



Insights:

Media and Entertainment Funds

March 2025

The following review of investment opportunities in media and entertainment funds reflects research conducted between June and December 2024. Preparing to share our observations and recommendations in March 2025, we recognize that the environment today is starkly different than six months ago, or at any time in Upstart Co-Lab's 10-year history.

Recent events that affect the near-term utility of our research findings include the current environment for impact investing; changes at leading cultural institutions including the National Endowment for the Arts, National Public Radio and the Public Broadcasting System, and The John F. Kennedy Center for the Performing Arts; the growing demands on philanthropy to fill gaps created by cuts in federal government grants and contracts; and the LA wildfires which affected many people working in Hollywood.

We share our research without accounting for these recent events. We do this in part because it is impossible to keep up with the daily news alerts. More significantly, we do this because we believe that diverse audiences will continue to demand stories that share diverse viewpoints and meaningful topics and that - after growing to the trillions of dollars - impact investing will not be stalled or stopped.

Introduction

Upstart Co-Lab connects capital with creative people who make a profit and make a difference. Since launching in 2016, Upstart Co-Lab has made the case for impact investing in the creative economy; built a coalition of investors who understand the power of art, design, culture, heritage, and creativity to drive social impact; and mobilized \$45 million of grants and impact capital. Read a [brief history of Upstart Co-Lab](#).

As part of our [Inclusive Creative Economy Strategy](#), Upstart is actively seeking investment

opportunities in media and entertainment as part of a diverse exposure across the creative industries. The Strategy invests in a portfolio of funds and companies, targets market rate returns, and pursues an [impact thesis](#) focused on access to capital, quality jobs, community development and sustainable creative lives. Investors in the Strategy include the Ford Foundation, the Skoll Foundation and [others](#).

In 2020, we published [Upstart's social impact media deep dive](#), concluding that film, TV and video games have the power to change attitudes and behaviors by engaging people on

a deeply personal level – and that impact investors can achieve both their impact objectives and meet financial return goals by investing in media and entertainment. While we still believe this to be true, a lot has changed in the past 5 years:

Distribution is different. With the COVID lockdown, streaming platforms reached an all-time high number of users as the world collectively binge-watched. Coming out of the pandemic, longtime distribution channels appear permanently ruptured, and recently the streamers have encountered challenges of their own. Related to these changes in distribution, many believe the industry has already achieved “peak content” leading to a contraction in content production.

Brands are the new media companies. Brands are creating their own content to engage, to educate and to entertain. Starbucks launched Starbucks Studios. Peloton is scripting their classes and turning their fitness instructors into “stars” in their own right. Beis partnered with the movie *Wicked* on special-edition versions of their luggage, leaning into the message that travel is a “magical” experience. To sell their sunscreen, Vacation Inc. built a fictional 1980’s resort to take their customers back to a time when sunscreen was associated with leisure and “fun”. These brand stories compete with traditional media for audience views.

Artificial Intelligence is here. AI may help produce Oscar-winning films, but there is widespread concern of AI eliminating jobs in film and TV. This fear was at the forefront of the SAG AFTRA and the Writers Guild of America strikes in 2023 – and is not unfounded. OpenAI used a voice strongly resembling that of actor Scarlett Johansson for their chatbot, without her consent and *The Brutalist* has been the subject of controversy following the use of generative AI to make the lead actors’ voices

sound “more authentic”, raising the question *are the actors’ Oscar-nominated performances entirely their own?* The power – and limits – of AI remain to be seen: a recent op-ed by actor Hank Azaria suggests why AI struggles to create “humanness”.

Upstart Co-Lab is watching these changes in media and entertainment, and considering the guardrails that values-aligned capital can introduce into this fast-evolving industry. Recognizing the benefits of working with full-time professional managers who bring industry expertise, venture investing experience and a focus on impact, we sought to identify top tier values-aligned funds making early-stage investments in media and entertainment for investment from our Inclusive Creative Economy Strategy.

Research Scope

Between June and December 2024, Upstart reviewed 46 media and entertainment funds against our investment criteria:

- 50%+ exposure to the creative industries
- making early-stage equity investments in the U.S.
- targeting market rate returns
- aligned with Upstart’s impact thesis
- led by fund managers with strong investment experience and industry expertise
- open to investment between 2024-2026

Consistent with Upstart’s role as a thought leader and field builder, we are sharing our learnings and suggesting how to address the current lack of top-tier impact investment funds focused on media and entertainment.

