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If you have sold or transferred all your Shares in New Star RBC Hedge 250 Index Exchange Traded Securities PCC Limited, please forward this document at once, together with the accompanying Form of Proxy, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

NEW STAR RBC HEDGE 250 INDEX EXCHANGE TRADED SECURITIES PCC LIMITED

(A closed-ended investment company incorporated in Guernsey with registered number 45501 under the provisions of The Companies (Guernsey) Laws 1994 to 1996 and The Protected Cell Companies Ordinance 1997 to 1998 as amended)



Recommended proposal for the amendment of the Articles of Association to introduce C Shares

The proposal described in this document is conditional on Shareholder approval. Notice of an Extraordinary General Meeting of the Company to be held at 4.30 p.m. on 12 September 2007 at Arnold House, St Julian's Avenue, St Peter Port, Guernsey, GY1 3NF, Channel Islands is set out at the end of this document. To be valid, the enclosed Form of Proxy for use at the Extraordinary General Meeting must be completed and returned by Shareholders in accordance with the instructions printed on it, so as to be received by Capita IRG Plc (Proxies) at PO Box 25, Beckenham, Kent, BR3 4BR as soon as possible and, in any event, so as to arrive not later than 4.30 p.m. on 10 September 2007. Completion and return of the Form of Proxy does not preclude the relevant Shareholder from attending and voting in person at the meeting should they wish to do so.

**NEW STAR RBC HEDGE 250 INDEX EXCHANGE TRADED SECURITIES
PCC LIMITED**

(A closed-ended investment company incorporated in Guernsey with registered number 45501 under the provisions of The Companies (Guernsey) Laws 1994-1996 and The Protected Cell Companies Ordinance 1997 to 1998, as amended)

Directors:

Christopher Sherwell (*Chairman*)
John Duffield
John Hallam

Registered Office:

PO Box 208
Arnold House
St. Julian's Avenue
St. Peter Port
Guernsey
GY1 3NF
Channel Islands

20 August 2007

To Shareholders

Dear Sir or Madam

**EXTRAORDINARY GENERAL MEETING RELATING TO A RECOMMENDED
PROPOSAL FOR THE AMENDMENT OF THE ARTICLES OF ASSOCIATION TO
INTRODUCE C SHARES**

Introduction and Background to the Proposal

Since the Company was launched in October 2006, it has conducted four Share issues which raised, in aggregate, approximately US\$150 million. Such Share issues were priced at a premium to the prevailing Net Asset Value per Share based on a formula designed to insulate existing Shareholders from the costs of issue and the potential dilution arising from using an estimated intra-month net asset value, as opposed to a final month-end net asset value.

The Board has determined that, by using C Shares, the effective premium at which new Shares are issued may be reduced, making such new Shares a relatively more attractive investment, without prejudicing the interests of existing Shareholders. The Board intends that the ability to issue C Shares shall be in addition to its current power to make further issues of Shares, which it may continue to do from time to time.

The Board is now seeking Shareholder approval to make the required changes to the Company's Articles of Association.

The Proposal

Under the Proposal, the Company would be able to issue Classes of C Shares corresponding to each existing Class of Shares.

Where a class of C Shares is issued in each Cell, the proceeds of the issue will be separately identified from the assets attributable to the existing Classes of Shares in that Cell until such time as the relevant month-end Net Asset Value per Share of the corresponding existing Share Class can be calculated. Normally, this will be the earlier of (a) 20 Business Days after the end of the month in which the C Shares are issued or (b) the determination by the Directors, in consultation with the Investment Manager and Investment Advisor, of an estimate of the Index level that the Directors, in their absolute discretion, consider is a reasonably accurate estimate of the Index level for that month end. The Net Asset Value per C Share of each Class will be determined as at the same date and will be adjusted to take account of the costs of issuing the C Shares and the other expenses attributable to the C Shares.

Following determination of the net asset value of each Class of Share and C Share, the C Shares of each Class will be converted into Shares of the relevant existing Class by reference to the ratio of the respective Net Asset Value per Share of the C Shares and the relevant existing Share Class. The Board reserves the right to, and generally expects to, adjust the Net Asset Value per Share of the Share Classes used for conversion purposes to incorporate a small premium which will provide an enhancement in the Net Asset Value per Share for existing Shareholders. The extent of such premium will be announced in advance of the issue of the C Shares.

