PREQIN AND FIRST REPUBLIC UPDATE: US VENTURE CAPITAL IN Q1 2020

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Data Pack

The data behind all of the charts featured in this report is available to download for free. Ready-made charts are also included that can be used for presentations, marketing materials, and company reports.

Download the data pack

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Foreword

Following a robust 2019, US venture capital activity slowed considerably in Q1 2020. A total of 963 deals were completed in the US for an aggregate $27bn, a 19% decline from 1,191 deals in Q1 2019. Other key statistics from the quarter include:

- Exit activity increased compared with the prior year, with 147 venture capital-backed exits valued at an aggregate $26bn, in contrast to 142 exits at $14bn in Q1 2019.
- In the fundraising market, 83 US-based venture capital funds held a final close, down from 109 in Q1 2019. That said, those funds that closed raised $27bn, a substantial total representing over half of the capital raised in 2019 ($50bn). Mega funds drove this number as seven funds closed at over $1bn, compared to just six in all of 2019.
- At the other end of the market, funds that raised $50mn or less accounted for only 42% of all funds closed, the lowest quarterly level in 10 years. The trend is likely the result of many large managers coming back to market and closing in Q1, along with the delay many smaller managers are facing due to COVID-19.
- The fundraising pipeline has grown to record heights, with 1,085 funds seeking $99bn in commitments. Of those funds, 486 early-stage funds seeking $30bn in capital represent 45% of all funds on the road and 31% of targeted capital. Four of the 10 largest US-based funds in market focus on healthcare, reflecting investor interest in the sector which is even more pronounced due to COVID-19.
- Following 2019's record totals, micro venture capital fundraising momentum slowed significantly in Q1 2020. Micro venture capital funds (sized at $100mn or less) secured just $1.1bn in aggregate, with only 47 funds reaching a final close. The funds that did close, however, did so with success, spending an average of only 15 months on the road.

Mike Selfridge

Chief Banking Officer, First Republic Bank

First Republic Bank

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Deals & Exits

Deal flow slowed in Q1 2020 as COVID-19 introduced practical challenges for deal-makers

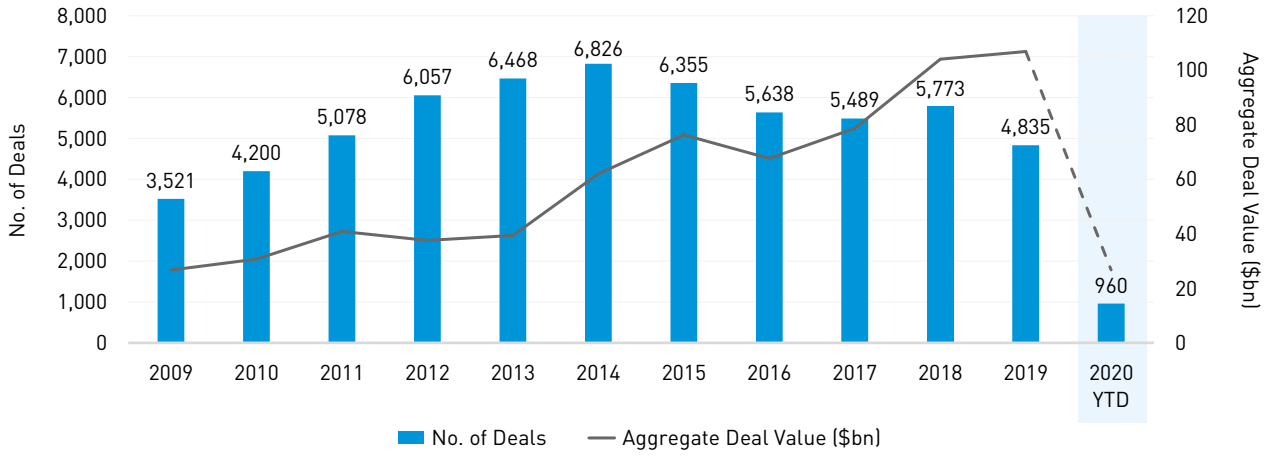
Following a strong 2019, venture capital activity in the US got off to a slow start in 2020. With social distancing and travel restrictions imposed across the US to contain the spread of COVID-19, many business meetings were canceled. A total of 963 deals were completed for venture capital companies in the US in Q1 2020, worth an aggregate $27bn (Fig. 1). This represents a decline of 19% from 1,191 deals completed in Q1 2019.

Despite the slowdown in activity, some large deals were still completed in Q1. The five largest transactions (Fig. 3) accounted for 23% ($6.1bn) of the aggregate value of venture capital deals in the quarter. These included the $2.25bn financing round held by Waymo LLC, a developer of self-driving car technology which began as the Google Self-Driving Car Project in 2009.

Early-stage investments (Series A and earlier) accounted for half of all venture capital deals completed in the US in Q1 2020 (Fig. 2). Series B and Seres D and later investments constituted the joint-largest share (21%) of aggregate deal value among financing rounds. Information technology was the most active industry for US-based venture capital investment in the quarter, representing 54% of all deals and 40% of total deal value (Fig. 4).

In Q1 2020, there were 147 venture capital-backed exits for US-based companies, valued at an aggregate $26bn (Fig. 5). This represents an increase in activity compared to Q1 2019, when 142 exits were completed for a total $14bn. In line with the historical trend, trade sales were the most common exit type in Q1 2020: they accounted for 78% of all venture capital-backed exits of US-based portfolio companies. Each of the five largest exits completed in Q1 2020 were also trade sales (Fig. 6), led by the $7.1bn trade sale of Credit Karma, Inc. to Intuit, Inc. and the $5.3bn trade sale of Plaid Inc. to Visa Inc.

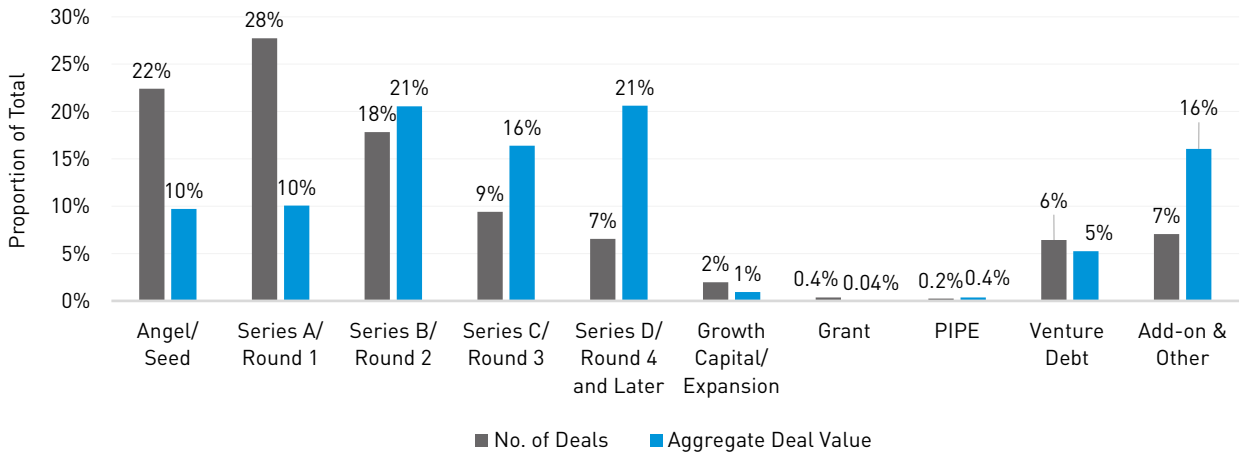
Fig. 1: Venture Capital Deals* for US-Based Companies, 2009 - 2020 YTD



Figures exclude add-ons, grants, mergers, venture debt, and secondary stock purchases.

