# A Transformative Year

## Why the Fund is in a stronger position today

Advisors who have held the Fund through a prolonged lull are asking, “what comes next?” That is the right question, and 2026 gave us a clear answer:

**This is a stronger Fund than it was a year ago. In 2026 its liquidity, team, portfolio, and exit pipeline have all moved forward. We believe today’s shareholders are positioned to benefit.**

We appreciate the continued support of our shareholders. That support, since our inception 12+ years ago, has helped us grow the fund and invest in innovative companies. Along the way in 2022 and 2023, we weathered one of the most severe downturns in Private Equity (PE) history. We are pleased that period is over and that the Fund’s performance has increased since then. As of 9/30/26, the Fund’s Institutional Share Class (PIIVX) has a 1-year return of 21.52% and a 2-year average annual return of 14.51%. Our focus remains on building upon this progress and delivering long-term results for shareholders. Four key developments in 2026 set the stage for what comes next. ***Past performance does not guarantee results, for full standardized performance see page 5.***

## 2026 At a Glance

| LIQUIDITY | TEAM | PORTFOLIO | PIPELINE |
|---|---|---|---|

Exits and new subscriptions provided cash and flexibility. The management team expanded, adding senior portfolio management and research talent, while deploying capital into a new generation of companies. The mature holdings that still remain private are lined up to repeat the cycle.

## Exits Created Liquidity

**As of June 30, 2026, the Fund held about $620 million in money market funds and publicly traded stock, the most in its 12-year history.** That was 40% of net assets, the highest share since mid-2021, when the Fund was a third of its current size.

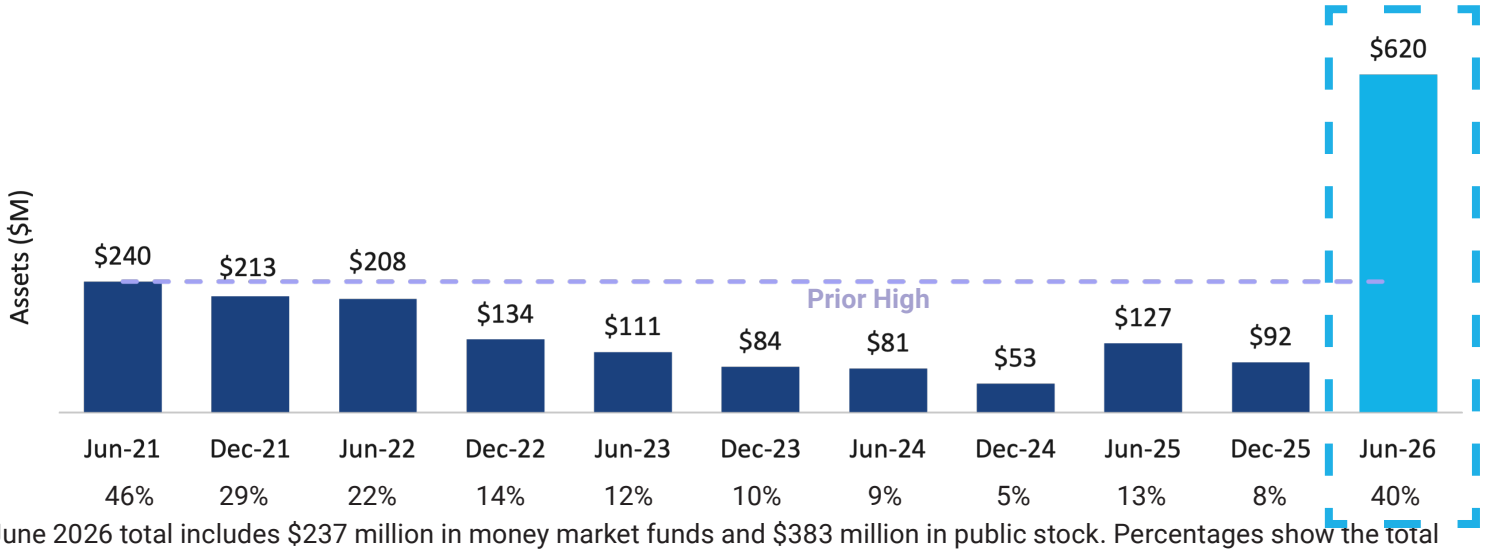
Two catalysts built that position. First, numerous portfolio companies listed: Circle, Omada Health, and Voyager Technologies went public in June 2025 followed by Beta Technologies in November 2025. January 2026 kicked off with EquipmentShare, followed by Cerebras in May, SpaceX in June, and Lime in July. Second, advisors added $431 million of new subscriptions in the first half of 2026.

