amity

ANNUAL MEETING
OF LIMITED PARTNERS
SAN FRANCISCO · OCTOBER 2026

STATE OF THE MARKET & OUR APPROACH

A record market for a handful of names.

A disciplined one for everyone else — and a plan built for exactly that market.

COMPANION REPORT

PREPARED FOR THE PARTNERSHIP

The venture market is setting records at the very top and contracting underneath it.

By the top-line number, this is the strongest venture market in history. In the first half of 2026, United States startups raised more capital than in all of 2025. Measured globally, the first six months of 2026 beat the entire prior year. The aggregate is not a story of recovery; it is a story of records.

And yet almost no one inside the market is feeling it. Megadeals of $100 million and up captured 87.5% of that first-half capital. Artificial intelligence took 86 cents of every United States venture dollar. Three firms alone took 48.1% of all the capital raised by funds. The boom is real, and it belongs to a handful of names.

Underneath the headline, the market is contracting. First-time fund formation is on pace for its lowest year since 2016. The distributions limited partners were promised have not arrived: median fund DPI — the cash actually returned — sits near zero for every vintage raised after 2017. This is a power-law market wearing the costume of a broad boom.

This report is about where a disciplined fund invests when both of those stories are true at once. The pages that follow lay out the market as it actually is, then Amity's response to it: lead early, own enough to matter, and engineer a path to cash that does not wait on the next SpaceX.

THE HEADLINE

$412.7B

H1 2026 US venture deal value — already past the full-year 2025 total.

87.5%

OF H1 2026 CAPITAL WENT TO $100M+ MEGADEALS

86%

OF EVERY US VENTURE DOLLAR WENT TO AI

48.1%

OF ALL CAPITAL RAISED WENT TO THREE FIRMS

~0x

MEDIAN DPI FOR EVERY VINTAGE AFTER 2017

PitchBook-NVCA Venture Monitor, Q2 2026 · as of June 30, 2026. Carta, VC Fund Performance Q2 2026.

"The headline and the median tell opposite stories. The whole of our strategy lives in the gap between them."

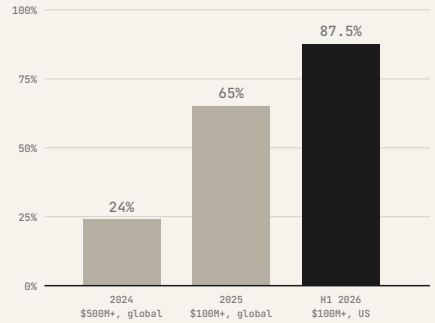
I

State of the venture markets, 2026

Six figures, each read against its owner's own page. Where a basis differs — United States against global, one source against another — it is labeled on the page rather than smoothed away. The trend is the argument; the footnote keeps it honest.

The money is real. It is going to almost no one.

MEGA-ROUND SHARE OF TOTAL VENTURE FUNDING



Mixed basis, labeled honestly: 2024 is $500M+ rounds (Crunchbase); 2025 is $100M+ global (CB Insights); H1 2026 is $100M+ US (PitchBook-NVCA). The trend is the point, not one continuous series.

The market's growth is, almost entirely, the growth of giant rounds. The dollars are flowing; they are pooling into a smaller and smaller set of companies.

In 2025, global mega-rounds of $100 million or more surged 77% to 738 deals and captured $307 billion — roughly 65% of all venture funding — even as the total deal count fell 17% to 29,501. More money chasing fewer, larger checks.

Five companies — OpenAI, Scale AI, Anthropic, Project Prometheus, and xAI — raised $84 billion between them, 20% of all venture capital deployed globally in 2025.

The pace only accelerated into 2026. A record 27 companies raised billion-dollar rounds in the third quarter alone, up from 16 in Q2 and 14 in Q1 — absorbing roughly a third of the quarter's capital.

BILLION-DOLLAR ROUNDS PER QUARTER, 2026

14	16	27
Q1	Q2	Q3

Crunchbase, Q3 2026.

CB Insights, State of Venture 2025; Crunchbase, 2025 full year & Q3 2026; PitchBook-NVCA Venture Monitor, Q2 2026. As of 2025 FY / June 30, 2026.