Source: Preqin Pro. Data as of March 2020

Fig. 2: Venture Capital Deals for US-Based Companies in Q1 2020 by Stage



Source: Preqin Pro

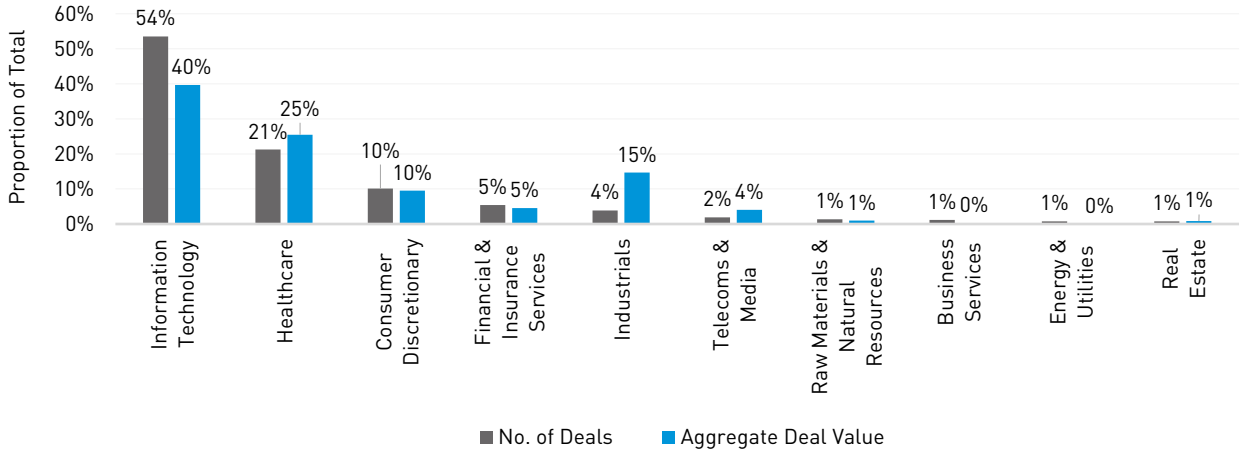
Fig. 3: Largest Venture Capital Deals* in the US in Q1 2020

Portfolio Company	Stage	Deal Date	Deal Size ($mn)	Total Known Funding ($mn)	Investor(s)	Primary Industry
Waymo LLC	Seed	Mar-20	2,250	2,250	**Silver Lake**, CPP Investment Board, Mubadala Investment Company, Magna International, **Andreessen Horowitz, AutoNation, Inc., Alphabet**	Industrials
Joby Aero, Inc.	Series C/ Round 3	Jan-20	590	720	SPARX Group, **Intel Capital, Capricorn Management, JetBlue Technology Ventures, Toyota AI Ventures, AME Cloud Ventures,** Baillie Gifford, **Global Oryx Company Limited,** Toyota Motor **Corporation**	Industrials
Impossible Foods Inc.	Series F/ Round 6	Mar-20	500	1,223	Mirae Asset Global Investments, Khosla Ventures, Horizons Ventures, Temasek Holdings	Consumer Discretionary
Snowflake Inc.	Series G/ Round 7	Feb-20	479	1,369	**Altimeter Capital, Iconiq Capital, Madrona Venture Group, Redpoint Ventures, Sequoia Capital, Sutter Hill Ventures, Dragoneer Investment Group, Salesforce Ventures**	Information Technology
Pony.ai, Inc.	Series C/ Round 3	Feb-20	462	726	Toyota Motor Corporation	Industrials
Via Transportation, Inc.	Series E/ Round 5	Mar-20	400	757	Shell New Energies, Macquarie Group, Mori Building Company, Pitango Venture Capital, 83 North, **Hearst Ventures**, Ervington Investments, Planven Investments, **Broadscale Group LLC**, RiverPark Advisors, Exor Seeds	Consumer Discretionary
Toast, Inc.	Series F/ Round 6	Feb-20	400	896	**Tiger Global Management, Greenoaks Capital, TPG, Bessemer Venture Partners, Technology Crossover Ventures, Durable Capital Partners, G Squared, Light Street Capital Management, T Rowe Price, Alta Park Capital**	Information Technology
Quibi Holdings, LLC	Unspecified Round	Mar-20	350	1,780	Unspecified Investor(s)	Telecoms & Media
Netskope, Inc.	Series G/ Round 7	Feb-20	340	740	CPP Investment Board, Public Sector Pension Investment Board, **Lightspeed Venture Partners, Geodesic Capital, Iconiq Capital, Sapphire Ventures, Social Capital, Accel,** Base Partners, **Sequoia Capital**	Information Technology
Bakkt Holdings, LLC	Series B/ Round 2	Mar-20	300	483	PayU, **Boston Consulting Group, Goldfinch Partners Pty Ltd, CMT Digital, Pantera Capital, Intercontinental Exchange, Inc., M12,** SGH Capital, **CityBlock Capital**	Financial & Insurance Services

Source: Preqin Pro

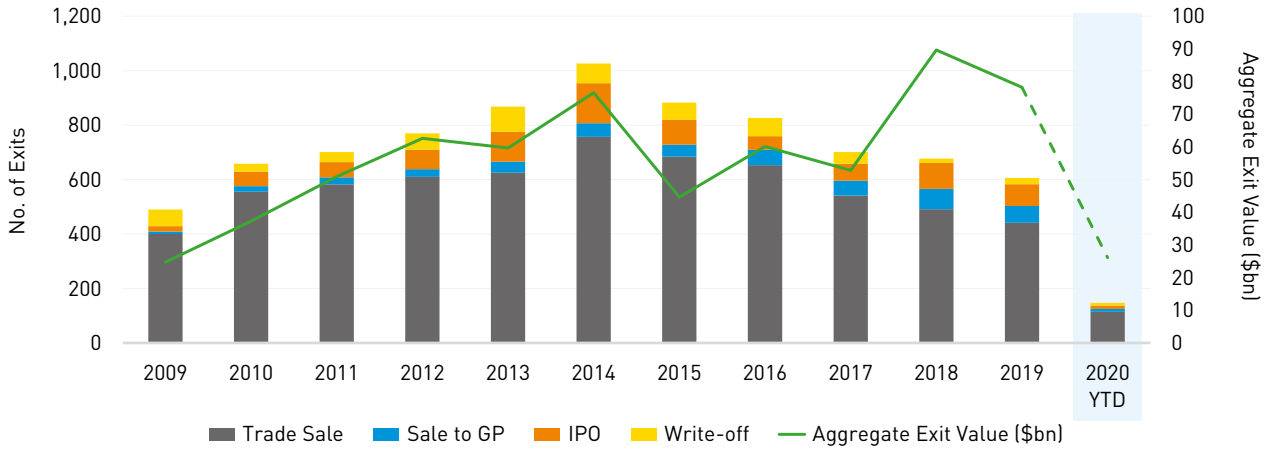
***Bold** denotes US-based investor.*
**Figures exclude add-ons, grants, mergers, venture debt, and secondary stock purchases.*

Fig. 4: Venture Capital Deals* for US-Based Companies in Q1 2020 by Industry



Source: Preqin Pro

Fig. 5: Venture Capital-Backed Exits of US-Based Companies by Type, 2009 - 2020 YTD



Source: Preqin Pro. Data as of March 2020

Fig. 6: Largest Venture Capital-Backed Exits of US-Based Companies in Q1 2020

Portfolio Company	Initial Investment Date	Total Known Funding ($mn)	Exit Type	Exit Date	Acquiror (Exit)	Exit Value ($mn)	Primary Industry
Credit Karma, Inc.	Oct-08	368	Trade Sale	24-Feb	Intuit, Inc.	7,100	Business Services
Plaid Inc.	Sep-13	309	Trade Sale	13-Jan	Visa Inc.	5,300	Software & Related
Forty Seven, Inc.	Feb-16	161	Trade Sale	2-Mar	Gilead Sciences, Inc.	4,900	Healthcare
Vlocity, Inc.	Apr-15	153	Trade Sale	25-Feb	Salesforce.com, Inc.	1,330	Software & Related
Dermira, Inc.	Dec-10	130	Trade Sale	10-Jan	Eli Lilly and Company	1,100	Healthcare

Source: Preqin Pro

**Figures exclude add-ons, grants, mergers, venture debt, and secondary stock purchases.*

Fundraising

Capital flocked to mega funds in Q1 2020 despite the challenges posed by COVID-19

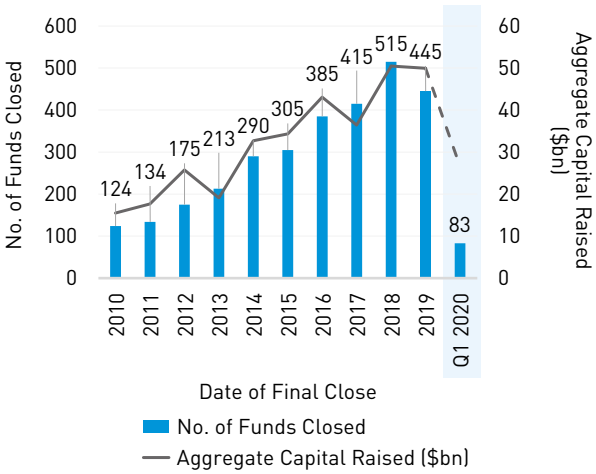
With the COVID-19 pandemic roiling economies across the globe, raising capital in Q1 2020 was a challenge for some venture capital firms. Just 83 US-based venture capital funds held a final close (Fig. 7), down from 109 in Q1 2019. The small number of fund closures reflects the difficulties many market participants faced in keeping business operations steady amid social distancing measures. That said, those funds that did close raised a substantial amount of capital, at $27bn, which is over half of the total capital raised in 2019 ($50bn).

