



Growth Equity Update

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- **A new 2026 ‘transparent, fully data-driven ranking of which VC firms are actually best at what they do’** ranks the top 100 US-based VC firms, based on 230,000 investments by nearly 13,000 venture capitalists over a 30-year window. It finds that 5% of venture capitalists have generated c90% of the industry’s profits. The top two firms in the ranking, by some distance, are Sequoia and Andreessen Horowitz followed by Accel, DST Global and Tiger Global.
- **Venture Power law: VC firms as well as investments.** The Strebulaev-Jackson Venture Ranking finds that, just as the bulk of returns in a venture portfolio are made by a small fraction of ‘fund returner’ investments, so amongst venture capitalists a small fraction of the firms produces the majority of the returns.
- **Back to the Mansion House Accords:** In early July Nest announced it will expand its investment in high-growth private companies through the creation of a dedicated venture capital sleeve, managed by Schroders Capital. It is planning to allocate an initial £200m, growing to £1bn by 2030. Nest is one of the 17 signatories to the Mansion House Accords who have pledged to invest 10% of their DC default funds in private assets that boost the UK economy.
- **Burnham Would - Growth in every postcode:** Andy Burnham, MP for Makerfield *‘We will consolidate public and private investment at a place-based level and help all areas establish Good Growth Funds, as we have done here in Greater Manchester...I will back our scientists, technologists, entrepreneurs and creatives and show how Britain will be the Innovation Nation of the next decade.’*
- **Record breaking US H1 venture fundraising:** A remarkable \$372bn was raised across 336 deals in H1 2026, albeit two thirds of the total was raised by just four companies - OpenAI, Anthropic, xAI and Prometheus.
- **Europe – Surging and more broadly based H1 fundraising:** Europe saw very strong H1 2026 growth in fundraising with \$39.3bn raised across 330 deals of \$20m+, 80% higher than in H1 2025, 2.2x H1 2024 and 3x H1 2023. In a more diverse fundraising environment AI was 22% of the H1 2026 European total versus 77% of the US H1 total.
- **Defense, Robotics and Space** have the fundraising momentum on both sides of the Atlantic.

And the top VC firm is....

About 5% of venture capitalists have generated roughly 90% of the industry's profits.

A fascinating study ranking venture investors was published in mid-June by Stanford University's Ilya A. Strebulaev and Ohio University's Blake Jackson.

Their paper can be found here: <https://docsend.com/view/gjgpkasyptqi855he>

New ranking of US VC firms: The authors have developed a 2026 Venture Ranking of the top 100 US-based VC firms, drawn from more than 230,000 investments by nearly 13,000 venture capitalists over a 30-year window. Described as a *'transparent, fully data-driven ranking of which VC firms are actually best at what they do'* its rankings differ sharply from the commonly cited Forbes Midas List. Its methodology, as well as its rankings, are illuminating.

Identifying the 5%: The impulse to produce the ranking is the finding that 5% of venture capitalists have generated c90% of the industry's profits. Identifying the right 5% of VCs is thus critical for founders choosing their investors and LPs allocating their capital.

Key criteria: The Strebulaev-Jackson Venture Ranking uses six key criteria in building its algorithm.

Valuation. The principle here is that private post-money valuations systematically overstate true value relative to public valuations, because the preferred stock VCs buy carries downside protections that common stock lacks. The algorithm discounts private valuations uniformly with the average overstatement for unicorns put at near 50%.

Dilution. Early investors are diluted round after round. The algorithm tracks each investment's ownership through every subsequent round.

Net profit. Net profit is used rather than gross profit. As the authors say, *'Turning \$10 million into \$2bn is a different achievement from turning \$1bn into the same \$2bn.'* The process subtracts the cost of every investment, rewarding capital efficiency and penalising *'spraying large checks to produce a few headline wins.'* In the data, roughly three-quarters of investments returned negative net profits.

Value added. *'Investors who lead rounds and take board seats contribute more than passive check-writers. We award additional points for these roles, reflecting involvement in a company's outcome.'*

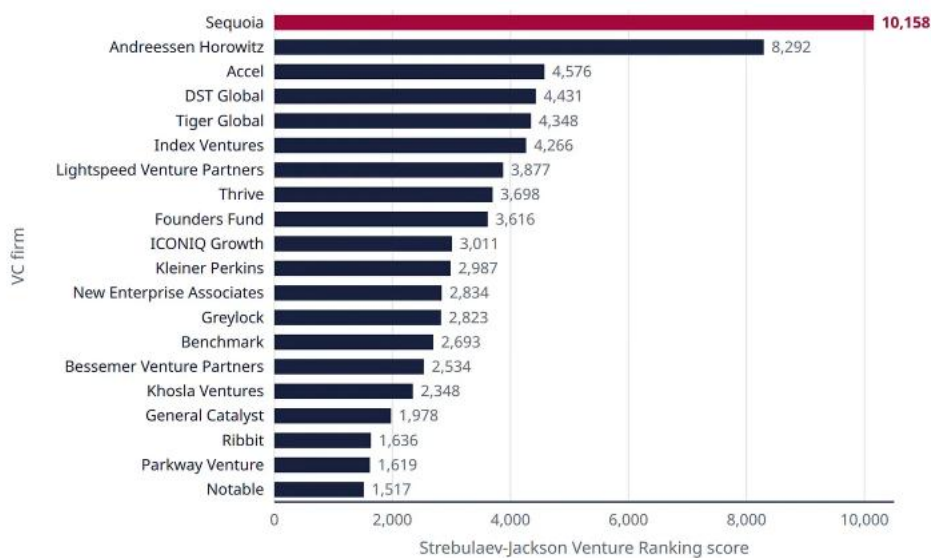
Keeping it current - Human-capital decay: An interesting idea here. The authors posit that a VC's skill, network, and judgment depreciate if not continuously exercised. *'Two investors who each turned a 20% stake into a \$10 billion IPO can look identical on paper — yet if one invested in 2005 and the other in 2020, the second earned an IRR of 141.9% against 28.7%, and rests on human capital six years old rather than twenty-one.'*

In the algorithm this is expressed by discounting each investment by the time elapsed since it was made, using a half-life of three years. The idea is to keep the ranking current, rewarding investors who are good now, rather than those who made a single great bet two decades ago.

Credit between firm and individual. Reflecting academic evidence that most return variation traces to individuals rather than institutions, and to reflect current reality, when investors move between firms the credit for deals is split - 25% to the firm where the investment was made, 75% to the firm where the partner presently resides.

Sequoia heads the rankings: The points base ranking produced by these criteria produces the top 20 in the Exhibit. The top two firms, Sequoia and Andreessen Horowitz, stand out on the ranking by some distance with Sequoia having 2.2x the score of the third ranked firm and Andreessen 1.8x. The top five is filled out by Accel, DST Global and Tiger Global with Index Ventures a close sixth.

Top 20 firms by the Strebulaev-Jackson Venture Ranking score

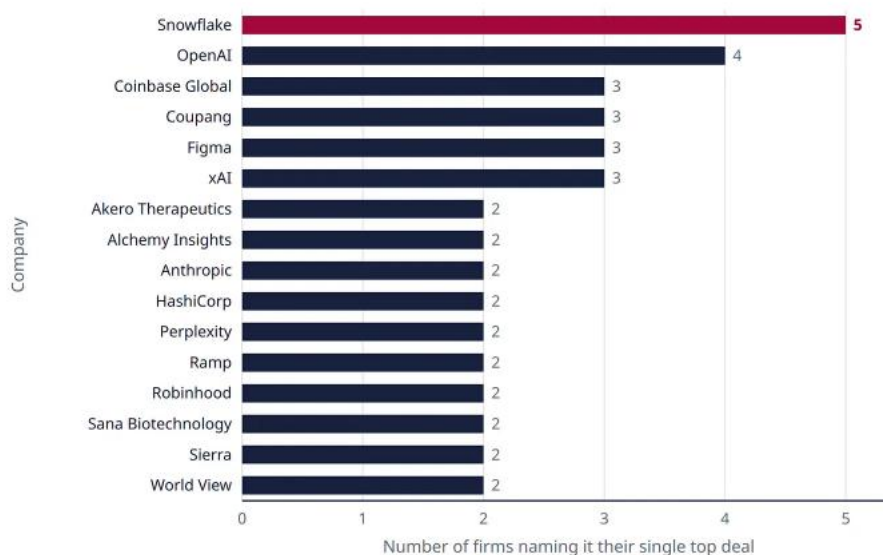


Source: Strebulaev-Jackson 2026 Venture Ranking

Venture Power law - VC firms as well as investments: The scale of the drop off in scoring is dramatic. The tenth ranked firm's score is 30% of that of the leader. The 100th ranked firm has a score that is 2.4% that of the leader. The argument is that, just as the bulk of returns in a venture portfolio are made by a small fraction of 'fund returner' investments, so amongst venture capitalists a small fraction of the firms produces the majority of the returns.

Crossover of successful firms and investments: It follows that the most successful investments are common features of the most successful firms. Across the top 100 ranked VC firms there are just 74 'top deal' companies – the top deal is the same in multiple cases. The authors observe that Snowflake is the top deal for five different firms; OpenAI for four; Figma, Coinbase, Coupang, and xAI for three each.

Top deals shared by two or more firms



Source: Strebulaev-Jackson 2026 Venture Ranking

Durability of franchises: Eight of the top 20 firms predate 2000, suggesting that a successful venture franchise can be very durable. Sequoia which leads the table was founded in 1972. Accel (1983) is in third, Kleiner Perkins (1972) is in eleventh position, and NEA (1977) is twelfth. By contrast, 21 of the 100 firms were founded in 2015 or after. Several have climbed high in the rankings based on a single recent rapidly appreciating investment. Parkway Venture Capital (2019) is at 19th on the back of Figure AI while Bedrock (2018) at 33rd owes its position to an early OpenAI position.

The role of AI: Which brings us to the phenomenon of AI. The single highest-scoring investment for 23 of the 100 firms is a frontier-AI or AI-infrastructure company such as OpenAI, Anthropic, xAI, Databricks, Scale AI, Mistral, Perplexity or CoreWeave. A number of firms associated with investments in key AI businesses, Thrive in OpenAI, Menlo in Anthropic, Lightspeed in Mistral, have pushed their way to the upper part of the list.

Room for specialist firms: Sector specific firms rather than broad-based firms are well represented on the Top 100 list. Thus, there is a cluster of life sciences/biotech firms - OrbiMed (27), Atlas Venture (38), ARCH (49), Versant (61), and Sofinnova (75) and a set of crypto/blockchain specialists, Paradigm (34), Pantera (76), Multicoin (84), Polychain (94). There are also crossover funds Tiger Global (5), DST Global (4), Coatue (29), Altimeter (24), Dragoneer (23), Greenoaks (44) as well as more heavily involved funds like Sequoia.

