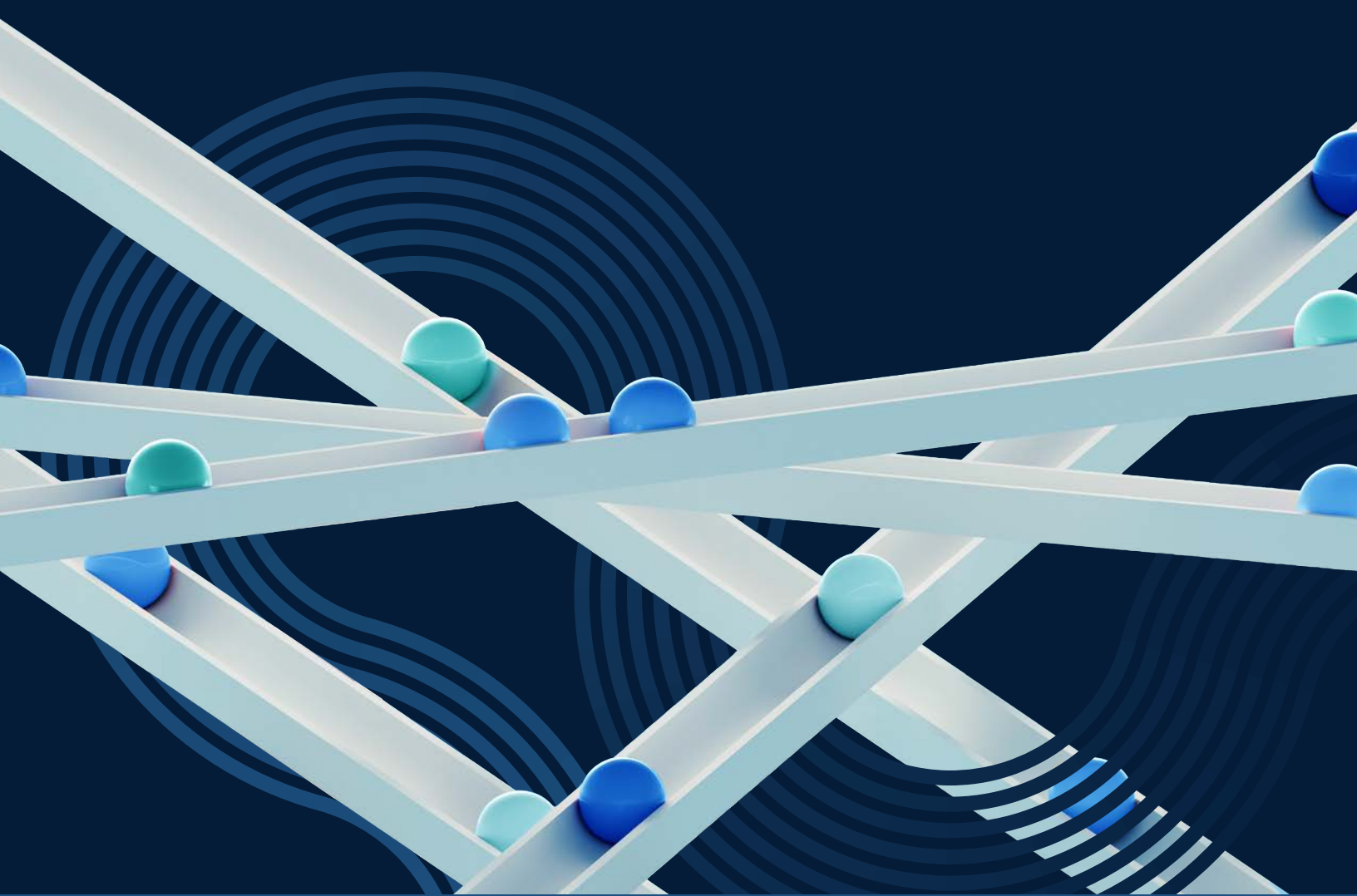


Venture Monitor

The definitive review of the US venture capital ecosystem



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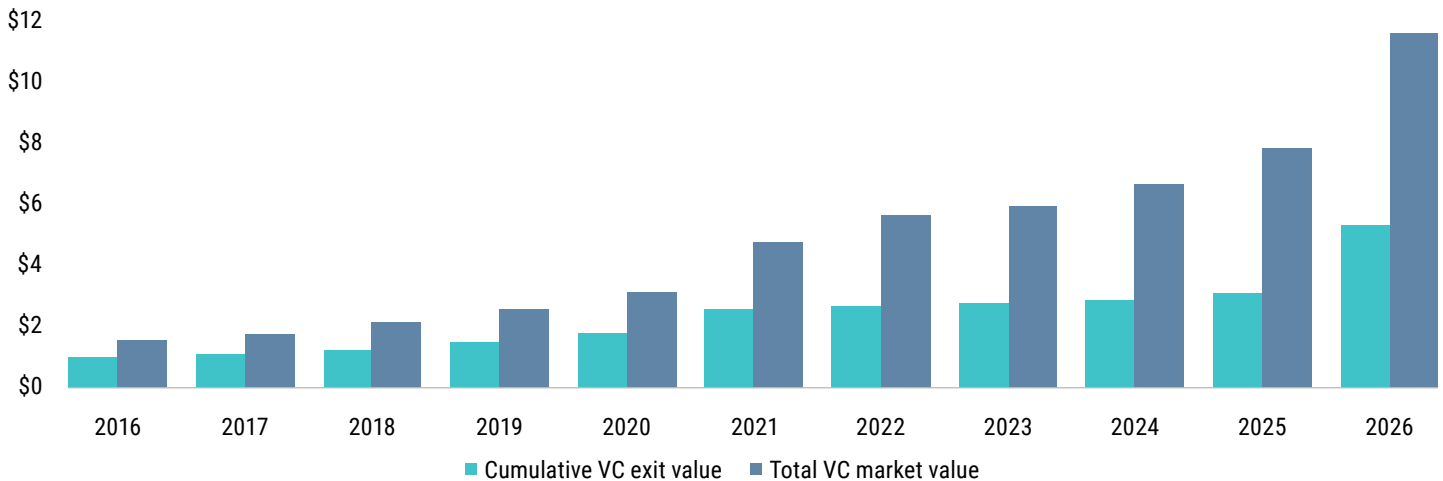
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Market overview

Private market value keeps pushing up as liquidity cannot compound quickly enough

Cumulative VC exit value versus total VC market value (\$T)

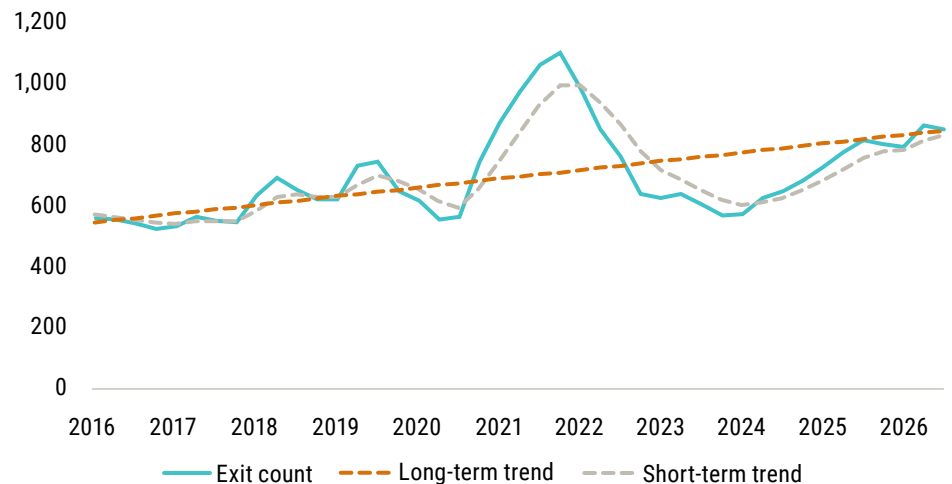


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Through Q3, the number of new US IPO listings has surpassed each of the past three full-year totals. That is positive, but it was a low bar to cross. On its own, Q3 was rather mundane compared with the rest of 2026, void of a trillion-dollar IPO or even an AI IPO. Of the 18 companies to go public, 12 were healthcare-related. One nonstellar quarter is not cause for concern, but with both OpenAI and Anthropic delaying their listings, the market remains in stasis as it waits to see the true financials of two of the most influential companies in the AI market. Public pushback against AI and datacenters is rising, calling into question the future infrastructure build-out needed to alleviate energy concerns. At the same time, backlash over the risks of rogue AI and the lack of regulation in the industry led Dario Amodei, Sam Altman, and Elon Musk to agree that a slowdown in development is needed. Regardless of their true intentions, there is much more

Exit counts boosted by small transactions

VC exit count trends



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Note: Data is seasonally adjusted and includes estimates for the four most recent quarters.

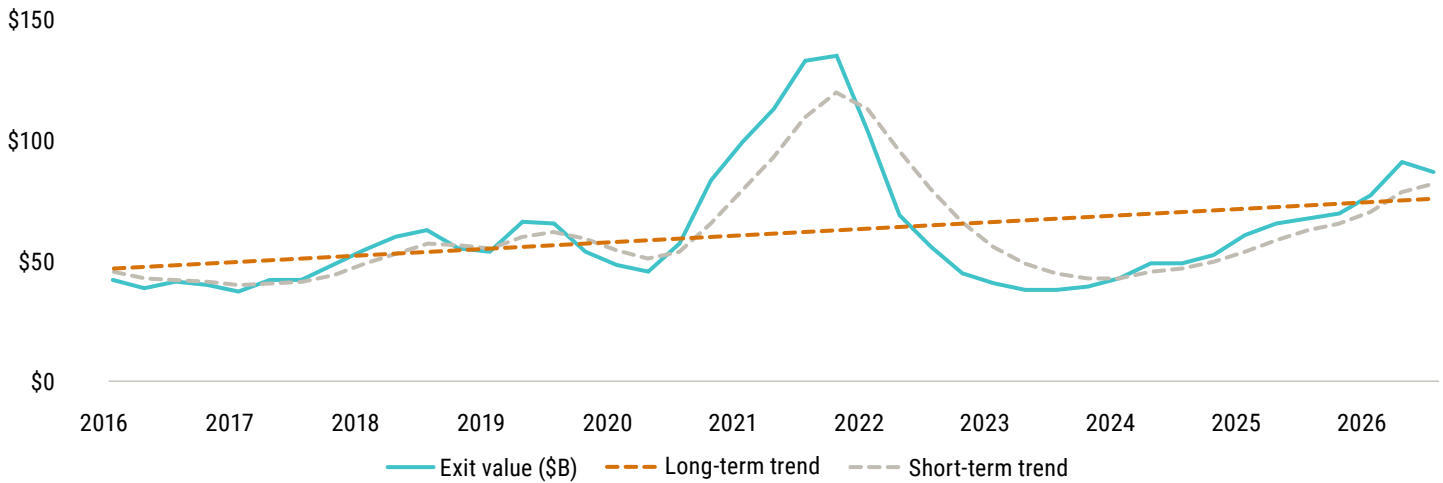
uncertainty in AI and private markets than there was one quarter ago.

These developments could have a few implications for venture investors, even if they remain short-term hiccups rather than long-term problems. 82.7%

of 2026 US VC deal value has gone to AI startups. A development slowdown causes two problems for investors. First, slowed model development can impact their portfolio companies building on top of foundational models. The median AI valuation step-up has

Exit value converges with short- and long-term trends

VC exit value trends



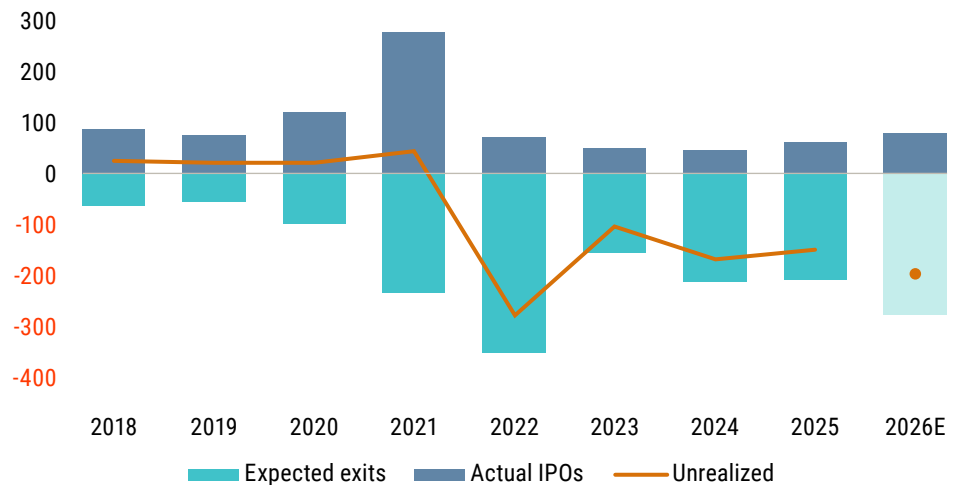
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Note: Data is seasonally adjusted and winsorized at the 95th percentile.

been 2.2x, a surge to the highest growth rate since ChatGPT publicly launched in November 2022. At the same time, AI training costs have soared, challenging business models and pushing the need for more compute capacity, which may be years away. The second problem is uncertainty about the true costs of AI. Anthropic announced it was profitable when discounting model training costs and partner revenue sharing, both of which are likely large drags on true positive net income. Investors have taken large risks on AI investment, with the caveat that future expected costs would decline significantly. While \$3 trillion of liquidity is hyped for OpenAI and Anthropic (combined), companies are beginning to move toward open-weight, lower-cost models for their businesses.

More broadly, however, the IPO delay creates uncertainty for the rest of tech. The market has waited for the mega-IPOs to list, which has kept liquidity constrained, prevented investment in other listings, and slowed the flow of

New-listing count sinking deeper underwater

Expected versus actual VC-backed IPO count



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Note: The actual IPO count for 2026 is extrapolated from listings through September 30, 2026.
Expected exits are forward-looking as of the same date.

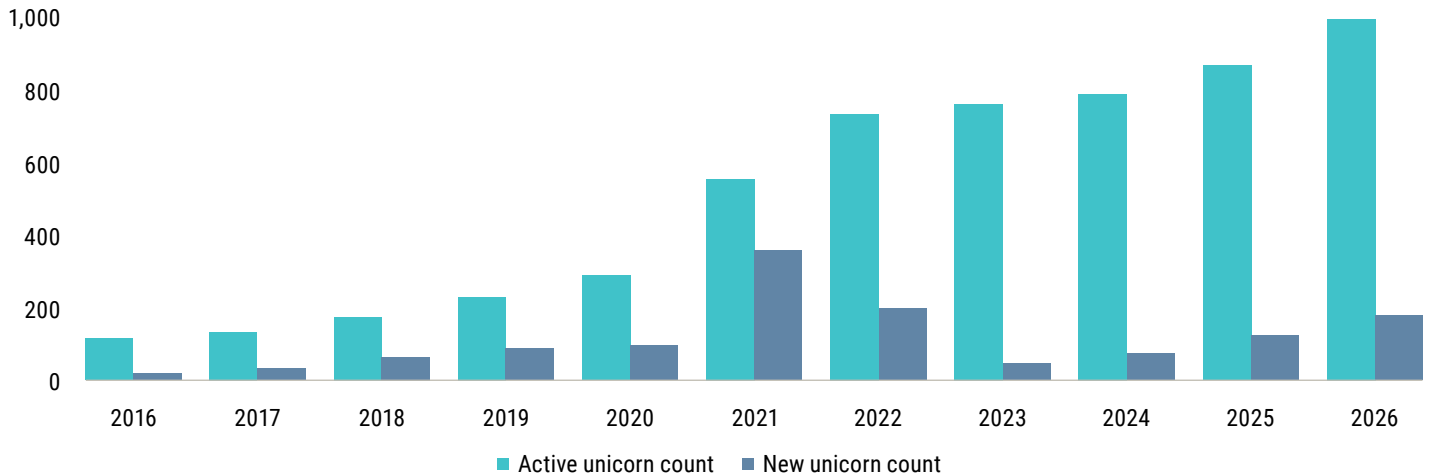
capital back to LPs. More companies have become unicorns this year (179) than have completed an IPO in any year except 2021. However, the backlog of companies that need to, or should have, gone public in the past few years is more than two full years of IPOs. The market is growing faster than ever,

compounding the liquidity problem that even a couple of trillion-dollar companies will not be able to alleviate.

