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Dear *Journal of EDM Finance* Readers,

By now I had hoped to be commenting on the beginnings of an “economic turnaround,” which many of us had hoped would start to emerge in this year’s final quarter. Alas, all of the economic indicators continue to point to a more-than-challenged economy. Leaves aren’t the only things falling this autumn: the financial markets’ erratic behavior continues; the credit freeze, despite the Federal Reserve’s slashing of interest rates, is staggering; the bankruptcy declaration of Lehman Brothers was stunning; and the Federal Government’s rescue of Freddie Mac, Fannie Mae and AIG is unprecedented.

This edition of the *Journal of EDM Finance* features a compelling story about PFIG, the Emerging Domestic Market (EDM) private equity practice at Lehman Brothers, and how it remains committed to investing more than capital with emerging managers despite the parent company’s trouble. The broader impact the ailing economy is having on private equity fundraising and deal transactions continues to be of

interest to our readers. In an effort to constructively address the current state of private equity, particularly within the EDM, NAIC designed the Annual Meeting and Convention program to stimulate specific discussions around these very issues.

NAIC’s 38th Annual Meeting and Convention will be held Oct. 19-21, at the Hyatt Regency Scottsdale Resort and Spa at Gainey Ranch in Arizona. In continuing the tradition of private equity thought leadership, the convention will start with the “State of Private Equity” address, which will directly discuss the impact the ailing economy is having on private equity. The Credit Crunch panel will reveal how private equity firms and their lenders creatively and doggedly get deals done. A new feature at this year’s convention will be the Trustee & Plan Sponsor Professional Development Symposium, which emerged in response to requests NAIC received from trustees and plan sponsors to provide them with education and training on private equity within the EDM. The new symposium is hosted by NAIC’s 501(c) 3 affiliate, The Entrepreneurial Growth and Investment Institute (EGII). We are also excited to offer the new Emerging Managers Workshop for Elected Officials, where participants will hear first-hand from policymakers and legislators who are involved in new initiatives designed to boost EDM investment in their states.

NAIC’s newly redesigned Web site, which launched in June, is another upgraded resource we are pleased to provide for those seeking to expand their presence within the EDM. The new site — which can be found online at www.naicvc.com — is faster, easier to navigate and more comprehensive, offering a variety of features designed to help managers, plan sponsors, entrepreneurs and others enhance their understanding of the EDM as well as to identify potential partners with which to pursue investment opportunities.

Our cover story for this edition explores strategies for building happy marriages between entrepreneurs and private equity investors. We are pleased to share the insights of three seasoned entrepreneurs whose long histories of working with private equity investors make them credible authorities on the subject.

Finally, let me assure our readers that, despite the economy’s current instability, NAIC remains committed to the programs and strategies that support healthy expansion of EDM investment. While many in the investment community are biting their nails, and rightfully so, NAIC-member firms remain solid. We are confident that the exemplary management teams and proven investment strategies that NAIC member firms employ will continue to prove their mettle and deliver solid investment returns for their respective investors. NAIC, meanwhile, will continue its push toward institutionalizing programs that reflect years of serious research and consultation with our member firms, elected officials, entrepreneurs and other private equity thought leaders. Our goal remains to cultivate an environment that not only benefits entrepreneurs and investors, but also the people who live and work in the EDM. We believe we’ve only begun to uncover the possibilities. Thank you for supporting the only periodical entirely dedicated to the Emerging Domestic Market, the *Journal of EDM Finance*.

All the Best,

Samuel J. Boyd Jr.
President & CEO