

AI investing in 2025: Key trends driving the market

Tracking the growth, adoption and the opportunity of artificial intelligence — in charts.

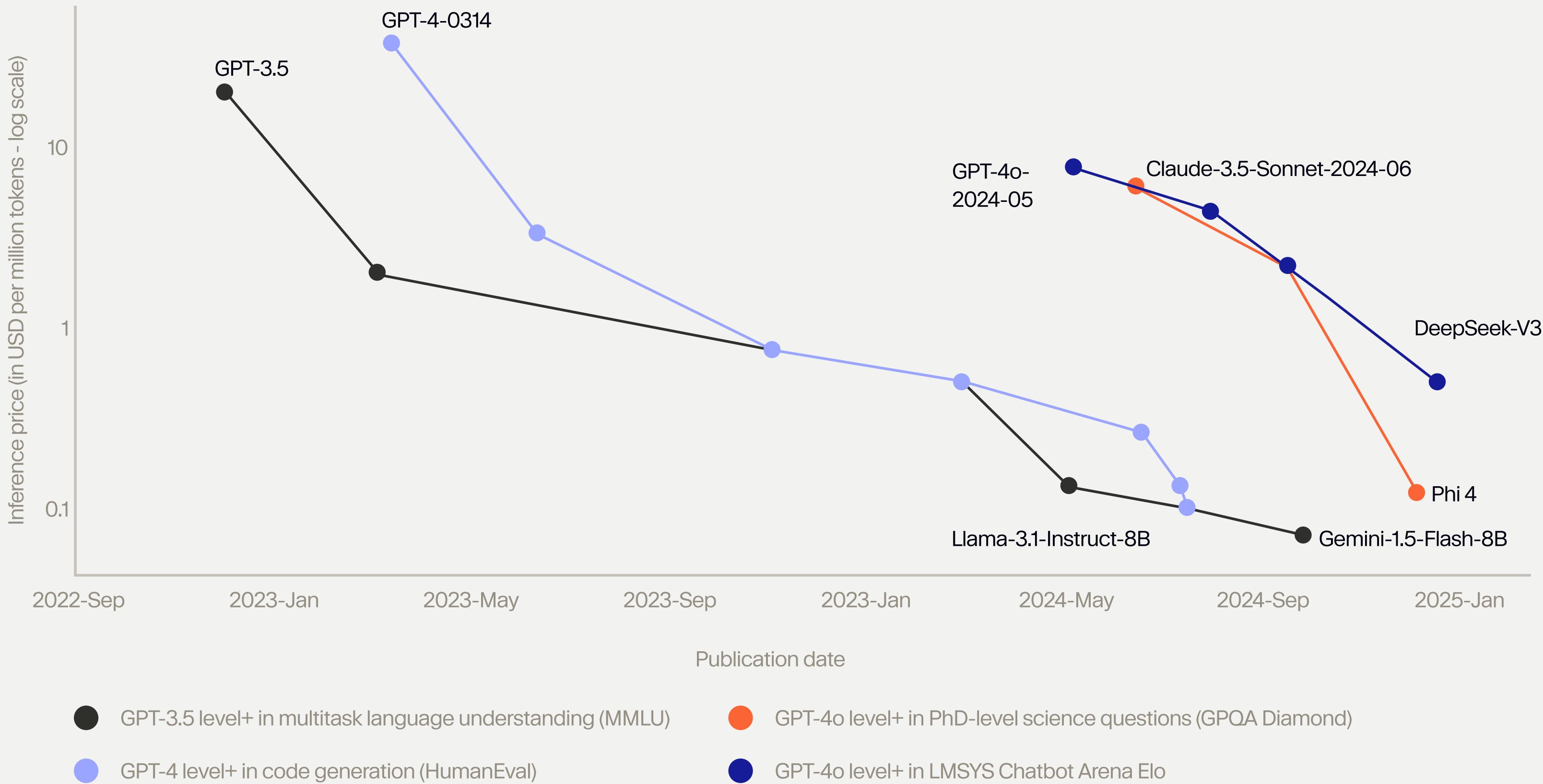
“If I just look in our portfolio, we’re building AI primary care doctors, AI mental health therapists, AI cardiologists, AI structural engineers, AI salespeople, AI accountants. I could count 30 of these just in our portfolio. I don’t think there’s more than 300 professions to do. And each of these is an interesting, very large opportunity.”

—Vinod Khosla

Founder of Khosla Ventures, one of the most prominent VC investors in AI.