Rankings will change: The light from Alpha Centauri takes 4.3 years to reach Earth. The Strebulaev-Jackson 2026 Venture Ranking is based on data from 2023. A lot has happened to the valuations of the likes of OpenAI, Anthropic, Space X and others since then and the importance to a firm's rankings of having taken part in such deals and the desirability of firms based on their access to such deals will surely be reflected in future rankings.

The authors promise further releases of data and to extend the survey beyond US firms. Keep an eye on <https://ilyastrebulaev.substack.com/p/the-2026-venture-ranking-the-top-100>

Nest and venture capital

Nest investing in growth equity.

We have written regularly on the progress of the UK government sponsored Mansion House Accord published in May 2025. In the Accord, 17 of the UK's largest workplace pension providers pledged to invest 10% of their DC default funds in assets that boost the UK economy such as infrastructure, property, and private equity by 2030, with at least half allocated to the UK. The government says that this should release *'£25 billion directly into the UK economy by 2030.'*

The signatories to the Mansion House Accord manage around 90% of active savers defined pension contributions. They are Aegon, Aon, Aviva, Legal & General, LifeSight, M&G, Mercer, NatWest Cushman, Nest, NOW: Pensions, the People's Pension, Phoenix Group, Royal London, Smart Pension, SEI, TPT Retirement Solutions and the Universities Superannuation Scheme (USS).

The signatories to the Accord have stated that £252bn of assets are subject to the pledge. Based on historical growth rates (17% pa) and reflecting further consolidation in the pensions market, this could rise to around £740bn by 2030.

Amongst the signatories Nest (National Employment Savings Trust), the UK's largest workplace scheme with c£68bn of AUM, c14m members and c£700m of monthly contributions, has an unusually high private market exposure of c17%. Of this c8% is invested in infrastructure and private equity, c6% in UK property and 3% cent in private credit, including loans to small companies. It targets taking this exposure up to 30% over the next five years.

In early July Nest announced it will expand its investment in high-growth private companies through the creation of a dedicated venture capital sleeve, managed by Schroders Capital. It is planning to allocate an initial £200m. Nest has been investing in growth stage companies since 2022 and will now *'formalise and scale this approach, unlocking access to key companies invested in by Schroders Capital.'*

The exposure will incorporate existing venture investments and providing fresh capital for new late-stage VC opportunities. The VC portfolio at Schroders Capital to which Nest is now committed includes investments in the autonomous driving business, Wayve and Synthesia, the AI video creation business.

Nest expects its VC exposure to increase over time in line with its broader investment strategy with the allocation targeted to reach £1bn by 2030, with a strong focus on UK-based unlisted companies.

Mark Fawcett, CEO of the wholly owned investment subsidiary Nest Invest, commented:

“As Nest has grown, we have continued to evolve our investment approach, opening up new investment opportunities for our members. We are delighted to expand this approach further into venture capital, providing injections of cash that growing businesses need to scale.

We’re really keen on trying to capture high-growth opportunities. [We] felt that we could move earlier in the private equity cycle [by investing in] middle- and late-stage ventures.’

Feedback from Nest’s members, collected through a recent “member assembly” exercise, found Nest savers were keen to see the fund invest in growing UK startups to tap into investment returns, create jobs, and contribute to economic growth.

Fawcett added that Nest would seek to “*build a more meaningful allocation to late-stage venture capital*” over the next few years, with an emphasis on UK-based companies.

Last year the CIO of Nest, Liz Fernando, stressed in an interview to the FT that the 30% target for private assets is ‘*an ambition, not a guarantee. We’ll do it if the opportunities arise... We want to maintain the tension of making sure we are buying great assets at good prices and have no interest in just shoving money out of the door to hit a target.*’

Burnham Would

Andy Burnham looking for ‘growth in all postcodes’ with his advisors suggesting tax reliefs to boost incentives for more cash to flow into British companies.

The UK looks to be on track to have a new Prime Minister by the end of July with Andy Burnham, the former Mayor of Greater Manchester and now the MP for Makerfield, looking ready to step into the role.

Burnham and growth: In his first policy speech Mr Burnham stressed the need for ‘*Good growth in every British postcode.*’ In his Manchester speech in late June he stressed:

- ‘*On reindustrialisation, we will support every region to set clear and credible industrial ambitions – and provide the support to achieve them, encouraging more cross-UK partnership between places with complementary industrial clusters, as Cambridge and Manchester have done on life sciences.*’
- ‘*We will consolidate public and private investment at a place-based level and help all areas establish Good Growth Funds, as we have done here in Greater Manchester.*’
- ‘*I will back our scientists, technologists, entrepreneurs, and creatives – as I have done here– and show how Britain will be the Innovation Nation of the next decade. We will get better at capturing full value from their ideas for UK plc by changing the culture in Whitehall when it comes to backing British industry.*’

Andy Haldane, the president of the British Chambers of Commerce and one of Andy Burnham’s economic advisers, gave a recent interview in which he

- Recommended tax reliefs should be reformed to boost incentives for more cash to flow into British companies and create a bias towards domestic investment.
- Talked about ‘foreign raiders’ snapping up Britain’s most promising start-ups.
- Suggested the government should more heavily tax domestic pension funds investing overseas.
- Asserted that the Mansion House Accord has failed to be ‘*dial moving for growth*’ and that the government must be bolder on reforms to boost domestic investment.

‘If the government wishes to act, at speed and scale, to take advantage of the UK’s brilliant seed-corn businesses, before they perish on the vine or are plucked off by overseas foreign raiders, then greater boldness of this type is what will be required.’

Record breaking US H1 fundraising.

A remarkable \$372bn raised in the US in H1 across 336 venture deals with two thirds of the total raised by just four companies - OpenAI, Anthropic, xAI and Prometheus.

It has been an astonishing first half of 2026 in the US for growth equity fundraising with \$372bn raised across 336 deals of \$100m or more. The amount raised is more than 3x the H1 2025 total of \$119bn and more than 8x the \$46bn total for H1 2024. Indeed, the top two deals of H1 2026 (OpenAI \$122bn and Anthropic \$50bn) each raised more than the entire total of H1 2024.

The next Exhibit breaks down fundraising by sector. With substantial, multiple deals from the LLMs, OpenAI, Anthropic, xAI and Prometheus it is no surprise that AI dominated fundraising. The \$285bn raised for AI in H1 across 82 deals was 77% of total fundraising by value.

OpenAI, Anthropic, xAI and Prometheus raised \$240bn between them in H1, two thirds of the funding total between four companies. All the other AI businesses raised \$45bn between them, 12% of the total.

AI's influence is also felt in the next two largest sectors. In second position was Autonomous Vehicles, an AI-centric technology, which saw 4% of the H1 fundraising total in the single \$16bn deal for autonomous vehicle company, Waymo.

The standout mover year on year in terms of sector is Defense which climbs to third position (sixth in FY2025) with almost \$13bn raised (3.5% of the total) with substantial deals from Anduril, ShieldAI and Saronic. The sector is riding the wave of AI induced new technologies in drone and battlefield command and control systems, heightened political tension and a shift towards defense spending by countries that had previously thought themselves under a larger shield of US defense assurance.

There were two other key upwards movers relative to FY 2025.

Robotics moved from 12th position in 2025 to seventh position in H1 2026 with the \$5.1bn total easily exceeding the 2025 full year total of \$3.8bn. Robotics is a key beneficiary of AI techniques. The largest raise was the \$1.4bn Series C for SkildAI led by Softbank and NVentures. Skild is developing an 'omni bodied' brain to operate any robot for any task. Humanoid robots are able to learn rapidly from imitating human actions. Apptronik raised \$935m for its Apollo humanoid robots in a Series A in February backed by Google and Mercedes Benz. Mind Robotics was founded by the CEO of Rivian and uses data from Rivian's factory to train its humanoid industrial robots for use in manufacturing environments.

Space was in 16th position in 2025 with \$1.6bn raised. The first half of 2026 has seen it move to 9th position with \$4bn raised. This period has obviously seen huge interest (and putative valuation) in the potential for space exploitation, as typified by the ambitions of SpaceX. This is typified by the \$500m raise for Impulse Space, a business founded by one of the first employees at Space X and whose mission is to deploy ultra mobile and low cost spacecraft to, in founder Tom Mueller's words '*make moving around in space much more affordable, much more reliable, much more accessible.*' In June Axiom Space raised \$525m to advance the development of its commercial space station to succeed the International Space Station.

There is also a strong cross over with defence applications. Sierra Space initially focused on civil space infrastructure, notably its Dream Chaser reusable vehicle anchored on a NASA contract to deliver cargo the International Space Station. Subsequently it has shifted focus to defense contracts including missile tracking systems for the Pentagon. The company raised a \$550m Series C at an \$8bn valuation in March supported by LuminArx Capital Management.

Software: Despite fears of a SaaS Apocalypse which have caused business models and valuations in software to be closely scrutinised, the sector was in fourth position in terms of fundraising in H1 (second in FY 2025) with the \$7.5bn raised equivalent to 2% of total H1 venture proceeds. The largest raise was \$500m for the rights and royalties SaaS platform, Rightsline, which allows IP providers to use its tools to manage and monetise content. The restaurant software and fintech commerce enablement platform, inKind, raised \$450m in February. A more typical software business, NinjaOne, a cloud-based IT

management platform for managed service providers and internal IT departments raised \$400m at a \$12.3bn valuation in June.

Climate Tech held steady at fifth position. Biotech slipped to sixth from third in 2025, although \$6.4bn raised is a very healthy total and Healthcare continued to see robust fundraising trends.

US – H1 2026 fundraising - \$372bn – AI dominates.