Mega funds drove the success of US-based venture capital fundraising in Q1 2020. Seven mega funds (vehicles sized at $1bn or more) closed in the quarter, compared to six mega funds in the whole of 2019. These were led by Tiger Global Private Investment Partners XII ($3.75bn) and New Enterprise Associates 17 ($3.6bn, Fig. 8). Mega funds represented 9% of the total number of funds closed in Q1, which is the largest quarterly proportion in the past 10 years (Fig. 9). The trend of capital consolidation in the fundraising market continues.

The seven mega funds that closed in Q1 invest across a range of sectors, including information technology and healthcare. B Capital Group raised $750mn for B Capital Fund II, almost twice the size of its predecessor fund B Capital Fund ($360mn), and $150mn over its target size. The firm is led by Facebook co-founder Eduardo Saverin and Raj Ganguly, who have worked at Bain Capital and served on the board at a variety of tech companies. The fund invests in a range of industries, from AI-powered health systems to smaller businesses in the fintech space.

Another example of a large venture capital fund entering the market is Spark Capital Growth III, which was launched in early 2019. The fund held a final close

Fig. 7: US-Based Venture Capital Fundraising, 2010 - Q1 2020



Source: Preqin Pro

in January of this year, raising a total of $900mn. It is one of the two funds launched by Spark Capital that held closes in Q1, and one of the largest funds the firm has ever closed.

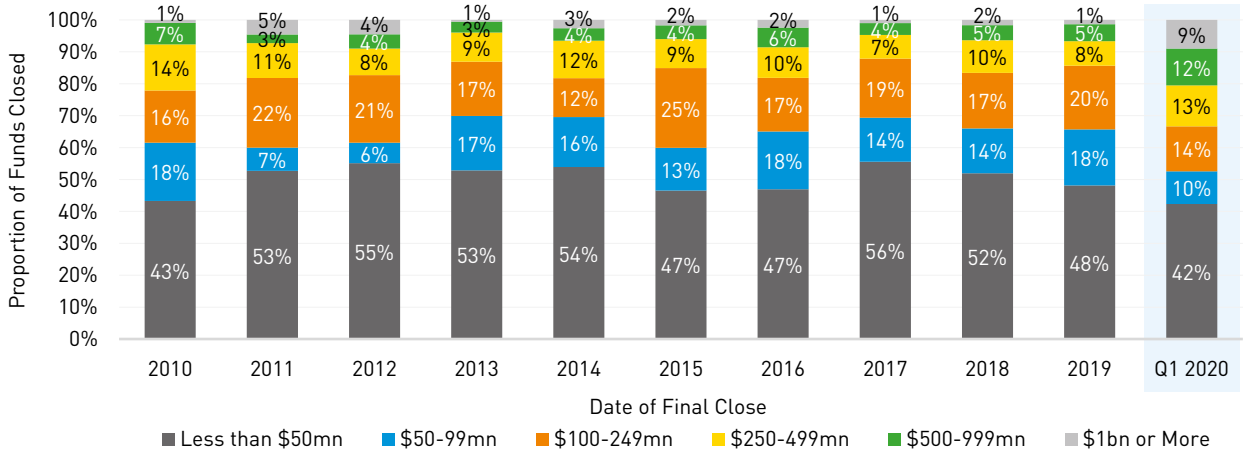
At the other end of the market, funds raising $50mn or less accounted for 42% of the number of funds closed in Q1 2020. This is one of the lowest quarterly levels observed in the past 10 years. The overall trend shows venture capital funds are getting larger, as investor demand for venture capital – and in particular the larger, more established managers – persists.

Fig. 8: Largest US-Based Venture Capital Funds Closed in Q1 2020

Fund	Firm	Fund Size ($mn)	Fund Type	Geographic Focus
Tiger Global Private Investment Partners XII	Tiger Global Management	3,750	Venture Capital (General)	China, India, US
New Enterprise Associates 17	New Enterprise Associates	3,600	Early Stage	US
Healthcare Royalty Partners IV	Healthcare Royalty Partners	1,830	Venture Capital (General)	Europe, Asia, US
Founders Fund Growth	Founders Fund	1,500	Expansion/Late Stage	US
Battery Ventures XIII	Battery Ventures	1,200	Venture Capital (General)	North America, Asia
Founders Fund VII	Founders Fund	1,200	Early Stage	US
General Catalyst Group X	General Catalyst Partners	1,000	Venture Capital (General)	US
Spark Capital Growth Fund III	Spark Capital	900	Expansion/Late Stage	US
Andreessen Horowitz Bio Fund III	Andreessen Horowitz	750	Early Stage	US
B Capital Fund II	B Capital Group	750	Venture Capital (General)	North America, Asia