AI is getting faster, cheaper and easier to use

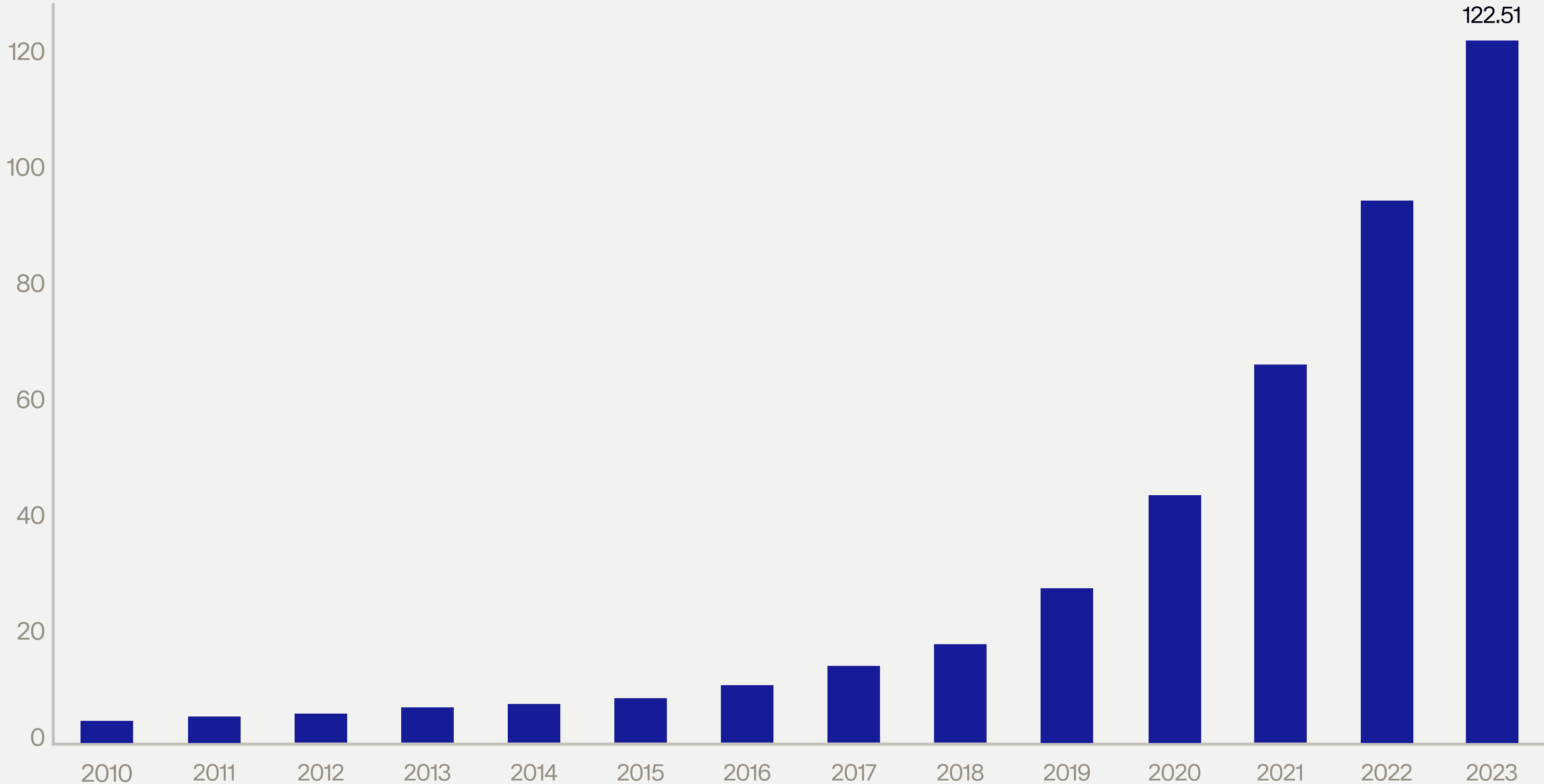
Inference price across selected benchmarks



With the rise of smaller, more capable models, the cost of running something as powerful as GPT-3.5 (also known as inference price) has dropped over 280 times between November 2022 and October 2024. Hardware is also becoming more affordable while energy efficiency improved by 40% annually, according to Stanford's AI Index report. The cost of training large models still remains high though.¹

AI research has skyrocketed

Number of AI patents granted worldwide (in thousands)