Key Findings

- **Most funds investing in media and entertainment are affiliated with talent agencies and production studios, and are not focused on impact.**
- **Most impact funds are not investing in media and entertainment in a focused, consistent way.**
- **New entrant impact funds focused on media and entertainment lack the industry and investment experience needed to raise and manage a successful fund.**

Media and Entertainment Overview

Our review of the media and entertainment industry included **film & TV, video games, music, podcasts, and live performance** (e.g. music, theater, dance, comedy).

Out of scope:

Funds focused on journalism, radio, voter information and advocacy, literature, advertising. For that reason, we excluded impact funds such as New Media Ventures and Media Development Investment Fund.

Funds focused on the creator economy.

Upstart published a separate exploration of the creator economy in 2023.

Funds focused on Augmented Reality (AR), Virtual Reality (VR) or Artificial Intelligence (AI). These new technologies are quickly evolving and expected to have a huge influence on media and entertainment.

The media and entertainment industry is attractive to investors:

It's big and growing. The global media and entertainment industry was valued at \$2.8 trillion in 2023, and is expected to grow to \$3.4 trillion by 2028 (CAGR: 3.9%), outpacing overall economic growth as reported by the IMF.

It's profitable. As per the MSCI World Media and Entertainment Index, the global performance of media and entertainment companies has meaningfully outpaced that of all companies overall in the past 5 years. As of January 2025, the gross returns from the MSCI World Media and Entertainment Index were double that of the MSCI World Index.

It bounces back quickly after down markets. While the pandemic led to the sharpest fall in global media and entertainment industry revenue in 21 years (down 5.6% in 2020 from 2019), the media and entertainment industry bounced back in 2021 with a 10.6% global industry growth rate, higher than the global GDP growth rate of 6.1%. Similarly, following the 2008 Financial Crisis, the S&P 500 Media and Entertainment Index had a sharper increase in gross revenue relative to the general S&P 500 Index, again demonstrating that the media and entertainment industry bounces back from an economic recession at a faster rate than its counterparts.

The media and entertainment industry should be attractive to **impact** investors:

It is a source of quality jobs. The media and entertainment industry employed 570,000 people in the U.S. in 2023, fostering economic development and job creation. A large proportion of these employees are members of unions, ensuring their access to a living wage, basic benefits and a fair workplace, all requirements of being a “quality job”. Notable

unions including SAG-AFTRA, IATSE and Writers Guild of America (East and West) have 160,000, 170,000, and 30,000+ members respectively.

It is poised to turn green. Given the industry size, integrating environmental practices can have a large positive impact; companies like EarthAngel are demonstrating how the active tracking of environmental and social impact can drive change.

It is a new source of social impact. Investing in stories with the power to inform, persuade and catalyze societal shifts is another way to advance impact goals.

- *Don't Look Up*, an apocalyptic political satire on the theme of climate change, conducted a study with Rare to demonstrate how the film had a meaningful impact on its audience's perceived threat of climate change to society, likelihood to take action to address climate change, and even willingness to vote for someone who opposes significant climate action.
- *Bend it like Beckham*, *Coco*, *Crazy Rich Asians*, and August Wilson's *American Century Cycle* celebrate and share cultural stories from South Asian, Mexican, East Asian and Black communities.
- Films that have brought important topics to broad audiences include *Brokeback Mountain* for the LGBTQ+ community, and *Norma Rae* for labor reform.

Impact Investment in Media and Entertainment

Impact investors have backed titles, production studios and companies offering products, services and platforms to the media and entertainment industry:

Single titles. For decades, foundations have supported documentary films philanthropically, for example the Ford Foundation's Just Films program and the MacArthur Foundation's grants for documentaries. As these foundations expanded to mission-related investing, they naturally began making recoverable grants and program related investments to support film, TV, and video games they considered likely to have broad appeal and a chance for profitability. For example, Ava Duvernay's film about segregation and inequality *Origin* received impact investment from the Ford Foundation, the MacArthur Foundation, the Robert Wood Johnson Foundation, Laurene Powell Jobs' Emerson Collective, and Melinda French Gates.

