

FEATURES

Big bets and broken unicorns: Tiger Global's rise and reckoning

The fast-money pandemic era helped build billion-dollar startups around the world — then brought many down just as quickly. Will the AI boom be a repeat?

Nicolas Ortega for Rest of World

By [ISSIE LAPOWSKY](#)

Illustration by [NICOLAS ORTEGA](#)

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TRANSLATE

T

he Covid-19-era bubble had not yet burst when the CEO sat down to write an email, hoping to woo Tiger Global.

It was early on in the pandemic, and he was running one of India's

happiest startups, a tech unicorn that, like so many around the world, had

been suddenly flooded with venture capital. “Everybody saw that we were a hot company,” he said, requesting to go by the pseudonym John. Like other sources in this story, he spoke with *Rest of World* on the condition that he and his company name remain anonymous to discuss private negotiations.



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At the time, India’s startup market was booming. The pandemic lockdowns had thrust life online, and a [crackdown](#) on Big Tech in China had investors increasingly looking to other countries for opportunity. In 2019, venture firms poured a [record-setting \\$10 billion](#) into Indian startups. By 2021, that figure had [nearly quadrupled](#), spawning 44 new unicorns — or private companies valued at \$1 billion or more — in a single year. The lavish spending spree was backed by a who’s who of top-tier firms from around the world, with Sequoia, SoftBank, and Accel among them.

But even then, Tiger Global stood out from the pack.

“ Whatever I need to do to get funded by Tiger.”

The New York-based hedge fund and venture firm had earned a global reputation for its fast-paced, “spray-and-pray” style of investing, writing giant checks far and wide in hopes that a small number of them would yield outstanding returns. Tiger rarely took board seats, assumed a hands-off approach to oversight, and while it invested in companies at all stages of their life cycle, it became known for driving up company valuations in late-stage deals. In 2021, it was the [most prolific](#) venture investor in the world, striking nearly one deal a day. That year, it closed a \$6.65 billion fund. By the following year, it [raised](#) nearly double that amount, closing — and promptly spending — a \$12.7 billion fund in early 2022.

Much of that money was flowing to parts of the world that American investors had traditionally ignored. More than 40% of Tiger’s venture



investments to date have been outside of the United States, Europe, and Canada, according to the private market data platform PitchBook, and no country outside of the U.S. has been home to more Tiger deals than India.

In 2021, one Indian founder joked on Twitter (now X) that he could sum up every Indian startup's one-year strategy in eight words: "Whatever I need to get funded by Tiger."

By the time John began drafting the email, his company had already raised a sizable fortune. But every new round of funding demanded even more scale in order to fetch an even higher valuation the next time. At the rate things were going, John believed he could double or even triple his company's valuation within a year or two — especially with Tiger at the table.



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John sent his email to senior executives at the firm, asking them to join a new funding round and giving them just 24 hours to reply.

Tiger pounced, and by the next day, John said, he had a term sheet in hand. A source familiar with Tiger Global emphasized that term sheets are nonbinding, but said it was "very possible" for Tiger to move that quickly. John estimates the firm spent just a week on due diligence, compared to other investors who spent many months deciding whether to invest a lot less.

\$12.7 billion

raised for a new Tiger investment fund in early 2022

What happened next is the stuff of startup clichés: John’s company spent too much, hired too fast, and chased growth at any expense, all while operating in the red. “Too much money fucked us, basically,” John said. “We had all assumed that the game that we are playing is not about making profits. It’s about just growth, growth, growth.”

“Nobody sat me down and said, ‘This will all come crashing down,’” he said.

But, of course, it did. As the pandemic waned, interest rates spiked, geopolitical tensions rose, and company exits ground to a halt. Investors retrenched, and by 2023, [global venture funding](#) fell to an eight-year low. Tiger went from striking just over 300 venture deals in 2022 to about 40 the following year, according to PitchBook. Some of the very startups that had ridden wave after wave of investment to stay afloat now found themselves beached, leading to mass layoffs, down rounds, and in some cases outright closures.



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A spate of governance issues and fraud allegations also plagued pandemic-era startup darlings around the world. The Bahamas-based crypto platform

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FTX crumbled, and its wunderkind founder Sam Bankman-Fried was convicted of fraud. The \$22 billion Indian edtech firm Byju's went bankrupt amid [a flurry of lawsuits](#) accusing the company of governance lapses and unpaid debts. A co-founder of the Indian car-servicing startup GoMechanic openly admitted to financial misreporting, saying he'd done it in the name of pursuing "growth at all costs." Tiger was among the international investors who had invested in all three of those companies. (The source familiar with Tiger Global said the firm was "disappointed" with these outcomes, but emphasized that Tiger was not the largest investor in any of them.)

