

# The AI Weekly



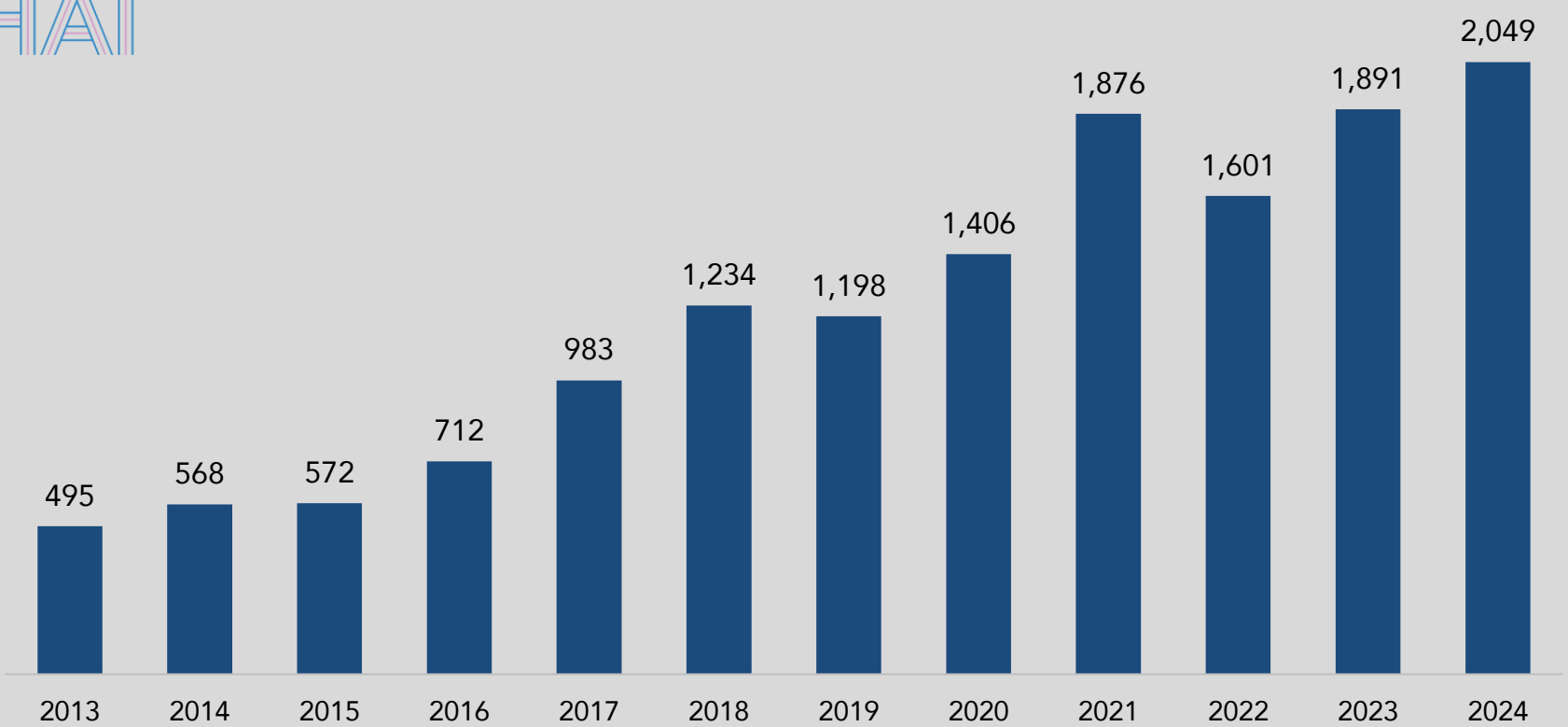
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## Growth in Funding for AI Startups

The number of newly funded global AI companies increased to 2,049 in 2024, an 8.4% y/y increase. Generative AI companies accounted for over 10% of the total with 214 companies receiving funding, up from just 21 five years prior.

Global newly funded AI companies, # of companies



Source: (1) AI Index Steering Committee, Stanford University Institute for Human-Centered AI, "The AI Index 2025 Annual Report" (April 2025). Quid (2024).