During the time that the C Shares remain outstanding, they will be listed and investors will be able to deal in them.

Holders of the C Shares will not be able to convert their C Shares into other Classes of C Shares within the same Cell pursuant to Article 8A (*Conversions*).

This document sets out the details of the Proposal and the Extraordinary General Meeting at which your approval of the Resolution is required to enable the Directors to implement the Proposal. Shareholders are encouraged to complete the Form of Proxy whether or not they wish to attend the EGM and return it to Capita IRG Plc (Proxies) at PO Box 25, Beckenham, Kent, BR3 4BR as soon as possible.

Amendments to the Articles

In order to implement the Proposal, the approval of Shareholders is required and certain amendments must be made to the Articles.

It is proposed that the Articles be amended by the insertion of a new Article 46 (*C Shares*) set out in the enclosed Notice of Extraordinary General Meeting.

The full terms of the proposed amendments are set out in the Notice of Extraordinary General Meeting on page 7 of this document. A copy of the full terms of the proposed New Articles is available for inspection at the Company's registered office from today until the close of the EGM and at the EGM for at least 15 minutes prior to and during the meeting.

Extraordinary General Meeting

Set out on page 7 of this document is a notice convening an EGM of the Company to be held at 4.30 p.m. on 12 September 2007 at Arnold House, St Julian's Avenue, St Peter Port, Guernsey, GY1 3NF, Channel Islands for the purpose of approving the Proposal. The quorum requirement at the meeting is a person or persons holding or representing not less than one-tenth by number of the issued Shares. If a quorum is not present the meeting will be adjourned to 4.30 p.m. on 26 September 2007. Any Shareholders then present in person at the adjourned meeting will constitute a quorum. Forms of Proxy submitted for the original meeting will remain valid for the adjourned meeting.

If approved, the Proposal will take effect on the date on which the Resolution is passed.

Action to be taken

You will find enclosed a Form of Proxy for use at the EGM. Whether or not you propose to attend the EGM, you are requested to complete and return the Form of Proxy to Capita IRG Plc (Proxies) at PO Box 25, Beckenham, Kent, BR3 4BR as soon as possible in accordance with the instructions printed thereon and, in any event, so that it arrives not later than 4.30 p.m. on 10 September 2007.

Completion and return of the Form of Proxy will not prevent you from subsequently attending and voting in person at the EGM, should you so wish.

Recommendation and voting intentions

The Board are of the opinion that the Proposal and the proposed amendment to the Articles of Association detailed in the enclosed Notice of Extraordinary General Meeting are in the best interests of the Company and the Shareholders as a whole.

Accordingly, the Board unanimously recommends all Shareholders to vote in favour of the resolution to be proposed at the EGM.

Yours faithfully

Christopher Sherwell
Chairman

DEFINITIONS

The following definitions apply throughout this document, unless the context otherwise requires:

“Articles of Association” or “Articles”	the articles of association of the Company in force at the date of this document
“Business Day”	any day (except Saturday or Sunday) on which banks in London, Guernsey and Dublin are open for business
“Cell”	a cell created by the Company for the purpose of segregating and protecting cellular assets in the manner provided for in The Protected Cell Companies Ordinance 1997 to 1998, as amended
“Class”	a class of Shares
“C Share”	unclassified shares of no par value each in the capital of the Company designated as C shares by the Directors and which will convert into Shares on conversion
“Company”	New Star RBC Hedge 250 Index Exchange Traded Securities PCC Limited
“CREST”	the computerised settlement system operated by Euroclear UK & Ireland which facilitates the transfer of Shares
“Directors” or “Board”	the board of directors of the Company
“Extraordinary General Meeting” or “EGM”	the extraordinary general meeting of the Company to be held at 4.30 p.m. on 12 September 2007
“Form of Proxy”	the form of proxy for use in connection with the EGM
“Index”	the RBC Hedge 250 Index®
“Net Asset Value per C Share”	the net asset value of a C Share, calculated in accordance with the Articles of Association
“Net Asset Value per Share”	the net asset value of a Share, calculated in accordance with the Articles of Association
“New Articles”	the Articles as proposed to be amended at the Extraordinary General Meeting
“Proposal”	the proposal to introduce C Shares
“Registrar”	Capita Registrars (Guernsey) Limited
“Resolution”	the resolution to be proposed at the EGM
“Shareholder”	a holder of Shares in the Company
“Shares”	the shares of no par value in the Company designated as ordinary shares by the Directors
“US\$”	the lawful currency of the United States of America

