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If you have sold or transferred all your shares in New Star Private Equity Investment Trust PLC, please send this document, 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 transmission to the purchaser or transferee.

Winterflood Securities Limited, which is regulated by the Financial Services Authority, is acting for New Star Private Equity Investment Trust PLC and no-one else in relation to the authority to make market purchases and Waiver Resolution and will not be responsible to any other person for providing the protections afforded to customers of Winterflood Securities Limited nor for providing advice in relation to the waiver nor any other matter referred to in this document.

NEW STAR PRIVATE EQUITY INVESTMENT TRUST PLC

(Registered in England and Wales under no. 159836)

Notice of Annual General Meeting

including

**the renewal of the authority to make
market purchases of its ordinary shares,**

**the waiver of the mandatory offer provisions
set out in Rule 9 of the Code and certain other matters**

Notice of the Annual General Meeting of the Company to be held at 1 Knightsbridge Green, London, SW1X 7NE at 12 noon on 26 June 2008 is set out at the end of this document. The Form of Proxy for use by Shareholders at this meeting accompanies this circular and should be completed and returned in accordance with the instructions printed thereon so as to be received by the Company's registrars, Capita Registrars, as soon as possible and in any event not later than 12 noon on 24 June 2008. PLEASE COMPLETE AND RETURN A FORM OF PROXY OR (FOR UNCERTIFICATED HOLDERS) USE THE CREST ELECTRONIC PROXY APPOINTMENT SERVICE.

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PART I – LETTER FROM THE CHAIRMAN

NEW STAR PRIVATE EQUITY INVESTMENT TRUST PLC

(registered in England and Wales with registered number 159836)

Directors

John Mackie CBE (Chairman)
Terry Connor
Barry Dean
John Duffield
Ian Orrock

Registered Office

1 Knightsbridge Green
London
SW1X 7NE

30 May 2008

Dear Shareholder

1. Introduction

The purpose of this letter is to provide you with an explanation of the resolutions to be proposed at the AGM of the Company, which will be held at 1 Knightsbridge Green, London, SW1X 7NE at 12 noon on 26 June 2008 and to seek your approval of them. The Notice of AGM is set out on pages 16 to 19 of this document.

The first part of the AGM (resolutions 1 to 5) will address the ordinary business of the AGM. The second part of the AGM (resolutions 6 to 11) will seek the necessary shareholder approvals for:

- the authority to allot Shares;
- the authority to disapply pre-emption rights;
- a further authority to disapply pre-emption rights in relation to treasury Shares and to sell Shares from treasury subject to certain conditions;
- the authority to make market purchases of Shares;
- a waiver which the Panel has agreed to grant (subject to Independent Shareholders' approval) of any obligation on New Star under Rule 9 of the Code which might arise if the Company were to make purchases of Shares pursuant to the authority to make market purchases; and
- the adoption of new Articles of Association.

The Resolutions to be proposed at the AGM are explained in further detail below.

2. Ordinary business

The ordinary business of the AGM comprises resolutions 1 to 5 inclusive.

Resolution 1: Annual Accounts

Resolution 1 seeks the approval of the Annual Accounts by Shareholders. Shareholders will be given an opportunity to ask questions regarding the Annual Accounts at the AGM. A copy of the Annual Accounts accompanies this document.

Resolution 2: Directors' remuneration report

Resolution 2 seeks Shareholders' approval of the Directors' Remuneration Report in compliance with the 1985 Act. The Directors' Remuneration Report, which is set out on pages 27 and 28 of the Annual Accounts, explains the Company's policy on Directors' remuneration and provides detail of the remuneration paid to the Directors for the year ended 31 December 2007. As required by the 1985 Act, the Company's auditors, Deloitte & Touche LLP, have audited those parts of the Directors' remuneration report required to be audited and their report may be found on pages 35 and 36 of the Annual Accounts.

Resolutions 3 and 4: election and re-election of Directors

Mr Duffield was appointed during the year and therefore, in accordance with the Articles of Association, stands for election at the AGM (Resolution 3). In accordance with the Listing Rules,

Mr Duffield will stand for re-election annually as he is not independent of the Manager. Mr Orrock retires by rotation at the AGM and, being eligible, stands for re-election (Resolution 4).

Neither Mr Duffield nor Mr Orrock has a contract of service with the Company nor are they entitled to compensation in the event of their ceasing to be Directors. The Board considers that both Mr Duffield and Mr Orrock make a valuable contribution to the Board and recommend that Shareholders vote in favour of their election / re-election.

Resolution 5: appointment and remuneration of auditors

The Company is required to appoint auditors at each general meeting at which accounts are laid before the Company, to hold office until the conclusion of the next Annual General Meeting. This resolution, on the Audit Committee's recommendation, proposes the reappointment of Deloitte & Touche LLP as auditors of the Company and authorises the Directors to fix their remuneration. In accordance with its terms of reference, the Audit Committee will approve the terms of engagement and the level of audit fees payable by the Company to the auditors and recommend them to the Board.

3. Special business

The special business of the AGM comprises resolutions 6 to 11 inclusive.

Resolution 6: allotment of Shares

By law, directors are not permitted to allot new shares (or to grant rights over shares) unless authorised to do so by shareholders. Resolution 6, which will be proposed as an ordinary resolution, gives the Directors the authority to allot securities up to an aggregate nominal amount of £49,055 (which is equivalent to five per cent of the issued share capital (excluding treasury Shares) of the Company at the date of this document). The authority granted by resolution 6 will expire at the conclusion of the AGM in 2009. Whilst the Directors have no present intention of exercising this authority, Resolution 6 provides flexibility to the Directors to increase the assets of the Company by the issue of new Shares, should any favourable opportunities arise to the advantage of Shareholders.

