives. In addition, to the extent applicable to the investment activities of the Subsidiary, the Subsidiary will be subject to the same fundamental investment restrictions and will follow the same compliance policies and procedures as the Fund. The Fund is the sole shareholder of the Subsidiary and does not expect shares of the Subsidiary to be offered or sold to other investors.

The Fund's investment objective is not fundamental and may be changed by the Board of Trustees without shareholder approval. Shareholders will normally receive at least 30 days' written notice of any change in the Fund's investment objective.

The Fund is not a complete investment program and should be considered only as one part of an investment portfolio. The Fund is more appropriate for long-term investors who can bear the risk of short-term NAV fluctuations, which at times, may be significant and rapid.

HOW THE FUNDS PURSUE THEIR INVESTMENT OBJECTIVES

INVESTMENT TECHNIQUES

In addition to the principal investment strategies described above, the AQR Global Equity Fund, AQR International Equity Fund and AQR Diversified Arbitrage Fund may employ the following technique in pursuing their investment objectives.

Securities Lending. To attempt to increase its income or *total return*, each of the AQR Global Equity Fund, AQR International Equity Fund and the AQR Diversified Arbitrage Fund may lend its portfolio securities to certain types of eligible borrowers. Each of the Funds may lend its portfolio securities to certain types of eligible borrowers in amounts up to 33 1/3% of its total assets, which may include collateral. Each loan will be secured continuously by collateral in the form of cash, high quality money market instruments or securities issued by the U.S. government or its agencies or instrumentalities. Collateral will be received and maintained by the Fund's custodian concurrent with delivery of the loaned securities and kept in a segregated account or designated on the records of the custodian for the benefit of the Fund. Each of the AQR Global Equity Fund, AQR International Equity Fund and the AQR Diversified Arbitrage Fund has a right to call a loan at any time and require the borrower to redeliver the borrowed securities to the Fund within the settlement time specified in the loan agreement or be subject to a "buy in". Each of the Funds will generally not have the right to vote securities while they are being loaned, but it is expected that the *Adviser* or *Sub-Adviser*, as applicable, will call a loan in anticipation of any important vote. Securities lending will be conducted by a securities lending agent approved by the *Trust's Board of Trustees*. The securities lending agent maintains a list of broker-dealers, banks or other institutions that it has determined to be creditworthy. The Funds will only enter into loan arrangements with borrowers on the approved list.

The AQR Managed Futures Strategy Fund may employ the following technique in pursuing its investment objectives.

Segregation of Assets. As an open-end investment company registered with the *SEC*, the AQR Managed Futures Strategy Fund is subject to the federal securities laws, including the *1940 Act*, the rules thereunder, and various *SEC* and *SEC* staff interpretive positions. In accordance with these laws, rules and positions, the Fund must "set aside" (often referred to as "asset segregation") liquid assets, or engage in other *SEC*- or staff-approved measures, to "cover" open positions with respect to certain kinds of derivatives instruments. In the case of forwards contracts that are not contractually required to cash settle, for example, the Fund must set aside liquid assets equal to such contracts' full notional value while the positions are open. With respect to forward contracts that are contractually required to cash settle, however, the Fund is permitted to set aside liquid assets in an amount equal to the Fund's daily marked-to-market net obligations (*i.e.*, the Fund's daily net liability) under the contracts, if any, rather than such contracts' full notional value. The AQR Managed Futures Strategy Fund reserves the right to modify its asset segregation policies in the future to comply with any changes in the positions from time to time articulated by the *SEC* or its staff regarding asset segregation.

The AQR Managed Futures Strategy Fund generally will use its money market instruments to cover its obligations as required by the *1940 Act*, the rules thereunder, and applicable *SEC* and *SEC* staff positions. As a result of their segregation, the short-term debt securities (or any other liquid asset segregated) may not be used for other operational purposes. The *Adviser* will monitor the AQR Managed Futures Strategy Fund's use of derivatives and will take action as necessary for the purpose of complying with the asset segregation policy stated above. Such actions may include the sale of the Fund's portfolio investments.

RISK FACTORS

All investments, including those in *mutual funds*, have risks, and no one investment is suitable for all investors. Each Fund is intended for long-term investors. Your investment may be subject to the risks described below if you invest in a Fund, based on the risks identified for a particular Fund in that Fund's description above.

Arbitrage Risk (*AQR Diversified Arbitrage Fund*): A Fund employing arbitrage strategies has the risk that the anticipated arbitrage opportunity does not play out as planned, resulting in potentially reduced returns or losses to the Fund as it unwinds its trade.

Below Investment Grade Securities Risk (*AQR Diversified Arbitrage Fund*): Although securities rated below investment grade generally pay higher rates of interest than investment grade bonds, securities rated below investment grade are high risk investments that may cause income and principal losses for the Fund. The major risks of securities rated below investment grade include:

- Securities rated below investment grade may be issued by less creditworthy issuers. Issuers may have a larger amount of outstanding debt relative to their assets than issuers of investment grade bonds. In the event of an issuer's bankruptcy, claims of other creditors may have priority over the claims of holders of securities rated below investment grade, leaving few or no assets available to repay the bond holders.
- Prices of securities rated below investment grade are subject to wide price fluctuations. Adverse changes in an issuer's industry and general economic conditions may have a greater impact on the prices of securities rated below investment grade than on other higher rated fixed-income securities.
- Issuers of securities rated below investment grade may be unable to meet their interest or principal payment obligations because of an economic downturn, specific issuer developments, or the unavailability of additional financing.
- Securities rated below investment grade frequently have redemption features that permit an issuer to repurchase the security from the Fund before it matures. If the issuer redeems the bonds, the Fund may have to invest the proceeds in bonds with lower yields and may lose income.
- Securities rated below investment grade may be less liquid than higher rated fixed-income securities, even under normal economic conditions. There are fewer dealers in this bond market, and there may be significant differences in the prices quoted for securities rated below investment grade by the dealers. Because they are less liquid, judgment may play a greater role in valuing certain of the Fund's securities than is the case with securities trading in a more liquid market.
- The Fund may incur expenses to the extent necessary to seek recovery upon default or to negotiate new terms with a defaulting issuer.

The credit rating of a high yield security does not necessarily address its market value risk. Ratings and market value may change from time to time, positively or negatively, to reflect new developments regarding the issuer.

Commodities Risk (*Managed Futures Strategy Fund*): Exposure to the commodities markets may subject the Fund to greater *volatility* than investments in traditional securities. The value of commodity-linked derivative investments may be affected by changes in overall market movements, commodity index *volatility*, changes in interest rates, or sectors affecting a particular industry or commodity, such as drought, floods, weather, embargoes, tariffs and international economic, political and regulatory developments.

Common Stock Risk (*AQR Global Equity Fund, AQR International Equity Fund and AQR Diversified Arbitrage Fund*): Each Fund invests significantly in common stocks, which are a type of equity security that represents an ownership interest in a corporation. Common stocks are subject to greater fluctuations in market

value than other asset classes as a result of such factors as a company's business performance, investor perceptions, stock market trends and general economic conditions. The rights of common stockholders are subordinate to all other claims on a company's assets, including debt holders and preferred stockholders. Therefore, a Fund could lose money if a company in which it invests becomes financially distressed.

Convertible Securities Risk (*AQR Diversified Arbitrage Fund*): The market value of a convertible security performs like that of a regular debt security; that is, if market interest rates rise, the value of a convertible security usually falls. In addition, convertible securities are subject to the risk that the issuer will not be able to pay interest or dividends when due, and their market value may change based on changes in the issuer's credit rating or the market's perception of the issuer's creditworthiness. Since it derives a portion of its value from the common stock into which it may be converted, a convertible security is also subject to the same types of market and issuer risks that apply to the underlying common stock.

Counterparty Risk (*all Funds*): A Fund may enter into various types of derivative contracts as described below. Many of these derivative contracts will be privately negotiated in the over-the-counter market. These contracts involve exposure to credit risk, since contract performance depends in part on the financial condition of the counterparty. If a privately negotiated over-the-counter contract calls for payments by a Fund, the Fund must be prepared to make such payments when due. In addition, if a counterparty's creditworthiness declines, the Fund may not receive payments owed under the contract, or such payments may be delayed under such circumstances and the value of agreements with such counterparty can be expected to decline, potentially resulting in losses by a Fund.

Credit Risk (*AQR Diversified Arbitrage Fund and AQR Managed Futures Strategy Fund*): Credit risk refers to the possibility that the issuer of the security will not be able to make principal and interest payments when due. Changes in an issuer's credit rating or the market's perception of an issuer's creditworthiness may also affect the value of the Fund's investment in that issuer. The degree of credit risk depends on both the financial condition of the issuer and the terms of the obligation. Securities rated in the four highest categories (Standard & Poor's ("S&P") (AAA, AA, A and BBB), Fitch Ratings ("Fitch") (AAA, AA, A and BBB) or Moody's Investors Service, Inc. ("Moody's") (Aaa, Aa, A and Baa)) by the rating agencies are considered investment grade but they may also have some speculative characteristics, meaning that they carry more risk than higher rated securities and may have problems making principal and interest payments in difficult economic climates. Investment grade ratings do not guarantee that bonds will not lose value.

Currency Risk (*AQR Managed Futures Strategy Fund*): The risk that changes in currency exchange rates will negatively affect securities denominated in, and/or receiving revenues in, foreign currencies. Adverse changes in currency exchange rates (relative to the U.S. dollar) may erode or reverse any potential gains from the Fund's investments in securities denominated in a foreign currency or may widen existing losses. The Fund's net currency positions may expose it to risks independent of its securities positions.

Currency exchange rates may be particularly affected by the relative rates of inflation, interest rate levels, the balance of payments and the extent of governmental surpluses or deficits in such foreign countries and in the United States, all of which are in turn sensitive to the monetary, fiscal and trade policies pursued by the governments of such foreign countries, the United States and other countries important to international trade and finance. Governments may use a variety of techniques, such as intervention by their central bank or imposition of regulatory controls or taxes, to affect the exchange rates of their respective currencies. They may also issue a new currency to replace an existing currency or alter the exchange rate or relative exchange characteristics by devaluation or revaluation of a currency. The liquidity and trading value of these foreign currencies could be affected by the actions of sovereign governments, which could change or interfere with theretofore freely determined currency valuation, fluctuations in response to other market forces and the movement of currencies across borders.

