

THE PAST, THE PRESENT, AND THE FUTURE

Annual Edition - DECEMBER 2025

THE
Big Book
of
Venture Capital

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Other important considerations:

- A conscious effort has been made to research and incorporate thoughts, data, and insights from the broadest possible range of sources. However, complete universal coverage is not feasible, and some perspectives or datasets may be underrepresented.
- Data in the VC industry is always lagged.
- Readers are encouraged to carefully review all data and graphs, as these are sourced from third-party providers. Variations may exist due to differences in definitions (e.g., "pre-seed" may be defined differently across sources), data scope (e.g., tech M&A figures can vary between providers), geographical coverage, or timeline alignment (e.g., not all charts reference the same time periods).
- Most images and graphs are linked to their original source articles, which readers are strongly encouraged to explore for full context.
- This deck focuses on the strategic dimensions of venture capital most relevant to founders, GPs, and LPs—such as valuations, market dynamics, fundraising, portfolio construction, and performance. Covering just these core areas has been a substantial undertaking. As a result, specific verticals (e.g., ClimateTech, DeepTech, SaaS, HealthTech) are either not covered or only addressed partially (e.g., topics like AI and SaaS covered partially).

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Author's Note

SECTION 1

Author's Note: The Past, The Present, and The Future

The Past - 2024

In the [Big Book of VC - 2024 Annual version report](#), I wrote that **the venture market was telling a familiar but important story: cautious capital, rising AI influence, and a recovery that never fully arrived.** Despite strong public markets, venture remained constrained by macro uncertainty, weak exits, and muted investment activity—leaving the asset class out of sync with broader equities. Fundraising declined globally, with early-stage activity bearing the brunt, while late stage proved more resilient. The U.S. held up better than other regions, driven by large rounds and expanding hubs. Across markets, dealmaking became selective, with capital flowing disproportionately to a small set of high-conviction opportunities.

AI continued to reshape venture dynamics, attracting an outsized share of funding and accelerating outcomes for a narrow group of winners. Valuations recovered unevenly and remained concentrated at the top. **Exits remained the weakest link.** IPO and M&A activity stayed subdued, with limited liquidity reinforcing LP caution and slowing capital recycling. Fundraising consolidated around fewer, larger platforms, leaving smaller managers under pressure despite elevated dry powder across the system. **In short, 2024 was a year of stabilization without renewal. The market avoided further deterioration but failed to reset meaningfully**—placing renewed hope, and heightened expectations, on a more decisive recovery in 2025.

The Present - 2025

In the [Big Book of VC Q3 report](#), I wrote, **“Momentum Is Building — and Broadening!”** After a hesitant start to the year, startup fundraising activity was clearly moving again, even if the system remains cautious and uneven. This is not a full-cycle recovery, but it is a meaningful step forward from the post-2022 reset. The rebound is highly concentrated. A small group of AI-driven companies and well-capitalized firms are doing the heavy lifting, while much of the market continues to operate carefully. Strip out the outliers and the recovery looks fragile, but real.

Exits have provided the clearest signs of life. M&A activity has picked up meaningfully, IPOs have reopened—selectively—and secondaries have become a critical liquidity bridge. AI sits at the center of all three, shaping both capital formation and capital return.

Alongside, the venture business itself remains under pressure. Fundraising is slow, LPs are cautious, and capital is deploying unevenly despite ample dry powder. Teams are leaner, experience is being rewarded, and efficiency has replaced growth-at-all-costs as the dominant operating principle. **In short, venture isn't back to full strength, but it's no longer stalled. The engine is running, the wheel is turning, and momentum is returning with discipline.** After the past few years, that alone is real progress.

The Future – What I'll Be Watching in 2026?

So let me explain here again:

At the end of 2024 we were talking about: *"the venture market tells a familiar but important story: cautious capital, rising AI influence, and a recovery that never fully arrived. In short, 2024 was a year of stabilization without renewal. The market avoided further deterioration but failed to reset meaningfully—placing renewed hope, and heightened expectations, on a more decisive recovery in 2025"*

Then by the end of Q3 2025 we were talking about: *"Momentum Is Building — and Broadening! In short, venture isn't back to full strength, but it's no longer stalled. The engine is running, the wheel is turning, and momentum is returning with discipline. After the past few years, that alone is real progress."*

In short the expectations from 2024 were largely fulfilled!

Looking ahead to 2026, I'm focused on five key trends:

VC Fundraising Shock : Of all my projections, this is where I missed most. I did not expect VC fundraising to fall as sharply as it has. While the data is still partial (only until Q3) and open to debate, the magnitude of the decline was surprising. It raises an important question: why did this happen? Low DPI is the obvious explanation, yet exits and investment activity have improved this year and point to a more constructive outlook for 2026. Against that backdrop—especially with public equities near peaks—it's not immediately clear why LP allocations failed to at least match 2024 levels. Lookout for revival in 2026 - hopefully 🙌!

Exits, but Varied : Strong performance from high-profile IPOs in the U.S. and India in 2025, coupled with a growing backlog of IPO-ready companies, points to meaningful supply build-up that could carry momentum into 2026. That said, this should not be taken for granted—macro remains the hardest variable to predict, as evidenced by the unexpected Q1 volatility driven by shifting trade narratives. Down-round IPOs and post-IPO performance were a talking point in 2025 and remain so in 2026. Still, the area I'm most constructive on is M&A. Strategic buyers and PE sponsors alike are well-capitalized and could be looking to deploy dry powder into fitting assets. While M&A is not necessarily easier, it is often less directly exposed to macro volatility. With U.S. M&A activity already rebounding, the key question is

whether this momentum extends to other markets in 2026. Secondaries have also emerged as a vital release valve, and their role as a liquidity bridge is set to expand further within the venture ecosystem next year.

Redefining Seed : Seed investing is at an inflection point. Competition has intensified, the number of funds has grown, and megafunds have pushed aggressively into the stage. The market is increasingly bifurcated—AI-native startups attracting capital at scale, while non-AI companies lag. Traditional seed is being squeezed from both ends: pre-seed is encroaching upward, while “seed” rounds of \$50M+ blur the definition of the stage entirely. Smaller funds are struggling to support follow-on rounds, larger seed funds are harder to raise, and LPs are actively reassessing seed exposure amid high valuations and lower deal volumes. These forces don’t neatly reconcile—creating exactly the conditions needed to redefine what seed investing actually means.

Late-Stage Renaissance : Late-stage venture reopened in 2025, with deal activity and capital deployment picking up—accelerated by strong demand for AI leaders. After being the hardest hit in the downturn, late stage is finally back in motion, with significant dry powder seeking deployment. That said, expectations remain uneven: outside the U.S., many markets still anticipate a late-stage capital gap, prompting sovereign LPs to actively support this segment.

The message is clear—the system needs the wheel to keep turning, and it is. But this will be a tale of two cities: clear winners attracting capital at scale, and a harsh reckoning for those that fail to meet the increasingly high bar on growth, quality, and AI relevance. Caution is warranted—but so is optimism.

Weakness from Within : In Q4, the dominant question has become: *Is AI a bubble?* History suggests that not all bubbles end the same way—some unwind quietly, while others permanently reshape markets, even as they destroy capital along the way. AI already wields outsized influence through infrastructure spending, capex cycles, and its central role in startup growth narratives. The key uncertainty lies in how this resolves: life as normal in 2026, or a sharp correction, or a prolonged monetization lag. Time will tell!



Best wishes for the holiday season, and here's to a great start to the New Year!



Rohit Yadav

Author - [*The Big Book of VC, Rethinking Venture Capital*](#)

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Expert Views

SECTION 2

Thanks to the Contributors!



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Aram Attar

General Partner
The VC Factory

Predictions for 2026 from Investors and Experts

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Europe's startup landscape is undergoing a profound shift. Seed funding plummeted dramatically in the first quarter of 2025 — down 41 percent year over year. What may look like a setback is, in fact, a sign of structural transformation. Investors are writing larger tickets, but deploying them across fewer companies. At the same time, ultra-lean, AI-native startups are increasingly skipping the seed stage altogether.

As a result, today's seed rounds resemble Series A financings from a decade ago. Average round sizes have doubled: where seed rounds once ranged between one and two million euros, they now frequently land between three and five million euros.

But this shift also rewrites the rules for founders. Those seeking capital today must do far more than simply present a product — they must demonstrate from day one that they are building a scalable, high-growth company.



Valerie Bures

Managing Director & Partner

XAnge

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Absolutely bullish on the Seed investing space in India, especially in the three sectors we invest in as Multiply Ventures— Consumer Brand, Consumer Tech and Fintech. The why: Consumption accounts for 60% of India's GDP, and this will drive the next decade and beyond. The quality of founders has improved by leaps and bounds, and it will only get better. Exits have been an Achilles' heel in India, but this changed in 2025 with a remarkable number of IPOs, the launch of many secondaries-focused funds, and healthy M&A activity in the consumer brand space. Most importantly, a massive social change has been a country-wide belief that our time has come, and we can make globally loved products, and we like to flaunt them.

Pattern matching and chasing pedigree founders remains a challenge for the industry. Personally curious to watch and learn from the impact of AI on the VC industry.



Sanjay Ramakrishnan

Founder & General Partner

Multiply Ventures

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2026 will be the year venture finally separates sourcing from selection. With AI democratizing deal discovery and more than 4,000 seed funds now competing for the same opportunities, access is no longer an advantage—it's a commodity.

Seed valuations remain elevated, multistage firms continue to push earlier, and LPs are becoming far more selective. In this environment, the differentiator isn't who sees a deal first, but who truly understands the founder. The strongest founders in 2026 will come from unconventional backgrounds and bring a lived, earned connection to the problem they're solving—something no algorithm can replicate. As traction becomes easier to manufacture and pedigree becomes less predictive, founder–problem fit emerges as the most reliable signal of long-term value creation. The next era of venture will reward firms with depth, not breadth, and judgment, not velocity.



Sagar Barvaliya

General Partner

Blockchain Founders Capital

“

In 2026, I expect the European early-stage ecosystem to find its rhythm again after two years of recalibration. Valuations will remain disciplined, but the best technical founder, especially in applied AI, climate infrastructure, and industrial automation, will command meaningful premiums as their businesses begin to show real operating leverage. Fundraising dynamics will stay bifurcated: strong teams with capital-efficient traction will close rounds quickly, while everyone else faces longer diligence cycles and structured terms.

On the venture side, LPs will continue prioritizing managers who demonstrate clear portfolio construction discipline and tangible DPI rather than just paper marks. As a result, VC fund management becomes more operationally rigorous, and emerging managers will differentiate through sharper theses and tighter ownership strategies. Overall, 2026 won't be a return to the exuberance of past cycles, but it will mark the start of a more durable, fundamentals-driven era for startups and venture capital.



Oliver Oster

Founding Partner

AQVC

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The next wave of breakout companies will be anchored in proximity to science, where execution- not hype - drives outsized returns. Translational clarity is now the defining edge: clear mechanistic rationale, fit-for-purpose biomarkers, and disciplined regulatory plans are narrowing the valley of death for teams that know how to build.

In biosciences, this favors companies that design programs to de-risk early, align biology with clinical endpoints, and treat development strategy as a core competency rather than an afterthought. These companies tend to move faster with fewer surprises and create real option value earlier in their lifecycle. Venture is becoming more specialized as a result, with advantage shifting to investors who can underwrite true technical inflection - biological, clinical, or regulatory - and to funds led by investors with real domain fluency, translational depth, and operator experience. As the market matures, domain depth and execution discipline will quietly outperform generalist approaches.



Megha Unhelkar

Director of Investments

Connecticut Innovations

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Liquidity is the new power line running through the venture ecosystem. In Canada and across North America, it has become the defining pressure point for LPs, founders and GPs. LPs want flexibility, faster recycling and a clear clock on time to liquidity. That alone is reshaping underwriting, governance and how capital shows up in early rounds.

*The real shift is happening at pre-seed where angels and early investors are expecting more optionality. Instruments that provide a clear path to conversion or liquidity are gaining momentum. Structured secondaries and intentional liquidity windows are now design choices that can be made on day one. At the same time a new architecture is forming. Vertical venture studios engineered for real exit pathways. **Venture studio funds that treat liquidity as a product feature rather than a distant outcome.** The next era of venture will reward builders who solve liquidity in real time while creating compounding value, not those who wait for the market to rescue them.*



Marcus Daniels

Founding Partner & CEO

Highline Beta

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Outlook for European Early Stage B2B Software

Valuation Dynamics: I expect only gentle upward pressure at the pre-seed/seed level, as VCs remain disciplined (excluding temporarily hyped topics or verticals). More interesting is the high density of bootstrapped pre-seed companies raising rounds with seed-level metrics and performance.

Fundraising & Deals: We will see fewer but larger pre-seed/seed rounds in 2026 (European median (pre-)seed checks jumped ~23% this year). Many founders are stitching together bridge extensions or raising larger initial rounds to extend runway, paired with high capital efficiency and swift revenue growth.

**Marc Penkala**

General Partner
altitude

Market Liquidity: I don't see a massive IPO window in 2026, yet. However, SME and mid-market M&A activity is picking up. Secondaries are also rising as early investors seek liquidity; for the first time, secondary volumes exceeded IPO volumes. I believe this trend will continue in 2026, while VC fundraising hit a 12-year low in 2025 (down 60% year over year).

Vibe Coding: Vibe coding is dead, long live vibe coding. After massive growth, AI coding traffic dropped by 76% globally in recent weeks (including Lovable, Base44, Cursor, etc.) as AI coding hit its natural limitations. 2026 will reveal the overall potential of vibe coding for startups and beyond.

“

The UK has all the fundamental venture support for DeepTech (ARIA, Sovereign AI Fund, NSSIF, British Business Bank, R&D excellence). With entry price and talent arbitrage versus the US, the UK and London is the place to build and de-risk DeepTech in 2026.

**Johnathan Matlock**

Co-Founder
Empirical Ventures

“

*We're living through a profound shift in the startup landscape, away from digital optimisation towards Deep Tech innovation built on scientific and engineering breakthroughs. We **expect the next decade of venture to be defined by breakthroughs in frontier domains** such as energy, biology, materials, and compute.*

*These opportunities resist established venture playbooks. Deep Tech founders must convert novel primitives into products through path-dependent experimentation. Even companies in the same vertical often follow radically different development trajectories. **This is why early-stage Deep Tech disproportionately rewards small, specialist funds.** Immersed in their niche ecosystems, these managers understand technical*



Dr. Georg (Juri) Stricker

General Partner

Signature Ventures

risk, move fast, and provide support that generalist firms cannot.

***But for LPs, a market dominated by specialist funds creates friction: high fragmentation, smaller ticket capacities, and increased underwriting burden.** The reality is increased concentration into megafunds. While such funds are direly needed in later rounds, their incentive structure is misaligned with Deep Tech innovation at the earliest stages. To avoid this mismatch, the industry needs structural innovation in capital formation. **We expect specialist fund-of-funds to gain traction as critical bridges** that reduce friction for LPs while channeling capital toward the specialist managers best equipped to back the next generation of breakthrough companies.*

“

***In 2026, code is commoditized, and the real moat is lived experience—not pedigree.** Operators who've lived the customer problem are closing rounds faster than Ivy League teams because their insights are rooted in reality.*

Monomaniacally obsessed outsider founders—who've absorbed 'no' faster—are out-executing everyone else, and investors are paying attention. In this new cycle, judgment and resilience are the only performance metrics that matter.



Joseph Alalou

Co-Founder & General Partner

Daring Ventures

“

As we look toward 2026, the venture and startup ecosystem will be operating in a far more complex geopolitical and macroeconomic environment than the one many funds were built for. Fragmentation, trade tensions and industrial policy shifts are no longer tail risks; they are the baseline. That reality demands a more grounded, strategy-driven approach to venture investing.

*From our perspective, this is precisely why industrial decarbonization remains not only relevant, but essential. **The next phase of climate innovation will be driven less by regulation or ideology, and much more by competitiveness.** Energy efficiency, advanced materials, electrification, digitalization of industrial processes and resilient infrastructure are no longer “climate bets” — they are productivity bets. Companies that reduce emissions by lowering costs, improving reliability or strengthening supply chains will outperform regardless of political cycles.*

*Our investment focus is early-growth (post-validation, pre-scale), backing deep-tech companies at the intersection of industry, energy and manufacturing, primarily in **Southern Europe. This region combines world-class industrial know-how with undercapitalized innovation, creating a compelling opportunity to build globally competitive companies from day one.***

In 2026, the winners in venture will be those who understand that decarbonization is not a constraint on growth, but a pathway to renewed industrial leadership.



Fernando Lelo de Larrea H

Founding Partner
Rumbo Ventures

“

*Emerging GPs have been trounced since the 2022 reset, but 2026 is when the best of them **bounce back.** If LPs want to capture the juiciest opportunities in this cycle, they can't just chase brands or vintage charts — they need a mindset lens to pick the managers who played to win through the downturn and treated their fund like a product to continuously improve.*



Aram Attar

General Partner
The VC Factory

Past Ecosystem Reports

SECTION 3

Report - Data in Venture: The Strategic Perspectives

Public markets already had their data revolution.

Venture hasn't—yet.

But the direction is clear: The first venture firm to reach \$100B in AuM will not win on brand alone. It will win on data infrastructure.

Consider this.

LPs hear this sentence a lot from VCs: “Data is our moat.”

The harder question is: Is it actually a value creator—or just stitched-together tooling?

A similar contradiction exists on the VC side.

Access to data is no longer the advantage. Clarity is!

And as sourcing becomes increasingly commoditized, selection is emerging as the true source of alpha.

That shift raises uncomfortable questions:

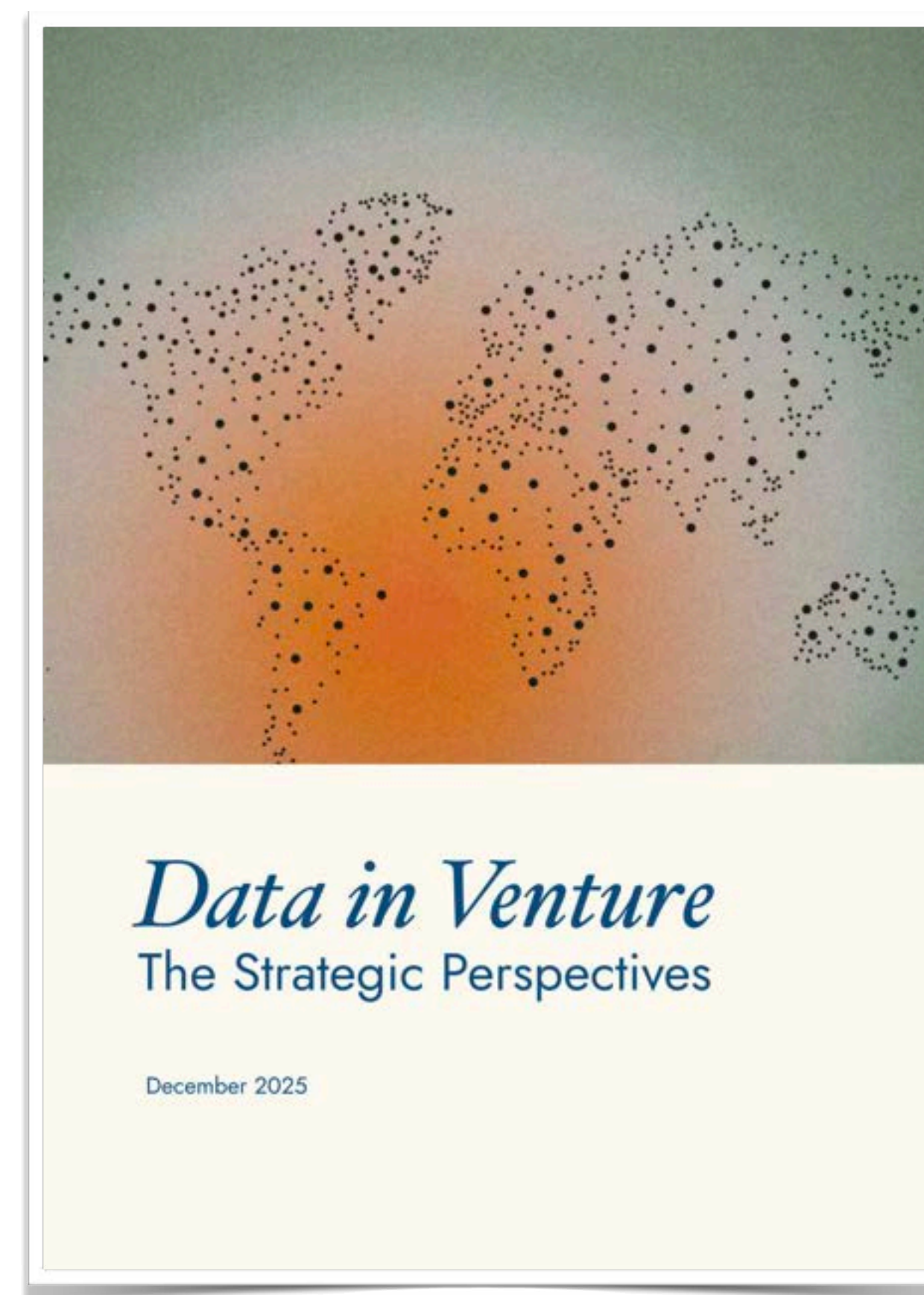
- !?! Is your diligence a checklist—or a compounding knowledge asset?
- !?! Do IC decisions leave behind structured learning—or disappear into memory?
- !?! Are humans and machines reinforcing each other—or talking past one another?

Also introduced two new frameworks that aim to move the data conversation forward:

- ✓ **Data Alpha in Venture = Proprietary + Edge**
- ✓ **The Strategic Model of Data Advantage**

In short, this report isn't optimistic or pessimistic about data in venture.

It's diagnostic. It's prescriptive. And it's strategic.



Report - The Big Book of Venture Capital - Q3 2025

Hot take: This quarter wasn't a boom, but it was definitely a turn. If Q1 was false starts and Q2 was recalibration, Q3 was quiet acceleration — messy, selective, but real.

Here's what the numbers say 📌

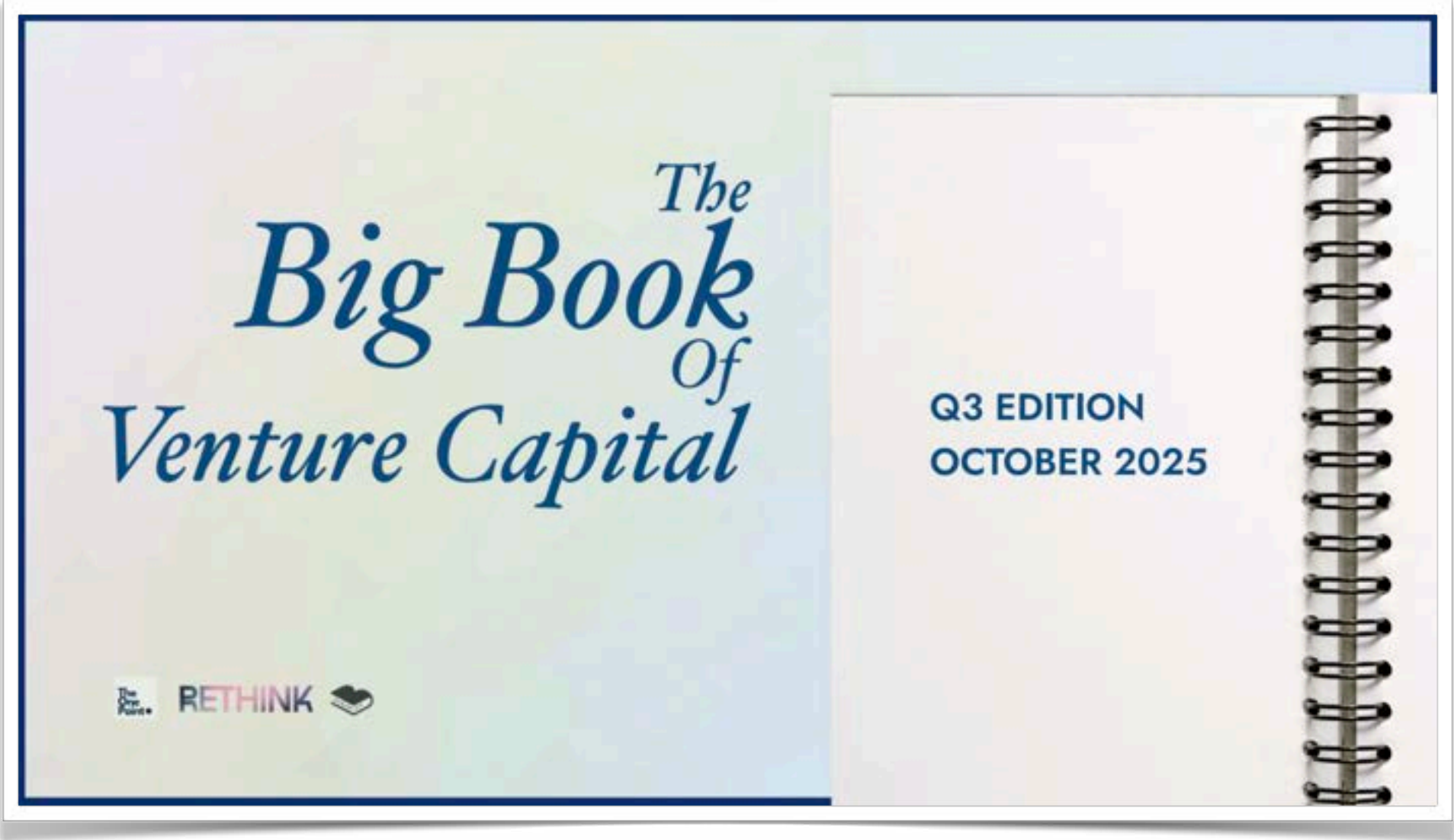
- 🔥 Global venture funding: +38% YoY to \$97B
- 🔥 Third straight quarter of \$90B+ in fundraising—that's good!
- 🧠 AI: 51% of global venture funding YTD, still unstoppable
- 🇺🇸 U.S. raised 4.6x Europe and 4.3x Asia—dominance cemented
- 🌏 Asia: Surprise fundraising rebound, up 20%
- 📊 Exits: 2,324 M&A + 138 IPOs in Q3, highest in 2025
- 📊 Q3 exit dollar volume has already exceeded 2024's volume
- 💰 Secondaries: \$61B in deals, overtaking IPOs for the first time in H1
- 📈 IPOs: Hit \$85B globally (whopping 370% YoY increase)
- 🔥 Dry powder: All-time high, but fundraising still painfully slow

But don't mistake motion for momentum. This isn't "venture spring." It's "venture recalibrated."

- ⚠️ Fundraising timelines now stretched
- ⚠️ First-time managers, finding it difficult for the second fund
- ⚠️ Post-IPO returns? Still divided
- ⚠️ LPs? Watching, waiting, whispering "discipline"

The real winners?

- 🤖 AI startups — leading funding, exits, and hiring
- 📈 Secondaries — the new liquidity engine
- 🧰 Leaner startups — scaling smarter, not larger



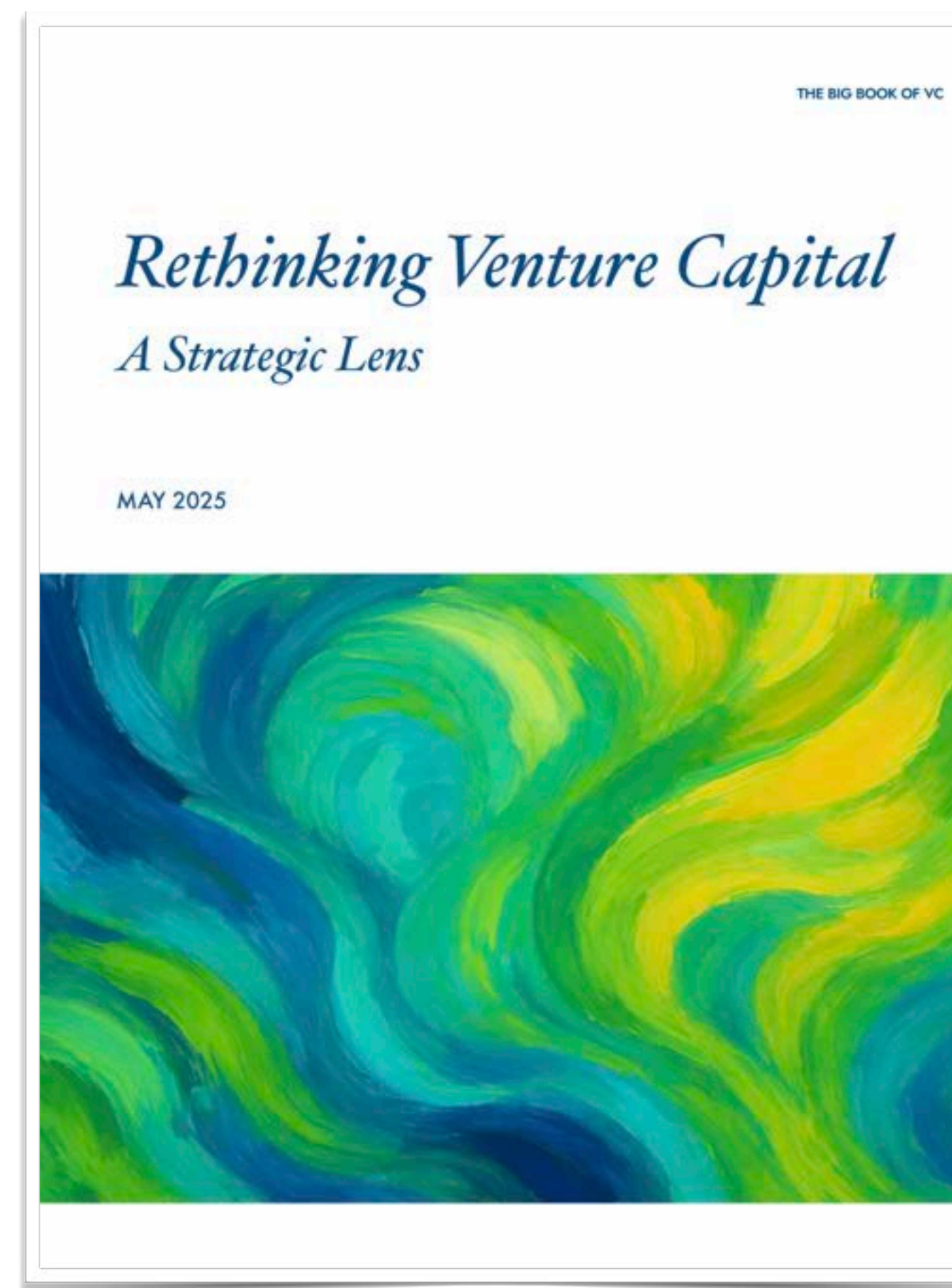
Report - Rethinking Venture Capital: A Strategic Lens

Venture capital is no longer a niche asset class—it's a strategic infrastructure for innovation, competitiveness, and value creation. *Rethinking Venture Capital: A Strategic Lens* (Report's [Link](#)) is a comprehensive, forward-looking report that reframes how we view the asset class across its entire value chain.

As the ecosystem faces a deep phase of structural dissonance, the report offers a timely and essential lens to realign strategy with today's reality. It's an indispensable read for LPs, GPs, allocators, founders, and anyone seeking clear thinking amid a noisy venture landscape.

What Makes This Report Stand Out

- A 360° Strategic Lens on Venture
- Insights from 11 Global Experts
- Decoded the 'Venture Dissonance' Phase
- Introduced the 'Four-Lens' Framework
- Proposed the 'Venture Spread' Model
- Mapped the 'Venture 3.0' Era
- Scenario Planning for What's Next
- Cross-Asset Comparisons for Clarity



Report - The Big Book of Venture Capital - Q2 2025

📈 Hot take: Everyone crying “venture winter” has completely missed the plot. Sure, the timeline’s still stuck on rinse-and-repeat pessimism—but here’s what Q2 2025 actually looked like:

- 💰 \$205B in H1 global startup fundraising — climbed 32% year-on-year
- 🚀 \$57B in global mega-rounds — U.S. captured 18.5x more than Asia
- 📈 Valuations? Back to 2021 highs almost across stages (for the right startups)
- 🤝 M&A? Up 2.7x year-on-year for H1 — pushed by AI
- 👛 Secondaries? Activity and fundraising are catching pace. Price is rebounding

But let’s be clear: This isn’t a comeback. It’s a reshuffling.

A strategic reordering—brutal and sublime—that’s only apparent when we peel the layers.

- 🌐 Europe and Asia fundraising? Still timid in Q2
- 📈 Generic startup fundraising? Struggling
- 🎯 LPs? Leaning into familiar names, creative structures, or secondaries

Meanwhile...

- 🤖 AI startups and founders are having their moment in the sun
- 👥 Talent is in motion—leaner teams, surging demand for AI specialists, and senior venture talent quietly moving behind the scenes

💡 This is no longer a game of velocity. Neither is it about surviving the cycle. It’s a game of positioning, perception, and power concentration. It’s about mastering the near-term realities of venture, while aligning for the long-term.



Report - The Big Book of Venture Capital - Q1 2025

2023 and 2024 were rough. Capital dried up. IPOs froze. Talent scattered. LPs got nervous. The vibe? Survival. Now? The vibe is of Comeback. (Report's [Link](#))

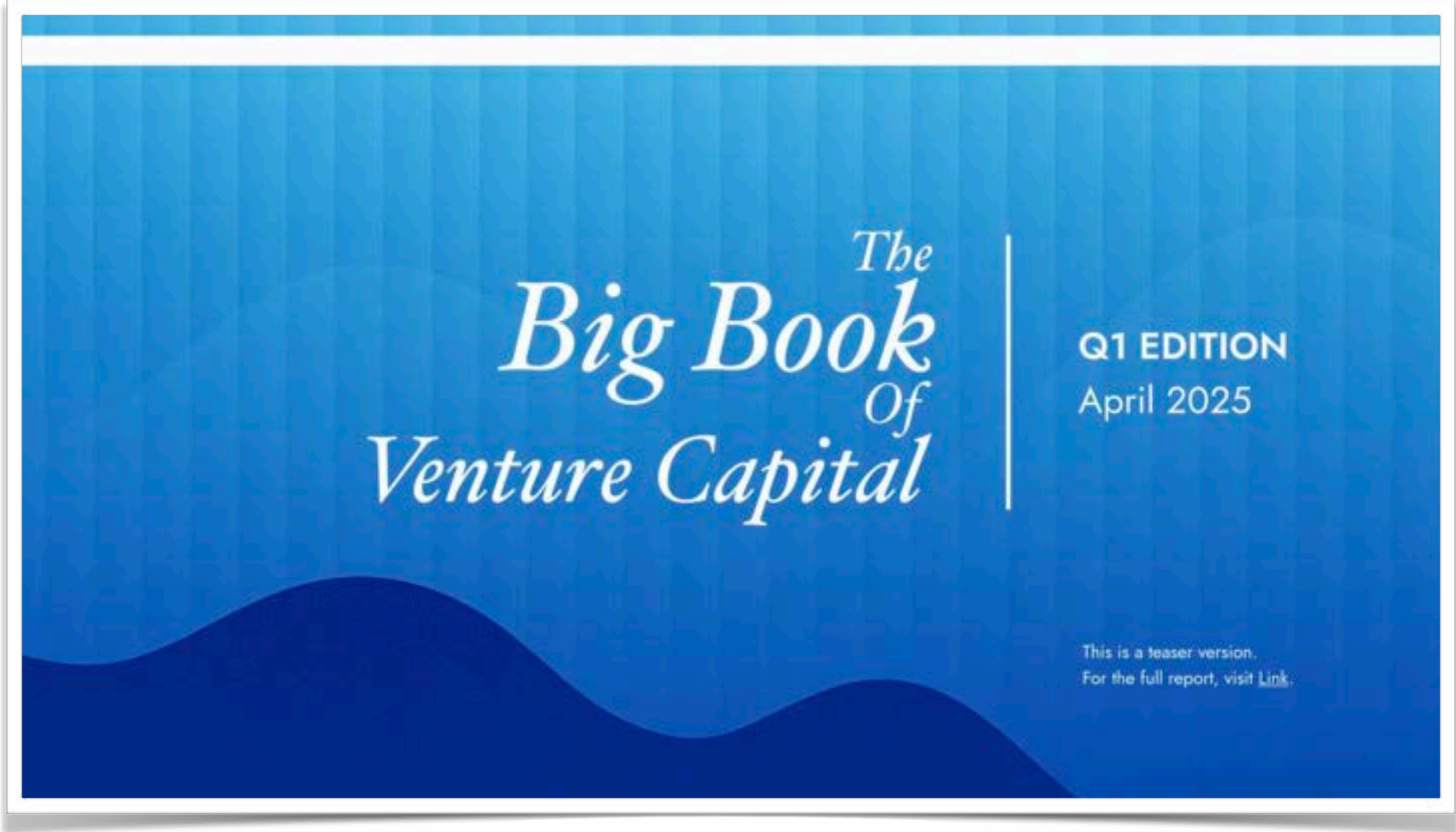
Here's what's really happened in Q1 2025:

- Exits are still the biggest bottleneck in the system
- AI is dominating VC like never before
- Late-stage U.S. funding surge
- Deal sizes and valuations are inflating
- Unicorns are forming faster than ever
- Mega-deals are back
- Venture Talent Flux is real—some launching new firms, others leaving VC entirely
- IPOs? On pause. Klarna, StubHub—both stepped back after early signals
- M&As: Wiz deal gives hope. Still huge potential to unravel
- Secondaries are in the news all over

But while headlines are focused on hype or doom, here's the actual opportunity: Founders are being more intentional. Teams are leaner, smarter. LPs are demanding more from managers. VCs are being forced to focus. And that's all a good thing.

2023–24 was a hard reset. 2025 is the recalibration.

Despite the tariff noise, I'm still 'positively hopeful' about 2025, 'with an undertone of caution' about the venture ecosystem.



Report - The Big Book of Venture Capital - 2024 Annual Edition

Released in December 2024, the report's ([Link](#)) goal was to highlight the key venture and startup ecosystem updates that happened in 2024.

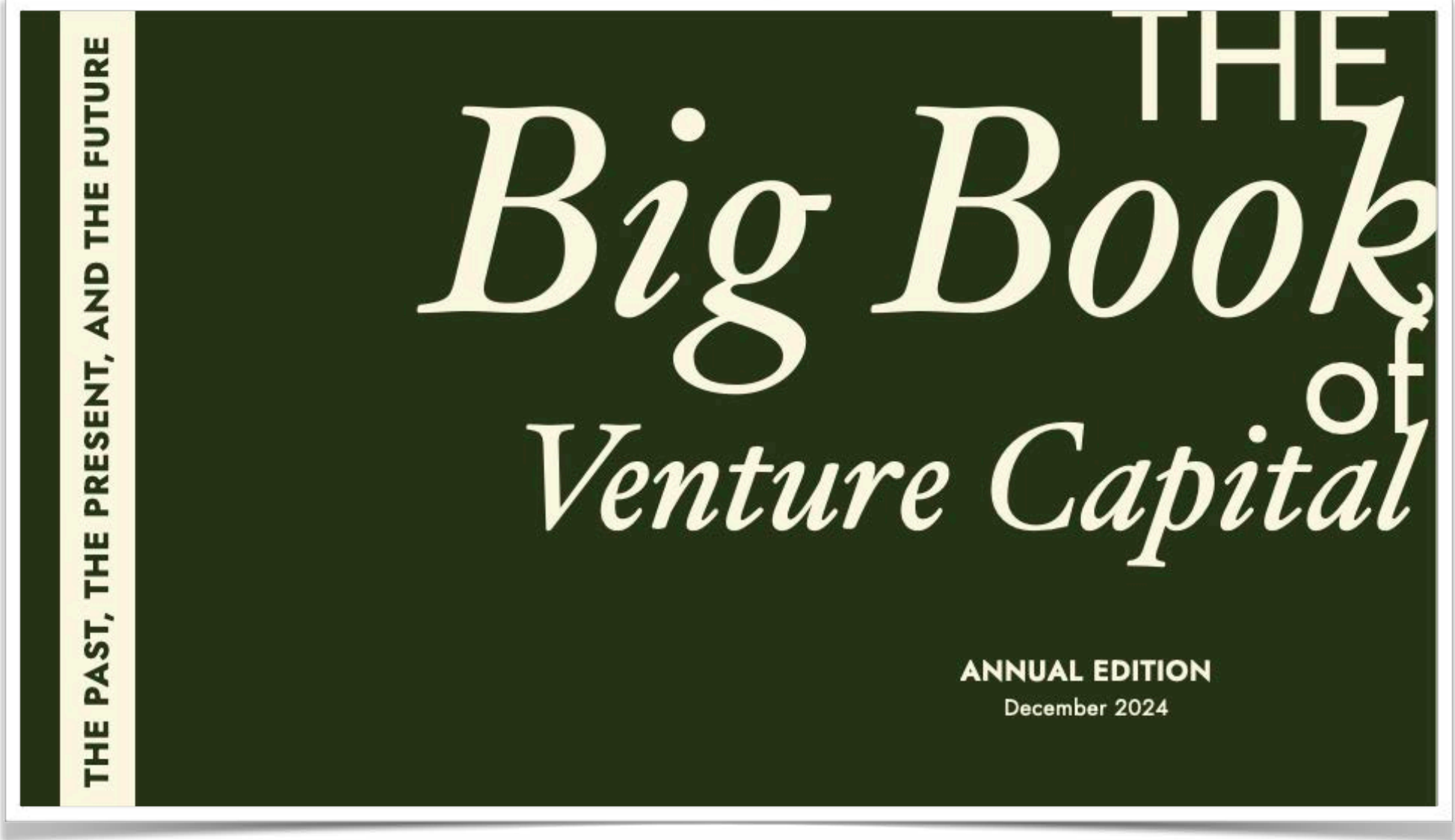
As the year-end draws closer, it's time to reflect, rethink, and plan for 2025. What better way than a strategic overview of our dynamic landscape to help you connect the dots?

The Past, the Present, and the Future

💡 What's inside?

This isn't just a recap—it's thoughtful analysis, insightful trends, and intriguing predictions for our dynamic VC world. Here's what makes this edition a must-read:

- **101 venture trends revealed.** Not just the "top 10," but a structured, multi-layered deep dive into the insights you NEED to see.
- **Predictions so that you understand the trends shaping 2025** and explore select impactful shifts with clear rationales behind them.
- **275+ charts offering the most detailed and nuanced view of the VC world** globally, not just from the U.S. but also from Europe and Asia.
- Data from top sources including Crunchbase, PitchBook, Carta, Dealroom, and more—plus expert thoughts/opinions to layer in human perspective.



Report - The Big Book of Venture Capital - Q3 2024

Released in October 2024, the report ([Link](#)) aimed to highlight the key venture and startup ecosystem updates that happened in Q3 '24.

“The Good, The Bad, and Everything In-Between”

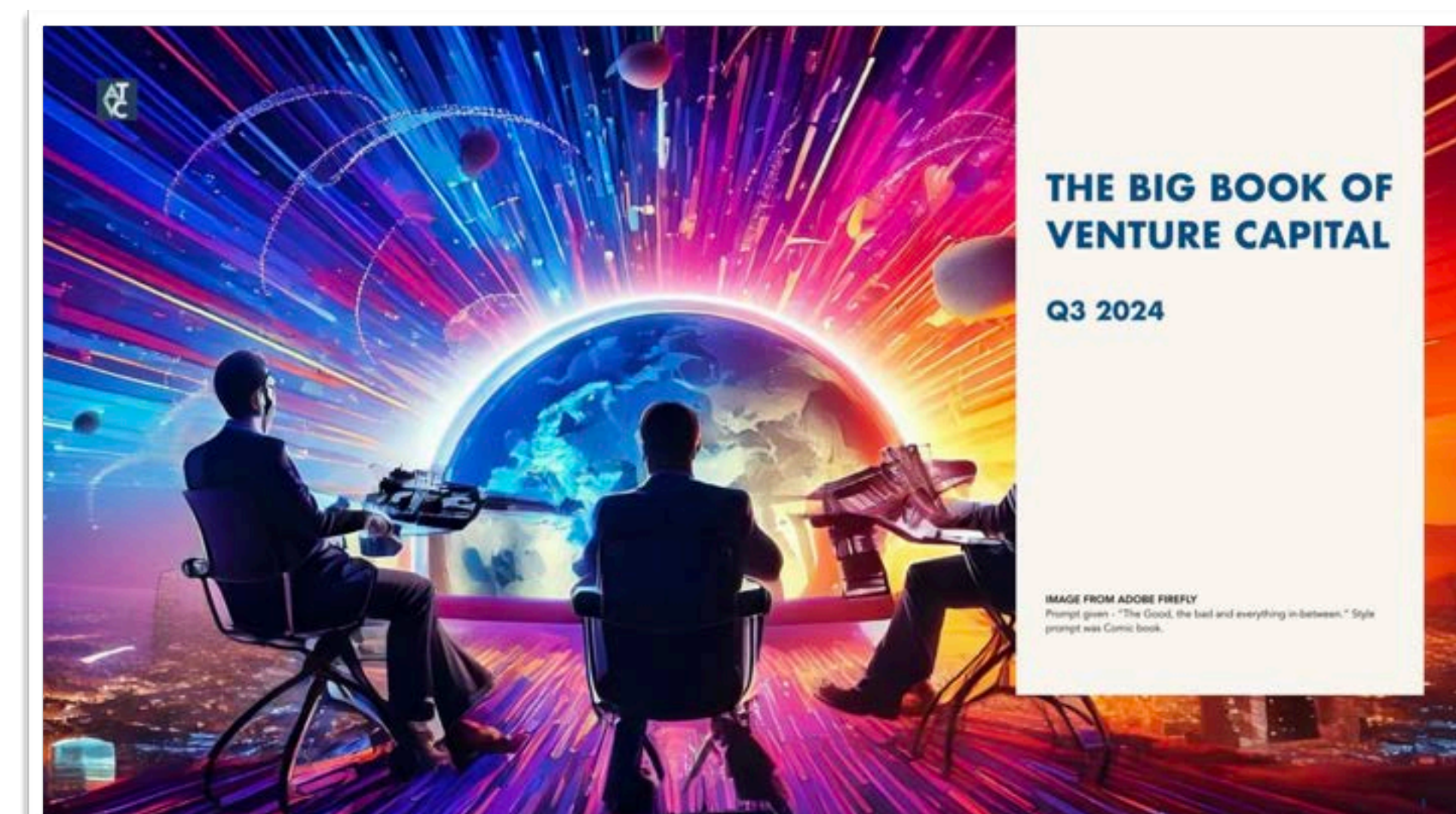
With 2024 nearing its close—and factoring in the holiday lull—the Q3 data analysis reveals no radical shifts. Most trends from earlier in the year persist, featuring a mix of positives, negatives, and nuances.

THE GOOD: U.S. and European exit volumes are recovering, poised to surpass 2023 levels. Median discounts in secondaries are shrinking, showing steady improvement.

THE BAD: Global startup funding experienced its first dip this year, with most regions seeing declines. Europe’s VC capital is increasingly concentrated among experienced investors, as fund counts have halved.

EVERYTHING IN-BETWEEN: Fundraising: AI captures one-third of VC dollars, and Silicon Valley leads U.S. AI funding. Deal sizes are growing in the U.S. and Europe, though investor activity continues to decline. LPs: Global VC fundraising is keeping pace with last year, but dry powder is largely unused.

Looking Ahead: No major shifts are expected in 2024. The industry looks to the U.S. Presidential Election to alleviate market anxiety and is optimistic about a rebound in 2025.



Report - The Big Book of Venture Capital - Q2 2024

Released in July 2024, the report ([Link](#)) aimed to highlight the key venture and startup ecosystem updates that happened in Q2 '24.

In the Q1 '24 report, I mentioned the venture sector being 'in the woods,' though we could see the sunlight. A quarter down the line, it feels like it will take us some time to bounce back fully. Stuck in this situation, we can either be optimists or not! Key strategic headlines are below.

-  Fundraising has grown for two consecutive quarters.
-  Valuations and deal size are up for most stages in the U.S. and Europe. However, the number of deals happening is down.
-  AI investments continue to rise.
-  Secondaries are booming. Quarter of startups trade at a premium. New secondary VC funds are coming up to capture this opportunity.
-  Corporations worldwide are increasing their involvement in the startup space. Many are also setting up CVCs to invest in hot areas like AI.
-  Global exit data isn't inspiring, and exit volume will likely fall short of '23 numbers. Global M&A is picking up but has yet to influence Tech M&A fully.
-  VC fundraising is still strained and lopsided. Emerging managers consistently raise less than half of the total U.S. VC funds. Established managers dominate.

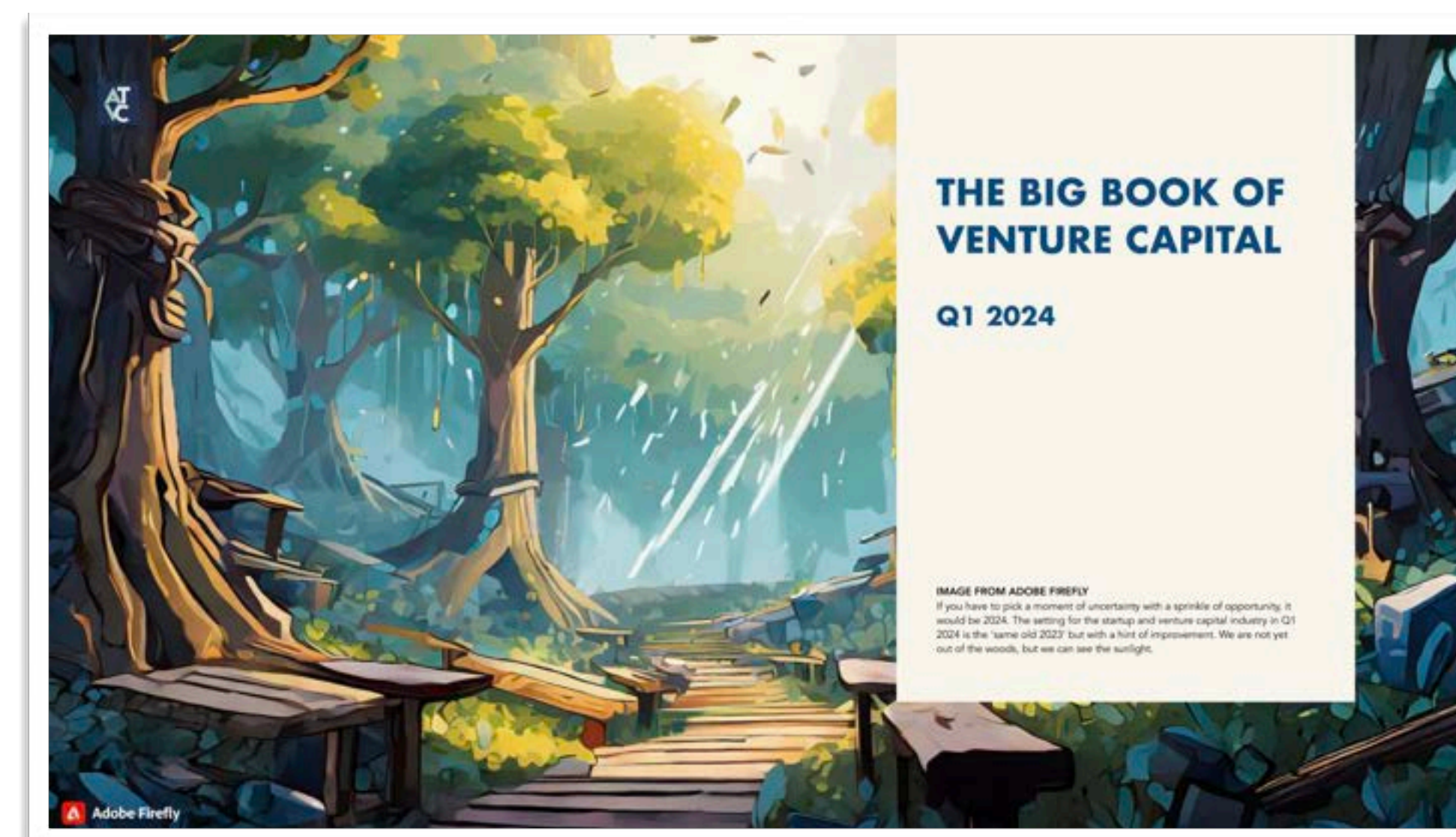


Report - The Big Book of Venture Capital - Q1 2024

Released in April 2024, the report ([Link](#)) aimed to highlight the key venture and startup ecosystem updates that happened in Q1 '24. Short snapshot of what's inside the report in below:

Overall, the startup and venture industry is definitely in a state of evolution and undergoing a business cycle reset. The setting in Q1 2024 is the 'same old 2023' but with a hint of improvement. We are not yet out of the woods, but we can see the sunlight.

-  Valuation trends in 2024 gives hope for recovery. Q1 data showed a rebound in valuations.
-  Uptick in the global startup investments. Overall, VCs anticipate increased investment in 2024.
-  VC fundraising is still strained.
-  Q1 remained slow w.r.t exits, but there is much to hope for in 2024.
-  Family offices are increasing investments in alternative assets, potentially strengthening the VC asset class in the long term.
-  Venture asset class performance remains an issue w.r.t DPLs. VC cash flows are negative due to higher fund contributions than distributions.



Report - The Macro in Venture

Released in January 2024, the report ([Link](#)) aimed to understand how the macro factors (geopolitics, elections, inflation, rates, consumption, and more) impact our startup and venture capital ecosystem, directly or obliquely. We often say that venture is a decade+ game, though we forget that short-term trends compound into long-term outcomes.

Key idea captured in the report was that of short term 'RRR' (Roll, Recession, and Rebound) scenarios.

Main topics covered in the report were -

- 🔄 Venture capital is a circular flow business.
- 🔑 Inflation remains a key short-term variable, and 'Roll' is the anticipated short-term scenario
- ➡️ Venture inflows - bump, but not a roadblock!
- 🏢 Venture business - suffering, but striving for an upgrade!
- 🔄 Venture outflows - down, but not disappeared!
- !/? Enough short-term macro risks to keep us on our toes in 2024



Report - The Big Book of Venture Capital - 2023

Released in December 2023, this 200+ page deck ([Link](#)) was a treasure trove of vital venture and startup insights into the entire year. It had something for everyone in the ecosystem, and the hope was that it helped to connect the dots and foster a better understanding of 2023.

Key idea captured in the report was that of an 'LLL' environment of 2023.

A snippet from the report.

A decade down the line, there will be founders and investors who will boost their credibility of having lived through 2023. It's THAT significant!

This year can be summarised in three words - Low, Limited, Lopsided ('LLL' environment)

- **Low:** Valuations of startups in most stages went through their lowest levels.
- **Limited:** Capital availability and deployment became limited to only the best opportunities.
- **Lopsided:** The power remained in the investor's corner in 2023. It was lopsided towards the capital providers.

This LLL environment, in the end, is likely to benefit the larger ecosystem. The argument lies in the theory of 'booms and busts.' Without going into the nuances, the ecosystem needed a reset, and 2023 provided just that. Moving into 2024, I'm sure we have adapted to the realities and will scale up energetically in a newer set of circumstances.



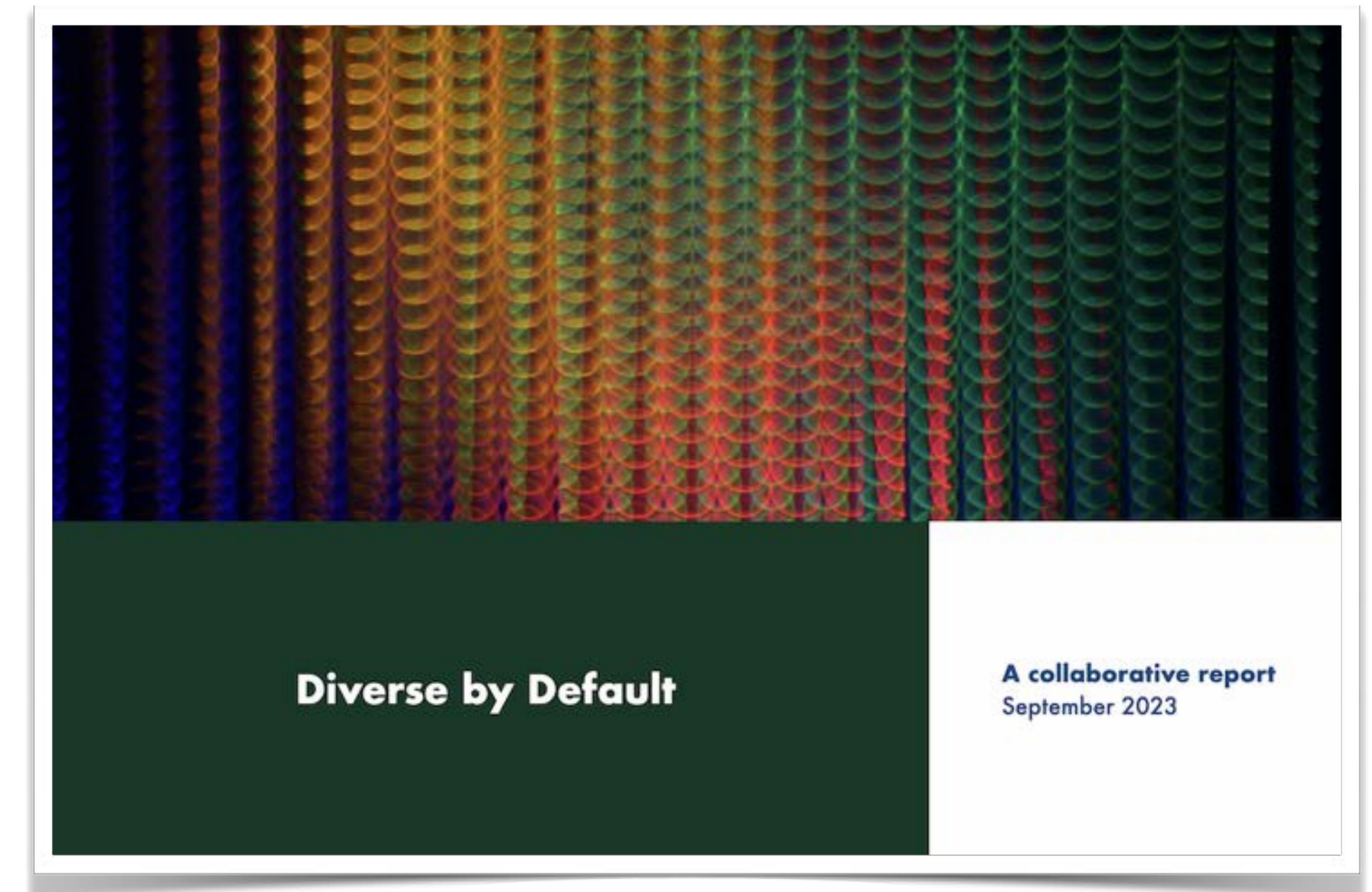
Report - Diverse by Default

Released in September 2023, this collaborative deck ([Link](#)) was dedicated to the startup and the venture capital ecosystem, giving tangible methods and frameworks for making diversity a default.

Key idea captured in report was that of 3 approaches mentioned below.

1. **For all ecosystem players** - follow an Awareness Action (AA) approach to kindle tough yet constructive conversations.
2. **For founders** - follow a Build Basics (BB) approach to strengthen your startup outcomes.
3. **For investors** - follow a Cautious Care (CC) approach to establish diversity-enabled pathways.

We know the 'What' of diversity issue. We understand the 'Why' of the diversity problem. So, the goal of the report was to present an all-encompassing view of forward-looking solutions with a pragmatic approach connected to reality.



SECTION 4

Startup Fundraising

Startup Fundraising Index | 1

2024 Predictions of Venture Trends - Answers

- TREND 1: Global Seed deal numbers declined in 2024
- TREND 2: Small rounds (below USD 1 million) are gradually decreasing and are at decade low
- TREND 3: India showed solid fundraising growth in 2024
- TREND 4: Mega Rounds still held their ground in 2024
- TREND 5: U.S. leads the mega rounds list in 2024
- TREND 6: U.S. total deal share percentage went down in 2024
- TREND 7: Bay Area leads startup investment volume while others play catch up
- TREND 8: Early stage deals are more geographical distributed in the U.S. than later stages
- TREND 9: U.S. VCs more likely to invest in AI
- TREND 10: AI was the biggest fundraising buzz in 2024
- TREND 11: AI startups are raising larger rounds at higher valuations
- TREND 12: Investor's preferences varies geographically
- TREND 13: Old habits + New fads = Don't die easily (Enterprise Software, AI dominate startup fundraising in 2024)
- TREND 14: In hindsight, Unicorn startups are able to fundraise faster
- TREND 15: Big Tech increasingly active investor in startups
- TREND 16: Venture Debt investment increased in 2024
- TREND 17: In 2024, number of active investors declined to a decade low
- TREND 18: Active investors skewed to Early stages
- TREND 19: Europe fundraising skewed more towards to Early-stage than that of the U.S.

Data

- Global start fundraising
- Regional start fundraising
- U.S. startup fundraising
- Europe startup fundraising
- Asia startup fundraising
- Late-stage startup fundraising
- AI Fundraising | 1
- AI Fundraising | 2
- AI Fundraising | 3
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- AI Fundraising | 5
- Quantifying AI fundraising hype
- AI fundraising nuances

Startup Fundraising Index | 1

- [AI premium](#)
- [Ecosystem Ranking](#)
- [Mega round fundraising](#)
- [Mega rounds in Europe](#)
- [Bigger Seed Rounds](#)
- [European Initiatives](#)
- [Top fundraising nuggets from 2025 | 1](#)
- [Top fundraising nuggets from 2025 | 2](#)
- [Top fundraising nuggets from 2025 | 3](#)
- [Top fundraising nuggets from 2025 | 4](#)
- [Top fundraising nuggets from 2025 | 5](#)
- [Top fundraising nuggets from 2025 | 6](#)
- [Top fundraising nuggets from 2025 | 7](#)
- [Bad VC behaviour](#)

Venture Trend 1 - Global Seed deal numbers declined in 2024

2024 Projection: 📉 Trend to moderately reverse in 2025

FALSE: The trajectory of decline continued. From approximately 5K rounds in Q3 2024 to 3.8K rounds in Q3 2025.

Global Seed And Angel Investment Through Q3 2025

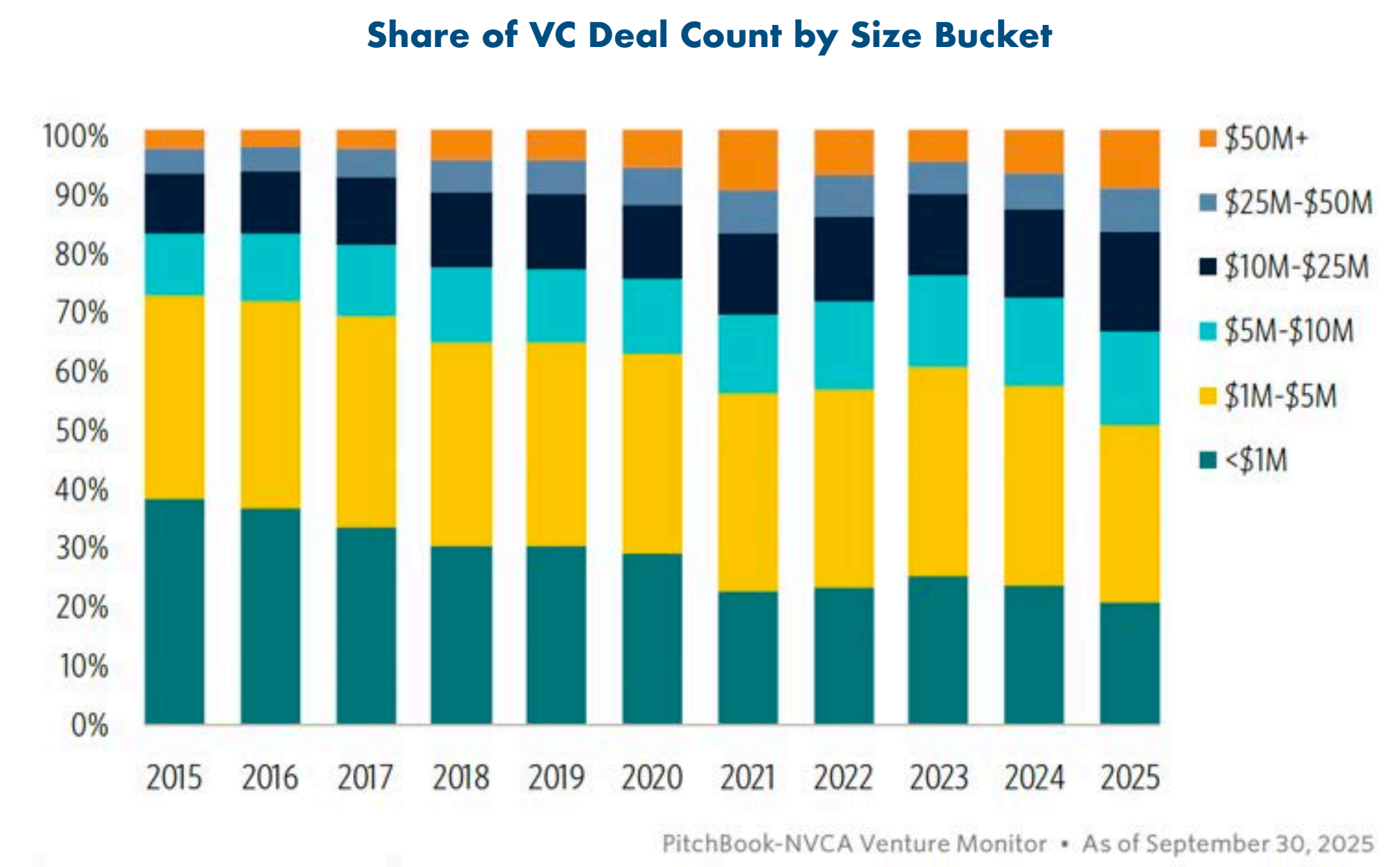


Source: Crunchbase

Venture Trend 2 - Small rounds (below USD 1 million) are gradually decreasing and are at decade low

2024 Projection: ➡ **Trend to continue at similar pace in 2025**

TRUE: In the U.S., smaller startup deals are becoming rarer. Until Q3 2025, rounds under \$5 million made up just 50% of all venture deals—down from 57% last year and the lowest share in a decade. The shift reflects a tighter funding environment, where investors are being more selective and founders are choosing to raise larger rounds to secure longer runways and delay future fundraising.

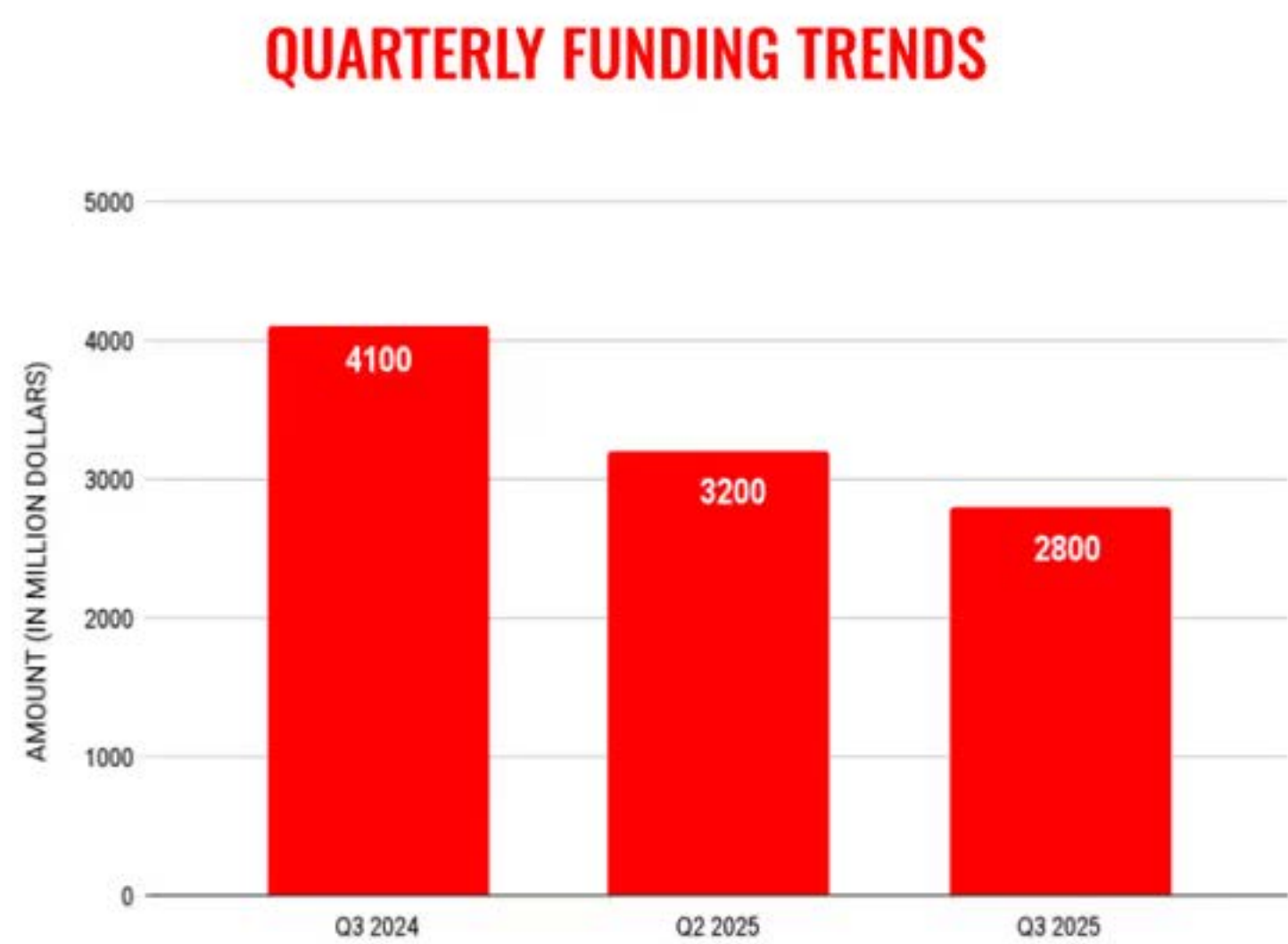


Source: PitchBook

Venture Trend 3 - India showed solid startup fundraising growth in 2024

2024 Projection:  **Trend to moderately intensify in 2025**

FALSE: Indian fundraising contracted in 2025, though still remains at high levels compared to the past. So while the overall it's above trend 2025 represented a subdued year.



Source: YourStory

VC funding into Indian startups down 18% in 9 months of 2025

The current VC funding trends reveal that the total amount likely to be raised in 2025 is unlikely to cross the 2024 levels.

 **Thimmaya Poojary** • 2313 Stories

India Deal Review: Startup funding slips 30% YoY in Q3 2025

Geographic focus of chart = Global. Graph from Dealroom.

Venture Trend 4 - Mega rounds still held their ground in 2024

2024 Projection:  **Trend to moderately intensify in 2025**

TRUE: Mega rounds of USD 100+ million have shown faster uptick in 2025 globally and especially in the U.S. they are now around 70% of the total funding going to the ecosystem.

Share Of Global Startup Funding Going To \$100M+ Rounds



Share Of US Startup Funding Going To \$100M+ Rounds

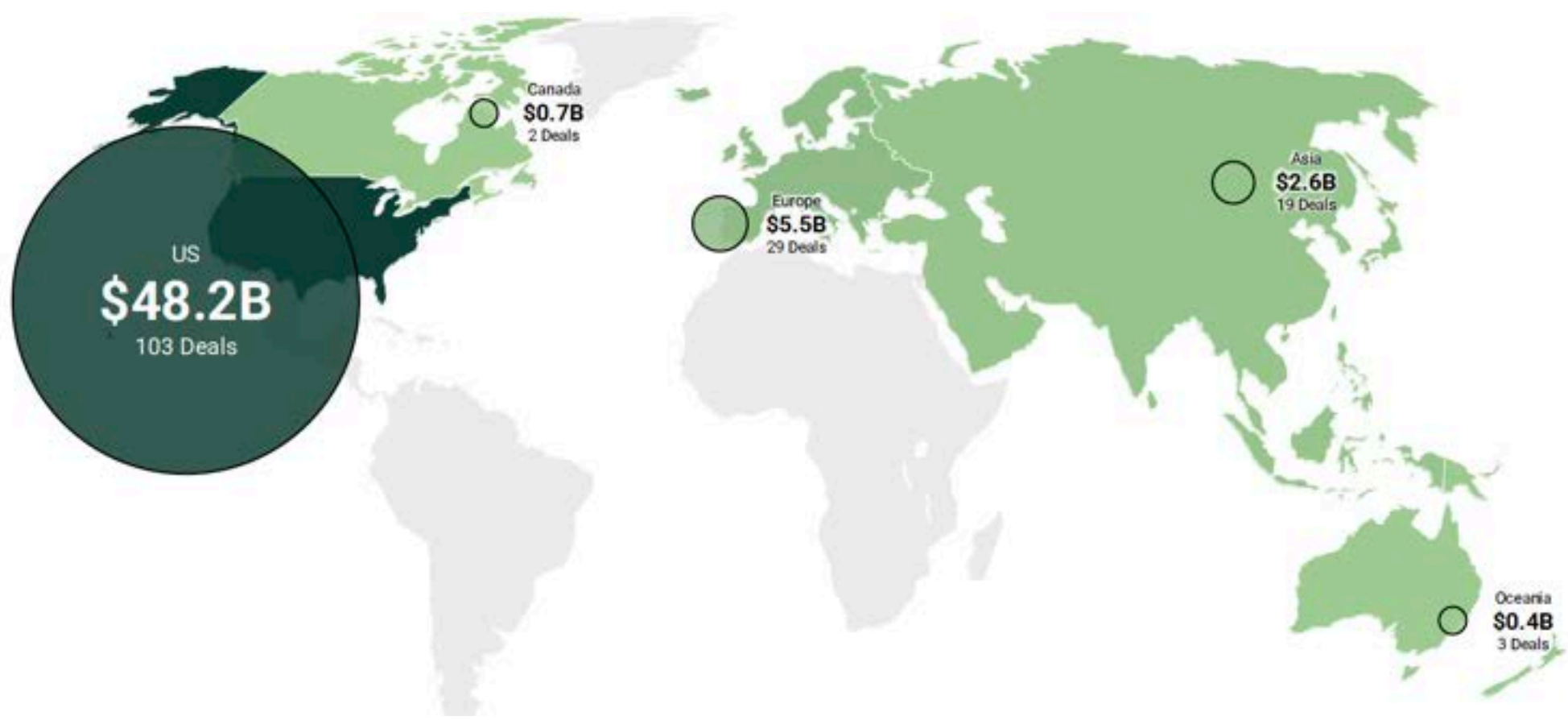


Venture Trend 5 - U.S. leads the mega rounds list in 2024

2024 Projection: ➡ **Trend to continue at similar pace in 2025**

TRUE: Sheer dominance of the U.S. in the mega round space continued gathering 18.5X that of Asia and 8.8X that of Europe in Q2 2025.

Mega-Round Funding & Deals by Global Region in Q2'25



Source: CB Insights

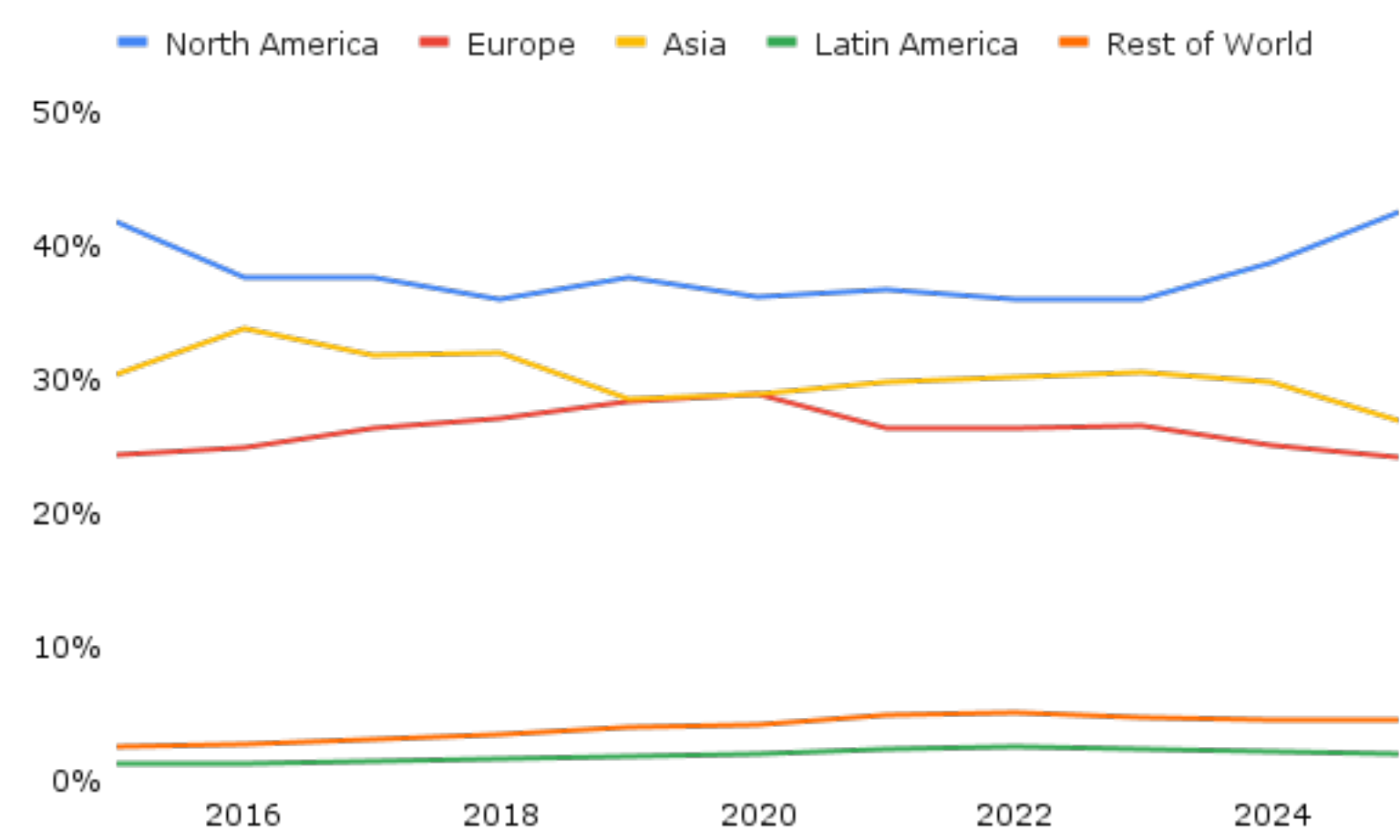
Geographic focus of chart = Global. Graph from CB Insights. Click for source post.

Venture Trend 6 - U.S. total deal share percentage went down in 2024

2024 Projection: ↘ **Trend to moderately reverse in 2025**

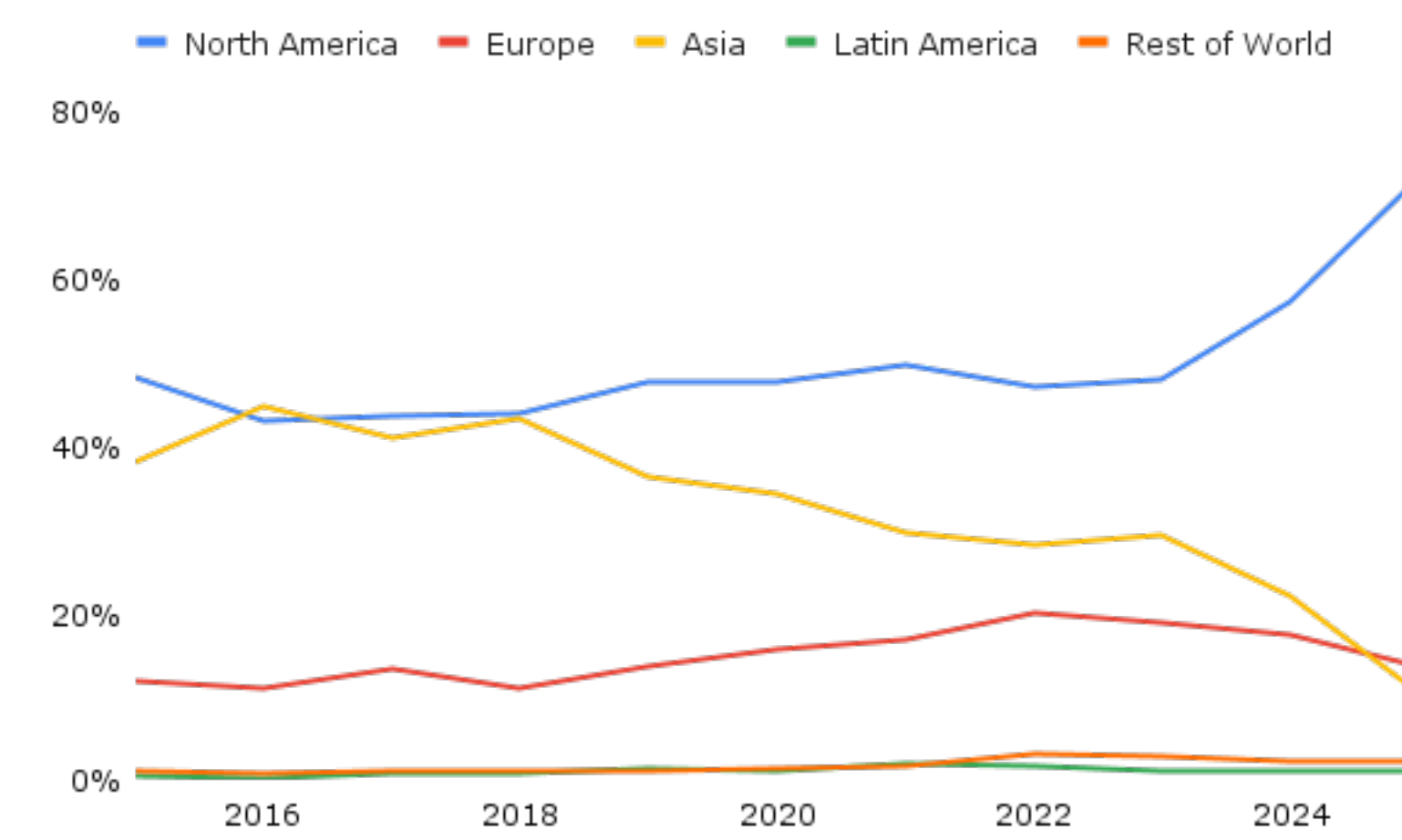
TRUE: A closer look at regional trends reveals a compelling shift: both in percentage of total deal count and deal value, the U.S. has shown strong, sustained growth since 2023, with momentum carrying through H1 2025. The standout metric is the 2025 share of global deal value, which has surged significantly—driven largely by mega-rounds and the ongoing AI investment wave. The U.S. has clearly reasserted itself as the epicenter of venture capital activity, not just in volume but in dollar concentration. This trend underscores how investor enthusiasm for AI, combined with the dominance of late-stage capital and high-profile deals, is tilting global venture dynamics heavily in favor of U.S.-based startups. Other regions are growing too—but the scale and intensity of capital deployment in the U.S. right now are hard to match.

Global VC Deal Count by Region (% of Total)



Source: PitchBook

Global VC Deal Value (\$B) by Region (% of Total)



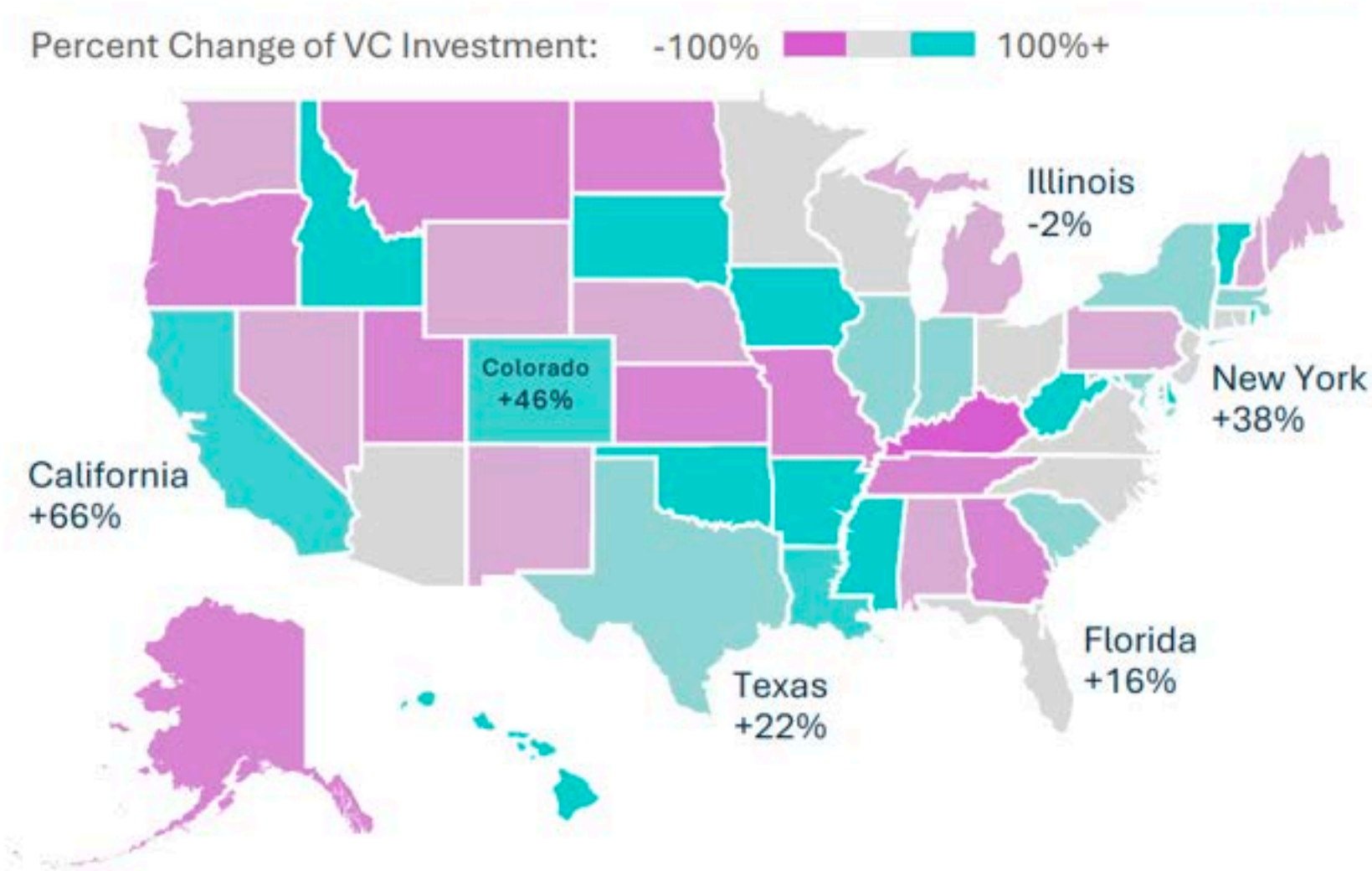
Source: PitchBook

Venture Trend 7 - Bay Area leads startup investment volume while others play catch up

2024 Projection: ➡ **Trend to continue at similar pace in 2025**

TRUE: California region (primarily Silicon Valley) continues to leads with 66% increase in funding volume from 2019 to 2024, but other regions are also playing catch-up in the U.S.

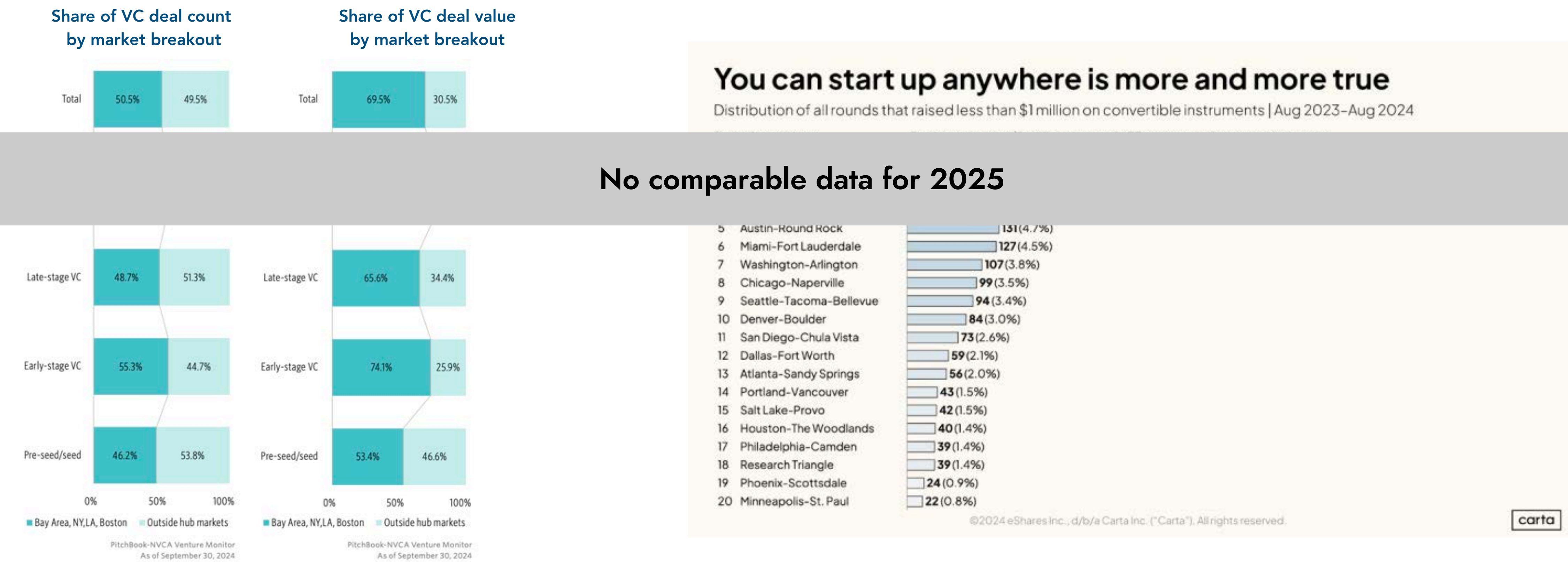
Percentage change of the U.S. Venture Capital by state from 2019 to 2024



Source: SVB

Venture Trend 8 - Early stage deals are more geographical distributed in the U.S. than later stages

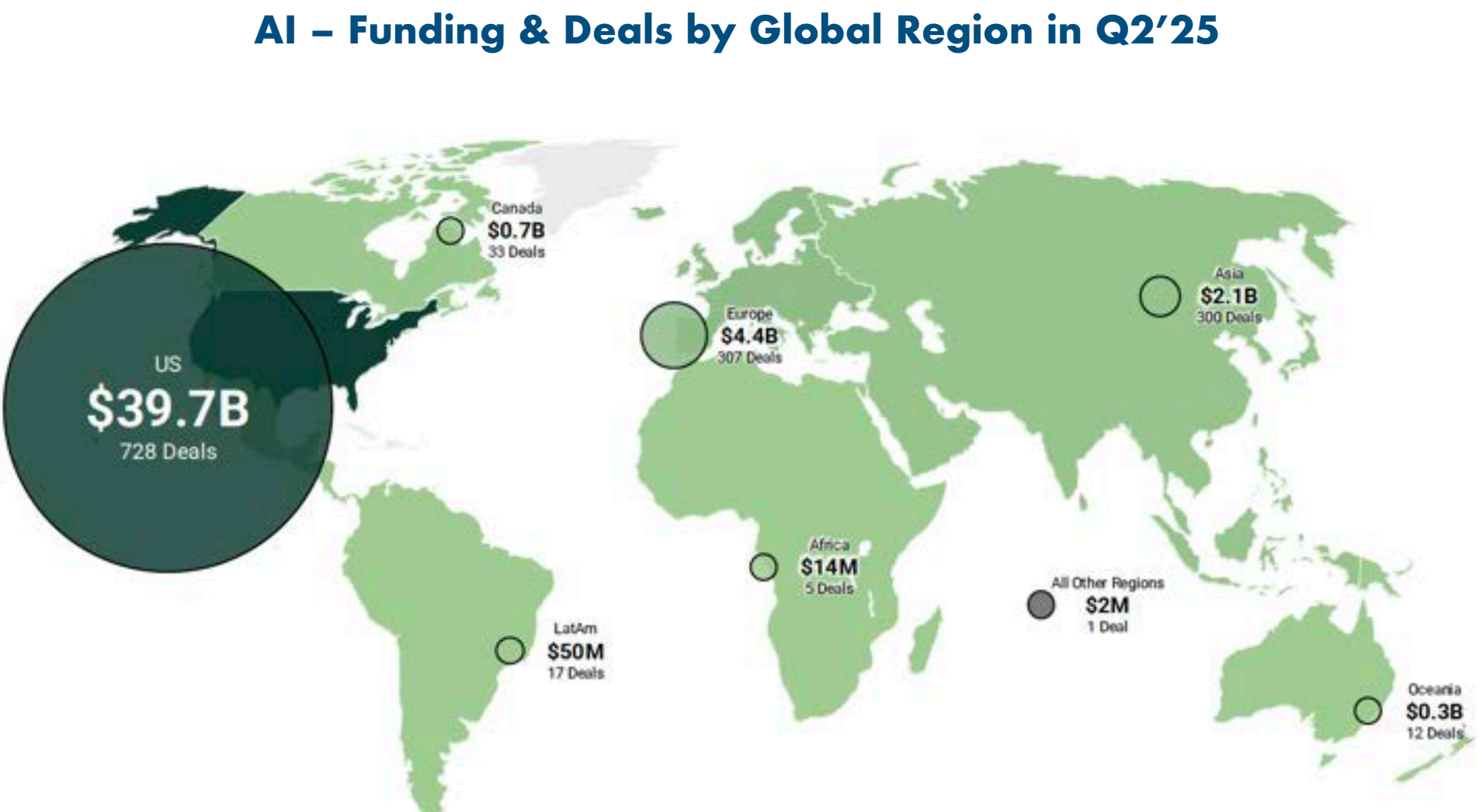
2024 Projection:  Trend to moderately intensify in 2025
NA - No comparable data found for 2025.



Venture Trend 9 - U.S. VCs more likely to invest in AI

2024 Projection: → **Trend to continue at similar pace in 2025**

TRUE: AI funding has skyrocketed overall. In Q2, the U.S. AI fundraising volume was 19x that of Asia and 9x that of Europe, firmly cementing the U.S.'s dominant position in this high-stakes venture vertical. The scale and pace of investment reflect the U.S.'s unmatched lead in both capital concentration and deal execution in the AI space.



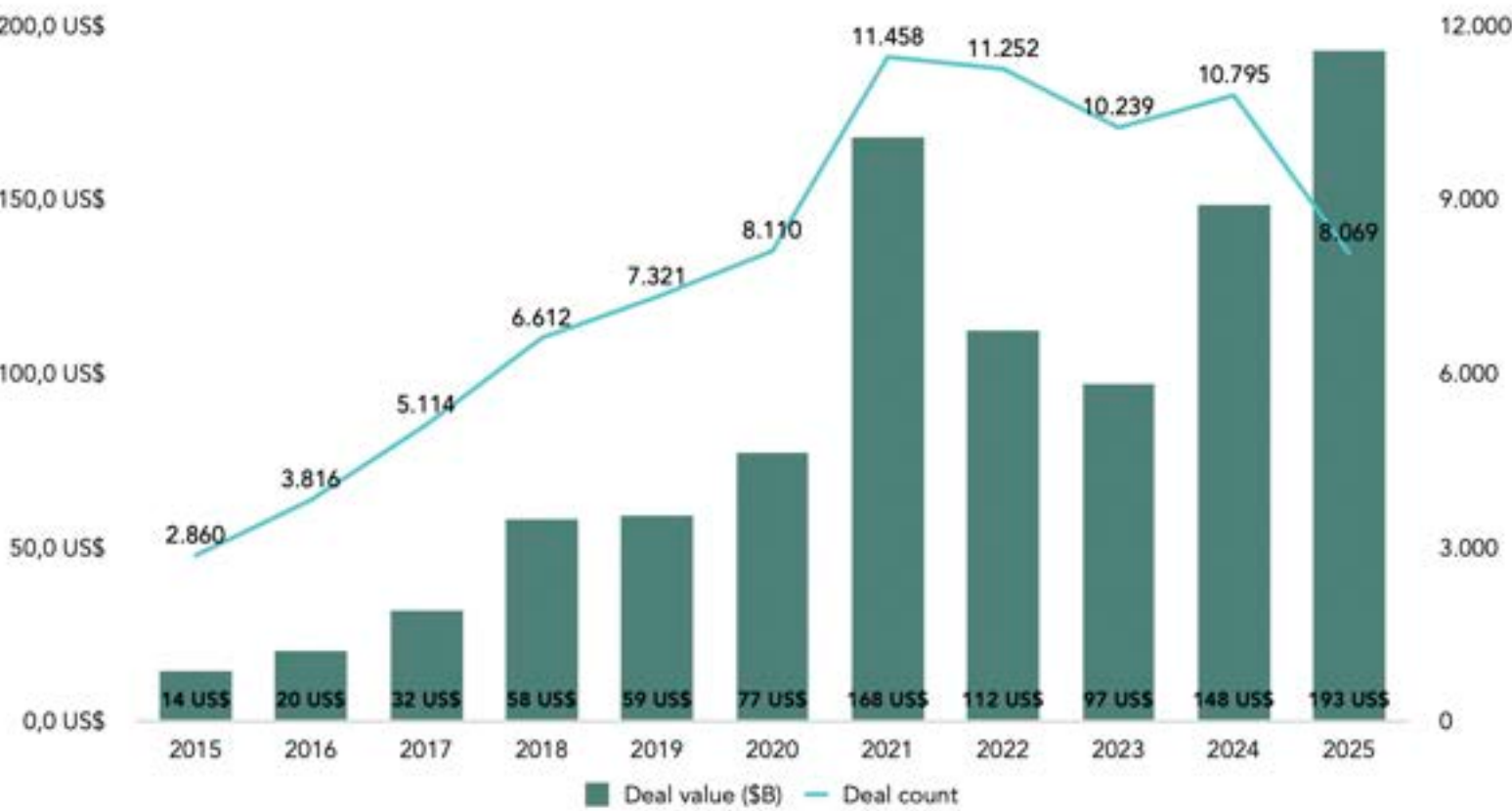
Source: CB Insights

Venture Trend 10 - AI was the biggest fundraising buzz in 2024

2024 Projection: → **Trend to continue at similar pace in 2025**

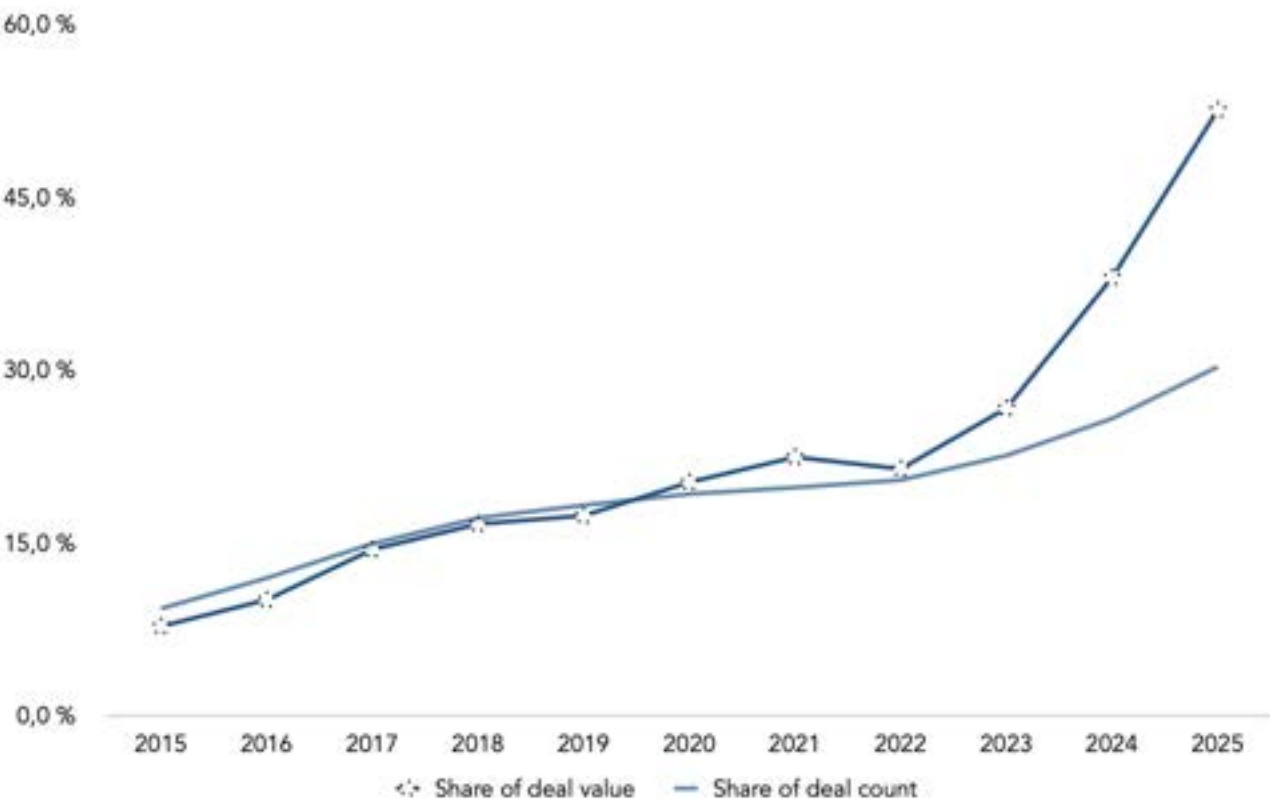
TRUE: Investor focus is narrowing shaping around AI, which made up **53%** of total global venture deal value but only **30%** of deal volume in Q3 according to PitchBook. The quarter reflected that imbalance—massive AI rounds dominated activity while most startups still struggled to raise capital. The divide between top-tier companies attracting endless funding and everyone else fighting for attention is widening, with AI at the center of that split. According to CB Insights data, AI is set to claim more than half of all global venture funding for the first time. So far in 2025, AI startups have captured 51% of total investment—and U.S. companies account for a dominant 85% of that amount.

Global AI VC Deal Activity and Share of Global Deal Activity

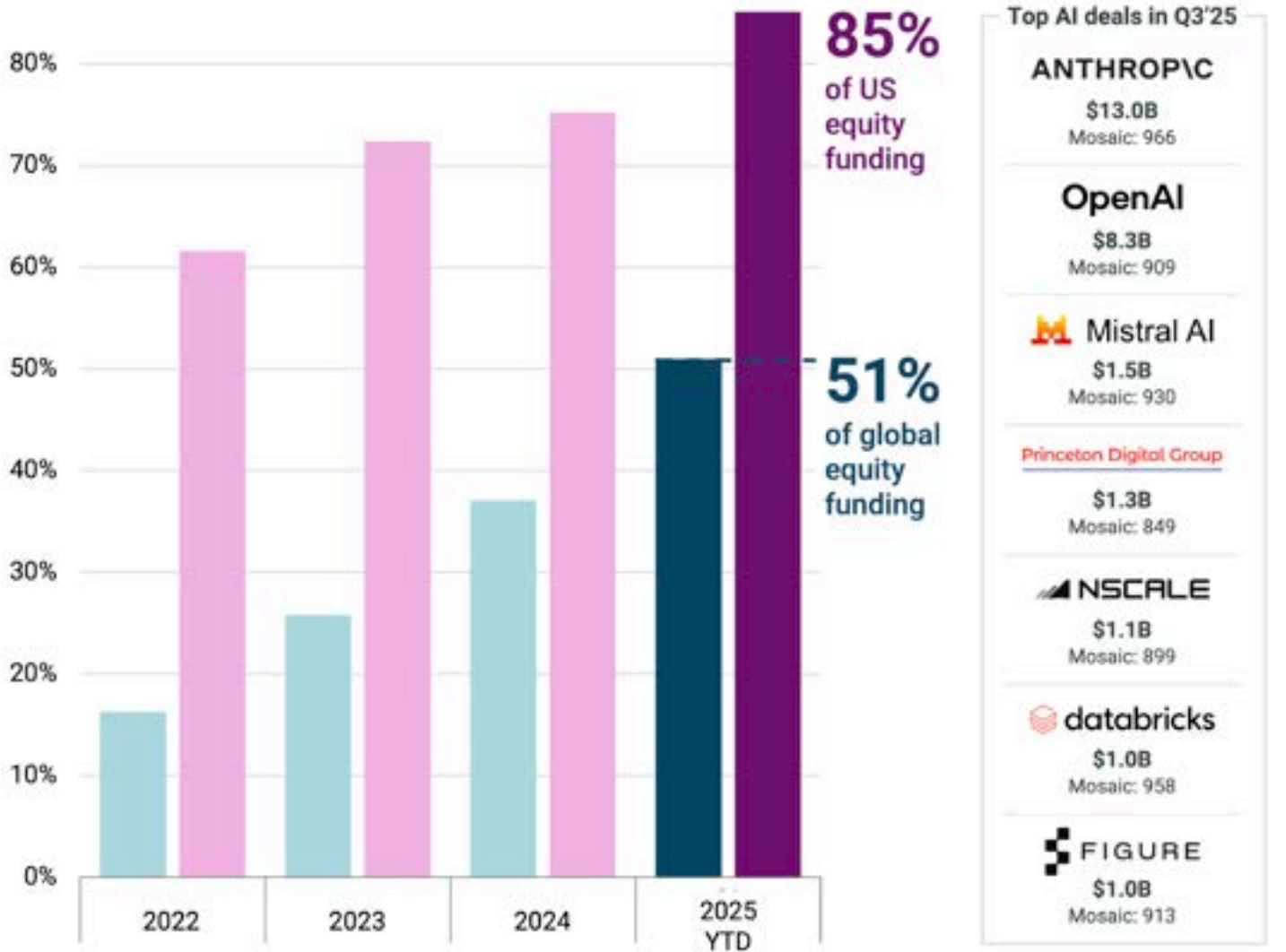


Source: PitchBook

Global AI as % of Deal Value and Deal Count



Source: PitchBook

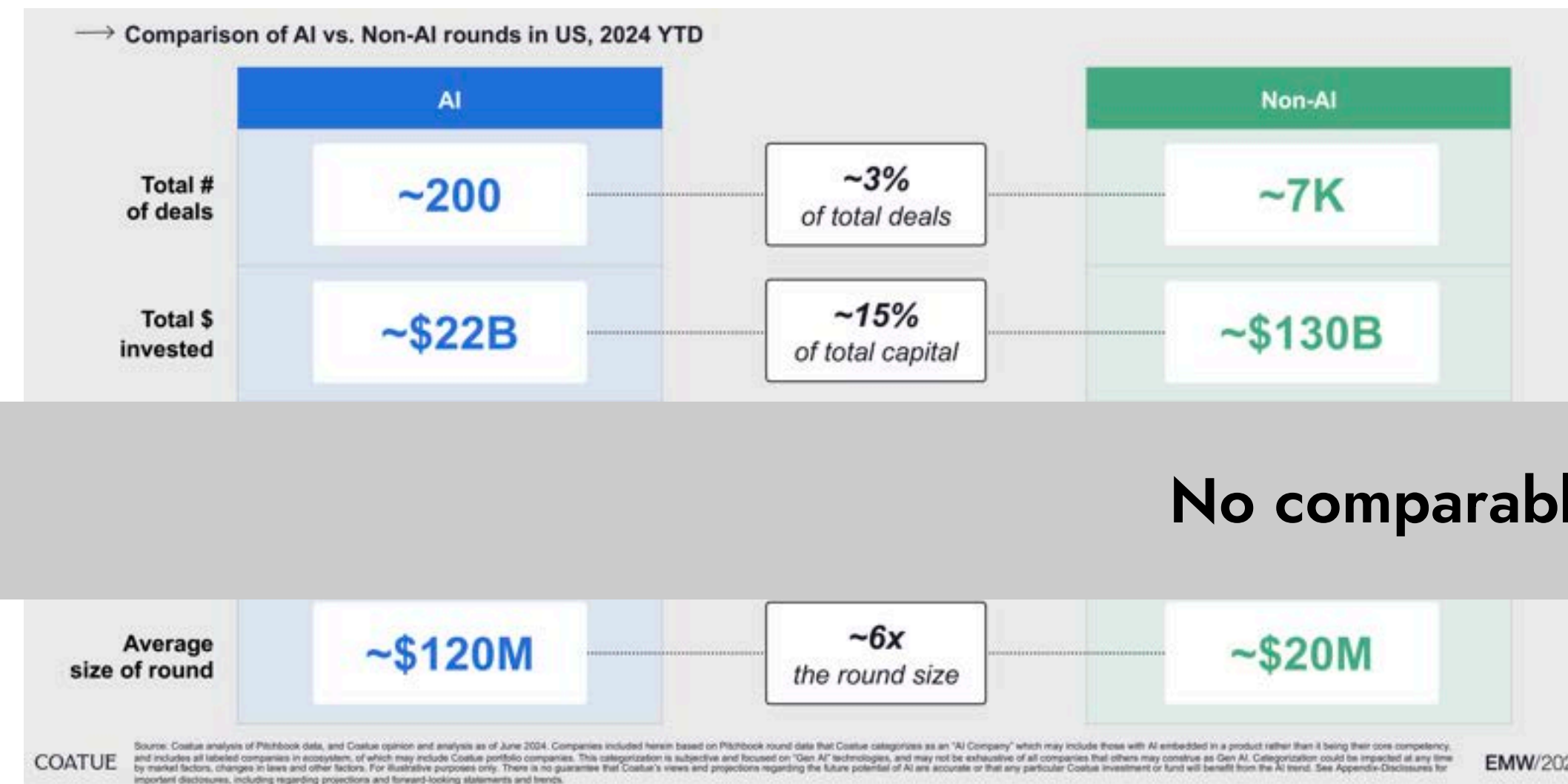


Source: CB Insights

Venture Trend 11 - AI startups are raising larger rounds at higher valuations

2024 Projection: → Trend to continue at similar pace in 2025

NA - No comparable data for 2025



Amy Wu • Following
Partner at Menlo Ventures
2h •

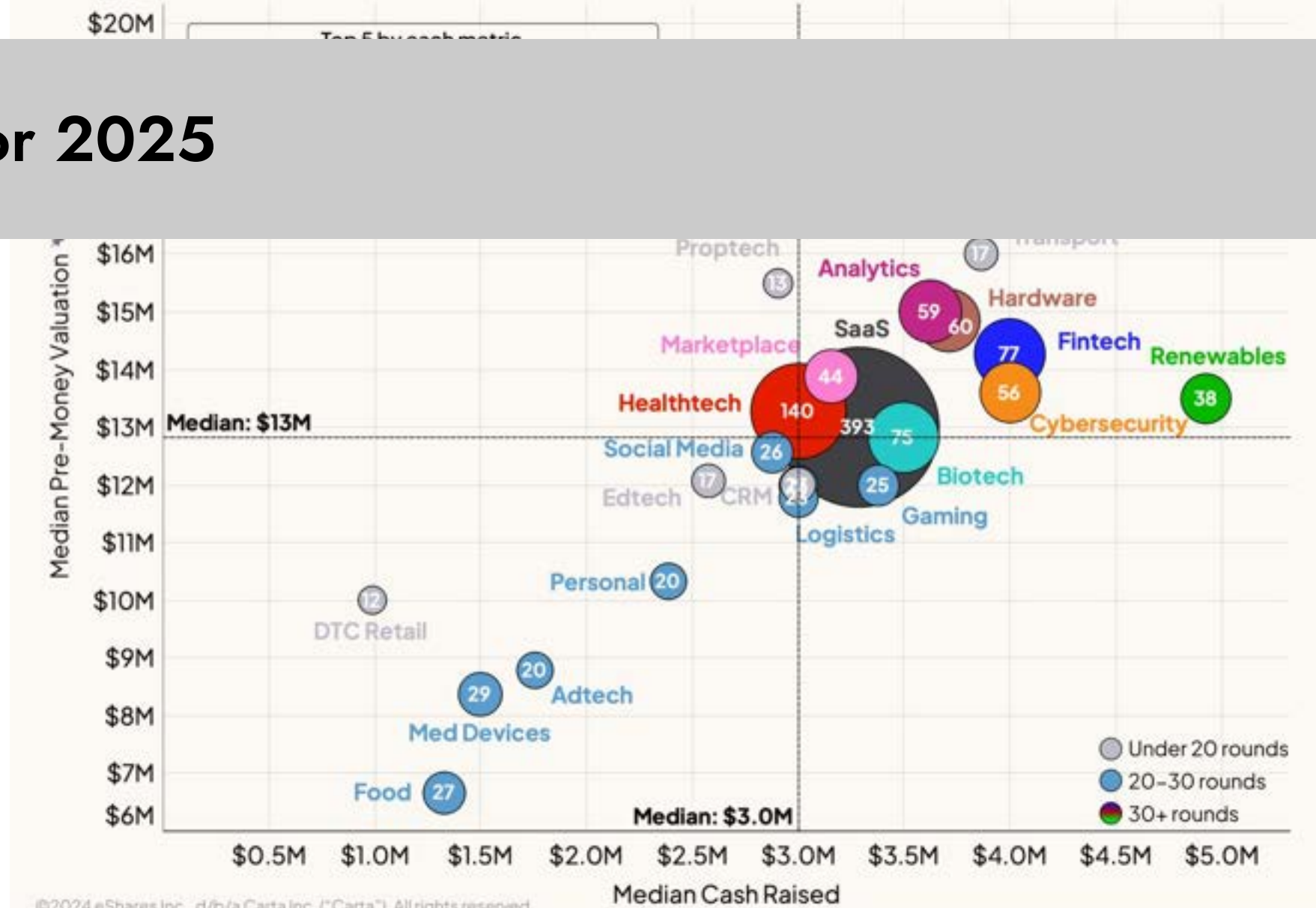
- AI multiples will remain high. In many cases AI companies are raising large rounds because they are demonstrating remarkably fast revenue and user growth. However, retention remains a leading indicator of which products may reach true PMF (eg it is actually helping people do something 10x faster / cheaper / better) vs which are enjoying AI novelty. As soon as a company's growth declines from 2-3x to <50% many will struggle to raise a next round at such a high watermark. Understandably many are stockpiling funds while they can now

Seed Startups | Industry Map

How do industries compare in valuation and cash raised?

Data: 1,271 priced seed rounds raised Apr 2023–Mar 2024 | US primary rounds only

Y-axis: median pre-money valuation | X-axis: median cash raised | Bubble size = total companies

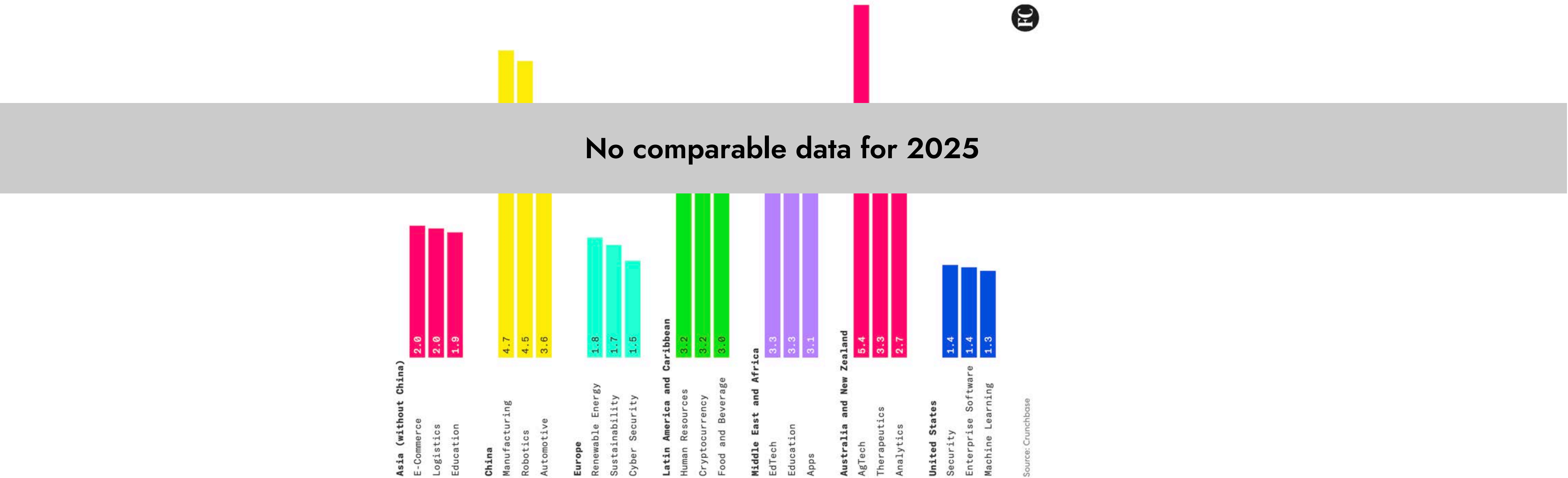


Free startup data in your inbox: <https://z.carta.com/data>

Venture Trend 12 - Investor's preferences varies geographically

2024 Projection: → Trend to continue at similar pace in 2025

NA - No comparable data for 2025

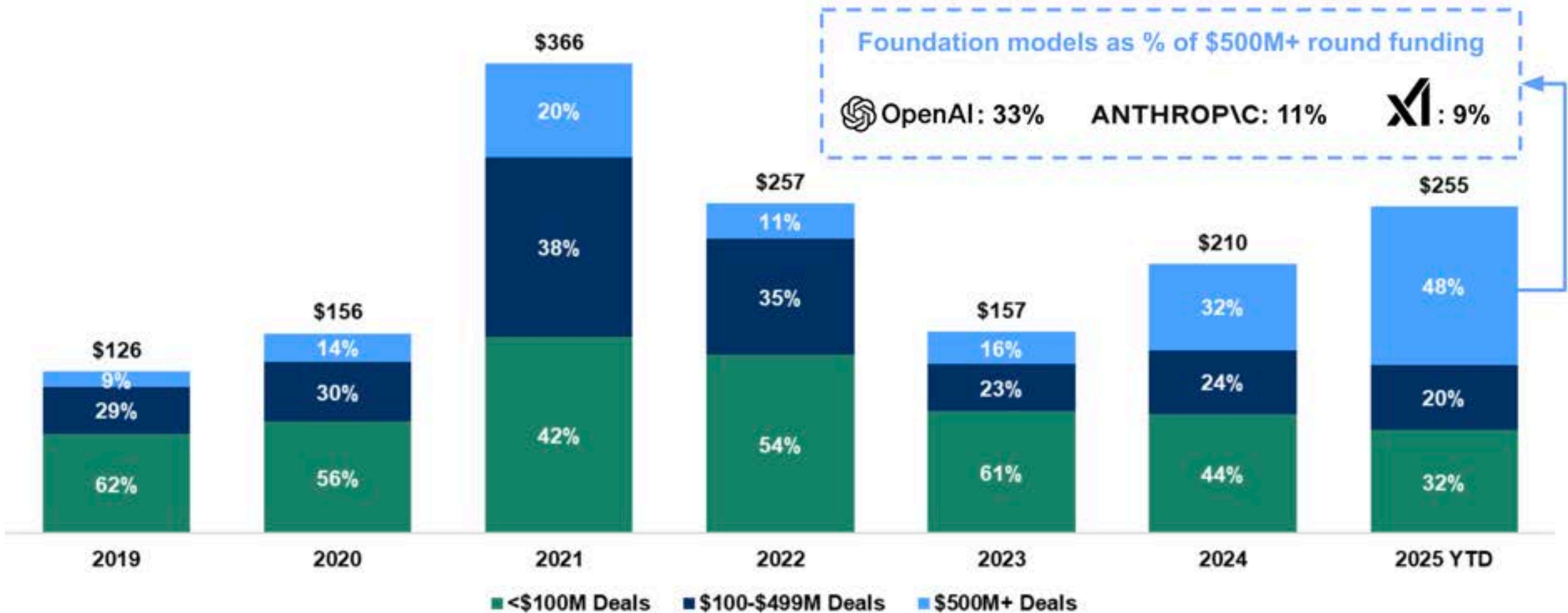


* tags for companies receiving seed to Series B rounds from Jul. 15 to Sept. 1, 2024.



Venture Trend 13 - Old habits + New fads = Don't die easily (Enterprise Software, AI dominate startup fundraising in 2024)

2024 Projection: → Trend to continue at similar pace in 2025
PARTIALLY TRUE: AI definitely dominated and within AI bucket foundational models dominated funding.



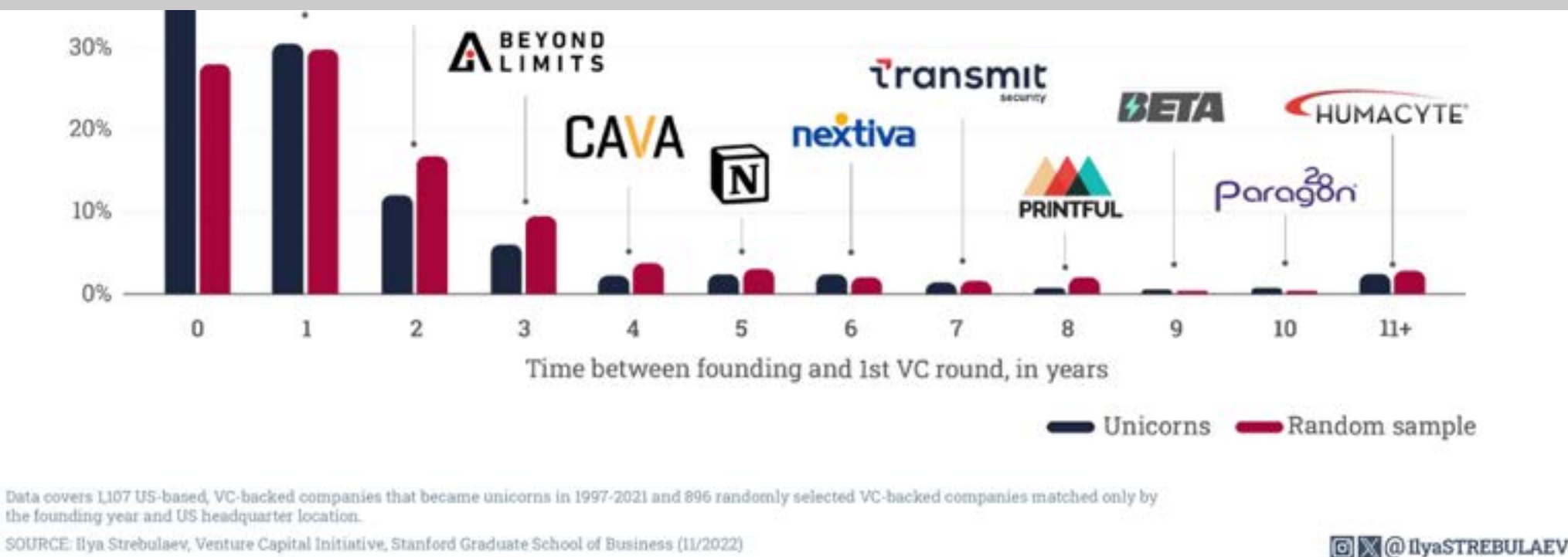
Venture Trend 14 - In hindsight, Unicorn startups are able to fundraise faster

2024 Projection: → Trend to continue at similar pace in 2025

NA - No comparable data for 2025

Unicorn raise the 1st VC round

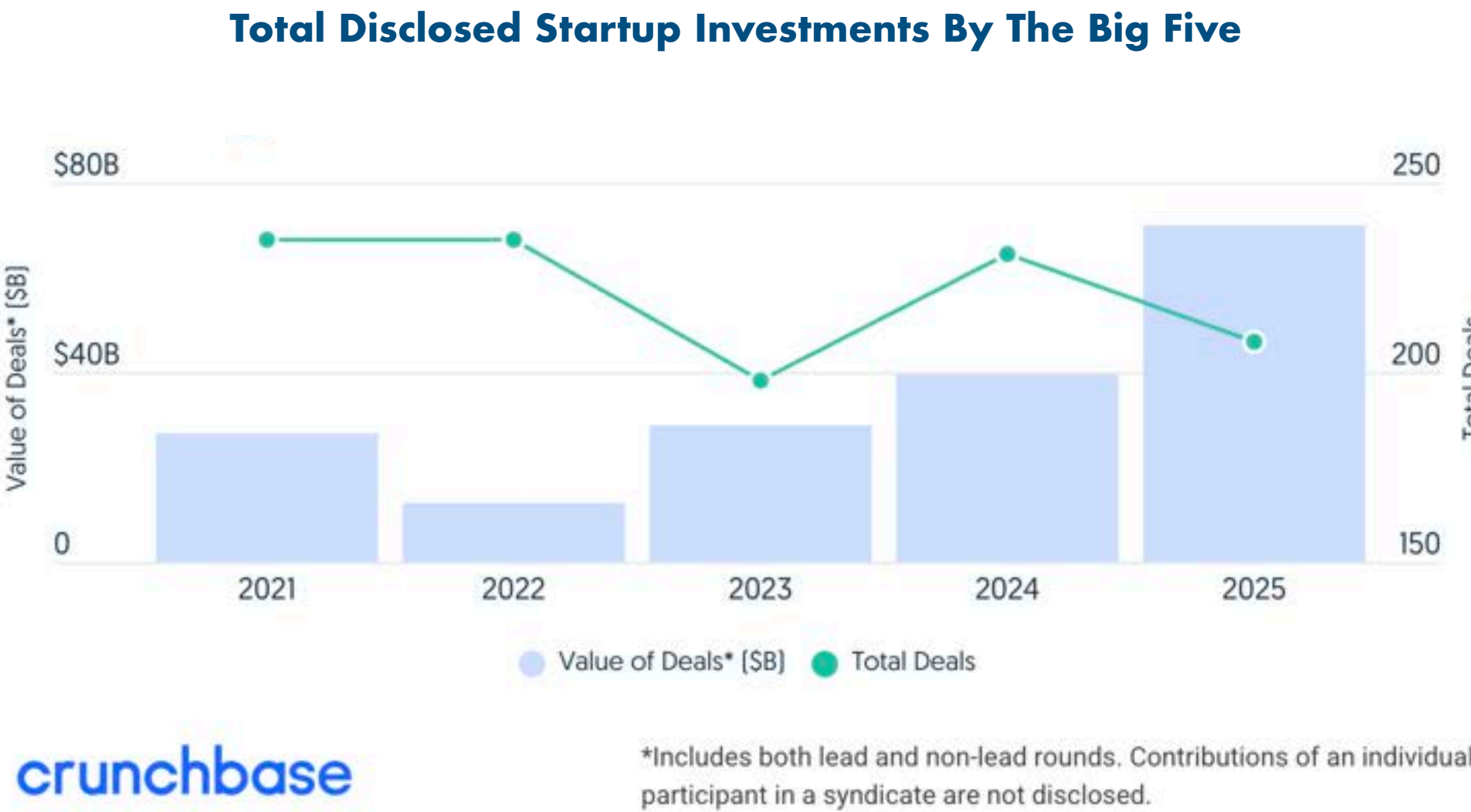
No comparable data for 2025



Venture Trend 15 - Big Tech increasingly active investor in startups

2024 Projection: ↘ Trend to moderately reverse in 2025

PARTIALLY TRUE: While the number of deals from Big Five have decreased the size, magnitude and dollar volume level of the total investments has increased considerably

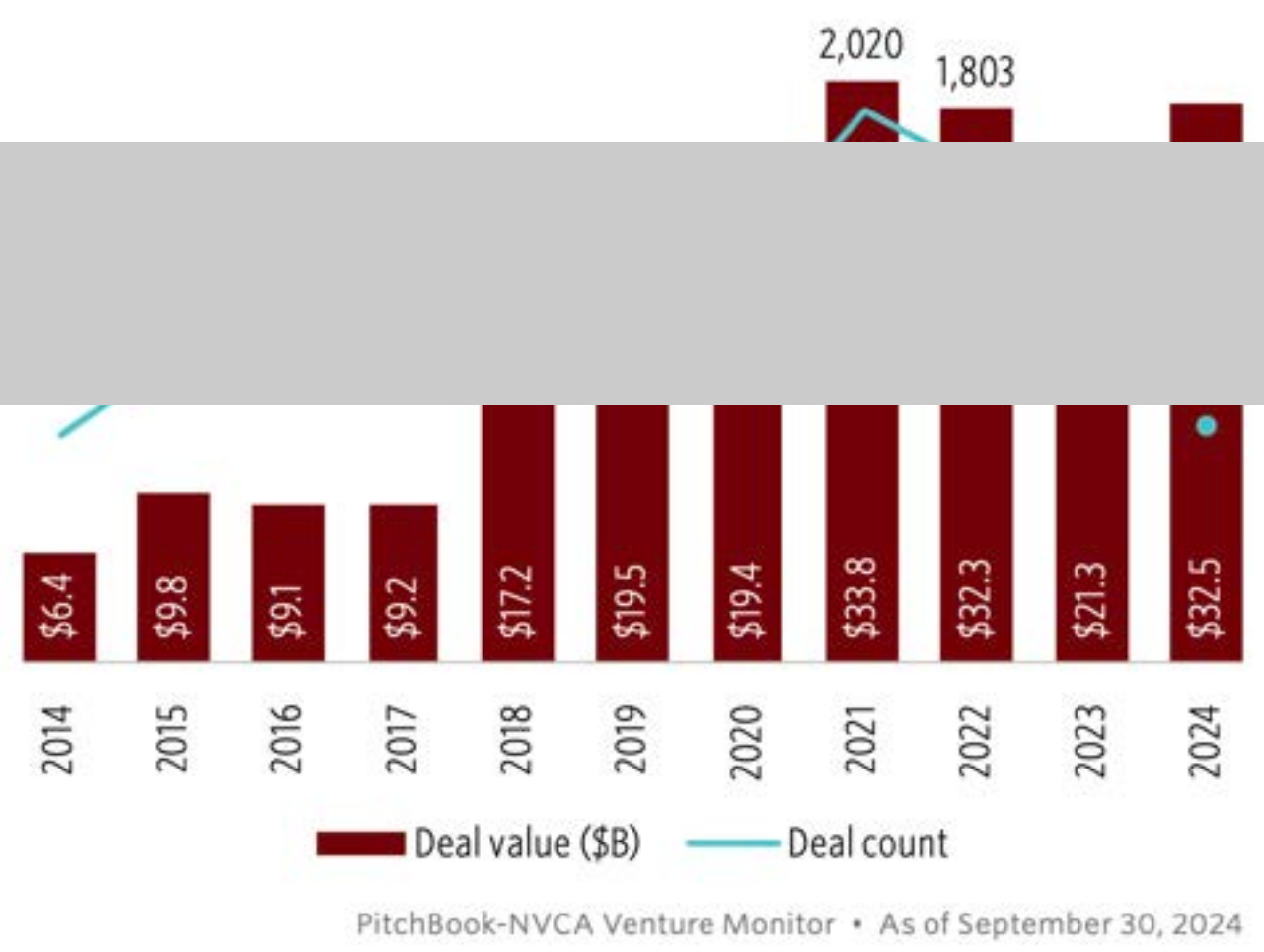


Venture Trend 16 - Venture Debt investments increased in 2024

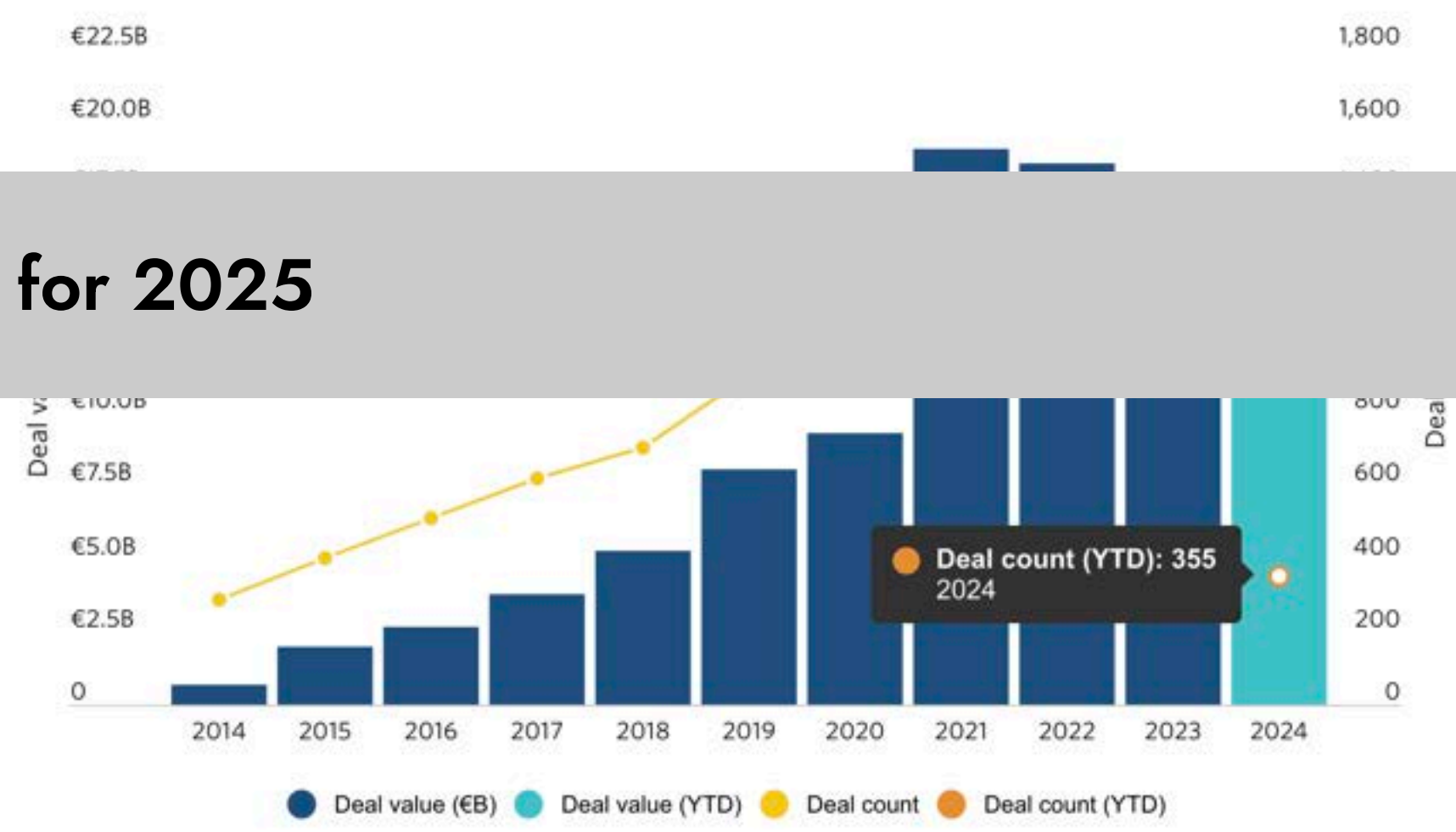
2024 Projection: → Trend to continue at similar pace in 2025

NA - No comparable data found for 2025.

Tech venture debt deal activity (U.S.)



Tech venture debt deal activity (Europe)



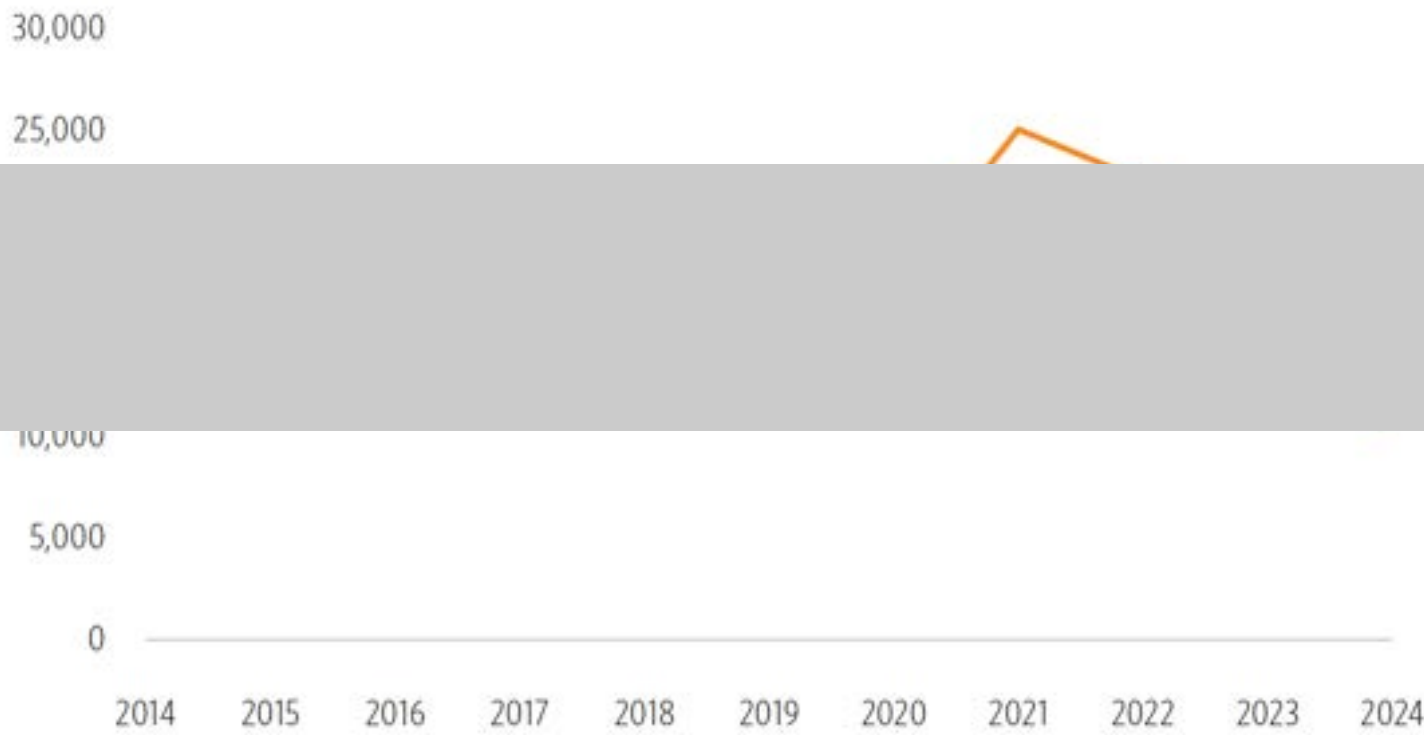
No comparable data for 2025

Venture Trend 17 - In 2024, number of active investors declined to a decade low

2024 Projection: ↘ Trend to moderately reverse in 2025

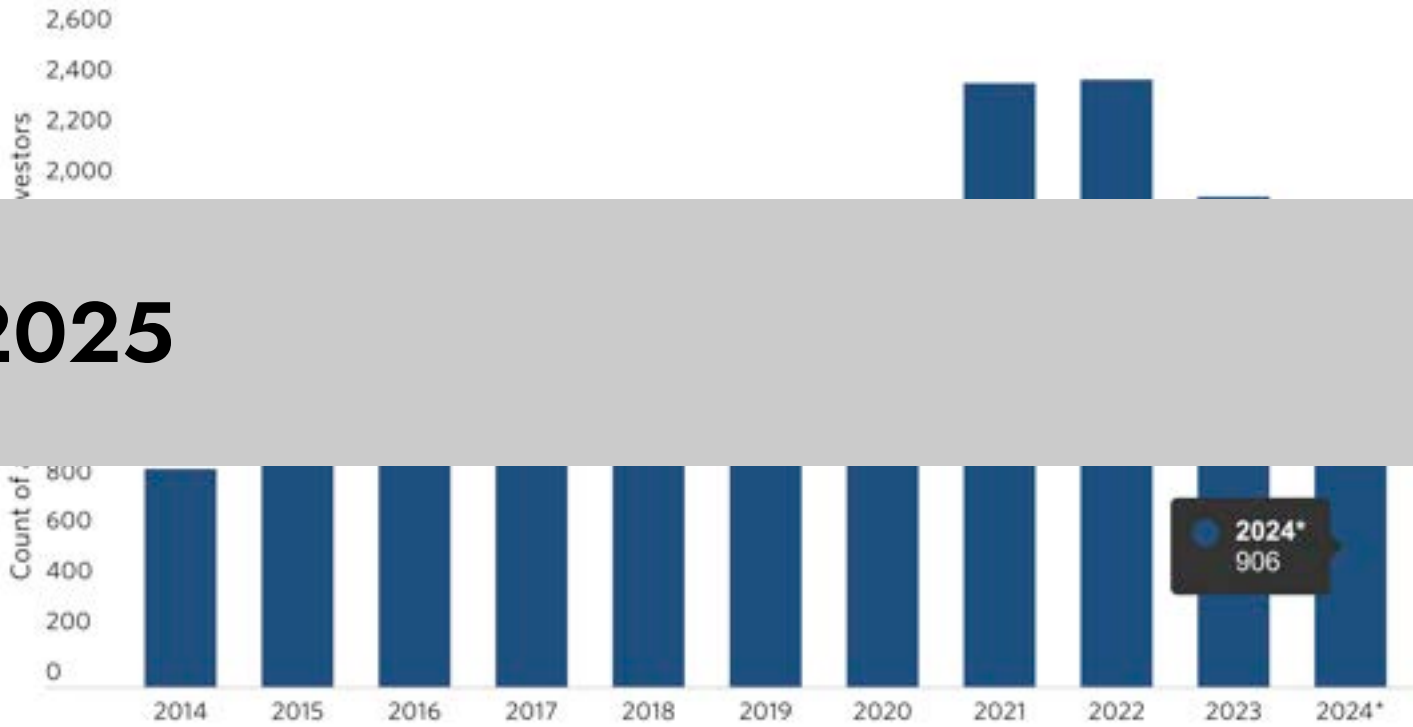
NA - No comparable data for 2025

Unique investor count in VC deals (U.S.)



PitchBook-NVCA Venture Monitor • As of September 30, 2024

Count of active VC investors (Europe)



Source: PitchBook data
*As of June 10, 2024
** Active European VC investors have made two or more global VC investments in the last year and are located in Europe

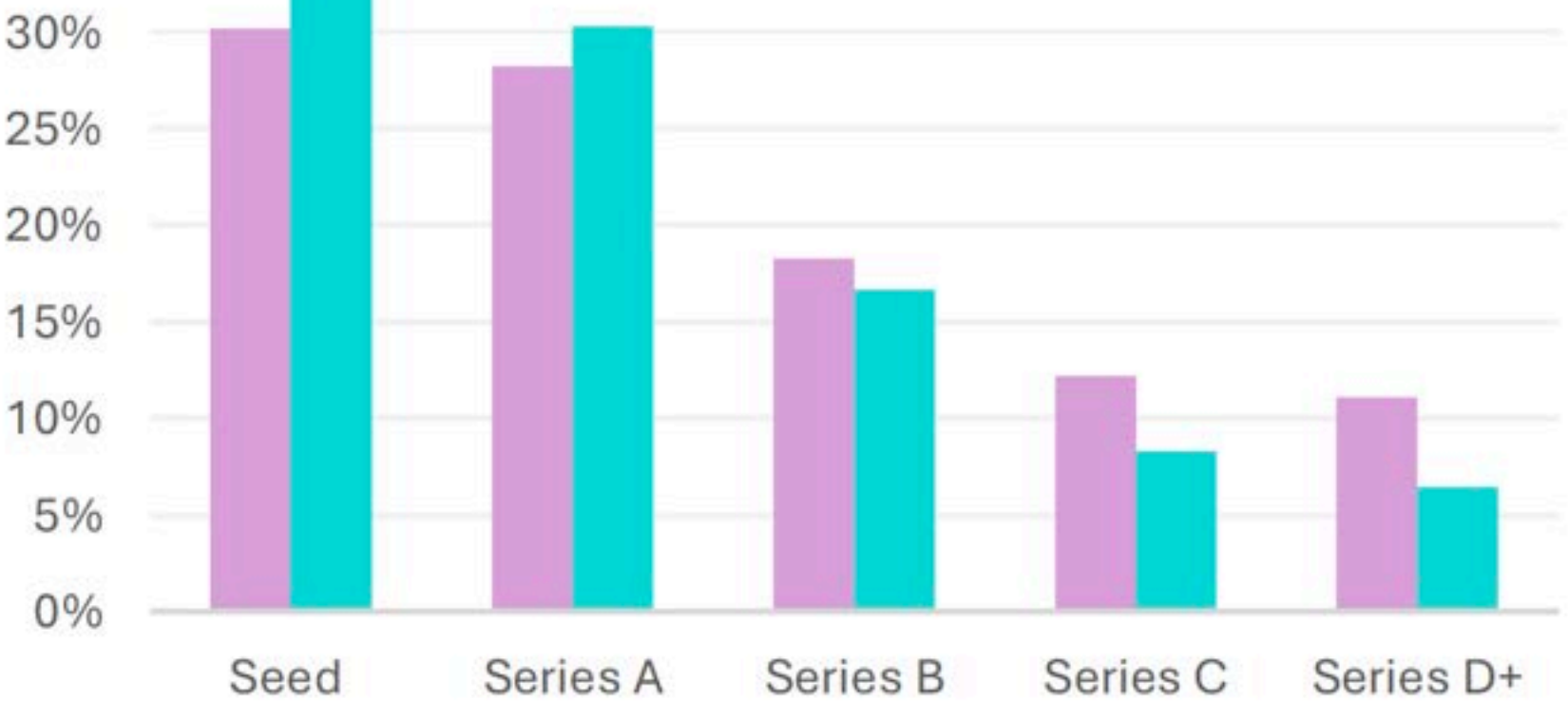
Venture Trend 18 - Active investors skewed to Early stages

2024 Projection: ↘ Trend to moderately reverse in 2025

NA - No comparable data for 2025

U.S. VC investors by stage

No comparable data for 2025

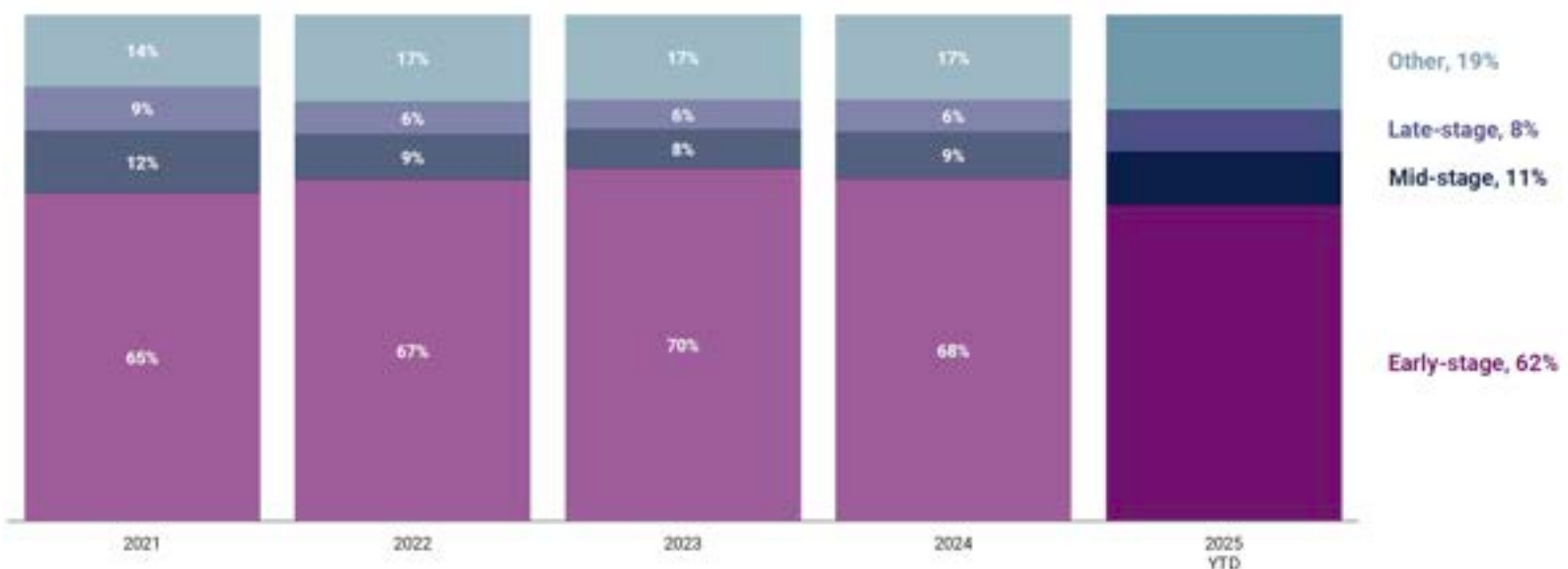


Venture Trend 19 - Europe fundraising skewed more towards to Early-stage than that of the U.S.

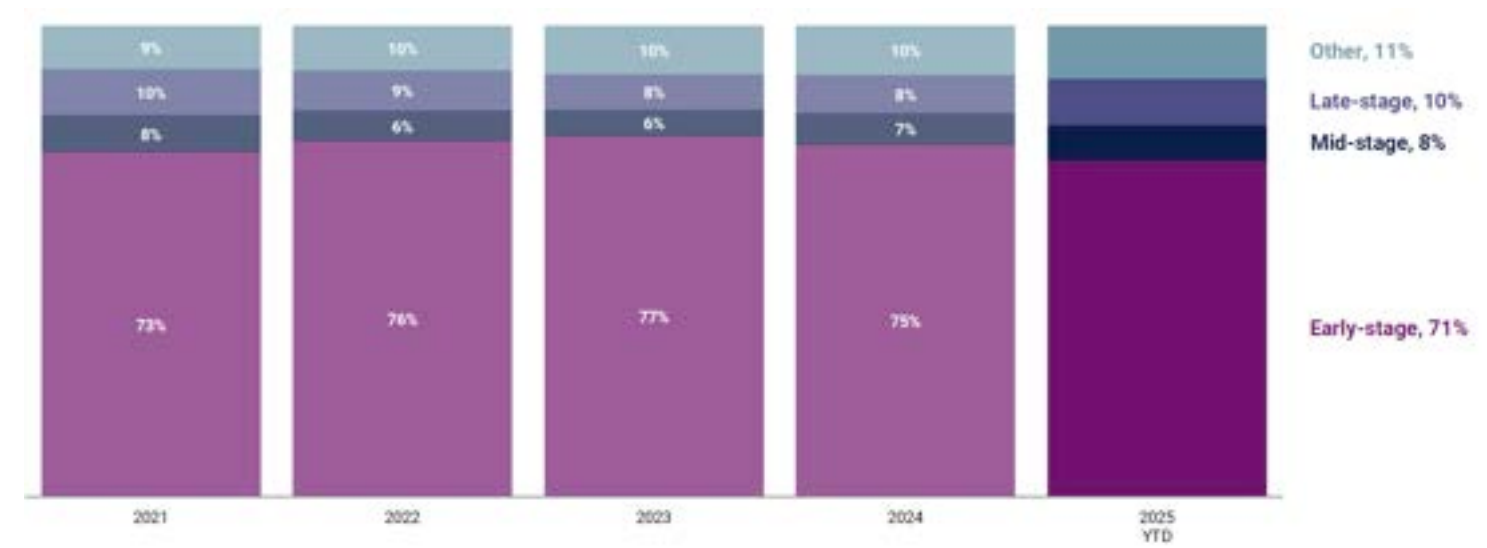
2024 Projection: → Trend to continue at similar pace in 2025

TRUE: The main argument that in Europe the percentage of deals in Early stage (% wise) is much higher than in the U.S.
But percentages in both the U.S. and Europe, the share of early-stage deals fell compared to 2024, with more capital shifting toward late-stage investments.

U.S. - Annual percent of deals by deal stage



Europe - Annual percent of deals by deal stage



Global Startup Fundraising

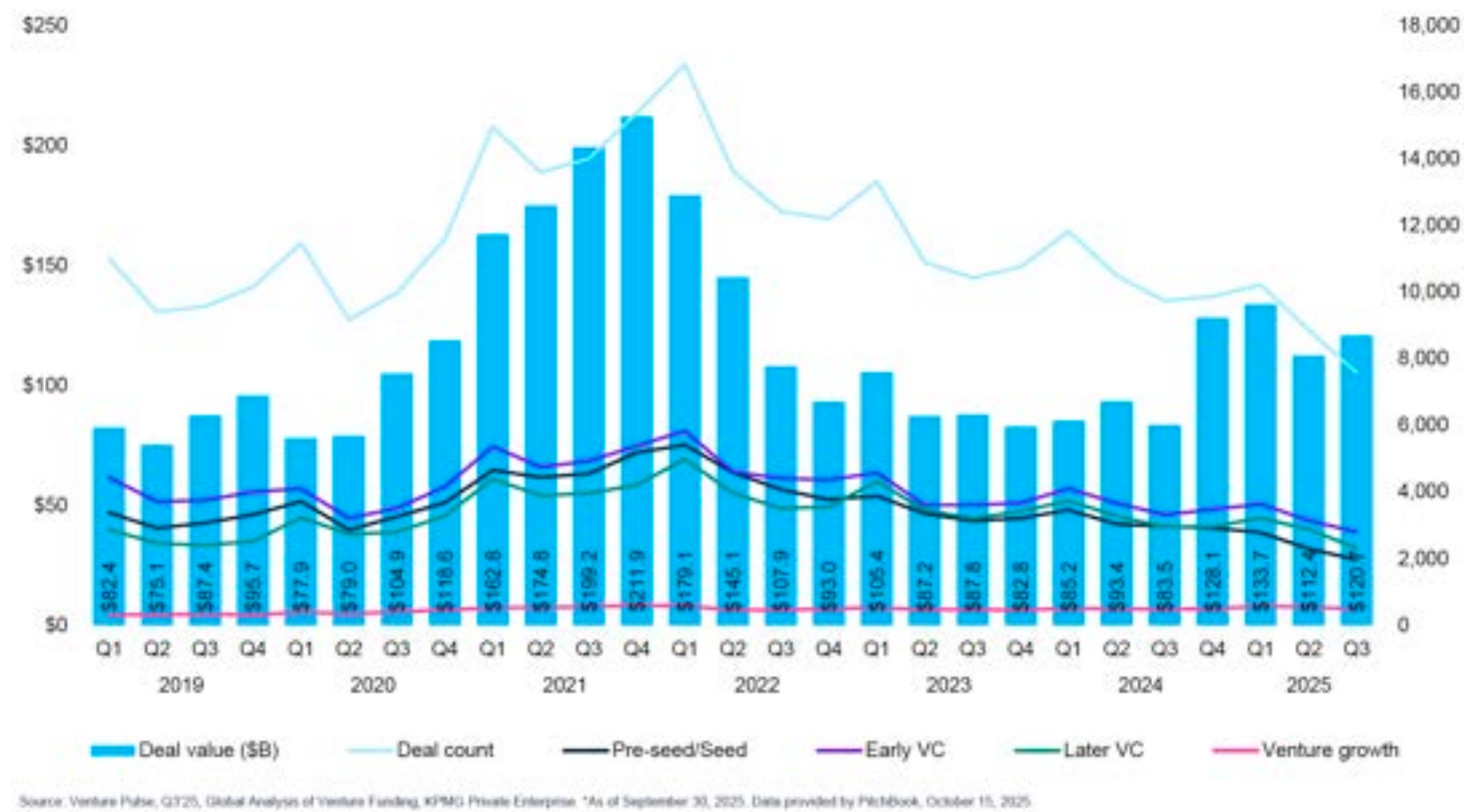
Q3 marked the fourth straight quarter of funding above \$90 billion—levels last seen in 2022. The sustained rebound signals renewed investor confidence, with large late-stage and AI megadeals leading the recovery in global startup investment.