At the date of this circular, the Company held 60,000 Shares in treasury representing 0.30 per cent. of the Company's issued ordinary share capital (excluding treasury shares) as at 29 May 2008 (being the latest practicable date before publication of this circular).

Resolution 7: Disapplication of pre-emption rights

Resolution 7, which will be proposed as a special resolution, seeks Shareholder approval to allot ordinary shares (a) in connection with a rights issue, open offer or similar offering or (b) (otherwise than in connection with a rights issue, open offer or similar offering) with an aggregate nominal value of £49,055, which is equivalent to five per cent. of the issued share capital of the Company (excluding treasury Shares) at the date of this document without first offering them to existing shareholders in proportion to their holdings.

Resolution 8: Authority to sell treasury Shares and further disapplication of pre-emption rights

The Directors consider it desirable, in order to encourage liquidity in the Shares, that the Company be authorised to sell treasury Shares in the market at a discount to the latest published Net Asset Value per Share, provided always that the sale price represents a discount that is lower than the average discount at which the treasury Shares were purchased.

For these purposes, the average discount at which the treasury Shares were purchased would be the average of the discount to the then-prevailing published Net Asset Value per Share at which each treasury Share was acquired. When treasury Shares are sold or cancelled, the average price and average discount would be adjusted using the "first in, first out" method.

The Listing Rules require the Company to obtain the prior authority of Shareholders without first being obliged to offer the Shares *pro rata* to existing Shareholders in order to be able to reissue Shares held in treasury at a price less than the prevailing Net Asset Value.

Resolution 8, which will be proposed as a special resolution, seeks Shareholder approval to sell treasury Shares on the basis described above with an aggregate nominal value of £98,111 (which is equivalent to 10 per cent. of the issued share capital of the Company (excluding treasury Shares) at the date of this document) without first offering them to existing shareholders in proportion to their holdings.

Resolution 9: Authority to make market purchases

Resolution 9, which will be proposed as a special resolution, authorises the Company to purchase in the market up to a maximum of 2,941,369 ordinary shares (or such lesser number of ordinary shares as is equivalent to 14.99 per cent. of the issued share capital (excluding treasury Shares) at the date of the AGM). The Directors would use this authority with the objective of enhancing Shareholder value and / or reducing the discount of the Share price to the NAV per Share. Purchases would only be made, within guidelines established by the Board, through the market for cash at prices below the prevailing NAV per Share, which is intended to have the effect of increasing the NAV per Share for remaining Shareholders. The maximum price to be paid will not be more than the higher of:

1. five per cent. above the average of the middle market quotations for Shares during the five Business Days preceding any such purchase; and
2. the higher of:
 - a. the price of the last independent trade in Shares; and
 - b. the highest current independent bid relating thereto on the trading venues where the purchase is carried out.

The minimum price will be five pence, being the nominal value of a Share.

Listed companies purchasing their own shares are allowed to hold them in treasury as an alternative to cancelling them. No dividends are paid on shares whilst held in treasury and no voting rights attach to treasury shares.

If Resolution 9 is passed at the AGM, it is the Company's current intention to cancel or hold in treasury the Shares it may purchase pursuant to the authority granted to it. In order to respond properly to the Company's capital requirements and prevailing market conditions, the Directors will need to reassess at the time of any and each actual purchase whether to hold the Shares in treasury or cancel them, provided it is permitted to do so. The Company is only permitted to hold a maximum of up to 10 per cent. of its issued share capital in treasury.

The authority granted by Resolution 9 (which replaces the existing authority granted at the Extraordinary General Meeting held on 30 July 2007) will continue until the expiry of 18 months from the passing of the resolution unless it is varied, revoked or renewed prior to that date by the Company in general meeting.

Resolution 10: waiver of mandatory offer provisions set out in Rule 9 of the Takeover Code

As part of the Company's reconstruction proposals in July 2007, funds managed by New Star committed to make an investment in the Company. Following the reconstruction, the New Star Funds held a 44.35 per cent interest in aggregate of the Company's issued share capital. At the date of this document, and subsequent to the previous Rule 37 whitewash granted at the Extraordinary General Meeting held on 30 July 2007, the New Star Funds were interested in 8,729,955 Shares, representing approximately 44.49 per cent. of the Shares carrying voting rights of the Company.

The Waiver Resolution seeks Independent Shareholders' approval of a waiver of the obligation that could arise on the New Star Funds to make a general offer for the entire issued share capital of the Company as a result of purchases by the Company of Shares pursuant to the authority to make market purchases contained in Resolution 9.

Under Rule 9 of the Code, any person who acquires an interest (as such term is defined in the Code) in shares which, taken together with the shares in which he and persons acting in concert

with him are interested, carry 30 per cent. or more of the voting rights in a company which is subject to the Code, is normally required to make a general offer to all of the remaining shareholders to acquire their shares.

Similarly, when any person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. but does not hold shares carrying more than 50 per cent. of the voting rights of such a company, a general offer will normally be required if any further interests in shares are acquired by any such person.

A Rule 9 offer would have to be made in cash at a price not less than the highest price paid by him, or by any member of the group of persons acting in concert with him, for any interest in shares of the company during the 12 months prior to the announcement of the offer.

Any increase in the percentage holding of a shareholder which results from a company buying back its own shares will also be treated as an acquisition for the purposes of Rule 9 of the Code.

A purchase of Shares by the Company pursuant to the authority to make market purchases contained in Resolution 9 could increase the percentage of voting rights held by the New Star Funds which could result in the New Star Funds being obliged to make a general offer for the entire Share capital of the Company.

