

## Independent Sponsor Facts: Seven Things Investors and Dealmakers Need to Know



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7 key independent sponsor facts :

- isponsor ecosystem “represents one of the most compelling sources of differentiated deal flow in the lower middle market” (per leading investor)
- General belief that the lower middle market is less efficient (ie, opportunities to find hidden gems at a better value and/or more attractive deal structure)
- “The alignment of interests in independent sponsor transactions remains exceptionally compelling from an LP perspective.”
- Pitchbook estimates the current number of isponsors range from 1,200 to 1,400 groups.
- Axial reports that 27% of the buyers on their platform are now isponsors
- Most talented isponsors are in the “sweet spot” of their careers - with the experience and network to source, close, and grow a business.
- Sector remains an evolving universe, with some isponsors ultimately deciding to raise committed funds. At the

same time, there is a steady influx of talented PE professionals leaving established funds to launch their own independent sponsor platform.

John Koepfel's commentary on "[Where Fundless Sponsors Turn for Capital](#)" by Paul Elias (January 13, 2026) for *Mergers & Acquisitions*.

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