Derivatives Risk (all Funds): The *Adviser* or *Sub-Adviser* may make use of futures, forwards, swaps and other forms of derivative contracts. In general, a derivative contract (including options, as described below) typically involves leverage, i.e., it provides exposure to potential gain or loss from a change in the level of the market price of a security, currency or commodity (or a basket or index) in a notional amount that exceeds the amount of cash or assets required to establish or maintain the derivative contract. The use of derivative instruments also exposes a Fund to additional risks and transaction costs. These instruments come in many varieties and have a wide range of potential risks and rewards, and may include futures contracts, options on futures contracts, options (both written and purchased), swaps, and forward currency exchange contracts. Risks of these instruments include:

- that interest rates, securities prices and currency markets will not move in the direction that the portfolio managers anticipate;
- that prices of the instruments and the prices of underlying securities, interest rates or currencies they are designed to reflect do not move together as expected;
- that the skills needed to use these strategies are different than those needed to select portfolio securities;
- the possible absence of a liquid secondary market for any particular instrument and, for exchange-traded instruments, possible exchange-imposed price fluctuation limits, either of which may make it difficult or impossible to close out a position when desired;
- that adverse price movements in an instrument can result in a loss substantially greater than a Fund's initial investment in that instrument (in some cases, the potential loss is unlimited);
- particularly in the case of privately-negotiated instruments, that the counterparty will not perform its obligations, which could leave a Fund worse off than if it had not entered into the position;
- the inability to close out certain hedged positions to avoid adverse tax consequences, and the fact that some of these instruments, such as credit default swaps, may have uncertain tax implications for the Funds;
- the fact that "speculative position limits" imposed by the Commodity Futures Trading Commission and certain futures exchanges on net long and short positions may require the Funds to limit or unravel positions in certain types of instruments; and
- the high levels of *volatility* some of these instruments may exhibit, in some cases due to the high levels of leverage an investor may achieve with them.

Foreign Securities Risk (AQR Global Equity Fund, AQR International Equity Fund and AQR Diversified Arbitrage Fund): A Fund's investments in foreign securities, including depositary receipts, involve risks not associated with investing in U.S. securities. Foreign markets may be less liquid, more volatile and subject to less government supervision than domestic markets. There may be difficulties enforcing contractual obligations, and it may take more time for trades to clear and settle. The specific risks of investing in foreign securities, among others, include:

- **Currency Risk:** The risk that changes in currency exchange rates will negatively affect securities denominated in, and/or receiving revenues in, foreign currencies. Adverse changes in currency exchange rates (relative to the U.S. dollar) may erode or reverse any potential gains from the Funds' investments in securities denominated in a foreign currency or may widen existing losses. To the extent that a Fund is invested in foreign securities while also maintaining currency positions, it may be exposed to greater combined risk. A Fund's net currency positions may expose it to risks independent of its securities positions.
- **Geographic Risk:** If a Fund concentrates its investments in issuers located or doing business in any country or region, factors adversely affecting that country or region will affect the Fund's net asset

value more than would be the case if the Fund had made more geographically diverse investments. The economies and financial markets of certain regions, such as Latin America or Asia, can be highly interdependent and decline all at the same time.

- **Political/Economic Risk:** Changes in economic and tax policies, government instability, war or other political or economic actions or factors may have an adverse effect on a Fund's foreign investments, potentially including expropriation and nationalization, confiscatory taxation, and the potential difficulty of repatriating funds to the United States.
- **Regulatory Risk:** Issuers of foreign securities and foreign securities markets are generally not subject to the same degree of regulation as are U.S. issuers and U.S. securities markets. The reporting, accounting and auditing standards of foreign countries may differ, in some cases significantly, from U.S. standards.
- **Transaction Costs Risk:** The costs of buying and selling foreign securities, including tax, brokerage and custody costs, generally are higher than those involving domestic transactions.
- **Use of Foreign Currency Forward Agreements:** Foreign currency forward prices are influenced by, among other things, changes in balances of payments and trade, domestic and international rates of inflation, international trade restrictions and currency devaluations and revaluations. Investments in currency forward contracts may cause a Fund to maintain net short positions in any currency, including home country currency. In other words, the total value of short exposure to such currency (such as short spot and forward positions in such currency) may exceed the total value of long exposure to such currency (such as long individual equity positions, long spot and forward positions in such currency).

Forward and Futures Contract Risk (AQR Managed Futures Strategy Fund): The successful use of forward and futures contracts draws upon the *Adviser's* skill and experience with respect to such instruments and are subject to special risk considerations. The primary risks associated with the use of futures contracts are (a) the imperfect correlation between the change in market value of the instruments held by the Fund and the price of the forward or futures contract; (b) possible lack of a liquid secondary market for a forward or futures contract and the resulting inability to close a forward or futures contract when desired; (c) losses caused by unanticipated market movements, which are potentially unlimited; (d) the *Adviser's* inability to predict correctly the direction of securities prices, interest rates, currency exchange rates and other economic factors; (e) the possibility that the counterparty will default in the performance of its obligations; and (f) if the Fund has insufficient cash, it may have to sell securities from its portfolio to meet daily variation margin requirements, and the Fund may have to sell securities at a time when it may be disadvantageous to do so.

High Portfolio Turnover Risk (AQR Diversified Arbitrage Fund and AQR Managed Futures Strategy Fund): To the extent that a Fund makes investments on a shorter-term basis, the Fund may as a result trade more frequently and incur higher levels of brokerage fees and commissions, and cause higher levels of current tax liability to shareholders in the Fund.

Illiquid Investments Risk (AQR Diversified Arbitrage Fund): If the Fund invests in illiquid investments, it may experience difficulty in selling the investments in a timely manner at the price it believes the investments are worth. If it needs to sell the investments quickly, for example to satisfy Fund shareholder redemption requests, it may be unable to do so, or to do so at a price the *Adviser* or *Sub-Adviser* deems appropriate.

Interest Rate Risk (AQR Diversified Arbitrage Fund and AQR Managed Futures Strategy Fund): Interest rate risk is the risk that prices of fixed income securities generally increase when interest rates decline and decrease when interest rates increase. Prices of longer term securities generally change more in response to interest rate changes than prices of shorter term securities. The Fund may lose money if short term or long term interest rates rise sharply or otherwise change in a manner not anticipated by the *Adviser*.

Investment in Other Investment Companies Risk (AQR Managed Futures Strategy Fund): As with other investments, investments in other investment companies are subject to market and selection risk. In

addition, if the Fund acquires shares of investment companies, shareholders bear both their proportionate share of expenses in the Fund (including management and advisory fees) and, indirectly, the expenses of the investment companies. The Fund may invest in money market *mutual funds*. An investment in a money market *mutual fund* is not insured or guaranteed by a Federal Deposit Insurance Corporation or any other government agency. Although such funds seek to preserve the value of the Fund's investment at \$1.00 per share, it is possible to lose money by investing in a money market *mutual fund*.

Leverage Risk (*AQR Diversified Arbitrage Fund and AQR Managed Futures Strategy Fund*): If a Fund makes investments in futures contracts, forward currency contracts and other derivative instruments, the futures contracts and certain other derivatives provide the economic effect of financial leverage by creating additional investment exposure, as well as the potential for greater loss. If a Fund uses leverage through activities such as borrowing, entering into short sales, purchasing securities on margin or on a "when-issued" basis or purchasing derivative instruments in an effort to increase its returns, the Fund has the risk of magnified capital losses that occur when losses affect an asset base, enlarged by borrowings or the creation of liabilities, that exceeds the net assets of the Fund. The net asset value of a Fund employing leverage will be more volatile and sensitive to market movements. Leverage may involve the creation of a liability that requires a Fund to pay interest.

Manager Risk (*all Funds*): If a Fund's portfolio managers make poor investment decisions, it will negatively affect the Fund's investment performance.

Market Risk (*all Funds*): Each Fund is subject to market risk, which is the risk that the markets on which the Fund's investments trade will increase or decrease in value. Market risk applies to every Fund investment. Prices may fluctuate widely over short or extended periods in response to company, market or economic news. Markets also tend to move in cycles, with periods of rising and falling prices. If there is a general decline in the securities and other markets, your investment in a Fund may lose value, regardless of the individual results of the securities and other instruments in which the Fund invests.

Mid Cap Securities Risk (*AQR Global Equity Fund and AQR International Equity Fund*): The prices of securities of mid cap companies generally are more volatile than those of large capitalization companies and are more likely to be adversely affected than large cap companies by changes in earnings results and investor expectations or poor economic or market conditions, including those experienced during a recession.

Momentum Style Risk (*AQR Global Equity Fund and AQR International Equity Fund*): Investing in securities with positive *Momentum* entails investing in securities that have had above-average recent returns. These securities may be more volatile than a broad cross-section of securities. In addition, there may be periods when the *Momentum* style is out of favor, and during which the investment performance of a Fund using a *Momentum* strategy may suffer.

New Fund Risk (*AQR Global Equity Fund, AQR International Equity Fund and AQR Managed Futures Strategy Fund*): Certain Funds are newly-formed. Accordingly, investors in a Fund bear the risk that the Fund may not be successful in implementing its investment strategy, and may not employ a successful investment strategy, any of which could result in the Fund being liquidated at any time without shareholder approval and at a time that may not be favorable for all shareholders. Such a liquidation could have negative tax consequences for shareholders.

Non-Diversified Status Risk (*AQR Managed Futures Strategy Fund*): The AQR Managed Futures Strategy Fund is a non-diversified fund. Because the Fund may invest in securities of a smaller number of issuers, the Fund may be more exposed to the risks associated with and developments affecting an individual issuer than a fund that invests more widely, which may, therefore, have a greater impact on the Fund's performance.

Securities Lending Risk (*AQR Global Equity Fund, AQR International Equity Fund and AQR Diversified Arbitrage Fund*): Each Fund is subject to securities lending risk. A Fund's risk in lending portfolio

securities, as with other extensions of credit, consists of the possibility of loss to the Fund due to (i) the inability of the borrower to return the securities, (ii) a delay in receiving additional collateral to adequately cover any fluctuations in the value of securities on loan, (iii) a delay in recovery of the securities, or (iv) the loss of rights in the collateral should the borrower fail financially. In addition, each of the Funds is responsible for any loss that might result from its investment of the borrower's collateral.