If the authority to make market purchases was to be exercised in full over Shares held other than by the New Star Funds, their resulting maximum potential controlling position would be 52.34 per cent. In no circumstances, however, will the Company make market purchases of Shares which would result in the percentage of voting rights in which the New Star Funds are interested exceeding 49.9 per cent. However, under Rule 9 of the Code, the Panel would normally require New Star or the New Star Funds to make a general offer to Shareholders in these circumstances.

In accordance with Rule 37 of the Code, the Takeover Panel has agreed to waive any requirement on the New Star Funds to make a general offer to all Shareholders of the Company which could arise out of a purchase of Shares by the Company, provided that the Company obtains approval of Independent Shareholders on a poll.

John Duffield, as Chairman and significant shareholder in New Star, is not an independent director for the purposes of the Code. Accordingly, he is excluded from the recommendation to Independent Shareholders relating to Resolution 10.

The purpose of Resolution 10, which will be proposed as an ordinary resolution and voted on by means of a poll, is to seek Independent Shareholders' approval of the waiver granted by the Takeover Panel. This approval, if granted, will expire at the 2009 Annual General Meeting or, if earlier, 12 months from the passing of Resolution 10.

Resolution 11: Articles of Association

Resolution 11, to be proposed as a special resolution, would adopt new Articles of Association. The new Articles that are proposed to be adopted reflect certain provisions of the 2006 Act regarding a Director's appointment, interests and conflicts of interest. Set out below is a summary of the main differences between the current and the proposed new Articles. This summary has been prepared in order to assist shareholders in understanding the rationale for and substance of the proposed amendments. Although the new Articles are largely unchanged from our current Articles, it is considered preferable to adopt new Articles rather than merely propose amendments as this allows for the relevant resolution to be more straightforward. The number identifying each Article, unless otherwise indicated, corresponds to the numbering used in the current Articles.

The 2006 Act sets out Directors' general duties. These duties largely codify the existing law. Under the 2006 Act, from 1 October 2008 a Director has a statutory duty to avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the Company's interests. The requirement is very broad and could apply, for example, if a Director becomes a Director of another company or a trustee of another organisation. The 2006 Act allows Directors of public companies to authorise conflicts and potential conflicts (where

appropriate) provided the Articles contain a provision to this effect. The 2006 Act also allows the Articles to contain other provisions for dealing with Directors' conflicts of interest to avoid a breach of duty.

Article 101, which is the provision for dealing with conflicts in our current Articles, allowing Directors to be interested in transactions and to be an officer of or employed by or interested in a body corporate in which the Company is interested, has been amended so that it confirms that such interests, offices or employment will not infringe the conflicts duty as codified in the 2006 Act.

New Article 102 gives the Directors authority to approve conflict situations (including other directorships held by the Company's Directors) and contains other provisions to allow conflicts of interest to be dealt with in a similar way to the current position.

There are safeguards that will apply when Directors decide whether to authorise a conflict or potential conflict. First, only Directors who have no interest in the matter being considered will be able to take the relevant decision, and secondly, in taking the decision the Directors must act in a way they consider, in good faith, will be most likely to promote the Company's success. The Directors will be able to impose limits or conditions when giving authorisation if they think this is appropriate.

The proposed new Article 102 also contains provisions relating to confidential information, attendance at board meetings and availability of board papers to protect a Director from being in breach of duty if a conflict of interest or potential conflict of interest arises. These provisions will only apply where the position giving rise to the potential conflict has previously been authorised by the Directors.

The proposed amendment to Article 105 and the deletion of Article 111 (which each deal with the quorum requirement for board meetings) clarifies that a Director cannot count in the quorum for a matter or resolution on which he is not entitled to vote but that he may count in the quorum for the other matters or resolutions to be considered or voted on at the relevant meeting.

Action to be taken

Shareholders will find a Form of Proxy for use at the AGM enclosed with this document. Whether or not Shareholders intend to attend the AGM, they should complete and return the Form of Proxy by post or by hand (during normal business hours only) to Capita Registrars, PO Box 25, Beckenham, Kent, BR3 4BR if they hold their Shares in certificated form or by hand (during normal business hours only) to Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TH. Shareholders who hold Shares in uncertificated form may utilise the CREST electronic proxy voting service as explained in the notes to the Notice of AGM set out at the end of this document. Completion and return of a Form of Proxy will not affect a Shareholder's right to attend and vote at the Annual General Meeting. To be validly received, the Form of Proxy must be deposited with Capita Registrars so as to be received no later than 12 noon on 24 June 2008.

Recommendation

The Board believes that the proposals set out above regarding the resolutions to be proposed at the AGM (other than the Waiver Resolution which was considered only by the Independent Directors, whose recommendation is set out below) are in the best interests of Shareholders as a whole. Accordingly, the Board recommends that Shareholders vote in favour of Resolutions 1 to 9 and Resolution 11 to be proposed at the AGM as the Directors intend to do in respect of their own beneficial holdings of Shares which amount to approximately 0.18 per cent. of the issued Shares (excluding Shares held in treasury).

The Independent Directors, who have been so advised by Winterflood, consider that Resolution 10, which permits the dispensation provisions under Rule 9 of the Code, is in the best interests of Shareholders as a whole. In providing this advice, Winterflood has taken into account the Independent Directors' commercial assessment. Accordingly, the Independent Directors unanimously recommend that Independent Shareholders vote in favour of Resolution 10 to be

proposed at the AGM as the Independent Directors intend to do in respect of their own beneficial holdings of Shares which amount to approximately 0.18 per cent. of the issued Shares (excluding Shares held in treasury).

