PORTFOLIO MANAGER Q1 2022 COMMENTARY

The Private Shares Fund (the "Fund") is pleased to report that for first quarter of 2022, the Fund generated a total return of 4.88% as measured by the Fund's Institutional Class (PIIVX) and was able to achieve those returns with a significantly lower level of volatility than the broader market. The results were generated during an unusual quarter in the financial markets.

National Venture Capital Association (NVCA) reported approximately 4,822 U.S. Venture Capital (VC)-backed deals closed in the first quarter of 2022 which set a record, while total deal value fell to $70.7 billion, off pace from every quarter in 2021, but still exceeding pre-2021 quarterly totals. Late-stage investment activity also continued at an elevated pace into the first quarter of 2022 with 1,558 deals closed representing $44.1 billion in total value, exceeding Q4 2021 estimated deal count of 1,300. This resilience, however, may partially be driven by longer lead times for late-stage VC deals that were negotiated prior to serious market shifts. While mega-deal value (VC late-stage deals over $100 million) experienced a slowdown with 185 deals closed during the first quarter representing $36.6B in total deal value, these figures far exceed pre-2021 levels.

As an aside, it is worth noting that early-stage VC activity continued its elevated pace during the first quarter of 2022 with 1,499 deals closed representing $21.6 billion in total value. While it is also likely that many of these deals were in progress and negotiated for some time before market shifts, this data continues to support a recent trend of larger investors entering companies at earlier stages in the traditional venture lifecycle, which has also resulted in larger median and average valuations. However, given that early-stage companies typically require less capital and have longer holding periods, current market conditions may be less problematic for this segment of the VC market.

While at its current pace 2022 would easily be the second most active year for all VC-related activity on record, sustained macroeconomic and geopolitical headwinds could have a more meaningful impact over the coming quarters. For example, groups like nontraditional investors that have been heavily involved in late-stage VC activity reduced their participation in deals during Q1, a trend that may continue. That said, the significant levels of VC fundraising in recent years should serve as a backstop for the entire ecosystem during 2022.

In terms of liquidity, VC exit activity for the first quarter of 2022 remained on pace by count but saw a significant slowdown in value. NVCA estimates 430 exits have closed in Q1 2022, representing $33.6Bn in estimated exit value which is a sharp decline in exit deal value from the past 3 quarters, granted those were record setting levels of over $192 billion in each quarter. However, capital exited in the first quarter of 2022 is not historically low and is more in line with figures posted in 2018 and 2019. The most significant slowdown involved IPOs for VC-backed startups which have neared a complete halt during the first quarter with only 28 VC-backed public listings closed, the lowest quarterly count since Q1 2020. M&A activity also fell to its lowest level in deal count and value since Q3 2020, but still elevated relative to historical levels. These exit trends are common during periods of increased market volatility and macroeconomic uncertainty, and it's possible to see an increase in M&A activity as strategic and private equity buyers look to take advantage of dislocations without much competition from public offerings.

TOP 10 HOLDINGS

(as of 3/31/2022) and current holdings here.

GrubMarket

TRADESHIFT

Space Exploration Technologies

AXIOM SPACE

NextRoll

Relativity

kraken

Lime

FBN

CIRCLE (SPAC)

Represents 29.08% of Fund holdings as of March 31st, 2022. 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.

During the first quarter of 2022, the CBOE Volatility Index (VIX) increased quite significantly but remained well below peak levels as compared to March 2020. Recent increases in volatility and pressure on major public market indices has been largely driven by a combination of rising inflation, anticipated Fed rate hikes and balance sheet tightening, labor market and supply chain challenges, increased geopolitical risks stemming from the Russia-Ukraine conflict, ongoing Covid-19 variants, and general concerns around the impacts these measures may have on both the sustainability of corporate growth rates and earnings. As previously noted, we anticipated many of these challenges to increase pressure heading into 2022 while these factors persist, which may continue for a number of quarters. While our portfolio of late-stage VC and growth companies is not immune to what may happen if these challenges persist over a longer time period, we have been pleased by the overall performance and resiliency thus far and will continue to monitor developments. In our view, we believe the bigger implication will be that companies planning to raise capital may face greater pressure on valuation and terms, and it may take companies longer to exit.