Rest of World spoke with a wide cross-section of founders, executives, investors, and Tiger insiders about the global rise of the growth-at-all-costs model and its consequences. The founders of these now-infamous companies have rightly borne the brunt of scrutiny for the scandals and failures that followed. Yet questions remain: How much of the blame should lie with Tiger and other hyperaggressive investors for fueling the global unicorn bubble, and the slaughter that followed?

And, as another bubble swells in the artificial intelligence era, has anyone learned their lesson?



In 2003, at the height of the SARS epidemic, Scott Shleifer took a trip to China.

Only in his mid-20s, Shleifer was already a top deputy to Tiger Global founder Chase Coleman, who was himself just a couple years older than Shleifer. Coleman had launched the firm in 2001 after working for the renowned, independent-thinking Wall Street investor Julian Robertson. Initially, Coleman ran Tiger as a classic hedge fund, making bets on publicly traded internet companies. Shleifer's trip was about to dramatically expand Tiger's approach to investing.

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Coleman and Shleifer had already made successful investments in three publicly traded web portals in China, which they believed were being grossly overlooked by global investors: Sina, Sohu, and NetEase. In [a 2021 investor letter](#), Coleman referred to them as the “Yahoos of China.” Most investors had been scared off from China by Silicon Valley’s recent dot-com bust and the onset of SARS. But Coleman wanted to be where other investors weren’t — a lesson he later said he had learned from Robertson. “Why would I sit here and try to hit major-league pitching, if I can go to Japan or Korea and hit minor-league pitching?” he told the journalist Sebastian Mallaby, in a rare interview for Mallaby’s 2022 book on venture capital, *The Power Law*. (Tiger Global did not make Coleman available to speak with *Rest of World*. Shleifer could not be reached for comment through Tiger or an attorney who represented him in a 2024 tax [lawsuit](#).)

Mallaby recounts in his book that Shleifer was hoping to find other untapped opportunities among China’s fast-growing internet startups. Before he left, his mother warned him of the risks of traveling to a country in the midst of a public health crisis. But Shleifer decided to ditch his face masks during his first meeting in China. “I was like, all right, fuck it, life is risk,” he later told Mallaby.

The China gamble paid off. Soon after, Tiger raised some \$76 million for its first private fund, which went on to invest in some of the very companies Shleifer had identified in China. Tiger initially focused its private investments on companies that emulated proven business models in other parts of the world — what Shleifer and Coleman described to Mallaby as “the this of the that.” Shleifer’s trip yielded investments in eLong, the Expedia of China, and Joyo, an Amazon copycat. Shleifer and Coleman were specifically eyeing firms that had already achieved substantial growth and needed capital to scale.



“The view around the firm was that if you can find things that grow quickly, and you can find the market leaders in rapidly growing markets, you can compound your capital at high rates for long periods of time,” said the source familiar with Tiger Global. “And if you can find businesses where you can compound capital for long periods of time at high rates, you can make many multiples of your capital for your investors.” Even if these companies were losing money in the near term, their earnings were growing so fast, Tiger’s modeling suggested they would soon outpace their costs. The faster they grew, the faster Tiger could effectively earn back its investment and then some.

After China, Tiger brought this model to Russia, Latin America, and other parts of Asia including India. There was Yandex, the Google of Russia, and MakeMyTrip, another Expedia lookalike in India. Over the next decade, the approach made Tiger “the innovator in creating growth investing in emerging markets,” Mallaby told *Rest of World*.

“ I was like, all right, fuck it, life is risk.”

In his book, Mallaby described Tiger’s model as “rapid intercontinental opportunism,” with an eye toward fast-growing companies in established business categories. Other investors soon took note and began to follow a similar approach. One of them was the Russia-born Israeli investor Yuri Milner, whose Yahoo clone, Mail.ru, had received backing from Tiger. “All of a sudden this whole world opened to me,” Milner said of Tiger’s global expansion in an interview for *The Power Law*. Soon, Milner’s own investment firm, Digital Sky Technologies, began making international bets, too.

Milner also made one particularly consequential investment — in Facebook, in 2009. With it, he developed an innovative approach of his own. Until that point, a major investor handing over a vast fortune to a tech startup typically required board seats and voting shares in return. That meant they’d have

meant that, with each new funding round, founders were asked to cede more and more control of their companies. Already flush with cash, Facebook's young founder, Mark Zuckerberg, wasn't interested in doing that. He reportedly even [turned down a new funding round](#) that would have required him to give up more board seats.