**NEW STAR RBC HEDGE 250 INDEX EXCHANGE TRADED SECURITIES
PCC LIMITED**

(A closed-ended investment company incorporated in Guernsey with registered number 45501 under the provisions of The Companies (Guernsey) Laws 1994-1996 and The Protected Cell Companies Ordinance 1997 to 1998, as amended)

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of the Company will be held at 4.30 p.m. on 12 September 2007 at Arnold House, St Julian's Avenue, St Peter Port, Guernsey, GY1 3NF, Channel Islands to consider and, if thought fit, pass the following resolution which will be proposed as a special resolution:

SPECIAL RESOLUTION

THAT the articles of association of the Company be amended as follows:

1. The following shall be inserted immediately after Article 45:

“46.1 The following definitions apply (for the purposes of this Article 46) in addition to, or (where applicable) in substitution for, the definitions applicable elsewhere in these Articles:

“**Admission**” means the admission of the C Shares to listing on the Official List of the UKLA and to trading on the London Stock Exchange's main market for listed securities.

“**Business Day**” means any day (except Saturday or Sunday) on which banks in London, Dublin and Guernsey are open for business.

“**C Shares**” means the shares of no par value each in the capital of the Company issued and designated as C Class shares in one or more Cells (which may be issued as different Classes, each corresponding to a Class of Ordinary Shares in issue in the relevant Cell, and in different tranches thereof from time to time) and having the rights described in these Articles.

“**C Share Surplus**” in relation to any tranche of C Shares of the relevant Class means the net assets of the relevant Cell attributable to the C Shares in that tranche, being the assets attributable to the C Shares in that tranche (including for the avoidance of doubt, any income and/or revenue (net of expenses) arising from or relating to such assets) less such proportion of the Company's and the relevant Cell's liabilities as the Directors shall reasonably allocate to such C Shares.

“**Calculation Time**” in relation to any tranche and Class of C Shares means the earliest of:

- (i) the close of business on the last Business Day of the month in which the C Shares are allotted, *provided that* at least 80 per cent. of the assets attributable to that tranche of C Shares has been invested in accordance with the investment policy of the relevant Cell and that the Net Asset Value per Share (calculated in accordance with the valuation principles set out in Article 8 of these Articles) of that Class and tranche of C Shares and of the corresponding Class of Ordinary Shares in the relevant Cell at that date can be calculated;
- (ii) the close of business on the last Business Day prior to the day on which Force Majeure Circumstances have arisen or the Directors resolve that such circumstances are in contemplation;
- (iii) the close of business on such date as the Directors may determine to enable the Company to comply with its obligations in respect of Conversion; and
- (iv) the close of business on the Business Day falling six months after the Admission of that tranche of C Shares,

provided that the Calculation Time may be delayed to such other time as the Directors in their absolute discretion determine where (i) the Index Administrator is unable to provide what the Directors, in consultation with the Investment Manager, consider to be a reasonably accurate estimate of the Index level for the relevant month end or (ii) the determination of the Net Asset Value per Share is suspended.

“**Conversion**” means in relation to any tranche of C Shares, the conversion of that tranche of C Shares in accordance with Article 46.9 (Conversion).