Sector	Amount Raised		Number of raises		Biggest raises	
	\$m	\$500m +	\$100m+	Total	\$m	\$m
AI	284,995	27	55	82	OpenAI	122,000
Autonomous Vehicles	16,000	1	0	1	Waymo	16,000
Defense	12,866	5	12	17	Anduril	5,000
Software	7,486	1	36	37	Shield AI	2,000
Climate Tech	6,444	0	16	24	inKind	450
Biotech	6,360	0	37	37	Sedron Technologies	500
Robotics	5,127	3	9	12	Maxwell Power	750
Healthcare	5,065	1	23	24	Olin Biosciences	330
Space	4,002	2	14	16	Skild AI	1,400
Fintech	3,308	1	14	15	Cellares	330
Energy	2,870	2	1	3	Apptronik	935
Communications	2,200	2	2	4	NewLimit	435
Semiconductors	1,888	2	5	7	Impulse Space	500
Cybersecurity	1,705	0	10	10	Vestwell	385
Blockchain/Crypto	1,255	0	5	5	VoltaGrid	1,000
Prediction Markets	1,200	1	1	2	Vero Broadband	500
Advanced Materials	1,033	1	3	4	Cape	100
Drones	1,020	1	3	4	MatX	500
Media	1,000	1	0	1	Tenex	250
Consumer	950	1	1	2	Upwind	250
eCommerce	680	1	1	2	Rain	250
Electric Vehicles	650	1	0	1	Kalshi	200
Quantum	569	0	4	4	Kobold Metals	537
Industrial	545	0	3	3	Principal Mineral	280
Data Centres	370	0	3	3	Zipline	200
Life Sciences	350	0	1	1	AppsFlyer	1,000
Marketplace	325	0	2	2	Whoop	575
Cloud	300	0	2	2	Cloaked	375
Transport	270	0	2	2	Cart.com	180
Entertainment	200	0	1	1	Slate Auto	650
LegalTech	200	0	1	1	Photonix	130
Micromobility	200	0	1	1	Vulcan Forms	220
Edtech	180	0	1	1	Noveon Magnetics	215
Agri	150	0	1	1	Starcloud	170
Medical Devices	100	0	1	1	HydraHost	100
Social Media	100	0	1	1	ZutaCore	100
Sports	100	0	1	1	Lila Sciences	350
Virtual Reality	100	0	1	1	Whop	200
					Kindred	125
					Oxide Computer	200
					Render	100
					Glydways	170
					Zum	100
					Beast Industries	200
					Harvey	200
					Also	200
					Preply	180
					Oishi	150
					GT Medical Technologies	100
					BlueSky	100
					Premier Lacrosse League	100
					Viture	100
Total	372,163	54	274	336		

Source: Rothschild & Co

A summary of Q2 US fundraising shows that there were 153 deals of \$100m or more with a total of \$126.3bn being raised. AI dominated due to big raises by Anthropic and Prometheus. AI deals accounted for 73% of the total value of deals in the quarter. The figure was 78% in Q1.

The resurgence in interest in defense funding and its cross over with AI as new warfare techniques based on AI and autonomous systems emerge meant that Defense was the second largest category, up from third in Q1, with \$6.85bn raised in Q2 led by a \$5bn deal from Anduril. Software was in third place with \$3.1bn raised in the quarter. Essentially AI, defense and software held the top three underlying positions in both Q1 and Q2 if one excludes the single large Waymo deal (\$16bn) in Autonomous Vehicles in Q1.

Otherwise Q2 is notable for a better quarter in Fintech funding – eighth position with \$2.3bn raised in Q2, the continued robust interest in Space- a crossover sector with Defense - and a pick-up in investment in Quantum, one of the key future technologies for AI.

US – Q2 fundraising of \$126bn split by sector.

Sector	Amount Raised		Number of raises		Biggest raises							
	\$m	\$500m +	\$100m+	Total		\$m		\$m			\$m	
AI	92,287	15	32	47	Anthropic	50,000	Prometheus	12,000	Anthropic	10,000		
Defense	6,850	2	6	8	Anduril	5,000	True Anomaly	650	Mach Industries	300		
Software	3,130	1	14	15	Rightsline	500	NinjaOne	400	Peregrine Technology	250		
Energy	2,870	2	1	3	Joulent	1,750	VoltaGrid	1,000	Mid Ocean Energy	120		
Biotech	2,764	0	16	16	Olin Biosciences	330	Cellares	330	Beeline Medicines	300		
Climate Tech	2,740	0	0	8	Maxwell Power	750	Sedron Technologies	500	Helion	465		
Healthcare	2,580	1	7	8	MiRus	1,500	NewLimit	435	Vi Labs	145		
Fintech	2,341	1	9	10	Ramp	750	Airwallex	320	Nesto	215		
Space	2,087	1	7	8	Impulse Space	500	Stoke Space	350	Astranis	300		
Communications	1,500	1	0	1	Vertical Bridge	1,500	-	-	-	-		
Robotics	1,160	0	4	4	Mind Robotics	400	Generalist AI	400	Standard Bots	200		
Media	1,000	1	0	1	AppsFlyer	1,000	-	-	-	-		
Blockchain/Crypto	755	0	2	2	Ionic Digital	400	Digital Asset	355	-	-		
Electric Vehicles	650	1	0	1	Slate Auto	650	-	-	-	-		
Semiconductors	635	0	3	3	SiFive	400	XCENA	135	Reed Semiconductor	-		
Quantum	439	0	3	3	Photonic Inc	200	Sygaldry	139	Atom Computing	100		
Cybersecurity	400	0	2	2	Cyera	300	Ent	100	-	100		
Data Centres	370	0	3	3	Starcloud	170	HydraHost	100	ZutaCore	100		
Life Sciences	350	0	1	1	Lila Sciences	350	-	-	-	-		
Advanced Materials	280	0	1	1	Principal Mineral	280	-	-	-	-		
Transport	270	0	2	2	Glydways	170	Zum	100	-	-		
Prediction Markets	200	0	1	1	Kalshi	200	-	-	-	-		
Agri	150	0	1	1	Oishi	150	-	-	-	-		
Drones	110	0	1	1	Skydio	110	-	-	-	-		
Industrial	110	0	1	1	SendCutSend	110	-	-	-	-		
Medical Devices	100	0	1	1	GT Medical Technologies	100	-	-	-	-		
Sports	100	0	1	1	Premier Lacrosse League	100	-	-	-	-		
Total	126,228	26	119	153								

Source: Rothschild & Co

Europe – Surging H1 fundraising

Europe has seen a very strong H1 2026 in growth equity fundraising with \$39.3bn raised across 330 deals of \$20m or more.

The value of European VC raises in H1 2026 was 80% higher than in the equivalent 2025 period (\$21.8bn), 2.2x the amount raised in H1 2024 (\$17.7bn) and 3x the total for H1 2023 (\$13.1bn).

The volume of deals, 330 in H1 2026, is similar to the 321 of H1 2025 meaning the average deal value has risen from \$68m to \$119m on the back of a flurry of much larger deals.

There were eight rounds of more than \$1bn in value in H1 2026 versus zero in H1 2025. Indeed, there were just five \$1bn + deals in the entire 2023-5 period.

There were nine deals of \$500m-\$999m in H1 2026 versus just four in H1 2025. The number of \$100m plus deals was similar – 64 in 2026 versus 54 in 2025. So, the key to the value rise was the greater number of \$500m plus deals. The 17 \$500m+ deals raised \$16.96bn, 43% of the H1 2026 total.

Seven AI deals: Of these 17 seven are classified by us as being AI deals including the two largest. In May the AI powered drug discovery business, Isomorphic Labs raised \$2.1bn from backers including Thrive Capital, GV, Alphabet, MGX, Temasek and Capital G for its AI drug design engine, IsoDDE. Nscale is an AI hyperscaler with its data centre sites supporting LLM platforms. Its March 2026 \$2bn Series C at a valuation of \$14.6bn was led by Aker ASA and 8090 Industries and included Nvidia. Nscale intends to use the proceeds to further its deployment of large-scale AI infrastructure across Europe, North America, and the Middle East, enabling the rapid rollout of the company's "AI factory" data centres for projects like Stargate UK and Stargate Norway, and the expansion of its vertically integrated AI cloud platform.

There were three AI lab raises.

- Advanced Machine Intelligence (AMI) Labs led by Yann LeCun, who was the key architect of Meta's AI strategy, is looking to develop 'world models,' sophisticated, forward thinking AI systems capable of planning complex actions. In March, the company raised \$1.03bn at a pre money valuation of \$3.5bn led by Cathay Innovation, Bezos Expeditions, Temasek and Nvidia.
- Founded in late 2025, Ineffable Intelligence aims to develop AI systems through reinforcement (trial and error) learning. Its seed round of \$1.1bn at a valuation of \$5.1bn in April was led by Sequoia and Lightspeed. NVIDIA and Google participated as did the UK Sovereign Fund alongside the British Business Bank.

- Recursive Superintelligence raised \$500m at a \$4bn valuation in an April funding round led by Google Ventures and NVIDIA. The company's founding team includes a group of former OpenAI, Google and Meta scientists. Like Ineffable, Recursive aims to develop AI systems that improve without human intervention. The aim is to automate all of the elements of the frontier AI development.

Video AI business Eleven Labs raised a \$500m Series D in February led by Sequoia at a valuation of \$11bn at three times the level of its January 2025 round. Eleven Labs has developed from an initial focus on AI text-to-speech technology to speech-to-text, sound effects, dubbing, music, and conversational AI. The Israeli business Vast Data positions itself as "the Operating System for the Thinking Machine." Its \$1bn February round at a \$30bn valuation was a mix of primary and secondary. The company's platform is designed to unify and orchestrate storage, database, and compute resources, optimising the infrastructure required to support advanced AI workloads and large-scale data processing.

Three others were in AI related industries. These included

The \$1.5bn Series D in February for autonomous vehicles business Wayve, led by Eclipse, Balderton, and SoftBank Vision Fund 2. Microsoft, NVIDIA, and Uber participated in the round. Wayve's intention is to scale to more than 10 markets globally with the launch of the first service in London in 2026, with broader international rollout to follow.

The German humanoid robotics business Neura Robotics raised a \$1.4bn Series C at a \$7bn valuation in June with Tether, Qualcomm, Amazon, and Nvidia all participating. Swedish legaltech Legora raised a \$550m Series D in March at a \$5.55bn valuation in a round led by Accel.

Outside of AI related deals the largest raise was the \$1.6bn for Stegra (formerly H2 Green Steel) led by Wallenberg Investments, Temasek and IMA. The deal is to rescue a complex project which has substantial up-front costs. Stegra was founded in 2020 to build a large scale low-carbon steel plant in Boden capable of producing five million tonnes of green steel annually. Stegra says the new financing gives it "*a fully funded path to complete the construction and commissioning*" of the plant.

Octopus Energy spin out Kraken raised \$1bn in January in a round led by D1 Capital, Fidelity International and Teachers Ventures which was valued at \$8.65bn. Kraken, the 'modern operating system for utilities', supplies energy software to utility companies.

In fintech Ebury, a financial services platform for international trade which enables payments in more than 140 currencies across 160 countries, raised \$742m in April from a consortium including Santander, Centerbridge Partners, Vitruvian Partners and 83 North while in June Alan, the French insurtech, raised \$552m at a \$6.3bn valuation led by Prosus and Teachers Venture Growth.

The three other deals of \$500m plus came in June. These were:

- \$600m for the Israeli cybersecurity business Cyera backed by Evolution Equity Partners and Temasek at a valuation of \$12bn.
- German defence business Stark, which has both attack and defensive drones as well as command and control systems raised \$570m at a valuation of \$3.45bn led by Sequoia, Founders Fund, and the NATO Innovation Fund.
- Iceye, the Finnish satellite monitoring business with roots in environmental monitoring but increasingly with a sovereign intelligence focus, raised a \$520m Series F at a valuation of \$12bn led by General Atlantic.

