



State of CVC 2025

A Deep Dive Into the Dynamics of the
Corporate Venture Capital (CVC) Ecosystem

September 2025



Cautious Optimism: CVCs Are Refining the Playbook



CVC continues to evolve. CVCs strive for greater independence, fund early-stage investments and seek new sources of liquidity in secondary markets. The picture that emerges is that of an industry refining playbooks and building the capacity to execute across market cycles.”

Corporate venture capital (CVC) is navigating changing fund strategies and corporate priorities as technologies like AI are reshaping investment theses. We explore these changes in the fifth edition of our State of CVC report by looking at the most active and engaged players in CVC.

In 2025, investment activity reflects a more deliberate pace and approach to investing compared to the highs of previous years. Deal volume has rebounded from the lows of 2023 but remains below peak levels, signaling a move toward fewer, more targeted investments. CVCs are engaging companies sooner. Early-stage deals dominate, with two-thirds of CVC-backed deals occurring between seed and Series B.

Liquidity and capital allocation strategies are also evolving. CVCs focused primarily on financial returns lead in reserving follow-on capital, while CVCs focused on strategic returns report greater difficulty supporting existing portfolio companies. On the liquidity front, secondaries are becoming a more common tool, with 57% of funds considering or already using them.

Technology priorities are clear, with AI taking center stage. The share of CVCs investing in AI jumped from 55% last year to 69% in 2025. AI deals now represent an all-time high of 28% of all CVC-backed deals, cementing AI's role as a core pillar of corporate innovation strategy.

CVC dependence on the corporate parent remains a challenge, especially for newer funds. The most resilient CVCs are bridging this gap by spending more time educating their executive sponsors, half of whom lack familiarity with the investment process. This lack of understanding could be why CVCs are looking for more independence in their fund structure; one-quarter of CVCs are considering moving off balance sheets.

CVC continues to evolve. CVCs strive for greater independence, fund early-stage investments and seek new sources of liquidity in secondary markets. The picture that emerges is that of an industry refining playbooks and building the capacity to execute across market cycles.



Patrick Eggen
General Partner
Counterpart Ventures



Mark Gallagher
Head of Investor Coverage
Silicon Valley Bank

State of CVC 2025

- 4 2025 CVC Survey Key Findings
- 7 Market Overview
- 10 Mandate and Managing Dependency
- 15 Investment Approach
- 22 Team Dynamics
- 30 Appendix





2025 CVC Survey Key Findings



Click Through to Key Findings

1.

Bureaucratic drag is weighing CVCs down.



Half of CVCs cite speed and efficiency as a challenge, followed closely by corporate prioritization and bureaucratic decision-making. These internal frictions slow execution and limit agility in competitive deal environments.

[Jump to Page](#)

2.

CVCs thirst for liquidity via secondaries.



CVCs are increasingly considering or using secondaries to generate liquidity. Fifty-seven percent of funds reported using them or being interested in using them this year, up five percentage points from last year. Overall, 22% of funds have used secondaries, a jump from 15% in 2024.

[Jump to Page](#)

3.

Balance sheets are so 2023.



One in four CVCs have considered moving off the corporate balance sheet in the past year, citing team compensation and independence from the corporate parent as top drivers. But the transition remains challenging — only 11% have successfully completed the move.

[Jump to Page](#)

4.

Early-stage excitement is long-standing and growing.



The share of seed and early-stage deals has risen from 55% in 2015 to over 67% today, reflecting CVCs' sustained appetite for and comfort in investing in younger companies despite broader market headwinds that could otherwise make some investors leery.

[Jump to Page](#)

5.

AI fever hits CVCs in full force.

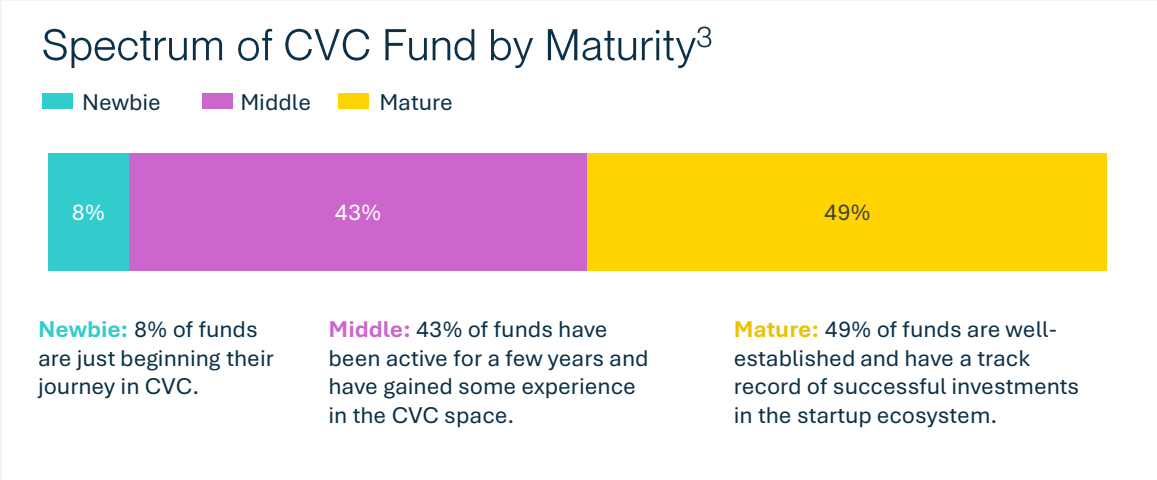
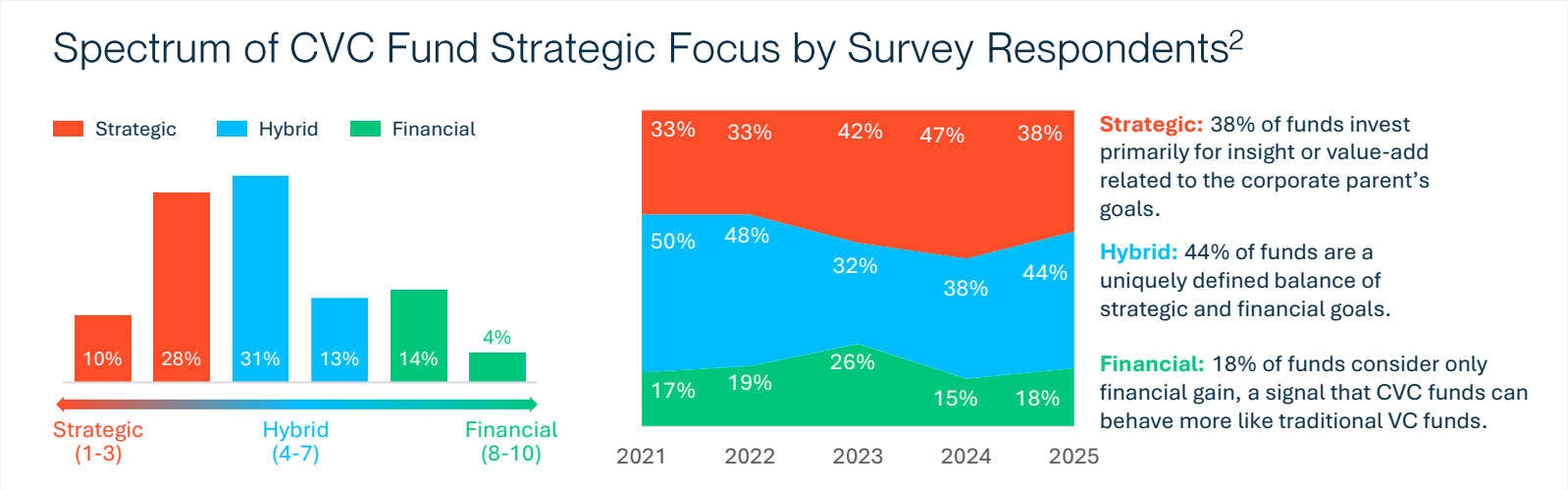


CVCs targeting AI jumped from 55% in 2024 to 69% in 2025. CVCs also backed a record share of AI companies — 28% of all deals in 2025, up from just 9% in 2015. One example of this surge is Microsoft's sustained push into AI through major investments like OpenAI.

[Jump to Page](#)

About the Report and CVC Survey

Survey Respondents Categorized by Their Strategic Focus, Maturity and Status as a Bellwether Fund



25 Bellwether Funds

While individual firms are not disclosed, these 25 elite CVCs were generally selected based on three criteria:

Fund Size
\$200M+ AUM⁴

Deployment
50+ Investments Since Inception

Reputation
in CVC Community

The **CVC Bellwether Cohort** sets the bar for best practices.



Market Overview



Young but Mighty: Early-Stage Focus

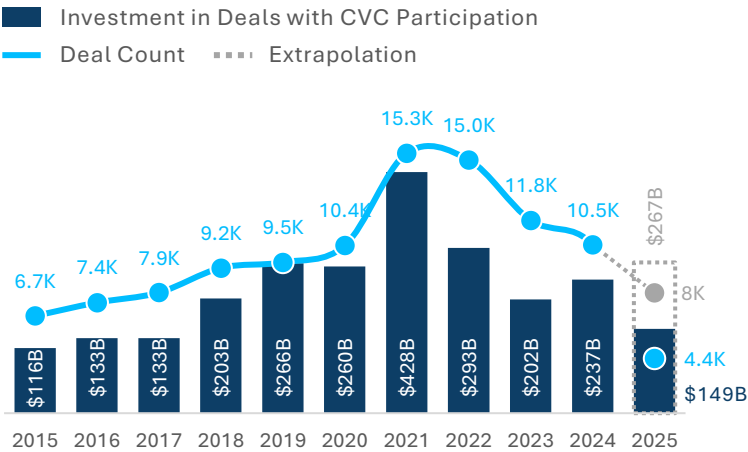
CVC deal activity is set to make a comeback this year, with 2025 on track to record the highest investment in three years. Deal counts, on the other hand, are continuing to trend down. While this trend can't be explained by CVCs writing bigger checks — in fact, the opposite is true — it can be explained by CVCs participating in large, highly valued AI rounds where a CVC may contribute a portion of the total value of the round. The picture is one of calculated optimism: fewer deals but sharper targeting. **CVCs are focusing on earlier rounds in markets they know best and are aiming to maximize influence and long-term upside, even if the headline numbers lack the scale of past boom years.**

Early-stage rounds remain the sweet spot. More than 80% of respondents target pre-Series B companies, and the share of seed and early-stage deals has climbed from 55% a decade ago to 66% in 2025 YTD. CVCs are building relationships earlier, providing practical support to startups and positioning themselves ahead of later-stage investors.

Geographically, the US and Asia still dominate the landscape. Europe holds a stable share, while other regions collectively remain in single digits, signaling that CVCs still prioritize proximity to established markets and innovation hubs.

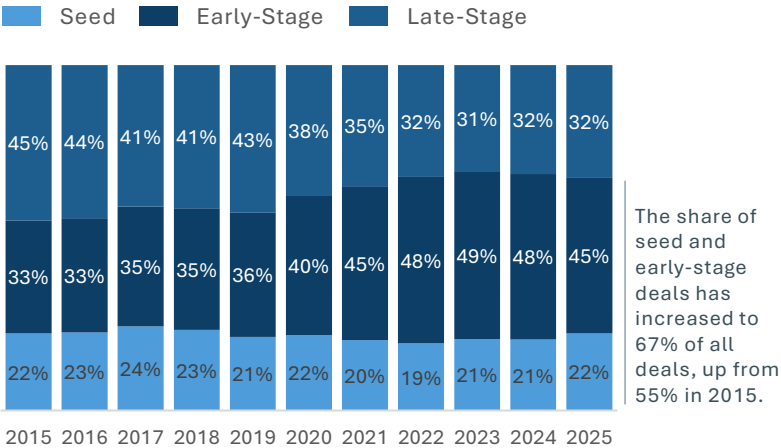


Deal Investment Set to Make a Comeback Total Deal Size and Count Involving Global CVC Participation¹

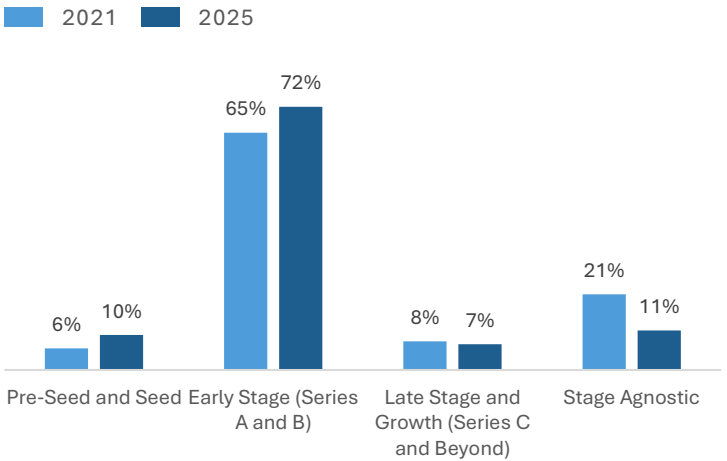


CVCs Back Early-Stage Companies

Share of Global CVC Deals by Stage

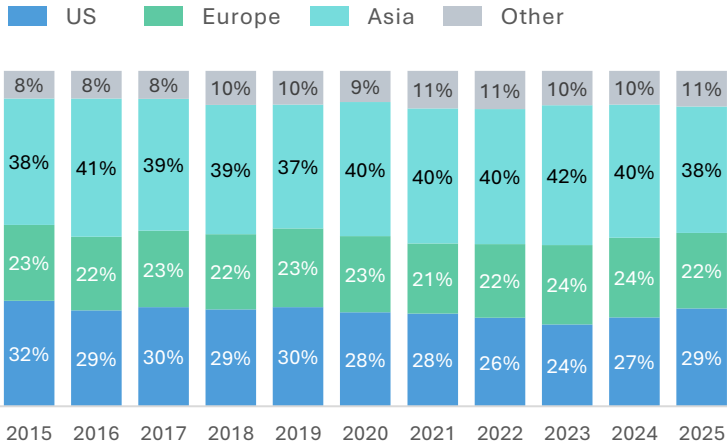


CVC Sweet Spot Is Early Stage Fund Stage Target²



CVC-Backed Deals Concentrated in Asia, US

Share of CVC-Backed Deals by Company HQ



Notes: 1) Data as of 07/23/2025. 2) Respondents could only choose one stage target.
Source: CVC survey, PitchBook Data, Inc. and SVB analysis.

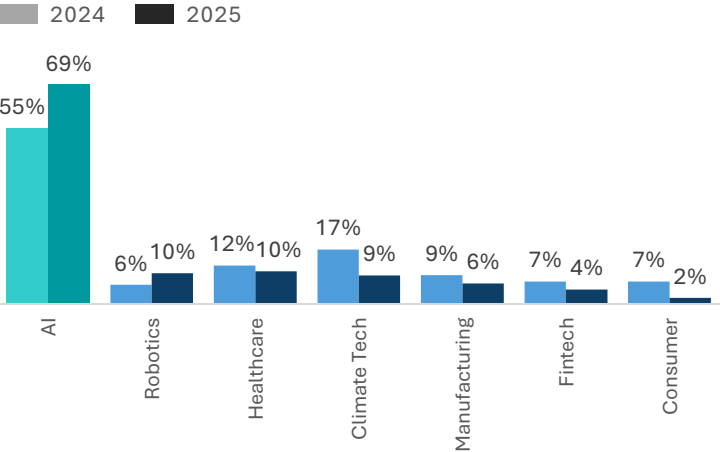
AI Demands Corporate Attention

AI has moved from an emerging theme to the undisputed focal point of CVC activity. **This year, 69% of respondents cited AI as the trend they're most excited about, up sharply from 55% in 2024.** Interest in robotics also gained steam, while climate tech and healthcare saw reduced enthusiasm.

