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Credits & Contact

National Venture Capital Association (NVCA)

Washington, DC | San Francisco, CA

nvca.org | nvca@nvca.org | 202-864-5920

Venture Forward (VF)

Washington, DC | San Francisco, CA

ventureforward.org

BOBBY FRANKLIN President & CEO

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CHRISTINA MARTIN COO

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DIEM-MI LU Vice President of Government Affairs

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RHIANON ANDERSON Senior Programs Director, Venture Forward

JONAS MURPHY Director of Government Affairs

EVAN KELLER Director of Communications

JENNY ZEMEL Director of Member Operations & Experiences

SAVANNA MALONEY Communications Manager

JUSTIN CRUZ Data Operations Manager, Venture Forward

PREET GREWAL Executive Assistant

VANESSA GUTIERREZ, Community and Program Manager, Venture Forward

KENDALL HENRY Executive Assistant, Venture Forward

PitchBook Data, Inc.

NIZAR TARHUNI Vice President, Editorial & Market Intelligence

GARRET BLACK Head of Custom Research

DATA AND DESIGN

CHARLIE FARBER Data Analyst

KHAI VANO-PENALOZA Lead Designer

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Note from NVCA

March 2025

If 2024 taught us anything, it's that venture capital isn't just about writing checks—it's about rewriting possibilities. Last year, American innovators proved that even in a climate of higher interest rates and geopolitical turbulence, breakthroughs don't wait for permission. The U.S. ecosystem captured **57% of global VC investment**—the strongest showing in a decade—while startups from Minneapolis to Miami continued to show the world what America's innovators are capable of.

2024 was a good year for VC investment. Dealmaking stabilized at $215 billion, a 30% bump from 2023. Investors have continued to show tremendous interest in artificial intelligence and machine learning, which attracted nearly half of all investment in 2024, but life sciences continue to impress with exits at their highest level in a decade, driven by companies like Systimmune and Carmot Therapeutics.

VC-backed businesses also continued to increase employment and drive innovation across the country. While coastal hubs remained robust, there was broad-based growth in VC activity across the country with the majority of states seeing increased activity and emerging hubs like Houston ($1.7 billion in investment) and Miami ($2.1 billion in investment) exhibiting particular strength.

Our advocacy team spent 2024 dismantling roadblocks. We halted an SEC proposal that would've saddled funds with hundreds of thousands of dollars per year in hedge fund-style compliance costs and helped streamline SBIR renewals that resulted in over 1,200 university spinouts. But the fight is far from over. China now outspends the U.S. $1.4-to-$1 in semiconductor investment, and misguided antitrust guidelines threaten the markets which have birthed some of America's greatest companies.

That's why our 2025 agenda zeroes in on D.C.:

- **Modernizing the Regulatory Playbook**: The median VC fund is $21.3 million with an annual budget on par with a modest-sized restaurant. This often results in smaller funds spending as much as 30% of their budgets on regulatory expenses. NVCA is working to make sure investors can focus on innovation, not paperwork.
- **Streamlining Taxes:** As the Tax Cuts and Jobs Act of 2017 comes up for renewal, NVCA is working with congress to incentivize high-effort innovation rather than settling for the status quo.
- **Fixing Funding & Procurement:** The federal government is the largest buyer of cutting-edge technology in the world, but it struggles to engage with the world's most innovative companies. That's why NVCA is constantly engaging with the legislative and executive branches to make sure they know where to go when they want to get a look at the future.

THE ROAD AHEAD

America is the best place in the world to be an ambitious innovator, but that doesn't mean we can rest on our laurels. Failure always remains an option, and if we don't prioritize the cultivation, motivation, and elevation of the world's best talent, there is heavily subsidized competition abroad who is eager to make the most of our missteps. Innovation doesn't happen in just one place, and NVCA is dedicated to working with the public and private sectors in supporting Americans all over the country who are trying to make their best ideas a reality and share them with the world.

Fifty-one years after NVCA's founding in Chicago, our mission remains unchanged: we support the people who turn the impossible into the obvious. Our members are helping to cure diseases, reimagine energy, and yes, putting Americans back on the Moon. Let's work together so they have an opportunity to soar.

Here's to building the future—relentlessly, responsibly, together.

Warm regards,
Bobby Franklin

Bobby Franklin
President and CEO
bfranklin@nvca.org

Executive Summary

Overview

After a few years of instability, the US venture capital industry started to find its footing in 2024. There was $215.4 billion of capital invested across 14,320 deals—a 30% year-over-year increase in capital invested compared to 2023's $165.1 billion. Despite persistent macroeconomic headwinds, the sector's dry powder reached stayed near record highs with over $307 billion in funds committed to support America's innovators.

AI and healthcare/life sciences dominated investment themes in 2024, collectively capturing 67% of overall capital invested. Exits continued on a modestly positive trajectory with just under $98 billion in overall exit value. A variety of breakthroughs in precision medicine helped healthcare & life sciences companies contribute nearly 30% of 2024's overall exit value as the market continues to recover from the trough of 2022-2024.

Market Dynamics

The year unfolded in two distinct phases:

- **H1 2024** saw accelerated deployment as Federal Reserve rate cuts (75 bps by June) catalyzed a 22% QoQ deal value surge over the last half of 2024. AI startups raised just under 50% of H1 capital with a bias towards earlier-stage companies.

- **H2 2024** brought renewed selectivity, with late-stage valuations rebounding 15-25% from 2024 troughs. Crossover funds re-entered Series C+ rounds at median valuations of $950 million, while median time between Series B and C financings compressed to 18 months (+18% YoY). Corporate venture capital (CVC) participation stabilized at 55% of deal value, with strategic investors prioritizing AI and energy infrastructure.

Sector-Level Performance

SOFTWARE: SCALING AI

AI companies secured $97 billion in 2024 funding—nearly doubling 2023 levels—as large language model (LLM) developers and vertical applications captured 32% of total software investment. Infrastructure providers, particularly chip designers and cloud optimization platforms, claimed 38% of AI-related capital amid intensifying compute demand. Enterprise SaaS valuations rebounded 15-25% from 2024 lows, driven by increasing uptake of AI tools by enterprise users.

HEALTHCARE: PRECISION MEDICINE BREAKS THROUGH

Life sciences innovation attracted $42 billion (+17% YoY), fueled by CRISPR-Cas9 breakthroughs and AI-driven drug discovery platforms. The FDA's 2024 streamlined approval pathway for digital therapeutics helped spur $6.8 billion in neurology and metabolic disease applications, while Medicare reimbursement reforms accelerated adoption of remote monitoring systems. Medtech investment concentrated on minimally invasive surgical procedures and continuous biomarker tracking. Making up 22% of overall investment at nearly 30% of 2023's exit value, the healthcare sector was unusually dominant in 2024. Whether this trend continues remains to be seen.

ENERGY: A MORE DIVERSE, RESILIENT GRID.

Energy investment reached $27 billion (+35% YoY), propelled by Inflation Reduction Act tax credit monetization. Grid storage and modular nuclear reactor developers led deployments with $14 billion raised through project finance vehicles in Texas and Midwest manufacturing corridors. Carbon capture utilization and storage (CCUS) platforms attracted $8 billion as CVC's associated with petroleum majors co-invested in direct air capture-as-a-service platforms.

Geographic Reshoring

COASTAL HUB ADAPTATION

California has been the nexus of American AI investment. Home to an analytics and software development workforce and robust early-stage funding environment it attracted $76 billion in VC funding (+56% YoY). However, its national share of overall investment increased to 55% as funders and founders have continued to find opportunities across the country. Boston's life sciences corridor leveraged mRNA manufacturing expertise to capture $15 billion in biomanufacturing investments, while New York solidified its blockchain infrastructure leadership with $18 billion flowing into institutional-grade custody solutions.

HEARTLAND INNOVATION EXPANSION

A combination of public and private action has led to over $14 billion in semiconductor investments across Arizona, Ohio, and New Mexico. This has helped spur the development of other more bleeding-edge computing technologies such as photonic integrated circuits and quantum computing which attracted significant investment across the interior of the country. Midwestern agtech funding surged 22% to $4.1 billion in 2024 with drought-resistant crop gene editing startups and robotic field maintenance of particular interest. Miami continued to cement its status as the LatAm tech gateway with over $2 billion deployed in cross-border fintech platforms. Overall 2024 was a good year for founders in the center of the country with Heartland states capturing record levels of investment as regulatory incentives and distributed workforce models reshaped the geography of innovation.

Investor Participation Trends

CORPORATE VENTURE STRATEGIC PIVOTS

Healthcare CVCs increased activity 19% through academic medical center partnerships on gene-editing platforms, while CVCs directed 38% of investments to energy related technologies. Median corporate-participating check sizes reached $28.4 million (+14% YoY), reflecting focus on later-stage deals with immediate synergy potential.

Capital Formation & Deployment

FUNDRAISING DISCIPLINE

VCs raised $76.8 billion across 538 funds, continuing 2023's consolidation trend. Large -funds (>$500M) captured 67% of capital despite constituting just 7.4% of vehicles closed. First-time managers secured only $5.3 billion (-66% YoY) as LPs prioritized established franchises.

DRY POWDER UTILIZATION

The industry drew down minimal dry powder in 2024 with reserves less than one percent down from their record highs of 2023. While on paper dry powder reserves remain substantial, 2024 saw numerous fund closures and consolidations where LPs were released from their commitments–those trends are expected to continue. Those shifts, combined with the time it takes for them to be reflected on institutional balance sheets, call the practical impact of that number into question.

Forward Outlook: 2025 Strategic Imperatives

The venture ecosystem enters 2025 positioned at the intersection of technological disruption and geopolitical realignment. With $307 billion in dry powder and substantial, if uncertain, federal R&D allocations, investors are prioritizing:

1. AI Commercialization— Vertical-specific LLMs building out application-layer uses to take advantage of market white space
2. Supply Chain Sovereignty—Onshoring critical materials production and dual-use technologies and the accompanying infrastructure
3. Biotech Innovation—Mainstreaming digital health and precision medicine technologies

Looking Forward

As inflation stabilizes at 3.1% (Q4 2024) and anticipated interest rate cuts loom, the biggest question in VC is when will the IPO window reopen. There are currently over 58,000 VC-backed companies. 716 of them are unicorns and almost half of those unicorns are over nine years old. In a more certain market, many of them would have gone public years ago, but an increasingly robust private capital market combined with public market uncertainty has pushed many promising companies into a holding pattern. This is a particular issue for GPs because despite a maturing secondary market (up 12% YoY), traditional exits remain the primary way LP's get returns, and until returns improve, fundraising is expected to remain challenging.

With an improving market, evolving technological and regulatory landscapes, and the most geopolitical uncertainty in a generation, 2024 fairly sped into 2025. However, the trajectory remains uncertain. A lack of exits and tepid fundraising could throttle a promising market. Conversely, the raft of new technologies being commercialized by America's innovators could propel us to new heights.

Shiloh Tillemann-Dick
Research Director
stillemanndick
@nvca.org

Fundraising

Fundraising

Venture capital fundraising in 2024 highlighted a market marked by record capital concentration and persistent challenges for emerging managers. U.S. venture funds raised $76.8 billion across 538 funds, representing a 23% year-over-year decrease from 2023. The top ten funds captured almost 40% of capital, with ten mega-funds ($1B+) securing $29 billion collectively. Meanwhile, emerging managers raised just $15 billion (19.5% of total), the lowest share in at least a decade.

Globally, America's share of total capital raised increased slightly to 48%. While down from the 2022 high of 54% the U.S.' share of overall funds raised has been on a steady upward trajectory since its low ebb of 18% in 2018. This trend has led to $307 billion in dry powder across the industry and a total industry AUM of $1.3 trillion. Despite the strong capital position and improving investment environment fundraising is expected to remain tepid because GPs need to return capital to LP's that have heavily allocated to them in recent years.

Consolidation

As the market regains a sense of equilibrium from the upheaval of the past few years it has tended towards consolidation and specialization with a notable drop in mid-size generalist firms in favor of smaller, highly specialized firms or larger platform-types.

VC AUM Summary Statistics

	2007	2015	2024
# of VC Firms in Existance	940	1,477	3,111
# of VC Funds in Existance	1,599	2,499	7,969
# of First Time VC Funds Raised	50	217	110
# of VC Funds Raising Money this Year	203	565	538
VC Capitlal Raised this Year ($B)	$31.8	$41.3	$76.8
VC AUM ($B)	$224.2	$370.4	$1,254.6
Avg VC AUM per Firm ($M)	$199.9	$187.4	$303.7
Avg VC Fund Size to Date ($M)	$ 176.9	$92.5	$165.2
Avg VC Fund Size Raised this Year ($M)	$176.9	$92.5	$165.2
Median VC AUM per Firm ($M)	$49.5	$25.3	$39.0
Median VC Fund Size to Date ($M)	$ 78.9	$20.0	$21.3
Median VC Fund Size Raised this Year ($M)	$78.9	$20.0	$21.3
Largest VC Fund Raised to Date ($M)	$ 3,000.0	$2,791.9	$ 4,500.0

Source: NVCA 2025 Yearbook; Data provided by PitchBook
* Number of firms in existence is based on a rolling count of firms that raised a fund in the last 8 vintage years
* Number of VC funds in existence is based on a rolling count of funds that have closed in the last 8 vintage years
* Number of VC funds in existence is based on a rolling count of funds that have closed in the last 8 vintage years

In 2024, the median venture capital fund size was $21.3 million. The largest fund raised was $4.5 billion. While there are thousands of funds across the industry, mega funds are capturing increasingly large shares of total capital raised. Capital concentration intensified sharply between 2022 and 2024, reshaping the competitive dynamics of fundraising. In 2022, 35 mega-funds raised 56% of total commitments, but by 2024, just nine mega-funds captured 46% of capital—a 61% increase in concentration. This shift reflects LPs' deepening reliance on established managers to mitigate risk amid economic uncertainty and a lack of near-term exit opportunities.

Emerging managers faced existential pressures in 2024. They closed fewer funds and raised less overall capital than any time in the last decade. Usually, emerging managers start more funds, but experienced managers raise more capital. Emerging managers didn't just start fewer funds than experienced managers in 2024, they started 65% fewer funds than the ten-year average. By comparison, experienced funds were just 22% below the ten-year average. This obscures the depth of the trend though, because as the difficulty of raising funds has increased the only managers able to raise capital have been those with strong industry

U.S. as a % of Global VC Fundraising by Year

	2017	2018	2019	2020	2021	2022	2024	2024
Global Capital Raised ($B)	$203.9	$380.8	$278.5	$275.3	$404.1	$350.1	$218.5	$160.8
US Capital Raised ($B)	$46.5	$69.9	$72.6	$96.2	$175.0	$188.9	$99.9	$76.8
Global Fund Count (#)	2,768	3,123	2,856	3,110	4,294	3,850	2,393	1,419
US Fund Count (#)	674	796	793	937	1,612	1,650	969	538
US as % of Global ($)	23%	18%	26%	35%	43%	54%	46%	48%
US as % of Global (#)	24%	25%	28%	30%	38%	43%	40%	38%

Source: NVCA 2025 Yearbook; Data provided by PitchBook

pedigrees. This is borne out by the fact that despite the smaller number of funds raised, the average size of an emerging fund ($63.9 million) was at its second- highest level in the last decade. This difference becomes even more stark when first-time managers are compared against managers raising their second through fourth funds. First-time fund managers averaged $50 million while more experienced emerging managers averaged nearly $75 million. Both the bar and the ceiling for VC fundraising have been raised; how the industry keeps the door open for newcomers remains to be seen.

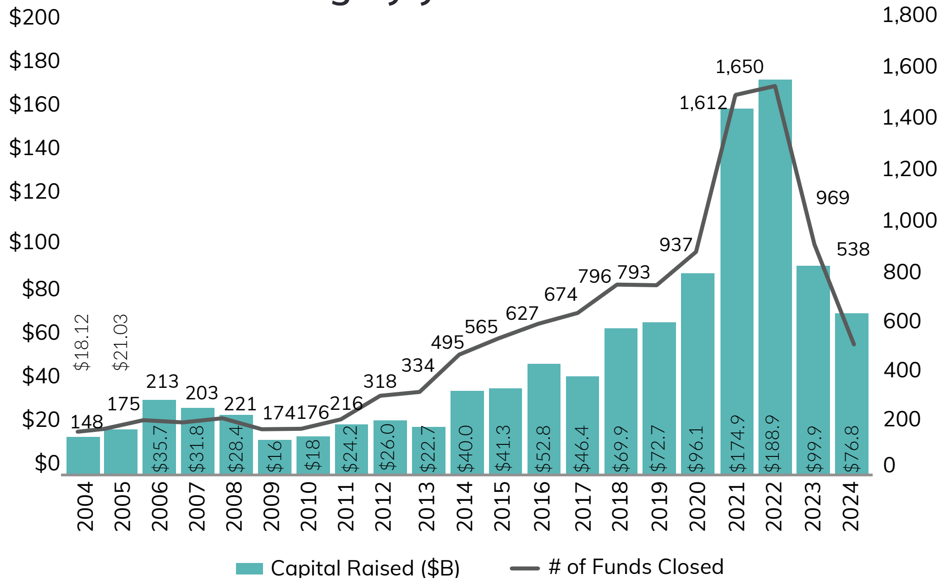
Differentiation

Fundraising competition evolved across three strategic axes in 2024, reshaping how managers differentiated themselves:

1. **Sector Specialization:** Successful GPs increasingly targeted niche verticals to carve out defensible market positions. AI, life sciences, and advanced energy technology emerged as focal points, leveraging federal incentives, sensitive geopolitics, and a rapidly accelerating technology frontier to help them leverage a tight capital landscape.

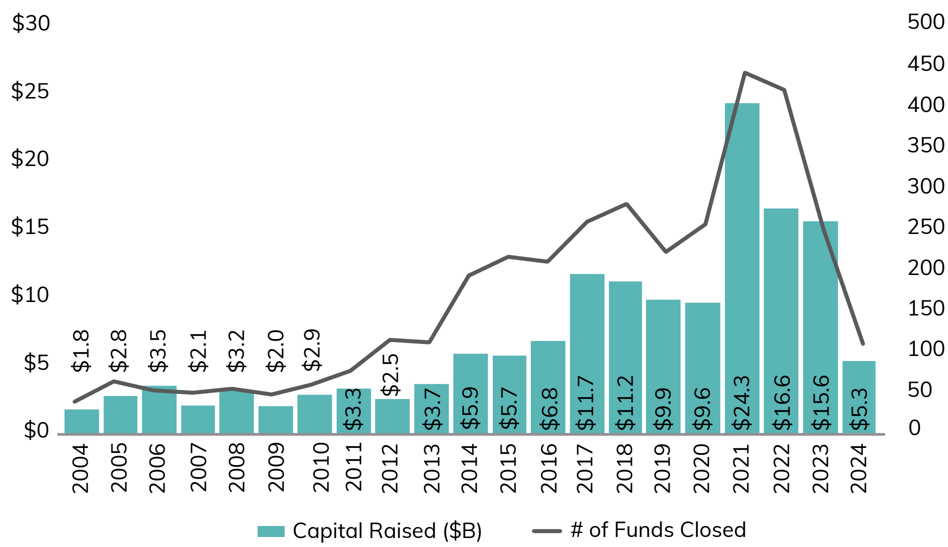
2. **Geographic Dispersion:** While traditional hubs like Silicon Valley retained an edge in fundraising, emerging ecosystems

US VC Fundraising by year



Source: NVCA 2025 Yearbook; Data provided by PitchBook

US First Time VC Fundraising by year



Source: NVCA 2025 Yearbook; Data provided by PitchBook

Top 10 U.S. VC Funds in 2024

Investor Name	Fund Name	Fund Size (millions, USD)	Close Date	Fund State
General Catalyst	General Catalyst Group XII	$4,500.0	October 25, 2024	California
Thrive Capital	Thrive Capital Partners IX Growth	$4,000.0	August 6, 2024	New York
Andreessen Horowitz	a16z Growth Fund	$3,750.0	April 16, 2024	California
Norwest Venture Partners	Norwest Venture Partners XVII	$3,000.0	April 25, 2024	California
ARCH Venture Partners	ARCH Venture Fund XIII	$3,000.0	September 26, 2024	Illinois
TCV	Technology Crossover Ventures XII	$3,000.0	May 30, 2024	California
Flagship Pioneering	Flagship Pioneering Fund VIII	$2,600.0	July 10, 2024	Massachusetts
Tiger Global Management	Tiger Global PIP Fund XVI	$2,200.0	April 2, 2024	New York
IVP	Institutional Venture Partners XVIII	$1,600.0	March 19, 2024	California
General Catalyst	General Catalyst Group XII - Creation	$1,500.0	October 24, 2024	California

Source: NVCA 2025 Yearbook; Data provided by PitchBook

gained traction assisted by robust research through state-level policy innovation. The Southeast and Intermountain West have emerged as particularly robust ecosystems where robust state-level incentives combine with cost advantages, regulatory flexibility, and a robust talent pool to attract managers seeking to diversify beyond saturated coastal markets.

3. **Regulatory Catalysts:**
Federal programs aimed at democratizing access to capital saw mixed results. The Small Business Administration's (SBA) $3.2 billion Emerging Manager Program allocated 30% of funds to underrepresented GPs, but disbursement delays left 68% of capital undistributed by year's end. Meanwhile, the CHIPS Act's innovation fund prioritized semiconductor and quantum computing ventures, though its impact remained limited by slow implementation.

4. **Flight To Familiarity:** Insider-led rounds surged to their highest level in a decade, as existing investors prioritized portfolio support over new bets. This extended to LPs, with re-up rates hitting record highs and fewer allocators willing to back first-time funds without prior relationships.

Demographic Shifts

Diversity initiatives yielded incremental progress, with first-time female fund managers securing 28% of emerging manager allocations (up from 19% in 2020). Ethnic minority GP representation reached 23% (up from 11% in 2019), driven by accelerator programs and LP mandates for inclusive portfolios.

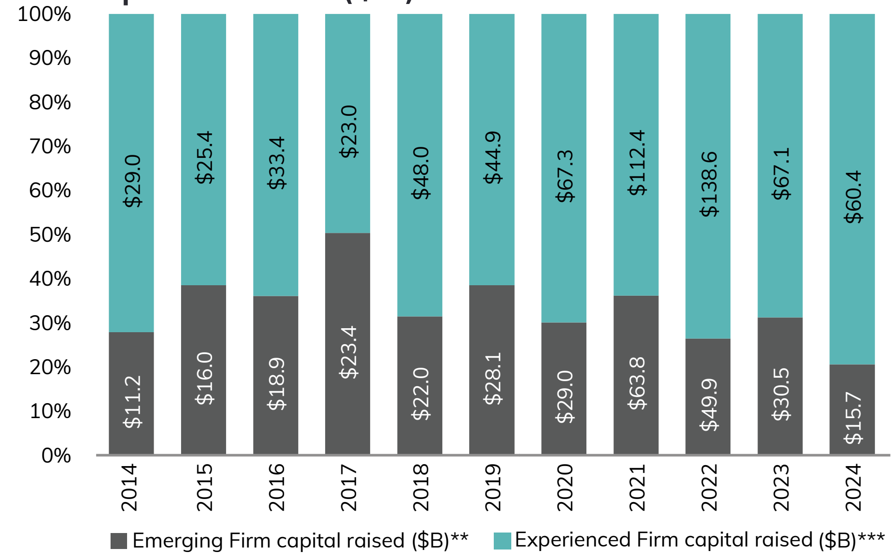
Dry Powder

Despite record reserves and numerous high-interest investment areas like AI, biotechnology, blockchain, and others, the industry's dry powder reserves are stubbornly high. While the potential reasons for the dry powder are many, the reality is that as long as the industry is sitting on that much capital and exit activity remains low, fundraising is likely to remain tepid.

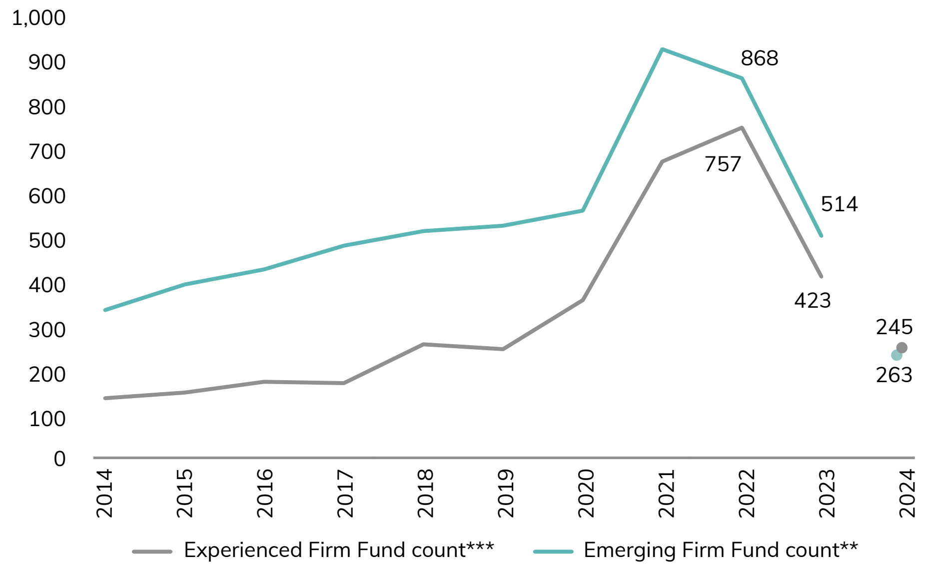
Going Forward

The 2025 outlook for VC fund hinges on increased exits, which hinge on reduced macroeconomic uncertainty. Other factors, like reduced interest rates, might also facilitate improved fundraising to a degree, but the venture capital cycle is about raising, investing, and returning capital so the cycle can begin again. When that cycle is disrupted, the flow of capital is reduced to a trickle, and remains so until equilibrium is restored.

US VC fundraising activity Emerging & Experience Firm capital raised ($B)**



US VC fundraising activity by Emerging & Experience Firm Fund count



Source: Q4 2024 PitchBook-NVCA Venture Monitor
** Emerging is defined as firms that have launched fewer than 4 funds
*** Experienced firms are defined as firms that have opened 4 or more funds

VC Fundraising by State by Year ($M)

	2017	2018	2019	2020	2021	2022	2024	2024
California	$26,001.2	$43,757.8	$39,669.5	$46,133.3	$88,345.5	$96,628.9	$58,165.9	$43,075.7
New York	$4,007.6	$12,171.0	$8,095.4	$22,627.6	$31,803.9	$39,617.9	$15,557.5	$14,984.7
Massachusetts	$5,945.2	$3,977.7	$6,748.3	$9,486.8	$16,751.3	$10,509.0	$7,126.8	$6,190.0
Florida	$98.2	$556.5	$6,133.6	$1,905.8	$6,335.6	$14,594.1	$1,694.3	$1,300.2
Texas	$1,974.1	$803.6	$1,166.6	$2,547.7	$5,336.2	$5,593.2	$967.7	$4,712.2
Maryland	$2,045.1	$1,708.3	$2,365.8	$2,272.7	$5,233.4	$3,256.2	$1,903.4	$1,344.6
Illinois	$989.3	$2,248.9	$825.2	$4,231.6	$2,653.3	$3,350.5	$798.6	$1,017.5
Washington	$1,600.0	$379.3	$866.6	$130.2	$2,029.4	$2,359.7	$165.2	$256.9
Virginia	$321.5	$1,223.5	$520.5	$660.0	$3,016.0	$936.6	$2,304.8	$742.6
District of Columbia	$521.0	$273.2	$411.6	$1,536.6	$439.5	$2,779.5	$521.0	$281.1
Connecticut	$98.3	$105.5	$272.3	$257.7	$779.2	$462.8	$3,653.8	-
Pennsylvania	$116.3	$1,031.4	$240.9	$264.0	$687.4	$775.1	$741.4	$325.2
Colorado	$6.0	$69.0	$425.7	$91.6	$412.4	$882.8	$58.9	$449.5
Georgia	$124.1	$49.5	$1,111.7	$209.1	$1,114.3	$296.7	$1,400.2	$264.8
Utah	$132.0	$99.9	$558.0	$29.3	$134.1	$580.9	$285.0	$50.0
Michigan	$137.8	$74.0	$206.9	$582.8	$1,216.8	$950.0	$385.1	$29.6
Ohio	$162.1	$1.2	$749.1	$151.0	$736.1	$187.6	$350.5	$21.7
Minnesota	$162.0	-	$150.4	$100.0	$1,820.0	$1,557.0	$125.0	-
North Carolina	$343.1	$74.3	$139.6	$362.4	$1,142.3	$266.7	$180.9	$333.0
Missouri	$81.3	$168.3	$411.5	$624.4	$701.4	$206.1	$68.1	$81.0
Tennessee	$75.1	$261.1	$91.3	$182.5	$855.8	$97.7	$172.4	-
New Jersey	$246.4	$47.9	$370.0	$33.1	$234.5	$174.2	$540.8	$100.0
Wyoming	$125.4	$196.7	$188.0	$147.6	$145.2	$1,060.7	$298.8	$38.1
New Hampshire	$70.6	-	$12.3	$181.5	$81.8	$447.6	$888.9	$152.4
Hawaii	$31.1	$136.3	$205.6	$282.9	$593.3	$487.5	$110.7	$16.8
Wisconsin	-	-	-	$436.3	$697.8	-	$512.4	-
Arizona	$134.0	$77.5	$350.0	$28.7	$84.0	$64.6	$263.9	$143.5
Indiana	$535.9	$15.9	-	$114.2	$26.8	$217.3	$73.8	$472.0
Oregon	-	$137.6	$0.7	$61.1	$255.7	$60.1	$24.4	$125.0
Nevada	$29.4	$20.0	$202.7	$30.2	$181.4	$212.0	$32.4	$85.0
Iowa	$131.8	$117.2	$43.6	$49.3	$190.9	$35.8	$113.1	$22.2
Montana	$0.4	$11.2	$80.7	$41.6	$291.5	-	$2.0	$2.0
Idaho	$2.8	$39.5	-	-	$330.0	-	-	$102.0
Delaware	$15.0	-	$50.0	-	-	$8.4	$10.0	-
Kentucky	-	$25.5	-	$39.0	$3.7	-	$0.5	$33.0
Vermont	$10.2	-	-	-	-	$19.4	$100.0	$3.4
South Carolina	$14.7	-	$6.1	$102.7	$11.3	$28.3	$60.0	$20.0
Louisiana	$64.0	-	$10.1	$3.0	$20.1	$26.2	$22.5	-
Oklahoma	$2.7	-	$30.7	-	$112.0	$0.4	$4.0	-
New Mexico	-	-	-	$13.9	$20.0	-	$130.6	-
Maine	$1.4	$25.0	-	$16.3	-	$11.7	$3.7	-
Arkansas	$5.7	$5.0	$10.2	$8.3	-	$125.3	$8.9	$5.0
Nebraska	-	$0.1	-	$1.5	-	-	-	-
Alabama	$31.0	-	-	-	$24.3	-	$21.3	-
Kansas	-	-	-	$1.4	$100.0	-	-	$20.0
Alaska	$26.4	$25.0	$27.2	$31.8	-	$5.7	-	-
South Dakota	-	-	-	$100.0	-	-	-	-
West Virginia	-	-	-	-	-	-	-	-
North Dakota	$25.0	-	-	-	-	-	-	-
Mississippi	-	-	-	$20.0	-	-	-	-
Rhode Island	$1.8	-	$1.0	-	-	$0.4	-	-

Source: NVCA 2025 Yearbook; Data provided by PitchBook

Investing Capital

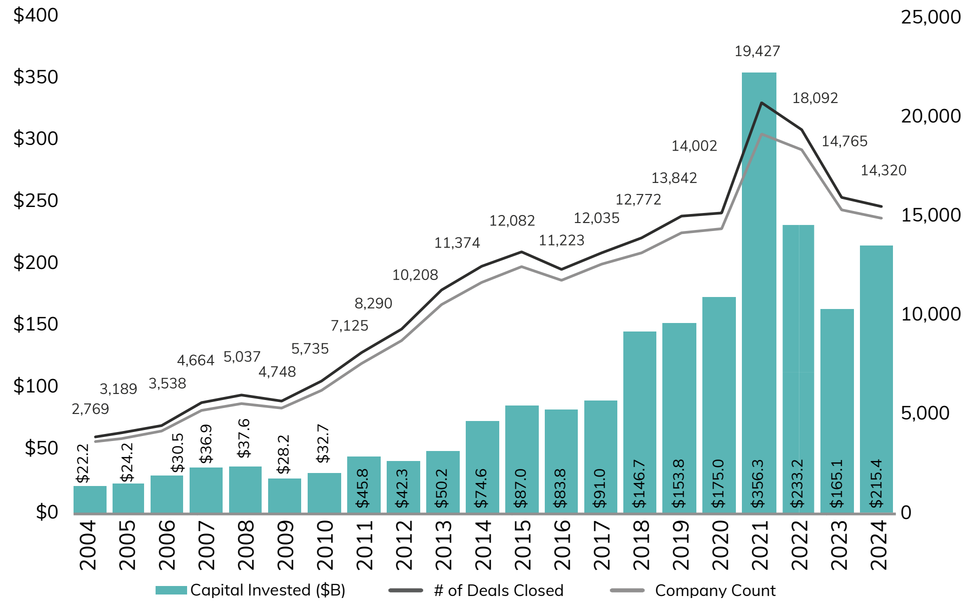
Data provided by PitchBook

Investing Capital

Overview: The New Normal Intensifies

The US venture capital market deployed $215.4 billion across 14,320 deals in 2024, marking a 30% year-over-year recovery from 2023's decade-low activity. Artificial intelligence dominated investment flows (42% of software deals), while geopolitical instability, supply chain disruptions, and a persistent IPO drought forced investors to prioritize late-stage "flight to quality" strategies. Dry powder dropped slightly to $307 billion, creating tension between LPs demanding returns and GPs holding out for valuation resets. Median early VC deal size increased by 38.5% despite an early VC deal counts instead by 4% according to the table below, reflecting intense competition for AI talent and technology.

US VC Deal Flow



Source: NVCA 2025 Yearbook; Data provided by PitchBook

US VC Deal Flow by Stage (#)

	2017	2018	2019	2020	2021	2022	2023	2024
Pre-seed/Seed	4,386	4,539	5,070	5,235	7,270	6,838	5,117	4,633
Early VC	4,372	4,473	4,497	4,244	6,032	5,650	4,618	4,818
Later VC	2,720	3,097	3,576	3,743	5,154	4,781	4,290	4,006
Venture Growth	538	641	686	765	954	809	726	838

Source: NVCA 2025 Yearbook; Data provided by PitchBook

U.S. as a % of Global VC Deal Flow by Year

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Global Deal Value ($B)	$125.1	$185.3	$201.0	$219.9	$350.7	$339.0	$377.4	$748.9	$523.6	$352.5	$378.5
US Deal Value ($B)	$74.6	$87.0	$83.8	$91.0	$146.7	$153.8	$175.0	$356.3	$233.2	$165.1	$215.4
Global Deal Count (#)	24,447	30,664	31,768	34,081	38,224	39,782	41,682	57,172	54,344	43,517	37,192
US Deal Count (#)	11,374	12,082	11,223	12,035	12,772	13,842	14,002	19,427	18,092	14,765	14,320
US as % of Global ($)	60%	47%	42%	41%	42%	45%	46%	48%	45%	47%	57%
US as % of Global (#)	47%	39%	35%	35%	33%	35%	34%	34%	33%	34%	39%

Source: NVCA 2025 Yearbook; Data provided by PitchBook

Overall deal activity appears to be on a steady upward trajectory, with capital available for promising founders. While demand for capital outweighs supply and that has led to more investor-friendly terms than in prior years, investors have been making up for this by making bigger investments to ensure that founders will have the runway they need. The outstanding question on investing is the massive backlog of privately-held VC-backed companies (over 58,000). These companies are staying private for record amounts of time, and while some companies reach profitability in the private sector and others are able to consistently get capital from the private markets, others are struggling to meet the challenges of a market they might not have been ready for.

From Correction to Cautious Growth

The VC ecosystem stabilized near 2024's baseline, with a little over 3,600 deals per quarter. Q4 was a bit of an outlier because at $75 billion capital invested, it was nearly double the amount of capital invested in other quarters (which was in the low to mid 40s).

Software (driven by AI) retained its dominance at 40% of total deal value ($84B), while healthcare and life sciences were the second largest investment sector. Overall, there was modest growth with some valuation stress coming from the Fed's benchmark rate which was well over 5% for most of 2024 and is credited with erasing billions of dollars of late-stage company valuations.

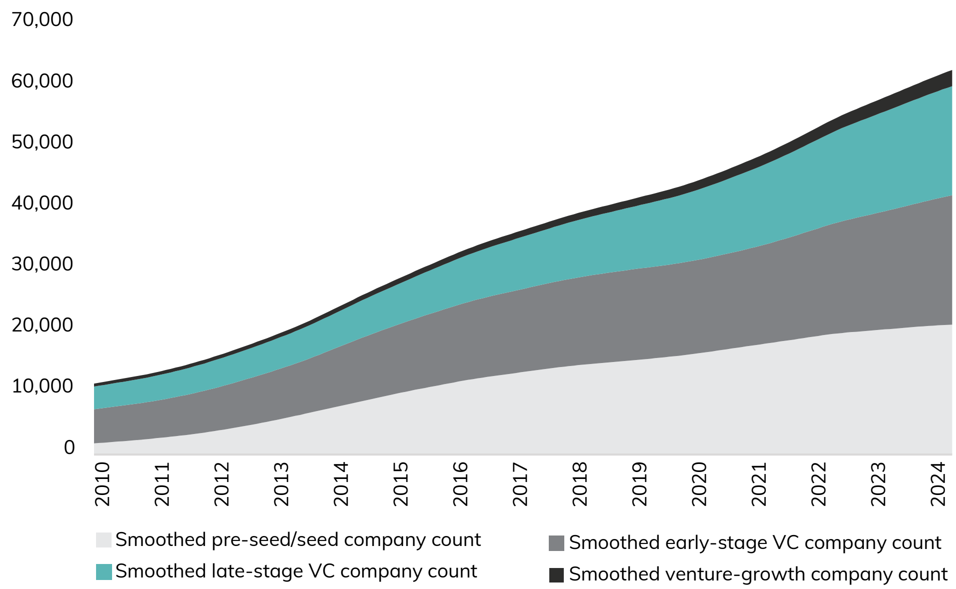
Geopolitical & Supply Chains

Geopolitics continues to remain a major concern in the VC market. Red Sea shipping disruptions added significantly to Asia-Europe transit times, which, in turn, directly impacted hundreds of hardware startups' production timelines. Meanwhile, US-China tech decoupling accelerated, with cross-border deal participation dropping to 14% (vs. 27% in 2020). Notably, explicit "reshoring" clauses have become commonplace in term sheets for semiconductors and other strategically relevant companies who received funding in 2024.

AI Investment

Foundational model developers like openAI, XAI, and Anthropic dominated in 2024, raising a combined $26 billion in funding. While there are also significant investments in GPUs and other infrastructure for AI implementation, the moats maintained by players like Nvidia have kept those investments modest by comparison. There has been significant investment by a variety of players at the application layer in AI, but aside from some notable exceptions like Tempus AI and Perplexity, few have achieved significant recognition. There has been considerable publicity surrounding the release of the Chinese model R1, a robust, highly efficient model developed by the company

Monthly US VC company inventory



Source: Q4 2024 PitchBook-NVCA Venture Monitor

US VC Deal Flow by Stage by Quarter (#)

	2023					2024			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Pre-seed/Seed	1,395	1,418	1,320	1,189	1,190	1,246	1,192	1,167	1,028
Early VC	1,246	1,288	1,112	1,048	1,170	1,342	1,279	1,076	1,121
Later VC	983	1,271	1,057	985	977	1,121	1,049	929	907
Venture Growth	202	213	193	161	159	208	213	214	203
Total	3,624	3,977	3,489	3,222	3,337	3,709	3,520	3,172	3,056

Source: NVCA 2025 Yearbook; Data provided by PitchBook

Deepseek, but it seems to have spurred US companies to be more aggressive, rather than pull back.

Down Round Diplomacy

Founders increasingly used structured equity (e.g., SAFE, revenue-based notes) to avoid dilution—45% of 2024 deals involved non-priced rounds, up from 28% in 2021. The median time between Series B and C stretched to over two years as companies prioritized breakeven metrics over runaway growth.

The Dry Powder Dilemma

Uninvested capital now represents 25% of total VC AUM, the highest since 2012. With $84 billion in pre-2020 funds nearing expiration, GPs face mounting pressure to deploy. However, 72% of LPs reported reducing VC allocations in favor of private credit and secondary markets. The capital overhang persists due to mismatched valuation expectations, and until those expectations are able to align with the market, the sector is likely to face a certain amount of reticence from allocators.

