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Q4 2025

Venture Monitor

The definitive review of the US venture capital ecosystem

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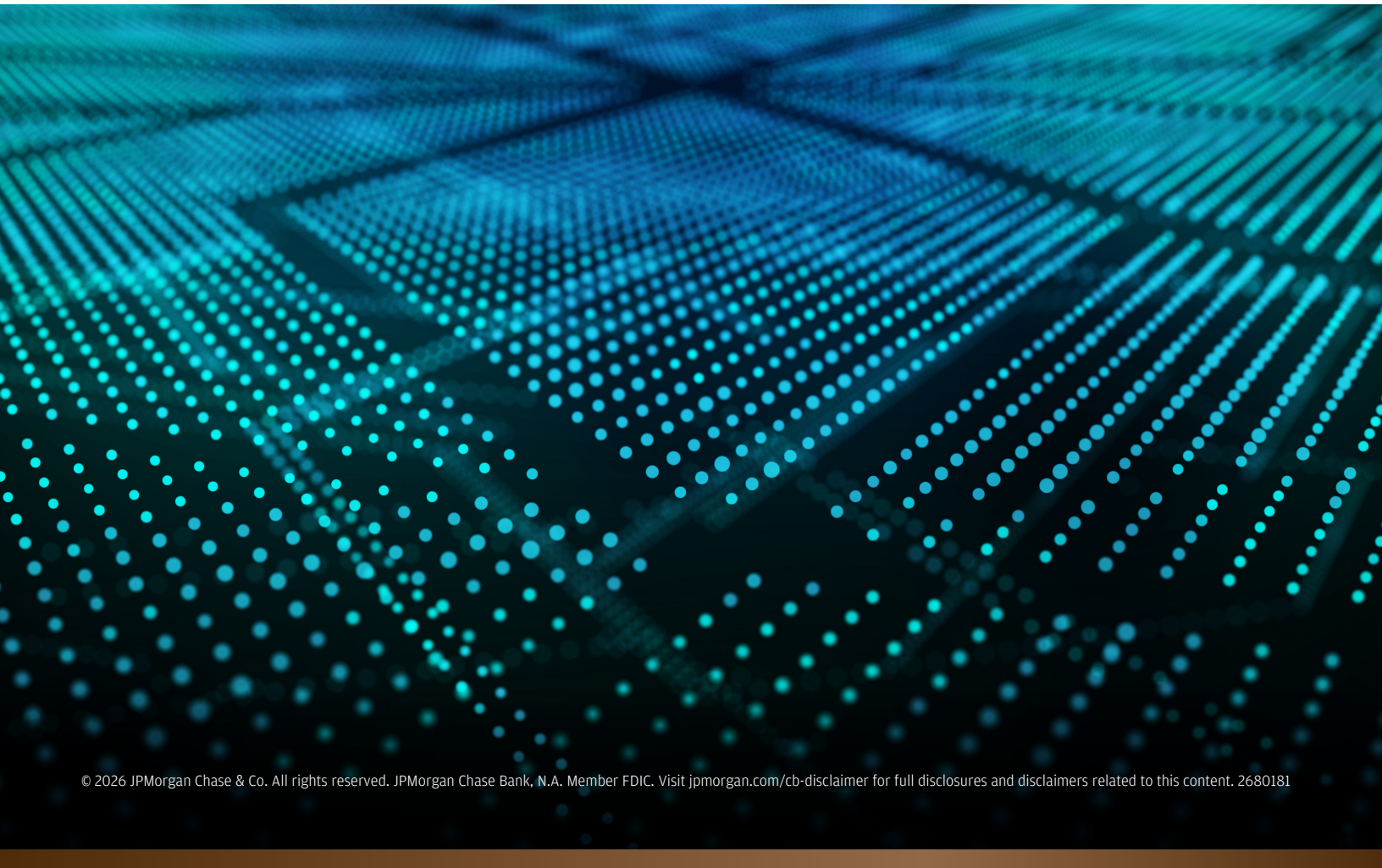
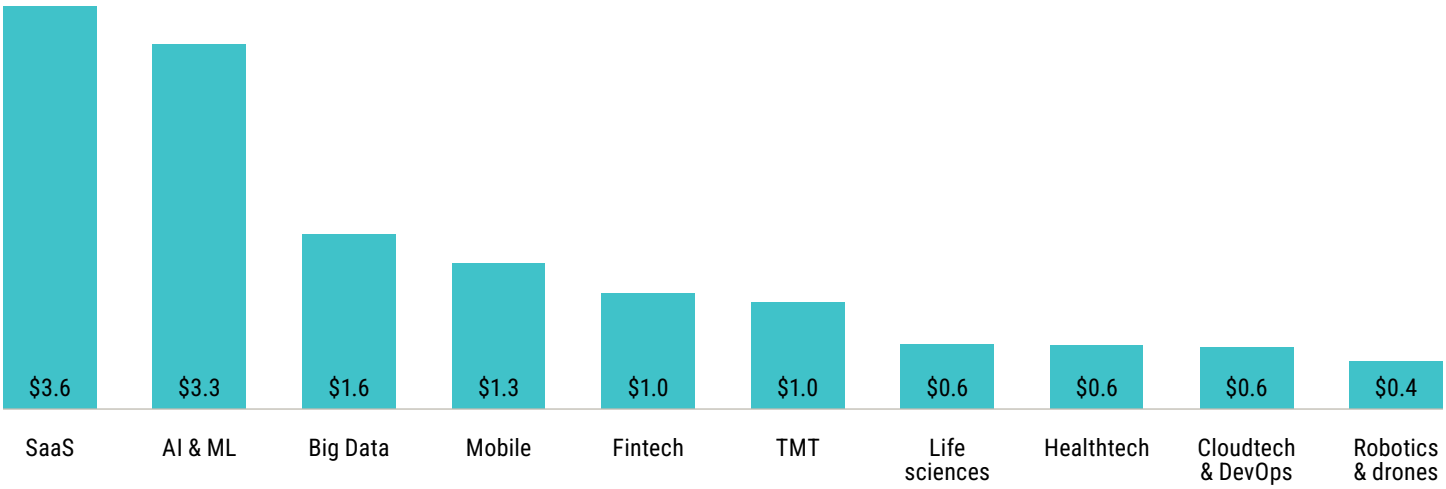


Market overview

AI accounts for $3.3 trillion in market value

Market value ($T) by vertical



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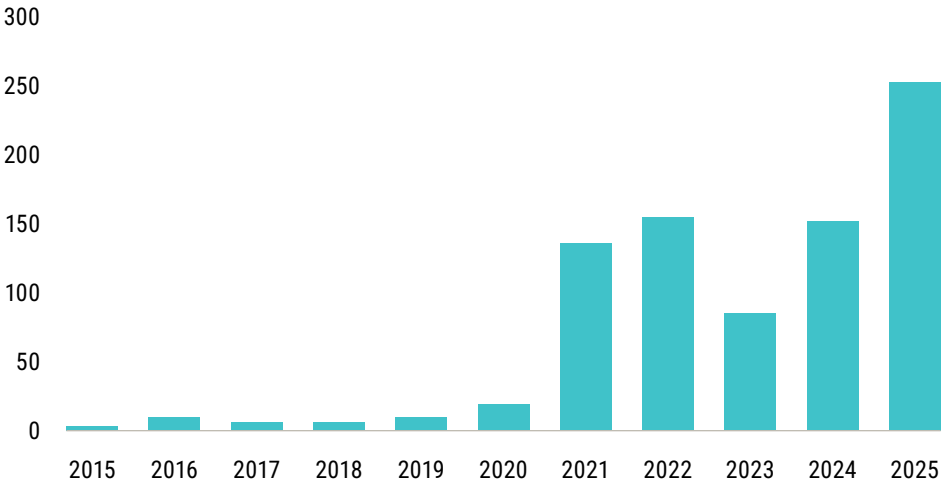
Note: Market value is based on the aggregate of the companies' last known valuations.

As 2026 begins, there should be renewed optimism about the growth of the US VC market. Despite an overall lack of new fundraising and a liquidity market that did not shape up as hoped in 2025, deal activity has begun a phase of regrowth, with deal count estimates showing increases at each stage, and deal value, though concentrated in a small number of deals, falling just 8% short of the 2021 figure. First financings are estimated to nearly hit the highs of 2021, as are early-stage funding rounds, both of which indicate high investor appetite for developing companies. The other stage showing significant growth YoY is venture growth. While deal growth at this stage is a net positive for the market, venture-growth companies should be finding liquidity, and further capital raises at this stage signal further extension of liquidity cycles. We expect this growth to continue in 2026, particularly in deal count, as AI continues to penetrate the economy and new use cases are developed.

41% of unicorns have not raised since at least 2022

Unicorn count by most recent VC deal year



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Some of these figures are a bit misleading, particularly deal value. 50% of the 2025 deal value was invested in just 0.05% of the completed deals. Each quarter of 2025 also had more than $50 billion invested in megadeals, making for the first-, third-, and fourth-highest-valued quarters on record, despite 44% fewer megadeals than in 2021. However, crossover investor deal activity continued to decline. These investors, which have traditionally supplied large portions of megadeal capital, have remained on the sidelines and

completed the lowest number of deals of any year since 2020. Corporates, on the other hand, showed a relative increase in deal activity, though they participated in just 21.3% of deals in 2025, down 6% from their high. The investors propping up the top end of the market are largely VCs, a change from the historical trend.

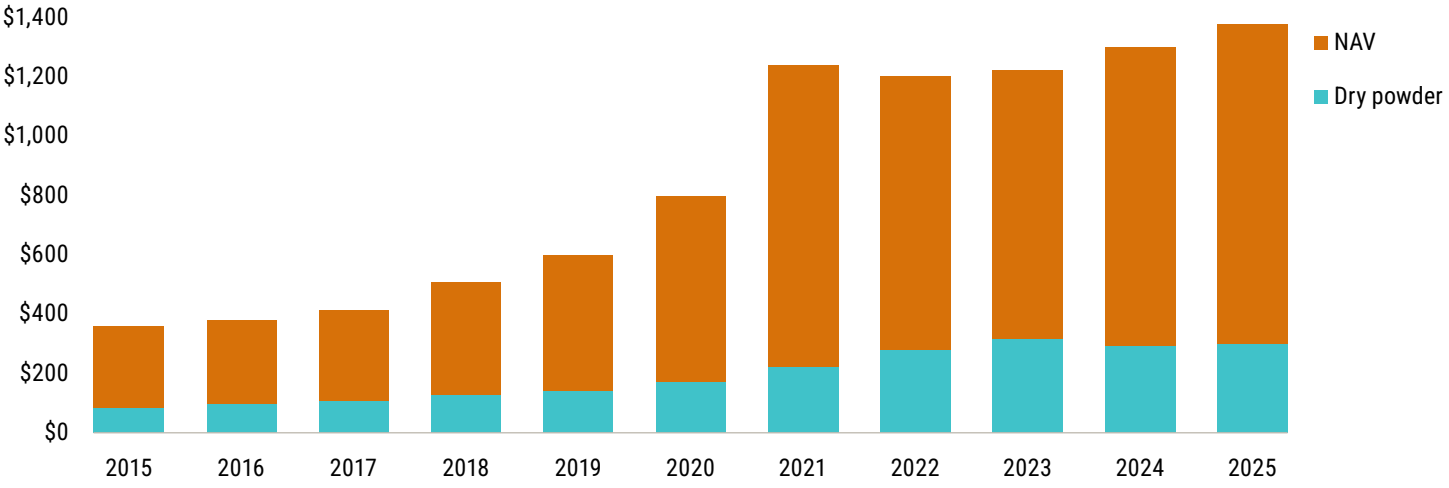
The easy explanation for the increasing deal value and count is AI, which represented 65.4% of deal value and 39.4% of deal count in 2025. Further data supporting the focus on AI is abundant. According to a Menlo Ventures study, enterprise AI spending scaled from $1.7 billion to $37 billion between 2023 and 2025.[1] That spending growth highlights not only corporate excitement for AI but also the fear of being outcompeted in AI. The potential for AI technologies to be implemented across every sector also opens up endless opportunities. As new AI companies are built to fill market needs, VCs keep putting money to work.

This fast-paced dealmaking market highlights a variable recovery for venture. Large firms with dry powder are controlling the market environment, including by increasing activity at the seed and early stages, while the lack of distributions have held back many firms from restocking capital stores to take advantage of the developing AI market. The remaining value in VC funds has hit a high point of $1.02 trillion, finally surpassing 2021's figure. This is due to the surge in markups, especially in AI, which now accounts for nearly 40% of US VC market value.

2025 IPOs generated a strong boost to exit value and a sense of returning liquidity. 17 unicorns went public, but more will need to realize returns for investors to make a significant dent in the negative cash flow to LPs over the past four years. While we expect dealmaking to remain elevated in 2026, it may take longer for fundraising to return. The uncertainty hanging over the market in 2025, which manifested in tariff-related chaos and a government shutdown, is not as distinguishable in the current environment.

Market AUM continues to grow

VC AUM ($B)



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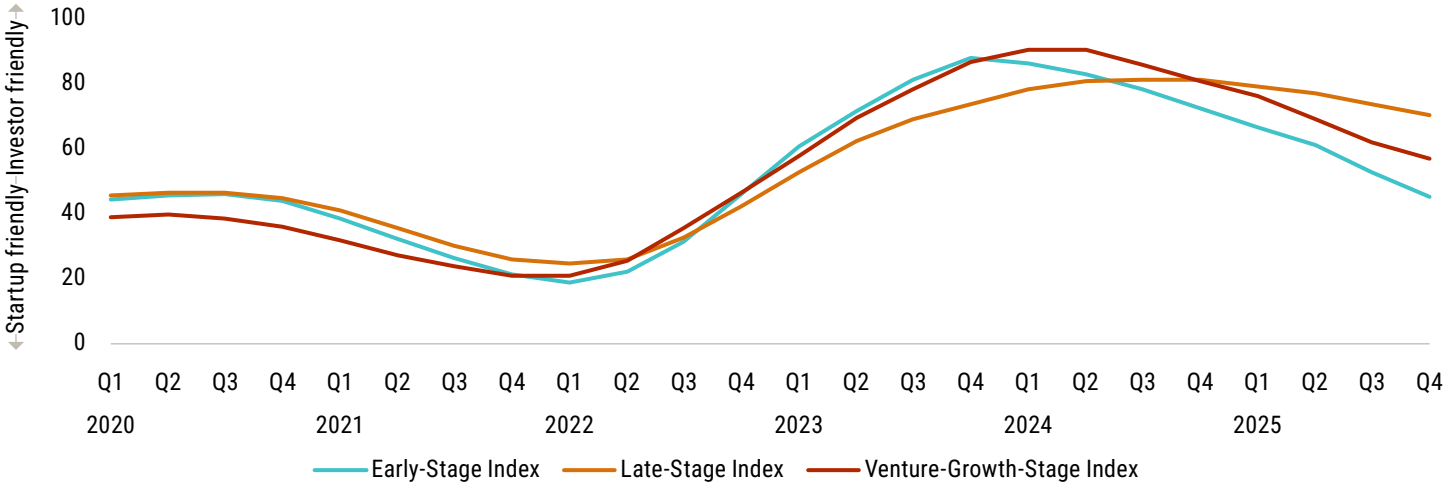
1: "2025: The State of Generative AI in the Enterprise," Menlo Ventures, Tim Tully, et al., December 9, 2025.

Market moving toward startup-friendly territory

VC Dealmaking Indicator by quarter



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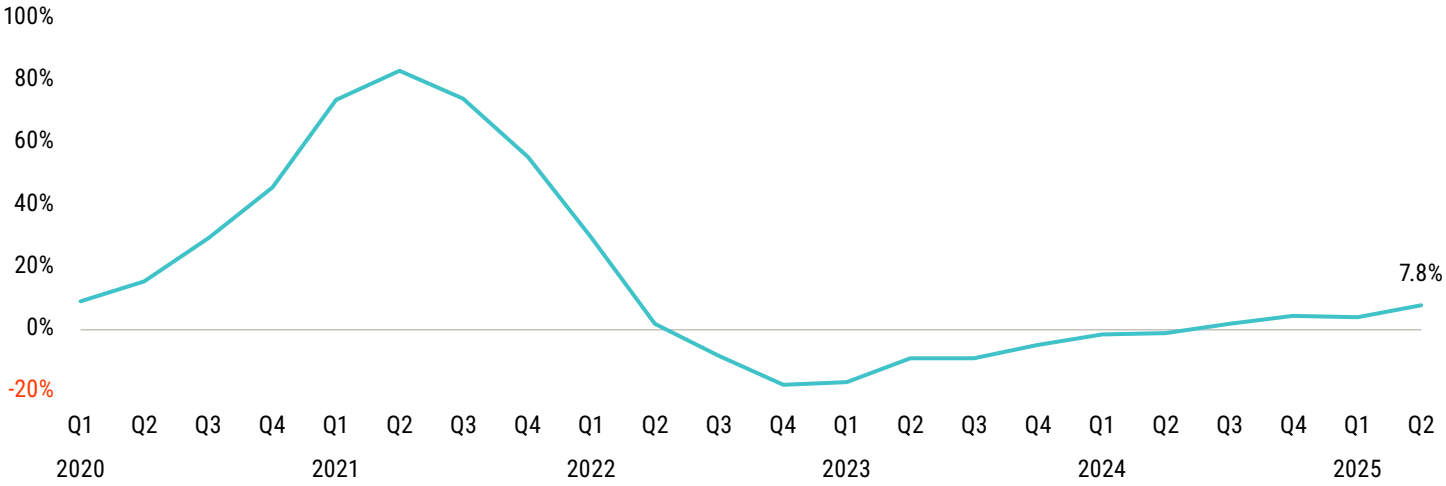
Market IRR positive for three quarters

VC rolling one-year IRR



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NVCA policy highlights

Artificial intelligence

AI policy remained fragmented in Q4 as Congress again failed to advance a comprehensive national framework. NVCA pressed House and Senate leadership to include a targeted, temporary AI pre-emption provision in the annual defense bill to provide breathing room for lawmakers to develop durable federal standards. Despite coordinated advocacy and White House support, the final package excluded the provision.