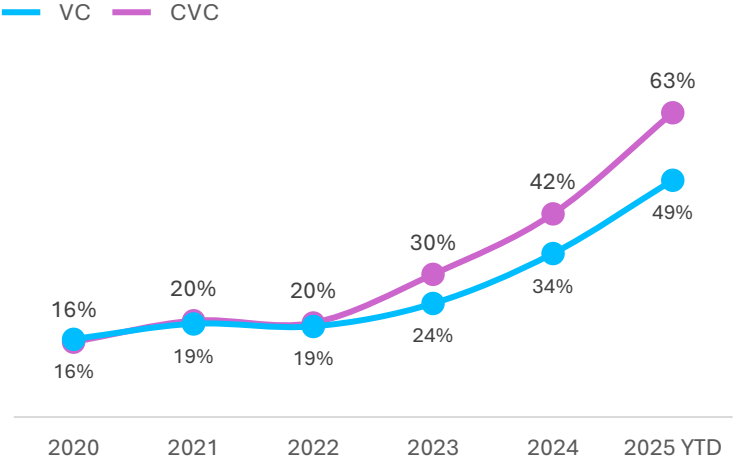
AI enthusiasm is translating into deals. As a share of investment, CVCs are blowing AI VC investment out of the water, with 63 cents of every CVC dollar going to AI YTD; during the same time period, 49 cents of every dollar of VC-backed capital went to AI. This leap highlights how quickly AI has shifted from experimentation to core portfolio strategy for many CVCs.

CVCs are positioning their portfolios for AI-enabled transformation across industries. Across strategies, CVCs have named AI as a top technology focus and are concentrating investments in complementary areas such as software-as-a-service (SaaS), fintech and cybersecurity. **Strategics are interested in getting the tech into corporate operations. Among financial CVCs, AI hype has investors excited about returns.** Regionally, the US and EU remain the top targets for these investments, reflecting where AI ecosystems are most advanced and commercially viable.

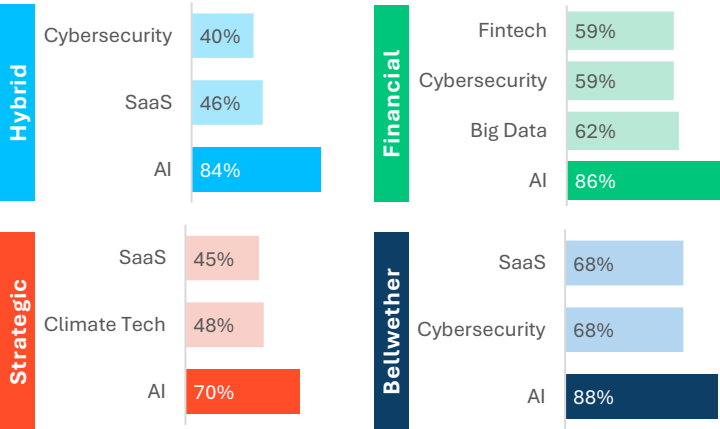
More CVCs Are Excited About AI Trends That CVCs Are Most Excited About¹



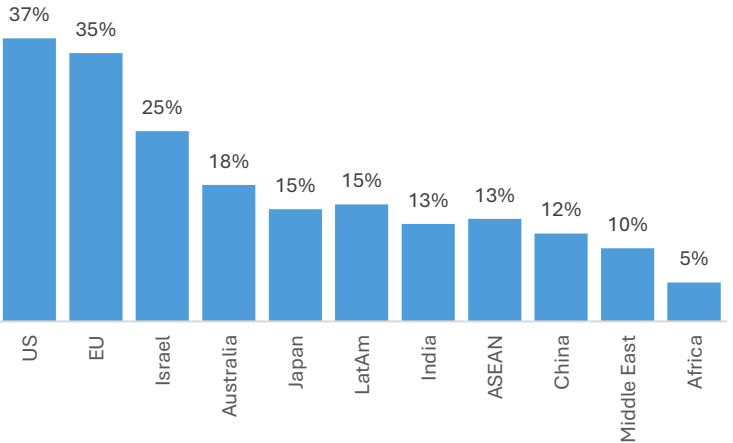
CVCs Capture Growing Share of AI Share of Global CVC and VC Investment in AI Companies²



Funds Go All-In on AI Top Three Technologies the Fund Invests In by Strategic Mandate³



The US and EU Are Targets for CVCs Regions That the Fund Invests In⁴



Notes: 1) Respondents were allowed to choose multiple technologies. 2) CVC participation rate looks at the total size of the deal, including investment from VC investors participating in the round. 3) In the case of financial funds, fintech and cybersecurity were tied as the third technology funds are most interested in. 4) ASEAN is the Association of Southeast Nations. Source: CVC survey, PitchBook Data, Inc. and SVB analysis.



Mandate and Managing Dependency



Clear Compass, Tangled Path

CVCs are clear about what they want to achieve: accelerating growth and innovation.

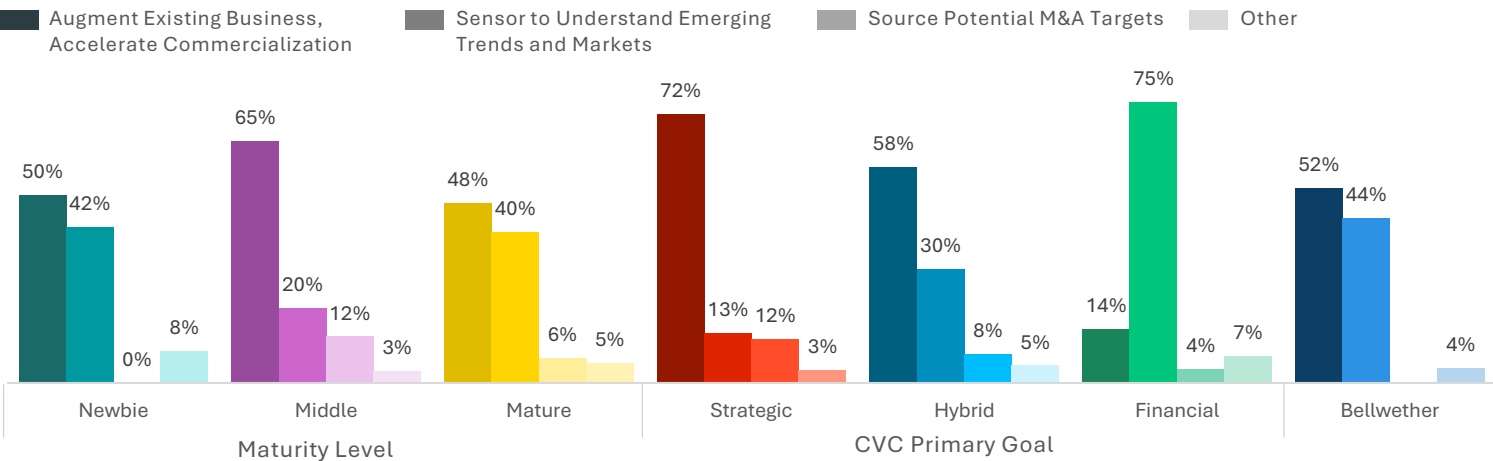
But goals are substantially different for strategic and financial funds. Three-quarters of strategic funds see themselves as augmenting existing business and accelerating commercialization, making them an integral part of the parent’s innovation strategy. In contrast, three-quarters of financial CVCs see their role as sensing emerging trends; while they are primarily motivated by financial gains, their strategic value lies in being the eyes and ears of the corporate, ensuring the organization stays ahead of market shifts.

While CVCs have clear goals, achieving them comes with its own challenges. Over half of respondents cite speed and efficiency as persistent challenges, with corporate prioritization and bureaucratic decision-making close behind. **These roadblocks not only delay deals, but also erode the advantage of being first to market with new technologies or partners.**

Partnerships remain a core lever for CVCs to create impact, linking the parent company’s resources with a startup’s innovation. But they only succeed if all sides are aligned. A quarter of CVCs say strategic misalignment with the parent is a challenge, showing that even the best external collaborations can stumble if internal objectives aren’t aligned.

Financial CVCs Focus on Sensor Function While Strategics Augment Business

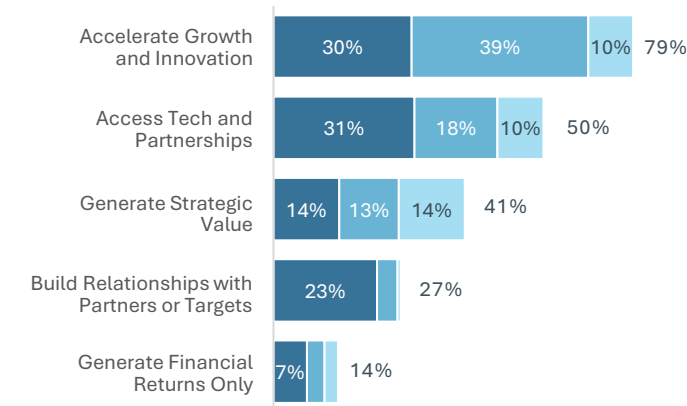
Percentage of CVCs with Key Goal That Exec Sponsor Aims to Achieve¹



Accelerating Growth Is the Top Goal

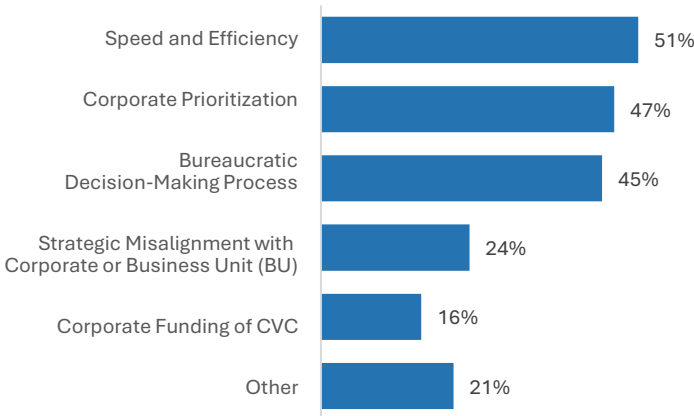
Top Three Reasons for CVC Existence by Rank

Percentage of Funds That Ranked: 1st 2nd 3rd



Half of CVCs Cite Efficiency as a Problem

Percentage of CVCs Citing Each as a Top Problem²



Notes: 1) Respondents could choose from one answer only, differing from past surveys. 2) Respondents could choose multiple options.
Source: CVC survey and SVB analysis.

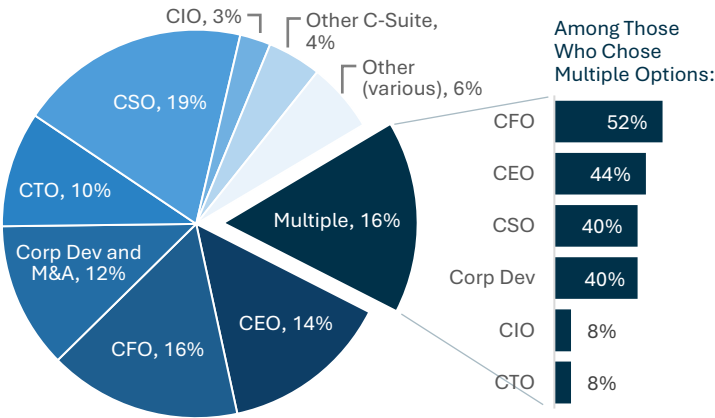
Houston, We Have a Disconnect

Executive sponsorship is critical to CVC success, but too often, teams are slowed by leadership that doesn't fully grasp VC norms. Reporting lines vary widely. Most often CVCs report to the chief strategy officer (CSO), CEO, CFO or corporate development (Corp Dev). This dispersion means varying levels of familiarity with venture dynamics. **The disconnect is most pronounced among newer funds: Only one-third of newbie fund executive sponsors understand VC, compared to over three-quarters at bellwether funds.**

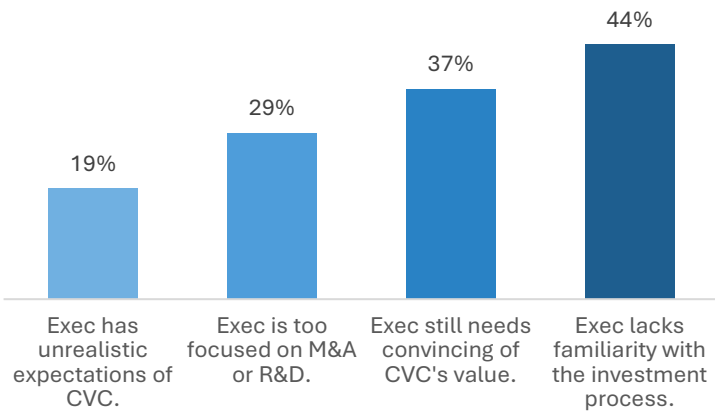
The knowledge gap manifests in different ways. Nearly half of CVC leaders say their executive sponsors lack familiarity with the investment process, while others report that sponsors still need convincing of CVC's value or remain too focused on M&A and R&D priorities. Unrealistic expectations — whether about deal pace, valuation or exit timelines — further complicate alignment. Lack of knowledge can also contribute to less independence of the CVC arm that is forced to adapt to unrealistic expectations.

CEOs and CFOs, two of the most common reporting lines for CVCs, are also the least familiar with the investment process, creating potential bottlenecks in decision-making. Closing this knowledge gap means actively educating executive sponsors on the nuances of venture investing.

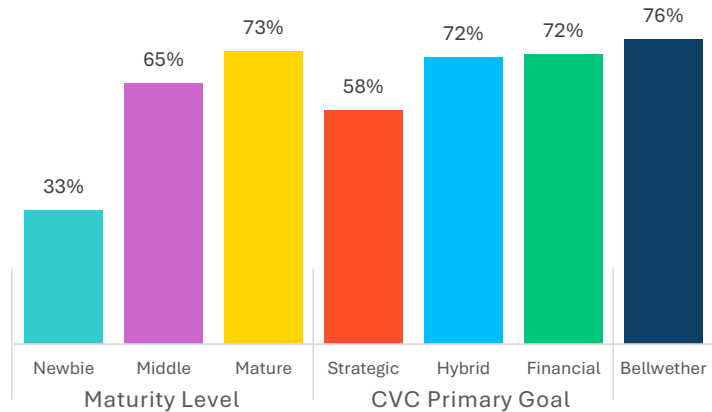
CVCs Report to a Range of Execs
Who the CVC Reports to at the Parent Organization¹



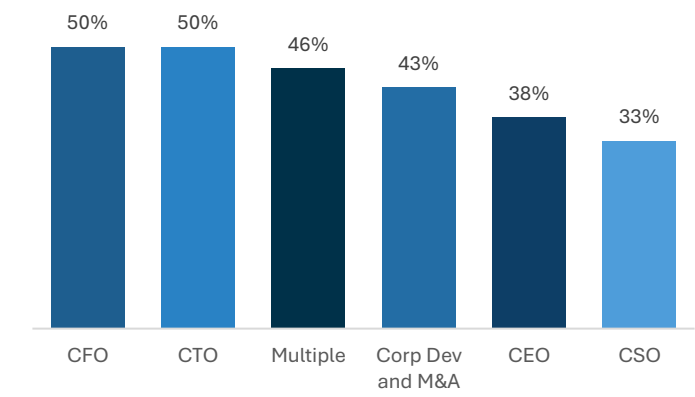
Half of Execs Lack Familiarity With Process
Reported Reasons That Execs Don't Understand VC Norms



New CVCs Struggle Most With Execs
Share of CVCs That Think the Exec Sponsor Understands VC and Its Norms



CFOs, CTOs Least Familiar With VC
Share of CVCs Reporting Execs Lack Investment Process Knowledge, by Reporting Line¹



Notes: 1) Respondents could choose more than one option. The multiple category breaks down the number of responses that included that option, among other options provided.
Source: CVC survey and SVB analysis.

