Q2 2026 Private Market Commentary

Liquidity Takes Center Stage

June 30, 2026

ABS GLOBAL INVESTMENTS

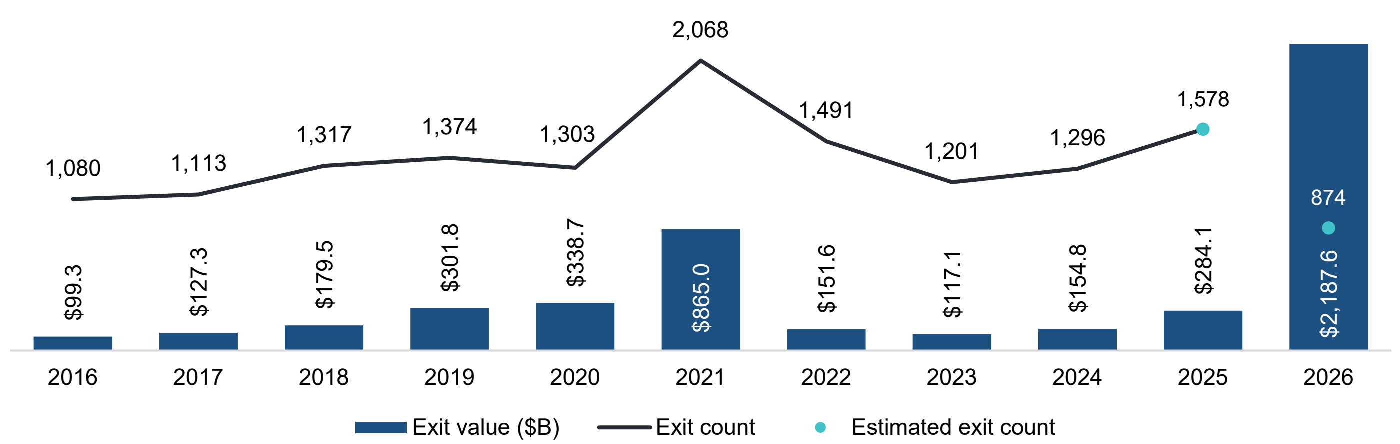
THE QUARTER IN ONE LINE: THE BIGGEST LIQUIDITY EVENT IN VENTURE HISTORY JUST HAPPENED

Q2 2026 will be remembered as the quarter the private markets got paid. SpaceX completed a $1.7 trillion IPO, the largest public offering of any kind in history, raising $75 billion and pushing its market cap above $2 trillion in early trading. Combined with SpaceX's $250 billion acquisition of xAI and its pending $60 billion all-stock deal for Cursor, one company drove more exit value into the venture ecosystem this quarter than the entire industry generated in any single year going back to 2016[1]. SpaceX wasn't the only headline listing, either. Cerebras, an AI chipmaker positioning itself as a direct challenger to Nvidia, raised $6.4 billion[2] in the quarter's second-largest IPO, a sign that public market appetite for this cycle extends beyond a single name.

The scale is best seen side by side. Total venture exit value hit $2,187.6 billion for the first half of 2026, more than seven times the full-year 2025 total of $284.1 billion. Q2 alone accounted for $1,828.8 billion of that, an order of magnitude above any prior quarter on record.

2026 is on pace to be the biggest year for VC exits on record

VC exit activity



Source: PitchBook-NVCA Venture Monitor · As of June 30, 2026

READING THROUGH THE HEADLINE NUMBER

Strip out SpaceX, and the picture looks much closer to the tight liquidity environment of the last few years, which is exactly why what happens next matters so much. Active unicorns are now worth a combined $5.3 trillion[1], and while one newly public company drove most of this quarter's realized value, that's often exactly how these cycles start: one marquee name proves the public markets are ready to pay up, and the rest of the pipeline tends to follow.