## Over 80% of Private AI Investment to US Firms

According to a recent study, more than 80% of global private investment in AI over the prior year flowed to US AI firms, underscoring the growth of the US AI sector as a funding destination.

Top 15 countries by newly funded AI companies (2024)

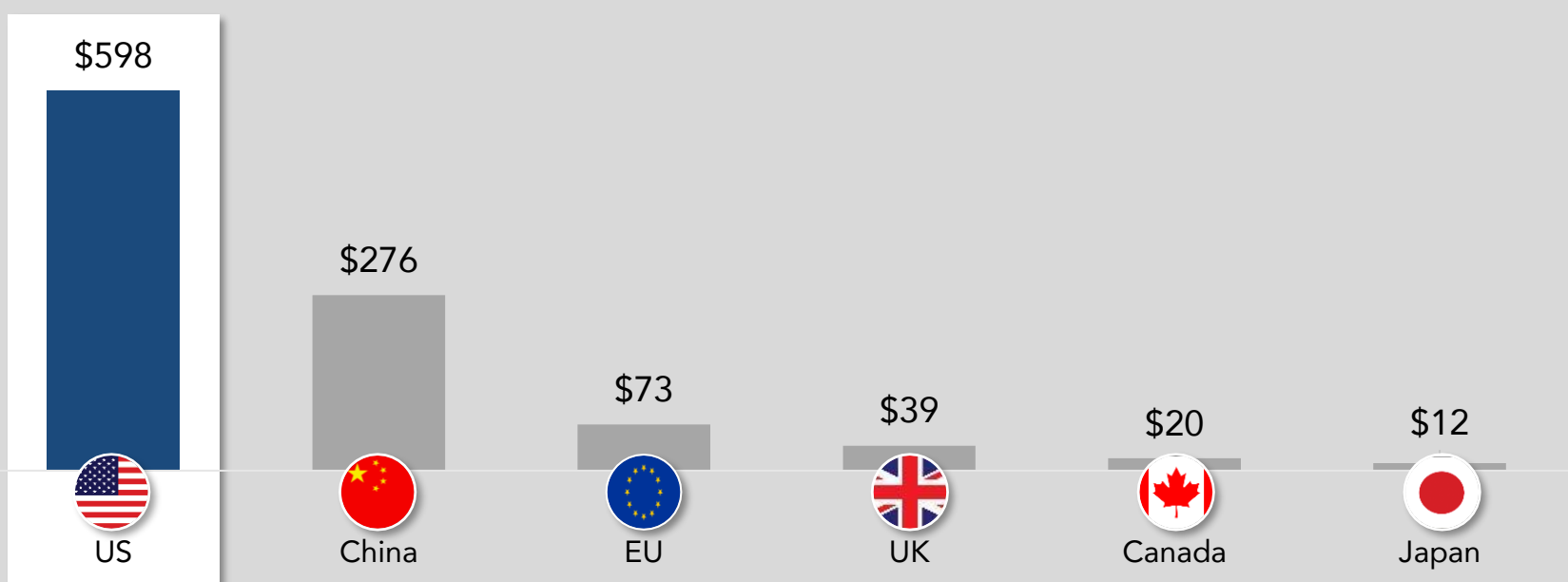


Source: (1) AI Index Steering Committee, Stanford University Institute for Human-Centered AI, "The AI Index 2025 Annual Report" (April 2025). Quid (2024).

# Geographic Distribution of Global VC AI Investment

On a cumulative basis over the prior decade, the US has deployed more than half a trillion dollars of private capital into AI, transforming the US into a structural epicenter of the global AI startup and scaleup ecosystem. China is a clear but distant second in private AI funding, relying more on state-guided capital and industrial policy. Recent flows suggest the cumulative gap is expected to widen even further.

