STONE RIDGE

STONE RIDGE ALTERNATIVE LENDING RISK PREMIUM FUND FACT SHEET

What is Alternative Lending?

Alternative Lending refers to investors providing credit to borrowers, often without the involvement of banks. In recent years, a number of platforms have emerged to facilitate this process, becoming a growing part of the overall credit market. Initially known as "Peer-to-Peer Lending" or "Marketplace Lending", the space is now more broadly recognized as "Alternative Lending".

Though the first platforms pursued a pure peer-to-peer model, institutional capital gradually emerged as the preferred source of capital, and today it has become the predominant source of funding for alternative loans, providing benefits for borrowers, investors, and the platforms themselves. Institutional investors, with professional expertise and substantial resources, have a far better ability to monitor and enforce underwriting discipline.

LENDX: Global Exposure to a Variety of Loan Types

The Stone Ridge Alternative Lending Risk Premium Fund (LENDX) plans to hold over 100,000 loans made to consumers, small businesses, and students across the U.S., U.K., Continental Europe, and Australia/New Zealand. Our global approach reduces the fund's exposure to a single region or loan type and has the potential to reduce volatility in the Fund. A grocery store borrower in Manchester, U.K., is intuitively unrelated to a dental practice borrower in Calabasas, CA, which is itself unrelated to a consumer borrower in Auckland, New Zealand. [i]

LendingClub Funding Circle Square SoFi

Upstart CommonBond Harmoney Zopa

After extensive due diligence, LENDX purchases loans from the platform partners whose logos appear above [i]

Exposure to New Sources of Credit Risk

Historically, fixed income investors have primarily had access to corporate credit and government credit risk. It has previously been difficult to invest directly in consumer credit and small business credit. The Stone Ridge Alternative Lending Fund buys loans that are generally fully-amortizing, with principal and interest payments auto-debited from borrower bank accounts each month. Small business loans in LENDX are generally secured by business assets, personally guaranteed by the business owner, or both (though there is no guarantee that the collateral, when liquidated, will be sufficient to avoid principal loss if a borrower defaults).

The Stone Ridge Advantage

Stone Ridge leverages its scale to negotiate better pricing with the Alternative Lending platforms in addition to securing access to a broad range of loans around the world. A dedicated management team with decades of industry experience performs deep due diligence on each platform and monitors loan performance on an ongoing basis.

The Funds are generally available only to registered investment advisers ("RIAs") meeting certain qualifications and that have completed a training program provided by the Adviser. Before allocating shares of the Funds to a client's account, RIAs should carefully consider the Fund's risks and investment objectives, as an investment in the Funds may not be appropriate for all clients and is not designed to be a complete investment program.

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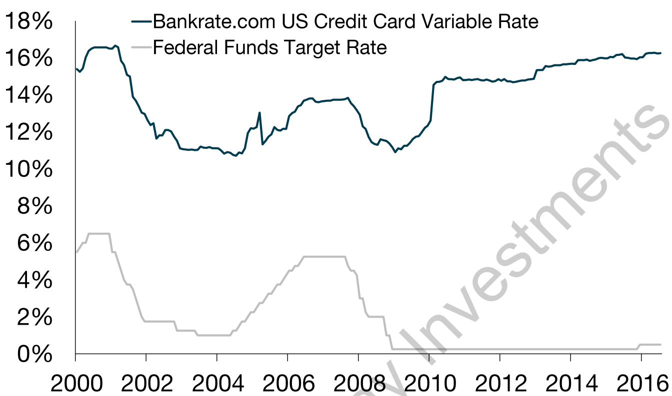
Why Does This Opportunity Exist?

Credit card debt is often very costly, yet it is one of the most common ways for consumers to borrow money. Despite a historically low Federal Funds rate, banks continue to charge high interest rates to individual credit card borrowers (Figure 2).[ii] A wide spread between these lines – the difference between where banks borrow and where they lend money – has historically meant high profits, but traditional banks have experienced a rise in operating costs since the Great Recession. Alternative Lenders leverage technology to operate with less overhead than banks, which allows them the potential to offer better loan economics to borrowers.

