Invesco Van Kampen High Income Trust II
Form N-14 8C
April 05, 2012

As filed with the Securities and Exchange Commission on April 5, 2012
1933 Act File No. [_____]

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. ____ o
Post-Effective Amendment No. ____ o

(Check appropriate box or boxes)

INVESCO VAN KAMPEN HIGH INCOME TRUST II
(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

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
Common Shares of Beneficial Interest			$74,673,366	$8,558

(1)

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

Invesco Van Kampen High Income Trust II
Invesco High Yield Investments Fund, Inc.
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 High Yield Investments Fund, Inc. (the Target Fund or MSY) and Invesco Van Kampen High Income Trust II (the Acquiring Fund or VLT) that the Funds will hold a joint annual meeting of shareholders (the Meeting) on July 17, 2012, at [2:00] p.m., Eastern time, at 1555 Peachtree Street, N.E., Atlanta, Georgia 30309. The Target Fund 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 the Target Fund into the Acquiring Fund, which shall require the following shareholder actions:

   (a) For the Target Fund, approval of an Agreement and Plan of Merger that provides for the Target Fund to merge with and into the Acquiring Fund.

   (b) For the Acquiring Fund, approval of an Agreement and Plan of Merger that provides for the Target Fund to merge with and into the Acquiring Fund.

3) For the Target Fund, the election of a class of Directors to its Board of Directors.

4) For the Acquiring Fund, the election of two Class II 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.

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

For the Target Fund (MSY):

_____

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

For the Acquiring Fund (VLT),
by order of the Board of Trustees:

_____

John M. Zerr
Senior Vice President, Secretary and
Chief Legal 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.

Invesco Van Kampen High Income Trust II
Invesco High Yield Investments Fund, Inc.
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 High Yield Investments Fund, Inc. (the Target Fund or MSY) and Invesco Van Kampen High Income Trust II (the Acquiring Fund or VLT) should know before voting on the proposals that are described herein. The Target Fund 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 at 1555 Peachtree Street, N.E., Atlanta, Georgia 30309 on July 17, 2012, at [2:00] 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 the Target Fund into the Acquiring Fund, which shall require the following shareholder actions:

   (a) For the Target Fund, approval of an Agreement and Plan of Merger that provides for the Target Fund to merge with and into the Acquiring Fund.

   (b) For the Acquiring Fund, approval of an Agreement and Plan of Merger that provides for the Target Fund to merge with and into the Acquiring Fund.

3) For the Target Fund, the election of a class of Directors to its Board of Directors.

4) For the Acquiring Fund, the election of two Class II 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.

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

The Boards of Trustees/Directors 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).

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 NYSE). The Acquiring Fund s Common Shares are also listed on the Chicago Stock Exchange (together with the NYSE, the Exchanges). 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. 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 joint meeting so that such Fund s meeting may be held separately, the persons named as proxies will vote in favor of the adjournment.

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. These documents are on file with the U.S. Securities and Exchange Commission (the SEC). 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 herein by reference and is deemed to be part of this Proxy Statement. 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. Copies of all of these documents are 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 Exchanges.

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.

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. The Acquiring Fund is currently a Massachusetts business trust and the Target Fund is currently a Maryland corporation. 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, for the Acquiring Fund, and the Maryland corporation, for the Target Fund, 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 the other Redomestication is not approved by shareholders or is 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 objectives, strategies, risks, trustees, advisory agreements, and 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/Directors 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 and the legal requirements governing corporations under Maryland law are less flexible than those under Delaware law. These differences sometimes necessitate 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 Merger 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 Redomestication may proceed even if the Merger described in Proposal 2 is 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 Redomestication, 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/directors and officers, and each Fund will continue to retain the same independent registered public accounting firm. The portfolio characteristics, investment objectives, strategies and risks of each Fund will not change as a result of the Redomestications.

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, the 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 the Redomestication but prior to the closing of each Redomestication.

After the Redomestications, each Fund will be a Delaware statutory trust whose capital structure is 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 governing documents of the Target Fund before and after its Redomestication will be similar, but will contain certain material differences. The new governing documents will not provide shareholders the ability to remove Trustees/Directors or to call special meetings of shareholders, which actions are permitted under the current governing documents. The new governing documents will also contain a different shareholder voting standard with respect to the Target 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 permit termination of the Target Fund without shareholder approval, provided that at least 75% of the Trustees/Directors have approved such termination. The current governing documents require shareholder approval to terminate the Target Fund regardless of whether the Trustees/Directors have approved such termination. The new governing documents impose certain obligations on shareholders seeking to initiate a derivative action on behalf of the Target Fund that may not be imposed under the current governing documents.

The governing documents of the Acquiring Fund before and after its Redomestication will be similar, but will contain certain material differences. Under the new governing documents, Trustees will be elected by a majority vote (i.e., nominees must receive the vote of a majority of the outstanding shares entitled to vote), while under the current governing documents, Trustees are generally elected by a plurality vote (i.e., the nominees receiving the greatest number of votes are elected). In addition, the new governing documents will not provide shareholders the ability to remove Trustees or to call special meetings of shareholders, which actions are permitted under the current governing documents. The new governing documents will also contain a different shareholder voting standard with respect to the Acquiring 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 permit termination of the Acquiring Fund without shareholder approval, provided that at least 75% of the Trustees have approved such termination. The current governing documents require shareholder approval to terminate the Acquiring Fund regardless of whether the Trustees have approved such termination. The new governing documents impose certain obligations on shareholders seeking to initiate a derivative action on behalf of the Acquiring Fund that are not imposed under the current governing documents.

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

The applicable Delaware statute, as applied to the Funds, will have a similar effect as the currently applicable Massachusetts statute, for the Acquiring Fund, and the currently applicable Maryland statute, for the Target Fund, although the Delaware statute generally has significantly greater detail compared to the Massachusetts statute with respect to shareholder rights, voting, indemnification, and other provisions. Delaware law also limits the liability of shareholders of statutory trusts more clearly than the applicable statutes do with respect to Massachusetts business trusts. A brief comparison of the laws governing Massachusetts business trusts and Delaware statutory trusts is available in Exhibit C. Additionally, a brief comparison of the laws governing Maryland corporations and Delaware statutory trusts is available in Exhibit D.

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.

Each Redomestication is intended to be a tax-free reorganization pursuant to Section 368(a) of the Code. The Acquiring Fund is currently a Massachusetts business trust and the Target Fund is currently a Maryland

corporation. 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 or Maryland corporation will be liquidated. Even though the Redomestication of a Fund is part of an overall plan to effect the Merger of the 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 the 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, if either Fund s Common Shareholders do not approve Proposal 1 or if either Fund s Redomestication is for any other reason not completed, the Merger will not 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 BOARDS RECOMMEND THAT YOU VOTE FOR THE APPROVAL OF PROPOSAL 1.

PROPOSAL 2: APPROVAL OF THE MERGER

On what am I being asked to vote?

Shareholders of the Target Fund are being asked to consider and approve the Merger of the Target Fund with and into the Acquiring Fund, as summarized below. Shareholders of the Acquiring Fund are also being asked to consider and approve such Merger, which involves the issuance of new Common Shares by the Acquiring Fund. If the Merger is approved, Common Shares of the Target Fund will be exchanged for newly issued Acquiring Fund Common Shares of equal aggregate net asset value.

The Merger will be completed pursuant to an Agreement and Plan of Merger (Merger Agreement) that provides for the 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 E. The 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 MERGER

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/Directors approved the Merger?

Yes. Each Fund s Board has reviewed and unanimously approved the Merger Agreement and this Proposal 2. Each Fund s Board determined that the Merger is 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 Merger?

The Merger proposed in this Proxy Statement is part of a larger group of transactions across the Adviser s fund platform that began in early 2011. The Merger is 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 Merger 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 considering the Merger and the Merger Agreement, the Board of each Fund considered these and other factors in concluding that the Merger 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 Merger Board Considerations in Approving the Merger .

What effect will the 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 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 Exchanges 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 the Merger, but will represent a smaller percentage interest in a larger fund.

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

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

The investment objective of the Acquiring Fund is similar to the investment objective of the Target Fund.

MSY	**Acquiring Fund (VLT)**
To seek a high level of current income. As a secondary objective, the Fund seeks capital appreciation.	To provide to its common shareholders high current income, while seeking to preserve shareholders capital, through investment in a professionally managed, diversified portfolio of high-income producing fixed-income securities.

Each of the investment objectives of the Acquiring Fund and the Target Fund is fundamental and may not be changed without shareholder approval of a majority of the Acquiring Fund s or Target Fund s outstanding voting securities, as defined in the 1940 Act.

The principal investment strategies of the Acquiring Fund are similar to the principal investment strategies of the Target Fund. The Funds generally invest in the same types of securities, including fixed income securities of U.S. and non-U.S. issuers, fixed and floating rate loans, zero coupon securities, preferred stock, futures and forward foreign currency contracts. The Funds investment strategies principally differ in the limitations placed on those investments. Specifically, the Acquiring Fund may invest a greater percentage of its assets in investment grade securities. In contrast, the Target Fund may invest a greater percentage of its assets (up to 100%) in foreign securities. Also, the Target Fund may invest without limit in loans (other than bank loans) but the Acquiring Fund may invest only up to 20% of its assets in loans.