The encouraging part is what comes next. Both Anthropic and OpenAI have confidentially filed for IPOs, and bankers are already positioning both names as the next potential trillion-dollar debuts. If either lists in the back half of the year, 2026 would generate more exit value than the entire venture industry has produced since 2000[1], combined. **A wave of trillion-dollar listings gives public investors a first chance to weigh in on AI's biggest private bets, and it opens the door for that capital to start recycling into the next generation of venture funds and founders.**

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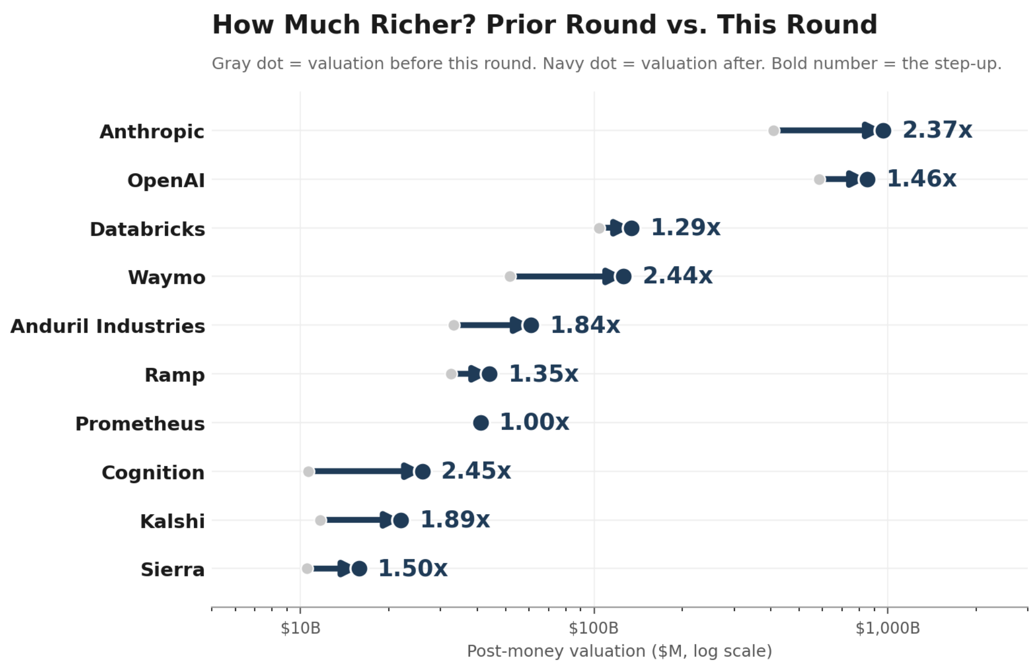
1 Source: PitchBook-NVCA Venture Monitor.
2 Source: PitchBook Companies & Deals Screener.

MEGADEALS: WHERE THE BIG CHECKS WENT

AI's dominance of the venture market showed up again in the size of individual funding rounds. Anthropic raised $65 billion in Q2, a round that valued the company at $965 billion post-money, a 2.37x step-up from its prior round just three months earlier[2]. That single round helped anchor a busier-than-usual quarter for US megadeals: seven companies (Anthropic, Prometheus Industries, Anduril Industries, Baseten, MiRus, Kalshi, and Cognition) closed rounds of $1 billion or more[1], together raising $87.2 billion. Five of those seven were AI companies.

Zoom out to the full first half and the pattern only gets clearer. Below are the Top 10 US private companies by post-money valuation that raised a round in H1 2026:



Source: PitchBook Companies & Deals Screener. Filters applied: Deal Date January 1, 2026, to June 30, 2026 (H1 2026); Deal Status: Completed; Location: United States; Ranked by Post-Money Valuation, descending.

IN THE NEWS: THE REAL RACE MIGHT BE SPEED, NOT JUST INTELLIGENCE

One of the more consequential storylines of the quarter wasn't about any single company's valuation, it was about speed. Whether a company runs an open-weight model like Z.ai's GLM-5.2 or Moonshot's newly released Kimi K3, or a closed frontier model, the constraint that increasingly matters is how fast and cheaply that model can actually be served to a customer. That's the inference layer, and Q2 gave a clear signal of how much capital is betting on it: Cerebras, which builds chips purpose-built to run AI models faster than traditional GPUs, completed a $34.3 billion IPO this quarter[2], positioning itself as a direct challenger to Nvidia in the race to serve AI at scale.