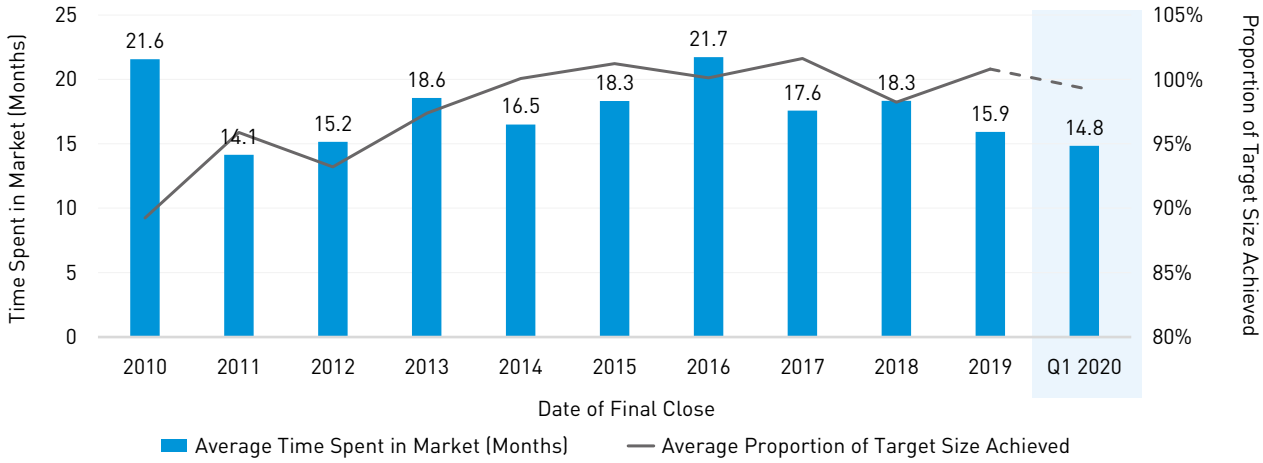
Source: Preqin Pro

Fig. 9: US-Based Venture Capital Funds Closed by Fund Size, 2010 - Q1 2020



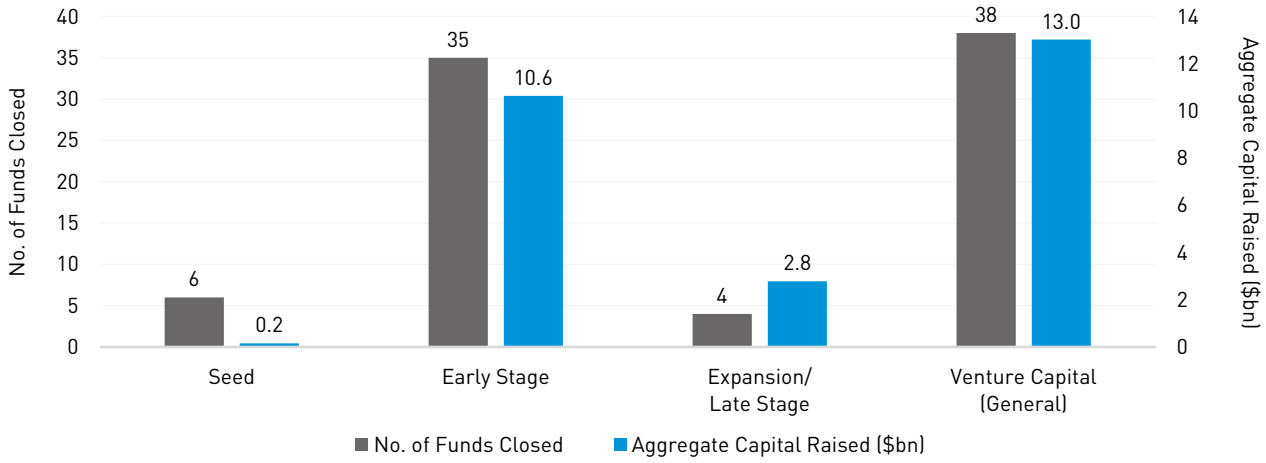
Source: Preqin Pro

Fig. 10: US-Based Venture Capital Fundraising Success, 2010 - Q1 2020



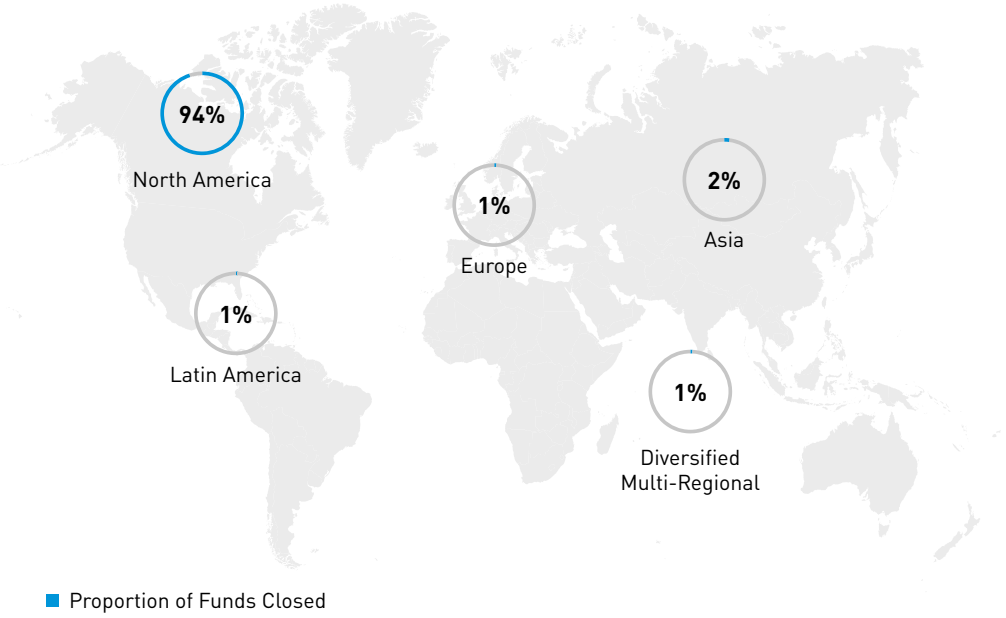
Source: Preqin Pro

Fig. 11: US-Based Venture Capital Fundraising in Q1 2020 by Strategy



Source: Preqin Pro

Fig. 12: US-Based Venture Capital Funds Closed in Q1 2020 by Primary Geographic Focus



Source: Preqin Pro

Funds in Market

With COVID-19 disrupting business operations, the fundraising pipeline grows to record heights

The number of US-based venture capital funds in market has surpassed 1,000 for the first time. At the beginning of April, 1,085 funds are seeking $99bn in investor commitments – both are record totals. Given that the number of vehicles reaching a final close in Q1 2020 was down on the previous quarter (see page 7), this is likely a result of the COVID-19 pandemic. With social distancing and travel restrictions disrupting business operations, conducting a successful fundraise in Q1 2020 was considerably challenging.

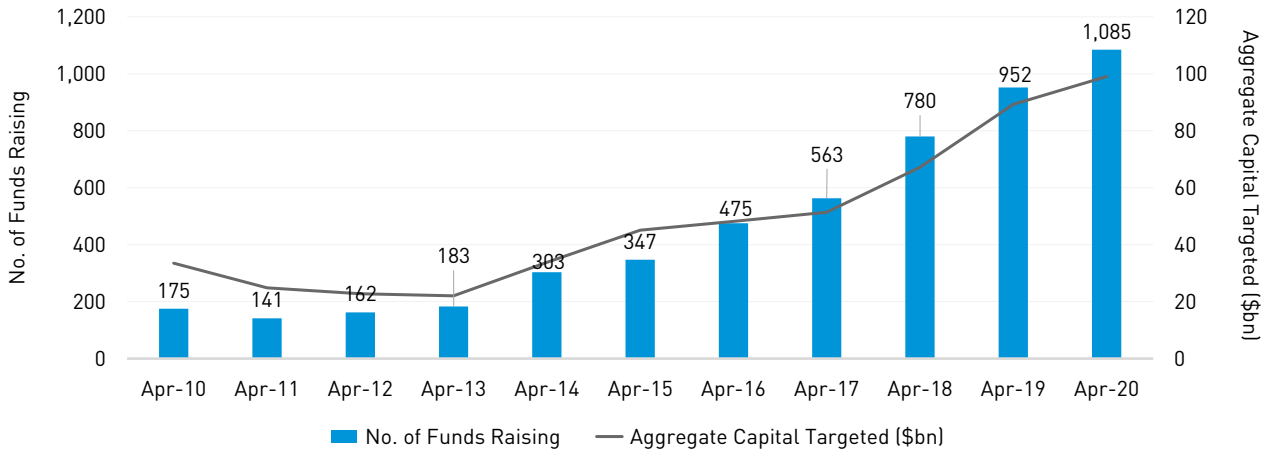
Early-stage funds represent the greatest share of funds in market as of April 2020. The 486 early-stage funds seeking capital represent 45% of all funds on the road, and the aggregate $30bn sought by these vehicles accounts for 31% of all targeted capital (Fig. 14). General venture capital funds are responsible for the bulk (51%) of targeted capital.

Information technology and healthcare remain active sectors for venture capital investment. Thirty-six percent of funds on the road are technology focused, seeking an aggregate $32bn, while 12% are looking to raise $20bn to invest in the healthcare industry.

Even before COVID-19 was declared a pandemic, firms were making large investments in US healthcare venture capital. Of the 10 largest US-based venture capital funds in market (Fig. 16), four focus on healthcare. Each of these vehicles is targeting a fundraise of at least $1bn. The largest is Blackstone Life Science's Blackstone Life Sciences V, a new entrant to the list having launched in Q1 2020. The fund is seeking $4.6bn to invest in biotechnology and pharmaceutical companies, as well as companies producing medical devices & equipment and operating in the general healthcare sector.

The pandemic is also drawing attention to technological capabilities, and there are several information-technology-focused mega funds in market. Another new entrant to the top 10 is Bedford Fund, an

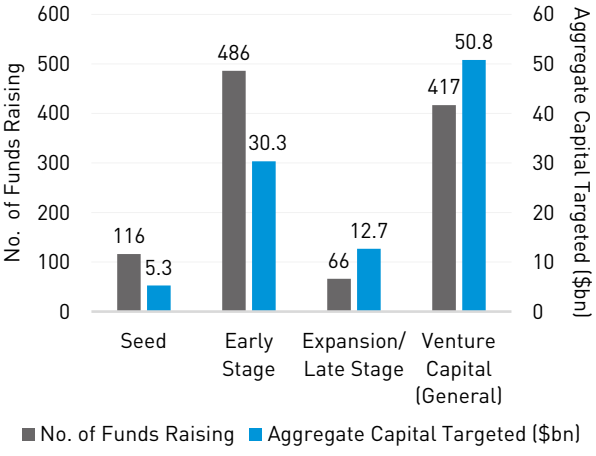
Fig. 13: US-Based Venture Capital Funds in Market, 2010 - 2020



Source: Preqin Pro

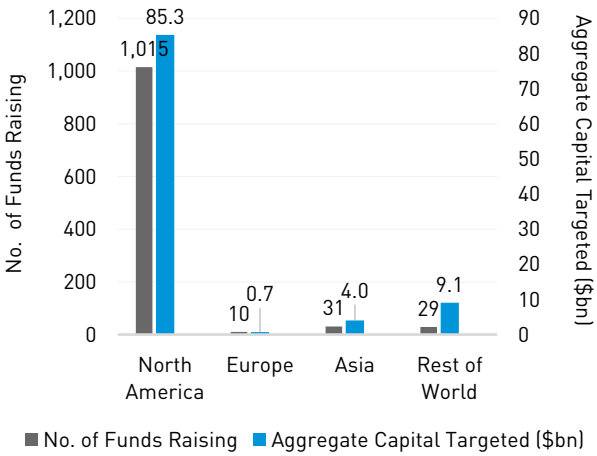
opportunity zone fund run by Bedford Funds, a first-time fund manager based in Pennsylvania. As with 94% of US-based funds currently in market, Bedford Fund invests across the US. The fund is targeting $2bn and focuses primarily on Pittsburgh and the Tri-state area, investing in companies operating in areas of power generation, micro-grid, smart city, smart building, energy technology, AI, cybersecurity, and workforce development. Two other mega funds in market are focused on the information technology sector: Khosla Ventures VI and Y Combinator Continuity Affiliates Fund I, both of which are seeking $1bn.

