3Q'26 Venture Market Update

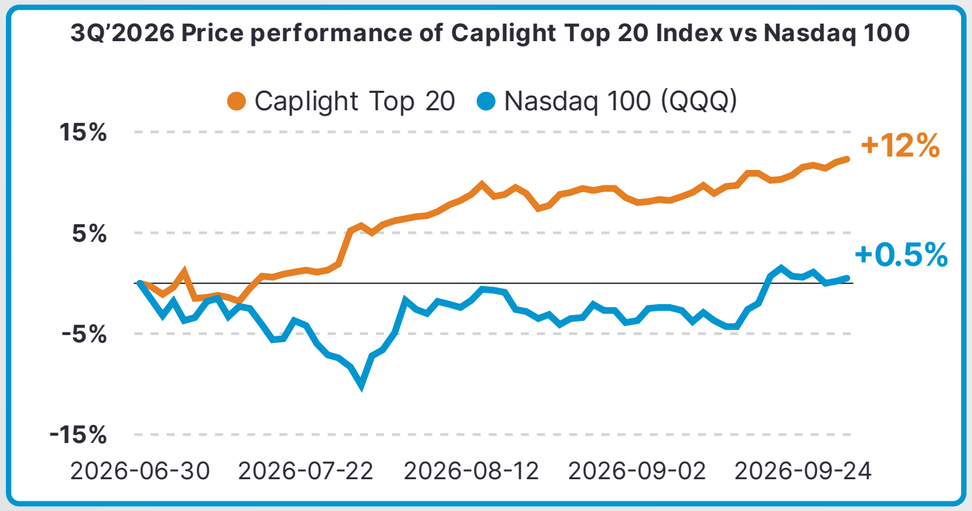
CAPLIGHT

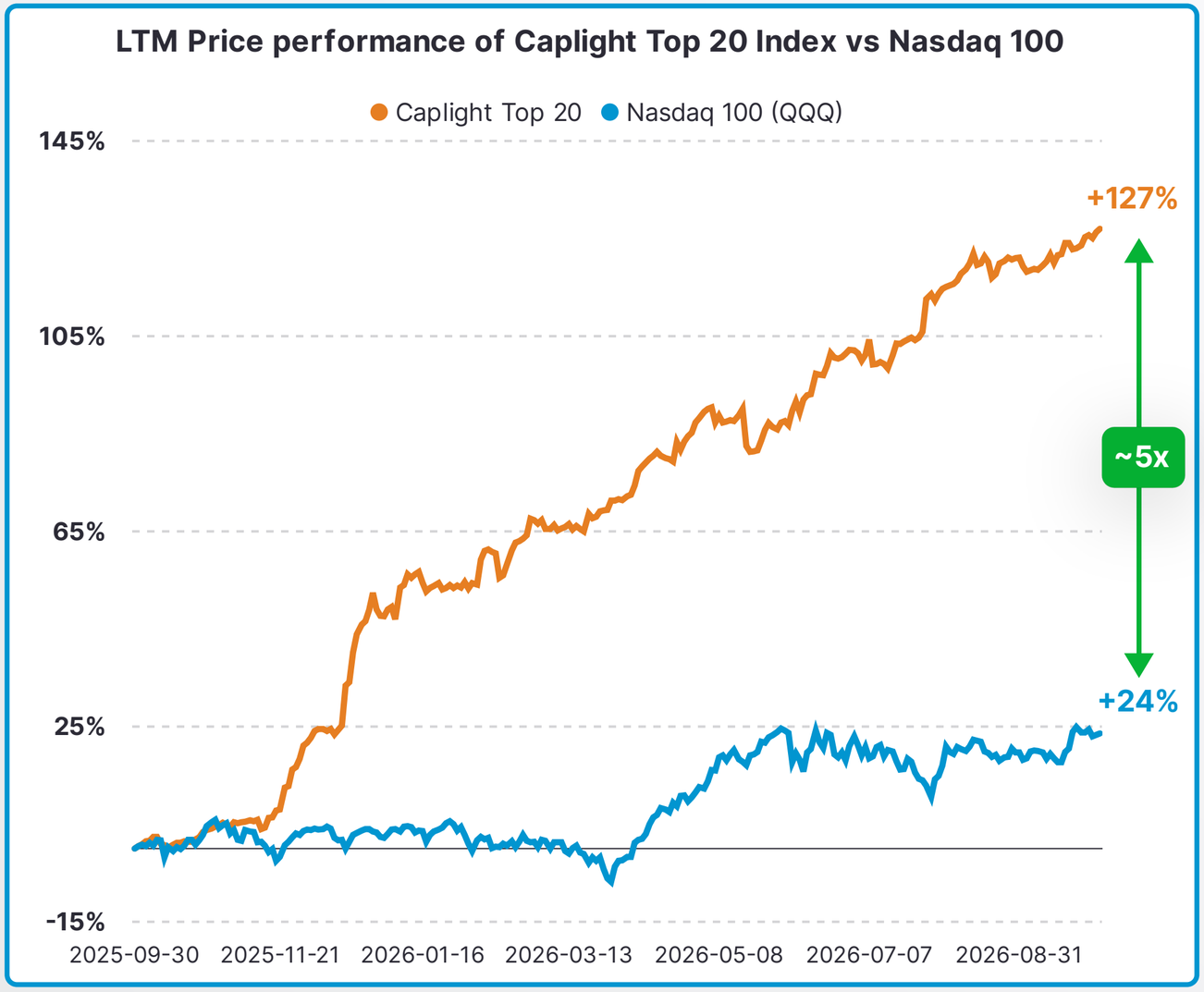
Co-invest dominates Venture

October 2026

Private tech held steady through a public market round-trip.

- **The Caplight Top 20 Index returned 12% in Q3'26**, outperforming the Nasdaq 100 (+0.5% over the same period).
- **Funding rounds outgrew venture funds.** A typical late-stage AI round is now 20x the size of a typical VC fund. Meanwhile, megafunds are absorbing almost all VC fundraising capacity.
- **Non-traditional venture investors are filling the gap.** Non-VC investors led ~70% of 2026 deal value.



