PitchBook
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Q3
2026

US

# VC Fundraising and Returns Report



PitchBook

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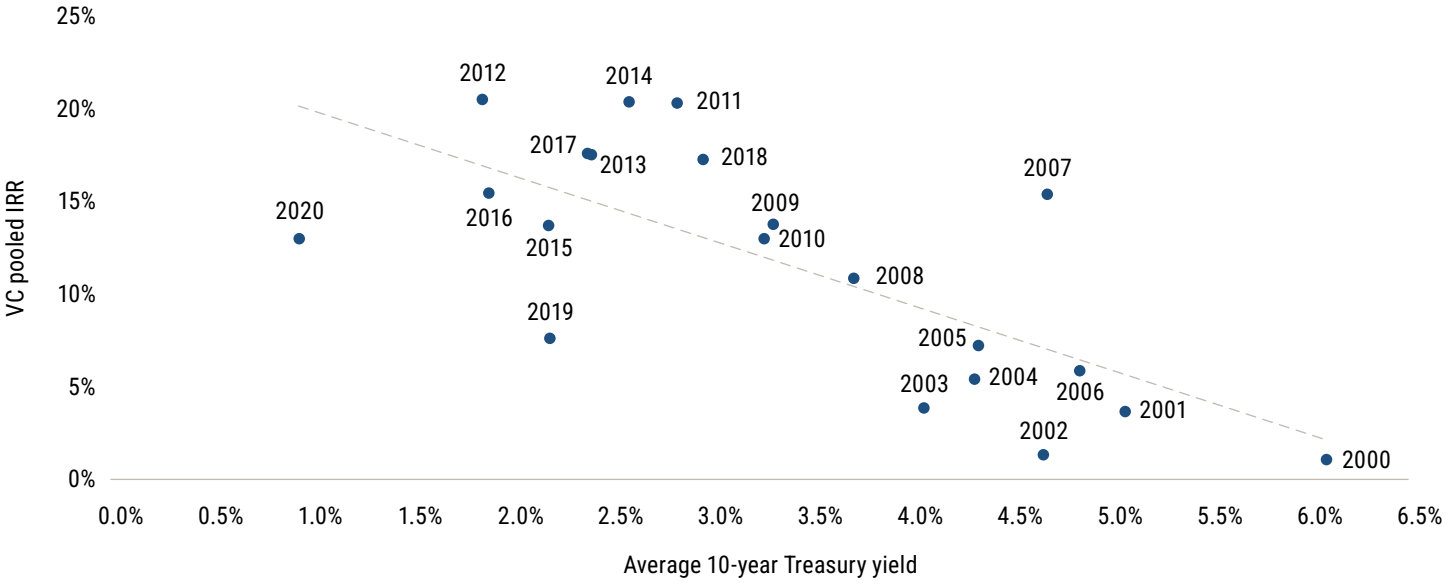
Published on November 4, 2026

PitchBook

# Market overview

### Clear relationship between market environment and pooled IRRs

*VC pooled IRR versus average 10-year Treasury yield*



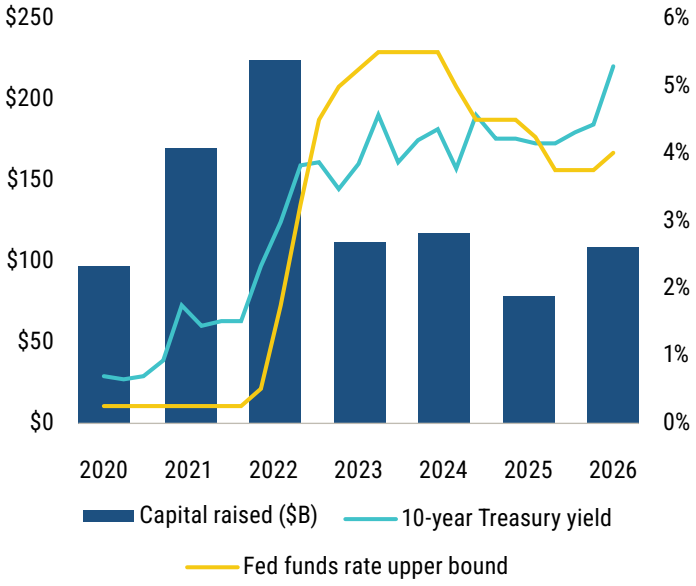

Sources: PitchBook, FRED • Geography: US • As of March 31, 2026

Distributions generated with 2026 liquidity were expected to reignite US VC fundraising. At $108.5 billion in commitments, fundraising has been higher than in the past few years, but it has concentrated in large, established firms. Now, 10-year Treasury yields have pushed to 30-year highs, increasing the bar for LPs to allocate to venture as a risk-free benchmark. VCs and their LPs face rising venture valuations, an extended liquidity crunch, and a fast pace of investment driven by the AI boom, all pressuring the allocation to VC and portfolio balance across strategies.

10-year Treasury yields do not necessarily have a causal relationship with VC vintage returns, but they do offer a duration comparison and a risk-free rate to judge fund returns against. Pooled IRRs show a strong relationship with yields at the inception of funds: The lower the yields, the higher the returns. This relationship has been established over a limited period, but it may be more relevant now than ever before. The economic uncertainty of the next few years and the fast-paced dealmaking environment of AI pull LPs in opposite directions, creating the optics of a lose-lose situation: Sit out this fundraising market and miss out on the potential AI boom; allocate in this environment and increase the risk of the portfolio, with a potentially lower expected outcome.

### Higher rates are raising the bar for allocators

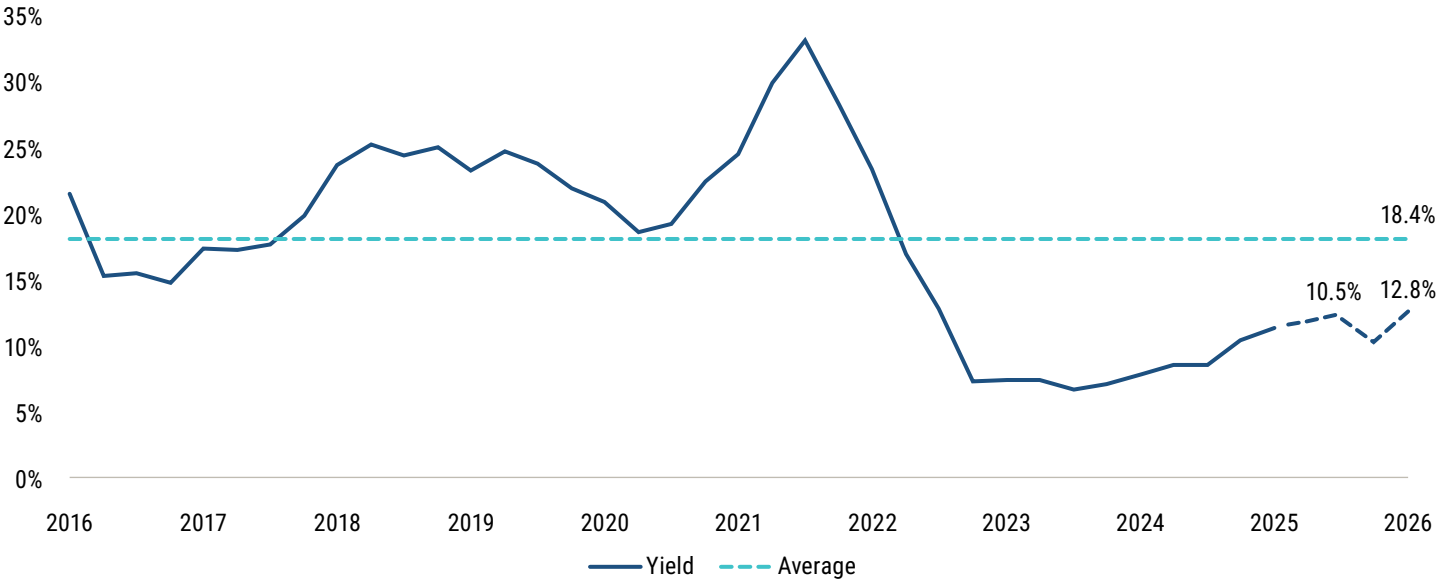
*Venture capital raised versus 10-year Treasury yield and fed funds rate*




Sources: PitchBook, FRED • Geography: US • As of September 30, 2026

### High net asset value (NAV) weighing on distribution increase

*VC 12-month distribution yield as a share of NAV*




Source: PitchBook • Geography: US • As of March 31, 2026

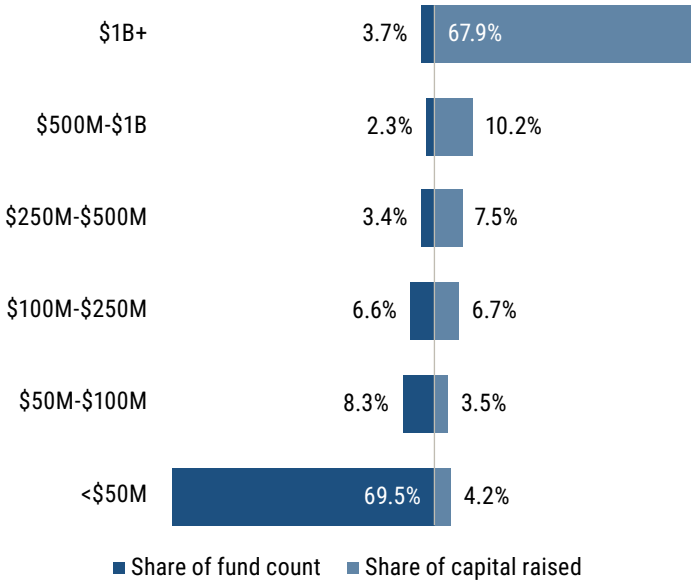
The uncertain environment has led LPs to recommit with established managers (those on fund four and beyond). The past few years have proven how track records and long-term relationships supplant new ideas from emerging managers and data showing an increased potential for outsized returns from smaller managers. The Bay Area has become a good example. Established firms in the Bay Area have closed more than $66 billion in commitments this year and could help the Bay Area alone surpass the full-year 2025 US VC fundraising figure. Emerging funds in the same market, on the other hand, have closed less than $4 billion, pacing for their lowest annual commitments in the past decade. This bifurcation is a strong encapsulation of nearly all aspects of today's US VC market.