Short Sale Risk (*AQR Global Equity Fund, AQR Diversified Arbitrage Fund and AQR Managed Futures Strategy Fund*): A Fund enters into a short sale by selling a security it has borrowed (typically from a broker or other institution). If the market price of a security increases after a Fund borrows the security, the Fund will suffer a (potentially unlimited) loss when it replaces the borrowed security at the higher price. In certain cases, purchasing a security to cover a short position can itself cause the price of the security to rise further, thereby exacerbating the loss. In addition, a Fund may not always be able to borrow the security at a particular time or at an acceptable price. Short sales also involve transaction and other costs that will reduce potential Fund gains and increase potential Fund losses. Before a Fund replaces a borrowed security, it is required to designate on its books cash or liquid assets as collateral to cover the Fund's short position, marking the collateral to market daily. This obligation limits a Fund's investment flexibility, as well as its ability to meet redemption requests or other current obligations.

Small Cap Securities Risk (*AQR Global Equity Fund and AQR International Equity Fund*): The Fund may invest its assets in the stocks of companies with smaller market capitalizations. While the *Adviser* believes these investments may provide significant potential for appreciation, they involve higher risks in some respects than do investments in stocks of larger companies. For example, prices of such stocks are often more volatile than prices of large-capitalization stocks. In addition, due to thin trading in some such stocks, an investment in these stocks may be more illiquid (*i.e.*, harder to sell) than that of larger capitalization stocks. Smaller capitalization companies also fail more often than larger companies and may have more limited management and financial resources than larger companies.

Structured Note Risk (*AQR Managed Futures Strategy Fund*): The Fund may invest in notes, sometimes called "structured notes," linked to the performance of securities or commodities. Commodity-linked structured notes provide exposure, which may include long and/or short exposure, to the investment returns of "real assets" (*i.e.*, assets that have tangible properties such as oil, gold and silver) that trade in the commodities markets without investing directly in physical commodities. The performance of these notes is determined by the price movement of the commodities underlying the note. These notes are subject to the credit risk of the issuing party and may be less liquid than other types of securities. This means that the Fund may lose money if the issuer of the note defaults and that the Fund may not be able to readily close out its investment in such notes without incurring losses.

Subsidiary Risk (*AQR Managed Futures Strategy Fund*): By investing in the *Subsidiary*, the AQR Managed Futures Strategy Fund is indirectly exposed to the risks associated with the *Subsidiary's* investments. The commodity-related instruments held by the *Subsidiary* are generally similar to those that are permitted to be held by the Fund and are subject to the same risks that apply to similar investments if held directly by the Fund (see "Commodities Risk" above). These risks are described elsewhere in this prospectus. There can be no assurance that the investment objective of the *Subsidiary* will be achieved. The *Subsidiary* is not registered under the *1940 Act*, and, unless otherwise noted in this prospectus, is not subject to all the investor protections of the *1940 Act*. However, the AQR Managed Futures Strategy Fund wholly owns and controls the *Subsidiary*, and the Fund and the *Subsidiary* are both managed by the *Adviser*, making it unlikely that the *Subsidiary* will take action contrary to the interests of the Fund and its shareholders. The Board has oversight responsibility for the investment activities of the Fund, including its investment in the *Subsidiary*, and the Fund's role as sole shareholder of the *Subsidiary*. The *Subsidiary* will be subject to the same investment restrictions and limitations, and follow the same compliance policies and procedures, as the Fund. The AQR Managed Futures Strategy Fund has received a private letter ruling from the Internal Revenue Service confirming that the annual net profit, if any, realized by the *Subsidiary* and imputed for income tax purposes to the Fund will constitute "qualifying income"

for purposes of the Fund remaining qualified as a regulated investment company for U.S. federal income tax purposes. Changes in the laws of the United States and/or the Cayman Islands could result in the inability of the Fund and/or the *Subsidiary* to operate as described in this prospectus and the SAI and could adversely affect the Fund. For example, the Cayman Islands does not currently impose any income, corporate or capital gains tax, estate duty, inheritance tax, gift tax or withholding tax on the *Subsidiary*. If Cayman Islands law changes such that the *Subsidiary* must pay Cayman Islands taxes, Fund shareholders would likely suffer decreased investment returns.

Swap Agreements Risk (*AQR Managed Futures Strategy Fund*): Swap agreements involve the risk that the party with whom a Fund has entered into the swap will default on its obligation to pay a Fund and the risk that a Fund will not be able to meet its obligations to pay the other party to the agreement.

Tax Risk (*AQR Managed Futures Strategy Fund*): As noted above under the heading “Details About the AQR Managed Futures Strategy Fund—Principal Investment Strategies”, the AQR Managed Futures Strategy Fund has exposure to commodity-related instruments. In order for the Fund to qualify as a regulated investment company under Subchapter M of the *Code*, the Fund must derive at least 90 percent of its gross income each taxable year from qualifying income, which is described in more detail in the SAI. The status of certain commodity-linked derivative instruments as qualifying income has been addressed in Revenue Ruling 2006-1 and Revenue Ruling 2006-31, which provide that income from certain commodity-linked derivative instruments in which the Fund invests will not be considered qualifying income after September 30, 2006. The Fund will therefore restrict its income from commodity-linked derivative instruments that do not generate qualifying income, such as commodity-linked swaps, to a maximum of 10 percent of its gross income.

The AQR Managed Futures Strategy Fund’s investment in the *Subsidiary* is expected to provide the Fund with exposure to the commodities markets within the limitations of the federal tax requirements of Subchapter M. On November 4, 2009 the AQR Managed Futures Strategy Fund received a private letter ruling from the Internal Revenue Service confirming that the annual net profit, if any, realized by the *Subsidiary* and imputed for income tax purposes to the Fund will constitute “qualifying income” for purposes of the Fund remaining qualified as a regulated investment company for U.S. federal income tax purposes.

Value Style Risk (*AQR Global Equity Fund and AQR International Equity Fund*): Investing in “value” stocks presents the risk that the stocks may never reach what the *Adviser* believes are their full market values, either because the market fails to recognize what the *Adviser* considers to be the companies’ true business values or because the *Adviser* misjudged those values. In addition, value stocks may fall out of favor with investors and underperform growth stocks during given periods.

Volatility Risk (*all Funds*): A Fund may have investments that appreciate or decrease significantly in value over short periods of time. This may cause the Fund’s net asset value per share to experience significant appreciations or decreases in value over short periods of time.

U.S. Government Securities Risk (*AQR Managed Futures Strategy Fund*): Treasury obligations may differ in their interest rates, maturities, times of issuance and other characteristics. Obligations of U.S. Government agencies and authorities are supported by varying degrees of credit but generally are not backed by the full faith and credit of the U.S. Government. No assurance can be given that the U.S. Government will provide financial support to its agencies and authorities if it is not obligated by law to do so. Certain of the government agency securities the Fund may purchase are backed only by the credit of the government agency and not by full faith and credit of the United States.

PORTFOLIO HOLDINGS DISCLOSURE

A description of the Funds’ policies and procedures with respect to the disclosure of the Funds’ portfolio securities is available in the Funds’ Statement of Additional Information.

CHANGE IN OBJECTIVE

Each Fund's investment objective is not fundamental and may be changed by the *Board of Trustees* without shareholder approval. Shareholders will normally receive at least 30 days' written notice of any change in a Fund's investment objective.

MANAGEMENT OF THE FUNDS

AQR Funds is organized as a Delaware statutory trust (“Trust”). The Trust is governed by a Board of Trustees that is responsible for overseeing all business activities of the Trust.

The Funds’ Adviser is AQR Capital Management, LLC, a Delaware limited liability company formed in 1998. Subject to the overall authority of the Board of Trustees, the Adviser furnishes continuous investment supervision and management to the Funds’ portfolios and also furnishes office space, equipment, and management personnel. The Adviser’s address is Two Greenwich Plaza, 3rd Floor, Greenwich, CT 06830.

The Adviser is an investment management firm that employs a disciplined multi-asset, global research process. (AQR stands for Applied Quantitative Research). Until the launch of the AQR Funds in January 2009, the Adviser’s investment products have been primarily provided through a limited set of collective investment vehicles and separate accounts that utilize all or a subset of the Adviser’s investment strategies. The Adviser also serves as a sub-adviser to several registered investment companies. These investment products range from aggressive, high volatility and market-neutral alternative strategies, to low volatility, more traditional benchmark-driven products. The Adviser and its affiliates had approximately \$22 billion in assets under management as of December 31, 2009.

Investment decisions are made by the Adviser using a series of global asset allocation, arbitrage, and security selection models, and implemented using proprietary trading and risk-management systems. The Adviser believes that a systematic and disciplined process is essential to achieving long-term success in investment and risk management. The principals of the Adviser have been pursuing the research supporting this approach since the late 1980s, and have been implementing this approach in one form or another since 1993. The research conducted by principals and employees of the Adviser has been published in a variety of professional journals since 1991. Please see the Adviser’s website (www.aqr.com) for additional information regarding the published papers written by the Adviser’s principals and other personnel.

The Adviser’s founding principals, Clifford S. Asness, Ph.D., David G. Kabiller, CFA, Robert J. Krail, and John M. Liew, Ph.D., and several colleagues founded the Adviser in January 1998. Each of the Adviser’s founding principals was formerly at Goldman Sachs, & Co., where Messrs. Asness, Krail, and Liew comprised the senior management of the Quantitative Research Group at Goldman Sachs Asset Management (GSAM). At GSAM, the team managed both traditional (managed relative to a benchmark) and non-traditional (managed seeking absolute returns) mandates. The founding principals formed the Adviser to build upon the success achieved at GSAM while enabling key professionals to devote a greater portion of their time to research and investment product development. The Adviser manages assets for institutional investors both in the United States and globally. The Adviser is based in Greenwich, Connecticut and employs approximately 190 people as of the date of this prospectus.

