PORTFOLIO MANAGER Q2 2022 COMMENTARY

The Private Shares Fund (the "Fund") is pleased to report that for the first half of 2022, the Fund generated a total return of 3.51% 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.

The National Venture Capital Association (NVCA) reported approximately 3,374 U.S. Venture Capital (VC)-backed deals closed in the second quarter of 2022, while total deal value fell to $62.3 billion, both off pace from the first quarter of 2022 but still exceeding pre-2021 quarterly totals. Late-stage investment activity also saw a pullback into the second quarter of 2022 with 1,124 deals closed representing $42.1 billion in total value. However, late-stage deal count was only down roughly 10% from the prior record set in Q1 2022, and both deal count and value are still exceeding pre-2021 levels. While mega-deal value (VC late-stage deals over $100 million) experienced a slowdown with 145 deals closed during the second quarter representing $32.1B in total deal value, these figures also far exceed pre-2021 levels.

Early-stage VC activity experienced a similar pullback during the second quarter of 2022 with 1,340 deals closed representing $16.0 billion in total value. While it is 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 further reduced their participation in deals during Q2, 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 second quarter of 2022 saw a slowdown in number of exits and significant pullback in value, registering the lowest quarterly exit value since Q4 2016. NVCA estimates 271 exits closed in Q2 2022, representing $13.1B in estimated exit value, which is a sharp decline in exit deal value from quarterly activity in 2021, granted three of those four set records with over $192 billion in each quarter. The most significant slowdown involved IPOs for VC-backed companies which have neared a complete halt during the first half of 2022, with only 22 VC-backed public listings closed. M&A activity also fell to its lowest level in deal count and value since Q3 2020 and Q4 2017, respectively. That said, 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 7/5/2022) and current holdings here.

GrubMarket

Tradeshift

Space Exploration Technologies

Axiom Space

Motive
Formerly KeepTruckin

NextRoll

Kraken

Betterment

Relativity

Lime

Represents 29.8% of Fund holdings as of July 5, 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 second 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 have been largely driven by a combination of rising inflation, 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. We continue to believe that a bifurcation of outcomes is more likely in which best of breed companies press forward largely unaffected, while capital constrained companies and/or ones with less differentiation will be highly vulnerable. 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. During the first half of 2022, VC funds raised 87% of 2021's full-year total, which further underscores the record high levels of dry-powder now approaching $300 billion that are 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 second 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 PMs 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 volatility 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 (Q2 2022)

FLEXPORT

Flexport is the modern freight forwarder. Flexport uniquely delivers a combination of advanced technology, physical logistics infrastructure and human expertise, providing fast and predictable transit times, visibility and control, and lower supply chain costs to logistics and supply chain professionals across the globe. First to market with a purpose-built cloud software and data analytics platform, Flexport today connects almost 10,000 clients and suppliers across more than 200 countries, including established global brands as well as emerging innovators. Flexport offers a full range of services, including ocean, air, truck and rail freight, drayage and cartage, warehousing, customs and trade advisory, financing, and insurance.

NANOTRONICS

Nanotronics is an advanced machines and intelligence company that helps customers across the public, private, and nonprofit sectors solve for the unique inspection and process control challenges of precision manufacturing. Deployed across fifteen countries and industry agnostic, Nanotronics works with leading-edge companies, from aerospace, to electronics, to healthcare, to drive up yield, reduce footprint and waste, lower costs, and speed up design iteration, while eliminating laborious manual inspections.

PERFORMANCE AS OF 6/30/22

	Q2 2022	YTD	1 Year	3 Year	5 Year	Ann ITD*
PRIVX	-1.39%	3.35%	8.07%	17.30%	13.07%	11.01%
PRIVX (w/Load)	-7.06%	-2.59%	1.84%	15.01%	11.74%	10.22%
PIIVX	-1.31%	3.51%	8.35%	17.60%	-	13.84%
PRLVX	-1.43%	3.24%	7.82%	17.01%	-	12.94%
PRLVX (w/Load)	-5.62%	-1.14%	3.25%	15.33%	-	11.76%
Russell 2000	-17.20%	-23.43%	-25.20%	4.21%	5.17%	6.00%

*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 paid by the Advisor; otherwise, returns would have been lower. The Fund's total gross expenses are 2.37%, 2.32%, and 2.60%, and for the Class A, I, and L shares respectively. The Fund's total net expenses are 2.53%, 2.28%, and 2.78% 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 2.50%, 2.25%, and 2.75% for the Class A, I, and L shares respectively. The agreement with the Advisor is in place through May 2, 2023. 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'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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