In response, President Donald Trump signed an executive order directing the Department of Justice to establish an AI Litigation Task Force to challenge state AI laws. While this signals growing federal concern about regulatory fragmentation, executive action remains an imperfect substitute for legislation.

National Defense Authorization Act

Congress passed the fiscal year 2026 National Defense Authorization Act in Q4, authorizing a record $901 billion in national security spending. President Trump signed the bill into law in mid-December. The final version largely reflects compromises between House and Senate versions passed earlier this fall.

Several venture-relevant priorities were left on the cutting-room floor. AI pre-emption language was excluded, and reauthorization of the Small Business Innovation Research/ Small Business Technology Transfer programs remained stalled as continued congressional disagreements prevented inclusion of even a short-term extension.

The package also advanced provisions with meaningful implications for startups and investors. The bill includes new restrictions on US investment in China (inclusive of Hong Kong and Macao), Cuba, Iran, North Korea, Russia, and Venezuela, and bars federal agencies from contracting with biotechnology "companies of concern," defined as firms with ties to China or other nondomestic adversaries. Significant acquisition reforms drawn from the Standardizing Permitting and Expediting Economic Development (SPEED) Act and Fostering Reform and Government Efficiency in Defense (FoRGED) Act aim to modernize defense procurement and lower barriers for innovative suppliers.

Healthcare and AI

Federal health agencies continued to clarify and request feedback on their approach to AI adoption and oversight. The Department of Health and Human Services (HHS) released an AI strategy focused on improving internal operations and efficiency. The strategy does not address AI integration into service delivery but outlines a department-wide "OneHHS" framework for shared infrastructure and coordination across divisions.

HHS also released a request for information (RFI) seeking input on ways to accelerate the integration of AI into clinical care. The agency is soliciting feedback on how it can use its regulatory, reimbursement, and research & development (R&D) authorities to support responsible AI adoption. Separately, the US Food and Drug Administration (FDA) released an RFI to gather input from VC firms on a potential new contract vehicle that would allow portfolio companies to compete directly for FDA contracts and task orders.

Market structure

Bipartisan negotiations continued on a Senate market structure bill governing digital assets. Outstanding issues include ethics and conflicts of interest, particularly as they relate to stablecoins and affiliated entities, as well as unresolved questions around decentralized finance and token classification under securities law.

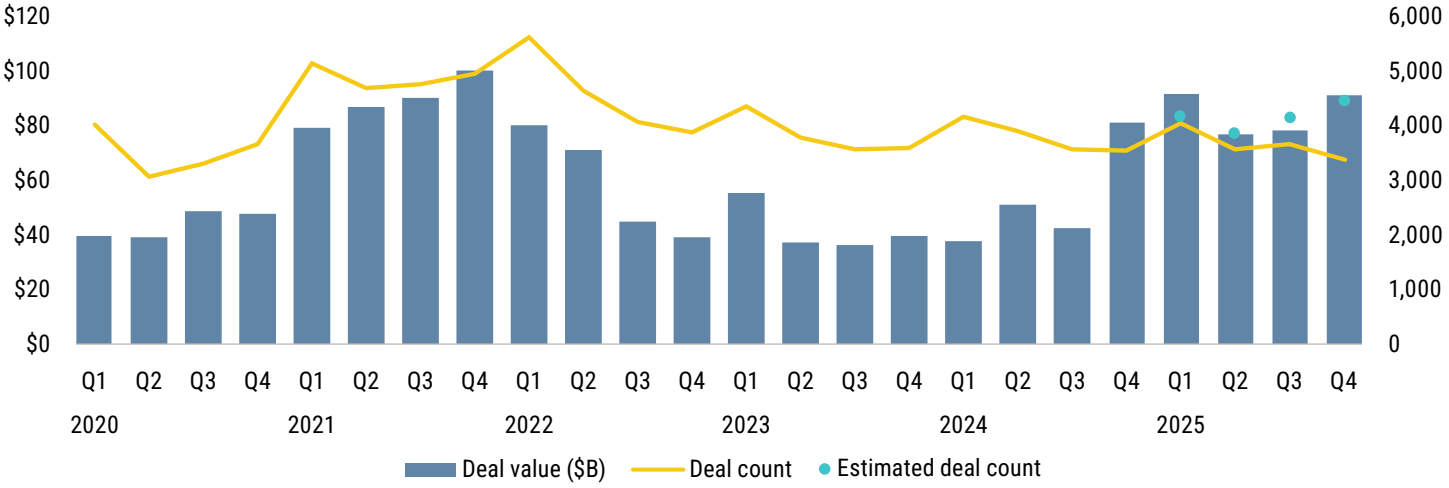
The Senate Banking Committee did not hold a markup before the end of the year despite earlier expectations. Chair Tim Scott convened a final meeting with crypto industry representatives and trade associations to clarify positions ahead of January negotiations. Final passage of market structure legislation remains unlikely before mid-2026.

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

Quarterly deal value exceeds pre-pandemic levels

VC deal activity by quarter



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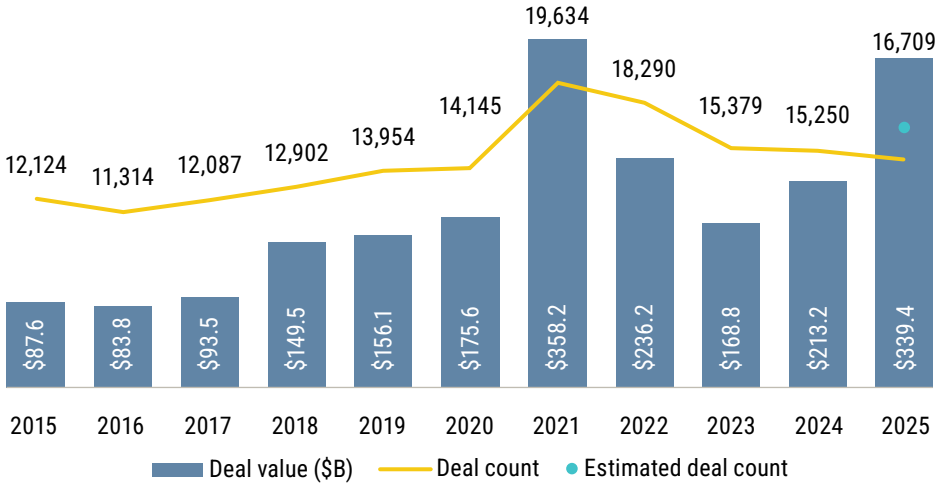
In Q4 2025, $91.6 billion was deployed across an estimated 4,482 VC deals. Quarterly deal value exceeded the prior two quarters and was nearly on par with the high-water mark set in Q1. Although activity continued to trail the 2021 peak, quarterly deal value in 2025 materially exceeded pre-pandemic levels, indicating a steady recovery from a prolonged market downturn.

Deal value is second highest in a decade, after only 2021

VC deal activity



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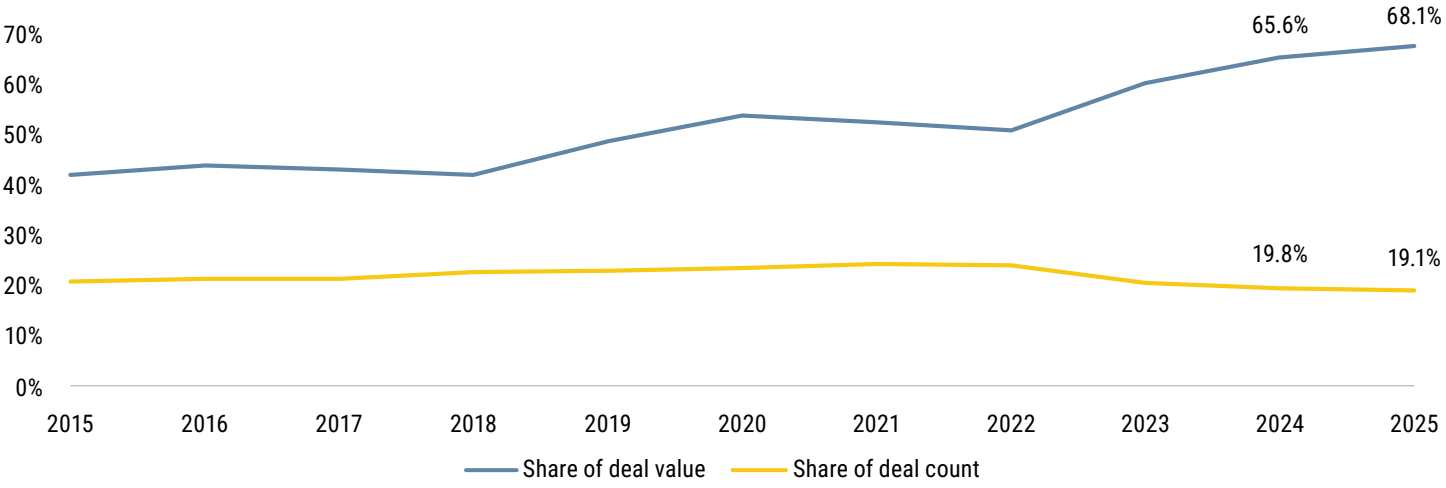
Dealmaking momentum in 2025 was sustained by later-stage activity. Late-stage VC and venture-growth deal value rose 45.4% and 131.1% YoY, respectively, with deal counts also increasing in both stages. At first glance, this expansion appears counterintuitive given the prolonged liquidity constraints across the venture ecosystem. However, several factors help explain the trend. A small number of outsized transactions—particularly in AI and other policy-favored sectors—captured a disproportionate share of capital in 2025. High-performing AI companies continue to access substantial funding pools, supported by strong investor conviction and the escalating capital requirements of the AI development cycle. Corporate VC firms (CVCs) have also played a meaningful role, with many of them drawing on capital from their corporate parents to participate in large AI rounds. In 2025, VC deals with CVC participation totaled $196.7 billion—the highest level of the past decade. Yet the number of confirmed deals with CVC participation was nearly half of the 2021 count, underscoring corporates' heightened focus on funding and partnering with AI-related startups for both financial returns and

CVCs are actively involved in large AI deals for financial and strategic considerations

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



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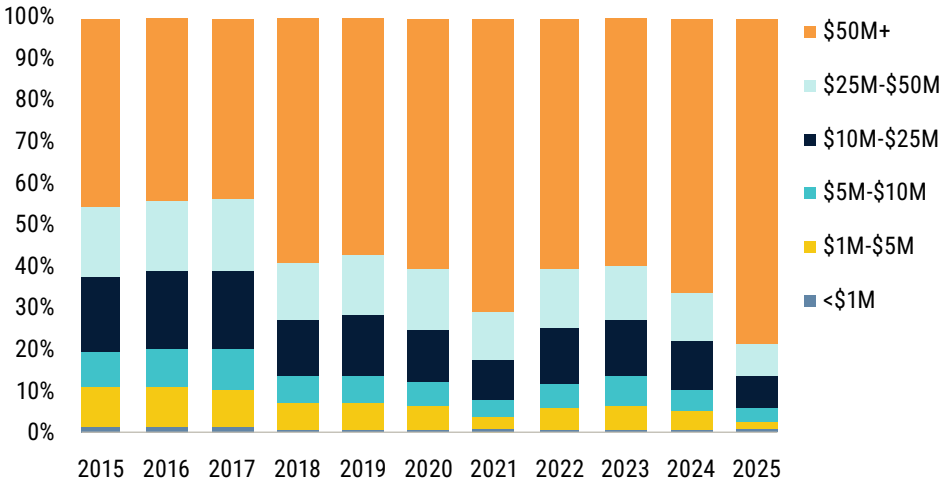
strategic purposes. Collectively, these dynamics have propelled later-stage deal value upward despite broader market caution.

AI continued to anchor total deal value in Q4. 11 rounds reached or exceeded $1 billion, and the eight largest deals were all AI related. The top 11 deals totaled $37.4 billion, representing 41% of quarterly deal value and underscoring the market's continued concentration in a small set of high-profile raises. In 2025, AI accounted for 65.4% of annual deal value—up 16.3% YoY—and 39.4% of deal count.

Megadeals increasingly dominate total deal value

Share of VC deal value by size bucket



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Anthropic's $15 billion late-stage round was the largest deal of the quarter. Project Prometheus' $6.2 billion early-stage round also stood out: Founded less than a year ago, the company closed its first venture round with Jeff Bezos as both a co-founder and an investor. That transaction pushed Q4 first-financing value to a historic $12.8 billion; excluding it, quarterly first-financing value was roughly in line with the prior two quarters' levels.

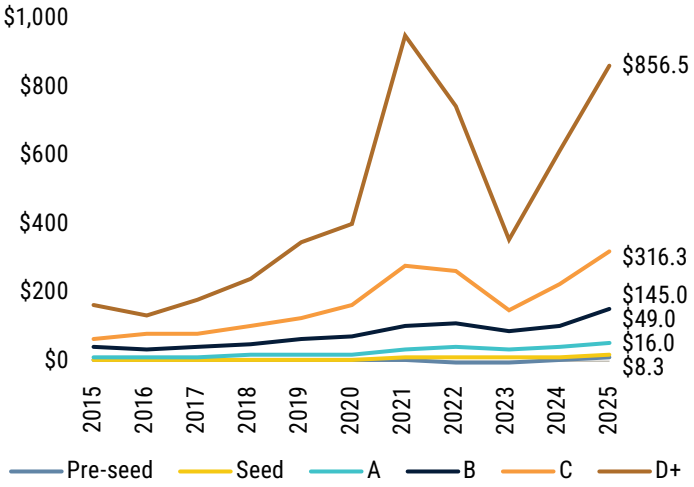
Investor conviction in AI remained strong throughout 2025, with substantial capital continuing to flow into the sector. Notably, outsized first financings became more prominent. In Q2 2025, Thinking Machines Lab raised a $2 billion seed round backed by corporate investors such as NVIDIA, multistage firms including Accel and Lightspeed Venture Partners, and government participation. The company was founded by the former chief technology officer of OpenAI. While large AI rounds are no longer uncommon, investors are increasingly willing to deploy significant capital into first financings, driven by confidence in exceptional technical talent despite the absence of mature financial metrics at this stage.

Geographic concentration in deal activity also intensified in 2025. From 2022 to 2025, the West Coast's share of US VC deal value rose from 48.6% to 64.5%, while its share of deal count remained relatively stable, indicating that more capital is consolidating within select ecosystems. This pattern is evident within the region as well. In 2025, the San Jose-San Francisco-Oakland combined statistical area (CSA) accounted for 52.4% of total US VC deal value, a historic high, and 22.3% of deal count. By contrast, the Los Angeles-Long Beach CSA captured only 5.2% of deal value and 6.3% of deal count, both the lowest figures in a decade.

AI is a primary driver of this divergence: A small cohort of Bay Area-based AI companies secured a significant share of total venture dollars in 2025. Five out of the 10 largest venture deals in 2025—most of which came from the AI sector—were for companies based in the San Jose-San Francisco-Oakland CSA. Several structural factors reinforce the region's dominance, including a deeply established startup ecosystem, a strong innovation culture, a renewed shift toward in-person work among major tech firms and startups, the resurgence of the San Francisco tech community, and the proximity to top research institutions that continue to supply specialized tech talent. While LA also has top higher education institutions and a strong labor market, it lags the Bay Area in terms of a densely clustered tech community, and the regional venture investment is more diversified into areas such as media and entertainment.

