Invesco Value Municipal Income Trust
Form N-14 8C/A
May 15, 2012

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As filed with the Securities and Exchange Commission on May 15, 2012
1933 Act File No. 333-180582

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM N-14

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933	þ
Pre-Effective Amendment No. 1	þ
Post-Effective Amendment No. ____	o

(Check appropriate box or boxes)

INVESCO VALUE MUNICIPAL INCOME TRUST
(Exact Name of Registrant as Specified in Charter)
1555 Peachtree Street, N.E., Atlanta, Georgia 30309
(Address of Principal Executive Offices) (Zip Code)
(713) 626-1919
(Registrant s Telephone Number, including Area Code)
John M. Zerr, Esq.
11 Greenway Plaza
Suite 2500
Houston, Texas 77046
(713) 626-1919
(Name and Address of Agent for Service of Process)
Copies to:

Stephen R. Rimes, Esquire
Invesco Advisers, Inc.
11 Greenway Plaza, Suite 2500
Houston, Texas 77046-1173

Matthew R. DiClemente, Esquire
Stradley Ronon Stevens & Young, LLP
2600 One Commerce Square
Philadelphia, Pennsylvania 19103

Michael K. Hoffman
Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, New York 10036

Approximate date of proposed public offering: As soon as practicable after the effective date of this Registration Statement.

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

Calculation of Registration Fee under the Securities Act of 1933:

Title of Securities Being Registered	Amount Being Registered	Proposed Maximum Offering Price per Unit	Proposed Maximum Aggregate Offering Price[1]	Amount of Registration Fee[2]

Common Shares of Beneficial Interest	$411,127,403	$47,115

(1) Estimated solely for purposes of calculating the registration fee. Based on average high and low reported price for Invesco Value Municipal Bond Trust Common Shares on April 2, 2012, average of high and low reported price for Invesco Value Municipal Securities Common Shares on April 2, 2012 and average of high and low reported price for Invesco Value Municipal Trust Common Shares on April 2, 2012, in accordance with Rule 457(f)(1) under the Securities Act of 1933.

(2) A registration fee of $47,115 was previously paid in connection with the initial filing.

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Invesco Value Municipal Income Trust
Invesco Value Municipal Bond Trust
Invesco Value Municipal Securities
Invesco Value Municipal Trust
1555 Peachtree Street, N.E.
Atlanta, GA 30309
(800) 341-2929

NOTICE OF JOINT ANNUAL MEETING OF SHAREHOLDERS
To Be Held on July 17, 2012

Notice is hereby given to holders of common shares of beneficial interest (Common Shares) of Invesco Value Municipal Bond Trust (IMC), Invesco Value Municipal Securities (IMS), Invesco Value Municipal Trust (IMT, and together with IMC and IMS, the Target Funds), and Invesco Value Municipal Income Trust (the Acquiring Fund or IIM) that the Funds will hold a joint annual meeting of shareholders (the Meeting) on July 17, 2012, at 1555 Peachtree Street, N.E., Atlanta, Georgia 30309. The Meeting will begin at 1:00 p.m., Eastern time. The Target Funds and the Acquiring Fund collectively are referred to as the Funds and each is referred to individually as a Fund. At the Meeting, holders of Common Shares (Common Shareholders) will be asked to vote on the following proposals:

1) For each Fund, approval of an Agreement and Plan of Redomestication that provides for the reorganization of such Fund as a Delaware statutory trust.

2) Approval of the merger of each Target Fund into the Acquiring Fund, which shall require the following shareholder actions:

(a) For each Target Fund, approval of an Agreement and Plan of Merger that provides for such Target Fund to merge with and into the Acquiring Fund.
(b) For the Acquiring Fund, approval of the following sub-proposals:
(i) Approval of an Agreement and Plan of Merger that provides for IMC to merge with and into the Acquiring Fund.
(ii) Approval of an Agreement and Plan of Merger that provides for IMS to merge with and into the Acquiring Fund.
(iii) Approval of an Agreement and Plan of Merger that provides for IMT to merge with and into the Acquiring Fund.

3) For the Acquiring Fund, approval of an amendment to the Fund s advisory agreement that increases the Fund s advisory fee.

4) For each Fund, the election of a class of Trustees to its Board of Trustees.

Each Fund may also transact such other business as may properly come before the Meeting or any adjournment or postponement thereof.

Common Shareholders of record as of the close of business on May 23, 2012, are entitled to notice of, and to vote at, the Meeting or any adjournment or postponement thereof. Holders of the Acquiring Fund s, IMC s and IMT s preferred shares of beneficial interest, whose voting instructions are being separately solicited, will also vote on certain matters at the Meeting.

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The Board of Trustees of each Fund requests that you vote your shares by either (i) completing the enclosed proxy card and returning it in the enclosed postage paid return envelope, or (ii) voting by telephone or via the internet using the instructions on the proxy card. Please vote your shares promptly regardless of the number of shares you own.

Each Target Fund does not believe that its shareholders are entitled to appraisal rights in connection with its merger. However, the availability of dissenters appraisal rights in connection with such a transaction involving a Massachusetts business trust has not been judicially determined, and, accordingly, depending on such determination, Target Fund shareholders may be entitled to appraisal rights under Massachusetts law. Any shareholder seeking to assert appraisal rights with respect to a merger will be required to give written notice, before the shareholders vote on whether to approve the merger, of the shareholder s intent to demand payment pursuant to appraisal rights, and to comply with the requirement to not vote to approve the merger.

Each Fund s Board recommends that you cast your vote FOR the above proposals and FOR ALL the Trustee nominees as described in the Joint Proxy Statement/Prospectus.

_____

Mr. Philip Taylor
President and Principal Executive Officer
June [__], 2012

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE JOINT ANNUAL MEETING OF SHAREHOLDERS TO BE HELD JULY 17, 2012:
The proxy statement and annual report to shareholders are available at www.invesco.com/us.

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Invesco Value Municipal Bond Trust
Invesco Value Municipal Securities
Invesco Value Municipal Trust
1555 Peachtree Street, N.E.
Atlanta, GA 30309
(800) 341-2929

JOINT PROXY STATEMENT/PROSPECTUS

June [__], 2012

Introduction

This Joint Proxy Statement/Prospectus (the Proxy Statement) contains information that holders of common shares of beneficial interest (Common Shares) of Invesco Value Municipal Bond Trust (IMC), Invesco Value Municipal Securities (IMS), Invesco Value Municipal Trust (IMT, and together with IMC and IMS, the Target Funds), and Invesco Value Municipal Income Trust (the Acquiring Fund or IIM) should know before voting on the proposals that are described herein. The Target Funds and the Acquiring Fund collectively are referred to as the Funds and each is referred to individually as a Fund.

A joint annual meeting of the shareholders of the Funds (the Meeting) will be held on July 17, 2012, at 1555 Peachtree Street, N.E., Atlanta, Georgia 30309. The Meeting will begin at 1:00 p.m., Eastern time. The following describes the proposals to be voted on by holders of Common Shares (Common Shareholders) at the Meeting:

1) For each Fund, approval of an Agreement and Plan of Redomestication that provides for the reorganization of such Fund as a Delaware statutory trust.

2) Approval of the merger of each Target Fund into the Acquiring Fund, which shall require the following shareholder actions:

(a) For each Target Fund, approval of an Agreement and Plan of Merger that provides for such Target Fund to merge with and into the Acquiring Fund.
(b) For the Acquiring Fund, approval of the following sub-proposals:
(i) Approval of an Agreement and Plan of Merger that provides for IMC to merge with and into the Acquiring Fund.
(ii) Approval of an Agreement and Plan of Merger that provides for IMS to merge with and into the Acquiring Fund.
(iii) Approval of an Agreement and Plan of Merger that provides for IMT to merge with and into the Acquiring Fund.

3) For the Acquiring Fund, approval of an amendment to the Fund s advisory agreement that increases the Fund s advisory fee.

4) For each Fund, the election of a class of Trustees to its Board of Trustees.

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Each Fund may also transact such other business as may properly come before the Meeting or any adjournment or postponement thereof.

The redomestications contemplated by Proposal 1 are referred to herein each individually as a Redomestication and together as the Redomestications. The mergers contemplated by Proposal 2 are referred to herein each individually as a Merger and together as the Mergers.

The Boards of Trustees of the Funds (the Boards) have fixed the close of business on May 23, 2012, as the record date (Record Date) for the determination of shareholders entitled to notice of and to vote at the Meeting and at any adjournment or postponement thereof. Shareholders will be entitled to one vote for each share held (and a proportionate fractional vote for each fractional share). Holders of the preferred shares of beneficial interest (Preferred Shares) of the Acquiring Fund, IMC and IMT, whose voting instructions are being separately solicited, will also vote on certain matters at the Meeting.

This Proxy Statement, the enclosed Notice of Joint Annual Meeting of Shareholders, and the enclosed proxy card will be mailed on or about [June 21], 2012, to all Common Shareholders eligible to vote at the Meeting. Each Fund is a closed-end management investment company registered under the Investment Company Act of 1940, as amended (the 1940 Act). The Common Shares of each Fund are listed on the New York Stock Exchange (the Exchange). This document is both a proxy statement for Common Shares of each Fund and also a prospectus for Common Shares of the Acquiring Fund.

The Meeting is scheduled as a joint meeting of the shareholders of the Funds and certain affiliated funds, whose votes on proposals applicable to such funds are being solicited separately, because the shareholders of the funds are expected to consider and vote on similar matters.

A joint Proxy Statement is being used in order to reduce the preparation, printing, handling and postage expenses that would result from the use of separate proxy materials for each Fund. You should retain this Proxy Statement for future reference, as it sets forth concisely information about the Funds that you should know before voting on the proposals and because it will be the only prospectus you receive for your Acquiring Fund Common Shares. Additional information about each Fund is available in the annual and semi-annual reports to shareholders of such Fund. Each Fund s most recent annual report to shareholders, which contains audited financial statements for the Funds most recently completed fiscal year, and each Fund s most recent semi-annual report to shareholders have been previously mailed to shareholders and are available on the Funds website at www.invesco.com/us. The statement of additional information to this Proxy Statement (the SAI), dated the same date as this Proxy Statement, includes additional information about the Funds that is incorporated by reference and is deemed to be part of this Proxy Statement. These documents are on file with the U.S. Securities and Exchange Commission (the SEC). Copies of all of these documents are also available upon request without charge by writing to the Funds at 11 Greenway Plaza, Suite 2500, Houston, Texas 77046, or by calling (800) 341-2929.

You also may view or obtain these documents from the SEC s Public Reference Room, which is located at 100 F Street, N.E., Washington, D.C. 20549, or from the SEC s website at www.sec.gov. Information on the operation of the SEC s Public Reference Room may be obtained by calling the SEC at (202) 551-8090. You can also request copies of these materials, upon payment at the prescribed rates of the duplicating fee, by electronic request to the SEC s e-mail address (publicinfo@sec.gov) or by writing to the Public Reference Branch, Office of Consumer Affairs and Information Services, U.S. Securities and Exchange Commission, Washington, D.C. 20549-1520. You may also inspect reports, proxy material and other information concerning each of the Funds at the Exchange.

These securities have not been approved or disapproved by the SEC nor has the SEC passed upon the accuracy or adequacy of this Proxy Statement. Any representation to the contrary is a criminal offense. An investment in the Funds is not a deposit with a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency. You may lose money by investing in the Funds.

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No dealer, salesperson or any other person has been authorized to give any information or to make any representations other than those contained in this Proxy Statement or related solicitation materials on file with the Securities and Exchange Commission, and you should not rely on such other information or representations.

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PROPOSAL 1: APPROVAL OF REDOMESTICATION

On what am I being asked to vote?

Each Fund s shareholders are being asked to approve an Agreement and Plan of Redomestication (a Plan of Redomestication) providing for the reorganization of the Fund as a Delaware statutory trust. Each Fund is currently a Massachusetts business trust. Each Fund s Plan of Redomestication provides for the Fund to transfer all of its assets and liabilities to a newly formed Delaware statutory trust whose capital structure will be substantially the same as the Fund s current structure, after which Fund shareholders will own shares of the Delaware statutory trust and the Massachusetts business trust will be liquidated and terminated. The Redomestication is only a change to your Fund s legal form of organization and there will be no change to the Fund s investments, management, fee levels, or federal income tax status as a result of the Redomestication.

Each Fund s Redomestication may proceed even if other Redomestications are not approved by shareholders or are for any other reason not completed. A form of the Plan of Redomestication is available as Exhibit A.

By voting for this Proposal 1, you will be voting to become a shareholder of a fund organized as a Delaware statutory trust with portfolio characteristics, investment objective(s), strategies, risks, trustees, advisory agreements, subadvisory arrangements and other arrangements that are substantially the same as those currently in place for your Fund.

Has my Fund s Board of Trustees approved the Redomestication?

Yes. Each Fund s Board has reviewed and unanimously approved the Plan of Redomestication and this Proposal 1. **The Board of each Fund recommends that shareholders vote FOR Proposal 1.**

What are the reasons for the proposed Redomestications?

The Redomestications will serve to standardize the governing documents and certain agreements of the Funds with each other and with other funds managed by Invesco Advisers, Inc. (the Adviser). This standardization is expected to streamline the administration of the Funds, which may result in cost savings and more effective administration by eliminating differences in governing documents or controlling law. In addition, the legal requirements governing business trusts under Massachusetts law are less certain and less developed than those under Delaware law, which sometimes necessitates the Funds bearing the cost to engage counsel to advise on the interpretation of such law.

The Redomestications are also a necessary step for the completion of the Mergers described in Proposal 2 because, as Delaware statutory trusts, the Funds may merge with no delay in transactions that are expected to qualify as tax-free reorganizations. However, the Redomestications may proceed even if the Mergers described in Proposal 2 are not approved.

What effect will a Redomestication have on me as a shareholder?

A Redomestication will have no direct effect on Fund shareholders investments. Each redomesticated Fund will have investment advisory agreements, subadvisory arrangements, administration agreements, custodian agreements, transfer agency agreements, and other service provider arrangements that are identical in all material respects to those in place immediately before the Redomestication, with certain non-substantive revisions to standardize such agreements across the Funds. For example, after the Redomestications, the investment advisory agreements of the Funds will contain standardized language describing how investment advisory fees are calculated, but there will be no change to the actual calculation methodology. Each Fund will continue to be served by the same individuals as trustees and officers, and each Fund will continue to retain the same independent registered public accounting firm. The portfolio characteristics, investment objective(s), strategies and risks of each Fund will not change as a result of the Redomestications.

In addition, each Fund s capital structure will be substantially the same as its current structure. The Common Shares of each Fund will continue to have equal rights to the payment of dividends and the distribution of assets upon liquidation. The Acquiring Fund, IMC and IMT may not declare distributions on Common Shares unless all accrued dividends on such Fund s Preferred Shares have been paid, and unless asset coverage with respect to such Fund s Preferred Shares would be at least 200% after giving effect to the distributions.

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After the Redomestications, each Fund will be a Delaware statutory trust governed by the Delaware Statutory Trust Act (DE Statute). The DE Statute is similar in many respects to the laws governing each Fund s current structure, a Massachusetts business trust, but they differ in certain respects. Both the Massachusetts business trust law (MA Statute) and the DE Statute permit a trust s governing instrument to contain provisions relating to shareholder rights and removal of trustees, and provide trusts with the ability to amend or restate the trust s governing instruments. However, the MA Statute is silent on many of the salient features of a Massachusetts business trust whereas the DE Statute provides guidance and offers a significant amount of operational flexibility to Delaware statutory trusts. The DE Statute provides explicitly that the shareholders and trustees of a Delaware statutory trust are not liable for obligations of the trust to the same extent as under corporate law, while under the MA Statute, shareholders and trustees could potentially be liable for trust obligations under certain circumstances. The DE Statute authorizes the trustees to take various actions without requiring shareholder approval if permitted by a Fund s governing instruments. For example, trustees of a Delaware statutory trust may have the power to amend the trust s governing instrument, merge or consolidate a Fund with another entity, and to change the Delaware statutory trust s domicile, in each case without a shareholder vote. The Funds believe that the guidance and flexibility afforded by the DE Statute and the explicit limitation on liability contained in the DE Statute will benefit the Funds and shareholders. A more detailed comparison of certain provisions of the DE Statute and the MA Statute is included in Exhibit C.

The governing documents of a Fund before and after its Redomestication will be similar, but will contain certain material differences. In general, under each Fund s new governing documents, shareholders will generally have fewer rights to vote on matters affecting the Fund and, therefore, less control over the operations of the Fund. For example, the new governing documents permit termination of a Fund without shareholder approval, provided that at least 75% of the Trustees have approved such termination, thereby avoiding the expense of a shareholder meeting in connection with a termination of a Fund, which expense would reduce the amount of assets available for distribution to shareholders. The current governing documents require shareholder approval to terminate a Fund regardless of whether the Trustees have approved such termination. Also, a Fund s new by-laws may be altered, amended, or repealed by the Trustees, without the vote or approval of shareholders. A Fund s current by-laws may be altered, amended, or repealed by the Trustees, provided that by-laws adopted by the shareholders may only altered, amended or repealed by the shareholders.

The new governing documents will not provide shareholders the ability to remove Trustees or to call special meetings of shareholders, which powers are provided under the current governing documents. Also, additional procedures must be undertaken by shareholders under the new governing documents than under the current governing documents with respect to shareholder proposals, including nominations, brought before a meeting of shareholders. These additional procedures include, among others, shareholders appearing before the annual or special meeting of shareholders to present about the nomination or proposed business. The additional procedures are intend to provide the Board the opportunity to better evaluate proposals submitted by shareholders and provide additional information to shareholders for their consideration in connection with the proposal.

The new governing documents contain a different shareholder voting standard with respect to a Fund s merger, consolidation, or conversion to an open-end company that, in certain circumstances, may be a lower voting standard than under the current governing documents. The new governing documents also impose certain obligations on shareholders seeking to initiate a derivative action on behalf of a Fund that are not imposed under the current governing documents, which may make it more difficult for shareholders to initiate derivative actions and are intended to save the Fund money by requiring reimbursement of the Fund for frivolous lawsuits brought by shareholders. To further protect the Fund and its shareholders from frivolous lawsuits, the new governing documents also provide that shareholders will indemnify a Fund for all costs, expenses, penalties, fines or other amounts arising from any action against the Fund to the extent that the shareholder is not the prevailing party and that the Fund is permitted to redeem shares of and/or set off against any distributions due to the shareholder for such amounts. The Trustees believe that these provisions will benefit shareholders by deterring frivolous lawsuits and actions by short-term, speculative investors that are contrary to the best long-term interests of the Fund and long-term shareholders and limiting the extent to which Fund assets will be expended defending against such lawsuits.

A comparison of the current and proposed governing documents of the Funds is available in Exhibit B.

Shareholder approval of a Redomestication will be deemed to constitute approval of the advisory and subadvisory agreements, as well as a vote for the election of the trustees, of the Delaware statutory trust. Accordingly, each Plan of Redomestication provides that the sole initial shareholder of each Delaware statutory trust will vote to approve the advisory and subadvisory agreements (which, as noted above, will be identical in all material respects to the Fund s current agreements) and to elect the trustees of the Delaware statutory trust (which, as noted above, will be the same as the Fund s current Trustees) after shareholder approval of a Redomestication but prior to the closing of the Redomestication.

Will there be any tax consequences resulting from a Redomestication?

The following is a general summary of the material U.S. federal income tax considerations of the Redomestications and is based upon the current provisions of the Internal Revenue Code of 1986, as amended (the Code), the existing U.S. Treasury Regulations thereunder, current administrative rulings of the Internal Revenue Service (IRS) and published judicial decisions, all of which are subject to change. These considerations are general in nature and individual shareholders should consult their own tax advisors as to the federal, state, local, and foreign tax considerations applicable to them and their individual circumstances. These same considerations generally do not apply to shareholders who hold their shares in a tax-deferred account.

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Each Redomestication is intended to be a tax-free reorganization pursuant to Section 368(a) of the Code. Each Fund is currently a Massachusetts business trust. Each Redomestication will be completed pursuant to a Plan of Redomestication that provides for the applicable Fund to transfer all of its assets and liabilities to a newly formed Delaware statutory trust (DE-Fund), after which Fund shareholders will own shares of the Delaware statutory trust and the Massachusetts business trust will be liquidated. Even though the Redomestication of a Fund is part of an overall plan to effect the Merger of each Target Fund with the Acquiring Fund, the Redomestications will be treated as separate transactions for U.S. federal income tax purposes. The principal federal income tax considerations that are expected to result from the Redomestication of an applicable Fund are as follows:

no gain or loss will be recognized by the Fund or the shareholders of the Fund as a result of the Redomestication;

no gain or loss will be recognized by the DE-Fund as a result of the Redomestication;

the aggregate tax basis of the shares of the DE-Fund to be received by a shareholder of the Fund will be the same as the shareholder s aggregate tax basis of the shares of the Fund; and

the holding period of the shares of the DE-Fund received by a shareholder of the Fund will include the period that a shareholder held the shares of the Fund (provided that such shares of the Fund are capital assets in the hands of such shareholder as of the Closing (as defined herein)).

Neither the Funds nor the DE-Funds have requested or will request an advance ruling from the IRS as to the federal tax consequences of the Redomestications. As a condition to Closing, Stradley Ronon Stevens & Young, LLP will render a favorable opinion to each Fund and DE-Fund as to the foregoing federal income tax consequences of each Redomestication, which opinion will be conditioned upon, among other things, the accuracy, as of the Closing Date (as defined herein), of certain representations of each Fund and DE-Fund upon which Stradley Ronon Stevens & Young, LLP will rely in rendering its opinion. A copy of the opinion will be filed with the SEC and will be available for public inspection. See Where to Find Additional Information. Opinions of counsel are not binding upon the IRS or the courts. If a Redomestication is consummated but the IRS or the courts determine that the Redomestication does not qualify as a tax-free reorganization under the Code, and thus is taxable, each Fund would recognize gain or loss on the transfer of its assets to its corresponding DE-Fund and each shareholder of the Fund would recognize a taxable gain or loss equal to the difference between its tax basis in its Fund shares and the fair market value of the shares of the DE-Fund it receives. The failure of one Redomestication to qualify as a tax-free reorganization would not adversely affect any other Redomestication.

When are the Redomestications expected to occur?

If shareholders of a Fund approve Proposal 1, it is anticipated that such Fund s Redomestication will occur in the third quarter of 2012.

What will happen if shareholders of a Fund do not approve Proposal 1?

If Proposal 1 is not approved by a Fund s shareholders or if a Redomestication is for other reasons not able to be completed, that Fund would not be redomesticated. In addition, that Fund would not participate in a Merger, even if that Fund s shareholders approve the Merger under Proposal 2. If Acquiring Fund Shareholders do not approve Proposal 1 or if the Acquiring Fund s Redomestication is for any other reason not completed, no Mergers would be completed. If Proposal 1 is not approved by shareholders, the applicable Fund s Board will consider other possible courses of action for that Fund.

THE BOARD OF EACH FUND RECOMMENDS THAT YOU VOTE FOR THE APPROVAL OF PROPOSAL 1.

PROPOSAL 2: APPROVAL OF MERGERS

On what am I being asked to vote?

Shareholders of each Target Fund are being asked to consider and approve a Merger of their Target Fund with and into the Acquiring Fund, as summarized below. Shareholders of the Acquiring Fund are also being asked to consider and approve each such Merger, which involves the issuance of new Common Shares and Preferred Shares by

the Acquiring Fund. If a Merger is approved, Common Shares of the Target Fund will be exchanged for

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newly issued Acquiring Fund Common Shares of equal aggregate net asset value; and Preferred Shares of IMC and IMT will be exchanged for newly issued Acquiring Fund Preferred Shares with substantially identical terms, including equal aggregate liquidation preferences.

Each Merger will be completed pursuant to an Agreement and Plan of Merger (Merger Agreement) that provides for the applicable Target Fund to merge with and into the Acquiring Fund pursuant to the Delaware Statutory Trust Act. A form of the Merger Agreement is included as Exhibit D. Each Merger Agreement is substantially the same. The merger of a Target Fund and the Acquiring Fund may proceed even if the merger of one or both of the other Target Funds is not approved by shareholders or is for any other reason not completed. A Merger can proceed only if both the Target Fund and the Acquiring Fund have also approved their respective Redomestications.

SUMMARY OF KEY INFORMATION REGARDING THE MERGERS

The following is a summary of certain information contained elsewhere in this Proxy Statement and in the Merger Agreement. Shareholders should read the entire Proxy Statement carefully for more complete information.

Has my Fund s Board of Trustees approved the Merger(s)?

Yes. Each Fund s Board has reviewed and unanimously approved the Merger Agreement and this Proposal 2. Each Fund s Board determined that the Mergers are in the best interest of each Fund and will not dilute the interests of the existing shareholders of any Fund. **Each Fund s Board recommends that shareholders vote FOR Proposal 2.**

What are the reasons for the proposed Mergers?

The Mergers proposed in this Proxy Statement are part of a larger group of transactions across the Adviser s fund platform that began in early 2011. The Mergers are being proposed to reduce the number of closed-end funds with similar investment processes and investment philosophies managed by the Adviser.

Fund shareholders may benefit from the Mergers by becoming shareholders of a larger Fund that may have a more diversified portfolio, greater market liquidity, more analyst coverage, and smaller spreads and trading discounts, although there is no guarantee that this will occur. In addition, Target Fund shareholders may benefit from the Mergers by becoming shareholders of a Fund that may have lower expense ratios, which could increase yields, although there is no guarantee that this will occur.

In considering the Mergers and the Merger Agreement, the Board of each Fund considered these and other factors in concluding that the Mergers would be in the best interest of the Funds and would not dilute the interests of the existing shareholders of any Fund. The Boards considerations are described in more detail below in the section entitled Additional Information About the Funds and the Mergers Board Considerations in Approving the Mergers.

What effect will a Merger have on me as a shareholder?

If you own Target Fund Common Shares, you will, after the Merger, own Common Shares of the Acquiring Fund with an aggregate net asset value equal to the net asset value of the Target Fund Common Shares you held immediately before the Merger. It is likely, however, that the market value of such Common Shares will differ because market value reflects trading activity on the Exchange and tends to vary from net asset value.

If you are a Common Shareholder of the Acquiring Fund, your Common Shares of the Acquiring Fund will not be changed by a Merger, but will represent a smaller percentage interest in a larger fund.

The principal differences between the Target Funds and the Acquiring Fund are described in the following sections.

How do the Funds investment objectives and principal investment strategies compare?

The Funds have the same investment objective. Each Fund s investment objective is to provide current income which is exempt from federal income tax. Each of the investment objectives of the Acquiring Fund and the Target Funds is fundamental and may not be changed without shareholder approval of a majority of the Acquiring Fund s or a Target Fund s outstanding voting securities, as defined in the 1940 Act.

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The principal investment strategies of the Acquiring Fund are substantially the same as the principal investment strategies of the Target Funds. The only difference is that each of the Acquiring Fund, IMC and IMT employs leverage by investing the proceeds of its issuance of Preferred Shares. IMS does not employ this type of leverage and has no outstanding Preferred Shares. The section below entitled Additional Information About the Funds and the Mergers Principal Investment Strategies provides more information on the principal investment strategies of the Target Funds and the Acquiring Fund and highlights certain key differences.

How do the Funds principal risks compare?

The principal risks that may affect each Fund s investment portfolio are substantially the same. The only difference in the principal risks of the Funds is that each of the Acquiring Fund, IMC and IMT employs leverage by issuing, and investing the proceeds of its issuance of, Preferred Shares. The use of leverage imposes additional risks on the Acquiring Fund, IMC and IMT that do not apply to IMS because IMS has no outstanding Preferred Shares. Use of leverage creates an opportunity for increased income and return for Common Shareholders, but also may magnify loss on an investment, creating special risks (including the likelihood of greater volatility of net asset value and market price of, and distributions on, the Common Shares). There can be no assurance that a leveraging strategy will be successful. The investment advisory fees paid by the Acquiring Fund, IMC and IMT are calculated on the basis of such Fund s managed assets, which means such Fund s net assets, plus assets attributable to outstanding Preferred Shares and the amount of any borrowings incurred for the purpose of leverage, so the fee will be higher when leverage is utilized. This may create a conflict of interest between the Adviser and Common Shareholders, because holders of Preferred Shares (Preferred Shareholders) do not bear the investment advisory fee; rather, Common Shareholders bear the investment advisory fee attributable to the assets purchased with the proceeds. This means that Common Shareholders effectively bear the entire investment advisory fee.

Investment in any of the Funds involves risks, including the risk that shareholders may receive little or no return on their investment, and the risk that shareholders may lose part or all of the money they invest. There can be no guarantee against losses resulting from an investment in a Fund, nor can there be any assurance that a Fund will achieve its investment objective(s). Whether a Fund achieves its investment objective(s) depends on market conditions generally and on the Adviser s analytical and portfolio management skills. As with any managed fund, the Adviser may not be successful in selecting the best-performing securities or investment techniques, and a Fund s performance may lag behind that of similar funds. The risks associated with an investment in a Fund can increase during times of significant market volatility. An investment in a Fund is not a deposit in a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Before investing in a Fund, potential shareholders should carefully evaluate the risks.

Additional information on the principal risks of each Fund is included below under Additional Information About the Funds and the Mergers Principal Risks of an Investment in the Funds and in the SAI.

How do the Funds expenses compare?

The table below provides a summary comparison of the expenses of the Funds. The table also shows estimated expenses on a *pro forma* basis giving effect to the proposed Merger with IMC and giving effect to all of the Mergers. The *pro forma* expense ratios show projected estimated expenses, but actual expenses may be greater or less than those shown. Note that *pro forma* total expenses of the Acquiring Fund are expected to be **higher** than the current total expenses of IMS.

It is anticipated that the lowest expense ratio will be achieved for the Acquiring Fund if all of the Mergers are completed and that the highest expense ratio will result if IMC is the only Target Fund that participates in a Merger with the Acquiring Fund. The range of impact to Acquiring Fund expenses after the Mergers is reflected in the following table.

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	Current (a)				*Pro Forma* (b)	*Pro Forma* (c)	*Pro Forma* (d)
	Invesco Value Municipal Bond Trust (IMC)	**Invesco Value Municipal Securities (IMS)**	**Invesco Value Municipal Trust (IMT)**	**Invesco Value Municipal Income Trust (IIM)**	**Invesco Value Municipal Income (IIM) (assumes the management fee increase is approved)**	**IMC + Acquiring Fund (IIM) (assumes only the Merger with IMC is completed)**	**IMC, IMS and IMT + Acquiring Fund (IIM) (assumes all of the Mergers are completed)**
Shareholder Fees (Fees paid directly from your investment)							
Maximum Sales Charge (Load) Imposed on Purchases (as a percentage of offering price) (e)	None	None	None	None	None	None	None
Dividend Reinvestment Plan (f)	None	None	None	None	None	None	None
Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)							
Management Fees	0.41%	0.27%	0.40%	0.40%	0.82%(g)	0.82%(g)	0.82%(g)
Interest and Related Expenses (h)	0.69%	0.04%	0.56%	0.55%	0.55%	0.57%	0.53%
Other Expenses	0.38%	0.20%	0.12%	0.13%	0.13%	0.14%	0.12%
Total Annual Fund Operating Expenses	1.48%	0.51%	1.08%	1.08%	1.50%	1.53%	1.47%
	0.00%	0.00%	0.00%	0.00%	0.00%	0.43%(i)	0.47%(j)

Fee Waiver and/or Expense Reimbursement							
Total Annual Fund Operating Expenses after Fee Waiver and/or Expense Reimbursement	1.48%	0.51%	1.08%	1.08%	1.50%	1.10%	1.00%

(a) Expense ratios are estimated amounts for the current fiscal year. Preferred Shares do not bear any transaction or operating expenses of the Funds.

(b) Expense ratios are estimated amounts for the current fiscal year, restated to reflect the advisory fee increase described in Proposal 3.

(c) *Pro forma* numbers are estimated as if the Merger had been completed as of March 1, 2011 and do not include estimated Merger costs. The costs of the Merger of IMC borne by such Fund and the Acquiring Fund are estimated to be $110,000 and $70,000, respectively, which the Adviser estimates would be recouped by IMC Common Shareholders in 10 months or less and by Acquiring Fund Common Shareholders in five months or less. For more information on the Merger costs to be borne by the Funds, see Costs of the Mergers below.

(d) *Pro forma* numbers are estimated as if the Mergers had been completed as of March 1, 2011 and do not include estimated Merger costs. The costs of completing all of the Mergers borne by IMC and the Acquiring Fund are estimated to be $110,000 and $70,000, respectively, which the Adviser estimates would be recouped by IMC Common Shareholders in 10 months or less and by Acquiring Fund Common Shareholders in five months or less. IMS and IMT are not bearing any Merger costs. For more information on the Merger costs to be borne by the Funds, see Costs of the Mergers below.

(e) Common Shares of each Fund purchased on the secondary market are not subject to sales charges, but may be subject to brokerage commissions or other charges.

(f) Each participant in a Fund s dividend reinvestment plan pays a proportionate share of the brokerage commissions incurred with respect to open market purchases in connection with such plan. For each Fund s last fiscal year, participants in the plan incurred brokerage commissions representing $0.03 per Common Share.

(g) Assumes that Proposal 3 is approved and the increased advisory fee is implemented.

(h) Interest and Related Expenses includes interest and other costs of providing leverage to the Funds, such as the costs to maintain lines of credit, establish and administer floating rate note obligations, and, for the Acquiring Fund, IMC and IMT, the costs to issue and administer preferred shares.

(i) If the Merger with IMC is the only Merger to close the Adviser has contractually agreed, for at least two years from the closing date of the Merger, to waive advisory fees and/or reimburse expenses to the extent necessary to limit the Acquiring Fund s Total Annual Fund Operating Expenses After Fee Waiver and/or Expense Reimbursement (which excludes certain items discussed below) to 0.52% of average daily net assets. In determining the Adviser s obligation to waive advisory fees and/or reimburse expenses, the following expenses are not taken into account, and could cause Total Annual Fund Operating Expenses After Fee Waiver and/or Expense Reimbursement to exceed the limit reflected above: (i) interest; (ii) taxes; (iii) dividend expense on short sales; (iv) extraordinary or non-routine items, including litigation expenses; and (v) expenses that the Fund has incurred but did not actually pay because of an expense offset arrangement. Unless the Board and the Adviser

mutually agree to amend or continue the fee waiver agreement, it will terminate two years from the closing date of the Merger.

(j) Effective upon the closing of the Mergers and provided that all of the Mergers are completed, the Adviser has contractually agreed, for at least two years from the closing date of the Mergers, to waive advisory fees and/or reimburse expenses to the extent necessary to limit the Acquiring Fund s Total Annual Fund Operating Expenses After Fee Waiver and/or Expense Reimbursement (which excludes certain items discussed below) to 0.46% of average daily net assets. In determining the Adviser s obligation to waive advisory fees and/or reimburse expenses, the following expenses are not taken into account, and could cause Total Annual Fund Operating Expenses After Fee Waiver and/or Expense Reimbursement to exceed the limit reflected above: (i) interest; (ii) taxes; (iii) dividend expense on short sales; (iv) extraordinary or non-routine items, including litigation expenses; and (v) expenses that the Fund has incurred but did not actually pay because of an expense offset arrangement. Unless the Board and the Adviser mutually agree to amend or continue the fee waiver agreement, it will terminate two years from the closing date of the Mergers.

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Expense Example

This example compares the cost of investing in Acquiring Fund Common Shares with the cost of investing in Target Fund Common Shares based on the expense table set out above. The example also provides information on a *pro forma* basis giving effect to the proposed Merger with IMC and giving effect to all of the Mergers, and it assumes that Proposal 3 has been approved. It also assumes an investment at net asset value (NAV) of $1,000 for the periods shown; a 5% investment return each year; the Funds operating expenses remain the same each year; that any contractual fee limits or waivers are terminated after their current terms expire; and that all dividends and distributions are reinvested at NAV. Based on these assumptions the costs would be:

	1 Year	3 Years	5 Years	10 Years
IMC	$ 15	$ 47	$ 81	$ 177
IMS	$ 5	$ 16	$ 29	$ 64
IMT	$ 11	$ 34	$ 60	$ 132
Acquiring Fund (IIM)	$ 11	$ 34	$ 60	$ 132
Pro Forma (Acquiring Fund (IIM), assuming the management fee increase is approved)	$ 15	$ 47	$ 81	$ 178
Pro Forma (IMC + Acquiring Fund (IIM), assuming only Merger with IMC is completed)	$ 11	$ 40	$ 75	$ 175
Pro Forma (Target Funds + Acquiring Fund (IIM), assuming all of the Mergers are completed)	$ 10	$ 37	$ 71	$ 167

The Example is not a representation of past or future expenses. Each Fund s actual expenses, and an investor s direct and indirect expenses, may be more or less than those shown. The table and the assumption in the Example of a 5% annual return are required by regulations of the SEC applicable to all registered funds. The 5% annual return is not a prediction of and does not represent the Funds projected or actual performance.

For further discussion regarding the Boards consideration of the fees and expenses of the Funds in approving the Mergers, see the section entitled Additional Information About the Funds and the Mergers Board Considerations in Approving the Mergers in this Proxy Statement.

How do the performance records of the Funds compare?

Total return figures based on NAV and based on market price for each Fund s Common Shares as of February 29, 2012 are shown below. The returns shown below reflect reinvestment of all distributions, do not reflect the effect of any applicable taxes, and are not indicative of a Fund s future performance.

	1 Year	3 Years	5 Years	10 Years
IMC (at NAV)	23.07%	13.06%	6.70%	6.63%
IMC (market price)	37.30%	18.34%	9.30%	8.02%
IMS (at NAV)	14.13%	8.23%	4.36%	5.04%
IMS (market price)	22.50%	6.34%	5.56%	5.40%
IMT (at NAV)	22.92%	12.25%	6.76%	6.84%
IMT (market price)	27.00%	17.23%	7.90%	7.29%
Acquiring Fund (IIM) (at NAV)	22.36%	12.80%	6.81%	7.00%
Acquiring Fund (IIM) (market price)	38.39%	19.10%	9.67%	8.32%
Barclays Capital Municipal Bond Index	12.42%	7.94%	5.50%	5.32%

Based on each Fund s February 2012 distribution and the closing market price of each Fund s shares on February 29, 2012, IMC had an annualized monthly distribution yield of 5.25% per share, IMS had an annualized monthly distribution yield of 4.00% per share, IMT had an annualized monthly distribution yield of 5.82% per share, and the Acquiring Fund had an annualized monthly distribution yield of 5.24% per share.

Additional performance and yield information is included in each Fund s most recent report to shareholders.

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How do the management, investment adviser and other service providers of the Funds compare?

Each Fund is overseen by a Board composed of the same individuals and each Fund s affairs are managed by the same officers, as described in Exhibit E. The Adviser, a registered investment adviser, serves as investment adviser for each Fund pursuant to an investment advisory agreement that contains substantially identical terms (except for fees, in the event that Proposal 3 is approved) for each Fund. The Adviser oversees the management of each Fund s portfolio, manages each Fund s business affairs and provides certain clerical, bookkeeping and other administrative services. The Adviser has acted as an investment adviser since its organization in 1976. As of March 31, 2012, the Adviser had $309.2 billion under management. The Adviser is located at 1555 Peachtree Street, N.E., Atlanta, Georgia 30309.

The Adviser is an indirect, wholly-owned subsidiary of Invesco Ltd. (Invesco). Invesco is a leading independent global investment management company, dedicated to helping people worldwide build their financial security. Invesco provides a comprehensive array of enduring solutions for retail, institutional and high-net-worth clients around the world. Invesco had $672.8 billion in assets under management as of March 31, 2012. Invesco is organized under the laws of Bermuda, and its common shares are listed and traded on the Exchange under the symbol IVZ. Invesco is located at 1555 Peachtree Street, N.E., Atlanta, Georgia 30309.