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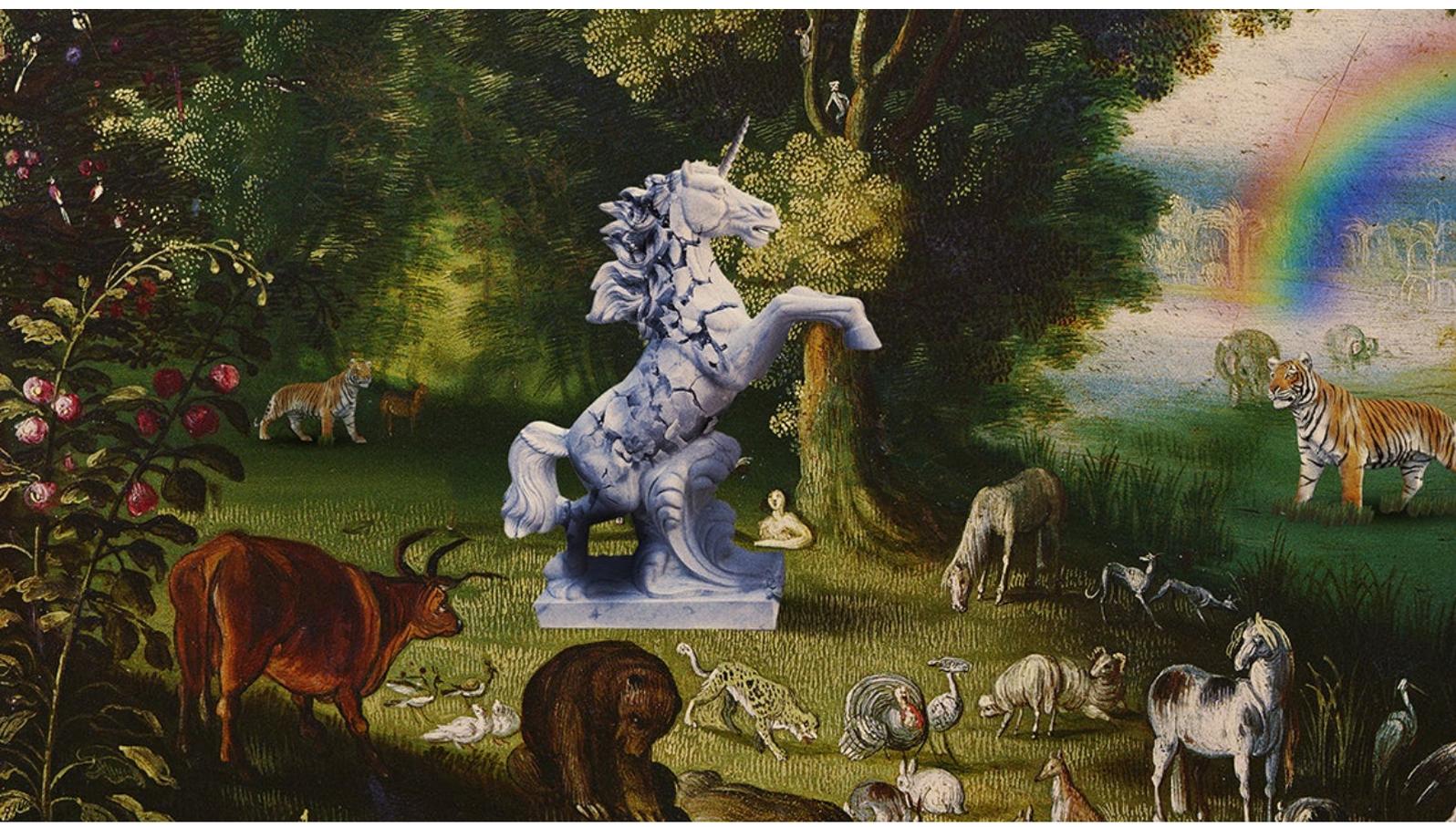
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But Milner believed Facebook still had ample room to grow. He made Zuckerberg an unusual offer: He would invest \$200 million in Facebook at a \$10 billion valuation, without demanding a board seat, and he would assign all of Digital Sky Technologies' voting shares to Zuckerberg, thereby giving him more control over Facebook, not less. Years later, Milner [explained](#) this approach, saying he figured founders "knew best how to run their companies." Milner also [offered](#) to buy \$100 million in common stock from Facebook employees, giving staff access to the kind of liquidity they could usually only get from an IPO.