The section below entitled Additional Information About the Funds and the Merger Principal Investment Strategies provides more information on the principal investment strategies of the Target Fund and the Acquiring Fund and highlights certain other key differences.

How do the Funds principal risks compare?

The principal risks that may affect each Fund s investment portfolio are identical because the Funds may invest in the same types of securities.

Investment in a Fund 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 objectives. Whether a Fund achieves its investment objectives 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 Merger 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 the Target Fund. 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 the Target Fund.

	Current*		***Pro Forma****
	MSY	**Acquiring Fund (VLT)**	**Target Fund + Acquiring Fund (assumes the Merger is completed)**
Shareholder Fees (Fees paid directly from your investment)			
Maximum Sales Charge (Load) Imposed on Purchases (as a percentage of offering price)	None (a)	None (a)	None (a)
Dividend Reinvestment Plan	None (b)	None (b)	None (b)
Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)			
Management Fees	[__]%	[__]%	[__]%

[Interest and Related Expenses] (f)			
Other Expenses	[__]%	[__]%	[__]%
Acquired Fund Fees and Expenses **[Delete this line item if it is 0.00% across all columns]**	[__]%	[__]% (e)	[__]% (e)
Total Annual Fund Operating Expenses	[__]% (c)	[__]% (c)	[__]

	Current*		Pro Forma* Target Fund + Acquiring Fund (assumes the Merger is completed)
	MSY	Acquiring Fund (VLT)	
Fee Waiver and/or Expense Reimbursement **[Delete this line item if fee waiver is 0.00% across all columns]**	[0.00]%	[0.00]%	[0.00]% (d)
Total Annual Fund Operating Expenses after Fee Waiver and/or Expense Reimbursement **[Delete this line item if fee waiver is 0.00% across all columns]**	[__]%	[__]%	[__]%

* [Expense ratios reflect annual fund operating expenses for the most recent fiscal year of the Funds. *Pro forma* numbers are estimated as if the Merger had been completed as of March 1, 2011 and do not include the estimated costs of the Merger. The estimated Merger costs that the Target Fund will bear are [$100,000]. The Adviser estimates that shareholders will recoup these costs through reduced expenses in [10] months or less.**]** For more information on the costs of the Merger to be borne by the Funds, see Costs of the Merger below.

(a) 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.

(b) 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.

(c) Based on estimated amounts for the current fiscal year.

(d) [Effective upon the closing of the Merger, the Adviser has contractually agreed, through at least June 30, 2014, 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 [__]% 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, such as litigation, reorganizations and mergers; 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 on June 30, 2014.]

(e) Unless otherwise indicated, Acquired Fund Fees and Expenses are less than 0.01%.

(f) [Interest and Related Expenses arises because accounting rules require the Funds to treat interest paid by trusts issuing certain inverse floating rate investments held by the Funds as having been paid (indirectly) by the Funds. Because the Funds also recognize corresponding amounts of interest income (also indirectly), each Fund s Common Share net asset value, net investment income and total return are not affected by this accounting treatment. The actual Interest and Related Expenses incurred in the future may be higher or lower.]

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 the Target Fund. 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**
Acquiring Fund (VLT)	$[__]	$[__]	$[__]	$[__]
MSY	$[__]	$[__]	$[__]	$[__]
Pro Forma (Target Fund + Acquiring Fund, assuming the Merger is completed)	$[__]	$[__]	$[__]	$[__]

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 Merger, see the section entitled Additional Information About the Funds and the Merger Board Considerations in Approving the Merger in this Proxy Statement.

How do the after tax performance records of the Funds compare?

The total after-tax return figures at NAV for each Fund s Common Shares as of [_____], 2012 are shown below. The returns below are not indicative of a Fund s future performance. Additional performance information and a discussion of performance are included in each Fund s most recent report to shareholders.

	1 Year	3 Years	5 Years	10 Years
Acquiring Fund (VLT)	[___]%	[___]%	[___]%	[___]%
MSY	[___]%	[___]%	[___]%	[___]%
Barclays Capital U.S. Corporate High Yield 2% Issuer Cap Index	[___]%	[___]%	[___]%	[___]%

As of [_____], 2012, the Target Fund had a monthly distribution yield of [___]% per share, and the Acquiring Fund had a monthly distribution yield of [___]% per share.

After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor s tax situation and may differ from those shown, and after-tax returns shown are not relevant to investors who hold their Common Shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts.

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

Each Fund is overseen by a Board that is comprised of some of the same individuals (described in Proposals 3 and 4) and each Fund s affairs are managed by the same officers with minor exceptions, as described in Exhibit F. 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) 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 [___], 2012, the Adviser had $[300.3] 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. Operating in [20] countries, Invesco had $[418.8] billion in assets under management as of [___], 2012. Invesco is organized under the laws of Bermuda, and its common shares are listed and traded on the NYSE 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/Director 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 each 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 following table compares the contractual advisory fee rates of the Funds.

MSY	Acquiring Fund (VLT)
0.70%	0.70%

The Target Fund calculates its advisory fee as a percentage of the Fund s net assets, which generally means the Fund s assets minus its liabilities. The Acquiring Fund calculates its advisory fee as a percentage of its managed assets, which for this purpose means the Acquiring Fund s net assets plus the amount attributable to any borrowing or other leverage (whether or not such borrowed amounts are reflected in the Acquiring Fund s financial statements for purposes of generally accepted accounting principles), including any preferred shares. As a result, the actual amount paid by the Acquiring Fund, as a percentage of NAV, will exceed the contractual rate set out above to the extent the Acquiring Fund has borrowed money or incurred other leverage. Because managed assets exceed net assets for a Fund that has borrowed money or incurred other leverage, 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 paid by the

Target Fund, as a percentage of NAV. For more information, see the table above under How do the Funds expenses compare?

Contingent on the completion of the Merger, the Adviser has contractually agreed through [_____] to waive advisory fees and/or reimburse expenses to the extent necessary to limit total annual operating expenses of the Acquiring Fund to [2.02%], subject to certain exceptions.

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 the Funds Master Intergroup Sub-Advisory Contracts, 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 to a Fund. Each Invesco Sub-Adviser is registered with the SEC as an investment adviser.

Other key service providers to the Target Fund, 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 which 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 Fund?

Yes. The portfolio management team for the Target Fund 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 Merger Portfolio Managers and in the SAI.

How do the distribution policies of the Funds compare?

The Acquiring Fund declares and pays dividends monthly from net investment income to shareholders. The Target Fund declares dividends daily and pays dividends monthly from net investment income to shareholders. Distributions from net realized capital gain, if any, are generally paid annually. 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, which is fully described in the Fund s shareholder reports.

Will there be any tax consequences resulting from the Merger?

The 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 the Target Fund will recognize no gain or loss for federal income tax purposes upon the exchange of all of their shares in the Target Fund for shares in the Acquiring Fund. Shareholders should consult their tax advisor about state and local tax consequences of the Merger, if any, because the information about tax consequences in this Proxy Statement relates only to the federal income tax consequences of the Merger.

Prior to the closing of the Merger, the 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 may be taxable to shareholders in such year. Any such final distribution paid to Common Shareholders by the 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 is the Merger expected to occur?

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

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

If the Merger is not approved by shareholders or is for other reasons unable to be completed, the Funds will continue to operate and each 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 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 an Exchange prior to the consummation of the Merger. Target Fund Common Shareholders will not have the right to dissent and obtain payment of the fair value of their shares. 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 the 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 an Exchange.

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

The remainder of this Proxy Statement contains additional information about the Funds and the Merger, 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 Merger or how to vote, please call Invesco Client Services at (800) 341-2929.

ADDITIONAL INFORMATION ABOUT THE FUNDS AND THE MERGER

Principal Investment Strategies

The following section compares the principal investment strategies of the Target Fund 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.

The Funds generally invest in the same types of fixed-income securities and their investment strategies principally differ in the limitations placed on those investments. Specifically, the Acquiring Fund may invest a greater percentage of its assets in investment grade securities. In contrast, the Target Fund may invest a greater percentage of its assets (up to 100%) in foreign securities. Other differences in limitations on certain investments are described below.

In normal market conditions, at least 65% of the Acquiring Fund s assets will be invested in fixed-income securities. At least 80% of the Target Fund s assets will be invested in high yield securities issued by U.S. and non-U.S. corporate issuers, including issuers located in emerging markets. Under normal market conditions, each Fund invests in fixed income securities rated BB or lower by Standard & Poor s Financial Services LLC, a subsidiary of The McGraw-Hill Companies, Inc. (S&P) or Ba or lower by Moody s Investors Service, Inc. (Moody s), or securities that are not rated by either such rating agency but are believed by the Adviser to be of comparable quality. No limitation exists as to the minimum rating category in which either Fund may invest. The Target Fund, however, anticipates that under normal conditions no more than 25% of the Target Fund s total assets will be rated, at the time of investment, below B by Moody s or S&P, or will be unrated and deemed by the Adviser to be of comparable quality. The Acquiring Fund does not have a similar limitation.