The Fund’s Assets Under Management (AUM) grew from about $1.1 billion at the start of 2026 to $1.5 billion as of 9/30/26. That scale, combined with opportunistic liquidity, allows the team to write more meaningful checks. At $1.5 billion in AUM, a 3% position is equivalent to a $45 million check. Checks of that size earn the Fund a direct place on the capital tables of high-profile companies, alongside venture firms such as Sequoia, Andreessen Horowitz, Kleiner Perkins, and Founders Fund.

The team has already begun capitalizing on that flexibility. As of 9/30/26, cash was down to about 5% of the portfolio as money was put to work.

## Portfolio Liquidity Up ~3x Since Previous High of June 2021

**Greater liquidity provides the Fund with increased flexibility to pursue new investment opportunities, meet ongoing obligations, and respond to changing market conditions.**




June 2026 total includes $237 million in money market funds and $383 million in public stock. Percentages show the total as a share of net assets. Some public holdings remained subject to Initial Public Offering (IPO) lockups. Source: SEC Forms N-CSR and N-CSRS · 11 as of 9/30/26.

## A Founding Portfolio Manager Returns to an Expanded Team

**Sven Weber returned as Portfolio Manager on August 3, 2026, and two senior analysts joined the research bench.**

Sven was one of the founders of the Fund and he brings over 30 years in venture capital and secondary markets. Our Team

He also remains Managing Principal at Knightsbridge Advisers, a venture fund-of-funds firm founded in 1983. Knightsbridge has backed leading venture firms for decades, deepening the Fund's sourcing network. Since the most sought-after rounds tend to be oversubscribed, allocations most often will go to investors the company and its lead backers already know.

The Fund now has a four-person portfolio management team, more research capacity, and currently it has the most capital to deploy in its history.

## Recycled Capital into the Next Generation of Private Technology Companies

**In the 12 months prior to September 30, 2026, the Fund put about $267 million to work in 10 new companies and 8 existing holdings.** Portfolio Update

A single concept underpins every investment the Fund made this year: each company already owns something hard to build. A shipyard, an automated factory, spacecraft in orbit, power, or land; each is layering Artificial Intelligence (AI) and other next generation technologies on top of that foundation.

Under that central concept sits three investment themes. In each one the team targets what it views as the top one or two companies within a sub-category.

This is a deliberate alternative to chasing the frontier model labs, where access is scarce and valuations are elevated. The companies the team targets sell into the AI build-out or apply it to defense, energy, manufacturing, or transportation.

## Portfolio Themes and Holdings

| Dimension | AI and AI Infrastructure | Aerospace and Defense | Emerging Technology |
|---|---|---|---|
| **Focus** | Powering the AI economy | The new era of space and security | From breakthrough to adoption |
| **Foundation** | Power, chips and data links | Shipyards, factories and spacecraft | Deep physics and engineering |
| **New in the past year** | Ayar Labs<br>Crusoe<br>Hatz.AI | True Anomaly<br>Hadrian<br>Saronic | Prometheus<br>Wayve<br>SandboxAQ |
| **Also in the theme** | Databricks<br>Cerebras<br>Dataminr | SpaceX<br>Axiom Space<br>Relativity Space | CubeFabs<br>Robotics and Fusion |

## Selected Portfolio Companies

| Theme | Company | The hard-to-copy foundation | Recent marker |
|---|---|---|---|
| **AI & AI Infrastructure** | **Ayar Labs** | Optical links that move data between AI chips with light instead of copper | $500M Series E at $3.75B in March, then an extension above $5B |
| | **Crusoe** | Energy-first AI data center campuses | Series F initial close at about $30.9B in September |
| **Aerospace & Defense** | **Saronic** | Autonomous ships, built in its own shipyards | $392M Navy production contract; $1.75B Series D at $9.25B in March |
| | **Hadrian** | Automated factories making precision parts for SpaceX and Lockheed Martin | $1.37B Series D at $7.87B in August; seven-year deal to make parts inside Lockheed's missile plant in October |
| | **True Anomaly** | Maneuverable spacecraft for defense already in orbit | Selected for Golden Dome interceptor prototypes; $650M raise at $2.2B in April |
| **Emerging Technology** | **Prometheus** | AI that models physics to speed up engineering design | Series B in June alongside BlackRock, Goldman Sachs, and JPMorgan |
| | **Wayve** | An AI driver licensed to automakers; partners include Nissan, Mercedes-Benz and Uber | $1.2B Series D at $8.6B in February; Mercedes-Benz production deal in September |
| | **SandboxAQ** | Alphabet spin-out with models trained on physics and chemistry | $500M U.S. CHIPS award in June |