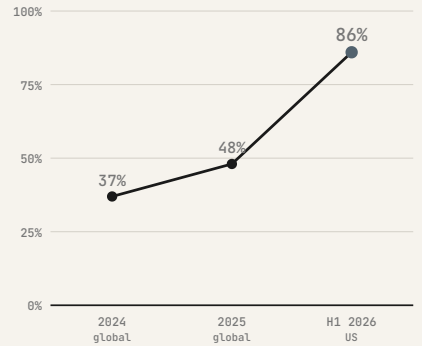
AI is not the largest sector anymore. It is the market.

For a decade, "AI" named a sector inside venture. It no longer does. It names the gravity the whole market now falls toward.

AI companies raised $226 billion in 2025 — 48% of all global venture funding, the largest share ever recorded. In the first half of 2026, the figure for the United States reached 86 cents of every venture dollar. OpenAI and Anthropic alone took $217 billion, 43% of all global startup funding in that half-year.

The gravity holds even at the earliest stage, where Amity operates. AI captured 49% of United States pre-seed dollars in H1 2026 — almost exactly its 50% share for the full prior year. There is no corner of the market, early or late, where a fund can pretend AI is a sideshow.

AI SHARE OF VENTURE FUNDING



Basis shift, labeled: 2024–2025 are global AI share (CB Insights); H1 2026 is US AI share (PitchBook-NVCA). Global H1 2026 AI share was lower — Crunchbase put Q2 2026 above 70% globally. The US late-stage figure runs highest because that is where the mega-rounds concentrate.

$217B

OPENAI + ANTHROPIC, H1 2026 — 43% OF ALL GLOBAL STARTUP FUNDING

49%

AI SHARE OF US PRE-SEED DOLLARS, H1 2026

"There is no corner of the market where AI is still a sideshow — which is exactly why the discipline has to be about which AI, not whether."

+$1M

MEDIAN AI DEAL SIZE ABOVE THE BROADER MARKET, 2025

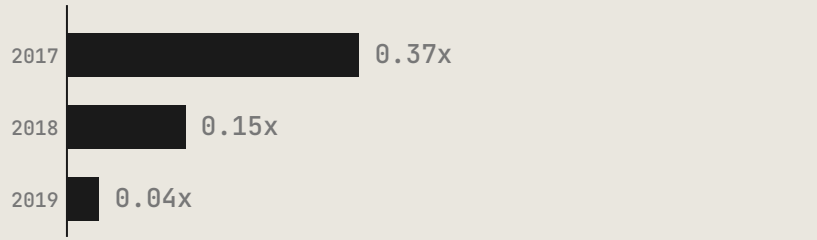
The premium is not sentiment. AI companies command a measurable funding premium precisely where buyers are already spending — the lane a disciplined early-stage fund can still enter at an underwritable price. The question Movement II answers is *where* that premium is durable, and where it is a wrapper waiting for the next model release.

CB Insights, State of Venture 2025; PitchBook-NVCA Venture Monitor, Q2 2026; Crunchbase; Carta, State of Pre-Seed Q2 2026. As of 2025 FY / H1 2026.

Value is being created. Cash is not coming back.

This is the figure the headline hides, and the one that earns the whole of Amity's approach. Paper value is at a record. The cash returned to limited partners is not.

MEDIAN VC FUND DPI BY VINTAGE — CASH RETURNED PER DOLLAR OF CAPITAL CALLED



Carta, VC Fund Performance Q2 2026 · as of June 30, 2026 (published Sept 23, 2026). Each figure is the published median, stated as read — not rounded or re-scaled.

Nine years in, the typical 2017-vintage fund has returned 37 cents on the dollar. The 2018 vintage: 15 cents. The 2019 vintage: 4 cents. For every vintage raised after 2017, the median fund has returned a fraction of the capital its investors committed.

The divergence is the real story. For the 2017 vintage, top-decile paper value (TVPI) climbed to 4.14x while top-decile IRR slipped to 25.7%. The value is real. It is slow, and it is mostly unrealized — a markup, not a distribution.

Liquidity is routing around the IPO drought. Tender-offer transaction value on Carta rose 200% in the first half of 2026 as employees and early investors sought exits the public market was not providing.

The 2026 thaw is real but narrow. SpaceX's $1.77 trillion listing generated more exit value in one quarter than the prior decade combined, and Q2 2026 brought 32 billion-dollar IPOs and $113 billion in M&A. Beyond a handful of names, the pipeline is thin.

Carta, VC Fund Performance Q2 2026; PitchBook-NVCA Venture Monitor, Q2 2026; Crunchbase, H1 2026. As of June 30, 2026.