Fig. 14: US-Based Venture Capital Funds in Market by Strategy



Source: Preqin Pro. Data as of April 2020

Fig. 15: US-Based Venture Capital Funds in Market by Primary Geographic Focus



Source: Preqin Pro. Data as of April 2020

Fig. 16: Largest US-Based Venture Capital Funds in Market

Fund	Firm	Target Size ($mn)	Fund Type	Geographic Focus
SoftBank Innovation Fund	Softbank Latin America Ventures	5,000	Venture Capital (General)	Argentina, Brazil, Central America, Chile, Colombia, Mexico, South America
Blackstone Life Sciences V	Blackstone Life Sciences	4,580	Venture Capital (General)	US
The Rise Fund II	TPG	2,500	Venture Capital (General)	Emerging Markets, North Africa, South Asia
Bedford Fund	Bedford Funds	2,000	Venture Capital (General)	US
NovaQuest Pharma Opportunities Fund V	NovaQuest Capital Management	1,500	Expansion/Late Stage	Europe, US
Deerfield Healthcare Innovations Fund II	Deerfield Management	1,000	Venture Capital (General)	US
Khosla Ventures VI	Khosla Ventures	1,000	Venture Capital (General)	US
OrbiMed Private Investments VII	OrbiMed Advisors	1,000	Venture Capital (General)	Europe, North America, US, West Europe
Y Combinator Continuity Affiliates Fund I	Y Combinator	1,000	Venture Capital (General)	US
DCM IX	DCM	750	Venture Capital (General)	China, Japan, US

Source: Preqin Pro. Data as of April 2020

Micro Venture Capital

Micro venture capital fundraising slows in tandem with the overall market, but funds closed in Q1 did so faster than recent vintages

Following a record fundraising year for US-based micro venture capital funds in 2019, momentum slowed significantly in Q1 2020. Micro venture capital funds (sized at $100mn or less) secured just $1.1bn in the first quarter of 2020 (Fig. 17). And with only 47 funds reaching a final close, the micro venture capital market is on track to record its lowest fundraising year since 2012.

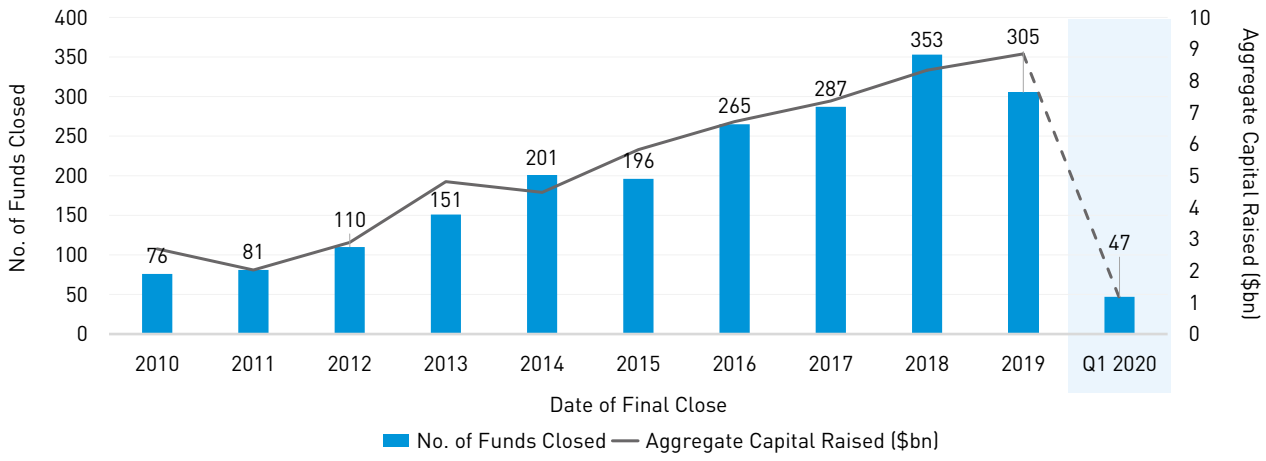
The micro venture capital funds that did close in Q1 2020, however, did so with success. On average, funds closed in Q1 had spent 15.3 months on the road, which reflects a significantly faster pace than recent vintages (Fig. 18). And while the pace picked up, funds were still able to secure an average of 99% of their target size.

Since 2015, early-stage micro venture capital funds have achieved a greater average proportion of targeted close size than general micro venture capital funds. But in Q1 2020 general micro venture capital funds raised an average of 105% of targeted capital, which compares with 93% for early-stage micro venture capital funds. General venture capital funds raised the largest amount of capital at $611mn, through 21 vehicles. Nearly the same number (20) of early-stage funds closed, but for a lower total of $360mn. There are more early-stage micro vehicles in market, though, and they are targeting more capital than general micro funds (Fig. 20).

The majority of the top performing US-based micro venture capital funds employ an early-stage strategy. The best performing fund over the 2010-2017 vintages, CRCM Opportunity Fund, is an early-stage vehicle focused on Asia; the fund has an IRR of 129.0% as of 31 December 2018 (Fig. 22). CRCM Opportunity Fund invests across a range of industries and has distributed over $1bn to investors.

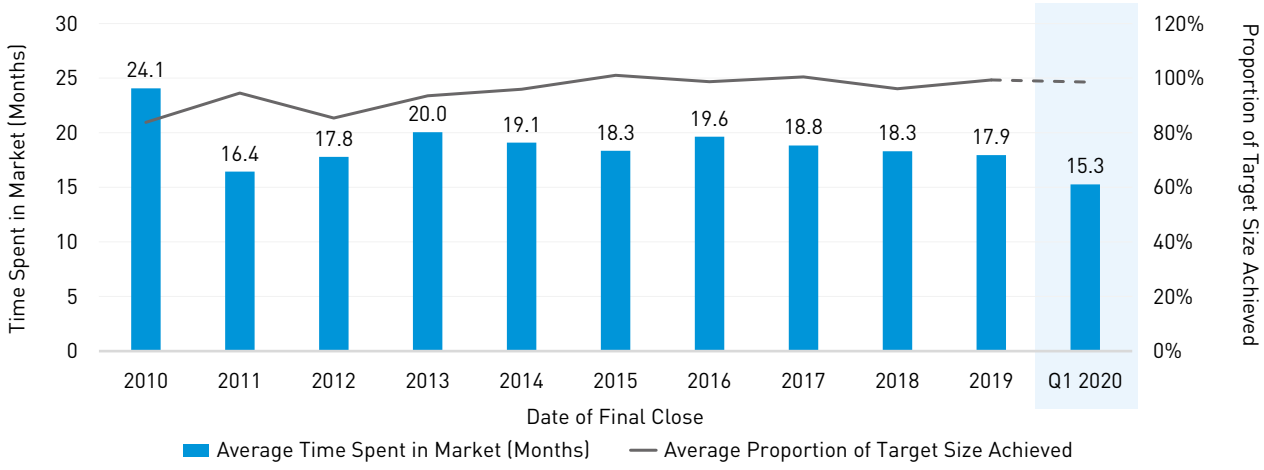
The most common investor type in US-based micro venture capital funds are foundations. With nine known commitments, Grantham Foundation has been the most active such investor in funds of vintages 2010-2020 (Fig. 19). Richard King Mellon Foundation and Augustana College (South Dakota) are new entries to the list of most active investors in US-based micro venture capital this quarter, with eight and seven known commitments to vintage 2010-2020 funds, respectively.