Europe – 17 deals of \$500m+ in H1 2026

Country	Date	Company	Stage	Amount \$m	Valuation \$m	Sector	Investors	What it does
UK	May-26	Isomorphic Labs	Funding	2,100		AI -Drug Discovery	Thrive , GV, Alphabet, MGX, Temasek, Capital G	AI based drug discovery
UK	Mar-26	Nscale	Series C	2,000	14,600	AI - Data centres	Aker, 8090 Industries, Citadel, Jane Street	AI data centres
Sweden	Apr-26	Stegra	Funding	1,610		Climate Tech - Nuclear	Wallenberg Family Temasek, IMAS, Altor, Hy24	near-zero emission steel using green hydrogen
UK	Feb-26	Wayve	Funding	1,500	8,600	Autonomous Vehicles	Softbank, Nvidia , Uber	Autonomous vehicles
Germany	Jun-26	Neura Robotics	Funding	1,400	7,000	Robotics	Tether, Qualcomm, Amazon and Nvidia	Humanoid Robots
UK	Apr-26	Ineffable Intelligence	Seed	1,100	5,100	AI	Sequoia and Lightspeed Venture Partners	AI superintelligence frontier lab
France	Mar-26	Advanced Machine Int. Labs	Seed	1,030	3,500	AI - Lab	Cathay Innovation, Bezos Expeditions, Temasek, Nvidia.	world models"
UK	Jan-26	Kraken	Funding	1,000	8,650	Software - Utility	D1 Capital, F.L., Teachers Ventures	'Utility-Grade AI™' supports 70m+ accounts worldwide,
UK	Apr-26	Ebury	Funding	742		Fintech	Santander,Centerbridge , Viruvian Partners 83North	financial services platform for international trade,
Sweden	Apr-26	Recursive Superintelligence	Funding	650	4,650	AI	Google Ventures, NVIDIA	self-improving AI systems that learn without human involvement
Israel	Jun-26	Cyera	Funding	600	12,000	Cybersecurity	Evolution Equity Partners, Cyberstarts and Temasek,	Cybersecurity
Germany	Jun-26	Stark	Funding	570	3,450	Defence	Sequoia Capital, Founders Fund, NATO Innovation Fund	Autonomous defense systems, attack drones, C&C software
France	Jun-26	Alan	Funding	552	6,300	Insurtech	Prosus ,Teachers' Venture Growth , Index Ventures,	Health insurance and digital healthcare platform
Sweden	Mar-26	Legora	Series D	550		Legaltech	Accel	Legal tech
Finland	Jun-26	Icoye	Series F	520	12,000	Space	General Atlantic, Solidium, Tesi, Varma,	sovereign intelligence from space
UK	Feb-26	Eleven Labs	Series D	500		AI - Voice	Sequoia	AI voice generation
Israel	Mar-26	Vast Data	Series F	500	30,000	AI Infrastructure	Not revealed	AI infrastructure
Total				16,924				

Source: Rothschild & Co

Looking at the breakdown in deals by sector

- The flush of deals for AI Labs meant that AI climbed to first position with \$8.5bn raised, 22% of the H1 2026 total (FY 2025 second place, \$5.3bn raised, 11% of the total).
- Software slipped from first position but maintained a strong showing in second place. The \$4.2bn raised in H1 is 56% of the FY 2025 total, suggesting that the SaaS Apocalypse fears are being contained.
- Although with some shuffling of the order, the top five sectors remain the same as in FY25 with ClimateTech, Fintech and Biotech again making up positions three to five.

The two most notable sector moves are those of Semiconductors and Robotics. Semiconductors rose from 12th position in 2026 to 7th in H1 2025 with 13 deals raising \$1.7bn, 1.8x the amount raised in the whole of 2026. Semiconductors have also performed strongly in public markets as the market seeks out the suppliers of picks and shovels to the AI gold rush.

Robotics, an AI related sector, has seen a similar forward movement in Europe as in the US, the sector ranking rising from 15th to 9th with the \$1.66bn raised in H1 2026 being 2.4x the amount raised in the whole of 2026.

Europe – H1 2026 fundraising - \$39.3bn is up 80% yoy.

Sector	Amount Raised		Number of raises				Total	Biggest raises				
	\$m	\$500m +	\$100m+	Sub \$100m					\$m	\$m	\$m	\$m
AI	8,521	6	7	25	38		Isomorphic Labs	2,100	Ineffable Intelligence	1,100	Advanced Machine IL	1,030
Software	4,185	1	6	43	50		Kraken	1,000	DriveNets	410	Mews	300
Climate Tech	3,325	1	2	29	32		Stegra	1,610	Focused Energy	240	Terralayr	225
Fintech	3,242	2	7	22	31		Ebury	742	Alan	552	Paymentology	175
Biotech	2,470	0	6	31	37		Cellcentric	220	Windward Bio	165	Bionyra	165
AI DataCentres/Cloud	2,143	1	1	1	3		Nscale	2,000	Verda	117	Isotope	26
Semiconductors	1,713	0	6	7	13		Nearfield Instruments	380	Axelera AI	250	Fractile	240
Autonomous Vehicles	1,663	1	1	1	3		Wayve	1,500	Oxa	103	Wayve	60
Robotics	1,658	1	1	3	5		Neura Robotics	1,400	Sereact	110	Robco	100
Space	1,550	1	4	5	10		Icoye	520	Isar Aerospace	310	PLD Space	210
Cybersecurity	1,535	1	2	12	15		Cyera	600	Dream	260	Torq	140
Defence	1,473	1	3	7	11		Stark	570	Roark Aerospace	210	Kela Technologies	200
Quantum	1,215	0	5	6	11		Oxford Quantum Circu	350	Quantware	178	Quantum Motion	160
Healthcare	1,025	0	2	15	17		Oviva	234	CeQur	100	Dental Monitoring	99
LegalTech	815	1	0	5	6		Legora	550	Wordsmith	70	Orbital	60
Blockchain/Crypto	445	0	3	0	3		Morpho Labs	175	GSR	150	Elliptic	120
Agritech	329	0	1	6	7		Tropic	105	Innovafeed	59	Solar Foods	45
eCommerce	284	0	2	2	4		Nordic Knots	100	Swap	100	Zyg	58
Mobility	151	0	1	1	2		FINN	115	Forest	36	-	-
Medtech	141	0	0	5	5		FineHeart	41	Tissium	35	Brainomix	25
Marketplaces	137	0	0	4	4		Partly	51	Andercore	40	Eclipse	23
Aerospace	135	0	1	0	1		Hynaero	135	-	-	-	-
Construction	117	0	1	0	1		Gropys	117	-	-	-	-
Consumer	115	0	1	0	1		Waterdrop	115	-	-	-	-
Games	100	0	0	2	2		Grand Games	70	Telemonster Games	30	-	-
Online Grocery	100	0	1	0	1		Flink	100	-	-	-	-
Manufacturing	100	0	0	2	2		Orbital Industries	50	Isembard	50	-	-
Edtech	93	0	0	2	2		Multiverse	70	Gizmo	23	-	-
Sensors	86	0	0	2	2		Eyeeo	46	SatVu	40	-	-
Surveillance	85	0	0	2	2		Frame Security	50	Vizzia	35	-	-
Sports	63	0	0	1	1		King's League	63	-	-	-	-
Electric Vehicles	62	0	0	2	2		Magnax	41	Superlight	21	-	-
Travel/Leisure	56	0	0	1	1		WeRoad	56	-	-	-	-
Virtual Reality	40	0	0	1	1		Eva	40	-	-	-	-
DeepTech- Batteries	35	0	0	1	1		UniverCell	35	-	-	-	-
Gambling	35	0	0	1	1		Midnite	35	-	-	-	-
Minerals	25	0	0	1	1		Lithosquare	25	-	-	-	-
Media	22	0	0	1	1		Holywater	22	-	-	-	-
Total	39,289	17	64	249	330							

Source: Rothschild & Co

Europe- Q2 fundraising of \$21.5bn split by sector- AI led.

Sector	Amount Raised \$m	Number of raises				Total	Biggest raises	\$m	\$m	\$m	\$m
		\$500m +	\$100m+	Sub \$100m							
AI	5,011	3	2	14	19	Isomorphic Labs	2,100	Ineffable Intelligence	1,100	Recursive Superintelligence	650
Climate Tech	2,457	1	1	16	18	Stegra	1610	Focused Energy	240	CorPower Ocean	62
Fintech	2,003	2	3	8	13	Ebury	742	Alan	552	Paymentology	175
Software	1,792	0	3	24	27	DriveNets	410	Factorial	150	Fonoa	109
Robotics	1,535	1	0	2	3	Neura Robotics	1,400	Sereact	110	All3	25
Biotech	1,411	0	5	13	18	Cellcentric	220	Windward Bio	165	Bionyra	165
Space	1,162	1	3	2	6	Iceye	520	Isar Aerospace	310	EOS X	140
Quantum	1,155	0	5	5	10	Oxford Quantum	350	Quantware	178	Quantum Motion	160
Cybersecurity	1,044	1	1	4	6	Cyera	600	Dream	260	Eye Security	69
Defence	940	1	1	4	6	Stark	570	Kela Technologies	200	Alta Ares	67
Semiconductors	860	0	3	2	5	Nearfield Instrum	380	Fractile	240	Openchip	132
Blockchain/Crypto	445	0	3	0	3	Morpho Labs	175	GSR	150	Elliptic	120
Healthcare	306	0	1	6	7	CeQur	100	UroMems	60	Onward Medical	47
Mobility	151	0	1	1	2	FINN	115	Forest	36	-	-
AI DataCentres/Cloud	143	0	1	1	2	Verda	117	Icetope	26	-	-
AgriTech	128	0	0	3	3	Innovafeed	59	Solar Foods	45	Phyloton	24
LegalTech	120	0	0	2	2	Wordsmith	70	Lexroom	50	-	-
Consumer	115	0	1	0	1	Waterdrop	115	-	-	-	-
Edtech	93	0	0	2	2	Multiverse	70	Gizmo	23	-	-
Marketplaces	74	0	0	2	2	Partly	51	Eclipse	23	-	-
Games	70	0	0	1	1	Grand Games	70	-	-	-	-
Electric Vehicles	62	0	0	2	2	Magnax	41	Superlight	21	-	-
Autonomous Vehicles	60	0	0	1	1	Wayve	60	-	-	-	-
Travel/Leisure	56	0	0	1	1	WeRoad	56	-	-	-	-
Medtech	55	0	0	2	2	Tissium	35	CroiValve	20	-	-
Manufacturing	50	0	0	1	1	Orbital Industries	50	-	-	-	-
Surveillance	50	0	0	1	1	Frame Security	50	-	-	-	-
Sensors	46	0	0	1	1	Eyeco	46	-	-	-	-
Virtual reality	40	0	0	1	1	Eva	40	-	-	-	-
eCommerce	26	0	0	1	1	Tilt	26	-	-	-	-
Minerals	25	0	0	1	1	Lithosquare	25	-	-	-	-
Total	21,485	10	34	124	168						

Source: Rothschild & Co

Fundraising outlook: c\$35bn of impending raises

Pipeline is c\$25bn in impending US deals and c\$10bn in Europe.