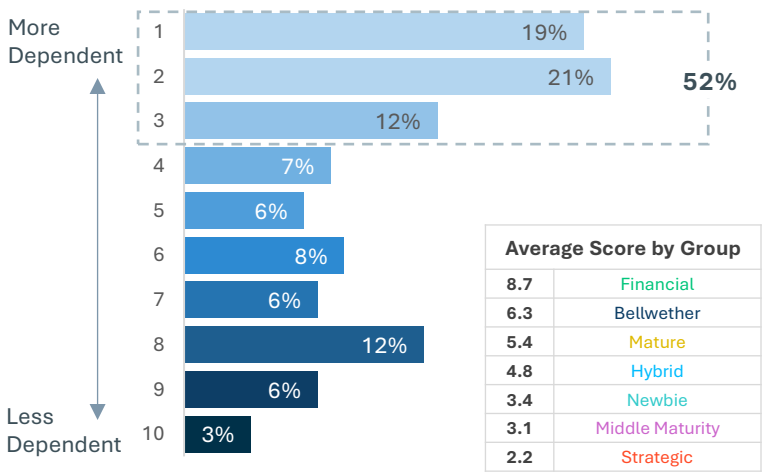
The Parent Trap

CVCs walk a fine line between autonomy and alignment with their corporate parents. **The balance looks different by strategy: Financial and bellwether funds are steadily gaining independence, while strategic funds are trending in the opposite direction, leaning more on parent involvement.** Half of all CVCs now place themselves as more dependent, but nearly one-quarter still describe themselves as highly independent. How independent the CVC is has significant ramifications on how the CVC operates. One of the ways independence shows up is in how involved BUs are in the process.

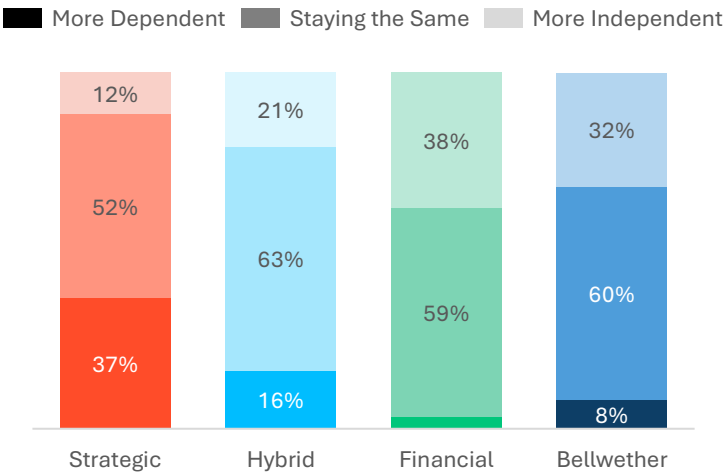
BU engagement is common, with three-quarters of funds reporting at least some involvement. For many, this goes beyond surface-level coordination. Nearly one-third of CVCs that use some level of BU engagement say BUs sponsor deals, and another 31% rely on them for ad hoc advice or diligence. Only a quarter of CVCs operate without any BU input.

This creates a trade-off. Greater independence can speed up decision-making and sharpen investment focus, but it can also limit access to the corporate parent’s internal resources and relationships. Closer integration, on the other hand, can strengthen strategic alignment and tap insider expertise. **The challenge is finding the right level of dependence on the parent, ensuring that autonomy doesn’t come at the cost of strategic value and that alignment doesn’t slow execution.**

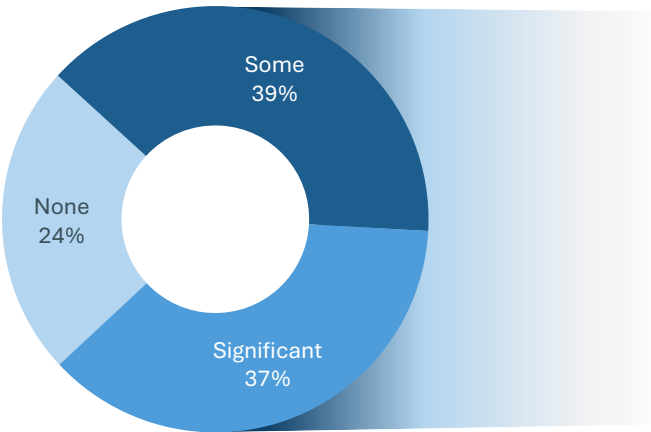
Half of CVCs Are Dependent on Parent
Distribution of CVCs by Their Level of Independence From Parent



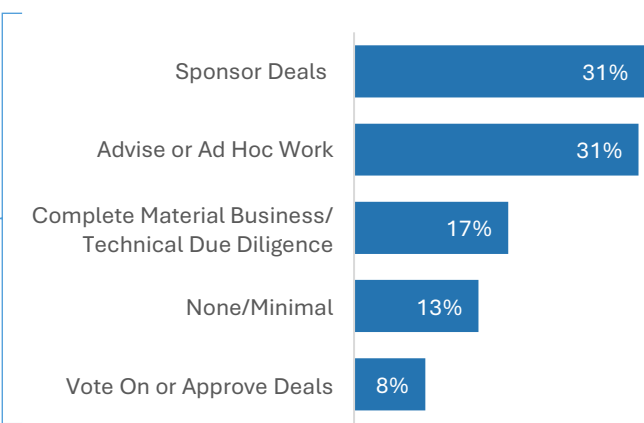
Financial CVCs Become More Independent
Changing Dependence on the Parent by Strategy



Most CVCs Use Some Level of BU Engagement
Level of BU Engagement Required for Investment



BUs Advise and Sponsor Deals
The BU’s Role in Diligence and IC Approval Process¹



Notes: 1) Investment committee (IC)
Source: CVC survey and SVB analysis.

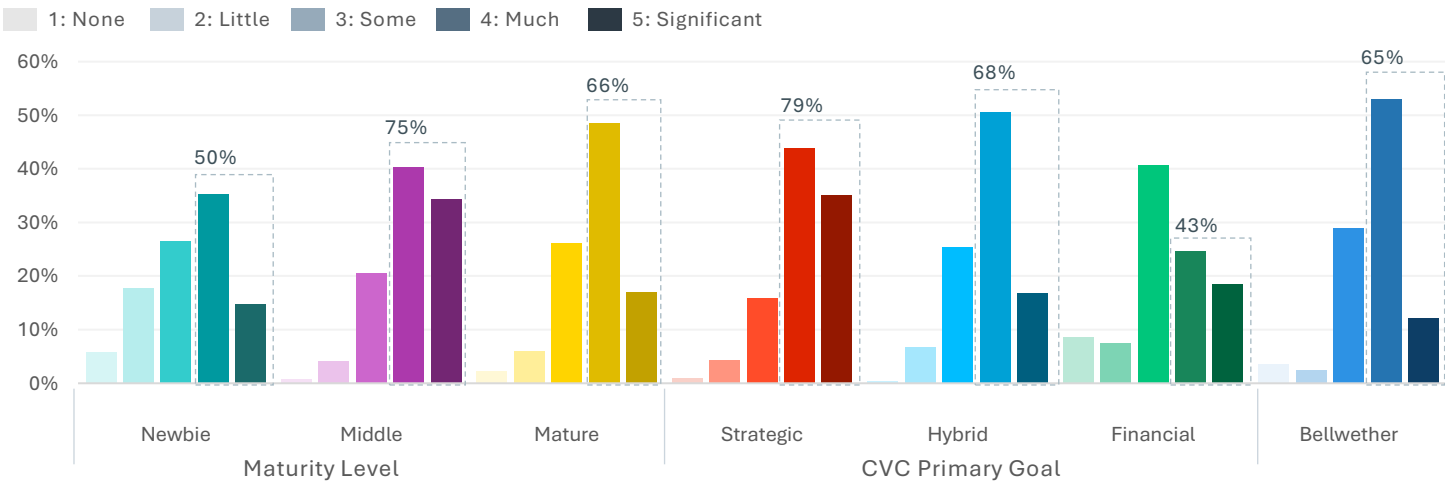
Borrowing the Parent's Brand

For many CVCs, the parent's brand is a powerful asset — especially for strategic funds, where 79% say they lean on the parent's logo “much” or “significantly” to win deals. That influence is also pronounced at various mandates and maturities, where logo recognition can be a competitive advantage in sourcing and closing opportunities. Strategic CVCs can't always compete on check sizes or follow-on rounds, but they are able to compete on deep industry expertise and connections tied to the parent's brand.

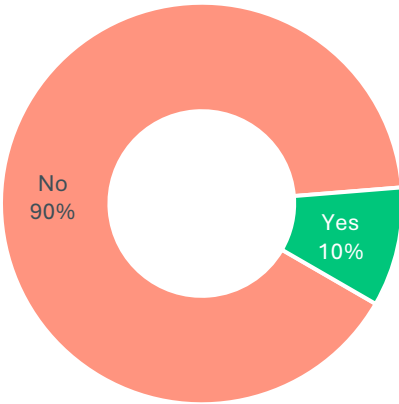
This reliance on brand doesn't translate into contractual ties. Only 10% of CVCs require a commercial agreement in place before a deal closes, signaling that the strategic relationship is often more implicit than formalized. And despite a parent's prominent reputation, decision-making involvement is rare: Nearly 80% of CVCs report that executives outside the fund have never or rarely blocked a deal.

The combination creates a dynamic where the parent company's influence is felt most in market perception — helping to open doors and validate opportunities — while operationally, CVC teams retain significant autonomy. **For founders, this can mean the best of both worlds: the credibility of having a household name on the cap table without the friction of too much corporate oversight.**

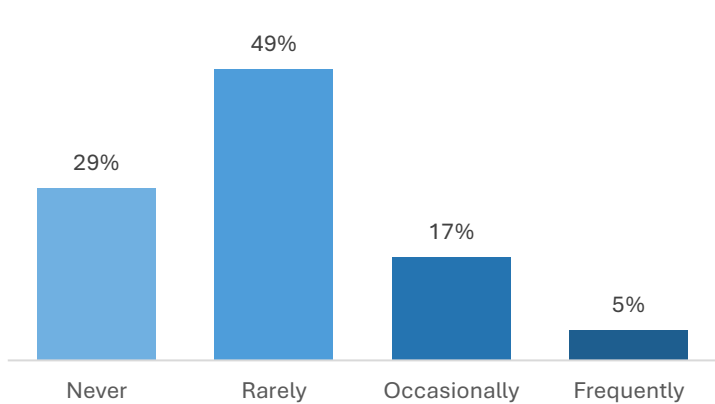
Parent Logo a Key Asset for CVCs, Especially Strategics
Share of CVCs by Reliance on Parent Company's Logo to Win Deals



No Need for a Commercial Agreement
Share of CVCs That Need a Commercial Agreement in Place Before Completing a Deal



CVCs Rarely Have Deals Blocked
Share of CVCs That Have Had a Deal Blocked by an Exec Outside the CVC Team





Investment Approach



Financials Cast a Wide Net

What CVCs invest in changes as they mature and as their strategic or financial focus changes. As CVCs mature, there's a greater emphasis placed on investing in technologies adjacent to the core business. **This emphasis is likely driven by the primary goals most CVCs have to accelerate growth and innovation of the corporate, which can be accomplished by expanding business horizons to adjacent industries.**

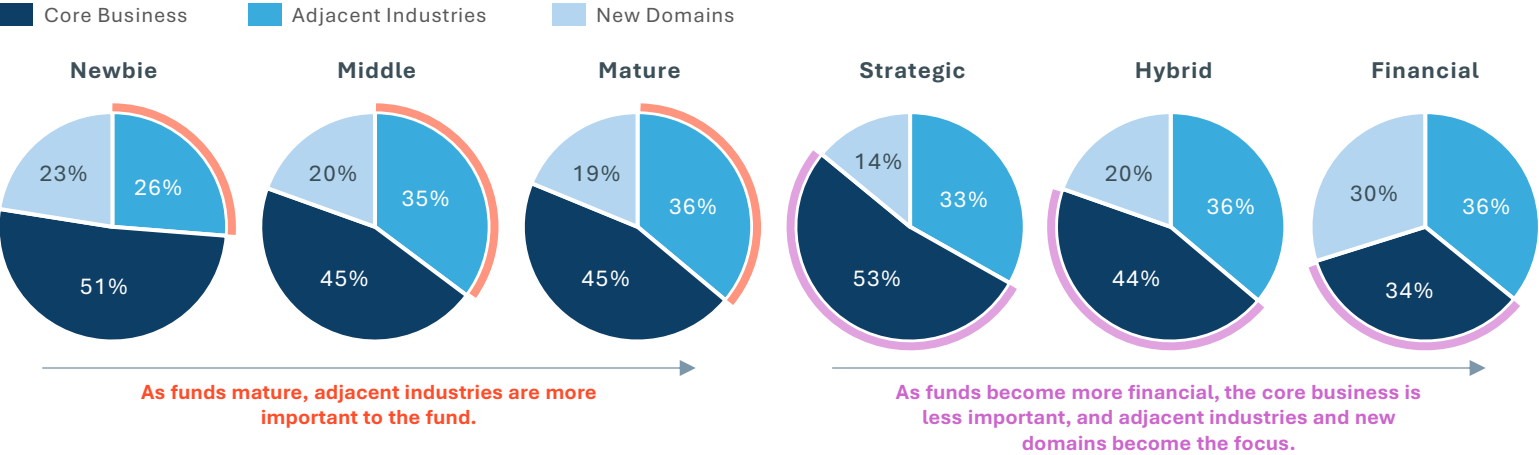
Strategies are generally far more focused on the core business than financial funds. Financial funds generally split their investments fairly evenly among new domains, adjacent industries, and core business, while strategies dedicate over half of their investments to the core business. Strategies invest in companies directly linked to the operations of the existing business to directly add value. Financials spread their investments and monitor the environment for new tech.

This diversified portfolio financial funds tend to favor is made easier by the fact they also make more investments. The typical financial fund makes roughly seven investments per year compared to the typical strategic fund that makes only four investments.

Across the board, check sizes have trended down for CVCs. This is the result of a combination of factors, such as a trend toward early-stage investing and the fact that some CVCs are being squeezed out of the most competitive deals by mega funds, which are dominating the VC landscape today.