Median pre-money valuation continues to ascend across all stages of the venture lifecycle

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



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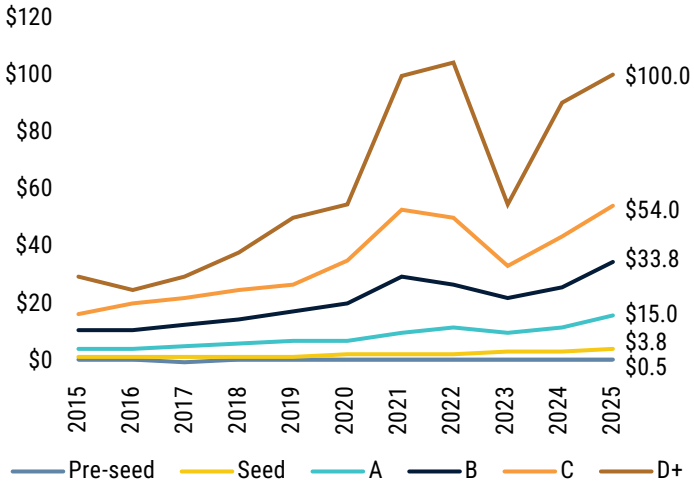
Median deal size continues to tick up across stages, except for pre-seed

Median VC deal value ($M) by series



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AI & ML ranks highest in deal count for second year in a row

Top 20 verticals by VC deal count

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
AI & ML	4	4	3	3	2	2	2	2	2	1	1
SaaS	2	2	2	1	1	1	1	1	1	2	2
Healthtech	5	5	5	5	5	4	4	5	3	3	3
Fintech	9	9	8	7	7	7	5	3	4	4	4
Mobile	3	3	4	4	4	3	3	4	5	5	5
Life sciences	6	6	6	6	6	6	6	7	6	6	6
Big Data	8	7	7	8	8	8	8	6	7	7	7
Manufacturing	7	8	9	10	10	10	10	10	9	9	8
LOHAS & wellness	10	10	10	9	9	9	9	8	8	8	9
Cleantech	11	11	12	12	12	12	12	12	10	10	10
Digital health	12	12	11	11	11	11	13	14	14	12	11
Climate tech	17	17	15	13	13	13	14	13	12	13	12
Cryptocurrency/blockchain	20	20	20	15	18	18	11	9	11	11	13
Cybersecurity	15	14	14	16	15	15	17	15	15	15	14
Robotics & drones	19	19	19	20	20	20	20	19	19	18	15
TMT	1	1	1	2	3	5	7	11	13	14	16
Oncology	13	13	13	14	14	14	15	17	16	16	17
Advanced manufacturing	18	18	18	19	19	19	19	18	18	19	18
Cloudtech & DevOps	14	15	17	18	17	16	16	16	17	17	19
Mobility tech	16	16	16	17	16	17	18	20	20	20	20

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Note: Verticals are ranked by their 2025 deal count.

Unsurprisingly, AI deals are commanding a significant share of total deal value

Top 20 verticals by VC deal value

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
AI & ML	5	5	4	3	2	2	2	2	2	1	1
SaaS	2	2	2	1	1	1	1	1	1	2	2
Big Data	10	9	9	11	7	8	8	7	3	3	3
Manufacturing	11	10	10	9	10	13	12	13	10	11	4
Life sciences	4	4	3	5	5	3	5	4	4	4	5
Healthtech	7	8	6	8	8	7	6	5	5	5	6
Fintech	6	7	7	7	6	5	4	3	6	6	7
Mobile	3	3	5	6	4	4	3	6	7	7	8
Advanced manufacturing	19	18	19	19	19	19	19	20	19	19	9
Cloudtech & DevOps	12	16	16	15	14	17	17	17	18	8	10
Robotics & drones	18	19	18	20	18	18	20	19	16	18	11
Cleantech	15	14	17	14	15	14	10	10	8	9	12
Climate tech	16	12	14	13	13	10	9	8	9	12	13
Cybersecurity	13	15	15	17	16	16	16	14	15	15	14
Oncology	8	11	8	12	12	9	13	15	13	16	15
Digital health	17	17	13	16	17	15	15	16	14	17	16
TMT	1	1	1	2	3	6	7	9	12	14	17
LOHAS & wellness	14	13	12	4	11	11	11	12	11	10	18
Mobility tech	9	6	11	10	9	12	14	18	17	13	19
Cryptocurrency/blockchain	20	20	20	18	20	20	18	11	20	20	20

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A WORD FROM J.P. MORGAN

Our views on venture

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: **Pamela Aldsworth**, ***Co-Head of Venture Capital Relationships,*** **Carly Roddy**, ***Co-Head of Venture Capital Relationships,*** *and* **Andy Kelly**, ***Managing Director, Venture Capital Relationships***

The clouds continue to lift across the venture ecosystem

The venture backdrop continues to improve, with the past year defined by robust capital deployment and several exit-market bright spots. AI remains the central theme, with startups in the sector and related industries attracting a substantial share of funding and investor attention. Outside of AI, a sense of scarcity persisted throughout 2025, with a continued decline in follow-on rounds and longer fundraising cycles. This uneven funding environment was reflected in venture capital deployment over the past year being close to the 2021 peak, while deal counts were roughly 30% below.

Positive momentum is forming behind exit markets, especially over the past several months as IPO activity has steadily increased. M&A activity has also accelerated, and similar to broader venture trends, proceeds generated by M&A transactions in 2025 were heavily concentrated among a select number of deals. According to PitchBook data, acquisitions of AI startups represented over a third of M&A deals across the venture ecosystem in 2025, reflecting competitive pressure to accelerate capabilities and secure scarce technical talent.

We remain cautiously optimistic that increased opportunities for monetization in the coming years will begin to alleviate the backlog of portfolio holdings that represent a record level of fund returns.

Economic outlook relatively benign despite disruptive policy shifts

The US economy and financial markets successfully weathered significant policy shifts throughout 2025. Full-year GDP growth of roughly 2% aligned with our original forecast, while equity markets posted a third consecutive year of double-digit returns. This robust performance was underpinned by resilient consumer spending, strong corporate earnings, and a surge in capital expenditures from AI hyperscalers.

These positive macro drivers helped to offset headwinds from increased tariffs, reduced immigration, and the longest government shutdown in US history. The one-year US-China truce inked late in the year provided further relief, easing trade tensions and tempering the risk of a near-term recession.

A lower-interest-rate environment has also benefited market conditions and equity valuations. The Federal Reserve delivered three 25-basis-point cuts between September and December, responding to signs of labor market weakness even as tariffs had delayed the path back to 2% inflation. We expect one more cut early in 2026 before an extended pause in the 3.25%-3.5% range. 10-year Treasury yields have generally moved in the same direction, ending 2025 roughly 60 basis points below the start of the year.

AI's contribution to the macro and market environment has been significant on multiple fronts: the capital flow into building datacenters, strong earnings growth of AI hyperscalers, and optimism around the potential benefits to labor productivity and economic growth over time. Given the significant hype around the sector, there are risks of a correction if sentiment shifts. Enthusiasm could start to wane if capital expenditure investments slow or the sector experiences other adverse developments.

Policy-related disruptions are expected to be less pronounced in 2026

While policy shifts caused disruption and uncertainty during 2025, we generally expect fewer surprises in the coming year, especially as midterm elections approach.

On the positive side, stimulus benefits from the One Big Beautiful Bill Act are set to begin flowing through the economy in the first half of 2026. These benefits mainly relate to tax refunds on tips and overtime, but also to beneficial business tax treatment for capital outlays and research expenditures.

However, the risk of another government shutdown looms as the current continuing resolution expires at the end of January. Companies planning IPOs or seeking merger approvals during this period could face delays with regulatory agencies, as we saw this past October. Additionally, the pending Supreme Court ruling on the International Emergency Economic Powers Act tariffs could introduce a new wave of tariff volatility, and the negotiation of the US-Mexico-Canada Agreement could also keep uncertainties for cross-border trade and supply chains elevated.

The president's executive order to raise the application fee for H-1B visas—temporary US visas for nondomestic professionals in specialized fields—to $100,000 was recently upheld by a federal judge. This creates a meaningful incremental cost for tech companies to hire skilled nondomestic workers. However, it is likely to be appealed. A reduced fee or pause in implementation would remove this overhang for the industry.

Expect sustained momentum for IPOs

As the page is turned to 2026, there is optimism that the IPO window has firmly reopened after a period of selectivity. IPOs of both stable, steady-growth companies and high-growth companies were met with solid demand through the latter part of 2025, signaling confidence and liquidity depth across sectors, according to Greg Chamberlain, vice chair of technology investment banking and equity capital markets at J.P. Morgan.

Markets have proven resilient in the face of macroeconomic noise, with investor engagement remaining high and the deal pipeline steadily expanding. According to PitchBook, roughly 40% of private unicorns are more than 10 years old, meaning there will be a quality universe of potential IPO candidates for several years to come.

Chamberlain encourages issuers to seize the opportunity of supportive market conditions and robust investor demand for quality new issuance, particularly as valuations stabilize and secondary market performance improves.

According to PitchBook, US VC-backed IPO volumes reached $16.8 billion in 2025, in line with pre-pandemic annual averages and up roughly 110% from the prior year. Tech IPOs have also made significant progress in their recovery over the past year, with listings and proceeds more than doubling. Tech deals represented roughly 41% of VC-backed IPO volumes in 2025, which stands above historical trends.

Both issuers and investors are expected to be highly active in 2026. Building upon last year's momentum, Chamberlain sees a path for IPO volumes to rise another 20% or more in 2026 if conditions remain favorable. Issuers are focused on precision in timing, structure, and positioning to capture sustained investor demand. Earlier diligence, proactive company-investor engagement, and dual-track approaches that blend private and public market processes are best positioned for success. This focus ensures alignment and realistic expectations ahead of any transaction, whether it is going public or pursuing other equity solutions.

AI likely to remain the central theme

AI is increasingly recognized as a key driver of business transformation across industries. Among our client base, the most validated deployments of AI have been in areas where it directly enhances operational efficiency or decision-making. According to our 2026 Business Leaders Outlook—an annual survey we have conducted since 2011 to track year-over-year shifts in business leader sentiment and operational plans—process automation, predictive analytics, and market intelligence stand out as leading applications of AI, with 62%, 44%, and 42% of business leaders, respectively, planning to implement these solutions.

Despite its promise, the adoption of AI remains a considerable challenge. In our survey, the proportion of businesses citing adoption as a significant hurdle has more than doubled over the past year, rising from 8% in December 2024 to 18% by December 2025. This trend underscores the importance of addressing barriers such as integration complexity, talent shortages, and cost and change management. Lessons learned from successful AI deployments highlight the need for clear strategic alignment, robust data infrastructure, and ongoing employee training to maximize value and minimize disruption.

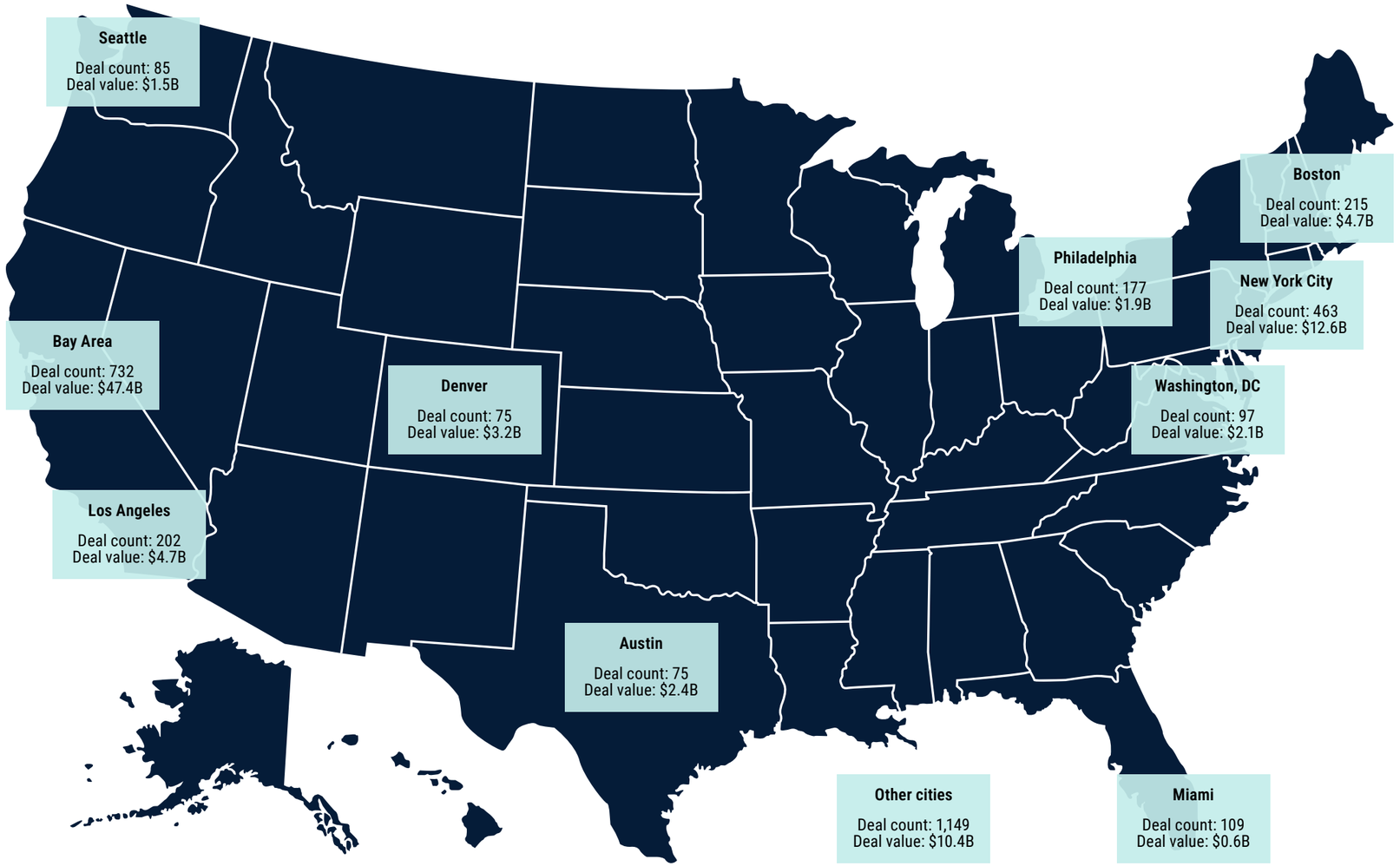
Looking ahead to 2026, most organizations anticipate that AI will have a limited effect on workforce size, with 60% of our survey respondents expecting no change in head count plans due to AI. Only a minority foresee moderate increases (11%) or decreases (13%) in staffing levels, suggesting that AI is more likely to reshape roles and processes rather than eliminate jobs outright.

Among startups, 54% share the expectation of stable head count, further reinforcing the view that AI's primary impact will be on how work is performed. These insights collectively point to a future where AI is integral to business strategy, but its successful adoption depends on thoughtful implementation and workforce adaptation.

Regional spotlight

Bay Area and New York account for only 36.7% of deal count but 64.2% of deal value

Q4 2025 VC deal activity by ecosystem



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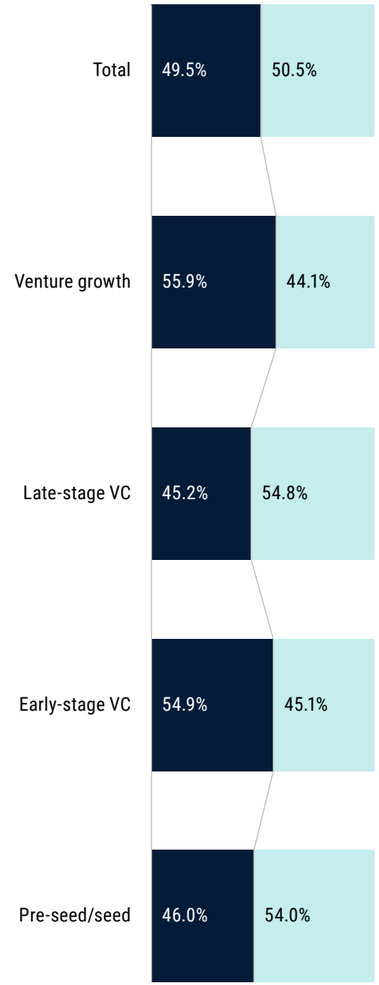
Hubs driving early-stage market

Share of VC deal count by market breakout



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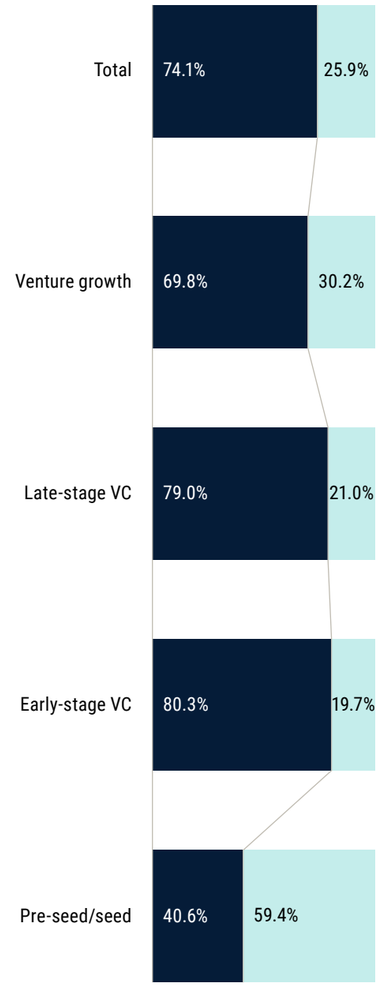
No surprise where deal value is centered