Seed's AI Talent Grab

While the number of seed deals 18%, check sizes ballooned 22% as investors chased technical founders. Preemptive rounds dominated—83% of $5M+ seed deals went to AI/ML teams, often with corporate development partnerships attached.

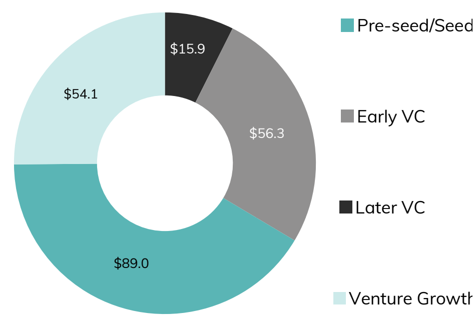
Geographic Shifts Experimentation

Florida and Texas were the top destinations for relocating tech companies, drawn by a variety of government incentives. However, despite moving their headquarters, 68% of companies maintained significant operations in their home states. Perennial growth regions Denver and Raleigh Durham also saw record levels of investment.

Conclusion

Investment in 2024 continued on a steady trend of improvement since the market cycle reset in 2022. Investors cut big checks to small numbers of exceptionally promising founders so they could have a shot at being part of AI's iPhone moment. While infrastructure bets dominated headlines, the real story was operational rigor: Median burn multiples improved to 1.2x (from 2.4x in 2021) as startups learned to survive the frost. If interest rates continue to drop in 2025 and AI-driven productivity gains start materializing, 2025 may finally deliver the exit catharsis this coiled spring of a market deserves.

2024 US VC Deals by Stage ($B)



Source: NVCA 2025 Yearbook; Data provided by PitchBook

2024 US VC Deal Value ($B) by Sector

Commercial Products & Services	$22.7	Media	$1.3
Consumer Goods & Services	$11.7	Other*	$9.6
Energy	$6.0	Pharma & Biotech	$26.0
HC Devices & Supplies	$7.5	Software	$99.8
HC Services & Systems	$14.5	Transportation	$7.6
IT Hardware	$8.6		

* Other industry groups:

- Commercial Products
- Commercial Transportation
- Other Business Products and Services
- Consumer Durables
- Consumer Nondurables
- Services (Nonfinancial)
- Other Consumer Products and Services
- Utilities
- Other Energy
- Capital Markets/Institutions
- Commercial Banks
- Insurance
- Other Financial Services
- Other Healthcare
- IT Services
- Other Information Technology
- Agriculture
- Chemicals and Gases
- Construction (Nonwood)
- Containers and Packaging
- Forestry
- Metals, Minerals, and Mining
- Textiles
- Other Materials

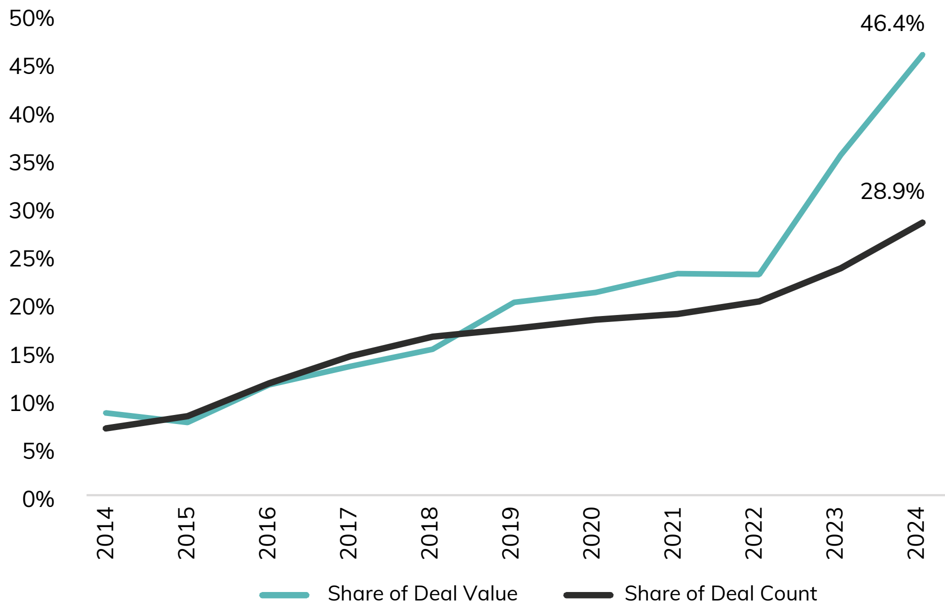
Source: NVCA 2025 Yearbook; Data provided by PitchBook

2024 US VC Deal Flow by State

	Company Count	# of Deals Closed	Capital Invested ($M)
California	4354	4563	$118,455.7
New York	1867	1939	$24,945.0
Massachusetts	844	883	$16,272.4
Illinois	347	358	$2,906.2
Texas	758	784	$7,081.3
Washington	420	439	$3,789.8
Florida	564	586	$3,654.1
Colorado	367	384	$5,114.9
Pennsylvania	282	293	$2,495.1
North Carolina	250	259	$3,800.7
Virginia	195	200	$1,862.5
Utah	151	158	$1,159.2
New Jersey	202	209	$2,687.2
Minnesota	146	153	$1,513.4
Georgia	190	201	$1,456.4
Ohio	191	195	$1,258.2
Delaware	535	561	$2,653.4
Connecticut	111	117	$1,563.8
Maryland	148	152	$1,905.8
District of Columbia	72	75	$354.9
Nevada	82	84	$370.4
Arizona	134	139	$1,379.3
Michigan	187	189	$1,069.2
Oregon	136	141	$520.7
Tennessee	138	142	$768.7
Indiana	159	166	$1,049.3
Missouri	79	81	$401.5
South Carolina	64	67	$219.9
Wyoming	31	34	$117.3
Vermont	30	33	$523.2
Wisconsin	82	84	$336.4
Nebraska	49	53	$68.0
Kansas	34	36	$234.7
Idaho	33	34	$80.2
Iowa	36	37	$196.0
Alabama	39	39	$95.0
Arkansas	13	13	$177.2
Oklahoma	29	30	$150.3
New Hampshire	26	28	$119.3
Montana	21	22	$135.0
Puerto Rico	13	13	$42.1
(blank)	109	112	$1,301.4
Rhode Island	28	30	$276.1
Louisiana	33	33	$125.2
New Mexico	27	28	$313.0
Maine	23	23	$66.1
Kentucky	73	78	$125.1
North Dakota	11	11	$13.2
Alaska	4	4	$6.5
Mississippi	11	11	$27.8
Hawaii	8	8	$81.7
Virgin Islands	2	2	$8.7
West Virginia	2	2	-
South Dakota	4	4	$31.7

Source: NVCA 2025 Yearbook; Data provided by PitchBook

AI & ML VC deal activity as a share of all US VC deal activity



Source: Q4 2024 PitchBook-NVCA Venture Monitor

AI & ML VC deals as a share of all US VC deal counts by stage

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Pre-seed/Seed	8.4%	10.2%	14.4%	17.7%	20.0%	20.6%	21.2%	21.8%	22.9%	28.8%	34.4%
Early-stage VC	8.1%	8.9%	12.7%	15.9%	18.0%	18.3%	19.7%	19.5%	18.4%	24.5%	31.1%
Late-stage VC	5.8%	7.1%	8.6%	11.3%	12.5%	14.5%	15.5%	16.3%	20.8%	19.1%	22.1%
Venture growth	4.7%	4.5%	8.9%	6.1%	11.6%	13.4%	14.1%	18.5%	17.7%	19.2%	19.9%

Source: NVCA 2025 Yearbook; Data provided by PitchBook

Top 10 U.S. VC Deals in 2024

Company Name	Close Date	Deal Size (millions)	Deal Type	Industry Sector	State
Databricks	November 14, 2024	$10,000.0	Later Stage VC	Information Technology	California
OpenAI	October 2, 2024	$6,600.0	Later Stage VC	Information Technology	California
xAI	November 20, 2024	$6,000.1	Later Stage VC	Information Technology	California
xAI	May 26, 2024	$6,000.0	Early Stage VC	Information Technology	California
Waymo	October 25, 2024	$5,600.0	Later Stage VC	Consumer Products and Services (B2C)	California
Anthropic	November 22, 2024	$4,000.0	Later Stage VC	Information Technology	California
Anthropic	March 31, 2024	$4,000.0	Later Stage VC	Information Technology	California
Juul Labs	November 22, 2024	$1,984.4	Later Stage VC	Consumer Products and Services (B2C)	California
Anduril	August 7, 2024	$1,500.0	Later Stage VC	Business Products and Services (B2B)	California
Epic Games	September 30, 2024	$1,500.0	Later Stage VC	Information Technology	North Carolina

Source: NVCA 2025 Yearbook; Data provided by PitchBook

2024 Top 50 US VC Deal Flow by MSA ($M)

	2024
San Francisco-Oakland-Fremont, CA MSA	$65,246.3
San Jose-Sunnyvale-Santa Clara, CA MSA	$34,126.2
New York-Northern New Jersey-Long Island, NY-NJ-PA MSA	$26,586.4
Boston-Cambridge-Quincy, MA-NH MSA	$15,514.6
Los Angeles-Long Beach-Santa Ana, CA MSA	$11,211.1
San Diego-Carlsbad-San Marcos, CA MSA	$5,934.8
Austin-Round Rock, TX MSA	$3,683.8
Seattle-Tacoma-Bellevue, WA MSA	$3,514.9
Denver-Aurora, CO MSA	$3,485.8
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA	$3,308.4
Washington-Arlington-Alexandria, DC-VA-MD-WV MSA	$3,017.1
Chicago-Naperville-Joliet, IL-IN-WI MSA	$2,687.8
Miami-Fort Lauderdale-Pompano Beach, FL MSA	$2,150.4
Raleigh-Cary, NC MSA	$1,873.2
Houston-Sugar Land-Baytown, TX MSA	$1,742.5
Dallas-Fort Worth-Arlington, TX MSA	$1,451.0
Minneapolis-St. Paul-Bloomington, MN-WI MSA	$1,442.0
Atlanta-Sandy Springs-Marietta, GA MSA	$1,429.9
Boulder, CO MSA	$1,332.8
Durham, NC MSA	$1,197.3
Phoenix-Mesa-Scottsdale, AZ MSA	$1,178.5
Bridgeport-Stamford-Norwalk, CT MSA	$1,066.6
Pittsburgh, PA MSA	$899.2
Salt Lake City, UT MSA	$808.3
Worcester, MA MSA	$756.6
Detroit-Warren-Livonia, MI MSA	$715.8

	2024
Baltimore-Towson, MD MSA	$681.7
Sacramento-Arden-Arcade-Roseville, CA MSA	$666.5
Charlotte-Gastonia-Concord, NC-SC MSA	$535.2
Columbus, OH MSA	$524.4
Indianapolis-Carmel, IN MSA	$518.6
Nashville-Davidson-Murfreesboro-Franklin, TN MSA	$511.0
Dover, DE MSA	$448.3
New Haven-Milford, CT MSA	$398.2
Orlando-Kissimmee, FL MSA	$397.5
Portland-Vancouver-Beaverton, OR-WA MSA	$376.9
Burlington-South Burlington, VT MSA	$348.4
St. Louis, MO-IL MSA	$324.5
Cincinnati-Middletown, OH-KY-IN MSA	$308.6
Providence-New Bedford-Fall River, RI-MA MSA	$297.1
Cleveland-Elyria-Mentor, OH MSA	$296.9
Santa Barbara-Santa Maria-Goleta, CA MSA	$290.3
Provo-Orem, UT MSA	$289.7
Albuquerque, NM MSA	$277.8
Santa Cruz-Watsonville, CA MSA	$276.9
Fort Wayne, IN MSA	$270.1
Ann Arbor, MI MSA	$226.9
Tampa-St. Petersburg-Clearwater, FL MSA	$209.7
Kansas City, MO-KS MSA	$200.3
Las Vegas-Paradise, NV MSA	$200.3

Source: NVCA 2025 Yearbook; Data provided by PitchBook

2024 VC Deals & Company Counts by State

	Company Count	% of Total	Capital Invested ($M)	% of Total
California	4354	31.68%	$118,455.7	55.0%
New York	1867	13.58%	$24,945.0	11.6%
Massachusetts	844	6.14%	$16,272.4	7.6%
Texas	347	2.52%	$2,906.2	1.3%
Colorado	758	5.52%	$7,081.3	3.3%
Washington	420	3.06%	$3,789.8	1.8%
Florida	564	4.10%	$3,654.1	1.7%
Illinois	367	2.67%	$5,114.9	2.4%
District of Columbia	282	2.05%	$2,495.1	1.2%
Virginia	250	1.82%	$3,800.7	1.8%
All Others	3,691	26.86%	$26,844.9	12.5%
Total	13,744		$215,360.1	

Source: NVCA 2025 Yearbook, Data provided by PitchBook

Top 5 States by Percentage of 2024 Deals Done in State That Featured Investor(s) From Outside State

Company HQ State	% Invested From Outside State
New Jersey	89%
Virginia	87%
Alabama	87%
Georgia	87%
District of Columbia	86%

Source: NVCA 2025 Yearbook, Data provided by PitchBook
*This ranking includes states with 20 or more investments.

Top 5 States by Percentage of 2024 Deals Done in State That Featured Investor(s) From State

Company HQ State	% Invested From Within State
Nebraska	78%
Kentucky	78%
Vermont	74%
Michigan	73%
California	72%

Source: NVCA 2025 Yearbook, Data provided by PitchBook
*This ranking includes states with 20 or more investments.

2024 # of States/Territory Invested into by Investor HQ State

Investor HQ State	# of States Invested In
California	49
New York	48
Massachusetts	43
Texas	43
Florida	43
Illinois	39
Colorado	38
Washington	38
Georgia	37
Maryland	34
Connecticut	33
Virginia	33
Utah	32
North Carolina	32
Pennsylvania	32
Tennessee	32
Ohio	31
District of Columbia	31
Michigan	31
New Jersey	30
Missouri	30
Minnesota	29
Indiana	29
Wisconsin	28
Delaware	28
New Hampshire	26
Arizona	25

Investor HQ State	# of States Invested In
Delaware	22
Kentucky	22
Kentucky	22
Nevada	21
Oklahoma	19
Oregon	18
Kansas	17
Iowa	16
Vermont	15
New Mexico	14
Nebraska	14
South Carolina	13
Wyoming	12
Louisiana	12
Arkansas	11
Alabama	11
Maine	11
Montana	9
Rhode Island	8
North Dakota	8
South Dakota	8
Idaho	3
Hawaii	3
West Virginia	2
Mississippi	2
West Virginia	2

Source: NVCA 2025 Yearbook, Data provided by PitchBook

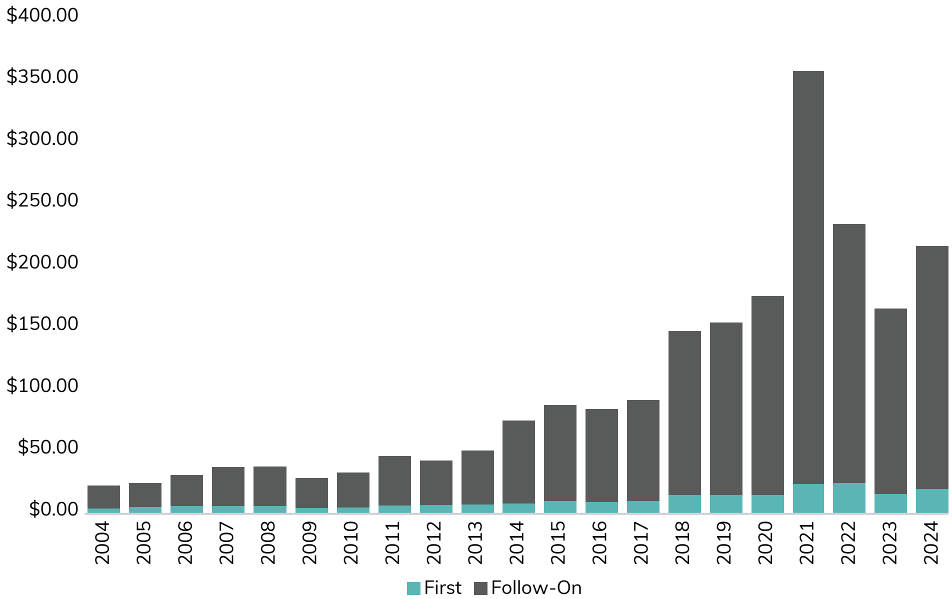
of States California Investors Invested Into by Year

Year	# of States Invested In
2007	40
2015	45
2024	49

Source: NVCA 2025 Yearbook, Data provided by PitchBook

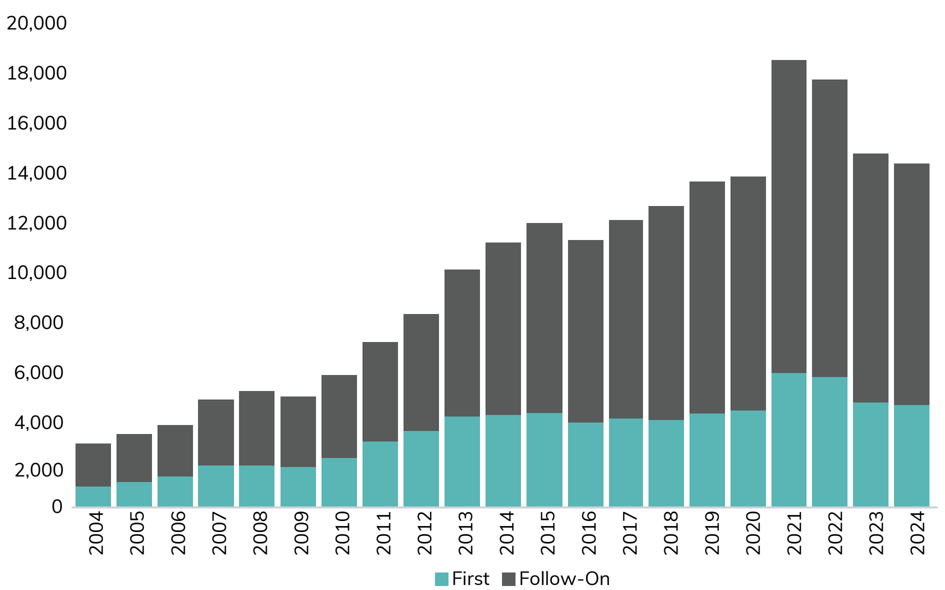
First & Follow On

US First VC & Follow on VC Deal Flow ($B)



Source: NVCA 2025 Yearbook, Data provided by PitchBook

US First VC & Follow on VC Deal Flow (Company Counts)



Source: NVCA 2025 Yearbook, Data provided by PitchBook

US VC Deal Activity by Sector: First-Round VC in 2024

Sector	# of Deals Closed	Capital Raised ($M)
Commercial Products & Services	812	$2,377.6
Consumer Goods & Services	452	$905.6
Energy	65	$1,224.4
HC Devices & Supplies	81	$332.5
HC Services & Systems	318	$1,760.7
IT Hardware	86	$373.4
Media	121	$193.0
Other	301	$930.4
Pharma & Biotech	165	$4,655.9
Software	1,786	$6,979.6
Transportation	35	$63.2

Source: NVCA 2025 Yearbook, Data provided by PitchBook

Life Sciences

US Life Sciences VC Deal Flow

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Capital Invested ($B)	$9.8	$11.1	$14.6	$16.8	$15.8	$20.9	$29.5	$27.1	$41.0	$54.9	$41.1	$30.0	$37.4
# of Deals Closed	1,262	1,414	1,516	1,641	1,589	1,809	1,917	2,053	2,197	2,697	2,200	1,975	1,891
Company Count	1,163	1,329	1,415	1,535	1,524	1,703	1,801	1,925	2,056	2,506	2,062	1,878	1,807

Source: NVCA 2025 Yearbook, Data provided by PitchBook

US Life Sciences VC Capital Invested ($M) by Selected Sector(s)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Biotechnology	$1,832.0	$1,902.5	$3,097.6	$3,949.6	$3,897.5	$5,564.5	$6,554.4	$5,931.3	$10,015.8	$10,375.0	$11,719.2	$6,527.0	$6,832.3
Diagnostic Equipment	$674.6	$1,036.3	$858.3	$1,078.1	$900.1	$1,416.3	$1,519.4	$1,286.6	$2,223.6	$3,410.4	$1,907.5	$1,204.8	$1,867.2
Discovery Tools (Healthcare)	$61.4	$67.1	$95.5	$150.5	$160.2	$247.5	$337.6	$617.3	$765.5	$2,253.8	$1,646.7	$748.7	$954.2
Drug Delivery	$608.9	$502.6	$629.8	$522.2	$792.9	$1,106.7	$507.0	$373.5	$833.8	$712.1	$811.4	$705.3	$328.2
Drug Discovery	$2,326.7	$3,396.3	$4,126.3	$5,545.0	$4,852.2	$6,263.8	$11,900.4	$10,276.0	$16,557.1	$24,895.7	$15,127.0	$12,260.8	$17,012.1
Medical Supplies	$132.2	$170.7	$697.6	$32.7	$54.2	$54.7	$91.8	$234.1	$107.7	$256.0	$284.8	$58.9	$120.5
Monitoring Equipment	$428.4	$402.8	$635.9	$510.5	$562.9	$501.5	$869.8	$794.7	$1,108.0	$1,228.0	$1,164.6	$661.4	$659.9
Other Devices and Supplies	$598.3	$554.5	$418.4	$610.0	$352.7	$748.7	$699.8	$491.2	$1,104.1	$952.3	$1,229.2	$779.9	$812.6
Other Pharmaceuticals and Biotechnology	$48.7	$66.1	$115.1	$99.5	$329.1	$169.9	$593.2	$674.6	$506.9	$721.4	$227.1	$98.7	$366.8
Pharmaceuticals	$559.0	$693.0	$539.0	$865.4	$611.7	$687.7	$1,140.1	$1,182.8	$910.4	$796.8	$536.5	$361.7	$525.2
Surgical Devices	$911.6	$842.3	$1,201.2	$851.6	$924.7	$1,042.5	$1,168.2	$1,433.7	$1,068.1	$1,459.0	$938.5	$1,505.4	$1,527.7
Therapeutic Devices	$926.6	$994.1	$1,068.8	$1,296.6	$1,016.2	$1,535.1	$1,614.1	$1,550.0	$2,566.6	$2,420.4	$2,060.7	$2,668.3	$2,545.2

Source: NVCA 2025 Yearbook, Data provided by PitchBook

US Life Sciences VC Deal Count by Selected Sector(s)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Biotechnology	209	256	276	287	283	309	310	305	367	442	386	389	377
Diagnostic Equipment	141	143	136	147	145	158	172	158	210	247	169	153	135
Discovery Tools (Healthcare)	17	14	23	26	33	39	49	49	59	75	69	50	59
Drug Delivery	35	41	30	34	24	49	38	45	48	58	44	45	35
Drug Discovery	213	259	296	347	338	444	475	525	592	759	557	470	425
Medical Supplies	30	38	26	24	25	23	29	31	38	38	43	32	29
Monitoring Equipment	67	86	91	105	118	112	120	126	135	141	129	117	105
Other Devices and Supplies	99	99	106	104	84	108	107	126	107	110	124	113	85
Other Pharmaceuticals and Biotechnology	10	19	24	23	36	28	33	59	43	59	36	22	28
Pharmaceuticals	74	77	66	82	57	61	71	85	57	74	62	44	50
Surgical Devices	119	112	126	129	120	111	120	120	106	144	117	129	126
Therapeutic Devices	142	153	174	174	169	200	205	218	223	259	226	196	194

Source: NVCA 2025 Yearbook, Data provided by PitchBook

US VC activity (#) in life sciences

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Life Sciences Deal Count	1,262	1,414	1,516	1,641	1,589	1,809	1,917	2,053	2,197	2,697	2,200	1,975	1,891
Life Sciences as % of Total US VC (#)	15.2%	13.9%	13.3%	13.6%	14.2%	15.0%	15.0%	14.8%	15.7%	13.9%	12.2%	13.4%	13.2%
Company Count	1,163	1,329	1,415	1,535	1,524	1,703	1,801	1,925	2,056	2,506	2,062	1,878	1,807

Source: NVCA 2025 Yearbook, Data provided by PitchBook

US VC activity ($B) in life sciences

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Life Sciences Capital Invested ($B)	$9.8	$11.1	$14.6	$16.8	$15.8	$20.9	$29.5	$27.1	$41.0	$54.9	$41.1	$30.0	$37.4
Life Sciences as % of Total US VC ($)	23.3%	22.1%	19.5%	19.3%	18.9%	22.9%	20.1%	17.6%	23.4%	15.4%	17.6%	18.2%	17.3%

Source: NVCA 2025 Yearbook, Data provided by PitchBook

Corporate Venture Capital

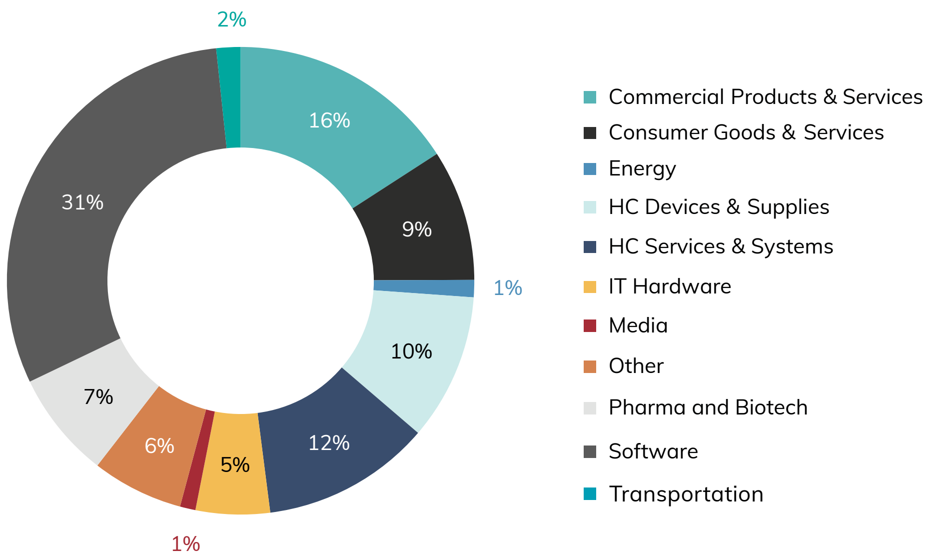
US Corporate VC Investment by Year

	# of All VC Deals	# of VC Deals with CVC Involvement	% of VC Deals with CVC Involvement (#)	Average Deal Value (All VC, $M)	Average Deal Value (CVC, $M)	Median Deal Value (All VC, $M)	Median Deal Value (CVC, $M)	Average Post Valuation (All VC, $M)	Average Post Valuation (CVC, $M)	Median Post Valuation (All VC, $M)	Median Post Valuation (CVC, $M)	Total VC Capital Raised ($M)	Total CVC Capital Raised ($M)	% of VC Deals with CVC Involvement ($)
2004	2,769	577	21%	$8.6	$13.2	$5.0	$9.0	$35.1	$49.4	$20.6	$31.0	$22,169.6	$7,373.2	33%
2005	3,189	582	18%	$8.1	$10.9	$4.6	$7.2	$40.3	$61.3	$20.8	$30.6	$24,241.7	$5,966.5	25%
2006	3,538	675	19%	$9.3	$16.6	$4.9	$9.3	$47.1	$72.0	$22.0	$39.6	$30,489.6	$10,688.0	35%
2007	4,664	803	17%	$8.7	$15.9	$4.0	$10.0	$47.4	$75.2	$22.3	$40.4	$36,888.5	$12,057.3	33%
2008	5,037	817	16%	$8.0	$13.4	$3.5	$8.0	$45.8	$64.4	$20.3	$32.2	$37,556.6	$10,370.7	28%
2009	4,748	601	13%	$6.4	$14.4	$2.3	$8.5	$54.4	$89.8	$17.0	$34.0	$28,166.0	$7,998.7	28%
2010	5,735	689	12%	$6.2	$14.2	$2.0	$7.5	$56.5	$81.5	$16.1	$32.7	$32,650.4	$9,098.7	28%
2011	7,125	926	13%	$7.2	$17.6	$1.6	$6.5	$112.4	$171.0	$16.4	$36.9	$45,767.5	$14,822.6	32%
2012	8,290	1,072	13%	$5.7	$13.8	$1.5	$6.0	$52.4	$105.2	$15.2	$33.2	$42,274.1	$13,441.4	32%
2013	10,208	1,417	14%	$5.7	$13.7	$1.5	$5.4	$57.2	$115.4	$14.9	$32.9	$50,194.1	$17,514.0	35%
2014	11,374	1,673	15%	$7.6	$19.7	$1.5	$6.6	$98.7	$189.7	$15.9	$38.3	$74,624.6	$29,998.9	40%
2015	12,082	1,923	16%	$8.3	$23.2	$1.6	$7.0	$113.0	$288.2	$16.8	$39.3	$87,028.5	$40,314.6	46%
2016	11,223	1,901	17%	$8.6	$23.9	$1.9	$7.1	$107.6	$263.6	$17.0	$33.2	$83,808.3	$40,695.5	49%
2017	12,035	2,166	18%	$8.7	$20.0	$2.0	$7.5	$88.6	$151.7	$17.5	$34.0	$91,024.8	$39,035.2	43%
2018	12,772	2,456	19%	$13.4	$32.9	$2.5	$8.7	$140.1	$259.5	$20.0	$40.0	$146,718.2	$73,252.6	50%
2019	13,842	2,659	19%	$13.1	$28.3	$2.5	$10.0	$149.3	$262.4	$20.0	$45.0	$153,784.3	$67,313.7	44%
2020	14,002	2,770	20%	$14.8	$35.5	$2.9	$10.0	$173.3	$337.4	$20.8	$47.8	$174,964.5	$88,996.5	51%
2021	19,427	4,231	22%	$22.6	$46.8	$3.8	$12.0	$292.3	$535.1	$31.1	$70.9	$356,282.2	$178,323.7	50%
2022	18,092	3,950	22%	$16.6	$31.9	$3.8	$10.0	$209.1	$323.0	$32.3	$64.7	$233,215.6	$109,143.8	47%
2023	14,765	2,709	18%	$15.4	$38.4	$3.5	$9.3	$174.6	$404.1	$28.1	$57.0	$165,069.0	$86,712.5	53%
2024	14,320	2,460	17%	$21.9	$58.0	$4.0	$12.7	$338.5	$664.7	$39.8	$87.0	$215,360.1	$118,571.3	55%

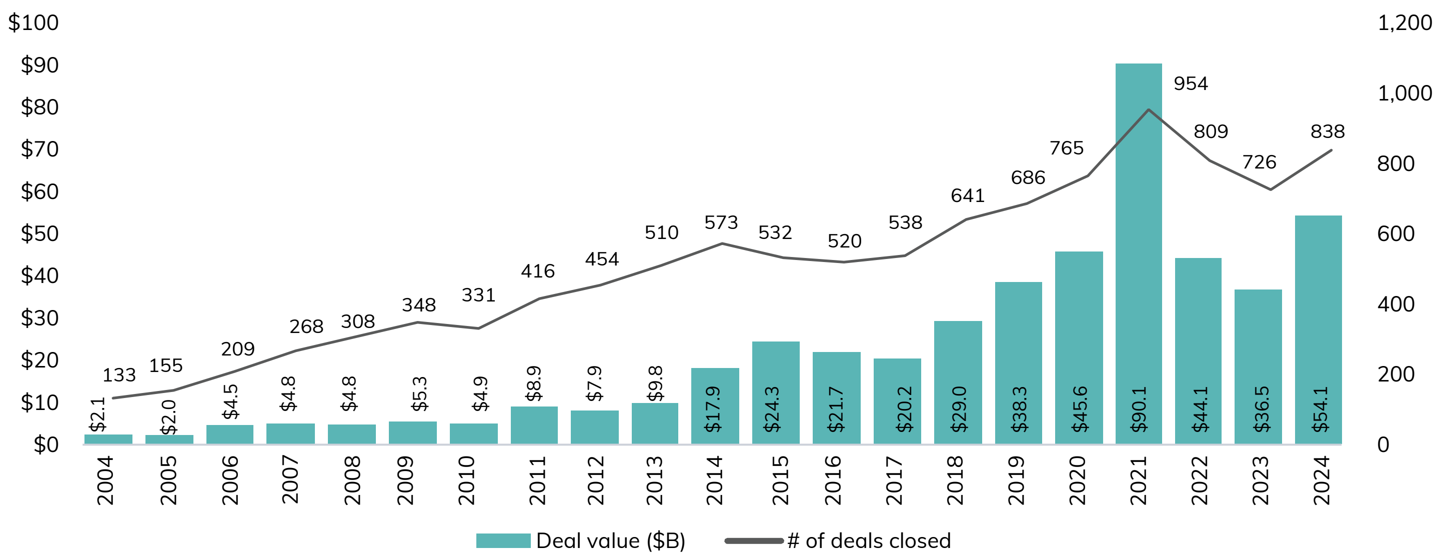
Source: NVCA 2025 Yearbook, Data provided by PitchBook

Venture Growth

US Venture Growth Investments in 2024 by Sector (#)



US Venture Growth Deal Flow by Year



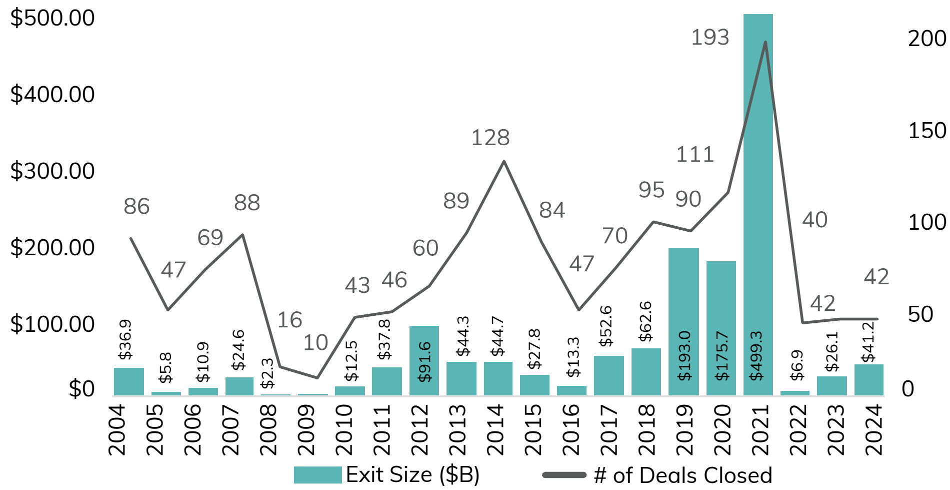
Source: NVCA 2025 Yearbook, Data provided by PitchBook

Exit Landscape

US Venture Capital Exit Landscape:

American VC navigated another year of cautious adaptation in 2024, with 1,147 exits generating $98.0 billion in total disclosed value. While representing a 34% year-over-year increase from 2023's $72.7 billion trough, exit activity remained 43% comparing counts below 2021's peak liquidity levels and 22.6% below the 2018-2022 average of 1,484 annual exits. This continuation of the post-2021 liquidity drought highlights persistent issues around exit pathways and investor behavior.

US VC-backed IPOs by Year



Source: NVCA 2025 Yearbook, Data provided by PitchBook

Concentration Issues

The $98.0 billion exit total masks extreme value concentration, with 40% of total value ($39.2 billion) coming from just 10 transactions - the highest concentration ratio since 2017. Median exit size has also been on the rise, with disclosed medians for M&A, buyouts, and IPOs all at multi-year highs. The exits market should be extremely robust. However, this highlights one of the difficulties of the private capital markets. M&A or buyouts make up approximately 80% of exit activity, and in most cases, the dollar amounts associated with them don't need to be disclosed. This means that disclosed exit is a flawed metric for anything other than directional purposes.

The percentage of disclosed exit values is a more concrete metric even if the rationale behind non-disclosure can't confidently be inferred. Generally, about 35% of exits have a disclosed value associated with them. In 2024 16.8% of exits had their value disclosed, the lowest level in at least a decade. This is despite having a total number of exits only slightly below median.

US VC-backed IPO Value and Age Characteristics

	# of IPOs	Deal Value ($M)	Median Deal Value ($M)	Average Deal Value ($M)	Post-Money Value ($M)	Median Post-Money Value ($M)	Average Post-Money Value ($M)	Median Years from First VC to Exit	Average Years from First VC to Exit
2012	60	$91,619.2	$291.7	$1,832.4	$112,806.5	$353.2	$2,051.0	7.14	7.72
2013	89	$44,341.2	$240.1	$561.3	$53,249.5	$328.5	$641.6	6.77	7.36
2014	128	$44,670.8	$185.3	$363.2	$54,776.4	$248.5	$441.7	7.13	7.13
2015	84	$27,841.3	$202.8	$352.4	$34,669.5	$270.4	$438.9	6.14	5.97
2016	47	$13,343.9	$170.1	$303.3	$16,247.2	$236.5	$361.0	7.35	6.79
2017	70	$52,593.3	$294.0	$834.8	$61,262.5	$369.0	$972.4	6.29	6.40
2018	95	$62,583.6	$324.2	$695.4	$74,050.9	$407.9	$822.8	4.68	6.54
2019	90	$192,965.6	$357.2	$2,192.8	$222,154.1	$458.6	$2,524.5	6.79	6.83
2020	111	$175,711.8	$505.9	$1,722.7	$210,739.6	$690.3	$2,026.3	5.30	6.14
2021	193	$499,285.7	$517.8	$2,758.5	$570,061.9	$684.4	$3,132.2	5.33	6.20
2022	40	$6,896.7	$54.4	$229.9	$8,785.3	$78.9	$292.8	3.40	5.14
2023	42	$26,085.8	$110.6	$767.2	$29,755.8	$122.6	$875.2	2.89	4.91
2024	42	$41,232.1	$399.1	$1,145.3	$48,098.2	$569.1	$1,336.1	5.71	6.04

Source: NVCA 2025 Yearbook, Data provided by PitchBook

*Methodolody note: IPO Pre-money valuation is used as IPO deal size.

While subject to debate, a reasonable observer could infer that high disclosed exit values and high levels of undisclosed activity could indicate a high level of confidence from the disclosing parties and a lack of confidence from the parties who kept their exit values private.

Sectoral Dynamics

Artificial intelligence dominated exit value generation, with 127 AI/ML exits contributing $29.4 billion (30% of total). Biotech maintained resilience with 234 exits generating $18.1 billion despite FDA approval delays extending to 14.2 months on average. The struggling enterprise SaaS sector saw median exit multiples compress to 6.2x revenue, down from 8.9x in 2021, as buyers prioritized profitability. While a deep tech and enabling infrastructure have been rapidly increasing their share of investment in recent years, the early vintages of those investments have not matured in significant volume yet.

