

AQR Proxy Voting Policy and Procedures

July 2025 vs. March 2024: one change that moves votes, and nothing else

AQR Capital Management, LLC
Proxy Voting Policy and Procedures

"As amended: March 2024" compared with "As amended: July 2025"

AQR rewrote almost nothing - but it moved its own mutual funds off ISS's Sustainable voting policy and onto ISS's Benchmark policy. That single sentence change is the whole report.

Source: the two published policy documents, read in full. Every quotation below is taken verbatim from them.
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A note on dates

The file published as AQR's current policy is dated on its own cover page "AS AMENDED: JULY 2025 / LAST REVIEWED: JULY 2025." The earlier document is dated "AS AMENDED: MARCH 2024 / LAST REVIEWED: MARCH 2024." This report compares those two editions and is titled accordingly, rather than by the year the files were captured.

The two documents are 91% word-for-word identical. Almost everything that differs is a renamed committee. One sentence is not.

1. AQR's own mutual funds moved from ISS Sustainable to ISS Benchmark

AQR does not write its own voting guidelines. It adopts one of two off-the-shelf ISS policies, and which one applies to which pool of money is set by a single sentence. That sentence changed.

Which ISS policy applies to which fund

March 2024:

"Otherwise, AQR will seek to vote in accordance with voting recommendations of the Proxy Advisory firm's applicable Benchmark Guidelines in managed accounts. For AQR-sponsored commingled funds, AQR takes a sustainable approach to proxy voting and has adopted the Proxy Advisory firm's applicable Sustainable Guidelines."

July 2025:

"Otherwise, AQR will seek to vote in accordance with voting recommendations of the Proxy Advisory firm's applicable Benchmark Guidelines in managed accounts and AQR mutual funds. For other AQR-sponsored commingled funds, AQR takes a sustainable approach to proxy voting and has adopted the Proxy Advisory firm's applicable Sustainable Guidelines."

Six words were added - "and AQR mutual funds" and "other" - and they carve AQR's registered mutual funds out of the sustainable bucket and place them in the default one. In 2024, AQR mutual funds were AQR-sponsored commingled funds and therefore, on the face of the policy, voted under ISS's Sustainable Guidelines. From July 2025 they vote under ISS's Benchmark Guidelines, the same policy applied to separately managed accounts.

Why this matters

ISS publishes both policies, and they are not close on the ballot items most investors care about. The Sustainable policy is materially more supportive of environmental and social shareholder proposals and applies additional director-accountability tests on climate and human-capital disclosure; the Benchmark policy is the mainstream governance policy with no such overlay. If you hold an AQR mutual fund, the likely practical effect is fewer votes in favour of climate, human-capital and other E&S shareholder proposals from your fund, starting with the 2025-26 proxy season. Nothing else in AQR's document signals this - there is no new section, no explanatory paragraph, and the policy still footnotes both ISS policies side by side.

Two related edits point the same way. The escape hatch for commingled fund investors survives unchanged - "In certain commingled funds, investors may choose Voting Guidelines that do not take a sustainable approach to proxy voting" - but mutual fund holders never had that choice and now sit on the other side of the default. And throughout the reporting section, "the AQR Funds" became "the AQR mutual funds," tightening the drafting so the new carve-out reads consistently.

2. The rest of the document: a committee rename

Every other substantive difference between the two editions is the same rename, applied in five places.

Who owns the policy

March 2024:

"AQR's Stewardship Committee is responsible for the implementation of this Policy, including the oversight and use of third-party proxy advisers, the manner in which AQR votes its proxies, and fulfilling AQR's obligation to vote proxies in the best interest of its clients."

July 2025:

"AQR's Responsible Investment & Stewardship Committee is responsible for the implementation of this Policy, including the oversight and use of third-party proxy advisers, the manner in which AQR votes its proxies, and fulfilling AQR's obligation to vote proxies in the best interest of its clients."

The Stewardship Committee became the Responsible Investment & Stewardship Committee. Its four jobs are word-for-word the same: implementing the policy, assessing the proxy adviser's performance, deciding what to do when a proxy adviser's conflict is not sufficiently mitigated, and reviewing the policy annually. It also still has to approve any deviation from a proxy adviser's recommendation, alongside the Chief Compliance Officer.

Read on its own, a broader committee name suggests a broader remit. Read next to the guideline switch in section 1, it is harder to draw a conclusion in either direction - the committee gained "responsible investment" in its title in the same edition in which the firm's mutual funds stopped voting under a responsible-investment guideline.

3. What did not change

This is a short document and nearly all of it is carried over verbatim. For anyone checking whether a specific protection survived, it did.

- The no-control commitment: AQR still "will not engage in conduct that involves an attempt to change or influence the control of a public company," and communications with companies or fellow shareholders are still limited to expressing AQR's own concerns.
- Client instructions and custom guidelines still override everything: where a client supplies its own policy, AQR votes it.
- The six situations in which AQR may simply not vote - prior client agreement, undue burden from share blocking or power-of-attorney requirements, cost exceeding benefit, insufficient information or time, an outstanding sell order, and trading restrictions triggered by voting - are identical, as is the statement that AQR "generally does not notify clients of non-voted proxy ballots."
- Macro strategies that hold equities only through ETFs still generally do not vote at all.
- Issuer-specific ballot review, the Compliance Department's conflict check, the five-year recordkeeping requirement under SEC Rule 204-2, Form N-PX reporting, and the annual policy review all carry over unchanged.
- The two ISS policies are still named only by footnote, with links to the same ISS policy gateway.

The bottom line

This is a procedural document, not a set of voting positions, so most of it was never going to change. But the one line that determines how AQR actually votes did change, quietly, in favour of the less ESG-inflected of the two ISS policies - and it now applies to the funds most retail and intermediary clients hold. Anyone tracking AQR's voting record should treat the 2025-26 season as a break in the series rather than a continuation of it.