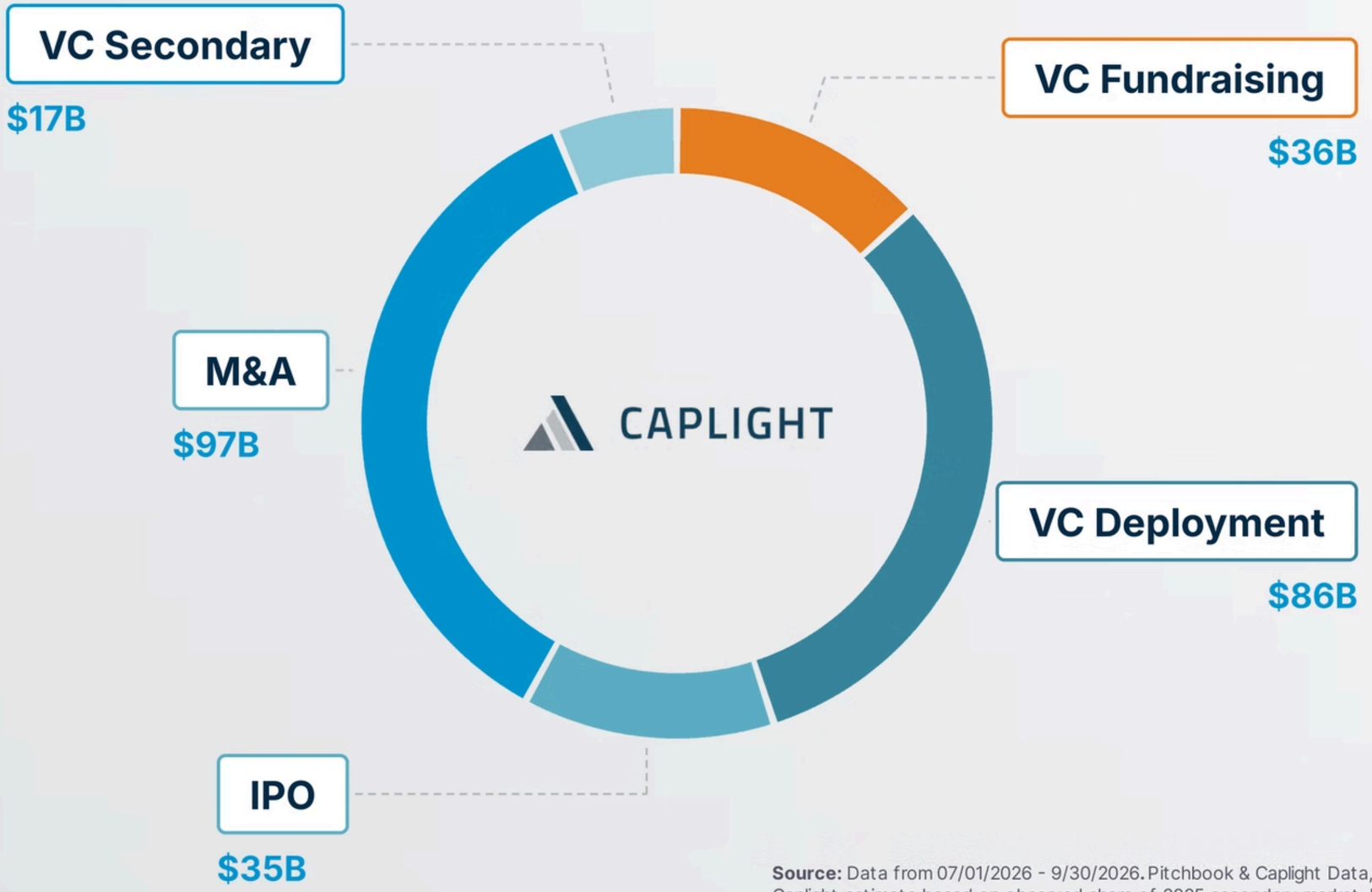


Note: The Caplight Top 20 Index is a financial index tracking the performance of the largest late-stage, venture capital-backed, private companies with active secondary markets. Past performance is not indicative of future returns.

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$270B of total VC capital markets activity in Q3.

Q3 activity cooled off from 1H’s highs but stayed above every quarter of 2024 and 2025



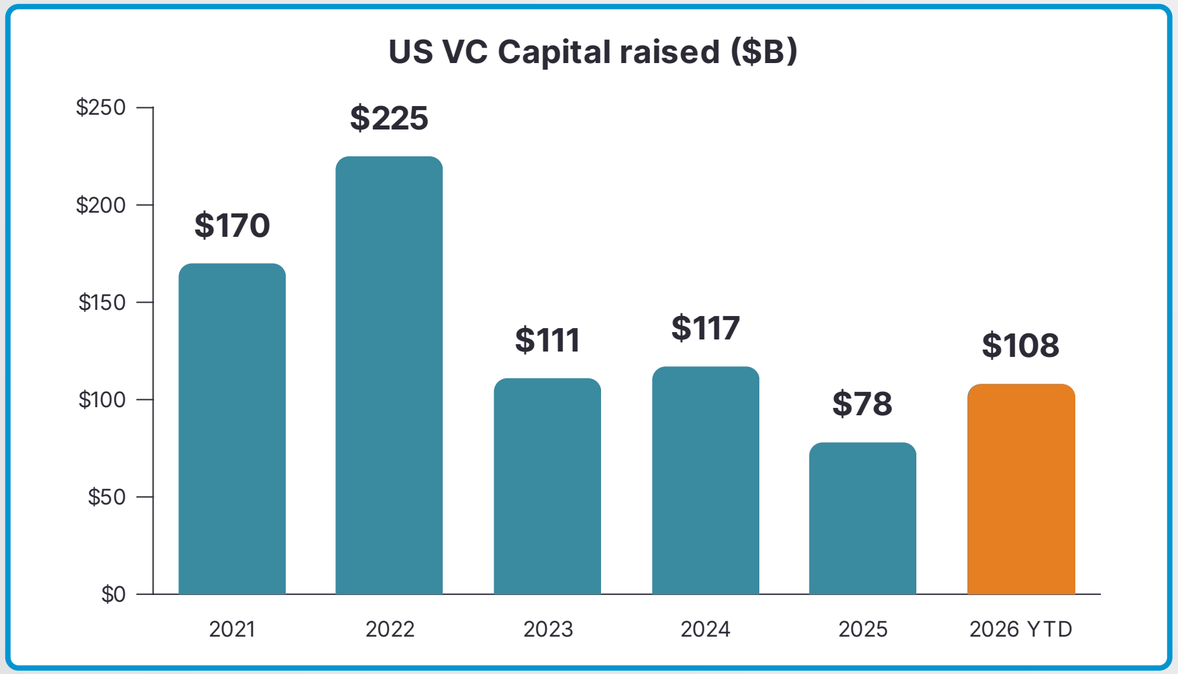
Source: Data from 07/01/2026 - 9/30/2026. Pitchbook & Caplight Data, EY; **Note:** VC Secondary is Caplight estimate based on observed share of 2025 secondary market. Exits: Total US IPO proceeds.