Exit concentration is a big problem for LPs. The five largest acquisitions completed this year through Q3 account for 80% of M&A value, and the list of investors in those rounds is not long. A look at the distribution rates of older funds distinctly shows this challenge. As a share of NAV, the past 12 months in distributions have been only 12.8%. Those distributions have been below the average for nearly five years, and the gap between the median TVPI and the median DPI of a 10-year-old vintage has never been wider.

Current fundraising and liquidity market trends highlight the immediate impacts of an uncertain market characterized by unexpected rate hikes and a surge in 10-year yields, especially

### 3.7% of funds hold 67.9% of new commitments

*Share of VC fundraising activity by size bucket*



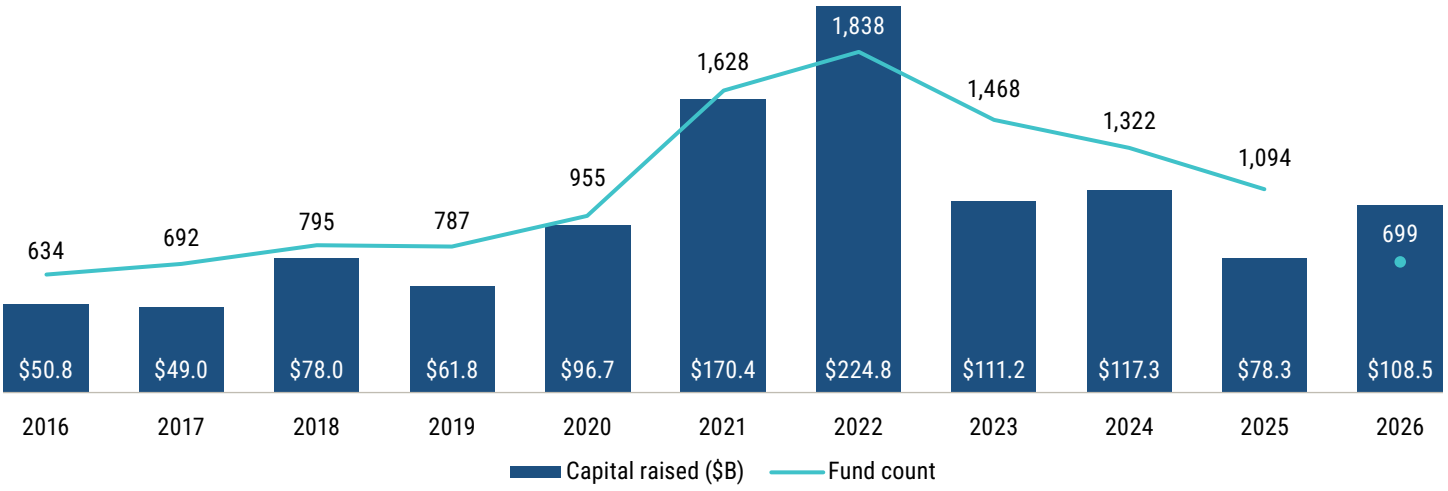

Source: PitchBook • Geography: US • As of September 30, 2026

as they diverge from economic growth. What that means for VC fundraising is simple: AI has made the market forget about the poor liquidity of the past few years, but LPs are not willing to forsake their strategy until the drag on their portfolios is gone. Their allocation to VC exemplifies that problem.

# Supply of capital

### YTD capital raised surpasses full-year 2025 total

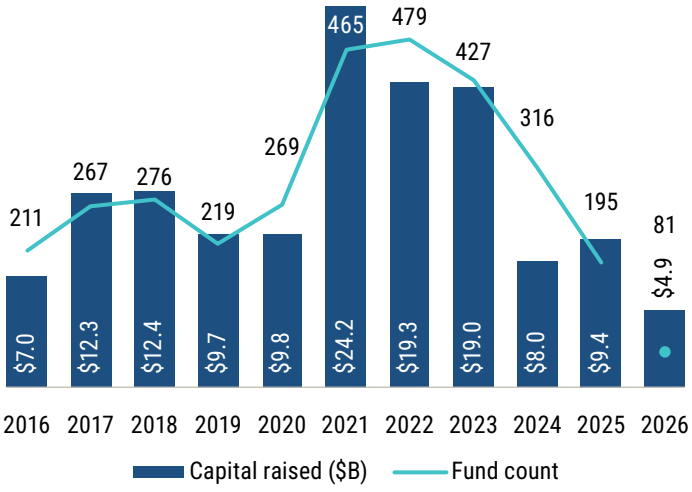
*VC fundraising activity*




Source: PitchBook • Geography: US • As of September 30, 2026

### First-time fund formation is on pace for a decade low of 108 funds raising $6.5 billion

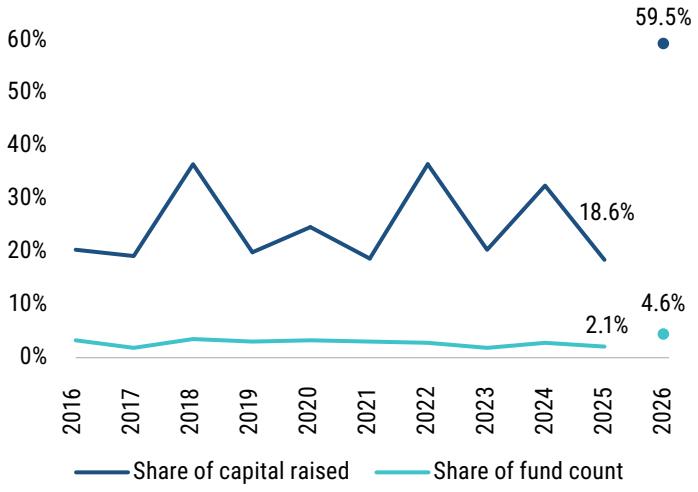
*VC first-time fundraising activity*




Source: PitchBook • Geography: US • As of September 30, 2026

### Multistage firms account for nearly 60% of all capital raised, a record high

*VC fundraising activity by multistage investors as a share of all VC fundraising activity*

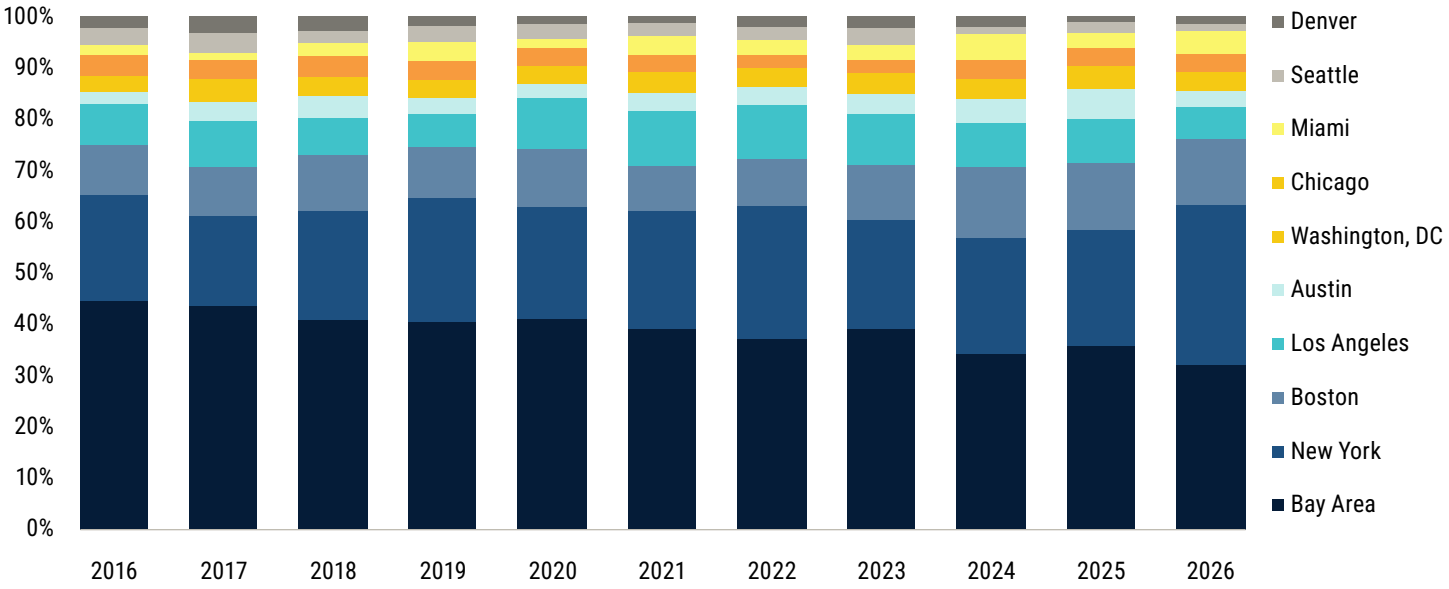



Source: PitchBook • Geography: US • As of September 30, 2026

Fundraising concentration carries implications beyond fund counts. Prices of venture deals have increased significantly in recent years, partially driven by the largest managers operating earlier in the VC lifecycle. Multistage firms have captured nearly 60% of all venture capital raised in 2026; Andreessen Horowitz accounts for nearly one-quarter of commitments closed through Q3. These firms have pricing power and are able to swallow larger early checks without significantly increasing the risk of their funds. In the Bay Area, where AI is increasingly centralized, the median seed pre-money valuation has reached $32 million, more than 50% higher than in New York, which houses the second-highest median.