For the venture capital industry, this was a watershed moment, Mallaby said. A company of Facebook's size would once have had little choice but to go public — and face all of the oversight that comes with it — to continue scaling and appease stockholders. But Milner's move extended the "Wild West phase of a company's life," Mallaby said. Milner couldn't have known it then, but he was also creating what would become an attractive model for a whole host of founders. They could now raise ever bigger sums and stay private longer, without ceding more control and oversight to private investors or answering to public markets. It also worked out well for Milner, whose stake in Facebook was worth [\\$5 billion](#) at the time of its eventual IPO.

This shift led to the era of megadeals and private companies with billion-dollar-plus valuations — dubbed “unicorns” by investor Aileen Lee in 2013. But the metaphor would soon become a misnomer. By the end of 2021, they weren’t such mystical things after all, with nearly 1,000 global unicorns, according to [CB Insights](#), which publishes data on private companies.



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That trend accelerated with the launch of ChatGPT in 2022. The ensuing AI boom has been defined by fast-money megadeals. As of August, [CB Insights showed](#) that 100 AI unicorns had been minted since 2023 alone. It’s an unprecedented level of investment, [even compared](#) to past hype cycles, according to PitchBook. Often that money has come with precious little oversight for the companies themselves, and little evidence of their products’ actual market value. In the case of Thinking Machines Lab, an AI startup founded by former OpenAI chief technology officer Mira Murati, for example, investors were willing to [spend](#) \$2 billion at a \$12 billion valuation to own a slice of a company without a dime of revenue — or even a product to sell. The AI boom has been, perhaps, the purest expression yet of the “growth-at-all-costs” model. Investors — many of whom appear cognizant that a bubble is

forming — keep shoveling money toward companies whose valuations on paper are increasingly detached from reality.



Such enormous rounds of funding heighten the risks already inherent to startups. Venture funding subsidizes companies that might otherwise have to figure out how to turn a profit sooner. That enables the companies to hire more people, thereby putting more jobs at risk. It makes more customers reliant on a product that might not be able to sustain its business model for long. And it puts more competitors at risk of disruption, partly due to venture-backed startups' ability to dramatically undercut pricing. All this often comes before the startups can even prove that their business fundamentals actually work.

“The stakes are much bigger as the companies get bigger,” Mallaby said.



In the early 2000s, tech startups in India looking for funding from global investors had few options. In 2007, venture investors spent just \$543 million in India, compared to \$29.4 billion in the U.S. There was the occasional success story, such as Warburg Pincus making a prescient early bet on the Indian telecom firm Bharti Tele-Ventures. But for the most part, “the ecosystem was very small,” Rajat Tandon, president of the Indian Venture and Alternate Capital Association, told *Rest of World*. “Most of the startups did not know where to go.”

That began to change in 2009, thanks to a bespectacled young Tiger investor named Lee Fixel. Fixel had his sights set on Flipkart, an e-commerce upstart founded by two former Amazon employees, which had also started out selling books on the internet. It was a classic example of “the this of the that.” As the story goes, Fixel didn't know how to get in touch with Flipkart's founders, so he started by calling the customer service team. That call eventually led to a \$9 million investment and the beginning of Fixel's rise as one of India's most influential dealmakers. “There was no other player like [him] who had the courage and who could play,” one venture capitalist in India said of those



Lee Fixel and his wife Lauren Fixel at a New York City gala in May 2023. Michael Loccisano/Getty Images

In the years that followed, Fixel developed a reputation for speedy decisions and a preference for companies whose business models had been proven elsewhere. He made regular visits to India, or in some cases Singapore, where he held court as dozens of eager Indian founders flew in to pitch to him. “That was the power of what a Tiger check or a Tiger meeting could have been,” the local VC said.

Over a decade, Tiger backed more than 100 deals in India, according to PitchBook. The roster included Nestaway, the Airbnb of India; Razorpay, the Stripe of India; Ola Cabs, the Uber of India; and Ola Electric, an Ola Cabs subsidiary, which was quickly dubbed the Tesla of India. But Flipkart was a particularly important bet for Fixel. In an unusual move for Tiger, Fixel took a board seat at Flipkart. A Tiger managing director, Kalyan Krishnamurthy, later became the startup's CEO. When Walmart acquired a controlling stake in Flipkart in 2018 for \$16 billion, it constituted a major proof point both for Tiger's global strategy and for the Indian tech market. Shortly after, Fixel left Tiger to launch his own investment firm, Addition, in June 2019. He did not reply to *Rest of World's* requests for comment.