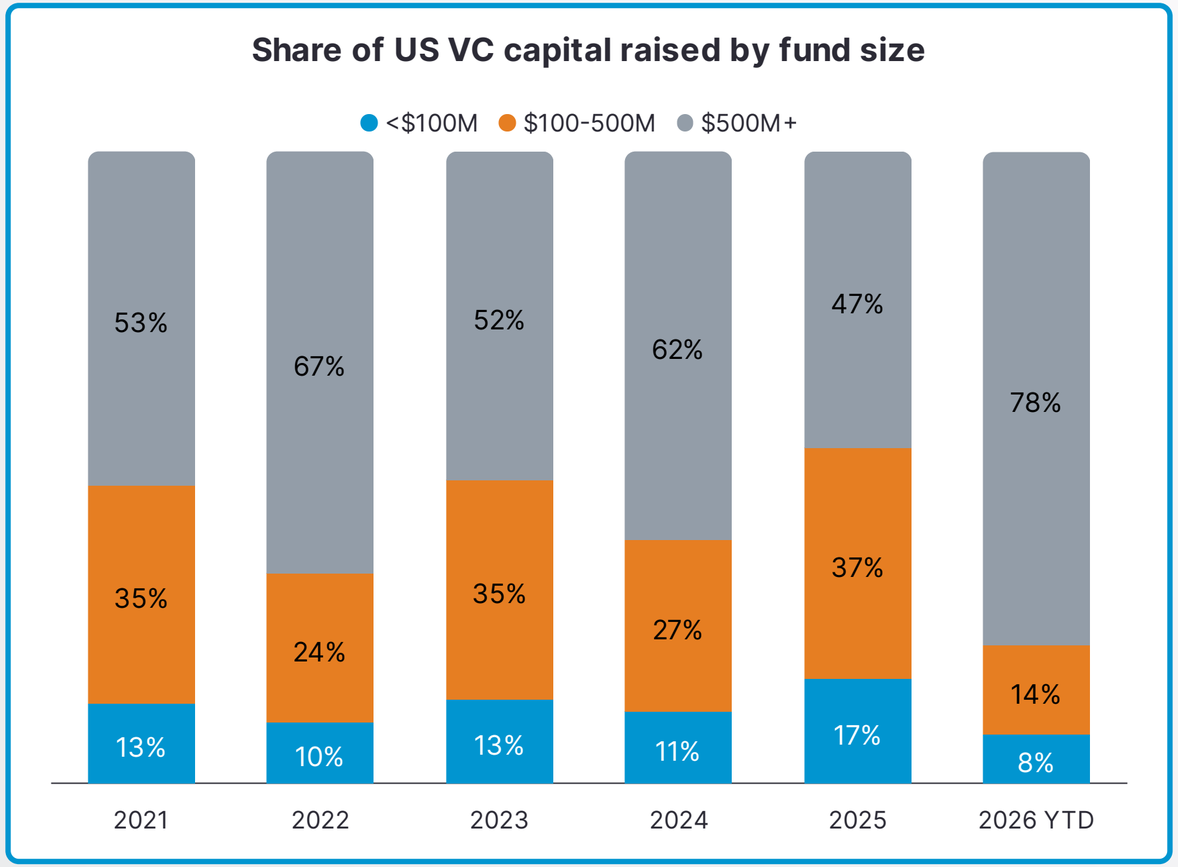
VC Fundraising

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Medium-sized VC funds are going extinct.

- **$108.5B raised across 699 funds YTD.** Already ~40% above all of 2025.
- **Mid-size funds are being squeezed out.** They are just 10% of funds closed this year by count, and their share of capital fell from 37% to 14%.
- **The money went to the top.** $500M+ funds raised ~80% of capital, while sub-$50M funds are 70% of all funds by count.





14%

of capital went to $100-$500M funds, a record low

26

$1B+ funds closed YTD, more than double all of 2025 (12)

Source: Caplight and PitchBook data.

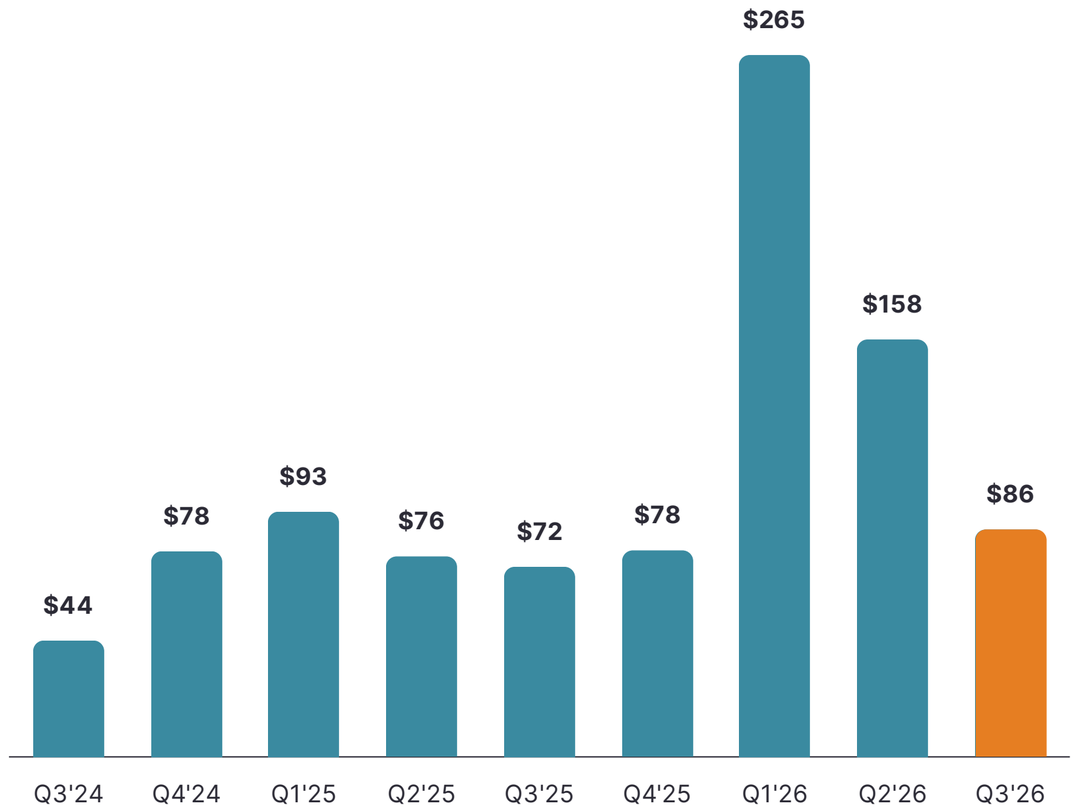
VC Deployment

Raising a billion dollar round is no longer rare.

More billion-dollar rounds than ever before: 18 companies raised $1B+ in Q3, nearly matching all of 2025.

