Vermilion Cliffs Ventures Raises $25M Second Fund for Technical Founders Building AI Infrastructure and Dev Tooling

AI infra pre-seed and seed firm closes Fund II with over 95% of Fund I capital re-invested, anchored by LGT Capital Partners, Screendoor, and GEM

SAN FRANCISCO, CA, UNITED STATES, July 8, 2026 /EINPresswire.com/ -- Vermilion Cliffs Ventures, the pre-seed + seed firm backing technical founders building for technical users in AI infrastructure, security, and developer tools, today announced the close of its $25 million second fund.

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>
> *Laura Thompson, Managing Director, LGT Capital Partners*

Fund II is a thesis-forward continuation of the bet Vermilion made in Fund I: that the most durable companies in AI infra, security, and developer tooling are built by people with deep technical judgment, and that those founders can excel with an investor who has run the motions they're about to attempt. The fund is led by Ashley Smith, whose operating career spans go-to-market leadership at developer platform, tooling, and infrastructure companies including GitHub, GitLab, Parse, and Twilio.

"The market right now is selective, and selective markets reward exactly the model we run: small, focused, operator-led, and clear about why we exist." said Ashley Smith, Founder and General Partner of Vermilion. "Very few funds make it from Fund I to Fund IV. The ones that survive aren't the loudest. They're the most deliberate. Closing Fund II is us clearing the first attrition gate, and doing it with the same investors who backed the original bet."

Vermilion's Fund I portfolio has produced early signal success:

- Keycard, the agent-security company founded by serial founder Ian Livingstone, launched out of stealth in October 2025 with $38 million in combined seed and Series A funding. Its Series A was led by Acrew Capital, with the seed backed by a16z and boldstart ventures.

-CopilotKit, maker of the widely adopted open-source AG-UI protocol for deploying AI agents inside applications, raised a $27 million Series A in May 2026 led by Glilot Capital, NFX, and SignalFire.

-Sequin, which built data-sync tooling for developers, was acquired by Notion, with the founding team joining to work on Notion's data and workflows.

Vermilion Cliffs Ventures

"Ashley has been an incredible partner to us at Keycard. Building a developer-first company is hard, and there are very few people who have successfully navigated that journey at the scale she has. She's been generous with her time, thoughtful in her advice, and consistently willing to roll up her sleeves to help us think through everything from positioning and launches to how we engage both developers and security teams. Having someone who has actually built and led these motions in our corner has made a real difference, and we're grateful to have her as an investor and partner." — Ian Livingstone, CEO & Co-Founder, Keycard

More than 95% of Fund I's capital, measured by dollars, re-invested in Fund II. The firm's investor base includes LGT Capital Partners, Screendoor, GEM. and 12 other LPs comprised of family offices, tech founders, VCs, and funds of funds.

"Many managers make a first fund; far fewer build a durable franchise. The ones who do tend to have a distinct point of view and the discipline to stick with it. Ashley has both. She's exceptionally clear about the founders she backs, brings deep operating expertise to those relationships, and doesn't get distracted by every trend or competitive round. That combination of focus, conviction, and founder support is exactly what we look for in an early-stage manager, especially in today's market."

— Laura Thompson, Managing Director, LGT Capital Partners

"Ashley gives founders something most early-stage investors can't: real go-to-market expertise as one of the earliest executives inside GitHub, GitLab, and Twilio. She is a talent magnet, with founders consistently naming her as one of the most useful people on their cap table and one of their earliest believers. We're excited to partner with her as her right to win compounds."

— Lisa Cawley, Managing Director, Screendoor

"We met Ashley at the end of her Fund I raise and had the benefit of tracking her progress as she built Vermilion Cliffs. With every check-in meeting, Ashley kept exceeding our expectations--she was getting meaningful ownership in competitive rounds; her references from founders, co-investors, and LPs were glowing; and she was carefully curating her brand and voice in a noisy market. Ashley is the type of investor we want to partner with for the long journey that we call early-stage venture, and we were thrilled to support her in Fund II."

— Caroline Dallas, Managing Director, Investment Research, GEM

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