The Narrow IPO Window

The 42 VC-backed IPOs represented modest progress from 2024's 40 listings, but performance diverged sharply:

Ratio of IPO Pre-Valuation to Total VC Invested

	Post-Money Value ($B)	Capital Raised ($B)	IPO Pre-Money Value ($B)	Total VC Raised to Date ($B)	Ratio
2012	$112.8	$91.6	$91.6	$21.2	4.3
2013	$53.2	$44.3	$44.3	$8.9	5.0
2014	$54.8	$44.7	$44.7	$10.1	4.4
2015	$34.7	$27.8	$27.8	$6.8	4.1
2016	$16.2	$13.3	$13.3	$2.9	4.6
2017	$61.3	$52.6	$52.6	$8.7	6.1
2018	$74.1	$62.6	$62.6	$11.5	5.5
2019	$222.2	$193.0	$193.0	$29.2	6.6
2020	$210.7	$175.7	$175.7	$35.0	5.0
2021	$570.1	$499.3	$499.3	$70.8	7.1
2022	$8.8	$6.9	$6.9	$1.9	3.7
2023	$29.8	$26.1	$26.1	$3.7	7.1
2024	$48.1	$41.2	$41.2	$6.9	6.0

Source: NVCA 2025 Yearbook, Data provided by PitchBook

- AI-related listings averaged 89% post-IPO returns
- Non-AI tech IPOs traded 22% below offering prices
- Biotech saw 63% of its 14 IPOs below $5/share by year-end

This presents a complicated proposition for VCs and their portfolio companies. There are currently over 58,000 venture-backed companies in the United States with several hundred of them including marquee names like Databricks ($100 billion valuation) and Stripe ($65 billion) classified as IPO-ready. In a normal market, many of these companies would have gone public years ago, but market uncertainty, regulatory scrutiny, and increasingly robust private financing markets have kept them on the private market. While this continued financing has been beneficial, it has disrupted the traditional market flywheel of raise, invest, return capital, and reinvest. Until the conditions improve or new pathways

US VC backed IPOs by Sector ($M)

	2017	2018	2019	2020	2021	2022	2023	2024
Commercial Products & Services	$6,496.9	$438.7	$3,029.3	$929.2	$14,228.5	$322.3	$58.4	$29.9
Consumer Goods & Services	$3,961.6	$5,110.0	$16,097.5	$44,587.6	$23,686.6	$18.9	$10,196.0	$364.2
Energy	-	$1,321.0	-	-	$748.3	-	-	$104.0
HC Devices & Supplies	$547.5	$2,711.7	$3,479.0	$2,879.4	$9,791.4	$115.6	$30.2	$478.6
HC Services & Systems	$13.9	$37.6	$2,536.9	$6,531.0	$14,972.7	$1,452.4	$84.6	$8.4
IT Hardware	$5,084.8	$484.7	-	-	$19,453.7	$1,286.7	$310.8	$9,162.2
Media	$1,200.5	$1,520.5	-	-	-	-	-	-
Other	$546.7	$589.0	$330.3	$8,220.5	$47,493.3	$56.3	$79.3	-
Pharma & Biotech	$8,069.2	$24,744.7	$23,029.7	$34,859.8	$50,185.5	$3,644.5	$7,709.8	$13,089.7
Software	$24,943.9	$25,625.7	$58,606.3	$77,704.4	$262,716.4	-	$7,256.3	$17,995.1
Transportation	$1,728.3	-	$85,856.7	-	$56,009.3	-	$360.3	-

Source: NVCA 2025 Yearbook, Data provided by PitchBook

US VC-backed M&A Value and Age Characteristics

	# of Acquisitions	# with Disclosed Values	Deal Value ($M)	Median Deal Value ($M)	Average Deal Value ($M)	Median Time from 1st VC to Exit	Average Time from 1st VC to Exit
2016	1,014	290	$52,394.2	$61.9	$180.7	4.36	5.50
2017	1,033	284	$52,352.1	$50.0	$184.3	4.81	5.81
2018	1,189	325	$70,987.5	$70.0	$218.4	5.01	5.93
2019	1,233	332	$74,255.3	$68.5	$223.7	5.10	5.92
2020	1,142	309	$87,968.5	$70.8	$284.7	5.28	6.19
2021	1,731	523	$122,752.7	$64.8	$234.7	5.33	5.97
2022	1,362	304	$53,449.6	$47.3	$175.8	5.29	6.08
2023	1,068	192	$42,537.6	$43.2	$221.6	4.90	5.85
2024	1,083	164	$54,567.8	$91.6	$332.7	5.00	5.86

Source: NVCA 2025 Yearbook, Data provided by PitchBook

for returning capital are developed, this lack of returned capital is expected to put negative pressure on VC fundraising.

Regulatory Headwinds Meet Buyer Demand

M&A activity presented paradoxes - total acquisitions increased slightly to 1083 while median deal size more than doubled to $91.6 million. The FTC blocked $18.7 billion in proposed transactions, pushing buyers toward creative structures like earnouts, secondary sales, and acqui-hire transactions. Overall, the M&A environment remains as challenging as it is opaque. There are races for talent in high demand fields like AI and biotech but significant challenges for companies in traditional SaaS and consumer categories. A more permissive regulatory environment could lead to increased M&A activity, but that remains a possibility rather than a reality.

Secondary Markets: The New Liquidity Frontier

Private secondary transactions reached $34.6 billion in 2024. This secondary surge created operational complexity, with many companies reporting valuation conflicts between secondary participants and primary round investors. The rise of structured liquidity solutions suggests secondaries are becoming institutionalized and likely to play a significant role the market going forward.

US VC-backed IPO Post-Money Valuation by Range (Company Count)

	>$10B	$1B-$10B	$500M-$1B	$100M-$500M	<$100M
2014	-	$11.0	$18.0	$77.0	$22.0
2015	-	$7.0	$13.0	$41.0	$23.0
2016	-	$3.0	$8.0	$22.0	$14.0
2017	$1.0	$13.0	$12.0	$28.0	$16.0
2018	-	$18.0	$15.0	$49.0	$13.0
2019	$4.0	$23.0	$14.0	$38.0	$11.0
2020	$5.0	$26.0	$43.0	$24.0	$13.0
2021	$13.0	$56.0	$40.0	$51.0	$33.0
2022	-	$3.0	$4.0	$6.0	$27.0
2023	-	$6.0	$5.0	$7.0	$24.0
2024	-	$8.0	$11.0	$10.0	$13.0

US VC-backed M&A by Range (Company Count)

	>$1B	$500M-$1B	$100M-$500M	<$100M
2014	$9.0	$17.0	$106.0	$855.0
2015	$9.0	$14.0	$93.0	$923.0
2016	$8.0	$18.0	$96.0	$892.0
2017	$10.0	$14.0	$85.0	$924.0
2018	$13.0	$19.0	$115.0	$1,042.0
2019	$12.0	$19.0	$112.0	$1,090.0
2020	$25.0	$14.0	$97.0	$1,006.0
2021	$28.0	$34.0	$149.0	$1,520.0
2022	$11.0	$16.0	$85.0	$1,250.0
2023	$10.0	$10.0	$48.0	$1,000.0
2024	$15.0	$14.0	$53.0	$1,001.0

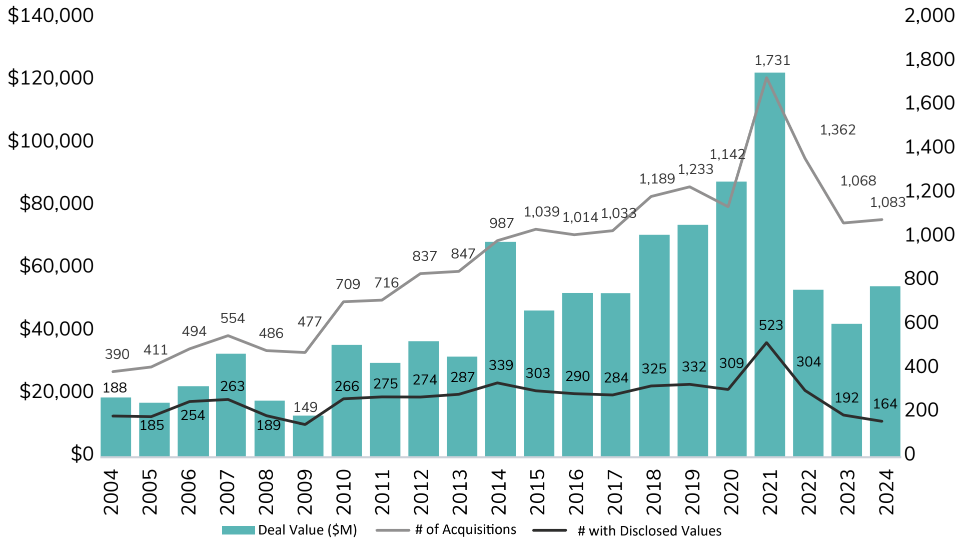
Source: NVCA 2025 Yearbook, Data provided by PitchBook

The Liquidity Mismatch

With $947 billion locked across over 58,000 companies, GPs are facing significant issues returning capital to their investors. Some of these problems include older vintages passing traditional exit timelines, limited secondary market capacity (estimated to be less than a fifth of LP demand), and impaired distributions.

This backlog of liquidity drought risks creating a "zombie company" cohort - businesses generating operational cash flow but lacking credible exit prospects. While secondary offerings and continuation vehicles can provide some of the liquidity the market requires, they are still well below demand.

US VC-backed M&A Value and Age Characteristics



Source: NVCA 2025 Yearbook, Data provided by PitchBook

Structural Adaptation?

While the exit environment remains somewhat fraught, industry is adapting in a variety of ways. The market for venture secondaries is expected to grow considerably in 2025 with dedicated secondary funds starting to debut onto the market as well as large platform players acquiring secondaries from other funds. Continuation vehicles from VCs and traditional PE are also starting to become more common with over $36 billion spread across 65 dedicated continuation funds in 2024. Finally, there are signs the IPO window might be opening a little bit.

Between Q4 2024 and February 2025 at least 15 companies have confidentially filed for public listings. While they are not all venture backed, the more successful public listings hit the market, the more likely it is that other companies will follow their lead.

Going Forward

The 2024 exit landscape ultimately revealed an industry learning to operate within constrained parameters rather than hoping for a return to pre-2021 norms. We continue to witness the professionalization of venture liquidity management where what was once considered alternative is becoming axiomatic. Success in 2025 will depend on balancing regulatory realities with relentless operational innovation, as the sector builds new infrastructure and norms for a fundamentally changed environment.

Top 10 US VC-backed M&A in 2024

Company Name	Exit size ($M)	Industry Sector	State
Systimmune	$8,400.0	Healthcare	Washington
Carmot Therapeutics	$3,300.0	Healthcare	California
AuditBoard	$3,000.0	Information Technology	California
Own Company	$1,900.0	Information Technology	New Jersey
OpenGov	$1,800.0	Business Products and Services (B2B)	California
ProfoundBio	$1,800.0	Healthcare	Washington
HI-Bio	$1,622.4	Healthcare	California
Aliada Therapeutics	$1,400.0	Healthcare	Massachusetts
Nerio Therapeutics	$1,300.0	Healthcare	California
Aiolos Bio	$1,137.0	Healthcare	Massachusetts

Source: NVCA 2025 Yearbook, Data provided by PitchBook

Top 10 U.S. VC-backed IPOs in 2024

Company Name	Exit Size (Millions)	Pre Value (millions)	Post Value (millions)	Deal Type	Industry Sector	Industry Group	Industry Code	Verticals	City	State
Tempus AI	$5,719.2	$5,719.2	$6,129.9	IPO	Healthcare	Pharmaceuticals and Biotechnology	Biotechnology	Artificial Intelligence & Machine Learning, Big Data, HealthTech, Life Sciences, Oncology	Chicago	Illinois
ServiceTitan	$5,640.0	$5,640.0	$6,264.8	IPO	Information Technology	Software	Business/ Productivity Software	FinTech, Marketing Tech, Mobile, SaaS	Glendale	California
Reddit	$4,886.4	$4,886.4	$5,405.8	IPO	Information Technology	Software	Social/Platform Software	SaaS	San Francisco	California
Astera Labs	$4,885.7	$4,885.7	$5,597.0	IPO	Information Technology	Semiconductors	Application Specific Semiconductors	Artificial Intelligence & Machine Learning	Santa Clara	California
Rubrik	$4,877.9	$4,877.9	$5,629.9	IPO	Information Technology	Software	Network Management Software	CloudTech & DevOps, Cybersecurity, SaaS, TMT	Palo Alto	California
Pony.ai	$4,276.5	$4,276.5	$4,536.5	IPO	Information Technology	Computer Hardware	Electronic Equipment and Instruments	Artificial Intelligence & Machine Learning, Autonomous cars, Big Data, Mobile, Mobility Tech	Fremont	California
Ibotta	$2,441.2	$2,441.2	$2,661.2	IPO	Information Technology	Software	Application Software	E-Commerce, FinTech, Mobile, TMT	Denver	Colorado
CG Oncology	$826.2	$826.2	$1,206.2	IPO	Healthcare	Pharmaceuticals and Biotechnology	Drug Discovery	Life Sciences, Oncology	Irvine	California
Alumis	$619.5	$619.5	$829.5	IPO	Healthcare	Pharmaceuticals and Biotechnology	Drug Discovery	LOHAS & Wellness, Life Sciences	South San Francisco	California
Upstream Bio	$617.8	$617.8	$872.8	IPO	Healthcare	Pharmaceuticals and Biotechnology	Drug Discovery	LOHAS & Wellness, Life Sciences	Waltham	Massachusetts

Source: NVCA 2025 Yearbook, Data provided by PitchBook

US VC Deal Flow by Sector ($B)

	2017	2018	2019	2020	2021	2022	2023	2024
Commercial Products & Services	$10.7	$13.0	$20.9	$17.6	$42.6	$27.1	$23.7	$22.7
Consumer Goods & Services	$11.4	$30.3	$18.4	$15.8	$27.7	$19.6	$9.5	$11.7
Energy	$0.6	$0.9	$1.2	$1.7	$5.7	$6.8	$3.6	$6.0
HC Devices & Supplies	$5.3	$6.0	$5.8	$8.2	$9.7	$7.6	$6.9	$7.5
HC Services & Systems	$5.5	$8.5	$9.7	$13.0	$30.8	$16.4	$15.5	$14.5
IT Hardware	$4.3	$4.9	$5.6	$7.5	$9.9	$9.5	$6.2	$8.6
Media	$1.7	$1.4	$2.4	$1.7	$3.9	$3.5	$1.4	$1.3
Other	$4.9	$6.9	$8.8	$13.0	$29.9	$17.9	$8.8	$9.6
Pharma & Biotech	$14.0	$21.0	$19.1	$29.6	$39.8	$30.1	$20.7	$26.0
Software	$29.8	$44.3	$51.5	$57.8	$143.0	$90.6	$66.3	$99.8
Transportation	$2.8	$9.5	$10.5	$9.0	$13.2	$4.2	$2.5	$7.6

Source: NVCA 2025 Yearbook, Data provided by PitchBook
Commercial Products, Commercial Transportation, Other Business Products and Services, Consumer Durables, Consumer Non-Durables, Services (Non-Financial), Transportation, Other Consumer Products and Services, Utilities, Other Energy, Capital Markets/Institutions, Commercial Banks, Insurance, Other Financial Services, Other Healthcare, IT Services, Other Information Technology, Agriculture, Chemicals and Gases, Construction (Non-Wood), Containers and Packaging, Forestry, Metals, Minerals and Mining, Textiles, Other Materials

US VC Deal Flow by Sector (#)

	2017	2018	2019	2020	2021	2022	2023	2024
Commercial Products & Services	1,717	1,705	1,804	1,810	2,422	2,354	2,167	2,166
Consumer Goods & Services	1,855	1,935	2,219	2,024	2,758	2,418	1,757	1,533
Energy	121	134	139	149	226	225	245	253
HC Devices & Supplies	712	753	779	819	939	808	740	674
HC Services & Systems	872	966	1,106	1,133	1,564	1,438	1,216	1,216
IT Hardware	500	539	521	553	621	586	507	487
Media	379	340	371	364	472	499	365	310
Other	429	515	557	602	969	1,010	765	786
Pharma & Biotech	930	976	1,068	1,166	1,467	1,154	1,020	974
Software	4,339	4,721	5,078	5,225	7,761	7,391	5,804	5,770
Transportation	181	188	200	157	228	209	179	151

Source: NVCA 2025 Yearbook, Data provided by PitchBook
Commercial Products, Commercial Transportation, Other Business Products and Services, Consumer Durables, Consumer Non-Durables, Services (Non-Financial), Transportation, Other Consumer Products and Services, Utilities, Other Energy, Capital Markets/Institutions, Commercial Banks, Insurance, Other Financial Services, Other Healthcare, IT Services, Other Information Technology, Agriculture, Chemicals and Gases, Construction (Non-Wood), Containers and Packaging, Forestry, Metals, Minerals and Mining, Textiles, Other Materials

US VC backed IPOs by Sector (Company Count)

	2017	2018	2019	2020	2021	2022	2023	2024
Commercial Products & Services	6	4	3	2	9	4	1	2
Consumer Goods & Services	3	5	7	6	15	1	7	2
Energy	-	1	-	-	1	-	-	2
HC Devices & Supplies	6	8	7	5	19	4	2	3
HC Services & Systems	2	1	5	5	5	1	3	1
IT Hardware	4	2	-	-	2	5	1	2
Media	1	1	-	-	-	-	-	-
Other	6	8	1	8	11	1	4	1
Pharma & Biotech	26	54	46	67	90	16	18	22
Software	14	11	19	18	37	7	5	7
Transportation	2	-	2	-	4	1	1	-

Source: NVCA 2025 Yearbook, Data provided by PitchBook
Commercial Products, Commercial Transportation, Other Business Products and Services, Consumer Durables, Consumer Non-Durables, Services (Non-Financial), Transportation, Other Consumer Products and Services, Utilities, Other Energy, Capital Markets/Institutions, Commercial Banks, Insurance, Other Financial Services, Other Healthcare, IT Services, Other Information Technology, Agriculture, Chemicals and Gases, Construction (Non-Wood), Containers and Packaging, Forestry, Metals, Minerals and Mining, Textiles, Other Materials

Average & Median Time Since 1st VC to Exit (VC backed IPOs)

	2021		2022		2023		2024	
	Avg	Median	Avg	Median	Avg	Median	Avg	Median
Commercial Products & Services	6.79	6.28	6.21	5.02	5.82	5.20	6.27	5.04
Consumer Goods & Services	5.50	4.62	5.89	5.46	5.58	4.60	5.55	5.49
Energy	4.37	3.72	7.57	7.00	8.63	8.55	5.20	4.07
HC Devices & Supplies	8.34	7.46	7.93	6.88	8.26	7.19	10.39	9.30
HC Services & Systems	6.61	5.97	6.23	5.88	5.04	4.10	6.64	6.26
IT Hardware	6.82	6.08	8.53	7.29	8.10	5.91	9.20	7.89
Media	5.94	5.50	6.97	6.33	4.98	3.16	5.59	4.27
Other	5.04	4.34	5.45	4.54	4.64	3.52	4.47	3.63
Pharma & Biotech	4.62	3.84	5.71	4.35	6.16	4.71	6.31	4.81
Software	5.98	5.52	5.80	5.02	5.67	4.74	5.43	4.70
Transportation	5.16	4.82	5.25	5.06	5.31	4.81	9.29	8.46

Source: NVCA 2025 Yearbook, Data provided by PitchBook
Commercial Products, Commercial Transportation, Other Business Products and Services, Consumer Durables, Consumer Non-Durables, Services (Non-Financial), Transportation, Other Consumer Products and Services, Utilities, Other Energy, Capital Markets/Institutions, Commercial Banks, Insurance, Other Financial Services, Other Healthcare, IT Services, Other Information Technology, Agriculture, Chemicals and Gases, Construction (Non-Wood), Containers and Packaging, Forestry, Metals, Minerals and Mining, Textiles, Other Materials

VC backed IPOs Pre Valuation Analysis

	Average	Max ($M)	Upper Quartile ($M)	Median ($M)	Lower Quartile ($M)	Min ($M)
2017	834.8	$17,207.6	$685.0	$294.0	$112.1	$9.8
2018	695.4	$7,666.7	$492.1	$324.2	$140.6	$1.9
2019	2,192.8	$67,613.5	$1,230.6	$357.2	$182.3	$16.3
2020	1,722.7	$29,843.4	$893.8	$505.9	$311.6	$25.7
2021	2,758.5	$65,340.6	$2,100.3	$517.8	$202.0	$7.2
2022	229.9	$1,452.4	$290.4	$54.4	$26.5	$11.8
2023	767.2	$7,876.6	$428.1	$110.6	$38.4	$18.0
2024	1,145.3	$5,719.2	$618.2	$399.1	$112.0	$8.4

Source: NVCA 2025 Yearbook, Data provided by PitchBook

US VC backed M&A by Sector ($M)

	2017	2018	2019	2020	2021	2022	2023	2024
Commercial Products & Services	$5,008.3	$7,408.6	$3,681.8	$7,019.1	$9,851.1	$7,327.8	$2,584.9	$4,153.3
Consumer Goods & Services	$8,016.8	$4,217.1	$4,459.7	$7,897.9	$3,489.0	$3,084.9	$537.1	$2,061.0
Energy	$50.0	$14.0	$164.8	$51.6	$450.0	$720.0	$2,462.7	$120.2
HC Devices & Supplies	$2,624.5	$4,491.0	$9,260.7	$2,528.5	$4,302.2	$3,320.9	$9,597.4	$1,355.2
HC Services & Systems	$4,850.3	$4,806.5	$1,311.9	$4,896.1	$19,101.4	$6,564.6	$1,086.5	$2,043.2
IT Hardware	$1,808.3	$796.8	$3,907.3	$5,408.3	$5,192.2	$2,265.3	$2,393.8	$1,165.6
Media	$579.9	$1,568.1	$1,477.9	$1,005.8	$3,930.8	$1,939.2	$68.4	$298.6
Other	$647.0	$1,567.2	$2,923.7	$8,644.1	$2,554.6	$1,836.7	$936.6	$913.1
Pharma & Biotech	$10,485.2	$13,776.1	$11,401.2	$14,687.8	$23,932.4	$7,701.6	$6,986.1	$24,020.2
Software	$17,800.8	$30,880.1	$35,566.0	$30,108.3	$48,962.3	$18,515.9	$15,005.2	$18,119.5
Transportation	$481.0	$1,462.0	$100.4	$5,721.0	$986.8	$172.8	$879.0	$318.1

Source: NVCA 2025 Yearbook, Data provided by PitchBook

Commercial Products, Commercial Transportation, Other Business Products and Services, Consumer Durables, Consumer Non-Durables, Services (Non-Financial), Transportation, Other Consumer Products and Services, Utilities, Other Energy, Capital Markets/Institutions, Commercial Banks, Insurance, Other Financial Services, Other Healthcare, IT Services, Other Information Technology, Agriculture, Chemicals and Gases, Construction (Non-Wood), Containers and Packaging, Forestry, Metals, Minerals and Mining, Textiles, Other Materials

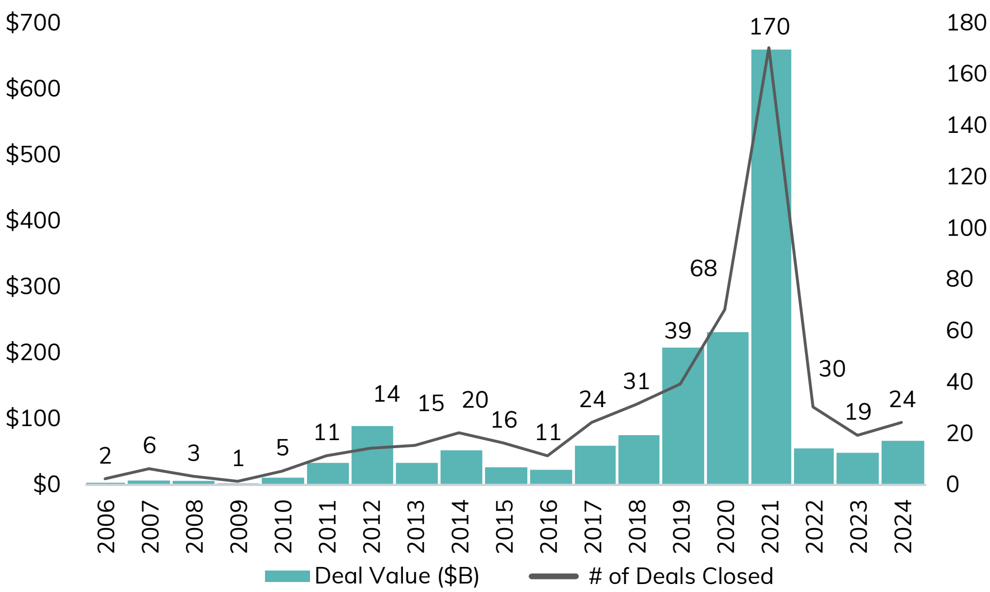
US VC backed M&A by Sector (Company Count)

	2017	2018	2019	2020	2021	2022	2023	2024
Commercial Products & Services	185	183	180	195	252	188	130	145
Consumer Goods & Services	108	115	153	120	156	135	127	132
Energy	8	10	10	13	9	21	10	2
HC Devices & Supplies	44	50	57	54	61	45	48	30
HC Services & Systems	66	76	79	99	130	105	85	83
IT Hardware	40	56	43	40	60	42	34	30
Media	37	38	50	32	39	30	32	30
Other	22	28	32	25	49	50	56	40
Pharma & Biotech	51	61	72	65	88	59	51	52
Software	458	559	549	490	867	675	485	531
Transportation	14	13	8	9	20	12	10	8

Source: NVCA 2025 Yearbook, Data provided by PitchBook

Commercial Products, Commercial Transportation, Other Business Products and Services, Consumer Durables, Consumer Non-Durables, Services (Non-Financial), Transportation, Other Consumer Products and Services, Utilities, Other Energy, Capital Markets/Institutions, Commercial Banks, Insurance, Other Financial Services, Other Healthcare, IT Services, Other Information Technology, Agriculture, Chemicals and Gases, Construction (Non-Wood), Containers and Packaging, Forestry, Metals, Minerals and Mining, Textiles, Other Materials

US VC-backed Exits by year (post-money valuation $1B+)



Source: NVCA 2025 Yearbook, Data provided by PitchBook

NVCA's 2024 Year in Review

Our three platforms collectively served the venture ecosystem through advocacy, research, education, programming, and advancing the VC industry.

Three Complementary Structures Supporting the Venture Ecosystem

venture forward

Public Charity 501(c)(3)

- Mission-driven
- Expanding, educating, and empowering a vibrant VC investor community
- Primarily funded by donations from individuals or private entities
- Donations are tax-deductible

nvca

Trade Association 501(c)(6)

- Membership-driven
- Lobbying and advocacy efforts to protect the VC industry from external regulatory forces
- Funded by annual member firm dues
- Membership dues are not tax-deductible

nvca VenturePAC

Political Action Committee 527

- Membership/Politics-driven
- Supports the election of candidates who champion for the VC industry
- Funded by individual contributions
- Donations are not tax-deductible

This timeline features highlights from the past year to provide the VC community with an overview of our priorities, impact, and accomplishments.

Venture Forward's Emerging Manager Office Hours program in San Francisco

VC University Life Science Scholarship Dinner in Boston

March 2024

House Passage of Expanding Access to Capital Act: The House of Representatives passed the Expanding Access to Capital Act (H.R.2799), a significant legislative development incorporating provisions from the NVCA-endorsed Developing and Empowering Our Aspiring Leader (DEAL) Act.

AI Working Group Convenes: NVCA convened the first meeting of its Artificial Intelligence (AI) Working Group, which included 92 investors from 73 NVCA member firms.

NVCA Engages in Congressional Briefing Against March-In Rights: NVCA's Ashlyn Roberts engaged congressional staff at a briefing titled, *"March-In Madness: Stop Political Games that Penalize American Innovation,"* on the impact of the National Institute of Standards and Technology (NIST) march-in proposal on venture funding.

Women's History Month: To celebrate Women's History Month, Venture Forward featured 10 emerging VC fund managers who are making a big impact on innovation and financial returns.

April 2024

NVCA Submits Comment on FinCEN's Proposed Rule on Anti-Money Laundering Program for RIAs and ERAs: In a formal comment, NVCA argued that the proposed rulemaking is an unnecessary burden, especially given that the 2023 median fund size was $35.7 million (i.e., not enough resources to create helpful programs to detect "bad actors"), and LPs typically wire money from banks already subject to sophisticated AML requirements.

NVCA and UVA's Darden School of Business Host Congressional Briefing on the Venture Capital Ecosystem: NVCA and the University of Virginia's Darden School of Business hosted our first session of "Venture Capital 101: The Basics of Venture Investing"—a briefing that offers Capitol Hill staffers valuable insights into the venture capital landscape and its influence on the broader entrepreneurial ecosystem.

VC University life science scholarship lunch: Venture Forward cohosted a Life Science Lunch with Johnson & Johnson Innovation – JJDC and Mission BioCapital in Boston, bringing together life science scholarship recipients and mentors to network, share insights, and reflect on their VC University experience.

May 2024

2024 NVCA Leadership Gala: On May 5 in San Francisco, NVCA presented individuals, firms, and organizations across the venture capital community with its annual industry awards.

New Board Chair: NVCA appointed Byon Deeter, Partner at Bessemer Venture Partners as the 2024-2025 Chair of the NVCA Board of Directors.

Letter in Opposition to Carried Interest Tax Increase Legislation: On May 7, NVCA sent a letter to Sen. Tammy Baldwin (D-WI) expressing opposition to her carried interest legislation, which would tax carried interest at ordinary income tax rates of up to 40.8% rather than at its current rate of 23.8%.

Venture Forward Board Appointments: Venture Forward appointed two new directors to its board: Hilary Gosher, Managing Director at Insight Partners, and Garth Timoll Sr., General Partner at Top Tier Capital Partners.

June 2024

NVCA Lawsuit Prevails, Stopping SEC's New Private Fund Adviser Rule: NVCA welcomed the decision by the United States Court of Appeals for the Fifth Circuit vacating the Private Fund Adviser rule issued by the United States Securities and Exchange Commission (SEC).

Coalition Letter in Support of IEP: NVCA sent a coalition letter to Department of Homeland Security (DHS) Secretary Alejandro Mayorkas expressing our support and offering continued assistance in leveraging the International Entrepreneur Parole (IEP) program to attract and retain immigrant entrepreneurs, including those building new companies in critical and emerging industries like Artificial Intelligence (AI).

NVCA and Chamber Release SEC Paper: On June 25, the National Venture Capital Association (NVCA) and a coalition including the American Investment Council, Business Roundtable, Investment Company Institute, Managed Funds Association, and others, released a white paper urging reforms at the Securities and Exchange Commission (SEC) and Congress. Titled *"Investors and the Markets First: Reforms to Restore Confidence in the SEC,"* the paper outlines concerns with the SEC's rulemaking process and proposes reforms aimed at enhancing market stability and regulatory clarity.

Emerging Manager Office Hours 11: In 2024, Venture Forward expanded its LP Office Hour program from half-day events to full-day programs called Emerging Manager Office Hours (EMOH). In partnership with Cooley, GV, and SVB, Venture Forward hosted EMOH 11 in San Francisco, connecting 24 emerging managers with LPs, GPs, and industry advisors. The program facilitated 180+ curated meetings, offering personalized guidance on fundraising, fund management, and industry best practices.

Celebrating Pride: Venture Forward featured a list of 10 LGBTQ+ investors ho are making their mark in the VC industry.

Venture Capital 101: The Basics of Venture Investing

2024 Startup Innovator Award Recipient

July 2024

Emerging Manager Policy Webinar: NVCA and Venture Forward co-hosted the Emerging Manager Policy Webinar, featuring Carmen Palafox (2045 Ventures), Charles Hudson (Precursor Ventures), and Bobby Franklin (NVCA). Topics discussed during the webinar included critical policy priorities impacting emerging fund managers and their portfolio companies, from taxes on unrealized gains to navigating AI regulation.

Q3 Growth Equity Meeting: NVCA hosted a virtual check-in for one of its largest working groups, honing in on the key policy priorities that impact later stage investors, most sensitive to public markets. This conversation was followed by a deep dive into secondaries.

August 2024

Comments on Treasury Outbound Investment Rulemaking: On August 2, NVCA submitted comments in response to the U.S. Department of Treasury's Notice of Proposed Rulemaking (NPRM) to implement the Outbound Investment Security Program, mandated by President Biden's Executive Order in August 2023.

NVCA Submits Letter Opposing California Health Services Legislation (AB 3129): On August 8, NVCA submitted a letter of opposition to AB 3129, a California bill impacting health services transactions.

NVCA Letter of Opposition to California AI Legislation (SB 1047): NVCA submitted a letter raising concerns regarding SB 1047, the Safe and Secure Innovation for Frontier Artificial Intelligence Systems Act, which laid out the most sweeping regulations on open-source AI development.

September 2024

FinCEN Releases Final Rule on Anti-Money Laundering (AML) Filing Requirements for RIAs and ERAs: Despite the narrower definition of 'investment advisors' under FinCEN's final rule, NVCA was disappointed by its decision to place new compliance burdens on both Registered Investment Advisors (RIAs) and Exempt Reporting Advisors (ERAs).

NVCA Board Advocates for VC Industry on Capitol Hill: On September 19, NVCA's Board of Directors convened in Washington, D.C. and climbed Capitol Hill for meetings with key lawmakers covering tax policy, AI, and capital markets issues to set the stage in advance of a consequential year for policymaking in 2025.

NVCA CEO Bobby Franklin Addresses House Main Street Tax Team Meeting: NVCA CEO and President Bobby Franklin met with multiple Members of Congress on the House Ways and Means Main Street Tax Team on September 18 to discuss how to increase access to capital for main street businesses.

NVCA Board Member David Hall Testifies at House Ways and Means Innovation Tax Team Roundtable: NVCA board member David Hall with Revolution's Rise of the Rest participated in a House Ways and Means Innovation Tax Team roundtable to highlight tax incentives that encourage innovation.

NVCA Applauds Senate Introduction of Capital Formation Package: NVCA applauded Ranking Member Tim Scott (R-SC) for introducing the Empowering Main Street in America (EMSAA) Act in the Senate.

Hispanic Heritage Month: To celebrate Hispanic Heritage Month, Venture Forward featured 11 VC investors to watch in the industry, highlighting their impressive track records and career accomplishments.

VC University Life Science Scholarship Dinner: Venture Forward cohosted a dinner in Boston with Johnson & Johnson Innovation – JJDC and Mission BioCapital, for VC University life science scholarship alumni, who were nominated by their mentors to attend and network with industry leaders and peers.

2024 NVCA Rising Star Award Recipients

2024 Venture Vangard Recipient Geoff Wang

2024 Rising Star Award Recipient Chelcie Taylor

Presenting the 2024 DEI Impact Award recipient

2024 Venture Vangard Recipient Terry McGuire

October 2024

NVCA Sends Letter to Congress on 2025 SBIR Reauthorization: NVCA, alongside industry partners, sent a letter to Congress outlining key priorities around SBIR program reauthorization.

Governor Newsom Vetoes Sweeping AI Bill: California Governor Gavin Newsom vetoed SB 1047 – legislation proposed by State Senator Scott Wiener that would have mandated safety audits and imposed civil liabilities on large language model (LLM) developers and mandated the implementation of an emergency “kill switch” where a human could shut down the AI when necessary.

Governor Newsom Vetoes PE Healthcare Services Legislation: Gavin Newsom vetoed the healthcare services legislation AB 3129, which passed the Assembly and would have impacted VC exit strategies, slowed financing, and increased uncertainty in the funding of healthcare services companies.

NVCA Weighs in on Upcoming Tax Legislation Impacting Startups and VC Growth: NVCA submitted written comments to the Republican House Ways and Means Committee Tax Teams that illustrated the real-world impact of proposed tax legislation on early-stage investments and economic growth through specific examples, data, and insights.

Treasury Issues Final Rule on Outbound Investment: The U.S. Treasury Department issued a final regulation that limits U.S. investment and technical assistance in Chinese development of cutting-edge technologies with military applications across three sectors: semiconductors/microelectronics, quantum computing, and AI.

VC University five-year anniversary event: Venture Forward co-hosted a VC University five-year anniversary event with NVCA and Berkeley Law Executive Education at UC Berkeley's University Club. The event convened 100+ program alumni, instructors, mentors, and program sponsors for an evening of networking and content, featuring speakers Bobby Franklin, Charles Hudson, Kate Mitchell, Byron Deeter, Caroline Winnett, Ryan Nece, and Sergio Monsalve.

November 2024

NVCA Post Election Analysis: The Friday following the 2024 presidential election, NVCA hosted a members-only webinar on the election results to help NVCA members stay ahead of the curve in understanding how legislative shifts and possible regulatory changes could impact the entrepreneur ecosystem.

AML Webinar: On November 6, NVCA and WilmerHale hosted a webinar discussing key issues that investment advisers need to keep in mind as they develop AML programs to come into compliance with the rules.

Strategic Operations and Policy Summit: NVCA welcomed senior operations professionals to the seventh annual Strategic Operations & Policy Summit (SOPS) in Washington, D.C.

December 2024

House Delivers Comprehensive, Bipartisan AI Report: The Bipartisan House Task Force on Artificial Intelligence released a sweeping 253-page report on how the US can harness AI advancements while safeguarding against dangerous applications.

Emerging Manager Office Hours 12: Venture Forward, in partnership with Cooley, GV, Nakama, and SVB, hosted its 12th Emerging Manager Office Hours program in New York. The event brought together 23 emerging managers for 180+ curated meetings with LPs, experienced GPs, industry advisors, and peers, fostering valuable connections and insights into fundraising and fund management.

NVCA & Darden Host Second “VC 101” Event on Capitol Hill: The briefing drew nearly 60 staffers from key Committees and personal offices who were eager to get a basic understanding of how venture capital works and its impact on economic growth, job creation, and innovation.

Venture Forward Holiday Party: Venture Forward hosted its third annual holiday party at the Andreessen Horowitz office in San Francisco. The event brought together 100+ members of the Venture Forward community to celebrate the organization’s impact in 2024.

President and CEO Bobby Franklin at UP Summit

US Small Business Administration event at the White House

Venture Forward community at NVCA Leadership Gala

VC University community at NVCA Leadership Gala

January 2025

Working Group Meetings Shape 2025 Policy Priorities: NVCA hosted a series of virtual meetings for our working groups during the first week of January to discuss how we can collaborate with the new Administration and Congress. These sessions addressed critical issues, such as SEC/ Treasury compliance, FTC M&A challenges, FDA approvals, DOD procurement, tax revenue generators, and more.

NVCA and Venture Forward Healthcare VC Investor Mixer: Venture Forward and NVCA hosted an exclusive Healthcare VC Investor Mixer in San Francisco during healthcare week bringing together healthcare-focused investors and VC University life science scholarship recipients for an evening of networking and conversations about the trends shaping healthcare innovation.

NVCA Annual Meeting: Hundreds of VCs from across the country participated virtually in NVCA's 2025 Annual Meeting, which provided key policy updates, industry insights, and opportunities to connect with NVCA's leadership team.

February 2025

Venture Forward and NVCA open new San Francisco office: To support continued growth and future initiatives, Venture Forward and NVCA moved to a new San Francisco office in SoMa.

Black History Month: To celebrate Black History Month, Venture Forward featured 10 emerging VC fund managers who are making a big impact on the innovation ecosystem.

NVCA Announces 2025 Venture Vanguard Class: NVCA announced Howard Morgan, Chris Rizik, and Ann Winblad as members of the 2025 Venture Vanguard class.

March 2025

NVCA Member Testifies on Importance of Modernizing Defense Funding: David Rothzeid, a Principal at NVCA Member Shield Capital, testified at a U.S. Senate Small Business and Entrepreneurship Committee Hearing titled: "Golden Age of American Innovation: Reforming SBIR-TTR for the 21st Century." Read David's full testimony here.

NVCA SxSW Event: NVCA co-hosted its annual VCs-only reception at Capital Factory in conjunction with Austin, TX's most popular festival. The event drew 300+ investors and operators from VC firms in the local ecosystem and beyond!

2025 NVCA Startup Innovator: NVCA announced HistoSonics as the winner of its 2025 Startup Innovator award.

Robin Ceppos
Manager, Communications
rceppos@nvca.org

Savanna Maloney
Manager, Communications
smaloney@nvca.org

Evan Keller
Director, Communications
ekeller@nvca.org

Venture Forward's Emerging Manager Office Hours program in San Francisco

VC University Five-Year Anniversary Celebration at UC Berkeley

2024 NVCA Public Policy Recap

Legislative activity in the 118th Congress slowed to a glacial pace in 2024 as all eyes shifted to the November elections which created a political sea change in Washington. Below is a look back at some of the issues NVCA was focused on in 2024 and the current state of play.

SEC Private Funds Litigation

In June, NVCA welcomed the decision by the United States Court of Appeals for the Fifth Circuit vacating the Private Fund Adviser rule issued by the United States Securities and Exchange Commission (SEC). NVCA previously joined a coalition of asset management associations in filing a lawsuit against the SEC to prevent the adoption of the Private Fund Adviser rule.

The SEC's Private Fund Adviser rule would have stifled innovation, hindered investment, and curtailed the growth of the entrepreneurial ecosystem. Additionally, the rule would have resulted in increased fees and decreased choice for investors, crippling the very engine of economic growth and job creation that venture-backed companies have come to represent. The lawsuit highlights fundamental flaws with the lack of congressional authority, the manner in which it was made final, the lack of cost benefit analysis, along with other deficiencies in its promulgation.

DEAL Act

The DEAL Act, a key NVCA priority, would fix outdated definitions that force many VC firms to register as Registered Investment Advisors (RIAs) unnecessarily —adding cost and complexity without a strong public policy rationale. If passed, the DEAL Act would change what investments are considered as "qualifying investments", enabling additional investment among Exempt Reporting Advisors (ERAs) in key sectors that reflect the market without forcing them to register with the SEC.