John Duffield, as Chairman and significant Shareholder in New Star, is not an independent director for the purposes of the Code. Accordingly, he is excluded from the recommendation in relation to Resolution 10.

Yours sincerely

John Mackie CBE

Chairman

PART II – ADDITIONAL INFORMATION

1. Responsibility

The Directors accept responsibility for the information set out in this circular. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that it is the case), the information for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

The directors of New Star accept responsibility for all the information specifically relating to New Star and funds managed by New Star. To the best of their knowledge and belief (having taken all reasonable care to ensure that it is the case), the information for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Interests in Shares

- (a) At the close of business on 29 May 2008, being the latest practicable date prior to the publication of this document, the interests of the Directors and their connected persons (the existence of whom was known to, or could, with reasonable diligence, have been ascertained by, the relevant Director) in the Shares were as follows:

<i>Director</i>	<i>Beneficial</i>	<i>Non-beneficial</i>
John Mackie	24,500	nil
Terry Connor	2,000	nil
Barry Dean	4,000	nil
John Duffield*	nil	653,692
Ian Orrock	5,217	nil

* Mr Duffield has a non-beneficial interest in the Shares as a result of his holding of 59.14 per cent. of the issued share capital of New Star Investment Trust PLC. New Star Investment Trust PLC has a beneficial interest in the Shares as disclosed in paragraph 2(b)(vi) below.

The Directors have dealt for value in the Shares during the 12 months prior to 29 May 2008, being the latest practicable date prior to the publication of this document, as follows:

<i>Director</i>	<i>Date</i>	<i>Transaction</i>	<i>Number of Shares</i>	<i>Price (pence)</i>
John Mackie	21 August 2007	Purchase	5,000	287.00
	13 May 2008	Purchase	19,500	256.50
Terry Connor	21 August 2007	Purchase	2,000	286.60
Barry Dean	21 August 2007	Purchase	4,000	287.11
Ian Orrock	21 August 2007	Purchase	5,217	287.50

- (b) The New Star Funds held 8,729,955 Shares in the Company (representing 44.35 per cent. of the Shares in issue) at 29 May 2008 and had no other interests, rights to subscribe or short positions in Shares in the Company. The holding is held across seven funds and several private client portfolios which are all managed on a discretionary basis by New Star. Further details on New Star and the seven funds which currently own Shares in the Company are as follows:

- (i) New Star Asset Management Limited is a subsidiary of New Star Asset Management Group PLC. The New Star group of companies provides asset management products and services to retail and institutional investors and had total assets under management of approximately £20.3 billion at 18 March 2008. The directors of New Star are J L Duffield (Chairman), S Whittaker, G R Logan, M S Beale, R S Anand, M R L Astor, H J Covington, G C de Blonay, P Craig, R J Dossett, P R Evershed, J E J Gledhill, M J Groves, M A Harris, J P B Jay, J C Mould, R P Pease, P J Roantree, R F J H Ruvigny, F K Smith, M G Smith, G T Steer, T R K Thompson, C C Tritton and S J Ward.

- (ii) New Star Diversified Absolute Return Fund is a unit trust managed by Paul Craig and its address is 1 Knightsbridge Green, London, SW1X 7NE. It had £95 million of

assets at 30 April 2008 and at 29 May 2008 held 1,965,268 Shares. It was launched in May 1991 and its aim is to achieve a positive absolute return from a portfolio of securities. The fund invests in zero dividend preference shares, fixed interest securities, units in collective investment schemes, investment trusts, money market instruments, deposits and any other asset type deemed appropriate to meet the investment objective. The Royal Bank of Scotland plc acts as trustee.

- (iii) New Star Global Strategic Capital Unit Trust is a unit trust managed by Paul Craig and its address is 1 Knightsbridge Green, London, SW1X 7NE. It had £99 million of assets at 30 April 2008 and at 29 May 2008 held 1,136,423 Shares. It was launched in July 1987 and its aim is to achieve capital growth. The fund invests worldwide principally in a managed portfolio of investment trust shares and other closed-ended vehicles. The Royal Bank of Scotland plc acts as trustee.
- (iv) New Star UK Strategic Capital Unit Trust is a unit trust managed by Paul Craig and its address is 1 Knightsbridge Green, London, SW1X 7NE. It had £63 million of assets at 30 April 2008 and at 29 May 2008 held 1,852,847 Shares. It was launched in April 1989 and its aim is to achieve capital growth. The fund invests principally in the UK in a managed portfolio of investment trust shares and other closed-ended vehicles. The Royal Bank of Scotland plc acts as trustee.
- (v) New Star UK Strategic Income Unit Trust is a unit trust managed by Paul Craig and its address is 1 Knightsbridge Green, London, SW1X 7NE. It had £52 million of assets at 30 April 2008 and at 29 May 2008 held 300,000 Shares. It was launched in April 1988 and its aim is to achieve a high level of income. The fund invests principally in the UK in a managed portfolio of investment trust shares and other closed-ended vehicles. The Royal Bank of Scotland plc acts as trustee.
- (vi) New Star Investment Trust plc is an investment trust managed by Nick Brind and its address is 1 Knightsbridge Green, London, SW1X 7NE. It had assets of £99 million at 30 April 2008 and at 29 May 2008 held 1,105,329 Shares. The Company was launched in May 2000 and its aim is to achieve long-term capital growth. Its strategy is to invest in funds managed by New Star, both long-only and hedge, in New Star Asset Management Group shares and in other retail funds. James Roe (Chairman), John Duffield, Marcus Gregson and Geoffrey Howard-Spink are directors of the trust. New Star Investment Trust plc is a connected person of John Duffield and Mr Duffield has a non-beneficial interest in the Shares held by it as a result of him being a holder of approximately 60 per cent. of the issued share capital of that company.
- (vii) WorldInvest UK Recovery Unit Trust is a unit trust managed by John Jay and its address is 1 Knightsbridge Green, London, SW1X 7NE. It had assets of £2 million at 30 April 2008 and at 29 May 2008 held 8,138 Shares. The fund was established in September 2006 and its aim is to achieve capital growth. Its policy is to invest principally in the securities of UK companies quoted on the London Stock Exchange that are experiencing difficult trading or that have growth prospects that are not duly recognised by the market. The Royal Bank of Scotland plc acts as trustee.
- (viii) New Star Global Financials Fund is a fund of New Star OEIC, an umbrella open ended investment company, managed by Guy de Blonay and the address of the authorised corporate director is 1 Knightsbridge Green, London, SW1X 7NE. It had £287 million of assets at 30 April 2008 and at 29 May 2008 held 2,109,965 Shares. It was launched in December 2001 and its aim is to achieve long-term capital growth. The fund invests principally in the securities of financial services companies both in the UK and internationally. New Star Investment Funds Limited acts as authorised corporate director.