Notably, some initial positions are smaller because the round was oversubscribed. Others are smaller because the company is at an earlier stage. The team may add to them through later rounds and tender offers as each company meets its execution goals.

## Positioned for Liquidity

**About 38% of the Fund's private portfolio holdings were in confidential Initial Public Offering (IPO) registration or a candidate for a liquidity event as of 9/30/26.** The private portfolio excludes holdings already publicly traded (27% of the Fund) and cash (about 5%).

**Share of Private Holdings at Fair Value as of 9/30/26**




The potential liquidity catalyst portion of the portfolio is made up of 11 company holdings, three have confidential IPO registrations: Discord, Kraken, and GrubMarket. GrubMarket is one of the Fund's largest private holdings, representing approximately 5.3% of the Fund as of 9/30/26, and has been held since 2020.

The remaining eight holdings are viewed by the investment team as potential candidates for a liquidity event, including an IPO, tender offer, or acquisition: Axiom Space, Betterment, Crusoe, CubeFabs (Nanotronics), Databricks, Dataminr, FBN, and Upgrade.

## What this Means for Shareholders

**2026 was a transformative year. Today's shareholders benefit from greater liquidity, a deeper team, a next-generation portfolio and a pipeline of exits already under way.**

From 2022 to 2024, exit markets were largely shut and almost none of the Fund was publicly traded. Today about half of the portfolio holding are public, filed to go public, or a candidate for a Merger & Acquisition (M&A) transaction. The proceeds are funding ten new companies, chosen by a deeper team, in rounds that are hard to enter without the Fund's extensive relationships and its current asset size.

Portfolio Manager and Founder Kevin Moss highlights that "the next phase of AI investment isn't just about smarter models, it is about the physical systems needed to deploy them." He also points to the growing share of enterprise value being created before companies reach the public markets. This is where the Fund is positioned, with an investment strategy designed to capture opportunities across both the technologies shaping the future of AI and the private companies building them.

## PERFORMANCE AS OF 9/30/26

| | Q3 2026 | YTD | 1 Year | 3 Year | 5 Year | 10 Year | Ann ITD* |
|---|---|---|---|---|---|---|---|
| PRIVX | -0.86% | 9.41% | 21.42% | 9.44% | 5.07% | 7.91% | 8.83% |
| PRIVX (w/Load) | -6.55% | 3.11% | 14.44% | 7.30% | 3.84% | 7.27% | 8.31% |
| PIIVX | -0.85% | 9.46% | 21.52% | 9.58% | 5.25% | - | 9.44% |
| PRLVX | -0.90% | 9.27% | 21.21% | 9.23% | 4.85% | - | 8.56% |
| PRLVX (w/Load) | -5.11% | 4.62% | 16.05% | 7.65% | 3.94% | - | 8.00% |
| Russell 2000 | -7.23% | 13.71% | 16.20% | 17.72% | 6.34% | 9.84% | 8.61% |

*Class A inception date 3/25/14, Class I inception date 11/17/17, Class L inception date 5/11/18. Russell 2000 ITD based on A Share inception of 3/25/14.

*Returns vary per share class.* ***Performance data quoted represents past performance and is no guarantee of future results. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than original cost. Current performance may be lower or higher than the performance data quoted. For performance as of the most recent month-end, please call 1-855-551-5510.*** *Some of the Fund's fees were waived or expenses paid by the Advisor; otherwise, returns would have been lower. Per the current prospectus, the Fund's total gross expenses are 2.54%, 2.46%, and 2.74% for the Class A, I, and L Shares respectively. The Fund's advisor has contractually agreed to waive fees and/or pay operating expenses, excluding taxes, interest, brokerage commissions, acquired fund fees and expenses, and extraordinary expenses, such that total expenses do not exceed 2.65%, 2.40%, and 2.90% for the Class A, I, and L shares respectively. The agreement with the Advisor is in place through May 2, 2027. Net expenses are applicable to investors. The higher net expense ratio occurs as a result of a recoupment of expenses. Performance results with load reflect the deduction of the 5.75% maximum front end sales charge for Class A Shares and 4.25% for the Class L Shares.*