“**Conversion Ratio**” is A divided by B, calculated to six decimal places (with 0.0000005 being rounded upwards), where:

$$A = \frac{C - D}{E}$$

and

$$B = \frac{F - G}{H} \times J$$

and where:

“C” is the aggregate value, as at the Calculation Time, of the assets of the relevant Cell attributable to the C Shares of the relevant Class and tranche calculated in accordance with the valuation principles set out in Article 8 of these Articles;

“D” is the amount which (to the extent not otherwise deducted in the calculation of “C”) in the Directors’ opinion fairly reflects the amount of the liabilities and expenses attributable to the C Shares of the relevant Class and tranche as at the Calculation Time (including for the avoidance of any doubt, any costs of issue of the C Shares of the relevant Class and tranche);

“E” is the number of C Shares of the relevant Class and tranche in issue as at the Calculation Time;

“F” is the aggregate value, as at the Calculation Time, of all the assets of the relevant Cell attributable to the Class of Ordinary Shares in the Cell which corresponds to the relevant Class and tranche of C Shares calculated in accordance with the valuation principles set out in Article 8 of these Articles;

“G” is the amount which (to the extent not otherwise deducted in the calculation of “F”) in the Directors’ opinion fairly reflects the amount of the liabilities and expenses attributable to the Class of Ordinary Shares in the relevant Cell which corresponds to the relevant Class and tranche of C Shares as at the Calculation Time (including, for the avoidance of doubt, the full amount of all dividends declared but not paid);

“H” is the number of Ordinary Shares of the relevant Class in issue as at the Calculation Time;

“J” is, in respect of a Class and tranche of C Shares, a multiplier being one plus a fraction, representing the premium (if any) to be applied to the value of ‘B’, as the Directors in their absolute discretion determine.

Provided always that:

- (i) the Directors shall make such adjustments to the value or amount of “A” and/or “B” as they shall determine to be appropriate having regard, *inter alia*, to the assets and liabilities of the Company and the relevant Cell immediately prior to the Issue Date and/or the Conversion Time and/or to the reasons for the issue of the C Shares of the relevant Class and tranche;
- (ii) in relation to any Class and tranche of C Shares, the Directors may, as part of the terms of issue of any tranche, amend the definition of Conversion Ratio in relation to that tranche; and
- (iii) where valuations are to be made as at the Calculation Time and the Calculation Time is not a Business Day, the Directors shall apply the provisions of this definition as if the Calculation Time were the preceding Business Day; and

“**Conversion Time**” means, in relation to any Class and tranche of C Shares, a time which falls after the Calculation Time and is the time at which the admission of the New Shares to listing on the Official List of the UKLA and to trading on the London Stock Exchange’s main market for listed securities becomes effective and which is the earlier of:

- (i) the opening of business on such Business Day as is selected by the Directors *provided that*, in normal circumstances, such day shall not be more than thirty-five Business Days after the Calculation Time; or
- (ii) such earlier date as the Directors may resolve should Force Majeure Circumstances have arisen or the Directors resolve that such circumstances are in contemplation;

provided that the Conversion Time may be delayed to such other time as the Directors in their absolute discretion determine where (i) the Index Administrator is unable to provide what the Directors, in consultation with the Investment Manager, consider to be a reasonably accurate estimate of the Index level for the relevant month end or (ii) the determination of the Net Asset Value per Share is suspended.

“**Force Majeure Circumstances**” means in relation to any Class and tranche of C Shares any political and/or economic circumstances and/or actual or anticipated changes in fiscal or other legislation which, in the reasonable opinion of the Directors, renders Conversion necessary or desirable.

“**Index**” means the RBC Hedge 250 Index®.

“**Index Administrator**” means RBC Capital Markets Corporation or such person or persons from time to time as may assume the role of index administrator.

“**Issue Date**” means the date on which the relevant tranche of C shares is issued.

“**New Shares**” means Ordinary Shares of the relevant Class arising on the conversion of the C Shares of the relevant Class and tranche.

“**Ordinary Share**” means an ordinary share of no par value of the relevant Class in the relevant Cell arising on Conversion.

“**Ordinary Share Surplus**” in relation to the relevant corresponding Class of Ordinary Shares in the relevant Cell means the net assets of the relevant Cell attributable to the Ordinary Shares of that Class, being the assets attributable to the Ordinary Shares in that Class less such proportion of the Company’s and the relevant Cells’ liabilities as the Directors shall reasonably allocate to such Ordinary Shares.

“**UKLA**” means the United Kingdom Listing Authority.

