TURBINE

VCs 12-YEAR LIQUIDITY GAP

Why the smartest VCs and their LPs are borrowing against their portfolios instead of selling early

THE MARKET HAS SHIFTED

Liquidity is harder to find than ever. The fundamental structure of venture capital has created a severe timing mismatch trapping wealth in illiquid portfolios for up to 15 years and in some cases longer. SpaceX is entering year 24, for instance. What was once a simple “invest/return/reinvest” return cadence now looks more like “invest/invest/invest/invest/return”.

Companies Stay Private Longer

The exit horizon has extended significantly, with unicorns remaining private for 10+ years on average.

University of Florida, Jay Ritter IPO Data (2024)

Locked Markets

Exit activity is recovering but remains selective and well below historical norms, leaving thousands of private companies without a clear path to liquidity.

PwC US Capital Markets Watch, 2025

The Funding/Return Mismatch

Fund deployment cycles are 3-5 years, while return periods are now 8-12 years. This means investors will likely have four LP positions fully called prior to receiving repayment of their first investment

PitchBook, "The Venture Capital Lifecycle"

The Consequence: Your wealth is trapped in illiquid positions, and investors are being forced to limit allocations to new vintages and could miss attractive opportunities.

> *Some active VCs funds may ultimately take 15 to 20 years to exit all portfolio positions and fully return capital to LPs.*

Carta, "How VC Secondaries Became 'Release Valve' for Startup Liquidity Pressures," 2025

THE "SECONDARY" TRAP

Selling Early Costs More Than You Think

When you need liquidity, secondaries are the traditional solution. However, selling early comes at a heavy price tag that erodes investor returns and limits upside, all while accelerating tax events

Steep Discounts:

Investors selling secondaries often sell at a significant haircut to NAV, typically 20-40% below current value for venture positions

Forfeited Upside:

Investors lose all future growth in the asset—the very gains they have been waiting years to capture

Tax Inefficiency:

Sales trigger immediate taxable events and capital gains risks, eroding net proceeds, and possibly eliminating the QSBS benefit of having invested early in a growing company

> *Sellers of private fund interests accepted discounts of 15% to 45% depending on strategy and fund age.*

Jefferies Global Secondary Market Review, 2024

TURBINE

The Turbine Solution

LIQUIDITY WITHOUT THE EXIT

Turbine offers a new path: Asset-Backed Lending. By borrowing against your position rather than selling it, investors solve the liquidity crunch without sacrificing their asset's potential.

Retain Ownership

Keep your portfolio intact and maintain control over your investment strategy.

Keep the Upside

Maintain up to 100% exposure to future appreciation—capture the full value of your patient capital.

Tax Efficient

Loans are generally not taxable events, preserving QSBS eligibility and deferring capital gains. Always consult with your tax advisor for advice.

TURBINE

SELLING VS. BORROWING

The choice between a secondary sale and an asset-backed loan has profound implications for your wealth and portfolio performance. Here is how these two options stack up against one another:

Feature	Secondary Sale	Turbine Loan
Asset Ownership	Sold (Gone Forever)	Retained
Future Upside	Forfeited at Exit	95-100% Preserved
Market Impact	Signals Distress	Private & Confidential
Tax Impact	Immediate Taxable Event	None (Debt)
Time to Liquidity	Months of Negotiation	1 week for funds already on Turbine 4 weeks for funds new to Turbine

HELPING LPS STAY INVESTED

Limited Partners face a constant challenge: maintaining strategic allocation targets while managing unpredictable capital call timing. Turbine provides the bridge between commitment and cash flow.

Smooth Capital Calls

Manage obligations over the fund cycle without disrupting your portfolio or selling other assets at inopportune times.

Maintain Allocation

Keep your investment levels consistent from one fund to the next, avoiding forced concentration or underweight positions.

Leverage Wealth

Access appreciated value to double down on winners or enter new vintages without liquidating existing positions.

> *With $947 billion locked across over 58,000 companies, GPs are facing significant issues returning capital to their investors.*

NVCA 2025 Yearbook

TURBINE

EMPOWERING GPs TO GROW

For General Partners, trapped carry represents both earned success and missed opportunity. Turbine unlocks stored wealth to fuel your firm's strategic expansion without diluting your hard-won positions.

01

Invest in Your Own Funds

Use capital for GP commitments or partnership buy-ins, strengthening your alignment with LPs and firm economics.

02

Hit Hard Caps Faster

LPs can leverage Turbine to use existing fund positions to invest into new vintages. If LPs are slow to commit outside capital to a new fund, empower them to use Turbine to continue making commitments.

03

Personal Flexibility

Unlock liquidity for major personal needs like home purchases and other investments without selling your carry or signaling to the market.

TURBINE

FRICTIONLESS ACCESS TO CAPITAL

Turbine partners directly with funds to offer seamless liquidity to their entire ecosystem. Our streamlined process delivers capital when you need it, without complexity or lengthy negotiations.

Partnership

Turbine partners with firms to enable lending solutions for the entire GP and LP community.

Access

GPs and LPs login to a secure portal to view their borrowing power based on current fund NAV.

Liquidity

Apply for a loan in minutes and access cash quickly—without disrupting your portfolio strategy.

TURBINE

DON'T SELL YOUR UPSIDE. UNLOCK IT.

Trusted by repeat fund managers and backed by industry leaders who understand the power of patient capital.

Learn More

Sources: PitchBook-NVCA Venture Monitor Q4 2024; NVCA 2025 Yearbook; Carta State of Private Markets Q4 2024; Jefferies Global Secondary Market Review H1 2025