US VC deployment by quarter ($B)

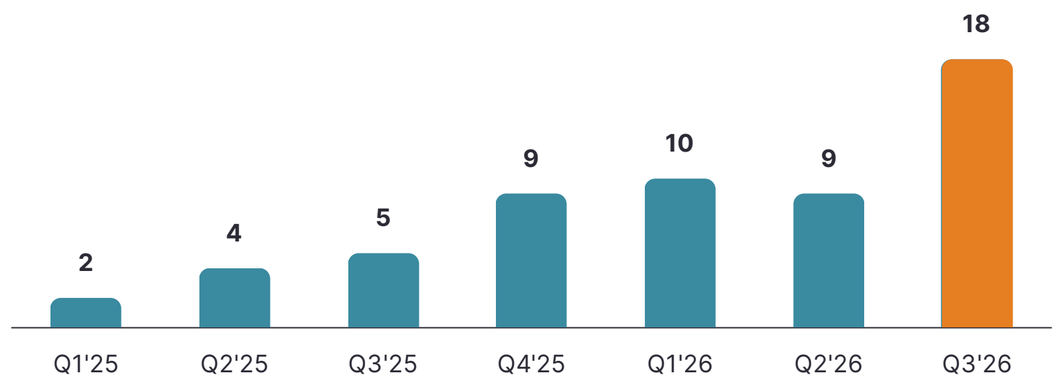
Q3 is down from Q2, but above 2024–25 levels



- **Q3 only looks low next to 1H.** $86B is down ~45% from Q2, but up 20% from Q3'25 and the 4th-largest quarter since 2016.
- **The giants paused.** OpenAI, Anthropic and xAI raised $237B in 1H and nothing in Q3.
- **Billion-dollar rounds spread out.** 18 rounds of $1B+, double Q2. Across AI, compute, energy, defense and fintech.

US rounds of $1B+ by quarter

18 in Q3 alone, vs. 20 in all of 2025



Source: Caplight & Pitchbook data.

VC Deployment

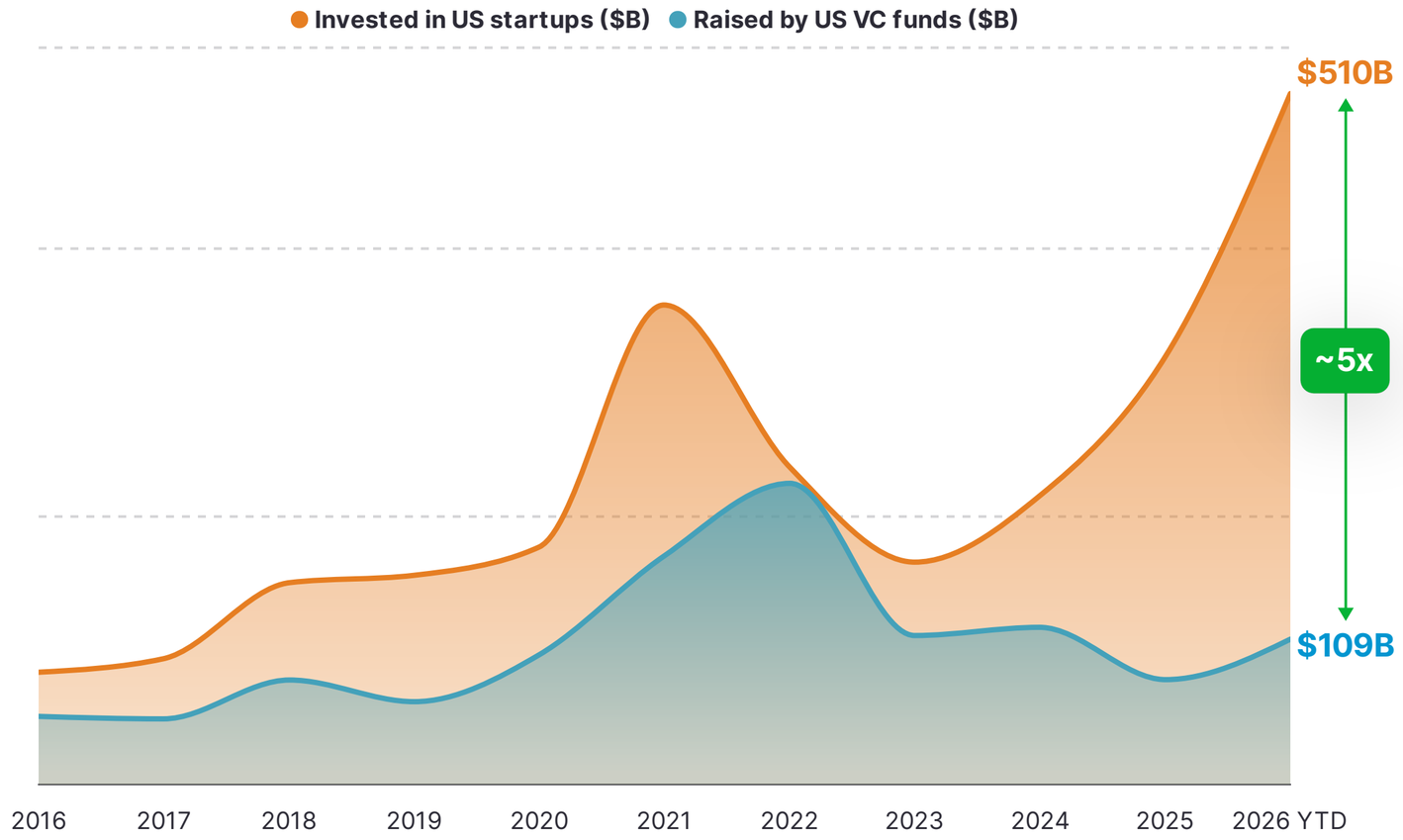
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Growth in funding rounds has outpaced VC fund sizes.

Startups are raising $4.7 for every $1 raised by VCs, the largest gap ever.

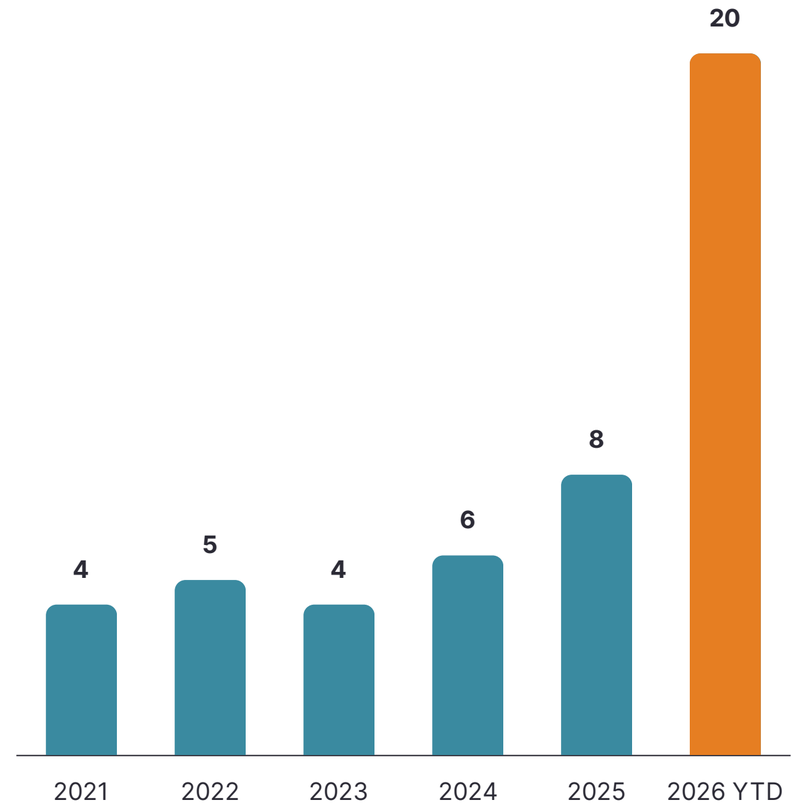
Startups are taking in far more than VC funds raise

US VC deal value vs. US VC fundraising $B per year



A typical AI late-stage round is now 20x a typical fund

Median AI Series D+ round ÷ median US VC fund



Source: Caplight & Pitchbook data.

