

LIFEX

# Longevity Income ETFs

June 2025

# We innovate to prepare for an uncertain future.

We are a \$27B asset manager focused on helping investors get to and through retirement with innovative solutions that tackle global financial challenges.<sup>1</sup>

Together, we contribute our collective careers' worth of expertise in sourcing, structuring, execution, and risk management in pursuit of our singular purpose: financial security for all.

## WE STRIVE TO HELP YOU

Build a **diversified portfolio** that can stand the test of time

Access **differentiated** investments **unrelated** to stocks and bonds

Stay invested for the **long term**

<sup>1</sup> As of 6/30/2025.

Investing is Uncertain. Your cash flow doesn't have to be.

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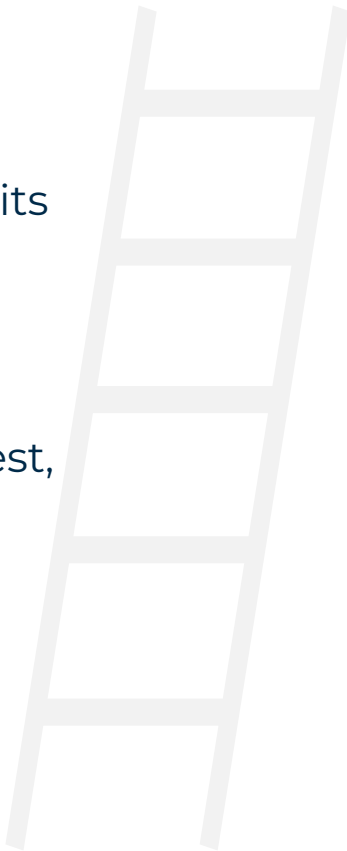
Bond ETFs built for  
**stable, reliable cash flow**

# Bond ETFs Built for Cash Flow

Stability of Cash Flow. Reliability of Treasuries. Flexibility of an ETF.

Cash flow designed to be:

- ☒ **Predictable** Designed to provide reliable monthly cash flows through its stated end year
- ☒ **Higher** Designed to distribute principal in addition to interest, making distributions higher than interest alone
- ☒ **Tax-efficient** The principal portion of each distribution is non-taxable<sup>1</sup>



## LFAO: 2055 Longevity Income ETF

Sample Investment **\$100,000**



Year	Annualized Distributions <sup>2</sup>
Today – Dec. 2034	<b>\$6,743</b>
Jan. 2035 – Dec. 2055	<b>\$5,058</b>

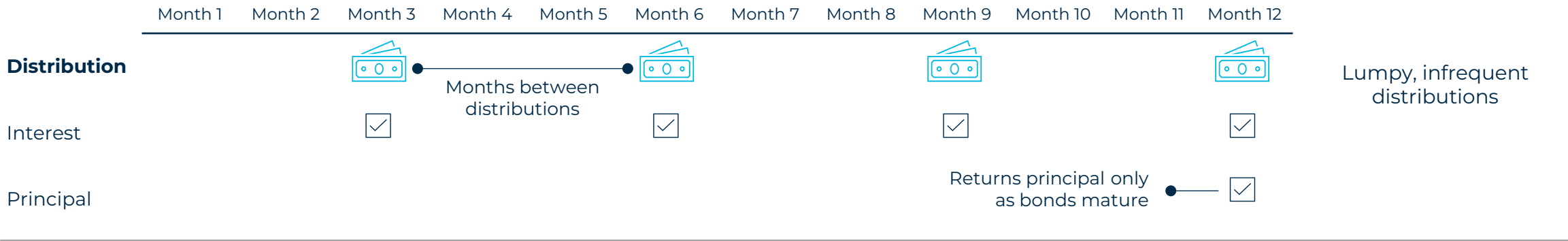
<sup>1</sup> This information is not intended to be, nor should be construed or used as, tax advice. Please consult your attorney, accountant and/or tax advisor for advice regarding your particular tax situation. Please refer to the prospectus for a discussion of tax risks. <sup>2</sup> \$100,000 investment / NAV of \$148.29 on 6/30/2025 = 674 shares x intended distribution of \$10/share/year = \$6,743 annualized distribution. An investor purchasing \$100K of the ETF intra-year after some of the ETF's monthly distributions have been paid will receive less than \$6,743 in the first calendar year.