As long-term investors in private market technology innovation and disruption, we believe the Fund could potentially continue to benefit from value creation across sectors including fintech, artificial intelligence, cyber-security, cloud, data storage and analytics, online education, supply chain optimization, e-commerce, digital health, and the space economy. It is important to acknowledge the record high levels of dry-powder available to support the VC ecosystem and increased maturity of market participants relative to prior cyclical rotations. To that end, the Fund continued deploying capital during the first quarter of 2022 across existing holdings and new positions in a market environment where dislocations are creating more attractive entry points. We believe that many of our companies have differentiated business models, are operated by seasoned management teams, backed by strong VCs, and have healthy balance sheets to help manage through market cycles.

Historically, the Fund's Net Asset Value (NAV) has been relatively stable during periods of public market stress like those in 2016 and 2018, during which we were able to invest in some very strong names at attractive prices. Similarly, the Fund's NAV has remained relatively stable, and we have continued investing throughout this cycle. It is the experience of the Fund's Portfolio Managers that periods of increased volatility and uncertainty in the public equity markets and overall macro environment are often good catalysts for increasing the supply of opportunities in the private markets. In other words, these catalysts may improve supply and demand imbalances in favor of buyers and investors as owners of illiquid assets tend to become more risk averse and prefer liquidity. These types of environments often result in more attractive risk adjusted entry points. As a result, vintages involving periods of increased public market activity and macro uncertainty typically also generate outperformance. So, while this may appear a bit counter intuitive, these environments could create great buying and investing opportunities in the private markets while simultaneously maintaining discipline, relying upon our comprehensive diligence process and leveraging our relationships across the private market ecosystem.

NEW PORTFOLIO ADDITIONS (Q1 2022)

The Fund added 10 new positions during Q1 2022. Below is a brief summary of those companies:

LOADSMART

Transforming the future of freight, Loadsmart leverages artificial intelligence, machine learning, and strategic partnerships to automate how freight is priced, booked, and shipped. Pairing advanced technologies with deep-seated industry experience, Loadsmart fuels growth, simplifies operational complexity, and bolsters efficiency for carriers and shippers alike.

COLOR HEALTH

Color is a provider in distributed healthcare and clinical testing. Color makes population-scale healthcare programs accessible, convenient, and cost-effective for everyone. Color works with health systems, employers, and national health initiatives around the world, including the million-person All of Us Research Program by the National Institutes of Health.

HYDROW

Hydrow is the Live Outdoor Reality (LOR)™ rower. With workouts led by world-class athletes, including some training for the U.S. National Rowing team, Hydrow delivers a live on-river rowing experience at-home that engages two times more of the body's muscles than biking or running. Now more than ever, people's over-scheduled, stressful lives leave little time for meaningful exercise and the soul-enriching opportunity to spend time outdoors. Hydrow's innovative LOR technology brings balance and peace, while simultaneously delivering a challenging workout that burns up to 400 calories per 20-minute session.

NEW PORTFOLIO ADDITIONS (Q1 2022)

CONSENSYS

ConsenSys is a leading Ethereum software company which enables developers, enterprises, and people worldwide to build next-generation applications, launch modern financial infrastructure, and access the decentralized web. Consensys' suite of products serves millions of users, supports billions of blockchain-based queries for their clients, and has handled billions of dollars in digital assets. Ethereum is the largest programmable blockchain in the world, leading in business adoption, developer community, and DeFi activity.

XPLORE

Xplore is a provider of commercial space services intended to facilitate the flight of instruments out of earth's orbit. The company's services provide hosting of mission-critical payloads, communication relay services and delivery of datasets via its multi-mission spacecraft, serving national space agencies, national security agencies, sovereign space agencies and universities.

