



## Prospectus

### Stone Ridge Trust VIII

### Stone Ridge Art Risk Premium Fund

### Common Shares

**The Fund.** Stone Ridge Art Risk Premium Fund (the “Fund”) is a closed-end management investment company that continuously offers its shares (“Shares”).

**Investment Objective.** The Fund’s investment objective is to seek capital appreciation. There can be no assurance that the Fund will achieve its investment objective.

**Investment Strategy.** The Fund pursues its investment objective by investing, primarily in paintings, sculptures or other artistic objects (“Artwork”) from the Post-War and Contemporary collecting periods (each as described further below), as well as other collecting periods, created by artists that have an established track record of public auction sales (typically at least three years of public auction results). The Fund invests in Artwork directly by purchasing Artwork or indirectly by investing in special purpose companies that own Artwork (each as described further below). The Fund may invest to a significant extent in Artwork indirectly by investing in special purpose companies sponsored by Masterworks, LLC or an affiliate (“Masterworks”) (a sponsor of an online Artwork investment platform, as further discussed below), or other similar platforms, that own Artwork.

**Investment Adviser.** The Fund’s investment adviser is Stone Ridge Asset Management LLC (“Stone Ridge” or the “Adviser”). As of December 31, 2022, Stone Ridge and its affiliates had assets under management or custody of approximately \$20 billion in aggregate.

- *The Fund’s Shares are not currently listed for trading on any national securities exchange, and the Fund may or may not list its Shares for trading on any national securities exchange in the future. Unless the Fund lists its Shares for trading on a national securities exchange, it is not expected that there will be any secondary market for the Fund’s Shares. Shares of closed-end investment companies that trade on a national securities exchange may trade at a discount from their net asset value (“NAV”) per Share.*
- *An investment in the Fund is not suitable for investors who need certainty about their ability to access all of the money they invest in the short term.*
- *Even though the Fund will make quarterly repurchase offers for Shares, the Fund is not required to repurchase more than 5% of its outstanding Shares each quarter, so investors should consider Shares of the Fund to be an illiquid investment.*
- *The Fund intends to invest in Artwork and, initially, will be reliant on Masterworks to source potential Artwork investment opportunities.*
- *Investments in Artwork are inherently speculative and are typically long-term investments. Investors should be prepared to hold their Shares for an indefinite period of time, as there can be no assurance that the Shares can ever be resold or that the Artwork can ever be sold or that the sale of any Artwork would occur at a price that would result in a profit for the Fund.*
- *Buying and selling Artwork involves substantial transactional costs that could lead to losses for the Fund, particularly if the Fund is forced to sell Artwork at an inopportune time to meet liquidity needs.*
- *The Fund does not plan to make any distributions other than the distributions described in the section titled “Distributions” below.*
- *Distributions may be funded from offering proceeds, which may constitute a return of capital and reduce the amount of capital available for investment. See “Distributions and Federal Income Tax Matters” for a discussion of the federal income tax treatment of a return of capital. Any capital*

*returned to shareholders through distributions will be distributed after payment of fees and expenses. A return of capital is not taxable, but it reduces a shareholder's tax basis in its Shares, thus reducing any loss or increasing any gain on a subsequent taxable disposition by the shareholder of its Shares.*

**An investment in the Fund's Shares should be considered speculative and involving a high degree of risk, including the risk of a substantial loss of investment. See "Investment Objective, Policies and Risks — Risk Considerations" below to read about the risks you should consider before buying Fund Shares, including the risk of leverage.**

**Neither the Securities and Exchange Commission (the "Commission") nor any state securities commission has approved or disapproved of these securities or determined this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

The date of this prospectus is March 28, 2023, as revised August 28, 2023

**Interval Fund.** The Fund has an interval fund structure pursuant to which the Fund, subject to applicable law, conducts quarterly repurchase offers for Shares at NAV, subject to approval of the Board of Trustees (the "Board," and each of the trustees on the Board, a "Trustee"). The Fund has adopted a fundamental investment policy to make quarterly offers to repurchase between 5% and 25% of its outstanding Shares at NAV. Although the policy permits repurchase of between 5% and 25% of the Fund's outstanding Shares, for each quarterly repurchase offer, the Fund expects to offer to repurchase 5% of the Fund's outstanding Shares at NAV, subject to approval of the Board. In compliance with its procedures, the Fund, to the extent possible, generally expects to hold at least 5% of net assets in cash or other liquid assets, which may be financed by short-term borrowings, during the repurchase offer window to meet its repurchase obligations. If at any time cash and other liquid assets held by the Fund are not sufficient to meet the Fund's repurchase obligations, the Fund intends, if necessary, to sell investments. It is possible that a repurchase offer may be oversubscribed, with the result that shareholders would only be able to have a portion of their Shares repurchased.

**There is no assurance that you will be able to tender your Shares when or in the amount that you desire.** The Fund's Shares are not currently listed for trading on any national securities exchange, and while the Fund may list its Shares for trading on any national securities exchange in the future, there can be no assurance that it will do so. Shares of closed-end investment companies that trade on a national securities exchange may trade at a discount from their NAV per Share. Unless the Fund lists its Shares for trading on a national securities exchange, it is not expected that there will be any secondary market for the Fund's Shares. Even though the Fund will make quarterly repurchase offers to repurchase a portion of the Shares, you should consider the Shares to be illiquid.

Simultaneous with the commencement of the Fund's operations, SR Art Holdings LLC, an affiliate of Stone Ridge, is expected to reorganize into the Fund in accordance with applicable Commission staff no-action guidance. As part of the reorganization of SR Art Holdings LLC into the Fund, the Fund estimates that it will issue approximately 4.2 million Shares to Stone Ridge Ventures LLC, the owner of SR Art Holdings LLC, an affiliate of Stone Ridge. It is expected that at the time of such transition, SR Art Holdings LLC will have a net asset value of approximately \$50 million. Please refer to the audited financial statements of SR Art Holdings LLC included in this Registration Statement.

The Fund has the power to borrow and may do so when Stone Ridge deems it appropriate, including to enhance the Fund's returns and to meet repurchase requests that would otherwise result in the premature liquidation of investments. The Fund may use leverage in seeking to achieve its investment objective if the opportunity arises to obtain financing on attractive terms. Such borrowings are typically secured by investments held by the Fund. The Fund may also have exposure to leverage through investments in special purpose companies that own Artwork, that may in turn incur leverage by entering into borrowing or other arrangements to finance their Artwork investments. In connection with a borrowing, the Fund may pledge its assets to the lender. The Fund is not limited in the form or manner in which it may incur leverage, but is limited in the amount of leverage it can incur. There can be no assurances that the Fund will obtain leverage on attractive terms or in the amounts it desires. The Fund's use of leverage comes with inherent risks (see "Borrowing and Leverage Risk" below).

*Investment in the Fund involves substantial risks. The Fund is generally 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 (as described in "How to Buy Shares" below); and (iii) Eligible Investors (as defined in "How to Buy Shares" below). The minimum*

*initial account size is \$15 million, subject to certain exceptions. See “Investment Minimums.” 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. 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 a client’s investment objectives and individual situation and (ii) consider factors such as an investor’s or a 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 “Investment Objective, Policies and Risks” below.*

This prospectus sets forth concisely information you should know before investing in the Shares. You should read this prospectus carefully before deciding to invest in the Fund and you should retain it for future reference. A Statement of Additional Information dated March 28, 2023, as it may be amended, containing additional information about the Fund, has been filed with the Commission. This prospectus incorporates by reference the entire Statement of Additional Information. The Statement of Additional Information, as well as material incorporated by reference into the Fund’s Registration Statement, annual and semi-annual reports to shareholders and other information regarding the Fund, may be obtained, once available, without charge by writing to the Fund, by calling (855) 609-3680, by visiting [www.stoneridgefunds.com](http://www.stoneridgefunds.com) or from the EDGAR database on the Commission’s internet site ([www.sec.gov](http://www.sec.gov)). The Fund’s address is One Vanderbilt Avenue, 65th Floor, New York, NY 10017.

**Shares of the Fund do not represent a deposit or obligation of, and are not guaranteed or endorsed by, any bank or other insured depository institution and are not federally insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other government agency.**

An investor should not construe the contents of this prospectus as legal, tax or financial advice. You should consult your own professional advisors as to legal, tax, financial or other matters relevant to the suitability of an investment in the Fund.

## TABLE OF CONTENTS

PROSPECTUS SUMMARY .....	1
FUND EXPENSES .....	17
CONSOLIDATED FINANCIAL HIGHLIGHTS .....	18
THE FUND .....	18
USE OF PROCEEDS .....	18
INVESTMENT OBJECTIVE, STRATEGIES, POLICIES AND RISKS .....	18
MANAGEMENT OF THE FUND .....	36
HOW TO BUY SHARES .....	39
PERIODIC REPURCHASE OFFERS .....	42
INTERMEDIARY AND SERVICING ARRANGEMENTS .....	44
DETERMINATION OF NET ASSET VALUE .....	45
DISTRIBUTIONS AND FEDERAL INCOME TAX MATTERS .....	46
DIVIDEND REINVESTMENT PLAN .....	49
DESCRIPTION OF THE FUND .....	49
REPORTS TO SHAREHOLDERS .....	50
ADDITIONAL INFORMATION .....	51
STONE RIDGE'S PRIVACY NOTICE .....	51

## PROSPECTUS SUMMARY

*This is only a summary. This summary may not contain all of the information that you should consider before investing in the Fund's Shares. You should review the more detailed information contained in this prospectus and in the Statement of Additional Information. In particular, you should carefully read the risks of investing in the Fund's Shares, as discussed under "Investment Objective, Policies and Risks — Risk Considerations."*

### THE FUND

Stone Ridge Art Risk Premium Fund (the "Fund") is a closed-end management investment company that continuously offers its shares (the "Shares"). The Fund is operated as an "interval fund" (as defined below). An investment in the Fund may not be appropriate for all investors.

Stone Ridge Asset Management LLC ("Stone Ridge" or the "Adviser") is the Fund's investment adviser.

Simultaneous with the commencement of the Fund's operations, SR Art Holdings LLC, an affiliate of Stone Ridge, is expected to reorganize into the Fund in accordance with applicable Commission staff no-action guidance. As part of the reorganization of SR Art Holdings LLC into the Fund, the Fund estimates that it will issue approximately 4.2 million Shares to Stone Ridge Ventures LLC, the owner of SR Art Holdings LLC, an affiliate of Stone Ridge. It is expected that at the time of such transition, SR Art Holdings LLC will have a net asset value of approximately \$50 million. Please refer to the audited financial statements of SR Art Holdings LLC included in this Registration Statement.

### The Offering

The Fund's Shares are offered on a continuous basis at net asset value ("NAV") per Share. The Fund may close at any time to new investments and, during such closings, only the reinvestment of dividends and other distributions by existing shareholders will be permitted. The Fund may re-open to new investment and subsequently close again to new investment at any time at the discretion of the Adviser.

The Fund's Shares are offered through ALPS Distributors, Inc. (the "Distributor"), as the exclusive distributor, on a best efforts basis. The minimum initial investment is \$15 million, subject to certain exceptions. The Fund reserves the right to reject a purchase order for any reason. See "How to Buy Shares" below. Shareholders will not have the right to redeem their Shares. However, as described below, in order to provide liquidity to shareholders, the Fund conducts periodic repurchase offers for a portion of its outstanding Shares.

Shares are offered to or through fiduciaries (such as registered investment advisers or retirement plans) or institutional investors, or to employees, directors and affiliates of the Fund or the Adviser.

### Periodic Repurchase Offers

The Fund is an "interval fund," a type of fund that, in order to provide liquidity to shareholders, has adopted a fundamental investment policy to make quarterly offers to repurchase between 5% and 25% of its outstanding Shares at NAV. Although the policy permits repurchase of between 5% and 25% of the Fund's outstanding Shares, for each quarterly repurchase offer, the Fund expects to offer to repurchase 5% of the Fund's outstanding Shares at NAV, subject to approval of the Board. The Fund makes quarterly repurchase offers in the months of January, April, July and October. Written notification of each quarterly repurchase offer (the "Repurchase Offer Notice") is sent to shareholders at least 21, and not more than 42, calendar days before the repurchase request deadline (i.e., the date by which shareholders can tender their Shares in response to a repurchase offer) (the "Repurchase Request Deadline"). The Fund's Shares are not currently listed for trading on any national securities exchange, and the Fund may or may not list its Shares for trading on a national securities exchange in the future. Unless the Fund lists its Shares for trading on a national securities exchange, it is not expected that there will be

any secondary market for the Fund's Shares. Shares of closed-end investment companies that trade on a national securities exchange may trade at a discount from their NAV per Share. Accordingly, you may not be able to sell Shares when and/or in the amount that you desire.

Thus, the Shares are appropriate only as a long-term investment. In addition, the Fund's repurchase offers may subject the Fund and shareholders to special risks. See "Special Risk Considerations — Repurchase Offers Risk" below.

### **Investment Objective, Investment Strategy and Principal Investment Policies**

The Fund's investment objective is to seek capital appreciation. There can be no assurance that the Fund will achieve its investment objective. The Fund pursues its investment objective by investing primarily in paintings, sculptures or other artistic objects ("Artwork") from the Post-War and Contemporary collecting periods as well as other collecting periods created by artists that have an established track record of public auction sales (typically at least three years of public auction results). The Fund invests in Artwork directly by purchasing Artwork or indirectly by investing in special purpose companies that own Artwork (each as described further below). Post-War Artwork generally encompasses Artwork created during the period from 1945 until the late 1960s. Contemporary Artwork generally encompasses Artwork created from the late 1960s to today. The Fund takes a traditional view of art (e.g., paintings, prints, drawings, sculptures, etc.) in its investments.

The Fund may invest to a significant extent in Artwork indirectly by investing in special purpose companies ("Artwork Companies") that own Artwork. Artwork Companies are typically limited liability companies formed under Delaware law by Masterworks or an affiliate of Masterworks to facilitate investment in Artwork. Investments in Artwork Companies are generally offered to investors through Regulation A offerings ("Regulation A Securities"). Regulation A is an exemption from registration under the Securities Act (see "Investment Objective, Policies and Risk" below).

The Fund expects that, at least for an initial period, it will primarily source its Artwork investment opportunities through Masterworks, LLC or an affiliate ("Masterworks") and via the online investment platform Masterworks owns that allows investors to invest in Artwork Companies (the "Masterworks Platform"). However, over time, the Fund may seek to expand to additional platforms that have then entered the market and that satisfy the Adviser's due diligence requirements. The Artwork Company investments that the Fund acquires will have the same terms and be sold to the Fund at the same price as such shares are sold to other investors through Commission-qualified Regulation A offerings or other share issuances. The Fund will primarily acquire Artwork Company investments through Regulation A offerings or similar direct offerings but may also acquire such interests in secondary market transactions from other investors. The Fund generally anticipates owning no more than 24.9% of the equity interests and no more than 4.9% of the voting rights of any Artwork Company.

The Fund also may gain investment exposure to Artwork by purchasing whole Artwork ("Whole Artwork") directly or through forwards or swaps, including prepaid forward contracts. The Fund intends to seek interpretive, no-action or exemptive relief from the custody requirements of Section 17(f) of the 1940 Act with respect to the holding of Whole Artwork directly. There is no assurance, however, that such interpretive, no-action or exemptive relief will be granted. Until such time as the Fund obtains interpretive, no-action or exemptive relief, to the extent that the Fund or any wholly-owned and controlled subsidiary formed by the Fund (each, a "Subsidiary") holds any Whole Artwork directly, it will hold the Whole Artwork with an entity eligible under Section 17(f)(1)(A) or (B) of the 1940 Act or Rule 17f-2(b) under the 1940 Act. If the Fund purchases Whole Artwork directly or gains exposure to Whole Artwork through forwards or swaps, including prepaid forward contracts, as opposed to investment through Artwork Companies, the Fund generally expects to hold such Whole Artwork or enter into such derivatives through one or more Subsidiaries formed by the Fund, but the Fund also may hold Whole Artwork or enter into such derivatives directly. The size of the Fund's investment in the Subsidiaries, and accordingly the size of the Fund's exposure to Whole Artwork through the Subsidiaries, will generally be limited to 25% of the Fund's total assets. References herein to the Fund include references to the Subsidiaries in respect of the Fund's exposure to Whole Artwork.

The Fund expects that its portfolio will consist of numerous investments in Artwork Companies, investments in any Subsidiary(s) and cash holdings. Following its initial period of investment operations, the Fund generally expects that Artwork Company investments will make up about 60-70% of the Fund's net assets. The Fund expects to gain investment exposure to, per \$100 million in assets under management, approximately 8-17 pieces of Whole Artwork and approximately 33-65 pieces of Artwork through its investments in Artwork Companies.

The Adviser uses a data-driven approach to art investments. For purposes of determining the universe of Artwork in which the Fund may invest, the Fund considers, among other information, data on transaction volumes, price points, price appreciation, risk, and collecting period. With respect to decisions regarding whether to buy or sell particular Artwork, the Adviser's data-driven process includes, among other inputs, determining and evaluating (i) data availability, (ii) target artists (e.g., based on consideration of volumes, price points, price appreciation, and risk), (iii) ability to source at attractive prices, (iv) strategies around holding Artwork in a way that may increase the Artwork's value, and (v) ability to sell at attractive prices. The primary source of data used by the Fund as part of its data-driven approach is historical public auction results, which are typically collected from auction houses (such as Sotheby's, Christie's and Phillips, which account for approximately 90% of public auctions). In the Adviser's experience, there is a comprehensive online record of auction results during the past two decades and results further back in history may be found in printed catalogs. The public auctions data is used by the Fund to construct broad market-level return information, as well as return information on specific Artwork categories and/or artists, which the Fund uses to identify and select investments. There is also a qualitative component to the Fund's data-driven approach. For instance, the Fund considers qualitative factors such as an artist's cultural significance, exhibition history, scholarly recognition, or the degree to which a particular artwork is considered representative of an artist's oeuvre. Additionally, the Fund believes that there are certain events in the art market, such as special exhibitions, special media reports or the death of an artist, that may lead to an increase in demand for certain artists not predicted by the historical data. The Fund's portfolio management team intends to utilize a combination of quantitative and qualitative measures to decide whether and when to invest in certain artists or Artworks.

The Fund has engaged Masterworks Administrative Services, LLC ("Masterworks AS" or "Artwork Administrator"), which is a wholly-owned subsidiary of Masterworks and operates the Masterworks Platform, to provide certain administrative services pursuant to an administrative services agreement. Under the administrative services agreement, the Artwork Administrator will provide administrative services relating to the Fund's holdings of Whole Artwork, including assisting with the operational aspects of procuring/selling, storing, insuring, and maintaining Whole Artwork held by the Fund. Neither Masterworks AS nor any of its affiliates will provide advice or recommendations to the Fund regarding the desirability of buying or selling any investments, including Whole Artwork.

Stone Ridge seeks to purchase Artwork at public auctions through auction houses and in privately negotiated transactions from private sellers.

The Fund generally does not expect to have its Whole Artwork set on display at a museum or otherwise. However, the Fund may in the future opportunistically enter into an arrangement to have a Whole Artwork set on display in cases where such arrangement could potentially enhance the value of the Whole Artwork (e.g., having the Whole Artwork on display at a prominent museum) or a consignment arrangement intended to facilitate a sale of the Artwork. Such arrangements would only be entered into after the Adviser and the Fund's custodian determine that the custody, security and insurance coverage applicable to such display arrangement are substantially equivalent to the Fund's custody, security and insurance coverage arrangements, with respect to the Fund's Whole Artwork generally. The Fund (with respect to Whole Artwork) and Artwork Companies (with respect to Artwork they hold) generally expect to maintain insurance covering the risks of damage or loss events with respect to such Artwork adequate to restore the economic value of the Artwork should such a damage or loss event occur.

### *Artwork Selection*

The Fund will seek to invest in Artwork, either through Artwork Companies or Whole Artwork, with the following general criteria:

- paintings, but may also include sculptures and other artistic objects;
- created by artists generally considered within the Post-War and Contemporary collecting periods, provided that Stone Ridge, in its sole discretion, may cause the Fund to invest in other collecting periods. The Fund takes a traditional view of art (e.g., paintings, prints, drawings, sculptures, etc.) in its investments;
- created by artists with significant secondary market sales volume; and
- acquisition price between \$1,000,000 and \$50,000,000.

The Fund retains the flexibility to invest in other instruments as the Adviser may consider appropriate from time to time, including affiliated and unaffiliated registered investment companies, U.S. government securities, cash and cash equivalents. The Fund expects to hold a portion of its assets in cash, cash equivalents and short-term obligations for liquidity purposes.

The Fund has the power to borrow and may do so when Stone Ridge deems it appropriate, including to enhance the Fund's returns and to meet repurchase requests that would otherwise result in the premature liquidation of investments. Leverage can increase the negative impact to which the Fund's investments may be subject. In connection with a borrowing, the Fund may pledge its assets to the lender. The Fund's use of leverage comes with inherent risks (see "Borrowing and Leverage Risk" below).

Under normal circumstances, the Fund will invest at least 80% of its net assets, plus the amount of any borrowings for investment purposes, directly or indirectly in Artwork.

### **Derivatives**

The Fund may use derivatives to seek to hedge its exposure to foreign exchange risks that arise as a result of its investments. The Fund may use forwards or futures or may purchase or sell physical currency. There can be no guarantee the Fund's hedging activities will effectively offset any adverse impact of foreign exchange or interest rates.

The Fund also may gain investment exposure to Whole Artwork directly or through forwards or swaps, including prepaid forward contracts. If the Fund gains exposure to Whole Artwork through forwards or swaps, including prepaid forward contracts, the Fund generally expects to hold such derivatives through one or more Subsidiaries, but the Fund also may enter into such derivatives directly. Such forwards or swaps are generally expected to be cash settled but, to the extent that the Fund is permitted to hold Whole Artwork directly, the Fund may enter into forwards or swaps that are physically settled.

### **Leverage**

The Fund may use leverage in seeking to achieve its investment objective if the opportunity arises to obtain financing on attractive terms. The Fund may obtain financing to make investments in Artwork. Such borrowings are typically secured by investments held by the Fund. The Fund may also enter into borrowing arrangements with the Adviser or an affiliate of the Adviser on an unsecured basis to finance investments or address general timing mismatches related to cash flows. The Fund may also have exposure to leverage through investments in Artwork Companies that may in turn incur leverage by entering into borrowing or other arrangements to finance their Artwork investments. The Fund is not limited in the form or manner in which it may incur leverage, but is limited in the amount of leverage it can incur, as further discussed below. There can be no assurances that the Fund will obtain leverage on attractive terms or in the amounts it desires.