Share of VC deal value by market breakout



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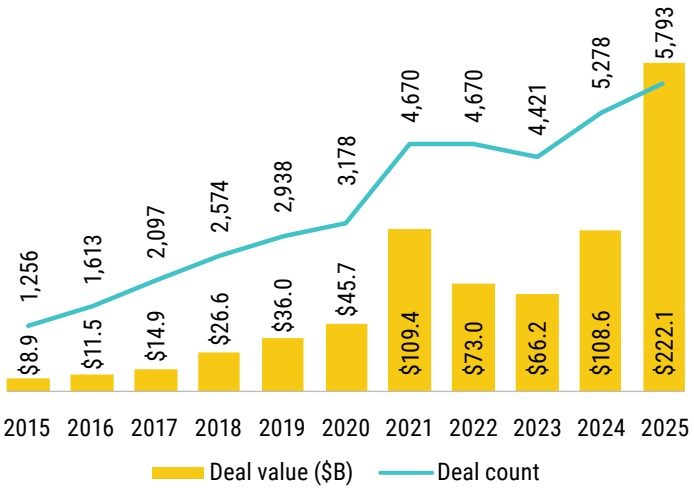
DEALS BY SECTOR

AI & ML

New record deal activity in AI

AI & ML VC deal activity



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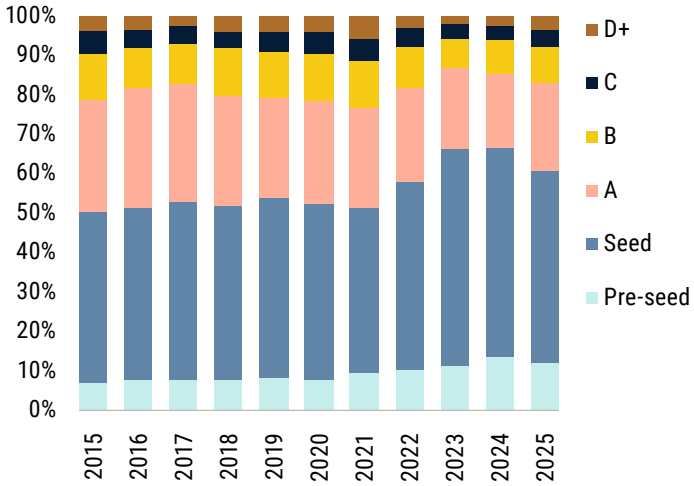
AI market development shown in series activity

Share of AI & ML VC deal count by series



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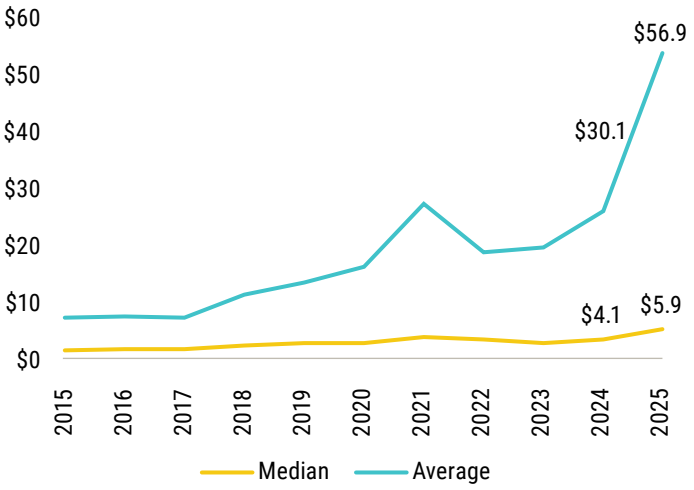
Deal sizes balloon

Median and average AI & ML VC deal value ($M)



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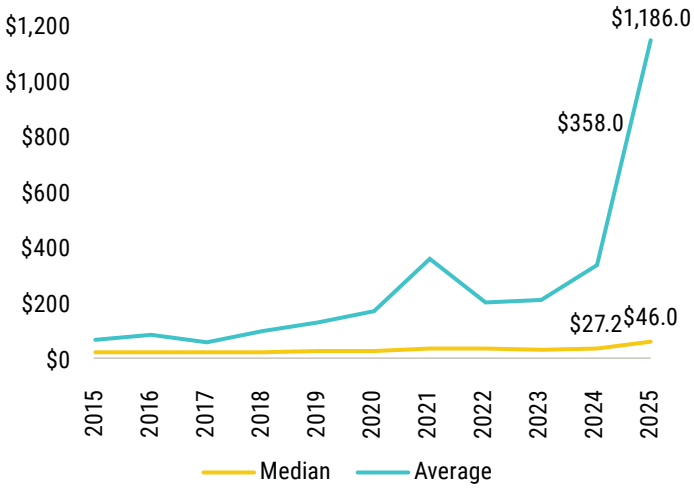
Valuations showing market hype

Median and average AI & ML VC pre-money valuation ($M)



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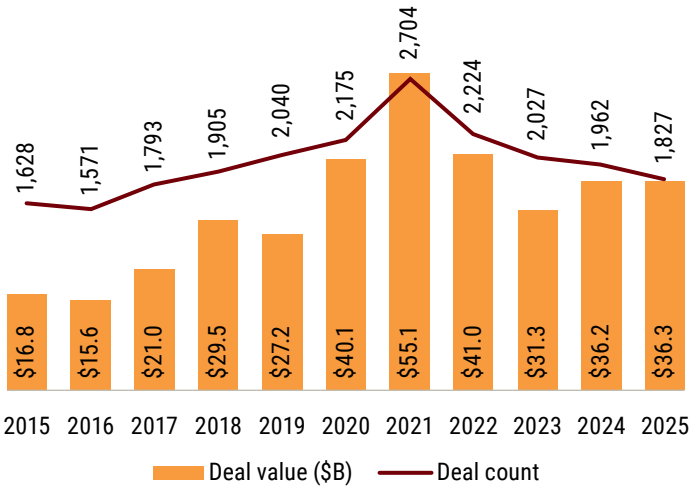
DEALS BY SECTOR

Life sciences

Deal activity points toward headwinds

Life sciences VC deal activity



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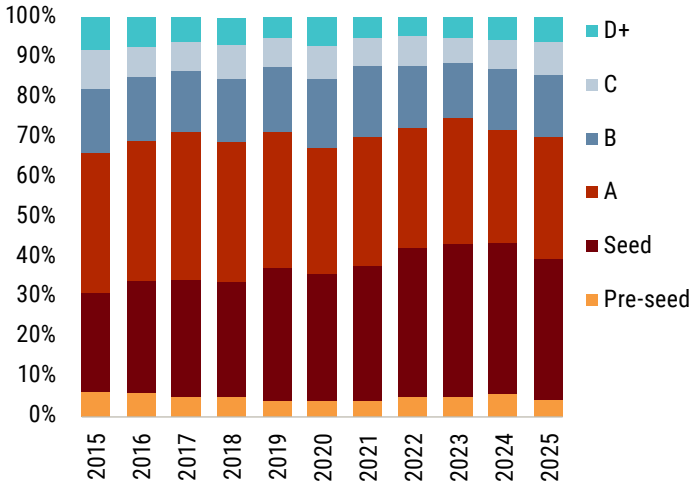
Later-stage companies continue to get funded

Share of life sciences VC deal count by series



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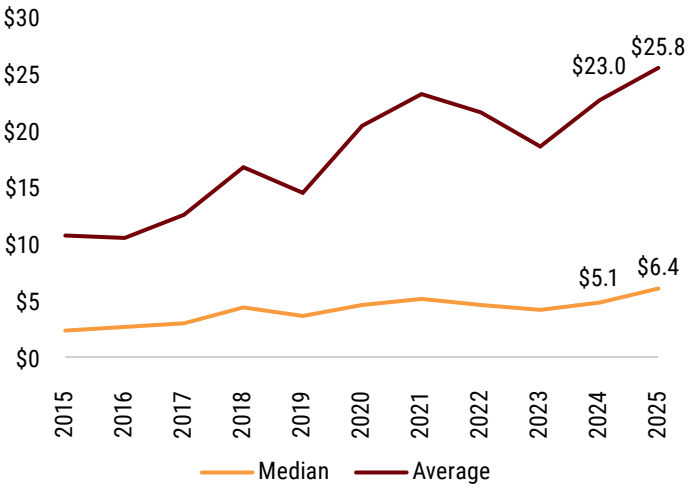
Median life sciences deal size hits record

Median and average life sciences VC deal value ($M)



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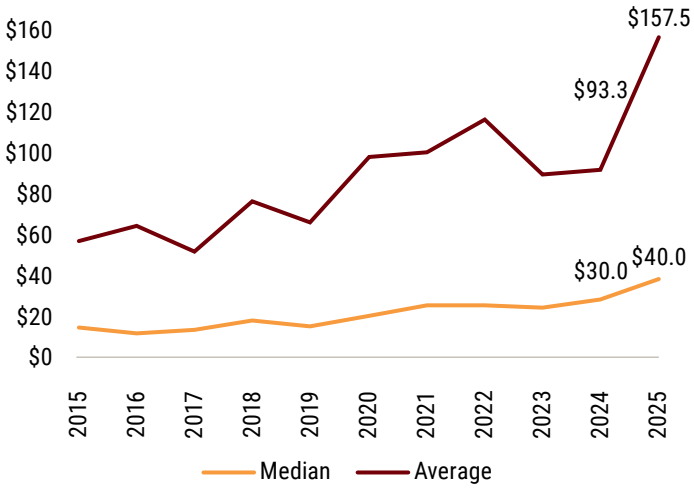
Average pre-money valuation jumps

Median and average life sciences VC pre-money valuation ($M)



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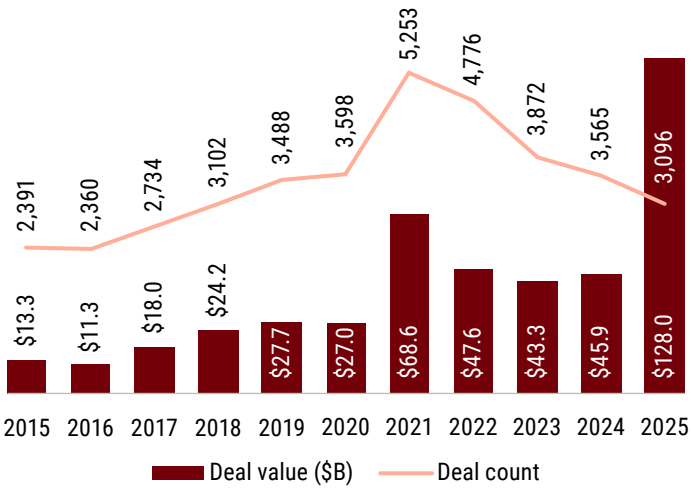
Female founders

Deal count falls back to pre-2018 levels

VC deal activity in companies with at least one female founder



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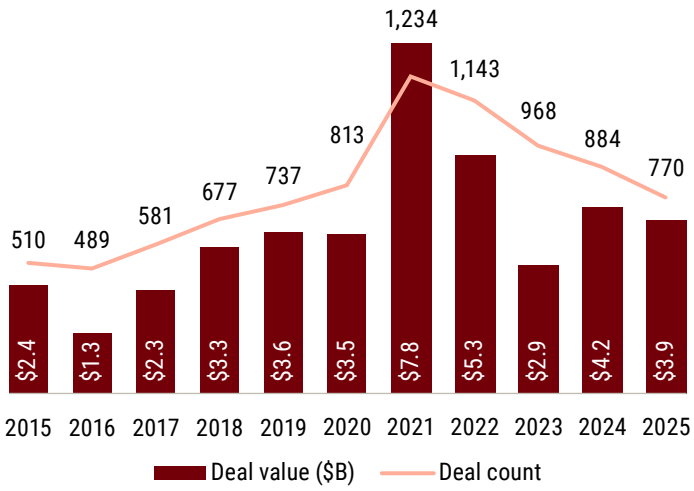
All-female teams raised only $3.9 billion in 2025

VC deal activity in companies with all-female founding teams



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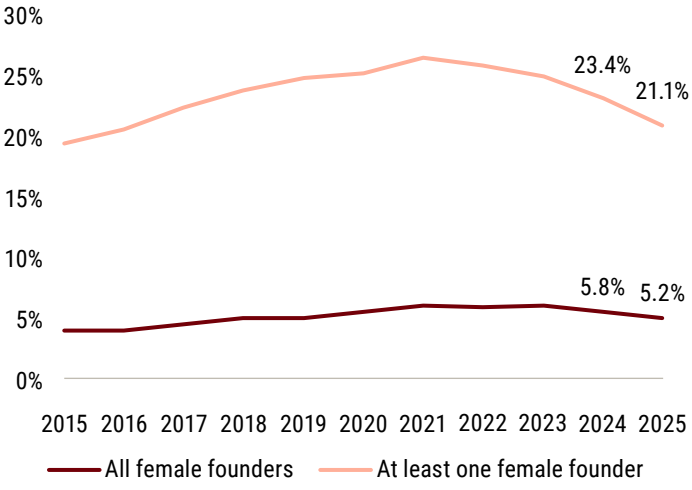
Female-founded companies make up 21.1% of all deals

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



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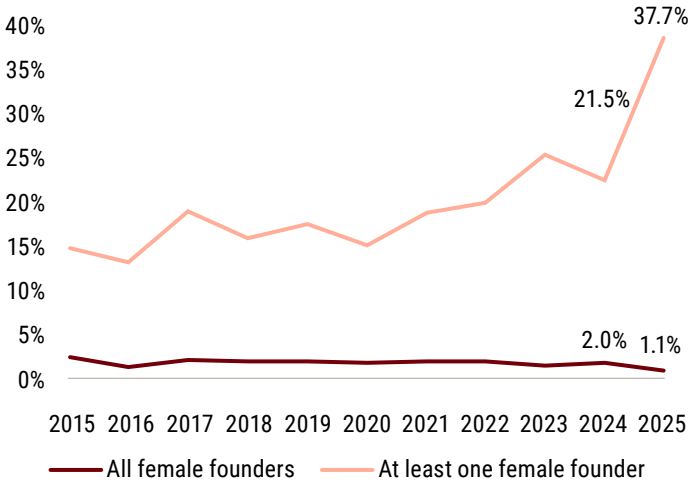
Only 1.1% of capital was invested in all-female teams in 2025

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



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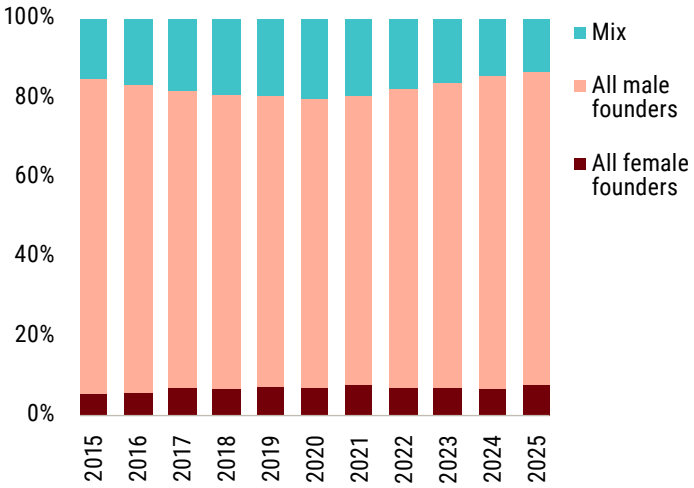
78.8% of first-time financings go to all-male teams

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



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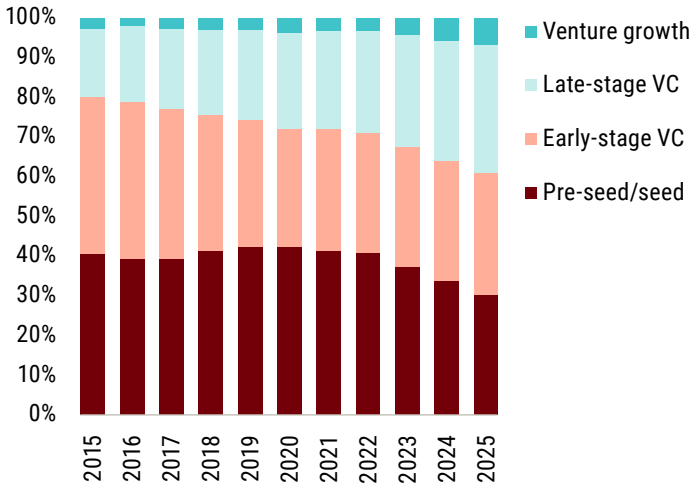
Female-founded startups held their greatest portion of later-stage deals in 2025

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



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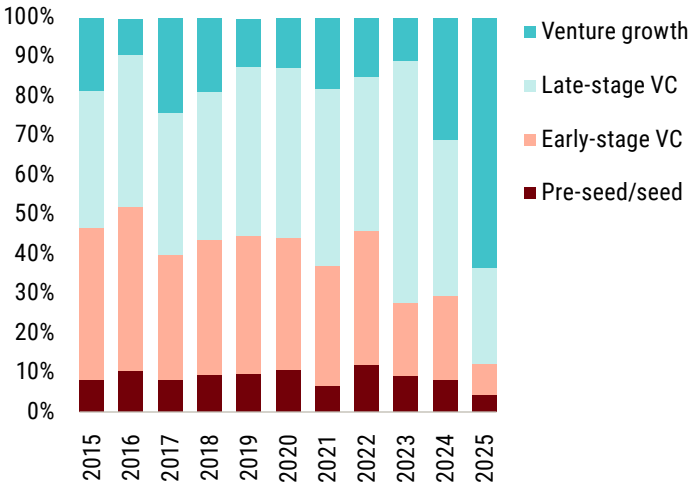
Venture growth captured 63.3% of 2025 deal value for female-founded startups

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



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San Francisco CSA leads deal count for all-female startups

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

CSA	Deal count
San Jose-San Francisco-Oakland, CA	137
New York-Newark, NY-NJ-CT-PA	134
Los Angeles-Long Beach, CA	51
Boston-Worcester-Providence, MA-RI-NH-CT	32
Philadelphia-Reading-Camden, PA-NJ-DE-MD	31

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Note: The San Diego MSA is excluded in the Los Angeles-Long Beach CSA. The Austin MSA is included in rankings alongside CSAs.