One year after Fixel's departure, the world went into lockdown, and Tiger's expansion accelerated, with Shleifer leading private investments. The pandemic played a big part in fueling the investment frenzy. "Everyone was living at home. Everyone was doing everything on Zoom. Everyone was having everything delivered, and everyone thought it wasn't going to go back to normal," said the source familiar with Tiger Global. "You saw that in the metrics of these companies."

It was reflected in Tiger's metrics, too. According to PitchBook, Tiger went from striking more than 80 deals in 2019 to more than 350 deals in 2021.

As its investments in India grew, so did its appetite for other markets. In South America, according to PitchBook, Tiger went from backing one company in 2019 to more than a dozen two years later. Tiger also cut deals in entirely new markets such as Pakistan, Bangladesh, Uruguay, and Egypt. Stories soon spilled out from all corners of the world about Tiger's light-touch, lightning-speed process. Ahsan Ali Khan, the co-founder of the Pakistani materials procurement app *Zaraye*, once told *Rest of World* he had clinched a deal with Tiger after one 30-minute phone call with John Curtius, a particularly active member of Tiger's investing team at the time.

350+

Because of Covid-19 restrictions, Tiger often had to make these deals without the ability to hop on a plane to meet with founders. During this time, the source familiar with Tiger Global said, it leaned on the network of founders and investors it had built over time. Tiger also reportedly relied on an army of [consultants at Bain & Company](#), who were responsible for due diligence. The source familiar with Tiger said it maintained high diligence standards throughout this period.

Nearly every major VC firm, from Sequoia to Accel to SoftBank, was also throwing around more money than it ever had before. SoftBank CEO Masayoshi Son, in particular, leaned into his already infamous gut-instinct style of investing. In the wake of WeWork's failed 2019 IPO, his once-celebrated decision to grant the coworking company a [\\$20 billion valuation](#) after a brief car ride with Adam Neumann had come to symbolize the industry's hubris. SoftBank still quadrupled the number of investments it made on tech and AI companies between 2020 and 2021, according to Pitchbook.

Unlike many other investors at the time, Tiger was "significantly less involved" in companies' operations, said André Maciel, SoftBank's former managing investment partner for Latin America. Tiger would "write the check and trust the entrepreneur to do whatever they wanted," said Maciel, who now runs his own São Paulo-based VC firm, Volpe Capital.

The source familiar with Tiger Global said the firm did frequently work in close collaboration with the startups it funded, but that Tiger also didn't believe sitting on boards was its "highest and best use." Its highest and best use, the source said, was "helping companies grow."

This kind of deference felt like a gift to founders, saving them the endless rounds of negotiations other firms required, and all the backseat driving that ordinarily follows a deal. "It sounds founder-friendly to say 'Hey, I'm gonna

give you \$100 million. Your company's worth a billion, and I'll never call you again. Go ham,'" said Tobias Bengtssdahl, a partner at the global early-stage fund Antler. But "founder-friendly investments ... were probably not company-friendly."

Equipped with their new fortunes and multibillion-dollar valuations, the founders' only real imperative was to grow big enough to fetch an even higher valuation the next time around, or exit at some multiple of what investors had already put in. That pressure could prove destabilizing, giving founders the means, the incentive, and the dubious confidence to grow faster than they could sustain. "When you get easy money, you're not serious about how frugal [you need to be] or how well you need to do before spending it," said one former executive at the edtech firm Byju's.

He recalled the period during the pandemic when venture funding was pouring into Byju's: "The discipline vanished." Not only did budgeting effectively cease, the former executive said, but the company's then-CEO, Byju Raveendran, went on an acquisition spree, buying other companies' revenue to mask weak organic growth. But the underlying business wasn't set up for such overnight expansion, he added, and Byju's became unmanageable. By 2022, he said, Byju's had more than 21 global offices, many with their own CEOs: "People just lost sense of how to do business." (Raveendran did not respond to a request for comment.)

Many founders who received venture investment, John included, hired too fast during this time, using ballooning head count to both achieve scale and project it to the market. They also overspent on costly but ultimately unnecessary marketing campaigns meant to signal success. "We did things we shouldn't have done because we just thought that the tap is flowing and this will never stop," John said. In a sign of the frothy times, in 2021, a slew of Tiger-backed firms, including Byju's, were among the top sponsors of the Indian Premier League cricket tournament. The event is India's equivalent of the Super Bowl, and can set sponsors back millions of dollars per year.