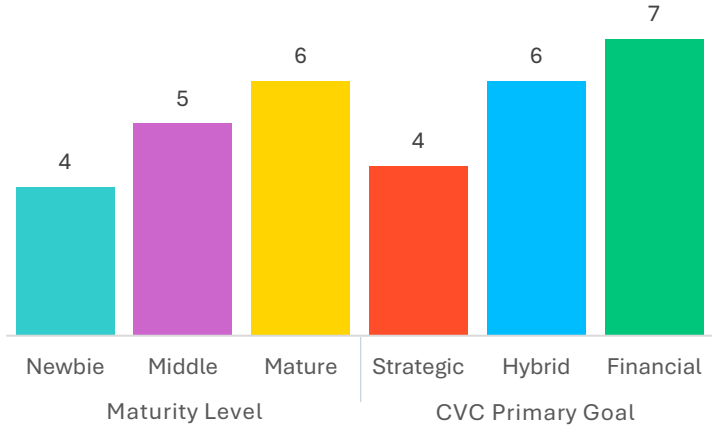
Financial Funds Most Likely to Explore New Domains

Share of Fund Allocated to Existing Business, Adjacent Markets or New Domains by Fund Mandate and Maturity



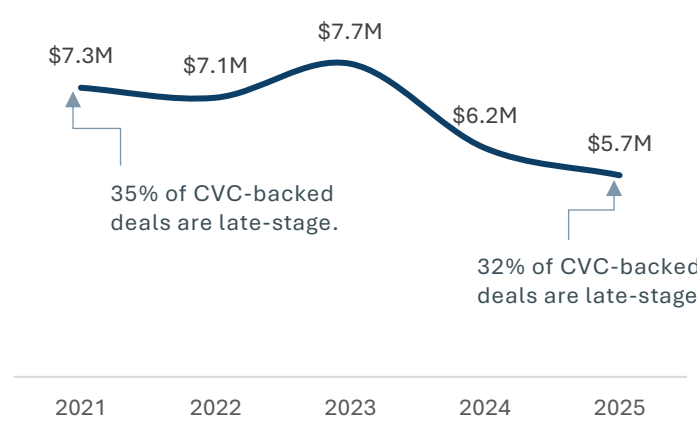
Financial Funds Do the Most Deals

Median Number of Investments Per Year by Strategic Focus and Maturity



Check Sizes Slightly Smaller Today

Average Change to Check Size Over the Last Five Years for a Sample of Funds That Have Responded Every Year

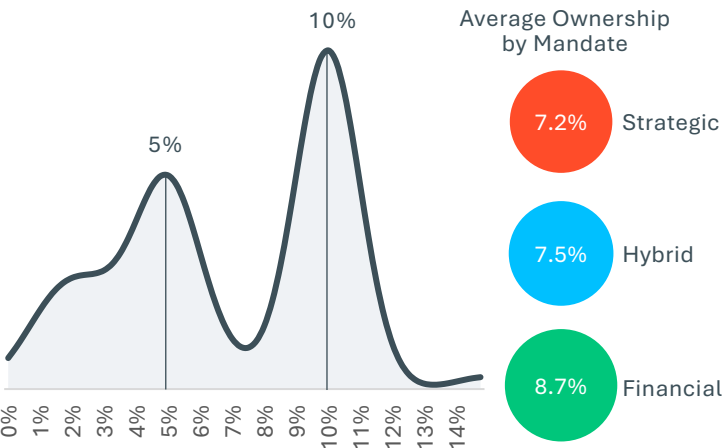


Ownership Is 5% or 10% of the Law

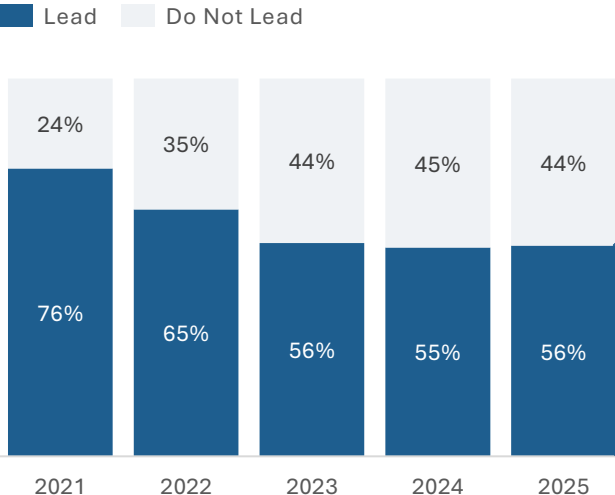
How much ownership an investor takes tells us quite a bit about their strategy. Most CVC funds target either 5% or 10% ownership in the companies that they invest in. Financial CVCs tend to take slightly larger positions than strategic CVCs, though it is not a hard and fast rule. **Among funds that invest enough to take 5%+ ownership in the company, 80% take board seats, and they will do so in about half of the deals they invest in.** When funds take smaller ownership percentages, they often give up or simply don't want to take a board seat. Among funds that typically invest to own less than 5% of a company, only 44% of funds take board seats. And of those funds that take board seats, they only do so in roughly a quarter of deals. But there are other ways CVCs add strategic value to their investments: from acting as channel partners to providing industry expertise.

Leading deals has become less common among CVCs. In 2021, just over three-quarters of CVC funds led deals. As the market contracted in 2022 and 2023, fewer CVC funds wanted to accept the risk that comes with leading deals. Since 2023, just over half of CVC funds have led deals. While there is no difference between newbie and mature funds when it comes to leading deals, there is a substantial difference between strategic and financial. Financial funds are far more likely to lead a deal, and bellwether funds are the most likely to lead. **Bellwether funds lead half of their deals; perhaps this is a reflection of their sophistication and comfort with the asset class.**

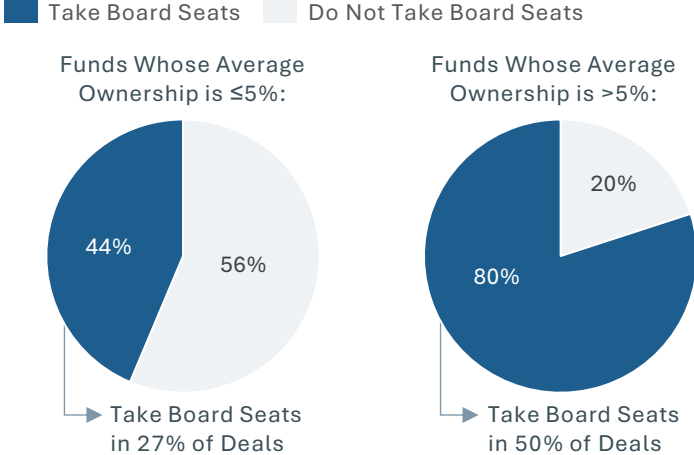
Most Funds Target 5% or 10% Ownership
Distribution of Target Ownership Percentage for All CVC Funds



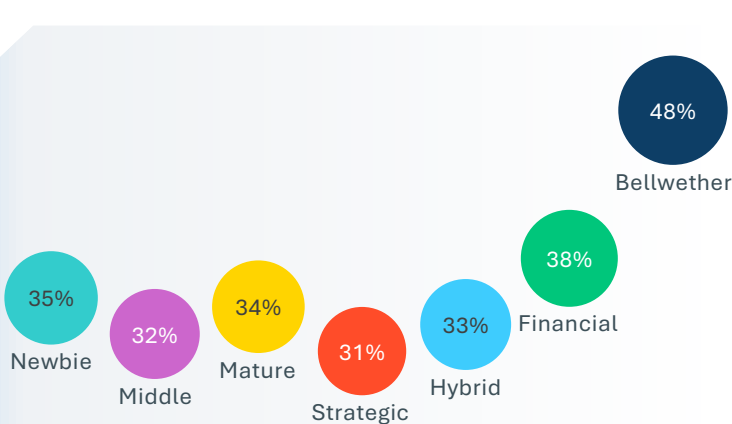
Fewer Funds Lead Deals Today
CVCs by Whether They Lead Deals



Board Seats Depend on Ownership
Percentage of Funds That Take Board Seats



Bellwethers Lead Half of Their Deals
Percentage of Deals Led Among Firms That Lead Deals



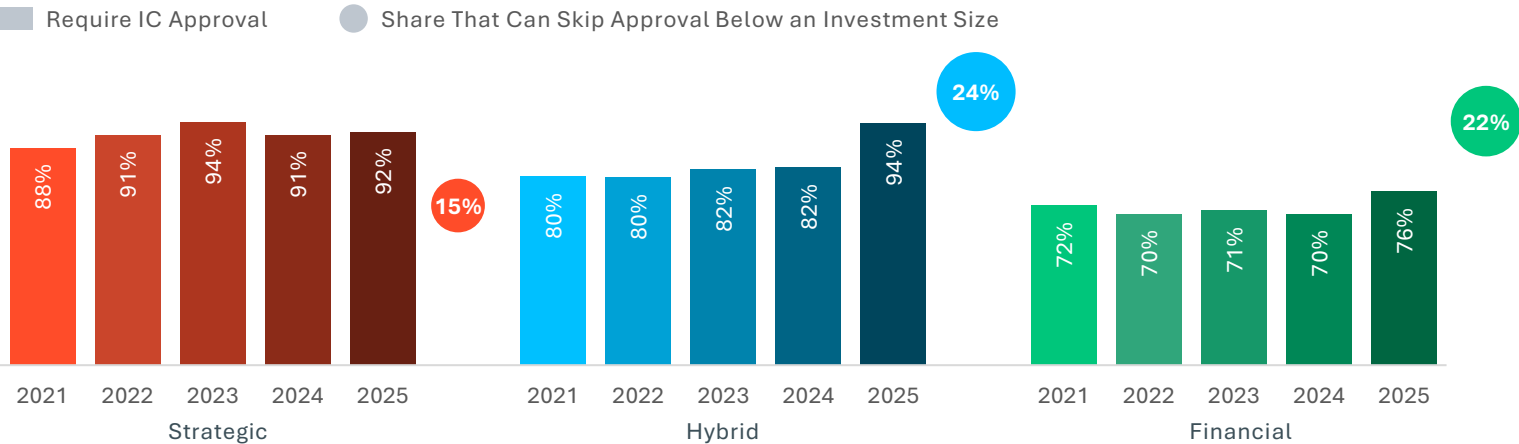
IC Where You're Coming From...

The role of the investment committee is two-fold. **First, the IC acts as a check and balance on its autonomy. Second, it also acts as a sounding board that encourages healthy debate and improves outcomes for the fund.** Given the IC's role as a check and balance, it's of little surprise that 92% of strategic CVCs require IC approval before making an investment. That number is certainly lower when we look at financial funds, where just over three-quarters require IC approval. Perhaps most striking, though, is the increase in the percentage of funds that have required approval between 2024 and 2025 for both hybrid and financial CVCs. At this point, it is unclear what is driving this increase, but it is clear that their autonomy is less than it once was.

The IC for many funds plays a critical role in the investment process. This is particularly clear when looking at financial CVCs. Among this group of CVCs, over three-quarters say the decision process with the IC is a healthy debate. Only one in five financial CVCs view the IC process as simply a rubber stamp on the investment. This is starkly different from strategic funds in which over one-third of CVCs viewed the IC as simply a rubber stamp on their process. **While it is counterintuitive that more independent financial CVCs have more heated debates over investment, it makes sense given that strategics often have a narrow focus.** It is relatively clear for strategic funds to decide if an investment fits with their narrower thesis.

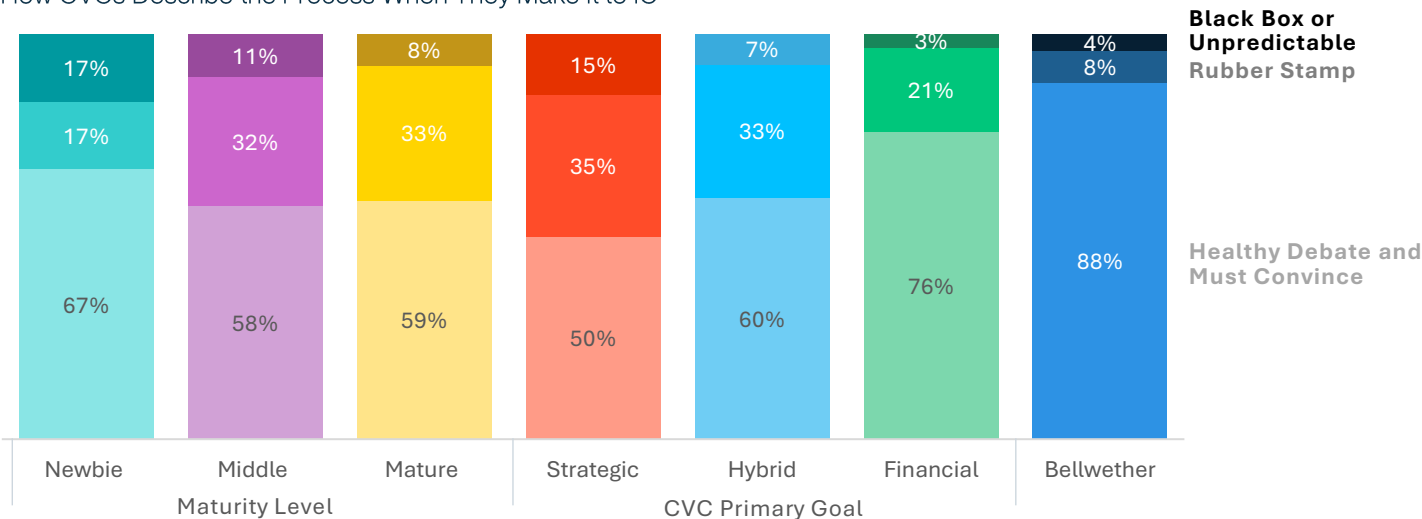
Financial Funds Have the Most Autonomy, But There Is Less Than There Used to Be

Percentage of Funds That Require Executive IC Approval to Make an Investment



The Best (Bellwether) Funds Have a “Healthy Debate” With Their IC

How CVCs Describe the Process When They Make It to IC

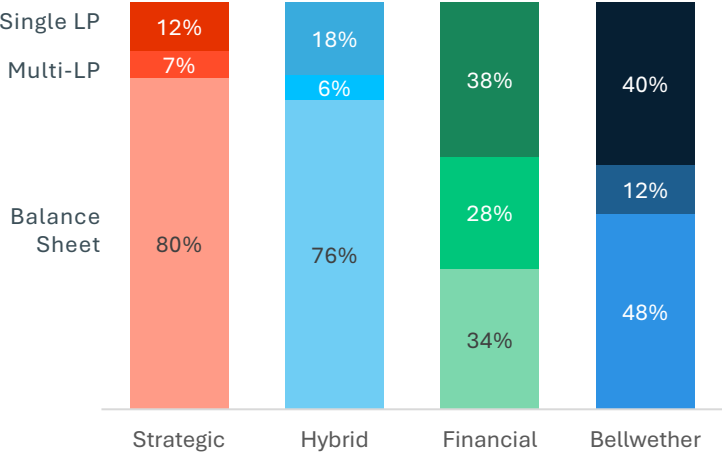


CVCs Trip Along the Way to Off Balance

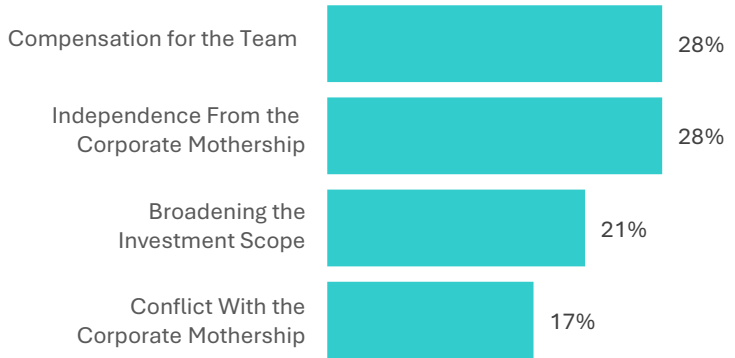
The source of funds for a CVC can have significant implications for its independence and how it operates. The vast majority of strategic funds use an evergreen balance sheet structure. While this structure means they don't have to spend time raising a fund, it also means they are often less independent, as capital must be allocated for each investment from the corporate parent. It also ensures greater strategic alignment between the fund and the corporate parent. Financial CVCs, on the other hand, are more likely to use a single or multi-limited partnership (LP) structure, as these structures are better aligned to incentivize financial returns as opposed to strategic alignment. In fact, over a quarter of financial funds have multi-LP funds set up. These funds are by far the most independent and have the most flexibility in terms of the deals that they do.