# Stability + Flexibility

More frequent, more consistent distributions than a traditional bond ladder – wrapped in a single ticker

ILLUSTRATIVE YEAR 1

Traditional Bond Ladder (no reinvestment)



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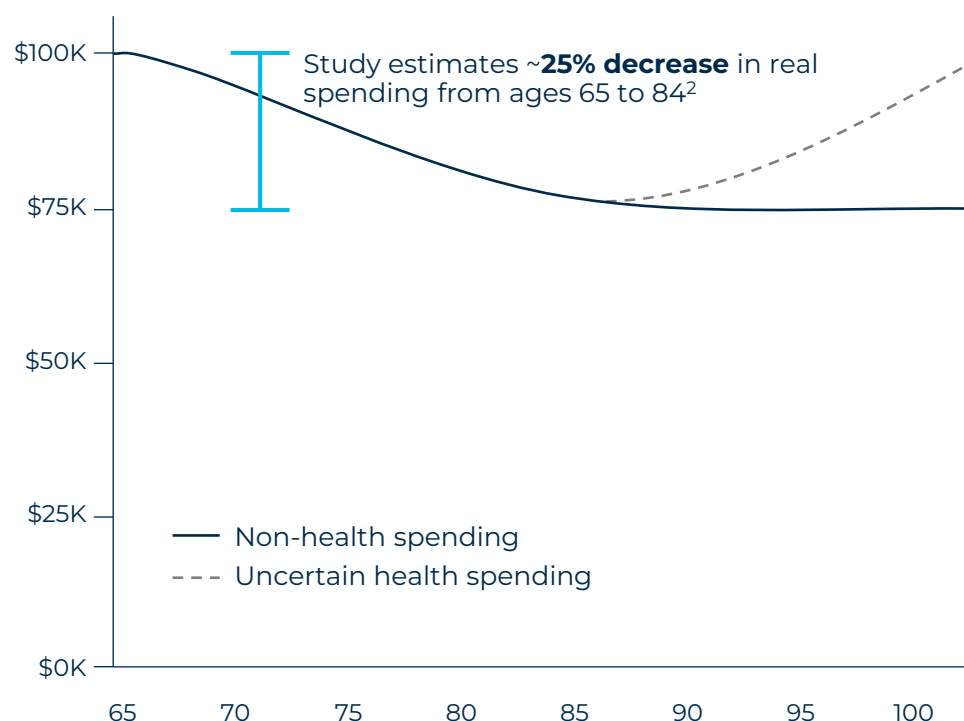


For illustrative purposes only. A portion of each ETF's monthly distribution is expected and intended to include return of capital, denoted by "Principal." See appendix for key differences between LifeX Longevity Income ETFs and traditional bond ladders.

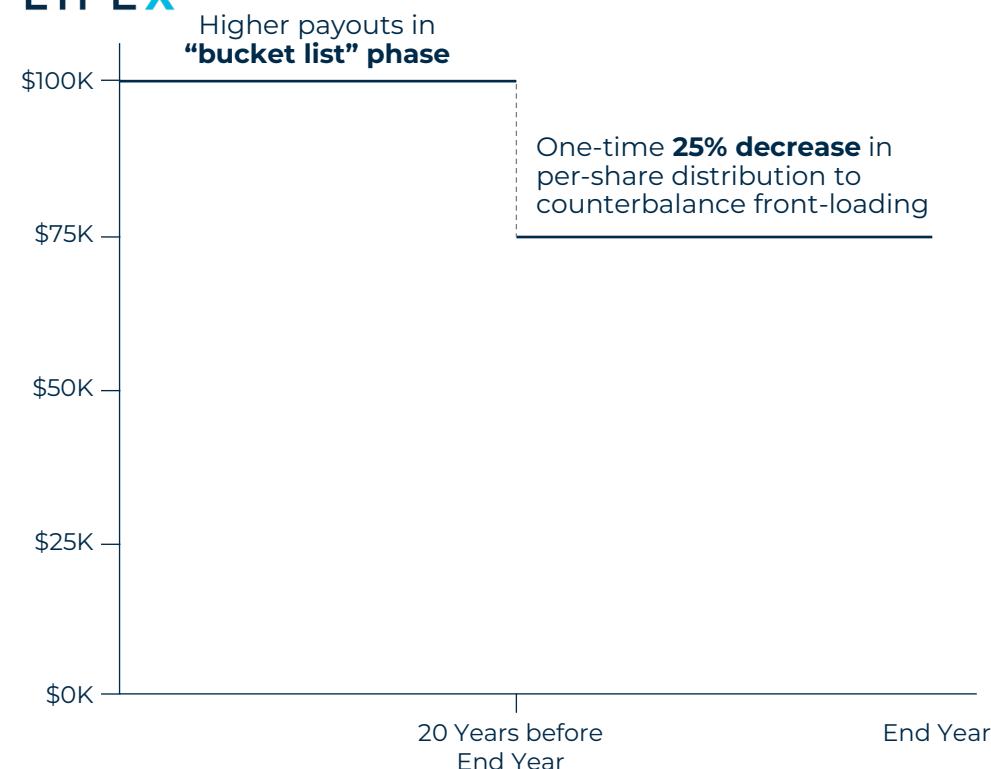
# Cash Flow Designed to Align With Bucket List Years