In addition, while the Target Fund may only invest up to 20% of its total assets in fixed-income securities rated investment grade (i.e., rated above BB or Ba by S&P or Moody s, respectively), the Acquiring Fund may invest up to 35% of its total assets in such securities. In addition, the Acquiring Fund may invest up to 100% of its total assets in such high rated securities (i) when the difference in yields between quality classifications is relatively narrow, (ii) when, consistent with seeking to maintain the dollar-weighted average maturity of the Acquiring Fund s portfolio of up to 12 years, high income producing fixed-income securities of appropriate maturities are unavailable

or are available only at prices that the Adviser deems are unfavorable, or (iii) when the Adviser determines that market conditions warrant a temporary defensive policy.

The Acquiring Fund has a non-fundamental investment policy of maintaining a dollar-weighted average portfolio maturity of up to 12 years. The Target Fund does not have any similar policy and the Adviser may vary the average maturity of the securities in the Target Fund without limit. The Target Fund may invest or own securities of companies in various stages of financial restructuring, bankruptcy or reorganization, which are not currently paying interest or dividends to the extent that the total value, at time of purchase, of all such securities will not exceed 10% of the value of the Target Fund s total assets. The Acquiring Fund has no such limitation.

The Target Fund may invest up to 25% of its total assets in foreign securities and may invest up to 15% of its total assets in securities of issuers located in developing markets. In contrast, the Acquiring Fund may invest up to all of its assets in securities issued by foreign governments or foreign corporations, including securities of issuers in developing or emerging markets. However, the Acquiring Fund may not invest more than 30% of its total assets in non-U.S. dollar denominated securities.

Each Fund may invest in fixed and floating rate loans. Loans are typically arranged through private negotiations between the borrower and one or more lenders. Loans generally have a more senior claim in the borrower s capital structure relative to corporate bonds or other subordinated debt. The loans in which the Funds invest are generally in the form of loan assignments and participations of all or a portion of a loan from another lender. In the case of an assignment, a Fund acquires direct rights against the borrower on the loan, however, the Fund s rights and obligations as the purchaser of an assignment may differ from, and be more limited than, those held by the assigning lender. In the case of a participation, a Fund typically has the right to receive payments of principal, interest and any fees to which it is entitled only from the lender selling the participation and only upon receipt by the lender of the payments from the borrower. In the event of insolvency of the lender selling the participation, the Trust may be treated as a general creditor of the lender and may not benefit from any setoff between the lender and the borrower. The Target Fund may invest without limit in loans but the Acquiring Fund may only invest up to 20% of its total assets in loans. The Target Fund has a separate limitation on investing in bank loans and may only invest up to 20% of its assets in public bank loans made by banks or other financial institutions, which may be rated investment grade (Baa or higher by Moody s, BBB or higher by S&P) or below investment grade.

Each Fund may invest in zero coupon securities. The Acquiring Fund may invest up to 10% of its total assets in zero coupon securities, whereas the Target Fund has no such limitation. Similarly, each Fund may invest in convertible securities, however, the Target Fund may only invest up to 10% of its total assets in convertible securities, whereas the Acquiring Fund has no such limitation. In selecting convertible securities for the Acquiring Fund, the following factors, among others, will be considered by the Adviser: (1) the Adviser s own evaluations of the creditworthiness of the issuers of the securities; (2) the interest or dividend income generated by the securities; (3) the potential for capital appreciation of the securities and the underlying common stock; (4) the prices of the securities relative to the underlying common stocks; (5) the prices of the securities relative to other comparable securities; (6) whether the securities are entitled to the benefits of sinking funds or other protective conditions; (7) diversification of the Acquiring Fund s portfolio as to issuers and industries; and (8) whether the securities are rated by Moody s and/or S&P and, if so, the ratings assigned.

Each Fund may invest up to 20% of its total assets in fixed-income securities that are not readily marketable, including securities restricted as to resale. No security that is not readily marketable will be acquired unless the Adviser believes such security to be of comparable quality to publicly-traded securities. Certain fixed-income securities are somewhat liquid and may become more liquid as secondary markets for these securities continue to develop. These securities will be included in, or excluded from, the 20% limitation on a case-by-case basis by the Adviser, depending on the perceived liquidity of the security and market involved.

Fixed-income securities which may be acquired by the Acquiring Fund include all types of debt obligations having varying terms with respect to security or credit support, subordination, purchase price, interest payments and maturity. Such obligations may include, for example, bonds, debentures, notes and obligations issued or guaranteed by the United States government or any of its political subdivisions, agencies or instrumentalities. Fixed-income securities which may be acquired by the Acquiring Fund also include preferred stocks that have cumulative or non-

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cumulative dividend rights. Likewise, the Target Fund s investments in government and government-related debt securities may consist of (i) debt securities or obligations issued or guaranteed by governments, governmental agencies or instrumentalities and political subdivisions located in developing countries, (ii) debt securities or obligations issued by government owned, controlled or sponsored entities located in developing countries, and (iii) interests in issuers organized and operated for the purpose of restructuring the investment characteristics of instruments issued by any of the entities described above. Each Fund may also invest in pay-in-kind and deferred payment securities.

For the Acquiring Fund, the foregoing percentage and rating limitations apply at the time of acquisition of a security based on the last previous determination of the Acquiring 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 Acquiring Fund s total assets will not require elimination of any security from the Acquiring Fund s portfolio.

Each Fund may use derivative instruments for a variety of purposes, including hedging, risk management, portfolio management or to earn income. The derivative instruments and techniques that each Fund may use include futures and foreign currency forward contracts.

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.

In connection with each Fund s investments in foreign securities, each Fund also may enter into contracts with banks, brokers or dealers to purchase or sell securities or foreign currencies at a future date (forward contracts). A foreign currency forward contract is a negotiated agreement between the contracting parties to exchange a specified amount of currency at a specified future time at a specified rate. The rate can be higher or lower than the spot rate between the currencies that are the subject of the contract. Forward foreign currency exchange contracts may be used to protect against uncertainty in the level of future foreign currency exchange rates or to gain or modify exposure to a particular currency. In addition, each Fund may use futures to effect cross currency hedging or proxy hedging with respect to currencies in which the Fund has or expects to have portfolio or currency exposure. Cross currency hedges involve the sale of one currency against the positive exposure to a different currency and may be used for hedging purposes or to establish an active exposure to the exchange rate between any two currencies.

In addition to foreign currency forward contracts, the Acquiring Fund may purchase and sell foreign currency on a spot (i.e., cash) basis in connection with the settlement of transactions in securities traded in such foreign currency.

To the extent permitted by applicable law and each Fund s investment objectives, policies, and restrictions, each Fund may invest all or some of its short-term cash investments in money market funds, including money market funds advised or managed by the Adviser or its affiliates. When a Fund purchases shares of another investment company, including an affiliated money market fund, the Fund will indirectly bear its proportionate share of the advisory fees and other operating expenses of such investment company and will be subject to the risks associated with the portfolio investments of the underlying investment company.

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
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.	Both Funds
Risk of Investing in Medium and Lower-Grade Securities. Securities that are in the medium and 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 illiquidity risk. Secondary market prices of medium and 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 issuers of medium and lower-grade securities to pay interest and to repay principal, or to obtain additional financing, any of which could severely disrupt the market for medium and lower-grade securities and adversely affect the market value of such securities. Such events also could lead to a higher incidence of default by issuers of medium and 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 medium and 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 medium and lower-grade securities. 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 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	Both Funds

regulated investment company.

Interest Rate Risk. Because the Fund invests primarily in fixed income 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 value of a portfolio invested in fixed income securities generally can be expected to decline. The prices of longer term fixed income securities generally are more volatile with respect to changes in interest rates than the prices of shorter term fixed income securities. These risks may be greater in the current market environment because certain interest rates are near historically low levels.	Both Funds
Credit Risk. Credit risk refers to an issuer s ability to make timely payments of interest and principal when due. Fixed income securities are subject to the credit risk of nonpayment. The ability of issuers of fixed income securities to make timely payments of interest and principal may be adversely affected by, among other things, general economic downturns	Both Funds

Principal Risk	Funds Subject to Risk
and economic factors affecting specific issuers. 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.	
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.	Both Funds
Risk of Investing in Loans. Loans are subject to credit risk, market risk, income risk and call risk similar to the corporate bonds in which the Fund invests. To the extent that the loans in which the Fund invests are medium- or lower-grade, such loans are subject to same type of risks generally associated with such medium- and lower-grade securities, as described above. Loans may have less credit risk than corporate bonds because loans generally have a more senior claim in the borrower s capital structure relative to corporate bonds or other subordinated debt. However, loans generally do not have as broad of a secondary market compared to corporate bonds and this may impact the market value of such loans and the Fund s ability to dispose of particular loans when necessary to meet the Fund s liquidity needs or in response to a specific economic event such as a deterioration in the creditworthiness of the borrower. The lack of a broad secondary market for loans may also make it more difficult for the Fund to value these securities and make their market values more volatile.	Both Funds
Risk of Investing in Bank Loans. By investing in a bank loan, the Fund becomes a member of a syndicate of lenders, who are typically represented by one or more lenders agents acting as agent for all the lenders. Certain public bank loans are illiquid, meaning the Fund may not be able to sell them quickly at a fair price, and may also be difficult to value. The secondary market for bank loans may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods. Bank loans are subject to the risk of default, which will increase in the event of an economic downturn or a substantial increase in interest rates. Because public bank loans usually rank lower in priority of payment to senior loans, they present a greater degree of investment risk due to the fact that the cash flow or other property of the borrower securing the bank loan may be insufficient to meet scheduled payments after meeting the payment obligations of the senior secured obligations of the borrower. Bank loans may therefore exhibit	Both Funds

greater price volatility. Bank loans that are rated below investment grade share the same risks of other below investment grade securities.	
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.	Both Funds
Convertible Securities Risk. The values of convertible securities in which the Fund may invest may be affected by market interest rates. The values of convertible securities also may be affected by the risk of actual issuer default on interest or principal payments and the value of the underlying stock. Additionally, an issuer may retain the right to buy back its convertible securities at a time and price unfavorable to the Fund.	Both Funds