## New York nearly matches the Bay Area's share of fund count

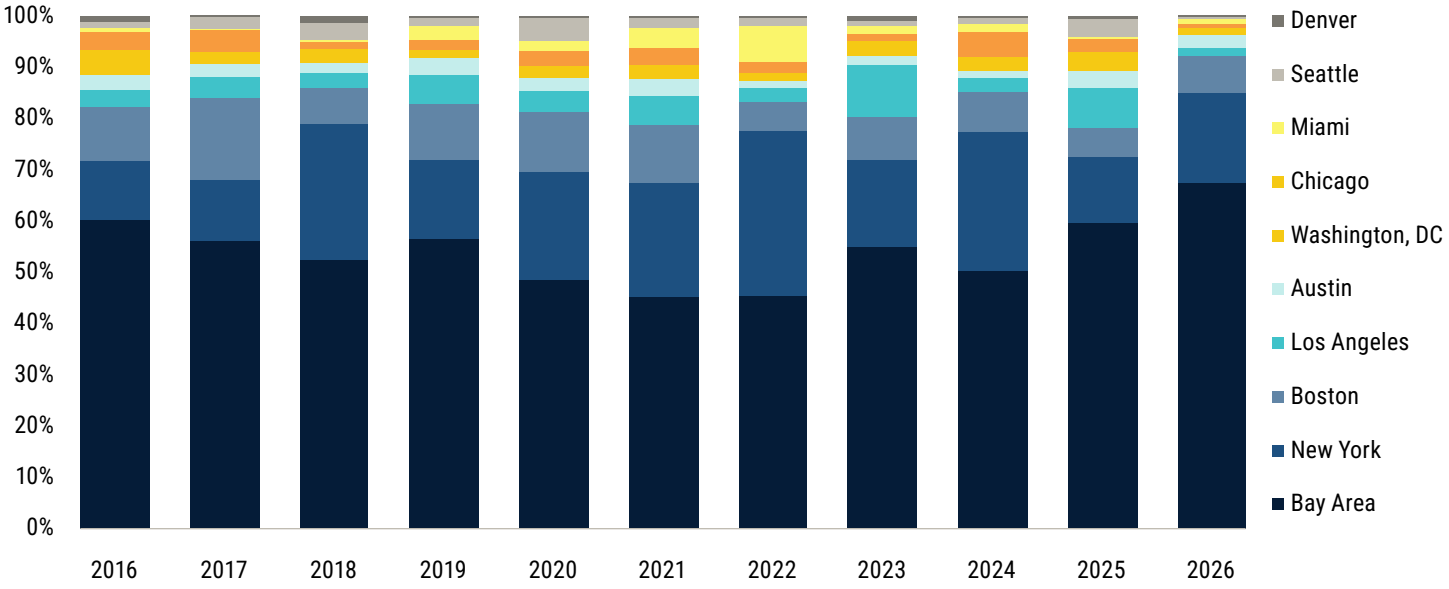
*Share of VC fund count by fund combined statistical area (CSA)*




Source: PitchBook • Geography: US • As of September 30, 2026

## The Bay Area's share of capital raised hits a decade high of 67.5%

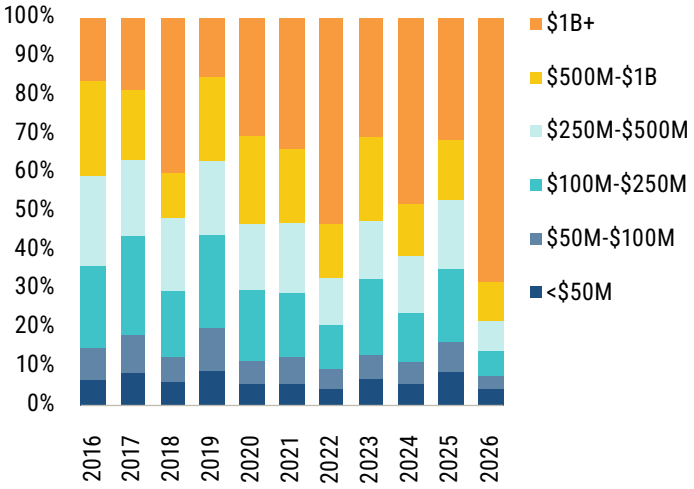
*Share of venture capital raised by fund CSA*




Source: PitchBook • Geography: US • As of September 30, 2026

## Funds over $1 billion capture 67.9% of capital raised through Q3 2026, a decade high

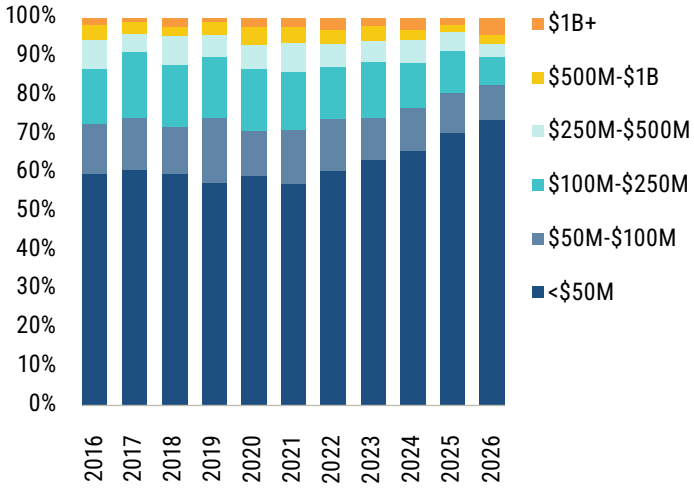
*Share of venture capital raised by size bucket*




Source: PitchBook • Geography: US • As of September 30, 2026

## Sub-$50 million funds now account for 74.1% of all funds closed through Q3 2026, a decade high

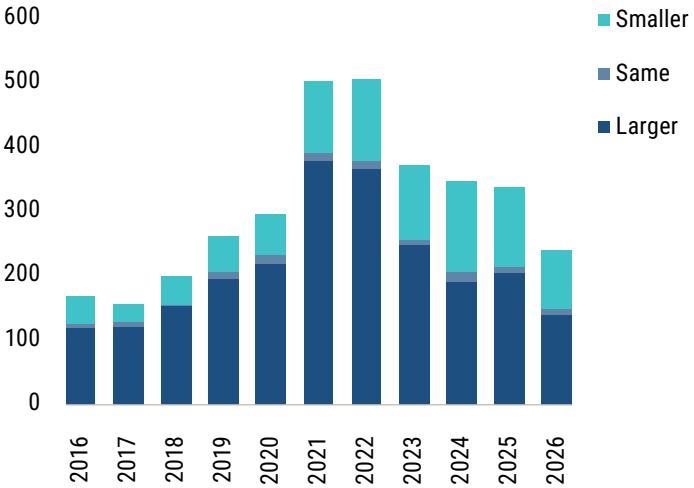
*Share of VC fund count by size bucket*




Source: PitchBook • Geography: US • As of September 30, 2026

## Raising a larger fund than the last remains the norm among GPs

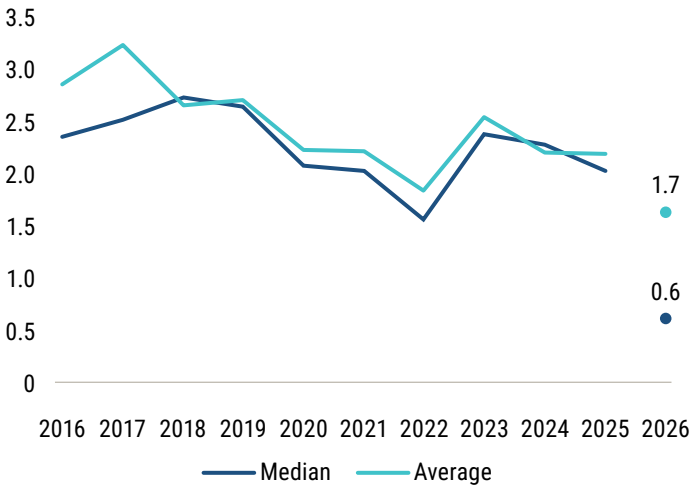
*VC fund count by change in size from prior fund*




