

Venture Monitor

The definitive review of the US venture capital ecosystem



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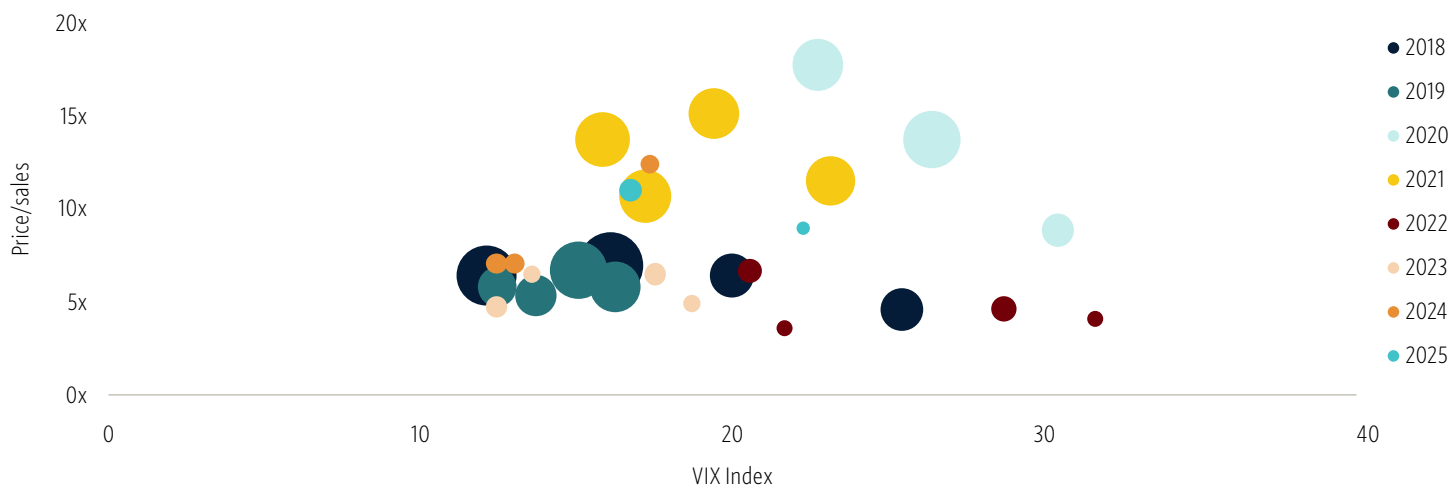
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Market overview

Tariff-induced market uncertainty a bad sign for IPOs

Trailing 12-month (TTM) VC-Backed IPO Index price/sales ratio versus VIX Index



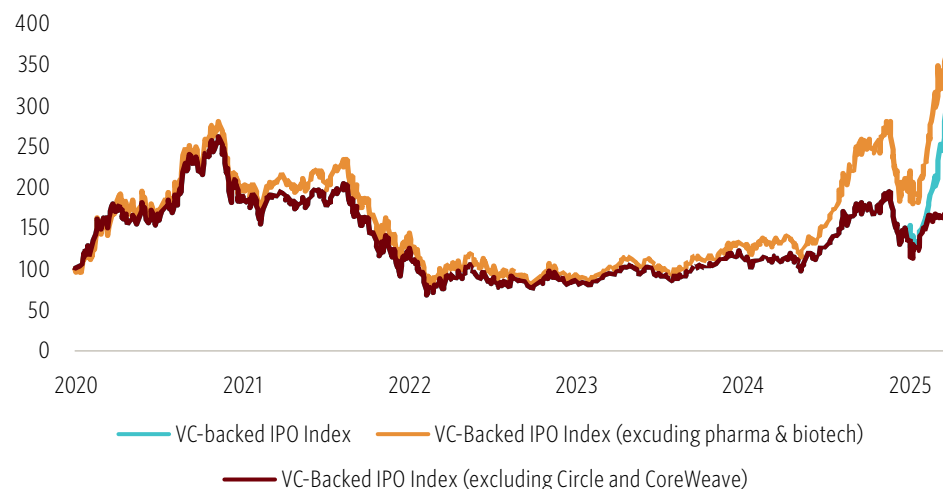
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Volatility and IPOs were Q2's defining features. The quarter opened with a jolt from Liberation Day tariff announcements, plummeting the S&P 500 by over 10% in a few days and prompting many startups that had already filed to hit the brakes on going public. In a partial reversal, the Trump administration soon issued a 90-day pause on tariffs, which helped steady public equities. In June, consumer sentiment recovered for the first time since December 2024 as consumers began adjusting to the tariff shock, even though they remain wary.¹

Despite the rocky start, venture exit activity began showing signs of life by the end of Q2 with a handful of high-profile IPOs and billion-dollar M&A deals. Companies operating in AI, national security, defense tech, fintech, and crypto—sectors aligned with the administration's priorities—are attracting disproportionately more investor interest, and this trend will

Steep recovery of IPO index after recent surge of high-performing listings

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



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likely continue throughout President Donald Trump's term.

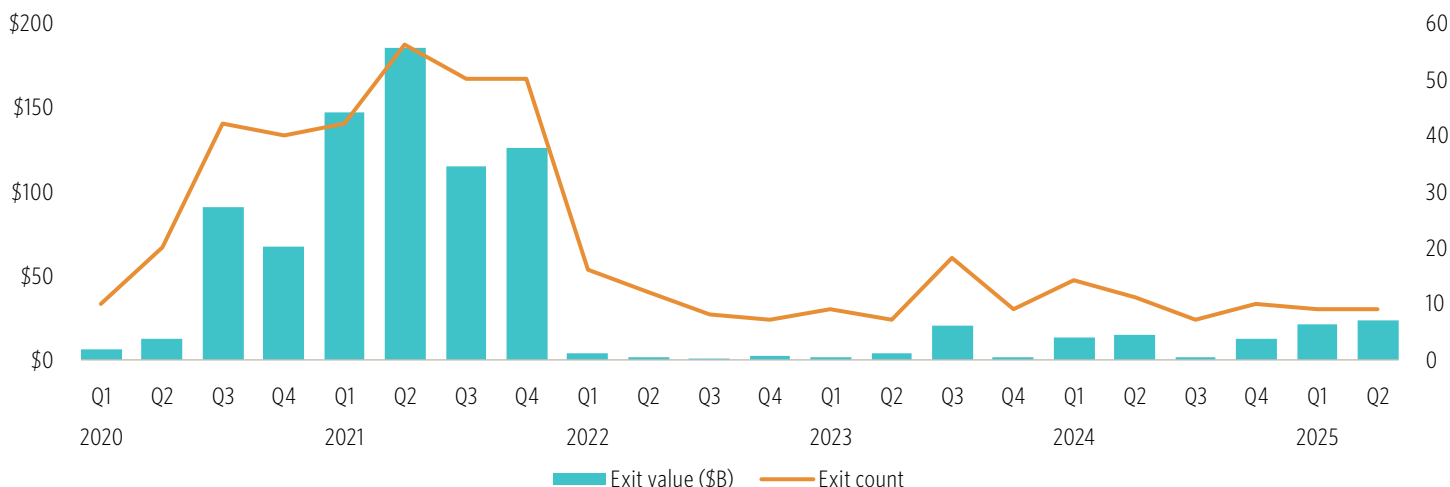
The liquidity outlook for the rest of 2025 is cautiously optimistic, marking a reset

rather than a full recovery. Unanswered questions about the pace and magnitude of Federal Reserve rate cuts, unresolved global trade disputes, and geopolitical instability—particularly in the Middle

¹: "Final Results for June 2025," University of Michigan Surveys of Consumers, June 27, 2025.

Recent surge of IPOs is not a rebound, but more of a reset

VC IPO activity by quarter



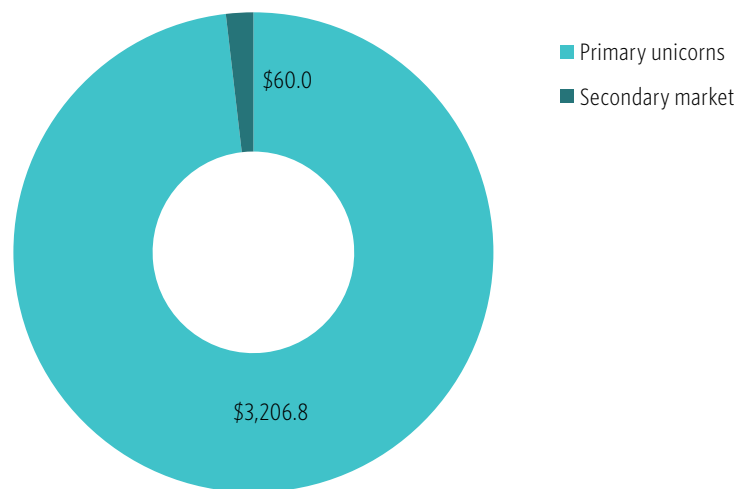
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East—create a risk environment that complicates company pricing. This is not ideal in a market where down round IPOs have already become the norm, as nearly every high-ticket public listing YTD has priced well below their peak private round valuations. Q2 did not have a surge in new IPO filings, revealing that many startups are prioritizing flexibility and optionality until some major macro questions are resolved.

In response, the secondary market has grown into a vital release valve for pent-up liquidity demand. Our [current estimate of the US VC direct secondary market](#) ranges from \$48.1 billion to \$71.5 billion, with a midpoint of \$60 billion. However, the market size is modest compared with VC's liquidity needs. \$60 billion makes up less than 2% of total unicorn valuations and is comparable to Q2's primary exit value of \$67.7 billion. Trading volume continues to be concentrated among a narrow slice of elite startups that have the highest primary and secondary investor demand and, consequently, strong pricing confidence. For example, Hiive reported

Secondaries have grown but remain a niche play

Estimated unicorn market size (\$B) by strategy



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that just 20 startups accounted for 83.2% of trading volume in Q1, with the top five alone representing over half.²

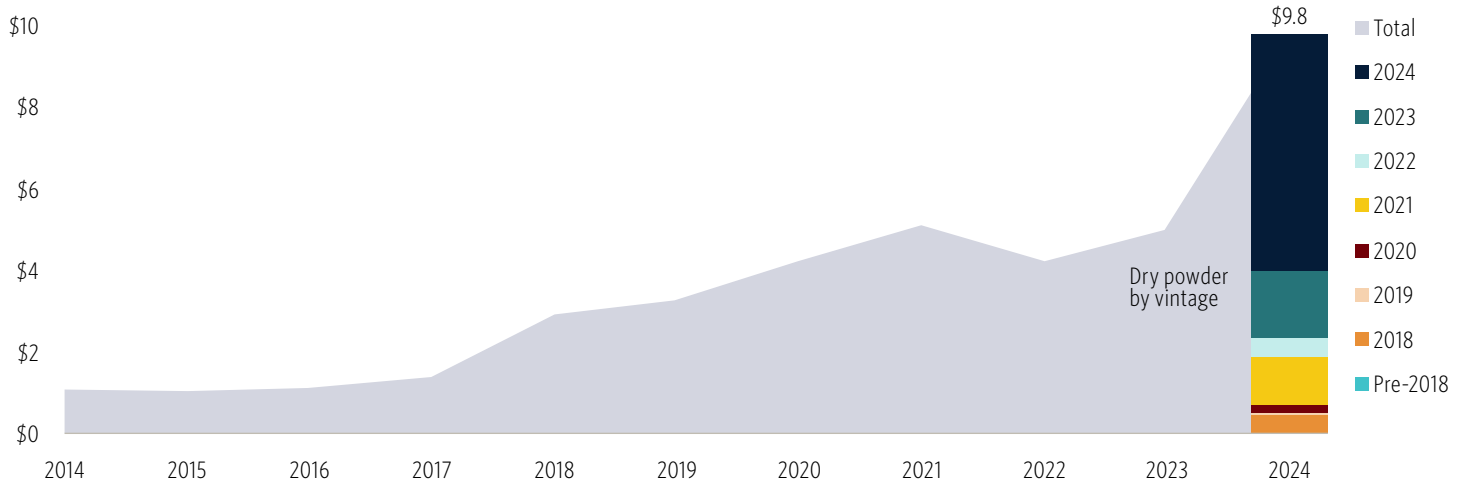
Still, multiple signs point to the continued expansion of secondaries as a structural pillar of the venture ecosystem, especially in a landscape where IPOs and M&A remain selective

and lumpy. VC-specific secondary dry powder has more than doubled since 2022, and tender offers are becoming more common, providing companies price certainty and low cap table churn while still offering early employees and investors a path to partial liquidity. Secondaries are no longer a last resort, but rather a strategic tool.

2: "Hiive50 Index," Hiive, July 2, 2025.

Secondaries dry powder has more than doubled since 2022

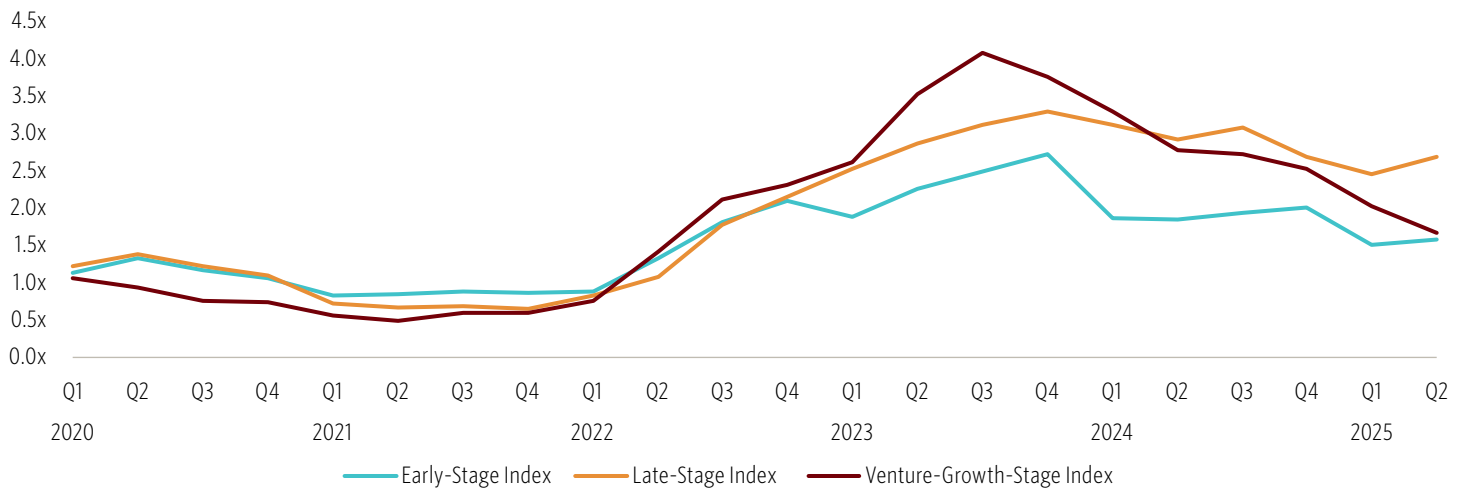
VC secondaries dry powder (\$B)



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Later stage has the largest gap between VC demand and supply

Venture capital demand/supply ratio by quarter



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2: "Hiive50 Index," Hiive, July 2, 2025.

NVCA policy highlights

In a dramatic late-night session, the US House of Representatives narrowly approved the Senate's version of the "One Big Beautiful Bill Act" by a 218-214 vote, sending the legislation to President Donald Trump just ahead of the self-imposed July 4th deadline. Lawmakers faced pressure to finalize the reconciliation package, culminating in a tense, hard-fought vote.

Passage faced resistance from the House Freedom Caucus (HFC), which opposed the bill's impact on the federal deficit and a late-stage Senate amendment that softened the phase-out of the Inflation Reduction Act (IRA) tax credits for wind and solar projects. Their frustration was compounded by the Senate's removal of a proposed excise tax targeting certain renewable energy investments.

To secure the needed votes, President Trump convened HFC members at the White House for urgent, late-night talks. Meanwhile, Speaker Mike Johnson negotiated with holdouts into the early morning. Their efforts paid off, enabling the bill's narrow passage. The final version included key policy wins for NVCA, such as:

Carried interest: No changes made. Existing tax treatment remains.

Qualified small business stock expansion:

Introduces a tiered capital gains exclusion on stock purchased postenactment: 50% exclusion after three years, 75% after four years, and 100% after five years. Additionally, per-issuer gain cap increased to \$15 million for stock issued postenactment, indexed to inflation starting in 2027. The asset eligibility ceiling raised to \$75 million, also indexed beginning in 2027.

Research & development (R&D) expensing:

Allows immediate, permanent expensing of R&D expenditures. Small businesses with up to \$31 million in gross receipts may apply this benefit retroactively to tax year 2022.

Business State and Local Tax (SALT) deduction/Pass-Through Entity Tax (PTET): The bill excludes prior proposals to restrict PTET elections and

preserves existing state-level PTET work-arounds for partnerships.

Section 899 retaliatory tax: A proposed provision imposing new taxes on US investors and companies in jurisdictions with discriminatory tax regimes was excluded from the final bill.

In addition to these victories, some areas of concern exist for NVCA members, including:

University endowment tax overhaul: The bill replaces the current excise tax on net investment income with a three-tiered system based on per-student endowment levels. Universities with 3,000 or fewer tuition-paying students are exempt, narrowing the scope of impact to approximately 16 institutions.

New tax structure: The top tier's 8% rate applies to endowments with more than \$2 million per student. Impacted universities could include Harvard, Stanford, Princeton, and Yale. The second tier's 4% rate applies to endowments between \$750,000-\$2 million per student. Impacted universities could include MIT, Notre Dame, Dartmouth, Rice, Richmond, University of Pennsylvania, Emory, and Washington University in St. Louis. The bottom tier's 1.4% rate applies to endowments between \$500,000-\$750,000 per student. Impacted universities could include Vanderbilt, Duke, Brown, and Northwestern.

Clean energy tax credits: The bill makes significant changes to energy tax credits, especially those from the IRA. Critically for our members, the following changes were made:

- **45Y/48E clean electricity production and investment credits:** Credits would end for wind and solar facilities that begin construction more than one year after enactment and are not placed in service before January 1, 2028. Facilities starting within one year would not face this deadline. All other technologies would phase out between 2032 and 2035. The shorter timeline for wind and solar, compared to other technologies, creates added challenges for developers facing construction and supply

uncertainty—and limited control over when facilities can be placed in service.

- **Tax credit transferability:** The Senate preserved tax credit transferability, which the House version eliminated for certain energy credits. However, the accelerated credit expiration undermines its value.
- **Wind and solar excise tax:** The final version removed the proposed excise tax on wind and solar projects.
- **Foreign Entity of Concern (FEOC) restrictions** remain in the Senate-passed bill. Credit-specific FEOC restrictions could result in recapture for: taxpayers who are a "specified foreign entity" or a "foreign-influenced entity" (without regard to "effective control") for tax years beginning after enactment; taxpayers whose facilities are determined to be under "effective control" by a "specified foreign entity" in tax years beginning after enactment; facilities that begin construction after December 31, 2025, and include "material assistance from a prohibited foreign entity"; taxpayers who are determined to have produced eligible components through "effective control" by a "specified foreign entity" in tax years beginning after enactment; and eligible components produced in tax years beginning after enactment that include any "material assistance from a prohibited foreign entity."