A WORD FROM DENTONS GLOBAL VENTURE TECHNOLOGY GROUP

Trust, transparency, and AI in life sciences

AI has been part of life sciences for decades, but recent advances—and growing regulatory scrutiny—have pushed it to the forefront of strategic, clinical, and governance discussions. In this conversation, Dentons partner Ira Kotel speaks with Dana Brown, former president and CEO of iCAD, and Peter Stockburger, head of Dentons' US AI team, about how AI is being deployed in healthcare today, why trust and explainability matter, and what investors, boards, and operators should be focused on as AI becomes more embedded in regulated environments.

Ira Kotel
Partner, Dentons
Ira is a partner in Dentons' Corporate and Venture Technology and Emerging Growth Companies groups. His practice focuses on M&A, capital markets, venture financings, and SEC disclosure and governance matters, advising emerging growth and middle-market companies, investors, and underwriters across the technology and life sciences sectors.

Dana Brown
Former President & CEO, iCAD
Dana is a seasoned healthcare technology executive and former president, CEO, and chair of iCAD, which she led through its acquisition by RadNet. A 30-year technology industry veteran, Dana is a senior executive and board leader with extensive experience driving transformation, operational excellence, and growth across public companies, VC-/PE-backed ventures, and global nonprofits.

Peter Stockburger
Partner, Dentons
Peter is a partner in Dentons' Venture Technology and Emerging Growth Companies group and leads the firm's US AI team. He advises companies across the AI stack on responsible AI deployment, governance, and regulatory risk, working with technology and life sciences companies on AI strategy, privacy, and cybersecurity compliance, and evolving global, federal, and state regulations.

Kotel (NY): AI has been used in life sciences for years, but the conversation feels different today. What's changed?

Stockburger (San Diego): AI as a broad concept isn't new. We've had machine learning and deep learning for a long time. What's changed is the rise of generative AI and large foundation models, which has brought a lot of attention to the space. These systems are predictive and probabilistic by design—they're making statistical predictions about what comes next. That has expanded what AI can do, but it also raises questions about reliability and trust, especially in regulated sectors like healthcare.

Brown (Texas): From an operator's standpoint, the pace of adoption changed quickly. When I first arrived at iCAD, many clinicians were asking, "Why do I need AI?" A few years later, the question became, "How fast can I implement it?" That shift came from seeing real clinical impact and understanding how the technology could support—not replace—existing workflows.

Kotel: Why does trust and explainability come up so often when AI is used in healthcare?

Stockburger: Many of today's AI systems don't work like traditional, rule-based software. You can't always trace exactly how a generative model arrived at a particular output. That's challenging in healthcare, where regulators and clinicians want to understand how decisions are made. As a result, the industry is developing ways to validate and audit AI outputs—often referred to as adding a "trust layer" on top of these models—to make them more usable in enterprise and clinical settings.

Brown: In diagnostics, validation was central. At iCAD, our software analyzed mammography images, and we could validate those results through follow-on imaging, pathology, and clinical outcomes. That information fed back into the model. Being transparent about how the data

was sourced and making sure it reflected real-world patient populations helped build confidence with both clinicians and regulators.

Kotel: How did clinicians and patients respond as AI became part of the diagnostic process?

Brown: Clinicians needed time to adjust. Reading images alongside an AI system can initially feel slower because it changes established patterns. Over time, though, radiologists became more comfortable and more efficient. Patients, on the other hand, were quick to embrace it. When you explain that AI can help detect cancer earlier or more accurately, patients tend to respond very positively.

Kotel: Commercially, how do AI products succeed when reimbursement doesn't change?

Brown: In our case, there wasn't a separate reimbursement code for AI-assisted mammography. That meant we had to fit within existing budgets. We focused on demonstrating ROI through operational benefits—radiologists reading faster over time, fewer false positives, fewer unnecessary recalls, and improved detection of hard-to-see cancers. Those factors translated into real economic value, even without new reimbursement mechanisms.

Kotel: Obviously, FDA regulation is one of the crucial hurdles to success. What stood out in your experience?

Brown: FDA clearance adds significant time and complexity, particularly in areas like cancer risk and detection. One of the biggest shifts we saw involved data requirements. The FDA increasingly emphasized data independence—separating training data from regulatory datasets—which dramatically increased the volume of data required. Pursuing a 510(k) pathway and a de novo pathway depended on whether there was a predicate device and how novel the product was. From submission to clearance, timelines could easily stretch to two years.

Stockburger: That experience reflects how healthcare is treated from a regulatory standpoint. Across jurisdictions, healthcare is consistently viewed as a high-risk AI use case. That means higher expectations around governance, documentation, transparency, and human oversight. Companies need to plan for that reality early in product development.

Kotel: How does the broader AI regulatory landscape complicate things further?

Stockburger: Globally, there's agreement that AI should be regulated, but not on how. In the US, the landscape is especially fragmented. At the federal level, there's been a pullback from prescriptive AI regulation, while states are actively passing their own laws—many of which treat healthcare as high risk. For companies, that uncertainty makes it difficult to rely on any single regulatory road map. Anchoring governance programs to recognized standards has become a practical way to manage that risk.

Kotel (on disclosure and governance): As AI becomes more central to business strategy, it's also showing up more prominently in public disclosures. From the SEC's perspective, the concern has been what's often referred to as "AI washing"—overstating AI capabilities or blurring the line between what exists today and what is aspirational. That scrutiny has largely played out through the comment letter process rather than new AI-specific rulemaking. The SEC is focused on consistency across public filings, earnings calls, press releases, and other communications, and on whether companies can support the claims they make about their use of AI.

Kotel: Against that backdrop, what role should boards play in overseeing AI strategy?

Brown: At iCAD, one of the biggest learning curves for the board was understanding the role of data. Investments in data can look discretionary on paper, but they directly affect model accuracy. Once the board understood how performance varied based on data quality and diversity, those investment decisions became clearer.

Stockburger: Boards are well positioned to set strategic direction—how AI fits into the company's vision and risk profile. Operational teams can then focus on execution, compliance, and safeguards. Separating those roles helps organizations move more efficiently while maintaining appropriate oversight.

Kotel: Looking ahead, what themes should investors and operators keep in mind?

Stockburger: The discussion keeps coming back to trust—building systems that are explainable, governed, and aligned with regulatory expectations. That's what enables AI to move from experimentation to sustained deployment in life sciences.

Brown: Managing pace and sequencing is critical. Regulatory uncertainty, capital constraints, and product development timelines are always in tension, and navigating that balance is challenging.

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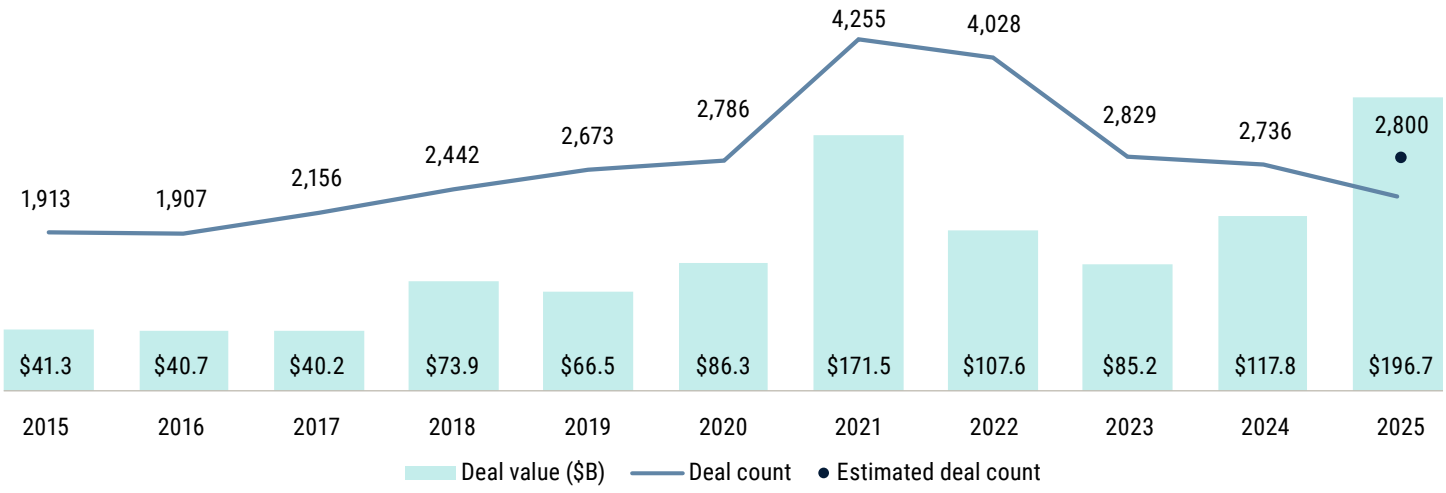
Investor trends

CVC deal count similar to 2024 and 2023 levels

VC deal activity with CVC investor participation



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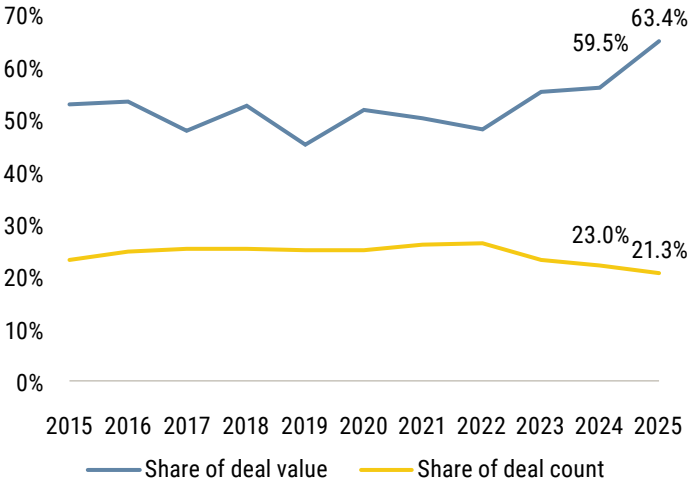
Only a fifth of deals include a CVC investor

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



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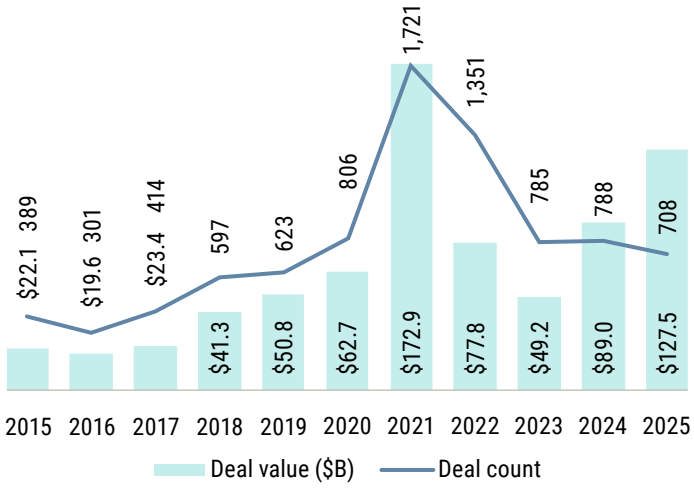
Crossover deal count falls while deal value rises, highlighting the impact of megadeals

VC deal activity with crossover investor participation



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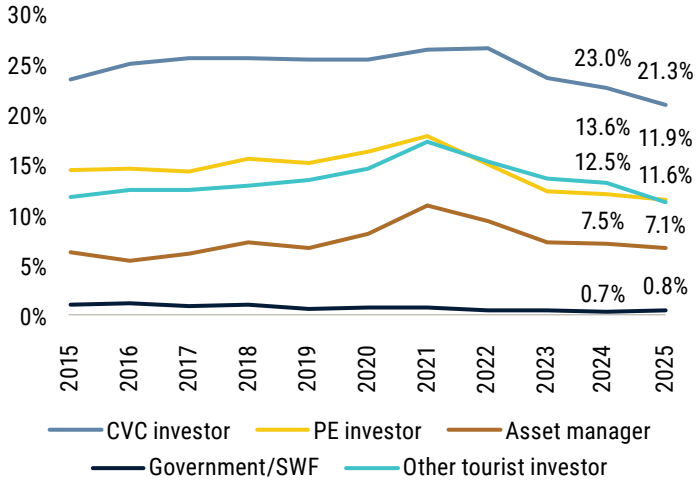
PE firms active in just 11.9% of VC deals

Deals with nontraditional investor participation as a share of all VC deal count by investor type



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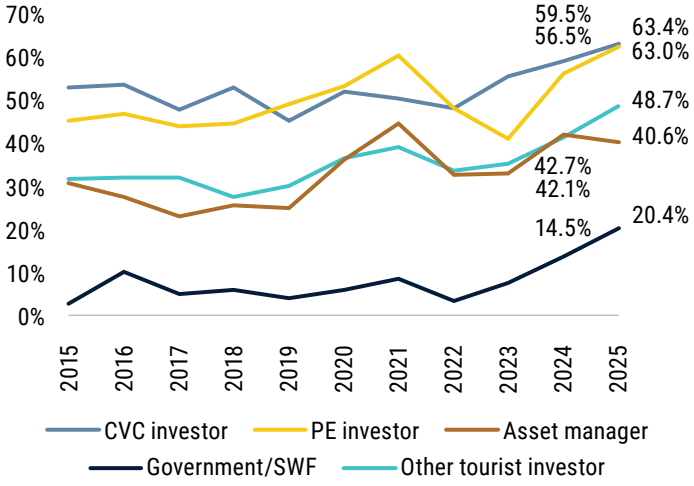
CVC deal value driven by AI hype

Deal value with nontraditional investor participation as a share of all VC deal value by investor type



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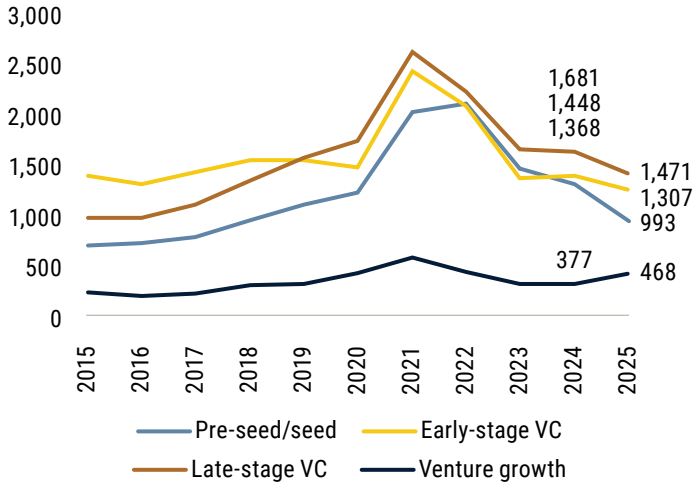
Late-stage VC has the highest nontraditional investor deal count

VC deal count with nontraditional investor participation by stage



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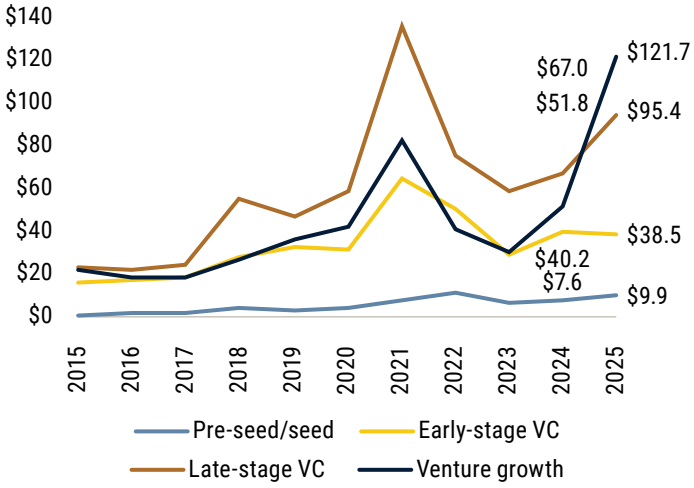
AI megadeals propel nontraditional investor deal value