Specifically, the DEAL Act addresses investment challenges in:

- **Secondary Investments**: Under current law, investing in secondaries is considered a "non-qualifying" investment, limiting firms' ability to remain Exempt Reporting Advisors (ERAs). This bill would fix that, making secondaries a "qualifying" investment and helping provide much-needed liquidity in today's difficult exit environment.
- **Fund-to-Fund Investments:** Many firms invest in other venture funds to support emerging managers, yet these investments are also classified as "non-qualifying." The DEAL Act would modernize this outdated restriction, ensuring VCs can continue expanding access to capital without unnecessary regulatory burdens.
- **Cryptocurrency:** We are advocating for including crypto investments as qualifying investments, which was included in an earlier version of the legislation but was dropped out of more recent versions.

The DEAL Act passed the House of Representatives in March and was introduced in the Senate in September. NVCA advocated for the House passage and coordinated with Senator Tim Scott's (R-SC) team on Senate introduction of legislation. While this legislation was included into the Senate's larger capital markets package, the Expanding Access to Capital Act of 2023, it did not pass the Senate and become law. Looking ahead, both of the capital markets packages in the House, the Expanding Access to Capital Act of 2023, and Senate, the Empowering Main Street in America Act, will be used as markers for the 119th Congress

Tax

Republicans began 2025 with a trifecta- control of the White House, House, and Senate and plan to proceed with a large-scale Republican budget reconciliation bill anchored by Tax Cuts and Jobs Act of 2017 (TCJA) extensions. Budget reconciliation allows legislation affecting revenues to pass the Senate with a 51-vote simple majority rather than the 60-vote filibuster threshold that applies to most other legislation.

Although this means Republicans will not need to compromise with Democrats on the bill's scope, using the reconciliation process will require Republicans to decide on a revenue target for the reconciliation bill that establishes the overall cost of the bill, how much will be offset, and the unpaid amount that will be added to the budget deficit. The House is proceeding with their plan to have one reconciliation bill that includes $4.5 trillion for tax proposals and requires $2 trillion in spending cuts to pay for the bill. Meanwhile, the Senate is on a separate track to pass two different reconciliation bills. One for border, energy and defense, with a tax package following later in the year.

On February 6, 2025, President Donald Trump met with Republican lawmakers to discuss budget priorities, proposing to end favorable taxation for carried interest as offsets for his priorities, such as eliminating tax on tips. On the same day, Democrats introduced bills in both the House and the Senate that would fully eliminate favorable taxation for carried interest. NVCA is meeting with congressional offices to fight to protect carried interest, protect QSBS and fix R&D amortization in tax legislation this year.

Intellectual Property

NVCA opposed the Biden Administration's draft framework for the National Institutes of Health (NIH) and Department of Commerce (DOC) to more broadly utilize "march-in rights." This framework introduced ambiguous factors that could be considered when determining whether patents are subject to seizure under the Bayh-Doyle Act of 1980. Notably, these guidelines outlined that price could be a factor in determining whether a drug or other taxpayer-funded invention is not accessible to the public.

NVCA sent letters and comments to the White House and Congress explaining the impact of this uncertainty on private sector trust in the American patent system. We were pleased that the White House ultimately decided to not move forward with next steps on the guidelines.

Artificial Intelligence

In 2024, NVCA was actively engaged in opposition to in opposition to CA SB 1047, the *Safe and Secure Innovation for Frontier Artificial Intelligence Systems Act*. We submitted a letter raising concerns about the legislation, highlighting the outsized impact it would have on early-stage AI startups, who would be required to implement safety guidance from multiple sources and pay fee to fund a new "Frontier Model Division." We were pleased to see Gov. Newsom veto the legislation.

As a new administration and Congress settle in, NVCA will be closely engaged with our AI Working Group on the regulatory and legislative issues critical to the future of this rapidly developing technology area.

Health Services Transactions

In 2024, NVCA opposed, California's legislation impacting health services transactions. Through our engagement in coalition and grassroots pushback, the legislation was not finalized. Beyond California, about 10 states introduced laws to create additional requirements on healthcare entities considering new transactions, from private-equity backed entities to management services organizations: WA, OR, NV, MN, IL, IN, PA, NY, MA (HB 4643), RI, and CT.

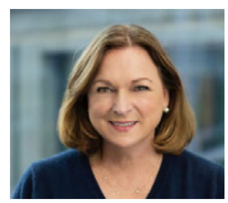
At the federal level, Senators Ed Markey (D-MA) and Congresswoman Pramila Jayapal (D-WA) introduced the strengthened Health Over Wealth Act, which would require greater transparency for private equity firms and for-profit companies that own healthcare entities, including hospitals, nursing homes and mental or behavioral health facilities. NVCA is continuing to provide the venture perspective of the value of the entrepreneurial flywheel in health transactions. While neither of these pieces of legislation become law this year, we expect continued attention to this sector at both the federal and state levels in 2025.

Outbound Investment

In August 2024, NVCA submitted comments in response to the Department of Treasury's Notice of Proposed Rulemaking (NPRM) to implement the Outbound Investment Security Program. These rules will restrict certain U.S. persons from investing in businesses active in the semiconductor/microelectronics, quantum information technology, and artificial intelligence (AI) areas if the businesses also have certain significant ties to the People's Republic of China (including Hong Kong and Macau).

However, the restrictions may apply even if the business that is engaged in the covered activity is located in the United States or anywhere else in the world—if, for example, a California AI company is majority-owned by Chinese citizens, a U.S. person's investment may be prohibited or require notification to Treasury.

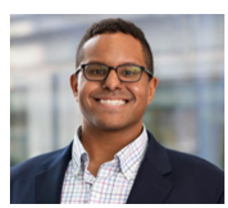
NVCA's comments focused on potential unintended consequences for the U.S. venture ecosystem – the creation of significant costs in cases where that cost effectively brings no national security benefit. The proposed rulemaking's proposals and definitions do not provide the requisite clarity to enable investors to understand which investments should be notified or must be prohibited. While this rule was not finalized in 2024, it is likely to be picked back up in 2025 as a part of national security conversations.



Christina Martin
Chief Operating Officer
cmartin@nvca.org

Diem-Mi Lu
Vice President, Government Affairs
dlu@nvca.org

Caroline Schellhas
Vice President, Government Affairs
cschelhas@nvca.org



Jonas Murphy
Director, Government Affairs
jmurphy@nvca.org

Ashlynn Roberts
Vice President, Government Affairs
aroberts@nvca.org

Data provided by PitchBook

NVCA Member Community

Diverse, Engaged, Committed

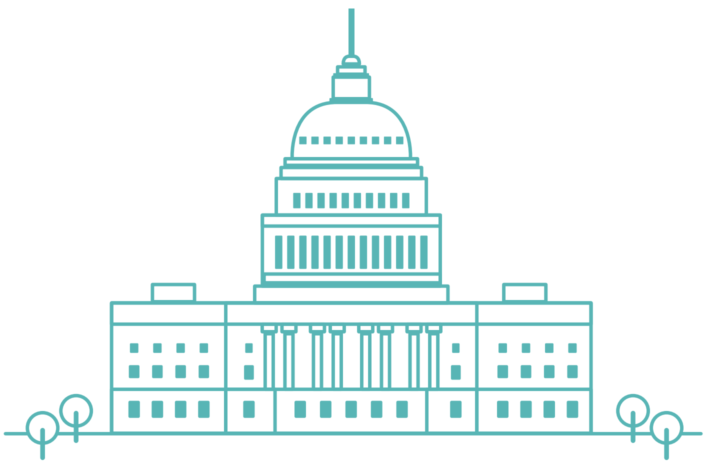
Join NVCA's dynamic national member network with representation from nearly all 50 states: from seed investors to mega funds. Emerging managers and well-established VC firms contribute to a vibrant and productive community.

NVCA empowers the next generation of American companies that will fuel the economy of tomorrow. As the voice of the U.S. venture capital and startup community, NVCA advocates for public policies that support the American entrepreneurial ecosystem. NVCA also fosters the success of the venture industry through valuable education, differentiated networking opportunities, and best in class data and resources.

See a full list of NVCA members here.

Who are NVCA members?

- VC partnerships
- Corporate venture groups
- Growth equity firms
- Family offices
- Fund of funds
- State-Funded Organizations/Nonprofits
- Accelerators
- Incubators



NVCA supports its member community through:

Must Attend Events

1. **2025 VC Awards** – Annual gathering of leading VCs, honoring investors, rising stars, and other champions who have made significant contributions to the industry.

2. **Strategic Operations & Policy Summit** – Program for CFOs and COOs at VC firms to examine accounting best practices, the role of operators in venture, and relevant public policy issues.

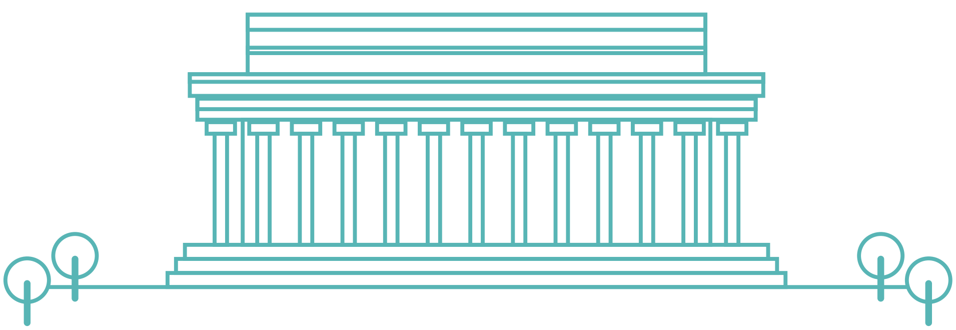
See all NVCA events here.

What's Hot in 2024

- **Member Working Groups:** Members discuss challenges and opportunities with a focus on regulatory and legislative issues. Working group themes include AI, Blockchain, Climate, Healthcare, and National Energy.

- **VC Leadership Dinners:** Intimate gatherings of GPs in cities from coast to coast.

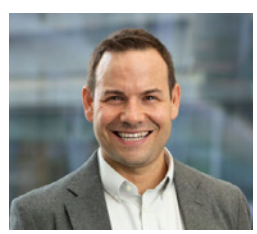
- **Brand Awareness:** Member have opportunities to enhance awareness of thought leadership, fundraising, and other strategic initiatives



How To Become a Member

Visit nvca.org to apply online.

Questions? Contact membership@nvca.org.



Jason Vita
Vice President, Development
jvita@nvca.org

Jenny Zemel
Director, Member Engagement
jzemel@nvca.org

NVCA Industry Partners

Advisors, Leaders, and Experts

NVCA and its members rely on a strong network of service providers for guidance, expertise, and sponsorships. Through NVCA's Industry Partner Program, leading companies and organizations engage with an exclusive and diverse set of VCs. Industry Partner benefits include:

Enhanced brand awareness

Strategic business development

Platform for thought-leadership

Who Are Industry Partners?

- Accounting firms
- Banking and financial institutions
- Consulting and advisory services
- Law firms
- Research and data providers
- Companies supporting startups

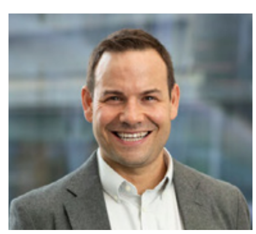
What Can Industry Partners Do?

- Sponsor events and newsletters
- Host speaking engagements
- Provide thought-leadership content
- And more!

How To Become an Industry Partner

Do your services add value to the VC ecosystem?

Learn more about the program here.



Jason Vita
Vice President.
Development
jvita@nvca.org

Jenny Zemel
Director,
Member Engagement
jzemel@nvca.org

Venture Forward

Venture Forward Highlights

Venture Forward, NVCA's 501(c)(3) nonprofit, is on a mission to democratize access to the venture capital industry, empower individuals from all backgrounds and geographies to thrive as investors, and equip future VC leaders with the tools for long-term success. The organization supports emerging fund managers and investors by providing education, mentorship, and resources to advance their careers. Venture Forward is committed to driving healthy and sustainable generational change within established VC firms, ensuring strong industry stewardship for the future. Through these efforts, Venture Forward envisions a VC industry that reaches all communities across the country, unlocking greater innovation, economic impact, and financial returns.

In 2024, VC University, jointly led by Venture Forward, NVCA, and UC Berkeley, celebrated its five-year anniversary, marking a milestone of educating more than 4,300 participants on VC fundamentals across 17 cohorts since 2019, with 96% of all participants recommending the program. In 2024 alone, VC University educated 966 participants, including 119 full scholarship recipients.

Venture Forward also expanded its LP Office Hours program into a full-day, in-person event—Emerging Manager (EM) Office Hours—designed to provide connections and education on fundraising, fund management, and operations. In 2024, over 375 meetings were facilitated between 45+ emerging managers, LPs, experienced GPs, and industry advisors in San Francisco and New York.

Venture Forward continued to grow as an organization, expanding to a five-person team and welcoming two new board directors: Hilary Gosher of Insight Partners and Garth Timoll of Top Tier Capital Partners. To support Venture Forward's continued growth and future initiatives, the team moved to a new San Francisco office in early 2025.

Venture Forward is funded solely through tax-deductible donations from individuals, VC firms, and corporate sponsors, including SVB, Deloitte, and Gunderson Dettmer.

Ways To Engage With Venture Forward:

- Volunteer as a mentor for VC University.
- Volunteer to host Emerging Manager Office Hours.
- Make a tax-deductible donation to support this important work.
- Follow us on LinkedIn and X.
- Sign up for our newsletter.

Venture Forward Team

Maryam Haque
Executive Director
maryam@ventureforward.org

Rhianon Anderson
Senior Director, Programs
rhianon@ventureforward.org

Vanessa Gutierrez
Manager, Community & Programs
vanessa@ventureforward.org

Justin Cruz
Manager, Data Operations
justin@ventureforward.org

Kendall Henry
Executive Assistant
kendall@ventureforward.org

Venture Forward 2024 Impact & 2025 Plans

Initiatives	2024 Highlights	What's Ahead in 2025
VC University Led in partnership by Venture Forward, NVCA, and UC Berkeley, this industry-leading certificate course offers a structured introduction to the fundamentals of VC and is offered three times per year. The course consists of self-paced lectures by industry experts and university faculty, live office hours, webinars, networking opportunities, and more.	• Celebrated five-year anniversary of VC University with an in-person event at the UC Berkeley campus with program alumni, instructors, mentors, and more. • Educated 966 individuals across three sold-out cohorts. • 93% of 2024 participants would recommend the course to a peer • Host monthly "Lunch & Learn" webinars with industry leaders. • Host weekly office hours to support students through the curriculum. • Manage a Slack community for program participants and alumni. • Hosted 10 VC University alumni as Venture Forward's special guests and the NVCA Leadership Gala.	• Educate 900 + individuals across three cohorts. • Continue hosting weekly office hours and monthly webinars. • Expand the support, resources, and in-person and virtual networking events offered to program alumni. • Expand and update the curriculum with new and updated content.
VC University Scholarship Program VC University offers a robust scholarship program available by application to emerging VC investors from underrepresented backgrounds. Selected recipients receive full course tuition, supplemental office hours, access to a curated mentorship program, and more.	• Awarded 119 full scholarships (across three cohorts) to aspiring VCs from underrepresented backgrounds. • Hosted supplemental office hours and managed a mentorship component to facilitate relationships with both an experienced VC and peer mentors.	• Award 120+ full scholarships across three cohorts. • Continue to host scholarship office hours for recipients. • Continue to expand resources and in-person and virtual networking events for scholarship alumni.
VC University Mentorship Program The VC University scholarship program includes a curated, three-month mentorship component. Participating scholarship recipients are paired with two VCs: an experienced VC mentor (Partner or equivalent with 5+ years' investing experience) and a peer mentor (1-5 years' experience).	• Matched 105 VC University scholarship recipients (across three cohorts) with two VC mentors each. • Recruited and matched 200 VCs to volunteer as mentors. • 100% of surveyed mentees and 94% of mentors would recommend the program.	• Run the mentorship program three times, supporting the scholarship recipients of each VC University cohort. • Match 120+ scholarship recipients with two VC mentors according to shared professional goals and experiences. • Serve ~120 participants per program (~40 mentees and 80 mentors.) • Expand the support and resources offered to participants.
Emerging Manager Office Hours Emerging Manager Office Hours (EMOH, formerly LP Office Hours) are half-day (virtual) and full-day (in-person) programs designed to support emerging fund managers (EMs) on their fundraising and fund management journeys. These free workshops connect EMs from historically underrepresented backgrounds with limited partners (LPs), general partners (GPs) with significant fundraising experience, and industry advisors. The "office hours" consist of highly curated small-group roundtables and 1:1 conversation between the EMs and the hosts.	• Facilitated two in-person programs in San Francisco and New York. • Served 45+ EMs from underrepresented backgrounds. • Connected EMs with 24 LP, 19 experienced GP, and 7 industry advisor hosts. • Facilitated 375+ meetings.	• Hold two EMOH events in-person and virtually. • Convene 50 underrepresented EMs, 20 LPs, and 20 GP hosts to participate.

Venture Forward 2024 Impact & 2024 Plans Cont.

Initiatives	2024 Highlights	What's Ahead in 2025
Additional programs and initiatives In addition to Venture Forward's flagship initiatives, the organization produces various events and educational programming to support the VC community.	• Released a SSBCI FAQ video series in partnership with the U.S. Department of Treasury and IIE.VC. • Hosted 7 in-person and virtual events, including VC University Life Science Scholarship lunch and dinner in Boston, Emerging Manager Policy Webinar, VC University meetup in D.C., VC University's 5 Year Anniversary Event, and the third annual Venture Forward Holiday Party, among others. • Launched campaigns for Black History Month, Women's History Month, Pride, and Hispanic Heritage Month, highlighting VC investors driving impact across the industry.	• Celebrate Venture Forward's 5-year anniversary. • Expand programs to provide further education, resources, and in-person and virtual events to help VC investors and fund managers advance their careers. • Support VC firms in accelerating talent best practices and cultivating the next generation of firm/industry leaders.

VC University Five-Year Anniversary Celebration

VC University Five-Year Anniversary Celebration

Venture Capital 101

Venture capital (VC) is a high-risk, high-reward asset class that supports entrepreneurs in their quest to turn ideas and basic research into high-growth companies. Venture capitalists help companies grow from individuals with ideas into mature organizations ready to change the world.

A Very Brief History of Venture Capital

Investments reminiscent of venture capital have been present since at least the 1850s, when merchant-banking interests in London and Paris syndicated with their junior partners in New York. Most notably, Ohio-born Jay Cooke made large equity investments in one of America's earliest disruptive industries:

Jay Cooke, widely regarded as one of the fathers of American Venture Capital.

railroads. The industry remained relatively small until the late 1940s, when Georges Doriot, Ralph Flanders, Karl Compton, and Merril Griswold came together to found the American Research and Development Corporation (ARDC) in 1946.

ARDC's founding encouraged institutional investors to back companies founded by servicemen returning from World War II. The company made hundreds of investments over the next few decades; one of the most famous was its $70,000 investment into

"So, we search for the exceptional man or woman, the entrepreneur. We become a partner in creating a dream. It is not a dream of just making money or creating capital gains. It is a dream of creating a company, a real business that changes our world." [1]

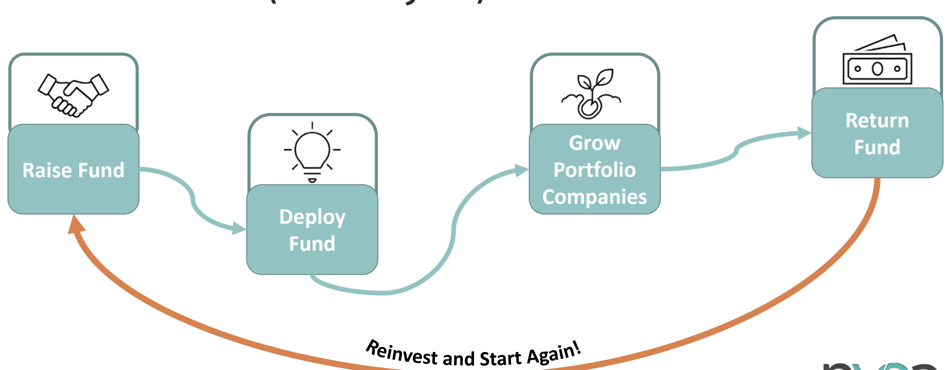
Georges Doriot (Baker Library, Harvard Business School)

Digital Equipment Corporation (DEC) which returned over fifty-thousand percent profit when DEC went public 11 years later. The success of ARDC and firms like it helped spur the development of the VC sector into a robust boutique industry focused on high-growth, high-tech industries centered around hubs like the San Francisco Bay Area and the Northeastern United States.

VC developed into its modern scale in 1979 when ERISA (the Employee Retirement Income Security Act) of 1979 instituted the "Prudent Man Rule." This allowed asset managers to assess the risk of an investment as part of a diversified portfolio rather than an isolated investment. This strategy spurred the evolution of VC from a boutique concern into a fully developed market segment. These venture firms invested into the region's nascent electronics and pharmaceutical industries, and helped turn companies like Apple, Cisco, Compaq, and Genentech, into household names.

VC's next evolution came in the 1990s when the first generation of major internet companies came into being. This generation included Amazon, Google, eBay, Yahoo, and PayPal. The ensuing Dot-com Bubble led to a frenzy in web-focused investment with capital commitments reaching an all-time high before bursting in mid-2000. The recession which followed the Dot-com Bubble led to a sharp contraction of the VC industry, but the next generation of VC-backed companies soon came onto the scene. Companies like Facebook (now Meta) Airbnb, Tesla, Dropbox, and Uber were all founded less than a decade after the Dot-com Bubble burst.

What's Next? (It's a Cycle)



Source: NVCA 2025 Yearbook; Data provided by PitchBook

1: Dell'Acqua, Fabrizio and McFowland, Edward and Mollick, Ethan R. and Lifshitz-Assaf, Hila and Kellogg, Katherine and Rajendran, Saran and Krayer, Lisa and Candelon, François and Lakhani, Karim R., Navigating the Jagged Technological Frontier: Field Experimental Evidence of the Effects of AI on Knowledge Worker Productivity and Quality (September 15, 2024). Harvard Business School Technology & Operations Mgt. Unit Working Paper No. 24-013, pg 7. Available at SSRN: https://ssrn.com/abstract=4573321 or https://www.hbs.edu/ris/Publication%20Files/24-013_d9b45b68-9e74-42d6-a1c6-c72fb70c7282.pdf

The Details

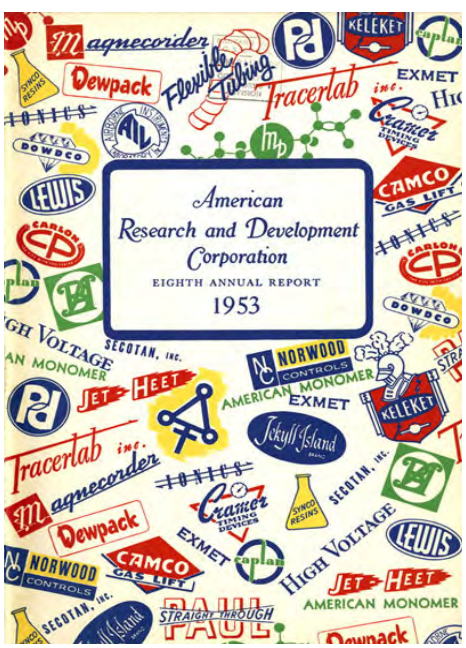
INVESTING

Venture capital is a unique asset class. With some room for exceptions, most companies funded by venture capital are new ideas that:

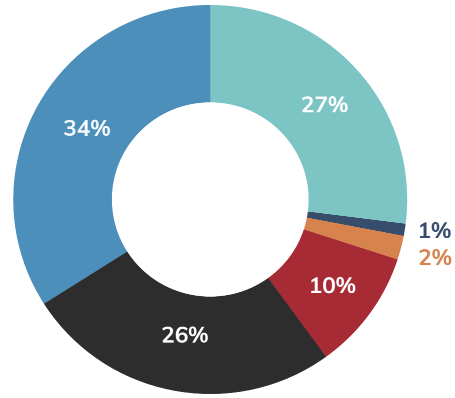
1. Cannot be financed with traditional bank financing;
2. Threaten established products and services in their respective verticals;s;
3. Require five to eight years (or longer!) to reach maturity.

Venture funds find companies to invest in through a variety of methods. Sometimes they pursue deals, other times deals come to them. Once an investor finds a promising company, he or she researches the company to verify the legitimacy of its business model. This process, called due diligence, is often handled in-house, but depending on the size of the investment, external consultants or investigators might be engaged. According to a 2016 study, *How Do Venture Capitalists Make Decisions?*[2], for every company that a venture firm eventually invests in, the firm considers roughly 100 potential opportunities. The same study showed that the median venture firm closes about four deals per year. Team, business model, product/market fit and valuation are some of the factors venture investors consider when evaluating investments.

Upon completion of due diligence, a fund might make an investment solo, or pool its resources and syndicate its investment with other VCs. Syndication is a hallmark of venture capital. It allows funds to reduce their individual risk and pool prospecting resources. Generally, the fund which performed the prospecting and due diligence on a given deal is identified as the syndicate lead, a title which might lack any official benefits, but generally comes with both industry cachet and an implied more active relationship with the firm being invested into.

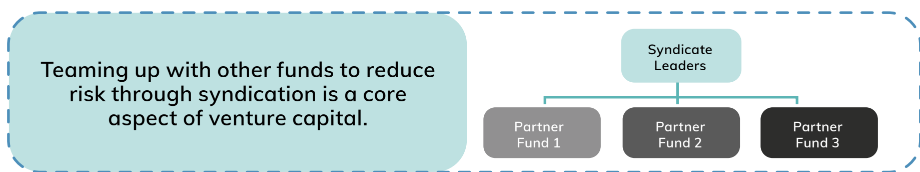


Average Frequency of Contact With Portfolio Companies



Source: NVCA 2025 Yearbook; Data provided by PitchBook

Common Strategies for Fund Deployment



2024 US VC Deals by Sector ($B)

Sectors	Deals by Sector ($B)
Commercial Products & Services	$22.7
Consumer Goods & Services	$11.7
Energy	$6.0
HC Devices & Supplies	$7.5
HC Services & Systems	$14.5
IT Hardware	$8.6
Media	$1.3
Other	$9.6
Pharma & Biotech	$26.0
Software	$99.8
Transportation	$7.6

Source: NVCA 2025 Yearbook; Data provided by PitchBook

2: Paul A. Gompers, Will Gornall, Steven N. Kaplan, Ilya A. Strebulaev. 2016 Journal of Financial Economics, Volume 135, Issue 1,(2020) Pages 169-190, ISSN 0304-405X, https://doi.org/10.1016/j.jfineco.2019.06.011.

Venture differs from other forms of financing because investors don't expect to be paid back with interest. Rather they acquire a portion of a company at a given valuation. For example, $10 million dollars invested at a $100 million dollar valuation means that the investor acquires ten percent of the company.

As a company grows, it might require follow-on investments which provide additional runway, allowing the company to maximize its potential before the investors exit their position. After several rounds with increasing valuations, investors' shares in the company can decrease in value relative to new ones. This process is called dilution. Non-equity funding instruments such as loans, are non-dilutive, however, they do generally need to be repaid with interest.

A VC investor's competitive advantage is twofold. First, the investor needs to pick good companies to fund. Then they leverage their expertise to provide value to the entrepreneurs in their portfolio. Upon investing in a given company, investors provide company management with strategic and operational guidance. They also connect entrepreneurs with potential investors, customers, and employees.

VC investors become vital partners to the companies they back, and daily interaction with the management team is common. Any investor who has had a "home-run" investment will tell you that successful companies have active relationships with their investors and are always trying to leverage every resource to gain an advantage over their competition.

FUND STRUCTURE

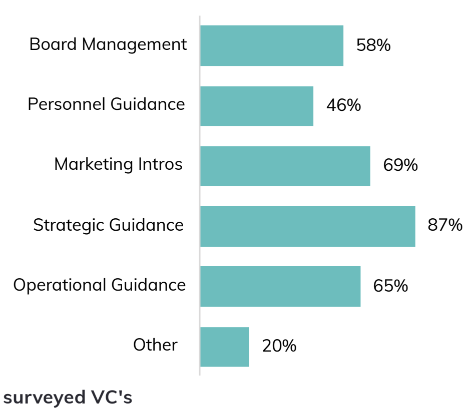
While the organizational structures used to create a venture capital fund are relatively common, the way venture capital leverages those structures is unique. First, the partners at a firm devise a thesis and a target size for the fund. Then, the firm pitches asset allocators like pension funds, insurance companies, family offices, and nonprofit endowments on their plan for the fund. After they reach their target amount of committed capital (the median fund was $21.3 million in 2024), they establish a limited partnership with the asset allocators as LPs and the firm itself as the general partner. Capital is disbursed by LPs through capital calls, which are legal rights of draw-down on an asset allocator's capital, usually exercised on the identification of a new investment.

For a typical investment, the VC will reserve three to four times the initial investment in case there is a need for follow-on financing. The investors in a venture fund only profit after the company they invest in is acquired or goes public. Although venture investors have high hopes for any company getting funded, the 2016 study, How Do Venture Capitalists Make Decisions?, found that, on average, 15% of a venture firm's portfolio exits are through IPOs while about half are through an M&A.

Primary Types of Exits

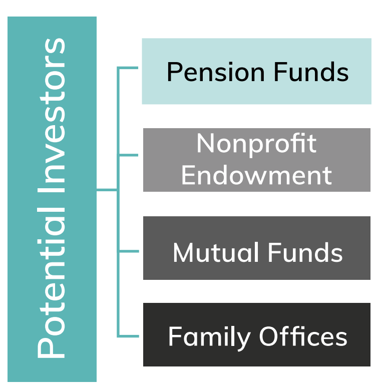
- Mergers and Acquisitions
- Public Listings
  - IPOs
  - Direct Listings
  - SPACs

Advice VCs Give Portfolio Companies



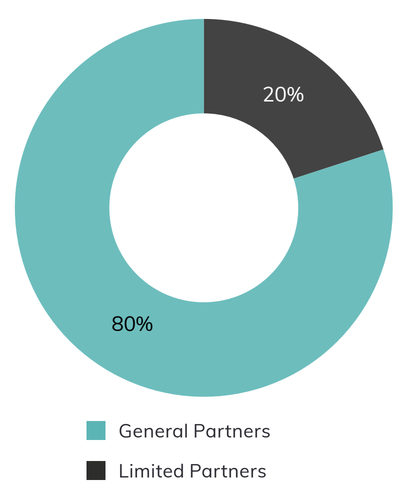
Source: NVCA 2025 Yearbook; Data provided by PitchBook

Who Invests in Venture Capital Funds?



Source: NVCA 2025 Yearbook; Data provided by PitchBook

Typical Distribution of Profits Returned From a VC Fund



Source: NVCA 2025 Yearbook; Data provided by PitchBook

The Impact of Venture-backed Companies Beyond Financial Returns

The benefits of venture capital are not limited to their investors. A recent study by the Kauffman Foundation found that high-growth startups, like those backed by VCs, account for as many as 50% of gross jobs created annually between 1980 and 2010.[3]

There is a stark contrast between the level of job creation at VC-backed companies versus non-VC-backed companies. NVCA, Venture Forward, and the Kenan Institute of Private Enterprise at UNC recently released a report which found that employment at VC-backed companies grew 960% from 1990 to 2020 at a pace eight times higher than employment growth at non-VC-backed companies. The research also found that VC-backed jobs were resilient in economic downturns: after the 2008 financial crisis and during the Great Recession, annual job growth at VC-backed companies exceeded 4.0%. By comparison, total private sector employment shrank by 4.3% over the same period. And while California, Massachusetts, and New York have historically dominated VC activity, the report found that 62.5% of VC-backed jobs are outside those three states.[4]

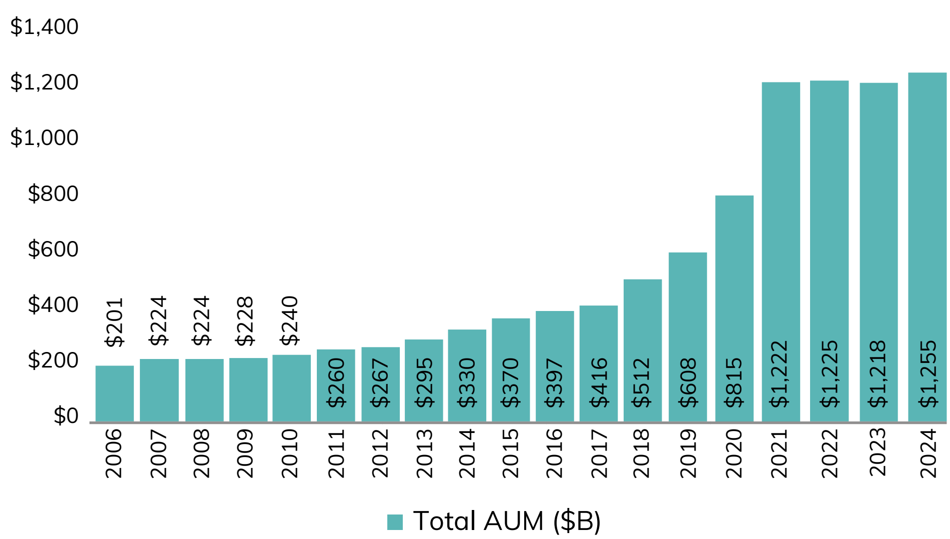
A 2021 study, The Economic Impact of Venture Capital: Evidence from Public Companies, analyzed the impact venture-backed companies have had on the economy between 1978 and 2020. The study found that of the 1,677 U.S. companies that went public in that period, 834 (or 50%) were venture-backed. These 834 companies represent 77% of the total market capitalization on public markets, 92% of national research and development expenditure, and 81% of total patents granted by the USPTO.[5]

VC AUM Summary Statistics

	2007	2015	2024
# of VC Firms in Existence	940	1,477	3,111
# of VC Funds in Existence	1,599	2,499	7,969
# of First-Time VC Funds Raised	50	217	110
# of VC Funds Raising Money this Year	203	565	538
VC Capitlal Raised this Year ($B)	$31.8	$41.3	$76.8
VC AUM ($B)	$224.2	$370.4	$1,254.6
Average VC AUM per Firm ($M)	$199.9	$187.4	$303.7
Average VC Fund Size to Date ($M)	$176.9	$92.5	$165.2
Average VC Fund Size Raised this Year ($M)	$176.9	$92.5	$165.2
Median VC AUM per Firm ($M)	$49.5	$25.3	$39.0
Median VC Fund Size to Date ($M)	$78.9	$20.0	$21.3
Median VC Fund Size Raised this Year ($M)	$78.9	$20.0	$21.3
Largest VC Fund Raised to Date ($M)	$3,000.0	$2,791.9	$4,500.0

Source: NVCA 2025 Yearbook; Data provided by PitchBook
* Number of firms in existence is based on a rolling count of firms that raised a fund in the last 8 vintage years.
* Number of VC funds in existence is based on a rolling count of funds that have closed in the last 8 vintage years
* AUM is calculated by adding together a firm's total remaining value and their total dry powder.

US Venture Capital AUM by Year



Source: NVCA 2025 Yearbook; Data provided by PitchBook
* Return data through 6/30/2024

3: Kauffman Foundation, The Economic Impact of High-Growth Startups (January 7, 2016). https://www.kauffman.org/-/media/kauffman_org/resources/2016/entrepreneurship-policy-digest/pd_highgrowth060716.pdf and Decker, Ryan, John Haltiwanger, Ron Jarmin, and Javier Miranda. 2014. "The Role of Entrepreneurship in US Job Creation and Economic Dynamism." Journal of Economic Perspectives, 28 (3): 3-24 https://www.aeaweb.org/articles?id=10.1257/jep.28.3.3
4: NVCA, Venture Forward, University of North Carolina Kenan Institute of Private Enterprise & Research. "An Analysis of Employment Dynamics at Venture-Backed Companies Between 1990 and 2020" February 2022. https://nvca.org/employment-dynamics

Fund and Firm Analysis

	Total Cumulative Funds	Total Cumulative Firms	Totoal Cumulative Capital ($B)	Existing Funds	Firms that Raised Funds in the Last 8 Vintage Years	AUM ($B)	Avg Fund Size ($M)	Avg Commitments + NAV ($M)	Median Fund Size ($M)	Median Commitments + NAV ($M)
2005	2,482	1,043	$279.3	1,609	914	$170.1	$131.4	$169.7	$35.0	$46.5
2006	2,695	1,109	$315.0	1,651	948	$200.9	$191.9	$189.5	$74.8	$49.1
2007	2,898	1,174	$346.8	1,599	940	$224.2	$176.9	$199.9	$78.9	$49.5
2008	3,119	1,244	$375.3	1,439	847	$224.3	$145.1	$192.7	$58.8	$43.5
2009	3,293	1,301	$392.0	1,390	823	$228.2	$122.9	$188.5	$30.3	$39.8
2010	3,469	1,372	$410.2	1,421	840	$239.8	$118.0	$187.9	$45.2	$36.3
2011	3,685	1,461	$434.4	1,526	899	$259.5	$138.4	$190.1	$37.5	$34.0
2012	4,003	1,600	$460.4	1,696	1,009	$266.9	$111.6	$182.6	$22.3	$31.7
2013	4,337	1,737	$483.1	1,855	1,099	$295.5	$86.8	$185.6	$25.0	$31.4
2014	4,832	1,969	$523.1	2,137	1,276	$330.3	$109.8	$186.8	$24.9	$27.4
2015	5,397	2,223	$564.4	2,499	1,477	$370.4	$92.5	$187.4	$20.0	$25.3
2016	6,024	2,498	$617.2	2,905	1,697	$396.7	$108.1	$184.3	$25.0	$24.2
2017	6,698	2,801	$663.7	3,405	1,959	$416.4	$91.8	$176.7	$26.0	$24.0
2018	7,494	3,127	$733.6	4,025	2,231	$511.8	$121.0	$192.0	$26.5	$26.5
2019	8,287	3,387	$806.4	4,602	2,436	$608.0	$115.1	$208.9	$33.4	$28.3
2020	9,224	3,669	$902.5	5,221	2,636	$815.0	$134.8	$252.5	$25.0	$30.4
2021	10,836	4,120	$1,077.4	6,499	2,996	$1,221.8	$139.7	$332.5	$30.0	$39.4
2022	12,486	4,368	$1,266.3	7,654	3,096	$1,225.2	$157.9	$303.7	$25.0	$39.0
2023	13,455	4,585	$1,366.2	8,058	3,153	$1,217.8	$130.5	$303.7	$25.0	$39.0
2024	13,993	4,727	$1,443.0	7,969	3,111	$1,254.6	$165.2	$303.7	$21.3	$39.0

Source: NVCA 2025 Yearbook; Data provided by PitchBook

At the end of 2024, VC-backed companies accounted for the seven largest publicly traded companies by market capitalization in the world: Apple ($3.3 trillion), Microsoft ($2.9 trillion), Nvidia ($2.7 trillion), Amazon ($2.1 trillion), Google ($2.0 trillion), Meta ($1.5 trillion), and Broadcom ($909.5 billion).

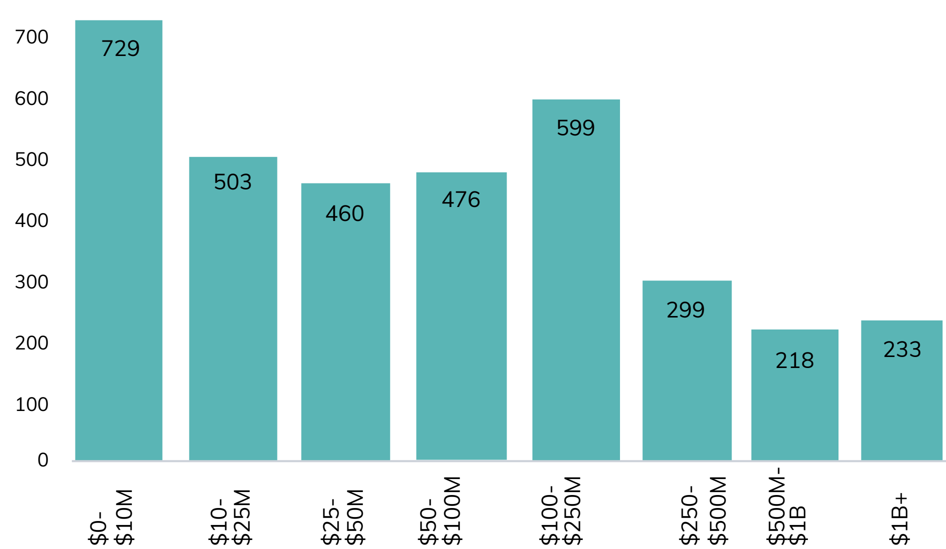
Furthermore, recent research released by Silicon Valley Bank found that 42% of FDA-approved U.S. drugs between 2009 and 2018 originated with venture capital funding. [7]

Venture Capital Today

OVERVIEW

Modern venture capital is getting more diverse. An industry which was previously under the purview of a small number of

Distribution of Firms By AUM in 2024



Source: NVCA 2025 Yearbook; Data provided by PitchBook

*Methodology note: due to potential issues reconciling current fundraising data with VMR fundraising, we elected to specifically pull FR data for this section. As a result, fundraising numbers may not match the VMR exactly. Criteria used: only US-Based and closed funds were counted. A fund is assumed to exist if it closed within the eight years preceding the as-of year. Median and average firm size is calculated using the dry powder and remaining value of all funds of a given investor as of a given year.