References to “Ordinary Shareholders” and “C Shareholders” shall be construed as references to holders for the time being of Ordinary Shares and C Shares.

For the purposes of this Article 46 the assets or investments attributable to the C Shares of a Class and tranche shall mean the net cash proceeds (after all expenses relating thereto) of the issue of the C Shares of that Class and tranche as invested in or represented by investments or cash or other assets from time to time.

46.2 *(Issues of C Shares)*

- (a) Subject to the Laws, the Directors shall be authorised to issue C Shares in tranches on such terms as they determine *provided that* such terms are consistent with the provisions of Article 46. The Directors shall, on the issue of each tranche of C Shares, determine the Calculation Time and Conversion Time together with any adjustments or amendments to the definition of Conversion Ratio attributable to each such tranche and the value of “J” in the Conversion Ratio.
- (b) Each tranche of C Shares, if in issue at the same time, shall be deemed to be a separate class of shares. The Directors may, if they so decide, designate each tranche of C Shares in such manner as they see fit in order that each tranche of C Shares can be identified.

46.3 **(Dividends and Pari Passu Ranking of C Shares and New Shares)**

The holders of C Shares of a tranche shall be entitled to receive, and participate in, any dividends declared only insofar as such dividend is attributed, at the absolute discretion of the Directors, to the C Shares of that tranche. Any dividend in respect of the C Shares of a tranche may only be paid out of distributable profits attributable to the C Shares of that tranche in accordance with the Laws.

If any dividend is declared after the issue of any tranche of C Shares and prior to the Conversion of that tranche, the holders of the corresponding Class of Ordinary Shares shall be entitled to receive and participate in such dividend only insofar as such dividend is not attributed, at the absolute discretion of the Directors, to the C Shares of the relevant tranche.

The New Shares shall rank in full for all dividends and other distributions declared, made or paid after the Conversion Time and otherwise *pari passu* with the Ordinary Shares in issue at the Conversion Time.

46.4 **(Rights as to Capital)**

The capital and assets of the Company shall, on a winding-up or on a return of capital (other than a redemption) prior, in each case, to Conversion be applied as follows:

- (a) the Ordinary Share Surplus shall be divided amongst the holders of Ordinary Shares of the relevant Class, according to the rights attaching thereto as if the Ordinary Share Surplus comprised the assets of the Class available for distribution; and
- (b) the C Share Surplus shall be divided amongst the holders of C Shares *pro rata* according to their holdings of C Shares.

46.5 **(Voting and Transfer)**

The C Shares shall carry the right to receive notice of, and to attend or vote at, any general meeting of the Company or a Cell or Class meeting and on a show of hands (if present in person) to one vote, and on a poll (if present in person or by proxy) to one vote in respect of each undivided C Share held by him. The C Shares shall be transferable in the same manner as the Ordinary Shares.

46.6 **(Redemption)**

- (a) The C Shares are issued on terms that each tranche of C Shares shall be redeemable by the Company at the absolute discretion of the Directors in accordance with the terms set out in the Articles.
- (b) At any time prior to Conversion, the Company may, at the absolute discretion of the Directors, redeem all or any of the C Shares then in issue by agreement with any holder(s) thereof in accordance with such procedures as the Directors may determine (subject to the facilities and procedures of CREST) and in consideration of the payment of such redemption price as may be agreed between the Company and the relevant holders of C Shares.

46.7 **(Class Consents and Variation of Rights)**

Without prejudice to the generality of the Articles, until Conversion the consent of the holders of the C Shares as a class shall be required for, and accordingly, the special rights attached to the C Shares shall be deemed to be varied, *inter alia*, by:

- (a) any alteration to the memorandum of association of the Company or the Articles; or
- (b) any alteration, increase, consolidation, division, sub-division, cancellation, reduction or purchase by the Company of any issued or authorised share capital of the Company (other than a buyback, a redemption or on Conversion); or

- (c) any allotment or issue of any security convertible into or carrying a right to subscribe for any share capital of the Company or any other right to subscribe or acquire share capital of the Company; or
- (d) the passing of any resolution to wind up the Company; or
- (e) the selection of any accounting reference date other than 30 June.

