

Macro Roundup Article

Headline: [Venture Capital Reckons With The End of 'Megafund' Era](#)

Article Link: <https://www.ft.com/content/db1f795d-05c9-4623-9578-29ab2d263346>

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Publication	Financial Times
Publication Date	April 03, 2024

Tweet: Last year global venture capital funds raised one-third of 2021's record total of \$555B. Funds are increasingly using their dry powder to support existing investments as opposed to making new investments.

Summary: Fundraising activity has slowed sharply since 2021, when VCs hauled in \$555bn. Last year, they raised a third of that total, and activity has continued to slow, putting venture investors on course for their worst fundraising year since 2015. In the US, just \$9.3bn in capital was raised in the first three months of this year, roughly a tenth of the total raised in 2023. VCs that raised large funds before the market turned still have billions of dollars of "dry powder", but have been reluctant to invest in start-ups whose valuations have been rocked by higher rates. Increasingly, they are focused on helping companies already in their portfolios towards exits which would then allow VCs to return capital to their own limited partners. Related: It's Mostly a Paper Moon: Alternative Investments Review and High-Interest Rates Crushed Startup Investment. Here Is What Could Revive It and Data Update 3 for 2024: A Rule-breaking Year for Interest Rates

Primary Topic: Business Cycle

Topics: Business Cycle, Database, Financial Markets, GDP, Important!, Innovation/Research, Investment, News article, Productivity, Startups

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