Our list of impending US raises rises from \$10bn at the end of May to c\$25bn now. The new additions to the list are led by Jeff Bezos' space rocket venture Blue Origin. The company is reported to be looking to raise \$10bn at a \$130bn pre money valuation supported by Coatue and with Jeff Bezos contributing c\$2bn. Also coming onto the list is the US data centres business, Crusoe, a prolific amasser of capital, said to be looking for a further \$3bn raise at a \$30bn valuation. Another data centre business Switch, controlled by Digital Bridge, is reportedly looking at a \$2bn raise at a \$30bn valuation led by General Atlantic.

As we write the impending \$1bn raise for AI inference semiconductor business Sambanova is completing led by General Atlantic while Xlight, which builds lasers for semiconductor manufacturing, comes onto the list for a potential \$350m raise.

Falling out of the list as their deals completed are enterprise banking business Ramp which raised \$750m at a \$55bn valuation in a deal lead by ICONIQ and GIC, and AI infrastructure business Groq which raised \$650m from Disruptive and Infinitum.

US Growth Equity – c\$25bn in reported upcoming raises.

Company	Country	Sector	Amount		Valuation	What it does	Comments
			\$m	\$m			
Blue Origin	US	Space	10,000	130,000			Coatue
Crusoe	US	AI - Data centres	3,000	30,000		AI data centres	
Switch	US	Data Centres	2,000	50,000			Digital Bridge, a16z
Reflection AI	US	AI	2,500	20,000		Sovereign AI	NVIDIA
Cursor	US	AI	2,000	50,000		AI coding assistant	Thrive, a16z
Physical Intelligence	US	Robotics	1,000	11,000		General purpose AI models	Founders Fund, Lightspeed
Sambanova	US	Semiconductors	1,000	11,000		Inference semis and hardware	General Atlantic
Fluidstack	US	AI	700	7,000		Cloud computing GPUs for data centres	Google
Foundation Future	US	Robotics	500	3,000		Humanoid robotics	
Polymarket	US	Gambling	400	15,000		Prediction marketplace	
Tensor Auto	US	AVs	400			Self driving cars	
X Light	US	Semiconductors	350			advanced laser for semiconductors	
Lambda	US	Datacentres	350			Mubadala	
Aetherflux	US	Space/Climate	300	2,000		space solar power	
Fal	US	AI - Video	300	8,000		AI video platform	
Wispr AI	US	AI - Dictation	260	2,000		AI dictation	Series B - Menlo Ventures
Incode Technologies	US	Software	225	3,000		Identification verification	
Databricks	US			165,000			
Total			25,285				

Source: Rothschild & Co; press reports

In Europe, the total of identified impending raises rose from \$8.8bn to \$10.4bn. This is despite us removing Neura Robotics from the list. It raised \$1.4bn as opposed to our projected \$2bn. In addition, Isar Aerospace raised \$300m and Iceye a larger than expected \$520m.

Heading the list now is France's Mistral AI with the LLM business said to be looking to raise €3bn (c\$3.45bn) at a €20bn valuation. ASML Holding is the company's largest shareholder with a c11% stake. Italian LLM and AI infrastructure business, Dymn, is said to be raising \$1.15bn in an upcoming Series B.

Two European defence businesses are on our list led by Helsing, reportedly looking for a \$1.2bn raise in a deal led by Lightspeed and Dragoneer. Germany's Quantum Systems will come off the list next month. The developer of drones for defence and security operations has just raised \$10.4bn – twice the expected \$700m level - at an c\$8bn valuation in a round led by Airbus and Blackstone.

European Growth Equity – c\$10bn in reported upcoming raises.

Company	Country	Sector	Amount \$m	Valuation \$m	What it does	Comments
Mistral AI	France	AI	3,450	23,000		LLM
Dymn	Italy	AI - Infrastructure	1,150		AI gigafactory projects	
Helsing	Germany	Defence	1,200		Drones, battlefield systems	Dragoneer, Lightspeed
Agile Robots	Germany	Robotics	800		industrial robotics	
Quantum Systems	Germany	Defence	700	8,200		Airbus, Blackstone
Syre	Sweden	Textiles	600		Textiles	H&M
Multiverse Computing	Spain	Quantum	580	1,750	Quantum Computing	SETT
Aire	UK	AI	400		AI Research lab	
Lovable	Sweden	Software	300		Vibe coding	\$13.2bn valuation; Menlo Ventures
Destinus	Netherlands	Defence	235		Drones	
Cusp AI	UK	AI	200	1,000	AI for materials discovery	
EnduroSat	Bulgaria	Space	200		Satellites	
Giotto.ai	Switzerland	AI	200	1,000	AI	Artificial General intelligence
Cambridge Aerospace	UK	Defence	200	1,000	Drones	
Euclid	Netherlands	Semiconductors	115		Semiconductors	
Natural Cycles	Sweden	Healthcare	55		hormone-free birth control solution	Lauxera Capital
Total			10,385			

Source: Rothschild & Co; press reports

Public markets – Rotation

After its strong rally since the end of March, it has been a tougher time for markets in June and the first week of July. This is despite the uneasy truce in the US-Iran conflict taking the price of WTI crude down from c\$95 at the start of June to c\$70 at the start of July and in doing so dampening inflation fears in the US.

In the period June 1- July 8th, rotation out of tech stocks has meant the Magnificent Seven was down 6% with NASDAQ down 5%. The tech lighter S&P500 was down 2% and there was outperformance by the even tech-lighter international markets with the FTSE 100 up 2% and the STOXX600 up 3%. It all means that year to date relative performance has narrowed, bounded at the upper end by NASDAQ, up 11% and at the lower end by the FTSE 100, up 6%.

The FTSE Venture Capital Index, after a weak start to the year caused by the fall out in software stocks, had rallied to be almost flat on the year by the end of May but has subsequently fallen back to be down 8% ytd.

The rotation away from tech stocks has been fuelled by fears that AI infrastructure spend may slow, a view sparked by commentary around Samsung's earnings that caused weakness in semiconductor stocks. Meanwhile the relative strength of small caps, value stocks and especially cyclical tend to indicate that the market is anticipating a softer landing for the economy as the worst prognostications about the effects of the Iran War are deemed less likely to come about.

US headline inflation was 2.4% in February pre-Iran conflict while the May figure was 4.2%, the highest since April 2023. Core inflation, which excludes volatile elements, including food and energy, rose by just 10bps to 2.9% from 2.8% the previous month. The yoy change in the consumer price index for fuel oil was 59%, and for energy commodities and gasoline 41%, highlighting the influence this has on the inflation outlook. With the substantial truce between the US and Iran agreed on June 17 market hopes were raised that inflationary pressures will now reduce. One year ahead household inflation expectations in the US are running at c3.7%.

The US jobs market looks relatively robust although the numbers have been bouncing around. The US added an unexpectedly strong 172,000 jobs in May versus an 80,000 expectation. This was followed by a disappointing 57,000 additions in June – the market had been looking for 100,000. The May figure was also revised down to 129,000, and April from 179,000 to 148,000, leaving the overall outturn close to original expectations. The unemployment rate is running at c4.2%.

The overall picture is thus of core inflation at an acceptable rate, overall inflation at an excessive rate but induced by an Iran conflict the effects of which might be about to wear off, and an overall robust jobs outlook.

The Fed held rates at 3.5%-3.75% in June: Stepping into this picture is President Trump's new head of the Fed, Kevin Warsh. He had his first Fed meeting as chair on June 17. Rates remained unchanged at 3.5%-3.75% with a unanimous vote by the market committee to hold rates.

Mr Warsh has set up five Fed taskforces- Balance Sheet, Communications, Economic Data, Productivity and Jobs (focusing on the impact of AI) and the Inflation Framework. They represent a desire to change the way the Fed goes about its mission and are due to report by the end of the year.

The market is keen to get a feel for the approach of the new Chair. Thus far he is more hawkish and independently minded on interest rates than the market had feared. His key indicators so far are:

- He has said that the Fed will remain committed to its 2% inflation target and to delivering 'price stability'.
- He has observed that *'Persistently high prices are a burden for the American people.'*
- And that the Fed will remain an *'independent central bank'*
- In an interview on July 2nd, referring to his initial period in charge, he indicated that *'Expectations of inflation over the first four weeks of this period have come down, inflation risks have come down.'*
- The balance sheet task force will *"review the benefits and risks of the current ample reserves regime and the composition of the balance sheet"* focusing on reducing the size of the \$6.7 trillion Fed balance sheet. A smaller balance sheet should allow short term rates to be set lower through the cycle by encouraging banks to hold fewer reserves and more bonds. The intent should be viewed as a way of reducing interest rates over time.
- It is uncertain that under Kevin Warsh that the Fed will do as much signalling forward of the likely direction of interest rates *"Unlike many of my colleagues past and present, I don't believe in forward guidance. I don't believe that I should be previewing for you what a future decision might be."*

The dot plot expectations indicator of the Monetary Committee members did though survive for the June 17th meeting. Nine of the committee members expect higher rates by the end of 2026, eight unchanged rates and one a reduction. At the start of the year three had looked for higher rates, five unchanged and nine for a reduction. As recently as the March meeting, eight had been looking for rates to reduce by year end.

The next Fed meeting is on July 29th. There are three further meetings thereafter this year, in September, October and December. The market expects (67% unchanged/33% higher) rates to be unchanged in July. The swing comes in September (31% unchanged/ 69% higher) with 17% looking for a 50bps rather than 25bps rise. By the December meeting there is an 86% expectation of a rate rise – this figure was just 51% a month ago. The 86% splits 37% for a 25bps rise, 34% for 50bps and 15% for 75bps or more.

Meanwhile the on-off-on state of the Iran truce and the gyrations of the oil price with its attendant threat on inflation means that market participants are uncertain of the short-term direction of travel. The longer this uncertain state prevails though, the more likely it is that the next move in Fed rates is upwards.

The ECB raised rates by 25bps to 2.25% at its June meeting, the first rate increase since August 2023. The EU cited 'a major energy shock' and persistent inflation risks driven by the Iran conflict and disruptions to oil shipments. The ECB stated that the Middle East war is amplifying inflationary pressures and that according to ECB President Christine Lagarde *'We are beginning to see a broadening of inflation throughout the economy.'*

Even as the ECB was raising rates the lull in the Iran War had policymakers reassuring markets that the interest rate response would not be as severe as it was in 2022-23 after the outbreak of the Ukraine war, Christine Lagarde observing that *'We no longer need to act with the same force.'*

At the June meeting the ECB revised its inflation forecasts upward. It now expects headline inflation to reach 3.0% in 2026 (was 2.6%) and 2.3% in 2027 (was 2.0%). The ECB forecasts that inflation will return to its 2% target during 2027.

