The Private Shares Fund

Quarterly Commentary Q2 2025

PIIVX - PRIVX - PRLVX

TOP 10 HOLDINGS

(as of 6/30/25) and current holdings here.

GrubMarket

Space Exploration Technologies

IPO

CIRCLE

Tradeshift

nanotronics

motive

Equipment Share

Betterment

ARCTIC WOLF

Lime

Represents 44.62% of Fund holdings as of June 30, 2025. The Fund's website updates top holdings and total holdings frequently. Please visit the Fund's website for the most current information here: top holdings; total holdings.

PORTFOLIO MANAGER Q2 2025 COMMENTARY

The Private Shares Fund (the "Fund") can report that for the second quarter of 2025, the Fund generated a total return of 2.90% as measured by the Fund's Institutional Class (PIIVX), The Portfolio Managers ("PMs") continue to believe there is significant upside potential to current NAV across what we view as a best-in-class portfolio of late-stage, growth-oriented private innovation companies, particularly as capital formation and exit activity show clear signs of improving. To that end, three of the Fund's companies recently went public, and one was acquired in the second quarter. While recent tariff announcements made by the US and initial responses from other countries have created some macro-headwinds that can impact capital formation and exit activity in the near-term, the PMs believe the Fund is well positioned to benefit from the prospect of improving macroeconomic conditions and less stringent regulations, which should drive increased exit (e.g., M&A, IPO, etc.) and financing activity in 2025.

VC MARKET UPDATE

The National Venture Capital Association (NVCA) reported approximately 6,660 U.S. Venture Capital (VC)-backed deals closed in the 1st half of 2025 with an aggregate deal value of $162.8 billion, an 75.6% increase from the 1st half 2024. Although VC dry powder now sits at roughly $310.8 billion, there continues to be a significant supply/demand ratio imbalance as more companies seek capital and shareholders seek liquidity, while investors exhibit greater discipline. As a result, this creates greater negotiating leverage for active investors willing to commit capital in both secondary transactions and new financing rounds. That said, high-performing companies demonstrating strong operating metrics should continue to be rewarded with more attractive valuations. To that end, AI continues to dominate the upper end of the deal spectrum in the 1H of 2025, which includes OpenAI's $40 billion round in the first quarter and now Scale AI's $14.3 billion venture-growth round in the 2nd quarter.

Late-stage deal activity closed in the 1st half of 2025 reached $43.6 billion, with Q2 activity representing the 4th highest level in 12 quarters, albeit a 13% decline from Q1 2025. While it is believed that many late-stage companies continue sitting on substantial cash balances following the surge in capital raising over the prior couple years while in parallel implementing business efficiency measures, we believe deal activity is likely to pick up as the valuation and exit environment improve while the desire to invest further in growth gains appeal.

As previously reported, during the fourth quarter of 2022, the NVCA created a new category called venture-growth stage deals, which they define as any financing, that is Series E or later or any VC financing of a company that is at least seven years old and has raised at least six VC rounds. The purpose is to better distinguish the mitigated risk/reward profile of these more mature companies compared to all VC deals. Venture-growth deal activity in the 1st half of 2025 reached $83.9 billion, with Q2 activity of $30.7 billion representing the third highest on record, albeit falling below the $53.2 billion record set in Q1 2025.

In terms of liquidity, VC exit activity for the 1st half of 2025 reached $120.1 billion, with Q2 activity of $67.7 billion representing the highest level in 14 quarters. While we continue monitoring tariff developments and potential implications, we believe increases in corporate M&A activity and private equity-led buyouts can continue throughout 2025. In parallel, we are looking at one of the largest and most compelling IPO backlogs in recent history, with many high-performing technology and innovation companies that are generating a healthy balance of strong growth rates and profitability. Although tariff-related uncertainty may temporarily delay new listings in the near-term, we are seeing a pickup in public market offerings and expect this to continue over the coming quarters as volatility subsides and headwinds calm.