Principal Risk	Funds Subject to Risk
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 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.	Both Funds
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.	Both Funds
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.	Both Funds
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.	Both Funds
Foreign Securities Risk. The dollar value of the Fund s foreign investments may be affected by changes in the exchange rates between the dollar and the currencies in which those investments are traded. The value of the Fund s foreign investments	Both Funds

may be adversely affected by political and social instability in their home countries, by changes in economic or taxation policies in those countries, or by the difficulty in enforcing obligations in those countries. Foreign companies generally may be subject to less stringent regulations than U.S. companies, including financial reporting requirements and auditing and accounting controls. As a result, there generally is less publicly available information about foreign companies than about U.S. companies. Trading in many foreign securities may be less liquid and more volatile than U.S. securities due to the size of the market or other factors.	
Emerging Markets Risk. The prices of securities issued by foreign companies and governments located in developing countries may be impacted by certain factors more than those in countries with mature economies. For example, developing countries may experience higher rates of inflation or sharply devalue their currencies against the U.S.	Both Funds

Principal Risk	Funds Subject to Risk
dollar, thereby causing the value of investments issued by the government or companies located in those countries to decline. Governments in developing markets may be relatively less stable. The introduction of capital controls, withholding taxes, nationalization of private assets, expropriation, social unrest, or war may result in adverse volatility in the prices of securities or currencies. Other factors may include additional transaction costs, delays in settlement procedures, and lack of timely information.	
Currency/Exchange Rate Risk. The dollar value of the Fund s foreign investments will be affected by changes in the exchange rates between the dollar and the currencies in which those investments are traded. The Fund may buy or sell currencies other than the U.S. dollar in order to capitalize on anticipated changes in exchange rates. There is no guarantee that these investments will be successful.	Both Funds
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. 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 markets for lower-grade securities may be less liquid than the markets for higher-grade securities.	Both Funds
Preferred Securities Risk. There are special risks associated with investing in preferred securities. Preferred securities may include provisions that permit the issuer, in its discretion, to defer or omit distributions for a certain period of time. If the Fund owns a security that is deferring or omitting its distributions, the Fund may be required to report the distribution on its tax returns, even though it may not have received this income. Further, preferred securities may lose substantial value due to the omission or deferment of dividend payments.	Both Funds
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.	Both Funds
U.S. Government Obligations Risk. Obligations issued by U.S. government agencies and instrumentalities may receive varying levels of support from the government, which could affect the Fund s ability to recover should they default.	Both Funds
Zero Coupon / Pay-in-Kind Bond Risk. Prices on non-cash-paying instruments may be more sensitive to changes in the issuer s financial condition, fluctuations in	Both Funds

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 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 pay-in-kind securities. The Adviser will weigh these concerns against the expected total returns from such instruments. In addition, the 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 commons shareholders.

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

Portfolio Managers

Peter Ehret, Darren Hughes and Scott Roberts are the portfolio managers for each Fund.

Mr. Ehret, Chartered Financial Analyst, has been managing the Funds since 2010. Mr. Ehret was associated with the Funds previous investment adviser or its investment advisory affiliates in an investment management capacity from 2001 to 2010 and began managing the Funds in 2010. Mr. Ehret earned a B.S. in economics with a minor in statistics from the University of Minnesota. He also earned an M.S. in real estate appraisal and investment analysis from the University of Wisconsin-Madison.

Mr. Hughes, Chartered Financial Analyst, has been managing the Funds since 2010. Mr. Hughes was associated with the Funds previous investment adviser or its investment advisory affiliates in an investment management capacity from 1992 to 2010 and began managing the Funds in 2010. Mr. Hughes earned a B.B.A. in finance and economics from Baylor University.

Mr. Roberts, Chartered Financial Analyst, has been managing the Funds since 2010. Mr. Roberts was associated with the Funds previous investment adviser or its investment advisory affiliates in an investment management capacity from 2000 to 2010 and began managing the Funds in 2010. Mr. Roberts earned a B.B.A. in finance from the University of Houston.

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 NYSE. The Acquiring Fund s Common Shares are also listed on the Chicago Stock Exchange. Generally, an investor purchasing a Fund s Common Shares enters into a purchase transaction on an 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 an 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 Merger.

Capital Structures of the Funds

The Acquiring Fund is currently organized as a Massachusetts business trust and the Target Fund is currently organized as a Maryland corporation. The Acquiring Fund was organized on February 15, 1989, and the Target Fund was organized on September 23, 1993. As discussed under Proposal 1, before the closing of the Merger, the Funds will be reorganized as Delaware statutory trusts, which will have identical governing documents and capital structures. (Proposal 1 discusses the material differences between each Fund s current structure (Massachusetts business trust for the Acquiring Fund and Maryland corporation for the Target Fund) and its proposed Delaware statutory trust structure.) The Funds governing documents will therefore be substantially identical immediately prior to the Merger. Because each such Delaware statutory trust will have the same structure, each Fund s capital structure will not be affected by the Merger except that after the Merger each Fund s shareholders will hold shares of a single, larger fund.

Description of Securities to be Issued

Before the Merger can be completed, the Funds 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 the Merger. A discussion of the changes a Fund would undergo as part of a Redomestication is included under Proposal 1.

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. Each Fund s Common Shares have no preemptive, conversion or exchange rights, nor any right to cumulative voting.

As of the closing of the 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.

Dividends and Distributions. The Acquiring Fund declares and pays monthly dividends from net investment income to shareholders. The Target Fund declares dividends daily and pays monthly dividends from net investment income to shareholders. Distributions from net realized capital gain, if any, are generally paid annually. Each Fund may also declare and pay capital gains distributions more than once per year as permitted by law. Various factors will affect the level of a Fund s net investment income, such as its asset mix, its level of retained earnings, the amount of leverage utilized by the Fund 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 the Target Fund or the Acquiring Fund if the Merger was not completed.

Target Fund 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. Target Fund Common Shareholders will, shortly after the closing of the Merger, receive instructions on how to tender any outstanding share certificates.

Dividend Reinvestment Plan. Each Fund offers a substantially identical dividend reinvestment plan for Common Shareholders. The Funds dividend reinvestment plans are fully described in the Funds shareholder reports. Any final distribution preceding the Merger made by the 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 the 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/Directors 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 any one class may be changed in any one year, and it would require two years or more to change a majority of the Trustees.

Pending Litigation

On January 17, 2011, a Consolidated Amended Shareholder Derivative Complaint (the Complaint) entitled *Clifford Rotz, et al. v. Van Kampen Asset Management et al.*, was filed on behalf of the Acquiring Fund, Invesco Van Kampen Advantage Municipal Income Trust II (VKI), Invesco Van Kampen Municipal Opportunity Trust (VMO), Invesco Van Kampen Municipal Trust (VKQ) and Invesco Van Kampen Senior Income Trust (VVR) (collectively, the Trusts) against Van Kampen Asset Management, 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 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 Clifford T. Rotz, Jr., Robert Fast and Gene Turban on July 22, 2010, and by Harry Suleski, Leon McDermott, Marilyn Morrison and John Johnson on August 3, 2010. 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 Trust 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 June 24, 2011, that it had adopted the SLC s recommendation to seek dismissal of the action. On October 4, 2011, the Trusts filed a motion to dismiss. 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 NYSE 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 (VLT)

	Price		Net Asset Value		Premium/Discount	
Quarterly Period Ending	**High**	**Low**	**High**	**Low**	**High**	**Low**
	$[___]	$[___]	$[___]	$[___]	[___]%	[___]%

MSY

	Price		Net Asset Value		Premium/Discount	
Quarterly Period Ending	**High**	**Low**	**High**	**Low**	**High**	**Low**
	$[___]	$[___]	$[___]	$[___]	[___]%	[___]%

The following table shows, as of [recent date], the NAV, market price, and premium or discount for Common Shares of each Fund.

	NAV	Market Price	Premium (Discount)
Acquiring Fund (VLT)	$[___]	$[___]	[___]%
MSY	$[___]	$[___]	[___]%

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 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, such shares are said to be trading at a premium. When the market price of a Fund s Common Shares is lower than its NAV, 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 Merger will have any long-term effect or influence on whether the Acquiring Fund Common Shares trade at a discount or a premium after the Merger. 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 Merger 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 Merger. No securities of the Target Fund 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.