- Retirees tend to spend more in their early retirement, when they can check items off their bucket list<sup>1</sup>
- LifeX is designed to support this spending pattern with front-loaded distributions: higher payouts during the initial “bucket list” phase counterbalanced by 25% lower distributions in the last 20 years of the fund’s term

Retirement Spending Path<sup>1</sup>



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For illustration purposes only. A portion of each LifeX fund’s monthly distribution is expected and intended to include return of capital. There is no assurance that the funds will achieve their objective. <sup>1</sup> Blanchett, David. 2014. “Exploring the Retirement Consumption Puzzle.” Journal of Financial Planning 27 (5): 34–42. <sup>2</sup> As calculated by Pfau, Wade, Ph.D, based on data from Blanchett’s paper (<https://retirementresearcher.com/retirement-spending-smile/>).

# Adapt to Different Interest Rate Environments

## Falling Rates



### **Lock in** Treasury rates at purchase

LifeX is designed to lock in Treasury rates at the time of purchase, even if interest rates fall in the future<sup>1</sup>



### **Freedom** to spend or invest

The steady cash flow from LifeX gives investors the choice to spend or invest distributions based on personal market views

## Rising Rates



### **Option to reinvest** cash flow

Because return of principal is combined with interest into smooth monthly payments, you have frequent opportunities to reinvest both interest and principal at current rates



### **Hold-to-maturity**

When interest rates increase, the value of existing Treasuries decreases. Holding a bond to maturity enables investors to get the full bond principal back regardless of changes in interest rates as long as the U.S. government does not default

<sup>1</sup>Each ETF's planned distributions are designed to be unimpacted by changes in interest rates, however the market value of shares will increase (decrease) if interest rates decrease (increase). LifeX Longevity Income ETF distributions are designed to be higher in the early years counterbalanced by a 25% decrease in the per-share distribution amount in the last twenty years of each ETF's term.

# The Power of Choice: **Fixed or Inflation-Protected**

Longevity Income ETFs come in two forms: one that is designed to pay a fixed dollar distribution rate and one that is designed to distribute an amount that adjusts annually based on inflation



**JANE, AGE 70**

Birth Year	1955
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Planning Horizon	Age 100 (2055)
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**2055 Longevity Income ETF**

**2055 Inflation-Protected  
Longevity Income ETF**



# The Power of Choice: **Planning Horizon**

Investors can select the ETF end year that best aligns with their financial planning horizon and personal situation



JANE, AGE 70

Jane is **healthy** and wants to plan to **age 100** (2055)

Jane has some **health issues** and decides she should plan to **age 95** (2050)

**2055 Longevity Income ETF**

**2050 Longevity Income ETF**

# Longevity Income ETFs

	LifeX Longevity Income ETF	LifeX Inflation-Protected Longevity Income ETF
<b>Objective</b>	Provide reliable monthly distributions consisting of income and principal	Provide reliable monthly inflation-linked distributions consisting of income and principal
<b>Fund Type</b>	ETF	ETF
<b>Principal Investments</b>	U.S. government bonds	Inflation-protected U.S. government bonds (TIPS)
<b>Series</b>	End years 2048-2065	End years 2048-2065
<b>Distributions</b>	Monthly	Monthly
<b>Fees &amp; Expenses</b>	0.25%	0.25%