Valuations are back past the 2021 peak at the top. The capital behind them is pooling in fewer hands.

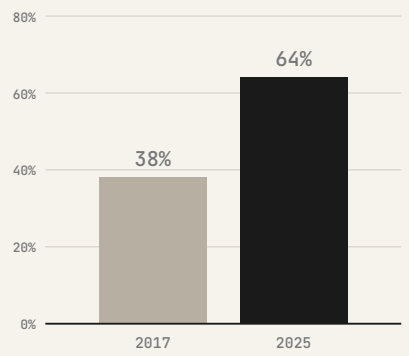
Two forces are tightening at once: valuations re-rating past their prior peak, and the capital funding those marks concentrating into a shrinking set of megafunds. Together they make entry discipline hard and real ownership scarce.

The Crunchbase Unicorn Board approached $7.5 trillion at the close of 2025 — a single-year gain of more than $2 trillion — led by SpaceX ($800B), OpenAI ($500B), ByteDance ($480B), and Anthropic (since surpassing OpenAI as the most valuable private company).

The capital funding those marks is concentrating. In 2025, 64% of all capital raised by venture funds on Carta went to funds over $100 million in size — up from 38% in 2017. And those funds answer to fewer investors: the median $100–250 million fund had 44 limited partners in H1 2026, down from 59 the year before, a 45% decline in median LP count over four years.

Meanwhile first-time fund formation is on pace for its lowest year since 2016. The emerging-manager bench — the competition at the earliest stage — is thinning precisely as the giants crowd upward into the mega-rounds.

SHARE OF VC CAPITAL RAISED BY FUNDS OVER $100M



Two points as Carta publishes them — no intermediate years invented. The share of venture capital flowing to funds over $100M nearly doubled in eight years.

MEDIAN LP COUNT, $100-250M FUNDS

59 → 44

2025 to H1 2026. Median LP count for nine-figure funds is down 45% over four years.

Crunchbase, 2025 full year & H1 2026; Carta, VC Fund Performance Q2 2026; PitchBook-NVCA Venture Monitor, Q2 2026. As of 2025 FY / June 30, 2026.

The returns come from three places — and only one of them is open to a fund our size.

Move from what is happening to what is working. There are three real return streams in this market. They are not the same companies, and they are not equally investable.

01 · NOT INVESTABLE FOR US

The frontier-model auction

OpenAI, Anthropic, xAI. Enormous paper markups, priced for the handful of funds that write nine- and ten-figure checks and accept near-zero ownership. Five companies took 20% of all 2025 venture capital. The return stream is real — it is simply not investable for a sub-$10 billion fund at a price we could defend.

02 · CAPITAL-INTENSIVE, REAL MOATS

The AI infrastructure and physical layer

Data centers, inference chips, robotics, defense, energy. Robotics alone drew a record $40.7 billion in 2025 — 9% of all venture funding — and Q3 2026's billion-dollar rounds spanned infrastructure, defense, and gaming, not just foundation models. Capital-intensive, but with real revenue and real moats in deployment. We enter selectively, where a software team wins on deployment rather than on raw capital intensity.

03 · WHERE OUR DOLLAR BUYS OWNERSHIP

The application and deployment layer

The companies turning frontier models into workflows customers pay for. AI commands a measurable deal-size premium — median AI deal size ran over $1 million above the broader market in 2025 — precisely because buyers are already spending. This is where a disciplined early-stage fund can still own a meaningful stake at an entry price it can underwrite. This is the lane Amity leads in.

"The market's biggest paper gains and its only durable, investable returns for our fund are not the same companies."

Crunchbase, 2025 full year & Q3 2026; CB Insights, State of Venture 2025. As of 2025 FY / Q3 2026.

SECTION SYNTHESIS

This market rewards ownership and discipline. It punishes breadth and patience for its own sake.

Everything in the pages before resolves to a single judgment — and that judgment is the hinge into how Amity invests. What the market pays for, and what it quietly erodes:

THIS MARKET REWARDS	THIS MARKET PUNISHES
Concentration into real conviction — 629 companies took roughly 60% of all 2025 capital.	Spray-and-pray breadth across undifferentiated AI wrappers.
Ownership that survives mega-round dilution.	Small stakes washed out by $100M+ later rounds.
Entry-price discipline while the top re-rates past 2021 highs.	Chasing marks that have not become cash — median DPI near zero post-2017.
A liquidity plan beyond the IPO — secondaries, tenders, M&A ($113B in Q2 2026 alone).	Waiting passively for an IPO window open for roughly two names.
Backing the deployment layer where buyers already spend.	Underwriting the frontier-model auction at megafund prices.