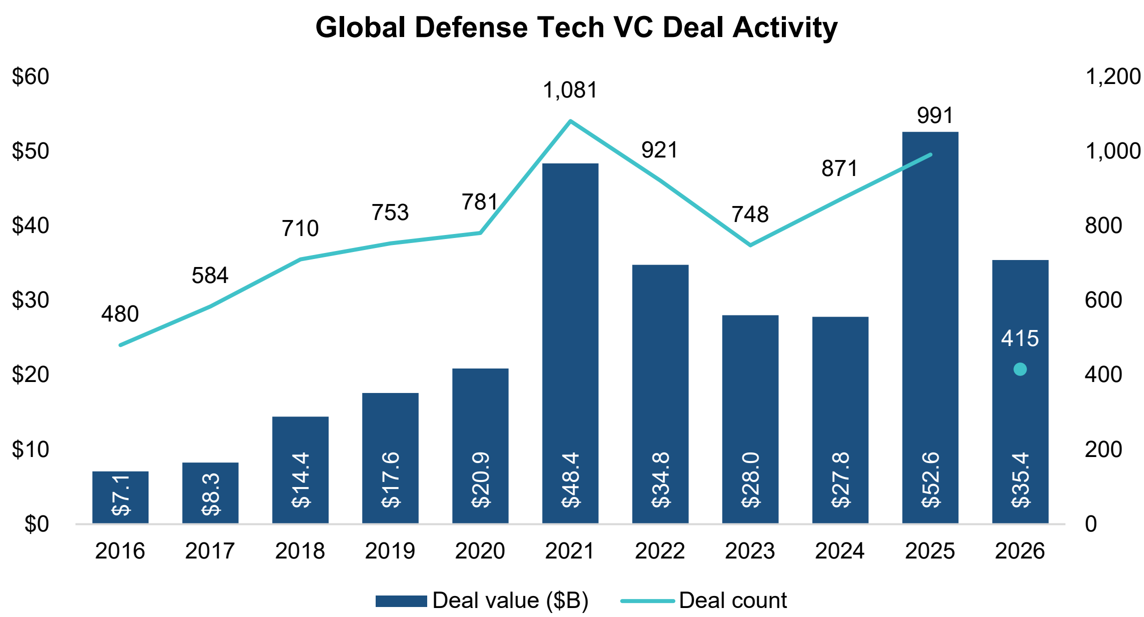
Why this matters for investors: **AI's value is splitting into two races that don't rely on the same winner. The first race will determine who builds the smartest model, where Anthropic and OpenAI's valuations show investors are still paying up for frontier capability. The second race emphasizes who serves models fastest and cheapest once they're built, an infrastructure race that rewards speed and cost** regardless of whether the model on top is open or closed. As demand for AI compute keeps climbing, that second race is becoming one of the more interesting places to watch capital flow next.

SECTOR SPOTLIGHT: DEFENSE TECH KEEPS SETTING RECORDS

Defense tech is having a moment, and Q2 made that obvious. Per PitchBook's Q2 2026 Defense Tech First Look, the sector pulled in roughly $15 billion across 164 deals during the quarter, part of a $35.4 billion, 415-deal haul for the first half of the year. The real story isn't just how much money showed up, it's where it went: the 10 largest deals alone swallowed 62% of all the capital raised in Q2. Money is chasing fewer, bigger bets.

Washington is leaning in too. U.S. defense spending is on pace to approach $1 trillion for fiscal 2026[3], and **the Pentagon keeps making it easier for venture-backed startups, not just the usual defense giants, to win real contracts:** faster procurement, closer ties to autonomy and AI companies, and a new Known Investor Program built to fast-track trusted capital into the space.

That's opening the door for a new kind of company. **Capital once reserved almost entirely for legacy contractors is now flowing to startups** building autonomous drones, uncrewed vehicles, and the software that runs them – the kind of company that would have struggled to raise venture capital a decade ago. **For once, policy and capital are pulling in the same direction.**



Source: PitchBook Q2 2026 Defense Tech VC First Look

WHAT WE'RE WATCHING HEADING INTO Q3

Three things: (1) whether Anthropic or OpenAI actually price an IPO this year and how public investors react relative to the private valuation, (2) whether the infrastructure race (chips and platforms built to serve AI models faster and cheaper) keeps building on the momentum that Cerebras' IPO put a real number on, opening the door for more of these companies to follow it to the public markets, and (3) whether the trend running through this entire letter, dollars increasingly chasing a small number of massive late-stage rounds, keeps deepening or starts giving smaller, earlier-stage companies more room to raise.

Q2 2026 delivered the biggest liquidity event in venture capital history, and the momentum shows no sign of slowing. AI continues to pull outsized capital into fewer, larger bets. Defense tech and the AI infrastructure race are proving that theme extends well beyond a handful of household names, and two of the industry's most valuable private companies now stand at the doorstep of the public markets. **The next two quarters should show how far this liquidity wave travels, and whether it marks the start of a broader reopening for venture capital as a whole.**

3 Goldman Sachs, 26Q2 Private Secondaries Update

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