Content production studios. Philanthropists have financed – and in some cases founded – production studios dedicated to telling meaningful and impactful stories, including MACRO Media (with investment from Emerson Collective, Ford Foundation, W.K. Kellogg Foundation, Scott Budnick's 1Community, GiGi Pritzker's MWM, Jigsaw Productions (with investment from Wendy Schmidt), Kat Taylor's TomKat Media, Abigail Disney's Level Forward, and Jeff Skoll's Participant Media (closed in 2024). Serving smaller philanthropists, impact investing platform LOHAS partnered with Cinelaunch to create a solution for impact-driven films to source financing from donor-advised funds.

Tools, services and physical infrastructure for the media and entertainment industry. Making Space, a talent acquisition and learning experience platform supporting people with disabilities, currently has only impact investors on its cap table. Seed & Spark, a crowdfunding platform for film and story-telling, received investment from One Planet Group and Tidal Impact, both organizations with impact goals. Breakr, a creator marketing platform prioritizing fast and fair payments to creators, received

capital from Debut Capital, a fund investing in BIPOC founders. Upriver Studios (*closed in 2024*), a women-led, environmentally-forward film and studio production facility committed to bringing quality jobs to New York's Hudson Valley, received capital from four impact investors.

Unfortunately, these examples are the exception and can be misleading, suggesting there is more impact capital actively targeting media and entertainment than there is. A lot of media and entertainment investments have been relationship-based and depended on individual philanthropy leaders like: Darren Walker (Ford Foundation), Laurene Powell Jobs (Emerson Collective), Jeff Skoll (Skoll Foundation), Kat Taylor (TomKat Foundation), Gigi Pritzker (Pritzker Pucker Family Foundation), and Abigail Disney.

Currently, there is no clear route for company founders and content makers in media and entertainment seeking impact capital. Unlike the healthcare industry where funds, conferences and accelerators focused on health equity enable entrepreneurs to connect with impact investors, media and entertainment lacks such infrastructure.

- While impact investors may show up at the Sundance, Tribeca and SxSW festivals – where meaningful content premieres – there are few structured opportunities for capital seekers and impact investors to meet. The Impact Lounge helps “changemakers meet filmmakers” at Sundance and Cannes, but has not reached the impact investing community.
- SOCAP, the Skoll World Forum, Mission Investors Exchange and other social sector conferences dominated by impact investors feature celebrity speakers from the entertainment world like Charles King, Ava

Duvernay, and George Clooney – and include occasional storytelling sessions or conversations about the power of narrative.

- Accelerators like Y Combinator have supported media and entertainment companies occasionally, but they do not have a dedicated industry track and media and entertainment are not mentioned at all in Y Combinator's Spring 2025 “Requests for Startups”.

Media and Entertainment Funds

Upstart reviewed 46 funds (see Appendix). Some funds are affiliated with industry insiders like talent agencies and production studios, while others are independent. Some funds invest in media and entertainment as part of a broader focus on technology, or focus on media and entertainment alongside sports. A final group is real estate funds investing in film and TV soundstage facilities.

Funds affiliated with industry

Talent agencies and production studios invest to leverage their deep industry expertise, and to complement their primary business activities. Many of these funds are investing off the corporate balance sheet or for executives and clients only, and are closed to outside investors.

For example, Connect Ventures which is run by Creative Artists Agency in partnership with New Enterprise Associates, or the Essence Creators and Makers Fund connected to Essence, a media company dedicated to Black culture.

These funds tap insider knowledge from professionals leading and shaping the media and entertainment industry, benefit from a deep understanding of both the pain points and emerging opportunities in the industry, and are uniquely positioned to assess and test new technologies. However, this type of fund may

not always have professionals with VC experience which limits the likelihood of delivering top-tier fund performance.

Even when funds affiliated with talent agencies are open to outside capital, they do not always appear fully aligned with LP interests: these funds often blend consumer goods companies founded by their talent clients with media and entertainment investments.

Independent funds

Unaffiliated with talent agencies and production studios, there are funds that are dedicated to media and entertainment, often with a sector focus. For example, Griffin Gaming Partners is focused on video games, and HarbourView Equity is focused on music. Due to the sector focus, these funds develop deep expertise in their area of investment and are able to offer their portfolio companies detailed sector-specific insights and support.

Media and entertainment+ funds

Funds focused on technology often invest in media and entertainment, for example MaC Venture Capital invested in Mansa, a streaming platform for content by Black creators. Funds like 125 Ventures and CAA Evolution that invest in media and entertainment also invest in sports. These funds bring learnings from investing in the broader tech ecosystem, or their understanding of fan culture and audiences from the sports world as part of their value-add for media and entertainment portfolio companies.

