GEM Closes on $685 Million in New Capital for Independent Sponsor Program

Fund II builds on GEM's deep independent sponsor expertise as deal-by-deal market accelerates

CHARLOTTE, NC (October 22, 2026) – GEM, an independent investment management firm that provides customized solutions for long-term investors worldwide, announced the final close of GEM Independent Sponsors Fund II, LP ("**IS Fund II**" or the "**Fund**") at its hard cap, with program commitments totaling $685 million. The fundraise garnered support from a diverse group of limited partners, including foundations, healthcare institutions, insurance companies, university endowments, and GEM's affiliated OCIO clients.

IS Fund II builds on GEM's extensive experience investing alongside independent sponsors across the lower middle market. GEM believes its longstanding commitment to the asset class has helped establish the firm as one of the largest and most active institutional capital providers to independent sponsors in the U.S.[i] The Fund follows GEM's inaugural $450 million fundraise in 2025 and signals the expanding role of independent sponsors in institutional portfolios.

Over the long history of its independent sponsor program, GEM has evaluated more than 1,200 opportunities and completed 87 investments alongside more than 30 sponsors.[ii] Many of those firms have graduated to committed fund structures, and GEM considers those groups among the most promising to emerge in recent years. GEM believes the scope of its program and the consistency of investment activity have helped the firm develop strong pattern recognition across sponsors, sectors, and deal structures, informing a disciplined approach to sponsor selection and transaction underwriting. In GEM's view, the progression of many independent sponsors into core buyout relationships demonstrates the potential value of identifying promising sponsors early and supporting them across their life cycle.

"The independent sponsor market has evolved from a niche segment of private equity into an increasingly important source of lower middle market exposure," said **Jay Ripley**, Head of Investments at GEM. "Having invested alongside independent sponsors for more than a decade, we've developed a deep network of relationships that we believe gives us broad access to investment opportunities and allows us to be highly selective about the sponsors we back. We think that combination of sourcing, experience, and selectivity helps strengthen our pursuit of compelling opportunities for our investors, while giving our sponsors a capital partner that is invested in their long-term success."

"We've built our independent sponsor program around long-term relationships with sponsors that have the potential to build enduring investment platforms, and we're seeing more opportunities than ever to put that experience and capital to work," added Managing Director **Kelly Barofsky**, who co-leads GEM's independent sponsor program. "As the market continues to grow, we believe our expertise and network can position us to navigate an increasingly crowded landscape with a high degree of selectivity, focusing our capital on the sponsors and opportunities we find most compelling. We're grateful to our LPs for their continued confidence in GEM and look forward to deepening the relationships that have made this strategy successful."[iii]

Harris Williams acted as exclusive placement agent and Ropes & Gray served as legal counsel in the formation of IS Fund II.

About GEM

GEM is an independent investment management firm that provides customized solutions for long-term investors worldwide. Since 2007, we have sought to deliver superior risk-adjusted returns to our clients by combining disciplined investment research and active portfolio management with exceptional service and enduring partnership. With a global platform, broad institutional investment capabilities, and an experienced team, we design portfolios to meet the unique needs of each investor we serve. For more information, visit www.geminvestments.com.

Contact

GEM Communications: communications@geminvestments.com

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[i] Largest as defined by deal count activity over the history of GEM's Independent Sponsor Program.

[ii] There can be no assurance that GEM will experience similar deal flow in the future or that GEM will be successful at identifying similar investment opportunities.

[iii] Returns are not guaranteed. Past performance is not indicative of future results.