Bobby Franklin
President & CEO
NVCA

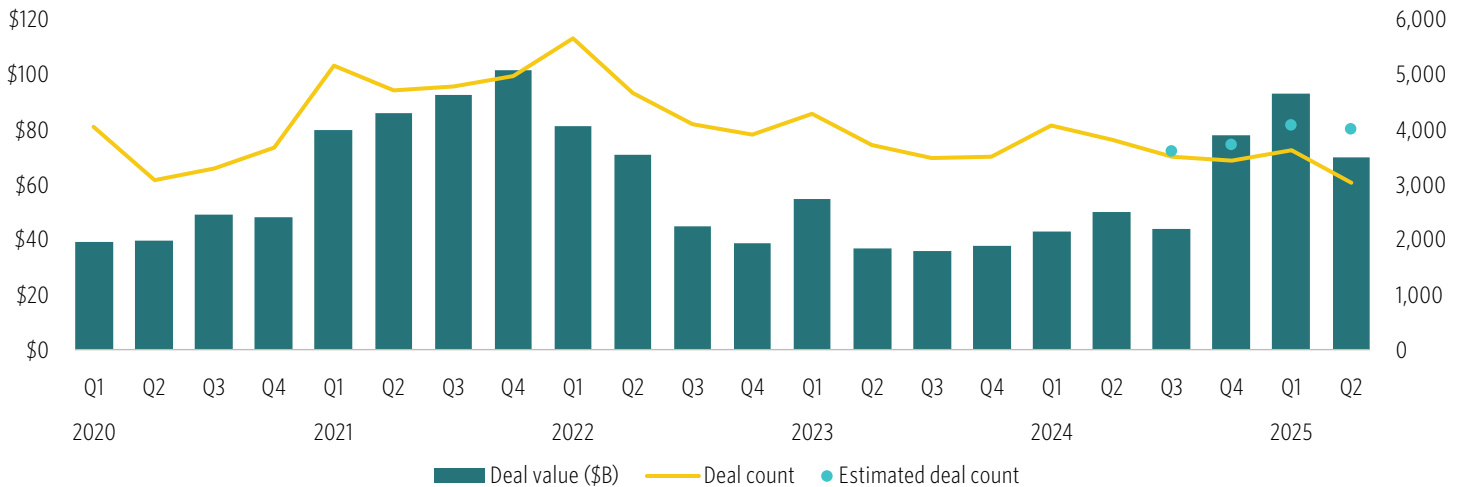
Bobby Franklin is the President & CEO of NVCA, the venture community's trade

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

Q2 deal count remains roughly flat, while deal value dropped by 25%

VC deal activity by quarter



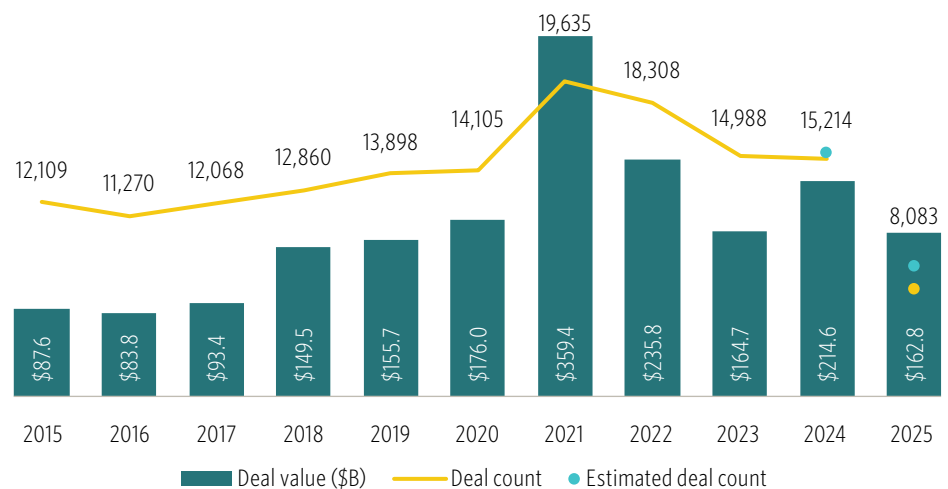
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In Q2 2025, VC firms deployed \$69.9 billion across an estimated 4,001 deals, representing a sharp 24.8% QoQ decline in deal value. This drop was due primarily to the lack of a \$40 billion deal in Q2. OpenAI's deal from Q1 would alone represent roughly 57% of Q2's aggregate. By contrast, Q2's largest transaction was Scale AI's \$14.3 billion venture-growth round, which fell well short in scale, despite being the second-largest VC deal ever.

Fueled by select outsized Q1 deals and persistent AI momentum, venture-growth-stage deal activity surged in H1 2025, with \$83.9 billion deployed across an estimated 499 deals. On an annualized basis, this implies \$167.8 billion in growth-stage venture capital deployment, far surpassing the 2021 peak of \$91.6 billion and marking a potential record-setting year for this stage. While we do not expect another outlier deal on the same scale as OpenAI's \$40 billion round from Q1,

H1 deal value buoyed by select AI megadeals

VC deal activity



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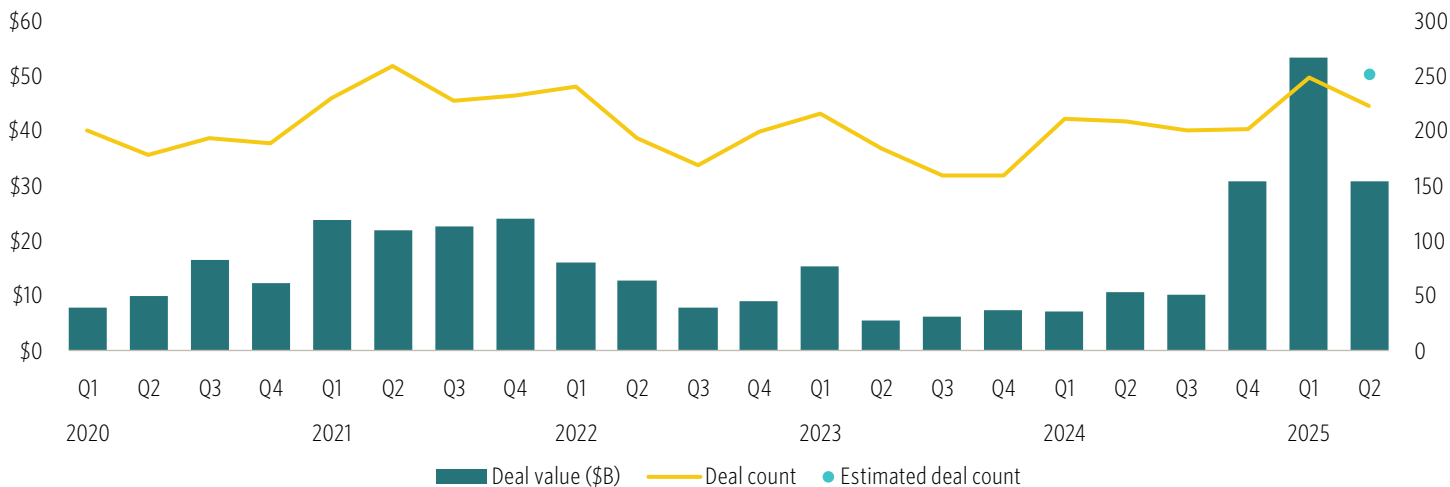
the market continues to see outsized AI deals such as the Scale AI deal featuring Meta purchasing a 49% stake in the company in Q2.

AI continues to dominate the upper end of the deal spectrum. In Q2, five AI

deals topped \$1 billion, including Scale AI, Safe Superintelligence, Thinking Machine Labs, Anduril, and Grammarly. The sector represented 64.1% and 35.6% of H1 2025 deal value and count, respectively, highlighting sustained investor conviction.

Annualized venture-growth deal value is on track to hit decade high

Venture-growth deal activity by quarter



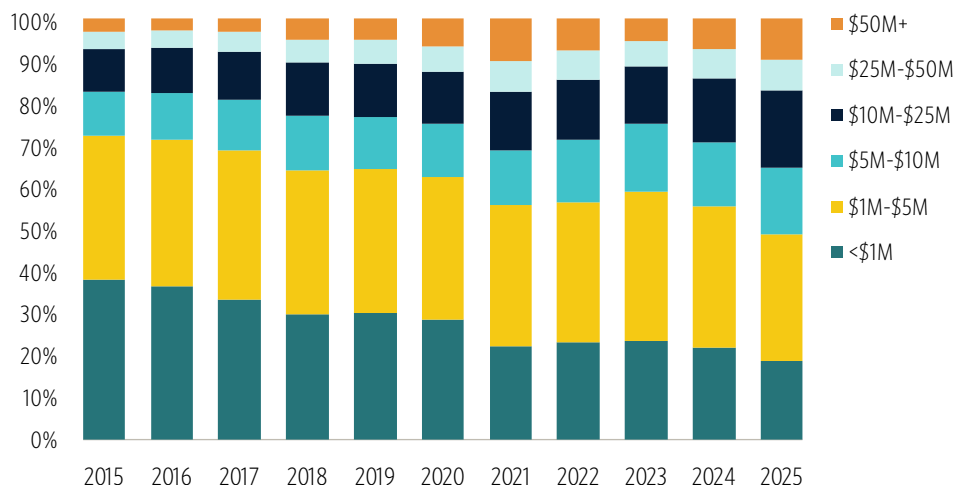
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Investor appetite remained focused on high-performing startups with clear growth trajectories, as evidenced by continued valuation expansion across series. In Q2, the median US VC pre-money valuation rose YoY—consistent with the trend observed from 2023 to 2024. Notably, every series of the venture lifecycle—except Series D+—reached decade-high valuation medians, suggesting GPs are increasingly selective, backing fewer but higher-quality companies. Valuation multiples are expanding, with the market finding trouble gauging the true future potential of AI.

The bifurcation between well-positioned and struggling startups has become pronounced. Investors are writing larger checks for companies with strong fundamentals and clear execution plans. Some founders, in turn, are opting for larger raises up front to extend their runway and defer future fundraising in a competitive capital environment. Median deal sizes

Share of sub-\$5 million deals continues to decline

Share of VC deal count by size bucket



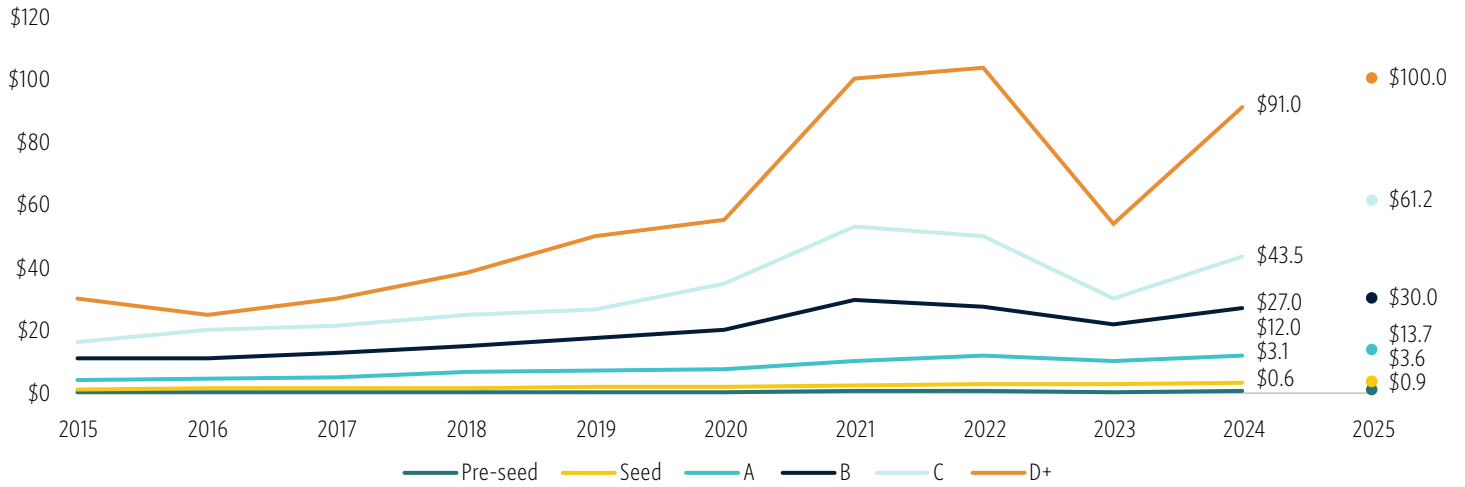
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continued to climb across all series in Q2 2025. Pre-seed deals saw the sharpest increase, rising 42.3% YoY, followed by a 40.5% jump at Series C and a 16.1% uptick in the seed stage. At the same time, smaller deals accounted for a diminishing share of overall deal activity. The share of sub-\$5 million

rounds fell to 48.6% of all VC deals, down from 55.4% in 2024, marking a decade low. This shift underscores a selective market environment where capital increasingly flows to startups with strong traction.

Median deal size increased across all stages of the venture lifecycle

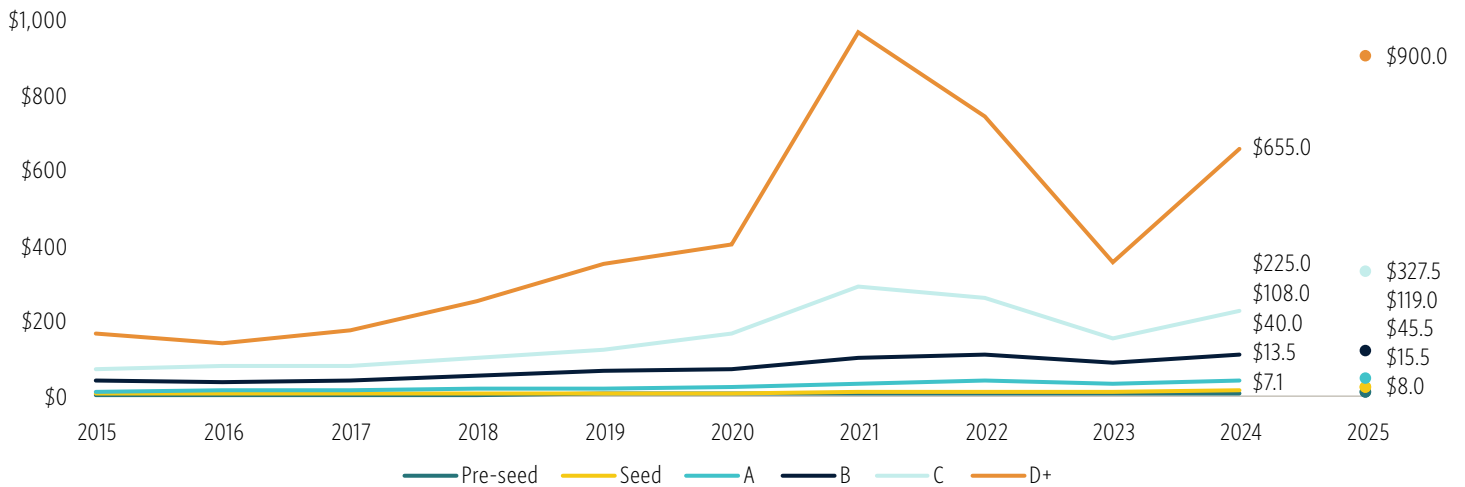
Median VC deal value (\$M) by series



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The same ascendency pattern was observed for pre-money valuations

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



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A WORD FROM J.P. MORGAN

Our views on venture

"J.P. Morgan is proud to serve some of the most disruptive and innovative companies of our time. Whether companies need expertise in payments, capital raising, liquidity solutions, or strategic advisory, we are uniquely positioned to support the venture ecosystem globally. We can deliver deep industry insights and leverage the breadth of our platform to support companies from inception through IPO and beyond."

Andrew Kresse, Co-Head
Innovation Economy

The IPO markets appear to be back on the road to recovery

Although overall IPO activity is tracking behind optimistic expectations coming into the year, this is mainly due to macro-and-policy-uncertainty-induced market volatility, which has since retreated. David Bauer, co-head of Equity Capital Markets, notes that more recently there have been numerous green shoots, which is expected to provide a much-improved backdrop for tech issuance through the rest of the year. The recent market rally post-Liberation Day, robust investor liquidity, and consistent IPO performance have created the most attractive issuance conditions in several years.

One notable feature of recent deals is the increased level of mutual fund participation. In most cases, books have been multiple times oversubscribed with mutual fund cornerstones on the front cover of the prospectus at launch. An encouraging sign of the breadth of investor interest is the variety of tech subsectors that have come to market—

including software, fintech, defense tech, and advertising.

Whereas the bulk of IPO activity was previously focused on larger assets, there is now a greater level of interest for sub-\$5 billion market cap issuers as investors look for differentiated opportunities across the spectrum. From a valuation perspective, IPO discounts in the 30% area for these companies were wider than historic averages and below the last private round, reflecting the current market realities and cost of liquidity. Sustained performance should improve pricing over time and create opportunity for a broader range of candidates. Robust follow-on activity is evidence of high levels of market liquidity.

Some issuers previously focused on 2026 IPOs are bringing forward preparation plans to create optionality for a Q4 2025 pricing. In previous years, conducive IPO windows have come about both pre- and post-Thanksgiving, and in light of recent activity, we expect issuers to opportunistically utilize these windows. Additionally, investor interest in private company opportunities pre-IPO is very high, further supporting the near-term setup.

Tech sector M&A also on the upswing

According to Vineet Seth, head of technology M&A, similar to the IPO market, M&A activity within the technology sector is also accelerating, particularly in software. Venture capital, growth equity, and private equity firms have held portfolio assets longer than usual, supporting a solid pipeline of potential M&A as these private



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businesses are brought to market over the coming months and quarters. We are observing this trend in our mandate activity and the requests for proposals we receive.

There is also substantial pent-up demand among public companies, as many strategics have been sidelined for the past few years by regulations. While antitrust regulations have not noticeably relaxed in recent months, we expect review periods to become more efficient over time, which should support M&A. Additionally, interest in corporate clarity, often driven by activist investors, is likely to result in more carveouts and spin-offs.

Underscoring the strengthening backdrop for technology M&A, the sector has accounted for 30% of volumes year to date, up from 22% in 2024 and 18% in 2023, though still below the peak of 34% in 2022.

After a turbulent few weeks post-Liberation Day, previously prevailing themes in venture are back

While trade and tariff policy uncertainty remains an overhang, the stronger-than-expected first quarter earnings season, recovery in equity markets, and resilience of AI have gone a long way to restore sentiment across the venture ecosystem. The market correction and volatility in April was significant but relatively orderly and short-lived. As the waters have calmed, equity issuance volumes have begun to improve and M&A activity involving startups has resumed the positive pace set earlier in the year.

In an environment where headline risk remains elevated, staying nimble and prepared for a wide range of economic and market scenarios is as important as ever. The tone from VCs remains measured, with the latest wave of market turbulence taken in stride. Many are cautious and waiting for improved macro clarity and proof points on successful headline IPOs. Founders that stay focused on the fundamentals, disciplined growth, and preserve optionality should fare well in the long run.

As the breadth of tariff headlines have receded, the focus on AI has come back to the forefront in private and public markets alike. Startups in the AI sector have captured over half of the venture investment dollars YTD, serving as the primary driver of improved median valuation metrics. Despite concerns earlier in the year, we learned throughout first quarter earnings that AI-related capital expenditure and research & development are not showing signs of slowing as hyperscalers continue to ramp their foundational models and hardware.

Enterprise adoption of AI is also accelerating as capabilities improve across a multitude of domains and costs decline exponentially at both the hardware and inference levels. Although AI adoption has yet to cause sweeping labor market disruptions, signs of structural changes are emerging in areas where generative AI may easily replace entry-level tasks. According to the RAMP AI Index, which measures the adoption rate of AI intelligence products and services among American businesses, 40% of businesses now pay for AI tools—nearly double 2024's share.³ The information technology, finance, and insurance sectors show the highest rates of paid AI subscriptions, with business cases ranging from agentic voice models outperforming sales teams, to telecoms consolidating platforms using AI tools.

Despite the growth and positive sentiment around the sector, a central tension remains between the significant investment in AI infrastructure and monetization, keeping pressure on the ecosystem to prove long-term returns.