The market opened in 2024 and 2025 with venture investment increasing and corporates focusing less on austerity measures. **With less scrutiny on corporate spending, it seems that more funds are looking to move off balance sheet.** The primary reasons include compensation, independence and broadening investment scope. But while roughly a quarter of funds have considered moving their fund off balance sheet in the last 12 months, only one in 10 have successfully done so, and 43% have met resistance or have been unsuccessful entirely. This difficulty in changing structures is a key reason that so many CVCs accept the status quo and invest off balance sheet.

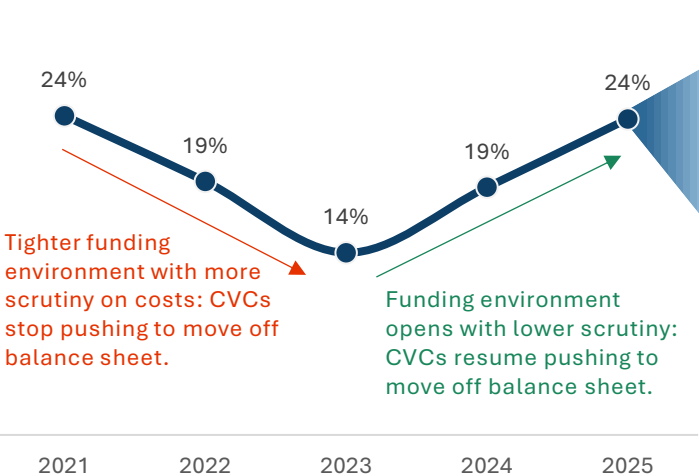
Financial CVCs Are Off Balance Sheet
Source of Venture Funds by CVC Mandate¹



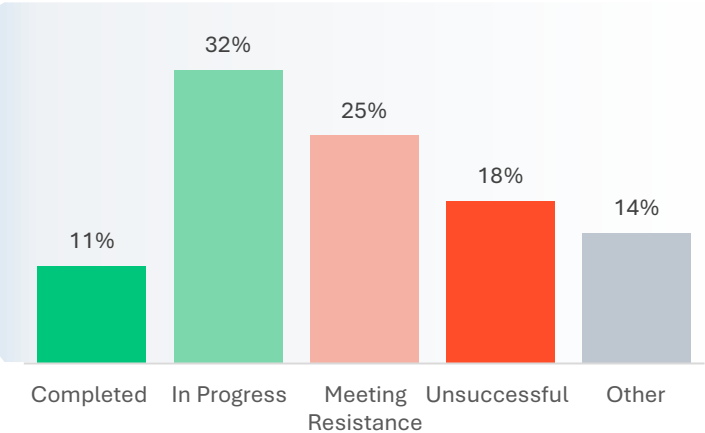
Why CVCs Want to Move Off Balance Sheet
Percentage of Responses Citing Each Reason for Moving Off Balance Sheet²



Moving Off Balance Sheet Is a Consideration
Percentage of CVCs Considering Moving Off Balance Sheet in the Last 12 Months



It Is Hard to Move Off Balance Sheet
CVC's Current Status Toward Moving Off Balance Sheet



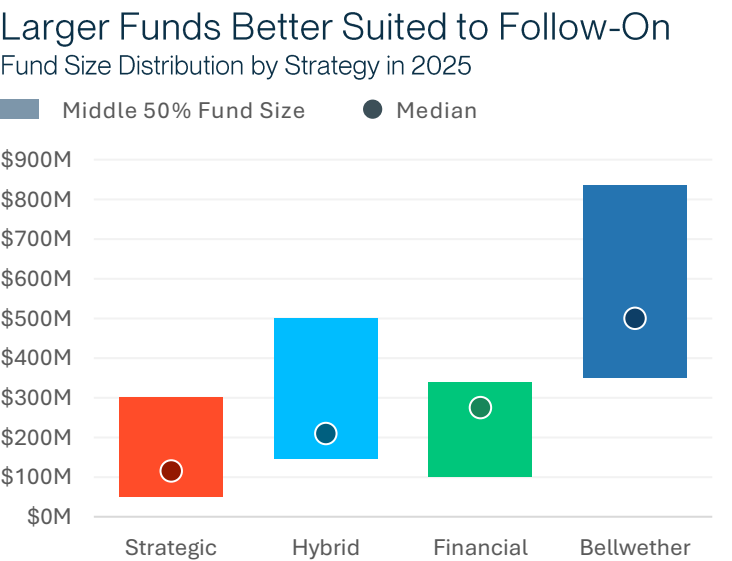
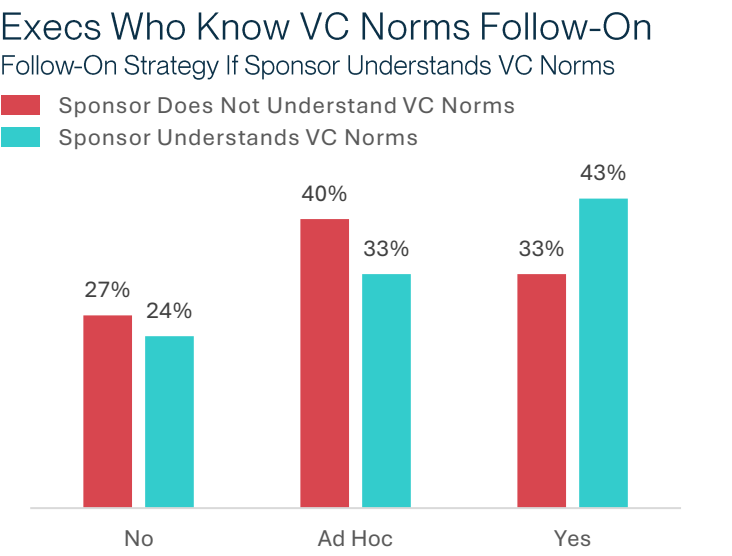
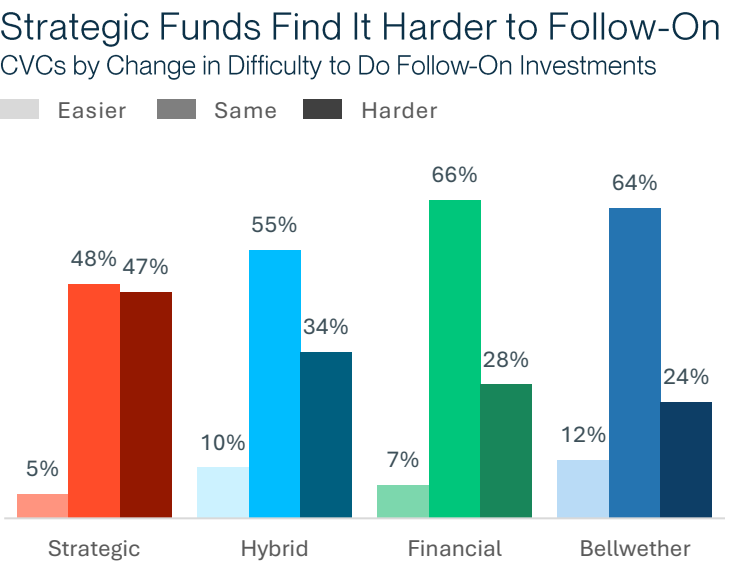
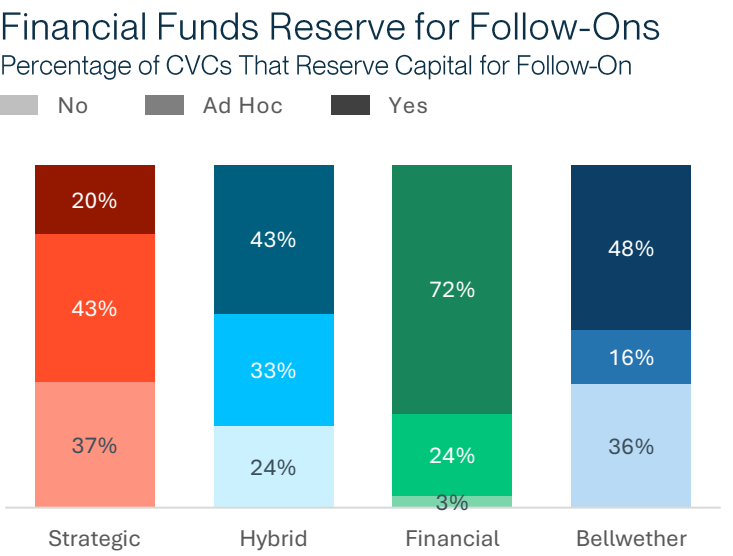
Notes: 1) Other category not shown that represents less than 1% of total responses. For this reason and as a result of rounding, totals may not equal 100%. 2) Respondents could select multiple reasons.
Source: CVC survey and SVB analysis.

Stay Calm and Follow-On

In today’s constrained funding environment, CVCs are taking very different approaches to follow-on investments, and those differences track closely to fund type. Three-quarters of financial funds reserve capital for follow-on investments, since protecting ownership and returns depend on it. **Strategic CVCs, on the other hand, don’t prioritize follow-ons as a core function, and the current environment has further limited their participation, often limiting follow-on activity to an ad hoc basis.**

The capital crunch is felt most by strategic funds, but it is not exclusive to them. Financial funds face their own challenges. If they cannot follow-on, their ownership risks dilution, and returns may weaken.

In terms of fund size, bellwether funds have pulled ahead of the pack, giving them a lead in larger rounds. But larger fund sizes may also make it easier for funds to follow-on if the fund size is structured to allow for reserves. For smaller funds, efficiency and disciplined capital deployment are critical. This is where CVCs can differentiate: Even without the largest checks, they can provide strategic advantages like corporate resources and operational support, along with financial support.



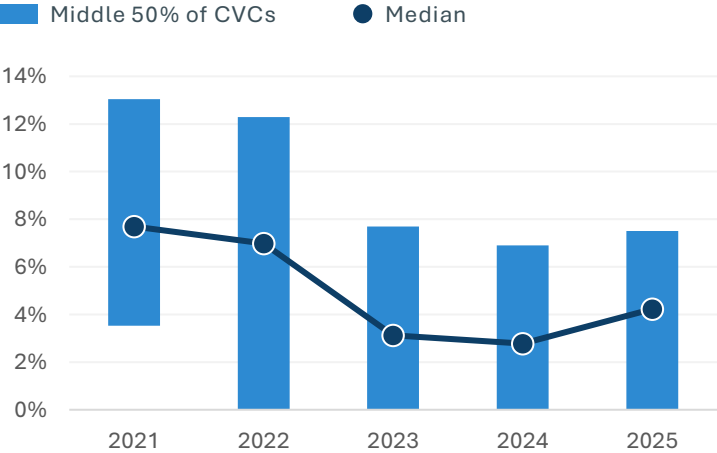
CVCs Thirsty in Liquidity Desert

CVC exit activity is showing signs of life in 2025, but the picture remains uneven. The median exit share has begun to rise after two years of decline. Still, exit levels remain below the highs seen in 2021, showing that while activity is returning, it is far from a full rebound.

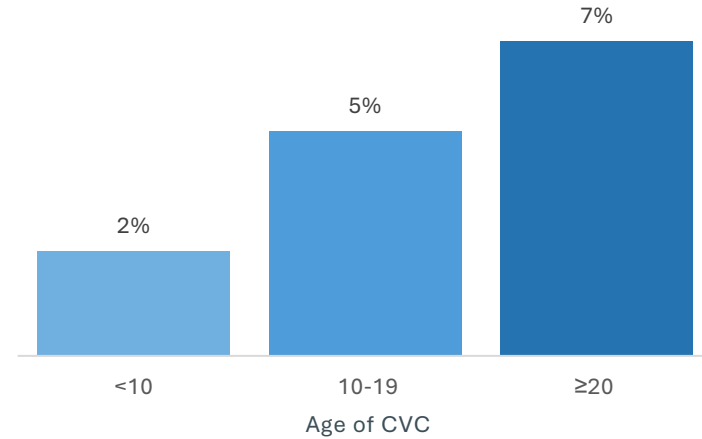
Exit consistency is also tied to maturity. Older CVCs are far more likely to generate steady exits. Those operating for more than 20 years show more than triple the exit share annually of newer CVCs. For older CVCs, institutional knowledge and experience lend a hand to more favorable exit outcomes.

CVCs are also moving toward new liquidity tools. **Nearly half have considered the secondary market, and over one in five have already used it — a notable jump from last year.** But not all CVCs use secondaries equally. Financial funds comprise 18% of all CVCs, but 41% of financial funds use secondary transactions. Strategic funds are the most hesitant to use secondaries — only 24% of funds that use secondaries are strategic, despite making up 38% of the ecosystem. Financial funds are aggressively looking to return capital and show distributed to paid-in capital (DPI), but returns matter less to strategic funds. For CVCs, the exit landscape is changing: Traditional exit paths are slowly reopening, but secondary markets are now an essential component of the liquidity toolkit.

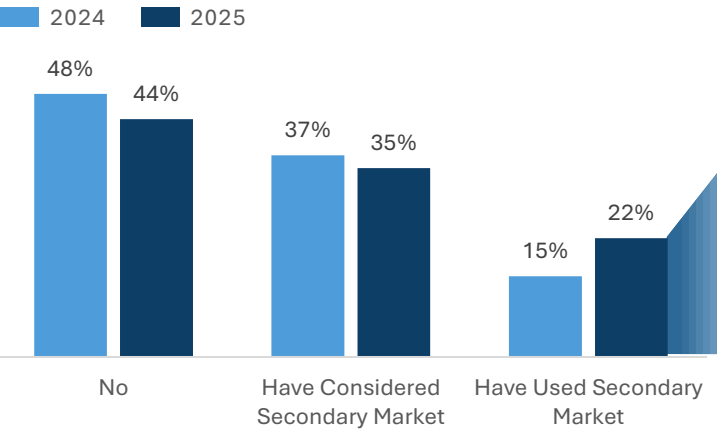
Exits Begin To Recover in 2025
Share of Portfolio Exited in the Last 12 Months



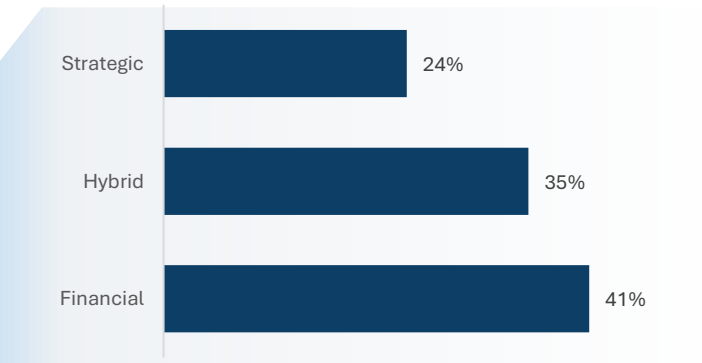
It Takes Time To Develop Consistent Exits
Annual Share of Portfolio Exited by CVC Age



More CVCs Are Exploring Secondaries
Percentage of CVCs Considering Secondary Market To Generate Liquidity



Financial CVCs Most Likely To Use Secondary
CVCs That Have Used the Secondary Market This Year by Strategy





