

# Andreessen Horowitz plans \$1B crypto fund

## Article

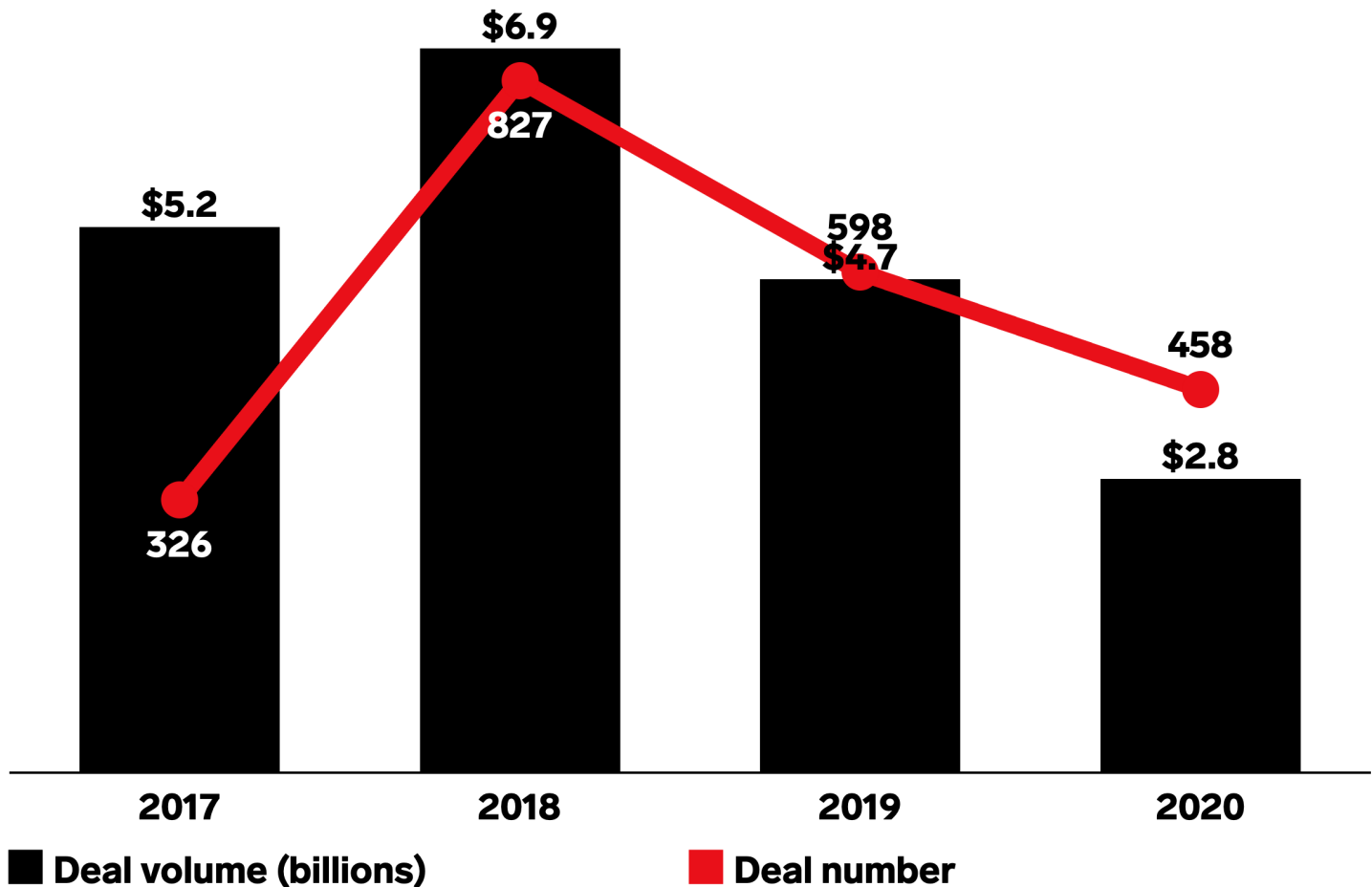
One of the most well-known venture capital firms out of Silicon Valley aims to raise between \$800 million and \$1 billion to back crypto startups, [per](#) the Financial Times. This will be Andreessen Horowitz's third and biggest foray into the sector, following the [\\$300 million](#) and [\\$515 million](#) crypto funds it launched in June 2018 and April 2020, respectively.

**Andreessen Horowitz, much like other funds, is doubling down on crypto in a bid to ride the sector's recent tailwind.** The rapid rise in retail and institutional demand in recent months is driving crypto startups' growth, with crypto exchange [Coinbase](#) earning more in revenues in Q1 than all of 2020 and [BlockFi](#) reaching \$15 billion worth of assets held on its platform in

March, up from \$1 billion in the same month last year. Andreessen experienced impressive returns from its earlier investments in the crypto space and is undoubtedly looking to recreate this success: Its stake in Coinbase, in which it started to invest in 2012, was worth \$11.2 billion when the exchange went [public](#) in April, more than half the [amount](#) of capital the VC raised from investors in its 12 years of operation. Other funds are also increasing their commitment to the space, with Pantera Capital seeking to raise another \$600 million following its [\\$175 million](#) crypto fund in 2018, per the FT, and [Multicoin Capital](#) raising a second \$100 million fund.

**Insider Intelligence expects the VC bullishness to drive global blockchain funding to a new record in 2021, in part driven by investments in B2B crypto startups targeting financial institutions (FIs).** Global blockchain funding dipped in 2020 to \$2.8 billion, but the [successive](#) mega-rounds during Q1 among crypto startups have already brought funding volume up to [\\$2.6 billion](#). The latest announcements by Andreessen and its peers will help further fuel crypto raises in the coming months to set a new funding record in 2021, beating the current record of \$6.9 billion set in 2018. With more and more FIs [testing](#) new crypto products, business-to-business crypto startups that facilitate these projects will likely be especially attractive to VCs. For example, [Fireblocks](#) and [Consensys](#) recently raised funding to help FIs issue stablecoins or securities on the blockchain and develop blockchain-powered payments.

# Global Private Investment in Blockchain and Cryptocurrency



Source: KPMG, "Pulse of Fintech H2 2020," February 2020

Methodology: Data is from the February 2021 KPMG report titled "Pulse of Fintech H2 2020." The data was provided by Pitchbook Data on December 31, 2020. Due to the private nature of many of the transactions, the data set cannot be definitive, but is an estimate based on information available to PitchBook.

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