Media and entertainment real estate funds

Firms like Blackstone Group are using their real estate savvy to invest in film and TV soundstages to meet the infrastructure needs of content production. Similarly, Hudson Pacific Properties specializes in the investing and developing soundstages. Experience and credibility within the real estate industry gives

these funds an advantage investing where real estate intersects with media and entertainment.

Media and Entertainment and Impact

There are funds investing in media and entertainment companies led by BIPOC and women founders, such as MaC Venture Capital and HarbourView Equity.

In fact, many funds investing in media and entertainment are de facto supporting diverse founders; for example, 50% of the companies backed by UTA.VC were either female-led or female co-led. This is not a surprising given Upstart's research which reveals diverse entrepreneurs succeed in creative industries.

However, when impact is not an intentional component of a fund's investment strategy, the fund is not a fit for impact investors. A holistic impact thesis for media and entertainment investors includes access and inclusion, quality jobs, community development, environmental sustainability, and meaningful storytelling.

Upstart has not yet identified a media and entertainment fund that prioritizes impact goals, identifies as an impact fund, reports on impact – and is led by an experienced team with deep background in both media and entertainment and venture capital. We did find a strong, early signal that setting up such a fund is possible: *impact funds making individual investments in media and entertainment*.

Impact funds have made one-off investments across media and entertainment in content, infrastructure and services, respectively: Supply Change Capital's investment in Whetstone Media, BBG Ventures' investment in Canela Media, and Radix Innovation Capital's investment in FilmHedge. But without deep

media and entertainment industry expertise and focus, the capital is insufficient.

Another positive sign: we are slowly seeing emerging fund managers who are passionate about both impact and media and entertainment. However, these young firms are still unproven, and it remains unclear whether their teams have the requisite experience, skill, and networks to raise, launch and sustain a dedicated media and entertainment impact fund.

What to do Today

To respond to the pipeline of media and entertainment opportunities seeking impact capital, we see ways for impact funds, media funds and foundations to take small steps that can add up to something big.

Impact Funds: *Learn more about the media and entertainment industry.*

Do not overlook the U.S. media and entertainment industry -which PwC predicts will grow to \$808 billion in annual revenue by 2028 – when looking for the best opportunities to make money and have impact. One-off investments are unlikely to be as successful as investments in a sector you know deeply. You can deliver the impact you seek through the media and entertainment industry, across access and inclusion, quality jobs, community development, and environmental sustainability – without compromising on financial returns.

Media and Entertainment Funds: *Get intentional about impact.*

Deloitte's Digital Media Trends (2024) found that audiences actively seek “TV shows and movies that tell stories about underrepresented groups” and that “feature people who look like them”. Responding to this consumer demand can drive financial returns on content investments. For investments in the tools,

services and physical infrastructure of media and entertainment: back the businesses that think about workers, community, and the environment. Research from Just Capital's 2021 annual report shows that companies that focus on these impact goals outperform with 4.4% higher return on equity, and paid 19.2% higher more in dividends relative to companies in the Russell 1000 index.

Foundations: *Collaborate and co-invest.*

The next time you consider investing in media and entertainment, do not do it alone or only partner with other philanthropic institutions. Invite impact funds to invest alongside you, and engage colleagues at the leading media and entertainment funds in your diligence process at a minimum. Use your credibility and standing to help everyone connect and learn together. This is one way to unleash more capital and strategic support for efforts you want to see succeed today, and to pave the way for more thoughtful investors in media and entertainment for the future.

What to do Tomorrow

We hope the foundations and impact investors who already have experience with media and entertainment will pool capital together and hire a dream team with the right mix of media and entertainment, venture capital and impact investing experience to launch at scale the first U.S. media and entertainment impact investment fund.

Such a fund can build a diverse portfolio of content, tools, services, infrastructure, and emerging technology – with an impact thesis prioritizing quality jobs, community development, environmental sustainability, and meaningful stories – all while achieving financial returns.