None of the New Star Funds individually owns 20 per cent. or more of the Company's issued share capital.

New Star Global Strategic Capital Unit Trust purchased 301,423 Shares on 2 July 2007 at a price of 331.7588 pence per Share. New Star UK Strategic Capital Unit Trust purchased 602,847 Shares on 2 July 2007 at a price of 331.7588 pence per Share. New Star Diversified Absolute Return Fund purchased 1,115,268 Shares on 2 July 2007 at a price of 331.7588 pence per Share. New Star Global Financials Fund purchased 1,808,542 Shares on 2 July 2007 at a price of 331.7588 pence per Share and purchased 301,423 Shares on 28 March 2008 at a price of 268.5 pence per Share. New Star Financials Hedge Fund purchased 301,423 Shares on 2 July 2007 at a price of 331.7588 pence per Share and sold 301,423 Shares on 28 March 2008 at a price of 268.5 pence per Share. Certain private client portfolios managed on a discretionary basis by New Star purchased in aggregate 273,080 Shares on 2 July 2007 at a price of 331.7588 pence per Share and sold 6,030 Shares on 18 October 2007 at a price of 307 pence per Share and 15,065 Shares on 24 January 2008 at a price of 285 pence per Share. New Star Investment Trust plc purchased 1,105,329 Shares on 2 July 2007 at a price of 331.7588 pence per Share. WorldInvest UK Recovery Unit Trust purchased 8,138 Shares on 2 July 2007 at a price of 331.7588 pence per Share.

The New Star Funds have not otherwise dealt for value in Shares nor interests in Shares, nor rights to subscribe in Shares nor short positions in Shares during the period beginning 12 months prior to 29 May 2008 (being the latest practicable date prior to the publication of this document).

Under its stock lending programme New Star Global Financials Fund lent 1,800,000 Shares on 29 October 2007 of which 1,784,467 were returned on 7 November 2007. The current balance of Shares lent by New Star Global Financials Fund is 15,533 Shares.

- (c) Save as disclosed in paragraph 2(b) above, none of the directors of the New Star Funds or any of the concert parties of the New Star Funds has any interests, rights to subscribe or short positions in any Shares. None of the directors of the New Star Funds or any of the concert parties of the New Star Funds has dealt in Shares, interests in Shares, rights to subscribe in Shares, or short positions in Shares during the period beginning 12 months prior to 29 May 2008 (being the latest practicable date prior to the publication of this document).
- (d) Save as disclosed in paragraph 2(b) above, neither the Company (or any of its concert parties) nor its Directors nor the New Star Funds (or any of their concert parties) has borrowed or lent any relevant securities.
- (e) Save as disclosed in paragraph 2(a) and 2(b)(vi) above, neither the Company nor any of its Directors has any interests, rights to subscribe or short positions in Shares or units in the New Star Funds.
- (f) Save as disclosed in paragraphs 2(a), none of the Directors, nor any person connected with a Director (within the meaning of sections 252 to 255 of the Companies Act 2006), has any interest (beneficial or non-beneficial) in the share capital of the Company or any of its subsidiaries.
- (g) At 29 May 2008 (being the latest practicable date prior to the publication of this document) none of the persons described in paragraph (h) below: (i) was interested, directly or indirectly, in any relevant securities, (ii) had any rights to subscribe for or any short position in any relevant securities or (iii) had entered into any agreement to sell any relevant securities or any delivery obligation or right to require another person to purchase or take delivery of any relevant securities.
- (h) The following persons are those persons referred to in paragraph (g) above: (i) any company which is an associate of the Company, (ii) connected advisers (as defined in the Code) to the Company or to any company which is an associate of the Company or to any Concert Party of the Company, (iii) any person controlling, controlled by, or under the same control as such connected adviser (except for any exempt principal trader or exempt fund manager), (iv) any pension fund of the Company or any associate of the Company and (v) any employee benefit trust of the Company or any associate of the Company.