The source familiar with Tiger Global emphasized that minority investors like Tiger don't control the decisions founders make and the risks they take

“Tiger has been able to find and support many of those great management teams who take advice, but have vision, and are able to execute on that vision,” the source said. “Perfect is a very hard standard.” 

Other investors, fueled by equal parts pack mentality and fear of missing out, were drawn in by Tiger’s gravitational pull. The more money Tiger threw around, the more interested its fellow investors became. “They had co-investors in every deal, in every company. So some other moron was also doing the same thing,” said the local investor in India.

Maciel, who competed with Tiger for deals in Latin America while he was at SoftBank, said the speed with which Tiger moved also accelerated other investors’ timelines. “They’d put out a term sheet within two weeks, and that was it,” he said. “We’d be forced to make a decision soon, so in a way, it kind of pushed the whole system to move a lot quicker than it should have.”

“ People just lost sense of how to do business.”

With so many companies getting funded at once, competition between upstart rivals became warped. “Everyone got pressure to grow. They charged nothing or way too little,” said Bengtsdahl of Antler. At times, Tiger invested directly in competing firms. In 2021, it signed new deals with three rival Indian edtech companies — Unacademy, Classplus, and Vedantu. That was in addition to its existing investments in Byju’s.

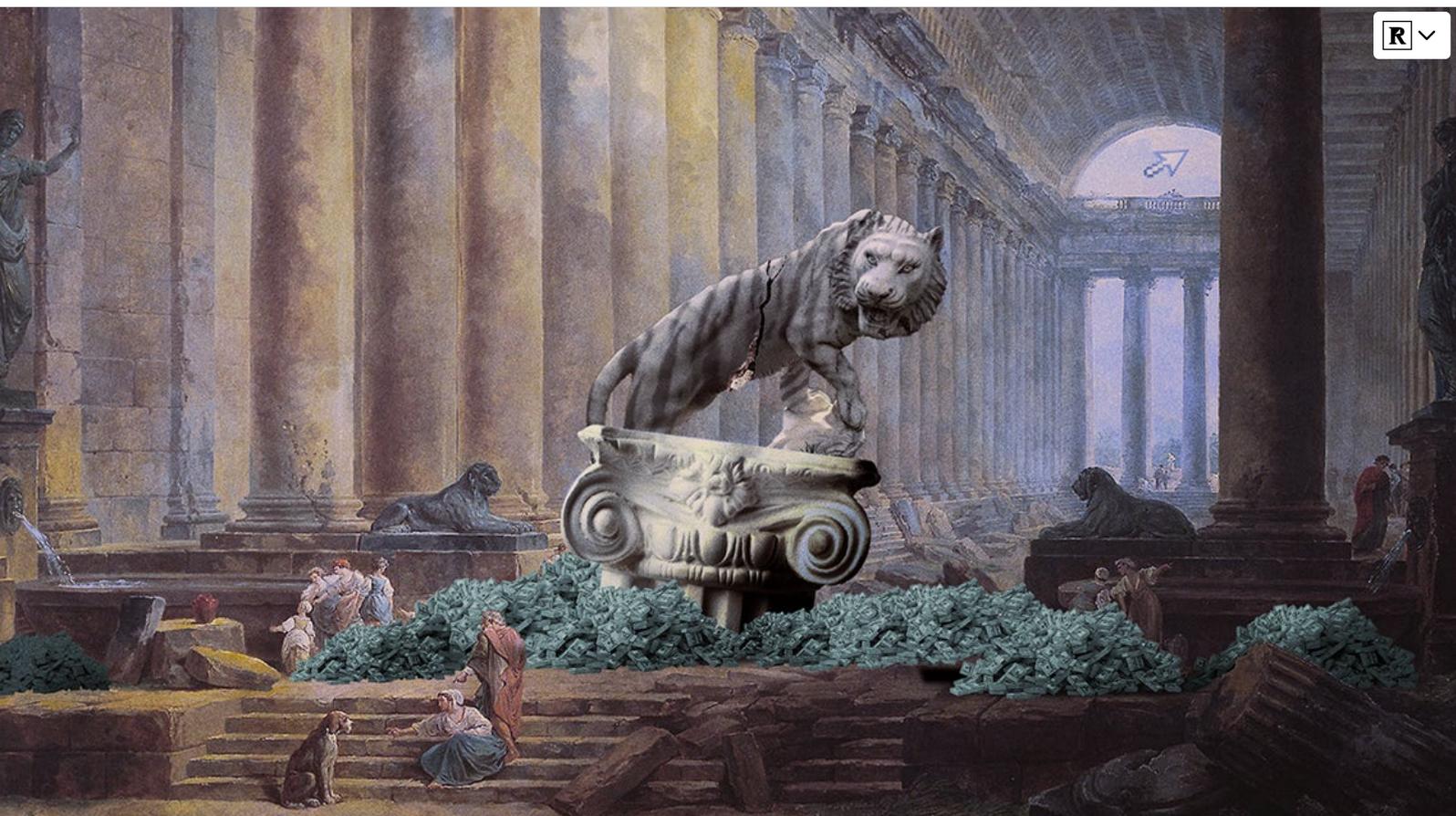
But the executives at the center of the VC hype cycle had little reason to doubt Tiger’s decisions, or their own. If anything, John said, getting money from Tiger validated his instincts. “Tiger Global is a very iconic fund, so they must be seeing something that we are not seeing,” he remembered thinking. “It’s not a tier-two fund that comes in and says, I’m going to give you this valuation. ... It’s fucking Tiger Global.”