Source: PitchBook • Geography: US • As of September 30, 2026

## Average time between funds shortens to 1.7 years

*Median and average time (years) between VC funds*

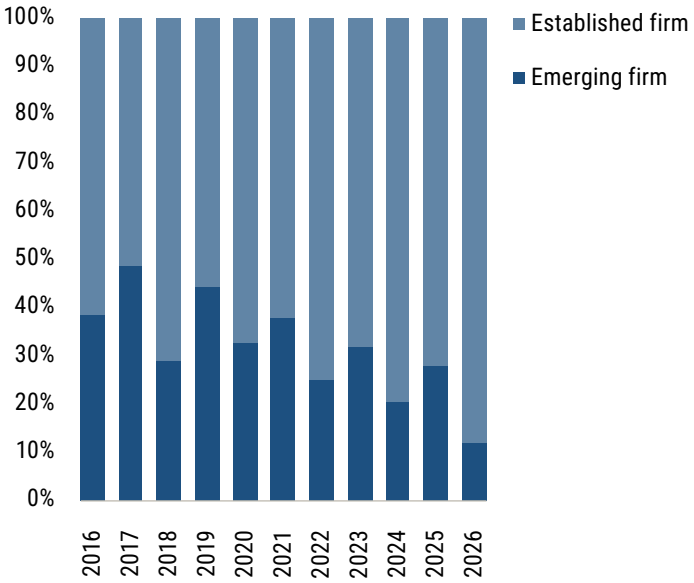



Source: PitchBook • Geography: US • As of September 30, 2026

Small to midsize funds ($50 million to $500 million) continue to face the tightest squeeze. Their share of fund count has trended downward, from 28.6% in 2021 to 18.3% through Q3 2026, the lowest in our dataset. High prices in the market, coupled with LP discretion and a lean toward established funds, have left little capital flowing into more traditionally sized funds. LPs seeking exposure to Series A and later rounds can access it through multistage managers with established track records, network effects, and operating scale, which weakens the case for a dedicated Series A or B fund. Without a clearly differentiated edge, such as a sourcing advantage or deep sector expertise, these funds are finding it harder to win LP commitments. The median fund size is still small, decreasing to $10 million through Q3, but many of these funds are built for markets outside of tech hubs, where a few deals would eat up the entire fund.

## Established managers capture 88.2% of capital raised through Q3 2026

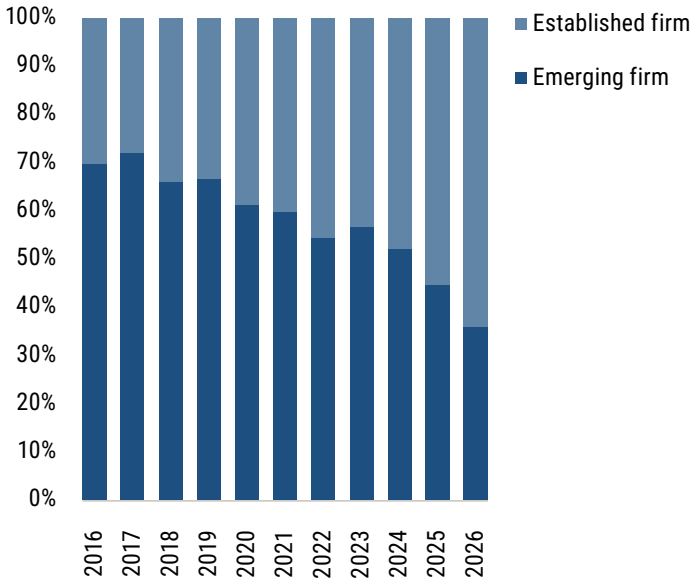
*Share of venture capital raised by manager experience*




Source: PitchBook • Geography: US • As of September 30, 2026

## Established managers have closed 64.1% of all funds YTD

*Share of VC fund count by manager experience*




Source: PitchBook • Geography: US • As of September 30, 2026

LP selectivity has narrowed the field of managers raising capital, and those that remain are returning to market faster. Because the subset of managers raising capital is smaller and trends are more established, the time between funds has decreased. The average time between fundraises has fallen to 1.7 years, the lowest in a decade. This is a biased figure because of the general lack of firms able to close funds, but it points to the difficulties of emerging managers in raising funds. First-time funds are pacing for their lowest year in a decade.

We expect the high bar for fundraising to remain in place for a while. Optimism about 2027 liquidity is starting to build, but a repeat of 2026 is more likely: a few outsized listings and acquisitions without broad-based exit activity. Elevated energy prices and AI-related component and power costs are adding to inflation, while record hyperscaler bond issuance to fund AI capital expenditure has widened corporate spreads and lifted yields, which together weigh on valuations and exit pricing. Weak trading by recent VC-backed listings, which trailed the Morningstar Growth Index by a median of 38% after 120 days (as of August 18, 2026), further dampens the outlook for exits. Together, these pressures will likely keep LPs on the sidelines or channel capital to established brands.

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# Fund performance

### US VC beats the S&P 500 at one year and trails sharply at three and five years

*VC horizon IRRs*

| Strategy | Q2 2026* | Q1 2026 | 1-year | 3-year | 5-year | 10-year | 15-year | 20-year |
|---|---|---|---|---|---|---|---|---|
| **Global VC** | **1.4%** | **5.2%** | **21.8%** | **8.0%** | **6.2%** | **13.1%** | **12.7%** | **10.7%** |
| **US VC** | **1.3%** | **5.3%** | **22.8%** | **8.7%** | **6.7%** | **13.7%** | **13.1%** | **10.9%** |
| North America VC | 1.3% | 5.3% | 22.7% | 8.7% | 6.7% | 13.7% | 13.1% | 10.9% |
| Europe VC | 2.4% | 4.4% | 14.0% | 2.8% | 4.3% | 8.2% | 8.8% | 7.5% |
| Rest of world VC | 7.4% | 3.8% | 15.3% | 3.0% | 0.9% | 7.7% | 8.3% | 8.3% |
| VC <$250M | 3.1% | 4.1% | 7.2% | 2.0% | 9.2% | 13.2% | 11.9% | 10.5% |
| VC $250M+ | 1.3% | 5.2% | 23.5% | 8.7% | 5.9% | 13.0% | 12.8% | 10.7% |
| S&P 500 | 15.2% | -4.3% | 17.8% | 18.3% | 12.1% | 14.2% | 13.3% | 10.5% |
| MSCI World Small-Cap Growth | 20.8% | 1.1% | 28.2% | 13.3% | 3.9% | 10.3% | 9.1% | 8.1% |
| Morningstar US Small-Cap Growth | 20.1% | -1.4% | 22.9% | 13.4% | 1.3% | 10.0% | 9.2% | 7.9% |
| MSCI Europe Small-Cap Growth | 8.3% | -5.0% | 17.2% | 7.9% | 0.3% | 6.6% | 7.2% | 6.8% |
| MSCI Emerging Market Small-Cap Growth | 13.8% | -1.5% | 26.1% | 12.7% | 5.6% | 7.4% | 4.2% | 5.7% |

Source: PitchBook • Geography: Global • As of March 31, 2026
*As of June 30, 2026

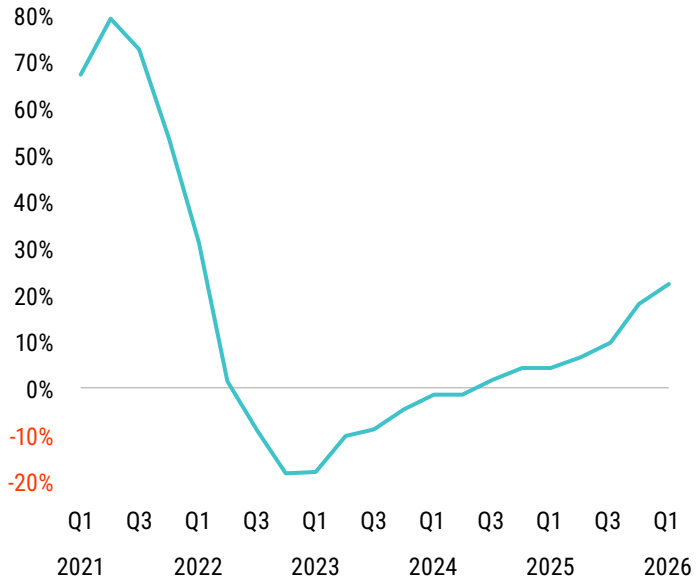
*Note: All public index values are total return CAGRs. All private capital returns are net of fees and accrued carry. Quarterly returns are provided where there are at least five constituent funds that qualify for inclusion.*

As of Q1 2026, US VC's one-year horizon IRR reached 22.8%, and the rolling one-year IRR rose for 13 consecutive quarters from -17.7% in Q4 2022, its lowest level since 2003. IRR includes unrealized returns, so paper gains lift it before distributions reach LPs. Cash returns have not kept pace. In Q1 2026, VC NAV grew by about $98 billion to $1.3 trillion, while distributions totaled only $17.6 billion, 1.4% of beginning NAV. LPs contributed $54.4 billion, leaving them net contributors of $36.8 billion alongside record, AI-driven deal value.