The macroeconomic outlook has been tempered by tariffs and general policy uncertainty

Underlying trends in the economy through the first half of the year have been better than feared considering sharp drops in business and consumer sentiment caused by the evolving tariff policies. With most major trading partners engaged in ongoing negotiations and the recent federal court ruling challenging the legality of certain tariffs, it is hard to say when the dust will finally settle on this topic.

There is a general sense of relief that a worst-case scenario trade war will be avoided. However, higher baseline tariffs

and lingering policy uncertainty have led us to temper our economic growth expectations and raise our forecasts for both inflation and unemployment. Recession risks are higher than when we started the year, but it is currently not our expectation that one will occur. Prolonged or re-escalating trade tensions could present additional drags on economic activity and growth.

The set of dynamics affecting the economy complicates the Federal Open Market Committee's path forward for policy rates. We expect they will maintain a data-dependent approach in decision making and likely stay on the sidelines until later this year. We have one 25-basis-point cut in our forecast for 2025, followed by three additional cuts in early 2026.

The tax and spending bill that is making its way through Congress carries important implications for the fiscal outlook, and by extension, Treasury yields and interest rates. Incremental borrowing needs are coming at a time of already record high debt and deficits. While we view the recent Moody's downgrade of the US sovereign debt rating as largely symbolic and backward looking, there is heightened focus on Treasury auctions for any emerging signs that demand for US assets is waning. A stable- to lower-interest-rate environment is typically beneficial for the macro environment, investor sentiment, and valuations.

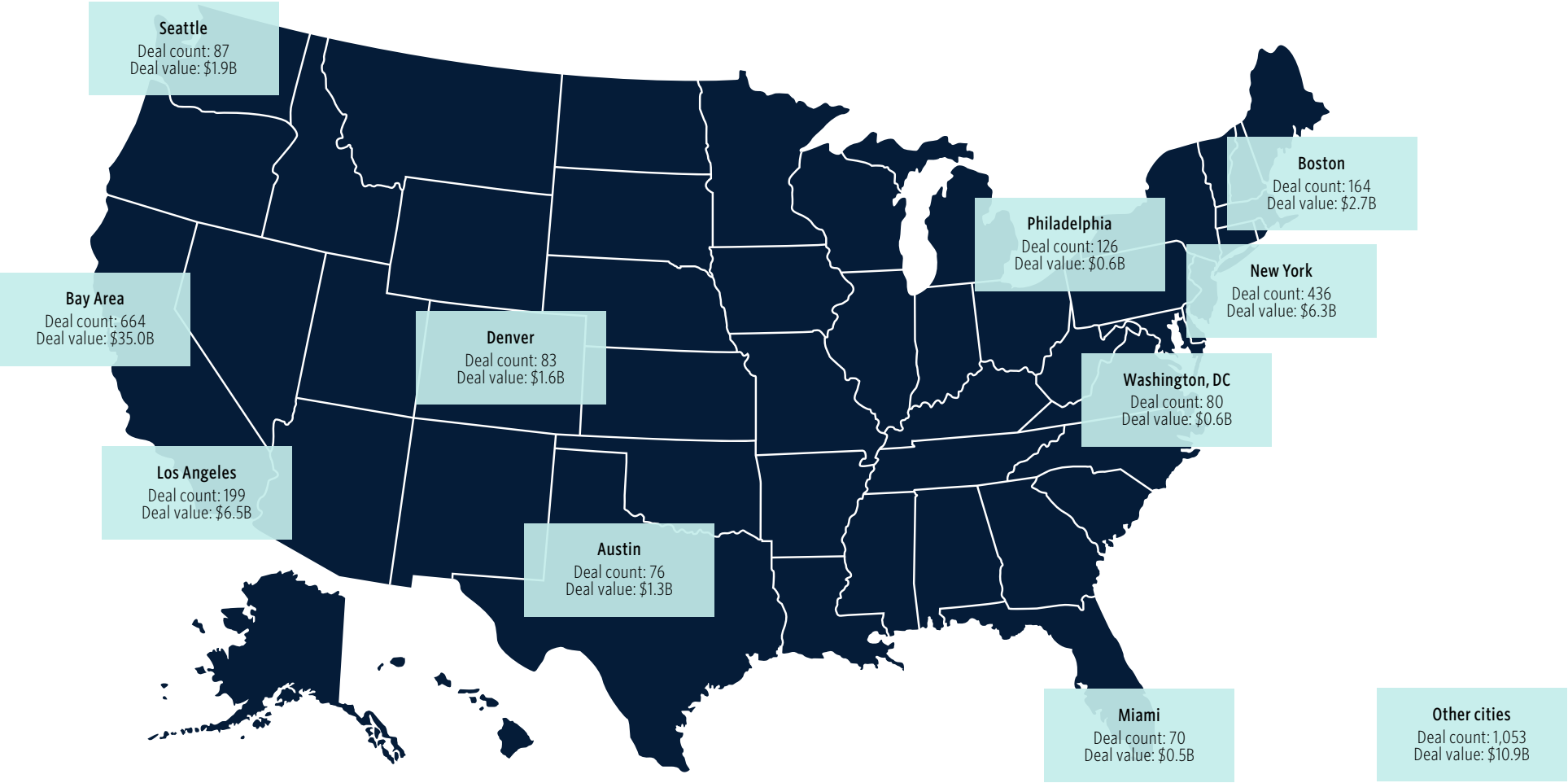
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3: "Ramp AI Index," Ramp, April 2025.

Regional spotlight

Bay Area, NY, Boston, LA account for 48.2% of deal count, 72.3% of deal value in Q2

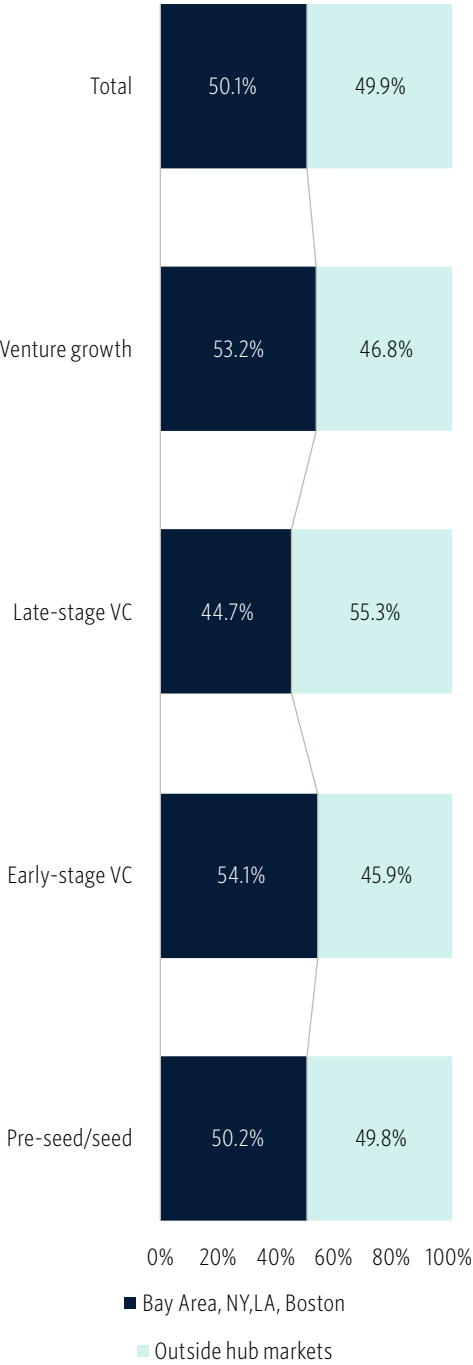
Q2 2025 VC deal activity by ecosystem



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More than half of deals occur in hubs across all but late stage

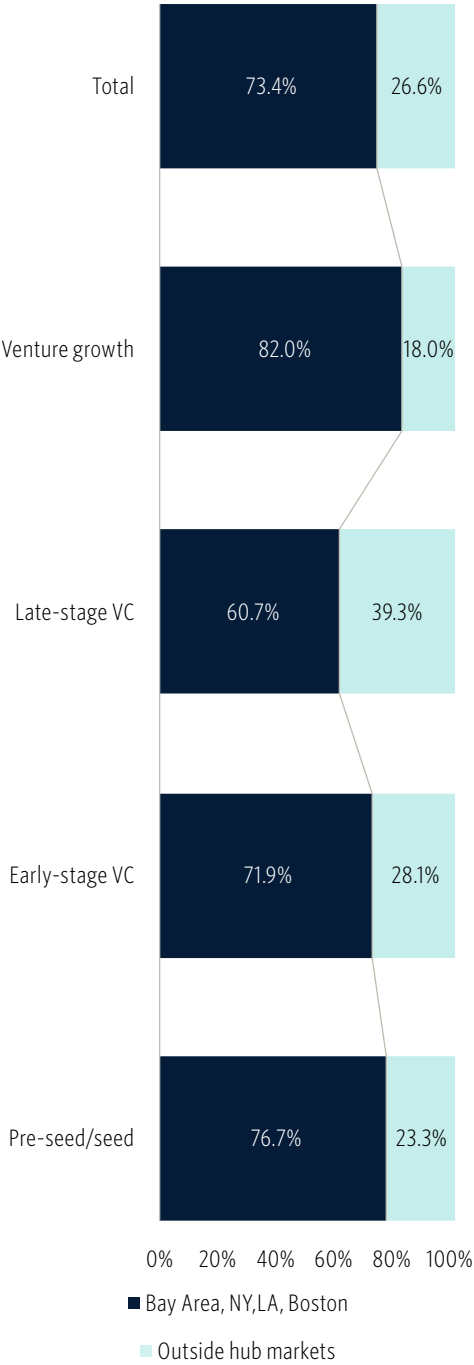
Share of VC deal count by market breakout



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Capital deployed overweight hubs

Share of VC deal value by market breakout



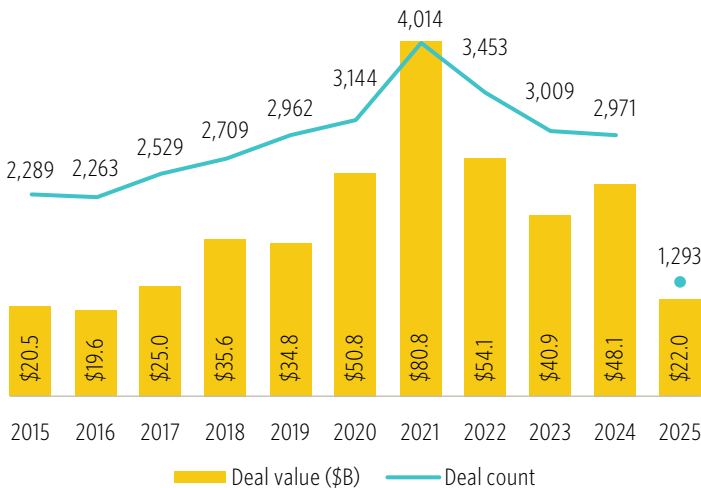
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DEALS BY SECTOR

Healthcare

Healthcare lags 2024 activity

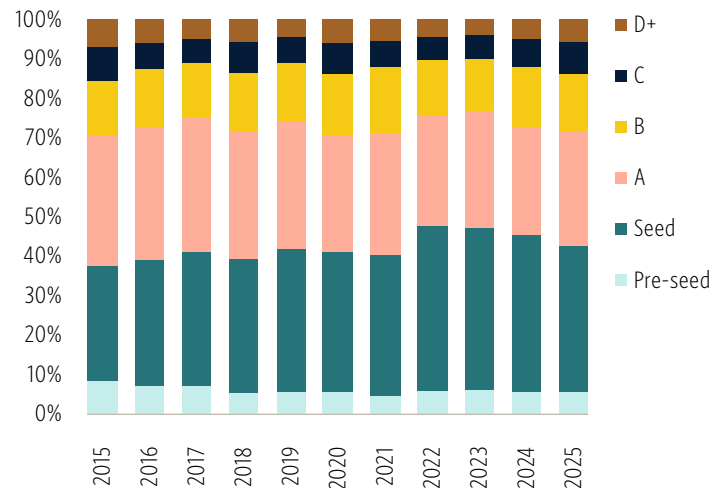
Healthcare VC deal activity



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Share of Series D+ deals increases, while seed falls to pre-2021 levels

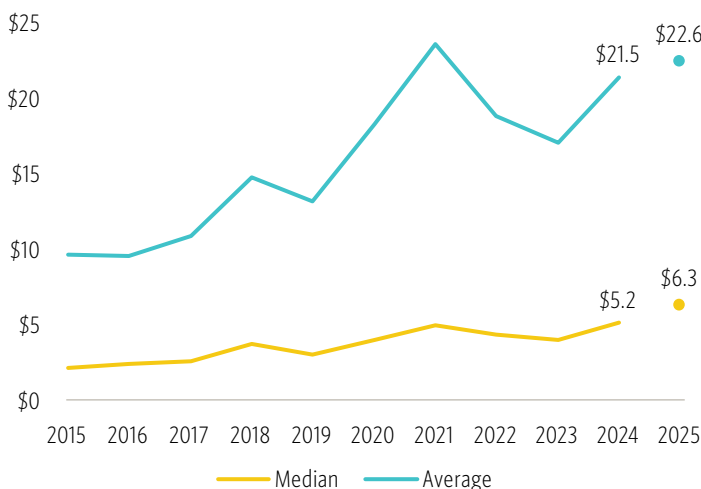
Share of healthcare VC deal count by series



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Deal sizes continue to rise

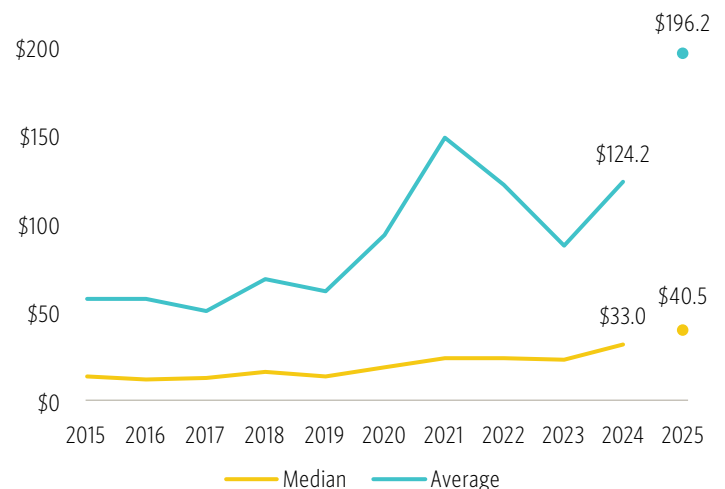
Median and average healthcare VC deal values (\$M)



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Valuations reach decade highs

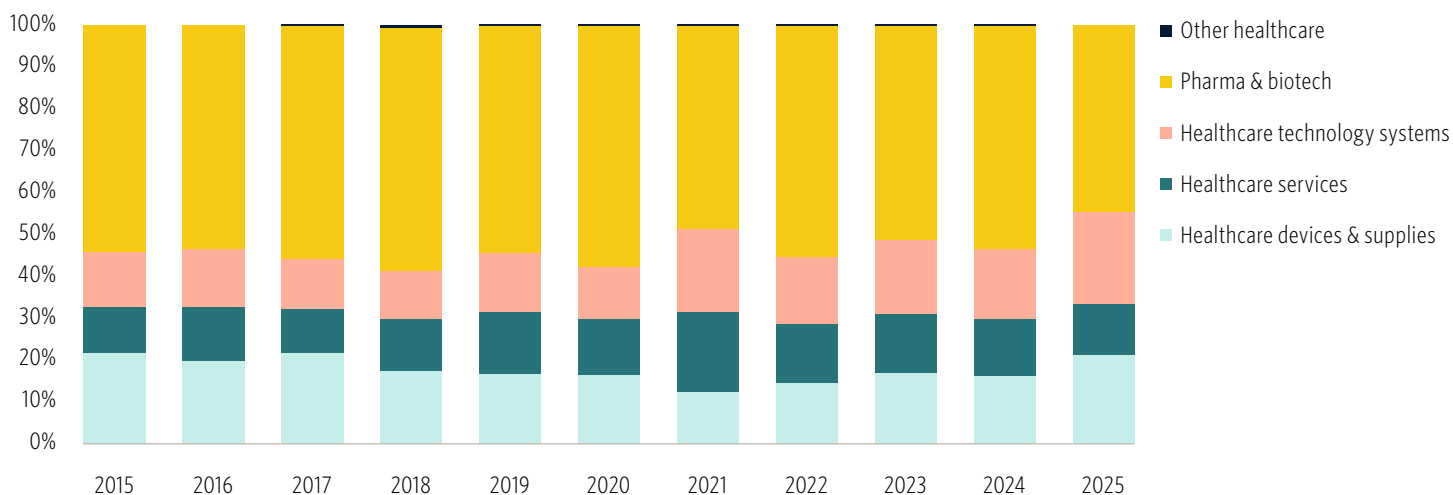
Median and average healthcare VC pre-money valuations (\$M)



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Pharma & biotech funding hitting lows

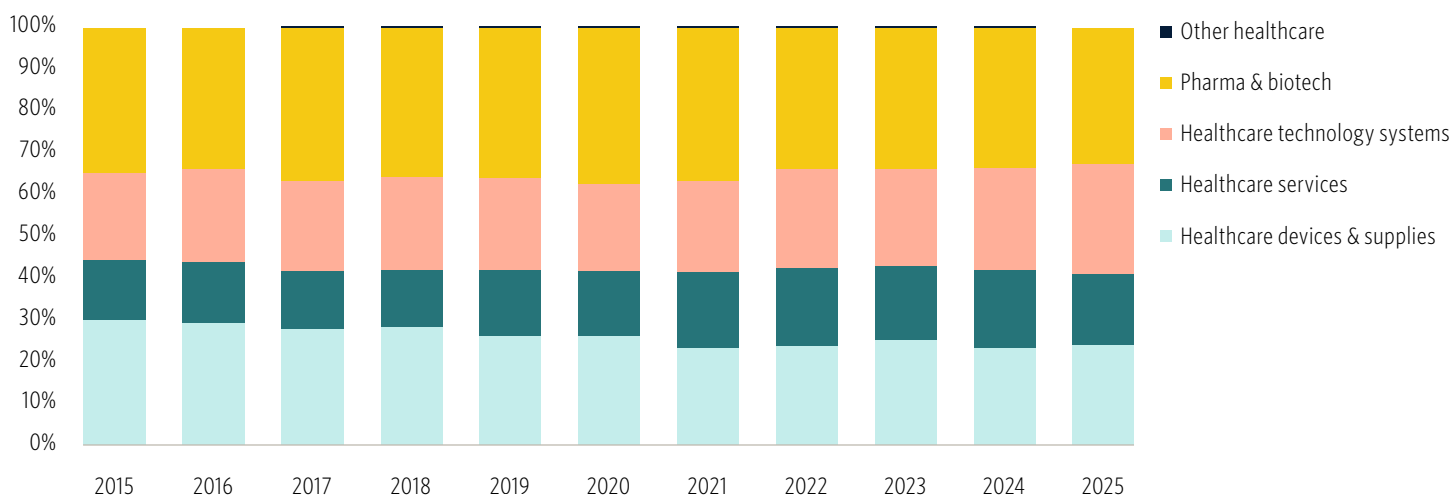
Share of healthcare VC deal value by segment



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Healthcare technology systems deals grow