All of the ordinary business expenses incurred in the operations of a Fund are borne by the Fund unless specifically provided otherwise in the advisory agreement. Expenses borne by the Funds include but are not limited to brokerage commissions, taxes, legal, accounting, auditing, or governmental fees, the cost of preparing share certificates, custodian, transfer and shareholder service agent costs, expenses of registering and qualifying shares for sale, expenses relating to Trustee and shareholder meetings, the cost of preparing and distributing reports and notices to shareholders, and the fees and other expenses incurred by the Funds in connection with membership in investment company organizations.

A discussion of the basis for the Board s most recent approval of each Fund s investment advisory agreements is included in the Fund s semiannual report for the six months ended August 31, 2011.

The contractual advisory fee rate of the Acquiring Fund will, if Proposal 3 is approved by shareholders, be higher than the contractual advisory fee rate of any Target Fund. The following table compares the advisory fee rates of the Funds.

	IMC	**IMS** (Common Shares only)	**IMT**	**Acquiring Fund (IIM)**
Contractual Fee Rate	0.27% of managed assets	0.27% of net assets	0.27% of managed assets	0.55%* of managed assets
Net Effective Fee Rate**	0.41%	0.27%	0.40%	0.82%*

* Assumes approval and implementation of the Amendment discussed in Proposal 3. If Proposal 3 is not approved, the Acquiring Fund s contractual advisory fee rate will remain 0.27% and its net effective fee rate will remain at 0.40%.

** Varies based on the amount of financial leverage used by the Fund.

Contractual fee rates and net effective fee rates differ because of differences in how the contractual rate is applied. IMS calculates its advisory fee as a percentage of the Fund s net assets, which generally means the Fund s assets minus its liabilities. Each of IMC, IMT and the Acquiring Fund calculates its advisory fee as a percentage of its managed assets, which for this purpose means the Fund s net assets, plus assets attributable to outstanding Preferred Shares and the amount of any borrowings incurred for the purpose of leverage (whether or not such borrowed amounts are reflected in the Fund s financial statements for purposes of generally accepted accounting principles). As a result, the actual amount paid by IMC, IMT and the Acquiring Fund, as a percentage of NAV, will typically exceed the contractual rate. Because managed assets exceed net assets for a Fund that has Preferred Shares, even if the Funds contractual advisory fee rates were the same, the advisory fees paid by the Acquiring Fund as a percentage of NAV

will exceed the advisory fees as a percentage of NAV paid by IMS. For more information, see the table above under How do the Funds expenses compare?

Contingent on the completion of all of the Mergers, the Adviser has contractually agreed for at least two years from the closing date of the Mergers to waive advisory fees and/or reimburse expenses to the extent necessary to limit total annual operating expenses of the Acquiring Fund to 0.46%, subject to certain exceptions that are identical for each Fund.

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Each Fund s advisory agreement provides that the Adviser may delegate any and all of its rights, duties, and obligations to one or more wholly-owned affiliates of Invesco as sub-advisers (the Invesco Sub-Advisers). Pursuant to each Fund s Master Intergroup Sub-Advisory Contract, the Invesco Sub-Advisers may be appointed by the Adviser from time to time to provide discretionary investment management services, investment advice, and/or order execution services. Each Invesco Sub-Adviser is registered with the SEC as an investment adviser.

Other key service providers to the Target Funds, including the administrator, transfer agent, custodian, and auditor, provide substantially the same services to the Acquiring Fund. Each Fund has entered into a master administrative services agreement with the Adviser, pursuant to which the Adviser performs or arranges for the provision of accounting and other administrative services to the Funds that are not required to be performed by the Adviser under its investment advisory agreements with the Funds. The custodian for the Funds is State Street Bank and Trust Company, One Lincoln Street, Boston, Massachusetts 02111. The transfer agent and dividend paying agent for the Funds is Computershare Trust Company, N.A., P.O. Box 43078, Providence, Rhode Island 02940-3078.

Does the Acquiring Fund have the same portfolio managers as the Target Funds?

Yes. The portfolio management team for the Target Funds is the same as the portfolio management team for the Acquiring Fund. Information on the portfolio managers of the Funds is included below under Additional Information About the Funds and the Mergers Portfolio Managers and in the SAI.

How do the distribution policies of the Funds compare?

Subject to a Fund s obligations to pay dividends to Preferred Shareholders, if any, each Fund declares and pays monthly dividends from net investment income to Common Shareholders. The Acquiring Fund, IMC and IMT declare daily and pay monthly dividends from net investment income to Preferred Shareholders. Distributions from net realized capital gain, if any, are generally paid annually and are distributed on a pro rata basis to Common Shareholders and, for the Acquiring Fund, IMC and IMT, to Preferred Shareholders. Each Fund may also declare and pay capital gains distributions more frequently, if necessary, in order to reduce or eliminate federal excise or income taxes on the Fund. Each Fund offers a dividend reinvestment plan for Common Shareholders, which is more fully described in the Fund s shareholder reports.

Will there be any tax consequences resulting from the Mergers?

Each Merger is designed to qualify as a tax-free reorganization for federal income tax purposes and each Fund anticipates receiving a legal opinion to that effect (although there can be no assurance that the Internal Revenue Service will adopt a similar position). This means that the shareholders of each Target Fund will recognize no gain or loss for federal income tax purposes upon the exchange of all of their shares in such Target Fund for shares in the Acquiring Fund. Shareholders should consult their tax advisor about state and local tax consequences of the Mergers, if any, because the information about tax consequences in this Proxy Statement relates only to the federal income tax consequences of the Mergers.

Prior to the closing of each Merger, each Target Fund will declare one or more dividends, and the Acquiring Fund may, but is not required to, declare a dividend, payable at or near the time of closing to their respective shareholders to the extent necessary to avoid entity level tax or as otherwise deemed desirable. Such distributions, if made, are anticipated to be made in the 2012 calendar year and, to the extent a distribution is not an exempt-interest dividend (as defined in the Code), the distribution may be taxable to shareholders in such year for federal income tax purposes. It is anticipated that Fund distributions will be primarily dividends that are exempt from regular federal income tax, although a portion of such dividends may be taxable to shareholders as ordinary income or capital gains. Any such final distribution paid to Common Shareholders by a Target Fund will be made in cash and not reinvested in additional Common Shares of the Target Fund. See the discussion under Description of Securities to be Issued Dividend Reinvestment Plan for further information.

When are the Mergers expected to occur?

If shareholders of a Target Fund and the Acquiring Fund approve the Merger and the Redomestications (Proposal 1), it is anticipated that the Merger will occur in the third quarter of 2012.

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What will happen if shareholders of a Fund do not approve a Merger?

If a Merger is not approved by shareholders or is for other reasons unable to be completed, the applicable Fund will continue to operate and the Fund s Board will consider other possible courses of action for the Fund.

What if I do not wish to participate in the Merger?

If the Mergers are approved, if you are a Target Fund Common Shareholder and you do not wish to have your Target Fund Common Shares exchanged for Common Shares of the Acquiring Fund, you may sell your Target Fund Common Shares on the Exchange prior to the consummation of the Merger. Acquiring Fund Common Shareholders may also sell their Common Shares if they do not want to continue to own Common Shares in the combined Fund following a Merger. If you sell your Common Shares, you will incur any applicable brokerage charges, and if you hold Common Shares in a taxable account, you will recognize a taxable gain or loss based on the difference between your tax basis in the Common Shares and the amount you receive for them. After the Merger, you may sell your Common Shares of the Acquiring Fund on the Exchange.

Each Target Fund s governing documents provide that shareholders do not have the right to dissent and obtain payment of the fair value of their shares, and each Target Fund believes that its Common Shareholders will not have such rights. However, because certain contrary interpretations of applicable Massachusetts law could apply to the Target Funds, information with respect to dissenters rights under Massachusetts law is provided under Other Matters Dissenters Rights.

Where can I find more information about the Funds and the Mergers?

The remainder of this Proxy Statement contains additional information about the Funds and the Mergers, as well as information on the other proposals to be voted on at the Meeting. You are encouraged to read the entire document. Additional information about each Fund can be found in the SAI and in the Fund s shareholder reports. If you need any assistance, or have any questions regarding the Mergers or how to vote, please call Invesco Client Services at (800) 341-2929.

ADDITIONAL INFORMATION ABOUT THE FUNDS AND THE MERGERS

Principal Investment Strategies

The following section compares the principal investment strategies of the Target Funds with the principal investment strategies of the Acquiring Fund and highlights any key differences. In addition to the principal investment strategies described below, each Fund may use other investment strategies and is also subject to certain additional investment policies and limitations, which are described in the SAI and in each Fund s shareholder reports. Page [__] of this Proxy Statement describes how you can obtain copies of these documents.

Investment Strategies. Under normal circumstances, each Fund will invest at least 80% of its net assets in municipal obligations. The policy stated in the foregoing sentence is a fundamental policy of each Fund and may not be changed without approval of a majority of the Fund s outstanding voting securities, as defined in the 1940 Act. Under normal market conditions, the Adviser seeks to achieve each Fund s investment objective by investing at least 80% of the Fund s net assets in investment grade municipal securities. Investment grade securities are: (i) securities rated BBB- or higher by Standard & Poor s Financial Services LLC, a subsidiary of The McGraw-Hill Companies, Inc. (S&P) or Baa3 or higher by Moody s Investors Service, Inc. (Moody s) or an equivalent rating by another nationally recognized statistical rating organization (NRSRO), (ii) comparably rated short term securities, or (iii) unrated municipal securities determined by the Adviser to be of comparable quality at the time of purchase.

Under normal market conditions, each Fund may invest up to 20% of its net assets in municipal securities rated below investment grade or that are unrated but determined by the Adviser to be of comparable quality at the time of purchase. Lower-grade securities are commonly referred to as junk bonds and involve greater risks than

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investments in higher-grade securities. Each Fund does not purchase securities that are in default or rated in categories lower than B- by S&P or B3 by Moody s or unrated securities of comparable quality.

Each Fund may invest up to 20% of its net assets in taxable or tax-exempt fixed income securities rated at least investment grade by an NRSRO or, if not rated, determined by the Adviser to be of comparable quality, including obligations of the U.S. government, its respective agencies or instrumentalities, and other fixed income obligations, and, during periods in which the Adviser believes that changes in economic, financial or political conditions make it advisable to do so, to an unlimited extent in such investments for temporary defensive purposes.

The foregoing percentage and rating limitations apply at the time of acquisition of a security based on the last previous determination of each Fund s net asset value. Any subsequent change in any rating by a rating service or change in percentages resulting from market fluctuations or other changes in the Fund s total assets will not require elimination of any security from the Fund s portfolio.

Each Fund may invest all or a substantial portion of its total assets in municipal securities that may subject certain investors to the federal alternative minimum tax and, therefore, a substantial portion of the income produced by the Fund may be taxable for such investors under the federal alternative minimum tax. Accordingly, each Fund may not be a suitable investment for investors who are already subject to the federal alternative minimum tax or could become subject to the federal alternative minimum tax as a result of an investment in a Fund.

The Adviser buys and sells securities for each Fund with a view towards seeking a high level of current income exempt from federal income taxes, subject to reasonable credit risk. As a result, each Fund will not necessarily invest in the highest yielding municipal securities permitted by its investment policies if the Adviser determines that market risks or credit risks associated with such investments would subject the Fund s portfolio to undue risk. The potential realization of capital gains or losses resulting from possible changes in interest rates will not be a major consideration and frequency of portfolio turnover generally will not be a limiting factor if the Adviser considers it advantageous to purchase or sell securities.

Each Fund intends to emphasize investments in municipal obligations with long-term maturities because such long-term obligations generally produce higher income than short-term obligations, although such longer-term obligations are more susceptible to market fluctuations resulting from changes in interest rates than shorter-term obligations. The average weighted maturity of each Fund s portfolio, as well as the emphasis on longer-term obligations, may vary depending upon the market conditions.

The Adviser employs a bottom-up, research-driven approach to identify securities that have attractive risk/reward characteristics for the sectors in which the Fund invests. The Adviser also integrates macroeconomic analysis and forecasting into its evaluation and ranking of various sectors and individual securities. Finally, the Acquiring Fund, IMC and IMT employ leverage in an effort to enhance their income and total return. Sell decisions are based on: (i) a deterioration or likely deterioration of an individual issuer s capacity to meet its debt obligations on a timely basis; (ii) a deterioration or likely deterioration of the broader fundamentals of a particular industry or sector; and (iii) opportunities in the secondary or primary market to exchange into a security with better relative value.

Municipal Obligations. Municipal obligations are securities issued by or on behalf of states, territories or possessions of the United States, the District of Columbia and their cities, counties, political subdivisions, agencies and instrumentalities, the interest on which, in the opinion of bond counsel or other counsel to the issuers of such securities, is, at the time of issuance, exempt from federal income tax. The Adviser does not conduct its own analysis of the tax status of the interest paid by municipal securities held by the Fund, but will rely on the opinion of counsel to the issuer of each such instrument.

The issuers of municipal securities obtain funds for various public purposes, including the construction of a wide range of public facilities such as airports, highways, bridges, schools, hospitals, housing, mass transportation, streets and water and sewer works. Other public purposes for which municipal securities may be issued include refunding outstanding obligations, obtaining funds for general operating expenses and obtaining funds to lend to other public institutions and facilities. Certain types of municipal securities are issued to obtain funding for privately operated facilities.

The yields of municipal securities depend on, among other things, general money market conditions, general conditions of the municipal securities market, size of a particular offering, the maturity of the obligation and rating of

the issue. There is no limitation as to the maturity of the municipal securities in which each Fund may invest. The ratings of S&P and Moody s represent their opinions of the quality of the municipal securities they

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undertake to rate. These ratings are general and are not absolute standards of quality. Consequently, municipal securities with the same maturity, coupon and rating may have different yields while municipal securities of the same maturity and coupon with different ratings may have the same yield.

The two principal classifications of municipal securities are general obligation and revenue or special delegation securities. General obligation securities are secured by the issuer s pledge of its faith, credit and taxing power for the payment of principal and interest. Revenue securities are usually payable only from the revenues derived from a particular facility or class of facilities or, in some cases, from the proceeds of a special excise tax or other specific revenue source. Industrial development bonds are usually revenue securities, the credit quality of which is normally directly related to the credit standing of the industrial user involved.

Within these principal classifications of municipal securities, there are a variety of types of municipal securities in which each Fund may invest, including:

Variable rate securities, which bear rates of interest that are adjusted periodically according to formulae intended to reflect market rates of interest.

Municipal notes, including tax, revenue and bond anticipation notes of short maturity, generally less than three years, which are issued to obtain temporary funds for various public purposes.

Variable rate demand notes, which are obligations that contain a floating or variable interest rate adjustment formula and which are subject to a right of demand for payment of the principal balance plus accrued interest either at any time or at specified intervals. The interest rate on a variable rate demand note may be based on a known lending rate, such as a bank s prime rate, and may be adjusted when such rate changes, or the interest rate may be a market rate that is adjusted at specified intervals. The adjustment formula maintains the value of the variable rate demand note at approximately the par value of such note at the adjustment date.

Municipal leases, which are obligations issued by state and local governments or authorities to finance the acquisition of equipment and facilities. Certain municipal lease obligations may include non-appropriation clauses which provide that the municipality has no obligation to make lease or installment purchase payments in future years unless money is appropriated for such purpose on a yearly basis.

Private activity bonds, which are issued by, or on behalf of, public authorities to finance privately operated facilities.

Participation certificates, which are obligations issued by state or local governments or authorities to finance the acquisition of equipment and facilities. They may represent participations in a lease, an installment purchase contract or a conditional sales contract.

Municipal securities that may not be backed by the faith, credit and taxing power of the issuer.

Municipal securities that are privately placed and that may have restrictions on a Fund s ability to resell, such as timing restrictions or requirements that the securities only be sold to qualified institutional investors.

Municipal securities that are insured by financial insurance companies.

Derivatives. Each Fund may use derivative instruments for a variety of purposes, including hedging, risk management, portfolio management or to earn income. Derivatives are financial instruments whose value is based on the value of another underlying asset, interest rate, index or financial instrument. The derivative instruments and techniques that each Fund principally uses include:

Futures. A futures contract is a standardized agreement between two parties to buy or sell a specific quantity of an underlying instrument at a specific price at a specific future time. The value of a futures contract tends to increase and decrease in tandem with the value of the underlying instrument. Futures contracts are bilateral agreements, with both the purchaser and the seller equally obligated to complete the transaction. Depending on the terms of the particular contract, futures contracts are settled through either physical delivery of the underlying instrument on the settlement date or by payment of a cash settlement amount on the settlement date.

Swaps. A swap contract is an agreement between two parties pursuant to which the parties exchange payments at specified dates on the basis of a specified notional amount, with the payments calculated by reference to specified securities, indexes, reference rates, currencies or other instruments. Most swap agreements

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provide that when the period payment dates for both parties are the same, the payments are made on a net basis (i.e., the two payment streams are netted out, with only the net amount paid by one party to the other). A Fund s obligations or rights under a swap contract entered into on a net basis will generally be equal only to the net amount to be paid or received under the agreement, based on the relative values of the positions held by each counterparty.

Inverse Floating Rate Obligations. Each Fund may invest in inverse floating rate obligations. Inverse floating rate obligations are variable debt instruments that pay interest at rates that move in the opposite direction of prevailing interest rates. Because the interest rate paid to holders of such obligations is generally determined by subtracting a variable or floating rate from a predetermined amount, the interest rate paid to holders of such obligations will decrease as such variable or floating rate increases and increase as such variable or floating rate decreases. The inverse floating rate obligations in which each Fund may invest include derivative instruments such as residual interest bonds (RIBs) or tender option bonds (TOBs). Such instruments are typically created by a special purpose trust that holds long-term fixed rate bonds and sells two classes of beneficial interests: short-term floating rate interests, which are sold to third party investors, and inverse floating residual interests, which are purchased by a Fund. The short-term floating rate interests have first priority on the cash flow from the bond held by the special purpose trust and a Fund (as holder of the inverse floating residual interests) is paid the residual cash flow from the bond held by the special purpose trust.

When-Issued and Delayed Delivery Transactions. Each Fund may purchase and sell securities on a when-issued and delayed delivery basis, which means that a Fund buys or sells a security with payment and delivery taking place in the future. The payment obligation and the interest rate are fixed at the time a Fund enters into the commitment. No income accrues on such securities until the date a Fund actually takes delivery of the securities.

Preferred Shares. The Acquiring Fund, IMC and IMT use leverage in the form of Preferred Shares. IMS, however, does not. Dividends on the Preferred Shares will typically be comparable to the yields on investment grade short-term municipal securities, although the assets attributable to the Preferred Shares will generally be invested in longer-term municipal securities, which typically have higher yields than short-term municipal securities. Assuming such a yield differential, this leveraged capital structure enables a Fund to pay a potentially higher yield on the Common Shares than similar investment companies that do not use leverage.

The Acquiring Fund, IMC and IMT will generally maintain an asset coverage of the value of the respective Fund s total assets, less all liabilities and indebtedness of the Fund not represented by the Preferred Shares, of 200% of the aggregate liquidation value of the Preferred Shares. The liquidation value of the Preferred Shares is their aggregate original purchase price, plus any accrued and unpaid dividends.

Portfolio Turnover. Each Fund may sell securities without regard to the length of time they have been held to take advantage of new investment opportunities, yield differentials, or for other reasons. Each Fund s portfolio turnover rate may vary from year to year. A high portfolio turnover rate (100% or more) would increase a Fund s transaction costs (including brokerage commissions and dealer costs), which would adversely impact the Fund s performance. Higher portfolio turnover may result in the realization of more short-term capital gains than if a Fund had lower portfolio turnover. Additionally, in a declining market, portfolio turnover may create realized capital losses. The turnover rate will not be a limiting factor, however, if the Adviser considers portfolio changes appropriate.

Temporary Defensive Strategy. When market conditions dictate a more defensive investment strategy, each Fund may, on a temporary basis, hold cash or invest a portion or all of its assets in high-quality, short-term municipal securities. If such municipal securities are not available or, in the judgment of the Adviser, do not afford sufficient protection against adverse market conditions, a Fund may invest in taxable instruments. Such taxable securities may include securities issued or guaranteed by the U.S. government, its agencies or instrumentalities, other investment grade quality fixed income securities, prime commercial paper, certificates of deposit, bankers acceptances and other obligations of domestic banks, repurchase agreements and money market funds (including money market funds affiliated with the Adviser). In taking a defensive position, a Fund would temporarily not be pursuing its principal investment strategies and may not achieve its investment objective.

Zero Coupon / PIK Bonds. Each Fund may invest in securities not producing immediate cash income, including zero coupon securities or pay-in-kind (PIK) securities, when their effective yield over comparable instruments producing cash income makes these investments attractive. PIK securities are debt securities that pay interest through

the issuance of additional securities. Zero coupon securities are debt securities that do not entitle the holder to any periodic payment of interest prior to maturity or a specified date when the securities begin paying current interest. They are issued and traded at a discount from their face amounts or par value, which discount varies

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depending on the time remaining until cash payments begin, prevailing interest rates, liquidity of the security and the perceived credit quality of the issuer. The securities do not entitle the holder to any periodic payments of interest prior to maturity, which prevents any reinvestment of interest payments at prevailing interest rates if prevailing interest rates rise. On the other hand, because there are no periodic interest payments to be reinvested prior to maturity, zero coupon securities eliminate the reinvestment risk and may lock in a favorable rate of return to maturity if interest rates drop. In addition, each Fund would be required to distribute the income on these instruments as it accrues, even though the Fund will not receive all of the income on a current basis or in cash. Thus, the Fund may have to sell other investments, including when it may not be advisable to do so, to make income distributions to the Common Shareholders.

As required by Rule 35d-1 under the 1940 Act, in addition to the investment strategies and policies discussed above, each Fund has a fundamental policy to invest, under normal circumstances, at least 80% of its total assets in investments the income from which is exempt from federal income tax.

More information on these and other investment strategies of the Funds is available in the SAI.

Principal Risks of an Investment in the Funds

A comparison of the principal risks associated with the Funds investment strategies is included above under How do the Funds principal risks compare? The following table provides further information on the principal risks of an investment in the Funds.

Principal Risk	Funds Subject to Risk
Municipal Securities Risk. Under normal market conditions, longer-term municipal securities generally provide a higher yield than shorter-term municipal securities. The Adviser may adjust the average maturity of the Fund s portfolio from time to time depending on its assessment of the relative yields available on securities of different maturities and its expectations of future changes in interest rates. The yields of municipal securities may move differently and adversely compared to the yields of the overall debt securities markets. Certain kinds of municipal securities are subject to specific risks that could cause a decline in the value of those securities: Lease Obligations. Certain lease obligations contain non-appropriation clauses that provide that the governmental issuer has no obligation to make future payments under the lease or contract unless money is appropriated for that purpose by the appropriate legislative body on an annual or other periodic basis. Consequently, continued lease payments on those lease obligations containing non-appropriation clauses are dependent on future legislative actions. If these legislative actions do not occur, the holders of the lease obligation may experience difficulty in exercising their rights, including disposition of the property. Private Activity Bonds. The issuers of private activity bonds in which the Fund may invest may be negatively impacted by conditions affecting either the general credit of the user of the private activity project or the project itself. Conditions such as regulatory and environmental restrictions and economic downturns may lower the need for these facilities and the ability of users of the project to pay for the facilities. Private activity bonds may also pay interest subject to the alternative minimum tax. In 2011, S&P lowered its long-term sovereign credit rating on the U.S. to AA+ from AAA with a negative outlook. Following S&P s downgrade of the long-term sovereign credit rating on the U.S., the major rating agencies have also placed many municipalities on review for potential downgrades, which could impact the market price, liquidity and volatility of the municipal securities held by the Fund in its portfolio. If the universe of municipal securities meeting the Fund s ratings and credit quality requirements shrinks, it	All Funds

may be more difficult for the Fund to meet its investment objective and the Fund s investments may become more concentrated in fewer issues. Future downgrades by other rating agencies could have significant adverse effects on the economy generally and could result in significant adverse impacts on municipal issuers and the Fund.

Many state and municipal governments that issue securities are under significant economic and financial stress and may not be able to satisfy their obligations. In response to the national economic downturn, governmental cost burdens have been and may continue to be reallocated among federal, state and local governments. The ability of municipal issuers to make timely payments of interest and principal may be diminished during general economic downturns and as governmental cost burdens are reallocated among federal, state and local governments. Also, as a result of the downturn and related unemployment,

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Principal Risk	Funds Subject to Risk
declining income and loss of property values, many state and local governments have experienced significant reductions in revenues and consequently difficulties meeting ongoing expenses. As a result, certain of these state and local governments may have difficulty paying or default in the payment of principal or interest on their outstanding debt, may experience ratings downgrades of their debt. The taxing power of any governmental entity may be limited by provisions of state constitutions or laws and an entity s credit will depend on many factors, including the entity s tax base, the extent to which the entity relies on federal or state aid, and other factors which are beyond the entity s control. In addition, laws enacted in the future by Congress or state legislatures or referenda could extend the time for payment of principal and/or interest, or impose other constraints on enforcement of such obligations or on the ability of municipalities to levy taxes.	
In addition, municipalities might seek protection under the bankruptcy laws, thereby affecting the repayment of their outstanding debt. Issuers of municipal securities might seek protection under the bankruptcy laws. In the event of bankruptcy of such an issuer, holders of municipal securities could experience delays in collecting principal and interest and such holders may not be able to collect all principal and interest to which they are entitled. Certain provisions of the U.S. Bankruptcy Code governing such bankruptcies are unclear. Further, the application of state law to municipal securities issuers could produce varying results among the states or among municipal securities issuers within a state. These uncertainties could have a significant impact on the prices of the municipal securities in which the Fund invests. The value of municipal securities generally may be affected by uncertainties in the municipal markets as a result of legislation or litigation, including legislation or litigation that changes the taxation of municipal securities or the rights of municipal securities holders in the event of a bankruptcy. To enforce its rights in the event of a default in the payment of interest or repayment of principal, or both, the Fund may take possession of and manage the assets securing the issuer s obligations on such securities, which may increase the Fund s operating expenses. Any income derived from the Fund s ownership or operation of such assets may not be tax-exempt and could jeopardize the Fund s status as a regulated investment company under the Internal Revenue Code.	
The U.S. economy may be in the process of deleveraging, with individuals, companies and municipalities reducing expenditures and paying down borrowings. In such event, the number of municipal borrowers and the amount of outstanding municipal securities may contract, potentially without corresponding reductions in investor demand for municipal securities. As a result, the Fund may have fewer investment alternatives, may invest in securities that it previously would have declined and may concentrate its investments in a smaller number of issuers.	
Insurance Risk. Financial insurance guarantees that interest payments on a bond will be made on time and that principal will be repaid when the bond matures. Insured municipal obligations would generally be assigned a lower rating if the rating were based primarily on the credit quality of the issuer without regard to the insurance feature. If the claims-paying ability of the insurer were downgraded, the ratings on the municipal obligations it insures may also be downgraded. Insurance does not protect the Fund against losses caused by declines in a bond s value due to a change in market conditions.	All Funds

Market Risk. Market risk is the possibility that the market values of securities owned by the Fund will decline. The net asset value of the Fund will change with changes in the value of its portfolio securities, and the value of the Fund s investments can be expected to fluctuate over time. The financial markets in general are subject to volatility and may at times experience extreme volatility and uncertainty, which may affect all investment securities, including debt securities and derivative instruments. Volatility may be greater during periods of general economic uncertainty.	All Funds
Interest Rate Risk. Because the Fund invests primarily in fixed income municipal securities, the net asset value of the Fund can be expected to change as general levels of interest rates fluctuate. When interest rates decline, the value of a portfolio invested in fixed income securities generally can be expected to rise. Conversely, when interest rates rise, the	All Funds

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Principal Risk	Funds Subject to Risk
value of a portfolio invested in fixed income securities generally can be expected to decline. The prices of longer term municipal securities generally are more volatile with respect to changes in interest rates than the prices of shorter term municipal securities. These risks may be greater in the current market environment because certain interest rates are near historically low levels.	
Credit Risk. Credit risk refers to an issuer s ability to make timely payments of interest and principal when due. Municipal securities, like other debt obligations, are subject to the credit risk of nonpayment. The ability of issuers of municipal securities to make timely payments of interest and principal may be adversely affected by general economic downturns and as relative governmental cost burdens are allocated and reallocated among federal, state and local governmental units. Private activity bonds used to finance projects, such as industrial development and pollution control, may also be negatively impacted by the general credit of the user of the project. Nonpayment would result in a reduction of income to the Fund, and a potential decrease in the net asset value of the Fund. The Adviser continuously monitors the issuers of securities held in the Fund. The Fund will rely on the Adviser s judgment, analysis and experience in evaluating the creditworthiness of an issuer. In its analysis, the Adviser may consider the credit ratings of NRSROs in evaluating securities, although the Adviser does not rely primarily on these ratings. Credit ratings of NRSROs evaluate only the safety of principal and interest payments, not the market risk. In addition, ratings are general and not absolute standards of quality, and the creditworthiness of an issuer may decline significantly before an NRSRO lowers the issuer s rating. A rating downgrade does not require the Fund to dispose of a security. Medium-grade obligations (for example, bonds rated BBB by S&P) possess speculative characteristics so that changes in economic conditions or other circumstances are more likely to lead to a weakened capacity of the issuer to make principal and interest payments than in the case of higher-rated securities. Securities rated below investment grade are considered speculative by NRSROs with respect to the issuer s continuing ability to pay interest and principal.	All Funds
Income Risk. The income you receive from the Fund is based primarily on prevailing interest rates, which can vary widely over the short and long term. If interest rates decrease, your income from the Fund may decrease as well.	All Funds
Call Risk. If interest rates fall, it is possible that issuers of securities with high interest rates will prepay or call their securities before their maturity dates. In this event, the proceeds from the called securities would likely be reinvested by the Fund in securities bearing the new, lower interest rates, resulting in a possible decline in the Fund s income and distributions to shareholders.	All Funds
Market Segment Risk. The Fund generally considers investments in municipal securities issued by governments or political subdivisions not to be subject to industry concentration policies (because such issuers are not in any industry). The Fund may, however, invest in municipal securities issued by entities having similar characteristics. For example, the	All Funds

issuers may be located in the same geographic area or may pay their interest obligations from revenue of similar projects, such as hospitals, airports, utility systems and housing finance agencies. This may make the Fund s investments more susceptible to similar economic, political or regulatory occurrences, which could increase the volatility of the Fund s net asset value. The Fund may invest more than 25% of its total assets in a segment of the municipal securities market with similar characteristics if the Adviser determines that the yields available from obligations in a particular segment justify the additional risks of a larger investment in that segment. The Fund may not, however, invest more than 25% of its total assets in municipal securities, such as many private activity bonds or industrial development revenue bonds, issued for non-governmental entities that are in the same industry.

The Fund has no policy limiting its investments in municipal securities whose issuers are located in the same state. If the Fund were to invest a significant portion of its total assets

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Principal Risk	Funds Subject to Risk
in issuers located in the same state, it would be more susceptible to adverse economic, business or regulatory conditions in that state.	
Tax Risk. To qualify for the favorable U.S. federal income tax treatment generally accorded to regulated investment companies, among other things, the Fund must derive in each taxable year at least 90% of its gross income from certain prescribed sources. If for any taxable year the Fund does not qualify as a regulated investment company, all of its taxable income (including its net capital gain) would be subject to federal income tax at regular corporate rates without any deduction for distributions to shareholders, and all distributions from the Fund (including underlying distributions attributable to tax-exempt interest income) would be taxable to shareholders as ordinary dividends to the extent of the Fund s current and accumulated earnings and profits.	All Funds
The value of the Fund s investments and its net asset value may be adversely affected by changes in tax rates and policies. Because interest income from municipal securities is normally not subject to regular federal income taxation, the attractiveness of municipal securities in relation to other investment alternatives is affected by changes in federal income tax rates or changes in the tax-exempt status of interest income from municipal securities. Any proposed or actual changes in such rates or exempt status, therefore, can significantly affect the demand for and supply, liquidity and marketability of municipal securities. This could, in turn, affect the Fund s net asset value and ability to acquire and dispose of municipal securities at desirable yield and price levels. Additionally, the Fund may not be a suitable investment for individual retirement accounts, for other tax-exempt or tax-deferred accounts or for investors who are not sensitive to the federal income tax consequences of their investments.	
The Fund may invest all or a substantial portion of its total assets in municipal securities subject to the federal alternative minimum tax. Accordingly, an investment in the Fund could cause shareholders to be subject to (or result in an increased liability under) the federal alternative minimum tax. As a result, the Fund may not be a suitable investment for investors who are already subject to the federal alternative minimum tax or who could become subject to the federal alternative minimum tax as a result of an investment in the Fund.	
Subsequent to the Fund s acquisition of a municipal security, the security may be determined to pay, or to have paid, taxable income. As a result, the treatment of dividends previously paid or to be paid by the Fund as exempt-interest dividends could be adversely affected, subjecting the Fund s shareholders to increased federal income tax liabilities.	
For federal income tax purposes, distributions of ordinary taxable income (including any net short-term capital gain) will be taxable to shareholders as ordinary income (and not eligible for favorable taxation as qualified dividend income), and capital gain dividends will be taxed at long-term capital gain rates. In certain circumstances, the Fund will make payments to holders of Preferred Shares, if applicable, to offset the tax effects of a taxable distribution.	

Generally, to the extent a Fund s distributions are derived from interest on municipal securities of a particular state (and, in some cases qualifying obligations of U.S. territories and possessions), its distributions are exempt from the personal income tax of that state. In some cases, the Fund s shares may (to the extent applicable) also be exempt from personal property taxes of such state. However, some states require that the Fund meet certain thresholds with respect to the portion of its portfolio consisting of municipal securities of such state in order for such exemption to apply.	
Risks of Using Derivative Instruments. A derivative instrument often has risks similar to its underlying instrument and may have additional risks, including imperfect correlation between the value of the derivative and the underlying instrument or instrument being hedged, risks of default by the other party to certain transactions, magnification of losses incurred due to changes in the market value of the securities, instruments, indices or interest rates to which they relate, and risks that the derivatives may not be liquid. The use	All Funds

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Principal Risk	Funds Subject to Risk

of derivatives involves risks that are different from, and potentially greater than, the risks associated with other portfolio investments. Derivatives may involve the use of highly specialized instruments that require investment techniques and risk analyses different from those associated with other portfolio investments. Certain derivative transactions may give rise to a form of leverage. Leverage associated with derivative transactions may cause the Fund to liquidate portfolio positions when it may not be advantageous to do so to satisfy its obligations or to meet earmarking or segregation requirements, pursuant to applicable SEC rules and regulations, or may cause the Fund to be more volatile than if the Fund had not been leveraged. The Fund could suffer losses related to its derivative positions as a result of unanticipated market movements, which losses may potentially be unlimited. Although the Adviser may seek to use derivatives to further the Fund s investment objective, the Fund is not required to use derivatives and may choose not to do so and there is no assurance that the use of derivatives will achieve this result.

Counterparty Risk. The Fund will be subject to credit risk with respect to the counterparties to the derivative transactions entered into by the Fund. If a counterparty becomes bankrupt or otherwise fails to perform its obligations under a derivative contract due to financial difficulties, the Fund may experience significant delays in obtaining any recovery under the derivative contract in bankruptcy or other reorganization proceeding. The Fund may obtain only a limited recovery or may obtain no recovery in such circumstances.

Futures Risk. A decision as to whether, when and how to use futures involves the exercise of skill and judgment and even a well-conceived futures transaction may be unsuccessful because of market behavior or unexpected events. In addition to the derivatives risks discussed above, the prices of futures can be highly volatile, using futures can lower total return, and the potential loss from futures can exceed the Fund s initial investment in such contracts.

Swaps Risk. Swap agreements are not entered into or traded on exchanges and there is no central clearing or guaranty function for swaps. Therefore, swaps are subject to credit risk or the risk of default or non-performance by the counterparty. Swaps could result in losses if interest rate or credit quality changes are not correctly anticipated by the Fund or if the reference index, security or investments do not perform as expected.

Tax Risk. The use of derivatives may generate taxable income. In addition, the Fund s use of derivatives may be limited by the requirements for taxation as a regulated investment company or the Fund s intention to pay dividends that are exempt from federal income taxes. The tax treatment of derivatives may be adversely affected by changes in legislation, regulations or other legal authority, subjecting the Fund s shareholders to increased federal income tax liabilities.

Inverse Floating Rate Obligations Risk. Like most other fixed-income securities, the value of inverse floating rate obligations will decrease as interest rates increase. They are more volatile, however, than most other fixed-income securities because the coupon rate on an inverse floating rate obligation typically changes at a multiple of the change in the relevant index rate. Thus, any rise in the index rate (as a consequence of an increase in interest rates) causes a correspondingly greater drop in the coupon rate of an inverse floating rate

obligation while a drop in the index rate causes a correspondingly greater increase in the coupon of an inverse floating rate obligation. Some inverse floating rate obligations may also increase or decrease substantially because of changes in the rate of prepayments. Inverse floating rate obligations tend to underperform the market for fixed rate bonds in a rising interest rate environment, but tend to outperform the market for fixed rate bonds when interest rates decline or remain relatively stable. Inverse floating rate obligations have varying degrees of liquidity.

The Fund generally invests in inverse floating rate obligations that include embedded leverage, thus exposing the Fund to greater risks and increased costs. The market value of a leveraged inverse floating rate obligation generally will fluctuate in response to changes in market rates of interest to a greater extent than the value of an unleveraged investment.

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Principal Risk	Funds Subject to Risk
The extent of increases and decreases in the value of inverse floating rate obligations generally will be larger than changes in an equal principal amount of a fixed rate security having similar credit quality, redemption provisions and maturity, which may cause the Fund s net asset value to be more volatile than if it had not invested in inverse floating rate obligations. In certain instances, the short-term floating rate interests created by a special purpose trust may not be able to be sold to third parties or, in the case of holders tendering (or putting) such interests for repayment of principal, may not be able to be remarketed to third parties. In such cases, the special purpose trust holding the long-term fixed rate bonds may be collapsed. In the case of inverse floating rate obligations created by the Fund, the Fund would then be required to repay the principal amount of the tendered securities. During times of market volatility, illiquidity or uncertainty, the Fund could be required to sell other portfolio holdings at a disadvantageous time to raise cash to meet that obligation. The use of short-term floating rate obligations may require the Fund to segregate or earmark cash or liquid assets to cover its obligations. Securities so segregated or earmarked will be unavailable for sale by the Fund (unless replaced by other securities qualifying for segregation requirements), which may limit the Fund s flexibility and may require that the Fund sell other portfolio investments at a time when it may be disadvantageous to sell such assets.	
Risks of Investing in Lower-Grade Securities. Securities that are in the lower-grade categories generally offer higher yields than are offered by higher-grade securities of similar maturities, but they also generally involve greater risks, such as greater credit risk, market risk, volatility and liquidity risk. In addition, the amount of available information about the financial condition of certain lower-grade issuers may be less extensive than other issuers, making the Fund more dependent on the Adviser s credit analysis than a fund investing only in higher-grade securities. To minimize the risks involved in investing in lower-grade securities, the Fund does not purchase securities that are in default or rated in categories lower than B- by S&P or B3 by Moody s or unrated securities of comparable quality. Secondary market prices of lower-grade securities generally are less sensitive than higher-grade securities to changes in interest rates and are more sensitive to general adverse economic changes or specific developments with respect to the particular issuers. A significant increase in interest rates or a general economic downturn may significantly affect the ability of municipal issuers of lower-grade securities to pay interest and to repay principal, or to obtain additional financing, any of which could severely disrupt the market for lower-grade municipal securities and adversely affect the market value of such securities. Such events also could lead to a higher incidence of default by issuers of lower-grade securities. In addition, changes in credit risks, interest rates, the credit markets or periods of general economic uncertainty can be expected to result in increased volatility in the price of the lower-grade securities and the net asset value of the Fund. Adverse publicity and investor perceptions, whether or not based on rational analysis, may affect the value, volatility and liquidity of lower-grade securities.	All Funds

In the event that an issuer of securities held by the Fund experiences difficulties in the timely payment of principal and interest and such issuer seeks to restructure the terms of its borrowings, the Fund may incur additional expenses and may determine to invest additional assets with respect to such issuer or the project or projects to which the Fund s securities relate. Further, the Fund may incur additional expenses to the extent that it is required to seek recovery upon a default in the payment of interest or the repayment of principal on its portfolio holdings and the Fund may be unable to obtain full recovery on such amounts.