As of Q1 2026, returns were stronger in larger funds. Funds of $250 million or more posted a one-year horizon IRR of 23.5%, compared with 7.2% for funds under $250 million. Pooled IRR, which weights funds by size, has exceeded equal-weighted IRR in 20 of 30 vintages since 1996, but typically by less than a percentage point (a median gap of 0.6 percentage points through the 2021 vintage). For the 2022 to 2025 vintages, the gap widened from seven to 25 points, larger than for any vintage from 1997 to 2021. A gap this wide indicates that larger funds are earning materially more than the typical fund, so overall pooled IRRs overstate the typical fund's experience.

### Rolling one-year IRR rises for 13 straight quarters to 22.8%, its highest level since Q1 2022

*VC rolling one-year IRR by quarter*




Source: PitchBook • Geography: US • As of March 31, 2026

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## The 2024 vintage's IRR standard deviation reaches 60.5%, the highest since 1997

*VC IRRs by vintage*

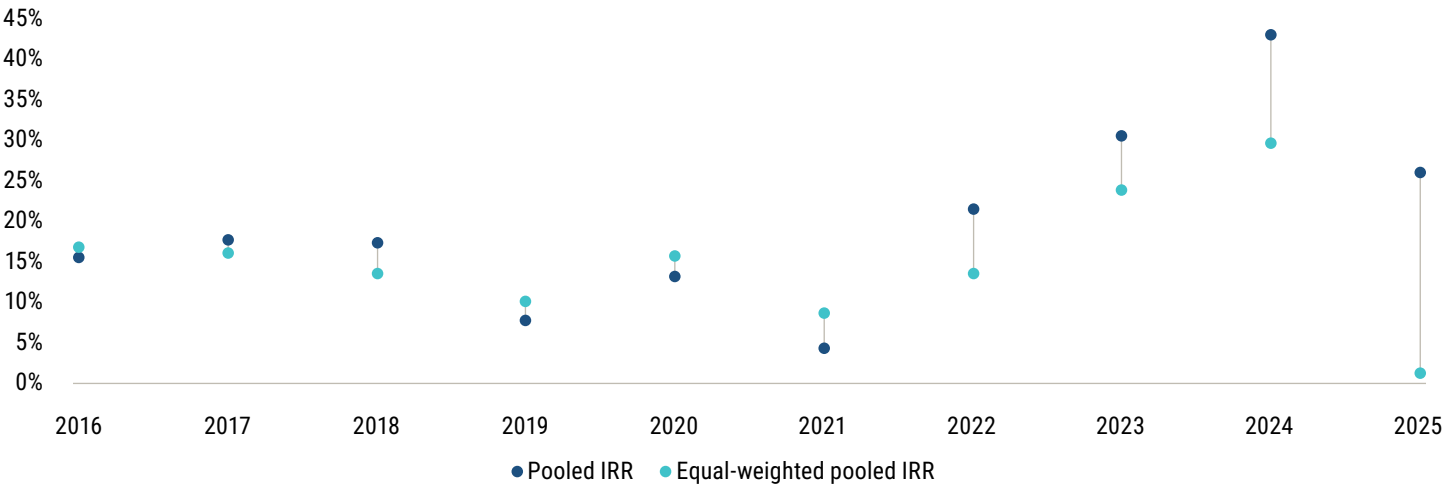
| | Pooled IRRs | | | IRR quantiles | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Vintage year | Pooled IRR | Equal-weighted pooled IRR | Fund count | Top decile | Top quartile | Median IRR | Bottom quartile | Bottom decile | Standard deviation | Fund count |
| 2016 | 15.6% | 16.8% | 46 | 33.4% | 22.9% | 15.9% | 9.5% | 4.3% | 12.5% | 67 |
| 2017 | 17.7% | 16.1% | 31 | 28.4% | 18.4% | 14.1% | 7.7% | 0.8% | 10.9% | 50 |
| 2018 | 17.4% | 13.6% | 33 | 25.3% | 18.0% | 11.1% | 5.1% | -3.0% | 29.1% | 45 |
| 2019 | 7.8% | 10.1% | 28 | 24.4% | 15.2% | 9.3% | 3.7% | -2.9% | 10.5% | 41 |
| 2020 | 13.1% | 15.7% | 44 | 23.1% | 16.5% | 7.6% | 0.6% | -4.9% | 14.3% | 59 |
| 2021 | 4.3% | 8.6% | 92 | 25.7% | 12.8% | 6.5% | 0.7% | -3.8% | 15.9% | 99 |
| 2022 | 21.5% | 13.7% | 59 | 43.3% | 23.3% | 12.0% | 1.2% | -7.6% | 22.6% | 86 |
| 2023 | 30.6% | 23.9% | 57 | 56.4% | 38.4% | 18.2% | 2.3% | -4.6% | 33.5% | 82 |
| 2024 | 43.2% | 29.7% | 34 | 89.0% | 48.1% | 20.0% | -5.9% | -15.3% | 60.5% | 54 |
| 2025 | 26.0% | 1.3% | 29 | 65.6% | 19.0% | -1.6% | -7.9% | -17.5% | 37.0% | 38 |

Source: PitchBook • Geography: US • As of March 31, 2026

*Note: All private capital returns are net of fees and accrued carry.*

## The gap between pooled and equal-weighted vintage IRRs has significantly widened over the past few years

*VC pooled IRR versus VC equal-weighted pooled IRR by vintage*

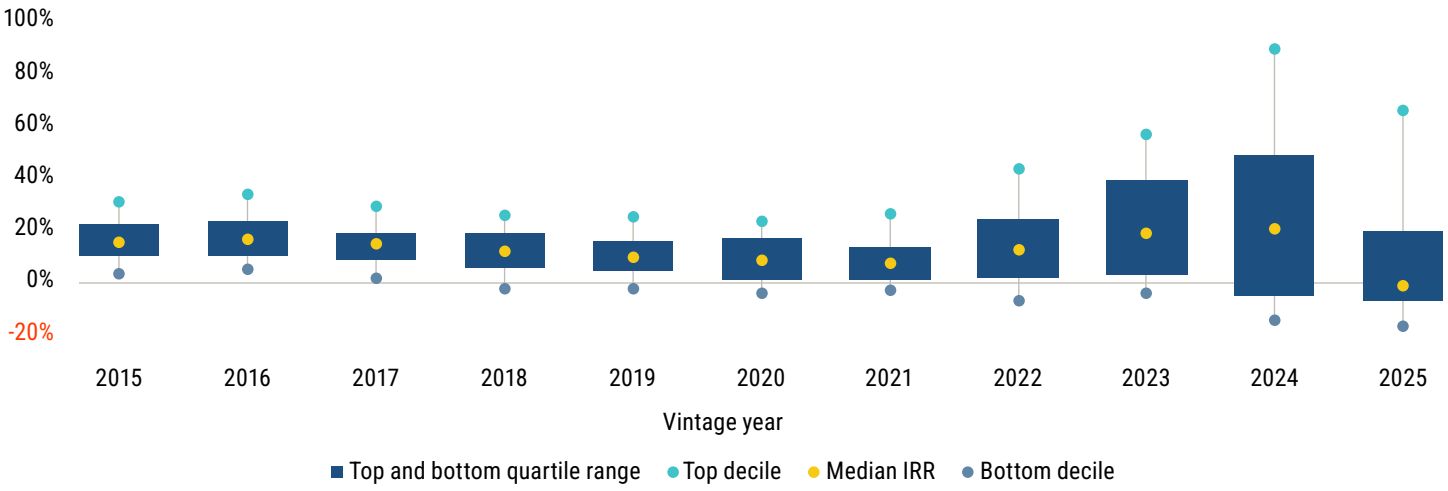



Source: PitchBook • Geography: US • As of March 31, 2026

AI is the driver of the widening gap. Large multistage funds are best positioned to write the biggest checks for AI companies, which took 82.7% of US VC deal value through Q3 2026, and those companies command higher valuations and step-ups (a median of 2.2x in 2026 versus 1.5x for non-AI companies). Markups on these holdings flow into NAV and lift the IRRs of the funds that hold them. Outside AI, valuations are resetting quickly. During Q3, Airtable was acquired and Miro agreed to be acquired at about 90% below their prior peak private valuations. Funds with less AI exposure face greater markdown risk in this environment, but AI exposure carries risks of its own. The sector is intensely competitive, and the technology evolves quickly, which can erode a company's lead and the defensibility of its product within a short time. Talent is another risk because scarce AI talent is in heavy demand and startups can lose the people their value rests on. Character.AI became

### Top-decile IRR stays above 65% for two straight vintages while the 2025 median turns negative

*VC IRR dispersion by vintage*




Source: PitchBook • Geography: US • As of March 31, 2026

### Only the 2016 vintage has returned more than its paid-in capital

*VC multiples by vintage*

| | Pooled multiples | | | Equal-weighted pooled multiples | | | |
|---|---|---|---|---|---|---|---|
| Vintage year | TVPI | DPI | RVPI | TVPI | DPI | RVPI | Fund count |
| 2016 | 2.4x | 1.0x | 1.4x | 2.6x | 1.1x | 1.5x | 46 |
| 2017 | 2.3x | 0.9x | 1.4x | 2.2x | 0.8x | 1.4x | 31 |
| 2018 | 2.3x | 0.5x | 1.8x | 1.9x | 0.5x | 1.4x | 33 |
| 2019 | 1.4x | 0.2x | 1.2x | 1.5x | 0.3x | 1.2x | 28 |
| 2020 | 1.6x | 0.2x | 1.4x | 1.7x | 0.2x | 1.5x | 44 |
| 2021 | 1.2x | 0.1x | 1.1x | 1.3x | 0.1x | 1.2x | 92 |
| 2022 | 1.5x | 0.1x | 1.4x | 1.3x | 0.1x | 1.2x | 59 |
| 2023 | 1.6x | 0.1x | 1.5x | 1.4x | 0.1x | 1.3x | 57 |
| 2024 | 1.5x | 0.1x | 1.5x | 1.4x | 0.0x | 1.4x | 33 |
| 2025 | 1.1x | 0.0x | 1.1x | 1.0x | 0.0x | 1.0x | 29 |