Global Venture Dollar Volume Through November 2025



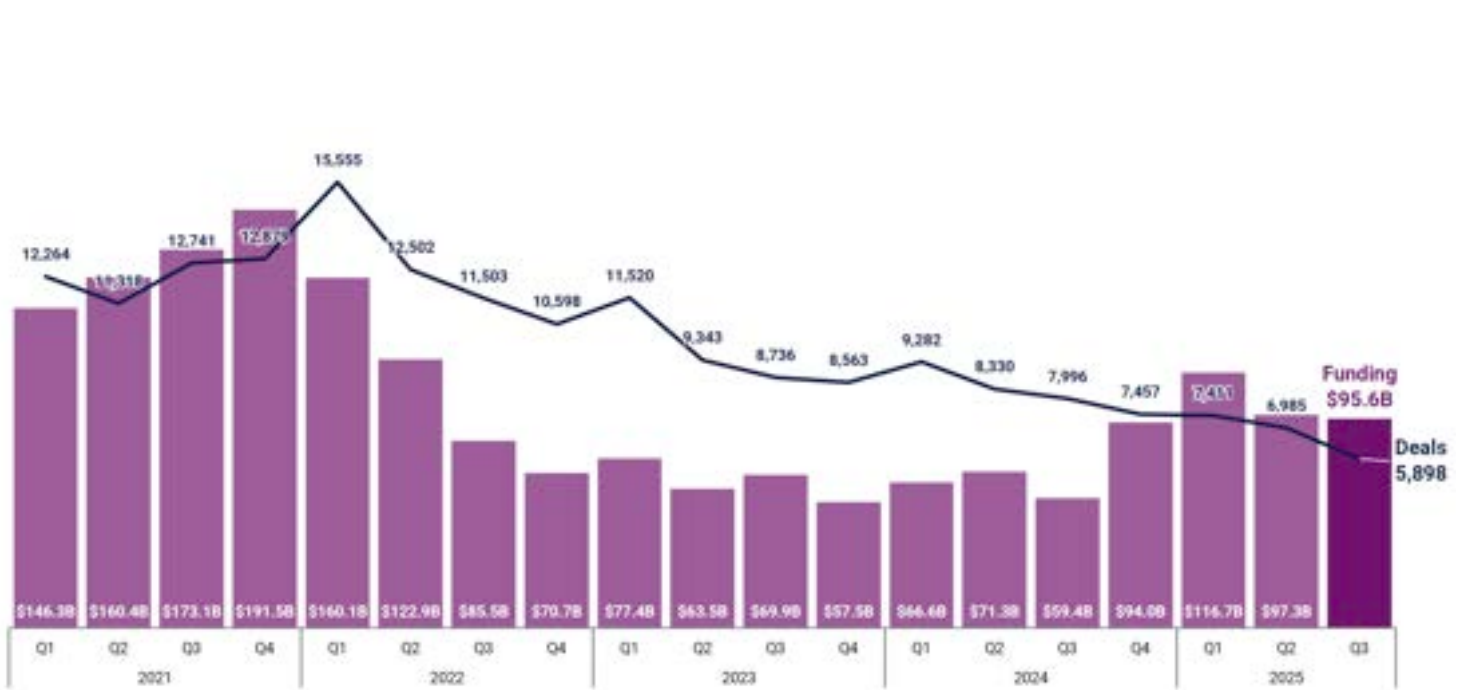
Source: Crunchbase

Q3 Data - Global Venture Financing



Source: KPMG, PitchBook

Q3 Data - Quarterly Equity Funding & Deals

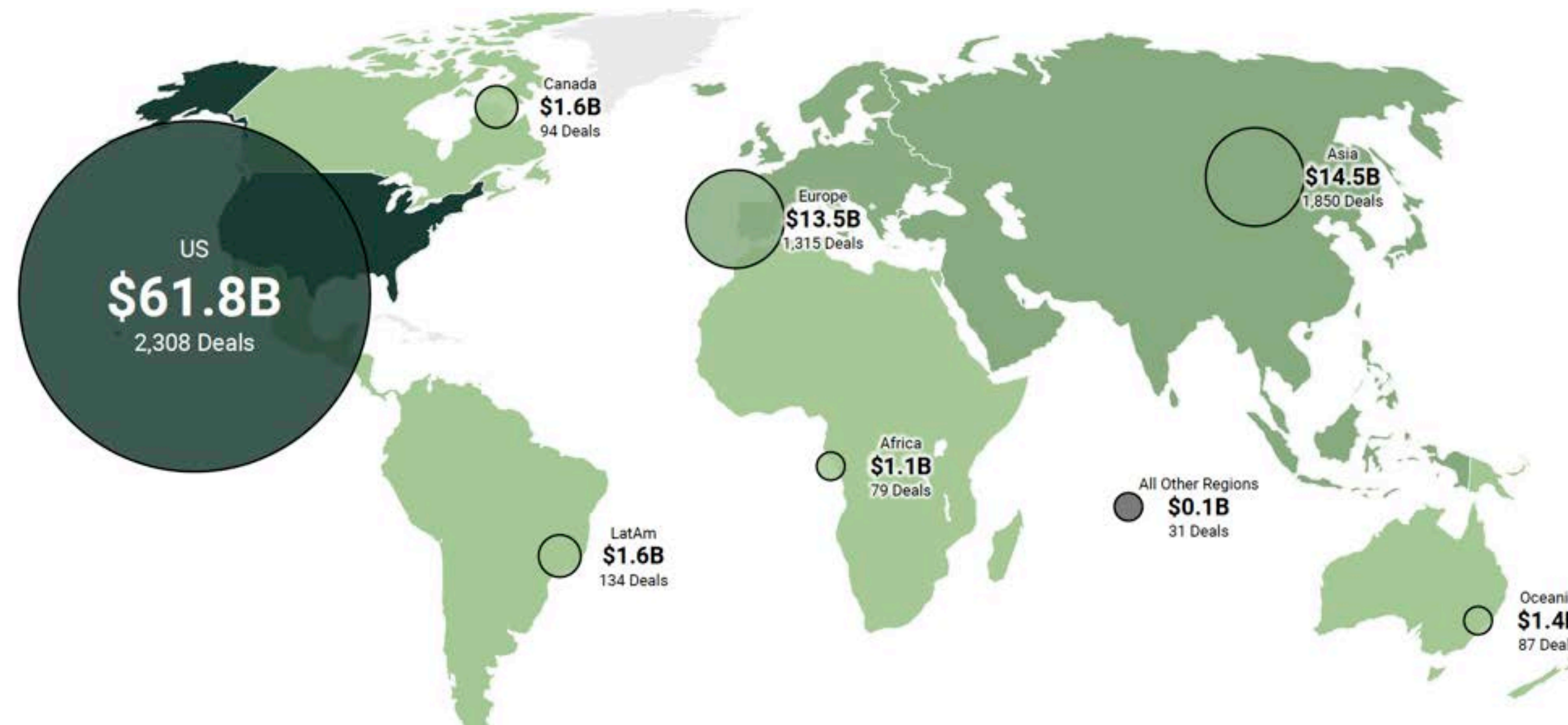


Source: CB Insights

Regional Fundraising Snapshot

The scale gap is staggering — the U.S. continues to dominate global venture funding, raising **4.6 times** more than Europe and **4.3 times** more than Asia. No other region even comes close.

Funding & Deals by Global Region in Q3'25



Source: CB Insights

[Click graphic for source post/article.](#)

U.S. Startup Fundraising

According to Crunchbase data, startup funding in North America remained strong in Q3 2025, fueled largely by ongoing enthusiasm for AI. Investors poured \$63.1 billion into U.S. and Canadian startups—about \$20 billion more than a year ago or 3% higher. Compared to last year, the surge is striking — Q3 funding volume jumped 48% year over year, marking a clear rebound in venture activity.

The jump came from larger deal sizes rather than more activity, as total rounds declined slightly, showing that capital continues to concentrate around fewer, bigger AI-driven bets.

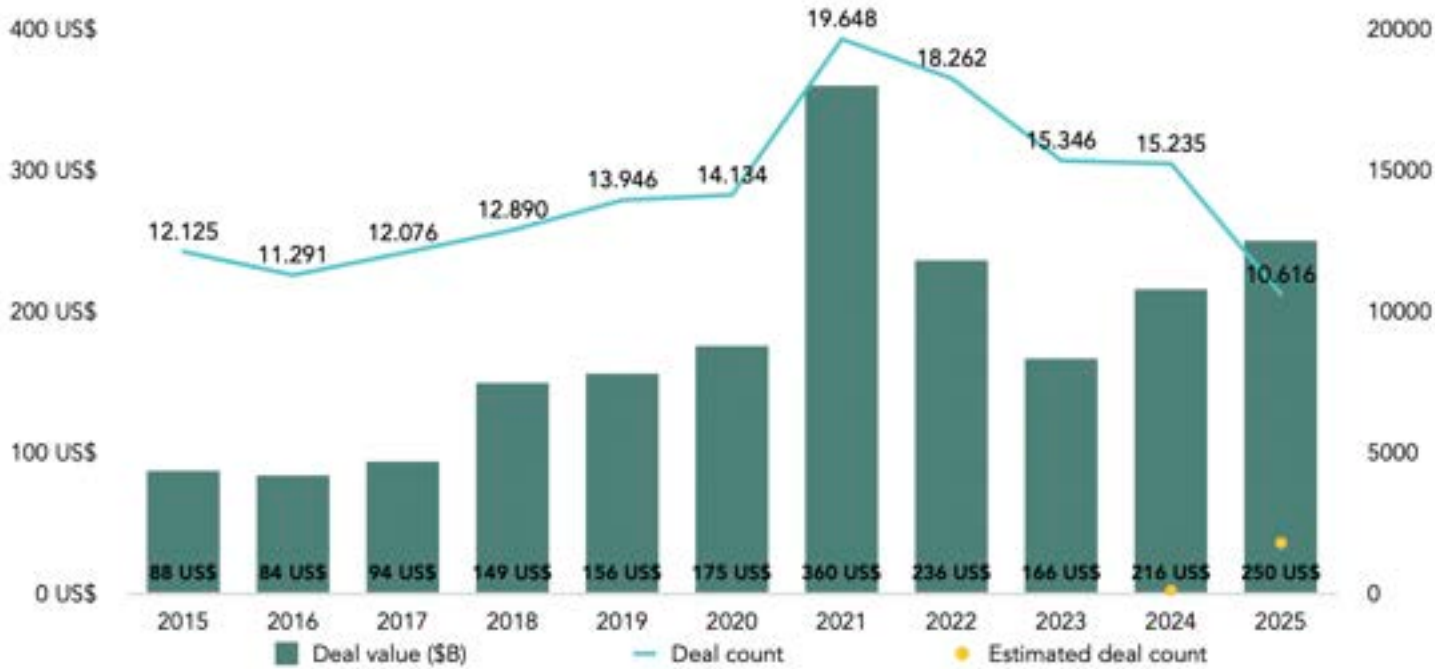
Looking at the bigger picture, startup fundraising is showing mixed signals. PitchBook data points to modest year-over-year growth but with fewer deals, while CB Insights reports a dip in overall funding volume for Q3. In short, activity is relatively flat—neither a clear rebound nor a sharp decline.

North America Venture Dollar Volume Through Q3 2025



Source: Crunchbase

Data till Q3 - U.S. VC Deal Activity



Source: PitchBook

Data till Q3 - Quarterly Funding & Deals

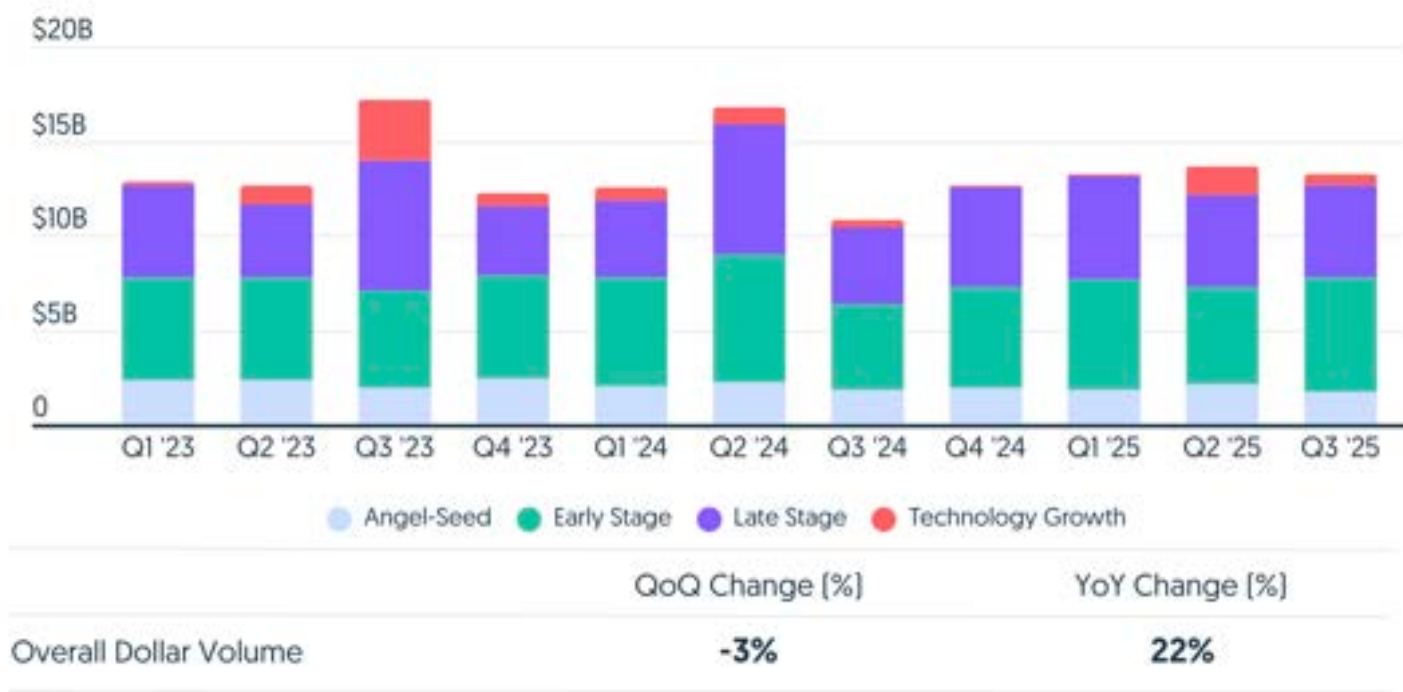


Source: CB Insights

European Fundraising

Europe’s startup ecosystem is holding steady (or slight drop depending on which data source you look at) thanks to a surge in early-stage funding, even as late-stage activity lags. In Q3, startups raised **\$13.1 billion** across more than 1,000 deals—3% decrease from the prior quarter but up **22%** year over year. Early-stage rounds made up about 60% of the total, driven by deep tech, biotech, and applied AI.

Europe Venture Dollar Volume Through Q3 2025



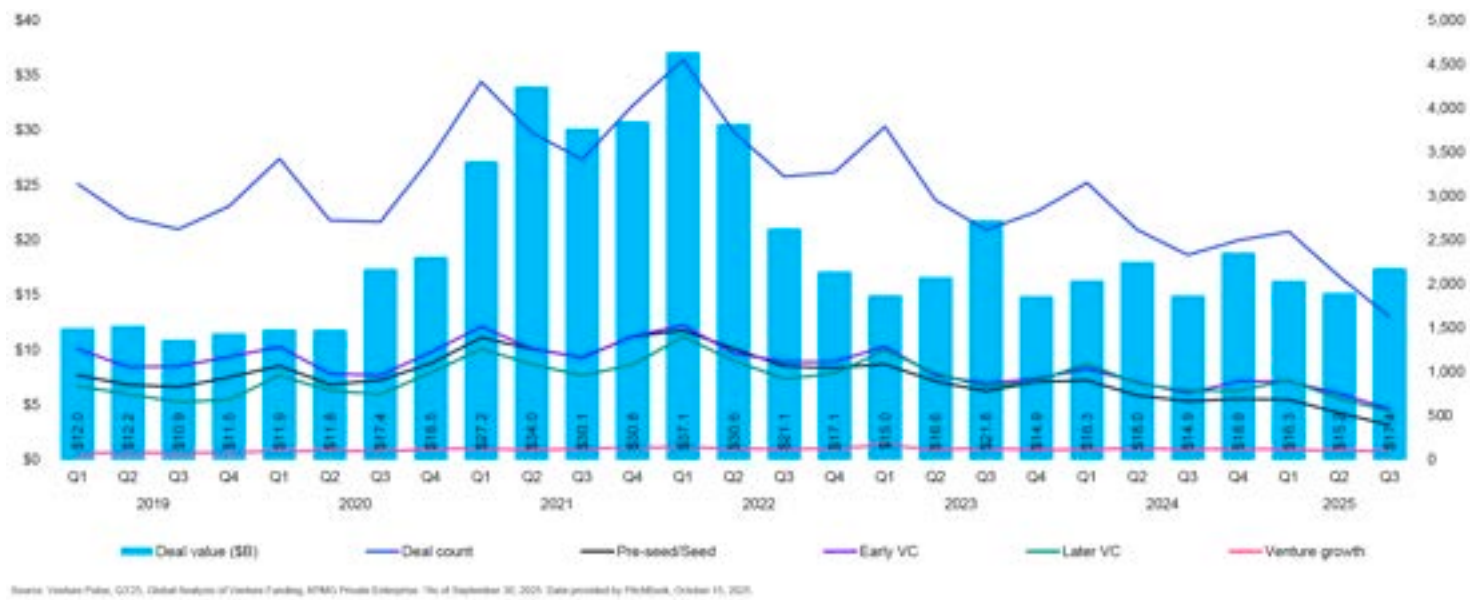
Source: Crunchbase

Data till Q3 - Quarterly Funding & Deals



Source: CB Insights

Data till Q3 - Venture Financing in Europe



Source: KPMG, PitchBook

Asia Fundraising

Asia’s startup funding rose 20% in Q3 2025 to \$16.8 billion, fueled by several large hardtech investments. While this marks a clear rebound from the previous quarter, activity remains well below the 2021–2022 peak. Ongoing geopolitical tensions, trade uncertainty, and the absence of major megadeals continue to weigh on the market — signaling that investor confidence is improving, but the region’s venture ecosystem is still in recovery mode. China made up about half of that total with \$8.4 billion invested—a slight recovery from Q2’s lows but still among its weakest quarters in recent years, underscoring continued investor caution.

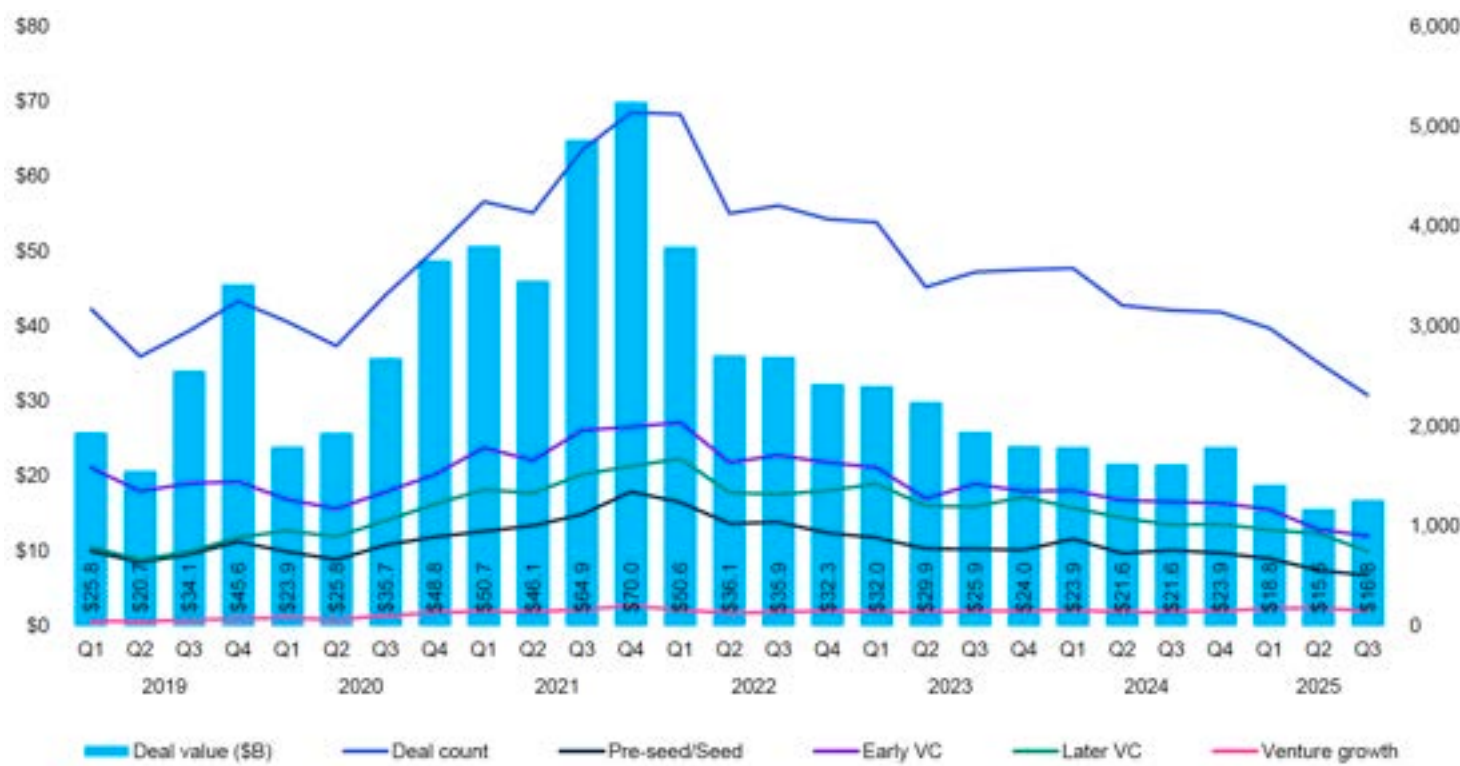
That said, not all datasets tell the same story. CB Insights reports a sharp rebound in Asia’s Q3 fundraising, with totals hitting \$14.5 billion—a 51% jump from the previous quarter, suggesting renewed momentum despite broader caution.

Asia Venture Dollar Volume Through Q3 2025



Source: Crunchbase

Data till Q3 - Venture Financing in Asia



Source: KPMG, PitchBook

Data till Q3 - Quarterly Funding & Deals



Source: CB Insights

Late Stage Fundraising

Late-stage funding drove most of the global rebound in Q3 2025, reaching \$58 billion, up 66% year over year. The U.S. led with \$42.9 billion, fueled by Anthropic’s record round and several other large deals. Europe contributed \$5.4 billion across 75 growth-stage investments, while Asia saw \$8.3 billion, its strongest quarter of the year. Overall, capital continues to cluster in late-stage, tech-driven companies, especially in AI and infrastructure.

Global Late-Stage And Technology Growth Investment Through Q3 2025



North America Late-Stage & Technology Growth Investment Through Q3 2025



Europe Late-Stage & Technology Growth Investment Through Q3 2025



Asia Late-Stage & Technology-Growth Investment Through Q3 2025



AI Fundraising | 1

AI dominated global venture funding in Q3 2025, attracting \$45 billion—nearly half of all capital raised—with Anthropic alone accounting for almost a third. Hardware followed with \$16.2 billion, driven by robotics and semiconductor deals, while healthcare and biotech brought in \$15.8 billion. Financial services added another \$12 billion. Overall, the U.S. captured nearly two-thirds of global AI funding, reflecting both sector and geographic concentration around AI and deep tech leaders.

Global Funding To AI, By Quarter



North America Funding To AI, By Quarter



Asia Funding To AI, By Quarter



Europe Funding To AI, By Quarter

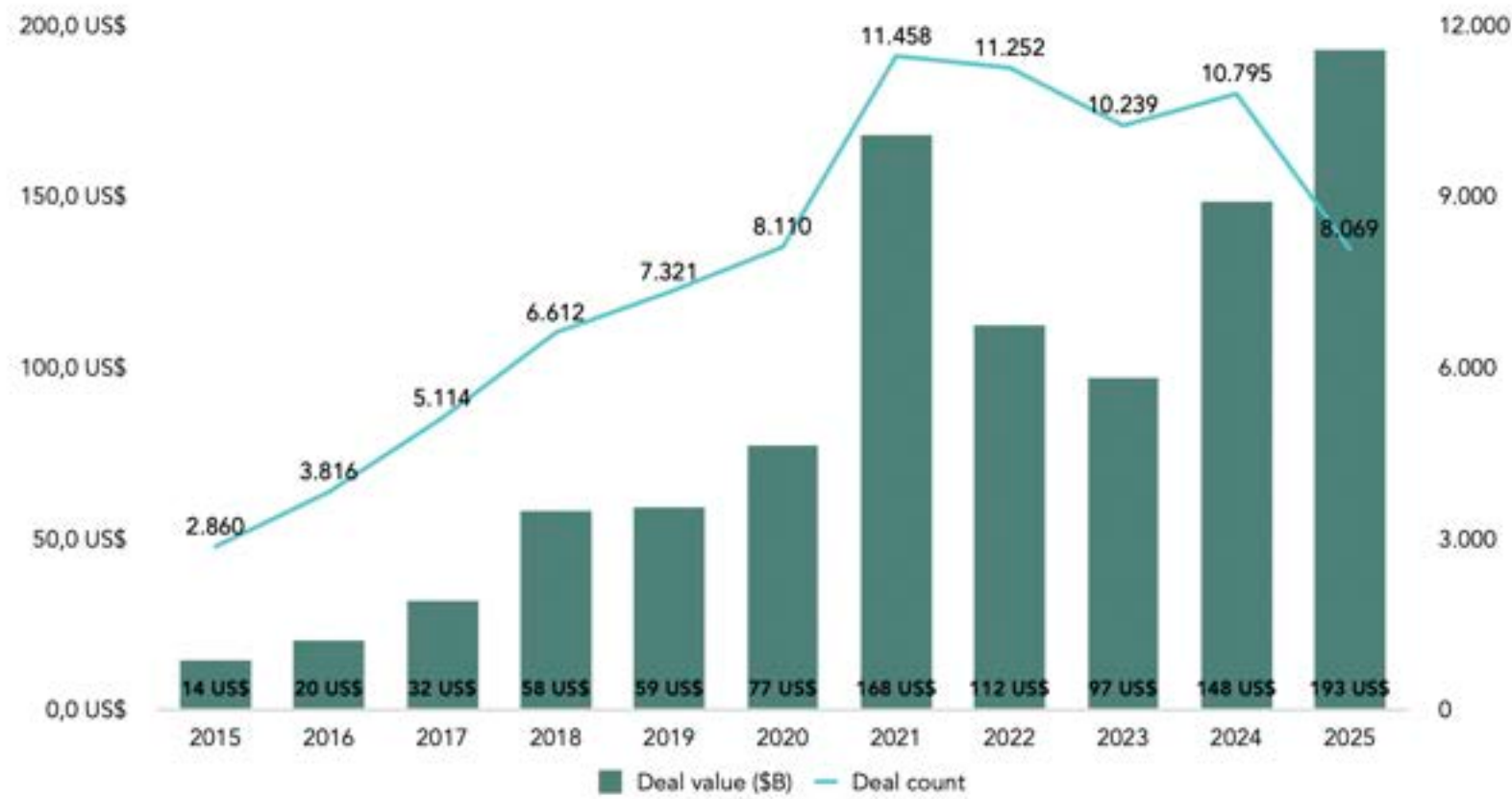


AI AI Fundraising | 2

Investor focus is narrowing shaping around AI, which made up **53%** of total global venture deal value but only **30%** of deal volume in Q3 according to PitchBook. The quarter reflected that imbalance—massive AI rounds dominated activity while most startups still struggled to raise capital. The divide between top-tier companies attracting endless funding and everyone else fighting for attention is widening, with AI at the center of that split.

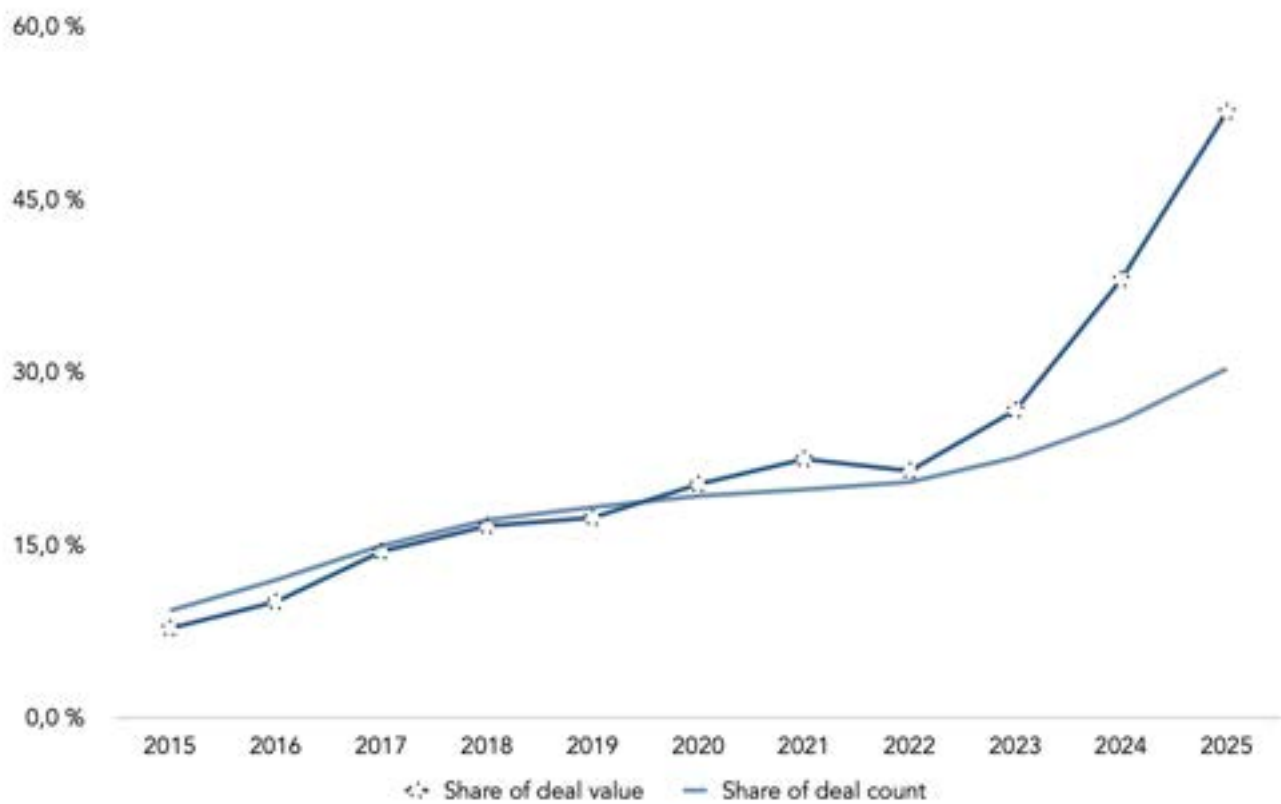
According to CB Insights data, AI is set to claim more than half of all global venture funding for the first time. So far in 2025, AI startups have captured 51% of total investment—and U.S. companies account for a dominant 85% of that amount.

Global AI VC Deal Activity and Share of Global Deal Activity (Data until Q3)

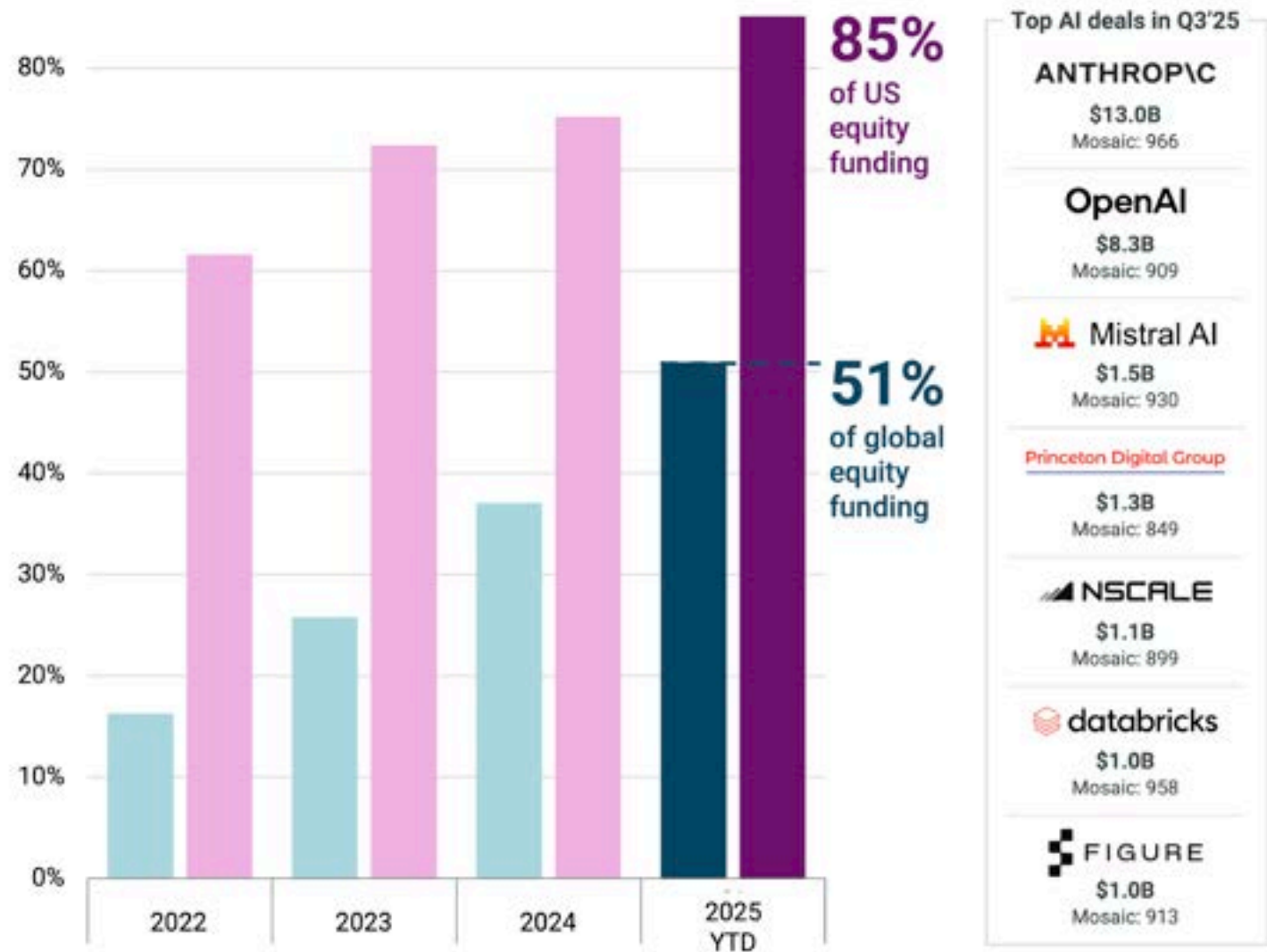


Source: PitchBook

Global AI as % of Deal Value and Deal Count (Data until Q3)



Source: PitchBook



Source: CB Insights

Top AI deals in Q3'25

ANTHROPIC	\$13.0B	Mosaic: 966
OpenAI	\$8.3B	Mosaic: 909
Mistral AI	\$1.5B	Mosaic: 930
Princeton Digital Group	\$1.3B	Mosaic: 849
NSCALE	\$1.1B	Mosaic: 899
databricks	\$1.0B	Mosaic: 958
FIGURE	\$1.0B	Mosaic: 913

AI Fundraising | 3

In the U.S. according to Pitchbook, so far in 2025, AI deal value has already hit record levels. The sector's share of total venture investment has climbed from about 27% in 2021 to more than 50% by Q3-2025. As AI and machine learning continue to attract massive capital, the real test for this next phase of venture—call it VC 3.0—will be whether innovation and scalability can keep up with investor expectations and deliver meaningful returns across such a broad base of funding.

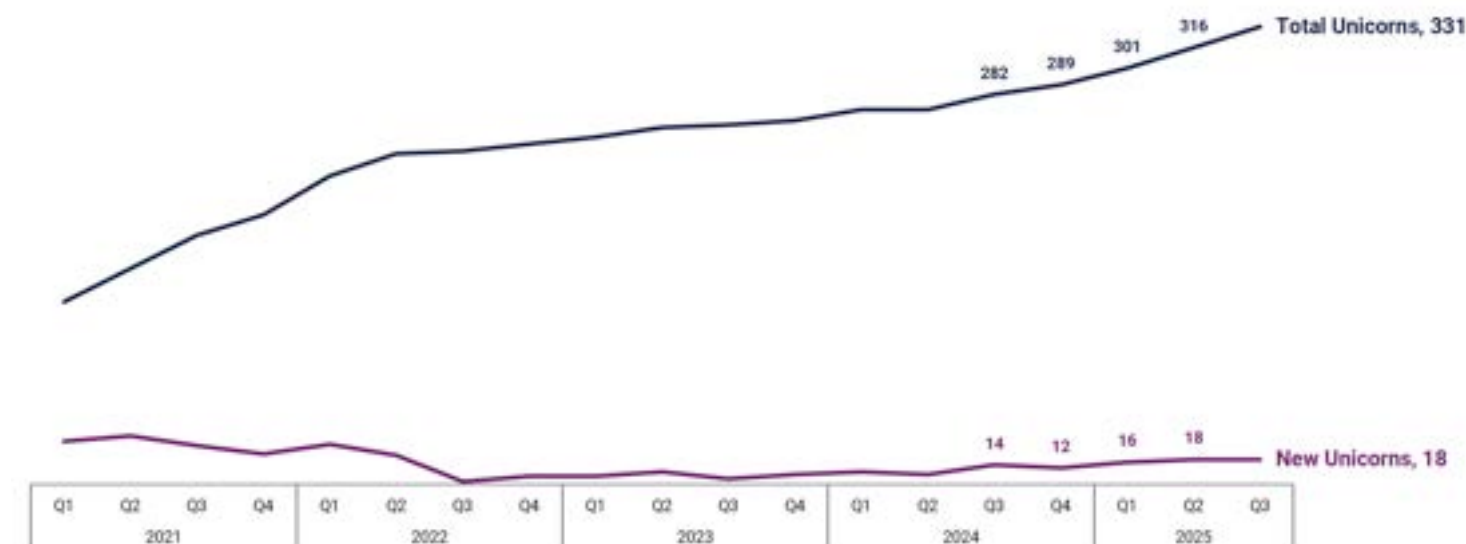
CB Insights data shows the number of AI unicorns continues to climb, reaching 331 globally by Q3 2025—a new all-time high. Carta data shows a clear trend: at every fundraising stage, AI companies are capturing a growing share of total venture capital, underscoring how deeply the sector now dominates investor focus.

U.S. – AI & ML VC Deal Activity



Source: PitchBook

AI - Quarterly New & Total Unicorns

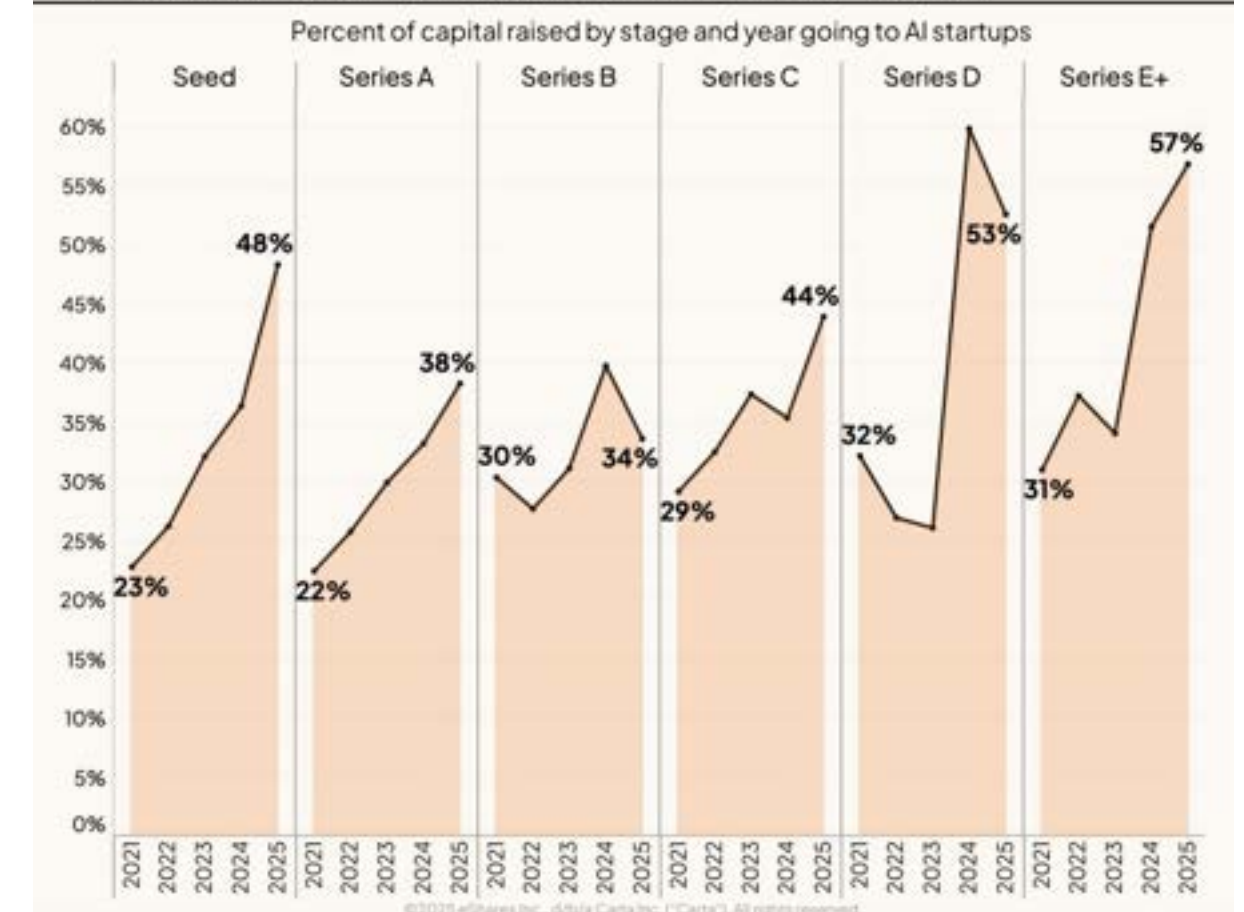


Source: CB Insights

How many more AI startups can we fund?

The share of capital devoted to AI companies is rising relentlessly

Data: \$593 billion invested into US startups that use Carta | Q1 2021 – Q2 2025



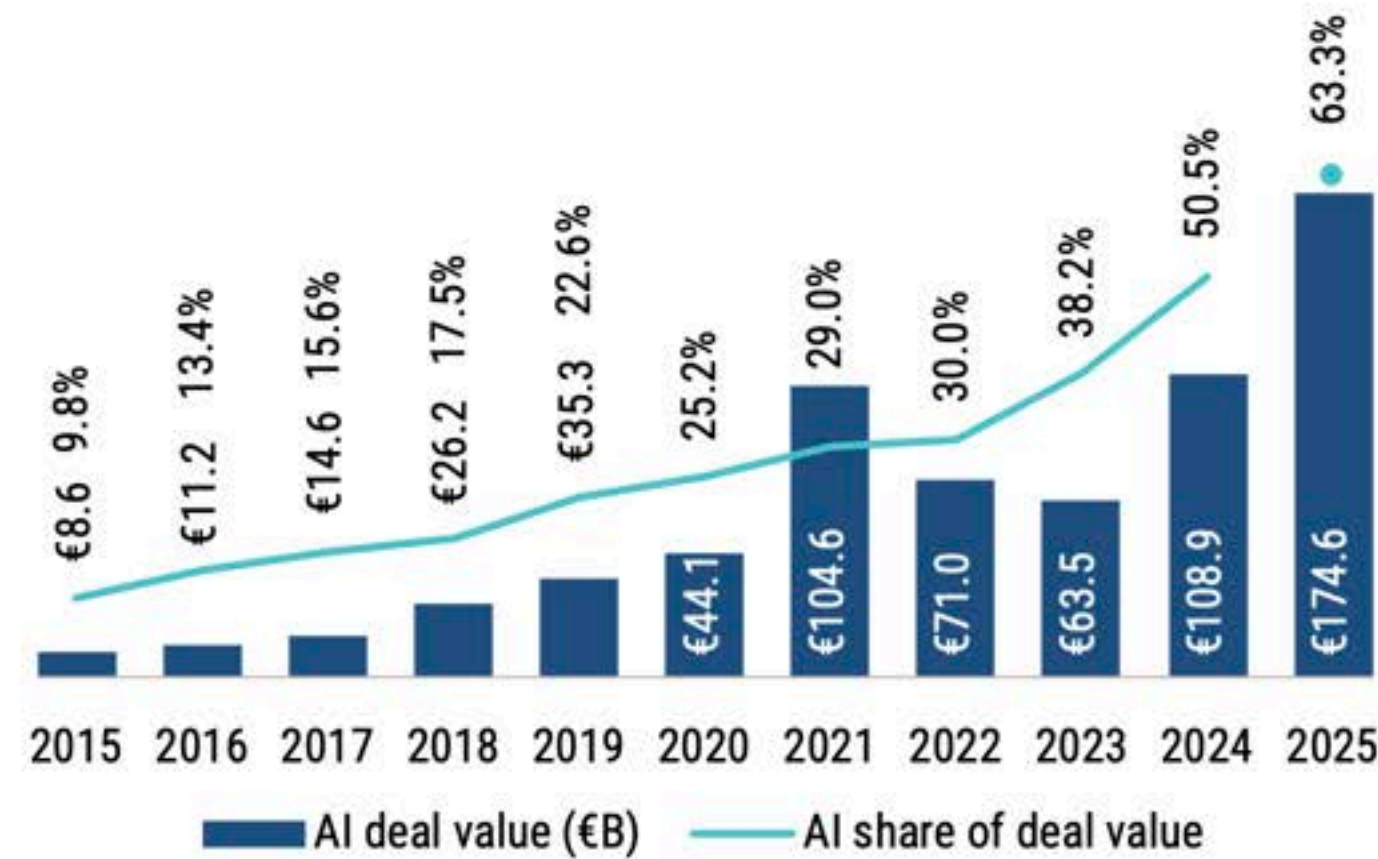
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AI Fundraising | 4

Venture capital has always moved in waves—social media, mobility, crypto—but none have matched the sheer scale and momentum of today’s AI surge. AI now accounts for more than half of all venture deal value this year. Within that, the bulk of funding, nearly 70%, is flowing to core platform players like OpenAI and Anthropic, underscoring how concentrated the boom has become around a few dominant names.

In Europe, investors are leaning heavily toward vertical AI — tools built for specific industries rather than broad, multi-use platforms. Healthcare has emerged as a key focus, helping drive \$5.8 billion in funding so far this year. That’s about 64% of all AI venture investment in the region, according to PitchBook.

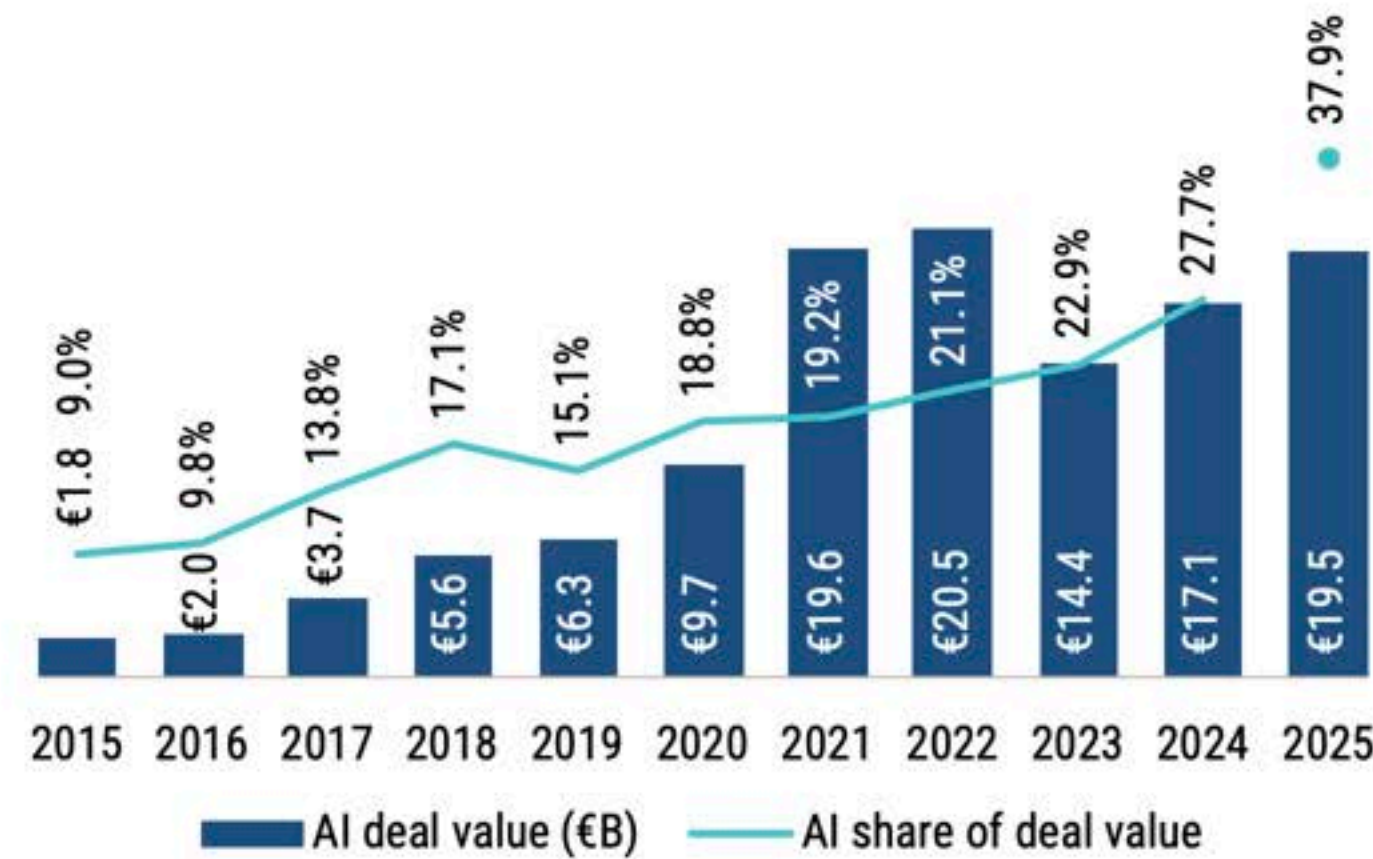
U.S. - AI VC Deal Value and AI Share of Total VC Deal Value (Data until October)



Source: PitchBook • Geography: US • As of 31 October 2025

Source: PitchBook

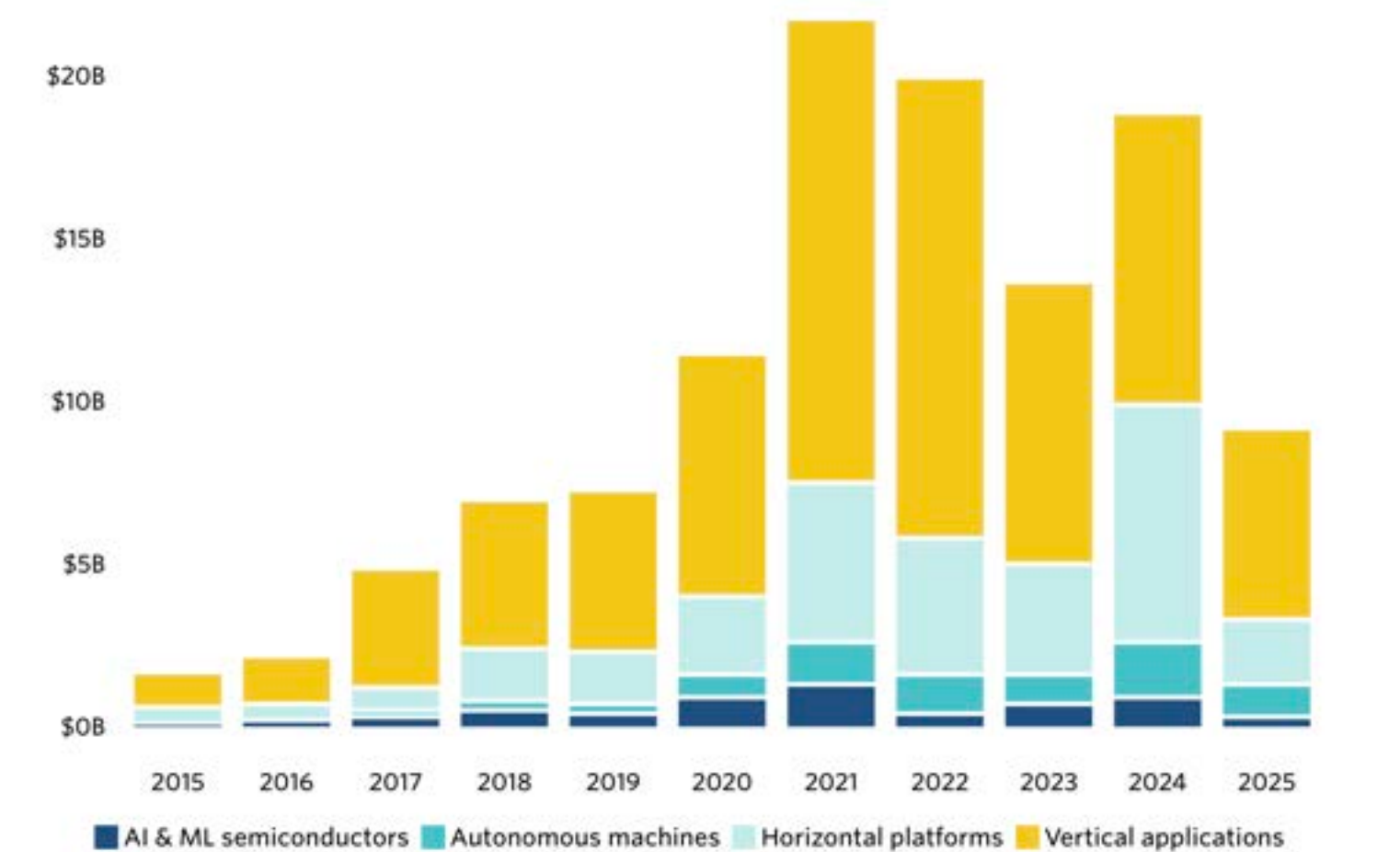
Europe - AI VC Deal Value and AI Share of Total VC Deal Value (Data until October)



Source: PitchBook • Geography: Europe • As of 31 October 2025

Source: PitchBook

In Europe, Vertical AI Draws More VC Dollars



Source: PitchBook • Geography: Europe • As of Aug. 14, 2025

Source: PitchBook

AI Fundraising | 5

However you slice the data, AI venture funding remains highly concentrated, with a small number of firms capturing the majority of capital—a trend that accelerated sharply in 2025.

AI VC Deal Value (\$B)
by Top Three Highest-Valued Unicorns
(Data until August)



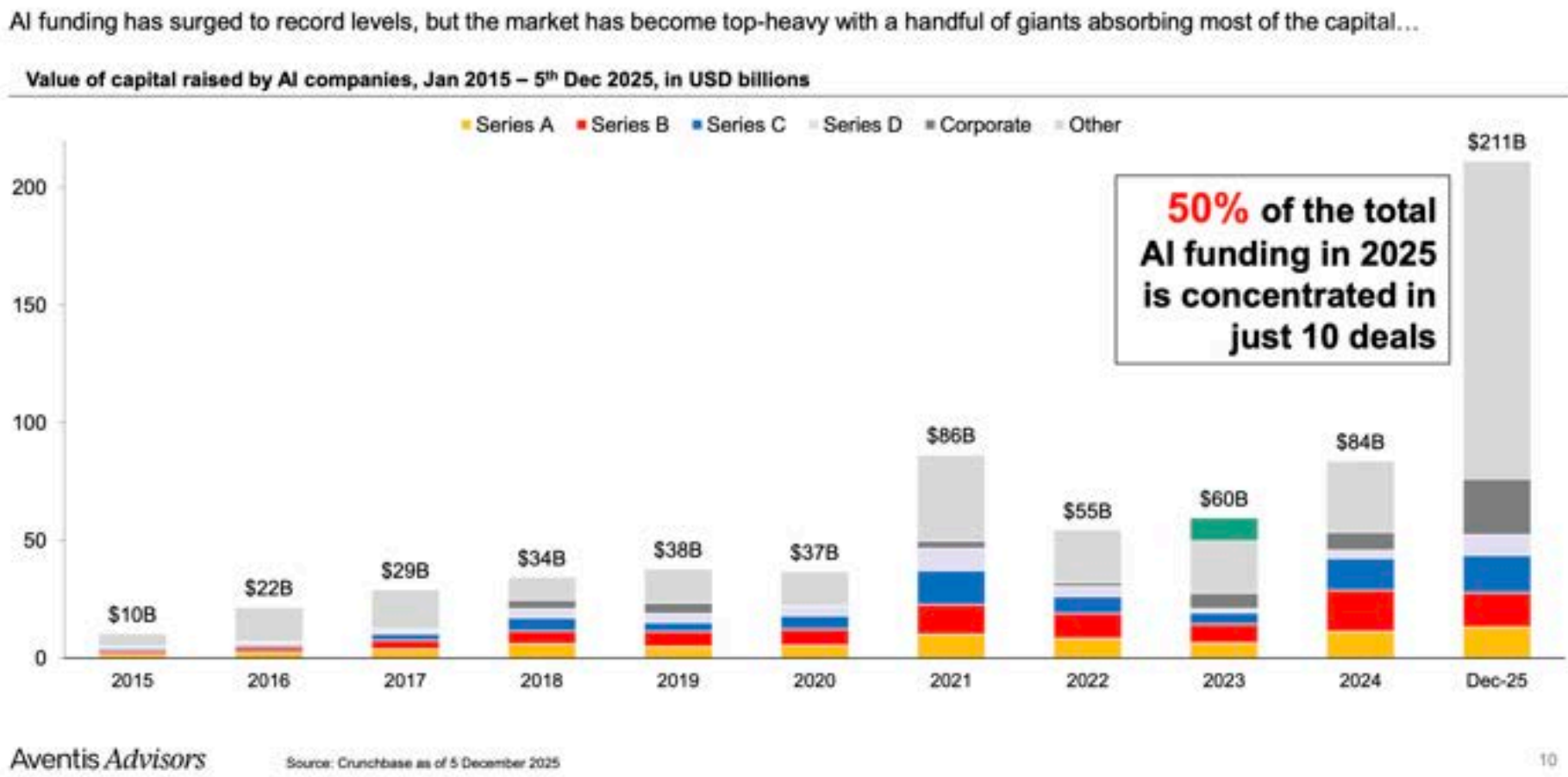
Source: PitchBook

AI VC Deal Value
by Top 10 Deals as a Share of all VC Deal Value
(Data until August)



Source: PitchBook

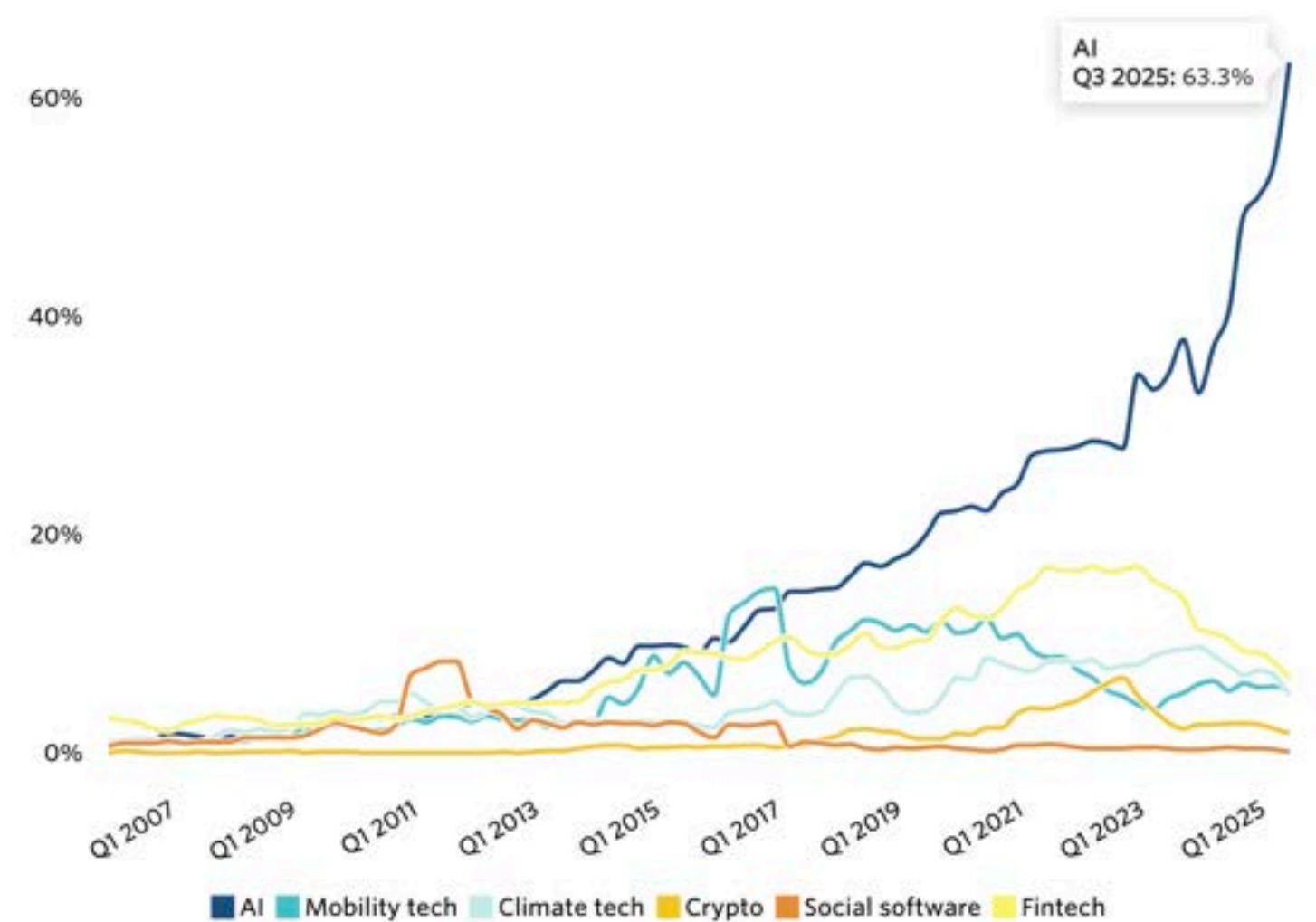
AI Fundraising Crossed \$200B this Year
But Most of the Value Accrued to a Few Firms



Quantifying AI Fundraising Hype

AI has rapidly taken over the venture landscape, far outpacing past hype cycles like crypto or mobility. No previous sector, from fintech to autonomous tech, has ever commanded such a dominant share, raising questions about how sustainable this concentration and valuation surge really are.

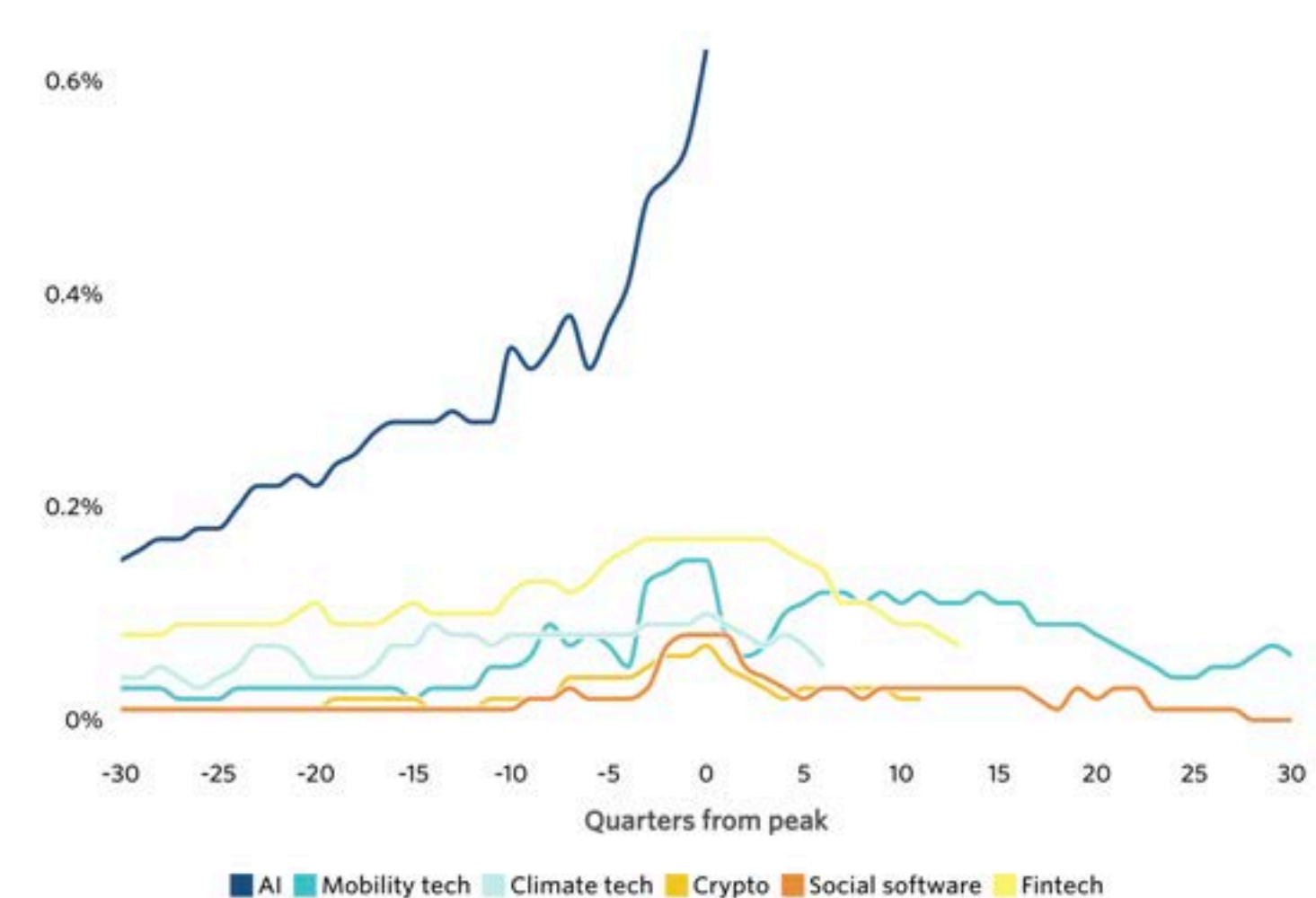
Sector Share of Trailing 12 Month Deal Value



Source: Q3 2025 Quantitative Perspectives: A Fork in the Road • Geography: US • As of July 31, 2025

Source: PitchBook

Sector Share of Trailing 12 Month VC Deal Value, Aligned Around Peak



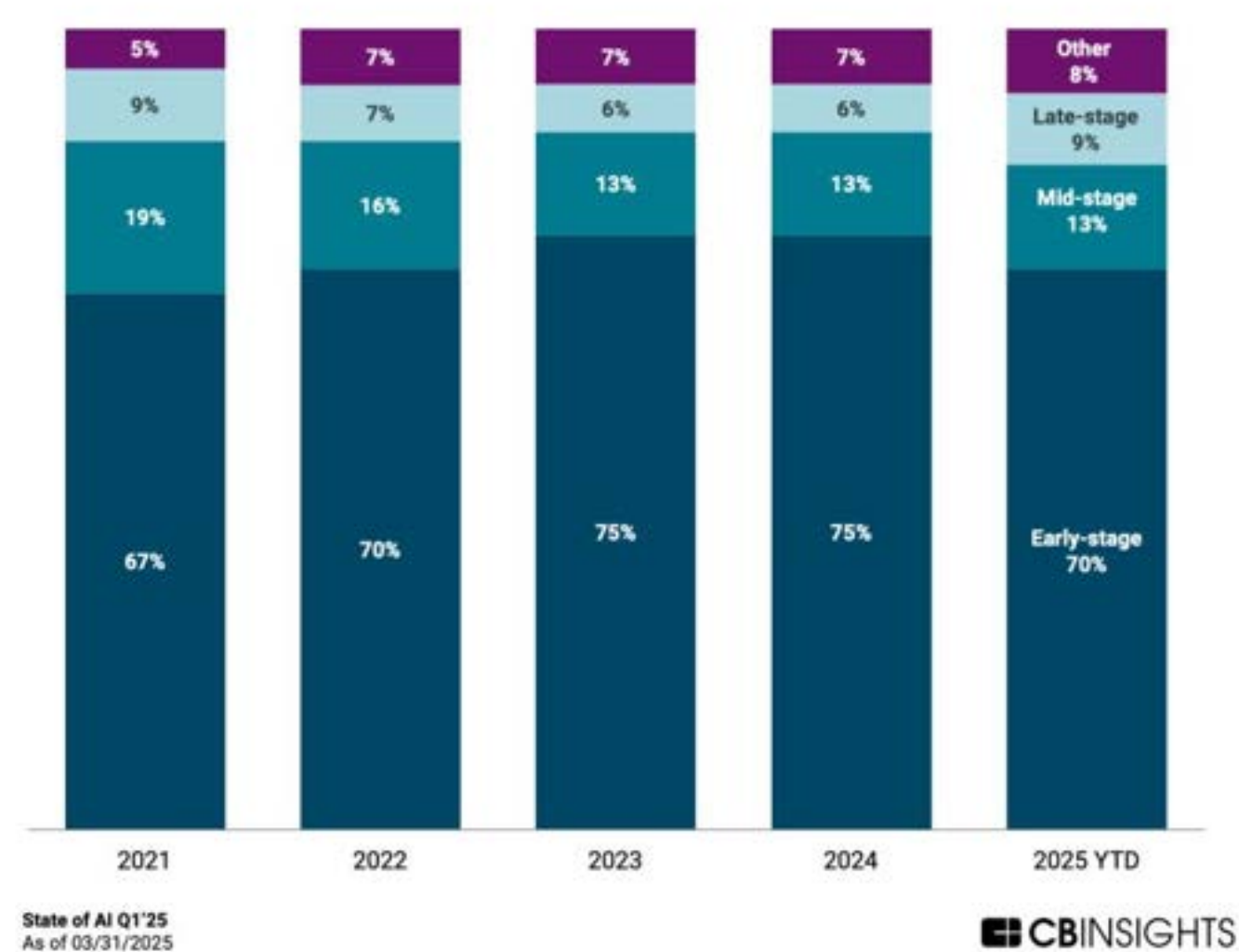
Source: Q3 2025 Quantitative Perspectives: A Fork in the Road • Geography: US • As of July 31, 2025

Source: PitchBook

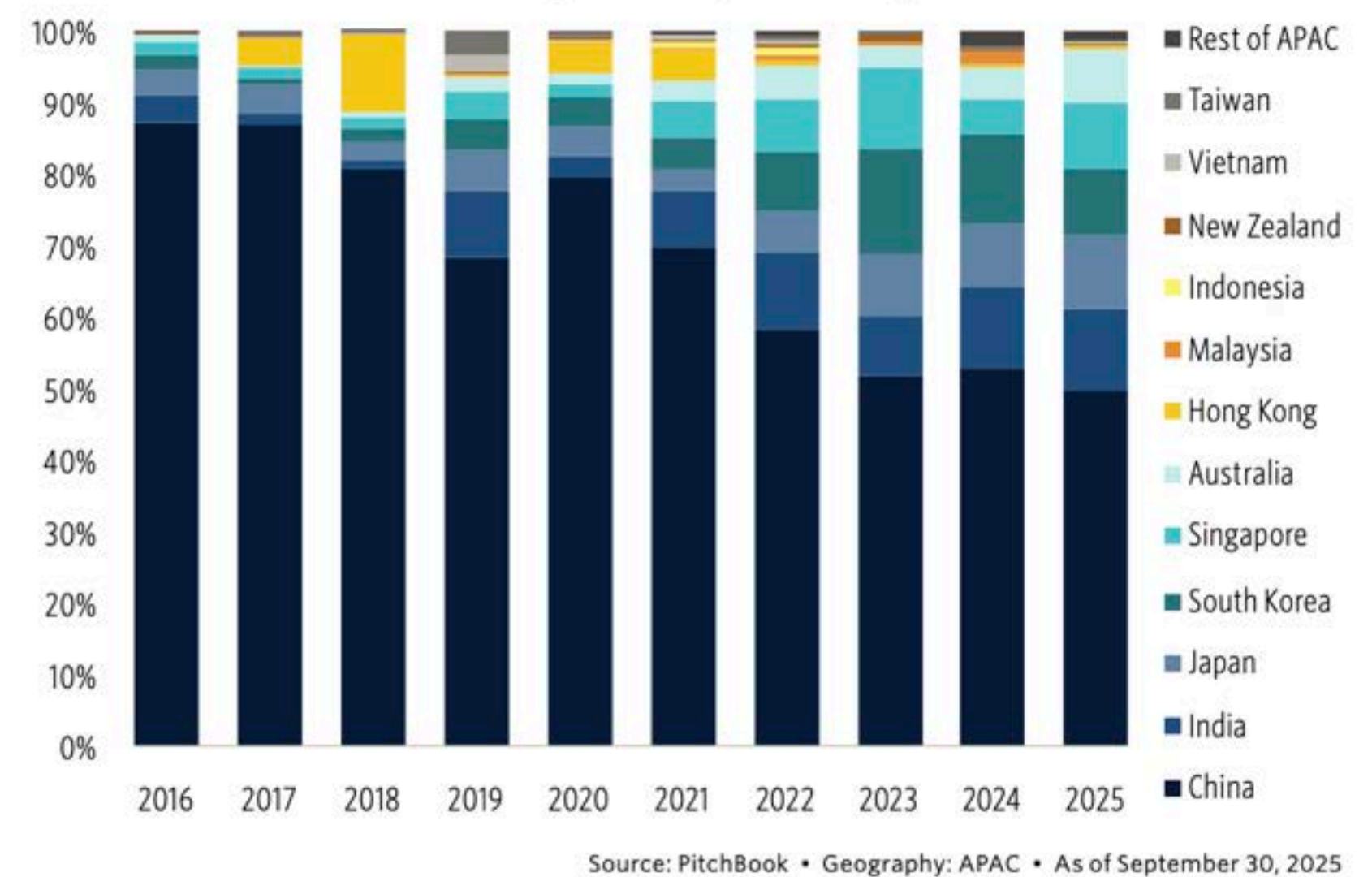
AI Fundraising Nuances

What’s new this year is the momentum building at the later stages. As AI startups mature and prove out their business models, growth-stage and even pre-IPO funding rounds are picking up pace. Investors are showing increased willingness to back more developed AI companies, reflecting growing confidence in their commercial viability and long-term defensibility. This evolution marks a maturing phase in the AI cycle—moving from a frenzy of early-stage bets to more concentrated, high-conviction investments in startups with traction, revenue, and real-world applications. In APAC, AI momentum is shifting beyond China and India, as reflected in the second chart.

AI Funding Shifting to Later Stages



Share of AI VC Deal Value by Country



Source: PitchBook

AI Premium

Yes, there’s undeniably an AI premium—and it’s substantial across multiple dimensions. Whether you look at it through the lens of valuation multiples, average deal sizes, or even investor enthusiasm by business vertical, AI consistently commands a higher benchmark. From early-stage seed rounds to late-stage growth capital, AI startups are raising more capital at higher valuations compared to their non-AI counterparts. This premium isn’t just about hype—it reflects the broad belief that AI has transformative potential across industries, from infrastructure and enterprise software to biotech and finance. In short, regardless of how you slice the data—stage, sector, or geography—the AI premium is real and reshaping venture benchmarks across the board.

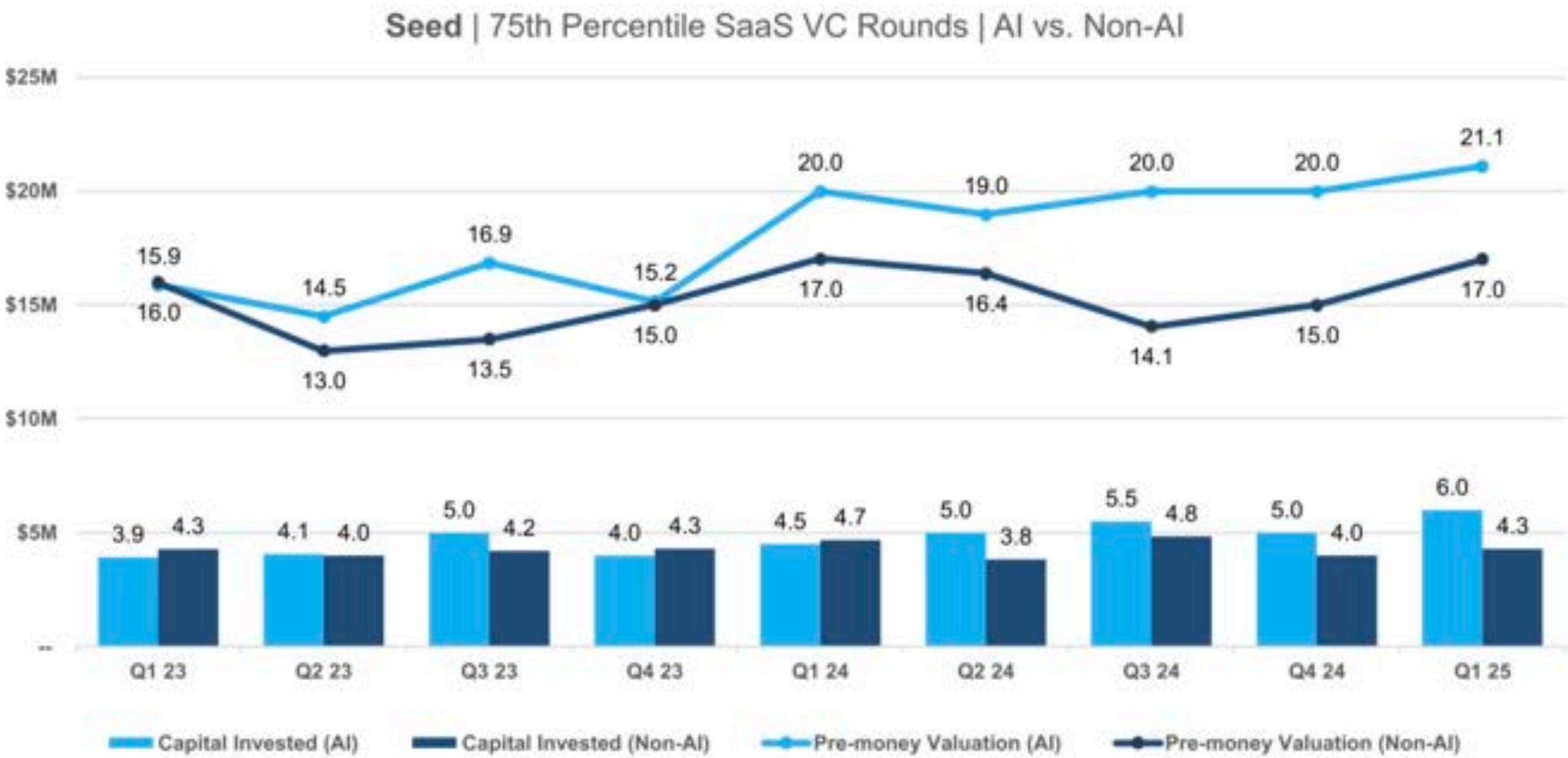
The AI funding premium

AI companies are raising larger, healthier, and more mature rounds than the rest.

Category*	Median Deal Size			Mosaic Score			Commercial Maturity		
	AI	Not AI	+/-	AI	Not AI	+/-	AI	Not AI	+/-
Auto Tech	26.5	5.9	+20.6	739	640	+99	3.58	3.32	+0.25
Cybersecurity	13.4	7.0	+6.4	720	632	+88	3.05	3.02	+0.03
Defense Tech	15.0	10.5	+4.5	695	659	+36	3.00	3.14	-0.14
Digital Health	8.0	5.0	+3.0	673	639	+34	3.01	3.11	-0.09
Edtech	3.8	2.9	+0.9	560	592	-32	2.64	3.13	-0.49
Fintech	5.0	6.0	-1.0	670	665	+5	2.88	2.93	-0.05
Insurtech	4.1	4.4	-0.3	678	660	+18	2.87	2.84	+0.03
Robotics	13.2	2.5	+10.7	603	478	+125	2.89	2.38	+0.51

State of Venture Q2'25
As of 07/01/2025. Data for companies that raised a round in Q2'25.
*Company categorization based on CB Insights Expert Collections.

CBINSIGHTS

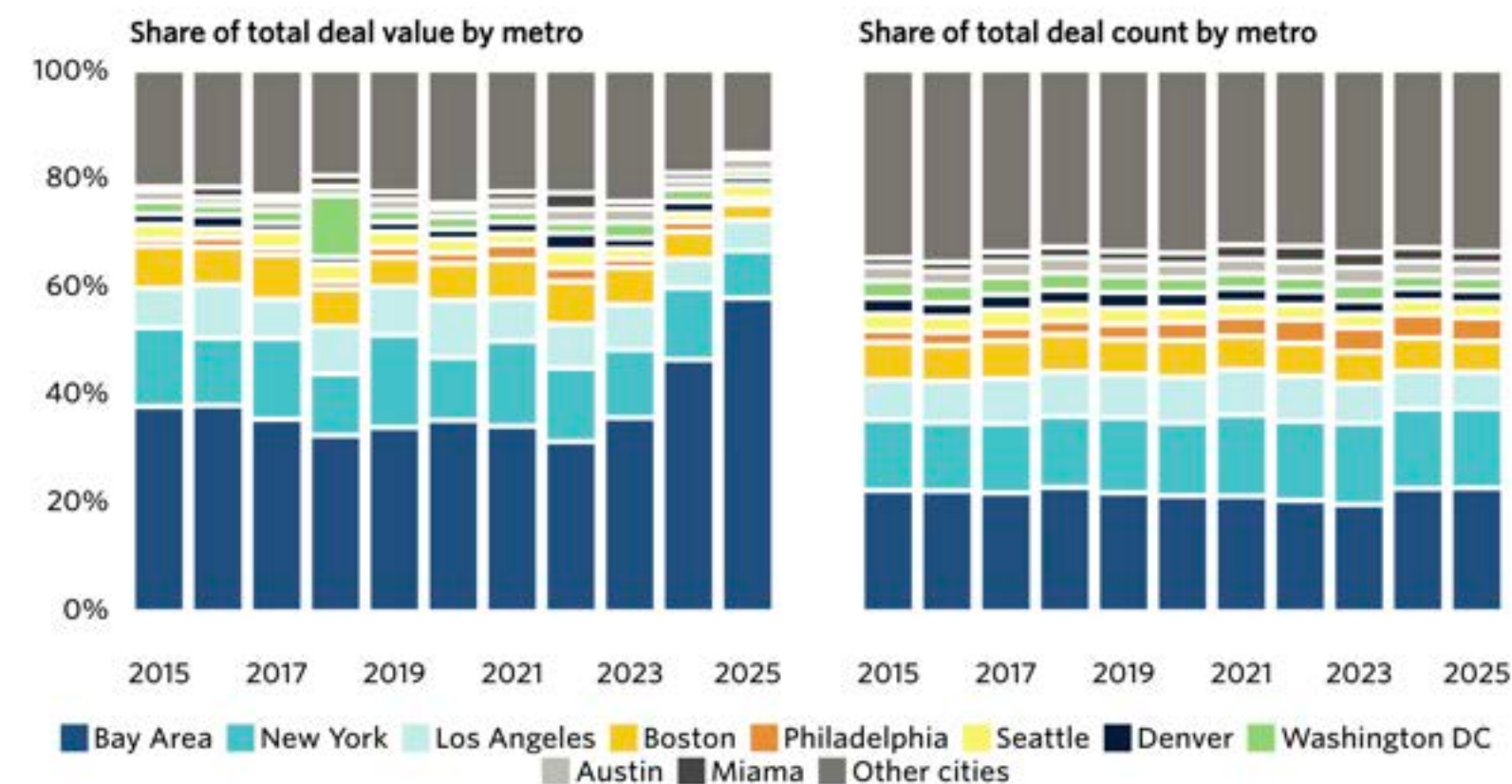


Source: SVB

Ecosystem Ranking

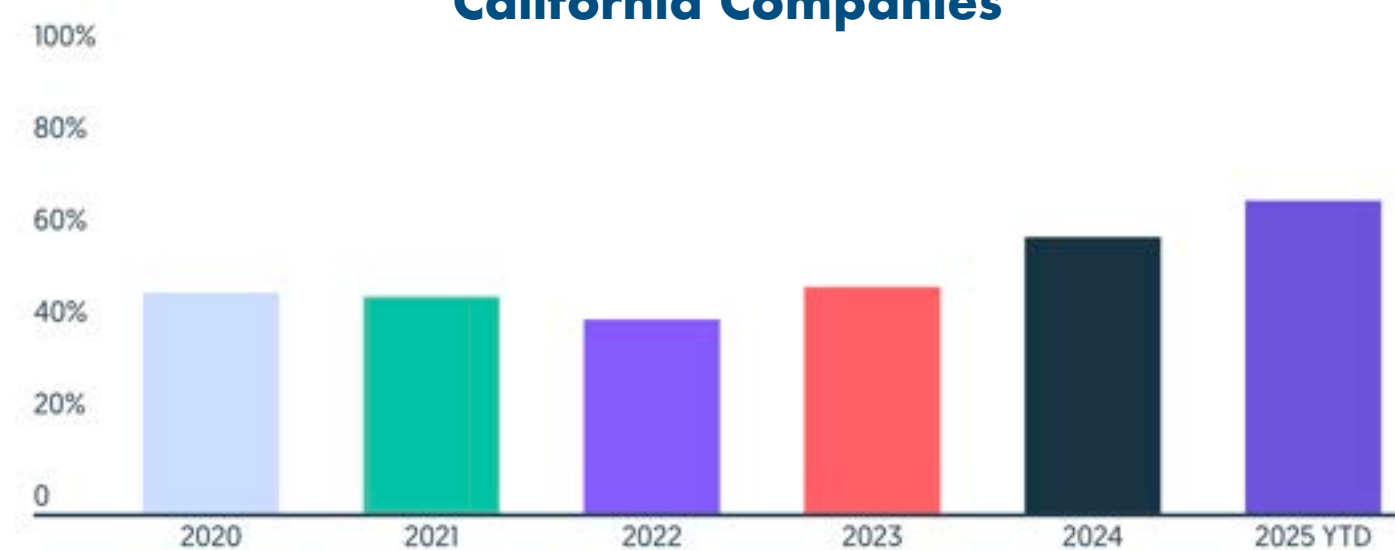
Startup investors' preference for California-based companies is stronger than ever—and 2025 is reinforcing that trend in a big way. Roughly 68% of all U.S. startup funding in the first half of the year flowed to companies headquartered in California. That's a historically high concentration, especially when compared to previous years where the state typically accounted for around 40% of total U.S. funding in substantial part of the last decade. This surge reflects a growing consolidation of capital, likely driven by its dense ecosystem of AI, deep tech, and later-stage scale-ups that continue to attract outsized rounds. While innovation is happening across the country, California's gravitational pull on venture capital remains unmatched in 2025.

Beyond that — New York consistently holds the number two position across most funding stages, maintaining its role as a key national hub for capital and innovation. Boston generally ranks third, especially in early and growth stages, thanks to its strong biotech and deep tech ecosystems. But beyond the top three, the rankings become far more fragmented and stage-dependent. Cities like Austin, Seattle, Miami, and Chicago fluctuate in position quarter to quarter, lacking the consistency seen at the top. This concentration of capital in a few core regions reflects entrenched investor networks, access to talent, and proximity to large acquirers or IPO markets. While innovation is certainly happening across U.S., when it comes to fundraising power, the hierarchy remains largely unchanged.



Source: PitchBook

Portion Of Startup Funding Going To California Companies



Source: Crunchbase

Startup Ecosystem Ranking by Stage

Data: \$96.6 billion invested into US startups on Carta | Q1 2024—Q1 2025

Ranking by total capital invested into startups. Location = startup headquarters						
	Pre-Seed	Seed on SAFEs	Priced Seed	Series A	Series B	Series C
#1	#1 Bay Area 16.3% of this stage	#1 Bay Area 56.8% of this stage	#1 Bay Area 38.0% of this stage	#1 Bay Area 37.7% of this stage	#1 Bay Area 42.1% of this stage	#1 Bay Area 52.7% of this stage
#2	#2 New York 11.4% of this stage	#2 New York 16.3% of this stage	#2 New York 14.4% of this stage	#2 New York 13.2% of this stage	#2 New York 11.1% of this stage	#2 New York 9.7% of this stage
#3	#3 LA 7.6% of this stage	#3 LA 7.0% of this stage	#3 Boston 7.2% of this stage	#3 Boston 8.5% of this stage	#3 Boston 10.8% of this stage	#3 Boston 8.9% of this stage
#4	#4 Boston 5.5% of this stage	#4 Boston 6.8% of this stage	#4 LA 6.9% of this stage	#4 LA 5.4% of this stage	#4 LA 6.2% of this stage	#4 Austin 5.8% of this stage
#5	#5 DC 3.8% of this stage	#5 Seattle 3.1% of this stage	#5 Seattle 4.7% of this stage	#5 Seattle 4.1% of this stage	#5 Austin 3.8% of this stage	#5 Seattle 5.6% of this stage
#6	#6 Seattle 3.3% of this stage	#6 Chicago 2.7% of this stage	#6 Austin 4.0% of this stage	#6 Austin 3.1% of this stage	#6 Seattle 2.9% of this stage	#6 LA 4.7% of this stage
#7	#7 Chicago 3.2% of this stage	#7 Miami 2.7% of this stage	#7 DC 2.9% of this stage	#7 San Diego 3.1% of this stage	#7 DC 2.8% of this stage	#7 Denver/Boulder 4.1% of this stage
#8	#8 Miami 3.2% of this stage	#8 Austin 2.3% of this stage	#8 San Diego 2.6% of this stage	#8 Denver/Boulder 2.6% of this stage	#8 San Diego 2.7% of this stage	#8 San Diego 3.8% of this stage
#9	#9 Denver/Boulder 3.0% of this stage	#9 San Diego 1.7% of this stage	#9 Miami 2.3% of this stage	#9 DC 2.3% of this stage	#9 Detroit 2.4% of this stage	#9 Philly 1.0% of this stage
#10	#10 Austin 3.0% of this stage	#10 DC 1.7% of this stage	#10 Chicago 2.1% of this stage	#10 Chicago 2.0% of this stage	#10 Denver/Boulder 1.9% of this stage	#10 DC 1.0% of this stage
#11	#11 Dallas-Fort Worth 2.0% of this stage	#11 Denver/Boulder 1.3% of this stage	#11 Denver/Boulder 1.4% of this stage	#11 Miami 1.9% of this stage	#11 Atlanta 1.6% of this stage	#11 Miami 0.9% of this stage
#12	#12 San Diego 1.8% of this stage	#12 Atlanta 1.1% of this stage	#12 Dallas-Fort Worth 1.1% of this stage	#12 Pittsburgh 1.6% of this stage	#12 Dallas-Fort Worth 1.4% of this stage	#12 Houston 0.7% of this stage
#13	#13 Research Triangle 1.5% of this stage	#13 Phoenix 1.0% of this stage	#13 Houston 1.3% of this stage	#13 Phoenix 1.5% of this stage	#13 Salt Lake/Prc 1.3% of this stage	#13 Chicago 0.6% of this stage
#14	#14 Philly 1.4% of this stage	#14 Houston 0.9% of this stage	#14 Salt Lake/Prc 0.8% of this stage	#14 Salt Lake/Prc 1.2% of this stage	#14 Philly 1.0% of this stage	#14 Minneapolis 0.5% of this stage
#15	#15 Detroit 1.2% of this stage	#15 Philly 0.9% of this stage	#15 Atlanta 0.7% of this stage	#15 Dallas-Fort Worth 1.2% of this stage	#15 Chicago 0.8% of this stage	#15 Columbus 0.3% of this stage

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Click graphic for source post/article.

Mega Round Fundraising

Venture capital in 2025 is increasingly centered on mega-rounds. CB Insights data shows that deals of \$100 million or more totaled \$59.6 billion in Q3, a slight uptick from the previous quarter and evidence that investor appetite for large-scale bets remains strong. The U.S. continues to dominate mega-round activity, raising 8.3 times more than Europe and 6.2 times more than Asia in deals worth \$100 million or more. According to Crunchbase - In Q3 alone, a third of all global investment went to just 18 companies raising \$500 million or more. Major AI players like Anthropic, xAI, and Mistral AI led the charge, with billion-dollar rounds also flowing to firms like Databricks and PsiQuantum. The surge underscores how capital is pooling around a small group of high-profile, well-capitalized startups—especially in the AI sector.

Quarterly Funding & Deals from Mega-rounds
(Deals Worth \$100m+)



Source: CB Insights

Mega-round Funding & Deals
by Global Region in Q3'25



Source: CB Insights

Global Venture Funding Volume
In Rounds Less Than \$500M Vs. \$500M+

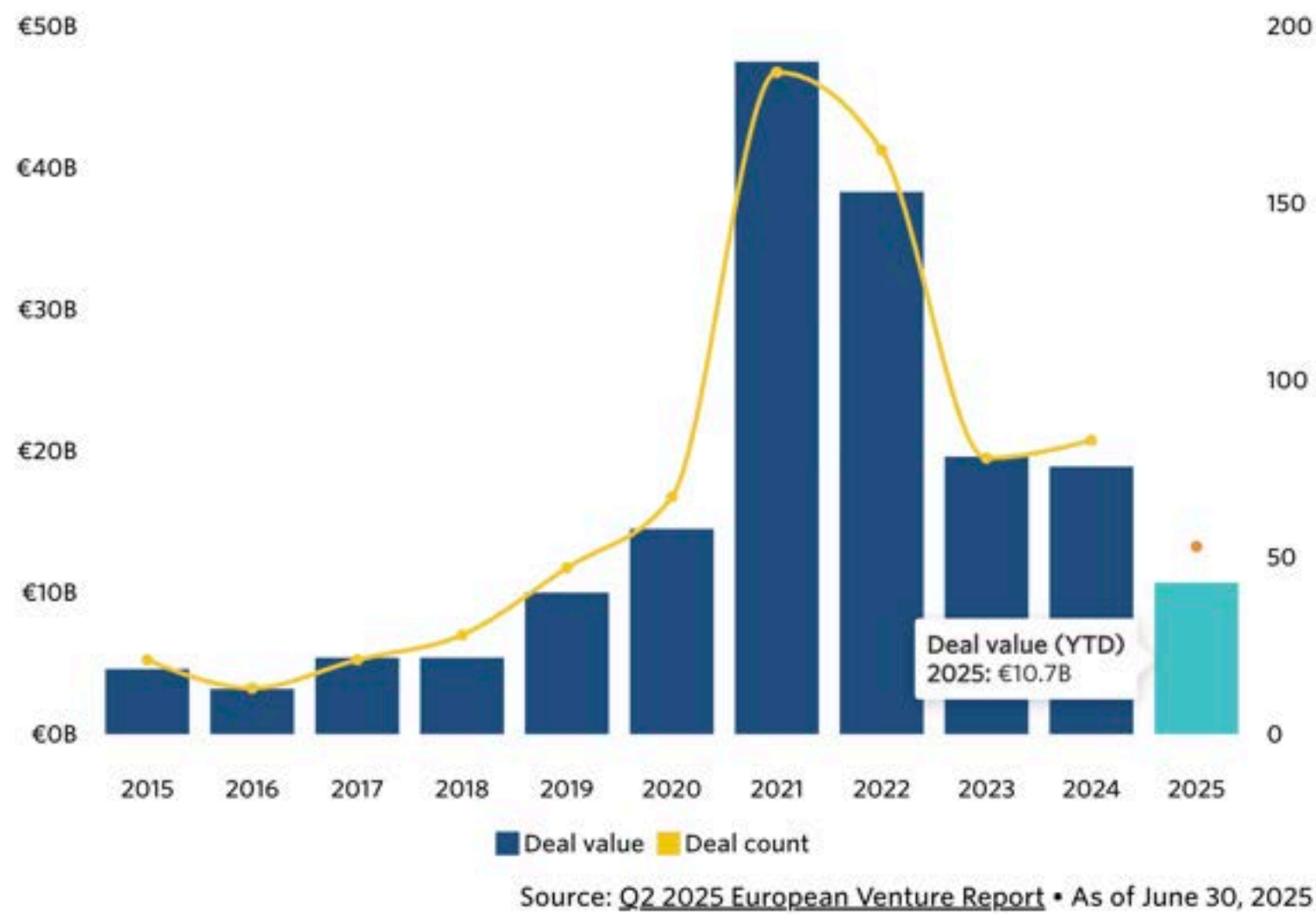


Source: Crunchbase

Mega Rounds in Europe

Despite a broader slowdown, Europe’s venture scene is seeing a resurgence in mega-rounds. Till the end of Q2 2025, 53 deals worth €10.7 billion have closed—up 28% in count and 13% in value from last year, putting the region on pace for its strongest year since 2022. AI dominates these large financings, alongside rising activity in defense tech and life sciences.

European Mega Round (Deals Worth \$100 Million or More)

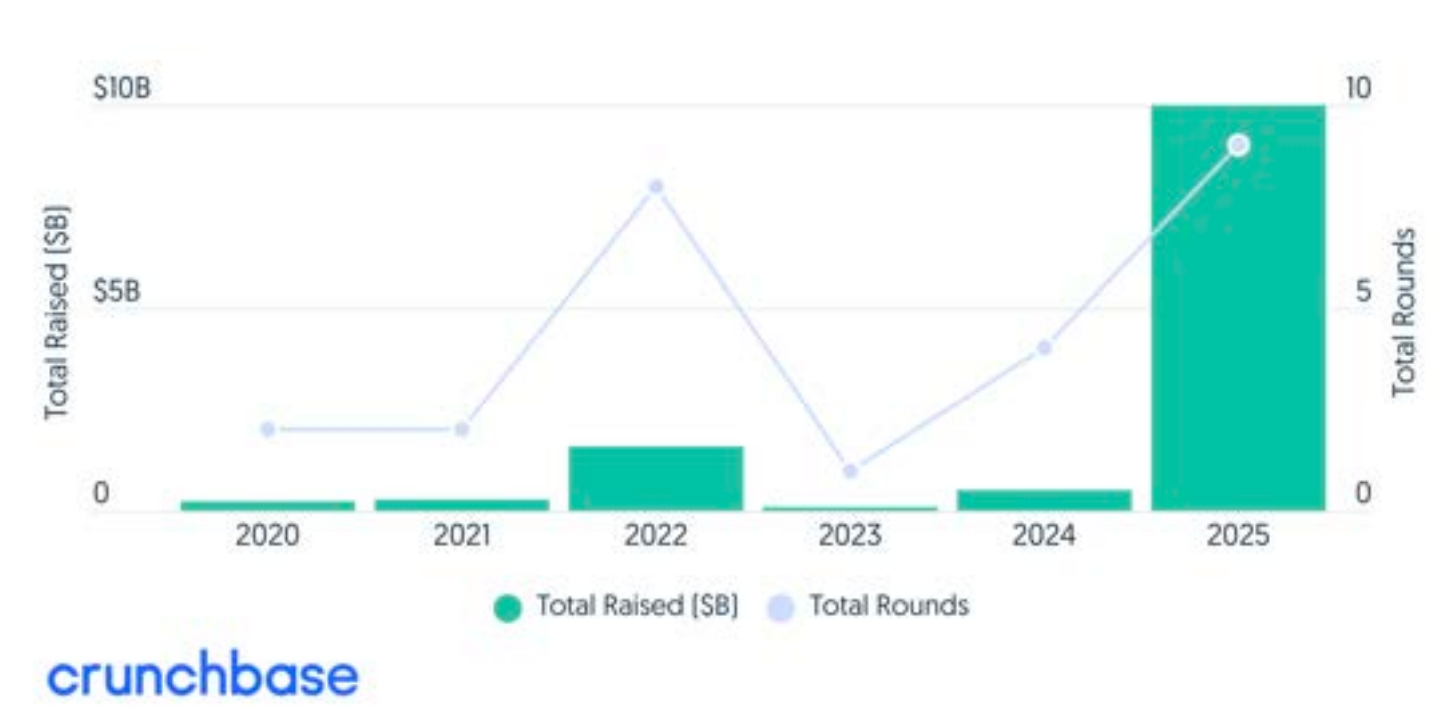


Source: PitchBook

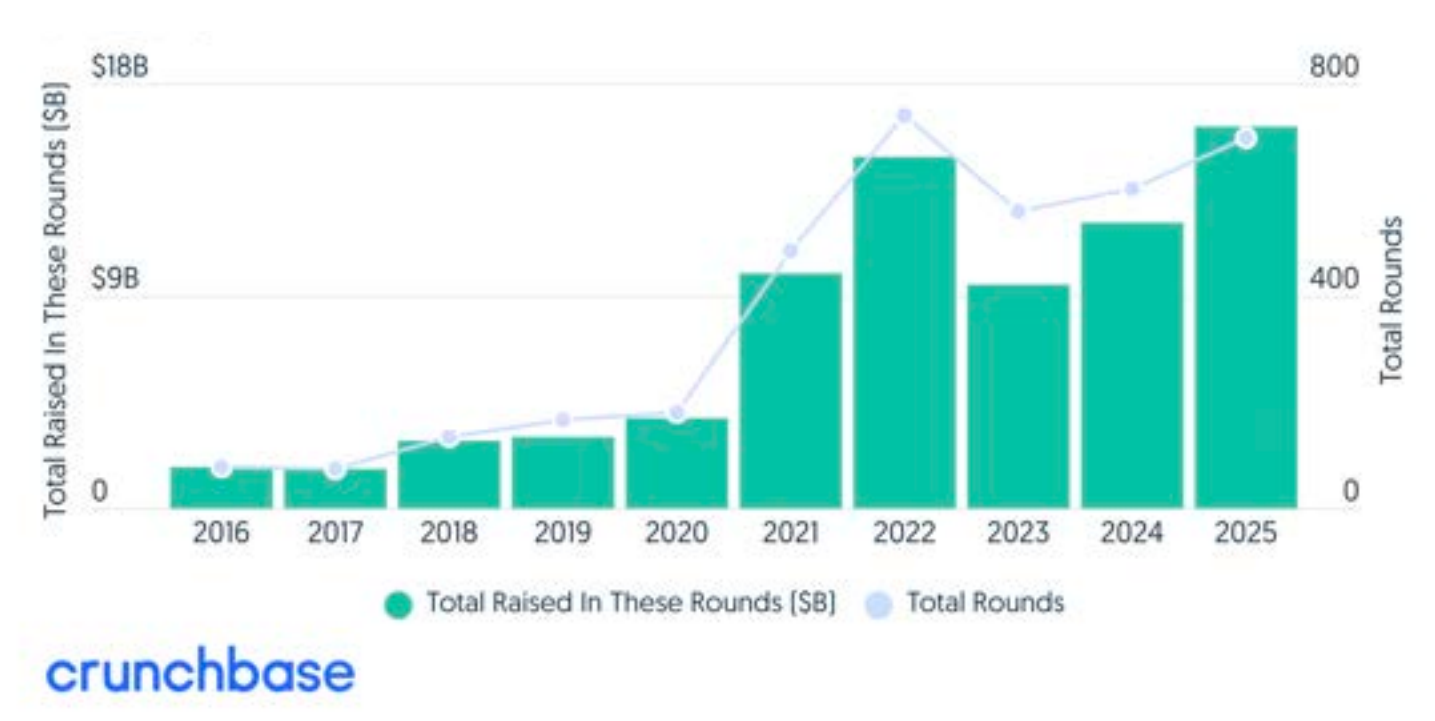
Bigger Seed Rounds

The idea of a “small” seed round is increasingly outdated. In 2025, nearly 700 seed rounds of \$10M+ were raised, with \$100M+ seed financings no longer rare. Capital is also highly concentrated geographically, with U.S. startups capturing nearly half of global seed funding—driven largely by outsized AI seed rounds.

Total U.S. Seed Rounds of \$100M or More



Total Global Seed Rounds of \$10M or More



U.S. Share of Global Seed Funding



European Initiatives: Project Europe

Project Europe just made its debut with a splash—founders from all corners of the ecosystem shared it far and wide, stirring up a lot of excitement. Many are now wondering how they can get involved. At the same time, some have raised concerns, reflecting the diverse voices that make up Europe’s innovation landscape. And that’s the beauty of it: not every initiative will resonate with everyone—and that’s fine. My view? Let’s keep moving forward. Let’s keep building.



Harry Stebbings • Following
Founder @ 20VC
1mo •

I started 20VC as an 18 year old from a bedroom in London.

It is time to change the narrative that Europe cannot build massive companies.

Europe can and will build the most defining companies of our time.

Enter [Project Europe](#).

125 of the best European founders coming together to find, fund and mentor the next generation of unwaveringly ambitious founders.

In 10 years time, there will be several 10,000 person companies that stem from Project Europe.

This is our time. LFG!



Frederik Hagenauer • 2nd
Partner at Speedinvest - SaaS & Infra
1mo •

3 quick thoughts on Project Europe because hey your timeline is full of it anyway:

1) Incredible vibe-shift, absolutely love having more initiatives to back founders - doesn't have to be for everyone but more is more is more

2) The buzz kills complaining about terms should have tried to raise a seed round in Germany as 21 year old even 12 years ago (I did) and oh boy we have come a long way on what terms we consider "bad"

3) With all due respect but maybe we could have found more than **5 out of literally 150 women** (??). There's an incredible number of crazy strong female founders & VCs in Europe by now - seems like a squandered opportunity to make this project truly great



Sara Rywe • Following
Partner at byFounders | Kauffman fellow
1mo •

I love the [Project Europe](#) initiative (thanks [Harry Stebbings/20VC](#), [Adjacent](#), and [Point Nine](#)). But it really saddens me not to see a single woman on the backer list from the New Nordics.

I know it's reflecting the reality. But damn, I hate it.



Lars Ettrup • 2nd
Building the next big thing...
1mo • Edited •

Project Europe is great, but let’s not act like innovation has an age limit.

I launched my current tech company at 42. Project Europe only funds founders under 25.

Tech isn’t just for the young. Europe thrives when we back talent, not birth years.

Innovation doesn’t expire, and opportunity shouldn’t be confined to a window.

“Old man,” signing off.



Alistair M. • 2nd
Advisor
1w •

Just heard about Project Europe, (link in notes) where 120+ ELITE European founders pooled their resources to fight the US brain drain with... wait for it... €10 million!

That's right, the combined might of Europe's tech titans - the leaders behind Shopify, Klarna, and more - have rallied to save our continent's innovation future with... *checks notes*... €83k each.

For context, this "game-changing" fund will write €200k checks and take a humble 6.66% stake from ambitious 18-25 year olds. Meanwhile, Peter Thiel gives \$100k to young entrepreneurs for ZERO equity.

But who needs ownership when you can have "mentorship" from 120 busy founders who definitely have time to personally guide you between their board meetings?

'Project Europe' has VCs talking. Not everyone's optimistic

The 100+ founder-led fund has drawn criticism in startup and VC circles

Anne Sraders · 3 min read

Top Fundraising Nuggets from 2025



Jan Claudio Muñoz • Following
 Early Stage Venture Capital
 6d •

In every 3rd or 4th pitch I'm seeing, German/European pre-seed founders start namedropping US VCs they are talking to and who are "very interested".

I'm not sure, founders are doing themselves a favour with that:



Nikunj Kothari ✓
 @nikunj

It's been fun helping founders with their fundraise over the last few weeks..

However, the common problem I continue to see in most of them (esp first time founders) is storytelling.

There's a lot of literature on this already and I wrote a longer post a few weeks ago that I'll link in the next thread — but here's a few salient points on this that have been resonating:

- > you have ~7 mins to capture the room or lose it.
- > keep slides and you talking to m 20mins max. ideally 15.



Jai Das • Following
 Backing Visionary CEO's building Companies of Consequence in Enterpri...
 2mo •

After 20+ years in venture, I've heard thousands of pitches. Few founders move on to the second meeting.

Here's why: Often, it's not just what they're building, it's how they frame it.

The most compelling founders connect the dots between where the world is today and where it should be tomorrow.

They're not transactional in how they talk about their company. They tell the story through the eyes and experiences of the customer today.



Jenny Fielding • Following
 Co-founder + Managing Partner at Everywhere Ventures
 1d •

There's a painful gap between a VC saying "this is interesting" during an initial meeting and actually wiring the money. Founders who close rounds in this climate know that a great story is just the beginning - the real test comes later during due diligence.

From where I sit as an investor, I see it happen every week: a fantastic pitch earns a follow-up meeting, but the momentum dies during the diligence process. That's because in a cautious market, investors aren't just betting on your vision / pitch / charisma / top-line metrics. They're betting on your execution engine. How you respond to their digging reveals more than any slide ever could.

Here's a few operational habits I see from founders who navigate diligence successfully and close their round efficiently:



Nikola Yanev • 2nd
 I help founders find, pitch and close investors | Spent 7 yea...
[Visit my website](#)
 1w •

+ Follow

I'm shocked by the practices of some investors.

You guys tell me if this is normal.

A few weeks back at a conference I talk to a founder who raised a couple of million euro two years ago.

Now they are starting a new fundraise.

Naturally, they are involving their existing investors. All of them are onboard to make intros.

BUT.

One of their existing VCs puts up a condition:
 The company shall pay 5% commission for every intro the VC makes which turns into a deal.

So if the existing VC makes an intro to another investor and they end up investing €1m, the company owes €50,000 to the existing VC.

I think that's absurd.





Auren Hoffman ✓
 @auren

Any VC that makes you pay for their lawyers is not founder-friendly. Founders barely affording rent should not be footing legal bills for VCs with private jets. And yet this is standard.

a thread

Top Fundraising Nuggets from 2025



Alex Roetter • Following
Seed Investor @ Moxxie Ventures. Founder @ Terraset.
1mo •

So a stupid VC thing happened this week.

Tuesday night our offer to lead a round was accepted. We and the founding team were psyched; CEO asked if we could sign that night. So, we sent along the docs.

Then, silence, weird pseudo-ghosting over the next few days, interspersed with "everything okay -- just finalizing side letter with lawyer" texts from her.

Of course, the hammer drops on friday: despite her accepting, she was shopping the offer, got a higher price, and wanted to know if we'd come in on that round.

We pointed out we don't work with people who go back on their commitments, at which point she started gaslighting us. All this to increase her post-round ownership from 45% to 46% with the new offer (ditto for her cofounder).

Best gift you can receive is learning how someone operates before you enter a long term partnership!

Anyone else seeing such behavior? Asking because behaviors we silently accept become behaviors we enable.

Makes me more appreciative of all the awesome, ethical, hard working, committed founders we do get to work with every day!

Opinion August 4, 2025

Europe doesn't have a startup problem, it has a storytelling problem

While US founders pitch big ideas with flair, Europe's finest are busy burying brilliance in buzzword soup

Steph Bailey 5 min read



Harry Stebbings
@HarryStebbing

All of these companies got turned down by 50+ European VCs:

UiPath (\$8.2BN)

Wolt (\$8.1BN)

Bolt (\$8BN)

Glovo (\$2BN)

Flo (\$2BN)

The VC company analysis framework is so broken.

Founders, it is a numbers game. Head down and keep going.



Victor Bornstein, PhD • 2nd
CEO & Co-founder of Justpoint
[Visit my website](#)
4d • Edited •

+ Follow ...

Which intros will most likely get an investor to fund you? Analyzing our latest \$95M raise, turns out intros from fellow founders converted 5X higher than those from our current VCs! I analyzed our latest round, and here's what I discovered:

✦ Founder intros > VCs: 5X more likely to commit to investing compared to intros from existing investors (23% vs. 4%). This is your actionable insight: lean on your founder friends. Now, it's important to highlight these were friends, not just founders who I met a couple of times.

✦ Cold inbound work: Cold emails from partners at VC firms remarkably converted 40% of the time. Earning these inbounds takes years of work, but they're incredibly efficient and rarely waste your time.

✦ Investors who missed out: Investors who previously passed but showed their interest through actions (got into the data room in the last round, potential hire introductions, etc) converted even higher at 50%. The key takeaway? Don't automatically discount those who've previously said "no." Their initial hesitation might turn into confidence later.



Zain Jaffer • 2nd
Starting another billion dollar company ••
3d •

Connect ...

A few startups I invested in have been "stuck" at \$500K-\$1M ARR for years. Unfortunately, many Series A VCs won't even take a meeting with them.

These aren't bad businesses. They're profitable and have real customers.

They get dismissed for one reason: They didn't grow fast enough, early enough.

The venture model only cares about early velocity, especially right now where AI has set the bar higher than ever.

VCs look for fast ARR ramps. You need growth that suggests you will hit \$100M ARR within 5yrs of launch.

As an insider, we call this the "T3D2" rule.



Joanne Chen • Following
General Partner at Foundation Capital | Investing in early stage applied AI
[View my blog](#)
3w •

"I raised \$100M at Series A with multiple offers, and I feel like a failure."

A founder told me this last month. My reaction was surprise, because the outcome looked incredibly successful to me. The founder had two competitive term sheets and an incredible firm won the deal.

But one top-tier VC said no and that single rejection rewrote their entire narrative. I said: "Your experience was easier than 95% of Series A raises. Maybe more."

Didn't matter. They felt like a headless chicken. Called the whole thing "awful." Meanwhile, another founder has been grinding for 6 months with zero offers. He'd kill for that "disappointing" outcome.

Here's how you should think your fundraise:

- ✓ Multiple offers = You won
- ✓ Good terms = You won
- ✓ Closed fast = You won
- ✓ One firm said no = Irrelevant

Any rejection from VCs feels massive because your brain is wired to fixate on threats. Instead, use it as a data point and move on. Building a startup is already hard enough, so when wins come, take them.

Don't let one "no" rewrite your "yes."

Top Fundraising Nuggets from 2025

 **Deedy**   @deedydas · Nov 10  ...

This week, I saw a startup that hadn't been incorporated offered \$10M.

Another landed a \$20M Series A in 2 days with no opens on the dataroom (and no financials).

Many venture firms are skipping due diligence in its entirety to be competitive.

This won't end well.

 **Xaver Lehmann**  · 2nd  Connect ...
2x AI Founder | \$60M Exit | Now helping founders build a...
[Visit my website](#)
1mo · Edited · 

I've done 6 financing rounds and spent over €400,000 on notaries in the last 10 years. (Werbung/Ad)

This non-sense has to stop.

Why do notaries even exist for these things anymore?

In the UK or US, you can sign investment rounds through DocuSign.

In Germany (and much of the EU)?

- You need a power of attorney from every shareholder - a huge pain.
- Everyone has to send it back correctly. One mistake, and the whole round can fail.
- You sometimes sit at a notary for 6-7 hours while they read the contract line by line, even though lawyers already checked it.

By the time we sold, I had spent more time and money on admin than I care to admit.

 **Halle Tecco, MPH, MBA**  · Following
Board Member, Adjunct Professor, Healthcare Optimist 
1mo · 

One of the most disappointing things as an angel investor is when founders stop sending investor updates. I know founders are busy, but when you invest, there's an expectation that you will get to follow the journey. So it's a bummer when that doesn't happen!

I currently have 25 active portfolio companies. Here's how often I've heard from them this year:

- 😞 48% have not sent a single update this year
- 😬 24% send updates annually or biannually
- 😬 24% send quarterly updates
- 😬 1 sends monthly updates

Taking a closer look at those I haven't heard from... 7 I could probably write off, 2 are unicorns, and 3 are somewhere in between. I'm not sure how this compares to other angels, but figured I'd share for transparency into the weird world of angel investing!

 **Erik Lindblad**  · Following
Backing the top 0.1% at inception.
1mo · 

Most European VCs are acting like buyout funds.

It's ridiculous.
I've been there myself. It's the norm.

If you invest at pre-seed or seed - you're betting on founders.
Everything else will probably change (except the founders, hopefully).

- Do everything you can to understand the founders.
- Build conviction -> Will the founders be able to attract the best talent, customers and future investors?
- Align on ambition.
- Check references through your network.
- Talk to early customers or users, if they exist.
- Bond.

But please - don't get caught up in 5y forward looking financial forecasts for weeks. You are not doing a multi bn public to private take over.

 **Itamar Novick**  · Following
Founder & General Partner at Recursive Ventures
1mo · Edited · 

VC expectations at pre-seed are higher than they used to be.

But that's because seed is no longer the first institutional round.

That designation now belongs to "pre-seed", which is the stage we typically invest in at Recursive Ventures. These rounds are usually \$1.5m-\$3m million, sometimes up to \$4 million, with one or two institutional lead and several smaller funds joining the syndicates.

 **Stephane Nasser**  · 1st
Raise from 12,000+ tech investors on OpenVC.app. Functional nerd. I sh...
[Visit my website](#)
1w · Edited · 

I got access to the most predatory accelerator contract ever 🤖 If you're considering an incubator or accelerator, read this carefully:

These terms will destroy your cap table and kill your ability to raise.

Here's what's in the contract:

 Dilutable equity: 3% upfront

 **Jonathan Lai**  · Following
General Partner at Andreessen Horowitz
1mo · 

seed investing is really about finding 1-2 really STRONG reasons to say yes. early on, every start-up has a hundred reasons to say no - the product is janky, the team is incomplete, the market is too competitive, etc

instead, look past the obvious weaknesses every early start-up has to find the unique strengths - why will this team succeed vs everyone else, what sets them apart and gives them the "right to win"?

Top Fundraising Nuggets from 2025



Fredrik Hjelm • 2nd
CEO at Voi - Cities made for living
4d •

[Connect](#) ...

Having raised \$400M+ of equity and debt over the last eight years, here is how I think about good and bad investor meetings.

The good ones, really only one category:

The ones where a decision maker leans in quickly. You feel it in the first meeting. Clear interest & knowledge, clear next steps, clear timeline.

The bad ones, comes in many shapes and forms:

The "what if Google does this" meeting, defaulting to lazy, generic objections instead of doing the work

The "no mandate" meeting, where everyone can say no but nobody in the room can say yes

The "secretly conflicted" meeting, learning about the space while backing or courting a competitor

The "come back when" meeting, where the goalposts always move and the no is never said

The "tourist fund" meeting, excited about "the space" but with no depth or conviction

The "diligence by exhaustion" meeting, endless asks with no intent to decide

The "we love you, but..." meeting, enthusiasm without commitment that ends in a polite pass



Bilal Zuberi
@bznotes

...

Dear VCs, what are you even doing?

A founder comes to you asking for \$5m and suggests they are expecting ~10% dilution. And you offer them \$10m at \$100m post? With no real explanation except 'we want to make sure we get our allocation'?

And founder has to call other investor friends to ask "Is there a gotcha here that I am missing?"



Sajith Pai • Following
VC at Blume Ventures, India
4w •

...

State of the Seed Market in India. There are broadly 3 tiers of seed right now in India.

- * \$1-2m - almost always first time founders, in nonAI, nonQC;; have some revenue + customer validation, and have raised a \$300-700k preseed + angel round before.
- ** \$2-4m - This is a formation cheque usually: first time founders in a hot space (like vertical QC, AI companion etc) or 2nd time founders / Sr Operators but keen to build in a non-hot space, or it has raised a \$300-700k pressed round but has strong traction.
- *** \$4-10m+ - Formation cheque: 2nd time founders / Sr Operators in a hot space. This is effective a Series A sized round in seed stage.

Dilution is anywhere from 17-25%, but typically 20-22% for any of these rounds.

This tweet won't be 100% relevant a year from now:) It is true at this point in time (Nov'25).



Reid Christian • 2nd
General Partner at CRV
4d •

[Connect](#) ...

Venture capital has a big ego problem.

Vcs love bragging about "passing" on a round, but almost no one will admit when they wanted a deal and didn't get it. Passing is seen as strength. Rejection is treated like weakness. It's the classic "I broke up with them, they didn't break up with me."

I've even had partners at a major firm tell me with a straight face that they "don't lose deals." I know they do, because they've lost to me! (To be fair, I've lost term sheets this year. That's the job.)

The problem is firms that reward partners for winning competitive deals, not choosing the best companies. What matters to them isn't "Is this a great business?" but rather "Who else is bidding?" Once you optimize for the competitive theater instead of the fundamentals, you create a culture where losing a deal is worse than choosing the wrong one.

As venture has scaled, perception is now more important than reality. If we want better outcomes, we need fewer victory laps about "wins," fewer excuses about "passes," and more honesty about the messy middle where real investing happens.



Allison Baum Gates • Following
General Partner, SemperVirens Venture Capital
3w • Edited •

...

In this environment, I am seeing companies with great founders, strong traction, and 3x+ year-over-year growth struggle to raise their Series A.

There is nothing wrong with their pitch. Many founders just aren't aware of how they stack up in the broader competitive landscape for capital.

When you're raising funding, you're competing with every other founder in the market fundraising at the same time as you. VCs generally have a fixed number of checks they can write per quarter.

Your Series A isn't evaluated in isolation. It's weighed against the AI infrastructure company that just went from \$0 -> \$10M ARR in six months, the fintech with 40% MoM growth, and the pre-seed AI startup that has a world-class experienced team, a massive TAM, and hasn't been around long enough to miss any of their revenue projections yet.

It's easy to believe, "If we're good enough, we'll get funded." However, VCs aren't customers making individual buying decisions, they typically assess multiple opportunities at once and compare them based on potential fit for their portfolio.



Camilla Mazzoleni • 2nd
Founder @ Forgis | Top 14 roboticist (Financial Times) | E...
[Visit my website](#)
3w •

...

Same deck. Same startup. \$4.5M raise. Just in Zurich, not Milan. I didn't change my pitch. I changed my environment.

In Milan, the average VC decision cycle we saw was 8-12 weeks. In Zurich, intros turned into meetings in under 48 hours, and commitments came in hours, not months.

The craziest part?

FORGIS closed \$4.5M in 36 hours.

Not because the idea suddenly became better.

But because the context did.

Here's the uncomfortable data no one in Europe wants to say out loud:

Swiss funds deploy 10x faster than Italian ones (our own timestamped CRM data).

Top Fundraising Nuggets from 2025

NEWS

Startup Advice Has A ‘Lowest Common Denominator’ Problem

Crunchbase article from Dan Gray dated January 29, 2025

NEWS

Why VCs ghost founders, or reject deals and never speak to the founder again

TechCrunch article from Mary Ann Azevedo dated March 6, 2025



Guillaume Moubeche • Following
Founder @ lemlist
2mo •

I invested in a company that was doing \$10k in MRR.

A few months later, the founder sent an email to the investors stating that they had reached \$8k in MRR and were pleased with the current growth...

I went back to the pitch deck to check if I had made a mistake when investing...

And no... it was written \$10k MRR...

So I messaged the founder asking about it...

He told me that the deck was not accurate and that they had to “fake it until they make it”



Shruti Gandhi / Array VC leads preseed rounds • Following
@atShruti

I should add that Series A is about to die. I don't know who to judge here fund, YC, or the market for last 5 years...



Shruti Gandhi / Array VC leads preseed rounds • Following
@atShruti • Sep 10

At YC Demo Day I ran into a multistage firm that has invested in 600 YC companies over last 5 years. Of those 1 has raised Series A. They still invested in 10 companies this batch.



Harry Stebbings • 2nd
Founder @ 20VC
2mo •

Series A and B has never been more competitive.

Just got off a call with a Series B investor who did 100 customer reference calls just to be able to package them to the founders to encourage them to take a first meeting.

Company was at \$5M ARR.

Another level competition.



Cash Allred • Following
Early-Stage Investor @ Antler | Tech, Startups, VC
Visit my website
3d • Edited •

I prefer solo founders to large (4+) founding teams. After writing this out it came out harsh but here are my thoughts on founding team size...

1 Solo founder: can be great or bad. Founder has to be exceptional. Getting easier to justify in the current startup playbook.

2 2 founders: ideal scenario if there is a builder and a seller. Most resilient.

3 3 cofounders: ok if still comprised of builders and sellers, but I start asking questions. If the 3rd cofounder isn't a builder or a seller, they need to be extremely valuable to the long-term growth of the company in another way, which is less common than you would think.

4+ cofounders: I pretty much pass on the spot. Give the impression of not knowing what they are doing.



Lior Susan • Following
Eclipse
2mo •

I'm seeing a wave of \$30-\$40 million seed rounds in physical-industry startups right now—and that's not the right way to build these businesses. We saw the same pattern in enterprise software, and it often ended poorly. Even if you can raise that much capital, prioritize building a truly generational company over simply securing a large round. From our experience, it takes time, discipline, and steady progress—especially when funding markets tighten. I've never been more bullish on this opportunity, but I hope we don't let short-term, predatory investors derail the potential.

Opinion August 4, 2025

Europe doesn't have a startup problem, it has a storytelling problem

While US founders pitch big ideas with flair, Europe's finest are busy burying brilliance in buzzword soup

Steph Bailey 5 min read



Hadley • Following
@Hadley

Seed investing has always over-indexed on demographics, but it's gotten absurd. Meet many founders with shallow AI understanding and low hustle raising massive rounds just because they're 22/Harvard/SF. While some of most AI-native, fastest-moving founders I work with are 30+/NYC



Semil • Following
@semil

The startup fundraising market is clearest I've seen in my 13yrs of tech investing - major funds only interested in 2 things: 1/ AI native co's w/ demonstrable momentum, rounds are big \$; and 2/ seeds for outlier teams. That's it. Anything else encounters fundraising fiction.

Top Fundraising Nuggets from 2025



Lane Litz · Following
Founder & Managing Partner at Founder VC
2w · 🌐

Fundraising as a first-time founder feels like bumbling around in the dark—no map, no guide, just endless invisible electric fences. Most founders are industry experts, not fundraising experts—but VCs expect you to speak their language from day one. The only way to learn? Trial, error, and wasted months figuring out what actually works.

Most first meeting fundraising passes aren't because your startup isn't good enough. It's because VCs pattern match, and your intro failed to match the pattern.

Vcs have a mental checklist when deciding whether to take a meeting. They're filtering for:

- Is the market big enough? (88% of VCs rank this as a top factor)
- Is this the right team? (92% say team is the most critical element)
- Are there early proof points? (traction, revenue, or product adoption)

If your intro doesn't hit these points fast, not only are you ignored- you are immediately labeled as "unsophisticated".



Robin Guo · Following
Investing @ a16z | Building speedrun
[View my blog](#)
1mo · 🌐

The most common mistake I see in a pitch is a "grand theory of the market."

Chances are, the investor already likes or hates this market. Has seen ten of the same pitch. 30 min isn't going to change their mind.

Instead, pitch the authentic story of your team. Why you're the best suited to win. What unique insights you have. How everything in your life has been leading here.

Why there is, not product market fit, but founder market fit. The right founder for the right market.

Or just go pitch a chart that goes up and to the right, that works too



Harry Stebbings @HarryStebbing · Sep 20
There is an astonishingly small amount of VCs in Europe who can write a \$20M check at Series A and are actually good.

Like can fit on one hand.



villi @villi · Oct 4
A founder this week was telling me he had been raising in Europe for a month and said he had numerous conversations with a few VCs, all of which were slow and came back with \$8-10M pre-money. He said "screw that", bought a ticket to SF, and raised at \$20M in a week.



Martin Tobias (Pre-Seed VC)
@MartinGTobias

If you are Pre-Seed, do these things before you pitch VC's and you will be 10x more successful at fundraising:

1. build an MVP and get it in hands of customers. have a clear product wedge.
2. talk to 50-100 customers, have all notes in an AI chatbot, summarize customer pain points, extract a couple "if you build i will buy it" quotes, have 3-5 potential customers ready or reference calls. Validate product wedge
3. find a list of who tried to solve this problem in the past, even tangentially. Call them, talk to them, summarize why prior things failed. Get all current competitors on list, know how / why you are better.
- 4, summarize all above in a great "why now? Why us?" slide.

Why Now? and Why US? are the primary questions for Pre-Seed VCs, get that one nailed.



Hadley
@Hadley

We're in a weird era for startups where perception has become the moat. Raise early, get labeled a "category leader," and that perception attracts capital, customers, and talent until it's no longer perception. The irony is many kings were crowned long before they'd earned it.



Jonathan Lai · Following
General Partner at Andreessen Horowitz
2w · 🌐

I'm bullish on founders who choose to raise smaller seed rounds, even when they have the option of a bigger round out of the gate. the #1 reason - smaller rounds encourage FOCUS

early on in a start-up, focus is so important - streamlining the team around a single target customer or pain point, and executing relentlessly towards an MVP. having the discipline to say NO to new opportunities that might be distractions to your core mission is critical - you only have so many people and so much time / runway

when you raise a ginormous round, it's easy to lose discipline and say YES to too many things. work on multiple different products. hire too many people "just in case" - bloating the team and slowing everyone down. avoid the tough decision to kill experiments that aren't working - letting failed products drag on for too long etc

as Steve Jobs said - "people think focus means saying yes to the thing you've got to focus on. but that's not what it means at all. it means saying no to the hundred other good ideas that there are. you have to pick carefully. i'm actually as proud of the things we haven't done as the things I have done. innovation is saying no to 1,000 things."

Top Fundraising Nuggets from 2025



Rohit Mittal

 @rohitdotmittal

The best path to founder wealth nobody talks about (based on what I've seen).

The startup world pushes "unicorn or bust" narrative, but I've been watching a different playbook create more \$10M-aires:

- Build companies with <\$5M raised (max \$10M raised)
- Reach \$5M+ in ARR
- Achieve breakeven operations
- Exit for 3x-10x ARR (\$10M-\$50M)
- Walk away with \$10M-\$25M personally
- Pay ZERO federal taxes (thanks to QSBS)

I've seen several deals like this close in just the last few months, all with founders who built for 5 years or less.



Preston

 @prestonattebery

Raising money is a debt on your future.

Sometimes that debt pays off, other times it kills the creativity required to pay off that debt



Eric Bahn

 @ericbahn

VC Word of the Year: SEEDSTRAP

Founders raise a little at the beginning the get started, and then 'bootstrap' the rest of the way to big results!



Terrence Rohan

 @tmrohan

The founder of a top YC company in the current batch on Venture Capital:

"People used to climb Everest and they needed oxygen. Today, people climb it without oxygen. I want to summit Everest and use as little oxygen (VC) as possible."

Vibe shift.



Eric Stromberg

 @ericstromberg

Bootscaling and the Reckoning for Seed VC

Bootscaling and the Reckoning for Seed VC

ERIC STROMBERG

SCREENSHOTESAYS.COM

Traditionally, startups raise millions of dollars to start and hundreds to scale. Today, AI is giving everyone an army of agents to design, engineer, and build on their behalf. Perhaps AI will deliver so much leverage that founders will raise only one round and be done. Profits will fund from there.

This is a comforting idea for Seed VCs, but not right. If you can reach \$1M of ARR in 90 days from an apartment, why raise Seed money? Instead, I expect a different strategy to grow: **bootscaling**.

VCs to AI Startups: Please Take Our Money

Private jets, box seats and big checks. Investors are doing whatever it takes to get into top AI deals.



Gokul Rajaram

 @gokulr

COMPOUND OR DIE

Five years ago, doing a compound startup was the domain of repeat entrepreneurs who could raise tons of capital, and was otherwise discouraged by investors and advisors.

Today, with plummeting software development costs and a 10x increase in competition, every AI startup needs to become a compound startup, and fast. Building an interlocking (compound!) system of AI agents that work together to strengthen each other and offer multiple related value propositions, is one of the few remaining ways to build a moat.

Founders: while it's critical to build a focused first product that solves a very specific problem for your customer, it's just as important to rapidly expand to address adjacent needs, almost as soon as you have PMF with your first product. Achieving the elusive but critical balance between focus and expansion will determine if your startup wins its space or ultimately becomes an also-ran.



James Murphy

 Managing Partner at Forum Ventures

"This is the last capital we will raise"

I keep hearing this from many of our fastest growing portfolio companies. AI has birthed a new species of startup - lean, efficient, and scaling without the capital addiction of past cycles. Growth is getting cheaper, and founders aren't desperate for mega-rounds anymore.

Meanwhile, multi-stage VCs have been stockpiling billions. But here's the kicker - many founders won't need them.

Bad VC behaviour

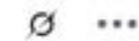


Roy E. Bahat • Following
Head of Bloomberg Beta
45m • 🌐

More stories about VC bad behavior every day. Will share as I get permission to share.



Hadley ✓
@Hadley



I've noticed a real uptick in predatory behavior among VCs lately. Feels like a gold rush mentality—when people think they could be retired in 10 years, long-term reputation matters a lot less.



Danielle Strachman ❤️🐶🌟🍷🎸🐶🐶
@DStrachman



Super disturbing to watch a lower tier VC try to upend one of their best founders who is *headlining their site* to put another board member in the CEO spot and threaten to sue the founder personally for not meeting the metrics they projected in their Series A deck and gaslighting them into submission.

NEWS

Toxic Investors: How To Spot Them And Why Startups Should Steer Clear

Crunchbase article dated January 27, 2025

Here are some common demands that signal a toxic investor:

- Buying 35%-40% of a startup at an early stage.
- Requiring a refund if the startup fails.
- Buying additional equity at a fixed price after a certain period.
- Seeking too much control.

SECTION 5

Startup Deal Dynamics

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Venture Trends

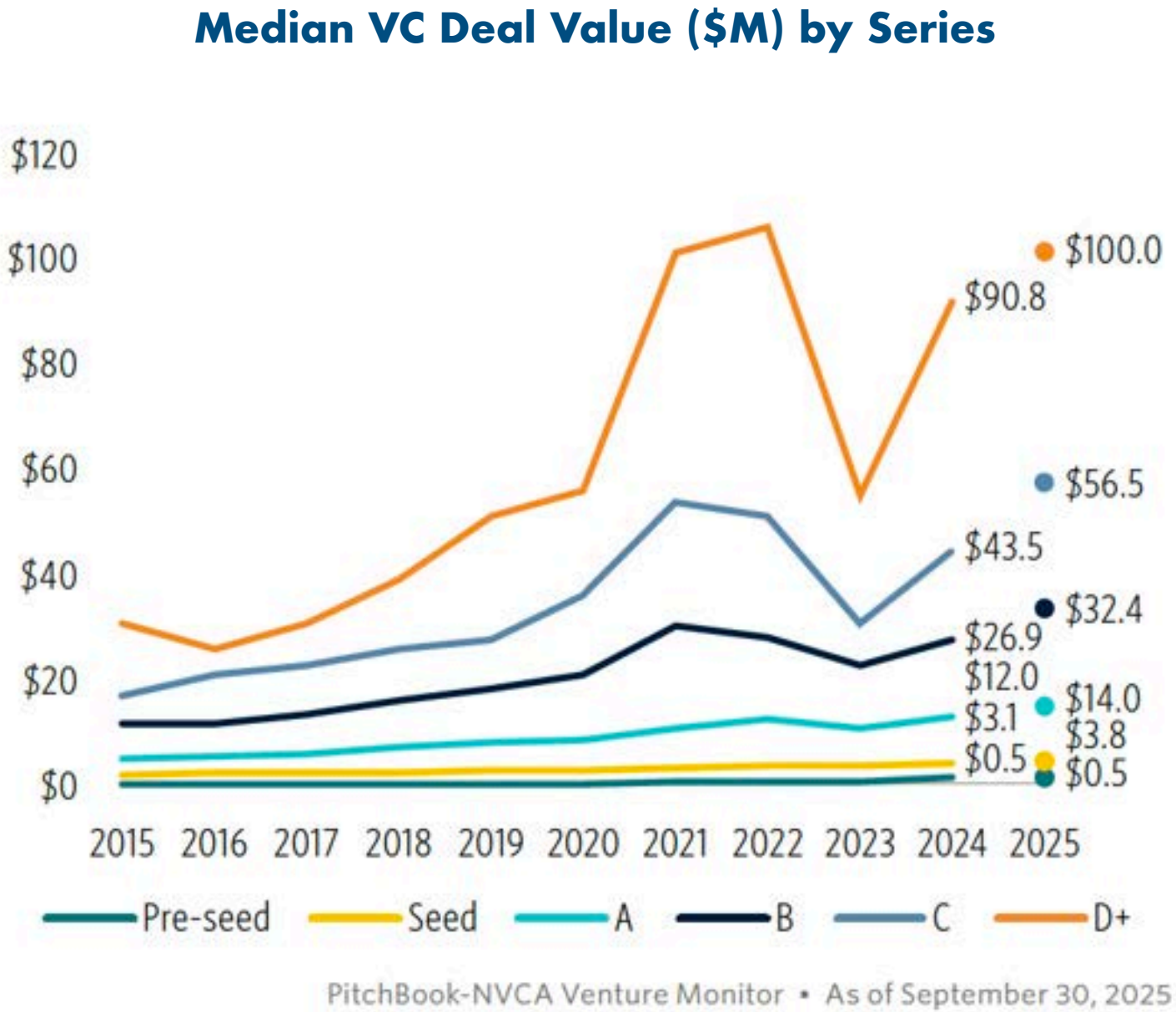
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- [TREND 20 | Additional Info](#)
- [TREND 21 | European deal sizes increased more rapidly than that of the U.S.](#)
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Venture Trend 20 - U.S. deal size rose in 2024 across Stage and Series

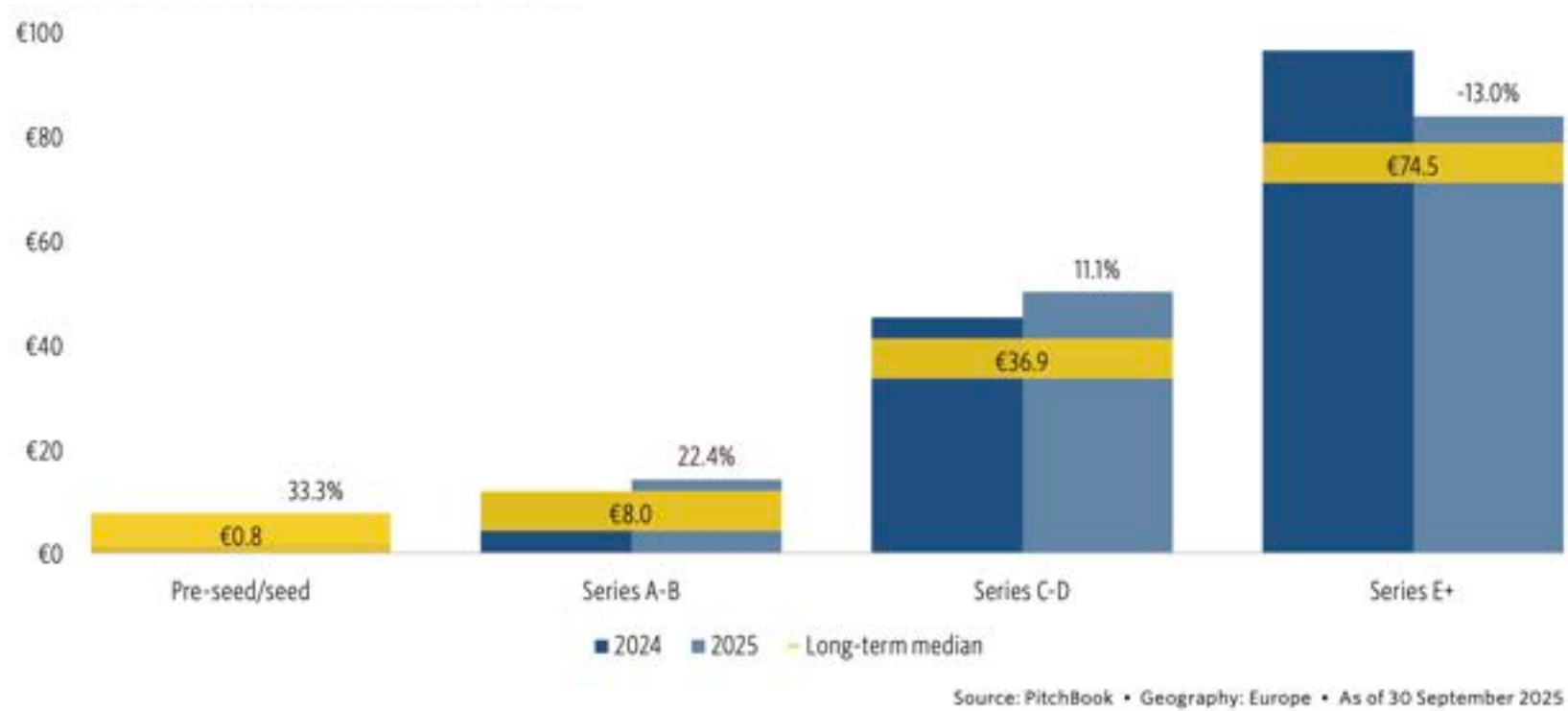
2024 Projection: → Trend to continue at similar pace in 2025
TRUE: Overall, median VC deal value (\$M) by series increased across all stages.



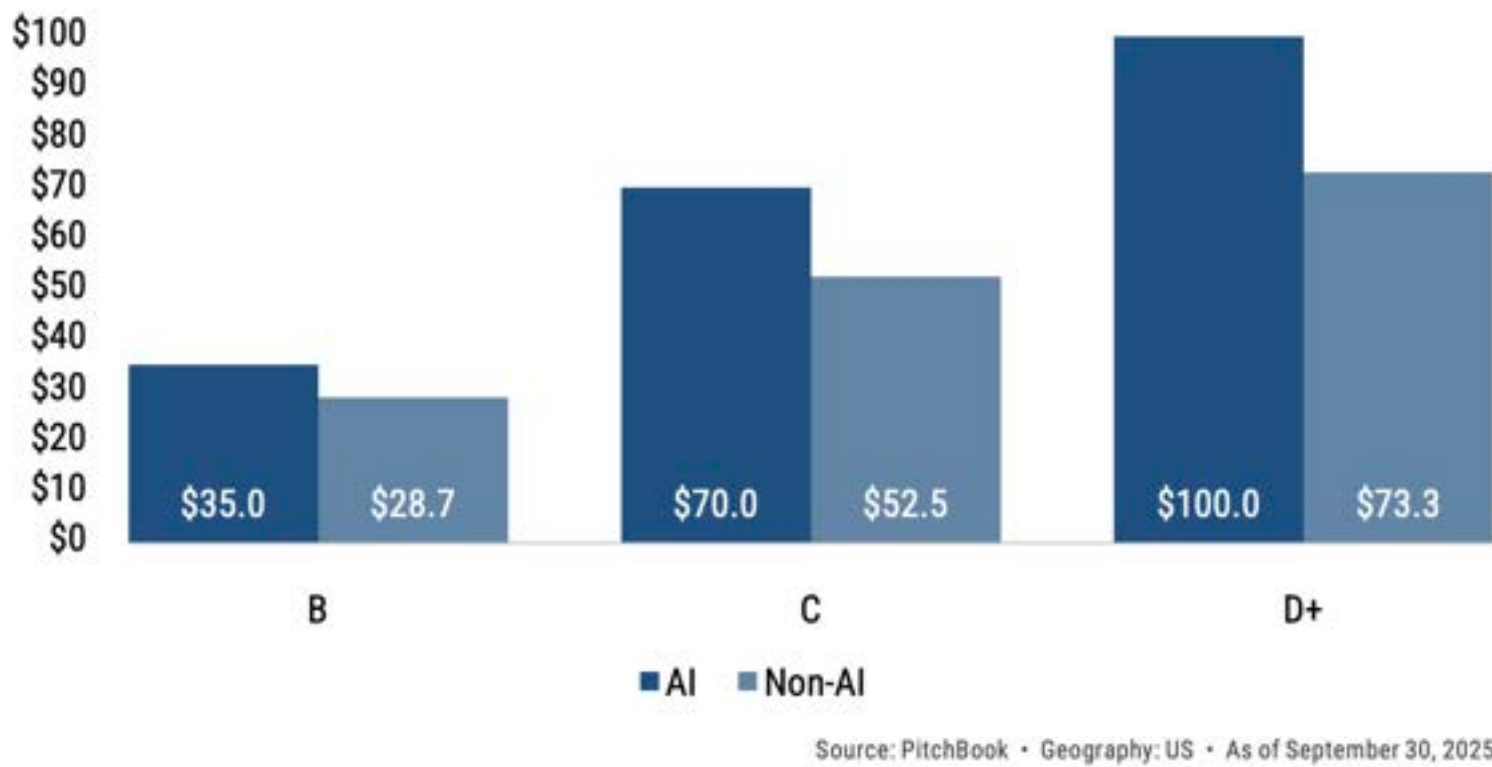
Source: PitchBook

(Additional Info) Venture Trend 20 - U.S. deal size rose in 2024 across Stage and Series

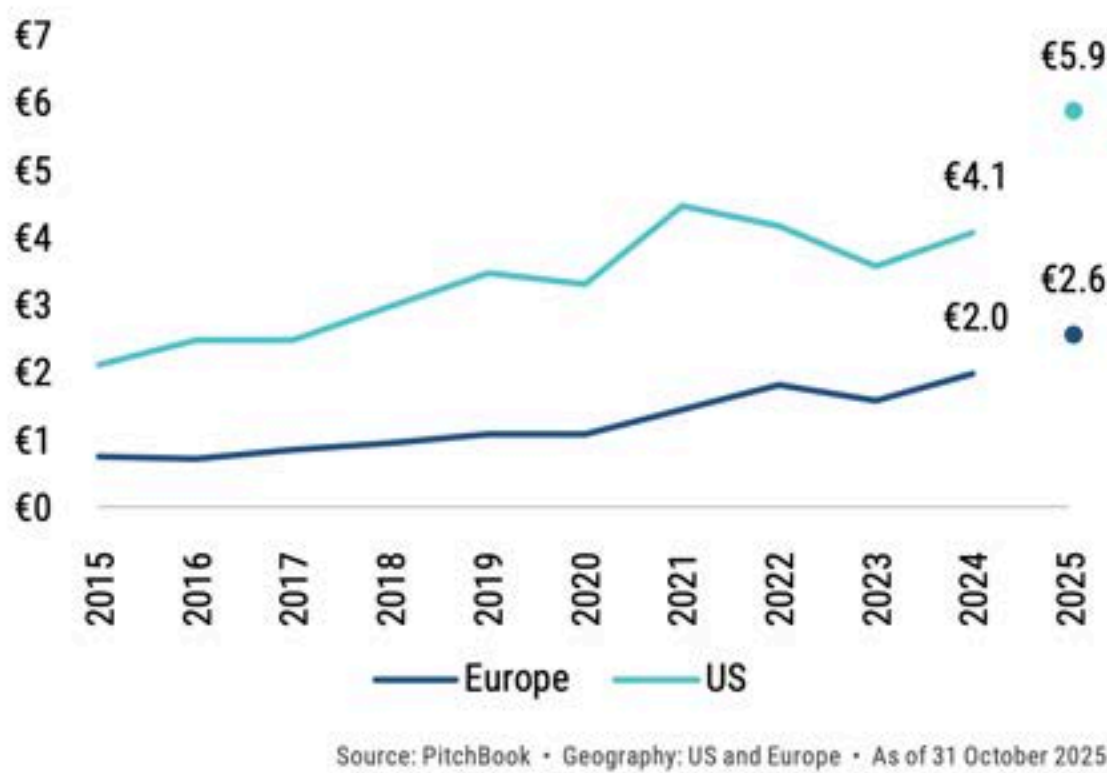
Median VC Deal Value (Euro M) by Series



Median AI vs. non-AI VC Deal Value (\$M) by Series



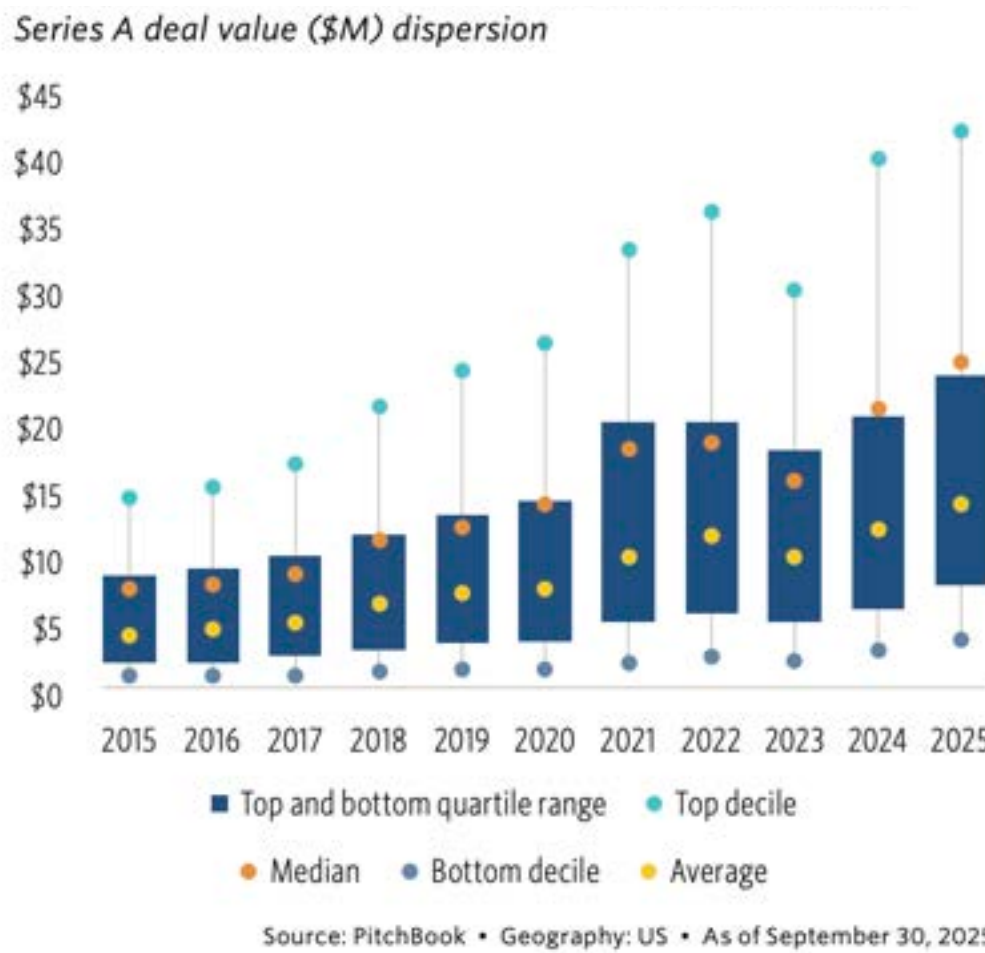
Median AI VC Deal Value (Euro M) by Region



Seed Deal Values Reach New Record



Median Series A Deal Value Up 40% over 2023





Venture Trend 21 - European deal sizes increased more rapidly than that of the U.S.

2024 Projection: ➡ Trend to continue at similar pace in 2025

TRUE: European deal size median value had a higher jump than U.S.

Median VC Deal Size (\$M) by Geography
(Data until Q3)



Source: CB Insights

[Click graphic for source post/article.](#)

Venture Trend 22 - Europe is closing the gap with Asian deal sizes (which were higher but mostly flat)

2024 Projection:  Trend to moderately intensify in 2025
TRUE: European deal size is now closely tracking Asian deal size values.

Median VC Deal Size (\$M) by Geography
(Data until Q3)

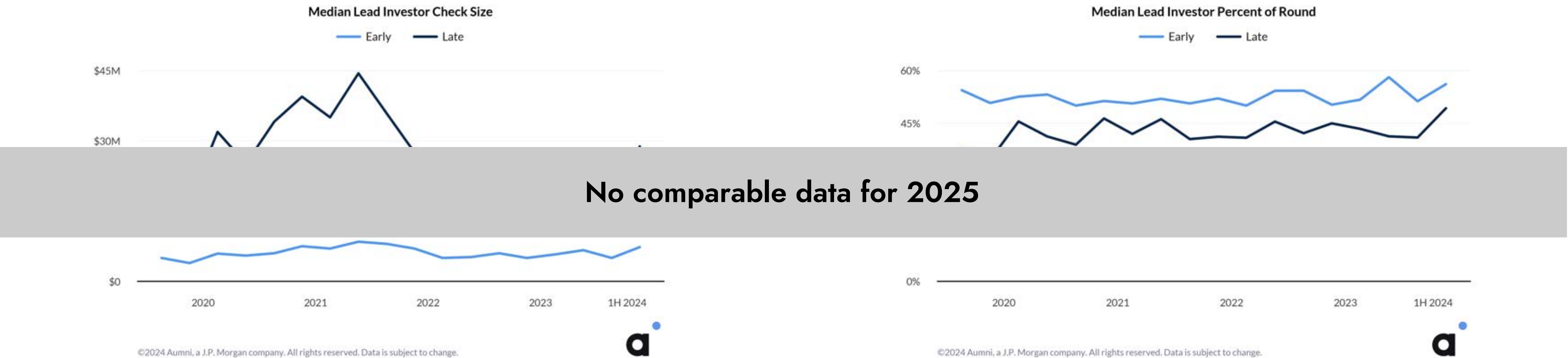


Source: CB Insights

Venture Trend 23 - Lead investor check size increased in 2024 and so did their % share of the round

2024 Projection: → Trend to continue at similar pace in 2025

NA - No comparable data for 2025

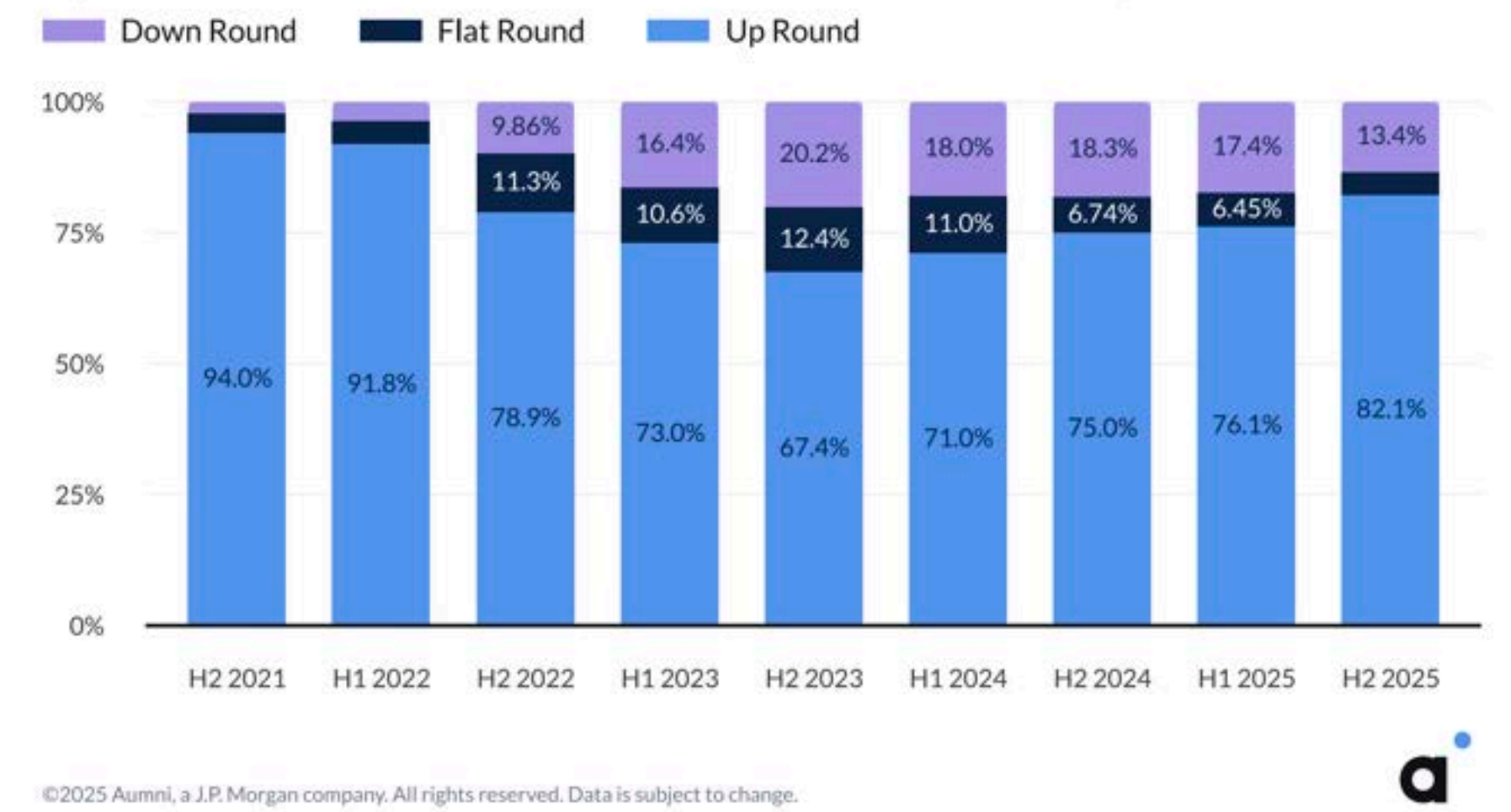


Venture Trend 24 - Down rounds remained high in 2024, especially for Bridge rounds

2024 Projection: ↘ Trend to moderately reverse in 2025

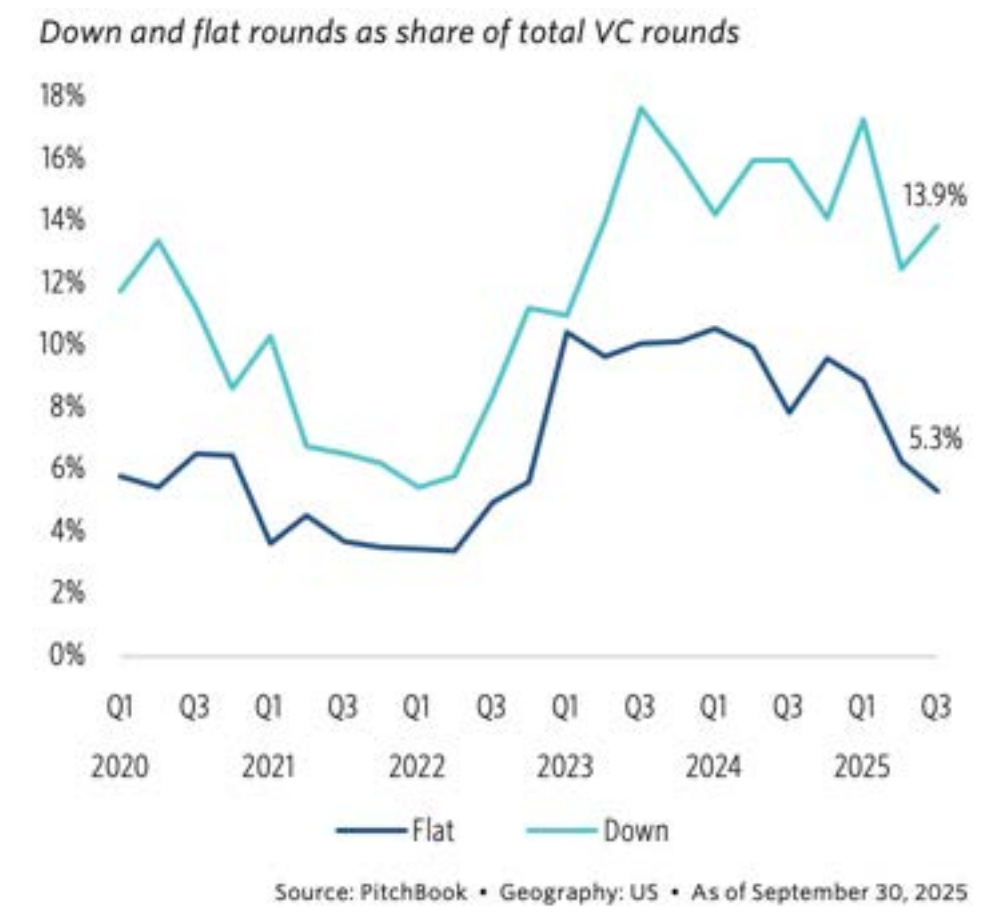
TRUE: Down rounds decreased in 2025 from 17.4% to 13.4%

Up, Flat, and Down Rounds for Seed, Series A, and Series B Companies



Source: Aumni

Down Rounds Decline But Remains High



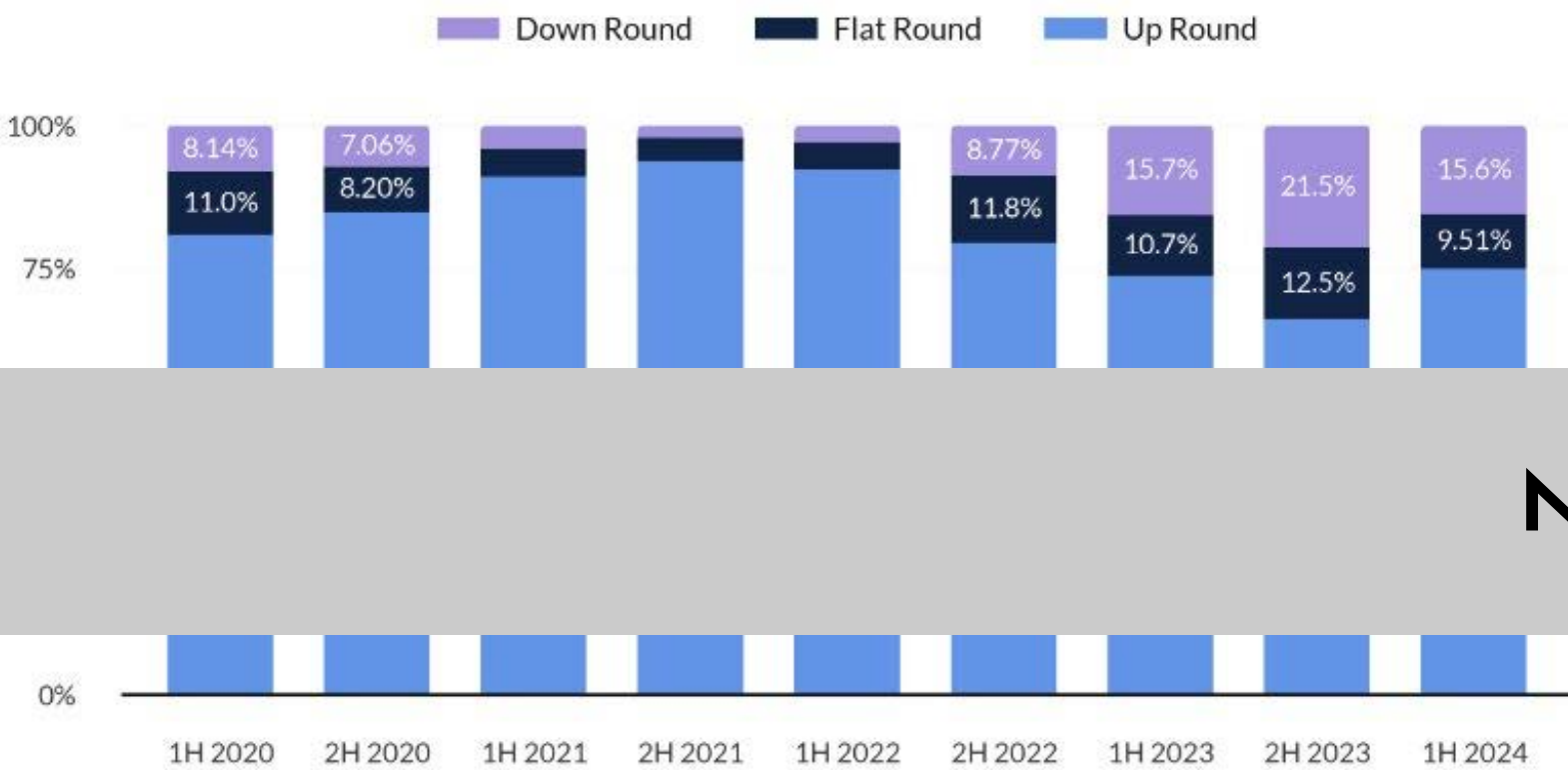
Source: PitchBook

Venture Trend 25 - In 2024, Down rounds % recovered for Early stage but edged higher for Late stage

2024 Projection: → Trend to continue at similar pace in 2025

NA - No comparable data for 2025

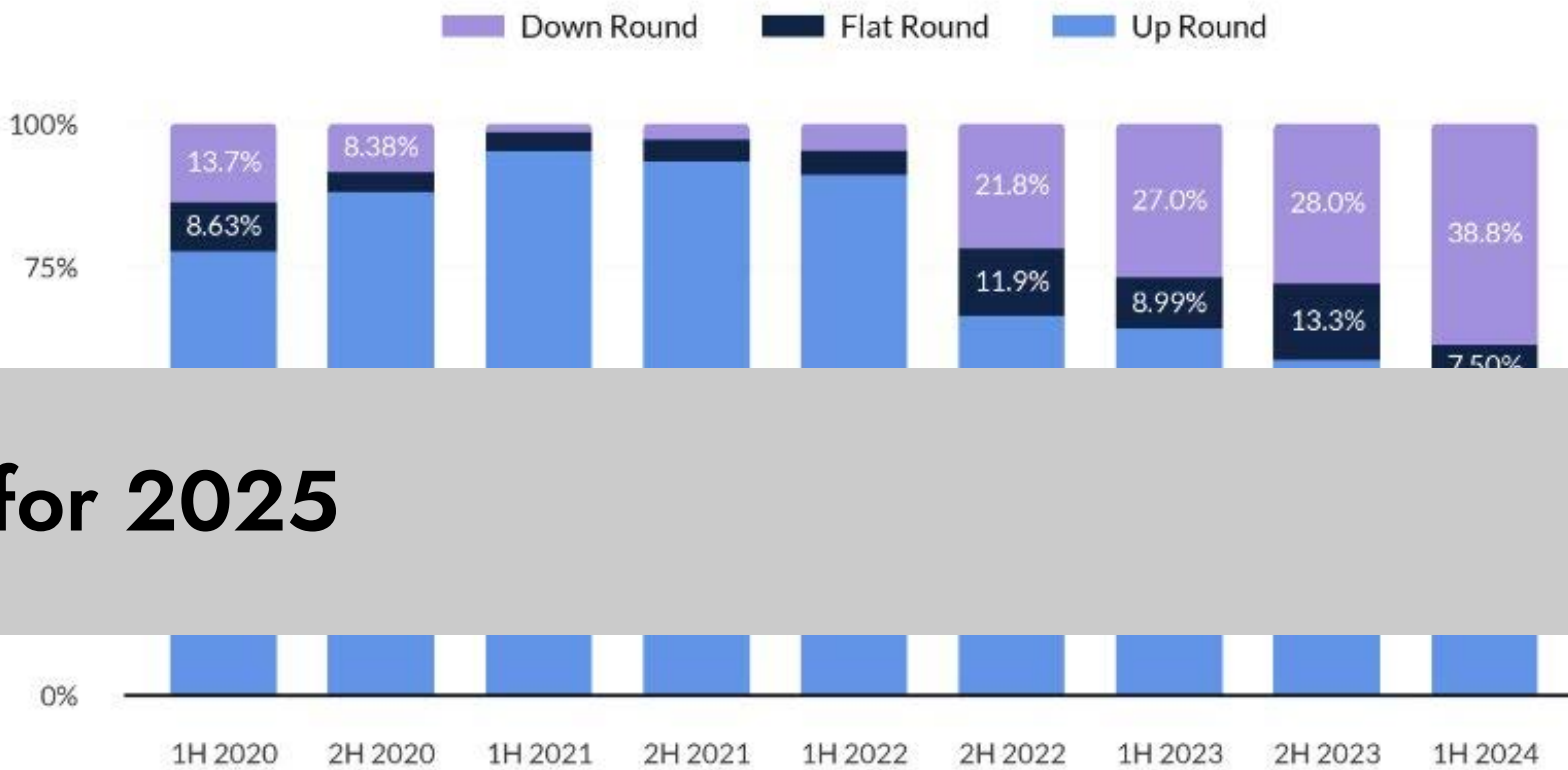
Round type prevalence (Early Stage)



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Round type prevalence (Late Stage)



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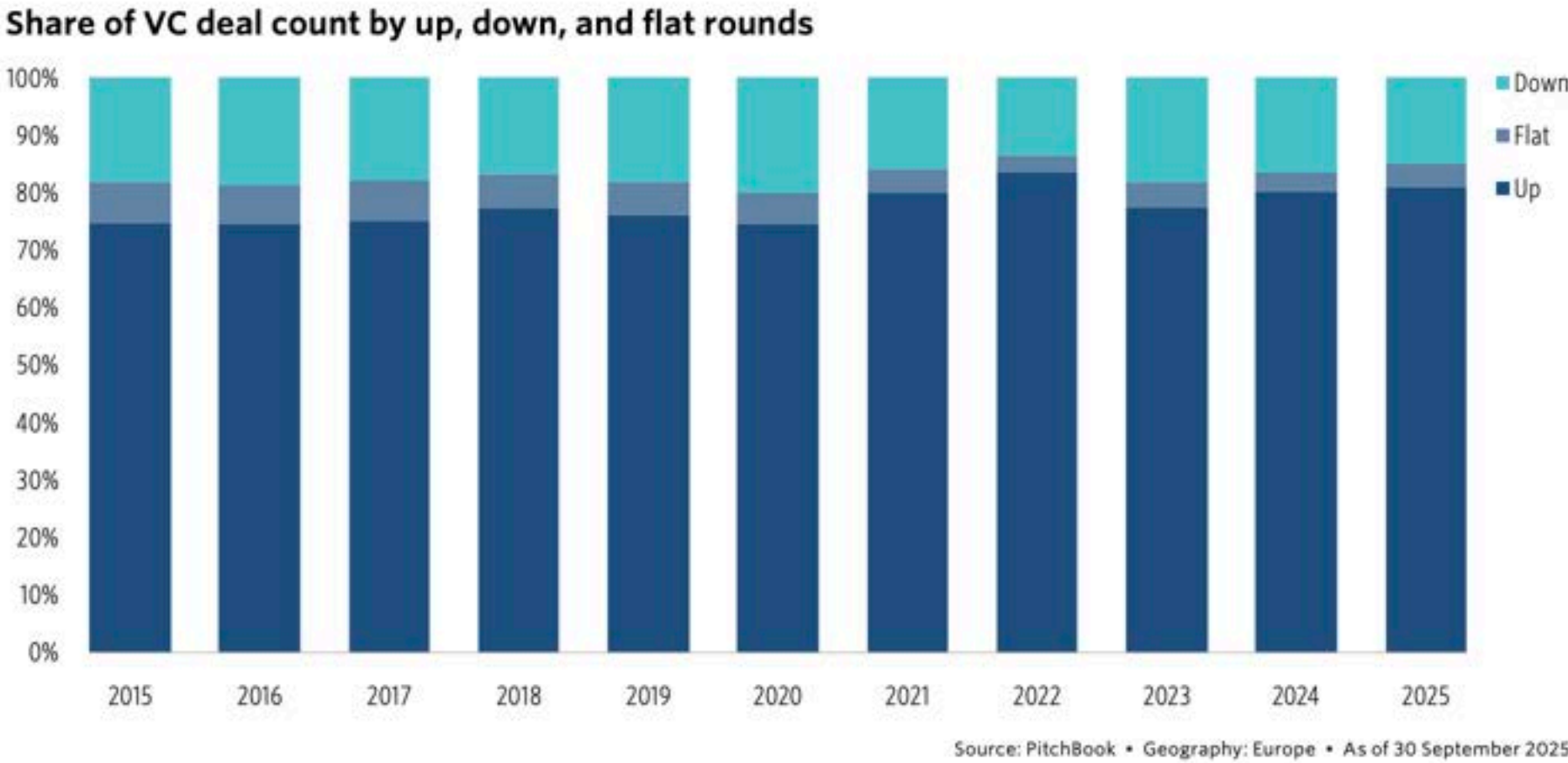


No comparable data for 2025

Venture Trend 26 - In Europe, Down round percentage increased in 2024

2024 Projection: ↘ Trend to moderately reverse in 2025

TRUE: Down rounds decreased in Europe 2025 slightly.

