

TURBINE

Unlock **\$13T** in trapped capital

GROWTH
BUBBLE By Anand Choudhary



What is it?

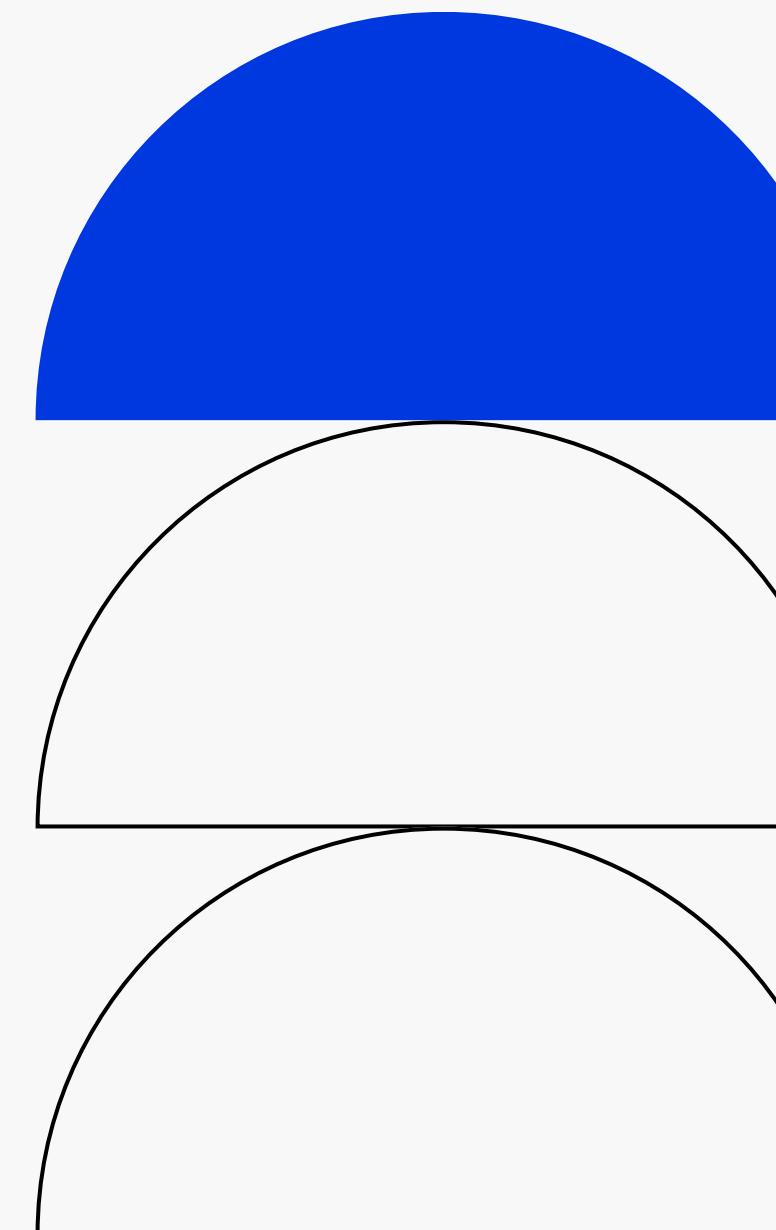
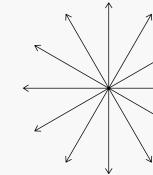
Turbine Finance Corp., based in Santa Monica, California, is a liquidity platform launched in 2022 to address the illiquidity challenges LPs face in VC and private equity funds. **It allows LPs to borrow against their fund stakes, using these as collateral, similar to a home equity line of credit.** This approach helps LPs access cash without selling their positions, which is particularly valuable in a market with limited exits like IPOs or acquisitions.

Funding:

The company has raised \$21.75 million in equity (\$8.75 million Seed, \$13 million Series A) and secured a \$100 million debt facility from Silicon Valley Bank, totalling \$121.75 million in financial backing.

Attractiveness:

due to slow VC exits (e.g., fewer IPOs), offering a cost-effective alternative to selling stakes at a discount in secondary markets.



LIMITED PARTNERS **PAIN POINT?**

Why Are LPs Restless?

VC investments typically lock up capital for 7–10 years, with returns realized through exits. However, slow exit markets, coupled with personal financial needs, new investment opportunities, or capital calls, create pressure for LPs to access liquidity sooner. Turbine's solution is attractive as it avoids the discounts (20–30%) often required when selling stakes in secondary markets.