Terms and Conditions of the Merger

The terms and conditions under which the 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 E.

In the Merger, the 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 the Merger, all of the assets and liabilities of the 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 to be distributed to the Target Fund Common Shareholders. The number of Acquiring Fund Common Shares issued will be based on the relative NAVs and shares outstanding of the Acquiring Fund and the 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 Exchanges. The terms of the Acquiring Fund Common Shares to be issued in the Merger will be identical to the terms of the Acquiring Fund Common Shares already outstanding.

Prior to the closing of the Merger, the 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 may be taxable to shareholders in such year. Any such final distribution paid to Common Shareholders by the 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 Merger 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 Merger (the Closing) is expected to occur in the third quarter of 2012 on a date mutually agreed upon by the Funds (the Closing Date).

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 Merger, irrespective of whether Target Fund shareholders currently hold such shares in certificated form. At the Closing, all outstanding certificates representing Common Shares of the Target Fund will be cancelled. Target Fund shareholders who own certificated Common Shares will not receive 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 the 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 Merger.

If shareholders of a Fund do not approve the Merger or if the 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 Merger, 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 Funds, Common Shares are bought and sold on the Exchanges. 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 may 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 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.

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. If a shareholder sells or otherwise disposes of shares before holding them for more than six months, any loss on the sale or disposition will be treated as a long-term capital loss to the extent of any net capital gain distributions received by the shareholder. 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 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.

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.

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 (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.

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 Merger

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 Merger proposed in this Proxy Statement is 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.

Considerations of the Board of the Target Fund

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

The Target Fund Board 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 Target Fund Board considered the benefits to the Target Fund of (i) combining with a similar fund to create a larger fund, [(ii) the Adviser s paying [some of] the Merger costs], and (iii) the expected tax free nature of the Merger for the Target Fund and its shareholders for federal income tax purposes. In addition, the Target Fund 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.

The Target Fund Board also considered the Merger 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 Target Fund Board also considered the possible benefits that might accrue to a single, larger closed-end fund, including increased market liquidity and increased analyst coverage. The Target Fund Board discussed with the Adviser the possible alternatives to the Merger, including liquidation and maintaining the status quo, among other alternatives.

The Target Fund Board further considered that (i) the investment objective, strategies and related risks of the Target Fund and the Acquiring Fund are similar; (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 the Merger is completed, as disclosed above on a pro forma basis, through June 30, 2014; 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 the Merger would be minimal.

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Based upon the information and considerations described above, the Target Fund Board concluded that the Merger is in the best interests of the Target Fund and that no dilution of net asset value would result to the shareholders of the Target Fund from the Merger. Consequently, the Target Fund Board unanimously approved the Merger Agreement and the Merger on November 29, 2011.

Considerations of the Board of the Acquiring Fund

The Board of the Acquiring Fund (the Acquiring Fund Board) considered the Merger over a series of meetings. The Nominating Committee of the Acquiring Fund Board, which consists solely of trustees who are not interested persons, as that term is defined in the 1940 Act, of the Acquiring Fund (the Independent Trustees), met on November 1, 2011 to consider the Merger and to assist the Acquiring Fund Board in its consideration of the Merger. The Nominating Committee considered presentations from the Adviser on the proposed Merger and identified to the Adviser certain supplemental information to be prepared in connection with the presentation of the proposed Merger to the full Acquiring Fund Board. Prior the November 15, 2011 meeting of the full Acquiring Fund Board, the Acquiring Fund Board met in executive session with the Nominating Committee to discuss the Committee s consideration and review of the proposed Merger. The full Acquiring Fund Board met twice, on November 15, 2011 and November 28, 2011, to review and consider the Merger. The Acquiring Fund Board requested and received from the Adviser written materials containing relevant information about the Funds and the proposed Merger, including fee and expense information on an actual and pro forma estimated basis, and comparative portfolio composition and performance data.

The Acquiring Fund Board reviewed, among other information they deemed relevant, information comparing the following for each Fund on a current and pro forma basis: (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) expense ratios and expense structures, including contractual investment advisory fees and fee waiver agreements; (6) expected federal income tax consequences to the Funds, including any impact on capital loss carry forwards; (7) relative asset size; (8) trading information such as trading premiums/discounts for the Funds Common Shares; and (9) use of leverage and outstanding Preferred Shares. The Acquiring Fund Board discussed with the Adviser the Adviser s process for selecting and analyzing the Funds that had been proposed to participate in the Merger and possible alternatives to the Merger, including liquidation and maintaining stand alone funds, among other alternatives. The Acquiring Fund Board also discussed with the Adviser the Merger in the context of the larger group of completed and proposed reorganizations of funds in the fund complex, which were designed to rationalize the Invesco funds to seek to enhance visibility in the market place.

The Acquiring Fund Board considered the potential benefits to the Acquiring Fund of the Merger and reviewed the anticipated economic effects of the Merger on the combined fund s fees and expenses, earnings, distribution rates, undistributed net investment company income and market price of Common Shares. The Acquiring Fund Board considered that (1) the investment objective, strategies and related risks of the Target Fund and the Acquiring Fund are substantially the same; (2) the Funds have the same portfolio management teams; (3) shareholders would become shareholders of the larger combined fund; (4) the Acquiring Fund s management fee schedule will apply to the combined fund, (5) the Adviser s agreement to limit the Acquiring Fund s total expenses if the Merger is completed, as disclosed above on a pro forma basis, through June 30, 2014 and (6) the allocation of expenses of the Merger, [including the Adviser s paying [some of] the Merger costs].

The Acquiring Fund Board considered the potential benefits to the Acquiring Fund of the Merger, including (1) maintaining consistent portfolio management teams, processes and investment objectives; (2) reducing market confusion caused by similar product offerings; and (3) potential benefits resulting from the larger size of the combined fund, including the potential for (i) increased attention from the investment community, (ii) increased trading volume and tighter spreads and improved premium/discount levels for the combined fund s Common Shares, (iii) improved purchasing power and more efficient transaction costs, and (iv) increased diversification of portfolio investments. The Acquiring Fund Board also considered the expected tax free nature of the Merger for the Acquiring Fund and its shareholders for federal income tax purposes.

Based upon the information and considerations summarized above, the Acquiring Fund Board concluded that the Merger is in the best interests of the Acquiring Fund and the shareholders of the Acquiring Fund and that no

dilution of net asset value would result to the shareholders of the Acquiring Fund from the Merger. Consequently, on November 28, 2011, the Acquiring Fund Board, including the Independent Trustees voting separately, unanimously approved the Merger Agreement and the Merger and unanimously recommended that the shareholders of Acquiring Fund vote in favor of the Merger.

Federal Income Tax Considerations of the Merger

The following is a general summary of the material U.S. federal income tax considerations of the Merger 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.

The Merger is intended to be a tax-free reorganization pursuant to Section 368(a) of the Code. As described above, the Merger will occur following the Redomestication of the Target Fund and the Acquiring Fund. The principal federal income tax considerations that are expected to result from the Merger of the 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 Fund nor the Acquiring Fund have requested or will request an advance ruling from the IRS as to the federal tax consequences of the Merger. As a condition to Closing, Stradley Ronon Stevens & Young, LLP will render a favorable opinion to the Target Fund and the Acquiring Fund as to the foregoing federal income tax consequences of the Merger, which opinion will be conditioned upon, among other things, the accuracy, as of the Closing Date, of certain representations of the 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 Merger on the Target Fund, 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.

Opinions of counsel are not binding upon the IRS or the courts. If the 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.

Prior to the closing of the Merger, the 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 may be taxable to shareholders in such year. Any such final distribution paid to Common Shareholders by the 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 Fund move to the Acquiring Fund in the Merger. The capital loss carryovers of the Target Fund 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

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recognition of taxable gain to the combined Fund and its shareholders post-Closing. *First*, the capital loss carryovers of each Fund that experiences a more than 50% ownership change in the Reorganization (e.g. in a reorganization of two Funds, the smaller Fund), increased by any current year loss or decreased by any current year gain, together with any net unrealized depreciation in the value of its portfolio investments (collectively, its aggregate capital loss carryovers), are expected to become subject to an annual limitation. Losses in excess of that limitation may be carried forward to succeeding tax years, subject, in the case of net capital losses that arise in taxable years beginning on or before December 22, 2010 as discussed below, to an overall eight-year carryover period. The annual limitation will generally equal the net asset value of the Acquiring Fund on the Closing Date multiplied by the long-term tax-exempt rate published by the IRS. If the Acquiring Fund has net unrealized built-in gains at the time of Closing of the Merger (i.e., unrealized appreciation in value of the Fund s investments), the annual limitation for a taxable year will be increased by the amount of such built-in gains that are recognized in the taxable year. *Second*, 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 the 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. *Third*, the capital losses of the Target Fund that may be used by the Acquiring Fund (including to offset any built-in gains of a Target Fund itself) for the first taxable year ending after the Closing Date will be limited to an amount equal to the capital gain net income of the Acquiring Fund for such taxable year (excluding capital loss carryovers) treated as realized post-Closing based on the number of days remaining in such year. *Fourth*, the Merger may result in an earlier expiration of a Fund s capital loss carryovers because the Merger may cause the Target Fund s tax year to close early in the year of the Merger.