5: Gornall, Will and Strebulaev, Ilya A., The Economic Impact of Venture Capital: Evidence from Public Companies (June 2021). Available at SSRN: https://ssrn.com/abstract=2681841 or http://dx.doi.org/10.2139/ssrn.2681841
6: YCharts data as of December 31, 2021.
7: Silicon Valley Bank, "Trends in Healthcare Investments and Exits 2019" (Mid-year report 2019) https://www.svb.com/globalassets/library/managedassets/pdfs/healthcare-report-2019-midyear.pdf

Commercial G&S Company Examples

Consumer P&S Company Examples

Software Company Examples

people in a few of the nation's commercial centers is expanding to include a greater diversity of people, geographies, and disciplines. While most VC investment continues to be directed to the commercial hotspots of Boston, New York City, and the San Francisco Bay Area, 2024 saw deals closed in every state, Puerto Rico, and District of Columbia.

SECTORS

The biggest sectoral story in 2023 was AI. While a somewhat amorphous category, it could generally be slotted into the software category which accounted for just under half of total US deal value in 2024. However, the breadth of software as a category means that it includes everything from gaming companies to fintech to cloud computing, among others. It might be more helpful to visualize software as a category defined by its inputs, which are the efforts of software engineers.

Healthcare-related investments were the second largest category for investment in 2024, totaling at just under 22%. Healthcare-related investments' three major sub-categories include: pharma/biotech, healthcare services and systems, and healthcare devices and supplies. While these three categories contain numerous specialties among them, they are united by their intended function, which is healthcare.

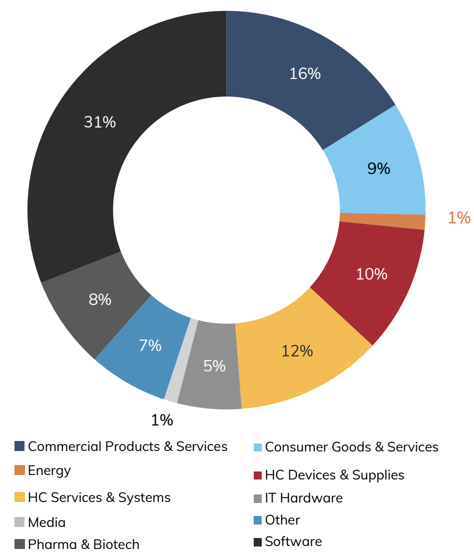
The next two largest categories fall under the goods and services category: commercial products and services and consumer goods and services. They accounted for 11% and 5% of all deals in 2024, respectively. Their point of meaningful differentiation is their customer. One is consumer facing while the other focuses on business-to-business transactions.

STAGES

In 2024, 32% of overall deals went to angel or seed rounds. 33% went to early-stage rounds, 28% went to late-stage rounds, and 6% of deals went to venture growth.

For more information on U.S. VC please consult the appendices to this report.

Share of US VC Deal Value by Sector in 2024



Source: NVCA 2025 Yearbook; Data provided by PitchBook

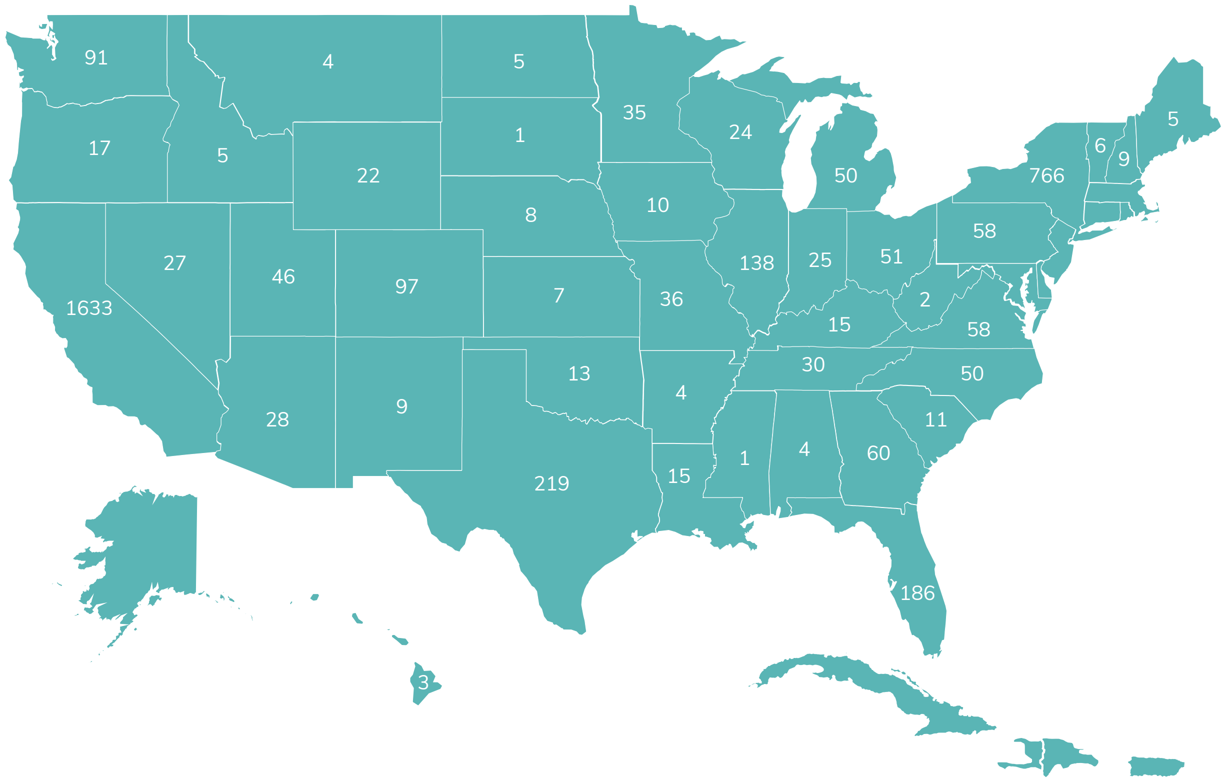
Top 5 States by AUM in 2024 ($B)

	AUM
California	$713.8
New York	$215.4
Massachusetts	$115.1
Florida	$38.5
Illinois	$35.1

Source: NVCA 2025 Yearbook; Data provided by PitchBook

Learn more: *If you're interested in an introductory certificate course on VC, check out VC University ONLINE. And more detailed history of VC is available here.*

Active Investor Count in 2024 Deals by Company HQ State



Source: NVCA 2025 Yearbook; Data provided by PitchBook

Number of Active Investors

	# of Active Investors	# of Active 1st Round Investors	# of Active Life Science Investors	# of Active VC Investors	# of Active VC 1st Round Investors	# of Active VC Life Science Investors	# of Active US Investors	# of Active US 1st Round Investors	# of Active US Life Science Investors	#Active US VC Investors	#Active US VC 1st Round Investors	#Active US VC Life Science Investors
2005	2,687	1,065	876	1,322	567	479	2,004	857	647	1,066	489	373
2006	2,934	1,284	884	1,407	677	512	2,170	992	689	1,115	561	413
2007	3,561	1,583	1,085	1,595	755	606	2,600	1,205	846	1,270	625	492
2008	3,802	1,578	1,050	1,694	742	573	2,764	1,193	823	1,342	602	466
2009	3,298	1,301	953	1,482	581	541	2,359	1,004	728	1,154	499	436
2010	3,917	1,760	928	1,654	702	527	2,746	1,280	727	1,309	591	435
2011	5,355	2,605	1,056	1,924	912	553	3,385	1,742	824	1,490	757	459
2012	6,612	3,152	1,160	2,205	1,044	583	3,950	2,000	894	1,701	843	482
2013	8,871	4,063	1,431	2,607	1,242	648	4,655	2,276	1,039	1,953	1,012	517
2014	11,778	4,527	1,801	3,124	1,322	771	5,411	2,337	1,203	2,287	1,057	614
2015	12,905	4,449	2,159	3,532	1,396	901	5,813	2,284	1,341	2,548	1,117	704
2016	12,022	3,889	1,808	3,822	1,482	895	5,673	2,079	1,232	2,699	1,161	704
2017	12,826	3,940	2,217	4,435	1,776	1,090	6,118	2,204	1,476	3,085	1,383	826
2018	14,563	4,401	2,698	5,168	2,037	1,349	6,715	2,480	1,683	3,435	1,525	983
2019	16,021	4,681	2,841	5,593	2,139	1,429	7,350	2,622	1,802	3,801	1,659	1,059
2020	17,537	5,493	3,467	6,063	2,346	1,783	7,786	2,889	2,120	4,040	1,796	1,285
2021	25,395	9,050	4,521	8,260	3,728	2,212	10,077	3,969	2,655	5,024	2,524	1,551
2022	22,894	8,746	3,425	8,141	3,814	1,816	9,798	4,099	2,190	5,038	2,597	1,310
2023	15,691	5,726	2,631	6,793	3,061	1,530	7,833	3,169	1,801	4,409	2,192	1,157
2024	14,163	5,262	2,574	6,350	2,771	1,484	7,161	2,766	1,776	4,114	1,948	1,097

Source: NVCA 2025 Yearbook; Data provided by PitchBook

*Active investor definitions are as follows. Active Investors are Investors hq'ed globally who made 1+ venture capital type investments in US Companies. Active VC Investors are Venture Capital, Corporate Venture Capital, or Not-for-profit Venture Capital investors who are headquartered globally and made 1+ venture capital type investments in US companies.

AUM by State by Year ($M)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Alabama	$160.9	$152.8	$135.2	$161.4	$139.2	$174.8	$224.8	$231.5	$192.9	$217.4
Alaska	$2.2	$2.4	$2.6	$3.1	$4.3	$123.1	$128.0	$138.8	$136.4	$125.3
Arizona	$619.2	$687.5	$738.0	$899.8	$1,157.1	$1,317.2	$1,943.3	$1,770.3	$1,691.5	$1,594.3
Arkansas	$0.5	$156.6	$170.0	$183.3	$211.6	$252.7	$345.9	$301.9	$285.9	$280.7
California	$211,059.6	$237,115.8	$249,908.8	$307,879.6	$358,338.9	$475,467.7	$686,367.8	$679,327.3	$682,967.3	$713,837.0
Colorado	$4,290.7	$4,247.9	$4,751.8	$5,601.5	$5,902.7	$7,135.7	$9,669.8	$10,727.4	$9,722.8	$9,863.9
Connecticut	$6,606.1	$6,459.3	$8,032.4	$8,334.5	$8,673.6	$9,761.6	$15,680.7	$15,813.6	$14,946.3	$14,062.1
Delaware	$133.6	$198.6	$202.1	$211.1	$404.6	$412.9	$1,030.3	$1,306.0	$2,032.0	$2,081.0
District of Columbia	$4,239.0	$5,018.8	$5,081.9	$5,238.8	$6,533.1	$8,794.2	$11,052.2	$12,362.8	$11,309.6	$11,623.3
Florida	$3,060.9	$3,119.4	$3,797.7	$4,438.7	$10,705.0	$13,833.1	$35,842.8	$39,895.4	$37,199.2	$38,526.8
Georgia	$1,911.4	$1,768.2	$1,913.1	$1,950.3	$3,079.9	$3,589.2	$5,587.2	$6,929.0	$6,949.5	$7,376.4
Hawaii	$23.9	$22.7	$21.6	$24.8	$28.3	$469.2	$1,327.6	$1,266.8	$1,817.4	$1,737.0
Idaho	$362.9	$396.7	$360.4	$264.1	$208.1	$216.3	$265.7	$194.9	$209.0	$300.3
Illinois	$8,622.8	$10,614.0	$11,422.4	$14,048.4	$16,283.8	$23,226.2	$32,149.8	$32,873.7	$33,933.4	$35,066.3
Indiana	$855.4	$919.4	$851.1	$1,051.2	$1,087.8	$1,128.7	$1,713.8	$1,535.3	$1,345.2	$1,483.9
Iowa	$36.0	$83.8	$169.1	$217.6	$214.5	$323.2	$725.5	$673.7	$647.1	$644.5
Kansas	$5.9	$4.6	$4.7	$57.8	$94.1	$136.8	$170.2	$197.4	$171.3	$177.8
Kentucky	$375.0	$338.4	$253.1	$221.5	$210.9	$234.8	$185.7	$129.1	$179.2	$206.0
Louisiana	$217.5	$196.7	$180.0	$198.7	$155.9	$305.6	$335.0	$311.9	$364.9	$363.6
Maine	$263.1	$250.1	$251.2	$264.0	$320.5	$286.2	$391.6	$307.1	$297.0	$332.6
Maryland	$2,349.0	$2,296.4	$1,939.7	$2,154.3	$2,543.4	$2,716.8	$4,507.9	$5,862.1	$8,735.5	$8,967.8
Massachusetts	$40,682.3	$44,554.9	$45,872.3	$52,634.3	$62,409.8	$82,352.9	$117,687.7	$112,567.8	$112,145.9	$115,101.0
Michigan	$1,369.1	$1,827.6	$2,072.8	$2,261.0	$2,682.8	$2,918.0	$4,155.6	$4,044.4	$3,789.7	$4,290.5
Minnesota	$2,695.1	$2,692.3	$2,619.2	$2,454.7	$3,465.3	$3,570.7	$4,929.3	$5,124.0	$4,909.8	$5,103.9
Mississippi	$2.6	$2.9	$2.7	$3.2	$3.6	$4.1	$5.3	$3.9	$4.3	$3.0
Missouri	$1,775.0	$1,746.4	$2,076.8	$2,300.2	$2,656.0	$3,349.8	$4,508.7	$3,873.0	$3,734.9	$3,805.6
Montana	$4.1	$25.9	$27.8	$71.3	$80.7	$186.4	$483.6	$480.6	$573.0	$577.9
Nebraska	$82.5	$114.4	$118.0	$117.1	$126.0	$139.1	$242.2	$186.7	$178.9	$172.7
Nevada	$54.9	$57.2	$604.1	$623.5	$705.2	$1,020.3	$1,731.1	$1,746.0	$1,579.5	$1,647.5
New Hampshire	$117.0	$108.6	$155.1	$306.9	$560.3	$899.3	$1,995.7	$2,384.1	$2,300.9	$2,274.9
New Jersey	$4,867.6	$4,209.2	$3,026.7	$3,209.6	$2,962.2	$2,886.9	$4,581.0	$4,655.6	$4,310.7	$4,949.9
New Mexico	$63.9	$72.0	$66.5	$98.6	$130.4	$238.6	$289.9	$291.9	$265.6	$262.9
New York	$53,025.7	$55,210.0	$60,104.2	$72,889.2	$89,260.8	$127,430.1	$211,741.1	$209,210.2	$205,145.9	$215,360.6
North Carolina	$1,355.9	$1,568.1	$1,596.4	$1,751.3	$2,474.9	$2,830.0	$4,554.8	$4,433.0	$4,280.1	$4,785.1
North Dakota	$3.3	$3.6	$5.9	$6.8	$9.9	$10.1	$12.5	$11.9	$9.1	$8.4
Ohio	$1,904.8	$2,136.0	$2,234.9	$2,466.0	$3,503.9	$4,432.1	$5,913.2	$5,691.4	$4,963.0	$4,862.6
Oklahoma	$91.0	$85.6	$85.4	$77.0	$94.4	$98.9	$166.4	$145.2	$252.2	$254.9
Oregon	$362.2	$440.4	$472.4	$573.1	$702.4	$888.3	$1,225.4	$1,353.7	$1,256.4	$1,486.2
Pennsylvania	$4,042.9	$3,624.3	$3,220.7	$3,186.3	$3,544.7	$3,441.9	$4,641.7	$5,037.6	$5,090.1	$5,540.0
Rhode Island	-	-	-	-	-	$25.4	$140.1	$138.7	$136.4	$126.9
South Carolina	$5.5	$1.6	$1.9	$7.9	$25.4	$5.1	$27.9	$3.3	$2.5	$2.3
South Dakota	$308.0	$262.1	$276.6	$213.7	$230.1	$284.5	$364.1	$271.4	$309.9	$346.2
Tennessee	$59.6	$65.3	$52.5	$52.3	$50.0	$50.8	$63.3	$46.5	$49.0	$46.7
Texas	$823.5	$1,038.8	$1,029.1	$1,340.1	$1,728.7	$2,041.8	$2,619.4	$3,335.5	$3,262.5	$3,397.5
Utah	$7,654.6	$8,398.3	$10,078.0	$11,749.4	$14,753.6	$18,831.2	$29,758.0	$31,594.7	$30,121.6	$30,195.4
Vermont	$1,669.1	$1,955.0	$1,806.5	$2,084.8	$2,805.7	$3,358.4	$4,660.8	$5,810.6	$5,860.5	$5,937.7
Virginia	$130.7	$129.1	$200.3	$215.7	$235.1	$303.1	$496.7	$372.6	$338.4	$321.7
Washington		$25.7	$27.9	$30.1	$34.7	$38.0	$56.5	$49.3	$46.7	$45.9
Wisconsin	$4,716.9	$4,520.9	$4,300.0	$5,605.9	$6,730.9	$6,887.3	$11,729.0	$12,175.5	$13,595.1	$14,295.4
Wyoming	$7,887.2	$7,170.1	$8,158.6	$10,628.4	$12,144.6	$16,970.5	$24,082.2	$24,759.5	$24,505.0	$24,879.7

Source: NVCA 2025 Yearbook; Data provided by PitchBook | *For this table, we give precedent to the fund location, but if unavailable, we use the HQ location of the firm.

Glossary

The following definitions are graciously provided by the Center for Private Equity and Venture Capital at the Tuck School of Business at Dartmouth (cpevc.tuck.dartmouth.edu). Used by permission. NVCA and PitchBook are grateful to the Center for its support.

"A" round ("Series A") – formerly the first "institutional" capital raised by a Company, the "A" round is now typically the second institutional round of financing for a young company where venture capitalists are sufficiently interested in a company to invest a larger amount of capital after the "Seed" round to fund the company to the next stage of its development. Subsequent rounds of financing are called "B," "C," "D," etc.

Accredited investor – a person or legal entity, such as a company or trust fund, that meets certain net worth and income qualifications and is considered to be sufficiently sophisticated to make investment decisions in private offerings. Regulation D of the Securities Act of 1933 exempts accredited investors from the protection of the Securities Act. The Securities and Exchange Commission has proposed revisions to the accredited investor qualifying rules, which may or may not result in changes for venture investors. The current criteria for a natural person are: $1 million net worth (excluding the value of a primary residence) or annual income exceeding $200,000 individually or $300,000 with a spouse. Directors, general partners and executive officers of the issuer are considered to be accredited investors. See Rule 501 of Regulation D of the SEC for current details.

Alpha – a term derived from statistics and finance theory that is used to describe the return produced by a fund manager in excess of the return of a benchmark index. Manager returns and benchmark returns are measured net of the risk-free rate. In addition, manager returns are adjusted for the risk of the manager's portfolio relative to the risk of the benchmark index. Alpha is a proxy for manager skill.

Alternative asset class – a class of investments that includes venture capital, leverage buyouts, hedge funds, real estate, and oil and gas, but excludes publicly traded securities. Pension plans, college endowments and other relatively large institutional investors typically allocate a certain percentage of their investments to alternative assets with an objective to diversify their portfolios

American Investment Council (AIC) – an advocacy, communications and research organization for the private equity industry in the United States. Previously known as Private Equity Growth Capital Council (PEGCC)).

Angel – a wealthy individual who invests in companies in relatively early stages of development.

Angel Groups – groups of individual angels who invest together, individually or through a pooled vehicle, enabling them to share deal flow with each other.

Anti-dilution – a contract clause that protects an investor from a substantial reduction in percentage ownership in a company due to the issuance by the company of additional shares to other entities. The mechanism for making an adjustment that maintains the same percentage ownership is called a Full Ratchet. The most commonly used adjustment provides partial protection and is called Weighted Average.

ASC Topic 820 – FASB Accounting Standards Codification (ASC) Topic 820 (formerly known as FAS 157) is the accounting standard that dictates how to measure and disclose fair value for financial reporting purposes. FASB ASC Topic 946 (Investment Companies) dictates that all investments should be reported at fair value.

"B" round ("Series B") – a financing event whereby venture capital investors who are sufficiently interested in a company provide a next round of funding after the "A" round of financing. Subsequent rounds are called "C," "D," and so on.

Basis point ("bp") – one one-hundredth (1/100) of a percentage unit. For example, 50 basis points equals one half of one percent. Banks quote variable loan rates in terms of an index plus a margin and the margin is often described in basis points, such as LIBOR plus 400 basis points (or, as the experts say, "bips").

Beta – a measure of volatility of a public stock relative to an index or a composite of all stocks in a market or geographical region. A beta of more than one indicates the stock has higher volatility than the index (or composite) and a beta of one indicates volatility equivalent to the index (or composite). For example, the price of a stock with a beta of 1.5 will change by 1.5% if the index value changes by 1%. Typically, the S&P 500 index is used in calculating the beta of a stock.

Beta product – a product that is being tested by potential customers prior to being formally launched into the marketplace.

Blockchain – a distributed ledger that uses advanced cryptography to create a "chain" of "blocks" of information that are unalterable and verifiable. Useful for recording any number of transactions or sets of data in a verifiable way that is extremely difficult to modify.

Blank Check Company – See **SPAC**.

Board of directors – a group of individuals, typically composed of managers, investors and experts who have a fiduciary responsibility for the well-being and proper guidance of a corporation. The board is typically elected by the shareholders.

Book – see Private placement memorandum.

Bootstrapping – the actions of a startup to minimize expenses and build cash flow, thereby reducing or eliminating the need for outside investors.

Bp – see Basis point.

Bridge financing – temporary funding that will eventually be replaced by permanent capital from equity investors or debt lenders. In venture capital, a bridge is usually a short-term note (6 to 12 months) that converts to preferred stock. Typically, the bridge lender has the right to convert the note to preferred stock at a price that is a 20% to 25% discount from the price of the preferred stock in the next financing round. See Mezzanine and Wipeout bridge.

Broad-based weighted average anti-dilution – A weighted average anti-dilution method adjusts downward the price per share of the preferred stock of investor A due to the issuance of new preferred shares to new investor B at a price lower than the price investor A originally received. Investor A's preferred stock is repriced to a weighted average of investor A's price and investor B's price. A broad-based anti-dilution method uses all common stock outstanding on a fully diluted basis (including all convertible securities, warrants and options) in the denominator of the formula for determining the new weighted average price. See Narrow-based weighted average anti-dilution.

Burn rate – the rate at which a startup uses available cash to cover expenses in excess of revenue. Usually expressed on a monthly or weekly basis.

Business Development Company (BDC) – a publicly traded company that invests in private companies and is required by law to provide meaningful support and assistance to its portfolio companies.

Business plan – a document that describes a new concept for a business opportunity. A business plan typically includes the following sections: executive summary, market need, solution, technology, competition, marketing, management, operations, exit strategy, and financials (including cash flow projections). For most venture capital funds, fewer than 10 of every 100 business plans eventually receive funding.

Buyout – a sector of the private equity industry. Also, the purchase of a controlling interest of a company by an outside investor using substantial debt (in a leveraged buyout) or a management team (in a management buyout).

Buy-sell agreement – a contract that sets forth the conditions under which a shareholder must first offer his or her shares for sale to the other shareholders before being allowed to sell to entities outside the company.

C Corporation – an ownership structure that allows any number of individuals or companies to own shares. A C corporation is a stand-alone legal entity, so it offers some protection to its owners, managers and investors from liability resulting from its actions.

Capital Asset Pricing Model (CAPM) – a method of estimating the cost of equity capital of a company. The cost of equity capital is equal to the return of a risk-free investment plus a premium that reflects the risk of the company's equity.

Capital call – when a private equity fund manager (usually a "general partner" in a partnership) requests that an investor in the fund (a "limited partner") provide previously committed capital. Usually, a limited partner will agree to a maximum investment amount and the general partner will make a series of capital calls over time to the limited partner as opportunities arise to finance startups and buyouts.

Capital gap – the difficulty faced by some entrepreneurs in trying to raise between $2 million and $5 million. Friends, family and angel investors are typically good sources for financing rounds of less than $2 million, while many venture capital funds have become so large that investments in this size range are difficult.

Capitalization table (or Cap Table) – a table showing the owners of a company's shares and their ownership percentages as well as the debt holders. It also lists the forms of ownership, such as common stock, preferred stock, warrants, options, senior debt, and subordinated debt.

Capital gains – a tax classification of investment earnings resulting from the purchase and sale of assets. Typically, a company's investors and founders have earnings classified as long-term capital gains (held for a year or longer), which are often taxed at a lower rate than ordinary income.

Capital stock – a description of stock that applies when there is only one class of shares. This class is known as "common stock."

Capital Under Management – A frequently used metric for sizing total funds managed by a venture capital or private equity firm. In practice, there are several ways of calculating this. In the US, this is the total committed capital for all funds managed by a firm on which it collects management fees. This calculation ignores whether portions of the committed capital have not yet been called and whether portions of the fund have been liquidated and distributed. It typically does not include aging funds in their "out years" on which fees are not being collected. For the purposes of this book in calculating capital managed, because direct data is not available, the last eight vintage years of capital commitments is considered a proxy for the industry's total capital under management.

Capped participating preferred stock – preferred stock whose participating feature is limited so that an investor cannot receive more than a specified amount. See Participating preferred stock.

Carried interest capital gains – the share in the capital gains of a venture capital fund that is allocated to the General Partner. Typically, a fund must return the capital given to it by limited partners plus any preferential rate of return before the general partner can share in the profits of the fund. The general partner will typically receive a 20% carried interest, although some successful firms receive 25%-30%. Also known as "carry" or "promote."

Clawback – a clause in the agreement between the general partner and the limited partners of a private equity fund. The clawback gives limited partners the right to reclaim a portion of disbursements to a general partner for profitable investments based on significant losses from later investments in a portfolio.

Closing – the conclusion of a financing round whereby all necessary legal documents are signed and capital has been transferred.

Co-investment – the direct investment by a limited partner alongside a general partner in a portfolio company.

Collateral – hard assets of the borrower, such as real estate or equipment, for which a lender has a legal interest until a loan obligation is fully paid off.

Commitment – an obligation, typically the maximum amount that a limited partner agrees to invest in a fund. See Capital call.

Common stock – a type of security representing ownership rights in a company. Usually, company founders, management and employees own common stock while outside investors own preferred stock. In the event of a liquidation of the company, the claims of secured and unsecured creditors, bondholders and preferred stockholders take precedence over common stockholders. See Preferred stock.

Comparable – a private or public company with similar characteristics to a private or public company that is being valued. For example, a telecommunications equipment manufacturer whose market value is 2 times revenues can be used to estimate the value of a similar and relatively new company with a new product in the same industry. See Liquidity discount.

Control – the authority of an individual or entity that owns more than 50% of equity in a company or owns the largest block of shares compared to other shareholders. Control can also be granted through special voting rights and protective provisions in a company's organizing documents.

Consolidation – see Rollup.

Conversion – the right of an investor or lender to force a company to replace the investor's preferred shares or the lender's debt with common shares at a preset conversion ratio. A conversion feature was first used in railroad bonds in the 1800's.

Convertible debt – a loan that allows the lender to exchange the debt for common shares in a company at a preset conversion ratio. Also known as a "convertible note."

Convertible preferred stock – a type of stock that gives an owner the right to convert preferred shares to common shares of stock. Usually, preferred stock has certain rights that common stock doesn't have, such as decision-making management control, a promised return on investment (dividend), or senior priority in receiving proceeds from a sale or liquidation of the company. Typically, convertible preferred stock automatically converts to common stock if the company makes an initial public offering (IPO). Convertible preferred is the most common tool for private equity funds to invest in companies.

Co-sale right – a contractual right of an investor to sell some of the investor's stock along with the founder's or majority shareholder's stock if either the founder or majority shareholder elects to sell stock to a third-party. Also known as Tag-along right.

Cost of capital – see weighted average cost of capital (WACC).

Cost of revenue – the expenses generated by the core operations delivering the product or services of a company.

Covenant – a legal promise to do or not do a certain thing. For example, in a financing arrangement, company management may agree to a negative covenant, whereby it promises not to incur additional debt. The penalties for violation of a covenant may vary from repairing the mistake to losing control of the company.

Coverage ratio – describes a company's ability to pay debt from cash flow or profits. Typical measures are EBITDA/Interest, (EBITDA minus Capital Expenditures)/Interest, and EBIT/Interest.

Cram down round – a financing event upon which new investors with substantial capital are able to demand and receive contractual terms that effectively cause the issuance of sufficient new shares by the startup company to significantly reduce ("dilute") the ownership percentage of previous investors.

Cryptocurrency – a natively-digital currency using encryption techniques to regulate the creation of units of currency and verify transfer of funds. Usually created and managed independently of a central bank.

Cumulative dividends – the owner of preferred stock with cumulative dividends has the right to receive accrued (previously unpaid) dividends in full before dividends are paid to any other classes of stock.

Current ratio – the ratio of current assets to current liabilities.

Data room – a specific location where potential buyers / investors can review confidential information about a target company. This information may include detailed financial statements, client contracts, intellectual property, property leases, and compensation agreements.

Deal flow – a measure of the number of potential investments that a fund reviews in any given period.

Defined benefit plan – a company retirement plan in which the benefits are typically based on an employee's salary and number of years worked. Fixed benefits are paid after the employee retires. The employer bears the investment risk and is committed to providing the benefits to the employee. Defined benefit plan managers can invest in private equity funds.

Defined contribution plan – a company retirement plan in which the employee elects to contribute some portion of his or her salary into a retirement plan, such as a 401(k) or 403(b). The employer may also contribute to the employee's plan. With this type of plan, the employee bears the investment risk. The benefits depend solely on the amount of money made from investing the employee's contributions.

Demand rights – a type of registration right. Demand rights give an investor the right to force a startup to register its shares with the SEC and prepare for a public sale of stock (IPO).

Dilution – the reduction in the ownership percentage of current investors, founders and employees caused by the issuance of new shares (for example to investors in follow on rounds, employees by increasing the stock option pool, debt providers in the form or warrants, etc.).

Dilution protection – see Anti-dilution and Full ratchet.

Direct Listing – also known as a DPO (Direct Public Offering), a Direct Listing is a listing on an exchange, such as the NYSE or NASDAQ, where a company offers its securities directly to the public and self-underwrites its securities without the use of intermediaries such as investment banks, broker-dealers, and underwriters as would be the case in an IPO. Cutting out the intermediaries from a public offering materially lowers the cost of a public offering. Spotify completed the first-ever Direct Listing on the NYSE on April 3, 2018.

Direct secondary transaction – a transaction in which the buyer purchases shares of an operating company from an existing seller. While the transaction is a secondary sale of shares, the transacted interest is a primary issue purchase directly into an operating company. Sellers are often venture capitalists selling their ownership stake in a portfolio company. Buyers are often funds that specialize in such investments.

Discount rate – the interest rate used to determine the present value of a series of future cash flows.

Discounted cash flow (DCF) – a valuation methodology whereby the present value of all future cash flows expected from a company or investment is calculated.

Distressed debt – the bonds of a company that is either in or approaching bankruptcy. Some private equity funds specialize in purchasing such debt at deep discounts with the expectation of exerting influence in the restructuring of the company and then selling the debt once the company has meaningfully recovered.

Distribution – the transfer of cash or securities to a limited partner resulting from the sale, liquidation or IPO of one or more portfolio companies in which a general partner chose to invest.

Dividends – payments made by a company to the owners of certain securities.

Down round – a round of financing whereby the valuation of the company is lower than the value determined by investors in an earlier round.

DPO (Direct Public Offering) – see Direct Listing

Drag-along rights – the contractual right of an investor in a company to force all other investors to agree to a specific action, such as the sale of the company.

Drawdown schedule – an estimate of the gradual transfer of committed investment funds from the limited partners of a private equity fund to the general partners.

Due diligence – the investigatory process performed by investors to assess the viability of a potential investment and the accuracy of the information provided by the target company.

Dutch auction – a method of conducting an IPO whereby newly issued shares of stock are committed to the highest bidder, then, if any shares remain, to the next highest bidder, and so on until all the shares are committed. Note that the price per share paid by all buyers is the price commitment of the buyer of the last share.

Early stage – the state of a company after the seed (formation) stage but before middle stage (generating revenues). Typically, a company in the early stage will have a core management team and a proven concept or product, but no positive cash flow.

Earnings before interest and taxes (EBIT) – a measurement of the operating profit of a company. One possible valuation methodology is based on a comparison of private and public companies' value as a multiple of EBIT.

Earnings before interest, taxes, depreciation, and amortization (EBITDA) – a measurement of the cash flow of a company. One possible valuation methodology is based on a comparison of private and public companies' value as a multiple of EBITDA.

Earn out – an arrangement in which sellers of a business receive additional future payments, usually based on financial performance metrics such as revenue or net income.

Elevator pitch – a concise presentation, lasting only a few minutes (an elevator ride), by an entrepreneur to a potential investor about an investment opportunity.

Employee Stock Ownership Program (ESOP) – a plan established by a company to reserve shares for employees.

Entrepreneur – an individual who starts their own business.

Entrepreneurship – the application of innovative leadership to limited resources in order to create exceptional value.

Enterprise Value (EV) – the sum of the market values of the common stock and long-term debt of a company, minus excess cash.

Equity – the ownership structure of a company represented by common shares, preferred shares, or unit interests. Equity = Assets - Liabilities.

ESOP – see Employee Stock Ownership Program.

Evergreen fund – a fund that reinvests its profits in order to ensure the availability of capital for future investments.

Exit strategy – the plan for generating profits for owners and investors of a company. Typically, the options are to merge, be acquired, or make an initial public offering (IPO). An alternative is to recapitalize (releverage the company and then pay dividends to shareholders).

Expansion stage – the stage of a company characterized by a complete management team and a substantial increase in revenues.

Fair value – a financial reporting principle for valuing assets and liabilities, for example, portfolio companies in venture capital fund portfolios. In 2007, more defined rules took effect. See ASC Topic 820.

Fairness opinion – a letter issued by an investment bank that charges a fee to assess the fairness of a negotiated price for a merger or acquisition.

FAS 157 – see ASC Topic 820 entry.

First refusal – the right of a privately owned company to purchase any shares that employees would like to sell before they are offered to outside buyers.

Founders stock – nominally priced common stock issued to founders, officers, employees, directors, and consultants.

Free cash flow to equity (FCFE) – the cash flow available after operating expenses, interest payments on debt, taxes, net principal repayments, preferred stock dividends, reinvestment needs, and changes in working capital. In a discounted cash flow model to determine the value of the equity of a firm using FCFE, the discount rate used is the cost of equity.

Free cash flow to the firm (FCFF) – the operating cash flow available after operating expenses, taxes, reinvestment needs, and changes in working capital, but before any interest payments on debt are made. In a discounted cash flow model to determine the enterprise value of a firm using FCFF, the discount rate used is the weighted average cost of capital (WACC).

Friends and family financing – capital provided by the friends and family of founders of an early-stage company. Friends and family financings may also include individual angel investors known to or introduced to the founders. Friends and family financing rounds are typically structured as notes convertible into a Seed or Series A round of financing. Founders should be careful not to create an ownership structure that may hinder the participation of professional investors once the company begins to achieve success.

Full ratchet – an anti-dilution protection mechanism to protect earlier investors from dilution when a new round is raised at a lower price. In the case of a full ratchet for a Series A followed by a Series B at a lower price per share, additional shares would be issued to the Series A preferred investors so that their resulting cost per share is equal to the price per share paid by the Series B preferred investors. Often as a result of the implementation of a ratchet, company management and employees who own a fixed number of common shares suffer significant dilution. See Narrow-based weighted average anti-dilution and Broad-based weighted average anti-dilution.

Fully diluted basis – a methodology for calculating any per share ratios whereby the denominator is the total number of shares, both preferred and common, issued by the company on the assumption that all warrants and options are exercised.

Fund-of-funds – a fund created to invest in other funds (e.g. VC Funds, PE funds, etc.). Typically, individual investors and relatively small institutional investors participate in a fund-of-funds to minimize their portfolio management efforts and leverage the size and scale of the fund-of-funds.

Gatekeepers – intermediaries which endowments, pension funds, and other institutional investors use as advisors regarding private equity investments.

General partner (GP) – a class of partner in a partnership. The general partner retains liability for the actions of the partnership. Historically, venture capital and buyout funds have been structured as limited partnerships, with the venture firm as the GP and limited partners (LPs) being the institutional and high net worth investors that provide most of the capital in the partnership. The GP earns a management fee and a percentage of gains (see Carried interest).

GP – see General partner.

GP for hire – in a spin-out or a synthetic secondary, a GP for hire refers to the professional investor who may be hired by a purchasing firm to manage the new fund created from the orphaned assets purchased. In past cases, the GP has often expanded its role to fundraise for and run new funds alongside the initial fund.

Going-private transaction – when a public company chooses to pay off all public investors, delist from all stock exchanges, and become owned by management, employees, and select private investors.

Golden handcuffs – financial incentives that discourage founders and / or important employees from leaving a company before a predetermined date or important milestone.

Growth stage – the stage of a company when it has received one or more rounds of financing and is generating revenue from its product or service. Also known as “middle stage.”

Hart-Scott-Rodino (HSR) Act – a law requiring entities that acquire certain amounts of stock or assets of a company to inform the Federal Trade Commission and the Department of Justice and to observe a waiting period before completing the transaction to allow the agencies to assess whether there will be any anti-competitive implications as a result of the transaction.

Hedge fund – an investment fund that has the ability to use leverage, take short positions in securities, or use a variety of derivative instruments in order to achieve a return that is relatively less correlated to the performance of typical indices (such as the S&P 500) than traditional long-only funds. Hedge fund managers are typically compensated based on assets under management as well as fund performance.

High yield debt – debt issued via public offering or public placement (Rule 144A) that is rated below investment grade by S&P or Moody’s. This means that the debt is rated below the top four rating categories (i.e. S&P BB+, Moody’s Ba2 or below). The lower rating is indicative of higher risk of default, and therefore the debt carries a higher coupon or yield than investment grade debt. Also referred to as Junk bonds or Sub-investment grade debt.

Hockey stick – the general shape and form of a chart showing revenue, customers, cash, or some other financial or operational measure that increases dramatically at some point in the future. Entrepreneurs often develop business plans with hockey stick charts to impress potential investors.

Holding period – amount of time an investment remains in a portfolio.

Hot issue – stock in an initial public offering that is in high demand.

Hot money – capital from investors that have no tolerance for lack of results by the investment manager and move quickly to withdraw at the first sign of trouble.

Hurdle rate – a minimum rate of return required before an investor will make an investment.

Incorporation – the process by which a business receives a state charter, allowing it to become a corporation. Many corporations choose Delaware because its laws are business-friendly and up to date.

Incubator – a company or facility designed to host startup companies. Incubators help startups grow while controlling costs by offering networks of contacts and shared back-office resources.

Indenture – the terms and conditions between a bond issuer and bond buyers.

Initial coin offering (ICO) – an offering of units of a new cryptocurrency or crypto-token, usually in exchange for existing cryptocurrencies like Bitcoin or Ether, as a presale against a future blockchain project, i.e., the new coins or tokens sold will be the “currency” for transactions in a new or future blockchain project.

Initial public offering (IPO) – the first offering of stock by a company to the public. New public offerings must be registered with the Securities and Exchange Commission. An IPO is one of the methods that a startup that has achieved significant success can use to raise additional capital for further growth. See Qualified IPO.

In-kind distribution – a distribution to limited partners of a private equity fund that is in the form of publicly traded shares rather than cash.

Inside round – a round of financing in which the investors are the same investors as the previous round. An inside round raises liability issues since the valuation of the company has no third-party verification in the form of an outside investor. In addition, the terms of the inside round may be considered self-dealing if they are onerous to any set of shareholders or if the investors give themselves additional preferential rights.

Institutional investor – professional entities that invest capital on behalf of companies or individuals. Examples are pension plans, insurance companies, and university endowments.