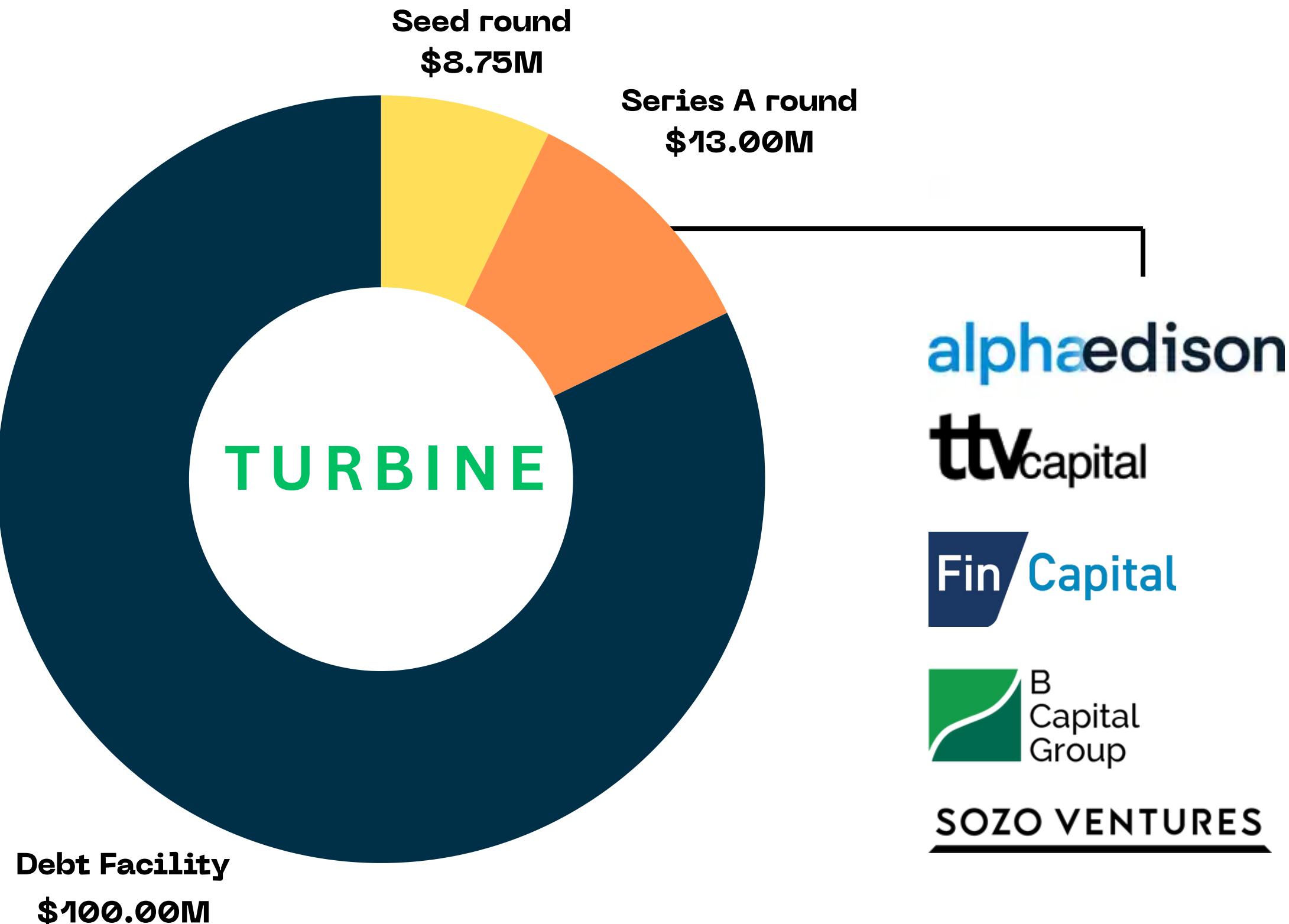
SLOW EXITS: IPOS AND M&AS HAVE SLOWED TO A TRICKLE SINCE 2022.

LPS NEED CASH FOR PERSONAL NEEDS, NEW INVESTMENTS, OR CAPITAL CALLS.

SECONDARY MARKETS? DISCOUNTS OF 20–30% ERODE VALUE.