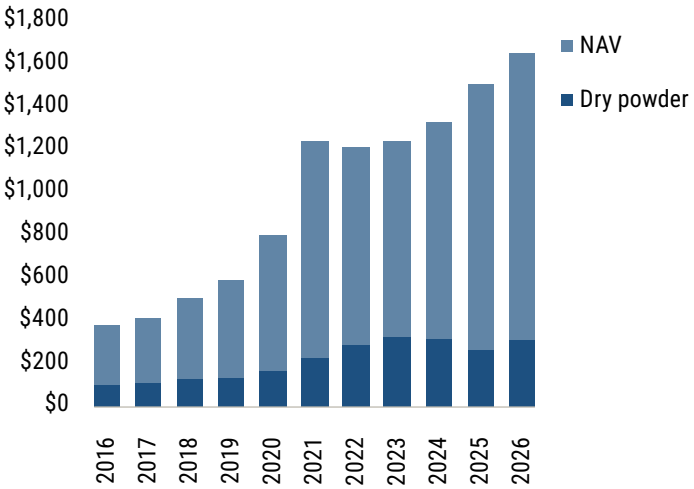
Source: PitchBook • Geography: US • As of March 31, 2026

a unicorn in 2023, and its founders joined Google under a licensing agreement in 2024. The company sought Chapter 11 protection in October 2026, citing high costs and legal and regulatory liabilities. A unicorn valuation does not guarantee durable value, and AI is no exception.

The more recent vintages are also returning capital more slowly. As of Q1 2026, the 2019 and 2020 vintages had returned an average of 0.14x DPI by year six, versus 0.25x to 0.53x for the 2008 to 2018 vintages at the same age. DPI rises mainly when portfolio companies exit, and US VC exit value fell from $895.9 billion in 2021 to $153.5 billion in 2022, staying at or below $156 billion through 2024, just as these vintages entered the years when distributions typically begin. Companies that did not exit remain in fund NAV, which is the backlog described in the Q3 2026 PitchBook-NVCA Venture Monitor: a record 992 active unicorns worth $5.7 trillion. Slower distributions leave LPs with less cash to recommit, which sustains the preference

### NAV's share of VC AUM rebounds to a decade high of 82.2% in 2025 from 73.7% in 2023

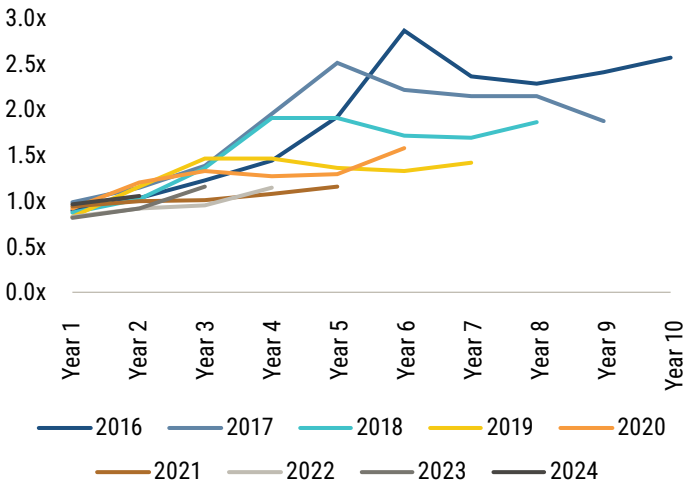
*VC AUM ($B)*




Source: PitchBook • Geography: US • As of March 31, 2026

### Recent vintages off to a slower start

*Average TVPI in the first 10 years by vintage*




Source: PitchBook • Geography: US • As of March 31, 2026

### Three straight vintages clear both public benchmarks, led by the 2024 vintage's 1.23 KS-PME

*VC PMEs by vintage*

| | | S&P 500 | | MSCI World Small-Cap Growth | | |
|---|---|---|---|---|---|---|
| Vintage | Pooled IRR | Direct alpha | KS-PME | Direct alpha | KS-PME | Fund count |
| 2016 | 15.6% | 0.7% | 1.0 | 5.0% | 1.3 | 46 |
| 2017 | 17.7% | 2.2% | 1.1 | 7.2% | 1.4 | 31 |
| 2018 | 17.4% | 2.1% | 1.1 | 7.6% | 1.5 | 33 |
| 2019 | 7.8% | -6.3% | 0.7 | -1.0% | 1.0 | 28 |
| 2020 | 13.1% | -1.2% | 1.0 | 4.6% | 1.2 | 44 |
| 2021 | 4.3% | -9.0% | 0.7 | -4.3% | 0.9 | 92 |
| 2022 | 21.5% | 3.4% | 1.1 | 5.8% | 1.1 | 59 |
| 2023 | 30.6% | 10.5% | 1.2 | 12.7% | 1.2 | 57 |
| 2024 | 43.2% | 21.8% | 1.2 | 18.8% | 1.2 | 34 |
| 2025 | 26.0% | 8.5% | 1.0 | -0.7% | 1.0 | 29 |

Source: PitchBook • Geography: US • As of March 31, 2026

for established managers described in the "Supply of capital" section. The 2022 to 2025 vintages are too young to have returned much (they had a DPI of 0.11x or less as of Q1 2026), so their pooled IRRs of 22% to 43% rest almost entirely on unrealized valuations.

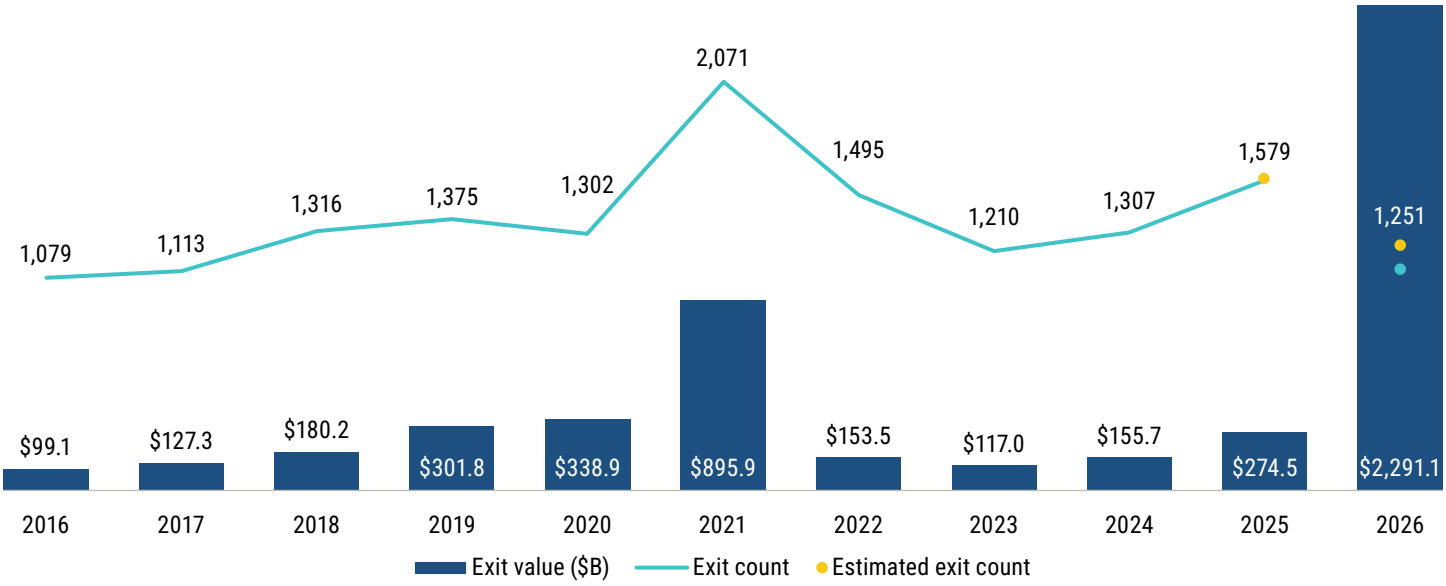
The most current performance data predates the Federal Reserve's September 2026 rate increase and the spike in Treasury yields, and VC has faced liquidity pressure since 2022. Higher yields raise the discount rates applied to growth companies, which can lower valuations and exit prices, and Q3 2026 fund marks will be the first to reflect this. Momentum was also slowing: The preliminary Q2 2026 return of 1.3% was the weakest since Q1 2025, so the rolling one-year IRR will likely ease from 22.8% (as of Q1 2026) in its next reading as Q2 2026 replaces Q2 2025's 2.2% in the window.