# Key Differences: LifeX Longevity Income ETFs vs. Treasury Bond Funds and Ladders

	Longevity Income ETFs & Inflation-Protected Longevity Income ETFs	Treasury Bond Ladders*
<b>Investment Objective</b>	Provide reliable monthly distributions, consisting of income and principal, through the stated end year	Income and principal through the ladder's time horizon
<b>Distribution Source</b>	Interest income + principal	Interest income + principal
<b>Distribution Frequency</b>	Monthly	Typically annual maturities and at least semi-annual interest payments
<b>Costs &amp; Expenses</b>	0.25% total expense ratio	Varies, and may be built by an investor without a manager and with no recurring fee
<b>Asset Value Over Time</b>	NAV will fluctuate based on bond prices and will decline over time due to the return of capital through distributions	Remaining investment value will fluctuate based on bond prices and will decline over time due to the return of capital through bond maturities
<b>Principal Investments</b>	U.S. government bonds	U.S. government bonds
<b>Key Risks</b>	U.S. government credit risk Interest rate risk Distribution rate risk Term Risk <i>For Inflation-Protected ETFs only:</i> TIPS and Consumer Price Index Risk	U.S. government credit risk Interest rate risk
<b>Tax Treatment</b>	Investments should primarily produce interest income that is tax-exempt at the state and local level  Return of capital beyond income is non-taxable	Investments should primarily produce interest income that is tax-exempt at the state and local level  Return of capital beyond income is non-taxable

\*Bond ladders assume amortization of original invested capital over time.

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STONE  
RIDGE | Asset  
Management

**Visit [www.lifexfunds.com](http://www.lifexfunds.com) for current pricing:**



Longevity Celebrated

 [lifex@stoneridgeam.com](mailto:lifex@stoneridgeam.com)

[www.LifeXfunds.com](http://www.LifeXfunds.com)

# Appendix

# LifeX ETF Suite

Bond ladder ETFs built for your horizon

	Term Income	Longevity Income
Cash Flow	Identical monthly distributions through end year	Higher, front-loaded distributions, with one-time recalibration in lower-spending later years <sup>1</sup>
Payout Types	Fixed	Fixed and inflation-linked
End years	2035, 2040, 2045	2048 – 2065

<sup>1</sup> To counterbalance frontloaded distributions, each Longevity Income ETF's per share distribution amount is designed to be reduced by 25% 20 years before its end year.

# Risk Disclosures

Investors should carefully consider the risks and investment objective of (i) the LifeX 2035 Term Income ETF, LifeX 2040 Term Income ETF and LifeX 2045 Term Income ETF (each, a “Term Income ETF” and, together, the “LifeX Term Income ETFs”), (ii) the LifeX Longevity Income 2048 ETF and each other series of Stone Ridge Trust with the same investment objective and strategy that is part of the same fund family (the “LifeX Longevity Income ETFs”) and (iii) the LifeX 2048 Inflation-Protected Longevity Income ETF and each other series of Stone Ridge Trust with the same investment objective and strategy that is part of the same fund family (the “LifeX Inflation-Protected Longevity Income ETFs” and, together with the LifeX Longevity Income ETFs, the “LifeX Longevity ETFs” and each, a “Longevity ETF”), as an investment therein may not be appropriate for all investors and is not designed to be a complete investment program. There can be no assurance that an ETF will achieve its investment objectives. The LifeX Longevity ETFs, LifeX Term Income ETFs and LifeX Durable Income ETF are collectively referred to herein as the “LifeX Income ETFs”.

## **An investment in the LifeX Income ETFs involves risk. Principal loss is possible.**

The purpose of each LifeX Term Income ETF is to provide reliable monthly distributions consisting of income and principal through the end of a calendar year specified in the ETF’s prospectus.

Each Term Income ETF intends to make distributions for which a portion of each distribution is expected and intended to constitute a return of capital, which will reduce the amount of capital available for investment and may reduce a shareholder’s tax basis in his or her shares.