Share of healthcare VC deal count by segment



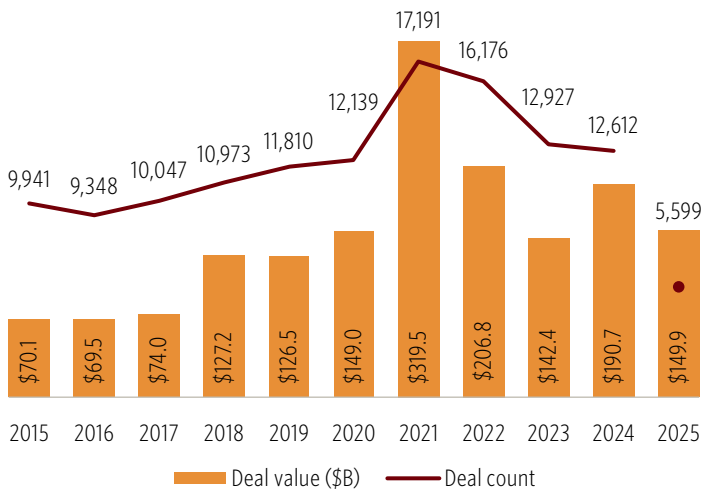
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DEALS BY SECTOR

Tech

Values grow, but unique deals decrease

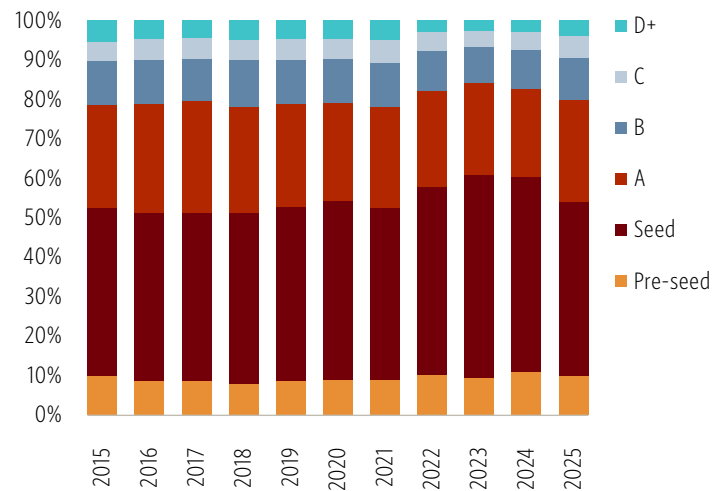
Tech VC deal activity



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Later-series deals see increasing activity

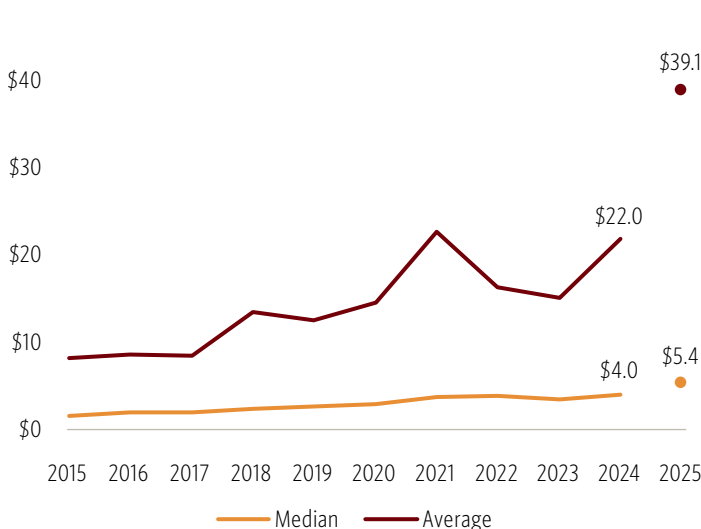
Share of tech VC deal count by series



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Billion-dollar deals do heavy lifting in 2025

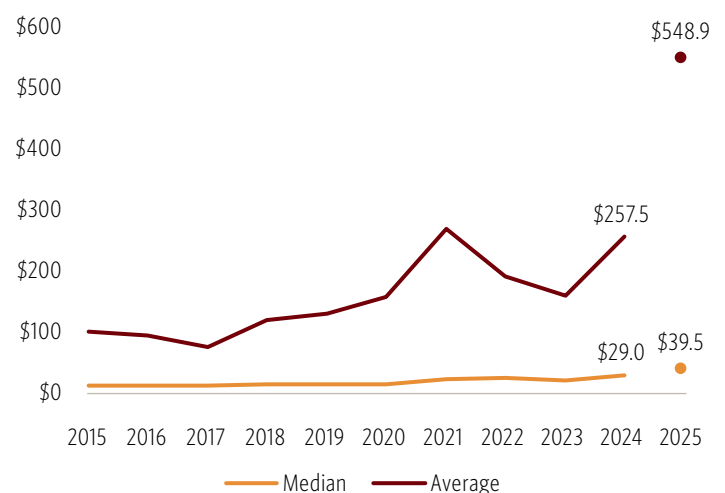
Median and average tech VC deal values (\$M)



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High-ticket AI companies bloat average tech valuations

Median and average tech VC pre-money valuations (\$M)

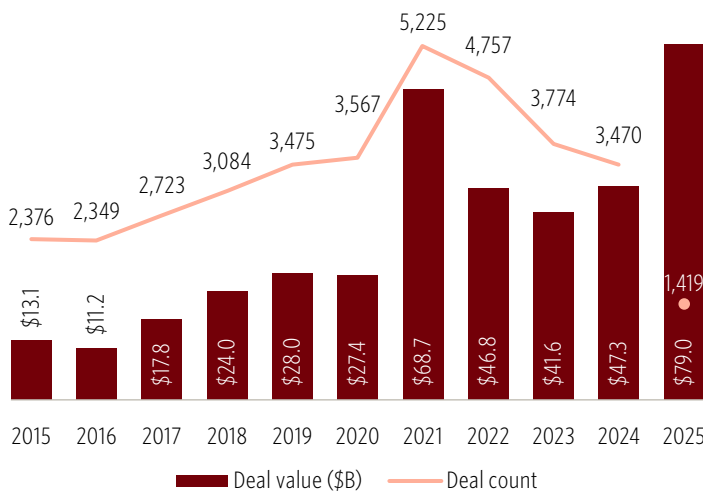


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Female founders

Outside of OpenAI, \$39 billion invested in female-founded companies in 2025

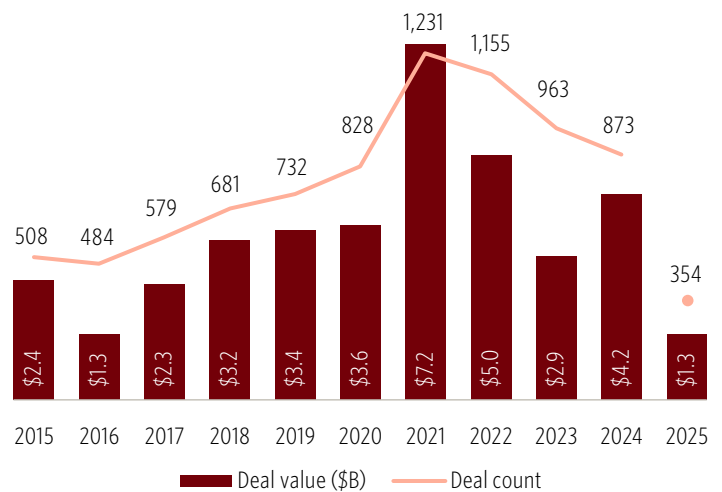
VC deal activity in companies with at least one female founder



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Investing activity decreases for all-female teams

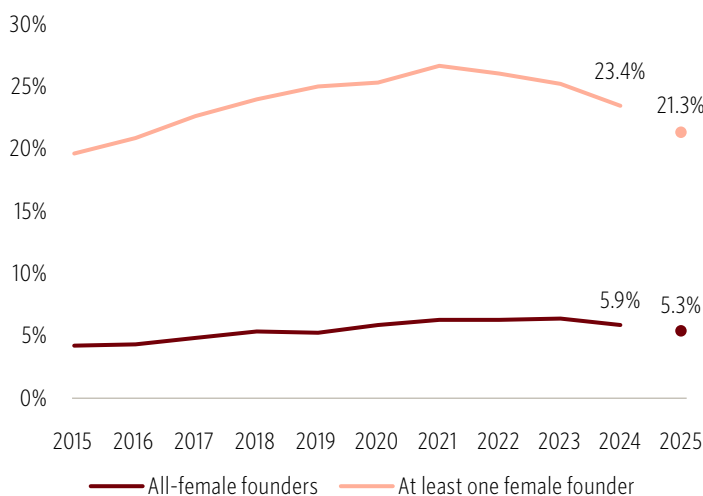
VC deal activity in companies with all-female founding teams



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Female-founded deal count continues to decrease

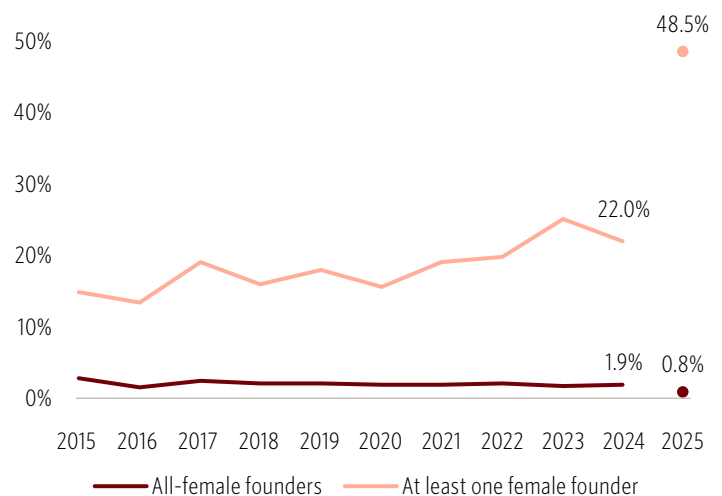
Female-founded company deal count as a share of all VC deal count



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All-female-founded companies trend downward YoY

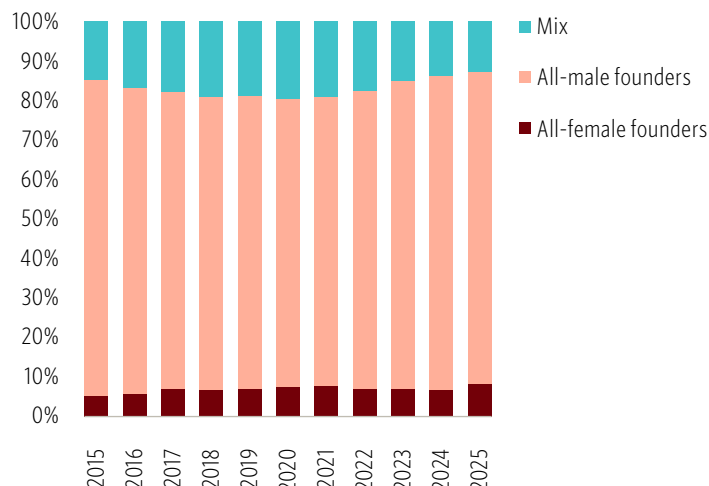
Female-founded company deal value as a share of all VC deal value



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All-female founders first-time financing slowly increases from 2024

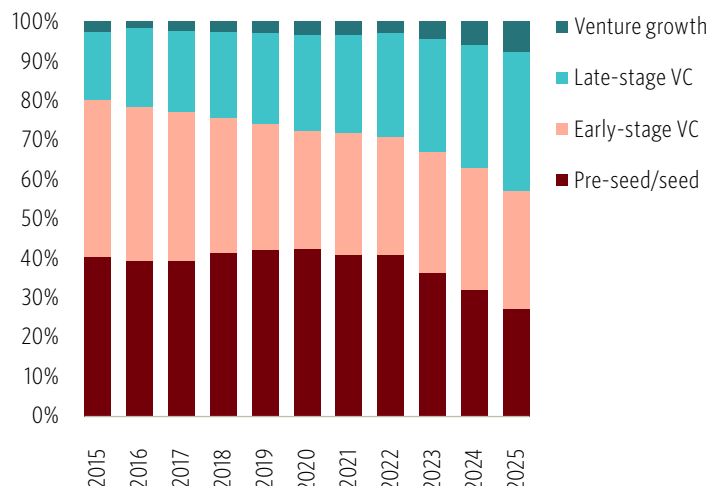
Share of VC first-time financings by founder gender mix



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Female-founded share of pre-seed/seed declines

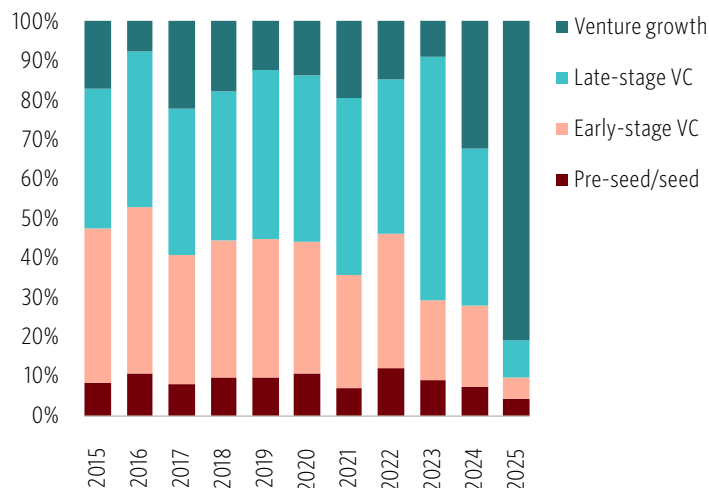
Share of VC deal count for female-founded companies by stage



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Large AI deals bring in the majority of value for female-founded deal activity

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



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New York leads deals for female founders

Top five CSAs by deal count for companies with all-female founder teams in Q2 2025

Combined statistical area	Deal count
New York-Newark, NY-NJ-CT-PA	143
San Jose-San Francisco-Oakland, CA	135
Los Angeles-Long Beach, CA	60
Washington-Baltimore-Arlington, DC-MD-VA-WV-PA	31
Boston-Worcester-Providence, MA-RI-NH-CT	28

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

A WORD FROM
DENTONS GLOBAL VENTURE TECHNOLOGY GROUP**Beyond the buzz: AI, sustainability, resilience, and the new frontier – where strategic capital is flowing in 2025**

Victor Boyajian, global chair of Dentons' Venture Technology Group, sat down with **Erik Nordlander**, general partner at GV, and **Jon Chait**, managing partner at In-Q-Tel, to discuss the market dynamics shaping early- and growth-stage investing in 2025. From infrastructure demands and dual-use innovation to the ripple effects of AI adoption, the conversation explores how institutional capital is shifting to meet the moment—and what it means for the next wave of entrepreneurs.

Boyajian (NY/SF): Let's start with what's dominating the conversation: AI. How are you both thinking about the opportunity today?

Nordlander (NY): At GV, we've been investing in AI for nearly a decade. We've now invested in more than 100 AI companies globally. We think about it in two parts: "with AI" and "for AI." "With AI" means companies applying foundation models to workflows—legal, research, sales. "For AI" is the infrastructure behind it—hardware, silicon, and distributed systems. One of our companies, [Lightmatter](#), builds chips that communicate using photons instead of electrons. That's foundational innovation, and it's reopening markets that haven't changed in years.

Chait (Boston): That framing works. At In-Q-Tel, we view AI as part of a broader shift of analyzing and acting on data with unprecedented speed. AI is not simply defined by training large

language models (LLMs). It's about deploying models at the edge, securing them, and ensuring reliability. That's especially relevant in national security where speed, resilience, and security are defining customer needs for commercial applications of AI.

Boyajian: AI is drawing investor attention, but let's talk pricing. Are you seeing elevated valuations?

Nordlander: Valuations are high, especially where people are imagining really large-scale sector disruption. That creates excitement and high multiples, especially compared to public markets. But it's early. Not all of these companies will be successful, and there's still a lot of risk.

Chait: We see valuations rising in many early-stage deals too, particularly in applied AI. But in ventures aimed at AI infrastructure—secure compute, next-gen silicon, and power systems—valuations are more rational. Those areas may not grab as many headlines, but these are critical to maintaining AI leadership in the US and offer strong long-term value.

Boyajian: Outside of AI, where else are you investing that feels strategically important?

Chait: We're focused on dual-use technologies—those relevant to both commercial markets and national security. Examples include autonomous robotics, space tech, cybersecurity,



Victor H. Boyajian
Global Chair
Dentons Global Venture
Technology Group

Victor leads Dentons' global team representing emerging growth tech companies, VC firms, and corporate and PE investors across Silicon Valley, New York, London, Singapore, and beyond. Dentons is one of the world's largest law firms at the intersection of tech, law, and policy.



Erik Nordlander
General Partner
GV

Erik is a general partner at GV, investing in enterprise software and frontier tech. He has led deals in Cockroach Labs, Warp, and CTRL-Labs, and previously led engineering teams at Google. Erik holds degrees from MIT and focuses on backing deeply technical founders building transformative infrastructure and AI-driven platforms.



Jon Chait
Managing Partner
In-Q-Tel

Jon is a managing partner at In-Q-Tel, where he leads investments in AI/autonomy, advanced robotics and sensors, quantum computing, and critical minerals, supporting US and allied national security. With over two decades of VC experience, Jon focuses on dual-use innovation and frontier technologies with mission-critical impact.

advanced manufacturing, critical minerals, intelligent connectivity, next-gen compute, and biotechnology. These sectors have growing demand across federal and global markets. Our focus aligns with current customer needs and anticipates the next disruptive innovations.

Nordlander: We see similar patterns. One area is supply chain visibility. Our portfolio company [Altana](#) uses AI to map global trade networks and flag disruptions. That's become essential. We're also investing in enterprise LLM safety including [WitnessAI](#), which is helping companies understand how LLMs are used internally to detect leaks and reduce risk. As adoption grows, those second-order effects matter more.

Boyajian: Let's shift to sustainability. How are you thinking about the energy demands and where innovation is headed?

Nordlander: AI and electric vehicles (EVs) are driving up power demand. The issue isn't just generation—we'll likely catch up there—it's grid capacity and distribution. The grid wasn't built for this kind of load. We've backed [Gravity](#), which builds grid-sensitive EV charging tech, and [Scope3](#), which helps companies measure emissions from digital operations. Sustainability is now tightly linked to cost and resilience.

Chait: We're investing in nuclear—fusion and fission—as well as innovations in energy storage and distributed power. As AI and datacenters grow, so does the need for localized, efficient energy. These areas require sustainable infrastructure investments.

Boyajian: Despite the strength of these sectors, venture activity is down. What's driving that?

Chait: Overall liquidity. IPOs are slow, and M&A is limited, meaning LPs are overallocated relative to the pace of distributions. Many funds still have capital, but they're more cautious—especially where exits are unclear.

Nordlander: LPs are frozen because they haven't seen distributions. That's created pressure, especially for firms that deployed heavily in 2021. GV is fortunate—our capital base gives us flexibility to support founders for the long term—but overall, fundraising is harder and pacing is slower. That said, capital is still flowing into differentiated strategies, particularly in AI and frontier tech.

Boyajian: Let's touch on resilience and conflict. Jon, how has the Russia-Ukraine war shaped your investment lens?

Chait: The pace of innovation in conflict has been eye-opening. We've all seen reporting of drones built with open-source components and

launched from trucks, successfully taking out expensive defense assets. Satellite data paired with AI is giving battlefield decision-makers an edge. It's not just about hardware; it's about agile integration and securing cyber vulnerabilities. These themes influence how we think about innovation across defense and commercial markets.

Nordlander: It's also changing how we think about scale. We're moving away from assuming everything must be centralized. Whether energy or production, the trend is toward modular, distributed systems. In a world where resilience matters more than ever, that shift is powerful.

Boyajian: To close us out, what are you looking for in founders today?

Nordlander: This is a great time to be a founder. With today's tools, you can build an MVP, test ideas, and gain traction with little capital. We're seeing early teams generate revenue and prove product-market fit before fundraising. Expectations are higher, but it's possible to show real traction early.