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# Liquidity and distributions

**M&A pickup has kept exit count strong, though most deals are small**

*VC exit activity*



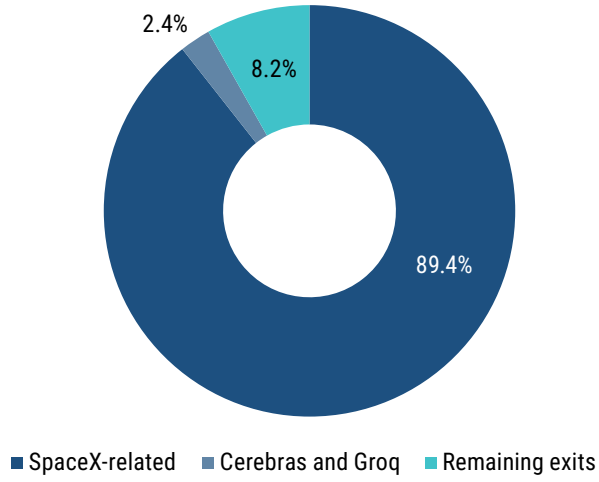

Source: PitchBook • Geography: US • As of September 30, 2026

Liquidity has picked up over the past few years, with 2026 on pace to record the second-highest number of completed exits, but the concentration of liquidity value has kept the narrative around exits weak. Public listing exit value through Q3 reached $1.8 trillion, $1.7 trillion of which was the SpaceX IPO. M&A exit value reached $465 billion, $310 billion of which was from acquisitions made by SpaceX. Both of those top-line figures are record highs. Underneath them, there have been some strong exits, but the IPO market has been slow for tech. The 70 IPOs cleared through Q3 were a step-up from the past few years but reflect a surge in healthcare listings. Postlisting performance has also been poor, eroding value before it can be distributed to LPs. SpaceX's IPO will create a large distribution to VC when shares are finally sold, though that will be concentrated among a small set of investors.

Despite record exit values and a pickup in M&A count, the narrative of poor liquidity conditions has not changed from the past few years. The data is telling. A quarter of unicorns have held the same valuations since 2021, and several large M&A deals from the past quarter were deeply discounted from private valuations. 75% of M&A occurs in companies no later than Series A, leading to many of the deals providing little to no returns for investors or, at the very least, providing returns that are nowhere near expectations. And beyond Anthropic and OpenAI, the pipeline of companies in IPO registration is thin.

**SpaceX-related exits account for 89.4% of 2026 value**

*Share of YTD VC exit value by exit*




Source: PitchBook • Geography: US • As of September 30, 2026

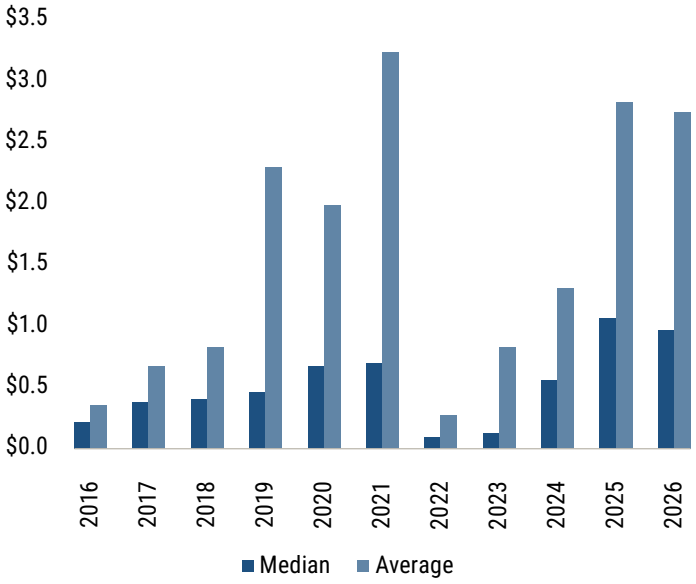
*Note: Chart includes only known exit values.*

Even large liquidity events are no guarantee of a clean liquidity story. SpaceX's shares have swung widely since its June 2026 IPO, dipping below the offer price over the summer, and as of the October 20 close they trade about 8% below their first-day closing price. Most lockups expire in stages through early December, and if demand does not absorb the added supply, the price could fall further. The pattern extends beyond SpaceX: As the Q3 2026 PitchBook-NVCA Venture Monitor shows, the median VC-Backed IPO Index constituent underperformed the Morningstar Growth Index by 38.2% over its first 120 days (as of August 18, 2026). Acquisitions also pay partly or entirely in stock. SpaceX's $60 billion purchase of Cursor was all stock, and Stripe's acquisition of OpenRouter, reported at more than $8 billion, is said to be paid in a mix of stock and cash, and Stripe is still private. In each case, holders receive shares rather than cash and realize value only if they sell, so aggregate exit value can run well ahead of cash returned to LPs.

Despite the several highly valued exits, the exit market is slogging all the way to the top. The median and average multiples on invested capital (MOICs) for the top 30 exits this year are low relative to figures from the past decade. Extended periods in the private market have coincided with extra capital raises and valuation growth that slowed significantly through 2025. With interest rates pushing higher, pressure on prices will continue into the near future. Public equities, including tech, do not trade with the high revenue multiples that many unicorns will need to avoid a down-round IPO. The market continues to look to the Anthropic and OpenAI IPOs to free the company backlog, and the softness in both companies' valuations in the past couple of weeks could exert dangerous pressure on the VC market if they are unable to keep their highs.

### Larger companies are listing, but the majority are in healthcare

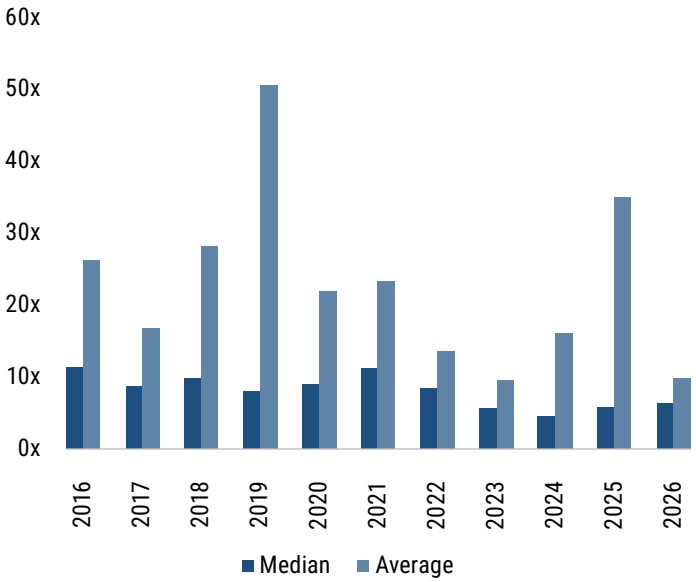
*Median and average IPO VC post-money valuations ($B)*




Source: PitchBook • Geography: US • As of September 30, 2026

### Large M&A deals are getting done, but more capital has been needed to get there

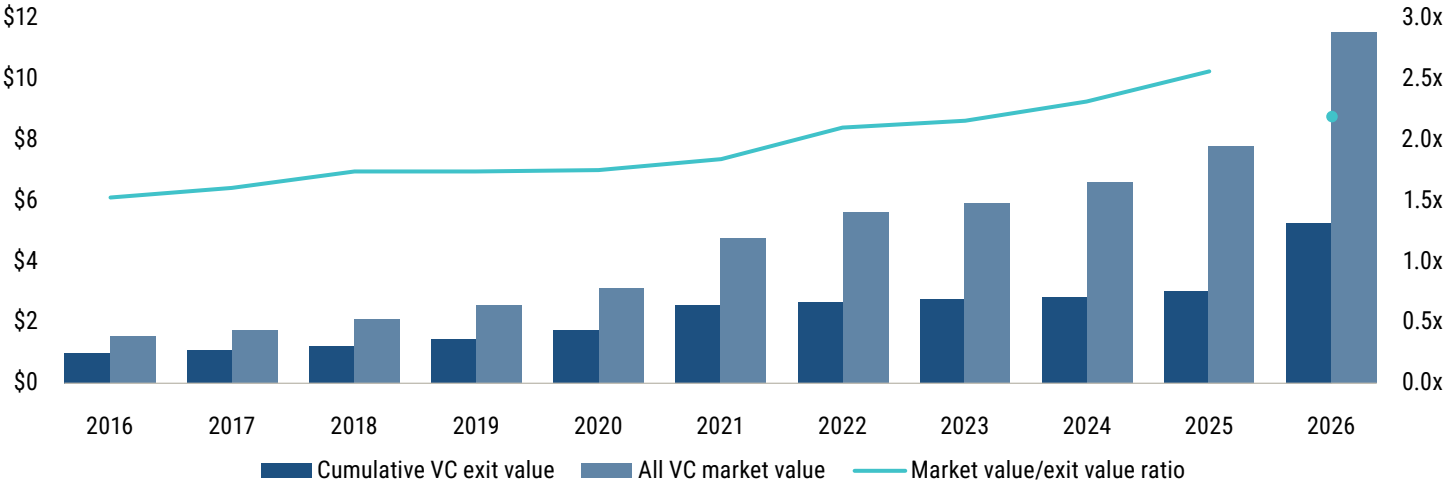
*Median and average MOICs for 30 largest M&A transactions*