As a reminder, the Fund's strategy is to invest in late-stage, private growth companies; including technology companies that drive innovation and disruption across the economy in sectors such as aerospace/space economy, cybersecurity, artificial intelligence/machine learning, big-data, advanced manufacturing, digital health, ecommerce, and agricultural technology. Since inception and at present, the overwhelming majority of the Fund's holdings involve US-domiciled companies where the underlying technology, operations and revenue primarily (if not exclusively) reside in the US. While several of the Fund's holdings have asset-heavy business models including those in aerospace/space economy, most of Fund's holdings involve asset-lite business models with very little (if any) debt on their balance sheets. By default, the Fund's companies are typically not engaged in the traditional importing and exporting of hard assets.

Although we believe the capital structures and business models of the Fund's holdings provide a layer of protection from the newly proposed tariffs, there will likely be some degree of both direct and indirect impacts at a macro and micro level. For example, an extended period of increased volatility and uncertainty may hit growth rates as customers pull back on consumption and spend. Furthermore, companies with less flexible supply chains may face cost increases that cannot be fully passed on to their customers, which would hurt margins. In addition, we would expect disruptions to capital formation and exit activity which would both force companies to manage their balance sheets and expenditures more efficiently while further delaying realizations for shareholders and investors. Related, US companies may see less demand from foreign investors as the demand for dollar-denominated assets could decline.

While recent tariff announcements are certainly raising new questions, challenges and concerns for the broader economy and both public and private market investors alike, we think it is important to be reminded that these are often attractive periods for capital deployment as investors gain negotiating leverage due to various macro and micro dislocations. As long-term investors focused on private innovation companies that improve efficiency, productivity and ultimately profitability for end customers across many sectors of the economy, we continue to believe the Fund's underlying portfolio is well positioned to benefit as capital formation, valuation and exit activity continue improving.

As always, we are grateful for your continued support and welcome the opportunity to share further insights around our optimism for the Fund in 2025.

PORTFOLIO ADD-ONS (Q2 2025)

- Dataminr
- Accel Leaders Fund IV
- Relativity Space

PORTFOLIO EXITS (Q2 2025)

- Lyst (M&A)
- Voyager Technologies (IPO)
- Circle Finance (IPO)
- Omada Health (IPO)

PERFORMANCE AS OF 6/30/2025

	Q2 2025	YTD	1 Year	3 Year	5 Year	10 Year	Ann ITD*
PRIVX	2.84%	1.18%	8.15%	0.12%	8.82%	6.13%	8.00%
PRIVX (w/Load)	-3.06%	-4.64%	1.93%	-1.83%	7.54%	5.51%	7.44%
PIIVX	2.90%	1.33%	8.41%	0.36%	9.08%	-	8.33%
PRLVX	2.77%	1.06%	7.88%	-0.13%	8.55%	-	7.25%
PRLVX (w/Load)	-1.60%	-3.23%	3.30%	-1.56%	7.61%	-	6.60%
Russell 2000	8.50%	-1.78%	7.68%	10.00%	10.04%	7.12%	7.05%

*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 2.53%, 2.48%, and 2.76% for the Class A, I, and L shares respectively. The Fund's total net expenses are 2.72%, 2.47%, and 2.97% 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 expense, commitment fees, legal fees or other expenses related to any borrowing or leverage incurred by the Fund, brokerage commissions, acquired fund fees and expenses, and extraordinary expenses, such as litigation or reorganization costs, but inclusive of organizational costs and offering costs, such that total expenses do not exceed 2.65%, 2.40%, and 2.90% for the Class A, I, and L shares respectively. The higher net expense ratio appears to be the result of a recoupment of expenses. The agreement with the Advisor is in place through May 2, 2026. Net expenses are applicable to investors. 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.*

DISCLOSURES

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.

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 pro rata 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 Fund may not be suitable for all investors. We encourage you to consult with appropriate financial professionals before considering an investment in 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. One cannot invest in an index**.** A Special Purpose Acquisition Company **(SPAC)** is a company that has no commercial operations and is formed strictly to raise capital through an initial public offering **(IPO)** for the purpose of acquiring or merging with an existing company. Mergers and Aquisitions **(M&A).**

The views expressed in this material reflect those of the Fund's Investment Advisor as of the date this is written and may not reflect its views on the date this material is first published or anytime thereafter. These views are intended to assist in understanding the Fund's investment methodology and do not constitute investment advice. This material may contain discussions about investments that may or may not be held by the Fund. All current and future holdings are subject to risk and to change.

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