"Read as a single list, this is not a market commentary. It is a job description — and it is the one we were built for."

CB Insights, State of Venture 2025; Crunchbase, 2025–H1 2026; Carta, VC Fund Performance Q2 2026; PitchBook-NVCA Venture Monitor, Q2 2026.

II

We do not fund the AI frontier. We fund the companies that make it pay.

Amity's approach to the AI era. The market facts carried into these pages hold to the same standard as Movement I; the positions are the fund's own — lead early, own enough to matter, and engineer a path to cash that does not wait on the next SpaceX.

We lead early, we concentrate, and we fund the companies that make the frontier pay.

Amity is built on quality relationships and concentrated capital. We lead pre-seed, seed, and Series A rounds, we take meaningful ownership, and we back three to five companies a year on purpose. Our edge is not scale. It is judgment, conviction, and the willingness to say no.

Our bet follows directly from Movement I. The trillion dollars pouring into frontier models and AI infrastructure is the *precondition* for the real return cycle — the application and deployment companies that turn those models into revenue, at entry prices a fund our size can defend. We do not need to win the auction. We need to own the layer the auction makes valuable.

01 **Lead early, own a real stake.**

We lead rounds at the earliest stages and take a 12–15% ownership target, not a passive sliver.

02 **Avoid where price has outrun underwriting.**

A fund is defined by its no's as much as its yes's. We walk from the frontier auction and from marks we cannot underwrite to cash.

03 **Engineer our own liquidity.**

We plan DPI actively — secondaries, tenders, and M&A — rather than wait on an IPO window open for a handful of names.

AM·I·TY

noun — a friendly relationship. The name is the strategy: quality relationships, concentrated capital, and time in the trenches with founders from the first check.

THE TRACK RECORD

20%

of the early-stage portfolio has reached $1B+ — 7 of 35 companies since 2016. Realized, not just marked: MaintainX (acq. Autodesk) and Evisort (acq. Workday).

Fund parameters and track record: Amity Ventures, as of 2026. The thesis is the foundation; the pages that follow detail each of the three commitments.

WHERE WE INVEST

We lead pre-seed, seed, and Series A. We back three to five companies a year. We own enough to matter.

THE PARAMETERS

Stage

Pre-seed, seed, Series A — leading rounds.

Check

$1–5M initial, reserves to Series B.

Ownership

12–15% target, taken by leading.

Concentration

3–5 companies a year, by design.

Base

The Presidio, San Francisco. US-weighted.

We lead at the stages where entry prices are still underwritable and our ownership target survives before mega-round dilution begins. Leading, not following, is how we earn both the ownership and the board seat the whole approach depends on. From a $2.3 billion fund we back three to five companies a year, not thirty. In a power-law market, breadth is the risk.

THREE LANES WHERE OUR DOLLAR BUYS OWNERSHIP

> **Applied AI in regulated, data-rich verticals**
>
> Healthcare operations, financial services, legal, insurance — where buyers already spend and switching costs are real. OpenEvidence (clinical decision support) and Evisort (legal AI, acquired by Workday) sit in exactly this lane.

> **AI-native infrastructure for the deployment layer**
>
> Evaluation, observability, orchestration, security — the tooling the next 10,000 AI companies will need. Snyk (developer security) and Carta (private-market infrastructure) are the pattern: sell to the builders, not the end market.

> **The physical and operational edge, selectively**
>
> Where a software team wins on deployment rather than capital intensity. MaintainX (frontline operations, acquired by Autodesk) is the case. Robotics drew a record $40.7B in 2025; we enter where our dollar buys ownership, not a sliver of a $3B round.

Fund parameters: Amity Ventures. Market context: Crunchbase, 2025; CB Insights, State of Venture 2025. Portfolio companies named for illustration; outcomes not overstated.

What we will not do is as much of the strategy as what we will.

A fund is defined by its no's. Ours are specific, and each one follows from the evidence in Movement I.

We do not compete in the frontier-model auction.

Five companies took 20% of all 2025 venture capital; two took 43% of H1 2026 global funding. We cannot win that round at a defensible price, and we will not pretend to.

We do not fund thin application wrappers.