**The Private Shares Fund Top 10 Holdings as of 9/30/26***




*Represents 53.13% of Fund holdings as of September 30, 2026. Holdings are subject to change. Not a recommendation to buy, sell, or hold any particular security. **Current and future holdings are subject to risk.** To view the Fund's complete holdings, visit privatesharesfund.com/portfolio. Fund holdings are updated frequently on the website. For the most current portfolio information, visit www.privatesharesfund.com

**Investors should consider the investment objectives, risks, charges and expenses carefully before investing. For a prospectus with this and other information about The Private Shares Fund (the "Fund"), please download here, visit the Fund's website at PrivateSharesFund.com or call 1-855-551-5510. Read the prospectus carefully before investing.**

## RISKS AND DISCLOSURES

This is not a recommendation to buy, sell, or hold any particular security and there is no guarantee that these portfolio companies will generate profit or loss.

The Private Shares Fund is a closed-end interval fund. Investment in the Fund involves substantial risk. The Fund is not suitable for investors who cannot bear the risk of loss of all or part of their investment. The Fund is appropriate only for investors who can tolerate a high degree of risk and do not require a liquid investment. All investing involves risk including the possible loss of principal.

Shares in the Fund are highly illiquid, and can be sold by shareholders only in the quarterly repurchase program of the Fund which allows for up to 5% of the Fund's outstanding shares at NAV to be redeemed each quarter. Due to transfer restrictions and the illiquid nature of the Fund's investments, you may not be able to sell your shares when, or in the amount that, you desire. The Fund intends to primarily invest in securities of private, late-stage, venture-backed growth companies. There are significant potential risks relating to investing in such securities. Because most of the securities in which the Fund invests are not publicly traded, the Fund's investments will be valued by Liberty Street Advisors, Inc. (the "Investment Adviser") pursuant to fair valuation procedures and methodologies adopted by the Board of Trustees, as set forth in the prospectus. As a consequence, the value of the securities, and therefore the Fund's Net Asset Value (NAV), may vary.

There are significant potential risks associated with investing in venture capital and private equity-backed companies with complex capital structures. The Fund focuses its investments in a limited number of securities, which could subject it to greater risk than that of a larger, more varied portfolio. There is a greater focus in technology securities that could adversely affect the Fund's performance. The Fund's quarterly repurchase policy may require the Fund to liquidate portfolio holdings earlier than the Investment Adviser would otherwise do so and may also result in an increase in the Fund's expense ratio. Portfolio holdings of private companies that become publicly traded likely will be subject to more volatile market fluctuations than when private, and the Fund may not be able to sell shares at favorable prices. Such companies frequently impose lock-ups that would prohibit the Fund from selling shares for a period of time after an initial public offering (IPO). Market prices of public securities held by the Fund may decline substantially before the Investment Adviser is able to sell the securities.

The Fund may invest in private securities utilizing special purpose vehicles ("SPV"s), private investments in public equity ("PIPE") transactions where the issuer is a special purpose acquisition company ("SPAC"), and profit sharing agreements. The Fund will bear its prorata portion of expenses on investments in SPVs or similar investment structures and will have no direct claim against underlying portfolio companies. PIPE transactions involve price risk, market risk, expense risk, and the Fund may not be able to sell the securities due to lock-ups or restrictions. Profit sharing agreements may expose the Fund to certain risks, including that the agreements could reduce the gain the Fund otherwise would have achieved on its investment, may be difficult to value and may result in contractual disputes. Certain conflicts of interest involving the Fund and its affiliates could impact the Fund's investment returns and limit the flexibility of its investment policies. This is not a complete enumeration of the Fund's risks. Please read the Fund prospectus for other risk factors related to the Fund.

The Russell 2000 is an index measuring the performance of approximately 2,000 smallest-cap American companies in the Russell 3000 Index, which is made up of 3,000 of the largest U.S. stocks. It is a market-cap weighted index. It is not possible to invest in an index.

The Fund is distributed by FORESIDE FUND SERVICES, LLC