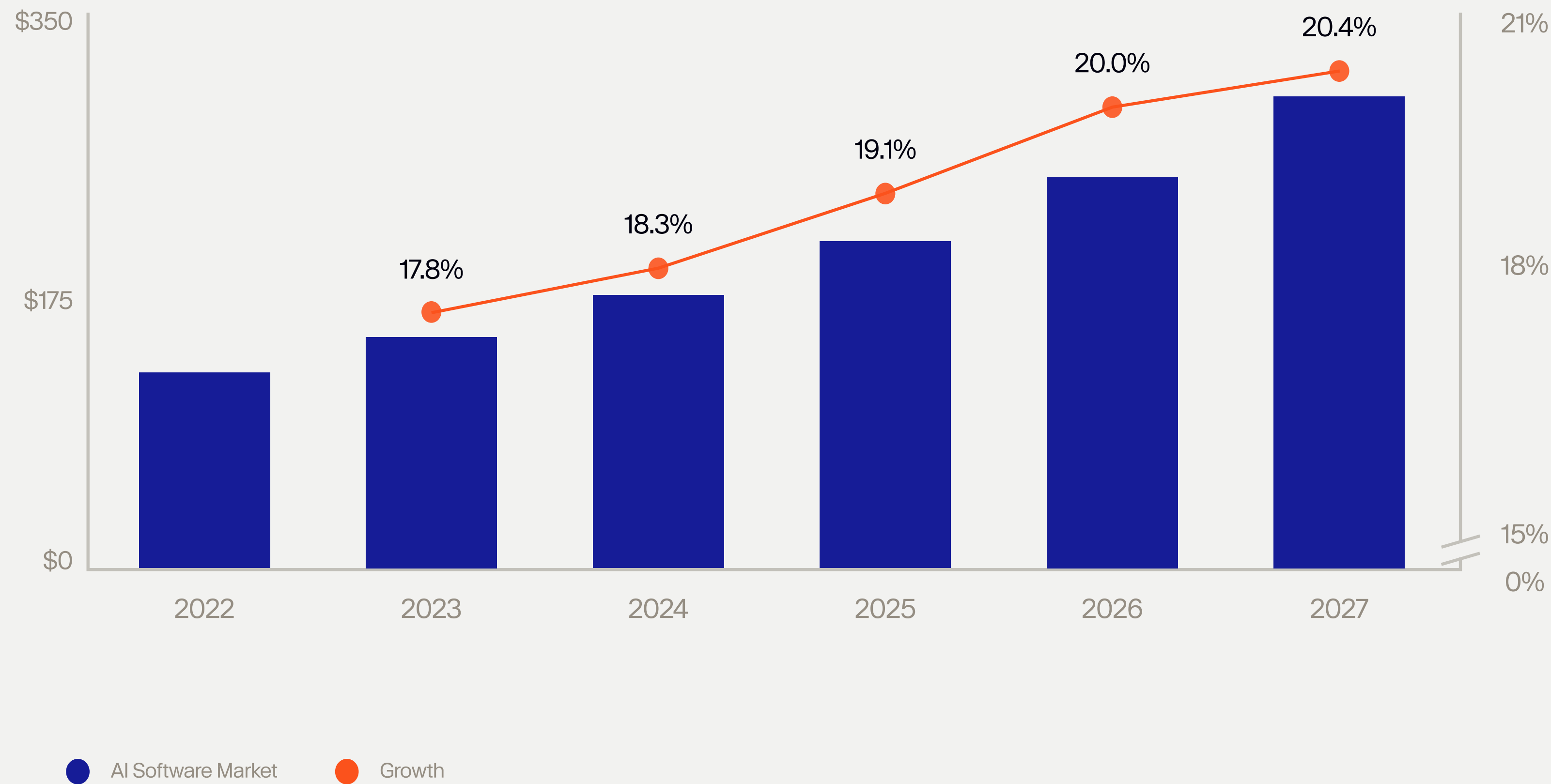


Over the past 12 years, the number of AI patents has grown to more than 122 thousand in 2023. Most of the world’s patents in this space originated from East Asia, followed by North America.² Per capita, Luxembourg and South Korea are leading the pack while Google has the most patent applications among corporations globally, according to Axios.³

Source: AI Index 2025

Demand for AI solutions is robust

Growth trajectory of AI software spending (\$ billion)

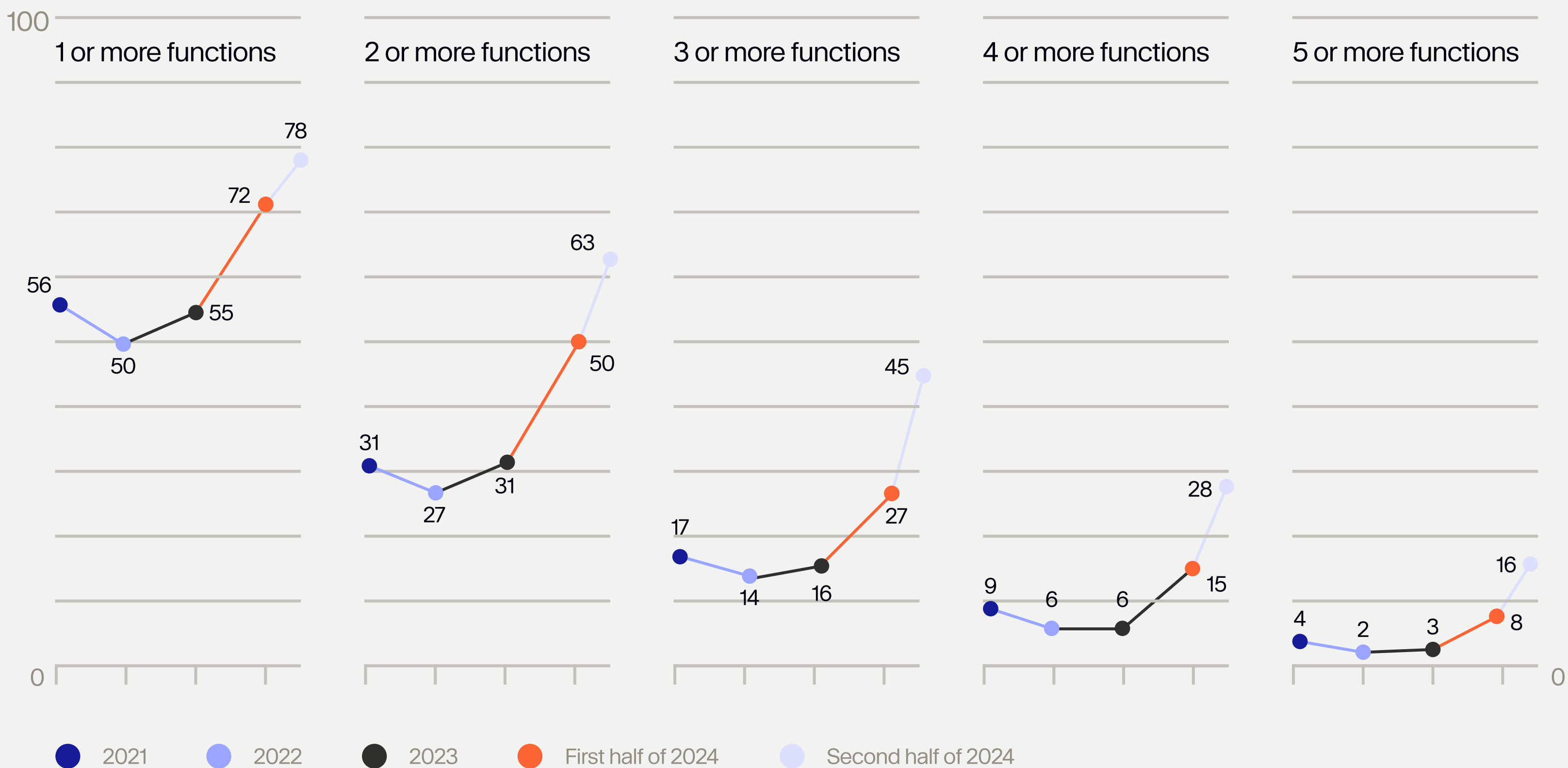


Gartner predicts that the AI software market will grow from \$124 billion in 2022 to nearly \$298 billion by 2027, at a compound annual growth rate of 19.1%. While AI adoption is still in its early stages, this growth potential may indicate huge opportunities for software providers that can integrate AI into their products — both AI platforms and AI-enabled applications.⁴