Intellectual property (IP) – knowledge, techniques, writings, and images that are intangible but often protected by law via patents, copyrights, and trademarks.

Interest coverage ratio – earnings before interest and taxes (EBIT) divided by interest expense. This is a key ratio used by lenders to assess the ability of a company to produce sufficient cash to service its debt obligation.

Internal rate of return (IRR) – the interest rate at which a certain amount of capital today would have to be invested in order to grow to a specific value at a specific time in the future.

Investment thesis/Investment philosophy – the fundamental ideas which determine the types of investments that an investment fund will choose in order to achieve its financial goals.

IPEV – stands for International Private Equity Valuation guidelines group. This group is made up of representatives of the international and US venture capital industry and has published guidelines for applying US GAAP and international IFRS valuation rules. See www.privateequityvaluation.com. Widely regarded in the US as the global successor to the US-focused PEIGG group.

IPO – see Initial public offering.

IRR – see Internal rate of return.

J curve – a concept that during the first few years of a private equity fund, cash flow or returns are negative due to investments, losses, and expenses, but as investments produce results the cash flow or returns trend upward. A graph of cash flow or returns versus time would then resemble the letter “J.”

Later stage – the state of a company that has proven its concept, achieved significant revenues compared to its competition, and is approaching cash flow break even or positive net income. Typically, a later stage company is about 6 to 12 months away from a liquidity event such as an IPO or buyout. The rate of return for venture capitalists that invest in later stage, less risky ventures is lower than in earlier stage ventures.

LBO – see Leveraged buyout.

Lead investor – the outside investor that makes the largest investment in a financing round and manages the documentation and closing of that round. The lead investor sets the price per share of the financing round, thereby determining the valuation of the company.

Letter of intent – a document confirming the intent of an investor to participate in a round of financing for a company. By signing this document, the subject company agrees to begin the legal and due diligence process prior to the closing of the transaction. Also known as a “Term Sheet.”

Leverage – the use of debt to acquire assets, build operations, and increase revenues. By using debt, a company is attempting to achieve results faster than if it only used its cash available from pre-leverage operations. The risk is that the increase in assets and revenues does not generate sufficient net income and cash flow to pay the interest costs of the debt.

Leveraged buyout (LBO) – the purchase of a company or a business unit of a company by an outside investor using mostly borrowed capital.

Leveraged recapitalization – the reorganization of a company’s capital structure resulting in more debt added to the balance sheet. Private equity funds can recapitalize a portfolio company and then direct the company to issue a one-time dividend to equity investors. This is often done when the company is performing well financially and the debt markets are expanding.

Leverage ratios – measurements of a company’s debt as a multiple of cash flow. Typical leverage ratios include Total Debt/EBITDA, Total Debt/(EBITDA minus Capital Expenditures), and Senior Debt EBITDA.

L.I.B.O.R. – see The London Interbank Offered Rate.

License – a contract in which a patent owner grants to a company the right to make, use, or sell an invention under certain circumstances and for compensation.

Limited liability company (LLC) – an ownership structure designed to limit the founders’ losses to the amount of their investment. An LLC itself does not pay taxes, rather its owners pay taxes on their proportion of the LLC profits at their individual tax rates.

Limited partnership – a legal entity composed of a general partner and various limited partners. The general partner manages the investments and is liable for the actions of the partnership while the limited partners are generally protected from legal actions and any losses beyond their original investment. The general partner collects a management fee and earns a percentage of capital gains (see Carried interest), while the limited partners receive income, capital gains, and tax benefits.

Limited partner (LP) – an investor in a limited partnership. The general partner is liable for the actions of the partnership while the limited partners are generally protected from legal actions and any losses beyond their original investment. The limited partner receives income, capital gains, and tax benefits.

Liquidation – the sale of a company. This may occur in the context of an acquisition by a larger company or in the context of selling off all assets prior to cessation of operations (Chapter 7 bankruptcy). In a liquidation, the claims of secured and unsecured creditors, bondholders, and preferred stockholders take precedence over common stockholders.

Liquidation preference – the contractual right of an investor to priority in receiving the proceeds from the liquidation of a company. For example, a venture capital investor with a "2x liquidation preference" has the right to receive two times its original investment upon liquidation before other more junior forms of equity share in the liquidation proceeds.

Liquidity discount – a decrease in the value of a private company compared to the value of a similar but publicly traded company. Since an investor in a private company cannot readily sell his or her investment, the shares in the private company must be valued less than a comparable public company.

Liquidity event – a transaction whereby owners of a significant portion of the shares of a private company sell their shares in exchange for cash, in the case of an IPO or cash-based M&A transaction, or shares of an acquiring company.

Lock-up agreement – investors, management, and employees often agree not to sell their shares for a specific time period after an IPO, usually 6 to 12 months. By avoiding large sales of its stock, the company has time to build interest among potential buyers of its shares.

London Interbank Offered Rate (L.I.B.O.R.) – the average rate charged by large banks in London for loans to each other. LIBOR is a relatively volatile rate and is typically quoted in maturities of one month, three months, six months, and one year.

Management buyout (MBO) – a leveraged buyout controlled by the members of the management team of a company or a division. Often an MBO is conducted in partnership with a buyout fund.

Management fee – a fee charged to the limited partners in a fund by the general partner. Management fees in a private equity fund usually range from 0.75% to 3% of capital under management, depending on the type and size of fund. For venture capital funds, 2% is typical.

Management rights – the rights often required by a venture capitalist as part of the agreement to invest in a company. The venture capitalist has the right to consult with management on key operational issues, attend board meetings, and review information about the company's financial situation.

Market capitalization – the value of a publicly traded company as determined by multiplying the number of shares outstanding by the current price per share.

MBO – see Management buyout.

Mezzanine – a layer of financing that has intermediate priority (seniority) in the capital structure of a company. For example, mezzanine debt has lower priority than senior debt but usually has a higher interest rate and often includes warrants. In venture capital, a mezzanine round is generally the round of financing that is designed to help a company have enough resources to reach an IPO. See Bridge financing.

Multiples – a valuation methodology that compares public and private companies in terms of a ratio of value to an operations figure such as revenue or net income. For example, if several publicly traded computer hardware companies are valued at approximately 2 times revenues, then it is reasonable to assume that a startup computer hardware company that is growing fast has the potential to achieve a valuation of 2 times its revenues. Before the startup company issues its IPO, it will likely be valued at less than 2 times revenue because of the lack of liquidity of its shares. See Liquidity discount.

Narrow-based weighted average anti-dilution – a type of anti-dilution mechanism. A weighted average anti-dilution method adjusts downward the price per share of the preferred stock of investor A (by issuing new additional shares) due to the issuance of new preferred shares to new investor B at a price lower than the price investor A originally received. Investor A is issued enough preferred stock to replicate a weighted average of investor A's price and investor B's price. A narrow-based anti-dilution uses only common stock outstanding in the denominator of the formula for determining the new weighted average price.

National Venture Capital Association (NVCA) – the trade organization that empowers the next generation of American companies that will fuel the economy of tomorrow. As the voice of the U.S. venture capital and startup community, NVCA advocates for public policy that supports the American entrepreneurial ecosystem. Serving the venture community as the preeminent trade association, NVCA arms the venture community for success, serving as the leading resource for venture capital data, practical education, peer-led initiatives, and networking.

NDA – see Non-disclosure agreement.

Non-cumulative dividends – dividends that are payable to owners of preferred stock at a specific point in time only if there is sufficient cash flow available after all company expenses have been paid. If cash flow is insufficient, the owners of the preferred stock will not receive the dividends owed for that time period and will have to wait until the board of directors declares another set of dividends.

Non-disclosure agreement (NDA) – an agreement issued by entrepreneurs to protect the privacy of their ideas when disclosing those ideas to third parties.

Non-interference – an agreement often signed by employees and management whereby they agree not to interfere with the company's relationships with employees, clients, suppliers, and sub-contractors within a certain time period after termination of employment.

No-shop clause – a section of an agreement to purchase or invest in a company whereby the seller agrees not to market the company to other potential buyers or investors for a specific time period.

Non-solicitation – an agreement often signed by employees and management whereby they agree not to solicit other employees of the company regarding job opportunities.

NVCA – see National Venture Capital Association.

Offering memorandum – a legal document that provides details of an investment to potential investors. See Private placement memorandum.

Operating cash flow – the cash flow produced from the operation of a business, not from investing activities (such as selling assets) or financing activities (such as issuing debt). Calculated as net operating income (NOI) plus depreciation.

Option pool – a group of options set aside for long term, phased compensation to management and employees.

Outstanding shares – the total number of common shares of a company, not including treasury stock, convertible preferred stock, warrants, and options.

Pay to play – a clause in a financing agreement whereby any investor that does not participate in a future round agrees to suffer significant dilution compared to other investors. The most onerous version of "pay to play" is automatic conversion to common shares, which in essence ends any preferential rights of an investor.

Pari passu – a legal term referring to the equal treatment of two or more parties in an agreement. For example, a venture capitalist may agree to have registration rights that are pari passu with the other investors in a financing round.

Participating dividends – the right of holders of certain preferred stock to receive dividends and participate in additional distributions of cash, stock, or other assets.

Participating preferred stock – a unit of ownership composed of preferred stock and common stock. The preferred stock entitles the owner to receive a predetermined sum of cash (usually the original investment plus accrued dividends) if the company is sold or has an IPO. The common stock represents additional continued ownership in the company.

PEIGG – acronym for Private Equity Industry Guidelines Group, an ad hoc group of individuals and firms involved in the private equity industry for the purpose of establishing valuation and reporting guidelines. With the implementation of FAS 157 in 2007, the group's mission was essentially complete. Several of its members then joined IPEV, which is viewed by US VCs as the international successor to PEIGG.

Piggyback rights – rights of an investor to have his or her shares included in a registration of a startup's shares in preparation for an IPO.

PIK dividend – a dividend paid to the holder of a stock, usually preferred stock, in the form of additional stock rather than cash. PIK refers to payment in kind.

PIPEs – see Private investment in public equity.

Placement agent – a company that specializes in finding institutional investors that are willing and able to invest in a private equity fund. Sometimes a private equity fund will hire a placement agent so the fund partners can focus on making and managing investments in companies rather than on raising capital.

Portfolio company – a company that has received an investment from a private equity fund.

Post-money valuation – the valuation of a company including the capital provided by the current round of financing. For example, a venture capitalist may invest $5 million in a company valued at $2 million "pre-money" (before the investment was made). As a result, the startup will have a post-money valuation of $7 million.

PPM – see Private placement memorandum.

Preemptive rights – the rights of shareholders to maintain their percentage ownership of a company by buying shares sold by the company in future financing rounds.

Preference – seniority, usually with respect to dividends and proceeds from a sale or dissolution of a company.

Preferred return – a minimum return per annum that must be generated for limited partners of a private equity fund before the general partner can begin receiving a percentage of profits from investments.

Preferred stock – a type of stock that has certain rights that common stock does not have. These special rights may include dividends, participation, liquidity preference, anti-dilution protection, and veto provisions, among others. Private equity investors usually purchase preferred stock when they make investments in companies.

Pre-money valuation – the valuation of a company prior to the current round of financing. For example, a venture capitalist may invest $5 million in a company valued at $2 million pre-money. As a result, the startup will have a "pre-money" valuation of $2 million.

Pre-Seed round ("Series Pre-Seed") – a financing event whereby angels, angel groups, professionally managed Seed funds, and early-stage venture capital funds become involved in a young start-up company that was previously financed by founders, their friends and family, and individual angel investors in a friends and family financing. Pre-Seed rounds are uncommon but have begun to emerge as Seed rounds have grown larger in size and investor expectations for company progress before a Seed round has increased. Pre-Seed rounds can be priced rounds or can be structured as notes convertible into a "Series Seed" financing round. The size of Pre-Seed rounds can often be similar to the size of Seed rounds only a few years ago.

Pre-Seed stage – the state of a company when it has just been incorporated and its founders are developing their product or service.

Primary shares – shares sold by a corporation (not by individual shareholders).

Private Equity Growth Capital Council (PEGCC) – See American Investment Council (AIC).

Private equity – equity investments in non-public companies, usually defined as being made up of venture capital, growth equity, and buyout funds. Real estate, oil and gas, and other such partnerships are sometimes included in the definition.

Private investment in public equity (PIPEs) – investments by a private equity fund in a publicly traded company, usually at a discount and in the form of preferred stock.

Private placement – the sale of a security directly to a limited number of institutional and qualified individual investors. If structured correctly, a private placement avoids registration with the Securities and Exchange Commission.

Private placement memorandum (PPM) – a document explaining the details of an investment to potential investors. For example, a private equity fund will issue a PPM when it is raising capital from institutional investors. Also, a startup may issue a PPM when it needs growth capital. Also known as "Offering Memorandum"

Private securities – securities that are not registered with the Securities and Exchange Commission and do not trade on any exchanges. The price per share is negotiated between the buyer and the seller (the "issuer").

Qualified IPO – a public offering of securities valued at or above a total amount specified in a financing agreement. This amount is usually specified to be sufficiently large to guarantee that the IPO shares will trade in a major exchange (NASDAQ or New York Stock Exchange). Usually upon a qualified IPO, preferred stock is forced to convert to common stock.

Quartile – one fourth of the data points in a data set. Often, private equity investors are measured by the results of their investments during a particular period of time. Institutional investors often prefer to invest in private equity funds that demonstrate consistent results over time, placing in the upper quartile of the investment results for all funds.

Realization ratio – the ratio of cumulative distributions to paid-in capital. The realization ratio is used as a measure of the distributions from investment results of a private equity partnership compared to the capital under management.

Recapitalization – the reorganization of a company's capital structure.

Red herring – a preliminary prospectus filed with the Securities and Exchange Commission containing the details of an IPO offering. The name refers to the disclosure warning printed in red letters on the cover of each preliminary prospectus advising potential investors of the risks involved.

Redemption rights – the right of an investor to force the startup company to buy back the shares issued as a result of the investment. In effect, the investor has the right to take back his/her investment and may even negotiate a right to receive an additional sum in excess of the original investment.

Registration – the process whereby shares of a company are registered with the Securities and Exchange Commission under the Securities Act of 1933 in preparation for a sale of the shares to the public.

Regulation D – often referred to as simply "Reg D," an SEC regulation that governs private placements. Private placements are investment offerings for institutional and accredited individual investors, but not the general public.

Restricted shares – shares that cannot be traded in the public markets.

Return on investment (ROI) – the proceeds from an investment, during a specific time period, calculated as a percentage of the original investment. Also, net profit after taxes divided by average total assets.

Rights offering – an offering of stock to current shareholders that entitles them to purchase the new issue.

Rights of co-sale with founders – a clause in venture capital investment agreements that allows the VC fund to sell shares at the same time that the founders of a startup choose to sell.

Risk-free rate – a term used in finance theory to describe the return from investing in a riskless security. In practice, this is often taken to be the return on US Treasury Bills.

Road show – presentations made in several cities to potential investors and other interested parties. For example, a company will often make a road show to generate interest among institutional investors prior to its IPO.

ROI – see Return on investment.

Rolling fund – a new type of investment vehicle, structured as a series of limited partnerships, which allows fund managers to share deal flow with fund investors on a quarterly subscription basis while netting carried interest over a multi-year period. With this fund structure, funds are open to new investors every quarter vs. only being open when a new fund is closed.

Rollup – the purchase of relatively smaller companies in a sector by a rapidly growing company in the same sector. The strategy is to create economies of scale. For example, the movie theater industry underwent significant consolidation via rollups in the 1960's and 1970's.

Round – a financing event usually involving several private equity investors.

Royalties – payments made to patent or copyright owners in exchange for the use of their intellectual property.

Rule 144 – a rule of the Securities and Exchange Commission that specifies the conditions under which the holder of shares acquired in a private transaction may sell those shares in the public markets.

S corporation – an ownership structure that limits its number of owners to 100. An S corporation does not pay taxes. Rather, its owners pay taxes on their proportion of the corporation's profits at their individual tax rates.

SBIC – see Small Business Investment Company.

SPV (Special Purpose Vehicle) – an entity created by an investor, or by private equity or venture capital fund management company, to invest in one company, or a small group of companies. In the case of an individual investor, an SPV enables that investor to raise capital to invest in one company or one small group of companies without forming a fund management company and raising a traditional fund. In the case of private equity and venture capital fund management companies, an SPV is often used to put more capital into a portfolio company or a small group of companies than would be prudent for the fund itself given diversification requirements and portfolio concentration limits. SPVs raised by private equity and venture capital funds will typically have lower management fees and carried interest than the main funds.

SPAC (Special Purpose Acquisition Company) – a company with no commercial operations formed strictly to raise capital through an IPO for the purpose of acquiring an existing company. Also known as "blank check companies," SPACs have been used for decades, but until recently were generally used for acquisitions of small companies. In recent years, however, SPACs have become extremely popular, attracting high profile executives, private equity firms, and underwriters. In 2020, SPACs raised over $84 billion, a six-fold increase from a record-setting year just one year earlier in 2019, and accounted for over one-half of all IPO volume for the year.

Scalability – a characteristic of a new business concept that entails the growth of sales and revenues with a much slower growth of organizational complexity and expenses. Venture capitalists look for scalability in the startups they select to finance.

Scale-down – a schedule for phased decreases in management fees for general partners in a limited partnership as the fund reduces its investment activities toward the end of its term.

Scale-up – the process of a company growing quickly while maintaining operational and financial controls in place. Also, a schedule for phased increases in management fees for general partners in a limited partnership as the fund increases its investment activities over time.

Secondary market – a market for the sale of limited partnership interests in private equity funds. Sometimes limited partners choose to sell their interest in a partnership, typically to raise cash or because they cannot meet their obligation to invest
more capital according to the takedown schedule. Certain investment companies specialize in buying these partnership interests at a discount.

Secondary shares – shares sold by a shareholder (not by the corporation).

Securities and Exchange Commission (SEC) – the regulatory body that enforces federal securities laws such as the Securities Act of 1933 and the Securities Exchange Act of 1934.

Seed capital – investment provided by professional seed funds, angels and angel groups, and friends and family of the founders of a startup in the seed stage of its development.

Seed round ("Series Seed") – a financing event whereby angels, angel groups, professionally managed Seed funds, and early-stage venture capital funds become involved in a young start-up company that was previously financed by founders, their friends and family, and individual angel investors in a friends and family financing. Seed rounds can be priced rounds or can be structured as notes convertible into a "Series A" financing round. The Seed round is now typically the first "institutional" financing of a company, although Pre-Seed rounds have begun to emerge drawing earlier institutional capital (See Pre-Seed round.) The size of Seed rounds in recent years has grown to resemble what formerly would have been a small "Series A" round.

Seed stage – formerly, the state of a company when it has just been incorporated and its founders are developing their product or service. More typically today, the stage of a company following material product development and often commercial launch, but before raising larger amounts of capital for investments in growth.

Senior debt – a loan that has a higher priority in case of a liquidation of the asset or company.

Seniority – higher priority.

Series A preferred stock – preferred stock issued by a fast growth company in exchange for capital from investors in the "A" round of financing. This preferred stock is usually convertible to common shares upon an IPO.

Shareholder agreement – a contract that sets out the basis on which the company will be operated and the shareholders' rights and obligations. It provides rights and privileges to preferred and major shareholders and protections to minority shareholders.

Sharpe Ratio – a method of calculating the risk-adjusted return of an investment. The Sharpe Ratio is calculated by subtracting the risk-free rate from the return on a specific investment for a time period (usually one year) and then dividing the resulting figure by the standard deviation of the historical (annual) returns for that investment. The higher the Sharpe Ratio, the better.

Small Business Investment Company (SBIC) – a company licensed by the Small Business Administration to receive government capital in the form of debt or equity for use in private equity investing.

Stock option – a right to purchase or sell a share of stock at a specific price within a specific period of time. Stock purchase options are commonly used as long-term incentive compensation for employees and management of fast growth companies.

Strategic investor – a relatively large corporation that agrees to invest in a young or a smaller company in order to have access to its proprietary technology, product, or service.

Subordinated debt – a loan that has a lower priority than a senior loan in case of a liquidation of the asset or company. Also known as "junior debt."

Sweat equity – ownership of shares in a company resulting primarily from work rather than investment of capital.

Syndicate – a group of investors that agree to participate in a round of funding for a company. Alternatively, a syndicate can refer to a group of investment banks that agree to participate in the sale of stock to the public as part of an IPO.

Synthetic secondary – a popular method of completing a direct secondary transaction in which the buyer becomes a limited partner (LP) in a special purpose vehicle (SPV) or similar entity which has been set up out of the underlying investments in order to create a limited partnership interest. The term arose because of the synthetic nature of the direct purchase through the LP secondary transaction.

Tag-along right – the right of a minority investor to receive the same benefits as a majority investor. Usually applies to a sale of securities by investors. Also known as Co-sale right.

Takedown – a schedule of the transfer of capital in phases in order to complete a commitment of funds. Typically, a takedown is used by a general partner of a private equity fund to plan the transfer of capital from the limited partners.

Tender offer – an offer to public shareholders of a company to purchase their shares.

Term loan – a bank loan for a specific period of time, usually up to ten years in leveraged buyout structures.

Term sheet – a document confirming the intent of an investor to participate in a round of financing for a company. By signing this document, the subject company agrees to begin the legal and due diligence process prior to the closing of the transaction. Also known as "Letter of Intent."

Tranche – a portion of a set of securities. Each tranche may have different rights or risk characteristics. When venture capital firms finance a company, a round may be disbursed in two or three tranches, each of which is paid when the company attains one or more milestones.

Turnaround – a process performed at a struggling company resulting in a substantial increase in a company's revenues, profits, and reputation.

Under water option – an option is said to be underwater if the current fair market value of a stock is less than the option exercise price.

Underwriter – an investment bank that chooses to be responsible for the process of selling new securities to the public. An underwriter usually chooses to work with a syndicate of investment banks in order to maximize the distribution of the securities.

Venture capital – a segment of the private equity industry which focuses on investing in new companies with high growth potential and accompanying high risk.

Venture capital method – a pricing valuation method whereby an estimate of the future value of a company is discounted by a certain interest rate and adjusted for future anticipated dilution in order to determine the current value. Usually, discount rates for the venture capital method are considerably higher than public stock return rates, representing the fact that venture capitalists must achieve significant returns on investment in order to compensate for the risks they take in funding unproven companie.

Venture Monitor – officially known as the PitchBook-National Venture Capital Association (NVCA) Venture Monitor. Jointly produced by PitchBook and NVCA, it serves as the authoritative quarterly report on venture capital activity in the entrepreneurial ecosystem. The Venture Monitor provides a complete look at venture capital activity, reporting on fundraising, investments, exits, and other relevant industry analysis in one comprehensive report each quarter.

Vesting – a schedule by which employees gain ownership over time of a previously agreed upon amount of retirement funding or stock options.

Vintage – the year that a private equity fund begins making investments. Venture funds are generally benchmarked to funds of the same vintage year.

Voting rights – the rights of holders of preferred and common stock in a company to vote on certain acts affecting the company. These matters may include payment of dividends, issuance of a new class of stock, mergers, or liquidation.

Warrant – a security which gives the holder the right to purchase shares in a company at a pre-determined price. A warrant is a long-term option, usually valid for several years or indefinitely. Typically, warrants are issued concurrently with preferred stocks or bonds in order to increase the appeal of the stocks or bonds to potential investors.

Washout round – a financing round whereby previous investors, the founders, and management suffer significant dilution. Usually as a result of a washout round, the new investor gains majority ownership and control of the company.

Weighted average cost of capital (WACC) – the average of the cost of equity and the after-tax cost of debt. This average is determined using weight factors based on the ratio of equity to debt plus equity and the ratio of debt to debt plus equity.

Weighted average anti-dilution – an anti-dilution protection mechanism whereby the conversion rate of preferred stock is adjusted in order to reduce an investor's loss due to an increase in the number of shares in a company. Without anti-dilution protection, an investor would suffer from a reduction of his or her percentage ownership. Usually as a result of the implementation of a weighted average anti-dilution, company management and employees who own a fixed number of common shares suffer significant dilution, but not as badly as in the case of a full ratchet.

Write-down – a decrease in the reported value of an asset or a company.

Write-off – a decrease in the reported value of an asset or a company to zero.

Write-up – an increase in the reported value of an asset or a company.

Zombie – a company that has received capital from investors but has only generated sufficient revenues and cash flow to maintain its operations without significant growth. Sometimes referred to as “walking dead.” Typically, a venture capitalist has to make a difficult decision as to whether to liquidate a zombie or continue to invest funds in the hopes that the zombie will become a winner.

Geographic Definitions

Data provided by PitchBook

US regions

West Coast – Alaska, California, Hawaii, Oregon, Washington

Mountain – Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming

Midwest – Iowa, Kansas, Missouri, Nebraska, North Dakota, South Dakota

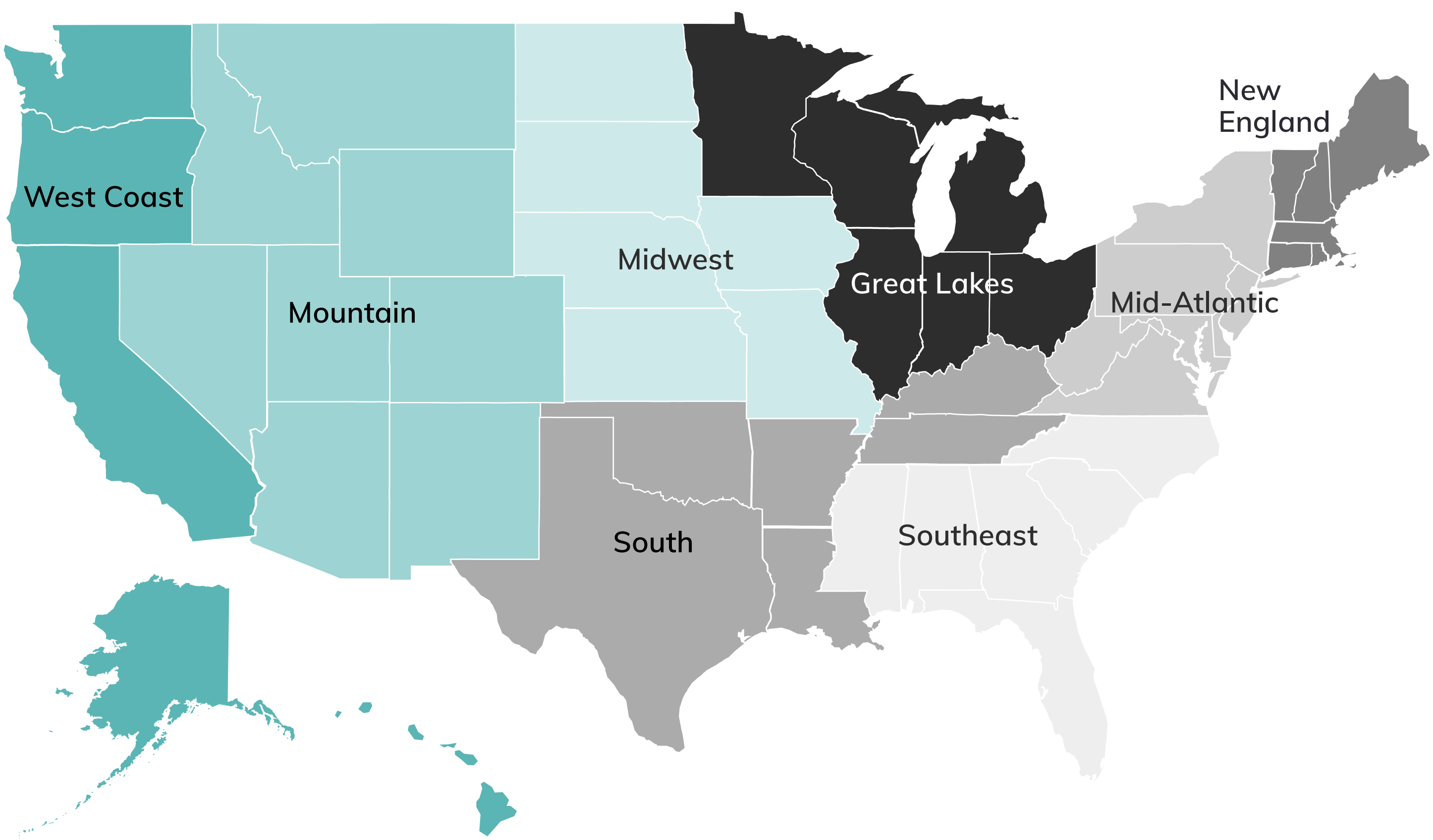
Great Lakes – Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin

New England – Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont

Mid-Atlantic – Delaware, DC, Maryland, New Jersey, New York, Pennsylvania, Virginia, West Virginia

South – Arkansas, Kentucky, Louisiana, Oklahoma, Tennessee, Texas

Southeast – Alabama, Florida, Georgia, Mississippi, North Carolina, Puerto Rico, South Carolina



Industry Code Definitions

Example companies in these definitions do not necessarily mean that those companies are included in the venture dataset included in the Yearbook, but are merely provided for context.

Description	VC Special Industry
Commercial Services	Commercial Services
Apparel and Accessories	Consumer Goods & Recreation
Restaurants, Hotels and Leisure	Consumer Goods & Recreation
Retail	Consumer Goods & Recreation
Energy Equipment	Energy
Exploration, Production and Refining	Energy
Energy Services	Energy
Healthcare Devices and Supplies	HC Devices & Supplies
Healthcare Services	HC Services & Systems
Healthcare Technology Systems	HC Services & Systems
Communications and Networking	IT Hardware
Computer Hardware	IT Hardware
Semiconductors	IT Hardware
Media	Media
Commercial Products	Other
Other Healthcare	Other
IT Services	Other
Other Information Technology	Other
Agriculture	Other
Chemicals and Gases	Other

Description	VC Special Industry
Construction (Nonwood)	Other
Containers and Packaging	Other
Forestry	Other
Metals, Minerals and Mining	Other
Textiles	Other
Other Materials	Other
Utilities	Other
Other Energy	Other
Capital Markets/Institutions	Other
Commercial Banks	Other
Insurance	Other
Other Financial Services	Other
Services (Non-Financial)	Other
Transportation	Other
Other Consumer Products and Services	Other
Consumer Durables	Other
Consumer Non-Durables	Other
Commercial Transportation	Other
Other Business Products and Services	Other
Pharmaceuticals and Biotechnology	Pharma & Biotech
Software	Software

Note: Life sciences is composed of pharma & biotech and healthcare devices & supplies combined.

1 Business Products & Services

1.1 Commercial Products

1.1.1 **Aerospace and Defense** - Manufacturers of equipment, parts or products related to civil or military aerospace and defense. Includes aircraft parts, firearms, and other munitions.

Ex: Boeing, Lockheed Martin, Northrop Grumman

1.1.2 **Building Products** - Manufacturers and distributors of home improvement and construction products and equipment. Includes drills, saws, windows, doors, and other prefabricated building materials, among others.

Ex: USG, Elk Corporation, Fastenal Company

1.1.3 **Distributors/Wholesale** - Companies engaged in the sale of bulk goods for resale by a retailer. The goods are sold to industrial, commercial, institutional, or other entities.

Ex: Ferguson Enterprises, W.W. Grainger, Hughes Supply

1.1.4 **Electrical Equipment** - Manufacturers of electrical equipment and components. Includes a broad range of electrical devices, electrical components, power-generating equipment, and other large electrical systems, among others.

Ex: AO Smith, Exide Technologies, Zoltek Companies

1.1.5 **Industrial Supplies and Parts** - Manufacturers of intermediate goods. Includes industrial parts and supplies made through injection molding, extrusion, thermoforming, die casting, and metal stamping, among others.

Ex: Advanced Plastics, Precision Urethane and Machine, Lyons Tool and Die

1.1.6 **Machinery** - Manufacturers of heavy-duty industrial machinery. Includes heavy equipment, hardware, and machine tools, among others.

Ex: Caterpillar, Komatsu, Deere and Company

1.1.7 Other Commercial Products

1.2 Commercial Services

1.2.1 **Accounting, Audit and Tax Services** - Providers of accounting, audit, and tax services to managers, investors, and tax authorities.

Ex: PricewaterhouseCoopers, Ernst and Young, KPMG, Deloitte

1.2.2 **BPO/Outsource Services** - Providers of business process outsourcing (BPO) services.
BPO is the transmission of processes and operational activities to a third party for the purpose of cost reduction, productivity growth, and innovative capabilities.

Ex: Accenture, Sitel, ARAMARK

1.2.3 **Construction and Engineering** - Companies engaged in large scale or non-residential construction. Includes building construction, heavy/highway construction, industrial construction, architecture, and civil engineering, among others.

Ex: Turner Construction, Skanska, Tishman Construction

1.2.4 **Consulting Services** - Providers of specialized consulting services to improve a company's performance. Includes environmental consulting, human resource consulting, management consulting, strategic consulting, and political consulting, among others.

Ex: McKinsey and Company, Boston Consulting Group, Watson Wyatt

1.2.5 **Education and Training Services** - Providers of specialized education and training services. Includes on-the-job and off-the-job training, among others.

Ex: Apollo Group, Accredited Technical Training, WorldWideLearn

1.2.6 **Environmental Services** - Providers of environmental services. Includes environmental management, waste management, and pollution control services, among others.

Ex: Environmental Quality Management, Waste Management, Allied Waste Industries

1.2.7 **Human Capital Services** - Providers of human resource and employment services. Includes recruitment, training, and career development, among others.

Ex: Monster Worldwide, Vault.com, Robert Half Finance and Accounting

1.2.8 **Legal Services** - Providers of corporate legal services. Includes contract law, tax law, securities law, intellectual property rights, and zoning law, among others.

Ex: DLA Piper, Goodwin Procter, White and Case

1.2.9 **Logistics** - Providers of supply chain management and logistical support. Includes inventory management, purchasing, organizing transportation, and warehousing, among others.

Ex: Penske Logistics, United Parcel Service, Expeditors International

1.2.10 **Media and Information Services** - Providers of media and information services to businesses. Includes companies engaged in trade shows, marketing, branding, conducting surveys, market analysis, and audience data interpretations, among others. This includes online marketplaces.

Ex: Arbitron, DST Systems, Interactive Data Corporation

1.2.11 **Office Services** - Providers of administrative, office management, and personnel services.

Ex: Express Personnel Services, IKON Office Solutions, Snelling Personnel Services

1.2.12 **Printing Services** - Providers of commercial printing services. Includes printing, copying, binding, and document preparation, among others.

Ex: Kinko's, AlphaGraphics, Sir Speedy

1.2.13 **Security Services** - Provider of residential and commercial security services. Includes security system installation, monitoring, and staffing services, among others.

Ex: Brinks, AlliedBarton Security Services, Protection One

1.2.14 Other Commercial Services

1.3 Transportation

1.3.1 **Air** - Providers of products or services related to commercial air transportation. Includes couriers, airfreight, and airplane maintenance, among others.

Ex: Delta Cargo, Pilot Freight Services, Lufthansa Cargo

1.3.2 **Marine** - Providers of products or services related to commercial water transportation. Includes cargo shipping, manufacturers of ships, and ship components, among others.

Ex: Overseas Shipholding Group, DryShips, Seacor Holdings

1.3.3 **Rail** - Providers of products or services related to commercial rail transportation. Includes freight trains, manufacturers of trains, and train parts, among others.

Ex: Union Pacific, Canadian National Railway, Norfolk Southern

1.3.4 **Road** - Providers of products or services related to commercial land transportation. Includes freight trucks, manufacturers of commercial trucks, and truck parts, among others.

Ex: J.B. Hunt Transport Services, Landstar System, Con-way

1.3.5 **Infrastructure** - Providers of products and services for commercial transportation infrastructure. Includes products and services

related to airports, train stations, bus terminals, and highway construction, among others.

Ex: Hubbard Construction, Granite Construction, Mosites Construction

1.3.6 Other Transportation

1.4 Other Business Products and Services

1.4.1 **Buildings and Property** - Owners of buildings and property. Includes office buildings, factories, farmland, and oil fields, among others.

Ex: The Empire State Building, 175 Fifth Avenue

1.4.2 **Conglomerates** - Companies engaged in multiple and unrelated industrial sectors.

Ex: Berkshire Hathaway, Altria Group, GE

1.4.3 **Government** - Providers of products and services to government agencies. Includes consulting, information technology services, and military equipment and support, among others.

Ex: Booz Allen Hamilton, Maximus, Skanska

1.4.4 Other Business Products and Services

2 Consumer Products & Services

2.1 Apparel and Accessories

2.1.1 **Accessories** - Manufacturers or designers of fashion accessories. Includes jewelry, gloves, handbags, hats, belts, scarves, and sunglasses, among others.

Ex: Ray-Ban, Coach, Citizen Watch Company

2.1.2 **Clothing** - Manufacturers or designers of clothing.

Ex: Ralph Lauren Polo, Hanes, Columbia Sportswear

2.1.3 **Footwear** - Manufacturers or designers of footwear. Includes athletic shoes, boots, and sandals, among others.

Ex: Crocs, Sketchers, Timberland

2.1.4 **Luxury Goods** - Manufacturers or designers of luxury goods. Includes high end clothing, accessories, and footwear, among others.

Ex: Gucci Group, Patek Philippe, Tag Heuer International

2.1.5 Other Apparel

2.2 Consumer Durables

2.2.1 **Business Equipment and Supplies** - Manufacturers of office supplies and equipment. Includes general office supplies, filing products, and paper shredders, among others.

Ex: Pitney Bowes, Steelcase, 3M

2.2.2 **Electronics** - Manufacturers of consumer electronics. Includes digital cameras, televisions, and handheld devices, among others.

Ex: Samsung, Sony, Panasonic

2.2.3 **Home Furnishings** - Manufacturers of home furniture and other decorative accessories. Includes couches, lamps, and draperies, among others.

Ex: Ethan Allen Interior, Furniture Brands International, La-Z-Boy

2.2.4 **Household Appliances** - Manufacturers of household appliances. Includes microwaves, vacuum cleaners, washers, and dryers, among others.

Ex: Whirlpool, Kenmore, LG

2.2.5 **Recreational Goods** - Manufacturers of recreational goods. Includes sporting goods and leisure goods, among others.

Ex: Burton, Titleist, Coleman

2.2.6 Other Consumer Durables

2.3 Consumer Non-Durables

2.3.1 **Beverages** - Producers and distributors of alcoholic and non-alcoholic beverages.

Ex: Coca-Cola, Pepsi, Anheuser-Busch

2.3.2 **Food Products** - Producers, processors, and distributors of food products. Includes companies engaged in food preparation, and manufacturers of packaged food, among others.

Ex: Kraft Foods, Heinz, Lancaster Colony

2.3.3 **Household Products** - Manufacturers of household products. Includes cleaning supplies, disposable products, and paper towels, among others.

Ex: Clorox, Dixie, Kleenex

2.3.4 **Personal Products** - Manufacturers of personal products. Includes cosmetics, perfumes, and hygiene products, among others.

Ex: Old Spice, Gillette, Dove

2.3.5 Other Consumer Non-Durables

2.4 Media

2.4.1 **Broadcasting, Radio and Televisio**n - Providers of entertainment through radio, television, or the internet. Includes local, national, and international radio and television channels.

Ex: NBC, Telemundo, YouTube

2.4.2 I**nformation Services** - Providers of information and content services. Includes political surveys, financial data, and statistics, among others.

Ex: Bloomberg, Interactive Data Corporation, Gallup

2.4.3 **Movies, Music and Entertainment** - Companies engaged in the production, distribution, and sale of entertainment products and services. Includes movie theaters, production companies, and music labels, among others.

Ex: Lowes Cineplex, Virgin Records, Paramount Pictures

2.4.4 **Publishing** - Providers of print and internet publishing services. Includes newspapers, magazines, and books, among others.

Ex: Daily Journal, The New York Times Company, The McGraw-Hill Companies

2.4.5 **Social Content** - Owners and operators of social content websites. Includes social networks, discussion boards, and dating websites, among others.

Ex: Facebook, LinkedIn, Match.com

2.4.6 Other Media

2.5 Restaurants, Hotels and Leisure

2.5.1 **Casinos and Gaming** - Owners and operators of casinos and other gaming operations.

Ex: MGM Mirage, Boyd Gaming, Monarch Casino

2.5.2 **Cruise Lines** - Owners and operators of cruise lines. Includes cruise ships, and ocean liners, among others.

Ex: Carnival Cruise Lines, Royal Caribbean Cruise Lines, Crystal Cruises

2.5.3 **Hotels and Resorts** - Owners and operators of hotels and resorts. Includes vacationing facilities and commercial establishments, among others.