Some companies in the backlog will be just fine. They are waiting to go public when the timing suits their growth and development objectives. Venture-

Unicorn growth outpaces all years but 2021

Active and new unicorn count



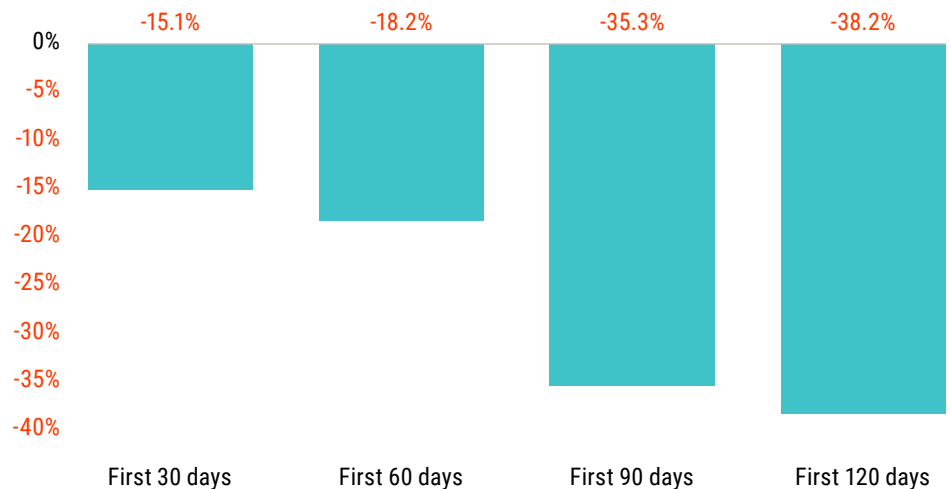
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growth data shows that 2026 has nearly surpassed every prior year in terms of capital invested in the stage and deal count. The \$108.5 billion raised by VC funds in 2026 helps, especially the nearly \$80 billion raised by firms that have captured at least \$1 billion in commitments this year.

Other companies waiting for the right time to IPO will not fare as well. Data from Forge highlights the challenges associated with the market risk of staying private too long. The median discount on Forge for companies that last raised in 2023 is 45%, while sellers in companies that last raised in 2021 find prices even harder to sustain and are selling for a median 59% discount. Miro and Airtable, once valued at \$17.5 billion and \$11.7 billion, respectively, were acquired or agreed to be acquired by Bending Spoons at discounts of nearly 90% to their private marks.¹

VC-backed IPOs have underperformed the market

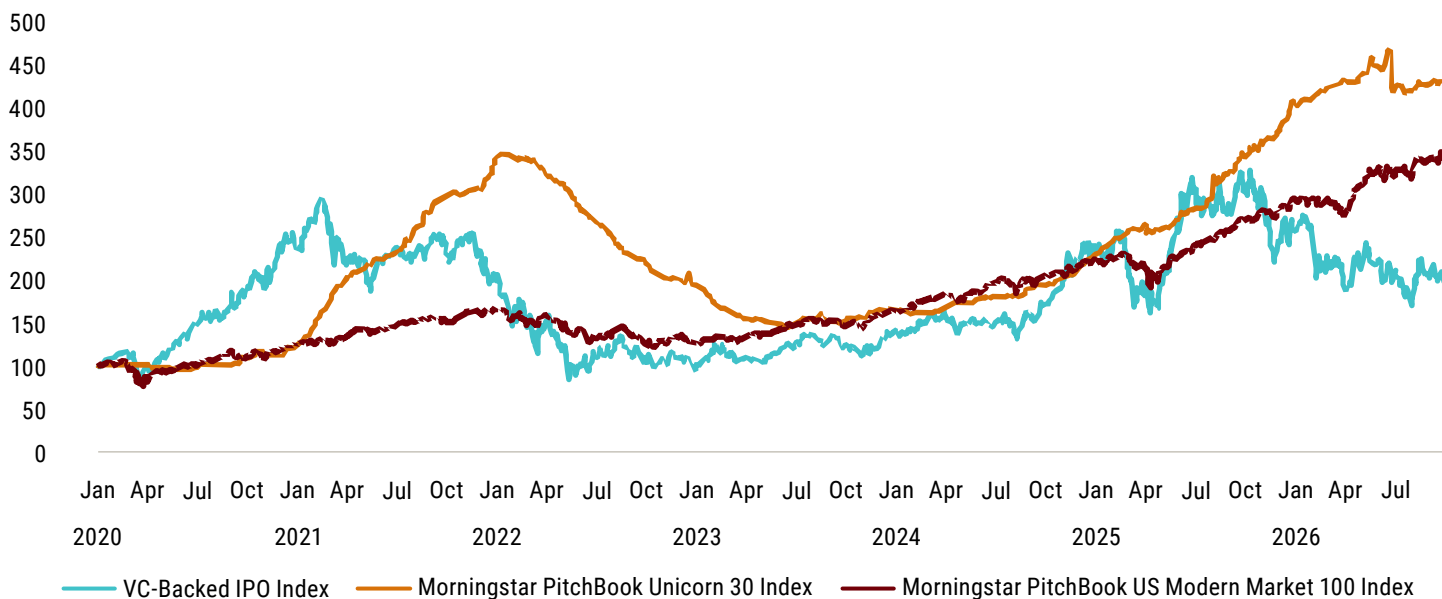
Median VC-Backed IPO Index constituent performance relative to Morningstar Growth Index



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Companies are finding private markets more appealing

VC-Backed IPO Index, Morningstar PitchBook Unicorn 30 Index, and Morningstar PitchBook US Modern Market 100



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Note: The value reduction observed in the Morningstar PitchBook Unicorn 30 Index in June 2026 was caused by SpaceX exiting the index constituency.

The market awaits liquidity, which will only be unlocked by large listings

Top startups by most recent estimated VC valuation

Company	1-year IPO probability	3-year IPO probability	Most recent estimated VC valuation (\$B)	Total VC raised to date (\$B)	Most recent valuation date
Anthropic	86%	89%	\$1,187.7	\$124.3	May 28, 2026
OpenAI	12%	23%	\$1,018.0	\$181.9	March 31, 2026
Databricks	16%	33%	\$198.2	\$29.2	August 13, 2026
Waymo	25%	42%	\$141.0	\$27.1	April 22, 2026
Figure	14%	29%	\$91.8	\$2.2	May 22, 2025
Safe Superintelligence	1%	2%	\$71.9	\$7.0	April 11, 2025
Anduril Industries	6%	24%	\$70.4	\$11.9	May 13, 2026
Ripple	32%	67%	\$54.5	\$0.8	November 4, 2025
Ramp	17%	52%	\$50.6	\$3.5	June 4, 2026
Cognition	4%	7%	\$49.3	\$3.7	September 8, 2026
Prometheus	1%	2%	\$49.3	\$18.2	June 11, 2026
Reflection AI	1%	8%	\$41.9	\$4.7	April 23, 2026
VAST Data	22%	47%	\$40.0	\$1.4	October 5, 2025
Scale AI	5%	13%	\$39.0	\$15.9	June 12, 2025
Crusoe	88%	95%	\$32.0	\$6.7	September 3, 2026

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Note: Probability data is based on [PitchBook VC Exit Predictor methodology](#).

NVCA policy highlights

Taxes: Qualified Small Business Stock (QSBS) drew scrutiny in Q3 following its expansion in the 2025 tax law. Sens. Elizabeth Warren and Angus King [requested](#) Joint Committee on Taxation data on the Section 1202 exclusion, including “stacking” through trusts and family members. Treasury officials confirmed work on a QSBS regulatory package of uncertain scope.

Capital markets: The Securities and Exchange Commission (SEC) proposed raising the Form PF filing threshold for private fund advisors from \$150 million to \$1 billion and [extended the compliance date](#) for amendments to July 1, 2027. The Financial Crimes Enforcement Network [finalized a rule](#) ending Corporate Transparency Act beneficial ownership reporting for US companies and persons.

NVCA continues to [press](#) the Senate on the DEAL Act, expanding venture funds’ ability to invest in other funds and secondaries, and the EAE Act, helping emerging managers raise from accredited investors making smaller commitments. Both passed the House as part of the INVEST Act, but Senate progress on crypto negotiations has lagged.

Blockchain and digital assets: The CLARITY Act fell short of the 60 votes needed to advance in the Senate [in September](#), leaving market structure legislation unresolved. Meanwhile, the SEC proposed [tailored exemptions](#) and a [safe harbor](#) for digital asset offerings, and the Treasury began [implementing the GENIUS Act](#) ahead of 2027 stablecoin licensing requirements.

AI: Reps. Jay Obernolte and Lori Trahan introduced the bipartisan FRONTIER Act, a national standard with tiered transparency, audit, and incident-reporting requirements

for frontier developers. Sen. Bernie Sanders and Rep. Greg Casar proposed banning artificial superintelligence and pausing advanced AI development. The White House launched GOLD EAGLE, a public-private initiative using frontier AI to remediate critical-infrastructure vulnerabilities and established an industry-wide safety accord, alongside an executive order requiring “Super Intelligence” terminology. The National Institute of Standards and Technology released its draft [TEVV-Athlon Framework for Evaluating AI Systems](#), and the National Security Agency, the FBI, and the Cybersecurity and Infrastructure Security Agency warned of Chinese companies’ industrial-scale distillation of US models.

National security: The [National Defense Authorization Act for Fiscal Year 2027](#) will resume this fall, with proposals affecting commercial contracting, emerging tech adoption, technical data rights, and scrutiny of foreign capital. The Treasury is developing a Committee on Foreign Investment in the US Known Investor Program to streamline reviews for trusted foreign investors and will begin implementing the COINS Act’s outbound investment restrictions covering semiconductors, quantum, biotech, and AI.

Emerging tech and research: The White House’s [Science: A New Golden Age](#) strategy called for faster translation of research into products, and it committed over \$5 billion to the Genesis Mission. The National

Science Foundation committed \$380 million to building AI-enabled automated labs, and the Department of Energy launched a quantum computing competition with up to \$215 million in planned funding. The Office of Management and Budget [proposed](#) grant rules requiring political appointee review of funding decisions and expanding agencies’ termination authority. NVCA worked with Congress to block the rule through December 11 in the stopgap bill; the proposal remains pending.

Healthcare: The Centers for Medicare & Medicaid Services (CMS) advanced its [RAPID](#) pathway to coordinate Food and Drug Administration (FDA) authorization and Medicare coverage for breakthrough devices. NVCA continues to advocate for streamlining FDA approval and CMS reimbursement. The FDA [opened a discussion](#) on regulating generative AI-enabled medical devices. A year-end healthcare package with bipartisan provisions remains possible.

Energy: Permitting reform retains bipartisan interest, though a year-end package is uncertain. AI and datacenter growth are sharpening focus on grid reliability, interconnection delays, and power costs.

Immigration: The Department of Homeland Security [proposed](#) a \$103,265 fee for each cap-subject H-1B petition, raising sponsorship costs for startups competing for technical talent.



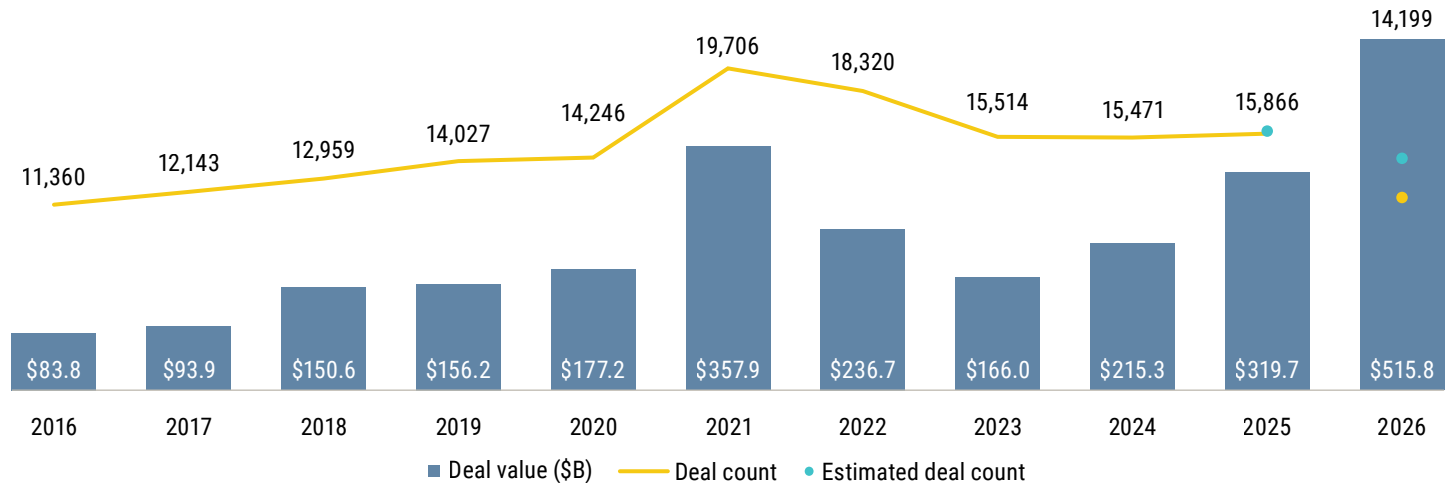
Bobby Franklin
President & CEO, NVCA

Bobby Franklin is the President & CEO of NVCA, the venture community’s trade association focused on empowering the next generation of transformative US-based companies. Based in Washington, DC, with an office in San Francisco, NVCA acts as the voice of the US VC and startup community by advocating for public policy that supports the US entrepreneurial ecosystem.

Dealmaking

Deal value through Q3 2026 already exceeds 2021's full-year record by roughly 44%

VC deal activity



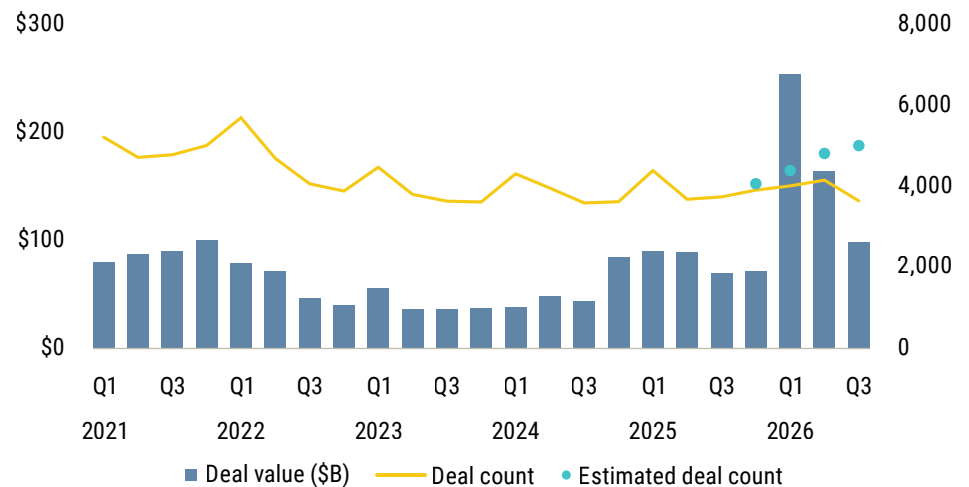
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Through the first three quarters of 2026, US VC deal value reached \$515.8 billion across an estimated 14,199 deals, already the highest total in our dataset and roughly 44% above the prior record, 2021's full-year figure of \$357.9 billion.

Outsized deals in the first half of the year drove that total. Q1 and Q2 2026 posted the highest and second-highest quarterly deal values in our dataset, respectively, well above the 2021 peak. Q3 2026 deal value fell to \$98.4 billion, down roughly 40% from the prior quarter, even though deal activity itself remained historically robust: An estimated 5,012 deals closed during the quarter, the second-most of any quarter in our dataset, trailing only Q1 2022. That combination, fewer dollars but a near-record number of deals, underscores how much of H1's dollar volume was concentrated in a handful of outsized rounds. The value trend itself is consistent with what we have seen since Q4 2024, once Q1 and Q2 2026 are set aside as outliers

Deal value cools for a second straight quarter, settling back near pre-2026 norms

VC deal activity by quarter



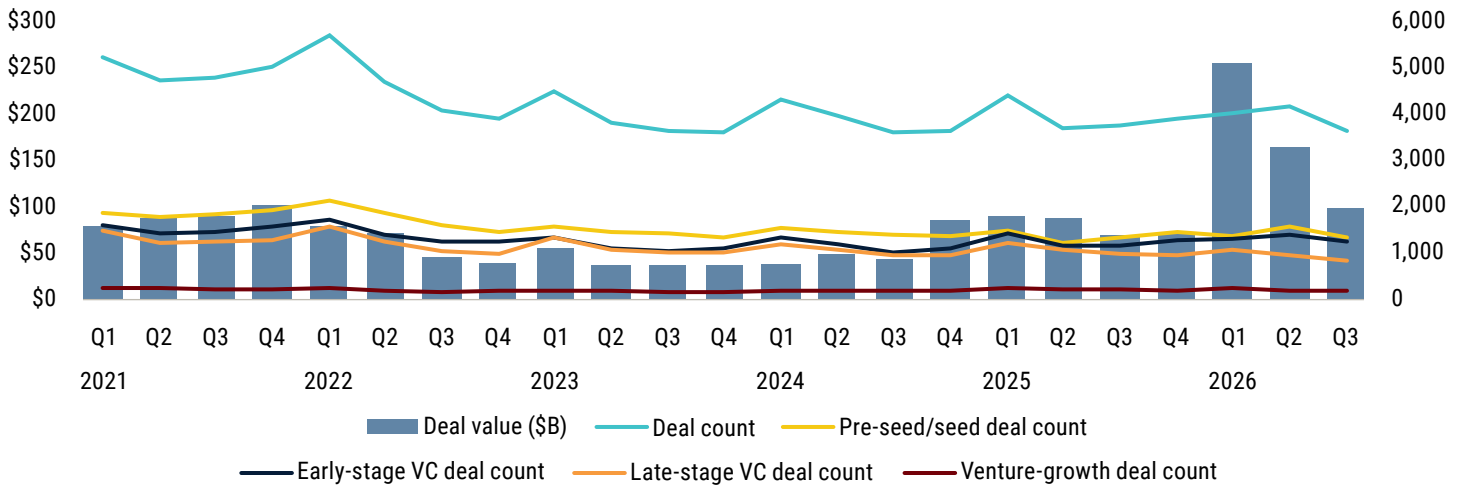
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driven by outsized rounds from AI-native companies, particularly frontier labs. Venture-growth deal value alone captures that swing. It fell from \$196.9 billion in Q1, to \$84.3 billion in Q2, to \$29.7 billion in Q3.