Investments in debt obligations that are at risk of or in default present special tax issues for the Fund. Federal income tax rules are not entirely clear about issues such as when the Fund may cease to accrue interest, original issue discount or market discount, when and to what extent deductions may be taken for bad debts or worthless securities, how payments received on obligations in default should be allocated between principal and interest and

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Principal Risk	Funds Subject to Risk
whether certain exchanges of debt obligations in a workout context are taxable. These and other issues will be addressed by the Fund, in the event it invests in or holds such securities, in order to seek to ensure that it distributes sufficient income to preserve its status as a regulated investment company.	
Liquidity Risk. Liquidity relates to the ability of a fund to sell a security in a timely manner at a price which reflects the value of that security. The amount of available information about the financial condition of municipal securities issuers is generally less extensive than that for corporate issuers with publicly traded securities, and the market for municipal securities is generally considered to be less liquid than the market for corporate debt obligations. Certain municipal securities in which the Fund may invest, such as special obligation bonds, lease obligations, participation certificates and variable rate instruments, may be particularly less liquid. To the extent the Fund owns or may acquire illiquid or restricted securities, these securities may involve special registration requirements, liabilities and costs, and liquidity and valuation difficulties. The effects of adverse publicity and investor perceptions may be more pronounced for securities for which no established retail market exists as compared with the effects on securities for which such a market does exist. An economic downturn or an increase in interest rates could severely disrupt the market for such securities and adversely affect the value of outstanding securities or the ability of the issuers to repay principal and interest. Further, the Fund may have more difficulty selling such securities in a timely manner and at their stated value than would be the case for securities for which an established retail market does exist. The markets for lower-grade securities may be less liquid than the markets for higher-grade securities. To the extent that there is no established retail market for some of the lower-grade securities in which the Fund may invest, trading in such securities may be relatively inactive. Prices of lower-grade securities may decline rapidly in the event a significant number of holders decide to sell. Changes in expectations regarding an individual issuer of lower-grade securities generally could reduce market liquidity for such securities and make their sale by the Fund at their current valuation more difficult. From time to time, the Fund s investments may include securities as to which the Fund, by itself or together with other funds or accounts managed by the Adviser, holds a major portion or all of an issue of municipal securities. Because there may be relatively few potential purchasers for such investments and, in some cases, there may be contractual restrictions on resales, the Fund may find it more difficult to sell such securities at a time when the Adviser believes it is advisable to do so.	All Funds
Preferred Shares Risk. The Fund s use of leverage through Preferred Shares may result in higher volatility of the net asset value of the Common Shares, and fluctuations in the dividend rates on the Preferred Shares (which are expected to reflect yields on short-term municipal securities) may affect the yield to the Common Shareholders. So long as the Fund is able to realize a higher net return on its investment portfolio than the then current dividend rate of the Preferred Shares, the effect of the leverage provided by the Preferred Shares will be to cause the Common Shareholders to realize a higher current rate of return	Acquiring Fund, IMC & IMT

than if the Fund were not so leveraged. On the other hand, to the extent that the then current dividend rate on the Preferred Shares approaches the net return on the Fund s investment portfolio, the benefit of leverage to the Common Shareholders will be reduced, and if the then current dividend rate on the Preferred Shares were to exceed the net return on the Fund s portfolio, the Fund s leveraged capital structure would result in a lower rate of return to the Common Shareholders than if the Fund were not so structured.

Similarly, because any decline in the net asset value of the Fund s investments will be borne entirely by the Common Shareholders, the effect of leverage in a declining market would result in a greater decrease in net asset value to the Common Shareholders than if the Fund were not so leveraged. Any such decrease would likely be reflected in a decline in the market price for Common Shares. If the Fund s current investment income were not sufficient to meet dividend requirements on the Preferred Shares, the Fund might have to

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Principal Risk	Funds Subject to Risk
liquidate certain of its investments in order to meet required dividend payments, thereby reducing the net asset value attributable to the Fund s Common Shares. The amount of Preferred Shares outstanding from time to time may vary, depending on the Adviser s analysis of conditions in the municipal securities market and interest rate movements. Management of the amount of outstanding Preferred Shares places greater reliance on the ability of the Adviser to predict trends in interest rates than if the Fund did not use leverage. In the event the Adviser later determines that all or a portion of such Preferred Shares should be reissued so as to increase the amount of leverage, no assurance can be given that the Fund will subsequently be able to reissue Preferred Shares on terms and/or with dividend rates that are beneficial to the Common Shareholders. Further, redemption and reissuance of the Preferred Shares, and any related trading of the Fund s portfolio securities, results in increased transaction costs to the Fund and its Common Shareholders. Because the Common Shareholders bear these expenses, changes to the Fund s outstanding leverage and any losses resulting from related portfolio trading will have a proportionately larger impact on the Common Shares net asset value and market price. In addition, the Fund is not permitted to declare any cash dividend or other distribution on its Common Shares unless, at the time of such declaration, the Fund has an asset coverage of at least 200% (determined after deducting the amount of such dividend or distribution). This prohibition on the payment of dividends or other distributions might impair the ability of the Fund to maintain its qualification as a regulated investment company for federal income tax purposes. The Fund intends, however, to the extent possible, to purchase or redeem Preferred Shares from time to time to maintain an asset coverage of the Preferred Shares of at least 200%. If a determination were made by the IRS to treat the Preferred Shares as debt rather than equity for U.S. federal income tax purposes, the Common Shareholders might be subject to increased federal income tax liabilities.	
Unrated Securities Risk. Many lower-grade securities are not listed for trading on any national securities exchange, and many issuers of lower-grade securities choose not to have a rating assigned to their obligations by any NRSRO. As a result, the Fund s portfolio may consist of a higher portion of unlisted or unrated securities as compared with an investment company that invests solely in higher-grade, listed securities. Unrated securities are usually not as attractive to as many buyers as are rated securities, a factor which may make unrated securities less marketable. These factors may limit the ability of the Fund to sell such securities at their fair value. The Fund may be more reliant on the Adviser s judgment and analysis in evaluating the creditworthiness of an issuer of unrated securities.	All Funds
When-Issued and Delayed Delivery Risks. When-issued and delayed delivery transactions are subject to market risk as the value or yield of a security at delivery may be more or less than the purchase price or the yield generally available on securities when delivery occurs. In addition, the Fund is subject to counterparty risk because it relies on the buyer or seller, as the case may be, to consummate the transaction, and failure by the other party to complete the transaction may result in the Fund missing the opportunity of obtaining a price or yield considered to be advantageous.	All Funds

Zero Coupon / PIK Bond Risk. Prices on non-cash-paying instruments may be more sensitive to changes in the issuer s financial condition, fluctuations in interest rates and market demand/supply imbalances than cash-paying securities with similar credit ratings, and thus may be more speculative than are securities that pay interest periodically in cash. These securities are also subject to the risk of default. These securities may subject the Fund to greater market risk than a fund that does not own these types of securities. Special tax considerations are associated with investing in non-cash-paying instruments, such as zero coupon or PIK securities. The Adviser will weigh these concerns against the expected total returns from such instruments.	All Funds

Additional information on these and other risks is available in the SAI.

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Portfolio Managers

Thomas Byron, Robert Stryker and Robert Wimmel are the portfolio managers for the Funds.

Mr. Byron joined Invesco in 2010. Mr. Byron was associated with the Funds previous investment adviser or its investment advisory affiliates in an investment management capacity from 1981 to 2010 and began managing the Funds in 2009. Mr. Byron earned a B.S. in finance from Marquette University and an M.B.A. in finance from DePaul University.

Mr. Stryker, Chartered Financial Analyst, joined Invesco in 2010. Mr. Stryker was associated with the Funds previous investment adviser or its investment advisory affiliates in an investment management capacity from 1994 to 2010 and began managing the Funds in 2009. Mr. Stryker earned a B.S. in finance from the University of Illinois, Chicago.

Mr. Wimmel joined Invesco in 2010. Mr. Wimmel was associated with the Funds previous investment adviser or its investment advisory affiliates in an investment management capacity from 1996 to 2010 and began managing the Funds in 2009. Mr. Wimmel earned a B.A. in anthropology from the University of Cincinnati and an M.A. in economics from the University of Illinois, Chicago.

The SAI provides additional information about the portfolio managers compensation, other accounts managed by the portfolio managers, and the portfolio managers ownership of securities in each Fund.

Trading of Common Shares

Each Fund s Common Shares trade on the Exchange. Generally, an investor purchasing a Fund s Common Shares enters into a purchase transaction on the Exchange through a broker-dealer and, thus, indirectly purchases the Common Shares from a selling Fund shareholder. A shareholder who sells a Fund s Common Shares generally sells them on the Exchange through a broker-dealer, and indirectly to another investor. Unlike a mutual fund (also called an open-end fund), holders of Common Shares of a Fund generally do not purchase and sell such Common Shares from and to the Fund, either directly or through an intermediary such as a broker-dealer. No brokerage charges will be imposed on any Fund s shareholders in connection with the Mergers.

Capital Structures of the Funds

Each Fund is currently organized as a Massachusetts business trust. The Acquiring Fund was organized on March 12, 1992, IMC was organized on February 26, 1990, IMS was organized on October 14, 1993, and IMT was organized on October 2, 1991. As discussed under Proposal 1, before the closing of the Mergers, the Funds will be reorganized as Delaware statutory trusts, which will all have identical governing documents and capital structures, except that IMS has no outstanding Preferred Shares. (Proposal 1 discusses the material differences between each Fund s current Massachusetts business trust structure and its proposed Delaware statutory trust structure.) The Funds governing documents will therefore be substantially identical immediately prior to the Mergers with the exception of any provisions governing outstanding Preferred Shares, which will be substantially identical among the Acquiring Fund, IMC and IMT but will not apply to IMS. Each such Delaware statutory trust will have the same structure, except that IMS has no outstanding Preferred Shares while the Acquiring Fund, IMC and IMT have outstanding Preferred Shares. With respect to IMC and IMT, Common Shareholders will not be affected by a Merger except that after a Merger, such Fund s shareholders will hold shares of a single, larger fund. **After the Merger, Common Shareholders of IMS will own shares of a single, larger fund with a leveraged capital structure, which grants Preferred Shareholders certain rights, including the right to elect at least two Trustees and additional rights in the event that the Acquiring Fund fails to make payments to the Preferred Shareholders.**

Description of Securities to be Issued

Before any Merger can be completed, each merging Fund must have completed a redomestication to a Delaware statutory trust, as discussed in Proposal 1. Accordingly, the following discussion reflects that each Fund would be a Delaware statutory trust as of the time of its Merger. A discussion of the changes a Fund would undergo as part of a Redomestication is included under Proposal 1.

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Common Shares. Each Common Share represents an equal proportionate interest with each other Common Share of the Fund, with each such share entitled to equal dividend, liquidation, redemption and voting rights. The Acquiring Fund, IMC and IMT also have outstanding Preferred Shares that vote separately from Common Shares in some circumstances. Each Fund s Common Shares have no preemptive, conversion or exchange rights, nor any right to cumulative voting.

As of the closing of a Merger, the Acquiring Fund will be authorized by its Amended and Restated Agreement and Declaration of Trust to issue an unlimited number of Acquiring Fund Common Shares, with no par value, and an unlimited number of Acquiring Fund Preferred Shares, with no par value.

Dividends and Distributions from the Acquiring Fund, IMC and IMT. The dividend and distribution policies of IMC and IMT are identical to those of the Acquiring Fund. The Acquiring Fund intends to make regular monthly distributions of all or a portion of its net investment income after payment of dividends on the Acquiring Fund s Preferred Shares outstanding to holders of the Acquiring Fund s Common Shares. The Acquiring Fund s net investment income consists of all interest income accrued on portfolio assets less all expenses of the Acquiring Fund. The Acquiring Fund is required to allocate net capital gains and other taxable income, if any, received by the Acquiring Fund among its shareholders on a pro rata basis in the year for which such capital gains and other income is realized. In certain circumstances, the Acquiring Fund will make additional payments to Preferred Shareholders to offset the tax effects of such taxable distributions.

While there are any Preferred Shares of the Acquiring Fund outstanding, the Acquiring Fund may not declare any cash dividend or other distribution on its Common Shares, unless at the time of such declaration, (i) all accrued Preferred Shares dividends have been paid, (ii) to the extent necessary, the Fund has redeemed all of the Preferred Shares subject to mandatory redemption under the terms of the Preferred Shares, and (iii) the value of the Acquiring Fund s total assets (determined after deducting the amount of such dividend or other distribution), less all liabilities and indebtedness of the Fund, is at least 200% (as required by the 1940 Act) of the liquidation preference of the outstanding Preferred Shares (expected to equal the aggregate original purchase price of the outstanding Preferred Shares plus any accrued and unpaid dividends thereon, whether or not earned or declared on a cumulative basis). In addition to the requirements of the 1940 Act, the Acquiring Fund may be required to comply with other asset coverage requirements as a condition of the Acquiring Fund obtaining a rating of its Preferred Shares from an NRSRO. These requirements may include an asset coverage test more stringent than that under the 1940 Act. This limitation on the Acquiring Fund s ability to make distributions on its Common Shares could in certain circumstances impair the ability of the Acquiring Fund to maintain its qualification for taxation as a regulated investment company under the Code. The Acquiring Fund intends, however, to the extent possible, to purchase or redeem Preferred Shares from time to time to maintain compliance with such asset coverage requirements and may pay special dividends to the holders of the Preferred Shares in certain circumstances in connection with any such impairment of the Acquiring Fund s status as a regulated investment company under the Code.

The tax treatment and characterization of the Acquiring Fund s distributions may vary significantly from time to time because of the varied nature of its investments. The Acquiring Fund will indicate the proportion of its capital gains distributions that constitute long-term and short-term gains annually. The ultimate tax characterization of the Acquiring Fund s distributions made in a calendar or fiscal year cannot finally be determined until after the end of that fiscal year. As a result, there is a possibility that the Acquiring Fund may make total distributions during a calendar or fiscal year in an amount that exceeds the Acquiring Fund s net investment income and net capital gains for the relevant fiscal year and its previously undistributed earnings and profits from prior years. In such situations, the amount by which the Acquiring Fund s total distributions exceed its net investment income and net capital gains generally will be treated as a tax-free return of capital reducing the amount of a shareholder s tax basis in such shareholder s shares, with any amounts exceeding such basis treated as gain from the sale of shares.

Various factors will affect the level of the Acquiring Fund s net investment income, such as the rate at which dividends are payable on outstanding Preferred Shares, the Acquiring Fund s asset mix, its level of retained earnings, the amount of leverage utilized by it and the effects thereof and the movement of interest rates for municipal bonds. These factors, among others, may result in the Acquiring Fund s level of net investment income being different from the level of net investment income for IMC and IMT if the Mergers were not completed. To permit the Acquiring

Fund to maintain more stable monthly distributions, it may from time to time distribute less than the entire amount earned in a particular period. The income would be available to supplement future distributions. As a result, the distributions paid by the Acquiring Fund for any particular month may be more or less

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than the amount actually earned by the Fund during that month. Undistributed earnings will add to the Acquiring Fund s net asset value and, correspondingly, distributions from undistributed earnings and from capital, if any, will deduct from the Fund s net asset value. Although it does not now intend to do so, the Board may change the Acquiring Fund s dividend policy and the amount or timing of the distributions based on a number of factors, including the amount of the Fund s undistributed net investment income and historical and projected investment income and the amount of the expenses and dividend rates on the outstanding Preferred Shares.

Holders of the Acquiring Fund s Common Shares will automatically have all dividends and distributions reinvested in Common Shares issued by the Fund or Common Shares of the Fund purchased in the open market in accordance with the Fund s Automatic Dividend Reinvestment Plan, unless an election is made to receive cash.

For information concerning the manner in which dividends and distributions to holders of a Fund s common shares may be reinvested automatically in such Fund s Common Shares, see Dividend Reinvestment Plan below.

IMC and IMT Common Shareholders who own certificated shares will not receive their Acquiring Fund Common Shares or any dividend payments from the Acquiring Fund until their certificates are tendered. IMC and IMT Common Shareholders will, shortly after the closing of their Fund s Merger, receive instructions on how to tender any outstanding share certificates.

Dividends and Distributions from IMS. IMS declares and pays dividends of net investment income, if any, monthly, and capital gains distributions, if any, at least annually. IMS may also declare and pay capital gains distributions more than once per year as permitted by law. IMS shareholders who own certificated shares will not receive dividend payments from the Acquiring Fund until their certificates are tendered. IMS Common Shareholders will, shortly after the closing of their Fund s Merger, receive instructions on how to tender any outstanding share certificates.

Dividend Reinvestment Plan. Each Fund offers a substantially similar dividend reinvestment plan for Common Shareholders. Each Fund s dividend reinvestment plan is more fully described in the Fund s shareholder reports. Any final distribution preceding a Merger made by a Target Fund or the Acquiring Fund will be made in cash, notwithstanding any shareholder s enrollment in the Fund s dividend reinvestment plan. Each Fund expects to amend its dividend reinvestment plan to provide for distributions to be made in cash in the event of transactions such as a Merger.

Provisions for Delaying or Preventing Changes in Control. Each Fund s governing documents contain provisions designed to prevent or delay changes in control of that Fund. Each Fund s Board of Trustees may cause the Fund to merge or consolidate with or into other entities; cause the Fund to sell, convey and transfer all or substantially all of the assets of the Fund; cause the Fund to convert to a different type of entity; or cause the Fund to convert from a closed-end fund to an open-end fund, each only so long as such action has previously received the approval of either (i) the Board, followed by the affirmative vote of the holders of not less than 75% of the outstanding shares entitled to vote; or (ii) the affirmative vote of at least two thirds (66 2/3%) of the Board and an affirmative Majority Shareholder Vote (which generally means the vote of a majority of the outstanding voting securities as defined in the 1940 Act of the Fund, with each class and series of shares voting together as a single class, except to the extent otherwise required by the 1940 Act). Under each Fund s governing documents that will be applicable as of the time of the Merger, shareholders will have no right to call special meetings of shareholders or to remove Trustees. In addition, each Fund s Board is divided into three classes, each of which stands for election only once in three years. As a result of this system, only those Trustees in one class may be changed in any one year, and it would require two years or more to change a majority of the Trustees.

Preferred Shares. Each of the Acquiring Fund, IMC and IMT have outstanding a class of preferred shares, designated as Variable Rate Muni Term Preferred Shares (VMTP Shares). The VMTP Shares of the Acquiring Fund, IMC and IMT have substantially identical liquidation preferences, rights, and privileges. In connection with the Mergers, the Acquiring Fund will issue additional VMTP shares equal in number and aggregate liquidation preference to the VMTP Shares of IMC and IMT, in exchange for such Target Fund VMTP Shares. IMS has no outstanding preferred shares.

Pending Litigation

On January 17, 2011, a Consolidated Amended Shareholder Derivative Complaint entitled *Curbow Family, LLC, et al. v. Morgan Stanley Investment Advisors, Inc.*, was filed on behalf of the Acquiring Fund and Invesco Municipal Premium Income Trust (PIA) (collectively, the Trusts) against Morgan Stanley Investment Advisors, Inc., Morgan Stanley and certain current and former executive officers of the Trusts (collectively, the Defendants) alleging that they breached their fiduciary duties to common shareholders by causing the Trusts to redeem Auction Rate Preferred Securities (ARPS) at their liquidation value. Specifically, the shareholders claim that the board

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and officers had no obligation to provide liquidity to the ARPS shareholders, the redemptions were improperly motivated to benefit the prior adviser by preserving business relationships with the ARPS holders, *i.e.*, institutional investors, and the market value and fair value of the ARPS were less than par at the time they were redeemed. The Complaint alleges that the redemption of the ARPS occurred at the expense of the Trusts and their common shareholders. This Complaint amends and consolidates two separate complaints that were filed by Curbow Family LLC and Elsie Mae Melms Revocable Living Trust on July 22, 2010 and August 3, 2010, respectively. Each of the Trusts initially received a demand letter from the plaintiffs on April 8, 2010. Plaintiffs seek judgment that: 1) orders Defendants to refrain from redeeming any ARPS at their liquidation value using Trusts assets; 2) awards monetary damages against all Defendants, individually, jointly or severally, in favor of the Trusts, for all losses and damages allegedly suffered as a result of the redemptions of ARPS at their liquidation value; 3) grants appropriate equitable relief to remedy the Defendants breaches of fiduciary duties; and 4) awards to plaintiffs the costs and disbursements of the action. The Board of each of the Trusts formed a Special Litigation Committee (SLC) to investigate these claims and to make a recommendation to the Board regarding whether pursuit of these claims is in the best interests of the Trusts. After reviewing the findings of the SLC, the Board announced on July 12, 2011, that it had adopted the SLC s recommendation to seek dismissal of the action. The Trusts filed a motion to dismiss on October 4, 2011, which remains pending. Plaintiffs filed a motion on November 28, 2011 asking the court to hold the motion to dismiss in abeyance while plaintiffs conduct limited discovery. The plaintiffs request for discovery has been briefed and the court s decision whether plaintiffs are entitled to discovery is pending. This matter is pending.

Management of the Adviser and each of the Funds believe that the outcome of the proceedings described above will have no material adverse effect on the Funds or on the ability of the Adviser to provide ongoing services to the Funds.

Share Price Data

The New York Stock Exchange is the principal trading market for each Fund s Common Shares. The following tables set forth the high and low sales prices and maximum premium/discount for each Fund s Common Shares for the periods indicated. Common Shares of each Fund have historically traded at both a premium and discount to net asset value.

Acquiring Fund (IIM)

	Price		Net Asset Value		Premium/Discount	
Quarterly Period Ending	**High**	**Low**	**High**	**Low**	**High**	**Low**
2/29/2012	$ 17.43	$ 15.34	$ 16.39	$ 15.32	7.39%	-1.41%
11/30/2011	16.00	14.81	15.60	15.14	3.96	-5.06
8/31/2011	14.83	12.90	15.32	14.69	0.34	-12.19
05/31/2011	14.62	13.16	14.71	13.86	-0.48	-6.80
02/28/2011[1]	14.12	12.58	14.70	13.43	-3.41	-7.86
11/30/2010	15.47	13.68	15.47	14.34	0.45	-8.31
10/31/2010	15.73	14.75	15.75	15.19	0.13	-3.31
07/31/2010	14.90	14.17	15.19	14.88	-1.65	-5.60
04/30/2010	14.17	14.00	15.01	14.76	-5.08	-6.04
01/31/2010	14.00	13.40	14.78	14.65	-5.15	-8.53

(1) The fiscal year end for the Acquiring Fund changed from October 31 to the last day of February effective February 28, 2011.

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IMC

	Price		Net Asset Value		Premium/Discount	
Quarterly Period Ending	**High**	**Low**	**High**	**Low**	**High**	**Low**
2/29/2012	$ 17.46	$ 15.84	$ 15.68	$ 14.65	15.19%	1.86%
11/30/2011	17.20	14.57	14.93	14.51	17.14	-0.20
8/31/2011	14.89	13.25	14.66	14.03	4.49	-9.37
05/31/2011	14.15	12.74	14.03	13.21	4.99	-5.98
02/28/2011[1]	13.42	11.90	14.06	12.71	-1.88	-8.15
11/30/2010	14.22	13.20	14.79	13.66	-1.17	-7.16
10/31/2010	15.03	14.08	15.05	14.53	0.00	-4.74
07/31/2010	14.18	13.42	14.53	14.26	-2.27	-6.71
04/30/2010	13.42	13.22	14.37	14.10	-5.11	-7.03
01/31/2010	13.40	12.90	14.11	13.99	-4.96	-7.92

(1) The fiscal year end for IMC changed from October 31 to the last day of February effective February 28, 2011.

IMS

	Price		Net Asset Value		Premium/Discount	
Quarterly Period Ending	**High**	**Low**	**High**	**Low**	**High**	**Low**
2/29/2012	$ 15.42	$ 14.10	$ 15.12	$ 14.58	2.20%	-4.15%
11/30/2011	14.13	13.71	14.70	14.47	-3.29	-6.16
8/31/2011	14.25	12.95	14.55	14.19	0.07	-10.87
05/31/2011	13.70	12.72	14.17	13.66	-1.68	-7.76
02/28/2011[1]	13.62	12.37	14.19	13.36	-4.02	-8.38
11/30/2010	14.28	13.25	14.63	13.95	-2.13	-6.65
10/31/2010	14.94	14.06	14.78	14.47	1.22	-4.29
07/31/2010	14.08	13.50	14.47	14.29	-2.70	-6.25
04/30/2010	13.96	13.50	14.38	14.21	-1.76	-5.63
01/31/2010	14.04	13.25	14.21	14.14	-1.20	-6.29

(1) The fiscal year end for IMS changed from October 31 to the last day of February effective February 28, 2011.

IMT

	Price		Net Asset Value		Premium/Discount	
Quarterly Period Ending	**High**	**Low**	**High**	**Low**	**High**	**Low**
2/29/2012	$ 16.19	$ 14.80	$ 15.54	$ 14.51	6.30%	-1.49%
11/30/2011	15.27	14.26	14.81	14.38	5.53	-1.89
8/31/2011	14.47	13.10	14.53	13.91	0.35	-9.53
05/31/2011	13.37	12.66	13.91	13.16	0.91	-5.49
02/28/2011[1]	13.83	11.90	13.96	12.78	2.08	-6.89
11/30/2010	14.99	13.39	14.67	13.62	2.42	-5.23
10/31/2010	15.46	14.13	14.98	14.46	3.90	-2.50
07/31/2010	14.21	13.76	14.46	14.20	-1.66	-4.51
04/30/2010	13.83	13.42	14.32	14.15	-3.42	-5.23
01/31/2010	13.43	12.89	14.16	14.08	-5.09	-8.45

(1) The fiscal year end for IMT changed from October 31 to the last day of February effective February 28, 2011.

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The following table shows, as of February 29, 2012, the NAV per share, market price, and premium or discount for Common Shares of each Fund.

	NAV	Market Price	Premium (Discount)
IMC	$ 15.63	$ 16.58	6.08%
IMS	15.10	15.01	-0.53
IMT	15.46	15.46	0.00
Acquiring Fund (IIM)	16.28	17.16	5.41

Common Shares of each Fund trade at a market price that is determined by current supply and demand conditions. The market price of a Fund s Common Shares may or may not be the same as the Fund s NAV per share that is, the value of the portfolio securities owned by the Fund less its liabilities. When the market price of a Fund s Common Shares exceeds its NAV per share, they are said to be trading at a premium. When the market price of a Fund s Common Shares is lower than its NAV per share, they are said to be trading at a discount. It is very difficult to identify all of the factors that may cause a closed-end fund s common shares to trade at a discount. It is often difficult to reduce or eliminate a closed-end fund s discount over the long term. Some short-term measures, such as share repurchases and tender offers, tend to reduce a closed-end fund s assets (and thereby potentially increase expense ratios), but do not typically have a long-term effect on the discount. Other measures, such as managed dividend programs, may not have a consistent long-term effect on discounts.

While the Board of each Fund has determined that the Merger is in the best interests of each Fund, there is no guarantee that the Mergers will have any long-term effect or influence on whether the Acquiring Fund Common Shares trade at a discount or a premium after the Mergers. Whether Common Shares had been trading at a premium or discount was not a significant factor in each Board s approval of the Merger Agreement and recommendation for approval to Fund shareholders. The Acquiring Fund s Board will continue to monitor any discount or premium at which the Acquiring Fund Common Shares trade after the Mergers and will evaluate what (if any) further action is appropriate at that time to address any discount or premium.

Portfolio Turnover

The Funds historical portfolio turnover rates are similar. Because the Funds have similar investment policies, management does not expect to dispose of a material amount of portfolio securities of any Fund in connection with the Mergers. No securities of the Target Funds need be sold in order for the Acquiring Fund to comply with its investment restrictions or policies. The Funds will continue to buy and sell securities in the normal course of their operations.

Portfolio Guidelines of Preferred Share Rating Agencies and Certificates of Designation

The Acquiring Fund, IMC and IMT have issued and outstanding Preferred Shares that are rated by one or more rating agencies. In order to maintain attractive credit quality ratings for Preferred Shares, the Acquiring Fund, IMC and IMT must meet certain investment quality, diversification, industry concentration, asset coverage, liquidity, and other criteria established by such ratings agencies. These guidelines may vary between rating agencies and may be modified by a rating agency at any time. In addition, the Acquiring Fund s, IMC s and IMT s Preferred Shares were issued pursuant to certificates of designation that impose certain additional restrictions on such Funds. These rating agency guidelines and certificates of designation could affect portfolio decisions and may have requirements more stringent than those imposed by the 1940 Act or otherwise by a Fund s investment policies.

Terms and Conditions of the Mergers

The terms and conditions under which a Merger may be consummated are set forth in the Merger Agreement. Significant provisions of the Merger Agreement are summarized below; however, this summary is qualified in its entirety by reference to the Merger Agreement, a form of which is attached as Exhibit D.

In each Merger, a Target Fund will merge with and into the Acquiring Fund pursuant to the Merger Agreement and in accordance with the Delaware Statutory Trust Act. As a result of each Merger, all of the assets

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and liabilities of the merging Target Fund will become assets and liabilities of the Acquiring Fund, and the Target Fund s shareholders will become shareholders of the Acquiring Fund.

Under the terms of the Merger Agreement, the Acquiring Fund will issue new Acquiring Fund Common Shares in exchange for Target Fund Common Shares. The number of Acquiring Fund Common Shares issued will be based on the relative NAVs and shares outstanding of the Acquiring Fund and the applicable Target Fund as of the business day immediately preceding the Merger s closing date. All Acquiring Fund Common Shares issued pursuant to the Agreement will be fully paid and non-assessable, and will be listed for trading on the Exchange. The terms of the Acquiring Fund Common Shares to be issued in each Merger will be identical to the terms of the Acquiring Fund Common Shares already outstanding.

Under the terms of the Merger Agreement, the Acquiring Fund will also issue new Acquiring Fund Preferred Shares in exchange for Preferred Shares of IMC and IMT. The number of additional Acquiring Fund Preferred Shares issued for the Mergers with IMC and IMT will equal the number of outstanding Preferred Shares of IMC and IMT, and such Acquiring Fund Preferred Shares will have liquidation preferences, rights, and privileges substantially identical to those of the then outstanding Preferred Shares for the merging Target Fund.

Prior to the closing of each Merger, each Target Fund will declare one or more dividends, and the Acquiring Fund may, but is not required to, declare a dividend, payable at or near the time of closing to their respective shareholders to the extent necessary to avoid entity level tax or as otherwise deemed desirable. Such distributions, if made, are anticipated to be made in the 2012 calendar year and, to the extent a distribution is not an exempt-interest dividend (as defined in the Code), the distribution may be taxable to shareholders in such year for federal income tax purposes. It is anticipated that Fund distributions will be primarily dividends that are exempt from regular federal income tax, although a portion of such dividends may be taxable to shareholders as ordinary income or capital gains. Any such final distribution paid to Common Shareholders by a Target Fund will be made in cash and not reinvested in additional Common Shares of the Target Fund. See the discussion under Description of Securities to be Issued Dividend Reinvestment Plan for further information.

If shareholders approve the Mergers and if all of the closing conditions set forth in the Merger Agreement are satisfied or waived, including the condition that each Fund complete its Redomestication (Proposal 1), consummation of the Mergers (the Closing) is expected to occur in the third quarter of 2012 on a date mutually agreed upon by the Funds (the Closing Date). The passage of Proposal 3 is not a condition to the Mergers.

At the Closing, Acquiring Fund Common Shares will be credited to Target Fund Common Shareholders on a book-entry basis only. The Acquiring Fund will not issue certificates representing Common Shares in connection with the Mergers, irrespective of whether Target Fund shareholders currently hold such shares in certificated form. At the Closing, all outstanding certificates representing Common Shares of the merging Target Fund will be cancelled. Target Fund shareholders who own certificated Common Shares will not receive their Acquiring Fund Common Shares or dividend payments from the Acquiring Fund until their certificates are tendered to the Acquiring Fund. Target Fund Common Shareholders will, shortly after the closing of their Fund s Merger, receive instructions on how to tender any outstanding share certificates.

Each Fund will be required to make representations and warranties in the Merger Agreement that are customary in matters such as the Mergers.

If shareholders of a Fund do not approve a Merger or if a Merger does not otherwise close, the Board will consider what additional action to take, including allowing the Fund to continue operating as it currently does. The Merger Agreement may be terminated and the Merger may be abandoned at any time by mutual agreement of the parties. The Merger Agreement may be amended or modified in a writing signed by the parties.

Additional Information About the Funds

As of the time of the Mergers, each Fund will be a newly organized Delaware statutory trust, as discussed in Proposal 1. Each Fund is registered under the 1940 Act, as a diversified, closed-end management investment company. Diversified means that the Fund is limited in the amount it can invest in a single issuer. A closed-end fund (unlike an open-end or mutual fund) does not continuously sell and redeem its shares; in the case of the

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Funds, Common Shares are bought and sold on the Exchange. A management investment company is managed by an investment adviser the Adviser in the case of the Funds that buys and sells portfolio securities on behalf of the investment company.

Federal Income Tax Matters Associated with Investment in the Funds

The following information is meant as a general summary of certain federal income tax matters for U.S. shareholders. Please see the SAI for additional information. Investors should rely on their own tax advisor for advice about the particular federal, state and local tax consequences to them of investing in the Funds (for purposes of this section, the Fund).

The Fund has elected to be treated and intends to qualify each year (including the taxable year in which the Merger occurs) as a regulated investment company (RIC) under Subchapter M of the Code. In order to qualify as a RIC, the Fund must satisfy certain requirements regarding the sources of its income, the diversification of its assets and the distribution of its income. As a RIC, the Fund is not expected to be subject to federal income tax on the income and gains it distributes to its shareholders. If, for any taxable year, the Fund does not qualify for taxation as a RIC, it will be treated as a U.S. corporation subject to U.S. federal income tax, thereby subjecting any income earned by the Fund to tax at the corporate level and to a further tax at the shareholder level when such income is distributed. In lieu of losing its status as a RIC, the Fund is permitted to pay a tax for certain failures to satisfy the asset diversification test or income requirement, which, in general, are limited to those due to reasonable cause and not willful neglect, for taxable years of the Fund with respect to which the extended due date of the return is after December 22, 2010.

The Code imposes a 4% nondeductible excise tax on the Fund to the extent it does not distribute by the end of any calendar year at least the sum of (i) 98% of its taxable ordinary income for that year, and (ii) 98.2% of its capital gain net income (both long-term and short-term) for the one-year period ending, as a general rule, on October 31 of that year. For this purpose, however, any ordinary income or capital gain net income retained by the Fund that is subject to corporate income tax will be considered to have been distributed by year-end. In addition, the minimum amounts that must be distributed in any year to avoid the excise tax will be increased or decreased to reflect any underdistribution or overdistribution, as the case may be, from the previous year. The Fund anticipates that it will pay such dividends and will make such distributions as are necessary in order to avoid or minimize the application of this excise tax.

The Fund primarily invests in municipal securities. Thus, substantially all of the Fund s dividends paid to you from net investment income should qualify as exempt-interest dividends. A shareholder treats an exempt-interest dividend as interest on state and local bonds exempt from regular federal income tax. Exempt-interest dividends from interest earned on municipal securities of a state, or its political subdivisions, generally are exempt from that state s personal income tax. Most states, however, do not grant tax-free treatment to interest from municipal securities of other states.

Federal income tax law imposes an alternative minimum tax with respect to corporations, individuals, trusts and estates. Interest on certain municipal obligations, such as certain private activity bonds, is included as an item of tax preference in determining the amount of a taxpayer s alternative minimum taxable income. To the extent that the Fund receives income from such municipal obligations, a portion of the dividends paid by the Fund, although exempt from regular federal income tax, will be taxable to shareholders to the extent that their tax liability is determined under the federal alternative minimum tax. The Fund will annually provide a report indicating the percentage of the Fund s income attributable to municipal obligations subject to the federal alternative minimum tax. Corporations are subject to special rules in calculating their federal alternative minimum taxable income with respect to interest from such municipal obligations.

In addition to exempt-interest dividends, the Fund may also distribute to its shareholders amounts that are treated as long-term capital gain or ordinary income (which may include short-term capital gains). These distributions may be subject to federal, state and local taxation, depending on a shareholder s situation. If so, they are taxable whether or not such distributions are reinvested. Net capital gain distributions (the excess of net long-term capital gain over net short-term capital loss) are generally taxable at rates applicable to long-term capital gains regardless of how long a shareholder has held its shares. Long-term capital gains are currently taxable to noncorporate shareholders at a maximum federal income tax rate of 15%. Absent further legislation, the maximum

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15% rate on long-term capital gains will cease to apply to taxable years beginning after December 31, 2012. The Fund does not expect that any part of its distributions to shareholders from its investments will qualify for the dividends-received deduction available to corporate shareholders or as qualified dividend income available to noncorporate shareholders.

Distributions by the Fund in excess of the Fund s current and accumulated earnings and profits will be treated as a return of capital to the extent of the shareholder s tax basis in its shares and will reduce such basis. Any such amount in excess of that basis will be treated as gain from the sale of shares, as discussed below.

As a RIC, the Fund will not be subject to federal income tax in any taxable year on the income and gains it distributes to shareholders provided that it meets certain distribution requirements. The Fund may retain for investment some (or all) of its net capital gain. If the Fund retains any net capital gain or investment company taxable income, it will be subject to tax at regular corporate rates on the amount retained. If the Fund retains any net capital gain, it may designate the retained amount as undistributed capital gains in a notice to its shareholders who, if subject to federal income tax on long-term capital gains, (i) will be required to include in income for federal income tax purposes, as long-term capital gain, their share of such undistributed amount; (ii) will be entitled to credit their proportionate shares of the federal income tax paid by the Fund on such undistributed amount against their federal income tax liabilities, if any; and (iii) may claim refunds to the extent the credit exceeds such liabilities. For federal income tax purposes, the basis of shares owned by a shareholder of the Fund will be increased by an amount equal to the difference between the amount of undistributed capital gains included in the shareholder s gross income and the tax deemed paid by the shareholder under clause (ii) of the preceding sentence.

The IRS currently requires that a RIC that has two or more classes of stock allocate to each such class proportionate amounts of each type of its income (such as exempt interest, ordinary income and capital gains). Accordingly, the Fund designates dividends made with respect to the Common Shares and, if applicable, the Preferred Shares as consisting of particular types of income (e.g., exempt interest, net capital gain and ordinary income) in accordance with each class proportionate share of the total dividends paid by the Fund during the year. A class s proportionate share of a particular type of income is determined according to the percentage of total dividends paid by the RIC to such class.