Team Dynamics



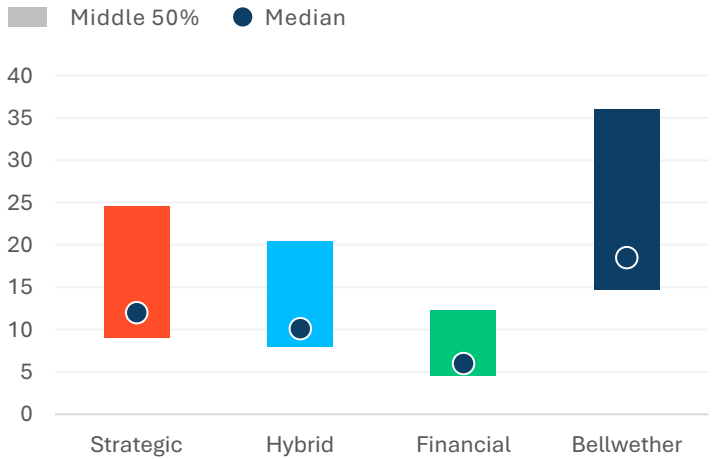
Strategics Make It an Inside Job

CVC team structures vary widely, but clear patterns emerge. Financial funds tend to keep things lean, with the smallest team sizes, while bellwether and strategic funds are typically larger and better resourced. **Younger funds tend to build their teams internally, but as funds mature, external hiring becomes more common, signaling a shift toward specialized expertise.**

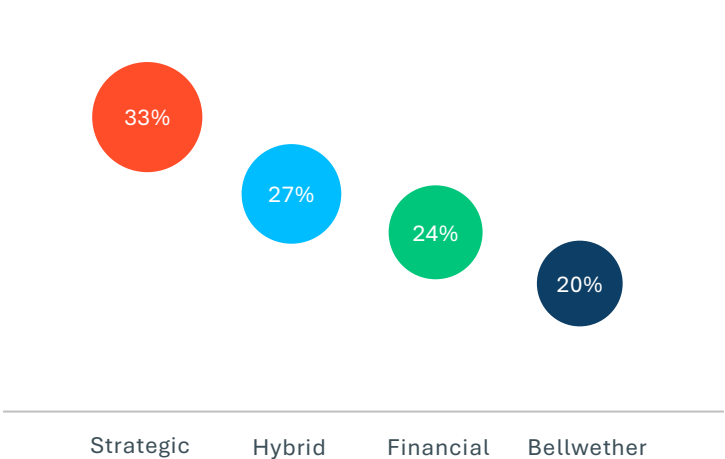
Turnover is generally modest across the board, but bellwether funds face the most churn: Half reported losing at least two people in the past year. While some attrition is normal, high turnover rates may reflect the growing competition for VC talent, poaching between firms, and the movement of people across the venture ecosystem.

Bellwether funds are least likely to have team members dedicated to adding strategic value, with only one in five at bellwether funds doing so. Even so, at 40% of bellwether funds, less than half of the team are investors.¹ While bellwether funds are least strategically aligned, many hire a significant portion of their staff to support portfolio companies and their fund operations.

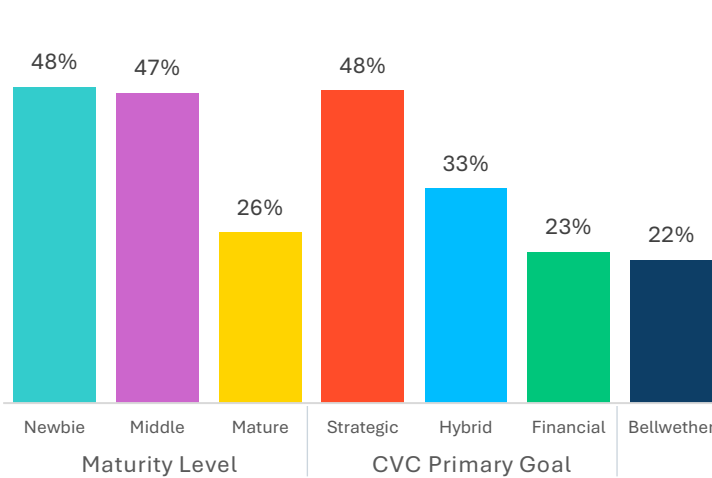
Financial Funds Run Leaner Teams
Team Size Distribution by Strategy



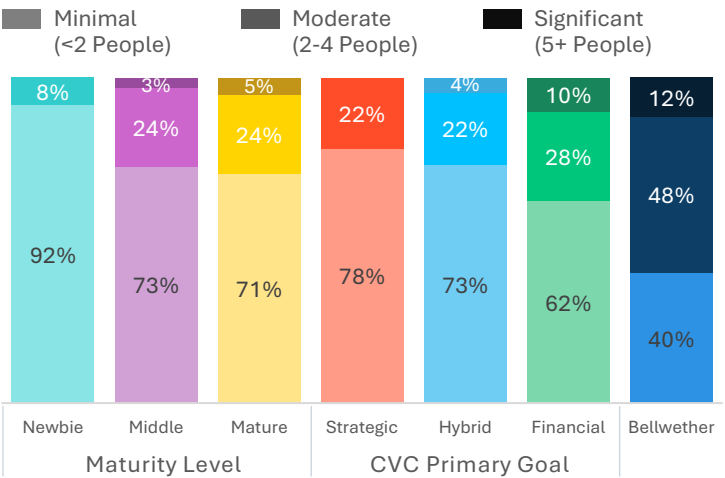
Strategic CVCs Add More Value to the Team
Average Share of Team Adding Strategic Value



The Best Look Outside for Talent
Average Share of Internal Hire



Bellwethers See Moderate Turnover
Turnover From the Past Year



Notes: 1) See appendix slide 38.
Source: CVC survey and SVB analysis.

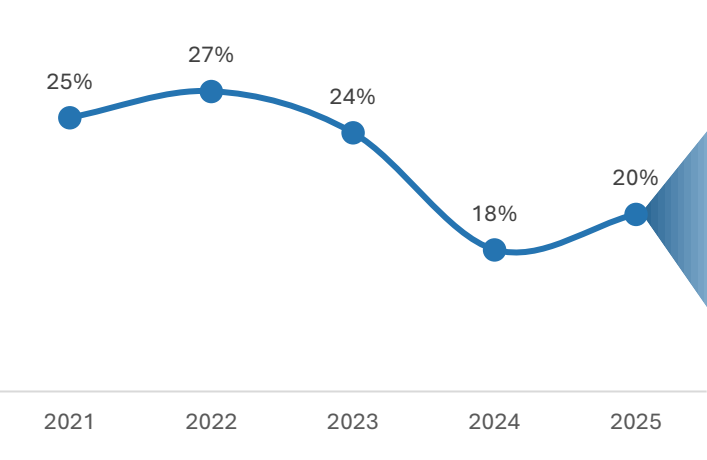
Carry On, My Wayward Fund

Carry remains scarce in CVC, and when it does appear, it's concentrated at the top. For CVCs that do offer carry, benefits are mostly reserved for general partners (GPs) and partners — 97% and 90%, respectively — while only 10% extend carry to the entire team.

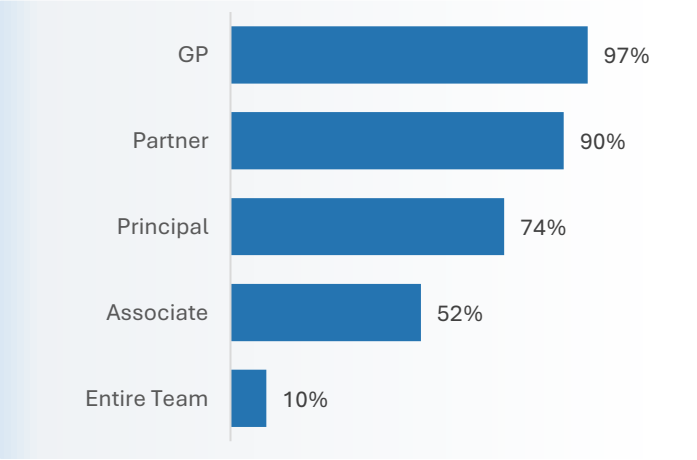
Because financial CVCs are more return-driven, they offer carry more often than strategic CVCs, where investment returns aren't the primary goal. For strategic CVCs, however, investment is often a means to advance the parent company's priorities, such as establishing technology insights or entering a new market, whereas financial outcomes may be secondary. In those cases, linking pay to performance can create conflicts.

This leaves a gap in motivating junior and mid-level talent. To bridge this, many funds are experimenting with alternatives: 48% use bonuses linked to portfolio performance, 13% say salaries negate the need for carry and 16% offer shadow carry. **These structures are most prevalent in financial funds, where 62% tie bonuses directly to portfolio outcomes, compared with just 12% of strategic funds.** But the retention of high-performing talent remains a concern, prompting CVCs to lean on other means to keep performers engaged.

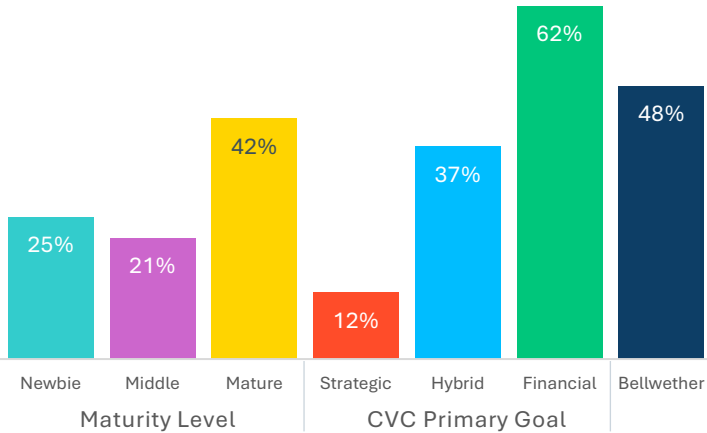
Carry Sees New Growth
Share of Funds That Receive Carry



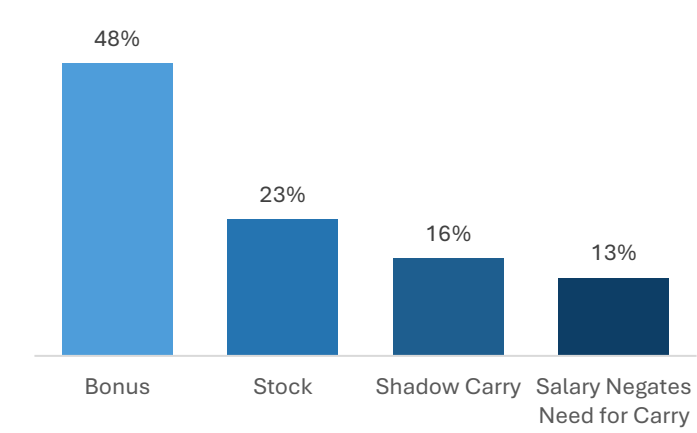
Carry Reserved for Partners and GPs
Positions That Receive Carry at Funds That Offer It¹



Financial CVCs: Performance Tied to Bonus
Share of Performance of Portfolio Tied to Annual Bonus



50% of Those That Don't Get Carry Get Bonus
What CVCs Report Offering Instead of Carry



Notes: 1) Respondents could choose multiple options. Entire team includes back office and support functions.
Source: CVC survey and SVB analysis.

Authors

Lead Authors



Mark Gallagher
Head of Investor Coverage
Silicon Valley Bank
mgallagher@svb.com



Patrick Eggen
General Partner
Counterpart Ventures
patrick@counterpart.vc



Mikey Kailis
Principal
Counterpart Ventures
mikey@counterpart.vc



Emma Eschweiler
Director
Silicon Valley Bank
eeschweiler@svb.com

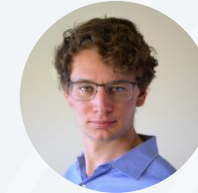


Abbie Wolf
Marketing & Platform Analyst
Counterpart Ventures
abbie@counterpart.vc

Market Insights Team Authors



Anjalika Komatireddy
Researcher
Silicon Valley Bank
akomatireddy@svb.com



Eli Oftedal
Senior Researcher
Silicon Valley Bank
eoftedal@svb.com



Jake Ledbetter
Senior Researcher
Silicon Valley Bank
jledbetter@svb.com

About Silicon Valley Bank

Silicon Valley Bank (SVB), a division of First Citizens Bank, is the bank of some of the world's most innovative companies and investors. SVB provides commercial and private banking to individuals and companies in the technology, life science and healthcare, private equity, venture capital and premium wine industries. SVB operates in centers of innovation throughout the United States, serving the unique needs of its dynamic clients with deep sector expertise, insights and connections. SVB's parent company, First Citizens BancShares, Inc. (Nasdaq: FCNCA), is a top 20 US financial institution with more than \$200 billion in assets. First Citizens Bank, Member FDIC. Learn more at svb.com.

#SVB
Silicon Valley Bank
www.svb.com

See complete disclaimers on the last page.





About Counterpart Ventures

Founded in 2018, Counterpart Ventures is a San Francisco-based venture capital fund investing in early-stage startup companies disrupting traditional industries. With its CVC roots, Counterpart provides access to potential enterprise customers and strategic partnerships for their founders. Investments focus on B2B SaaS, mobility and marketplace technologies that target conventional problems or fill missing gaps in large markets.

Our Counter Club community represents the most active and engaged network of CVC funds among any traditional VC firms. We galvanize the CVC industry through our events and discussions designed to share best practices for emerging corporate VCs. Given our successful CVC track records, we are the rare CVCs turned VCs with the ability to offer impartial advice to others. Visit our website for more information on how we invest and the Counter Club to become a member of our community:

Counterpart Ventures <http://counterpart.vc>

Counter Club <https://counterclub.vc>

 **Counterpart Ventures**

 <http://counterpart.vc>

 **@counterpartventures**

 **@counterpartvc**



Micro Benchmarking

Counterpart and Silicon Valley Bank are able to provide access to a fully anonymized dataset for the purposes of micro-benchmarking CVCs.

We are able to provide this support to assist CVCs with further analysis relative to their industry, stage preference, check size and so on.

Our intent is to allow CVCs to slice and dice the data to arrive at your own conclusions.

To get in touch, email
team@counterpart.vc.





Disclaimers

The views expressed in this report are solely those of the authors and do not necessarily reflect the views of SVB or Counterpart.

This material, including without limitation to the statistical information herein, is provided for informational purposes only. The material is based in part on information from third-party sources that we believe to be reliable but which has not been independently verified by us, and, as such, we do not represent the information is accurate or complete. The information should not be viewed as tax, accounting, investment, legal or other advice, nor is it to be relied on in making an investment or other decision. You should obtain relevant and specific professional advice before making any investment decision. Nothing relating to the material should be construed as a solicitation, offer or recommendation to acquire or dispose of any investment, or to engage in any other transaction.

Counterpart Ventures and all other non-SVB named companies listed throughout this document, as represented with the various statistical, thoughts, analysis and insights shared in this document, are independent third parties and are not affiliated with Silicon Valley Bank, a division of First-Citizens Bank & Trust Company. Any predictions are based on subjective assessments and assumptions. Accordingly, any predictions, projections or analysis should not be viewed as factual and should not be relied upon as an accurate prediction of future results.

Investment Products:

Are not insured by the FDIC or any other federal government agency	Are not deposits and are not guaranteed by the bank or any bank affiliate	Are subject to investment risks and may lose value of the principal invested
--	---	--

© 2025 First-Citizens Bank & Trust Company. Silicon Valley Bank, a division of First-Citizens Bank & Trust Company. Member FDIC. 2625 Augustine Drive, Suite 301, Santa Clara, CA 95054.