Fig. 17: US-Based Micro Venture Capital Fundraising, 2010 - Q1 2020



Source: Preqin Pro

Fig. 18: US-Based Micro Venture Capital Fundraising Success, 2010 - Q1 2020



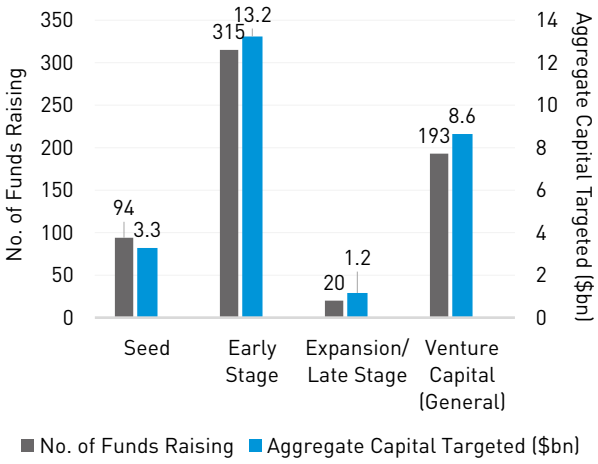
Source: Preqin Pro

Fig. 19: Most Active Investors in US-Based Micro Venture Capital Funds by Number of Known Fund Commitments (Vintages 2010-2020)

Investor	Type	No. of Known Commitments	Active VC Mandate?
Retirement Plans of Duke University	Private Sector Pension Fund	20	No
New York State Common Retirement Fund	Public Pension Fund	12	No
Grantham Foundation	Foundation	9	Yes
Industry Ventures	Secondary Fund of Funds Manager	9	Yes
Cendana Capital	Private Equity Fund of Funds Manager	8	Yes
Naver	Corporate Investor	8	Yes
Richard King Mellon Foundation	Foundation	8	No
Kapor Center for Social Impact	Foundation	7	No
Sobrato Family Holdings	Single-Family Office	7	No
Augustana College (South Dakota)	Endowment Plan	6	No
International Finance Corporation	Government Agency	6	No
Korea Venture Investment Corporation	Government Agency	6	Yes
Prudential Financial	Insurance Company	6	No
Robert Wood Johnson Foundation	Foundation	6	No
University of Texas Investment Management Company	Endowment Plan	6	No
International Finance Corporation	Government Agency	6	No
Commonwealth Financing Authority of Pennsylvania	Government Agency	6	No
Korea Venture Investment Corporation	Government Agency	6	Yes

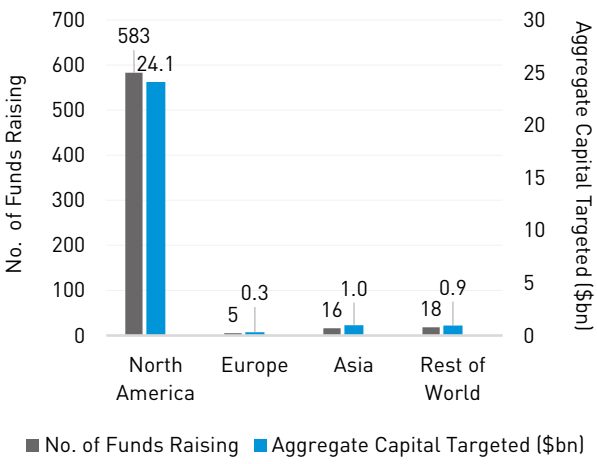
Source: Preqin Pro

Fig. 20: US-Based Micro Venture Capital Funds in Market by Strategy



Source: Preqin Pro. Data as of April 2020

Fig. 21: US-Based Micro Venture Capital Funds in Market by Primary Geographic Focus



Source: Preqin Pro. Data as of April 2020

Fig. 22: Top Performing US-Based Micro Venture Capital Funds (Vintages 2010-2017)

Fund	Firm	Vintage	Fund Size ($mn)	Fund Type	Geographic Focus	Net IRR (%)	Date Reported
CRCM Opportunity Fund	CRCM Ventures	2013	38	Early Stage: Start-up	Diversified Multi-Regional	129.0	31-Dec-18
Foresite Capital Fund I	Foresite Capital	2012	100	Expansion/Late Stage	North America	67.5	30-Jun-19
Tusk Venture Partners I	Tusk Ventures	2016	36	Early Stage: Start-up	North America	64.6	30-Sep-19
IA Venture Strategies Fund I	IA Ventures	2010	50	Early Stage	North America	52.9	30-Sep-19
Cervin Ventures II Opportunities Fund	Cervin Ventures	2016	14	Early Stage	North America	51.9	30-Sep-19
TheVentureCity Fund I	TheVentureCity	2017	50	Early Stage	Diversified Multi-Regional	51.9	31-Dec-19
Social Leverage Capital Fund II	Social Leverage Capital	2015	20	Venture Capital (General)	North America	48.4	31-Dec-18
Cottonwood Technology Fund I	Cottonwood Technology Fund	2010	20	Early Stage: Start-up	North America	46.0	31-Dec-19
Brightstone Venture Capital Fund	Brightstone Venture Capital	2013	20	Venture Capital (General)	North America	45.0	30-Sep-18
Forerunner Builders I	Forerunner Ventures	2017	59	Early Stage	North America	43.6	30-Sep-19

Source: Preqin Pro

Performance

Performance remains robust but capital distributions appear to be slowing

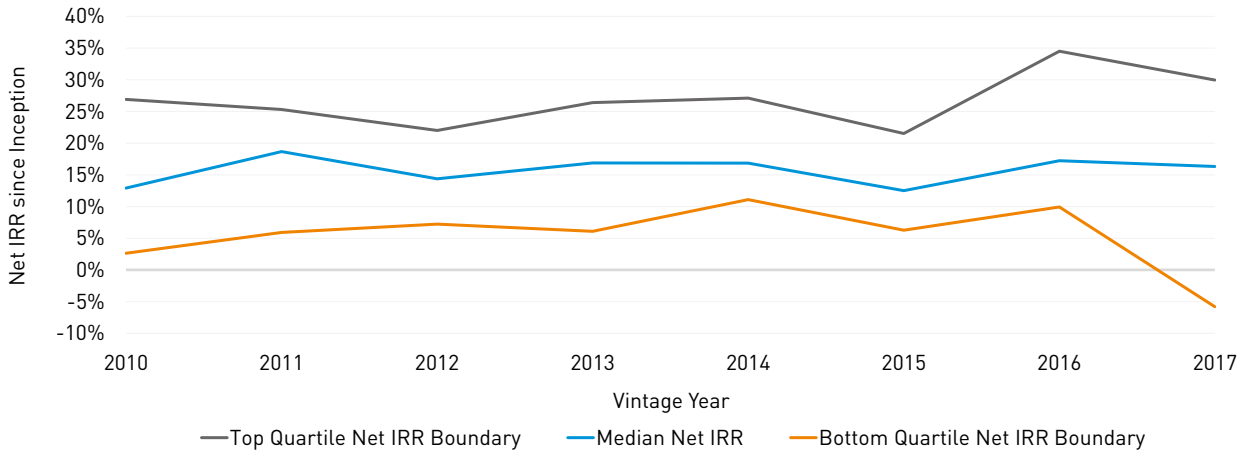
US-based venture capital funds have posted strong performance over the past decade. As shown in Fig. 23, US-based venture capital funds of vintage 2010 have consistently delivered median net IRRs above 12%. All vintages up to and inclusive of 2016 record positive IRRs for even the lower quartile boundary. And while lower-quartile vintage 2017 funds are currently posting negative returns, it is anticipated that these will improve with time as these funds' investments mature in the coming years.

Throughout H1 2019, US-based venture capital managers called up an estimated $35bn of investor capital, meaning activity in 2019 is on course to reach record annual figures for the sixth consecutive year (Fig. 24). On the other hand, distributions appear to be slowing. With $22bn in capital distributions recorded over H1 2019, the annual level may fall short of the record $46bn distributed in 2018.

The negative net cash flow to investors in H1 2019 follows two consecutive years of similar activity. The slower distributions may indicate that fund managers are waiting for more favorable market conditions before exiting existing investments.

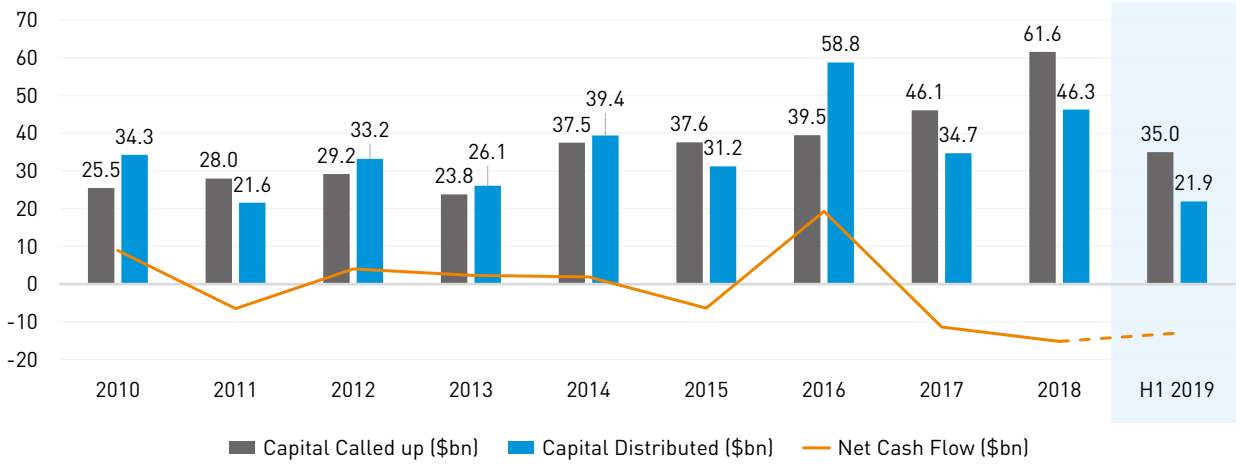
The majority of top performing vintage 2010-2017 venture capital funds in the US target investment in North America. Fig. 25 also features two Asia-focused funds managed by California-based DCM, while the top performing fund in the period analyzed – CRCM Opportunity Fund – employs a diverse geographic approach. Foresite Capital Fund I is the only fund in the top performer table to focus on expansion/late-stage investments. The fund targets healthcare investments, specifically in opportunities arising from the reform of healthcare drug and healthcare service sectors in the US.