Source: PitchBook • Geography: US • As of September 30, 2026

## Current private market value of VC companies is 2.2x cumulative exit value since 2000

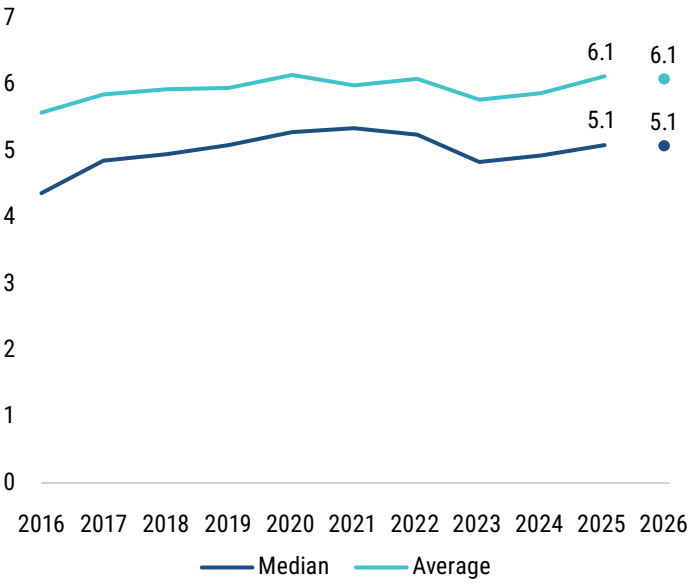
*Cumulative VC exit value versus aggregate VC market value ($T) since 2000*




Source: PitchBook • Geography: US • As of September 30, 2026

## Time to exit remains long

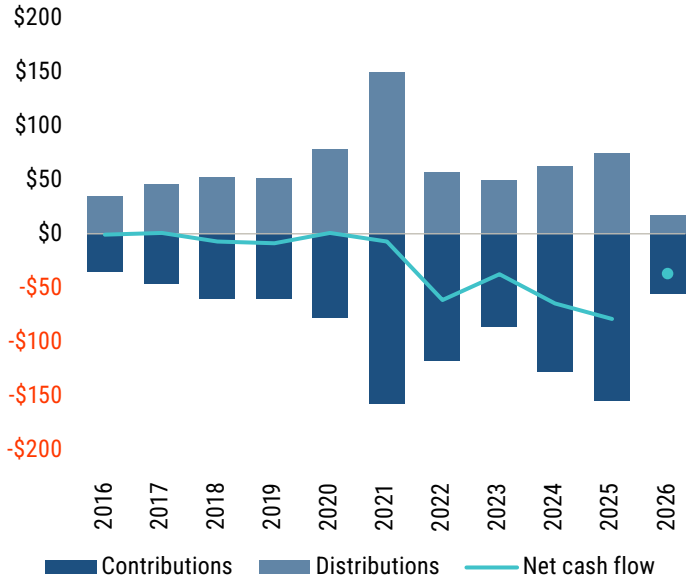
*Median and average time (years) to exit for VC-backed companies*




Source: PitchBook • Geography: US • As of September 30, 2026

## Net cash flow to LPs remains deeply negative

*VC cash flows ($B)*




Source: PitchBook • Geography: US • As of March 31, 2026

Liquidity has been a major problem for VC because LPs have found themselves unable to balance their portfolios or reallocate to venture while capital has been stuck in the private markets. It is becoming apparent that some of that allocation will remain in zombie funds until it is written off. The more concerning part is that capital calls continue to occur at a record pace, and because of that, VC fund cash flows are falling further into the negatives. The most recent data shows US capital calls outpacing distributions by $36.8 billion in the first quarter of 2026. During that period, nearly $55 billion was called from VC funds, a pace that exceeds all other years. Since 2022, net cash flows to LPs have been -$276.1 billion. Distributions from SpaceX, Anthropic, and OpenAI may cover that figure, but they will not cover it across a wide breadth of investors.

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# Methodology

**Fundraising**

We define VC funds as pools of capital raised for the purpose of investing 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 earlier. 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 GP 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 final close of the fund. Interim close amounts are not recorded in the year of the interim close.

**Exits**

Exits 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 (an IPO) or the acquisition of the 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 methodology update is the categorical change 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.

**Secondaries:** Secondary sales, the sale of shares of a company or of a VC fund stake, are not directly included in exit value or exit count charts. Though they do create liquidity for a small portion of investors or employees of a company, they do not involve a majority of the equity of a company, as do acquisitions, public listings, or buyouts. We have included them in the analysis and within their own charts and datasets to highlight their growing use and need within the venture market.

**Returns**

PitchBook's closed-end drawdown fund returns data is sourced primarily from individual LP reports, serving as the baseline for our estimates of activity across an entire fund. For any given fund, return profiles will vary for LPs due to a range of factors, including fee discounts, timing of commitments, and inclusion of co-investments. This granularity of LP-reported returns—all available on the PitchBook Platform—provides helpful insight to industry practitioners but results in discrepancies that must be addressed when calculating fund-level returns.

To be included in pooled calculations, a fund must have at least one LP report within two years of the fund's vintage and LP reports in at least 50% of applicable reporting periods. To mitigate discrepancies among the reporting from multiple LPs, the PitchBook Benchmarks determine returns for each fund based on data from all LP reports in a given period. For periods that lack an LP report, a straight-line interpolation calculation is used to populate the missing data; interpolated data is used for approximately 10% of reporting periods, a figure that has been steadily declining.

Beginning with the Q4 2019 PitchBook dataset, we expanded our dataset to include funds with a reported IRR, even if the fund's cash flow data does not meet the pooled calculation criteria. In our Q2 2021 PitchBook Benchmarks report, we made additional improvements to the inclusion criteria for reported IRRs, which led to some shifts in vintage-year data counts compared with prior iterations. In Q3 2025, we updated our fund filters to include funds with available multiples data, even if these funds do not have robust cash flow histories. This has allowed us to include significantly more multiples in our quantiles tables.

Due to lag in reporting for some funds and liquidation causing older funds to no longer report returns, we will pull forward cash multiples and IRR information from previous quarters under the following stipulations: (i) We extend cash multiples and IRR after five years since fund inception if reported NAV was less than 5% of commitments. (ii) If NAV is unknown or is greater than 5% after five years, we extend cash multiples and IRR if the fund is older than 8 years as of the last known data. (iii) For funds that are less than 5 years old or are less than 8 years old with NAV greater than 5%, we extend cash multiples and IRRs from the prior quarter if available.

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**Terminology**

**Vintage year:** Vintage year is the year in which a fund makes its first investment by delivering capital to a project or company. When we cannot confirm the year of first investment, the year of the fund's final close is used as the vintage year.

**Internal rate of return (IRR):** IRR represents the rate at which a historical series of cash flows are discounted so that the net present value of the cash flows equals zero. For pooled calculations, any remaining unrealized value in the fund is treated as a distribution in the most recent reporting period. This explains why some vintages show high IRRs but low DPI values.

**Horizon IRR:** Horizon IRR is a capital-weighted pooled calculation that shows the IRR for a certain range of time. For example, the one-year horizon IRR figures in the report may show the IRR performance for the one-year period beginning in Q2 20x0 and running through the end of Q1 20x1, while the three-year horizon IRR is for the period beginning in Q2 20x0 and running through the end of Q1 20x3.

**Quarterly return:** Quarterly return is calculated as the aggregate percentage change in aggregate NAV for each group of funds in a sample, considering contributions and distributions during the quarter. This makes the calculation tantamount to a quarterly compounded growth rate. Interpolated and extended data are not used in this calculation.

**Distributions to paid-in (DPI) multiple:** A measurement of the capital that has been distributed back to LPs as a proportion of the total paid-in, or contributed, capital. DPI is also known as the cash-on-cash multiple or the realization multiple.

**Remaining value to paid-in (RVPI) multiple:** A measurement of the unrealized return of a fund as a proportion of the total paid-in, or contributed, capital.

**Total value to paid-in (TVPI) multiple:** A measurement of both the realized and unrealized value of a fund as a proportion of the total paid-in, or contributed, capital. Also known as the investment multiple, TVPI can be found by adding together the DPI and RVPI of a fund.

**Pooled calculations:** Pooled calculations combine cash flow data from a group of funds to create a capital-weighted IRR value. All cash flows and NAVs for each fund in the sample group (such as all 2004 vintage VC funds) are aggregated in the calculation. For vintage-specific calculations, we begin the calculation in Q1 of the vintage year, regardless of which quarter a fund first called capital. In cases where the sample has unrealized value, the ending NAV is treated as a cash outflow in the last reporting period.

**Equal-weighted pooled calculations:** Using the same methodology as the pooled calculations, the equal-weighted version expresses each fund's cash flows and ending NAV as a ratio of fund size. The result is that each fund in these calculations has an equal impact on the output, regardless of the fund size.

**Public market equivalent (PME) calculations:** PME metrics benchmark the performance of a fund (or group of funds) against an index. All PME figures are calculated using the Kaplan-Schoar PME (KS-PME) method: When using a KS-PME, a value greater than 1.0 implies outperformance of the fund over the public index.

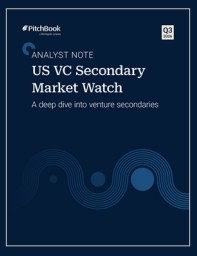
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### Q3 2026 PitchBook-NVCA Venture Monitor

Download the report here




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