- (i) In this paragraph 2:
- (w) references to an “associate” of any company are to its parent, subsidiaries and fellow subsidiaries, and their associated companies, and companies of which any such companies are associated companies (for this purpose ownership or control of 20 per cent. or more of the equity share capital of a company is regarded as the test of associated company status);
 - (x) “control” means a holding, or aggregate holdings, of shares carrying 30 per cent. or more of the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting, irrespective of whether the holding gives de facto control;
 - (y) “derivative” includes any financial product whose value, in whole or in part, is determined directly or indirectly by references to the price of an underlying security; and
 - (z) “relevant securities” means the Shares and any other securities of the Company carrying conversion or subscription rights into Shares.
- (j) There is no agreement, arrangement or understanding between the Company and New Star or any person considered to be acting in concert with New Star or any director or recent director or Shareholder or recent Shareholder of the Company or any other person having any connection with or dependence on, or which is conditional on, the approval of the Waiver Resolution.
- (k) New Star and the New Star Funds confirm that, save in respect of normal market transactions, it is not the present intention of New Star or the New Star Funds to transfer any of their respective shareholding in the Company to any other person or persons.
- (l) The Company is aware of the following persons who, as at the date of this document are directly or indirectly interested in three per cent. or more of the Shares as set out below:

<i>Name</i>	<i>Shareholding</i>	<i>Percentage</i>
New Star Funds	8,729,955	44.49
<i>of which:</i> New Star Investment Trust plc	1,105,329	5.63
Advance UK Trust	1,350,000	6.88
East Riding of Yorkshire Council	900,000	4.59

- (m) No payment of interest on, repayment of or security for any liability (contingent or otherwise) of the New Star Funds will depend on the business of the Company.

3. General

The middle market quotations for Shares on the first Business Day of each of the six months preceding the date of this document and on 29 May 2008 (being the latest practicable date prior to the publication of this document), as derived from the Daily Official List, were as follows:

<i>Date</i>	<i>Price (pence)</i>
3 December 2007	308.00
2 January 2008	299.75
1 February 2008	282.75
3 March 2008	278.50
1 April 2008	265.50
1 May 2008	255.50
29 May 2008	256.00

At 29 May 2008 (being the latest practicable date prior to the publication of this document), the Company had 19,682,212 Shares in issue. On 26 November 2007, the Company repurchased for cancellation 50,000 Shares at a price of 310 pence per Share. On 15 May 2008, the Company repurchased for cancellation 50,000 Shares at a price of 255 pence per Share. On 16 May 2008, the

Company re-purchased 60,000 Shares at a price of 255 pence per share and such Shares were placed in treasury. Accordingly, the Company has 60,000 Shares in treasury.

4. Significant change

There has been no significant change in the trading or financial position of the Company since 31 December 2007, the date to which the most recent year end audited accounts were prepared.

5. Consent

Winterflood Securities Limited has given and has not withdrawn its written consent to the issue of this document with the references to its name in the form and context in which they are included.

6. Documents available for inspection

Copies of the following documents will be available for inspection at the registered office of the Company, 1 Knightsbridge Green, London, SW1X 7NE, and at the offices of Herbert Smith LLP, Exchange House, Primrose Street, London, EC2A 2HS during normal business hours on weekdays (Saturdays, Sundays and public holidays excepted) from the date of this document until the conclusion of the AGM:

- (a) this circular;
- (b) the memorandum and articles of association of the Company;
- (c) the consent letter referred to in paragraph 5; and
- (d) the audited accounts of the Company for the years ended 31 December 2005, 31 December 2006 and 31 December 2007.

30 May 2008

DEFINITIONS

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

“AGM”	the Annual General meeting of the Company (or any adjournment thereof) to be held at 1 Knightsbridge Green, London, SW1X 7NE at 12 noon on 26 June 2008, notice of which is set out in this document
“Annual Accounts”	the annual report and accounts of the Company for the year ended 31 December 2007
“Board” or “Directors”	the board of directors of the Company
“Business Day”	any day other than a Saturday, Sunday or public holiday in England and Wales
“certificated” or “in certificated form”	not in uncertificated form
“Code”	The Code on Takeovers and Mergers
“Company”	New Star Private Equity Investment Trust PLC
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which CRESTCo is the Operator (as defined in the CREST Regulations)
“CRESTCo”	CRESTCo Limited
“CREST Manual”	the Reference Manual issued by CRESTCo dated September 2003
“CREST member”	a person who has been admitted by CRESTCo as a system-member (as defined in the CREST Regulations)
“CREST participant”	the relevant system (as defined in the CREST Regulations)
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (S.I. 2001 No 3755)
“CREST sponsor”	a CREST participant admitted to CREST as a CREST sponsor being a sponsoring system participant (as defined in the CREST Regulations)
“CREST sponsored member”	a CREST member admitted to CREST as a sponsored member
“Form of Proxy”	the Form of Proxy accompanying this document, for use by Shareholders in connection with the Annual General Meeting
“Independent Directors”	John Mackie CBE, Terry Connor, Barry Dean and Ian Orrock
“Independent Shareholders”	Shareholders excluding the New Star Funds
“Listing Rules”	The Listing Rules published by the Financial Services Authority
“London Stock Exchange”	London Stock Exchange plc

“Net Asset Value” or “NAV”	the net asset value of the Company calculated in accordance with AIC guidelines and the Company’s usual valuation policies
“New Star” or the “Manager”	New Star Asset Management Limited, the investment manager of the Company
“New Star Funds”	New Star Diversified Absolute Return, New Star Global Strategic Capital, New Star UK Strategic Capital, New Star UK Strategic Income, New Star Investment Trust plc, WorldInvest UK Recovery Unit Trust, New Star Global Financials Fund, New Star Financials Hedge Fund and certain private client portfolios managed on a discretionary basis by New Star
“1985 Act”	the Companies Act 1985 (as amended)
“Offeror”	an offeror for the purposes of the Code
“Panel” or “Takeover Panel”	The Panel on Takeovers and Mergers
“Register”	the register of Shareholders
“Registrars”	Capita Registrars
“Resolutions”	the resolutions set out in the notice of the Annual General Meeting at the end of this document
“Share”	an ordinary share of five pence each in the capital of the Company
“Shareholders”	holders of Shares
“Sterling” or “£”	the lawful currency of the United Kingdom
“2006 Act”	the Companies Act 2006
“uncertificated” or “in uncertificated form”	recorded on the Register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
“Waiver Resolution”	the ordinary resolution numbered 10 in the Notice of AGM approving a waiver of the mandatory offer provisions set out in Rules 9 and 37 of the Code
“Winterflood”	Winterflood Securities Limited