Core inflation was raised to 2.5% for 2026 and 2027, from previous estimates of 2.3% and 2.2%. The ECB lowered its Eurozone GDP projections, looking for 0.8% growth in 2026 (was 0.9%) and 1.2% in 2027 (was 1.3%).

Euro area inflation then surprised positively with its June reading of 2.8%, down from 3.2% in May and better than expectations of 3%. Core inflation, ex food and energy prices, was 2.4% down from 2.6% in May and better than 2.5% expectations.

Market expectations are still that European interest rates will rise by a further 25bps this year, with attention focused on the September meeting for the rate hike.

The UK held rates at 3.75% in June: UK inflation in May was also better than expected with the figure holding at 2.8%, the same level as in April. As in April the market had been looking for a read of 3%, meaning that inflation beat expectations in both months. The recent inflation high was the 3.3% figure in March. Core inflation, which excludes food and energy, was 2.6% in May up from 2.5% in April.

April's slowdown was because of a new energy price cap, offsetting pressures from rising energy prices. May's beat largely reflected lower food prices and a drop in the cost of domestic heating oil.

The June 18th meeting of the Bank of England was held just as US and Iran were signing their Memorandum of Understanding. In the run up there was strong debate as to whether the BoE would raise rates given the uncertainty over the oil price. The fall in the oil price on the back of the truce meant the BoE was able to hold rates at 3.75% with the committee vote being 7-2. The minority voters supported a rate rise.

The BoE now anticipates inflation of 3% Q3 and 3.25% in Q4, although these figures are below its earlier projections in April.

The Governor of the Bank of England Andrew Bailey observed at the end of April that *'higher inflation is unavoidable'* due to the Iran conflict in the Middle East. In May he indicated that higher inflation caused by the Iran energy shock is potentially tolerable if it is a temporary effect. He repeated this sentiment in June observing that:

'Whatever happens in the future, the higher energy prices of the past four months mean there's already some inflationary pressure in the pipeline.... I would respond promptly to any signals that an extended period of elevated energy prices could be leading to stronger possible second-round effects.'

The net effect of all this is the market still expects the Bank of England to raise interest rates by the end of the year, but with the consensus expectation has looking at just one 25bps rise, taking the rate to 4%, rather than two.

Our Rothschild & Co strategists Kevin Gardiner and Anthony Abrahamian's views on the current market outlook are summarised in the Exhibit.

	GROWTH Positive	Resilience persists The US/Iran conflict has faded and so too has the risk of a bigger hit to growth, with oil prices falling back sharply, to below-trend levels in real terms. Growth was respectable prior to the war – first-quarter output data were resilient – and patchy second-quarter indicators stabilised entering June. Strong US private demand – bolstered by renewed strength in the labour market – suggests momentum in the world's most important economy may once again be accelerating
	INFLATION Neutral	Peak inflation The earlier rise in energy costs has largely filtered through to developed-market CPI inflation, which is now in the top half of the notional 2-4% range we have long had in mind. The more recent big fall in the cost of energy suggests that the peak pressure is likely behind us (the UK energy cap notwithstanding) – and from levels that were not that high to begin. However, if economic activity revives from here, and real wages rebound, then that pre-war inflationary “stickiness” may be set to persist
	POLICY Negative	A hawkish pivot Money markets quickly priced-in higher levels of interest rates in anticipation of oil-driven inflation risk. While those hawkish expectations may now be erring on the high side, the ECB resumed tightening in June, and the US Federal Reserve appears biased in that direction. Fiscal policy is likely to become more expansionary in Europe in particular. However, this probably does not presage the start of another big tightening cycle, and monetary policy is not excessively loose to begin with
	GEOPOLITICS Neutral	Conflict dissipates The Memorandum of Understanding between the US and Iran has temporarily allowed maritime traffic to resume transiting the Strait of Hormuz. While the ceasefire remains <i>fragile</i> – it is not yet an agreed peace accord – there is significant momentum towards a deal – hence the fall in oil prices, which in real terms are if anything now slightly lower than usual
	VALUATIONS Neutral	Headroom intact? Global stock valuations remain elevated on a long-term view (CAPE ratios for example), but more immediate forward-looking PE ratios appear <i>manageable</i> . AI buildout (not yet AI usage) remains the dominant driver of buoyant earnings (and prices), but if energy costs continue to fade then wider earnings (outside the oil sector itself) may get a renewed lift. Government bonds look closer to ‘fair value’ today, despite pricing-in higher interest rates, though corporate bonds appear historically expensive
	MARKET DYNAMICS Positive	Rotation, not a reversal? The vigorous AI trade faltered in June – with notable volatility in the most popular technology-linked segments. But as investors rotated into more defensive and value-tilted segments, measures of stock market participation have improved. Meanwhile, government bonds strengthened a little – <i>echoing</i> the fall in the oil price – as short-term inflation risk faded. The stronger dollar and the hawkish re-think on interest rates pose a headwind to gold. Elsewhere, reported stress in private debt markets continues, but with little feedthrough to public markets or the systemically important banking system

Source: Rothschild & Co.

Fundraising – Europe has a standout June.

Europe's biggest ever month - \$8.7bn raised.

Momentum is with Europe: June was a remarkable month for European fundraising with 62 deals of \$20m+ raising a total of \$8.7bn, the first time Europe has breached the \$8bn barrier in a single month. The total is \$1.0bn greater than the previous record month, the \$7.7bn raised in March this year. The total was almost double the \$4.47bn raised in the same month last year.

Notably there was a flush of large deals in Europe in June. There was a total of 20 deals of \$100m or more beating the previous high of 17 (again in March 2026). Of these the largest was the \$1.4bn raise at a \$7bn valuation for German humanoid robotics business, Neura Robotics. There were a further four deals of \$500m plus (Cyera, Stark, Alan, and Iceye) and a further five deals of \$300m or more including \$410m for the Israeli networking solutions business, DriveNets, \$400m for Cusp AI which applies AI to the materials science industry, \$380m for the Dutch semiconductor metrology business, Nearfield Instruments, \$350m for the UK's Oxford Quantum Circuits, and \$300m for Physics X, an engineering platform for product design.

The European fundraising scene remains well diversified in terms of industry. The biggest sector in June was Robotics with the single Neura deal of \$1.4bn comprising 16% of total fund raising in the month. Six cybersecurity deals, again dominated by Israeli companies, raised \$1.04bn or 12% of the total. Eleven software deals pulled in \$937m, 11% of the total with the \$150m deal for Spanish HR software business Factorial notable. AI was the fourth ranked sector with eight raises for \$893m led by the CuspAI and Physics X deals. There were three raises in Defence for \$674m plus a substantial deal in Space – the \$520m for Iceye. Quantum remains a feature in Europe with a flurry of raises in recent months, with the \$482m raised in June led by the \$350m for superconducting quantum specialist, Oxford Quantum Circuits.

Europe – June 2026 deal value ranked by sector.

	Deals	Raised	%
	(\$20m+)	\$m	of raised
Robotics	1	1400	16
Cybersecurity	6	1044	12
Software	11	937	11
AI	8	893	10
Fintech	4	783	9
Defence	3	674	8
Semiconductors	3	597	7
Space	1	520	6
Biotech	6	489	6
Quantum	2	482	6
Other	18	893	10
	63	8712	100

Source: Rothschild & Co

Europe – 62 \$20m+ deals raised a record \$8.7bn in June.