The Regulated Investment Company Modernization Act of 2010 eliminated the eight-year carryover period for capital losses that arise in taxable years beginning after its enactment date (December 22, 2010) for regulated investment companies regardless of whether such regulated investment company is a party to a reorganization. Consequently, these capital losses can be carried forward indefinitely. However, capital losses incurred in pre-enactment taxable years may not be used to offset capital gains until all net capital losses arising in post-enactment taxable years have been utilized. As a result, some net capital loss carryovers incurred in pre-enactment taxable years which otherwise would have been utilized under prior law may expire.

The aggregate capital loss carryovers of the Funds and the approximate annual limitation on the use by the Acquiring Fund, post-Closing, of its aggregate capital loss carryovers following the Merger are as follows:

	MSY [Target Fund] (000,000s) at 8/31/2011	**VLT [Acquiring Fund] (000,000s) at 8/31/2011**
Aggregate Capital Loss Carryovers on a Tax Basis (1)	$(23.3)	$(34.6)
Unrealized Net Appreciation (Depreciation) in Investments on a Tax Basis	$(2.4)	$(2.2)
Aggregate Net Asset Value	$66.9	$57.3
Approximate Annual Limitation (2)	N/A	$2.0

(1) Based on capital loss carryovers at February 28, 2011; includes realized gain or loss for the current fiscal year determined on the basis of generally accepted accounting principles.

(2) Based on the long-term tax-exempt rate for ownership changes during December 2011 of 3.55%.

Based upon the Acquiring Fund s capital loss position at February 28, 2011, the annual limitation on the use of the Acquiring Fund s aggregate capital loss carryovers will likely limit the use of such losses by the Acquiring Fund, post-Closing, to offset capital gains, if any, it realizes. The effect of the annual limitation may be to cause the combined Fund, post-Closing, to distribute more capital gains in a taxable year than might otherwise have been the case if no such limitation had applied. The aggregate capital loss carryovers of the Target Fund may continue to be available, provided the Target Fund is the larger of the two Funds on the Closing Date. The ability of the Acquiring

Fund to absorb its own capital loss carryovers and those of the Target Fund post-Closing depends upon a variety of factors that cannot be known in advance. For more information with respect to each Fund s capital loss carryovers, please refer to the Fund s shareholder report.

Shareholders of the 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 the 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 Merger has proportionately greater unrealized appreciation in its portfolio investments as a percentage of its net asset value than the 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 Merger had not occurred. At August 31, 2011, the unrealized appreciation (depreciation) in value of the portfolio investments of the Target Fund on a tax basis as a percentage of its net asset value is (4%) compared to that of the Acquiring Fund of (4%), and (4%) on a combined basis.

After the Merger, 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 Merger

[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.]

	Estimated Proxy Solicitation Costs	**Estimated Total Merger Costs**	**Estimated Portion of Total Merger Costs to be Paid by the Funds**
Acquiring Fund (VLT)	$[ ]	$[ ]	$[ ]
MSY	$[ ]	$[ ]	$[ ]

[The Adviser will bear the Merger costs of ____ Fund.**]** The costs of the Merger 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 Exchanges, and fees associated with the proxy solicitation.]

Capitalization

The following table shows the number of shares of beneficial interest outstanding for each class of securities of the Acquiring Fund as of February 29, 2012. As of the time of the Merger (by which time each Fund will have been reorganized as a Delaware statutory trust, as discussed in Proposal 1), each Fund will be authorized to issue an unlimited number of preferred shares of beneficial interest and an unlimited number of common shares of beneficial interest, and no Fund will hold any of its shares for its own account.

Title of Class	**Amount Outstanding**
Common Shares of Beneficial Interest	[_____]

The following table sets forth as of February 29, 2012, the total net assets, number of shares outstanding and net asset value per share of each class of each Fund. 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 Merger. The table shows *pro forma* capitalization giving effect to the proposed Merger with the Target Fund. The capitalizations of the Target Fund, the Acquiring Fund and their classes are likely to be different on the Closing Date as a result of daily market activity.

	MSY	**Acquiring Fund (VLT)**	***Pro Forma* Adjustments**	**Acquiring Fund *pro forma* (assumes the Merger is completed)**
Net assets (all classes)	$[_____]	$[_____]	$[___] [1]	$[_____]
Common Shares Outstanding	[___]	[___]	[___]	[___]
Common Share NAV Per Share	$[_____]	$[_____]	$[___] [1]	$[_____]

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

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

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 BOARDS RECOMMEND THAT YOU VOTE FOR THE APPROVAL OF PROPOSAL 2.

PROPOSAL 3: ELECTION OF DIRECTORS BY THE TARGET FUND

At the Meeting, Common Shareholders of the Target Fund will vote on the election of the following six nominees for election as Directors: 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.

The following table indicates the Directors in each group of Directors standing for election in any given year 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 Target Fund s 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 Directors is being submitted to shareholders of the Target Fund for election at the Meeting. The Articles of Incorporation of the Target Fund provide that the Board shall be divided into three classes, which must be as nearly equal in number as possible. For the Target Fund, the Directors of only one class are elected at each annual meeting, so that the regular term of only one class of Directors will expire annually and any particular Director stands for election only once in each three-year period. This type of classification may prevent replacement of a majority of Directors of the Target Fund for up to a two-year period. The foregoing is subject to the provisions of the 1940 Act, applicable state law, the Target Fund s Articles of Incorporation and the Target Fund s Bylaws.

The business and affairs of the Target Fund are managed under the direction of its Board of Directors. Biographical information regarding the Directors can be found in Exhibit G. Information on the Directors qualifications and experience can be found in Exhibit H. Information on the Target Fund Board s leadership structure, role in risk oversight, and committees and meetings can be found in Exhibit I. Information on the remuneration of Directors can be found in Exhibit J. Information on the executive officers of the Target Fund is available in Exhibit F. Information on the Target Fund s independent registered public accounting firm is available in Exhibit K.

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

PROPOSAL 4: ELECTION OF TRUSTEES BY THE ACQUIRING FUND

At the Meeting, Common Shareholders of the Acquiring Fund will vote to elect two Class II Trustees (Wayne W. Whalen and Linda Hutton Heagy are the nominees).

If elected, each nominee will serve until the later of the Acquiring Fund s annual meeting of shareholders in 2015 or until his or her successor has been duly elected and qualified. As in the past, only one class of Trustees is being submitted to shareholders of the Acquiring Fund for election at the Meeting. The Declaration of Trust of the Acquiring Fund provides that the Board shall be divided into three classes, which must be as nearly equal in number as possible. For the Acquiring 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 the Acquiring Fund for up to a two-year period. The foregoing is subject to the provisions of the 1940 Act, applicable state law, the Acquiring Fund s Declaration of Trust and the Acquiring Fund s Bylaws.

The Trustees who make up the various classes of the Board of the Acquiring Fund are shown in the chart below:

Class I	**Class II**	**Class III**
David C. Arch	Wayne W. Whalen	Colin D. Meadows
Jerry D. Choate	Rodney Dammeyer (1)	R. Craig Kennedy
Howard J Kerr (1)	Linda Hutton Heagy	Jack E. Nelson (1)
Suzanne H. Woolsey, Ph.D.		Hugo F. Sonnenschein

(1) Pursuant to the Acquiring Fund Board s Trustee retirement policy, Howard J Kerr and Jack E. Nelson are retiring from the Board effective as of the Meeting. Rodney Dammeyer is not standing for reelection as Trustee of the Acquiring Fund and his term of office will expire at the Meeting.

The business and affairs of the Acquiring Fund are managed under the direction of its Board of Trustees. Biographical information regarding the Trustees can be found in Exhibit L. Information on the Trustees qualifications and experience can be found in Exhibit M. Information on the Acquiring Fund Board s leadership structure, role in risk oversight, and committees and meetings can be found in Exhibit N. Information on the remuneration of Trustees can be found in Exhibit O. Information on the executive officers of the Acquiring Fund is available in Exhibit F. Information on the Acquiring Fund s independent registered public accounting firm is available in Exhibit K.

THE ACQUIRING FUND BOARD 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/Director 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.

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 [April 20], 2012 can be found at Exhibit P. Each shareholder is entitled to one vote for each full share held and a proportionate fractional vote for each fractional share held.

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/Director 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 the Target Fund, the presence in person or by proxy of stockholders entitled to cast a majority of the votes entitled to be cast at the Meeting shall constitute a quorum at the Meeting. Under the governing documents of the Acquiring Fund, the holders of a majority of outstanding shares of each class or series or combined class entitled to vote at the Meeting of the Acquiring Fund present in person or by proxy shall constitute a quorum at the Meeting.

For the Target Fund, if a quorum is not present at the Meeting, the holders of a majority of the Target Fund Common Shares present in person or by proxy shall have power to adjourn the Meeting from time to time, without notice other than announcement at the Meeting, until the requisite amount of Target Fund Common Shares entitled to vote at the Meeting shall be present, to a date not more than 120 days after the Record Date. The Target Fund Common Shareholders present in person or represented by proxy and entitled to vote at the Meeting will 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, including abstentions and broker non-votes, being voted for or against adjournment consistent with the votes for or against the proposal for which the required vote has not been obtained.