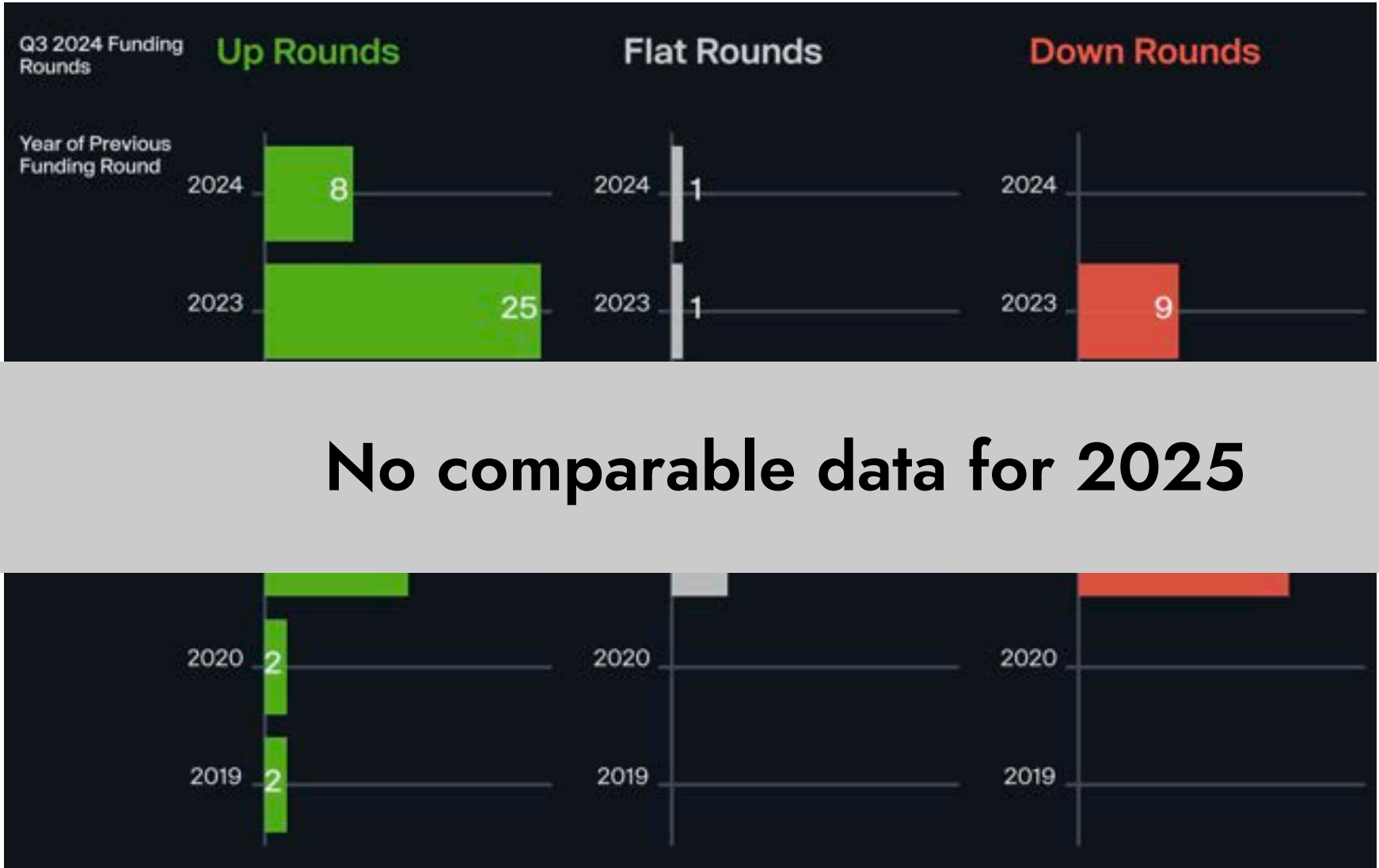


Source: PitchBook

Venture Trend 27 - Down rounds highest for startups that last raised in 2021

2024 Projection: → Trend to continue at similar pace in 2025

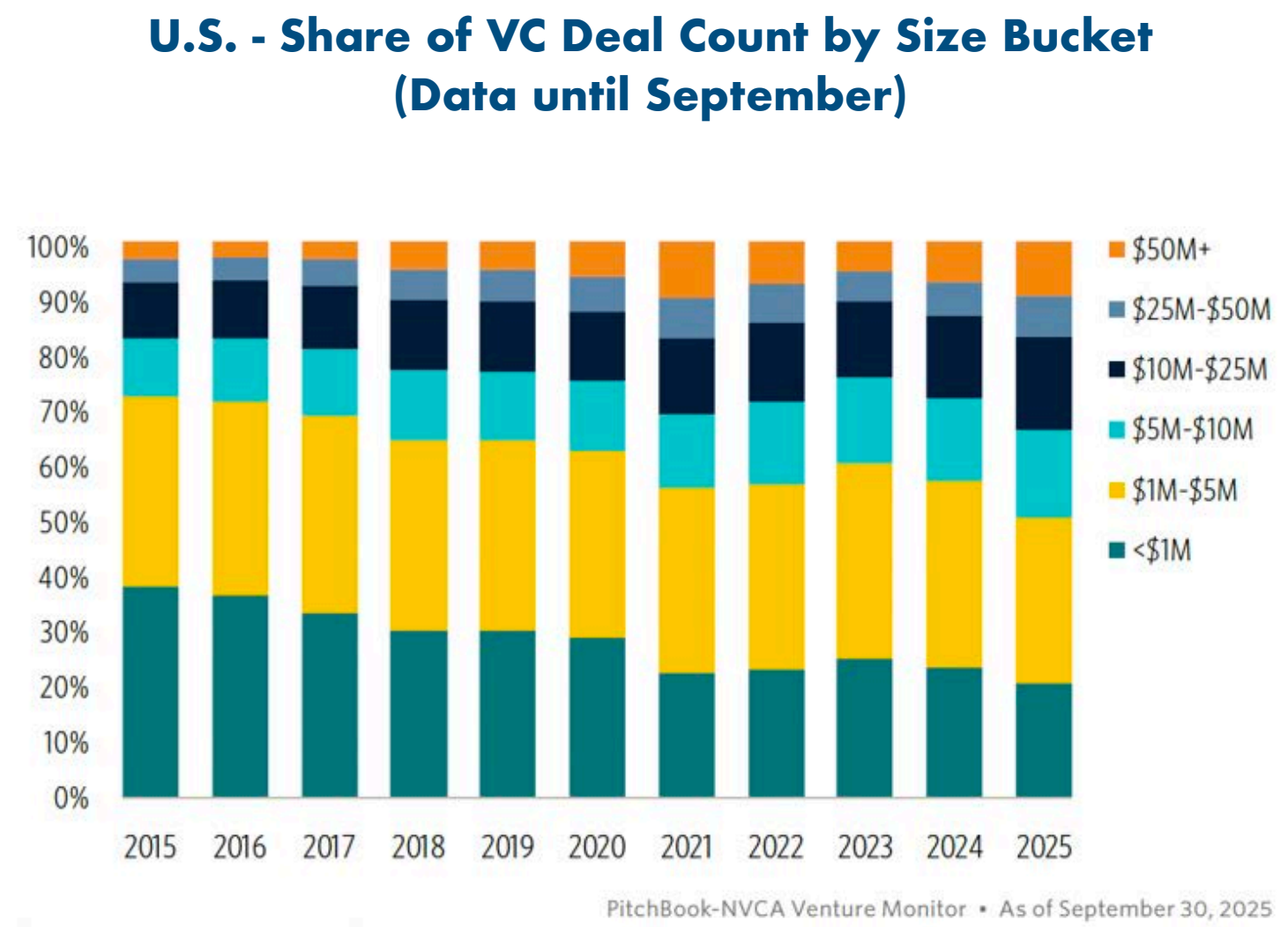
NA - No comparable data for 2025



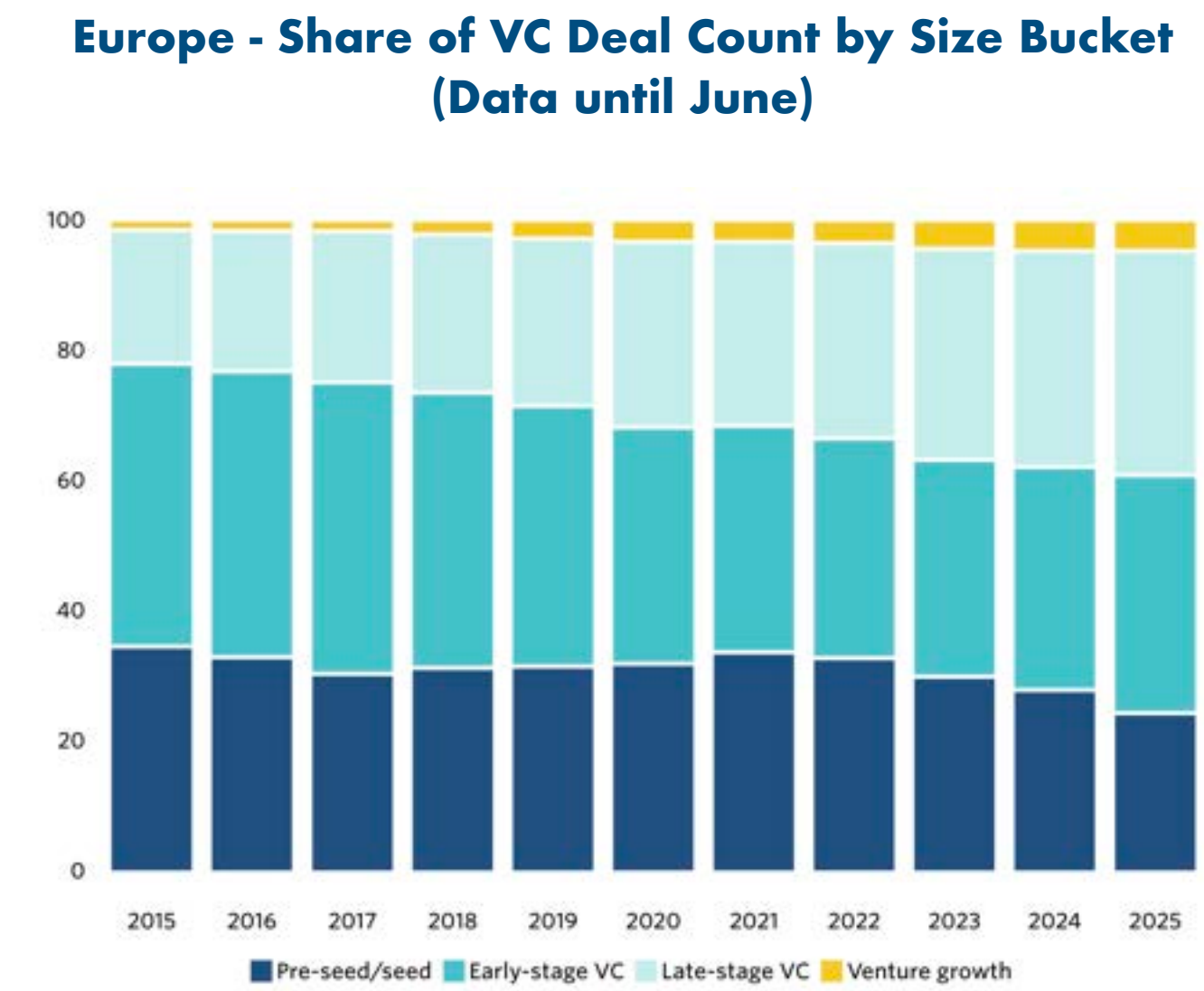
Venture Trend 28 - Seed fundraising: Less deals but same overall investment volume

2024 Projection: ↘ **Trend to moderately reverse in 2025**

TRUE: Seed rounds decreased in the U.S. as well as in Europe. The shift reflects a tighter funding environment, where investors are being more selective and founders are choosing to raise larger rounds to secure longer runways and delay future fundraising.



Source: PitchBook



Source: PitchBook

Venture Trend 29 - Seed is an open game for investors, if we just look at Unicorn metric

2024 Projection:  Trend to moderately intensify in 2025

NA - No comparable data for 2025



- Outside of SV Angel (6.4%) and YC (10%), no other VC fund got into more than 2.8% (Sequoia) of unicorns. This suggests

No comparable data for 2025

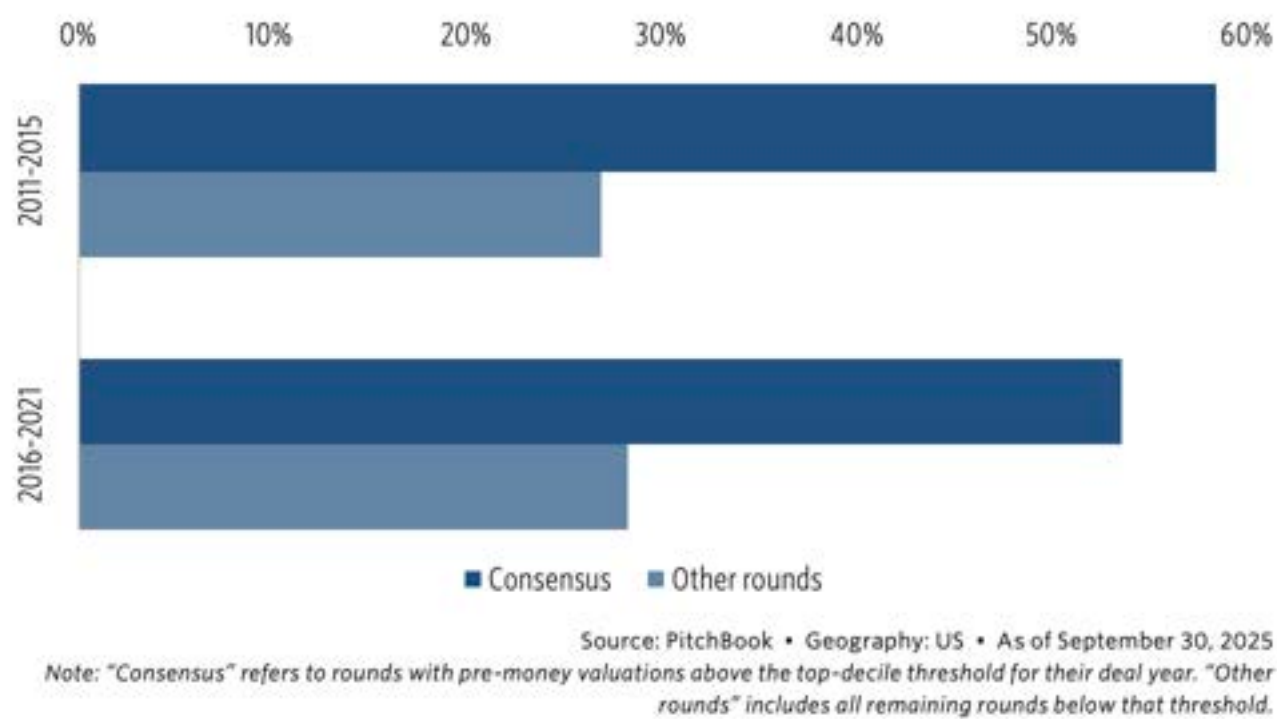
chance as a well-known fund to invest in a unicorn at the earliest stages.

Venture Trend 30 - Ratio of startups going from Seed to Series A didn't improve in 2024

2024 Projection: → **Trend to continue at similar pace in 2025**

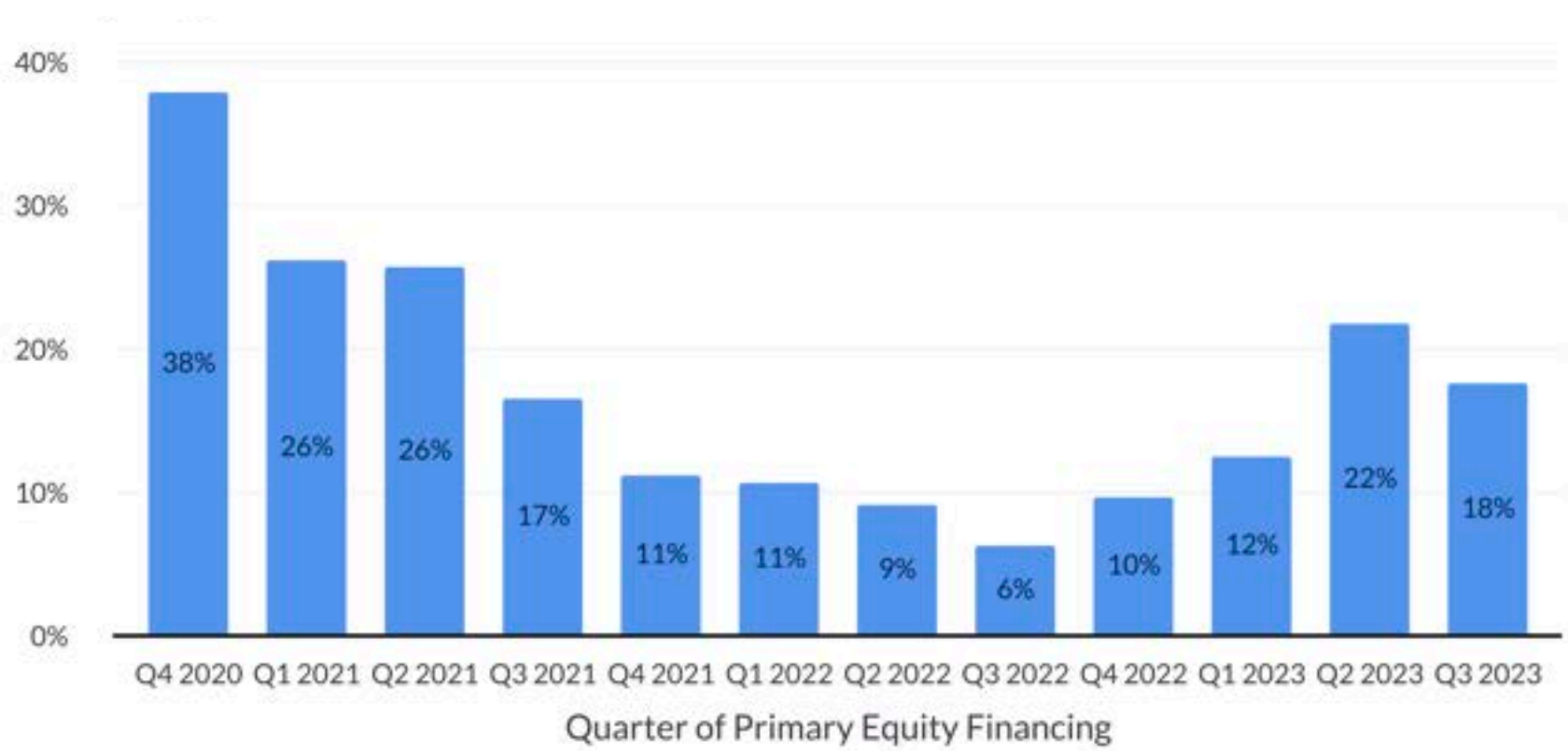
TRUE: Even though fundraising timelines improved, the Seed to Series A graduation pipeline weakened in Q3. Among companies in Aumni's dataset that raised a priced Seed round in Q3 2023, 18% successfully

Graduation Rate of Seed to Series A Rounds by Time Frame



Source: PitchBook

Two Year Graduation Rates From Seed to Series A

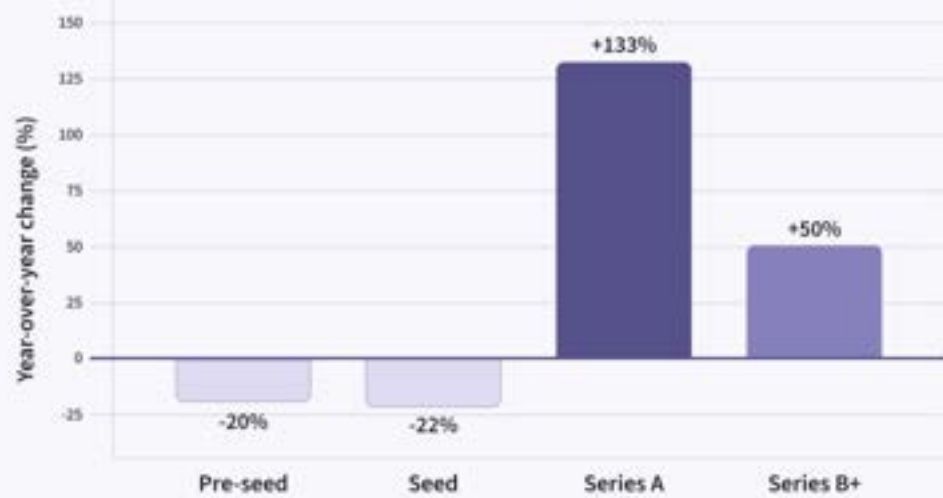


Source: Aumni

SimpleClosure.

Series A shutdowns jumped 133% year-over-year

Change in share of total shutdowns from 2024 to 2025



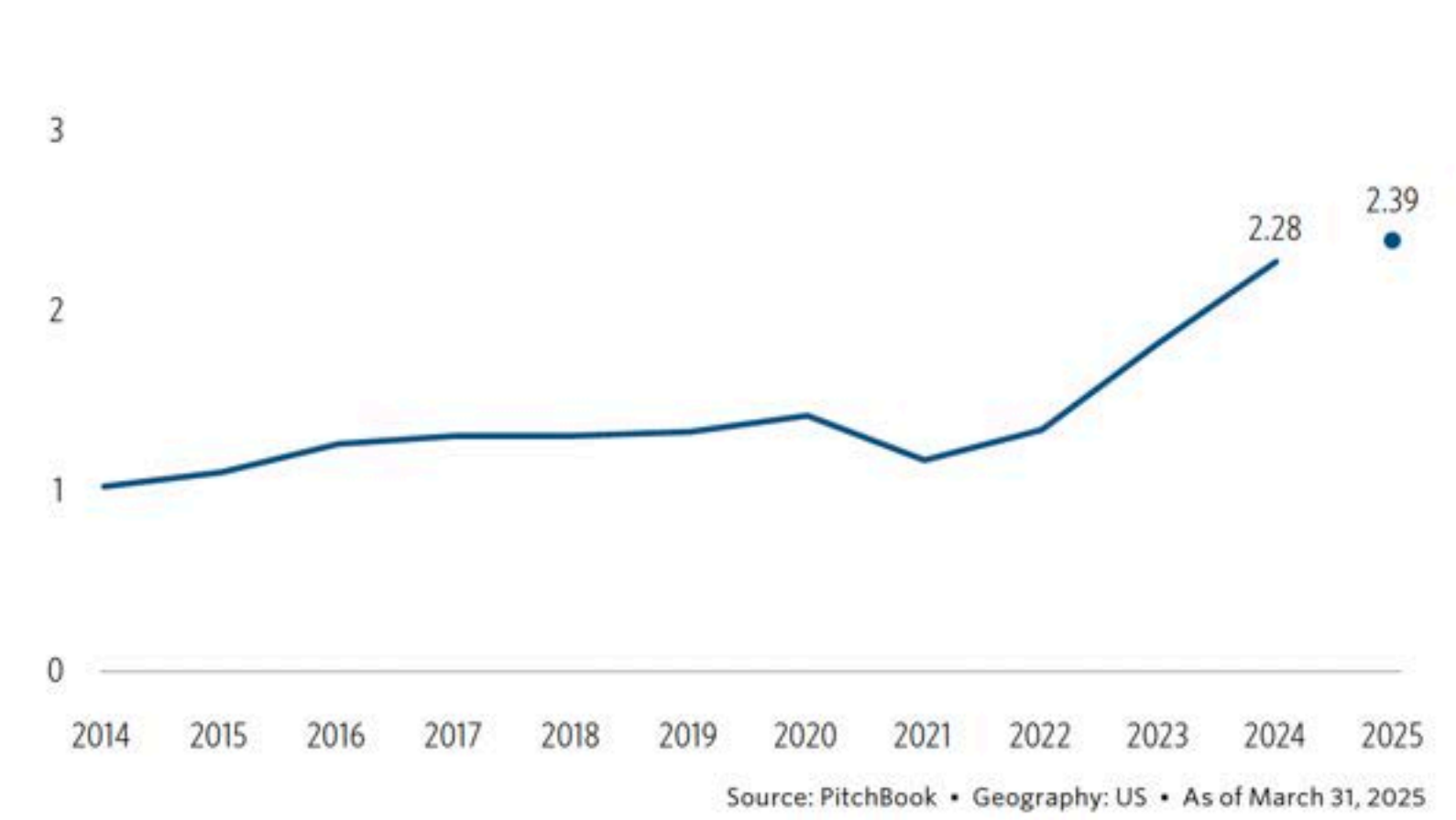
Series A went from 6% of shutdowns in 2024 to 14% in 2025. These companies raised an average of \$18.5M (up from \$14.6M) and are 7-year-old fintech, proptech, logistics, and B2B SaaS companies from the 2017-2019 era that survived multiple rounds—but couldn't sustain in today's market.

Venture Trend 31 - Time Since Last Round

2025 Projection: ↘ **Trend to moderately reverse in 2025**

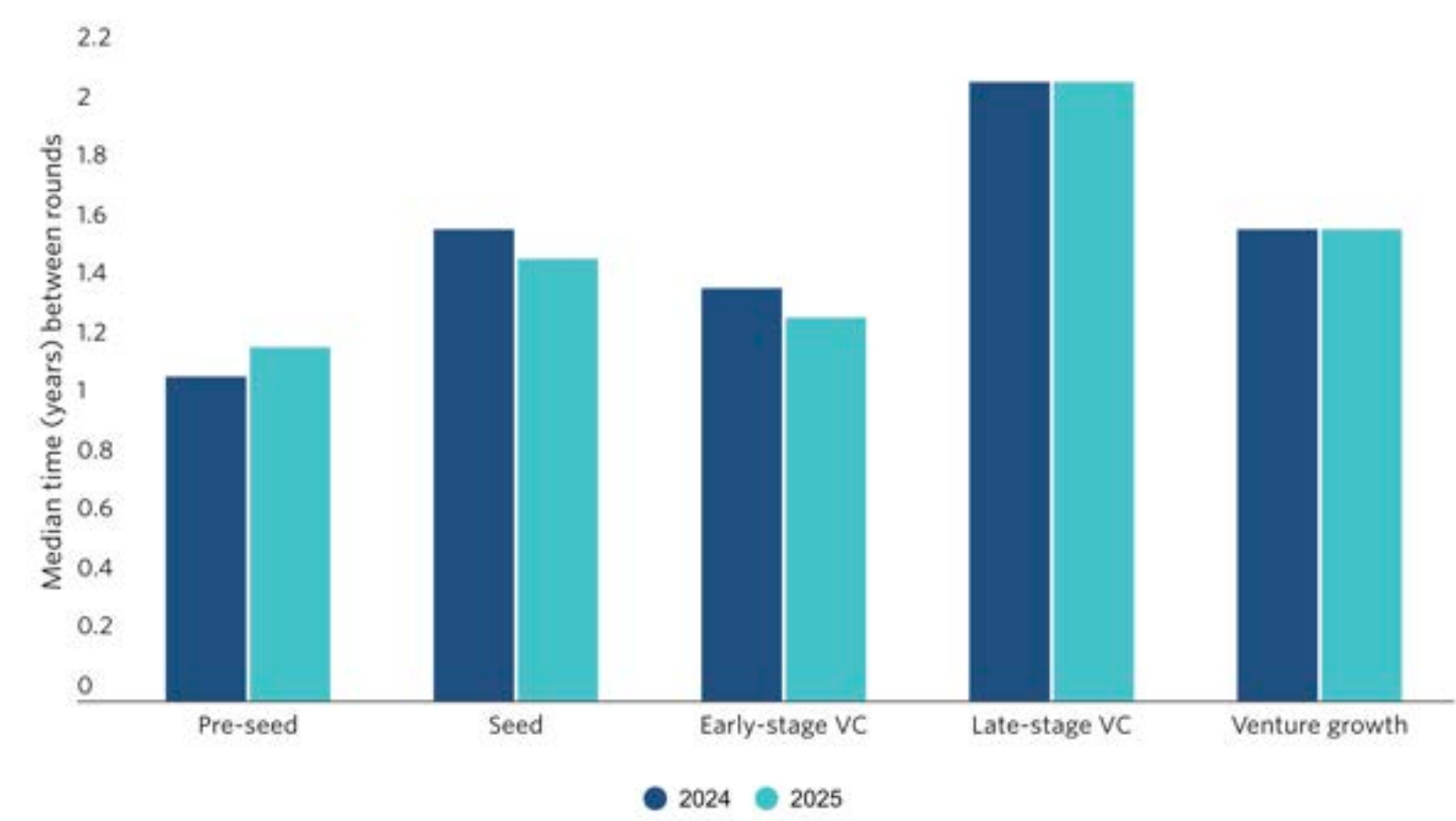
PARTIALLY TRUE: I expected this KPI to reverse, but instead the median time since a startup’s last VC round has edged higher in the U.S., signaling lengthening fundraising cycles and a tougher capital environment. A stage-level view in Europe, however, reveals a more nuanced picture. Late- and Growth-stage timelines have remained flat from 2024 to 2025, suggesting selectivity rather than deterioration. Seed and Early-stage cycles have even shortened, pointing to renewed appetite for high-conviction bets. Pre-seed stands out as the pressure point, with longer gaps between rounds reflecting tighter filters at the bottom of the funnel. Overall, the signal is mixed: resilience at the top, momentum in the middle, and mounting pressure at the earliest stage.

Median Years Since Last VC Round for U.S. VC-Backed Companies



Source: PitchBook

Early-Stage, Seed Raise Capital Quicker (Europe)

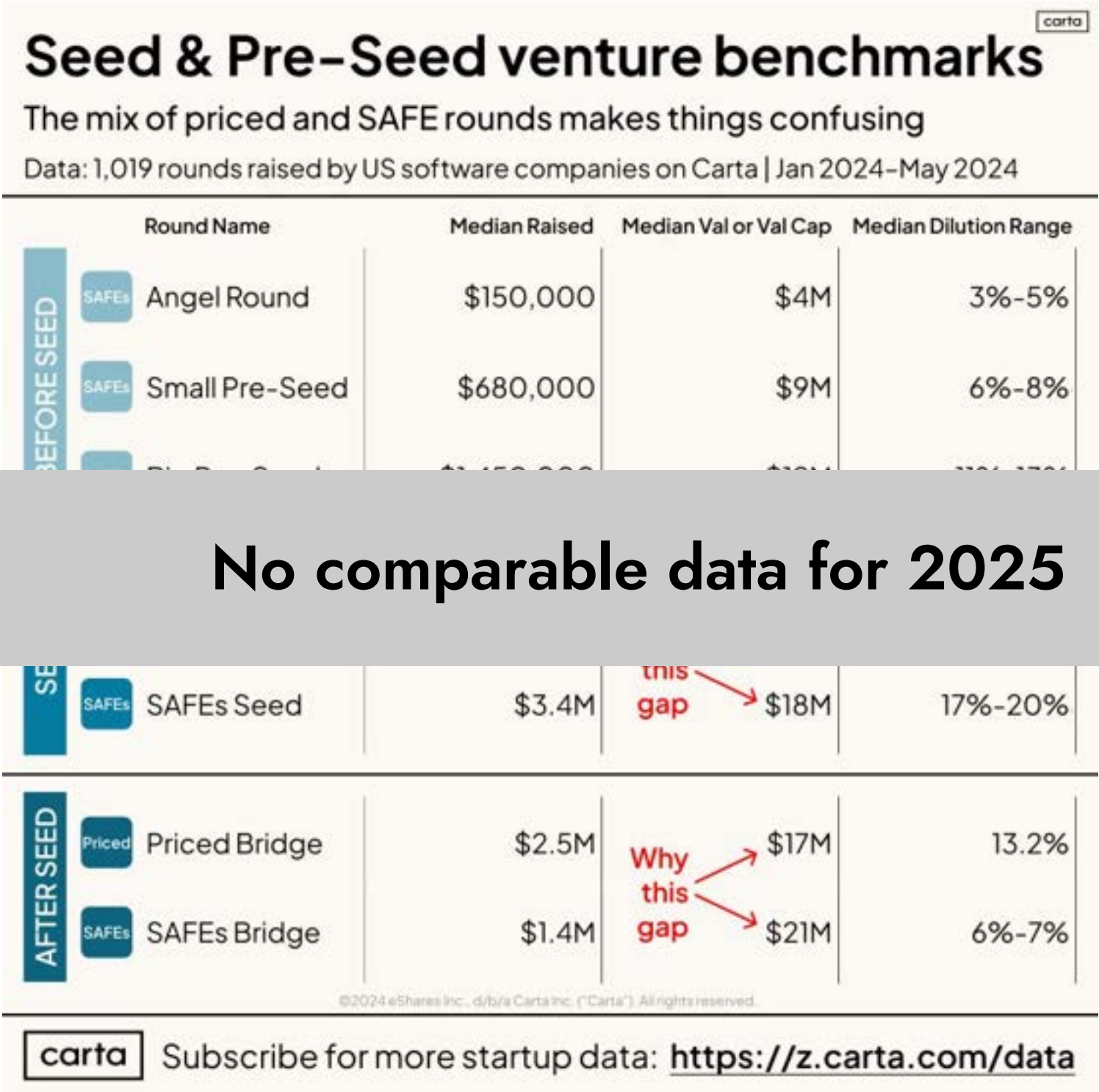


Source: PitchBook

Venture Trend 32 - Priced rounds are better for investors (from valuation perspective)

2025 Projection: → Trend to continue at similar pace in 2025

NA - No comparable data for 2025

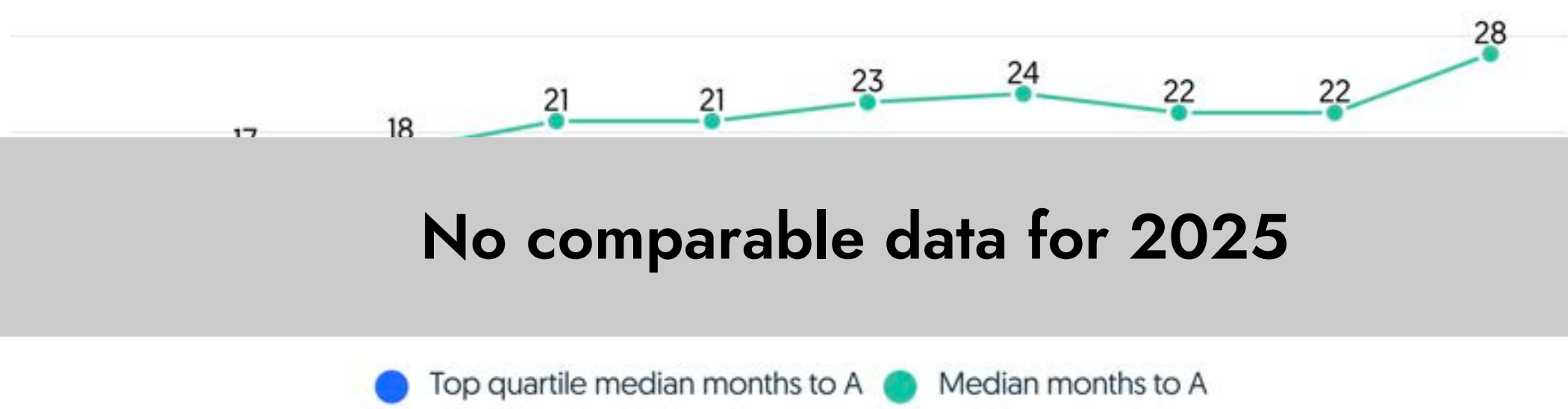


Venture Trend 33 - Top quartile startups consistently raise Series A faster, though timelines are extending

2025 Projection: ↗ Trend to moderately intensify in 2025
NA - No comparable data for 2025

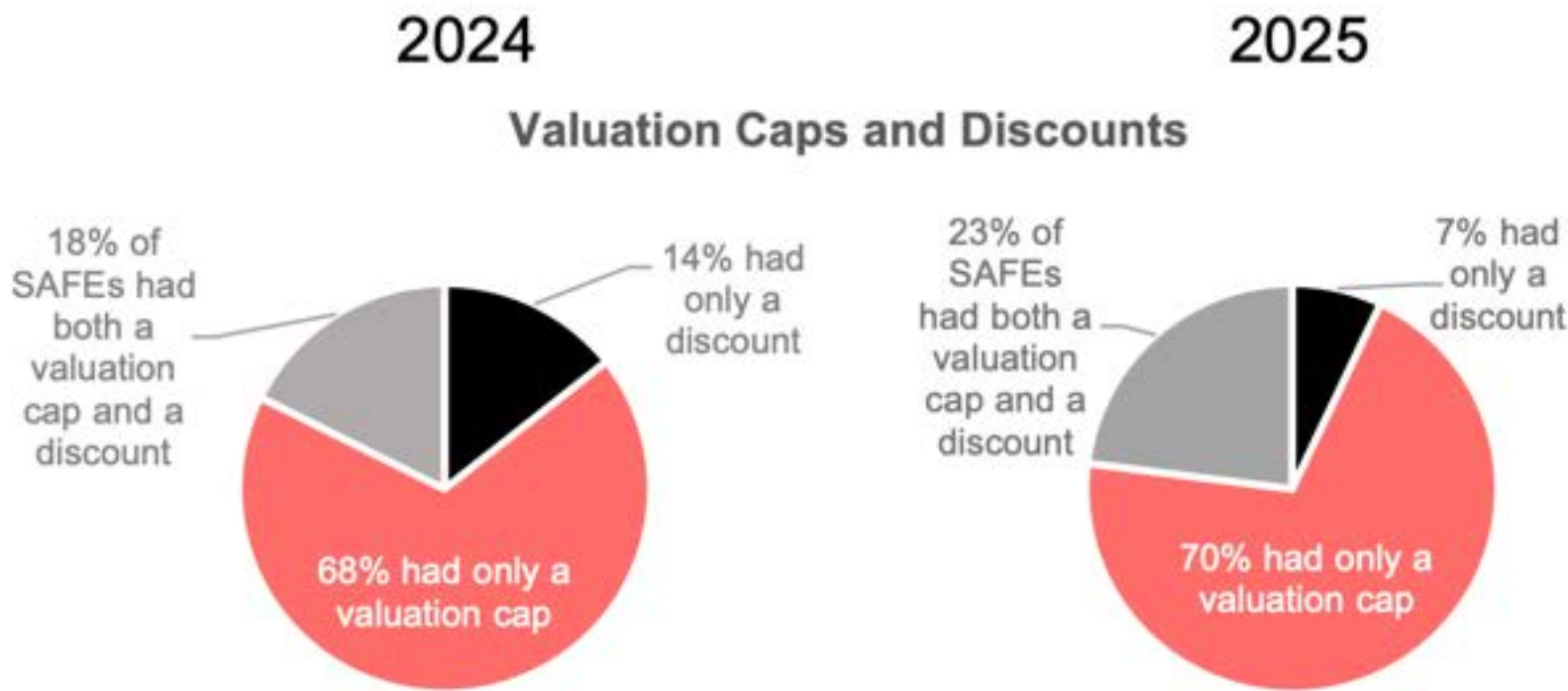
Count Of Months For A US Startup To Raise A Series A, From First Seed \$1M Or Above

Calculated from the year the Series A was raised. Shows median for top quartile versus all per annum.



Data - SAFE rounds

Compared with 2024, investors and start-ups in 2025 have continued to move away from discount-only SAFEs. This year, 93% of SAFEs included a valuation cap, up from 86% in 2024, indicating a clear preference for valuation caps as the primary mechanism for allocating upside in early-stage deals.



Source: Wilson Sonsini



Source: Wilson Sonsini



Deal Volume Data

In North America - Q3's surge in funding came from larger checks, not more deals. Only 2,276 rounds were recorded—8% fewer than the previous quarter and well below last year's pace. Deal activity fell across most stages except late-stage, and funding was heavily concentrated in AI. About 57% of all North American capital went to AI-related startups, led by Anthropic's massive \$13 billion Series F, which made up more than one-fifth of the region's total investment.

In Asia - Even so, the quarter showed real progress. In Q3, both total funding and deal volume moved higher, with the number of reported rounds up about 10% from the previous quarter—a welcome sign of renewed activity.

North America Venture Deal Volume Through Q3 2025



Source: Crunchbase

Asia Venture Deal Volume Through Q3 2025

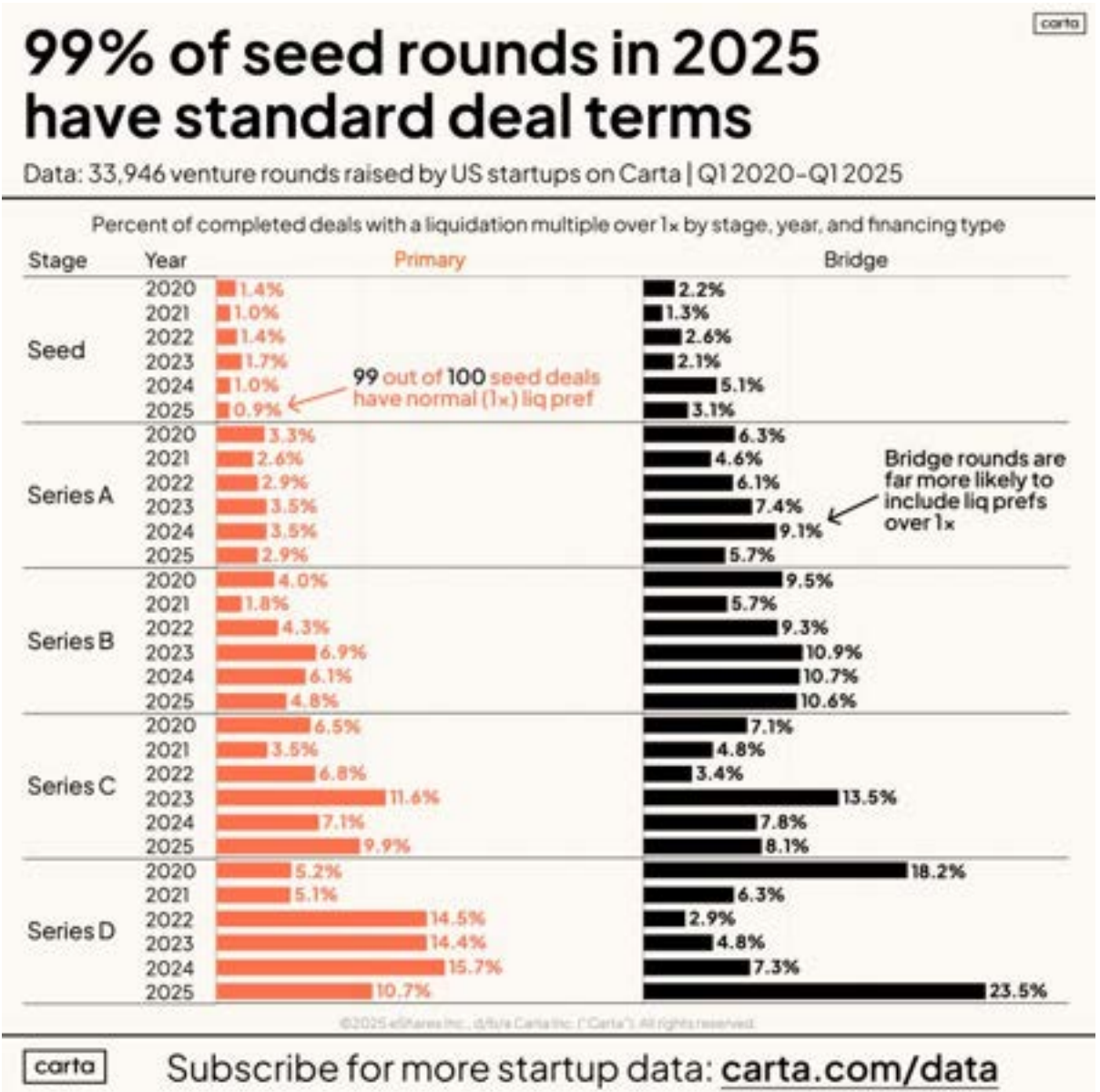
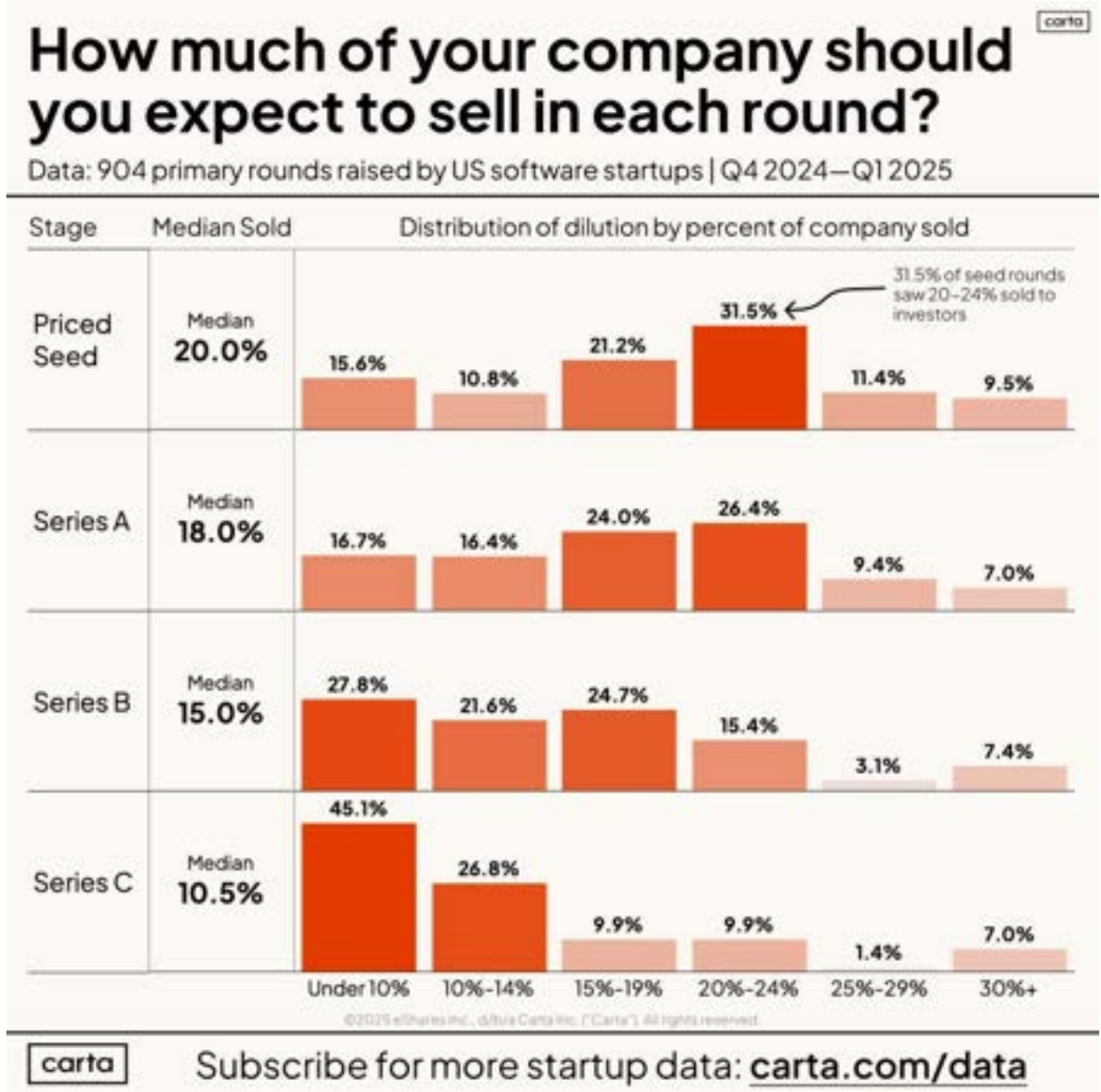


Source: Crunchbase

Deal Dynamics | 1

One chart from Carta sums it up well: 99% of seed rounds in 2025 have followed standard deal terms, signaling a strong normalization in early-stage investing.

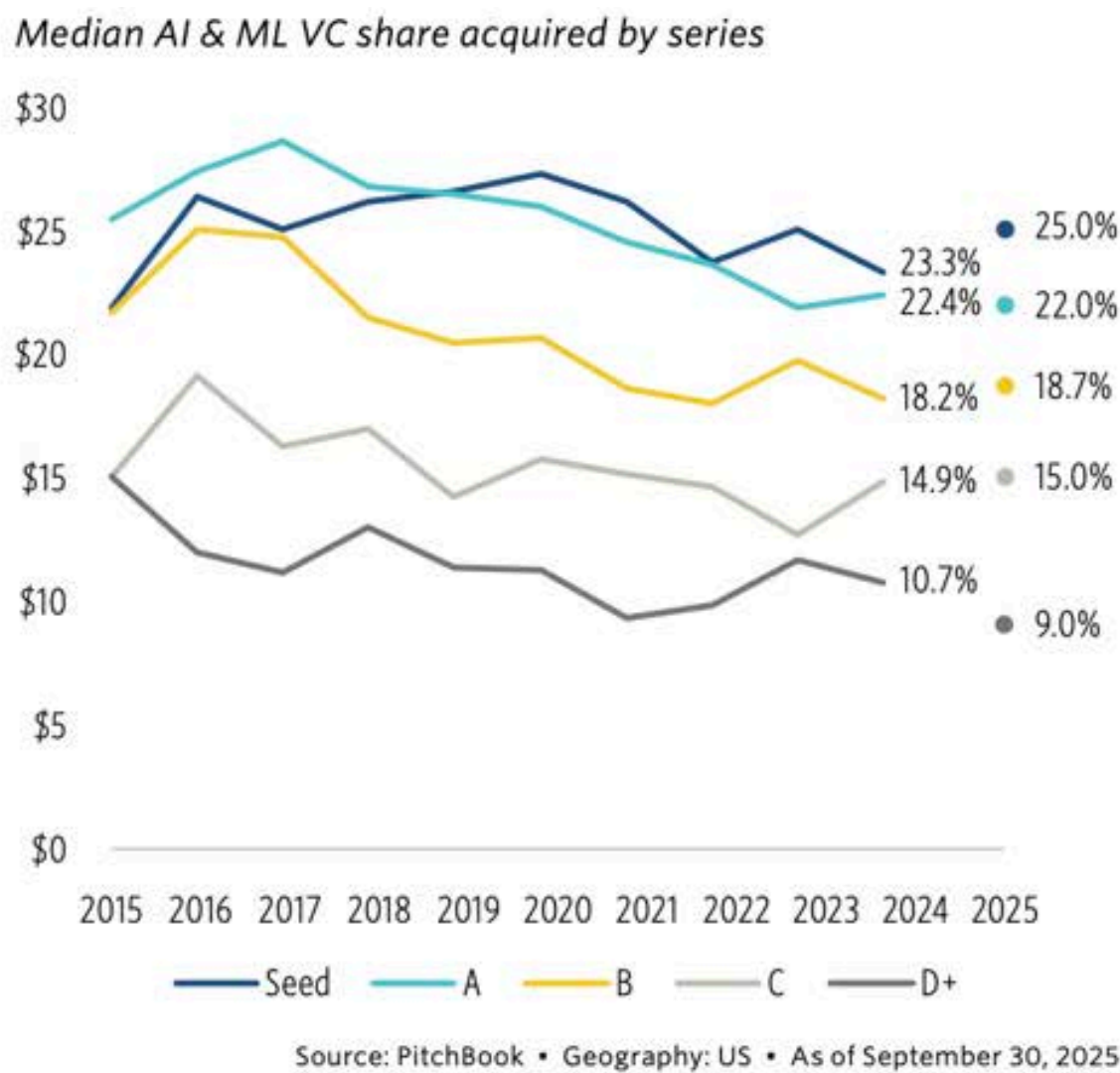
Despite all the volatility in the broader ecosystem, one theme that has remained consistent is the percentage of equity sold during priced-Seed rounds. What’s particularly interesting is how deal sizes and valuations have adjusted to maintain this balance. As funding amounts have increased in recent Seed rounds, so have valuations—allowing startups to raise more capital without giving up significantly more equity. In fact, for about 52% of startups, the equity given has stayed in the 15–24% range for priced-Seed, reflecting both investor discipline and founder awareness of dilution trade-offs. This consistency speaks to a maturing Seed market, where deal structures are more predictable and aligned with long-term scaling expectations.



Deal Dynamics | 2

Average ownership stakes in AI/ML deals are declining amid rising competition.

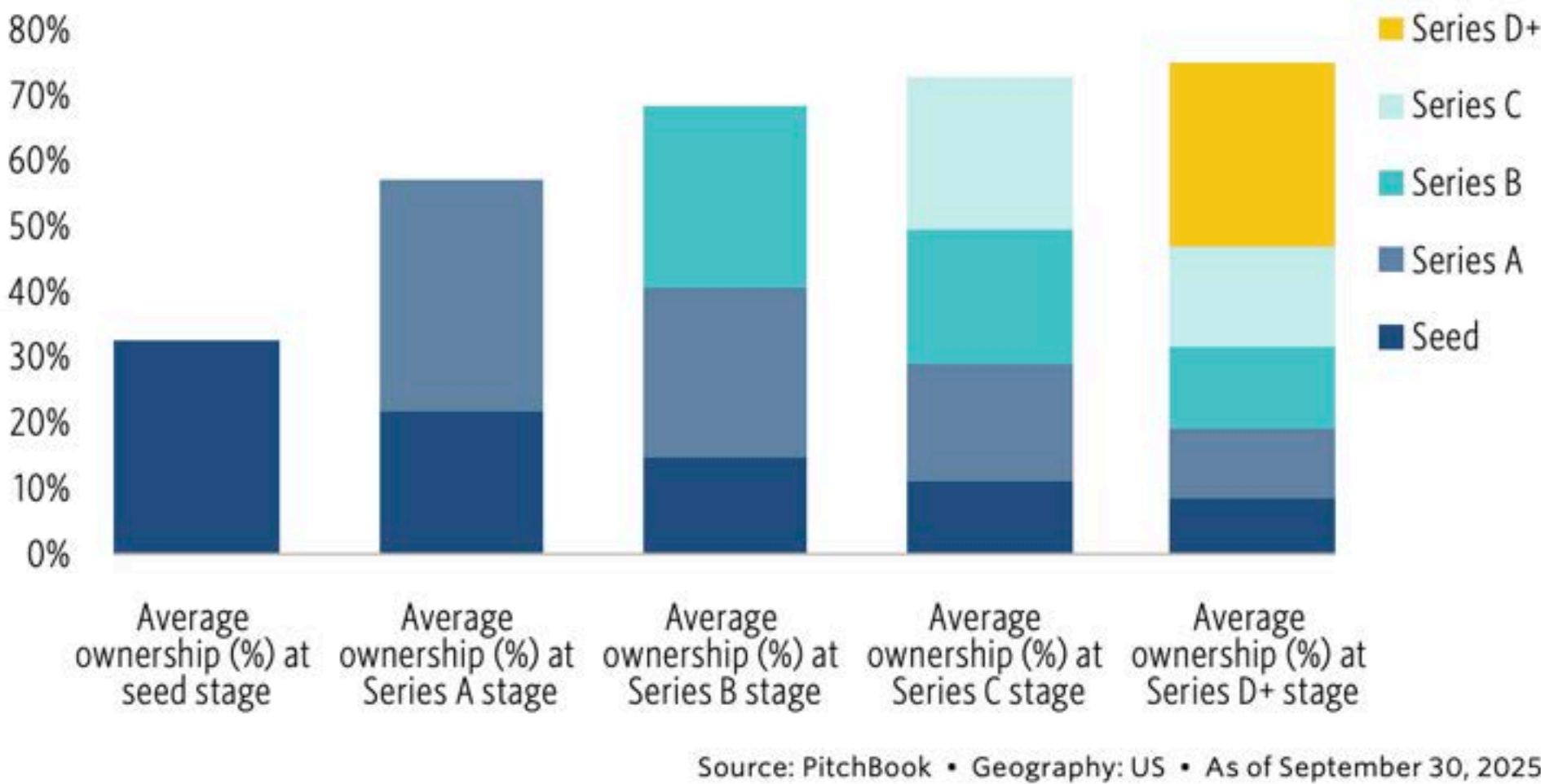
Competition is Driving Down Stakes



Source: PitchBook

[Click graphic for source post/article.](#)

Average Stake by Most Recent Fundraise



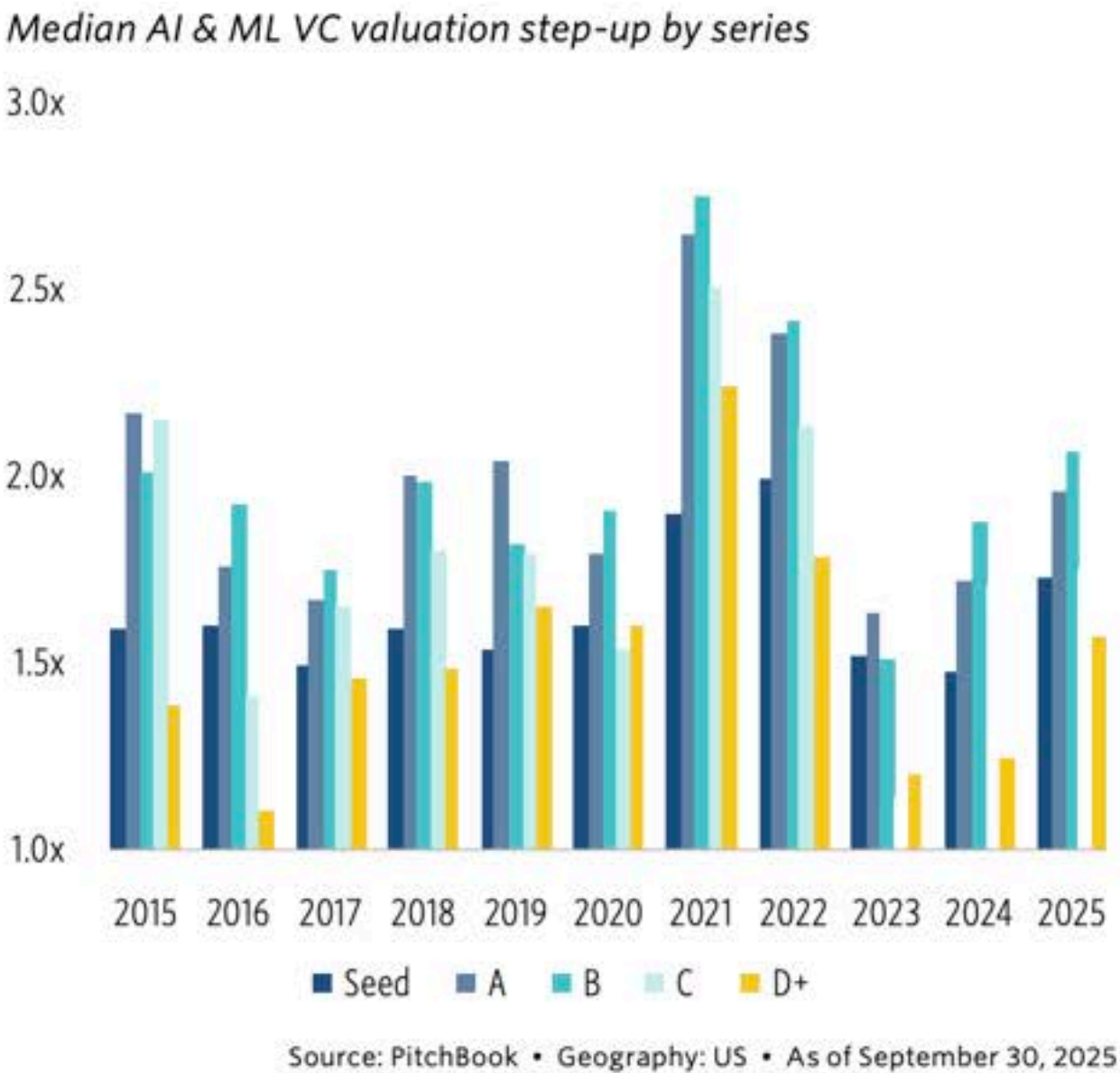
Source: PitchBook



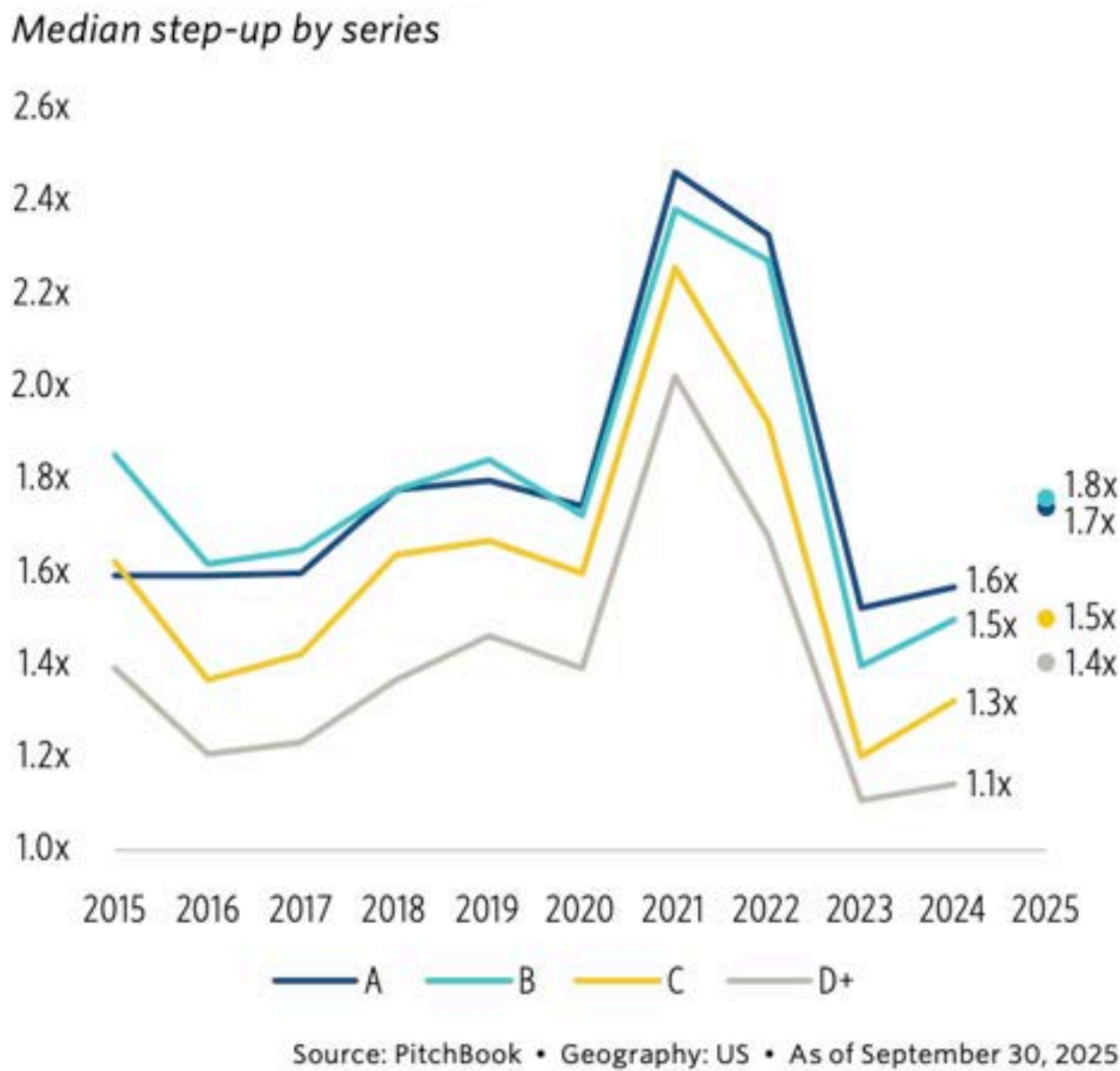
Deal Dynamics | 2

Valuation step-ups between funding rounds are rebounding.

Steps-Ups Moderate by Rising



Step-Ups Rebounding



SECTION 6

Valuations Performance and Unicorns

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- [TREND 47 | U.S. software unicorn creation has outpaced IPO and M&A volume](#)

Data

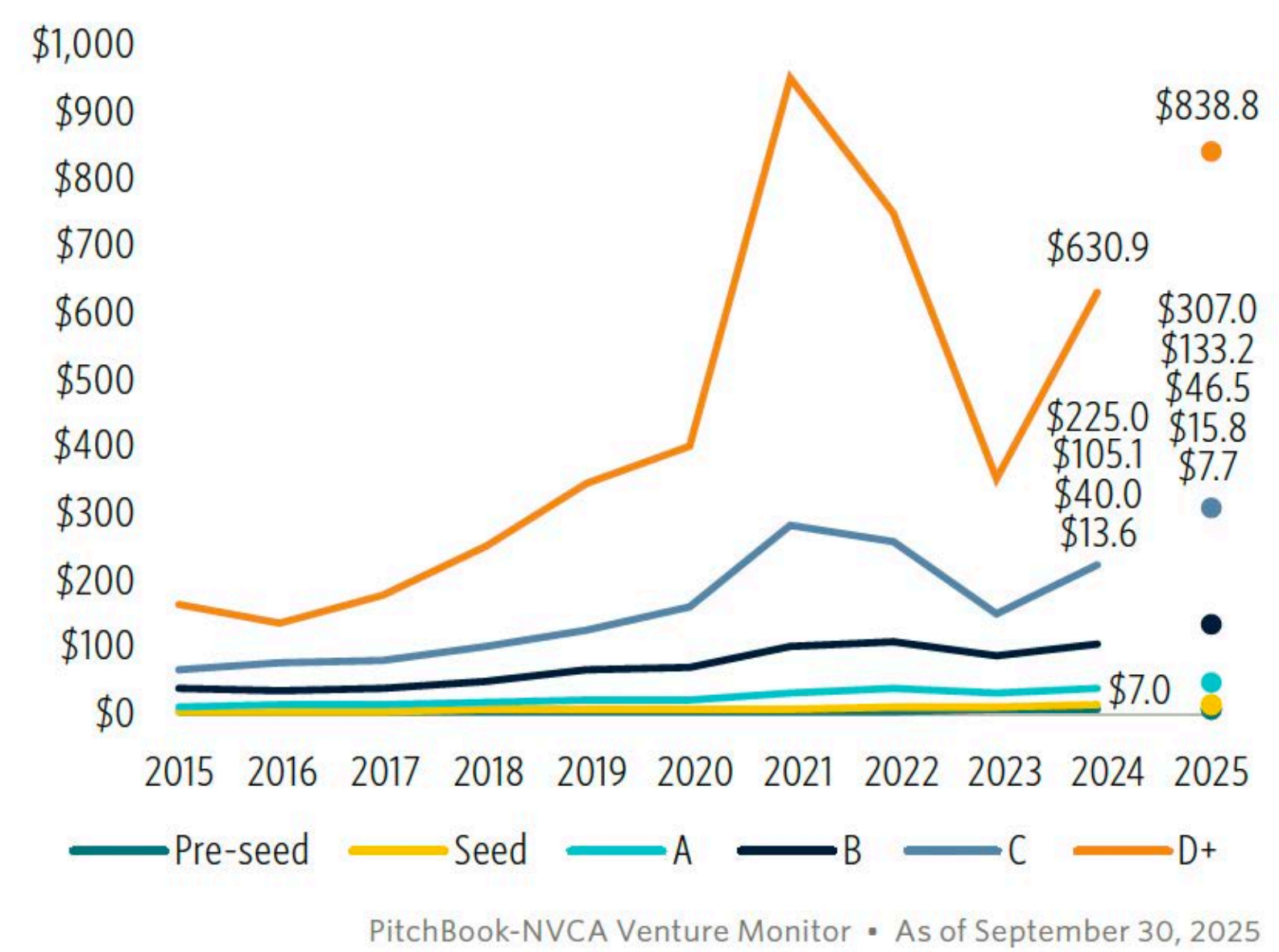
- [All About ARR's | 1](#)
- [All About ARR's | 2](#)
- [Startup Revenue Nuggets](#)
- [Unicorn Formation Data](#)
- [Unicorn Performance](#)
- [Unicorns' Worth](#)
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- [Valuation Nuggets](#)
- [Startup Performance Nuggets | 1](#)
- [Startup Performance Nuggets | 2](#)

Venture Trend 34 - U.S. valuations went up in 2024 across Series/Stages

Projection: → Trend to continue at similar pace in 2025

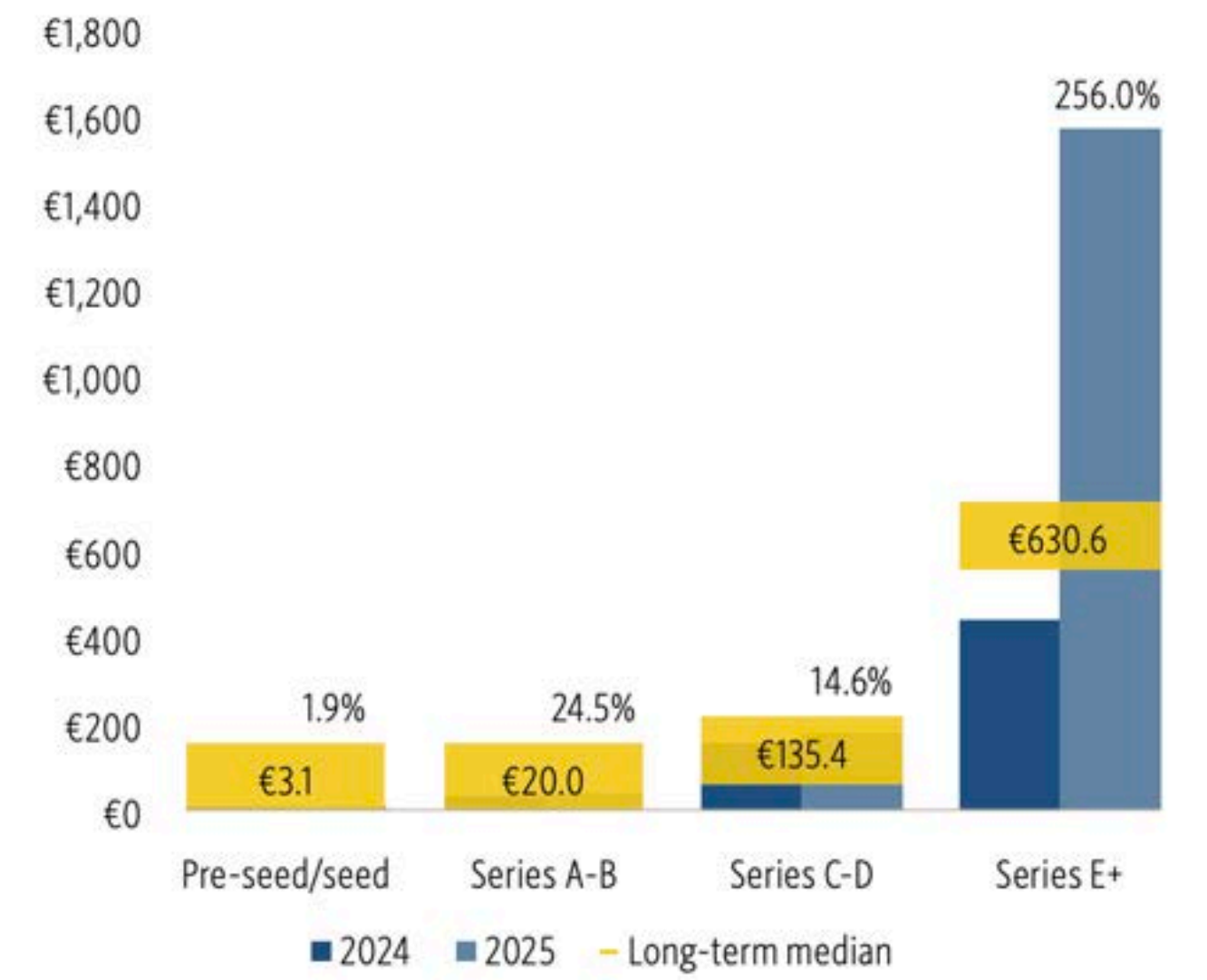
TRUE: PitchBook data shows that median pre-money valuations have risen across nearly all stages. With fewer deals getting done but larger checks being written, concentrated capital is naturally pushing valuations higher. Even the European data shows increase in valuations in 2025 across all stages.

U.S. Median VC Pre-Money Valuation (\$M) by Series



Source: PitchBook

Europe Median VC Pre-Money Valuation (Euro M) by Series



Source: PitchBook • Geography: Europe • As of 30 September 2025

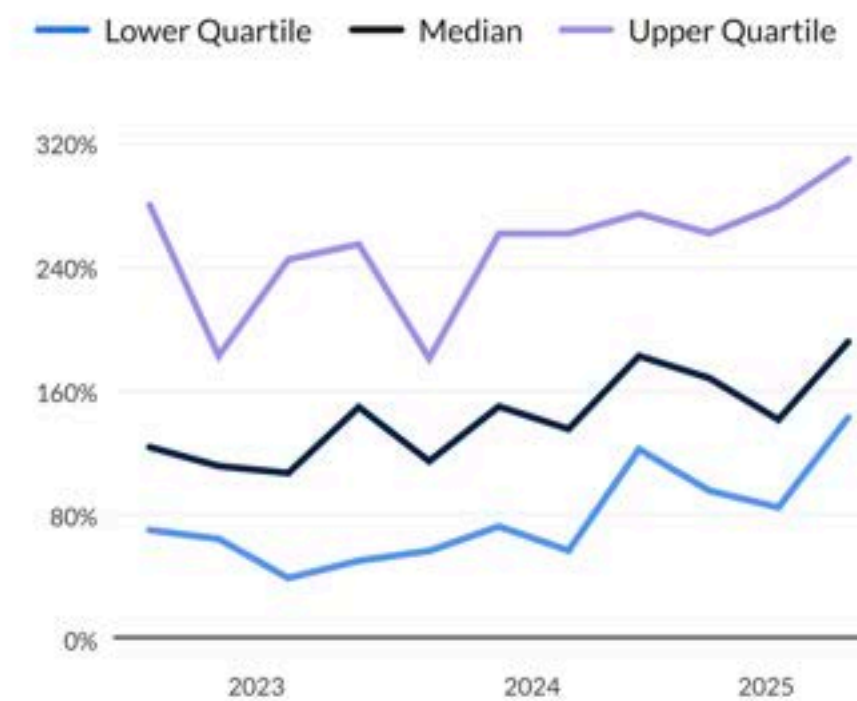
Source: PitchBook

Venture Trend 35 - Valuations went up only for the top quartile startups

2024 Projection:  Trend to moderately intensify in 2025

TRUE: The gap between median and upper quartile post-money valuation markups widened for both Seed-to-Series A and Series A-to-Series B step-ups. In Q3 2025, upper quartile Series A markups surpassed 300%, while Series B markups reached nearly 400%, showcasing massive gains for top quartile startups and high completion to get in those rounds.

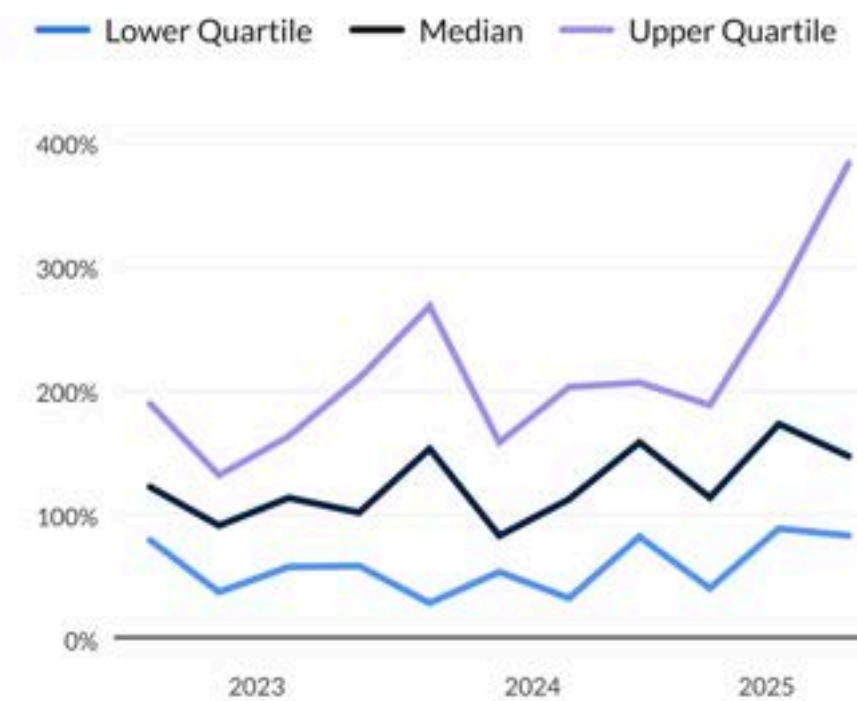
Post-money valuation markups by quartile (Series A)



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Post-money valuation markups by quartile (Series B)

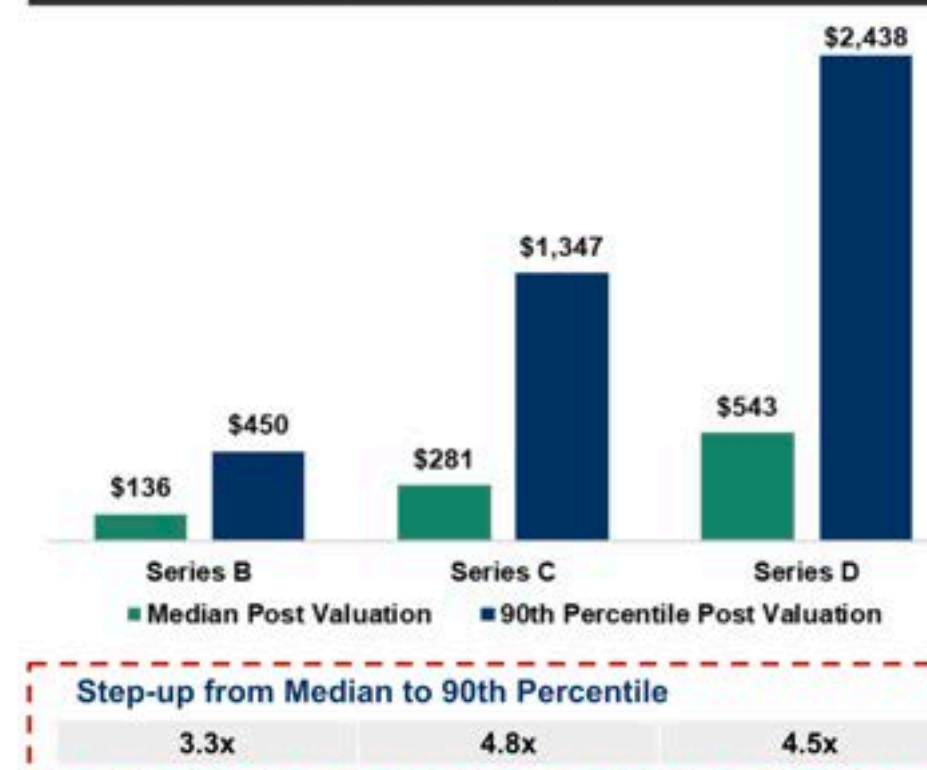


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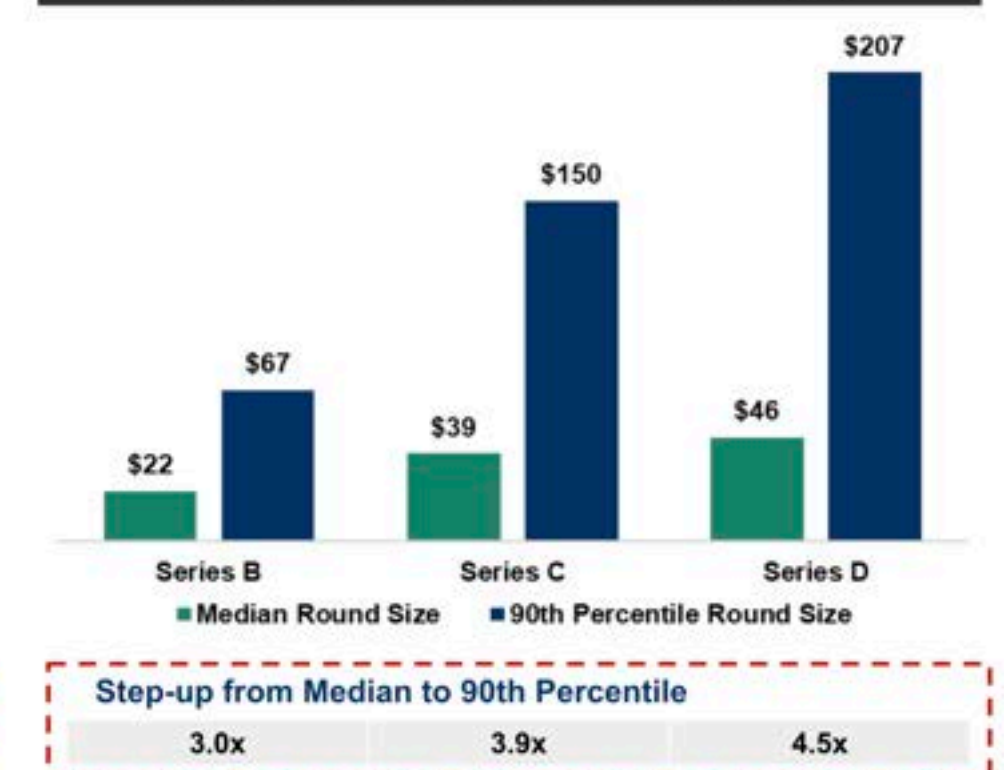


Source: Aumni

Median vs. 90th Percentile Startup Valuations (\$M)



Median vs. 90th Percentile Round Sizes (\$M)

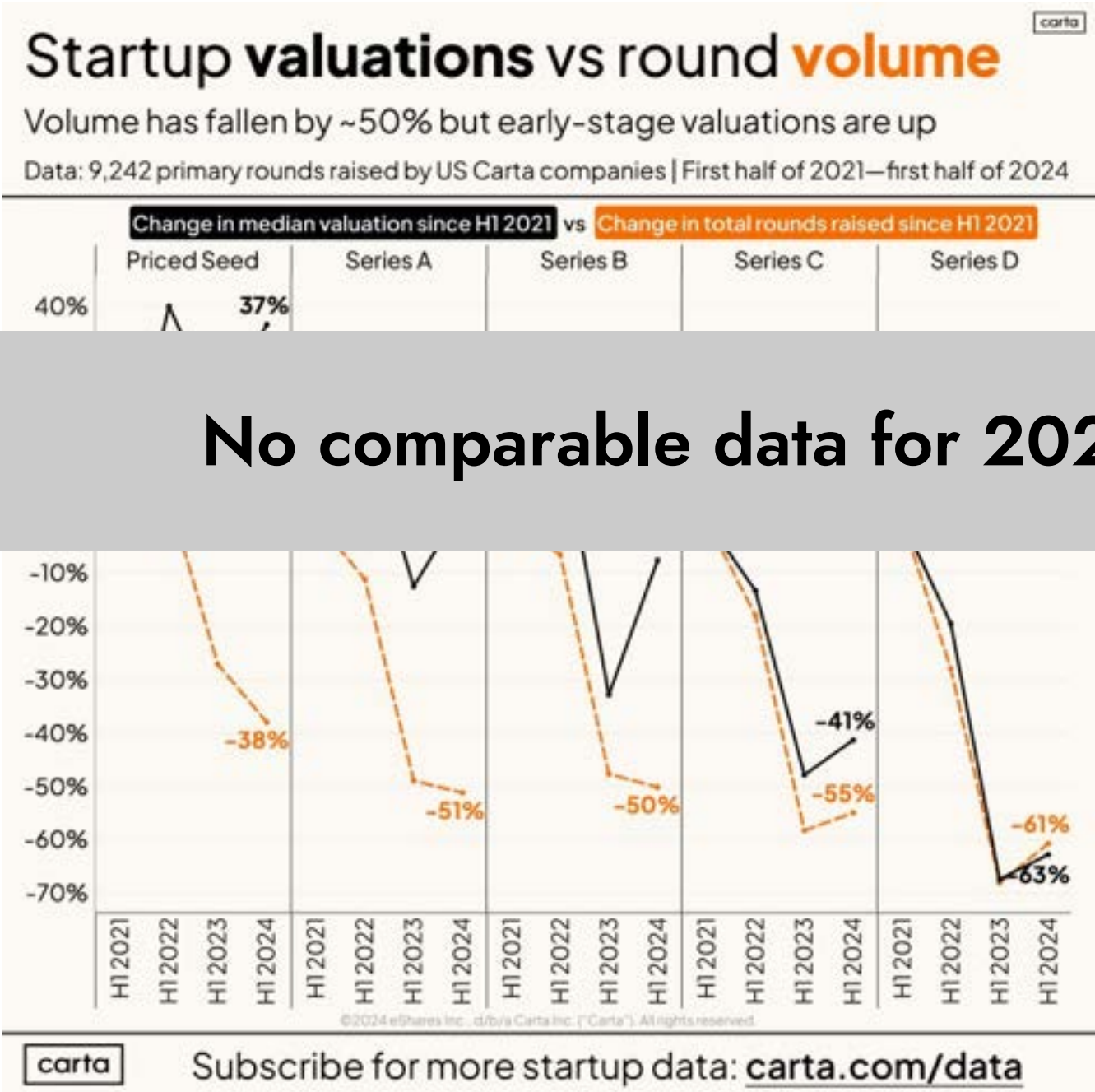


Source: Meritech

Venture Trend 36 - U.S. valuations recovered better than round size since the downturn

Prediction: 📉 Trend to moderately reverse in 2025

NA - No compares data for this.



Venture Trend 37 - Seed valuations least impacted

Prediction: → Trend to continue at similar pace in 2025

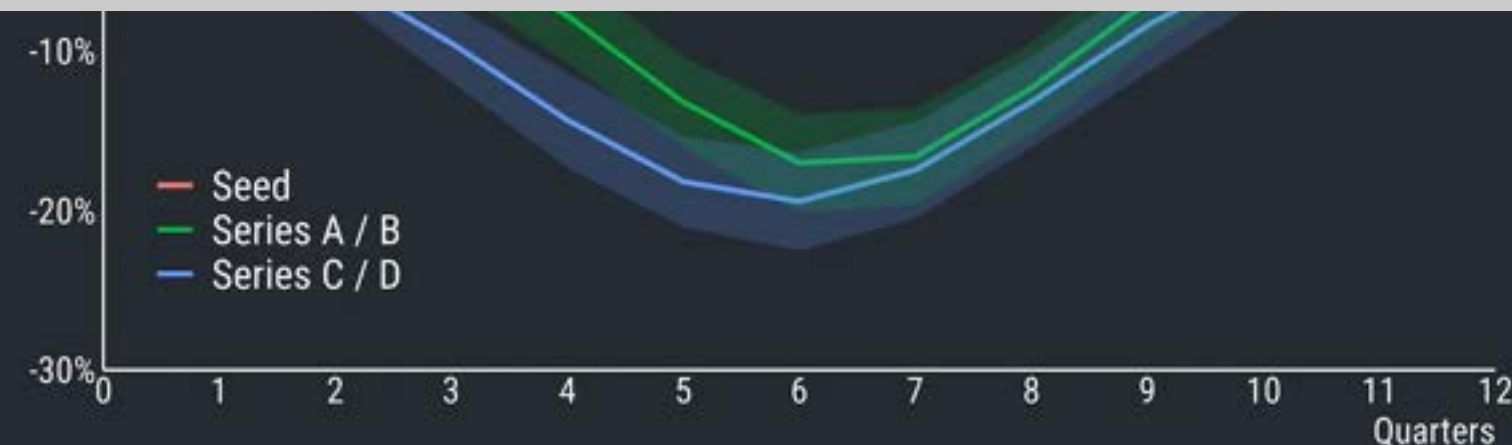
NA - No comparable data for this

Seed Valuations Aren't Valuations

Valuation Effect of 100 bps Unexpected Increase in 1YR U.S. Treasury Rate

10%

No comparable data for 2025



Source: Pitchbook | whoisnamdi.com | @whoisnamdi

- They are impervious to shifting interest rates
- They don't follow public tech valuations

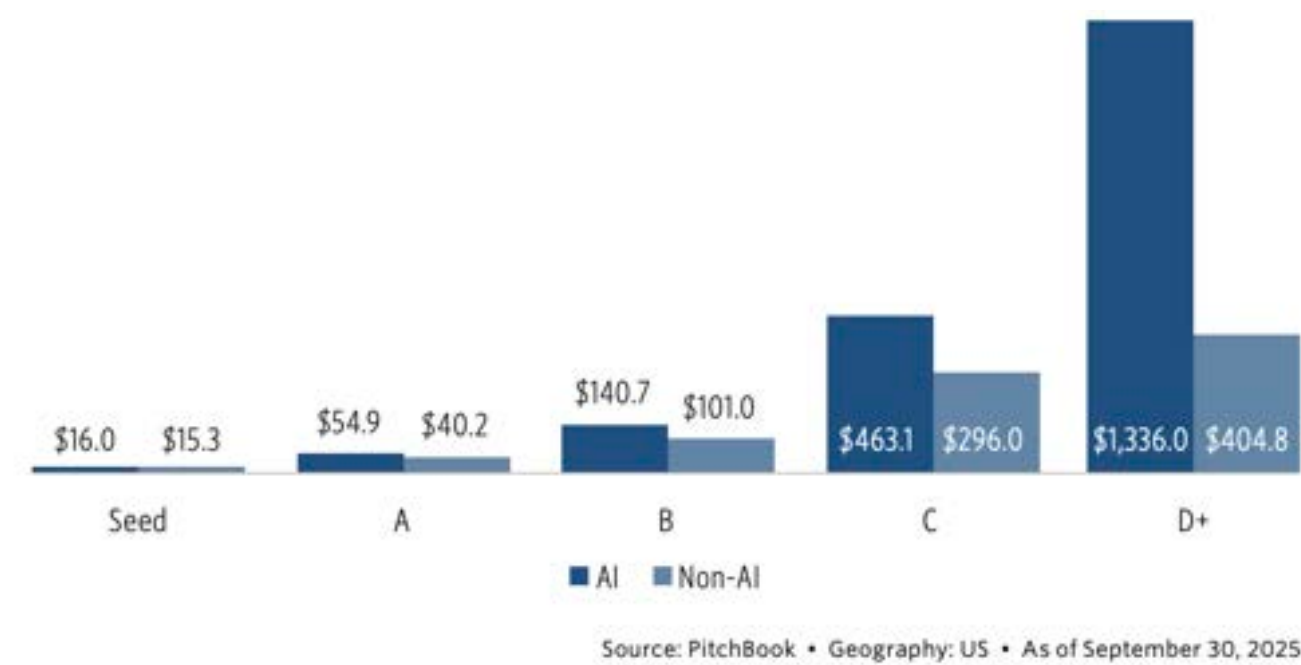
In short, seed valuations are a bit of an enigma — it's not at all obvious what drives them. However investors arrive at these numbers, they aren't doing so based on typical Finance 101 factors like discount rates or comparable company analysis.

Venture Trend 38 - AI startup valuations continues to rule the charts

2024 Projection:  Trend to moderately intensify in 2025

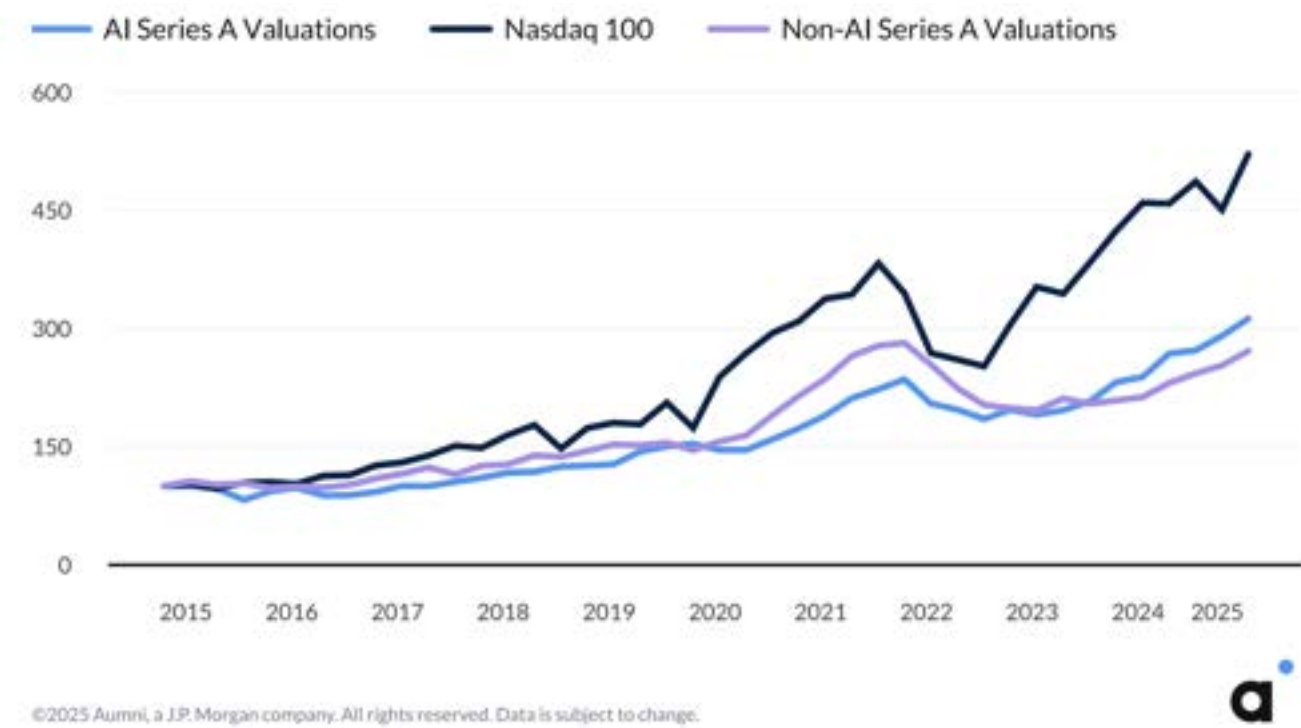
TRUE: From the charts below a clear sign that AI startups command a higher valuation and the valuation levels are increasing for the AI startups the most.

2025 Median VC Pre-Money Valuation (\$M) by Series

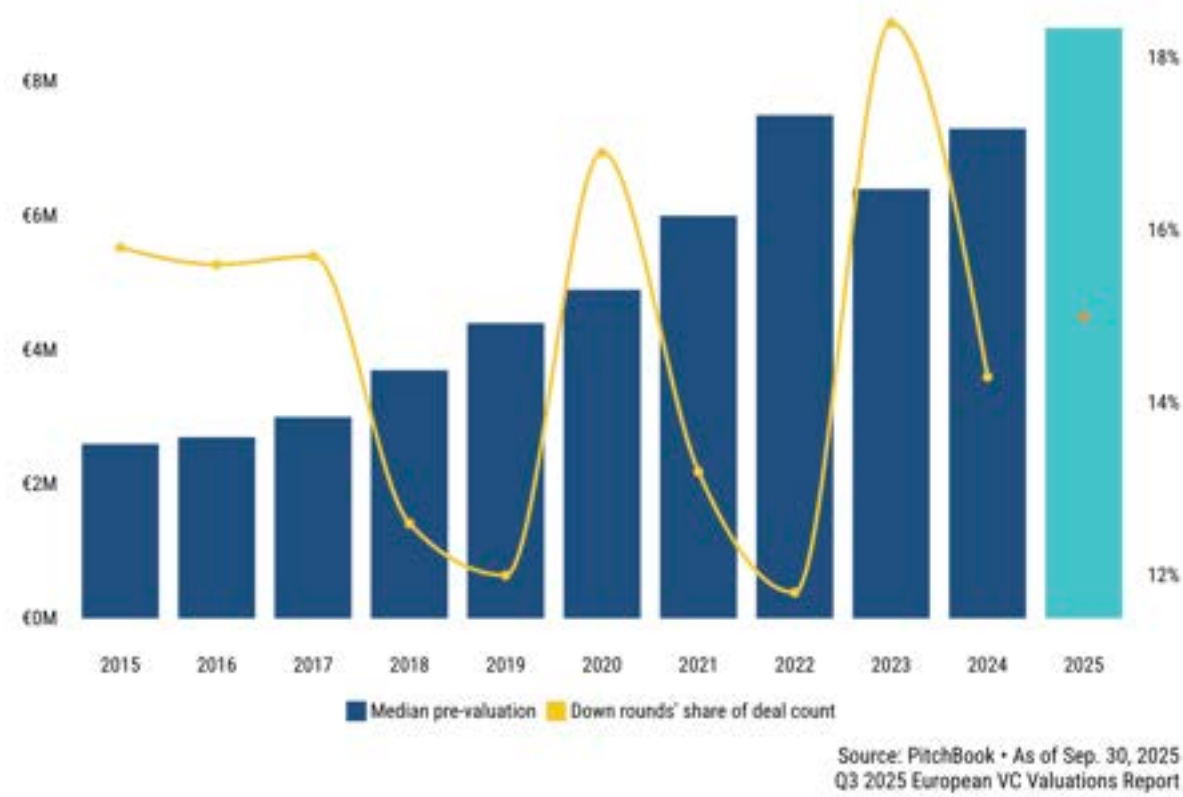


Source: PitchBook

Indexed AI vs. Non-AI Post-Money Valuations (Q1 2015=100)

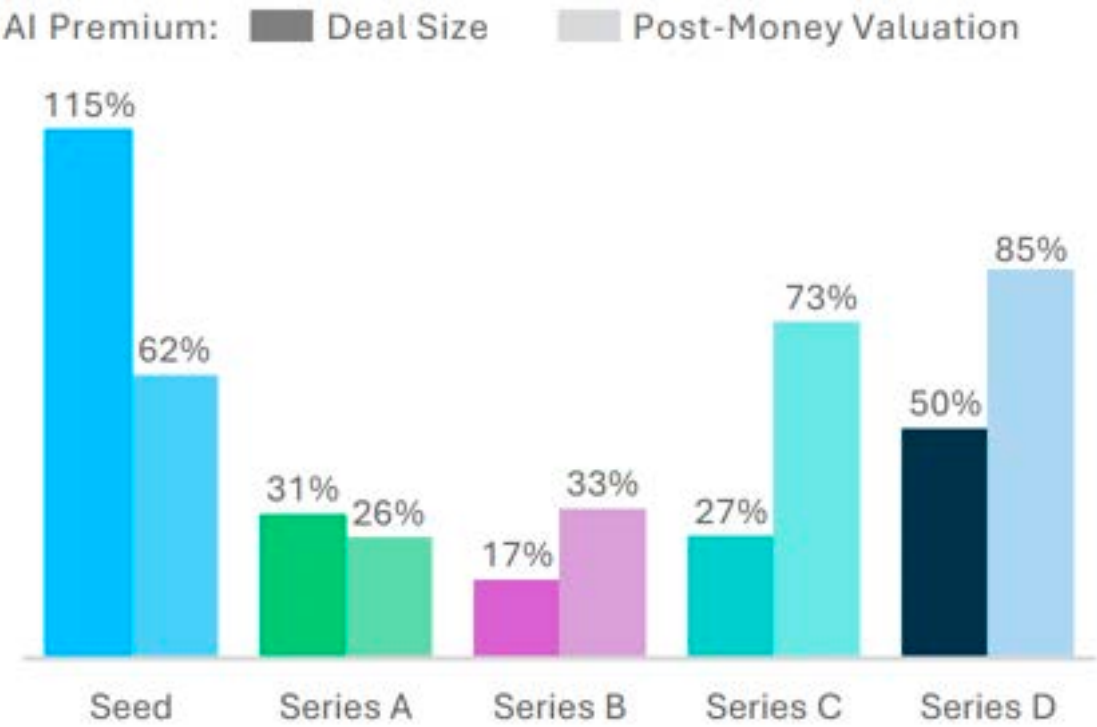


Median European AI valuation



Source: PitchBook

Median Premiums for AI Deal Size and Valuation (2024-25)



Source: SVB

Click graphic for source post/article.

Venture Trend 39 - Valuation dispersion grows in the U.S. (Series A)

2024 Projection: → **Trend to continue at similar pace in 2025**

TRUE: As seen from the chart below, the valuation dispersion is higher in 2025 for all stages than it was in 2024.

2024 Lookback: Valuation quantiles (pre-money)			
	25th percentile	50th percentile	75th percentile
Pre-Seed	\$5.35M	\$10M	\$13M
Seed	\$15M	\$20M	\$25M
Series A	\$37.5M	\$62.5M	\$100M
Series B	\$85M	\$170M	\$300M
H1 2025: Valuation quantiles (pre-money)			
	25th percentile	50th percentile	75th percentile
Pre-Seed	\$6M	\$10M	\$15M
Seed	\$15M	\$20M	\$30M
Series A	\$40M	\$66M	\$106M
Series B	\$100M	\$180M	\$400M

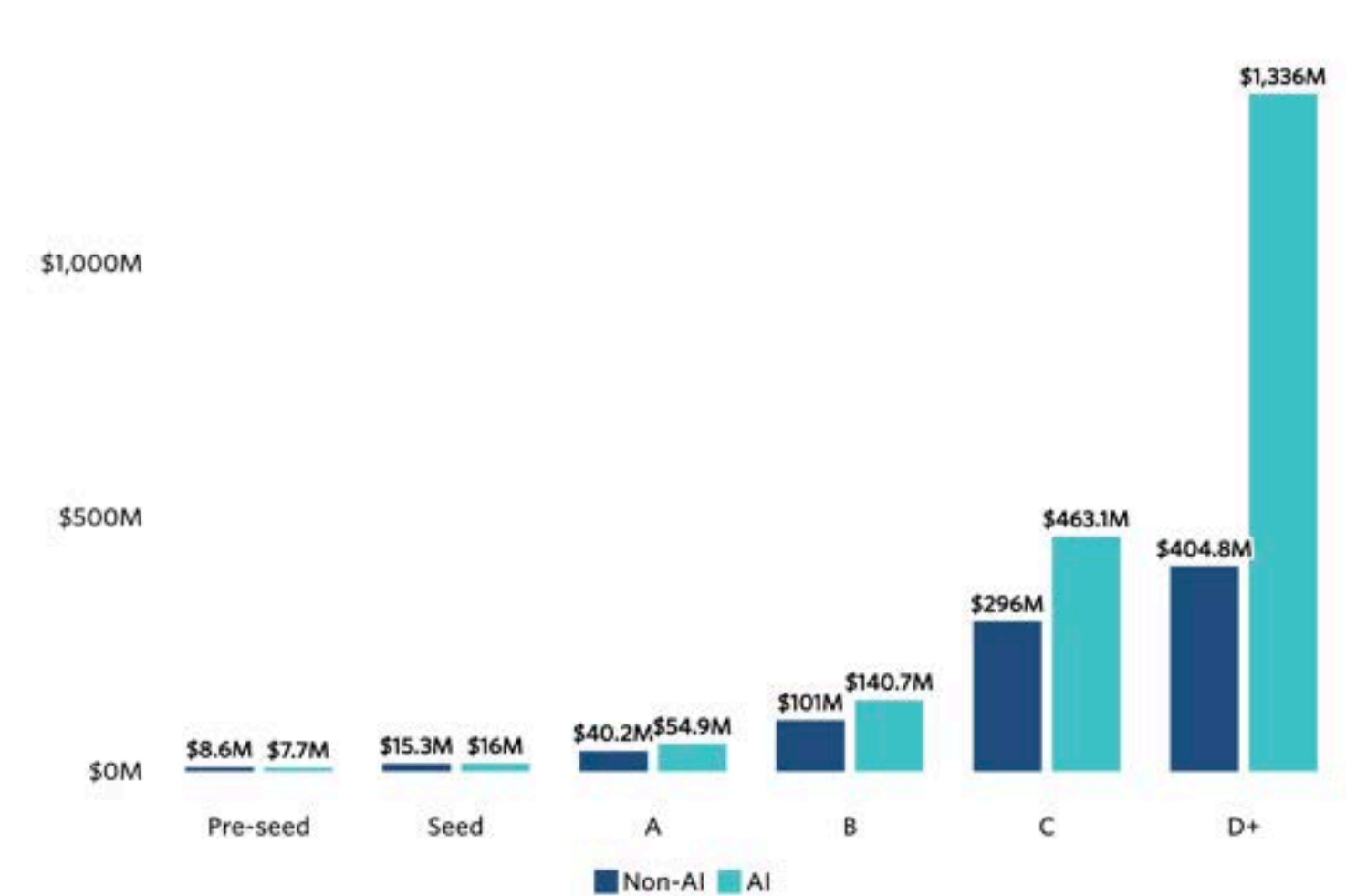
Source: Angellist

Venture Trend 40 - Sector plays a role in valuations

2024 Projection:  **Trend to moderately intensify in 2025**

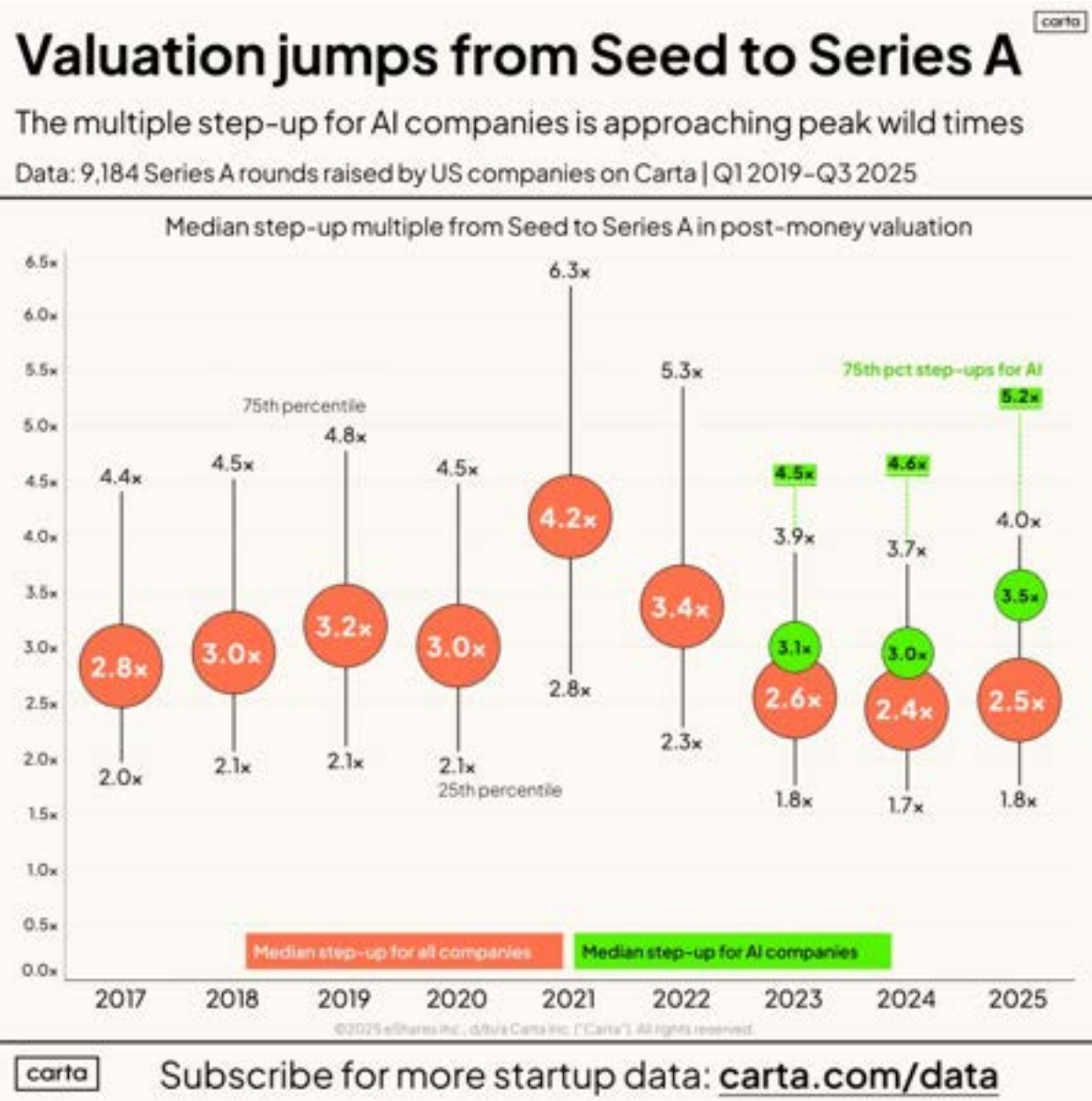
TRUE: AI Valuation Data below clearly shows a dispersion in valuations based on sector. PitchBook data shows AI startup valuations are soaring, with the sharpest increases appearing at the Series C and D stages, highlighting how late-stage investors are paying a premium for top AI companies. Carta data shows that valuations typically jump about 2.5x from Seed to Series A. But for AI startups, that multiple rises to 3.5x—and for the most sought-after AI companies, it can reach 5x.

Median 2025 Pre-Money Valuation by Series



Source: Q3 2025 Quantitative Perspectives: A Fork in the Road • Geography: US • As of June 30, 2025

Source: PitchBook



Startup valuations on steroids
The upper end of AI post-money valuation range is bonkers
Data: 2,262 rounds raised by US software startups on Carta | Oct 2024–Sept 2025

Stage	Type	Low End 25th Pct	Median 50th Pct	Upper End 75th Pct	Top 10% 90th Pct	Top 5% 95th Pct
Seed	AI	\$12.5M	\$20.0M	\$30.0M	\$51.3M	\$75.4M
	Other	\$10.3M	\$17.9M	\$29.7M	\$50.0M	\$64.4M
Series A	AI	\$46.9M	\$72.7M	\$106.5M	\$169.6M	\$254.2M
	Other	\$30.5M	\$51.2M	\$90.1M	\$141.9M	\$232.7M
Series B	AI	\$114.0M	\$179.2M	\$300.0M	\$599.9M	\$1,001.2M
	Other	\$60.1M	\$125.0M	\$226.6M	\$400.0M	\$511.3M
Series C	AI	\$228.6M	\$517.6M	\$1,024.8M	\$2,435.7M	\$3,632.7M
	Other	\$103.5M	\$246.6M	\$748.5M	\$1,651.9M	\$2,476.3M
Series D	AI	\$290.0M	\$800.0M	\$2,198.7M	\$3,105.0M	\$6,810.1M
	Other	\$123.4M	\$354.7M	\$1,005.0M	\$2,024.6M	\$3,631.3M

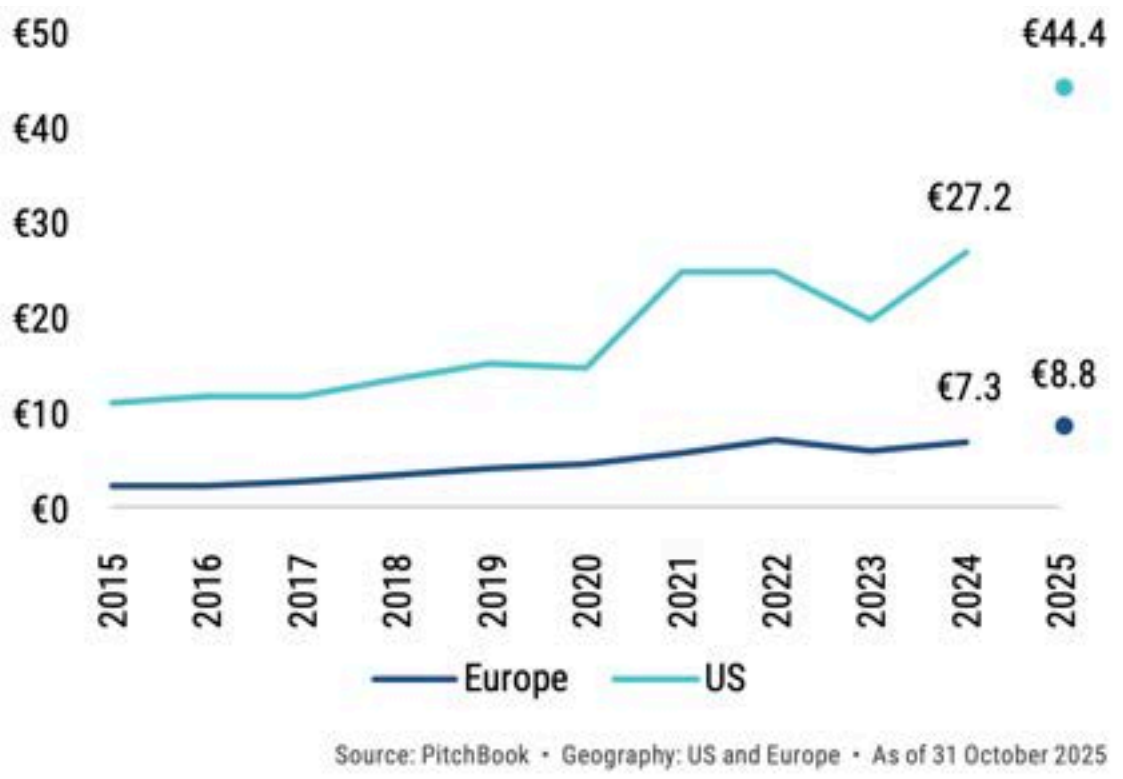
Subscribe for more startup data: carta.com/data

Venture Trend 41 - Geography plays a role in valuations

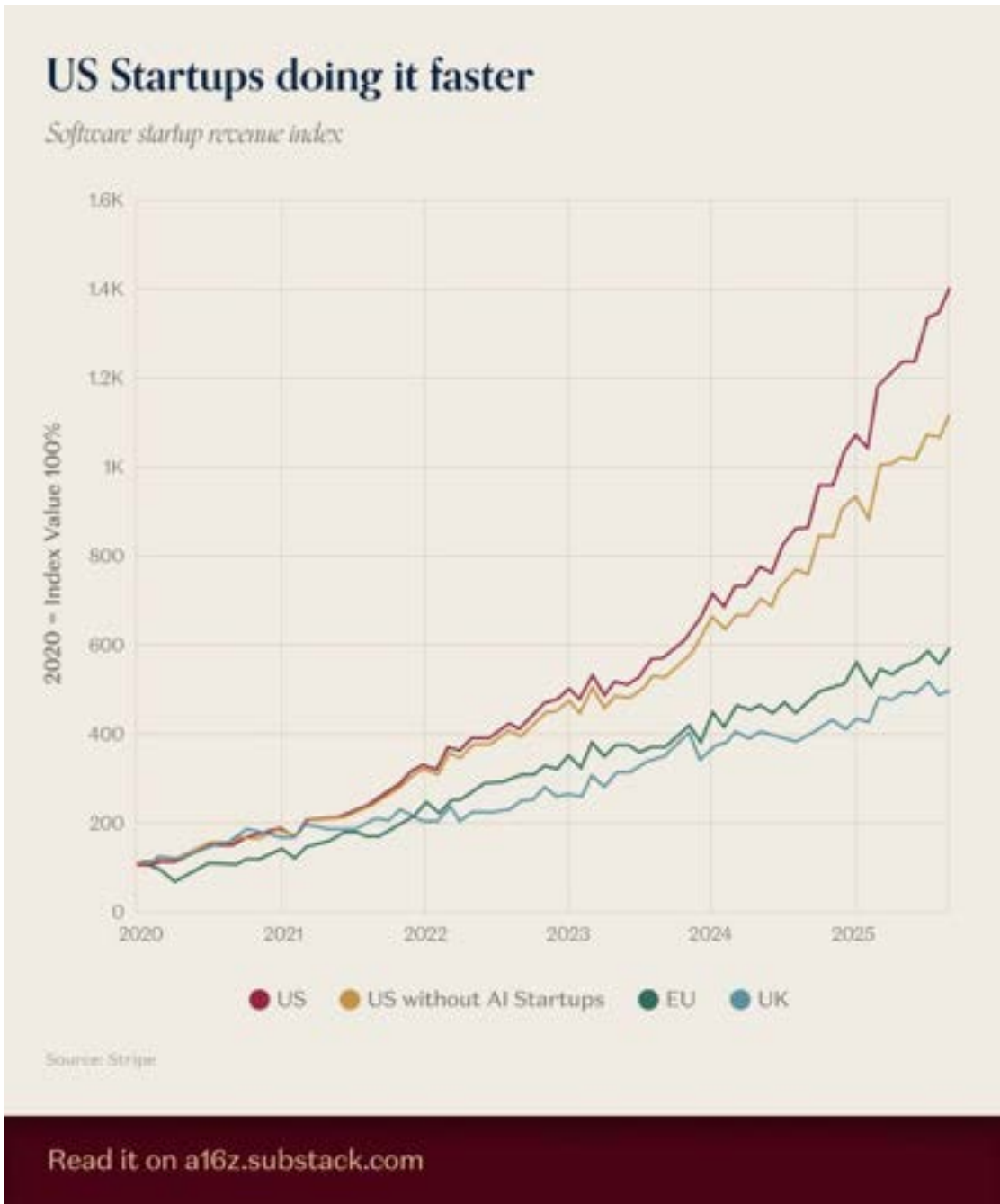
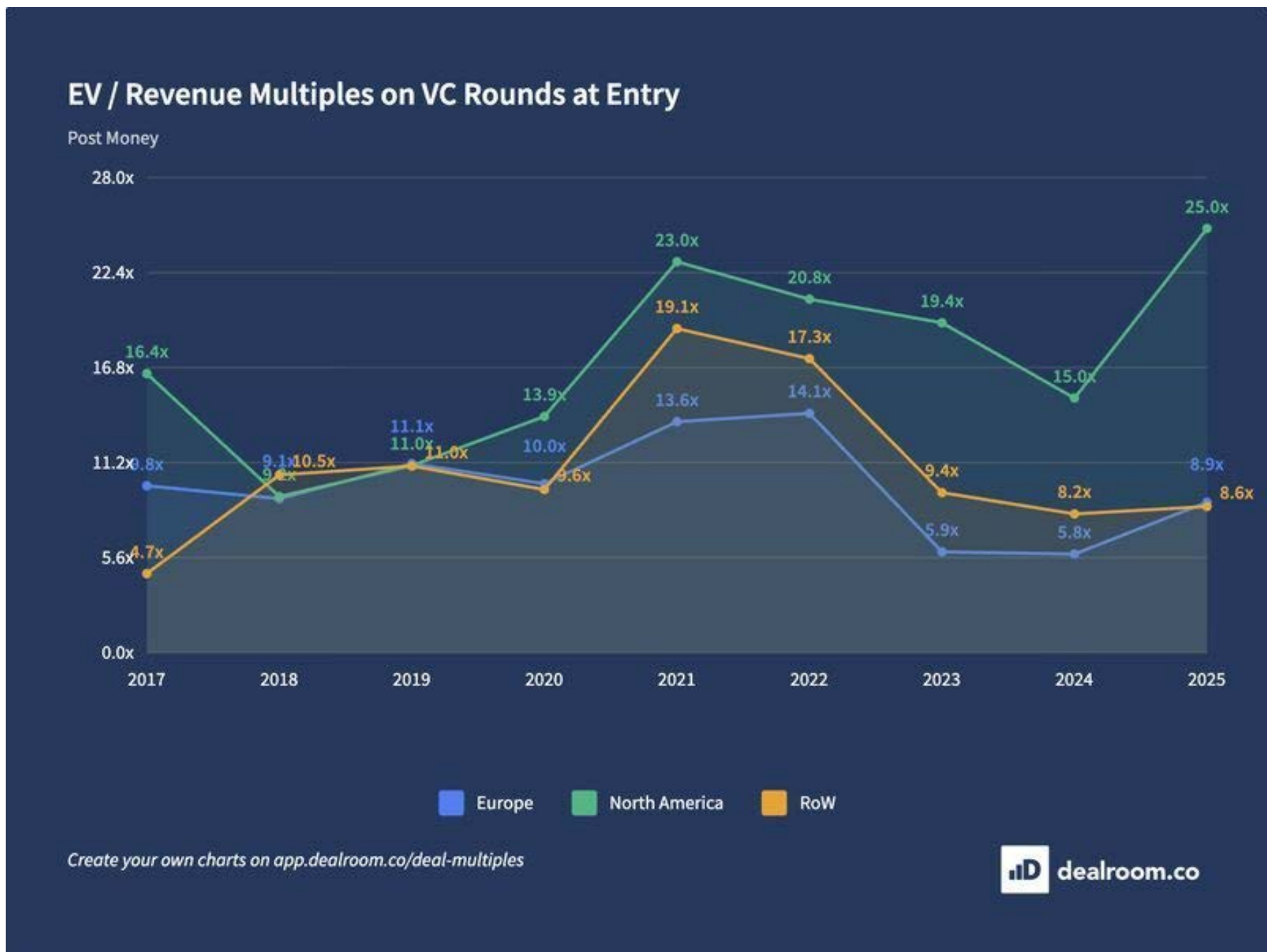
2024 Projection: ↗ Trend to moderately intensify in 2025

TRUE: As seen from the charts below the valuations in the U.S. rose much higher than in Europe, underlining the geographical differentiation.

Median AI VC pre-Money Valuation (Euro M) by Region



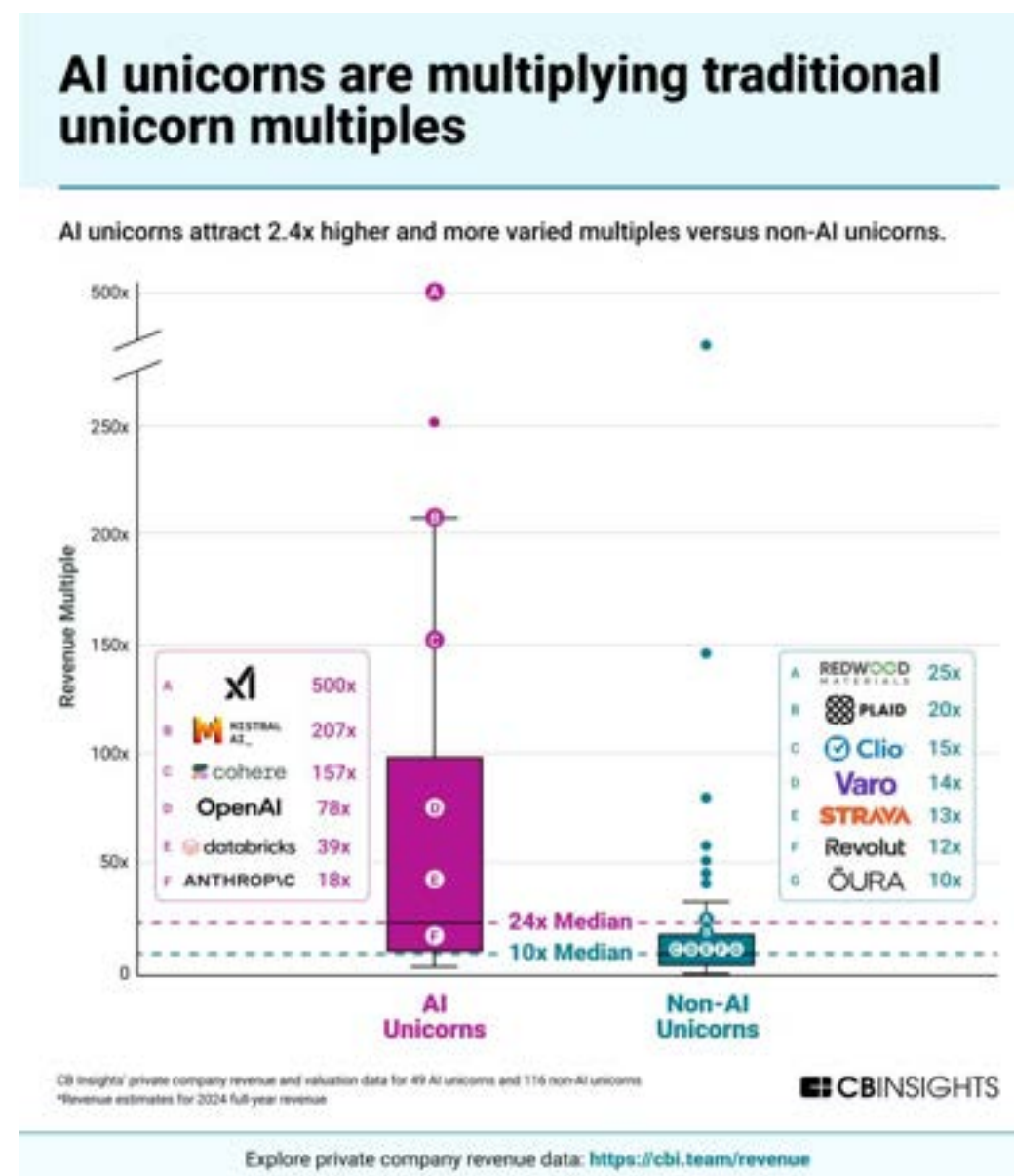
Source: PitchBook



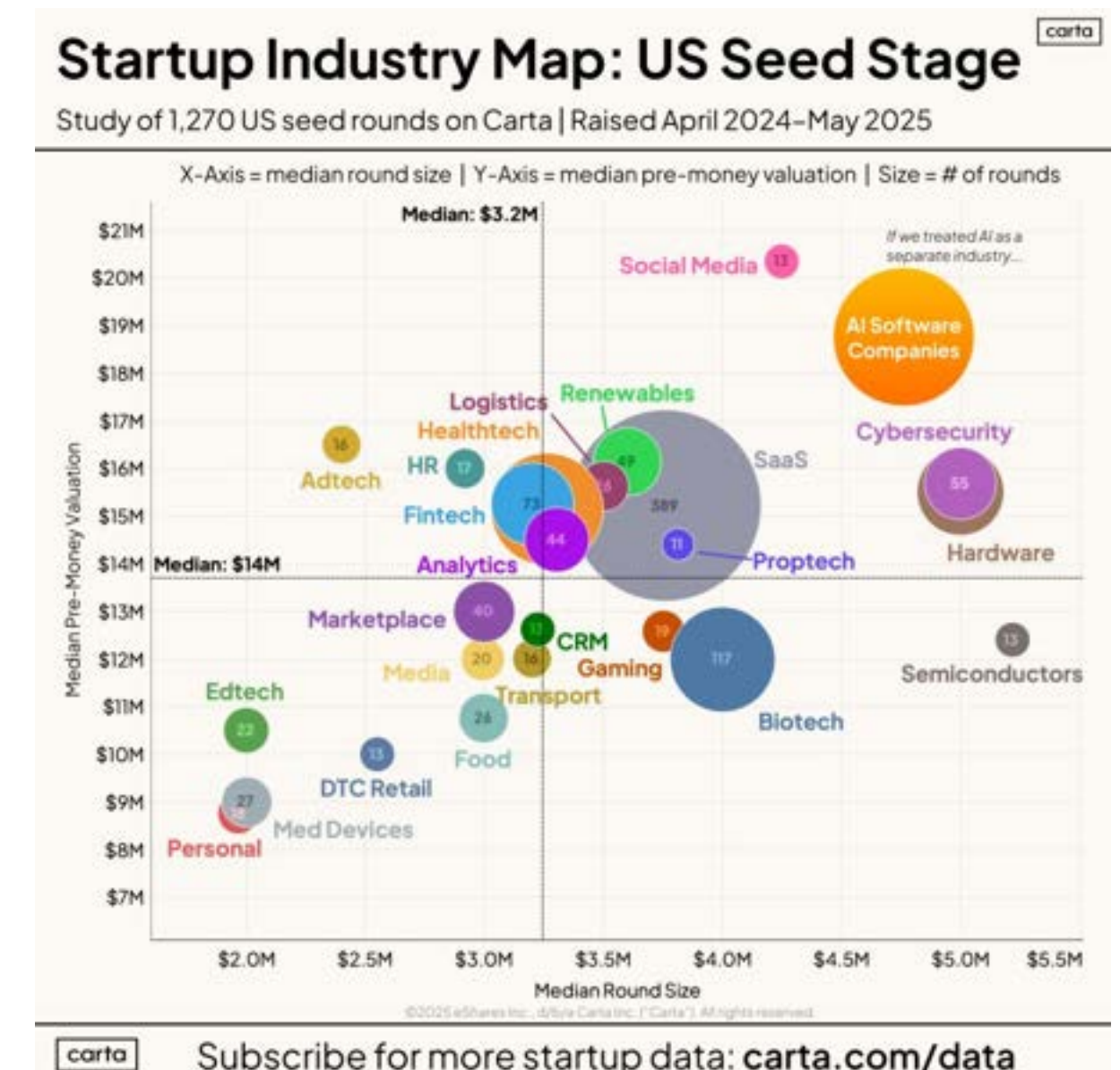
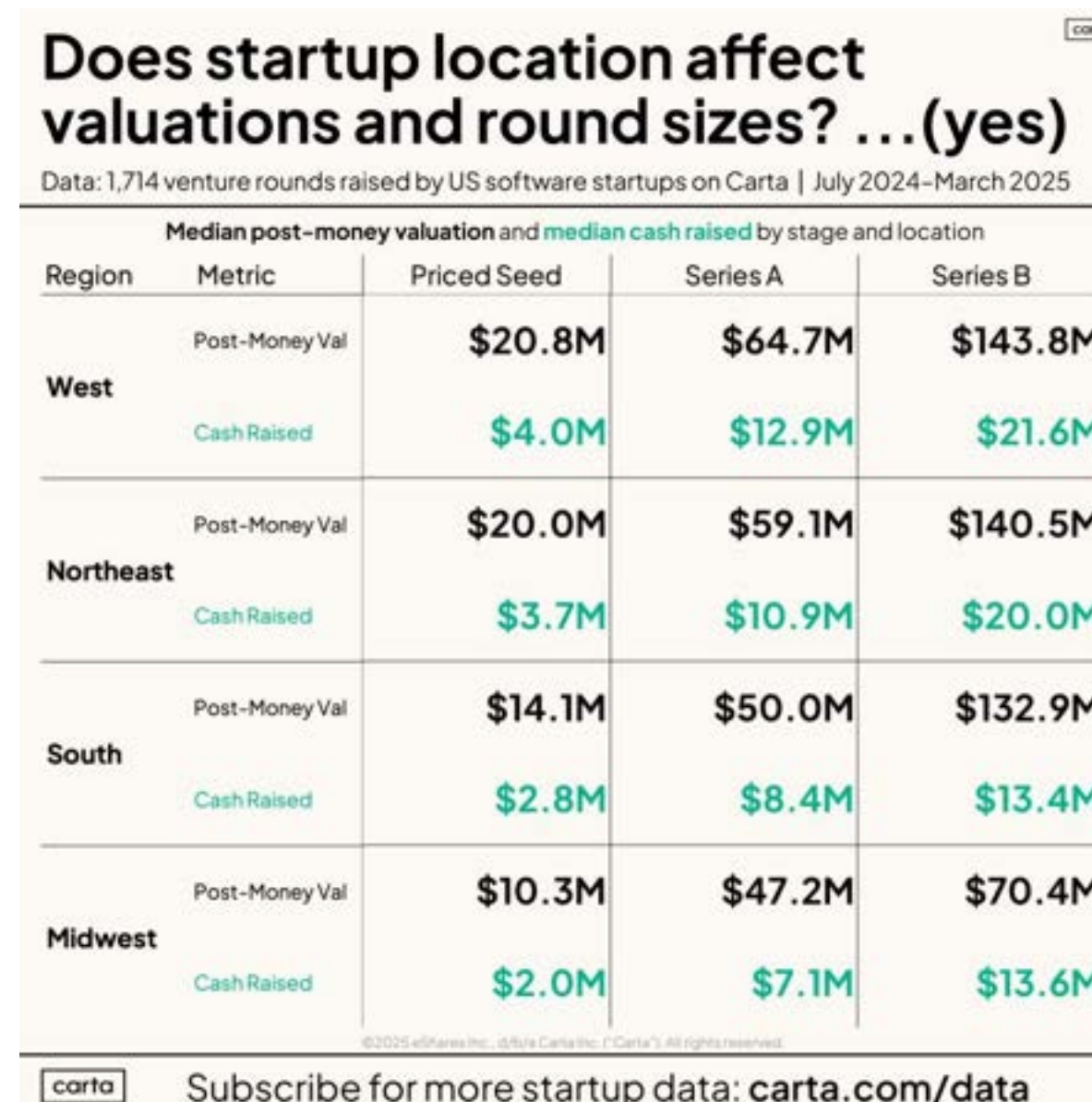
(Additional Info) Venture Trend 41 - Geography plays a role in valuations

In today's valuation landscape, AI unicorns are clearly outpacing their traditional counterparts, commanding a striking 24x revenue multiple compared to just 10x for non-AI unicorns—a 2.4x premium. This stark gap reflects investor belief in AI's transformative potential and its perceived scalability and defensibility. Geography further sharpens these disparities. Startups based in the West and Northeast U.S. consistently command 1.5x to 2x higher valuations than those in the South and Midwest, pointing to continued investor preference for established tech hubs with dense talent, capital, and exit ecosystems.

The valuation divide is also evident across industries. For instance, sectors like cybersecurity continue to attract high multiples due to structural tailwinds and mission-critical adoption, while others like Edtech face compressed valuations, possibly due to inconsistent monetization and post-COVID normalization. Together, these layers of disparity—by sector, geography, and business model—highlight just how uneven the unicorn valuation game has become. In this environment, investor appetite is highly selective, with capital flowing disproportionately toward perceived high-growth, high-conviction themes like AI.



Source: CB Insights

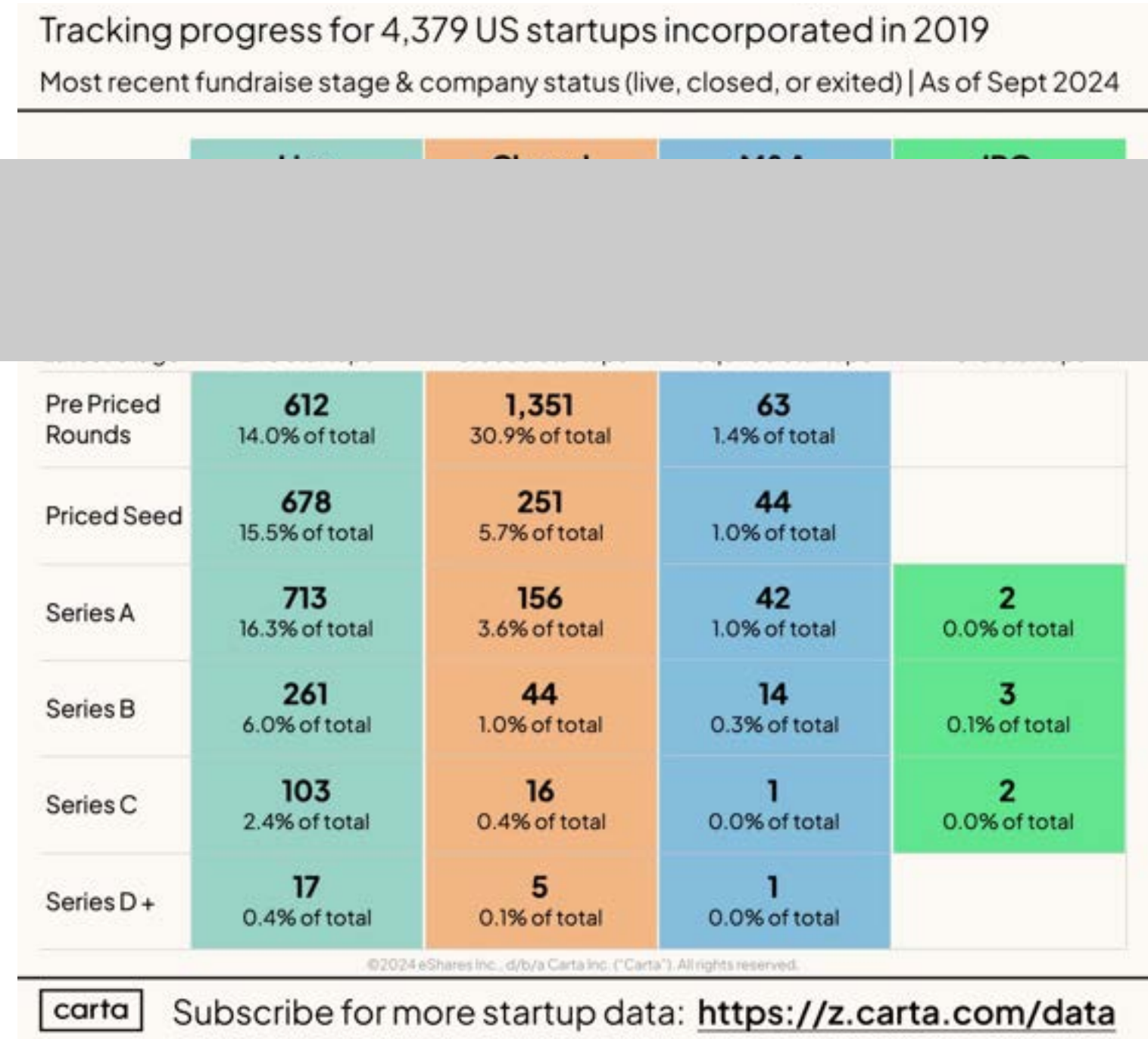


Venture Trend 42 - Power law in startups still applicable in 2024

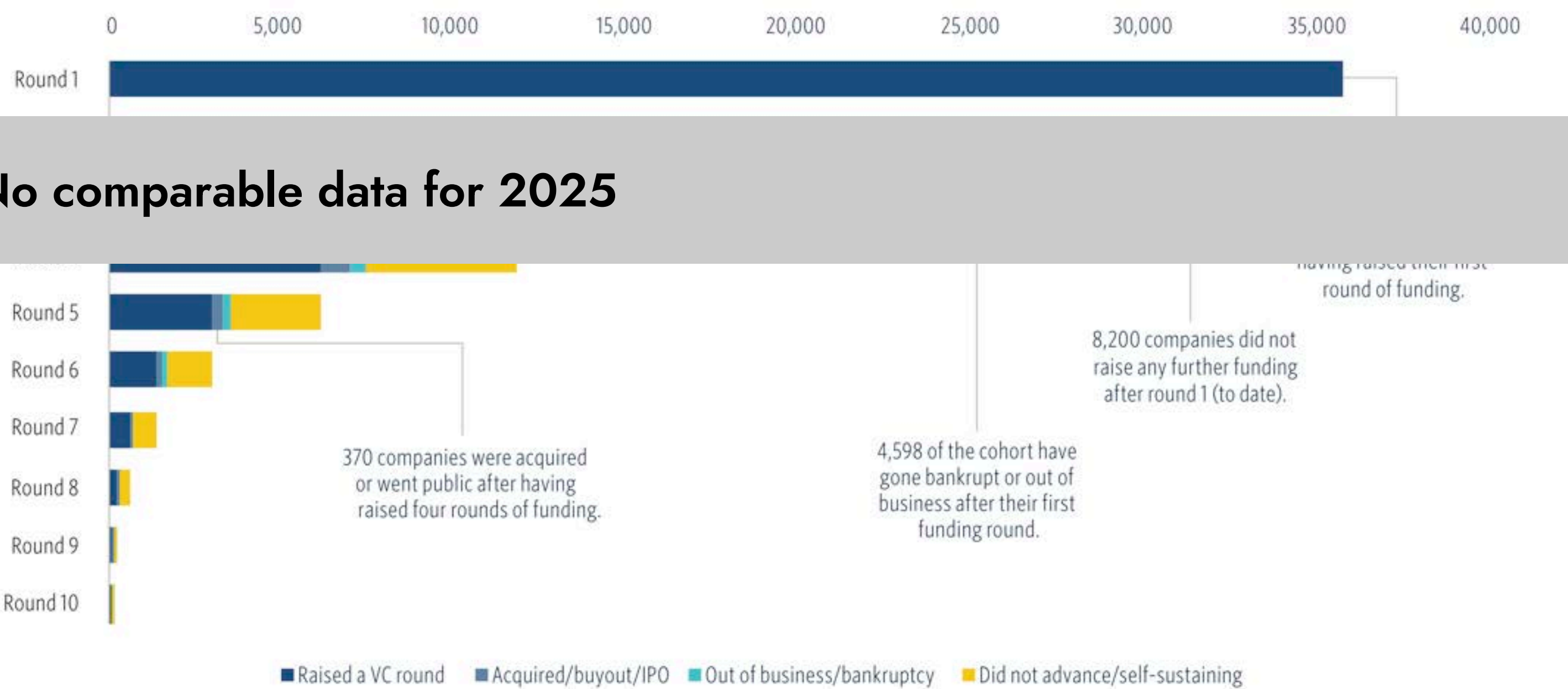
2024 Prediction: ➡ Trend to continue at similar pace in 2025

NA - No comparable data for this.

Where are 2019 startups now?



Europe VC dealmaking funnel (2013-2020) *



Note: Parameters for the funnel have been selected to provide the most accurate representation of the whole VC ecosystem. Our funnel includes data from 2013 through 2020 to allow sufficient time for exits and multiple rounds of financing to occur.

Source: PitchBook • Geography: Europe • *As of March 31, 2024

Venture Trend 43 - U.S. is the land of large outcomes

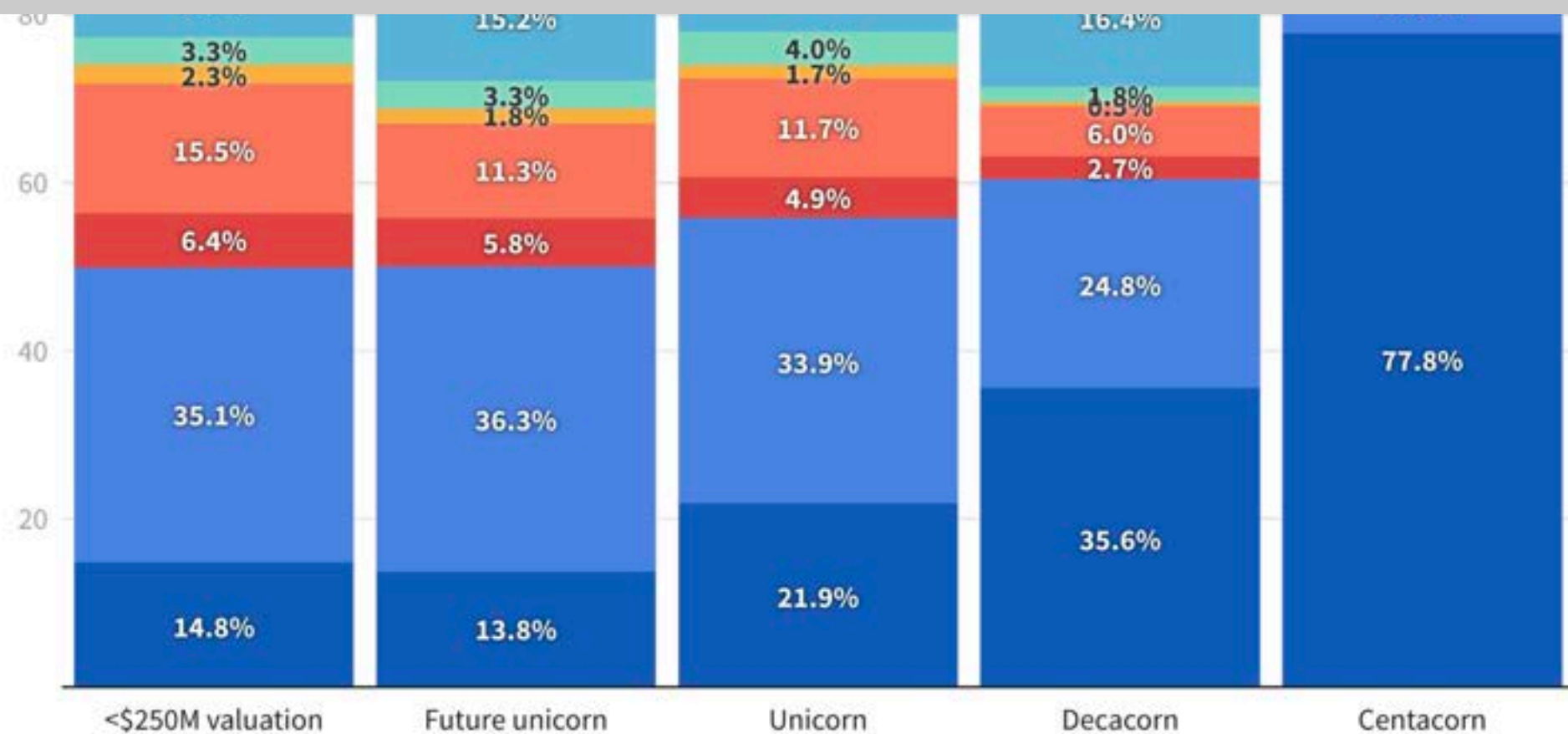
2024 Prediction:  Trend to moderately intensify in 2025

NA - No comparable data on this.

Combined enterprise value of all public & private tech companies since 1990 by location

Bay Area Rest of USA United Kingdom Rest of Europe Israel India China Rest of Asia Rest of World

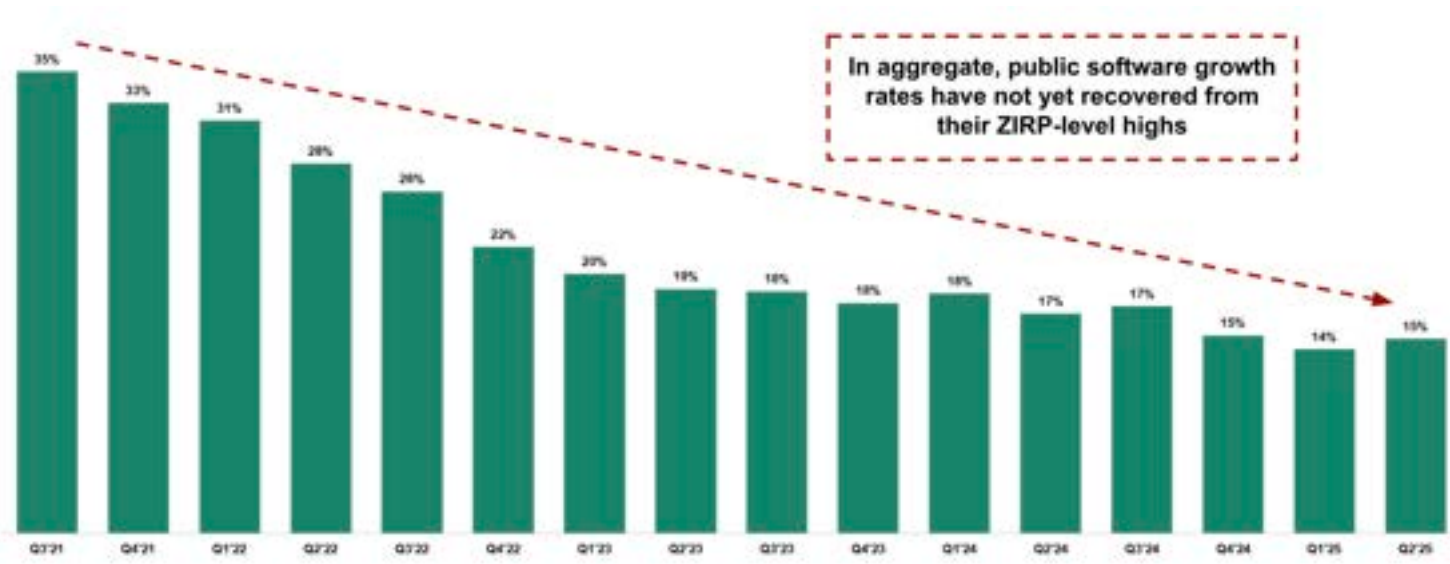
No comparable data for 2025



Venture Trend 44 - SaaS revenue growth went down in 2024

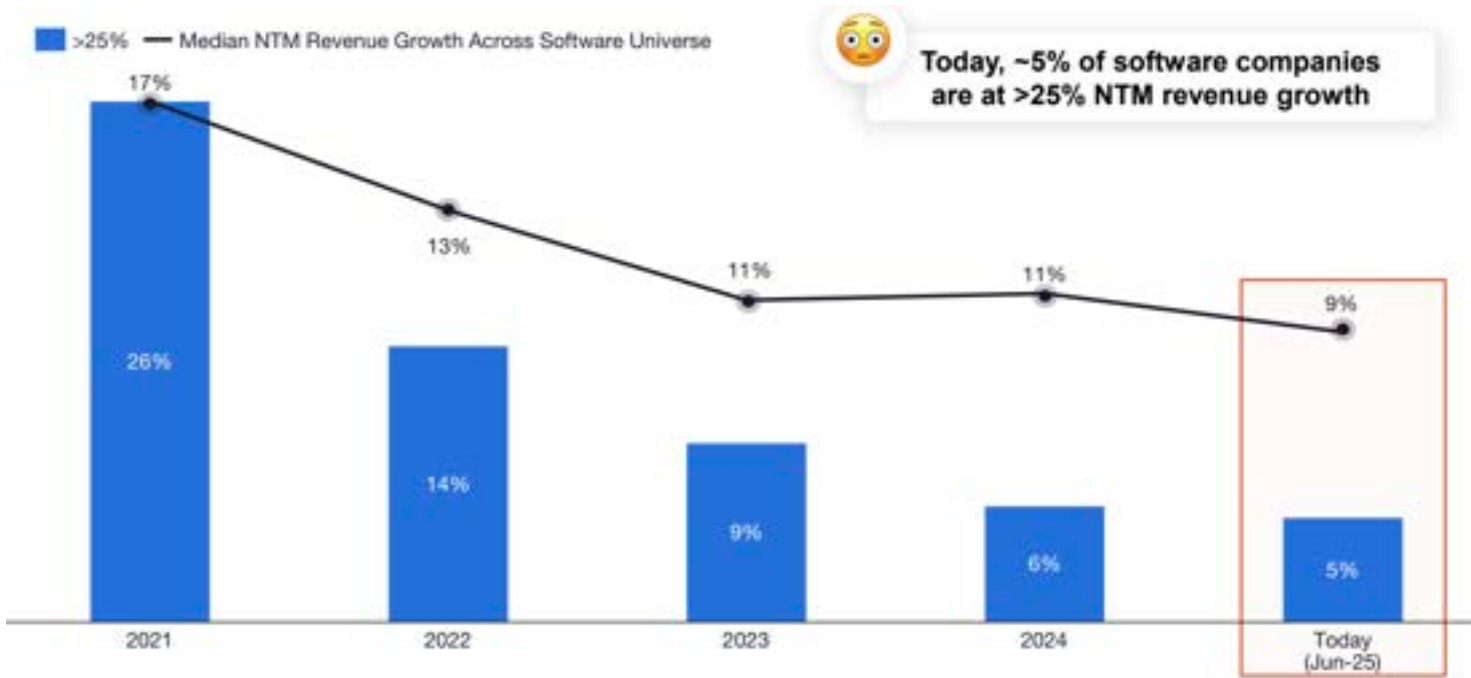
2024 Prediction: ➡ Trend to moderately reverse in 2025

FALSE: I expected growth to reaccelerate, but the charts below make it clear that SaaS growth—across both public and private companies—remains near cyclical lows. Only exception is AI tailwinds startups that are enjoying higher growth in the software category.



