

David vs. Goliath in Private Equity

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The battle for returns: Lower Mid-Market vs. large-cap

In the timeless story of David versus Goliath, a humble unlikely hero overcomes a towering, formidable opponent, proving that skill, agility, and strategic precision can rival size and strength.

This archetypal story of strategy overpowering size finds a modern parallel in the world of Private Equity, where small transactions - akin to David - stand in contrast to the large-cap giants that dominate the field. While large-cap transactions often boast immense capital and resources, Lower Mid-Market deals bring agility, niche expertise, and often more hands-on operational approaches to drive growth and value.

This rivalry highlights two distinct approaches within Private Equity: the nimble, focused strategies of small & mid-cap deals versus the expansive, resource-rich capabilities of large-cap transactions.

In this paper, we will discuss the potential for outperformance in the Lower Mid-Market segment and explore the related avenues for buyout investors.

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