CEREBRAS SYSTEMS

Cerebras Systems is a team of pioneering computer architects, computer scientists, deep learning researchers, and subject matter experts of all types. They have come together to build a new class of computer system, designed for the singular purpose of accelerating AI and changing the future of AI work forever. The Cerebras CS-2 system, powered by the world's largest processor – the WSE-2, enables customers to accelerate their deep learning by orders of magnitude over general purpose compute.

CLEARMOTION

ClearMotion builds products enabling a next-generation user experience in vehicles. The company's proactive suspension and seating systems combine software and hardware to mitigate vehicle movement across uneven road surfaces. ClearMotion was founded out of MIT and has locations in the greater Boston area and Birmingham, UK.

ROOFSTOCK

Roofstock provides a digital real estate investing platform for single-family rental home sector. The company provides resources for investors to buy, manage, and sell investment homes online, including data analytics, property management oversight, and other tools. Roofstock's marketplace empowers investors to own cash-flowing rental properties, diversify their investment portfolios, and build long-term wealth through real estate.

VOYAGER SPACE

Voyager Space operates a space-focused holding company intended to increase vertical integration and mission capability. Voyager's long-term mission is to create a vertically integrated NewSpace company capable of delivering any space mission humans can conceive. The company centralizes core shared services and offers an alternative solution to traditional private capital models and replaces them with a longer-term approach as a provider of permanent capital, enabling commercial space companies to focus more on the development of innovative products and solutions.

UPGRADE

Upgrade, Inc. is a financial technology company offering credit, mobile banking and payment products to mainstream consumers. Upgrade has delivered over $12 billion in affordable credit to consumers through credit cards and loans since 2017. The company also offers reward checking accounts with debit cards to its customers.

PERFORMANCE AS OF 3/31/22

	Q1 2022	YTD	1 Year	3 Year	5 Year	Ann ITD*
PRIVX	4.81%	4.81%	15.61%	17.27%	13.76%	11.57%
PRIVX (w/Load)	-1.22%	-1.22%	8.96%	14.97%	12.42%	10.75%
PIIVX	4.88%	4.88%	15.88%	17.56%	-	15.03%
PRLVX	4.74%	4.74%	15.31%	16.98%	-	14.24%
PRLVX (w/Load)	0.30%	0.30%	10.40%	15.30%	-	12.97%
Russell 2000	-7.53%	-7.53%	-5.79%	11.74%	9.74%	8.72%

*Class A inception date 3/25/14, Class I inception date 11/17/17 Class L inception date 5/11/18.

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 reimbursed; otherwise, returns would have been lower. The Fund's total expenses are 2.56%, 2.38%, and 2.75%, and for the Class A, I, and L shares respectively. The Fund's advisor has contractually agreed to waive fees and/or reimburse expenses such that total expenses do not exceed 2.50%, 2.25%, and 2.75% for the Class A, I, and L shares respectively. The agreement with the Advisor is in place through December 9, 2022. 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

As of December 9, 2020, Liberty Street Advisors, Inc. became the adviser to the Fund. The Fund's portfolio managers did not change. Effective April 30, 2021, the Fund changed its name from the "SharesPost 100 Fund" to "The Private Shares Fund." Effective July 7, 2021, the Fund made changes to its investment strategy. In addition to directly investing in private companies, the Fund may also invest in private investments in public equity ("PIPEs") where the issuer is a special purpose acquisition company ("SPAC"), and profit sharing agreements. The Fund's investment thesis has not changed.

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..***

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 is a non-diversified investment company, and as such, the Fund may invest a greater percentage of its assets in the securities of a smaller number of issuers than a diversified fund. 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. It is not possible to invest in an index. **CBOE Volatility Index** measures the stock market's expectation of volatility based on S&P 500 index options. One cannot invest in an index.

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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