GCN PRIVATE MARKETS RESEARCH

Global AI Investment Trends Q1 2026

A quarterly briefing on where AI capital is concentrating, and what it means for investors and founders across GCN's network.

Quarterly Briefing • Published by Global Capital Network

Executive Summary

Artificial intelligence remained the dominant theme in private markets through the first quarter of 2026. Capital continued to concentrate at the infrastructure layer — compute, data, and model tooling — while a fast-growing share of new deal flow shifted toward applied, vertical-specific AI products with clearer near-term revenue paths. GCN's network observed sustained investor enthusiasm tempered by more rigorous diligence on defensibility and unit economics.

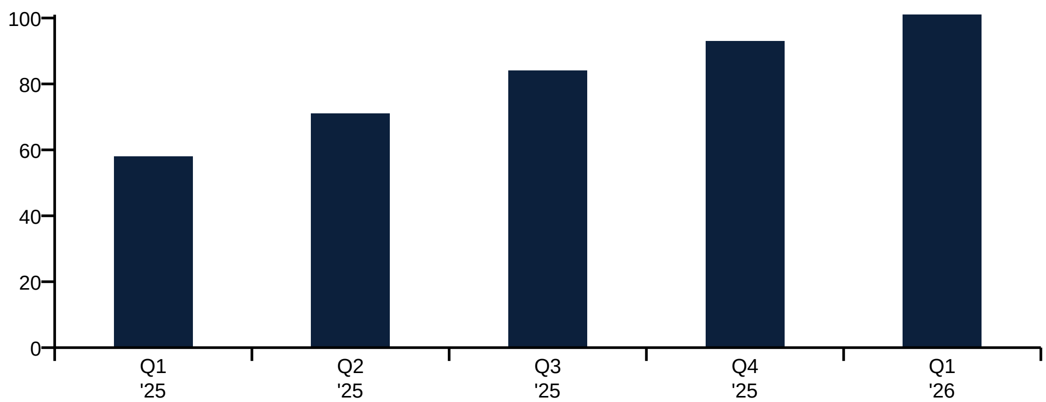
~39%
of all illustrative venture deal flow tied to AI

1.6x
quarter-over-quarter growth in applied-AI deal count

54%
of investors citing differentiation as the top diligence focus

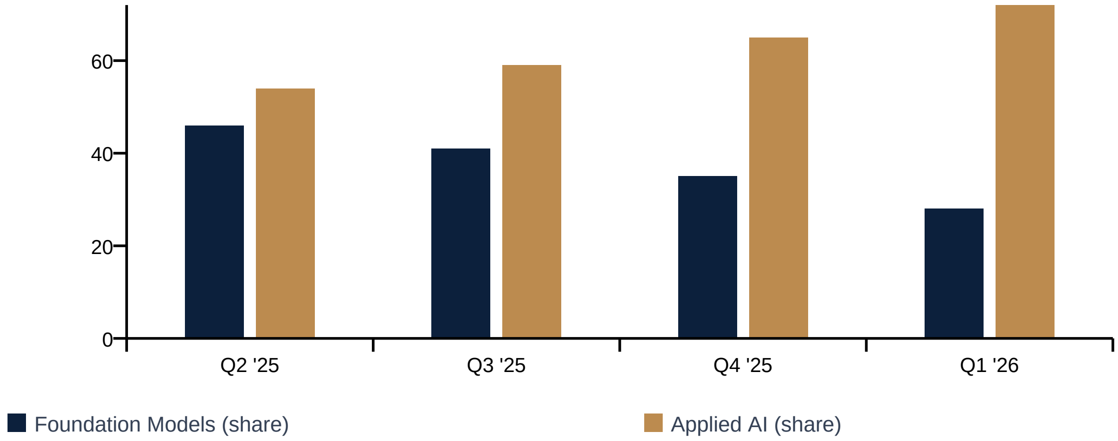
Q1 2026 Capital Deployment Snapshot

The chart below reflects GCN's illustrative index of relative AI-related capital deployment across the past five quarters, based on network deal activity and general market commentary.



Foundation Models vs. Applied AI

While large, capital-intensive foundation model companies continue to attract headline-grabbing rounds, the broader base of deal activity has shifted toward applied AI — products built on top of existing models that solve specific, well-defined problems for enterprise and consumer customers. Investors increasingly favor teams with proprietary data, workflow integration, and clear paths to retention over generic AI feature wrappers.

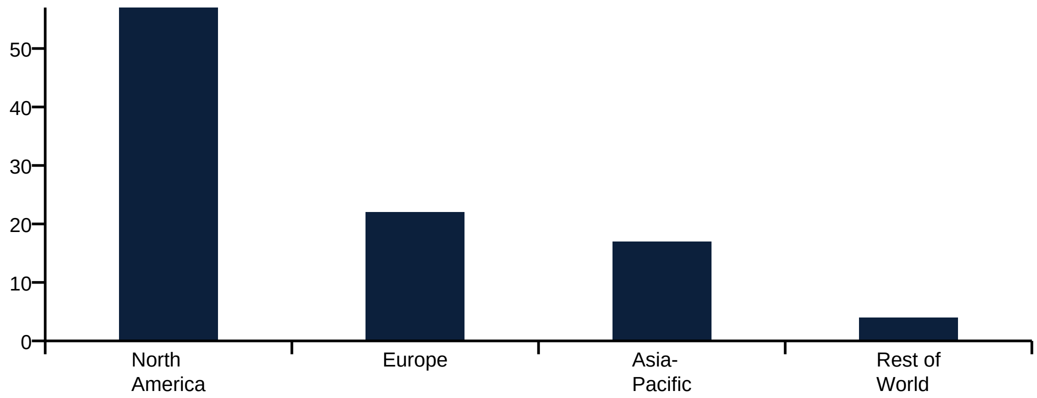


Where Capital Is Concentrating

- AI Infrastructure — compute orchestration, data pipelines, evaluation and observability tooling for teams building and deploying models at scale.
- Enterprise Software — AI-native rebuilds of core workflows in finance, legal, sales, and operations, often replacing multiple point solutions.
- Vertical Applications — industry-specific products for healthcare, financial services, and the built environment, built by teams with deep domain expertise.
- Robotics & Physical AI — early but accelerating investor interest in applying AI to manufacturing, logistics, and physical automation.

Geographic Distribution of Capital

North America remains the epicenter of AI investment activity within GCN's network, though capital formation in Europe and Asia-Pacific continues to accelerate, aided by growing local talent pools and government-backed innovation initiatives.



Risks & Considerations for Investors

- Valuation discipline: elevated pricing for category-leading AI companies raises the bar for durable, defensible returns.
- Model and platform risk: applied-AI companies built entirely atop third-party model providers face exposure to pricing and product changes upstream.
- Regulatory evolution: an evolving global regulatory landscape for AI could affect go-to-market strategy and compliance costs for portfolio companies.
- Differentiation: as tooling commoditizes, proprietary data and workflow integration are increasingly what separates durable businesses from feature-level products.

GCN Outlook

GCN expects AI to remain the defining private markets theme through 2026, with capital increasingly rewarding teams that pair strong technical execution with clear, defensible commercial traction. Investors within our network continue to prioritize introductions to founders building at the infrastructure and applied layers alike.

About Global Capital Network

Global Capital Network (GCN) connects investors and founders through a curated deal-flow platform, investor relations advisory services, and a global calendar of private investor events. GCN's research is compiled from network activity, investor surveys, and publicly available industry commentary to help our community make more informed capital allocation decisions.