Country	Date	Company	Stage	Amount \$m	Valuation \$m	Sector	Investors	What it does
Germany	Jun-26	Neura Robotics	Funding	1,400	7,000	Robotics	Tether, Qualcomm, Amazon and Nvidia	Humanoid Robots
Israel	Jun-26	Cybera	Funding	600	12,000	Cybersecurity	Evolution Equity Partners, Cyberstarts and Temasek,	Cybersecurity
Germany	Jun-26	Starik	Funding	570	3,450	Defence	Sequoia Capital, Founders Fund, NATO Innovation Fund , Project A Ventures	Autonomous defense systems, attack drones, and C-and-C software
France	Jun-26	Alan	Funding	552	6,300	Insurtech	Prosus, Teachers' Venture Growth, Index Ventures, Dara Holdings.	Health insurance and digital healthcare platform
Finland	Jun-26	Iceye	Series F	520	12,000	Space	General Atlantic, Solidium, Tesi, Varma, Imarinen, Lifeline, Nokia, QIA,TCV.	sovereign intelligence from space
Israel	Jun-26	DriveNets	Series D	410	8,500	Software	Bessemer and Atrides Management,	networking solutions for telecommunications and AI infrastructures
UK	Jun-26	CuspaI	Funding	400	2,600	AI	BezosExpeditions, Kleiner Perkins	generative AI for material sciences
Netherlands	Jun-26	Nearfield Instruments	Series D	390	1,600	Semis	PMR	Semiconductor metrology
UK	Jun-26	Oxford Quantum Circuits	Series C	350		Quantum	Bulldound, British Business Bank, Fynweur, Cofides, Alpha Edison,	quantum computing hardware and software
UK	Jun-26	PhysicsX	Funding	300	2,400	AI	Temasek	AI-native engineering platform that accelerates product design
Israel	Jun-26	Dream	Funding	260	3,000	Cybersecurity	Bicycle Capital and Group 11	AI infrastructure and cyber defense for technological sovereignty
UK	Jun-26	Behavox	Funding	175		Fintech	HFS Investment Partners	platform to manage risk and meet regulatory obligations
France	Jun-26	Morpho Labs	Funding	175		Crypto	Paradigm, Ribbit Capital, a16z crypto	Crypto lending protocol
France	Jun-26	Bionrya	Series A	165		Biotech	Jeto Capital, Sofinnova	biologics for inflammatory diseases
Spain	Jun-26	Factorial	Series D	150	2,500	Software	General Catalyst, Atomico and Four Rivers	cloud-based HR and business management software for SMEs.
Spain	Jun-26	Openchip	Funding	132		Semis	Spanish Society for Technological Transformation	semiconductor technologies for chips manufacturing
France	Jun-26	Quobly	Series A	132		Quantum	Bpifrance, SEALSQ , STMico, EIC Fund, Blast, ALIAD (Air Liquide VC)	Quantum Hardware and software
Germany	Jun-26	FRN	Funding	115	1,150	Car subscription	Portage	Car subscriptions
UK	Jun-26	RQ Bio	Series A	115		Biotech	Frazier Life Sciences	antibody therapeutics to prevent influenza
Switzerland	Jun-26	CeQur	Funding	100		Healthcare	Not disclosed	insulin delivery for people living with diabetes
Spain	Jun-26	Ona Therapeutics	Series B	87		Biotech	Columbus Venture Partners and Mérieux Equity Partners	therapies targeting metastatic cancer
Spain	Jun-26	Theker	Series A	85		Semiconductors	CRV, Samsung, LVMH, Cathay Innovation, 20VC	microelectronics and semiconductor manufacturing industrial robots
Israel	Jun-26	Rylo	Funding	85		Software	General Catalyst's Customer Value Fund, Canaan	Real time speech and sign language translation
UK	Jun-26	Wordsmith	Series B	70		Legaltech	Highland Europe, Index	Platform for in house legal teams
Netherlands	Jun-26	Eye Security	Funding	69		Cybersecurity	Sofina, TIN Capital, JP Morgan	Cybersecurity for SMEs
France	Jun-26	Alta Ares	Funding	67		Defence	Air Street Capital,	air defense and autonomous systems
Israel	Jun-26	Newcore	Funding	66		Cybersecurity	Cyberstarts, Index Ventures, and Evolution Equity Partners	identity management systems
UK	Jun-26	Conduct	Series A	60		AI- Software	Index Ventures and ICONIQ	an AI operating system for Enterprise Software
France	Jun-26	Innovafeed	Funding	59		Agri	QIA, Temasek, and ABC Impact.	insect-based ingredients for animal feed
Ireland	Jun-26	CameraMatics	Funding	56		Software	Blume Equity, Ireland Strategic Investment Fund , Goodbody Capital Partners.	transport fleet intelligence and driver safety
UK	Jun-26	IMJ Biosciences	Series A	53		Biotech	IQ Capital and Mollen Ventures	Mapping immune systems
UK	Jun-26	Parity	Series B	51		Marketplace	marketplace for automotive parts	marketplace for automotive parts
Sweden	Jun-26	Entra	Series A	50		Software	a16z Notion Capital, Nomsken	platform for mapping out mechanical, electrical, and plumbing (MEP) systems
Finland	Jun-26	Solar Foods	Grant	45		Agri	Business Finland	protein from air and electricity
UK	Jun-26	Semble	Series C	41		Software	Revaia le Partech, Mercia Ventures , Octopus Ventures.	outpatient management platform
Netherlands	Jun-26	Leyden Labs	Funding	40		Biotech	EC Fund, Invest-NL, Gates Foundation, ClavysBio	therapies to treat respiratory viruses
UK	Jun-26	Isometric	Funding	40		Software	AIVP, Plural, Lowercarbon Capital,	certification platform for industrial markets to ensure compliance and efficiency
UK	Jun-26	Undo	Funding	37		AI - agentic	Elsewhere Partners,	AI -powered root cause analysis
France	Jun-26	Comand AI	Series A	37		Defence	Blossom Capital	Battlefield software
UK	Jun-26	Apoha	Funding	36		Pharma	Singular , Draper Associates, Redalpine, Seedcamp, Wilbe and Nucleus.	molecular science to design better medicines, food, and materials.
France	Jun-26	Tsuga	Series A	35		Software	Singular	enterprise observability
France	Jun-26	Teslam	Series D2	35		Medical Devices	Not disclosed	polymer for tissue healing
UK	Jun-26	Astral Systems	Funding	31		Climate Tech	Mercia Ventures	compact fusion reactors
UK	Jun-26	1001	Series A	30		AI	Lux Capital	Sovereign AI for critical infrastructure
UK	Jun-26	Fuse Energy	Series B +	29		Climate Tech	20VC and Collaborative Fund.	solar power storage and grid management
France	Jun-26	Festina Finance	Funding	29	230	Fintech	Birchway Capital	life and pensions platform
France	Jun-26	Lys Therapeutics	Funding	29		Biotech	Bpifrance, Michael J Fox Foundation	neurovascular and neurodegenerative disease-modifying biotherapeutics
Israel	Jun-26	Aryon Security	Series A	29		Cybersecurity	Brightmind Partners, Dataladog Ventures	Cloud Security Enforcement Platform provider
Germany	Jun-26	Encosa	Seed	29		Climate Tech	Realize Ventures, Verve Ventures, Bayern Kapital	battery storage solutions
UK	Jun-26	Gaussian	Funding	28		Climate Tech	BGF and AlbionVC	energy intelligence technology for battery packs
UK	Jun-26	MDTOM	Funding	27		Fintech	Expedition Growth Capital.	portfolio construction tools for institutional managers
UK	Jun-26	Gigaton	Series A	26		Software	Plural	Control software for energy-intensive industries.
UK	Jun-26	Gradient Labs	Funding	26		AI - agentic	Octopus Ventures and CommerzVentures.	AI agents to automate customer operations for financial services
UK	Jun-26	Tik	Funding	26		eCommerce	United Ventures, TQ Ventures, Balderton Capital, Earlybird, Seedcamp.	real-time live-video commerce platform
France	Jun-26	Eclipse	Series A	23		Marketplace	BNP Paribas and Noria	marketplace for trading, financing and insuring EV batteries
France	Jun-26	Innovorder	Funding	23		Software	UL Invest, Evolem.	point-of-sale platforms for the restaurant industry
UK	Jun-26	Superlight	Series A	21		EVs	Engine Ventures, 2150	electric vehicle manufacturer
Spain	Jun-26	Orbio	Series A	21		Software	Dawn Capital ,Visionaries VC.	tools to enhance workplace productivity
Ireland	Jun-26	CroValve	Series B+	20		Medical Devices	BGF	transcatheter device for the treatment of tricuspid regurgitation
Israel	Jun-26	Limitless Labs	Series A	20		AI - agentic	Dell Technologies Capital and Square Peg,	platform for CAD/CAM
Spain	Jun-26	Neural Trust	Seed	20		Cybersecurity	Astin Capital ,VentureFriends, Seaya, Kibo Ventures	security platform to protect digital agents from cyber threats
UK	Jun-26	Airspeed	Series A	20		AI - agentic	DN Capital	AI agents for GTM teams
Total				8,712				

Source: Rothschild & Co

US fundraising in June – up 5% yoy.

June 2026 just edged ahead of the June 2025 total.

It would be harsh to say that the US fundraising market has lost momentum given that June saw another \$32.3bn raised for private companies. It was though just 5% ahead of the total raised in June 2025. It is an exceptional figure for raises and yet the opening of the IPO market and the shift of major companies like Space X, Cerebras and Quantinuum into the public markets with others like Anthropic and OpenAI having filed, shifts the focus of attention on the fundraising market from the private to the public arena.

Notably the US saw just one deal of \$2bn + in June, the lowest total of the year to date. It was a \$12bn raise at a \$41bn valuation for Jeff Bezos’ Prometheus which is focused on physical AI and autonomous

engineering systems. Its aim is to build an ‘artificial general engineer’ capable of automating complex engineering design. The business raised an initial \$6.2bn at the end of 2025.

There were three other \$1bn plus deals in the month. Joulent is an energy business focused on supplying substantial power infrastructure for the AI industry. It raised \$1.75bn from the UK’s National Grid Ventures. Baseten, an AI inference company whose trained models help power AI model development, raised a \$1.5 billion Series F led by Altimeter Capital, Conviction, and Spark Capital. AppsFlyer uses AI in advertising measurement and cross-platform attribution. It raised \$1bn in a round valuing the business at \$2.7bn and supported by Google, Meta and adtech company, Moloco.

As usual AI was the leading sector for fundraising although the 55% of total funds raised– \$18.8bn out of \$32.8bn in June, was well beneath the 80% seen in April and May. Apart from the Prometheus and Baseten deals, there were two significant raises by AI infrastructure companies. Together raised \$800m in a Series C led by Aramco Ventures which valued the company at \$8.3bn. It describes itself as an ‘AI acceleration cloud company.’ It leases chips from cloud providers and re-leases them to developers as well as hosting servers in its own data centres. At the end of the month Groq raised \$650m in funding led by Disruption and Infinium to scale its AI inference cloud business. Groq operates 13 data centres in North America, Europe, the Middle East, and Asia-Pacific, serving more than five million developers.

AI linked sectors also saw prominent raises with the \$1.75bn Joulent raise in AI-focused energy infrastructure and there were three AI datacentre raises for a total of \$550m. In total these were another 7% of the total value of June raises.

Five fintech rounds raised \$1.625bn led by the \$750m for financial operations platform, Ramp. Seven biotech rounds raised a total of \$1.34bn and five software rounds raised \$1.25bn led by \$400m for the IT operations platform, NinjaOne.

US & Canada– 65 raises of \$100m+ in June for a total of \$32.3bn.