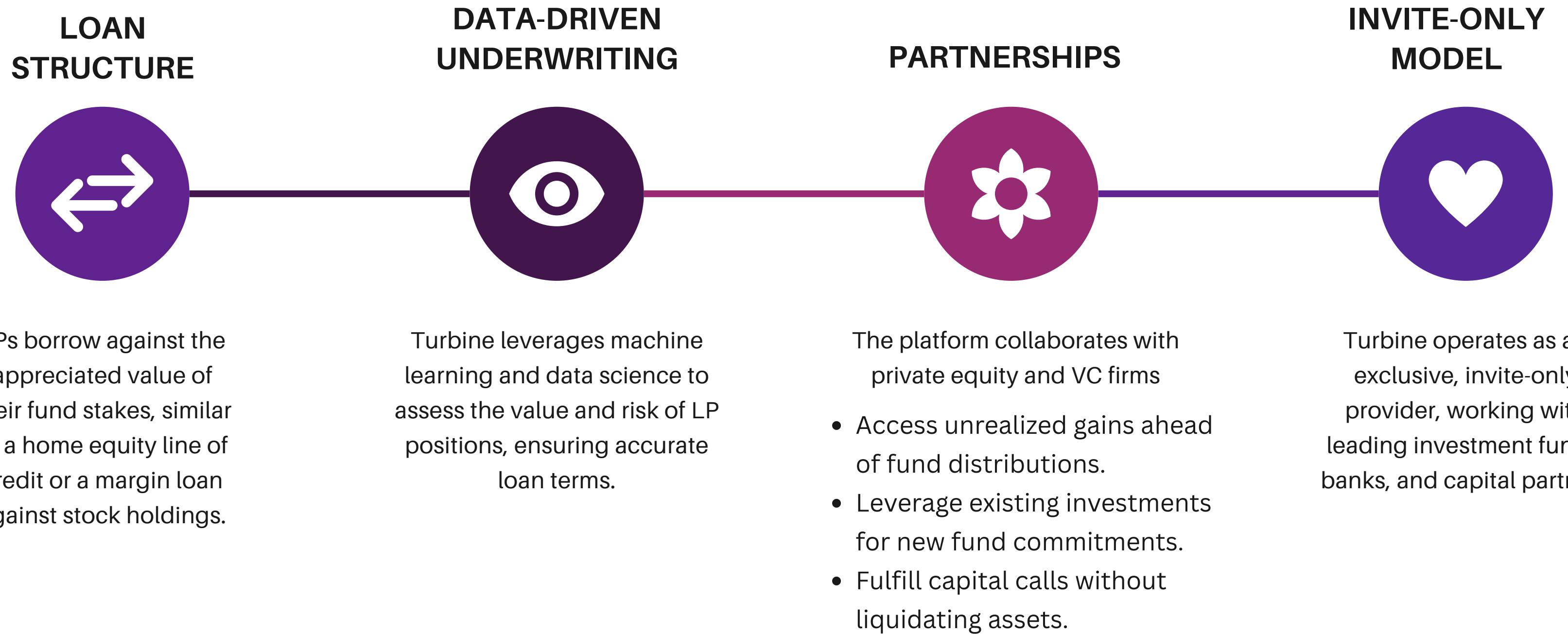
Funding and Financial Backing

Turbine has secured substantial funding to support its operations:



TURBINE BUSINESS MODEL

Turbine operates as a debt platform that provides credit facilities to LPs in VC and private equity funds. Its core offering is a loan product secured by LP positions, enabling investors to access liquidity without selling their stakes. Key aspects of the business model include:





Plan Example

if an LP invested \$3 million in a VC fund and the stake is now valued at \$10 million, Turbine enables them to borrow up to 50% of that value potentially \$5 million at an interest rate of around 9%.

BUSSINES PLAN

LP HAS \$3 MILLION IN A
VC FUND

CURRENT VALUED AT
\$10 MILLION

PROVIDEM UP TO 50%
OF THAT VALUE

AT AN INTEREST RATE OF
AROUND 9%

BENEFITS

This loan allows LPs to access funds while retaining potential future gains from the fund. The platform's use of data science ensures precise underwriting, assessing the risk and value of LP positions.

Why Now?

VC FUNDING HIT \$91.5B IN Q1 2025, BUT EXITS REMAIN SCARCE.

LPS FACE PRESSURE FROM DELAYED IPOS AND CAPITAL CALLS.

FINTECH INNOVATION (E.G., AI UNDERWRITING) IS BOOMING.

COMPETITORS: CENDANA, KLINE HILL FOCUS ON SECONDARY FUNDS, BUT TURBINE'S LOAN MODEL IS UNIQUE.

MY TAKE: I'D POSITION TURBINE AS A MUST-HAVE FOR VCS TO RETAIN LPS IN A TOUGH MARKET.

TURBINE

Challenges and Risks



Interest Rate Sensitivity

At 9%, the loan cost may deter some LPs if market rates decline or if exits accelerate.



Scalability

Expanding beyond the initial five venture firms requires building trust and partnerships with additional funds.



Risk Assessment

The accuracy of Turbine's data-driven underwriting is critical to avoid over-leveraging or mispricing loans.

Financial Metrics and Loan Terms

METRIC	DETAIL
SEQUITY FUNDING	\$21.75 MILLION (\$8.75M SEED + \$13M SERIES A)
DEBT FACILITY	\$100 MILLION FROM SILICON VALLEY BANK
TOTAL BACKING	\$121.75 MILLION
INTEREST RATE	9% (COMPARED TO PRIME RATE OF 7.5%)
LOAN-TO-VALUE (LTV)	UP TO 50% (ESTIMATED, BASED ON INDUSTRY STANDARDS)
TARGET MARKET	LPS IN VC AND PRIVATE EQUITY FUNDS, INITIALLY VIA FIVE PARTNER FIRMS
UNDERWRITING TECHNOLOGY	MACHINE LEARNING AND DATA SCIENCE FOR RISK AND VALUATION ASSESSMENT

An aerial photograph capturing a surfer from above as they ride a massive, curling wave. The wave's surface is a vibrant turquoise, with white spray and foam at its breaking point on the right side. The surfer, positioned centrally, is lying on their stomach on a white surfboard, facing towards the right. The background consists of the deep blue ocean extending to the horizon.

Thank You

Contact us for more information:

raschoudhary879@gmail.com