In 2022, global venture investments began to fall slowly, then all at once.  First came Russia's market-shaking invasion of Ukraine, followed by back-to-back Federal Reserve rate hikes that raised the cost of capital both for investors and startups. In the third quarter of 2022, according to the global professional services giant KPMG, venture deals worldwide dropped to their lowest number since 2017. Tiger Global's hedge fund fell a whopping 56% that year.

It was in this environment that Shleifer found himself once again on the opposite side of the globe from Tiger's glossy Manhattan headquarters. This time, he was in Riyadh, giving a rare public interview at the annual Future Investment Initiative conference.

At the time, media outlets like *New York* magazine had already dubbed Tiger the "Masters of the Bubbleverse." Sitting on the circular conference stage, surrounded by giant spotlit palm trees, Shleifer acknowledged just how much had changed in a short amount of time. Gone was the bluster of taking big risks. Instead, he talked about what early-stage startups would need to do to survive the funding winter. He advised executives to "make sure that your expenses are right around or below revenue," and pointed to the fact that for a lot of companies, this would mean layoffs. Shleifer cast this shift as a positive, though — a move to "a different environment, but a healthy one, where capital is respected."



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Shleifer's sober remarks signaled a turning point, both for Tiger and many of the money-losing companies in its portfolio. In the second half of 2022, Tiger's deal count dropped precipitously. It fell even further in 2023. That year the firm, which had set out to raise another \$6 billion fund, reportedly struggled to find financiers willing to take on the risk, given the new macroeconomic realities. Tiger wound up closing the round at around a third of that amount in 2024.

For founders like John, the whiplash was stunning. "Suddenly I wake up, and the investors who were calling and telling me to spend more and grow suddenly changed their tune," he said. Tiger, he noted, was at least "the nicest" about it.

Like other companies trying to cut costs overnight, John's company endured painful layoffs. Others had little choice but to shut down. Koo, an Indian microblogging platform known as the "Twitter of India," had raised \$30 million in a funding round led by Tiger in 2021. Two years later, as the company's founders wrote on LinkedIn, it was urgently seeking new funding

or a strategic acquisition to stay in business. By 2024, when neither solution manifested, the company shut down operations entirely. R

“Tiger is one of the largest investors globally. With them by your side, you assume you’re covered for the larger rounds. Koo was at a stage where even a small injection of funds could have seen us through,” co-founder Mayank Bidawatka told *Rest of World*. “It was unfortunate that folks couldn’t step up at that time because of their own internal issues.”

The source familiar with Tiger Global declined to comment directly on Koo, but said that every time the firm invests in a company — even existing portfolio companies — it vets it as if it’s the first time.

The same fate befell thousands of other venture-backed startups around the world, prompting some founders to reckon with whether they should have raised so much money in the first place. In a [blog post](#) earlier this year, Jason Njoku, founder of IrokoTV, the Tiger-backed “Netflix of Nigeria,” described how venture funding had shielded him from facing the fact that his company’s core economics were broken. “[We] could have reached the same conclusions with \$5-10 million versus the \$100 million+ we ended up investing,” Njoku wrote of the company, which has since shut down. “My lessons were expensive, and that’s why I am so consistent in telling founders not to over-raise.”

But while some companies closed their doors, far more simply shrunk to a fraction of what they once were, contributing to more than 600,000 tech layoffs globally since 2022, according to the tracker Layoffs.fyi.