Cumulative venture capital investment in AI (2012-2024), USD bn

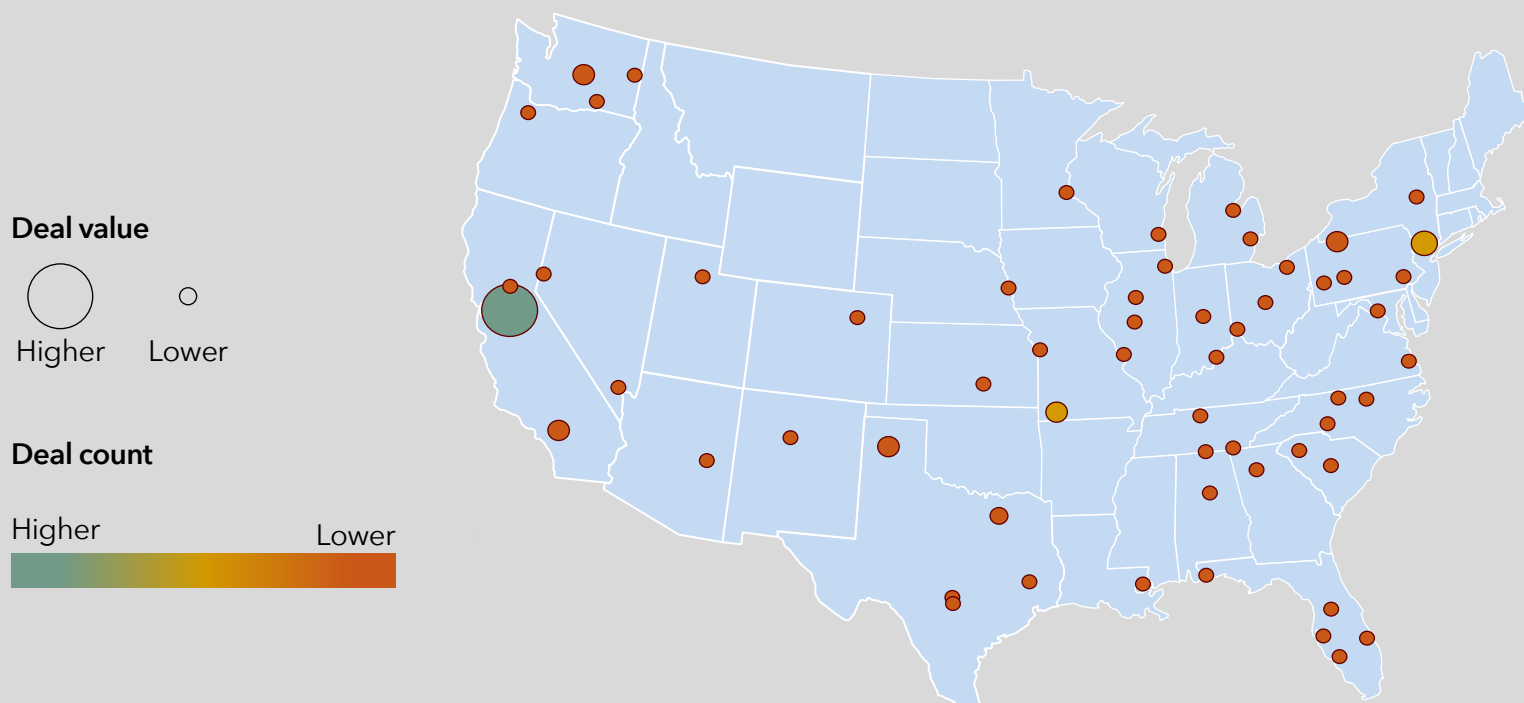


Source: (1) Federal Reserve. OECD Artificial Intelligence Policy Observatory (2025). Accessed September 2, 2025.

## AI Funding Highly Concentrated in SF Superstar Hub, More Dispersion in # of Startups Nationally

AI startup activity in the US is still highly concentrated in a few superstar hubs, though a gradual trend toward broader regional dispersion has begun. Nonetheless, a BCG review notes that over 70% of all AI-related North American venture funding goes to companies in the San Francisco Bay Area. Looking at number of startups instead of aggregate funding, the US AI startup landscape has become more national.