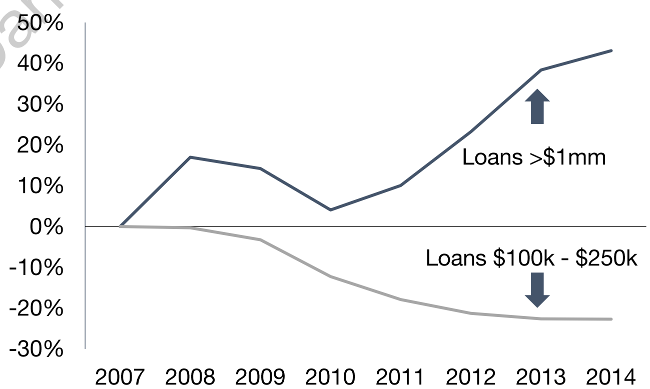
In the case of small business loans, Alternative Lenders are filling a void as banks continue to pull away from small business lending post-financial crisis (Figure 3).[iii] For many small businesses, borrowing on a credit card is the only form of credit available. A recent Wall Street Journal article highlights that credit cards are the only borrowing option for 90% of businesses with revenues of less than $1 million.[iv] Alternative Lending provides a more cost-effective alternative for many small businesses to finance expansion and growth.

Fig. 2: Consumers Pay a High Cost for Unsecured Credit [ii]



Source: Bankrate, Bloomberg, Stone Ridge

Fig. 3: Change in US Bank Loans to Businesses [iii]



Source: Federal Reserve, Stone Ridge

Stone Ridge Alternative Lending Risk Premium Fund

Ticker	LENDX
Diversification	Broad exposure across geographies and loan types
Initial Diligence	Deep platform diligence; extensive and repeated access to company management
Ongoing Monitoring	Ongoing monitoring of company management & platform data by an experienced, dedicated team
Fund Structure	Closed End Interval
Correlation to Equities and Fixed Income	Near-zero [v]
Purchase Liquidity	Monthly [vi]
Sell Liquidity	Quarterly, 5% fund-level gate [vi]
NAV Pricing Frequency	Daily
Assets Under Management (Sept. 30, 2016)	$1,342,802,291

The Fund has an interval fund structure pursuant to which the Fund, subject to applicable law, will conduct quarterly repurchase offers typically for 5% of the Fund's outstanding Shares at net asset value ("NAV"). It is possible that a repurchase offer may be oversubscribed, with the result that shareholders may only be able to have a portion of their Shares repurchased.

END NOTES

[i] After performing extensive due diligence, Stone Ridge partners with platforms that it believes to be the best at underwriting high quality loans. The logos that are pictured represent the partners from whom LENDX plans to purchase loans as of July 29, 2016. The platforms themselves are responsible for individual borrower and loan decisions. Stone Ridge performs ongoing monitoring of loan underwriting quality and other relevant factors and may add or subtract platform partners over time as loan performance, platform performance, and/or market conditions evolve.

[ii] The Bankrate.com US Credit Card Variable Rate reflects the interest rate that US consumers are charged for carrying a balance on variable rate credit cards. According to the Consumer Financial Protection Bureau, most credit cards are now variable rate cards. These credit card interest rates are referred to as “variable” because they can fluctuate over time, even on existing balances. Historically, these rates have adjusted higher when the Federal Funds rate adjusts higher, but recently, the variable card interest rate has been increasing faster than the Federal Funds rate.

[iii] Federal Reserve data

[iv] “Big Banks Cut Back on Loans to Small Businesses”, WSJ, November 26, 2015

[v] Since inception on June 1, 2016, through September 30, 2016, LENDX has had -0.05 correlation to the S&P 500 (a broad measure of the US large cap equity market) and 0.03 correlation to the Barclays US Aggregate (a broad measure of the US fixed income market).

[vi] Purchase liquidity is generally available on a quarterly basis. Shares generally are available for investment only by clients of registered investment advisers and a limited number of certain other Eligible Investors. Investors wishing to sell shares can also do so on a quarterly basis, subject to a 5% fund level gate. This means that the Fund will offer to repurchase at least 5% and up to 25% of its shares at Net Asset Value (“NAV”) on a specified date each quarter. For example, on a hypothetical example of $1,000,000,000 in fund assets under management, at least 5% or $50,000,000 and up to 25% or $250,000,000 in liquidity will be provided on a quarterly basis. It is possible that a repurchase offer may be oversubscribed with the result that shareholders may only be able to have a prorated portion of their Shares repurchased in a given quarter.