Source: Gartner 2024

AI has already begun to reshape industries

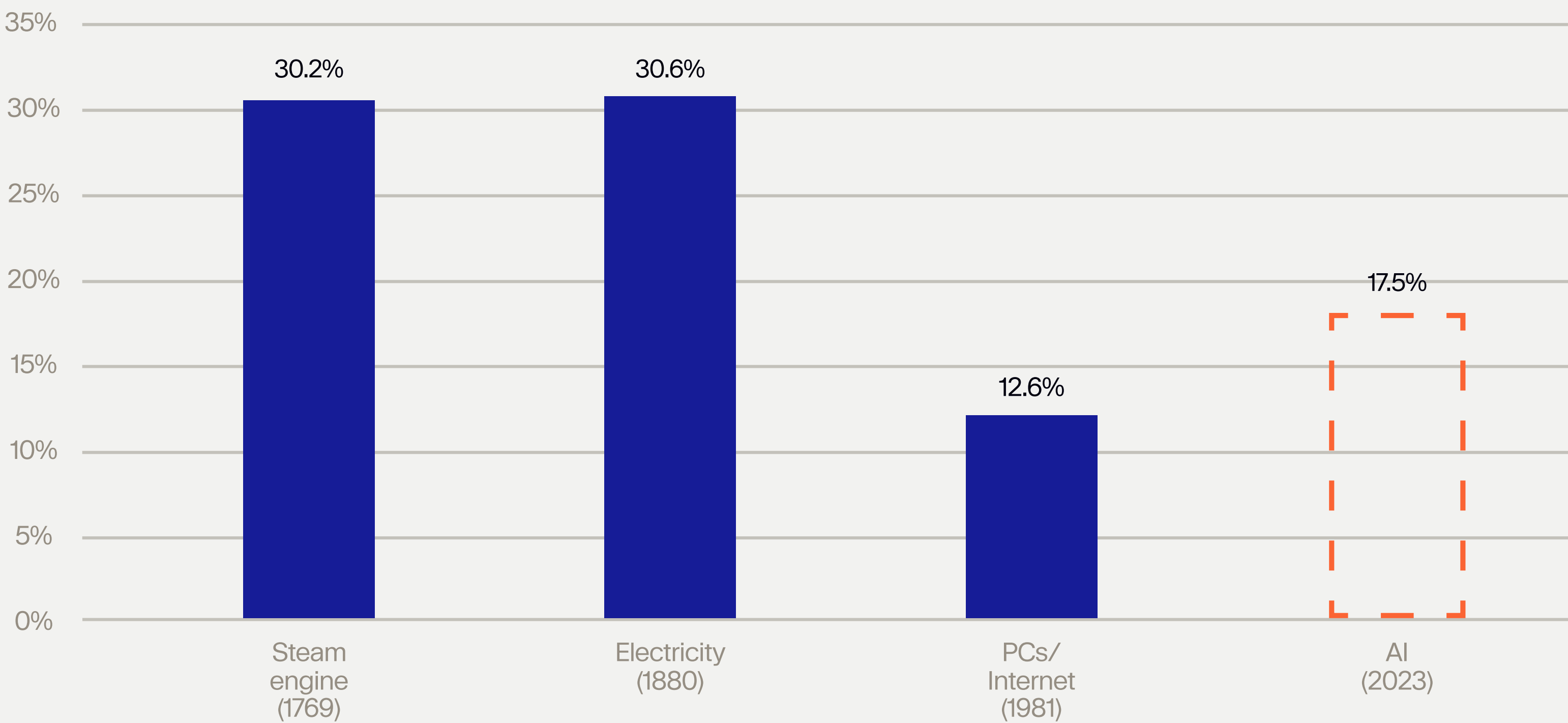
Business functions that are using AI, % of respondents



The percentage of organizations using AI in at least one business function jumped from 55% in 2023 to 78% in 2024. More and more organizations are using AI in multiple functions, primarily in marketing and sales, service operations, supply chain management and software engineering, according to a recent McKinsey survey.⁵