NOTICE OF ANNUAL GENERAL MEETING
NEW STAR PRIVATE EQUITY INVESTMENT TRUST PLC

(Registered in England and Wales No. 159836)

Notice is hereby given that the Annual General Meeting of the Company will be held at the offices of New Star Asset Management Limited, 1 Knightsbridge Green, London SW1X 7NE on Thursday, 26 June 2008 at 12 noon for the following purposes:

Ordinary Business

- 1 To receive the annual accounts for the year ended 31 December 2007.
- 2 To receive and approve the Directors' Remuneration Report for the year ended 31 December 2007.
- 3 To elect John Duffield as a Director.
- 4 To re-elect Ian Orrock as a Director.
- 5 To re-appoint Deloitte & Touche LLP as auditors and to authorise the Directors to determine their remuneration.

Special Business

- 6 To consider and, if thought fit, pass the following resolution as an ordinary resolution:

THAT the Directors be and they are hereby generally and unconditionally authorised in accordance with section 80 of the Companies Act 1985 to exercise all of the powers of the Company to allot relevant securities (as defined in Section 80(2) of that Act) up to an aggregate nominal amount of £49,055 during the period commencing on the date of the passing of this resolution and expiring at the conclusion of the Annual General Meeting in 2009 (unless previously revoked, varied or renewed, by the Company in general meeting), save that the Company shall be entitled to make offers or agreements before the expiry of such authority which would or might require relevant securities to be allotted after such expiry and the Directors shall be entitled to allot relevant securities pursuant to any such offer or agreement as if this authority had not expired.

- 7 To consider and, if thought fit, pass the following resolution as a special resolution:

THAT The Directors be and they are hereby empowered pursuant to Section 95 of the Companies Act 1985 to allot equity securities (within the meaning of Section 94 of that Act) for cash pursuant to the authority conferred by resolution 6 above as if Section 89(1) of that Act did not apply to any such allotment provided that this power be limited to:

- (a) the allotment of equity securities in connection with a rights issue, open offer or other offer of securities in favour of holders of shares on the register of members at such record date as the Directors may determine where the equity securities respectively attributable to the interests of the members are proportionate (as nearly may be) to the respective numbers of shares held by them on any such record date, subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with treasury shares, fractional entitlements or legal or practical problems arising under the laws of any overseas territory or the requirements of any regulatory body or stock exchange or by virtue of shares being represented by depository receipts or any other matter whatever; and
- (b) the allotment (otherwise than pursuant to sub-paragraph (a) above) to any person or persons of equity securities up to an aggregate nominal amount of £49,055,

and shall expire upon the expiry of the general authority conferred by resolution 6 above (unless previously revoked, varied or renewed, by the Company in general meeting), save that the Company shall be entitled to make offers or agreements before the expiry of such

power which would or might require equity securities to be allotted after such expiry and the Directors shall be entitled to allot equity securities pursuant to any such offer or agreement as if the power conferred hereby had not expired.

- 8 To consider and, if thought fit, pass the following resolution as a special resolution:

THAT the Directors be and they are hereby empowered pursuant to Section 95 of the Companies Act 1985 to sell treasury shares as if Section 89(1) of that Act did not apply to any such sale provided that

- (a) this power be limited to the sale (otherwise than pursuant to any authority conferred by Resolution 7 above) to any person or persons of treasury shares up to an aggregate nominal amount of £98,111; and
- (b) the Company be and is hereby and unconditionally authorised to sell treasury shares at a price per share that is less than the prevailing net asset value per share provided that the sale price represents a discount to the prevailing net asset value per share that is lower than the average discount at which the treasury shares were purchased,

and shall expire upon the expiry of the general authority conferred by resolution 6 above (unless previously revoked, varied or renewed, by the Company in general meeting), save that the Company shall be entitled to make offers or agreements before the expiry of such power which would or might require equity securities to be sold after such expiry and the Directors shall be entitled to sell equity securities pursuant to any such offer or agreement as if the power conferred hereby had not expired.

- 9 To consider and, if thought fit, pass the following resolution as a special resolution:

THAT the Company be and is hereby and unconditionally authorised in accordance with Section 166 of the Companies Act 1985 to make market purchases (within the meaning of Section 163 of that Act) of ordinary shares of 5 pence each in the capital of the Company on such terms and in such manner as the Directors may from time to time determine, provided that:

- (a) the maximum number of ordinary shares hereby authorised to be purchased is 2,941,369 (or such lesser number of ordinary shares as is equivalent to 14.99 per cent. of the issued share capital of the Company (excluding treasury Shares) at the date of the annual general meeting at which this resolution is passed);
- (b) the minimum price which may be paid for an ordinary share shall be five pence;
- (c) the maximum price which may be paid for an ordinary share shall be a price equal to the maximum amount permitted to be paid in accordance with the rules of the UK Listing Authority in force at the date of such purchase;
- (d) the minimum and maximum prices per ordinary share referred to in subparagraphs (b) and (c) of this resolution are in each case exclusive of any expenses payable by the Company;
- (e) the authority hereby conferred shall expire on 25 December 2009, unless such authority is varied, revoked or renewed prior to such time by the Company in general meeting; and
- (f) the Company may make a contract to purchase ordinary shares under the authority hereby conferred prior to the expiry of such authority which will or may be completed wholly or partly after the expiration of such authority and may make a purchase of ordinary shares pursuant to such contract.