RISK DISCLOSURES

Fees are applicable to an investment in LENDX.

Fund holdings and sector allocations are subject to change and are not a recommendation to buy or sell any security.

The Fund is sold to (i) institutional investors, including registered investment advisers (“RIAs”), that meet certain qualifications and have completed an educational program provided by the Adviser; (ii) clients of such institutional investors; and (iii) certain other eligible investors, as described in the prospectus. Investors should carefully consider the Fund’s risks and investment objective, as an investment in the Fund may not be appropriate for all investors and is not designed to be a complete investment program. There can be no assurance that the Fund will achieve its investment objective. An investment in the Fund involves a high degree of risk. It is possible that investing in the Fund may result in a loss of some or all of the amount invested. Before making an investment/allocation decision, investors should (i) consider the suitability of this investment with respect to an investor’s or client’s investment objectives and individual situation and (ii) consider factors such as an investor’s or client’s net worth, income, age, and risk tolerance. Investment should be avoided where an investor/client has a short-term investing horizon and/or cannot bear the loss of some or all of their investment. Before investing in the Fund, an investor should read the discussion of the risks of investing in the Fund in the prospectus.

Investing involves risk. Principal loss is possible. The Fund may borrow or enter into leveraged derivative transactions for investment purposes, which will cause the Fund to incur investment leverage. Therefore, the Fund is subject to leveraging risk. Leverage magnifies the Fund's exposure to declines in the value of one or more underlying investments or creates investment risk with respect to a larger pool of assets than the Fund would otherwise have. The Fund may invest in illiquid or restricted securities which may be difficult or impossible to sell at a time that the Funds would like or at the price that the Fund believes the security is worth. The Fund invests in foreign securities which involve greater volatility and political, economic and currency risks and differences in accounting standards.

The Fund has an interval fund structure pursuant to which the Fund, subject to applicable law, will conduct quarterly repurchase offers and currently expects to offer to repurchase 5% of the Fund’s outstanding Shares at net asset value (“NAV”) per quarter, subject to approval of the Board of Trustees, and in all cases such repurchases will be for at least 5% and not more than 25% of the Fund’s outstanding Shares. In connection with any given repurchase offer, it is possible that the Fund may offer to repurchase only the minimum amount of 5% of its outstanding Shares. It is also possible that a repurchase offer may be oversubscribed, with the result that shareholders may only be able to have a portion of their Shares repurchased. The Fund does not currently intend to list its Shares for trading on any national securities exchange. There is not expected to be any secondary trading market in the Shares. The Shares are, therefore, not readily marketable. Even though the Fund will make quarterly repurchase offers to repurchase a portion of the Shares to try to provide liquidity to shareholders, shareholders should consider the Shares to be illiquid.

Investing involves risk; principal loss is possible. The value of the Fund’s investments in whole loans and other alternative lending-related securities, such as shares, certificates, notes or other securities representing an interest in and the right to receive principal and interest payments due on whole loans or fractions of whole loans, is entirely dependent on the borrowers’ continued and timely payments. If a borrower is unable or fails to make payments on a loan for any reason, the Fund may be greatly limited in its ability to recover any outstanding