Chait: Agreed. We see teams with impressive tech innovation. However, when it's time to scale, many lack the traction or repeatable sales cycles needed to grow. In this market, you have to be solving a top-three customer problem. If you're lower on the list, then capital is harder to raise. That's the reality.

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Victor Boyajian

Global Chair, Venture Technology Group
New York / San Francisco

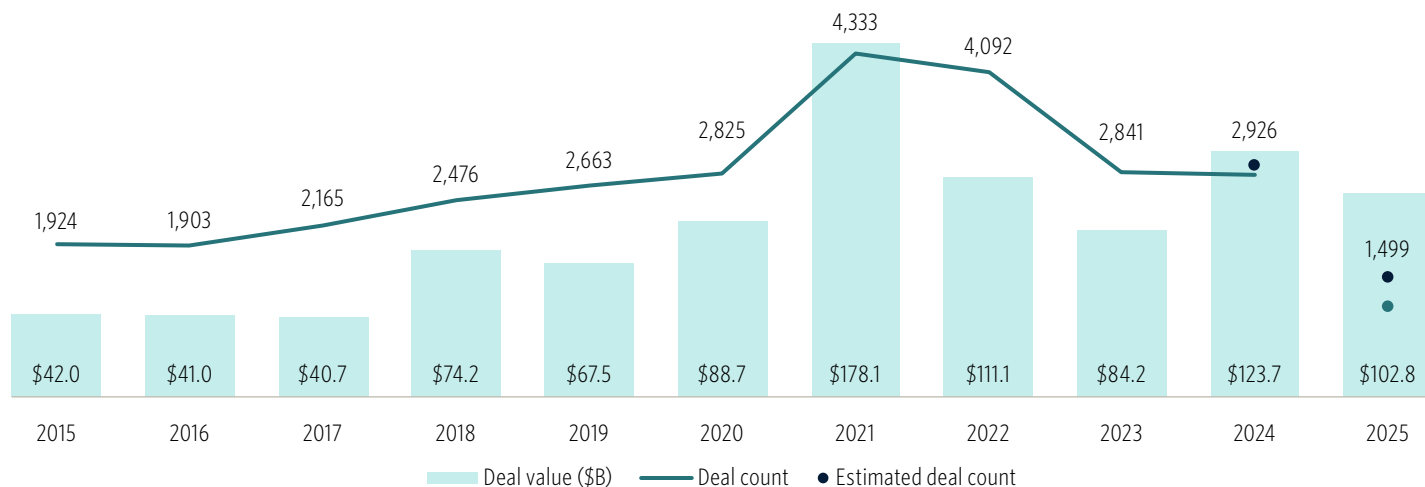
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Investor trends

CVC participation falls

VC deal activity with CVC participation

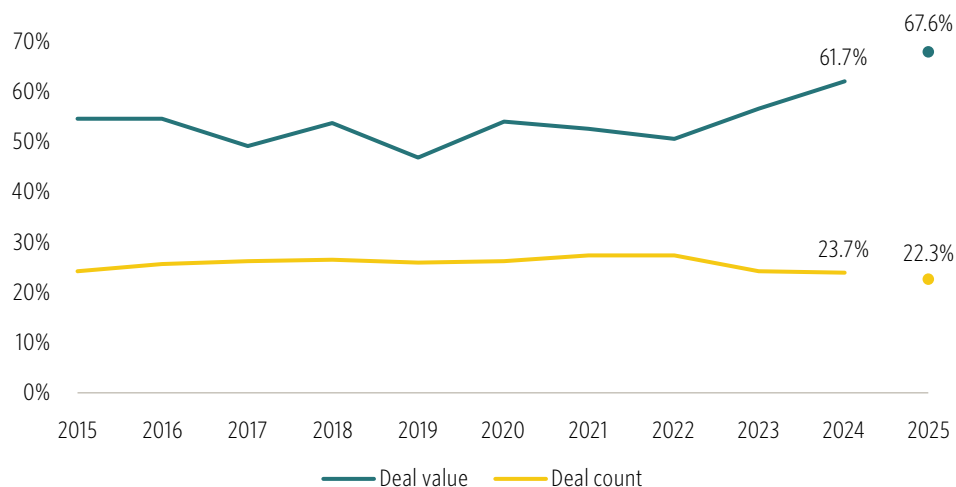


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Corporate investors have continued to withdraw from VC. So far this year, only 1,112 corporate investors have closed a deal, just 35.7% of the 2022 high. These investors are also shifting their strategy, relying less on seed deals, which now account for just 24% of corporate venture capital (CVC) deals. This is in sharp contrast to 2022 when more than one-third of CVC deals were made at that stage, indicative of how the fast-paced, low-interest-rate environment shifted CVC activity. At this pace, 2025 could see the lowest share of pre-seed/seed CVC deals since 2017, signaling a move toward less risk in the current environment.

Just 22% of deals include a CVC investor

VC deal activity with CVC participation as a share of all VC deals



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Unsurprisingly, CVC activity remains focused on AI. While this trend may mirror broader market movements, CVCs are motivated to invest in AI to avoid disruption. 42% of CVC deals have occurred into an AI company in 2025, up from 35% in 2024 and

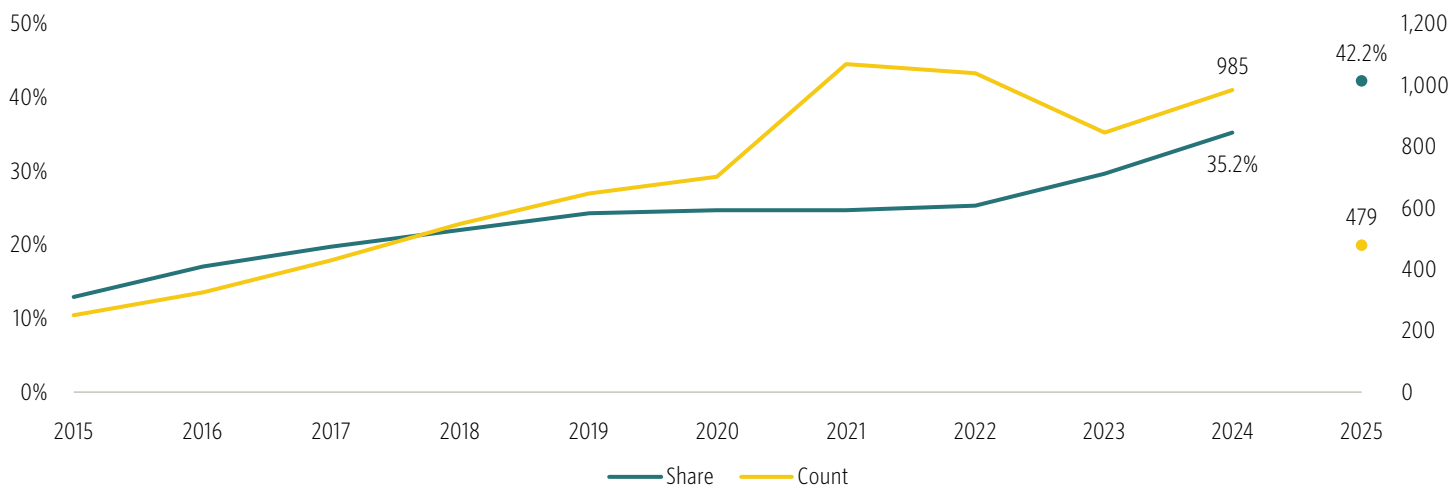
just 25% in 2021. Although corporate investment may not always lead to M&A, many corporate parents are leveraging AI to stay ahead of the curve. According to a recent McKinsey study, 78% of respondents reported their

organization uses AI in at least one operation.⁴ Increased AI use can give CVC investors valuable insights into how a company might need AI or where AI software could streamline costs. This might push active CVCs beyond their

4: "The State of AI: How Organizations Are Rewiring To Capture Value," QuantumBlack AI by McKinsey, March 12, 2025.

42% of CVC deals go into AI

Share and count of CVC deals made into AI



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traditional investment areas to leverage that knowledge.

Crossover investors have largely stayed on the sidelines, despite their participation in many billion-dollar-plus AI deals. Crossover investors participated in only \$11 billion worth of VC deals—the lowest total in six quarters and the third lowest since 2020. The largest crossover round in Q2 was Neuralink's \$650 million

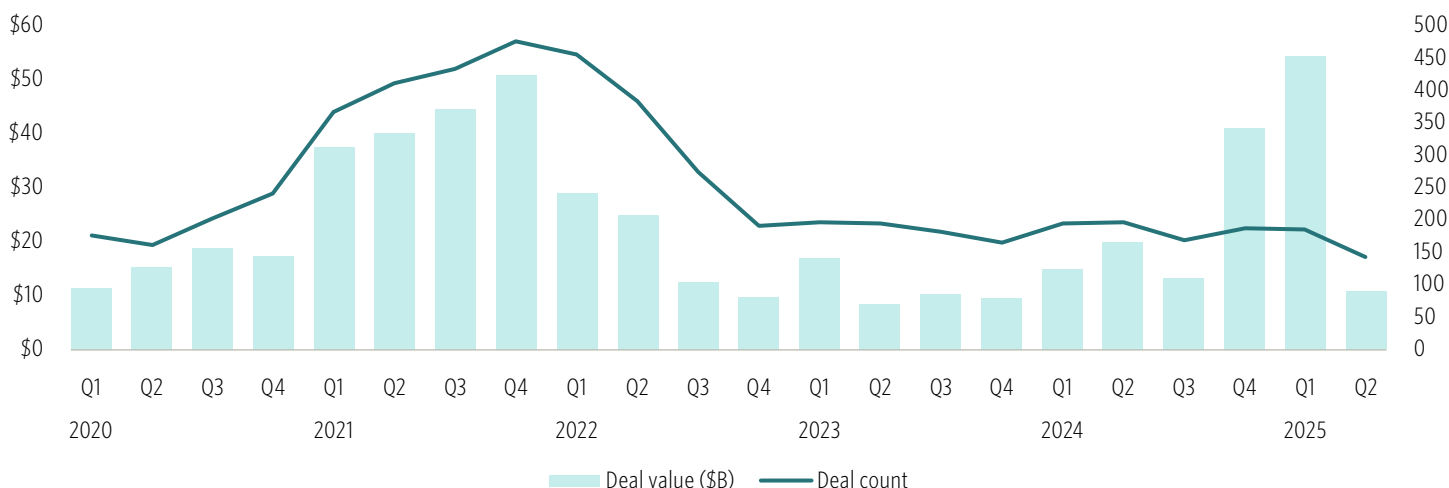
investment. Outside of OpenAI and Anthropic's deals this year, crossover funds have been absent from many other large AI investments. Whereas corporates have leaned into these deals, crossovers may see them as too large for their taste and may still be reeling from the overinvestment and high valuations of 2021.

An interesting trend in the market is the shift of several investors to

registered investment advisors (RIAs). Lightspeed's move to RIA registration was completed in Q2, sparking many articles about this trend. Fewer than 30 traditional VC firms are RIAs, but this status offers broader opportunities. A major benefit of RIA status in this market includes an increased ability to buy secondaries, both to acquire additional ownership stakes in top portfolio companies and add new companies to a portfolio.

Crossovers participate in just \$11 billion of deal value in Q2

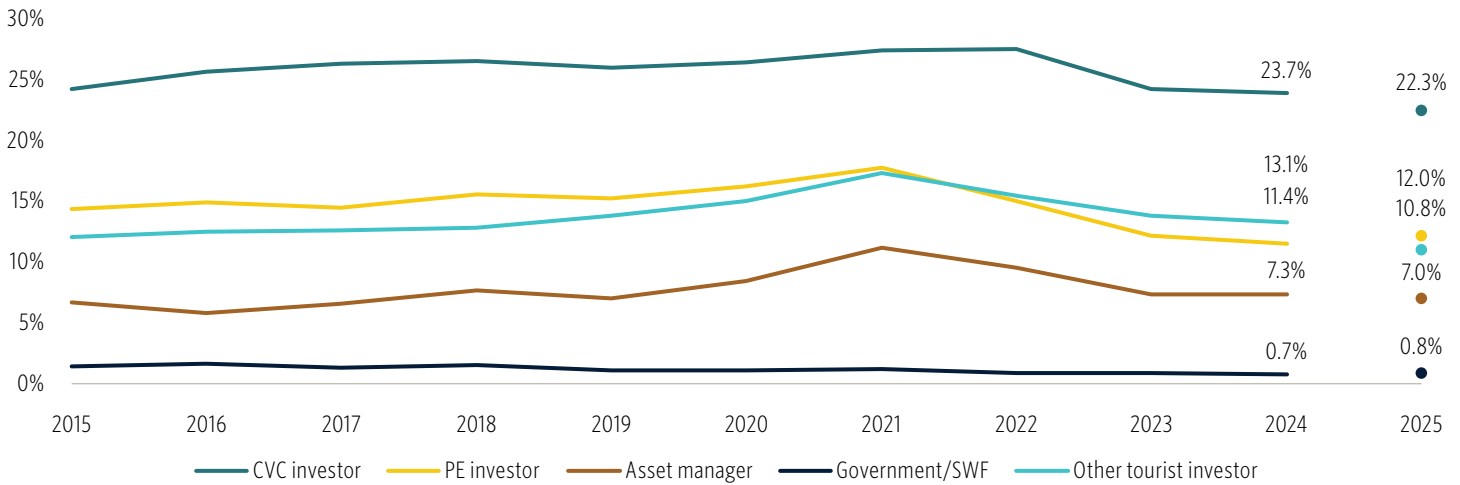
VC deal activity with crossover investor participation by quarter



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Nearly all NTI types at lowest activity ratio since 2017

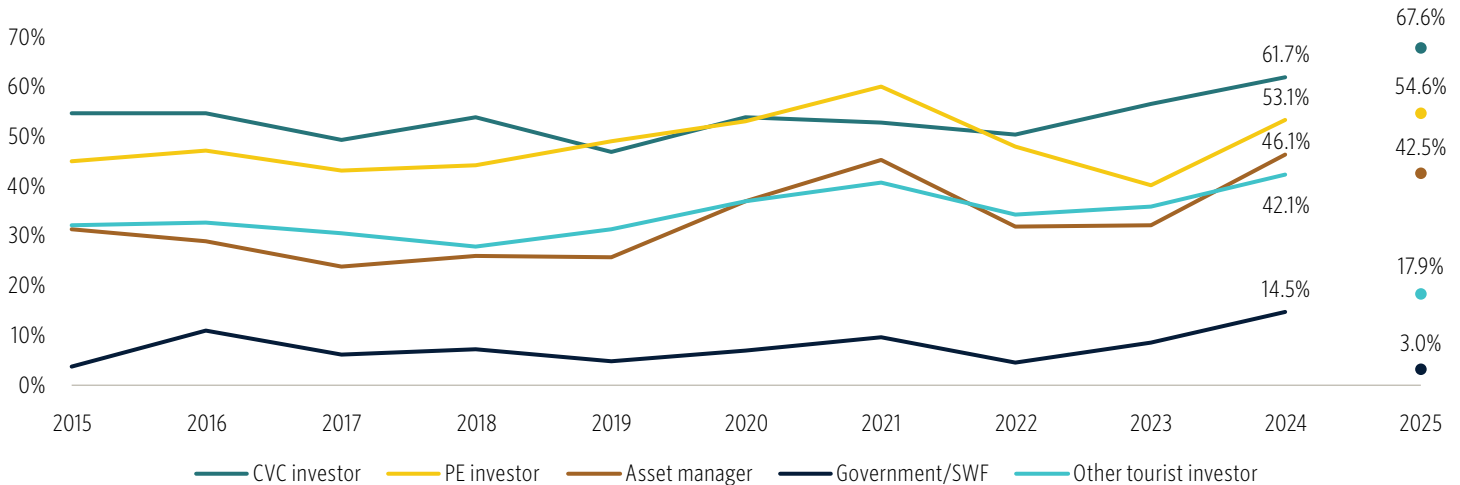
VC deals with nontraditional investor participation as a share of all VC deal count by investor type



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NTI deal value follows AI megadeals

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



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However, RIA managers do not all use their status the same way. For example, General Catalyst has added portfolio lending services and purchased a healthcare platform, which differs from

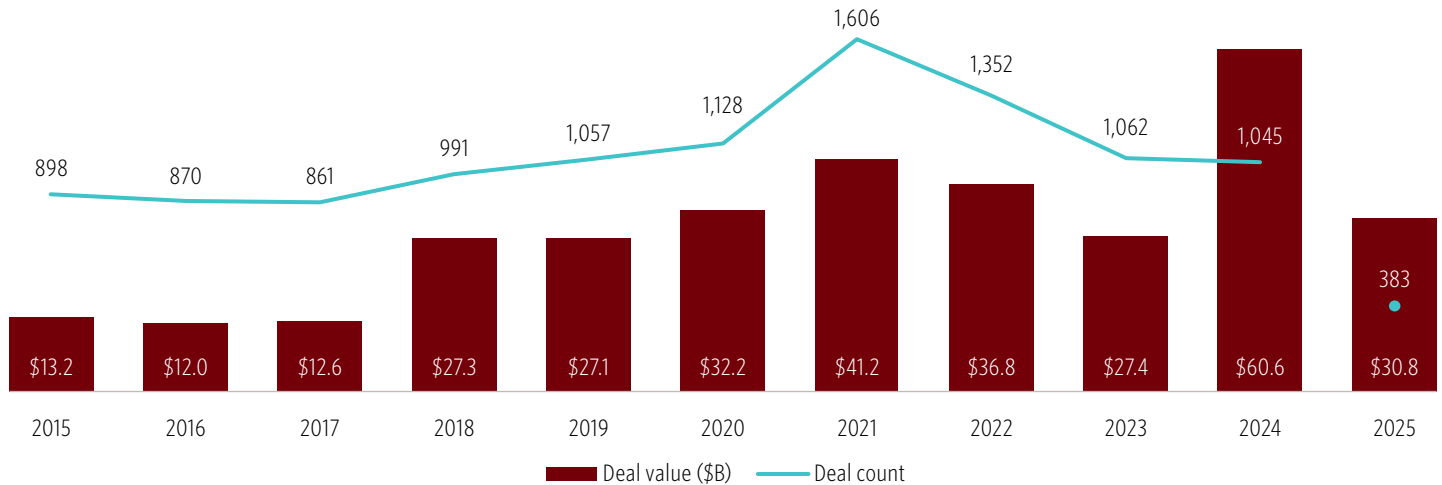
Andreessen Horowitz's broad platform of fund strategies. While this trend is worth noting, we believe it will stay limited to a small group of firms with large AUMs and a desire to diversify

strategies to attract new LPs. Still, the reporting requirements and additional costs may be too burdensome for most VC firms.