Appendix



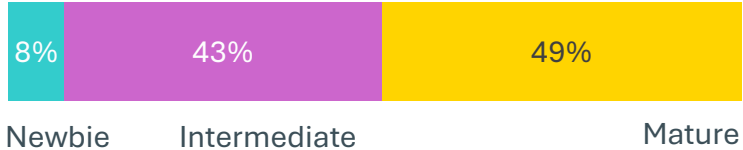
About the Report and CVC Survey

CVC Survey Respondents Makeup

Headquarters of Parent



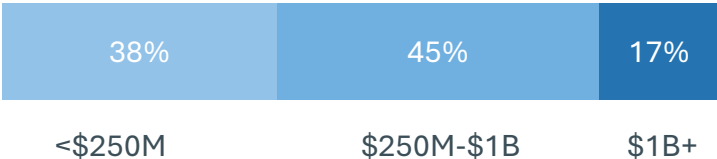
Maturity Levels of CVC



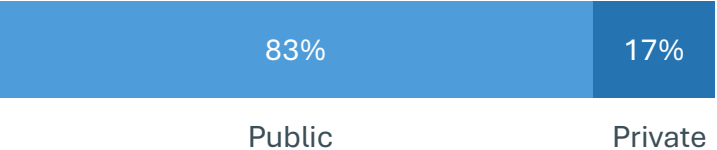
Year CVC Was Founded



Current AUM



Ownership of Parent



Investments In The Past 12 Months

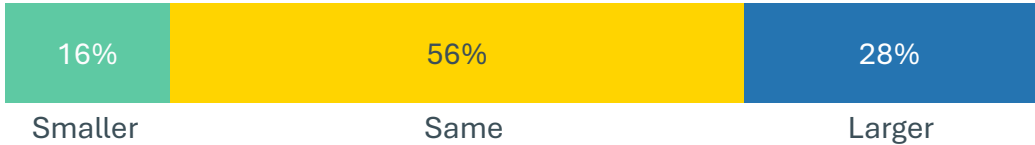


Source: CVC survey and SVB analysis.

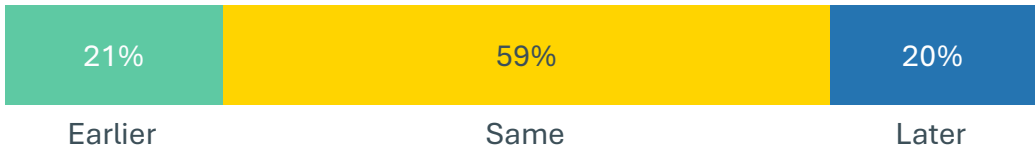
CVCs Report Changes

Changes to Average Check Size, Stage Focus and Investment Pace in the Past Five Years

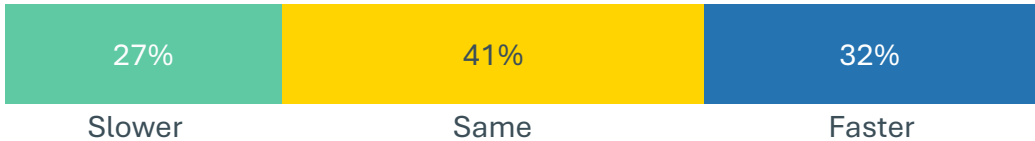
Average Check Size



Stage Focus



Investment Pace

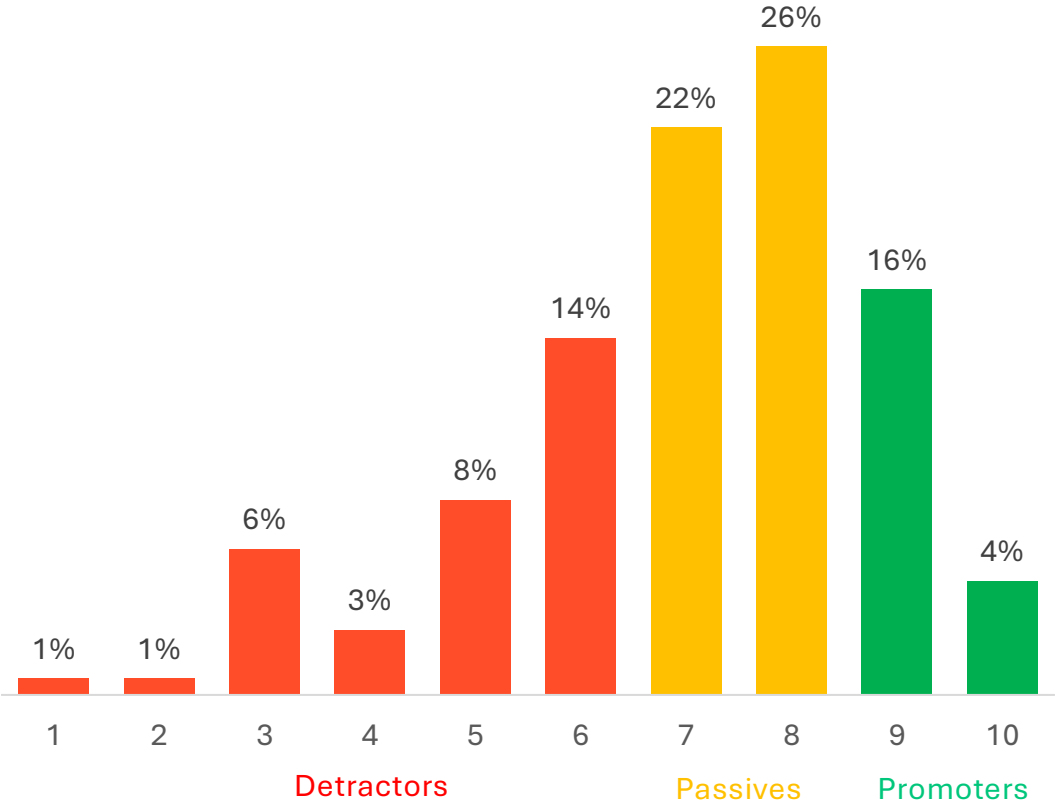


Source: CVC survey and SVB analysis.

CVCs Have Passive Parents

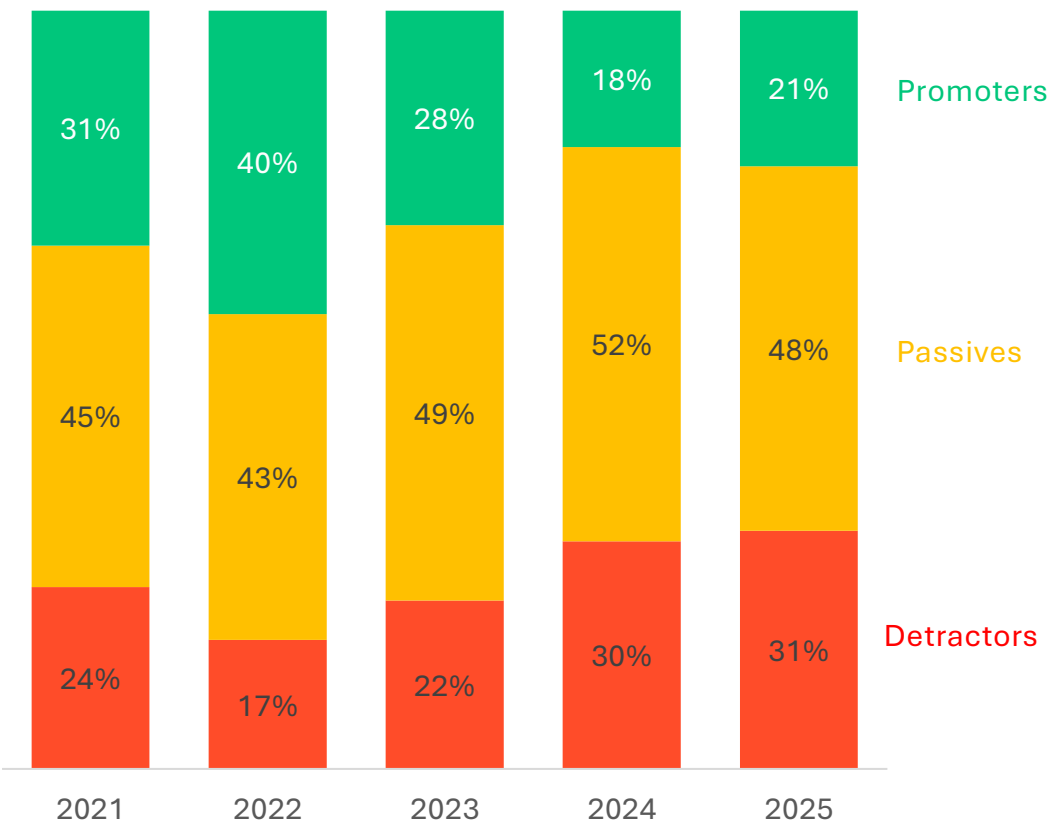
2025 Net Promoter Score (NPS) Breakdown

Source: CVC survey and SVB analysis.



Promoters Consistent Year over Year

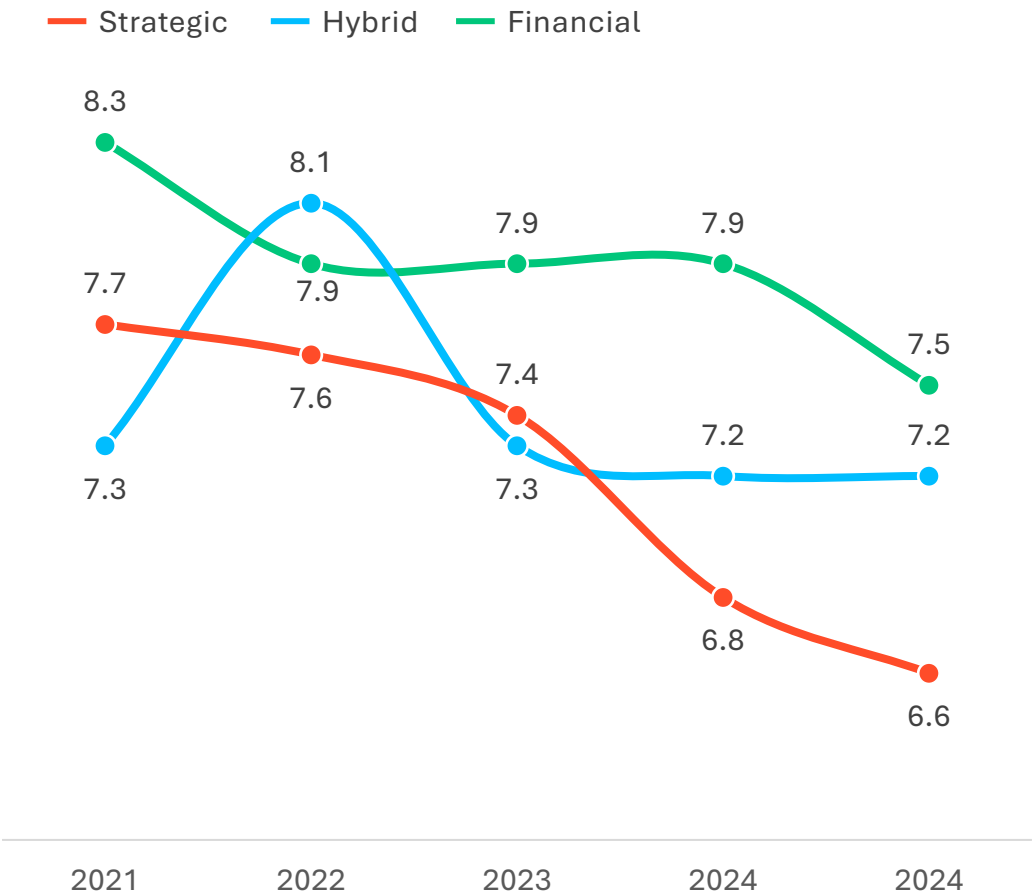
NPS Groups by Year



Source: CVC survey and SVB analysis.

Financial and Hybrid Fund NPS Fall

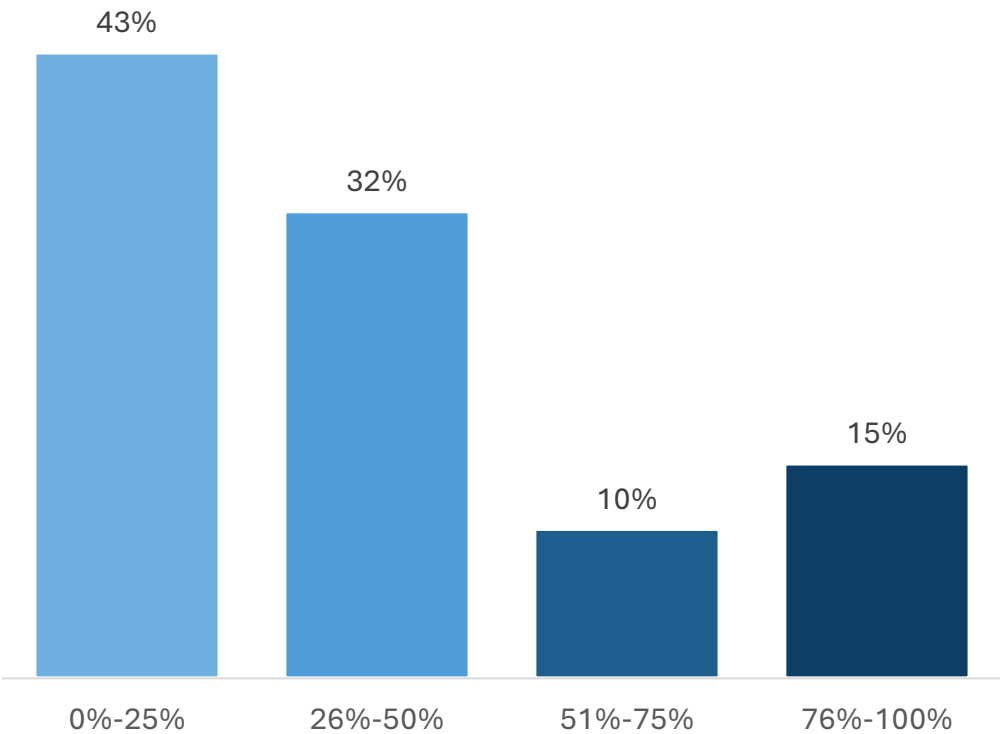
Average NPS Scores by Strategic Mandate



Source: CVC survey and SVB analysis.