AI could deliver a greater productivity boost than the internet

Labour productivity upside in % vs. no tech breakthrough

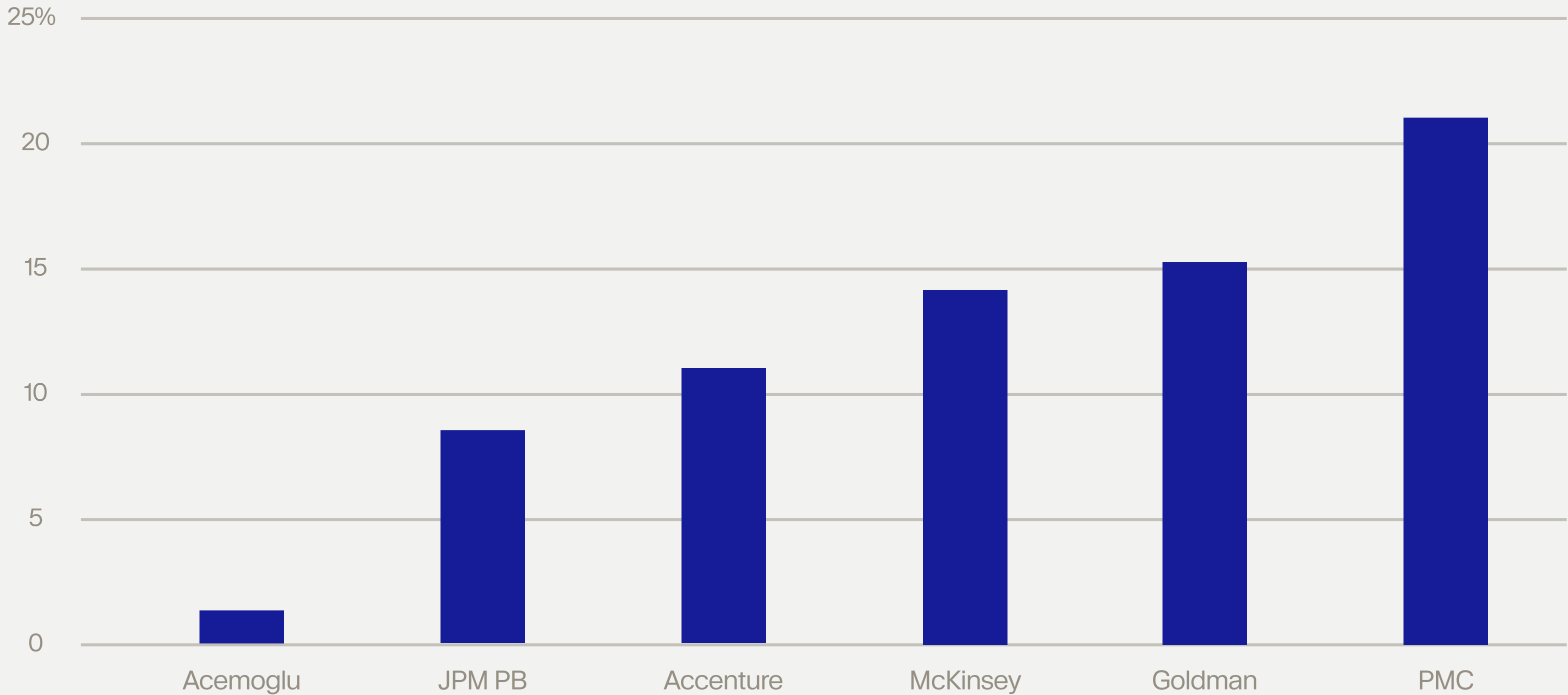


J.P. Morgan believes that AI has the potential to be as transformative as the web and personal computer, with the potential to deliver even more economic value over the next 20 years.⁶

AI adoption may fuel economic growth

Expected AI upside to real GDP baseline by 2034

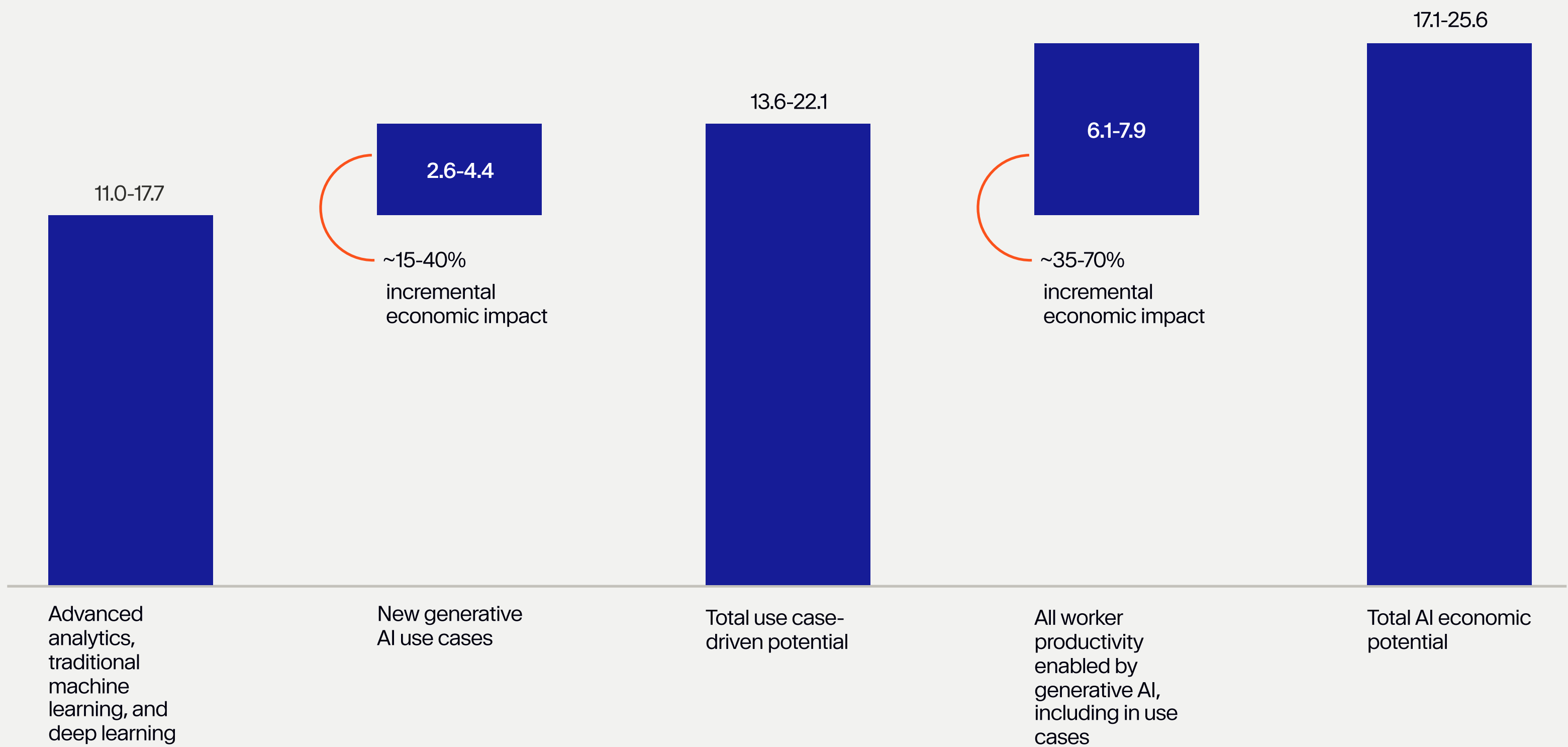
In percentage points



AI is projected to produce a strong GDP lift, with various estimates suggesting substantial growth over the next decade. Developed economies with higher levels of AI adoption and infrastructure are expected to see greater benefits as well as industries like retail, financial services and healthcare.⁷