Venture debt

Lending on slower pace than past few years, though value is strong

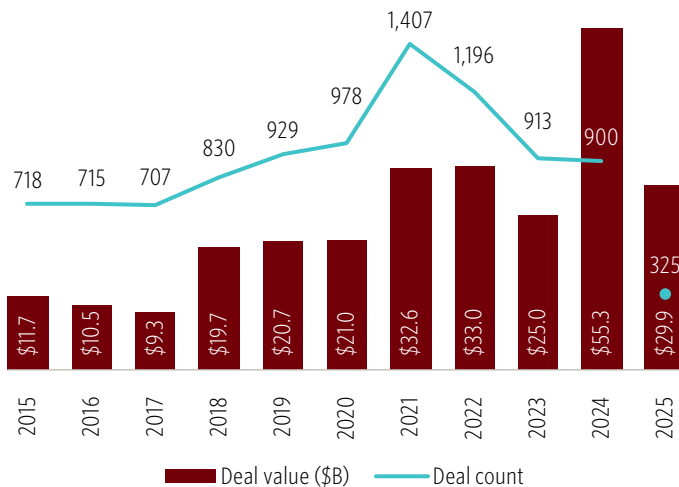
Venture debt deal activity



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Tech accounts for 97% of loan value

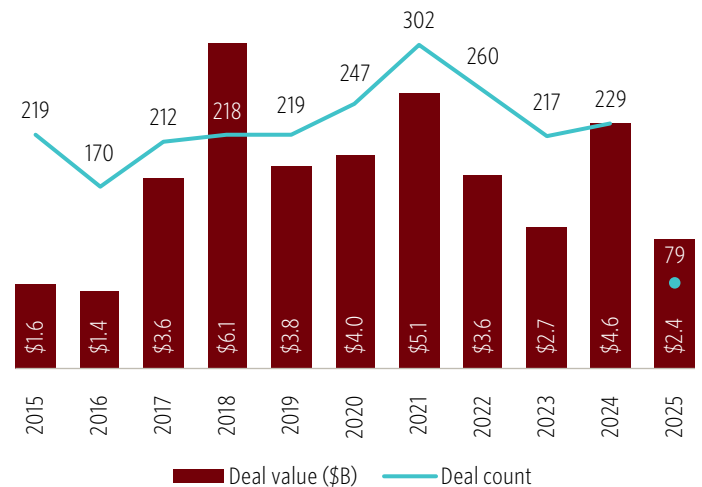
Tech venture debt deal activity



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Healthcare lending market adjusts to slower demand

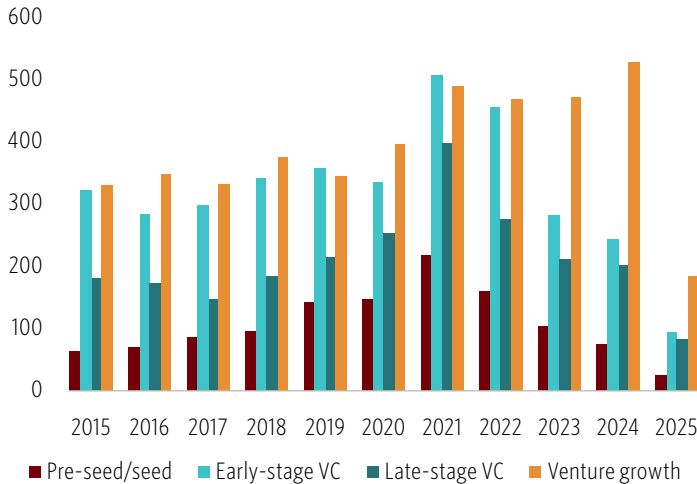
Healthcare venture debt deal activity



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Venture growth again accounts for large majority of loans

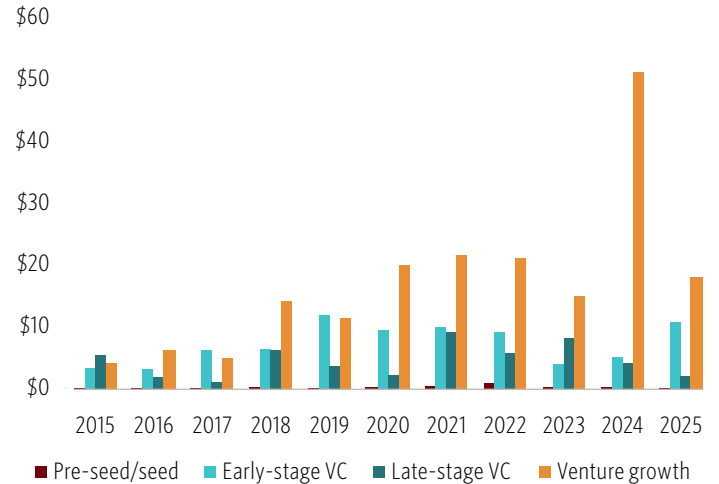
Venture debt deal count by stage



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Early-stage lending surpasses \$10 billion on back of AI

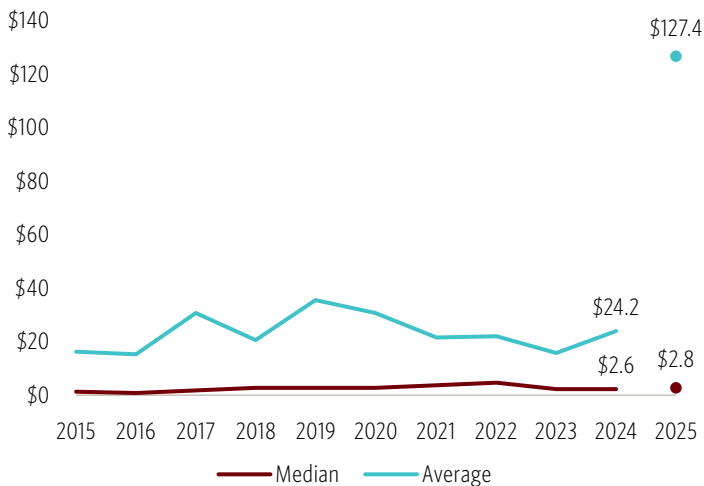
Venture debt deal value (\$B) by stage



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Median loan value remains steady below \$3 million

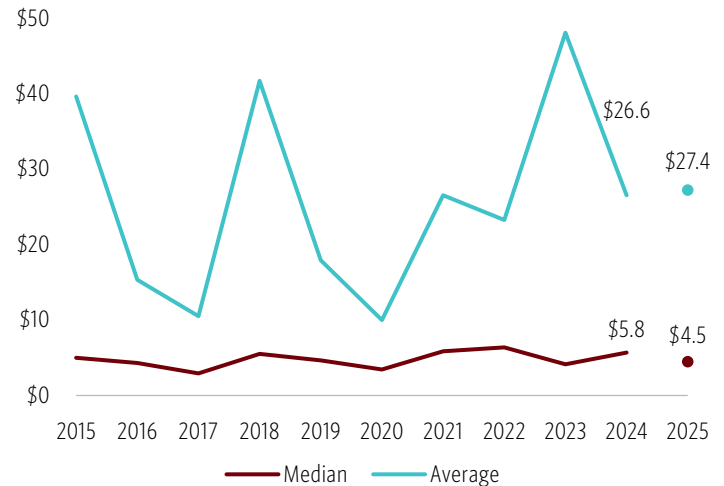
Median and average early-stage venture debt deal values (\$B)



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Median late-stage loan falls back below \$5 million

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



PitchBook-NVCA Venture Monitor • As of June 30, 2025

A WORD FROM DELOITTE

The price of ambiguity: How tariffs are redrawing the VC playbook

Just as venture capital (VC) was beginning to stretch its legs after a long market cooldown, tariffs blew in like a sandstorm—always present but the shape, size, and effect hitting with imprecise definition.⁵ What started as a cautious rebound is now a complicated relay—where founders juggle rising costs, shifting supply chains, and tricky valuation math. Global trade tensions are now running frequently through the VC ecosystem—and no one is sure when to expect a finish line.

To unpack the potential ripple effects, we connected with Deloitte leaders Heather Gates, Deloitte & Touche LLP's National Private Growth Leader, and Angelica Tsakiridis, a Managing Director and Global Delivery Center Leader in Deloitte Tax LLP's Global Trade Advisory practice. They shared what they're hearing from the front lines. Together, they offer a sharp look at how tariffs are reshaping investment strategy—and why today's founders need to be as fluent in duty rates as they are in burn rates.

Tariffs: The uncertainty surcharge

In today's venture environment, tariffs aren't the novelty—they're the noise. If you can't forecast your costs, you can't forecast your future. Uncertainty is the pervasive response to the administration's current strategy, and this environment presents a variety of challenges to VCs in their future planning activities. Heather says, "More uncertainty means fewer investments. If you've just increased the cost of doing

business, that's never a great thing for any corporation."

The current US administration has introduced a broader tariff strategy that significantly impacts trading partners who were previously less affected, including Canada and Mexico. This includes stacking tariffs even on goods that qualify for Free Trade Agreement status. As a result, importers may now need to adopt complex mitigation and resiliency strategies to remain competitive, while some are leveraging these changes to gain a competitive edge.

Because tariffs directly affect the immediate costs of importing goods into the US, importers should take proactive steps to manage the evolving landscape shaped by US trade strategy and the associated uncertainties—ranging from costs and labor to potential retaliatory actions by non-US actors. At the same time, as the tariff environment remains unpredictable, we may see collateral effects such as reduced investor confidence. If founders are unable to model their cost base, it's not just their spreadsheets that stall—it's their entire growth narrative.

Startups in the squeeze play

Startups may be built for speed, but that doesn't mean they're built for turbulence. Many early-stage companies have the advantage of agility—they're not weighed down by decades-old supplier contracts or legacy infrastructure. But

**Heather Gates**

Audit & Assurance Private Growth Leader
Deloitte & Touche LLP

With more than 30 years of financial services experience, Heather serves as the national

Private Growth Leader, with oversight of the Deloitte Private and Emerging Growth Company businesses within Audit & Assurance.

**Angelica Tsakiridis**

Managing Director,
Global Trade Advisory
Deloitte Tax LLP

Angelica Tsakiridis is an experienced Managing Director and licensed attorney in

the state of Illinois Deloitte Tax LLP's Global Trade Advisory practice. She brings more than 17 years of consulting experience, providing transactional, audit, investigation, and remediation support to multinational clients across several critical industries.

that flexibility often comes with a trade-off: thinner margins, leaner teams, and often less room to absorb shocks.

The challenges aren't limited to companies with shipping containers and assembly lines. Even software startups can't ignore this. Artificial intelligence (AI) infrastructure requires massive computer power, which means real-world logistics, real-world energy, and real-world costs.⁶

In a global ecosystem where many successful startups will go global within three years,⁷ tariff exposure is no longer

5: "Tariffs, Trade, and Supply Chain Planning," Deloitte, 2025, accessed July 8, 2025.

6: "The Future of VC May Have More Borders," PitchBook, Leah Hodgson, April 10, 2025.

7: "When Is the Right Time To Globally Expand Your Business," Centuro Global, May 11, 2021.

a manufacturing consideration. It's an issue that businesses should consider when developing their business model.

When capital gets cautious

In times like this, VC doesn't disappear—it just gets picky. And right now, it's picking sides.

"Outside of AI, capital is retreating again," says Heather. "Valuations are slipping, and investors want deeper discounts to justify the risk."⁸

While AI continues to draw outsized attention—and outsized electricity bills—other sectors are cooling fast. Clean tech, climate solutions, and even the historically sturdy defense industry are now weighed down by geopolitical tension and tariff exposure.

"Large swaths of these new tariff rates can have a staggering effect across every industry," notes Angelica. "We are seeing the complexity of the stacked tariff effects—the overall impact. Where in the past, the average tariff on all imports ranged from 0%-20% and had a combined overall effect on a relatively small percentage of all goods on the tariff schedule (3.0% rest of the world and 19.3% for China origin goods).⁹ New landscape tariffs as of May 14, 2025, average 51.1% exports of China and 11.7% for rest of world.¹⁰ These increased tariffs can heavily impact a business's upstream and downstream costs—as they are based on the value, content, origin, and identification of all imported items entering the US."

For VCs, that means leaning into software and asset-light startups—and steering carefully when it comes to anything that requires real-world parts,

power, and the increasingly elusive commodity—political stability. Unless, of course, the payoff is too critical to ignore (e.g., semiconductors, energy products). In that case, the risk becomes part of the story—and the due diligence gets a lot deeper.

Global trade strategy: The new superpower

In today's trade-tangled world, tariff mitigation expertise has been elevated from a legal footnote to a business superpower. Deloitte's trade team can provide precision, proven tariff mitigation and strategy planning to clients who are prioritizing trade issues as part of a comprehensive [supply chain resiliency planning approach](#). From testing First Sale and Foreign Trade Zone viability, to strategically identifying opportunities or risk in appraisal and valuation methodology, among others—these strategies aren't about cutting corners—they are opportunities to cut costs and thread the needle for now and to better plan for an uncertain future.

Tariffs: From sourcing side note to boardroom priority

Tariffs aren't just a trade issue anymore—they're a C-suite business priority. Fluency in how they work is quickly becoming a must-have for founders. "The supply chain can influence many business areas, including pricing, hiring, resource management, capital planning, even M&A decisions," says Angelica. Heather agrees: "Investors are looking for founders who can speak confidently about sourcing strategy, trade compliance, and tariff exposure. It may not be flashy, but in today's market, it's a mark of real leadership."

Final thought: Navigate now, forecast later

When asked what she's telling clients, Heather sums it up like this: "You need to be creative and nimble. No one can model these changes precisely—it won't last forever." Angelica echoes the sentiment and adds a practical edge: "You can't just wait for clarity. Companies that plan and are able to adjust quickly may fare better." In today's venture world, a well-honed tariff strategy might not guarantee success—but it could give you an edge when it matters. [Contact our team today](#) to learn how we can assist you.

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8: "US-China Trade War Tariffs: An Up-To-Date Chart," Peterson Institute for International Economics, Chad P. Bown, May 14, 2025.

9: Ibid.

10: Ibid.

The Deloitte logo is positioned in the top left corner. The background of the entire advertisement is a vibrant scene of pink flamingos in a wetland, with one flamingo in the foreground having its wings spread. A large, circular, futuristic lens is superimposed over the scene, focusing on a flamingo. This lens has a blue and green border and contains a network of white lines and dots, suggesting a digital or technological theme. Green light rays emanate from the top of the image, adding to the futuristic feel.

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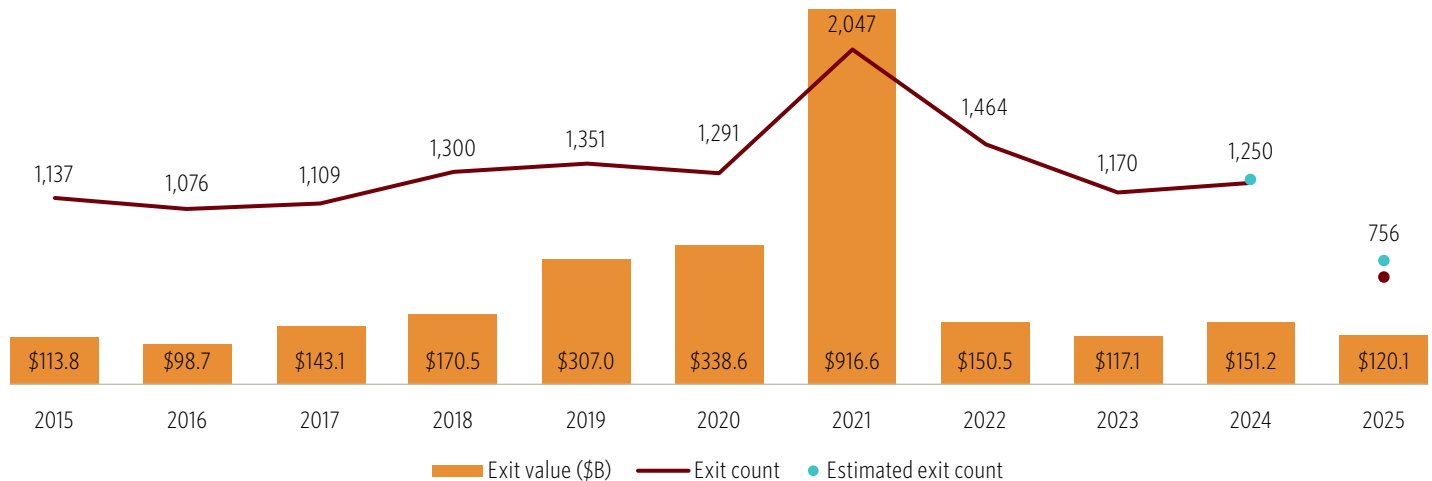
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STAND OUT WITH INSIGHTS

Exits

Exits are slowly starting to come back

VC exit activity



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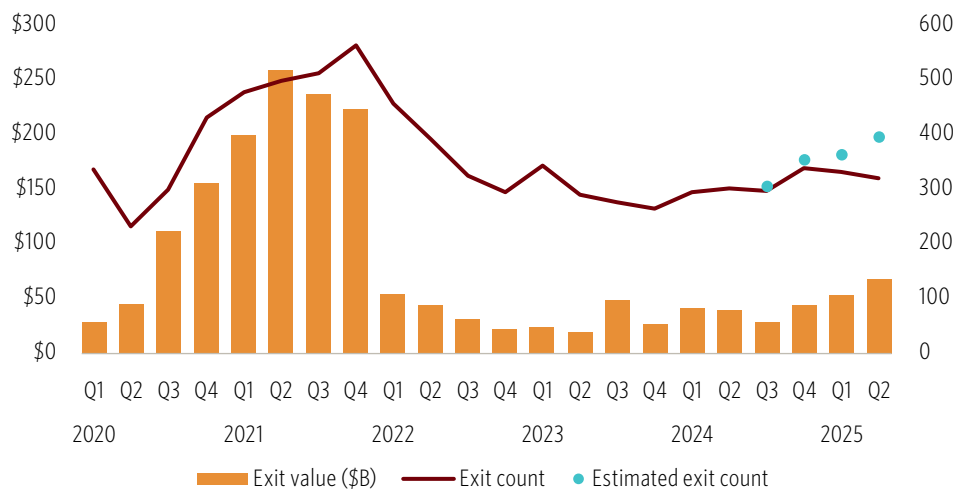
Exit activity continued its ascent in Q2, generating \$67.7 billion across 394 exits, which is the highest quarterly value since Q4 2021. Unlike Q1, when CoreWeave was the lone unicorn to go public, six companies with pre-money valuations over \$1 billion completed their IPOs in Q2.

However, a deeper dive into the data reveals that down round IPOs have become the new normal. Rather than hold on to lofty valuations from pandemic-era highs, companies are prioritizing raising additional capital and providing liquidity for shareholders as venture's exit drought extends past its third year.

In Q2, nearly every major listing debuted at significantly lower valuations than their highs. Notable examples include financial technology company Chime's \$9.1 billion IPO pre-money valuation versus its \$25 billion peak, digital health company Hinge Health's \$2.3 billion valuation versus its

Tariff tensions have dampened 2025's exit outlook

VC exit activity by quarter



PitchBook-NVCA Venture Monitor • As of June 30, 2025

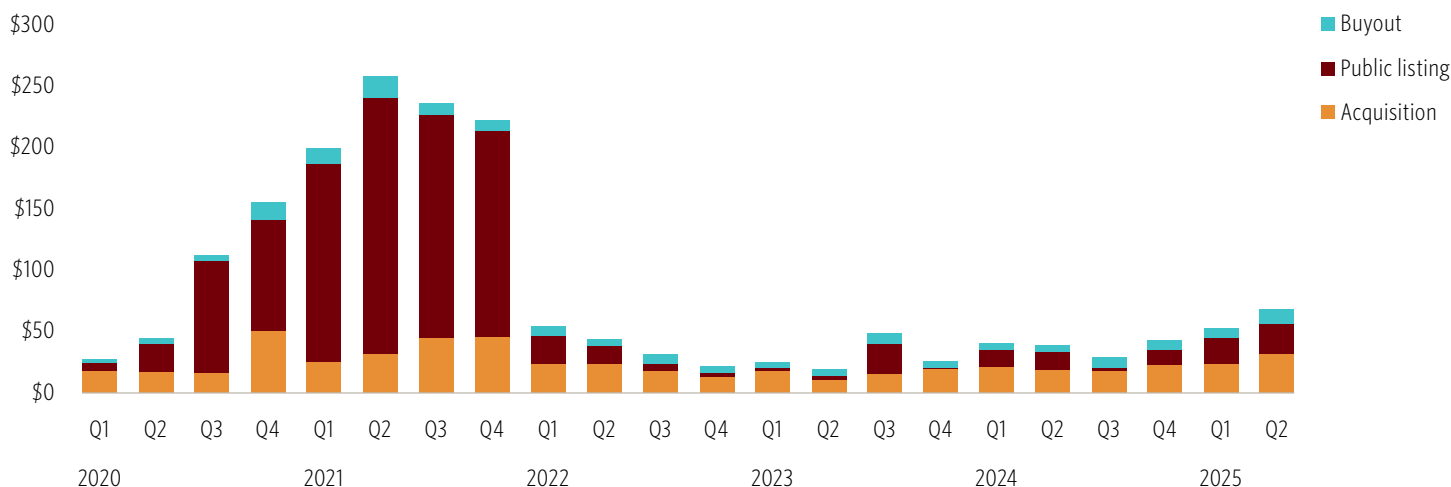
\$6.2 billion peak, advertising platform MNTN's \$1.1 billion valuation versus its \$2 billion peak, and stablecoin issuer Circle's \$6.4 billion valuation versus its \$7.7 billion peak.

