

MACC PRIVATE EQUITIES INC  
Form 40-17F2  
September 10, 2008

**KPMG LLP**  
2500 Ruan Center  
666 Grand Avenue  
Des Moines, IA 50309

**Report of Independent Registered Public Accounting Firm**

The Board of Directors  
MACC Private Equities Inc. and subsidiary:

We have examined management's assertion, included in the accompanying Management Assertion Regarding Compliance with Certain Provisions of the Investment Company Act of 1940, that MACC Private Equities Inc. (the Company) complied with the requirements of Subsections (b) and (c) of rule 17f-2 under the Investment Company Act of 1940 (the Act) as of August 28, 2008. Management is responsible for the Company's compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the Company's compliance based on our examination.

Our examination was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included examining, on a test basis, evidence about the Company's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. Included among our procedures were the following tests performed as of August 28, 2008, and with respect to agreement of security purchases and sales, for the period from March 13, 2008 (the date of our last examination) through August 28, 2008:

Count and inspection of all securities located in the vault of Cedar Rapids Bank and Trust in Cedar Rapids, Iowa

Reconciliation of all such securities to the books and records of the Company

Confirmation of security purchases since the date of our last report, which there was one

Vouching of proceeds of five security sales since the date of our last report

We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Company's compliance with specified requirements.

In our opinion, management's assertion that MACC Private Equities Inc. complied with the requirements of Subsections (b) and (c) of rule 17f-2 of the Investment Company Act of 1940 as of August 28, 2008 with respect to securities reflected in the investment account of the Company is fairly stated in all material respects.

This report is intended solely for the information and use of management and the

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board of directors of MACC Private Equities Inc. and the Securities and Exchange Commission and is not intended to be and should not be used by anyone other than these specified parties.

/s/ KPMG LLP

Des Moines, Iowa  
September 9, 2008

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### MACC PRIVATE EQUITIES INC.

September 9, 2008

KPMG LLP  
2500 Ruan Center  
Des Moines, IA 50309

Ladies and Gentlemen:

RE: Management Assertion Regarding Compliance with  
Certain Provisions of the Investment Company Act of 1940

MACC Private Equities Inc. is responsible for complying with the requirements of subsections (b) and (c) of Rule 17f-2, "Custody of Investments by Registered Management Investment Companies," of the Investment Company Act of 1940. It is also responsible for establishing and maintaining an effective internal control structure over compliance with Rule 17f-2 requirements.

MACC Private Equities Inc. has performed an evaluation of its compliance with the requirements of subsections (b) and (c) of Rule 17f-2 as of August 28, 2008 for the period March 14, 2008 through August 28, 2008. Based on this evaluation, it has determined that MACC Private Equities Inc. was in compliance with the requirements of subsections (b) and (c) of Rule 17f-2 of the Investment Company Act of 1940 as of August 28, 2008, with respect to securities reflected in the investment accounts of MACC Private Equities Inc.

Very truly yours,

MACC PRIVATE EQUITIES INC.

By: /s/ Derek Gaertner  
Derek Gaertner, CFO

/s/ Travis Prentice  
Travis Prentice, President