AI's concentration in the venture ecosystem deepened through Q3 2026. AI has accounted for 82.7% of total deal value for the year, the highest annual share in our dataset. That record obscures a pattern within 2026 itself: AI's share of quarterly deal value fell in

Late-stage and venture-growth share of all US VC deals ticks back up in Q3, reversing Q2's dip

VC deal activity by quarter and stage

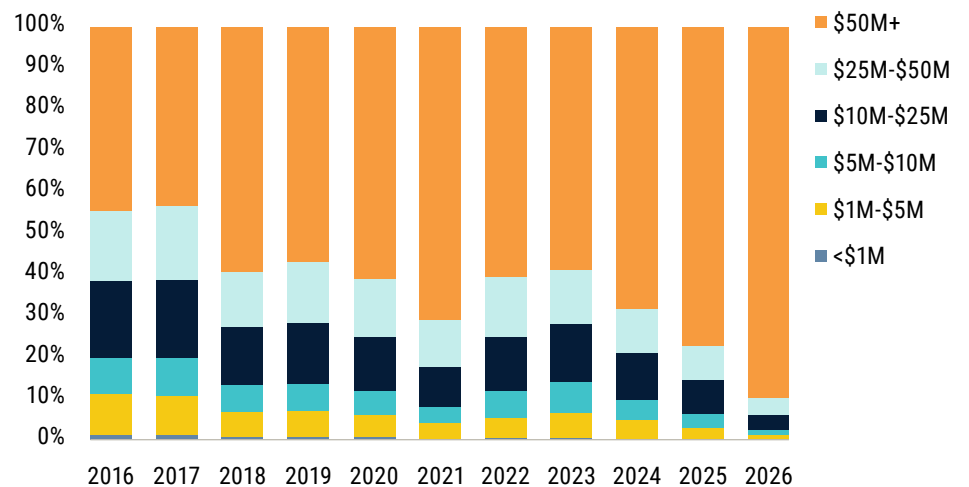


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each successive quarter, from 88.4% in Q1, to 84.1% in Q2, to 65.9% in Q3, as the largest frontier-lab rounds that inflated H1's totals tapered off. AI's share of deal count tells a different story. It also eased from Q1 to Q2, from 46% to 44.4%, but ticked back up to 44.9% in Q3, in line with the broader uptick in later-stage deal activity that quarter. In short, AI's dominance of deal value remained at a record level through Q3 and has been retreating steadily within the year, while its grip on deal count has been far more stable. We still expect AI to command an outsized share of deal value over time as the fastest-growing, highest-quality AI-native companies continue to draw outsized rounds from multistage funds and nontraditional investors, including corporates and crossover investors well positioned to fund their growth.

\$50 million+ deals now make up an unprecedentedly high share of total US VC deal value

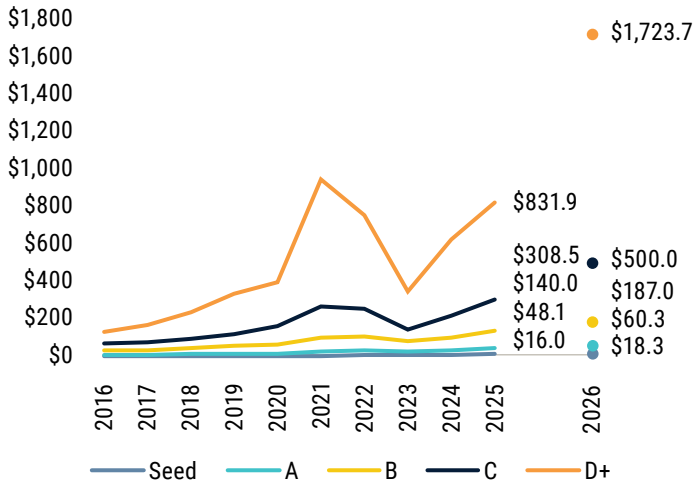
Share of VC deal value by size bucket



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Median Series D+ pre-money valuation more than doubles 2025 level

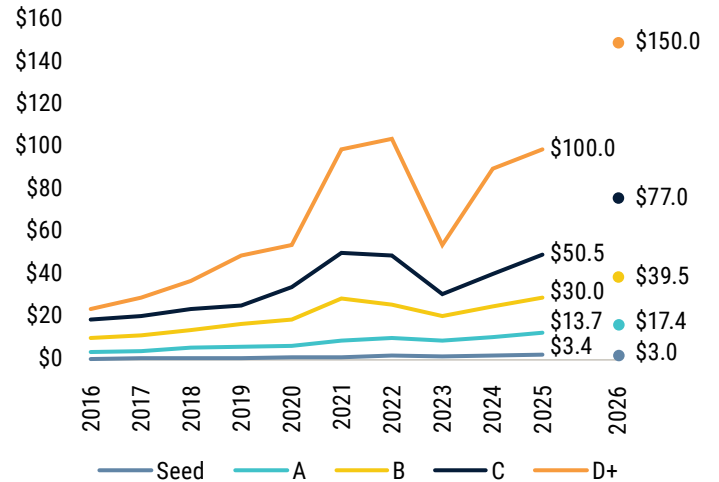
Median VC pre-money valuation (\$M) by series



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Median deal value continues to rise across all series except for seed

Median VC deal value (\$M) by series



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Through conversations with VCs, we learned that diversification into “AI-safe” sectors is top of mind for some investors. This shift away from an AI focus includes prioritizing deals and sectors that are more insulated from AI disruption.

Deal activity in Q3 shows that a market without OpenAI- and Anthropic-scale outlier deals can still be highly concentrated. The quarter’s largest deal was the \$5 billion investment in Databricks. That was a far cry from the triple-digit billions invested in a

few companies that drove significant concentration in H1, yet deals of \$100 million or larger, about 5% of total deal count, still accounted for 75% of Q3’s total deal value. Concentration remains a structural feature of this market rather than an artifact of a handful of frontier-lab rounds. Much of that is driven by investor competition, but the costs of AI and the high spending this entails continue to present an upward bias on deal sizes.

First-time financing momentum remains strong. Through Q3 2026, \$34.3 billion

was deployed across an estimated 8,625 first-time financing deals, a total that already exceeds 2021’s full-year record of 8,507, with one quarter still to be counted. Annualized deal value is also on pace to set a record, surpassing 2021’s prior high of \$40.7 billion. AI has had a positive effect on entrepreneurialism, lowering barriers to entry and driving a rise in new company formation. That gives investors a larger pool of early-stage companies to pick from, but as noted earlier, this has only intensified competition for the funding available.

A WORD FROM J.P. MORGAN

Our views on venture

Concentration is the story: AI and mega-rounds

Despite ongoing macro and geopolitical uncertainty, venture capital continues to flow into the innovation economy at extraordinary levels. 2026 has largely extended the AI-led cycle that accelerated in 2025, while deal concentration has intensified. According to PitchBook data, an estimated 80%-plus of venture capital deployed through the first nine months of the year went to AI companies, with a record 68% into the top 10 deals.

This concentration has created a bifurcated fundraising market. For some founders—particularly those perceived as category leaders or platform-adjacent—conditions remain highly favorable, with strong valuations and ample access to capital. For others, the process can feel prolonged and uncertain as capital is concentrated within fewer deals than at any point this decade.

VCs are leaning into infrastructure, orchestration, and defensibility

Against that backdrop, VCs are increasingly shifting focus to infrastructure and orchestration-layer companies. The driver is straightforward: Many investors are cautious about durable intellectual property differentiation and defensible moats in the application layer, especially as foundational model providers continue to build out their product sets.

As the model ecosystem matures, some VCs are increasingly framing the moat of 2026 as a company's (or firm's) ability to access compute—an area that remains constrained for most players outside the hyperscalers.



Ginger Chambless

Head of Market Insights, Commercial Banking, J.P. Morgan

Ginger Chambless is a Managing Director and Head of Market Insights for JPMorgan Chase Commercial Banking. In this role, she produces curated thought leadership content for commercial banking clients and internal teams. Her content focuses on economic and market insights, industry trends, and the capital markets.

Additional contributors: Carly Roddy, Co-Head of Venture Capital Coverage

That constraint has also intensified interest in startups innovating around compute efficiency, access, and power.

In the near term, limited inference supply remains costly, contributing to continued inflation in capital expenditure (capex), operating expenses, and valuations—particularly for businesses whose unit economics are sensitive to GPU availability and pricing.

From an allocation perspective, the strategy for many VCs remains a barbell approach: maintaining a broader appetite for seed deals while doubling down as proof points (and annual recurring revenue) materialize in later stages. Both dynamics support the view that larger fund sizes—and multistage strategies—are likely to persist for the time being.

As consensus around category winners emerges, VCs have also grown more flexible and creative in their approach to position-building. That includes actively preempting rounds, seeking secondary allocations, and adjusting strategies around ownership targets and check sizes.

The market tone has also benefited from increased activity in the public equity capital markets. Optimism is lifting among both managers and LPs that this year could provide much-needed liquidity. By supporting both fundraising and deployment, improving public market conditions could help rebalance the venture landscape and move it closer to the more broadly accessible environment seen in prior cycles.

Already a record-breaking year for equity issuance, with more room to run

Public equity markets are demonstrating that they can support both megacap issuers and smaller emerging-growth companies. According to Eddie Byun, global head of technology equity capital markets, the IPO is again becoming a credible next chapter: a route to sustained capital, broader ownership, and long-term strategic flexibility.

Global equity capital markets are having an exceptional year, with the US IPO market standing out as proceeds approach the prior full-year record set in 2021. Byun expects activity to remain elevated into year-end, with a broader mix of issuers—across sectors, business models, and size—planning to test the market.

Public market investors have also demonstrated increased willingness to underwrite innovation and growth, supporting companies in artificial intelligence, space, quantum computing, biotechnology, and defense technology. Because public investors have fewer options than private investors to access the most compelling frontier-growth opportunities, there can be a scarcity premium when those companies come to market. That dynamic helps explain why public market investors may, in some cases, place a higher value on a growth story than private markets do.

For venture investors, the reopening of the IPO market has direct implications for portfolio strategy. Companies with defensible leadership positions, strong financial controls, and a credible public market narrative should begin readiness work well before they intend to list. That means treating governance, reporting infrastructure, investor messaging, and secondary-liquidity planning as value-creation priorities rather than last-mile execution tasks.

It also means reassessing the trade-off between another private round and public market access. Private capital remains essential, but for selected companies, the public market may offer deeper funding, faster valuation discovery, and a more powerful currency for strategic growth.

First, Byun notes that more startups are contemplating an IPO after remaining private for many years and through multiple financing rounds. Key drivers include the significant demand and willingness public markets have demonstrated to support high-growth and emerging technology companies. That demand is visible not only in primary offerings but also in secondary-market performance, where public markets can reprice new developments, competitive shifts, and growth opportunities more quickly than private markets. For founders,

that creates an opportunity to capture value as the business evolves rather than waiting for the next private round.

Second, Byun highlights how public equity markets can provide recurring, opportunistic access to capital for expansion, acquisitions, and capital expenditure. An IPO should not be viewed as the final financing event; it can be the start of a more flexible capital strategy—particularly for companies operating in capital-intensive or fast-moving markets.

Third, the path to public ownership has improved over the past five years. Testing-the-waters meetings and earlier permitted engagements with institutional investors can help management teams refine positioning, assess demand, and improve price discovery before launch. At the same time, a stronger US retail bid, faster index inclusion for some issuers, and more flexible phased lockup structures may broaden demand and create earlier liquidity opportunities for pre-IPO shareholders.

Byun also notes that while public investors' willingness to "buy the future" may never have been higher, market windows do not stay open indefinitely. Interest rates, geopolitics, volatility, and concerns about AI-related spending can affect issuance conditions. Founders should not rush to market simply because demand exists; they should use the current environment to prepare so they can move decisively when readiness and opportunity align.

Macro crosscurrents: AI capex and interest rates are increasingly linked

As the AI capex cycle has moved from a balance sheet story to a capital markets story, the level and outlook for interest rates have become an increasingly important aspect of the broader equity market and AI narrative. According to Jack Atherton, head of international equity capital markets

intelligence, investors' confidence and conviction in the sustainability of current capex levels can be sustained, provided frontier-lab annual recurring revenue maintains healthy growth trends, GPU rental costs remain elevated, and capital markets are available to fund this build-out.

Atherton notes that AI infrastructure investment has been by far the No. 1 market driver of upward earnings revisions this year and that the rise in earnings growth expectations has exceeded equity market returns, suggesting some compression in P/E multiples despite indexes being near all-time highs.

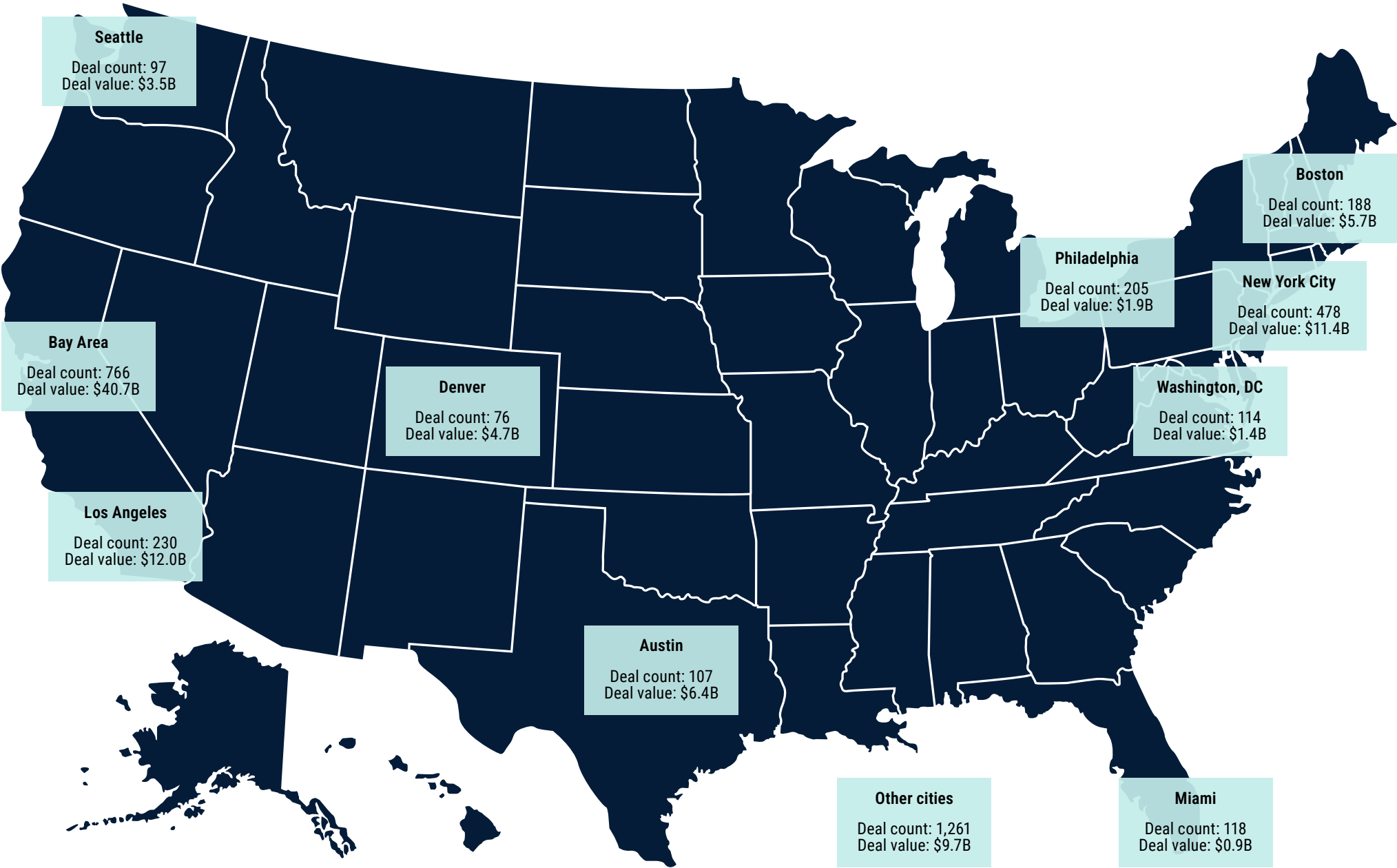
One of the factors influencing the rates market is record debt issuance in the investment-grade market. Year-to-date hyperscaler issuance of approximately \$225 billion exceeds this cohort's issuance for the previous four years combined, resulting in wider corporate bond spreads and higher all-in yields. Another factor is inflation, both oil-driven due to the Middle East conflict and AI-specific, driven by components such as memory. Ongoing fiscal deficits, US national debt topping \$40 trillion, and geopolitical uncertainties are also influencing interest rates.