46.8 (Undertakings)

Until Conversion, and without prejudice to its obligations under the Law, the Company shall in relation to each tranche of C Shares:

- (a) procure that the Company's records and bank accounts shall be operated so that the assets attributable to the C Shares of the relevant tranche can, at all times, be separately identified and, in particular but without prejudice to the generality of the foregoing, the Company shall procure that separate cash accounts shall be created and maintained in the books of the Company for the assets attributable to the C Shares of the relevant tranche; and
- (b) allocate to the assets attributable to the C Shares of the relevant Class and tranche such proportion of the expenses or liabilities of the Company incurred or accrued between the Issue Date and the Calculation Time (both dates inclusive) as the Directors fairly consider to be attributable to the C Shares of the relevant Class and tranche including, without prejudice to the generality of the foregoing, those liabilities specifically identified in the definition of "Conversion Ratio" above; and
- (c) give appropriate instructions to the Investment Manager to manage the Company's assets so that such undertakings can be complied with by the Company.

46.9 (Conversion)

In relation to each Class and tranche of C Shares, the C Shares shall be converted into New Shares at the Conversion Time in accordance with the following provisions of this paragraph.

- (a) The Directors shall procure that the Administrator shall be requested to calculate, within 20 Business Days after the Calculation Time, the Conversion Ratio as at the Calculation Time and the number of New Shares to which each holder of C Shares of that tranche shall be entitled on Conversion whereupon, subject to the proviso in the definition of Conversion Ratio above, such calculations shall become final and binding on the Company and all Members, provided that the Calculation Time and/or the Conversion Time may be delayed as the Directors in their absolute discretion determine where (i) the Index Administrator is unable to provide what the Directors, in consultation with the Investment Manager, consider to be a reasonably accurate estimate of the Index level for the relevant month end or (ii) the determination of the Net Asset Value per Share is suspended.
- (b) The Directors shall procure that, as soon as practicable following such calculation, an announcement is made to a regulatory information service, advising holders of C Shares of that tranche of the Conversion Time, the Conversion Ratio and the aggregate number of New Shares to which holders of C Shares of that tranche are entitled on Conversion.
- (c) Conversion shall take place at the Conversion Time. On Conversion each issued C Share of the relevant Class and tranche shall automatically convert into such number of New Shares (such conversion being deemed to be authorised by the special resolution creating the C Shares) as shall be necessary to ensure that, upon Conversion being completed, the aggregate number of New Shares created and held by a C Shareholder equals the aggregate number of C Shares of that Class and tranche held by the relevant C Shareholder at the Calculation Time multiplied by the Conversion Ratio (rounded down to the nearest whole New Share). Fractions of New Shares will not be created.
- (d) Forthwith upon Conversion, any certificates relating to C Shares of the relevant tranche shall be cancelled and the Company shall issue to each such former C Shareholder new certificates in respect of the New Shares which have arisen upon Conversion unless such former holder of any C Shares elects to hold his New Shares in uncertificated form.

2. The definition of “Shares” in Article 1.1 shall be amended to read “All the shares from time to time in issue in the Company including, without limitation, Management Shares, Ordinary Shares and Class C Shares.”
3. The following shall be inserted immediately after Article 1.5:
“1.6 In respect of the C Shares exclusively, references to:
 - (i) “Cell Holder” and “Shareholder” shall be deemed to refer to “Member” in: the definition of “Cell Meeting” in Article 1.1; and in Articles 5, 7, 11, 13, 31, and 44; and
 - (ii) “Ordinary Shares” shall be deemed to refer to “Shares” in: the definitions of “Issue Date”, “Net Asset Value per Share”, and “Specific Terms and Conditions” in Article 1.1; and in Articles 1.5, 3, 5, 6, 7, 11, 13, 31 and 44.”