First time financing AI VC deal activity by market



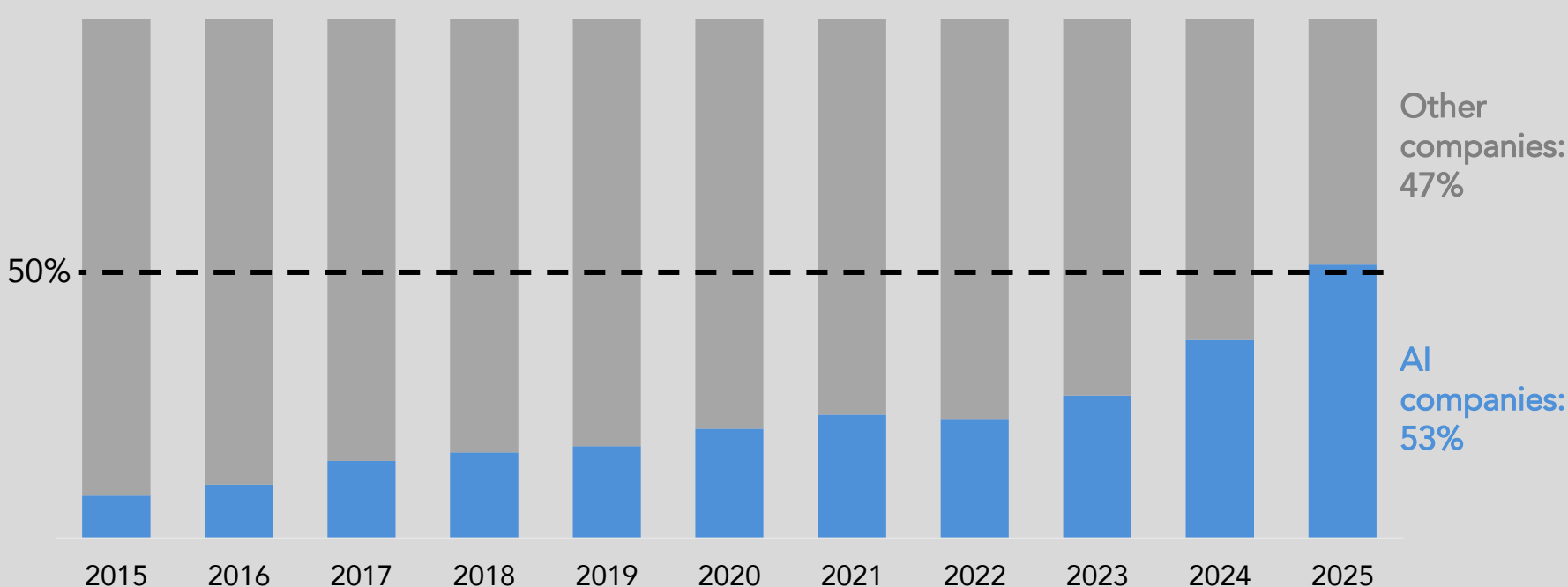
Source: (1) Pitchbook, "2026 US Venture Capital Outlook." Data as of October 31, 2025.

## Majority of Global VC Investment is Now AI



New Pitchbook data shows AI startups are now attracting a majority of global VC dollars in 2025 at 53%. Comparable VC AI investment in the US was even more highly concentrated in 2025 at approximately 65% of deal values, up from 25% and 40% in 2023 and 2024, respectively.