At the same time, the outlook for interest rates has shifted higher. It is hard to imagine the yield curve meaningfully coming down in the near term, especially as we approach the midterms, when we could see a divided government. However, the level of rates—within reason—matters a little less than whether interest rate volatility remains contained, which should keep debt capital markets open for business.

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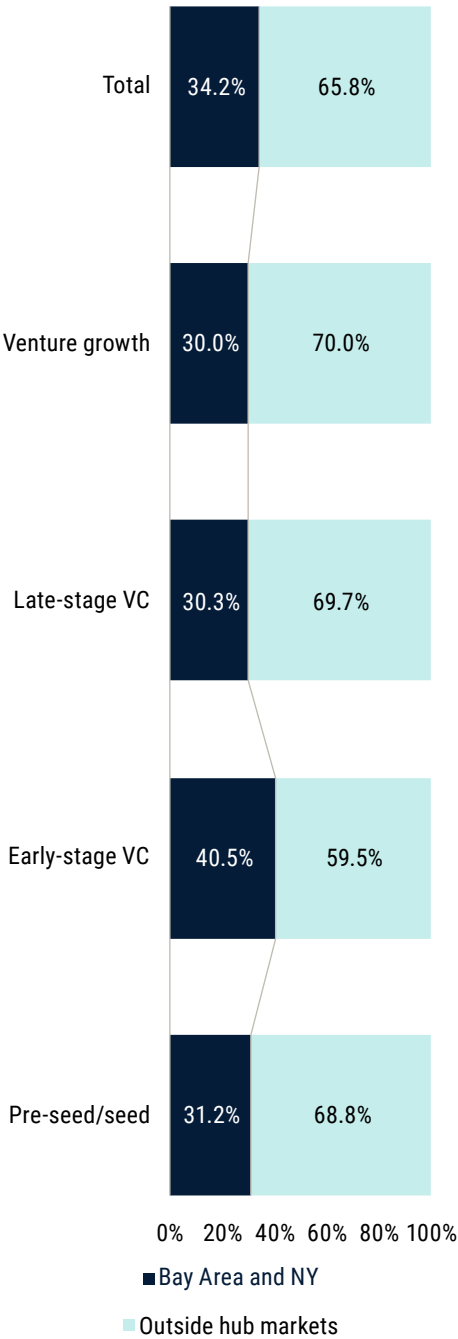
Regional spotlight

34.2% of Q3 deal count occurred in San Francisco and New York
Q3 2026 VC deal activity by ecosystem



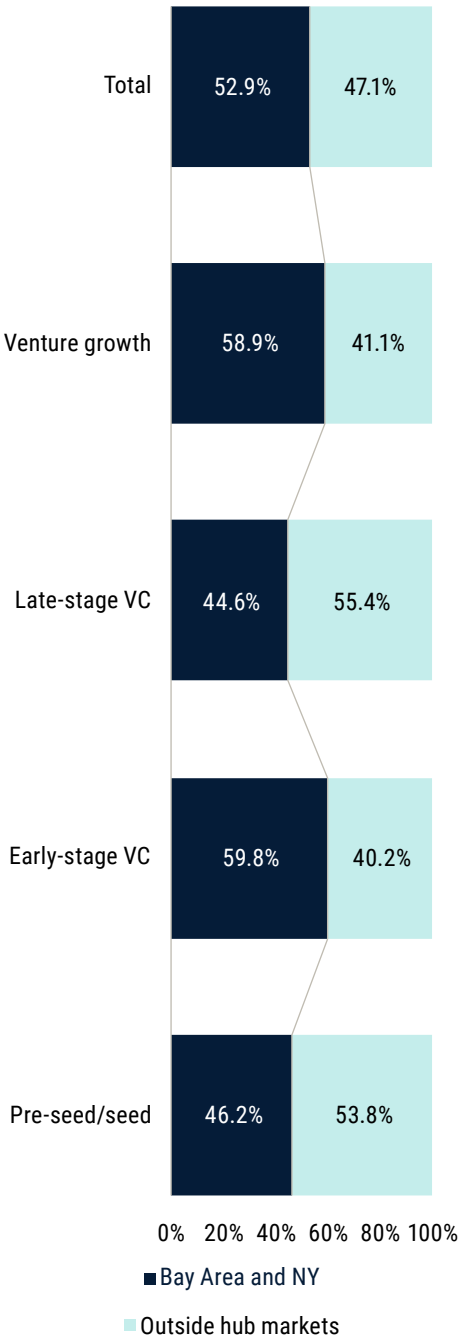
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70% of venture-growth deal count happens outside of San Francisco and New York
Share of VC deal count by market breakout



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More than half of deal value is going to San Francisco and New York
Share of VC deal value by market breakout

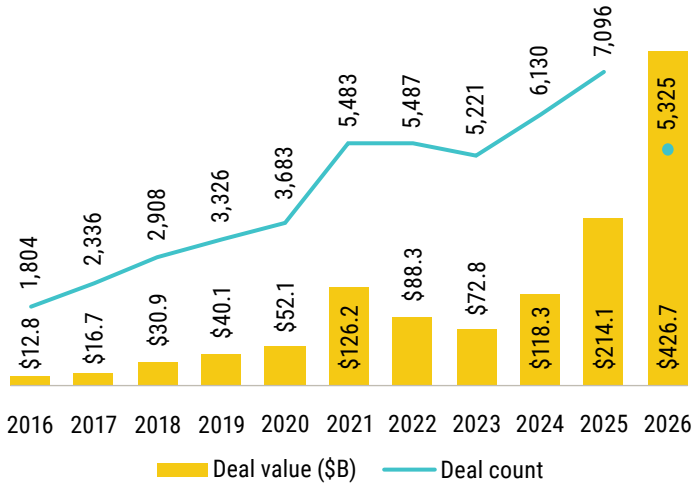


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AI

Deal count pacing flat to 2025

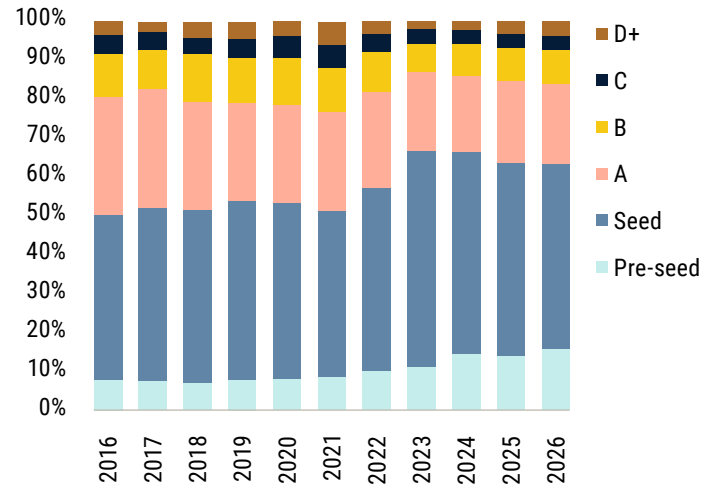
AI VC deal activity



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Early rounds continue to take a large portion of financings

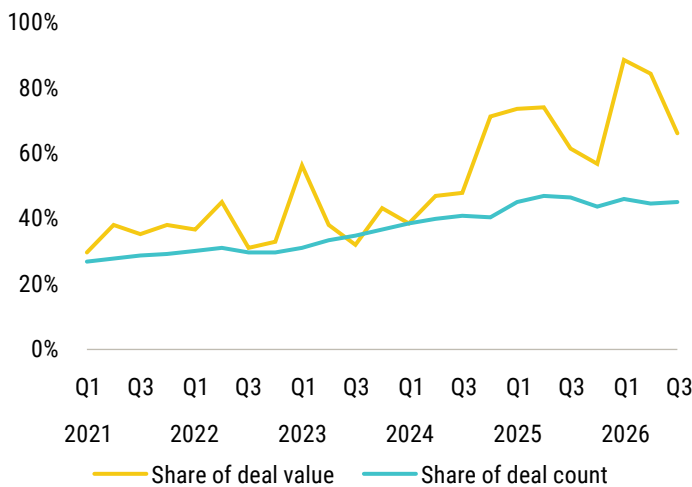
Share of AI VC deal count by series



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Share of VC deal count has plateaued

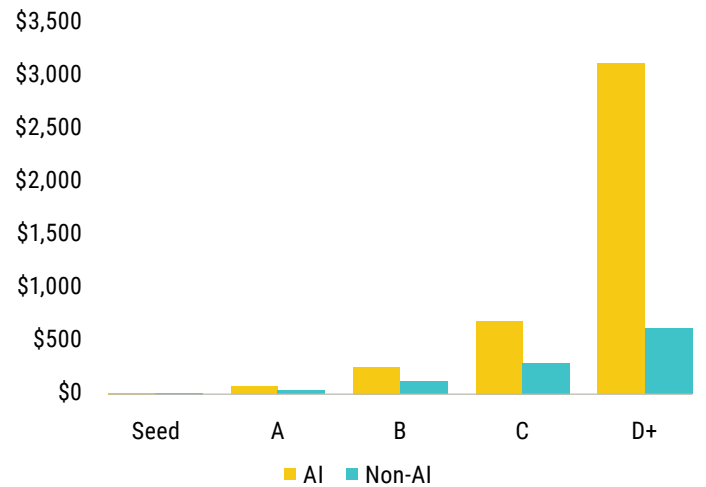
AI VC deal activity as a share of all VC deal activity by quarter



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AI companies receive a high valuation premium

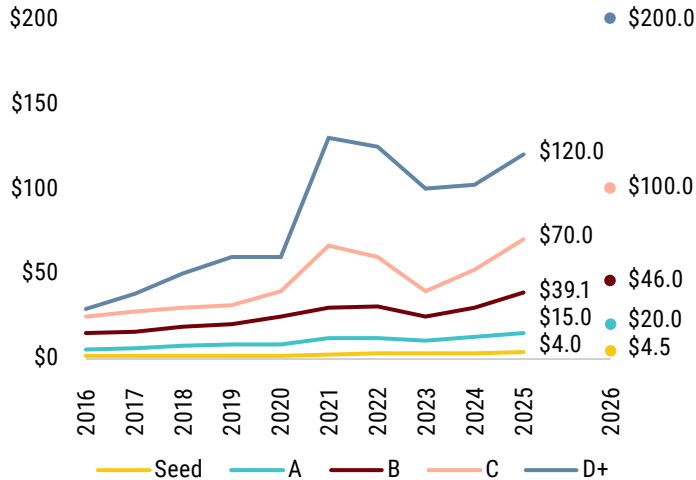
Median AI and non-AI VC pre-money valuations (\$M) in Q3 2026 by series



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AI deal sizes surging across all series

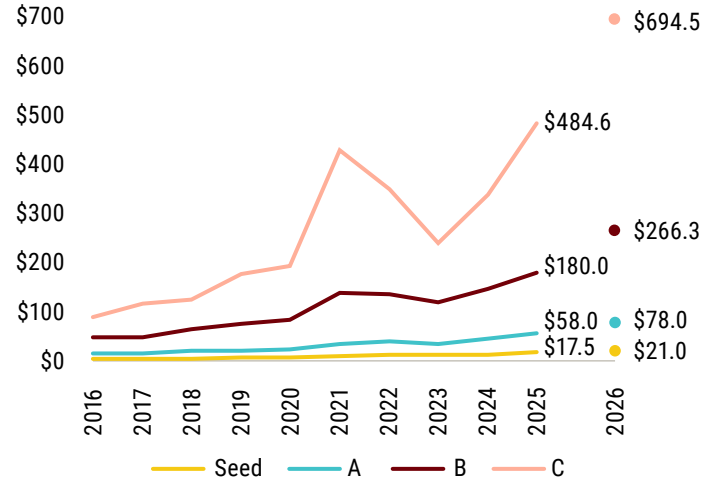
Median AI VC deal value (\$M) by series



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Valuations continue to climb YoY across all series

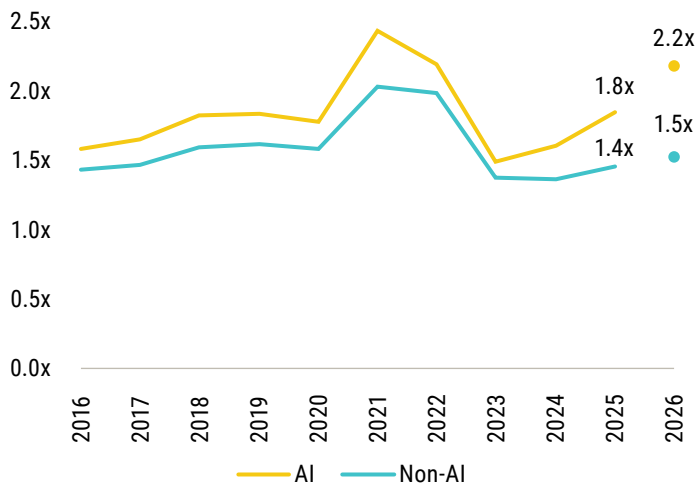
Median AI VC pre-money valuation (\$M) by series



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AI step-ups outpace non-AI step-ups

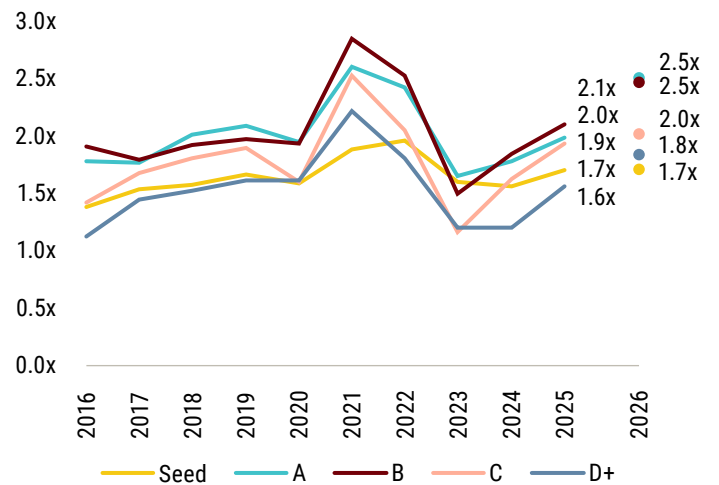
Median valuation step-up by industry



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AI step-ups back near 2021 highs

Median AI valuation step-up by series

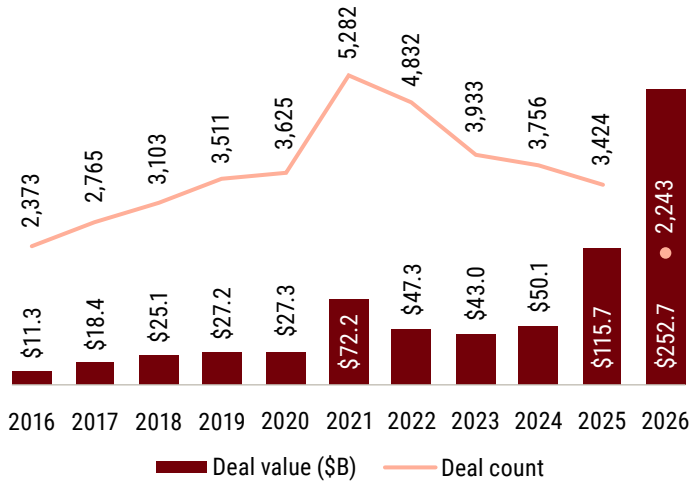


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Female founders

Megadeals from Anthropic, OpenAI, and Kalshi boost 2026 value

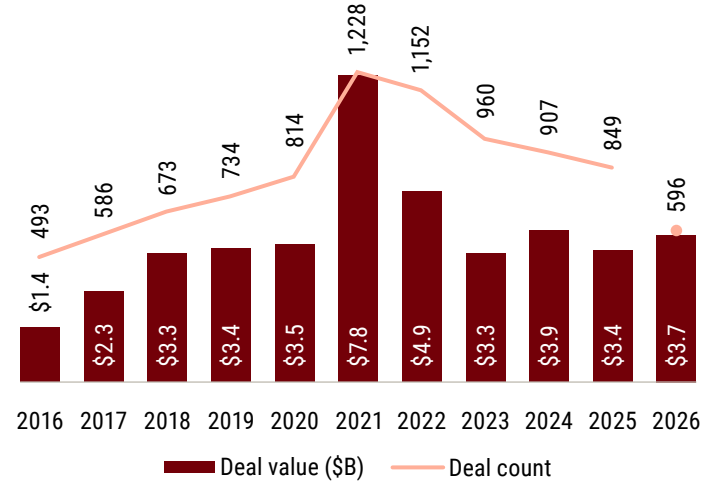
VC deal activity in companies with at least one female founder



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Slower pace of dealmaking for startups with all-female teams