The Investment Company Act of 1940, as amended (the “1940 Act”), requires a closed-end fund to have asset coverage of not less than 300% of the value of the outstanding amount of senior securities representing indebtedness (as defined in the 1940 Act) at the time of the indebtedness issuance. This means that the value of the Fund’s senior securities representing indebtedness may not exceed one-third of the value of its total assets (including such senior securities), measured at the time the Fund issues the senior securities. The Fund also may borrow money from banks or other lenders for temporary purposes in an amount not to exceed 5% of the Fund’s assets. Such temporary borrowings are not subject to the asset coverage requirements discussed above in connection with the Fund’s borrowings for investment purposes.

Leverage can have the effect of magnifying the Fund’s exposure to changes in the value of its assets and may also result in increased volatility in the Fund’s NAV. This means the Fund will have the potential for greater gains, as well as the potential for greater losses, than if the Fund owned its assets on an unleveraged basis. The value of an investment in the Fund will be more volatile and other risks tend to be compounded to the extent that the Fund is exposed to leverage directly or indirectly.

The above-discussed risks associated with leverage arise from leverage that the Fund obtains directly as well as from leverage that the Fund obtains indirectly through its Subsidiaries or through investments in Artwork Companies that enter into borrowing or other arrangements to finance their Artwork investments.

#### **Investment Adviser**

Stone Ridge is the investment adviser of the Fund. As of December 31, 2022, Stone Ridge and its affiliates had assets under management or custody of approximately \$20 billion in aggregate. Dan Fleder, Paul Germain, Jeff Rabin, Li Song and Ross Stevens (the “Portfolio Managers”) are jointly and primarily responsible for the day-to-day management of the Fund. In addition, Stone Ridge performs initial and ongoing due diligence to evaluate the legal and regulatory frameworks and reputational aspects of any platforms from which the Fund may purchase Artwork. See “Management of the Fund” below.

#### **Distributions**

The Fund’s Artwork investments are generally not expected to provide cash flow to the Fund, and the Fund, or the Artwork Companies in which the Fund invests, do not intend to frequently sell Artwork that would return cash to the Fund (although from time to time, the Fund or the Artwork Companies in which the Fund invests may sell Artwork that will return cash to the Fund); accordingly, except as set forth below, the Fund does not anticipate providing distributions to Fund shareholders. The Fund intends to declare and pay dividends of substantially all net investment income and net realized capital gains, if any, at least annually. Unless shareholders specify otherwise, dividends will be reinvested in Shares of the Fund. See “Distributions and Federal Income Tax Matters” and “Dividend Reinvestment Plan” below. The Fund may pay distributions from sources that may not be available in the future and that are unrelated to the Fund’s performance, such as from offering proceeds, borrowings or amounts from the Fund’s affiliates (e.g., fees or expenses waived or reimbursed by the Adviser) that are subject to repayment by the Fund.

#### **Unlisted Closed-End Fund Structure; Limited Liquidity**

Shareholders of the Fund are not able to have their Shares repurchased or otherwise sell their Shares on a daily basis because the Fund is an unlisted closed-end fund. In order to provide liquidity to shareholders, the Fund is structured as an “interval fund” and conducts periodic repurchase offers for a portion of its outstanding Shares, as described herein. In addition, the Fund may or may not list its Shares for trading on a national securities exchange in the future. Unless the Fund lists its Shares for trading on a national securities exchange, it is not expected that there will be any secondary market for the Fund’s Shares. Shares of closed-end investment companies that trade on a national securities exchange may trade at a discount from their NAV per Share. An

investment in the Fund is suitable only for long-term investors who can bear the risks associated with the limited liquidity of the Shares. Investors should consider their investment goals, time horizons and risk tolerance before investing in the Fund.

### **Distributor, Transfer Agent, Administrator and Custodian**

ALPS Distributors, Inc., 1290 Broadway, Suite 1000, Denver, Colorado 80203, is the Fund's Distributor. U.S. Bancorp Fund Services, LLC, doing business as U.S. Bank Global Fund Services, 615 East Michigan Street, Milwaukee, Wisconsin 53202, is the Fund's transfer agent (the "Transfer Agent"), administrator and accounting agent. U.S. Bank NA, 1555 N. River Center Drive, Suite 302, Milwaukee, Wisconsin, 53212, is the Fund's custodian (the "Custodian"). The Custodian also serves as the custodian for assets held by the Fund's Subsidiaries. Millennium Trust Company ("MTC"), 2001 Spring Road, Suite 700, Oak Brook, Illinois 60523, provides custody services for the Whole Artwork held by the Fund. The Adviser pays fees to the Distributor as compensation for the services it renders. The Fund compensates the Transfer Agent, Custodian and MTC for their services. See "Intermediary and Servicing Arrangements" below.

### **Masterworks**

As noted above, the Fund expects that, at least for an initial period, it will primarily source its Artwork investment opportunities through Masterworks and via the Masterworks Platform. Masterworks, 225 Liberty Street, 29th Floor, New York, NY 10281, is a Delaware limited liability company formed to facilitate investment in artwork created by artists that have an established track record of public auction sales and historical price appreciation. Masterworks owns, operates, and manages www.Masterworks.com. The Masterworks Platform provides users with information about Masterworks, the art market and art investments, and incorporates tools aimed at enabling investors to review offering materials, execute transactions electronically and track their investments. Masterworks engages in a wide variety of activities, including: (i) researching, sourcing and acquiring artwork; (ii) securitizing the artwork by transferring it to investment entities that offer equity securities to investors in transactions that are exempt from the registration requirements of the Securities Act; (iii) administering the artwork and the investment entities pursuant to a management services agreement; (iv) arranging for the listing of the equity securities on an alternative trading system (ATS) operated by a third-party broker-dealer; and (v) selling the artwork directly to collectors or through art market intermediaries and returning net proceeds to investors.

### **Special Risk Considerations**

*An investment in the Fund involves special risk considerations. You should consider carefully the risks summarized below, which are described in more detail under "Investment Objective, Policies and Risks — Risk Considerations" below.*

*You should carefully consider the Fund's risks and investment objective, as an investment in the Fund may not be appropriate for all investors or clients and is not designed to be a complete investment program. 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, you should (i) consider the suitability of this investment with respect to an investor's or a client's investment objectives and individual situation and (ii) consider factors such as an investor's or a 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 the investment. The Fund is subject to the principal risks described below, whether through the Fund's direct investments, investments by its Subsidiaries or derivatives positions.*

## **Artwork Investment Risks**

**The Fund will, at least initially, operate as a “non-diversified” fund under the 1940 Act.** The Fund was formed to facilitate investment in Artwork. The Fund will primarily invest, directly or indirectly, in Artwork and will have limited exposure to other assets that could generate income. Such lack of diversification creates a concentration risk that may make an investment in the Shares riskier than an investment in a more diversified pool of assets or business with more varied operations. The value of the Artwork held by the Fund may not track the overall art market or any segment of the art market, which do not rise or fall uniformly.

**There is no assurance of appreciation of Artwork or sufficient cash distributions resulting from the ultimate sale of the Artwork.** There is no assurance that the Artwork will appreciate, maintain its present value, or be sold at a profit. The marketability and value of the Artwork will depend upon many factors beyond the Fund’s control. There can be no assurance that there will be a ready market for the Artwork, since investment in art is generally illiquid, nor is there any assurance that sufficient cash will be generated from the sale of Artwork to compensate investors for their investment.

**Risks of fluctuations in demand for Artwork generally or Artwork by specific artists.** A downturn or slowdown in the demand for Artwork generally or Artwork by specific artists caused by adverse economic or environmental conditions or other events may have a greater impact on the value of the Fund’s assets or operating results than if the Fund had invested its assets across more industries or sectors.

In addition to general economic conditions that could result in a downturn or slowdown in demand for Artwork, the Fund’s performance will be impacted by shifts in demand for specific types of Artwork and artists. Such shifts in demand could affect particular segments of the Artwork market (e.g., Post-War or Contemporary Art fall out of favor with collectors and investors) or particular artists (e.g., information is discovered about a particular artist that causes negative perceptions about that artist and accordingly reduces the demand for Artwork created by that artist). The Adviser bases a substantial part of its investment strategy on the belief that values for the types of Artwork the Fund intends to invest in will improve over time. There is no assurance as to the extent Artwork values will improve. A variety of economic and other factors could cause the value of these assets to decline, which could adversely affect the Fund’s performance.

**Investing in Artwork subjects the Fund to valuation risk.** The Fund is subject to valuation risk. Valuation risk is the risk that Artwork in which the Fund invests are priced incorrectly. This may occur due to factors such as incomplete data, market instability, human error or the inherently imprecise nature of valuing Artwork given the illiquid nature of the asset class and limited sales information that would allow for price discovery. The Adviser intends to address this by employing a rigorous fair valuation process, with oversight from the Trust’s Board of Trustees, that is designed to take into account all relevant information that may bear on the fair value of Artwork. Masterworks, other similar platforms and Masterworks AS may provide the Fund with certain inputs or information (e.g., information on auction sales) that the Adviser may consider in determining the fair value of Artwork held by the Fund. While the Adviser may consider inputs provided by Masterworks, other similar platforms and Masterworks AS, it does not rely on such inputs and takes into consideration a variety of factors and inputs from other sources in determining the fair value of Artwork held by the Fund. There is the risk that Artwork in which the Fund invests are priced incorrectly due to issues arising from potential conflicts of interests of the Adviser, Masterworks, other similar platforms or Masterworks AS with respect to fair valuation of Artwork. In providing inputs for making fair valuation determinations, Masterworks or other similar platforms may be subject to potential conflicts of interest due to certain incentives to provide inputs or information that result in higher valuations of Artwork as a general matter given their interest in seeing Artwork as an asset class perform well. The Adviser and the Fund have adopted compliance policies and procedures with respect to the fair valuation process that are designed to avoid and mitigate potential conflicts of interest. If the Fund ascribes a higher value to assets and their value subsequently drops or fails to rise because of market factors, returns on the Fund’s investment may be lower than expected and investors could experience losses.

The Fund's investments are generally expected to be fair valued by the Adviser Valuation Committee as defined under, and in accordance with the procedures described under, "Determination of Net Asset Value" below. Such fair valuations may take into account information provided by third-party service providers or valuation agents. There is no assurance that the Fund could sell Artwork for the value established for it at any time and it is possible that the Fund would incur a loss because Artwork is sold at a discount to its established value. For non-cash generating assets, such as fine art, valuation is heavily reliant on an analysis of publicly available sales history of similar artwork. Experts often differ on which historical sales are comparable and the degree of comparability and the data set used is not comprehensive because private sales data is generally unavailable. If assets are mispriced, shareholders could lose money upon sale in connection with a periodic repurchase offer or could pay too much for Shares purchased.

**An investment in Artwork is subject to various risks, any of which could materially impair the value of the Whole Artwork or Artwork Company investments held by the Fund and the market value of the Shares.**

Investing in Artwork is subject to the following risks:

- *Authenticity.* Claims with respect to the authenticity of a work may result from incorrect attribution, uncertain attribution, lack of certification proving the authenticity of the artwork, forgery of a work of art, or falsification of the artist's signature. The Fund and Artwork Companies generally obtain representations of authenticity from sellers, but these representations may not effectively eliminate the risk.
- *Provenance.* Claims related to provenance, or history of ownership, allege that an artwork has an uncertain or false origin. Buyers may also negatively perceive some elements of the prior ownership history. With respect to the Artwork, buyers may negatively perceive the Fund's ownership or the ownership of Artwork Companies in the Artwork when considering a purchase.
- *Condition.* The physical condition of an artwork over time is dependent on technical aspects of artistic workmanship, including the materials used, the manner and skill of application, handling and storage and other factors.
- *Physical Risks.* The Artwork is subject to potential damage, destruction, devastation, vandalism or loss as a result of natural disasters (flood, fire, hurricane), crime, theft, illegal exportation abroad, etc. While the Fund (with respect to Whole Artwork) and the Artwork Companies (with respect to Artwork they hold) will maintain insurance coverage to protect against such risks, such insurance coverage may be inadequate to fully compensate the Fund or an Artwork Company should this risk materialize.
- *Legal Risks.* Ownership of the Artwork is prone to a variety of legal challenges, including challenges to title, nationalization, purchase of work of art from unauthorized person, money laundering, violation of legal regulations and restitution issues. Purchasing from major auction houses and reputable galleries can reduce, but not eliminate, these risks.
- *Market Risks.* The art market is prone to change due to a variety of factors, including changes in transaction costs, substantial changes in fees, tax law changes, export licenses, changes in legal regulations, changes in attitudes toward art as an investment, changes in tastes, and changes in supply, such as the liquidation of a major collection.
- *Economic Risks.* Because the demand for art is largely driven by wealthy individuals, economic events impacting the wealth of such individuals may impact the demand for art and therefore the value of art.
- *Fraud Risk.* The art market is prone to abusive practices, including price manipulation, disguised agencies, and lack of transparency.

Although Stone Ridge, Masterworks and potentially other Fund service providers will conduct due diligence in connection with any purchase of Artwork by the Fund or any Artwork Company, no amount of due diligence can completely insulate a buyer against these risks and if any of these risks materialize, the value of the Artwork may decline, and the value of the Shares would be adversely affected.

**The Fund and Artwork Companies may not be able to find buyers for the Artwork at reasonable prices.**

Art can be a highly illiquid asset and objects can go unsold when sent to auction. Even in the event that the Fund or an Artwork Company attempts to sell Artwork, the Fund cannot guarantee that there will be a buyer at any reasonable price. Additionally, if the Artwork does go to an auction sale and is not sold, such failure could reduce the value of the Artwork in the marketplace and make it more difficult to sell in the future. As an additional source of potential liquidity, the Fund may sell its Whole Artwork through a transaction on the Masterworks Platform, or another similar platform, whereby the Whole Artwork would be sold to an Artwork Company and the Fund may retain a portion of its investment in such Whole Artwork by receiving Artwork Company interests or may receive cash or some combination of Artwork Company interests and cash. In such a transaction, the Artwork Company would pay the Fund for the Whole Artwork with cash and/or its shares in an amount equal to the fair value of the Whole Artwork, less any fees, commissions and other expenses incurred in connection with such transactions, which may be significant. While providing another source of potential liquidity for the Fund, this option may subject the Fund to additional transaction costs and the ability to utilize this option is dependent on investor demand for Artwork Companies, and other market conditions.

**Artwork may be sold at a loss.** Any sale of Artwork could be executed at an inopportune time and potentially at a loss. The Fund and Artwork Companies in which the Fund invests intend to hold Artwork for an extended period of time. However, the Fund may elect to sell at a loss if it is determined that such a transaction would be necessary to meet its repurchase obligations or in the event of a liquidation of the Fund. Circumstances may arise that may compel the Fund or Artwork Companies to sell the Artwork at an inopportune time and potentially at a loss, such as if the Fund or such Artwork Company faces litigation or regulatory challenges. Investors should be prepared to hold their Shares for an indefinite period of time, as there can be no assurance that the Shares can ever be resold or that the Artwork can ever be sold or that sale of all Artwork would occur at a price that would result in a profit for the Fund.

**Masterworks is a relatively new company that has a limited track record.** Masterworks launched in 2017 and therefore has a limited history from which to judge its performance and business model. There can be no assurances of the future success of the Masterworks business model or online platform.

**Masterworks', or other similar platforms', retail-oriented business may be susceptible to the stresses of the current economic environment.** As a retail-oriented business, the ability for Masterworks or other similar platforms to sell Regulation A Securities or to obtain or sell art may be affected by the overall economic environmental factors, including general economic, political or financial market conditions; investor sentiment and market perceptions (including perceptions about monetary policy, interest rates, inflation or the risk of default); government actions (including protectionist measures, intervention in the financial markets or other regulation, and changes in fiscal, monetary or tax policies); geo-political events or changes (including natural disasters, epidemics or pandemics, terrorism and war); and factors related to a specific geography, industry or sector. Foreign financial markets have their own market risks, and they may be more or less volatile than U.S. markets and may move in different directions. During those periods, the value of the Fund's investments may experience high levels of volatility and the Fund may have to sell Artwork at times when it would otherwise not do so, and at unfavorable prices. Volatility in financial markets also may cause the Fund to experience increased levels of repurchase requests. These risks may be exacerbated during economic downturns or other periods of economic stress.

**The costs associated with investing in and maintaining Artwork, particularly Whole Artwork, may detract from Fund performance.** As explained further in the "Cash Positions and Temporary Defensive and Interim

Investments” section of the prospectus, the Fund will need to hold certain amounts of cash or cash equivalents to cover maintenance and insurance costs and fees, and such cash or cash-equivalent holdings may detract from Fund performance. While all commercial mutual funds have costs and/or fees, those costs and fees mean that if the value of the Fund’s assets remain stagnant, the Fund will operate at a loss.

**Artwork Companies in which the Fund invests have limited liquidity, and the Fund cannot make decisions regarding whether to hold or sell Artwork Company Artwork.** The Artwork Companies in which the Fund invests are currently illiquid investment vehicles, and the Fund’s ability to sell Artwork Company investments may be limited by various factors, including, for example, legal restrictions on resale, limited secondary market trading volumes (if any), and other factors that limit liquidity and the demand for Artwork Companies. For example, the transfers of interests purchased in Commission-qualified Regulation A offerings sponsored by Masterworks or other similar platforms, other than those transfers required by operation of law, are only permitted on a trading platform approved by Masterworks, or other similar platforms, or in privately negotiated transactions approved by the issuer. The Artwork Companies in which the Fund invests are managed by a third-party art management firm and a board of managers that is unaffiliated with the Fund or the Adviser, and that third-party firm has control over decisions with respect to when to continue to hold its Artwork and when to sell such Artwork. The Fund does not have any input into decisions with respect to whether an Artwork Company in which the Fund invests should hold or sell its Artwork. Accordingly, an Artwork Company may determine to continue to hold Artwork at a time when the Fund or the Adviser believes it should sell such Artwork or may determine to sell Artwork at a time the Fund or the Adviser believes it should continue to hold such Artwork. This inability to make investment decisions with respect to certain Artwork held indirectly by the Fund through Artwork Companies may limit the ability of the Fund to achieve its investment objective or meet the Fund’s liquidity needs. The Artwork Companies and the Artwork held by the Artwork Companies are not subject to the protections of the 1940 Act or the Investment Advisers Act of 1940.

**The Fund could be exposed to losses in the event of title or authenticity claims.** The buying and selling of artwork can involve potential claims regarding title, provenance and or authenticity of the artwork. Authenticity risk related to works of art may result from incorrect attribution, uncertain attribution, lack of certificate proving the authenticity of the artwork, purchase of a non-authentic artwork, or forgery. In the event of a title or authenticity claim against the Fund or an Artwork Company by a buyer of Artwork from the Fund or the Artwork Company, the Fund or such Artwork Company, as applicable, would seek recourse against the seller of the Artwork pursuant to authenticity and title representations obtained at the time of purchase, but a claim could nevertheless expose the Fund to losses. A title or authenticity claim may result in a decline in the value of the Artwork held by the Fund, which may adversely impact the value of Fund Shares.

**Ownership of an artist’s work may be concentrated, and any large-scale divestiture of a collection could negatively affect prices.** If any major collector were to liquidate a large number of paintings by a particular artist, the supply and demand dynamic could shift materially. A significant increase in the number of paintings by such artist available for sale could reduce prices.

**Artwork could be subject to damage, theft or deterioration in condition, which could have a material adverse effect on the value of the Artwork.** The Fund plans to store the Artwork in a protected environment with security measures, but no amount of security can fully protect a painting from damage or theft. The damage or theft of valuable property, despite these security measures, could have a material adverse impact on the value of the Artwork and, consequently, the value of the Shares. The Fund (with respect to Whole Artwork) and Artwork Companies (with respect to Artwork they hold) generally expect to maintain insurance covering the risks of damage or loss events with respect to such Artwork adequate to restore the economic value of the Artwork should such a damage or loss event occur, and expect to periodically adjust the coverage limits on such insurance policies to reflect changes in the market values of the covered Artwork. However, there can be no assurance that any such coverage and the proceeds received for a damage/loss event would be adequate to restore the economic value of the Artwork, which could decrease the value of the Artwork held by the Fund. Although

insurance coverage maintained by the Fund is not expected to cover title or authenticity claims, if such a claim were to arise, the Fund and/or the applicable Artwork Companies are expected to have contractual recourse against the seller from whom the Artwork was acquired and from whom the Fund and/or Artwork Companies will obtain representations of authenticity from. However, there can be no assurance that such contractual recourse would be adequate to make the Fund whole for any associated losses.

**The Fund's Whole Artwork generally will be custodied with a third party service provider in a secure warehouse facility.** The Fund's Whole Artwork holdings will be custodied with a third-party service provider in secure warehouse facilities that the Adviser believes will mitigate the risk of loss or damage to such Whole Artwork. However, there can be no assurances that Whole Artwork stored in these facilities will not suffer damages or other losses. The Fund generally expects to maintain insurance for damage/loss events for its Whole Artwork when insurance coverage is commercially reasonable, but there can be no assurances that any such coverage and the proceeds received for a damage/loss event would be adequate to restore the economic value of the Whole Artwork, which could decrease the value of the Fund's Whole Artwork. Furthermore, certain scenarios that could lead to damages or loss of the Whole Artwork may not be covered under the applicable insurance policy. The Fund has adopted policies and procedures addressing the Fund's Whole Artwork custodial arrangements that are designed to mitigate the risks of physical loss or damage to its Whole Artwork, but there can be no assurance these measures will be successful.

**Changes in opinions by experts in the artwork regarding authenticity could reduce or eliminate the value of the Artwork.** Authenticity is often determined by art experts, and opinions often matter more than scientific data. If a well-respected art expert were to opine negatively on the authenticity of any of the Artwork in the Fund, it could reduce or eliminate the value of the Artwork.

**Insurance coverage for the Artwork may be inadequate, does not cover title claims and may not cover all possible contingencies, exposing the Fund to losses resulting from the damage or loss of the Artwork.** The Fund (with respect to Whole Artwork) and Artwork Companies (with respect to Artwork they hold) generally expect to maintain insurance covering the risks of damage or loss events with respect to such Artwork adequate to restore the economic value of the Artwork should such a damage or loss event occur. The Fund (with respect to Whole Artwork) and Artwork Companies (with respect to Artwork they hold) plan to maintain insurance coverage for the Artwork against damage or loss of the Artwork. The Fund aims to maintain insurance at scheduled values which, at any given point in time may be below fair market value and therefore insurance proceeds may be insufficient to recoup all losses. In addition, the Fund's art insurance coverage does not cover title claims and may expressly exclude damage caused by force majeure and certain other potential loss scenarios. Accordingly, in the event of a successful claim that the Fund does not have valid title and ownership to the Artwork, the Fund would rely solely on the representations obtained from the seller to compensate it for such losses, which may prove to be inadequate. In addition, uncovered damage or destruction of any of the Artwork in the Fund that is not fully covered by insurance could have a material adverse impact on the value of the Shares.

