

STONE RIDGE TRUST III

STONE RIDGE ALL ASSET VARIANCE RISK PREMIUM FUND

SUPPLEMENT DATED SEPTEMBER 8, 2020

TO THE

PROSPECTUS AND STATEMENT OF ADDITIONAL INFORMATION

DATED

MARCH 1, 2020, AS SUPPLEMENTED ON MARCH 18, 2020 AND AUGUST 13, 2020

As previously announced, on August 12, 2020, the Board of Trustees of Stone Ridge Trust III (the “Trust”) approved an Agreement and Plan of Reorganization pursuant to which the Stone Ridge All Asset Variance Risk Premium Fund (“Existing AVRPX”) will be reorganized with and into a new open-end mutual fund series of Stone Ridge Trust also called Stone Ridge All Asset Variance Risk Premium Fund (“New AVRPX” and together with Existing AVRPX, the “Funds”) (such transaction, the “Reorganization”).

The Board’s decision to reorganize is subject to shareholder approval, though no shareholder action is necessary at this time. A special meeting of shareholders will be called seeking shareholder approval for the Agreement and Plan of Reorganization. The record date for such special meeting, which was initially set as October 12, 2020, has been changed to October 15, 2020. Therefore, a notice of a special meeting of shareholders and a combined prospectus/proxy statement (the “Prospectus/Proxy Statement”) seeking shareholder approval for the Agreement and Plan of Reorganization will be sent in the near future to Existing AVRPX shareholders of record as of October 15, 2020.

The foregoing is not a solicitation of any proxy. For important information regarding Existing AVRPX or New AVRPX, or to receive a free copy of the Prospectus/Proxy Statement, once it is available, please call Okapi Partners LLC toll-free at 888-785-6707. The Prospectus/Proxy Statement will contain important information about the Reorganization and New AVRPX in which shareholders of Existing AVRPX would own shares upon the closing of the Reorganization, including information about investment strategies and risks, fees and expenses. The Prospectus/Proxy Statement will set forth the identity of the participants in the proxy solicitation and a description of the participants’ direct or indirect interests, by security holdings or otherwise. The Prospectus/Proxy Statement will also be available for free on the SEC’s website (www.sec.gov). Please read the Prospectus/Proxy Statement carefully when considering the Reorganization.

Please retain this Supplement with your records for future reference.