VC deal value ($B) with nontraditional investor participation by stage



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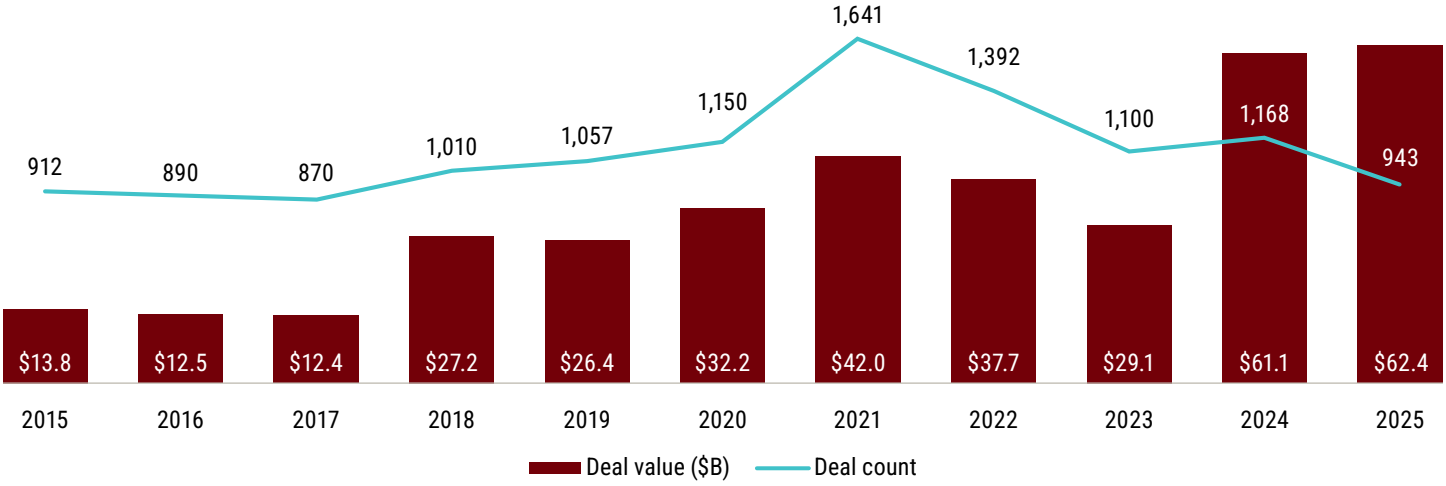
Venture debt

High venture loan value outpaces loan count

Venture debt deal activity



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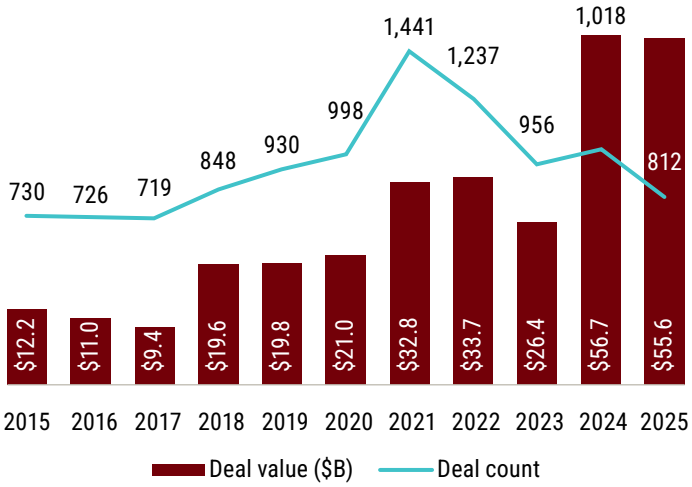
AI drives high fraction of VC loan activity

Tech venture debt deal activity



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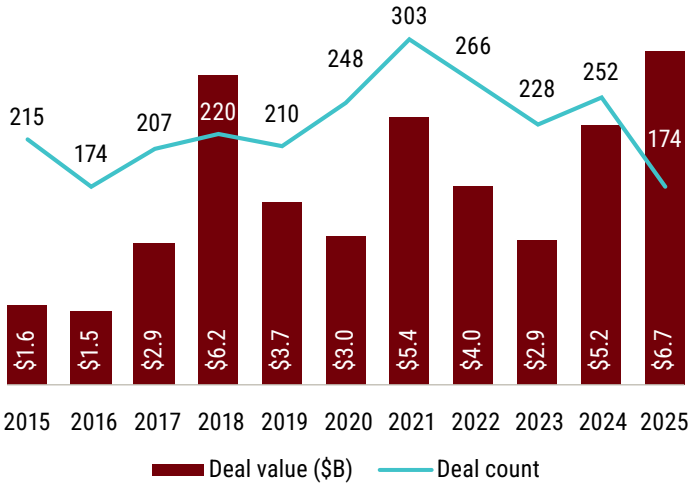
Healthcare loan count declines significantly

Healthcare venture debt deal activity



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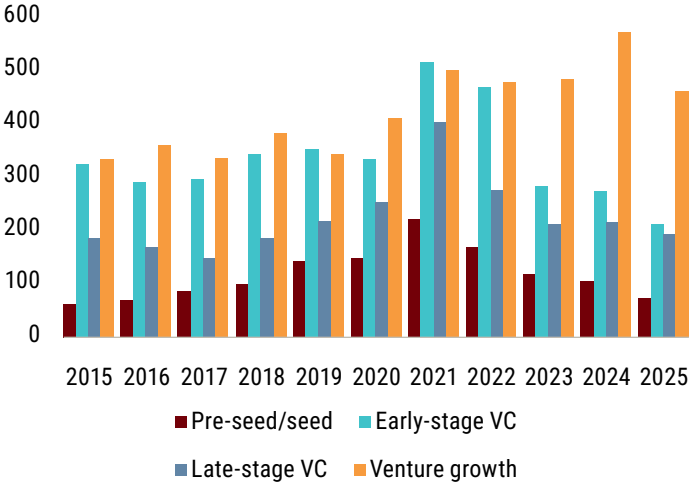
Venture growth continues to lead debt count

Venture debt deal count by stage



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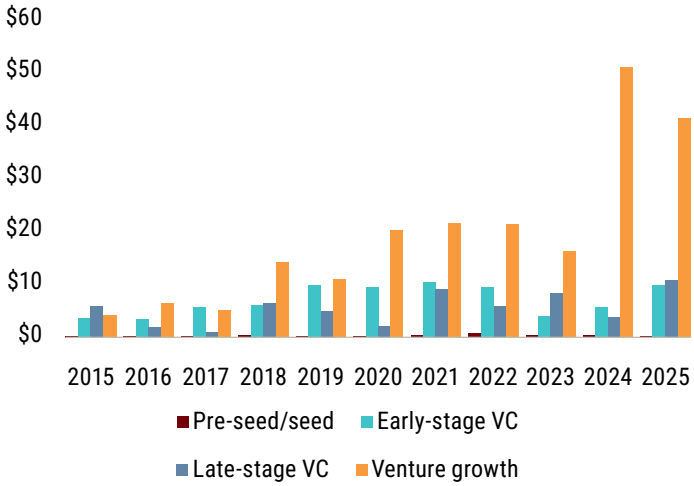
Later stages dominate debt value

Venture debt deal value ($B) by stage



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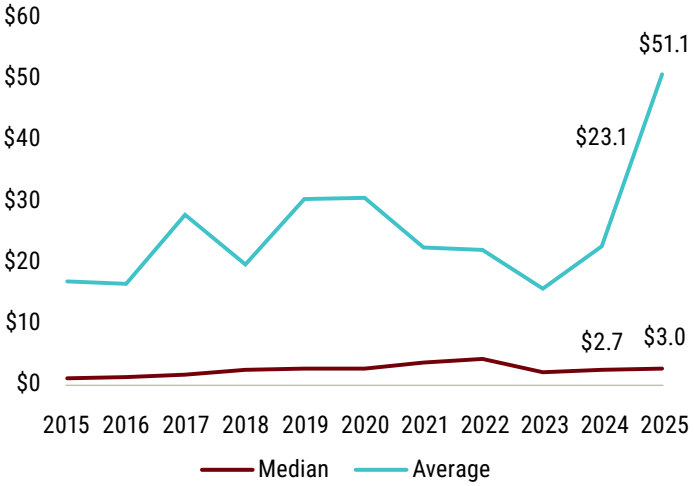
Median early-stage loan size remains low, while average soars

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



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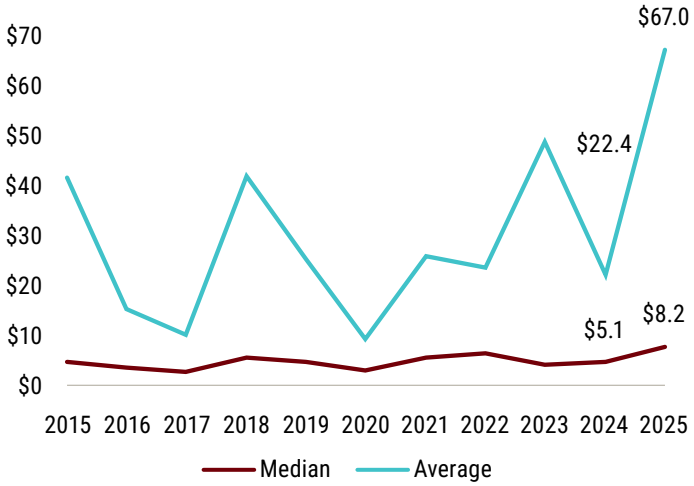
Decade high for median late-stage loan size

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



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A WORD FROM EISNERAMPER

A deeper dive into the OBBBA's impact on the venture community and beyond

On July 4, 2025, the One Big Beautiful Bill Act (OBBBA) became law, marking the largest tax package since 2017 and reshaping several provisions that will have a significant impact on venture investors and their portfolio companies. The most consequential elements for the venture ecosystem stem from the OBBBA's extensions and expansions of the Tax Cuts and Jobs Act (TCJA), many of which have been made permanent or been prolonged and, in many cases, been made more favorable to the asset management community. At the same time, certain tax ideas widely rumored to be "under attack" during negotiations remained untouched. Understanding both the practical impact of these changes and the high-profile areas left unchanged is essential for managers and portfolio companies navigating this new landscape.

Navin Sethi
Tax Partner, EisnerAmper
Navin is a tax partner in the firm's Financial Services Group. With 25 years of experience, Navin specializes in serving hedge, venture, and private equity funds. He has deep expertise in leading tax services for a range of high-profile partnerships within the financial sector, with a specific emphasis on cryptocurrency, digital assets, and cannabis industries.

The venture community gets a tax break

For the venture industry, the most significant benefit of the OBBBA is the expansion of Internal Revenue Code (IRC) Section 1202, the qualified small business stock (QSBS) gain exclusion.

The premise of this tax-friendly provision is to spur investments in early-stage companies by providing up to a 100% tax exclusion on gains upon disposition of the investment. The exclusion allowed is equal to the greater of $10 million or 10 times the investor's basis in stock, provided the investment is held for more than five years. The original provision has a list of enumerated elements to be followed by the original investor.

The OBBBA made the following changes to a few of those elements, effective for stock issued after July 4, 2025:

- In order to get the full 100% gain exclusion, investors must now hold the investment for at least five years, eliminating the "and-a-day" requirement. Additionally, if investors dispose of the investment after only three years, they are eligible for a 50% gain exclusion, and if they hold the investment for at least four years, they are eligible for a 75% gain exclusion.
- Originally, QSBS was available only for investments made when the C corporation had less than $50 million in assets. However, that limit was raised to $75 million.
- The maximum gain eligible was also increased to the higher of $15 million or 10 times the taxpayer's adjusted tax basis.

By lowering the holding period to three or four years for a partial tax benefit, the revised QSBS rules create new flexibility in exit planning by allowing earlier liquidity while still achieving a favorable tax outcome. The increase in the C corporation portfolio asset threshold from $50 million to $75 million will dramatically increase the pool of shares eligible for QSBS treatment. Finally, both the exclusion and the asset limit amounts are now indexed to inflation, allowing them to keep pace with the financial environment.

The TCJA added an innovative incentive to encourage investments into Qualified Opportunity Zones (QOZs). First, the investor would create a Qualified Opportunity Fund (QOF), which a taxpayer would fund with an existing capital gain. This would defer the recognition of that gain, provided those proceeds were rolled into a new investment in a QOZ within 180 days.

The original provision included key beneficial tax features:

- If the QOF investment was held for at least five years, the original gain would have a basis step-up—effectively

reducing the capital gain rate from 20% to 18%.

- If the QOF investment was held for at least seven years, the original gain would have a basis step-up—effectively reducing the capital gain rate from 20% to 17%.

- If the QOF investment was held for at least 10 years, the taxpayer could elect to increase their basis in the QOF to the fair market value the date the investment was sold, resulting in the entire gain being excluded from taxation.

The venture community has tended to not use QOFs as often as the real estate industry. The primary reason cited by investors is that the steps required for real estate substantial improvement tests are easier to follow and document. For investing in an operating business, compliance is more complex, requiring the tracking of property use, employee location, and income sourcing within the QOZ.

The OBBBA modified the QOZ provisions as follows:

- The bill removed the 2026 sunset of the provision, now making it permanent law.

- It introduced decennial determination dates, beginning on July 1, 2026, and then each July 1 every 10 years after.

- It made the five-year holding period for the gain reduction rate and deferral a rolling holding period.

- It removed the seven-year holding period option.

These changes, along with the permanency of the provision, should entice venture fund managers to consider using the QOZ provisions in the future and to understand their nuances. The potential of a 100% gain exclusion with no cap can be an attractive option and potentially worth the additional time and documentation required to fulfill the QOZ provisions. Under the right circumstances, this could be a very viable planning tool for the venture fund industry.

Tax impact to underlying portfolio companies

The OBBBA makes several positive changes to the tax rules impacting underlying portfolio investment companies.

The 100% bonus depreciation under IRC Section 168(k) is now permanent for both new and used (20-year or less) tangible property acquired and placed in service after January 19, 2025. For tangible property that would normally be capitalized, IRC Section 179 was expanded by increasing the limit from $1 million to $2.5 million, with the phaseout increased to $4 million.

Beginning in 2023, the TCJA required tech businesses to capitalize R&D expenses. The OBBBA reversed this approach, allowing for technology businesses to either expense or capitalize their domestic R&D expenses. Small businesses can also amend their tax returns back to 2022 and expense any prior R&D expenses that were initially capitalized.

Negative impacts of the OBBBA on the venture community

The OBBBA did have some adverse impacts on the venture capital industry, most notably the permanent disallowance of investment expenses under IRC Section 212. Previously suspended under the TCJA, these expenses, such as management fees allocated to investors, are now permanently nondeductible. As such, investors could seek alternative structures to offset the loss, while investment managers must balance operating income needs against growing investor sensitivity to fees.

Notably, some potential changes discussed during OBBBA negotiations were excluded from the final legislation. The TCJA capped the ability to deduct state and local taxes paid as an itemized deduction. States with high tax rates passed many state and local measures, commonly referred to as a Pass-Through Entity tax (PTET), to assist their residents with circumventing this deduction loss. In a partnership, the partnership makes a tax payment to the IRS on behalf of its partners. The partners can claim this as a deduction against their partnership income at the federal level. This methodology has been slowly adopted by most states.[2] Congress considered restricting the use of PTETs, but the proposal was not included in the final bill.

Key takeaways

The expansion of the QSBS rules represents a significant change for the venture community. In addition, the correction and rollover holding period for QOZ investments should be considered as another meaningful tax benefit for venture investors—when applied under the appropriate circumstances. The OBBBA's tax changes to the depreciation and R&D rules should give early-stage portfolio companies much-needed liquidity. Finally, with the permanent removal of the deductibility of investment expenses, the venture community may need to find solutions to assist their investors with this loss. However, the venture community has consistently demonstrated its ability to adapt to an ever-changing financial landscape.

2: "Recent Developments in State's PTETs," The Tax Adviser, Brian Myers and Eileen Reichenberg Sherr, September 1, 2024.

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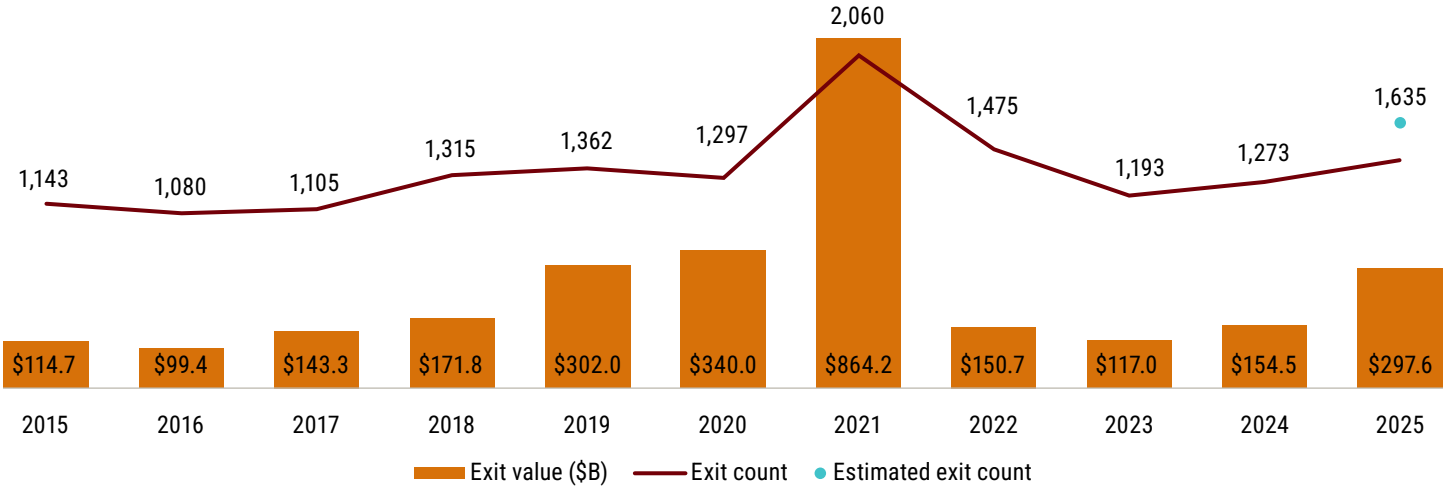
Exits

2025 had the fourth-highest exit value of the past decade

VC exit activity



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Exit activity improved in 2025 but fell short of the rebound that many hoped for. It was the second-most-active year by exit count and the fourth by exit value (after 2019, 2020, and 2021), generating $297.6 billion across an estimated 1,635 exits. However, the market needs more large exits to fill the liquidity gap, especially because unicorn valuations have grown more than sixfold since 2019, but windfalls remain too few and far between.