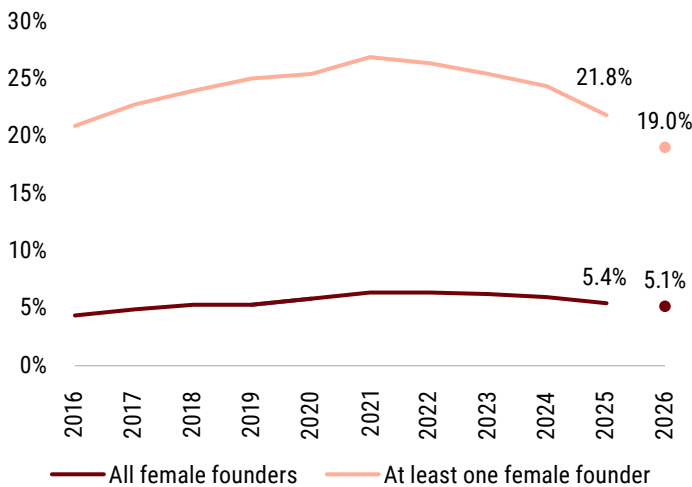
VC deal activity in companies with all-female founding teams



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Only 19% of 2026 deals have been for companies with at least one female founder

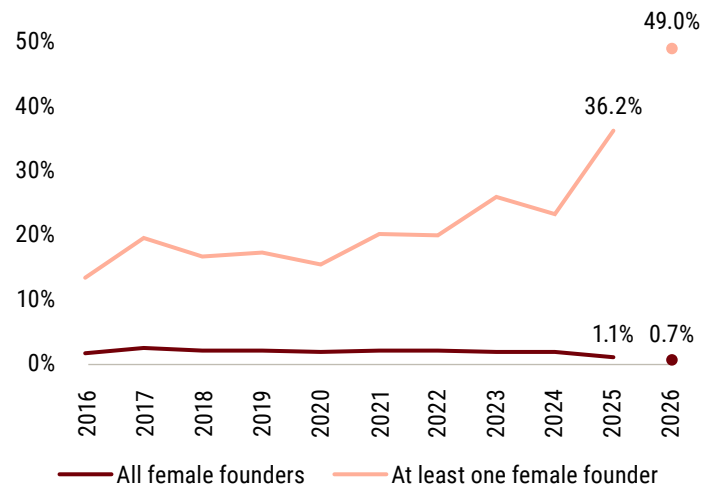
Female-founded company deal count as a share of all VC deal count



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All-female teams have received only 0.7% of capital YTD

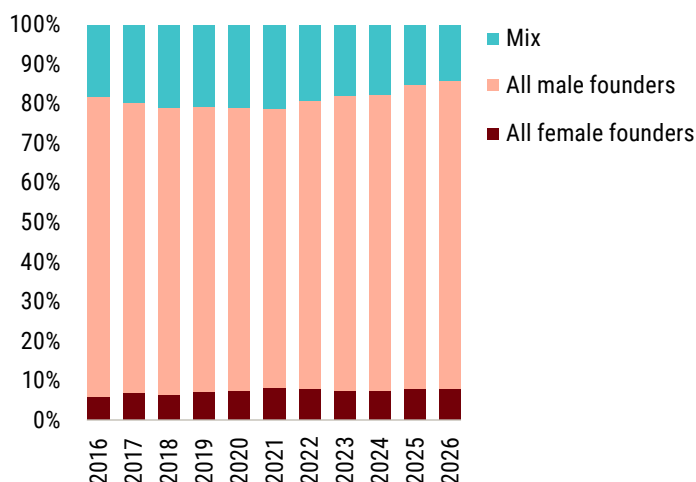
Female-founded company deal value as a share of all VC deal value



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77.7% of first-time financings YTD have gone to all-male teams

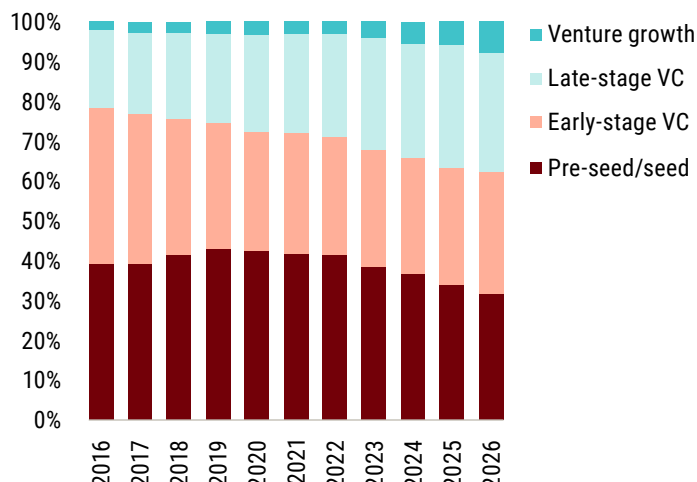
Share of first-time financing VC deal count by founder gender mix



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Greatest concentration of later-stage deals in the past decade

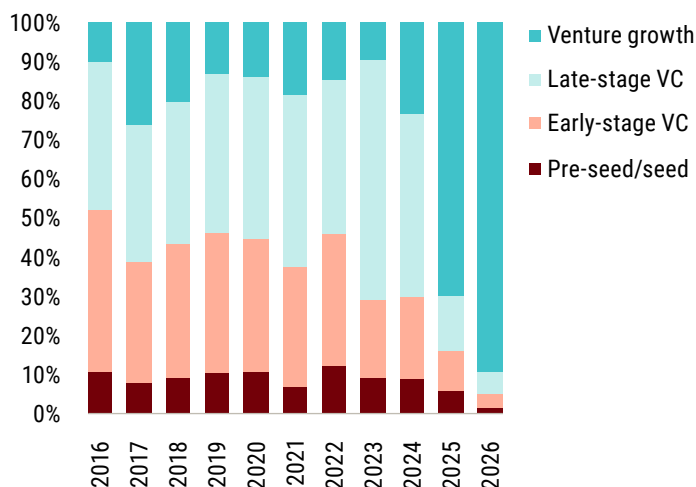
Share of VC deal count for female-founded companies by stage



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Venture growth has captured 89.2% of YTD deal value

Share of VC deal value for female-founded companies by stage



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New York CSA narrowly leads in deal count for all-female founding teams

Top five CSAs by trailing 12-month VC deal count for companies with all-female founding teams

CSA	Deal count
New York-Newark, NY-NJ-CT-PA	135
San Jose-San Francisco-Oakland, CA	134
Los Angeles-Long Beach, CA	61
Philadelphia-Reading-Camden, PA-NJ-DE-MD	44
Boston-Worcester-Providence, MA-RI-NH-CT	40

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A WORD FROM DENTONS GLOBAL VENTURE TECHNOLOGY GROUP

The new rules of company building and investing

AI, capital efficiency, and new liquidity options are changing how companies are built, scaled, and financed. James Jasaitis of Dentons speaks with Brian Borton of StepStone Group and Jon Seeber of Udata Partners about higher expectations for management teams, the normalization of secondaries, and an expanding opportunity set for venture and growth investors.

Jasaitis (Dentons): Let's start with a basic assumption about building and scaling a company that may no longer hold. What has changed most?

Seeber (Udata Partners): The biggest change is that you no longer need an army of top-tier developers just to get to an MVP. AI development tools are allowing businesses to get started with more capital efficiency. You still need a development team, but the amount of capital and talent required at the outset has changed.

Borton (StepStone Group): I agree. AI is changing access to developer talent, but the bar for leadership and management teams is high. Founders need to be exceptional in their fields, able to attract scarce talent, and move at market pace. I used to think average management teams operating in good markets could still perform well and build value. I don't see that playing out today.

Seeber: Exactly. We spend more time in investment committees discussing the flexibility and intellectual capability of management teams, given the pace of the market. Team has always been a huge part of the decision, but now the bar is higher.



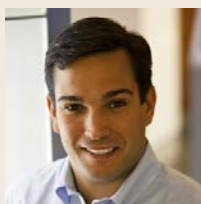
James Jasaitis
Partner, Dentons

James Jasaitis is a partner in Dentons' Venture Technology practice, advising emerging growth companies, VC funds, strategic investors, and family offices on financings, M&A, and corporate governance matters. He counsels technology companies from formation through exit and is recognized for his experience across VC and growth-stage transactions.



Brian Borton, CFA
Partner, StepStone Group

Brian Borton is a partner on StepStone Group's Venture Capital & Growth Equity team. He focuses on VC, growth equity, and secondary investments across global private markets. Prior to joining StepStone, he advised middle-market companies on M&A, recapitalizations, and private placements, bringing a broad perspective on company growth and liquidity strategies.



Jon Seeber
General Partner, Udata Partners

Jon Seeber is a general partner at Udata Partners, a software-focused growth equity firm, where he has been a member of the investment team since 2006. He brings more than 25 years of experience as both an operator and investor, partnering with high-growth technology companies on scaling, strategic development, and liquidity opportunities.

Jasaitis: And that applies beyond traditional software?

Seeber: Absolutely. The line is increasingly blurred between SaaS, AI, software-enabled services, and pure services. Across those businesses, teams need to be able to flex and accelerate at a moment's notice. You want to back superstars.

Jasaitis: If the management bar is higher, what else has changed in the way you evaluate businesses?

Borton: AI is an incredible tailwind, provided management teams are proactive and nimble. For venture businesses, we want to see a truly AI-native company with clear distribution, access to compute advantages, data flywheels, and strong leadership. In more traditional PE, AI can be an exciting tool to accelerate revenue and manage

expenses more efficiently. But companies with significant debt, or roll-ups with disparate systems, technical debt, and no unified data strategy, can have a harder time harnessing it. Growth expectations are higher across the board.

Seeber: Expectations have accelerated alongside technology. AI-native teams can expand what their products do for customers while also using AI to test marketing more quickly, automate outbound sales, process billing, and handle customer success with greater leverage. The companies we've invested in over the last 12 months are growing much faster than the companies we would have invested in 12 to 18 months ago. Some are \$10 million to \$20 million businesses when we get involved, generating free cash flow and continuing to grow at rates well above 100%.

Jasaitis: What does that mean for a strong existing portfolio company that isn't AI-native?

Seeber: You must understand the business, the job it does for the customer, and whether it can scale rapidly and repeatably use capital efficiently. For a pure software company without an AI component, you really need to understand why. There are exceptions—certain infrastructure businesses supporting the next generation of applications, for example, or some security businesses. But more broadly, we've expanded the definition of what we invest in: not just software, but software-enabled technology with software-like characteristics.

Jasaitis: Another major change has been liquidity. We're seeing more tenders and non-tender secondaries. How has the secondary market evolved?

Borton: There has been a structural shift across venture and growth equity. Companies are staying private longer, and

venture companies can have dozens of investors that came in at different times, at different cost bases, with different liquidity needs. As long-duration illiquid assets accumulate across more holders, the need for secondary liquidity grows.

We've reached a tipping point where secondaries are normalized. They used to carry a negative stigma; now they're broadly viewed as proper stewardship and risk management. Companies are also facilitating periodic tenders so employees can achieve some liquidity, helping attract and retain talent.

The tool kit has expanded as well: direct single-asset transactions, LP portfolio sales, continuation vehicles, and strip sales. Growth equity has long used secondaries, and venture is catching up.

Seeber: I remember working with Brian on a deal 10 or 11 years ago where most of the transaction was secondary for the founder. We worried the founder would take the money and leave. They didn't. Today, a secondary component is part of virtually every growth equity deal we do. It can help founders de-risk, focus on the business, and take the risks necessary to keep growing.

Borton: There are still enormous information asymmetries and frictions in secondaries. Where there's inefficiency, there is often alpha. That information advantage can provide access to companies at prices that otherwise wouldn't be available.

Jasaitis: It sounds like both the financing tool kit and the addressable market are expanding. What are you seeing with new company formation?

Seeber: Capital efficiency has fundamentally changed the pipeline. 20 years ago, a web company might have needed \$10 million just to buy servers, build the first site, and

hire developers. Today, companies reach \$5 million, \$10 million, or \$15 million in revenue without raising money. Our pipeline of \$5 million to \$50 million revenue companies that are bootstrapped, capital-efficient, and have excellent unit economics and strong retention is as full as ever.

Borton: The opportunity set is expanding beyond the traditional IT and healthcare IT focus. Venture and growth is increasingly reaching into energy, power, compute, industrials, aerospace, and defense. Historically, the focus was on "bits"—the digital world. Now there's greater recognition of the value of businesses that combine "bits and atoms," where software and the physical world come together to create more defensible and impactful businesses.

Jasaitis: What does this mean for investors?

Borton: Venture and growth has always been an asset class where selection is rewarded and penalized the most. What's changed is that separation has been amplified. The upside can be dramatically larger, while the downside is still losing money. Tremendous white space exists for new company formation and disruptive technologies, and companies are scaling to extraordinary valuations while remaining private.

For many LPs, venture and growth is no longer optional exposure; it's foundational. For founders and investors, the message is to operate with urgency and keep learning as the market evolves.

Seeber: I'd add that, after 20 years of investing, it's easy to get caught up in the moment and think every period is fundamentally different. The technologies change, and the pace may be accelerating, but great teams that execute well and remain nimble still win. Give them capital, support, and room to run, and they can build great businesses.

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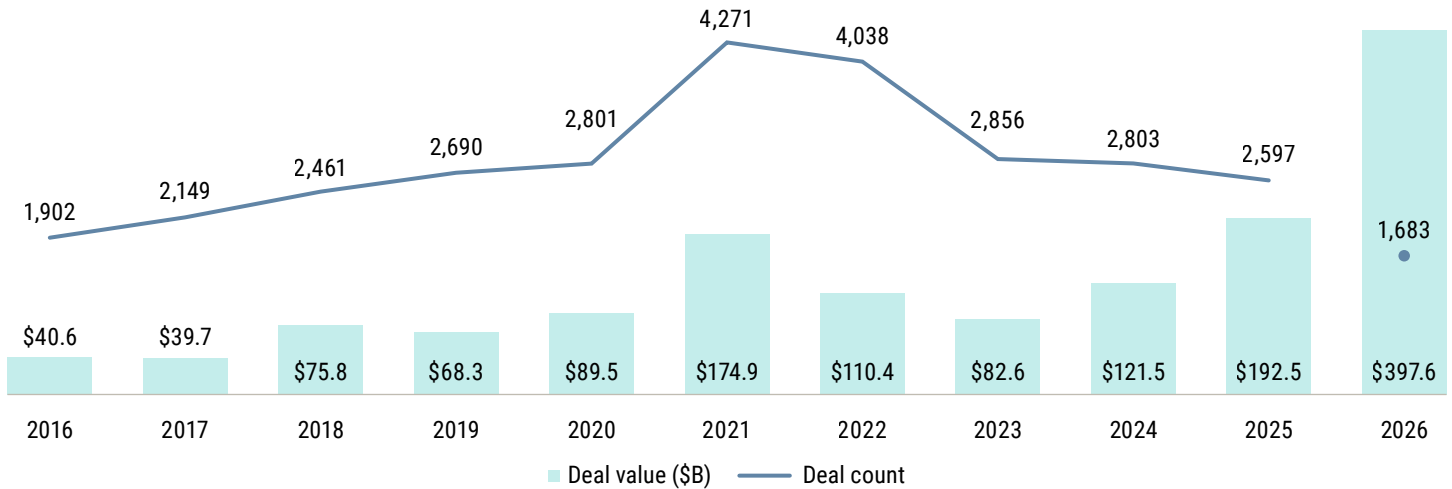
Venture**Beyond.**

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Investor trends

CVC deals are fewer but larger

VC deal activity with CVC investor participation



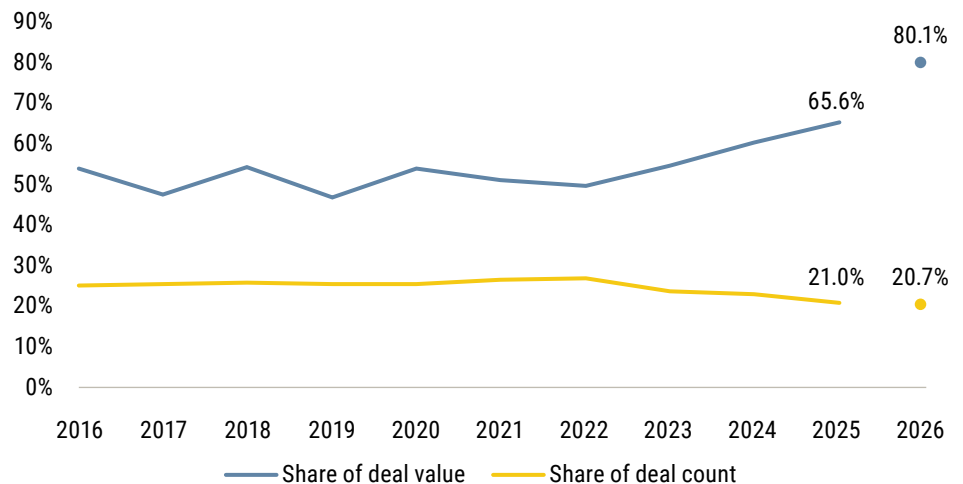
PitchBook-NVCA Venture Monitor • As of September 30, 2026

Despite the high total invested value and the enticing growth of AI companies, nontraditional VC investors have remained on the sidelines. Corporate investors have been present in just 20.7% of US deals. Crossover firms, which would be expected to be involved in many of the record venture-growth deals, are on pace for a year-over-year decline in deal count and the lowest share of deal count participation since 2019.