20 August 2007
By Order of the Board
HSBC Securities Services (Guernsey) Limited
Company Secretary

Registered Office
PO Box 208
Arnold House
St. Julian’s Avenue
St. Peter Port
Guernsey GY1 3NF
Channel Islands

Notes:

1. Only Shareholders are entitled to attend or be represented and to vote on the resolutions at this meeting.
2. A Shareholder entitled to attend and vote is entitled to appoint a proxy (or proxies) to attend and, on a poll, vote instead of him. A proxy need not be a Shareholder.
3. A Form of Proxy is provided. Deposit of a Form of Proxy will not prevent a Shareholder from subsequently attending the Extraordinary General Meeting and voting in person.
4. To be effective, a Form of Proxy, and any power of attorney or other authority under which it is signed (or a copy of any such authority certified notarially) must be completed, signed and lodged with Capita IRG Plc (Proxies) at PO Box 25, Beckenham, Kent, BR3 4BR not less than 48 hours before the time for holding the meeting or adjourned meeting.
5. No Shareholder will be entitled to be present or vote at the Extraordinary General Meeting either personally or by proxy unless their name appears on the Register of Members of the Company on 12 September 2007.
6. The quorum requirement at the meeting is a person or persons holding or representing not less than one tenth by number of the issued Shares. If a quorum is not present the meeting will be adjourned to 4.30 p.m. on 26 September 2007. Any Shareholders then present in person at the adjourned meeting will constitute a quorum. Forms of Proxy submitted for the original meeting will remain valid for the adjourned meeting.
7. A copy of the full terms of the proposed New Articles is available for inspection at the Company’s registered office from today until the close of the EGM and at the EGM for at least 15 minutes prior to and during the meeting.

FORM OF PROXY

**NEW STAR RBC HEDGE 250 INDEX EXCHANGE TRADED SECURITIES
PCC LIMITED
(the "Company")**

EXTRAORDINARY GENERAL MEETING OF THE COMPANY

For use by holders of shares ("Shares") of the Company at an extraordinary general meeting of the Company (the "EGM") to be held at 4.30 p.m. on 12 September 2007 at Arnold House, St Julian's Avenue, St Peter Port, Guernsey, GY1 3NF, Channel Islands.

Please complete in block capitals

I/We

of

being (a) holder(s) of Shares of the Company hereby appoint the Chairman of the Meeting (see note 1 below)

.....

to act as my/our proxy/proxies to vote for me/us on my/our behalf at the EGM to be held at 4.30 p.m. on 12 September 2007 and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote on the special resolution set out in the notice convening the EGM as follows:

Special Resolution	For	Against
To consent to the passing as a special resolution of the Company and carrying into effect of the resolution making certain amendments to the Articles of Association of the Company set out in the notice convening an Extraordinary General Meeting of the Company for 12 September 2007 (or any adjournment of such meeting).		

Signedthisday of2007

To be valid, the form of proxy must be lodged with Capita IRG Plc (Proxies) at PO Box 25, Beckenham, Kent, BR3 4BR not less than 48 hours before the time fixed for the meeting.

Notes

1. A holder of Shares ("Shareholder") entitled to attend and vote is entitled to appoint one or more proxies of his or her own choice. Such proxy or proxies need not be a Shareholder. If such an appointment is made, delete the words "the Chairman of the Meeting" and insert the name(s) of the person(s) appointed proxy in the space provided.
2. If the appointer is a corporation, this form must be under its common seal or under the hand of some other officer or attorney duly authorised on its behalf.
3. In the case of joint holders, the signature of any one holder will be sufficient, but the names of all the joint holders should be stated.
4. Please indicate how you wish to vote by placing an "X" in the appropriate box. If this form is returned without any direction as to how the person appointed shall vote, the proxy/proxies may exercise his/their discretion as to how he/they vote(s) or whether he/they abstain(s) from voting.
5. To be valid, this form and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must reach the Company's registrars at the address overleaf not less than 48 hours before the time fixed for holding the meeting. Completion and return of this form shall not preclude a Shareholder from attending and voting at the meeting in person.
6. No Shareholder will be entitled to be present or vote at the Extraordinary General Meeting either personally or by proxy unless their name appears on the Register of Members of the Company on 12 September 2007.



Second Fold

BUSINESS REPLY SERVICE
Licence No. MB 122



Capita IRG Plc (Proxies)
PO Box 25
Beckenham
Kent BR3 4BR

First Fold

Third Fold and tuck in