principal or interest due, as (among other reasons) the Fund may not have direct recourse against the borrower or may otherwise be limited in its ability to directly enforce its rights under the loan, whether through the borrower or the platform through which such loan was originated, the loan may be unsecured or under-collateralized and/or it may be impracticable to commence a legal proceeding against the defaulting borrower. If the Fund were unable to recover unpaid principal or interest due, this would cause the Fund's net asset value to decrease. Many of the Fund's investments are associated with loans that are unsecured obligations of borrowers. This means that they are not secured by any collateral, not insured by any third party, not backed by any governmental authority in any way and, except in the case of certain loans to businesses, not guaranteed by any third party. The Fund generally will need to rely on the efforts of the platforms, servicers or their designated collection agencies to collect on defaulted loans and there is no guarantee that such parties will be successful in their efforts to collect on loans. Even if a loan in which the Fund has investment exposure is secured, there can be no assurance that the collateral will, when recovered and liquidated, generate sufficient (or any) funds to offset any losses associated with the defaulting loan. It is possible that the same collateral could secure multiple loans, in which case the liquidation proceeds of the collateral may be insufficient to cover the payments due on all the loans secured by that collateral. The Fund may have limited knowledge about the underlying loans and will be dependent upon the platform for information regarding underlying loans. Although the Fund conducts diligence on the platforms, the Fund generally does not have the ability to independently verify the information provided by the platforms, other than payment information regarding loans and other alternative lending-related securities owned by the Fund, which the Fund will observe directly as payments are received. Platforms may not have an obligation to update borrower information, and, therefore, the Fund may not be aware of any impairment in a borrower's creditworthiness subsequent to the making of a particular loan. Although the Fund conducts diligence on the credit scoring methodology used by platforms from which the Fund purchases alternative lending-related securities, the Fund typically will not have access to all of the data that platforms utilize to assign credit scores to particular loans purchased directly or indirectly by the Fund, and will not independently diligence or confirm the truthfulness of such information or otherwise evaluate the basis for the platform's credit score of those loans. The default history for alternative lending borrowing arrangements is limited and future defaults may be higher than historical defaults.

Investments in debt securities typically decrease in value when interest rates rise. Investments in lower-rated and unrated securities present a greater risk of loss to principal and interest than higher rated securities. Investments in asset-backed securities include additional risks that investors should be aware of, including credit risk, prepayment risk, possible illiquidity and default, as well as increased susceptibility to adverse economic developments. The Fund may use leverage, which may cause the effect of an increase or decrease in the value of the portfolio securities to be magnified and the fund to be more volatile than if leverage was not used. The Fund may invest in illiquid investments, which may be difficult or impossible to sell at the time that the Fund would like or at the price that the Fund believes the security is currently worth. Derivatives may create economic leverage in the Fund, which magnifies the Fund's exposure to the underlying investment. The Fund is non-diversified meaning it may concentrate its assets in fewer individual holdings than a diversified fund. Therefore, the Fund is more exposed to individual stock volatility than a diversified fund. The Fund will also invest in foreign securities, which involve political, economic, and currency risks, greater volatility, and differences in accounting methods. The Fund may make short sales of securities, which involves the risk that losses may exceed the original amount invested. The Fund intends to qualify for treatment as a regulated investment company ("RIC") under the Internal Revenue Code. In order to qualify for such treatment, the Fund must derive at least 90% of its gross income each taxable year from qualifying income, meet certain asset diversification tests at the end of each fiscal quarter, and distribute at least 90% of its investment company taxable income. The Fund's investment strategy will potentially be limited by its intention to qualify for treatment as a RIC. The tax treatment of certain of the Fund's investments under one or more of the qualification or distribution tests applicable to RICs is not certain. An adverse determination or future guidance by the IRS might affect the Fund's ability to qualify for such treatment. If, in any year, the Fund were to fail to qualify for treatment as a RIC under the Code for any reason, and were not able to cure such failure, the Fund would be subject to tax on its taxable income at corporate rates, and all distributions from earnings and profits, including any distributions of net tax-exempt income and net long-term capital gains, would be taxable to shareholders as ordinary income.

Opinions expressed are subject to change at any time, and are not guaranteed and should not be considered investment advice.

Must be preceded or accompanied by a current fund prospectus.

Diversification does not assure a profit or protect against loss in a declining market.

The Stone Ridge Funds are distributed by Quasar Distributors, LLC.

As with all mutual funds, the Securities and Exchange Commission has not approved or disapproved of these securities.

Duration is a measure of the sensitivity of the price of a fixed-income investment to a change in interest rates. Duration is expressed as a number of years. Fixed-income investments with higher durations are more sensitive to interest rate changes and are thus generally considered to have higher interest rate risk.

Correlation is a measure of the extent of interdependence of two variables.

FICO score is a measure of consumer credit risk issued by the company FICO based on information from a consumer's credit report. Scores range from 300 to 850.

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