CNH Partners, LLC, a Delaware limited liability company formed in 2001, a merger arbitrage, convertible arbitrage and diversified arbitrage research affiliate of the Adviser, is the Sub-Adviser of the AQR Diversified Arbitrage Fund. The Sub-Adviser is a joint venture created in 2001 by the Adviser and RAIM, LLC (“RAIM”). RAIM was formed by Mark Mitchell Ph.D. and Todd Pulvino Ph.D. The Adviser compensates the Sub-Adviser out of the management fee the Adviser receives for managing the Diversified Arbitrage Fund. The Sub-Adviser’s address is Two Greenwich Plaza, 1st Floor, Greenwich, CT 06830. The Sub-Adviser employs 7 people in Greenwich, Connecticut, and utilizes the infrastructure of the Adviser for non-portfolio management functions. Each Fund pays an investment advisory fee to the Adviser for serving as investment adviser, as reflected below and expressed as a percentage of average daily net assets.

Fund

AQR Global Equity Fund	0.40%
AQR International Equity Fund	0.45%
AQR Diversified Arbitrage Fund	0.70%
AQR Managed Futures Strategy Fund	1.05%

The *Adviser* has contractually agreed to reimburse the Class N Shares of each Fund to the extent that the annual ordinary operating expenses of each Fund's Class N Shares, exclusive of certain expenses, exceed the following percentages of the average daily net assets of that class:

Fund	
AQR Global Equity Fund	1.35%
AQR International Equity Fund	1.45%
AQR Diversified Arbitrage Fund	1.50%
AQR Managed Futures Strategy Fund	1.50%

The expense limitation agreement for the Class N Shares of each of the Funds is effective through May 1, 2011. However, pursuant to the expense limitation agreement for the Class N Shares of the AQR Global Equity Fund and the AQR International Equity Fund the *Adviser* has contractually agreed to waive its management fee and/or to reimburse expenses of the Fund to the extent necessary to maintain the total annual fund operating expenses at no more than (i) 1.20% for Class N Shares of the AQR Global Equity Fund and 1.25% for the Class N Shares of the AQR International Equity Fund for the period commencing as of the date of this prospectus through December 31, 2010 and (ii) 1.35% for Class N Shares of the AQR Global Equity Fund and 1.45% for the Class N Shares of the AQR International Equity Fund for the period commencing January 1, 2011 through May 1, 2011.

A discussion regarding the basis for the *Board of Trustees'* approval of the AQR Diversified Arbitrage Fund's current *Advisory Agreement* with the *Adviser* and the AQR Diversified Arbitrage Fund's current investment sub-advisory agreement with the *Sub-Adviser* is available in the Fund's semi-annual report to shareholders. A discussion regarding the basis for the *Board of Trustees'* approval of the AQR International Equity Fund's current *Advisory Agreement* with the *Adviser* is available in the Fund's annual report to shareholders. A discussion regarding the basis for the *Board of Trustees'* approval of the AQR Global Equity Fund's and the AQR Managed Futures Strategy Fund's current *Advisory Agreement* with the *Adviser* will be available in the Funds' semi-annual report to shareholders for the period ended June 30, 2010.

The AQR Global Equity Fund and AQR International Equity Fund are managed by Messrs. Clifford S. Asness, Ph.D., Ronen Israel, Oktay Kurbanov, John M. Liew, Ph.D., and Lars Nielsen. Each of Messrs. Asness, Israel, Kurbanov, Liew and Nielsen served as portfolio managers of (i) the privately offered fund which was reorganized into the AQR Global Equity Fund from June 2006, the commencement of operations, through December 31, 2009, the date the privately offered fund was reorganized into the AQR Global Equity Fund; and (ii) the privately offered fund which was reorganized into the AQR International Equity Fund from August 2004, the commencement of operations, through August 28, 2009, the date the privately offered fund was reorganized into the AQR International Equity Fund. The AQR Managed Futures Strategy Fund is managed by Messrs. Clifford S. Asness, Ph.D., John M. Liew, Ph.D., Brian K. Hurst, Lasse H. Pedersen, Ph.D. and Yao Hua Ooi.

Clifford S. Asness, Ph.D. is the Managing and Founding Principal of the *Adviser*. Prior to co-founding the *Adviser* in 1998, Dr. Asness was a Managing Director and Director of Quantitative Research for Goldman Sachs Asset Management. Dr. Asness holds a B.S. in Economics from the Wharton School and a B.S. in Engineering from the Moore School of Electrical Engineering at the University of Pennsylvania, as well as an M.B.A. and a Ph.D. in Finance from the University of Chicago.

Brian K. Hurst is a Principal of the *Adviser*. Prior to joining the *Adviser* in 1998, Mr. Hurst was associated with Goldman Sachs & Co. where he worked as an Associate in the Asset Management Division's Quantitative Research Group (1994-1998). He received a BS in Economics at the Wharton School at the University of Pennsylvania in 1994.

Ronen Israel is a Principal of the *Adviser*. Prior to joining the *Adviser* in 1999, he was a Senior Analyst at Quantitative Financial Strategies, Inc. Mr. Israel holds a B.S. in Economics from the Wharton School and a B.A.S. in Biomedical Science from the University of Pennsylvania, and an M.A. in Mathematics from Columbia University.

Oktay Kurbanov is a Principal of the *Adviser*. Prior to joining the *Adviser* at its inception in 1998, he was an Analyst in the Quantitative Research Group at Goldman Sachs Asset Management. Mr. Kurbanov holds a B.S. in Physics and Mathematics from the University of Michigan, and an M.B.A from the Stern School of Business at New York University.

John M. Liew, Ph.D. is a Founding Principal of the *Adviser*. Prior to co-founding the *Adviser* in 1998, Dr. Liew was a Vice President and portfolio manager for Goldman Sachs Asset Management. Dr. Liew holds a B.A. in Economics, an M.B.A. and a Ph.D. in Finance from the University of Chicago.

Lars Nielsen is a Principal of the *Adviser*. Prior to joining the *Adviser* in 2000, he was an Analyst in the Quantitative Research Group of Danske Invest. Mr. Nielsen holds a B.Sc. and a M.Sc. in Economics from the University of Copenhagen, Denmark.

Lasse H. Pedersen Ph.D is a Principal of the *Adviser*. Prior to joining AQR in 2007, Mr. Pedersen was Assistant Professor of Finance at the NYU Stern School of Business 2001-2005, Associate Professor of Finance with Tenure 2005-2007, and Professor of Finance since 2007. He has also served as consultant in various connections including advising banks, an academic consultant to the Federal Reserve Bank of New York, and served on the Economic Advisory Board of NASDAQ OMX. Mr. Pedersen earned his Ph.D. from the Stanford Graduate School of Business in 2001, and his B.S. and M.S. in Mathematics-Economics from University of Copenhagen in 1995 and 1997, respectively.

Yao Hua Ooi is a Vice President of the *Adviser*. Prior to joining the *Adviser* in 2004, Mr. Ooi was a summer analyst in the Fixed Income group at UBS. He received a B.S. in Economics from the Wharton School and a B.S. in Engineering from The School of Engineering and Applied Science at the University of Pennsylvania in 2004.

The portfolio managers of the *Adviser* responsible for oversight of the AQR Diversified Arbitrage Fund are Ronen Israel and Lars Nielsen (biographies provided above). The portfolio managers of the *Sub-Adviser* for the AQR Diversified Arbitrage Fund are Mark Mitchell, Ph.D. and Todd Pulvino, Ph.D.

Mark Mitchell, Ph.D. is a co-founder and principal of the *Sub-Adviser*. Prior to co-founding the *Sub-Adviser*, Dr. Mitchell was a finance professor at University of Chicago (1990-1999) and Harvard University (1999-2003). Dr. Mitchell holds a Ph.D. in Economics from Clemson University and B.B.A. in Economics from University of Louisiana at Monroe.

Todd Pulvino, Ph.D. is a co-founder and principal of the *Sub-Adviser*. Prior to co-founding CNH Partners, Dr. Pulvino was a member of the finance faculty of Northwestern University's Kellogg School of Management and at Harvard Business School. Dr. Pulvino holds Ph.D. and A.M. degrees in Business Economics from Harvard University, an M.S. in Mechanical Engineering from the California Institute of Technology, and a B.Sc. degree in Mechanical Engineering from University of Wisconsin-Madison.

Further information regarding the portfolio managers, including other accounts managed, compensation, ownership of Fund shares, and possible conflicts of interest, is available in the Fund's SAI.

From time to time, a manager, analyst, or other employee of the *Adviser*, *Sub-Adviser* or any of their affiliates may express views regarding a particular asset class, company, security, industry, or market sector. The views expressed by any such person are the views of only that individual as of the time expressed and do not necessarily represent the views of the *Adviser* or *Sub-Adviser* or any other person within the *Adviser's* or *Sub-Adviser's* organization. Any such views are subject to change at any time based upon market or other conditions and the *Adviser* and *Sub-Adviser* disclaim any responsibility to update such views. These views may not be relied on as investment advice and, because investment decisions for a Fund are based on numerous factors, may not be relied on as an indication of trading intent on behalf of a Fund.

INVESTING WITH THE AQR FUNDS

As discussed below, the AQR Global Equity Fund and the AQR International Equity Fund impose a 2% redemption fee, and the AQR Managed Futures Strategy Fund imposes a 1% redemption fee, on the proceeds from redemptions of shares held for 60 days or less.

Each Fund offers more than one class of shares. Each class of a Fund's shares has a pro rata interest in the Fund's investment portfolio, but differs as to expenses, distribution arrangements and the types of investors who may be eligible to invest in the share class. This prospectus only describes the Class N Shares of the Funds. The other share classes of the Funds are offered in separate prospectuses. Call 1-866-290-2688 to obtain more information concerning the Funds' other share classes, including the prospectuses for these other share classes.

ELIGIBILITY TO BUY CLASS N SHARES

Each Fund's Class N Shares are offered to members of the general public. Prior to investing, non-U.S. residents should consult a qualified tax and/or legal adviser about whether purchasing shares of a Fund is a suitable investment given legal and tax ramifications; some non-U.S. persons may not be permitted to invest in a Fund, depending on applicable laws and regulations.

The Funds reserve the right to refuse any request to purchase shares.