Appendix A: Investors in Media and Entertainment

Investor name	Year founded	Headquarters	Portfolio Company Example
<u>125 Ventures</u>	2020	New York, NY	<u>Canela Media</u>
<u>1Up Ventures</u>	2019	Kirkland, WA	<u>Ruckus Games</u>
<u>A16Z (Games Fund One)</u>	2022	Menlo Park, CA	<u>Ready Player Me</u>
<u>Acme Innovation</u>	2021	Emeryville, CA	<u>Warner Bros. Discovery</u>
<u>Atelier Ventures</u>	2021	Pittsburgh, PA	<u>StreamLoots</u>
<u>BBG Ventures</u>	2014	New York, NY	<u>Canela Media</u>
<u>Bitkraft</u>	2016	Denver, CO	<u>Frost Giant Studios</u>
<u>Blackstone Group</u>	1985	New York, NY	<u>Pier 94 soundstages</u>
<u>Bronze VC</u>	2009	Palo Alto, CA	<u>Mansa</u>
<u>CAA Evolution</u>	2008	Los Angeles, CA	<u>GameFam</u>
<u>Chloe Capital</u>	2017	Ithaca, NY	<u>it's electric'</u>
<u>Creatis Capital</u>	2014	New York, NY	<i>Slate of film & TV productions</i>
<u>Creative Capital (IDEO)</u>	1999	New York, NY	<u>MasterClass</u>
<u>Crush Ventures</u>	2000	New York, NY	<u>ViralMoment</u>
<u>Debut Capital</u>	2020	Brooklyn, NY	<u>Breakr</u>
<u>Edge VC</u>	2005	London, UK*	<u>Otherworld</u>
<u>E-Line Media</u>	2007	Phoenix, AZ	<u>Never Alone</u>
<u>Fourward Ventures</u>	2022	Los Angeles, CA	<u>Audio Up Media</u>
<u>Galaxy Interactive</u>	2018	New York, NY	<u>Overworld</u>
<u>Good Trouble Ventures</u>	2024	San Francisco, CA	<i>Investments in progress</i>
<u>Griffin Gaming Partners</u>	2019	Santa Monica, CA	<u>Discord</u>
<u>Guggenheim Brothers Media</u>	2024	Los Angeles, CA	<u>Stapleview</u>
<u>HarbourView Equity</u>	2021	Newark, NJ	<u>Mucho Mas Media</u>
<u>HEVA Fund</u>	2013	Nairobi, Kenya*	<u>DreamCatcher Productions</u>

<u>Hudson Pacific Properties</u>	2009	Los Angeles, CA	<u>Sunset Studios</u>
<u>Konvoy Ventures</u>	2017	Denver, CO	<u>Axie Infinity</u>
<u>Level Forward</u>	2018	Los Angeles, CA	<u>The Labz</u>
<u>Lightspeed</u>	2000	Menlo Park, CA	<u>Snap Inc</u>
<u>MaC Ventures</u>	2019	Culver City, CA	<u>Big Cabal Media</u>
<u>Makers Fund</u>	2017	Hong Kong*	<u>Ramen VR</u>
<u>Marcy Pen Ventures</u>	2019	San Francisco, CA	<u>Savage x Fenty</u>
<u>Media Development Investment Fund</u>	1995	New York, NY	<u>Josh Talks</u>
<u>New Media Ventures</u>	2010	San Francisco, CA	<u>The Juggernaut</u>
<u>Passbook Cartel Ventures</u>	2020	Los Angeles, CA	<i>Investments in progress</i>
<u>Perspective Fund</u>	2014	New York, NY	<u>Queendom (film)</u>
<u>Radix Innovation Capital</u>	2023	Tampa, FL	<u>FilmHedge</u>
<u>Roblox Creator Fund</u>	2004	San Mateo, CA	<u>Clip It by Neura Studios</u>
<u>Screen Capital</u>	2020	Santiago, Chile*	<u>Amia</u>
<u>Social Study Ventures</u>	2023	New York, NY	<i>Investments in progress</i>
<u>SparkLabs Group</u>	2013	Palo Alto, CA	<u>MangoPlate</u>
<u>Station 12</u>	2014	London, UK*	<u>Parade Media</u>
<u>Sunday Ventures</u>	2024	Los Angeles, CA	<i>Investments in progress</i>
<u>Supply Change Capital</u>	2020	Los Angeles, CA	<u>Whetstone Media</u>
<u>TK MediaTech Ventures</u>	2024	Sandia Park, NM	<i>Investments in progress</i>
<u>Transcend Fund</u>	2020	San Francisco, CA	<u>Eggscape Entertainment</u>
<u>UTA.VC</u>	2022	Beverly Hills, CA	<u>Bounty</u>

*These funds are headquartered outside of the U.S. and are out-of-scope for Upstart's Inclusive Creative Economy Strategy.

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