For the Acquiring Fund, if a quorum is not present at the Meeting, it may be adjourned by a majority of the Acquiring Fund Common Shares present or represented by proxy to allow additional solicitations of proxies in order to attain a quorum. The Acquiring Fund Common Shareholders present in person or represented by proxy and entitled to vote at the Meeting will also 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, including abstentions and broker non-votes, being voted for adjournment, provided the proxies determine that such an adjournment and additional solicitation is reasonable and in the interest of Acquiring Fund Common Shareholders based on a consideration of all relevant factors, including the nature of the relevant proposal, the percentage of votes then cast, the percentage of

negative votes then cast, the nature of the proposed solicitation activities and the nature of the reasons for such further solicitation. The affirmative vote of the holders of a majority of the Acquiring Fund Common Shares then present in person or represented by proxy shall be required to so 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, or 3, 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. For Proposal 4, abstentions and broker non-votes will have no effect because only a plurality of votes is required to elect a Trustee nominee. A proxy card marked withhold with respect to election of Trustees/Directors would have the same effect as an abstention.

Broker non-votes occur when a proposal that is routine (such as the election of trustees/directors) 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 and 2. No broker non-votes are anticipated with respect to Proposals 3 and 4 because they are considered routine proposals 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 are entitled to vote at the Meeting. Each Fund s Board has unanimously approved the Fund s Plan of Redomestication discussed in Proposal 1. Shareholder approval of the Plan of Redomestication for each Fund requires the affirmative vote of the holders of a majority of the total number of Common Shares of such Fund outstanding and entitled to vote. Proposal 1 may be 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 requires the affirmative vote of a majority of the Common Shares of each Fund outstanding and entitled to vote. Proposal 2 may be implemented for the Target Fund only if Proposal 1 is also approved by both the Target Fund and the Acquiring Fund and regardless of whether shareholders approve any other Proposal applicable to the Funds.

With respect to Proposal 3, the Common Shareholders of the Target Fund will vote on the nominees set forth herein. The affirmative vote of a majority of the Common Shares of the Target Fund cast at the Meeting is required to elect each nominee for Director of the Target Fund. Proposal 3 may be implemented for the Target Fund regardless of whether shareholders approve any other Proposal applicable to the Target Fund.

With respect to Proposal 4, the Common Shareholders of the Acquiring Fund will vote on the nominees set forth herein. The affirmative vote of a plurality of the Common Shares of the Acquiring Fund at the Meeting is required to elect each nominee for Trustee of the Acquiring Fund. Proposal 4 may be implemented for the Acquiring Fund regardless of whether shareholders approve any other Proposal applicable to the Acquiring 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 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/Directors

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 Q. Information regarding ownership by Target Fund Directors of shares of the Target Fund and of shares of all registered investment companies overseen by such Board member in the Fund Complex can be found at Exhibit G. Information regarding ownership by Acquiring Fund Trustees of shares of the Acquiring Fund and of shares of all registered investment companies overseen by such Board member in the Fund Complex can be found at Exhibit L. To the best knowledge of each Fund, the ownership of shares of such Fund by executive officers and Trustees/Directors 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 the Merger is completed, the Target Fund will not hold an annual meeting in 2013. If the Merger does not take place, the Target Fund s Board will announce the date of the 2013 annual meeting for the Target Fund. The Acquiring Fund will hold an annual meeting in 2013 regardless of whether the Merger is consummated.

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/Director by addressing the communication directly to the Board or individual Trustee/Director and/or otherwise clearly indicating that the communication is for the Board or individual Trustee/Director and by sending the communication to either the office of the Secretary of the applicable Fund or directly to such Trustee/Director at the address specified for such Trustee/Director above. 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/Directors, 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 Exchanges 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/Directors, 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.

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 SEC file number of each Fund, which contains the Fund s shareholder reports and other filings with the SEC, is 811-05769 for the Acquiring Fund, and 811-08044 for the Target Fund.

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 material, 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 Exchanges.

EXHIBIT A

Form of Agreement and Plan of Redomestication

A-1

EXHIBIT B
Comparison of Governing Documents

Target Fund (MSY)

The Target Fund is a Maryland corporation (the Corporation). Under Proposal 1, if approved, the Corporation will reorganize into a newly formed Delaware statutory trust (the DE Trust). The following is a discussion of certain provisions of the governing instruments and governing laws of the Corporation and the DE Trust, but is not a complete description thereof. Further information about the Corporation s governance structure is contained in the Corporation s shareholder reports and its governing documents.

Shares. The Directors of the Corporation have the power to issue shares, including preferred shares, without shareholder approval. The governing documents of the Corporation indicate that the amount of shares that the Corporation may issue is limited to the amount set forth in the Articles. Shares of the Corporation have no preemptive rights.

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

Organization. The Corporation is organized under the laws of the State of Maryland. The Corporation is governed by its Articles of Incorporation (the Articles) and its By-Laws, each as may be amended, and its business and affairs are managed under the supervision of its Board of Directors.

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

Composition of the Board of Directors/Trustees. The Board of Directors of the Corporation and the Board of Trustees of the DE Trust 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. Any Trustee of the DE Trust who is standing for reelection, but who fails to receive a quorum or sufficient votes, may continue to serve for successive one-year terms until such Trustee is duly elected.

Shareholder Meetings and Rights of Shareholders to Call a Meeting. The Corporation is required to hold annual shareholder meetings under its governing documents. Similarly, the DE Trust is required to hold annual shareholder meetings to elect trustees under its Declaration. In addition, the stock exchange on which the Corporation and the DE Trust s shares are currently listed requires annual meetings to elect directors/trustees.

The governing instruments for the Corporation provide that special meetings of shareholders may be called by the Chairman of the Board, the President, or a majority of the Board of Directors. Special meetings of shareholders shall also be called by the Secretary upon receipt of the request in writing signed by shareholders holding not less than 25% of the votes entitled to be cast thereat.

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

Submission of Shareholder Proposals. The federal securities laws, which apply to the Corporation and the DE Trust, 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 Corporation and the DE Trust are limited to only those matters, including the nomination and election of Directors/Trustees, that are properly brought before the meeting. For proposals submitted by shareholders, the By-Laws of the Corporation and the DE Trust

contain provisions which require that notice be given to the DE Trust or Corporation, respectively, by an otherwise eligible shareholder in advance of the annual or special shareholder meeting in order for the shareholder to present a proposal at any such meeting. 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 the Corporation, written notice must be delivered to the Secretary of the Corporation 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 Corporation no later than the 10th date of 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 Corporation to the Secretary of the Corporation 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 the 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, 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. 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 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 of 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 or 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 Corporation states that the presence in person or by proxy of stockholders entitled to cast a majority of the votes shall constitute a quorum at all meetings of the stockholders at the meeting in person or by proxy.

The By-Laws of the 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 Corporation and the Declaration and By-Laws of the DE Trust 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 Corporation and the DE Trust do not provide for cumulative voting for the election or removal of Trustees.

The Declaration for the Corporation generally provide that the total number of shares vote as a single class, except when otherwise required by applicable law, the governing instruments, or resolution of the Directors.

The Declaration for the DE Trust generally provides 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 the Corporation do not have the express 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 Corporation or its shareholders. However, such power may still exist for shareholders of the Corporation as developed under common law in the state of Maryland.

The Declaration for the DE Trust states that a shareholder may bring a derivative action on behalf of the 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 a majority of the outstanding shares must join in the request 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 the Corporation or the 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 Corporation are entitled to vote, under certain circumstances, for the election and the removal of Directors. A vote for the elections of Directors of the Corporation shall be decided by a majority of the votes cast at a duly constituted meeting. A Director of the Corporation may be removed only with cause, and any such removal may be made only by the shareholders affirmative vote of at least 75% of the shares outstanding and entitled to vote.

With regard to the DE Trust, Trustees are elected by the affirmative vote of a majority of the 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. Under certain circumstances, including non-payment of dividends equal to two full years dividends on preferred shares, holders of preferred shares may elect at least a majority of the Board s Trustees. The Declaration and By-Laws of the DE Trust do not provide shareholders with the ability to remove Trustees.

Amendment of Governing Instruments. Except as described below, the Trustees of the Corporation and DE Trust have the right to amend, from time to time, the governing instruments. For the Corporation, the Directors have the power to alter, amend, add to or repeal the By-Laws or adopt new By-Laws. For the DE Trust, the By-Laws may be altered, amended, or repealed by the Trustees, without the vote or approval of shareholders.

For the Corporation, the shareholders must vote with respect to any amendment of the Declaration to the extent provided by the Declaration. The vote required to amend most provisions is a majority of the shares of any class or series 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 meeting of shareholders. Amending other provisions, or adding provisions, requires the vote of the holders of three fourths of the shares outstanding and entitled to vote, voting as a single class.

For the DE Trust, 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. Any amendments to the Declaration that would change shareholder voting rights 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 Trust s Voting Standard).