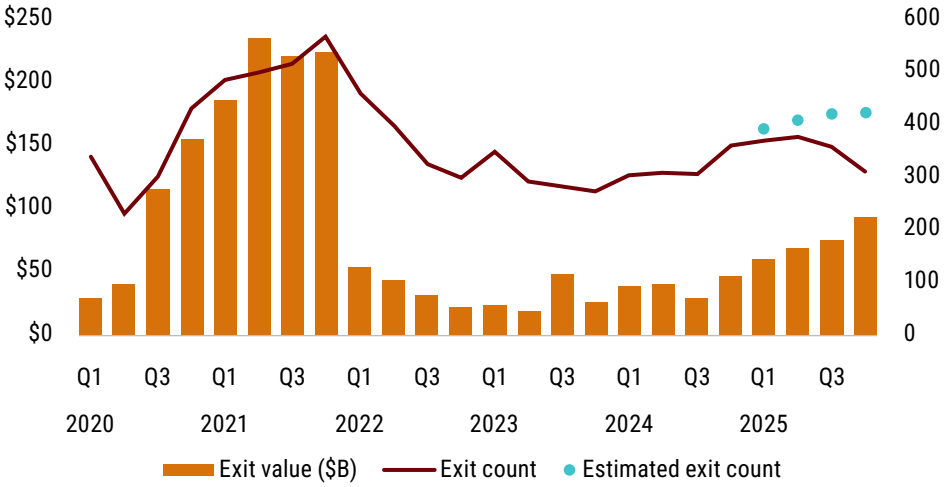
In 2025, 17 unicorns went public with much fanfare, though the total IPO count remained muted at 48 listings, similar to the levels of other post-pandemic years. A shifting policy landscape constrained exit momentum in 2025. Tariff negotiations, a prolonged government shutdown, and a volatile public market complicated the road to IPO as companies struggled with pricing and timing uncertainty.

The recent wave of IPOs appears to be an opportunistic reopening rather than a systemic one. The largest listings of 2025 shared a common thread: alignment with the Trump administration's priorities in sectors such as AI, space, crypto, fintech, and national security. For example, the passage of the Guiding and Establishing National Innovation for US Stablecoins (GENIUS) Act renewed investor interest in crypto and led to the listings of stablecoin issuer Circle and crypto exchange Gemini Space Station.

Despite excitement around initial price pops across multiple listings in 2025, this enthusiasm proved difficult to

Favorable policies for certain sectors propelled 2025 exits

VC exit activity by quarter



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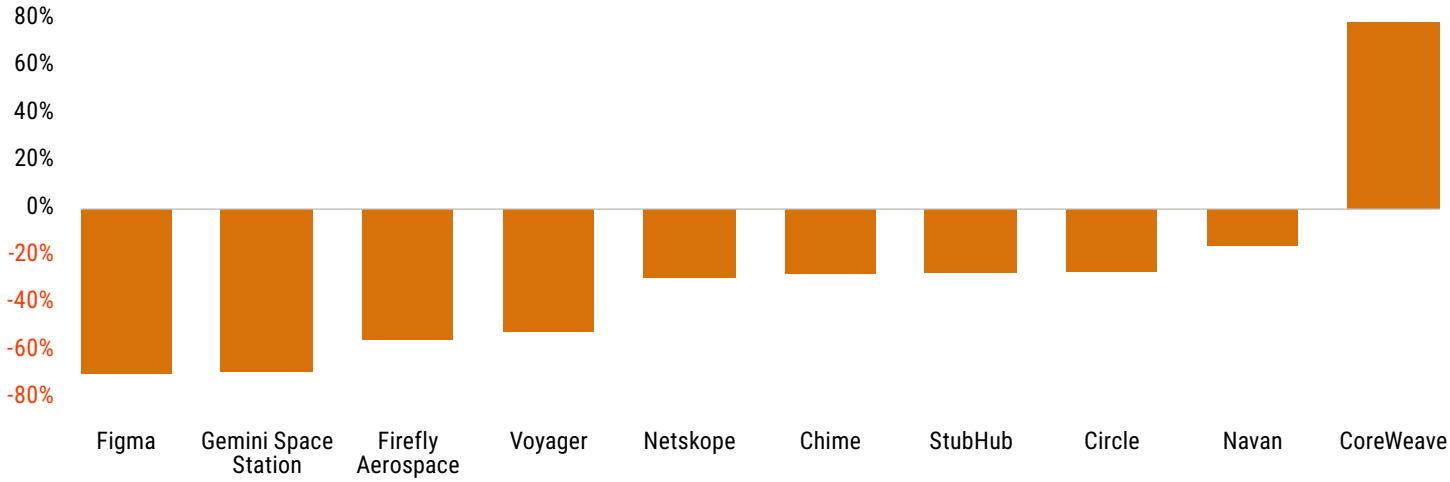
Postlisting performance has been mixed

Post-IPO performance of select 2025 listings from first close



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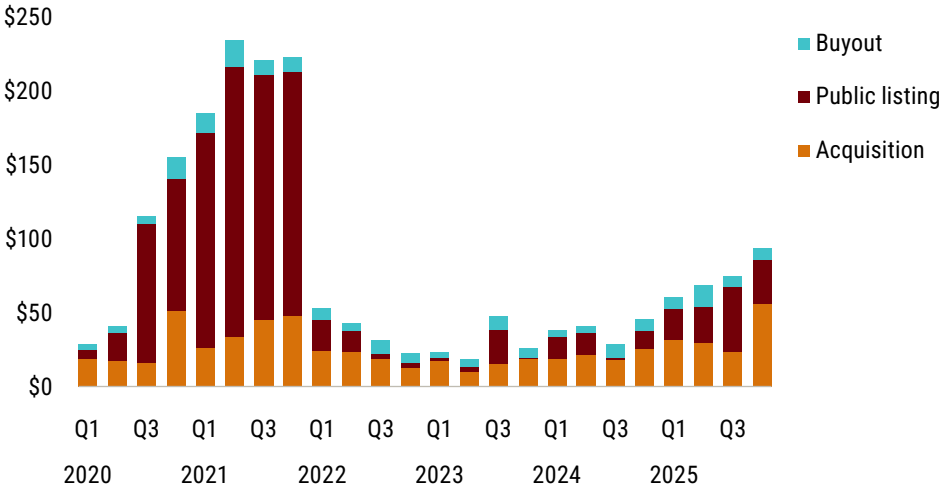
sustain. By year-end, most of the major IPOs traded well below their first-day closing price, reflecting uncertainty about long-term demand. How these companies trade following lockup expirations will determine whether 2025 marked the beginning of a durable reopening of exits or merely a brief respite in a constrained environment.

Acquisitions generated $140.7 billion across 1,029 transactions in 2025. Despite changes in leadership, the Federal Trade Commission continues to limit the ability of public corporations to engage in M&A. To fill this void, VC-backed companies have become increasingly active buyers. Startups accounted for 38.4% of acquisitions and 22.3% of acquisition value in 2025. Notable examples include OpenAI's $6.5 billion acquisition of AI hardware company io, CoreWeave's $1.7 billion purchase of developer platform Weights & Biases, and OpenAI's $1.1 billion acquisition of Statsig to build and deploy AI-powered applications. These transactions highlight how M&A is shifting away from traditional Big Tech buyers toward well-funded startups

Despite recent uptick, IPOs have yet to return to normal levels

Quarterly VC exit value ($B) by type



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that strategically leverage acquisitions to broaden capabilities, hire talent, and outpace competitors.

2025 marked a clear inflection point for venture secondaries, driven in part by a wave of Wall Street acquisitions of established secondaries platforms and investors, which solidified secondaries as a growth driver and an essential bridge between private and public markets. The US VC secondary market across direct and GP-led stakes reached an estimated $94.9 billion in annual value as of Q3 2025 and has been steadily catching up to IPOs and acquisitions.

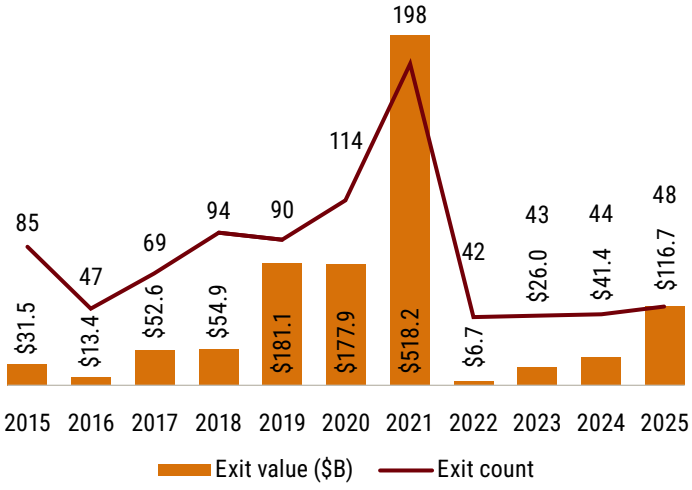
With stabilizing valuations, continuing interest rate cuts, and returning investor appetite, the groundwork laid in 2025 supports cautious optimism that

2026 will continue venture's long road to recovery. Hopefully, the ongoing normalization of down-round IPOs and valuation resets will allow more startups to move past the golden handcuffs of their peak-pandemic-era pricing, clearing the runway for a lasting recovery of exits. A more predictable macroeconomic and policy backdrop would further support exits by improving pricing certainty.

There may be a handful of breakout IPOs in 2026 that will generate significant returns for investors, like SpaceX's potential listing at an eye-watering $1.5 trillion, but public listings are expected to remain highly selective rather than widespread. Like we saw in 2025, we expect sectors aligned with federal priorities to continue benefiting from policy momentum. Well-capitalized startups, especially in the fast-growing AI vertical, will remain active acquirers as public companies wait on the sidelines. Finally, the secondary market is poised for continued expansion in 2026, driven by rising valuations and broader adoption by startups, institutions, and investors.

2025 was a better year for IPOs, but counts remain low

VC exit activity via IPO



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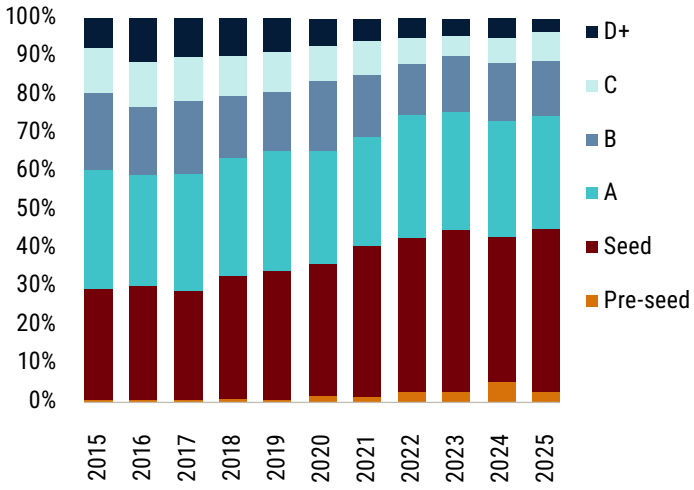
More early-stage companies are getting acquired

Share of VC round count by series where next round is an exit via acquisition



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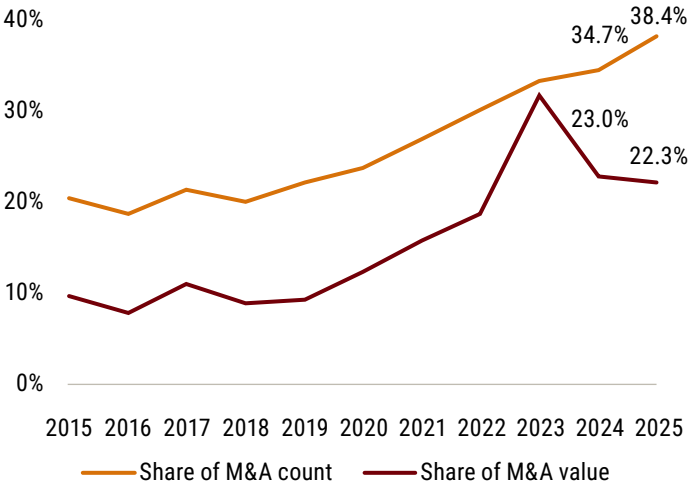
Startups are becoming more active acquirers

VC M&A activity with VC-backed buyer as a share of all VC M&A activity



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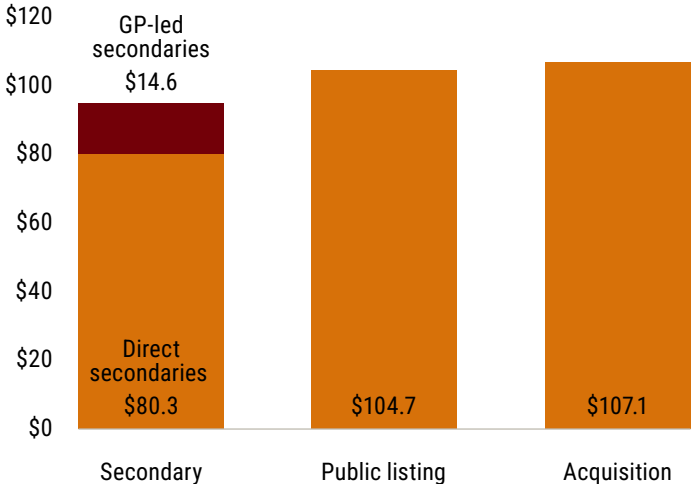
Record deal flow for venture secondaries

TTM VC exit value ($B) by type



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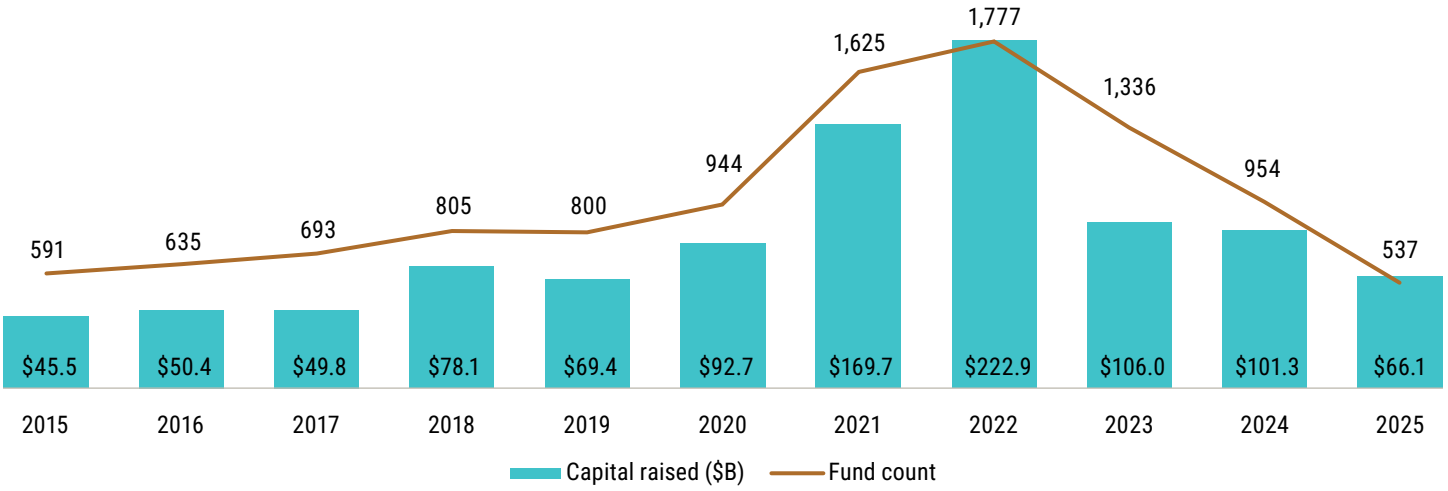
Fundraising and performance

Fewest funds close in a decade

VC fundraising activity



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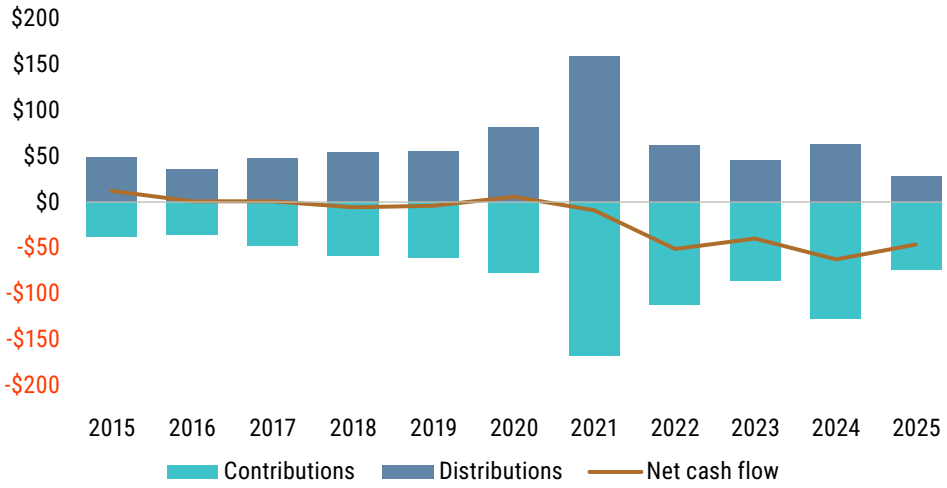
Fundraising did not pick up much over the course of 2025, closing the year at $66.1 billion in commitments. The number of closed funds in 2025 continued the downward trend of fundraising, a reflection of LP sentiment amid the ongoing hold on liquidity. This sentiment has a long way to go to improve. Beyond the liquidity challenges, non-US LPs have taken a more cautious approach to US allocation, while US endowments must contend with tax structures implemented in the One Big Beautiful Bill Act enacted earlier in 2025. With uncertain LP bases, the median fund step-up for firms able to close a fund in 2025 was just 24.6%, the second-lowest figure in the past decade. The good news for the market is that there are distributions from recent IPOs set to boost cash flows back to LPs over the first few months of 2026, and the outlook for liquidity is considerably brighter than in the past few years. The net asset value (NAV) distribution yield continues to claw its way back to a more respectable level, though we could see a flatlining of the metric as the market NAV begins to surge on AI.

