



JULY 2009

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UPCOMING EVENTS

Welcome!

Welcome to the July edition of ACG's monthly e-newsletter, Achieving Corporate Growth. Summer at ACG is full of fun, outdoor networking events, whether on the golf course, on a boat cruise or at a major league baseball game. Be sure to check the full listing of ACG chapter events on www.acg.org for an event near you. As always, networking opportunities on the new ACG website are available 24/7 - log on today to continue building your global network of fellow ACG dealmakers and corporate growth professionals.

We'd like to thank Grant Thornton for sponsoring this issue of the newsletter and contributing a whitepaper on navigating portfolios through these turbulent times. The white paper explores the current state of private equity firms' portfolio companies, examines some of the most prevalent practices for helping them in this difficult economy, and offers best-practices prescriptions for success. The full report is available below.

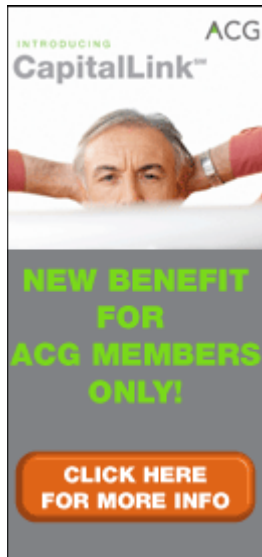
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Navigating Your Portfolio Through Turbulent Waters

Private equity firms and their portfolio companies are experiencing some of the toughest conditions since the industry's inception. As a result of the credit crunch and the global recession, both of which have caused a reduction in private equity dealmaking, private equity firms are spending more time dealing with the trials and tribulations of their portfolio companies, trying to shield their portfolios from potential losses. Grant Thornton decided to seek a broader perspective on how certain practices are being applied to help private equity firms weather the storm and keep portfolio companies well positioned for the future.



The key areas explored are the state of private equity, the impact of pooled purchasing, the proliferation of add-on acquisitions, the best use of human capital and renegotiating loan agreements.

Download and read the full white paper by clicking on the link below.

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2nd Quarter 2009 Private Equity Investment Statistics

70% of all investments in lower and middle market companies

[PitchBook](#), a private equity-focused research firm, has published a comprehensive set of statistics analyzing private equity investment activity during the second quarter of 2009. The data shows private equity investors are continuing to wait for the investment climate to improve before putting their \$400 billion of dry powder to work.

* The first half of 2009 was the slowest six-month investment period since 2002 with 407 completed investments, only 174 of which were completed in the second quarter. However, another 44 deals, totaling \$6.5 billion were announced during the quarter but have yet to close.

* In response to the current credit markets private equity investors have been using less leverage and targeting smaller operational improvement and distressed company investments. These lower and middle-market companies now account for 70% of all investments. PE firms are also strengthening their current portfolio companies through add-on acquisitions, which accounted for 43% of all buyouts in the first half of 2009.

* The decrease in private equity investment is not due to a lack of available capital, which remains at an all time high of \$400 billion. PE investors continue to raise capital and currently have enough dry powder to more than support the combined deal activity of 2004, 2005 and 2006 with the use of moderate leverage.

Download the full report for more in-depth data and analysis below.

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