Dividends declared by the Fund to shareholders of record in October, November or December and paid during the following January may be treated as having been received by shareholders in the year the distributions were declared.

At the time of an investor s purchase of Fund shares, a portion of the purchase price may be attributable to realized or unrealized appreciation in the Fund s portfolio or to undistributed ordinary income or capital gains of the Fund. Consequently, subsequent distributions by the Fund with respect to these shares from such appreciation, income or gains may be taxable to such investor even if the net asset value of the investor s shares is, as a result of the distributions, reduced below the investor s cost for such shares and the distributions economically represent a return of a portion of the investment.

Each shareholder will receive an annual statement summarizing the shareholder s dividend and capital gains distributions.

The redemption, sale or exchange of shares normally will result in capital gain or loss to shareholders who hold their shares as capital assets. Generally, a shareholder s gain or loss will be long-term capital gain or loss if the shares have been held for more than one year. The gain or loss on shares held for one year or less will generally be treated as short-term capital gain or loss. Present law taxes both long-term and short-term capital gains of corporations at the same rates applicable to ordinary income. Long-term capital gains are currently taxable to noncorporate shareholders at a maximum federal income tax rate of 15%. As noted above, absent further legislation, the maximum 15% rate on long-term capital gains will cease to apply to taxable years beginning after December 31, 2012. Any loss on the sale of shares that have been held for six months or less will be disallowed to the extent of any distribution of exempt-interest dividends received with respect to such shares and any remaining loss will be treated as a long-term capital loss to the extent of any long-term capital gain distributed to you by the Fund on those shares. Any loss realized on a sale or exchange of shares of a Fund will be disallowed to the extent those shares of the Fund are replaced by other substantially identical shares of the Fund or other substantially identical stock or securities (including through reinvestment of dividends) within a period of 61 days beginning 30 days before and

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ending 30 days after the date of disposition of the original shares. In that event, the basis of the replacement shares of the Fund will be adjusted to reflect the disallowed loss.

Under Treasury regulations, if a shareholder recognizes a loss with respect to Fund shares of $2 million or more for an individual shareholder, or $10 million or more for a corporate shareholder, in any single taxable year (or of certain greater amounts over a combination of years), generally the shareholder must file with the IRS a disclosure statement on Form 8886.

Shareholders that are exempt from U.S. federal income tax, such as retirement plans that are qualified under Section 401 of the Code, generally are not subject to U.S. federal income tax on otherwise-taxable Fund dividends or distributions, or on sales or exchanges of Fund shares unless the Fund shares are debt-financed property within the meaning of the Code.

Any interest on indebtedness incurred or continued to purchase or carry the Fund s shares to which exempt-interest dividends are allocated is not deductible. Under certain applicable rules, the purchase or ownership of shares may be considered to have been made with borrowed funds even though such funds are not directly used for the purchase or ownership of the shares. In addition, if you receive Social Security or certain railroad retirement benefits, you may be subject to U.S. federal income tax on a portion of such benefits as a result of receiving investment income, including exempt-interest dividends and other distributions paid by the Fund.

Investments in debt obligations that are at risk of or in default present special tax issues for the Fund. Federal income tax rules are not entirely clear about issues such as when the Fund may cease to accrue interest, original issue discount or market discount, when and to what extent deductions may be taken for bad debts or worthless securities, how payments received on obligations in default should be allocated between principal and interest and whether certain exchanges of debt obligations in a workout context are taxable. These and other issues will be addressed by the Fund, in the event it invests in or holds such securities, in order to seek to ensure that it distributes sufficient income to preserve its status as a RIC.

If the Fund invests in certain pay-in-kind securities, zero coupon securities, deferred interest securities or, in general, any other securities with original issue discount (or with market discount if the Fund elects to include market discount in income currently), the Fund must accrue income on such investments for each taxable year, which generally will be prior to the receipt of the corresponding cash payments. However, the Fund must distribute to shareholders, at least annually, all or substantially all of its investment company taxable income (determined without regard to the deduction for dividends paid), including such accrued income, to qualify as a RIC and to avoid federal income and excise taxes. Therefore, the Fund may have to dispose of its portfolio securities under disadvantageous circumstances to generate cash, or may have to leverage itself by borrowing the cash, to satisfy these distribution requirements.

The Fund may hold or acquire municipal obligations that are market discount bonds. A market discount bond is a security acquired in the secondary market at a price below its redemption value (or its adjusted issue price if it is also an original issue discount bond). If the Fund invests in a market discount bond, it will be required to treat any gain recognized on the disposition of such market discount bond as ordinary taxable income to the extent of the accrued market discount.

By law, if you do not provide the Fund with your proper taxpayer identification number and certain required certifications, you may be subject to backup withholding on any distributions of income, capital gains, or proceeds from the sale of your shares. The Fund also must withhold if the IRS instructs it to do so. When withholding is required, the amount will be 28% of any distributions or proceeds paid, including exempt interest dividends (for distributions and proceeds paid after December 31, 2012, the rate is scheduled to rise to 31% unless the 28% rate is extended or made permanent).

For taxable years beginning after December 31, 2012, an additional 3.8% Medicare tax will be imposed on certain net investment income (including ordinary dividends and capital gain distributions received from the Fund and net gains from redemptions or other taxable dispositions of Fund shares) of US individuals, estates and trusts to the extent that such person s modified adjusted gross income (in the case of an individual) or adjusted gross income (in the case of an estate or trust) exceeds a threshold amount.

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The description of certain federal tax provisions above relates only to U.S. federal income tax consequences for shareholders who are U.S. persons, i.e., generally, U.S. citizens or residents or U.S. corporations, partnerships, trusts or estates, and who are subject to U.S. federal income tax and hold their shares as capital assets. Except as otherwise provided, this description does not address the special tax rules that may be applicable to particular types of investors, such as financial institutions, insurance companies, securities dealers, other regulated investment companies, or tax-exempt or tax-deferred plans, accounts or entities. Investors other than U.S. persons may be subject to different U.S. federal income tax treatment, including a non-resident alien U.S. withholding tax at the rate of 30% or any lower applicable treaty rate on amounts treated as ordinary dividends from the Fund, special certification requirements to avoid U.S. backup withholding and claim any treaty benefits and U.S. estate tax. Shareholders should consult their own tax advisors on these matters and on state, local, foreign and other applicable tax laws.

Under recently enacted legislation and administrative guidance, the relevant withholding agent may be required to withhold 30% of any (a) income dividends paid after December 31, 2013 and (b) certain capital gains distributions and the proceeds of a sale of shares paid after December 31, 2014 to (i) a foreign financial institution unless such foreign financial institution agrees to verify, report and disclose certain of its U.S. accountholders and meets certain other specified requirements or (ii) a non-financial foreign entity that is the beneficial owner of the payment unless such entity certifies that it does not have any substantial U.S. owners or provides the name, address and taxpayer identification number of each substantial U.S. owner and such entity meets certain other specified requirements.

Board Considerations in Approving the Mergers

On June 1, 2010, Invesco acquired the retail fund management business of Morgan Stanley, which included 32 Morgan Stanley and Van Kampen branded closed-end funds. This transaction filled gaps in Invesco s product line and has enabled Invesco to expand its investment offerings to retail customers. The transaction also resulted in product overlap. The Mergers proposed in this Proxy Statement are part of a larger group of mergers across Invesco s fund platform that began in early 2011. The larger group of mergers is designed to put forth Invesco s most compelling investment processes and strategies, reduce product overlap and create scale in the resulting funds.

Each Fund s Board created an ad hoc committee (the Ad Hoc Merger Committee) to consider each Merger and to assist the Board in its consideration of such Merger. The Ad Hoc Merger Committee met separately two times, on October 17, 2011 and November 18, 2011 to discuss each proposed Merger. Two separate meetings of each Fund s Board were also held to review and consider each Merger, including presentations by the Ad Hoc Merger Committee on its deliberations and, ultimately, recommendations. The trustees who are not interested persons, as that term is defined in the 1940 Act, of the Funds (the Independent Trustees) held a separate meeting in conjunction with the November 29-30, 2011 meeting of the full Boards to consider these matters. The Independent Trustees have been advised on this matter by independent legal counsel to the Independent Trustees. The Boards requested and received from the Adviser written materials containing relevant information about the Funds and the proposed Mergers, including fee and expense information on an actual and pro forma estimated basis, and comparative portfolio composition and performance data.

The Boards reviewed, among other information they deemed relevant, information comparing the following for each Fund: (1) investment objectives, policies and restrictions; (2) portfolio management; (3) portfolio composition; (4) comparative short-term and long-term investment performance and distribution yields; (5) current expense ratios and expense structures, including contractual investment advisory fees on a net asset basis and on a managed assets basis; (6) expected federal income tax consequences to the Funds, including any impact on capital loss carry forwards; (7) relative asset size; and (8) trading information such as trading premiums/discounts and bid/ask spreads.

The Boards considered the benefits to each Fund of (i) combining with a similar fund to create a larger fund, (ii) with respect to IMS and IMT, the Adviser s paying all of the Merger costs, and (iii) the expected tax free nature of the Merger for each Fund and its shareholders for federal income tax purposes. In addition, each Target Fund s Board considered the Acquiring Fund s contractual advisory fee rate in light of the benefits of retaining the Adviser as the Acquiring Fund s investment adviser, the services provided, and those expected to be provided, to the Acquiring Fund by the Adviser, and the terms and conditions of the Acquiring Fund s advisory agreement.

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The Boards also considered the Mergers in the context of the larger group of mergers, which were designed to rationalize the Invesco funds in a way that can enhance visibility in the market place. The Boards also considered the possible benefits that might accrue to a single, larger closed-end fund, including increased market liquidity and increased analyst coverage. The Boards discussed with the Adviser the possible alternatives to the Mergers, including liquidation and maintaining the status quo, among other alternatives.

The Boards further considered that (i) the investment objective, strategies and related risks of each Target Fund and the Acquiring Fund are substantially identical; (ii) the Funds have the same portfolio management team; (iii) shareholders would become shareholders of a single larger Fund; (iv) the Adviser s agreement to limit the Acquiring Fund s total expenses if a Merger is completed, as disclosed above on a pro forma basis, for at least two years from the closing date of the Merger; and (v) the Adviser s representation that, because of the similarity between the Funds investment objectives and strategies, the costs associated with repositioning each Fund s investment portfolio in connection with a Merger would be minimal.

Based upon the information and considerations described above, the Boards unanimously concluded that the Mergers are in the best interests of the Funds and that no dilution of net asset value would result to the shareholders of the Funds from the Mergers. Consequently, the Boards unanimously approved the Merger Agreement and each Merger on November 29, 2011.

Federal Income Tax Considerations of the Mergers

The following is a general summary of the material U.S. federal income tax considerations of the Mergers and is based upon the current provisions of the Code, the existing U.S. Treasury Regulations thereunder, current administrative rulings of the IRS and published judicial decisions, all of which are subject to change. These considerations are general in nature and individual shareholders should consult their own tax advisors as to the federal, state, local, and foreign tax considerations applicable to them and their individual circumstances. These same considerations generally do not apply to shareholders who hold their shares in a tax-deferred account.

Each Merger is intended to be a tax-free reorganization pursuant to Section 368(a) of the Code. As described above, the Mergers will occur following the Redomestication of each Target Fund and the Acquiring Fund. The principal federal income tax considerations that are expected to result from the Merger of each Target Fund into the Acquiring Fund are as follows:

- no gain or loss will be recognized by the Target Fund or the shareholders of the Target Fund as a result of the Merger;
- no gain or loss will be recognized by the Acquiring Fund as a result of the Merger;
- the aggregate tax basis of the shares of the Acquiring Fund to be received by a shareholder of the Target Fund will be the same as the shareholder s aggregate tax basis of the shares of the Target Fund; and
- the holding period of the shares of the Acquiring Fund received by a shareholder of the Target Fund will include the period that a shareholder held the shares of the Target Fund (provided that such shares of the Target Fund are capital assets in the hands of such shareholder as of the Closing).

Neither the Target Funds nor the Acquiring Fund have requested or will request an advance ruling from the IRS as to the federal tax consequences of the Mergers. As a condition to Closing, Stradley Ronon Stevens & Young, LLP will render a favorable opinion to each Target Fund and the Acquiring Fund as to the foregoing federal income tax consequences of each Merger, which opinion will be conditioned upon, among other things, the accuracy, as of the Closing Date, of certain representations of each Target Fund and the Acquiring Fund upon which Stradley Ronon Stevens & Young, LLP will rely in rendering its opinion. Such opinion of counsel may state that no opinion is expressed as to the effect of the Mergers on the Target Funds, the Acquiring Fund or any Target Fund shareholder with respect to any transferred asset as to which any unrealized gain or loss is required to be recognized for federal income tax purposes at the end of a taxable year (or on the termination or transfer thereof) under a mark-to-market system of accounting. A copy of the opinion will be filed with the SEC and will be available for public inspection. See Where to Find Additional Information.

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Opinions of counsel are not binding upon the IRS or the courts. If a Merger is consummated but the IRS or the courts determine that the Merger does not qualify as a tax-free reorganization under the Code, and thus is taxable, the Target Fund would recognize gain or loss on the transfer of its assets to the Acquiring Fund and each shareholder of the Target Fund would recognize a taxable gain or loss equal to the difference between its tax basis in its Target Fund shares and the fair market value of the shares of the Acquiring Fund it receives. The failure of one Merger to qualify as a tax-free reorganization would not adversely affect any other Merger.

Prior to the closing of each Merger, each Target Fund will declare one or more dividends, and the Acquiring Fund may, but is not required to, declare a dividend, payable at or near the time of closing to their respective shareholders to the extent necessary to avoid entity level tax or as otherwise deemed desirable. Such distributions, if made, are anticipated to be made in the 2012 calendar year and, to the extent a distribution is not an exempt-interest dividend (as defined in the Code), the distribution may be taxable to shareholders in such year for federal income tax purposes. It is anticipated that Fund distributions will be primarily dividends that are exempt from regular federal income tax, although a portion of such dividends may be taxable to shareholders as ordinary income or capital gains. Any such final distribution paid to Common Shareholders by a Target Fund will be made in cash and not reinvested in additional Common Shares of the Target Fund. See the discussion under Description of Securities to be Issued Dividend Reinvestment Plan for further information.

The tax attributes, including capital loss carryovers, of the Target Funds move to the Acquiring Fund in the Mergers. The capital loss carryovers of the Target Funds and the Acquiring Fund are available to offset future gains recognized by the combined Fund, subject to limitations under the Code. Where these limitations apply, all or a portion of a Fund s capital loss carryovers may become unavailable the effect of which may be to accelerate the recognition of taxable gain to the combined Fund and its shareholders post-Closing. Under one such limitation, if a Fund has built-in gains at the time of Closing that are realized by the combined Fund in the five-year period following a Merger, such built-in gains, when realized, may not be offset by the losses (including any capital loss carryovers and built in losses) of the other Fund. It is not anticipated that other limitations on use of a Fund s capital loss carryovers, if any, would be material, although that depends on the facts at the time of Closing of each Merger. At February 29, 2012, IMC has aggregate capital loss carryovers of $0.8 million, IMT has aggregate capital loss carryovers of $6.4 million, IMS has aggregate capital loss carryovers of $2.9 million, and the Acquiring Fund has aggregate capital loss carryovers of $8.1 million. For more information with respect to each Fund s capital loss carryovers, please refer to the Fund s shareholder report.

Shareholders of a Target Fund will receive a proportionate share of any taxable income and gains realized by the Acquiring Fund and not distributed to its shareholders prior to the Merger when such income and gains are eventually distributed by the Acquiring Fund. As a result, shareholders of a Target Fund may receive a greater amount of taxable distributions than they would have had the Merger not occurred. In addition, if the Acquiring Fund following the Mergers has proportionately greater unrealized appreciation in its portfolio investments as a percentage of its net asset value than a Target Fund, shareholders of the Target Fund, post-Closing, may receive greater amounts of taxable gain as such portfolio investments are sold than they otherwise might have if the Mergers had not occurred. At February 29, 2012, the unrealized appreciation (depreciation) in value of the portfolio investments of each Target Fund on a tax basis as a percentage of its net asset value is 11% for IMC, 12% for IMT, and 7% for IMS compared to that of the Acquiring Fund of 12%, and 11% on a combined basis.

After the Mergers, shareholders will continue to be responsible for tracking the adjusted tax basis and holding period of their shares for federal income tax purposes.

Costs of the Mergers

The estimated total costs of the Merger for each Fund, as well as the estimated proxy solicitation costs for each Fund (which are part of the total Merger costs), are set forth in the table below.

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	Estimated Proxy Solicitation Costs	Estimated Merger Costs (includes Proxy Solicitation)	Estimated Portion of Merger Costs to be Paid by the Funds
IMC	$ 10,000	$ 110,000	$ 110,000
IMS	$ 10,000	$ 110,000	$ 0
IMT	$ 20,000	$ 130,000	$ 0
Acquiring Fund (IIM)	$ 40,000	$ 70,000	$ 70,000

The Adviser will bear all Merger costs of IMS and IMT. The costs of the Mergers include legal counsel fees, independent accountant fees, expenses related to the printing and mailing of this Proxy Statement, listing fees for additional shares on the Exchange, and fees associated with the proxy solicitation. Each Fund bears the cost of its annual meeting.

Capitalization

The following table sets forth as of February 29, 2012, each Fund s total net assets, number of shares outstanding of each class, and net asset value per Common Share. This information is generally referred to as the capitalization of a Fund. The term *pro forma* capitalization means the expected capitalization of the Acquiring Fund after the Mergers. The table shows *pro forma* capitalization giving effect to all of the Mergers. The capitalizations of the Funds are likely to be different on the Closing Date as a result of daily market activity.

	IMC	IMS	IMT	Acquiring Fund (IIM)	*Pro Forma* Adjustments	Acquiring Fund *pro forma* (assumes all of the Mergers are completed)
Net assets	$ 61,626,757	$ 99,510,631	$ 270,271,617	$ 336,854,000	($180,000)[1]	$ 768,083,005
Common Shares Outstanding	3,942,543	6,591,387	17,484,372	20,694,675	(1,526,884)[2]	47,186,093
Common Share NAV Per Share	$ 15.63	$ 15.10	$ 15.46	$ 16.28		$ 16.28
Preferred Shares Outstanding	321		1,119	1,424		2,864

1 *Pro forma* net assets have been adjusted for the allocated portion of the Funds expenses to be incurred in connection with the Mergers.

2 *Pro forma* shares outstanding have been adjusted for the accumulated change in the number of shares of each Target Fund s shareholder accounts based on the relative net asset value per Common Share of each Target Fund and the Acquiring Fund.

As of the time of the Mergers (by which time each Fund will have been reorganized as a Delaware statutory trust, as discussed in Proposal 1), the Acquiring Fund, IMC and IMT will be authorized to issue an unlimited number of preferred shares of beneficial interest, and each Fund will be authorized to issue an unlimited number of common shares of beneficial interest, and no Fund will hold any of its shares for its own account.

Where to Find More Information

The SAI contains further information on the Funds, including their investment policies, strategies and risks. Additional information is available in each Fund s shareholder reports.

THE BOARD OF EACH FUND RECOMMENDS THAT YOU VOTE FOR THE APPROVAL OF PROPOSAL 2.

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PROPOSAL 3: APPROVAL OF AN AMENDMENT TO THE ADVISORY AGREEMENT FOR THE ACQUIRING FUND

Background

Shareholders of the Acquiring Fund are being asked to approve an amendment (the Amendment) to the Acquiring Fund s investment advisory agreement (the Advisory Agreement) with the Adviser. Under the Amendment, the investment advisory fee rate payable by the Acquiring Fund to the Adviser would increase, as described further below. No other amendment is proposed to be made to the Advisory Agreement. The Acquiring Fund s operations and the manner in which the Adviser manages the Acquiring Fund will not change as a result of the Amendment. The Board of the Acquiring Fund has unanimously approved the Amendment. The SEC website at www.sec.gov contains the Acquiring Fund s filings with the SEC, including the Advisory Agreement, which was included as an exhibit to the Acquiring Fund s Form N-SAR filed December 30, 2010.

Under the 1940 Act, shareholder approval is required before the Acquiring Fund can amend the Advisory Agreement to increase advisory fees. If shareholders of the Acquiring Fund do not approve the Amendment, the Acquiring Fund will continue operating pursuant to the Advisory Agreement as currently in effect. If shareholders of the Acquiring Fund approve the Amendment and the Merger of a Target Fund into the Acquiring Fund is completed, shareholders of the merged Target Fund will be subject to the amended Advisory Agreement after the Merger. The Mergers are not contingent on approval of this Proposal 3, and this Proposal 3 is not contingent on the approval of the Mergers.

The increase in fee rate reflects the increase in the nature and quality of services provided to the Acquiring Fund following its migration from its prior investment adviser to the Invesco platform. During the time that the Acquiring Fund was managed by its prior investment adviser, the Acquiring Fund was supported by a small number of portfolio managers and trader/analysts, in contrast to the five lead portfolio managers, 13 municipal bond portfolio managers, 13 municipal analysts, and three traders/assistants that Invesco currently dedicates to support the Acquiring Fund and similarly managed funds within the Invesco fund complex. In contrast, under the Acquiring Fund s prior investment adviser, which launched the Acquiring Fund, dedicated portfolio managers were not necessarily provided to manage the Acquiring Fund, and all trading and servicing was provided by a broker-dealer entity affiliated with the Acquiring Fund s prior investment adviser. Through the Adviser, the Acquiring Fund has access to a wider range of proprietary and external fee-based software and research services, which resources provide support to the Acquiring Fund. The Acquiring Fund s Board believes that the proposed advisory fee is reflective of the additional services provided to the Acquiring Fund through the Adviser, as compared to (i) funds managed by other investment managers, (ii) similar funds managed by the Adviser, and (iii) the fee that the Adviser would propose for the Acquiring Fund if it were to be launched today. The Amendment would also lead to greater consistency of fee structures across the closed-end funds that are part of the Invesco fund complex and resolve disparate pricing between the legacy Morgan Stanley and Van Kampen closed-end funds and standard Invesco pricing. As discussed further below, the Acquiring Fund s Board has determined that the Acquiring Fund s fee under the Amendment would be reasonable relative to the level of services provided to the Acquiring Fund.

Changes to Investment Advisory Fee Rate

The Amendment would increase the investment advisory fee rate payable by the Acquiring Fund to the Adviser. The current investment advisory fee rate for the Acquiring Fund is 0.27% as a percentage of average weekly net assets, and the proposed investment advisory fee rate is 0.55% as a percentage of average weekly net assets. When calculating net assets for purposes of calculating investment advisory fees, assets attributable to outstanding Preferred Shares issued by the Acquiring Fund are not deducted and an amount up to the aggregate amount of any other borrowings incurred for the purpose of leverage is included. This method of calculating the Acquiring Fund s assets, which will not be changed by the Amendment, is sometimes referred to as managed assets.

The aggregate amounts actually paid by the Acquiring Fund to the Adviser under the Advisory Agreement for the Acquiring Fund s last fiscal year, the amounts that would have been paid if the Amendment had been in effect, and the difference between the aggregate advisory fees paid and *pro forma* advisory fees paid are set forth below:

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Aggregate Advisory Fees Paid	*Pro Forma* Advisory Fees Paid	Difference Between Aggregate Advisory Fees Paid and *Pro Forma* Advisory Fees Paid
$1,260,269	$ 2,564,179	$ 1,303,910

During its most recent fiscal year, the Acquiring Fund paid administrative fees in the amount of $121,958 under its administration agreement with the Adviser. During its most recent fiscal year, the Acquiring Fund paid $1,382,227 to the Adviser and its affiliated persons.

The table below provides a summary of the current expenses of the Acquiring Fund and also shows estimated expenses on a *pro forma* basis giving effect to the Amendment. The *pro forma* expense ratios show projected estimated expenses, but actual expenses could be greater or less than those shown.

Expense Table and Expense Examples for the Acquiring Fund s Common Shares

	Current (a)	***Pro Forma*** (b) **(assumes Amendment is approved)**
Shareholder Fees (Fees paid directly from your investment)		
Maximum Sales Charge (Load) Imposed on Purchases (as a percentage of offering price) (c)	None	None
Dividend Reinvestment Plan (d)	None	None
Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)		
Management Fees	0.40%	0.82% (e)
Interest and Related Expenses (f)	0.55%	0.55%
Other Expenses	0.13%	0.13%
Total Annual Fund Operating Expenses	1.08%	1.50%

(a) Expense ratios are estimated amounts for the current fiscal year. Preferred Shares do not bear any transaction or operating expenses of the Acquiring Fund.

(b) Expense ratios are estimated amounts for the current fiscal year, restated to reflect the advisory fee increase described in Proposal 3. *Pro forma* numbers are estimated as if the Amendment had been approved by shareholders and effective as of March 1, 2011.

(c) Common Shares of the Acquiring Fund purchased on the secondary market are not subject to sales charges, but may be subject to brokerage commissions or other charges.

(d) Each participant in the Acquiring Fund s dividend reinvestment plan pays a proportionate share of the brokerage commissions incurred with respect to open market purchases in connection with such plan. For the Acquiring Fund s last fiscal year, participants in the plan incurred brokerage commissions representing $0.03 per share.

(e) Assumes that Proposal 3 is approved and the increased advisory fee is implemented.

(f)

Interest and Related Expenses includes interest and other costs of providing leverage to the Acquiring Fund, such as the costs to maintain lines of credit, issue and administer preferred shares, and establish and administer floating rate note obligations.

Expense Example

This example shows the cost of investing in Acquiring Fund Common Shares. The example also provides information on a *pro forma* basis giving effect to the Amendment. It assumes an investment at NAV of $1,000 for the periods shown; a 5% investment return each year; the Acquiring Fund s operating expenses remain the same each year; and that all dividends and distributions are reinvested at NAV.

	1 Year	3 Years	5 Years	10 Years
Acquiring Fund (IIM)	$ 11	$ 34	$ 60	$ 132
Pro Forma (Acquiring Fund (IIM), assuming the Amendment is approved)	$ 15	$ 47	$ 81	$ 178

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The Example is not a representation of past or future expenses. The Acquiring Fund s actual expenses, and an investor s direct and indirect expenses, may be more or less than those shown. The table and the assumption in the Example of a 5% annual return are required by regulations of the SEC applicable to all registered funds. The 5% annual return is not a prediction of and does not represent the Acquiring Fund s projected or actual performance.

Description of the Advisory Agreement

The Advisory Agreement is dated as of June 1, 2010 and was last approved by shareholders of the Acquiring Fund at a joint special meeting of such shareholders that was held on April 16, 2010, as adjourned, in connection with the acquisition of the retail fund business of Morgan Stanley, which resulted in the termination of the Acquiring Fund s prior investment advisory agreement with the Acquiring Fund s prior investment adviser. At a meeting held on June 15, 2011, the Board, including a majority of the independent Trustees, reviewed and approved the continuation of the Advisory Agreement. None of the provisions of the Advisory Agreement summarized below will be affected by the Amendment. Additional information about the Adviser is provided in Proposal 2, under How do the management, investment adviser and other services providers of the Funds compare?

Duties and Obligations. The Advisory Agreement provides that, subject to the direction and control of the Board, the Adviser shall (i) act as investment adviser for and supervise and manage the investment and reinvestment of the Acquiring Fund s assets, (ii) supervise the investment program of the Acquiring Fund and the composition of its investment portfolio, and (iii) decide on and arrange for the purchase and sale of securities and other assets held in the investment portfolio of the Acquiring Fund. In addition, the Advisory Agreement provides that the Adviser shall take, on behalf of the Acquiring Fund, all actions that appear to the Adviser to be necessary to carry into effect such purchase and sale programs and supervisory functions.

Delegation to Sub-Advisers. Under the terms of the Advisory Agreement, the Adviser may delegate any or all of its rights, duties or obligations under the Advisory Agreement to several affiliated subadvisers, in accordance with Master Intergroup Sub-Advisory Contracts and applicable law.

Term and Termination. Assuming approval by the Acquiring Fund s Shareholders, the amended Advisory Agreement shall continue in force and effect for an initial term of one year. The Advisory Agreement shall continue from year to year only if approved annually (i) by the Board or the holders of a majority of the outstanding voting securities of the Acquiring Fund, and (ii) by a majority of the Trustees who are not interested persons of any party to the Advisory Agreement, by vote cast in person at a meeting called for the purpose of voting on such approval.

The Advisory Agreement may be terminated (i) at any time by vote of the Board or by vote of a majority of the outstanding voting securities of the Acquiring Fund upon giving 60 days notice to the Adviser (which notice may be waived by the Adviser), or (ii) by the Adviser on 60 days written notice to the Acquiring Fund (which notice may be waived by the Acquiring Fund). The Advisory Agreement also immediately terminates in the event of its assignment, as defined in the 1940 Act.

Limitation of Liability. The Advisory Agreement provides that the Adviser will not be liable for any error of judgment or mistake of law or for any loss suffered by the Adviser or by the Acquiring Fund in connection with the performance of the Advisory Agreement, except a loss resulting from a breach of fiduciary duty with respect to the receipt of compensation for services or a loss resulting from willful misfeasance, bad faith, gross negligence or reckless disregard of obligations or duties under the Advisory Agreement on the part of the Adviser.

Additional Information about the Adviser

Principal Executive Officer and Board of Directors. Martin L. Flanagan serves as an advisor to the board of directors of the Adviser. The following table shows the current members of the board of directors of the Adviser and their positions with the Adviser:

Name	Title
Mark G. Armour	Co-President & Co-Chief Executive Officer
Philip A. Taylor	Co-President & Co-Chief Executive Officer
Kevin M. Carome	Secretary
Loren M. Starr	Director

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The address of each member of the board of directors of the Adviser is 1555 Peachtree Street, N.E., Atlanta Georgia 30309.

Relationship with the Funds. Martin L. Flanagan, Chief Executive Officer of Invesco and an advisor to the directors of the Adviser, and Philip A. Taylor, Director, Co-President & Co-Chief Executive Officer of the Adviser, each serve as a Trustee of the Acquiring Fund. No other Trustee of a Fund is an officer, employee, director, general partner or shareholder of the Adviser or has any material direct or indirect interest in the Adviser or any other person controlling, controlled by or under common control with the Adviser. As a result of Mr. Flanagan s and Mr. Taylor s position with the Adviser, Messrs. Flanagan and Taylor could each be considered to have a material interest in the Amendment.

Other Funds Managed. The Adviser also acts as investment adviser to other registered investment companies that have similar investment objectives to the Acquiring Fund. The table below sets forth certain information with respect to such investment companies. The Adviser has waived, reduced, or otherwise agreed to reduce its compensation under the advisory agreement applicable to each fund listed below. The funds listed below are, like the Acquiring Fund, part of a larger group of proposed mergers and fee increases. If all of such mergers and fee increases are approved and completed, none of the funds listed below would have an advisory fee less than the fee proposed for the Acquiring Fund.

Name of Fund	Net Assets as of February 29, 2012	Annual Rate of Advisory Fees
Invesco Value Municipal Bond Trust (IMC)	$ 61,626,757	0.27%**
Invesco Value Municipal Securities (IMS)	$ 99,510,631	0.27%*
Invesco Value Municipal Trust (IMT)	$ 270,271,617	0.27%**
Invesco Quality Municipal Income Trust (IQI)	$ 326,271,421	0.27%**
Invesco Quality Municipal Investment Trust (IQT)	$ 202,475,282	0.27%**
Invesco Quality Municipal Securities (IQM)	$ 209,425,189	0.27%**

* As a percentage of average weekly net assets.

** As a percentage of average weekly net assets. For the purpose of calculating the advisory fee, the liquidation preference of any Preferred Shares issued by the fund will not be deducted from the fund s total assets. In addition, an amount up to the aggregate amount of any other borrowings may be included in the fund s advisory fee calculation.

Board Considerations in Approving the Advisory Agreement and the Amendment

At in-person meetings on June 14-15, 2011, the Acquiring Fund s Board unanimously approved the Advisory Agreement. At a meeting on November 30, 2011, the Board unanimously approved the Amendment. The Board held various meetings and discussions with management of the Adviser and reviewed and considered materials regarding the Acquiring Fund, the Adviser, and other matters considered by the Board to be material in connection with the approval of the Advisory Agreement and the Amendment.

In considering the Amendment, the Board considered, among other things, that except for the investment advisory fee rates payable, the Amendment will make no changes to the Advisory Agreement. The Adviser stated its belief that, although the current management fees may have been adequate for the services provided by the Acquiring Fund s prior adviser at the time the Acquiring Fund was launched, such fees do not fairly compensate the Adviser for the services it currently provides in supporting the Acquiring Fund. The Adviser noted that during the time that the Acquiring Fund was managed by its previous investment adviser, the Acquiring Fund was supported by a small number of portfolio managers and trader/analysts, in contrast to the five lead portfolio managers, 13 municipal bond portfolio managers, 13 municipal analysts and three traders/assistants that the Adviser has dedicated to support the Acquiring Fund and similarly managed funds within the Invesco fund complex. The Adviser explained to the Board that the Acquiring

Fund was created and launched by the Acquiring Fund s prior investment adviser through its proprietary broker-dealer and was used as a method to provide the prior investment adviser s smaller clients, who did not otherwise have access to the municipal bond market in their individual accounts, with access to a diversified portfolio of municipal bonds. At the prior investment adviser, dedicated portfolio managers were not necessarily provided to manage the Acquiring Fund, and all trading and servicing was provided by the prior adviser s affiliated broker-dealer entity. In contrast, the Adviser utilizes a wide range of proprietary and

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external fee-based software and research services in managing the Acquiring Fund. The Board considered management s assertion that the proposed advisory fee is reflective of the additional services provided to the Acquiring Fund by or through Invesco. The Adviser also provided the Board with materials in support of the view that the proposed advisory fee is consistent with the Acquiring Fund s Lipper peer group and universe averages, with other similar funds managed by the Adviser and with the fee the Adviser would propose for the Acquiring Fund if it were to be launched today. The Adviser noted that the Amendment is designed to achieve consistent fee structures across the closed-end funds in the Invesco fund complex and to resolve disparate pricing between the legacy Morgan Stanley and Van Kampen closed-end funds. The Board determined that the Acquiring Fund s fee under the Amendment is fair and reasonable.

The Board, including the Independent Trustees, requested and evaluated materials from, and was provided materials and information regarding the Amendment by, the Adviser. The Board, at meetings held on October 25, 2011 and November 29, 2011, reviewed the materials provided in connection with their consideration of the Amendment and discussed them with representatives of the Adviser. The Board also considered information that they had previously received in connection with their most recent consideration and approval of the Advisory Agreement with the Adviser on June 14-15, 2011. The Board also consulted with the Independent Trustees independent legal counsel. The Board, including the Independent Trustees, unanimously approved the Amendment as being fair and reasonable and recommended its approval by shareholders.

The factors considered by the Board in approving the Advisory Agreement and the Amendment and recommending approval of the Amendment included, among others, the following:

- The expected benefits of continuing to retain the Adviser as the Acquiring Fund s investment adviser;
- The services provided, and those expected to be provided, to the Acquiring Fund by the Adviser;
- The terms and conditions of the Advisory Agreement remaining the same except for the fee rate being changed by the Amendment;
- The impact of the proposed change in investment advisory fee rate on the Acquiring Fund s total expense ratio; and
- That the Adviser, and not the Acquiring Fund, would bear the costs of obtaining shareholder approval of the Amendment.

Nature, Extent and Quality of Services. The Board reviewed the advisory services provided to the Acquiring Fund by the Adviser under the Advisory Agreement, the performance of the Adviser in providing these services, and the credentials and experience of the officers and employees of the Adviser who provide these services, including the Acquiring Fund s portfolio manager or managers. The Board s review of the qualifications of the Adviser to provide advisory services included the Board s consideration of the Adviser s performance and investment process oversight, independent credit analysis and investment risk management.

The Board also considered the prior relationship between the Adviser and the Acquiring Fund, as well as the Board s knowledge of the Adviser s operations, and concluded that it is beneficial to maintain the current relationship, in part, because of such prior relationship and knowledge. The Board also considered services that the Adviser and its affiliates provide to the Acquiring Fund, such as various back office support functions, equity and fixed income trading operations, internal audit, and legal and compliance. The Board also considered that the nature, extent and quality of services proposed to be provided after the Amendment were not expected to change.

Investment Performance. The Board considered the Acquiring Fund s performance. The Board compared the Acquiring Fund s performance during the past one, three and five calendar years to the performance of funds in the Lipper performance universe and against the Lipper Closed-End Insured Municipal Debt Funds (Leveraged) Index. The Board noted that the Acquiring Fund s performance was in the third quintile of its performance universe for the one year period (during which the Adviser managed the Acquiring Fund) and the second quintile for the three and five year periods (the first quintile being the best performing funds and the fifth quintile being the worst performing

funds). The Board noted that the Acquiring Fund s performance was above the performance of the Index for the one, three and five year periods. The Trustees also reviewed more recent performance and this review did not change their conclusions.

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Investment Advisory Fee Rates and Other Expenses. The Board considered that the contractual investment advisory fee rates payable by the Acquiring Fund would increase under the Amendment. The Board noted that the Acquiring Fund s contractual advisory fee rate under the Advisory Agreement was below the median contractual advisory fee rate of funds in its expense group. The Board considered that the advisory fee under the Amendment is consistent with those of the Acquiring Fund s Lipper peer group and universe averages and with other similar funds managed by the Adviser. The Board noted that the Adviser has contractually agreed to waive fees and/or limit expenses of the Acquiring Fund for at least two years from the closing date of the Mergers in an amount necessary to limit total annual operating expenses to a specified percentage of average daily net assets for the Acquiring Fund.

Economies of Scale. The Board noted that the Acquiring Fund shares directly in economies of scale through lower fees charged by third party service providers based on the combined size of the Invesco funds and other clients advised by the Adviser. The Board noted that the Acquiring Fund s advisory fee schedule has no breakpoints, but that breakpoints are uncommon for closed-end funds.

Profitability and Financial Resources. The Board reviewed information from the Adviser concerning the costs of the advisory and other services that the Adviser and its affiliates provide to the Acquiring Fund and the profitability of the Adviser and its affiliates in providing these services. The Board reviewed with the Adviser the methodology used to prepare the profitability information. The Board considered the profitability of the Adviser in connection with managing the Acquiring Fund and the Invesco funds. The Board noted that the Adviser continues to operate at a net profit from services the Adviser and its subsidiaries provide to the Acquiring Fund and the Invesco funds. The Board concluded that the level of profits realized by the Adviser and its affiliates from providing services to the Acquiring Fund were not excessive and would not be excessive under the Amendment given the nature, quality and extent of the services provided to the Acquiring Fund. The Board received and accepted information from the Adviser demonstrating that it is financially sound and has the resources necessary to perform its obligations under the Advisory Agreement.

Collateral Benefits to the Adviser and its Affiliates. The Board considered various other benefits received by the Adviser and its affiliates from the relationship with the Acquiring Fund, including the fees received for their provision of administrative and transfer agency services to the Acquiring Fund. The Board considered the performance of the Adviser and its affiliates in providing these services and the organizational structure employed to provide these services. The Board also considered that these services are provided to the Acquiring Fund pursuant to written contracts that are reviewed and approved on an annual basis by the Board; that the services are required for the operation of the Acquiring Fund; that the Adviser and its affiliates can provide services, the nature and quality of which are at least equal to those provided by others offering the same or similar services; that the fees for such services are fair and reasonable in light of the usual and customary charges by others for services of the same nature and quality; and that the Amendment would have no effect on the foregoing factors.

The Board concluded, within the context of its overall conclusions regarding the Amendment, that the factors described above were sufficient to warrant the approval of the Amendment. In their deliberations, the Trustees did not identify any single item that was paramount or controlling and individual trustees may have attributed different weights to various factors.