VC Deployment

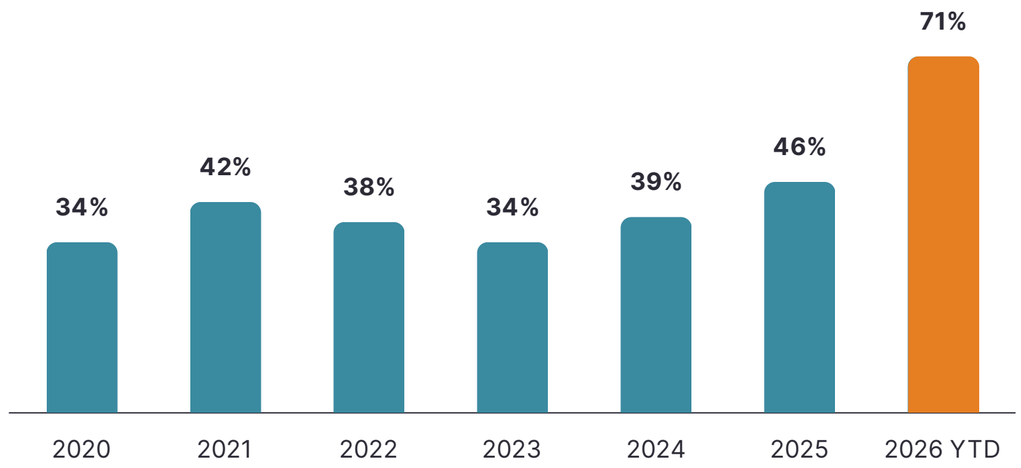
Who fills the venture funding gap?

Corporates, sovereigns and hedge funds have led ~70% of rounds YTD

- **Non-VCs now dominate capital deployment.** 71% of 2026 deal value went to rounds led or co-led by a non-VC investor, up from 34% in 2020.
- **Sovereigns and hedge funds are buying direct.** Rounds with a sovereign fund took $55 of every $100 invested, and rounds with a hedge fund took $60, up from $4–14 and $5–25 before 2025.
- **They follow the biggest rounds.** In Q3, with no AI-lab round, the non-VC share fell back to 2025 levels.