No proprietary data, no workflow lock-in, no defensibility against the next model release — no investment. The model is not the moat; the deployment is.

We do not chase marks.

With median DPI at 0.04x to 0.37x for the 2017–2019 vintages, a markup is not a return. We underwrite to realizable outcomes, not to the next round's headline.

We do not pay 2021-plus entry prices for 2026 growth.

When the top of the market re-rates past its prior peak, our answer at the entry point is price discipline, not FOMO.

We do not over-diversify.

We back three to five companies a year on purpose. A concentrated portfolio of real conviction we can own and actively help beats a broad book of hedges. In a power-law market, breadth is not caution. It is the risk.

"We will say no more often than we say yes. That is not caution. That is the strategy."

Crunchbase, 2025 & H1 2026; Carta, VC Fund Performance Q2 2026.

When every deck says “AI,” the edge is the underwriting, not the thesis.

The hardest question an LP can ask: in a market where everyone sees the same AI thesis, what is actually different about Amity? The answer is the method. Every company we back passes four tests before we lead.

A The durability test

We underwrite against the *next* model release, not the last one. If a frontier lab shipping a better model kills the business, we pass. We fund what gets better as models improve.

B The revenue-is-real test

A customer paying for an outcome, not running a pilot. AI’s funding premium is real only where commercial maturity is proven; we price to that distinction, not to the category.

C The ownership-math test

We model the cap table through the mega-round dilution this market imposes, and enter only where our target ownership survives to exit.

D The proprietary-asset test

A defensible data asset, a workflow embedded in the customer’s operations, or a distribution advantage — at least one must be present and growing.

THE STRUCTURAL EDGE

We lead early, concentrate into three to five companies a year, and get in the trenches from the first check. A fund our size can take real ownership and give each company real time — the exact things the megafunds crowding into $100M+ rounds structurally cannot do.

The thinning of first-time funds — the lowest since 2016 — is clearing the early-stage field we operate in.

THE PROOF THE METHOD WORKS

7 of 35

companies since 2016 have reached $1B+ — with real exits, not just marks: MaintainX (acq. Autodesk), Evisort (acq. Workday).

PitchBook-NVCA Venture Monitor, Q2 2026; Amity Ventures track record, as of 2026.

We manage the three things that turn paper into cash: price in, ownership held, and a way out.

Movement I showed that paper value and realized cash have come apart. These are the three levers — the only three — that actually drive DPI, and the discipline we hold on each.

LEVER 01 · PRICE IN

Valuation discipline

A stated entry-price ceiling by stage, and the willingness to walk from a competitive round that prices past it. We would rather miss a deal than overpay into a market re-rating past its 2021 highs. The entry price is the one return lever fully in our control at the point of investment.

LEVER 02 · OWNERSHIP HELD

Ownership discipline

A 12–15% target stake, taken by leading the round and defended with reserves through at least Series B — because when $100M+ rounds capture 87.5% of capital, an undefended early stake gets washed out. Concentration and ownership run together: backing three to five companies a year from a $2.3 billion fund is exactly what makes those stakes, and the reserves to defend them, possible.

LEVER 03 · A WAY OUT

Liquidity discipline — the part most funds leave to luck

We plan DPI actively. With median DPI near zero across recent vintages and the IPO window open for only a handful of names, we treat secondaries, tender offers (up 200% in H1 2026 on Carta), and strategic M&A ($113 billion in Q2 2026 alone) as primary liquidity paths, not consolation prizes. We take partial liquidity into strength rather than hold every position for a terminal IPO that may never come.

“Most funds manage the first two levers and leave the third to the IPO market. We manage all three — because the third is where DPI actually comes from.”

PitchBook-NVCA Venture Monitor, Q2 2026; Carta, VC Fund Performance Q2 2026; Crunchbase, H1 2026. As of June 30, 2026.

How we are positioned for the next 24 months.

What this fund will do with your capital over the coming two years, stated plainly — forward-looking, and grounded in the discipline of the pages before.

Deployment pace

Deliberate and concentrated. We lead three to five new companies a year and pace into entry-price discipline rather than deploy to a calendar. In a top-re-rating market, patience at the entry point is the discipline.

Reserve posture

A higher reserve ratio than a 2021-style fund, because defending our 12–15% ownership through mega-round dilution is now a core return driver, not an afterthought.

Concentration

A focused portfolio by design — meaningful ownership in a few companies we can actively help from the trenches, not small stakes in many.