**Industry sales cycles are unpredictable.** Purchase behavior by collectors is unpredictable. Adverse economic conditions may create a downturn in art collectors' demand for art or ability to buy art, which would negatively affect the Fund's and Artwork Companies' ability to sell its Artwork. As outlined in the "Artwork Selection" above, the Fund intends to invest in Artwork that meets certain criteria. The Fund cannot guarantee those styles of Artwork will match or outperform other categories of art. Shifting art trends could result in reduced profitability or a loss upon the sale of any or all of the Artwork in the Fund.

**Purchasing Artwork in privately negotiated transactions may involve greater risk than purchasing Artwork at public auction.** There are differences between purchasing Artwork in a private transaction and purchasing at a public auction. Auctions are generally conducted by large companies that may perform higher levels of research and due diligence than private galleries or agents. Auction houses may have greater financial and other resources as compared to private galleries and agents. Accordingly, if an authenticity claim were to

arise, an auction house may have greater financial resources (and or higher levels of insurance coverage) to be able to address such claims than private galleries or agents. By contrast, private galleries and agents are largely unregulated and operate under general legal principles of agency which do not necessarily require the level of fairness, transparency and disclosure that apply to public auctions. Accordingly, there may be higher risks attendant to purchasing Artwork in privately negotiated transactions.

### **Additional Risk Factors**

**Risk of Investments in Other Pooled Investment Vehicles.** Investing in another pooled investment vehicle exposes the Fund to all of the risks of that vehicle's investments. The Fund bears its pro rata share of the expenses of any such vehicle, in addition to its own expenses. The values of other pooled investment vehicles are subject to change as the values of their respective component assets fluctuate. The Fund's investments in such vehicles will be dependent upon the investment and research abilities of persons other than the Adviser.

**Borrowing and Leverage Risk.** The Fund and its Subsidiaries intend to obtain financing to make investments and/or to fund Share repurchases. Such use of borrowing results in leverage, which magnifies the Fund's exposure to declines in the value of any Artwork acquired through such borrowing or creates investment risk with respect to a larger pool of assets than the Fund would otherwise have and may be considered a speculative technique. The value of an investment in the Fund will be more volatile and other risks tend to be compounded if and to the extent that the Fund borrows or uses investments that have embedded leverage. In connection with a borrowing, the Fund may pledge its assets to the lender. Engaging in such transactions may cause the Fund to liquidate its investments when it may not be advantageous to do so to satisfy its obligations. The Fund may also enter into borrowing arrangements with the Adviser or an affiliate of the Adviser on an unsecured basis to finance investments or address general timing mismatches related to cash flows. Borrowing from the Adviser or an affiliate of the Adviser, like the use of other borrowing arrangements, increases the Fund's exposure to the decline in the value of any Artwork acquired through such borrowing.

Market conditions may unfavorably impact the Fund's ability to secure borrowings on favorable or commercially feasible terms. Although the Fund's borrowings are typically secured by investments held by the Fund, such borrowings may be on a secured or unsecured basis, and at fixed or variable rates of interest. Borrowing will also cost the Fund interest expense and other fees. The costs of borrowing will reduce the Fund's return. Unless the rate of return, net of applicable Fund expenses, on the Fund's investments exceeds the costs to the Fund of the leverage it utilizes, the investment of the Fund's net assets attributable to leverage will generate less income than will be needed to pay the costs of the leverage and the facility fees that the Fund pays, resulting in a loss to the Fund even if the rate of return on those assets is positive. To the extent the Fund is able to secure financing, fluctuations in interest rates could increase the costs associated with the Fund's use of certain forms of leverage, and such costs could reduce the Fund's return. The Fund's ability to obtain leverage through borrowings is dependent on its ability to establish and maintain appropriate lines of credit or other borrowing facilities. The above-described risks associated with leverage arise from leverage that the Fund obtains directly as well as from leverage that the Fund obtains indirectly through its Subsidiaries or through investments in Artwork Companies that enter into borrowing or other arrangements to finance their Artwork investments.

**Illiquidity Risk.** The Fund may invest without limitation in illiquid investments. Artwork is generally an illiquid asset class. Illiquidity risk is the risk that the investments held by the Fund may be difficult or impossible to sell at the time that the Fund would like without significantly changing the market value of the investment.

The Fund and Artwork Companies may not be able to find buyers for the Artwork at reasonable prices, and Artworks can go unsold when sent to auction. Even in the event that the Fund or an Artwork Company attempts to sell Artwork, the Fund cannot guarantee that there will be a buyer at any reasonable price. Additionally, if the Artwork does go to an auction sale and is not sold, such failure could reduce the value of the Artwork in the marketplace and make it more difficult to sell in the future. As an additional source of potential liquidity, the



Fund may sell its Whole Artwork through a transaction on the Masterworks Platform, or another similar platform, whereby the Whole Artwork would be sold to an Artwork Company and the Fund may retain a portion of its investment in such Whole Artwork by receiving Artwork Company interests or may receive cash or some combination of Artwork Company interests and cash. In such a transaction, the Artwork Company would pay the Fund for the Whole Artwork with cash and/or its shares in an amount equal to the fair value of the Whole Artwork, less any fees, commissions and other expenses incurred in connection with such transactions, which may be significant. While providing another source of potential liquidity for the Fund, this option may subject the Fund to additional transaction costs and the ability to utilize this option is dependent on investor demand for Artwork Companies, and other market conditions.

The Fund expects to acquire Artwork Company investments in primary Regulation A offerings, and the Fund also may buy or sell its Artwork Company investments in privately negotiated secondary transactions or on alternative trading systems on which such shares may be traded, such as on a secondary market sponsored by Masterworks or another artwork platform sponsor. The Fund may also exercise its rights to qualify the resale of Artwork Company interests pursuant to Regulation A. The Fund will have limited redemption rights from an Artwork Company and its ability to sell Artwork Company interests could be adversely affected by various factors, including limited trading volumes or legal restrictions. While certain Artwork Company interests may trade in a secondary market in the future, there is no assurance that any secondary trading market will develop or provide sufficient liquidity for the Fund to be able to liquidate its holdings of an Artwork Company.

**Government Securities Risk.** The Fund may invest in securities issued or guaranteed by the U.S. government (including U.S. Treasury obligations that differ in their interest rates, maturities and times of issuance) or its agencies and instrumentalities (such as the Government National Mortgage Association (Ginnie Mae), the Federal National Mortgage Association (Fannie Mae) or the Federal Home Loan Mortgage Corporation (Freddie Mac)). U.S. government securities are subject to market risk, risks related to changes in interest rates and credit risk. Securities, such as those issued or guaranteed by Ginnie Mae or the U.S. Treasury, that are backed by the full faith and credit of the United States are guaranteed only as to the timely payment of interest and principal when held to maturity and the market prices for such securities will fluctuate. Notwithstanding that these securities are backed by the full faith and credit of the United States, circumstances could arise that would prevent the payment of interest or principal. This would result in losses to the Fund.

**Market Risk.** The value of the Fund's investments may decline due to general economic conditions that are not specifically related to a particular issuer, such as real or perceived adverse economic or political conditions throughout the world, changes in interest or currency rates or adverse investor sentiment generally. The value of the Fund's investments also may decline because of factors that affect the market for Post-War and/or Contemporary Art.

**Management and Operational Risk.** The Fund is subject to management risk because it relies on the Adviser's ability to achieve its investment objective. The Fund runs the risk that the Adviser's investment techniques will fail to produce desired results and cause the Fund to incur significant losses. The Adviser and other Fund service providers may fail to make Artwork investments that produce returns sufficient to cover the costs of the Fund's operations and the costs associated with holding Artwork.

The Fund also is subject to the risk of loss as a result of other services provided by the Adviser and other service providers, including pricing, administrative, accounting, tax, legal, custody, transfer agency and other services. Operational risk includes the possibility of loss caused by inadequate procedures and controls, human error and cyber attacks, disruptions and failures affecting, or by, a service provider.

**Operational and Technology Risk.** Because the Fund depends on electronic systems maintained by the Custodian and other Fund service providers and their affiliates to maintain records, evidence ownership of the Fund's investments, appropriately safeguard such investments and to service and administer such investments,

the Fund is vulnerable to the risks associated with such electronic systems, including, among others: power loss, computer systems failures and internet, telecommunications or data network failures; operator negligence or improper operation by, or supervision of, employees; physical and electronic loss of data or security breaches, misappropriation and similar events; computer viruses; cyber attacks, intentional acts of vandalism and similar events; and hurricanes, fires, floods and other natural disasters.

**Derivatives Risk.** The Fund may invest in futures contracts or forward contracts in order to hedge its exposure to foreign exchange risks that arise as a result of its investments. The Fund also may gain investment exposure to Whole Artwork through forwards or swaps, including prepaid forward contracts. If the Fund gains exposure to Whole Artwork through forwards or swaps, including prepaid forward contracts, the Fund generally expects to hold such derivatives through one or more Subsidiaries, but the Fund also may enter into such derivatives directly. The use of derivatives involves risks that are in addition to, and potentially greater than, the risks of investing directly in securities and other more traditional assets. Derivatives are financial contracts the value of which depends on, or is derived from, an asset or other underlying reference. Derivatives involve the risk that changes in their value may not move as expected relative to changes in the value of the underlying investment they are designed to track. See the Statement of Additional Information for additional information of the various types and uses of derivatives in the Fund’s strategies.

The Fund may be required to provide more margin for its derivatives investments during periods of market disruptions or stress. Derivatives also present other risks described herein, including market risk and illiquidity risk. OTC derivatives are generally highly illiquid. The Fund’s use of derivatives may not be effective or have the desired results. Moreover, suitable derivatives will not be available in all circumstances. The Adviser may decide not to use derivatives to hedge or otherwise reduce the Fund’s risk exposures, potentially resulting in losses for the Fund.

Derivatives in which the Fund may invest may have embedded leverage, depending on their specific terms. As a result, adverse changes in the value or level of the underlying investment may result in a loss substantially greater than the amount invested in the derivative itself. See “— Borrowing and Leverage Risk” above.

The Fund’s use of OTC derivatives exposes it to the risk that the counterparties will be unable or unwilling to make timely settlement payments or otherwise honor their obligations. If the counterparty defaults, the Fund will still have contractual remedies but may not be able to enforce them. The Fund may invest in derivatives with a limited number of counterparties, and events affecting the creditworthiness of any of those counterparties may have a pronounced effect on the Fund.

When entering into derivatives transactions, the Fund is typically required to post margin. Significant market movements may result in the Fund being required to post comparatively large initial or ongoing margin amounts with counterparties and may require that the Fund post additional margin on short time frames, potentially requiring the Fund to sell other assets at inopportune times and/or to close derivatives positions prematurely, either of which could cause the Fund to suffer losses.

In October 2020, the Commission adopted Rule 18f-4 under the 1940 Act (“Rule 18f-4”) providing for the regulation of a registered investment company’s use of derivatives and certain related instruments. The Fund intends to qualify as a “limited derivatives user” under Rule 18f-4, and, therefore, it is required to limit its derivatives exposure (excluding derivatives transactions used to hedge certain currency or interest rate risks) to 10% of its net assets, and to maintain written policies and procedures reasonably designed to manage its derivatives risk. Compliance with Rule 18f-4 will restrict the Fund’s ability to engage in certain derivatives transactions.

**Subsidiary Risk.** By investing through its Subsidiaries, the Fund is exposed to the risks associated with the Subsidiaries’ investments. The Subsidiaries are not registered as investment companies under the 1940 Act and are not subject to all of the investor protections of the 1940 Act, although each Subsidiary is managed pursuant to

the compliance policies and procedures of the Fund applicable to it. Changes in the laws of the United States and/or the jurisdiction in which a Subsidiary is organized could result in the inability of the Fund and/or such Subsidiary to operate as described in this prospectus and could adversely affect the Fund.

**Tax Risk.** The Fund currently intends to qualify for treatment as a regulated investment company (“RIC”) under Subchapter M of Chapter 1 of the 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 for each taxable year. 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 or a change in law 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 treated as a “C corporation” and, as such, 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 dividend income.

**Repurchase Offers Risk.** As described under “Periodic Repurchase Offers” below, the Fund is an “interval fund.” In order to provide liquidity to shareholders, the Fund, subject to applicable law, conducts quarterly repurchase offers of the Fund’s outstanding Shares at NAV, subject to approval of the Board. In all cases such repurchase offers will be for at least 5% and not more than 25% of its outstanding Shares at NAV, pursuant to Rule 23c-3 under the 1940 Act. The Fund believes that these repurchase offers are generally beneficial to the Fund’s shareholders, and repurchases generally are funded from available cash or sales of portfolio instruments, which are substantially illiquid. However, repurchase offers and the need to fund repurchase obligations may affect the ability of the Fund to be fully invested or may force the Fund to maintain a higher percentage of its assets in liquid investments, which may harm the Fund’s investment performance. Moreover, diminution in the size of the Fund through repurchases may result in untimely sales of portfolio instruments (with associated imputed transaction costs, which may be significant), and may limit the ability of the Fund to participate in new investment opportunities or to achieve its investment objective. In compliance with its procedures, the Fund, to the extent possible, generally expects to hold at least 5% of net assets in cash or other liquid assets during the repurchase offer window to meet its repurchase obligations. If at any time cash and other liquid assets held by the Fund are not sufficient to meet the Fund’s repurchase obligations, the Fund intends, if necessary, to sell investments. Although the Fund’s investments are illiquid and the market for its investments is limited, the Fund believes that it would be able to find willing buyers for investments if such sales were ever necessary. Because the Fund may employ investment leverage, repurchases of Shares compound the adverse effects of leverage in a declining market. In addition, if the Fund borrows to finance repurchases, interest on that borrowing will negatively affect shareholders who do not tender their Shares by increasing the Fund’s expenses and reducing any net investment income. If a repurchase offer is oversubscribed the Fund will repurchase the Shares tendered on a pro rata basis, and shareholders will have to wait until the next repurchase offer to make another repurchase request. As a result, shareholders may be unable to liquidate all or a given percentage of their investment in the Fund during a particular repurchase offer. Some shareholders, in anticipation of proration, may tender more Shares than they wish to have repurchased in a particular quarter, thereby increasing the likelihood that proration will occur. A shareholder may be subject to market and other risks, and the NAV of Shares tendered in a repurchase offer may decline between the Repurchase Request Deadline and the date on which the NAV for tendered Shares is determined. In addition, the repurchase of Shares by the Fund may be a taxable event to shareholders.

**Portfolio Turnover.** A change in the securities held by the Fund is known as “portfolio turnover.” A higher portfolio turnover rate may indicate higher transaction costs, which can reduce the Fund’s performance, and may

result in higher taxes when Shares are held in a taxable account. Portfolio turnover will not be a limiting factor as Artworks are permitted to be sold without regard to the time they have been held when, in the opinion of Stone Ridge, investment considerations warrant such action. Given that the Fund and the Artwork Companies in which the Fund invests will hold Artwork for an indefinite period of time, the Fund expects the portfolio turnover rate to be low. Nevertheless, the rate of portfolio turnover could change from time to time, depending upon market and legal and regulatory conditions.

**Cash Positions and Temporary Defensive and Interim Investments.** The Fund expects to hold a portion of its assets in cash, cash equivalents and short-term fixed income instruments to facilitate meeting repurchase requests, making investments in Artwork over an extended time period and covering maintenance and insurance costs and fees. Holding a portion of Fund assets in cash, cash equivalents and short-term fixed-income instruments may detract from Fund performance. In addition, for temporary defensive purposes in times of adverse or unstable market, economic or political conditions, the Fund can invest up to 100% of its assets in investments that may be inconsistent with its principal investment strategies. Generally, the Fund would invest in money market instruments or in other short-term U.S. or foreign government securities.

**No Prior History.** The Fund is a newly-organized closed-end management investment company with no history of operations and is designed for long-term investors and not as a trading vehicle.

**Anti-Takeover Provisions.** The Fund's Declaration of Trust, together with any amendments thereto, includes provisions that could limit the ability of other entities or persons to acquire control of the Fund or convert the Fund to open-end status.

## FUND EXPENSES

The following table describes the fees and expenses you may pay if you buy and hold Shares of the Fund.

### Annual Fund Operating Expenses

(as a percentage of net assets attributable to the Shares)<sup>(1)</sup>

Management Fees .....	1.50%
Distribution and/or Service Fees <sup>(2)</sup> .....	0.10%
Other Expenses <sup>(3)</sup> .....	1.64%
Total Annual Fund Operating Expenses .....	<u>3.24%</u>
(Fee Waiver and/or Expense Reimbursement) <sup>(4)</sup> .....	<u>(0.77)%</u>
Total Annual Fund Operating Expenses (After Fee Waiver/Expense Reimbursement) .....	<u>2.47%</u>

(1) Amount assumes that the Fund sells \$400 million worth of Shares during the Fund's first twelve months and that the Fund's net offering proceeds from such sales equal \$400 million. Actual expenses will depend on the number of Shares the Fund sells in this offering. For example, if the Fund were to raise proceeds significantly less than this amount over the following twelve months, expenses as a percentage of net assets would be significantly higher. There can be no assurance that the Fund will sell \$400 million worth of Shares during the following twelve months.

(2) Distribution and/or Services Fees include a 0.05% fee paid pursuant to a distribution and servicing plan adopted by the Fund and a 0.05% fee paid pursuant to a services agreement between the Fund and the Adviser.

(3) "Other expenses" are based on estimated amounts for the current fiscal year and include offering expenses. "Other Expenses" includes, without limitation, accounting and administration, custody, legal, registration fees, transfer agent fees, printing and mailing, compliance, and general operating fees.

(4) The Fund is responsible for its operating expenses, including its organization expenses, which are expensed as incurred and are subject to the expense limitation agreement described below. Notwithstanding the foregoing, through the one-year anniversary of the date the Fund commences investment operations, the Adviser has contractually agreed to waive its management fee and/or pay or otherwise bear operating and other expenses of the Fund (including organizational and offering expenses, but excluding brokerage and transactional expenses; borrowing and other investment-related costs and fees including interest payments on borrowed funds, sourcing, administrative or other transactional fees charged by Masterworks or Masterworks AS, commissions, expenses, and fees paid in connection with the purchase, insurance, storage, maintenance and sale of Whole Artwork, interest and commitment fees; short dividend expense; acquired fund fees and expenses; taxes; litigation and indemnification expenses; judgments; and extraordinary expenses not incurred in the ordinary course of the Fund's business (collectively, the "Excluded Expenses")) solely to the extent necessary to limit the Total Annual Fund Operating Expenses, other than Excluded Expenses, to 2.00% of the average daily net assets of the Fund. The Adviser shall be entitled to recoup in later periods expenses that the Adviser has paid or otherwise borne (whether through reduction of its management fee or otherwise) to the extent that the expenses for the Fund (including offering expenses, but excluding Excluded Expenses) after such recoupment do not exceed the lower of (i) the annual expense limitation rate in effect at the time of the actual waiver/reimbursement and (ii) the annual expense limitation rate in effect at the time of the recoupment; *provided*, that the Adviser shall not be permitted to recoup any such fees or expenses beyond three years from the end of the month in which such fee was reduced or such expense was reimbursed. The expense limitation agreement may only be modified by a majority vote of the trustees who are not "interested persons" of the Fund (as defined by 1940 Act) and the consent of the Adviser.

**Example.** The following Example is intended to help you understand the various costs and expenses that you, as a holder of Shares, would bear directly or indirectly. The Example assumes that you invest \$1,000 in Shares of the Fund for the time periods indicated. Because there are no costs to you associated with repurchases of your Shares, your costs would be the same whether you hold your Shares or tender your Shares for repurchase at the end of the time periods indicated. The Example also assumes that your investment has a 5% return each year, that all dividends and distributions are reinvested at NAV and that the Fund's operating expenses (as described above) remain the same, except to reduce annual expenses upon completion of organization and offering expenses, and takes into account the effect of the fee waiver and/or expense reimbursement (if any) during the first year. The Example should not be considered a representation of the Fund's future expenses. 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>
\$25	\$93	\$163	\$349

## CONSOLIDATED FINANCIAL HIGHLIGHTS

This Fund is newly organized and its Shares have not previously been offered. Therefore, the Fund does not have any financial history. Additional information about the Fund's investments will be available in the Fund's annual and semiannual reports when they are prepared.

### THE FUND

The Fund is a closed-end management investment company registered under the 1940 Act. The Fund was organized as a Delaware statutory trust on December 22, 2020, pursuant to a Certificate of Trust. The Fund has no operating history. The Fund's principal office is located at One Vanderbilt Avenue, 65th Floor, New York, New York 10017.

### USE OF PROCEEDS

The Fund will invest the proceeds of the offering of Shares in accordance with its investment objective and policies as stated below. It is currently anticipated that the Fund will be able to invest all or substantially all of the net proceeds according to its investment objective and policies promptly following receipt of the proceeds, depending on the amount and timing of proceeds available to the Fund as well as the availability of investments consistent with the Fund's investment objective and strategies. Pending investment of the net proceeds, the Fund will invest in high-quality, short-term debt securities, cash and/or cash equivalents.

### INVESTMENT OBJECTIVE, STRATEGIES, POLICIES AND RISKS

*When used in this prospectus, the term "invest" includes both direct investing and indirect investing and the term "investments" includes both direct investments and indirect investments. For example, the Fund invests indirectly by investing through its wholly-owned and controlled subsidiaries (each, a "Subsidiary"). The Fund may be exposed to the different types of investments described below through its investments in its Subsidiaries. The allocation of the Fund's portfolio in a Subsidiary will vary over time and might not always include all of the different types of investments described herein.*

#### **Investment Objective, Strategies and Policies**

The Fund's investment objective is to seek capital appreciation. There can be no assurance that the Fund will achieve its investment objective.

The Fund pursues its investment objective by investing, directly or indirectly, primarily in paintings, sculptures or other artistic objects ("Artwork") from the Post-War and Contemporary collecting periods as well as other collecting periods, created by artists that have an established track record of public auction sales (typically at least three years of public auction results). The Fund invests in Artwork directly by purchasing Artwork or indirectly by investing in special purpose companies that own Artwork (each as described further below). Post-War Artwork generally encompasses Artwork created during the period from 1945 until the late 1960s. Contemporary Artwork generally encompasses Artwork created from the late 1960s to today. The Fund takes a traditional view of art (e.g., paintings, prints, drawings, sculptures, etc.) in its investments.