Generative AI seem to be the next productivity frontier

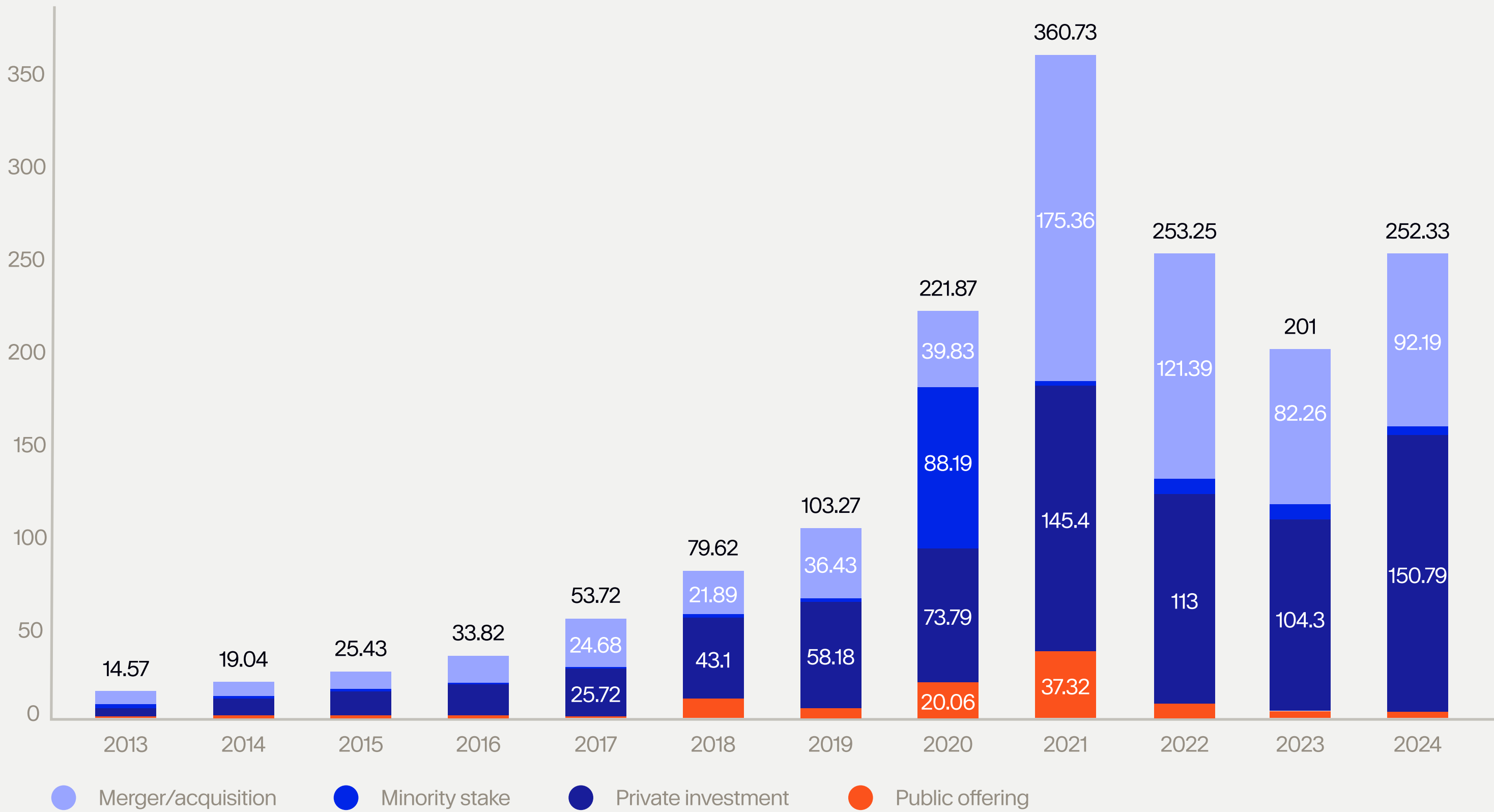
AI's potential impact on the global economy (\$ trillion)



McKinsey estimates that the total economic benefits of generative AI will amount to up to \$7.9 trillion annually. This includes value that could be unlocked from applying GenAI to specific business challenges (a marketing campaign, for example) as well as through a positive impact on labour productivity.⁸

Private markets are providing the crucial funding

Annual global corporate investment in AI, by type (\$ billion)