The greatest IPO beneficiaries are sectors like crypto and defense

technology, which align with the Trump administration's key policy themes. It is no coincidence that the public markets have embraced Circle, the issuer of the second-largest stablecoin, USDC. As of June 30, 2025, Circle's share price soared by over 117% from its first day of trading, while President

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

Quarterly VC exit value (\$B) by type



PitchBook-NVCA Venture Monitor • As of June 30, 2025

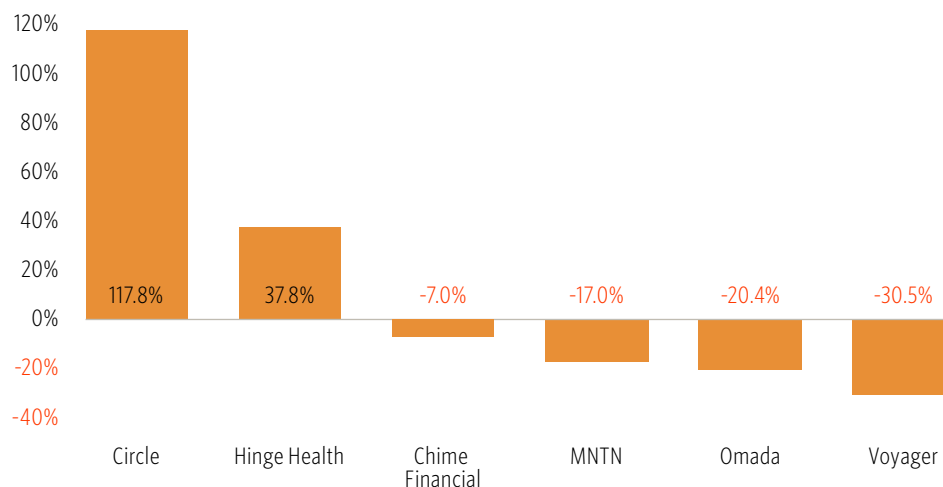
Trump continues to ease SEC oversight over crypto and the Guiding and Establishing National Innovation for US Stablecoins (GENIUS) Act makes its way through Congress.

Out of Q2's notable listings, only defense and space technology company Voyager went public at a much larger valuation. Despite being unprofitable and reliant on government contracts, Voyager had an oversubscribed offering and a more than 80% share price increase on its first day of trading due to its ties with President Trump's priorities of national security and technological sovereignty.

Despite the recent spike in public listings, it is still too early to claim that the IPO window has fully opened. A small cohort of companies—such as crypto firm Gemini, design software company Figma, AI chipmaker Cerebras, travel tech firm Navan, and fintech platform Wealthfront—have filed and are preparing to go public, but otherwise, there has not been a rush

Post-IPO performance varies widely

Select IPO returns from the close of the first day of trading



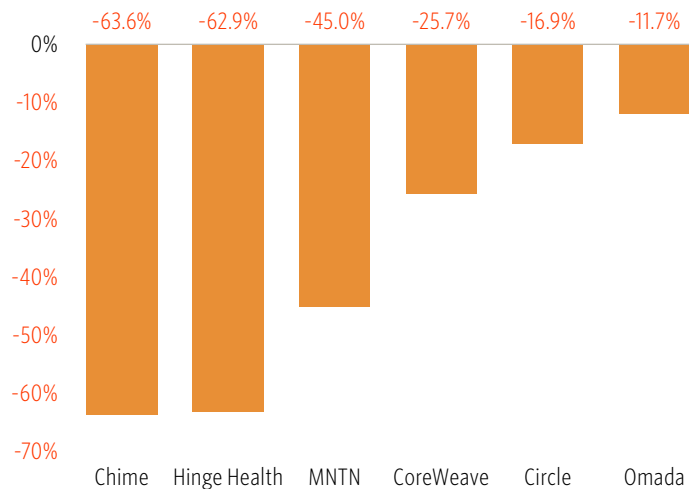
PitchBook-NVCA Venture Monitor • As of June 30, 2025

toward new filings. Top unicorns that have seemingly unquenchable private investor demand have few incentives to go public, and startups that are not focused on the administration's key sectors may not garner sufficient public investor demand.

Acquisitions generated \$32.2 billion across 229 closed transactions in Q2. Despite new leadership, the Federal Trade Commission has maintained its regulatory scrutiny, so Big Tech companies will likely continue their restrained pace of acquisitions. To fill this void, [VC-backed companies have](#)

Down round IPOs are the new normal

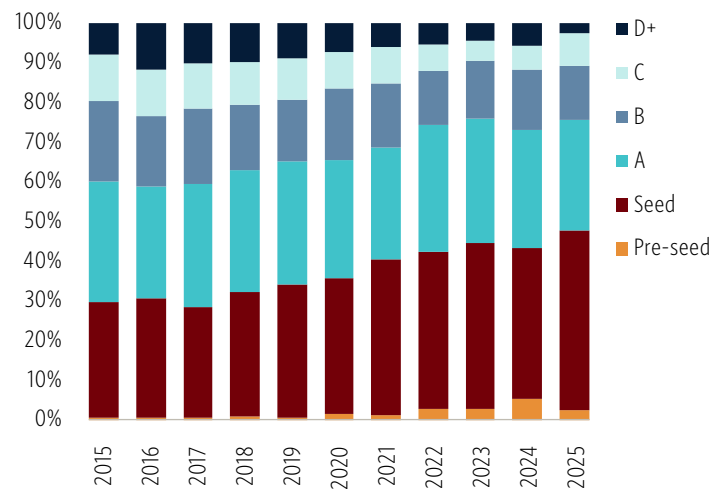
Select IPO valuations relative to their peaks



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Acquisitions are increasingly concentrated among early-stage companies

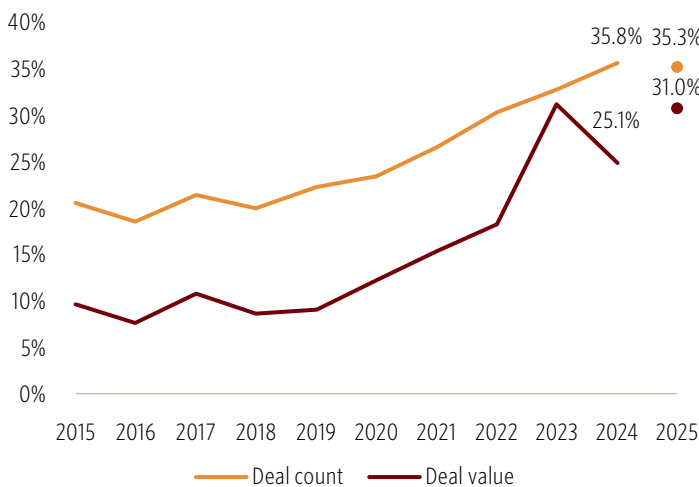
Share of VC round count by series where next round is an exit via acquisition



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Growing concentration of VC-backed acquirers

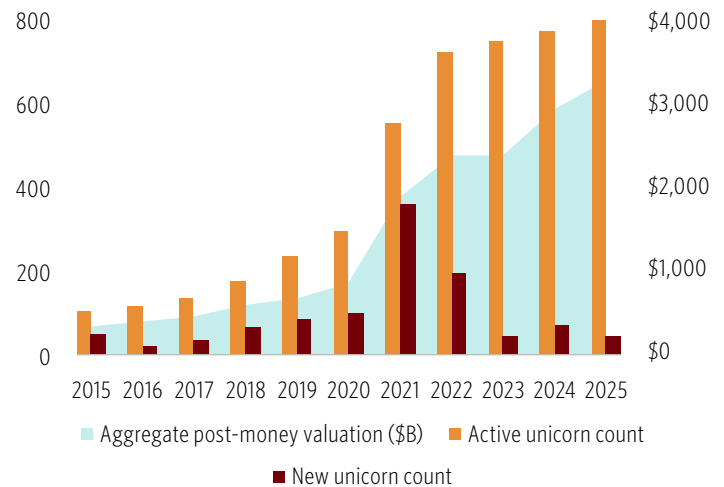
VC exit activity via acquisition with VC-backed buyer as a share of all VC exit activity



PitchBook-NVCA Venture Monitor • As of June 30, 2025

Unicorns now account for over \$3.2 trillion in value

Unicorn count and aggregate unicorn post-money valuation



PitchBook-NVCA Venture Monitor • As of June 30, 2025

become prominent acquirers. In Q2, OpenAI acquired AI hardware company io for \$6.5 billion, CoreWeave acquired AI developer platform Weights & Biases for \$2.5 billion, and Ripple

acquired prime broker Hidden Road for \$1.3 billion. Acquisitions by VC-backed companies as buyers have risen steadily since 2018, reaching 35.3% of acquisition count and making up 31%

of acquisition value YTD. We expect this trend to continue as elite startups continue raising substantial capital and increasing their growth trajectories.

A WORD FROM ORACLE NETSUITE

Your top common questions, answered

What's the cutting-edge technical frontier for the tools you are developing for usage by portfolio companies of VCs or VCs themselves? How do they differ from other companies' usage, if at all?

NetSuite continues to invest in areas around intelligent automation, connected planning, and uncovering more meaningful business insights, faster for high-growth, agile businesses—including those in VC ecosystems.

- **For portfolio companies:** Functionalities like predictive planning, driver-based modeling, and scenario analysis in NetSuite Planning and Budgeting are optimized for fast decision cycles and frequent reforecasting, which is key for startups managing burn and growth.
- **For VC firms:** NetSuite Enterprise Performance Management (EPM) supports consolidated portfolio reporting, including roll-up metrics across entities, giving VCs visibility into performance and risk at both fund and portfolio level. The flexibility in EPM's data models supports nontraditional metrics and cross-entity comparison, which differs from standard enterprise deployments that typically focus on Generally Accepted Accounting

Principles (GAAP) compliance and corporate reporting.

Where does that intersect with AI adoption, and where is that proving most useful?

AI is reshaping the finance function, and NetSuite is leading the way by embedding AI capabilities across the suite to help companies increase productivity, analyze data faster, and generate deeper insights. Quality data is essential for training AI models to recognize patterns and make accurate predictions. As a cloud-based unified suite, NetSuite centralizes your data from all business functions to provide an ideal foundation for getting the most out of AI. Embedded AI capabilities that are across NetSuite EPM in several high-impact areas include:

- **Predictive planning and forecasting:** Machine learning models automatically forecast key drivers (e.g., revenue, churn) and highlight anomalies. For VC-backed startups with fast-changing assumptions, this is critical for agility and forward visibility.
- **Narrative reporting:** Helps generate executive-ready insights and board books with AI-generated commentary, improving efficiency for lean finance teams.



Rami Ali
Product Marketing
Director, Oracle NetSuite
Business Unit

Rami has over 15 years of experience in demand generation and go-to-market (GTM) strategy at technology companies and is currently responsible for driving the GTM messaging and positioning for NetSuite Enterprise Performance Management.

How have the financial metrics that your startup, venture-backed company, and VC fund clients utilize for their own internal reporting evolved in recent years? Are there some that are more prioritized than others nowadays? Why is that?

Lately, we've seen that the funding environment has made efficiency, resilience, and accountability more critical than top-line growth alone. Some of the prioritized metrics include:

- More scrutiny on cash usage.
- SaaS-focused startups closely track customer expansion.
- A balance between growth and profitability.

What usage patterns by clients are you seeing change in light of recent economic and market volatility, among different features your teams offer?

We believe that the best defense against volatility is having the right tools, data, and insights to help make quick, data-driven decisions. There's been a noticeable uptick in solutions focused on:

- **Scenario modeling:** Clients are now creating multipath scenarios (e.g., optimistic, base, downside) and planning mitigation strategies ahead of time.
- **Rolling forecasting:** Annual plans are no longer sufficient—clients are moving to rolling 12- or 18-month forecasts for better agility.
- **Board reporting:** There's an increase in demand for on-demand, drillable

dashboards that tie back to source data. Transparency is key.

VCs themselves are asking portfolio companies for standardized reporting templates, which NetSuite EPM can facilitate across entities and business models.

What new products and/or services are most in demand by your VC ecosystem clients, and why do you think that is?

NetSuite provides an integrated business system with embedded AI that gives businesses the insight, agility, and control to run their business. With this foundational business system in place, high-demand capabilities that are layered onto that foundation include:

- **Planning and budgeting:** For startups scaling their financial

planning & analysis (FP&A) without growing headcount.

- **Account reconciliation:** Especially for startups preparing for audits or due diligence.
- **Task management and enterprise journals:** As companies grow, they need to organize and standardize financial close and audit processes.
- **Narrative reporting:** The need to prepare polished, insight-driven presentations quickly to investors and boards of directors.

These solutions reduce manual effort, shorten close and planning cycle times, and help companies respond faster to market changes, which is essential in volatile economic conditions and competitive funding landscapes.

The AI embedded in NetSuite helps you:

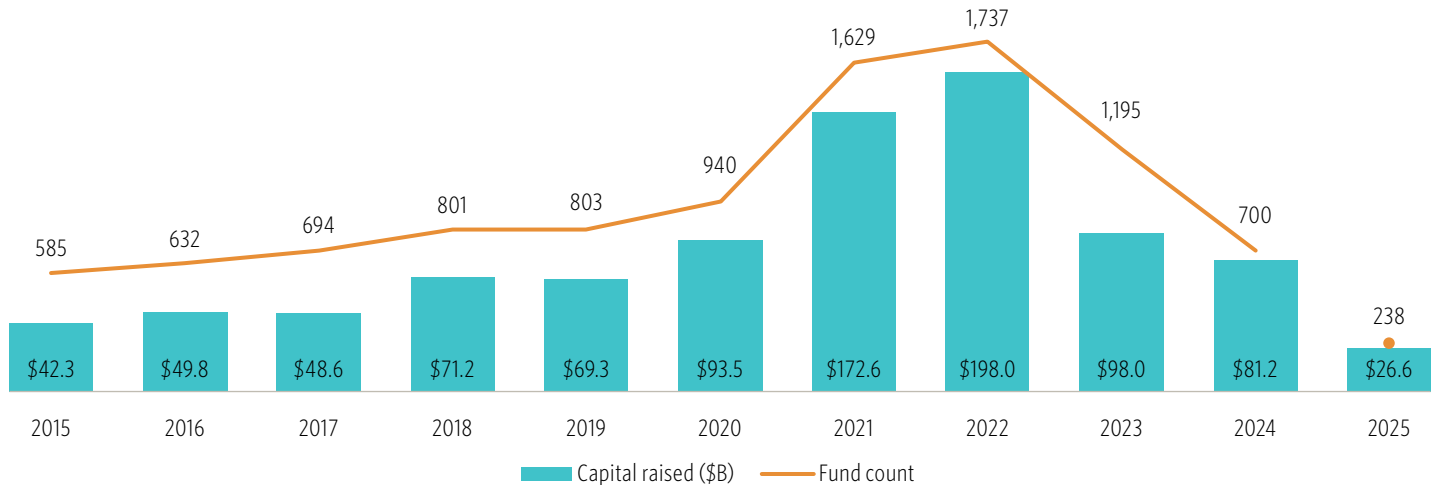
- Boost productivity
- Gain automated insights
- Drive faster decision-making

[NetSuite.com/AI](https://netsuite.com/AI)

Fundraising

Annualized fundraising deal value is on track to land near decade low

VC fundraising activity



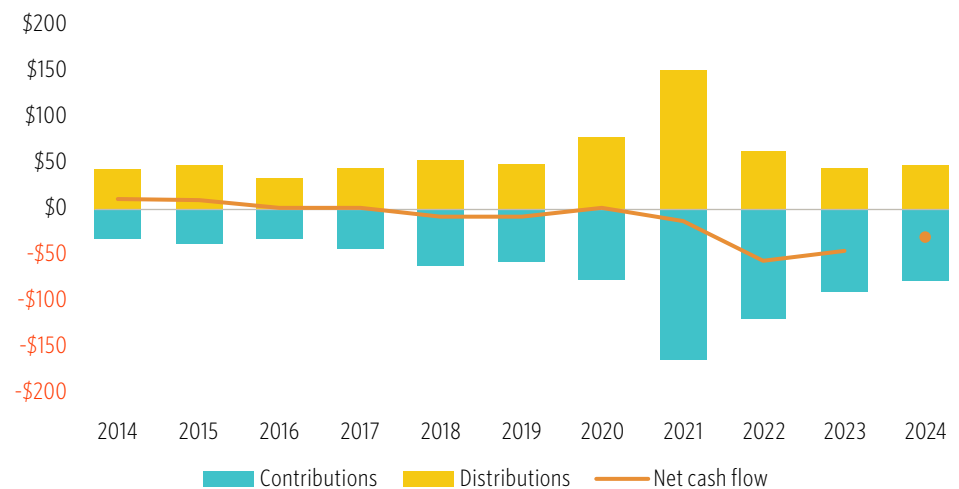
PitchBook-NVCA Venture Monitor • As of June 30, 2025

US VC fundraising remained subdued in H1 2025, as the prolonged liquidity crunch continued to weigh on LP sentiment. During the first half of the year, \$26.6 billion was raised across 238 funds, putting the annualized fundraising pace near the decade low. This figure would mark a 33.7% YoY decline in terms of capital raised, building on already weak momentum from 2024.

Fund managers are taking significantly longer to close new vehicles. As of Q2 2025, the median time to close a US VC fund stretched to 15.3 months, up from 12.6 months in 2024—the longest fundraising cycle in over a decade. This extended timeline underscores persistent LP reluctance to commit large sums due to the recent underperformance of the asset class and liquidity constraints.