Corporate trends might be easiest to explain. AI is the dominant exposure in the venture market, and it is also the dominant exposure for global corporates, which continue to develop its applications and integrate it into their own products. Those costs, along with the poor returns venture has provided, have left many corporates reevaluating their investment activities. That has led to several high-profile closures of corporate venture capital (CVC) programs in 2026 and a broad slowdown in deployment pace for

Large AI deals outweigh overall CVC deal value

Deal activity with CVC investor participation as a share of all VC deal activity



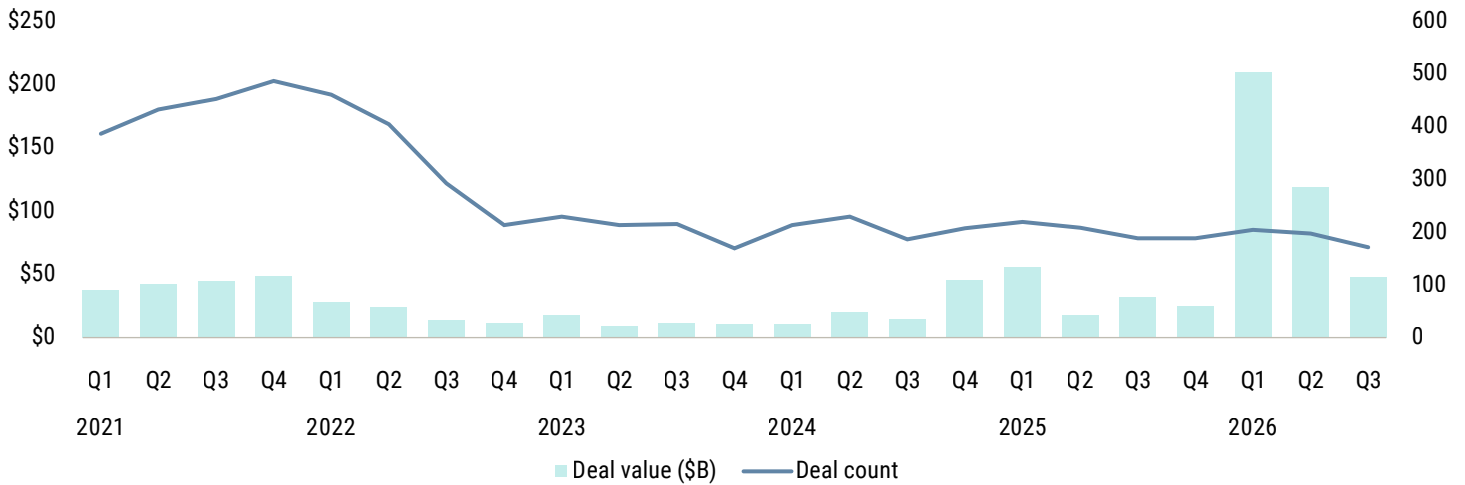
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the CVCs that remain active. Even corporate activity in AI deals is set to decline in 2026. Corporate activity from hyperscalers has been a major piece of the large frontier model deals completed this year, but the weight of economic change and a lack of liquidity have so far been a drag on corporate VC activity.

On the other hand, crossover activity could be expected to grow alongside the growth of pre-IPO deals. While crossovers have been present in more than \$370 billion of deal value, the total count has not benefited from the billions invested in venture-growth-stage deals this year. Like corporate activity, the lack

Crossover investors are being selective

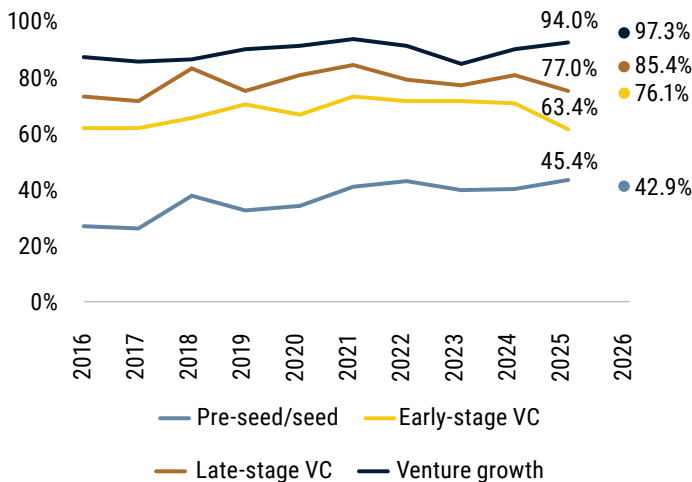
VC deal activity with crossover investor participation by quarter



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Nontraditional dealmaking activity reaches historic lows

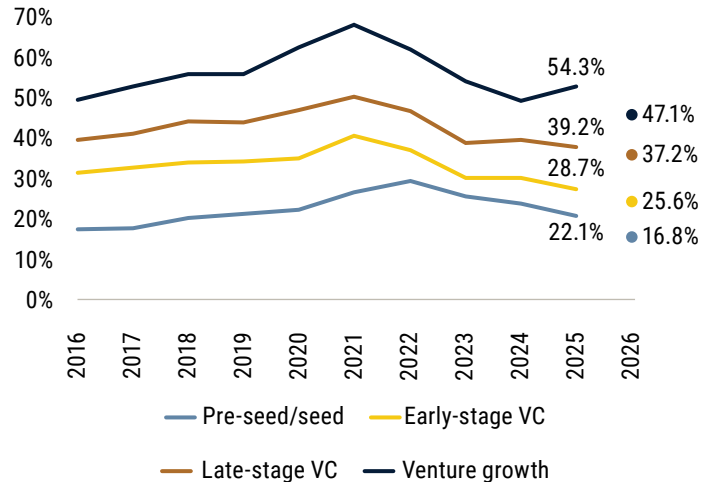
Share of VC deal value with nontraditional investor participation by stage



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Nontraditional capital focuses on the largest deals

Share of VC deal count with nontraditional investor participation by stage



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of liquidity has surely had an impact. Just 43% of megadeals this year have had crossover participation, well below the 60% participation rate in 2021.

It has become obvious that nontraditional activity, especially by more specific groups like hedge funds, was an opportunistic bet in 2021 that did not pan out. While we should expect

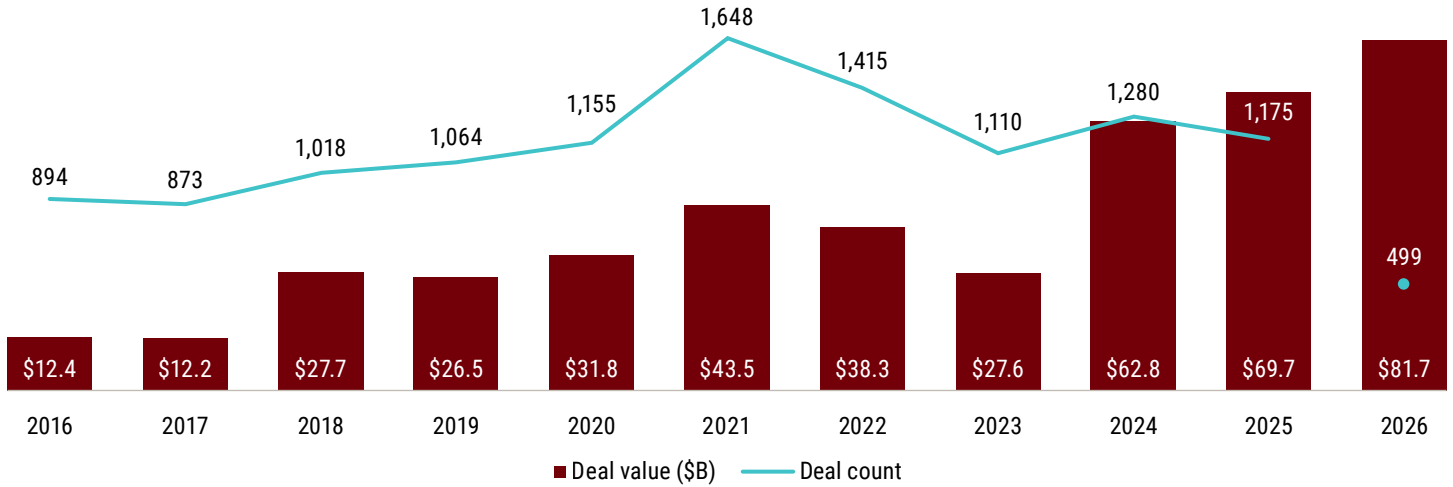
such high activity levels to return if liquidity begins to roll and interest rates drop significantly, it is indicative of nontraditional interest in VC when money is not free. The surge in VC activity so far this year has been driven largely by the rise of venture funds; it has relied less on outside capital than in 2021. This development points directly to the rise of billion-dollar funds, which

can absorb large numbers of earlier-stage deals while deploying enormous amounts of capital into late-stage and pre-IPO companies. The concentration of capital in megafund managers is now their edge, keeping pricing in their interest early and giving them the capital to keep building stakes as companies grow deep into their venture lifecycle.

Venture debt

VC-backed companies have taken on nearly \$82 billion in debt in 2026

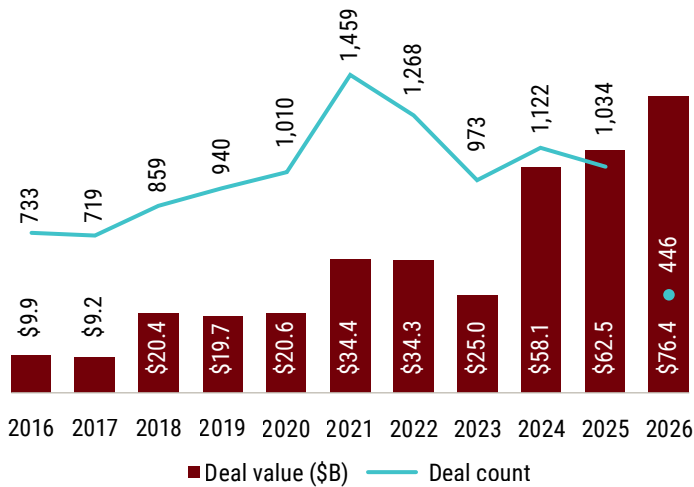
Venture debt deal activity



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AI leading to high loan value for tech

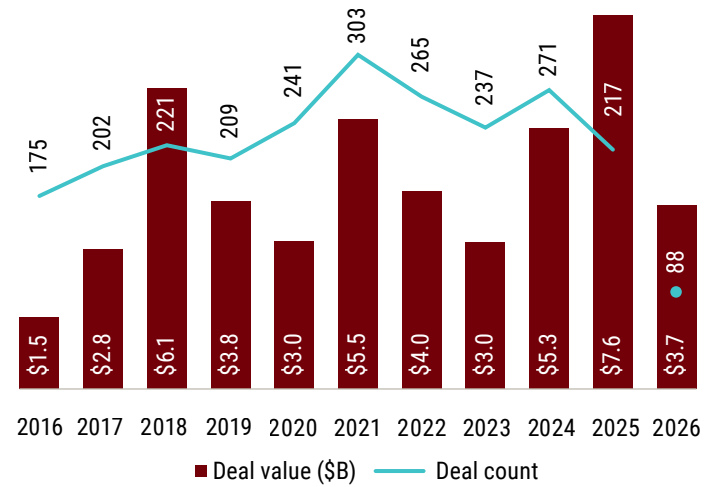
Tech venture debt deal activity



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Healthcare debt has declined back to normal levels

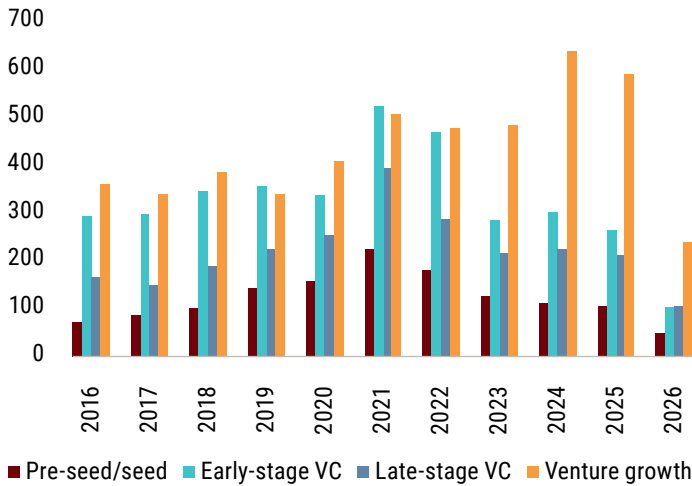
Healthcare venture debt deal activity



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Venture loans continue to push toward later stages

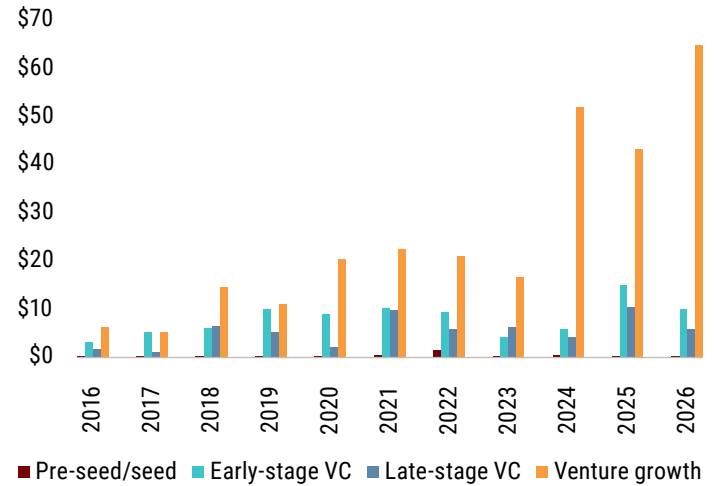
Venture debt deal count by stage



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Frontier model loans leading to high venture-growth loan value

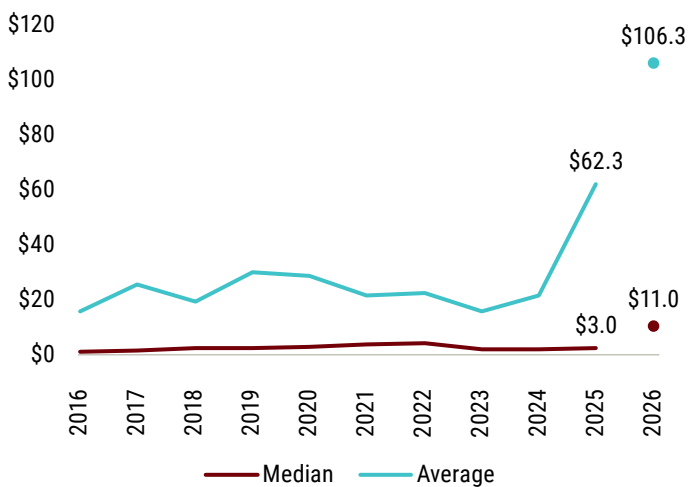
Venture debt deal value (\$B) by stage



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Early-stage loans growing

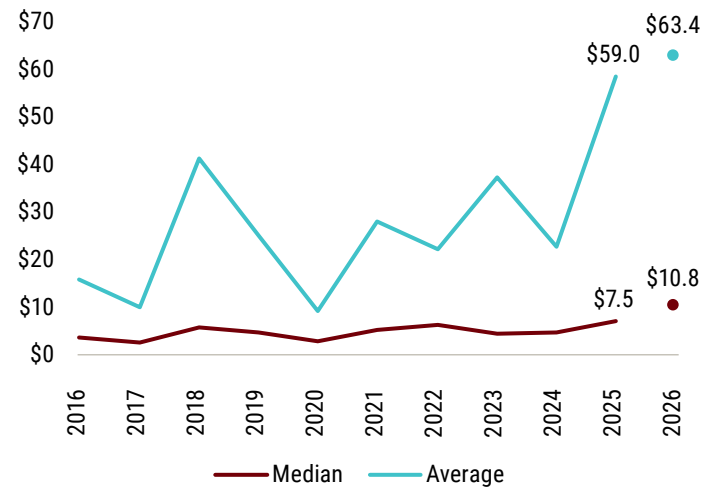
Median and average early-stage venture debt deal values (\$M)



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Late-stage loans surge in value

Median and average late-stage venture debt deal values (\$M)



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A WORD FROM EISNERAMPER

The shift in limited partner expectations and diligence

While “megafunds” continue to receive the vast majority of LP commitments, the competition for capital among other venture funds, both mature and emerging, remains high. According to the Q2 2026 PitchBook-NVCA Venture Monitor, three firms made up 48.1% of total fundraising in the first half of 2026. Core themes that used to work in VC fundraising, relying on former LPs to support the next vintage or backing up a thesis with a strong background and network, are now often not enough. The shift in LP expectations and diligence has been strong and pronounced, and managers have had to adapt.

