



10 August 2010

Dear Client,

Notwithstanding the 8.2% decline in the FTSE/JSE All Share Index (ALSI) during the second quarter, the Old Mutual Private Equity funds were only marginally negative as softer multiples from listed comparables fed into valuations.

Fund Returns as at 30 June 2010:

| FUND | Q2 2010 | 1yr | Annualized return since Inception * |
|----------|---------|-------|-------------------------------------|
| OMMMPEF1 | -0.2% | 35.1% | 26.6% (4yrs 2 months) |
| OMMMPEF2 | -1.6% | 10.8% | -7.7% (2yrs 9 months) |
| OMPESF | -0.7% | N/A | 8.0%** (9 months) |

Longer-Term Performance vs. JSE All Share since inception:

| FUND | Inception date & period since inception | Annualized return since Inception * | ALSI | Performance vs. ALSI |
|----------|---|-------------------------------------|-------|----------------------|
| OMMMPEF1 | 1 May 2006 (4yrs 2 months) | 26.6% | 9.3% | 17.4% |
| OMMMPEF2 | 1 Oct 2007 (2yrs 9 months) | -7.7% | -2.1% | -5.6% |

*UPF (untaxed) basis, net of fees

** Not annualized

OMMMPEF1 delivered a return of -0.2% for the quarter. Underlying company performance remains steady, but weaker multiples of listed comparables brought valuations down for the quarter. The fund's strong outperformance of the listed market illustrates the positive attributes of a substantially de-gearred asset in the latter stages of the J-Curve. An investment by an individual investor into OMMMPPEF1 at inception would be worth 2.5 times its original value today on a post-tax basis.

OMMMPEF2 delivered steady performance, but softer multiples from listed comparables and the cost of gearing in the fund resulted in a slightly negative return for the quarter. Despite the slight negative performance for the quarter, OMMMPPEF2 continues to claw back its underperformance of the ALSI as the underlying assets in the fund mature and move through the J-curve. Over the last six months the fund more than halved its underperformance of the ALSI since inception, and we remain confident that this should continue in the long term.

The Old Mutual Private Equity Secondary Fund (OMPESF) is now nine months old and has grown by 8% since its inception. The good appreciation by investors for this new fund resulted in assets under management surpassing the R100m mark during the last quarter. The fund is still open to investors via the Old Mutual Fairbairn Capital investment platform.

Warm regards,

Mark Gevers
Head, Old Mutual Private Equity