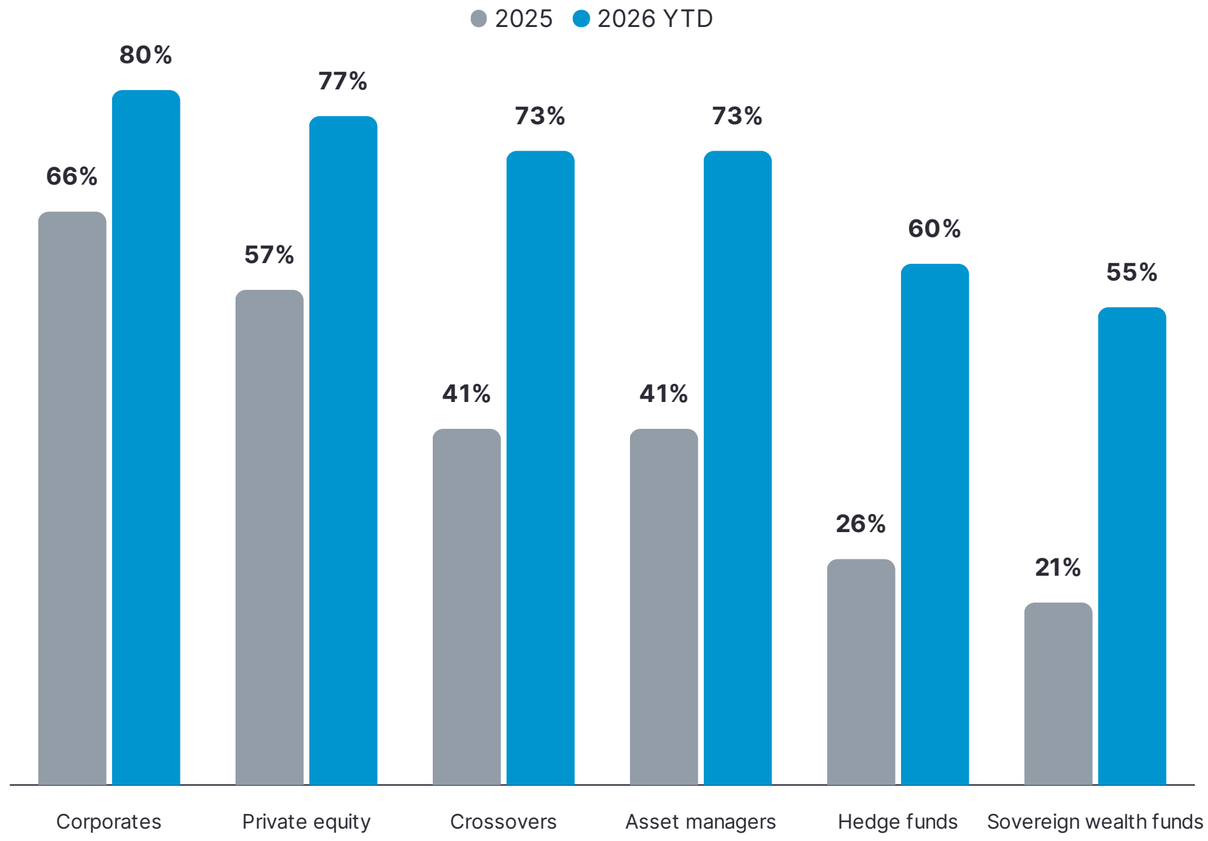
Non-VCs now lead most of the money

Corporates, PE, sovereigns, hedge funds, asset managers and other non-VCs



Big rounds now come with corporates, sovereigns and hedge funds on board

Share of deal value in rounds that included at least one of each

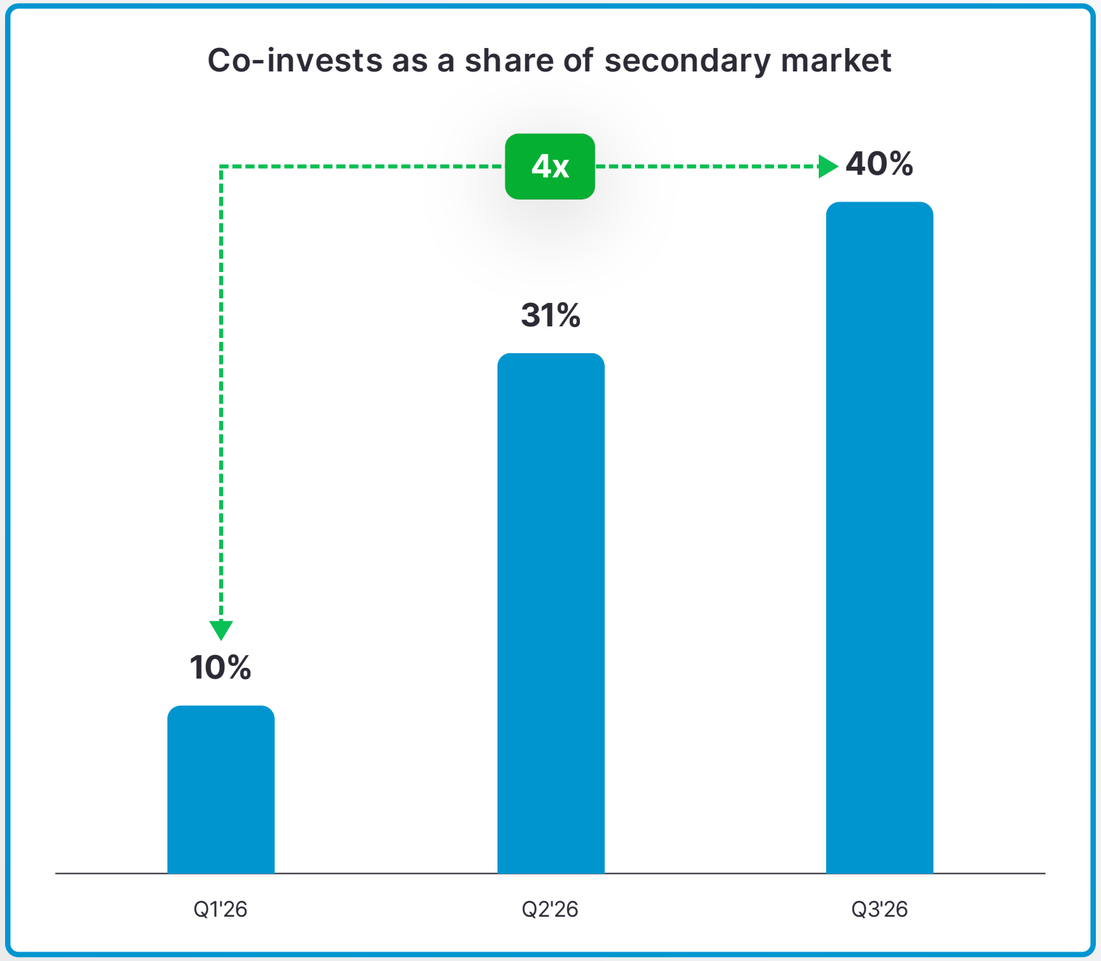


Source: Caplight & Pitchbook data.

Co-invest dominates venture funding.

Lead GPs need more capital than their funds hold, and LPs want direct access to the best rounds. Co-invests serve both.

- **Rounds outgrew the funds.** The median AI late-stage round is now about 20x the median VC fund, so lead GPs bring in co-investors to complete the round.
- **LPs want to invest alongside their GPs.** Co-investing gives LPs direct exposure to individual companies, on the same terms as the lead.
- **Co-invests are now 4 in 10 Caplight trades.** GPs fill their rounds with trusted partners, and LPs get closer to the companies their GPs back most.
- **Co-invests and secondaries work together.** Investors use co-invests to get in at the round, and secondaries to add to positions opportunistically between rounds.

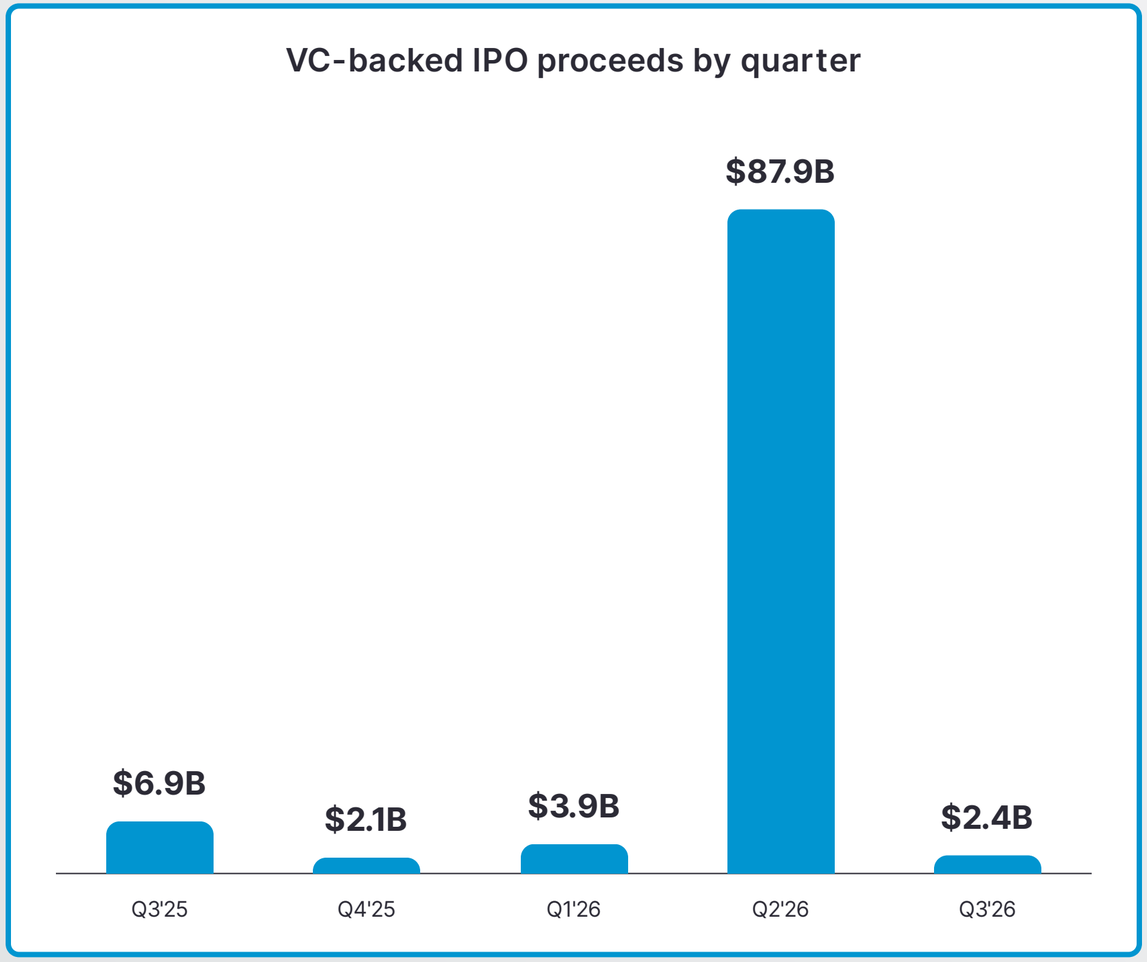


Source: Caplight closed trade data.