Ex: Four Seasons, Hyatt, Fairmont

2.5.4 **Leisure Facilities** - Owners and operators of leisure facilities. Includes fitness centers and day spas, among others.

Ex: LA Fitness, 24 Hour Fitness, Aveda Lifestyle Salon and Spa

2.5.5 **Restaurants and Bars** - Owners and operators of restaurants and bars.

Ex: Applebee's, Chili's, Ruth's Chris Steak House

2.5.6 Other Restaurants, Hotels and Leisure

2.6 Retail

2.6.1 **Catalog Retail** - Provider of retail services through mail order and TV home shopping.

Ex: QVC, HSN, Jewelry Television

2.6.2 **Department Stores** - Owners and operators of large stores with a wide variety of products in distinct departments. Includes apparel, furniture, electronics, hardware, and sporting goods, among others.

Ex: Nordstrom, Macy's, Neiman Marcus

2.6.3 **Distributors/Wholesale** - Companies engaged in the sale of bulk goods to individual consumers.

Ex: Costco, Sam's Club, BJ's Wholesale Club

2.6.4 **General Merchandise Stores** - Owners and operators of stores offering a wide variety of general merchandise. General merchandise includes personal products, food, film, and prescriptions, among others.

Ex: CVS, RiteAid, Walgreen's

2.6.5 **Internet Retail** - Providers of retail services primarily through the internet.

Ex: Amazon.com, Overstock.com, Netflix

2.6.6 **Specialty Retail** - Owners and operators of retail stores specializing in the sale of goods in a particular industry or sector.

Ex: Barnes and Noble, Petsmart, Office Depot

2.6.7 Other Retail

2.7 Services (Non-Financial)

2.7.1 **Accounting, Audit and Tax Services** - Providers of accounting, audit, and tax services to individuals.

Ex: HandR Block, Jackson Hewitt, Liberty Tax Service

2.7.2 **Educational and Training Services** - Providers of educational and professional training services. Includes vocational education and exam preparation, among others.

Ex: University of Phoenix, ITT Technical Institute, Princeton Review

2.7.3 **Legal Services** - Providers of legal services to individuals. Includes criminal law, property law, human rights law, and insurance law, among others.

Ex: DLA Piper, Goodwin Procter, White and Case

2.7.4 **Real Estate Services** - Providers of real estate services to individuals. Includes real estate brokers and property valuation, among others.

Ex: Century 21, RE/MAX, Coldwell Banker

2.7.5 Other Services (Non-Financial)

2.8 Transportation

2.8.1 **Air** - Providers of air transportation to consumers. Includes major airlines and charter airlines, among others.

Ex: Northwest Airlines, United Airlines, Alaska Airlines

2.8.2 **Automotive** - Providers of products and services related to automotives. Includes automotive manufacturers and automotive services, among others.

Ex: Ford, GM, Enterprise Rent-a-Car

2.8.3 **Marine** - Providers of products and services related to water transportation. Includes leisure boat manufacturers and yacht dealers, among others.

Ex: Viking Yacht Company, Marine Products Corporation, Fountain Powerboat Industries

2.8.4 **Rail** - Providers of products and services related to rail transportation. Includes passenger trains and express trains, among others.

Ex: Amtrak, Grand Luxe Rail Journeys, Union Pacific Railroad

2.8.5 Other Transportation

2.9 Other Consumer Products and Services

2.9.1 Other Consumer Products and Services

3 Energy

3.1 Equipment

3.1.1 **Alternative Energy Equipment** - Manufacturers or providers of alternative energy equipment. Includes compressed natural gas, solar, hydroelectric, and wind, among others.

Ex: The Wind Turbine Company, Vestas, Solar Electric Power Company

3.1.2 **Coal and Consumable Fuels Equipment** - Manufacturers or providers of coal and consumable fuels equipment.

Ex: Joy Mining Machinery, Getman, Peters Equipment Company

3.1.3 **Oil and Gas Equipment** - Manufacturers or providers of oil and gas equipment. Includes rigs and drilling equipment, among others.

Ex: Weatherford International, Baker Hughes, Cameron International

3.1.4 Other Equipment

3.2 Exploration, Production and Refining

3.2.1 **Energy Exploration** - Companies engaged in energy exploration. Includes the identification, testing and development of sites for well drilling and wind farms.

Ex: Apache Corporation, Anadarko Petroleum, Hunt Oil

3.2.2 **Energy Production** - Companies engaged in energy production. Includes wind farming, drilling and removal of crude oil and natural gas.

Ex: Transocean, Diamond Offshore Drilling, Noble Corporation

3.2.3 **Energy Refining** - Companies engaged in energy refining. Includes the refining of crude oil into gasoline, diesel, kerosene, and fuel oil.

Ex: Sasol, Valero Energy, Imperial Oil

3.3 Services

3.3.1 **Energy Marketing** - Companies engaged in energy marketing. Includes gas marketing, pipeline analysis, and asset management, among others.

Ex: Marathon Oil, Hess Corporation, Murphy Oil

3.3.2 **Energy Storage** - Companies engaged in energy storage. Includes commercial and industrial batteries, fuel cells, and capacitors, among others.

Ex: ZBB Energy, Young Gas Storage, Falcon Gas Storage

3.3.3 **Energy Traders and Brokers** - Companies engaged in energy trading and brokerage services.

Ex: Dynergy, Reliant Energy, El Paso Corporation

3.3.4 **Energy Transportation** - Companies engaged in energy transportation. Includes tankers, and gathering and transmission pipelines, among others.

Ex: Energy Transfer Equity, Kinder Morgan Energy Partners, Enbridge

3.3.5 **Infrastructure** - Companies engaged in energy infrastructure. Includes pipelines, transmission lines, generation plants, and refineries, among others.

Ex: Energy Infrastructure Acquisition, Brookfield Infrastructure Partners, Tortoise Energy Infrastructure

3.3.6 Other Energy Services

3.4 Utilities

3.4.1 **Electric Utilities** - Companies engaged in the generation, transmission, and distribution of energy for sale in the regulated market.

Ex: Southern Company, FPL Group, Dominion Resources

3.4.2 **Gas Utilities** - Companies engaged in the production, distribution and marketing of natural gas and related services.

Ex: National Grid, Sempra Energy, Equitable Resources

3.4.3 **Multi-Utilities** - Companies engaged in the generation, transmission, distribution, and sale of water, electricity and natural gas to residential, commercial, industrial, and wholesale customers.

Ex: Exelon Corporation, Public Service Enterprise Group, PGandE

3.4.4 **Water Utilities** - Companies engaged in providing water or wastewater services.

Ex: Aqua America, California Water Service Group, American States Water Company

3.4.5 Other Utilities

3.5 Other Energy

3.5.1 Other Energy

4 Financial Services

4.1 Capital Markets/Institutions

4.1.1 **Asset Management** - Financial institutions providing management of various securities to meet specified investment goals for the investors. Investors may be institutions or high net worth individuals.

Ex: Smith Barney, Edward Jones, Ameriprise Financial

4.1.2 **Brokerage** - Financial Institutions acting as an intermediary between a buyer and seller of securities, usually charging a commission. Includes clearing houses and stock brokerage firms, among others.

Ex: Citigroup, Options Clearing Corporation, LCH. Clearnet

4.1.3 **Investment Banks** - Financial institutions functioning across all areas of capital markets. Includes raising money by issuing and selling securities, and advisory within mergers and acquisitions, among other financial services.

Ex: Citigroup, Goldman Sachs, Lehman Brothers

4.1.4 **Private Equity** - Financial institutions engaged in long-term loans with multinational corporations and governments. Includes merchant banks, and private equity firms, among others.

Ex: Blackstone Group, Carlyle Group, Kohlberg Kravis Roberts

4.1.5 Other Capital Markets/Institutions

4.2 Commercial Banks

4.2.1 **International Banks** - Non-investment commercial banks located in more than one country.

Ex: Deutsche Bank, UBS, Bank of America

4.2.2 **National Banks** - Non-investment commercial banks located in one country.

Ex: Bank of New York, Citizens Bank, Capital One Bank

4.2.3 **Regional Banks** - Non-investment commercial banks located in a particular region.

Ex: Sterling Savings Bank, Evergreen Bank, HomeStreet Bank

4.2.4 **Thrifts and Mortgage Finance** - Financial institutions specializing in originating and/or servicing mortgage loans.

Ex: Accredited Home Lenders, Countrywide, Quicken Loans

4.2.5 Other Commercial Banks

4.3 Insurance

4.3.1 **Automotive Insurance** - Providers of insurance for cars, trucks, and other vehicles.

Ex: State Farm, All-State, GEICO

4.3.2 **Commercial/Professional Insurance** - Providers of commercial or professional insurance. Includes medical malpractice and legal malpractice, among others.

Ex: CNA Insurance, Zurich, FM Global

4.3.3 **Insurance Brokers** - Companies sourcing contracts of insurance on behalf of their customers.

Ex: Marsh and McLennan, Willis Group, Brown and Brown

4.3.4 **Life and Health Insurance** - Providers of life and health insurance.

Ex: ING, Prudential, MetLife

4.3.5 **Multi-line Insurance** - Providers of diversified insurance services with multiple interests in life, health, and property insurance.

Ex: AXA, Prudential, Sun Life

4.3.6 **Property and Casualty Insurance** - Providers of property and casualty risks insurance.

Ex: Allianz, American International Group, Hartford Financial

4.3.7 **Re-Insurance** - Providers of insurance to insurance companies.

Ex: Berkshire Hathaway, Munich Reinsurance, Hannover Reinsurance

4.3.8 Other insurance

4.4 Other Financial Services

4.4.1 **Consumer Finance** - Companies engaged in any kind of lending to consumers. Includes sub prime lending, among others.

Ex: HSBC Finance, CIT, CitiFinancial

4.4.2 **Holding Companies** - Companies that do not produce goods or provide services, but instead own shares of other companies.

Ex: Berkshire Hathaway, UAL Corporation, AMR Corporation

4.4.3 **Real Estate Investment Trusts (REITs)** - REIT is a tax designation for a corporation investing in real estate. REITs receive special tax reductions and offer high yield investments in real estate.

Ex: AMB Property, Duke Realty, EastGroup Properties

4.4.4 **Specialized Finance** - Companies engaged in providing specialized finance to both public and private enterprises.

Ex: Latitude Capital Group, Budget Finance Company, Capital Source

4.4.5 Other Financial Services

5 Healthcare

5.1 Devices and Supplies

5.1.1 **Diagnostic Equipment** - Manufacturers of imaging and non-imaging devices used to assess and diagnose medical conditions. Includes X-ray and MRI machines, otoscopes and stethoscopes, and ultrasound equipment, among others.

Ex: Welch Allyn, Siemens, AFC Industries, SOMA Technology

5.1.2 **Medical Supplies** - Manufacturers of medical supplies that would be considered non-durable. Includes syringes, diabetes supplies, bandages, and protective wear, among others.

Ex: Frank Healthcare, Johnson and Johnson, Adenna, Cardinal Health, Covidien

5.1.3 **Monitoring Equipment** - Manufacturers of devices used to collect and monitor vital signs. Includes heart-rate monitors, oxygen saturation monitors, and fetal monitors, among others.

Ex: Phillips Medical Systems, GE Medical Systems, Welch Allyn, SOMA Technology, Datascope

5.1.4 **Surgical Devices** - Manufacturers of devices and equipment used in a surgical setting. Includes laparoscopy instruments, retractor systems, and positioning devices, among others.

Ex: Lyons, Mediflex, Boston Scientific

5.1.5 **Therapeutic Devices** - Manufacturers of devices for rehabilitation or therapy. Includes muscle stimulators, light therapy, and pacemakers, among others.

Ex: Medtronic, Boston Scientific, Empi

5.1.6 Other Devices and Supplies

5.2 Services

5.2.1 **Clinics/Outpatient Services** - Facilities and services for short-term, outpatient care and procedures. Includes rehabilitation, diagnostic testing, and outpatient surgery and exams.

Ex: AmSurg, Physiotherapy Associates, HealthSouth

5.2.2 **Distributors** - Distributors of healthcare equipment and supplies. Includes all distributors of healthcare products.

Ex: American Medical Supplies and Equipment, AmerisourceBergen, BMP Sunstone, Owens and Minor

5.2.3 **Elder and Disabled Care** - Facilities and services for the care of senior citizens. Includes assisted living, long term care, hospice care, nursing homes, and home care, among others.

Ex: RehabCare Group, Sunrise Senior Living, AccentCare

5.2.4 **Hospitals/Inpatient Services** - Facilities and services for long-term care, and inpatient care and procedures. Includes invasive surgical procedures, and emergency services.

Ex: Tenet Healthcare, HCA, Universal Health Services

5.2.5 **Laboratory Services** - Providers of medical laboratory services. Includes blood and tissue testing.

Ex: Quest Diagnostics, LabCorp, LabOne

5.2.6 **Managed Care** - Owners and operators of managed health plans. Includes Preferred Provider Organizations (PPOs) and Health Maintenance Organizations (HMOs).

Ex: Aetna, Kaiser Permanente, UnitedHealth Group

5.2.7 **Practice Management** - Providers of consulting and management services to medical practices. Excludes practice management software, such as billing or medical records software.

Ex: Advantage Medical Claims, Medical Management Associates, Healthcare Facilitators

5.2.8 Other Healthcare Services

5.3 Healthcare Technology Systems

5.3.1 **Decision/Risk Analysis** - Developers and producers of software or systems used to expedite the medical decision and risk management process. These programs try to assist doctors and nurses in their decision making process.

Ex: HLTH Corporation, Apache Medical Systems, Wellsource

5.3.2 **Enterprise Systems** - Developers and producers of software and systems that cover multiple areas of the healthcare organization.

Ex: NextGen, Cerner, McKesson Corporation

5.3.3 **Medical Records Systems** - Developers and producers of software or systems to organize medical records.

Ex: NextGen, McKesson, MediNotes

5.3.4 **Outcome Management** - Developers and producers of software or systems used to analyze the effectiveness of treatments prescribed by doctors.

Ex: Tri-Analytics, Outcome Concept Systems, Protocol Driven Healthcare

5.3.5 Other Healthcare Technology Systems

5.4 Pharmaceuticals and Biotechnology

5.4.1 **Biotechnology** - Companies engaged in research, development, and production of biotechnology. Includes embryology, genetics, cell biology, molecular biology, and biochemistry, among others.

Ex: Elan, Genentech, Amgen

5.4.2 **Discovery Tools** - Researchers and developers of tools used in drug discovery and drug delivery research. Includes compound libraries,

enzymes, kinases, and specialized proteins, among others.

Ex: PerkinElmer, Qiagen, Charles River Laboratories

5.4.3 **Drug Delivery** - Researchers and developers of medication delivery methods. Includes targeted delivery methods, and timed release formulations, among others.

Ex: Elan, Hospira, Nektar Therapeutics

5.4.4 **Drug Discovery** - Researchers and developers of new drugs. Includes identification, screening, and efficacy testing of drug candidates, among others.

Ex: Bristol-Meyers Squibb, PerkinElmer, Elan

5.4.5 **Pharmaceuticals** - Manufacturers and distributors of established drugs/pharmaceuticals. This category includes any large drug company that primarily manufactures medicines; however they may also be engaged in drug research and development.

Ex: Bristol-Meyers Squibb, GlaxoSmithKline, Novartis, Eli Lilly and Company

5.4.6 Other Pharmaceuticals and Biotechnology

5.5 Other Healthcare

5.5.1 Other Healthcare

6 Information Technology

6.1 Communications and Networking

6.1.1 **Cable Service Providers** - Developers and marketers of television, internet and voice services for cable networks. Includes broadband internet, VoIP, and cable television, among others.

Ex: Comcast, Cox Communications, Adelphia

6.1.2 **Connectivity Products** - Manufacturers of electronic components used to create networks or link devices. Includes bulk cable, connectors, and adapters, among others.

Ex: Belkin, AMP Inc., Griffin Technology, Molex

6.1.3 **Fiberoptic Equipment** - Manufacturers of fiber optic and photonics equipment. Includes bulk cable, connectors, lasers, and light emitting diodes (LEDs), among others.

Ex: Oplink Communications, Optical Communication Products, Belden

6.1.4 **Internet Service Providers** - Providers of dial-up and DSL access to the internet.

Ex: America Online, NetZero, EarthLink, Juno, PeoplePC

6.1.5 **Telecommunications Service Providers** - Providers of commercial and residential voice and data services. Includes phone service, paging, and voicemail, among others.

Ex: BellSouth, AT&T, Qwest, Vodafone, Airtel

6.1.6 **Wireless Communications Equipment** - Manufacturers, designers and marketers of wireless communications equipment. Includes wireless handsets, and wireless modems and routers, among others.

Ex: LG, Motorola, Cisco

6.1.7 **Wireless Service Providers** - Providers of wireless telephone networks. Includes cellular telephone service, and personal communication service (PCS), among others.

Ex: Verizon Wireless, Qualcomm, Nextel Partners

6.1.8 Other Communications and Networking

6.2 Hardware

6.2.1 **Computers, Parts and Peripherals** - Manufacturers, designers, and distributors of computers and peripherals. Includes monitors, cases, mice, keyboards, and printers, among others.

Ex: Dell, Apple, Hewlett-Packard, Sony, IBM

6.2.2 **Electronic Components** - Manufacturers, designers, and distributors of electronic parts and components for use in more advanced products. Includes processors, video cards, sound cards, fans, and motherboards, among others.

Ex: Intel, Advanced Micro Devices (AMD), Texas Instruments, NVIDIA

6.2.3 **Electronic Equipment and Instruments** - Manufacturers, designers, and distributors of electronic equipment and instruments. Includes multimeters, and oscilloscopes, among others. This category is for electronic testing and measurement devices.

Ex: Agilent Technologies, National Instruments, Tektronix, Chase Scientific

6.2.4 **Office Electronics** - Manufacturers, designers, and distributors of office equipment. Includes copiers and faxes, among others.

Ex: Xerox, Ricoh, Lanier

6.2.5 **Storage** - Manufacturers, designers, and distributors of electronic storage devices. Includes hard drives, optical drives, and flash memory, among others.

Ex: Seagate Technology, EMC, Western Digital

6.2.6 Other Hardware

6.3 Semiconductors

6.3.1 **Application Specific** - Manufacturers and designers of application specific semiconductors and integrated circuits.

Ex: First Solar, NVIDIA, Linear Technology

6.3.2 **General Purpose** - Manufacturers and designers of generic or general purpose semiconductors and integrated circuits.

Ex: Intel, Texas Instruments, STMicroelectronics

6.3.3 **Production** - Owners and operators of semiconductor foundries. “Foundries” are companies that manufacture semiconductors, but are not involved in their design.

Ex: Taiwan Semiconductor Manufacturing, United Microelectronics, Chartered Semiconductor Manufacturing, SMIC

6.3.4 Other Semiconductors

6.4 Services

6.4.1 **Consulting and Outsourcing** - Providers of outside consulting, outsourcing, or offshoring services. Includes subcontractors, and business process outsourcers, among others.

Ex: Gartner, Infosys Technologies, Sapient Corporation

6.4.2 **Systems and Information** - Management Providers of systems and information management services. Includes companies providing IT hosting and data centers, among others.

Ex: Rackspace, Network World, Mosso

6.4.3 Other IT Services

6.5 Software

6.5.1 **Application Software** - Developers and producers of software for specific tasks or applications. Includes general application software not classified elsewhere.

Ex: Microsoft, Oracle, Adobe

6.5.2 **Automation/Workflow Software** - Developers and producers of software for automation and workflow management. Includes automation of IT processes, data transferring, FTPs, and scheduling, among others.

Ex: Tethys Solutions, Parallels, Synopsys

6.5.3 **Business/Productivity Software** - Developers and producers of software for the enterprise where the focus is on process management and automation.

Ex: Salesforce, IBM, Microsoft

6.5.4 **Communication Software** - Developers and producers of software for communicating electronically through voice, video or text. Includes text and video chat, web conferencing, and web-based presentations, among others.

Ex: America Online, Microsoft, WebEx

6.5.5 **Database Software** - Developers and producers of software to manage and utilize information in databases. Includes MySQL, Microsoft SQL Server, and Oracle, among others.

Ex: Microsoft, Oracle, IBM, Sun Microsystems

6.5.6 **Educational Software** - Developers and producers of educational software.

Ex: Renaissance Learning, Scientific Learning Corporation, The Learning Company

6.5.7 **Entertainment Software** - Developers of consumer-oriented gaming software and applications.

Ex: Zynga, Rovio

6.5.8 **Financial Software** - Developers and producers of software for managing accounting and financial processes. Also includes various software developed specifically for the financial industry.

Ex: Intuit, CapControls, Merlin Securities, Tally, Finacle

6.5.9 **Internet Software** - Developers and producers of software for accessing and manipulating internet content. Includes internet browsers, and file transfer protocol (FTP) programs, among others.

Ex: Apple, Microsoft, Mozilla Foundation, Norwegian Opera Software

6.5.10 **Multimedia and Design Software** - Developers and producers of software for creating and manipulating multimedia content. Includes Computer Aided Design (CAD) software, and video and image editing software, among others.

Ex: Adobe Systems, Quark, Autodesk

6.5.11 **Network Management Software** - Developers and providers of software and systems for managing and organizing networks and information. Includes network monitoring software, and network security software, among others.

Ex: Altiris, Tivoli, NetIQ

6.5.12 **Operating Systems Software** - Developers and producers of computer operating systems.

Ex: Apple, Microsoft, Red Hat Software, Novell

6.5.13 **Social/Platform Software** - Developers and producers of software that facilitates the production, distribution or following of social content. The category also includes online markets.

Ex: Facebook, LinkedIn

6.5.14 **Software Development Applications** - Developers and producers of software for planning, coding, and debugging of new software. Includes compilers, build tools, debuggers, disassemblers, and documentation generators, among others.

Ex: Eiffel Software, Borland Software, BigFix

6.5.15 **Vertical Market Software** - Developers and producers of vertical market software. Includes point of sale software, among others. A vertical market is a group of companies that do business in the same industry.

Ex: SAP, Hypercom, Ingenico

6.5.16 Other Software

6.6 Other Information Technology

6.6.1 Other Information Technology

7 Materials & Resources

7.1 Agriculture

7.1.1 **Animal Husbandry** - Companies that breed, raise, and market livestock.

Ex: Seaboard Corp., Smithfield Foods, Alico

7.1.2 **Aquaculture** - Companies that cultivate and market aquatic organisms. Includes fish, shrimp, kelp/seaweed and cultured pearls, among others.

Ex: Stolt Sea Farm, D.B. Kenney Fisheries, America's Catch

7.1.3 Cultivation

7.1.4 **Horticulture** - Companies that cultivate and market grains, fruits, flowers, and vegetables.

Ex: Cargill, Archer Daniels Midland, The Andersons, Inc.

7.1.5 Other Agriculture

7.2 Chemicals and Gases

7.2.1 **Agricultural Chemicals** - Producers of chemicals used primarily in an agricultural setting. Includes diammonium phosphate (DAP), anhydrous ammonia (NH_3), and potassium chloride (KCl), among others.

Ex: Monsanto, Mosaic, CF Industries Holdings

7.2.2 **Commodity Chemicals** - Producers of chemicals that are sold in bulk due to their low cost. Includes methane, hydrochloric acid, chlorine, and sodium chloride, among others.

Ex: Mitsubishi Chemical, Terra Nitrogen, ExxonMobil

7.2.3 **Industrial Chemicals** - Producers of chemicals used primarily in industrial applications. Includes plastics, biocides, coolants, and polyglycols, among others.

Ex: Celanese, FMC Corp., Archer Daniels Midland

7.2.4 **Multi-line Chemicals** - Producers of diversified chemicals.

Ex: Dow Chemical, Air Products and Chemicals, FMC Corp., DuPont

7.2.5 **Specialty Chemicals** - Producers of proprietary or advanced chemical compounds. Includes food additives, and polymers, among others.

Ex: Sigma-Aldrich, Lubrizol, Cytec Industries

7.2.6 Other Chemicals and Gases

7.3 Construction (Non-Wood)

7.3.1 **Raw Materials (Non-Wood)** - Harvesters or producers of non-wood construction materials. Includes stone, gravel, sand, cement, and bricks, among others. Finished construction products are classified under Building Products.

Ex: Texas Industries, Eagle Materials, Hanson Aggregates North America

7.4 Containers and Packaging

7.4.1 **Metal** - Producers of metal containers and packaging materials.

Ex: Ball Corporation, Greif Inc., Silgan Holdings

7.4.2 **Paper** - Producers of paper containers and packaging materials.

Ex: Packaging Corporation of America, International Paper, Georgia-Pacific

7.4.3 **Plastic** - Producers of plastic containers and packaging materials.

Ex: Ball Corporation, Sonoco, Silgan Holdings

7.4.4 **Wood** - Producers of wood containers and packaging materials.

Ex: Greif Inc., Berry Industrial Group, Universal Forest Products

7.4.5 Other Containers and Packaging

7.5 Forestry

7.5.1 **Forestry Development/Harvesting** - Companies engaged in developing and harvesting forested areas.

Ex: Weyerhaeuser, Deltic Timber, MAXXAM

7.5.2 **Forestry Processing** - Companies engaged in converting raw forest products into marketable materials. Includes lumber, woodchips, engineered wood products, and paper products, among others.

Ex: Weyerhaeuser, Louisiana-Pacific, Stimson Lumber, Pope and Talbot, Georgia-Pacific, Boise Cascade, Temple-Inland Forest Products

7.5.3 Paper/Soft Products

7.5.4 Wood/Hard Products

7.5.5 Other Forestry

7.6 Metals, Minerals and Mining

7.6.1 **Aluminum** - Miners, producers and marketers of aluminum. Includes aluminum ore, and rolled aluminum, among others.

Ex: Alcoa, Kaiser Aluminum, Alcan

7.6.2 **Coal** - Miners, producers and marketers of coal. Includes lignite coal, bituminous coal, anthracite coal, and coke, among others.

Ex: Peabody Energy, CONSOL Energy, Drummond Company

7.6.3 **Gold** - Miners, producers and marketers of gold.

Ex: Newmont Mining, AngloGold Ashanti, Gold Fields Limited

7.6.4 **Iron and Steel** - Miners, producers and marketers of iron and steel.

Ex: Nucor, Olympic Steel, ArcelorMittal

7.6.5 Multi-line - Miners, producers and marketers of diversified metals and minerals.

Ex: BHP Billiton, Rio Tinto, Teck Cominco

7.6.6 **Precious Metals and Minerals** - Miners, producers and marketers of precious metals and minerals. Includes platinum, silver, and palladium, among others.

Ex: Coeur d'Alene Mines, Stillwater Mining, Metalor

7.6.7 Other Metals, Minerals and Mining

7.7 Textiles

7.7.1 **Animal** - Manufacturers of animal-based textiles. Includes wool, cashmere and silk, among others.

Ex: Buckskin Fur and Leather, J. Hewit and Sons

7.7.2 **Plant**- Manufacturers of plant-based textiles. Includes hemp and cotton, among others.

Ex: Parkdale Mills, Boston Felt Company, Aetna Felt Corporation

7.7.3 **Mineral** - Manufacturers of mineral-based textiles. Includes asbestos, glass fiber, and metal fiber, among others.

Ex: Roxul, Potter and Soar, Central Glass

7.7.4 **Synthetic** - Manufacturers of synthetic textiles. Includes polyester, aramid, nylon and spandex, among others.

Ex: Huitong Chemical, Unifi, DuPont-Akra Polyester

7.7.5 Other Textiles

7.8 Other Materials

7.8.1 Other Materials

Data Methodology

Fundraising

We define venture capital funds as pools of capital raised for the purpose of investing in the equity of startup companies. In addition to funds raised by traditional venture capital firms, PitchBook also includes funds raised by any institution with the primary intent stated above. Funds identifying as growth-stage vehicles are classified as PE funds and are not included in this report. A fund's location is determined by the country in which the fund is domiciled, if that information is not explicitly known, the HQ country of the fund's general partner is used. Only funds based in the United States that have held their final close are included in the fundraising numbers. The entirety of a fund's committed capital is attributed to the year of the final close of the fund. Interim close amounts are not recorded in the year of the interim close.

Deals

We include equity investments into startup companies from an outside source. Investment does not necessarily have to be taken from an institutional investor. This can include investment from individual angel investors, angel groups, seed funds, venture capital firms, corporate venture firms, and corporate investors. Investments received as part of an accelerator program are not included; however, if the accelerator continues to invest in follow-on rounds, those further financings are included. All financings are of companies headquartered in the US.

Stage Definitions

Angel/seed: We define financings as angel rounds if there are no PE or VC firms involved in the company to date and we cannot determine if any PE or VC firms are participating. In addition, if there is a press release that states the round is an angel round, it is classified as such. Finally, if a news story or press release only mentions individuals making investments in a financing, it is also classified as angel. As for seed, when the investors and/or press release state that a round is a seed financing, or it is for less than $500,000 and is the first round as reported by a government filing, it is classified as such. If angels are the only investors, then a round is only marked as seed if it is explicitly stated.

Early-stage: Rounds are generally classified as Series A or B (which we typically aggregate together as early-stage) either by the series of stock issued in the financing or, if that information is unavailable, by a series of factors including the age of the company, prior financing history, company status, participating investors, and more.

Late-stage: Rounds are generally classified as Series C or D or later (which we typically aggregate together as late stage) either by the series of stock issued in the financing or, if that information is unavailable, by a series of factors including: the age of the company, prior financing history, company status, participating investors, and more.

Venture growth: Rounds are generally classified as Series E or later (which we typically aggregate together as venture growth) either by the series of stock issued in the financing or, if that information is unavailable, by a series of factors, including the age of the company, number of VC rounds, company status, and participating investors.

Corporate venture capital: Financings classified as corporate venture capital include rounds that saw both firms investing via established CVC arms or corporations making equity investments off balance sheets or whatever other non-CVC method was actually employed.

Exits

We include the first majority liquidity event for holders of equity securities of venture-backed companies. This includes events where there is a public market for the shares (IPO) or the acquisition of majority of the equity by another entity (corporate or financial acquisition). In addition, special purpose acquisition companies (SPAC) registration is broken out, but only completed SPACs wherein the reverse merger is completed between the public SPAC and a privately held company are included in total exit value and volume calculations. This does not include secondary sales, further sales after the initial liquidity event, or bankruptcies. M&A value is based on reported or disclosed figures, with no estimation used to assess the value of transactions for which the actual deal size is unknown.

Appendix

US VC Deal Flow by Stage by Quarter ($B)

	2016				2017				2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Pre-seed/ Seed	$1.5	$1.3	$1.5	$1.4	$1.8	$1.5	$1.9	$2.0	$2.3	$3.2	$2.2	$2.2
Early VC	$6.5	$7.6	$5.6	$6.2	$6.5	$7.2	$7.0	$9.8	$10.7	$10.9	$9.8	$10.4
Later VC	$9.6	$7.2	$7.6	$5.9	$7.3	$9.1	$8.6	$8.0	$12.4	$12.3	$14.3	$27.0
Venture Growth	$4.3	$10.2	$3.9	$3.4	$3.5	$5.4	$7.6	$3.7	$6.3	$5.6	$9.0	$8.2
Total	$17.6	$16.2	$14.7	$13.5	$15.5	$17.9	$17.5	$19.9	$25.4	$26.3	$26.2	$39.5

	2019				2020				2021			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Pre-seed/ Seed	$2.5	$2.3	$2.6	$2.6	$3.1	$2.6	$2.7	$3.2	$4.3	$4.6	$4.8	$5.1
Early VC	$11.9	$11.2	$12.2	$9.5	$10.1	$9.2	$11.6	$14.2	$17.0	$21.8	$21.4	$28.4
Later VC	$15.1	$15.7	$14.9	$14.9	$18.3	$17.9	$17.9	$18.5	$34.3	$37.3	$43.7	$43.5
Venture Growth	$12.2	$9.4	$8.3	$8.5	$7.8	$9.5	$16.3	$12.0	$23.6	$20.8	$21.6	$24.1
Total	$29.5	$29.3	$29.7	$27.0	$31.5	$29.7	$32.3	$35.9	$55.6	$63.6	$69.9	$77.1

	2022				2023				2024			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Pre-seed/ Seed	$7.0	$7.8	$5.9	$4.0	$4.1	$3.9	$3.9	$3.7	$4.1	$4.0	$4.1	$3.7
Early VC	$23.6	$20.3	$14.6	$11.7	$11.0	$11.6	$9.2	$9.4	$11.5	$19.2	$12.9	$12.8
Later VC	$34.2	$29.3	$16.8	$13.9	$23.1	$15.5	$15.7	$17.2	$20.5	$15.9	$17.7	$35.0
Venture Growth	$15.5	$12.8	$7.6	$8.2	$17.6	$5.2	$6.2	$7.4	$6.2	$10.7	$10.3	$26.8
Total	$64.7	$57.5	$37.2	$29.7	$38.2	$31.1	$28.9	$30.3	$36.0	$39.1	$34.7	$51.5

Source: NVCA 2025 Yearbook, Data provided by PitchBook

US VC Deal Flow by Stage by Quarter (#)

	2016				2017				2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Pre-seed/ Seed	1,213	977	938	935	1,192	1,019	1,063	1,112	1,228	1,070	1,040	1,201
Early VC	1,212	1,008	968	916	1,184	1,097	1,035	1,056	1,284	1,051	1,041	1,097
Later VC	747	652	580	536	753	694	662	611	858	773	715	751
Venture Growth	147	115	122	136	144	153	114	127	153	156	169	163
Total	3,172	2,637	2,486	2,387	3,129	2,810	2,760	2,779	3,370	2,894	2,796	3,049

	2019				2020				2021			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Pre-seed/ Seed	1,344	1,180	1,297	1,249	1,474	1,110	1,239	1,412	1,820	1,776	1,793	1,881
Early VC	1,242	1,097	1,050	1,108	1,225	876	993	1,150	1,602	1,434	1,450	1,546
Later VC	1,046	887	837	806	1,096	900	849	898	1,449	1,202	1,250	1,253
Venture Growth	177	183	175	151	207	174	192	192	229	259	229	237
Total	3,632	3,164	3,184	3,163	3,795	2,886	3,081	3,460	4,871	4,412	4,493	4,680

	2022				2023				2024			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Pre-seed/ Seed	2,056	1,815	1,572	1,395	1,418	1,320	1,189	1,190	1,246	1,192	1,167	1,028
Early VC	1,748	1,385	1,271	1,246	1,288	1,112	1,048	1,170	1,342	1,279	1,076	1,121
Later VC	1,532	1,222	1,044	983	1,271	1,057	985	977	1,121	1,049	929	907
Venture Growth	244	191	172	202	213	193	161	159	208	213	214	203
Total	5,336	4,422	3,887	3,624	3,977	3,489	3,222	3,337	3,709	3,520	3,172	3,056

Source: NVCA 2025 Yearbook, Data provided by PitchBook

Average & Median Time Since 1st VC to Exit (VC backed IPOs)

	2019		2020		2021	
	Avg	Median	Avg	Median	Avg	Median
Commercial Products & Services	6.65	6.03	6.27	5.42	6.79	6.28
Consumer Goods & Services	4.84	4.02	5.64	4.88	5.50	4.62
Energy	8.25	8.19	8.57	9.53	4.37	3.72
HC Devices & Supplies	8.16	7.44	8.42	7.64	8.34	7.46
HC Services & Systems	5.92	5.75	6.56	5.31	6.61	5.97
IT Hardware	7.55	5.46	8.45	6.13	6.82	6.08
Media	5.81	5.32	5.75	4.95	5.94	5.50
Other	4.70	3.33	4.99	3.79	5.04	4.34
Pharma & Biotech	5.46	4.11	5.00	4.21	4.62	3.84
Software	5.90	5.19	6.16	5.48	5.98	5.52
Transportation	5.71	5.35	4.49	3.77	5.16	4.82

Source: NVCA 2025 Yearbook, Data provided by PitchBook
Commercial Products, Commercial Transportation, Other Business Products and Services, Consumer Durables, Consumer Non-Durables, Services (Non-Financial), Transportation, Other Consumer Products and Services, Utilities, Other Energy, Capital Markets/Institutions, Commercial Banks, Insurance, Other Financial Services, Other Healthcare, IT Services, Other Information Technology, Agriculture, Chemicals and Gases, Construction (Non-Wood), Containers and Packaging, Forestry, Metals, Minerals and Mining, Textiles, Other Materials

Average & Median Time Since 1st VC to Exit (VC backed IPOs) cont.