Source: Meritech

% of Software Companies with NTM Revenue >25%

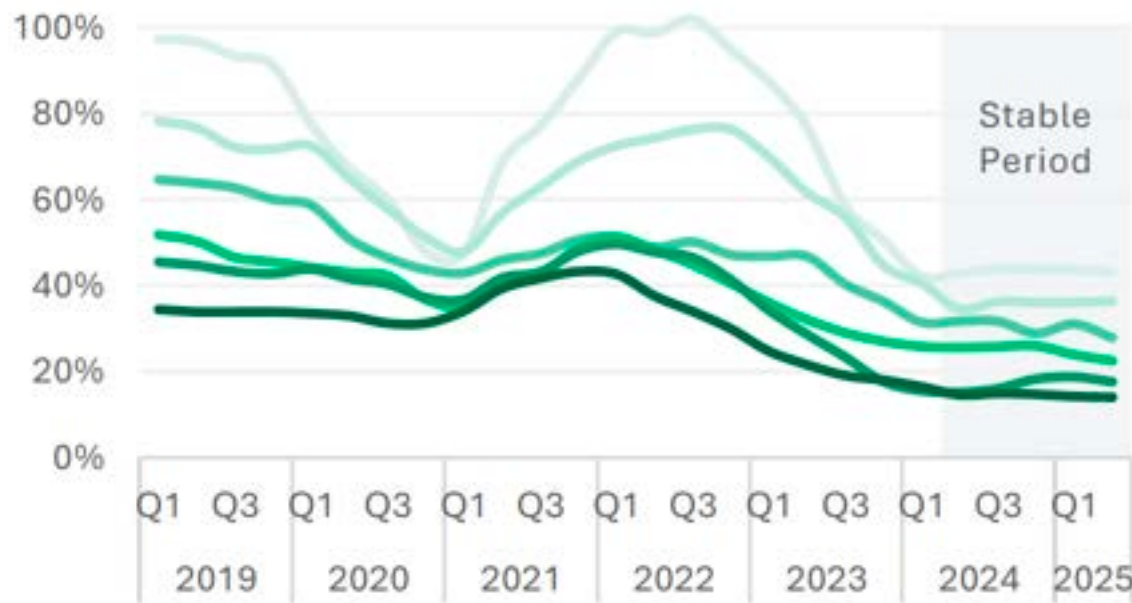


Source: Coatue

Growth: Slow and Steady

Median Revenue Growth Rate by Company Revenue

\$1M-\$2.5M \$2.5M-\$5M \$5M-\$7.5M
 \$7.5M-\$10M \$10M-\$20M \$20M-\$50M



Source: SVB

Around 90% of Public Software Now is Expected to Grow Less Than 20%



Source: Company Filings and Capital IQ as of 10/31/2023. Note: Growth buckets defined based on NTM revenue growth rate and constituents fluctuate between buckets dynamically. Includes list of software companies tracked by Jefferies I&D. All software since 2011, including software companies that were taken private.

Venture Trend 45 - Public SaaS valuations (revenue multiples) hovering at lows

2024 Prediction:  Trend to moderately reverse in 2025

FALSE: Revenue multiple still hovering at record lows for median.



Source: Meritech

[Click graphic for source post/article.](#)

Venture Trend 46 - Private companies still commanding a high premium over Public ones

2024 Prediction: ➡ Trend to continue at similar pace in 2025

TRUE: As the chart shows median S&P market cap is \$38B but the median top 10 private company valuation has been on constant rise over the last decade and now sits at \$83B



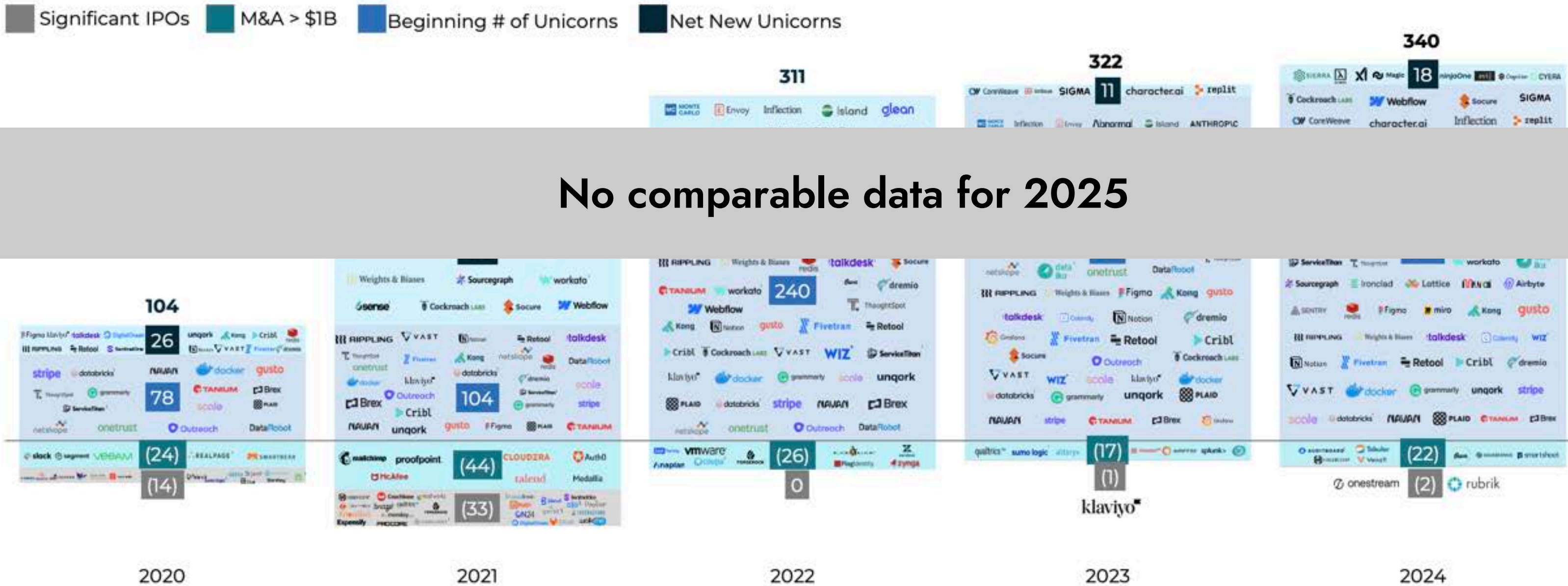
Source: Meritech

Click graphic for source post/article.

Venture Trend 47 - U.S. software unicorn creation has outpaced IPO and M&A volume

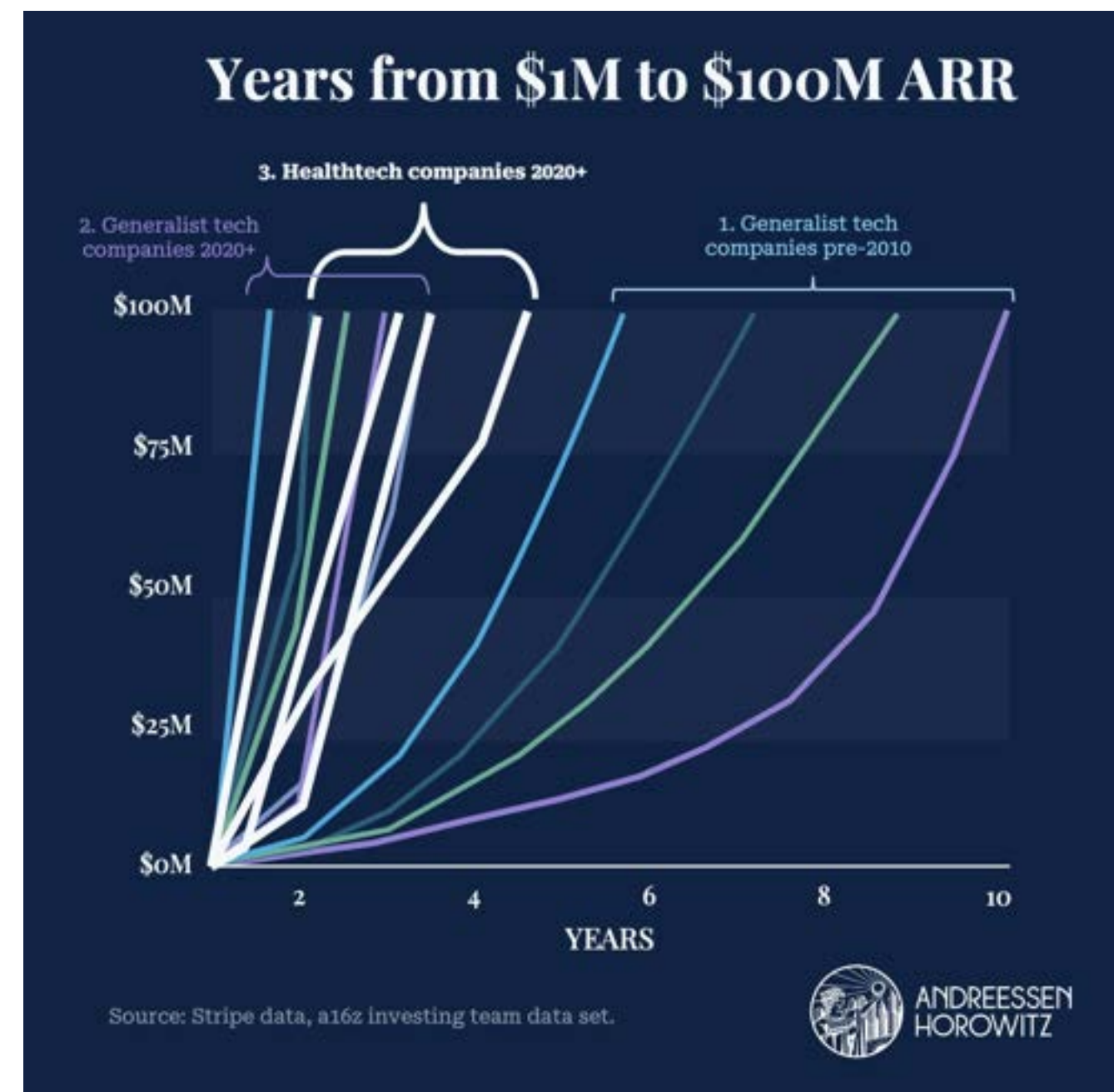
2024 Prediction: → Trend to continue at similar pace in 2025

NA - No comparable data on this.

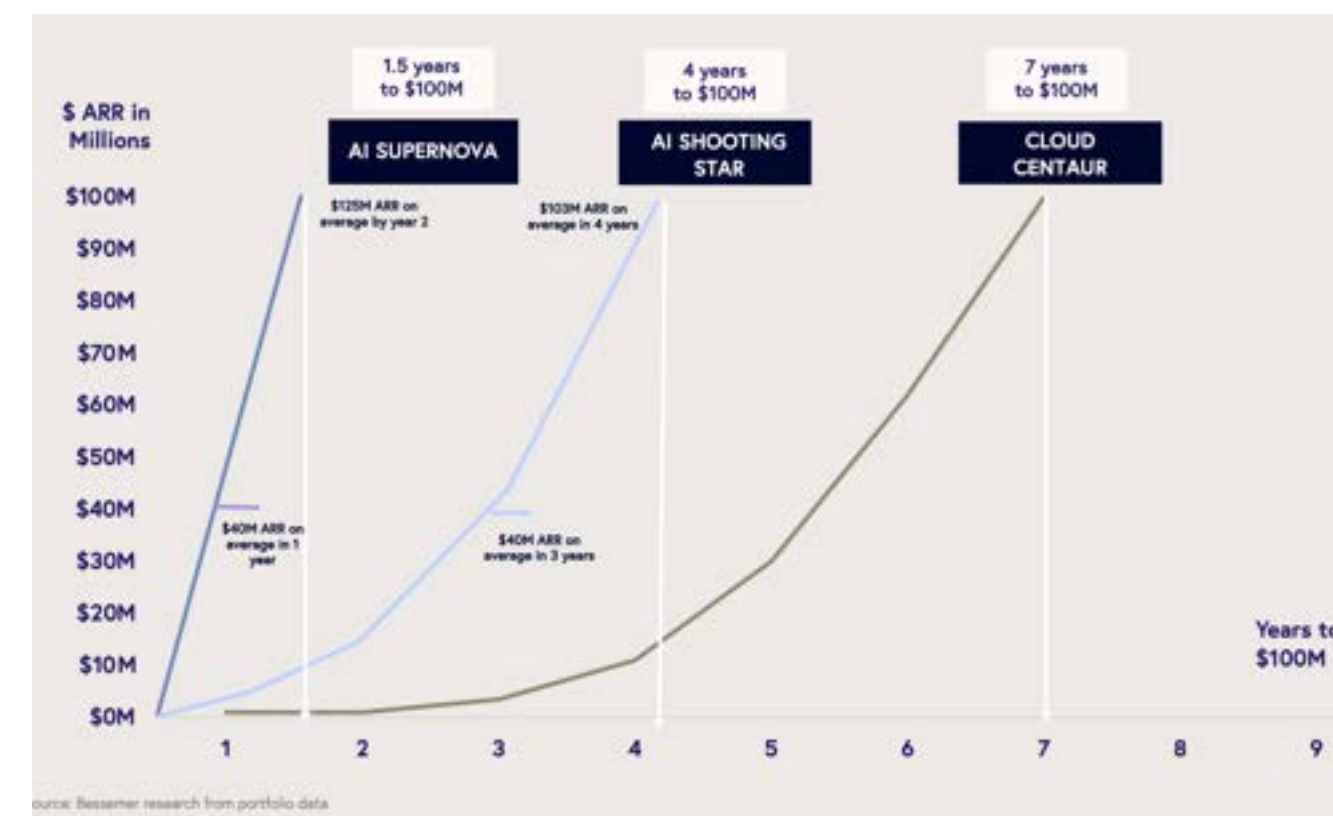


All About ARRs | 1

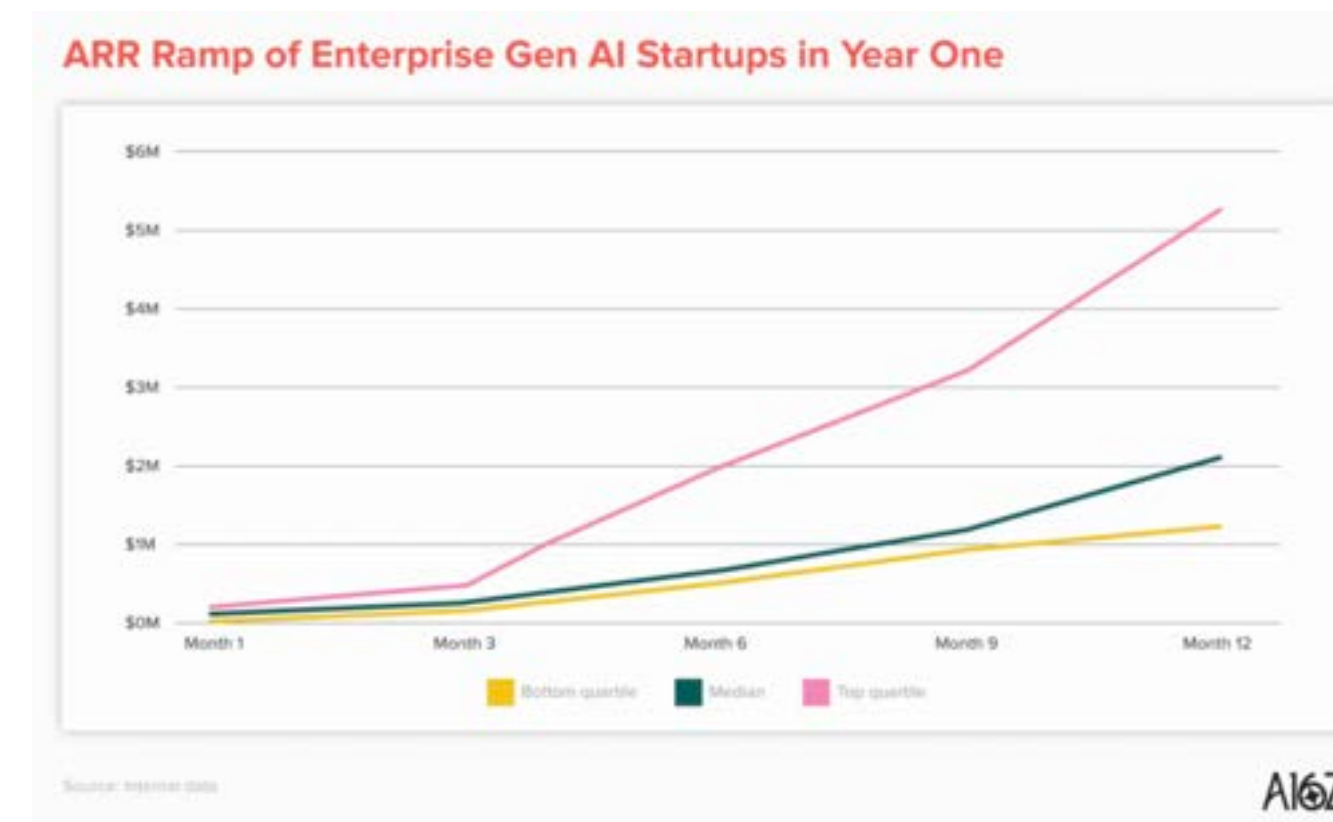
Reaching **\$100M ARR** in seven years once defined startup success—now it's merely average. But AI startups are denting this trend big time. The fastest growers, the “supernovas” as per Bessemer’s report are reaching these levels of ARR’s in 1.5 years. They often achieve that scale with negative margins, prioritizing speed over sustainability. VCs keep funding these burn-heavy models because growth and momentum is still higher than everything in AI as it’s the ticket to venture scale and market dominance. Meanwhile, more efficient “shooting stars” must prove they can grow with discipline. Another report says that the churn of customers in this ARR race is quite high and that some startups are using questionable accounting practices to showcase such a growth.



[Click graphic for source post/article.](#)



Source: Bessemer



Allie Garfinkle / Fortune:

VCs say some AI startups, under pressure to show rapid ARR growth, are using questionable accounting practices like counting one-time deals as recurring revenue — The numbers are eye-popping. — Beginning in 2024, a stream of ‘holy shit’ growth metrics from VC-backed startups began to pop up on X [formerly Twitter].

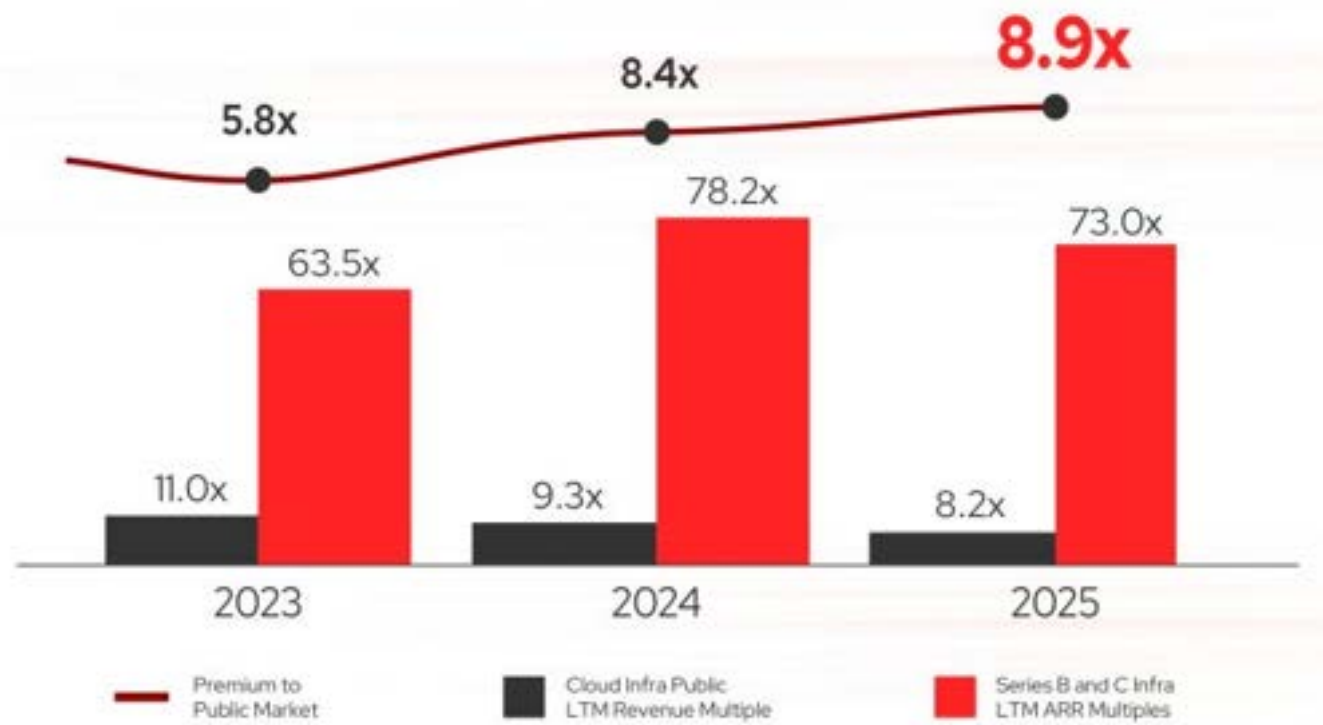
More: The Information and TechCrunch



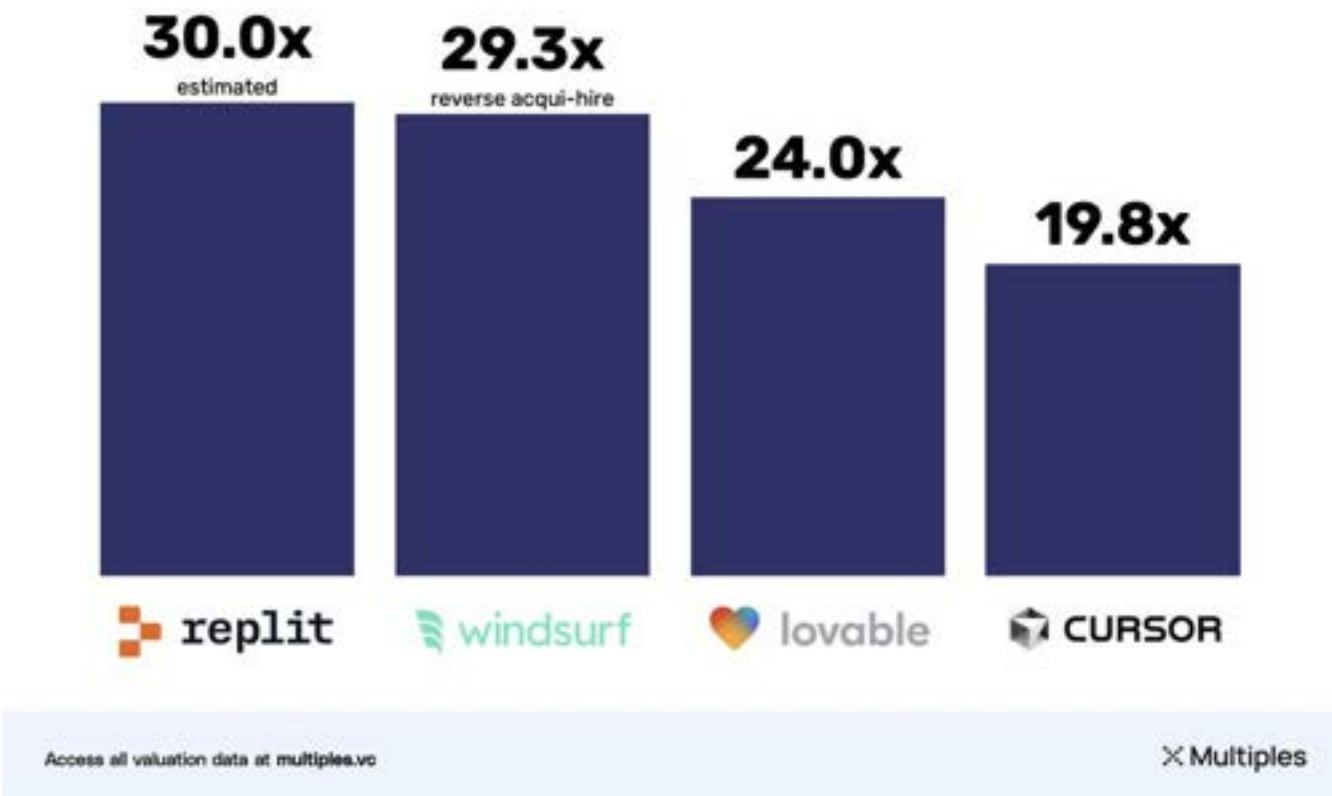
All About ARRs | 2

More granular ARR data is emerging as a key lens for understanding valuation dynamics in AI startups.

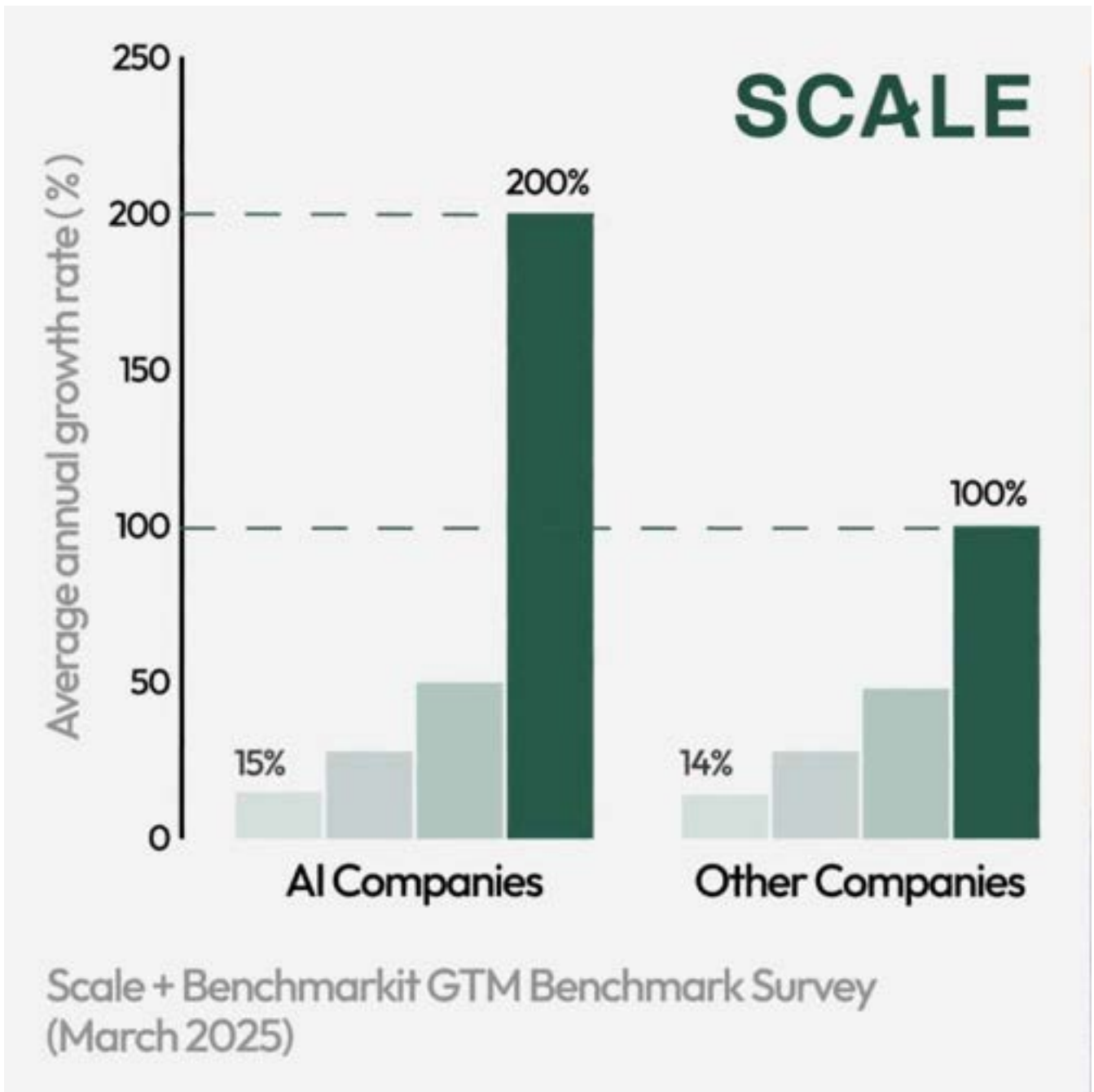
Public vs Private LTM ARR Multiples



Vibe Coding Tools - ARR Valuation Multiples



SCALE



ARR at Series A has exploded

Data from Silicon Valley Bank, US B2B companies only | Data not sourced from Carta companies



When ARR is not ARR

How ARR today is sometimes neither annual, nor recurring, nor revenue

TANAY JAIPURIA
OCT 28, 2025

Startup Revenue Nuggets



Puneet Kumar

@puneetiitm · Oct 9

The key reason VC in India is so different from the US is that companies can go from founding to \$30b in 3 years while achieving \$1b revenue run rate. It can not be imagined anywhere else.

The classic VC model relies on such outlier successes.

Founders are using creative accounting to boost lofty ‘ARR’—the hottest startup metric in Silicon Valley



BY ALLIE GARFINKLE

SENIOR FINANCE REPORTER AND AUTHOR OF TERM SHEET

September 28, 2025 at 6:00 AM EDT



Click graphic for source post/article.



Brianne Kimmel

@briannekimmel

An important milestone for every software company in Silicon Valley is closing an unaffiliated, outside of the bubble, paying customer

I quote @DavidSacks on this a lot because having one promising logo that's your friend's company or a dozen YC companies doing you a favor isn't PMF..

The first penny of happy unaffiliated repeatable revenue is the first critical milestone for a SaaS startup, as it proves that

1. the team won't be stuck in the Wilderness forever
2. the founding idea is not just a good story, there appears to be a market
3. the team has the ability to convert promise into traction



Vladimir Arustamian

@VArustamian · Oct 9

Went to a private VC event in Berlin.

Themes: don't compete with Silicon Valley, don't go horizontal, focus on small regional niches.
Everyone nods along. Then wonders why they can't hire talent.

Move to Stockholm, folks.



J.P. Bowgen · 2nd

Principal at Camber Creek | Venture Capital

+ Follow

...

A few years back, we saw a flood of startups name-dropping NEOM as a major contract in their pipeline. But in venture, you learn quickly: until the cash is in the bank, it doesn't count. Now, with projections that NEOM could take 55 years to complete and cost a staggering \$8.8 trillion (or 25x Saudi Arabia's annual budget), it's a textbook case of why we don't underwrite against hype.



Puneet Kumar

@puneetiitm · Oct 9

The key reason VC in India is so different from the US is that companies can go from founding to \$30b in 3 years while achieving \$1b revenue run rate. It can not be imagined anywhere else.

The classic VC model relies on such outlier successes.



Kyle Harrison

@kwharrison13

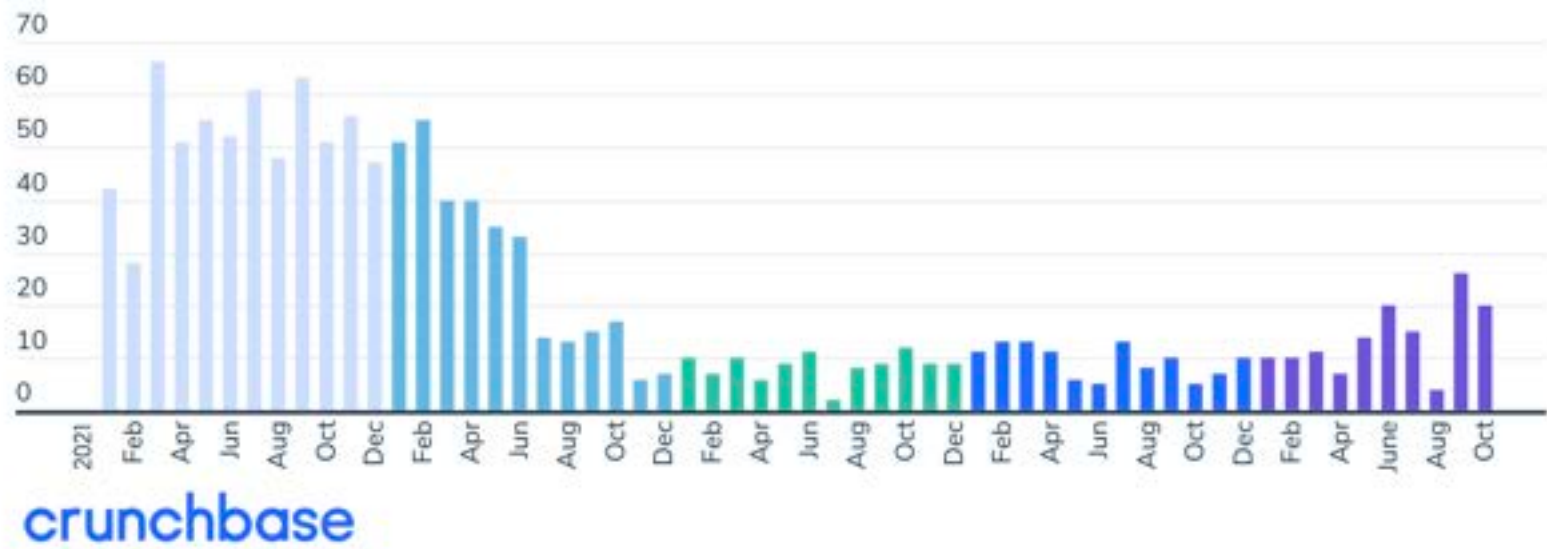
VCs virtue preaching about quality of revenue is such an odd cognitive dissonance.

I'll see VCs tripping over themselves to invest in pre-revenue companies at \$200-300M valuations and then balk at companies with several million of revenue because it's CARR vs ARR?

Pick a lane.

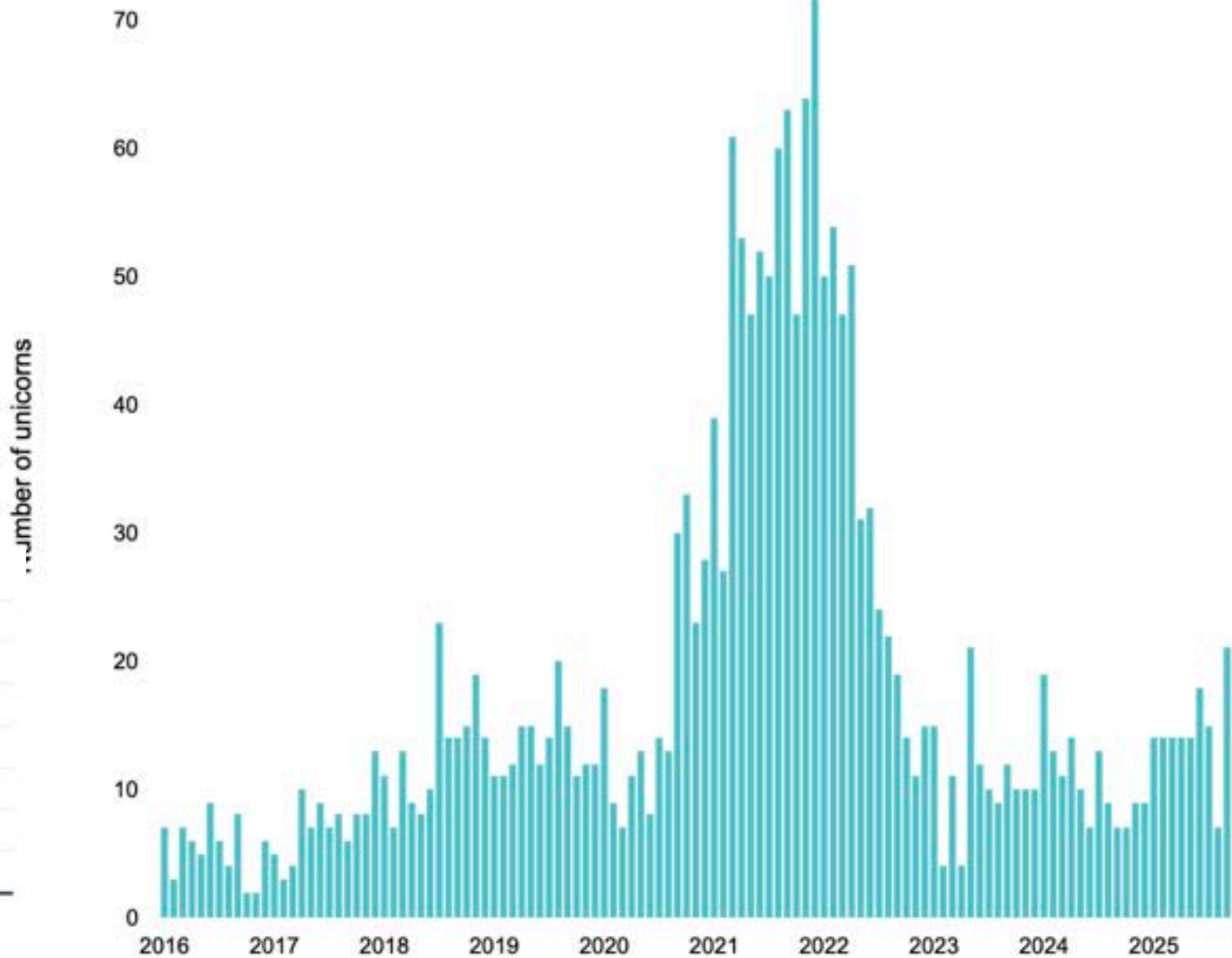
Unicorn Formation Data

Global New Unicorn Count By Month



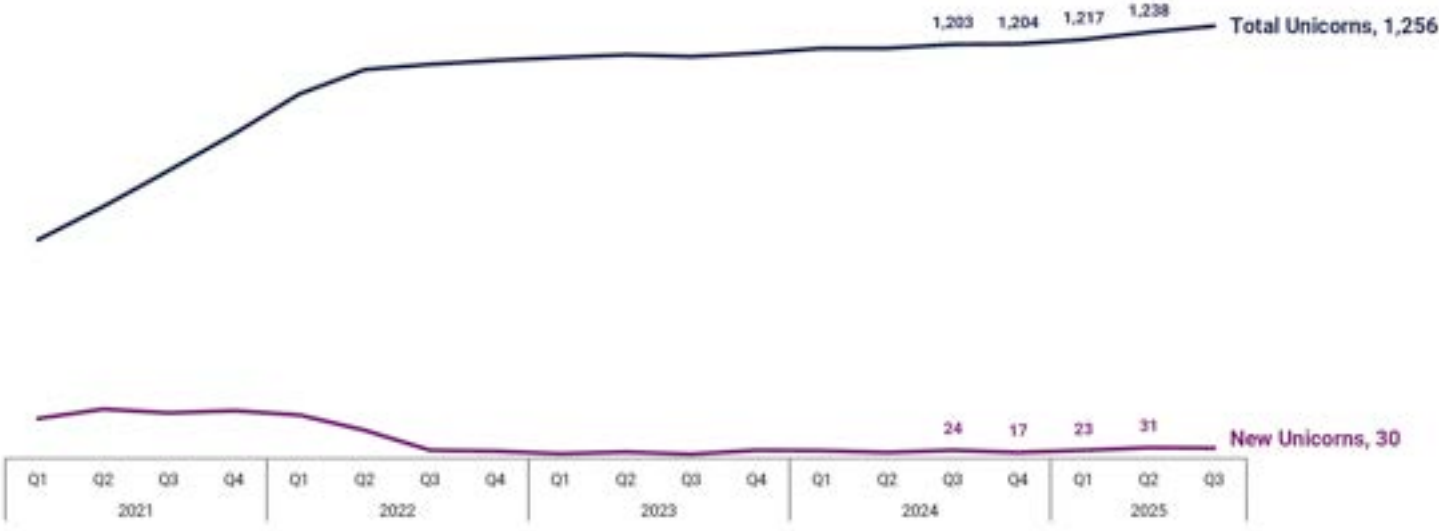
Source: Crunchbase

[Click graphic for source post/article.](#)



Source: PitchBook

Quarterly New & Total Unicorns



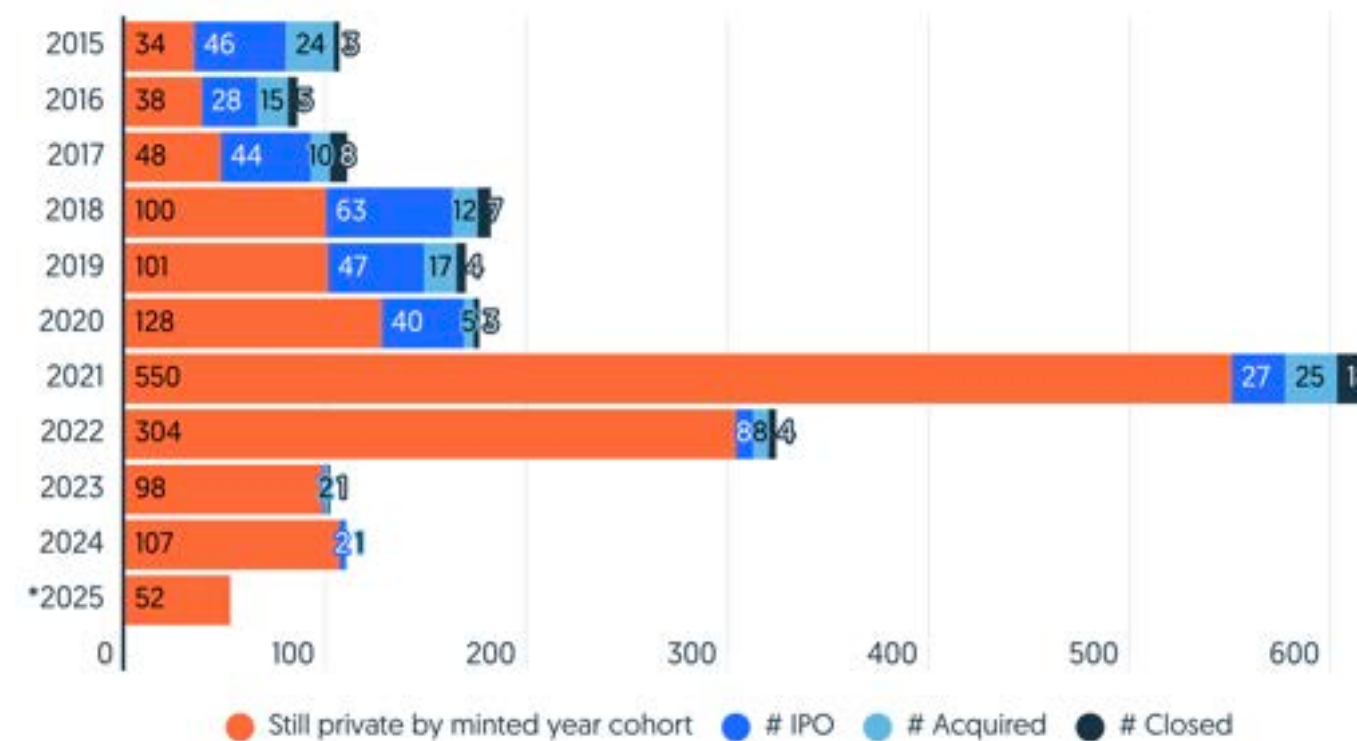
Source: CB Insights

Unicorn Performance

As noted in the last slide, the current unicorn formation rate has stabilized at around 10 per month—a far cry from the 2021 peak when nearly 60 unicorns were being minted monthly. While the pace has normalized, a deeper issue looms in the form of a “unicorn overhang.” Many of these private unicorns—especially those that joined the board over the last decade—still haven’t exited. In fact, less than half of the unicorns founded in the past 15 years have achieved a liquidity event.

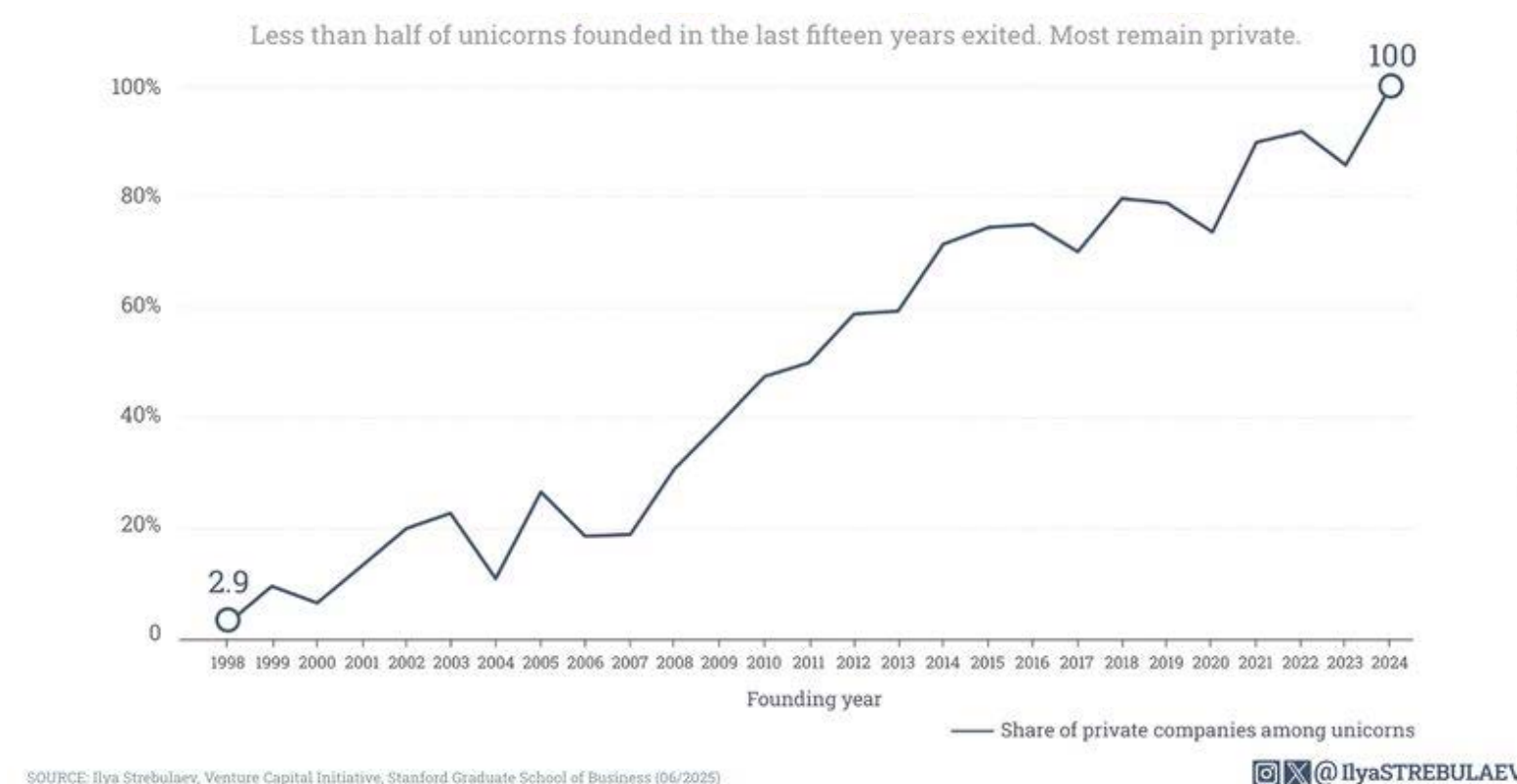
This backlog is creating a bottleneck in the venture ecosystem, tying up capital and limiting room for new breakouts. One of the key reasons for this overhang is the elevated bar for exits. Today, public markets and strategic acquirers are demanding stronger KPIs—higher revenue, durable growth, and clear paths to profitability. As a result, only around 25% of existing unicorns are realistically IPO-ready. The rest fall short—whether due to modest scale, slow growth, or weak margins. This growing disconnect between private valuation and public market readiness poses a structural challenge. Until a larger portion of this overhang clears, it will likely continue to cast a shadow over late-stage fundraising and exit dynamics.

The Unicorn Overhang: Still Private Unicorns By Year They Joined The Board

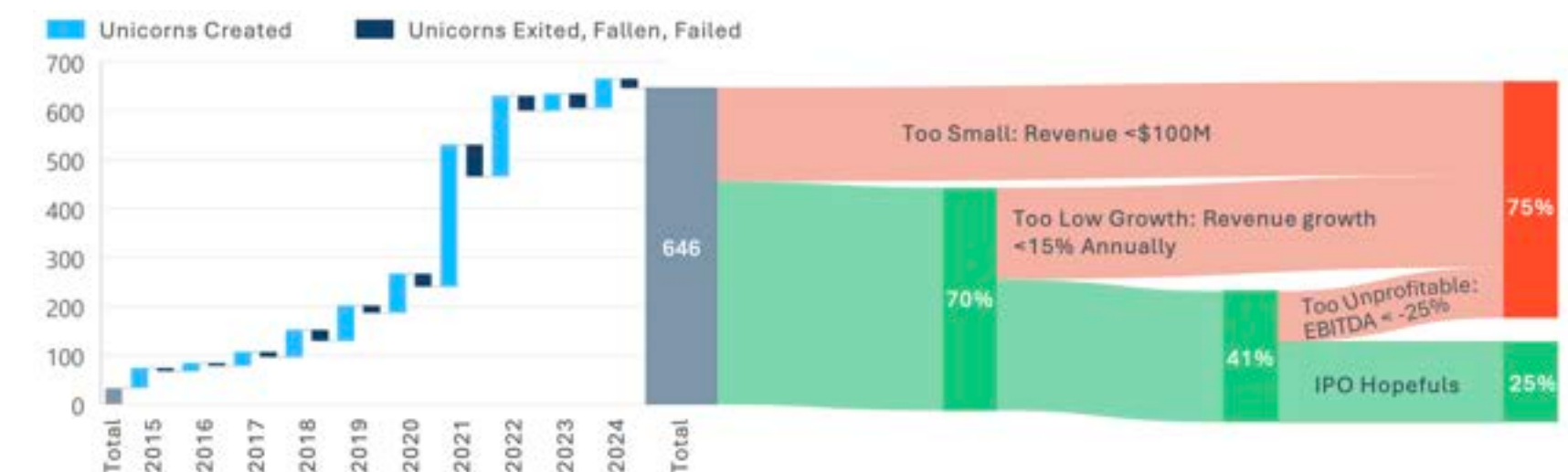


Source: Crunchbase

Unicorns Staying Private by Founding Year



Compressed Pipeline for IPO Hopefuls



Source: SVB

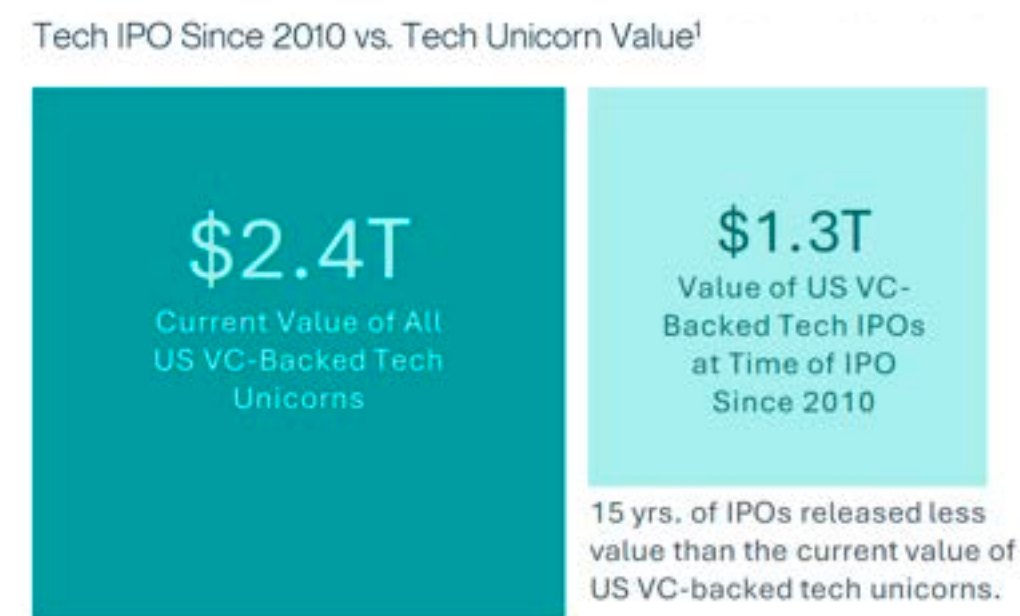
Unicorns' Worth

The current valuation of all U.S. VC-backed tech unicorns is nearly 90% higher than the total value of U.S. VC-backed tech IPOs at the time of listing since 2010—a staggering gap that highlights just how much value remains trapped in the private markets.

This imbalance underscores a key structural reality of today's venture landscape: significant capital and valuation growth are occurring pre-IPO, with fewer companies making the leap to public markets. That dynamic isn't showing signs of reversing anytime soon. In fact, 17 startups have already reached valuations of \$5 billion or more in 2025, nearly matching the full-year total of 19 in 2024.

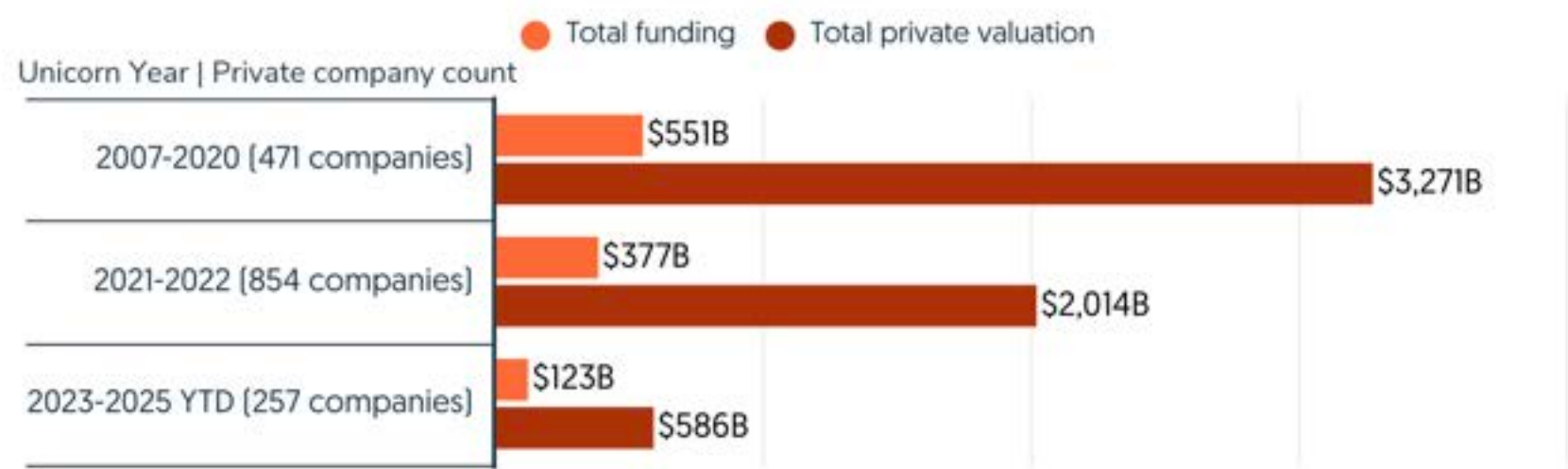
Unless there's a major shift in exit conditions or public market appetite, we can expect this private market concentration of value to persist for at least the next 2–3 years, reinforcing the importance of liquidity solutions like secondaries and continuation funds in unlocking returns.

Unicorns Worth More Than IPOs Since 2010



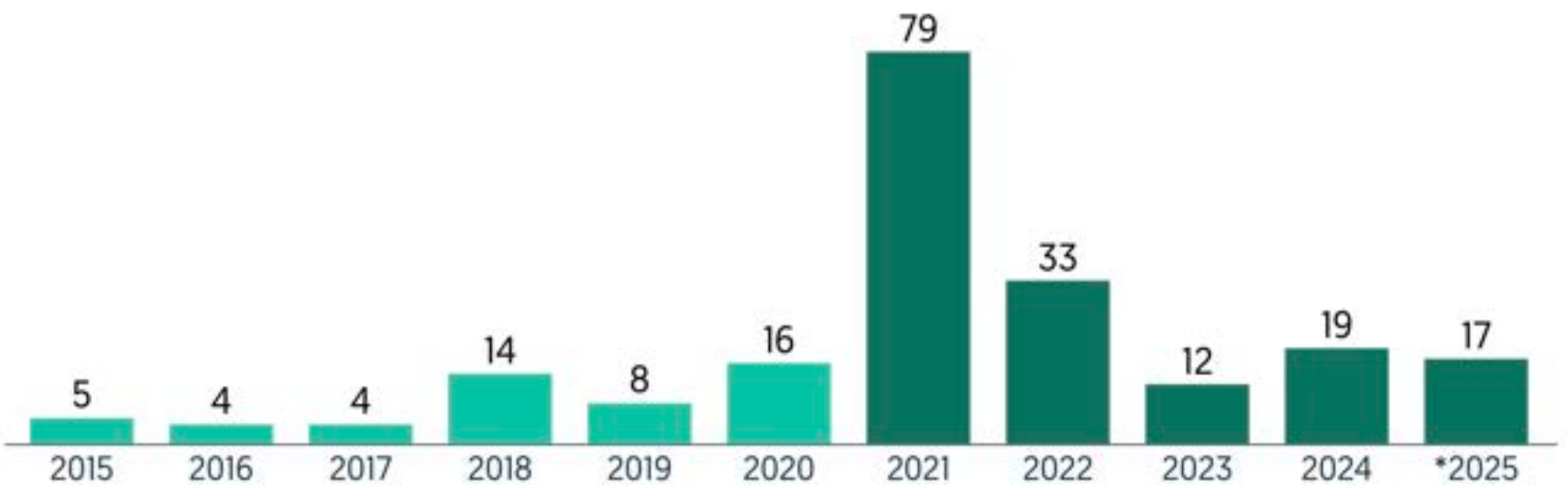
Source: SVB

Private Unicorns By Minted Year Range With Total Funding And Current Valuation



Source: Crunchbase

Initial Year Valued At Or Above \$5B For Private Unicorn Companies

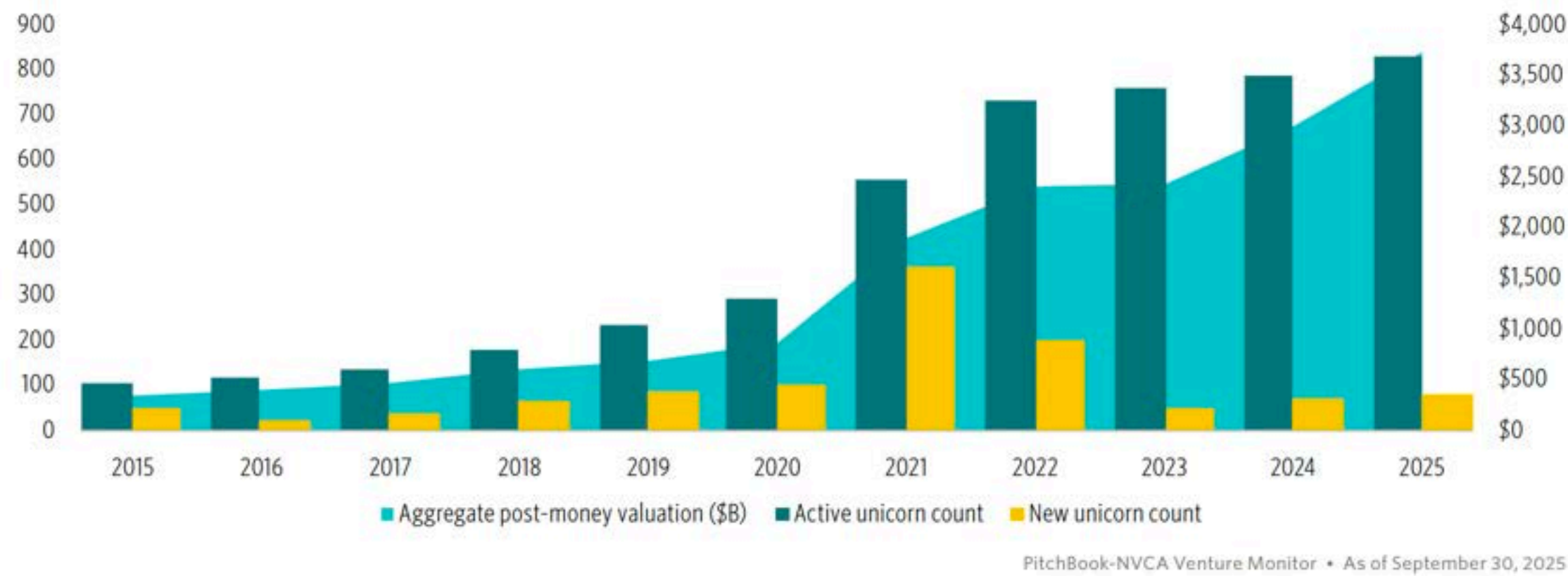


Source: Crunchbase

Unicorn Valuation Data

The number of active unicorns continues to climb, with their combined pre-money valuations hitting an all-time high.

Unicorn Count and Aggregate Post-Money Valuation



Valuation Nuggets



Josh Kopelman

@joshk · Sep 15

Today's valuations (for private companies) reflect the combination of: 1) the underlying value of the company, and 2) the value of the auction premium an investor needs to pay to win the allocation. (Unlike for public companies, where the need to outbid other to get allocation does not exist)

I would argue that in this AI cycle, we are currently seeing a very large step up in #1, and an even larger step up in #2.



Jack Arenas

Principal at Founder Collective

13h · Edited

The Hidden Costs of Exuberance

Venture capital has bounced back from 2021, but the competition to get into the hottest companies has continued to drive valuations to extreme heights. It's still routine to see seed rounds at \$50M+ post-money (sometimes much higher)—often for companies with no product in market and no real traction.

For truly breakout companies, this strategy can be a feature, not a bug. It helps founders minimize dilution and ensures large funds maintain meaningful ownership in the winners. But here's the issue: not every company has a straight shot to \$50M+ in revenue—and when that becomes clear, an overfunded cap table can turn what could have been a solid business into a dead end.

Germany's n8n eyes \$1.5bn valuation as Europe's AI start-ups draw investors

Automation software company in talks for new funding round as investors hunt for groups with strong revenues

Lies, Damn Lies, and Startup Valuations

Many startups that last raised in 2020-21 still haven't been re-priced. Similarly, many VCs haven't marked down startup valuations which should be discounted by 30-70%.

DAVE MCCLURE
JUL 08, 2025



Alex Oppenheimer

Verissimo Ventures - Pre-seed and Seed VC

5d

This concept of "the best deals" at seed is a logical fallacy.

What is viewed as a "great deal" early almost always means that it has some signals that cause it to be priced up... a lot.

Given this is a multiples business, a high denominator means that it is already playing handicapped for the rest of its lifetime.

OpenAI leads private market surge as 7 tech startups reach combined \$1.3 trillion valuation

PUBLISHED SAT, SEP 20 2025-8:00 AM EDT

MacKenzie Sigalos
@KENZIESIGALOS

SHARE f X in



Justin Moore

Founding Partner @ Innovius Capital, Recovering CEO

2mo

Why are so many VCs suddenly piling into AI-focused Series A rounds—even if that's never been their focus?

Because they're chasing markups, not fundamentals.

At the 75th percentile the typical valuation step-up from Seed to Series A is ~3.5x for both AI and non-AI companies. From Series A to B, non-AI companies see a ~3x step-up. But for AI-native companies, that A to B step-up is now 5.3x.

I know of multiple funds shifting their strategy toward "high-hype AI companies with ~\$1M ARR raising a Series A," hoping to lock in quick paper gains ahead of their next fundraise. Why? Because LPs told them they didn't have enough marks.

This kind of whiplash strategy isn't just shortsighted—it's destructive. It inflates fragile companies, distorts incentives, and ultimately weakens the entire venture ecosystem.



Josh Kopelman

@joshk · Sep 15

Today's valuations (for private companies) reflect the combination of: 1) the underlying value of the company, and 2) the value of the auction premium an investor needs to pay to win the allocation. (Unlike for public companies, where the need to outbid other to get allocation does not exist)

I would argue that in this AI cycle, we are currently seeing a very large step up in #1, and an even larger step up in #2.

Startup Performance Nuggets | 1



Dan Gray ✓
@credistick



A few early signals that do not appear to correlate with actual potential (ultimate outcome):

- Time to revenue
- Total revenue
- Revenue growth rate
- Funding raised
- Round price

...and yet these factors command significant attention and capital. Indeed, scaling ARR seems to be the only thing that many VCs care about today, despite evidence that this erodes startup quality.

VC thinking is focused on ARR because it enables investors to reliably print markups on companies with terrible unit economics, using simple logic and observable data. No uncertainty about the future, no real judgement, no risk. Just simple calculations that deliver reliable short-term results.

It effectively separates the short-term performance of venture capital funds from the actual quality of the underlying businesses, using opaque proxy metrics.

NEWS

Hundreds Of Unicorns Haven't Raised New Funding Since 2021

Crunchbase article
from Joanna Glasner dated February 13, 2020



Leon Szeli ✓ • Following
Product @ Meta | Presize (acq. by Meta) Founding CEO | IC @ CDTM Ven...
1mo • 🌐



Had the first three write-offs in my business angel portfolio (25 startups, 3 y/o)
One pattern stands out. The best predictor for failure is a pretty basic one:

Investor updates.

I see three buckets in my portfolio:

- 1 Crisp updates. A few sentences long. Focus on what matters: revenue, runway, highlights, main challenges, main milestone next month, how you can help.
- 2 Extensive updates. Update looks like founder spent a few hours writing it - I prefer founders spending most of their energy on their customers, employees and product instead of their investors. Despite length, most important KPI (revenue) often only nested in some sub paragraph. In the space where I invest, if you don't have revenue, you don't have a business. Following the money ruthlessly leads you to product market fit and therefore follow on funding or profitability.
- 3 No updates.

All write-offs were in the last bucket.



Halle Tecco, MPH, MBA ✓ • Following
Board Member, Adjunct Professor, Healthcare Optimist
1mo • 🌐



One of the most disappointing things as an angel investor is when founders stop sending investor updates. I know founders are busy, but when you invest, there's an expectation that you will get to follow the journey. So it's a bummer when that doesn't happen!

I currently have 25 active portfolio companies. Here's how often I've heard from them this year:

- 👎 48% have not sent a single update this year
- 😐 24% send updates annually or biannually
- 😐 24% send quarterly updates
- 👍 1 sends monthly updates

Taking a closer look at those I haven't heard from... 7 I could probably write off, 2 are unicorns, and 3 are somewhere in between. I'm not sure how this compares to other angels, but figured I'd share for transparency into the weird world of angel investing!



Vaibhav Domkundwar ✓
@vaibhavbetter



The mortality from Pre-seed to Series A/B is just too high today for pre-seed to continue to work unless you have something super unique.

There are more pre-seed and seed funded companies than ever before so the conversion rate to Series A is far worse than even 5 years ago.

So, it is harder than ever to do pre-seed and seed - the risk reward simply doesn't add up. And it will only get worse.

Series A/B might be where risk reward looks far better than ever before in terms of PMF - though high pricing can often be a challenge.

Unless you love zero to one, it's simply not worth investing in pre-seed or seed at scale. No wonder Benchmark moved to Series A many years ago.



Jack Arenas ✓ • 1st
Principal at Founder Collective
2w • 🌐



The unicorn benchmark is dated.

Valuations have crept up over 2x in the last decade across every stage, especially when adjusted for progress, making unicorn status easier to hit. And fund sizes have ballooned even faster; most institutional-scale funds can barely return 1x on a unicorn outcome anymore. In many cases you now need a decacorn just to clear the S&P over a 10-year horizon, and sometimes not even that, as Wiz/Insight showed.

Thanks to inflation, today's \$1B is closer to \$700M in 2015 dollars.

It's now easier to hit unicorn while harder for unicorns to matter.

Startup Performance Nuggets | 2

 **Vinod Chendhil**  [@vinodchendhil](#)  

Understanding TAM (total addressable market) is damn tough for founders and VCs alike.
If PeakXV can get it wrong then can so many others.

The trick is to understand consumer behaviour and think 10 years down the line and ask "Will this be true 10 years down the line." If yes then you have a good chance of getting your TAM right.

Today building a 100 cr+ consumer company is not that tough, can be built on back of Meta and Amazon alone.

Already seeing many clothing brands crack it. In the next 3 years building a 100ce food/fmcg/ayurveda companies would be relatively easier than what it is today.

The reason is simple TAM of every category is exploding and consumption is increasing many folds.

 **Hadley**  [@Hadley](#) · Oct 3  

Many founders in this environment are taking the wrong lessons from companies like Cursor. They see the hyper scaling of 2024 and assume the playbook is to scale right after seed. The reality is very different.

Cursor raised its seed in 2022 and then spent 18+ months heads down with a small group of users, refining product and distribution. Only in late 2023 into 2024 did the company truly hit breakout velocity.

The real pattern is that hyper scaling companies spend a decent period tuning product and GTM before pulling the trigger. Scaling should feel like being pulled by demand, not pushing a boulder uphill.

 **Christopher North**  · Following
Technology investor, board member, advisor and mentor
1mo · 

Europe's best growth-stage tech companies are thriving—but beneath the optimism lie three structural challenges that surfaced again and again in conversations with the CEOs/CFOs of 20+ leading private companies. (These were at and around the JP Morgan and Goldman Sachs tech conferences the week before last.)

In my previous post I shared four very positive themes from these meetings; today, I'll focus on a few sobering messages. (See comments for link to earlier post.)

1. Only a handful have a clear, near-term path to exit. No more than three or four of the companies I met saw an exit within Europe as a likely outcome in the next three years. The vast majority plan to stay private and compound value, with exit windows typically in the three- to five-year range, and sometimes beyond.

 **Deedy**  [@deedydas](#)   [Subscribe](#)

Growth VC rounds are predicated on *sustained* growth.

The sobering reality of public SaaS markets is that if you grow < 15%, you trade at < 5x ARR.

You can raise at \$1B growing \$10M to \$40M.
And still trade at \$1B growing 5% at \$500M.
After 4-5 years of *flawless* execution.

NEWS

Venture debt lenders will play a big role in fire sales and startup shutdown this year, experts say

TechCrunch article from Marina Temkin dated February 1, 2025

- When accounting startup Bench abruptly failed last month, the shutdown was forced when the company's lenders called in the startup's loan.
- Concerned about the future of their investments, lenders are increasingly pushing startups to sell themselves to minimize potential losses
- In situations where lenders are forcing an acquisition, equity investors are generally not getting much of the money being paid, and often not even making their money

NEWS

Chinese VCs are hounding failed founders to claw back their investments

TechCrunch article from Charles Rollet dated January 7, 2025

- As China's economy stalls, the country's VCs are enforcing redemption clauses written into funding terms that were previously rarely enforced, according to the FT.
- This is resulting in some Chinese founders owing millions of dollars to their investors and ending up on debtor blacklists, blocking them from booking hotels, taking planes, or leaving China.

Startup

Exits

SECTION 7

Exits - Index | 1

2024 Predictions for Venture Trends

Exits

- TREND 48 | U.S. VC Exits below the trend line in short and long term
- TREND 49 | Startup Exits are increasingly loss making
- TREND 50 | Seed stage startup Exits has highest loss making percentage
- TREND 51 | Startup business area matters for an Exit
- TREND 52 | Missing big exits

M&As

- TREND 53 | Global Tech M&A jumped back in 2024
- TREND 54 | Acquisitions higher at early stages and early life (< 5 years) of a startup
- TREND 55 | Startups buying other startups claimed largest share of total M&A in the U.S. in 2024
- TREND 55 | Additional Info
- TREND 56 | PE firms are increasingly targeting VC-backed startups
- TREND 57 | Regular players (top 10 Software acquirers) aren't doing M&A anymore
- TREND 58 | Acquisitions are always substantially large portion of Exits by numbers, but considerably small by volume
- TREND 59 | Majority of startup M&A deals end up losing money
- TREND 60 | U.S. acquirers continue to dominate

IPOs

- TREND 61 | Best value generating Exit is still an IPO in 2024
- TREND 62 | India in 2024 was king of the IPOs
- TREND 63 | IPO metrics of startup have changed
- TREND 64 | Small IPOs didn't materialise in 2024

Secondaries

- TREND 65 | Rise of Secondaries as liquidity mechanism
- TREND 66 | Pricing has recovered in Secondary deals

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DATA

Exits Data

- [Global Exit Data | 1](#)
- [Global Exit Data | 2](#)
- [U.S. Exit Data](#)
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- [APAC & SEA Exit Data](#)
- [Exit Sentiment](#)
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- [U.S. VC IPO Exits](#)
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- [London IPO Market](#)
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- [IPO Risk Factors](#)
- [IPO Nuggets | 1](#)
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Secondaries Data

- [VC Fund Secondaries](#)
- [Secondaries Pricing & Volume](#)
- [Secondaries Data | 1](#)
- [Secondaries Data | 2](#)

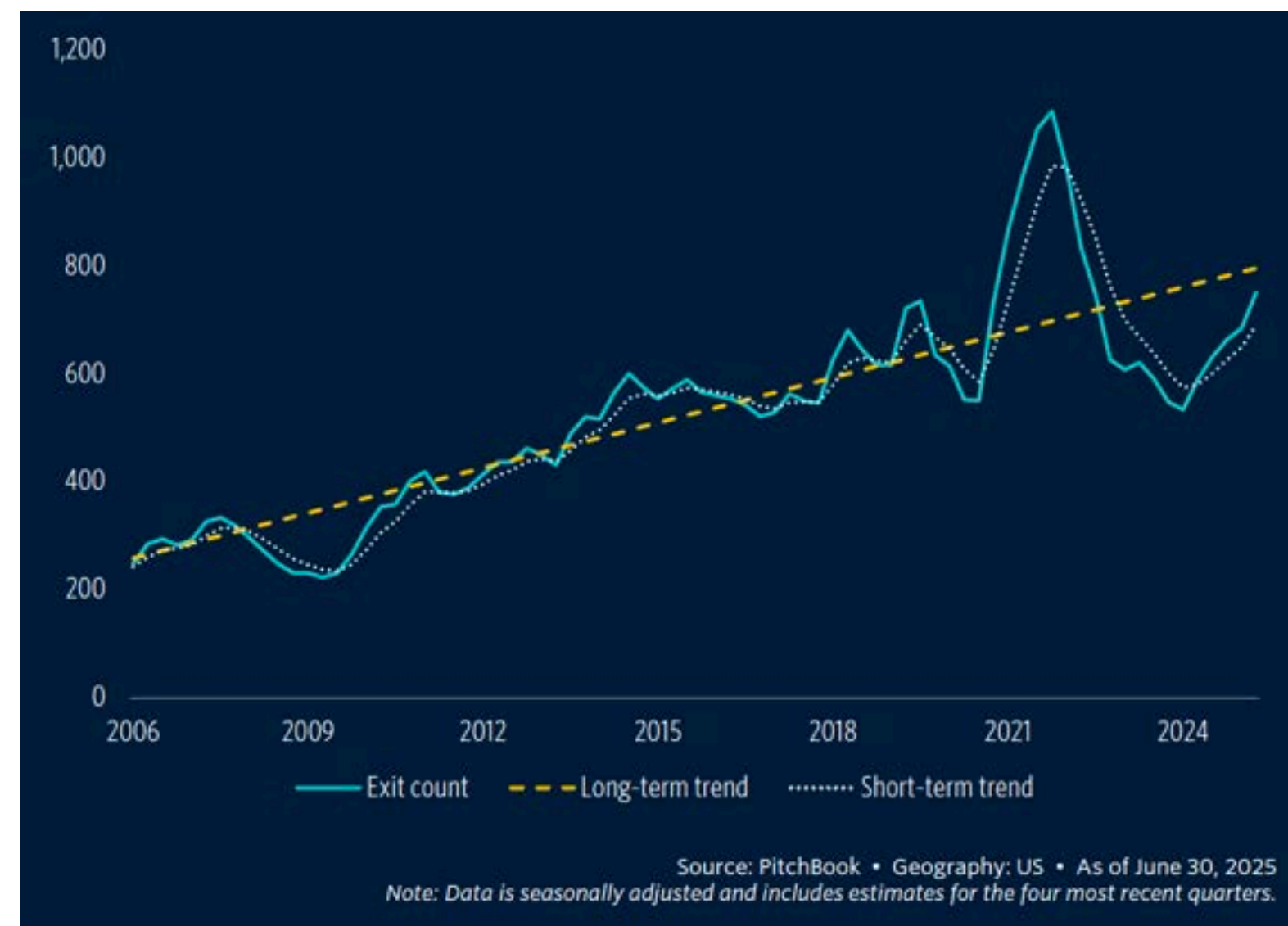
M&A Data

- [M&A Data](#)
- [AI M&A Data](#)
- [Unicorn Acquirers](#)
- [M&A Nuggets](#)
- [Is Mega M&A Dealmaking Back?](#)
- [Hot AI M&A Market](#)
- [Age of Acquihires](#)
- [Acquihires, Reverse Acquihires, and Blitzhires](#)
- [Windsurf Saga](#)

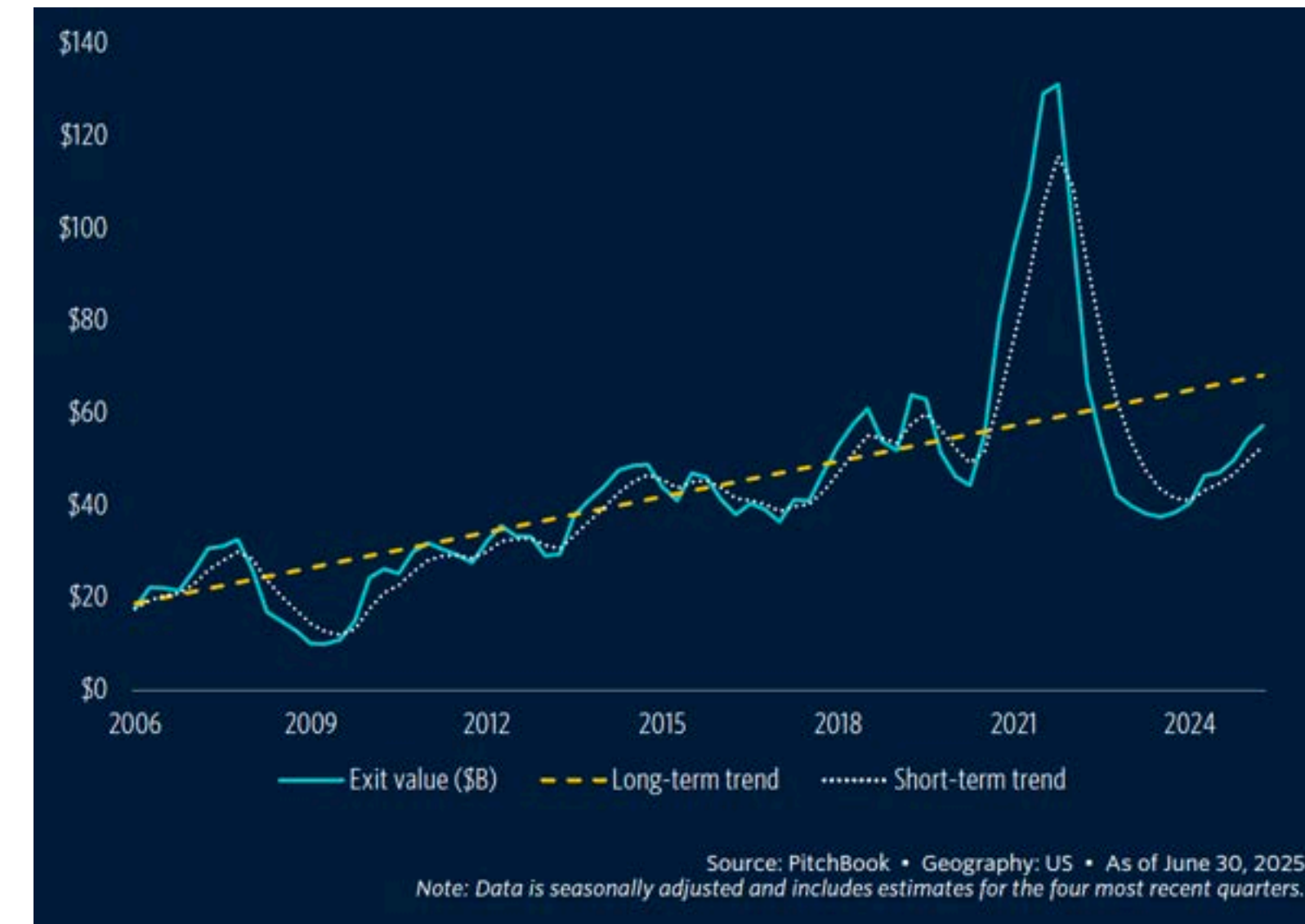
Venture Trend 48 - U.S. VC Exits below the trend line in the short and long term

2024 Prediction: ↘ **Trend to moderately reverse in 2025**

TRUE: Exit Trends: Venture exit activity picked up in the first half of 2025, outpacing recent quarters but still trailing longer-term norms. The number of exits is rising faster than the total value, suggesting that while deals are happening more often, they're generally smaller in size.



Source: PitchBook

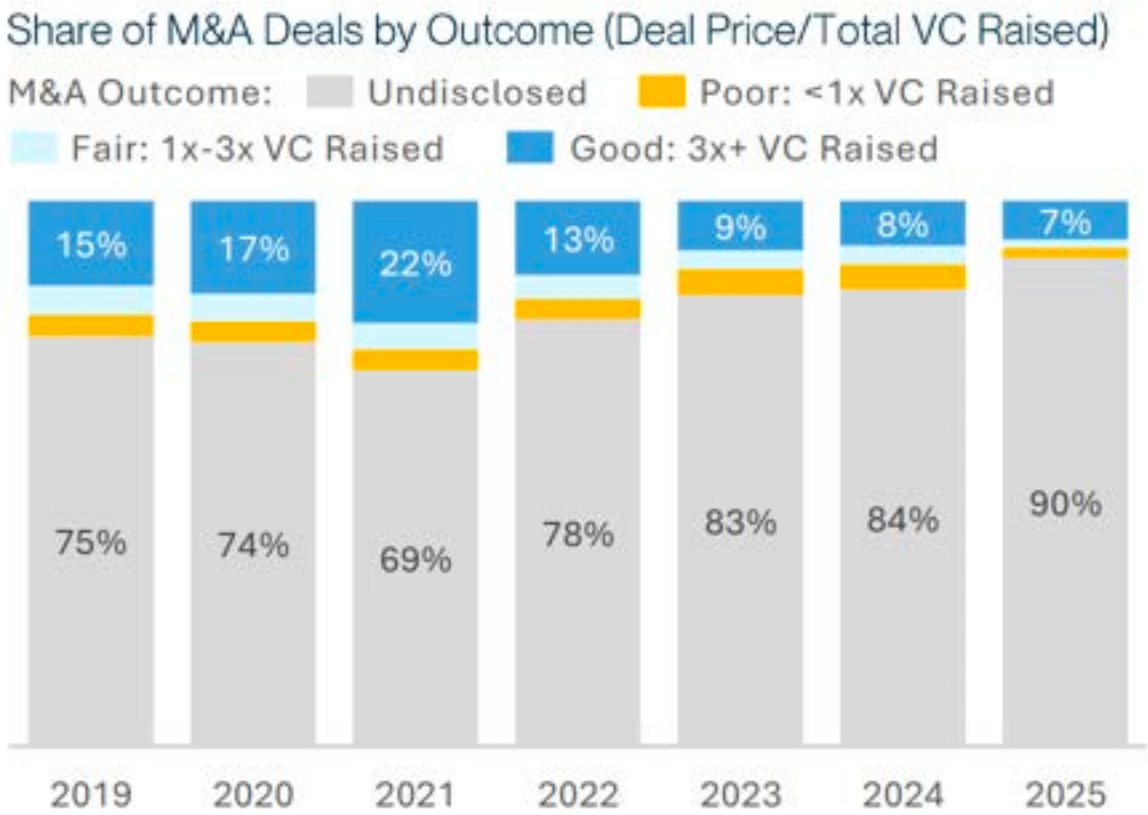


Source: PitchBook

Venture Trend 49 - Startup Exits are increasingly loss making

2024 Prediction: ➡ Trend to continue at similar pace in 2025

PARTIALLY TRUE: The data below suggests that undisclosed M&A exits are more likely to be loss-making, and their share has increased. It's worth noting that this data covers M&A and not exits overall.



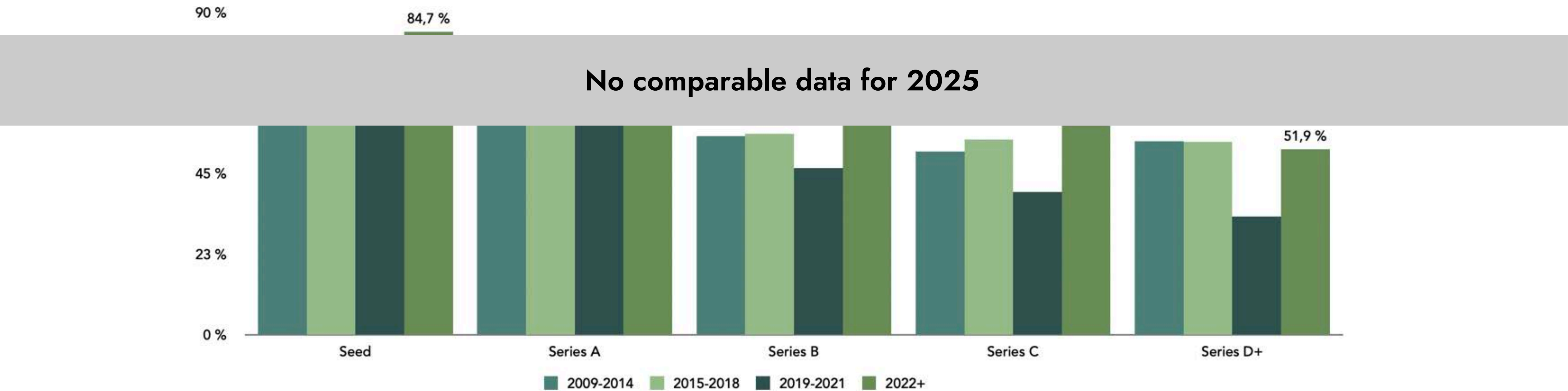
Source: SVB

Venture Trend 50 - Seed stage startup Exits has highest loss making percentage

2024 Prediction: → Trend to continue at similar pace in 2025

NA - No comparable data for 2025

Portion of deals with 0-1X MOIC by exit year cohort

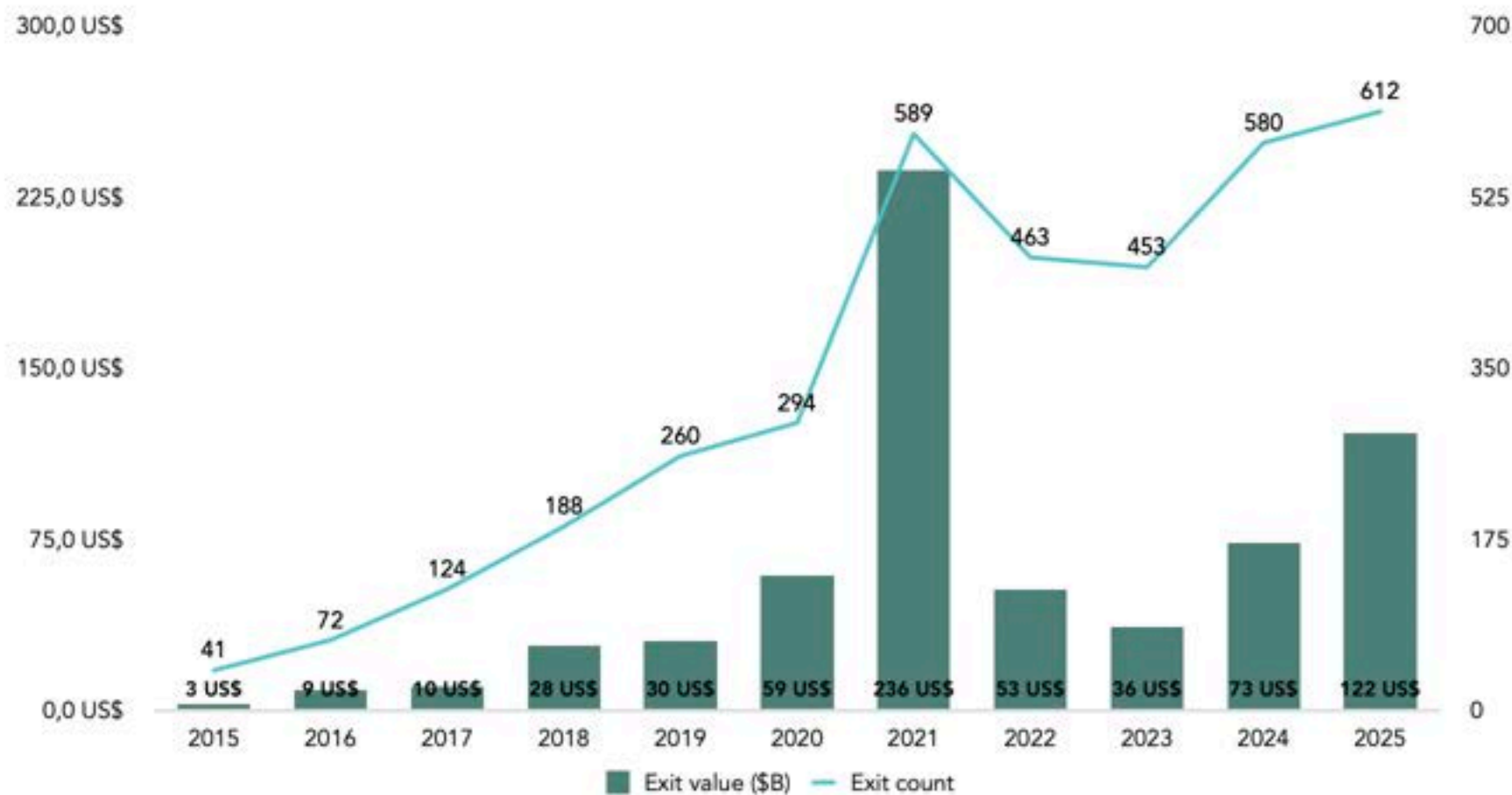


Venture Trend 51 - Startup business area matters for an Exit

2024 Prediction:  **Trend to moderately intensify in 2025**

TRUE: AI startups are dominating both fundraising and exits. By the end of Q3 2025, they had recorded 612 exits—the highest on record—totaling \$122B in exit value, with a full quarter still remaining. The next chart also highlights a clear divergence in U.S. exit activity by area of business.

Global AI VC Exit Activity and Share of Global Exit Activity



Source: PitchBook

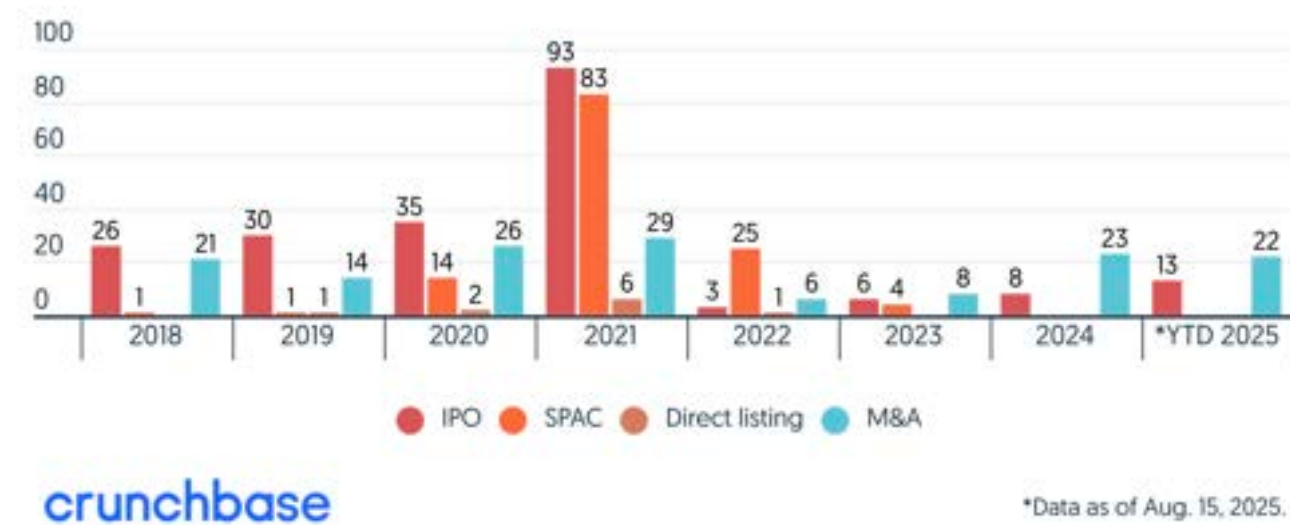
	Share of US VC exit value (\$B) by sector											
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Software	\$34.20	\$34.10	\$62.50	\$69.10	\$102.60	\$135.90	\$344.20	\$64.70	\$44.30	\$65.40	\$113.30	
Other	\$2.30	\$1.50	\$2.40	\$3.50	\$4.90	\$18.00	\$65.50	\$6.90	\$6.60	\$3.20	\$9.50	
Media	\$3.40	\$2.60	\$2.70	\$3.60	\$3.70	\$2.10	\$6.10	\$3.20	\$1.30	\$1.80	\$3.00	
IT hardware	\$6.50	\$5.70	\$8.50	\$3.80	\$4.70	\$8.50	\$17.20	\$5.90	\$4.20	\$11.90	\$10.20	
HC services & systems	\$7.70	\$6.40	\$7.90	\$9.10	\$10.20	\$17.00	\$58.30	\$8.10	\$11.60	\$17.00	\$15.60	
HC devices & supplies	\$8.50	\$4.80	\$4.30	\$9.20	\$14.60	\$7.60	\$20.40	\$5.30	\$5.10	\$3.60	\$6.30	
Energy	\$2.10	\$1.00	\$0.60	\$2.00	\$0.60	\$0.70	\$3.80	\$3.10	\$0.50	\$0.40	\$0.60	
Consumer goods & services	\$11.50	\$9.90	\$16.30	\$13.60	\$26.30	\$63.20	\$99.10	\$11.40	\$16.00	\$9.50	\$12.40	
Commercial products & services	\$15.90	\$12.30	\$16.90	\$16.70	\$14.10	\$21.60	\$85.60	\$23.80	\$8.60	\$12.20	\$15.30	
Transportation	\$0.30	\$0.80	\$2.60	\$2.10	\$86.20	\$14.40	\$77.60	\$1.90	\$1.80	\$0.50	\$5.70	
As of 9/30/2025	\$92.40	\$79.10	\$124.70	\$132.70	\$267.90	\$289.00	\$777.80	\$134.30	\$100.00	\$125.50	\$191.90	\$2,315.30

Venture Trend 52 - Missing big exits

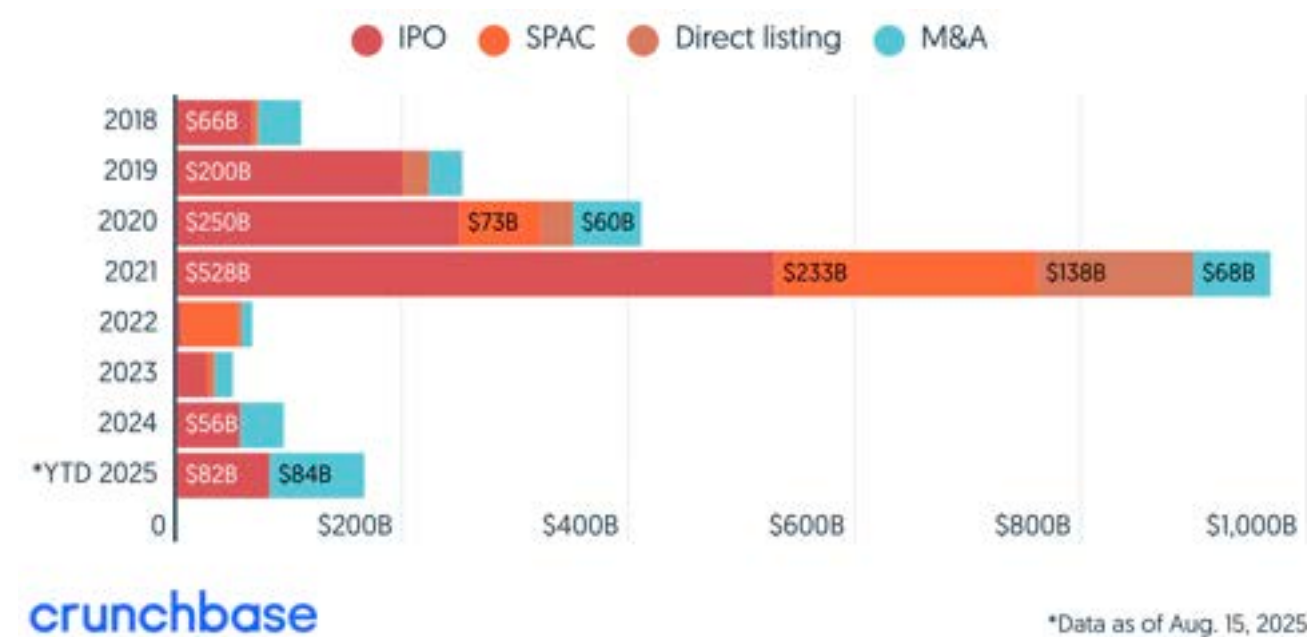
2024 Prediction: 📉 Trend to moderately reverse in 2025

TRUE: Billion Dollar Startup Exits Gain Steam: After several quiet years, billion-dollar startup exits are rebounding in 2025 through both IPOs and acquisitions. Exit values are climbing sharply, offering long-awaited relief to venture investors constrained by limited liquidity since 2021. While IPO activity hasn't fully normalized, confidence is returning—especially for high-growth and AI-focused firms. M&A has been even stronger, with deal values surpassing prior peaks and marking the most active exit environment since before the market slowdown. Acquisition valuations have risen sharply, reflecting the growth of mega M&A. The final chart reinforces that many AI-driven deals now require outsized exits—precisely the outcome top-tier VCs are underwriting.

US Venture-Backed Billion-Dollar Exit Counts

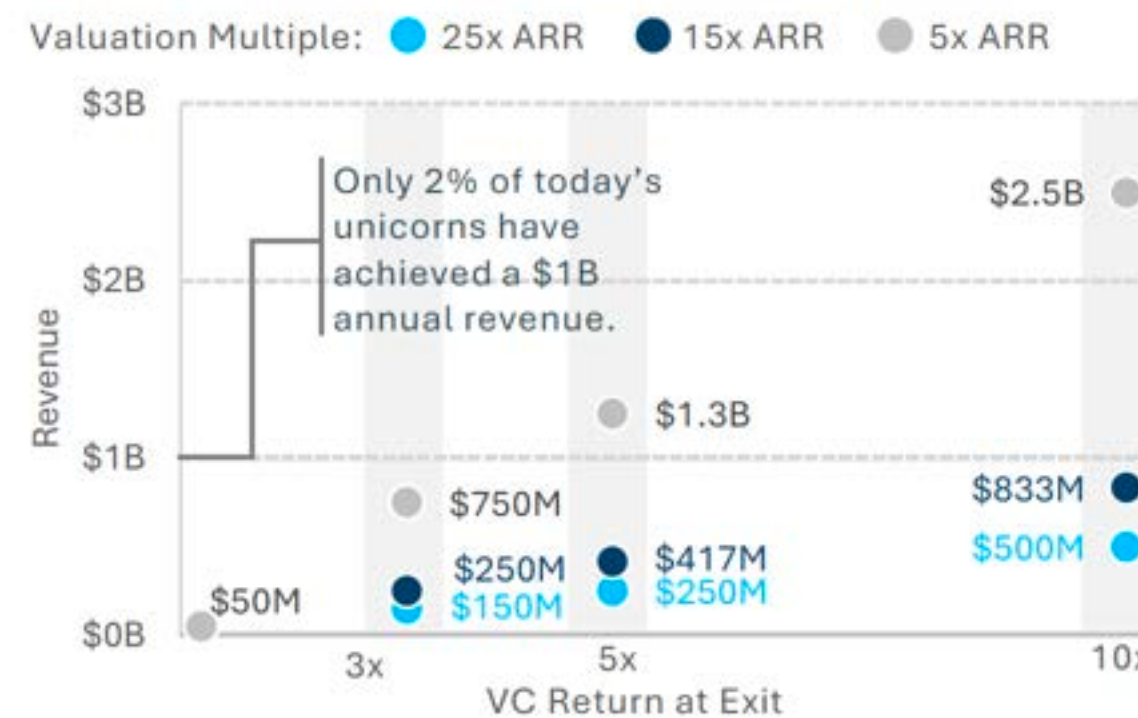


US Venture-Backed Billion-Dollar Exits By Value, By Year

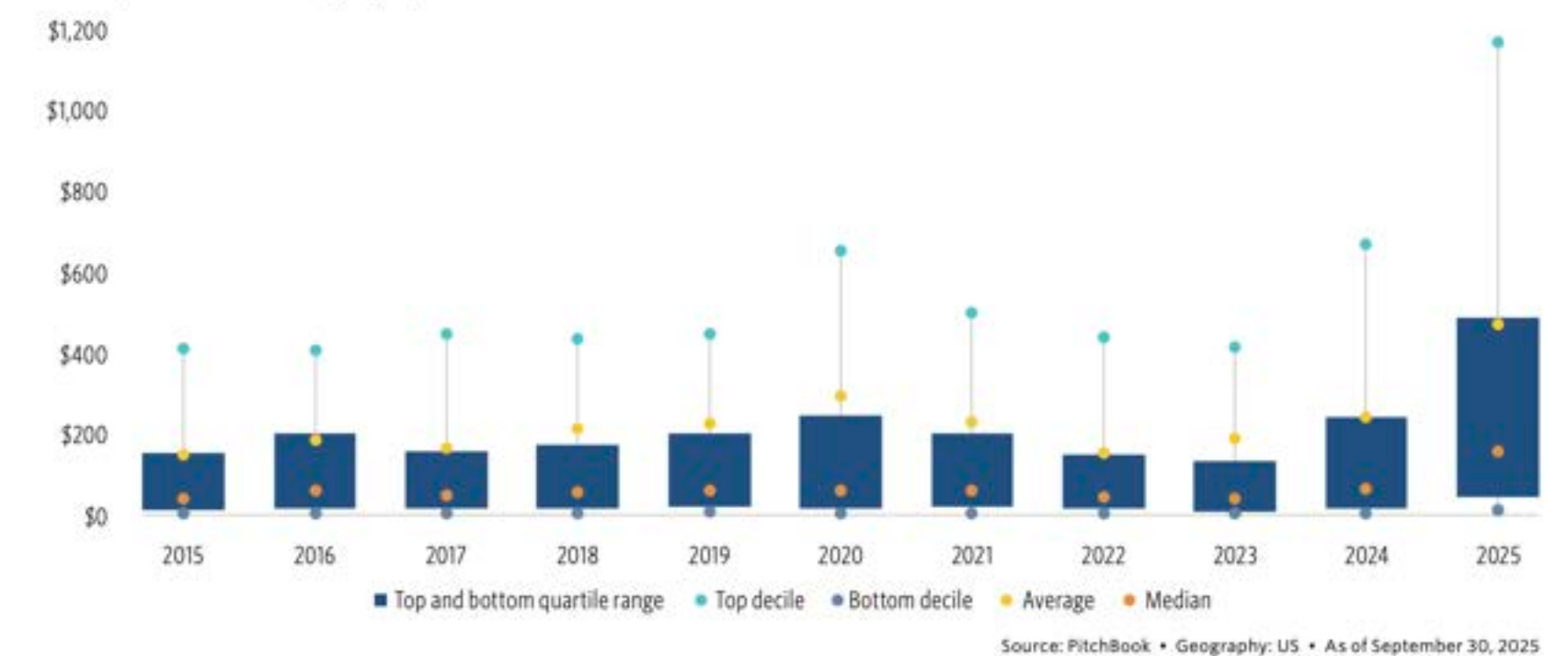


AI Math: VCs Bank on Mammoth Exits

Scenario: For a \$200M Series B Raised at \$1.25B Valuation on \$50M Revenue, How Much Revenue Is Needed at Exit?



Valuations have risen for acquisitions
VC acquisition valuation (\$M) dispersion



Source: PitchBook

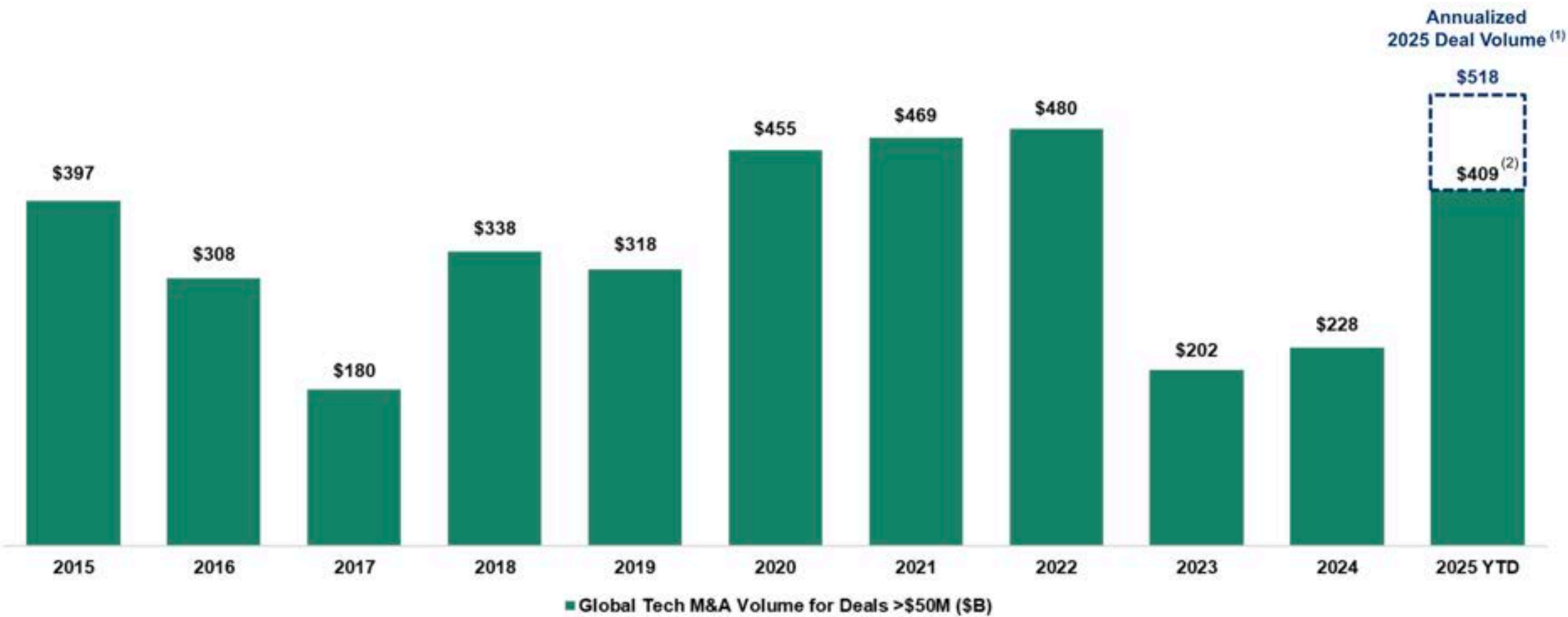
Venture Trend 53 - Global Tech M&A jumped back in 2024

2024 Prediction: → Trend to continue at similar pace in 2025

TRUE: Both charts show a synchronized outcome: M&A activity rebounded in 2025, reflected consistently across both U.S. and global data.



Source: SVB



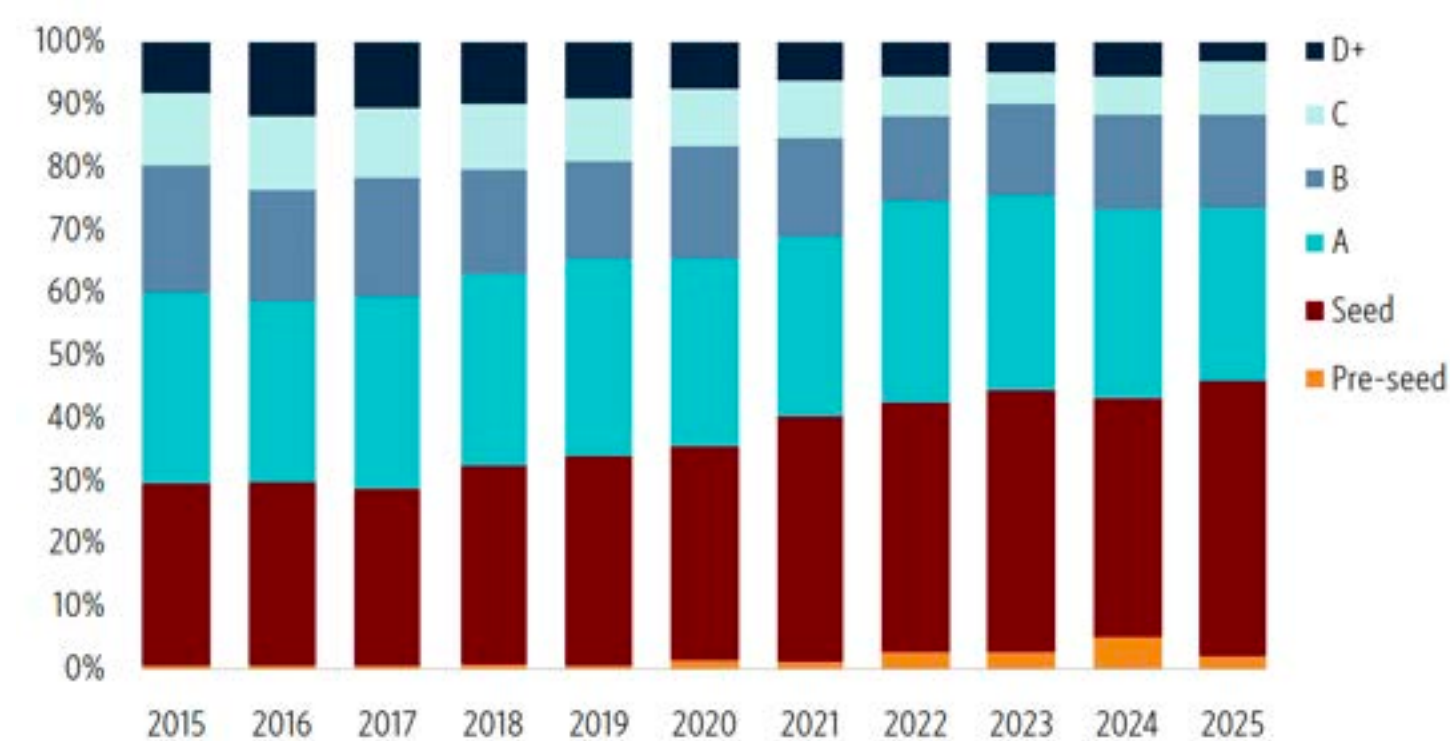
Source: PitchBook

Venture Trend 54 - Acquisitions higher at early stages and early life (< 5 years) of a startup

2024 Prediction: → Trend to continue at similar pace in 2025

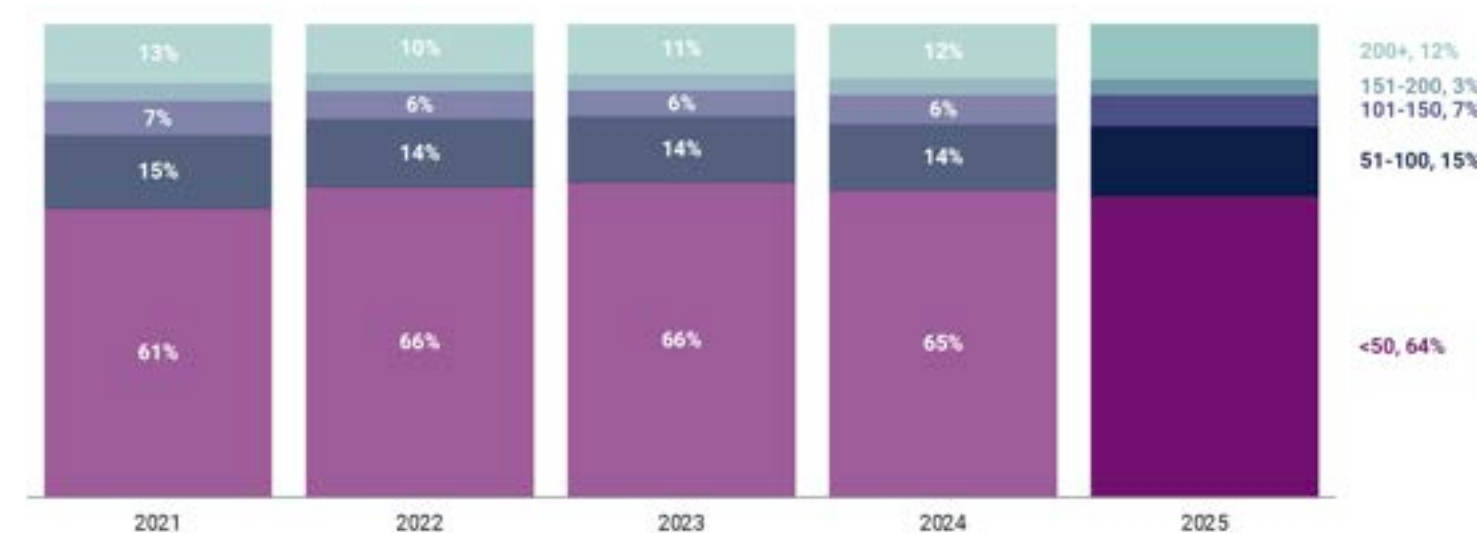
TRUE: M&A for Smaller Startups - PitchBook data shows that the share of **seed-stage startup M&A exits** has been steadily rising for the past decade, signaling growing early liquidity opportunities in the venture ecosystem. From CB Insights data: **Smaller M&A deals** — involving startups with fewer than 50 employees — continue to dominate the landscape, accounting for **64% of total transactions in 2025**, maintaining their stronghold above the 60% mark. Startup acquisitions rose about **18%** from H1 2024 to H1 2025 among Carta-tracked companies, driven entirely by a **30%+ surge** in early-stage M&A activity.

**U.S. – Share of VC Round Count by Series
Where Next Round is an Exit via Acquisition**



Source: PitchBook

Share of M&A exits by number of employees



Source: CB Insights

Young startups are getting bought at record rates in 2025

Data: 1,676 US startups using Carta cap table that were acquired in Q1 or Q2 of each year



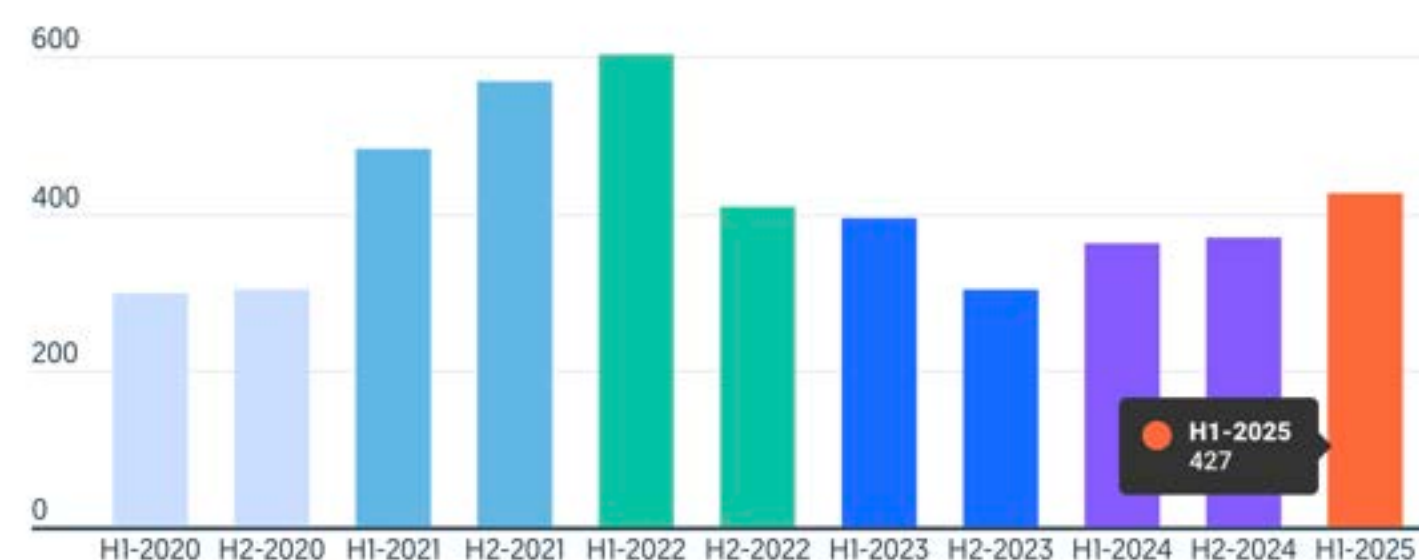
Subscribe for more startup data: carta.com/data

Venture Trend 55 - Startups buying other startups claimed largest share of total M&A in the U.S. in 2024

2024 Prediction: → **Trend to continue at similar pace in 2025**

TRUE: Startup-acquiring-startup is ticking up again. In the first half of 2025, **427 such deals** were recorded globally—an **18%** jump from last year, though still well below the 2021–2022 peak. With funding harder to secure, many early-stage companies are turning to mergers to expand customer bases, gain AI capabilities, or strengthen product offerings. Larger startups, flush with cash from prior high-valuation rounds, are using acquisitions to grow strategically and avoid down rounds as valuations stabilize.

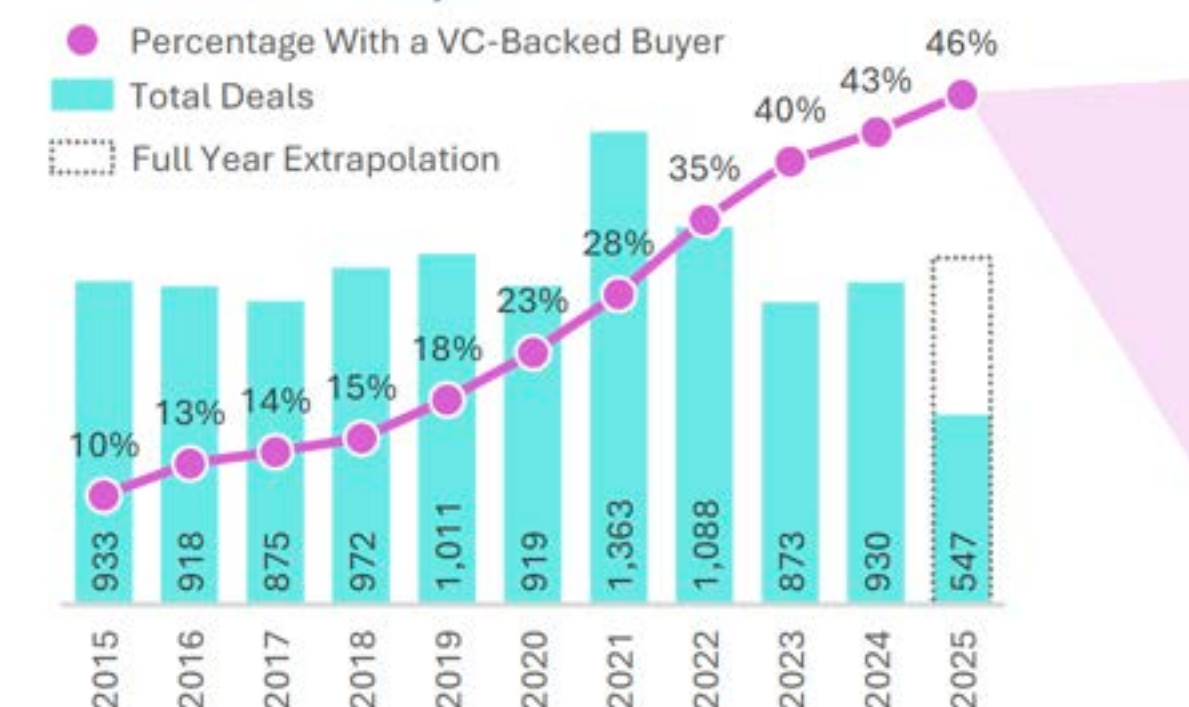
**Global Counts Of Startups Acquired By Startups,
By Half-Year**



Source: Crunchbase

Acquired Taste: Startups Buy More Startups

VC-Backed M&A Deals (Excluding LBOs) and the Percentage with a VC-Backed Buyer¹

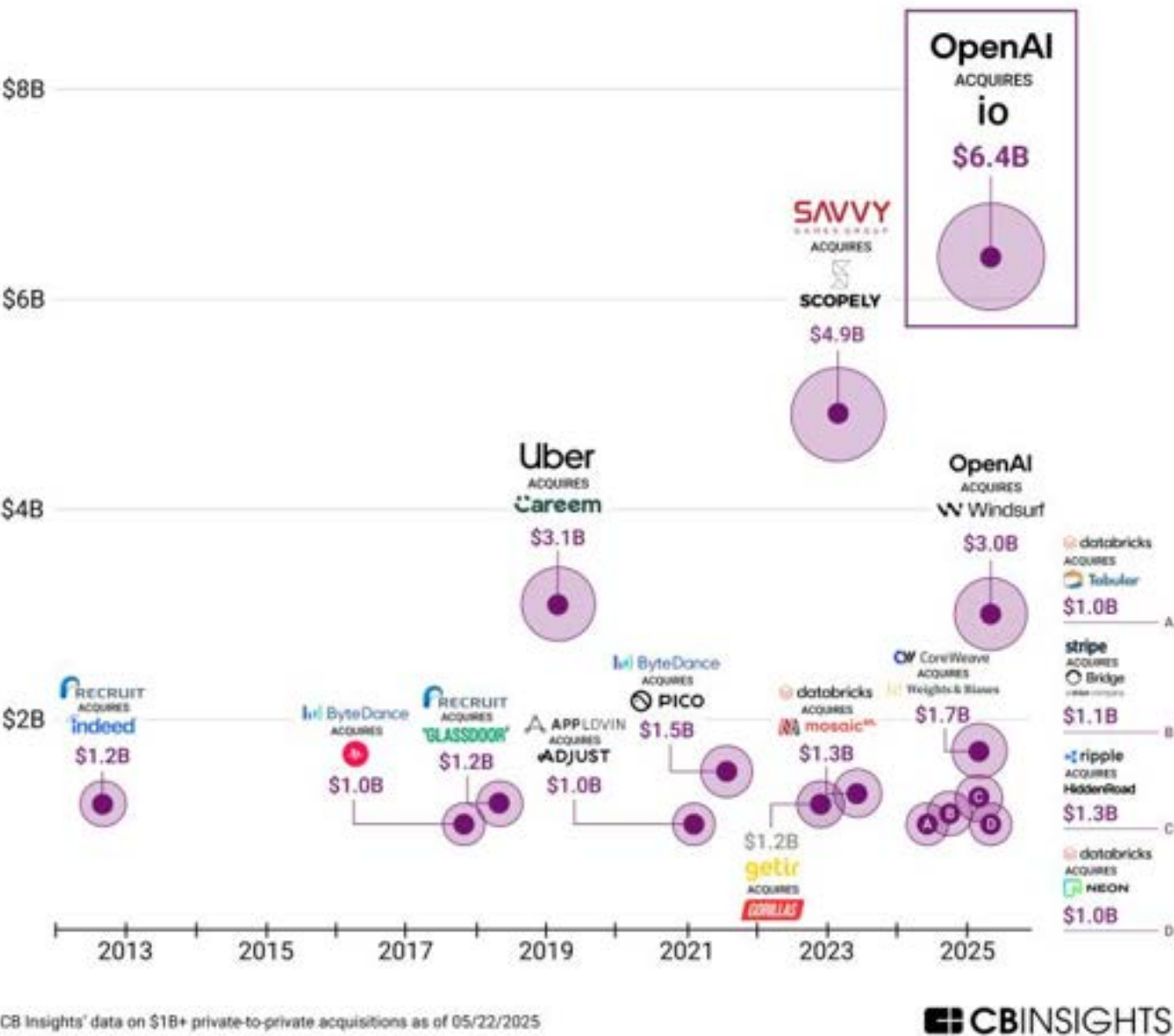


Source: SVB

(Additional Info) Venture Trend 55 - Startups buying other startups

Startup-to-startup acquisitions are becoming a defining trend in the current venture landscape, with both deal count and deal value steadily rising. In a liquidity-constrained environment, well-capitalized VC-backed startups are seizing the moment—leveraging economic uncertainty and compressed valuations to acquire smaller peers. This strategy allows them to accelerate growth, expand capabilities, and gain market share through inorganic means. Since 2018, the proportion of M&A deals involving both buyer and seller as venture-backed companies has grown consistently year over year. In fact, as of 2025 YTD, this category now accounts for a record 36.3% of all U.S. VC-backed M&A activity. These figures highlight how private, venture-backed companies are no longer just exit candidates—they’re becoming active consolidators, reshaping the startup ecosystem from within.

The Hottest Startups are Staying Private Longer and Becoming More Acquisitive



See more insights: www.cbinsights.com/get-insights

VC-Backed Acquisition Activity with VC-Backed Company Buyers as the a Share of all VC-Backed Acquisition

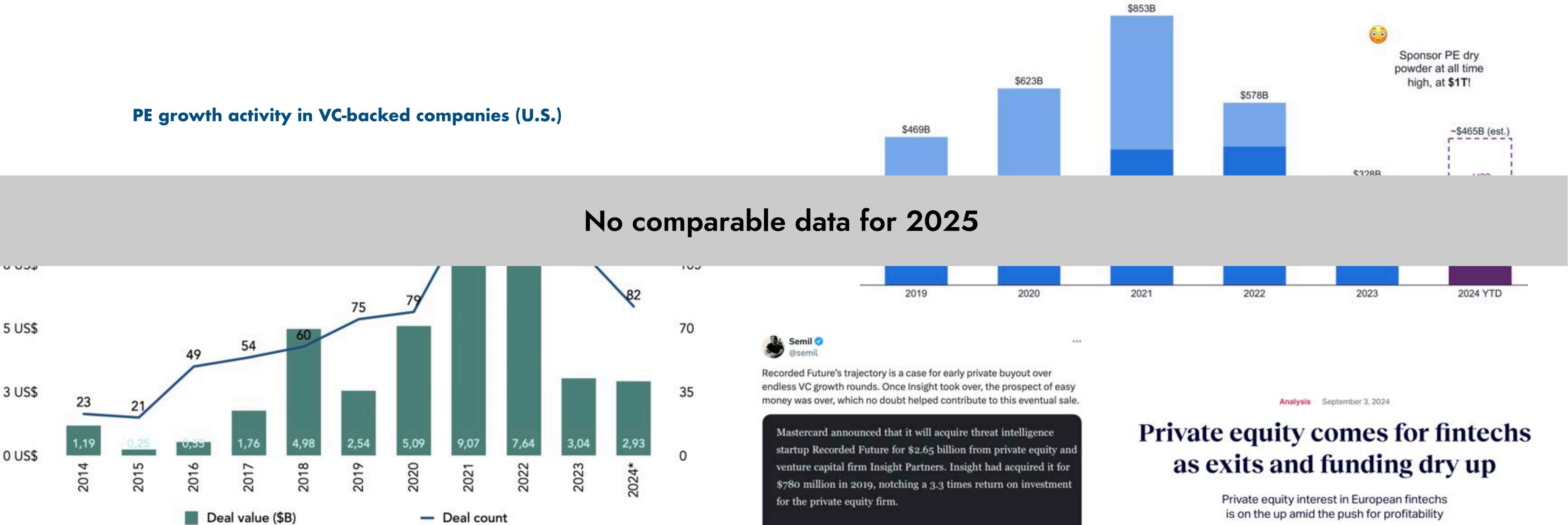


Source: PitchBook • Geography: US • As of May 30, 2025

Source: PitchBook

Venture Trend 56 - PE firms are increasingly targeting VC-backed startups

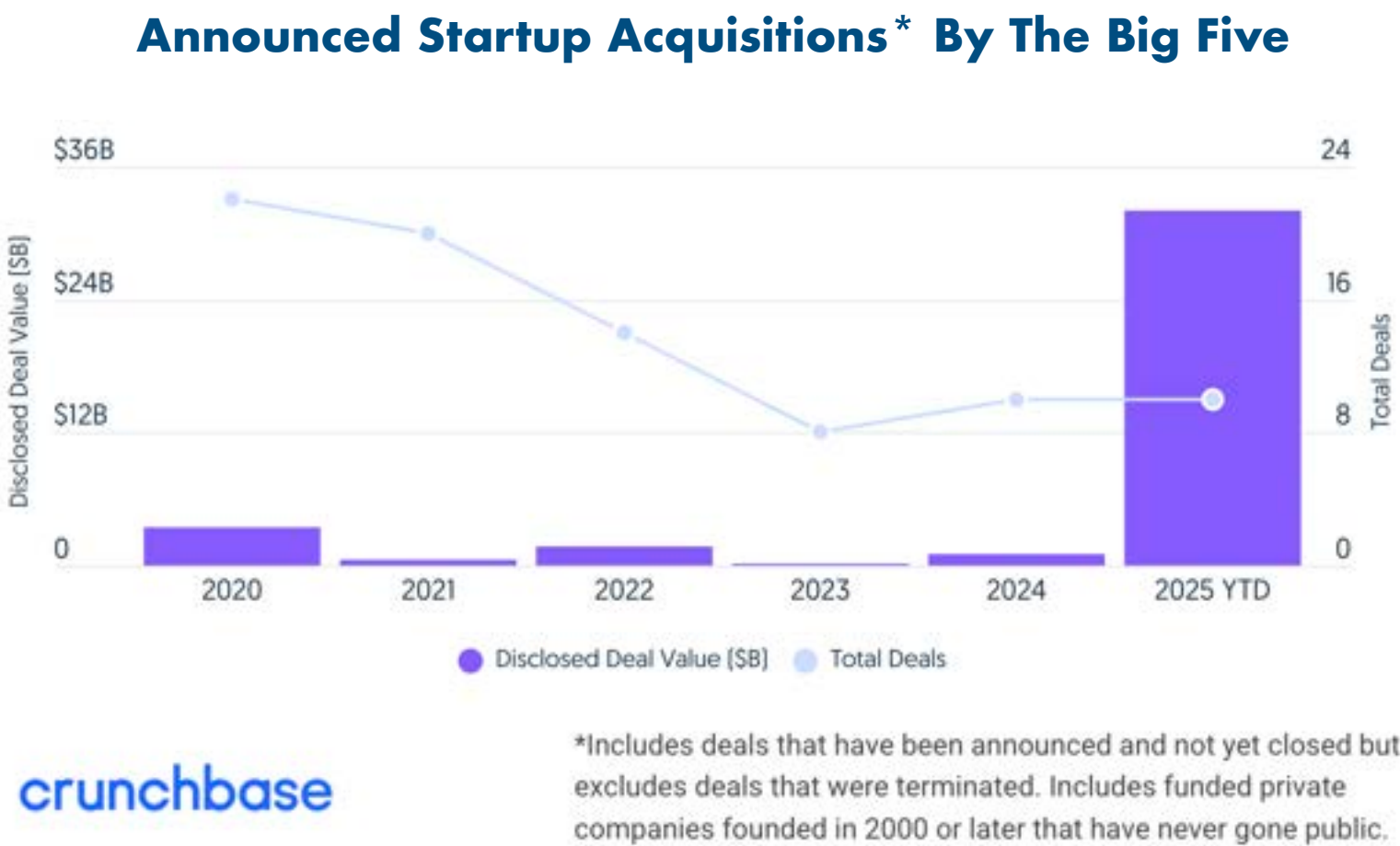
Prediction: ➡ Trend to continue at similar pace in 2025
NA - No comparable data for 2025.



Venture Trend 57 - Regular players weren’t doing M&A anymore in 2024

2024 Prediction: ➡ **Trend to moderately reverse in 2025**

PARTIALLY FALSE: Despite holding nearly \$400 billion in cash and a combined market cap above \$16 trillion, the Big Five—Apple, Microsoft, Alphabet, Amazon, and Nvidia—have made surprisingly few startup acquisitions this year, with only 10 deals disclosed. This slowdown isn’t new but part of a multi-year decline in tech M&A, shaped by tighter scrutiny and regulatory pressure. The standout is Google’s \$32 billion purchase of Wiz, the largest startup acquisition ever announced, highlighting how only strategic, high-impact deals are getting done in today’s environment.



2025 Startup Acquisitions By Big Five

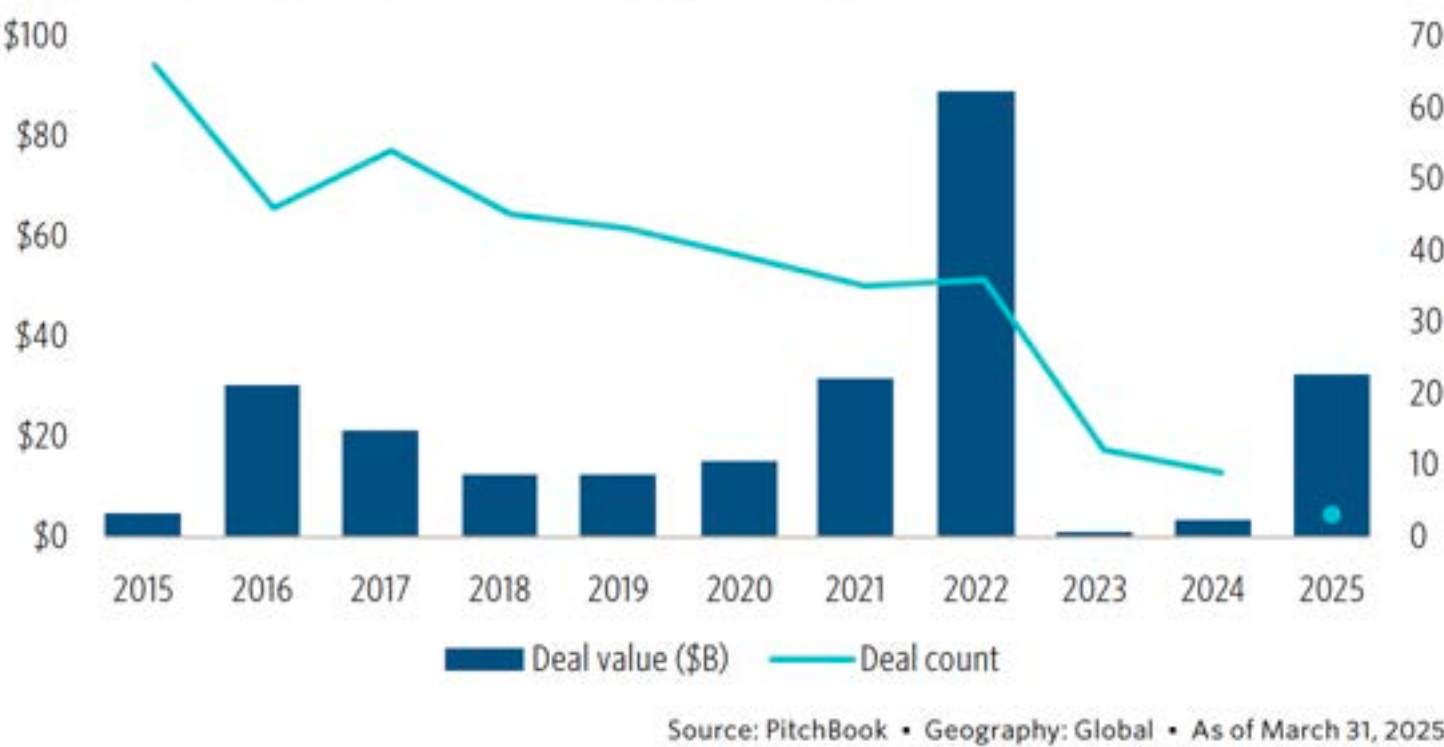
Acquirer Name	Acquiree Name	Acquiree Description	Acquiree's Total Funding Amount (in USD)
Google	Wiz	Wiz is a cloud security platform that facilitates collaboration between security, dev, and DevOps teams.	\$2,000,000,000
Amazon	Axio	Axio is an online platform that provides working capital finance to SMEs.	\$226,272,432
Nvidia	Gretel	Gretel is a multimodal synthetic data platform that leverages advanced generative AI and privacy-enhancing technologies.	\$67,699,996
Apple	CommonGround-AI	CommonGround-AI provides a new 3D video platform.	\$44,000,000
Nvidia	CentML	CentML accelerates machine-learning workloads by maximizing training and inference efficiency leading to compute cost reduction.	\$30,305,612
Apple	WhyLabs	WhyLabs AI Control Center provides security and observability for AI and GenAI applications.	\$14,000,000
Nvidia	Solver	Solver is a machine-learning company that provides software development and artificial intelligence services.	\$9,344,513
Amazon	Bee	Bee is an AI developer of a life administration wearable assistant.	\$7,000,000
Google	Galileo AI	Galileo AI creates delightful, editable UI designs from a simple text description. It empowers you to design faster than ever.	\$4,800,000
Nvidia	Lepton AI	Lepton AI is a cloud-native platform for AI application deployment.	—

crunchbase

(Additional Info) Venture Trend 57 - Regular players weren't doing M&A | 1

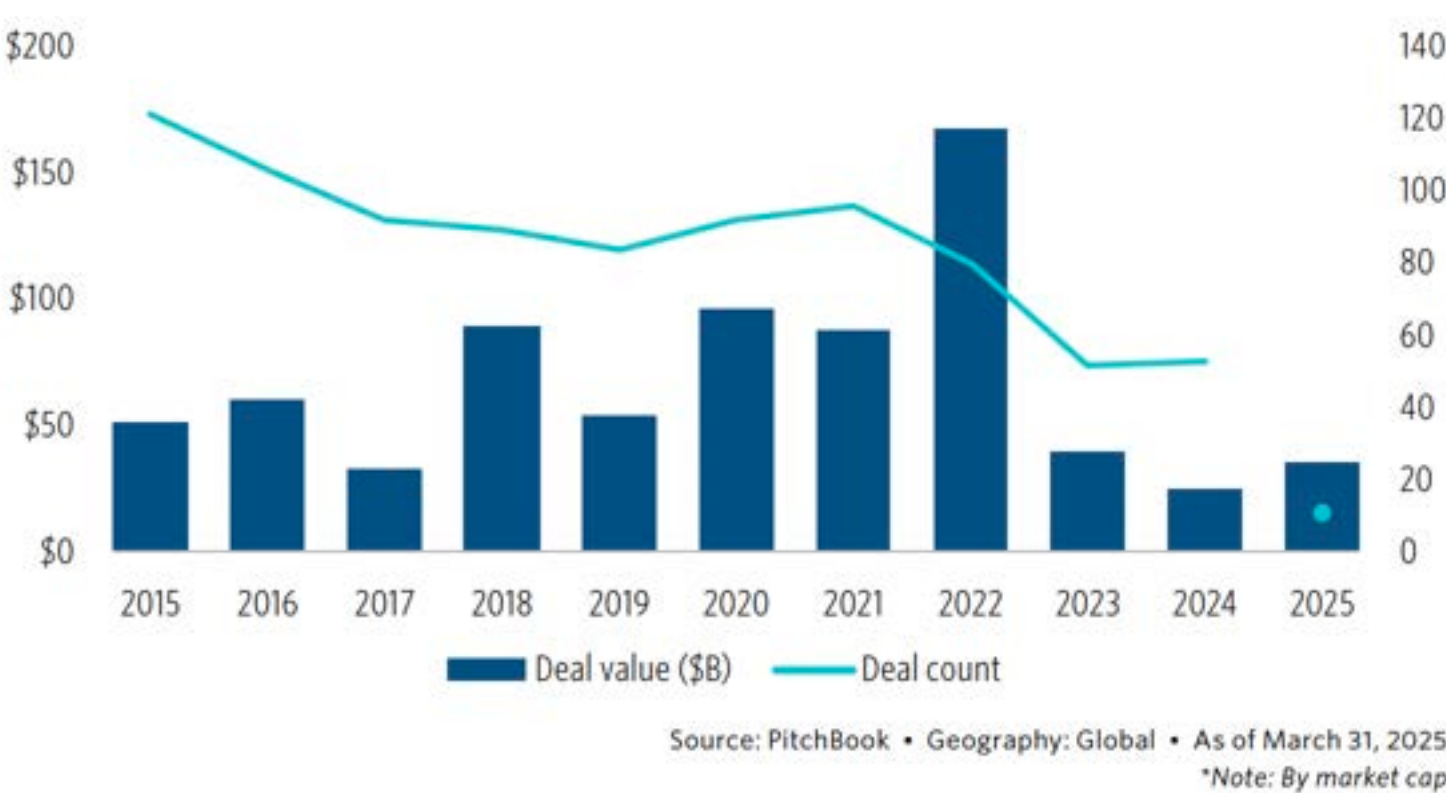
In 2024, M&A activity by the top 25 U.S. public companies hit a historic decade low (by deal volume and count)—a surprising development given the scale and capital resources of these acquirers. While 2025 has seen some recovery, largely buoyed by high-profile deals like the Wiz acquisition, overall acquisition deal count activity in this segment of the exit market remains underwhelming, especially relative to its potential.

Global Strategic M&A Activity by the Big Five



Source: PitchBook

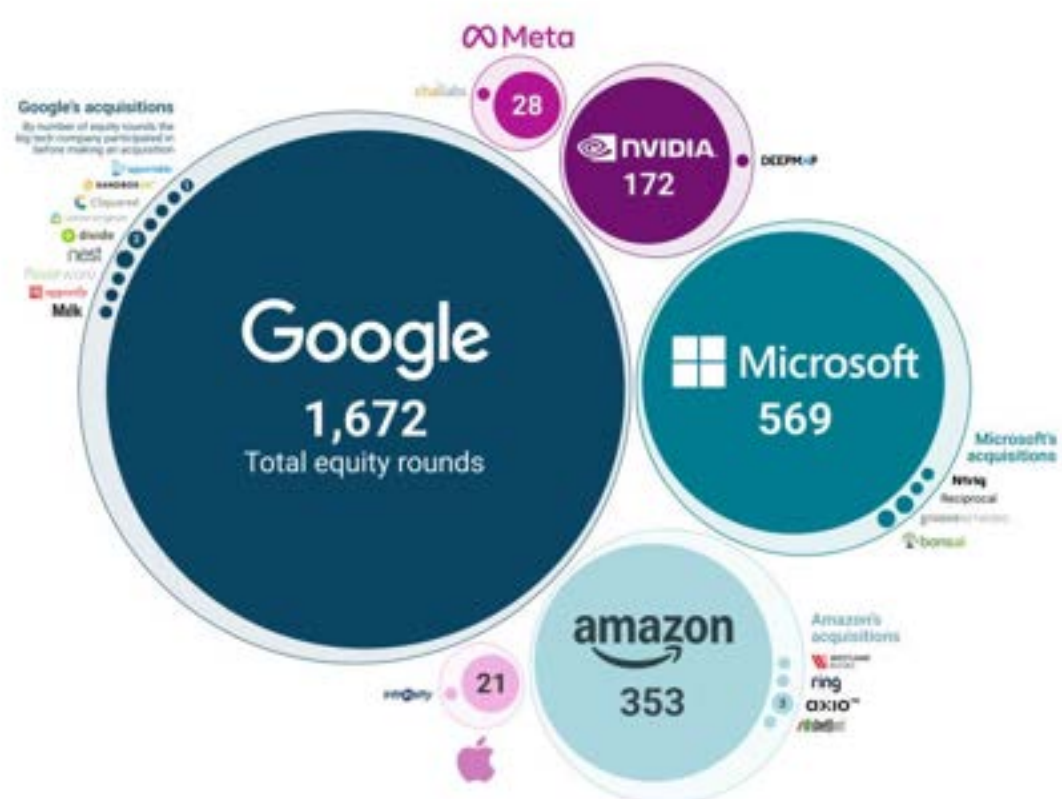
Global Strategic M&A Activity by Top 25 U.S. Public Companies



Source: PitchBook

Thousands Funded, Few Acquired

<1% of big tech investments become acquisitions. Will this change in the age of AI?



Equity deals (as of 04/11/2025) from the following big tech parent companies and their investment arms: Amazon (Amazon Alexa Fund, AWS, Amazon Industrial Innovation Fund, The Climate Pledge), Google (GV, Gradient Ventures, Alphabet), Microsoft (M12), Nvidia (Nvidia Ventures), Meta, and Apple.

CBINSIGHTS

See more insights: www.cbinsights.com/get-insights

(Additional Info) Venture Trend 57 - Regular players weren't doing M&A | 2

While macroeconomic uncertainty and regulatory scrutiny are often cited as reasons for the slowdown in M&A activity, they don't fully capture the complexity of the trend. Public equity markets have performed well, which under normal conditions should incentivize more assertive dealmaking. Some point to heightened market volatility as a deterrent, but historical data challenges that assumption. A PitchBook analysis comparing M&A activity with the VIX index over the past decade shows no consistent correlation, suggesting that volatility alone isn't the primary factor.

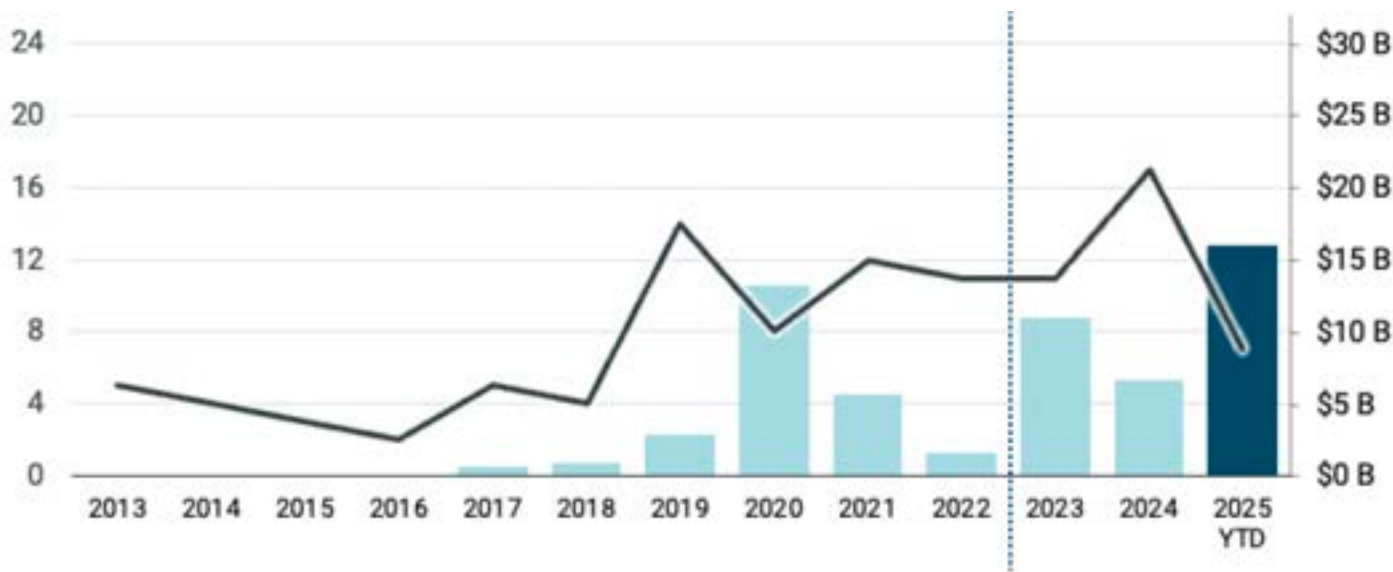
Instead, a deeper shift appears to be underway—particularly among large public companies and Big Tech. Regulatory pressure, especially antitrust scrutiny in the U.S. and Europe, has made traditional acquisitions increasingly difficult to execute. As a result, tech giants are rethinking their capital allocation strategies. Rather than pursuing full takeovers, many are pivoting to minority investments, strategic partnerships, and structured deals that allow them to access innovation without triggering regulatory backlash. This approach not only helps them sidestep oversight but also gives them optionality to deepen involvement over time. These evolving strategic priorities—driven by a combination of policy constraints, market dynamics, and internal recalibration—are now central to understanding the subdued pace of acquisitions in today's environment.

U.S. VC Acquisition Value by Public Companies vs. VIX Index



Source: PitchBook

Big Tech Corporate Minority Deals



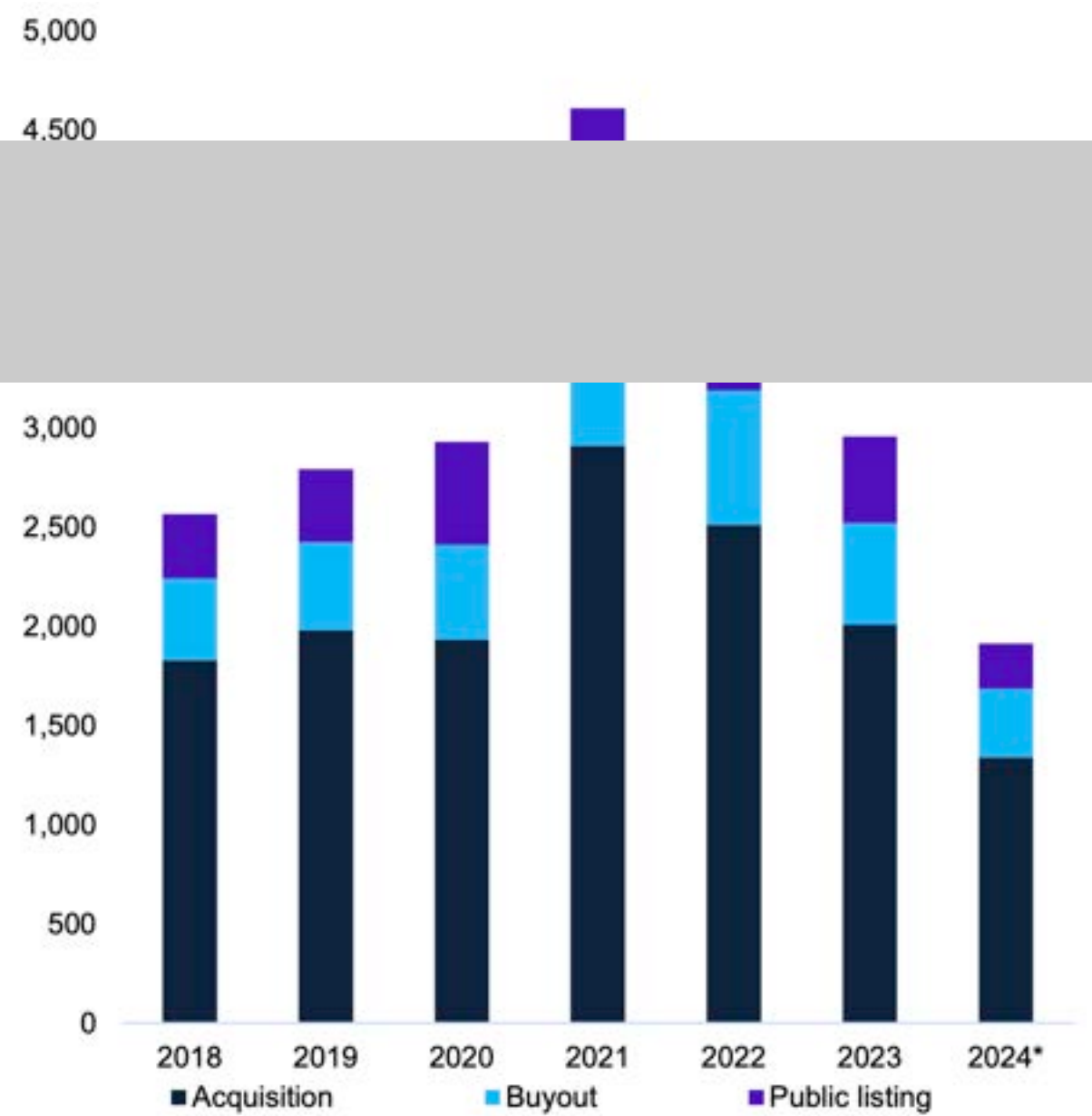
Source: CB Insights



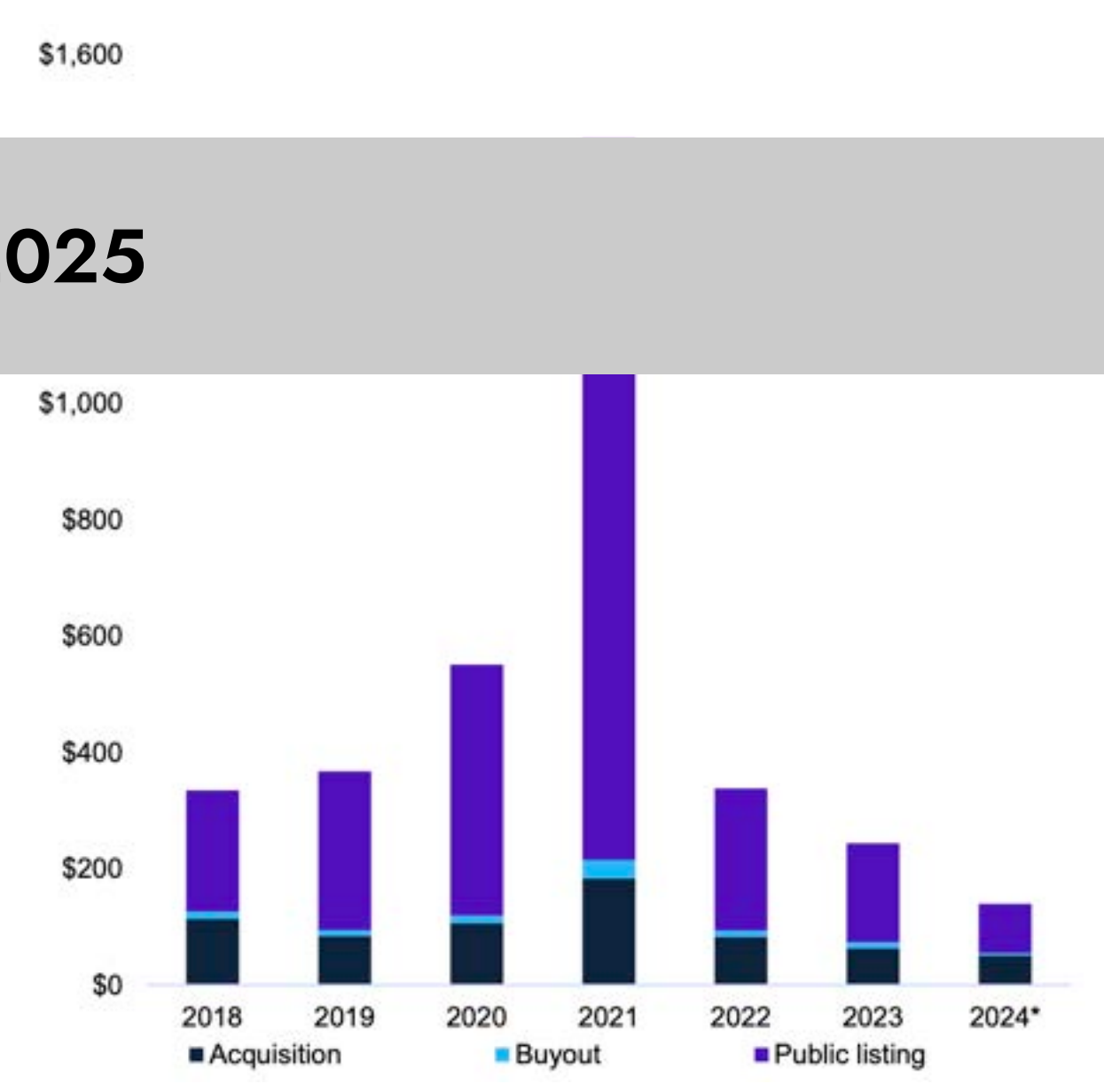
Venture Trend 58 - Acquisitions are always substantially large portion of Exits by numbers, but considerably small by volume

2024 Prediction: → Trend to continue at similar pace in 2025
NA - No comparable data for 2025

Global venture-backed exit activity (#) by type



Global venture-backed exit activity (\$B) by type



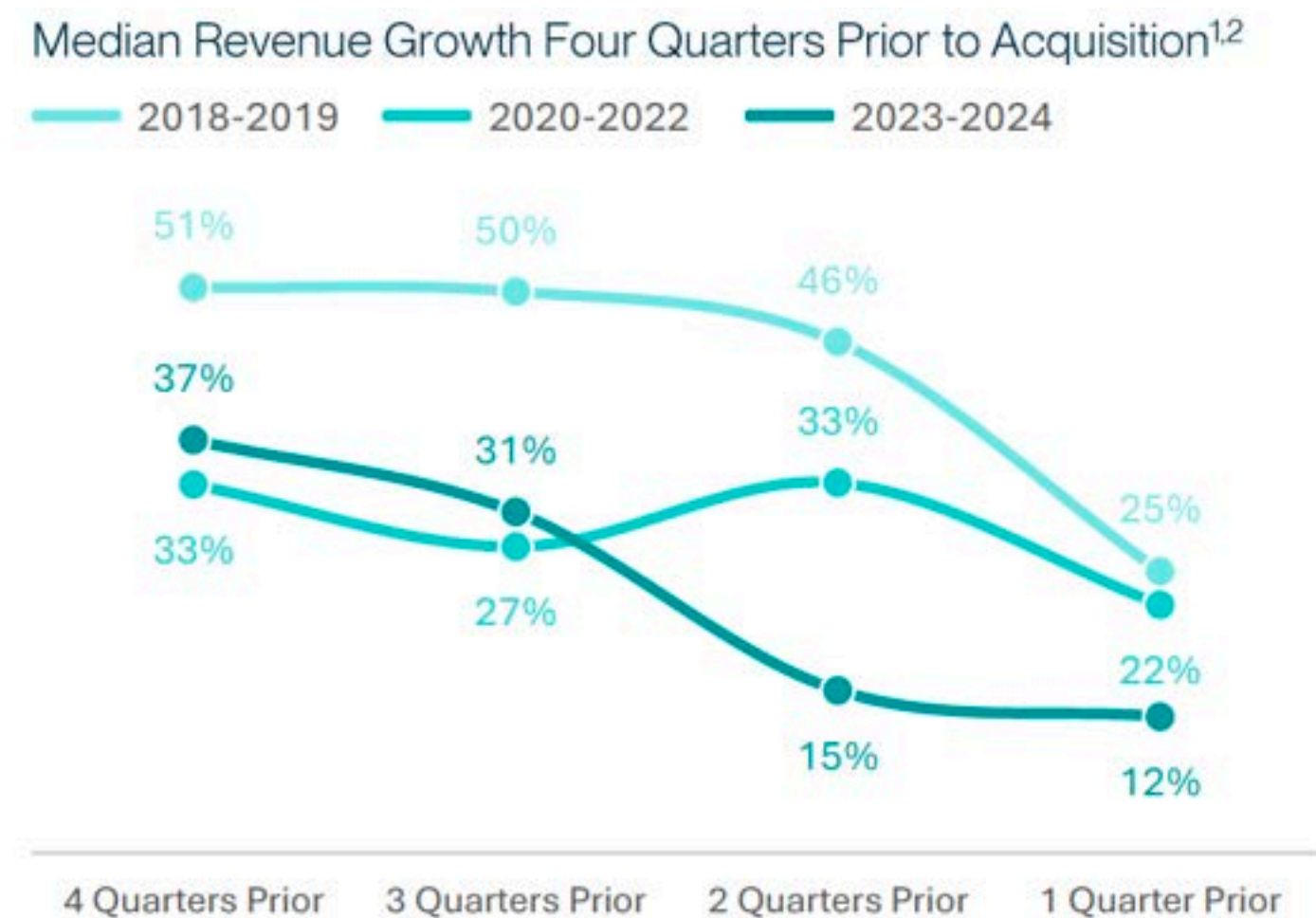
Venture Trend 59 - Majority of startup M&A deals end up losing money

2025 Prediction: → Trend to continue at similar pace in 2025

TRUE: Are We in Distress M&A Environment? While M&A activity is clearly on the rise—as discussed in the previous slide—a more nuanced trend is emerging beneath the surface: many startups are entering acquisition talks from a position of slowing growth. Rather than accelerating with fresh capital, these companies are opting for M&A as a pragmatic next step when scaling independently becomes less viable.