INVESTMENT MINIMUMS—CLASS N SHARES

The minimum initial account size is \$5,000. The minimum subsequent investment amount for Class N Shares of the Funds is \$100. Shareholders investing through certain tax-qualified retirement plans or wrap fee programs may be subject to lower or no minimums. For omnibus accounts that meet the minimum investment requirement, the Funds do not impose any minimum investment requirement for sub-accounts, although the firm holding omnibus accounts may impose its own minimum investment requirements. The Funds have the discretion to waive or reduce the above minimum investment requirements.

TYPES OF ACCOUNTS—CLASS N SHARES

You may set up your account in any of the following ways:

Individual or Joint Ownership. Individual accounts are owned by one person. Joint accounts can have two or more owners, and provide for rights of survivorship.

Gift or Transfer to a Minor (UGMA, UTMA). These gift or transfer accounts let you give money to a minor for any purpose. The gift is irrevocable and the minor gains control of the account once he/she reaches the age of majority. Your application should include the minor's social security number.

Trust for Established Employee Benefit or Profit-Sharing Plan. The trust or plan must be established before you can open an account and you must include the date of establishment of the trust or plan on your application.

Business or Organization. You may invest money on behalf of a corporation, association, partnership or similar institution. You should include a certified resolution with your application that indicates which officers are authorized to act on behalf of the entity.

Retirement or Education. A qualified retirement account enables you to defer taxes on investment income and capital gains. Your contributions may be tax-deductible. For detailed information on the tax advantages and consequences of investing in individual retirement accounts (IRAs) and retirement plan accounts, please consult your tax advisor. The types of IRAs available to you are: Traditional IRA, Roth IRA, Rollover IRA, SIMPLE IRA, and Coverdell Education Savings Account (formerly called an Education IRA).

The IRA and Coverdell Education Savings Account custodian charges an annual maintenance fee (currently \$15.00) per IRA or ESA holder.

The Funds may be used as an investment in other kinds of retirement plans, including, but not limited to, Keogh plans maintained by self-employed individuals or owner-employees, traditional pension plans, corporate profit-sharing and money purchase pension plans, section 403(b)(7) custodial tax-deferred annuity plans, other plans maintained by tax-exempt organizations, cash balance plans and any and all other types of retirement plans. All of these accounts need to be established by the plan's trustee and the plan's trustee should contact the Funds regarding the establishment of an investment relationship.

SHARE PRICE

Net Asset Value. The price you pay for a share of a Fund, and the price you receive upon selling or redeeming a share of that Fund, is called the Fund's net asset value ("NAV") per share. Each Fund's NAV per share is computed as of the scheduled close of trading on the New York Stock Exchange (the "NYSE") (normally 4:00 p.m. Eastern time) on each day during which the NYSE is open for trading (a *Business Day*). Each Fund determines an NAV per share for each class of its shares. If the NYSE closes at any other time, or if an emergency exists, transaction deadlines and NAV calculations may occur at different times. The NAV per share of a Fund is computed by dividing the total current value of the assets of the Fund attributable to a class, less class liabilities, by the total number of shares of that class of the Fund outstanding at the time the computation is made.

Each Fund's investments are generally valued at market value, as determined based on readily available market quotations. The Funds may use pricing services to obtain readily available market quotations. The Funds value debt securities maturing less than 61 days from the date of purchase at amortized cost, which approximates market value. Futures contracts are generally valued at the last quoted sales price on the application valuation date.

Foreign markets may be open at different times and on different days than the NYSE, meaning that the value of the Funds' shares may change on days when shareholders are not able to buy or sell their shares. Foreign currencies, securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars at the exchange rates generally determined as of 4:00 p.m. (Eastern time).

Where market quotations are not readily available, or if an available market quotation is determined not to be reliable, a security will be valued based on its fair value as determined in accordance with the valuation procedures approved by the *Board of Trustees*. When a security's fair value is determined, the valuation may differ depending on the valuation method used by the *Trust's* Valuation Committee. Shareholders who purchase or redeem shares when the value of one or more securities in a Fund's portfolio have been determined using fair valuation procedures may receive more or less shares or redemption proceeds than they would have if the securities had not been valued using the fair valuation procedures.

The Funds normally value equity securities and futures contracts primarily traded on North American, Central American, South American and Caribbean markets as described above. However, the Funds have implemented and normally use fair value pricing on a daily basis for all equity securities that are not primarily traded on North American, Central American, South American and Caribbean markets because trading in these securities typically is completed at times that vary significantly from the closing of the NYSE. This fair value pricing process for foreign equity securities uses the quotations of an independent pricing service to value each such security unless (i) the pricing service does not provide prices for the security, in which event the Fund may use market value or fair value in accordance with the *Trust's* Valuation Procedures or (ii) the *Trust's* Valuation Sub-Committee determines that (a) a quote provided by the service does not accurately reflect the value of the security and (b) the use of another fair valuation methodology is appropriate. This policy is designed to help ensure that the Funds' NAVs per share appropriately reflect their investments' values at the time of pricing.

Futures contracts that are not primarily traded on North American, Central American, South American and Caribbean markets are normally valued at the settlement price of the exchange on which it is traded. If the Funds or the *Adviser* determine that the settlement price of the foreign exchange is not reliable, the futures contract will be valued based on its fair value as determined in accordance with the valuation procedures approved by the *Board of Trustees*.

You may obtain information as to the Fund's *NAV* per share by visiting the Funds' Web site at www.aqrfunds.com or by calling 1-866-290-2688.

GENERAL PURCHASING POLICIES

- You may purchase a Fund's Class N Shares at the *NAV* per share next determined following receipt of your purchase order in *good order* by the Fund or an authorized financial intermediary or other agent of the Fund. A purchase, exchange or redemption order is in "*good order*" when a Fund, its *Distributor* and/or its agent, receives all required information, including properly completed and signed documents. Financial intermediaries authorized to accept purchase orders on behalf of a Fund are responsible for timely transmitting those orders to the Fund.
- You may purchase a Fund's Class N Shares directly from the Fund or through certain financial intermediaries (and other intermediaries these firms may designate) without the imposition of any sales charges. See "How to Buy Class N Shares."
- Once a Fund accepts your purchase order, you may not cancel or revoke it; however, you may redeem the shares. A Fund is deemed to have received a purchase or redemption order when an authorized financial intermediary (or its authorized designee) receives the order. A Fund may withhold redemption proceeds until it is reasonably satisfied it has received your payment. This confirmation process may take up to 10 days.
- Each Fund reserves the right to cancel any purchase or exchange order it receives if the *Trust* believes that it is in the best interest of a Fund's shareholders to do so.

GENERAL REDEMPTION POLICIES

- You may redeem a Funds' Class N Shares at the *NAV* per share next-determined following receipt of your redemption order in *good order* by the Fund or an authorized financial intermediary or other agent of the Fund.
- The Funds cannot accept a redemption request that specifies a particular redemption date or price.
- Once a Fund accepts your redemption order, you may not cancel or revoke it.
- The Funds generally will transmit redemption proceeds within seven days after receipt of your redemption request. If you recently made a purchase, the Funds may withhold redemption proceeds until they are reasonably satisfied that they have received your payment. This confirmation process may take up to 10 days.
- The Funds reserve the right at any time without prior notice to suspend, limit, modify or terminate any privilege, including the telephone exchange privilege, or its use in any manner by any person or class.

Redemption in Kind. The Funds generally intend to pay all redemptions in cash. Each Fund is obligated to redeem shares solely in cash up to the lesser of \$250,000 or 1% of the Fund's *NAV* during any 90-day period for any one shareholder. Redemptions in excess of those amounts will normally be paid in cash, but may be paid wholly or partly by a distribution in kind of marketable securities. Brokerage costs may be incurred by a shareholder who receives securities and desires to convert them to cash.

Excessive and Short-Term Trading/Redemption Fee. The Funds are intended for long-term investment purposes, and thus purchases, redemptions and exchanges of Fund shares should be made with a view toward

long-term investment objectives. Excessive trading, short-term trading and other abusive trading activities may be detrimental to a Fund and its long-term shareholders by disrupting portfolio management strategies, increasing brokerage and administrative cost, harming Fund performance and diluting the value of shares. Such trading may also require a Fund to sell securities to meet redemptions, which could cause taxable events that impact shareholders. If your investment horizon is not long-term, then you should not invest in the Funds.

The *Board of Trustees* has adopted policies and procedures that seek to discourage and not accommodate excessive or short-term trading activities. These policies and procedures include, among other things, use of fair value pricing of international securities, periodic review of shareholder trading activity, and the redemption fee policies described below.

The *Board of Trustees* has also adopted a redemption fee for Class N Shares of: (i) the AQR Global Equity Fund and the AQR International Equity Fund equal to 2.00%, and (ii) the AQR Managed Futures Strategy Fund equal to 1.00%, of the amount redeemed on shares held by the shareholder for 60 days or less. A new 60-day period begins with each acquisition of shares through a purchase or exchange. The redemption fee will be applied based on net assets at the time of the transaction. Any applicable redemption fee is paid directly to the Fund from which you redeem or exchange your shares in order to, among other things, offset the costs of buying and selling securities. The fee, which is intended to discourage short-term trading, more appropriately allocates expenses generated by short-term trading to short-term investors so that long-term investors do not subsidize the activities of short-term traders.

The AQR Global Equity Fund, AQR International Equity Fund and AQR Managed Futures Strategy Fund will seek to apply redemption fees as uniformly as possible. Where operational limitations restrict the ability of the AQR Global Equity Fund, the AQR International Equity Fund or the AQR Managed Futures Strategy Fund to impose redemption fees or apply certain exemptions from the fees, particularly with respect to trades processed through financial intermediaries or omnibus account arrangements, application of redemption fees will vary.

To the extent feasible, the following types of transactions will be exempt from redemption fees:

- redemptions of shares purchased through the automatic reinvestment of dividend and capital gain distributions;
- redemptions of shares to pay account-related fees;
- redemptions of shares purchased through an automatic investment program or similar periodic investment plan;
- redemptions of shares associated with the automatic rebalancing of an account;
- redemptions of shares purchased as a result of an employer contribution to a qualified retirement plan account;
- redemptions of shares from shareholder accounts liquidated for failure to meet the minimum investment requirement;
- redemptions of shares from a shareholder account for which the identity of the shareholder could not be determined within reasonable time after the account was opened;
- redemptions of shares pursuant to a systematic withdrawal plan or similar periodic withdrawal plan;
- redemptions of shares as part of a loan or hardship withdrawal from a qualified plan;
- redemptions of shares to repay a loan from a qualified retirement account;
- redemptions of shares for payment of involuntary fees;
- redemptions of shares as part of a required distribution from a qualified retirement plan or IRA;

- redemptions of shares upon the death or disability of an owner of record of an account; and
- redemption of shares issued to ReFlow Fund, LLC
- any other involuntary redemptions and/or exchange transactions, including those required by law or regulation, a regulatory agency, a court order, or as a result of a liquidation of a Fund by the *Board of Trustees*.