Share of global VC deal value, by company type

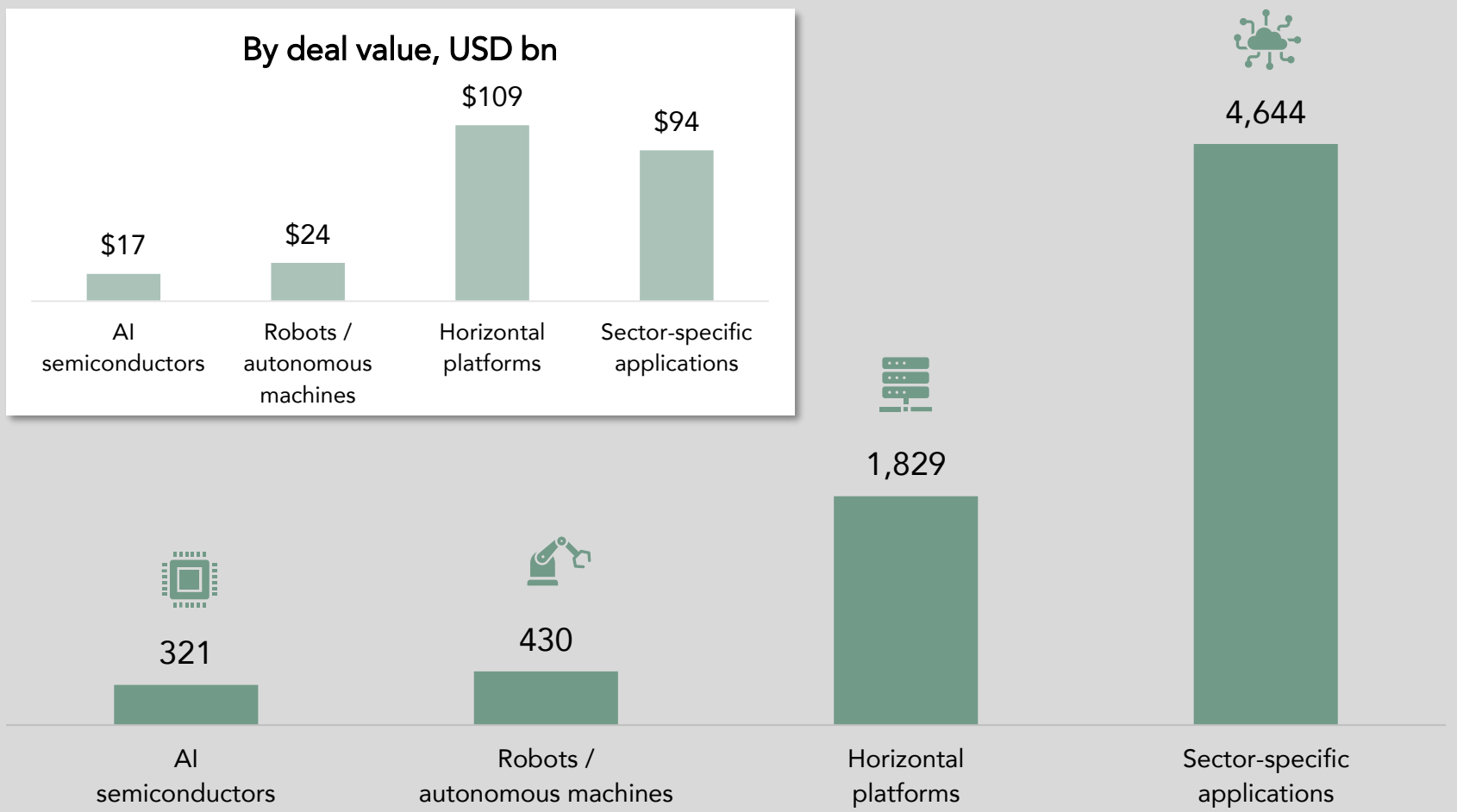


Source: (1) Pitchbook, "Q4 2025 Global VC First Look." Data through December 31, 2025.