Cash flows to LPs negative $196.9 billion since 2022

VC cash flows ($B)



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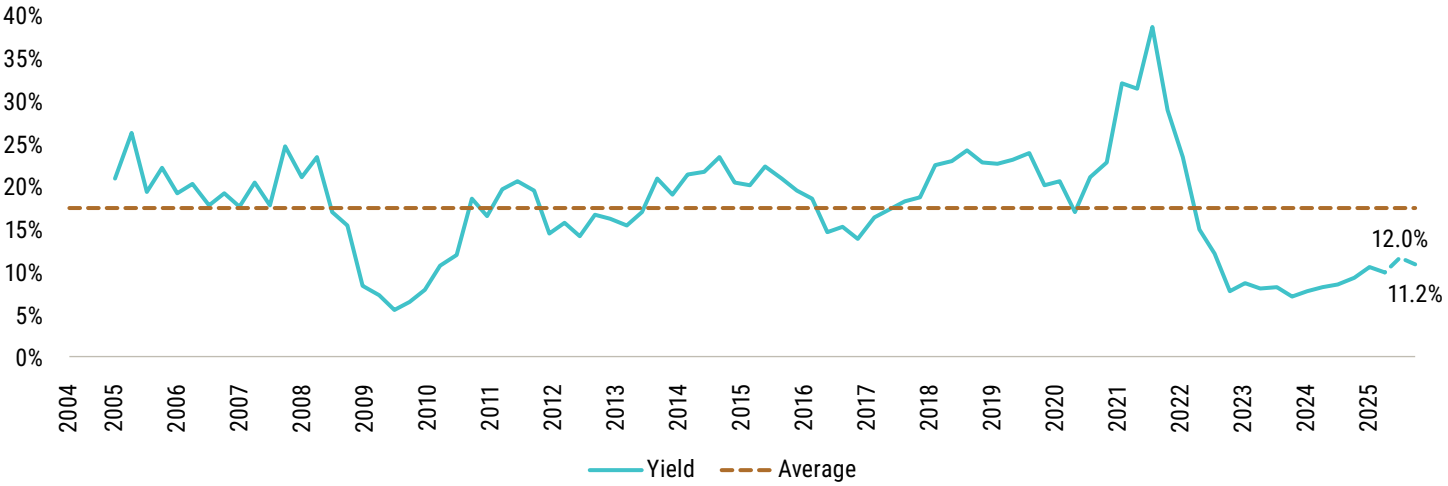
Cash flows to LPs have been negative $196.9 billion since 2022, and the market remains burdened by a substantial amount of unfunded commitments from 2021 and 2022 vintages. More than $90 billion in dry powder is available from 2021 and 2022 funds. $166 billion in dry powder is in vintages between 2 and 5 years old. Not only is this the largest amount on record, but it is the highest proportion of total dry powder since the dot-com bust left vintages struggling to deploy.

Yield continues to claw back toward average

VC distributions as a share of NAV for funds aged 5 to 10 years



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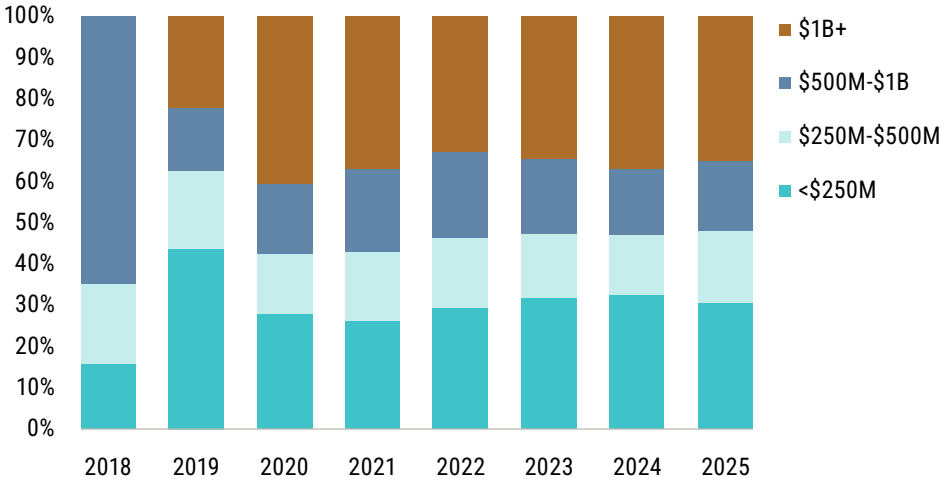
Unfunded commitments are another drag on new commitments. LPs monitoring their allocation to VC understand these commitments may be called in the near term, and with dealmaking increasing rapidly in the US, younger-vintage funds may also operate with a faster pace. Multiple vintages increasing their rate of deployment at the same time could quickly overbalance portfolios into VC. For a broad return of fundraising, LPs will need GPs to work through aging commitments while increasing distributions.

Dry powder concentrated in large funds

Share of VC dry powder by fund size bucket



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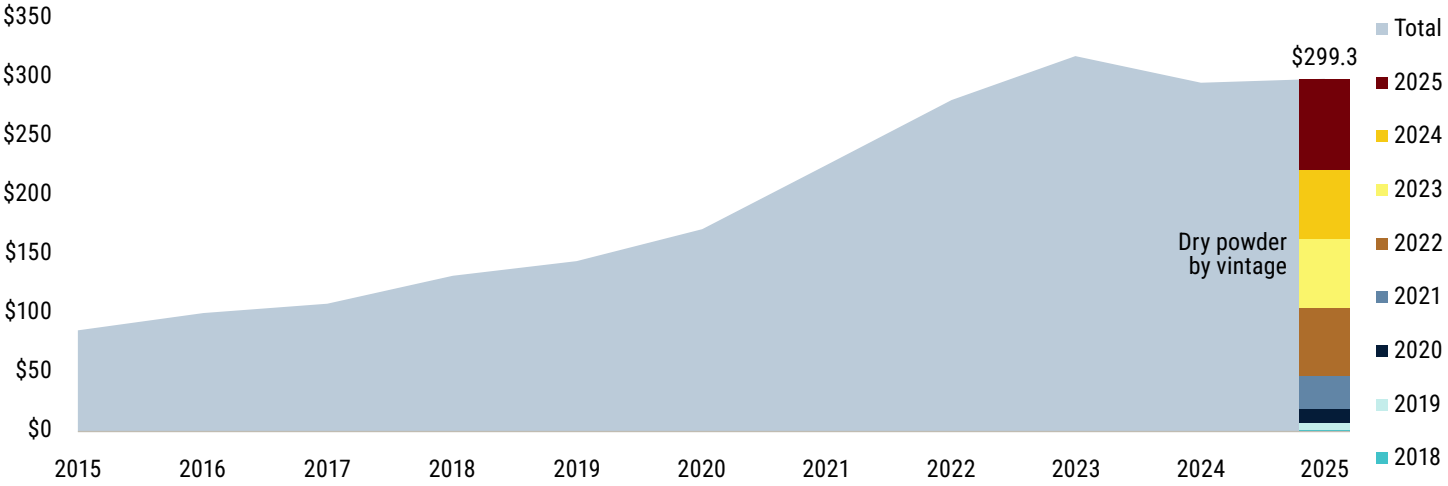
The good news for fundraising is that conditions are improving in dealmaking and liquidity, albeit from a relatively low base. The rolling one-year IRR for US VC funds has been positive for three quarters, though with only single-digit increases. The poor performance over the past several years has led to an increased concentration of large funds in the market. $500 million+ funds have accounted for just 6.7% of the closed funds over the past four years but now represent 52.3% of available dry powder. A vast majority of these funds have been raised by established managers. This concentration could have downstream impacts on returns. Fewer firms with more money have led to larger deals, and possibly fewer company and firm winners. The more concentrated the market, the more control can be held over market winners and the path of developing technologies.

Dry powder remains near $300 billion

VC dry powder ($B)



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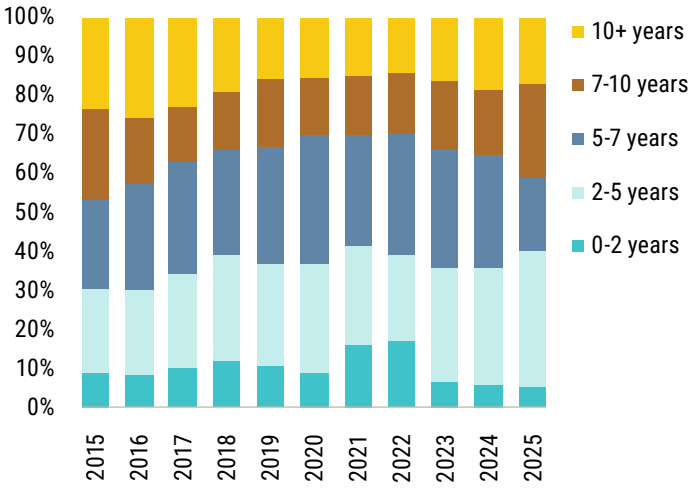
Dry powder is aging

Share of VC dry powder by age bucket



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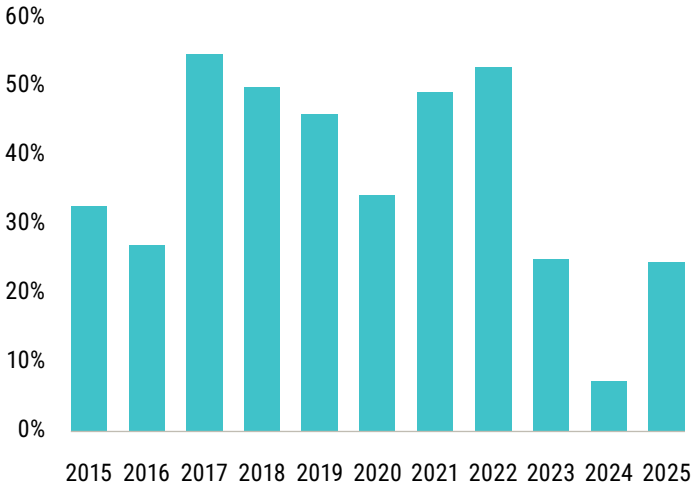
Median fund step-up remains muted

Median VC fund size step-up



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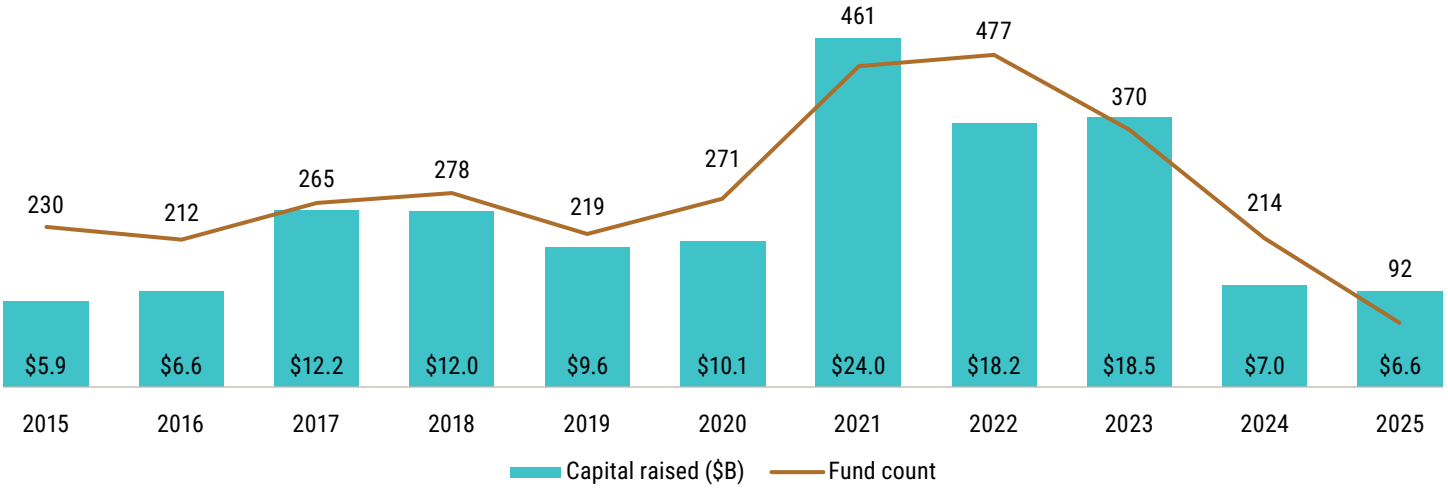
First-time fundraising has poor year

VC first-time fundraising activity



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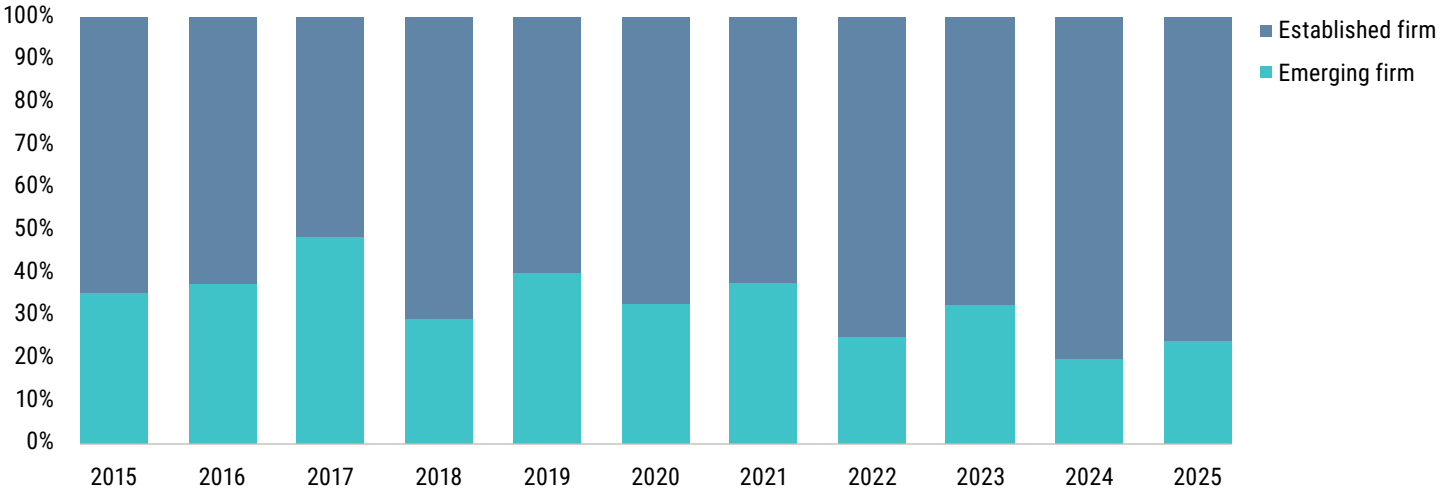
Established managers commanding new commitments

Share of venture capital raised by manager experience



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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 that include partial debt and equity.

Pre-seed/seed: When the investors and/or press release state that a round is a pre-seed or seed financing, it is tagged as such. If the company is under two 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 where investors are unknown 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.

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 immediately prior to an exit.

Venture debt: The venture debt dataset is inclusive of all types of debt products raised by VC-backed companies, regardless of the stage of company. In mixed equity-and-debt transactions, equity is excluded when the amount is of known value. 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 are included in both datasets.

Exits

We include the first majority liquidity event for holders of equity securities of venture-backed companies. This includes events where there is a public market for the shares (IPO) or the acquisition of the majority of the equity by another entity (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.

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.

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