Fig. 23: US-Based Venture Capital Funds: Median Net IRRs and Quartile Boundaries by Vintage Year



Source: Preqin Pro. Most Up-to-Date Data

Fig. 24: US-Based Venture Capital Funds: Annual Amount Called up, Distributed, and Net Cash Flow, 2010 - H1 2019



Source: Preqin Pro

Fig. 25: Top Performing US-Based Venture Capital Funds (Vintages 2010-2017)

Fund	Firm	Vintage	Fund Size ($mn)	Fund Type	Geographic Focus	Net IRR (%)	Date Reported
CRCM Opportunity Fund	ChinaRock Capital Management	2013	38	Early Stage: Start-up	Diversified Multi-Regional	129.0	31-Dec-18
Alta Partners NextGen Fund I	Alta Partners	2017	130	Venture Capital (General)	North America	79.7	30-Sep-19
Foresite Capital Fund I	Foresite Capital	2012	100	Expansion/Late Stage	North America	67.5	30-Jun-19
DCM Hybrid RMB Fund	DCM	2011	150	Venture Capital (General)	Asia	65.4	30-Jun-18
Tusk Venture Partners I	Tusk Ventures	2016	36	Early Stage: Start-up	North America	64.6	30-Sep-19
DCM Ventures China Fund (DCM VII)	DCM	2014	330	Venture Capital (General)	Asia	62.6	30-Jun-18
Forerunner Partners III	Forerunner Ventures	2017	122	Early Stage	North America	54.6	30-Sep-19
IA Venture Strategies Fund I	IA Ventures	2010	50	Early Stage	North America	52.9	30-Sep-19
Cervin Ventures II Opportunities Fund	Cervin Ventures	2016	14	Early Stage	North America	51.9	30-Sep-19
Flagship Ventures Fund IV	Flagship Pioneering	2010	269	Venture Capital (General)	North America	51.9	31-Dec-18

Source: Preqin Pro

Fund Managers

The 10 largest US-based venture capital firms welcomed a new entrant in Q1

Tiger Global Management holds on to its position as market-leader in US-based venture capital. The closure of tech-focused Tiger Global Private Investment Partners XII in January means the New York-based firm has raised in excess of $16bn in venture capital over the past 10 years (Fig. 26). New Enterprise Associates has risen to second place following the closure of mega fund New Enterprise Associates 17 in March, which brought the firm's total capital raised in the past 10 years to $13bn.

All of the 10 largest fund managers are headquartered in either New York or California, except one. General Catalyst Partners has joined the league table since our previous study, having raised $2.3bn across three funds in Q1. A 20-year-old venture capital firm located in Cambridge, Massachusetts, General Catalyst Partners invests opportunistically across a broad range of tech-focused systems. With the COVID-19 pandemic highlighting the importance of technology, the firm is focusing on developing technologies in fields such as remote education and working, it told Forbes[1], and brought GC Venture VI ($600mn), General Catalyst Endurance Fund ($700mn), and the latest in its flagship series, General Catalyst Group X ($1bn), to a final close in Q1.

Altogether, US-based managers raised more than $26bn in venture capital in the first quarter of the year (Fig. 28). Stage-agnostic funds once again represented more than half of total capital raised, while seed-stage investments accounted for less than 1%.

The 10 largest US-based women-owned venture capital fund managers remain almost unchanged compared with Q4 2019 (Fig. 29).

In terms of dry powder, Tiger Global Management currently holds the largest amount ($6.5bn) of all US-based venture capital firms as of April 2020 (Fig. 27). The firm's total has increased significantly from $3.4bn in January following its recent fundraise.

Fig. 26: Largest US-Based Venture Capital Fund Managers by Aggregate Capital Raised in the Past 10 Years

Firm	Headquarters	Total Funds Raised in Past 10 Years ($bn)
Tiger Global Management	New York, NY	16.7
New Enterprise Associates	Menlo Park, CA	12.7
Sequoia Capital	Menlo Park, CA	12.5
Andreessen Horowitz	Menlo Park, CA	9.9
Lightspeed Venture Partners	Menlo Park, CA	7.0
Kleiner Perkins Caufield & Byers	Menlo Park, CA	6.8
Accel	Palo Alto, CA	6.1
Founders Fund	San Francisco, CA	5.9
General Catalyst Partners	Cambridge, MA	5.8
Technology Crossover Ventures	Menlo Park, CA	5.5
GGV Capital	Menlo Park, CA	4.7
Institutional Venture Partners	Menlo Park, CA	4.7

Source: Preqin Pro. Data as of April 2020

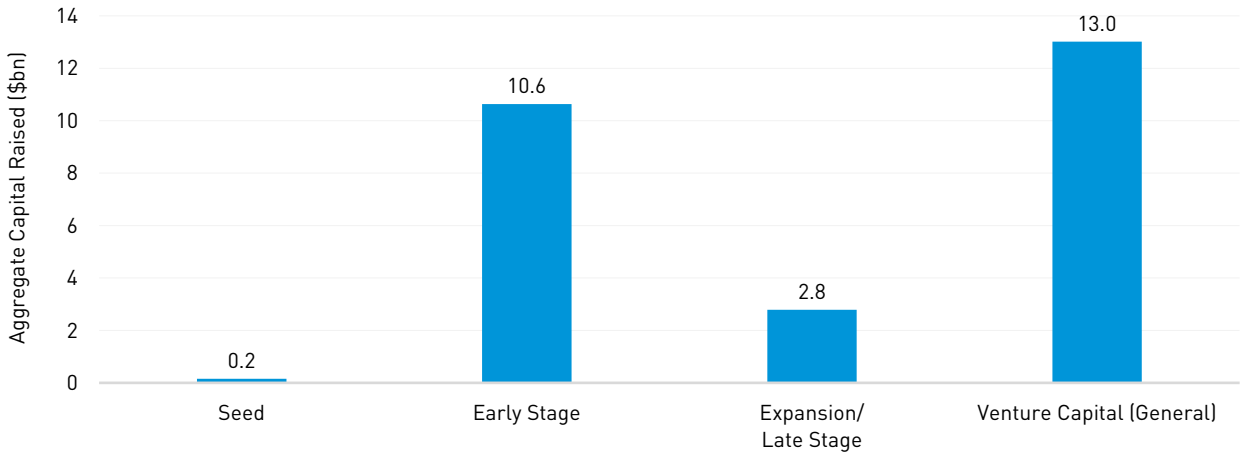
[1] *Forbes, 2020, https://www.forbes.com/sites/stevenbertoni/2020/03/30/venture-capital-firm-general-catalyst-raises-23-billion-amid-coronavirus-crisis/#3553e9506ed4*

Fig. 27: Largest US-Based Venture Capital Fund Managers by Estimated Dry Powder

Firm	Headquarters	Estimated Dry Powder ($bn)
Tiger Global Management	New York, NY	6.5
New Enterprise Associates	Menlo Park, CA	5.1
Andreessen Horowitz	Menlo Park, CA	3.9
Sequoia Capital	Menlo Park, CA	3.8
Blackstone Life Sciences	Cambridge, MA	3.6
Founders Fund	San Francisco, CA	3.1
Norwest Venture Partners	Palo Alto, CA	2.9
General Catalyst Partners	Cambridge, MA	2.6
Technology Crossover Ventures	Menlo Park, CA	2.2
Flagship Pioneering	Cambridge, MA	2.1

Source: Preqin Pro. Data as of April 2020

Fig. 28: Aggregate Capital Raised by US-Based Venture Capital Fund Managers in Q1 2020 by Strategy



Source: Preqin Pro

Fig. 29: Largest US-Based Women-Owned Venture Capital Fund Managers by Aggregate Capital Raised in the Past 10 Years

Firm	Headquarters	Total Funds Raised in Past 10 Years ($mn)
Oak HC/FT Partners	Greenwich, CT	1,900
Scale Venture Partners	Foster City, CA	1,290
Greycroft Partners	New York, NY	799
Forerunner Ventures	San Francisco, CA	725
.406 Ventures	Boston, MA	686
Arboretum Ventures	Ann Arbor, MI	610
DBL Partners	San Francisco, CA	551
Biomatics Capital Partners	Seattle, WA	500
Canvas Ventures	Portola Valley, CA	475
Defy.vc	Woodside, CA	413

Source: Preqin Pro

Investors

US venture capital attracts a range of investors, and almost a quarter are located outside of North America

The five most active investors in US venture capital are pension funds. San Francisco Employees' Retirement System and Retirement Plans of Duke University sit atop the table, each with 69 known commitments to vintage 2010-2019 US-based venture capital funds (Fig. 30). Of the investors in Fig. 30, Texas County & District Retirement System is the only institution with an active mandate. The pension fund is planning to commit $1.8bn across private equity & venture capital funds in the next 12 months.

