

Sequoia Capital's peacetime war chest

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Sequoia Capital two years ago made a decision that stunned many of its VC peers and limited partners: It would raise a whopping \$8 billion for its third global growth fund, in an effort to defend both itself and its portfolio companies from SoftBank Vision Fund.

The plan: Sequoia still wouldn't have SoftBank's aggregate firepower, but it would have enough to compete for follow-on deals within its own portfolio, and to fund pro rata checks in SoftBank-led deals.

- **The reality:** SoftBank so far hasn't managed to raise a second Vision Fund.

A source close to the situation says that Sequoia Global Growth III is only a month or two behind its expected investment pace, with the bigger change being that it's written a larger number of (relatively) smaller-sized checks.

- Sequoia also is said to believe that the iPhone-born "online-to-online" revolution is mostly tapped out, save for some remaining opportunities in China, meaning the unicorn funding race would look different even if SoftBank pulls a rabbit out of the Saudis' hat.
- Sequoia also happens to be in market with its regular series of funds (i.e., early-stage venture, etc.).

The bottom line: Sequoia in 2018 looked like it was bringing a knife to a gun-fight. In 2020, bullets are overrated.

Go deeper: [The complicated future of SoftBank Vision Fund](#)