Net cash flow remains in the negative territory

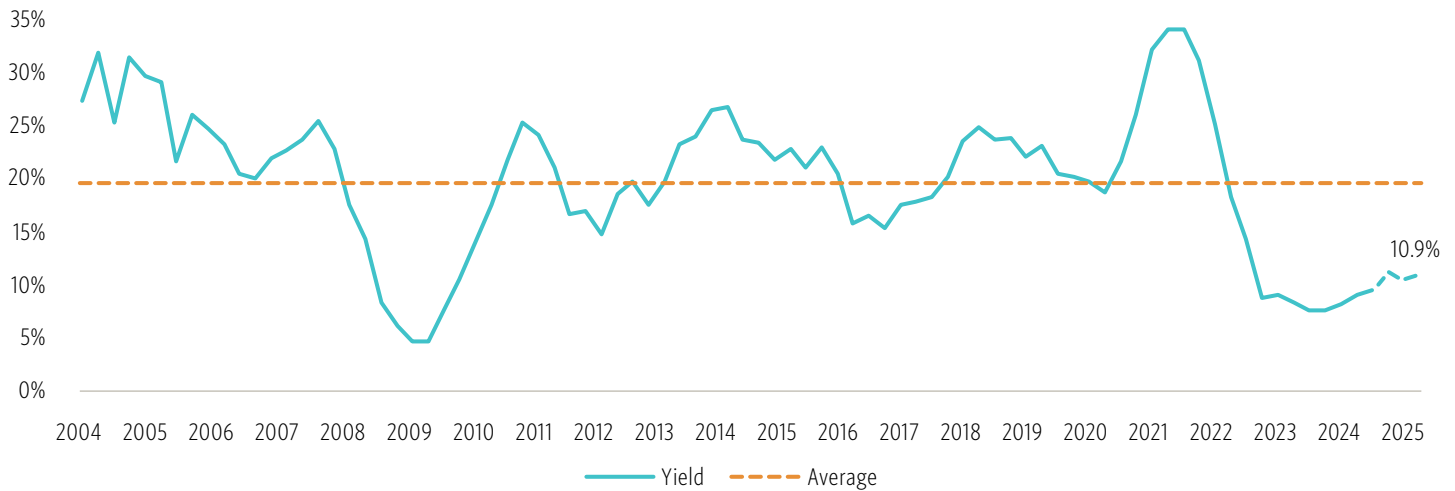
VC cash flows (\$B)



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

Distribution continues to improve, albeit remaining in negative territory

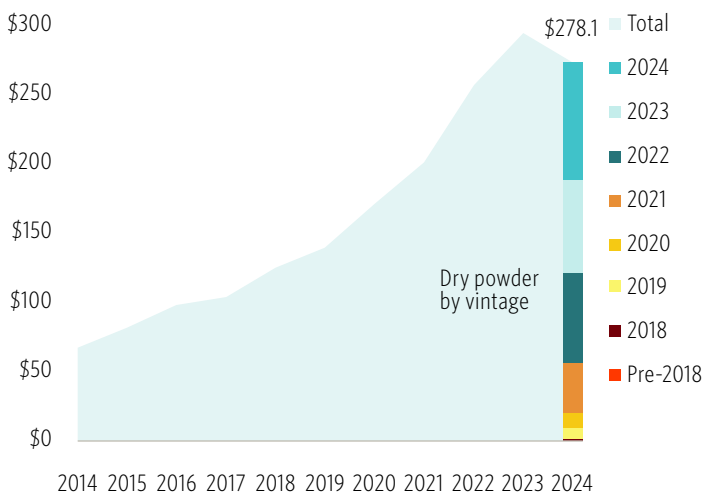
VC distributions as a share of NAV for funds aged 5-10 years



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Most dry powder sits within funds of 2022 vintage and later

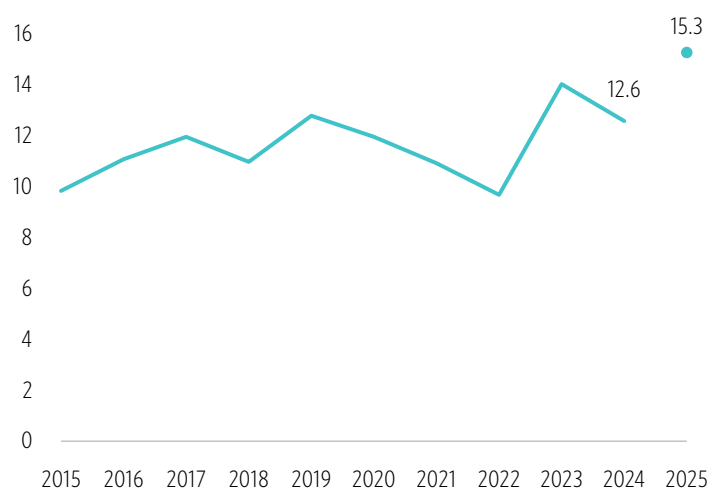
VC dry powder (\$B)



PitchBook-NVCA Venture Monitor • As of December 31, 2024

Median time to close a new VC fund has risen to a record high

Median time (months) to close for VC funds



PitchBook-NVCA Venture Monitor • As of June 30, 2025

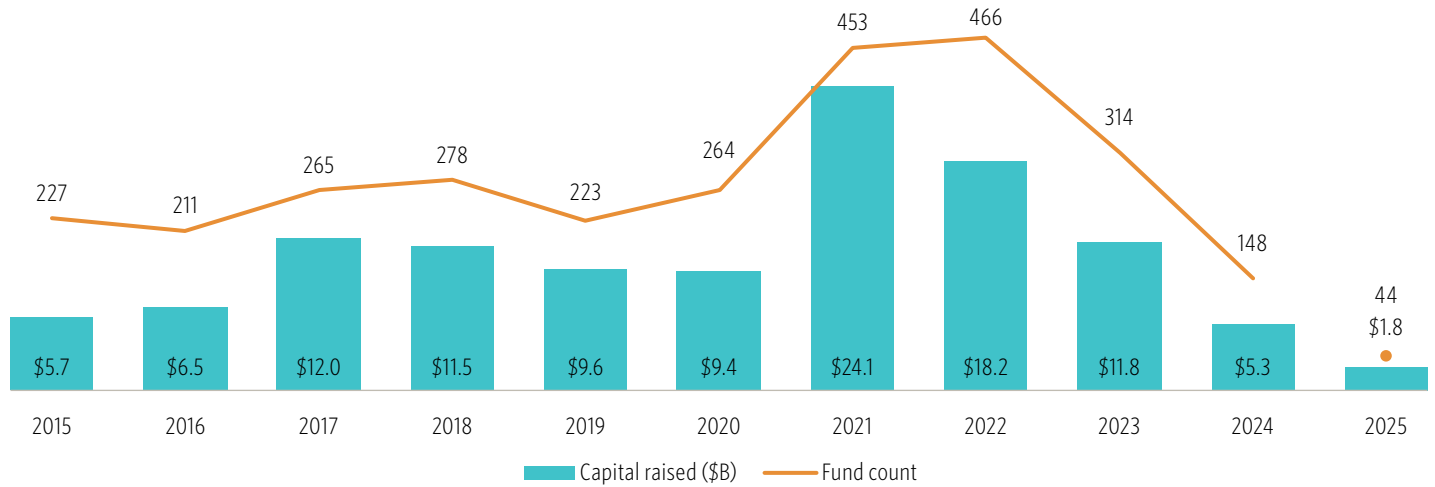
Emerging managers continued to face fundraising friction. However, their share of total capital raised stabilized, rising slightly to 23.1% in Q2 2025, up from 20.6% in 2024. They also accounted for 45.0% of all funds closed, a mild decline of 2.7% from 2024, suggesting that while LP caution remains, support for newer GPs is no longer significantly deteriorating.

Meanwhile, first-time managers continue to grapple with severe headwinds amid a prolonged fundraising slowdown. In H1 2025, only \$1.8 billion was raised across 44 funds, setting annualized figures on track for a 32.1% decline in capital raised and a 40.5% drop in fund count YoY. Of the 11 first-time funds that closed at or above \$50 million, many had founding team

members who were spinouts from a pedigreed firm, including Sentinel Global I (\$213.5 million), CIV One (\$200 million), Cherryrock Capital I (\$172 million), and Category Ventures I (\$160 million). This trend reflects LPs' continued preference for experience and track record, even when backing new firms.

Annualized capital raised by first-time managers projected to be a decade low

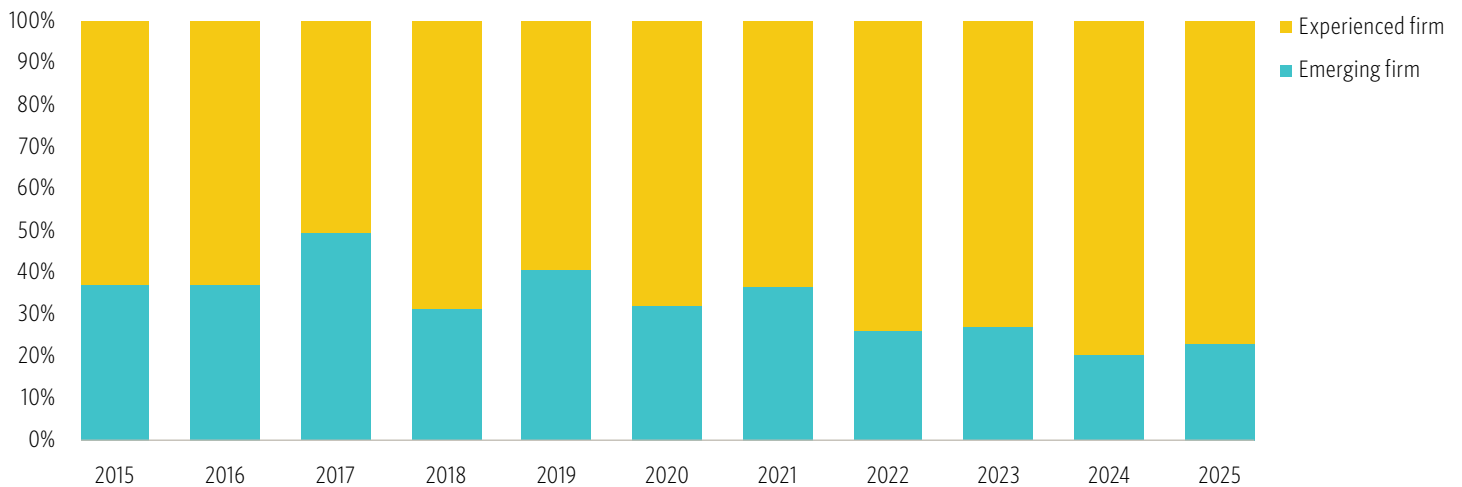
VC first-time fundraising activity



PitchBook-NVCA Venture Monitor • As of June 30, 2025

Established managers continue to command a lion's share of total capital raised

Share of venture capital raised by manager experience



PitchBook-NVCA Venture Monitor • As of June 30, 2025

Q2 2025 US league tables

Most active pre-seed/seed investors

1	Plug and Play Tech Center	24
1	Antler	24
3	Alumni Ventures	21
4	Andreessen Horowitz	17
5	Flex Capital	16
5	Y Combinator	16
7	Pioneer Fund	14
8	500 Global	12
9	SOSV	10
9	Hustle Fund	10
9	General Catalyst	10
12	Everywhere Ventures	9
12	Coinbase Ventures	9
12	Gaingels	9
12	Soma Capital	9
16	Triangle Tweener Fund	8
16	Service Provider Capital	8
18	Gradient Ventures	7
19	Impact Assets	6
19	Karman Ventures	6
19	Abstract Ventures	6
19	Khosla Ventures	6
19	True Ventures	6
19	FJ Labs	6
19	Flybridge	6

PitchBook-NVCA Venture Monitor
As of June 30, 2025

Most active early-stage investors

1	Andreessen Horowitz	28
2	Y Combinator	21
3	Flex Capital	18
4	Sequoia Capital	17
5	Khosla Ventures	15
6	Impact Assets	13
7	Alumni Ventures	12
8	Coinbase Ventures	11
8	Founders Fund	11
10	General Catalyst	10
11	Dorm Room Fund	9
11	BoxGroup	9
11	468 Capital	9
11	First Round Capital	9
15	SignalFire	8
15	Spacecadet Ventures	8
15	Abstract Ventures	8
15	8VC	8
15	Lightspeed Venture Partners	8
15	Soma Capital	8
15	Accel	8
22	Plug and Play Tech Center	7
22	SV Angel	7
22	Battle Born Venture	7
22	Bessemer Venture Partners	7
22	Madrona Venture Group	7
22	Menlo Ventures	7
22	FJ Labs	7

PitchBook-NVCA Venture Monitor
As of June 30, 2025

Most active late-stage investors

1	Y Combinator	20
2	Alumni Ventures	17
3	Impact Assets	16
4	General Catalyst	12
5	Accel	11
6	Andreessen Horowitz	10
6	New Enterprise Associates	10
8	GV	9
8	F-Prime Capital	9
8	Insight Partners	9
11	Gaingels	8
11	Khosla Ventures	8
11	StepStone Group	8
14	Triangle Tweener Fund	7
14	Mana Ventures	7
14	Index Ventures	7
17	Plug and Play Tech Center	6
17	Feenix Venture Partners	6
19	Draper Associates	5
19	Virginia Venture Partners	5
19	Flex Capital	5
19	Battle Born Venture	5
19	Samsung NEXT Ventures	5
19	Redpoint Ventures	5
19	Sequoia Capital	5
19	Founders Fund	5
19	Valor Equity Partners	5
19	Lightspeed Venture Partners	5

PitchBook-NVCA Venture Monitor
As of June 30, 2025

Most active venture-growth investors

1	General Catalyst	8
2	Sequoia Capital	6
3	Khosla Ventures	5
4	Impact Assets	4
4	Coatue Management	4
4	1435 Capital Management	4
4	ICONIQ Growth	4
4	Franklin Resources	4
4	Lux Capital	4
4	Energy Impact Partners	4
4	Kleiner Perkins	4
4	Founders Fund	4
13	Dreamit Ventures	3
13	1789 Capital	3
13	Prosperity7 Ventures	3
13	Bossa Invest	3
13	Baillie Gifford	3
13	SOSV	3
13	Thrive Capital	3
13	Fidelity Management & Research Company	3
13	Valor Equity Partners	3
13	Intersection Growth Partners	3
13	HOF Capital	3
13	Elad Gil	3
13	Sapphire Ventures	3
13	BlackRock	3
13	Lightspeed Venture Partners	3
13	Connecticut Innovations	3
13	BOND Capital	3
13	T. Rowe Price Group	3
13	Y Combinator	3
13	Accel	3
13	GIC Private	3

PitchBook-NVCA Venture Monitor
As of June 30, 2025

H1 2025 US league tables

Most active pre-seed/seed investors

1	Plug and Play Tech Center	51
2	Pioneer Fund	50
3	Y Combinator	46
4	Alumni Ventures	39
5	Andreessen Horowitz	36
6	Antler	35
7	Soma Capital	23
8	Flex Capital	22
9	Gaingels	20
10	468 Capital	19
10	General Catalyst	19
12	SOSV	18
12	500 Global	18
12	Triangle Tweener Fund	18
12	Everywhere Ventures	18
16	Hustle Fund	16
16	Flybridge	16
18	Impact Assets	15
19	Team Ignite Ventures	14
19	Gradient Ventures	14
21	Rebel Fund	13
21	Precursor Ventures	13
21	Sequoia Capital	13
24	Coinbase Ventures	12
24	FJ Labs	12
24	Service Provider Capital	12
24	iSeed Ventures	12
28	Boost VC	11
28	Kulveer Taggar	11
28	K5 Global	11
28	Abstract Ventures	11

PitchBook-NVCA Venture Monitor
As of June 30, 2025

Most active early-stage investors

1	Andreessen Horowitz	52
2	Y Combinator	42
3	Dorm Room Fund	33
4	General Catalyst	29
5	Unpopular Ventures	27
6	Flex Capital	25
7	Sequoia Capital	23
7	Khosla Ventures	23
9	Alumni Ventures	22
9	Lightspeed Venture Partners	22
11	Impact Assets	20
11	468 Capital	20
13	FJ Labs	19
14	Rebel Fund	18
14	Coinbase Ventures	18
16	Founders Fund	16
17	BoxGroup	15
17	Plug and Play Tech Center	15
17	Abstract Ventures	15
17	8VC	15
17	Soma Capital	15
17	First Round Capital	15
23	SV Angel	14
23	Menlo Ventures	14
23	Gaingels	14
26	Zain S Hasan Charitable Remainder Trust	13
26	Multimodal Ventures	13
26	Founders, Inc	13
26	In-Q-Tel	13
30	Innovation Partnerships	12
30	Felicis	12
30	South Park Commons	12

PitchBook-NVCA Venture Monitor
As of June 30, 2025

Most active late-stage investors

1	Alumni Ventures	37
2	Y Combinator	28
3	Gaingels	22
4	Impact Assets	21
5	Andreessen Horowitz	20
5	General Catalyst	20
7	New Enterprise Associates	17
8	Draper Associates	15
8	Insight Partners	15
8	Accel	15
11	SOSV	14
11	Sequoia Capital	14
13	GV	13
13	Khosla Ventures	13
13	Menlo Ventures	13
16	F-Prime Capital	12
16	StepStone Group	12
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18	Index Ventures	11
18	Lightspeed Venture Partners	11
22	Triangle Tweener Fund	10
22	Mana Ventures	10
22	Founders Fund	10
22	Spark Capital	10
22	Valor Equity Partners	10
27	Morrison Seger	9
27	Samsung NEXT Ventures	9
27	Lux Capital	9

PitchBook-NVCA Venture Monitor
As of June 30, 2025

Most active venture-growth investors

1	General Catalyst	12
2	Sequoia Capital	10
3	Bossa Invest	8
3	Y Combinator	8
5	Andreessen Horowitz	7
5	Lightspeed Venture Partners	7
7	Impact Assets	6
7	Alumni Ventures	6
7	Coatue Management	6
7	Fidelity Management & Research Company	6
7	1435 Capital Management	6
7	Founders Fund	6
7	Connecticut Innovations	6
14	2468 Ventures	5
14	Global Venture Management	5
14	ICONIQ Growth	5
14	BOND Capital	5
14	Alexander Capital Ventures	5
14	U.S. Venture Partners	5
14	Franklin Resources	5
14	Meritech Capital Partners	5
14	Kleiner Perkins	5
14	Energy Impact Partners	5
14	Khosla Ventures	5

PitchBook-NVCA Venture Monitor
As of June 30, 2025

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 2 years old and the round is the first institutional investment in the company, the deal will be tagged as pre-seed unless otherwise stated. Regulatory filings under \$10 million for deals where investors are unknown are classified as seed unless pre-seed parameters are met.

Early stage: For a deal to be classified as early-stage VC, the company must be founded fewer than five years ago by the time of the deal, and if a series is specified, it should be a Series A or B.

Late stage: For a deal to be classified as late-stage VC, the company must be 5 years old or older regardless of series. Alternatively, if a series is specified, it should be a Series C or later regardless of time since founding.

Venture growth: Rounds are generally classified as Series E or later (which we typically aggregate as venture growth) either by the series of stock issued in the financing or, if that information is

unavailable, by other factors, including the age of the company, number of VC rounds, company status, and participating investors.

Nontraditional investors: “CVC” includes rounds executed by established CVC arms as well as direct equity investments by corporations into VC-backed companies. “PE” includes VC deals by investors whose primary classification is PE/buyout, growth, mezzanine, or other private equity. “Crossover” investors are a subset of nontraditional investors—specifically asset managers, hedge funds, mutual funds, and sovereign wealth funds—that have been active in VC investment across any stage. They are referred to as crossover as these investors are likely to be participating at the late stages directly 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 are 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 a 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 whose 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 above. Funds identifying as growth-stage vehicles are classified as PE funds and are not included in this report. A fund’s location is determined by the country where the fund’s investment team is based. If that information is not known, the HQ country of the fund’s general partner is used. Only funds based in the United States that have held their final close are included in the fundraising numbers. The entirety of a fund’s committed capital is attributed to the year of the final close of the fund. Interim close amounts are not recorded in the year of the interim close.

A Perfect Partnership: PitchBook and the National Venture Capital Association

The PitchBook and National Venture Capital Association (NVCA) partnership utilizes the most accurate, most comprehensive data to advance the US venture capital community.



The PitchBook-NVCA Venture Monitor

PitchBook and NVCA partner quarterly to produce the Venture Monitor Report and webinar. The report provides a deep dive into venture capital activity, offering insights to help inform your investment strategy.

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Conduct better due diligence. When you're evaluating a company, you can dive deep into its round-by-round financing history, executive team, and market traction.

Price deals with confidence. Our pre- and post-money valuations, public and private comps, cap tables, and series terms give you unparalleled insight into private companies.

Find promising investors quickly.

You can zero in on other firms or strategic acquirers whose investment preferences match your portfolio company.

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