TURBINE

NAV Loans for Venture Capital

Power Law Investment Tool
Rebalance Portfolios Toward Fund Leaders
NAVigate your Fund to Maximum Returns

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BACKGROUND

PE Firms Have Used NAV Loans for Decades. VC Usage is Growing.

Net Asset Value (NAV) loans enable funds to borrow against the value of their entire portfolio to invest further into their winning investments *after* the fund has been fully called and deployed.

Private equity firms have relied on NAV loans for decades as a core investment tool. LBO firms use NAV loans to acquire smaller companies to fold into core investments at a multiple arbitrage.

For venture capital, the use case is straightforward. If your firm continues to receive pro rata investment rights in your fund's biggest winners, a NAV loan allows the fund to invest further without using SPVs or cross-fund investments.

Bain & Company's 2025 Private Equity Outlook found that liquidity mechanisms including NAV loans helped PE firms **improve cash flow in 2024** while still holding onto assets, pushing the industry's cash flow to breakeven.

THE VC LIQUIDITY GAP

10+ years companies stay private

2-4 year fund deployment cycles

3-4 vintages making capital calls before the first full return by a manager

University of Florida, Jay Ritter IPO Data (2024), PitchBook, "The Venture Capital Lifecycle"

Most firms have two options after a fund is fully called. NAV loans are a powerful third path.

COMPARISON

NAV Loan vs. SPVs vs. Allocations

NAV Loan

Borrow against the value of the entire portfolio to invest further into existing portfolio companies. A $10M NAV loan on a $200M fund creates a $210M fund with a $10M liability. Pay the loan back when any portfolio company exits, rebalancing the portfolio toward its biggest winners.

+ FAST • NO LP ASK • FUND-LEVEL UPSIDE

SPV

Requires forming a new legal entity and going back to LPs to raise additional capital. This process is timely and unpredictable in today's market, while adding legal and accounting overhead and timeline risk.

SLOW • COMPLEX • LP-DEPENDENT

Allocation

Once a fund is fully deployed, VCs often hand off pro rata rights to larger LPs as a bonus. This approach may curry favor with one LP, but it excludes the others. Additionally, the fund likely sacrifices its own upside on the pro rata investment being made.

LIMITED • LP-ONLY • RELATIONSHIP RISK

NAV loans are ideal for recapitalizations, rebalancing into fund winners, or when an SPV would be slow/costly/uncertain.

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THE TURBINE SOLUTION

NAV Loans Built for Venture Capital

Turbine provides NAV loans purpose-built for VC firms — structured around venture portfolios, priced for the asset class, and designed to move at the speed deals require.

Fast Execution

Access capital in weeks, not months. LPAC approval may be required.

Portfolio-Backed

Loans are secured against the fund's portfolio with institutional-grade structuring from Turbine's partner network of globally recognized banks and asset managers.

Amplify Returns

Deploy into follow-on rounds and recaps for your strongest companies. Repay when other positions exit, capturing upside your firm would otherwise miss.

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CASE STUDY

Fin Capital

Fin Capital received an investment opportunity in one of its portfolio companies. An exciting category leader was being recapitalized with structure favorable to Fin and its investors, however, Fin's Flagship Fund I was already fully allocated and raising an SPV would have been slow and uncertain.

Turbine partnered with Fin to provide a NAV loan, enabling Fin to borrow against its fund's value to lead the round immediately, without going back to LPs for additional capital.

Fin was able to create immediate value for its LPs with speed and certainty, without heavy legal and admin overhead, all while maintaining its own upside.

Recapitalized

Opportunistic investment with immediate upside for all LPs

Decisive Action

Capital deployed without delay

No SPV Required

Avoided entity formation & LP ask

> Partnering with Turbine to secure a NAV loan was an easy decision. VCs have a fiduciary responsibility to optimize returns for existing LPs. The financing offered attractive terms and allowed us to continue supporting a strong business. Rather than structuring an SPV or allocating the opportunity to a single LP, Turbine's NAV loan empowered Fin to create immediate value across the fund. We're always exploring innovative ways to deliver stronger outcomes for our LPs, and NAV financing is another tool we plan to continue leveraging strategically.

LOGAN ALLIN, FIN CAPITAL

Navigate your Fund to Maximum Returns.

Trusted by repeat fund managers and backed by industry leaders who understand the power of strategic lending.

Learn More →

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