Each Term Income ETF intends to make an identical distribution each month equal to \$0.8333 per outstanding share of the ETF through December of its specified end year. Unlike a traditional investment company with a perpetual existence, each ETF is designed to liquidate in December of its specified end year. However, due to certain risks impacting the market for the ETF’s investments, such as the risk of a U.S. government default, it is possible that an ETF may run out of assets to support its intended distributions prior to the end of its intended term.

The amount of each Term Income ETF’s distributions will not change as interest rates change. If interest rates increase, shareholders face the risk that the value to them of an ETF’s distributions will decrease relative to other investment options that may be available at that time, and that the market value of their shares will decrease.

If interest rates increase, shareholders face the risk that the value to them of an ETF’s distributions will decrease relative to other investment options that may be available at that time, and that the market value of their shares will decrease.

The purpose of each LifeX Longevity Income ETF is to provide reliable monthly distributions consisting of income and principal through the end of a calendar year specified in the ETF’s prospectus. The purpose of each LifeX Inflation-Protected Longevity Income ETF is to provide reliable monthly inflation-linked distributions consisting of income and principal through the end of a calendar year specified in the ETF’s prospectus.

Each LifeX Longevity ETF intends to make distributions for which a portion of each distribution is expected and intended to constitute a return of capital, which will reduce the amount of capital available for investment and may reduce a shareholder’s tax basis in his or her shares.

Each LifeX Longevity ETF is designed to make distributions at a rate calibrated based on the life expectancy of persons born in a specified calendar year (the “Modeled Cohort”), with the understanding that members of its Modeled Cohort are expected to be able to invest in a closed-end fund (each, a “Closed-End Fund”) that seeks to enable members of the Modeled Cohort to receive a higher level of monthly distributions during their lifetimes than those delivered by the corresponding LifeX Longevity ETF beginning in the year in which the Modeled Cohort turns age 80.

Each LifeX Longevity ETF intends to make an identical distribution each month equal to \$0.8333 per outstanding share of the ETF (multiplied, in the case of the LifeX Inflation-Protected Longevity Income ETFs, by an inflation adjustment as specified in the ETF’s prospectus, which is intended to reflect the cumulative impact of inflation since the launch of the ETF) through December of the year twenty-one years prior to the ETF’s end year. **Thereafter, to counterbalance the frontloading of the ETF’s distributions, each ETF will reduce its per-share distribution rate to \$0.6250 per share per month (multiplied, in the case of the LifeX Inflation-Protected Longevity Income ETFs, by an inflation adjustment as specified in the ETF’s prospectus, which is intended to reflect the cumulative impact of inflation since the launch of the ETF).**

Unlike a traditional investment company with a perpetual existence, each LifeX Longevity ETF is designed to liquidate in the year that its Modeled Cohort reaches age 100, and there will be no further distributions from each LifeX Longevity ETF beyond that year. Each LifeX Longevity ETF’s distributions are designed to be sustainable until the year in which the applicable Modeled Cohort reaches age 100. However, due to certain risks impacting the market for the ETF’s investments, such as the risk of a U.S. government default, it is possible that an ETF may run out of assets to support its intended distributions prior to its intended term. Investors should consider the price of the ETF’s shares and the remaining term of the ETF at the time of their purchase when determining whether the ETF is appropriate for their financial planning needs.

The planned distributions by the LifeX Longevity ETFs are not intended to change other than in connection with the reduction beginning in January of the year in which the Modeled Cohort turns 80. If interest rates increase, shareholders face the risk that the value to them of an ETF’s distributions will decrease relative to other investment options that may be available at that time, and that the market value of their shares will decrease. Similarly, if inflation is higher than expected, shareholders face the risk that the value to them of the ETF’s distributions will decrease relative to the cost of relevant goods and services.