	2022		2023		2024	
	Avg	Median	Avg	Median	Avg	Median
Commercial Products & Services	6.21	5.02	5.82	5.20	6.27	5.04
Consumer Goods & Services	5.89	5.46	5.58	4.60	5.55	5.49
Energy	7.57	7.00	8.63	8.55	5.20	4.07
HC Devices & Supplies	7.93	6.88	8.26	7.19	10.39	9.30
HC Services & Systems	6.23	5.88	5.04	4.10	6.64	6.26
IT Hardware	8.53	7.29	8.10	5.91	9.20	7.89
Media	6.97	6.33	4.98	3.16	5.59	4.27
Other	5.45	4.54	4.64	3.52	4.47	3.63
Pharma & Biotech	5.71	4.35	6.16	4.71	6.31	4.81
Software	5.80	5.02	5.67	4.74	5.43	4.70
Transportation	5.25	5.06	5.31	4.81	9.29	8.46

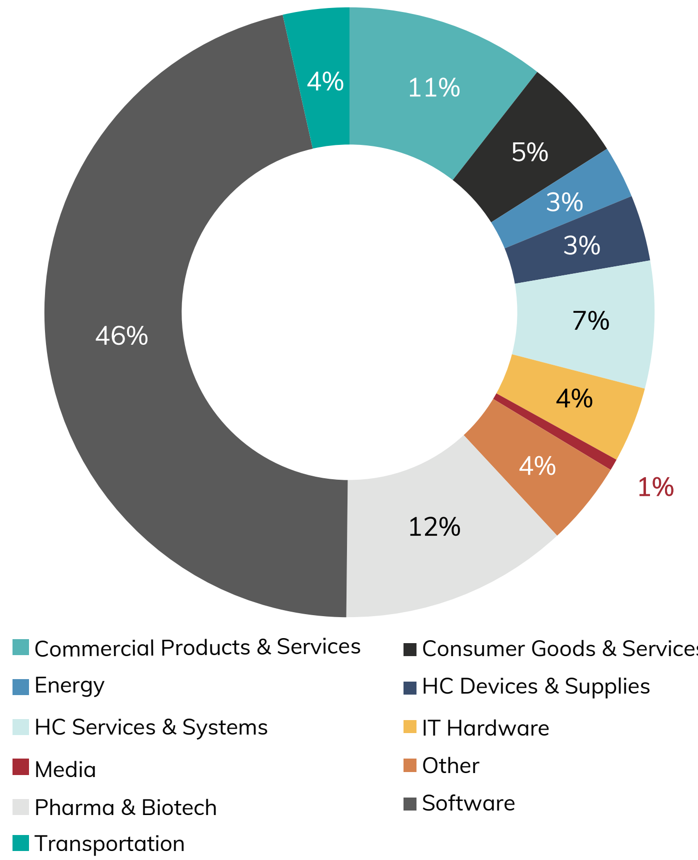
Source: NVCA 2025 Yearbook, Data provided by PitchBook
Commercial Products, Commercial Transportation, Other Business Products and Services, Consumer Durables, Consumer Non-Durables, Services (Non-Financial), Transportation, Other Consumer Products and Services, Utilities, Other Energy, Capital Markets/Institutions, Commercial Banks, Insurance, Other Financial Services, Other Healthcare, IT Services, Other Information Technology, Agriculture, Chemicals and Gases, Construction (Non-Wood), Containers and Packaging, Forestry, Metals, Minerals and Mining, Textiles, Other Materials

2024 Top States by VC Capital Raised

	# of Funds	Capital Raised ($M)
California	197	$43,075.7
New York	93	$14,984.7
Massachusetts	26	$6,190.0
Illinois	24	$4,712.2
Texas	35	$1,344.6
Florida	27	$1,300.2
Washington	12	$1,017.5
Virginia	9	$742.6
Nevada	3	$472.0
New Jersey	4	$449.5
North Carolina	3	$333.0
Colorado	5	$325.2
District of Columbia	3	$281.1
Georgia	7	$264.8
Connecticut	6	$256.9
Delaware	4	$152.4
Wisconsin	5	$143.5
Indiana	1	$125.0
Montana	1	$102.0
Michigan	3	$100.0
Arizona	1	$85.0
Ohio	6	$81.0
Pennsylvania	1	$50.0
Tennessee	2	$38.1
Kentucky	1	$33.0

Source: NVCA 2025 Yearbook, Data provided by PitchBook

2024 US VC Deals by Sector ($B)



Source: NVCA 2025 Yearbook, Data provided by PitchBook
*Other industry groups below:
Commercial Products, Commercial Transportation, Other Business Products and Services, Consumer Durables, Consumer Non-Durables, Services (Non-Financial), Transportation, Other Consumer Products and Services, Utilities, Other Energy, Capital Markets/Institutions, Commercial Banks, Insurance, Other Financial Services, Other Healthcare, IT Services, Other Information Technology, Agriculture, Chemicals and Gases, Construction (Non-Wood), Containers and Packaging, Forestry, Metals, Minerals and Mining, Textiles, Other Materials

2024 Top 50 US VC Deal Flow by MSA (#)

	2024
San Francisco-Oakland-Fremont, CA MSA	2409
New York-Northern New Jersey-Long Island, NY-NJ-PA MSA	1974
Los Angeles-Long Beach-Santa Ana, CA MSA	933
Boston-Cambridge-Quincy, MA-NH MSA	856
San Jose-Sunnyvale-Santa Clara, CA MSA	696
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA	462
Austin-Round Rock, TX MSA	370
Seattle-Tacoma-Bellevue, WA MSA	369
Miami-Fort Lauderdale-Pompano Beach, FL MSA	350
Chicago-Naperville-Joliet, IL-IN-WI MSA	337
Washington-Arlington-Alexandria, DC-VA-MD-WV MSA	275
San Diego-Carlsbad-San Marcos, CA MSA	248
Denver-Aurora, CO MSA	233
Dallas-Fort Worth-Arlington, TX MSA	204
Atlanta-Sandy Springs-Marietta, GA MSA	184
Houston-Sugar Land-Baytown, TX MSA	155
Minneapolis-St. Paul-Bloomington, MN-WI MSA	144
Dover, DE MSA	132
Phoenix-Mesa-Scottsdale, AZ MSA	115
Portland-Vancouver-Beaverton, OR-WA MSA	113
Boulder, CO MSA	93
Sacramento-Arden-Arcade-Roseville, CA MSA	82
Nashville-Davidson-Murfreesboro-Franklin, TN MSA	80
Salt Lake City, UT MSA	80
Indianapolis-Carmel, IN MSA	77
Raleigh-Cary, NC MSA	73

	2024
Pittsburgh, PA MSA	72
Detroit-Warren-Livonia, MI MSA	70
Durham, NC MSA	65
Columbus, OH MSA	60
Orlando-Kissimmee, FL MSA	59
Baltimore-Towson, MD MSA	58
Tampa-St. Petersburg-Clearwater, FL MSA	58
Bridgeport-Stamford-Norwalk, CT MSA	52
Las Vegas-Paradise, NV MSA	52
Kansas City, MO-KS MSA	51
Cincinnati-Middletown, OH-KY-IN MSA	50
Provo-Orem, UT MSA	48
Charlotte-Gastonia-Concord, NC-SC MSA	45
St. Louis, MO-IL MSA	45
Louisville/Jefferson County, KY-IN MSA	44
Cleveland-Elyria-Mentor, OH MSA	43
Ann Arbor, MI MSA	35
Santa Barbara-Santa Maria-Goleta, CA MSA	35
Madison, WI MSA	32
Albany-Schenectady-Troy, NY MSA	31
Providence-New Bedford-Fall River, RI-MA MSA	31
Milwaukee-Waukesha-West Allis, WI MSA	29
New Haven-Milford, CT MSA	29
Charleston-North Charleston, SC MSA	27
Omaha-Council Bluffs, NE-IA MSA	25

Source: NVCA 2025 Yearbook; Data provided by PitchBook

Median US VC Deal Size by Stage

Source: NVCA 2025 Yearbook, Data provided by PitchBook

Median US VC Deal Size by Stage

	2017	2018	2019	2020	2021	2022	2023	2024
Pre-seed/Seed	$1.1	$1.3	$1.5	$1.5	$2.0	$2.2	$2.5	$2.6
Early VC	$3.0	$3.9	$3.5	$3.7	$6.7	$5.6	$4.3	$6.0
Later VC	$5.0	$5.8	$6.0	$6.3	$10.0	$8.5	$5.5	$7.3
Venture Growth	$12.4	$17.1	$15.0	$17.3	$35.0	$19.4	$13.1	$11.2

Source: NVCA 2025 Yearbook, Data provided by PitchBook

Median US VC Pre-Money Valuation by Series

	2017	2018	2019	2020	2021	2022	2023	2024
Seed	$5.5	$6.0	$6.8	$7.0	$9.0	$10.4	$10.8	$13.7
A	$14.8	$17.7	$20.0	$21.0	$33.0	$39.4	$32.0	$40.0
Angel	$3.1	$3.0	$4.5	$3.6	$4.1	$5.2	$6.1	$6.5
B	$38.8	$52.9	$62.9	$70.0	$102.0	$112.0	$87.0	$106.1
C	$80.0	$100.0	$123.2	$167.3	$290.0	$254.0	$170.0	$252.5
D+	$175.4	$248.3	$345.0	$400.0	$950.0	$716.5	$362.7	$686.8

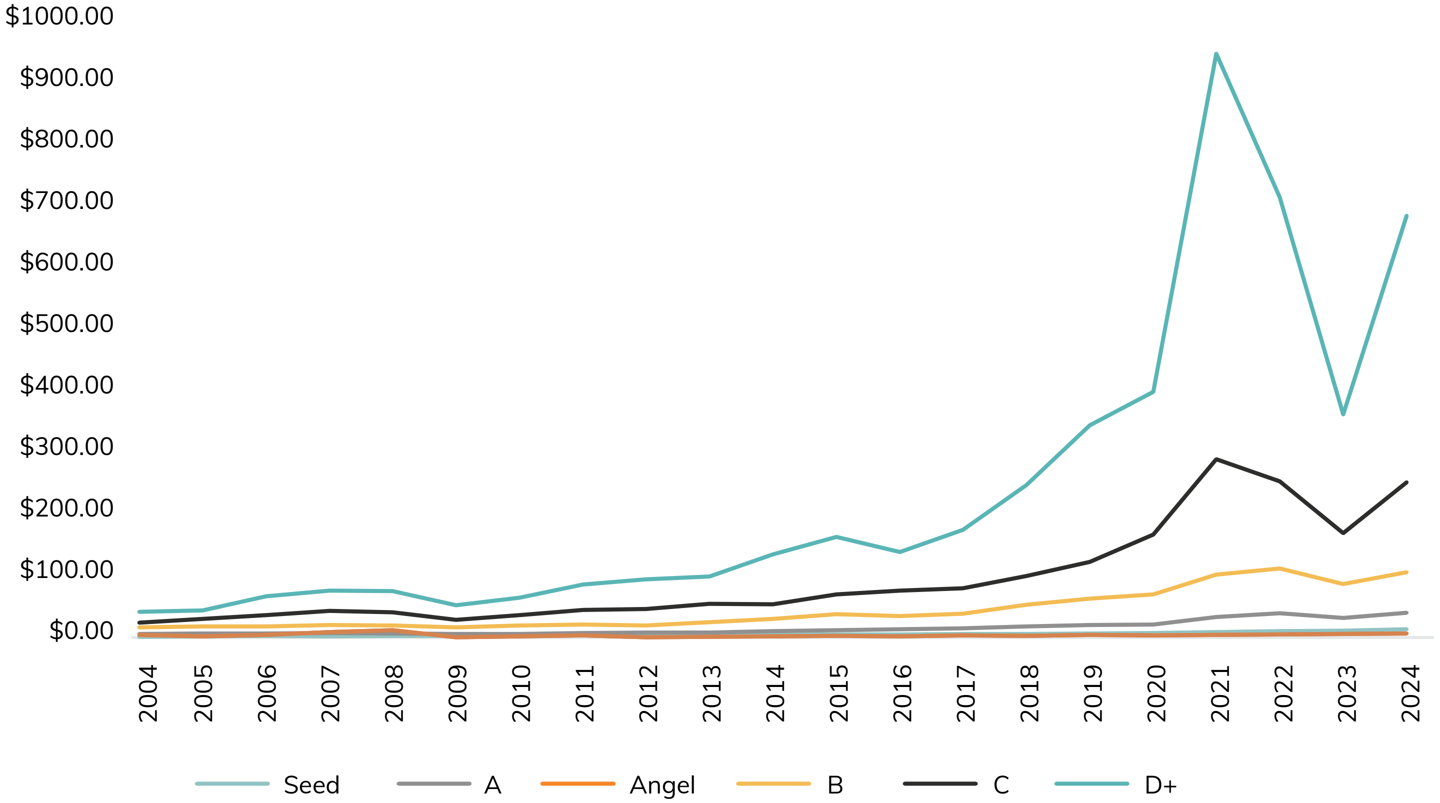
Source: NVCA 2025 Yearbook, Data provided by PitchBook

Median US VC Company Age (Years) by Series

2017	2018	2019	2020	2021	2022	2023	2024	2024
2.32	2.34	2.49	2.44	2.46	2.32	2.55	2.56	13.69
3.60	3.87	4.11	4.04	4.04	4.29	4.85	4.56	40.00
3.82	3.96	4.13	4.33	4.22	4.38	4.63	4.83	6.50
5.01	5.24	5.49	5.77	5.67	6.09	6.40	6.73	106.11
6.65	7.05	7.03	6.76	6.86	7.53	8.26	7.58	252.50
8.73	9.02	8.72	9.27	8.71	9.19	10.28	9.64	686.75

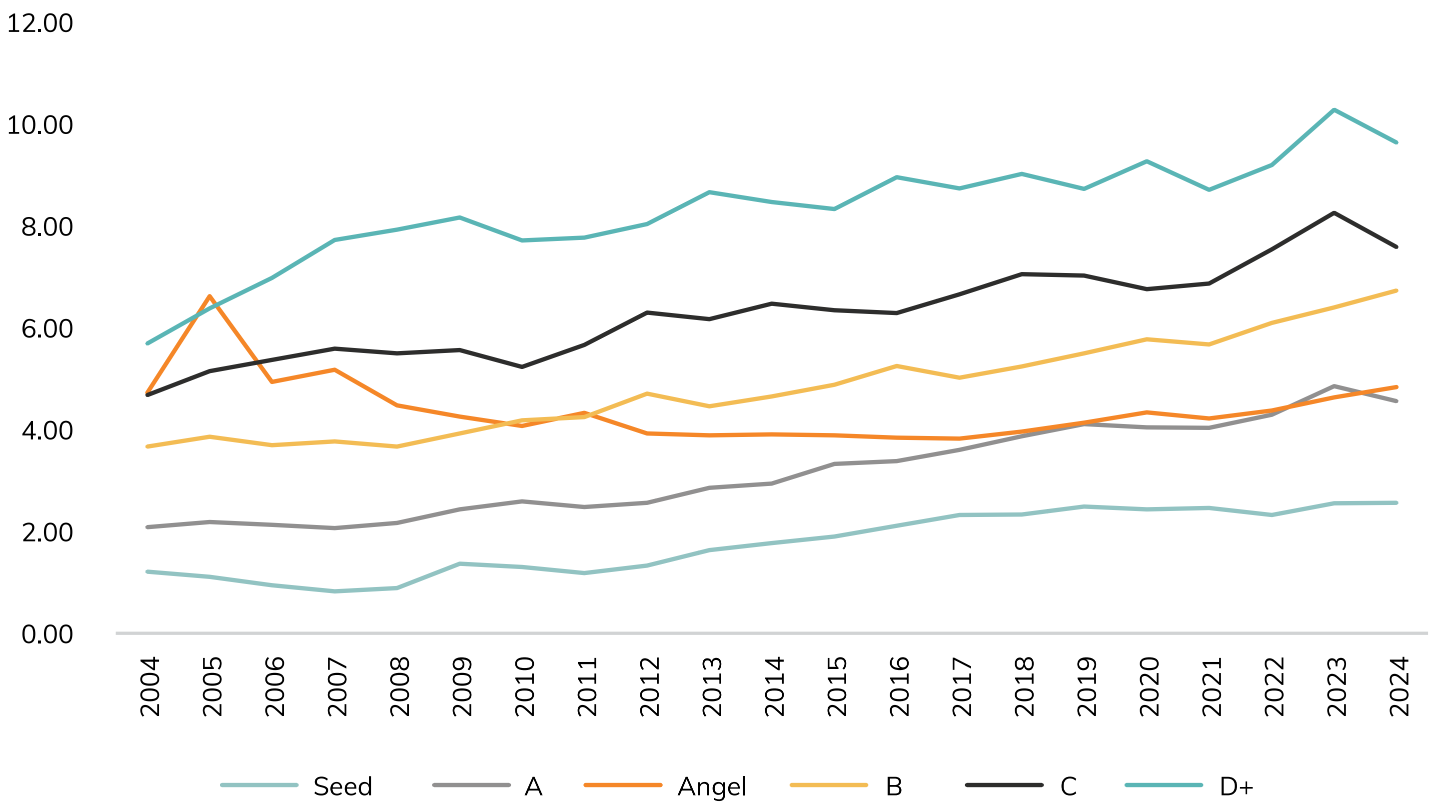
Source: NVCA 2025 Yearbook, Data provided by PitchBook

Median US VC Pre-Money Valuation by Series



Source: NVCA 2025 Yearbook, Data provided by PitchBook

Median US VC Company Age (Years) by Series



Source: NVCA 2025 Yearbook, Data provided by PitchBook

US VC backed M&A by Sector (Company Count)

	2009	2010	2011	2012	2013	2014	2015	2016
Commercial Products & Services	84	116	151	164	165	199	203	185
Consumer Goods & Services	31	31	38	50	57	76	85	101
Energy	5	14	10	6	14	20	17	10
HC Devices & Supplies	28	41	54	56	52	42	58	45
HC Services & Systems	28	26	27	41	33	52	58	63
IT Hardware	66	88	52	70	60	64	61	40
Media	22	38	39	60	56	52	58	56
Other	6	16	9	22	16	14	31	22
Pharma & Biotech	26	38	38	42	39	45	44	57
Software	180	293	295	323	350	420	417	430
Transportation	1	8	3	3	5	3	7	5

	2017	2018	2019	2020	2021	2022	2023	2024
Commercial Products & Services	185	183	180	195	252	188	130	145
Consumer Goods & Services	108	115	153	120	156	135	127	132
Energy	8	10	10	13	9	21	10	2
HC Devices & Supplies	44	50	57	54	61	45	48	30
HC Services & Systems	66	76	79	99	130	105	85	83
IT Hardware	40	56	43	40	60	42	34	30
Media	37	38	50	32	39	30	32	30
Other	22	28	32	25	49	50	56	40
Pharma & Biotech	51	61	72	65	88	59	51	52
Software	458	559	549	490	867	675	485	531
Transportation	14	13	8	9	20	12	10	8

Source: NVCA 2025 Yearbook, Data provided by PitchBook

Commercial Products, Commercial Transportation, Other Business Products and Services, Consumer Durables, Consumer Non-Durables, Services (Non-Financial), Transportation, Other Consumer Products and Services, Utilities, Other Energy, Capital Markets/Institutions, Commercial Banks, Insurance, Other Financial Services, Other Healthcare, IT Services, Other Information Technology, Agriculture, Chemicals and Gases, Construction (Non-Wood), Containers and Packaging, Forestry, Metals, Minerals and Mining, Textiles, Other Materials

US VC backed M&A by Sector ($M)

	2009	2010	2011	2012	2013	2014	2015	2016
Commercial Products & Services	$1,055.0	$4,041.1	$3,059.0	$4,791.4	$5,938.9	$7,436.0	$7,647.4	$6,014.8
Consumer Goods & Services	$2,277.4	$1,990.8	$1,606.7	$488.7	$1,089.2	$5,674.6	$2,878.3	$6,736.4
Energy	$15.9	$5,150.2	$151.8	$10.0	$188.0	$510.5	$229.1	$376.3
HC Devices & Supplies	$2,333.3	$2,833.3	$3,860.4	$3,727.9	$3,001.5	$3,688.2	$4,475.5	$2,591.9
HC Services & Systems	$240.0	$740.9	$957.8	$854.6	$520.8	$4,399.7	$1,425.3	$1,653.9
IT Hardware	$2,049.9	$4,535.7	$2,971.5	$7,618.8	$3,940.4	$4,107.7	$4,572.1	$2,757.0
Media	$200.2	$421.0	$554.8	$891.0	$548.4	$1,499.6	$1,506.1	$1,149.1
Other	$56.6	$690.0	$488.9	$908.7	$448.4	$147.4	$154.7	$627.7
Pharma & Biotech	$2,198.8	$5,831.9	$4,648.6	$6,699.0	$5,035.6	$9,390.1	$11,642.7	$15,580.2
Software	$2,864.3	$8,922.7	$11,739.4	$11,030.1	$10,909.3	$31,866.0	$12,267.4	$14,260.9
Transportation	-	$711.7	$78.7	-	$460.0	-	$36.0	$646.0

	2017	2018	2019	2020	2021	2022	2023	2024
Commercial Products & Services	$5,008.3	$7,408.6	$3,681.8	$7,019.1	$9,851.1	$7,327.8	$2,584.9	$4,153.3
Consumer Goods & Services	$8,016.8	$4,217.1	$4,459.7	$7,897.9	$3,489.0	$3,084.9	$537.1	$2,061.0
Energy	$50.0	$14.0	$164.8	$51.6	$450.0	$720.0	$2,462.7	$120.2
HC Devices & Supplies	$2,624.5	$4,491.0	$9,260.7	$2,528.5	$4,302.2	$3,320.9	$9,597.4	$1,355.2
HC Services & Systems	$4,850.3	$4,806.5	$1,311.9	$4,896.1	$19,101.4	$6,564.6	$1,086.5	$2,043.2
IT Hardware	$1,808.3	$796.8	$3,907.3	$5,408.3	$5,192.2	$2,265.3	$2,393.8	$1,165.6
Media	$579.9	$1,568.1	$1,477.9	$1,005.8	$3,930.8	$1,939.2	$68.4	$298.6
Other	$647.0	$1,567.2	$2,923.7	$8,644.1	$2,554.6	$1,836.7	$936.6	$913.1
Pharma & Biotech	$10,485.2	$13,776.1	$11,401.2	$14,687.8	$23,932.4	$7,701.6	$6,986.1	$24,020.2
Software	$17,800.8	$30,880.1	$35,566.0	$30,108.3	$48,962.3	$18,515.9	$15,005.2	$18,119.5
Transportation	$481.0	$1,462.0	$100.4	$5,721.0	$986.8	$172.8	$879.0	$318.1

Source: NVCA 2025 Yearbook, Data provided by PitchBook
Commercial Products, Commercial Transportation, Other Business Products and Services, Consumer Durables, Consumer Non-Durables, Services (Non-Financial), Transportation, Other Consumer Products and Services, Utilities, Other Energy, Capital Markets/Institutions, Commercial Banks, Insurance, Other Financial Services, Other Healthcare, IT Services, Other Information Technology, Agriculture, Chemicals and Gases, Construction (Non-Wood), Containers and Packaging, Forestry, Metals, Minerals and Mining, Textiles, Other Materials

US VC Backed M&A Value and Age Characteristics

	# of Acquisitions	# with Disclosed Values	Deal Value ($M)	Median Deal Value ($M)	Average Deal Value ($M)	Median Time from 1st VC to Exit	Average Time from 1st VC to Exit
2004	390	188	$ 19,078.1	$40.0	$101.5	3.84	3.93
2005	411	185	$17,391.4	$39.6	$94.0	4.72	4.53
2006	494	254	$22,670.7	$42.3	$89.3	4.75	4.75
2007	554	263	$33,020.6	$47.1	$125.6	4.67	4.84
2008	486	189	$18,029.0	$32.3	$95.4	4.62	4.80
2009	477	149	$13,291.2	$21.5	$89.2	4.34	4.81
2010	709	266	$35,869.4	$37.8	$134.8	4.31	4.98
2011	716	275	$30,117.6	$41.5	$109.5	4.22	4.87
2012	837	274	$37,020.2	$40.0	$135.1	4.53	5.07
2013	847	287	$32,080.4	$35.0	$111.8	3.71	4.93
2014	987	339	$68,719.8	$50.0	$202.7	4.42	5.30
2015	1,039	303	$46,834.6	$46.0	$154.6	4.16	5.25
2016	1,014	290	$52,394.2	$61.9	$180.7	4.36	5.50
2017	1,033	284	$52,352.1	$50.0	$184.3	4.81	5.81
2018	1,189	325	$70,987.5	$70.0	$218.4	5.01	5.93
2019	1,233	332	$74,255.3	$68.5	$223.7	5.10	5.92
2020	1,142	309	$87,968.5	$70.8	$284.7	5.28	6.19
2021	1,731	523	$122,752.7	$64.8	$234.7	5.33	5.97
2022	1,362	304	$53,449.6	$47.3	$175.8	5.29	6.08
2023	1,068	192	$42,537.6	$43.2	$221.6	4.90	5.85
2024	1,083	164	$54,567.8	$ 91.6	$332.7	5.00	5.86

Source: NVCA 2025 Yearbook, Data provided by PitchBook

US VC Deal Flow by Sector ($B)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Commercial Products & Services	$10.9	$8.1	$10.7	$13.0	$20.9	$17.6	$42.6	$27.1	$23.7	$22.7
Consumer Goods & Services	$10.4	$7.2	$11.4	$30.3	$18.4	$15.8	$27.7	$19.6	$9.5	$11.7
Energy	$1.4	$0.9	$0.6	$0.9	$1.2	$1.7	$5.7	$6.8	$3.6	$6.0
HC Devices & Supplies	$4.4	$3.8	$5.3	$6.0	$5.8	$8.2	$9.7	$7.6	$6.9	$7.5
HC Services & Systems	$4.9	$5.2	$5.5	$8.5	$9.7	$13.0	$30.8	$16.4	$15.5	$14.5
IT Hardware	$2.9	$3.2	$4.3	$4.9	$5.6	$7.5	$9.9	$9.5	$6.2	$8.6
Media	$2.4	$1.7	$1.7	$1.4	$2.4	$1.7	$3.9	$3.5	$1.4	$1.3
Other	$6.0	$4.7	$4.9	$6.9	$8.8	$13.0	$29.9	$17.9	$8.8	$9.6
Pharma & Biotech	$11.1	$10.6	$14.0	$21.0	$19.1	$29.6	$39.8	$30.1	$20.7	$26.0
Software	$28.3	$28.4	$29.8	$44.3	$51.5	$57.8	$143.0	$90.6	$66.3	$99.8
Transportation	$4.4	$9.9	$2.8	$9.5	$10.5	$9.0	$13.2	$4.2	$2.5	$7.6

Source: NVCA 2025 Yearbook, Data provided by PitchBook
*Other industry groups below:
Commercial Products, Commercial Transportation, Other Business Products and Services, Consumer Durables, Consumer Non-Durables, Services (Non-Financial), Transportation, Other Consumer Products and Services, Utilities, Other Energy, Capital Markets/Institutions, Commercial Banks, Insurance, Other Financial Services, Other Healthcare, IT Services, Other Information Technology, Agriculture, Chemicals and Gases, Construction (Non-Wood), Containers and Packaging, Forestry, Metals, Minerals and Mining, Textiles, Other Materials

US VC Deal Flow by Sector (#)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Commercial Products & Services	1,797	1,692	1,717	1,705	1,804	1,810	2,422	2,354	2,167	2,166
Consumer Goods & Services	1,835	1,694	1,855	1,935	2,219	2,024	2,758	2,418	1,757	1,533
Energy	184	166	121	134	139	149	226	225	245	253
HC Devices & Supplies	683	661	712	753	779	819	939	808	740	674
HC Services & Systems	810	830	872	966	1,106	1,133	1,564	1,438	1,216	1,216
IT Hardware	428	444	500	539	521	553	621	586	507	487
Media	496	410	379	340	371	364	472	499	365	310
Other	454	362	429	515	557	602	969	1,010	765	786
Pharma & Biotech	799	771	930	976	1,068	1,166	1,467	1,154	1,020	974
Software	4,455	4,049	4,339	4,721	5,078	5,225	7,761	7,391	5,804	5,770
Transportation	141	144	181	188	200	157	228	209	179	151

Source: NVCA 2025 Yearbook, Data provided by PitchBook
*Other industry groups below:
Commercial Products, Commercial Transportation, Other Business Products and Services, Consumer Durables, Consumer Non-Durables, Services (Non-Financial), Transportation, Other Consumer Products and Services, Utilities, Other Energy, Capital Markets/Institutions, Commercial Banks, Insurance, Other Financial Services, Other Healthcare, IT Services, Other Information Technology, Agriculture, Chemicals and Gases, Construction (Non-Wood), Containers and Packaging, Forestry, Metals, Minerals and Mining, Textiles, Other Materials

US VC CleanTech Investments by Year

	Capital Raised ($M)	# of Deals Closed	Average Capital Raised ($M)
2014	$3,444.6	498	$7.9
2015	$2,855.1	461	$7.1
2016	$4,277.1	467	$10.5
2017	$3,421.4	460	$8.5
2018	$7,968.4	540	$16.8
2019	$6,501.8	558	$13.8
2020	$11,336.1	649	$20.0
2021	$24,091.8	918	$31.9
2022	$17,015.9	1,015	$20.7
2023	$12,759.7	959	$17.9
2024	$13,692.3	901	$20.4

Source: NVCA 2025 Yearbook, Data provided by PitchBook

US IPOs by Year

	# of All IPOs	# of VC Backed IPOs
2006	516	86
2007	767	47
2008	420	69
2009	286	88
2010	377	16
2011	365	10
2012	459	43
2013	473	46
2014	468	60
2015	341	89
2016	248	128

	# of All IPOs	# of VC Backed IPOs
2017	289	84
2018	286	47
2019	288	70
2020	508	95
2021	981	90
2022	200	40
2023	156	42
2024	185	42

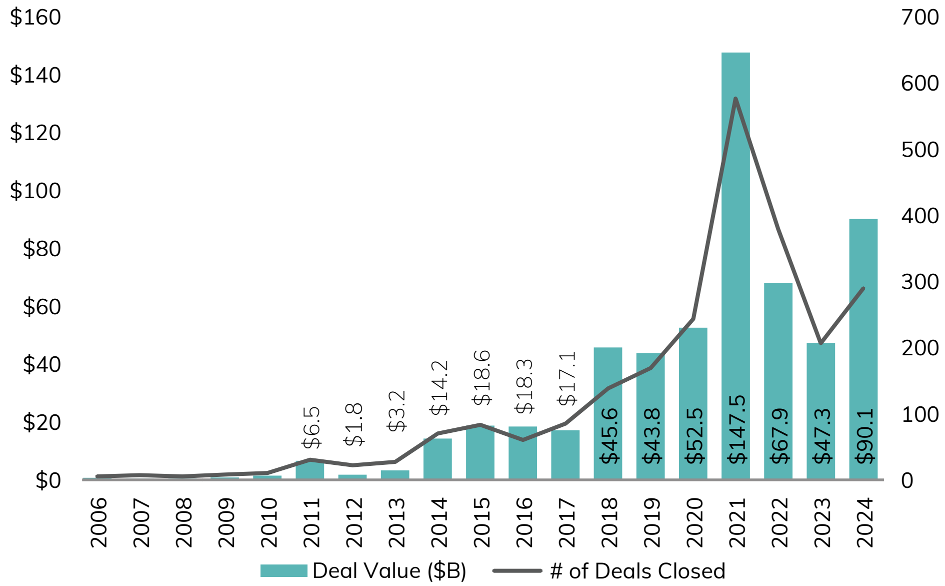
Source: NVCA 2025 Yearbook, Data provided by PitchBook

Active VC Investors by State and Year

	2017	2018	2019	2020	2021	2022	2023	2024
California	2,675	3,232	3,491	3,810	5,394	5,146	4,107	3,939
New York	1,277	1,558	1,730	1,990	3,104	3,001	2,294	2,120
Massachusetts	758	906	977	1,100	1,646	1,575	1,118	1,078
Texas	521	664	664	724	1,394	1,358	1,031	907
Delaware	161	198	274	364	889	1,124	928	862
Florida	270	355	399	476	953	1,179	815	672
Washington	368	394	489	542	872	874	707	571
Colorado	313	313	438	536	762	706	469	476
Illinois	295	334	388	441	698	693	447	447
New Jersey	168	173	244	209	469	393	293	283
Pennsylvania	165	241	255	327	497	498	276	274
Georgia	166	199	212	246	441	441	248	248
North Carolina	153	195	240	242	392	456	298	233
Virginia	203	210	209	207	351	327	318	229
Ohio	103	139	153	163	255	276	205	207
Utah	150	165	208	248	350	281	196	192
Maryland	121	171	191	234	248	234	185	157
Tennessee	79	101	129	146	252	196	177	152
Arizona	88	109	140	143	235	237	131	146
Michigan	105	121	140	165	259	226	162	133
Minnesota	111	147	132	142	217	177	171	133
Indiana	65	96	80	97	116	114	108	131
Connecticut	83	89	117	120	219	229	131	130
Nevada	106	84	107	116	217	258	124	128
Oregon	122	129	159	182	240	238	180	123
District of Columbia	70	89	106	119	226	207	168	104
Missouri	80	107	97	108	162	120	94	76
Wisconsin	43	66	69	68	127	76	66	76
Louisiana	19	7	26	22	30	47	32	54
Wyoming	6	13	5	17	119	134	61	53
Rhode Island	18	10	10	14	22	44	36	52
Kentucky	26	37	42	54	40	43	50	46
South Carolina	20	43	37	20	50	57	40	43
Alabama	8	9	15	22	46	61	33	42
Oklahoma	8	7	11	26	30	36	34	30
New Hampshire	30	34	39	40	51	67	48	26
Nebraska	16	22	18	19	60	40	40	25
New Mexico	20	20	22	35	35	47	41	25
Iowa	22	40	14	52	47	47	36	22
Vermont	11	9	22	15	41	35	45	22
Idaho	14	26	15	21	45	39	21	21
Arkansas	14	14	10	27	28	18	15	20
Montana	36	25	22	42	38	52	31	19
Kansas	49	34	27	27	44	67	46	17
Maine	5	6	31	31	29	23	24	15
Hawaii	3	4	11	9	24	33	35	13
North Dakota	1	6	3	2	5	-	11	4
Mississippi	2	-	1	-	5	7	3	3
South Dakota	3	1	1	-	1	3	4	1
West Virginia	4	-	2	4	5	7	4	1
Alaska	1	-	1	-	2	2	-	-

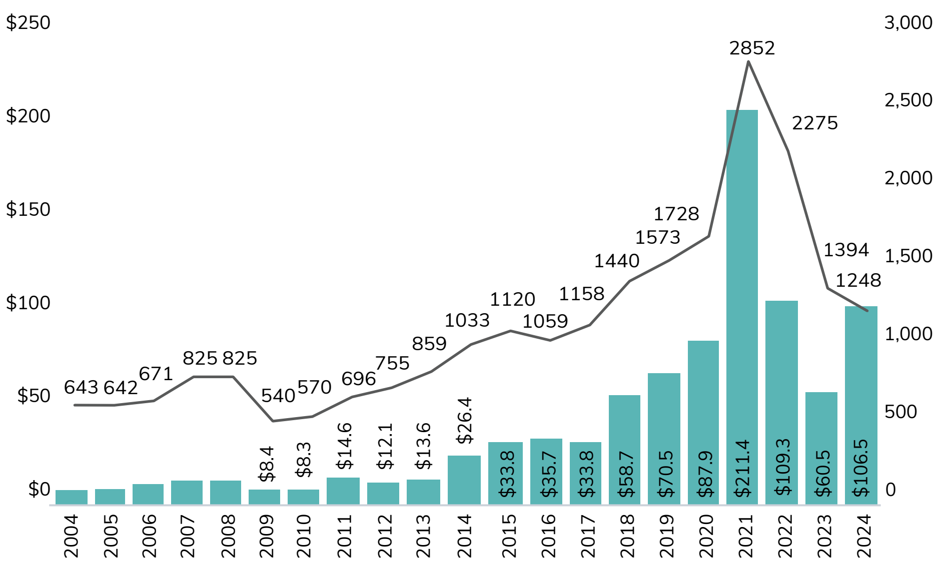
Source: NVCA 2025 Yearbook, Data provided by PitchBook

US VC-backed Unicorn Deal Flow by year



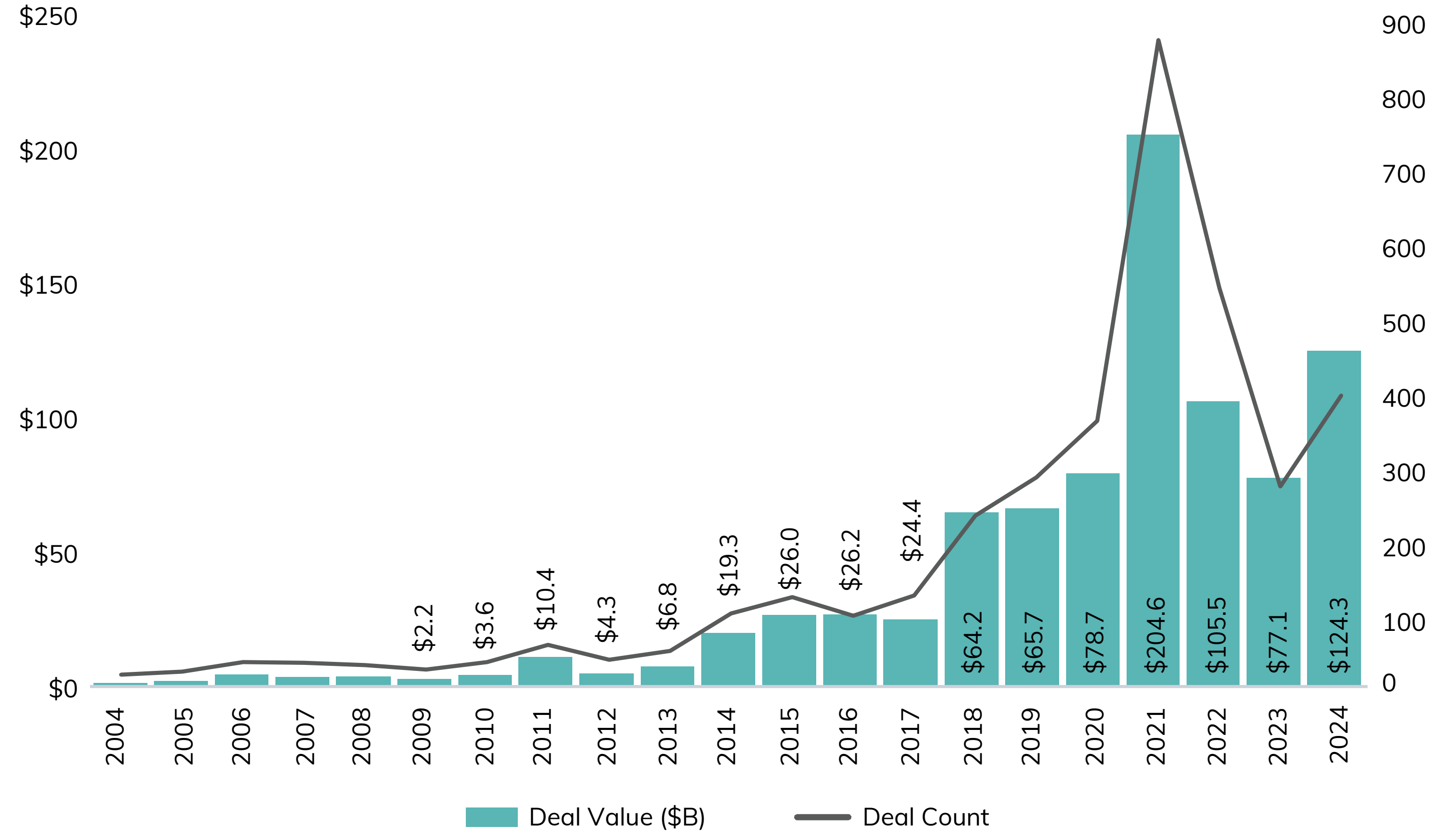
Source: NVCA 2025 Yearbook, Data provided by PitchBook

US VC Activity With PE Involvement



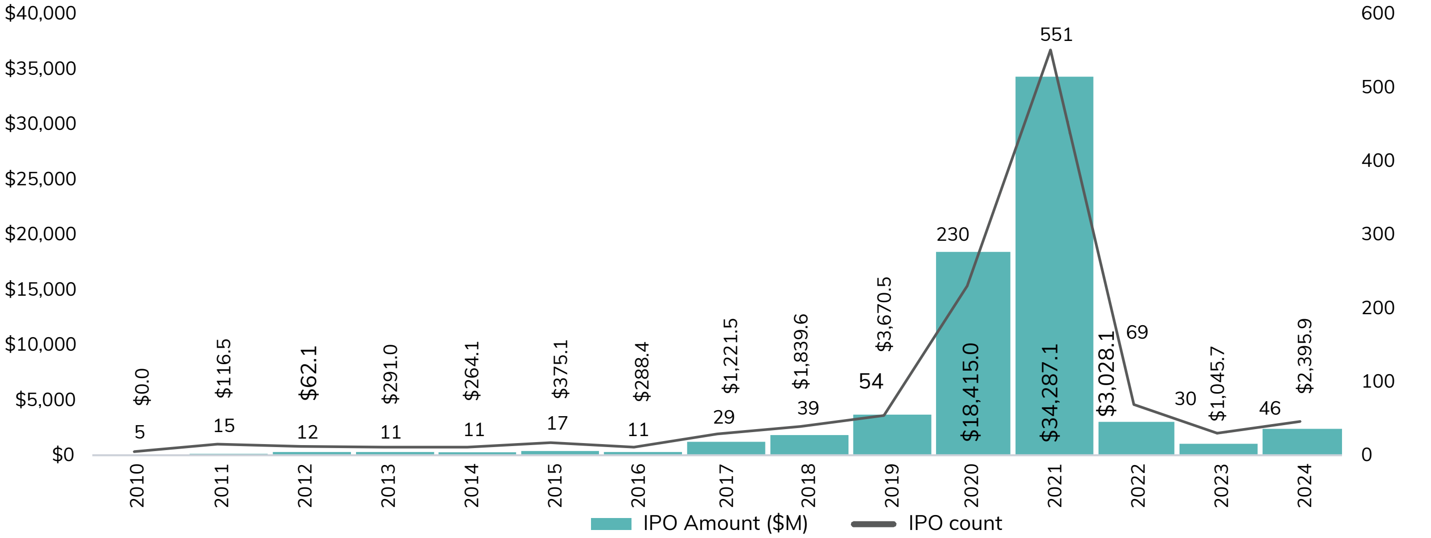
Source: NVCA 2025 Yearbook, Data provided by PitchBook

US VC Mega Deals ($B)



Source: NVCA 2025 Yearbook, Data provided by PitchBook

SPAC registration in the US over the past decade



Source: NVCA 2025 Yearbook, Data provided by PitchBook

U.S. as a % of Global VC Exits by Year

	2016	2017	2018	2019	2020	2021	2022	2023	2024
Global Exit Value ($B)	$199.6	$265.9	$407.8	$464.0	$626.1	$1,582.9	$454.8	$336.6	$326.6
US Exit Value ($B)	$65.7	$104.9	$133.6	$267.2	$298.6	$767.4	$96.6	$72.8	$98.0
Global Exit Count (#)	2,208	2,366	2,580	2,802	2,943	4,643	3,758	3,034	2,817
US Exit Count (#)	1,072	1,117	1,297	1,346	1,287	2,043	1,445	1,155	1,147
US as % of Global ($)	$0.3	$0.4	$0.3	$0.6	$0.5	$0.5	$0.2	$0.2	$0.3
US as % of Global (#)	49%	47%	50%	48%	44%	44%	38%	38%	41%

Source: NVCA 2025 Yearbook, Data provided by PitchBook

U.S. as a % of Global VC Fundraising by Year

	2016	2017	2018	2019	2020	2021	2022	2023	2024
Global Exit Value ($B)	$200.9	$203.9	$380.7	$278.5	$275.5	$404.1	$350.1	$218.5	$160.8
US Exit Value ($B)	$52.8	$46.4	$69.9	$72.7	$96.1	$174.9	$188.9	$99.9	$76.8
Global Exit Count (#)	2,509	2,768	3,123	2,856	3,110	4,294	3,850	2,393	1,419
US Exit Count (#)	627	674	796	793	937	1,612	1,650	969	538
US as % of Global ($)	$0.3	$0.2	$0.2	$0.3	$0.3	$0.4	$0.5	$0.5	$0.5
US as % of Global (#)	25%	24%	25%	28%	30%	38%	43%	40%	38%

Source: NVCA 2025 Yearbook, Data provided by PitchBook