This shift signals a broader change in the startup playbook. Instead of pushing through capital constraints or uncertain markets, more teams are choosing to be acquired before they hit a wall. On one hand, it's encouraging that these startups are still finding strategic acquirers and viable exits. But on the other, it risks casting early-stage M&A in a negative light—viewed less as strategic consolidation and more as a soft landing for plateauing businesses. Striking the right narrative around these deals will be critical to ensure that early-stage M&A isn't prematurely labeled as distressed by default.

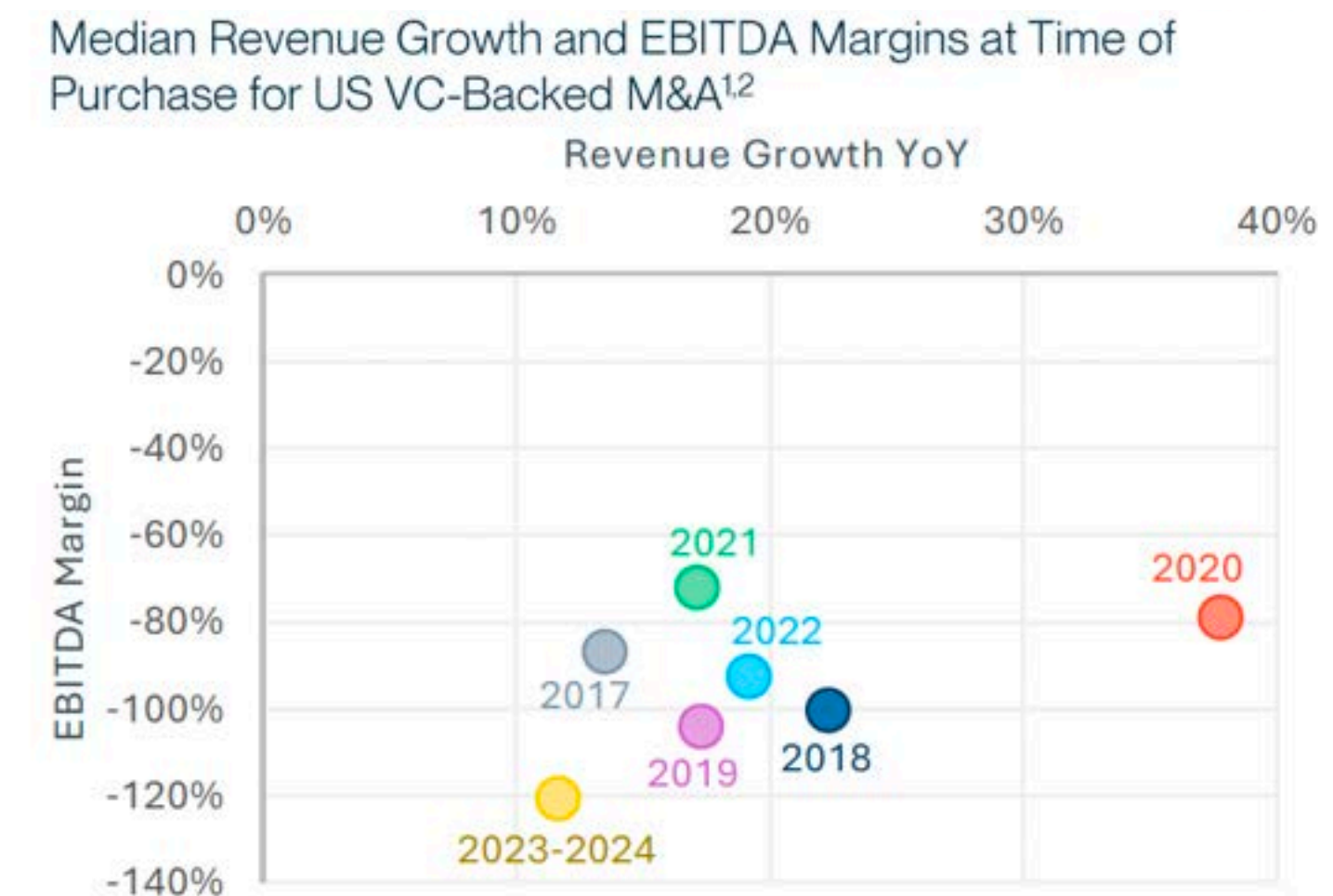
Growth Falls Sharply Leading Up To M&A



Source: SVB

[Click graphic for source post/article.](#)

Fundamentals Worse at Time of Purchase

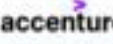


Source: SVB

Venture Trend 60 - U.S. acquirers continue to dominate

2025 Prediction:  Trend to moderately intensify in 2025
NA: No comparable data for 2025

World’s top 25 startup acquirers

	COMPANY	STARTUP ACQUISITIONS	TOTAL DEAL VALUE
	ALPHABET (GOOGLE)	222	\$16.6B
	MICROSOFT	140	\$50.1B
	CISCO SYSTEMS	134	\$59.8B
	ACCENTURE	119	Undisclosed
	APPLE	102	\$6.5B
	META PLATFORMS	98	\$23.5B
	IBM	93	\$21.5B

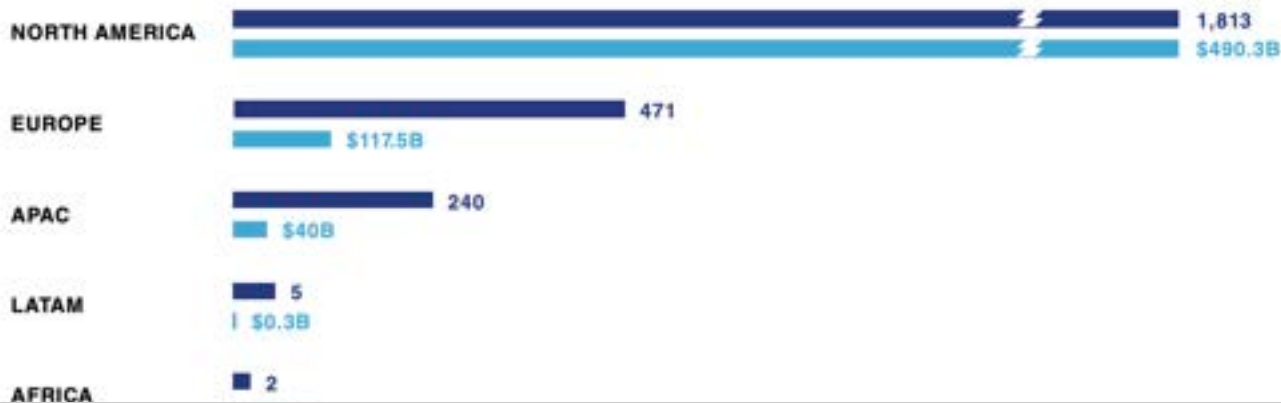
Analysis October 11, 2024

VCs torn about European startups’ M&A path

Some investors are leaning into the US being a top acquirer of European startups

Anne Straders 3 min read

World’ top acquirers by macro region



No comparable data for 2025

	SIEMENS	40	\$2.5B
	QUALCOMM	34	\$3.1B
	ROCHE GROUP	32	\$20.3B
	SAMSUNG ELECTRONICS	32	\$1B
	ALIBABA GROUP HOLDING	29	\$21B
	MERCK (U.S.)	27	\$26.7B
	JOHNSON & JOHNSON	26	\$31.3B
	HP	25	\$5B
	SAP	25	\$13.4B
	COMCAST	24	\$0.3B
	NOVARTIS	24	\$20.8B
	THERMO FISHER SCIENTIFIC	21	\$6.4B
	WALMART	21	\$21.7B
	BROADCOM	20	\$1.8B

BASED IN SILICON VALLEY

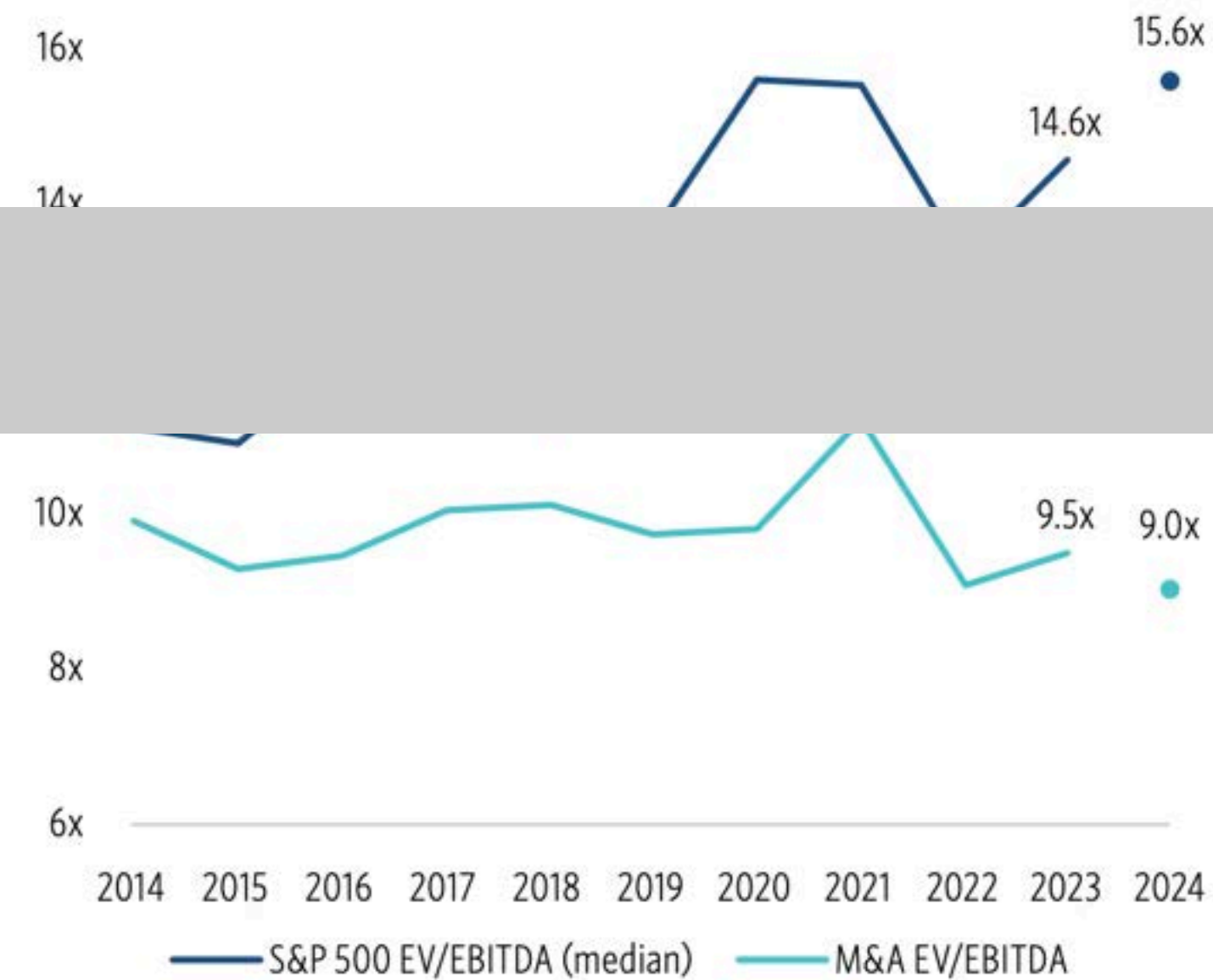
startups grow, many take larger cheques from US VCs and, in many cases, end up finding a suitor across the Atlantic to buy them; or they go public on an American stock exchange. Acquirers in the US are pulling entrepreneurs (and exit money) out of Europe. Instead, Europe needs to work on being a more attractive place for a startup to sell or go public.

Venture Trend 61 - Best value generating Exit is still an IPO in 2024

2025 Prediction:  Trend to moderately intensify in 2025

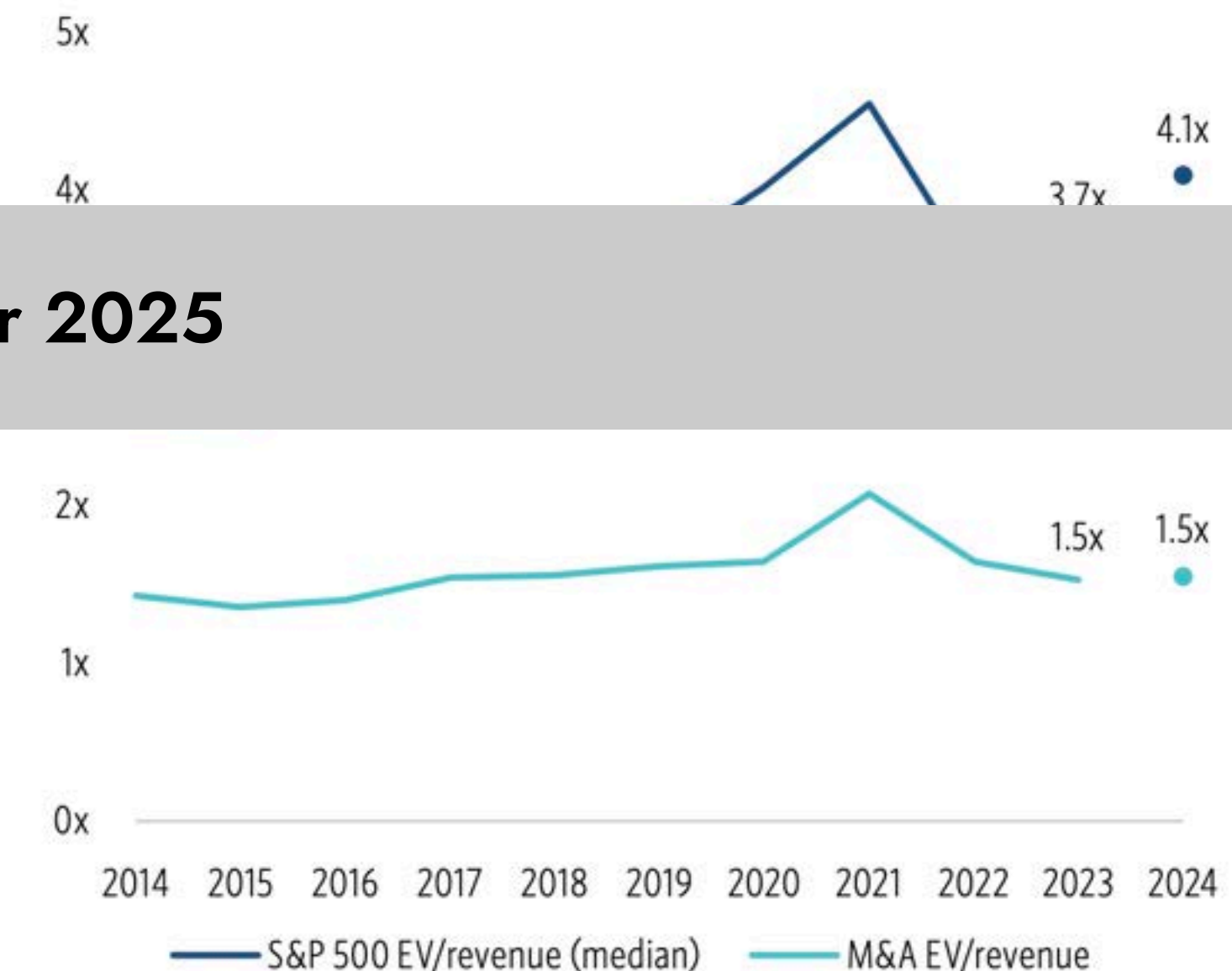
NA: No comparable data for 2025

Public company trading multiples versus M&A multiples (EV/EBITDA)



Source: PitchBook • Geography: North America and Europe
As of September 30, 2024

Public company trading multiples versus M&A multiples (EV/revenue)



Source: PitchBook • Geography: North America and Europe
As of September 30, 2024

No comparable data for 2025

Venture Trend 62 - India in 2024 was king of the IPOs

2025 Prediction: 📉 Trend to moderately reverse in 2025

TRUE: 2024 was a bumper year for IPO exits in India, but activity cooled in 2025 as startups adopted a more cautious approach to going public. Still, India stands out as a bright spot in the global IPO landscape, offering a success story at a time when public listings have largely stalled elsewhere. The growth of IPO-led exits in India is not just encouraging—it’s reshaping how startups think about their long-term trajectory. So much so that several India-focused startups originally domiciled abroad are now considering relocating back to India to capitalize on favorable listing conditions. Among the top 5 recent IPOs in APAC, India has 3 spots which also underpins the importance of it’s exit market.

A few key factors are driving this resilience. First, India’s retail investor participation have created a robust and liquid equity market. Second, a supportive macro factors has helped sustain investor confidence. Together, these forces have propelled the Sensex and Nifty 50 to post strong double-digit gains in 2024. According to PitchBook, IPO valuations have remained stable even amid global volatility. Median EV/EBITDA multiples for new listings in India continue to hold in the 15x–20x range, providing both predictability and upside for listing candidates.

Top Five Recent IPOs by Exit Size in APAC

Company	Close date	Total invested (\$M)	Exit value (\$M)	Post-money valuation (\$M)	Industry sector	Country
Swiggy	November 13, 2024	\$534.8	\$9,840.4	\$10,375.2	B2C	India
Bajaj Housing Finance	September 16, 2024	\$424.2	\$6,522.1	\$6,946.3	Financial services	India
Horizon Robotics	October 24, 2024	\$695.6	\$5,992.6	\$6,688.2	IT	China
Hexaware Technologies	February 19, 2025	N/A	\$4,954.8	\$4,954.8	IT	India
KIOXIA	December 18, 2024	\$206.0	\$4,943.9	\$5,149.9	IT	Japan

Source: PitchBook • Geography: APAC • As of May 24, 2025

PhonePe Is Said to Seek \$1.5 Billion for India IPO

Click graphic for source post/article.

India IPO Activity



Source: PitchBook • As of May 24, 2025

Source: PitchBook



Anoop N • Following
Venture Capital | ConsumerTech | CXO | Operator
2w • Edited •

📌 India's Startup IPO Wave: A Surge, A Slowdown & What's Next
From the boardroom to Dalal Street — India's venture-backed IPO story has had a dramatic arc in the last 3 years.

💡 2023 was cautious. Only 5–6 VC-backed startups listed (Mamaearth, Yatra, ideaForge among them), with just ~₹5,000 Cr raised.

💡 2024 turned the tide.
A record 13 new-age startups went public, raising over ₹29,000 Cr. Names like Swiggy, Ola Electric, FirstCry, MobiKwik and Ixigo re-energized public market interest in tech.

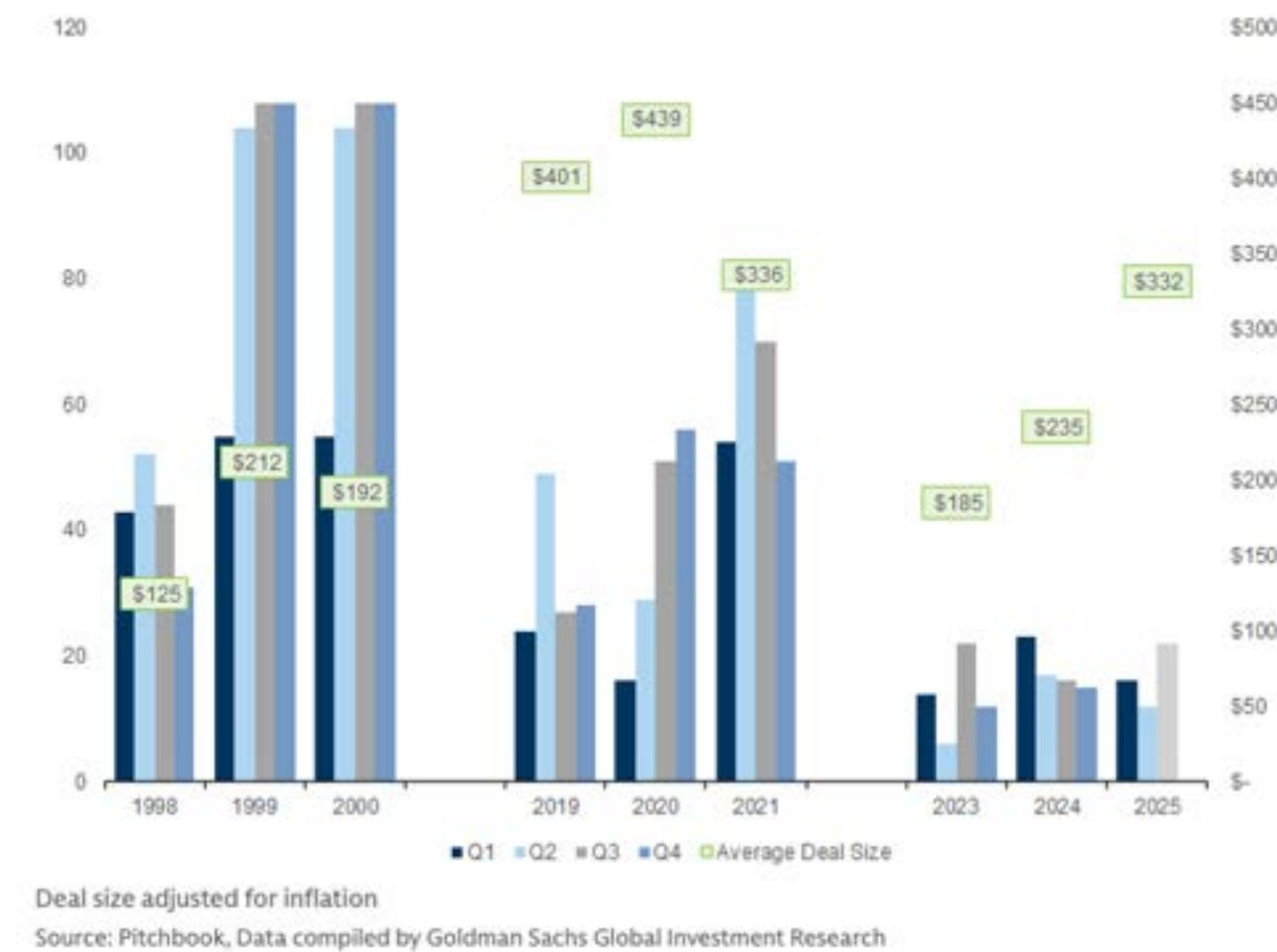
But in 2025, the momentum has slowed.
📉 Only 1–2 tech IPOs (Ather Energy being the standout) have hit the market so far this year. Several big names — OYO, boAt, Pepperfry, Groww — have hit pause or gone quiet.

Venture Trend 63 - IPO metrics of startup have changed

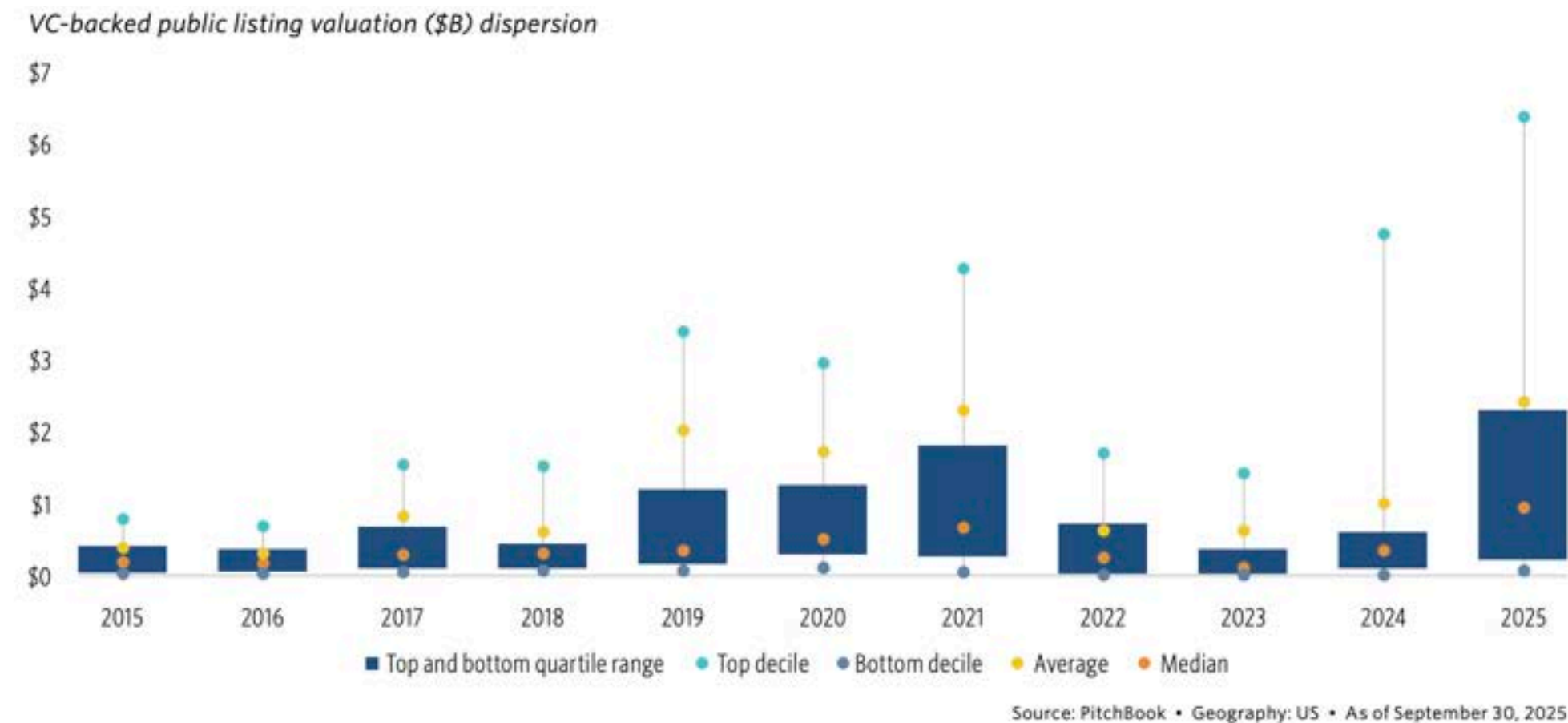
2024 Prediction: ➡ **Trend to continue at similar pace in 2025**

TRUE: IPO Market Comparison - The IPO landscape today looks very different from the late '90s. Between 2023 and 2025, far fewer startups have gone public, making it harder for funds to return capital to LPs. Yet, for those that do list, the average deal size remains relatively strong. While public listings are, on average, occurring at higher valuations, more than half of this year's IPOs have still priced at step-down valuations relative to their last private-market rounds.

U.S. IPO Activity (as of 10.1.2025)

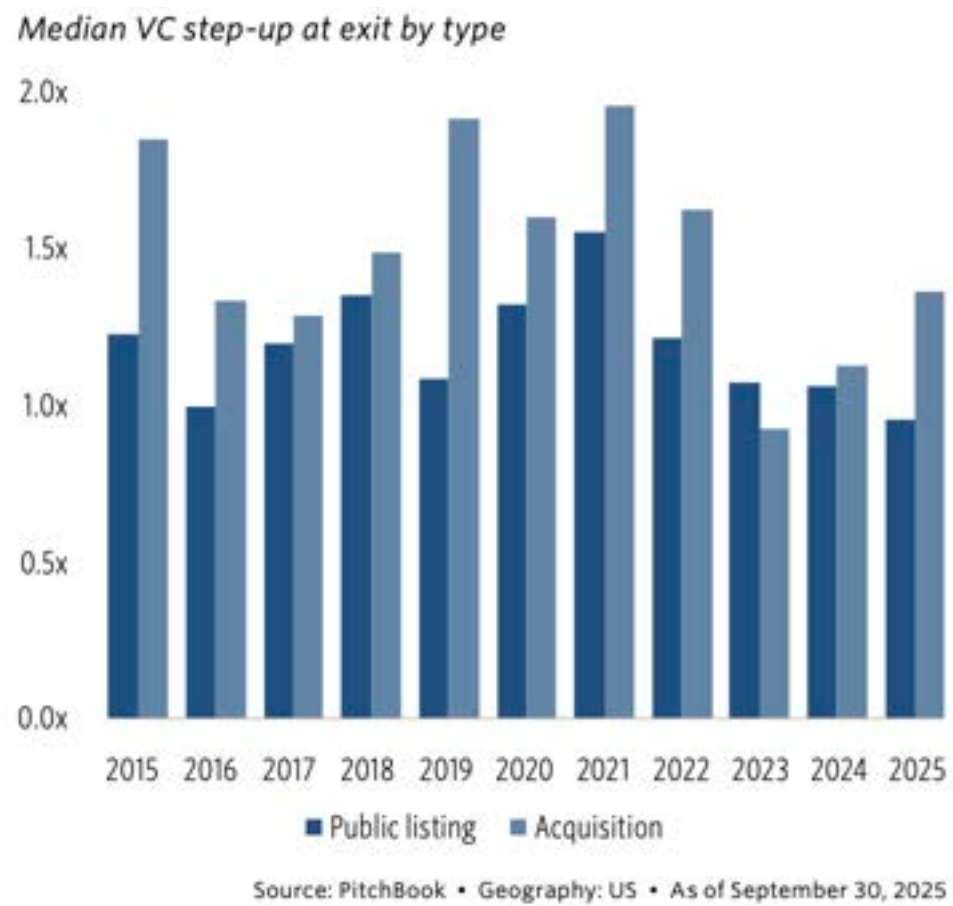


Public Listings are Occurring at Higher Valuations than Ever



Source: PitchBook

Over Half of 2025's IPOs Have Been a Step-Down in Valuation



Source: PitchBook

Venture Trend 64 - Small IPOs didn't materialise in 2024

2024 Prediction: ➡ Trend to continue at similar pace in 2025

NA - No comparable data for this.

Private Capital Conference

Say Goodbye to Tiny IPOs: Investors Warn



Jason Shuman • Following
General Partner at Primary
1w • 🌐

No comparable data for 2025

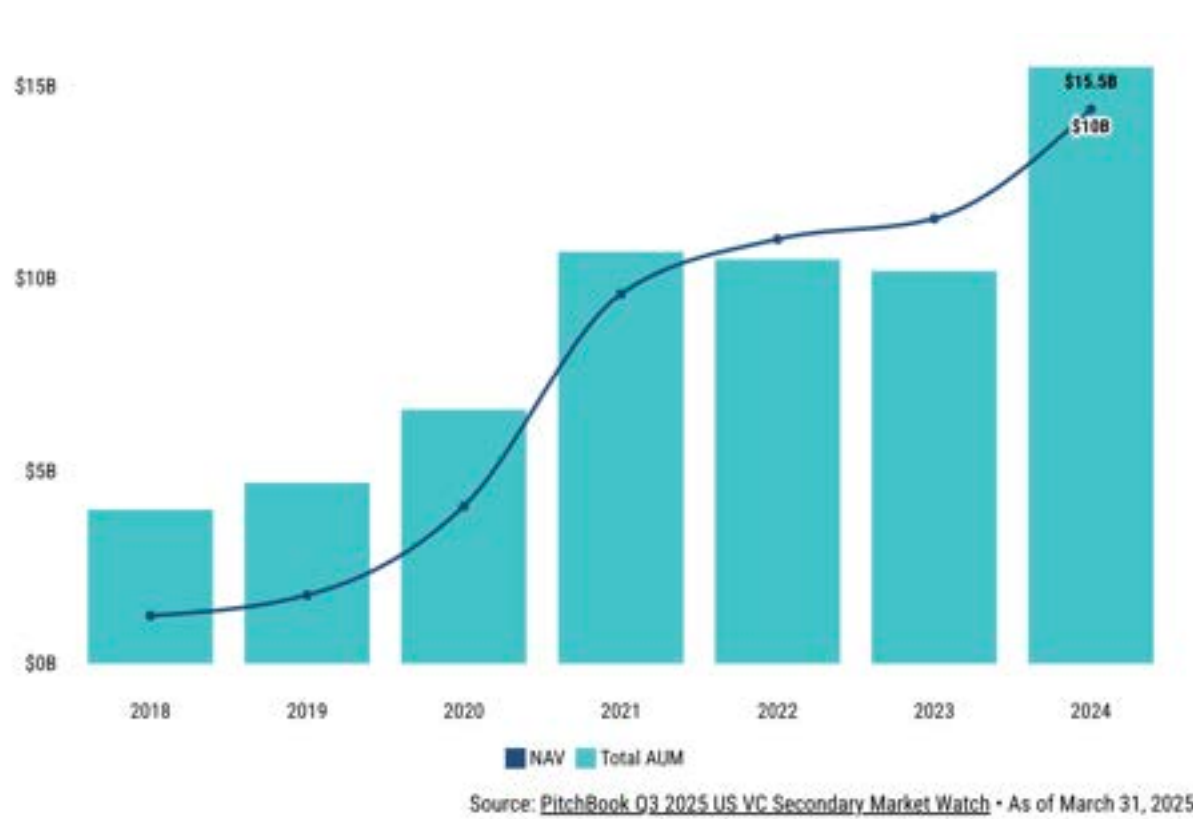
public without \$1 billion in revenue,
[and] \$10 billion in market cap,"
Philippe Laffont, chief investment
officer of Coatue Management, said
at an investor event hosted by The
Information.

Venture Trend 65 - Rise of Secondaries as liquidity mechanism

2024 Prediction:  **Trend to moderately intensify in 2025**

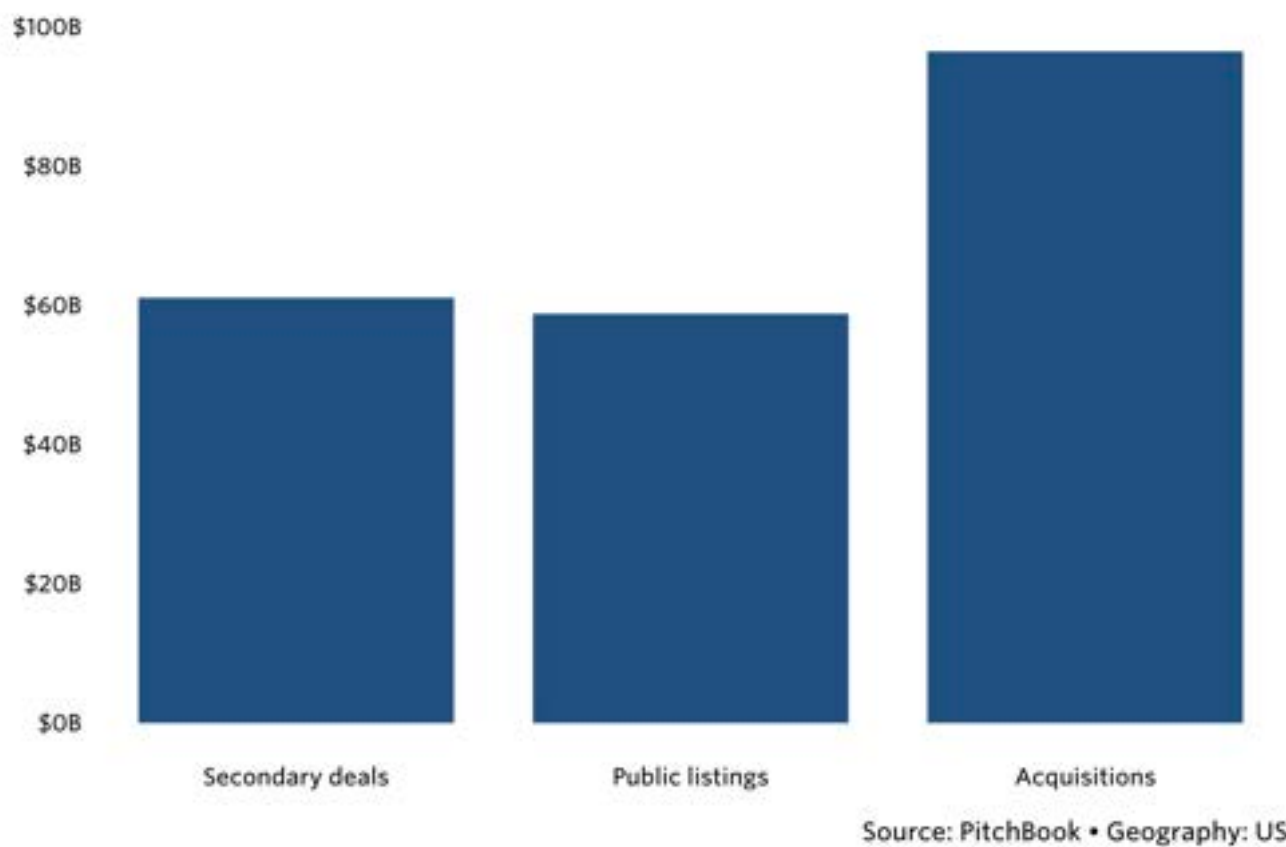
TRUE: Secondaries Leapfrogged in 2025. Secondary fund AuM is rising. Secondary sales in U.S. startups have now surpassed proceeds from VC-backed IPOs, signaling a major shift in how liquidity is created. With top startups like Stripe and OpenAI staying private longer, investors are increasingly turning to secondary markets for access and returns. From mid-2024 to mid-2025, U.S. VC secondary deals hit **\$61.1B**, outpacing IPO exits at **\$58.8B**, per PitchBook. Companies are also using tender offers to provide liquidity and retain talent. The surge reflects a broader trend: secondaries are becoming a key pillar of venture liquidity, especially in high-demand areas like defense, cybersecurity, and AI.

US VC secondary fund AUM on the rise



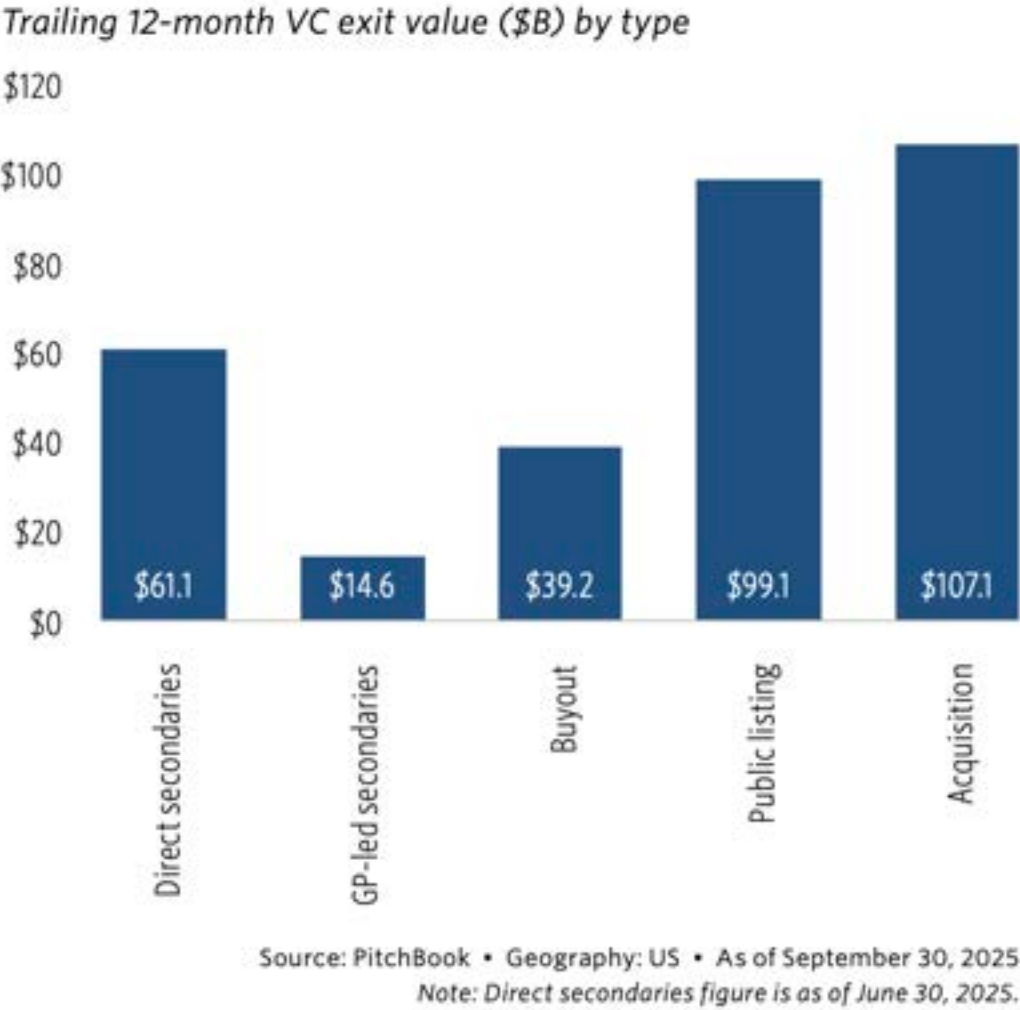
Source: PitchBook

VC Exit Value by Type for the 12 Months Ending in Q2 2025



Source: PitchBook

Trailing 12 Month VC Exit Value (\$B) by Type



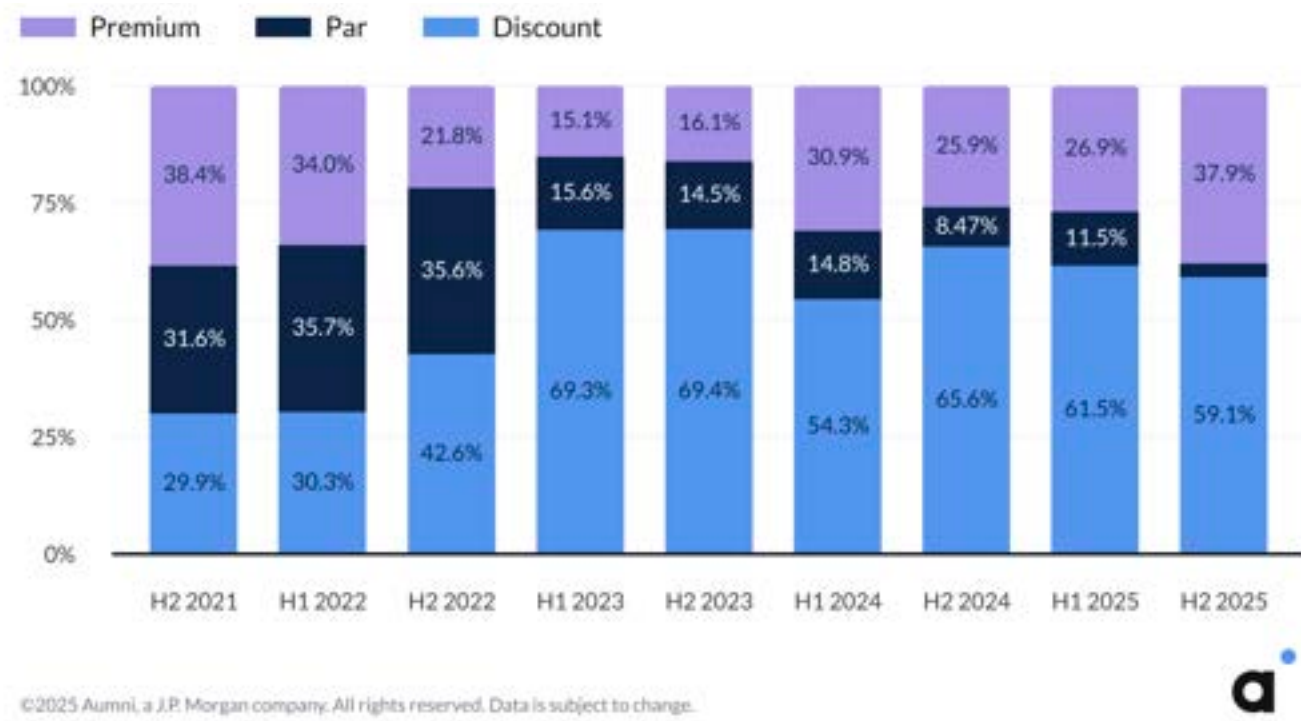
Source: PitchBook

Venture Trend 66 - Pricing has recovered in Secondary deals

2024 Prediction:  **Trend to moderately intensify in 2025**

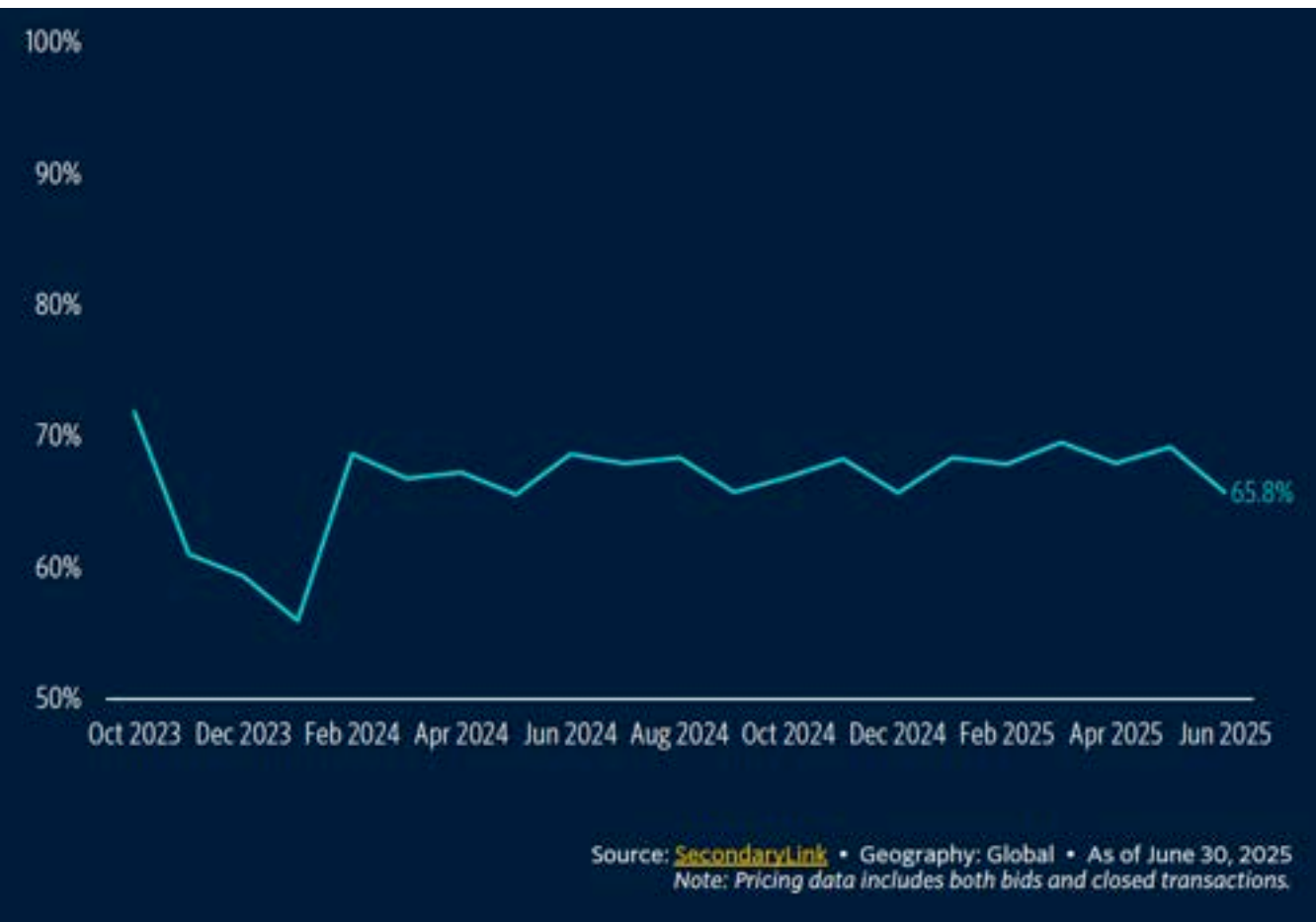
TRUE: For single-name secondaries, the share of transactions completed at a premium has increased, though the data is nuanced. PitchBook data shows that secondary pricing for LP interests has begun to stabilize overall. A clear pattern remains: younger funds continue to trade at higher percentages of NAV than more mature vintages.

Secondary Transaction Price (per Deal)
per Share Relative to Prior Round



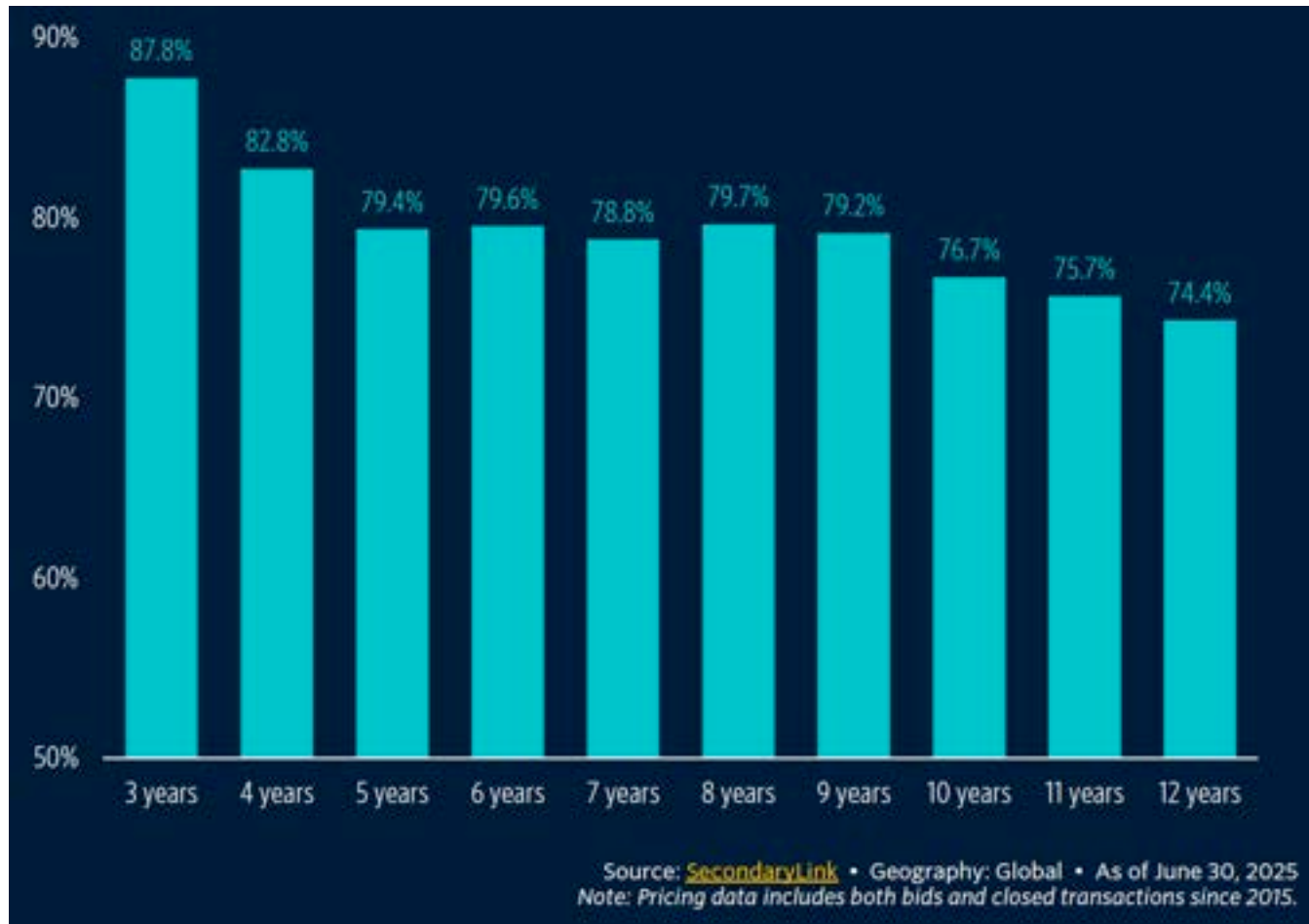
Source: Aumni

Secondary Pricing of LP Interests (% of NAV)



Source: PitchBook

Secondary Pricing of LP Interests by Fund Age (% of NAV)

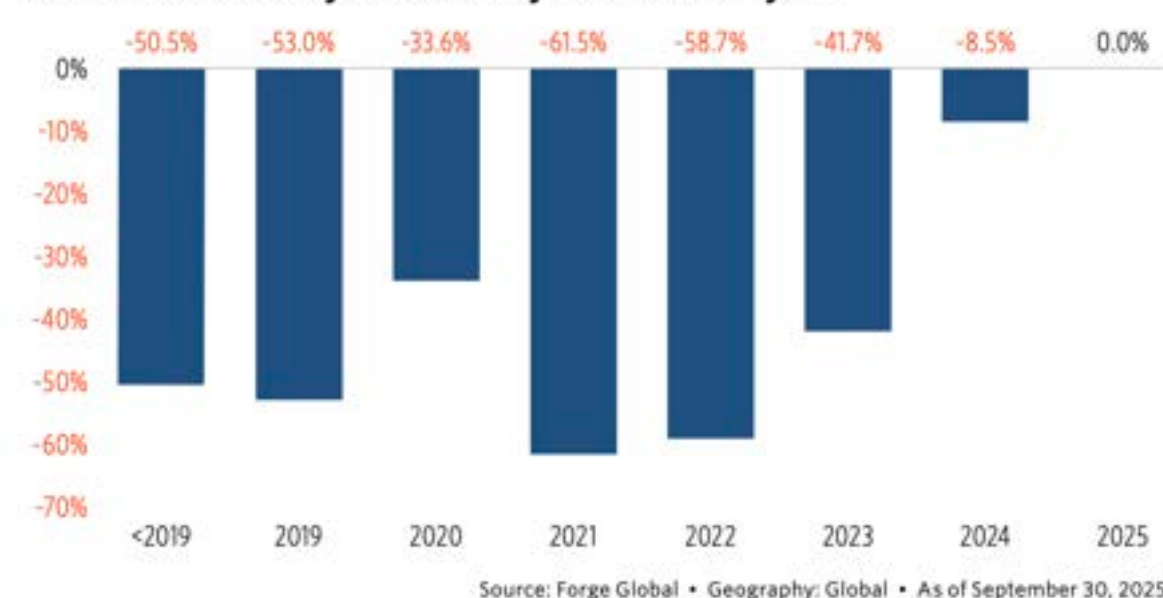


Source: PitchBook

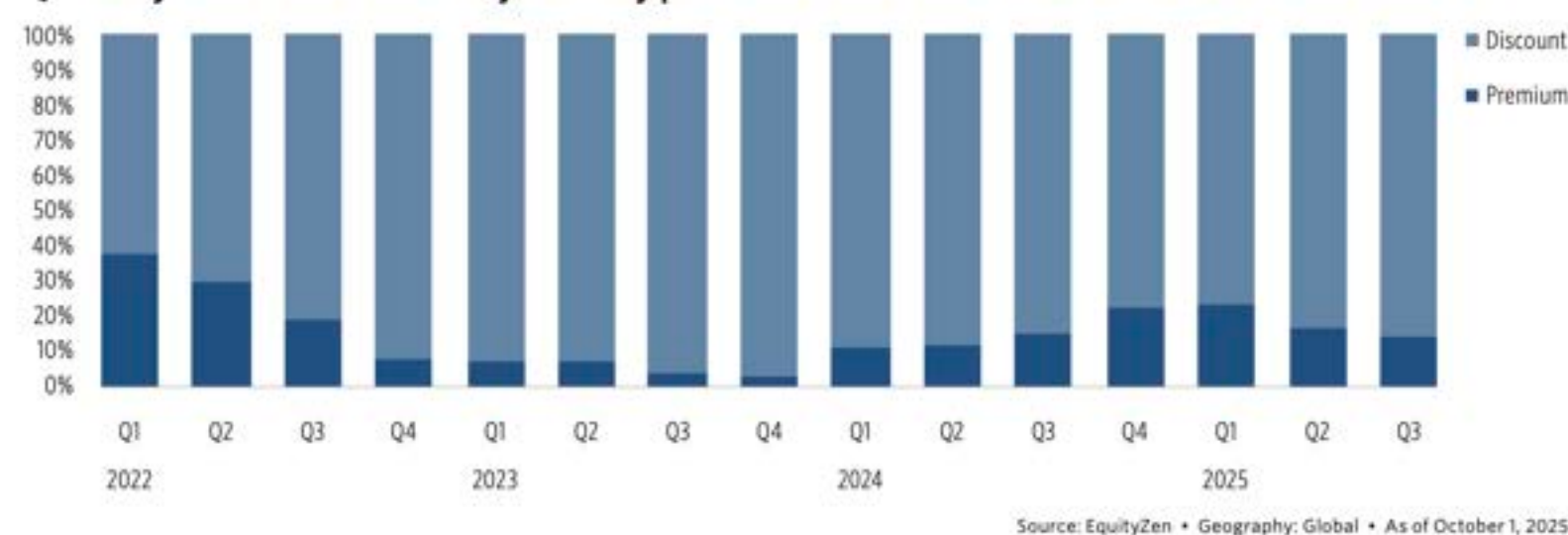
(Additional Info) Venture Trend 66 - Secondaries Discount Conundrum

Secondaries comes with discounts as seen in the charts below. But now, both NewView Capital and StepStone Group are reshaping the narrative around venture secondaries, urging investors to move beyond the traditional obsession with discounts. NewView challenges the reliance on last-round markdowns, arguing that such benchmarks are often misleading for startups with complex capital structures and volatile growth trajectories. Instead, they advocate for evaluating companies based on intrinsic value, growth-adjusted entry multiples, and long-term business fundamentals. StepStone reinforces this perspective with data showing that deep discounts—particularly those exceeding 15%—don't inherently translate to stronger returns. In fact, pursuing underperforming assets at bargain prices often leads to disappointing outcomes. Their findings emphasize that asset quality, not price, is the primary driver of long-term performance. Concentrated investments in high-conviction, top-tier companies—even at modest premiums—consistently outperform broad portfolios filled with discounted but lower-quality holdings. Together, these views reflect a strategic shift: in venture secondaries, disciplined underwriting and selectivity are far more valuable than chasing optical value. The emerging consensus is clear—success lies in backing the best companies, not the cheapest ones.

Median secondary discount by last VC deal year

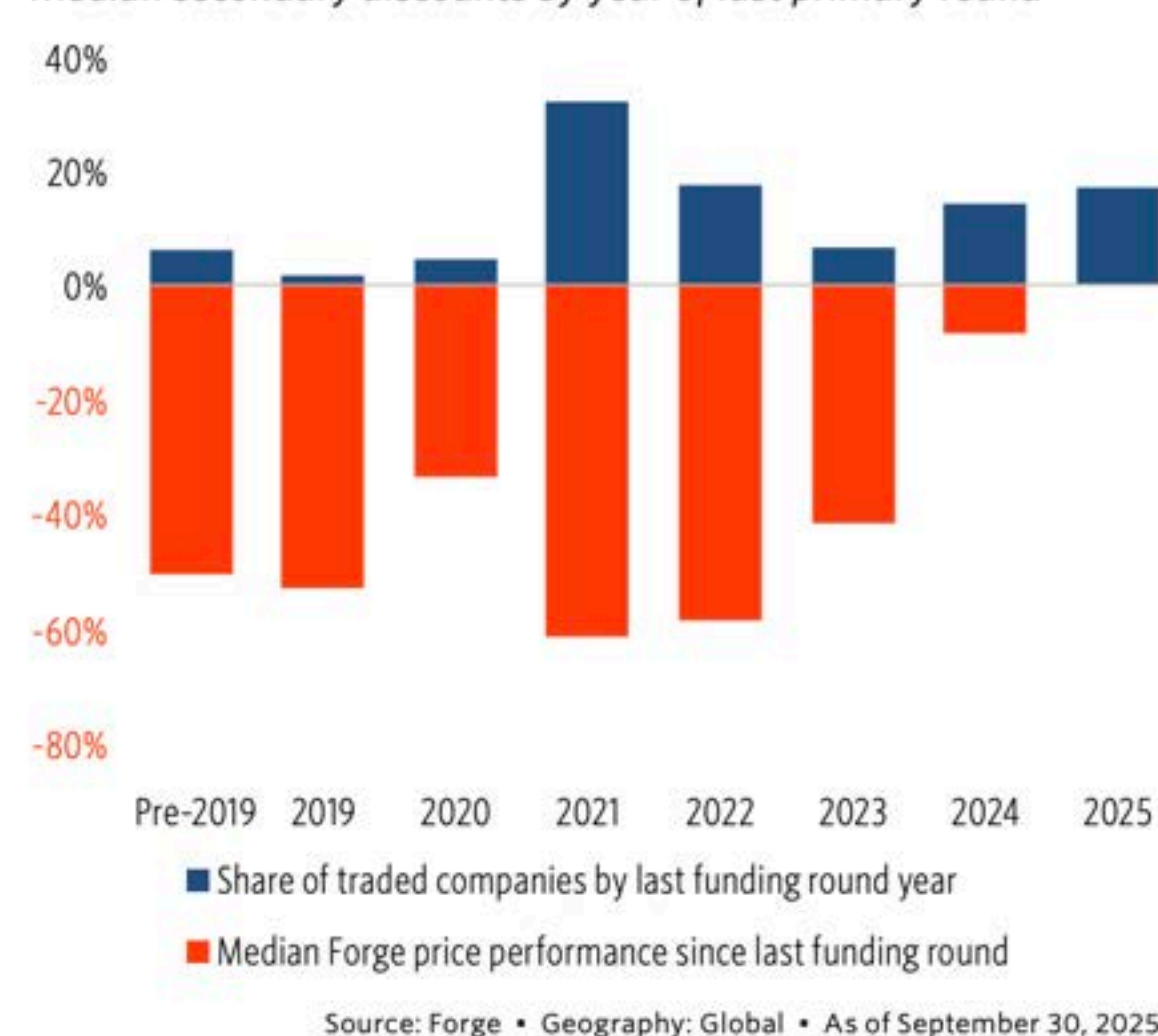


Quarterly share of VC secondary count by premiums and discounts

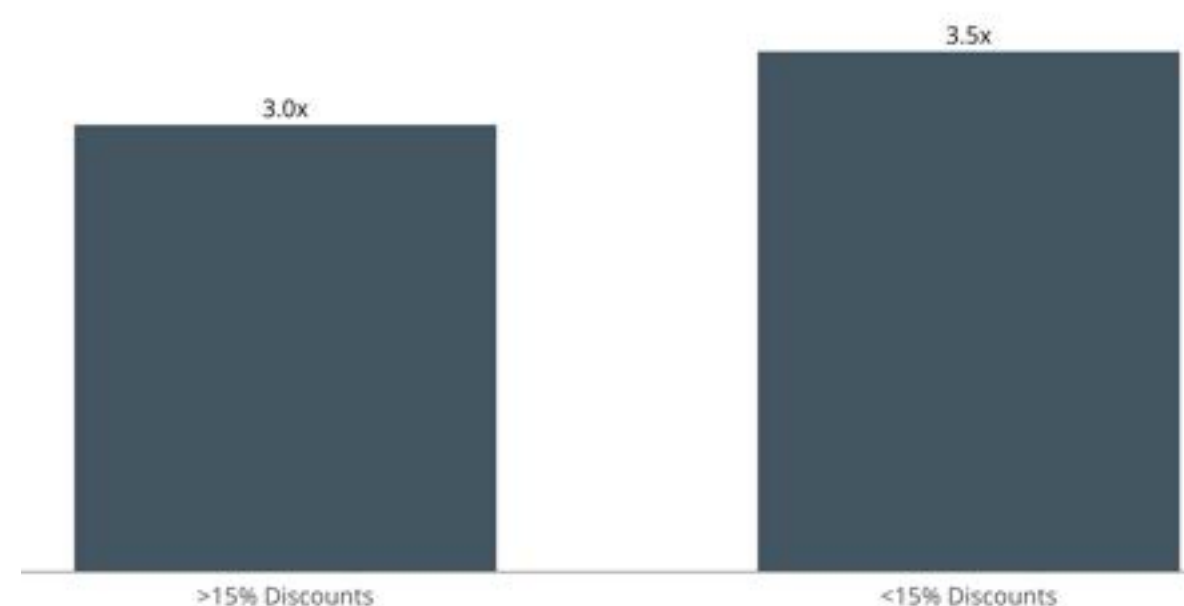


Primary rounds are a leading indicator for secondary pricing

Median secondary discounts by year of last primary round



Inverse Relationship Between Discount and Performance



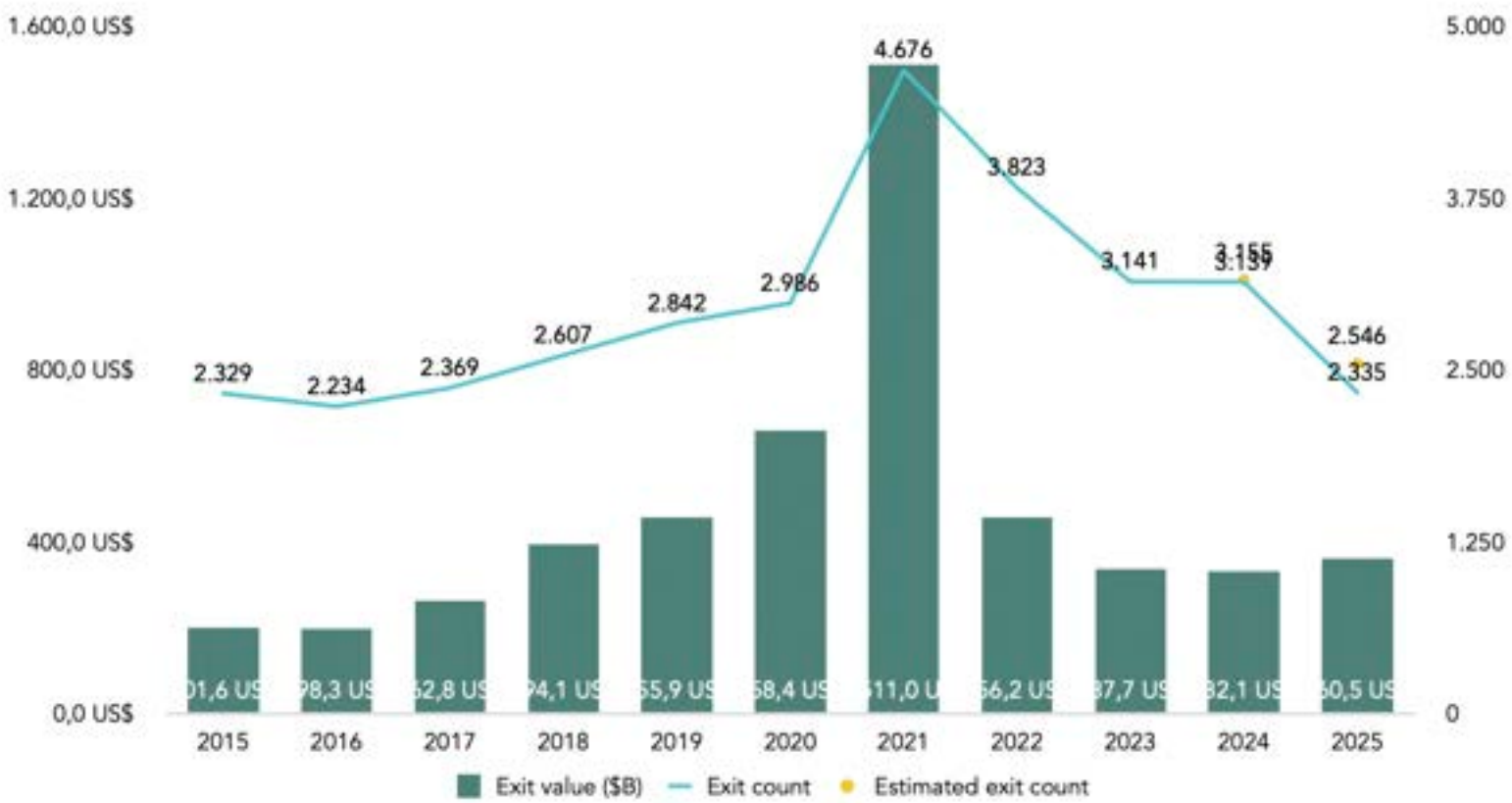
The fallacy of discounts

In venture secondaries, many buyers are fixated on discounts. While its tempting to chase a bargain, intrinsic value is what matters most.

Global Exit Data | 1

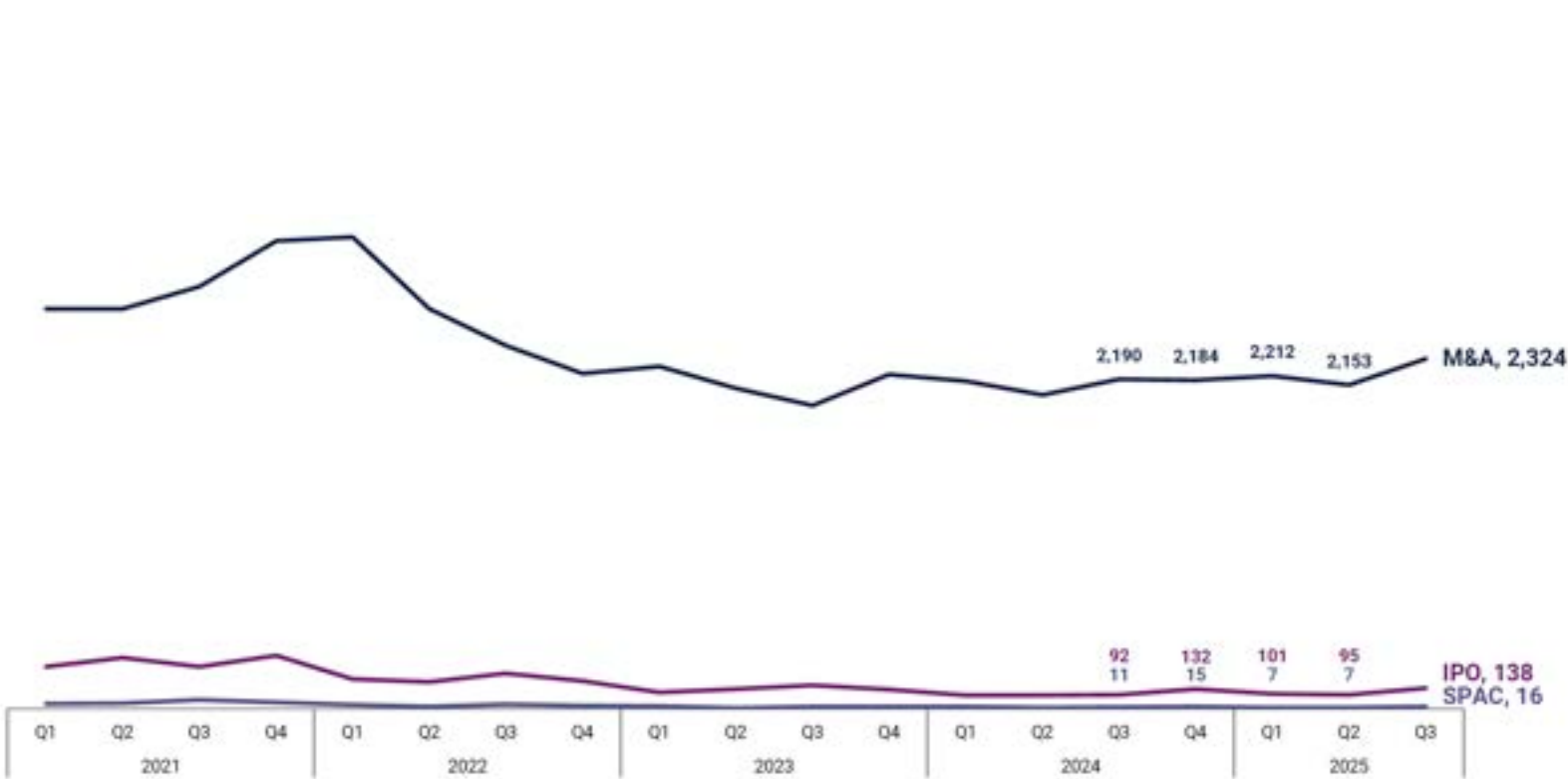
Globally, Q3 2025 marked the strongest quarter of the year for exits, according to CB Insights. There were **2,324 M&A deals** and **138 IPOs**, both the highest tallies so far this year. By the end of Q3, total exit volume had already surpassed 2024 levels—an encouraging sign that the market is reopening, even if selectively.

Global VC Exit Activity



Source: PitchBook

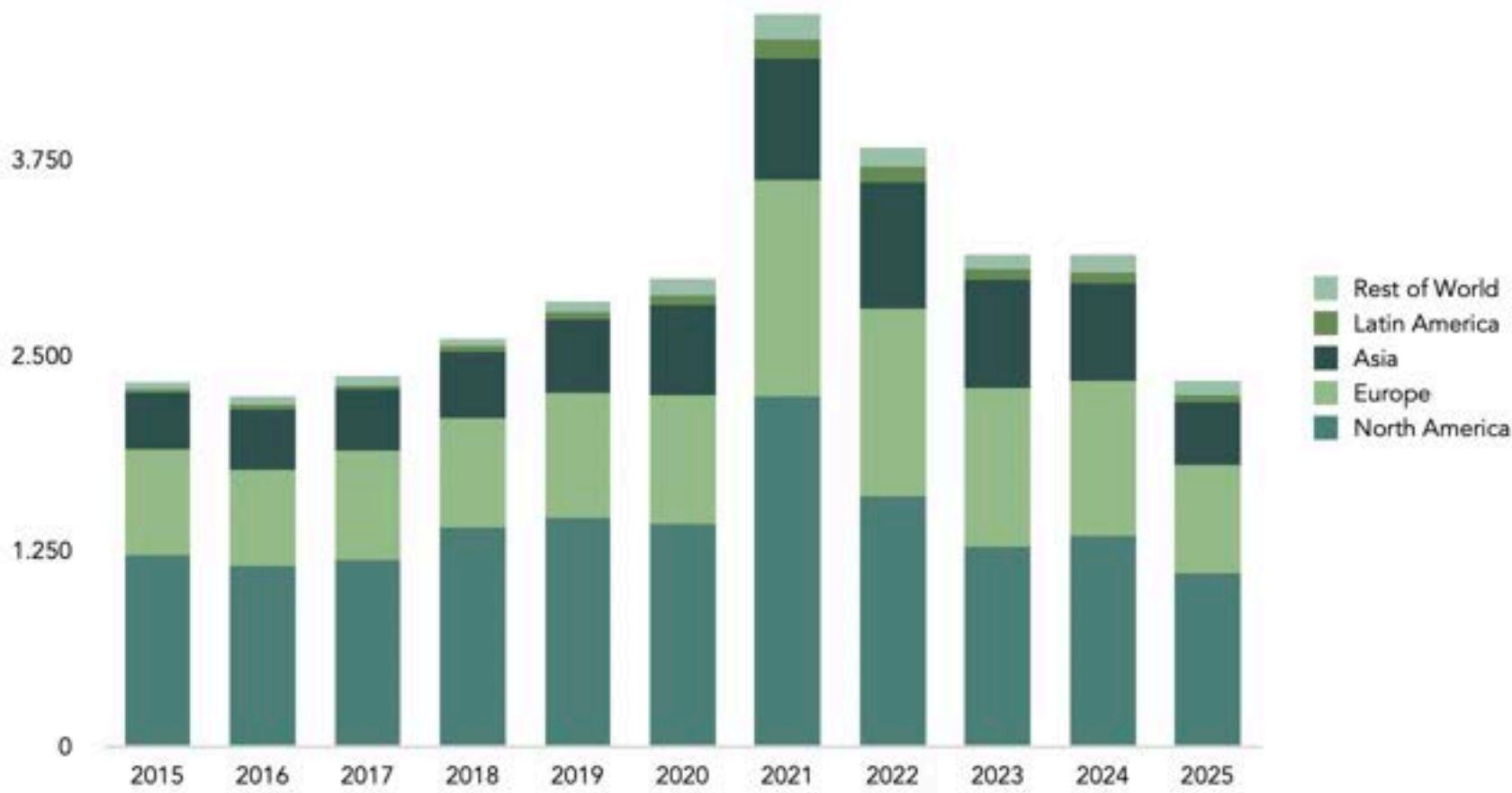
Quarterly Exits



Source: CB Insights

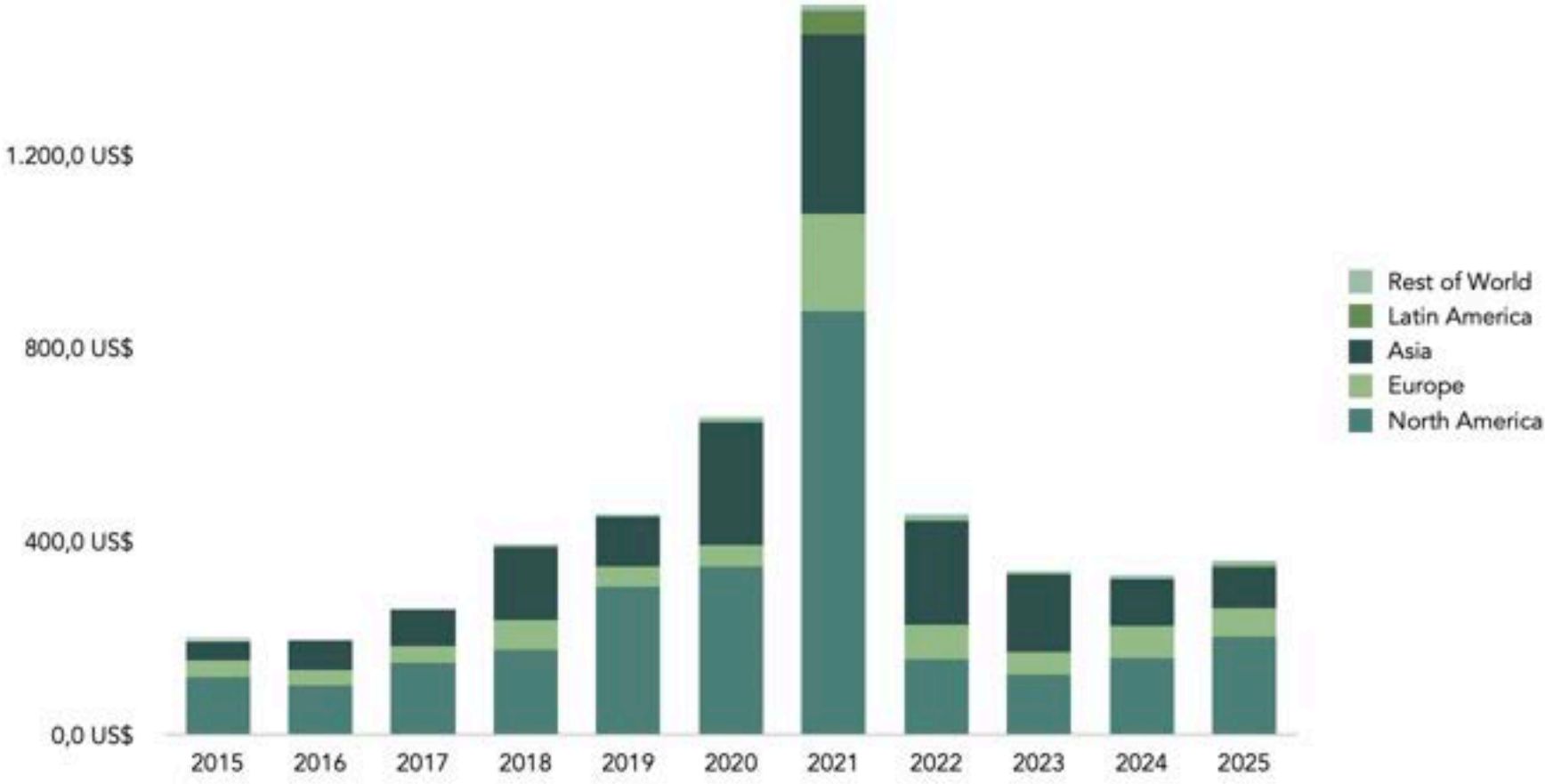
Global Exit Data | 2

Global VC Exit Count by Region



Source: PitchBook

Global VC Exit Value (\$B) by Region

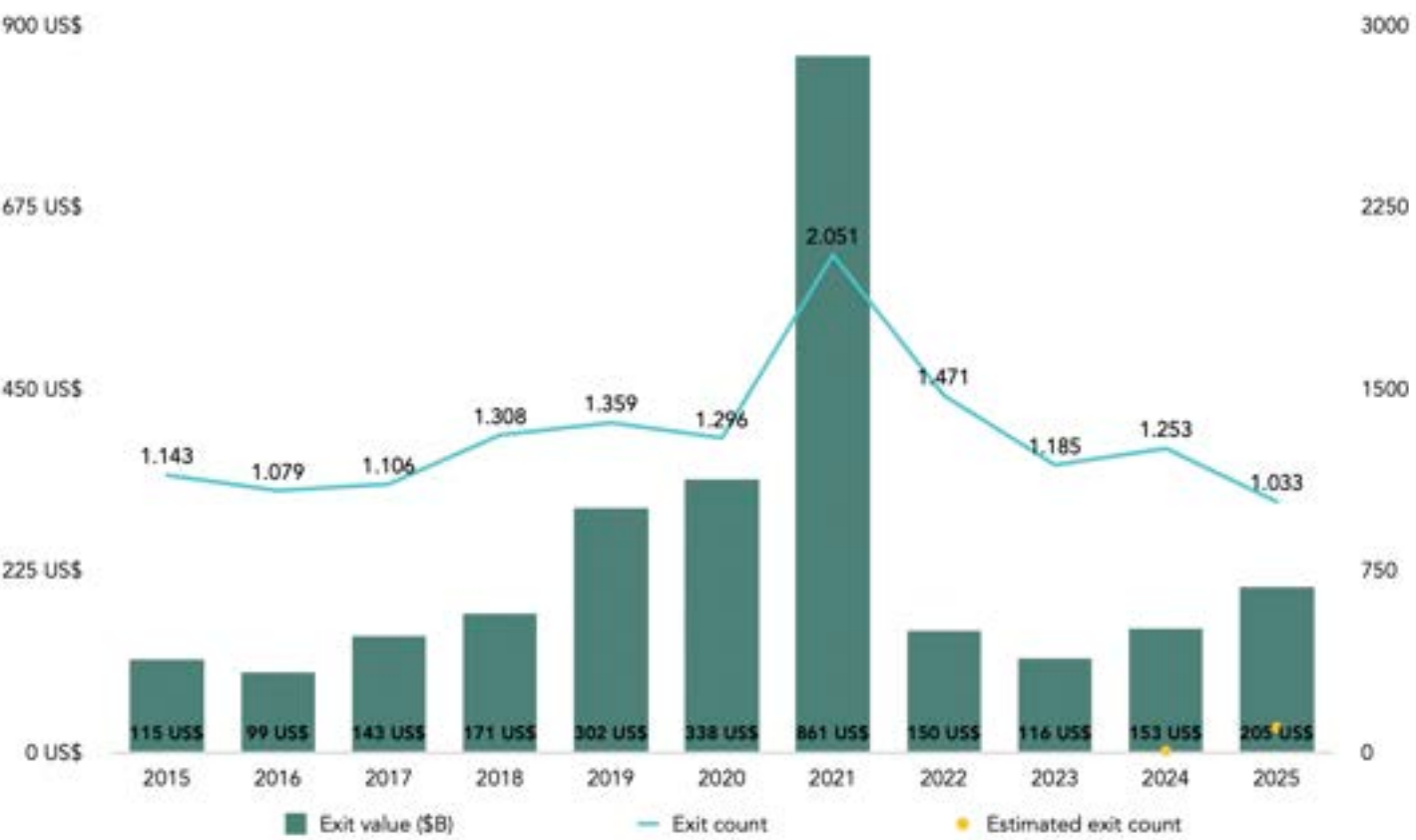


Source: PitchBook

U.S. Exit Data

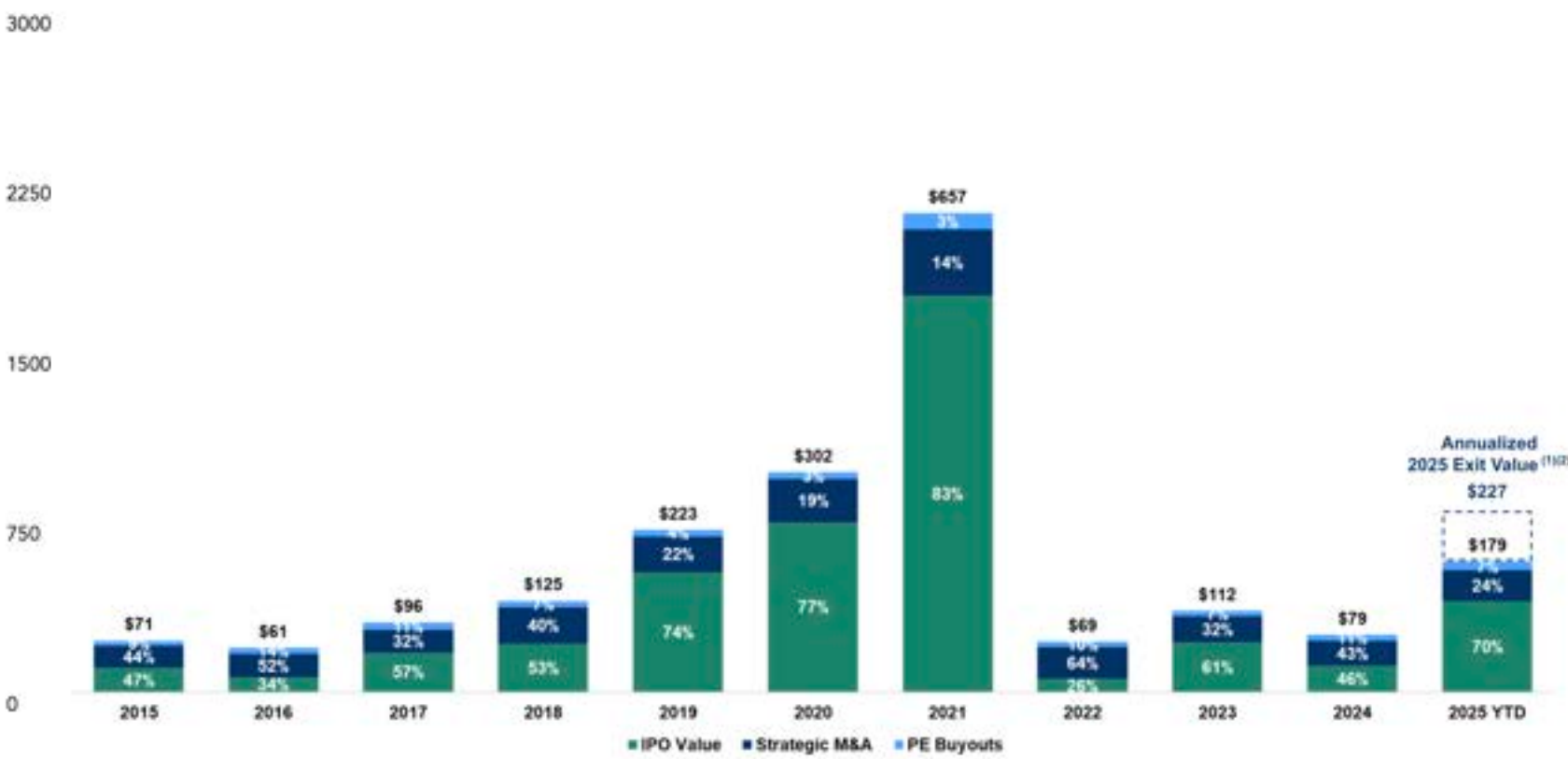
The U.S. exit market is showing clear momentum in 2025, with dollar exit volumes rising both annually and quarter over quarter. Public listings have been the main driver—Q3 IPO exit values far outpaced M&A and have grown steadily throughout the year. The big question now is whether this U.S. rebound will spread to the rest of the world.

U.S. VC Exit Activity
(Data until September)

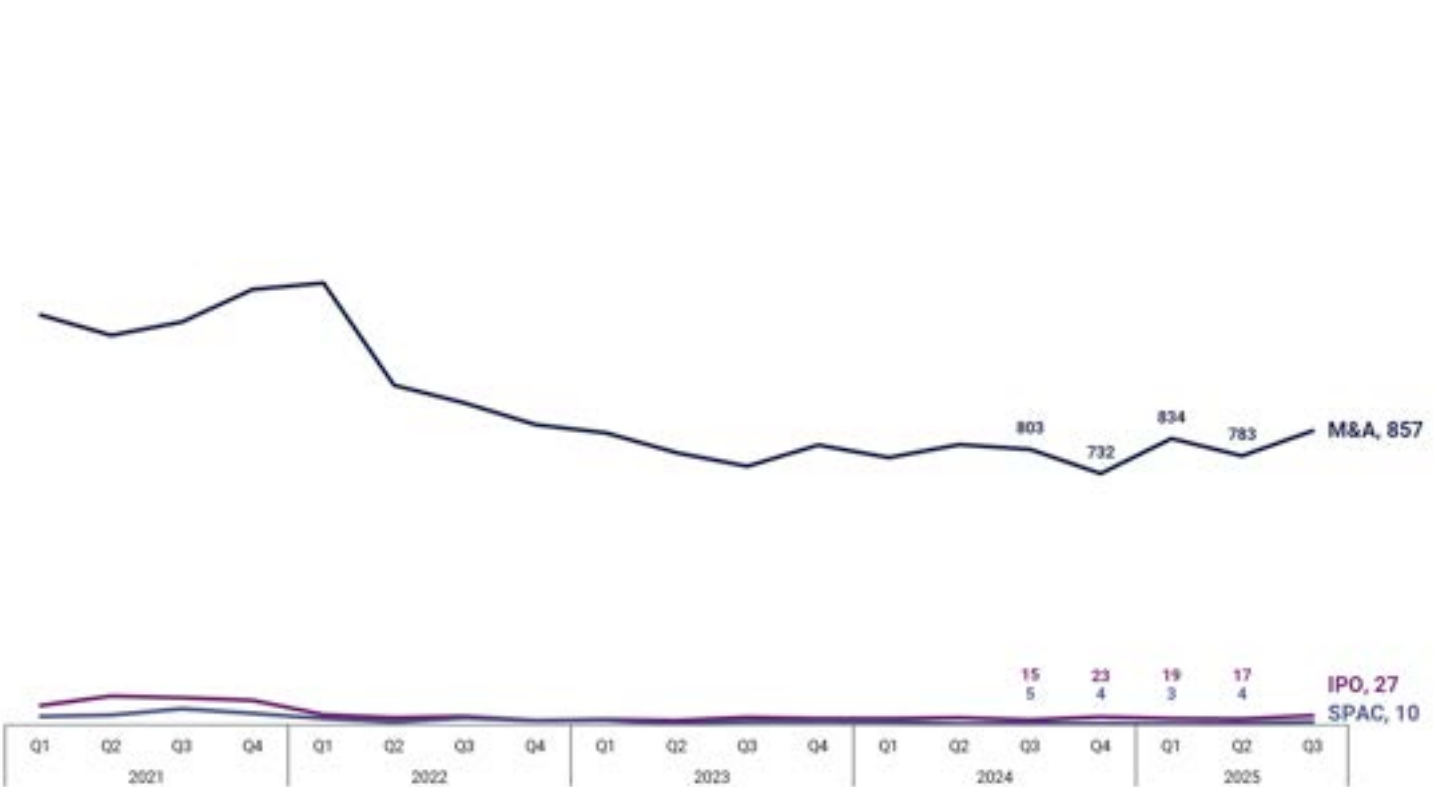


Source: PitchBook

U.S. Aggregate Technology Company
Exit Value by Type (\$B)
(Data until October)



U.S. Quarterly Exits
(Data until September)

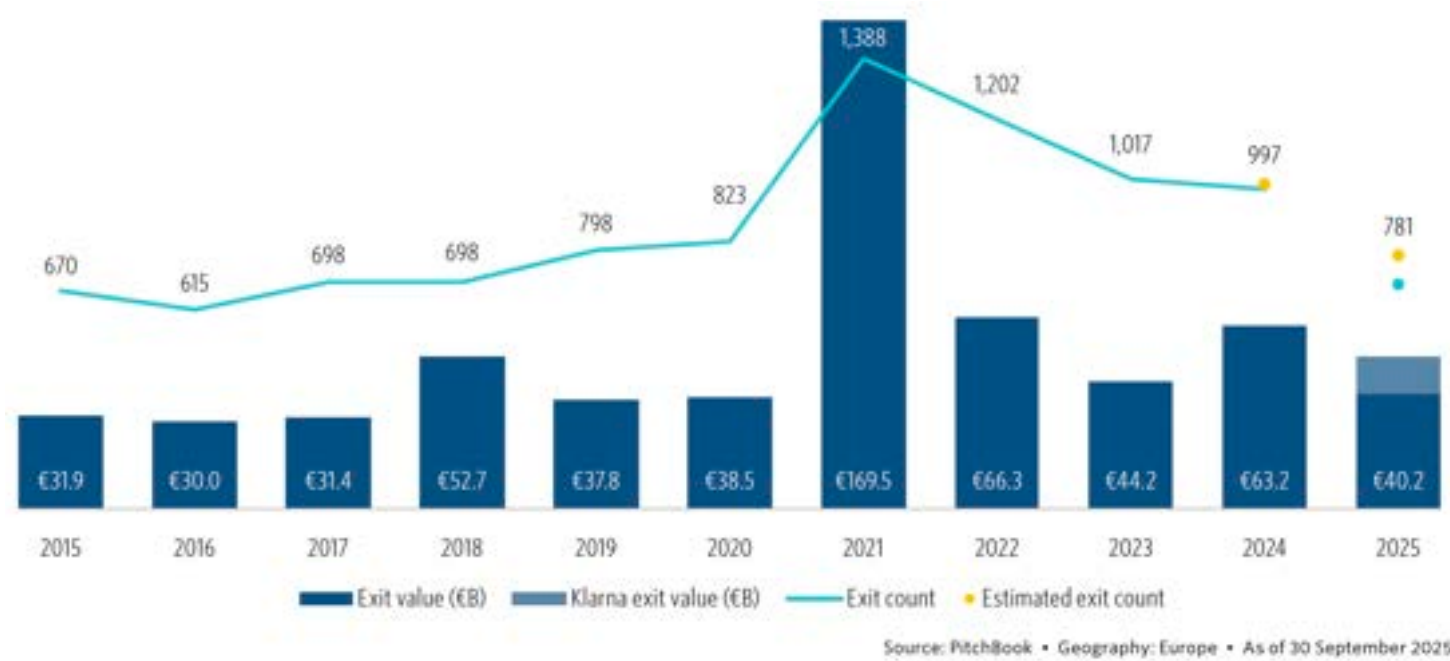


Source: CB Insights

Europe Exit Data

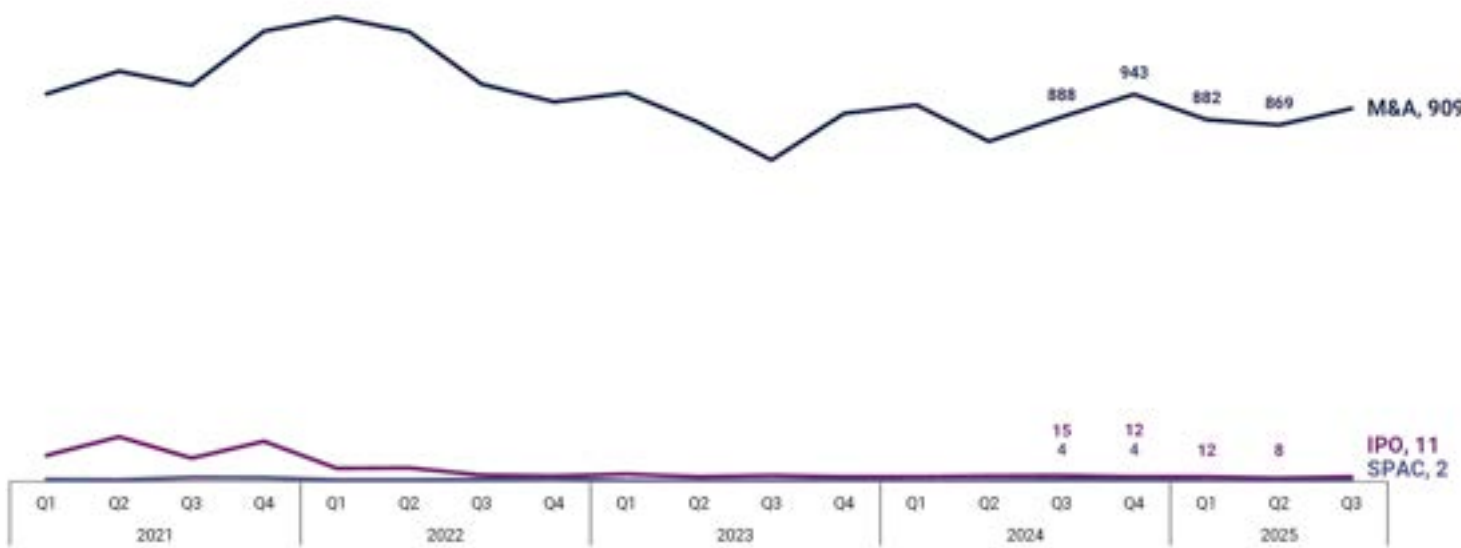
Q3 sees biggest exit value tally since 2021. Exit activity continued to climb through 2025, with total value reaching **€23.8 billion** in Q3—driven largely by Klarna’s long-awaited IPO, which alone accounted for **€12.7 billion**. IPOs have regained momentum, now representing **32%** of total exit value versus **23%** last year, though that share comes from just a handful of listings. While public listings are staging a selective comeback, acquisitions still dominate Europe’s venture exits, making up more than **70%** of all deals so far this year.

Europe - VC Exit Activity



Source: PitchBook

Europe Quarterly Exits

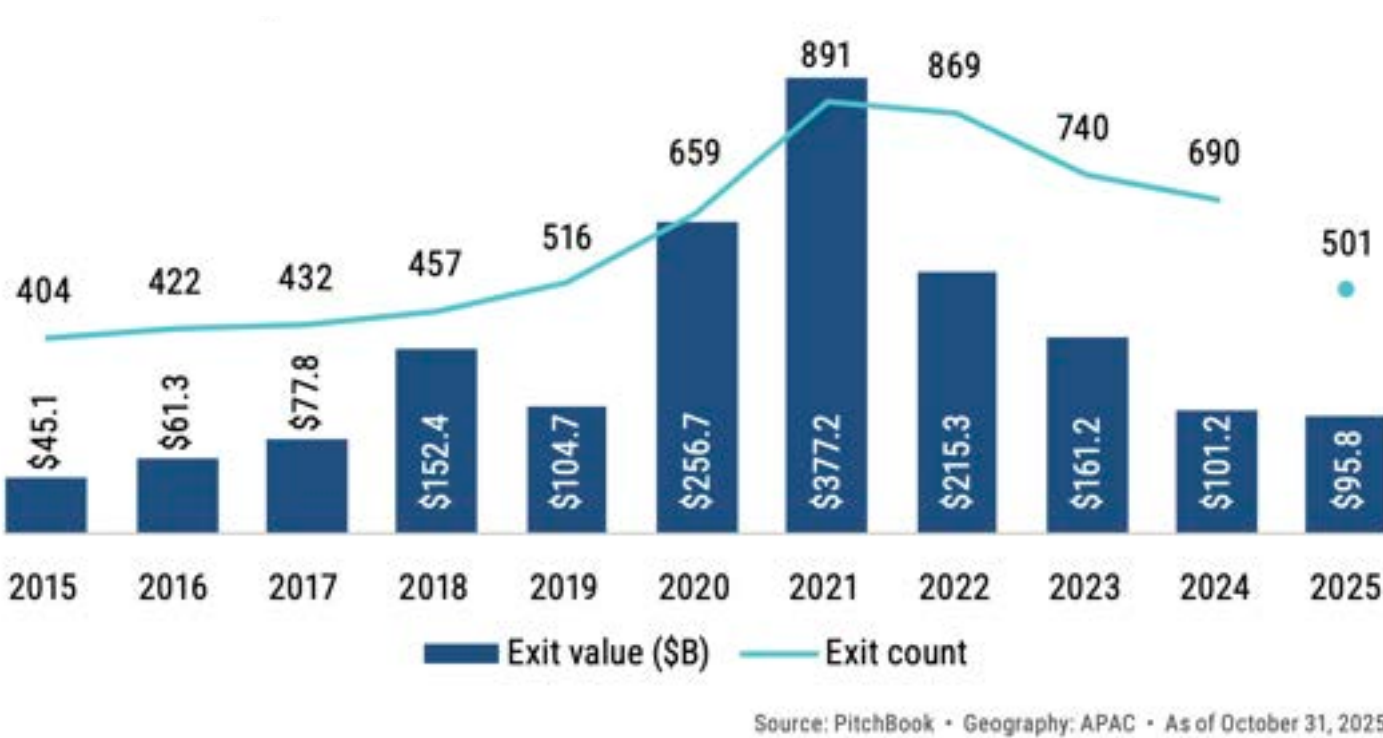


Source: CB Insights

APAC & SEA Exit Market

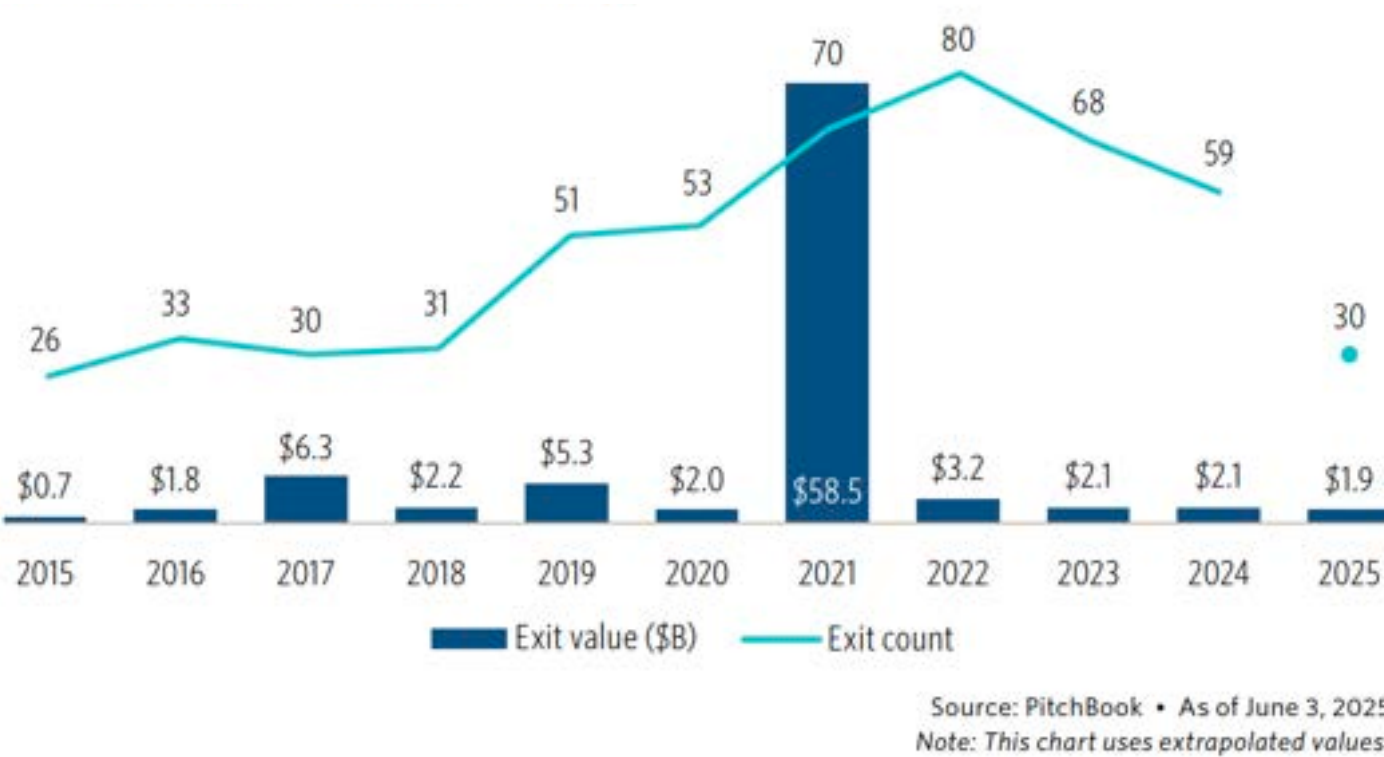
SEA region exit momentum accelerated in H1 2025, with 30 deals totaling approximately \$1.9 billion. If pace holds, SEA is on track to nearly double its 2024 exit value. Notably, much of this growth is being driven by a few large IPOs that have had an outsized impact on dollar volume. According to PitchBook, while overall VC-backed M&A volume in the region as share of total exits has steadily climbed, hitting 83% so far in 2025—underscoring M&A’s central role in the regional exit landscape just like the global trend. In 2025 YTD, the median age at exit for VC-backed startups in SEA has dropped to 6.8 years, down from 7.5 years in 2024—breaking a three-year streak of increasing exit timelines. This shift signals a growing trend of M&A’s targeting younger companies, likely driven by a combination of strategic consolidation and earlier alignment between buyers and emerging startups.

APAC VC Exit Activity



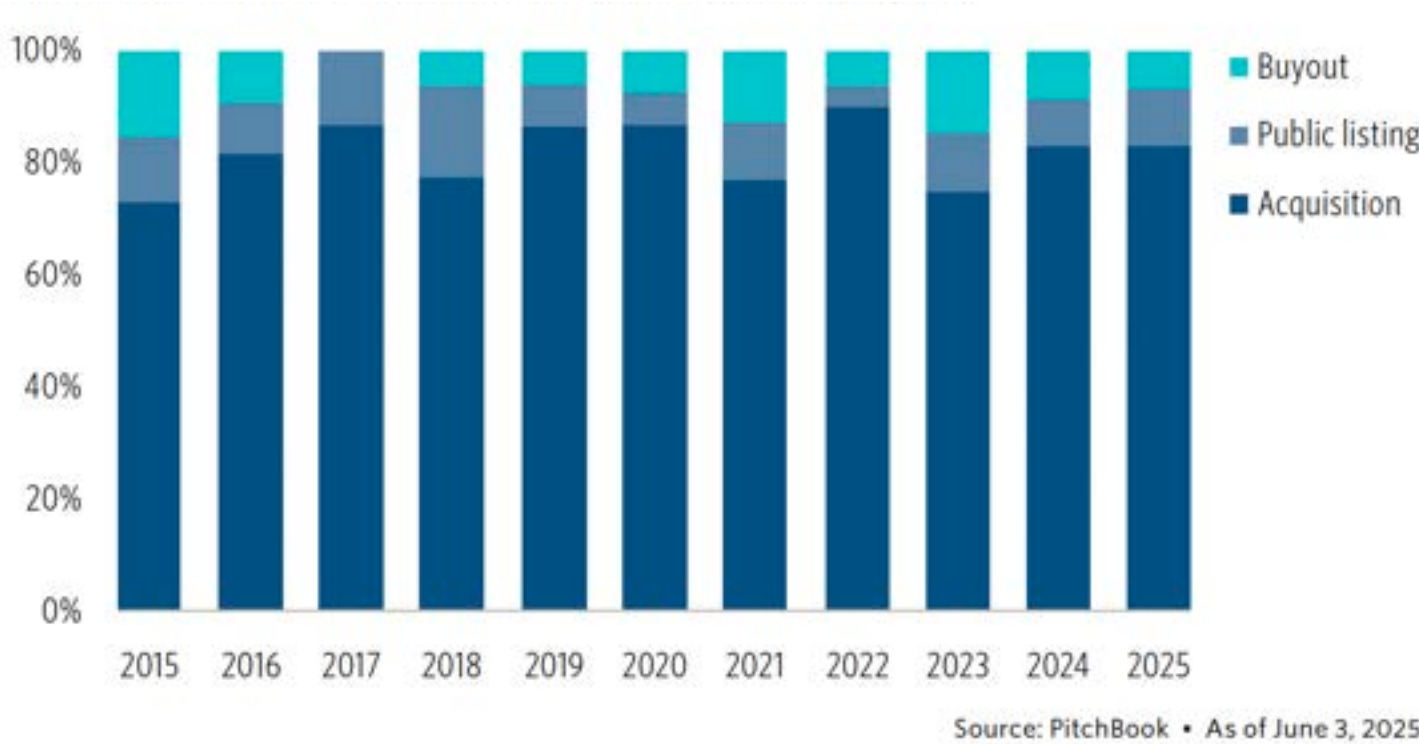
Source: PitchBook

SEA VC Exit Activity



Source: PitchBook

Share of SEA VC Exit Count by Type



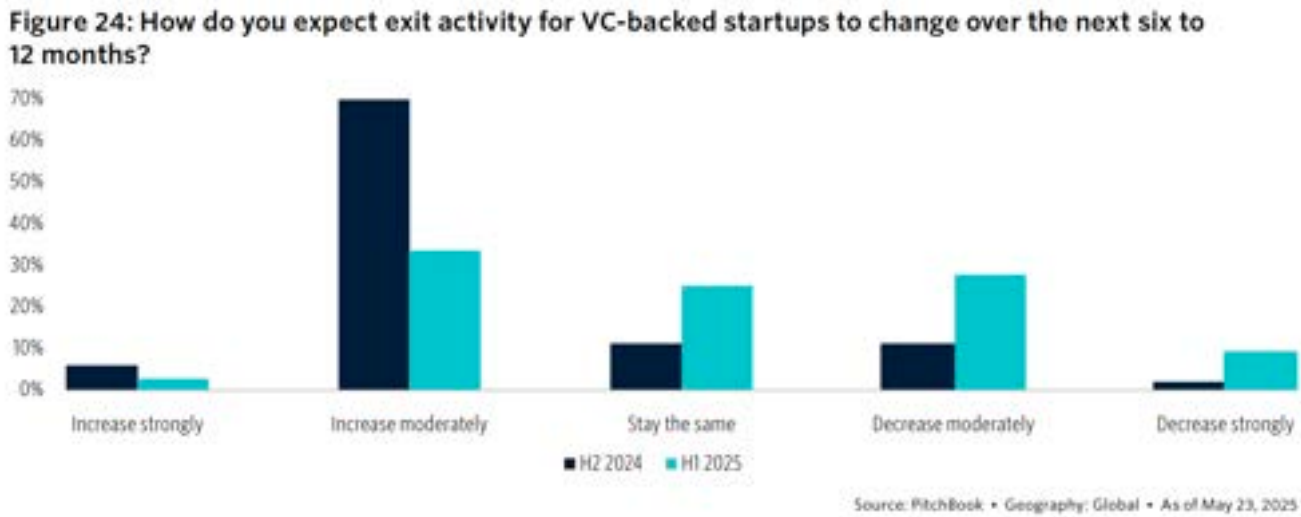
Source: PitchBook

Exit Sentiment & Ecosystem Balance Indicator

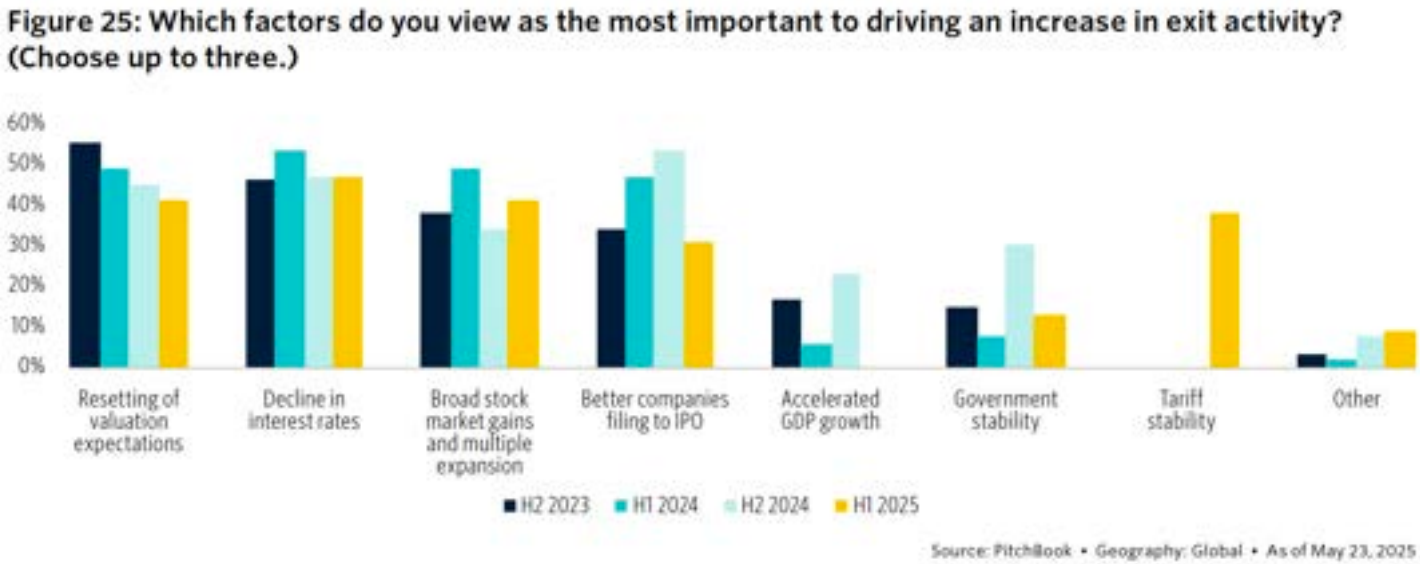
PitchBook’s latest survey reveals a cautiously optimistic outlook for exit activity over the next 6 to 12 months. While a majority of participants still anticipate a moderate increase in exits, the percentage holding that view has declined from H1 2024 to H1 2025, indicating a softening of expectations. Two consistent themes remain at the core of this outlook: the resetting of valuation expectations and declining interest rates, both seen as essential to reviving exit momentum. However, a new factor has emerged in H1 2025—tariff stability—as geopolitical clarity around trade begins to influence investor confidence and cross-border M&A appetite.

Interestingly, since 2023, discussions around valuation resets have gradually taken a backseat, as much of the recalibration has already occurred. Now, interest rates have taken the lead as the most closely watched variable, shaping not only exit timing but also deal structures and buyer behavior. The evolving mix of macro and policy drivers underscores how the venture exit landscape is entering a more complex, rate-sensitive phase—where optimism exists, but is more tempered and conditional than before.

As shown in the third chart, the rebound in U.S. exit activity is contributing to a more balanced ecosystem, with the Exit Value-to-Investment ratio rising to 1.0x—a significant recovery from the 2024 low of 0.4x.



Source: PitchBook



Source: PitchBook

Exit Value/Investment
(As a Proxy for Private Market Health)



Source: Coatue



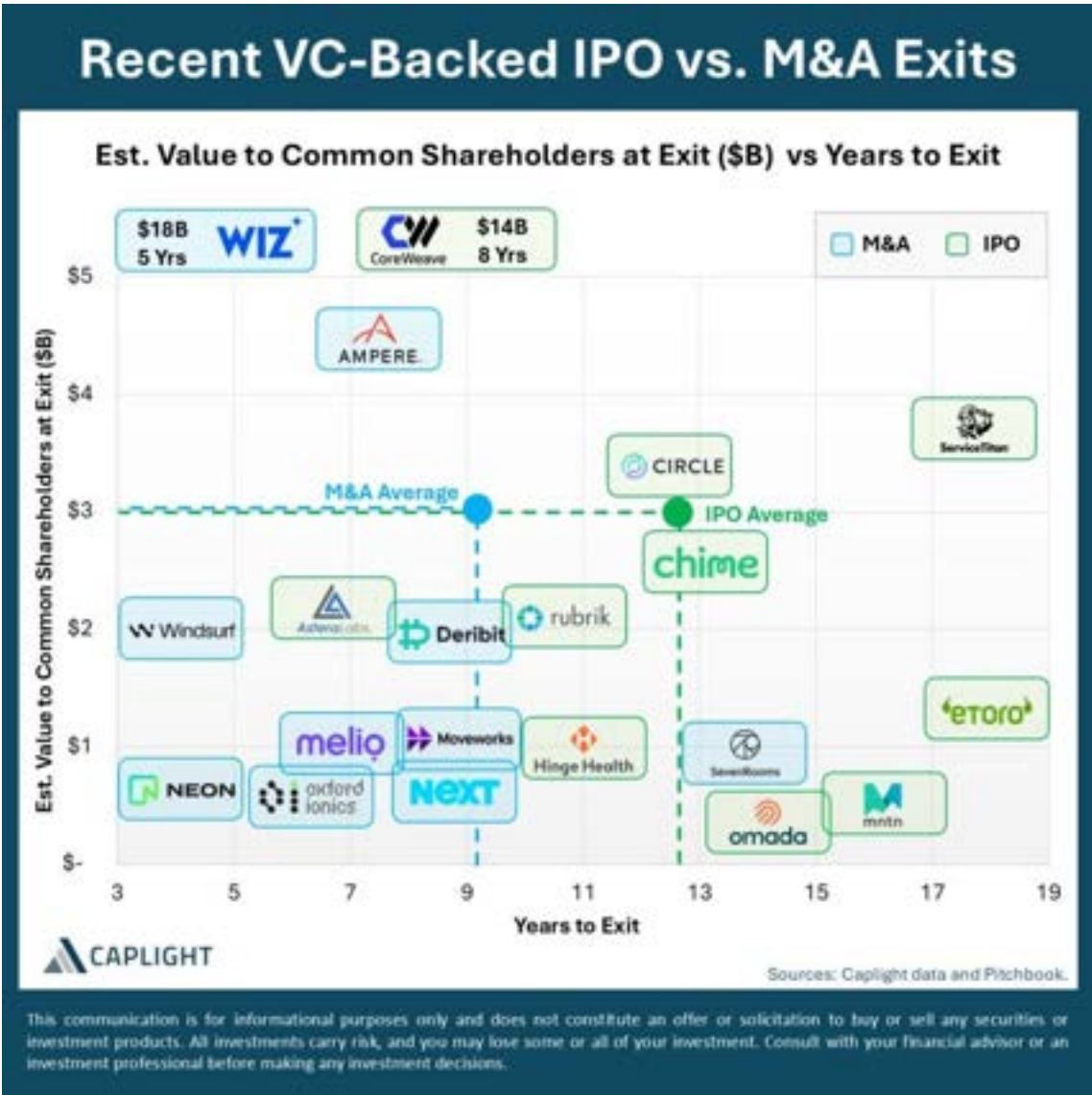
Exit Nuggets

We Need a VC Prenup: Creating Off-Ramps for Tech Businesses

Edit Capital advocates for “VC prenups”—pre-agreed exit frameworks for startups that stall—arguing that current venture models assume success without planning for failure. With nearly half of VC-backed startups failing to raise follow-on funding, this lack of structure can destroy value and leave teams stranded. Off-ramps like buyouts or revenue-sharing would provide founders and investors with flexible, responsible alternatives that support a healthier startup ecosystem.

The new math: Why seed investors are selling their winners earlier

Seed investors are exiting winners earlier—often by Series B—as LPs push for faster returns over long holds. Analysis shows that selling early can yield strong fund performance, prompting firms to explore secondaries and more flexible exit strategies. While this boosts near-term liquidity, it challenges the traditional VC model of waiting for outsized, long-term wins.



IPOs may still carry prestige, but recent data shows M&A exits are delivering similar outcomes for common shareholders in nearly half the time. While an IPO can take over a decade, M&A often provides liquidity in just a few years—without compromising on value. For founders and early teams, this time-to-exit difference is increasingly strategic. In today’s market, where IPO windows remain tight and timelines are stretching, M&A is emerging as a faster, more efficient path to meaningful returns—especially for those optimizing for life ROI, not just public market glory.

Exits Nuggets



Rohit Mittal • Following
Co-founder/CEO, Stilt (YC W16), acquired by JGW | Investor | Advisor
1w •

I talk to Series A and B founders every week who can't sell their companies.

They raised \$15 million or more at valuations above \$100 million.

Now they're stuck at \$1-\$2 million in revenue and burning cash.

Here's what kills these deals: Each party wants something the others can't give.

The Founder's View:

The founder thinks, "We raised at \$100 million. I'll take a huge discount, sell for just \$25 million."

This sounds generous. It's not.



Christoph Gerber • 2nd
CEO @ Talon.One, Founder @ Lieferando.de
1mo • Edited •

Connect ...

Interesting to see how few VCs are publicly critical of wrappers. Those invested in "vibe coding" products are screaming as loudly as possible about ARR growth - and only ARR growth. It reminds me of the Gorillas-era insanity:

"Growth now, margin later."

Many of these products have 40% month-one retention.
"ARR" is calculated as current monthly revenue x 12 BUT ignoring churn entirely.
For arguments sake 83,000 customers paying \$100/month, with that retention curve, yields:

Inflated ARR (the VC deck, the press release etc.): \$100m
True retention-adjusted ARR: \$24m
That's a 76% gap.



Eyal Malinger • Following
Managing Partner @ Resurge - Venture equity for high-potential compan...
2w •

What they don't teach you at VC school

It's hard to sell a company. It's particularly hard to sell a company without EBITDA.

All those IC memos expecting that on a "downside case, a PE will acquire the company for 4x ARR" - I learned the hard way - just doesn't happen that often.

Your last round's 6-12x ARR isn't a valuation floor. Unless you're mission-critical to a specific acquirer, "real" buyers default to EBITDA math. Negative (or tiny) EBITDA is tough to underwrite—and that's where the bid-ask spread opens between VC's "ARR land" and the real world.

And here's the crux - Exiting at 15x EBITDA is a pretty good outcome. And at 20% EBITDA margin, that's equivalent to 3x ARR (or 3X revenue to be pedantic).



Kiran Mehta • 1st
Helping Founders Turn Vision and Strategy into Execution and Reality - ...
2mo •

One of the things so many VCs forget is at exit the founders will hold all of the cards.

I see far too many predatory VCs out there right now, especially in the UK market.

They're clipping off insane fees, they're putting in funky preference structures, they're pushing founders down on valuation and they forget that one day, in the not so distant future, founders will be the ones sat in front of acquirers.

Think about a deal structure at an exit, the founders are almost always needed in the acquiring company, at least for the transition. They're negotiating the exit value but they're also negotiating their package and potential earn out.



Kai Kramer • 2nd
Managing Director at ROCH Ventures
2mo •

Connect ...

European Arbitrage: Why US Funds Pay 1.6x More for Travel Tech

eDreams ODIGEO trades at 1.8x revenue; Booking Holdings (NASDAQ: BKNG) at 6.3x.

This gap isn't about performance. It's about capital scarcity and opportunity. We're watching US funds systematically acquire European travel tech at deep discounts, then exit at US multiples. It's a playbook built on structural arbitrage. The EU travel tech ecosystem is undercapitalized, and undervalued. US markets reward narrative and growth potential, not just EBITDA.



Nick Perrett • 1st
Founder and CEO at Prosper | NED and Chair
[Visit my website](#)
2w • Edited •

You cannot escape the mainstream media talking about how Rachel Reeves wants us all to be invested in (ideally British) private companies.

It's encouraging to see things like PICSES, a new market for private companies from the London Stock Exchange Group, to be launched. I see this as "step one" in what is a likely 20-50 year journey where the barriers to ordinary people owning privately held companies come down.

Why does this matter? It matters because companies are increasingly choosing to stay private longer. Successful companies you've heard of - like OpenAI, SpaceX, Revolut, ByteDance (TikTok) and some you've likely not, but are massive \$bn businesses, like Databricks.

Alongside this story, however, come the "misery merchants" peddling "private markets are a scam!" "It only helps make the private equity bosses rich!" Like with most things in life, there is some truth to these comments, but equally some are just plain dumb.

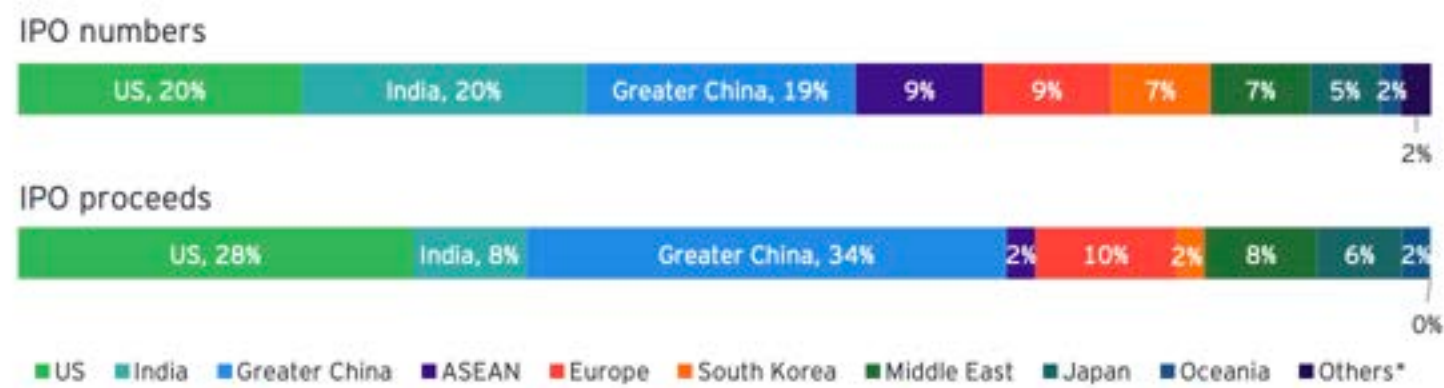
To illustrate two ends of the spectrum with actual facts:

Global IPO News - H1 (Overall IPO Market, including VC-backed)

Overall global IPO activity showed strong resilience in H1 2025, with 539 deals raising \$61.4 billion, a 17% year-over-year increase—despite persistent market volatility. The period marked a significant geographic realignment in the IPO landscape. The U.S. led the pack with 109 IPOs, its best first-half showing since the 2021 peak. In contrast, European IPO activity slowed sharply following market disruptions in April, though Sweden contributed a notable mega IPO. Momentum remained strong in the Middle East, and India maintained high fundraising levels despite a dip in deal volume. A standout trend was the surge in cross-border listings, which reached a 20-year high, largely driven by Asian issuers accessing U.S. markets. Sector-wise, industrials, infrastructure, defense tech, and life sciences led the charge, while software and fintech continued to provide stable deal flow. IPO success in H1 2025 favored companies aligned with market sentiment, macro timing, and investor expectations. Looking ahead, continued IPO momentum will depend on macroeconomic stability, investor confidence, and supportive policy environments across key regions.

For the VC-backed IPOs market: The IPO market in 2025 is showing signs of life, with a base case of 12 unicorn listings on the horizon, fueled by a notable surge in Q2 activity. While the year began with uncertainty—driven by tariff shocks and trade tensions that briefly delayed filings—the disruption proved temporary. A resilient stock market rebound, particularly among companies insulated from trade exposure, has helped reopen the IPO window, giving well-positioned firms a chance to move forward. However, not all unicorns are jumping at the opportunity. A clear bifurcation is emerging: on one side are late-stage startups that have exhausted private capital avenues and are turning to public markets more out of necessity than momentum—often facing flat or declining valuations at exit. On the other side, high-profile unicorns remain absent from the 2025 IPO slate, opting to stay private thanks to continued access to large pools of capital and a desire to preserve valuation control. This divergence highlights a key theme of the current market: IPO readiness now hinges not just on growth or timing, but on sector exposure, capital flexibility, and strategic intent. As market volatility stabilizes and investor confidence cautiously returns, companies without direct exposure to macro shocks are best positioned to seize the moment, while others wait for conditions—and pricing power—to further improve.

Global IPO market share by region (H1 2025)

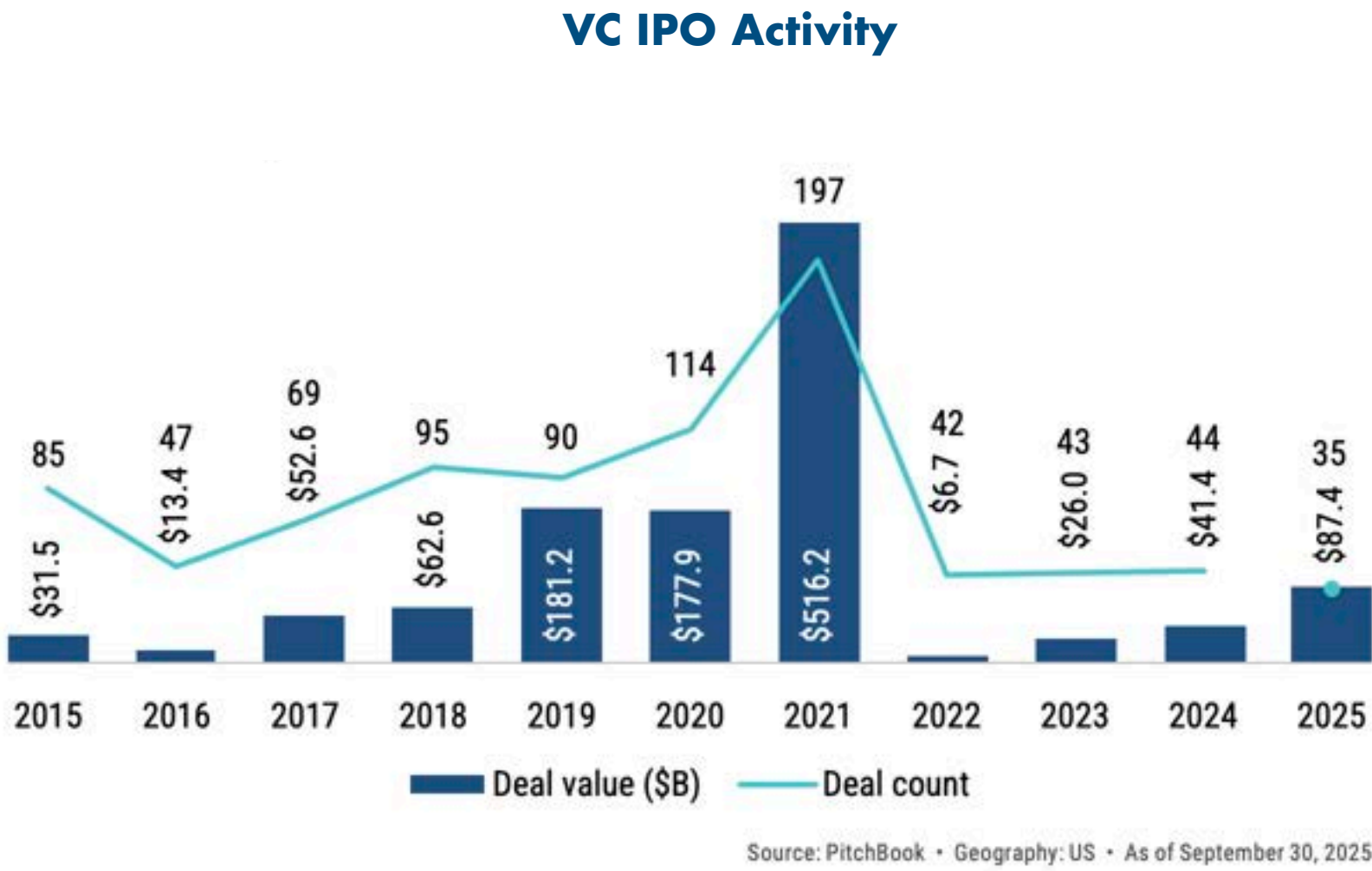


Source: EY

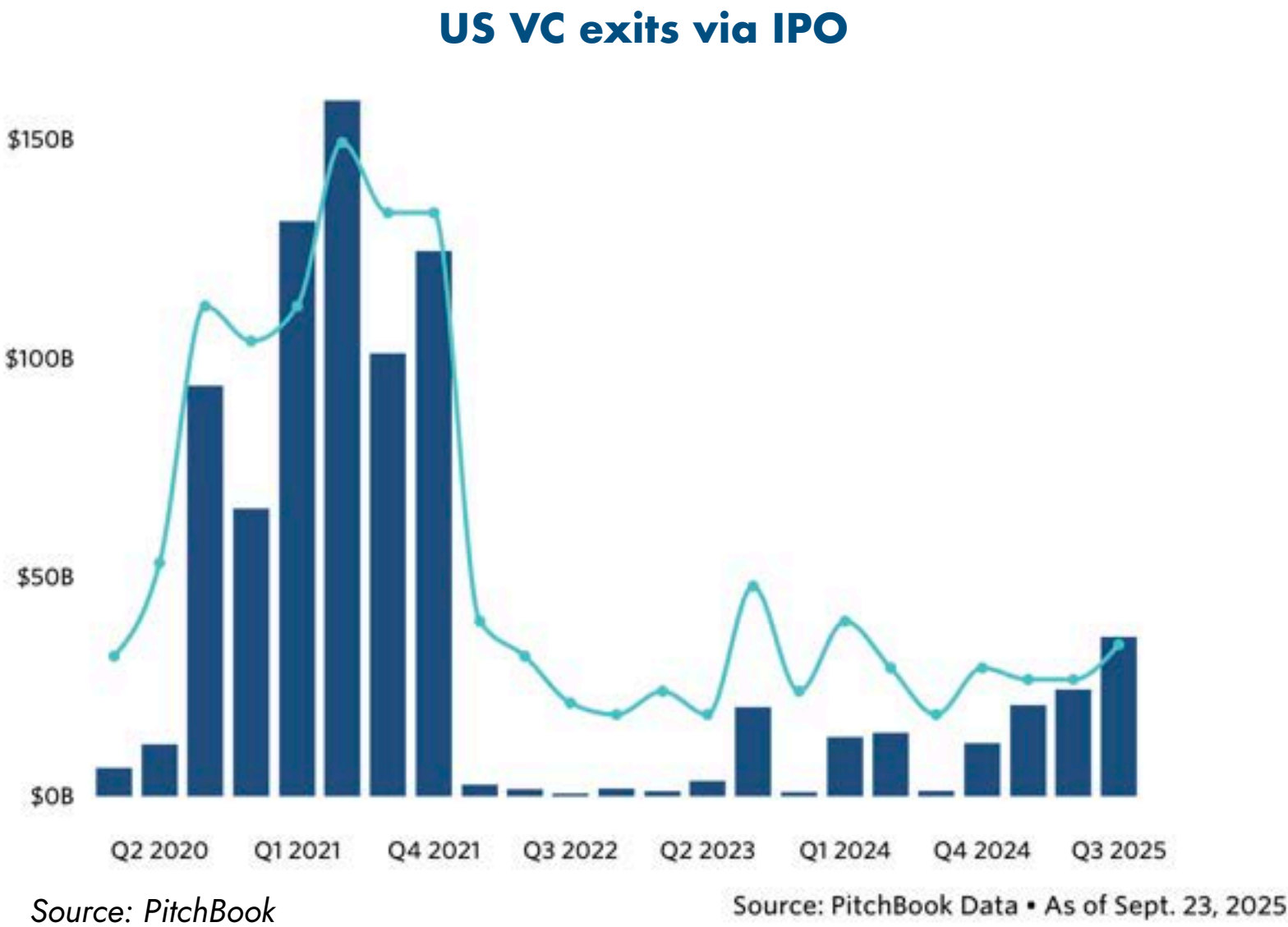
[Click graphic for source post/article.](#)

U.S. VC IPO Exits

After a slow start earlier in the year, U.S. IPOs from VC-backed companies rebounded strongly. Liquidity needs drove much of the activity. According to PitchBook, 35 listing in the U.S. generated \$87 billion which is more than twice that of 2024.



Source: PitchBook



Source: PitchBook

APAC IPO Market

The uneven rebound of IPO markets across the APAC region points to a deeper structural transformation—not just a cyclical slowdown. This shift reflects a fundamental redefinition of how and when companies choose to go public, driven by evolving investor preferences, capital flow shifts, and changing regulatory frameworks. Liquidity in the region is becoming increasingly concentrated in a few resilient markets—notably India and Japan—which have demonstrated consistent capacity to support new listings. These exchanges now serve as reliable venues amid global volatility, underpinned by strong domestic investor bases and supportive monetary environments. In this new environment, IPO readiness goes far beyond sector momentum or topline growth. Companies must meet heightened profitability standards, gain regional investor confidence, and align with broader geopolitical and macroeconomic conditions.

Japan offers a compelling case study. Despite heightened global uncertainty and greater investor scrutiny, Japan has maintained a steady IPO rhythm, especially among profitable midsize firms. According to PitchBook, while activity peaked in 2021, IPO deal counts from 2022 to 2024 remained above pre-2021 levels—indicating a normalization rather than a downturn. Most notably, 2024 marked the highest median post-money valuation for VC- and PE-backed IPOs in over a decade, a clear sign that public market investors are still willing to pay up—when the quality and profitability metrics are there.

IPO value (\$B) by Exit Scope



Source: PitchBook • Geography: APAC • As of May 24, 2025

Source: PitchBook

[Click graphic for source post/article.](#)

IPO Count by Exit Scope



Source: PitchBook • Geography: APAC • As of May 24, 2025

Source: PitchBook

Japan IPO Activity



Source: PitchBook • As of May 24, 2025

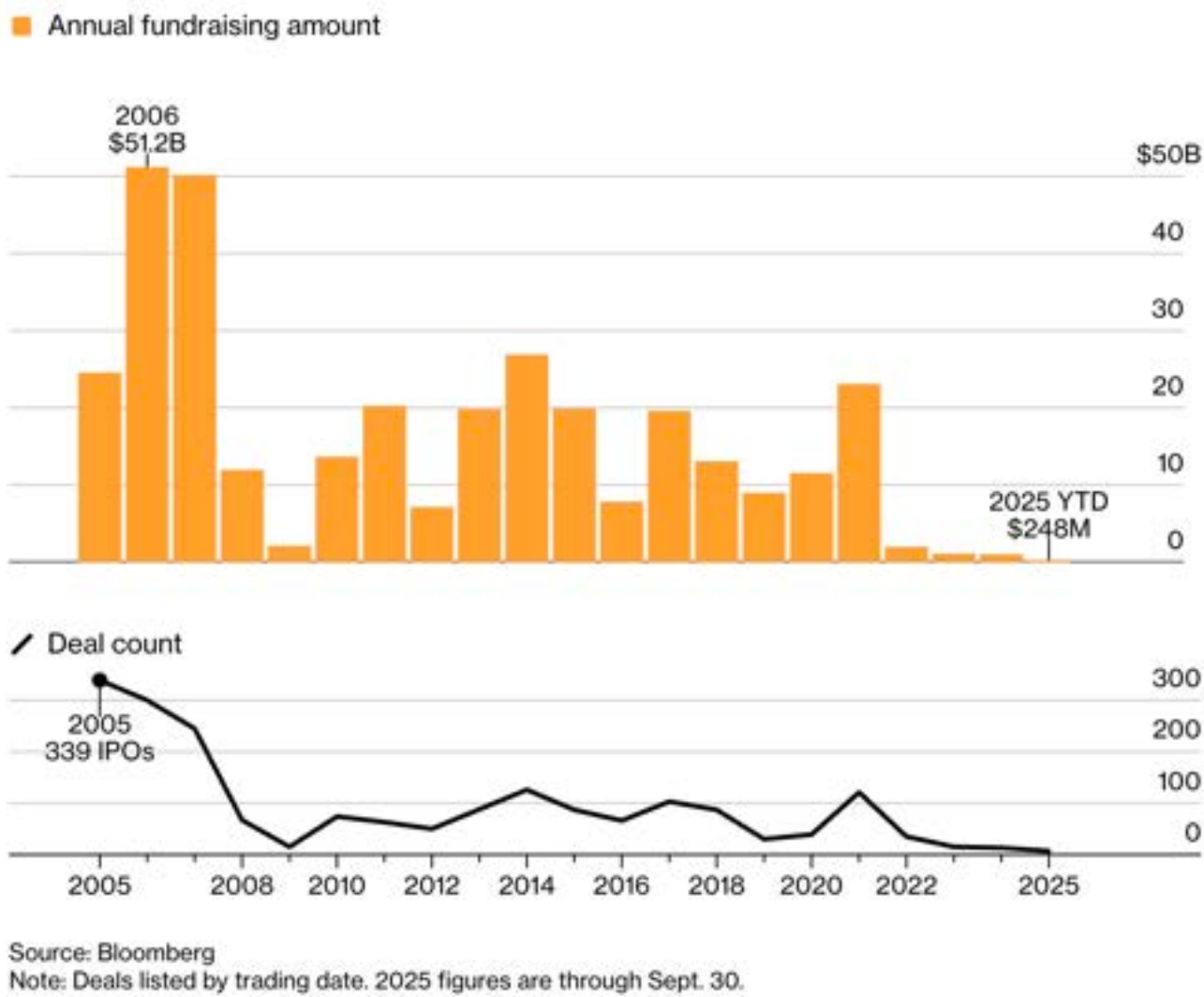
Source: PitchBook

London IPO Markets

London’s IPO market has fallen out of the global top 20 for the first time in decades, slipping to 23rd place behind markets like Mexico and Singapore. IPO volume is down 69% year-over-year to just \$248 million — the weakest in more than 35 years — with only small local listings keeping activity alive. The city’s long-held status as a global financial hub is being challenged by rising competitors in Europe, Asia, and the Middle East, as well as New York’s deeper capital markets. Persistent valuation discounts are discouraging listings and driving more UK companies toward private buyers or overseas exchanges.

Maybe to counter this low point in the IPO market, there could be a push for African IPOs. When Airtel Africa and Helios Towers listed in London, they quickly raised hundreds of millions and entered major FTSE indices—proof of what African firms can achieve on global exchanges. Yet few of today’s high-growth African tech companies have followed suit. That could change with London’s sweeping listing reforms, which lower free-float and track record requirements to make market entry faster and easier. If embraced, these changes could open a new chapter for African innovators seeking global capital access.

New Listings Dry Up as New Global Listing Hotspots Emerge



Source: Bloomberg

[Click graphic for source post/article.](#)

Opinion

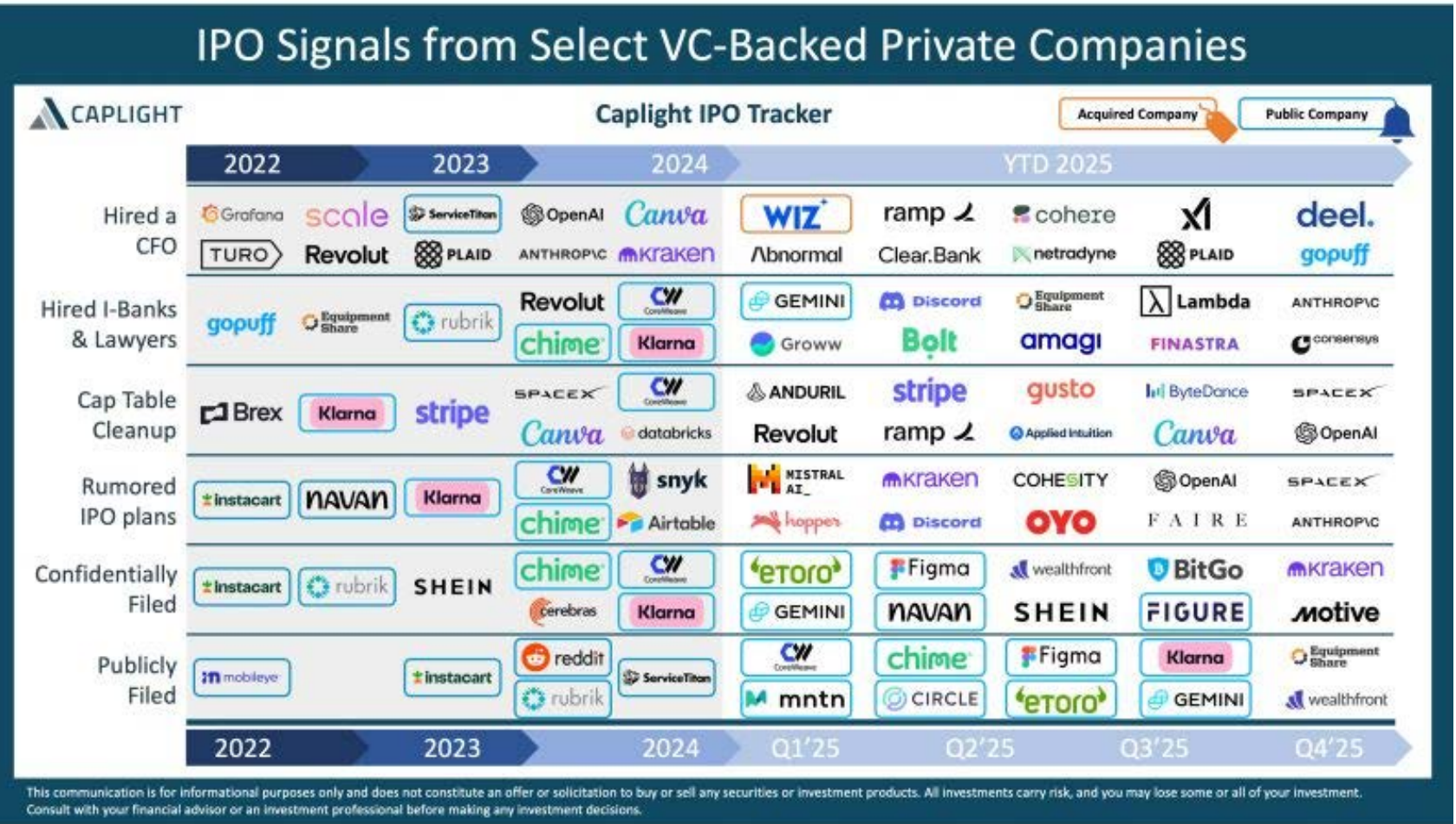
London’s new IPO rules could unlock Africa’s next global giants

By Tracey Austin
Aug 27, 2025

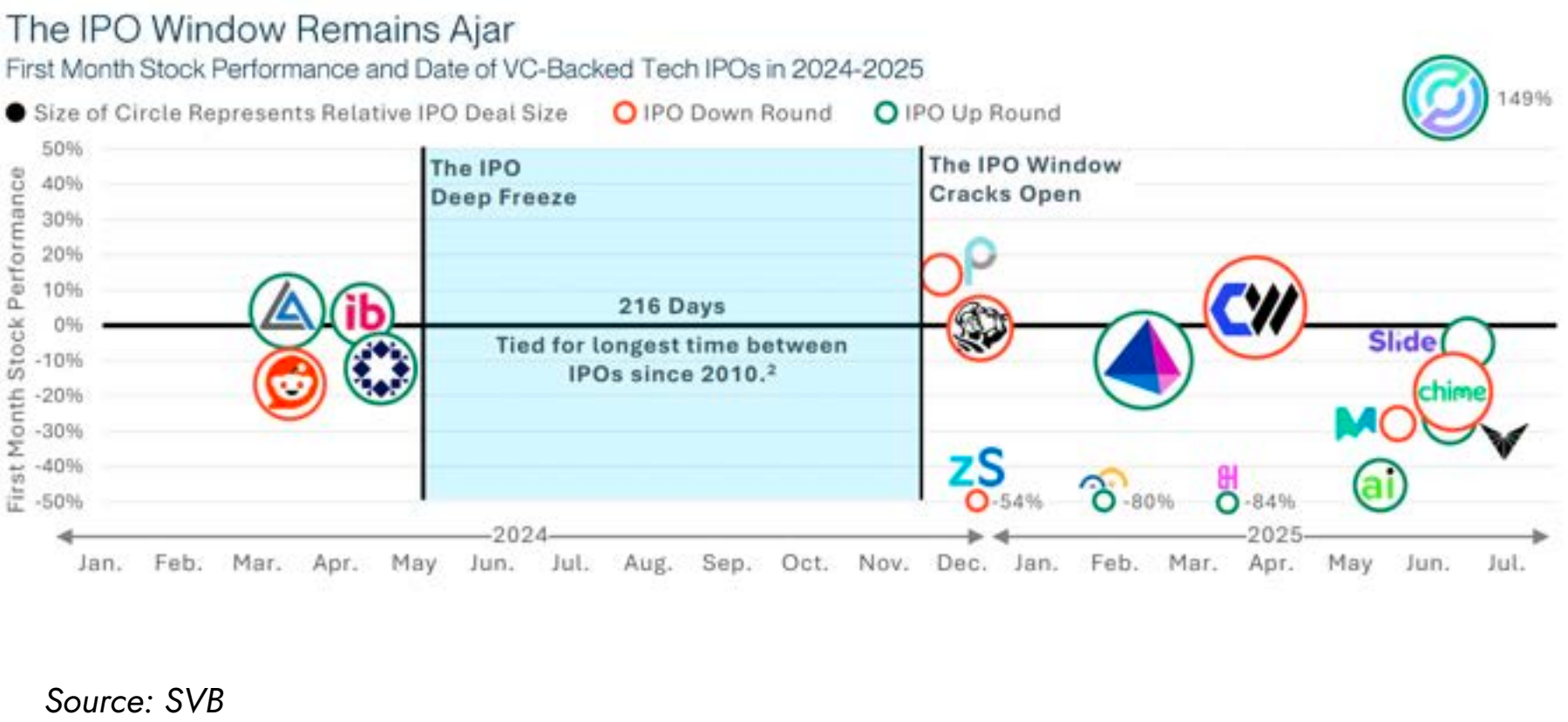
IPO Funnel and Unicorn Dilemma

Unicorn exits today present a complex and increasingly challenging dilemma. The bar for successful exits has risen sharply, with investors now placing far greater emphasis on core KPIs—namely growth sustainability, revenue scale, and clear paths to profitability. As a result, the once-common assumption that unicorn status naturally leads to a public listing no longer holds true.

In fact, when assessing the current unicorn pipeline, only about 25% are realistically positioned as IPO candidates—a staggering drop that underscores how few meet the tightened benchmarks for public markets. Compounding this, the industry’s extended downturn over the past few years has led to a noticeable decline in unicorn exits overall, with many companies stuck in limbo: too big and complex for early-stage acquirers, yet not fit enough for the public markets or large-scale M&A. This bottleneck raises tough questions for founders, GPs, and LPs alike, as capital remains tied up in aging portfolios and paths to liquidity grow narrower and more selective.



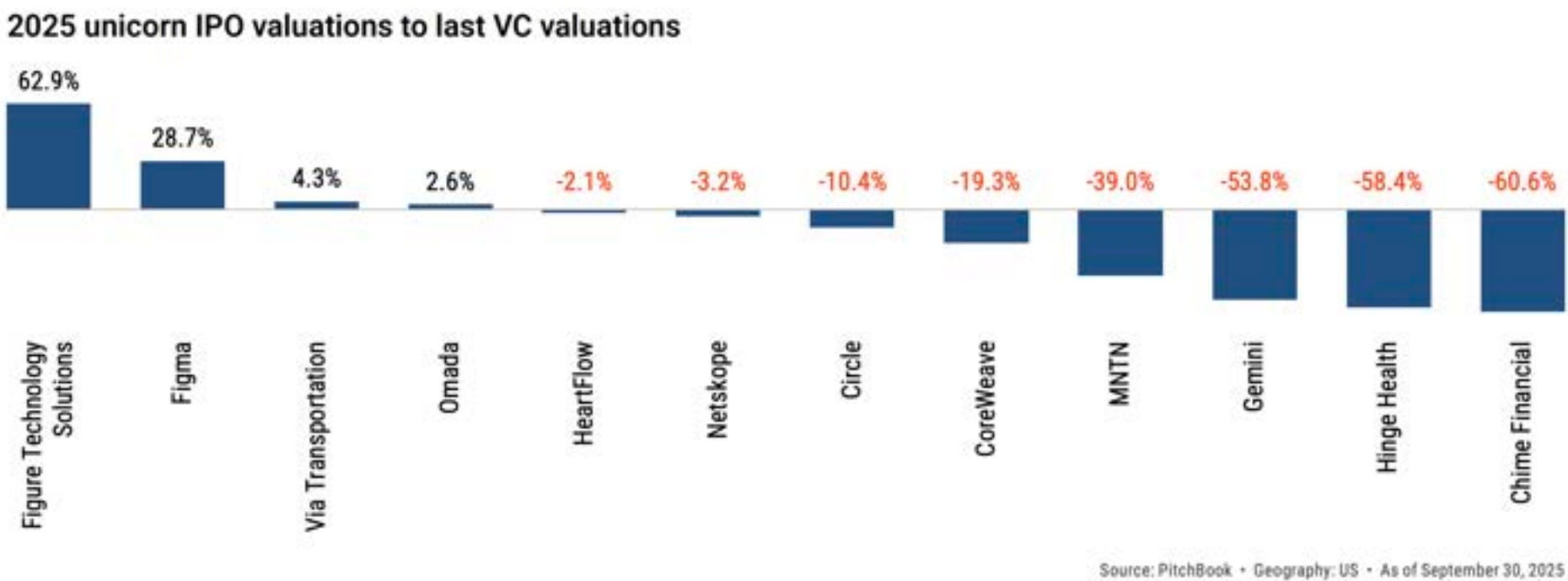
Source: PitchBook



Downround IPOs

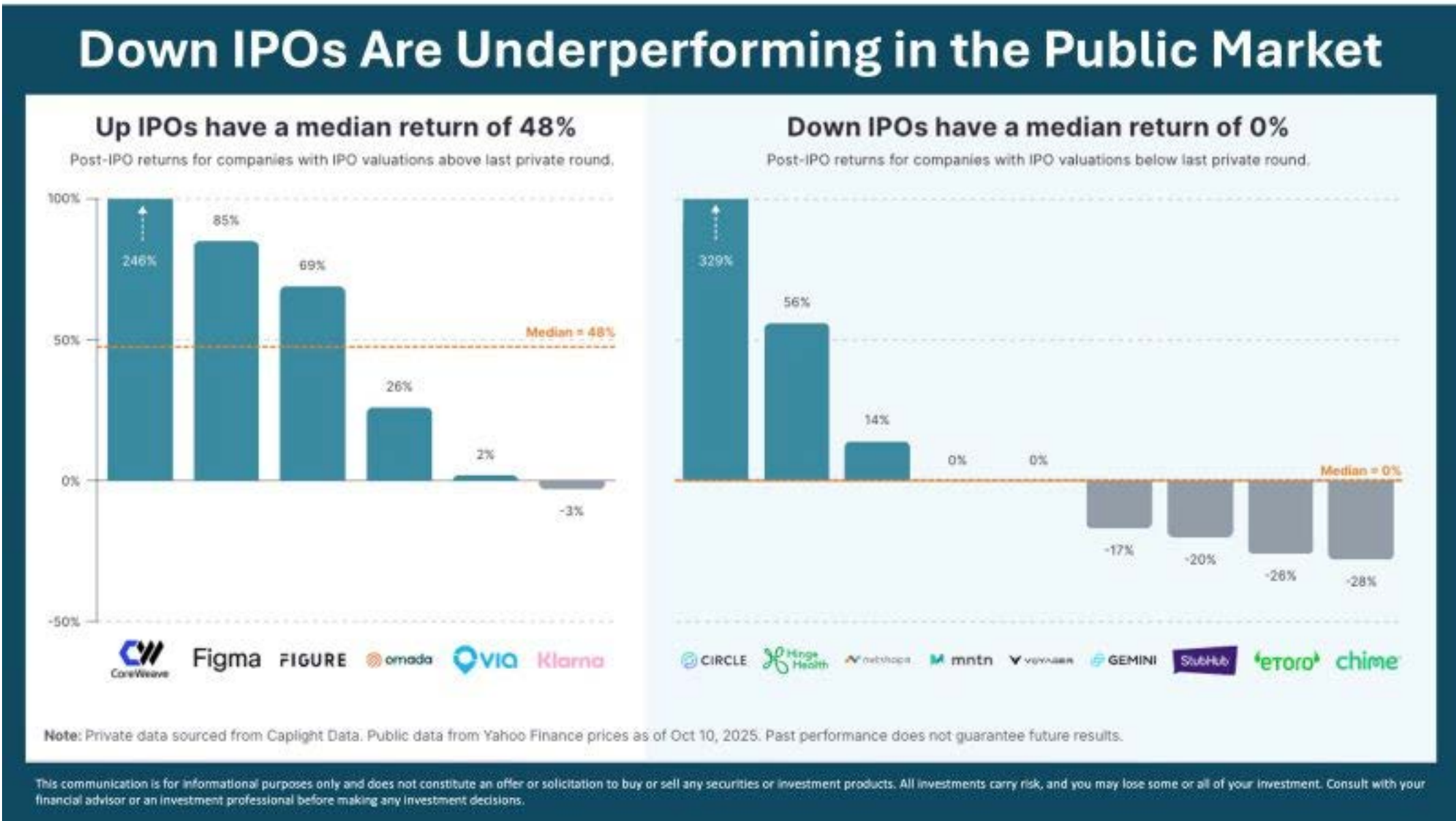
IPOs have traditionally offered startups a rare opportunity for a step-up in valuation—often unlocking premium multiples and, in some cases, a first-day trading pop that boosts investor returns. However, in the current market environment, that dynamic has shifted.