Liquidity actions

Where positions are marked at strength and the fundamentals support it, we will pursue partial secondary and tender liquidity to begin returning capital rather than waiting on a terminal exit.

WHAT WE ARE WATCHING — THE THREE QUESTIONS THAT MOVE THE POSTURE

The IPO thaw

Whether it broadens beyond OpenAI and Anthropic, or stays open for a handful of names — the difference between a liquidity path and a closed door.

AI's share of dollars

Whether it plateaus — pre-seed held flat at roughly 49–50%, a possible early signal that the gravity has a ceiling.

Application-layer revenue durability

Whether it holds through the next model cycle — the single question that decides whether the deployment-layer bet pays as underwritten. We underwrite each company against it before we lead.

Carta, State of Pre-Seed Q2 2026. Forward-looking posture; pacing figures stated at the partnership's discretion.

In the most concentrated venture market in history, discipline is the edge.

The records are real, and they belong to a handful of names. The returns that come back to you as cash will come from leading early, owning enough to matter, and a deliberate path to liquidity — not from chasing the frontier.

We concentrate on purpose: three to five companies a year, 12–15% ownership, quality relationships from the first check. We will say no more often than we say yes. That is not caution. That is the strategy.

“Concentrated enough to own, disciplined enough to wait, and in the trenches enough to get your capital back.”

Every market figure in this report was read against its owner's own page.

Where a basis differs — United States against global, one source against another — it is labeled on the page, not smoothed away. Total venture figures differ between sources because they measure different universes; they are never added across methodologies.

PITCHBOOK-NVCA VENTURE MONITOR, Q2 2026

As of June 30, 2026. H1 2026 US deal value $412.7B (past all of 2025); $100M+ megadeals 87.5% of H1 capital; AI 86% of US venture dollars; three firms 48.1% of all capital raised; first-time fund formation lowest since 2016.

CB INSIGHTS, STATE OF VENTURE 2025

Full-year 2025, published Jan 8, 2026. Mega-rounds ($100M+) +77% to 738 deals, $307B (65% of total); AI $226B = 48% of global (record); robotics record $40.7B (9%); AI median deal size over $1M above market.

CRUNCHBASE — 2025 FULL YEAR

Data as of Jan 4, 2026. Five companies (OpenAI, Scale AI, Anthropic, Project Prometheus, xAI) raised $84B = 20% of 2025 VC; Unicorn Board ~$7.5T at close (+$2T YoY); SpaceX $800B, OpenAI $500B, ByteDance $480B; ~60% of capital to 629 companies raising $100M+.

CRUNCHBASE — H1 2026

Data as of July 1, 2026. Record $510B global H1 funding; OpenAI + Anthropic $217B = 43% of all H1 startup funding; Q2 2026: 32 billion-dollar IPOs, 24 $1B+ acquisitions totaling $113B (record M&A quarter); SpaceX IPO at $1.77T.

CRUNCHBASE — Q3 2026

Data as of Oct 2, 2026. Record 27 companies raised billion-dollar rounds (16 in Q2, 14 in Q1), ~1/3 of quarterly capital; AI $102B = 64% of Q3 funding.

CARTA — VC FUND PERFORMANCE, Q2 2026

As of June 30, 2026, published Sept 23, 2026. Median DPI: 2017 vintage 0.37x, 2018 0.15x, 2019 0.04x; 2017 top-decile TVPI 4.14x, IRR 25.7%; 64% of 2025 fund capital to funds >$100M (from 38% in 2017); median $100–250M fund 44 LPs in H1 2026 (from 59), −45% over four years.

CARTA — STATE OF PRE-SEED Q2 2026 & DATA DESK

Published Aug 13, 2026. AI 49% of US pre-seed dollars H1 2026 (~matching 2025 FY 50%). Tender-offer transaction value on Carta rose 200% in H1 2026 (Data Desk; directional liquidity signal, not a precise series).

AMITY VENTURES — FUND FACTS

As of 2026. Amity III AUM $2.3B; initial check $1–5M; ownership target 12–15%; concentration 3–5 companies/year; pre-seed/seed/Series A, leading rounds; based in the Presidio, San Francisco; 20% of the early-stage portfolio to $1B+ (7 of 35 since 2016). Portfolio named for illustration; outcomes not overstated.

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Annual Meeting of Limited Partners
San Francisco · October 2026