Where we were versus where we are

When VC was at the peak of its last cycle in 2020-2021, valuations were rising, LPs were placing large bets throughout the ecosystem, the scales were more balanced, and LP diligence was more muted. More strategic buyers were entering the space, and an IPO remained an option for the many, not the few. GP and LP negotiation was anchored in strong pitch decks, a thesis supported by the GP’s background, and general conviction. IRR was one of the most significant financial metrics that prospective LPs would review in diligence.

However, in a challenging exit environment, capital deployment is increasingly selective, raising the bar for VC funds seeking funding. While activity improved during Q2 2026, concerns remain about the timing and path to exit for existing portfolio companies, as well as LP cash constraints, as improvement in the exit market has not been broad-based.

**Jennifer Cuello****Audit Partner, EisnerAmper**

Jennifer Cuello is an Audit Partner in EisnerAmper’s Financial Services Group, serving venture capital funds, private equity funds, hedge funds, and funds of funds. A leader on the firm’s Venture Capital Growth Team, she brings more than 15 years of public accounting experience to emerging and established managers and contributes thought leadership on the issues shaping the financial services industry.

DPI has eclipsed IRR as the metric of choice; the focus has become returning money to LPs. The reason is in the numbers: Net cash flow to LPs has been negative by \$202 billion since 2022, even as market value and AUM continued to climb, according to PitchBook director of VC research, Kyle Stanford.

The new baseline

More thorough and nuanced manager diligence has translated into longer fundraising periods for funds that did not fit into the “megafund” bucket in recent years. Before GPs fundraise, they need to understand and be convinced by their thesis, competitive advantage, and team. Failing to grasp these foundational elements could lead to an easy “no” from LPs in a competitive environment.

Understanding which investors are best suited for a fund and sizing it to match both GP objectives and LP appetite can impact fundraising and future GP-LP relationship dynamics. Family offices, corporate entities, high-net-worth individuals, and institutional investors have differing goals

that shape their priorities, expectations, and focus, and should influence how a GP approaches fundraising conversations. Using a blanket fundraising approach with different types of LPs can lead to an investor base less suitable for the GP or to tension down the line.

Track record remains critical and is now under greater scrutiny. For managers who have held significant roles at previous firms and are trying to convey their role in sourcing and managing historical investments, LPs may question the portability and attribution of those roles. GPs should expect questions about who sourced, who led, and who held a board seat, and to have these verified. Spinout GPs also face potential constraints on using prior firm performance. GP controls over recordkeeping and LP communications are essential, not only for conveying track records but also for building trust and demonstrating robust operational functions. From an operational standpoint, this includes maintaining and updating policies across all key areas of the organization (valuations, investment diligence, investor reporting, cybersecurity, and so forth), fostering a

culture of compliance with those policies, and disclosing key updates to LPs.

GPs' use of AI is also a key diligence point for prospective LPs. GPs must tell this story clearly, showing how they are using AI to work more efficiently and source better, without giving the impression that AI is doing the investing for them. In addition, the AI space has been receiving the vast majority of VC investment. For funds with an AI focus, LPs expect a compelling pipeline with unique, proprietary underlying technology, rather than a thin layer on top of existing tools or models. Beyond the direct AI focus, there remains an expectation that GPs can tell the story of AI adjacency within the portfolio. Knowing whether the GP can identify strong investments that are being transformed by AI or are changemakers themselves in the related industry is a core issue for LPs.

LPs are demanding earlier proof points before committing. Prefund deals and warehousing continue to be strategies for incentivizing LPs. In a prefund deal, LPs get confirmation of one or two investments that will anchor the portfolio, which can help them make a quicker decision. Providing these opportunities can also reveal how the GP thinks about investments and validate their ability to convert a pipeline into closed deals. On the diligence side, when prefund deals are used, LPs will focus on the transfer terms, the holding period, and risk before

closing as key factors in evaluating whether the opportunity is attractive. Whether GPs consider these strategies or not, the ability to demonstrate pipeline and unique channels for deal flow is paramount.

With investor focus on DPI having eclipsed IRR, a GP must have a clear liquidity strategy that accounts for the dynamics narrowing the exit market. This includes secondary transactions and continuation funds, with many of these strategies now built into the GP's plan and legal documents up front. LPs will focus on provisions surrounding Limited Partner Advisory Committee approvals, fairness opinion requirements, and other terms to manage potential conflicts of interest.

LPs are currently favoring narrow, targeted mandates over generalist mandates. The mandate's specificity and the GP's experience and network in the space can be differentiators. LPs are also acutely aware of whether a GP is investing in line with what they said they would. Drift in check size, stage, and sector, even in the pursuit of strong returns, signals a gap between pitch and execution, especially if not properly communicated.

Once the LP commitment is made, there is a higher expectation for reporting comparable to other funds and for increased transparency into the fund's and the organization's performance.

LPs are benchmarking performance and reporting quality and communication cadence across an entire portfolio of fund commitments. At a minimum, LPs expect to receive reporting as set out in the legal documents, but a growing share now expect GPs to use industry-standard tools such as the Institutional Limited Partners Association Reporting Template, which itemizes fees, expenses, and carried interest in a standardized format. GPs that can consistently produce this level of detail, without a special request, signal operational maturity that is high on the checklist for LP investment.

A permanent recalibration

The shift in LP expectations is not a temporary function of a slow fundraising market; rather, it is a permanent recalibration of how capital moves through the venture ecosystem. As funds continue to face steep competition for LP commitments, GPs will be judged by standards more akin to institutional diligence, regardless of size. Track record, thesis conviction, reporting transparency, and demonstrated pipeline have moved from differentiators to baseline expectations for anyone seeking LP capital. GPs that treat diligence readiness as a continuous discipline, rather than a fundraising-cycle pivot, will be best positioned to compete for capital as the VC ecosystem undergoes this reset.



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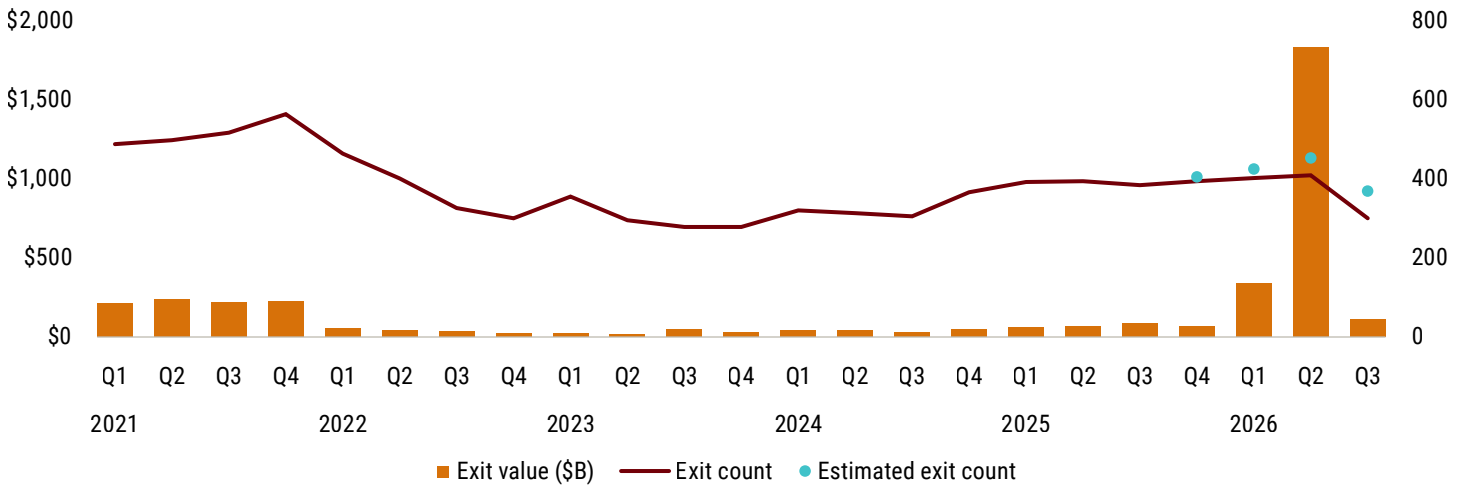
Assurance
Tax
Advisory
Outsourcing



Exits

SpaceX's listing did not open the IPO window

VC exit activity by quarter



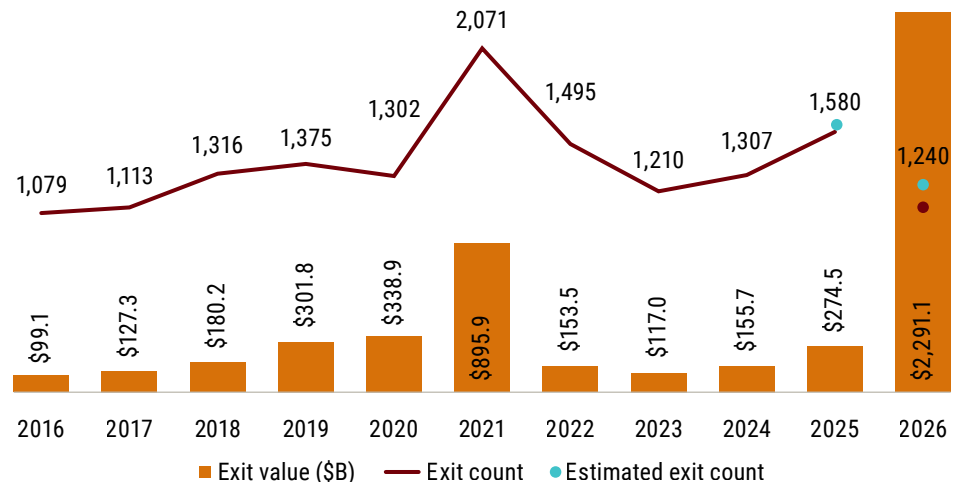
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SpaceX continues to dominate the exit narrative in 2026 and has been central to the three largest exits of this year and of all time in the US. Its \$60 billion all-stock purchase of Cursor in Q3 is the second-largest M&A deal involving a venture-backed company on record, trailing only SpaceX's own acquisition of xAI earlier this year. Its IPO, of course, remains the largest IPO ever. Cursor alone made up 53.1% of Q3's total exit value. Removing this outlier, the rest of the quarter's exits total \$53 billion, which would be the lowest quarter since Q4 2024.

Q3's next two largest exits were similarly AI-driven acquisitions. Salesforce paid \$3.6 billion for Fin, a customer agent platform with proprietary AI models and technical teams. Autodesk acquired MaintainX for \$3.6 billion to optimize maintenance and asset management with AI-powered workflows. Two pending large AI acquisitions will be reflected in the exit value once completed: OpenRouter agreed to be

Record value in 2026 driven by a handful of large exits

VC exit activity



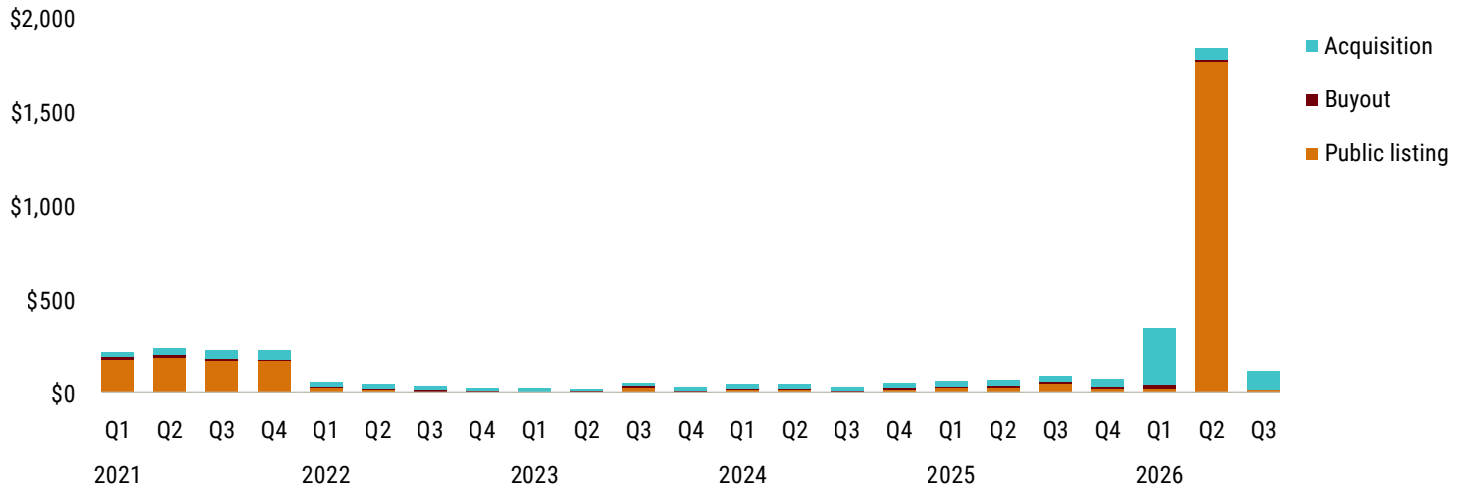
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purchased by Stripe for \$7.5 billion, and World Lab will be acquired by AMD for \$8.2 billion. Though the market looks to IPOs as the likely exit for fast-growing AI unicorns, M&A has become the preferred, or at least primary, route for liquidity.

Outside of these top names, valuation compression remains the dominant theme among exits. Bending Spoons acquired two companies at significant discounts from their 2021 peak valuations. The software platform Airtable was purchased for \$1.3 billion,

Acquisition value is at a decade high of \$465.3 billion

Quarterly VC exit value (\$B) by type



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down from its previous \$11.7 billion. The acquisition of the workplace collaboration platform Miro is expected to close in Q4 for \$1.4 billion, a significant discount to its \$17.5 billion Series C. Rising rates will only add further pricing pressure and extend

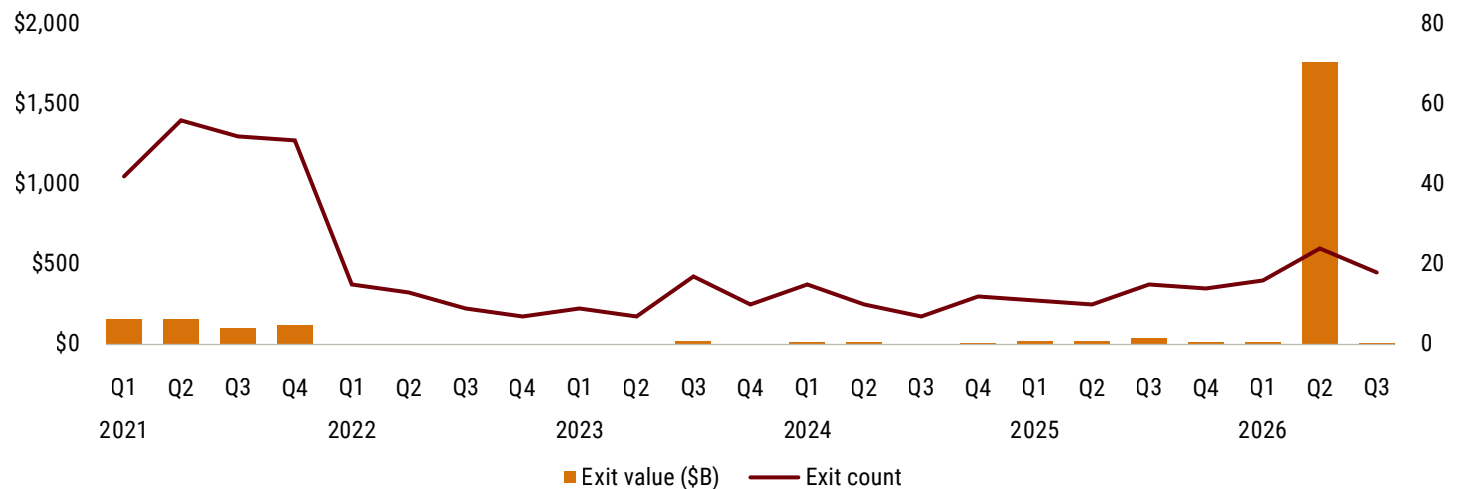
uncertainty for buyers and sellers, especially if rates continue to climb through 2027.

Despite SpaceX's record-breaking \$1.7 trillion listing in Q2, the IPO window has not reopened. Only 18 companies went

public in Q3, most of them in healthcare, with the high-growth tech names LPs need for distributions largely absent. Removing SpaceX's listing from 2026's totals reveals that exit value remains at the same constrained level that has defined every year since the pandemic.