A growing number of companies going public are facing “downround IPOs,” where their listing valuation falls below their last private fundraising mark. The median valuation cut for these IPOs sits at around 27%, and roughly 60% of recent listings fall into this down-round category. This trend reflects the recalibration of investor expectations. While there are exceptions—such as Circle’s IPO, which bucked the trend with strong 1st week market performance. The broader pattern signals that for many startups, going public no longer guarantees a valuation uplift. Instead, it now often requires accepting a markdown in exchange for liquidity and access to public capital markets. However, the post-IPO journey often tells a different story—one that readers should understand more deeply.



Source: PitchBook

Chime’s 54% IPO discount signals down rounds are here to stay



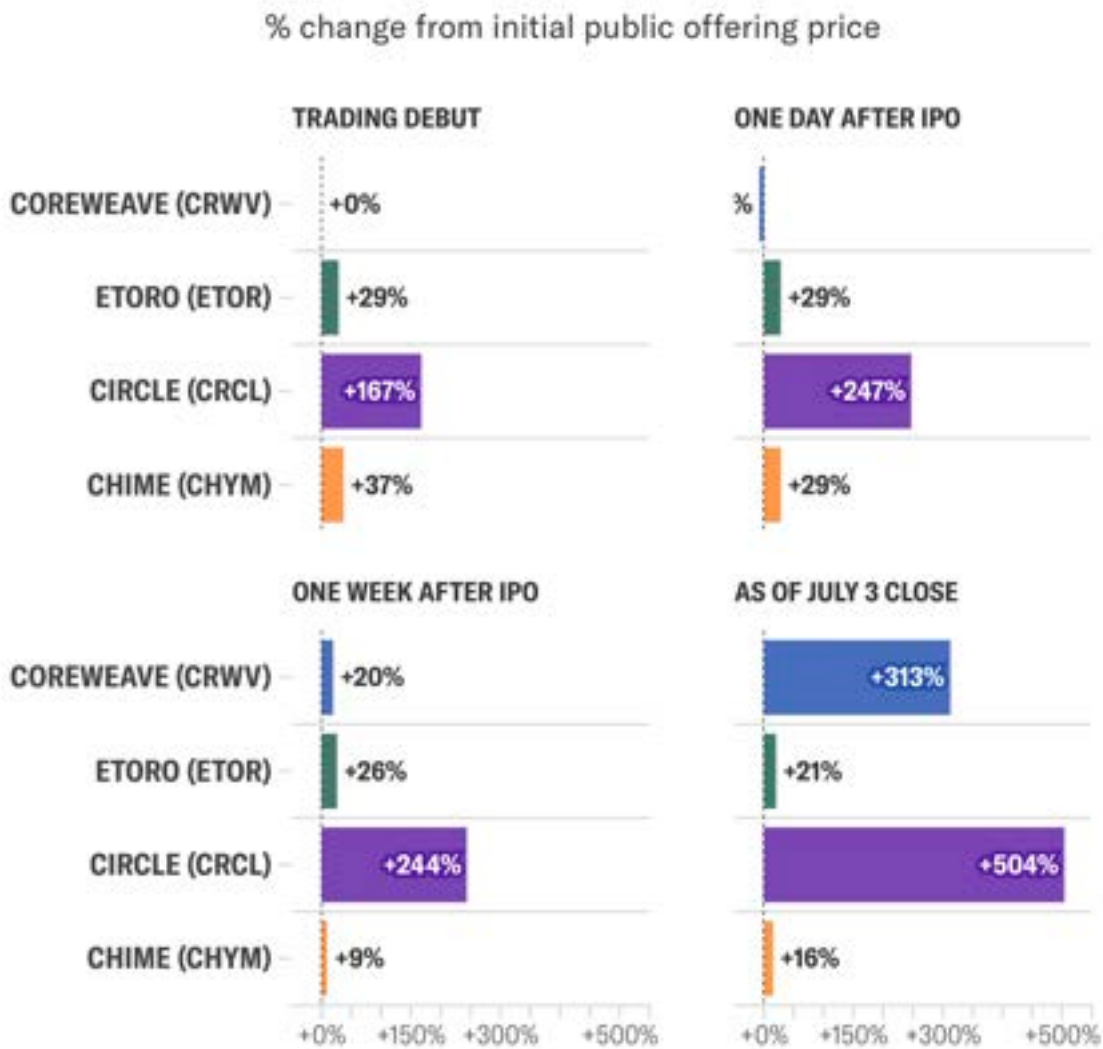
Post IPO Performance - 1

While down-round IPOs dominate headlines, post-IPO performance is an equally important—and often overlooked—dimension. PitchBook’s VC-Backed IPO Performance Index offers a more constructive view: despite a brief dip around April’s tariff-related news, performance over the past year has been relatively resilient. While outcomes depend on time frame and index composition, the rebound suggests that some companies are holding up—or even outperforming—despite compressed listing valuations. That said, dispersion remains wide. A handful of standouts, such as CoreWeave and Circle, have driven much of the upside in 2025. Excluding these outliers, the IPO Index has been roughly flat, indicating that while the IPO window may be open, consistent post-listing outperformance is far from guaranteed. Timing also matters: returns for TMT companies that listed in 2021 remain deeply negative, underscoring the lasting impact of overextended entry valuations.



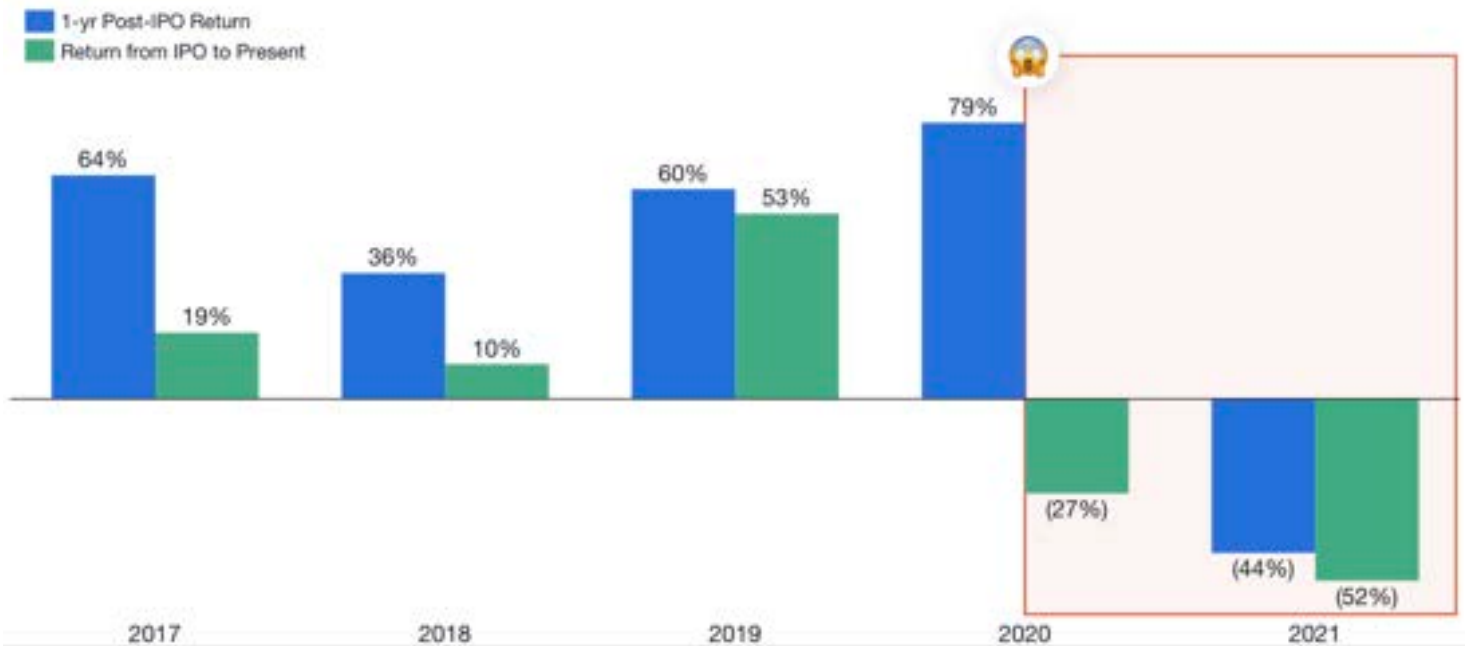
Source: PitchBook

U.S. Fintech IPO Shares Surge in 2025



Source: Yahoo

Median TMT Stock Returns From List Price by IPO Year (2017-2021 Cohort)



Source: Coatue

Post IPO Performance - 2

The charts below reinforce that post-IPO performance remains an important area to watch. The BIGGEST caveat with these charts is that they are point-in-time snapshots and do not all reference the same time period.

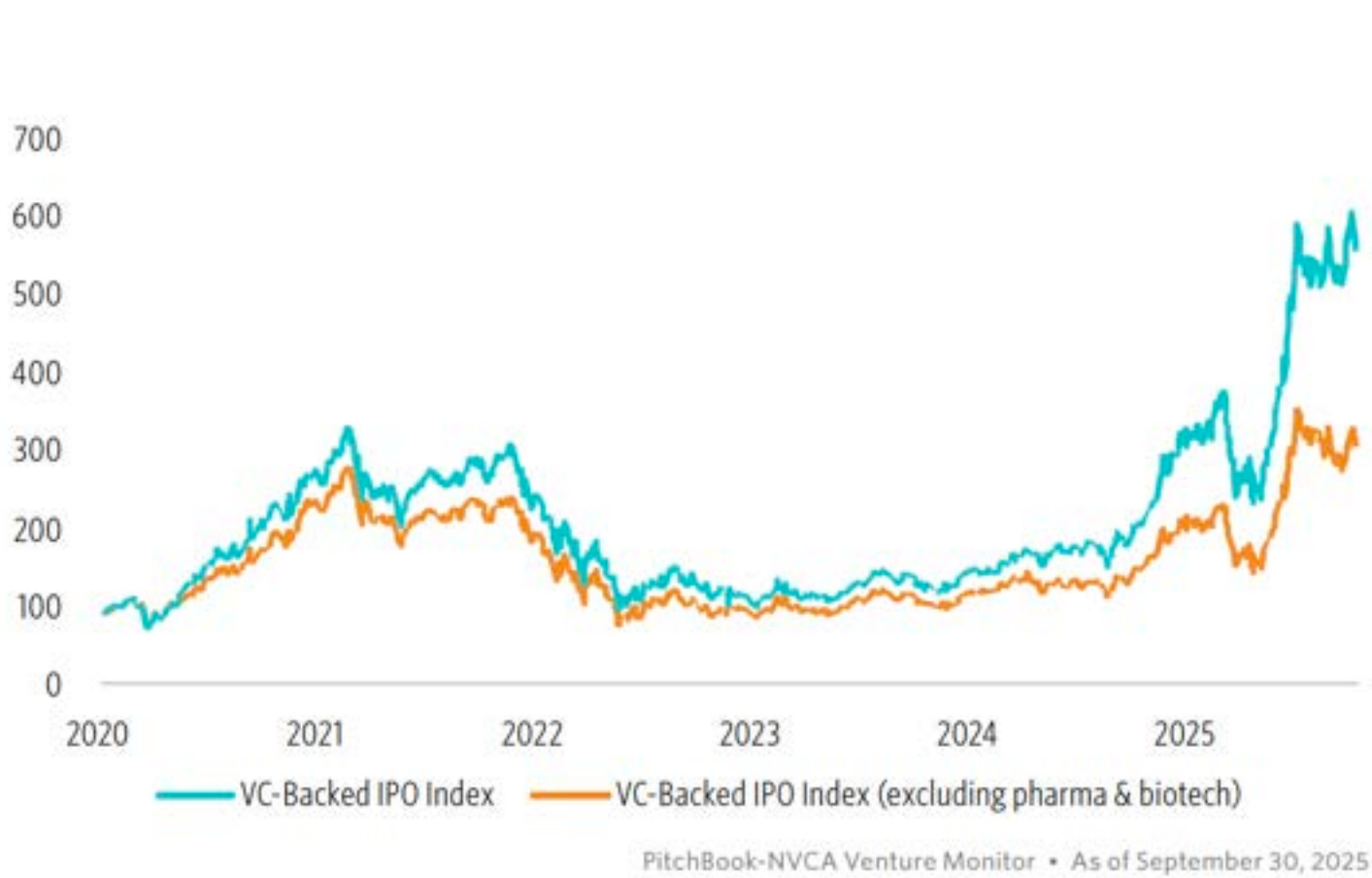
Post-IPO Performances of Select VC-backed Companies

Company	Return since listing	Relative to Morningstar Growth
Circle	58.6%	49.6%
Hinge Health	49.3%	37.7%
Omada	3.0%	-4.8%
MNTN	-22.6%	-34.1%
Voyager	-45.7%	-53.3%
Chime Financial	-28.8%	-36.0%
Figma	-39.2%	-38.5%

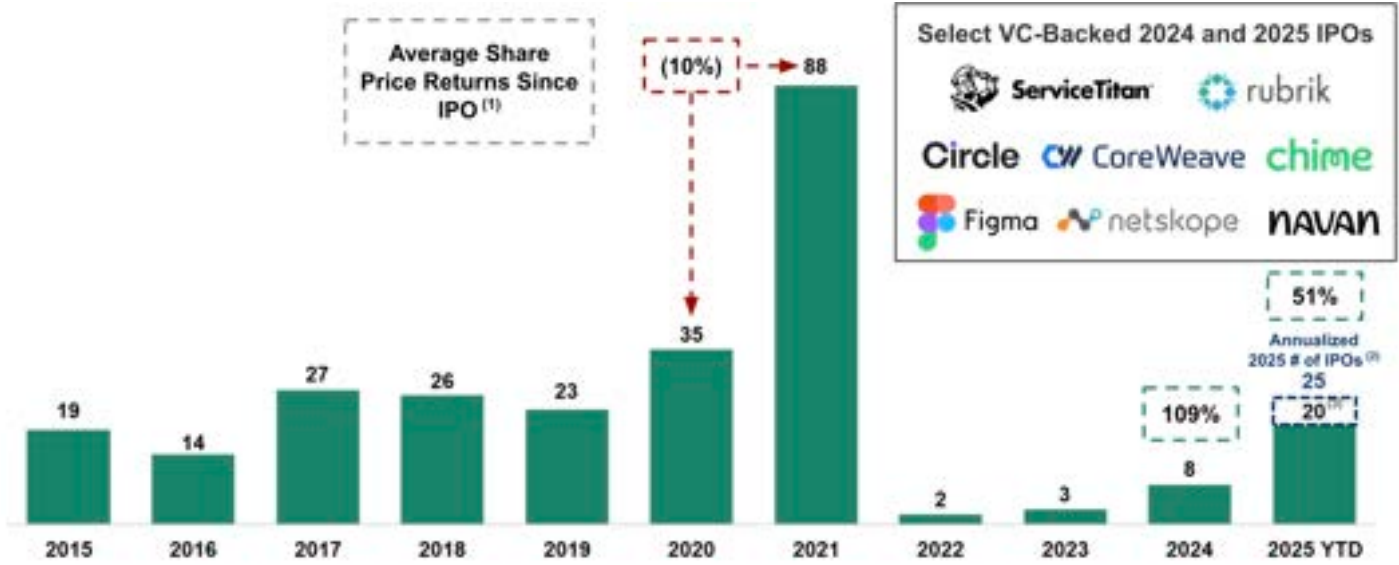
Sources: Morningstar, PitchBook • Geography: Global • As of August 31, 2025
Note: Data is based on the closing price on the first day of trading.

Source: PitchBook

U.S. VC-Backed IPO Index (rebased to 100 in 2020)



Source: PitchBook

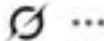


Source: Meritech



Deedy
@deedydas

Subscribe



Figma stock down 68% in the 2.5mos since IPO.

- Valuation: ~\$19B (17x rev)
- ARR: \$1.1B in ARR, +38% YoY, NDR 131%
- \$1B in stock, 5% of the co, vested on IPO

There's a good reason late stage private companies stay that way.

Public markets are brutal.

FinTech IPO Boom

2025 might well be known as a FinTech exit year given the number of exits (IPOs and Acquisitions) that we are seeing or likely to see with big names on the line.



Rex Salisbury  · Following
Solo-GP @ Cambrian (pre-seed & seed fintech), ex A16Z (Partner - Finte...
1w · 

Navan filed for an IPO! In case you forgot...crazy story. Their revenue hit \$0 in 2020 when covid killed travel, so they pivoted from just travel to all corporate spend (ala Ramp, Brex).

Post pivot, in 2021, they raised \$275 million in a Series F \$7.25 billion valuation.

In 2024, they disclosed having 11,000 customers, but no revenue data has been shared.

Will be great to read through the S-1 and see how this prices as a comp for Brex and Ramp.

Fintechs Look to Join Saudi Listing Boom Amid Growing Demand



Shai Goldman  · 2nd
Startups and VCs @ Brex
1w · 

it's a fintech summer

Circle - IPO
eToro - IPO
Chime - IPO
Melio - Acquired
Klarna - Filed
Wealthfront - Filed
Navan - Confidentially Filed



Gautier Rousseau · Following
Co-founder and CIO at Amundsen Investment Management
3w · Edited · 

On Thursday, [Wise](#) announced its intention to move its primary listing to the US. This is not only a blow to the UK and LSE, but to broader European capital markets.

It's yet another reminder that Europe keeps losing ground to the US in attracting and retaining successful tech companies. It's a vicious circle. Why would the next European fintech consider listing in Europe?

You'll read many views on the root causes: governance, executive pay, market structure, disclosure rules, regulation, low equity ownership, lack of retail participation, etc. Wise explicitly cited its desire to access US retail investors—a key source of market liquidity. This is precisely what's missing in most of Europe, including the UK, France or Germany.

Circle's IPO euphoria revives debate over the stock "pop"

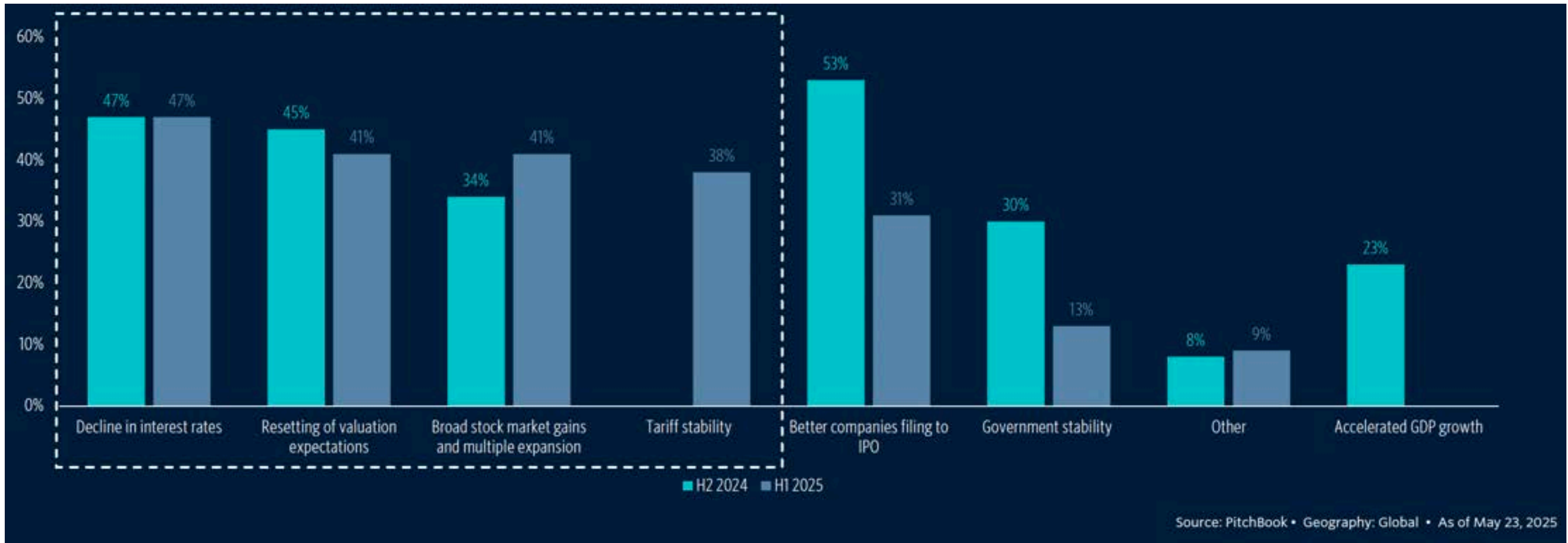


Fintech platform Wealthfront Corporation confidentially files to go public in US

IPO Risk Factors

In 2025, ongoing tariff uncertainty has added real pressure to the market, transforming last year’s vague worries about government stability into concrete challenges for investors and businesses alike.

Factors VC Investors View as Most Important to Driving an Increase in IPO Activity

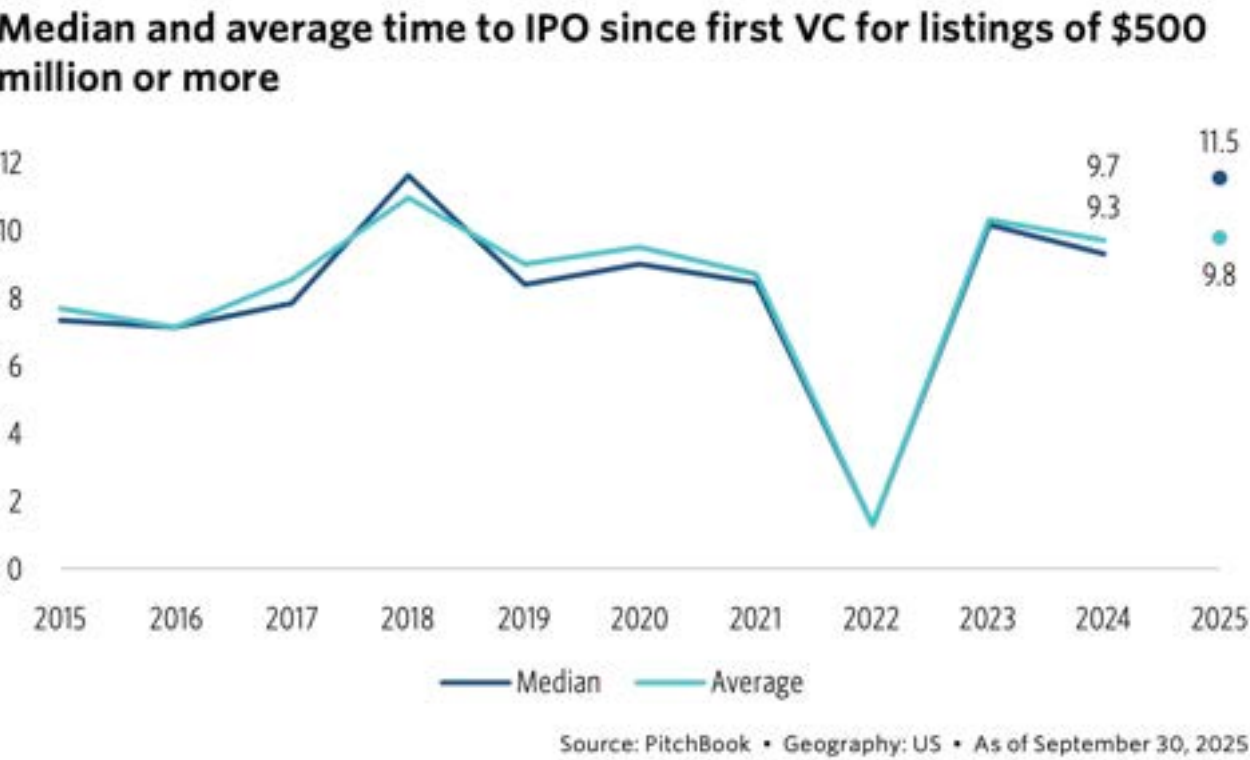
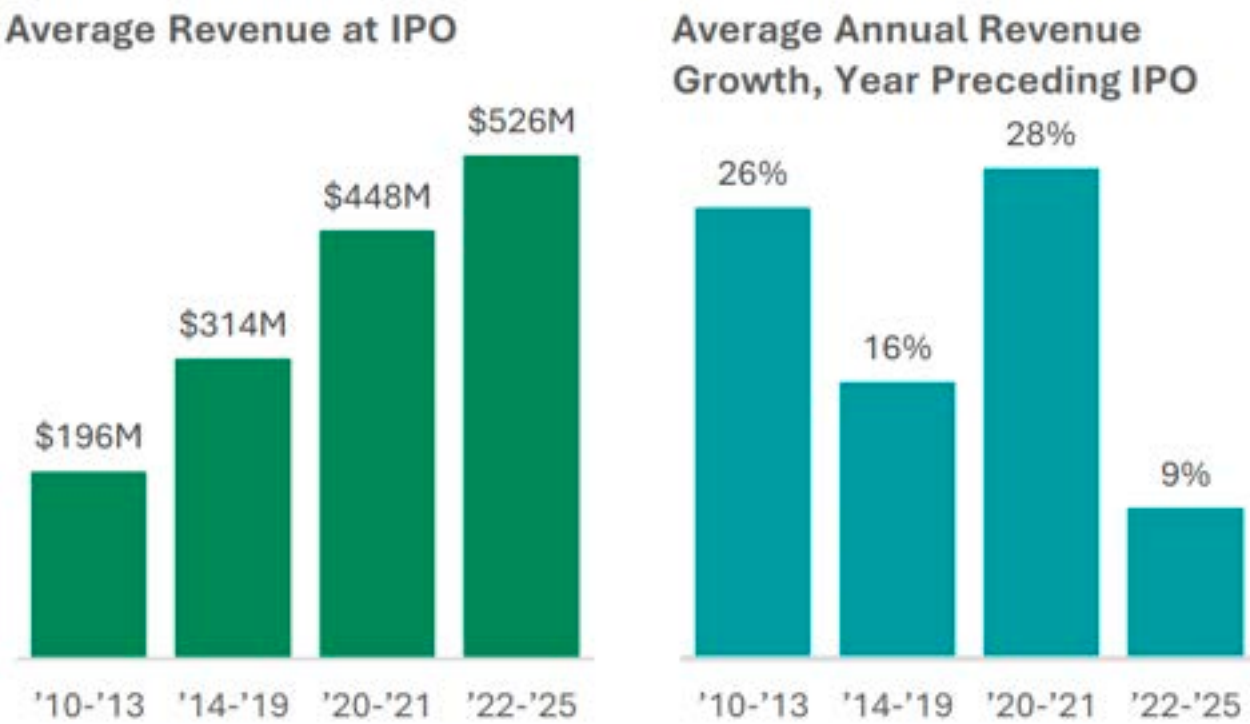


Source: PitchBook

IPO Nuggets | 1

Companies Bigger But Slower at IPO

Average Revenue and Growth for US VC-Backed Tech IPOs



Source: PitchBook

Click graphic for source post/article.

\$100m revenue companies growing at 20% is “not what investors are focused on,” says Goldman Sachs

The average company going public today is valued in the \$5-10bn range, compared to \$1-2bn a decade ago

London Bankers Scour Market for IPO Reboot After Shein Stalls

Trimmer IPOs and secondaries: How late-stage startups and investors are braving the choppy markets

In an increasingly volatile market, investors are exercising caution, prompting IPO-bound startups to slash their offer sizes considerably. Some late-stage companies are looking to raise funds at a flat valuation, while those with adequate cash flow may wait and watch how things unfold.



Ryan Weisenberg • Following
Principal at Crest Capital, a multi-family office for GPs and Corporate Ex...
3d •

Private Markets Trends Are Real: [Jay Ritter](#) released an interesting analysis on IPOs through his department at [University of Florida](#) -- and the data tells what is happening before us. My takeaways:

- 1) Value is now mostly created in the Private Markets, as Median Company Value at IPO today is ~13.75x compared to 1980 (yes, adjusted for inflation).
- 2) Venture-backed IPOs are 40% of the dataset and have delivered a -2.7% 3y return following the IPO.
- 3) Buyout-backed IPOs are 13% of the dataset and result in +30.4% 3y return following the IPO.
- 4) Growth Capital-backed IPOs are 5% of the dataset but have returned an astounding +43% 3y subsequent return.
- 5) Profitability Matters: Unprofitable (<0 EPS) company IPOs resulted in a -30.5% 3y subsequent return, while Profitable firm IPOs resulted in a +34% 3y subsequent return.
- 6) SPACs stink

Direct Listings Resurface as Private Firms Weigh Skipping IPO

IPO News & Views | 2

 **Bill Gurley**   @bgurley · Oct 10

Buzz around security tokenization as an alternative to IPOs is growing. Had Wall Street embraced innovation by promoting Direct Listings, perhaps tokenization wouldn't appear as disruptive. In choosing to protect their interests & not innovate, they are now more at risk.

StubHub misses the recent IPO euphoria

By [Rosie Bradbury](#)

Published September 17, 2025

 Julie Bort

StubHub is once again working on its IPO that could raise \$1B

The US government shuts down—putting IPOs on ice (again)

By [Jacob Robbins](#)

Published October 1, 2025

Wealthfront files for IPO as fintech exits heat up

By [Michael Bodley](#)

Published September 29, 2025

 Julie Bort

Navan plows ahead with IPO during shutdown, aims for \$6.45B valuation

Jennifer Garner's Once Upon a Farm files for an IPO

By [Kia Kokalitcheva](#)

Published September 29, 2025



CJ Gustafson  · Following
mostly metrics newsletter | run the numbers podcast
[View my blog](#)
2mo · 

Figma's IPO popped 250%... and that's *not* a good thing.

Everyone's high-fiving. But let's zoom out.

Figma raised \$411M to actually build the business. Meanwhile, early investors walked away with \$807M at the IPO price.

Wall Street institutions were the real winners, who flipped shares for a 250% return before lunch. As close to riskless arbitrage as you can get.

Retail? Bragging—or complaining—about getting one share on Robinhood.

Employees? Locked up for six months, mentally anchored to a \$115 stock they can't touch. That number's now the baseline in their heads, whether the stock earns it or not.

This wasn't capital formation. It was access redistribution.

A healthy pop signals demand. A 3x day-one surge? That's broken pricing.

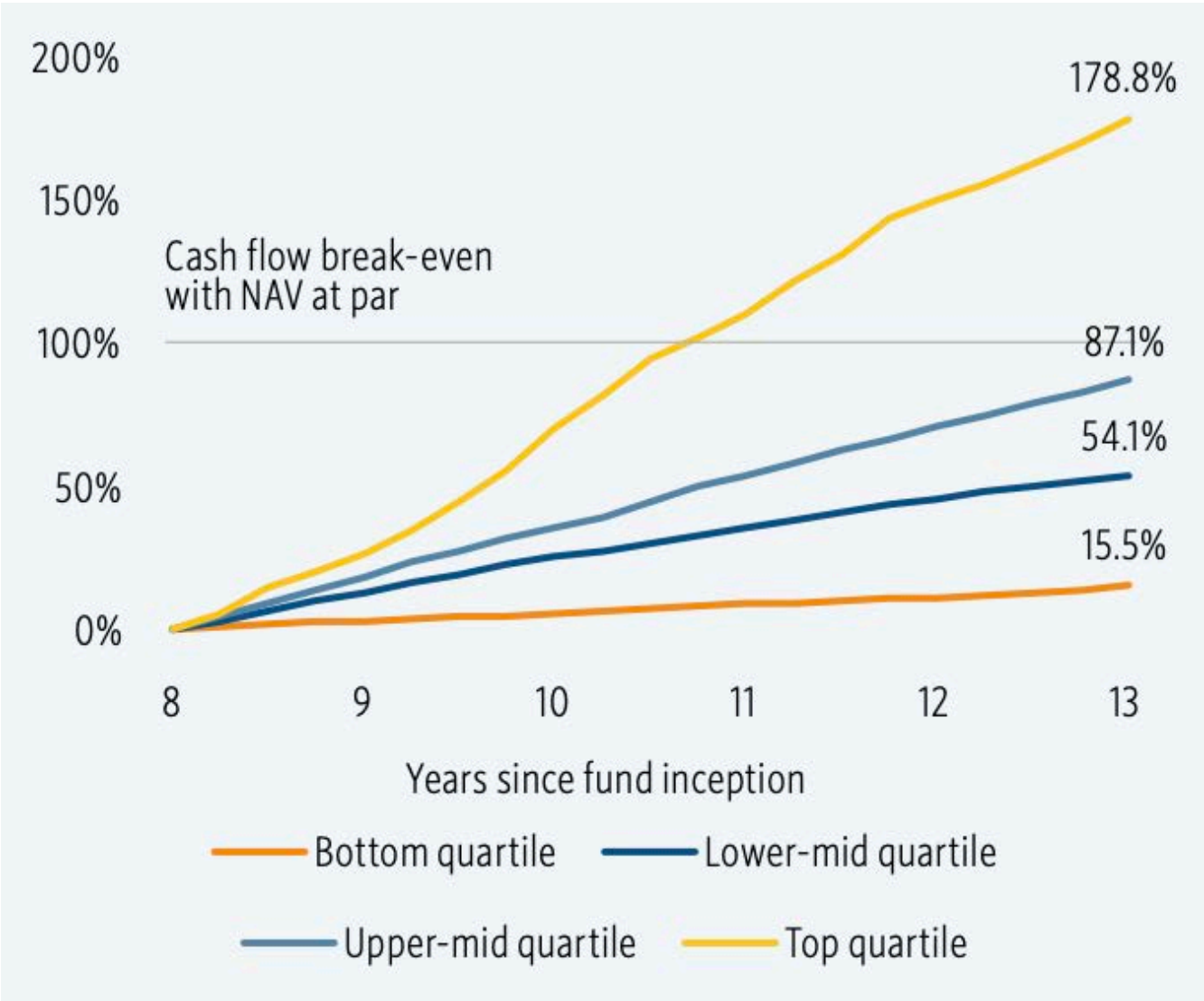
Winklevoss twins' crypto company Gemini files for IPO

Kirsten Korosec · 5:16 PM PDT · August 15, 2025

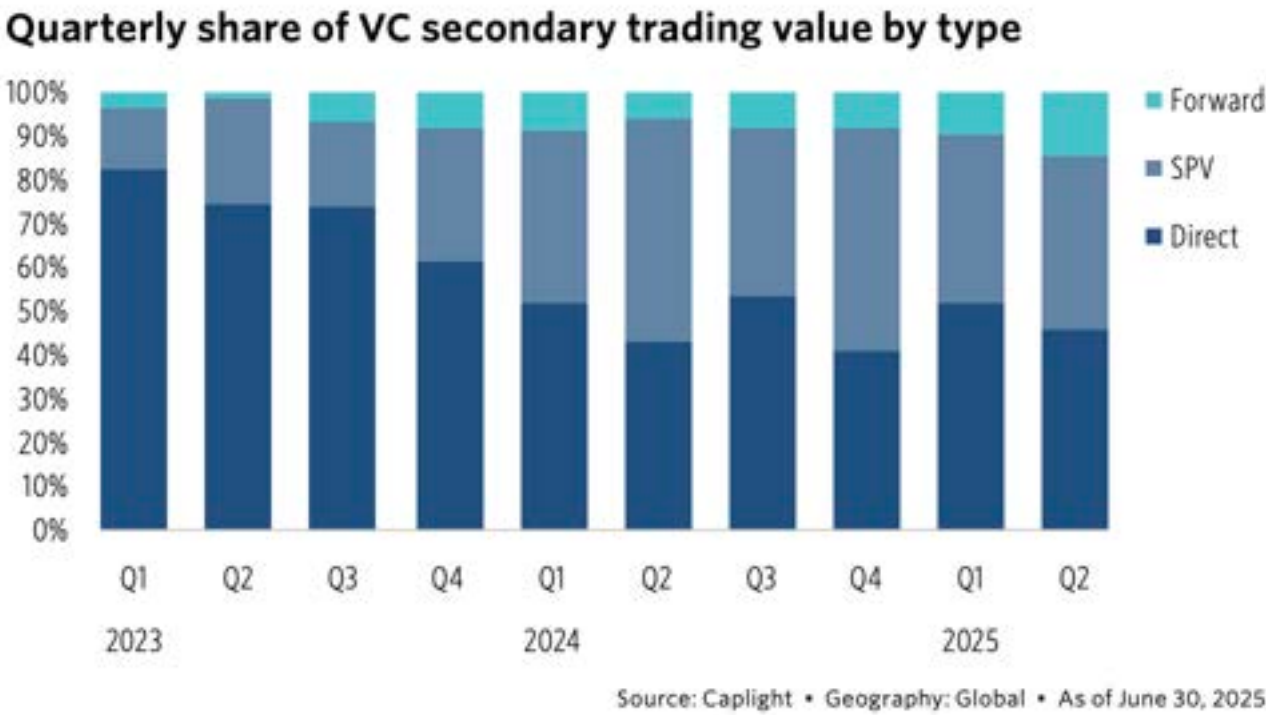
VC Fund Secondaries

Private markets secondary market pricing shows a clear divide across strategies. Venture fund stakes are selling at steep discounts—often 60–70 cents on the dollar—reflecting uncertainty around valuations and exit timing. Few VC funds return full NAV within five years of a secondary sale; only top-quartile managers achieve it. Growth equity funds sit between buyouts and venture, offering moderate pricing and faster distributions than VC but slower than buyouts. Overall, older funds and slower-yielding strategies face deeper discounts, underscoring why venture portfolios trade at the largest markdowns and why secondary buyers demand higher returns to offset delayed liquidity.

Average Cumulative Distributions for VC Funds as a Share of Eighth-Year NAV

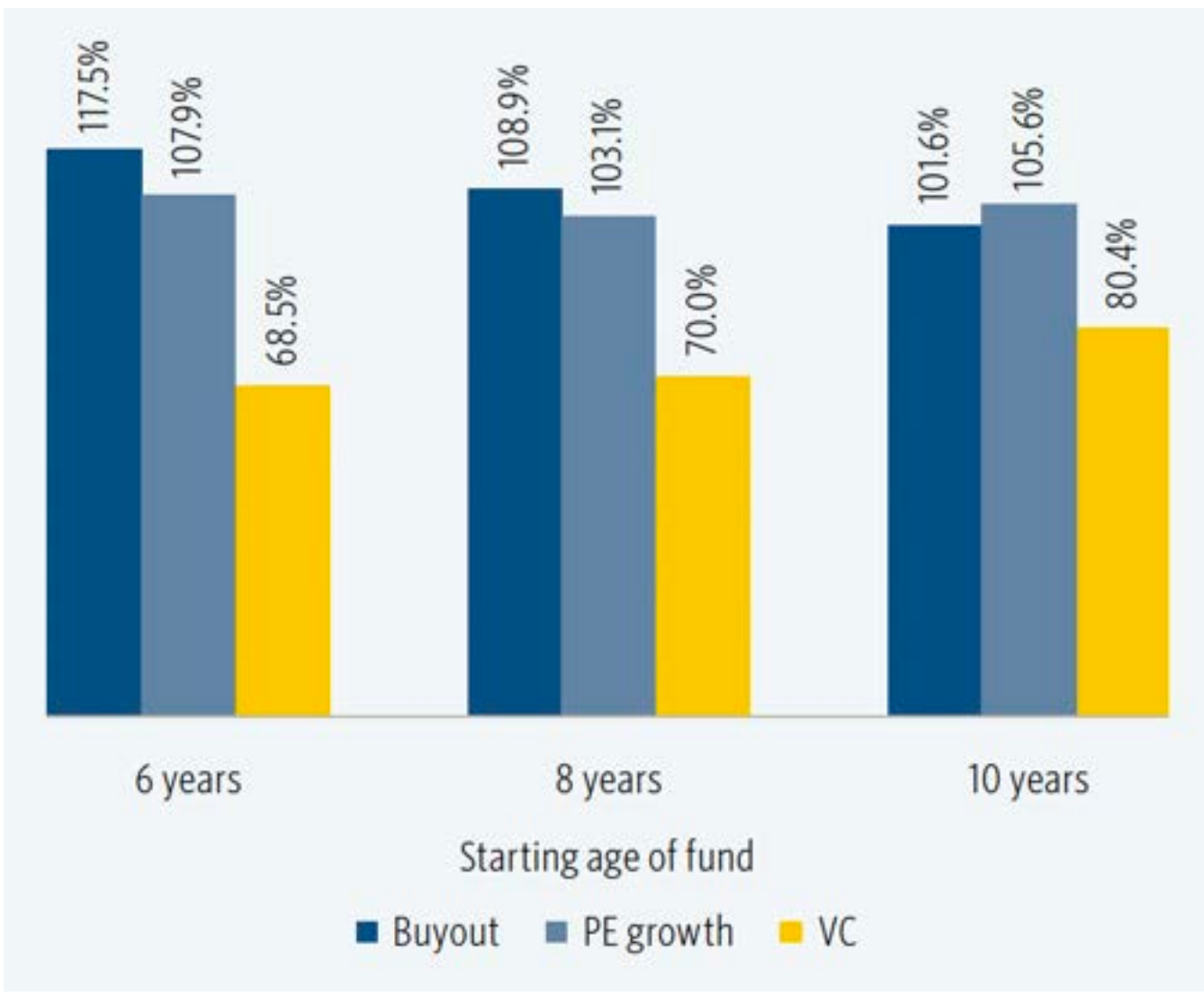


Source: PitchBook



Source: PitchBook

Median Cumulative Distributions as a share of Entry NAV After Five Years



Source: PitchBook

Secondaries Pricing & Volume

Secondary pricing has come a long way—marking a significant milestone in Q1 2025 as both average and median prices flipped into premium territory for the first time in nearly three years, at 6% and 3% above last round valuations, respectively (according to PitchBook data). This signals a renewed confidence in certain corners of the market. Caution - while different datasets all point to movement towards median premium, not all are in positive territory yet.

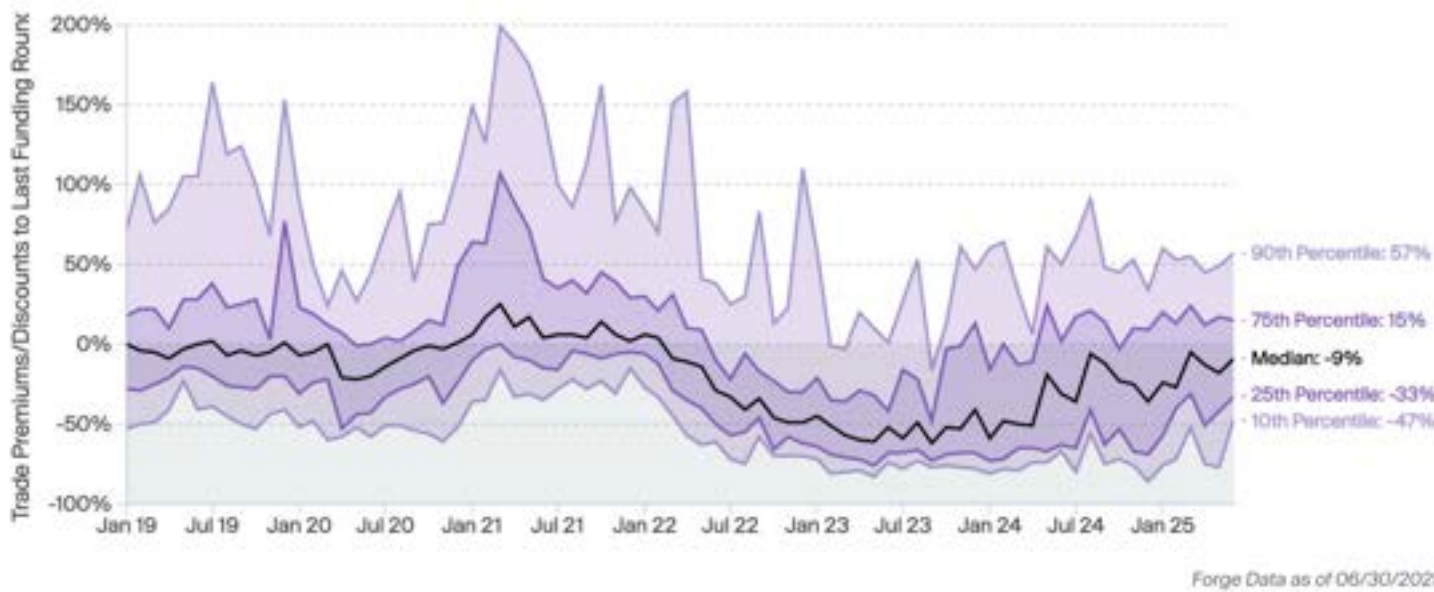
However, the rebound remains highly concentrated. Much like Mag7 dominated public market performance, secondary activity is disproportionately skewed toward a narrow set of startups. According to Hiive, just 20 companies accounted for 83% of Q1 trading volume, with the top five alone making up over half. Outside this top-tier cohort, the picture is far less optimistic. Price discovery remains elusive due to thin primary market activity and a lack of exits, making it difficult to benchmark fair value. As a result, secondaries for mid-tier or struggling startups are still seeing deep discounts—reportedly 30% to 60% below their last primary round—though closed transactions in this segment are scarce, making hard data limited. This bifurcation underscores the growing divide between perceived winners and the rest of the market.

Median and Average Secondary Premium/Discount to the VC Round



Source: PitchBook

Distributions of Trade Premiums/Discounts to the Last Primary Funding Round



Source: Forge



Source: Caplight

Secondaries Data | 1

Secondaries are rapidly emerging as a vital growth frontier for the venture ecosystem. The momentum is visible across multiple dimensions—secondary fundraising is picking up, and the volume of secondary opportunities has already doubled compared to 2024. Despite this surge, a large portion of GPs have yet to actively utilize secondaries, leaving significant untapped potential in the market. What’s especially compelling is the growing diversity in secondary structures. Traditional LP stake sales are now being complemented by newer mechanisms like continuation funds, which allow GPs to hold and manage strong assets longer while providing liquidity to existing LPs. As venture grapples with liquidity constraints and longer exit timelines, secondaries offer a pragmatic bridge—unlocking capital, recycling returns, and helping maintain fund performance visibility in a challenging environment.

Global PE and VE Secondary Fundraising



Billions of dollars. 2025 is through March 31.

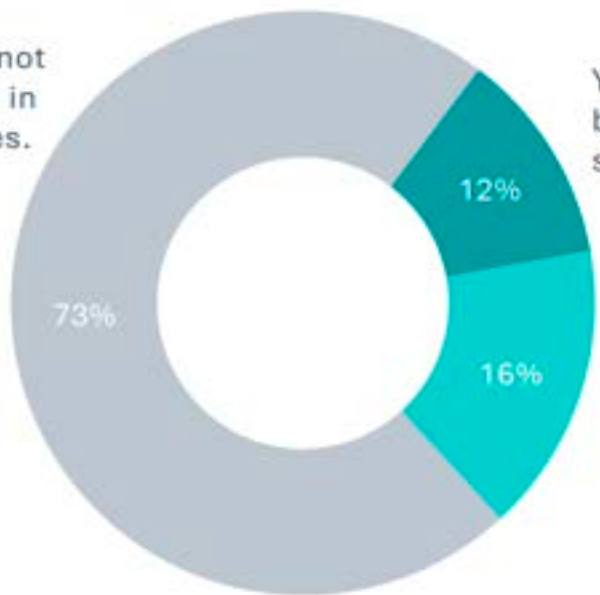
Majority of Firms Haven’t Used Secondaries

Has your firm used a secondaries strategy during the market slowdown over the past three years?³

No, we do not participate in secondaries.

Yes, we are buying through secondaries.

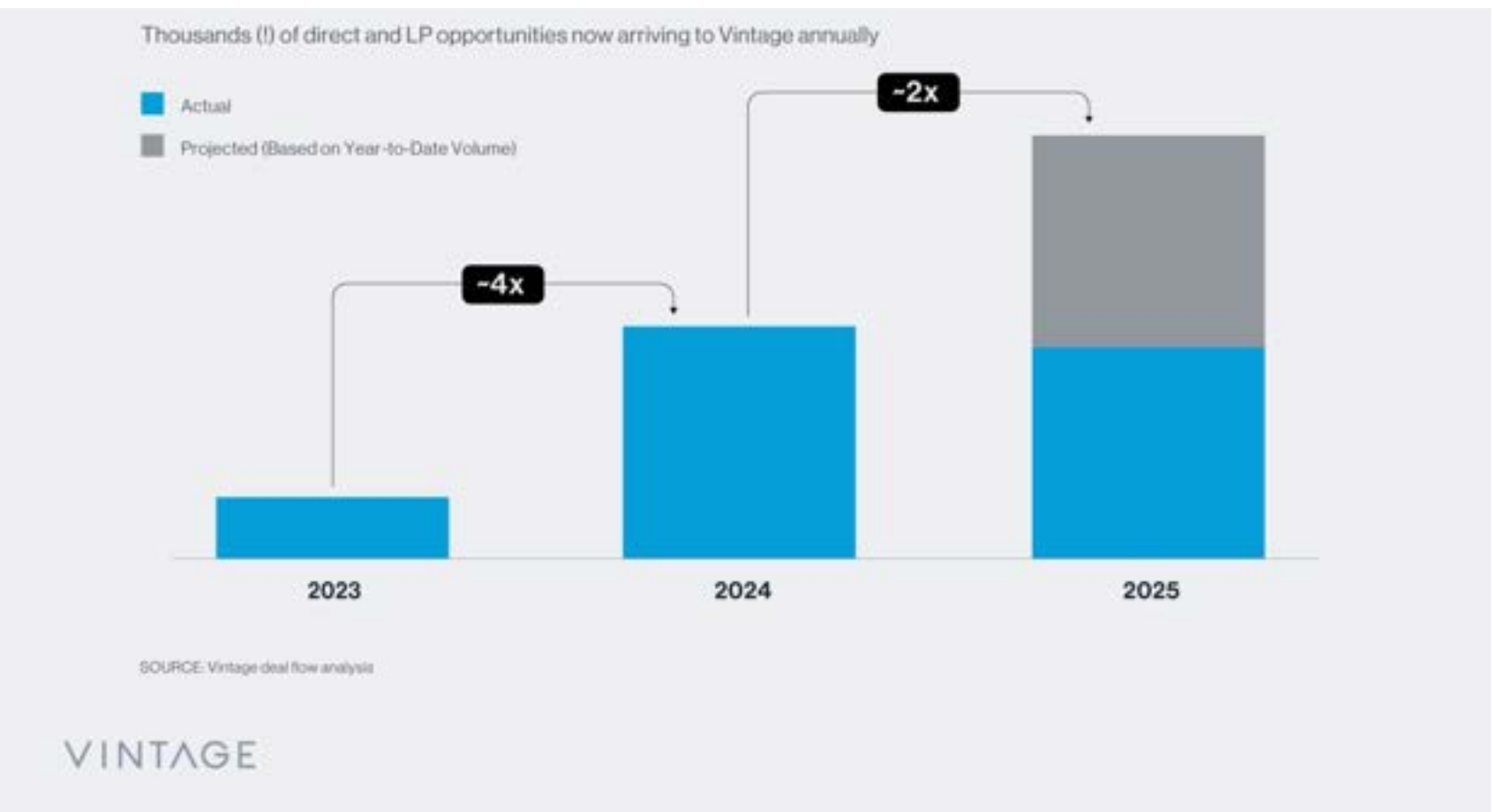
Yes, we are selling through secondaries.



Source: SVB

[Click graphic for source post/article.](#)

Secondary Opportunities Are Soaring



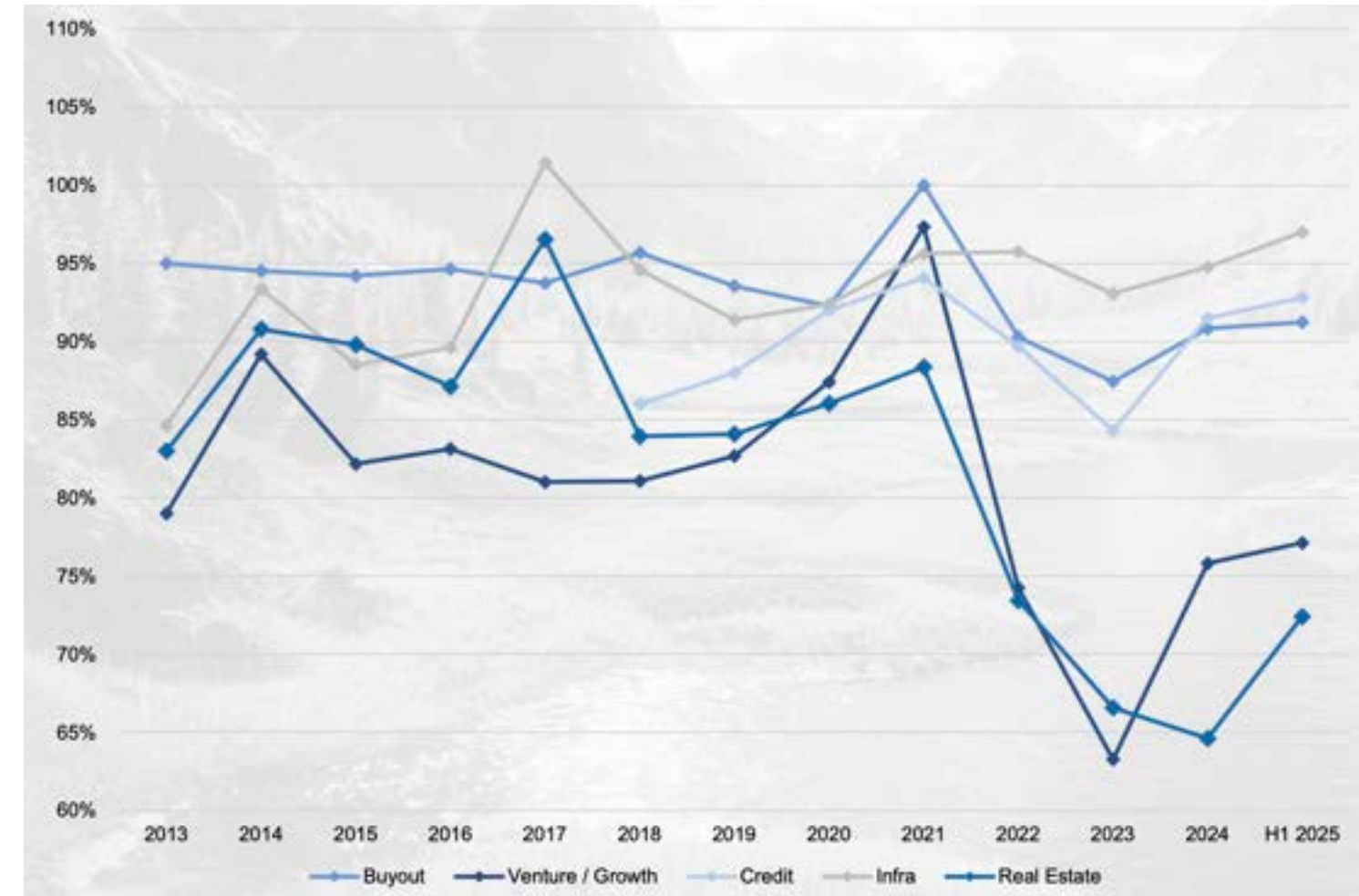
Continuation vehicles are accelerating in the venture industry

More venture firms are following the lead of buyout firms by creating continuation funds to provide liquidity to LPs in older funds. Here are the pluses and minuses for GPs and LPs considering CVs.

Secondaries Data | 2

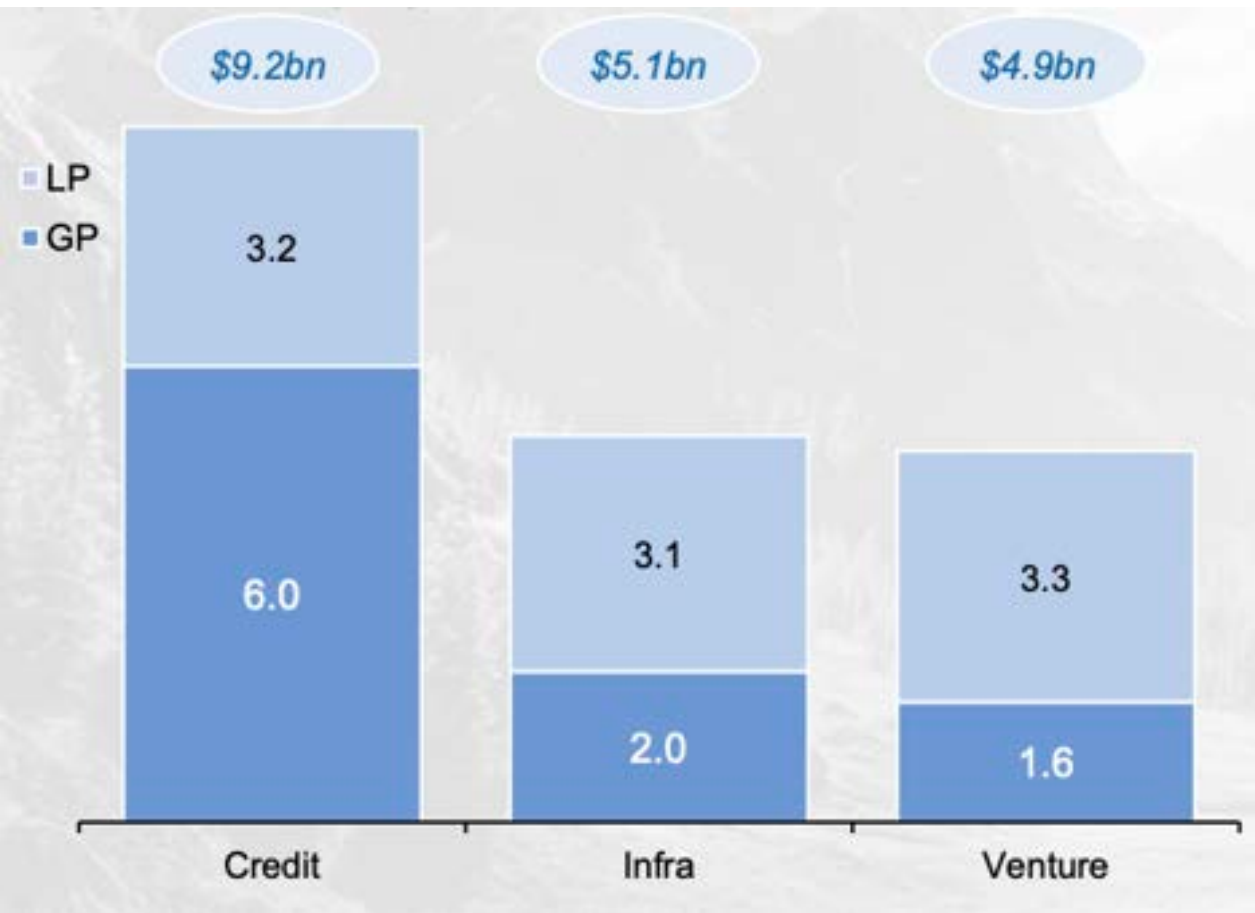
The secondaries market is on fire—H1 2025 clocked in a record-breaking \$102 billion in transaction volume, the highest ever for any half-year period. In the LP-led secondaries space, pricing for venture funds has held steady at 2024 levels, marking a welcome reversal after two years of sharp declines. The recovery is being fueled by stronger public market performance, which has lifted return expectations—especially for funds with near-term IPO potential. Meanwhile, venture secondaries are making a strong comeback. After a stretch of price discovery and uncertainty, volumes are rising as GPs and LPs alike look for liquidity in aging or concentrated portfolios. With ample dry powder on hand, the market is primed for continued expansion.

LP-led Secondary Pricing Trends
(% of Reference Date NAV)



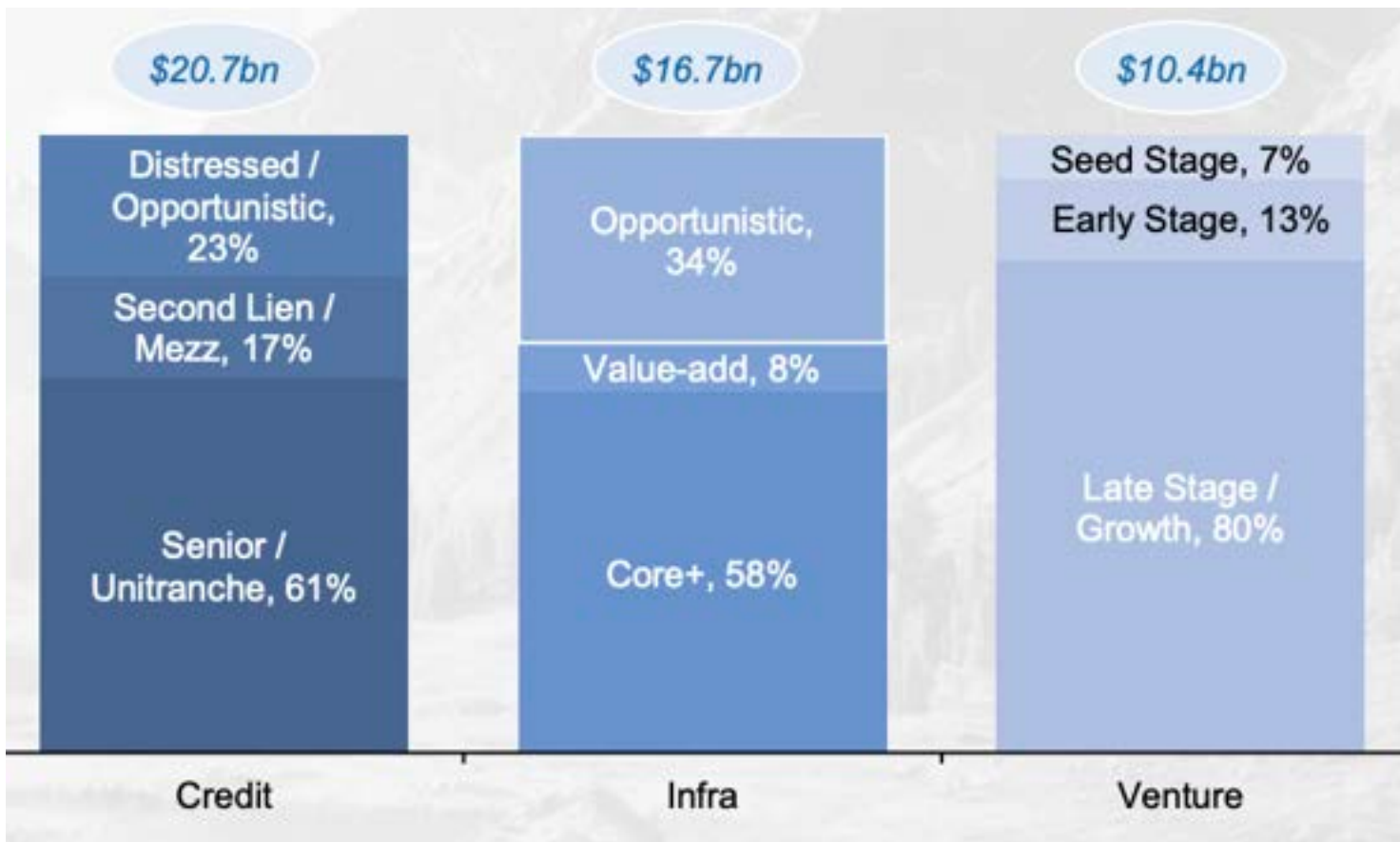
Source: Evercore

H1'25 Deployment to Non-Buyout Secondaries in \$B



Source: Evercore

Current Available Capital (Dry Powder for Secondaries)



Source: Evercore

M&A Data

M&A seems to be back! Global venture-backed startup M&A posted another strong quarter in Q2 2025, generating \$50.5 billion in exit volume. While slightly below Q1’s \$71 billion (boosted by the standout Wiz acquisition), it still marks a solid performance and signals continued strength in the M&A environment. For perspective, global VC-backed M&A deal volume in H1 2025 is up 1.9x compared to H2 2024 and a staggering 2.7x over H1 2024. That’s a significant surge, underscoring just how strong the rebound in startup exits has been through M&A. Fingers crossed for H2!

So far in 2025, we’re seeing increased M&A in AI startups and a concentration of capital in larger rounds. Encouragingly, M&A activity has now increased for the second consecutive quarter, approaching levels not seen since the peak M&A period of 2021. As for deal count, the numbers have remained relatively flat, with only a slight downward trend—not enough to raise concerns.

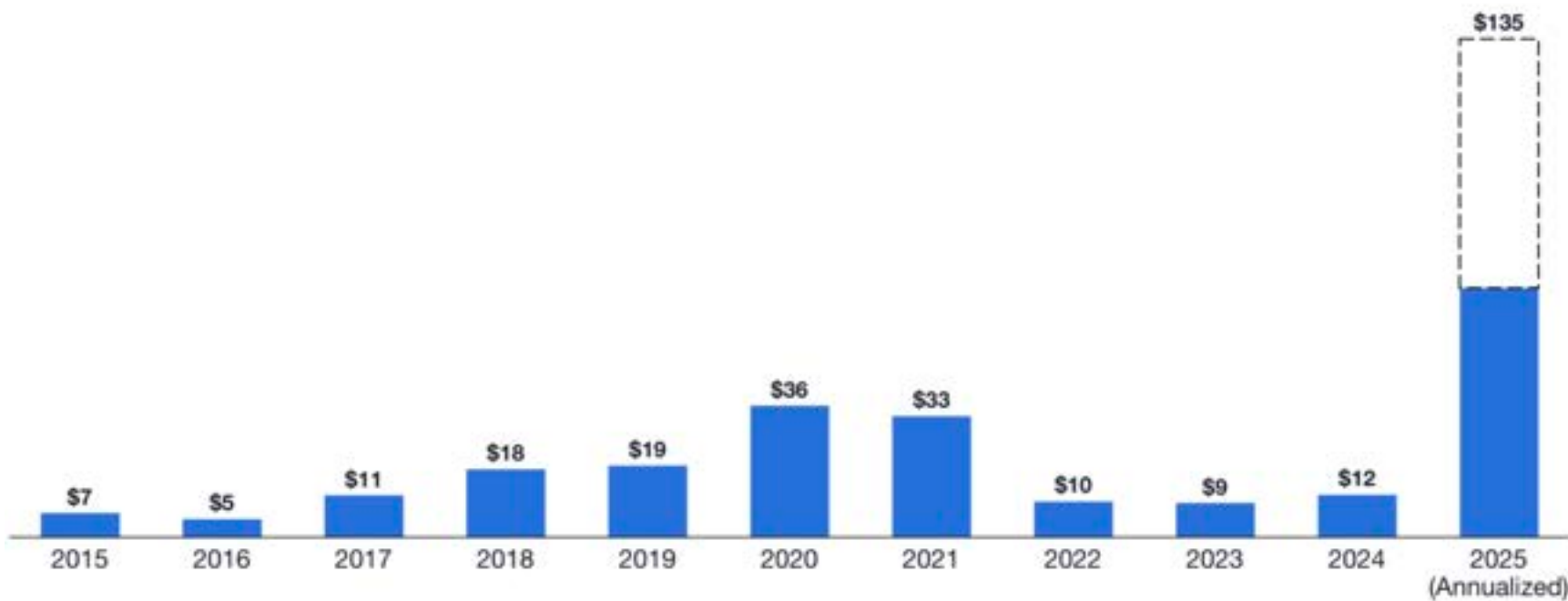
Early-stage acquisitions continue to form the backbone of the M&A landscape, at least in terms of deal volume. While headline-grabbing transactions—like Alphabet’s \$32 billion acquisition of Wiz and OpenAI’s \$6.5 billion deal for Jony Ive’s AI startup—generate significant buzz on social media and in the press, it’s the steady drumbeat of smaller, earlier-stage deals that’s truly shaping the market. These transactions, often involving nimble and fast-growing startups, dominate the M&A count and reflect a broader trend of strategic buyers seeking innovation at a more manageable cost. In essence, while mega-deals grab attention, it’s the accumulation of modest acquisitions that’s driving the market’s momentum.

Global Venture-Backed M&A Counts And Dollar Amounts, By Month



Source: Crunchbase

U.S. VC Backed TMT M&A
(M&A Volume for \$1B+ deals, in \$B)



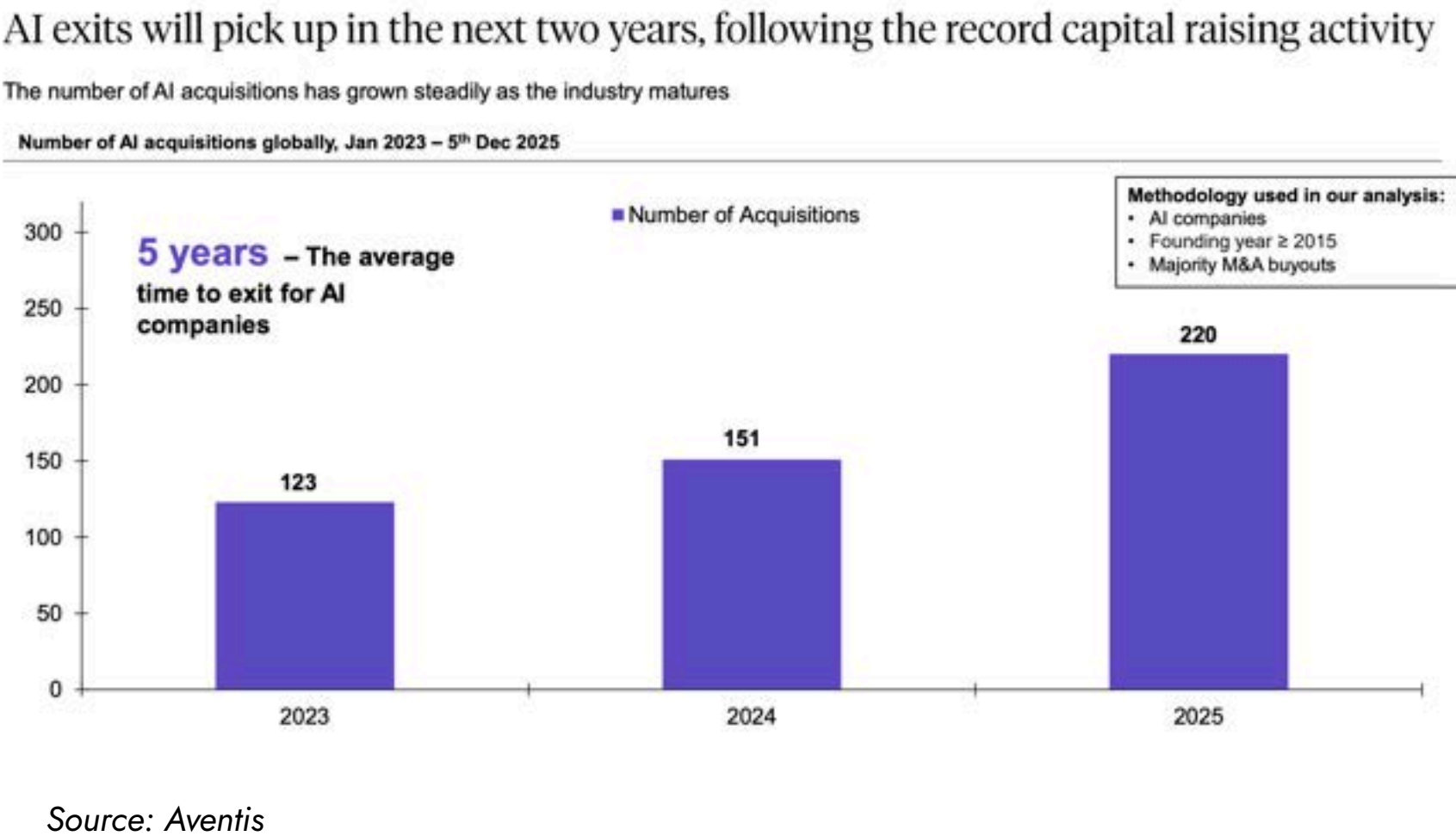
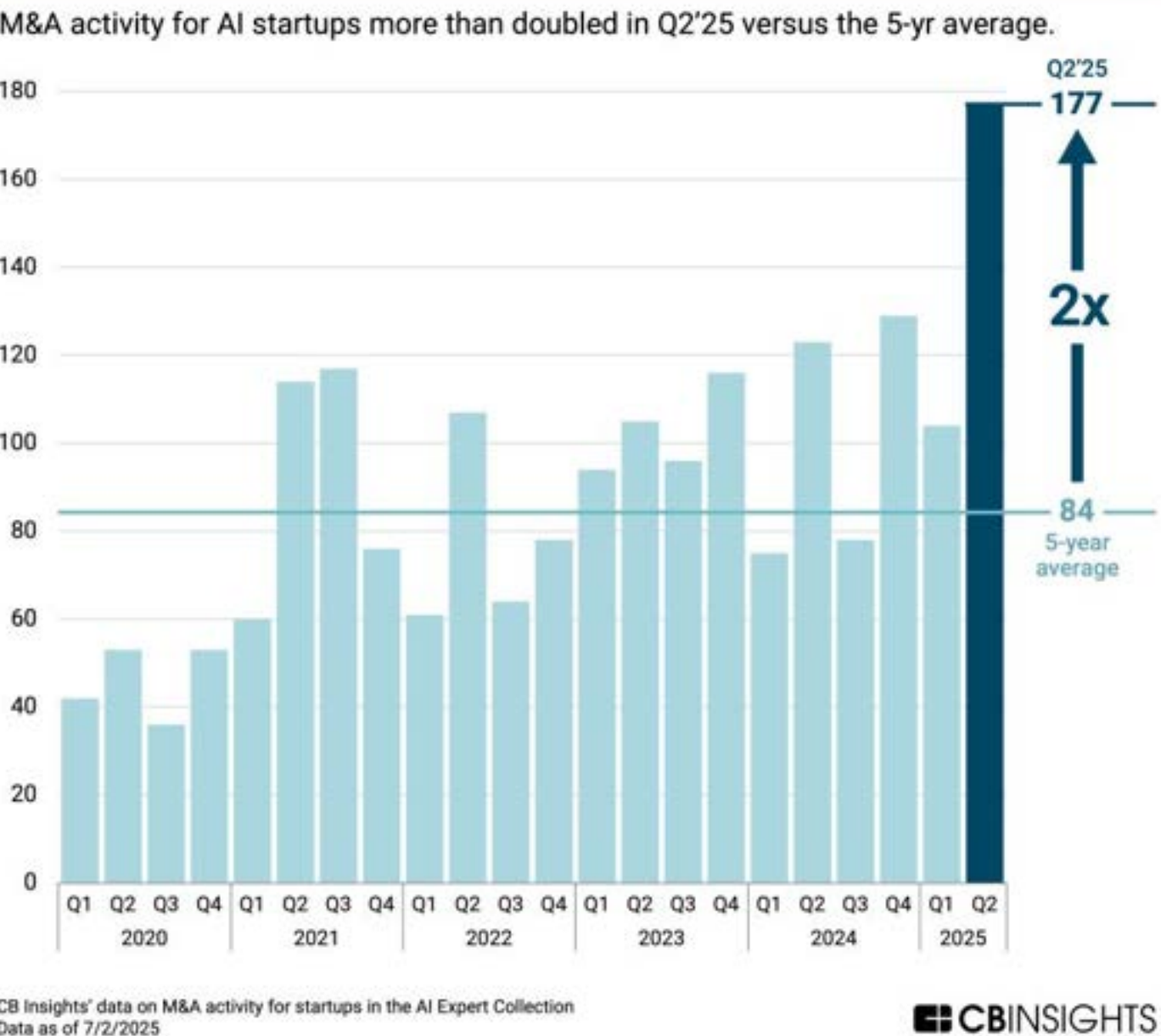
Source: Coatue

[Click graphic for source post/article.](#)

AI M&A Data

Startup M&A is gaining strong momentum in 2025—a much-needed positive signal for the venture ecosystem. Notably, M&A activity for AI startups more than doubled in Q2 2025 compared to the five-year average, reflecting the sector’s accelerated maturation and strategic relevance.

What makes this trend especially compelling is the dual narrative: AI continues to dominate funding flows, but it’s also leading on the exit front. Startups in the space aren’t just attracting capital—they’re achieving liquidity faster, whether through strategic acquisitions or other means. The key question going forward is how this surge in AI exits will translate into distributions for GPs. If sustained, this could provide a meaningful boost to DPI metrics, particularly for funds that leaned heavily into AI bets early in the cycle.



M&A All Day: AI Unicorns Are Buying to Scale

Notable VC-Backed M&A Buyers Since 2023²

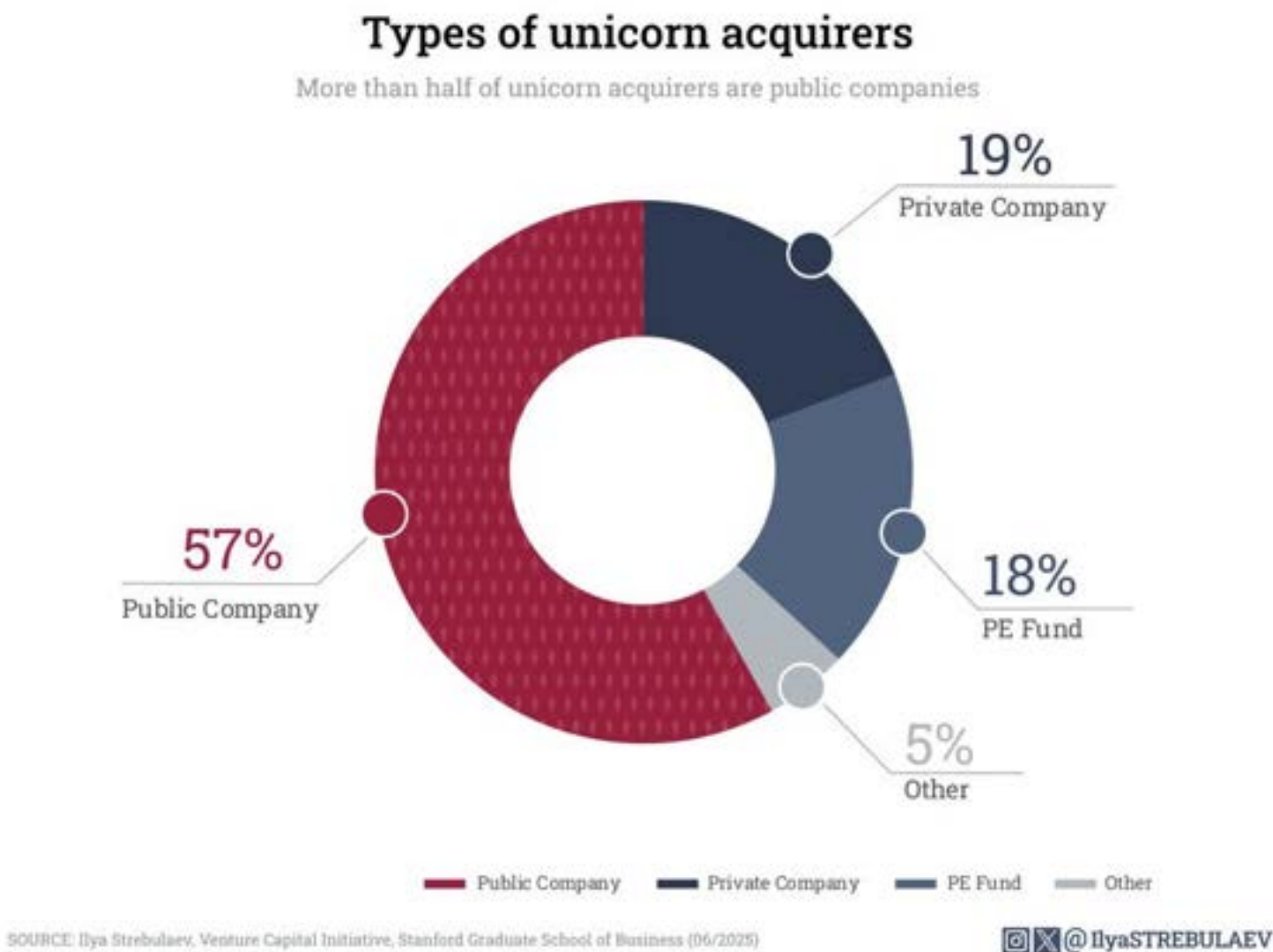
Buyer	TEV	M&A Deals	Focus
OpenAI	\$300B	5	Horizontal AI Platform
stripe	\$92B	6	Embedded Payments
databricks	\$62B	17	Infrastructure Tools for AI
INFINITE REALITY	\$16B	5	AI for Social Media
Figma	\$13B	6	AI for Design
GrubMarket	\$3.5B	17	AI for Food Distribution

Source: SVB

Unicorn Acquirers

As noted earlier, the trend of startups acquiring other startups is on the rise—but this dynamic plays out differently depending on the stage of the company. It's most prominent in the early to mid stages, where nimble, well-funded startups can absorb smaller players for strategic advantage. However, when it comes to acquiring unicorns, the picture shifts significantly.

Nearly 60% of unicorn acquisitions are still led by public companies, which makes sense given the scale of capital required to execute such large deals. Public acquirers are typically better positioned—both financially and operationally—to pursue billion-dollar-plus transactions. Private equity firms also play a role, accounting for around 18% of unicorn acquisitions, but their involvement is more selective. PE deals often require specific KPI thresholds and clear paths to profitability, limiting the pool of viable targets. This split highlights how different capital sources and risk appetites shape the M&A landscape across the startup maturity curve.



M&A Nuggets

6-month-old, solo-owned vibe coder Base44 sells to Wix for \$80M cash

Grammarly acquires AI email client Superhuman



Scott Stanford ✓ • 2nd
Co-Founder and Partner at ACME Capital
2mo • 🌐

[+ Follow](#) ...

The [Goldman Sachs](#) Sixth Sense...

There's a reason why, over my ten years at Goldman, I rarely chased private company mergers: time is our scarcest asset, and the odds of closing rarely justified the lure of potential fees.

Beyond a decade of grueling hours, always-on service, and relentless team-first mantras, you develop a few things. Deep pattern recognition, and some well-earned, fact-based biases among them.

One sticks out today: private-to-private company mergers are brutally hard.

But you wouldn't know it from the volume of calls I used to get. "Scott! Just had an incredible dinner with [company]—we're talking merger. We're going to crush it!"

My answer never changed: "Amazing. Align on governance and valuation, then call me back."

The phone never rang.

The M&A market keeps changing in unexpected ways

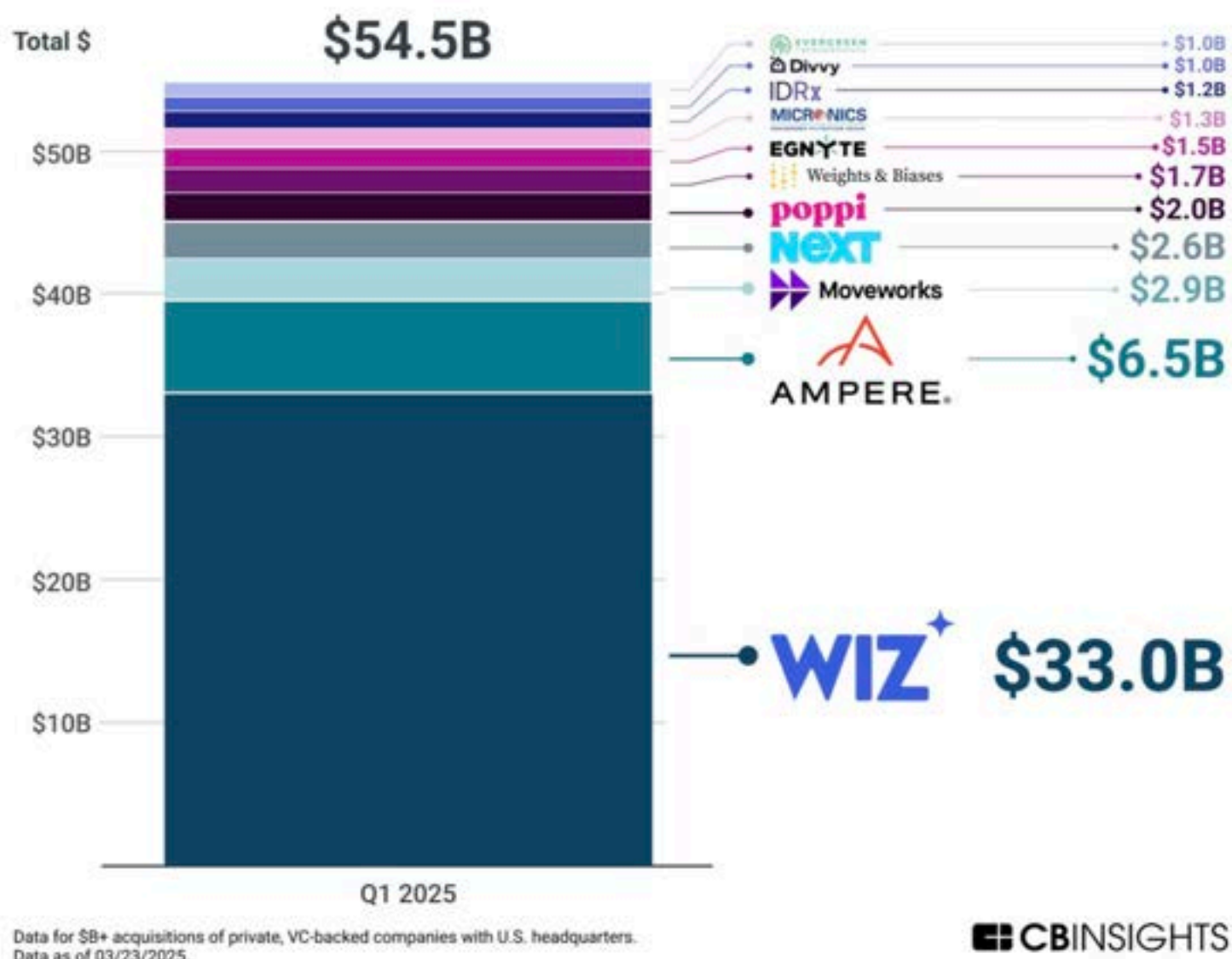
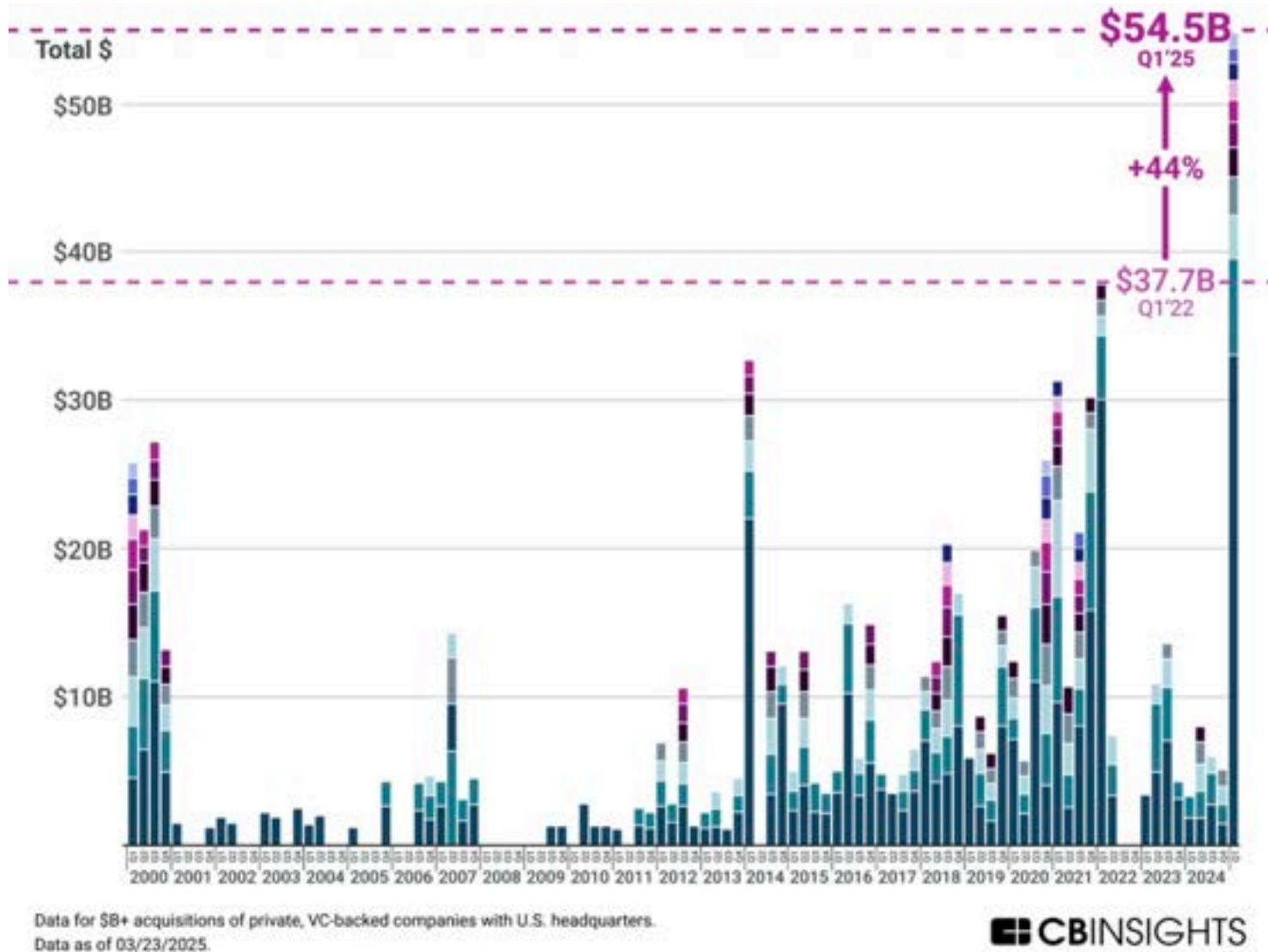
Global M&A activity—including venture—surged to \$1.89 trillion in H1 2025, marking a 30% year-over-year increase, and defying expectations of a slowdown amid tariff uncertainty. While the total number of deals remains at a decade low, the surge in value has caught many off guard—driven largely by a wave of mega-deals. This is increasingly a sector-by-sector and scale-driven story. Transactions over \$10 billion jumped by 74%, signaling a strong appetite for transformational, strategic acquisitions, while mid-market deals (\$5–10 billion) declined by 24%, underscoring a shift away from volume and toward significance.

In the U.S., M&A deal value reached \$821 billion, up 11% year-over-year, even as deal count fell by 15%. This aligns with the broader trend: amid tighter financing and economic uncertainty, dealmakers are favoring fewer, bigger bets—prioritizing consolidation, platform expansion, and long-term strategic fit. The result is a polarized M&A environment, where capital is increasingly concentrated at the top, and companies are leaning into high-impact moves rather than spreading risk across multiple smaller transactions.

Is Mega M&A Dealmaking Back?

Q1 2025 is setting a new benchmark for billion-dollar startup acquisitions, driven by standout deals like Alphabet’s purchase of Wiz. With 11 \$1B+ transactions, the quarter ties historic highs seen in Q1 2000 and Q4 2020. What truly distinguishes this period, however, is the unprecedented size of the valuations, surpassing those of any previous peak.

\$B+ acquisitions of private, VC backed companies with U.S. headquarters



Hot AI M&A Market

AI remains the hottest space for both funding and acquisitions. From early 2024 to mid-2025, AI M&A deals rose 35% year over year to **262 transactions**, led by major moves like OpenAI’s multi-billion-dollar buys and Atlassian’s \$610M acquisition of The Browser Co.

While average deal values are climbing, median sizes remain flat, showing a bifurcated market: big strategic plays alongside smaller, talent-driven acquisitions. Buyers are becoming more selective—paying up for assets that advance infrastructure, AI agents, or applied software—while using targeted deals to fill technical gaps and accelerate product roadmaps.

Global Venture-Backed AI Companies Acquired, By Quarter
(Data until September)



Source: Crunchbase

Age of Acqui-hires

Big tech companies are increasingly using acqui-hires—targeted acquisitions primarily aimed at securing elite AI talent rather than technology—as a strategic response to intense competition for top researchers. Unlike traditional acquisitions, these deals often bypass assets and focus on onboarding teams directly into R&D units. This trend has driven deal sizes into the hundreds of millions or even billions of dollars, as firms bid aggressively to bolster their AI capabilities. The result is a reshaping of the startup landscape: founders and teams are drawn to the promise of resources and compensation over conventional exits, while investors may see limited or no returns—potentially fueling regulatory concern over talent consolidation.

Big tech's pricey AI 'acqui-hires'

The Epic Battle for AI Talent—With Exploding Offers, Secret Deals and Tears

The cutthroat recruitment efforts to land the smartest minds in Silicon Valley have hit a feverish new peak in recent days



Villi Ilchev • Following
 Founder & Managing Partner
 2d •

The Blitzhire Acquisition. In this blog post I try to explain the drivers behind these new strange acquisitions in AI, how these deals are structured and why, where the money goes and how, and what happens to the remaining employees. Feedback is welcome.



Dan Gray ✓
 @credistick

There have been ~15 M&A deals by Google, Meta, Amazon, NVIDIA and Microsoft since 2023. Just four of those deals were acquihires.

All four of those acquihires were AI companies with high talent density, and:

- No product moat / low switching costs
- Experimental revenue
- Little IP or asset value

While avoiding antitrust scrutiny is a perk of these arrangements, it's fundamentally not an antitrust issue. It's an AI talent war issue.

There was a similar surge in acquihire activity (and poaching) during the dotcom era, as tech companies competed for larger piece of the new future.

The upside implied by AGI is so large that Big Tech will spare no expense to capture domain expertise.



Itamar Novick ✓ • Following
 Founder & General Partner at Recursive Ventures
 4d • Edited •

"I was told our startup was worthless - until Meta paid \$40M for the team. Our VCs made \$35M back. I walked away with \$200k for 5 years of work".

I've done seven acquihires at [Life360](#) and have seen founders learn this the hard way. I call it the "acqui-hire scam".

Here's how some acquihires are being used to quietly strip founders of everything they've built, while investors get their cash out behind the scenes.

A founder I spoke with had built a high-performing deep-tech company. Revenue wasn't massive yet, but the tech and team were so strong that three Big Tech companies came knocking when things got shaky.

The board called it a "soft landing."

The VCs called it "the best possible outcome."

The founder should have called it daylight robbery.

Acquihires, Reverse Acquihires, and Blitzhires

The *reverse acquihire* — where Big Tech licenses a startup’s technology and hires away its key talent without acquiring the company — has become a new strategic norm in the AI boom. It allows giants like Google, Microsoft, Meta, and Amazon to capture scarce AI expertise while sidestepping antitrust scrutiny tied to traditional acquisitions. For **Big Tech**, these deals accelerate innovation and talent acquisition without regulatory hurdles. For **startups**, they often bring short-term liquidity but long-term disruption — stripping away founders, leadership, and strategic direction while leaving behind “ghost ships” to rebuild.

What Happens to AI Startups When Their Founders Jump Ship for Big Tech

So-called reverse acquihires have left once-promising startups stranded, with remaining employees left to figure out what to do next.

Key cases:

- **Character.AI** and **Windsurf**: Rebuilding under interim CEOs after founders left for Google. Character pivoted from LLM training to AI characters, using Google funds to retain staff.
- **Inflection AI**: After a \$620M Microsoft deal, it reoriented toward enterprise AI under new leadership.
- **Scale AI**: Post-Meta deal, cut staff and shifted to enterprise/government AI applications.
- **Adept** and **Covariant**: Lost founders to Amazon, saw limited returns and constrained operations.

Strategic implications:

- Reverse acquihires help Big Tech win the *AI talent war* and navigate antitrust barriers.
- For startups and VCs, they represent partial survival but limited upside, weakening the traditional Silicon Valley founder–investor alignment.
- Increasing frequency may deter talent from joining startups, fearing eventual “extraction” by larger firms.

Windsurf Saga

The Windsurf saga unfolded as a high-stakes drama emblematic of today’s AI talent wars. It began with a near-\$3 billion acquisition deal by OpenAI, which collapsed suddenly after Microsoft—concerned about intellectual property risks—intervened to block it. Within hours, Windsurf’s CEO and key team members were quietly recruited by Google DeepMind through a \$2.4 billion “reverse acquihire,” focused solely on talent rather than product. This move left the remaining 250-person team in shock. Over an emotional weekend, interim CEO Jeff Wang worked rapidly to secure a lifeline, culminating in a deal with AI startup Cognition. Unlike the Google deal, Cognition’s offer valued the product, IP, and entire team—ensuring continuity and fair treatment of all employees. By Monday, a formal acquisition was announced, stabilizing the company and allowing it to continue operating independently.

The episode triggered widespread commentary across the venture and tech ecosystem, with many criticizing the trend of acquihires that disproportionately reward founders while leaving broader teams behind. Strategically, the saga reinforced a new M&A playbook in AI: fast, regulatory-safe deals that prioritize top talent and product synergies over conventional acquisitions. In just 72 hours, Windsurf went from collapse to recovery—marking a turning point in how power, people, and product are negotiated in the AI era.

But I’d tread carefully here. There’s a lot of noise circulating on social media—much of it negative toward the founders—but without knowing the full background, it’s hard to judge fairly. In fact, based on Garry Tan’s post, situation might not be as dire as some are suggesting. Time will ultimately reveal what really happened.



Saanya Ojha • Following
Partner at Bain Capital Ventures
18h •

This was the weekend of Windsurf. A \$3B acquisition by OpenAI - widely assumed to be a done deal - suddenly collapsed. Reportedly because Microsoft wouldn't carve out Windsurf's IP.

Enter Google. In a move both aggressive and calculated, Google struck a \$2.4B deal to license Windsurf's IP and hire CEO Varun Mohan along with key staff in the now-familiar play: reverse acquihire. The company left intact on paper, hollowed out in practice. The drama of the weekend reveals 4 truths about where we are in the AI arc:

Cognition AI to purchase fellow coding startup Windsurf after Google's \$2.4B acqui-hire deal for founders



Angela Winegar • Following
Marketing Leader (SVP, CMO) | Angel Investor & early stage GTM Adviso...
2d •

The Windsurf-Google deal has me thinking about a trend that should worry everyone who cares about Silicon Valley's future.

Another strategic acquisition to sidestep regulatory hurdles. Another group of employees left holding seemingly worthless equity. It's becoming a playbook (see Scale, Character, Inflection).

CEOs getting huge payouts, preferred investors taken care of, but employees left with limited comms and a lot of questions.



Garry Tan
@garrytan

Varun Mohan and the team at Windsurf built something great.

What I heard is every founding engineer (over 40 of them) cleared 7 figures. The remaining org of 200 was only 15 engineers who had worked there less than a year, the rest were sales and ops, and even then they left more cash in the business that could have made everyone more than whole if the remaining team was willing to dividend it and shut down.

Varun preserved \$2.3B in value for the investors and vested cap table and did his best under time pressure with the options he had.

He and his team don't deserve to be dragged and I think in the long term their decision to sell will be vindicated.

It can be irresistible to fan the flames on Internet beef but in this case everyone should stand down given what really happened.

Talent

SECTION 8



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- [All About 996 Debate](#)
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- [Startup talent Nuggets | 3](#)

Venture Trend 67 - Tech layoffs decreased in 2024

2024 Prediction:  **Trend to moderately intensify in 2025**

FALSE: Layoffs are among the hardest KPIs to track, given the inherent noise and inconsistencies in the data. While I expected layoffs to trend downward, headline figures show an increase in 2025, with Crunchbase reporting 126K layoffs for the year. That said, SVB data suggests a more nuanced picture, indicating that the *layoff rate* has largely stabilized despite the rise in absolute numbers.

The Crunchbase Tech Layoffs Tracker

Layoffs during the week ended Dec. 3, 2025: At least **8,202** U.S. tech sector employees were laid off or scheduled for layoffs, per a Crunchbase News tally.

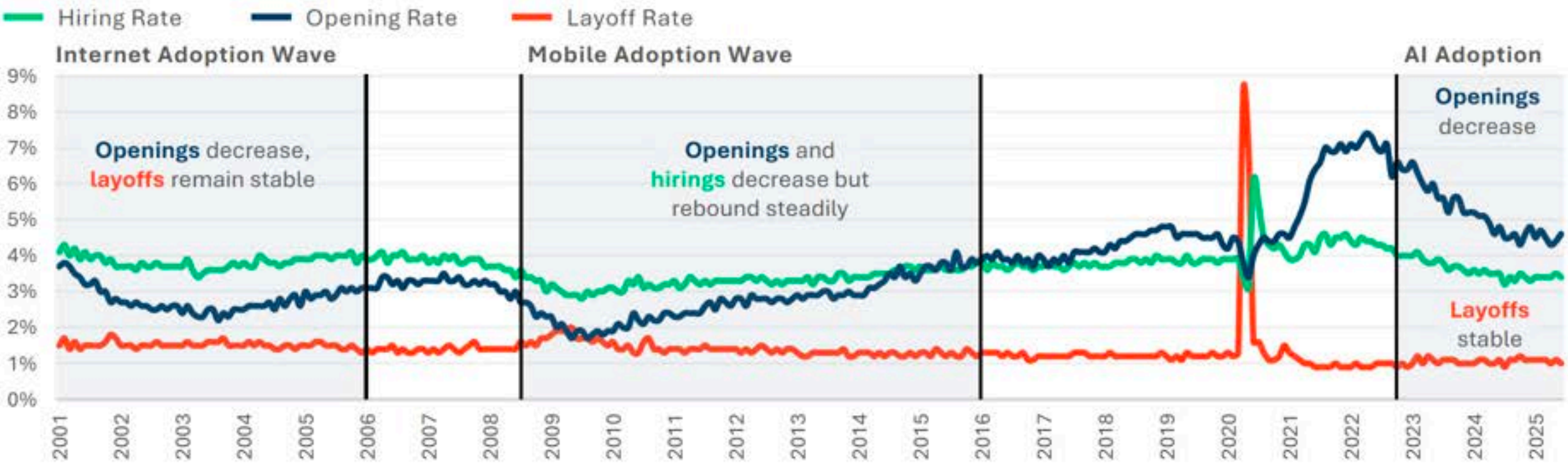
In 2025: Around **126,101** workers have been let go from U.S.-based tech companies so far according to our tally.

In 2024: At least **95,667** workers at U.S.-based tech companies lost their jobs in 2024, according to a Crunchbase News tally.

In 2023: More than **191,000** workers in U.S.-based tech companies (or tech companies with a large U.S. workforce) were laid off in mass job cuts.

In 2022: More than **93,000** jobs were slashed from public and private tech companies in the U.S.

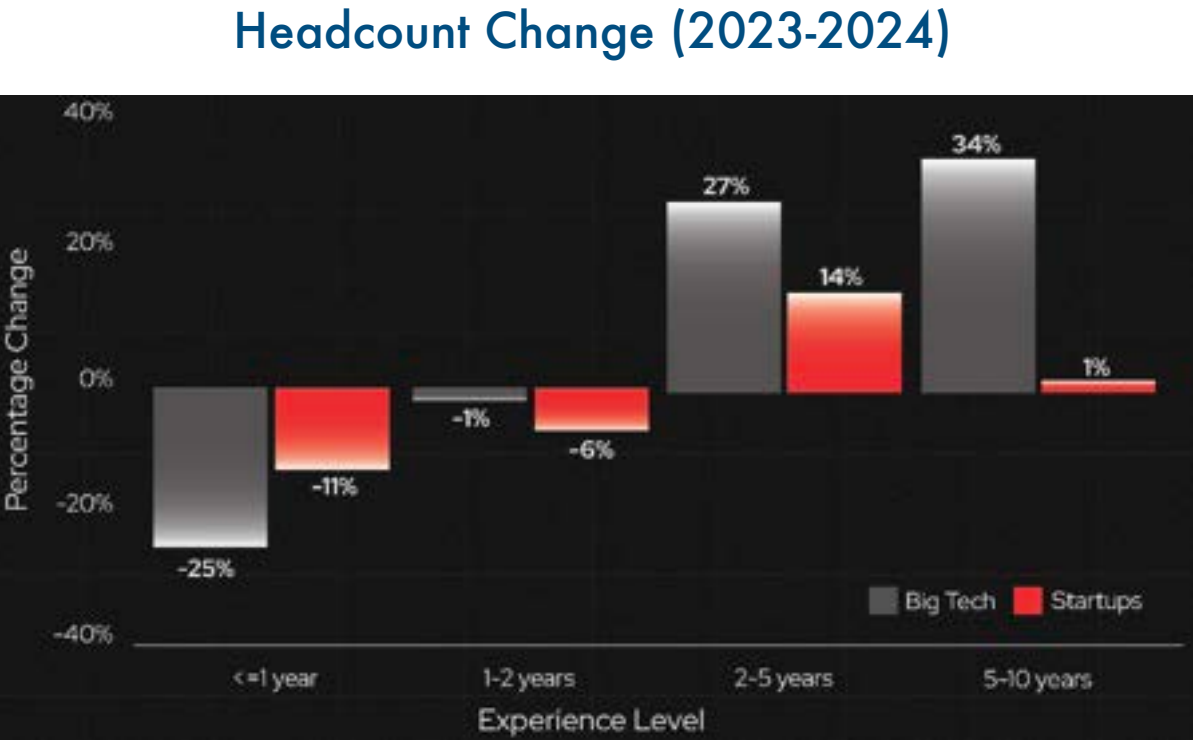
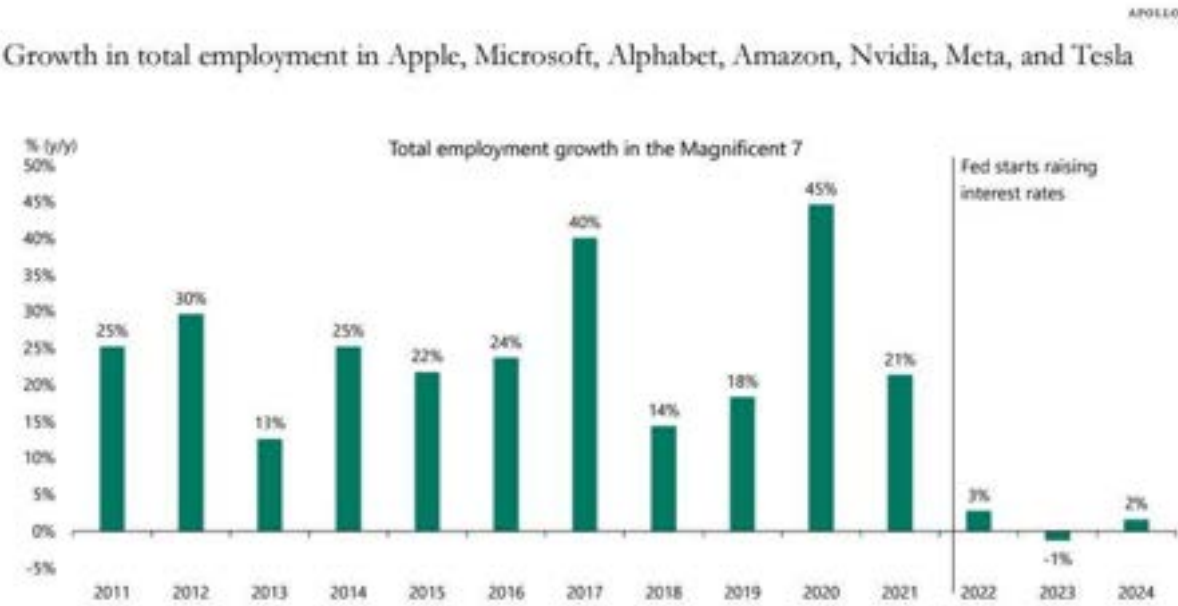
Tech Waves Involve Lower Job Openings in Short Term, But Layoffs Largely Stable
Hiring, Job Opening and Layoff Rates Across Market Cycles



Venture Trend 68 - Headcount growth decreased in 2024

2024 Prediction: 📉 Trend to moderately reverse in 2025

FALSE: I expected the headcount slowdown to reverse, but the data suggests otherwise. Recent hiring trends point to a broad-based deceleration across tech and startups, with many companies opting to operate leaner—driven by capital efficiency pressures and AI-enabled productivity gains. Even the Mag7 have shown muted headcount growth (down ~23% in 2023–24), marking a clear shift away from prior expansion cycles. Hiring strength remains concentrated in AI-focused roles, while layoffs are gradually ticking up. Overall, growth is increasingly being pursued through efficiency rather than headcount expansion.



Silicon Valley's 'Tiny Team' Era Is Here

Startups used to brag about valuations and venture capital. Now AI is making revenue per employee the new holy grail.

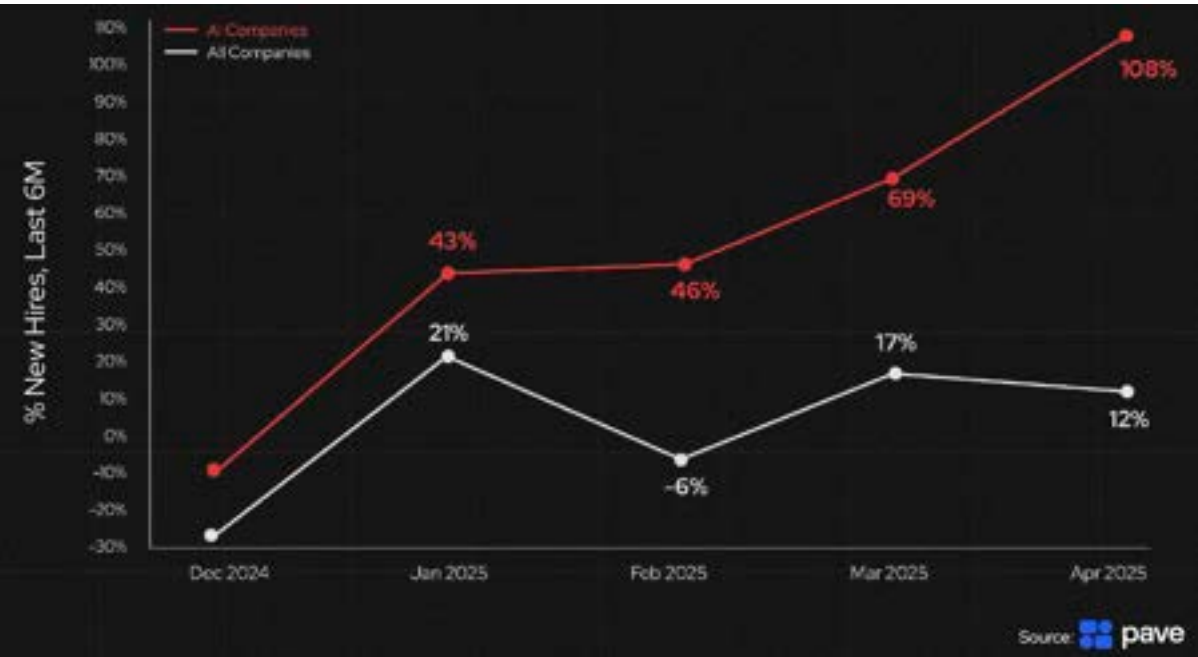
CEOs are Already Saying the Quiet Part Out Loud

And it's not just tech. The following companies cumulatively have >3M employees (900K excluding Walmart).

affirm 2.2K FTEs "Do more with the same number of people by giving them [AI] superpowers." – Max Levchin, CEO	SAP 110K FTEs "For the same volume of output we can afford to have less people." – Dominik Asam, CFO
BANK OF AMERICA 213K FTEs "My guess is that our employment levels will stay relatively static." – Brian Moynihan, CEO	shopify 8.1K FTEs "Before asking for more headcount, teams must demonstrate why they cannot get what they want done using AI." – Tobi Lütke
duolingo 830 FTEs "We'll gradually stop using contractors to do work that AI can handle." – Luis von Ahn, CEO	Walmart 2.1M FTEs (1) "AI is going to change literally every job." – Doug McMillon, CEO
IBM 270K FTEs "30% of non-customer-facing roles could be replaced by AI and automations in five years." – Arvind Krishna, CEO	yelp 5.1K FTEs "In 2025, we plan to hold headcount approximately flat and utilize AI to deliver operational efficiencies." – Jeremy Stoppelman
JPMORGAN CHASE & CO. 317K FTEs "We expect headcount will trend down by about 10% over the next five years." – Marianne Lake, CEO of Consumer Banking	Klarna 3.1K FTEs "[AI] is currently doing the equivalent work of about 700 full-time [customer service] agents." – Sebastian Siemiatkowski, CEO

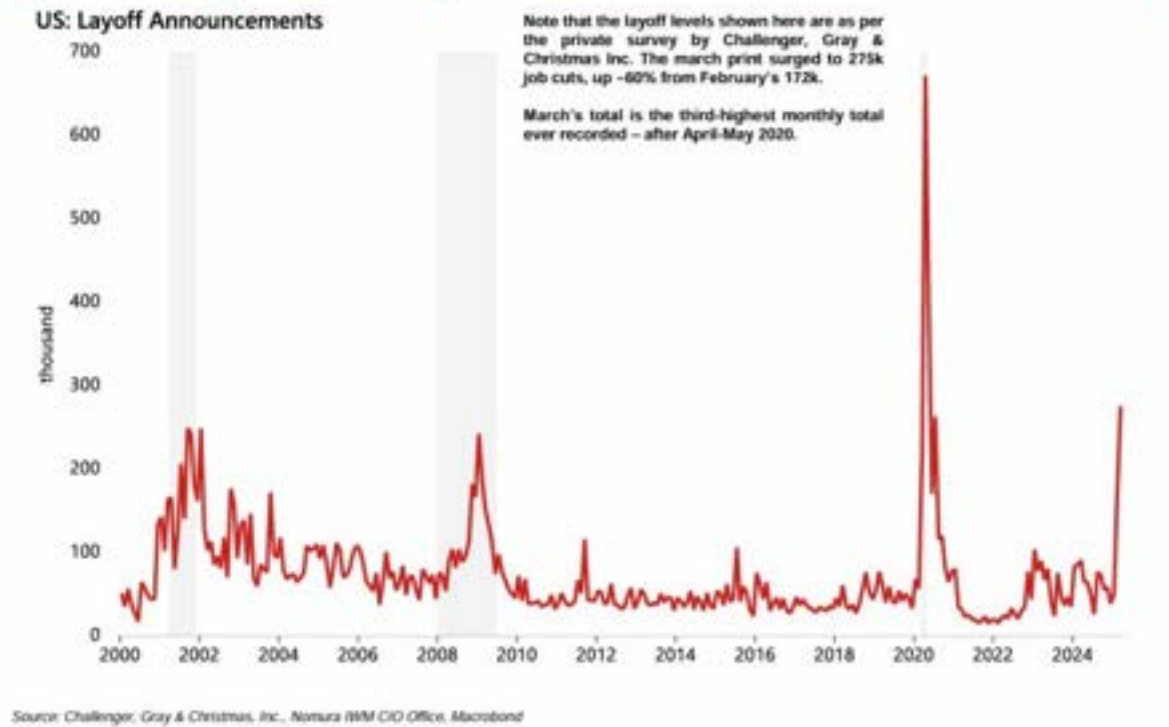
MERITECH Source: Press releases, public filings, and news articles. Full-time employee counts based on last number disclosed in public financial filings. (1) Based on total number of Walmart associates as disclosed in their fiscal year 2024 10K filing.

Hiring Rate: AI Companies vs. Market



Source: Redpoint

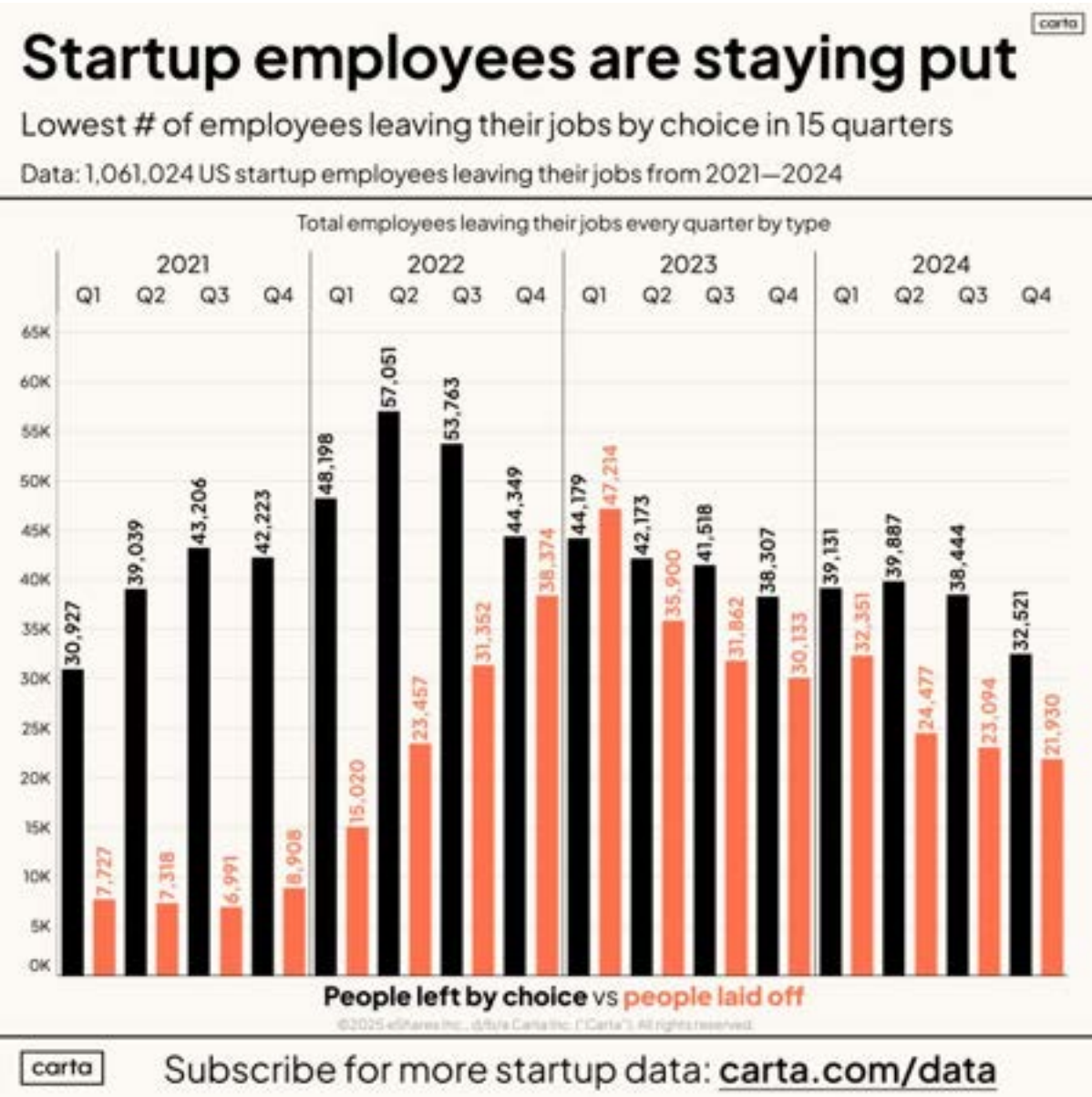
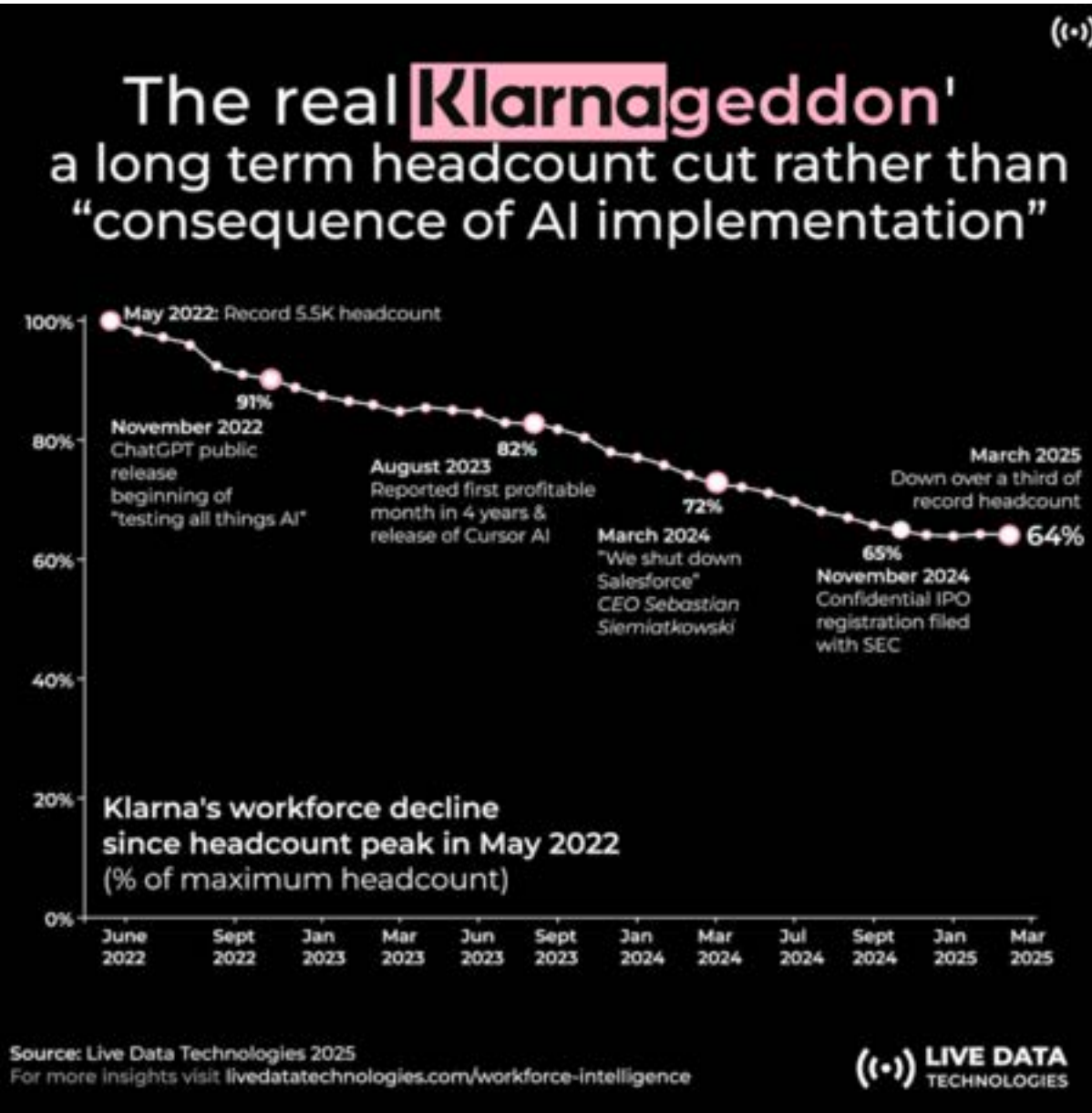
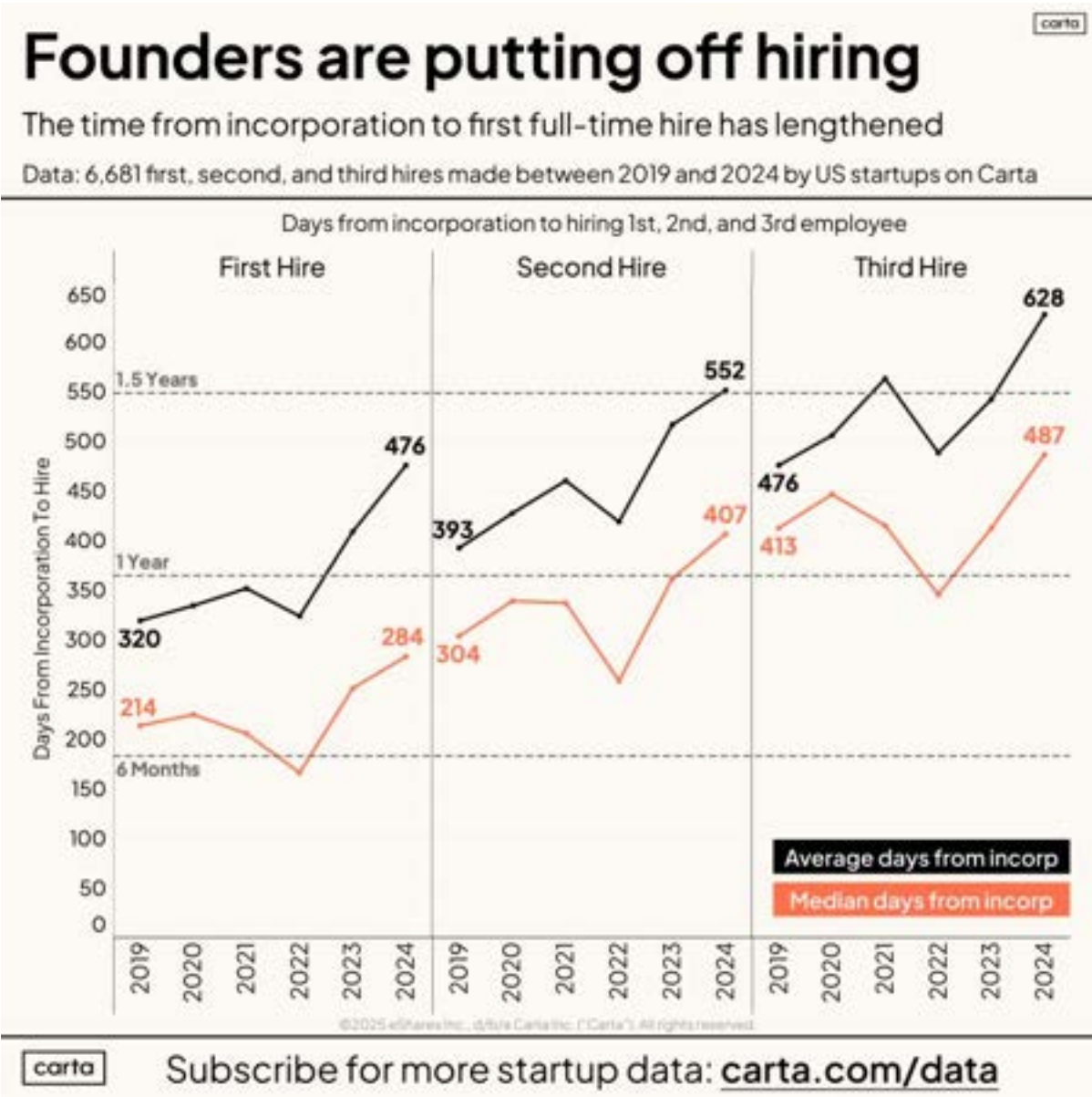
Layoffs Now Higher than During the 2001 and 2008 Recessions



Click graphic for source post/article.

(Additional Info) Venture Trend 68 - Headcount growth decreased in 2024 All Between - Hiring, Leaving, and Staying Put

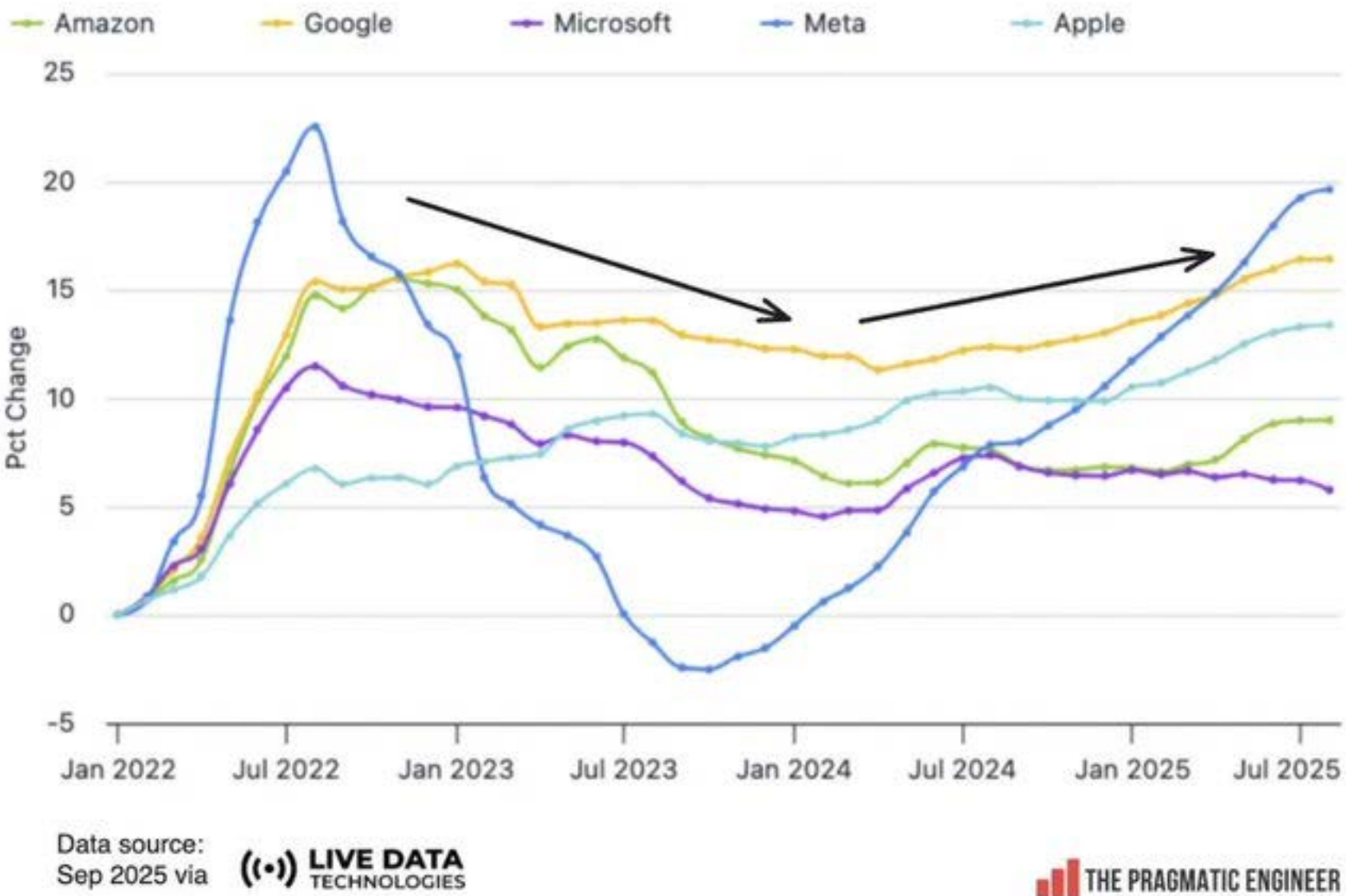
Is AI Just a Smoke Screen?



(Additional Info) Venture Trend 68 - Headcount growth decreased in 2024 Jobs, Employment and Hiring

Hiring trends present a mixed picture. Top tech companies have picked up hiring again after the slowdown in early 2024, but broader job growth across the startup ecosystem remains uneven. Startups are becoming leaner and more efficient. By 2025, the average company reached its Series A with just **16 employees**, down from **25** a few years earlier, reflecting a shift toward tighter teams and more disciplined growth.

Software Engineering Headcount Growth at Big Tech



After slower headcount growth in 2022-2023, Big Tech is hiring faster than before. Source: [Live Data Technologies](#)



Ash Arora @asharoraa · Oct 7
Meta is hiring like crazy in London and Bangalore. 100+ vacancies in each city.

At half - 1/5th the salaries of Bay Area

H1-B impact?



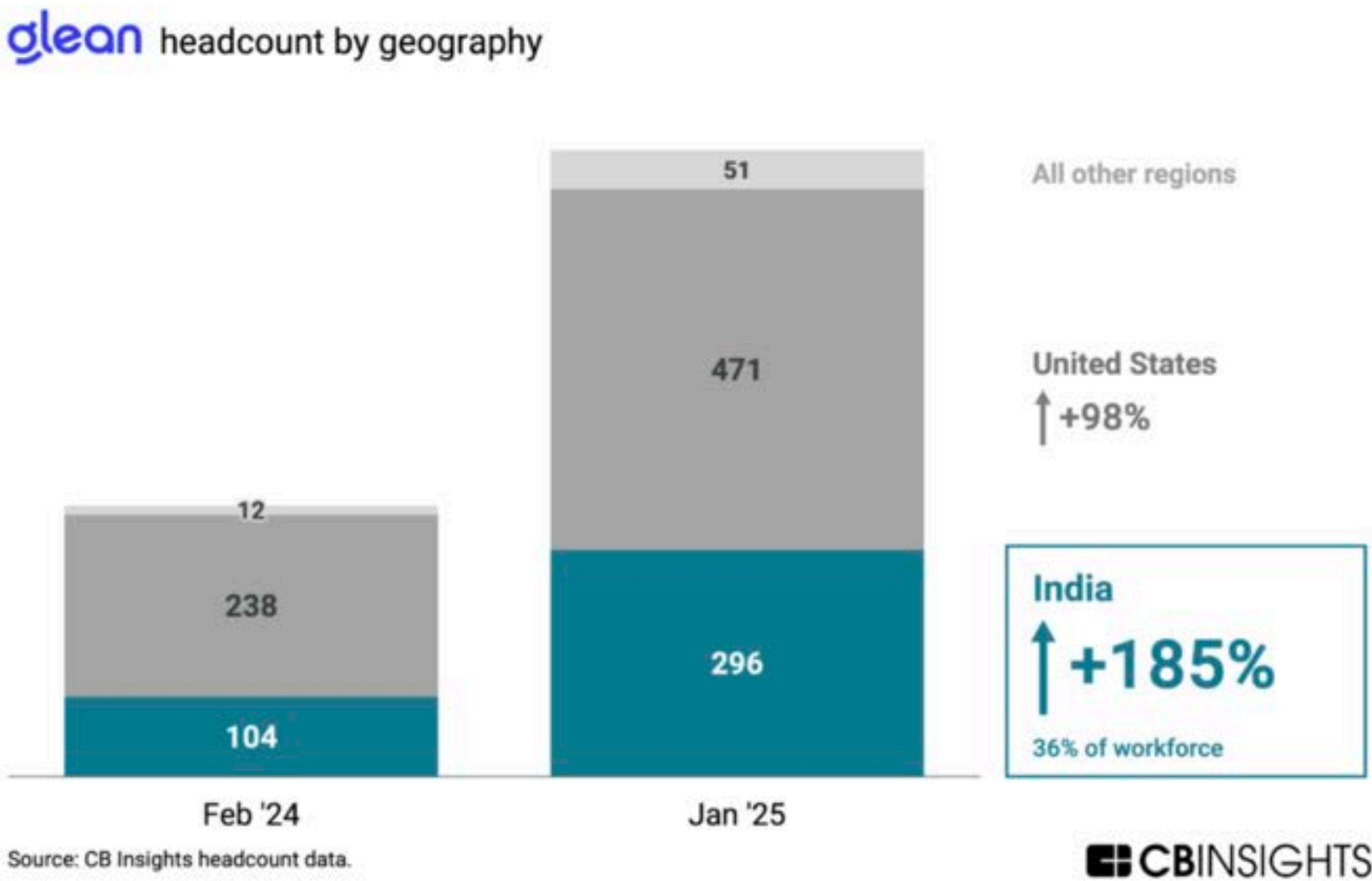
(Additional Info) Venture Trend 68 - Headcount growth decreased in 2024
AI Leaders are Growing Their Indian Presence

NEWS

Global AI race heats up in India with unprecedented hiring spree

CB Insights article dated March 21, 2025

- India recently became OpenAI’s second-largest market by number of users.
- OpenAI has responded by boosting its headcount in India by 67% in the last 6 months (nearly 2x the growth rate of its US presence)
- Enterprise AI platform Glean established a Bengaluru office in July 2024 to tap into the talent pool in India and expand its R&D operations. India now makes up 36% of Glean’s global headcount.



Venture Trend 69 - Startup talent mafia are spreading

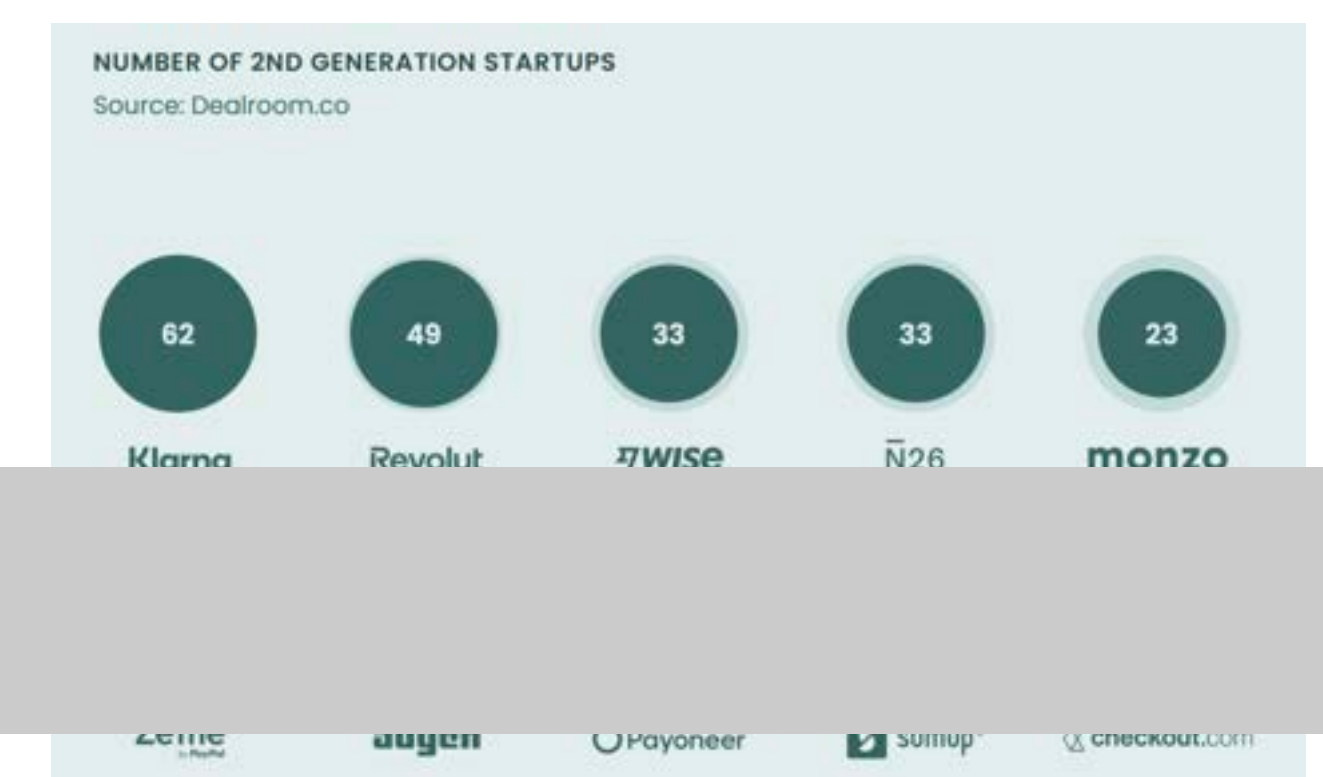
2024 Prediction:  Trend to moderately intensify in 2025

NA - No comparable data for this in 2025.

Ben Lang
@benln

The next PayPal mafia in the works:
Stripe → Anrok, Watershed, Render, Assembled
Ramp → Cognition Labs, Rivet, UnifyGTM
Daili, Traveler, Stitch, TruckSmarter, Dice

16:57 · 18.06.24

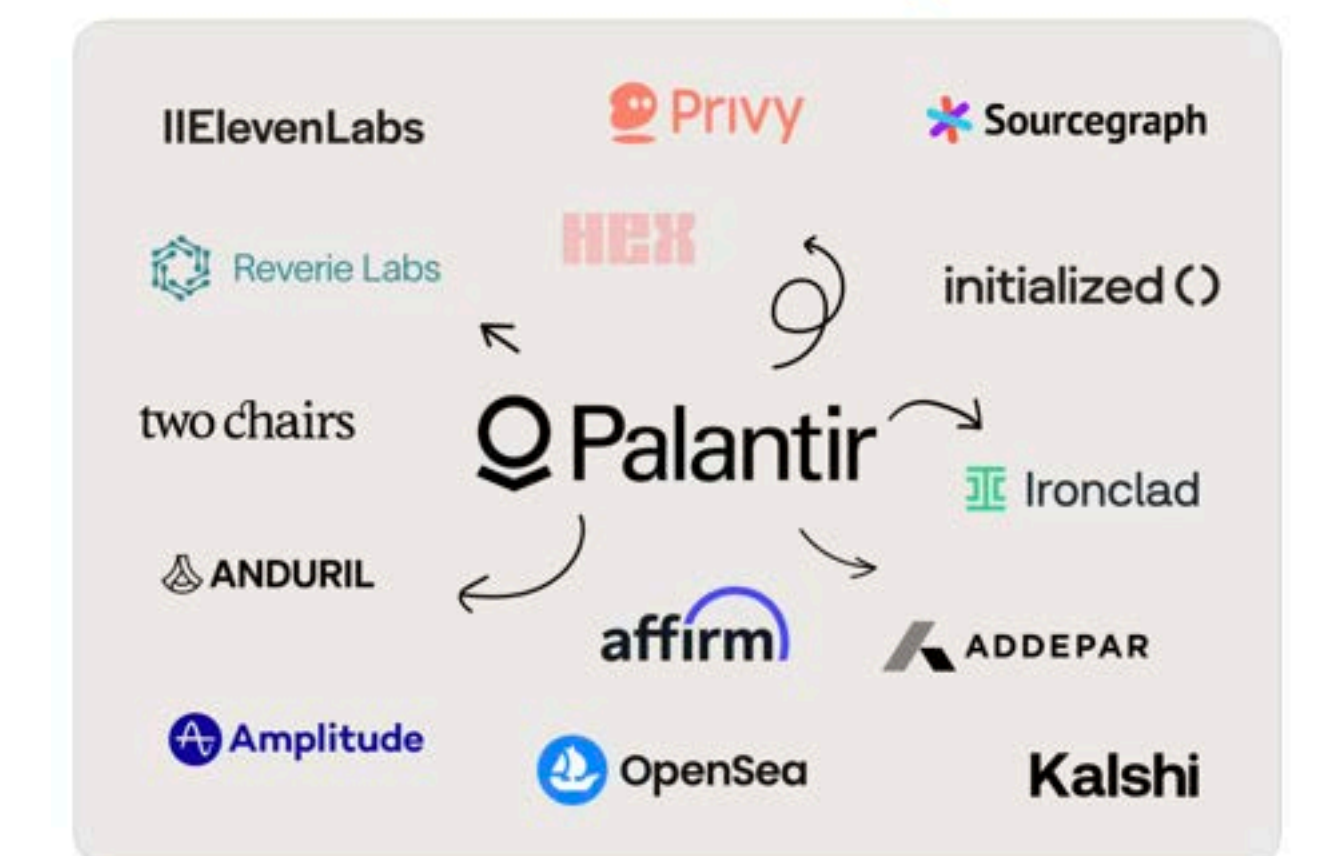


No comparable data for 2025

Debaghya (Deedy) Das · Following
Menlo Ventures | Investing in AI and Infra!
[Visit my website](#)
2w · Edited · 

No one talks about the Yahoo mafia but they're so cracked

Jeff Weiner—CEO LinkedIn
Gideon Yu—CFO Facebook, YouTube
Stewart Butterfield—Founder Slack
Tim Tully—CTO Splunk, Partner Menlo
Joff Redfern—CPO Atlassian, Partner Menlo
Amjad Masad—Founder Replit
Jess Lee—Partner Sequoia
Brian Acton, Jan Koum—Founder WhatsApp



Venture Trend 70 - Equity is critical at higher levels, but equity drops off quickly after first few hires

2024 Prediction: ➡ Trend to continue at similar pace in 2025

NA - No comparable data for this in 2025.



Pejman Nozad • Following
Founding Managing Partner at Pear
1mo • 🔒

...

Pear VC Startup Equity Calculator for Early Hires

Pear VC head of talent **Matt Birnbaum** created this calculator to determine the equity for early hires.

Initial Equity for First 10 Hires





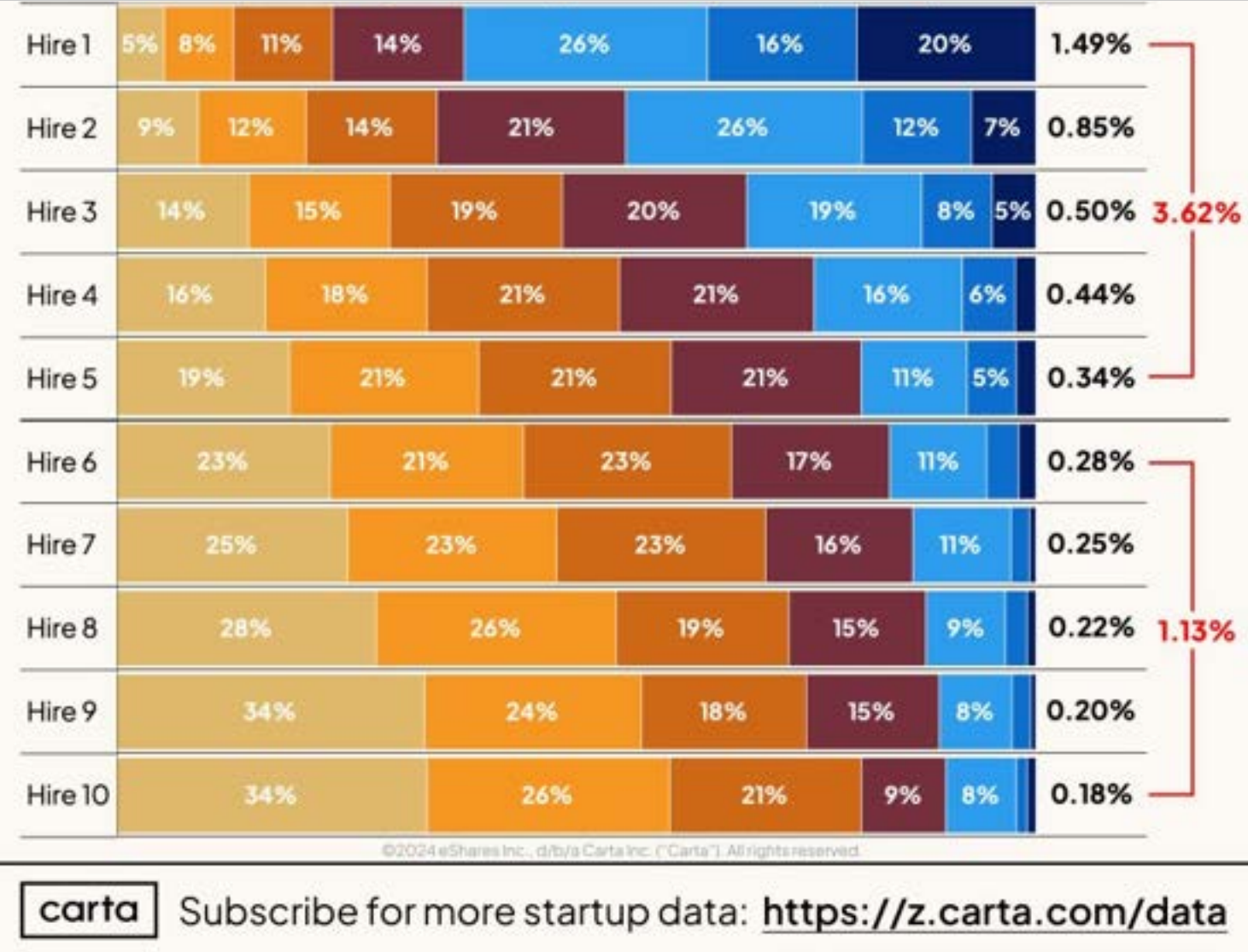
Zuhayeer Musa • 2nd
Co-founder, Levels.fyi
23h • 🔒

✓ Following ...

Equity is how people become rich. As companies like Zoom, Salesforce, and Workday cut back on their stock grants, it got me thinking about the incentive structure that's been around for a long long time in tech. And one we closely look at as a part of total compensation on **Levels.fyi**.

What's striking is how much faster equity outpaces salary at the higher levels.

No comparable data for 2025



Venture Trend 71 - Turnover in the venture capital firms is rising

2024 Prediction: → **Trend to continue at similar pace in 2025**

TRUE: “[The Great Venture Talent Flux](#),” my Crunchbase article perfectly outlines the VC industry talent reshuffle triggered by the turbulence of 2023–24, marked by misalignment, frustration, and tough decisions—while also setting the stage for a springboard effect in 2025. With market conditions improving, hiring is bouncing back, especially for junior and mid-level professionals, as firms adjust after recent partner-level changes. The industry is poised for substantial change: some professionals will make bold career leaps in 2025, while others will plot more gradual transitions. The net takeaway: venture capital talent is in motion.



Manu Gupta • Following
Investor Planet First (Growth), Blue Lion (Early); prev. founding team @ L...
18h •

Happy to share that I've joined [Planet First Partners](#) as Managing Partner, where I'll be investing \$10-50m into Health and Financial Inclusion, and helping the firm expand into the US market. I'll continue supporting early-stage founders via Blue Lion VC at the Seed & Series A stages.



Vijay Pande
@vijaypande

A Personal Update
By Vijay Pande

Today, I'm sharing that after more than a decade, it's both exciting and bittersweet that I'll be stepping away from my role at Andreessen Horowitz. This has been one of the most meaningful chapters of my life, and I'm filled with gratitude as I reflect on the journey.



Leyla Holterud • Following
Partner
2mo •

After nearly a decade at [StepStone Group](#) today marks my last day with the company.



colin daymond hanna • 2nd
partner at balderton
1d • Edited •

Last week marks nine years since I joined Balderton. Today I am announcing with both sadness and excitement that I will be departing in my role as a Partner at the end of the month.

Bryan Rosenblatt to Leave Craft Ventures, Set Up Standalone Firm

Rosenblatt's Sandlot will invest in seed rounds, while Craft has been shifting to more mature investments

By [Yuliya Chernova](#)
WSJ PRO Nov. 7, 2025 7:00 am ET



Zain Rizavi • Following
Co-founder & CEO
2mo • Edited •

After 4.5 years of early-stage investing, I've decided that it's time to move from early-stage investing, at least for now.

(Additional Info) Venture Trend 71 - Turnover in the venture capital firms is rising

The movement of talent in the venture world shows no signs of slowing—check out my guest post on Crunchbase for a deeper dive. ([Link](#))

LAYOFFS • STARTUPS • VENTURE • WORKPLACE

The Great Venture Talent Flux

Guest Author April 4, 2025



David Thévenon • 2nd

+ Follow ...

1mo • Edited •

After five rewarding years at Balderton, I'm embarking on a new chapter. It's been a privilege to build and execute our growth strategy, from raising \$1.4B across our first and second Growth funds, building a stellar team and leading investments like [Graphcore](#), [Brigad](#), [Defined.ai](#), [Cognism](#) and [The Exploration Company](#).



Judith Dada • Following
General Partner @Visionaries Club
3w •

...

Here's to turning the page and writing a new chapter: The future we want isn't given—it is built in great company. [Robert Lacher](#) and I spent years building towards something truly meaningful in VC—first together, then apart. Now, it's time to become one team again. Because there are moments in life when you compete. And then there are moments when you join forces to build something greater than yourself. This is one of those moments.

I am goosebump-level thrilled to team up with [Visionaries Club](#).

NEWS

Felix Capital's Julien Codorniou to join 20VC as general partner

TechCrunch article

from Romain Dillet dated December 18, 2024

NEWS

Microsoft's head of venture has resigned

TechCrunch article

from Julie Bort dated January 22, 2025

NEWS

General Catalyst loses three top investors as the firm expands beyond venture, contemplates IPO

TechCrunch article

from Marina Temkin dated March 3, 2025

NEWS

Felix Capital's Julien Codorniou to join 20VC as general partner

TechCrunch article

from Romain Dillet dated December 18, 2024

NEWS

Two senior partners are leaving Peak XV amid strategy shift

TechCrunch article

from Manish Singh dated February 10, 2025

Venture Trend 72 - Junior VC Talent was impacted in 2024

2024 Prediction:  **Trend to moderately intensify in 2025**

NA - No comparable data for this in 2025.



Panos Papadopoulos • 2nd
Partner at Marathon Venture Capital
[View my portfolio](#)
6d •

✓ Following ...

So here is an unpopular take: VC firms should have no associates.

It's a disservice to founders to be judged by people who have little or no experience in work life.



Suffiyan Malik • 2nd
Investing & Operating
1d • Edited •

+ Follow ...

Talked to [The Wharton School](#) this morning about not going into VC. They might have invited me to the wrong panel

Recapping my advice:

Use VC as a career accelerator. Do it for 2-3 years.

No comparable data for 2025



Aashay Sanghvi
[@aashaysanghvi_](#)

...

I talk to a lot of managers / GPs who want to bring on junior venture investing talent. Biggest mistake I see people make is overindexir pedigree.

The first question I would ask is — can you get 5 founders to speak highly of this person?

Does a lot of the screening for you.

joining a high growth startup.

EXCLUSIVE **INDUSTRY NEWS**

Junior VC Compensation Is Stagnating. Job Cuts May Come Next.

Pressure on venture professionals in junior roles mounts amid a slow fundraising market

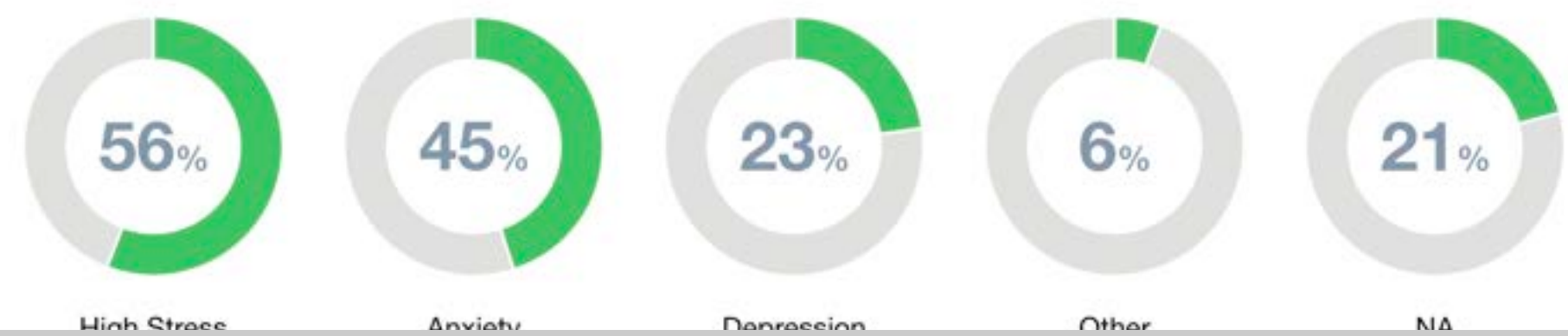
By [Yuliya Chernova](#)
March 1, 2024 6:00 am ET | **WSJ PRO**

Venture Trend 73 - Founders are overworked and stressed

2024 Prediction: → Trend to continue at similar pace in 2025

NA - No comparable data for this in 2025.

Experiences in Past Year

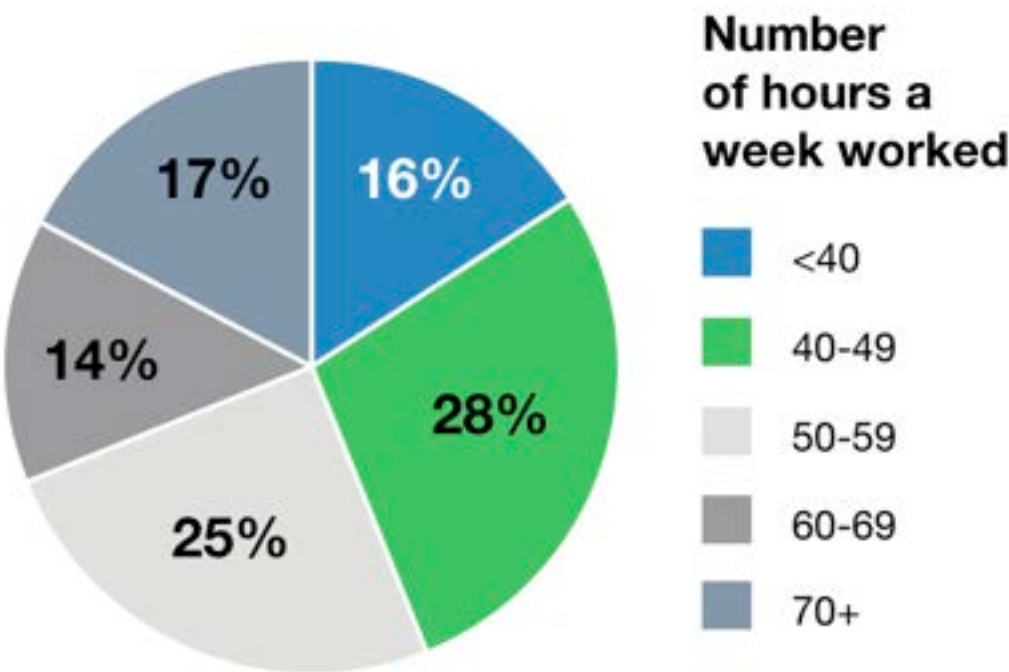


Snippet from the article

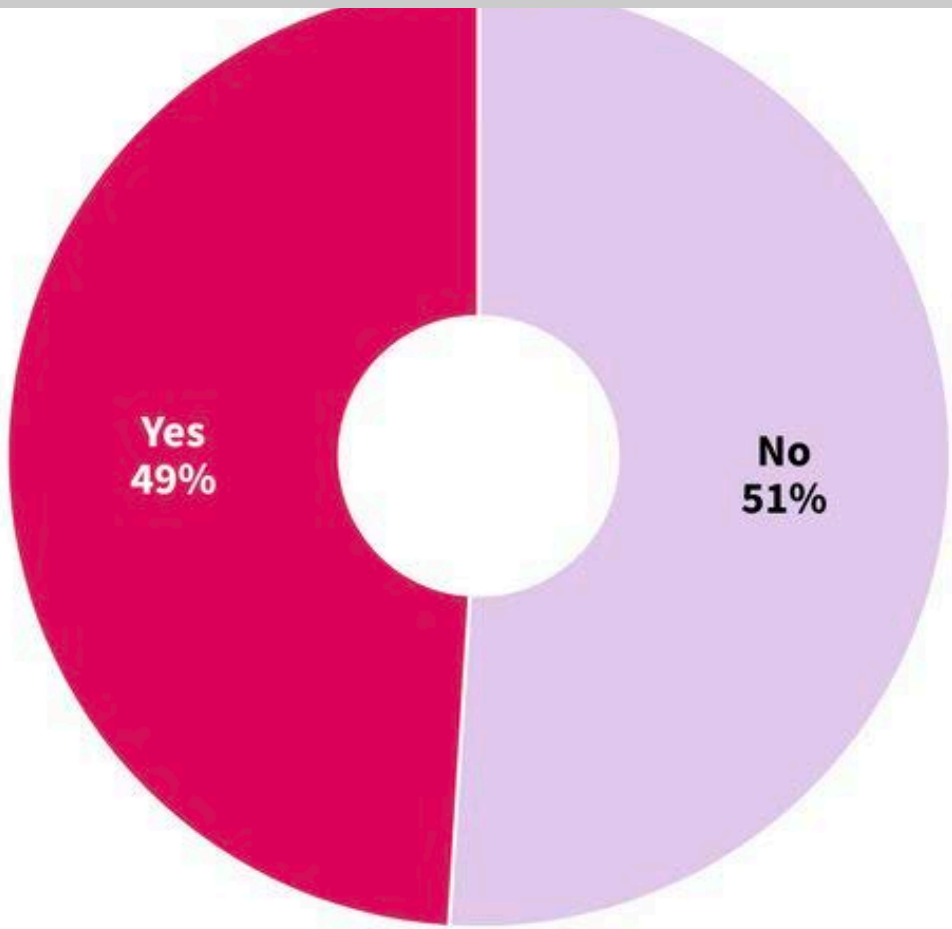
- 45% of founders told us they thought their mental health was 'bad' or 'very bad' at the moment.
- 85% said they'd experienced high stress in the past year, while 75% said they'd had anxiety in the same period.
- 61% said they'd considered leaving their company, while 49% said they were considering doing so in the coming year.