Based on the foregoing, the Trustees approved the Amendment and concluded that the proposed investment advisory fee rate thereunder is fair and reasonable. Accordingly, the Board approved the Amendment and recommends that shareholders of the Acquiring Fund vote FOR the approval of Proposal 3.

THE ACQUIRING FUND BOARD RECOMMENDS THAT YOU VOTE FOR THE APPROVAL OF PROPOSAL 3.

PROPOSAL 4: ELECTION OF TRUSTEES BY EACH FUND

At the Meeting, Common Shareholders and Preferred Shareholders, as applicable, of each Fund, voting together as a single class, will vote on the election of the following six nominees for election as Trustees: James T. Bunch, Bruce L. Crockett, Rodney F. Dammeyer, Jack M. Fields, Martin L. Flanagan and Carl Frischling. All nominees have consented to being named in this Proxy Statement and have agreed to serve if elected.

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The group of Trustees standing for election in any given year is the same for each Fund. The following table indicates the Trustees in each such group and the period for which each group currently serves:

Group I*	**Group II****	**Group III*****
Albert R. Dowden	David C. Arch	James T. Bunch
Prema Mathai-Davis	Frank S. Bayley	Bruce L. Crockett
Hugo F. Sonnenschein	Larry Soll	Rodney F. Dammeyer
Raymond Stickel, Jr.	Philip A. Taylor	Jack M. Fields
	Wayne W. Whalen	Martin L. Flanagan
		Carl Frischling

* Currently serving until the year 2013 Annual Meeting or until their successors have been duly elected and qualified.

** Currently serving until the year 2014 Annual Meeting or until their successors have been duly elected and qualified.

*** If elected, to serve until the year 2015 Annual Meeting or until their successors have been duly elected and qualified.

If elected, each nominee will serve until the later of the Funds annual meeting of shareholders in 2015 or until his or her successor has been duly elected and qualified, or his or her earlier retirement, resignation or removal. As in the past, only one class of Trustees is being submitted to shareholders of each Fund for election at the Meeting. The Declaration of Trust of each Fund provides that the Board shall be divided into three classes, which must be as nearly equal in number as possible. For each Fund, the Trustees of only one class are elected at each annual meeting, so that the regular term of only one class of Trustees will expire annually and any particular Trustee stands for election only once in each three-year period. This type of classification may prevent replacement of a majority of Trustees of a Fund for up to a two-year period. The foregoing is subject to the provisions of the 1940 Act, applicable state law, each Fund s Declaration of Trust and each Fund s Bylaws.

Prema Mathai-Davis and Frank S. Bayley, who are not standing for election at the Meeting, have been designated to be elected solely by the holders of the Preferred Shares of the applicable Fund.

The business and affairs of the Funds are managed under the direction of their Boards of Trustees. Below is information on the Trustees qualifications and experience.

Interested Trustees.

Martin L. Flanagan. Mr. Flanagan is president and chief executive officer of Invesco Ltd., a position he has held since August 2005. He is also a member of the Board of Directors of Invesco Ltd. Mr. Flanagan joined Invesco Ltd. from Franklin Resources, Inc., where he was president and co-chief executive officer from January 2004 to July 2005. Previously he had been Franklin s co-president from May 2003 to January 2004, chief operating officer and chief financial officer from November 1999 to May 2003, and senior vice president and chief financial officer from 1993 until November 1999. Mr. Flanagan served as director, executive vice president and chief operating officer of Templeton, Galbraith & Hansberger, Ltd. before its acquisition by Franklin in 1992. Before joining Templeton in 1983, he worked with Arthur Anderson & Co. Mr. Flanagan is a chartered financial analyst and a certified public accountant. He serves as vice chairman of the Investment Company Institute and is a member of the executive board at the SMU Cox School of Business. The Board of each Fund believes that Mr. Flanagan s long experience as an executive in the investment management area benefits the Funds.

Philip A. Taylor. Mr. Taylor has been the head of Invesco s North American retail business as Senior Managing Director since April 2006. He previously served as chief executive officer of Invesco Trimark Investments since January 2002. Mr. Taylor joined Invesco in 1999 as senior vice president of operations and client services and later became executive vice president and chief operating officer. Mr. Taylor was president of Canadian retail broker Investors Group Securities from 1994 to 1997 and managing partner of Meridian Securities, an execution and clearing

broker, from 1989 to 1994. He held various management positions with Royal Trust, now part of Royal Bank of Canada, from 1982 to 1989. He began his career in consumer brand management in the U.S. and Canada with Richardson-Vicks, now part of Procter & Gamble. The Board of each Fund believes that Mr. Taylor s long experience in the investment management business benefits the Funds.

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Wayne W. Whalen. Mr. Whalen is Of Counsel and, prior to 2010, was a partner in the law firm of Skadden, Arps, Slate, Meagher & Flom LLP. Mr. Whalen is a Director of the Abraham Lincoln Presidential Library Foundation. From 1995 to 2010, Mr. Whalen served as Director and Trustee of investment companies in the Van Kampen Funds complex. The Board of each Fund believes that Mr. Whalen s experience as a law firm partner and his experience as a director of investment companies benefits the Funds.

Independent Trustees.

David C. Arch. Currently, Mr. Arch is the Chairman and Chief Executive Officer of Blistex, Inc., a consumer health care products manufacturer. Mr. Arch is a member of the Heartland Alliance Advisory Board, a nonprofit organization serving human needs based in Chicago and member of the Board of the Illinois Manufacturers Association. Mr. Arch is also a member of the Board of Visitors, Institute for the Humanities, University of Michigan. From 1984 to 2010, Mr. Arch served as Director or Trustee of investment companies in the Van Kampen funds complex. The Board of each Fund believes that Mr. Arch s experience as the CEO of a public company and his experience with investment companies benefits the Funds.

Frank S. Bayley. Mr. Bayley is a business consultant in San Francisco. He is Chairman and a Director of the C. D. Stimson Company, a private investment company in Seattle. Mr. Bayley serves as a Trustee of the Seattle Art Museum, a Trustee of San Francisco Performances, and a Trustee and Overseer of The Curtis Institute of Music in Philadelphia. He also serves on the East Asian Art Committee of the Philadelphia Museum of Art and the Visiting Committee for Art of Asia, Oceana and Africa of the Museum of Fine Arts, Boston. Mr. Bayley is a retired partner of the international law firm of Baker & McKenzie LLP, where his practice focused on business acquisitions and venture capital transactions. Prior to joining Baker & McKenzie LLP in 1986, he was a partner of the San Francisco law firm of Chickering & Gregory. He received his A.B. from Harvard College in 1961, his LL.B. from Harvard Law School in 1964, and his LL.M. from Boalt Hall at the University of California, Berkeley, in 1965. Mr. Bayley served as a Trustee of the Badgley Funds from inception in 1998 until dissolution in 2007. The Board of each Fund believes that Mr. Bayley s experience as a business consultant and a lawyer benefits the Funds.

James T. Bunch. From 1988 to 2010, Mr. Bunch was Founding Partner of Green Manning & Bunch, Ltd., a leading investment banking firm located in Denver, Colorado. Green Manning & Bunch is a FINRA-registered investment bank specializing in mergers and acquisitions, private financing of middle-market companies and corporate finance advisory services. Immediately prior to forming Green Manning & Bunch, Mr. Bunch was Executive Vice President, General Counsel, and a Director of Boettcher & Company, then the leading investment banking firm in the Rocky Mountain region. Mr. Bunch began his professional career as a practicing attorney. He joined the prominent Denver-based law firm of Davis Graham & Stubbs in 1970 and later rose to the position of Chairman and Managing Partner of the firm. At various other times during his career, Mr. Bunch has served as Chair of the NASD Business District Conduct Committee, and Chair of the Colorado Bar Association Ethics Committee. In June 2010, Mr. Bunch became the Managing Member of Grumman Hill Group LLC, a family office private equity investment manager. The Board of each Fund believes that Mr. Bunch s experience as an investment banker and investment management lawyer benefits the Funds.

Bruce L. Crockett. Mr. Crockett has more than 30 years of experience in finance and general management in the banking, aerospace and telecommunications industries. From 1992 to 1996, he served as president, chief executive officer and a director of COMSAT Corporation, an international satellite and wireless telecommunications company. Mr. Crockett has also served, since 1996, as chairman of Crockett Technologies Associates, a strategic consulting firm that provides services to the information technology and communications industries. Mr. Crockett also serves on the Board of Directors of ACE Limited, a Zurich-based insurance company. He is a life trustee of the University of Rochester Board of Directors. The Board of each Fund elected Mr. Crockett to serve as its Independent Chair because of his extensive experience in managing public companies and familiarity with investment companies.

Rodney F. Dammeyer. Since 2001, Mr. Dammeyer has been Chairman of CAC, LLC, a private company offering capital investment and management advisory services. Previously, Mr. Dammeyer served as Managing Partner at Equity Group Corporate Investments; Chief Executive Officer of Anixter International; Senior Vice President and Chief Financial Officer of Household International, Inc.; and Executive Vice President and Chief Financial Officer of Northwest Industries, Inc. Mr. Dammeyer was a Partner of Arthur Andersen & Co., an international accounting firm.

Mr. Dammeyer currently serves as a Director of Quidel Corporation and Stericycle,

Inc. Previously, Mr. Dammeyer served as a Trustee of The Scripps Research Institute; and a Director of Ventana Medical Systems, Inc.; GATX Corporation; TheraSense, Inc.; TeleTech Holdings Inc.; and Arris Group, Inc. From 1987 to 2010, Mr. Dammeyer served as Director or Trustee of investment companies in the Van Kampen funds complex. The Board of each Fund believes that Mr. Dammeyer s experience in executive positions at a number of public companies, his accounting experience and his experience serving as a director of investment companies benefits the Funds.

Albert R. Dowden. Mr. Dowden retired at the end of 1998 after a 24-year career with Volvo Group North America, Inc. and Volvo Cars of North America, Inc. Mr. Dowden joined Volvo as general counsel in 1974 and was promoted to increasingly senior positions until 1991 when he was appointed president, chief executive officer and director of Volvo Group North America and senior vice president of Swedish parent company AB Volvo. Since retiring, Mr. Dowden continues to serve on the board of the Reich & Tang Funds and also serves on the boards of Homeowners of America Insurance Company and its parent company, as well as Nature s Sunshine Products, Inc. and The Boss Group. Mr. Dowden s charitable endeavors currently focus on Boys & Girls Clubs where he has been active for many years, as well as several other not-for-profit organizations. Mr. Dowden began his career as an attorney with a major international law firm, Rogers & Wells (1967-1976), which is now Clifford Chance. The Board of each Fund believes that Mr. Dowden s extensive experience as a corporate executive benefits the Funds.

Jack M. Fields. Mr. Fields served as a member of Congress, representing the 8th Congressional District of Texas from 1980 to 1997. As a member of Congress, Mr. Fields served as Chairman of the House Telecommunications and Finance Subcommittee, which has jurisdiction and oversight of the Federal Communications Commission and the Securities and Exchange Commission. Mr. Fields co-sponsored the National Securities Markets Improvements Act of 1996, and played a leadership role in enactment of the Private Securities Litigation Reform Act of 1995. Mr. Fields currently serves as Chief Executive Officer of the Twenty-First Century Group in Washington, D.C., a bipartisan Washington consulting firm specializing in Federal government affairs. Mr. Fields also serves as a Director of Insperity (formerly known as Administaff) (NYSE: ASF), a premier professional employer organization with clients nationwide. In addition, Mr. Fields sits on the Board of the Discovery Channel Global Education Fund, a nonprofit organization dedicated to providing educational resources to people in need around the world through the use of technology. The Board of each Fund believes that Mr. Fields experience in the House of Representatives, especially concerning regulation of the securities markets, benefits the Funds.

Carl Frischling. Mr. Frischling is senior partner of the Financial Services Group of Kramer Levin. He is a pioneer in the field of bank-related mutual funds and has counseled clients in developing and structuring comprehensive mutual fund complexes. Mr. Frischling also advises mutual funds and their independent trustees/directors on their fiduciary obligations under federal securities laws. Prior to his practicing law, he was chief administrative officer and general counsel of a large mutual fund complex that included a retail and institutional sales force, investment counseling and an internal transfer agent. During his ten years with the organization, he developed business expertise in a number of areas within the financial services complex. He served on the Investment Company Institute board and was involved in ongoing matters with all of the regulatory areas overseeing this industry. Mr. Frischling is a board member of the Mutual Fund Director s Forum. He also serves as a Trustee of the Reich & Tang Funds, a registered investment company. Mr. Frischling serves as a Trustee of the Yorkville Youth Athletic Association and is a member of the Advisory Board of Columbia University Medical Center. The Board of each Fund believes that Mr. Frischling s experience as an investment management lawyer and his long involvement with investment companies benefits the Funds.

Dr. Prema Mathai-Davis. Prior to her retirement in 2000, Dr. Mathai-Davis served as Chief Executive Officer of the YWCA of the USA. Prior to joining the YWCA, Dr. Mathai-Davis served as the Commissioner of the New York City Department for the Aging. She was a Commissioner of the New York Metropolitan Transportation Authority of New York, the largest regional transportation network in the U.S. Dr. Mathai-Davis also serves as a Trustee of the YWCA Retirement Fund, the first and oldest pension fund for women, and on the advisory board of the Johns Hopkins Bioethics Institute. Dr. Mathai-Davis was the president and chief executive officer of the Community Agency for Senior Citizens, a non-profit social service agency that she established in 1981. She also directed the Mt. Sinai School of Medicine-Hunter College Long-Term Care Gerontology Center, one of the first of its kind. The Board

of each Fund believes that Dr. Mathai-Davis extensive experience in running public and charitable institutions benefits the Funds.

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Dr. Larry Soll. Formerly, Dr. Soll was chairman of the board (1987 to 1994), chief executive officer (1982 to 1989; 1993 to 1994), and president (1982 to 1989) of Synergen Corp., a biotechnology company, in Boulder, Colorado. He was also a faculty member at the University of Colorado (1974-1980). The Board of each Fund believes that Dr. Soll s experience as a chairman of a public company and in academia benefits the Funds.

Hugo F. Sonnenschein. Mr. Sonnenschein is the Distinguished Service Professor and President Emeritus of the University of Chicago and the Adam Smith Distinguished Service Professor in the Department of Economics at the University of Chicago. Until July 2000, Mr. Sonnenschein served as President of the University of Chicago. Mr. Sonnenschein is a Trustee of the University of Rochester and a member of its investment committee. He is also a member of the National Academy of Sciences and the American Philosophical Society, and a Fellow of the American Academy of Arts and Sciences. From 1994 to 2010, Mr. Sonnenschein served as Director or Trustee of investment companies in the Van Kampen funds complex. The Board of each Fund believes that Mr. Sonnenschein s experiences in academia and in running a university, and his experience as a director of investment companies benefits the Funds.

Raymond Stickel, Jr. Mr. Stickel retired after a 35-year career with Deloitte & Touche. For the last five years of his career, he was the managing partner of the investment management practice for the New York, New Jersey and Connecticut region. In addition to his management role, he directed audit and tax services to several mutual fund clients. Mr. Stickel began his career with Touche Ross & Co. in Dayton, Ohio, became a partner in 1976 and managing partner of the office in 1985. He also started and developed an investment management practice in the Dayton office that grew to become a significant source of investment management talent for Touche Ross & Co. In Ohio, he served as the audit partner on numerous mutual funds and on public and privately held companies in other industries. Mr. Stickel has also served on Touche Ross & Co. s Accounting and Auditing Executive Committee. The Board of each Fund believes that Mr. Stickel s experience as a partner in a large accounting firm working with investment managers and investment companies, and his status as an Audit Committee Financial Expert, benefits the Funds.

Additional biographical information regarding the Trustees can be found in Exhibit F. Information on the Boards leadership structure, role in risk oversight, and committees and meetings can be found in Exhibit G. Information on the remuneration of Trustees can be found in Exhibit H. Information on the executive officers of the Funds is available in Exhibit E. Information on the Funds independent registered public accounting firm is available in Exhibit I.

THE BOARD OF EACH FUND RECOMMENDS A VOTE FOR ALL OF THE NOMINEES.

VOTING INFORMATION

How to Vote Your Shares

There are several ways you can vote your shares, including in person at the Meeting, by mail, by telephone, or via the Internet. The proxy card that accompanies this Proxy Statement provides detailed instructions on how you may vote your shares.

If you properly fill in and sign your proxy card and send it to us in time to vote at the Meeting, your proxy (the individuals named on your proxy card) will vote your shares as you have directed. If you sign your proxy card but do not make specific choices, your proxy will vote your shares **FOR** each Proposal and **FOR ALL** of the Trustee nominees, in accordance with the recommendations of the Board of your Fund, and in the proxy s best judgment on other matters.

Why are you sending me the Proxy Statement?

You are receiving this Proxy Statement because you own Common Shares of a Fund as of the Record Date and have the right to vote on the very important proposals described herein concerning your Fund. This Proxy Statement contains information that shareholders of the Funds should know before voting on the proposals. This document is both a proxy statement of each Fund and also a prospectus for Common Shares of the Acquiring Fund.

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About the Proxy Statement and the Meeting

We are sending you this Proxy Statement and the enclosed proxy card because the Board is soliciting your proxy to vote at the Meeting and at any adjournments or postponements of the Meeting. This Proxy Statement gives you information about the business to be conducted at the Meeting. Fund shareholders may vote by appearing in person at the Meeting and following the instructions below. You do not need to attend the Meeting to vote, however. Instead, you may simply complete, sign, and return the enclosed proxy card or vote by following the instructions on the enclosed proxy card to vote via telephone or the Internet.

Shareholders of record of the Funds as of the close of business on the Record Date are entitled to vote at the Meeting. The number of outstanding shares of each class of each Fund on the Record Date can be found at Exhibit J. Each shareholder is entitled to one vote for each full share held and a proportionate fractional vote for each fractional share held. The Acquiring Fund, IMC and IMT expect that Preferred Shares will also be voted at the Meeting. This Proxy Statement is not a solicitation for any votes of the Preferred Shares of the Acquiring Fund, IMC or IMT.

Attendance at the Meeting is generally limited to shareholders and their authorized representatives. All shareholders must bring an acceptable form of identification, such as a driver s license, in order to attend the Meeting in person. If your shares are held through a broker-dealer or other financial intermediary you will need to obtain a legal proxy from them in order to attend or vote your shares at the Meeting.

Proxies will have the authority to vote and act on behalf of shareholders at any adjournment of the Meeting. It is the intention of the persons named in the enclosed proxy card to vote the shares represented by them for each proposal and for all of the Trustee nominees, unless the proxy card is marked otherwise. If a shareholder gives a proxy, the shareholder may revoke the authorization at any time before it is exercised by sending in another proxy card with a later date or by notifying the Secretary of the Fund in writing at the address of the Fund set forth on the cover page of this Proxy Statement before the Meeting that the shareholder has revoked its proxy. In addition, although merely attending the Meeting will not revoke your proxy, if a shareholder is present at the Meeting, the shareholder may withdraw the proxy and vote in person.

Quorum Requirement and Adjournment

A quorum of shareholders is necessary to hold a valid shareholder meeting of each Fund. Under the governing documents of each Fund, the holders of a majority of the Fund s shares issued and outstanding and entitled to vote at the Meeting, present in person or represented by proxy, shall be requisite and shall constitute a quorum for the transaction of business.

If a quorum is not present at the Meeting, the chairman of the Meeting or the shareholders present or represented by proxy and entitled to vote at the Meeting shall have the power to adjourn the Meeting from time to time. The shareholders present in person or represented by proxy at the Meeting and entitled to vote at the Meeting also shall have the power to adjourn the Meeting from time to time if the vote required to approve or reject any proposal described herein is not obtained (with proxies being voted for or against adjournment consistent with the votes for and against the proposal for which the required vote has not been obtained). The affirmative vote of the holders of a majority of a Fund s shares then present in person or represented by proxy shall be required to adjourn the Meeting.

In the event that a shareholder of a Fund present at the Meeting objects to the holding of a joint meeting and moves for an adjournment of the meeting of such Fund to a time immediately after the Meeting so that such Fund s meeting may be held separately, the persons named as proxies will vote in favor of such adjournment.

Abstentions and broker non-votes (described below) are counted as present and will be included for purposes of determining whether a quorum is present for each Fund at the Meeting, but are not considered votes cast at the Meeting. Abstentions and broker non-votes will have the same effect as a vote against Proposal 1, 2, 3, or 4, because their approval requires the affirmative vote of a percentage of the outstanding shares of the applicable Fund or of a certain proportion of the shares present at the Meeting, as opposed to a percentage of votes cast. A proxy card marked withhold with respect to the election of Trustees would have the same effect as an abstention.

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Broker non-votes occur when a proposal that is routine (such as the election of trustees) is voted on at a meeting alongside a proposal that is non-routine (such as the Redomestication or Merger proposals). Under New York Stock Exchange rules, brokers may generally vote in their discretion on routine proposals, but are generally not able to vote on a non-routine proposal in the absence of express voting instructions from beneficial owners. As a result, where both routine and non-routine proposals are voted on at the same meeting, proxies voted by brokers on the routine proposals are considered votes present but are not votes on any non-routine proposals. Because both routine and non-routine proposals will be voted on at the Meeting, the Funds anticipate receiving broker non-votes with respect to Proposals 1, 2, and 3. No broker non-votes are anticipated with respect to Proposal 4 because it is considered a routine proposal on which brokers typically may vote in their discretion.

Broker-dealers who are not members of the New York Stock Exchange may be subject to other rules, which may or may not permit them to vote your Common Shares without instruction. Therefore, you are encouraged to contact your broker and record your voting instructions.

Votes Necessary to Approve the Proposals

Common Shares of each Fund and Preferred Shares of the Acquiring Fund, IMC and IMT are entitled to vote at the Meeting. The Acquiring Fund, IMC and IMT expect that the vote of their Preferred Shares will be obtained by a separate proxy. This Proxy Statement is not a solicitation for any votes of the Preferred Shares of any Fund. Preferred Shares are subject to a voting trust requiring that certain voting rights of the Preferred Shares must be exercised as directed by an unaffiliated third party. Votes by Preferred Shares to elect Trustees are subject to the voting trust, but votes regarding the Redomestications and the Mergers are not subject to the voting trust.

Each Fund s Board has unanimously approved the Fund s Plan of Redomestication discussed in Proposal 1. Shareholder approval of the Plan of Redomestication by a Fund requires the affirmative vote of the holders of a majority of each of the Common Shares and Preferred Shares, if applicable, outstanding and entitled to vote, voting as separate classes, of such Fund. Proposal 1 may be approved and implemented for a Fund regardless of whether shareholders approve any other Proposal applicable to the Fund.

Each Fund s Board has unanimously approved the Fund s Plan of Merger discussed in Proposal 2. Shareholder approval of the Plan of Merger for each Merger requires the affirmative vote of the holders of a majority of each of the Common Shares and Preferred Shares, if applicable, outstanding and entitled to vote, voting as separate classes, of the applicable Target Fund and the Acquiring Fund. Proposal 2 may be approved and implemented for a Target Fund only if Proposal 1 is also approved by both such Target Fund and the Acquiring Fund and regardless of whether shareholders approve any other Proposal applicable to such Funds.

The Acquiring Fund s Board has unanimously approved the amendment to the advisory agreement discussed in Proposal 3. Proposal 3 must be approved by holders of the lesser of (1) 67% of the Common Shares and Preferred Shares (voting together) of the Acquiring Fund represented at the Meeting, if the holders of more than 50% of the outstanding Common Shares and Preferred Shares of the Acquiring Fund are represented at the Meeting, or (2) more than 50% of the outstanding Common Shares and Preferred Shares (voting together) of the Acquiring Fund. Proposal 3 may be approved and implemented regardless of whether shareholders approve any other Proposal applicable to the Acquiring Fund.

With respect to Proposal 4, the affirmative vote of a majority of the Common Shares and Preferred Shares, if applicable, of each Fund represented in person or by proxy and entitled to vote at the Meeting at which a quorum, as described above, is present is required to elect each nominee for Trustee of such Fund. Proposal 4 may be approved and implemented for a Fund regardless of whether shareholders approve any other Proposal applicable to the Fund.

Proxy Solicitation

The Funds have engaged the services of Computershare Fund Services (the Solicitor) to assist in the solicitation of proxies for the Meeting. The Solicitor s costs are described under the Costs of the Merger section of this Proxy Statement. Proxies are expected to be solicited principally by mail, but the Funds or the Solicitor may also solicit proxies by telephone, facsimile or personal interview. The Funds officers may also solicit proxies but will not receive any additional or special compensation for any such solicitation.

Under the agreement with the Solicitor, the Solicitor will be paid a project management fee as well as telephone solicitation expenses incurred for reminder calls, outbound telephone voting, confirmation of telephone votes, inbound

telephone contact, obtaining shareholders telephone numbers, and providing additional materials

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upon shareholder request. The agreement also provides that the Solicitor shall be indemnified against certain liabilities and expenses, including liabilities under the federal securities laws.

OTHER MATTERS

Share Ownership by Large Shareholders, Management and Trustees

Information on each person who as of [April 20], 2012, to the knowledge of each Fund, owned 5% or more of the outstanding shares of a class of such Fund can be found at Exhibit K. Information regarding Trustee ownership of shares of the Funds and of shares of all registered investment companies in the Invesco fund complex overseen by such Trustee can be found at Exhibit F. To the best knowledge of each Fund, the ownership of shares of such Fund by executive officers and Trustees of such Fund as a group constituted less than 1% of each outstanding class of shares of such Fund as of [April 20], 2012.

Annual Meetings of the Funds

If a Merger is completed, the merged Target Fund will not hold an annual meeting in 2013. If a Merger does not take place, that Target Fund s Board will announce the date of such Target Fund s 2013 annual meeting. The Acquiring Fund will hold an annual meeting in 2013 regardless of whether a Merger is consummated.

Dissenters Rights

Each Target Fund is a Massachusetts business trust whose Declaration of Trust provides that its shares of beneficial interest shall not entitle a holder to appraisal rights. Accordingly, each Target Fund does not believe that its shareholders are entitled to appraisal rights in connection with the Mergers. However, the Massachusetts Business Corporation Act (MBCA) generally provides that the shareholders of a Massachusetts corporation are entitled to appraisal rights in the event of a sale or exchange of all or substantially all of the assets of a corporation, as provided in Sections 13.01 through 13.31 of Part 13 of the MBCA, and in certain circumstances courts have applied Massachusetts corporate statutes to Massachusetts business trusts. The availability of appraisal rights in connection with a transaction such as the Mergers involving a Massachusetts business trust has not been judicially determined. Accordingly, depending on such determination, Target Fund shareholders may be entitled to assert appraisal rights in respect of a Merger under Massachusetts law. Each Target Fund reserves the right to challenge any purported exercise of appraisal rights in respect of a Merger.

If a Target Fund shareholder believes he or she is entitled to appraisal rights under Massachusetts law, in order to exercise these rights the shareholder must: (i) deliver to the Target Fund, before the vote to approve the Merger Agreement is taken, written notice of his or her intent to demand payment for his or her shares in an amount to be determined pursuant to the prescribed appraisal procedure; (ii) not vote his or her shares in favor of the proposal to approve the Merger Agreement; and (iii) comply with the other procedures specified in Part 13 of the MBCA. Because proxies received prior to the Meeting on which no vote is indicated will be voted for the Merger Agreement as described above, the submission of a proxy card on which no vote is indicated will result in the waiver of any available appraisal rights. If a shareholder holds shares in the name of a broker or other nominee and wants to attempt to assert appraisal rights, the shareholder must instruct his or her nominee to take the steps necessary to enable the shareholder to assert appraisal rights. See Assertion of Rights by Nominees and Beneficial Owners in Exhibit L. If the shareholder or nominee fails to follow all of the steps specified in the statute, the shareholder will lose his or her right of appraisal (to the extent such right otherwise would be available).

Any Target Fund shareholder who believes he or she is entitled to appraisal rights and who wishes to preserve those rights should carefully review Sections 13.01 through 13.31 of Part 13 of the MBCA, attached as Exhibit L hereto, which set forth the procedures to be complied with in perfecting any such rights. Failure to strictly comply with the procedures specified in Part 13 of the MBCA will result in the loss of any appraisal rights to which such shareholder may be entitled.

For federal income tax purposes, dissenting shareholders obtaining payment for their Common Shares will recognize gain or loss measured by the difference between any such payment and the tax basis for their Common Shares. Shareholders are advised to consult their personal tax advisors as to the tax consequences of dissenting.

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Shareholder Proposals

Shareholder proposals intended to be presented at the year 2013 annual meeting of shareholders for a Fund pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the Exchange Act), must be received by the Fund s Secretary at the Fund s principal executive offices by [February 8], 2013 in order to be considered for inclusion in the Fund s proxy statement and proxy card relating to that meeting. Timely submission of a proposal does not necessarily mean that such proposal will be included in the Fund s proxy statement. Pursuant to each Fund s governing documents as anticipated to be in effect before the 2013 annual meeting, if a shareholder wishes to make a proposal at the year 2013 annual meeting of shareholders without having the proposal included in a Fund s proxy statement, then such proposal must be received by the Fund s Secretary at the Fund s principal executive offices not earlier than March 19, 2013 and not later than April 18, 2013. If a shareholder fails to provide timely notice, then the persons named as proxies in the proxies solicited by the Board for the 2013 annual meeting of shareholders may exercise discretionary voting power with respect to any such proposal. Any shareholder who wishes to submit a proposal for consideration at a meeting of such shareholder s Fund should send such proposal to the Fund s Secretary at 1555 Peachtree Street, N.E., Atlanta, Georgia 30309, Attn: Secretary.

Shareholder Communications

Shareholders may send communications to each Fund s Board. Shareholders should send communications intended for a Board or for a Trustee by addressing the communication directly to the Board or individual Trustee and/or otherwise clearly indicating that the communication is for the Board or individual Trustee and by sending the communication to either the office of the Secretary of the applicable Fund or directly to such Trustee at the address specified for such Trustee in Exhibit F. Other shareholder communications received by any Fund not directly addressed and sent to the Board will be reviewed and generally responded to by management, and will be forwarded to the Board only at management s discretion based on the matters contained therein.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 30(h) of the 1940 Act and Section 16(a) of the Exchange Act require each of the Funds Trustees, officers, and investment advisers, affiliated persons of the investment advisers, and persons who own more than 10% of a registered class of a Fund s equity securities to file forms with the SEC and the Exchange reporting their affiliation with the Fund and reports of ownership and changes in ownership of such securities. These persons and entities are required by SEC regulations to furnish such Fund with copies of all such forms they file. Based on a review of these forms furnished to each Fund, each Fund believes that during its last fiscal year, its Trustees, its officers, the Adviser and affiliated persons of the Adviser complied with the applicable filing requirements.

Other Meeting Matters

Management of each Fund does not intend to present, and does not have reason to believe that others will present, any other items of business at the Meeting. The Funds know of no business other than the proposals described in this Proxy Statement that will, or are proposed to, be presented for consideration at the Meeting. If any other matters are properly presented, the persons named on the enclosed proxy cards shall vote proxies in accordance with their best judgment.

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WHERE TO FIND ADDITIONAL INFORMATION

This Proxy Statement and the SAI do not contain all the information set forth in the annual and semi-annual reports filed by the Funds as such documents have been filed with the SEC. The financial highlights of each Fund for the year ended February 29, 2012 and the description of the Fund s automatic dividend reinvestment plans are incorporated by reference into this Proxy Statement from the Fund s annual report for the year ended February 29, 2012 on Form N-CSR. Such financial highlights and financial statements have been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference, and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing. The SAI includes additional information about the Funds that is incorporated herein by reference and is deemed to be part of this Proxy Statement. The SEC file number of each Fund, which contains the Fund s shareholder reports and other filings with the SEC, is 811-06590 for the Acquiring Fund, 811-06053 for IMC, 811-07109 for IMS and 811-06434 for IMT.

Each Fund is subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and the 1940 Act and in accordance therewith, each Fund files reports and other information with the SEC. Reports, proxy materials, registration statements and other information filed (including the registration statement relating to the Funds on Form N-14 of which this Proxy Statement is a part) may be inspected without charge and copied at the public reference facilities maintained by the SEC at Room 1580, 100 F Street, N.E., Washington, D.C. 20549. Copies of such material may also be obtained from the Public Reference Section of the SEC at 100 F Street, N.E., Washington, D.C. 20549, at the prescribed rates. The SEC maintains a website at www.sec.gov that contains information regarding the Funds and other registrants that file electronically with the SEC. Reports, proxy materials and other information concerning the Funds can also be inspected at the Exchange.

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EXHIBIT A

Form of Agreement and Plan of Redomestication

AGREEMENT AND PLAN OF REDOMESTICATION

THIS AGREEMENT AND PLAN OF REDOMESTICATION (Agreement) is made as of the ___ day of _____, 2012 by and among (i) each of the Invesco closed-end registered investment companies identified as a Predecessor Fund on Exhibit A hereto (each a Predecessor Fund); (ii) each of the Invesco closed-end investment companies identified as a Successor Fund on Exhibit A hereto (each a Successor Fund); and (iii) Invesco Advisers, Inc. (IAI).

This Agreement contemplates a redomestication of each Predecessor Fund from a Massachusetts Business Trust, Maryland corporation or Pennsylvania business trust to a Delaware Statutory Trust, as applicable. For certain Predecessor Funds, such redomestication is the only corporate action contemplated (referred to herein and identified on Exhibit A as a Redomesticating Fund and, together, as the Redomesticating Funds). For other Predecessor Funds, the redomestication is the first step in a two-step transaction that will, subject to approval by shareholders, also involve the merger of the Successor Fund with another closed-end registered investment company in the Invesco Fund complex (each such Predecessor Fund whose Successor Fund will participate in such a merger being referred to herein and identified on Exhibit A as a Merging Fund and, together, as the Merging Funds) pursuant to a separate Agreement and Plan of Merger (the Merger Agreement).

This Agreement is intended to be and is adopted as a plan of reorganization with respect to each Reorganization (as defined below) within the meaning of Section 368(a) of the United States Internal Revenue Code of 1986, as amended (the Code), and Treasury Regulations Sections 1.368-2(g) and 1.368-3(a), and is intended to effect the reorganization of each Predecessor Fund as a Successor Fund (each such transaction, a Reorganization and collectively, the Reorganizations). Each Reorganization will include the transfer of all of the assets of a Predecessor Fund to the Successor Fund solely in exchange for (1) the assumption by the Successor Fund of all liabilities of the Predecessor Fund, (2) the issuance by the Successor Fund to the Predecessor Fund of shares of beneficial interest of the Successor Fund, (3) the distribution of the shares of beneficial interest of the Successor Fund to the holders of shares of beneficial interest of the Predecessor Fund according to their respective interests in complete liquidation of the Predecessor Fund; and (4) the dissolution of the Predecessor Fund as soon as practicable after the Closing provided for in Section 3.1, all upon and subject to the terms and conditions of this Agreement hereinafter set forth.

In consideration of the promises and of the covenants and agreements hereinafter set forth, the parties hereto covenant and agree as follows.

1. TRANSFER OF ASSETS OF THE PREDECESSOR FUNDS IN EXCHANGE FOR ASSUMPTION OF LIABILITIES AND ISSUANCE OF SUCCESSOR FUND SHARES

1.1. It is the intention of the parties hereto that each Reorganization described herein shall be conducted separately from the others, and a party that is not a party to a Reorganization shall incur no obligations, duties or liabilities, and makes no representations, warranties, or covenants with respect to such Reorganization by reason of being a party to this Agreement. If

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any one or more Reorganizations should fail to be consummated, such failure shall not affect the other Reorganizations in any way.

1.2. Subject to the terms and conditions set forth herein and on the basis of the representations and warranties contained herein, each Predecessor Fund agrees to transfer all of its Assets (as defined in paragraph 1.3) and to assign and transfer all of its liabilities, debts, obligations, restrictions and duties (whether known or unknown, absolute or contingent, accrued or unaccrued and including, without limitation, any liabilities of the Predecessor Fund to indemnify the trustees or officers of the Predecessor Fund or any other persons under the Predecessor Fund s Declaration of Trust or otherwise, and including, without limitation, any liabilities of the Predecessor Fund under the Merger Agreement) to the corresponding Successor Fund, organized solely for the purpose of acquiring all of the assets and assuming all of the liabilities of that Predecessor Fund. Each Successor Fund agrees that in exchange for all of the assets of the corresponding Predecessor Fund: (1) the Successor Fund shall assume all of the liabilities of such Predecessor Fund, whether contingent or otherwise and (2) the Successor Fund shall issue common shares of beneficial interest (together, the Successor Fund Common Shares) and preferred shares of beneficial interest (together, the Successor Fund Preferred Shares and, together with the Successor Fund Preferred Shares, the Successor Fund Shares) to the Predecessor Fund. The number of Successor Fund Common Shares issued by the Successor Fund to holders of common shares of the Predecessor Fund will be identical to the number of shares of common stock of the Predecessor Fund (together, the Predecessor Fund Common Shares) outstanding on the Valuation Date provided for in paragraph 3.1. The Successor Fund shall issue Successor Fund Preferred Shares to holders of preferred shares of the Predecessor Fund (together, Predecessor Fund Preferred Shares and, together with the Predecessor Fund Common Shares, the Predecessor Fund Shares), if any, having an aggregate liquidation preference equal to the aggregate liquidation preference of the outstanding Predecessor Fund Preferred Shares. The terms of the Predecessor Fund Preferred Shares shall be substantially the same as the terms of the Successor Fund Preferred Shares. Such transactions shall take place at the Closing provided for in paragraph 3.1.

1.3. The assets of each Predecessor Fund to be acquired by the corresponding Successor Fund (Assets) shall include all assets, property and goodwill, including, without limitation, all cash, securities, commodities and futures interests, claims (whether absolute or contingent, known or unknown, accrued or unaccrued and including, without limitation, any interest in pending or future legal claims in connection with past or present portfolio holdings, whether in the form of class action claims, opt-out or other direct litigation claims, or regulator or government-established investor recovery fund claims, and any and all resulting recoveries), dividends or interest receivable, and any deferred or prepaid expense shown as an asset on the books of the Predecessor Fund on the Closing Date.

1.4 On the Closing Date each Predecessor Fund will distribute, in complete liquidation, the Successor Fund Shares to each Predecessor Fund shareholder, determined as of the close of business on the Valuation Date, of the corresponding class of the Predecessor Fund pro rata in proportion to such shareholder s beneficial interest in that class and in exchange for that shareholder s Predecessor Fund shares. Such distribution will be accomplished by recording on the books of the Successor Fund, in the name of each Predecessor Fund shareholder, the number

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of Successor Fund Shares representing the pro rata number of Successor Fund Shares received from the Successor Fund which is due to such Predecessor Fund shareholder. Fractional Successor Fund Shares shall be rounded to the third place after the decimal point.

1.5. At the Closing, any outstanding certificates representing Predecessor Fund Shares will be cancelled. The Successor Fund shall not issue certificates representing Successor Fund Common Shares in connection with such exchange, irrespective of whether Predecessor Fund shareholders hold their Predecessor Fund Common Shares in certificated form. Ownership of the Successor Fund Common Shares by each Successor Fund shareholder shall be recorded separately on the books of the Successor Fund s transfer agent.

1.6. The legal existence of each Predecessor Fund shall be terminated as promptly as reasonably practicable after the Closing Date. After the Closing Date, each Predecessor Fund shall not conduct any business except in connection with its termination and dissolution and except as provided in paragraph 1.7 of this Agreement.