Few Funds Require Commercial Agreements

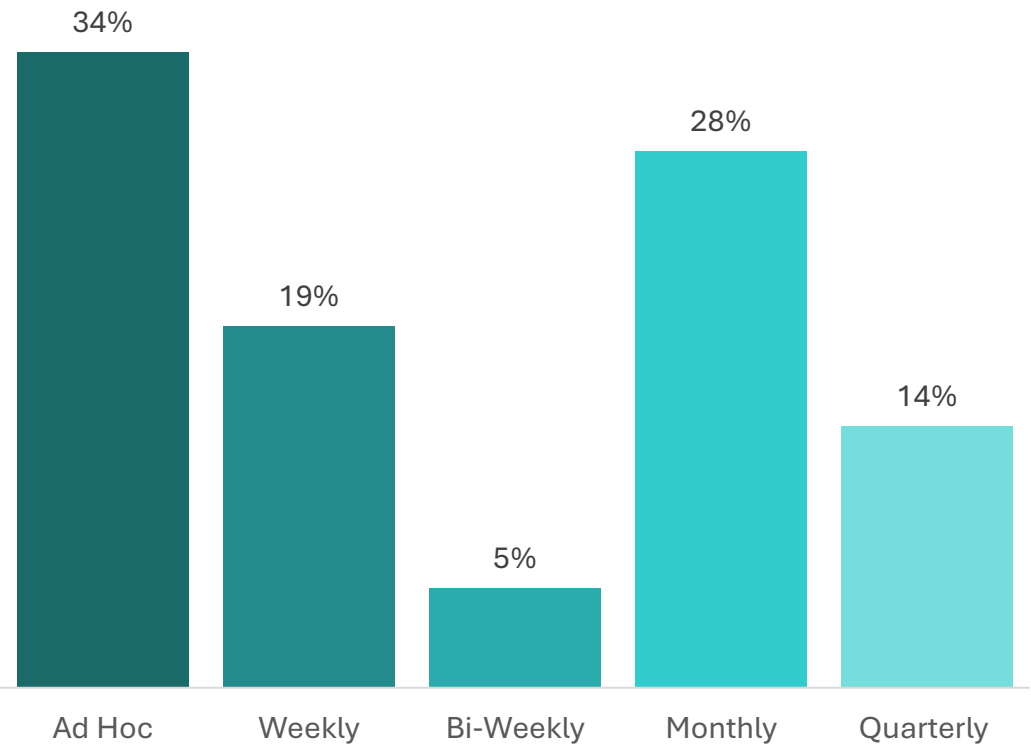
Share of PortCos That Have Commercial Contracts With the Parent



Source: CVC survey and SVB analysis.

Ad Hoc Meetings With IC Are Favored

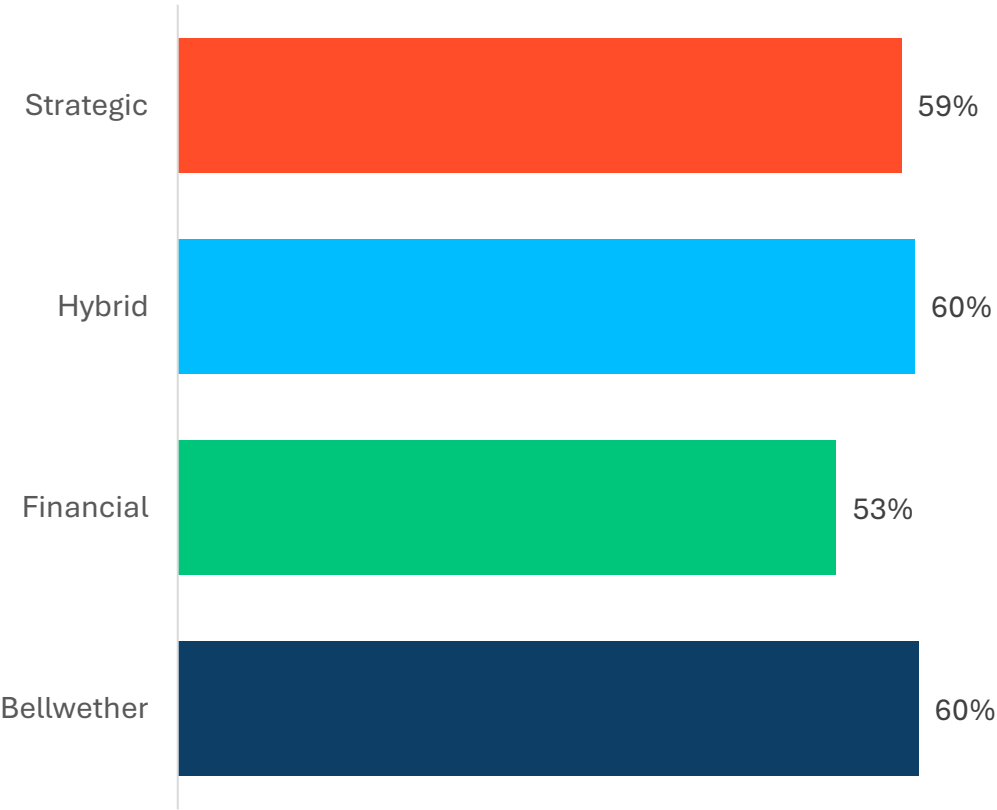
Frequency of Meetings With IC



Source: CVC survey and SVB analysis.

Despite Value-Add Focus, Strategics Hire More Investors

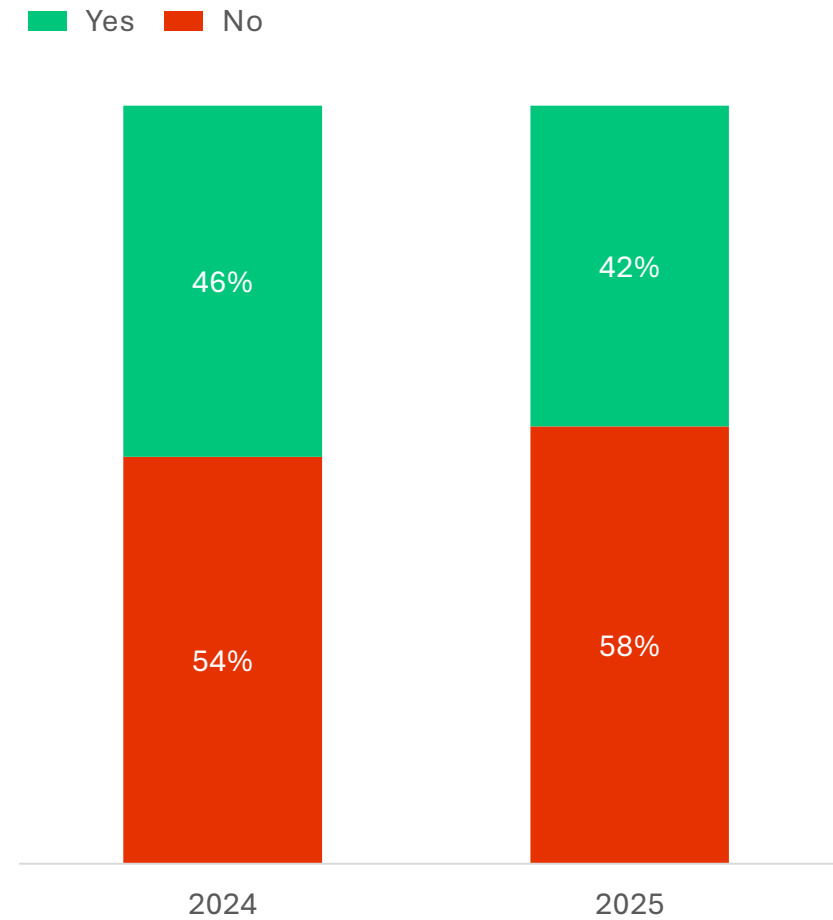
Share of CVCs With More Than Half
of the Team Being Investors



Source: CVC survey and SVB analysis.

Fewer CVCs Have Orphaned a PortCo in the Last Year

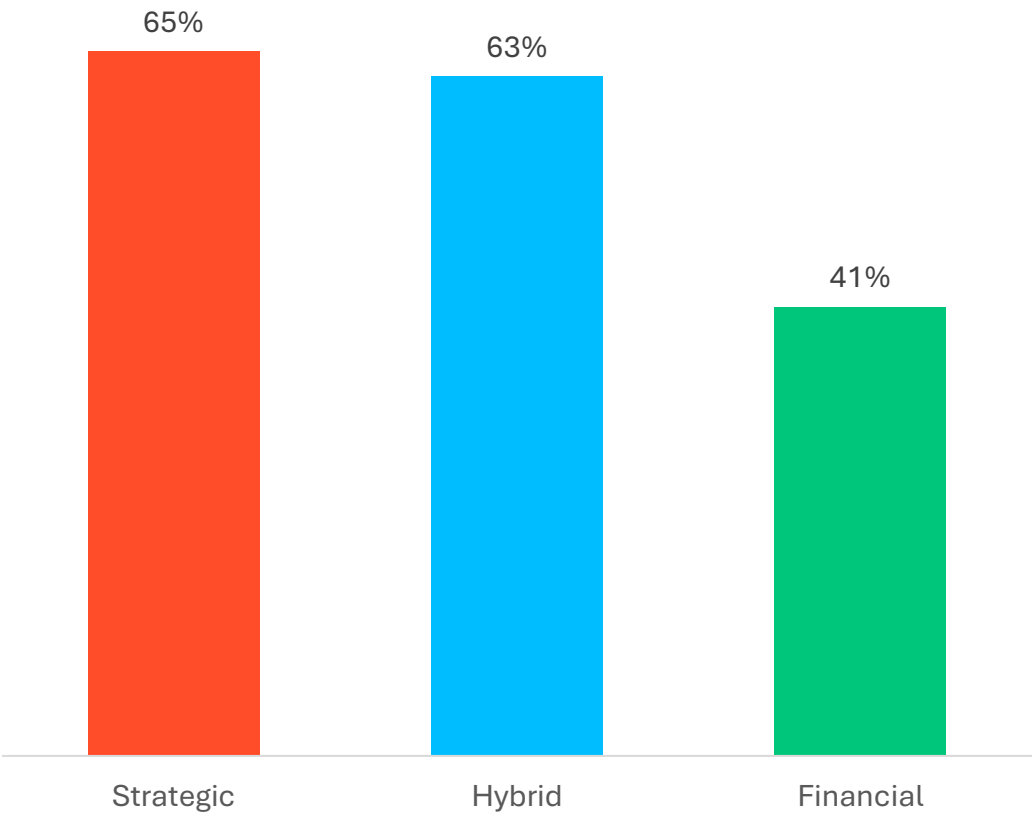
Have You Orphaned a Struggling PortCo in the Last 12 Months?



Source: CVC survey and SVB analysis.

Strategics Take the Most LP Positions

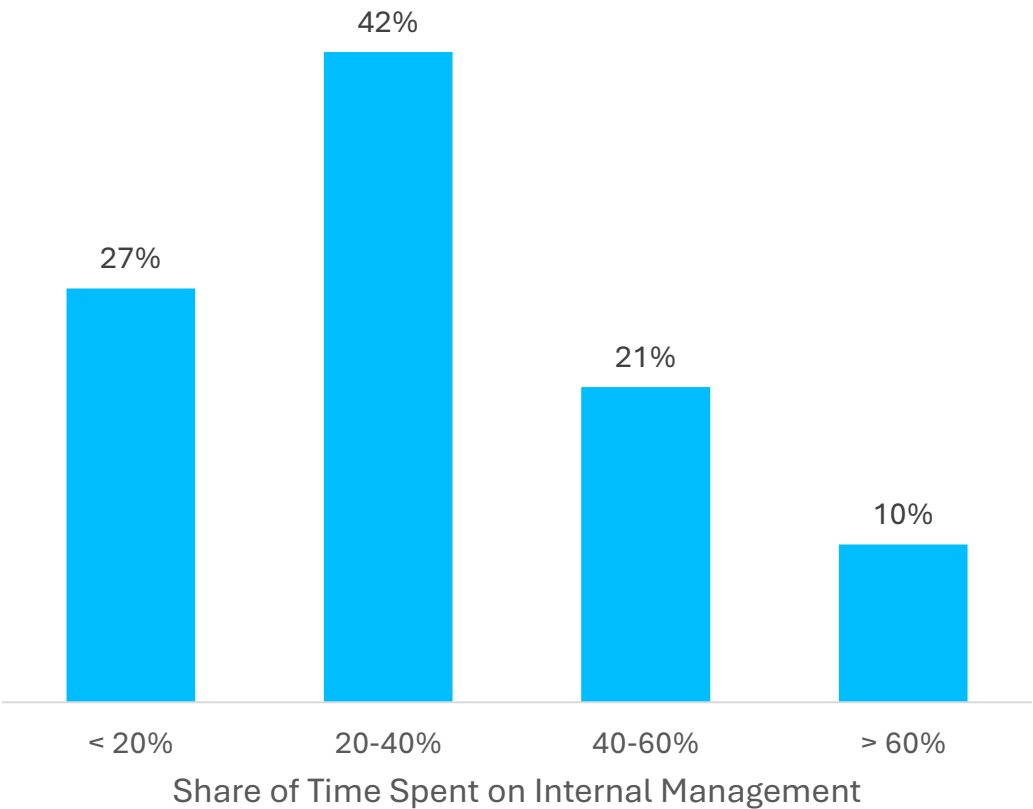
Share That Take LP Positions by Strategic Mandate



Source: CVC survey and SVB analysis.

Majority CVCs Spend Less Than 40% of Time Managing the Mothership

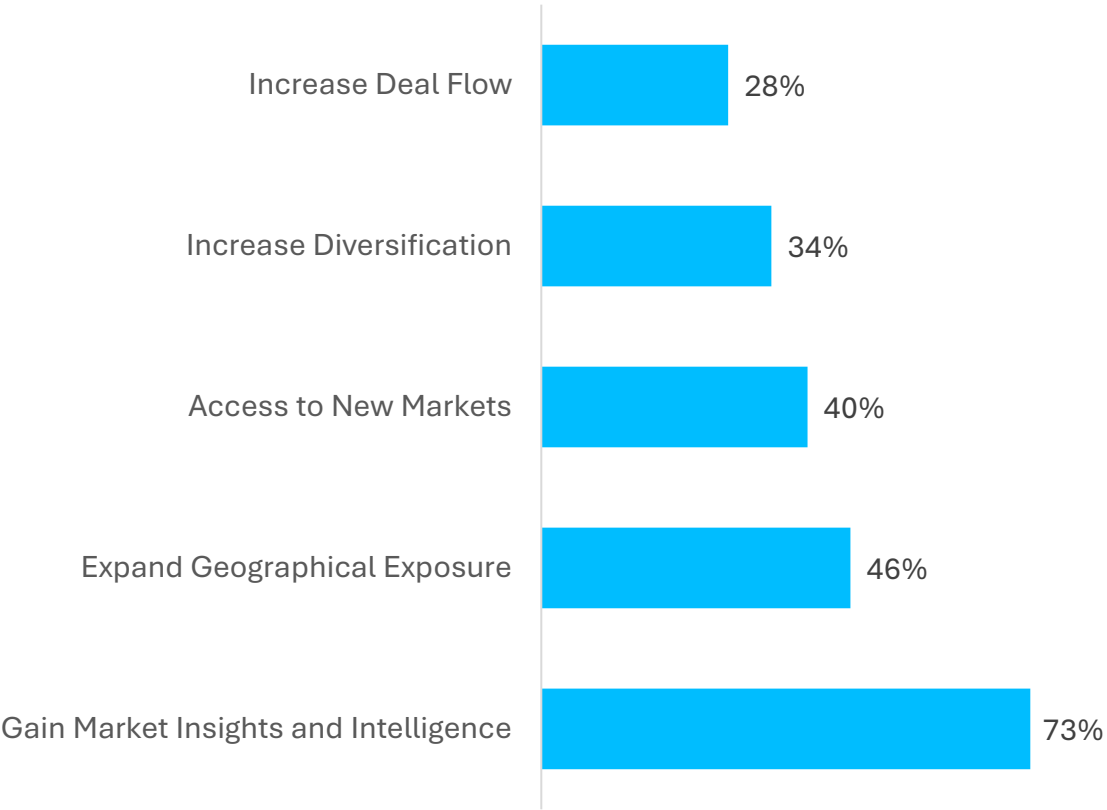
Share of Time Spent on Internal Management of Corporate Mothership (e.g. Strategic LP Management)



Source: CVC survey and SVB analysis.

Gaining Market Insights the Most Common Reason Behind Making LP Investments

Major Reasons Behind Making LP Investments



Source: CVC survey and SVB analysis.