Country	Date	Company	Stage	Amount \$m	Valuation \$m	Sector	Investors	What it does
US	Jun-26	Prometheus	Funding	12,000	41,000	AI	Jeff Bezos, JPMorgan, Goldman Sachs, BlackRock, DST Global, ARCH Venture	physical AI and autonomous engineering systems
US	Jun-26	Joulent	Funding	1,750		Energy	National Grid Ventures	energy infrastructure focused on AI
US	Jun-26	Baseten	Funding	1,500		AI	Altimeter Capital, Conviction, Spark Capital, Sands Capital, Wellington Management.	AI model deployment and serverless compute infrastructure,
US	Jun-26	AppsFlyer	Series E	1,000	2,700	Media	Moloco, Google, Meta, and Unity	mobile attribution and AI-powered advertising measurement
US	Jun-26	Together	Series C	800	8,300	AI Infrastructure	Aramco Ventures	Infrastructure layer for companies running open source AI models
US	Jun-26	Maxwell Power	Funding	750		Climate Tech	FairTide Partners	battery storage and solar power project financing solutions
US	Jun-26	Ramp	Series F	750	44,000	Fintech	ICONIQ, GIC, and Ontario Teachers' Pension Plan	financial operations platform
US	Jun-26	Groq	Funding	650		AI Infrastructure	Disruptive and Infinium,	artificial intelligence inference hardware
US	Jun-26	Supabase	Series F	500	10,500	AI- Software	AI- Asopet, Y Combinator, Craft, Felicis, Peak XV, Coatue.	open source Postgres development platform
US	Jun-26	Impulse Space	Series D	500		Space	137 Ventures, Banner VC	Spacecraft and propulsion systems
US	Jun-26	Flourish	Funding	500	2,500	AI	Jeff Bezos, Alphabet's GV, Lux Capital, and Catalio Capital Management.	brain-inspired continuous learning artificial intelligence systems
US	Jun-26	Helion	Series G	465	15,500	Climate Tech	Thrive Capital, Alta Park Capital, Ari Fund, BoxGroup, Lux Capital, Peak XV Partners	Fusion energy
US	Jun-26	NewLimit	Series C	435	3,100	Healthcare	Founders Fund	Longevity
US	Jun-26	NinjaOne	Series C+	400	12,300	Software	Wellington Management, Teachers' Ventures, BDT, MSD Partners, Sequoia, ICONIQ	IT operations platform
US	Jun-26	Ionix Digital	Funding	400	2,000	Crypto	Altastor, Oaktree Capital Management, and Satchen Head	digital infrastructure and cryptocurrency mining company
US	Jun-26	Generalist AI	Funding	400	2,000	Robotics	Radical Ventures, BYC, Union Square, Hanabi Capital Ventures, Bezos Expeditions.	embodied robotics intelligence and foundation models
US	Jun-26	Suno	Series D	400	5,400	AI- Music	Bond Capital, M/P, Forerunner Ventures, Union Square	music generation systems
US	Jun-26	Digital Asset	Funding	355		Blockchain	Blockchain	creator of Canton
US	Jun-26	Alphasense	Funding	350	7,500	AI- Data	Vivusian Partners, Accutune Ventures, and J.P. Morgan	market intelligence solutions for the business and financial sectors
US	Jun-26	TensorWave	Series B	350	1,550	AI- Data Centres	Magister and AMD Ventures	AI cloud - high-performance, memory-intensive workloads
US	Jun-26	Lila Sciences	Series A	350		Life Sciences	Braidwell and Collective Global	superintelligence platform and automated laboratory systems
US	Jun-26	Olin Biosciences	Series B	330		Biotech	TCCX and ARCH Venture Partners,	therapies for vision-threatening diseases
US	Jun-26	Collaps	Series D	330		Biotech	Blackrock, T Rowe	Cell therapy manufacturing
US	Jun-26	General Intuition	Series A	320	2,300	AI lab	Khosla Ventures' General Catalyst, Hedosophia	uses gaming content for training,
US	Jun-26	Almalex	Series H	320	11,000	Fintech	Addition, Baillie Gifford, Hummingbird, QED Investors, T. Rowe Price, Hedosophia,	global financial platform
US	Jun-26	Odessey	Series B	310	1,450	AI	Natural Capital, Amazon, AMD Ventures, GV, EQT, In-Q-Tel (IQT),	general world simulation models and physical AI platforms
US	Jun-26	Mach Industries	Series C	300	1,800	Defense	Infinite Capital and Ribbit Capital,	autonomous vehicles
US	Jun-26	Cybera	Series G	300	12,000	Cybersecurity	Evolution Equity	Data security platform
US	Jun-26	Principal Mineral	Funding	280		Materials	Overmatch, New Industrial Corp	global strategic materials supply chain,
US	Jun-26	Pioneering Technologies	Series D	250	6,800	Software - Data	Fifth Open Capital, Sequoia Capital, OG Venture Partners, Goldcrest Capital	data integration platform for state, local, and federal governments
Canada	Jun-26	Beacon Software	Series C	225		Software	General Catalyst and HarbourVest	Software roll up
Canada	Jun-26	Nesto	Series E	215	1,050	Fintech	La Caisse, Fidelity Investments, PICTON Investments, Endeavor Catalyst,	digital mortgage lender
US	Jun-26	Corilogix	Series F	200		AI Data	Advent, CPPB, and Greenfield	data and AI platform for observability,
US	Jun-26	Standard Bots	Series C	200	1,000	Robotics	General Catalyst and Robo Strategy	Industrial robotics
US	Jun-26	Mirendel	Seed	200		AI	a16z, Kleiner Perkins,Nvidia	AI tools and foundation models for scientific discovery
US	Jun-26	Augur	Series A	200		Software	Oakl HC/F, Insight	Supply chain software
US	Jun-26	Quantifind	Funding	200		Fintech	Summit Partners, Citi Ventures, S&P Global, Deloitte, and Stephens Group.	risk intelligence and automated financial crime detection
US	Jun-26	Apex	Funding	200	2,300	Space	Glade Brook Capital Partners and Washington Harbour Partners	Satellite maker
US	Jun-26	Allen Control Systems	Series B	200	2,200	Defense	Smash Capital, Craft Ventures, Rally Ventures, Inspired Capital	autonomous precision robotics
US	Jun-26	Upstate AI	Series A-I	190		AI	Phenix Invest, NVIDIA, Salesforce Ventures, Seligman Ventures,	AI networking infrastructure company
US	Jun-26	Oxanni Bio	Series B	190		Biotech	Patient Square Capital ,Horowitz Group	development-stage therapeutics platform
US	Jun-26	LeapExpert	Funding	180		Software-Compliance	Riverwood Capital	tools for tracking enterprise communications for compliance needs
US	Jun-26	Axom Space	Funding	175		Space	Type One Ventures, QIA	space infrastructure
US	Jun-26	Chronograph	Minority	140		Fintech	Stuh Street Growth	portfolio monitoring and analytics platform
US	Jun-26	Beren Therapeutics	Equity	135		Biotech	Wellington Partners, JIC Venture Growth Investments, Founders Fund, Narya Capital	cyclodextrin-based cholesterol trafficking therapeutics
US	Jun-26	8090 Solutions	Funding	135		AI- software	Salesforce	enterprise software with coordinated AI agents
US	Jun-26	Baseline Medicines	Series A	126		Biotech	Bain Capital, CPP, BristolMyers Squibb	precision therapies for autoimmune and inflammatory diseases
US	Jun-26	SoraThera	Series B	125		Biotech	Vida Ventures, ARK Invest, CuneDuchenne Ventures, Leapsy by Bayer	ultrasound-mediated noninl genetic medicine platform
US	Jun-26	Assort Health	Series C	120	1,200	AI- Health	Merio Ventures,LightSpeed Venture Partners, Felicis, First Round Capital,	AI agents platform for the patient journey
US	Jun-26	Taktile	Series C	110		AI	Goldman Sachs Alternatives, Balderton, Index, Tiger Global, Y Combinator,	AI-powered decision automation platform
US	Jun-26	Traze	Seed	107		AI	ARCH Venture Partners, Red Cell Partners	agentic operating system and AI agents for high-stakes environments
US	Jun-26	Premier Lacrosse League	Series E	100		Sports	Ares Management	men's professional lacrosse league
US	Jun-26	Twelve Labs	Series B	100		AI- Video	NEA, Navier Ventures	AI systems trained on video archives,
US	Jun-26	Revel Semiconductor	Series C	100		Not disclosed	Spark Capital, Thrive Capital, General Catalyst, Coatue, B Capital	multichip power controllers and server power delivery modules
US	Jun-26	Cadence	Series C	100		Healthcare		chronic care for older adults
US	Jun-26	Scalad Cognition	Series A	100		AI	Khosla Ventures, Genesis.	AI model lab
US	Jun-26	Rundp	Funding	100		AI	Summit Partners	AI developer cloud company
US	Jun-26	HydraHost	Series A	100		Data Centres	Kindred Ventures, NVIDIA, ARK Invest, SPly Capital	Data centre software and AI server brokerage
US	Jun-26	Gespark.ai	Series B+	100	2,600	AI	Sozo Ventures, Korea Mirae Asset, UpHonest Capital	agentic AI company building workspace solutions
US	Jun-26	Ert	Seed	100		Cybersecurity	Decibel, Sequoia, Crosspoint Capital Partners, Craft Ventures, Shield Capital, Felicis	intent-aware workspace security company
US	Jun-26	Atom Computing	Series C	100		Quantum	Thirst Point Ventures, D'OVC, Cisco Investments	quantum computer
US	Jun-26	City Therapeutics	Series B	100		Biotech	Viking Global Investors and Sofinnova Investments	RNAi therapeutics
US	Jun-26	Twenty Technologies	Series B	100	1,000	Defence- Cyber	Caffeinated Capital, General Catalyst, In-Q-Tel	Offensive cyber warfare
US	Jun-26	Medical Technologies	Series E	100		Biotech	Thirst Point Ventures, D'OVC, Cisco Investments	patients with brain tumors
US	Jun-26	ZutaCore	Series C	100		Data Centre Tech	Mitsubishi Electric, Carrier Ventures, Samsung Ventures	Waterless cooling for data centres
Total				32,318				

Source: Rothschild & Co

Our views on the state of the venture capital markets

This revival of the growth equity market has been led by the US and by a surge of interest in artificial intelligence model providers and for companies using AI to transform a range of underlying industries.

At the same time the venture industry has re-adopted strong underlying approaches to investment with companies in most sectors striving to achieve a better balance of growth, profitability, and cash flow. The underlying quality of the cohort of VC backed companies has improved.

Our summary of the outlook

- There is substantial interest in venture capital to fund artificial intelligence, both the foundation LLM models and the applications of AI and industries (data centres, quantum, semiconductors, new energy sources like nuclear and fusion) supporting the development of AI.
- The influence of AI is percolating through many other industries such as drug discovery, defence, robotics, legaltech, autonomous vehicles, and cybersecurity fuelling a broader advance in the growth equity market.
- Overall, the VC market is regaining confidence with the strength of interest with fintech, blockchain/crypto and biotech reviving strongly.
- There is a burgeoning interest in defence industries from investors with both the tense geopolitical political environment, the advances in AI applications and the experience of the combat in Ukraine contributing to investor focus. By contrast, ClimateTech, while still a substantial sector has become less prominent both as a result of some high-profile failures and being less favoured politically in the US under the current administration.
- Fund raising for venture capital firms remains subdued. Fund raising is concentrating into larger, established firms. US VC fundraising in 2025 was concentrated in larger firms and at near decade lows.
- The speed of the investment process has slowed down since 2021-22. The level of diligence on deals has stepped up. This is true even in the 'hot' parts of the market like AI. Outside these areas it is marked – processes take time, downside protection is sought.
- Valuation priorities have shifted with investors having moved away from a pure emphasis on revenue growth and revenue multiples. There is a sharp focus instead on the combination of growth and profitability (or a rapid path to it) and on free cash flow.

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For more information, or advice, contact our Growth Equity team:

Mark Connelly

Co-Head of Global Market Solutions

+1 212 403 5500

+1 917 297 5131

Chris Hawley

Global Head of Strategic and Private Investors.

+44 20 7280 5826

+44 7753 426 961

Patrick Wellington

Vice Chairman of Equity Capital Markets

+44 20 7280 5088

+44 7542 477 291

Antoine de Guillenchmidt

Co -Head of Equity Capital Markets Europe

+44 20 7280 5377

+44 7907 712 978

Pete Nicklin

Co-Head of Equity Capital Markets Europe

+44 20 7280 1668

+44 7912 395 294

Laura Klaassen

Head of Private Distribution

+44 7926 905 488

Thomas Chung

Head of Private Capital, North America

+1 212 403 5559

+1 917 594 7208

Tim Brenton

Director of Private Distribution

+44 20 7280 1351

+44 7788 395 556

Cyrus Danesh

Director of Private Distribution

+44 20 7280 1085

+44 7718 205 387

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