1.7. Subject to approval of this Agreement by the requisite vote of the applicable Predecessor Fund s shareholders but before the Closing Date, a duly authorized officer of such Predecessor Fund shall cause such Predecessor Fund, as the sole shareholder of the corresponding Successor Fund, to (i) elect the Trustees of the Successor Fund; (ii) ratify the selection of the Successor Fund s independent auditors; (iii) approve the investment advisory and sub-advisory agreements for the Successor Fund in substantially the same form as the investment advisory and sub-advisory agreements in effect with respect to the Predecessor Fund immediately prior to the Closing; and (iv) implement any actions approved by the shareholders of the Predecessor Fund at a meeting of shareholders scheduled for _____, 2012 (the Shareholder Meeting) including, without limitation, if applicable, a merger with another closed-end fund in the Invesco Fund complex.

2. VALUATION

2.1. The value of each Predecessor Fund s Assets shall be the value of such Assets computed as of immediately after the close of regular trading on the New York Stock Exchange (NYSE) on the business day immediately preceding the Closing Date (the Valuation Date), using the Predecessor Fund s valuation procedures established by the Predecessor Fund s Board of Directors/Trustees.

2.2. The net asset value per share of Successor Fund Common Shares, and the liquidation preference of Successor Fund Preferred Shares, together issued in exchange for the Assets of the corresponding Predecessor Fund, shall be equal to the net asset value per share of the Successor Fund Common Shares and the liquidation preference per share of the Successor Fund Preferred Shares, respectively, on the Closing Date, and the number of such Successor Fund Shares of each class shall equal the number of full and fractional Predecessor Fund Shares outstanding on the Closing Date.

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3. CLOSING AND CLOSING DATE

3.1. Each Reorganization shall close on _____, 2012 or such other date as the parties may agree with respect to any or all Reorganizations (the Closing Date). All acts taking place at the closing of a Reorganization (the Closing) shall be deemed to take place simultaneously as of 9:00 a.m., Eastern Time on the Closing Date of that Reorganization unless otherwise agreed to by the parties (the Closing Time).

3.2. At the Closing each party shall deliver to the other such bills of sale, checks, assignments, stock certificates, receipts or other documents as such other party or its counsel may reasonably request.

3.3. Immediately prior to the Closing the Predecessor Fund shall pay all accumulated but unpaid dividends on the Predecessor Fund Preferred Shares through the date thereof.

4. REPRESENTATIONS AND WARRANTIES

4.1. Each Predecessor Fund represents and warrants to the corresponding Successor Fund as follows:

4.1.1. At the Closing Date, each Predecessor Fund will have good and marketable title to the Assets to be transferred to the Successor Fund pursuant to paragraph 1.2, and will have full right, power and authority to sell, assign, transfer and deliver such Assets hereunder. Upon delivery and in payment for such Assets, the Successor Fund will acquire good and marketable title thereto subject to no restrictions on the full transfer thereof, including, without limitation, such restrictions as might arise under the Securities Act of 1933, as amended (the 1933 Act), provided that the Successor Fund will acquire Assets that are segregated as collateral for the Predecessor Fund s derivative positions, including, without limitation, as collateral for swap positions and as margin for futures positions, subject to such segregation and liens that apply to such Assets;

4.1.2. The execution, delivery and performance of this Agreement will have been duly authorized prior to the Closing Date by all necessary action on the part of the Predecessor Fund and, subject to the approval of the Predecessor Fund s shareholders and the due authorization, execution and delivery of this Agreement by the Successor Fund and IAI, this Agreement will constitute a valid and binding obligation of the Predecessor Fund enforceable in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy laws and any other similar laws affecting the rights and remedies of creditors generally and by equitable principles;

4.1.3. No consent, approval, authorization, or order of any court, governmental authority, the Financial Industry Regulatory Authority (FINRA) or any stock exchange on which shares of the Predecessor Fund are listed is required for the consummation by the Predecessor Fund of the transactions contemplated herein, except such as have been or will be obtained (at or prior to the Closing Date); and

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4.1.4. The Predecessor Fund will have filed with the Securities and Exchange Commission (SEC) proxy materials, which, for the Merging Funds, may be in the form of a proxy statement/prospectus on Form N-14 (the Proxy Statement), complying in all material respects with the requirements of the Securities Exchange Act of 1934, as amended, the Investment Company Act of 1940, as amended (the 1940 Act), the 1933 Act (if applicable) and applicable rules and regulations thereunder, relating to a meeting of its shareholders to be called to consider and act upon the Reorganization contemplated herein.

4.2. Each Successor Fund represents and warrants to the corresponding Predecessor Fund as follows:

4.2.1. At the Closing Time, the Successor Fund will be duly formed as a statutory trust, validly existing, and in good standing under the laws of the State of Delaware;

4.2.2 The Successor Fund Shares to be issued and delivered to the Predecessor Fund pursuant to the terms of this Agreement will, at the Closing Time, have been duly authorized and, when so issued and delivered, will be duly and validly issued and outstanding and fully paid and non-assessable by the Successor Fund;

4.2.3 At the Closing Time, the Successor Fund shall succeed to the Predecessor Fund s registration statement filed under the 1940 Act with the SEC and thus will become duly registered under the 1940 Act as a closed-end management investment company;

4.2.4 Prior to the Closing Time, the Successor Fund shall not have commenced operations and there will be no issued and outstanding shares in the Successor Fund, except shares issued by the Successor Fund to an initial sole shareholder for the purpose of enabling the sole shareholder to take such actions as are required to be taken by shareholders under the 1940 Act in connection with establishing a new fund;

4.2.5. The execution, delivery and performance of this Agreement will have been duly authorized prior to the Closing Date by all necessary action on the part of the Successor Fund, and, subject to the approval of the Predecessor Fund s shareholders and the due authorization, execution and delivery of this Agreement by the Predecessor Fund and IAI, this Agreement will constitute a valid and binding obligation of the Successor Fund enforceable in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy laws and any other similar laws affecting the rights and remedies of creditors generally and by equitable principles;

4.2.6. No consent, approval, authorization, or order of any court, governmental authority, FINRA or stock exchange on which shares of the Successor Fund are listed is required for the consummation by the Successor Fund of the transactions contemplated herein, except such as have been or will be obtained (at or prior to the Closing Date);

4.2.7. The Successor Fund shall use all reasonable efforts to obtain the approvals and authorizations required by the 1933 Act, the 1940 Act and such state or District of Columbia securities laws as it may deem appropriate in order to operate after the Closing Date; and

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4.2.8 The Successor Fund is, and will be at the Closing Time, a newly created Delaware statutory trust, without assets (other than seed capital) or liabilities, formed for the purpose of receiving the Assets of the Predecessor Fund in connection with the Reorganization.

5. CONDITIONS PRECEDENT TO OBLIGATIONS OF THE PREDECESSOR FUNDS AND THE SUCCESSOR FUNDS

With respect to each Reorganization, the obligations of the Predecessor Fund and the corresponding Successor Fund are each subject to the conditions that on or before the Closing Date:

5.1. This Agreement and the transactions contemplated herein shall have been approved by the Board of Directors/Trustees of each of the Predecessor Fund and the Successor Fund and by the requisite vote of the Predecessor Fund s shareholders;

5.2. All consents of other parties and all other consents, orders and permits of federal, state and local regulatory authorities (including those of the SEC and of state or District of Columbia securities authorities) and stock exchanges on which shares of the Funds are, or will be, listed in accordance with this Agreement deemed necessary by the Predecessor Fund or the Successor Fund to permit consummation, in all material respects, of the transactions contemplated hereby shall have been obtained, except where failure to obtain any such consent, order or permit would not involve a risk of a material adverse effect on the assets or properties of the Predecessor Fund or the Successor Fund, provided that either party hereto may waive any of such conditions for itself;

5.3. Prior to or at the Closing, the Successor Fund shall enter into or adopt such agreements as are necessary for the Successor Fund s operation as a closed-end investment company and such agreements shall be substantially similar to any corresponding agreement of the Predecessor Fund; and

5.4. The Predecessor Fund and the Successor Fund shall have received on or before the Closing Date an opinion of Stradley Ronon Stevens & Young, LLP (Stradley Ronon), in form and substance reasonably acceptable to the Predecessor Fund and the Successor Fund, as to the matters set forth on Schedule 5.4. In rendering such opinion, Stradley Ronon may request and rely upon representations contained in certificates of officers of the Predecessor Fund and the Successor Fund and others, and the officers of the Predecessor Fund and the Successor Fund shall use their best efforts to make available such truthful certificates.

6. FEES AND EXPENSES

Each Fund will bear its expenses relating to its Reorganization to the extent that the Fund s total annual fund operating expenses did not exceed the expense limit under the expense limitation arrangement in place with IAI at the time such expenses were discussed with the Board (the Expense Cap). The Fund will bear these expenses regardless of whether its Reorganization is consummated. IAI will bear the Reorganization costs of any Fund that had

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total annual fund operating expenses which exceeded the Expense Cap at the time such expenses were discussed with the Board.

Each Successor Fund and corresponding Predecessor Fund represents and warrants to the other that there are no broker s or finder s fees payable in connection with the transactions contemplated hereby.

7. TERMINATION

With respect to each Reorganization, this Agreement may be terminated by the mutual agreement of the Predecessor Fund and the corresponding Successor Fund, notwithstanding approval thereof by the shareholders of the Predecessor Fund, at any time prior to Closing, if circumstances should develop that, in such parties judgment, make proceeding with this Agreement inadvisable.

8. AMENDMENT

This Agreement may be amended, modified or supplemented in such manner as may be mutually agreed upon in writing by the parties; provided, however, that following the approval of this Agreement by any Predecessor Fund s shareholders, no such amendment may have the effect of changing the provisions for determining the number of Successor Fund Shares to be distributed to that Predecessor Fund s shareholders under this Agreement to the detriment of such Predecessor Fund shareholders without their further approval.

9. HEADINGS; COUNTERPARTS; GOVERNING LAW; ASSIGNMENT; SURVIVAL; WAIVER

9.1. The article and paragraph headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

9.2. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original.

9.3. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to its principles of conflicts of laws.

9.4. This Agreement shall be binding upon and inure to the benefit of the parties hereto with respect to each Predecessor Fund and its corresponding Successor Fund, as applicable, and their respective successors and assigns. Nothing herein expressed or implied is intended or shall be construed to confer upon or give any person, firm or corporation other than the applicable Predecessor Fund and its corresponding Successor Fund and their respective successors and assigns any rights or remedies under or by reason of this Agreement.

9.5. It is expressly agreed that the obligations of the parties hereunder shall not be binding upon any of their respective directors, trustees, shareholders, nominees, officers, agents, or employees personally, but shall bind only the property of the applicable Predecessor Fund or

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the applicable Successor Fund as provided in the governing documents of such Funds. The execution and delivery by such officers shall not be deemed to have been made by any of them individually or to impose any liability on any of them personally, but shall bind only the property of such party.

9.6. The representations, warranties, covenants and agreements of the parties contained herein shall not survive the Closing Date.

9.7. Each of the Predecessor Funds and the Successor Funds, after consultation with their respective counsel and by consent of their respective Board of Directors/Trustees or any officer, may waive any condition to its obligations hereunder if, in its or such officer s judgment, such waiver will not have a material adverse effect on the interests of the shareholders of the applicable Predecessor Fund.

10. NOTICES

Any notice, report, statement or demand required or permitted by any provisions of this Agreement shall be in writing and shall be given by fax or certified mail addressed to the Predecessor Fund and the Successor Fund, each at 1555 Peachtree Street, N.E. Atlanta, GA 30309, Attention: Secretary, fax number _____.

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IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed by its duly authorized officer.

[_____], a [Massachusetts business trust][Maryland corporation] [Pennsylvania business trust]	[_____], a Delaware statutory trust
By: _____	By:_____

Invesco Advisers, Inc.
By:

Name:
Title:

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EXHIBIT A
CHART OF REDOMESTICATIONS

Predecessor Funds (and share classes)	Successor Funds (and share classes)	Redomesticating Fund or Merging Fund
		[Identify as either Redomesticating Fund or Merging Fund]

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Schedule 5.4
Tax Opinion

(i) The acquisition by the Successor Fund of all of the Assets of the Predecessor Fund, as provided for in the Agreement, in exchange solely for Successor Fund Shares and the assumption by the Successor Fund of all of the liabilities of the Predecessor Fund, followed by the distribution by the Predecessor Fund to its shareholders of the Successor Fund Shares in complete liquidation of the Predecessor Fund, will qualify as a reorganization within the meaning of Section 368(a)(1)(F) of the Code, and the Predecessor Fund and the Successor Fund each will be a party to the reorganization within the meaning of Section 368(b) of the Code.

(ii) No gain or loss will be recognized by the Predecessor Fund upon the transfer of all of its Assets to, and assumption of its liabilities by, the Successor Fund in exchange solely for Successor Fund Shares pursuant to Section 361(a) and Section 357(a) of the Code.

(iii) No gain or loss will be recognized by the Successor Fund upon the receipt by it of all of the Assets of the Predecessor Fund in exchange solely for the assumption of the liabilities of the Predecessor Fund and issuance of the Successor Fund Shares pursuant to Section 1032(a) of the Code.

(iv) No gain or loss will be recognized by the Predecessor Fund upon the distribution of the Successor Fund Shares by the Predecessor Fund to its shareholders in complete liquidation (in pursuance of the Agreement) pursuant to Section 361(c)(1) of the Code.

(v) The tax basis of the Assets of the Predecessor Fund received by the Successor Fund will be the same as the tax basis of such Assets in the hands of the Predecessor Fund immediately prior to the transfer pursuant to Section 362(b) of the Code.

(vi) The holding periods of the Assets of the Predecessor Fund in the hands of the Successor Fund will include the periods during which such Assets were held by the Predecessor Fund pursuant to Section 1223(2) of the Code.

(vii) No gain or loss will be recognized by the shareholders of the Predecessor Fund upon the exchange of all of their Predecessor Fund shares solely for the Successor Fund Shares pursuant to Section 354(a) of the Code.

(viii) The aggregate tax basis of the Successor Fund Shares to be received by each shareholder of the Predecessor Fund will be the same as the aggregate tax basis of Predecessor Fund shares exchanged therefor pursuant to Section 358(a)(1) of the Code.

(ix) The holding period of Successor Fund Shares received by a shareholder of the Predecessor Fund will include the holding period of the Predecessor Fund shares exchanged therefor, provided that the shareholder held Predecessor Fund shares as a capital asset on the Closing Date pursuant to Section 1223(1) of the Code.

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(x) For purposes of Section 381 of the Code, the Successor Fund will succeed to and take into account, as of the date of the transfer as defined in Section 1.381(b)-1(b) of the income tax regulations issued by the United States Department of the Treasury (the Income Tax Regulations), the items of the Predecessor Fund described in Section 381(c) of the Code as if there had been no Reorganization.

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EXHIBIT B

Comparison of Governing Documents

The Acquiring Fund, IMC, IMS and IMT are each a Massachusetts business trust (each a MA Trust and together, the MA Trusts). Under Proposal 1, if approved, each MA Trust will reorganize into a newly formed Delaware statutory trust (a DE Trust). The following is a discussion of certain provisions of the governing instruments and governing laws of each MA Trust and its corresponding DE Trust, but is not a complete description thereof. Further information about each Fund s governance structure is contained in the Fund s shareholder reports and its governing documents.

Shares. The Trustees of the MA Trusts have the power to issue shares, including preferred shares, without shareholder approval. The governing documents of the MA Trusts indicate that the amount of common shares that a MA Trust may issue is unlimited. Preferred shares are limited to the amount set forth in the Declarations (defined below). Shares of the MA Trusts have no preemptive rights.

The Trustees of the DE Trusts have the power to issue shares, including preferred shares, without shareholder approval. The governing documents of the DE Trusts indicate that the amount of common and preferred shares that a DE Trust may issue is unlimited. Shares of the DE Trusts have no preemptive rights.

Organization. The MA Trusts are organized as Massachusetts business trusts, under the laws of the Commonwealth of Massachusetts. Each MA Trust is governed by its Declaration of Trust (a Declaration) and its By-Laws, each as may be amended, and its business and affairs are managed under the supervision of its Board of Trustees.

Each DE Trust is organized as a Delaware statutory trust pursuant to the Delaware Statutory Trust Act (Delaware Act). Each DE Trust is governed by its Amended and Restated Agreement and Declaration of Trust (also, a Declaration and together with the Declaration of each MA Trust, the Declarations) and its By-Laws, and its business and affairs are managed under the supervision of its Board of Trustees.

Composition of the Board of Trustees. The Boards of Trustees of both the MA Trusts and the DE Trusts are divided into three classes, with the election of each class staggered so that each class is only up for election once every three years.

Shareholder Meetings and Rights of Shareholders to Call a Meeting.The stock exchanges on which a MA Trust and DE Trust s shares are currently listed requires annual meetings to elect trustees.

The governing instruments for each MA Trust provide that special meetings of shareholders may be called by the Chair or a majority of the Trustees. In addition, special meetings of shareholders may also be called by the Secretary of a MA Trust upon written request of shareholders holding and entitled to vote not less than a majority of all the votes entitled to be cast at such meeting for matters that do not require a separate vote by each class of shares.

The By-Laws of the DE Trusts authorize the Trustees to call a meeting of the shareholders for the election of Trustees. The By-Laws of the DE Trusts also authorize a meeting of shareholders held for any purpose determined by the Trustees. The By-Laws of the DE Trusts state that shareholders have no power to call a special meeting of shareholders.

Submission of Shareholder Proposals. The federal securities laws, which apply to all of the MA Trusts and the DE Trusts, require that certain conditions be met to present any proposal at a shareholder meeting. The matters to be considered and brought before an annual or special meeting of shareholders of the MA Trusts and the DE Trusts are limited to only those matters, including the nomination and election of Trustees, that are properly brought before the meeting. For proposals submitted by shareholders, the By-Laws of the MA Trusts and the DE Trusts contain provisions which require that notice be given to the DE Trust or MA Trust, respectively, by an otherwise

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eligible shareholder in advance of the annual or special shareholder meeting in order for the shareholder to present a proposal at any such meeting and requires shareholders to provide certain information in connection with the proposal. These requirements are intended to provide the Board the opportunity to better evaluate the proposal and provide additional information to shareholders for their consideration in connection with the proposal. Failure to satisfy the requirements of these advance notice provisions means that a shareholder may not be able to present a proposal at the annual or special shareholder meeting.

In general, for nominations and any other proposals to be properly brought before an annual meeting of shareholders by a shareholder of a MA Trust, written notice must be delivered to the Secretary of the MA Trust not less than 60 days, nor more than 90 days, prior to the first anniversary of the preceding year s annual meeting. If the annual meeting is not scheduled to be held within a period that commences 30 days before such anniversary and ends 30 days after such anniversary, the written notice must be delivered by the later of the 60th day prior to the meeting or the 10th day following the public announcement or disclosure of the meeting date. If the number of Trustees to be elected to the Board is increased and either all of the nominees for Trustee or the size of the increased Board are not publicly announced or disclosed at least 70 days prior to the first anniversary of the preceding year s annual meeting, written notice will be considered timely if delivered to the Secretary of the MA Trust no later than the 10th date after such public announcement or disclosure. With respect to the nomination of individuals for election to the Board of Trustees at a special shareholder meeting, written notice must be delivered by a shareholder of the MA Trust to the Secretary of the MA Trust no later than the 10th date after such meeting is publicly announced or disclosed.

For nominations and any other proposals to be properly brought before an annual meeting of shareholders by a shareholder of a DE Trust, written notice must be delivered to the Secretary of the DE Trust not less than 90 days, nor more than 120 days, prior to the first anniversary of the preceding year s annual meeting. If the annual meeting is not scheduled to be held within a period that commences 30 days before such anniversary and ends 30 days after such anniversary (an Other Annual Meeting Date), the written notice must be delivered by the later of the 90th day prior to the meeting or the 10th day following the public announcement or disclosure of the meeting date provided, however, that if the Other Annual Meeting Date was disclosed in the proxy statement for the prior year s annual meeting, the dates for receipt of the written notice shall be calculated based on the Other Annual Meeting Date and disclosed in the proxy statement for the prior year s annual meeting. If the number of Trustees to be elected to the Board is increased and either all of the nominees for Trustee or the size of the increased Board are not publicly announced or disclosed at least 70 days prior to the first anniversary of the preceding year s annual meeting, written notice will be considered timely if delivered to the Secretary of the DE Trust no later than the 10th date after such public announcement or disclosure. With respect to the nomination of individuals for election to the Board of Trustees at a special shareholder meeting, written notice must be delivered by a shareholder of the DE Trust to the Secretary of the DE Trust no later than the 10th date after such meeting is publicly announced or disclosed. Specific information, as set forth in the By-Laws, about the nominee, the shareholder making the nomination, and the proposal must also be delivered, and updated as necessary if proposed at an annual meeting, by the shareholder of the DE Trust. The shareholder or a qualified representative must also appear at the annual or special meeting of shareholders to present about the nomination or proposed business.

Quorum. The governing instruments of the MA Trusts provide that a quorum will exist if shareholders representing a majority of the issued and outstanding shares entitled to vote at a shareholder meeting are present in person or represented by proxy.

The By-Laws of each DE Trust provide that a quorum will exist if shareholders representing a majority of the outstanding shares entitled to vote are present or represented by proxy, except when a larger quorum is required by applicable law or the requirements of any securities exchange on which shares are listed for trading, in which case the quorum must comply with such requirements.

Number of Votes; Aggregate Voting. The governing instruments of the MA Trusts and the Declaration and By-Laws of the DE Trusts provide that each shareholder is entitled to one vote for each whole share held as to any matter on which the shareholder is entitled to vote, and a proportionate fractional vote for each fractional share held. The MA Trusts and the DE Trusts do not provide for cumulative voting for the election or removal of Trustees.

The governing instruments of the MA Trusts generally provide that all share classes vote by class or series of the MA Trust, except as otherwise provided by applicable law, the governing instruments or resolution of the Trustees.

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The Declarations for the DE Trusts generally provide that all shares are voted as a single class, except when required by applicable law, the governing instruments, or when the Trustees have determined that the matter affects the interests of one or more classes, in which case only the shareholders of all such affected classes are entitled to vote on the matter.

Derivative Actions. Shareholders of each MA Trust have the power to vote as to whether or not a court action, proceeding or claim should or should not be brought or maintained derivatively or as a class action on behalf of the MA Trust or its shareholders.

The Declarations for the DE Trusts state that a shareholder may bring a derivative action on behalf of a DE Trust only if several conditions are met. These conditions include, among other things, a pre-suit demand upon the Board of Trustees and, unless a demand is not required, shareholders who hold at least a majority of the outstanding shares must join in the demand for the Board of Trustees to commence an action, and the Board of Trustees must be afforded a reasonable amount of time to consider such shareholder request and to investigate the basis of the claim.

Right to Vote. The 1940 Act provides that shareholders of a fund have the power to vote with respect to certain matters: specifically, for the election of trustees, the selection of auditors (under certain circumstances), approval of investment advisory agreements and plans of distribution, and amendments to policies, goals or restrictions deemed to be fundamental. Shareholders also have the right to vote on certain matters affecting a fund or a particular share class thereof under their respective governing instruments and applicable state law. The following summarizes the matters on which shareholders have the right to vote as well as the minimum shareholder vote required to approve the matter. For matters on which shareholders of a MA Trust or DE Trust do not have the right to vote, the Trustees may nonetheless determine to submit the matter to shareholders for approval. Where referenced below, the phrase Majority Shareholder Vote means the vote required by the 1940 Act, which is the lesser of (a) 67% or more of the shares present at the meeting, if the holders of more than 50% of a fund s outstanding shares are present or represented by proxy; or (b) more than 50% of a fund s outstanding shares.

Election and Removal of Trustees. The shareholders of the MA Trusts are entitled to vote, under certain circumstances, for the election and the removal of Trustees. Subject to the rights of the preferred shareholders, if any, the Trustees of the MA Trusts are elected by an affirmative vote of a majority of the outstanding shares present in person or represented by proxy. However, the preferred shareholders, if any, voting as a class elect at least two Trustees at all times. Preferred shareholders, if any, may also elect a majority of Trustees if dividends on the preferred shares have been unpaid for an amount equal to two full years of dividends. Any Trustees of the MA Trusts may be removed at any meeting of shareholders by a vote of 80% of the outstanding shares of the class or classes of shares of beneficial interest that elected such Trustee.

With regard to the DE Trusts, Trustees are elected by the affirmative vote of a majority of the outstanding shares of the DE Trust present in person or by proxy and entitled to vote at a meeting of the shareholders at which a quorum is present. Preferred shareholders, voting as a separate class, solely elect at least two Trustees by the affirmative vote of a majority of the outstanding preferred shares. Under certain circumstances, as set forth by the Trustees in accordance with the Declaration, holders of preferred shares may elect at least a majority of the Board s Trustees. The Declaration and By-Laws of the DE Trusts do not provide shareholders with the ability to remove Trustees.

Amendment of Governing Instruments. Except as described below, the Trustees of the MA Trusts and DE Trusts have the right to amend, from time to time, the governing instruments. For the MA Trusts, the Trustees have the power to alter, amend or repeal the By-Laws or adopt new By-Laws, provided that By-Laws adopted by shareholders may only be altered, amended or repealed by the shareholders, or by a majority of shares represented in person or by proxy. For the DE Trusts, the By-Laws may be altered, amended, or repealed by the Trustees, without the vote or approval of shareholders.

For the MA Trusts, the shareholders must vote with respect to any amendment of the Declaration to the extent provided by the Declaration. The vote required is a majority of the shares present or represented by proxy and entitled to vote at the meeting, except as otherwise provided by applicable law, the Declaration or resolution of the Trustees specifying a greater or lesser vote requirement for the transaction of any item of business at any

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meeting of shareholders. For any matter required to be voted on separately by class of shares the matter shall be decided by a majority of the shares present or represented and entitled to vote on the subject matter.

For the DE Trusts, the Board generally may amend the Declaration without shareholder approval, except (i): any amendment to the Declaration approved by the Board that would reduce the shareholders rights to indemnification requires the vote of shareholders owning at least 75% of the outstanding shares; (ii) any amendments to the Declaration that would change shareholder voting rights or declassify the Board require the affirmative vote or consent by the Board of Trustees followed by the affirmative vote or consent of shareholders owning at least 75% of the outstanding shares, unless such amendments have been previously approved, adopted or authorized by the affirmative vote of at least 66 2/3% of the Board of Trustees, in which case an affirmative Majority Shareholder Vote is required (the DE Trusts Voting Standard).

Mergers, Reorganizations, and Conversions. The governing instruments of the MA Trusts provide that a merger, consolidation, conversion to an open-end company, or sale of assets requires the affirmative vote of not less than 80% of the common shares and preferred shares, if any, outstanding and entitled to vote, voting as separate classes. Reorganization or incorporation requires the approval of the holders of a majority of each of the common shares and preferred shares, if any, outstanding and entitled to vote, voting as separate classes. If the merger, consolidation, sale, lease or exchange is recommended by the Trustees, the vote or written consent of the holders of a majority of the common shares and preferred shares, if any, outstanding and entitled to vote, voting as separate classes, is sufficient authorization.

For the DE Trusts, any such merger, consolidation, conversion, reorganization, or reclassification requires approval pursuant to the DE Trusts Voting Standard. The vote required is in addition to the vote or consent of shareholders otherwise required by law or by the terms of any class of preferred shares or any agreement between the Trust and any national securities exchange.

Principal Shareholder Transactions. The MA Trusts require a vote or consent of 80% of the common shares or preferred shares, if any, outstanding and entitled to vote, voting as separate classes, where a principal shareholder of a fund (*i.e.*, any corporation, person or other entity which is the beneficial owner, directly or indirectly, of more than 5% of the fund s outstanding shares) is the party to certain transactions.

The DE Trusts require a vote pursuant to the DE Trusts Voting Standard for certain principal shareholder transactions. The vote required is in addition to the vote or consent of shareholders otherwise required by law or by the terms of any class of preferred shares or any agreement between the Trust and any national securities exchange.

Termination of the Trust. The termination of the Acquiring Fund, IMS or IMT requires the affirmative vote of not less than 80% of the common shares and preferred shares, if any, outstanding and entitled to vote, voting as separate classes, at any meeting of shareholders, or an instrument in writing, without a meeting, signed by a majority of the Trustees and consented to by an affirmative vote of a majority of the outstanding shares of such MA Trust.

The termination of IMC requires the affirmative vote of not less than 80% of the common shares and preferred shares, if any, outstanding and entitled to vote, voting as separate classes, at any meeting of shareholders, or an instrument in writing, without a meeting, signed by a majority of the Trustees and consented to by affirmative vote of not less than two-thirds of the outstanding shares of IMC.

To spare shareholders the expense of a shareholder meeting in connection with the dissolution of a Fund, the DE Trusts may be dissolved upon a vote pursuant to the DE Trusts Voting Standard. The vote required is in addition to the vote or consent of shareholders otherwise required by law or by the terms of any class of preferred shares or any agreement between a DE Trust and any national securities exchange. In addition, if the affirmative vote of at least 75% of the Board approves the dissolution, shareholder approval is not required.

Liability of Shareholders. The Massachusetts statute governing business trusts does not include an express provision relating to the limitation of liability of the shareholders of a Massachusetts business trust. However, the Declarations for the MA Trusts provide that no shareholder will be personally liable in connection with the acts, obligations or affairs of the Target Trusts. Consistent with Section 3803 of the Delaware Act, the Declarations of the DE Trusts generally provide that shareholders will not be subject to personal liability for the acts or obligations of the DE Trust.

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Liability of Trustees and Officers. Consistent with the 1940 Act, the governing instruments for both the DE Trusts and the MA Trusts generally provide that no Trustee or officer of a DE Trust and no Trustee, officer, employee or agent of a MA Trust is subject to any personal liability in connection with the assets or affairs of the DE Trust and the MA Trust, respectively, except for liability arising from his or her own willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of the office (Disabling Conduct).

Indemnification. The MA Trusts generally indemnify every person who is or has been a Trustee or officer of the Trust to the fullest extent permitted by law against all liability and against all expenses reasonably incurred or paid by them in connection with any claim, action, suit or proceeding in which they becomes involved as a party or otherwise by virtue of their being or having been a Trustee or officer and against amounts paid or incurred by them in the settlement thereof.

The Trustees, officers, employees or agents of a DE Trust (Covered Persons) are indemnified by the DE Trust to the fullest extent permitted by the Delaware Act, the By-Laws and other applicable law. The By-Laws provide that every Covered Person is indemnified by the DE Trust for expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred in any proceeding to which such Covered Person is made a party or is threatened to be made a party, or is involved as a witness, by reason of the fact that such person is a Covered Person. For proceedings not by or in the right of the DE Trust (*i.e.*, derivative lawsuits), every Covered Person is indemnified by the DE Trust for expenses actually and reasonably incurred in the investigation, defense or settlement in any proceeding to which such Covered Person is made a party or is threatened to be made a party, or is involved as a witness, by reason of the fact that such person is a Covered Person. No Covered Person is indemnified for any expenses, judgments, fines, amounts paid in settlement, or other liability or loss arising by reason of disabling conduct or for any proceedings by such Covered Person against the Trust. The termination of any proceeding by conviction, or a plea of nolo contendere or its equivalent, or an entry of an order of probation prior to judgment, creates a rebuttable presumption that the person engaged in Disabling Conduct.

A DE Trust is indemnified by any common shareholder who brings an action against the Trust for all costs, expenses, penalties, fines or other amounts arising from such action to the extent that the shareholder is not the prevailing party. The DE Trust is permitted to redeem shares of and set off against any distributions to the shareholder for such amounts liable by the shareholder to the DE Trust.

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EXHIBIT C

Comparison of State Laws

The laws governing Massachusetts business trusts and Delaware statutory trusts have similar effect, but they differ in certain respects. Both the Massachusetts business trust law (MA Statute) and the Delaware statutory trust act (DE Statute) permit a trust s governing instrument to contain provisions relating to shareholder rights and removal of trustees, and provide trusts with the ability to amend or restate the trust s governing instruments. However, the MA Statute is silent on many of the salient features of a Massachusetts business trust (a MA Trust) whereas the DE Statute provides guidance and offers a significant amount of operational flexibility to Delaware statutory trusts (a DE Trust). The DE Statute provides explicitly that the shareholders and trustees of a Delaware Trust are not liable for obligations of the trust to the same extent as under corporate law, while under the MA Statute, shareholders and trustees could potentially be liable for trust obligations. The DE Statute authorizes the trustees to take various actions without requiring shareholder approval if permitted by a Fund s governing instruments. For example, trustees may have the power to amend the Delaware trust instrument, merge or consolidate a Fund with another entity, and to change the Delaware trust s domicile, in each case without a shareholder vote.

The following is a discussion of only certain material differences between the DE Statute and MA Statute, as applicable, and is not a complete description of them. Further information about each Fund s current trust structure is contained in such Fund s organizational documents and in relevant state law.

	Delaware Statutory Trust	**Massachusetts Business Trust**
Governing Documents/Governing Body	A DE Trust is formed by the filing of a certificate of trust with the Delaware Secretary of State. A DE Trust is an unincorporated association organized under the DE Statute whose operations are governed by its governing document (which may consist of one or more documents). Its business and affairs are managed by or under the direction of one or more trustees. As described in this chart, DE Trusts are granted a significant amount of organizational and operational flexibility. Delaware law makes it easy to obtain needed shareholder approvals, and also permits the management of a DE Trust to take various actions without being required to make state filings or obtain shareholder approval.	A MA Trust is created by the trustees execution of a written declaration of trust. A MA Trust is required to file the declaration of trust with the Secretary of the Commonwealth of Massachusetts and with the clerk of every city or town in Massachusetts where the trust has a usual place of business. A MA Trust is a voluntary association with transferable shares of beneficial interests, organized under the MA Statute. A MA Trust is considered to be a hybrid, having characteristics of both corporations and common law trusts. A MA Trust s operations are governed by a trust document and bylaws. The business and affairs of a MA Trust are managed by or under the direction of a board of trustees. MA Trusts are also granted a significant amount of organizational and operational flexibility. The MA Statute is silent on most of the salient features of MA Trusts, thereby allowing trustees to freely structure the MA Trust. The MA Statute does not specify what information must be contained in the declaration of trust, nor does it require a registered officer or agent for service of process.

Ownership Shares of Interest	Under both the DE Statute and the MA Statute, the ownership interests in a DE Trust and MA Trust are denominated as beneficial interests and are held by beneficial owners.	
Series and Classes	Under the DE Statute, the governing document may provide for classes, groups or series of shares,	The MA Statute is silent as to any requirements for the creation of such series or

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	Delaware Statutory Trust	Massachusetts Business Trust
	having such relative rights, powers and duties as shareholders set forth in the governing document. Such classes, groups or series may be described in a DE Trust s governing document or in resolutions adopted by its trustees.	classes.
Shareholder Voting Rights	Under the DE Statute, the governing document may set forth any provision relating to trustee and shareholder voting rights, including the withholding of such rights from certain trustees or shareholders. If voting rights are granted, the governing document may contain any provision relating to the exercise of voting rights.	There is no provision in the MA Statute addressing voting by the shareholders of a MA Trust.
Quorum	Under the DE Statute, the governing document may set forth any provision relating to quorum requirements at meetings of shareholders.	There is no provision in the MA Statute addressing quorum requirements at meetings of shareholders of a MA Trust.
Shareholder Meetings	Neither the DE Statute nor the MA Statute mandates an annual shareholders meeting.	
Organization of Meetings	Neither the DE Statute nor the MA Statute contain provisions relating to the organization of shareholder meetings.	
Record Date	Under the DE Statute, the governing document may provide for record dates.	There is no record date provision in the MA Statute.
Qualification and Election of Trustees	Under the DE Statute, the governing documents may set forth the manner in which trustees are elected and qualified.	The MA Statute does not contain provisions relating to the election and qualification of trustees of a MA Trust.
Removal of Trustees	Under the DE Statute, the governing documents of a DE Trust or MA Trust may contain any provision relating to the removal of trustees; provided, however, that there shall at all times be at least one trustee of a DE Trust.	The MA Statute does not contain provisions relating to the removal of trustees.
Restrictions on Transfer	Neither the DE Statute nor the MA Statute contain provisions relating to the ability of a DE Trust or MA Trust, as applicable, to restrict transfers of beneficial interests.	
Preemptive Rights and Redemption of Shares	Under each of the DE Statute and the MA Statute, a governing document may contain any provision relating to the rights, duties and obligations of the shareholders.	

Liquidation Upon Dissolution or Termination Events	Under the DE Statute, a DE Trust that has dissolved shall first pay or make reasonable provision to pay all known claims and obligations, including those that are contingent, conditional and unmatured, and all known claims and obligations for which the claimant is unknown. Any remaining assets shall be distributed to the shareholders or as otherwise provided in the governing document.	The MA Statute has no provisions pertaining to the liquidation of a MA Trust.

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	Delaware Statutory Trust	Massachusetts Business Trust
Shareholder Liability	Under the DE Statute, except to the extent otherwise provided in the governing document of a DE Trust, shareholders of a DE Trust are entitled to the same limitation of personal liability extended to shareholders of a private corporation organized for profit under the General Corporation Law of the State of Delaware.	The MA Statute does not include an express provision relating to the limitation of liability of the shareholders of a MA Trust. The shareholders of a MA Trust could potentially be held personally liable for the obligations of the trust.
Trustee/Director Liability	Subject to the provisions in the governing document, the DE Statute provides that a trustee or any other person managing the DE Trust, when acting in such capacity, will not be personally liable to any person other than the DE Trust or a shareholder of the DE Trust for any act, omission or obligation of the DE Trust or any trustee. To the extent that at law or in equity a trustee has duties (including fiduciary duties) and liabilities to the DE Trust and its shareholders, such duties and liabilities may be expanded or restricted by the governing document.	The MA Statute does not include an express provision limiting the liability of the trustee of a MA Trust. The trustees of a MA Trust could potentially be held personally liable for the obligations of the trust.
Indemnification	Subject to such standards and restrictions as may be contained in the governing document of a DE Trust, the DE Statute authorizes a DE Trust to indemnify and hold harmless any trustee, shareholder or other person from and against any and all claims and demands.	The MA Statute is silent as to the indemnification of trustees, officers and shareholders.
Insurance	Neither the DE Statute nor the MA Statute contain provisions regarding insurance.	
Shareholder Right of Inspection	Under the DE Statute, except to the extent otherwise provided in the governing document of a DE Trust and subject to reasonable standards established by the trustees, each shareholder has the right, upon reasonable demand for any purpose reasonably related to the shareholder s interest as a shareholder, to obtain from the DE Trust certain information regarding the governance and affairs of the DE Trust, including a current list of the name and last known address of each beneficial owner and trustee. In addition, the DE Statute permits the trustees of a DE Trust to keep confidential from shareholders for such period of time as deemed reasonable any information that the	There is no provision in the MA Statute relating to shareholder inspection rights.

trustees in good faith believe would not be in the best interest of the DE Trust to disclose or that could damage the DE Trust or that the DE Trust is required by law or by agreement with a third party to keep confidential.

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	Delaware Statutory Trust	Massachusetts Business Trust
Derivative Actions	Under the DE Statute, a shareholder may bring a derivative action if trustees with authority to do so have refused to bring the action or if a demand upon the trustees to bring the action is not likely to succeed. A shareholder may bring a derivative action only if the shareholder is a shareholder at the time the action is brought and: (a) was a shareholder at the time of the transaction complained about or (b) acquired the status of shareholder by operation of law or pursuant to the governing document from a person who was a shareholder at the time of the transaction. A shareholder s right to bring a derivative action may be subject to such additional standards and restrictions, if any, as are set forth in the governing document.	There is no provision under the MA Statute regarding derivative actions.
Arbitration of Claims	The DE Statute provides flexibility as to providing for arbitration pursuant to the governing documents of a DE Trust.	There is no provision under the MA Statute regarding arbitration.
Amendments to Governing Documents	The DE Statute provides broad flexibility as to the manner of amending and/or restating the governing document of a DE Trust. Amendments to the declaration that do not change the information in the DE Trust s certificate of trust are not required to be filed with the Delaware Secretary of State.	The MA Statute provides broad flexibility as to the manner of amending and/or restating the governing document of a MA Trust. The MA Statute provides that the trustees shall, within thirty days after the adoption of any amendment to the declaration of trust, file a copy with the Secretary of the Commonwealth of Massachusetts and with the clerk of every city or town in Massachusetts where the trust has a usual place of business.