Accounts exempt from the imposition of redemption fees are:

- accounts held through omnibus and plan level retirement accounts for which third-party recordkeepers do not assess redemption fees on such accounts;
- accounts that hold omnibus share positions for the dealer, and the underlying dealer customer accounts, for which the dealer does not assess redemption fees on such accounts;
- accounts for which the beneficial owner is an asset allocation fund or funds (or similar pooled investment vehicle) that rebalances no more frequently than quarterly; and
- wrap fee program accounts for which the program sponsor has entered into a form of fee waiver agreement with the Funds.

In addition, the AQR Global Equity Fund , AQR International Equity Fund and AQR Managed Futures Strategy Fund reserve the right to waive the redemption fees in certain limited circumstances where the Funds determine the transaction does not pose the risks that the Funds’ policies and procedures are designed to mitigate. Such waivers are subject to the advance written approval of two officers of the Funds and are reported to the *Board of Trustees*.

Despite the Funds’ efforts to detect and prevent abusive trading activity, there can be no assurance that the Funds will be able to identify all of those who may engage in abusive trading and curtail their activity in every instance. In particular, it may be difficult to curtail such activity in certain omnibus accounts and other accounts traded through intermediaries, despite arrangements the Funds have entered into with the intermediaries to provide access to account level trading information. Omnibus accounts are comprised of multiple investors whose purchases, exchanges and redemptions are aggregated before being submitted to the Funds.

OTHER POLICIES

No Certificates. The issuance of shares is recorded electronically on the books of the Funds. You will receive a confirmation of, or account statement reflecting, each new transaction in your account, which will also show the total number of shares of each Fund you own. You can rely on these statements in lieu of certificates. The Funds do not issue certificates representing shares of the Funds.

Frozen Accounts. The Funds may be required to “freeze” your account if there appears to be suspicious activity or if account information matches information on a government list of known terrorists or other suspicious persons.

Small Account Policy. Each of the Funds reserve the right, upon 60 days’ written notice, to redeem, at net asset value, the shares of any shareholder whose account has a value of less than \$5,000 in a Fund, other than as a result of a decline in the net asset value per share. This policy will not be implemented where the Fund has previously waived the minimum investment requirement for that shareholder.

Before a Fund redeems such shares and sends the proceeds to the shareholder, it will notify the shareholder that the value of the shares in the account is less than the minimum amount and will allow the shareholder 60 days to make an additional investment in an amount that will increase the value of the account to at least \$5,000 before the redemption is processed. As a sale of your Fund shares, this redemption may have tax consequences.

HOW TO BUY CLASS N SHARES

HOW TO BUY SHARES

You can open an account and make an initial purchase of shares of the Funds directly from the Funds or through certain financial intermediaries that have entered into appropriate arrangements with the Funds' *Distributor*, ALPS Distributors, Inc.

To open an account and make an initial purchase directly with the Funds, you can mail a check or other negotiable bank draft (payable to AQR Funds) in the applicable minimum amount, along with a completed and signed Account Application, to AQR Funds, AQR Funds, P.O. Box 2248, Denver, CO 80201-2248. To obtain an Account Application, call 1-866-290-2688 or download one from www.aqrfunds.com. A completed Account Application must include your valid taxpayer identification number. You may be subject to penalties if you falsify information with respect to your tax identification number.

Payment must be in U.S. dollars by a check drawn on a bank in the United States, wire transfer or electronic transfer. The Funds will not accept cash, traveler's checks, starter checks, money orders, third party checks (except for properly endorsed IRA rollover checks), checks drawn on foreign banks or checks issued by credit card companies or Internet-based companies. Shares purchased by checks that are returned will be canceled and you will be liable for any losses or fees incurred by the Fund or its agents, including bank handling charges for returned checks.

You may also purchase Fund shares by wire transfer from your bank account to your Fund account. To place a purchase by wire, please call 1-866-290-2688 for more information.

After you have opened an account, you can make subsequent purchases of shares of the Funds through your financial intermediary or directly from the Funds, depending on where your account is established. To purchase shares directly by mail, send your instruction and a check to AQR Funds at AQR Funds, P.O. Box 2248, Denver, CO 80201-2248.

Depending upon the terms of your account, you may pay account fees for services provided in connection with your investment in a Fund. The Funds have authorized certain financial intermediaries (such as broker-dealers, investment advisors or financial institutions) to accept purchase and redemption orders on behalf of the Funds. These financial intermediaries may charge their customers a transaction or service fee. The Funds or your financial intermediary can provide you with information about these services and charges. You should read this prospectus in conjunction with any such information you receive.

AUTOMATIC INVESTMENT PLAN:

The Funds offer an Automatic Investment Plan for current and prospective investors in which you may make monthly investments in one or more of the Funds. Sums for investment will be automatically withdrawn from your checking or savings account on the day you specify. If you do not specify a day, the transaction will occur on the 20th of each month or the next *Business Day* if the 20th is not a *Business Day*. Please call 1-866-290-2688 if you would like more information.

CUSTOMER IDENTIFICATION PROGRAM

To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify and record information that identifies each person that opens a new account, and to determine whether such person's name appears on government lists of known or suspected terrorists and terrorist organizations.

As a result, the Funds must obtain the following information for each person that opens a new account:

- Name;
- Date of birth (for individuals);
- Residential or business street address (although post office boxes are still permitted for mailing); and
- Social Security number, taxpayer identification number, or other identifying number.

You may also be asked for a copy of your driver's license, passport or other identifying document in order to verify your identity. In addition, it may be necessary to verify your identity by cross-referencing your identification information with a consumer report or other electronic database. Additional information may be required to open accounts for corporations and other entities.

Federal law prohibits the Funds and other financial institutions from opening a new account unless they receive the minimum identifying information listed above. After an account is opened, the Funds may restrict your ability to purchase additional shares until your identity is verified. The Funds may close your account or take other appropriate action if they are unable to verify your identity within a reasonable time. If your account is closed for this reason, your shares will be redeemed at the *NAV* next calculated after the account is closed.

The Funds and their agents will not be responsible for any loss in an investor's account resulting from the investor's delay in providing all required identifying information or from closing an account and redeeming an investor's shares when an investor's identity is not verified.

eDELIVERY

eDelivery allows you to receive your quarterly account statements, transaction confirmations and other important information concerning your investment in the Funds online. Select this option on your account application to receive email notifications when quarterly statements and confirmations are available for you to view via secure online access. You will also receive emails whenever a new prospectus, semi-annual or annual fund report is available. To establish eDelivery, call 1-866-290-2688 or visit www.aqrfunds.com.

HOW TO REDEEM CLASS N SHARES

You may normally redeem your shares on any *Business Day*, i.e., any day during which the *NYSE* is open for trading. Redemptions of Class N Shares are priced at the *NAV* per share next determined after receipt of a redemption request in *good order* by the Funds' *Distributor*, the Funds or an authorized agent of the Funds, and subject to the redemption fee with respect to the AQR Global Equity Fund, the AQR International Equity Fund and the AQR Managed Futures Strategy Fund if the shares have been held for 60 days or less. A financial intermediary may charge its customers a transaction or service fee in connection with redemptions, and will have its own procedures for arranging for redemptions of the Funds' shares. If you have purchased your Fund shares through a financial intermediary, consult your intermediary for more information.

None of the Funds, the *Adviser*, the *Sub-Adviser*, the *Distributor* and the *Transfer Agent* of the Funds, nor any of their affiliates or agents will be liable for any loss, expense or cost when acting upon any oral, wired or electronically transmitted instructions or inquiries believed by them to be genuine.

While precautions will be taken, as more fully described below, you bear the risk of any loss as the result of unauthorized telephone redemptions or exchanges believed to be genuine. The Funds will employ reasonable procedures to confirm that instructions communicated are genuine. These procedures include recording phone conversations, sending confirmations to shareholders within 72 hours of the telephone transaction, verifying the account name and sending redemption proceeds only to the address of record or to a previously authorized bank account.

BY TELEPHONE

You may redeem your shares by telephone if you choose that option on your Account Application. If you did not originally select the telephone option, you must provide written instructions to the Funds in order to add this option. The maximum amount that may be redeemed by telephone at any one time is \$50,000. You may have the proceeds mailed to your address of record or wired to a bank account previously designated on the Account Application.

BY MAIL

To redeem by mail, you must send a written request for redemption to the Funds, AQR Funds, P.O. Box 2248, Denver, CO 80201-2248. The Funds' *Transfer Agent* will require a Medallion Signature Guarantee. A Medallion Signature Guarantee may be obtained from a domestic bank or trust company, broker, dealer, clearing agency, savings association, or other financial institution that is participating in a medallion program recognized by the Securities Transfer Association. Signature guarantees from financial institutions that are not participating in one of these programs are not accepted as Medallion Signature Guarantees. The Medallion Signature Guarantee requirement will be waived if all of the following conditions apply (1) the redemption check is payable to the shareholder(s) of record, (2) the redemption check is mailed to the shareholder(s) at the address of record, (3) an application is on file with the *Transfer Agent*, and (4) the proceeds of the redemption are \$50,000 or less. The *Transfer Agent* cannot send an overnight package to a post office box.

BY SYSTEMATIC WITHDRAWAL

You may elect to have monthly electronic transfers (\$250 minimum) made to your bank account from your Funds account. Your Funds account must have a minimum balance of \$10,000 and automatically have all dividends and capital gains reinvested. The transfer will be made on the *Business Day* you specify (or the next *Business Day*) to your designated account or a check will be mailed to your address of record. If you do not specify a day, the transfer will be made on the 20th day of each month or the next *Business Day* if the 20th is not a *Business Day*.