# Risk Disclosures

In the case of the LifeX Inflation-Protected Longevity Income ETFs, the amount of an ETF's distributions will be adjusted for realized inflation, not changes in market interest rates. If interest rates increase, shareholders face the risk that the value to them of an ETF's distributions will decrease relative to other investment options that may be available at that time, and that the market value of their shares will decrease. Additionally, each LifeX Inflation-Protected Longevity Income ETF will generally seek to fund its distributions and payments by purchasing Treasury Inflation-Protected Securities ("TIPS") with cash flows that approximately match, in timing and amount, or in interest rate exposure, those distributions and payments. Because TIPS are only available in a limited number of tenors (i.e., lengths of time prior to expiration), this matching will only be approximate, and the ETF will need to periodically buy and sell securities issued by the U.S. Treasury, including TIPS, to fund any additional amounts needed to meet its distribution and payment obligations. This buying and selling activity exposes the ETF to interest rate and inflation risk, as changes in interest rates or expected inflation could make the securities it needs to purchase more expensive or make the securities it needs to sell less valuable. These risks are heightened in the early years of the ETF. These risks are also heightened in the case of a change to interest rates or expected inflation that disproportionately impacts particular tenors of U.S. Treasury securities (what is sometimes referred to as a "non-parallel shift") because such a change could make the U.S. Treasury securities the ETF needs to buy more expensive without simultaneously making the U.S. Treasury securities already held by the ETF more valuable, or could make the U.S. Treasury securities the ETF needs to sell less valuable without simultaneously making the U.S. Treasury securities the ETF needs to buy less expensive.

**Each LifeX Longevity ETF is designed to support the option for members of its Modeled Cohort to pursue higher monthly distributions than will be provided by the ETF beyond age 80 by investing in a Closed-End Fund. However, the Closed-End Funds may not become available as intended, and there is no way for investors to assess the risk that the Closed-End Funds will not be launched. For example, the Adviser may determine that it is not appropriate to launch the Closed-End Funds if the Adviser believes there may not be a sufficiently diverse investor base, which is expected to be at least 100 shareholders. In the absence of a Closed-End Fund, investors may remain invested in the relevant ETF; alternatively, an investor may sell his or her shares, though investors may not have available to them an alternative investment option that provides the same level of distributions as they might have been able to receive if a Closed-End Fund were available. Shares of the ETFs may continue to be held by a shareholder's beneficiary or may be sold at the then-current market price. However, a beneficiary of an ETF shareholder will not be eligible to invest in a corresponding Closed-End Fund unless the beneficiary is a member of the Modeled Cohort. The Closed-End Funds will be subject to different and additional risks as will be disclosed in the Closed-End Funds' prospectuses. Unlike the Closed-End Funds, the LifeX Longevity ETFs do not provide longevity-linked distributions and do not engage in longevity pooling. This is not an offer to sell or the solicitation of an offer to buy securities of the Closed-End Funds. A form of a Closed-End Fund's prospectus (which is subject to revision) is included as Appendix A to each LifeX Longevity ETF's prospectus.**

The LifeX Income ETFs invest in debt securities issued by the U.S. Treasury ("U.S. Government Bonds") as well as money market funds that invest exclusively in U.S. Government Bonds or repurchase agreements collateralized by such securities. U.S. Government Bonds have not historically had credit-related defaults, but there can be no assurance that they will avoid default in the future.

The LifeX Income ETFs are subject to risks related to exchange trading, including the following:

- Each LifeX Income ETF's shares will be listed for trading on an exchange (the "Exchange") and will be bought and sold on the secondary market at market prices. Although it is expected that the market price of ETF shares will typically approximate the ETF's net asset value ("NAV"), there may be times when the market price reflects a significant premium or discount to NAV.
- Although each LifeX Income ETF's shares will be listed on the Exchange, it is possible that an active trading market may not be maintained.
- Shares of each LifeX Income ETF will be created and redeemed by a limited number of authorized participants ("Authorized Participants"). ETF shares may trade at a greater premium or discount to NAV in the event that the Authorized Participants fail to fulfill creation or redemption orders on behalf of the ETF.

Each LifeX Income ETF has a limited operating history for investors to evaluate, and new ETFs may not attract sufficient assets to achieve investment and trading efficiencies.

For additional risks, please refer to the relevant prospectus and statement of additional information.

The information provided herein should not be construed in any way as tax, capital, accounting, legal or regulatory advice. Investors should seek independent legal and financial advice, including advice as to tax consequences, before making any investment decision. Opinions expressed are subject to change at any time and are not guaranteed and should not be considered investment advice.

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**Must be preceded or accompanied by a prospectus.**

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