No comparable data for 2025

Nearly one in three founders work 60+ hours a week



Geographic focus of the chart = Global. Graph from Techstars. Click graph for source post.



Source: [Sifted survey 2024](#)

Geographic focus of the chart = Global. Graph from Techstars. Click graph for source post.

Venture Trend 74 - Manager-level talent within startups is struggling

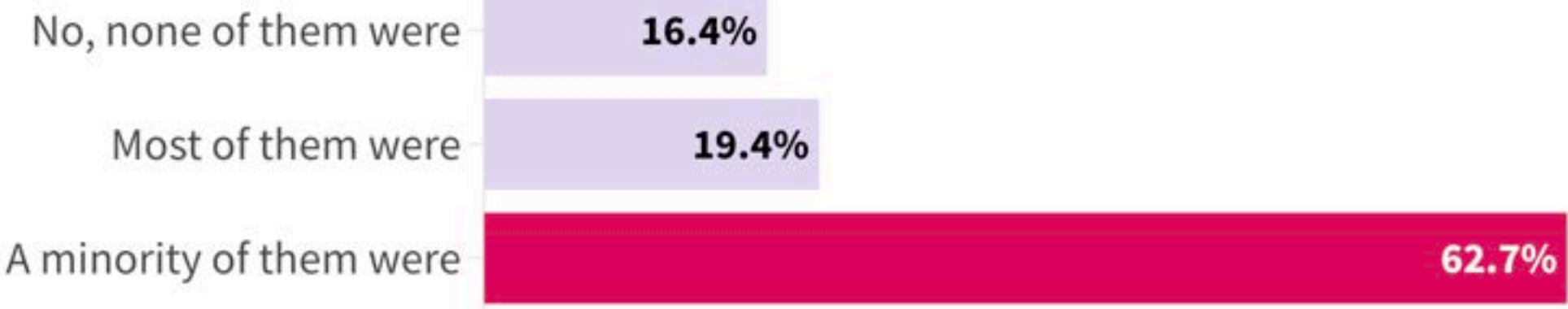
2024 Prediction: ➡ Trend to continue at similar pace in 2025

NA - No comparable data for this in 2025.

63% of startup employees said only a minority of their managers were ready for the role

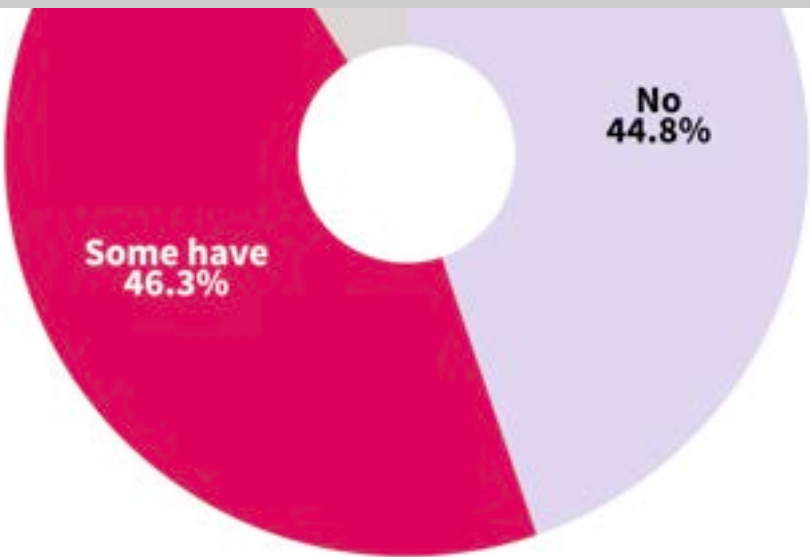
Over a third of startup managers don't help their reports with career development

No comparable data for 2025



Source: Sifted Startup Manager Survey 2024

* A Flourish chart



Source: Sifted Startup Manager Survey 2024

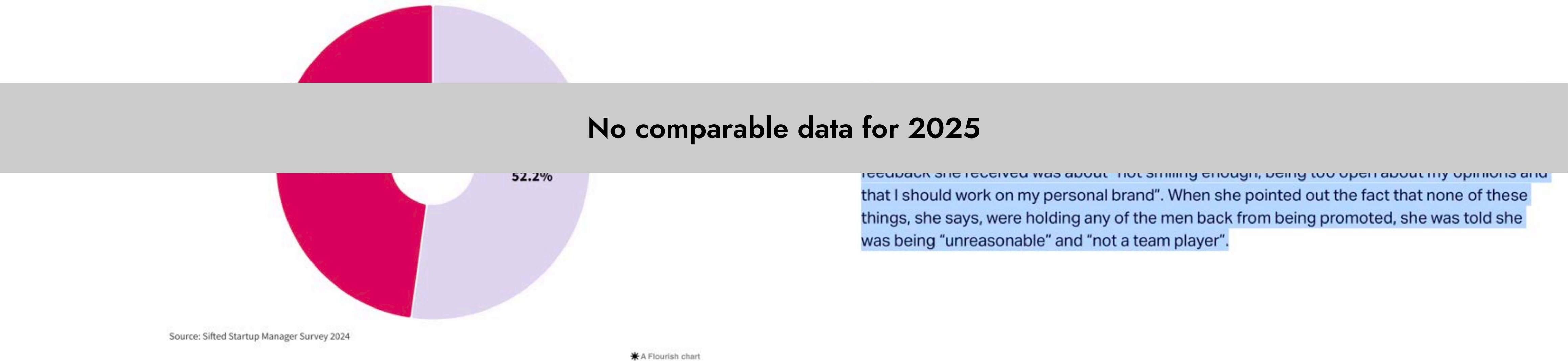
* A Flourish chart

Venture Trend 75 - Harassment and discrimination are still alive in the startup world

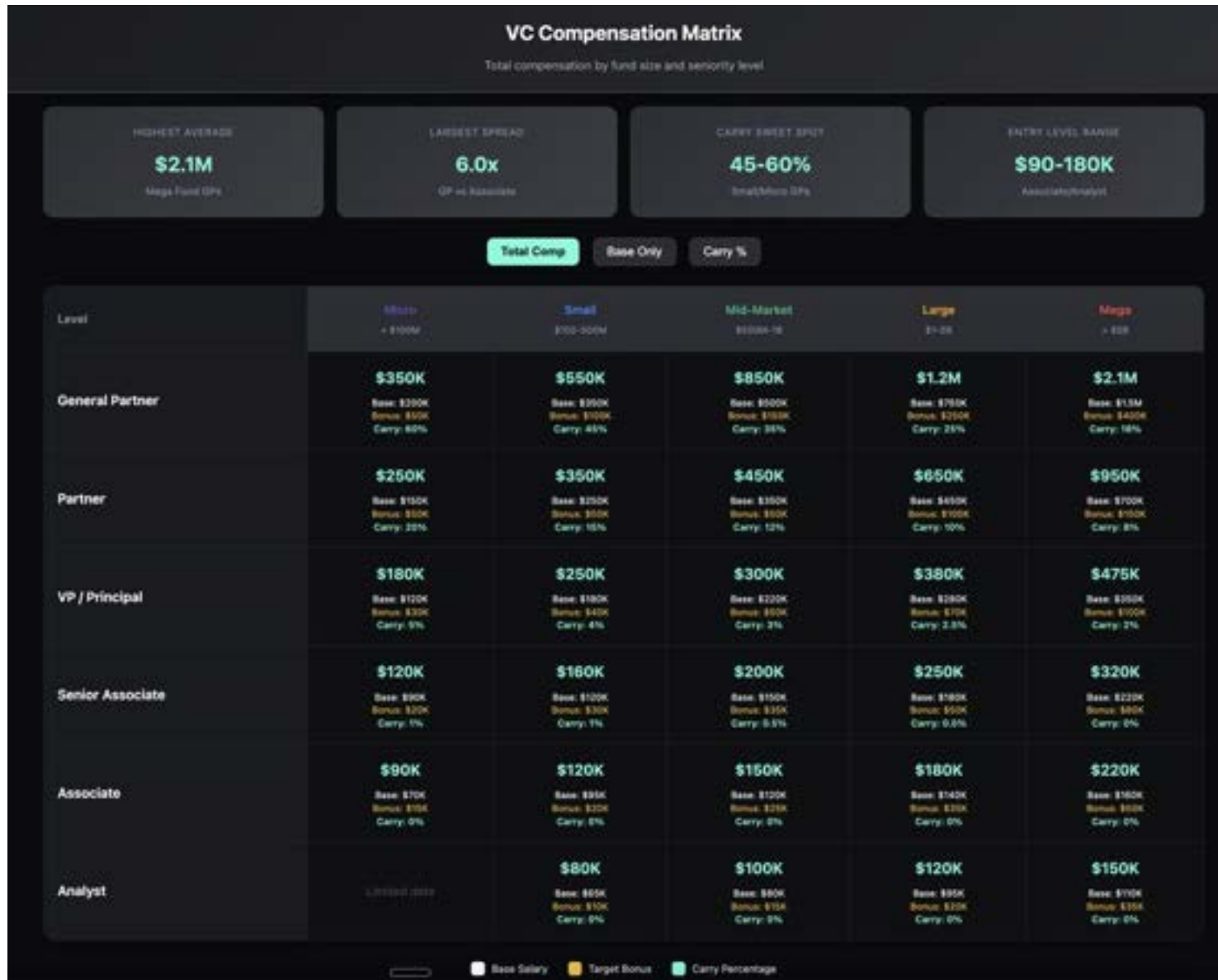
2024 Prediction: ➡ Trend to continue at similar pace in 2025

NA - No comparable data for this in 2025.

Have you ever felt bullied, harassed or discriminated against by your manager?



VC Compensation



How much venture partners actually earn in Europe

The venture partner role has become increasingly coveted as the VC industry has matured, but compensation remains shrouded in mystery



VC compensation for Emerging GPs is interesting to look at. A \$30MM Fund I might charge a 2.5% Management fee in the early years (\$750K). Let's say GP + One Associate. Taking out management company expenses (rent, tools and services, employees, mgmt co account, misc), probably leaves ~\$350K for GP / ~\$200K post tax. But when accounting for GP commit (1-2%) the GP will also have \$75K-\$100K in outgoing cash flow from capital calls (assuming a management fee offset is not used), for a net take-home of \$100K-\$125K per year.

Startup Compensation, Equity, and Stock Options

Startup employees should thoroughly understand every detail of their stock options—from vesting schedules to tax implications—before signing their offer or confirmation letter.

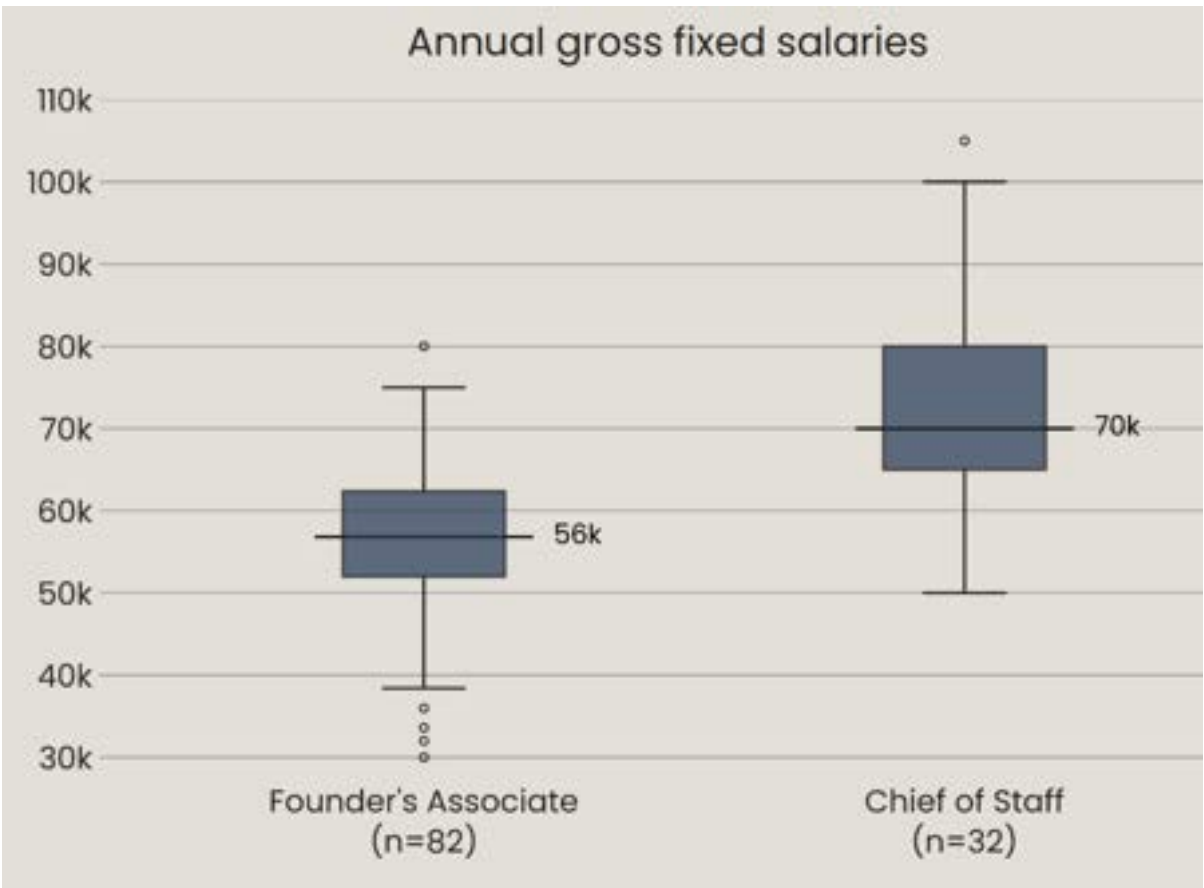
Over the past 18 months, average salaries for AI engineers have jumped **9%**—nearly three times the increase seen in other roles—while their average equity packages have climbed **26%**, reflecting the intense demand for top AI talent.

MASSIVELY BETTER HEALTHCARE

Read This Before You Accept Stock Options

And how one of my former employees missed out on ~\$1M

HALLE TECCO
AUG 21, 2025

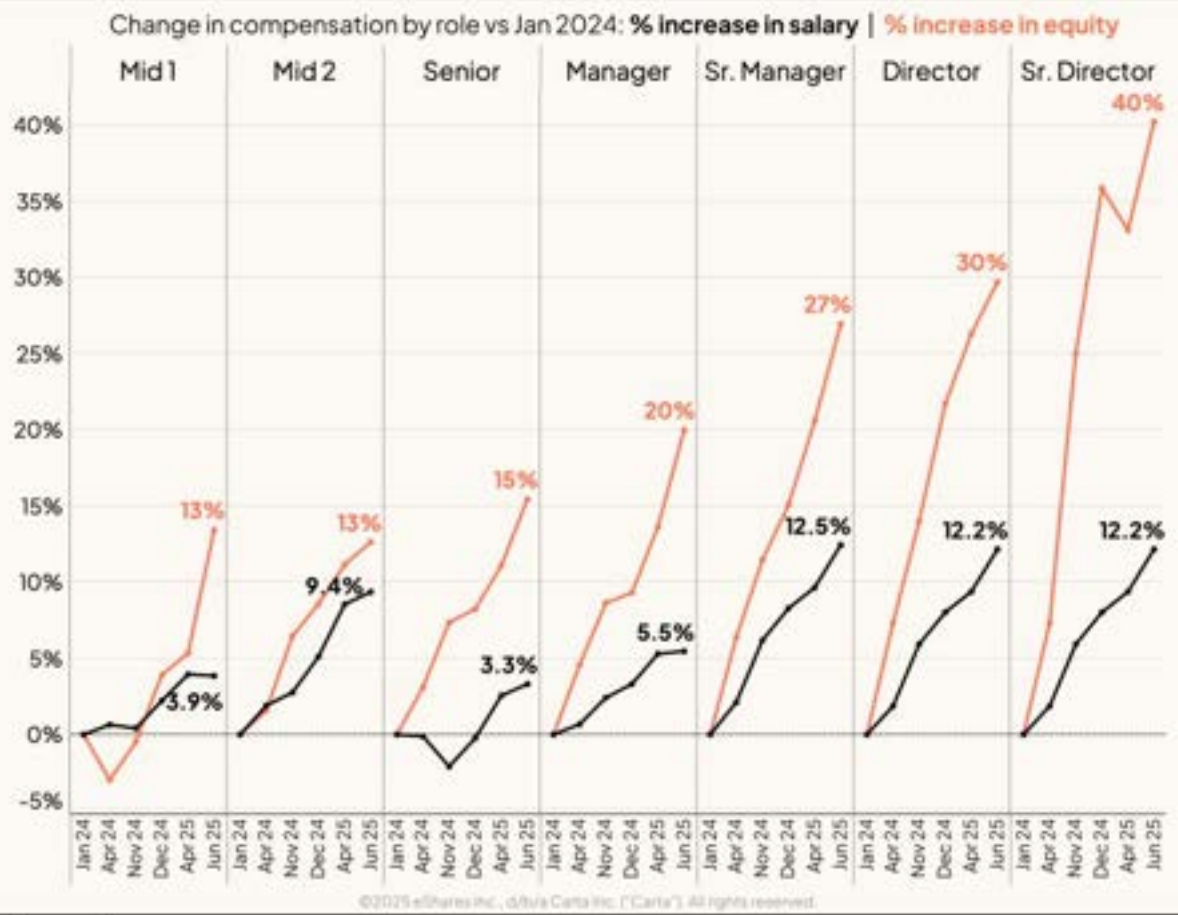


Click graphic for source post/article.

AI engineer equity rockets higher

Startups are paying jumbo equity packages to snag AI eng talent

Data: Carta Total Comp benchmarks for startups worth \$10M-\$100M hiring AI/ML Engineers



Subscribe for more startup data: carta.com/data

Hemant Mohapatra
@MohapatraHemant

Wow. I guess Sam was right about Meta offering OpenAI employees nothing even close to \$100M. Apparently Zuck went on to offer someone \$1B 🤖

In the spring, Zuckerberg approached OpenAI's chief research officer, Mark Chen, for a casual catch-up and ended up asking him for advice on how to improve his company's generative-AI organization. Given how much money Meta was already spending on hardware and computing power to train AI—more than 100 times what it was spending on humans—Chen suggested that Zuckerberg might want to invest more in talent, according to people familiar with the conversation.

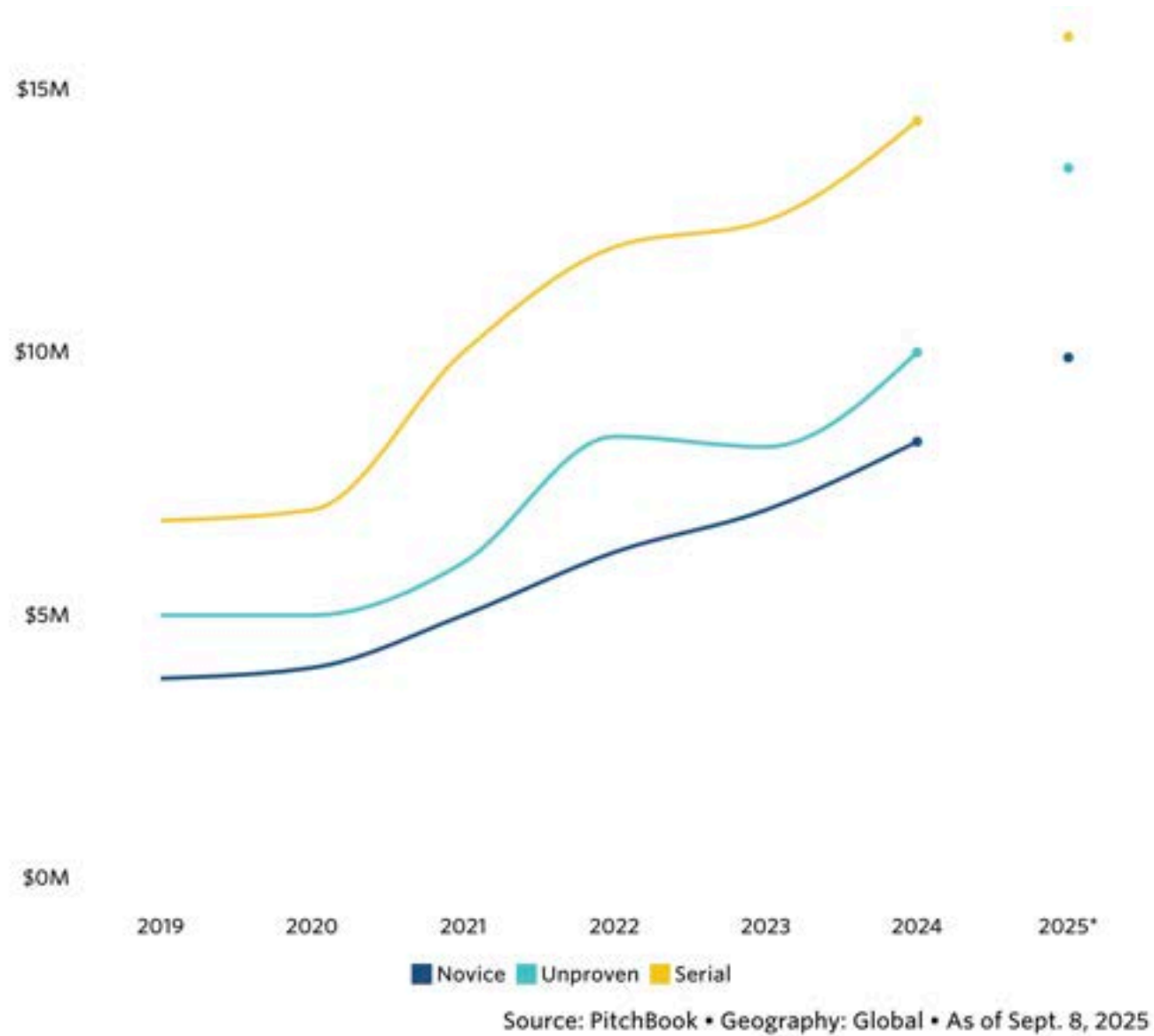
Zuckerberg asked Chen if *he* would consider joining Meta—and what it would take to bring him aboard.

A couple hundred million dollars? *A billion?*

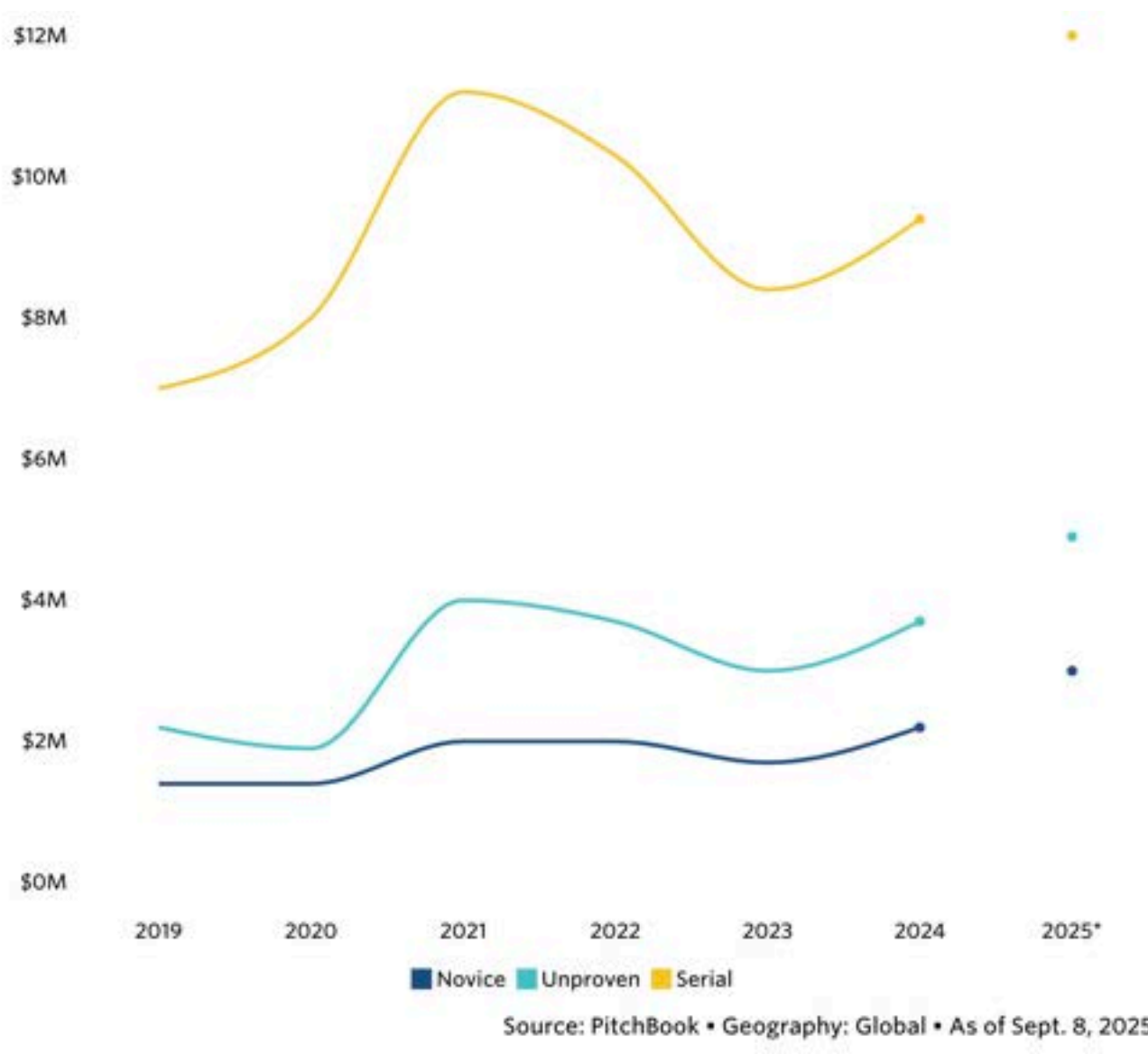
Serial Founders

Experienced founders now hold a clear edge in raising venture capital. As investors grow more cautious, they’re favoring repeat entrepreneurs—seen as safer, more predictable bets—over first-time founders. PitchBook data shows this gap widening across all stages, with repeat founders commanding higher valuations and larger rounds, even without prior exits. The result is a market increasingly tilted toward proven operators, leaving less room for new voices and first-time innovators.

Median Pre-Seed/Seed Pre-Money Valuations by Entrepreneur Class



Median Early-Stage Deal Size by Entrepreneur Class



All About 996 Debate

The renewed debate over the **996 work culture** highlights a core tension in startups between speed and sustainability. While intense schedules can drive rapid execution and signal founder commitment, they often come at the expense of long-term performance, creativity, and retention. In today’s environment — marked by talent scarcity, investor scrutiny, and evolving norms around well-being — relentless hustle might no longer be a strategic edge but a potential liability. The smarter path is to **balance urgency with endurance**: design deliberate bursts of high intensity when the business demands it, but pair them with systems for recovery, clarity, and outcome-based accountability. Startups that intentionally evolve beyond 996 toward **sustainable high performance** will attract stronger talent, innovate longer, and ultimately scale with greater resilience.



Harry Stebbings

@HarryStebbing · Sep 6

Whether you like it or not; the best companies I meet today in the US are in office 6 days per week.

I do not know one single company in the UK that is 6 days per week.

We need to up our game. We need more intensity.



Nikunj K.

Partner at FPV Ventures

Visit my website

It's absurd how many people in the Valley I meet that claim they are "burned out".

Burnout is simply inversely proportional to how obsessed you are with what you're doing.

No amount of money can solve this.

So if you're feeling burned out, find something to be obsessed with.

Even though you'll inevitably spend far more time "working", you'll be far happier professionally (and personally).

996 Is Not Your Competition

People having fun are



NIKUNJ KOTHARI

OCT 05, 2025



Suranga Chandratillake

General Partner at Balderton Capital

1mo

Interesting to read the latest round of posts from European VCs about how it's important to work all day every day to compete with the [Americans/Chinese/Japanese/Indians...insert your favourite bogeyman work culture here].

A few quick points I'd make in retort:

- 1) Building a really big company is a marathon. No one works all day, every day for a decade or two. You have to build balance into the journey.
- 2) There are absolutely moments in time when you do need to work insanely hard. You can't expect a 9-5, 5 day a week existence and build a 'venture scale' business. I did plenty of all-nighters building my company. But, when you don't need to be all-in, use the gap to recover, reflect, recharge, etc.
- 3) Reflection is really key. A lot of founders are very buried in the detail - feeling busy, moving little things forward constantly feels like progress. I definitely fell for this. The better founders know when to step back, reflect, talk to others, etc. Bill Gates always took a week out to read and reflect while becoming the richest person on the planet - if he found the time to do it, you probably can too.



Miriam Partington

Senior Reporter at Sifted

View my newsletter

My LinkedIn timeline is full of VCs and startup founders waxing lyrical about "996" — or working 9am to 9pm, six days a week to the rest of us. They claim 996 is the new normal in Silicon Valley — and is the only way companies can succeed in an AI-powered world where competition is more intense than ever.

Some go further and claim adopting "996" is the only way Europe has a chance to contend with the US and China.



Joseph Alalou

General Partner at Daring Ventures | 3x Community College Dropout | Ex...

Visit my website

Founders,

You should not be forcing "everyone" to work 996 or 24/7.

Yes, in the early days you'll work like hell. You'll be fixing bugs in the middle of the night, pitching in the morning, and answering support tickets on your phone at lunch. That's the price of pulling something out of thin air.

But the rookie mistake is trying to force everyone else into that grind. Here's why it backfires:

- The best employees don't need orders. They mimic the pace of those around them, especially the founder. Give them a carrot, not a stick.
- You'll drive away anyone with kids or experience. Ironically, they're the ones who could save you months of wasted time.
- The cost of losing a great marketing guy or a 10x engineer to burnout? A quarter or two of missed revenue. Easy.
- You already hold 10x-100x the equity of your employees. You're the one who should be setting the ceiling, not cracking the whip.
- Ideas need breathing room. If you force nonstop hours, you're strangling the breakthroughs that actually move the business.

The best companies in history weren't sweatshops. Their early employees worked like maniacs because they wanted to and they were incentivized to, not because they had to.

That's the real 996: shared obsession, not forced labor.

Venture Talent Nuggets



Oana Olteanu

@oanaolt • Oct 8




Talk to old timer VCs: disenchanted with venture right now and want to retire or pull back

Talk to builders: this is the best tech colony wave every and opportunity is present on a big way

Both make sense:
 - VCs who care about financials see the high valuations that they pay and still lose deals, they are unhappy

- builders who love technology are like a kid in his first candy shop

There's both reasons to be excited and be more fearful right now.



Nicole DeTommaso

Principal at Harlem Capital | Forbes30u30 | Providing insi...

2nd

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2mo • Edited •




Stop telling people they need to be a founder to be a great VC.

It's one of the most repeated "rules" in venture and the data doesn't back it up.

According to NBER, only 7% of VCs were former founders and many of the best investors never founded a company at all.

Six of CB Insights' top 10 VCs (including Bill Gurley and Chris Sacca) never started a business.

Neither did John Doerr (backed Google, Amazon, Intuit) or Mary Meeker (the "Queen of the Internet").

Here's the reality:



Amy Wu Martin

Partner at Menlo Ventures

1mo •

Following



I've been chatting with young people trying to break into VC so sharing what I generally advise:

- To make the best impression, don't ask VCs for coffee, send them *good* deal flow instead
- Bad deal flow is worse than sending nothing. If you don't know the difference, absorb more content from great founders
- Build your founder network authentically. If you're in college it'll prob be with other student founders
- Few firms hire straight from college. Don't feel bad if you don't get the job. Go get experience at a fast-growth startup in any role, FAANG, or found a company first. Learn what it feels like to work with the best
- Get fluent with the latest AI tools. Build, ship projects and write about your learnings
- Unsure if VC is for you? I always say the closest feeling role at a startup is the sales rep
- If you're young and risk-on, it's a great market environment to be a founder (vs investor). Take the plunge! 😊



Yoni Rechtman

Partner at Slow Ventures

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VCs are too nice and conflict averse. So there's insufficient consequences for bad behavior.

Everyone is too worried about closing off opportunities to "work together soon."

It's important to keep an enemies list and black ball VCs who mistreat founders/act in bad faith.

Worry less about optionality for partnership in the future and more about integrity in the present.

Founders need a pitbull sometimes, not another friendly face to gladhand and cheerlead.

The Cartel of Venture Capital Incumbents



Dan Gray

Head of Insights at Equidam, the Startup Valuation platform | Crunchbase contributor




July 29, 2025



Jake Saper

General Partner @ Emergence Capital

2mo •

Following

Visit my website



Your VC will probably leave their firm before your startup exits. And that creates a massive problem that's woefully under-discussed.

The VC industry has a fundamental HR problem. Most firms run a Hunger Games model:

- Hire multiple new partners
- Give them 2 years to prove themselves
- Tell them to outcompete each other for permanent spots

The predictable result: New partners write as many checks as possible to build their track record, firm collaboration suffers, and the best performers eventually leave anyway.

After two years, one of two things typically happens: Either the firm says, "Your investments aren't trending well, you're out" — which is happening more frequently now with minimal exits. Or the investments look promising, and the partner realizes they could start their own fund and capture more economics.

The math is simple but broken. Firm founders/elders often keep a meaningful portion of the carry pool even after retiring, while current partners generating returns fight over what's left.

Startup Talent Nuggets | 1

NEWS

Founder salaries: Where do founders earn the most?

Sifted article
from Amy Lewin dated January 13, 2025

NEWS

German startups say ‘soul-crushing’ immigration system is driving talent away: ‘People lose patience’

Sifted article
from Miriam Partington dated February 21, 2025

NEWS

Founders can’t stop cheating on their partners with their companies

Sifted article dated March 5, 2025



Sahil Lavingia ✓

@shl

Subscribe

I think software engineering jobs will shrink by 67% and salaries will get cut by 33% in the next 3 years.

For example, a team of 36 making \$300k/yr on average will be outshipped by a team of 12 making \$200k/yr on average.

This has happened before—in finance, journalism, and media.

Ultimately, the only way to earn an outsized living in these industries is to take risks and start your own thing.



Avichal - Electric Capital ✓

@avichal

1/ The 2nd San Francisco gold rush has finally come to an end.

Gone is era of walking into a \$200K job at 22 and saving a million by 30.

For decades, a 70th percentile engineer was guaranteed multiple offers as soon as they interviewed in SF.

That era is over.

NEWS

How to support middle managers

Sifted article
from Miriam Partington dated January 27, 2025



Entrepreneur • 5 days ago

@EntrepreneurMag

No One Warns You About This Part of Entrepreneurship

Everyone talks about the risk. The sleepless nights. The grind.

But no one talks about:

- The awkward feeling of telling friends & family about your business and seeing zero excitement on their faces.
- The guilt of watching employees/freelancers rely on your business to pay their bills—when you’re barely paying your own.
- The anxiety of seeing someone else launch your exact idea—but with a bigger budget and better connections.
- The way your confidence gets ripped apart when a random stranger calls your product “meh.”
- The identity crisis when you realize your whole personality has become “work.”

Entrepreneurship isn’t just about building a business. It’s about surviving the mental game.

Because the truth is: Most people don’t quit because they failed. They quit because they can’t handle feeling uncertain every single day.

If you’re in the middle of that storm—keep going. The best entrepreneurs aren’t the smartest or the most funded. They’re just the ones who don’t stop.

1.9K

169

2

Share

Startup Talent Nuggets | 2



Jason M. Lemkin  • Following

SaaStr AI 2026 is May 12-14 in SF Bay!! See You There!!

[Visit my website](#)

1mo • 

Now that time has gone by, I'm 100% sure that the worst mis-hire is the wrong CTO / VP Engineering. Because it becomes the death of innovation.

I've seen this fact pattern or some variant thereof so many times:

- Founder CEO + CTO
- CTO gets start-up to \$5m, \$10m, \$20m but just "can't scale"
- VP of Engineering or CTO from Big Tech Company hired
- Everyone chooses the Nice Candidate
- The Nice Candidate never codes, never learns the code base, never gets the magic
- The Nice Candidate hires a bunch of engineers under them that aren't great and never know the customers or the why

At first, things seem better. Things are more organized under The Nice VP of Engineering. There are a lot more discussions. Fewer erratic changes. Releases are smoother.



Lak Ananth  • Following

CEO & Managing Partner @ N47 | Global Venture Capital

1mo • 

Don't hire your leadership team from your network.

Early hires often come from your circle. And that works, until it doesn't.

Once you hit Series A and start scaling, you'll need specialized leaders who can take your product and operations to the next level. And those people usually aren't in your network.

That's where a good recruiter changes the game.

They help you refine what "great" actually looks like. They know what excellence costs, where to find it, and how to recognize it. They know who thrives at your stage and who looks great on paper but won't fit your pace or culture.

If you want to build a world-class company, you need world-class leadership talent. Finding them must be a strategic priority.



Aaron Harris 

@harris

Founders who succeed are generally motivated by an unstable mixture of very different things: ambition, competitiveness, fear of irrelevance, a chip on their shoulder, a desire to win, the thrill of building something that shouldn't work but does, and yes, sometimes a sense of mission.

Sometimes.

Mostly, though, they're driven by whatever will keep them in the game long after sane people tap out.

Missionary Accountants, new essay link below.



Judith Dada • Following

General Partner @Visionaries Club

[View my blog](#)

1mo • 

More and more European founders are breaking up with Europe to relocate to the Bay Area. I'm currently in SF for two weeks -> my 2 c:

My fellow Europeans, you need Silicon Valley, but Silicon Valley doesn't need you.



Max Niederhofer  • Following

Partner @ Heartcore Capital | VC Investor, Board Member

1mo • Edited • 

Feels like peak Europeans coming to US to found startups. For avid transatlanticists like me, it's a fun time.

I'd encourage folks to spend time in the Bay Area, maybe go raise in NY, but seriously consider Texas to base your business. Lower costs, excellent talent, fewer distractions, top notch regulatory environment, no income tax, less attrition, and can easily sell to total US from there.

I'd also suggest building product & engineering in Europe. Talent pool is great, much cheaper to hire and retain than in US, and intercompany transfer remains an option.

European VC, whether you like it or not, continues to fund an EU-to-US pipeline. This will remain so until we see European companies step up, both in rapidly adopting new technologies and aggressively purchasing from and paying top Euro to acquire the best local startups.

Startup Talent Nuggets | 3

The Quiet Ones

September 22nd, 2025

The engineer stayed late every night that quarter. Never complained. Never missed a deadline. I only noticed because his commits came in at 3 AM.

When I finally asked, he mentioned the breakup. His father's surgery. Work was where he channeled everything he couldn't say.

Two months later, he left for a company that noticed him first. We were too late.

Every company has these people. They work within the seams. Between the levels. Outside the performance matrix.

They don't hit your L5 requirements because they're doing L3 and L7 work simultaneously. Fixing the deploy pipeline while mentoring juniors. Answering customer emails while rebuilding core systems. They can't be ranked because they do what nobody thought to measure.

Performance reviews punish them. They lack "scope" because they fix problems before they become projects. No "leadership" because they lead by doing, not declaring. No "impact" because preventing fires doesn't generate OKRs.

By the time they ask for recognition, they're already gone. The ask isn't a request. It's a test you've already failed.

The best performers expect their work to be seen without having to announce it. When forced to advocate for themselves, something fundamental breaks. They realize the system rewards performance theater over actual performance.



Michael Seibel 
@mwseibel

The MBAification of CS majors has reached new heights. Founders who want a clear formula for guaranteed success and have no passion other than being better than the next guy. What happened to building for building's sake? What happened to being passionate about solving your user's problems? The new mindset is: how do I extract the most revenue out of a customer while providing the least value and raising at the highest valuation?

In startups, firing is more important than hiring

We're so often wrong when we make hires, so why try to perfect the hiring

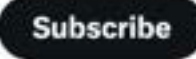


Roy Bahat 

8 min read · Nov 11, 2025



Deedy  
@deedydas

Being a founder used to mean something.

It meant you had an idea so bold that you had to quit your awesome job to do it. An insight so large that only a separate entity could will it into existence. An mountain so difficult to climb that you're willing to commit 7+yrs to 24/7 days to make it happen.

Today, it's not that.

1) People treat "founder" as a promotion. A status symbol. "I'm CEO bitch" energy. A career path after Stanford.

NEWS

Founders: be more selfish

Sifted article
from James Routledge dated February 3, 2025 

NEWS

‘Hustle dies at 6pm’: do French founders work hard enough?

Sifted article
from Éanna Kelly dated February 4, 20 

LLPs and Venture Fundraising

SECTION 9

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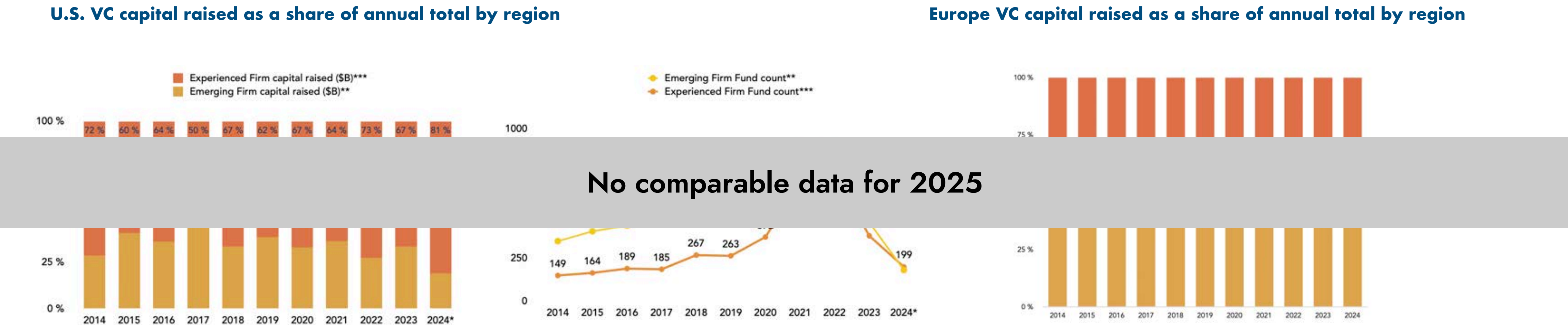
2025 Predictions for Venture Trends

- Trend 76 | Experienced firms winning the fundraising game
- Trend 77 | Larger funds are winning the fundraising game
- Trend 78 | In 2024, globally the small & mid-sized VC funds felt the squeeze
- Trend 79 | First-time Funds dwindle
- Trend 80 | Fewer Funds reaching their targets in 2024
- Trend 81 | Mega funds dominated fundraising in 2024 in the U.S.
- Trend 82 | VC Dry Powder continues to stay at high levels in the U.S. in 2024
- Trend 83 | European Institutional investors shying away from VC funds
- Trend 84 | New CVC units continue to pop up in 2024
- Trend 85 | UK VC fundraising increasingly bigger in 2024 in Europe
- Trend 86 | Hybrid/Crossover investors making a comeback
- Trend 87 | Family offices increasing important for startup ecosystem in 2024

Venture Trend 76 - Experienced firms won the fundraising game

2024 Prediction: → Trend to continue at similar pace in 2025

NA - No comparable data on experienced vs emerging fundraising dollar numbers

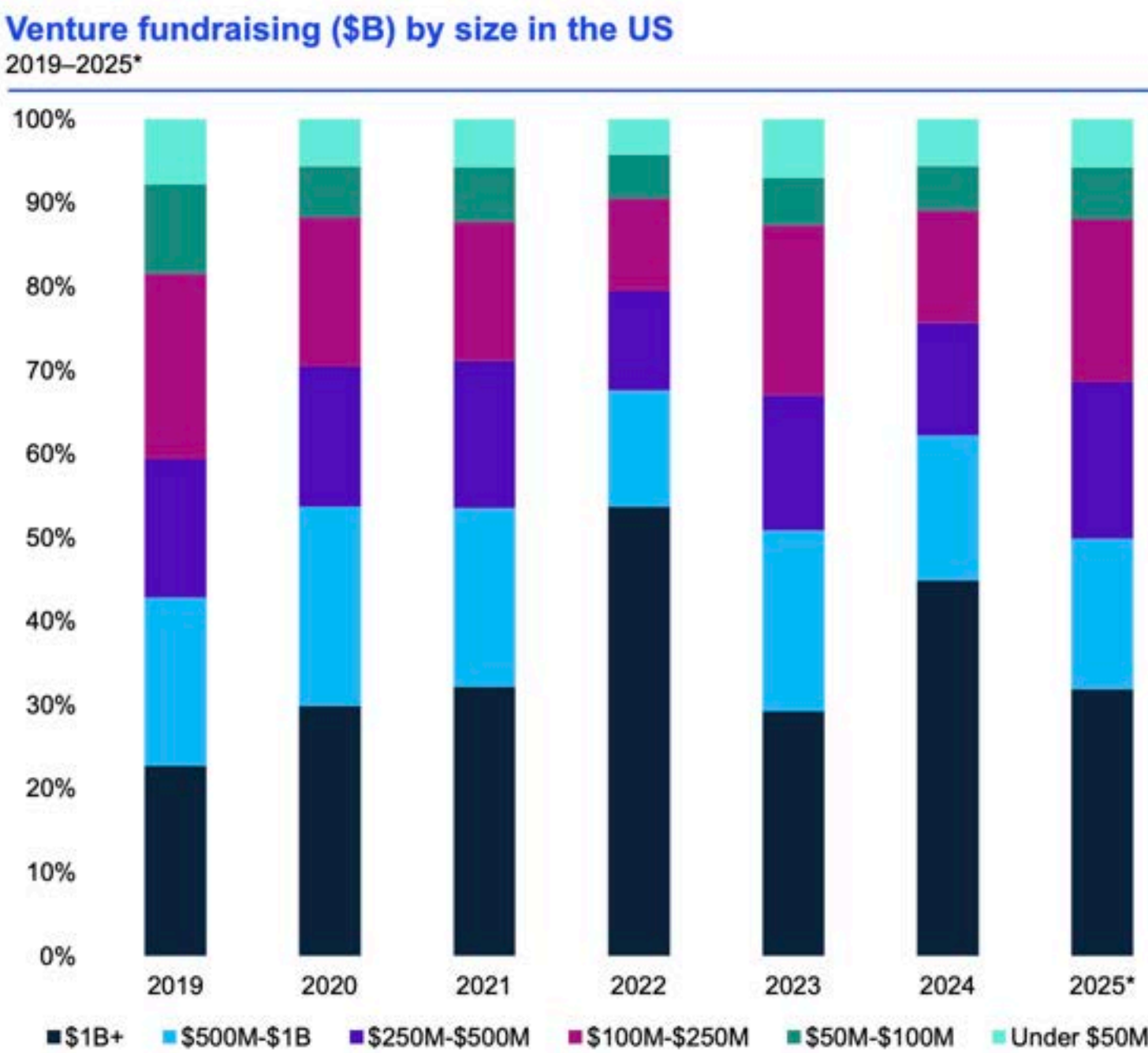


*Emerging firms are defined as firms that have launched fewer than four funds.

**Experienced firms are defined as firms that have opened four or more funds.

Venture Trend 77 - Larger funds won the fundraising game in the U.S.

Prediction: → Trend to continue at similar pace in 2025
FALSE: Fundraising by VC funds larger than \$1B declined in 2025.



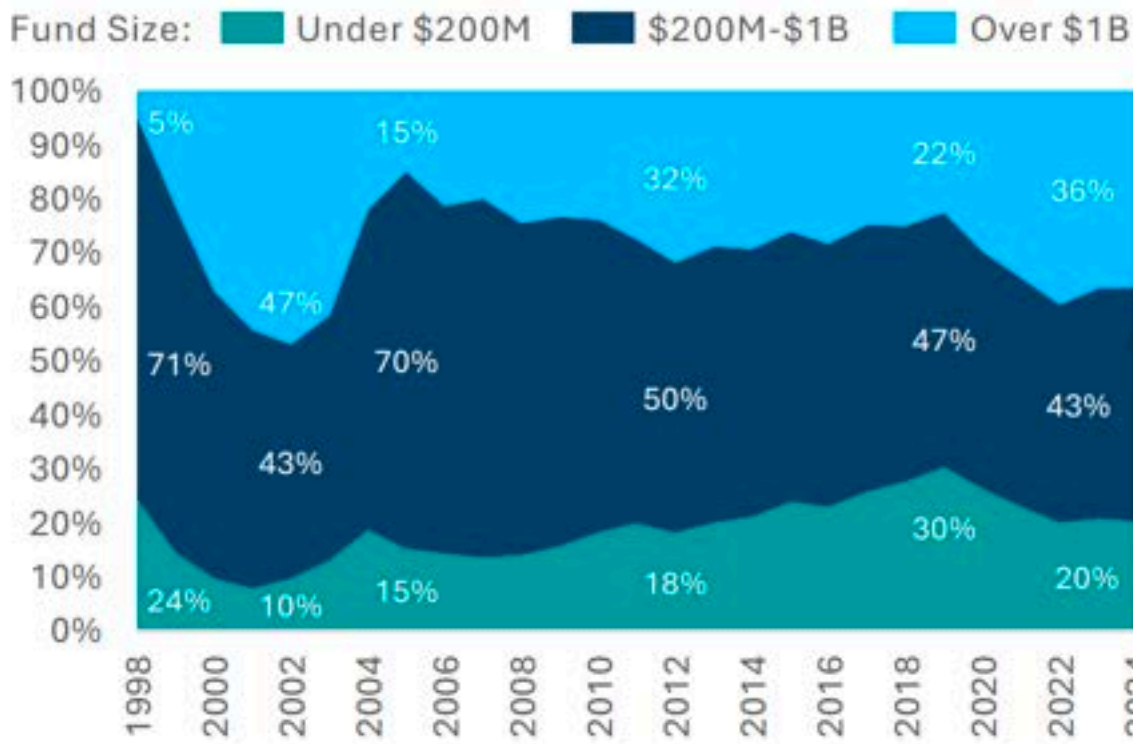
Source: PitchBook

Venture Trend 78 - In 2024, Small & Mid-sized VC funds felt the squeeze

2024 Prediction: ➡ Trend to continue at similar pace in 2025

TRUE: The data chart below shows a clear contraction in fundraising among VC funds under \$1B in size.

The Shrinking Middle Class VC Fund
CPI-Adjusted Total US VC Funds Raised³ (Trailing Three Years)



Source: SVB

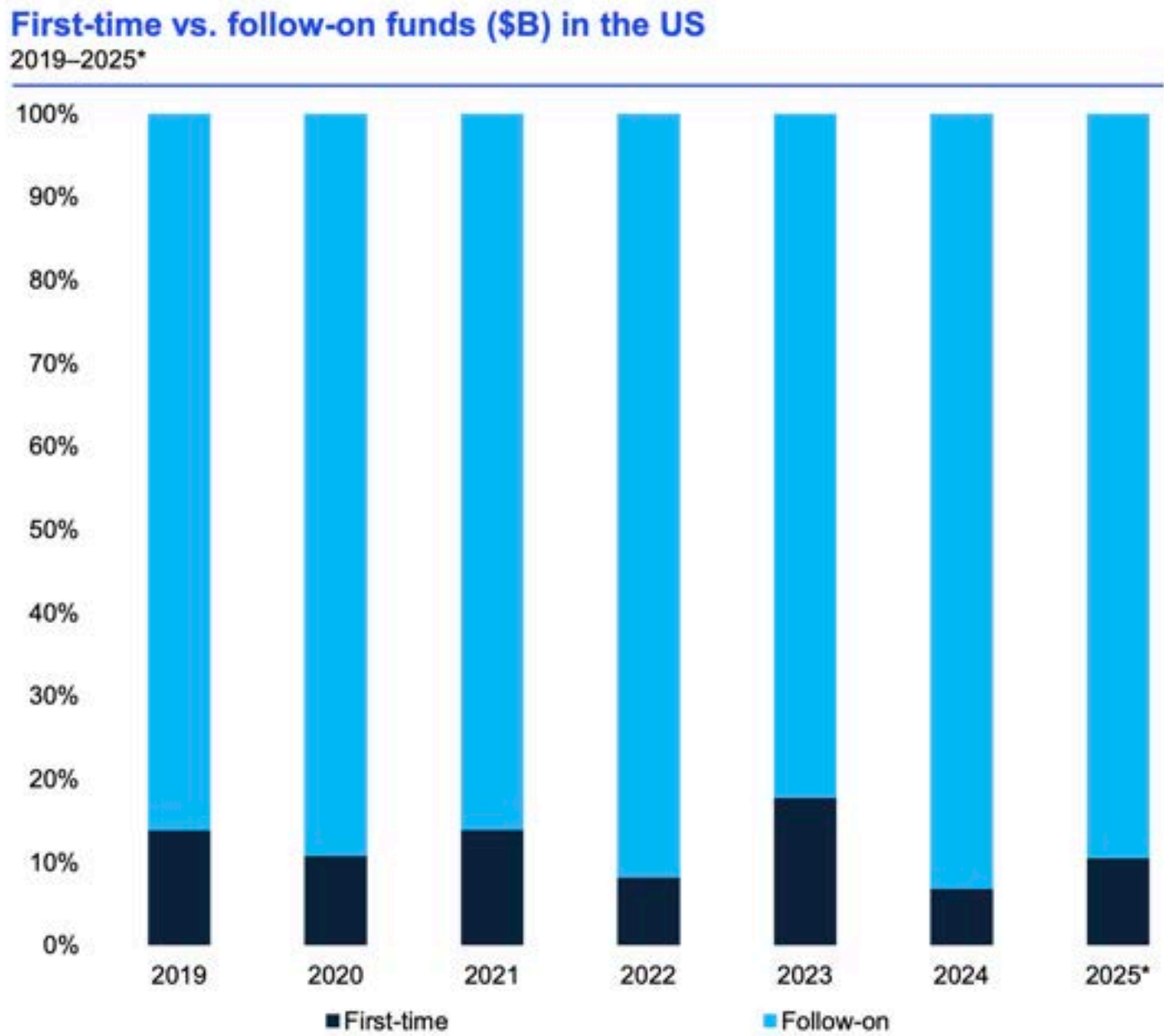
Megafunds Change the Rules of Venture
Key Innovations in the VC Fund Structure

Innovation	Firm	Year	Purpose/Result
Registering as Investment Advisors	al6z	2019	Unlocks investment into new asset classes, such as crypto and public markets
The Evergreen Fund Model	SEQUOIA	2021	One master fund feeds all sub funds, pooling exit shares together
Adding Non-Venture Products	GENERAL CATALYST	2024	New revenue streams from buyouts and wealth management services
Opening to Retail Investors	COATUE	2025	CTEK fund lowers threshold for LPs to \$50K, opening venture to new investors

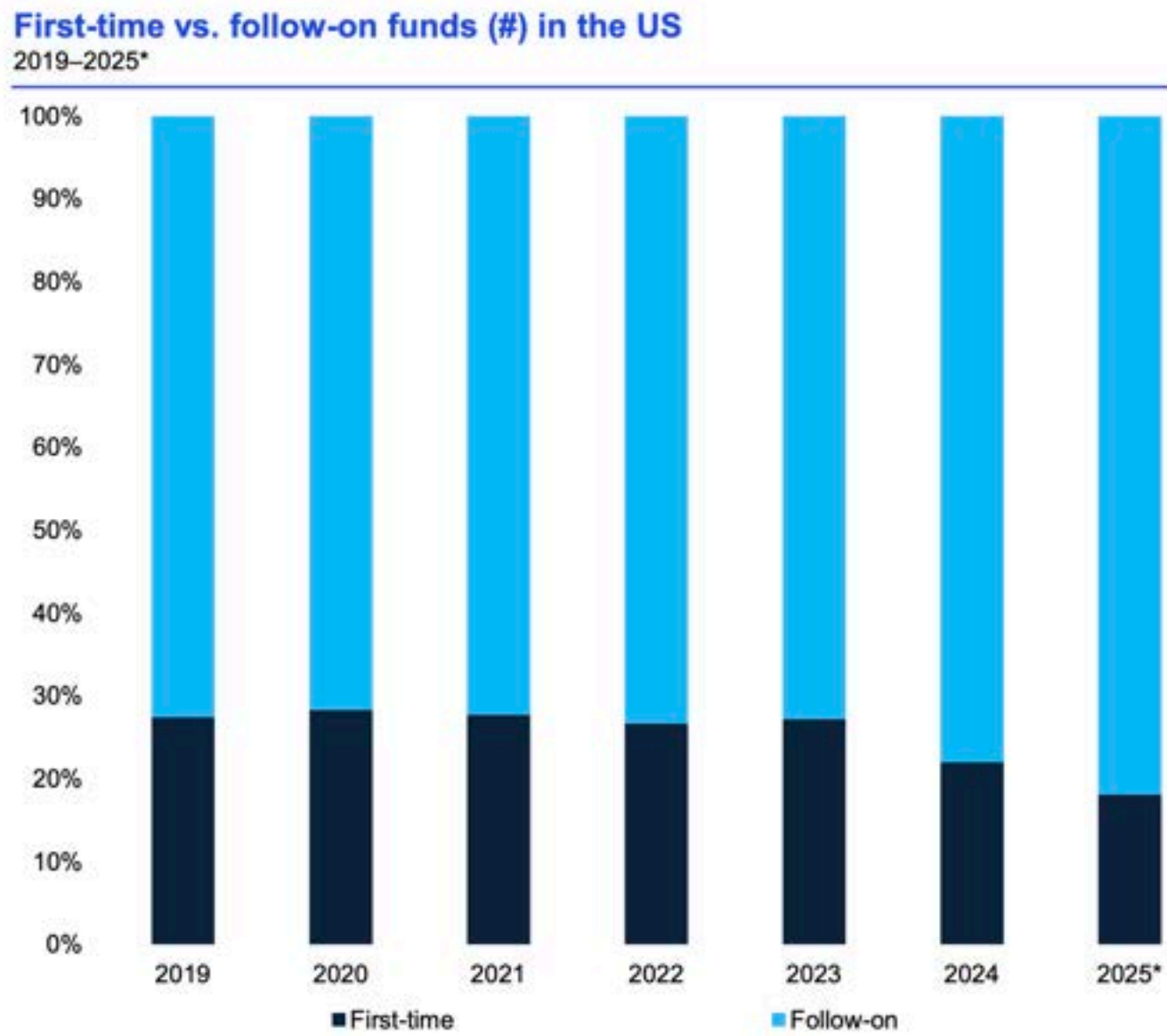
Venture Trend 79 - First-time funds dwindle

Prediction: ↘ Trend to moderately reverse in 2025

PARTIALLY TRUE: I expected this trend to reverse, but it became more pronounced. The number of first-time managers declined in 2025, yet the total capital raised by these funds increased—highlighting a shift toward fewer but larger debut vehicles.



Source: PitchBook



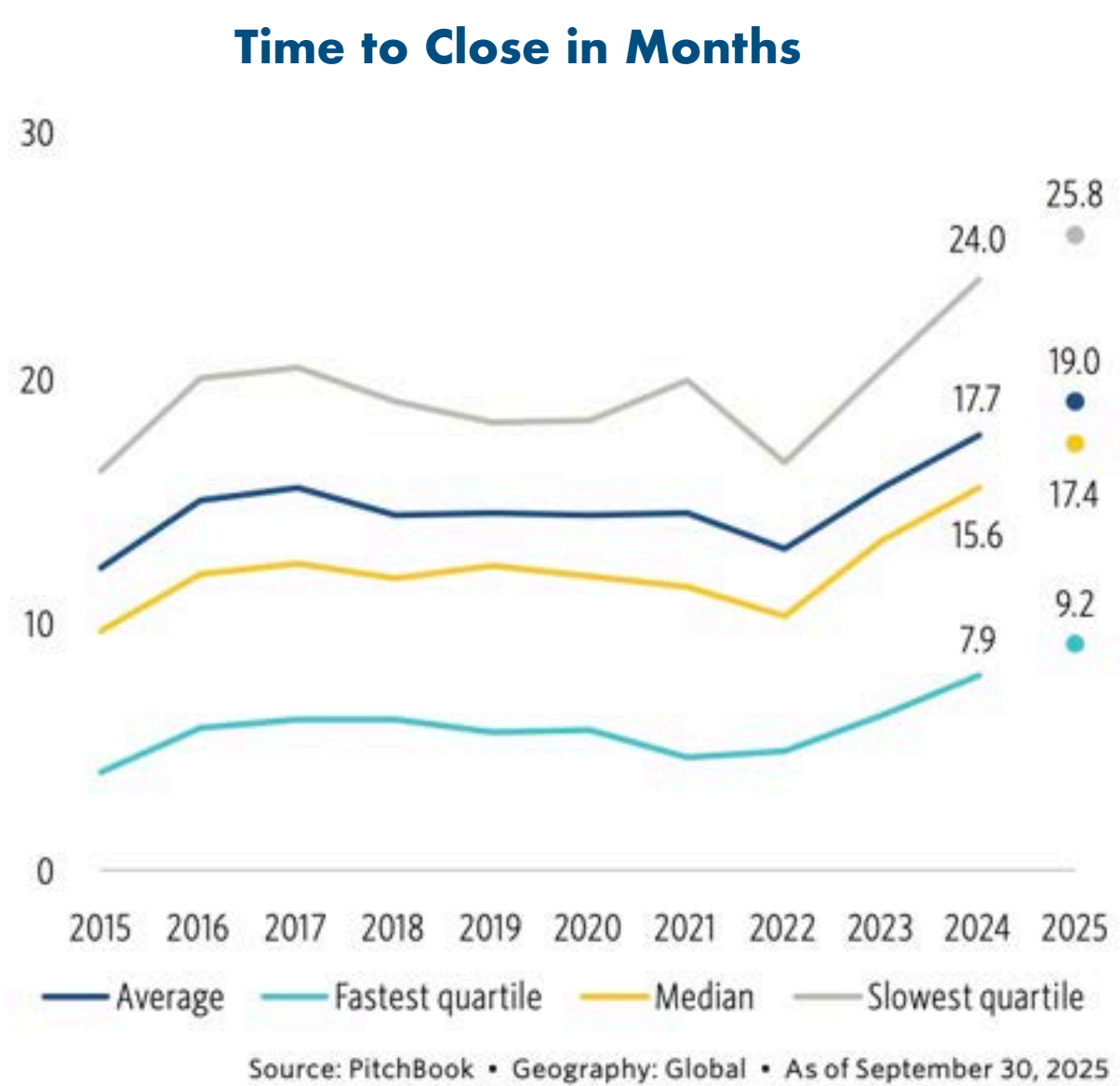
Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

Source: PitchBook

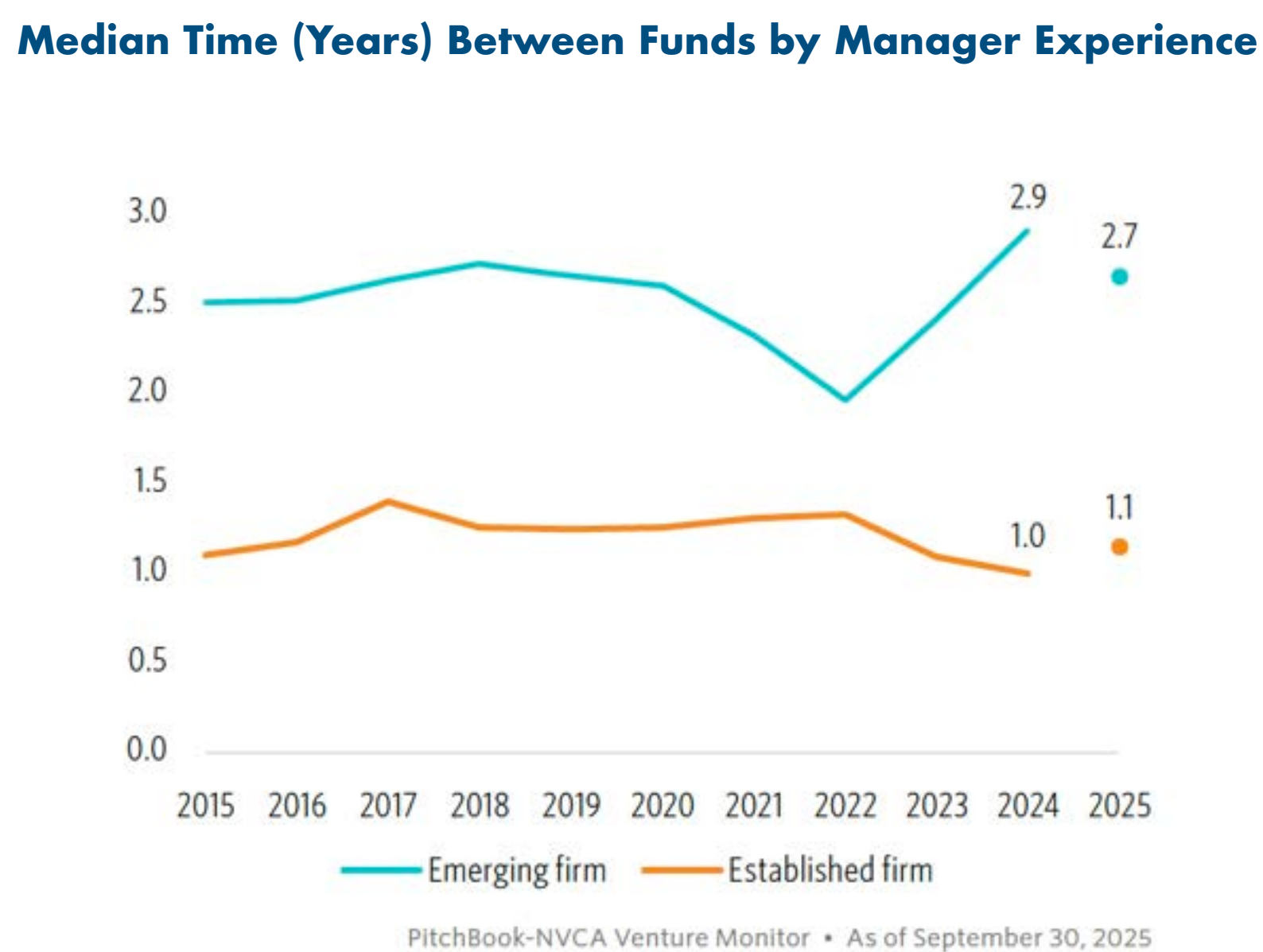
Venture Trend 80 - Fewer Funds reaching their targets in 2024

Prediction: ➡ Trend to continue at similar pace in 2025

TRUE: The balance of power in fund negotiations has clearly shifted toward limited partners. LPs are leveraging the slower fundraising environment to secure favorable terms, from reduced management fees and co-investment rights to board seats and spots on LP advisory committees. It's taking longer than ever to get funds across the finish line, too. According to PitchBook report, the average fund now takes **19.7 months** to close — up from **18.9 months** in 2024 and well above the **14.6 months** seen in 2019. According to PitchBook - Emerging managers are now taking roughly twice as long to raise their next fund compared to previous cycles, reflecting tougher fundraising conditions and more selective LP commitments.



Source: PitchBook

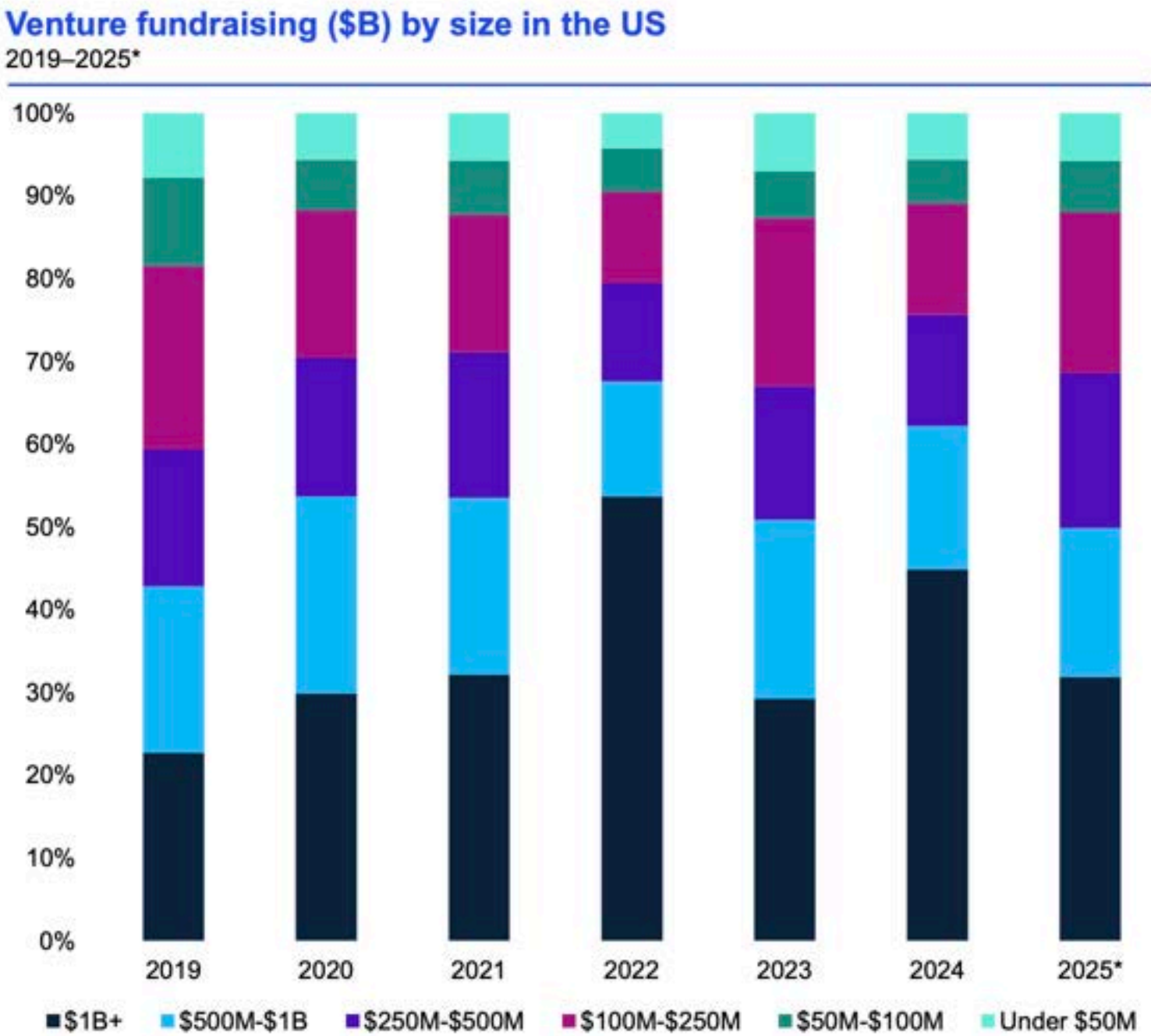


Source: PitchBook

Venture Trend 81 - Mega funds dominated fundraising in 2024 in the U.S.

Prediction: → Trend to continue at similar pace in 2025

FALSE: Apparently, VC fundraising by mega funds declined in 2025, while the share of capital raised by smaller funds (under \$250M) increased.

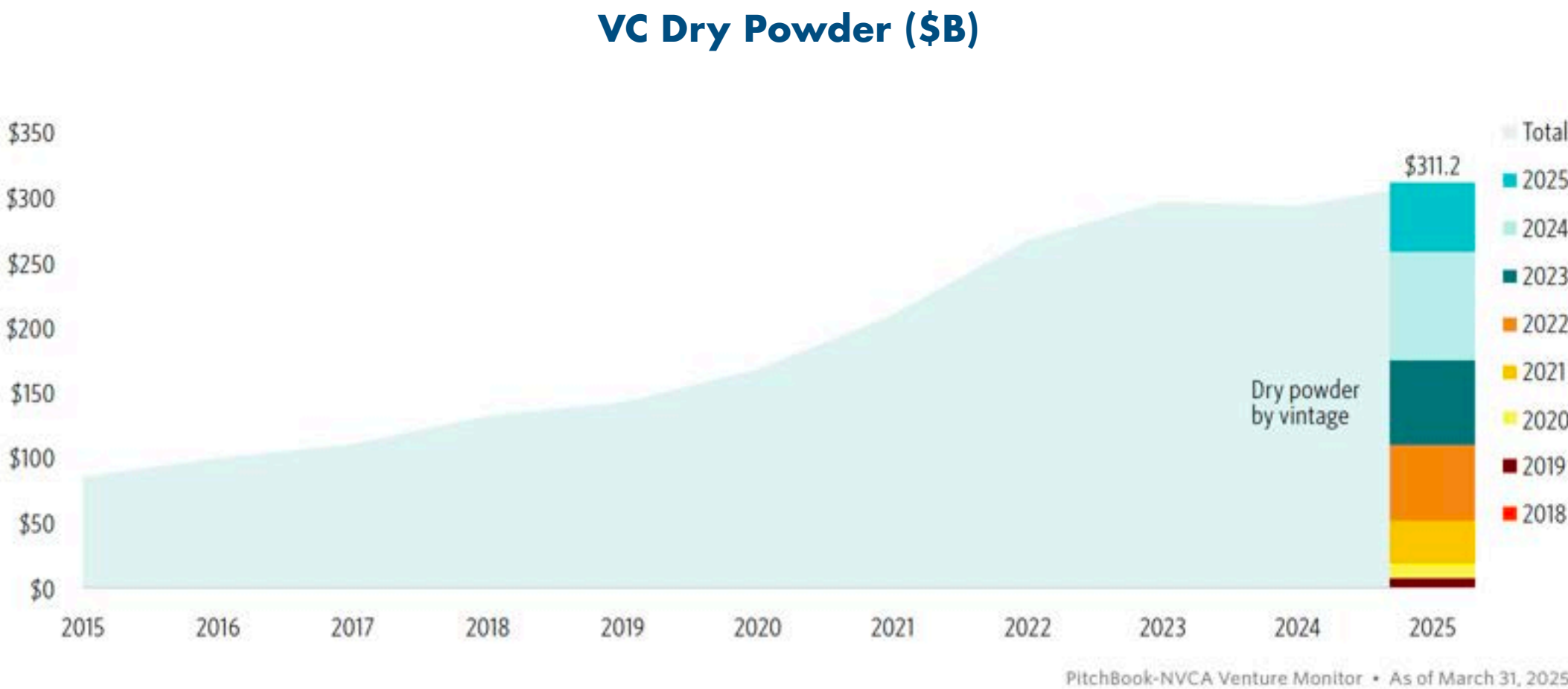


Source: PitchBook

Venture Trend 82 - VC Dry Powder continues to stay at high levels in the U.S. in 2024

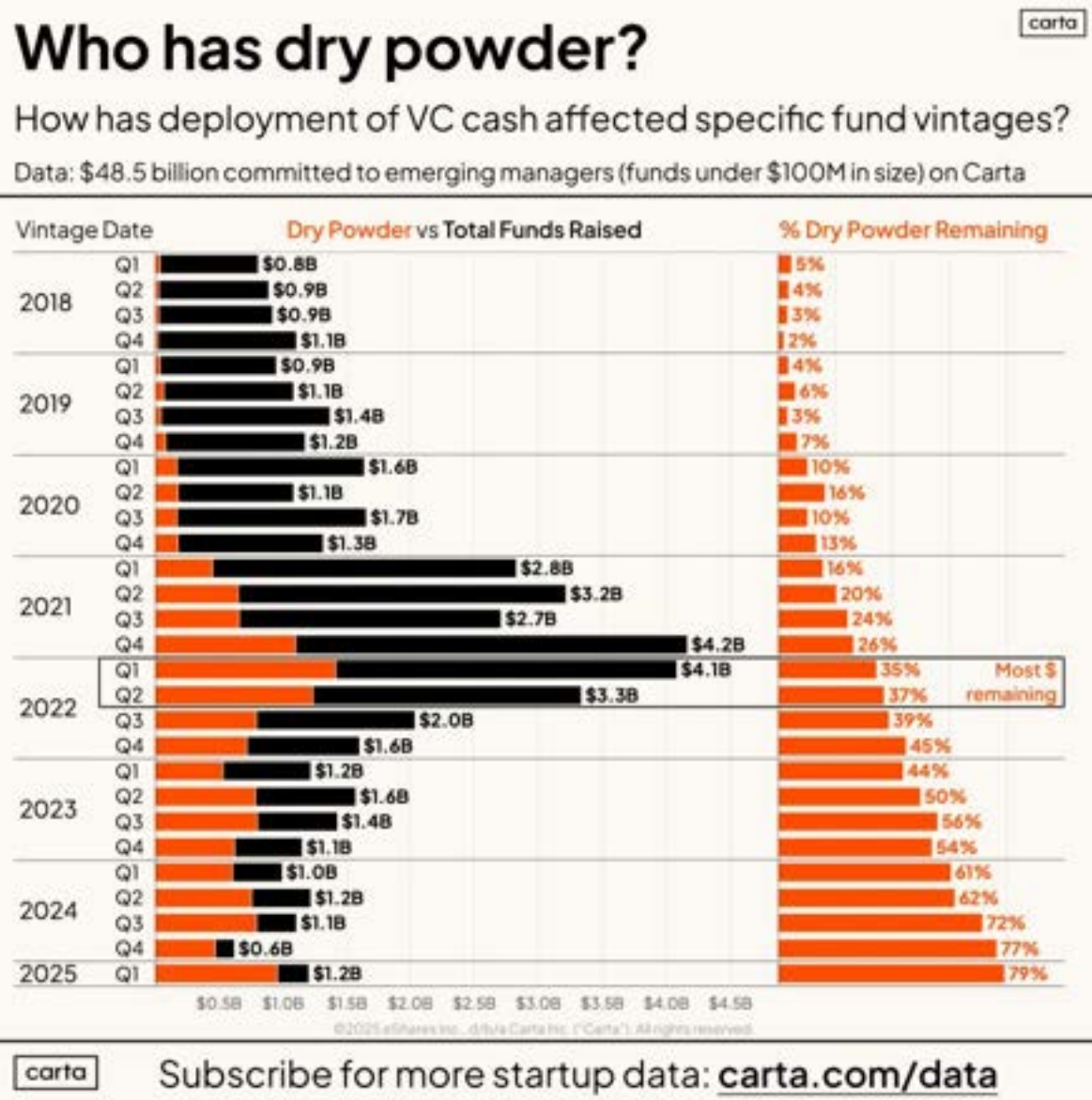
2024 Prediction: → **Trend to continue at similar pace in 2025**

TRUE: According to PitchBook (more current data) - Venture dry powder has climbed to a record high in 2025, signalling that while fundraising has slowed, significant unspent capital is still waiting to be deployed. A fascinating chart from Carta highlights that a greater percentage of dry powder sits with fund vintages closer to 2025—which is logical, given their recent fundraising and slower deployment pace. However, in absolute dollar terms, the bulk of undeployed capital still traces back to 2022, raised in the aftermath of the record-setting 2021 cycle. The challenge is that the investment window for many of these 2022 funds is nearing its end, raising questions about how much of that capital will actually be deployed. It's increasingly likely that 2022 may go down as one of the most hollow fundraising vintages in recent venture history—capital raised at scale, but largely left idle. For LPs, the silver lining could be if GPs structured fees based on invested rather than committed capital, softening the impact of this capital overhang.



Source: PitchBook

Click graphic for source post/article.



Venture Trend 83 - European Institutional investors shying away from VC funds

2024 Prediction: ↘ **Trend to moderately reverse in 2025**

PARTIALLY TRUE: The European LP ecosystem is beginning to recognize the potential of venture, though institutional participation remains uneven (this was the area for prediction). Sovereign-backed entities, however, are playing an increasingly active role, channeling meaningful capital into the ecosystem.



Juuso Janhonen ✓ • 2nd

Portfolio Manager at Sitra

2w • 🌐

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From Global to Local – A Strategic Shift in Venture and Growth Investments

Sitra is making a significant change in its investment approach: moving from a global strategy to focus on Finnish venture capital and growth fund managers for the next five years. This shift will increase our commitments to domestic managers more than fivefold, strengthening the ecosystem for Finnish growth companies and helping them scale internationally.

In addition, exposure to Finnish managers in private equity investments will also increase significantly, while our global investment strategy will continue in parallel.

Sitra is also tenfold its support for public sector productivity initiatives, aiming for substantial efficiency gains by 2030.

Venture Trend 84 - New CVC units continue to pop up in 2024

2024 Prediction: → **Trend to continue at similar pace in 2025**

TRUE: New CVC units continue to pop and some got closed as well.

Engie New Ventures proactively targets secondary sales for portion of portfolio

Aug 4, 2025 • Robert Lavine

Vercel has started a venture arm and is already making its first investments. & I spoke to [@bhorowitz](#)

about the firm's high profile hire and what he says is not 🙌 a 🙌 bubble

AI Venture Firm Gradient Ventures Spins Out of Google

Gradient, which was fully funded by Google, is now adding new limited partners as a fully stand-alone firm

By [Yuliya Chernova](#) [Follow](#)

Updated Oct. 3, 2025 12:18 pm ET

CoreWeave is getting into the corporate VC game

By [Michael Bodley](#)
Published September 9, 2025



The Myth of Competitive Edge in Corporate Venturing

If you measure every investment by competitive advantage, you risk missing the real value: maintaining pace in a shifting market.

 **ANDREW MATUSZAK**
SEP 10, 2025

 **Munich Re Ventures**
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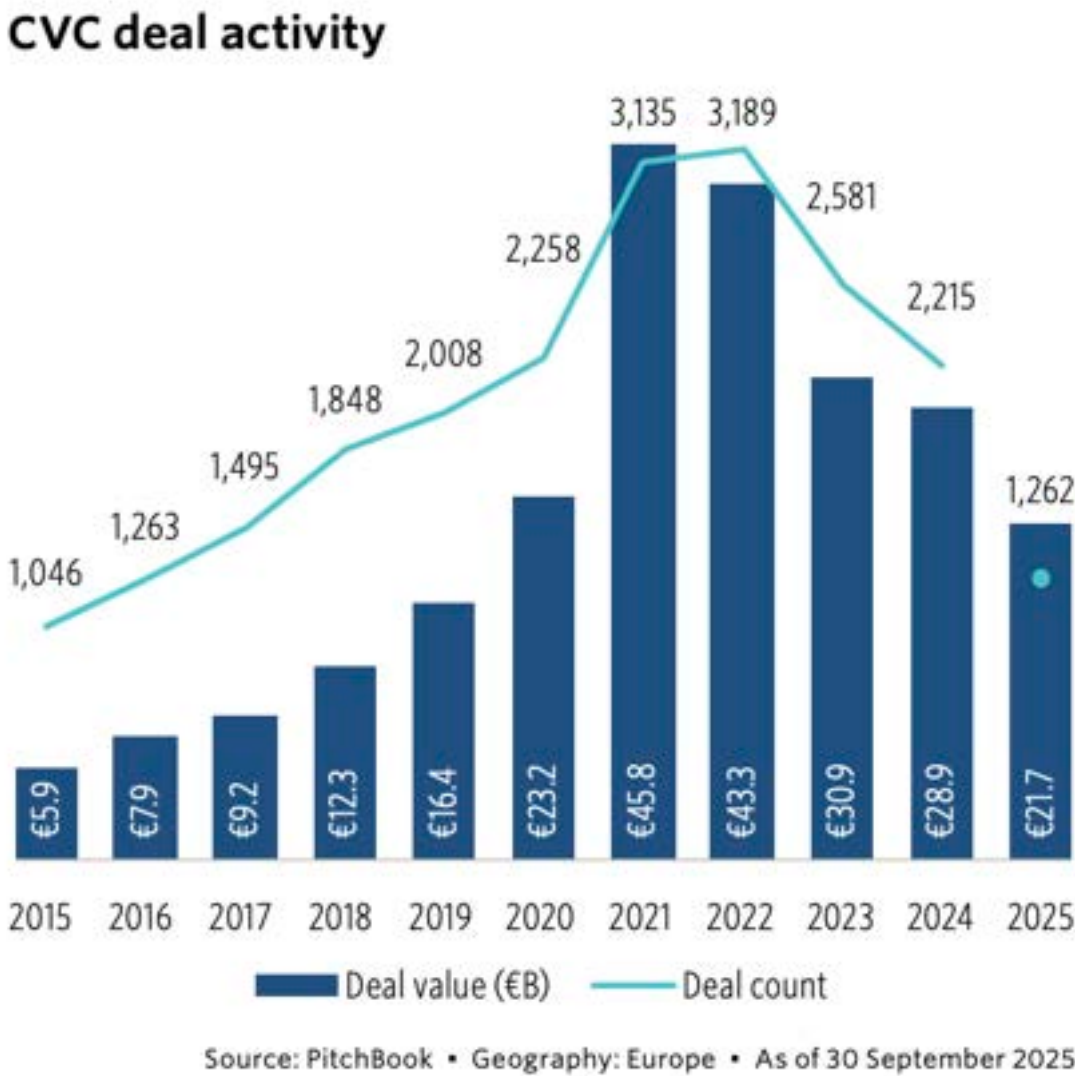
Today, Munich Re is announcing that, after 10 years of delivering both financial and strategic value, Munich Re Ventures is ceasing new investments. As the result of a strategic shift, MRV will be consolidated into the existing venture capital fund investing and co-investment activities of MEAG, the company's asset management arm. Innovation sourcing and execution in the venture capital ecosystem will continue within Munich Re's businesses across the globe.

(Additional Info) Venture Trend 84 - New CVC units continue to pop up in 2024 CVC News

As AI continues to dominate the innovation narrative, corporates are increasingly jumping in—not just as users but as backers. We’re seeing a clear rise in AI-focused funds launched under corporate venture capital (CVC) arms, or even standalone AI funds where corporates act as anchor LPs. This reflects not only strategic alignment but also FOMO-driven capital deployment into the AI wave.

But the CVC resurgence isn’t limited to AI. Many hard tech—oriented corporates are turning their attention to DeepTech, betting on long-term R&D-intensive innovation. Interestingly, there’s also a growing CVC interest in sports and entertainment startups, with leagues and institutions like the NBA and U.S. Open experimenting with venture investments—signaling a broader push to diversify engagement with emerging tech and fan-centric platforms.

That said, not everything is booming in CVC land. We’ve also seen some corporate venture arms shut down, often due to strategic misalignment, financial losses, or internal political frictions. This duality reflects the volatile nature of corporate-backed investing: while CVCs offer access to unique capital and distribution advantages, they also face challenges around continuity, accountability, and integration with core business units. In short, the CVC landscape is expanding—but not without turbulence.



Source: PitchBook

Click graphic for source post/article.



Andrew Petcash  • Following
Founder @ Profluence | Building the Future of Sports
2mo • 

Corporate Venture Capital (CVC) is on the rise across sports...

- 🏆 Red Bull: a new \$200m venture arm
- 🏈 32 Equity (NFL)
- 🏀 NBA Equity (NBA)
- 🏈 Indiana University (NCAA)
- 🏆 USTA Ventures (U.S. Open)
- 🏈 Sixers Innovation Lab (NBA)
- 🏌️ EP Golf Ventures (PGA Tour)
- 🏈 AO Startups (Australian Open)
- 📡 Comcast Sports Tech (Comcast)
- 🏈 DSG Ventures (Dick's Sporting Goods)

**I have identified 29 different CVCs directly linked to sports.*



Bosch Ventures
15,501 followers
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Bosch Ventures launches Fund VI: €250 million to accelerate deep-tech innovation

JetBlue sells off venture arm as airline's losses mount

By Rosie Bradbury
Published May 5, 2025



Meta's \$10B bet on Scale AI highlights a trend: CVCs now account for nearly 75% of AI VC investment



Alphabet's Gradient Ventures is raising \$200M for a new AI fund

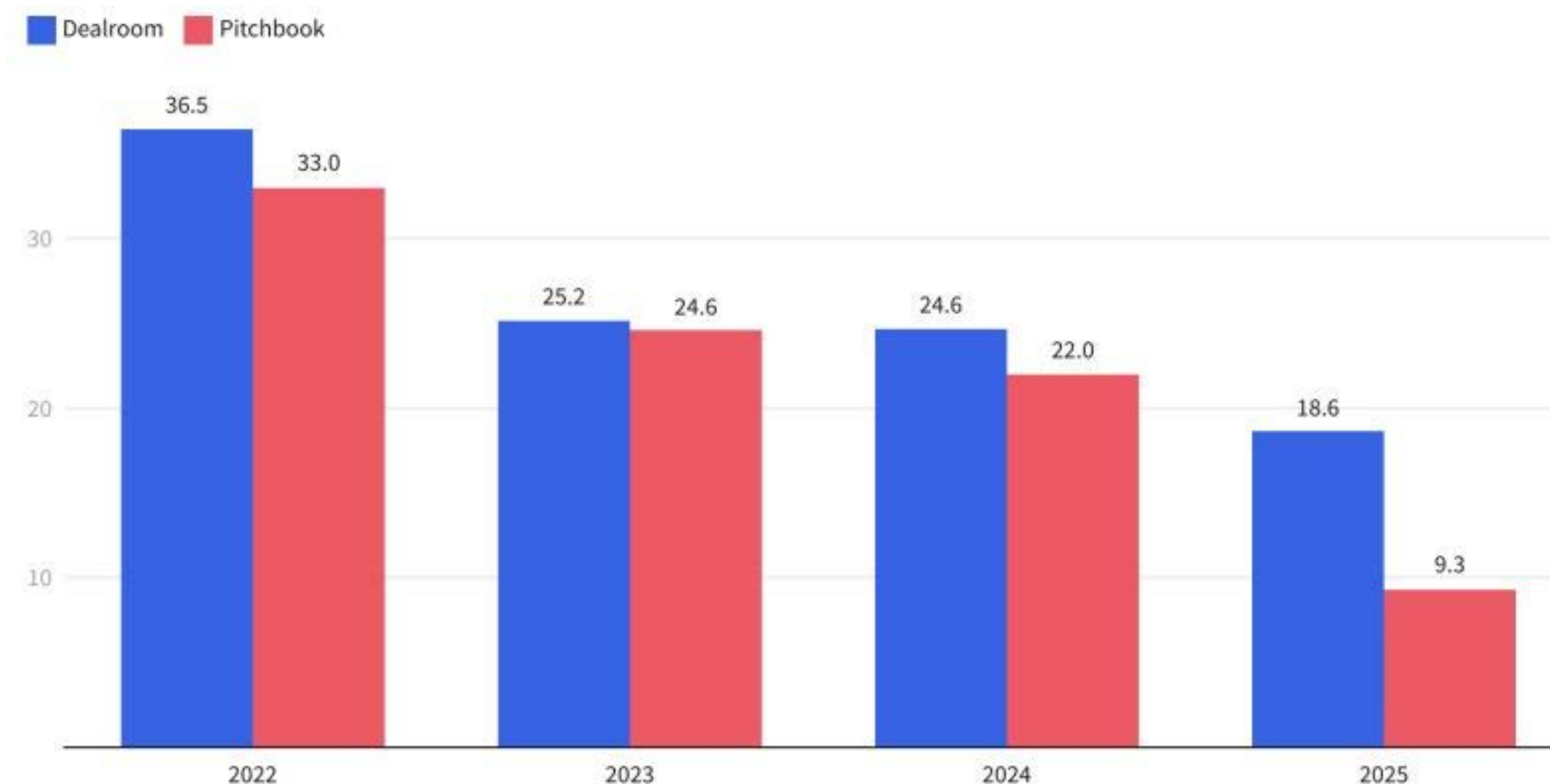


Venture Trend 85 - UK VC fundraising increasingly bigger in 2024 in Europe

2024 Prediction: 📉 Trend to moderately reverse in 2025

TRUE: As I predicted, UK fundraising momentum has cooled, as highlighted in Yoram's Dealroom analysis.

New Funds Raised by European VCs (in EUR billions)



Amounts raised. Excludes intended fund raise targets.

Source: Dealroom.co and PitchBook



Yoram Wijngaarde • 1st

Founder and CEO at Dealroom.co

[Visit my website](#)

3d •

Fact check: European VC fundraising isn't "falling off a cliff". The data story is more nuanced.

Some PitchBook figures have been circulating claiming European VC fundraising is down ~60% in 2025 vs 2024.

[Dealroom.co](#) numbers show a different picture:

- \$20.5B raised by European VCs so far in 2025
- Versus \$27.1B in full-year 2024 → that's -24%, not -60%
- 247 new funds raised in 2025 (vs 123 reported by Pitchbook)

However, what is happening is a reshuffle inside Europe:

- UK fundraising is down: \$3.7B so far in 2025 (-56% vs 2024)
- UK share is just 18% of European fundraising (vs typical 30-40%)
- France is surging: \$5.1B in 2025 ahead of the UK and an all-time high

Venture Trend 86 - Hybrid/Crossover investors making a comeback

2024 Prediction:  **Trend to moderately intensify in 2025**

PARTIALLY TRUE - While deal count involving crossover funds dipped in 2025, total deal value surged through the first three quarters. Notably, most recent megadeals exclude crossover investors—only 37% included them, down from 60% in 2021 and 48% in 2022. This reflects the rise of megafunds and large VC firms operating as RIAs, allowing them to underwrite larger, higher-valued deals without relying on crossover participation or near-term exit expectations.

U.S. VC Deal Activity with Crossover Investor Participation by Quarter



Source: PitchBook

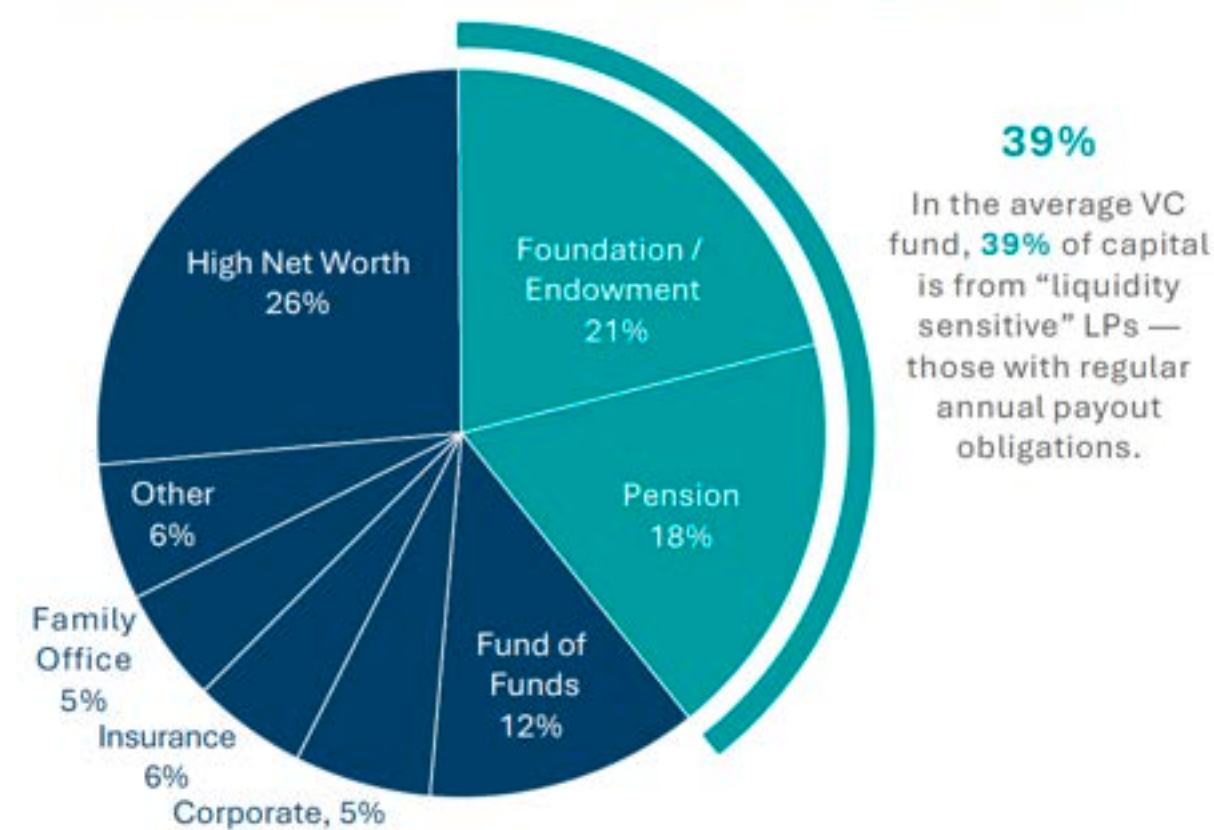
Venture Trend 87 - Family offices increasing important for startup ecosystem in 2024

2024 Prediction:  **Trend to moderately intensify in 2025**

TRUE: Beyond the anchor shift, there have been notable changes in the broader LP mix. Endowments have pulled back, while the core base of Family Offices and HNWI's has remained strikingly stable. This raises the question of increasing fund concentration. The data points to a roughly 15% decline in the average number of unique LP categories per fund, reinforcing a broader "retreat" narrative: managers are increasingly relying on a narrower set of core backers (thinking FOs and HNWI's) as "tourist" capital exits the asset class.



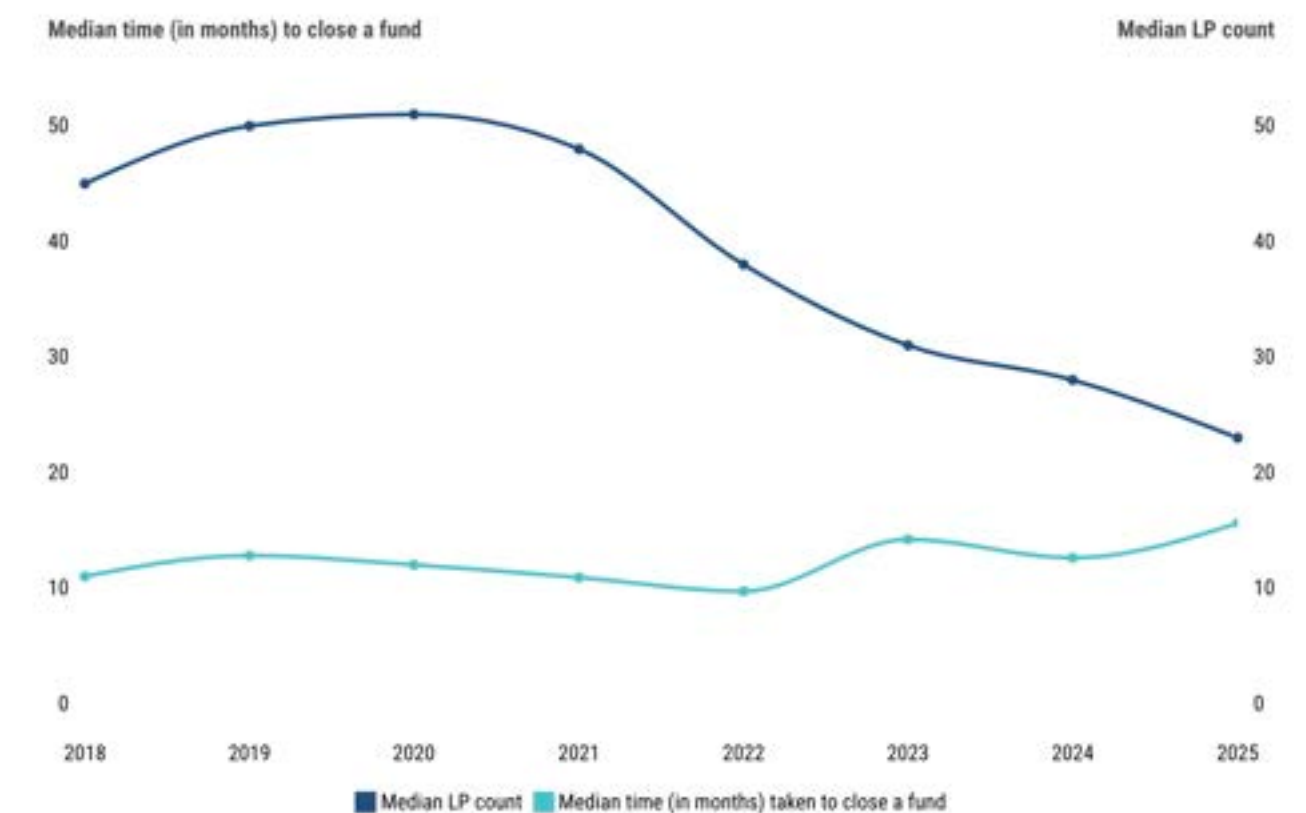
Liquidity Sensitive LPs Are Big VC Allocators
Average Percent of VC Fund Allocation From Each LP Group¹



Source: SVB

The great LP crunch

GPs are taking longer to close a fund and cinching checks from fewer LPs



Source: PitchBook, Carta • As of September 30, 2025

Source: PitchBook

Venture Business

SECTION 10

Venture Business - Index | 1

2025 Predictions for Venture Trends

- [TREND 88 | Venture distributions have slowed in the recent years](#)
- [TREND 89 | Venture is suffering from outflow-inflow deficit](#)
- [TREND 90 | It still takes a long time \(8-10 years\) to reach 1X DPI](#)
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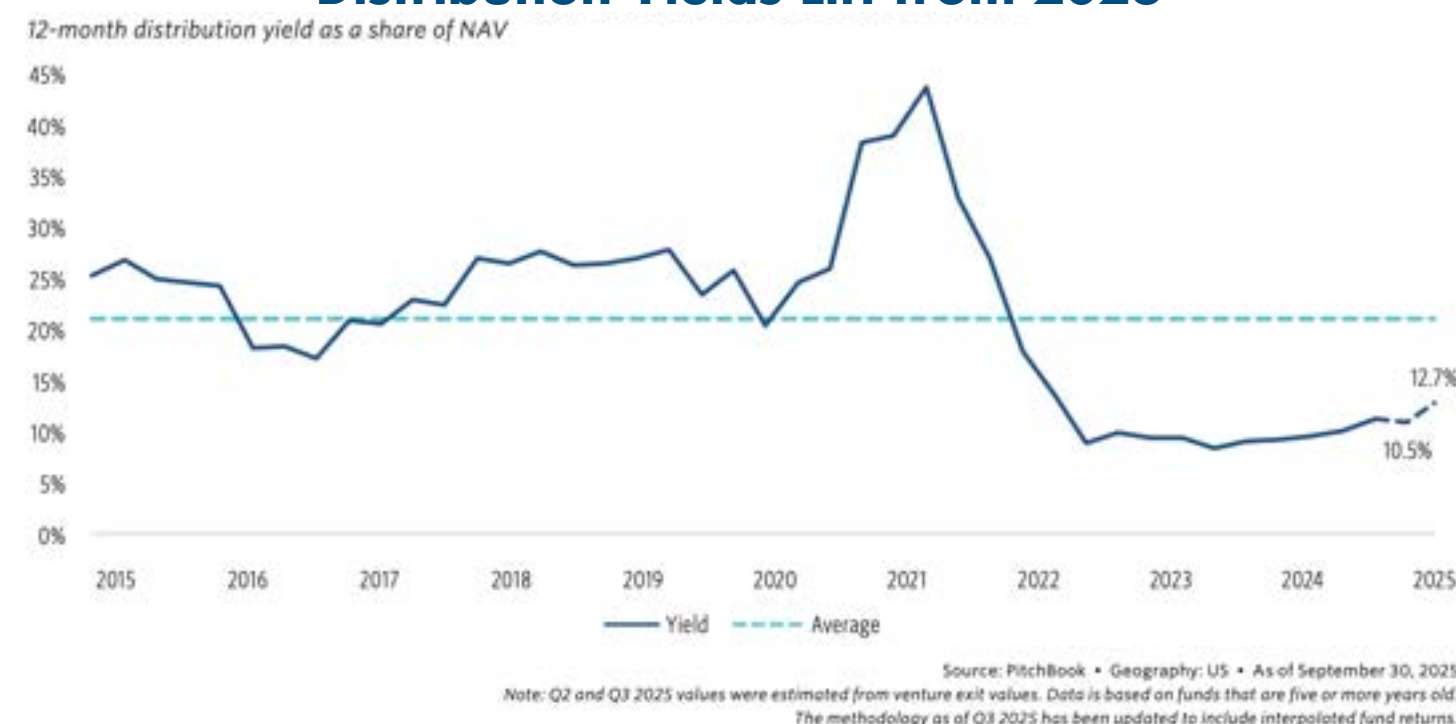
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- [AI News that Caught My Attention](#)

Venture Trend 88 - Distributions have slowed in the VC business in recent years

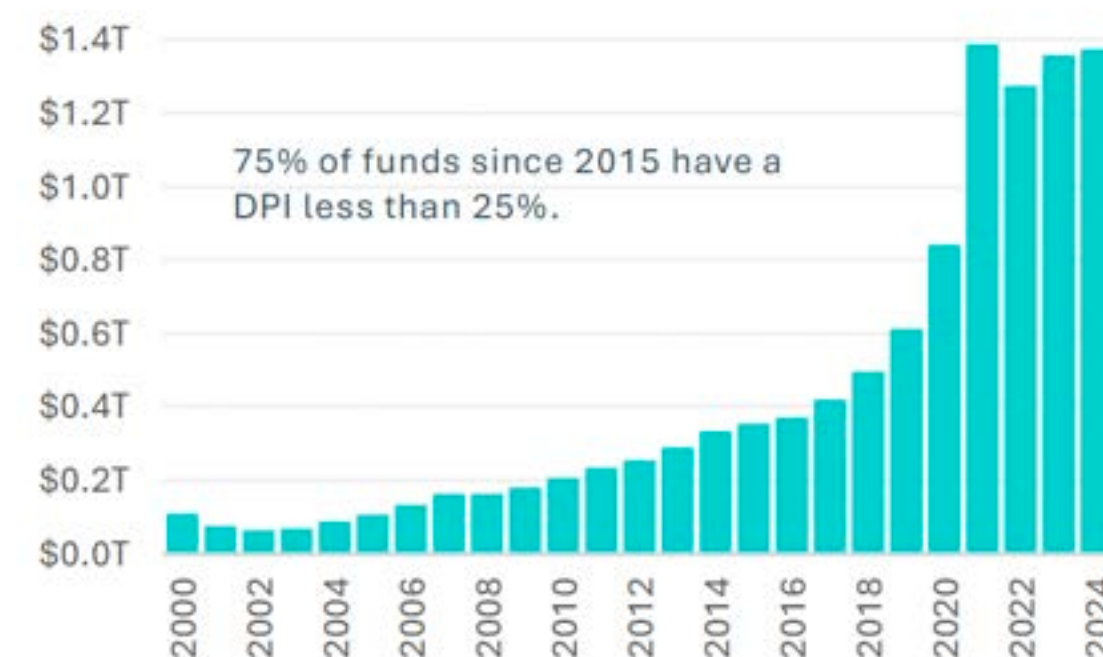
2024 Projection: ➡ **Trend to moderately reverse in 2025**

TRUE: The contraction in distributions has reversed, with distributions increasing in 2025. Venture is structurally long-duration capital, though AI may compress timelines in select segments as faster product cycles accelerate potential DPI. That said, outcomes remain highly strategy-dependent—hard tech and deep science still require long, capital-intensive paths to scale. This makes strategy clarity and proper benchmarking critical for LPs underwriting venture risk. Meanwhile, the liquidity challenge persists: roughly 75% of VC funds launched since 2015 have a DPI below 25%. With ongoing market headwinds and limited exit activity, a meaningful improvement in DPI in 2025 appears unlikely, underscoring the need for patience and realistic return expectations.

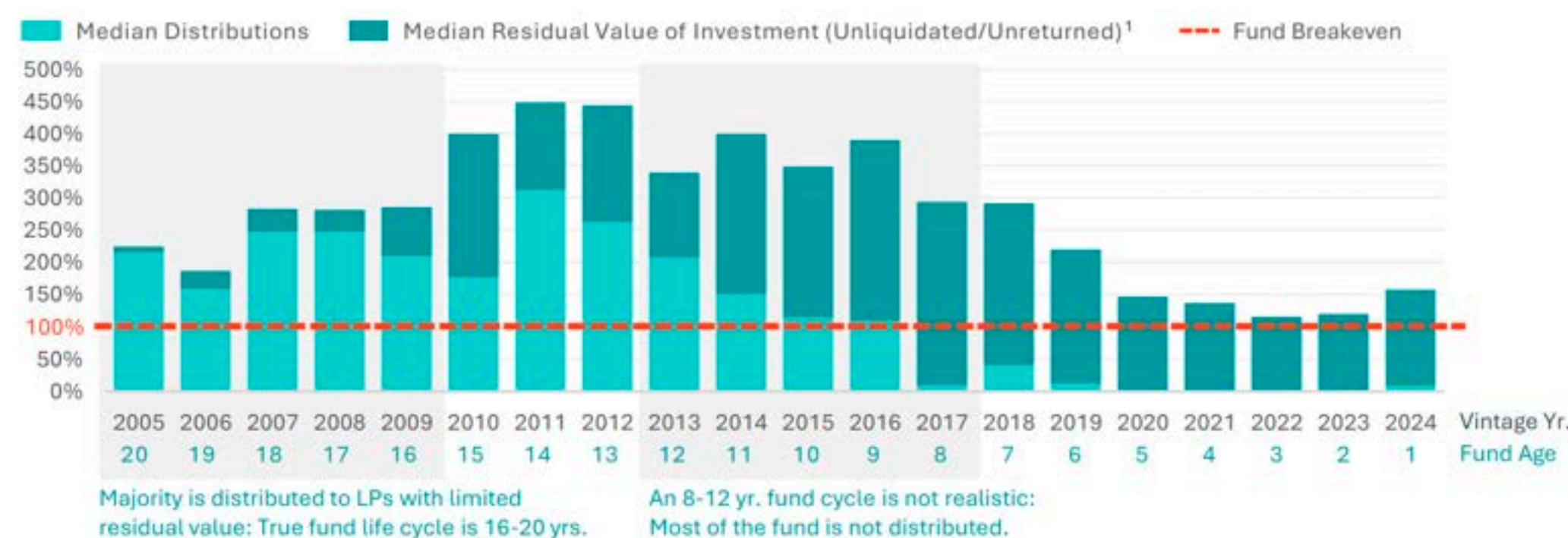
Distribution Yields Lift from 2023



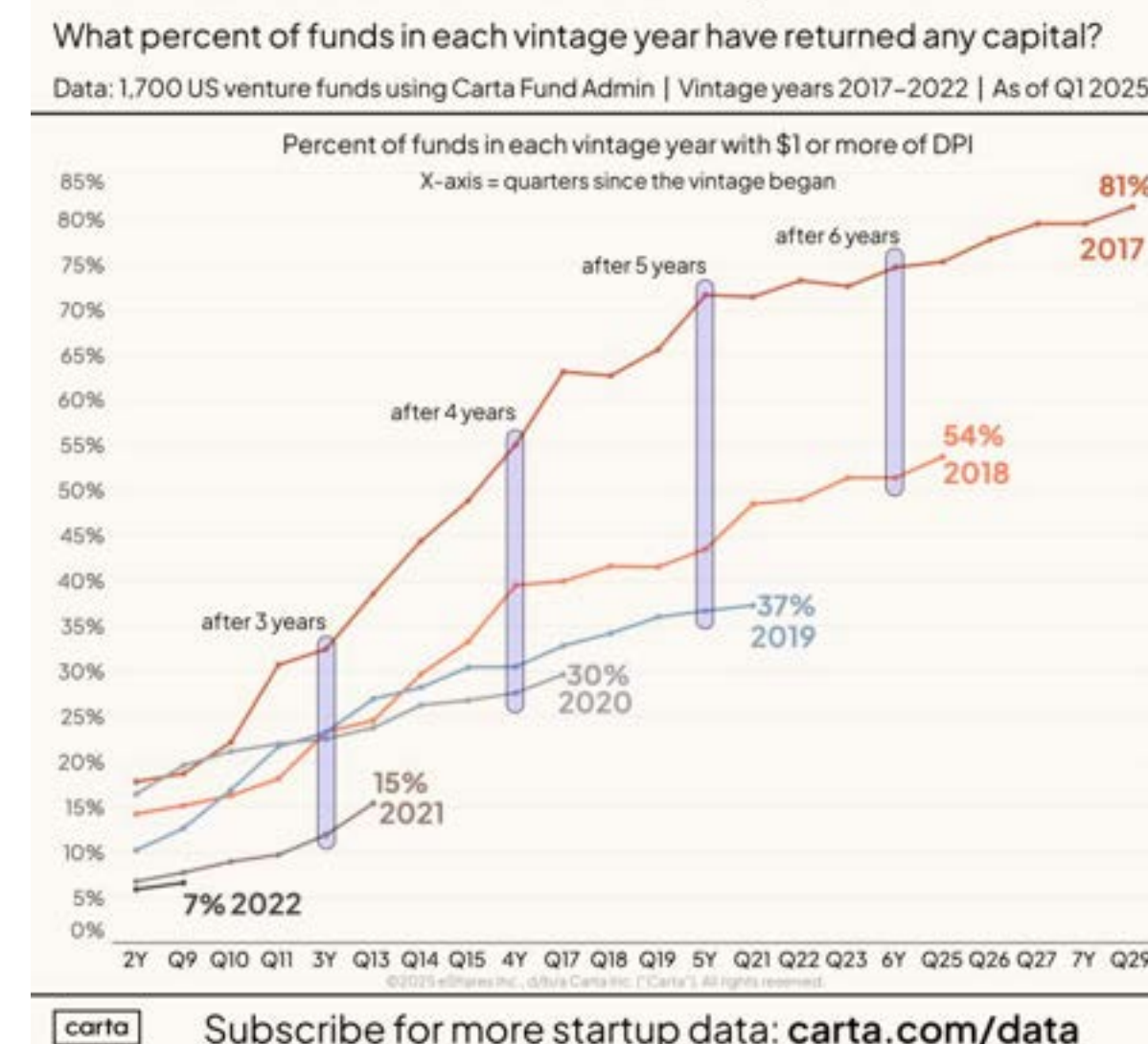
U.S. Venture & Growth Unrealised Returns



Median Distributions and Unrealised Value for Top Quartile Funds by Age



VC funds with at least \$1 of DPI

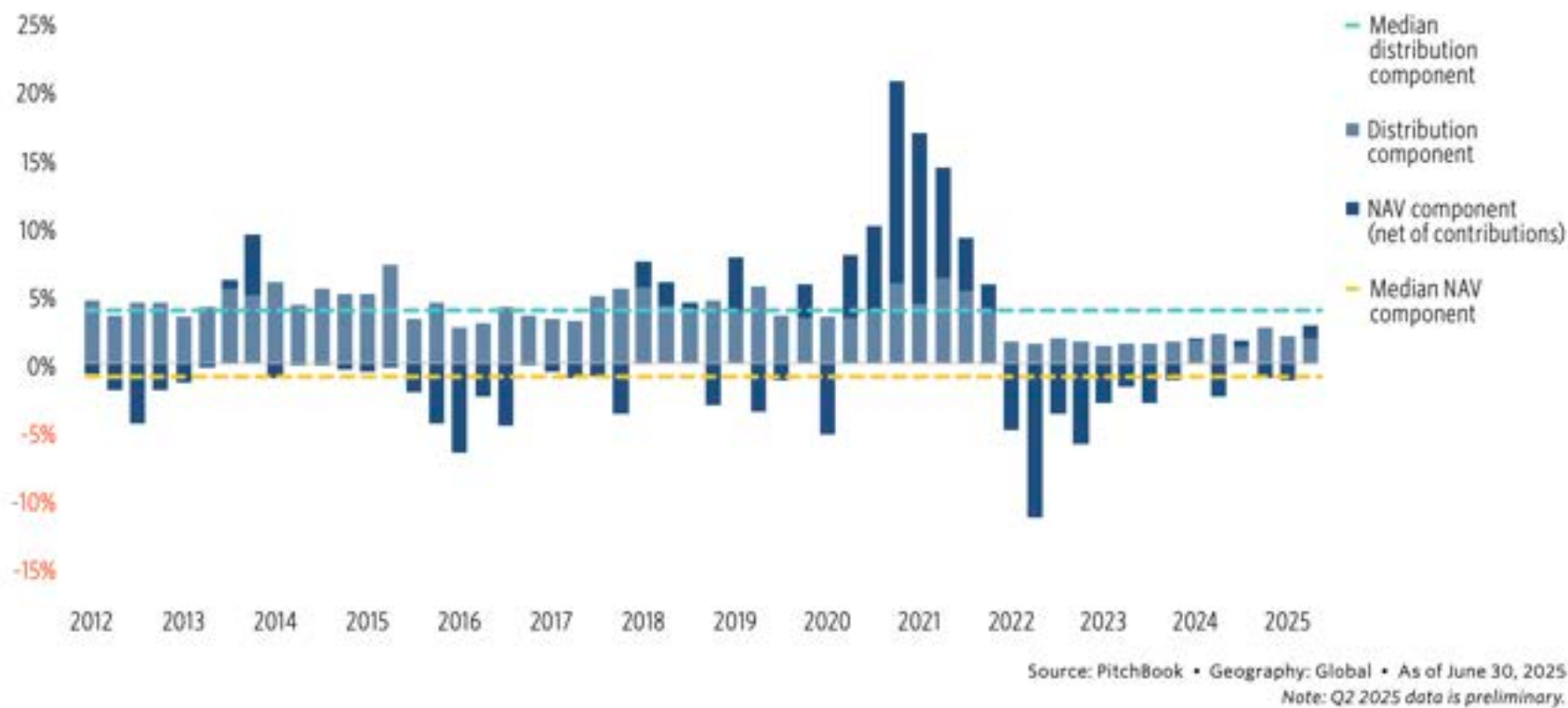


Venture Trend 89 - Venture is suffering from outflow-inflow deficit

2024 Projection: ↘ Trend to moderately reverse in 2025

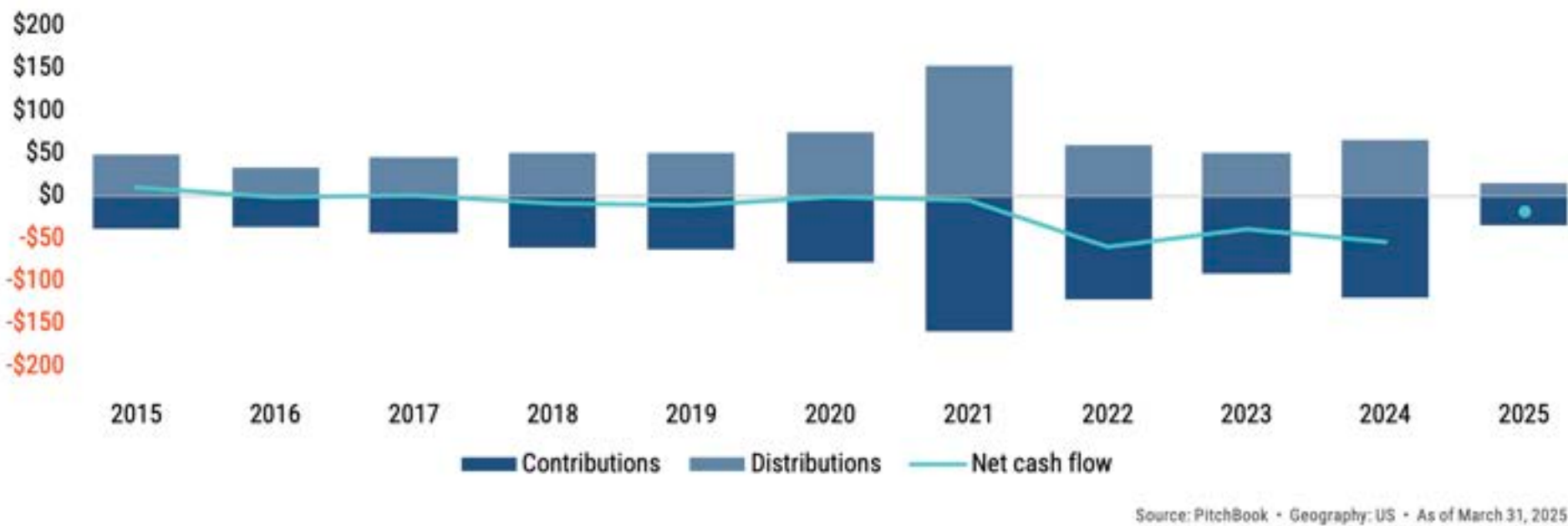
TRUE: Both charts show distributions trending upward. In the second chart, net cash flow is approaching historical norms—a positive signal, though the data reflects only Q1 2025.

PitchBook Venture Capital Index
Quarterly Returns by Source



Source: PitchBook

VC Cash Flows (\$B)



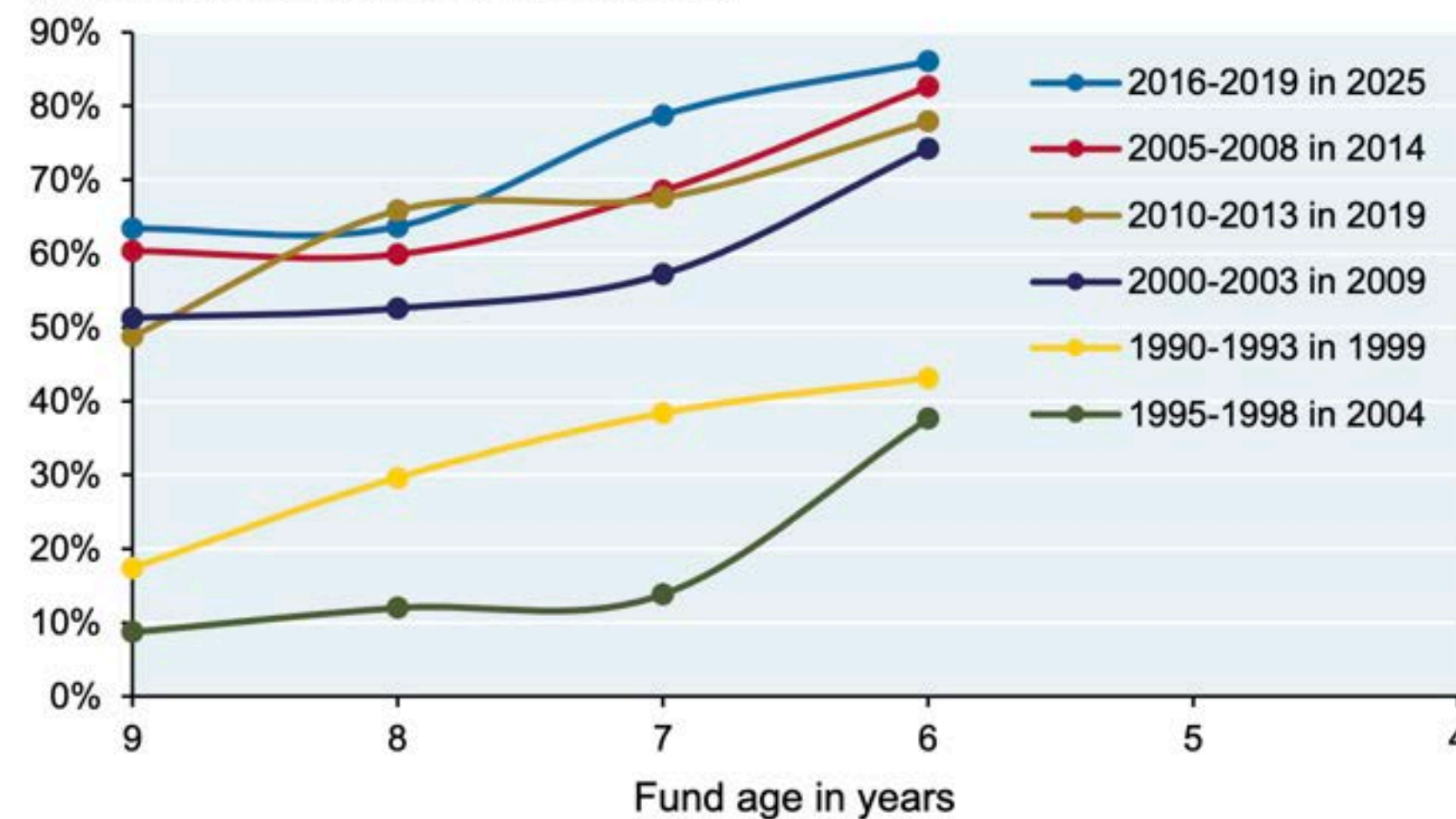
Source: PitchBook

Venture Trend 90 - It still takes a long time (8-10 years) to reach 1X DPI

2024 Projection: → Trend to continue at similar pace in 2025

TRUE: It still takes roughly 9.1 years to reach 1.0x DPI, and this timeline is unlikely to change materially in 2026.

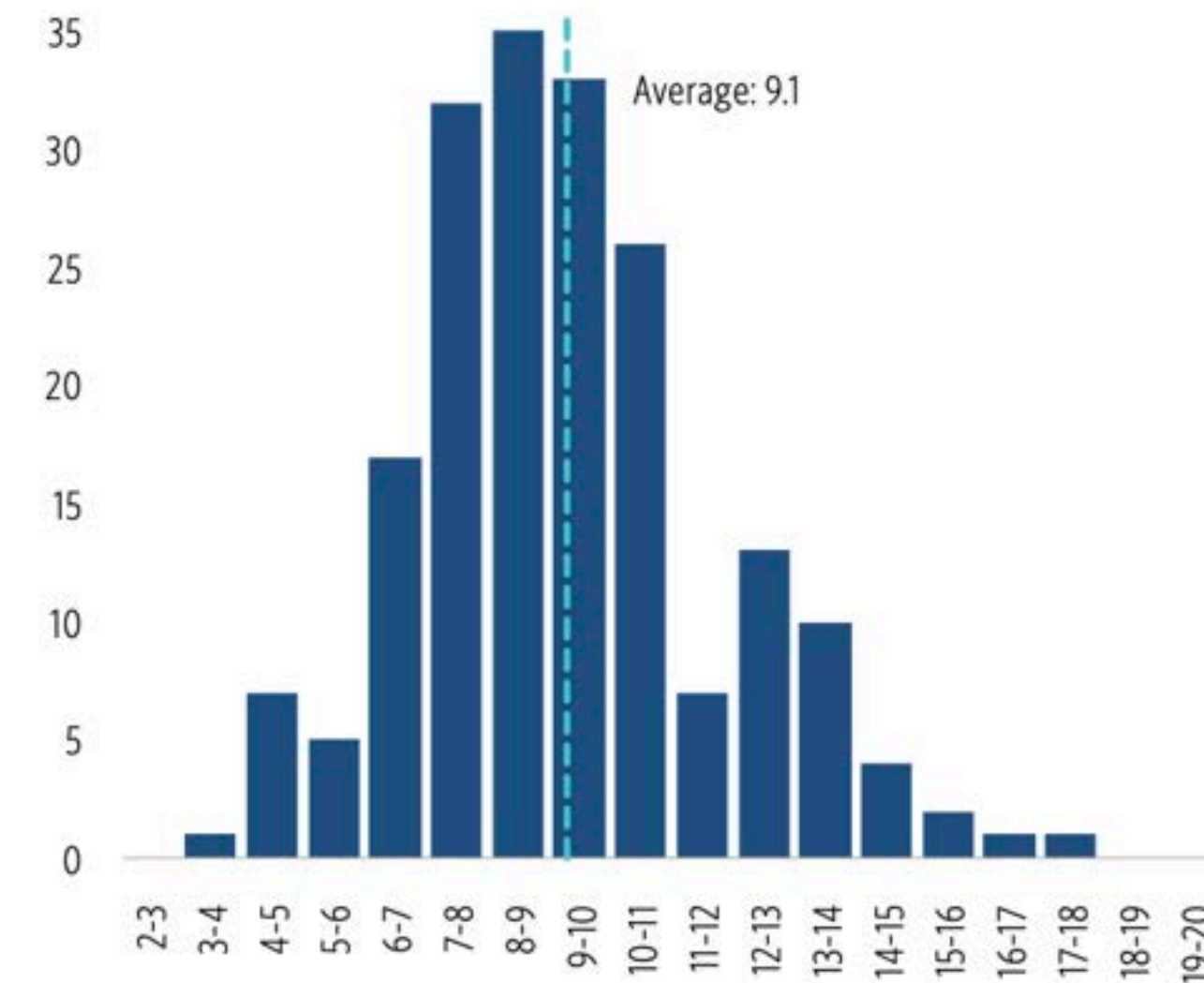
Median Remaining Value % of Total Value



Source: Steve Kaplan (U Chicago), MSCI/Burgiss, JPMAM, 2025

Source: JPM

VC Funds by Range of Time (Years) to Reach 1X DPI
2006-2015 Vintages



Source: PitchBook • Geography: US • As of March 31, 2025

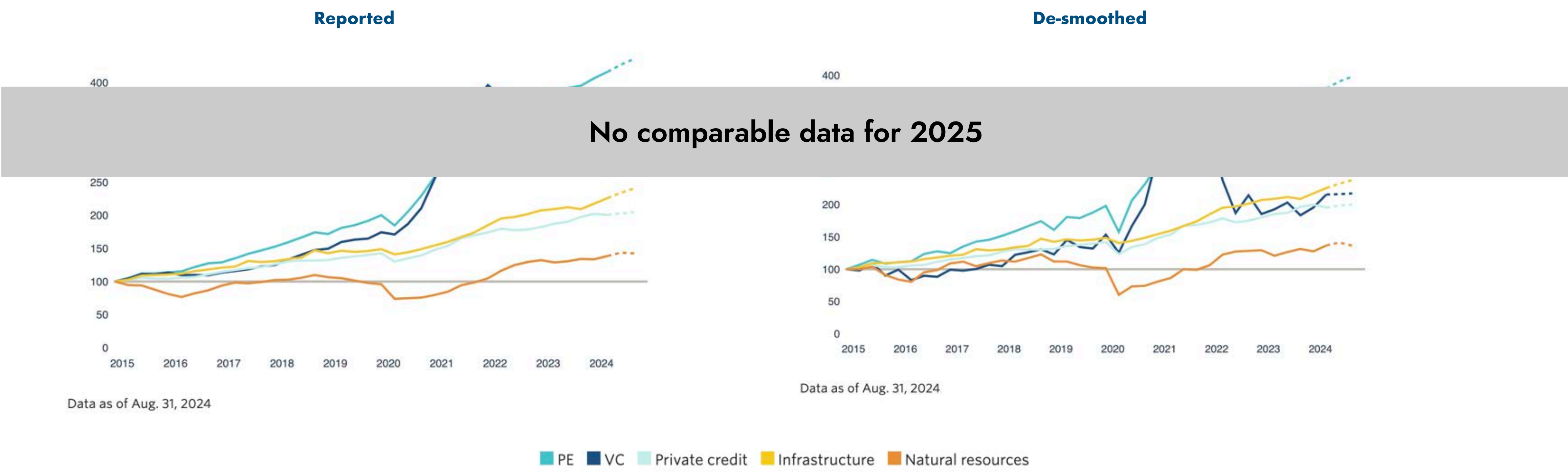
Source: PitchBook

Venture Trend 91 - De-smoothed returns are considerably lower for VC than for other asset classes

2024 Prediction: → Trend to continue at similar pace in 2025

NA - No comparable data for this in 2025

PitchBook Private Capital Indexes



Venture Trend 92 - Startup failure rates almost same among top and average funds

2024 Projection: → **Trend to continue at similar pace in 2025**

TRUE: While the data below reflects a single VC firm, it serves as a strong reminder that loss ratios can be high even in larger funds—and that the power-law dynamics of venture remain firmly intact.

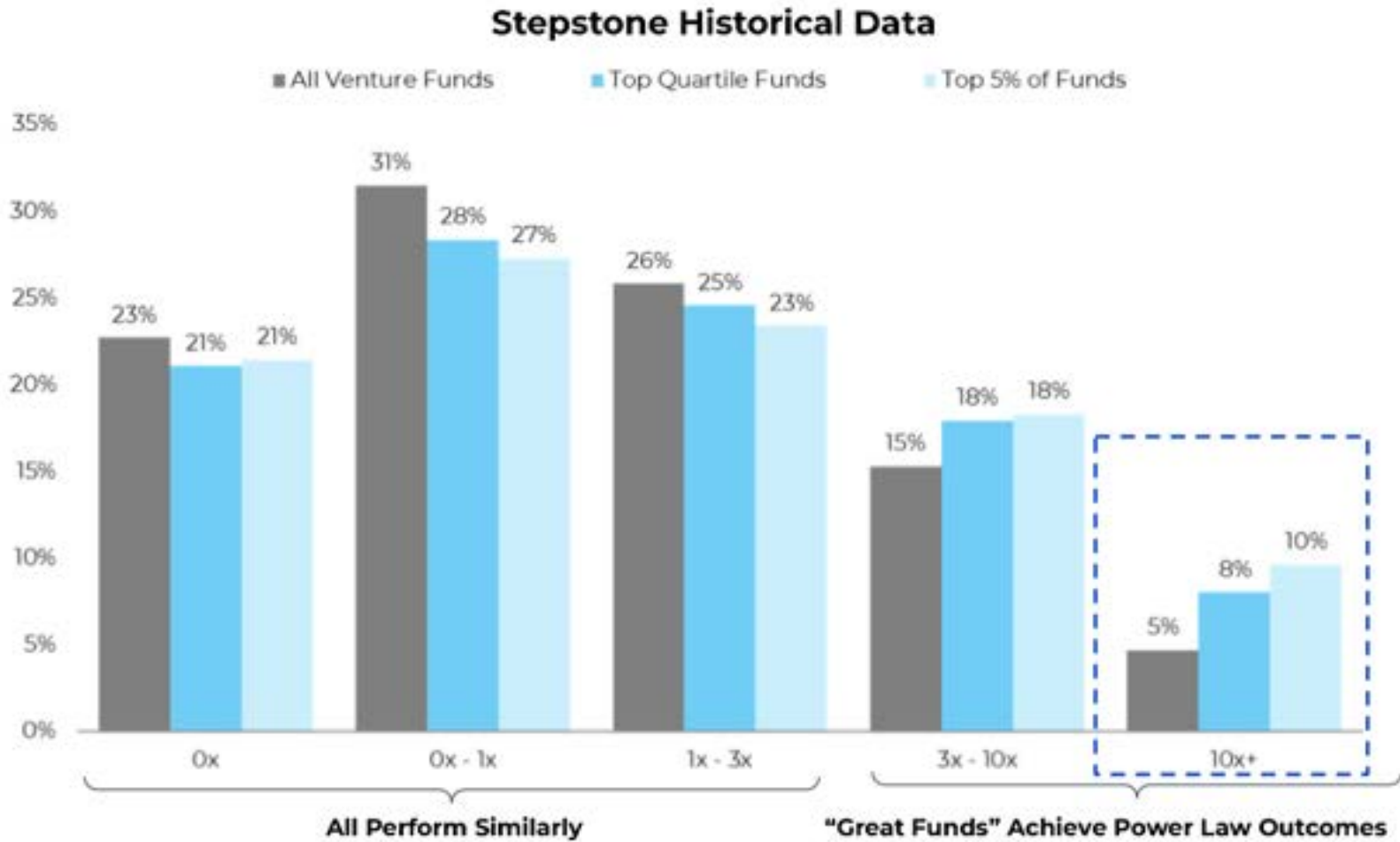


Alfred Lin on Sequoia’s best fund (Venture 12: Airbnb, Unity, Dropbox):

- 3 companies returned \$1B+ each
- 10 companies returned \$100M+
- ~50% written off to zero

VC isn’t about being right most of the time. It’s about owning enough of a few true outliers to make the whole fund. Power law does the rest. h/t:

Data from 2024



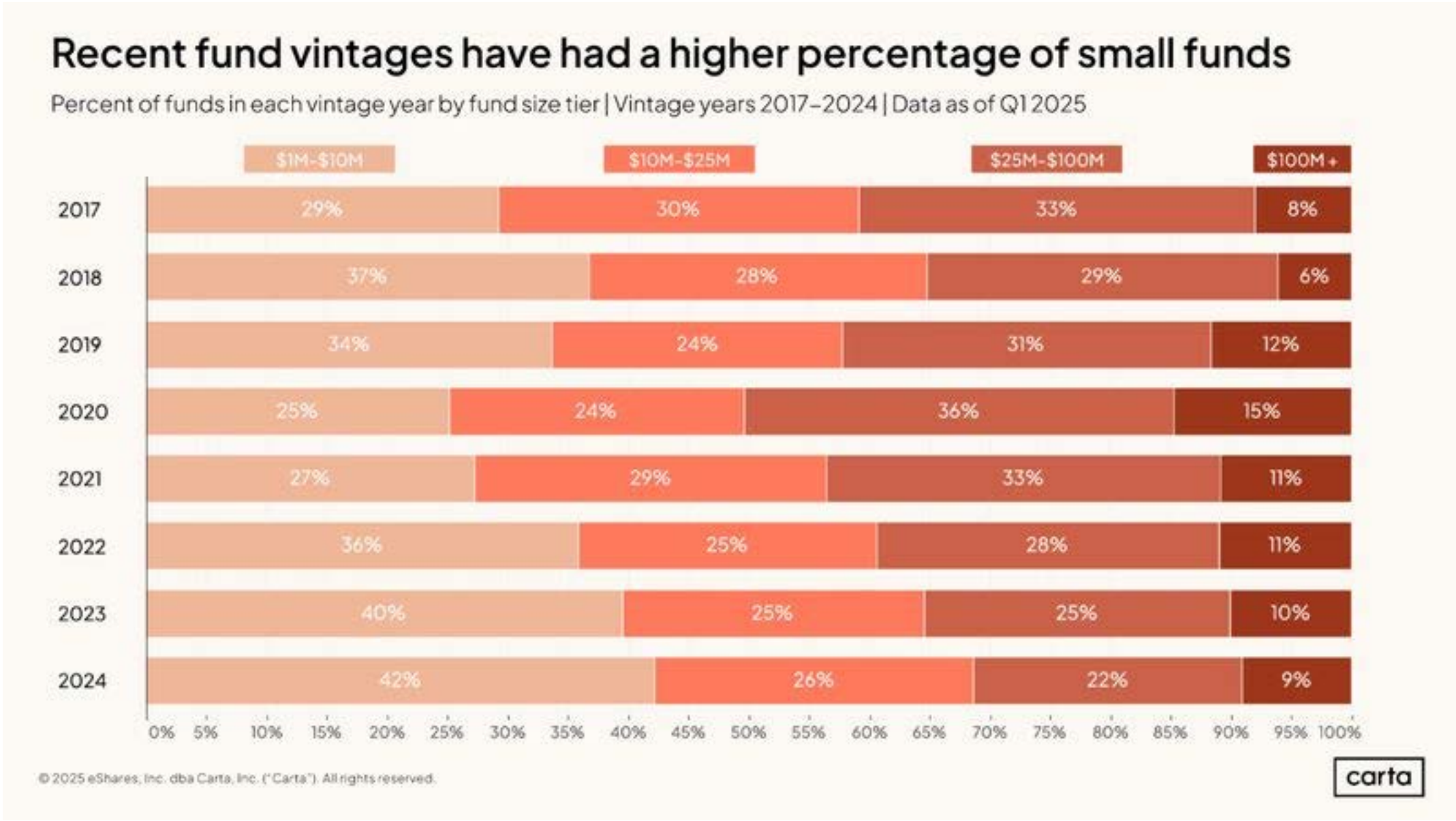
Source: StepStone data, reflecting the percent of invested capital across deal returns from early and late-stage global VC managers from 1995 through 2020. The dataset includes 39,555 deals from ~1,730 funds. Percentages reflect the distribution of invested capital across the Gross TVPI ranges and is weighted by the number of deals in each year that fit the Gross TVPI categorizations. Tiers, such as All Venture, Top Quartile, and Top 5%, are based on fund net TVPIs. More recent vintages (2021-2024) are not included, as these typically represent newer deals that have not yet matured and may not be reflective of longer-term performance. The returns presented are gross returns and do not account for fees, expenses, or carried interest. As a result, actual net returns to investors are likely to be materially lower once such costs are accounted for. The data includes a significant number of deals across multiple vintages, providing a broad view of venture capital performance over time. While we believe third-party data to be accurate, there is no assurance that third-party data is fully accurate or that the returns reflected here will be achieved.

Venture Trend 93 - Small fund vs. Big fund performance debate continued in 2024

2024 Projection:  **Trend to moderately intensify in 2025**

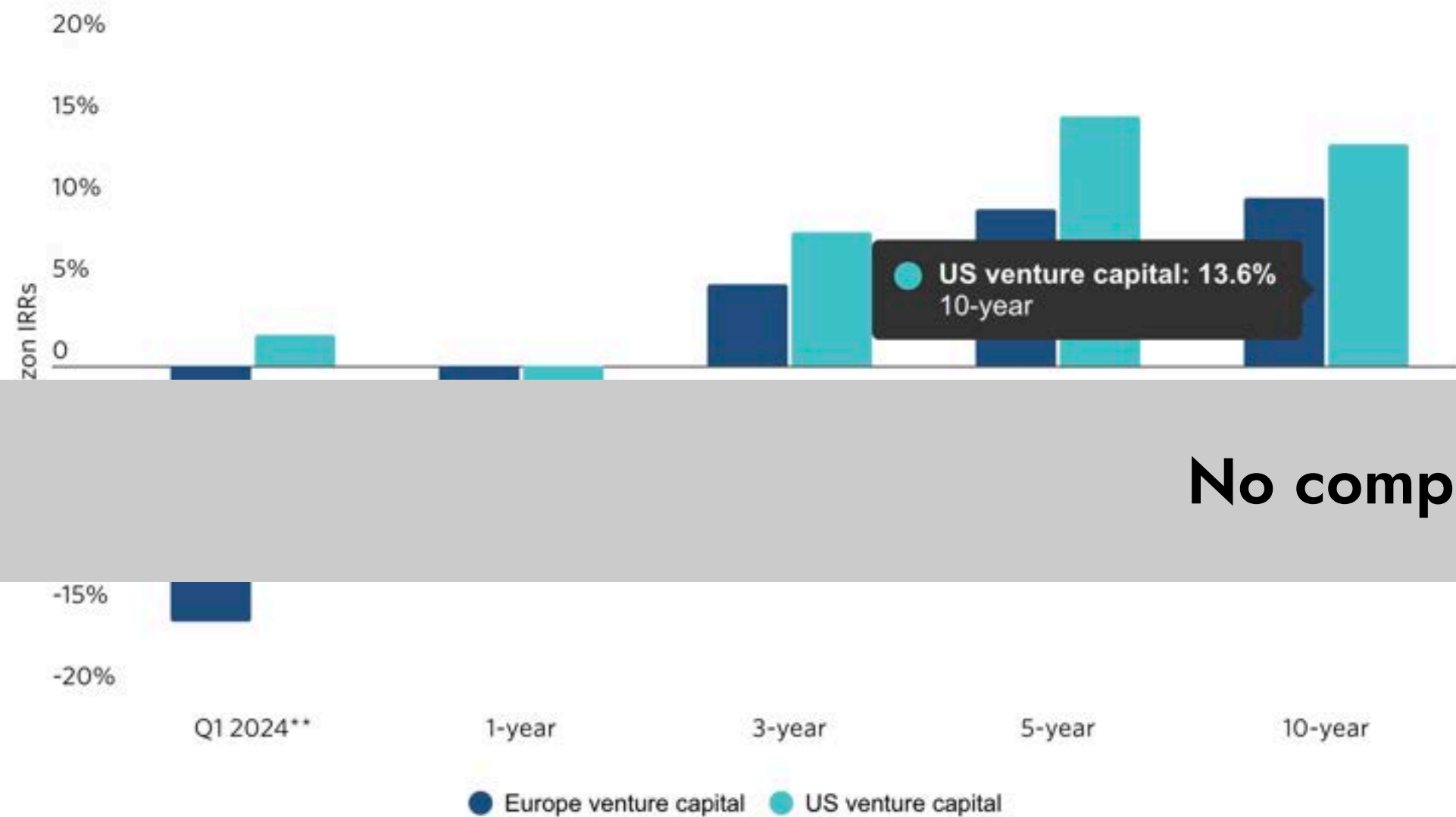
NA - No comparable data.

But I have a chart below from Carta that highlights a clear shift toward smaller venture funds. Amid the fundraising squeeze, many emerging managers are opting to raise leaner vehicles rather than scale up. In 2020, roughly half of new VC funds exceeded \$25M; by 2024, that share had fallen to 31%. The rise of solo GPs—founders, angels, and operators launching capital-efficient funds—is a key driver. At the same time, LPs are concentrating capital at the extremes, favoring boutique managers and established platforms while compressing the middle, reshaping the venture landscape.

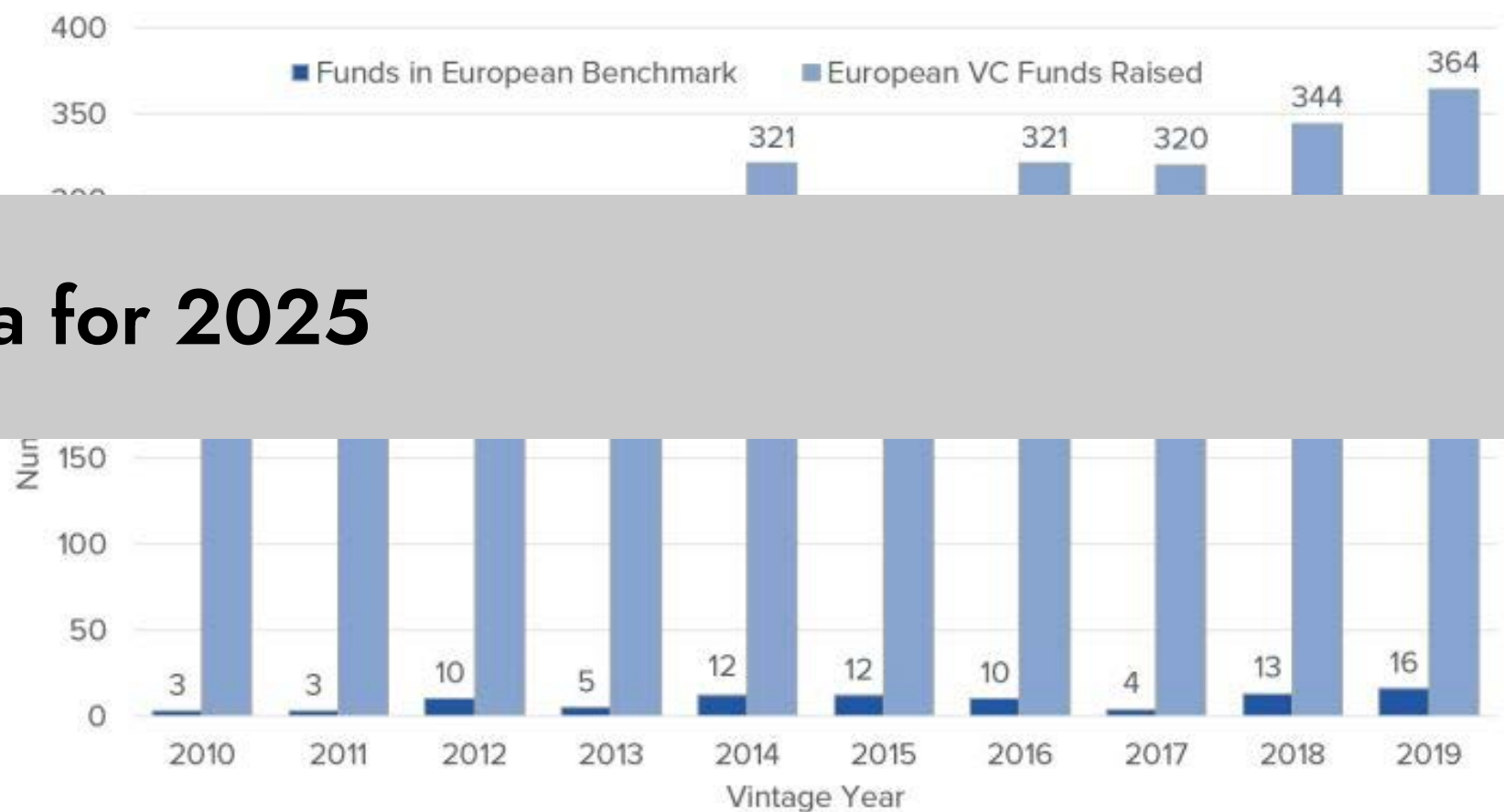


Venture Trend 94 - Discussion on performance between U.S. and European VC funds continued in 2024

2024 Projection: → Trend to continue at similar pace in 2025
NA - No comparable data.



EUROPEAN VC FUNDS RAISED VS FUNDS INCLUDED IN CA BENCHMARKS



No comparable data for 2025

Table 3 - Horizon returns of Venture Capital funds

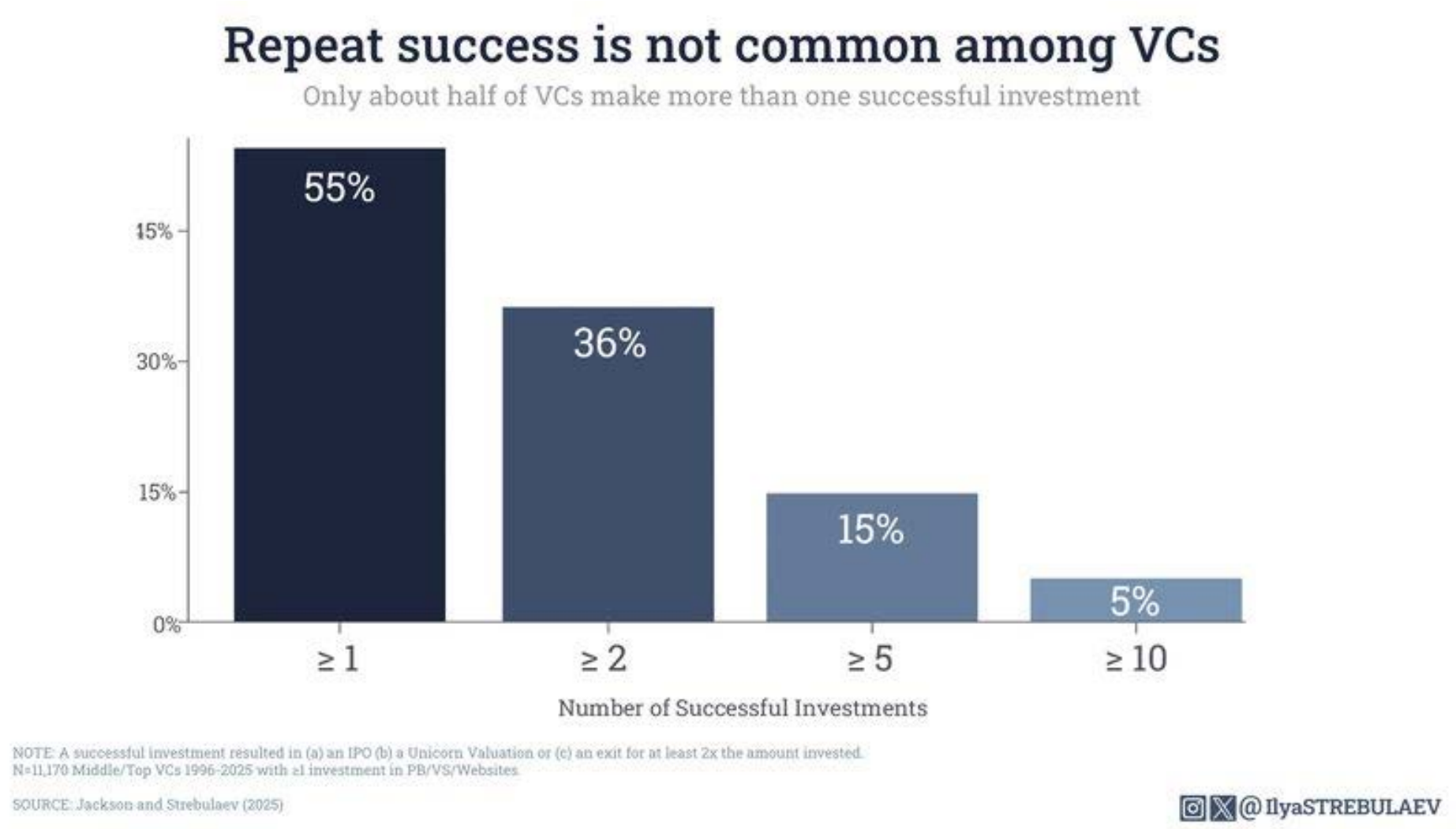
Region	Status	Currency	Funds	Capitalisation (mn)	1-Year	3-Year	5-Year	10-Year	15-Year	20-Year	25-Year	30-Year
Europe	All	EUR	223	42,254	-5.87%	14.56%	23.32%	20.77%	16.57%	12.87%	11.23%	10.55%
North America	All	EUR	2,500	561,601	-6.72%	10.39%	18.72%	18.18%	16.09%	13.03%	51.85%	32.85%
Rest of the World	All	EUR	439	85,531	-8.20%	5.24%	12.60%	19.34%	17.85%	15.21%	12.24%	12.00%

Venture Trend 95 - Power Law in VC fund performance continues

2024 Projection:  **Trend to moderately intensify in 2025**

NA - No comparable data.

While I couldn't find a direct chart illustrating power-law dynamics, the data below on repeat success in venture capital is telling. Sustained outperformance is rare: just over half of senior VCs have backed at least one winning deal, but only a third have achieved more than one. The numbers fall off sharply from there, with very few reaching five successes and only an elite handful achieving ten or more. This concentration explains why the same names repeatedly surface in top deals—one win may be luck, but repeated wins signal skill. In fact, only about 200 VCs globally have logged 20 or more standout investments, underscoring how extreme the power law truly is in venture.

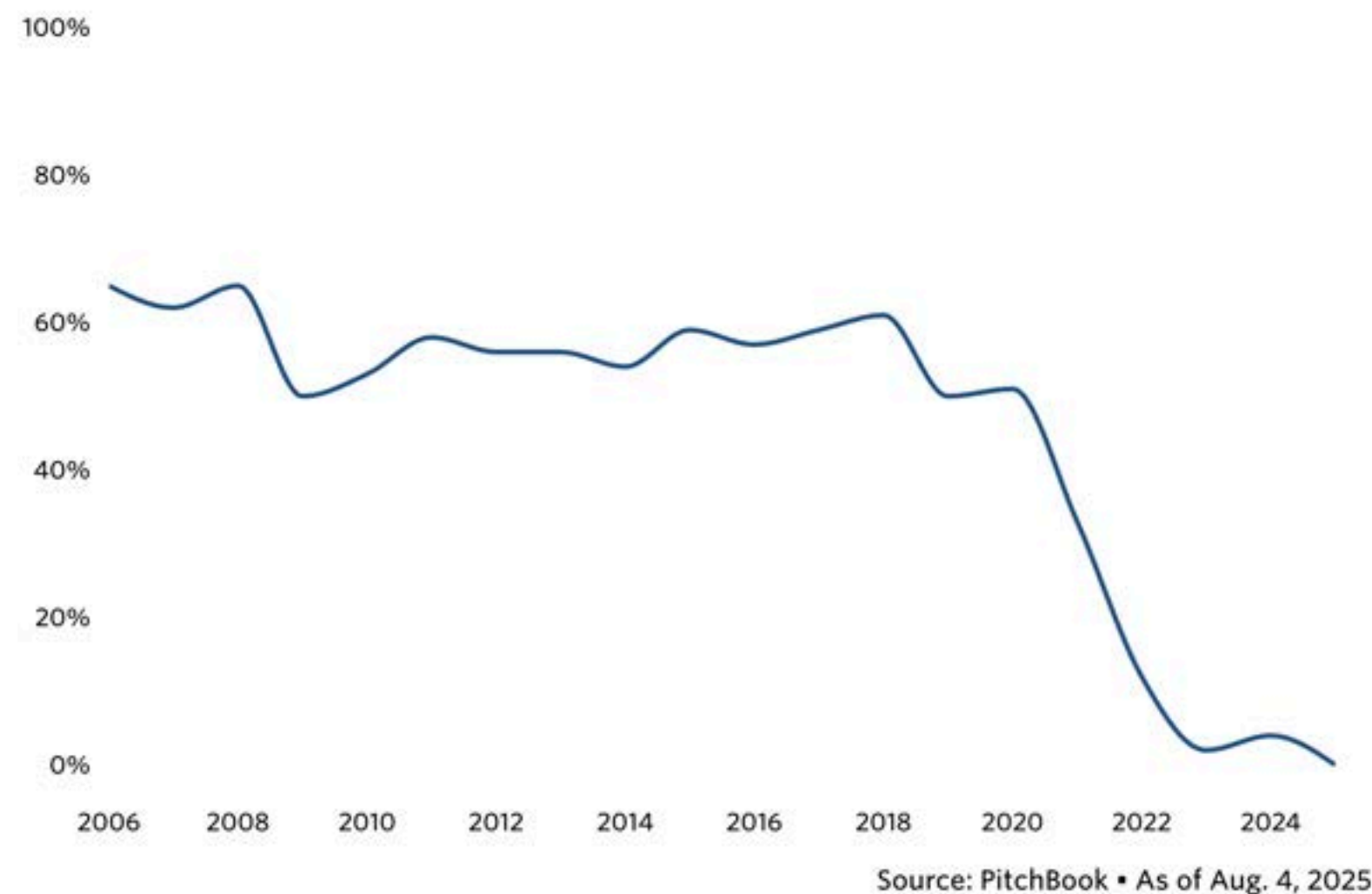


Venture Trend 96 - VC graduation rates have hit their rock bottom

2024 Projection: → **Trend to continue at similar pace in 2025**

TRUE: The odds of progressing from a first-time fund to a second have rarely been this low. Many managers who launched debut funds during the 2021–2022 boom are now facing a very different fundraising environment. Only about one-third of 2021 first-time managers have raised a follow-on fund, and that figure drops to just 12% for 2022 vintages—well below historical norms, where new firms typically return to market within three years. Tighter capital, slower deal activity, and increased LP caution are placing significant pressure on emerging managers.