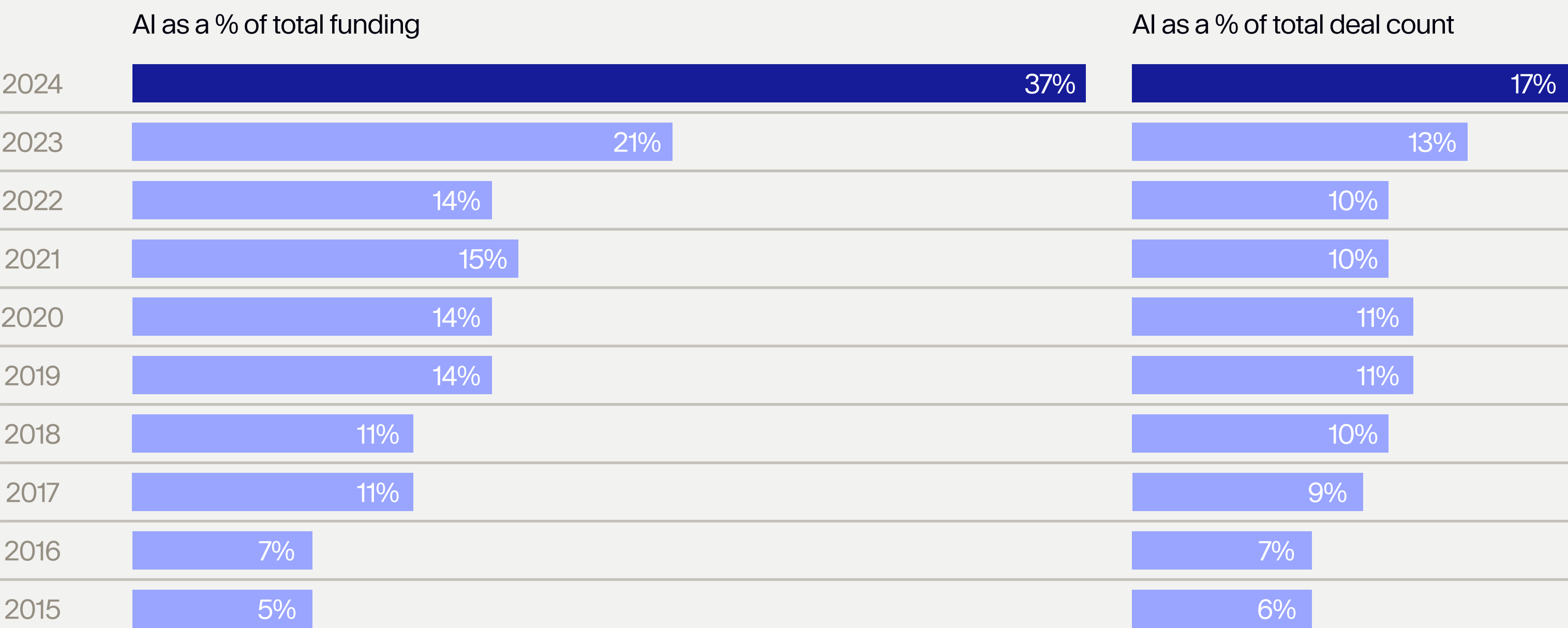


Corporate AI investment reached \$252.3 billion in 2024, with private investments seeing the largest jump — they’ve climbed 44.5% year-on-year. Over the past decade, AI-related investments have increased nearly thirteenfold. This growth is even more significant given the more muted environment for corporate financing in the past few years.⁹

Source: Quid, 2024, AI Index report 2025

The AI race is reshaping venture capital

AI investment as a share of total funding, in %

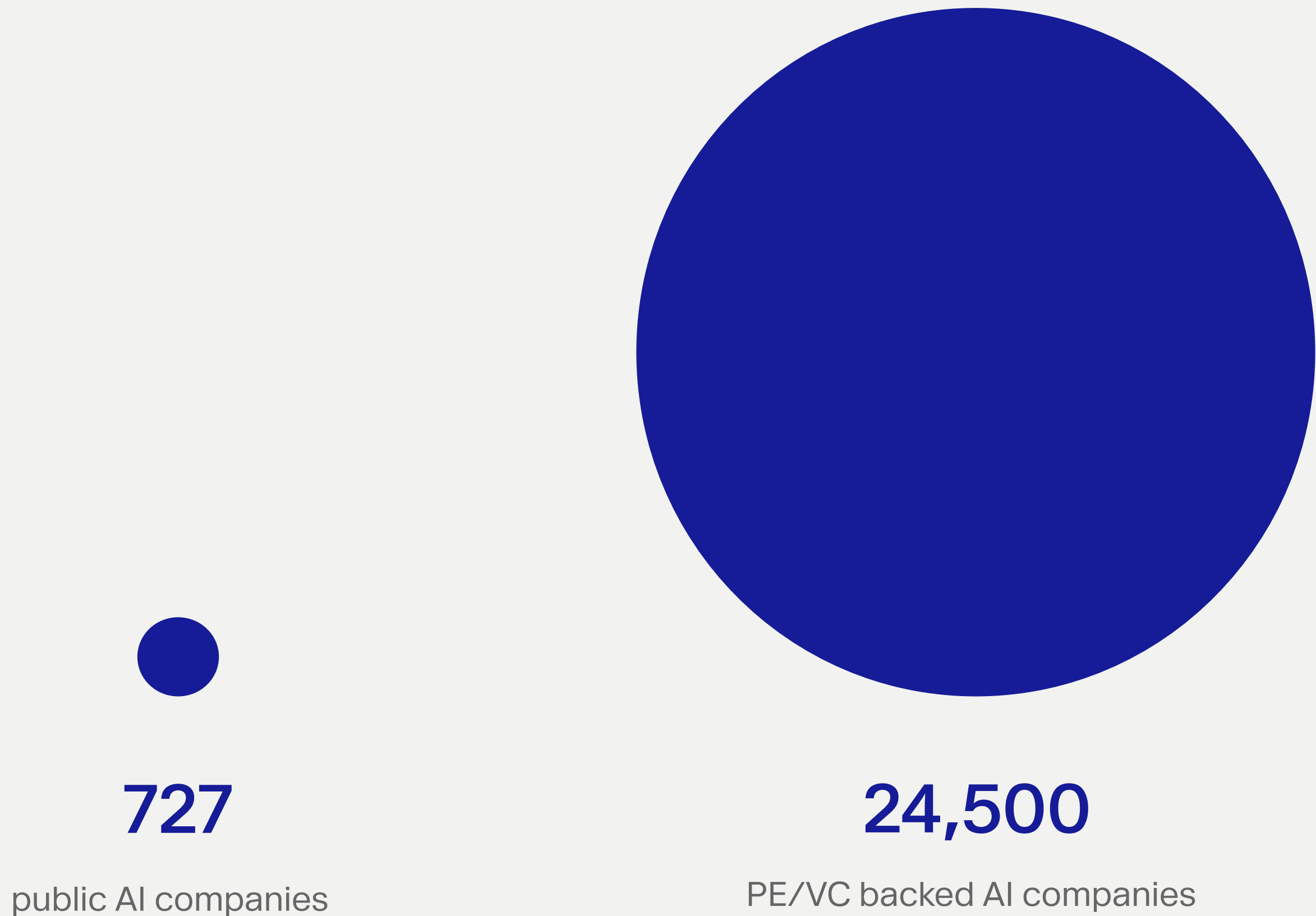


“AI is eating VC,” says CB Insights, a data provider. Last year, AI accounted for 37% of all VC funding and 17% of deals — both all-time highs. In 2024, almost three-quarters of AI deals were early-stage, with investors moving quickly to secure their stake and benefit from the technology’s potential.