The Fund may invest to a significant extent in Artwork indirectly by investing in special purpose companies ("Artwork Companies") that own Artwork. Artwork Companies are typically limited liability companies formed under Delaware law by Masterworks or an affiliate of Masterworks to facilitate investment in Artwork. Investments in Artwork Companies are generally offered to investors through Regulation A offerings ("Regulation A Securities"). Regulation A is an exemption from registration under the Securities Act that generally allows smaller companies in earlier stages of development to raise money from the public in securities offerings of up to \$75 million, but with more limited disclosure requirements than what is required for publicly reporting companies, subject to certain requirements. Companies conducting Regulation A offerings must

disclose information with the Commission using the EDGAR database on the Commission's website but the type and frequency of this information may differ from the information disclosed by issuers listed on a stock exchange, for example.

The Fund also may gain investment exposure to Artwork by purchasing whole Artwork ("Whole Artwork") directly or through forwards or swaps, including prepaid forward contracts. The Fund intends to seek interpretive, no-action or exemptive relief from the custody requirements of Section 17(f) of the 1940 Act with respect to the holding of Whole Artwork directly. There is no assurance, however, that such interpretive, no-action or exemptive relief will be granted. Until such time as the Fund obtains interpretive, no-action or exemptive relief, to the extent that the Fund or any wholly-owned and controlled subsidiary formed by the Fund (each, a "Subsidiary") holds any Whole Artwork directly, it will hold the Whole Artwork with an entity eligible under Section 17(f)(1)(A) or (B) of the 1940 Act or Rule 17f-2(b) under the 1940 Act. If the Fund purchases Whole Artwork directly or gains exposure to Whole Artwork through forwards or swaps, including prepaid forward contracts, as opposed to investment through Artwork Companies, the Fund generally expects to hold such Whole Artwork or enter into such derivatives through one or more Subsidiaries formed by the Fund, but the Fund also may hold Whole Artwork or enter into such derivatives directly. The size of the Fund's investment in the Subsidiaries, and accordingly the size of the Fund's exposure to Whole Artwork through the Subsidiaries, will generally be limited to 25% of the Fund's total assets. References herein to the Fund include references to the Subsidiaries in respect of the Fund's exposure to Whole Artwork.

The Fund expects that, at least for an initial period, it will primarily source its Artwork investment opportunities through Masterworks, LLC or an affiliate ("Masterworks") and via the online investment platform Masterworks owns that allows investors to invest in Artwork Companies (the "Masterworks Platform"); however, over time, the Fund may seek to expand to additional platforms that have then entered the market and that satisfy the Adviser's due diligence requirements. The Artwork Company investments that the Fund acquires will have the same terms and be sold to the Fund at the same price as such shares are sold to other investors through Commission-qualified Regulation A offerings or other share issuances. The Fund will primarily acquire Artwork Company investments through Regulation A offerings or similar direct offerings but may also acquire such interests in secondary market transactions from other investors. The Fund generally anticipates owning no more than 24.9% of the equity interests and no more than 4.9% of the voting rights of any Artwork Company. The Fund expects that its portfolio will consist of numerous investments in Artwork Companies, investments in any Subsidiary(s) and cash holdings. Following its initial period of investment operations, the Fund generally expects that Artwork Company investments will make up about 60-70% of the Fund's net assets. The Fund expects to gain investment exposure to, per \$100 million in assets under management, in approximately 8-17 pieces of Whole Artwork and approximately 33-65 pieces of Artwork through its investments in Artwork Companies.

The Adviser uses a data-driven approach to art investments. For purposes of determining the universe of Artwork in which the Fund may invest, the Fund considers, among other information, data on transaction volumes, price points, price appreciation, risk, and collecting period. With respect to decisions regarding whether to buy or sell particular Artwork, the Adviser's data-driven process includes, among other inputs, determining and evaluating (i) data availability, (ii) target artists (e.g., based on consideration of volumes, price points, price appreciation, and risk), (iii) ability to source at attractive prices, (iv) strategies around holding Artwork in a way that may increase the Artwork's value, and (v) ability to sell at attractive prices. The primary source of data used by the Fund as part of its data-driven approach is historical public auction results, which are typically collected from auction houses (such as Sotheby's, Christie's and Phillips, which account for approximately 90% of public auctions). In the Adviser's experience, there is a comprehensive online record of auction results during the past two decades and results further back in history may be found in printed catalogs. The public auctions data is used by the Fund to construct broad market-level return information, as well as return information on specific Artwork categories and/or artists, which the Fund uses to identify and select investments. There is also a qualitative component to the Fund's data-driven approach. For instance, the Fund considers qualitative factors such as an artist's cultural significance, exhibition history, scholarly recognition, or the degree to which a particular artwork is considered representative of an artist's oeuvre. Additionally, the Fund believes that there are certain events in the art market, such as special exhibitions, special media reports or the death of an artist, that may lead to an

increase in demand for certain artists not predicted by the historical data. The Fund's portfolio management team intends to utilize a combination of quantitative and qualitative measures to decide whether and when to invest in certain artists or Artworks.

The Fund has engaged Masterworks AS to provide certain administrative services pursuant to an administrative services agreement. Masterworks AS is a wholly-owned subsidiary of Masterworks and operates the Masterworks Platform. Under the administrative services agreement, the Artwork Administrator will provide administrative services relating to the Fund's holdings of Whole Artwork, including assisting with the operational aspects of procuring/selling, storing, insuring and maintaining Whole Artwork held by the Fund. Neither Masterworks AS nor any of its affiliates will provide advice or recommendations to the Fund regarding the desirability of buying or selling any investments, including Whole Artwork.

The Fund seeks to purchase Artwork at public auctions through auction houses and in privately negotiated transactions from private sellers.

The Fund generally does not expect to have its Whole Artwork set on display at a museum or otherwise. However, the Fund may in the future opportunistically enter into an arrangement to have a Whole Artwork set on display in cases where such arrangement could potentially enhance the value of the Whole Artwork (e.g., having the Whole Artwork on display at a prominent museum) or a consignment arrangement intended to facilitate a sale of the Artwork. Such arrangements would only be entered into after the Adviser and the Fund's custodian determine that the custody, security and insurance coverage applicable to such display arrangement are substantially equivalent to the Fund's custody, security and insurance coverage arrangements, with respect to the Fund's Whole Artwork generally. The Fund (with respect to Whole Artwork) and Artwork Companies (with respect to Artwork they hold) generally expect to maintain insurance covering the risks of damage or loss events with respect to such Artwork adequate to restore the economic value of the Artwork should such a damage or loss event occur

#### *Artwork Selection*

The Fund will seek to invest in Artwork, either through Artwork Companies or Whole Artwork, with the following general criteria:

- paintings, but may also include sculptures and other artistic objects;
- created by artists generally considered within the Post-War and Contemporary collecting periods, provided that Stone Ridge in its sole discretion, may cause the Fund to invest in other collecting periods. The Fund takes a traditional view of art (e.g., paintings, prints, drawings, sculptures, etc.) in its investments;
- created by artists with significant secondary market sales volume; and
- acquisition price between \$1,000,000 and \$50,000,000.

The Fund retains the flexibility to invest in other instruments as the Adviser may consider appropriate from time to time, including affiliated and unaffiliated registered investment companies, U.S. government securities, cash and cash equivalents. The Fund expects to hold a portion of its assets in cash, cash equivalents and short-term obligations for liquidity purposes.

The Fund has the power to borrow and may do so when Stone Ridge deems it appropriate, including to enhance the Fund's returns and to meet repurchase requests that would otherwise result in the premature liquidation of investments. Leverage can increase the negative impact to which the Fund's investments may be subject. In connection with a borrowing, the Fund may pledge its assets to the lender. The Fund's use of leverage comes with inherent risks (see "Borrowing and Leverage Risk" below).

Under normal circumstances, the Fund will invest at least 80% of its net assets, plus the amount of any borrowings for investment purposes, directly or indirectly in Artwork.



**Changes to the Fund's Investment Policies.** The Fund's investment objective and policies may be changed without shareholder approval unless an objective or policy is identified in the prospectus or in the Statement of Additional Information as "fundamental." The Fund's policy to invest, under normal circumstances, at least 80% of its net assets, plus the amount of any borrowings for investment purposes, may be changed by the Board upon at least 60 days prior written notice to shareholders.

**Temporary Defensive Positions.** During unusual market conditions, the Fund may invest up to 100% of its assets in cash or cash equivalents temporarily, which may be inconsistent with its investment objective and other policies. The Fund might not use all of the strategies and techniques or invest in all of the types of securities described in this prospectus or the Statement of Additional Information. While at times the Fund may use alternative investment strategies in an effort to limit its losses, it may choose not to do so.

**Derivatives.** The Fund may use derivatives to seek to hedge its exposure to foreign exchange risks that arise as a result of its investments. The Fund may use forwards or futures or may purchase or sell physical currency. There can be no guarantee the Fund's hedging activities will effectively offset any adverse impact of foreign exchange or interest rates.

The Fund also may gain investment exposure to Whole Artwork directly or through forwards or swaps, including prepaid forward contracts. If the Fund gains exposure to Whole Artwork through forwards or swaps, including prepaid forward contracts, the Fund generally expects to hold such derivatives through one or more Subsidiaries, but the Fund also may enter into such derivatives directly. Such forwards or swaps are generally expected to be cash settled but, to the extent that the Fund is permitted to hold Whole Artwork directly, the Fund may enter into forwards or swaps that are physically settled.

**Leverage.** The Fund may use leverage in seeking to achieve its investment objective if the opportunity arises to obtain financing on attractive terms. The Fund may obtain financing to make investments in Artwork. Such borrowings are typically secured by investments held by the Fund. The Fund may also enter into borrowing arrangements with the Adviser or an affiliate of the Adviser on an unsecured basis to finance investments or address general timing mismatches related to cash flows. The Fund may also have exposure to leverage through investments in Artwork Companies that may in turn incur leverage by entering into borrowing or other arrangements to finance their Artwork investments. The Fund may also obtain leverage, as further discussed below. The Fund is not limited in the form or manner in which it may incur leverage, but is limited in the amount of leverage it can incur, as further discussed below. There can be no assurances that the Fund will obtain leverage on attractive terms or in the amounts it desires.

The 1940 Act requires a closed-end fund to have asset coverage of not less than 300% of the value of the outstanding amount of senior securities representing indebtedness (as defined in the 1940 Act) at the time of the indebtedness issuance. This means that the value of the Fund's senior securities representing indebtedness may not exceed one-third of the value of its total assets (including such senior securities), measured at the time the Fund issues the senior securities. The Fund also may borrow money from banks or other lenders for temporary purposes in an amount not to exceed 5% of the Fund's assets. Such temporary borrowings are not subject to the asset coverage requirements discussed above in connection with the Fund's borrowings for investment purposes.

Leverage can have the effect of magnifying the Fund's exposure to changes in the value of its assets and may also result in increased volatility in the Fund's NAV. This means the Fund will have the potential for greater gains, as well as the potential for greater losses, than if the Fund owned its assets on an unleveraged basis. The value of an investment in the Fund will be more volatile and other risks tend to be compounded to the extent that the Fund is exposed to leverage directly or indirectly.

The above-discussed risks associated with leverage arise from leverage that the Fund obtains directly as well as from leverage that the Fund obtains indirectly through its Subsidiaries or through investments in Artwork Companies that enter into borrowing or other arrangements to finance their Artwork investments.

**Subsidiaries.** Some of the assets of the Fund are invested through one or more Subsidiaries, which, like the Fund, invest in Artwork. Under an investment management agreement with a Subsidiary, the Adviser provides a

Subsidiary with the same type of management services as the Adviser provides to the Fund. To the extent the Adviser receives compensation for providing such services to a Subsidiary, the Adviser will not receive compensation from the Fund in respect of the assets of the Fund that are invested in a Subsidiary. The Fund does not currently intend to sell or transfer all or any portion of its ownership interest in a Subsidiary. The Fund reserves the right to establish from time to time additional Subsidiaries through which the Fund may execute its strategy.

**Investments in Other Investment Companies.** The Fund may invest in the securities of other investment companies, which can include open-end funds, closed-end funds, unit investment trusts and business development companies. The Fund may invest in exchange-traded funds, which are typically open-end funds or unit investment trusts listed on a stock exchange. One reason the Fund might do so is to gain exposure to segments of the markets represented by another fund at times when the Fund might not be able to buy the particular type of securities directly. As a shareholder of an investment company, the Fund would be subject to its ratable share of that investment company's expenses, including its advisory and administration expenses. The Fund does not intend to invest in other investment companies unless the Adviser believes that the potential benefits of the investment justify the payment of any premiums or sales charges. Absent Commission exemptive or similar relief, the Fund's investments in the securities of other investment companies are subject to the limits that apply to those types of investments under the 1940 Act.

**Portfolio Turnover.** The Fund expects the portfolio turnover rate to be low. Nevertheless, the rate of portfolio turnover could change from time to time, depending upon market and legal and regulatory conditions. A high turnover rate (100% or more) generally involves greater expenses to the Fund.

### **Structure of Artwork Investments**

The Fund's Artwork investments may take the form of investments in Artwork Companies or by buying or obtaining exposure to Whole Artwork.

The Fund may invest to a significant extent in Artwork indirectly by investing in special purpose companies ("Artwork Companies") that own Artwork. Artwork Companies are typically limited liability companies formed under Delaware law by Masterworks or an affiliate of Masterworks to facilitate investment in Artwork. Investments in Artwork Companies are generally offered to investors through Regulation A offerings ("Regulation A Securities"). Regulation A is an exemption from registration under the Securities Act that generally allows smaller companies in earlier stages of development to raise money from the public in securities offerings of up to \$75 million, but with more limited disclosure requirements than what is required for publicly reporting companies, subject to certain requirements. Companies conducting Regulation A offerings must disclose information with the Commission using the EDGAR database on the Commission's website but the type and frequency of this information may differ from the information disclosed by issuers listed on a stock exchange, for example. The Artwork Company investments that the Fund acquires will have the same terms and be sold to the Fund at the same price as such shares are sold to other investors through Commission-qualified Regulation A offerings or other share issuances. The Fund will primarily acquire Artwork Company investments through Regulation A offerings or similar direct offerings but may also acquire such interests in secondary market transactions from other investors. The Adviser currently expects that a majority of the Fund's Artwork investments will take the form of investments in Artwork Companies.

Although the capital structure of Artwork Companies may change over time, Artwork Companies are expected to have capital structures with multiple classes of equity interests and substantial fees and expenses, which may materially reduce the value of the Regulation A Securities held by the Fund. The fees and expenses the Fund incurs by holding Artwork Company interests will be the same as the fees and expenses incurred by members of the public who invest in such Artwork Company interests. The Fund expects the amounts of these fees and expenses to be publicly available information.

The Fund may purchase Whole Artwork directly from Masterworks affiliates (or other similar platform affiliates), auction houses or in privately negotiated transactions with other third-party art market participants. If

the Fund purchases Whole Artwork directly or gains exposure to Whole Artwork through forwards or swaps, including prepaid forward contracts, as opposed to investment through Artwork Companies, the Fund generally expects to hold such Whole Artwork or enter into such derivatives through one or more wholly-owned and controlled subsidiaries (each, a “Subsidiary”). The Fund and the Subsidiary have entered into an administrative services agreement with Masterworks, whereby Masterworks agrees to administer relevant Artwork to be held in the Subsidiary, and for which the Fund will pay an administrative services fee to Masterworks and certain other fees associated with the procurement and/or sale of Artwork.

The Adviser intends to allocate the proceeds of this offering on a rolling basis as investment opportunities arise and funds are available to invest. The Fund’s investments will vary in size, depending on the value of the specific Artwork and the composition of the Fund at the time of the investment.

#### *Leverage*

The Fund has the power to borrow and may do so when the Adviser deems it appropriate, including to enhance the Fund’s returns and to meet repurchase requests that would otherwise result in the premature liquidation of investments. Leverage can increase the negative impact to which the Fund’s investments may be subject. In connection with a borrowing, the Fund may pledge its assets to the lender. The Fund’s use of leverage, if any, comes with inherent risks (see “Borrowing and Leverage Risk” below).

Adding leverage to the Fund’s capital structure increases the riskiness of an investment in the Shares. Any such borrowing may include pay-in-kind interest provisions and be secured by Artwork and would require full or partial repayment within a prescribed time frame, which could limit the Fund’s flexibility to hold Artwork for an indefinite time period and may require the Fund to sell or dispose of Artwork at an inopportune time.

#### *Sales and Liquidation*

The Fund and the Artwork Companies in which it invests intend to own the Artwork for an indefinite period, although the Artwork is effectively perpetually available for sale following its acquisition by the Fund or the Artwork Company, as applicable. The Adviser will be able to execute a sale of the Artwork at any time and in any manner. The board of managers of each Artwork Company, in its sole and absolute discretion, will be able to execute a sale of the Artwork representing some or all of an Artwork Company investment at any time and in any manner.

Artwork Companies will promptly distribute the proceeds of any such sale to their members, including the Fund, in accordance with their respective operating agreements and dissolve. When the Fund receives such distribution, Stone Ridge will expect to reinvest the proceeds. Likewise, if the Fund invests in Whole Artwork, when such Whole Artwork is sold, the Subsidiary may distribute the net proceeds to the Fund. The Fund does not currently intend to make distributions to Shareholders other than as required by the Internal Revenue Code of 1986, as amended for the Fund to qualify for treatment as a RIC and eliminate a Fund-level tax, with respect to repurchases and will generally reinvest any proceeds from the sale of investments.

The Fund may also sell its Artwork Company investments, in which case the Fund may be required to pay customary underwriting fees and commissions to an underwriter in connection with such transaction.

The Fund expects to acquire Artwork Company investments in primary Regulation A offerings, and the Fund also may buy or sell Artwork Company investments in privately negotiated secondary transactions or on alternative trading systems on which such shares may be traded, such as on a secondary market sponsored by Masterworks or another Artwork platform sponsor. The Fund may also exercise its rights to qualify the resale of Artwork Company interests pursuant to Regulation A. The Fund will have limited redemption rights from an Artwork Company and its ability to sell Artwork Company interests could be adversely affected by various factors, including limited trading volumes or legal restrictions. While certain Artwork Company interests may trade in a secondary market in the future, there is no assurance that any secondary trading market will develop or provide sufficient liquidity for the Fund to be able to liquidate its holdings of an Artwork Company.

In any transaction involving a sale of Artwork, there may be fees and/or costs associated with services provided by intermediaries in the Artwork market which would ultimately reduce the proceeds the Fund would receive in connection with the sale of Artwork.

## **Risk Considerations**

*You should carefully consider the Fund's risks and investment objective, as an investment in the Fund may not be appropriate for all investors or clients and is not designed to be a complete investment program. 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, you should (i) consider the suitability of this investment with respect to an investor's or a client's investment objectives and individual situation and (ii) consider factors such as an investor's or a 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 the investment.*

## **Artwork Investment Risks**

**The Fund will, at least initially, operate as a “non-diversified” fund under the 1940 Act.** The Fund was formed to facilitate investment in Artwork. The Fund will primarily invest, directly or indirectly, in Artwork and will have limited exposure to other assets that could generate income. Such lack of diversification creates a concentration risk that may make an investment in the Shares riskier than an investment in a more diversified pool of assets or business with more varied operations. The value of the Artwork held by the Fund may not track the overall art market or any segment of the art market, which do not rise or fall uniformly.

**There is no assurance of appreciation of Artwork or sufficient cash distributions resulting from the ultimate sale of the Artwork.** There is no assurance that the Artwork will appreciate, maintain its present value, or be sold at a profit. The marketability and value of the Artwork will depend upon many factors beyond the Fund's control. There can be no assurance that there will be a ready market for the Artwork, since investment in art is generally illiquid, nor is there any assurance that sufficient cash will be generated from the sale of Artwork to compensate investors for their investment.

**Risks of fluctuations in demand for Artwork generally or Artwork by specific artists.** A downturn or slowdown in the demand for Artwork generally or Artwork by specific artists caused by adverse economic or environmental conditions or other events may have a greater impact on the value of the Fund's assets or operating results than if the Fund had invested its assets across more industries or sectors.

In addition to general economic conditions that could result in a downturn or slowdown in demand for Artwork, the Fund's performance will be impacted by shifts in demand for specific types of Artwork and artists. Such shifts in demand could affect particular segments of the Artwork market (e.g., Post-War or Contemporary Art fall out of favor with collectors and investors) or particular artists (e.g., information is discovered about a particular artist that causes negative perceptions about that artist and accordingly reduces the demand for Artwork created by that artist). The Adviser bases a substantial part of its investment strategy on the belief that Artwork values for the types of Artwork the Fund intends to invest in will improve over time. There is no assurance as to the extent Artwork values will improve. A variety of economic and other factors could cause the value of these assets to decline, which could adversely affect the Fund's performance.

**Investing in Artwork subjects the Fund to valuation risk.** The Fund is subject to valuation risk. Valuation risk is the risk that Artwork in which the Fund invests are priced incorrectly. This may occur due to factors such as incomplete data, market instability, human error or the inherently imprecise nature of valuing Artwork given the illiquid nature of the asset class and limited sales information that would allow for price discovery. The Adviser intends to address this by employing a rigorous fair valuation process, with oversight from the Trust's Board of Trustees, that is designed to take into account all relevant information that may bear on the fair value of Artwork. Masterworks, other similar platforms and Masterworks AS may provide the Fund with certain inputs or

information (e.g., information on auction sales) that the Adviser may consider in determining the fair value of Artwork held by the Fund. While The Adviser may consider inputs provided by Masterworks, other similar platforms and Masterworks AS, it does not rely on such inputs and takes into consideration a variety of factors and inputs from other sources in determining the fair value of Artwork held by the Fund. There is the risk that Artwork in which the Fund invests are priced incorrectly due to issues arising from potential conflicts of interests of the Adviser, Masterworks, other similar platforms or Masterworks AS with respect to fair valuation of Artwork. In providing inputs for making fair valuation determinations, Masterworks or other similar platforms may be subject to potential conflicts of interest due to certain incentives to provide inputs or information that result in higher valuations of Artwork as a general matter given their interest in seeing Artwork as an asset class perform well. The Adviser and the Fund have adopted compliance policies and procedures with respect to fair valuation process that are designed to avoid and mitigate potential conflicts of interest. If the Fund ascribes a higher value to assets and their value subsequently drops or fails to rise because of market factors, returns on the Fund's investment may be lower than expected and investors could experience losses.

The Fund's investments are generally expected to be fair valued by the Adviser Valuation Committee as defined under, and in accordance with the procedures described under, "Determination of Net Asset Value" below. Such fair valuations may take into account information provided by third-party service providers or valuation agents. There is no assurance that the Fund could sell Artwork for the value established for it at any time and it is possible that the Fund would incur a loss because Artwork is sold at a discount to its established value. For non-cash generating assets, such as fine art, valuation is heavily reliant on an analysis of publicly available sales history of similar artwork. Experts often differ on which historical sales are comparable and the degree of comparability and the data set used is not comprehensive because private sales data is generally unavailable. If assets are mispriced, shareholders could lose money upon sale in connection with a periodic repurchase offer or could pay too much for Shares purchased.