# AI VC Stack Spending by Sector



Global VC AI deal activity, # of deals

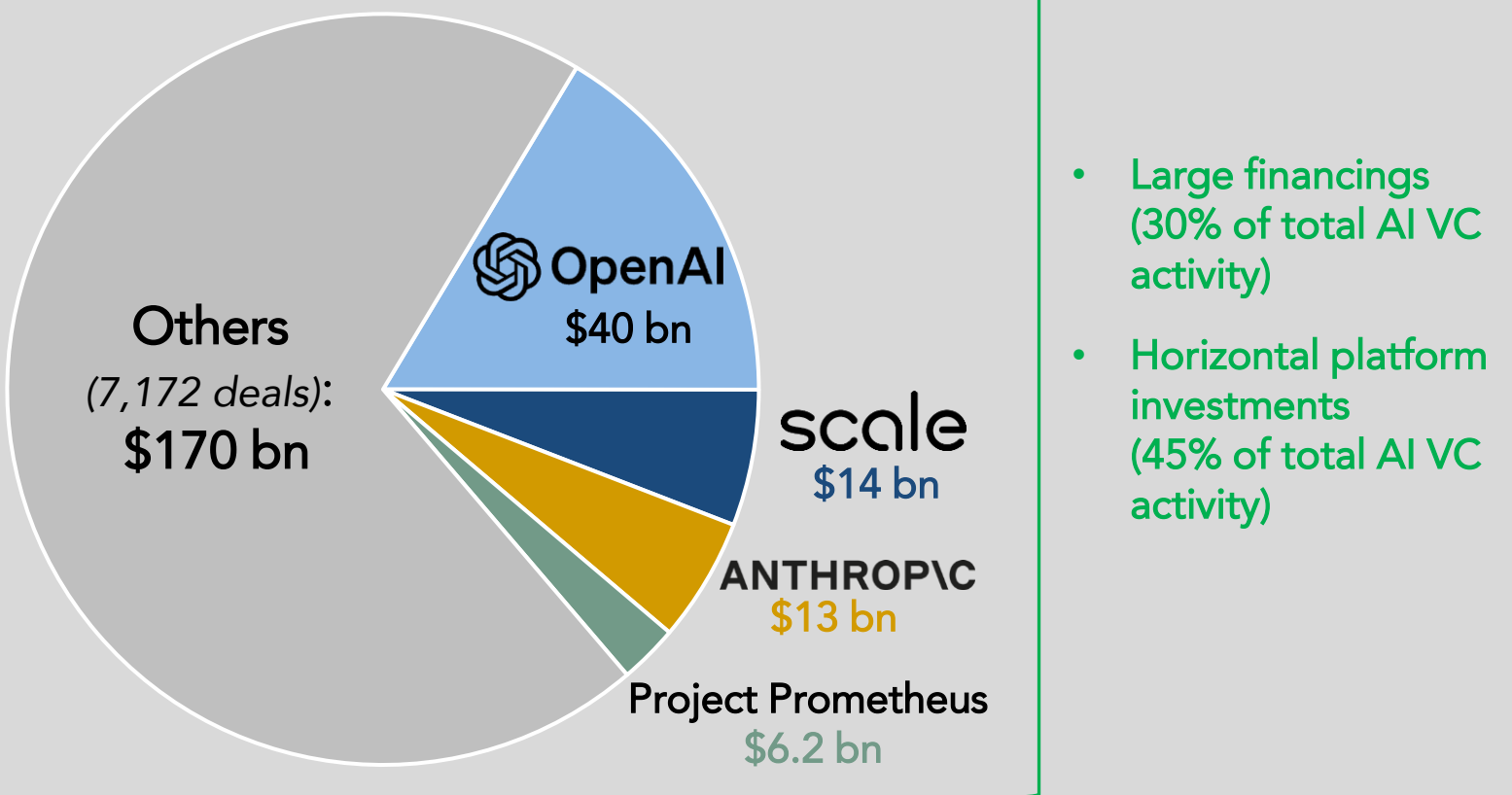


Source: (1-2). Pitchbook, Q4 2025 AI VC Trends. Data is trailing 12 months through December 31, 2025. LLMs include AI automation platform, AI core, AI transformation platforms, computer vision, natural language technology.

## AI Dominated VC Deal Activity in 2025

AI VC activity reached a record high of \$244 billion in 2025, even as deal counts of 7,176 remained well below the prior peak of 10k in 2021. Horizontal platforms, AI companies that build general purpose tools designed to be used across multiple industries and business functions, led in deal value accounting for 45% of the total at nearly \$110 bn. Large financings (>\$5 billion), most notably OpenAI's and Anthropic's \$40bn and \$13bn capital raise, respectively, helped push VC deal value higher.

### AI VC deals in 2025



Source: (1) Pitchbook. Q4 2025 AI VC Trends. Data through Q4 2025.

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“Macro stability isn’t everything, but without it, you have nothing.”