

PYA vs Venture

By SKGP, SKGP Strategic Partners Pre Yield Asset Series © 2025 SKGP Strategic Partners

Executive Summary

Why Pre Yield Assets Cannot Be Classified Inside the Venture Capital Model

Venture capital was built for new products new technologies and new commercial opportunities. It is a model designed for uncertainty in customer acquisition pricing strategy market timing and execution risk. Venture capital thrives in environments where small inputs can create large optional outcomes based on market adoption or technology breakthroughs.

The Pre Yield Asset model operates in an entirely different universe. As described across publicly available SKGP Strategic Partners material PYA concerns real asset systems where value forms through control verification governance and structural progression long before revenue or user adoption. These two categories do not overlap. Venture capital is designed for company creation. PYA is designed for the formation of physical systems that will later support national development industrial capacity resource flows and energy transition. This paper explains why PYA sits entirely outside the venture capital category and why early stage real asset systems cannot be evaluated through a venture lens.

What Venture Capital Expects

Venture capital assumes a world where value depends on uncertain future demand. Venture investments are built around several expectations.

Venture depends on product market fit

A venture investment rises or falls based on whether consumers or enterprise users adopt the product.

Venture depends on exponential scaling

The purpose of venture capital is to find a small number of companies capable of hyper growth.

Venture relies on competitive advantage

A venture investment only works if the company becomes dominant in a competitive market.

Venture values optionality

Most venture investments will fail. A small number of successes must offset the losses.

Venture requires iterative development

Products pivot customers change strategies adapt and refine. All of these expectations assume a commercial environment where users decide who wins. None of these assumptions apply to real asset systems.

Why Real Assets Cannot Be Treated as Venture

Mining exploration, geothermal reservoirs, agricultural systems, industrial corridors and energy formation do not behave like user driven markets.

There is no product market fit

- copper body does not need customers.
- Geothermal reservoirs does not need beta testers.
- Agricultural land does not need user retention.
- Rail corridor does not need A B testing.

These systems exist objectively in the physical world independent of human demand cycles.

There is no hyper growth curve

A mineral system or industrial corridor does not scale exponentially. It progresses in measured stages that reduce uncertainty.

There is no competitive winner

Physical systems do not compete the way startups do. A lithium basin does not lose to another basin because of pricing strategy or marketing. Value comes from physical geology and structural formation not competition.

There is no optional failure

In early stage real assets failure does not create a portfolio effect. The absence of structure can halt national plans, energy grids ,industrial expansion or food systems.

These are non optional systems.

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There is no pivot

- A geothermal reservoir cannot pivot to crypto.
- A copper discovery cannot pivot to software.
- An agricultural corridor cannot pivot to fintech.
- Physical systems must be structured not reinvented.

These realities make venture capital classification unusable for real asset systems.

How PYA Defines a Completely Different Classification

The Pre Yield Asset framework replaces venture assumptions with structural logic rooted in physical asset formation. Public SKGP frameworks describe how PYA creates clarity and institutional readiness by focusing on

- Legal control
- Governance
- Sequenced derisking
- Institutional standards
- Jurisdictional alignment
- Structured exploration
- Technical verification
- Integration with national planning

These factors define value in early stage real assets. None of them overlap with venture capital criteria.

PYA values certainty not speculation

PYA progresses through gates that create clarity in geology engineering, regulation and sovereign recognition. Venture accepts uncertainty and bets on optionality.

PYA values governance not experimentation

PYA requires technical standards reporting compliance and sovereign aligned frameworks. Venture encourages experimentation and rapid iteration.

- PYA values structural uplift not revenue
- PYA creates value before yield through the removal of uncertainty.

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- Venture creates value only when customers appear.
- PYA values national or industrial integration not consumer adoption
- PYA assets become part of food systems energy grids industrial corridors mineral supply chains and sovereign development agendas.
- Venture companies live inside competitive markets.
- PYA sits on an entirely different level.

The Multi Pillar Architecture vs the Venture Portfolio Model

Public SKGP frameworks describe a multi pillar architecture where mining, agriculture, energy ,industrial corridors and geothermal systems behave as different expressions of the same structural law. Venture portfolios cannot integrate a system like this. They are built to maximize return through outliers not to synchronize sectors. Venture frameworks view each investment as independent. PYA frameworks view early stage assets as interconnected elements of national and industrial systems. This difference creates two incompatible investment worlds.

Why Institutions Cannot Treat PYA as Venture

Institutions evaluating early stage real assets through a venture lens encounter immediate problems.

- Timelines do not match.
- Risk profiles do not match.
- Cashflow logic does not match.
- Verification requirements do not match.
- Governance frameworks do not match.
- National relevance does not match.
- Venture is built for early stage companies.
- PYA is built for early stage systems that nations require to function.

No institutional allocator can combine these categories because they sit on different conceptual foundations.

What the Reclassification Achieves

By placing early stage real assets into the PYA category rather than venture capital SKGP Strategic Partners establishes a framework where institutions can participate with clarity and discipline.

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This reclassification

- Gives institutions a stable model for engaging pre yield systems
- Corrects decades of mislabeling early stage assets as speculative
- Aligns early stage systems with infrastructure logic
- Provides sovereign and DFI alignment
- Integrates real assets into portfolio construction
- Creates transparent standards
- Supports multi decade national planning

The venture model can never offer this because it was not designed for it.

Conclusion

PYA and venture capital represent fundamentally different categories. Venture is built for uncertainty in commercial adoption. PYA is built for the structural formation of real asset systems that nations depend on. Venture seeks exponential winners. PYA seeks structural clarity. Venture evaluates teams, products and markets. PYA evaluates geology engineering, governance and sovereign alignment. These categories cannot be merged or compared. They belong to separate universes of value. By defining the PYA category SKGP Strategic Partners establishes the first coherent framework for early stage real asset systems and makes clear that they must never again be forced into venture classifications that ignore their physical structure and national importance.