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EXHIBIT D

Form of Agreement and Plan of Merger

AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER (Agreement) is adopted as of this ___ day of _____, 2012 by and among (i) each of the Invesco closed-end registered investment companies identified as a Merging Fund on Exhibit A hereto, each a Delaware statutory trust (each a Merging Fund); (ii) each of the Invesco closed-end registered investment companies identified as a Surviving Fund on Exhibit A hereto, each a Delaware statutory trust (each a Surviving Fund); and (iii) Invesco Advisers, Inc. (IAI). The predecessor to each Merging Fund, each a Massachusetts business trust except the predecessor to the Invesco High Yield Investment Fund, Inc., which is a Maryland corporation (each a Predecessor Merging Fund), and the predecessor to each Surviving Fund, each a Massachusetts business trust (each a Predecessor Surviving Fund), joins this agreement solely for the purposes of making the representations in paragraph 4.1 or 4.2, as applicable, and agreeing to be bound by paragraphs 5.1(a), 5.1(b), 5.1(d) and 5.1(i). Each Merging Fund and Surviving Fund are together referred to herein as the Funds and each Predecessor Merging Fund and Predecessor Surviving Fund are referred to individually as a Predecessor Fund.

WHEREAS, each Merging Fund and each Surviving Fund is a closed-end, registered investment company of the management type; and

WHEREAS, this Agreement is intended to be and is adopted as a plan of reorganization with respect to each Merger (as defined below) within the meaning of Section 368(a) of the United States Internal Revenue Code of 1986, as amended (the Code), and Treasury Regulations Sections 1.368-2(g) and 1.368-3(a); and

WHEREAS, each merger will consist of the merger of a Merging Fund into its corresponding Surviving Fund, as set forth on Exhibit A, pursuant to the provisions of the Delaware Statutory Trust Act, 12 Del. C. Section 3801, et seq. (the DSTA), and will have the consequences described in Section 1.2 below (each such transaction, a Merger and collectively, the Mergers); and

WHEREAS, a condition precedent to each Merger is the redomestication of the Predecessor Merging Fund and the Predecessor Surviving Fund from a Massachusetts business trust or Maryland corporation, as applicable, to a Delaware statutory trust, which will include the transfer of all of the Predecessor Fund s assets and assumption of all of the Predecessor Fund s liabilities by the applicable Fund in exchange for the issuance by such Fund to the Predecessor Fund of shares of beneficial interest of the Fund and the distribution of those shares to the Predecessor Fund s shareholders (each a Redomestication);

WHEREAS, the Boards of Trustees of each Surviving Fund and of each Merging Fund have determined that the Merger is in the best interests of the Surviving Fund and the Merging Fund, respectively, and the interests of the shareholders of the Surviving Fund and the Merging Fund will not be diluted as a result of the Merger;

NOW, THEREFORE, in consideration of the premises and of the covenants and agreements hereinafter set forth, and intending to be legally bound, the parties hereto covenant and agree as follows:

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1. DESCRIPTION OF THE MERGERS

1.1. It is the intention of the parties hereto that each Merger described herein shall be conducted separately from the others, and a party that is not a party to a Merger shall incur no obligations, duties or liabilities, nor make any representations, warranties or covenants, with respect to such Merger by reason of being a party to this Agreement. If any one or more Mergers should fail to be consummated, such failure shall not affect the other Mergers in any way.

1.2. Subject to the terms and conditions herein set forth and on the basis of the representations and warranties contained herein, with respect to each Merging Fund and its corresponding Surviving Fund, at the Closing Time (as defined below), the Merging Fund shall be merged with and into the Surviving Fund, the separate existence of the Merging Fund as a Delaware Statutory Trust and registered investment company shall cease, and the Surviving Fund will be the surviving entity for all purposes, including accounting purposes and for purposes of presenting investment performance history.

1.3. Upon the terms and subject to the conditions of this Agreement, on the Closing Date (as defined below), the applicable parties shall cause the Merger to be consummated by filing a certificate of merger (a Certificate of Merger) with the Secretary of State of the State of Delaware in accordance with Section 3815 of the DSTA. The Merger shall become effective at 9:15 a.m. Eastern Time, as shall be specified in a Certificate of Merger duly filed with the Secretary of the State of Delaware, or at such later date or time as the parties shall agree and specify in the Certificate of Merger (the Closing Time).

1.4. As a result of operation of the applicable provisions of the DSTA, the following events occur simultaneously at the Closing Time, except as otherwise provided herein:

(a) all of the assets, property, goodwill, rights, privileges, powers and franchises of the Merging Fund, including, without limitation, all cash**,** securities, commodities and futures interests, claims (whether absolute or contingent, known or unknown, accrued or unaccrued and including, without limitation, any interest in pending or future legal claims in connection with past or present portfolio holdings, whether in the form of class action claims, opt-out or other direct litigation claims, or regulator or government-established investor recovery fund claims, and any and all resulting recoveries), dividends or interest receivable, deferred or prepaid expenses shown as an asset on the books of the Merging Fund on the Closing Date, goodwill, contractual rights, originals or copies of all books and records of the Merging Fund and all intangible property that is owned by the Merging Fund (collectively, the Merging Fund Assets) shall vest in the Surviving Fund, and all of the liabilities, debts, obligations, restrictions and duties of the Merging Fund (whether known or unknown, absolute or contingent, accrued or unaccrued and including, without limitation, any liabilities of the Merging Fund to indemnify the trustees or officers of the Merging Fund or any other persons under the Merging Fund s Declaration of Trust or otherwise, and including all liabilities, debts, obligations, restrictions and duties of the Predecessor Fund assumed by the Merging Fund pursuant to the Redomestication) (collectively, the Merging Fund Liabilities) shall become the liabilities, debts, obligations, restrictions and duties of the Surviving Fund;

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(b) Merging Fund common shares of beneficial interest (the Merging Fund Common Shares) shall be converted into Surviving Fund common shares of beneficial interest (the Surviving Fund Common Shares) and Merging Fund preferred shares of beneficial interest, if any (the Merging Fund Preferred Shares), shall be converted into Surviving Fund preferred shares of beneficial interest (the Surviving Fund Preferred Shares). Prior to the Closing Time or as soon as practicable thereafter, the Surviving Fund will open shareholder accounts on the share ledger records of the Surviving Fund in the names of and in the amounts due to the shareholders of the Merging Fund Common Shares and Merging Fund Preferred Shares (if any) based on their respective holdings in the Merging Fund as of the close of business on the Valuation Date, as more fully described in Section 3 below;

(c) At the Closing Time, the agreement and declaration of trust and bylaws of the Surviving Fund in effect immediately prior to the Closing Time shall continue to be the agreement and declaration of trust and bylaws of the Surviving Fund, until and unless thereafter amended in accordance with their respective terms;

(d) From and after the Closing Time, the trustees and officers of the Surviving Fund shall continue to be the trustees and officers of the combined Merging Fund and Surviving Fund, and such trustees and officers shall serve for such terms as are provided in the agreement and declaration of trust and the bylaws of the Surviving Fund; and

(e) From and after the Closing Time, the Surviving Fund s investment objectives, strategies, policies and restrictions shall continue to be the investment objectives, strategies, policies and restrictions of the combined Merging Fund and Surviving Fund.

2. VALUATION

2.1. Computations of value in connection with the Closing (as defined below) of each Merger shall be as of immediately after the close of regular trading on the New York Stock Exchange (NYSE), which shall reflect the declaration of any dividends, on the business day immediately preceding the Closing Date (the Valuation Date).

2.2. All computations of value of the Merging Fund, the Merging Fund Common Shares, the Merging Fund Preferred Shares (if any), the Merging Fund Assets and the Merging Fund Liabilities shall be made using the Merging Fund s valuation procedures established by the Merging Fund s Board of Trustees. All computations of value of the Surviving Fund, the Surviving Fund Common Shares, the Surviving Fund Preferred Shares (if any) and the Surviving Fund s assets and liabilities shall be made using the Surviving Fund s valuation procedures established by the Surviving Fund s Board of Trustees.

3. CLOSING AND CLOSING DATE

3.1. Each Merger shall close on _____, 2012 or such other date as the parties may agree with respect to any or all Mergers (the Closing Date). All acts taking place at the closing of a Merger (the Closing) shall be deemed to take place simultaneously as of the Closing Time unless otherwise agreed to by the parties. In the event that on the Valuation Date

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or the Closing Date (a) the NYSE or another primary trading market for portfolio securities of the Merging Fund (each, an Exchange) shall be closed to trading or trading thereupon shall be restricted, or (b) trading or the reporting of trading on such Exchange or elsewhere shall be disrupted so that, in the judgment of the Board of Trustees of the Merging Fund or the corresponding Surviving Fund or the authorized officers of either of such entities, accurate appraisal of the value of the net assets of the Surviving Fund or the Merging Fund, respectively, is impracticable, the Closing Date shall be postponed until the first business day after the day when trading shall have been fully resumed and reporting shall have been restored.

3.2. With respect to each Merger:

(a) The Merging Fund s portfolio securities, investments or other assets that are represented by a certificate or other written instrument shall be transferred and delivered by the Merging Fund as of the Closing Date, or as soon as reasonably practicable thereafter, to the Surviving Fund s custodian for the account of the Surviving Fund, duly endorsed in proper form for transfer and in such condition as to constitute good delivery thereof.

(b) No later than the Closing, the Merging Fund shall provide the Surviving Fund or its transfer agent with the names, addresses, dividend reinvestment elections and tax withholding status of the Merging Fund shareholders as of the Valuation Date and the information and documentation maintained by the Merging Fund or its agents relating to the identification and verification of the Merging Fund shareholders under the USA PATRIOT Act and other applicable anti-money laundering laws, rules and regulations and such other information as the Surviving Fund may reasonably request. The Surviving Fund and its transfer agent shall have no obligation to inquire as to the validity, propriety or correctness of any such instruction, information or documentation, but shall, in each case, assume that such instruction, information or documentation is valid, proper, correct and complete.

(c) The Surviving Fund shall issue and deliver to the Merging Fund a confirmation evidencing the Surviving Fund Common Shares and Surviving Fund Preferred Shares, if any, to be credited on the Closing Date, or provide other evidence satisfactory to the Merging Fund that such shares have been credited to the Merging Fund shareholders accounts on the books of the Surviving Fund.

(d) Surviving Fund Common Shares of an aggregate net asset value equal to the aggregate net asset value of the Merging Fund Common Shares shall be issued by the Surviving Fund to the holders of the Merging Fund Common Shares in exchange for all of the Merging Fund Common Shares. The aggregate net asset value of such shares shall be determined as set forth in Section 2 above.

(e) Surviving Fund Preferred Shares of an aggregate liquidation preference equal to the aggregate liquidation preference of the Merging Fund Preferred Shares shall be issued by the Surviving Fund to the holders of the Merging Fund Preferred Shares, if any, in exchange for all of the Merging Fund Preferred Shares. The terms of the

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Surviving Fund Preferred Shares shall be substantially the same as the terms of the Merging Fund Preferred Shares.

(f) The Surviving Fund shall not issue certificates representing Surviving Fund Common Shares in connection with the Merger. Any certificates representing ownership of Merging Fund Common Shares that remain outstanding at the Closing Time shall be deemed to be cancelled by operation of law and shall no longer evidence ownership of the Merging Fund or its shares.

4. REPRESENTATIONS AND WARRANTIES

4.1. Each Merging Fund and Predecessor Merging Fund represents and warrants to the corresponding Surviving Fund as follows:

(a) The Merging Fund is duly formed as a statutory trust, validly existing, and in good standing under the laws of the State of Delaware with power under its agreement and declaration of trust and bylaws (Governing Documents), to own all of its Merging Fund Assets, to carry on its business as it is now being conducted and to enter into this Agreement and perform its obligations hereunder;

(b) The Merging Fund is registered under the Investment Company Act of 1940, as amended (1940 Act), as a closed-end management investment company, and such registration has not been revoked or rescinded and is in full force and effect;

(c) No consent, approval, authorization, or order of any court, governmental authority, the Financial Industry Regulatory Authority (FINRA) or any stock exchange on which shares of the Merging Fund are listed is required for the consummation by the Merging Fund of the transactions contemplated herein, except such as have been or will be obtained (at or prior to the Closing Time);

(d) The Merging Fund is not obligated under any provision of its Governing Documents and is not a party to any contract or other commitment or obligation, and is not subject to any order or decree, which would be violated by its execution or performance under this Agreement, except insofar as the Funds have mutually agreed to amend such contract or other commitment or obligation to cure any potential violation as a condition precedent to the Merger;

(e) The Merging Fund is authorized to issue an unlimited number of Common Shares and an unlimited number of Preferred Shares and all of the issued and outstanding shares of beneficial interest of the Merging Fund are, and on the Closing Date will be, duly authorized and validly issued and outstanding, fully paid and non-assessable by the Merging Fund and no shareholder of the Merging Fund will have any preemptive right of subscription or purchase in respect thereof and, in every state where offered or sold, such offers and sales by the Merging Fund have been in compliance in all material respects with applicable registration and/or notice requirements of the Securities Act of 1933, as amended (the 1933 Act) and state and District of Columbia securities laws;

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(f) Except as otherwise disclosed to and accepted by or on behalf of the Surviving Fund, the Merging Fund will on the Closing Date have good title to the Merging Fund Assets and have full right, power and authority to sell, assign, transfer and deliver such Merging Fund Assets free of adverse claims, including any liens or other encumbrances, and upon delivery and payment for such Merging Fund Assets, the Surviving Fund will acquire good title thereto, free of adverse claims and subject to no restrictions on the full transfer thereof, including, without limitation, such restrictions as might arise under the 1933 Act, provided that the Surviving Fund will acquire Merging Fund Assets that are segregated as collateral for the Merging Fund s derivative positions, including, without limitation, as collateral for swap positions and as margin for futures positions, subject to such segregation and liens that apply to such Merging Fund Assets;

(g) The financial statements of the Merging Fund for the Merging Fund s most recently completed fiscal year have been audited by the independent registered public accounting firm appointed by the Merging Fund s Board of Trustees. Such statements, as well as the unaudited, semi-annual financial statements for the semi-annual period next succeeding the Merging Fund s most recently completed fiscal year, if any, were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) consistently applied, and such statements present fairly, in all material respects, the financial condition of the Merging Fund as of such date in accordance with GAAP;

(h) The Merging Fund has no known liabilities of a material nature, contingent or otherwise, other than those shown as belonging to it on its statement of assets and liabilities as of the Merging Fund s most recently completed fiscal year or half-year and those incurred in the ordinary course of the Merging Fund s business as an investment company since such date;

(i) There are no material legal, administrative or other proceedings pending or, to the knowledge of the Merging Fund, threatened against the Merging Fund which assert liability or which may, if successfully prosecuted to their conclusion, result in liability on the part of the Merging Fund, other than as have been disclosed to the Surviving Fund;

(j) The registration statement filed by the Surviving Fund on Form N-14, which includes, among other things, a proxy statement of the Merging Fund and a prospectus of the Surviving Fund with respect to the transactions contemplated herein (including the statement of additional information incorporated by reference therein, the Joint Proxy Statement/Prospectus), and any supplement or amendment thereto or to the documents included or incorporated by reference therein (collectively, as so amended or supplemented, the N-14 Registration Statement), on its effective date, at the time of the shareholders meeting called to vote on the proposals set forth in the Joint Proxy Statement/Prospectus and on the Closing Date, insofar as it relates to the Merging Fund, (i) complied or will comply in all material respects with the 1933 Act, the Securities Exchange Act of 1934, as amended (the 1934 Act), and the 1940 Act and the rules and regulations thereunder (ii) did not or will not contain any untrue statement of a material fact or omit any material fact required to be stated therein or necessary to make the

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statements therein not misleading; and the Joint Proxy Statement/Prospectus, as of its date, at the time of the shareholders meeting called to vote on the proposals set forth therein and on the Closing Date, insofar as it relates to the Merging Fund, (i) complied or will comply in all material respects with the 1933 Act, the 1934 Act and the 1940 Act and the rules and regulations thereunder and (ii) did not or will not contain any untrue statement of a material fact or omit any material fact required to be stated therein or necessary to make the statements therein in light of the circumstances under which they were made, not misleading; provided, however, that the representations and warranties in this subsection shall apply only to statements in or omissions from the N-14 Registration Statement or the Joint Proxy Statement/Prospectus made in reliance upon and in conformity with information furnished by the Merging Fund for use in the N-14 Registration Statement or the Joint Proxy Statement/Prospectus.

(k) On the Closing Date, all material Returns (as defined below) of the Merging Fund required by law to have been filed by such date (including any extensions) shall have been filed and are or will be true, correct and complete in all material respects, and all Taxes (as defined below) shown as due or claimed to be due by any government entity shall have been paid or provision has been made for the payment thereof. To the Merging Fund s knowledge, no such Return is currently under audit by any federal, state, local or foreign Tax authority; no assessment has been asserted with respect to such Returns; there are no levies, liens or other encumbrances on the Merging Fund or its assets resulting from the non-payment of any Taxes; no waivers of the time to assess any such Taxes are outstanding nor are any written requests for such waivers pending; and adequate provision has been made in the Merging Fund financial statements for all Taxes in respect of all periods ended on or before the date of such financial statements. As used in this Agreement, Tax or Taxes means any tax, governmental fee or other like assessment or charge of any kind whatsoever (including, but not limited to, withholding on amounts paid to or by any person), together with any interest, penalty, addition to tax or additional amount imposed by any governmental authority (domestic or foreign) responsible for the imposition of any such tax. Return means reports, returns, information returns, elections, agreements, declarations, or other documents of any nature or kind (including any attached schedules, supplements and additional or supporting material) filed or required to be filed with respect to Taxes, including any claim for refund, amended return or declaration of estimated Taxes (and including any amendments with respect thereto);

(l) The Merging Fund has elected to be a regulated investment company under Subchapter M of the Code and is a fund that is treated as a separate corporation under Section 851(g) of the Code. The Merging Fund has qualified for treatment as a regulated investment company for each taxable year since inception that has ended prior to the Closing Date and will have satisfied the requirements of Part I of Subchapter M of the Code to maintain such qualification for the period beginning on the first day of its current taxable year and ending on the Closing Date. The Merging Fund has no earnings or profits accumulated in any taxable year in which the provisions of Subchapter M of the Code did not apply to it. In order to (A) ensure continued qualification of the Merging Fund for treatment as a regulated investment company for tax purposes and (B) eliminate any tax liability of the Merging Fund arising by reason of undistributed investment

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company taxable income or net capital gain, the Merging Fund**,** before the Closing Date, will declare on or prior to the Valuation Date to the shareholders of the Merging Fund a dividend or dividends that, together with all previous such dividends, shall have the effect of distributing (i) all of Merging Fund s investment company taxable income for the taxable year ended prior to the Closing Date and substantially all of such investment company taxable income for the final taxable year ending on the Closing Date (in each case determined without regard to any deductions for dividends paid); (ii) all of Merging Fund s net capital gain recognized in its taxable year ended prior to the Closing Date and substantially all of any such net capital gain recognized in such final taxable year (in each case after reduction for any capital loss carryover); and (iii) at least 90 percent of the excess, if any, of the Merging Fund s interest income excludible from gross income under Section 103(a) of the Code over its deductions disallowed under Sections 265 and 171(a)(2) of the Code for the taxable year prior to the Closing Date and at least 90 percent of such net tax-exempt income for such final taxable year;

(m) The execution, delivery and performance of this Agreement will have been duly authorized prior to the Closing Date by all necessary action, if any, on the part of the Board of Trustees of the Merging Fund and, subject to the approval of the shareholders of the Funds and the due authorization, execution and delivery of this Agreement by IAI, this Agreement will constitute a valid and binding obligation of the Merging Fund enforceable in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting creditors rights and to general equity principles;

(n) All of the issued and outstanding Merging Fund Common Shares were offered for sale and sold in conformity with all applicable federal and state securities laws.

(o) The books and records of the Merging Fund are true and correct in all material respects and contain no material omissions with respect to information required to be maintained under the laws, rules and regulations applicable to the Merging Fund;

(p) The Merging Fund is not under the jurisdiction of a court in a Title 11 or similar case within the meaning of Section 368(a)(3)(A) of the Code;

(q) The Merging Fund has no unamortized or unpaid organizational fees or expenses; and

(r) There are no material contracts outstanding to which the Merging Fund is a party that have not been disclosed in the N-14 Registration Statement or that will not otherwise be disclosed to the Surviving Fund prior to the Closing Time.

4.2. Each Surviving Fund and Predecessor Surviving Fund represents and warrants to the corresponding Merging Fund as follows:

(a) The Surviving Fund is duly formed as a statutory trust, validly existing, and in good standing under the laws of the State of Delaware, with power under its agreement and declaration of trust, as amended (the Agreement and Declaration of

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Trust), to own all of its properties and assets and to carry on its business as it is now being, and as it is contemplated to be, conducted, and to enter into this Agreement and perform its obligations hereunder;

(b) The Surviving Fund is registered under the 1940 Act as a closed-end management investment company, and such registration has not been revoked or rescinded and is in full force and effect;

(c) No consent, approval, authorization, or order of any court, governmental authority, FINRA or any stock exchange on which shares of the Surviving Fund are listed is required for the consummation by the Surviving Fund of the transactions contemplated herein, except such as have been or will be obtained (at or prior to the Closing Time);

(d) The financial statements of the Surviving Fund for the Surviving Fund s most recently completed fiscal year have been audited by the independent registered public accounting firm appointed by the Surviving Fund s Board of Trustees. Such statements, as well as the unaudited, semi-annual financial statements for the semi-annual period next succeeding the Surviving Fund s most recently completed fiscal year, if any, were prepared in accordance with GAAP consistently applied, and such statements present fairly, in all material respects, the financial condition of the Surviving Fund as of such date in accordance with GAAP;

(e) The Surviving Fund has no known liabilities of a material nature, contingent or otherwise, other than those shown as belonging to it on its statement of assets and liabilities as of the Surviving Fund s most recently completed fiscal year or half-year and those incurred in the ordinary course of the Surviving Fund s business as an investment company since such date;

(f) There are no material legal, administrative or other proceedings pending or, to the knowledge of Surviving Fund, threatened against Surviving Fund which assert liability or which may, if successfully prosecuted to their conclusion, result in liability on the part of Surviving Fund, other than as have been disclosed to the Merging Fund;

(g) The N-14 Registration Statement, on its effective date, at the time of the shareholders meeting called to vote on the proposals set forth in the Joint Proxy Statement/Prospectus and on the Closing Date, (i) complied or will comply in all material respects with the 1933 Act, the 1934 Act and the 1940 Act and the rules and regulations thereunder and (ii) did not or will not contain any untrue statement of a material fact or omit any material fact required to be stated therein or necessary to make the statements therein not misleading; and the Joint Proxy Statement/Prospectus, as of its date, at the time of the shareholders meeting called to vote on the proposals set forth therein and on the Closing Date (i) complied or will comply in all material respects with the 1933 Act, the 1934 Act and the 1940 Act and regulations thereunder and (ii) did not or will not contain any untrue statement of a material fact or omit any material fact required to be stated therein or necessary to make the statements therein in light of the circumstances under which they were made, not misleading; provided, however, that the representations and warranties in this subsection shall not apply to statements in or omissions from the

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N-14 Registration Statement or the Joint Proxy Statement/Prospectus made in reliance upon and in conformity with information furnished by the Merging Fund for use in the N-14 Registration Statement or the Joint Proxy Statement/Prospectus;

(h) On the Closing Date, all material Returns of the Surviving Fund required by law to have been filed by such date (including any extensions) shall have been filed and are or will be true, correct and complete in all material respects, and all Taxes shown as due or claimed to be due by any government entity shall have been paid or provision has been made for the payment thereof. To the Surviving Fund s knowledge, no such Return is currently under audit by any federal, state, local or foreign Tax authority; no assessment has been asserted with respect to such Returns; there are no levies, liens or other encumbrances on the Surviving Fund or its assets resulting from the non-payment of any Taxes; and no waivers of the time to assess any such Taxes are outstanding nor are any written requests for such waivers pending; and adequate provision has been made in the Surviving Fund financial statements for all Taxes in respect of all periods ended on or before the date of such financial statements;

(i) The Surviving Fund has elected to be a regulated investment company under Subchapter M of the Code and is a fund that is treated as a separate corporation under Section 851(g) of the Code. The Surviving Fund has qualified for treatment as a regulated investment company for each taxable year since inception that has ended prior to the Closing Date and will have satisfied the requirements of Part I of Subchapter M of the Code to maintain such qualification for the period beginning on the first day of its current taxable year and ending on the Closing Date. The Surviving Fund has no earnings or profits accumulated in any taxable year in which the provisions of Subchapter M of the Code did not apply to it;

(j) All issued and outstanding Surviving Fund shares are, and on the Closing Date will be, duly authorized and validly issued and outstanding, fully paid and non-assessable by the Surviving Fund and, in every state where offered or sold, such offers and sales by the Surviving Fund have been in compliance in all material respects with applicable registration and/or notice requirements of the 1933 Act and state and District of Columbia securities laws or exemptions therefrom, and there will be a sufficient number of such shares registered under the 1933 Act or exempt from such registration and, as may be necessary, with applicable state securities commissions, to permit the issuances contemplated by this Agreement to be consummated;

(k) The execution, delivery and performance of this Agreement will have been duly authorized prior to the Closing Date by all necessary action, if any, on the part of the Board of Trustees of the Surviving Fund and subject to the approval of the shareholders of the Funds and the due authorization, execution and delivery of this Agreement by IAI, this Agreement will constitute a valid and binding obligation of the Surviving Fund enforceable in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting creditors rights and to general equity principles;

(l) The Surviving Fund Common Shares and Surviving Fund Preferred

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Shares (if any) to be issued and delivered to the Merging Fund, for the account of the Merging Fund shareholders, pursuant to the terms of this Agreement, will on the Closing Date have been duly authorized and, when so issued and delivered, will be duly and validly issued shares of the Surviving Fund, and will be fully paid and non-assessable by the Surviving Fund and no shareholder of the Surviving Fund will have any preemptive right of subscription or purchase in respect thereof;

(m) The books and records of the Surviving Fund are true and correct in all material respects and contain no material omissions with respect to information required to be maintained under the laws, rules and regulations applicable to the Surviving Fund;

(n) The Surviving Fund is not under the jurisdiction of a court in a Title 11 or similar case within the meaning of Section 368(a)(3)(A) of the Code; and

(o) The Surviving Fund has no unamortized or unpaid organizational fees or expenses for which it does not expect to be reimbursed by Invesco or its affiliates.

5. COVENANTS OF THE SURVIVING FUND AND THE MERGING FUND

5.1. With respect to each Merger:

(a) The Surviving Fund, the Merging Fund and the corresponding Predecessor Funds each: (i) will operate its business in the ordinary course and substantially in accordance with past practices between the date hereof and the Closing Date for the Merger, it being understood that such ordinary course of business may include the declaration and payment of customary dividends and distributions, and any other distribution that may be advisable, and (ii) shall use its reasonable best efforts to preserve intact its business organization and material assets and maintain the rights, franchises and business and customer relations necessary to conduct the business operations of the Surviving Fund, the Merging Fund or the corresponding Predecessor Fund, as appropriate, in the ordinary course in all material respects.

(b) Each Fund and Predecessor Fund agrees to mail to its shareholders of record entitled to vote at the meeting of shareholders at which action is to be considered regarding this Agreement, in sufficient time to comply with requirements as to notice thereof, the Joint Proxy Statement/Prospectus applicable to such Fund, to call a meeting of such shareholders and to take all other action necessary to obtain approval of the transactions contemplated herein.

(c) The Merging Fund will provide the Surviving Fund with (1) a statement of the respective tax basis and holding period of all investments to be transferred by the Merging Fund to the Surviving Fund, (2) a copy (which may be in electronic form) of the shareholder ledger accounts including, without limitation, the name, address and taxpayer identification number of each shareholder of record, the number of shares of beneficial interest held by each shareholder, the dividend reinvestment elections applicable to each shareholder, and the backup withholding and nonresident alien withholding certifications, notices or records on file with the Merging Fund with respect to each shareholder, for all of the shareholders of record of the Merging Fund as of the close of business on the

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Valuation Date, who are to become holders of the Surviving Fund as a result of the transfer of Merging Fund Assets, certified by its transfer agent or its President or Vice-President to the best of their knowledge and belief, (3) the tax books and records of the Merging Fund for purposes of preparing any Returns required by law to be filed for tax periods ending after the Closing Date, and (4) if reasonably requested by the Surviving Fund in writing, all FASB ASC 740-10-25 (formerly FIN 48) work papers and supporting statements pertaining to the Merging Fund. The foregoing information to be provided within such timeframes as is mutually agreed by the parties. The Merging Fund agrees to cooperate with the Surviving Fund in filing any Return, amended return or claim for refund, determining a liability for taxes or a right to a refund of taxes or participating in or conducting any audit or other proceeding in respect of taxes. The Merging Fund agrees to retain for a period of [____] years following the Closing Date all Returns and work papers and all material records or other documents relating to tax matters for taxable periods ending on or before the Closing Date.

(d) Subject to the provisions of this Agreement, the Surviving Fund, the Merging Fund and the corresponding Predecessor Funds will each take, or cause to be taken, all action, and do or cause to be done all things, reasonably necessary, proper or advisable to consummate and make effective the transactions contemplated by this Agreement.

(e) It is the intention of the parties that each Merger will qualify as a reorganization with the meaning of Section 368(a)(1)(A) of the Code. None of the parties to a Merger shall take any action or cause any action to be taken (including, without limitation the filing of any tax Return) that is inconsistent with such treatment or results in the failure of such Merger to qualify as a reorganization within the meaning of Section 368(a)(1)(A) of the Code.

(f) Any reporting responsibility of the Merging Fund, including, but not limited to, the responsibility for filing regulatory reports, tax Returns relating to tax periods ending on or prior to the Closing Date (whether due before or after the Closing Date), or other documents with the SEC, any state securities commission, and any federal, state or local tax authorities or any other relevant regulatory authority, is and shall remain the responsibility of the Merging Fund, except as otherwise is mutually agreed by the parties.

(g) The Merging Fund undertakes that if the Merger is consummated, it will file an application pursuant to Section 8(f) of the 1940 Act for an order declaring that the Merging Fund has ceased to be a registered investment company.

(h) The Surviving Fund and Predecessor Surviving Fund shall use their reasonable best efforts to cause the Surviving Fund Common Shares to be issued in the Merger to be approved for listing on each of the stock exchanges on which the corresponding Merging Fund Common Shares are listed.

(i) The Surviving Fund shall use its reasonable best efforts to obtain a rating on the Surviving Fund Preferred Shares from at least one nationally recognized statistical

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rating organization (NRSRO) and include in its governing documents terms relating to the Surviving Fund Preferred Shares that are either substantially the same as such terms included in the Governing Documents of the Merging Fund in respect of the Merging Fund Preferred Shares or substantially the same as such terms included in the Merging Fund Governing Documents except for such changes as required by any NRSRO rating the Surviving Fund Preferred Shares, prior to the Closing.

6. CONDITIONS PRECEDENT TO OBLIGATIONS OF THE MERGING FUND

6.1. With respect to each Merger, the obligations of the Merging Fund to consummate the transactions provided for herein shall be subject, at the Merging Fund s election, to the performance by the Surviving Fund of all of the obligations to be performed by it hereunder on or before the Closing Time, and, in addition thereto, the following conditions:

(a) All representations and warranties of the Surviving Fund and the Predecessor Surviving Fund contained in this Agreement shall be true and correct in all material respects as of the date hereof and, except as they may be affected by the transactions contemplated by this Agreement, as of the Closing Date, with the same force and effect as if made on and as of the Closing Date;

(b) The Surviving Fund shall have delivered to the Merging Fund on the Closing Date a certificate executed in its name by its President or Vice President and Treasurer, in form and substance reasonably satisfactory to the Merging Fund and dated as of the Closing Date, to the effect that the representations and warranties of or with respect to the Surviving Fund and the Predecessor Surviving Fund made in this Agreement are true and correct at and as of the Closing Date, except as they may be affected by the transactions contemplated by this Agreement;

(c) The Surviving Fund and the Predecessor Surviving Fund shall have performed all of the covenants and complied with all of the provisions required by this Agreement to be performed or complied with by the Surviving Fund and the Predecessor Surviving Fund, on or before the Closing Date; and

(d) The Surviving Fund shall have amended its governing documents to include terms relating to the Surviving Fund Preferred Shares that are either substantially identical to such terms included in the Governing Documents of the Merging Fund in respect of the Merging Fund Preferred Shares or substantially identical to such terms included in the Merging Fund Governing Documents except for such changes as required by any NRSRO rating the Surviving Fund Preferred Shares, and shall have obtained a rating on the Surviving Fund Preferred Shares from at least one NRSRO.

7. CONDITIONS PRECEDENT TO OBLIGATIONS OF THE SURVIVING FUND

7.1. With respect to each Merger, the obligations of the Surviving Fund to consummate the transactions provided for herein shall be subject, at the Surviving Fund s election, to the performance by the Merging Fund of all of the obligations to be performed by it hereunder on or before the Closing Date and, in addition thereto, the following conditions:

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(a) All representations and warranties of the Merging Fund and the Predecessor Merging Fund contained in this Agreement shall be true and correct in all material respects as of the date hereof and, except as they may be affected by the transactions contemplated by this Agreement, as of the Closing Date, with the same force and effect as if made on and as of the Closing Date;

(b) The Merging Fund shall have delivered an unaudited statement of assets and liabilities and an unaudited schedule of investments as of the Valuation Date (together the Closing Financial Statements) for the purpose of determining the number of Surviving Fund Common Shares and the number of Surviving Fund Preferred Shares, if any, to be issued to the Merging Fund s common shareholders and preferred shareholders, if any, and the Closing Financial Statements will fairly present the financial position of the Merging Fund as of the Valuation Date in conformity with GAAP applied on a consistent basis;

(c) The Merging Fund shall have delivered to the Surviving Fund on the Closing Date a certificate executed in its name by its President or Vice President and Treasurer, in form and substance reasonably satisfactory to the Surviving Fund and dated as of the Closing Date, to the effect that the representations and warranties of or with respect to the Merging Fund and the Predecessor Merging Fund made in this Agreement are true and correct at and as of the Closing Date, except as they may be affected by the transactions contemplated by this Agreement;

(d) The Merging Fund and the Predecessor Merging Fund shall have performed all of the covenants and complied with all of the provisions required by this Agreement to be performed or complied with by the Merging Fund and the Predecessor Merging Fund, on or before the Closing Date; and

(e) The Merging Fund shall have declared and paid or cause to be paid a distribution or distributions prior to the Closing that, together with all previous distributions, shall have the effect of distributing to its shareholders (i) all of Merging Fund s investment company taxable income for the taxable year ended prior to the Closing Date and substantially all of such investment company taxable income for the final taxable year ending on the Closing Date (in each case determined without regard to any deductions for dividends paid); (ii) all of Merging Fund s net capital gain recognized in its taxable year ended prior to the Closing Date and substantially all of any such net capital gain recognized in such final taxable year (in each case after reduction for any capital loss carryover); and (iii) at least 90 percent of the excess, if any, of the Merging Fund s interest income excludible from gross income under Section 103(a) of the Code over its deductions disallowed under Sections 265 and 171(a)(2) of the Code for the taxable year prior to the Closing Date and at least 90 percent of such net tax-exempt income for such final taxable year.

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8. FURTHER CONDITIONS PRECEDENT TO OBLIGATIONS OF THE SURVIVING FUND AND THE MERGING FUND

With respect to each Merger, if any of the conditions set forth below have not been satisfied on or before the Closing Date with respect to the Merging Fund or the Surviving Fund, the Merging Fund or the Surviving Fund, respectively, shall, at its option, not be required to consummate the transactions contemplated for such Merger by this Agreement:

8.1. The Agreement shall have been approved by the requisite vote of the holders of the outstanding Common Shares and Preferred Shares of each Fund, as set forth in the N-14 Registration Statement. Notwithstanding anything herein to the contrary, neither the Merging Fund nor the Surviving Fund may waive the conditions set forth in this Section 8.1;

8.2. On the Closing Date, no action, suit or other proceeding shall be pending or, to the Merging Fund s or the Surviving Fund s knowledge, threatened before any court or governmental agency in which it is sought to restrain or prohibit, or obtain damages or other relief in connection with, this Agreement, the transactions contemplated herein;

8.3. All consents of other parties and all other consents, orders and permits of federal, state and local regulatory authorities and national securities exchanges for purposes of listing shares of the Funds, deemed necessary by the Surviving Fund or the Merging Fund to permit consummation, in all material respects, of the transactions contemplated hereby shall have been obtained, except where failure to obtain any such consent, order or permit would not involve a risk of a material adverse effect on the assets or properties of the Surviving Fund or the Merging Fund, provided that either party hereto may for itself waive any of such conditions;

8.4. The N-14 Registration Statement shall have become effective under the 1933 Act and no stop orders suspending the effectiveness thereof shall have been issued and, to the best knowledge of the parties hereto, no investigation or proceeding for that purpose shall have been instituted or be pending, threatened or known to be contemplated under the 1933 Act; and

8.5. The Merging Fund and the Surviving Fund shall have received on or before the Closing Date an opinion of Stradley Ronon Stevens & Young, LLP (Stradley Ronon) in form and substance reasonably acceptable to the Merging Fund and the Surviving Fund, as to the matters set forth on Schedule 8.5. In rendering such opinion, Stradley Ronon may request and rely upon representations contained in certificates of officers of the Merging Fund, the Surviving Fund, IAI and others, and the officers of the Merging Fund, the Surviving Fund and IAI shall use their best efforts to make available such truthful certificates.

8.6. The shareholders of each of the Merging Fund and the Surviving Fund shall have approved the Redomestication of such fund to a Delaware statutory trust, as described in the proxy materials related to such Redomestication (including the N-14 Registration Statement), and each such Redomestication shall have been consummated.

9. FEES AND EXPENSES

9.1. Each Fund will bear its expenses relating to its Merger provided that 1) the Fund is expected to recoup those costs within 24 months following the Merger as a result of reduced

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total annual fund operating expenses based on estimates prepared by the Adviser and discussed with the Board and 2) the Fund s total annual fund operating expenses did not exceed the expense limit under the expense limitation arrangement in place with IAI at the time such expenses were discussed with the Board. The Fund will bear these expenses regardless of whether its Merger is consummated, subject to any expense limitation arrangement in place with IAI. IAI will bear the Merger costs of any Fund that does not meet the foregoing threshold.

10. FINAL TAX RETURNS AND FORMS 1099 OF MERGING FUND

10.1. After the Closing Date, except as otherwise agreed to by the parties, the Merging Fund shall or shall cause its agents to prepare any federal, state or local tax Returns, including any Forms 1099, required to be filed by the Merging Fund with respect to its final taxable year ending on the Closing Date and for any prior periods or taxable years and shall further cause such tax Returns and Forms 1099 to be duly filed with the appropriate taxing authorities.