- 10 To consider and, if thought fit, pass the following resolution as an ordinary resolution:

The conditional waiver granted by the Panel on Takeovers and Mergers of any requirement under Rule 9 of the Code for New Star and/or any of the New Star Funds

and/or any of their concert parties (within the meaning of the Code) to make a general offer to Shareholders of the Company as a result of any increase in the percentage holding of, or interests in, the Shares of the Company of the New Star Funds by reason of any market purchases of Shares pursuant to the authority of Resolution 9 contained in this Notice be and it is hereby approved. This authority will need to be renewed at the earlier of the expiry of 12 months following the passing of this resolution and the Company's annual general meeting in 2009. If the authority to make market purchases was exercised in full over non New Star Funds' Shares, the resulting maximum potential controlling position would be 52.34 per cent; however, in no circumstances will the Company make market purchases of its Shares which would result in the percentage of voting rights in which the New Star Funds are interested exceeding 49.9 per cent.

- 11 To consider and, if thought fit, pass the following resolution as a special resolution:

That the Articles of Association of the Company be and are hereby amended so that they shall be in the form of the amended Articles of Association produced to the meeting, marked "A" and initialled by the Chairman of the meeting for the purposes of identification.

By Order of the Board

New Star Asset Management Limited, Secretary

30 May 2008

Notes

- 1 Pursuant to Regulation 41(i) of the Uncertificated Securities Regulations 2001, to be entitled to attend and vote at the meeting (and for the purpose of the determination by the Company of the number of votes they can cast), members must be registered on the Company's Register of Members at 6.00 pm on 24 June 2008. If the Meeting is adjourned to a time not more than 48 hours after the specified time applicable to the original meeting, that time will also apply for the purposes of determining the entitlement of members to attend and vote (and for the purpose of determining how many votes they may cast) at the adjourned meeting. If however the meeting is adjourned for a longer period then, to be so entitled, members must be entered on the Company's Register of Members at the time which is not less than 48 hours before the time fixed for the adjourned meeting or, if the Company gives notice of the adjourned meeting, at the time specified in that notice.
- 2 A member entitled to attend and vote at the meeting may appoint another person(s) (who need not be a member of the Company) to exercise all or any of his rights to attend, speak and vote at the meeting. A member can appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attaching to different shares held by him. To be effective, forms of proxy should be lodged with the Company's Registrars, Capita Registrars, PO Box 25, Beckenham, Kent, BR3 4BR (or by hand only during normal business hours to Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TH) or, in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below by 12 noon on 24 June 2008. Lodgement of the form of proxy will not excluded a member from attending the meeting and voting in person.
- 3 A copy of this notice has been sent for information only to persons who have been nominated by a member to enjoy information rights under section 146 of the Companies Act 2006 (the "2006 Act") (a "Nominated Person"). The rights to appoint a proxy can not be exercised by a Nominated Person, they can only be exercised by the member. However, a Nominated Person may have a right under an agreement between him and the member by whom he was nominated to be appointed as a proxy for the meeting or to have someone else so appointed. If a Nominated Person does not have such a right or does not wish to exercise it, he may have a right under such an agreement to give instructions to the member as to the exercise of voting rights.
- 4 In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that: (i) if a corporate member has appointed the Chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that member at the meeting, then on a poll those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate member attends the meeting but the corporate member has not appointed the Chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate members are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives (www.icsa.org.uk) for further details of this procedure. The guidance includes a sample form of representation letter if the Chairman is being appointed as described in (i) above.

- 5 Members (and any proxies or corporate representatives appointed) agree by attending the Annual General Meeting, that they are expressly requesting and that they are willing to receive any communications relating to the Company's securities made at the Annual General Meeting.
- 6 This notice does not include an electronic address for the Company and accordingly all documents or information sent to the Company in relation to proceedings at this meeting must be in hard copy form.
- 7 The: (i) register of Directors' interests; (ii) Directors' appointment letter; (iii) Company's existing Articles of Association; and (iv) Company's Articles of Association marked to show the changes proposed by resolution 12 are available for inspection at the registered office of the Company during normal business hours on any weekday and will be available at the place of the meeting for 15 minutes prior to the commencement of the meeting until the conclusion thereof.
- 8 At 29 May 2008 (being the latest business day prior to the publication of this notice), the Company's issued share capital consisted of 19,682,212 ordinary shares of five pence each (excluding treasury shares) carrying one vote each. At the 29 May 2008, the Company held 60,000 ordinary shares in treasury and is not permitted to exercise voting rights in respect of these shares. Therefore, the total voting rights in the Company are 19,622,212.
- 9 CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's (EUI) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID number – R055) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
- CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
- Please note that the Company takes all reasonable precautions to ensure no viruses are present in any electronic communication it sends out but the company cannot accept responsibility for loss or damage arising from the opening or use of any email or attachments from the company and recommend that the shareholders subject all messages to virus checking procedures prior to use. Any electronic communication received by the company, including the lodgement of an electronic proxy form, that is found to contain any virus will not be accepted.
- 10 Resolution 10 will be voted on by means of a poll. The New Star Funds have undertaken that they will not exercise their voting rights in respect of Resolution 10.