Massive AI opportunity set in private markets

AI opportunities in private markets dwarf those in public markets

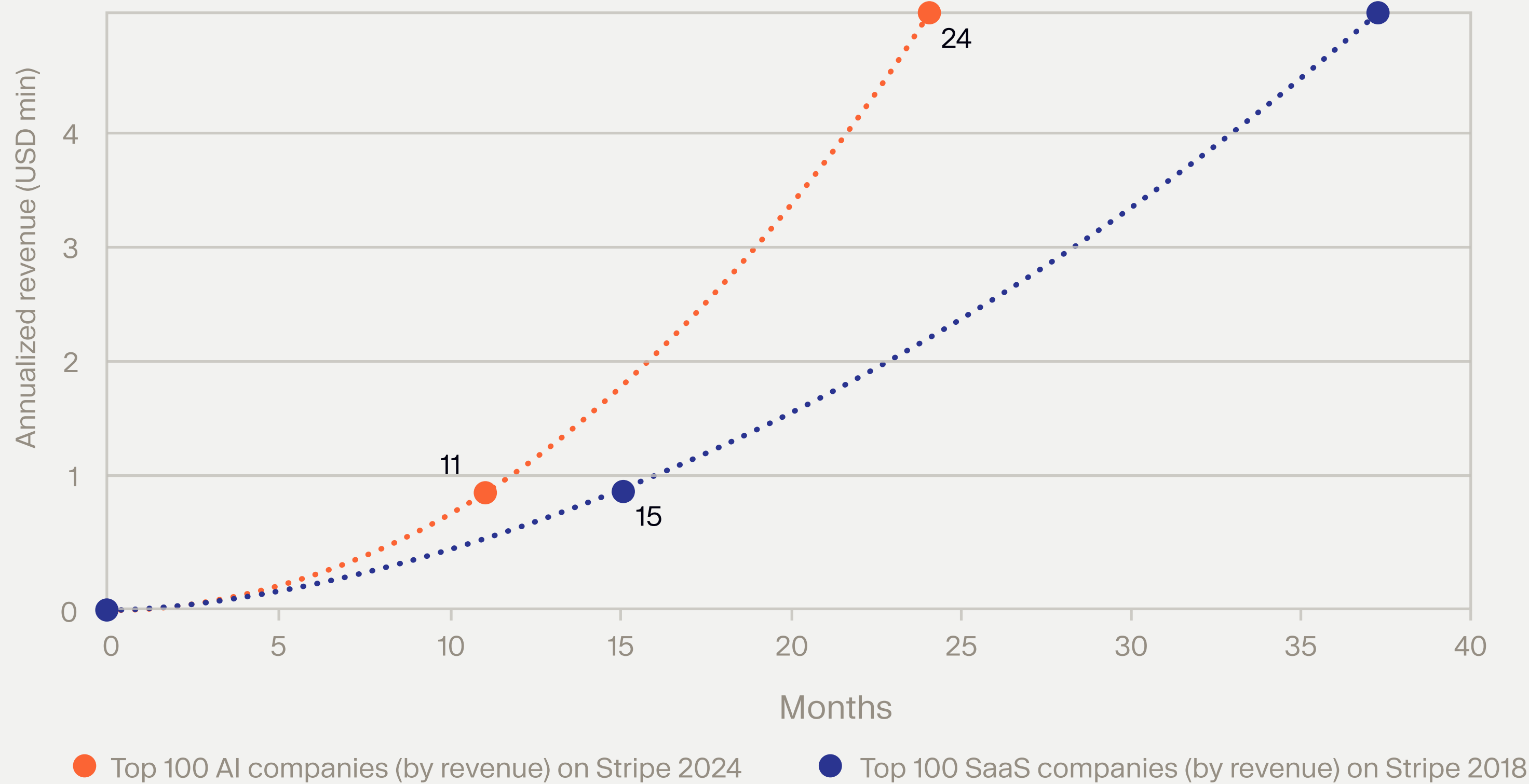
PE/VC-backed companies vs public AI companies



There are 33x more potential AI investments in private markets in private markets compared to public markets. We believe that many VC and PE funds are uniquely positioned to identify and scale startups in this space.¹⁰

AI startups are scaling at pace

Annualised revenue, in \$mIn



Startups in the AI space are growing early revenues at 35% faster rate than their SaaS counterparts before them, according to payments giant Stripe. The chart shows that the top 100 AI companies (by revenue) were able to achieve \$5 million in annualized revenue in 24 months in 2024 compared to the top 100 SaaS companies taking 37 months in 2018 to reach the same milestone.¹¹

Endnotes:

- 1. AI Index Report 2025
- 2. AI Index Report 2025
- 3. Axios 2025
- 4. Gartner 2024
- 5. McKinsey 2025
- 6. J.P. Morgan Private Bank 2024
- 7. J.P. Morgan Private Bank 2024
- 8. McKinsey 2023
- 9. AI Index Report 2025
- 10. Pitchbook, Moonfare 2024
- 11. Stripe 2025

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