**An investment in Artwork is subject to various risks, any of which could materially impair the value of the Artwork in the Fund or in the Artwork Companies and the market value of the Shares.** Investing in Artwork is subject to the following risks:

- *Authenticity.* Claims with respect to the authenticity of a work may result from incorrect attribution, uncertain attribution, lack of certification proving the authenticity of the artwork, forgery of a work of art, or falsification of the artist's signature. The Fund and Artwork Companies generally obtain representations of authenticity from sellers, but these representations may not effectively eliminate the risk.
- *Provenance.* Claims related to provenance, or history of ownership, allege that an artwork has an uncertain or false origin. Buyers may also negatively perceive some elements of the prior ownership history. With respect to the Artwork, buyers may negatively perceive the Fund's ownership or the ownership of Artwork Companies in the Artwork when considering a purchase.
- *Condition.* The physical condition of an artwork over time is dependent on technical aspects of artistic workmanship, including the materials used, the manner and skill of application, handling and storage and other factors.
- *Physical Risks.* The Artwork is subject to potential damage, destruction, devastation, vandalism or loss as a result of natural disasters (flood, fire, hurricane), crime, theft, illegal exportation abroad, etc. While the Fund (with respect to Whole Artwork) and the Artwork Companies (with respect to Artwork they hold) will maintain insurance coverage to protect against such risks, such insurance coverage may be inadequate to fully compensate the Fund or an Artwork Company should this risk materialize.
- *Legal Risks.* Ownership of the Artwork is prone to a variety of legal challenges, including challenges to title, nationalization, purchase of work of art from unauthorized person, money laundering, violation of legal regulations and restitution issues. Purchasing from major auction houses and reputable galleries can reduce, but not eliminate, these risks.

- *Market Risks.* The art market is prone to change due to a variety of factors, including changes in transaction costs, substantial changes in fees, tax law changes, export licenses, changes in legal regulations, changes in attitudes toward art as an investment, changes in tastes, and changes in supply, such as the liquidation of a major collection.
- *Economic Risks.* Because the demand for art is largely driven by wealthy individuals, economic events impacting the wealth of such individuals may impact the demand for art and therefore the value of art.
- *Fraud Risk.* The art market is prone to abusive practices, including price manipulation, disguised agencies, and lack of transparency.

Although Stone Ridge, Masterworks and potentially other Fund service providers will conduct due diligence in connection with any purchase of Artwork by the Fund or any Artwork Company, no amount of due diligence can completely insulate a buyer against these risks and if any of these risks materialize, the value of the Artwork may decline, and the value of the Shares would be adversely affected.

**The Fund and Artwork Companies may not be able to find buyers for the Artwork at reasonable prices.**

Art can be a highly illiquid asset and objects can go unsold when sent to auction. Even in the event that the Fund or an Artwork Company attempts to sell Artwork, the Fund cannot guarantee that there will be a buyer at any reasonable price. Additionally, if the Artwork does go to an auction sale and is not sold, such failure could reduce the value of the Artwork in the marketplace and make it more difficult to sell in the future. As an additional source of potential liquidity, the Fund may sell its Whole Artwork through a transaction on the Masterworks Platform, or another similar platform, whereby the Whole Artwork would be sold to an Artwork Company and the Fund may retain a portion of its investment in such Whole Artwork by receiving Artwork Company interests or may receive cash or some combination of Artwork Company interests and cash. In such a transaction, the Artwork Company would pay the Fund for the Whole Artwork with cash and/or its shares in an amount equal to the fair value of the Whole Artwork, less any fees, commissions and other expenses incurred in connection with such transactions, which may be significant. While providing another source of potential liquidity for the Fund, this option may subject the Fund to additional transaction costs and the ability to utilize this option is dependent on investor demand for Artwork Companies, and other market conditions.

**Artwork may be sold at a loss.** Any sale of Artwork could be executed at an inopportune time and potentially at a loss. The Fund and Artwork Companies in which the Fund invests intend to hold Artwork for an extended period of time. However, the Fund may elect to sell at a loss if it is determined that such a transaction would be necessary to meet its repurchase obligations or in the event of a liquidation of the Fund. Circumstances may arise that may compel the Fund or Artwork Companies to sell the Artwork at an inopportune time and potentially at a loss, such as if the Fund or such Artwork Company faces litigation or regulatory challenges. Investors should be prepared to hold their Shares for an indefinite period of time, as there can be no assurance that the Shares can ever be resold or that Artwork can ever be sold or that sale of all Artwork would occur at a price that would result in a profit for the Fund.

**Masterworks is a relatively new company that has a limited track record.** Masterworks launched in 2017 and therefore has a limited history from which to judge its performance and business model. There can be no assurances of the future success of the Masterworks business model or online platform.

**Masterworks', or other similar platforms', retail-oriented business may be susceptible to the stresses of the current economic environment.** As a retail-oriented business, the ability for Masterworks or other similar platforms to sell Regulation A Securities or to obtain or sell art may be affected by the overall economic environmental factors, including general economic, political or financial market conditions; investor sentiment and market perceptions (including perceptions about monetary policy, interest rates, inflation or the risk of default); government actions (including protectionist measures, intervention in the financial markets or other regulation, and changes in fiscal, monetary or tax policies); geo-political events or changes (including natural disasters, epidemics or pandemics, terrorism and war); and factors related to a specific geography, industry or

sector. Foreign financial markets have their own market risks, and they may be more or less volatile than U.S. markets and may move in different directions. During those periods, the value of the Fund's investments may experience high levels of volatility and the Fund may have to sell Artwork at times when it would otherwise not do so, and at unfavorable prices. Volatility in financial markets also may cause the Fund to experience increased levels of repurchase requests. These risks may be exacerbated during economic downturns or other periods of economic stress.

**The costs associated with investing in and maintaining Artwork, particularly Whole Artwork, may detract from Fund performance.** As explained further in the "Cash Positions and Temporary Defensive and Interim Investments" section of the prospectus, the Fund will need to hold certain amounts of cash or cash equivalents to cover maintenance and insurance costs and fees, and such cash or cash-equivalent holdings may detract from Fund performance. While all commercial mutual funds have costs and/or fees, those costs and fees mean that if the value of the Fund's assets remain stagnant, the Fund will operate at a loss.

**Artwork Companies in which the Fund invests have limited liquidity, and the Fund cannot make decisions regarding whether to hold or sell Artwork Company Artwork.** The Artwork Companies in which the Fund invests are currently illiquid investment vehicles, and the Fund's ability to sell Artwork Company investments may be limited by various factors, including, for example, legal restrictions on resale, limited secondary market trading volumes (if any), and other factors that limit liquidity and the demand for Artwork Companies. For example, the transfers of interests purchased in Artwork Company offerings sponsored by Masterworks, or other similar platforms, other than those transfers required by operation of law, are only permitted on a trading platform approved by Masterworks, or other similar platforms, or in privately negotiated transactions approved by the issuer. The Artwork Companies in which the Fund invests are managed by a third-party art management firm and a board of managers that is unaffiliated with the Fund or the Adviser, and that third-party firm has control over decisions with respect to when to continue to hold Artwork and when to sell such Artwork. The Fund does not have any input into decisions with respect to whether an Artwork Company in which the Fund invests should hold or sell Artwork held by the Artwork Company. Accordingly, an Artwork Company may determine to continue to hold Artwork at a time when the Fund or the Adviser believes it should sell such Artwork or may determine to sell Artwork at a time the Fund or the Adviser believes it should continue to hold such Artwork. This inability to make investment decisions with respect to certain Artwork held by the Fund indirectly through Artwork Companies may limit the ability of the Fund to achieve its investment objective or meet the Fund's liquidity needs. The Artwork Companies and the Artwork held by the Artwork Companies are not subject to the protections of the 1940 Act or the Investment Advisers Act of 1940.

**The Fund could be exposed to losses in the event of title or authenticity claims.** The buying and selling of artwork can involve potential claims regarding title, provenance and or authenticity of the artwork. Authenticity risk related to works of art may result from incorrect attribution, uncertain attribution, lack of certificate proving the authenticity of the artwork, purchase of a non-authentic artwork, or forgery. In the event of a title or authenticity claim against the Fund or an Artwork Company by a buyer of Artwork from the Fund or the Artwork Company, the Fund or such Artwork Company, as applicable, would seek recourse against the seller of the Artwork pursuant to authenticity and title representations obtained at the time of purchase, but a claim could nevertheless expose the Fund to losses. A title or authenticity claim may result in a decline in the value of the Artwork held by the Fund, which may adversely impact the value of Fund Shares.

**Ownership of an artist's work may be concentrated, and any large-scale divestiture of a collection could negatively affect prices.** If any major collector were to liquidate a large number of paintings by a particular artist, the supply and demand dynamic could shift materially. A significant increase in the number of paintings by such artist available for sale could reduce prices.

**Artwork could be subject to damage, theft or deterioration in condition, which could have a material adverse effect on the value of the Artwork.** The Fund plans to store the Artwork in a protected environment with security measures, but no amount of security can fully protect a painting from damage or theft. The damage

or theft of valuable property, despite these security measures could have a material adverse impact on the value of the Artwork and, consequently, the value of the Shares. The Fund (with respect to Whole Artwork) and Artwork Companies (with respect to Artwork they hold) generally expect to maintain insurance covering the risks of damage or loss events with respect to such Artwork adequate to restore the economic value of the Artwork should such a damage or loss event occur, and expect to periodically adjust the coverage limits on such insurance policies to reflect changes in the market values of the covered Artwork. However, there can be no assurance that any such coverage and the proceeds received for a damage/loss event would be adequate to restore the economic value of the Artwork, which could decrease the value of the Artwork held by the Fund. Although insurance coverage maintained by the Fund is not expected to cover title or authenticity claims, if such a claim were to arise, the Fund and/or the applicable Artwork Companies are expected to have contractual recourse against the seller from whom the Artwork was acquired and from whom the Fund and/or Artwork Companies will obtain representations of authenticity from. However, there can be no assurance that such contractual recourse would be adequate to make the Fund whole for any associated losses.

**The Fund's Whole Artwork generally will be custodied with a third party service provider in a secure warehouse facility.** The Fund's Whole Artwork holdings will be custodied with a third party service provider in secure warehouse facilities that the Adviser believes will mitigate the risk of loss or damage to such Whole Artwork. However, there can be no assurances that Whole Artwork stored in these facilities will not suffer damages or other losses. The Fund generally expects to maintain insurance for damage/loss events for its Whole Artwork when insurance coverage is commercially reasonable, but there can be no assurances that any such coverage and the proceeds received for a damage/loss event would be adequate to restore the economic value of the Whole Artwork, which could decrease the value of the Whole Artwork held by the Fund. Furthermore, certain scenarios that could lead to damages or loss of the Whole Artwork may not be covered under the applicable insurance policy. The Fund has adopted policies and procedures addressing the Fund's Whole Artwork custodial arrangements that are designed to mitigate the risks of physical loss or damage to its Whole Artwork, but there can be no assurance these measures will be successful.

**Changes in opinions by experts in the artwork regarding authenticity could reduce or eliminate the value of the Artwork.** Authenticity is often determined by art experts, and opinions often matter more than scientific data. If a well-respected art expert were to opine negatively on the authenticity of any of the Artwork in the Fund, it could reduce or eliminate the value of the Artwork.

**Insurance coverage for the Artwork may be inadequate, does not cover title claims and may not cover all possible contingencies, exposing the Fund to losses resulting from the damage or loss of the Artwork.** The Fund (with respect to Whole Artwork) and Artwork Companies (with respect to Artwork they hold) generally expect to maintain insurance covering the risks of damage or loss events with respect to such Artwork adequate to restore the economic value of the Artwork should such a damage or loss event occur. The Fund aims to maintain insurance at scheduled values which, at any given point in time may be below fair market value and therefore insurance proceeds may be insufficient to recoup all losses. In addition, the Fund's art insurance coverage does not cover title claims and may expressly exclude damage caused by force majeure and certain other potential loss scenarios. Accordingly, in the event of a successful claim that the Fund does not have valid title and ownership to the Artwork, the Fund would rely solely on the representations obtained from the seller to compensate it for such losses, which may prove to be inadequate. In addition, uncovered damage or destruction of any of the Artwork in the Fund that is not fully covered by insurance could have a material adverse impact on the value of the Shares.

**Industry sales cycles are unpredictable.** Purchase behavior by collectors is unpredictable. Adverse economic conditions may create a downturn in art collectors' demand for art or ability to buy art, which would negatively affect the Fund's and Artwork Companies' ability to sell its Artwork. As outlined in the "Artwork Selection" above, the Fund intends to invest in Artwork that meets certain criteria. The Fund cannot guarantee those styles of Artwork will match or outperform other categories of art. Shifting art trends could result in reduced profitability or a loss upon the sale of any or all of the Artwork in the Fund.



**Purchasing Artwork in privately negotiated transactions may involve greater risk than purchasing Artwork at public auction.** There are differences between purchasing Artwork in a private transaction and purchasing at a public auction. Auctions are generally conducted by large companies that may perform higher levels of research and due diligence than private galleries or agents. Auction houses may have greater financial and other resources as compared to private galleries and agents. Accordingly, if an authenticity claim were to arise, an auction house may have greater financial resources (and or higher levels of insurance coverage) to be able to address such claims than private galleries or agents. By contrast, private galleries and agents are largely unregulated and operate under general legal principles of agency which do not necessarily require the level of fairness, transparency and disclosure that apply to public auctions. Accordingly, there may be higher risks attendant to purchasing Artwork in privately negotiated transactions.

### **Additional Risk Factors**

**Risk of Investments in Other Pooled Investment Vehicles.** Investing in another pooled investment vehicle exposes the Fund to all of the risks of that vehicle's investments. The Fund bears its pro rata share of the expenses of any such vehicle, in addition to its own expenses. The values of other pooled investment vehicles are subject to change as the values of their respective component assets fluctuate. The Fund's investments in such vehicles will be dependent upon the investment and research abilities of persons other than the Adviser.

**Borrowing and Leverage Risk.** The Fund and its Subsidiaries intend to obtain financing to make investments and/or to fund Share repurchases. Such use of borrowing results in leverage, which magnifies the Fund's exposure to declines in the value of any Artwork acquired through such borrowing or creates investment risk with respect to a larger pool of assets than the Fund would otherwise have and may be considered a speculative technique. For example, if the Fund obtains structural leverage that finances its investments, a decrease in the value of those investments will negatively impact the Fund's net asset value to a greater extent than if the Fund had not used leverage. The value of an investment in the Fund will be more volatile and other risks tend to be compounded if and to the extent that the Fund borrows or uses investments that have embedded leverage. Engaging in such transactions may cause the Fund to liquidate its investments when it may not be advantageous to do so to satisfy its obligations. The Fund may also enter into borrowing arrangements with the Adviser or an affiliate of the Adviser on an unsecured basis to finance investments or address general timing mismatches related to cash flows. Borrowing from the Adviser or an affiliate of the Adviser, like the use of other borrowing arrangements, increases the Fund's exposure to the decline in the value of any Artwork acquired through such borrowing.

Market conditions may unfavorably impact the Fund's ability to secure borrowings on favorable or commercially feasible terms. Although the Fund's borrowings are typically secured by investments held by the Fund, such borrowings may be on a secured or unsecured basis, and at fixed or variable rates of interest. Borrowing will also cost the Fund interest expense and other fees. The costs of borrowing will reduce the Fund's return. Unless the rate of return, net of applicable Fund expenses, on the Fund's investments exceeds the costs to the Fund of the leverage it utilizes, the investment of the Fund's net assets attributable to leverage will generate less income than will be needed to pay the costs of the leverage and the facility fees that the Fund pays, resulting in a loss to the Fund even if the rate of return on those assets is positive. To the extent the Fund is able to secure financing, fluctuations in interest rates could increase the costs associated with the Fund's use of certain forms of leverage, and such costs could reduce the Fund's return.

The 1940 Act requires a closed-end fund to have asset coverage of not less than 300% of the value of the outstanding amount of senior securities representing indebtedness (as defined in the 1940 Act) at the time of the indebtedness issuance and generally requires a closed-end fund to make provision to prohibit the declaration of any dividend (except a dividend payable in stock of the fund) or distribution on the fund's stock or the repurchase of any of the fund's stock, unless, at the time of the declaration or repurchase, there is asset coverage of at least 300%, after deducting the amount of the dividend, distribution or purchase price, as the case may be. To satisfy 1940 Act requirements in connection with leverage or to meet obligations, the Fund may be required to dispose of portfolio instruments when such disposition might not otherwise be desirable. Engaging in such transactions may cause the Fund to liquidate positions when it may not be advantageous to do so to satisfy its obligations.

Because, as discussed in more detail under “Illiquidity Risk” below, the Fund’s portfolio will be substantially illiquid, any such disposition or liquidation could result in losses to the Fund. There can be no assurances that the Fund’s use of leverage will be successful.

The Fund’s ability to obtain leverage through borrowings is dependent on its ability to establish and maintain appropriate lines of credit or other borrowing facilities. The above-described risks associated with leverage arise from leverage that the Fund obtains directly as well as from leverage the Fund obtains indirectly through its Subsidiaries or through investments in Artwork Companies that enter into borrowing or other arrangements to finance their Artwork investments. The Fund’s borrowings may be secured by investments held by Subsidiaries of the Fund. The Subsidiaries of the Fund that pledge investments to secure the Fund’s borrowings are typically separate bankruptcy-remote entities formed for the purpose of holding specific securities and pledging those securities to secure the Fund’s borrowing. The assets of any such Subsidiary are not available to other creditors, or to any other Subsidiary or the Fund, except to the extent of permitted distributions made to the Fund.

Although the Fund’s borrowings are typically secured by investments held by the Fund, such borrowings may be on a secured or unsecured basis, and at fixed or variable rates of interest. Borrowing gives rise to interest expense and may require the Fund to pay other fees. The costs of borrowing will reduce the Fund’s return. Unless the rate of return, net of applicable Fund expenses, on the Fund’s investments exceeds the costs to the Fund of the leverage it utilizes, the investment of the Fund’s net assets attributable to leverage will generate less income than will be needed to pay the costs of the leverage and the facility fees that the Fund or its Subsidiaries pay, resulting in a loss to the Fund even if the rate of return on those assets is positive. The Fund’s ability to obtain leverage through borrowings is dependent on its ability to establish and maintain appropriate lines of credit or other borrowing facilities. The Fund’s borrowings may impose financial and operating covenants that restrict the Fund’s business activities, including limitations that could hinder the Fund’s ability to make additional investments and/or to fund Share repurchases. Market conditions may unfavorably impact the Fund’s or its Subsidiaries’ ability to secure borrowings on favorable or commercially feasible terms.

**Illiquidity Risk.** The Fund may invest without limitation in illiquid investments. Artwork is generally an illiquid asset class. Illiquidity risk is the risk that the investments held by the Fund may be difficult or impossible to sell at the time that the Fund would like without significantly changing the market value of the investment.

The Fund and Artwork Companies may not be able to find buyers for the Artwork at reasonable prices, and Artwork can go unsold when sent to auction. Even in the event that the Fund or an Artwork Company attempts to sell Artwork, the Fund cannot guarantee that there will be a buyer at any reasonable price. Additionally, if the Artwork does go to an auction sale and is not sold, such failure could reduce the value of the Artwork in the marketplace and make it more difficult to sell in the future. As an additional source of potential liquidity, the Fund may sell its Whole Artwork through a transaction on the Masterworks Platform, or another similar platform, whereby the Whole Artwork would be sold to an Artwork Company and the Fund may retain a portion of its investment in such Whole Artwork by receiving Artwork Company interests or may receive cash or some combination of Artwork Company interests and cash. In such a transaction, the Artwork Company would pay the Fund for the Whole Artwork with cash and/or its shares in an amount equal to the fair value of the Whole Artwork, less any fees, commissions and other expenses incurred in connection with such transactions, which may be significant. While providing another source of potential liquidity for the Fund, this option may subject the Fund to additional transaction costs and the ability to utilize this option is dependent on investor demand for Artwork Companies, and other market conditions.

The Fund expects to acquire Artwork Company investments in primary Regulation A offerings, and the Fund also may buy or sell Artwork Company investments in privately negotiated secondary transactions or on alternative trading systems on which such shares may be traded, such as on a secondary market sponsored by Masterworks or another artwork platform sponsor. The Fund may also exercise its rights to qualify the resale of Artwork Company interests pursuant to Regulation A. The Fund will have limited redemption rights from an Artwork Company and its ability to sell Artwork Company interests could be adversely affected by various factors, including limited trading volumes or legal restrictions. While certain Artwork Company interests may

trade in a secondary market in the future, there is no assurance that any secondary trading market will develop or provide sufficient liquidity for the Fund to be able to liquidate its holdings of an Artwork Company.

The Fund's ability to realize full value in the event of the need to liquidate certain assets may be impaired and/or result in losses to the Fund. The Fund may be unable to sell its investments, even under circumstances when the Adviser believes it would be in the best interests of the Fund to do so. Illiquid investments may also be difficult to value and their pricing may be more volatile than more liquid investments, which could adversely affect the price at which the Fund is able to sell such instruments. Illiquidity risk also may be greater in times of financial stress. The risks associated with illiquid instruments may be particularly acute in situations in which the Fund's operations require cash (such as in connection with repurchase offers) and could result in the Fund borrowing to meet its short-term needs or incurring losses on the sale of illiquid investments.

**Government Securities Risk.** The Fund may invest in securities issued or guaranteed by the U.S. government (including U.S. Treasury obligations that differ in their interest rates, maturities and times of issuance) or its agencies and instrumentalities (such as the Government National Mortgage Association (Ginnie Mae), the Federal National Mortgage Association (Fannie Mae) or the Federal Home Loan Mortgage Corporation (Freddie Mac)). U.S. government securities are subject to market risk, risks related to changes in interest rates and credit risk. Securities, such as those issued or guaranteed by Ginnie Mae or the U.S. Treasury, that are backed by the full faith and credit of the United States are guaranteed only as to the timely payment of interest and principal when held to maturity and the market prices for such securities will fluctuate. Notwithstanding that these securities are backed by the full faith and credit of the United States, circumstances could arise that would prevent the payment of interest or principal. This would result in losses to the Fund.

**Market Risk.** The value of the Fund's investments may decline due to general economic conditions that are not specifically related to a particular issuer, such as real or perceived adverse economic or political conditions throughout the world, changes in interest or currency rates or adverse investor sentiment generally. The value of the Fund's investments also may decline because of factors that affect the market for Post-War and/or Contemporary Art.

**Management and Operational Risk.** The Fund is subject to management risk because it relies on the Adviser's ability to achieve its investment objective. The Fund runs the risk that the Adviser's investment techniques will fail to produce desired results and cause the Fund to incur significant losses. The Adviser and other Fund service providers may fail to make Artwork investments that produce returns sufficient to cover the costs of the Fund's operations and the costs associated with holding Artwork.