RETIREMENT ACCOUNTS

To redeem shares from an IRA, Roth IRA, SIMPLE IRA, SEP IRA, 403(b) or other retirement account, you must mail a completed and signed Distribution Form to the Funds. You may not redeem shares of an IRA, Roth IRA, SIMPLE IRA, SEPIRA, 403(b) or other retirement account by telephone or via the Internet.

PAYMENTS OF REDEMPTION PROCEEDS

Redemption orders are valued at the *NAV* per share next determined (subject to the redemption fee if applicable) after the shares are properly tendered for redemption, as described above. Payment for shares redeemed generally will be made within seven days after receipt of a valid request for redemption. The Funds may temporarily stop redeeming shares or delay payment of redemption proceeds when the *NYSE* is closed or trading on the *NYSE* is restricted, when an emergency exists and the Funds cannot sell shares or accurately determine the value of assets, or if the *SEC* orders the Funds to suspend redemptions or delay payment of redemption proceeds.

At various times, a Fund may be requested to redeem shares for which it has not yet received good payment. If this is the case, the forwarding of proceeds may be delayed until payment has been collected for the purchase of the shares. The delay may last 15 days or more. The Funds intend to forward the redemption proceeds as soon as good payment for purchase orders has been received. This delay may be avoided if shares are purchased by wire transfer. The Funds intend to pay cash for all shares redeemed, except in cases noted above under the heading “General Redemption Policies,” in which case payment for certain large redemptions may be made wholly or partly in portfolio securities that have a market value equal to the redemption price. You may incur brokerage costs in converting the portfolio securities to cash.

By Check

You may have a check for the redemption proceeds mailed to your address of record. To change the address to which a redemption check is to be mailed, you must send a written request with a Medallion Signature Guarantee to the Funds, AQR Funds, P.O. Box 2248, Denver, CO 80201-2248.

By ACH Transfer

If your bank account is ACH active, you may have your redemption proceeds sent to your bank account via ACH transfer.

By Wire Transfer

You can arrange for the proceeds of a redemption to be sent by wire transfer to a single previously designated bank account if you have given authorization for expedited wire redemption on your Funds Account Application. This redemption option does not apply to shares held in broker “street name” accounts. If a request for a wire redemption is received by the Funds prior to the close of the *NYSE*, the shares will be redeemed that day at the next determined *NAV*, and the proceeds will generally be sent to the designated bank account the next *Business Day*. The bank must be a member of the Federal Reserve wire system. Delivery of the proceeds of a wire redemption request may be delayed by the Funds for up to seven days if deemed appropriate under then current market conditions. Redeeming shareholders will be notified if a delay in transmitting proceeds is anticipated. The Funds cannot be responsible for the efficiency of the Federal Reserve wire system or the shareholder’s bank. You are responsible for any charges imposed by your bank. The Funds reserve the right to terminate the wire redemption privilege. Shares purchased by check may not be redeemed by wire transfer until the shares have been owned (*i.e.*, paid for) for at least 15 days. To change the name of the single bank account designated to receive wire redemption proceeds, you must send a written request with a Medallion Signature Guarantee to the Funds, AQR Funds, P.O. Box 2248, Denver, CO 80201-2248. If you elect to have the payment wired to your bank, a wire transfer fee of \$30.00 will be charged by the Funds.

RULE 12B-1 PLAN

The *Board of Trustees* has adopted with respect to each of the Funds a *Rule 12b-1 Plan*. The *Rule 12b-1 Plan* provides that the distribution fee payable is up to 0.25% annually of the Fund's average daily net assets for Class N Shares. The *Rule 12b-1 Plan* permits a Fund to make payments for activities designed primarily to result in the sale of the Funds' Class N Shares. Because these fees are paid out of a Fund's assets on an on-going basis, over time these fees will increase the cost of your investment and may cost you more than paying other types of sales charges.

SHAREHOLDER SERVICES AGREEMENT

The *Trust* has entered into a Shareholder Services Agreement with respect to the Class N Shares of the AQR Global Equity Fund, the AQR International Equity Fund and the AQR Diversified Arbitrage Fund. Under the Shareholder Services Agreement, the AQR Global Equity Fund, the AQR International Equity Fund and the AQR Diversified Arbitrage Fund pay the *Adviser* a fee for providing or arranging for the provision of certain services to shareholders of each Fund of up to 0.35% annually of the Fund's average daily net assets for Class N Shares.

CERTAIN ADDITIONAL PAYMENTS

The Funds also may enter into agreements with certain intermediaries under which the Funds make payments to the intermediaries in recognition of the avoided transfer agency costs to the Funds associated with the intermediaries' maintenance of customer accounts. Payments made under such agreements are generally based on either (1) a percentage of the average daily net asset of customers serviced by the intermediary, up to a set maximum dollar amount per shareholder account serviced, or (2) the number of accounts serviced by such intermediary. These payments are in addition to other payments described in this prospectus, such as payments under the *Rule 12b-1 Plan* and Shareholder Servicing Plan.

The *Adviser* (or an affiliate) also may make additional payments out of its own resources to certain intermediaries or their affiliates based on sales or assets attributable to the intermediary, or such other criteria agreed to by the *Adviser* in connection with the sale or distribution of the Funds' shares. The *Adviser* selects the intermediaries to which it or its affiliate makes payments. These additional payments to intermediaries, which are sometimes referred to as "revenue sharing" payments, may represent a premium over payments made by other fund families, and investment professionals may have an added incentive to sell or recommend the Fund or a share class of the Fund over others offered by competing fund families. Ask your investment professional for more information.

The *Adviser* and the Funds' *Distributor* may make other payments or allow promotional incentives to broker-dealers to the extent permitted by *SEC* and Financial Industry Regulatory Authority (FINRA) rules and by other applicable laws and regulations.

DISTRIBUTIONS AND TAXES

Each Fund distributes to its shareholders substantially all net investment income as dividends and any net capital gains realized from sales of the Fund's portfolio securities. Each of the Funds expects to declare and pay dividends annually. Net realized long-term capital gains, if any, are paid to shareholders at least annually.

All of your income dividends and capital gain distributions will be reinvested in additional shares unless you elect to have distributions paid by check. If any check from a Fund mailed to you is returned as undeliverable or is not presented for payment within six months, the *Trust* reserves the right to reinvest the check proceeds and future distributions in additional Fund shares.

The following discussion of U.S. and non-U.S. taxation applies only to U.S. shareholders and is not intended to be a full discussion of income tax laws and their effect. You may wish to consult your own tax advisor.

Taxes on Transactions. When you redeem shares, you will experience a capital gain or loss if there is a difference between the tax basis of your shares and the price you receive when you redeem them. The federal tax treatment will depend on how long you owned the shares and your individual tax position. Any loss recognized on shares held for six months or less will be treated as a long-term capital loss to the extent of any long-term capital gain distributions that were received with respect to the shares. You may be subject to state and local taxes on your investment in a Fund, depending on the laws of your home state or locality.

Exchanges. If you perform an exchange transaction, it is considered a sale and purchase of shares for federal income tax purposes and may result in a capital gain or loss.

Distributions. Distributions from investment income (dividends) and net short-term capital gains are taxable as ordinary income except as noted below. Distributions of long-term capital gains are taxable as long-term capital gains regardless of the length of time you have held your Fund shares. Although a Fund will not be taxed on amounts it distributes, distributions will be taxable to you whether received in cash or reinvested in Fund shares, unless you hold your Fund shares in an individual retirement account or other tax-deferred account. These accounts are subject to complex tax rules and you should consult your tax advisor about which tax rules will apply to your investment.

The *Trust* will send you an annual statement to advise you as to the source of your distributions for tax purposes.

Taxes on Distributions. Distributions are subject to federal income tax, and may be subject to state or local taxes. If you are a U.S. citizen residing outside the U.S., your distributions also may be taxed by the country in which you reside. Your distributions are taxable whether you take them in cash or reinvest them in additional shares.

For federal tax purposes, a Fund's income and short-term capital gain distributions are taxed as ordinary income and long-term capital gain distributions are taxed as long-term capital gains, except that "qualified dividend income" of noncorporate investors who satisfy certain holding period requirements is taxed at long-term capital gain rates, which currently reach a maximum of 15%. The 15% maximum rate for long-term capital gains is scheduled to expire at the end of 2010. After 2010, the capital gains rate is scheduled to increase to 20% and income from dividends would be taxed as ordinary income. The character of a capital gain depends on the length of time that the Fund held the asset it sold.

Recent legislation will impose, beginning in 2013, a new 3.8% Medicare contribution tax on net investment income, including interest, dividends, and capital gain, of U.S. individuals with income exceeding \$200,000 (or \$250,000 if married filing jointly), and of estates and trusts.

Every January, each of your Funds will send you and the *IRS* a statement called Form 1099 showing the amount of taxable distributions you received (including those reinvested in additional shares) in the previous calendar year.

Upon the sale or exchange of his shares, a shareholder will realize a taxable gain or loss equal to the difference between the amount realized and his basis in his shares. A redemption of shares by the fund will be treated as a sale for this purpose. Such gain or loss will be treated as capital gain or loss if the shares are capital assets in the shareholder's hands, and will be long-term capital gain or loss if the shares are held for more than one year and short-term capital gain or loss if the shares are held for one year or less. The 3.8% Medicare contribution tax (discussed above) will apply to gains from the sale or exchange of Fund shares.

Average Cost Calculation. Each shareholder is responsible for tax reporting and Fund share cost calculation. To facilitate your tax reporting, each Fund provides you with an average cost statement with your 1099 tax form. This average cost statement is based on transaction activity in an account for the period during which you held the account directly with the Fund.

Buying Into a Distribution. Purchasing a Fund's shares in a taxable account shortly before a distribution by the Fund is sometimes called "buying into a distribution." You pay income taxes on a distribution whether you reinvest the distribution in shares of the Fund or receive it in cash. In addition, you pay taxes on the distribution whether the value of your investment decreased, increased or remained the same after you bought shares of the Fund.

A Fund may build up capital gains during the period covered by a distribution (over the course of the year, for example) when securities in the Fund's portfolio are sold at a profit. After subtracting any capital losses, the Fund distributes those gains to you and other shareholders, even if you did not own the shares when the gains occurred (if you did not hold the Fund earlier in the year, for example), and you incur the full tax liability on the distribution.