US-based venture capital funds attract capital from a range of investors globally. Foundations account for the largest proportion (20%) of investors active in US-based venture capital funds, followed by private sector (13%) and public (12%) pension funds (Fig. 32). North America-based institutions represent 76% of all investors active in US-based venture capital funds (Fig. 31). That said, with 24% of investors based outside of North America, the demand for US venture capital vehicles extends across the globe.

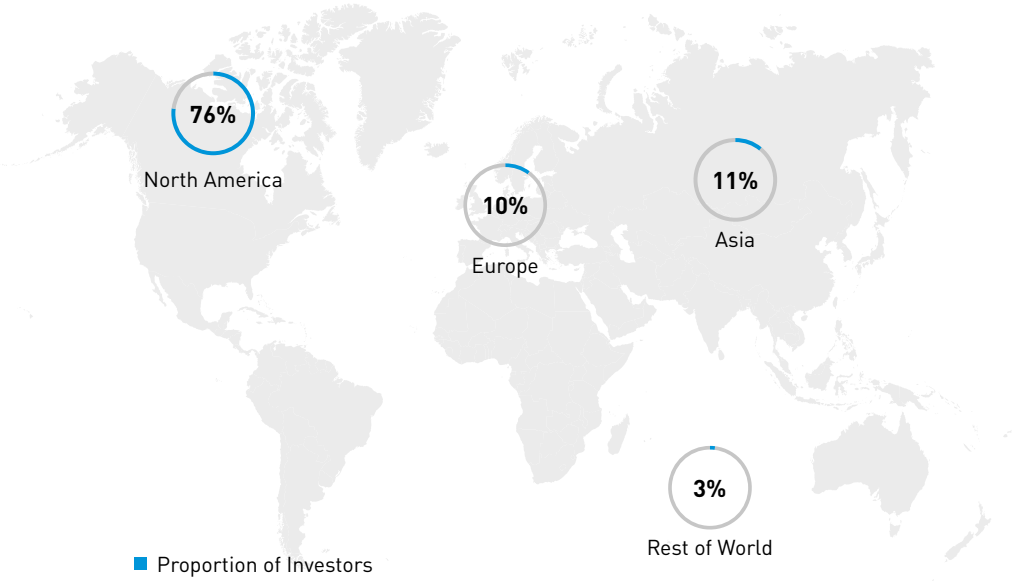
US-based venture capital funds are targeted by investors of all sizes. The majority (67%) of active investors manage at least $1bn in assets, including 12% that manage at least $50bn (Fig. 33). But smaller investors still take up a sizable portion of the space, with one-third managing less than $1bn, indicating there is room to profit regardless of portfolio size.

Fig. 30: Most Active Investors in US-Based Venture Capital Funds by Number of Known Fund Commitments (Vintages 2010-2020)

Investor	Type	No. of Known Commitments	Active VC Mandate?
Retirement Plans of Duke University	Private Sector Pension Fund	69	No
San Francisco Employees' Retirement System	Public Pension Fund	69	No
Royal Borough of Kensington and Chelsea Superannuation Fund	Public Pension Fund	64	No
Texas County & District Retirement System	Public Pension Fund	56	Yes
Los Angeles Fire and Police Pension System	Public Pension Fund	53	No
University of Texas Investment Management Company	Endowment Plan	50	No
MetLife Insurance Company	Insurance Company	48	No
Penn Mutual Life Insurance Company	Insurance Company	48	No
Sherman Fairchild Foundation	Foundation	47	No
University of Michigan Endowment	Endowment Plan	47	No

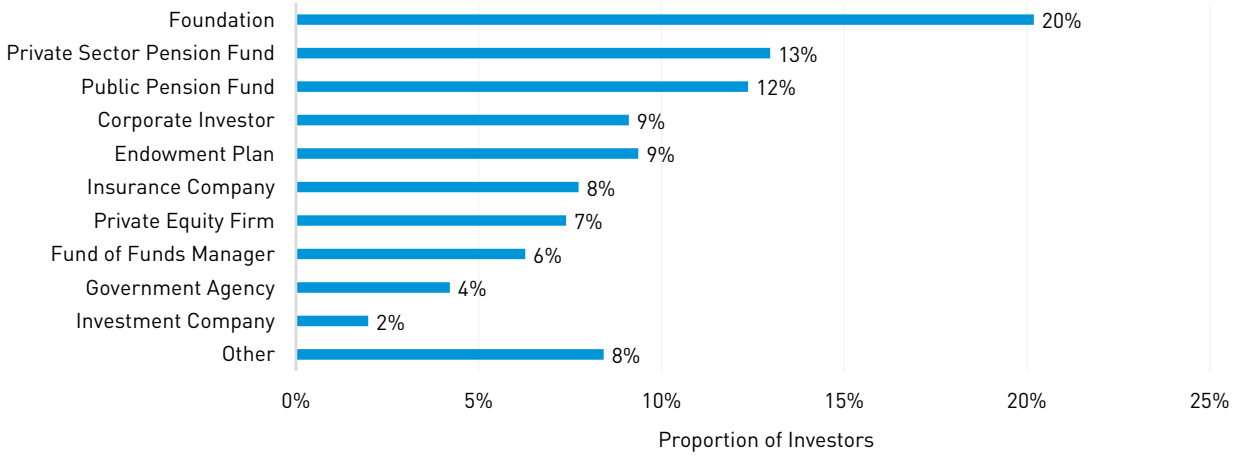
Source: Preqin Pro

Fig. 31: Investors in US-Based Venture Capital Funds by Location (Vintages 2010-2020)



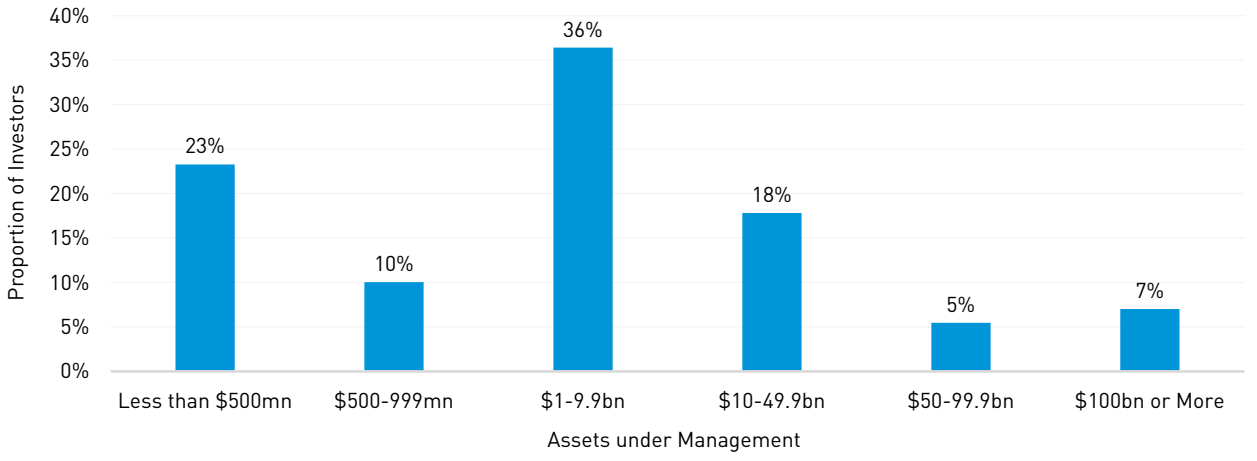
Source: Preqin Pro

Fig. 32: Investors in US-Based Venture Capital Funds by Investor Type (Vintages 2010-2020)



Source: Preqin Pro

Fig. 33: Investors in US-Based Venture Capital Funds by Assets under Management (Vintages 2010-2020)



Source: Preqin Pro

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