The Fund also is subject to the risk of loss as a result of other services provided by the Adviser and other service providers, including pricing, administrative, accounting, tax, legal, custody, transfer agency and other services. Operational risk includes the possibility of loss caused by inadequate procedures and controls, human error and cyber attacks, disruptions and failures affecting, or by, a service provider.

**Operational and Technology Risk.** Because the Fund depends on electronic systems maintained by the Custodian and other Fund service providers and their affiliates to maintain records, evidence ownership of the Fund's investments, appropriately safeguard such investments and to service and administer such investments, the Fund is vulnerable to the risks associated with such electronic systems, including, among others: power loss, computer systems failures and internet, telecommunications or data network failures; operator negligence or improper operation by, or supervision of, employees; physical and electronic loss of data or security breaches, misappropriation and similar events; computer viruses; cyber attacks, intentional acts of vandalism and similar events; and hurricanes, fires, floods and other natural disasters.

**Derivatives Risk.** The Fund may invest in futures contracts or forward contracts in order to hedge its exposure to foreign exchange risks that arise as a result of its investments. The Fund also may gain investment exposure to Whole Artwork through forwards or swaps, including prepaid forward contracts. If the Fund gains exposure to Whole Artwork through forwards or swaps, including prepaid forward contracts, the Fund generally expects to hold such derivatives through one or more Subsidiaries, but the Fund also may enter into such derivatives directly. The use of derivatives involves risks that are in addition to, and potentially greater than, the risks of

investing directly in securities and other more traditional assets. Derivatives are financial contracts the value of which depends on, or is derived from, an asset or other underlying reference. Derivatives involve the risk that changes in their value may not move as expected relative to changes in the value of the underlying investment they are designed to track. See the Statement of Additional Information for additional information of the various types and uses of derivatives in the Fund's strategies.

Certain derivatives in which the Fund may invest trade over-the-counter ("OTC"), which means that they are not traded on exchanges or standardized; rather, banks and dealers act as principals in these markets negotiating each transaction on an individual basis. There have been periods during which certain banks or dealers have refused to quote prices for OTC derivatives contracts or have quoted prices with an unusually wide spread between the price at which they are prepared to buy and the price at which they are prepared to sell. There is no limitation on the daily price movements of OTC derivatives. Principals in the OTC derivatives markets have no obligation to continue to make markets in the OTC derivatives traded.

The Fund may be required to provide more margin for its derivatives investments during periods of market disruptions or stress. Derivatives also present other risks described herein, including market risk and illiquidity risk. OTC derivatives are generally highly illiquid. The Fund's use of derivatives may not be effective or have the desired results. Moreover, suitable derivatives will not be available in all circumstances. The Adviser may decide not to use derivatives to hedge or otherwise reduce the Fund's risk exposures, potentially resulting in losses for the Fund.

Many derivatives have embedded leverage (i.e., a notional value in excess of the assets needed to establish and/or maintain the derivative position). Derivatives in which the Fund may invest may have embedded leverage, depending on their specific terms. As a result, adverse changes in the value or level of the underlying investment may result in a loss substantially greater than the amount invested in the derivative itself. See "— Borrowing and Leverage Risk" above.

The Fund's use of OTC derivatives exposes it to the risk that the counterparties will be unable or unwilling to make timely settlement payments or otherwise honor their obligations. If the counterparty defaults, the Fund will still have contractual remedies but may not be able to enforce them. The Fund may invest in derivatives with a limited number of counterparties, and events affecting the creditworthiness of any of those counterparties may have a pronounced effect on the Fund.

When entering into derivatives transactions, the Fund is typically required to post margin. Significant market movements may result in the Fund being required to post comparatively large initial or ongoing margin amounts with counterparties and may require that the Fund post additional margin on short time frames, potentially requiring the Fund to sell other assets at inopportune times and/or to close derivatives positions prematurely, either of which could cause the Fund to suffer losses.

In connection with entering into certain types of derivatives transactions (e.g., options and futures contracts), the Fund may post margin directly to a broker or futures commission merchant ("FCM"), which will typically re-hypothecate that margin (i.e., use the margin posted by the Fund for its own transactions, including as collateral in another transaction by the broker or FCM) to a clearinghouse or another broker or FCM. Prior to re-hypothecation, margin so posted may be held in commingled accounts with margin from other clients of that broker or FCM. The margin maintained by these brokers and FCMs is not subject to the regulatory protections provided by bank custody arrangements commonly employed by investment companies. If margin posted to a broker or FCM is re-hypothecated, neither the Fund nor the broker or FCM, as applicable, will have possession of the margin. Margin posted by the Fund to a broker or FCM is exposed to the credit risk and fraud risk of that broker or FCM. There is generally no limit on the amount of margin that the Fund may post directly to a single broker or FCM or to all brokers and FCMs, and the Fund typically posts a significant portion of its assets in this manner. As a result, at any time the Fund may have substantial credit exposure to one or more brokers and/or FCMs. In the event of the insolvency or liquidation of a broker or FCM to whom the Fund has posted collateral, the Fund is likely to experience substantial delays in recovering its margin, or it may not be able to recover it at all. Any inability or unwillingness of a broker or FCM to meet its obligation to return margin to the Fund,

including by reason of insolvency or liquidation, or any improper activity involving such broker or FCM would likely result in a substantial loss to the Fund. In some foreign (non-U.S.) markets, brokerage arrangements may provide significantly less protection than in the U.S., potentially exposing the Fund to credit and other risks that it does not have in the U.S.

In October 2020, the Commission adopted Rule 18f-4 under the 1940 Act (“Rule 18f-4”) providing for the regulation of a registered investment company’s use of derivatives and certain related instruments. The Fund intends to qualify as a “limited derivatives user” under Rule 18f-4, and, therefore, it is required to limit its derivatives exposure (excluding derivatives transactions used to hedge certain currency or interest rate risks) to 10% of its net assets, and to maintain written policies and procedures reasonably designed to manage its derivatives risk. Compliance with Rule 18f-4 will restrict the Fund’s ability to engage in certain derivatives transactions.

Specific risks involved in the use of certain types of derivatives in which the Fund may invest include:

*Forwards Risk.* Forward contracts are subject to some of the same risks as futures described above. However, forwards are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets negotiating each transaction on an individual basis. Trading in forward contracts is generally unregulated. There is no limitation on the daily price movements of forward contracts. Principals in the forward markets have no obligation to continue to make markets in the forward contracts traded. There have been periods during which certain banks or dealers have refused to quote prices for forward contracts or have quoted prices with an unusually wide spread between the price at which they are prepared to buy and that at which they are prepared to sell. Disruptions can occur in the forward markets because of unusually high trading volume, political intervention or other factors. For example, the imposition of credit controls by governmental authorities might limit forward trading, to the possible detriment of the Fund. Prepaid forward contracts, which require the buyer to pay the seller the forward price at the time the parties enter into the contract or at a date earlier than the settlement date, are subject to some of the same risks as other forward contracts described here.

*Swaps Risk.* The use of swaps involves investment techniques and risks that are different from those associated with portfolio security transactions. These instruments typically are not traded on exchanges; under recently adopted rules and regulations, however, transactions in some types of swaps (including interest rate swaps and credit default swaps on North American and European indices) are required to be centrally cleared (“cleared swaps”). For OTC swaps, there is a risk that the other party to certain of these instruments will not perform its obligations to the Fund or that the Fund may be unable to enter into offsetting positions to terminate its exposure or liquidate its position under certain of these instruments when it wishes to do so. Such occurrences could result in losses to the Fund. For cleared swaps, the Fund’s counterparty is a clearinghouse rather than a bank or broker. Since the Fund is not a member of the clearinghouses and only members of a clearinghouse (“clearing members”) can participate directly in the clearinghouse, the Fund holds cleared swaps through accounts at clearing members. In cleared swaps, the Fund makes payments (including margin payments) to and receives payments from a clearinghouse through its account at clearing members. Clearing members guarantee performance of their clients’ obligations to the clearinghouse.

In some ways, cleared swap arrangements are less favorable to funds than bilateral arrangements. For example, the Fund may be required to provide more margin for cleared swaps positions than for bilateral derivatives positions. Also, in contrast to a bilateral derivatives position, following a period of notice to the Fund, a clearing member generally can require termination of an existing cleared swap position at any time or an increase in margin requirements above the margin that the clearing member required at the beginning of a transaction. Clearinghouses also have broad rights to increase margin requirements for existing positions or to terminate those positions at any time. Any increase in margin requirements or termination of existing cleared derivatives positions by the clearing member or the clearinghouse could interfere with the ability of the Fund to pursue its investment strategy. Further, any increase in margin requirements by a clearing member could expose the Fund to greater credit risk to

its clearing member because margin for cleared swaps positions in excess of a clearinghouse's margin requirements typically is held by the clearing member. Credit risk of market participants with respect to derivatives that are centrally cleared is concentrated in a few clearinghouses, and it is not clear how an insolvency proceeding of a clearinghouse would be conducted and what impact an insolvency of a clearinghouse would have on the financial system. The Fund might not be fully protected in the event of the bankruptcy of the Fund's clearing member because the Fund would be limited to recovering only a pro rata share of the funds held by the clearing member on behalf of customers for cleared derivatives. Although a clearing member is required to segregate assets from customers with respect to cleared derivatives positions from the clearing member's proprietary assets, if a clearing member does not comply with the applicable regulations, or in the event of fraud or misappropriation of customer assets by a clearing member, the Fund could have only an unsecured creditor claim in an insolvency of the clearing member with respect to the assets held by the clearing member.

Also, the Fund is subject to risk if it enters into a derivatives transaction that is required to be cleared (or that the Adviser expects to be cleared), and no clearing member is willing or able to clear the transaction on the Fund's behalf. In those cases, the position might have to be terminated, and the Fund could lose some or all of the benefit of the position, including loss of an increase in the value of the position and loss of hedging protection. In addition, the documentation governing the relationship between the Fund and clearing members is drafted by the clearing members and generally is less favorable to the Fund than typical bilateral derivatives documentation.

Additionally, some types of cleared derivatives are required to be executed on an exchange or on a swap execution facility. A swap execution facility is a trading platform where multiple market participants can execute derivatives by accepting bids and offers made by multiple other participants in the platform. While this execution requirement is designed to increase transparency and liquidity in the cleared derivatives market, trading on a swap execution facility can create additional costs and risks for the Fund. For example, swap execution facilities typically charge fees, and if the Fund executes derivatives on a swap execution facility through a broker intermediary, the intermediary may impose fees as well. Also, the Fund may be required to indemnify a swap execution facility, or a broker intermediary who executes cleared derivatives on a swap execution facility on the Fund's behalf, against any losses or costs that may be incurred as a result of the Fund's transactions on the swap execution facility.

The U.S. government and the European Union have adopted mandatory minimum margin requirements for bilateral derivatives. As a general matter, under such requirements, the Fund's transactions are subject to variation margin requirements and, depending on the aggregate notional value of bilateral derivatives entered into by the Fund, initial margin requirements may apply in the near future. Such requirements could increase the amount of margin the Fund needs to provide in connection with its derivatives transactions and, therefore, make derivatives transactions more expensive.

These and other new rules and regulations could, among other things, further restrict the Fund's ability to engage in, or increase the cost to the Fund of, derivatives transactions, for example, by making some types of derivatives no longer available to the Fund, increasing margin or capital requirements or otherwise limiting liquidity or increasing transaction costs. Certain aspects of these regulations are still being implemented, so their potential impact on the Fund and the financial system is not yet known. While the regulations and central clearing of some derivatives transactions are designed to reduce systemic risk (i.e., the risk that the interdependence of large derivatives dealers could cause them to suffer liquidity, solvency or other challenges simultaneously), there is no assurance that they will achieve that result, and in the meantime, as noted above, central clearing and related requirements expose the Fund to new kinds of costs and risks.

Swap agreements may be subject to contractual restrictions on transferability and termination and they may have terms of greater than seven days. The Fund's obligations under a swap agreement will be accrued daily (offset against any amounts owed to the Fund under the swap).

**Subsidiary Risk.** By investing through its Subsidiaries, the Fund is exposed to the risks associated with the Subsidiaries' investments. The Subsidiaries are not registered as investment companies under the 1940 Act and are not subject to all of the investor protections of the 1940 Act, although each Subsidiary is managed pursuant to the compliance policies and procedures of the Fund applicable to it. Changes in the laws of the United States and/or the jurisdiction in which a Subsidiary is organized could result in the inability of the Fund and/or such Subsidiary to operate as described in this prospectus and could adversely affect the Fund.

**Tax Risk.** The Fund currently intends to qualify for treatment as a regulated investment company ("RIC") under Subchapter M of Chapter 1 of the 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 for each taxable year. 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 or a change in law 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 treated as a "C corporation" and, as such, 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 dividend income. The Fund may be required to recognize taxable income in circumstances in which the Fund does not receive a corresponding payment in cash. As a result, the Fund may have difficulty meeting the annual distribution requirement necessary to qualify for and maintain its qualification as a RIC under the Code. The Fund may have to sell some of its investments at times and/or at prices the Fund would not consider advantageous, raise additional debt or equity capital or forgo new investment opportunities for this purpose. If the Fund is not able to obtain cash from other sources, the Fund may fail to qualify for or maintain RIC tax treatment and thus become subject to corporate-level income tax.

**Distributions Not Guaranteed.** The Fund does not anticipate paying Fund shareholders distributions on any regular schedule or in any fixed amount. The Fund cannot assure Shareholders that the Fund will achieve investment results that will allow the Fund to make a specified level of cash distributions or any cash distributions. The Fund's ability to pay distributions may be adversely affected by the impact of the risks described in this Prospectus. All distributions will depend on the Fund's earnings from any potential Artwork dispositions, its financial condition, and such other factors as the Board may deem relevant from time to time.

**Repurchase Offers Risk.** As described under "Periodic Repurchase Offers" below, the Fund is an "interval fund." In order to provide liquidity to shareholders, the Fund, subject to applicable law, conducts quarterly repurchase offers of the Fund's outstanding Shares at NAV, subject to approval of the Board. In all cases such repurchase offers will be for at least 5% and not more than 25% of its outstanding Shares at NAV, pursuant to Rule 23c-3 under the 1940 Act. The Fund believes that these repurchase offers are generally beneficial to the Fund's shareholders, and repurchases generally are funded from available cash or sales of portfolio instruments, which are substantially illiquid. However, repurchase offers and the need to fund repurchase obligations may affect the ability of the Fund to be fully invested or may force the Fund to maintain a higher percentage of its assets in liquid investments, which may harm the Fund's investment performance. Moreover, diminution in the size of the Fund through repurchases may result in untimely sales of portfolio instruments (with associated imputed transaction costs, which may be significant), and may limit the ability of the Fund to participate in new investment opportunities or to achieve its investment objective. In compliance with its procedures, the Fund, to the extent possible, generally expects to hold at least 5% of net assets in cash or other liquid assets during the repurchase offer window to meet its repurchase obligations. If at any time cash and other liquid assets held by the Fund are not sufficient to meet the Fund's repurchase obligations, the Fund intends, if necessary, to sell investments. Although the Fund's investments are illiquid and the market for its investments is limited, the Fund believes that it would be able to find willing buyers for investments if such sales were ever necessary. Because

the Fund may employ investment leverage, repurchases of Shares compound the adverse effects of leverage in a declining market. In addition, if the Fund borrows to finance repurchases, interest on that borrowing will negatively affect shareholders who do not tender their Shares by increasing the Fund's expenses and reducing any net investment income. If a repurchase offer is oversubscribed the Fund will repurchase the Shares tendered on a pro rata basis, and shareholders will have to wait until the next repurchase offer to make another repurchase request. As a result, shareholders may be unable to liquidate all or a given percentage of their investment in the Fund during a particular repurchase offer. Some shareholders, in anticipation of proration, may tender more Shares than they wish to have repurchased in a particular quarter, thereby increasing the likelihood that proration will occur. A shareholder may be subject to market and other risks, and the NAV of Shares tendered in a repurchase offer may decline between the Repurchase Request Deadline and the date on which the NAV for tendered Shares is determined. In addition, the repurchase of Shares by the Fund may be a taxable event to shareholders.

**Portfolio Turnover.** A change in the securities held by the Fund is known as "portfolio turnover." A higher portfolio turnover rate may indicate higher transaction costs, which can reduce the Fund's performance, and may result in higher taxes when Shares are held in a taxable account. Portfolio turnover will not be a limiting factor as Artwork is permitted to be sold without regard to the time it has been held when, in the opinion of Stone Ridge, investment considerations warrant such action. Given that the Fund and the Artwork Companies in which the Fund invests will hold Artwork for an indefinite period of time, the Fund expects the portfolio turnover rate to be low. Nevertheless, the rate of portfolio turnover could change from time to time, depending upon market and legal and regulatory conditions.

**Cash Positions and Temporary Defensive and Interim Investments.** The Fund expects to hold a portion of its assets in cash, cash equivalents and short-term fixed income instruments to facilitate meeting repurchase requests, making investments in Artwork over an extended time period and covering maintenance and insurance costs and fees. Holding a portion of Fund assets in cash, cash equivalents and short-term fixed-income instruments may detract from Fund performance. In addition, for temporary defensive purposes in times of adverse or unstable market, economic or political conditions, the Fund can invest up to 100% of its assets in investments that may be inconsistent with its principal investment strategies. Generally, the Fund would invest in money market instruments or in other short-term U.S. or foreign government securities. The Fund might also hold these types of securities as interim investments pending the investment of proceeds from the sale of its Shares or the sale of its portfolio investments or to meet anticipated repurchases of its Shares. To the extent the Fund invests in these securities, it might not achieve its investment objective.

**No Prior History.** The Fund is a newly-organized closed-end management investment company with no history of operations and is designed for long-term investors and not as a trading vehicle.

**Anti-Takeover Provisions.** The Fund's Declaration of Trust, together with any amendments thereto, includes provisions that could limit the ability of other entities or persons to acquire control of the Fund or convert the Fund to open-end status.

## MANAGEMENT OF THE FUND

### Board of Trustees

The Board oversees the conduct of the Fund's affairs and the Adviser's management of the Fund.

### The Adviser

Stone Ridge acts as the Fund's investment manager under an Investment Management Agreement (the "Management Agreement"). Stone Ridge's principal office is located at One Vanderbilt Avenue, 65th Floor, New York, New York 10017. As of December 31, 2022, Stone Ridge and its affiliates had assets under management or custody of approximately \$20 billion in aggregate. Stone Ridge is a Delaware limited liability company organized in 2012 and is controlled by Stone Ridge Holdings Group LP, a holding company for the Adviser and its affiliates.



Under the general oversight of the Board, Stone Ridge has been engaged to carry out the investment and reinvestment of the assets of the Fund, furnish continuously an investment program with respect to the Fund, determine which investments should be purchased, sold or exchanged and implement such determinations by causing the Fund to make investments directly or through its Subsidiaries. Stone Ridge compensates all Trustees and officers of the Fund who are members of Stone Ridge's organization and who render investment services to the Fund.

Stone Ridge has substantial investment experience with a range of novel asset classes, including experience investing in Artwork. The Adviser and its personnel also have substantial experience applying their rigorous investment process to a variety of asset classes and believe the data-driven investment process the Adviser employs translates well to a wide variety of non-traditional asset classes, including Artwork. The Adviser uses a data-driven approach to art investments. For purposes of determining the universe of Artwork in which the Fund may invest, the Fund considers, among other information, data on transaction volumes, price points, price appreciation, risk, and collecting period. With respect to decisions regarding whether to buy or sell particular Artwork, the Adviser's data-driven process includes, among other inputs, determining and evaluating (i) data availability, (ii) target artists (e.g., based on consideration of volumes, price points, price appreciation, and risk), (iii) ability to source at attractive prices, (iv) strategies around holding Artwork in a way that may increase the Artwork's value, and (v) ability to sell at attractive prices. The adviser may also consider qualitative data such as cultural relevance or institutional support.

The Fund has agreed to pay Stone Ridge as compensation under the Management Agreement a fee in the amount of 1.50% of the average daily net assets of the Fund. Separately from the contractual expense limitation referenced under "Fund Expenses" above, Stone Ridge may voluntarily reimburse any fees and expenses of the Fund but is under no obligation to do so. Any such voluntary reimbursements may be terminated at any time.

A discussion regarding the considerations of the Fund's Board for approving the Management Agreement will be included in the Fund's first report to shareholders.

Pursuant to the Management Agreement, Stone Ridge agrees to manage the investment and reinvestment of the Fund's assets, determine what investments will be purchased, held, sold or exchanged by the Fund and what portion, if any, of the assets of the Fund will be held uninvested, and continuously review, supervise and administer the investment program of the Fund. Stone Ridge bears its own operating and overhead expenses attributable to its duties under the Management Agreement (such as salaries, bonuses, rent, office and administrative expenses, depreciation and amortization, and auditing expenses), except that the Fund bears travel expenses (or an appropriate portion thereof) of Trustees or Fund officers who are partners, directors, trustees, or employees of Stone Ridge to the extent that such expenses relate to attendance at meetings of the Board or any committees thereof or advisers thereto, and the Fund bears all or a portion of the expenses related to the Fund's chief compliance officer, as may be approved by the Board from time to time. To the extent the Adviser receives advisory fees from a Subsidiary, the Adviser will not receive compensation from the Fund in respect of the assets of the Fund that are invested in such Subsidiary.

In addition, as described under "Intermediary and Servicing Arrangements" below, the Adviser performs certain services and incurs certain expenses through its employees who are registered representatives of a broker-dealer with respect to the promotion of the Fund's Shares and the Adviser also performs certain services in connection with the servicing of shareholders. If amounts remain from the servicing fees and/or distribution fees paid pursuant to a Distribution and Servicing Plan (as defined below) and/or the Services Agreement (as defined below) after the intermediaries have been paid, such amounts may be used to compensate the Adviser for the services it provides and for the expenses it bears.

The Fund bears all other costs of its operations, including the compensation of the Independent Trustees; ordinary administrative and operating expenses, including the management fee and all expenses associated with the pricing of Fund assets; risk management expenses; ordinary and recurring investment expenses, including all fees and expenses directly related to portfolio transactions and positions for the Fund's account (including

brokerage, clearing and settlement costs), custodial costs and interest charges; professional fees (including, without limitation, expenses of consultants, experts, and specialists); fees and expenses in connection with repurchase offers and any repurchases of Fund Shares; legal expenses (including legal and other out-of-pocket expenses incurred in connection with the organization of the Fund and the offering of its Shares); accounting and auditing expenses incurred in preparing, printing and delivering all reports (including such expenses incurred in connection with any Fund document) and tax information for shareholders and regulatory authorities, and all filing costs, fees, travel expenses and any other expenses directly related to the investment of the Fund's assets. The Fund pays any extraordinary expenses it may incur, including any litigation expenses.