Non-U.S. Income Taxes. Investment income received by a Fund from sources within non-U.S. countries may be subject to non-U.S. income taxes withheld at the source. If a Fund pays nonrefundable taxes to non-U.S. countries during the year, the taxes will reduce the Fund's return. However, if a Fund qualifies for, and makes, a special election, such non-U.S. taxes paid by the Fund will be included as an amount deemed distributed to shareholders as taxable income, and you may be able to claim an offsetting credit or deduction on your tax return for your share of these non-U.S. taxes.

Backup Withholding. You must furnish to the Funds your properly certified social security or other tax identification number to avoid Federal income tax backup withholding on dividends, distributions and redemption proceeds. If you do not do so or the *IRS* informs the Fund that your tax identification number is incorrect, the Fund may be required to withhold a percentage (currently 28%) of your taxable distributions and redemption proceeds. Because each Fund must promptly pay to the *IRS* all amounts withheld, it is usually not possible for a Fund to reimburse you for amounts withheld. You may claim the amount withheld as a credit on your federal income tax return.

FINANCIAL HIGHLIGHTS

The financial highlights tables are intended to help you understand each Fund's financial performance for each share class for each of the periods. Certain information reflects financial results for a single Fund share. The total returns in the tables represent the rate that an investor would have earned (or lost) on an investment in a Fund (assuming reinvestment of all dividends and distributions). This information for each period presented has been audited by PricewaterhouseCoopers LLP, whose reports, along with each Fund's financial statements, are included in the representative Fund's annual report, which is available upon request.

AQR GLOBAL EQUITY FUND AND AQR MANAGED FUTURES STRATEGY FUND

The AQR Global Equity Fund and the AQR Managed Futures Strategy Fund commenced operations on December 31, 2009 and January 5, 2010, respectively. As a result, no full-year financial performance information is available for these Funds.

AQR INTERNATIONAL EQUITY FUND AND AQR DIVERSIFIED ARBITRAGE FUND

	<u>AQR International Equity Fund[†]</u>	<u>AQR Diversified Arbitrage Fund[†]</u>
	<u>9/30/09¹ to 12/31/09</u>	<u>1/15/09² to 12/31/09</u>
	<u>Class N</u>	<u>Class N</u>
PER SHARE OPERATING PERFORMANCE:		
Net asset value, beginning of period	\$ 10.00	\$ 10.00
Net investment income (loss) ³	—	0.10
Net realized and unrealized gain	0.20	0.79
Net increase in net assets value from operations	0.20	0.89
Less Distributions:		
Distributions from net investment income	—	(0.02)
Distributions from net realized gains	(0.29)	(0.09)
Total Distributions	(0.29)	(0.11)
Net asset value, end of period	\$ 9.91	\$ 10.78
TOTAL RETURN⁴	2.04%	8.88%
RATIOS/SUPPLEMENTAL DATA:		
Net assets, end of period	\$ 5,785	\$79,054,890
Ratios to average net assets of: ⁵		
Expenses, net of reimbursements and/or waivers	1.25%	2.69%
Expenses, net of reimbursements and/or waivers (excluding dividend short expense)	1.25%	1.50%
Expenses, before reimbursements and/or waivers	472.86% ⁷	3.42%
Net investment income (loss)	(0.07)%	0.98%
Portfolio turnover rate ⁶	29%	482%

[†] Redemption fees of less than \$0.005 per share were incurred by each share class.

¹ Commencement of offering of shares.

² Commencement of operations.

³ Based on average shares outstanding.

- 4 Total investment return is calculated assuming an initial investment made at the net asset value at the beginning of the period, reinvestment of all dividends and distributions at net asset value during the period and redemption on the last day of the period and is not annualized.
- 5 Annualized.
- 6 Portfolio turnover is not annualized.
- 7 The ratio is annualized for a short period of time and is not representative of what the ratio would be if the Fund class had operated for a longer period of time.

GLOSSARY OF TERMS

The following is a glossary of terms used throughout this prospectus and their definitions. This glossary is set forth solely for reference purposes. The terms summarized or referenced in this glossary are qualified in their entirety by the prospectus itself.

1940 Act	the Investment Company Act of 1940, as amended
Absolute Return Benchmark	the BofA Merrill Lynch 3 Month Treasury Bill Index
Adviser	AQR Capital Management, LLC
Advisory Agreement	the Investment <i>Advisory Agreement</i> under which the <i>Adviser</i> serves as investment adviser to the AQR Funds
Alpha	the risk-adjusted level of outperformance of a portfolio over its benchmark
Board of Trustees	the <i>Board of Trustees</i> of the AQR Funds or any duly authorized committee thereof, as permitted by applicable law
Business Day	each day during which the <i>NYSE</i> is open for trading
Code	the Internal Revenue <i>Code</i> of 1986, as amended
Convertible Securities	fixed-income securities that are convertible into common stock
Distributor	ALPS Distributors, Inc.
Global Equity Benchmark or MSCI World Index	the MSCI World Index is a free float-adjusted market capitalization index that is designed to measure the performance of equities in developed markets, including the United States and Canada
Good order	A purchase, exchange or redemption order is in “ <i>good order</i> ” when a Fund, its <i>Distributor</i> and/or its agent, receives all required information, including properly completed and signed documents.
International Equity Benchmark or MSCI EAFE Index	the MSCI EAFE Index is a free float-adjusted market capitalization index that is designed to measure the performance of equities in developed markets, excluding the United States and Canada
IRS	the Internal Revenue Service
Mutual fund	an investment company registered under the <i>1940 Act</i> that pools the money of many investors and invests it in a variety of securities in an effort to achieve a specific objective over time
NAV	the net asset value of a particular Fund
NYSE	the New York Stock Exchange
Rule 12b-1 Plan	a plan pursuant to Rule 12b-1 under the <i>1940 Act</i> , which permits a fund to pay distribution and shareholder servicing expenses out of fund assets
SEC	U.S. Securities and Exchange Commission

Subsidiary	AQR Managed Futures Strategy Offshore Fund Ltd., a wholly-owned and controlled <i>subsidiary</i> of the AQR Managed Futures Strategy Fund, organized under the laws of the Cayman Islands as an exempted company
Sub-Adviser	CNH Partners, LLC
Transfer Agent	ALPS Fund Services, Inc.
Total return	the percentage change, over a specified time period, in a <i>mutual fund's NAV</i> , assuming the reinvestment of all distributions of dividends and capital gains
Tracking error or Tracking risk	a measure of how closely a portfolio follows the index to which it is benchmarked. It measures the standard deviation of the difference between the portfolio and index returns.
Trust	AQR Funds, a Delaware statutory <i>trust</i> .
Volatility	a statistical measurement of up and down asset price fluctuations over time. If an asset has rapid dramatic price swings, its <i>volatility</i> will likely be relatively high. If prices are consistent and rarely change, <i>volatility</i> of that asset will likely be relatively low. <i>Volatility</i> can be measured as the standard deviation of an asset with a specific time horizon. It is often used to quantify the risk of such asset over a time period, typically expressed in annualized terms

You may wish to read the Statement of Additional Information for more information about the Funds. The Statement of Additional Information is incorporated by reference into this prospectus, which means that it is considered to be part of this prospectus.

You may obtain free copies of the Funds' Statement of Additional Information, request other information, and discuss your questions about the Funds by writing or calling:

AQR Funds
P.O. Box 2248
Denver, CO 80201-2248
(866) 290-2688

The requested documents will be sent within three *Business Days* of your request.

You may also obtain the Funds' Statement of Additional Information, along with other information, free of charge, by visiting the Funds' Web site at www.aqrfunds.com.

Text-only versions of all Fund documents can be viewed online or downloaded from the EDGAR Database on the SEC's internet web site at www.sec.gov. You may also review and copy those documents by visiting the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 202-942-8090. In addition, copies of the Fund documents may be obtained, after mailing the appropriate duplicating fee, by writing to the SEC's Public Reference Section, Washington, DC 20549-0102 or by e-mail request at publicinfo@sec.gov.

AQR Funds

Investment Company Act File No.: 811-22235

AQR FUNDS
PRIVACY NOTICE FOR INDIVIDUAL SHAREHOLDERS

The AQR Funds Trust (the “Trust”) is committed to protecting your privacy. We are providing you with this privacy notice to inform you of how we handle your personal information that we collect and may disclose to our affiliates. If the Trust changes its information practices, we will provide you with notice of any material changes. This privacy policy supersedes any of our previous policies relating to the information you disclose to us.

Why this Privacy Policy Applies to You

You obtained a financial product or service from or through us for personal, family or household purposes when you opened a shareholder account with the Trust, and are therefore covered by this privacy policy.

What We do to Protect Your Personal Information

We protect personal information provided to us by our individual shareholders according to strict standards of security and confidentiality. We maintain physical, electronic and procedural safeguards that comply with federal standards to guard consumer information. We permit only authorized individuals, who are trained in the proper handling of individual shareholder information and need to access this information to do their job, to have access to this information.

Personal Information that We Collect and May Disclose

As part of providing you with the Trust’s products and services, we may obtain nonpublic personal information about you from the following sources:

- Information we receive from you on subscription applications or other forms, such as your name, address, telephone number, Social Security number, occupation, assets and income;
- Information about your transactions with us, such as your account balances, payment history and account activity; and
- Information from public records we may access in the ordinary course of business.

When We May Disclose Your Personal Information to Unaffiliated Third Parties

We will only share your personal information collected, as described above, with unaffiliated third parties:

- At your request;
- When you authorize us to process or service a transaction or product (unaffiliated third parties in this instance may include service providers such as the Trust’s distributors, registrar and transfer agent for shareholder transactions, and other parties providing individual shareholder servicing, accounting and recordkeeping services);
- With companies that perform sales and marketing services on our behalf with whom we have agreements to protect the confidentiality of your information and to use the information only for the purposes for which we disclose the information to them; or
- When required by law to disclose such information to appropriate authorities.

We do not otherwise provide information about you to outside firms, organizations or individuals except to our attorneys, accountants and auditors and as permitted by law.

What We do with Personal Information about Our Former Customers

If you decide to discontinue doing business with us, the Trust will continue to adhere to this privacy policy with respect to the information we have in our possession about you and your account following the termination of our shareholder relationship.

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