11. ENTIRE AGREEMENT; SURVIVAL OF WARRANTIES AND COVENANTS

11.1. The representations, warranties and covenants of the Funds and IAI contained in this Agreement or in any document delivered pursuant hereto or in connection herewith shall not survive the consummation of the transactions contemplated hereunder; provided that the covenants to be performed after the Closing shall survive the Closing. The representations, warranties and covenants of each Predecessor Fund contained in this Agreement or in any document delivered pursuant hereto or in connection herewith shall not survive the consummation of the Redomestication of such Predecessor Fund.

12. TERMINATION

With respect to each Merger, this Agreement may be terminated and the transactions contemplated hereby may be abandoned (i) by mutual agreement of the Merging Fund and the corresponding Surviving Fund, (ii) by the Merging Fund if any condition of the Surviving Fund s obligations set forth in this Agreement has not been fulfilled or waived by the Merging Fund, or (iii) by the Surviving Fund if any condition of the Merging Fund s obligations set forth in this Agreement has not been fulfilled or waived by the Surviving Fund, notwithstanding approval thereof by such Funds shareholders, if circumstances should develop that, in such parties judgment, make proceeding with this Agreement inadvisable.

13. AMENDMENTS

This Agreement may be amended, modified or supplemented in such manner as may be mutually agreed upon in writing by the parties; provided, however, that following the approval of this Agreement by shareholders of a Merging Fund and/or its corresponding Surviving Fund, no such amendment may have the effect of changing the provisions for determining the number of Surviving Fund shares to be paid to that Merging Fund s shareholders under this Agreement to the detriment of such Merging Fund shareholders or shall otherwise materially amend the terms of this agreement without their further approval.

14. HEADINGS; GOVERNING LAW; COUNTERPARTS; ASSIGNMENT; LIMITATION OF LIABILITY

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14.1. The Article and Section headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

14.2. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware and applicable federal law, without regard to its principles of conflicts of laws.

14.3. This Agreement shall bind and inure with respect to each Merger to the benefit of the parties to the Merger and their respective successors and assigns, but no assignment or transfer hereof or of any rights or obligations hereunder shall be made by any such party without the written consent of the other parties to such Merger. Nothing herein expressed or implied is intended or shall be construed to confer upon or give any person, firm or corporation, other than the parties with respect to such Merger and their respective successors and assigns, any rights or remedies under or by reason of this Agreement.

14.4. This agreement may be executed in any number of counterparts, each of which shall be considered an original.

14.5. It is expressly agreed that the obligations of the parties hereunder shall not be binding upon any of their respective directors or trustees, shareholders, nominees, officers, agents, or employees personally, but shall bind only the property of the applicable Merging Fund or the applicable Surviving Fund as provided in the Governing Documents of the Merging Fund or the Agreement and Declaration of Trust of the Surviving Fund, respectively. The execution and delivery by such officers shall not be deemed to have been made by any of them individually or to impose any liability on any of them personally, but shall bind only the property of such party.

14.6. Any notice, report, statement or demand required or permitted by any provisions of this Agreement shall be in writing and shall be given by fax or certified mail addressed to the Merging Fund and the Surviving Fund, each at 1555 Peachtree Street, N.E. Atlanta, GA 30309, Attention: Secretary, fax number _____.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be approved on behalf of the Surviving Fund and Merging Fund.

Invesco Advisers, Inc.	**[CLOSED-END FUNDS]**
By:	By:
Name:	Name:
Title:	Title:

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EXHIBIT A

CHART OF MERGERS

Surviving Fund (and share classes)	Corresponding Merging Fund (and share classes)

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Schedule 8.5

Tax Opinion

(i) The acquisition by Surviving Fund of all of the assets of Merging Fund in exchange for Surviving Fund shares and the assumption of the liabilities of Merging Fund through a statutory merger will qualify as a reorganization within the meaning of Section 368(a)(1)(A) of the Code and the Surviving Fund and Merging Fund will each be a party to a reorganization within the meaning of Section 368(b) of the Code.

(ii) No gain or loss will be recognized by Merging Fund on the transfer of its assets to, and the assumption of Merging Fund liabilities by, Surviving Fund in exchange for Surviving Fund shares pursuant to Sections 361(a) and 357(a) of the Code.

(iii) No gain or loss will be recognized by Surviving Fund on the receipt of the Merging Fund assets in exchange for Surviving Fund shares and the assumption by Surviving Fund of any liabilities of Merging Fund pursuant to Section 1032(a) of the Code.

(iv) No gain or loss will be recognized by Merging Fund upon the distribution of Surviving Fund shares to the shareholders of Merging Fund pursuant to Section 361(c) of the Code.

(v) The tax basis of the Merging Fund assets received by the Surviving Fund will be the same as the tax basis of such assets in the hands of the Merging Fund immediately prior to the transfer pursuant to Section 362(b) of the Code.

(vi) The holding periods of the Merging Fund assets in the hands of the Surviving Fund will include the periods during which such assets were held by the Merging Fund pursuant to Section 1223(2) of the Code.

(vii) No gain or loss will be recognized by the shareholders of Merging Fund on the receipt of Surviving Fund shares solely in exchange for Surviving Fund shares pursuant to Section 354(a)(1) of the Code.

(viii) The aggregate tax basis in Surviving Fund shares received by a shareholder of the Merging Fund will be the same as the aggregate tax basis of Merging Fund shares surrendered in exchange therefor pursuant to Section 358(a)(1) of the Code.

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EXHIBIT E
Executive Officers of the Funds

The following information relates to the executive officers of the Funds. Each officer also serves in the same capacity for all or a number of the other investment companies advised by the Adviser or affiliates of the Adviser. The officers of the Funds are appointed annually by the Trustees and serve for one year or until their respective successors are chosen and qualified. The address of each officer is 1555 Peachtree Street, N.E., Atlanta, Georgia 30309.

Name, Year of Birth and Position(s) Held with the Fund	Officer Since	Principal Occupation(s) During Past 5 Years
Russell C. Burk 1958 Senior Vice President and Senior Officer	2010	Senior Vice President and Senior Officer, The Invesco Funds.
John M. Zerr 1962 Senior Vice President, Chief Legal Officer and Secretary	2010	Director, Senior Vice President, Secretary and General Counsel, Invesco Management Group, Inc. (formerly known as Invesco Aim Management Group, Inc.) and Van Kampen Exchange Corp.; Senior Vice President, Invesco Advisers, Inc. (formerly known as Invesco Institutional (N.A.), Inc.) (registered investment adviser); Senior Vice President and Secretary, Invesco Distributors, Inc. (formerly known as Invesco Aim Distributors, Inc.); Director, Vice President and Secretary, Invesco Investment Services, Inc. (formerly known as Invesco Aim Investment Services, Inc.) and IVZ Distributors, Inc. (formerly known as INVESCO Distributors, Inc.); Director and Vice President, INVESCO Funds Group, Inc.; Senior Vice President, Chief Legal Officer and Secretary, The Invesco Funds; Manager, Invesco PowerShares Capital Management LLC; Director, Secretary and General Counsel, Invesco Investment Advisers LLC (formerly known as Van Kampen Asset Management); Secretary and General Counsel, Van Kampen Funds Inc.; and Chief Legal Officer, PowerShares Exchange-Traded Fund Trust, PowerShares Exchange-Traded Fund Trust II, PowerShares India Exchange-Traded Fund Trust and PowerShares Actively Managed Exchange-Traded Fund Trust. Formerly: Director and Secretary, Van Kampen Advisors Inc.; Director, Vice President, Secretary and General Counsel, Van Kampen Investor Services Inc.; Director, Invesco Distributors, Inc. (formerly known as Invesco Aim Distributors, Inc.); Director, Senior Vice President, General Counsel and Secretary, Invesco Advisers, Inc. and Van Kampen Investments Inc.; Director, Vice President and Secretary, Fund Management Company; Director, Senior Vice President, Secretary, General Counsel and Vice President, Invesco Aim Capital Management, Inc.;

			Chief Operating Officer and General Counsel, Liberty Ridge Capital, Inc. (an investment adviser); Vice President and Secretary, PBHG Funds (an investment company) and PBHG Insurance Series Fund (an investment company); Chief Operating Officer, General Counsel and Secretary, Old Mutual Investment Partners (a broker-dealer); General Counsel and Secretary, Old Mutual Fund Services (an administrator) and Old Mutual Shareholder Services (a shareholder servicing center); Executive Vice President, General Counsel and Secretary, Old Mutual Capital, Inc. (an investment adviser); and Vice President and Secretary, Old Mutual Advisors Funds (an investment company).
Sheri Morris Vice President, Treasurer and Principal Financial Officer	1964	2010	Vice President, Treasurer and Principal Financial Officer, The Invesco Funds; Vice President, Invesco Advisers, Inc. (formerly known as Invesco Institutional (N.A.), Inc.) (registered investment adviser); Treasurer, PowerShares Exchange-Traded Fund Trust, PowerShares Exchange-Traded Fund Trust II, PowerShares India Exchange-Traded Fund Trust and PowerShares Actively Managed Exchange-Traded Fund Trust.

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Name, Year of Birth and Position(s) Held with the Fund	Officer Since	Principal Occupation(s) During Past 5 Years
		Formerly: Vice President, Invesco Advisers, Inc., Invesco Aim Capital Management, Inc. and Invesco Aim Private Asset Management, Inc.; Assistant Vice President and Assistant Treasurer, The Invesco Funds and Assistant Vice President, Invesco Advisers, Inc., Invesco Aim Capital Management, Inc. and Invesco Aim Private Asset Management, Inc.
Karen Dunn Kelley 1960 Vice President	2010	Head of Invesco s World Wide Fixed Income and Cash Management Group; Senior Vice President, Invesco Management Group, Inc. (formerly known as Invesco Aim Management Group, Inc.) and Invesco Advisers, Inc. (formerly known as Invesco Institutional (N.A.), Inc.) (registered investment adviser); Executive Vice President, Invesco Distributors, Inc. (formerly known as Invesco Aim Distributors, Inc.); Director, Invesco Mortgage Capital Inc.; Vice President, The Invesco Funds (other than AIM Treasurer s Series Trust (Invesco Treasurer s Series Trust) and Short-Term Investments Trust); and President and Principal Executive Officer, The Invesco Funds (AIM Treasurer s Series Trust (Invesco Treasurer s Series Trust) and Short-Term Investments Trust only). Formerly: Senior Vice President, Van Kampen Investments Inc.; Vice President, Invesco Advisers, Inc. (formerly known as Invesco Institutional (N.A.), Inc.); Director of Cash Management and Senior Vice President, Invesco Advisers, Inc. and Invesco Aim Capital Management, Inc.; President and Principal Executive Officer, Tax-Free Investments Trust; Director and President, Fund Management Company; Chief Cash Management Officer, Director of Cash Management, Senior Vice President, and Managing Director, Invesco Aim Capital Management, Inc.; Director of Cash Management, Senior Vice President, and Vice President, Invesco Advisers, Inc. and The Invesco Funds (AIM Treasurer s Series Trust (Invesco Treasurer s Series Trust), Short-Term Investments Trust and Tax-Free Investments Trust only).
Yinka Akinsola 1977 Anti-Money Laundering Compliance Officer	2011	Anti-Money Laundering Compliance Officer, Invesco Advisers, Inc. (formerly known as Invesco Institutional (N.A.), Inc.) (registered investment adviser); Invesco Distributors, Inc. (formerly known as Invesco Aim Distributors, Inc.), Invesco Investment Services, Inc.

			(formerly known as Invesco Aim Investment Services, Inc.), Invesco Management Group, Inc., The Invesco Funds, Invesco Van Kampen Closed-End Funds, Van Kampen Exchange Corp. and Van Kampen Funds Inc. Formerly: Regulatory Analyst III, Financial Industry Regulatory Authority (FINRA).
Todd L. Spillane Chief Compliance Officer	1958	2010	Senior Vice President, Invesco Management Group, Inc. (formerly known as Invesco Aim Management Group, Inc.) and Van Kampen Exchange Corp.; Senior Vice President and Chief Compliance Officer, Invesco Advisers, Inc. (registered investment adviser) (formerly known as Invesco Institutional (N.A.), Inc.); Chief Compliance Officer, The Invesco Funds; Vice President, Invesco Distributors, Inc. (formerly known as Invesco Aim Distributors, Inc.) and Invesco Investment Services, Inc. (formerly known as Invesco Aim Investment Services, Inc.). Formerly: Chief Compliance Officer, Invesco Van Kampen Closed-End Funds, PowerShares Exchange-Traded Fund Trust, PowerShares Exchange-Traded Fund Trust II, PowerShares India Exchange-Traded Fund Trust, and PowerShares Actively Managed Exchange-Traded Fund Trust; Senior Vice President, Van Kampen Investments Inc.; Senior Vice President and Chief Compliance Officer, Invesco Advisers, Inc. and Invesco Aim Capital Management, Inc.; Chief Compliance Officer, INVESCO Private Capital Investments, Inc. (holding company), and Invesco Private Capital, Inc. (registered investment adviser); Invesco

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Name, Year of Birth and Position(s) Held with the Fund	Officer Since	Principal Occupation(s) During Past 5 Years
		Global Asset Management (N.A.), Inc., Invesco Senior Secured Management, Inc. (registered investment adviser) and Van Kampen Investor Services Inc.; Vice President, Invesco Aim Capital Management, Inc. and Fund Management Company.

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EXHIBIT F

Information Regarding the Funds Trustees

The business and affairs of the Funds are managed under the direction of the Board. The tables below list the incumbent Trustees and nominees for Trustee, their principal occupations, other directorships held by them during the past five years, and any affiliations with the Adviser or its affiliates. The term Fund Complex includes each of the investment companies advised by the Adviser as of the Record Date. Trustees of the Funds generally serve three-year terms or until their successors are duly elected and qualified. The address of each Trustee is 1555 Peachtree Street, N.E., Atlanta, Georgia 30309.

Name, Year of Birth and Position(s) Held with the Funds	Trustee Since	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Trusteeship(s) Held by Trustee Over Past 5 Years
Interested Trustees				
Martin L. Flanagan[(1)] 1960 Trustee	2010	Executive Director, Chief Executive Officer and President, Invesco Ltd. (ultimate parent of Invesco and a global investment management firm); Advisor to the Board, Invesco Advisers, Inc. (formerly known as Invesco Institutional (N.A.), Inc.); Trustee, The Invesco Funds; Vice Chair, Investment Company Institute; and Member of Executive Board, SMU Cox School of Business. Formerly: Chairman, Invesco Advisers, Inc. (registered investment adviser); Director, Chairman, Chief Executive Officer and President, IVZ Inc. (holding company), INVESCO Group Services, Inc. (service provider) and Invesco North American Holdings, Inc. (holding company); Director, Chief Executive Officer and President, Invesco Holding Company Limited (parent of Invesco and a global investment management firm); Director, Invesco Ltd.; Chairman, Investment Company Institute and President, Co-Chief	140	None.

			Executive Officer, Co-President, Chief Operating Officer and Chief Financial Officer, Franklin Resources, Inc. (global investment management organization).		
Philip A. Taylor[2] Trustee, President and Principal Executive Officer	1954	2010	Head of North American Retail and Senior Managing Director, Invesco Ltd.; Director, Co-Chairman, Co-President and Co-Chief Executive Officer, Invesco Advisers, Inc. (formerly known as Invesco Institutional (N.A.), Inc.) (registered investment adviser); Director, Chairman, Chief Executive Officer and President, Invesco Management Group, Inc. (formerly Invesco Aim Management Group, Inc.) (financial services holding company); Director and President, INVESCO Funds Group, Inc. (registered investment adviser and registered transfer agent); Director and Chairman, Invesco Investment Services, Inc (formerly known as Invesco Aim	140	None.

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Name, Year of Birth and Position(s) Held with the Funds	Trustee Since	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Trusteeship(s) Held by Trustee Over Past 5 Years
		Investment Services, Inc.) (registered transfer agent) and IVZ Distributors, Inc. (formerly known as INVESCO Distributors, Inc.) (registered broker dealer); Director, President and Chairman, Invesco Inc. (holding company) and Invesco Canada Holdings Inc. (holding company); Chief Executive Officer, Invesco Corporate Class Inc. (corporate mutual fund company) and Invesco Canada Fund Inc. (corporate mutual fund company); Director, Chairman and Chief Executive Officer, Invesco Canada Ltd. (formerly known as Invesco Trimark Ltd./Invesco Trimark Ltèe) (registered investment adviser and registered transfer agent); Trustee, President and Principal Executive Officer, The Invesco Funds (other than AIM Treasurer s Series Trust (Invesco Treasurer s Series Trust) and Short-Term Investments Trust); Trustee and Executive Vice President, The Invesco Funds (AIM Treasurer s Series Trust (Invesco Treasurer s Series Trust) and Short-Term Investments Trust only); Director, Invesco Investment Advisers LLC (formerly known as Van Kampen Asset Management); Director, Chief Executive Officer and President, Van Kampen Exchange Corp. Formerly: Director and Chairman, Van Kampen Investor Services Inc.; Director, Chief Executive		

Officer and President, 1371 Preferred Inc. (holding company) and Van Kampen Investments Inc.; Director and President, AIM GP Canada Inc. (general partner for limited partnerships) and Van Kampen Advisors Inc.; Director and Chief Executive Officer, Invesco Trimark Dealer Inc. (registered broker dealer); Director, Invesco Distributors, Inc. (formerly known as Invesco Aim Distributors, Inc.) (registered broker dealer); Manager, Invesco PowerShares Capital Management LLC; Director, Chief Executive Officer and President, Invesco Advisers, Inc.; Director, Chairman, Chief Executive Officer and President, Invesco Aim Capital Management, Inc.; President, Invesco Trimark Dealer Inc. and Invesco Trimark Ltd./Invesco Trimark Ltèe; Director and President, AIM Trimark Corporate Class Inc. and AIM Trimark Canada Fund Inc.; Senior Managing Director, Invesco Holding Company Limited; Trustee and Executive Vice President, Tax-Free Investments Trust; Director and Chairman, Fund Management Company (former registered broker dealer); President and Principal Executive Officer, The Invesco Funds (AIM Treasurer s Series Trust (Invesco Treasurer s Series Trust), Short-Term Investments Trust and Tax-Free Investments Trust only); President, AIM Trimark Global Fund Inc. and AIM Trimark Canada Fund Inc.

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Name, Year of Birth and Position(s) Held with the Funds	Trustee Since	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Trusteeship(s) Held by Trustee Over Past 5 Years
Wayne W. Whalen[3] 1939 Trustee	2010	Of Counsel, and prior to 2010, partner in the law firm of Skadden, Arps, Slate, Meagher & Flom LLP, legal counsel to certain funds in the Fund Complex.	158	Director of the Abraham Lincoln Presidential Library Foundation.
Independent Trustees				
Bruce L. Crockett 1944 Trustee and Chair	2010	Chairman, Crockett Technology Associates (technology consulting company). Formerly: Director, Captaris (unified messaging provider); Director, President and Chief Executive Officer COMSAT Corporation; and Chairman, Board of Governors of INTELSAT (international communications company).	140	ACE Limited (insurance company); and Investment Company Institute.
David C. Arch 1945 Trustee	2010	Chairman and Chief Executive Officer of Blistex Inc., a consumer health care products manufacturer.	158	Member of the Heartland Alliance Advisory Board, a nonprofit organization serving human needs based in Chicago. Board member of the Illinois Manufacturers Association. Member of the Board of Visitors, Institute for the Humanities, University of Michigan.

Frank S. Bayley Trustee	1939	2010	Retired. Formerly: Director, Badgley Funds, Inc. (registered investment company) (2 portfolios) and Partner, law firm of Baker & McKenzie.	140	Director and Chairman, C.D. Stimson Company (a real estate investment company).
James T. Bunch Trustee	1942	2010	Managing Member, Grumman Hill Group LLC (family office private equity management). Formerly: Founder, Green, Manning & Bunch Ltd. (investment banking firm)(1988-2010); Executive Committee, United States Golf Association; and Director, Policy Studies, Inc. and Van Gilder Insurance Corporation.	140	Vice Chairman of Board of Governors, Western Golf Association; Chair Elect of Evans Scholars Foundation and Director, Denver Film Society.
Rodney F. Dammeyer 1940 Trustee		2010	Chairman of CAC, LLC, a private company offering capital investment and management advisory services. Formerly: Prior to January 2004, Director of TeleTech Holdings Inc.; Prior to 2002, Director of Arris Group, Inc.; Prior to 2001, Managing Partner at Equity Group Corporate Investments. Prior to 1995, Vice Chairman of Anixter International. Prior to 1985, experience includes Senior Vice President and Chief Financial Officer of Household International, Inc, Executive Vice President and Chief Financial Officer of Northwest	158	Director of Quidel Corporation and Stericycle, Inc. Prior to May 2008, Trustee of The Scripps Research Institute. Prior to February 2008, Director of Ventana Medical Systems, Inc. Prior to April 2007, Director of GATX Corporation. Prior to April 2004, Director of TheraSense, Inc.

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Name, Year of Birth and Position(s) Held with the Funds	Trustee Since	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Trusteeship(s) Held by Trustee Over Past 5 Years
		Industries, Inc. and Partner of Arthur Andersen & Co.		
Albert R. Dowden Trustee	1941	2010 Director of a number of public and private business corporations, including the Boss Group, Ltd. (private investment and management); Reich & Tang Funds (5 portfolios) (registered investment company); and Homeowners of America Holding Corporation/Homeowners of America Insurance Company (property casualty company). Formerly: Director, Continental Energy Services, LLC (oil and gas pipeline service); Director, CompuDyne Corporation (provider of product and services to the public security market) and Director, Annuity and Life Re (Holdings), Ltd. (reinsurance company); Director, President and Chief Executive Officer, Volvo Group North America, Inc.; Senior Vice President, AB Volvo; Director of various public and private corporations; Chairman, DHJ Media, Inc.; Director Magellan Insurance Company; and Director, The Hertz Corporation, Genmar Corporation (boat manufacturer), National Media Corporation; Advisory Board of Rotary Power International (designer, manufacturer, and seller of rotary power engines); and Chairman, Cortland Trust, Inc. (registered investment company).	140	Board of Nature s Sunshine Products, Inc.

Jack M. Fields Trustee	1952	2010	Chief Executive Officer, Twenty First Century Group, Inc. (government affairs company); and Owner and Chief Executive Officer, Dos Angelos Ranch, L.P. (cattle, hunting, corporate entertainment), Discovery Global Education Fund (non-profit) and Cross Timbers Quail Research Ranch (non-profit). Formerly: Chief Executive Officer, Texana Timber LP (sustainable forestry company) and member of the U.S. House of Representatives.	140	Insperity (formerly known as Administaff).
Carl Frischling Trustee	1937	2010	Partner, law firm of Kramer Levin Naftalis and Frankel LLP.	140	Director, Reich & Tang Funds (6 portfolios).
Prema Mathai-Davis Trustee	1950	2010	Retired. Formerly: Chief Executive Officer, YWCA of the U.S.A.	140	None.
Larry Soll Trustee	1942	2010	Retired. Formerly, Chairman, Chief Executive Officer and President, Synergen Corp. (a biotechnology company).	140	None.
Hugo F. Sonnenschein 1940 Trustee		2010	Distinguished Service Professor and President Emeritus of the University of Chicago and the Adam Smith Distinguished Service Professor	158	Trustee of the University of Rochester and a member of its

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Name, Year of Birth and Position(s) Held with the Funds	Trustee Since	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Trusteeship(s) Held by Trustee Over Past 5 Years
		in the Department of Economics at the University of Chicago. Prior to July 2000, President of the University of Chicago.		investment committee. Member of the National Academy of Sciences, the American Philosophical Society and a fellow of the American Academy of Arts and Sciences.
Raymond Stickel, Jr. 1944 Trustee	2010	Retired. Formerly, Director, Mainstay VP Series Funds, Inc. (25 portfolios) and Partner, Deloitte & Touche.	140	None.

(1) Mr. Flanagan is considered an interested person of the Funds because he is an adviser to the board of directors of the Adviser, and an officer and a director of Invesco Ltd., the ultimate parent company of the Adviser.

(2) Mr. Taylor is considered an interested person of the Funds because he is an officer and a director of the Adviser.

(3) Mr. Whalen is considered an interested person of the Funds because he is Of Counsel at the law firm that serves as legal counsel to the Invesco Van Kampen closed-end funds, for which the Adviser also serves as investment adviser.

Trustee Ownership of Fund Shares

The following table shows each Board member s ownership of shares of the Funds and of shares of all registered investment companies overseen by such Board member in the Fund Complex as of December 31, 2011.

	Dollar Range of	Aggregate Dollar Range of Equity Securities in All Registered Investment Companies Overseen by Board Member in Family of

Name	Dollar Range of Equity Securities in IMC	Dollar Range of Equity Securities in IMS	Dollar Range of Equity Securities in IMT	Equity Securities in Acquiring Fund (IIM)	Investment Companies
Interested Trustees					
Martin L. Flanagan	None	None	None	None	Over 100,000
Philip A. Taylor	None	None	None	None	[_____]
Wayne W. Whalen	None	None	None	None	Over 100,000
Independent Trustees					
Bruce L. Crockett	None	None	None	None	Over 100,000
David C. Arch	None	None	None	None	Over 100,000
Frank S. Bayley	None	None	None	None	Over 100,000
James T. Bunch	None	None	None	None	Over 100,000
Rodney Dammeyer	None	None	None	None	Over 100,000
Prema Mathai Davis	None	None	None	None	Over 100,000
Albert R. Dowden	None	None	None	None	Over 100,000
Jack M. Fields	None	None	None	None	Over 100,000
Carl Frischling	None	None	None	None	Over 100,000
Larry Soll	None	None	None	None	Over 100,000
Hugo F. Sonnenschein	None	None	None	None	Over 100,000
Raymond Stickel, Jr.	None	None	None	None	Over 100,000

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EXHIBIT G

Board Leadership Structure, Role in Risk Oversight, and Committees and Meetings of the Funds

Board Leadership Structure

The Board will be composed of fifteen Trustees, including twelve Trustees who are not interested persons of the Funds, as that term is defined in the 1940 Act (collectively, the Independent Trustees and each an Independent Trustee). In addition to eight regularly scheduled meetings per year, the Board holds special meetings or informal conference calls to discuss specific matters that may require action prior to the next regular meeting. The Board met twelve times during the twelve months ended February 29, 2012. As discussed below, the Board has established committees to assist the Board in performing its oversight responsibilities.

The Board has appointed an Independent Trustee to serve in the role of Chairman. The Chairman s primary role is to participate in the preparation of the agenda for meetings of the Board and the identification of information to be presented to the Board and matters to be acted upon by the Board. The Chairman also presides at all meetings of the Board and acts as a liaison with service providers, officers, attorneys, and other Trustees generally between meetings. The Chairman may perform such other functions as may be requested by the Board from time to time. Except for any duties specified herein or pursuant to a Fund s charter documents, the designation of Chairman does not impose on such Independent Trustee any duties, obligations or liability that is greater than the duties, obligations or liability otherwise imposed on such person as a member of the Board.

The Board believes that its leadership structure, which includes an Independent Trustee as Chairman, allows for effective communication between the Trustees and fund management, among the Board s Trustees and among its Independent Trustees. The existing Board structure, including its committee structure, provides the Independent Trustees with effective control over Board governance while also providing insight from the two non-Independent Trustees who are active officers of the Funds investment adviser. The Board s leadership structure promotes dialogue and debate, which the Board believes will allow for the proper consideration of matters deemed important to the Funds and their shareholders and result in effective decision-making.

Board Role in Risk Oversight

The Board considers risk management issues as part of its general oversight responsibilities throughout the year at regular meetings of the Investments Committee, Audit Committee, Compliance Committee, and Valuation, Distribution and Proxy Oversight Committee (each as defined and further described below). These committees in turn report to the full Board and recommend actions and approvals for the full Board to take.

Invesco prepares regular reports that address certain investment, valuation and compliance matters, and the Board as a whole or the committees may also receive special written reports or presentations on a variety of risk issues at the request of the Board, a committee or the Senior Officer. In addition, the Audit Committee of the Board meets regularly with Invesco Ltd. s internal audit group to review reports on their examinations of functions and processes within the Adviser that affect the Funds.

The Investments Committee and its sub-committees receive regular written reports describing and analyzing the investment performance of the Funds. In addition, the portfolio managers of the Funds meet regularly with the sub-committees of the Investments Committee to discuss portfolio performance, including investment risk, such as the impact on the Funds of the investment in particular securities or instruments, such as derivatives. To the extent that a Fund changes a particular investment strategy that could have a material impact on the Fund s risk profile, the Board generally is consulted in advance with respect to such change.

The Adviser provides regular written reports to the Valuation, Distribution and Proxy Oversight Committee that enable the Valuation, Distribution and Proxy Oversight Committee to monitor the number of fair valued securities in a particular portfolio, the reasons for the fair valuation and the methodology used to arrive at the fair value. Such reports also include information concerning illiquid securities within a Fund s portfolio. In addition, the Audit Committee reviews valuation procedures and pricing results with the Funds independent auditors in connection with the Audit Committee s review of the results of the audit of the Funds year-end financial statement.

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The Compliance Committee receives regular compliance reports prepared by the Adviser s compliance group and meets regularly with the Fund s Chief Compliance Officer (CCO) to discuss compliance issues, including compliance risks. As required under U.S. Securities and Exchange Commission (SEC) rules, the Independent Trustees meet at least quarterly in executive session with the CCO, and the Fund s CCO prepares and presents an annual written compliance report to the Board. The Compliance Committee recommends and the Board adopts compliance policies and procedures for the Funds and approves such procedures for the Funds service providers. The compliance policies and procedures are specifically designed to detect, prevent and correct violations of the federal securities laws.

Board Committees and Meetings

The standing committees of the Board are the Audit Committee, the Compliance Committee, the Governance Committee, the Investments Committee, and the Valuation, Distribution and Proxy Voting Oversight Committee (the Committees).

The members of the Audit Committee are Messrs. David C. Arch, Frank S. Bayley, James T. Bunch, Bruce L. Crockett, Rodney Dammeyer (Vice Chair), Raymond Stickel, Jr. (Chair) and Dr. Larry Soll. The Audit Committee s primary purposes are to: (i) oversee qualifications, independence and performance of the independent registered public accountants; (ii) appoint independent registered public accountants for the Funds; (iii) pre-approve all permissible audit and non-audit services that are provided to Funds by their independent registered public accountants to the extent required by Section 10A(h) and (i) of the Exchange Act; (iv) pre-approve, in accordance with Rule 2-01(c)(7)(ii) of Regulation S-X, certain non-audit services provided by the Funds independent registered public accountants to the Adviser and certain affiliates of the Adviser; (v) review the audit and tax plans prepared by the independent registered public accountants; (vi) review the Funds audited financial statements; (vii) review the process that management uses to evaluate and certify disclosure controls and procedures in Form N-CSR; (viii) review the process for preparation and review of the Funds shareholder reports; (ix) review certain tax procedures maintained by the Funds; (x) review modified or omitted officer certifications and disclosures; (xi) review any internal audits of the Funds; (xii) establish procedures regarding questionable accounting or auditing matters and other alleged violations; (xiii) set hiring policies for employees and proposed employees of the Funds who are employees or former employees of the independent registered public accountants; and (xiv) remain informed of (a) the Funds accounting systems and controls, (b) regulatory changes and new accounting pronouncements that affect the Funds net asset value calculations and financial statement reporting requirements, and (c) communications with regulators regarding accounting and financial reporting matters that pertain to the Funds. Each member of the Audit Committee is an Independent Trustee and each meets the additional independence requirements for audit committee members as defined by the Exchange listing standards. The Audit Committee held eight meetings during the twelve months ended February 29, 2012.

The members of the Compliance Committee are Messrs. Bayley, Bunch, Dammeyer (Vice Chair), Stickel and Dr. Soll (Chair). The Compliance Committee is responsible for: (i) recommending to the Board and the Independent Trustees the appointment, compensation and removal of the Funds CCO; (ii) recommending to the Independent Trustees the appointment, compensation and removal of the Funds Senior Officer appointed pursuant to the terms of the Assurances of Discontinuance entered into by the New York Attorney General, Invesco and INVESCO Funds Group, Inc.; (iii) reviewing any report prepared by a third party who is not an interested person of the Adviser, upon the conclusion by such third party of a compliance review of the Adviser; (iv) reviewing all reports on compliance matters from the Funds CCO, (v) reviewing all recommendations made by the Senior Officer regarding the Adviser s compliance procedures, (vi) reviewing all reports from the Senior Officer of any violations of state and federal securities laws, the Colorado Consumer Protection Act, or breaches of the Adviser s fiduciary duties to Fund shareholders and of the Adviser s Code of Ethics; (vii) overseeing all of the compliance policies and procedures of the Funds and their service providers adopted pursuant to Rule 38a-1 of the 1940 Act; (viii) from time to time, reviewing certain matters related to redemption fee waivers and recommending to the Board whether or not to approve such matters; (ix) receiving and reviewing quarterly reports on the activities of the Adviser s Internal Compliance Controls Committee; (x) reviewing all reports made by the Adviser s CCO; (xi) reviewing and recommending to the Independent Trustees whether to approve procedures to investigate matters brought to the attention of the Adviser s ombudsman; (xii) risk management oversight with respect to the Funds and, in connection therewith, receiving and overseeing risk management reports from Invesco Ltd. that are applicable to the Funds or

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their service providers; and (xiii) overseeing potential conflicts of interest that are reported to the Compliance Committee by the Adviser, the CCO, the Senior Officer and/or the Compliance Consultant. The Compliance Committee held six meetings during the twelve months ended February 29, 2012.

The members of the Governance Committee are Messrs. Arch, Crockett, Albert R. Dowden (Chair), Jack M. Fields (Vice Chair), Carl Frischling, Hugo F. Sonnenschein and Dr. Prema Mathai-Davis. The Governance Committee is responsible for: (i) nominating persons who will qualify as Independent Trustees for (a) election as Trustees in connection with meetings of shareholders of the Funds that are called to vote on the election of Trustees, and (b) appointment by the Board as Trustees in connection with filling vacancies that arise in between meetings of shareholders; (ii) reviewing the size of the Board, and recommending to the Board whether the size of the Board shall be increased or decreased; (iii) nominating the Chair of the Board; (iv) monitoring the composition of the Board and each committee of the Board, and monitoring the qualifications of all Trustees; (v) recommending persons to serve as members of each committee of the Board (other than the Compliance Committee), as well as persons who shall serve as the chair and vice chair of each such committee; (vi) reviewing and recommending the amount of compensation payable to the Independent Trustees; (vii) overseeing the selection of independent legal counsel to the Independent Trustees; (viii) reviewing and approving the compensation paid to independent legal counsel to the Independent Trustees; (ix) reviewing and approving the compensation paid to counsel and other advisers, if any, to the Committees of the Board; and (x) reviewing as they deem appropriate administrative and/or logistical matters pertaining to the operations of the Board. Each member of the Governance Committee is an Independent Trustee and each meets the additional independence requirements for nominating committee members as defined by the Exchange listing standards. The Governance Committee s charter is available at www.invesco.com/us.

The Governance Committee will consider nominees recommended by a shareholder to serve as Trustee, provided: (i) that such person is a shareholder of record at the time he or she submits such names and is entitled to vote at the meeting of shareholders at which Trustees will be elected; and (ii) that the Governance Committee or the Board, as applicable, shall make the final determination of persons to be nominated. Notice procedures set forth in each Fund s bylaws require that any shareholder of a Fund desiring to nominate a Trustee for election at a shareholder meeting must submit to the Fund s Secretary the nomination in writing not later than the close of business on the later of the 60th day prior to such shareholder meeting or the tenth day following the day on which public announcement is made of the shareholder meeting and not earlier than the close of business on the 90th day prior to the shareholder meeting. The Governance Committee held six meetings during the twelve months ended February 29, 2012.

The members of the Investments Committee are Messrs. Arch, Bayley (Chair), Bunch (Vice Chair), Crockett, Dammeyer, Dowden, Fields, Martin L. Flanagan, Frischling, Sonnenschein (Vice Chair), Stickel, Philip A. Taylor, Wayne W. Whalen, and Drs. Mathai-Davis (Vice Chair) and Soll. The Investments Committee s primary purposes are to: (i) assist the Board in its oversight of the investment management services provided by the Adviser and the Sub-Advisers; and (ii) review all proposed and existing advisory and sub-advisory arrangements for the Funds, and to recommend what action the full Boards and the Independent Trustees take regarding the approval of all such proposed arrangements and the continuance of all such existing arrangements.

The Investments Committee has established three sub-committees (the Sub-Committees). The Sub-Committees are responsible for: (i) reviewing the performance, fees and expenses of the Funds that have been assigned to a particular Sub-Committee (for each Sub-Committee, the Designated Funds), unless the Investments Committee takes such action directly; (ii) reviewing with the applicable portfolio managers from time to time the investment objective(s), policies, strategies and limitations of the Designated Funds; (iii) evaluating the investment advisory, sub-advisory and distribution arrangements in effect or proposed for the Designated Funds, unless the Investments Committee takes such action directly; (iv) being familiar with the registration statements and periodic shareholder reports applicable to their Designated Funds; and (v) such other investment-related matters as the Investments Committee may delegate to the Sub-Committees from time to time. The Investments Committee held six meetings during the twelve months ended February 29, 2012.

The members of the Valuation, Distribution and Proxy Oversight Committee are Messrs. Dowden, Fields, Frischling (Chair), Sonnenschein (Vice Chair), Whalen and Dr. Mathai-Davis. The primary purposes of the Valuation, Distribution and Proxy Oversight Committee are: (a) to address issues requiring action or oversight by

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the Board (i) in the valuation of the Funds portfolio securities consistent with the Pricing Procedures, (ii) in oversight of the creation and maintenance by the principal underwriters of the Funds of an effective distribution and marketing system to build and maintain an adequate asset base and to create and maintain economies of scale for the Funds, (iii) in the review of existing distribution arrangements for the Funds under Rule 12b-1 and Section 15 of the 1940 Act, and (iv) in the oversight of proxy voting on portfolio securities of the Funds; and (b) to make regular reports to the full Board.

The Valuation, Distribution and Proxy Oversight Committee is responsible for: (a) with regard to valuation, (i) developing an understanding of the valuation process and the Pricing Procedures, (ii) reviewing the Pricing Procedures and making recommendations to the full Board with respect thereto, (iii) reviewing the reports described in the Pricing Procedures and other information from the Adviser regarding fair value determinations made pursuant to the Pricing Procedures by the Adviser s internal valuation committee and making reports and recommendations to the full Board with respect thereto, (iv) receiving the reports of the Adviser s internal valuation committee requesting approval of any changes to pricing vendors or pricing methodologies as required by the Pricing Procedures and the annual report of the Adviser evaluating the pricing vendors, approving changes to pricing vendors and pricing methodologies as provided in the Pricing Procedures, and recommending annually the pricing vendors for approval by the full Board, (v) upon request of the Adviser, assisting the Adviser s internal valuation committee or the full Board in resolving particular fair valuation issues, (vi) reviewing the reports described in the Procedures for Determining the Liquidity of Securities (the Liquidity Procedures) and other information from the Adviser regarding liquidity determinations made pursuant to the Liquidity Procedures by the Adviser and making reports and recommendations to the full Board with respect thereto, and (vii) overseeing actual or potential conflicts of interest by investment personnel or others that could affect their input or recommendations regarding pricing or liquidity issues; (b) with regard to distribution and marketing, (i) developing an understanding of mutual fund distribution and marketing channels and legal, regulatory and market developments regarding distribution, (ii) reviewing periodic distribution and marketing determinations and annual approval of distribution arrangements and making reports and recommendations to the full Board with respect thereto, and (iii) reviewing other information from the principal underwriters to the Funds regarding distribution and