### **Portfolio Managers**

Dan Fleder, Paul Germain, Jeff Rabin, Li Song and Ross Stevens are the Portfolio Managers of the Fund. Each of the Portfolio Managers has been a Portfolio Manager of the Fund since inception.

**Dan Fleder.** Dan Fleder, Portfolio Manager of Fund, is responsible for the day-to-day management of the Fund and its investments jointly with Mr. Germain, Mr. Rabin, Mr. Song and Mr. Stevens. Prior to joining Stone Ridge in 2016, Mr. Fleder was the Chief of Staff of Operations at KCG. Previously, he was the Head of Risk Management at GETCO. Mr. Fleder received his PhD in Operations Research and MS in Statistics from the University of Pennsylvania (Wharton) and BSE in Engineering from the University of Pennsylvania (Engineering School).

**Paul Germain.** Paul Germain, Portfolio Manager of the Fund, is responsible for the day-to-day management of the Fund and its investments jointly with Mr. Fleder, Mr. Rabin, Mr. Song and Mr. Stevens. Prior to joining Stone Ridge in 2015, Mr. Germain was the Global Head of Prime Services at Credit Suisse, where he worked from 2010 to 2015. Mr. Germain received his MBA from Harvard Business School and his BSE in Management from University of Pennsylvania (Wharton).

**Jeff Rabin.** Jeff Rabin, Portfolio Manager of the Fund, is responsible for the day-to-day management of the Fund and its investments jointly with Mr. Fleder, Mr. Germain, Mr. Song and Mr. Stevens. Prior to joining Stone Ridge in 2022, Mr. Rabin was co-Founder and Principal and Artvest Partners LLC, where he worked from 2009 to 2021. Mr. Rabin received his BA in Economics from the University of Pennsylvania.

**Li Song.** Li Song, Portfolio Manager of the Fund, is responsible for the day-to-day management of the Fund and its investments jointly with Mr. Fleder, Mr. Germain, Mr. Rabin and Mr. Stevens. Prior to joining Stone Ridge in 2018, Mr. Song worked at Goldman Sachs as a senior strategist in Emerging Markets foreign exchange, interest rate, options, and credit products. Mr. Song received his PhD, M.Phil., and MA in Statistics from Columbia University and his BS in Mathematics at the University of Science and Technology of China.

**Ross Stevens.** Ross Stevens, Portfolio Manager of the Fund, is responsible for the day-to-day management of the Fund and its investments jointly with Mr. Fleder, Mr. Germain, Mr. Rabin and Mr. Song. Mr. Stevens founded Stone Ridge in 2012. Mr. Stevens received his PhD in Finance and Statistics from the University of Chicago (Booth) and his BSE in Finance from the University of Pennsylvania (Wharton).

### **Additional Information Regarding the Adviser and Portfolio Managers**

The Statement of Additional Information provides additional information about the Adviser, including information about potential conflicts of interest that the Adviser may face in managing the Fund, and about each Portfolio Manager's compensation, other accounts managed by each Portfolio Manager and each Portfolio Manager's ownership of securities in the Fund. The Statement of Additional Information is part of this prospectus and is available free of charge by calling (855) 609-3680 or at [www.stoneridgefunds.com](http://www.stoneridgefunds.com). The information (other than this prospectus, including the Statement of Additional Information) contained on, or that can be accessed through, [www.stoneridgefunds.com](http://www.stoneridgefunds.com) is not part of this prospectus or the Statement of Additional Information.

## **Control Persons**

A control person is a person who beneficially owns more than 25% of the voting securities of a company. As of the date of this prospectus, the Fund could be deemed to be under control of an affiliate of Stone Ridge, which had voting authority with respect to approximately 100% of the value of the outstanding interests in the Fund on this date. However, it is anticipated that such Stone Ridge affiliate will no longer be a control person within the first year following the Fund's commencement of operations.

## **The Fund's Service Providers**

**Custodian.** U.S. Bank NA, located at 1555 N. River Center Drive, Suite 302, Milwaukee, Wisconsin 53212, is the Fund's custodian and also as the custodian for assets held by the Fund's Subsidiaries.

**MTC.** Millennium Trust Company, 2001 Spring Road, Suite 700, Oak Brook, Illinois 60523, provides custody services for the Whole Artwork held by the Fund.

**Transfer Agent.** U.S. Bancorp Fund Services, LLC, doing business as U.S. Bank Global Fund Services, located at 615 East Michigan Street, Milwaukee, Wisconsin 53202, is the Fund's transfer agent and dividend disbursing agent.

**Administrator.** U.S. Bancorp Fund Services, LLC, doing business as U.S. Bank Global Fund Services, (the "Administrator"), located at 615 East Michigan Street, Milwaukee, Wisconsin 53202, is the Fund's administrator and accounting agent, performing general administrative tasks for the Fund, including keeping financial books and records of the Fund. The Fund compensates the Administrator at rates that are determined based on the aggregate net assets of the funds in the Stone Ridge fund complex, with each fund paying a pro rata portion of the fee allocated on the basis of the funds' net assets.

**Artwork Administrator.** Masterworks Administrative Services, LLC (the "Artwork Administrator"), located at 225 Liberty Street, 29th Floor, New York, NY 10281 provides general administrative services with respect to the ownership of Whole Artwork including by assisting with the operational aspects of procuring/selling, storing, insuring and maintaining the Whole Artwork held by the Fund. The Fund compensates the Artwork Administrator a fixed quarterly fee, which applies only to the Fund's investments in Whole Artwork that will generally be limited to 25% of the Fund's total assets.

**Independent Registered Public Accounting Firm.** Citrin Cooperman & Company, LLP, serves as the Fund's Independent Registered Public Accounting Firm, and is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board.

**Legal Counsel.** Ropes & Gray LLP, located at 800 Boylston Street, Boston, Massachusetts, acts as legal counsel to the Fund.

## **Distributions**

The Fund intends to declare and pay dividends of substantially all net investment income and net realized capital gains at least annually, although the Fund may declare and pay dividends more frequently (e.g., quarterly). Unless shareholders specify otherwise, dividends will be reinvested in Shares of the Fund. The Fund may pay distributions from sources that may not be available in the future and that are unrelated to the Fund's performance, such as from offering proceeds, borrowings or amounts from the Fund's affiliates (e.g., fees or expenses waived or reimbursed by the Adviser) that are subject to repayment by the Fund.

## **HOW TO BUY SHARES**

The Fund has authorized the Transfer Agent and Distributor to receive orders on its behalf, and the Distributor has authorized select intermediaries to receive orders on behalf of the Fund. These intermediaries may be authorized to designate other intermediaries to receive orders on the Fund's behalf. The Fund is deemed to have

received an order when the Transfer Agent, the Distributor, an intermediary or if applicable, an intermediary's authorized designee, receives the order in good order. The Shares will be offered at NAV per share calculated each regular business day. Investors who invest in the Fund through an intermediary should contact their intermediary regarding purchase procedures. Investors may be charged a fee if they effect transactions through an intermediary.

Shares generally are available for investment only by clients of registered investment advisers and a limited number of certain other Eligible Investors (as defined below). Certain investors may purchase Shares directly from the Fund by first contacting the Adviser at (855) 609-3680 to notify the Adviser of the proposed investment. Once notification has occurred, if approved, the investor will be directed to the Fund's Transfer Agent to complete the purchase transaction.

All investments are subject to approval of the Adviser, and all investors must complete and submit the necessary account registration forms in good order. The Fund reserves the right to reject any initial or additional investment and to suspend the offering of Shares. Purchase through an intermediary does not affect these eligibility requirements.

A purchase of Shares will be made at the NAV per share next determined following receipt of a purchase order in good order by the Fund, the Transfer Agent, the Distributor, an intermediary or an intermediary's authorized designee if received at a time when the Fund is open to new investments. A purchase order is in "good order" when the Fund, the Transfer Agent, the Distributor, an intermediary or, if applicable, an intermediary's authorized designee, receives all required information, including properly completed and signed documents, and the purchase order is approved by the Adviser. Once the Fund (or one of its authorized agents described above) accepts a purchase order, you may not cancel or revoke it. The Fund reserves the right to cancel any purchase order it receives if the Fund believes that it is in the best interest of the Fund's shareholders to do so.

Clients of investment advisory organizations may also be subject to investment advisory and other fees under their own arrangements with such organizations.

Shares are offered to the following groups of investors ("Eligible Investors"):

1. Institutional investors, including registered investment advisers (RIAs);
2. Clients of institutional investors;
3. Tax-exempt retirement plans of the Adviser and its affiliates and rollover accounts from those plans;
4. Employees, directors and affiliates of the Adviser and the Fund;
5. Other fiduciaries investing for their own accounts or for the account of their clients; and
6. Certain other investors as approved from time to time by the Adviser.

Some intermediaries may impose different or additional eligibility requirements. The Adviser has the discretion to further modify or completely waive the Fund's eligibility requirements.

Shares of the Fund generally may be sold only to U.S. citizens, U.S. residents, and U.S. domestic corporations, partnerships, trusts or estates. The Fund reserves the right to refuse any request to purchase Shares.

### **Investment Minimums**

The minimum initial investment is \$15 million. This minimum investment requirement may be completely waived or reduced in certain circumstances. For eligibility groups 3, 4, 5 and 6 described above under "How to Buy Shares," there is no minimum investment requirement. This minimum may be modified and/or applied in the aggregate for certain intermediaries that submit trades on behalf of underlying investors (e.g., registered investment advisers or benefit plans). Differences in the policies of different intermediaries may include different minimum investment amounts. There is no minimum for subsequent investments.

## **Other Policies**

**No Share Certificates.** The issuance of Shares is recorded electronically on the books of the Fund. 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 the Fund you own. You can rely on these statements in lieu of certificates. The Fund does not issue certificates representing Shares of the Fund.

**Involuntary Redemptions.** The Fund reserves the right to redeem an account if the value of the Shares is \$1,000 or less for any reason, including market fluctuations. Before the 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(s) to the minimum amount specified above before the redemption is processed. As a sale of your Fund Shares, the redemption may have tax consequences.

In addition, the Fund reserves the right under certain circumstances to redeem all or a portion of an account without consent of, or other action by, the shareholder.

## **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.

In compliance with the USA PATRIOT Act of 2001, please note that the Transfer Agent or authorized intermediary will verify certain information upon account opening as part of the Trust's Anti-Money Laundering Program. You will be asked to supply certain required information, such as your full name, date of birth, social security number and permanent street address. If you are opening the account in the name of a legal entity (e.g., partnership, limited liability company, business trust, corporation, etc.), you must also supply the identity of the beneficial owners. Mailing addresses containing only a P.O. Box may not be accepted.

If the identity of a customer cannot be verified, the customer's account will be rejected, or the customer will not be allowed to perform a transaction on the account until the customer's identity is verified. The Fund also reserves the right to close the account within five business days if clarifying information/documentation is not received.

The Fund and its agents are not 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 repurchasing an investor's Shares when an investor's identity is not verified.

In addition, the Fund 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.

## **Fund Closings**

The Fund may close at any time to new investments and, during such closings, only the reinvestment of dividends and other distributions by existing shareholders will be permitted. The Fund may re-open to new investment and subsequently close again to new investment at any time at the discretion of the Adviser. During any time the Fund is closed to new investments, Fund shareholders will continue to be able to participate in periodic repurchase offers, as described below.

## PERIODIC REPURCHASE OFFERS

The Fund is a closed-end interval fund and, to provide liquidity and the ability to receive NAV on a disposition of at least a portion of your Shares, makes periodic offers to repurchase Shares. Except as permitted by the Fund's interval structure, no shareholder has the right to require the Fund to repurchase its Shares. No public market for Shares exists, and none is expected to develop in the future. Consequently, shareholders generally are not able to liquidate their investment other than as a result of repurchases of their Shares by the Fund.

The Fund has adopted, pursuant to Rule 23c-3 under the 1940 Act, a fundamental policy, which cannot be changed without shareholder approval, requiring the Fund to offer to repurchase at least 5% and up to 25% of its Shares at NAV on a regular schedule. Although the policy permits repurchase of between 5% and 25% of the Fund's outstanding Shares, for each quarterly repurchase offer the Fund expects to offer to repurchase 5% of the Fund's outstanding Shares at NAV, subject to approval of the Board.

### Repurchase Process

The Fund makes quarterly repurchase offers in the months of January, April, July and October. Upon the commencement of a repurchase offer (which the Fund expects to commence approximately mid-month in each of the foregoing months), the Fund will send written notice to each shareholder setting forth, among other things:

- The percentage of outstanding Shares that the Fund is offering to repurchase and how the Fund will purchase Shares on a pro rata basis if the offer is oversubscribed,
- The Repurchase Request Deadline and the Repurchase Pricing Date (see below),
- The date by which the Fund will pay to shareholders the proceeds from their Shares accepted for repurchase,
- The NAV of the Shares as of a date no more than seven days before the date of the written notice and the means by which shareholders may ascertain the NAV,
- The procedures by which shareholders may tender their Shares and the right of shareholders to withdraw or modify their tenders before the Repurchase Request Deadline, and
- The circumstances in which the Fund may suspend or postpone the repurchase offer.

The repurchase request deadline, which is the date by which shareholders wishing to tender Shares for repurchase must respond to the repurchase offer (the "Repurchase Request Deadline"), will be at least 21 days, and not more than 42 days, after the commencement of the applicable repurchase offer, as specified in the applicable written notice. **The Repurchase Request Deadline will be strictly observed.** If a shareholder fails to submit a repurchase request in good order by the Repurchase Request Deadline, the shareholder will be unable to liquidate Shares until a subsequent repurchase offer, and will have to resubmit a request in the next repurchase offer. Shareholders may withdraw or change a repurchase request with a proper instruction submitted in good form at any point before the Repurchase Request Deadline.

The Fund anticipates that the repurchase pricing date, the date on which the repurchase price for Shares is determined (the "Repurchase Pricing Date"), will ordinarily be the same day as the Repurchase Request Deadline, but in no event will be (i) prior to the close of business on the day of the Repurchase Request Deadline or (ii) more than 14 days after the Repurchase Request Deadline (or the next business day, if the 14th day is not a business day).

The Fund typically distributes payment to shareholders between one and three business days after the Repurchase Pricing Date and will distribute such payment no later than seven calendar days after such date (the "Repurchase Payment Deadline"). The Fund's NAV per share may change materially between the date a repurchase offer is mailed and the Repurchase Request Deadline, and it may also change materially between the Repurchase Request Deadline and the Repurchase Pricing Date (if they are different dates) or between the Repurchase

Pricing Date and Repurchase Payment Deadline. The method by which the Fund calculates NAV is discussed below under “Determination of Net Asset Value.” During the period an offer to repurchase is open, shareholders may obtain the current NAV by calling the Fund’s Transfer Agent at (855) 609-3680.

The Fund does not currently intend to charge a repurchase fee.

### **Suspension or Postponement of Repurchase Offers**

The Fund may suspend or postpone a repurchase offer in limited circumstances set forth in Rule 23c-3 under the 1940 Act, as described below, but only with the approval of a majority of the Trustees, including a majority of Trustees who are not “interested persons” of the Fund, as defined in the 1940 Act.

The Fund may suspend or postpone a repurchase offer only: (1) if making or effecting the repurchase offer would cause the Fund to lose its status as a regulated investment company under Subchapter M of Chapter 1 of the Code; (2) for any period during which the New York Stock Exchange (“NYSE”) or any other market in which the securities owned by the Fund are principally traded is closed, other than customary weekend and holiday closings, or during which trading in such market is restricted; (3) for any period during which an emergency exists as a result of which disposal by the Fund of securities owned by it is not reasonably practicable, or during which it is not reasonably practicable for the Fund fairly to determine the value of its net assets; or (4) for such other periods as the Commission may by order permit for the protection of shareholders of the Fund.

### **Oversubscribed Repurchase Offers**

There is no minimum number of Shares that must be tendered before the Fund will honor repurchase requests. However, the Fund’s Trustees set for each repurchase offer a maximum percentage of Shares that may be repurchased by the Fund. In the event a repurchase offer by the Fund is oversubscribed, the Fund may repurchase, but is not required to repurchase, additional Shares up to a maximum amount of 2% of the outstanding Shares of the Fund. If the Fund determines not to repurchase additional Shares beyond the repurchase offer amount, or if shareholders tender a number of Shares greater than that which the Fund is entitled to repurchase, the Fund will repurchase the Shares tendered on a pro rata basis.

Notwithstanding the foregoing, under certain circumstances, the Fund may, in its discretion, accept Shares tendered by shareholders who own fewer than 100 Shares and tender all of their Shares for repurchase in a repurchase offer. In that case, these Shares would be accepted before prorating the Shares tendered by other shareholders. In addition, if a repurchase offer is oversubscribed, the Fund may offer to repurchase additional Shares in an amount determined by the Board that are tendered by an estate (an “Estate Offer”). If an Estate Offer is oversubscribed, the Fund will repurchase such Shares on a pro rata basis. As a result, there can be no assurance that the Fund will be able to repurchase all of the Shares tendered in an Estate Offer.

In addition, if a repurchase offer is oversubscribed as described above, the Fund may also offer to repurchase additional Shares in an amount determined by the Board that are tendered by (i) a trust that funds a tax-qualified defined benefit plan that has terminated or that the sponsor or governing body of such plan has voted to terminate or (ii) a limited liability company that is owned by one or more such trusts (the “Defined Benefit Plan Offer”). A “tax-qualified defined benefit plan” means a defined benefit plan that is qualified under section 401(a) of the Code (for example, a corporate defined benefit pension plan or a defined benefit Keogh plan). It does not include, among other things, any defined contribution plan, 401(k) plan or individual retirement account (IRA). If the Defined Benefit Plan Offer is oversubscribed, the Fund will repurchase such Shares on a pro rata basis. As a result, there can be no assurance that the Fund will be able to repurchase all of the Shares tendered in the Defined Benefit Plan Offer.

If the Fund repurchases any Shares pursuant to an Estate Offer or Defined Benefit Plan Offer, this will not affect the number of Shares that it repurchases from other shareholders in the quarterly repurchase offers.

If any Shares that you wish to tender to the Fund are not repurchased because of proration, you will have to wait until the next repurchase offer and resubmit a new repurchase request, and your repurchase request will not be given any priority over other shareholders' requests. Thus, there is a risk that the Fund may not purchase all of the Shares you wish to have repurchased in a given repurchase offer or in any subsequent repurchase offer. In anticipation of the possibility of proration, some shareholders may tender more Shares than they wish to have repurchased in a particular quarter, increasing the likelihood of proration.

**There is no assurance that you will be able to tender your Shares when or in the amount that you desire.**

### **Consequences of Repurchase Offers**

From the time the Fund distributes or publishes each repurchase offer notification until the Repurchase Pricing Date for that offer, the Fund must maintain liquid assets at least equal to the percentage of its Shares subject to the repurchase offer. For this purpose, "liquid assets" means assets that may be sold or otherwise disposed of in the ordinary course of business, at approximately the price at which the Fund values them, within the period between the Repurchase Request Deadline and the Repurchase Payment Deadline, or which mature by the Repurchase Payment Deadline. The Fund, to the extent possible, generally expects to hold at least 5% of net assets in cash or other liquid assets during the repurchase offer window to meet its repurchase obligations. The Fund is also permitted to borrow up to the maximum extent permitted under the 1940 Act to fund Share repurchases.

If the Fund borrows money to finance repurchases, interest on that borrowing will negatively affect shareholders who do not tender their Shares by increasing the Fund's expenses and reducing any net investment income. There is no assurance that the Fund will be able to sell a significant number of additional Shares so as to mitigate these effects.

These and other possible risks associated with the Fund's repurchase offers are described under "Investment Objective, Policies and Risks — Risk Considerations — Repurchase Offers Risk" above. In addition, the repurchase of Shares by the Fund will be a taxable event to shareholders, potentially even to those shareholders that do not participate in the repurchase. For a discussion of these tax consequences, see "Distributions and Federal Income Tax Matters" below and "Tax Status" in the Statement of Additional Information.

## **INTERMEDIARY AND SERVICING ARRANGEMENTS**

ALPS Distributors, Inc., located at 1290 Broadway, Suite 1000, Denver, Colorado 80203 (the "Distributor"), is the principal underwriter and distributor of Shares of the Fund. The Distributor acts as the distributor of Shares for the Fund on a best efforts basis, subject to various conditions, pursuant to the terms of its contract with the Fund. The Distributor is not obligated to sell any specific number of Shares of the Fund, or to buy any of the Shares.

Shares of the Fund are continuously offered through the Distributor, as the exclusive distributor. The Distributor also acts as agent for the Fund in connection with repurchases of Shares. The Fund has agreed to indemnify the Distributor and its affiliates against certain liabilities, including certain liabilities arising under the 1933 Act and the 1940 Act. The Distributor has agreed to indemnify the Fund, the Adviser and each Trustee against certain liabilities arising from the Distributor's willful misfeasance, bad faith, negligence or reckless disregard in the performance of its duties, obligations or responsibilities under the distribution agreement.

No market currently exists for the Fund's Shares. The Fund's Shares are not currently listed on any national securities exchange, and the Fund may or may not list its Shares for trading on any national securities exchange in the future. Shares of closed-end investment companies that trade on a national securities exchange may trade at a discount from their NAV per Share. Unless the Fund lists its Shares for trading on a national securities exchange, it is not expected that there will be any secondary market for the Fund's Shares.



Financial intermediaries may provide varying investment products, programs, platforms and accounts for the benefit of shareholders. Such intermediaries generally charge fees in connection with a variety of services, which may include (i) personal and account maintenance services, sub-transfer agency services and custodial services rendered to shareholders who are customers of the intermediary, including electronic transmission and processing of orders, electronic fund transfers between shareholders and the Fund, reinvestment of distributions, settlement and reconciliation of transactions, liaising with the Transfer Agent, facilitation of electronic delivery to shareholders of Fund documentation, monitoring shareholder accounts for back-up withholding and any other special tax reporting obligations, maintenance of books and records with respect to the foregoing, and other similar services (fees for such services, “servicing fees”) and/or (ii) activities primarily intended to result in the sale of Shares (fees for such services, if any, “distribution fees”). Such fees may be based on the number of accounts or may be a percentage of the average value of accounts for which the intermediary provides services, and are intended to compensate intermediaries for their provision of services of the type that would be provided by the Transfer Agent or other service providers if the Shares were registered on the books of the Fund. The Fund does not believe that any portion of fees currently paid to financial intermediaries are for distribution activities.

