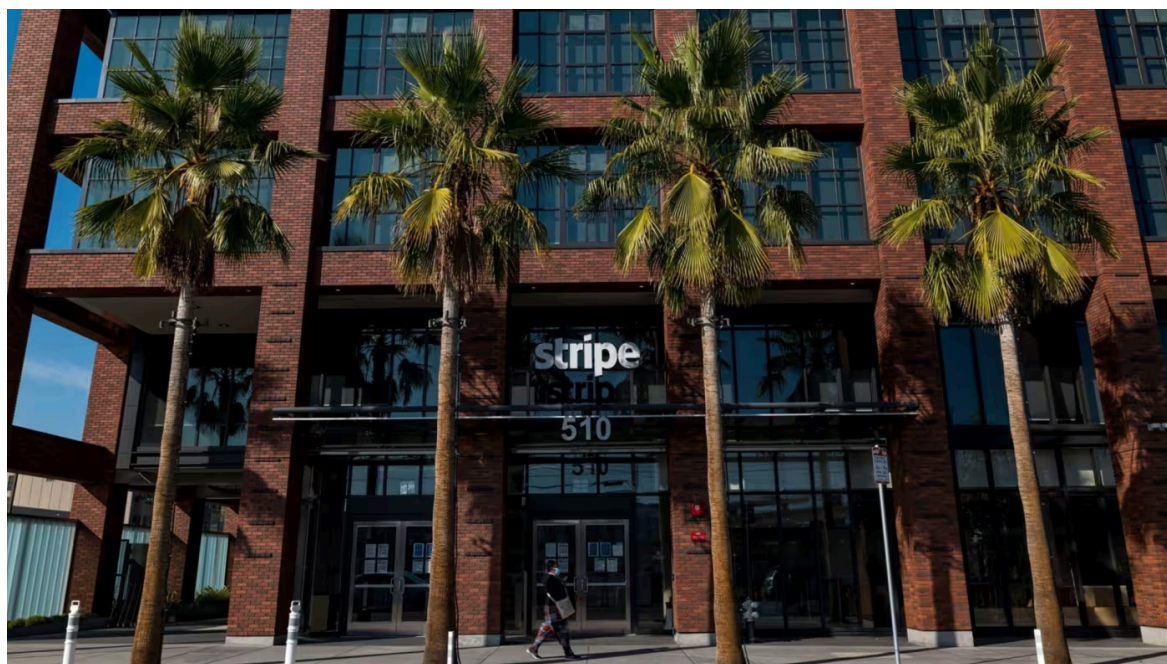


Venture capital investment

Thrive Capital plots new fundraising as it doubles down on tech

Joshua Kushner's fund will look to raise at least \$3bn to invest in hard-hit sector as VC rivals pull back



Thrive invested as much as \$1.8bn in payments group Stripe © Bloomberg

Tabby Kinder and **George Hammond** in San Francisco JANUARY 6 2024

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Joshua Kushner's Thrive Capital is preparing to ask investors for at least \$3bn in fresh capital after the New York venture fund made mammoth bets on technology start-ups last year, even as the sector tanked and many of its peers put investments on hold.

The fundraising, which three people close to the matter said was at an early stage and is expected to kick off formally in the next few months, would put Thrive among just a handful of large growth funds that are turning to investors for more cash as economic uncertainty and high interest rates continue to squeeze the tech sector.

The target has not yet been formally communicated to investors, but one of the people close to the matter said \$3.4bn had been mooted, which would make it around the same size as its most recent fund raised in 2022.

The fundraising will be “a very interesting litmus test” for other investors in a market in which fundraising has slowed dramatically, said one investor in Thrive.

The group became one of the most influential [venture firms](#) in the US last year, investing \$1.8bn in payments company [Stripe](#) and becoming a key venture backer of Sam Altman’s [OpenAI](#). It invested about \$130mn into the artificial intelligence group in early 2023 and is the lead investor in an ongoing employee stock sale at the company. Since it launched in 2009, investments have also included Reddit, Twitch and Robinhood.

Kushner’s large cheques appeared to be at odds with the mood elsewhere in the venture market. Fundraising by US venture firms hit a [six-year low](#) in 2023 and the groups spent less than half the amount they did in 2021 on fledgling companies, according to PitchBook. Insight Partners and Tiger Global, two of the largest US growth investors, cut target sizes for new funds late last year as institutional investors reined in their backing for private tech groups.

Kushner has positioned Thrive as a “high-conviction” investor, willing to double down on companies even as rivals are retreating. That approach has given the firm prime placement on some of the biggest deals in Silicon Valley — notably fundraising by Stripe and OpenAI — and significant gains on paper from early investments in successful start-ups. But it has also left the firm even more exposed to private tech companies during a tumultuous period for start-ups.

Investors expect 2024 to be the year when start-ups that were considered darlings of Silicon Valley will be forced into drastic cuts to their valuations in order to raise the new funds they need to survive. Late-stage groups such as Stripe face having to further delay listing on public markets because of a continued frosty reception for tech initial public offerings.

Thrive’s returns reportedly suffered last year because of poor performance in its portfolio of publicly traded tech groups, such as online car retailer Carvana, whose shares cratered and the company risked going bankrupt.

“It’s not [going to be] a slam dunk,” the investor in Thrive said. “I’d hope that investors would be pushing back on funds trying to raise at the same level as 2021 or 2020.”

“The bar is higher for every institutional investor today,” they added.

Thrive closed its latest and eighth fund in February 2022 after it raised \$3bn for investments in early and late-stage start-ups. Its backers, known as limited partners, include university endowment funds such as Princeton, the University of Texas and the California Public Employees' Retirement System and individuals including Mukesh Ambani, Xavier Niel and Bob Iger.

The fundraising conversations started last year and Thrive is exploring the willingness of existing investors to put more money to work against a harsher market backdrop than when the firm last raised in 2022, according to the people familiar with the talks.

Thrive declined to comment.

**This story has been amended to clarify that the fundraising figure discussed was at least \$3bn*

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