

FinaTech Announces Patented Breakthrough for Private Equity GPs

New Structured Finance Solution Poised to Revolutionize Fund Economics, Capital Access, and Portfolio Management

SCOTTSDALE, AZ, UNITED STATES, May 1, 2025 /EINPresswire.com/ -- FinaTech today unveiled a patented financial technology solution that promises to transform private equity fund management by delivering general partners (GPs) dramatically lower capital costs, greater flexibility, and access to a broader investor base—including retail investors. Backed by more than a dozen issued and pending patents, FinaTech's credit-enhanced fund structure marks a decisive evolution from the traditional LP-GP model.

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Scott Smith

“Private equity has grown by nearly every metric—except fund structure,” said [Scott Smith](#), co-founder of FinaTech. “Today's GPs remain burdened by capital inefficiencies and liquidity constraints. Our solution offers a way out.”

At the heart of FinaTech's innovation is a credit-enhanced financing model enabled by special purpose vehicles (SPVs). These SPVs are capitalized through the issuance of publicly traded securities and invest in income-producing assets that serve as collateral for bonds issued by PE funds. GPs benefit by eliminating the need to liquidate assets prematurely, enabling them to hold and grow high-performing portfolios over time—while earning a significantly higher carried interest.

The solution is designed to:

- Reduce a GP's cost-of-capital by replacing traditional LP equity with debt backed by credit enhancement.
- Simplify and accelerate capital formation.
- Enable retail investor participation through tradeable, income-generating securities.
- Enhance GP carried interest from the conventional 20% to 30% or more, without compromising investor return.

The importance of expanding access to private markets is increasingly echoed by industry leaders. As BlackRock CEO [Larry Fink](#) recently stated, “Private markets don't have to be as risky,

or opaque, or out of reach. Not if the investment industry is willing to innovate — and that's exactly what we've spent the past year doing at BlackRock." FinaTech's solution is a direct answer to that call for innovation—bringing transparency, accessibility, and liquidity to what has historically been a closed and illiquid market.

FinaTech's patented modeling and simulation technologies—originally developed to optimize structured securities and asset selection—form the computational backbone of this solution. The company is now exploring exclusive partnerships with investment firms to scale the offering across the private equity and REIT markets.

About FinaTech

Founded by pioneers in asset-backed finance and predictive analytics, FinaTech's team has developed a portfolio of over 40 patents in computational technologies, structured finance, and fund optimization. Its innovations have powered breakthroughs across AI, industrial automation, and now private equity fund structuring.

Scott Smith

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