Servicing fees and distribution fees may be paid pursuant to a distribution and servicing plan adopted by the Fund at the maximum annual rate of 0.05% (the “Distribution and Servicing Plan”) and servicing fees may be paid pursuant to a services agreement between the Fund and the Adviser (the “Services Agreement”), under which the Fund has appointed the Adviser as “servicing agent” to compensate financial intermediaries, at an annual rate of 0.05%, in each case calculated as a percentage of the Fund’s average daily net assets. These fees are paid out of the Fund’s assets on an ongoing basis and may be administered or facilitated by the Distributor. Intermediaries generally receive payments pursuant to both the Distribution and Servicing Plan and the Services Agreement. The Adviser performs certain services and incurs certain expenses through its employees who are registered representatives of a broker-dealer with respect to the promotion of the Fund’s Shares and the Adviser also performs certain services in connection with the servicing of shareholders. If amounts remain from the servicing fees and/or distribution fees after the intermediaries have been paid, such amounts may be used to compensate the Adviser for the services it provides and for the expenses it bears. The Distributor does not retain any portion of any servicing fees or distribution fees. To the extent that there are expenses associated with shareholder services that exceed the amounts payable pursuant to the Services Agreement or the Distribution and Servicing Plan, the Fund will bear such expenses.

#### **DETERMINATION OF NET ASSET VALUE**

The NAV per share of the Fund’s Shares is determined by dividing the total value of the Fund’s portfolio investments, cash and other assets, less any liabilities (including accrued expenses or dividends), by the total number of Shares outstanding. The Fund’s Shares are typically valued as of a particular time (the “Valuation Time”) on each day that the NYSE opens for business.<sup>1</sup> The Valuation Time is ordinarily at the close of regular trading on the NYSE (normally 4:00 p.m. Eastern time). In unusual circumstances, the Valuation Time may be at a time other than 4:00 p.m. Eastern time, for example, in the event of an earlier, unscheduled close or halt of trading on the NYSE.

Current net asset values per share of the Fund may be obtained by contacting the Transfer Agent by telephone at (855) 609-3680. In accordance with the regulations governing registered investment companies, the Fund’s transactions in portfolio investments and purchases and sales of Fund Shares (which bear upon the number of Fund Shares outstanding are generally not reflected in the NAV determined for the business day on which the transactions are effected (the trade date), but rather on the following business day.

---

<sup>1</sup> The NYSE is generally open from Monday through Friday, 9:30 a.m. to 4:00 p.m., Eastern time. NYSE, NYSE Arca, NYSE Bonds and NYSE Arca Options markets will generally close on, and in observation of the following holidays: New Year’s Day, Martin Luther King, Jr. Day, Washington’s Birthday, Good Friday, Memorial Day, Juneteenth, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day

The Board has approved procedures pursuant to which the Fund values its investments (the “Valuation Procedures”). The Board has established an Adviser Valuation Committee made up of employees of the Adviser to which the Board has delegated responsibility for overseeing the implementation of the Valuation Procedures. The Board has designated Stone Ridge as the valuation designee pursuant to Rule 2a-5 under the 1940 Act responsible for making fair value determinations on behalf of the Board.

Generally, the Fund must value its assets using market quotations when they are readily available. If, with respect to any portfolio instrument, market quotations are not readily available or available market quotations are deemed to be unreliable by Stone Ridge, then such instruments will be valued as determined in good faith by Stone Ridge.

The Fund generally expects that the Artwork it holds will be fair valued by Stone Ridge in accordance with the Valuation Procedures and with assistance from certain Fund service providers. Listed below is a summary of certain of the methodologies generally used currently to fair value Artwork and Artwork Company investments held by the Fund under the Valuation Procedures. The Artwork held by the Fund will be fair valued based on some or all the following fair valuation methodologies:

- Assessment of the acquisition cost of Artwork or Artwork Company investments adjusted by premium or discount factors based on the Adviser’s assessment of economic, environmental conditions or other events that may result in higher or lower prices for Artwork or Artwork Company investments generally.
- Assessment of recent comparable public and, to the extent verifiable, private sale prices for similar Artwork that is available and reliable and price trend information for comparable Artwork.
- Assessment of artist-level and art-market segment level pricing information and benchmarks that are available and reliable and price trend information for such specific artist’s works.
- Assessment of pricing information provided by third-party service providers or valuation agents, including Masterworks or Masterworks AS.
- Assessment of any other available information that the Adviser deems relevant to the valuation of Artwork or Artwork Company investments.

Fair value pricing of Artwork will require subjective determinations about the value of Artwork. Fair values may differ from prices that are used by others, for the same investments. Also, the use of fair value pricing may not always result in adjustments to the prices of securities or other assets or liabilities held by the Fund. It is possible that the fair value determined for an investment may be materially different than the value that could be realized upon the sale of such security. Thus, fair valuation may have an unintended dilutive or accretive effect on the value of shareholders’ investments in the Fund.

## **DISTRIBUTIONS AND FEDERAL INCOME TAX MATTERS**

It is the Fund’s policy to make distributions at least annually of all or substantially all of its net investment income and net realized capital gains, if any. If you elect to reinvest distributions, your distributions will be reinvested in additional Shares of the same share class of the Fund at the NAV calculated as of the payment date. The Fund will pay distributions on a per-share basis. As a result, on the ex-dividend date of such a payment, the NAV of the Fund will be reduced by the amount of the payment.

This section summarizes some of the important U.S. federal income tax consequences of investing in the Fund. This discussion does not address all aspects of taxation that may apply to shareholders or to specific types of shareholders such as tax-deferred retirement plans and persons who are not “U.S. persons” within the meaning of the Code. You should consult your tax adviser for information concerning the possible application of federal, state, local or non-U.S. tax laws to you. Please see the Statement of Additional Information for additional information regarding the tax aspects of investing in the Fund.

The Fund intends to elect and currently intends to qualify to be treated as a regulated investment company under Subchapter M of Chapter 1 of the Code (a “RIC”). A RIC generally is not subject to federal income tax at the fund level on income and gains that are timely distributed to shareholders. To qualify for treatment as a RIC, the Fund must meet certain income, asset diversification and distribution requirements.

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 or a change in law might affect the Fund’s ability to qualify for such treatment. Failure of the Fund to qualify and be eligible to be treated as a RIC would result in fund-level taxation and, consequently, a reduced return on your investment. The Fund could in some cases cure such failure, including by paying a Fund-level tax or interest, making additional distributions, or disposing of certain assets.

The Fund invests in one or more wholly-owned Subsidiaries that are treated as corporations for U.S. federal income tax purposes. A Subsidiary that is organized outside the U.S. will be treated as a controlled foreign corporation (“CFC”) for U.S. federal income tax purposes. The Fund will take steps to ensure that income recognized by the Fund in respect of such a Subsidiary will be qualifying income. A Subsidiary that is organized in the U.S. will be subject to tax in the U.S. at corporate rates. The Fund will limit its investments in the Subsidiaries in the aggregate to 25% of the Fund’s total assets. The tax treatment of the Fund’s investments in Artwork Companies depends on the structure through which the Artwork Company invests in Artwork, and may affect the amount, timing or character of income recognized by the Fund with respect to such investments. To the extent an Artwork Company holds Artwork through a foreign subsidiary, such foreign subsidiary may be treated as a passive foreign investment company (“PFIC”) with respect to the Fund for U.S. federal income tax purposes. Such foreign subsidiary will not be treated as a PFIC with respect to the Fund if such foreign subsidiary is a CFC and the Fund indirectly holds 10% or more of the voting interests or value of such foreign subsidiary. Investments in a PFIC potentially (i) accelerate the recognition of income by the Fund without the receipt of cash, (ii) increase the amount required to be distributed by the Fund to qualify as a RIC or eliminate Fund-level tax, (iii) result in a higher percentage of Fund distributions treated as ordinary income, or (iv) subject the Fund to a Fund-level tax that cannot be eliminated through distributions.

The Fund’s investment in foreign securities may be subject to foreign withholding or other taxes, which may decrease the Fund’s yield on those securities.

For federal income tax purposes, distributions of net investment income are generally taxable to shareholders as ordinary income. The tax treatment of Fund distributions of such capital gains, if any, is determined by how long the Fund owned (or is deemed to have owned) the investments that generated them, rather than how long you owned your Shares. Distributions of net capital gains (the excess of the Fund’s net long-term capital gains over its net short-term capital losses) that are properly reported by the Fund as capital gain dividends (“Capital Gain Dividends”) will be taxable as long-term capital gains, includable in net capital gain and taxed to individuals at reduced rates. Distributions of net short-term capital gains from the sale or deemed disposition of investments that the Fund owned (or is deemed to have owned) for one year or less will be taxable as ordinary income.

Distributions of investment income properly reported by the Fund as derived from “qualified dividend income,” if any, will be taxed in the hands of individuals at the rates applicable to long-term capital gains, provided that certain holding period and other requirements are met at both the shareholder and Fund level.

If, in and with respect to any taxable year, the Fund makes a distribution to a shareholder in excess of the Fund’s current and accumulated earnings and profits, the excess distribution will be treated as a return of capital to the extent of such shareholder’s tax basis in its Shares, and thereafter as capital gain. A return of capital is not taxable, but it reduces a shareholder’s tax basis in its Shares, thus reducing any loss or increasing any gain on a subsequent taxable disposition by the shareholder of its Shares.

A 3.8% Medicare contribution tax is imposed on the “net investment income” of certain individuals, estates and trusts to the extent that their income exceeds certain threshold amounts. “Net investment income” generally includes dividends, interest, and net gains from the disposition of investment property (including the Fund’s ordinary income dividends, Capital Gain Dividends, and capital gains recognized on the sale, repurchase, or exchange of Fund Shares). Shareholders should consult their own tax advisers regarding the effect, if any, that this provision may have on their investment in Fund Shares.

A dividend will be treated as paid on December 31 of a calendar year if it is declared by the Fund in October, November or December with a record date in such a month and paid by the Fund during January of the following calendar year.

Distributions are taxable to you even if they are paid from income or gains earned by the Fund prior to your investment (and thus were included in the price you paid for your Shares). For example, if you purchase Shares on or just before the record date of a Fund distribution, you will pay full price for the Shares and could receive a portion of your investment back as a taxable distribution. In general, you will be taxed on the distributions you receive from the Fund, whether you receive them as additional Shares or in cash.

Any gain or loss resulting from the sale or exchange of your Shares generally will be treated as a capital gain or loss for federal income tax purposes, which will be long-term or short-term depending on how long you have held your Shares.

Shareholders who tender all of the Shares they hold or are deemed to hold in response to a repurchase offer generally will be treated as having sold their Shares and generally will recognize a capital gain or loss. If a shareholder tenders fewer than all of its Shares, it is possible that any amounts that the shareholder receives in such repurchase will be taxable as a dividend to such shareholder, and there is a risk that shareholders who do not tender any of their Shares for repurchase will be treated as having received a dividend distribution as a result of their proportionate increase in the ownership of the Fund. The Fund’s use of cash to repurchase Shares could adversely affect its ability to satisfy the distribution requirements for treatment as a RIC. The Fund could also recognize income in connection with its liquidation of portfolio instruments to fund Share repurchases. Any such income would be taken into account in determining whether the distribution requirements are satisfied.

In general, dividends (other than Capital Gain Dividends) paid by the Fund to a person who is not a “U.S. person” within the meaning of the Code (a “non-U.S. shareholder”) are subject to withholding of U.S. federal income tax at a rate of 30% (or lower applicable treaty rate). However, the Code provides a withholding tax exemption, if the Fund so elects, for certain interest-related dividends and short-term capital gain dividends paid to non-U.S. shareholders.

Sections 1471-1474 of the Code and the U.S. Treasury Regulations and IRS guidance issued thereunder (collectively, “FATCA”) generally require the Fund to obtain information sufficient to identify the status of each of its shareholders under FATCA or under an applicable intergovernmental agreement (an “IGA”). If a shareholder fails to provide this information or otherwise fails to comply with FATCA or an IGA, the Fund or its agent may be required to withhold under FATCA 30% of ordinary dividends the Fund pays to that shareholder. If a payment by the Fund is subject to FATCA withholding, the Fund or its agent is required to withhold even if such payment would otherwise be exempt from withholding under the rules applicable to non-U.S. shareholders described above. The IRS and the Department of Treasury have issued proposed regulations providing that the gross proceeds of share redemptions or exchanges and Capital Gain Dividends the Fund pays will not be subject to FATCA withholding. Each prospective investor is urged to consult its tax adviser regarding the applicability of FATCA and any other reporting requirements with respect to the prospective investor’s own situation, including investments through an intermediary. In addition, non-U.S. countries have implemented or are considering, and may implement, laws similar in purpose and scope to FATCA, as more fully described above.

Special tax rules, including certain minimum distribution requirements, apply to investments through defined contribution plans and other tax-qualified plans. The Fund’s structure as an interval fund, pursuant to which the

Fund conducts quarterly repurchase offers which may be oversubscribed, could cause a shareholder to be unable to tender its Shares when or in the amount that it desires, which inability may make it difficult for a shareholder that is a tax-qualified plan to meet minimum distribution requirements. Shareholders should consult their tax advisers to determine the suitability of Shares of the Fund as an investment through such plans and the precise effect of such an investment on their particular tax situation.

The discussion above is very general. Please consult your tax adviser about the effect that an investment in the Fund could have on your own tax situation, including possible non-U.S., federal, state or local tax consequences, or about any other tax questions you may have.

### **DIVIDEND REINVESTMENT PLAN**

Dividends and capital gains distributions are treated in accordance with the instructions on your account opening form, and generally either are automatically reinvested, without sales charges, or are distributed to you in cash.

Shares may be distributed in lieu of cash. The number of Shares that will be distributed in lieu of cash is determined by dividing the dollar amount of the distribution to be reinvested by the NAV as of the close of business on the day of the distribution.

Your taxable income is the same regardless of which option you choose. As long as you hold Fund shares, you may change your election to participate in the dividend reinvestment plan by notifying the Transfer Agent or your financial intermediary, as applicable.

For further information about dividend reinvestment, contact the Transfer Agent by telephone at (855) 609-3680 or contact your financial intermediary.

### **DESCRIPTION OF THE FUND**

The Fund is an investment portfolio of Stone Ridge Trust VIII (the "Trust"), a statutory trust established under the laws of State of Delaware by the Certificate of Trust dated December 22, 2020. The Trust's Declaration of Trust authorizes the issuance of an unlimited number of common Shares of beneficial interest, par value, unless the Trustees shall otherwise determine, \$0.001 per share. All Shares have equal rights to the payment of dividends and other distributions and the distribution of assets upon liquidation. Shares are, when issued, fully paid and non-assessable by the Fund and have no pre-emptive or conversion rights or rights to cumulative voting.

Shareholders are entitled to share equally in dividends declared by the Board payable to holders of Shares and in the net assets of the Fund available for distribution to holders of Shares upon liquidation after payment of the preferential amounts payable to holders of any outstanding preferred shares.

The Declaration of Trust provides for indemnification out of Fund property for all loss and expense of any shareholder or former shareholder held personally liable for the obligations of the Fund solely by reason of such person's status as a shareholder or former shareholder. Thus, the risk of a shareholder incurring financial loss on account of shareholder liability is limited to circumstances in which the Fund would be unable to meet its obligations.

Shareholders have no pre-emptive or conversion rights. Upon liquidation of the Fund, after paying or adequately providing for the payment of all liabilities of the Fund, and upon receipt of such releases, indemnities and refunding agreements as they deem necessary for their protection, the Trustees may distribute the remaining assets of the Fund among the holders of the Shares.

The Board may classify or reclassify any issued or unissued Shares of the Fund into shares of any class by redesignating such Shares or by setting or changing in any one or more respects, from time to time, the preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends, qualifications or terms or conditions of repurchase of such Shares. Any such classification or reclassification will comply with the provisions of the Declaration of Trust and the 1940 Act.

As of February 1, 2023, the following amount of Shares of the Fund was authorized for registration and outstanding:

(1)	(2)	(3)	(4)
Title of Class	Amount Authorized	Amount Held by the Fund for its Account	Amount Outstanding Exclusive of Amount Shown Under (3)
Common Shares of Beneficial Interest	Unlimited	\$0	\$100.00

**Anti-Takeover Provisions.** The Declaration of Trust includes provisions that could have the effect of limiting the ability of other entities or persons to acquire control of the Trust or to change the composition of the Board by discouraging a third party from seeking to obtain control of the Trust. These provisions may have the effect of discouraging attempts to acquire control of the Trust, which attempts could have the effect of increasing the expenses of the Fund and interfering with the normal operation of the Fund. The Trustees are elected for indefinite terms and do not stand for reelection. A Trustee may be removed from office without cause only by a written instrument signed or adopted by a majority of the remaining Trustees or by a vote of the holders of at least two-thirds of the class of Shares of the Trust that are entitled to elect a Trustee and that are entitled to vote on the matter. The Declaration of Trust does not contain any other specific inhibiting provisions that would operate only with respect to an extraordinary transaction such as a merger, reorganization, tender offer, sale or transfer of substantially all of the Fund’s assets or liquidation. Reference should be made to the Declaration of Trust on file with the Commission for the full text of these provisions.

**Derivative Actions.** The Declaration of Trust requires that before bringing any derivative action on behalf of the Fund, shareholders must make a pre-suit demand upon the Board to bring the subject action unless such effort is not likely to succeed. A pre-suit demand shall only be deemed not likely to succeed if a majority of the Board, or a majority of any committee established to consider the merits of such action, is composed of Trustees who are not “independent trustees” (as that term is defined in the Delaware Statutory Trust Act). Unless demand is excused, shareholders in the aggregate holding at least 10% of the Fund’s outstanding shares (or at least 10% of the class to which the action relates) must join the request for the Board to commence such action. In addition, unless demand is excused, the Board must be given a reasonable amount of time to consider the shareholder request, and the Board may retain advisors while considering the merits of the shareholder request. Shareholders bringing a derivative action must undertake to reimburse the Fund for the expenses of any advisor retained to assist in considering the merits of the shareholder request if the Board determines not to take action. These provisions generally apply to claims arising under the federal securities laws. Reference should be made to the Declaration of Trust on file with the Commission for the full text of these provisions.

**Jurisdiction and Waiver of Jury Trial.** The Declaration of Trust also provides that any suit, action or proceeding brought by or in the right of any shareholder seeking to enforce any provision of, or based on any matter arising out of or in connection with, the Declaration of Trust or the Fund’s shares shall be brought exclusively in the Court of Chancery of the State of Delaware or, if such court does not have jurisdiction, then in the Superior Court of the State of Delaware. The Declaration of Trust also provides that shareholders waive the right to a trial by jury. The requirement that actions may only be brought in the Delaware Court of Chancery or Superior Court do not apply to claims arising under the federal securities laws. Reference should be made to the Declaration of Trust on file with the Commission for the full text of these provisions.

## REPORTS TO SHAREHOLDERS

The Fund will send to common shareholders unaudited semi-annual and audited annual reports, including a consolidated list of investments held.

## ADDITIONAL INFORMATION

The prospectus and the Statement of Additional Information do not contain all the information set forth in the Registration Statement that the Fund has filed with the Commission. The complete Registration Statement may be obtained from the Commission upon payment of the fee prescribed by its rules and regulations. The Statement of Additional Information can be obtained without charge by calling (855) 609-3680.

Statements contained in this prospectus as to the contents of any contract or other document referred to are not necessarily complete, and, in each instance, reference is made to the copy of such contract or other document filed as an exhibit to the Registration Statement of which this prospectus forms a part, each such statement being qualified in all respects by such reference.

## STONE RIDGE'S PRIVACY NOTICE

### Stone Ridge's Commitment to Its Customers<sup>1</sup>

Stone Ridge recognizes and respects the privacy expectation of each of its customers. Stone Ridge believes that the confidentiality and protection of its customers' non-public personal information is one of its fundamental responsibilities. This means, most importantly, that Stone Ridge does not sell customers' non-public personal information to any third parties. Stone Ridge uses its customers' non-public personal information primarily to complete financial transactions that its customers request or to make its customers aware of other financial products and services offered by a Stone Ridge affiliated company.

### Information Stone Ridge Collects About Its Customers

Stone Ridge collects non-public personal information about its customers from the following sources:

- *Account Applications and Other Forms*, which may include a customer's name and address, social security number or tax identification number, total assets, income and accounts at other institutions;
- *Account History*, which may include information about the transactions and balances in accounts with Stone Ridge; and
- *Correspondence*, which may include written, telephonic or electronic communications.

### How Stone Ridge Handles Its Customers' Personal Information

As emphasized above, Stone Ridge does not sell non-public personal information about current or former customers to third parties. Below are the details of circumstances in which Stone Ridge may disclose non-public personal information to third parties:

- In order to complete certain transactions or account changes that a customer directs, it may be necessary to provide certain non-public personal information about that customer to companies, individuals or groups that are not affiliated with Stone Ridge. For example, if a customer asks Stone Ridge to transfer assets from another financial institution, Stone Ridge will need to provide certain non-public personal information about that customer to the company to complete the transaction.
- In order to alert a customer to other financial products and services that a Stone Ridge affiliated company offers, Stone Ridge may share non-public personal information it has about that customer with a Stone Ridge affiliated company.

---

<sup>1</sup> For purposes of this notice, the term "customer" or "customers" includes both individuals who have investments with a Stone Ridge affiliated company and individuals who have provided non-public personal information to a Stone Ridge affiliated company, but did not invest with a Stone Ridge affiliated company.

- In certain instances, Stone Ridge may contract with non-affiliated companies to perform services for or on behalf of Stone Ridge. Where necessary, Stone Ridge will disclose non-public personal information it has about its customers to these third parties. In all such cases, Stone Ridge will provide the third party with only the information necessary to carry out its assigned responsibilities and only for that purpose. In addition, Stone Ridge requires these third parties to treat Stone Ridge customers' non-public information with the same high degree of confidentiality that Stone Ridge does.
- Finally, Stone Ridge will release non-public information about customers if directed by that customer to do so or if Stone Ridge is authorized by law to do so.

### **How Stone Ridge Safeguards Its Customers' Personal Information**

Stone Ridge restricts access to information about customers to its employees and to third parties, as described above. Stone Ridge maintains physical, electronic and procedural safeguards reasonably designed to protect the confidentiality of its customers' non-public personal information.

### **Keeping Its Customers Informed**

As required by federal law, Stone Ridge will notify customers of Stone Ridge's Privacy Policy annually. Stone Ridge reserves the right to modify this policy at any time, but in the event that there is a change, Stone Ridge will promptly inform its customers of that change.



## Stone Ridge Art Risk Premium Fund

For More Information

To obtain other information and for shareholder inquiries:

By telephone: (855) 609-3680

By mail: Stone Ridge Art Risk Premium Fund  
c/o U.S. Bank Global Fund Services  
615 East Michigan Street  
Milwaukee, Wisconsin 53202

On the Internet: SEC EDGAR database —  
[www.sec.gov](http://www.sec.gov)



The Fund's investment company registration number is 811-23824.