CAPLIGHT

The IPO window shut in the last two weeks of September.

VC-backed IPOs raised just $2.4B in Q3, while $8.6B of IPOs were pulled in 12 days



HOLTEC INTERNATIONAL

"Holtec Nuclear postpones $825 million IPO"

Renaissance Capital, Sep 18

SB Energy

"SB Energy delays IPO launch amid data centre backlash"

IFR, Sep 25

bamboo

"Bamboo Insurance Services postpones $665 million IPO"

Renaissance Capital, Sep 22

ŌURA

"...we have the luxury of choosing our moment"

Oura CEO Tom Hale, Sep 29

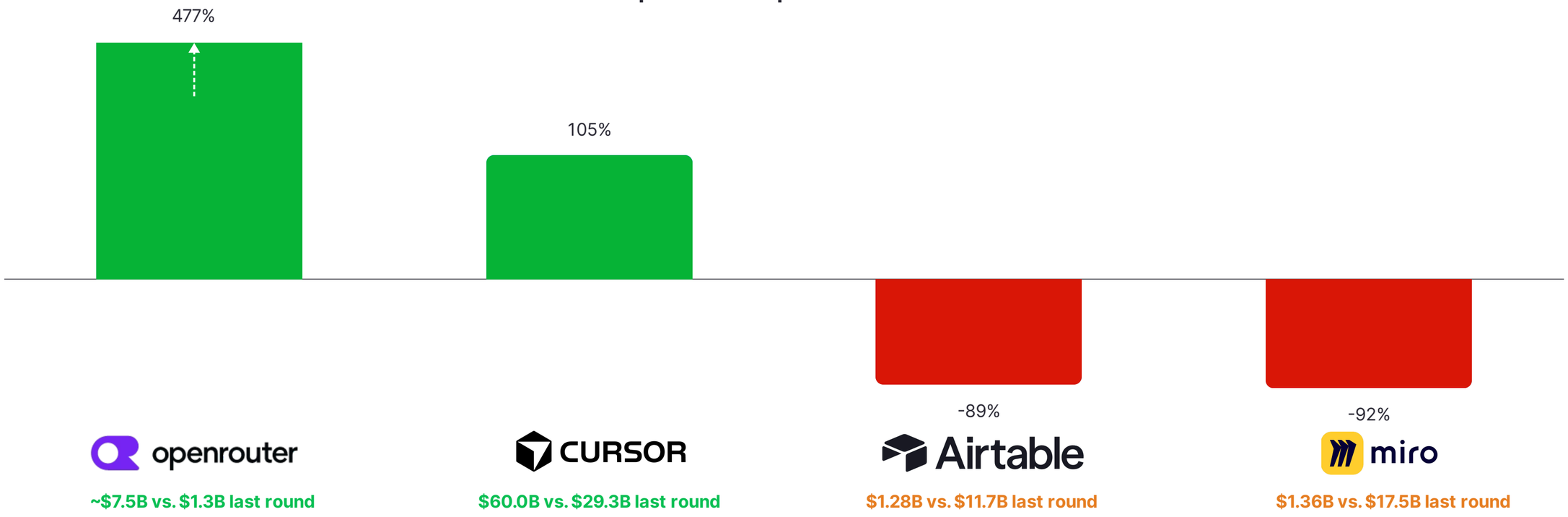
- **Rates closed the window.** Bond yields hit a 19-year high and rate hikes resumed. 21 IPO filings were withdrawn in Q3.
- **Anthropic is next in line.** It is targeting a mid-November listing and trades 55% above its Series H on Caplight. OpenAI has ruled out 2026.
- **Biotech was the only open door.** 8 of the 9 VC-backed IPOs that priced in Q3 were biotech.

Source: Caplight, Renaissance Capital & Bloomberg data; **Note:** $2.4B represents VC-backed IPOs only.

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M&A split in two: AI sold at a premium, SaaS at a discount.

OpenRouter sold for 5.8x its May round, while Airtable and Miro sold 89-92% below their 2021-22 peaks



"Stripe Clinches Over $7B Deal to Buy AI Firm OpenRouter"

Bloomberg

"SpaceX to acquire the AI coding startup Cursor for $60B"

CNBC

"Bending Spoons to buy Airtable for $1.28B"

TechCrunch

"Bending Spoons to buy Miro in $1.36B cash deal"

Reuters

Source: Caplight and public data; **Note:** Airtable and Miro sale prices reflect reported enterprise value.