US First-Time VCs that Raised a Second Fund Not of the Same Vintage



Source: PitchBook



Dan Gray @credistick · Sep 29

Only 1/3 of VCs make it to a Fund 2. Only 1/10 make it to a Fund 4. The primary cause of that churn is badly managed risk.

Risk is the product of VC like adrenaline is the product of skydiving: You could get more of it if you jumped without a parachute, but more isn't always better.

Good investors sell well-managed risk via portfolios optimised for generating alpha amidst a uniquely high rate of failure. Bad investors sell confidence.

Venture Trend 97 - More VCs shut down or become inactive or become Zombie VCs

2024 Projection:  **Trend to moderately intensify in 2025**

PARTIALLY TRUE: While some news did come to light, it is not a clear signal for the trend activity to intensify



Mike Butcher 🍌🛡️ • Following
 📧 Subscribe: Pathfounders.com | 📧 mike@pathfounders.com | Founder ...
 1mo • Edited • 🌐

EXCLUSIVE on Pathfounders: Lakestar dumps new fundraising, doubles-down on portfolio, European Resilience, and seeding spin-out funds

After backing Spotify and Revolut, VC veteran Klaus Hommels says he's pivoting to build companies that make the continent stronger, and backing his team in new initiatives

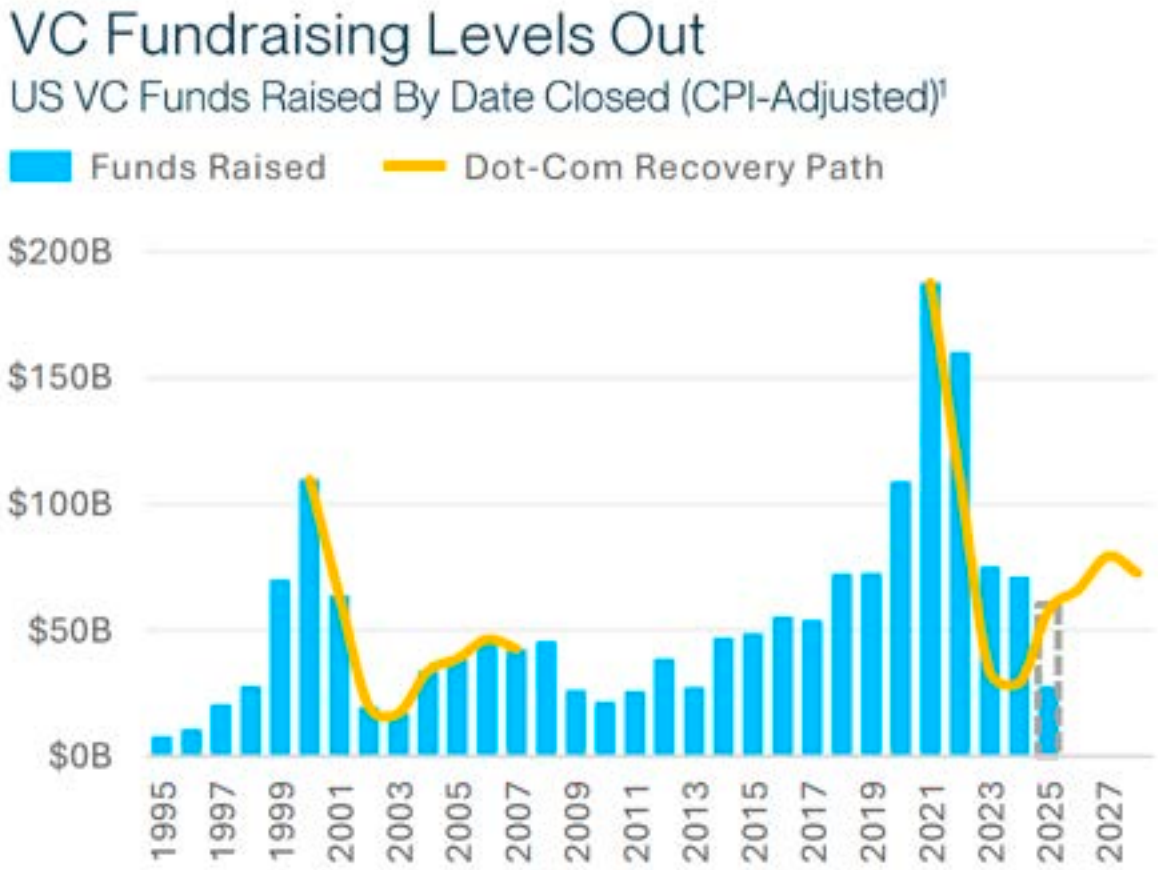
In a surprise move, Dr. Klaus Hommels, one of Europe's most prominent venture capitalists and founder of Lakestar venture capital fund, exclusively revealed to Pathfounders that he will not raise another Lakestar generalist VC fund.

The move brings to an end a run that included investments in unicorns such as Spotify, Revolut, Helsing, and Neko Health.

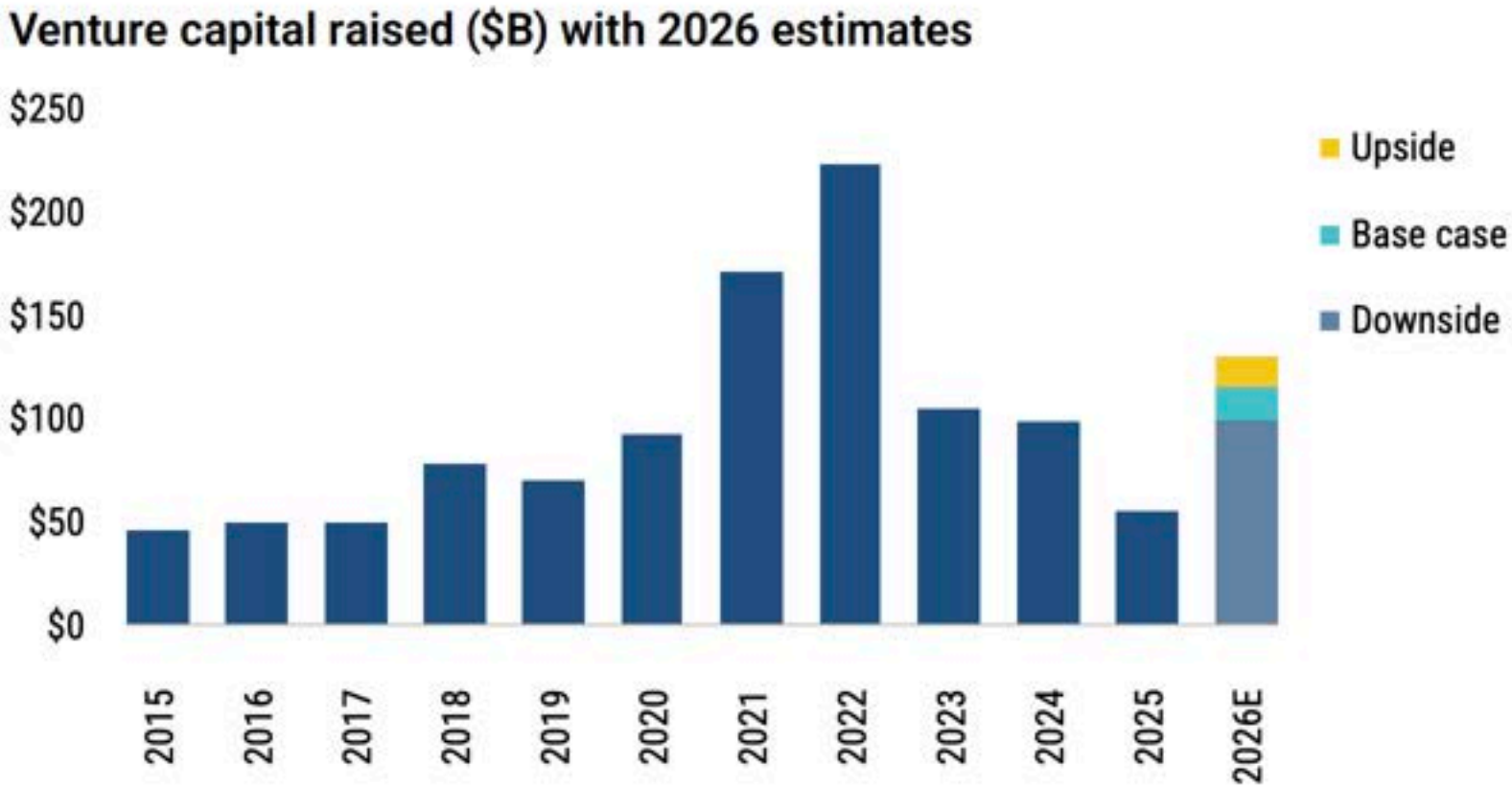
Venture Trend 98 - Venture AuM growth gets more rational

2024 Projection: → **Trend to continue at similar pace in 2025**

TRUE: Venture AUM growth is becoming more rational, but 2025 has also seen a decline in VC fundraising. The magnitude of that decline remains debatable: PitchBook data suggests a sharp drop, though it reflects interim figures, while SVB's projections point to fundraising levels closer to 2024 by year-end.



Source: SVB



Source: PitchBook • Geography: US • As of October 31, 2025

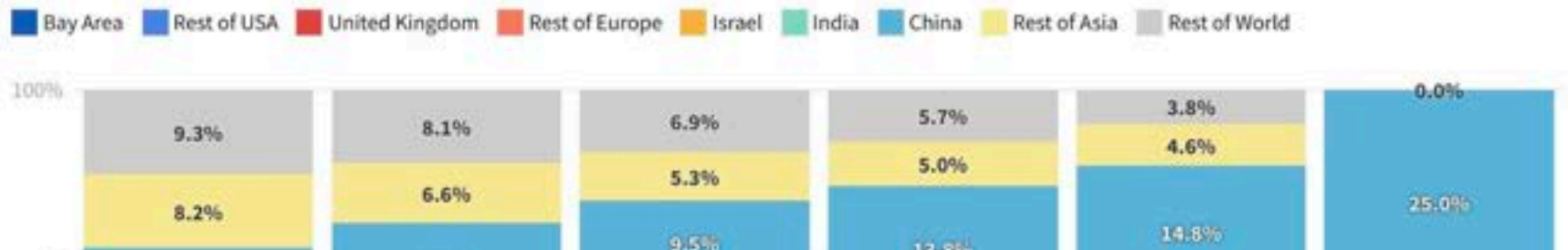
Source: PitchBook

Venture Trend 99 - Venture asset class is expanding globally

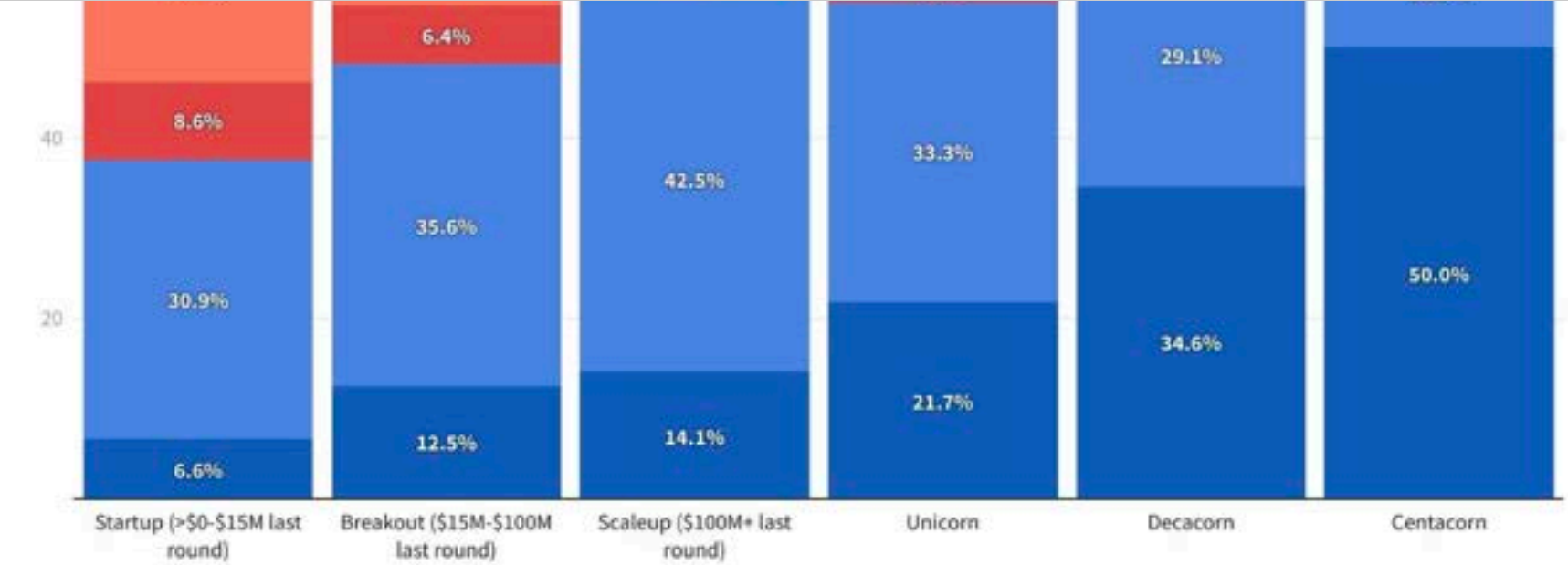
2024 Projection:  Trend to moderately intensify in 2025

NA - No comparable data

Number of VC-backed companies by location



No comparable data for 2025



Includes Booking (Europe) and Arm (UK) in centacorns although they were not purely VC-backed.
Source: Dealroom.co

dealroom.co

Venture Trend 100 - AI keeps on changing Venture business

2024 Projection:  **Trend to moderately intensify in 2025**

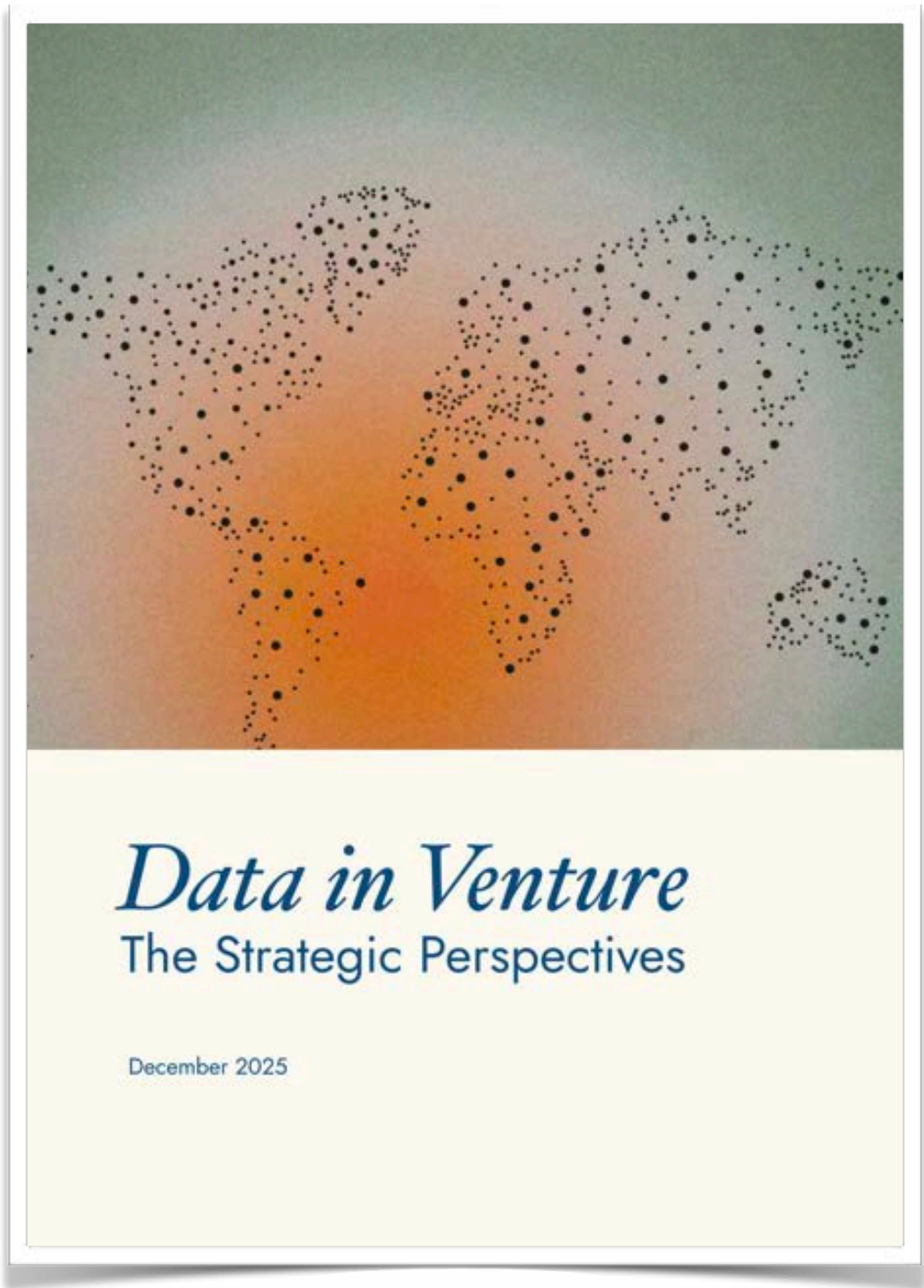
TRUE: AI is reshaping not just deal dynamics, but the venture business itself—from sourcing and portfolio management to new models like AI-focused roll-up funds and beyond.





Matt Turck • Following
Managing Director at FirstMark
[Visit my website](#)
3d • 

As a VC, I don't think any product has become part of my daily workflow faster than Deep Research - meeting prep, memo drafts, podcast research, industry analysis. What that means for the future of venture capital is anyone's guess lol



NEWS

Can AI Predict the Next Big IPO? Crunchbase Thinks So.

*WSJ article
from Belle Lin dated Feb 19, 2025*

- Each startup has thousands of potential signals like those pointing to whether they might be about to fundraise, be acquired or make a play for an initial public offering
- “If you deal with historical facts, once the AI absorbs it, it doesn’t need you anymore,” McConnell said. “Historical data companies are already dead.”
- What’s much harder to predict is when startups shut down, McConnell said. The company’s accuracy rate for startups that fold is below 50%, he said, because companies can survive for a long time, even with slowed growth.
- Based on Crunchbase’s own testing, its fundraising predictions are up to 95% accurate.

(Additional Info) Venture Trend 100 - AI keeps on changing Venture business

Leading venture capital firms are increasingly borrowing tactics from the private equity playbook—backing tech startups with the explicit goal of acquiring and consolidating smaller competitors. The aim: to build sector-dominating platforms through strategic roll-ups.

The catalyst behind this shift is AI, which is now being applied to traditional, revenue-generating businesses to dramatically enhance their efficiency, automation, and scalability. These aren't typical early-stage moonshots; instead, they are established businesses with real cash flow, now supercharged by AI capabilities. From a venture perspective, this makes them far more compelling—combining the upside of tech with the stability of proven business models. It's a hybrid thesis that's gaining momentum fast.

Tech venture firms deploy private equity ‘roll-up’ strategy

Thrive Capital's backing of Savvy Wealth is part of growing effort to fund groups that go on to buy similar companies

Venture Rollups: An Emerging Asset Class

How AI, abundant capital, and a Constellation-inspired playbook are rewriting the rules of company building in certain sectors. Thoughts & perspectives by Bifrost Studios.



Madeline Renbarger

Reporting on VC and startups at Newcomer

2w • Edited •

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The AI roll-up has officially gone mainstream.

Large VC firms like General Catalyst, Thrive Capital, and 8VC are increasingly running the private equity playbook of buying legacy businesses and trying to improve their performance. The special sauce is AI, these investors believe, and half-a-dozen top-tier firms have now backed efforts to combine established companies in the same market and supercharge them with artificial intelligence.

The logic behind the typical AI roll-up deal goes something like this: generative AI is good enough to automate most of the work behind human-heavy, service tasks that were historically not attuned to venture-style growth or scaling. These firms will then find or incubate startups that are automating this service work, and then deploy capital to purchase existing and profitable firms that can incorporate the AI tools to do the work more cheaply.

Venture Trend 101 - Small-sized venture firms keep closing

2024 Projection: → **Trend to continue at similar pace in 2025**

FALSE: While data on this remains limited, I believe smaller firms have been disproportionately impacted, with many having closed or likely to become dormant or exit fundraising by 2026—though this view is not yet fully supported by data.





Venture Fundraising Data | 1

Nearly all private market asset classes took a hit if we look at Q3 based YoY change with venture pegged at decrease of 42.5%. Even within this decrease U.S. still remains the champion of VC fundraising with it’s share increasing to the highest in a decade.

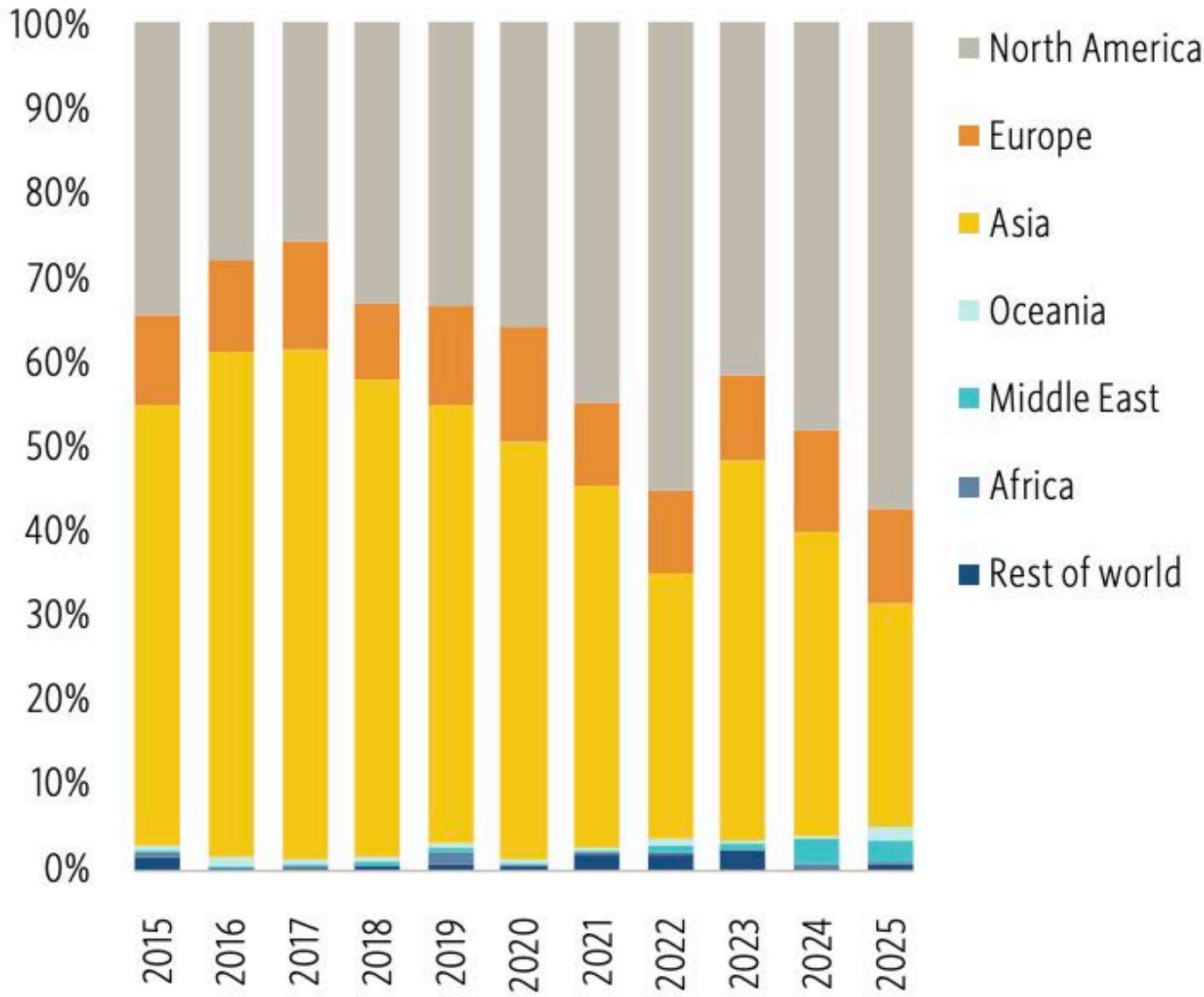
Trailing Four-Quarter YoY Fundraising Changes by Strategy
(Data until September)

	Capital raised (\$B)	YoY change	Fund count	YoY change
Private equity	\$440.0	-32.3%	815	-41.3%
Venture capital	\$140.4	-42.5%	1,509	-45.2%
Real estate	\$93.2	-19.7%	293	-54.5%
Real assets	\$157.7	-11.7%	104	-46.1%
Debt	\$218.1	-16.9%	236	-44.7%
Fund of funds	\$34.3	-18.2%	135	-50.2%
Secondaries	\$122.6	21.9%	78	-45.1%
Co-investment	\$43.4	23.5%	202	-47.0%
Private capital	\$1,249.7	-23.2%	3,372	-45.6%

Source: PitchBook • Geography: Global • As of September 30, 2025

Source: PitchBook

Share of Venture Capital Raised by Region
(Data until September)



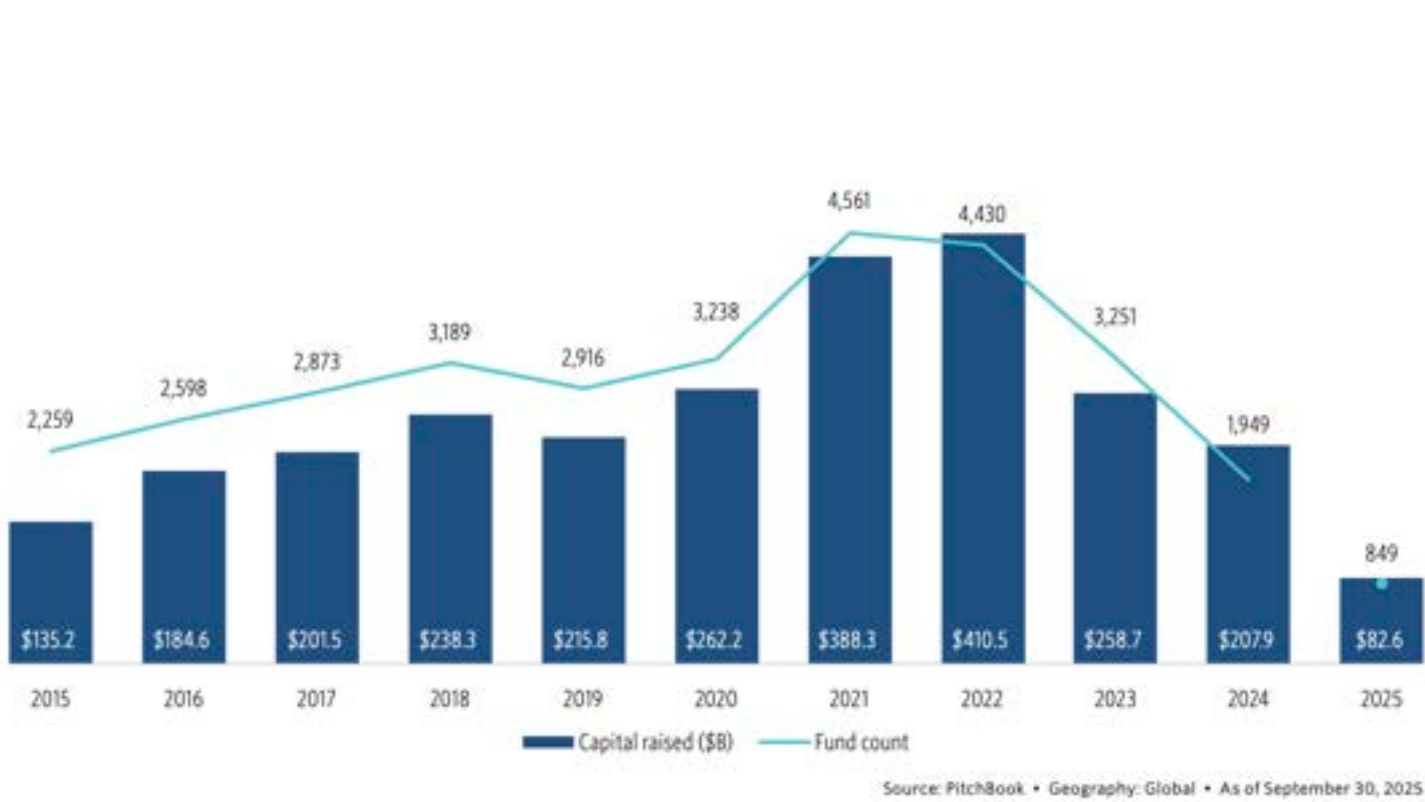
Source: PitchBook • Geography: Global • As of September 30, 2025

Source: PitchBook

Venture Fundraising Data | 2

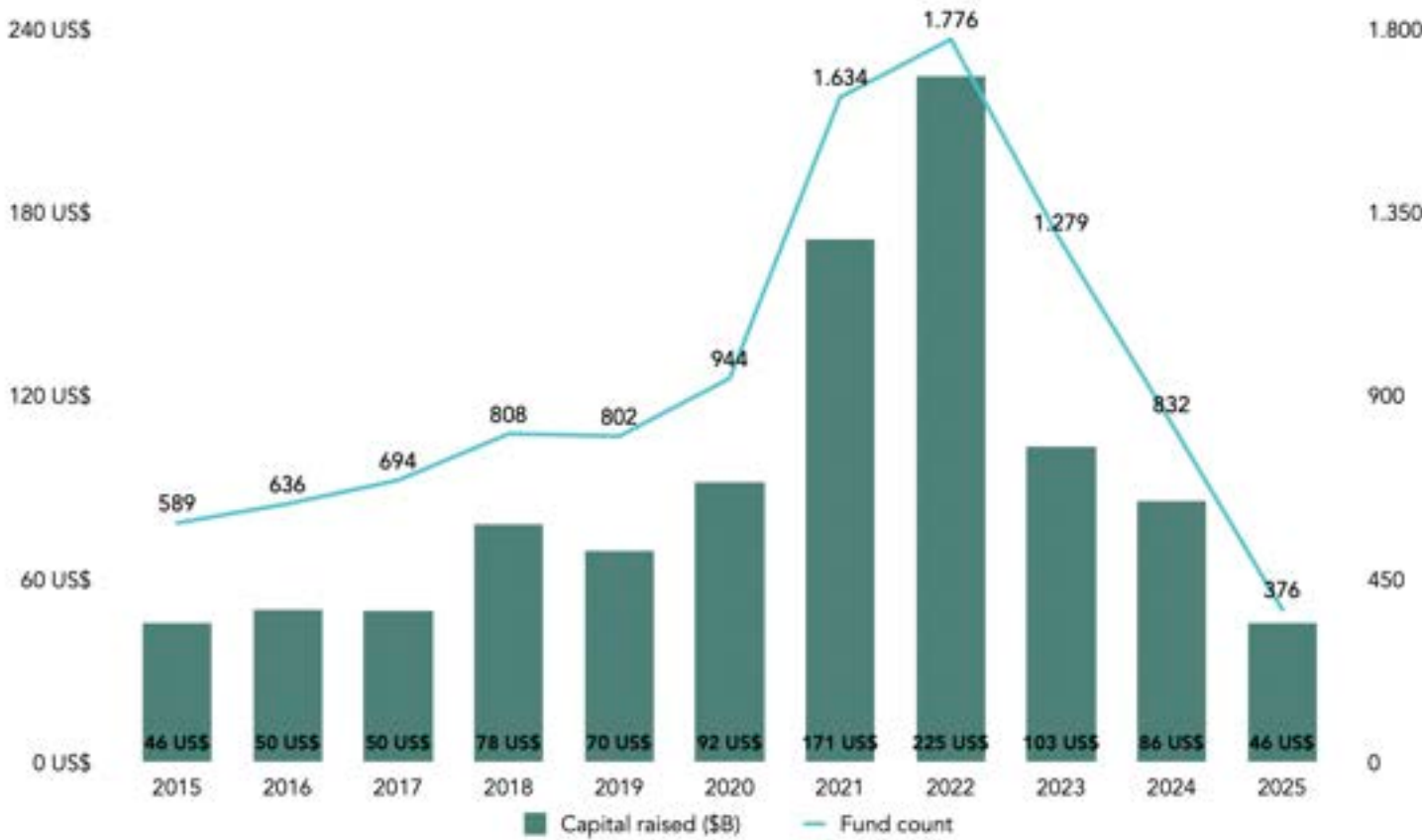
Venture fundraising remains under pressure and 2025 is on track to mark the **fourth straight annual decline**—a trend seen across all major regions. In the U.S., the drop has been steady but manageable, while in Europe, unless a year-end rebound occurs, fundraising could hit a new low for the decade.

Global VC Fundraising Activity
(Data till September)



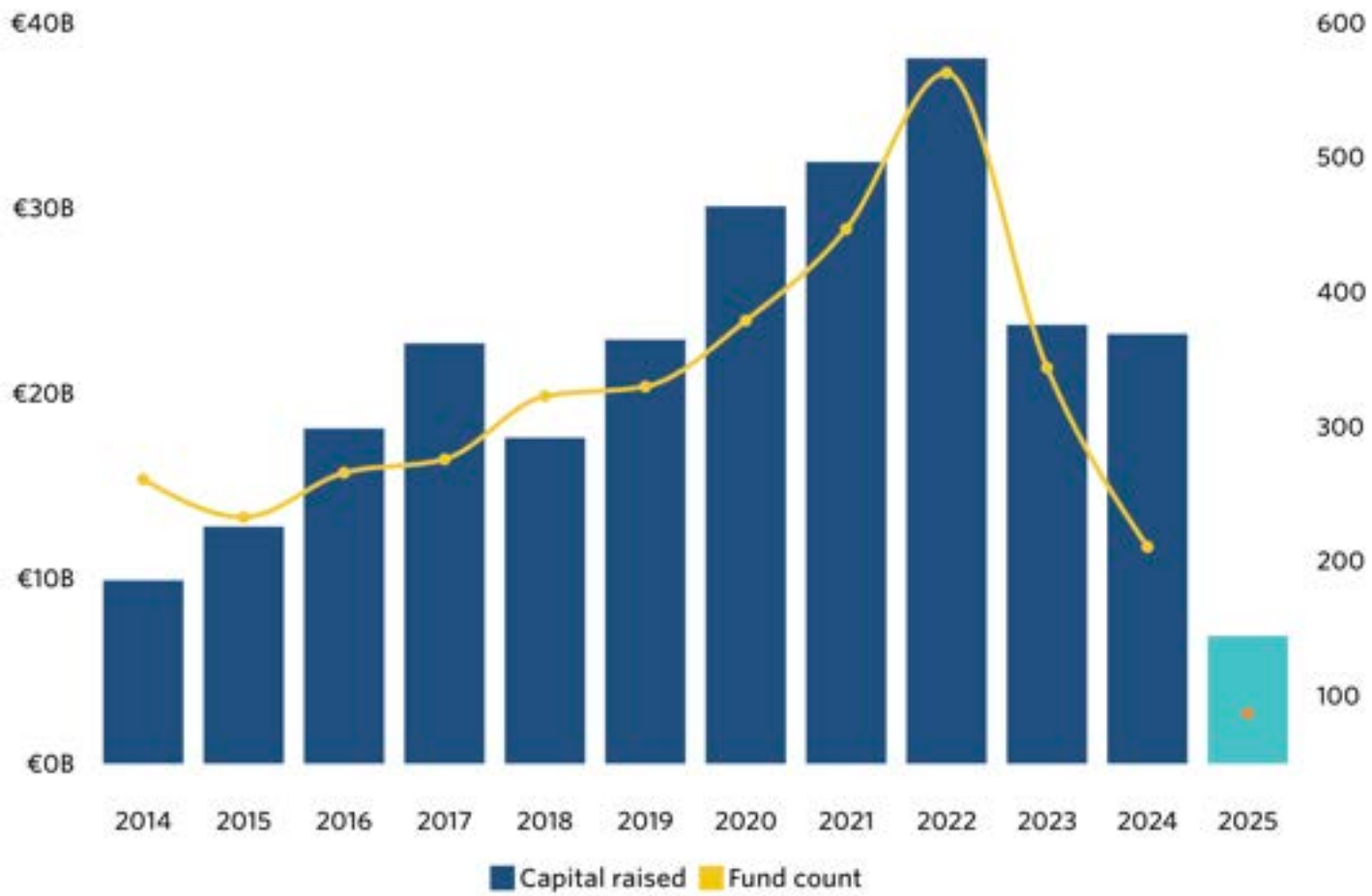
Source: PitchBook

U.S. VC Fundraising Activity
(Data till September)



Source: PitchBook

European VC Fundraising Activity
(Data till September)



Source: PitchBook

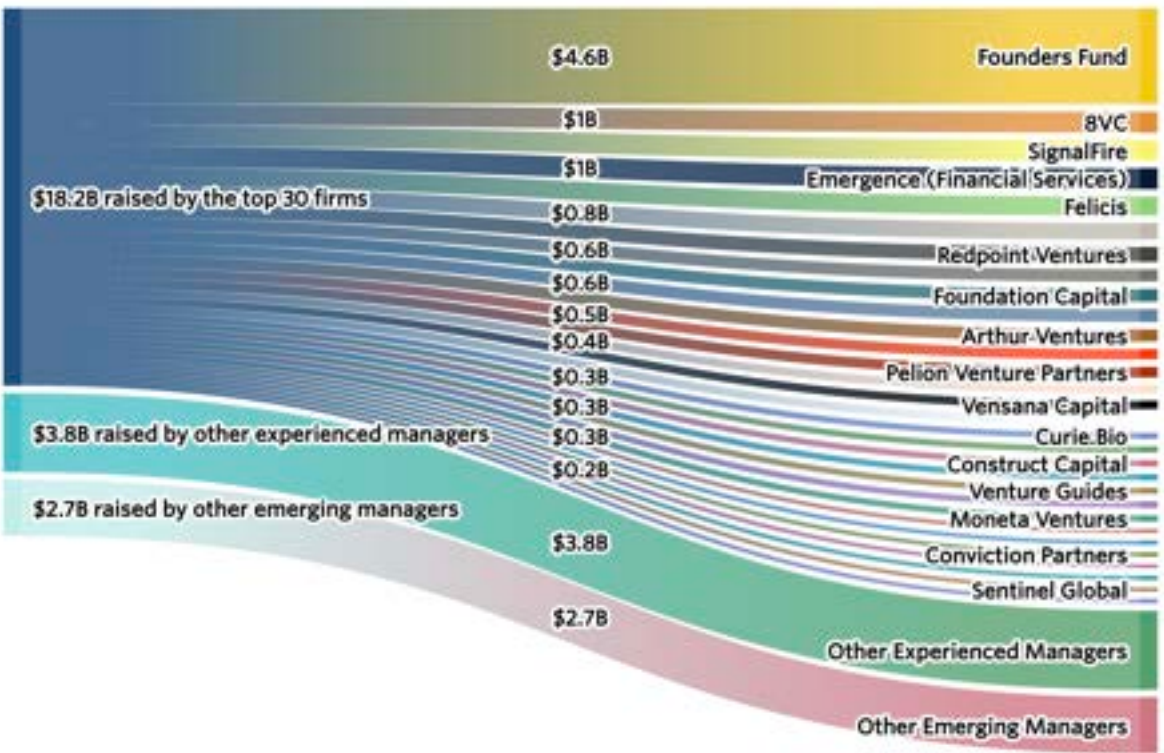
Venture Fundraising Data – Nuances

When the top 30 VC firms alone account for nearly 74% of total fundraising, while emerging managers capture just 11%, it’s a clear sign of the times. This “flight to familiarity” reflects a deeply risk-off environment, where LPs are leaning heavily on brand-name firms with long track records, and sidelining newer entrants—even if they bring differentiated strategies. And this concentration is unlikely to shift in H2, as caution continues to outweigh experimentation.

A key nuance emerging in the current fundraising landscape is the rise of mid-sized funds. Contrary to the popular narrative of a polarized, two-sided market, funds in the \$100–250 million range have steadily increased their share of total funds (#) in the market since 2023. This middle tier is gaining ground as LPs look for specialized strategies with scalable potential—offering a balance between boutique agility and institutional credibility. It’s a sign that the venture ecosystem is not just consolidating at the top, but also evolving with a more robust middle layer.

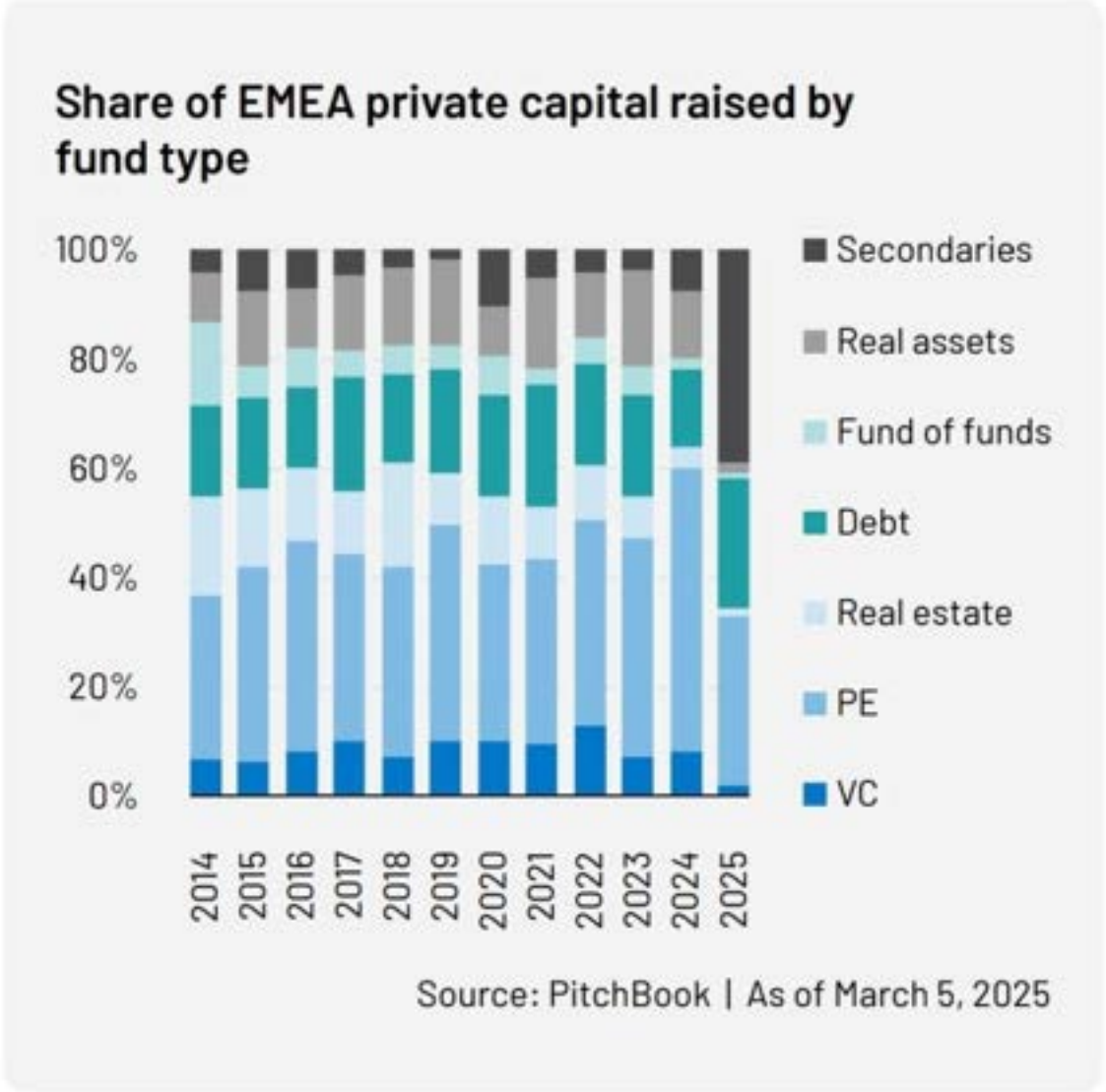
Meanwhile, Europe tells a parallel but distinct story. Private funds there are raising secondaries at a remarkable pace, including within the VC segment. Alongside that, debt is playing a larger role. Altogether, these trends paint a picture of an ecosystem still operating under a risk-managed mindset—concentrated capital, fewer new bets, and increasing interest in liquidity and defensiveness over bold, early-stage exposure. The appetite for innovation is there—but it’s being routed through safer, more predictable vehicles for now.

(Data until June)



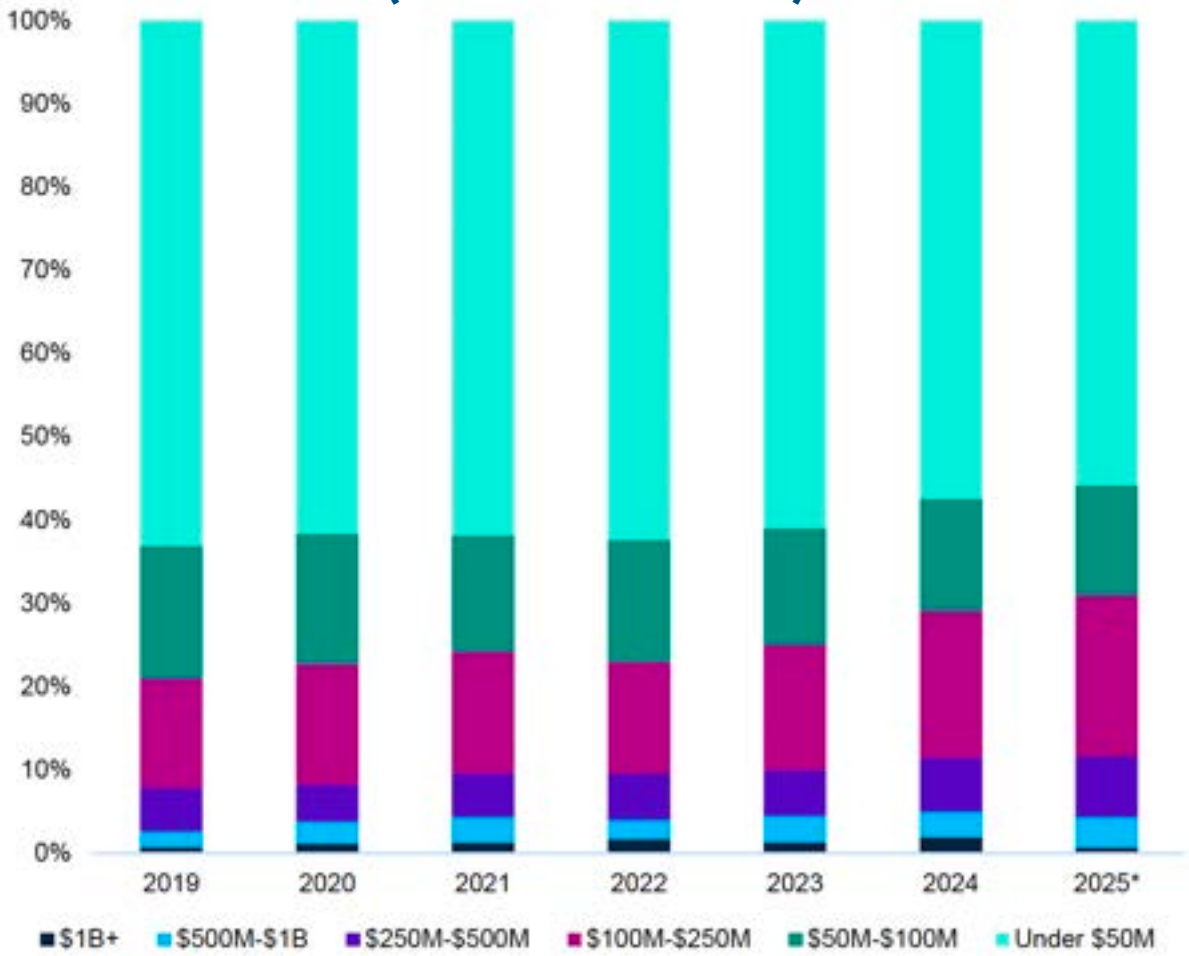
Source: PitchBook

(Data until March)



Source: PitchBook | As of March 5, 2025

Global Venture Fundraising (#) by Size
(Data until June)



Source: PitchBook

[Click graphic for source post/article.](#)

Venture Performance Data | 1

A recent PitchBook analysis modeled how venture capital (VC) exposure affects portfolio performance, and the results were mixed. While allocators often look to VC for high-growth, innovation-driven returns, capturing those gains has been difficult. From 2000 to 2024, adding VC exposure to a diversified public portfolio actually *reduced* performance, with an annualized excess return of -1.21%. The tradeoff was poor: adjusted volatility hit 16.12% versus 11.43% for the benchmark, meaning more risk for weaker returns. Outcomes varied widely, emphasizing how critical manager selection is—strong managers can drive outperformance, while weaker ones drag results down. Important point to note is that the PitchBook’s dataset also underrepresents top-performing VC firms, skewing simulations toward smaller funds with less access to quality deal flow. This gap likely explains much of the underperformance compared with the Nasdaq 100.

On a quarterly basis, short-term results were encouraging across private markets in early 2025. MSCI data showed that venture capital and other private market strategies posted positive returns in the first quarter. According to the latest update from the MSCI Private Capital Universe, all major segments — private credit, private equity, and real assets — began 2025 on a stronger note than they ended 2024.

Start year	End year	Portfolio return	Benchmark return	Excess return	Portfolio volatility	Desmoothed portfolio volatility	Benchmark volatility
2000	2024	5.71%	6.92%	-1.21%	9.25%	16.12%	11.43%
2000	2010	1.83%	3.07%	-1.24%	10.81%	13.31%	12.78%
2010	2020	10.00%	11.59%	-1.59%	6.67%	16.63%	9.45%
2010	2024	8.82%	10.29%	-1.47%	7.54%	17.43%	10.19%
2014	2024	8.15%	9.58%	-1.44%	8.03%	18.87%	10.61%

Source: PitchBook • Geography: US • As of December 31, 2024

Source: PitchBook

Calendar year and quarterly returns (%)					2024				2025
	2020	2021	2022	2023	2024	Q2	Q3	Q4	Q1
MSCI Global Private Equity Closed-End Fund Index	33.2	40.2	-8.4	5.9	5.8	0.9	2.9	0.8	1.8
Venture capital	58.5	49.8	-20.6	-2.1	5.4	-0.3	1.9	2.5	2.0
Expansion capital	17.5	29.5	-10.9	4.3	8.7	1.6	3.6	3.3	1.4
Buyout	24.0	37.3	-1.4	9.7	5.6	1.3	3.3	-0.1	1.6
MSCI ACWI IMI	16.8	18.7	-18.0	22.2	16.9	3.1	6.0	-0.4	-0.9
MSCI World Small Cap	16.5	16.2	-18.4	16.4	8.6	-2.3	9.1	-1.6	-3.2
MSCI Global Private Credit Closed-End Fund Index	5.8	15.4	3.8	10.2	7.1	2.0	2.7	0.6	2.0
Senior	6.7	8.2	3.5	11.8	6.2	2.3	3.4	-0.7	2.9
Mezzanine	8.3	16.0	4.9	11.2	8.2	2.5	2.5	0.9	2.4
Distressed	5.5	21.5	3.5	8.9	7.0	1.4	2.4	1.2	0.6
MSCI USD High Yield Corporate Bond Index	7.2	4.7	-11.8	12.8	8.3	1.4	5.5	0.1	1.3
MSCI USD Investment Grade Corporate Bond Index	10.2	-1.1	-15.3	8.3	2.5	0.4	6.6	-3.2	2.6
MSCI Global Private Real Asset Closed-End Fund Index	0.3	22.5	8.4	1.3	2.6	0.9	2.1	-1.0	1.8
Real estate	1.0	26.1	2.0	-6.3	-2.9	-0.5	0.5	-2.1	0.6
Natural resources	-10.0	32.3	21.4	1.5	3.3	2.0	-1.1	-1.0	0.9
Infrastructure	7.3	13.5	9.5	8.5	6.8	1.9	4.1	-0.2	3.1
MSCI ACWI Natural Resources	-4.0	23.6	8.1	9.2	-2.4	-1.9	4.3	-9.9	7.9
MSCI ACWI Infrastructure	0.3	6.0	-4.2	4.8	15.5	3.1	15.4	-5.6	9.7

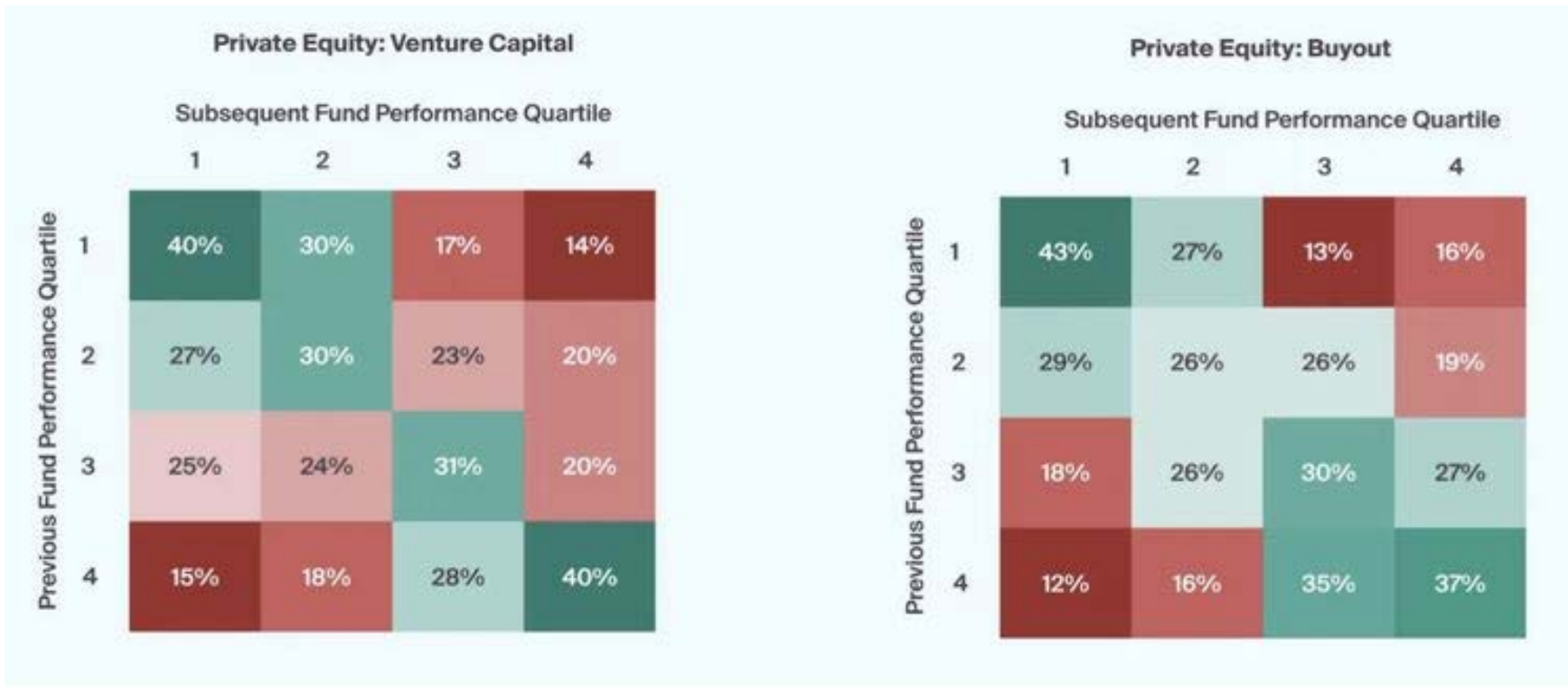
Source: MSCI

VC Fund Cheatsheet Q2 2025												
Low / Medium / Good / Best marks for key fund performance metrics												
Data: 2,715 US venture funds using Carta fund admin Data as of Q2 2025												
Vintage	Net IRR				Net TVPI				DPI			
	Low Quartile	Median	Top Quartile	Top Decile	Low Quartile	Median	Top Quartile	Top Decile	Low Quartile	Median	Top Quartile	Top Decile
2017	5.8%	13.8%	20.2%	33.9%	1.34x	2.00x	2.78x	4.35x	0.06x	0.30x	0.63x	1.79x
2018	2.1%	8.8%	16.7%	26.8%	1.10x	1.48x	2.22x	3.29x	0.00x	0.05x	0.25x	0.52x
2019	-0.6%	6.8%	14.8%	26.4%	0.98x	1.30x	1.77x	2.70x	0.00x	0.00x	0.13x	0.48x
2020	-2.0%	3.2%	13.0%	23.0%	0.93x	1.11x	1.52x	2.20x	0.00x	0.00x	0.08x	0.26x
2021	-4.9%	0.4%	7.6%	18.8%	0.88x	1.01x	1.21x	1.61x	0.00x	0.00x	0.00x	0.09x
2022	-6.6%	-0.4%	8.3%	21.9%	0.88x	0.99x	1.16x	1.45x	0.00x	0.00x	0.00x	0.03x
2023	-13.0%	-4.0%	6.1%	32.9%	0.84x	0.96x	1.07x	1.40x	0.00x	0.00x	0.00x	0.01x
2024	-21.8%	-13.0%	0.0%	30.9%	0.86x	0.91x	1.00x	1.17x	0.00x	0.00x	0.00x	0.00x
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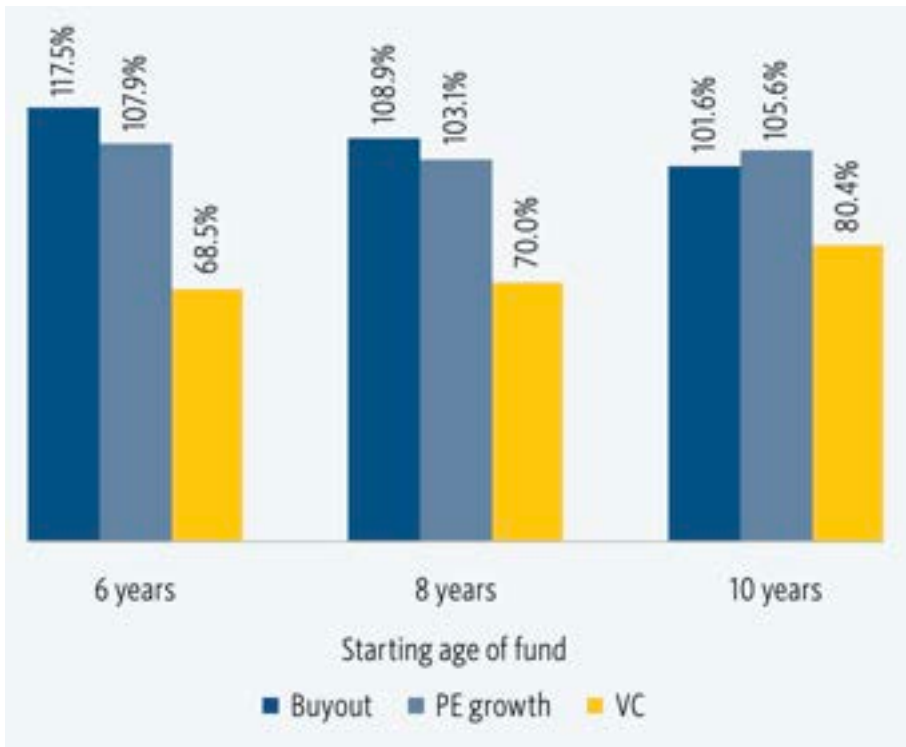
Venture Performance Data | 2

Is there performance persistence in Venture? In public markets, it's well established that alpha doesn't stick around for long — the managers who beat the market one year often fall back to average the next. Private markets, however, play by a different set of rules. They're less liquid, more opaque, and heavily reliant on access to deals and strong execution. Here, "persistence" refers to how much a general partner's past fund performance can actually predict their future success.

U.S. Venture Performance: The Nasdaq Composite has outperformed Cambridge Associates' U.S. Venture Capital Index — which tracks over 2,600 VC funds — across every time frame: 1, 3, 5, 10, 15, 20, and even 25 years. And that's based on average returns, which are skewed upward by a few big winners; the median fund likely fares worse. While VC returns should be judged over longer horizons, the data still shows that, on average, investors would have done better simply holding a Nasdaq ETF. The takeaway? Treat VC with realistic expectations. It can produce exceptional results, but most funds fall short of their 3–5x targets. Unless you have access to top-tier managers or prefer the thrill of the game, you're probably better off owning the Nasdaq.



Source: CAIS



Source: PitchBook

US VENTURE CAPITAL								
AS OF MARCH 31, 2025								
FUND INDEX SUMMARY: HORIZON POOLED RETURN COMPARED TO CA MODIFIED PUBLIC MARKET EQUIVALENT (MPME) Net to Limited Partners								
CA INDEX	1-QUARTER	1-YEAR	3-YEAR	5-YEAR	10-YEAR	15-YEAR	20-YEAR	25-YEAR
CAMBRIDGE ASSOCIATES LLC US VENTURE CAPITAL INDEX®	2.16	5.96	-4.42	16.35	13.39	15.02	12.12	6.86
MPME ANALYSIS²								
mPME Constructed Index: MSCI World/MSCI All Country World Index³ (gross)		7.47	8.03	14.93	9.49	9.52	8.41	7.28
Value-Add (bps)		-151	-1246	142	390	549	372	-42
mPME Russell 2000® Index		-4.27	0.88	11.72	6.04	9.14	7.75	7.49
Value-Add (bps)		1023	-530	-464	735	588	437	-63
mPME Constructed Index: NASDAQ Composite Price Index/NASDAQ Composite Total Return⁴		6.20	8.07	18.87	14.55	15.34	12.57	8.74
Value-Add (bps)		-24	-1250	-251	-116	-32	-44	-188

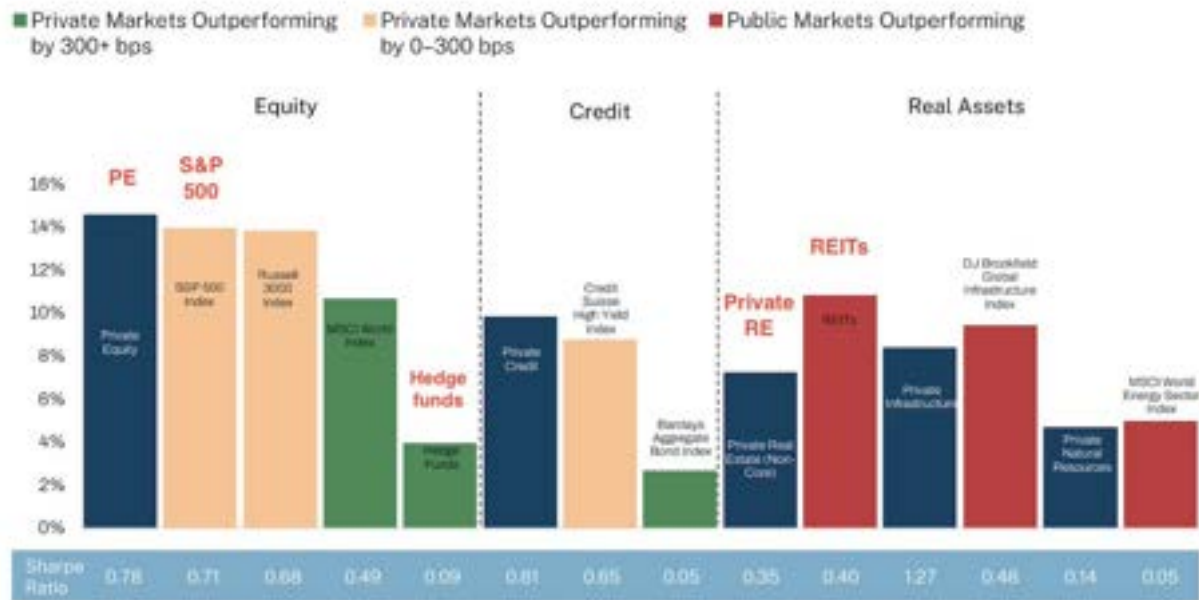
Source: Cambridge Associates



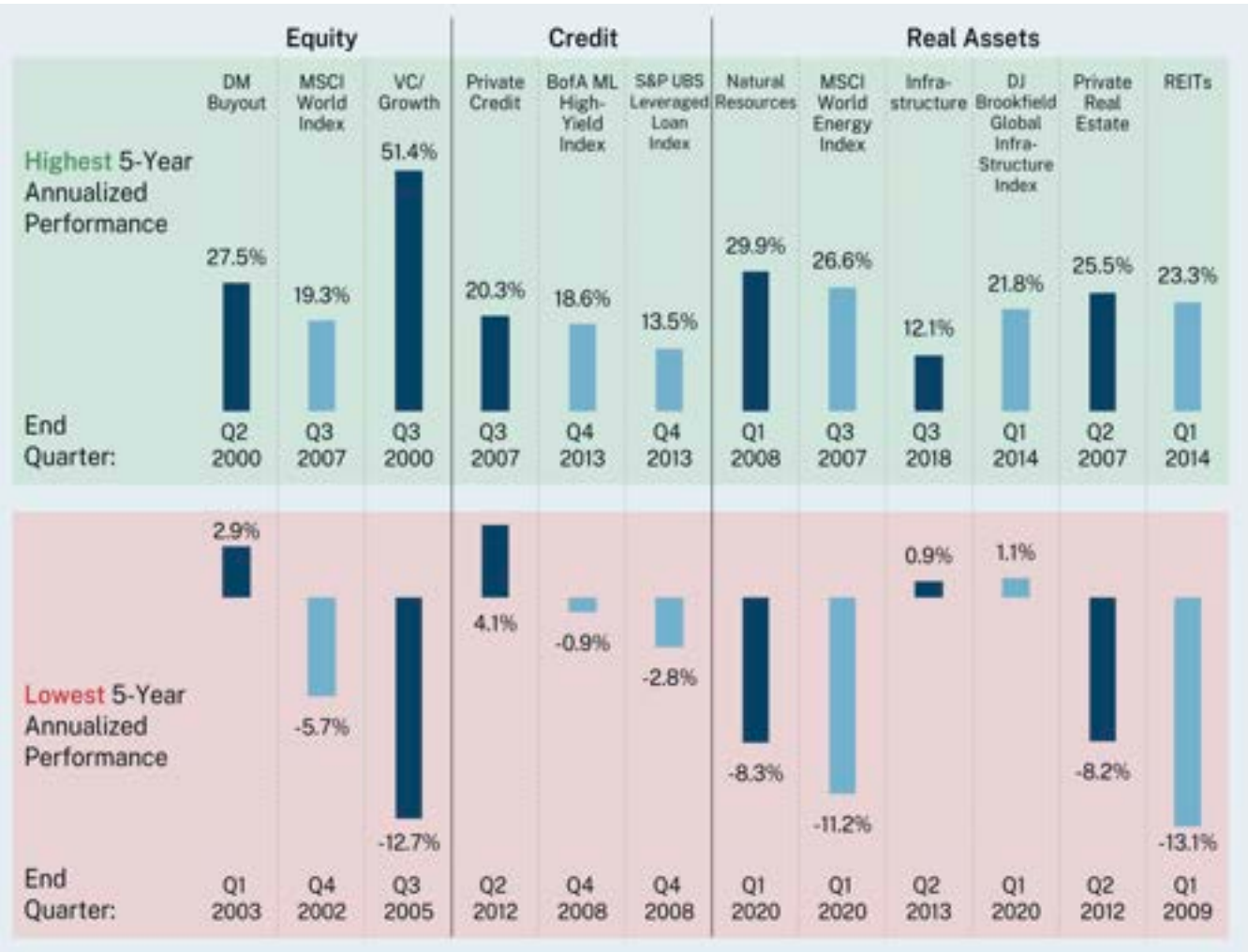
Venture Performance Data | 3

I don't have much to add here, as I've already covered venture performance in detail in the *Rethinking Venture Capital* report.

15-Year Asset Class Performance
Annualized Time-Weighted Return as of 12/31/2023



Please refer to definitions in Appendix.
Source: Hamilton Lane Data via Capital, Bloomberg. Indices used: Hamilton Lane All Private Equity with volatility de-smoothed; S&P 500 Index; Russell 2000 Index; MSCI World Index; HFRI Composite Index; Hamilton Lane Private Credit with volatility de-smoothed; Credit Suisse High Yield Index; Barclays Aggregate Bond Index; Hamilton Lane Private Real Estate with volatility de-smoothed; Hamilton Lane Private Infrastructure with volatility de-smoothed; Hamilton Lane Private Natural Resources with volatility de-smoothed; FTSE-Russell Equity REIT Index; DJ Brookfield Global Infrastructure Index; MSCI World Energy Sector Index. Geometric mean returns in USD. Assumes risk free rate of 2.43% representing the average yield of the ten-year treasury over the last fifteen years. (May 2024)



Private Capital Indexes annualized returns

Index	1-year	5-year	10-year	15-year
Private equity	4.3%	15.5%	14.0%	14.6%
Venture capital	6.8%	11.8%	11.4%	13.2%
Real estate	2.2%	7.1%	7.4%	9.6%
Real assets	3.1%	11.3%	7.0%	7.7%
Private debt	5.9%	9.6%	7.6%	8.8%
Funds of funds	8.2%	13.8%	12.3%	12.2%
Secondaries	5.9%	15.1%	11.6%	13.4%
Private capital	4.3%	13.2%	11.4%	12.3%

Source: PitchBook • Geography: Global • As of June 30, 2025

Select PitchBook Private Capital Indexes quarterly returns

Index	Q3 2024	Q4 2024	Q1 2025	Q2 2025
Private equity	2.7%	1.3%	1.3%	-1.1%
Buyout	2.8%	0.9%	1.2%	-1.8%
Growth/expansion	1.6%	3.7%	2.3%	2.7%
Venture capital	1.6%	1.5%	0.8%	2.7%
Early-stage VC	0.1%	3.3%	2.6%	2.2%
Multi- & later-stage VC	2.2%	0.8%	0.1%	2.9%
Real estate	1.0%	-1.1%	0.3%	2.0%
Opportunistic	2.0%	-2.6%	-0.2%	2.3%
Value-add	-0.7%	0.3%	1.3%	0.3%
Real assets	2.1%	-0.2%	2.4%	-1.2%
Infrastructure	2.5%	0.1%	2.9%	-1.4%
Natural resources	0.9%	-1.5%	0.0%	-0.2%
Private debt	2.6%	0.6%	-1.0%	3.6%
Direct lending	2.6%	1.3%	-0.5%	8.0%
Distressed	1.4%	0.7%	-2.3%	2.0%
Mezzanine	3.7%	-0.6%	-0.9%	3.2%
Funds of funds	0.6%	0.7%	0.7%	6.1%
PE FoFs	1.3%	0.6%	0.1%	6.5%
VC FoFs	-0.2%	1.7%	-0.1%	11.1%
Secondaries	0.7%	3.7%	0.3%	1.2%
Private capital	2.3%	0.9%	1.0%	0.1%

Source: PitchBook • Geography: Global • As of June 30, 2025

Note: Q2 2025 data in this report is preliminary. As of Q1 2025, the total net asset value (NAV) of included funds was \$4.3 trillion.

Range of returns IRR
by investment stage and subcategories

Charts 4 and 5 - Range of returns - Since Inception IRR (%) by investment stage and subcategory



Private capital horizon IRRs

	Q2 2025*	1-year	3-year	5-year	10-year
Private equity	-1.0%	7.5%	5.9%	17.5%	14.7%
Venture capital	2.7%	2.6%	-4.7%	13.6%	11.6%
Real estate	2.1%	-0.4%	-1.5%	6.3%	7.6%
Real assets	-1.2%	9.6%	8.4%	12.0%	7.7%
Private debt	4.0%	3.8%	6.3%	9.2%	7.8%
Funds of funds	6.0%	1.8%	-0.8%	15.1%	12.3%
Secondaries	1.2%	6.6%	6.1%	15.7%	12.8%
Private capital	0.1%	6.0%	4.5%	14.2%	11.8%

Source: PitchBook • Geography: Global • As of March 31, 2025

*Q2 2025 figures are preliminary quarterly returns.

Click graphic for source post/article.



Venture Performance Data | 4

I don't have much to add here, as I've already covered venture performance in detail in the *Rethinking Venture Capital* report.

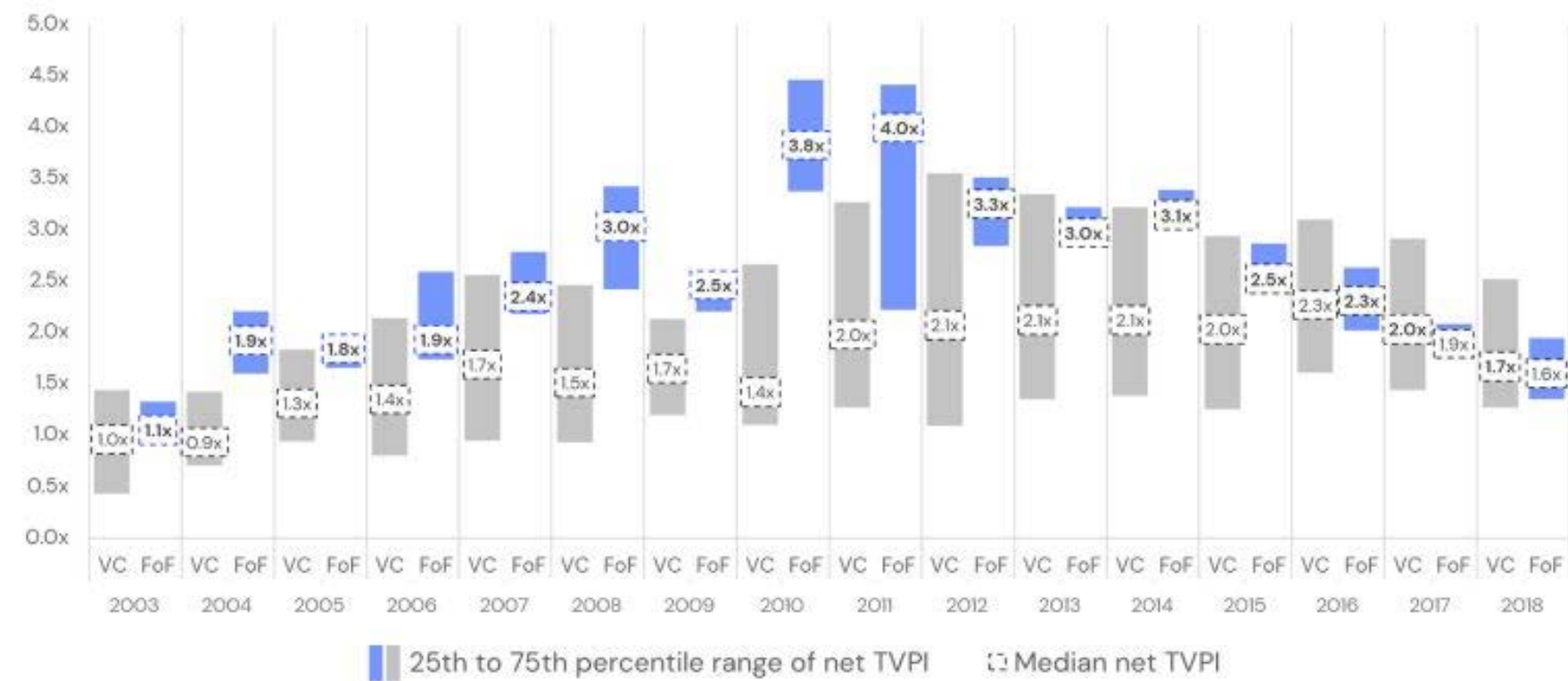
IRR - as of June 30th, 2025				
Vintage Year	25th percentile	50th percentile	75th percentile	90th percentile
2017	12.1%	17.0%	28.0%	38.4%
2018	9.0%	17.4%	22.4%	45.3%
2019	6.7%	16.3%	27.6%	38.1%
2020	4.6%	12.1%	19.9%	30.8%
2021	-1.9%	1.9%	6.9%	13.8%
2022	-3.5%	1.6%	8.1%	15.7%
2023	-7.5%	-1.3%	8.0%	22.1%
AngelList				

DPI - as of June 30th, 2025				
Vintage Year	25th percentile	50th percentile	75th percentile	90th percentile
2017	0.07x	0.30x	0.69x	1.09x
2018	0.05x	0.27x	0.57x	1.20x
2019	0.00x	0.07x	0.25x	0.75x
2020	0.00x	0.04x	0.13x	0.61x
2021	0.00x	0.00x	0.04x	0.11x
2022	0.00x	0.00x	0.02x	0.11x
2023	0.00x	0.00x	0.00x	0.01x
AngelList				

What does it take to be a Top Quartile VC Fund?
Select performance benchmarks for 2018 vintage funds

Benchmark	# TVPI	# DPI	% IRR
AngelList	3.95	0.51	26.40%
PitchBook	2.21	0.64	22.20%
Cambridge	2.18	0.42	18.99%
Carta	1.95	0.20	15.50%
EIF/TrackVC	1.59	0.32	12.70%

Net TVPI performance of Venture Funds vs Fund of Funds by vintage



Data source: PitchBook, Global Venture Fund, and Venture Fund of Funds Performance Data (2003–2018 vintages)
Note: Analysis based on net TVPI for venture capital funds and venture-focused Fund of Funds

Click graphic for source post/article.

European Venture Performance Data

The European Investment Fund (EIF), working with BlackRock, has launched a free online portal that tracks the performance of Europe’s venture capital and private equity markets over the past decade. The platform provides key benchmarks and metrics such as Net IRR, TVPI, and DPI, giving investors a clear view of how the asset class has evolved.



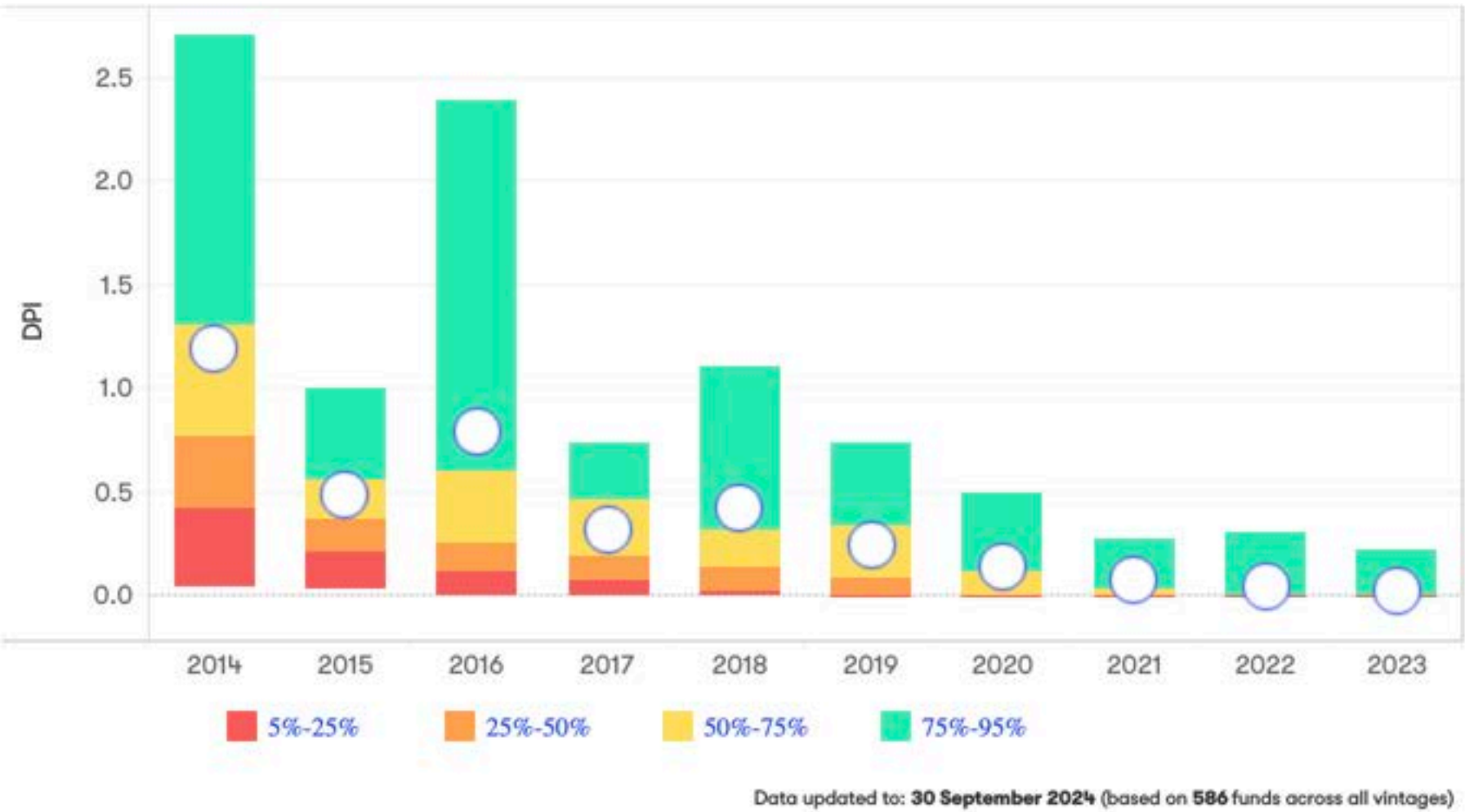
European Investment Fund (EIF)
104,382 followers
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🚧 TrackVC is live! 🚧

10 years of data. 1,000+ VC/PE funds. All available to you – for free.

In collaboration with [BlackRock](#)—which is providing fund performance benchmark data—the EIF has developed a free portal to track the performance of European VC & PE markets over the last decade -with key metrics such as Net IRR, TVPI, and DPI.

Whether you're investing, managing, or shaping policy, now's the time to dive into the data behind Europe's innovation story.

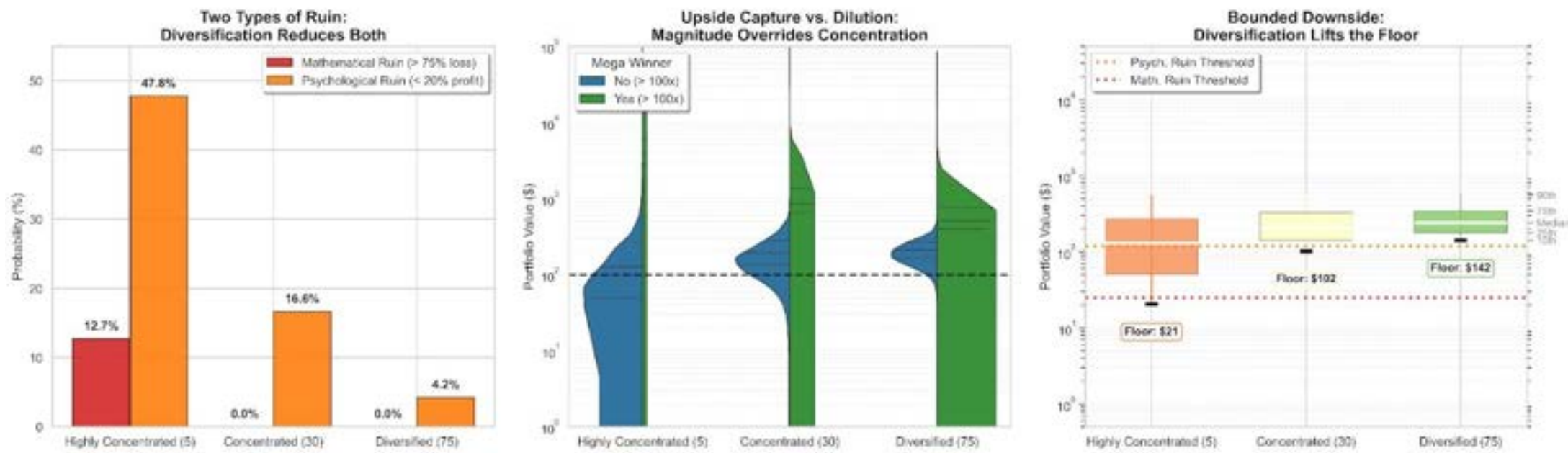


Venture Diversification, Dispersion, Volatility, and Drawdowns

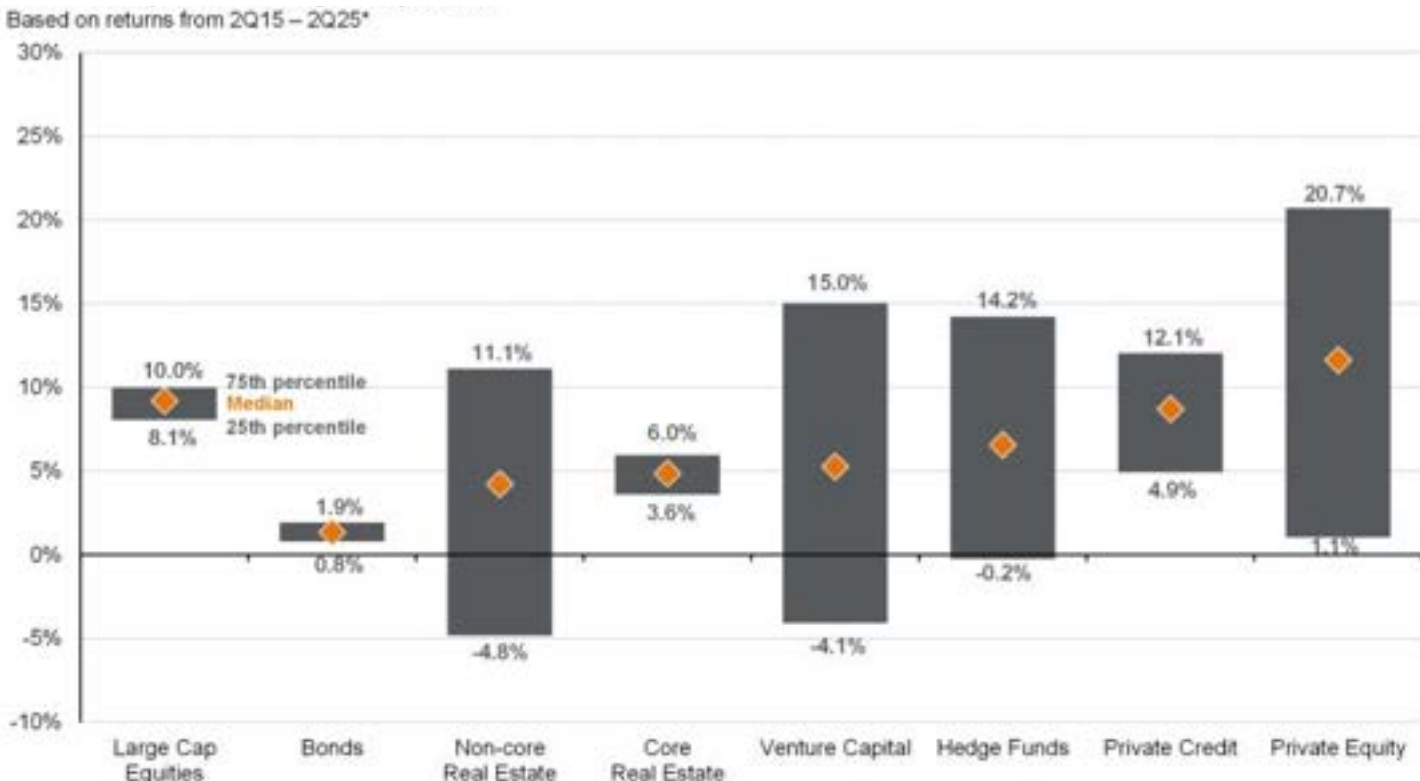
1st chart is from Steve Kim’s recent post highlights diversification aspect in Venture. VC investors face two kinds of ruin — *mathematical* (losing all capital) and *psychological* (giving up too early). The latter is more common and more damaging. Diversification isn’t just about reducing risk; it keeps investors in the game long enough to benefit from long-term power-law returns. Power laws define venture outcomes: a few massive winners drive most returns. Concentration risks missing those rare outliers, while diversification increases the odds of capturing them — even if individual wins are diluted. In essence, diversification protects against both types of ruin: it prevents total loss and provides enough small wins to sustain conviction until the big winners appear. It’s not a defensive tactic; it’s a strategy for compounding and surviving long enough to capture asymmetric upside.

The other two charts highlight the well-known reality that venture capital shows far greater performance dispersion than any other asset class.

The Mathematics of Diversification in Venture



Public and Private Manager Dispersion



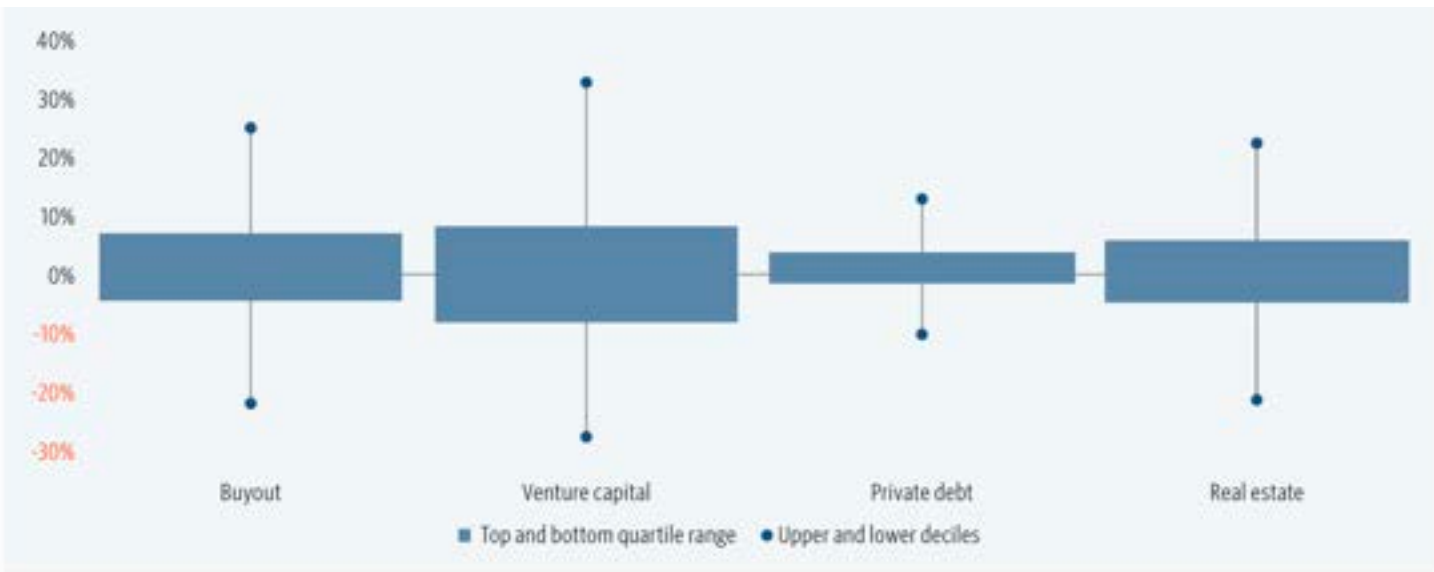
Annualized volatility estimates since 2000



Peak-to-trough drawdowns in select periods

Index	Dot-com bubble	GFC	COVID-19 pandemic	Post-pandemic
Private equity	-25.6%	-27.1%	-8.5%	-2.8%
Venture capital	-67.5%	-17.1%	-1.9%	-21.3%
Real estate	-2.7%	-53.8%	-3.0%	-6.2%
Real assets	-6.2%	-12.6%	-12.1%	-1.2%
Private debt	-3.5%	-26.8%	-6.0%	-1.0%
Funds of funds	-63.2%	-22.9%	-1.0%	-6.3%
Secondaries	-12.8%	-18.6%	-4.8%	-2.3%
Private capital	-25.7%	-26.6%	-6.9%	-1.9%
S&P 500	-43.8%	-45.8%	-19.6%	-23.9%
Global Markets	-43.1%	-48.7%	-22.1%	-25.4%
Global Real Estate	-9.0%	-63.3%	-25.8%	-29.4%
Global Energy	-21.6%	-45.4%	-44.4%	-6.4%
Global High Yield	-8.2%	-26.9%	-13.8%	-17.8%

Excess IRR Dispersion by Private Market Strategy



Click graphic for source post/article.

Note: Public indexes are based on quarter-end total returns. Public indexes aside from the S&P 500 are provided by Morningstar indexes. Peak-to-trough drawdowns use the reported series.

Sources: Morningstar and PitchBook • Geography: Global • As of June 30, 2025

Note: Includes funds from vintage years 2004 to 2017. Excess IRR is the difference between a fund's IRR and the median IRR of its asset class and vintage year.

Venture Performance & Skin in the Game

Social Capital Benchmarked Returns – 12/31/2024

Fund	Paid-In Capital	Carrying Value	Gross IRR	Net IRR	Gross TVPI	Net TVPI	Gross DPI	Net DPI
I (2011)	\$1,043M	\$1,043M	20.8%	14.4%	3.9x	2.8x	2.7x	2.1x
II (2013)	\$1,475M	\$1,475M	34.9%	26.2%	5.9x	3.9x	4.5x	3.4x
III (2015)	\$1,447M	\$1,447M	21.3%	14.4%	2.6x	2.1x	1.3x	1.2x
Opportunities I	\$253M	\$253M	19.7%	17.3%	2.5x	2.3x	2.1x	1.9x
Opportunities II	\$56M	\$56M	19.4%	12.3%	2.4x	1.8x	1.4x	1.4x
Proprietary Capital (2019)	\$1,408M	\$2,147M	29.3%	19.1%	1.5x	1.3x	0.9x	0.9x

VC Fund Performance | Net TVPI

Good / Better / Best for current TVPI marks at US venture funds

Data: 1,700 US venture funds using Carta Fund Admin | Vintage years 2017–2022 | As of Q1 2025

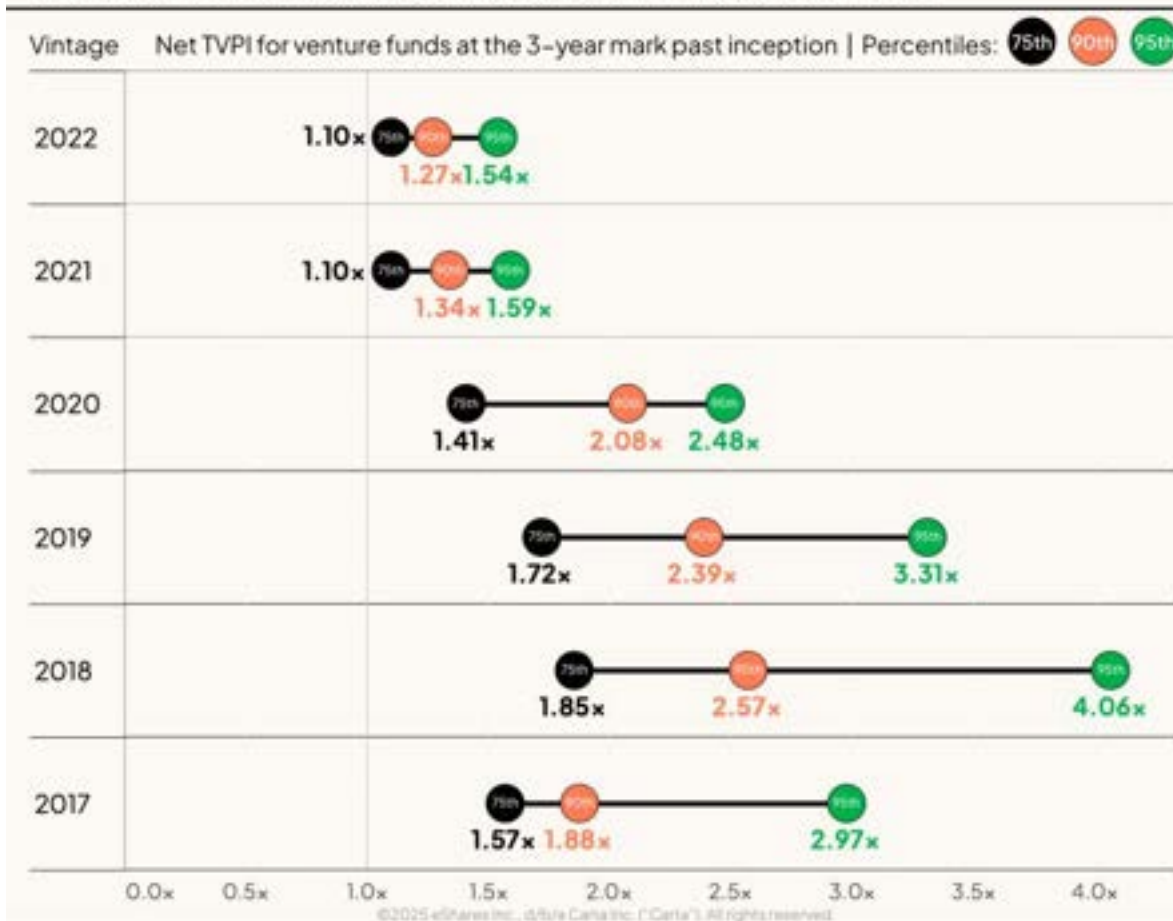
Current benchmarks as of Q1 2025 for Net TVPI by fund size and vintage year							
Net TVPI	Fund Size	2017	2018	2019	2020	2021	2022
50th pct Median	\$1M - \$10M	2.14x	1.72x	1.19x	1.08x	1.00x	0.95x
	\$10M - \$25M	1.75x	1.31x	1.22x	1.08x	0.97x	0.97x
	\$25M - \$100M	1.52x	1.35x	1.23x	1.07x	1.00x	0.99x
	\$100M+	1.80x	1.28x	1.19x	1.08x	0.96x	0.97x
75th pct Top quartile	\$1M - \$10M	3.04x	2.21x	1.52x	1.50x	1.15x	1.09x
	\$10M - \$25M	2.29x	1.76x	1.57x	1.42x	1.10x	1.08x
	\$25M - \$100M	2.11x	1.82x	1.77x	1.26x	1.16x	1.12x
	\$100M+	2.27x	1.41x	1.39x	1.42x	1.10x	1.11x
90th pct Top decile	\$1M - \$10M	4.65x	4.42x	2.11x	2.14x	1.64x	1.27x
	\$10M - \$25M	3.66x	2.29x	2.14x	1.89x	1.36x	1.31x
	\$25M - \$100M	4.24x	2.52x	2.36x	1.65x	1.36x	1.34x
	\$100M+	2.73x	1.49x	1.76x	1.55x	1.21x	1.26x
95th pct Top 5%	\$1M - \$10M	6.69x	7.01x	4.63x	4.38x	2.06x	1.46x
	\$10M - \$25M	5.06x	2.48x	2.40x	2.28x	1.59x	1.55x
	\$25M - \$100M	6.28x	3.41x	2.61x	2.33x	1.53x	1.50x
	\$100M+	2.90x	1.56x	1.96x	1.58x	1.33x	1.32x

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What does “good” look like for VC funds 3 years into their fund lifecycle?

Data: 965 US venture funds using Carta Fund Admin | Vintages 2017–2022



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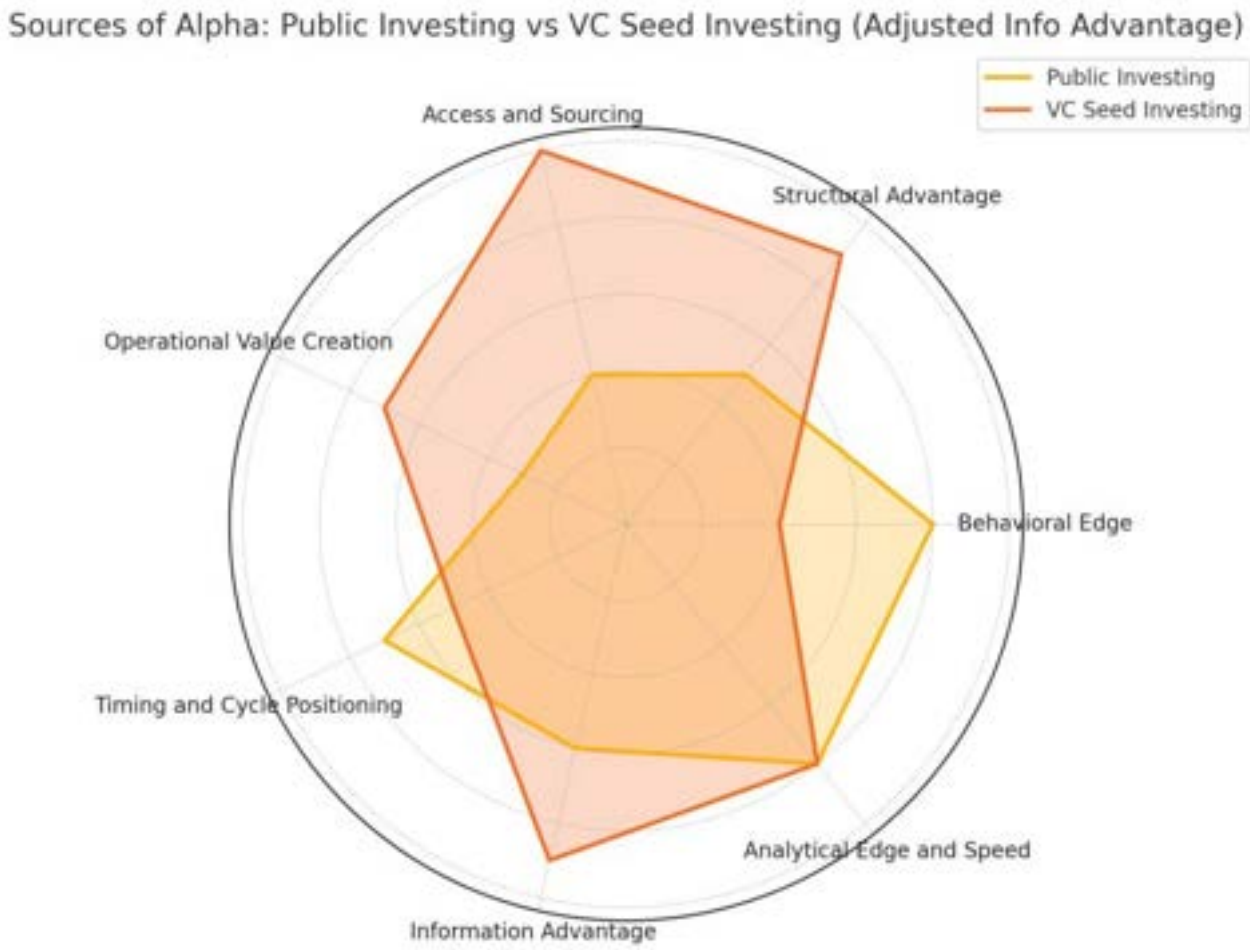
Skin in the game

Peter Thiel's personal investment in every Founders Fund vintage



Fund	Size	GP (Thiel) Contribution	Other Investors
FF I (2005)	\$50M	\$38M 76%	\$12M
FF II (2007)	\$227M	\$22M 10%	\$205M
FF III (2010)	\$250M	\$61M 24%	\$189M
FF IV (2011)	\$625M	\$167M 27%	\$458M
FF V (2014)	\$1.1B	\$253M 23%	\$847M
FF VI (2017)	\$1.4B	\$373M 27%	\$1.0B
FF VII (2020)	\$1.5B	\$284M 19%	\$1.2B
FF VIII (2023)	\$979M	\$249M 25%	\$730M
FF Growth I (2020)	\$1.7B	\$249M 15%	\$1.5B
FF Growth II (2023)	\$3.4B	\$920M 27%	\$2.5B

About Venture Alpha And Venture Math



This chart from Level VC offers a compelling framework for thinking about alpha generation across different buckets, drawing a thoughtful comparison between public market investing and VC seed investing. It reinforces a key point: while both asset classes seek excess returns, the paths to alpha look very different. In venture, particularly at the seed stage, generating alpha isn't just about picking winners—it's about developing differentiated access, conviction early on, and the ability to navigate long, illiquid holding periods. As private company lifecycles extend and market dynamics become more complex, VC alpha is increasingly earned through strategy, and not just selection.

Source: Level VC



Josh Kopelman • Following
Partner, First Round Capital
2mo •

The Venture Arrogance Score:
A simple formula to evaluate a VC firm's business model

The Math That Exposes Mega Fund Arrogance: An Honest Assessment of Longshots

There's a lot embedded in the concept of the Venture Arrogance Score—at its core, it's a pointed critique of large and mega venture capital funds. The score serves as a simple yet powerful way to expose the structural challenges these funds face in delivering true venture-scale returns. As fund size grows, so does the pressure to deploy massive amounts of capital, often stretching investment discipline and return potential.

Thoughtful Nuggets - Is Venture Broken?

“What we see is that mega-funds are making their presence known, but seem to be mostly focused on the larger Seed rounds. This is what we expected to see given larger funds tend to write larger checks. To sum it up, we believe both causation and correlation is going on in these bigger Seed rounds with more mega-fund participation”

Is Venture Broken? What 2,000+ Priced Early-Stage Rounds Tell Us about the State of Seed & Series A



Elizabeth "Beezer" Clarkson
 Partner at Sapphire Partners, Co-Founder at OpenLP, Co-Host
 Origins Podcast

August 26, 2025

Priced Seed Rounds | 2022-H1 2025
 Bay Area & NYC Only | Lead / Co-Lead

OpenLP From SAPPHERE PARTNERS



Source: PitchBook, June 2025

Thoughtful Nuggets - Europe | 1

Europe's pension problem is constraining VC ambitions

By Leah Hodgson

Published October 10, 2025

Europe's companies need cash, but the retail market needs safeguards

If household savings flow into VC and private equity, the broader economy may benefit but investment risks are borne by individuals

KENNETH LAMONT

+ Add to myFT

UK venture capital: why now for UK pensions

Venture capital is becoming a viable option for pension savers – we explore the investment case.

Wallenbergs in Talks to Back €5 Billion Europe Tech Fund

By [Gian Volpicelli](#), [Jorge Valero](#), [Sara Sjolín](#), and [Clara Hernanz Lizarraga](#)

October 28, 2025 at 8:24 AM GMT+1

Updated on October 29, 2025 at 9:13 AM GMT+1

Opinion July 25, 2025

IPOs are not an act of patriotism

It's time to stop chastising European founders who choose to list in the US

Fergal Mullen 5 min read



Johann Nordhus Westarp • 2nd

Entrepreneur & Investor at Lucid

1mo •

+ Follow

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[Y Combinator](#) is terrible for Europe and creates orphaned companies.

1. I see a huge talent drain of great people moving to SF (they actually get pushed by YC) in the illusion that its all easier to find customers and build great products.

2. Even if they want to return to Europe, its a different ball game to build in Europe vs the US. Customers are different, talent is different. I observed many companies struggling to sell outside the "tech bubble" in SF or Europe. While it might work in the US, 99% of the market in Europe is SME, Mittelstand and traditional Enterprise.

3. The demo day rounds usually happen on 20m+ SAFEs. Oftentimes the 1-3m rounds are heavily fragmented through angels, YC index funds and smaller investors. Its great if everything goes up and to the right but in my experience those investors dont care about you if things go sideways.

In my view, [Y Combinator](#) is a liability to European founders.



Ertan Can • Following

Founder @ Multiple Capital | Investor in micro VC funds

2mo •

Fundraising #60

European LPs always try to make GPs compliant, submissive, and quiet. They are allowed an opinion, but not to be contrarian. The GP should not look, act, or talk contrary. They want outlier returns without accepting outlier thinking or acting. That's the fundamental paradox I see with many European LPs.

It is impossible to generate long-term outlier returns by keeping your focus on traditional bankable products. Don't buy the track record of the largest funds today when their track record was produced with small funds in the past. Don't buy IBM and expect NVIDIA or Openai.



Robert Falck • 2nd

CEO, Inventor & founder Einride

3d •

+ Follow

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Europe Needs to Stop Calling It 'Risk Capital'—It's Venture.

Europe has always been a place of groundbreaking ideas. From the printing press to the World Wide Web, we have shaped the world through innovation. Today, we are home to some of the brightest minds in AI, biotech, deep tech, and green energy.

Yet, we still hold ourselves back.

No matter which language you speak, we call it "risk capital."

Capital-risque (French)

Risikokapital (German)

Capital de riesgo (Spanish)

Risk. A word that implies hesitation, caution—fear of what could go wrong. But in the U.S., they call it venture capital—a word that embodies ambition, exploration, and the willingness to build the future.

This isn't just a linguistic quirk—it's a mindset problem.

Europe Doesn't Lack Ideas—It Lacks Scale

Thoughtful Nuggets - Europe | 2

Europe and the UK are actively bolstering their startup ecosystems through a range of newly launched plans and initiatives. While these efforts mark a strong start, the true measure of success will depend on their execution and the tangible impact they have on the broader ecosystem.

NEWS

UK announces plans to create ‘Europe’s Silicon Valley’ in Oxford and Cambridge

Sifted article
from Kai Nicol-Schwarz dated January 29, 2025

NEWS

EU promises to boost innovation and simplify rules with new startup strategy

Sifted article
from Martin Coulter dated January 29, 2025

NEWS

EU launches €200bn initiative to back AI and gigafactories

Sifted article
from Anne Sraders dated February 11, 2025

NEWS

‘This must be a wake-up call for Europe’: Tech leaders urge EU to match Trump’s \$500bn AI investment plan

Sifted article from Miriam Partington and Martin Coulter
dated January 22, 2025

NEWS

Plans for €150bn ‘EU AI champions’ strategy unveiled at Paris AI summit

Sifted article
from Martin Coulter dated February 10, 2025

News March 11, 2025

EU unveils fresh draft of AI Act rules: ‘There are still significant concerns’

Experts from industry and academia have been wrangling over the GPAI code of practice

Martin Coulter 3 min read

Thoughtful Nuggets - Asia

India’s capital is coming home & and it’s not stopping at the Sensex

In 2025, domestic institutional investors surpassed foreign ones in NSE-listed firms, reflecting rising Indian investor confidence, deeper market participation, and a transformative shift towards financial self-reliance in both public and private capital markets

Fund of Funds 2.0: Why Govt's Rs 10,000 Cr bet will transform India's manufacturing landscape

After creating 18 unicorns and mobilising Rs 90,000 Cr through its first Fund of Funds, the government is now focussing on triggering deeper tech innovation with fresh capital.



Amit Pandey · Following
Lead: VC Ecosystem & Capacity Building
3w ·

India's Micro VCs* – your time is now.

- India has gone from 29 Micro VCs in 2014 to 228 in 2024, an 8x growth over a decade—marking a structural shift in early-stage capital formation.
- SEBI's recent reforms—from Angel Fund liberalisation to Co-Investment Vehicles (CIVs) and ESOP flexibility for IPO-bound founders—are a clear signal: India is building the rails for its innovation economy, fast.

Micro VCs (Micro VCs are typically defined as funds with AUM less than ~₹430 crore (\$50 million) in India, this has moved up from \$30million in 2021)

LPs are making fund managers shrink; Many prefer it that way

Traditionally, larger funds meant higher assets under management (AUM) and, in turn, greater compensation for managers. However, investor priorities are changing. Many limited partners (LPs) now favor disciplined fund sizes focusing on long-term performance rather than asset accumulation.

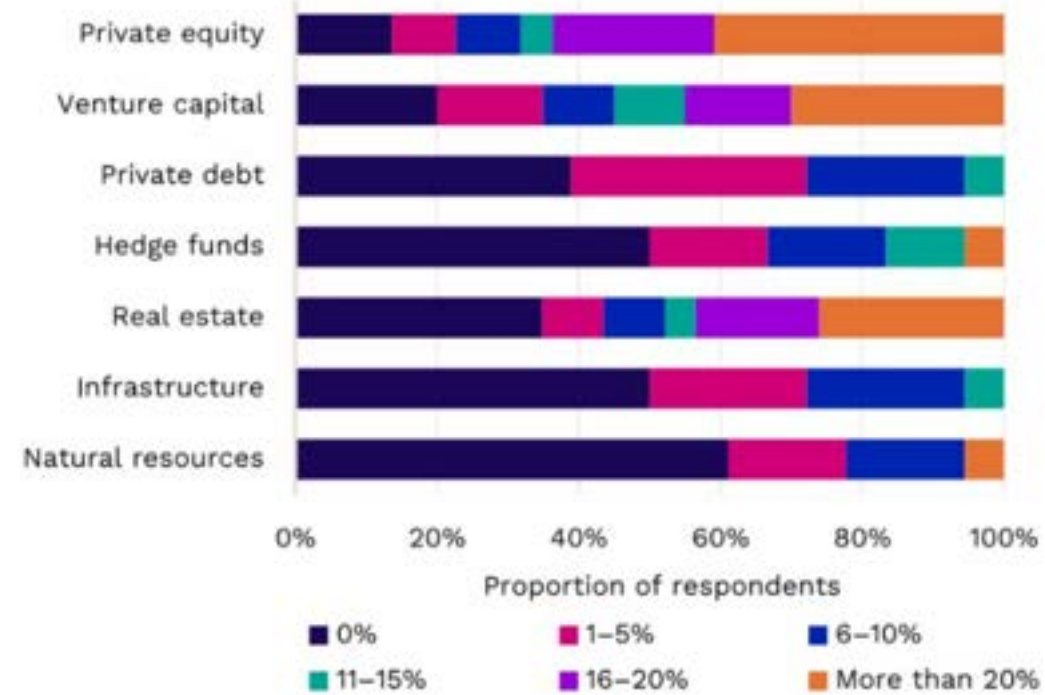
For India's young and rich, private markets are the new happy hunting grounds

The Great Indian Family Offices Fatigue

GCC Family Offices emerge as new venture capital powerhouses amid global tech push

78 percent of family offices globally plan to invest in digital assets in the next two to three years, redefining the future of private capital

Fig. 3: Two-fifths of Middle East investors allocate more than 20% of their AUM to private equity
Respondents were asked: 'What are your current allocations to alternatives (% of AUM)?'



Source: Preqin Middle East Investor Survey, March 2025

LP Nuggets | 1


Meghan Reynolds  
 @MeghanKReynolds



Heard from VC LPs this week:

Liquidity  Deals & Mark Ups  Fundraising  = Market is back! But be cautious

- "Liquidity seems to have turned a corner" 🎯
- Markups are great, but can lead to "overallocated"
- "Everyone is back market" = LPs have to make tough decisions


Meghan Reynolds 
 @MeghanKReynolds



Heard from LPs this week:

Had over 100 LP convos this week. Five takeaways in the form of "Every LP I know _____"

- uses AI at work, and most "wouldn't want to work without it." This was not the case a year ago -- they "get it now" which is driving a new level of velocity / wave of AI investing & interest in enterprise use cases
- is still actively investing in privates / VC. Though to be clear, liquidity would be VERY helpful
- has several Continuation Vehicles currently in process in their portfolio. "It used to be Sponsor to Sponsor exits, now its Sponsor to Continuation Vehicles"
- is thinking through the emerging dynamics of growth stage companies and how to adjust portfolios (private for longer, scaling faster in private markets in AI era)
- says they don't respond to cold emails (and they would probably appreciate that I'm letting my followers know to not bother)
- uses peer referrals or GP spinouts as their primary source of new relationships



Nichole Wischoff  @NWischoff · Oct 6



Have had a lot of LP meetings recently and a consistent theme across large institutional LPs is that very few have continued with their blue-chip relationships (outside of Index). "Those funds are no longer hard to access". Looking to concentrate in the next generation. The new challenge is writing smaller checks to new funds while they are small and where they need to deploy 50M+. Times are changing. Huge opportunity for new funds looking to build something durable.



Gus Morison · 2nd
 CEO & founder of AYU - events and technology connecting...
 2d · Edited · 

+ Follow ...

Here's the anatomy of a fake family office bait and switch.

- 1st meeting: we're an FO looking for investment opportunities - you look really interesting.
- 2nd meeting: we really like the look of you and we'd like to invest. We're going to invest \$Xmillion. We'd also like to introduce some of our other FO friends to invest as well.
- 3rd meeting: we've had a slight change and can't write the same size cheque as we originally said - but, good news, we have even more FOs to introduce you to.
- 4th meeting: we want to start introducing you to our FO friends so we can get them to invest alongside us but there of course a cost for this. If you pay us, we'll get it going for you.
- We've had reports of fees between £20,000 and £200,000 for events or due diligence checks in London recently.
- Don't fall for it folks.



Sakib Jamal  @skbjml · Sep 27



A major challenge for smaller funds in today's large seed rounds isn't just entry price - it's the escalating capital required to maintain pro rata

Take a \$50M seed fund writing a \$2M check into a \$6M at \$30M post seed. If all goes well and the company raises a \$20M Series A, maintaining pro rata forces another ~\$1.34M commitment

Suddenly, nearly 7% of the entire fund is tied up before PMF or unit economics are fully proven... And this is before any additional dilution from options

Point is: pro rata rights can quickly turn into a capital trap, forcing smaller funds to over-concentrate early and potentially miss new shots on goal

It's also very hard to avoid in practice since pro rata decisions are often required to be made quickly, often carry an unsaid obligation from founders, with the additional pressure to maintain ownership in a winner for fund-returning outcome... The right decisions here can make or break a fund's returns!



Olga Serhiyevich  · 2nd
 Capital Formation and Fund Launch Specialist for Alternativ...
 1w · Edited · 

+ Follow ...

One of the most frustrating experiences during fundraising is getting ghosted after a couple of meetings with new LPs. At that stage, it's rarely a definitive "no," because the decision typically hasn't been made through deep due diligence. But it's critical for funds to understand why it happens—otherwise, they risk getting stuck in a cycle of high activity, low effectiveness.

Much of the initial drop-off comes down to fit. That's why it's important for managers to ask questions about an LP's program objectives and constraints during the first meeting.

LP Nuggets | 2



Youngrok Kim

Fund of Funds in Venture Capital

4w ·

...

GP and LP often say "We're looking for long-term partners."

But I think, LPs should re-underwrite every commitment, including existing relationships. Of course, all else being equal, existing relationships should take priority over new ones. But familiarity alone is not an investment thesis.

As markets shift, especially in today's AI-driven landscape, a healthy venture ecosystem should encourage LPs to challenge the status quo and make space for stronger opportunities whether new or existing relationships.



Youngrok Kim

Fund of Funds in Venture Capital

1w ·

...

Simply being an LP in a fund doesn't automatically translate into a strong relationship with the GP.

Capital is essential; it serves as a critical starting point. However, just like any meaningful relationship—whether a marriage, personal friendship, or professional partnership—both parties should consistently invest time and effort to build mutual trust and deepen their connection.

Striving for success as a GP, an LP, or simply as individuals is crucial, too. It's rewarding and fun to see someone you know well achieve success, and to support each other as you nurture our relationship together. 🙌



Rick Zullo

@Rick_Zullo

20h · Edited ·

🔄 ...

This is the single greatest flaw of VC

Huge topic at a VC dinner I was at last night and while I don't universally agree, sometimes doing the right thing (what helps you "win") is NOT the popular thing

We see board members who are happy to watch a company implode, rather than push back on a founder because they worry about a bad reference

We see emerging managers willing take recaps on their best companies to not upset the big firms cramming them down (again, worried about the bad reference)

We see folks who operate like politicians, endlessly focusing on networking > working to achieve social acceptance, ignoring their responsibilities

This is driven by the fact that LPs tend to take the signal of being liked > actual returns (claiming that returns are a lagging indicator), but the best firms focus on making \$ > being liked. They don't care about reference checks (they have prior results to stand on) and it's a HUGE advantage because they can make the choice to "win" over being liked.



Slava Darkhaev

Investments @ Family Office, Chicago Booth EMBA cand...

20h · Edited ·

🔗 Connect ...

Investing both as an LP in emerging managers and directly in early-stage startups has one fundamental commonality: you are ultimately betting on people. At these stages, traction is limited, data is thin, and decisions come down to judging the quality of the team.



Maddi Holman

General Partner at Daring Ventures | Let's Be Heard Podcast | Former Cl...

1w ·

...

If you want a fast reply from an LP, make sure the person is incredibly busy. Ideally, starting tomorrow night in the NBA busy.

I recently analyzed my "Time to First Response" with LPs. The spread was shocking.

The Fastest: 2 minutes (A high-profile active pro athlete).
The Longest: 5 months (An allocator focused on emerging managers).
Speed indicates interest.

Even a pro athlete in the middle of their season found time to reply immediately because they "got it." Meanwhile, traditional allocators can take quarters just to say hello.

But there is a second lesson here: Go where your tribe is.

LP Nuggets | 3



Sandro Stark  • Following
DeepTech decoded. Pre-Seed supercharged.
1d • 

If a German family office says
"We tried venture, but we don't believe in the asset class."
What they usually mean is something else.
They didn't do venture.

They put a very large ticket into 1–5 individual startups,
sourced through their own network –
a close friend, a family member, or someone from the tennis club.

They then treated that startup like a PE investment:

- Took too much equity
- Structured it for control, not growth
- Left no room for follow-on investors

As a result:

- Every next round became their problem
- They were always the first call for more capital
- External investors stayed away
- The company stalled
- The investment failed

That is not venture capital.
That is concentrated risk with poor portfolio construction.



Kevin Novak  • Following
Managing Partner & Founder at Rackhouse Venture Capital, ex-Uber Hea...
3w • 

One of the common misconceptions I see with LPs is they think differentiation is defined by thesis.

That made sense in the last generation of venture, when certain sectors were clearly winners and others weren't. It was logical to ask, "what niche are you focused on?"

But now, with so many VCs and a space full of smart people, if you have a good thesis, someone else will copy it.

Your edge isn't what you invest in. It's how you operate once you're in the market.

It's about execution and follow-through- the unglamorous details that decide whether people want to work with you again.

You've probably had a few different dentists. None were solving a different problem. Same job. Different experience.

Venture works the same way.

Honey, We Need To Talk About Venture Capital

It's not you... It's systemic capture.



SINEAD O'SULLIVAN
NOV 11, 2025

In a previous article, I discussed the US emergence of "Venture Mercantilism".

In this one, I look at Europe's own evolution: "Venture Socialism" ✨

I discuss why US venture capital evolved into a geopolitical force, while European venture capital suffers as a publicly subsidised performance of sorts:

Where VC funds are largely financed by the state, insulated from failure, and rewarded for deploying capital rather than generating returns.



Semil  @semil • Nov 11

Institutional LPs rarely add new managers. As VC industry has grown w/ opportunity set, so have # of new funds. Ofc, hard to land a new institutional LP. This is from LP friend re: new funds they added/year, and this group is more active than the median institutional LP.

2005	3
2006	1
2007	3
2008	1
2009	0
2010	0
2011	0
2012	0
2013	2
2014	3
2015	4
2016	1
2017	2
2018	0
2019	7
2020	4
2021	3
2022	3
2023	1
2024	8
2025	1

Venture Business Nuggets | 1



Micah Rosenbloom • Following
Managing Partner at Founder Collective
4d •

We're all in the same boat
Venturing in Public 12/10/25

I just got back from a holiday dinner and had two glasses of wine so this may be a bit too honest ;)

Standing in that room, chatting with investors from tiny emerging funds to the massive, storied firms, I realized something- everyone is worried about the exact same things.

We all assume the fund down the street has it figured out. The big guys think the nimble seed funds are stealing their alpha, the seed funds think the multi-stage giants are crushing them with capital. Kind of reminds me of being a kid when I felt like the neighbors got straight As without even trying (well I think that was true with one family).

No matter the AUM, everyone I talk to is feeling the exact same stress.

Are we doing the right things? Do I need a podcast? Do we need a bigger fund?
Are the returns going to be there?



Nichole Wischoff
@NWischoff

Increasingly convinced that the best seed funds leading the next generation are run by entrepreneurs who are open and ready to reinvent themselves every 24 months. Relevance is hard won and even harder to maintain. Most folks lose their edge and never iterate. Big opportunity for the tenacious few.



Reid Christian • 2nd
General Partner at CRV
1w •

Connect ...

Venture has never been more crowded, or more complacent.

San Francisco is full of VCs. But the bar for actually doing the job is actually on the floor. I sit on a board with a very senior partner at a marquee firm who hasn't shown up to a single meeting in three years. Not one! And unfortunately, that's not an anomaly. I've watched investors get too rich to care, wander into politics, or even get romantically involved with their founders. (Yeah, really.)

It may be a founder's market, but here's the thing. Capital is not a scarce resource right now. Attention is.

My advice to founders: When you take a check, you're choosing who you want in your corner when things stop being shiny. Will the investor you chose actually show up for you? Because apparently, that's a higher bar than it should be.



Ed Suh
@edsuh

...

Early on in my venture career, I asked a very successful VC how he thought about building a brand. His response was a simple sentence: "your portfolio is your brand".

It is 100% true. At the end of the day, our job is to make great investments. Our success is determined by the capabilities of the founders we back. If they are successful, our brand improves in conjunction. If they are not, no amount of blogging, podcasting, "thought leadership", or "community building" will make up for it.

Instead of focusing on followers, likes, & mentions, a VC's job is to be entirely focused on making great investments. The VCs who end up with the most powerful brands are the ones where the press chases them when they want nothing to do with it, not the other way around (see Napoleon @ Founders Fund).

Make great investments, and the brand will follow.



Christian Hernandez Gallardo • Following
ClimateTech investor on a hunt for Gigacorns
2mo •

In 2014, a year into my own "emerging manager" voyage I wrote a blog post on the barriers to entry in Venture Capital (it takes a long time to raise a new fund, you might not succeed, LPs usually shy away from 1st time funds, it will take a long time to know if you are good at the job)

11 years later would add three new addendums to those early musings:

- It takes even longer than I assumed to know if you're any good (while my personal track record looks good on paper, what really matters is good in cash aka DPI)

- Carry is elusive (and with European style compounding hurdles sometimes impossible). Don't build your personal financial model on an assumed 8-10 year payback. More like 12-14...if at all.

- 2x is hard. 4x is world-leading. The \$1b exit is nice press but in fund economics you need \$2 billion *cash* back to achieve a 2x on a \$100m fund. The power law is very real.

A big shout out to all of you "emerging managers" out there especially those raising your first fund (especially in *this* fundraising market). Godspeed...



Chintan Z. • Following
Turning messy AI funding data into actionable signals
2w • Edited •

Everyone thinks VCs back bold, contrarian ideas.

I crunched 3,256 AI deals from Jan-Aug 2025 (based on Bot Memo's proprietary data pipeline). The patterns I found will probably make you rethink everything about venture capital.

One finding stood out: The city with the MOST funding has the HIGHEST herd mentality score. Another city with 7x fewer deals shows the most independent investor behavior.

But it gets more interesting...

Venture Business Nuggets | 2



Olivia O'Sullivan

 • Following

Partner & COO @ Forum VC | Helping ambitious people and companies s...
 2mo • Edited •

If I were launching a new fund today, I'd hire a Head of Content before an Associate.

I've been thinking about this a lot lately.

This week, a16z announced they're acquiring Turpentine, Eric Torenberg's network of podcasts and newsletters.

Last week, Paul Smalera said: "The next legendary VC firm will operate more like a modern media company than a traditional partnership."

And honestly... I think he's right. At least for most funds. They'll need to.

The top-tier firms with decades of clout?
They'll keep winning if they keep investing in great founders. If they keep returning capital.

But for everyone else, emerging managers, new funds, audience building creates leverage.



Matt Curtolo, CAIA

 • 1st

LP & GP Advisor, Bringing 20+ years in the trenches to the next generati...
 2d • Edited •

When it comes to side letters, there are some rules of the road that all parties should be aware of:

- 1) LPs, if there are dealbreakers for you that you plan to include in your side letter, signal those upfront to the GP. The last thing either side should want is a long diligence period and a breakup at the 11th hour.
- 2) GPs, you SHOULD expect the LP to ask for the moon and the stars in their side letter, but you are 100% within reason to "respectfully decline" any and all of the requests that you cannot comply with or create conflict or tension.
- 3) LPs, make a tiered list of must-haves (see #1) nice-to-haves, and long shots. Regardless of the tier, make sure they align with how you need/want to operate as an LP but still embody a partnership culture.
- 4) GPs, use the side letter negotiation as a potential proxy for how it will be like to interact with the LP. Are flexible and reasonable or does it feel like they are trying to take a pound of flesh and unwilling to bend?



Rohit Mittal

 @rohitdotmittal

A redditor shares their 50 brutally honest takeaways about venture capital:

1. There are not enough good companies out there to justify the amount of venture funds in existence.
2. It used to be a requirement for VCs to have company building experience, but that has gone away as more funds have popped up. The advice you get from most VCs today is based on something they read and not personal anecdotes. Do not take this advice as gospel.
3. The best founders spend the least time fundraising. If you make your diligence process a burden on the founder, you'll have to settle for bottom-tier deals.
4. VC Twitter is the worst place on the internet. Avoid unless you want to lose brain cells.
5. You'll constantly hear the line "Where can I be helpful?" Most people cannot offer you help. Accept this, and move on.



Mathias Bosse

 • Following

Early Stage VC in Supply Chain Startups | Venture as a Service | Fraction...
 2mo •

Most business angels underestimate how much effort is required. Portfolio management isn't just investing—it's practically its own full-time job.

Here's why:

- ✓ You need an investment strategy before making your first move.
- ✓ Sourcing deals takes time and connections.
- ✓ Getting access and negotiating terms is competitive.

But that's just where things start.

Once you're invested, there's more:



Nick Moran

 • Following

General Partner at New Stack Ventures, Founder & Host of The Full Ratc...
[Visit my website](#)
 2mo • Edited •

A top institutional LP said something at a conference this week that I can't stop thinking about: "Specialists tend to outperform generalists in Fund I... but then their performance falls off a cliff."

She had data. She had stories.
One stood out.



Dan Gray

 @credistick • Sep 26

One of the interesting observations from deal activity in the last four years is that the "venture banks" are responsible for an increasing percentage of seed deals, yet their focus has narrowed.

i.e. despite growing in volume, more of their activity is in predictable spaces like San Fransisco SaaS.

This makes no sense if your mental model is anything like traditional venture capital.



NBER

 @nberpubs

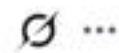
Venture capitalists perform less due diligence in hot markets and when busy or far from startups. This leads to more volatile investment outcomes, indicating greater capital misallocation, from Xiaoyong (Jack) Fu and Lucian A. Taylor nber.org/papers/w33987

Due Diligence and the Allocation of Venture Capital

Venture Business Nuggets | 3



Shai Goldman ✓
@shaig



as a seed investor, there are four strategies

invest in sectors that Series A firms are interested in, which is extremely limited & ~30 firms are the most active

invest in sectors independent of the 30 Series A firms focus & have a lot of follow on capital reserved for them

invest in companies who don't need more capital after your round

stop investing for the moment



Steve Kim ✓ • Following
Managing Partner
1mo • Edited •



Early-stage venture capital presents substantial challenges for most investors.

The comparison below illustrates the divergent paths of an early-stage VC investor versus an S&P 500 investor over a 31.5-year period from January 1994 to June 2025. Both buy and hold. Buy and hold on the VC side requires a fully developed VC allocation and continuous reinvestment.

The realized volatility differential is considerable: 36.02% annualized standard deviation for VC versus 15.92% for the S&P 500. However, the more striking contrasts emerge in drawdown behavior and recovery dynamics.



Madhav Chanchani ✓
@madhavchanchani



Sequoia's secret weapon is a CRM tool

Sequoia's CRM (customer relationship management tool) integrates public data, paid datasets, proprietary signals, and information the firm has built internally to create a holistic 360-degree view of any company.

"In 2007, when I joined the company, the way you learned about a business was by cold-calling the company and talking to the founder. Now, the amount of information our CRM system produces when you type in a company's name is more than the information we had when making a final investment decision 15 years ago," says Pat Grady, Sequoia's recently named co-steward who also leads several of the firm's major growth investments (Zoom, Snowflake).

One of its most valuable proprietary tools is a decade-old talent map of Silicon Valley, created by systematically asking trusted engineering leaders to identify the smartest people they know.



Itamar Novick ✓ • Following
Founder & General Partner at Recursive Ventures
2mo •



The US government is quietly becoming one of the most powerful players in the startup world.

It's not just writing checks anymore. It's setting more rules, picking priorities, and sometimes even taking equity.

That's creating huge opportunities, especially in defense, AI, and energy, but also a new kind of risk.

Startups need to move fast, but the government moves slow. And while government money can be massive, it can also disappear overnight.

One policy change or election can cause huge headaches, or even put you out of business.

When your biggest customer is also your regulator, a policy shift can hurt more than competition ever could.

Startups that depend on federal contracts or subsidies need to think differently about resilience, and build so the government is a catalyst, not a crutch.

Question for founders and investors — how much exposure to government is too much?

Robinhood plans to launch a startups fund open to all retail investors

Julie Bort — 1:22 PM PDT · September 15, 2025

US and Indian VCs just formed a \$1B+ alliance to fund India's deep tech startups

Jagmeet Singh — 8:30 PM PDT · September 1, 2025

Shakeups, Expansions, and Extensions

Trillion-Dollar Pools of Capital Mask Middle East VC Paradox

Why Josh Kushner’s Thrive is expanding beyond venture

EQT Shakes Up Venture Team As It Ramps Up US Investments

NEWS

Andreessen Horowitz closes UK office, pivots back to US crypto market

Sifted article from Tom Matsuda dated January 24, 2025



Chris Neumann • Following
Building a startup is hard. I'm here to help.
2w •

Ecosystem leaders around the world love to blame big, bad American #VCs for making their #startups move to the U.S. That's not what's happening...



American VCs Aren't the Reason Your Startups are Leaving — Chris Neumann
chrisneumann.com

All About SPVs

Back in 2024, SPVs were a hot topic. Now, SPVs drew significant attention in Q3, especially after major AI players like OpenAI and Anthropic began tightening restrictions on their use. These moves highlight growing concerns around opaque SPV structures and the resale of pre-IPO shares through informal or inflated channels. SPVs themselves aren't the problem—it's how they're used. These vehicles have long been a legitimate tool for raising capital to invest in specific deals, but a wave of unregulated managers has recently exploited investor hype around pre-IPO opportunities in AI, crypto, and other hot sectors. The real risk lies in poor oversight and complex, multi-layered SPV structures that hide excessive fees or unclear ownership. Investors should focus less on the SPV label and more on who's managing it, how it's structured, and whether proper documentation and transparency are in place. In short, SPVs can be effective for pre-IPO access—but only with disciplined due diligence.

Anthropic, seeing voracious demand for shares, is clamping down on a certain kind of investment

By Ben Bergman + Follow



Anthony Ha

OpenAI warns against SPVs and other 'unauthorized' investments



Michelle Lim
@michlimlim

Many friends including myself have been offered allocation into OpenAI or Anthropic SPVs this week. Minimum check sizes are \$100k-\$1M, with fees as high as 16%.

From what I understand, folks are creating SPVs on top of SPVs and making management fees on top of them. It's like a pyramid.

It's clear that people want to participate in the success of AGI, but the opportunity is inaccessible.



Brian Borton, CFA
Partner - VC & Growth Equity at StepStone Group
2w • Edited •

PSA / Rant Time: VC Deal SPVs are both good and bad. GPs, LPs, and companies all have unique goals and incentives and SPVs can serve as an elegant win-win if done right. For LPs & GPs to fully capture the "good" it is paramount to operate with transparency and trust, working directly with company management so there is visibility into the underlying SPV investors. This helps companies keep their cap tables clean, controls their information flow, and provides maximum oversight into maintaining quality of their investor base, while also efficiently expanding their investor base into a broader array of credible and scaled institutional capital as the best companies continue to stay private for longer.

However there is also a dark underbelly of VC SPV syndications and SPV secondaries reminiscent of Wolf of Wall Street or Vin Diesel's "Boiler Room." This is the world often available and trafficked in by HNW individuals, small family offices, and even institutional LPs that are not "VC native." When most of these elite private N-of-1 companies exit or go public, we will unfortunately witness frequent instances where investors never actually had exposure to the underlying company shares that they thought they did.



Roelof Botha
@roelofbotha

We remain destined to repeat the mistakes of the past! SPVs are making a come-back, where the lead investor speaks for less than 10% of the capital, yet eagerly lines up the latest set of tourist chumps who think the story will end differently this time. It's only been 3 years 🐼



Meghan Reynolds
@MeghanKReynolds • Aug 2

Heard from VC LPs: The 3 letters of the summer: 🌟 SPV 🌟

When industry fundraising statistics are quoted they show weakness, but LPs have plowed \$\$ into massive SPVs this year - a shadow market that we all know is booming 🌟

Optimistic that the 3 letters of the year will turn out to be 🌟 IPO 🌟 given @figma @circle & others. Exactly what we need to get traditional VC fundraising fluid again

VCs are selling shares of hot AI companies like Anthropic and xAI to small investors in a wild SPV market

Marina Temkin • 10:00 AM PDT • June 1, 2024

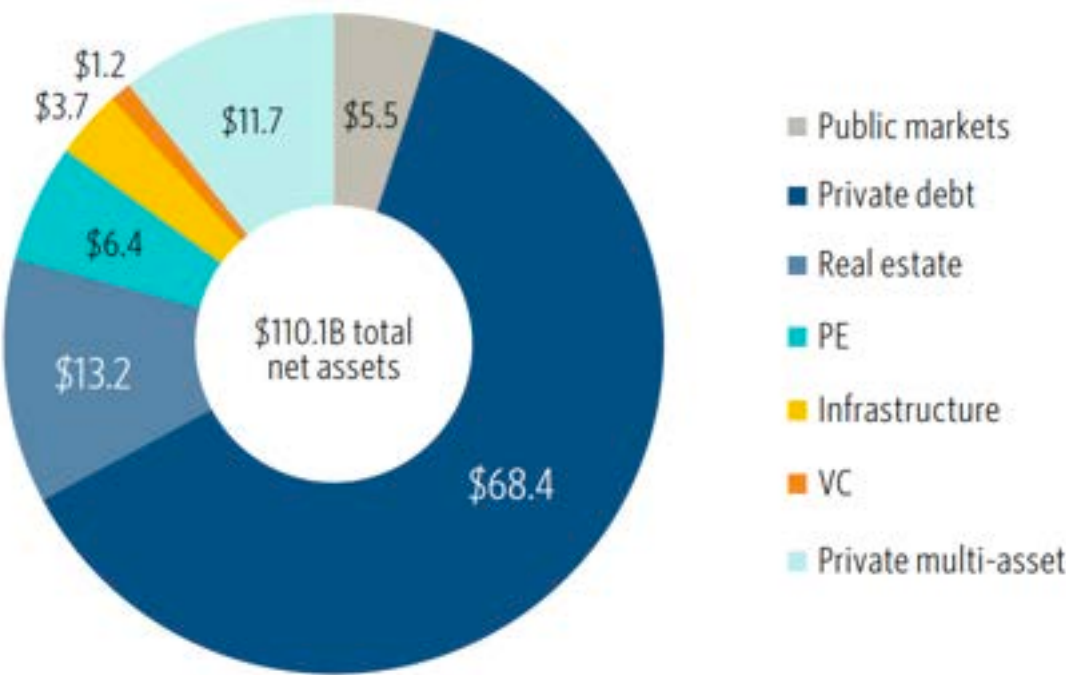
Fund Structures

Venture capital is fast becoming a hotbed of fund structuring experimentation—from evergreen vehicles and retail-friendly fund models, to AI roll-up strategies, continuation funds, and even tokenization efforts. While some of these approaches are branded as “innovations,” many are actually adaptations of long-standing structures from other asset classes, now being tailored to fit the unique needs of venture.

Take evergreen funds—common in private wealth and infrastructure, but now gaining renewed interest in venture for their flexibility and long-term horizon. AI roll-up funds, a more recent development, have only started gaining traction in the past 12 months. Meanwhile, tokenization efforts like Robinhood’s private stock tokens still face regulatory scrutiny and limited traction, though the underlying ambition is clear.

At the heart of all this movement is a broader trend: the democratization of venture capital. More participants, bigger capital pools, and better access mechanisms are being designed—not just for institutional investors, but increasingly for individuals as well. The path is long and complex, but the direction is unmistakable: venture is evolving from an elite, gated asset class into a more open, diversified, and inventive ecosystem.

Share of Morningstar-tracked evergreen fund net assets (\$B) by category



Sources: Morningstar and PitchBook • Geography: US • As of April 30, 2025

Source: PitchBook

[Click graphic for source post/article.](#)

A91 Partners looks less like a VC and more like a mid-market PE firm

The fund seems convinced that technology-led businesses in India are overvalued and not good for making big exits. Instead, what is needed to return large sums of capital are investments in mature companies with a proven track record.

First Venture-Capital Hospital Deal Faces Scrutiny From Government and Public

Authorities are reviewing startup investor General Catalyst’s bid to make Summa Health in Akron, Ohio, a blueprint for the firm’s vision of healthcare

The Attraction and Trouble With Continuation Vehicles for LPs - Part 1

Ham Lane launches first venture and growth evergreen fund

The global asset manager is expanding its \$10bn evergreen platform to include a dedicated vehicle for venture and growth equity investments.

The problem with interval funds

Interval funds are a capital inefficient way to deliver limited liquidity to LPs.

Robinhood’s Private Stock Tokens Lure Investors, Draw Scrutiny

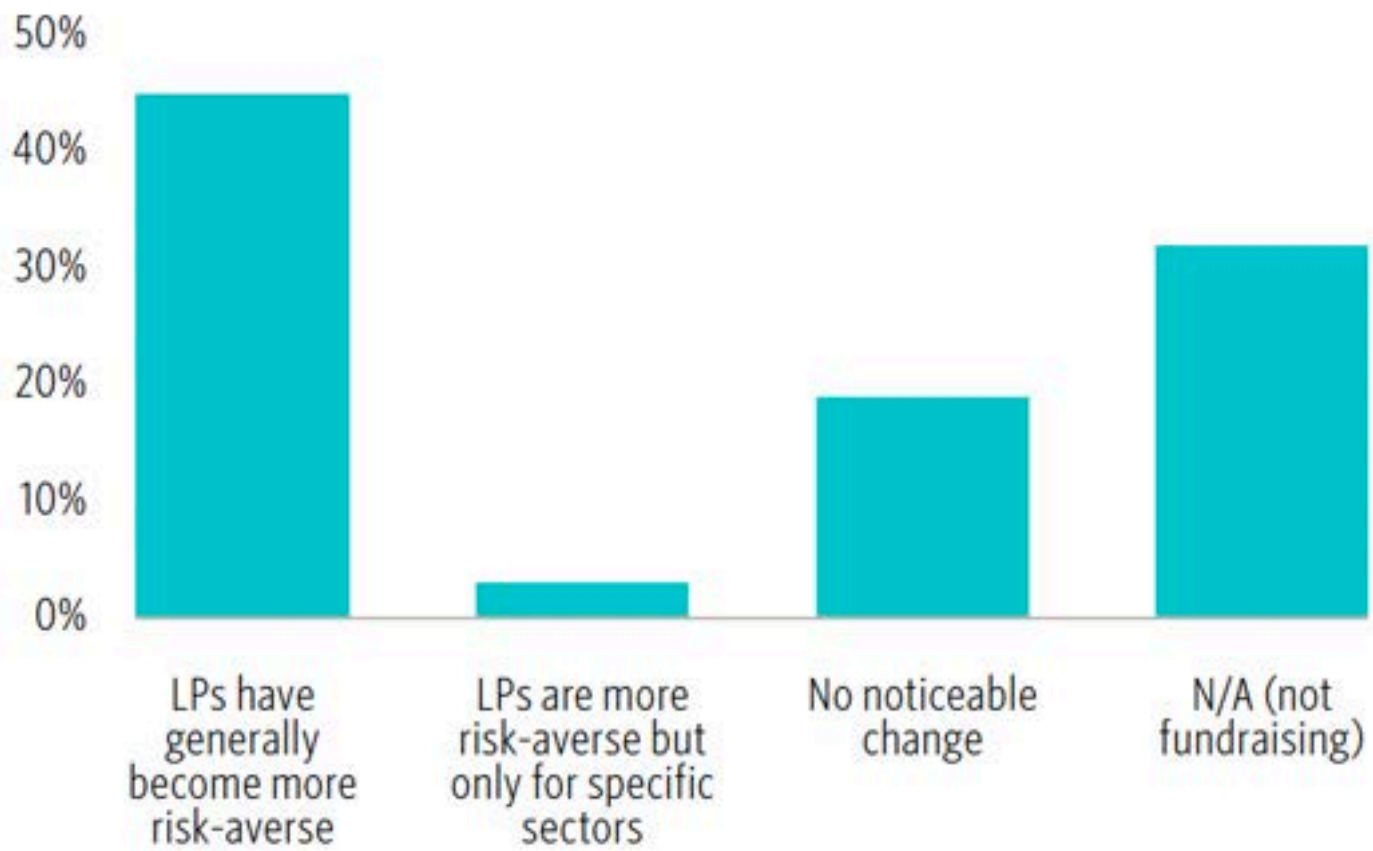
New Tech Fund Backed by Jeff Bezos Courts Individual Investors

Coatue’s fund is being anchored by \$1 billion from family offices of Amazon founder and Michael Dell

Tariffs and LPs

Most LPs have understandably adopted a risk-off posture, driven largely by broader macroeconomic uncertainty. In turbulent environments, their expectations for the venture ecosystem take a backseat to larger portfolio dynamics. Since venture typically represents a relatively small slice of their overall allocation, LPs’ decisions are often swayed more by movements in major asset classes like public equities. As a result, shifts in public market’s sentiment can significantly influence their willingness to commit to high-risk, long-duration investments like venture capital.

How Has the Tariff War Affected Conversations With LPs About Fundraising?



Source: PitchBook • Geography: Global • As of May 23, 2025

Source: PitchBook

Venture M&A

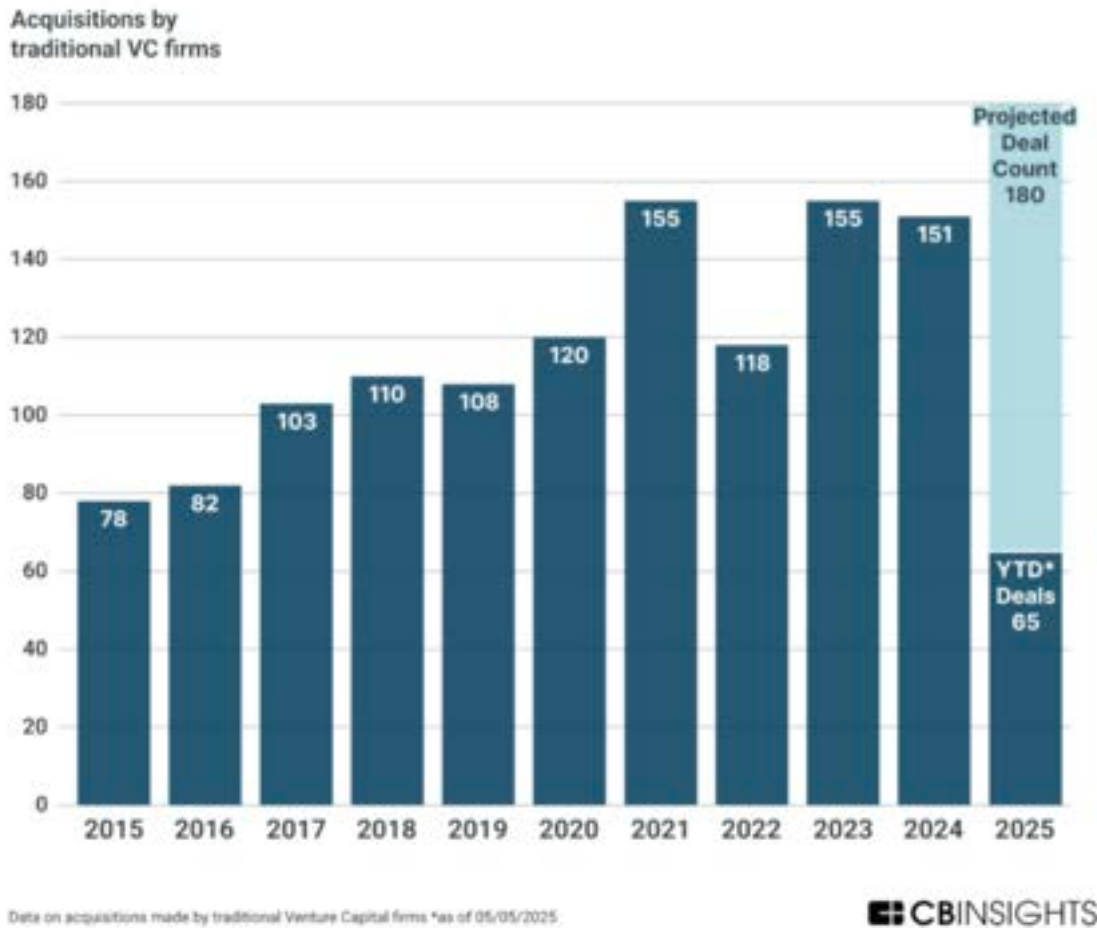
The venture capital landscape is undergoing a strategic transformation, marked by the blurring of lines between traditional VC, private equity, and corporate innovation models. This evolution is driven by a convergence of capital concentration, rising deal sizes, and the need for differentiated value creation beyond just capital. On one front, VC firms are increasingly acting like PE players—prioritizing financial discipline, deeper operational involvement, and even strategic acquisitions. Acquisitions by traditional VC firms are on pace for an all-time high in 2025, signaling the rise of the “full-stack investor.” Firms like Lightspeed, a16z, Sequoia, Thrive, and General Catalyst are retooling their structures—Lightspeed notably becoming an RIA—to actively manage portfolio companies and unlock broader paths to liquidity. This reflects a clear shift away from the passive “invest and wait” model, toward a more integrated, hands-on approach akin to private equity.

At the same time, tech giants like Meta are also adopting venture-like strategies, acquiring minority stakes in top AI-focused funds (e.g., NFDG) and executing targeted acqui-hires—such as bringing in Daniel Gross to lead its new Superintelligence Lab. These moves signal a new era of strategic capital deployment, where corporate investors are embedding themselves deeper into early innovation ecosystems to secure both talent and deal flow. Together, these trends underscore a new reality: venture is no longer just about high-risk capital—it’s about control, access, and value creation across the full lifecycle of a startup. Whether through PE-inspired fund models or Big Tech’s venture incursions, the next phase of venture will be defined by more active ownership, structural agility, and cross-model convergence.

Meta Offers to Buy Stake in Venture Funds Started by AI Hires Nat Friedman and Daniel Gross

Limited partners could cash out of a minority of their holdings in venture firm NFDG at current values in a secondary deal with Meta

Traditional VC Firms are Becoming More Acquisitive with 2025 on Pace for a New Record



[Click graphic for source post/article.](#)

Regulatory News

In the U.S., the SEC is making a strategic shift toward expanding retail access to private markets by revisiting longstanding constraints on private fund participation and modernizing the accredited investor framework. Recent regulatory updates, including relaxed rules on general solicitation under Rule 506(c) enhance the capital formation flexibility. While these changes could democratize investment opportunities, wealth advisors urge caution, emphasizing the importance of strong regulatory guardrails to protect less experienced investors. Together, these moves reflect a broader policy push to rebalance capital market access while preserving investor safeguards.

Advisors Cautiously Welcome US Accredited Investor Rule Change

SEC Chair Signals Investor Access to Private Markets Could Soon Broaden

The regulator will consider changes that could make it easier for investors to put money into hedge funds and private-equity funds

SEC makes solicitation easier for VC and private equity



Chris Harvey • 1st
Emerging Fund Lawyer
2w • Edited •

QSBS 2.0 is here (almost!) Why every early-stage VC should be watching July 4th, 2025

Congress just passed the **One Big Beautiful Bill Act**. President Trump plans to sign it on July 4th, 2025. With one stroke of the pen, QSBS gets its biggest facelift since 2010:



Josh Constine • Following
Venture Partner for consumer at SignalFire, sharing pitch strategies base...
2d •

Soon you won't have to be rich to be a VC.

The House just passed the DEAL Act that if the Senate approves, will let you take a knowledge test instead of requiring \$1M net worth or consistent \$200K+ income.

I mean, if you can gamble in Vegas, Robinhood, and Polymarket, why not bet on someone you believe in building something that matters?

House passes package of bills that could boost venture capital



Dan Primack



AXIOS



Congress yesterday pushed forward a package of bills that could increase capital formation in the [private markets](#).

1. Allowing individuals to take a test to verify accredited investor status, rather than relying solely on wealth.

2. HALO Act, which would revise Reg D to allow startups to present at events sponsored by entities like universities and accelerators, without being deemed general solicitation.

Legal Topics in Venture

Chris Harvey
@ChrisHarveyEsq
· Mar 16

SEC Simplifies Accredited Investor Verification for Rule 506(c)—Key Takeaways:

1

 What happened?

- This past week, the SEC issued a no-action letter providing bright-line guidance on how funds can satisfy "reasonable steps to verify" accredited investors under Rule 506(c).

Rule 506(c)

SEC No-Action Letter (3/12/2025)
"Reasonable Steps to Verify"

Minimum Investment Thresholds

\$200K+ Individuals

\$1M+ Entities*

Representations*

☒ Investor is an Accredited Investor
 ☒ Not Financed by a Third Party
 ☒ No Knowledge of Untrue Reps from Investor

*If relying on Rule 501(a)(8), apply all of the representations to each of the beneficial owners.

Chris Harvey
@ChrisHarveyEsq
· Mar 8

The Path Forward

One potential positive regulatory shift: NVCA's DEAL Act could gain traction under a new administration.

By classifying VC FoFs/2nd investments as "qualifying investments," federal law would ease restrictions around NQI allocations.

NEWS

Carried interest repeal could stifle investments in startups, NVCA says

TechCrunch article from Marina Temkin dated February 6, 2025

The tax break allows private equity and venture fund managers to treat their earnings from investments at a lower capital gains rate, rather than as ordinary income.

The removal of the tax break would be a big hit to the VC industry.

Nicholas Bird, CPA, CIA
· 1st
 Founder @ Stealth AI Startup | CPA, CIA

4d

"It's not about how hard you hit. It's about how hard you can get hit and keep moving forward."
— Rocky Balboa

Interest rates are hitting hard right now, with the new stabilized rate at >5%. How do you adapt to this new reality if you're a founder?

Be smart.

"I used to think cash management was something I'd professionalize when we hit \$10M ARR. Now it's a core function from day one."

This founder sums up the new reality for startups in 2025's high-interest environment.

Michael Bjorn Huseby
· Following
 Investment Funds + Securities Attorney | Venture Capital, Real Estate, Pri...

Visit my website

2d

⚠️ Perennial warning for *Venture Capital* managers:

Under current law, VC funds must have at least 80% of their assets as primary investments in operating companies. Secondaries and fund-of-funds investments do *not* count. 🚫

If you manage entities that don't meet this 80% threshold, you may have blown your VC exemption under the Investment Advisers Act (and applicable state law).

This applies to SPVs too! VC managers should form secondaries SPVs with caution.

Your VC exemption is precious. Don't blow it. 🧨

University Startups & Funds

NEWS

Munich’s top business programme CDTM has a new venture fund — backed by alumni at startups like Tier and Personio

*Sifted article
from Miriam Partington dated February 12, 2025*

The fund is backed by 316 CDTM alumni — a mixture of unicorn founders, researchers from Big Tech and academia and executives from various corporates — who’ve pooled together €8.2m to invest in 60 fledgling startups over the next four years.

That might seem small, but investors behind the CDTM Venture Fund say successful founders and operators investing back into the ecosystem is key to the success of European tech.

NEWS

Why university spinouts are a big opportunity for institutional investors

*UK Tech News article
from Chris Hopkins dated February 27, 2025*

The UK has built up significant expertise at creating university spinouts, having established multiple investment platforms over the last 20 years that prompted the growth of key university hubs. Early pioneers of the investment model were platforms tied to universities in Oxford, Cambridge, and London.

AI News That Caught My Attention



Navin Chaddha • Following
Inception & Early-Stage Investor, Entrepreneur and Company Builder
[View my newsletter](#)
2mo •

Everyone's talking about AI replacing jobs. But here's what's really happening: AI is creating an entirely new class of builders. For the first time in history, you don't need a computer science degree to build software. You just need an idea and the ability to have a conversation.

This is "vibe coding" — building software by describing your vision, not writing lines of code:

- The barrier between having an idea and building it is disappearing.
- Every person becomes a builder!
- We're moving from a small developer market to a massive builder ecosystem

A frustrated marketing manager can build their own CRM. A teacher can create custom educational apps. A salesperson can design exactly the workflows they need.

COMMENTARY

America Needs an AI Boom to Grow Out of Our Debt Problem. There Is No Guarantee.

By Joe Davis
May 23, 2025, 12:32 pm EDT

The Tech Giants Keep Throwing Money at AI

Whether Amazon, Meta and Microsoft's investments are paying off isn't yet clear. Plus: The VC podcast explosion and a tariff extension for Mexico.

TECHNOLOGY

Trump, Intel Agree to 10% U.S. Stake as President Promises More Deals

Conversion of Chips Act grants to equity will likely be followed by other moves to help troubled chip maker, analysts say

By *Amrith Ramkumar, Robbie Whelan and Brian Schwartz*

WSJ PRO Updated Aug. 22, 2025 7:10 pm ET



Christine Benz • Following
Director of Personal Finance and Retirement Planning at Morningstar. Als...
1mo • Edited •

"Try to automate your job away with AI. Because if you're using it as much as you can, either two things are going to happen. Either you're going to get 30% or 40% more productive, which means you have a case at the end of the year to ask your boss for a raise and you could help your peers. Also, if we're in a flat job labor market—let's be honest, life is competitive. If you start to find out AI can do 60% or 70% of your job, you can see the writing on the wall. That gives you a little bit of time to start thinking about tangential occupations."

Vanguard global chief economist [Joe Davis](#) recently chatted with [Dan Lefkowitz](#) and me for our [Morningstar](#) podcast, "The Long View." Joe weighed in on many topics during our conversation, including work in an era of AI, the current economic environment, Federal Reserve independence, and how new grads can "future-proof" their careers. (Hint: It's old-school.) We also discussed Joe's wonderful new book, "Coming Into View: How AI and Other Megatrends Will Shape Your Investments."

I loved this conversation! <https://lnkd.in/gSCqYpYQ>



Joe Davis: How to Capitalize on 'Megatrends'
morningstar.com

Thanks



Rohit Yadav
Author - *The Big Book of VC*