600,000

tech layoffs globally since 2022

The source familiar with Tiger Global acknowledged that Tiger “and everybody else in the space, did too many deals in 2020 and 2021.” But, he



Tiger has since undergone substantial changes to its investment team. In October 2022, John Curtius left the firm and started his own fund. He was, according to PitchBook, responsible for more than 100 of Tiger's private investments between 2019 and 2022. Curtius subsequently filed a lawsuit against Coleman, Shleifer, and Tiger Global, accusing them of, among other things, breach of contract and slander. Tiger has denied the claims and cast the suit as "meritless." (Curtius did not respond to *Rest of World's* requests for an interview). The following fall, Shleifer also stepped down and into an advisory role. Now, the source familiar with Tiger Global said, Coleman has returned to the role of "the sole decision-maker across the public and private fund."



Tiger Global founder Chase Coleman, left, at a conference in July 2025. David Paul Morris/Bloomberg via Getty Images

Looking back, John said he believes “the whole ecosystem was reckless,” and that Tiger was no exception. But he doesn’t entirely blame VC firms for what happened to his company, which still exists, albeit in smaller form. “I’m the CEO,” he said. If the company wound up struggling, he added, “it is because of me.”

Bidawatka of Koo also praised Tiger’s “bold and not interfering” style and credited the firm with lifting up Indian entrepreneurs. For all of the

companies that found themselves flailing, Tiger's early faith helped India's startup scene gain prominence and visibility globally. "Overall in India, they've enabled many, and that's something," he said.

While the fortunes of startups and their investors are often aligned, they can also sharply diverge. Founders and their employees have everything riding on the success of just one company. Mega-investors like Tiger have many more chances to get it right. Even if most of their bets fail or achieve middling returns, a handful of wildly successful companies can still generate a windfall for a fund's investors — which is, after all, the only real job a firm like Tiger has.

It's still possible that some of the pandemic darlings Tiger funded, who held on through the down cycle, could be among those wild successes. Indeed, in a recent investor letter, [Tiger Global](#) shared that its massive \$12.7 billion venture fund from 2021 is now up 16% this year. The smaller fund that followed is up 33%. The source familiar with Tiger Global emphasized that its job "is to make interesting investments and support companies." Many of those companies may struggle or fail, but some will turn out to be winners. That, the source said, is "what happens in capitalism."

Already, there are signs that both investment and exit activity are returning, thanks in large part to the AI boom. During the early pandemic years, Tiger became an investor in several AI firms that are now surging. It backed Scale AI and Databricks in 2020, and OpenAI and Waymo in 2021. One recent win came in June when Meta invested more than \$14 billion in Scale AI. The source familiar with Tiger Global called that deal "a tremendously good investment" for the firm. OpenAI, meanwhile, is now reportedly eyeing a [\\$1 trillion IPO](#).

“ They’ve enabled many, and that’s something.”

But this moment also has echoes of the past. Just as they did during the pandemic, many investors are once again setting aside all the fundamentals

about managing costs and pursuing profits, which Shleifer had preached about on the stage in Riyadh. And founders are once again taking investors' money and running with it, chasing growth at all costs. Unlike before, that growth is coming not in the form of head count and splashy ad campaigns, but massive investments in physical infrastructure — power plants, data centers — to support an industry that has yet to prove it can make enough money to sustain itself.

OpenAI CEO Sam Altman said earlier this year that the company is spending more than it makes and expects to spend “trillions of dollars” more on data centers in the “not very distant future.” That’s despite the fact that OpenAI already charges Pro customers a hefty \$200 a month. As it continues to spend, Altman said, he expects economists to wring their hands and call it reckless. “And we’ll just be like, ‘You know what? Let us do our thing,’” he said.

To the people who lived through the last bubble burst, it all feels dangerously familiar. “It’s not the first time it has happened,” John said, “and it won’t be the last.”

Tiger, at least, appears more circumspect this time around. Earlier this month, the firm announced it was aiming to raise \$2.2 billion for a new venture fund — a dramatically smaller target than its pandemic peak. In the letter to investors, Tiger warned against the risks of a potential AI bubble and touted its commitment to being “incredibly disciplined and selective.”

“[V]aluations are elevated, and, in our view, at times unsupported by company fundamentals,” the firm wrote in the letter, sounding not unlike some of its own biggest critics during the pandemic years. “We also recognize the importance of approaching a technological shift of this magnitude with some humility.”

This story has been updated to clarify Yuri Milner’s nationality.

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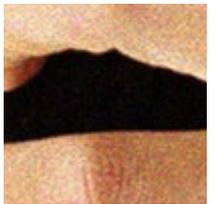
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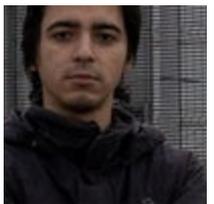
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