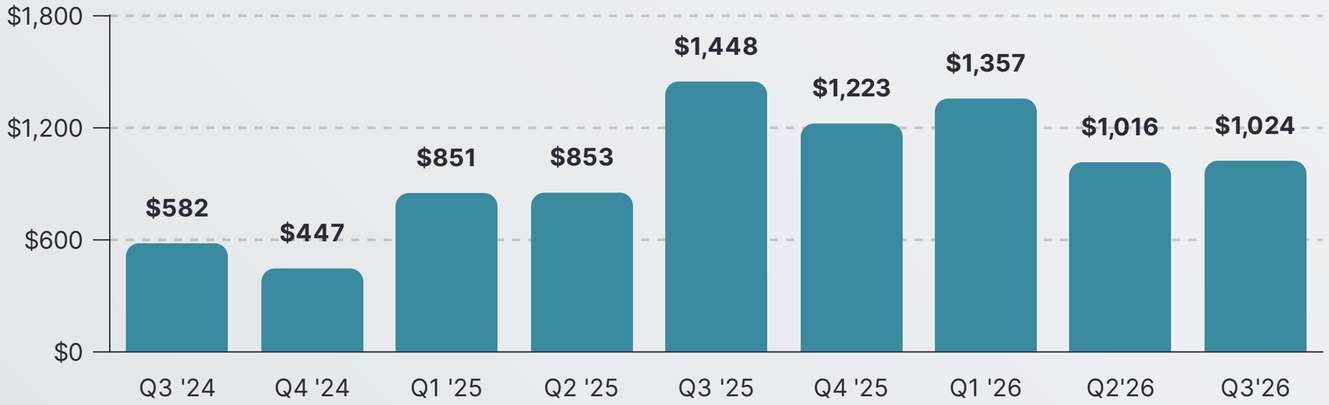
VC Secondary

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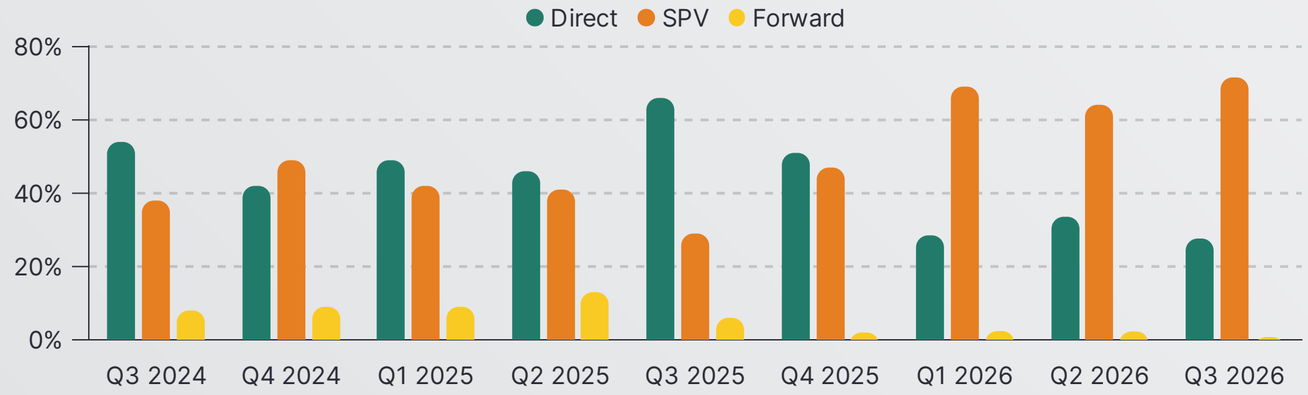
Even without SpaceX, volume held near record levels

Activity eased off Q3'25s peak but is running well ahead of last year & the market absorbed the SpaceX listing without losing depth

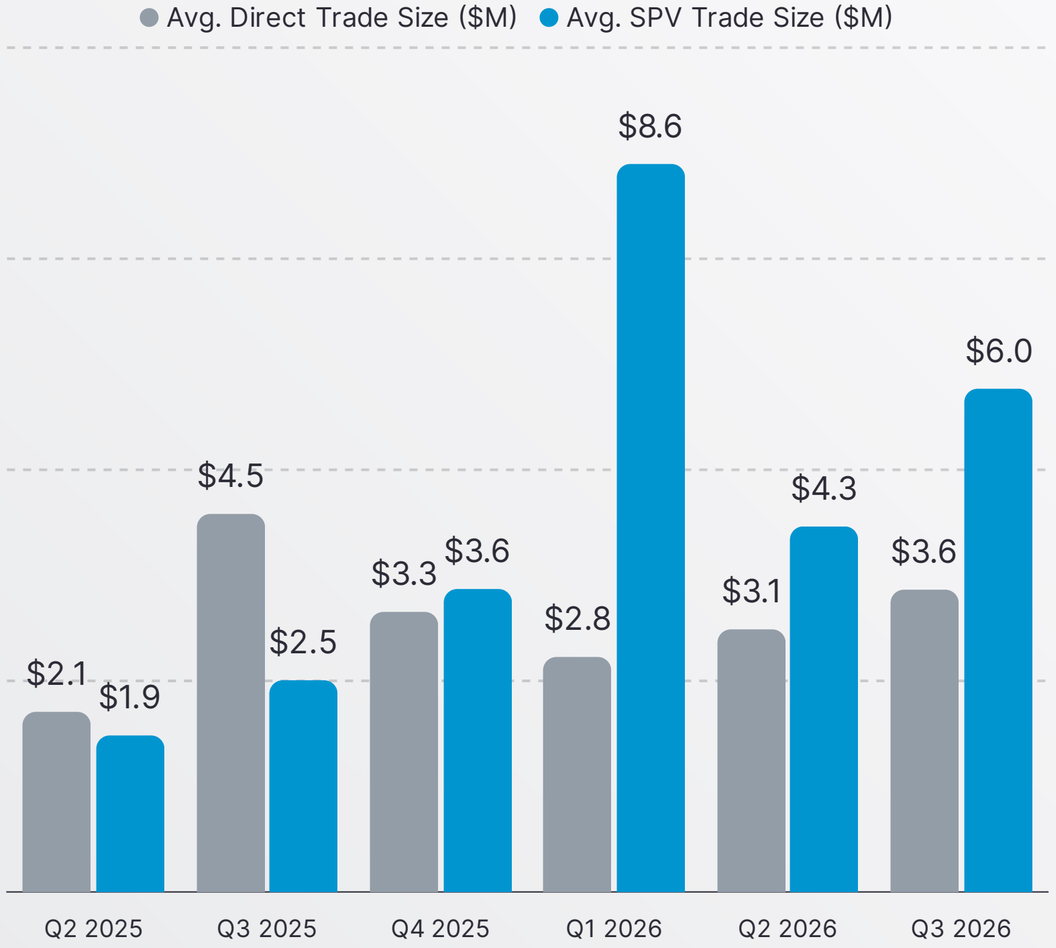
Closed transaction volume observed by Caplight ($M)



SPVs made up ~70% of secondary transactions by volume



Avg. SPV trade size remains larger than direct



Source: Caplight Data.

New names, similar themes

Q3's most traded and most bid names cluster in physical AI, defense and AI for science

Physical AI & defense | Compute & inference | AI for science

3Q'26 most traded

Physical AI, defense and compute made up ~70% most traded names in Q3 2026.

- PROMETHEUS
- Figure
- Physical Intelligence
- ANDURIL
- Lambda
- Fluidstack
- POSITRON
- perplexity
- Moonshot AI
- Higgsfield

3Q'26 most buy interest

Compute and AI for science made up 6 of the 10 names with the most buy interest.

- Applied Intuition
- Saronic
- Fireworks AI
- baseten
- Modal
- Isomorphic Labs
- Chai Discovery
- Discovery Loop
- BASE
- IMPULSE

Source: Caplight data from Jul 1 - Sep 30, 2026.

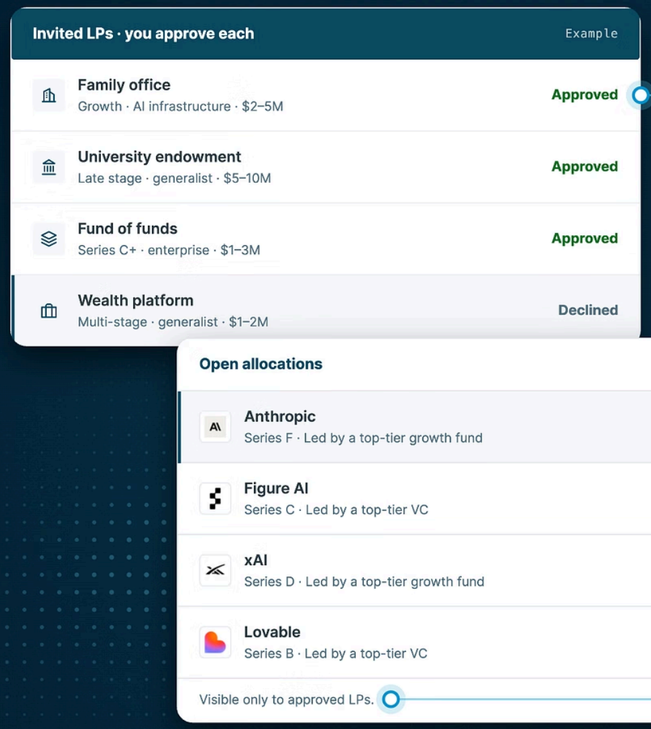
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01
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