Quarterly IPO counts have yet to rapidly increase

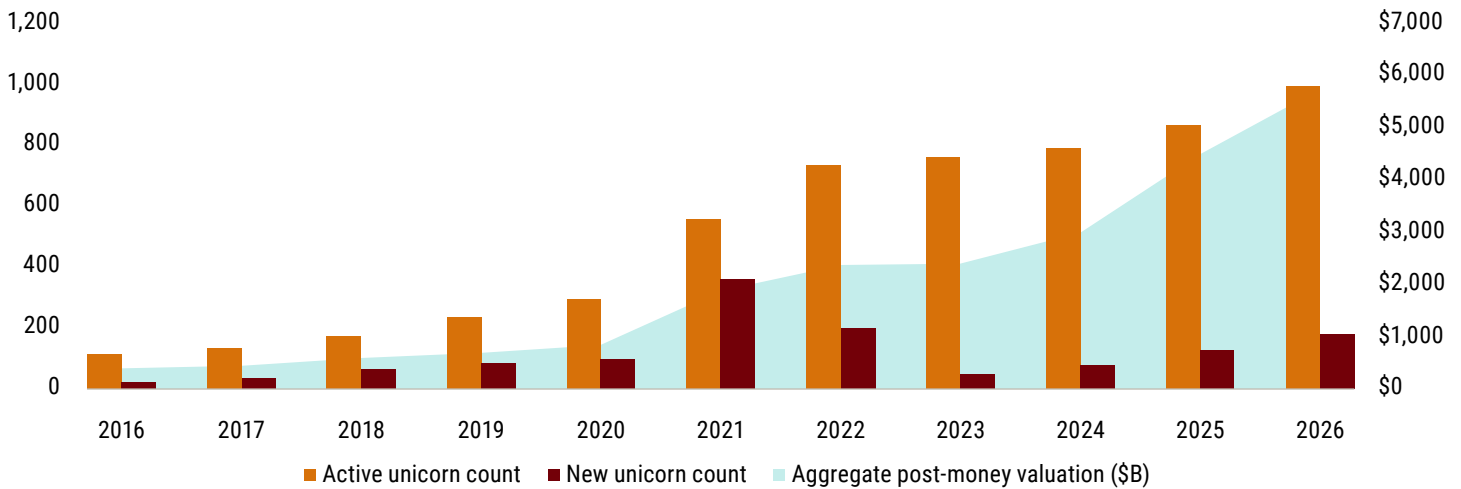
VC IPO activity by quarter



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Unicorns are now valued at over \$5.7 trillion

Unicorn count and aggregate post-money valuation



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Behind the headlines is a growing buildup in value trapped in the private markets. Active unicorns now sit at a record 992, up 14.9% YoY, worth \$5.7 trillion combined. The problem may soon worsen. The lack of distributions is still the market's key obstacle, though recent concerns about AI safety and the pace of frontier development may further delay the market's recovery. OpenAI has entirely ruled out a 2026 listing, while Anthropic has reportedly delayed its

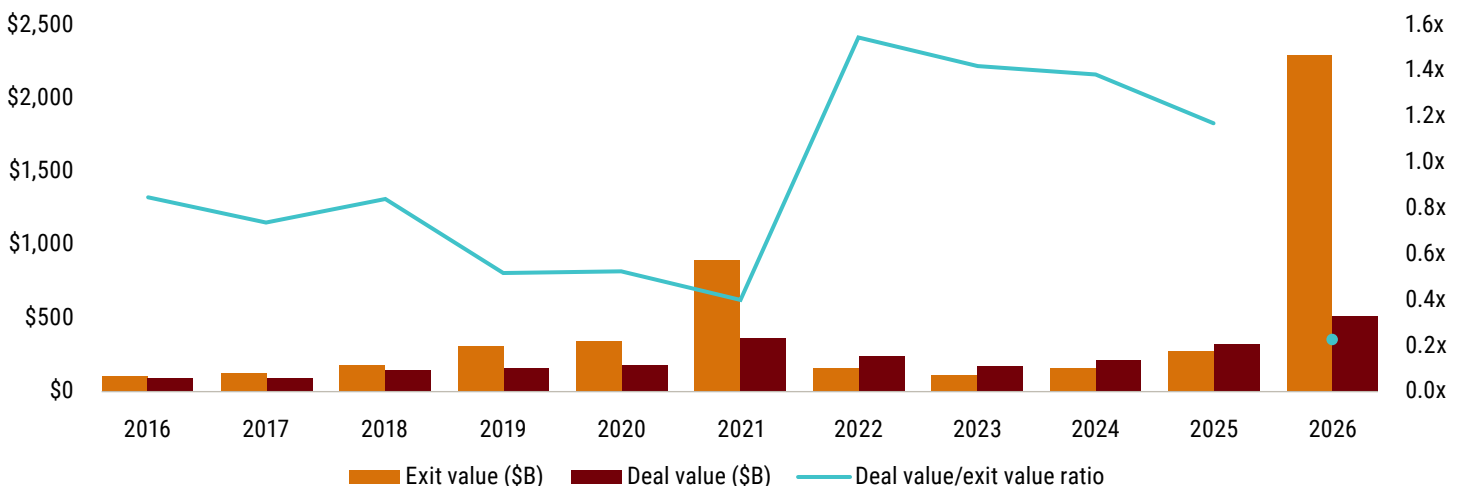
IPO by one month to November. That divergence means Anthropic will test public investors' appetite for trillion-dollar AI valuations first and set the standard for AI companies that follow. At the very least, OpenAI's delay extends the liquidity question for other tech companies gauging investor interest beyond trillion-dollar listings.

What happens next will determine the venture market's trajectory. Anthropic's

potentially \$2 trillion IPO would absorb a meaningful share of institutional capital and test how much remains for everyone else after. The listing wave must broaden beyond a handful of AI giants to close the gap between record paper value and realized distributions. Currently, exit paths remain thin for the broader market, so most companies without a path to a marquee IPO would realistically need to accept exit prices well below peak-era expectations.

Capital invested outpaced exit value for four years

VC exit value versus VC deal value

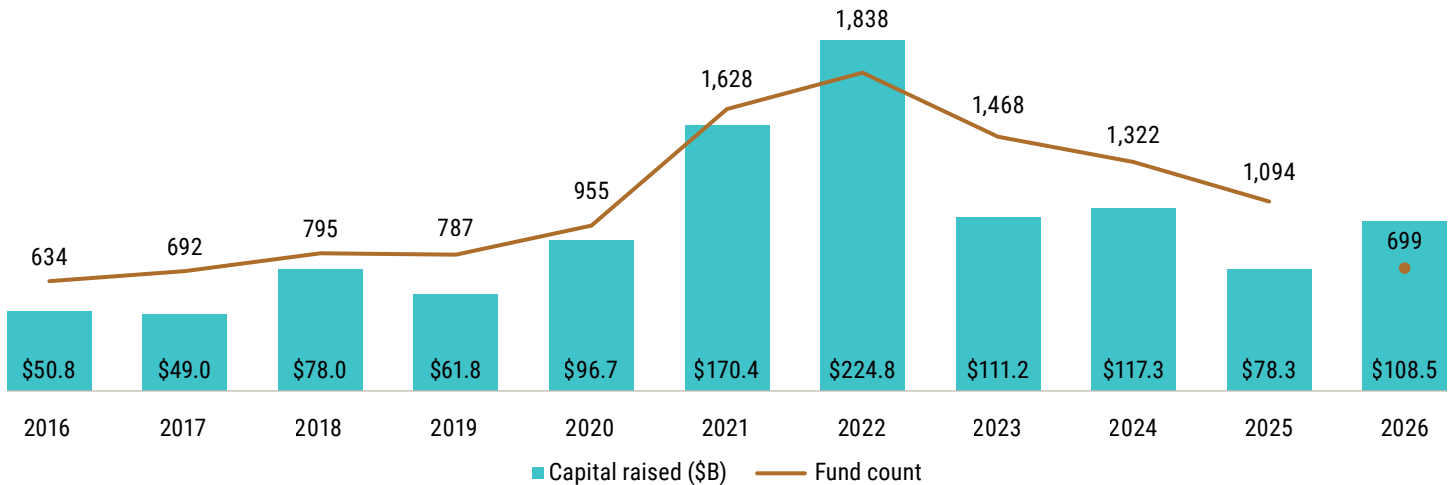


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Fundraising

US VC fundraising passes 2025's level, even as capital keeps consolidating into fewer hands

VC fundraising activity



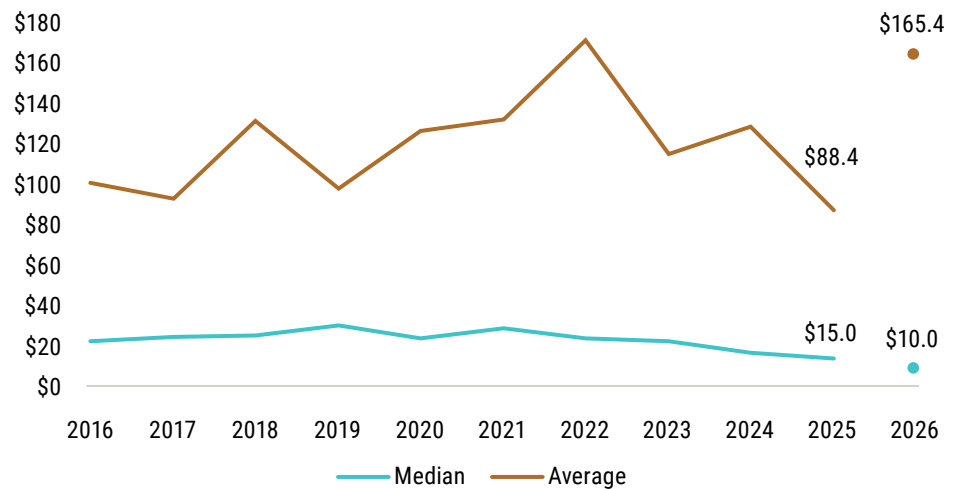
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Concentration continues to define US VC fundraising. YTD through Q3 2026, \$108.5 billion was raised across 699 funds, up 38.6% from the \$78.3 billion raised in full-year 2025. Annualized fundraising value is on pace to exceed every year from 2023 through 2025, though it would still trail 2021 and 2022. Most of that capital has gone to megafunds of \$500 million or larger, which make up 78.1% of total capital raised YTD, despite accounting for just 6% of new funds closed.

Andreessen Horowitz illustrates just how concentrated fundraising has become at the top of the market. Through Q3 2026, the firm closed funds totaling \$23.8 billion—more than 20% of all US venture capital raised this year—on its own. That total includes its \$8.5 billion a16z Growth Fund V, the firm's largest fund raised to date. Bessemer Venture Partners announced two new funds in Q3 totaling \$5.8 billion. One, an early-stage fund of \$1.8 billion, the other, a growth-stage fund of \$4 billion.

Outsized vehicles push average fund size to second-highest level in a decade

Median and average VC fund size (\$M)



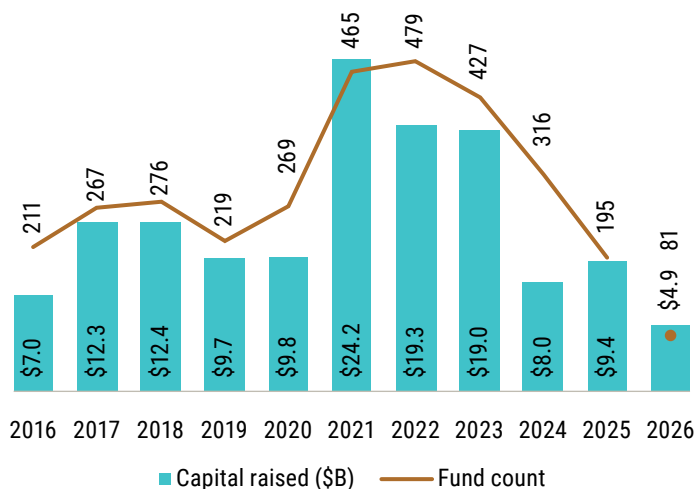
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Fundraising trends by manager experience confirm the same concentration pattern in fund size. Capital keeps consolidating among a shrinking set of dominant managers. Established firms (fund four and above) accounted for 88.2% of total capital

raised YTD, the highest share in our dataset, and 64.1% of all new funds, also a decade high. Established firms' capital share has historically fluctuated between roughly 50% and 80% over the past decade, and 2026 is the first year it has broken decisively above that range.

Annualized first-time fund count on track to be lowest since 2016

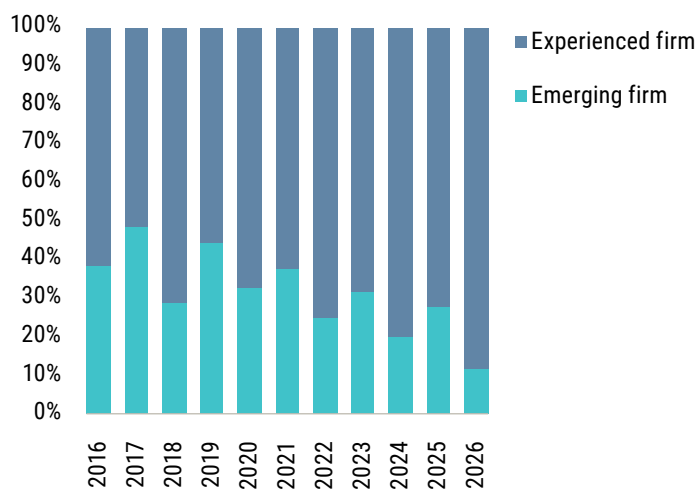
VC first-time fundraising activity



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Capital concentration in established managers reaches record high

Share of venture capital raised by manager experience



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The shift shows up in the population of active managers, too: The number of distinct emerging firms closing at least one fund fell from 927 in 2022 to 440 in 2025 to just 211 through Q3 2026. First-time funds have borne the brunt of the poor market. Just \$4.9 billion was raised across 81 such funds YTD, with the annualized fund count on pace for the fewest in the past decade.

LPs' preference for established, name-brand managers with proven track records largely reflects liquidity constraints that have persisted for a couple of years now, with little meaningful improvement to date. We do not expect preference to shift structurally until LPs see real relief on the distribution side. Accelerating IPO activity from leading AI companies, such as OpenAI and Anthropic, over the next several quarters could help, but likely unevenly. The multistage funds that hold the largest stakes in those

companies are also best positioned to receive the resulting distributions. LPs receiving fresh cash from a manager with a proven track record tend to recommit it to that same manager or redeploy it elsewhere to hold their allocation targets steady, rather than redirect it to smaller or newer funds. In the meantime, a flywheel is taking hold among the largest managers. Multistage funds, such as Andreessen Horowitz and Sequoia Capital, are drawing outsized LP commitments and raising increasingly large funds, positioning them to write the biggest checks to the fastest-growing AI companies. As some of those companies post early wins, including exits like Stripe's acquisition of OpenRouter at several times its last venture valuation, the resulting track record reinforces LPs' conviction in the same multistage funds, pulling further commitments toward them and away from smaller, newer managers.

Median and average US VC fund size figures reinforce this bifurcation. YTD, average fund size rose 87.2% YoY to \$165.4 million, the second-highest level in a decade behind only 2022, while the median fund size extended its five-year run of consecutive annual declines, settling at \$10 million. The middle of the market is what is disappearing: Funds between \$100 million and \$500 million made up roughly 17% of all funds closed in the years leading up to 2021. Through Q3 2026, that share has fallen to just 10%, the lowest in our dataset. That is the mechanical result of managers either scaling up into the multistage, megafund tier or staying small and specialized at the pre-seed/seed stage. The bigger risk for a midsize manager, wherever they are based, is being squeezed from both sides: too large to compete on speed and flexibility with the smallest seed funds, and too small to write the check sizes AI-native companies now command.

Methodology

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, VC firms, corporate venture firms, corporate investors, and institutions, among others. 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, with any reference to “ecosystem” defined as the combined statistical area (CSA). We include deals with partial debt and equity.

Pre-seed/seed: When investors and/or the press release state that a round is pre-seed or seed financing, it is tagged as such. If the company is under 2 years old and the round is the first institutional investment in the company, the deal will be tagged as pre-seed unless otherwise stated. Regulatory filings under \$10 million for deals with unknown investors are classified as seed unless pre-seed parameters are met.

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, and participating investors.

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, and participating investors.

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.

Nontraditional investors: “CVC” includes rounds executed by established CVC arms as well as direct equity investments by corporations into VC-backed companies. “PE” includes VC deals by investors whose primary classification is PE/buyout, growth, mezzanine, or other private equity. “Crossover” investors are a subset of nontraditional investors—specifically asset managers, hedge funds, mutual funds, and sovereign wealth funds—that have been active in VC investment across any stage. They are referred to as crossover because they are likely to be participating at the late stages directly prior to an exit.

Venture debt: The venture debt dataset includes all types of debt products raised by VC-backed companies, regardless of company stage. In mixed equity and debt transactions, equity is excluded when the amount is known. Financings that are solely debt are included in this dataset, though not incorporated into the deal activity dataset used throughout the report. Mixed equity and debt transactions will be included in both datasets.

Exits

We include the first majority liquidity event for holders of equity securities of venture-

backed companies. This includes events in which there is a public market for the shares (IPO) or the acquisition of a majority of the equity by another entity (a corporate or financial acquisition). 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. IPO value is based on the pre-money valuation of the company at its IPO price. One slight methodological update is the change in terminology from “IPO” to “public listings” to accommodate the different ways we track VC-backed companies’ transitions to the public markets. To give readers a fuller picture of the companies that go public, this updated grouping includes IPOs, direct listings, and reverse mergers via SPACs.

Fundraising

We define VC funds as pools of capital raised to invest in the equity of startup companies. In addition to funds raised by traditional VC 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’s investment team is based; if that information is not explicitly known, the HQ country of the fund’s general partner is used. Only funds based in the US 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 fund’s final close. Interim close amounts are not recorded in the year of the interim close.

References

- 1: ["Forge," Forge, n.d., accessed September 24, 2026.](#)

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