Mergers, Reorganizations, and Conversions. The governing instruments of the Corporation provide that a merger, consolidation, sale, lease, exchange, conversion to an open-end company, incorporation or reorganization requires the affirmative vote of at least 75% of the shares outstanding and entitled to vote, voting together as a single class. If the merger, consolidation, sale, lease, exchange, conversion to an open-end company, incorporation or reorganization is approved by at least 70% of the Directors, then the vote required for approval is the affirmative vote of only a majority of the shares outstanding and entitled to vote.

For the DE Trust, any such merger, consolidation, conversion, reorganization, or reclassification requires approval pursuant to the DE Trust s 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. A principal shareholder of a fund is any corporation, person or other entity which is the beneficial owner, directly or indirectly, of more than 5% of the fund s outstanding shares. The Corporation does not require a separate vote for a transaction where a principal shareholder is the party to the transaction.

The DE Trust requires a vote pursuant to the DE Trust s 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 a Trust. With respect to the Corporation, the dissolution or liquidation of the Corporation requires the affirmative vote of at least 75% of the shares outstanding and entitled to vote, voting together as a single class. If the liquidation or dissolution is approved by at least 70% of the Directors, then the vote required for approval is the affirmative vote of only a majority of the shares outstanding and entitled to vote.

The DE Trust may be dissolved upon a vote pursuant to the DE Trust s 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 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 governing documents of the Corporation do not address the limitation of liability of shareholders for acts and obligations of the Corporation. However, Section 2-215 of Maryland Corporations and Associations provides that shareholders of the Corporation is not obligated to the Corporation or its creditors with respect to the stock. Consistent with Section 3803 of the Delaware Act, the Declaration of the DE Trust generally provides that shareholders will not be subject to personal liability for the acts or obligations of the DE Trust.

Liability of Trustees and Officers. Consistent with the 1940 Act, the governing instruments for the Corporation generally provide that no Director or officer of the Corporation is subject to any personal liability to the Corporation or to its shareholders for money damages. The governing instruments for the DE Trust generally provide that no Trustee or officer of the DE Trust is subject to any personal liability in connection with the assets or affairs of the DE Trust, 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 Corporation generally indemnifies every person who is or has been a Director or officer of the Corporation to the fullest extent permitted by law for expenses incurred in defending an action, suit or proceeding.

The Trustees, officers, employees or agents of the 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.

In addition, the DE Trust is indemnified by a shareholder for all costs, expenses, penalties, fines or other amounts arising from that shareholder s breach or failure to fully comply with the governing instruments of the DE Trust. The DE Trust is further indemnified for such costs to the extent that the shareholder is not the prevailing party in any action against the DE Trust. 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.

Acquiring Fund (VLT)

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

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

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

Organization. The IVK Trust is organized as a Massachusetts business trust, under the laws of the Commonwealth of Massachusetts. The IVK Trust is governed by its Declaration of Trust (the 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.

The DE Trust is organized as a Delaware statutory trust pursuant to the Delaware Statutory Trust Act (Delaware Act). The DE Trust is governed by its Amended and Restated Agreement and Declaration of Trust (also, a Declaration and, together with the Declaration of the IVK 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 IVK Trust and the DE Trust 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. Any Trustee of the DE Trust who is standing for reelection, but who fails to receive a quorum or sufficient votes, may continue to serve for successive one-year terms until such Trustee is duly elected.

Shareholder Meetings and Rights of Shareholders to Call a Meeting. The IVK Trust is required to hold annual shareholder meetings under its governing documents. Similarly, the DE Trust is required to hold annual shareholder meetings to elect trustees under its Declaration. In addition, the stock exchange on which the IVK Trust and DE Trust s shares are currently listed requires annual meetings to elect trustees.

The governing instruments for the IVK Trust provide that special meetings of shareholders may be called by a majority of the Trustees. In addition, special meetings of shareholders may also be called by any Trustee upon written request from shareholders holding in the aggregate not less than 51% of the outstanding common and/or preferred shares, if any (depending on whether they are voting as a single class or separately).

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

Submission of Shareholder Proposals. The IVK Trust does not have provisions in its governing instruments that require shareholders to provide advance notice to the IVK Trust in order to present a proposal at a shareholder meeting. Nonetheless, the federal securities laws, which apply to the IVK Trust and the DE Trust, 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 DE Trust 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 DE Trust contain provisions which require that notice be given to the DE Trust by an otherwise eligible shareholder in advance of the annual or special shareholder meeting in order for the shareholder to present a proposal at any such meeting. 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 the 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, 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. 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 of 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 or 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 IVK Trust provide that a quorum will exist if shareholders representing a majority of the outstanding shares of each class or series or combined class entitled to vote are present at the meeting in person or by proxy.

The By-Laws of the 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 IVK Trust and the Declaration and By-Laws of the DE Trust 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 IVK Trust and the DE Trust do not provide for cumulative voting for the election or removal of Trustees.

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

The Declaration for the DE Trust generally provides 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 the IVK 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 IVK Trust or its shareholders. Such shareholders have the power to vote to the same extent as the stockholders of a Massachusetts corporation.

The Declaration for the DE Trust states that a shareholder may bring a derivative action on behalf of the 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 a majority of the outstanding shares must join in the request 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 the IVK 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 IVK Trust 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 IVK Trust are elected by a plurality vote (*i.e.*, the nominees receiving the greatest number of votes are elected). Any Trustee of the IVK Trust may be removed at any meeting of shareholders by a vote of two-thirds of the outstanding shares of the class or classes of shares of beneficial interest that elected such Trustee.

With regard to the DE Trust, Trustees are elected by the affirmative vote of a majority of the 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. Under certain circumstances, including non-payment of dividends equal to two full years dividends on preferred shares, holders of preferred shares may elect at least a majority of the Board s Trustees. The Declaration and By-Laws of the DE Trust do not provide shareholders with the ability to remove Trustees.

Amendment of Governing Instruments. Except as described below, the Trustees of the IVK Trust and DE Trust have the right to amend, from time to time, the governing instruments. For the IVK Trust, 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. For the DE Trust, the By-Laws may be altered, amended, or repealed by the Trustees, without the vote or approval of shareholders.

For the IVK Trust, 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 of any class or series 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 meeting of shareholders.

For the DE Trust, 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. Any amendments to the Declaration that would change shareholder voting rights 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 Trust s Voting Standard).

Mergers, Reorganizations, and Conversions. The governing instruments of the IVK Trust provide that a merger, consolidation, sale, lease or exchange requires the affirmative vote of not less than 66 2/3% of the common shares and the 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. Conversion to an open-end company is required to be approved by at least a majority of the Trustees, including those who are not interested persons as defined in the 1940 Act, and a Majority Shareholder Vote of each of the common shares and preferred shareholders, if any, voting as separate classes. An incorporation or reorganization requires the approval of a majority of the common shares and preferred shares, if any, outstanding and entitled to vote, voting as separate classes.

For the DE Trust, any such merger, consolidation, conversion, reorganization, or reclassification requires approval pursuant to the DE Trust s 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 IVK Trust requires a vote or consent of 75% 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 Trust requires a vote pursuant to the DE Trust s 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 a Trust. With respect to the IVK Trust, the affirmative vote of not less than 75% of the common shares and preferred shares, if any, outstanding and entitled to vote, voting as separate classes, at any meeting of shareholders, or by an instrument in writing, without a meeting, signed by a majority of the Trustees and consented to by the holders of not less than 75% of each of such common shares and preferred shares, is required for termination of the IVK Trust.

The DE Trust may be dissolved upon a vote pursuant to the DE Trust s 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 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 Declaration for the IVK Trust provides that no shareholder will be personally liable in connection with the acts, obligations or affairs of the IVK Trust. Consistent with Section 3803 of the Delaware Act, the Declaration of the DE Trust generally provides that shareholders will not be subject to personal liability for the acts or obligations of the DE Trust.

Liability of Trustees and Officers. Consistent with the 1940 Act, the governing instruments for both the DE Trust and the IVK Trust generally provide that no Trustee or officer of the DE Trust and no Trustee, officer,

employee or agent of the IVK Trust is subject to any personal liability in connection with the assets or affairs of the DE Trust and the IVK 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 IVK Trust generally indemnifies 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 become 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, except otherwise for Disabling Conduct.

The Trustees, officers, employees or agents of the 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.

In addition, the DE Trust is indemnified by a shareholder for all costs, expenses, penalties, fines or other amounts arising from that shareholder s breach or failure to fully comply with the governing instruments of the DE Trust. The DE Trust is further indemnified for such costs to the extent that the shareholder is not the prevailing party in any action against the DE Trust. 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.

EXHIBIT C

Comparison of Delaware and Massachusetts State Laws

The following information pertains to the Acquiring Fund (VLT).

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 that the shareholders and trustees of a Delaware Trust are not liable for obligations of the trust. Under the MA Statute, shareholders and trustees are potentially 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 those documents or law. 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,	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

	and also permits the management of a DE Trust to take various actions without being required to make state filings or obtain shareholder approval.	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	The MA Statute is silent as to any requirements for the creation of such series or classes.

	Delaware Statutory Trust	Massachusetts Business Trust
	shares, 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.	
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 at 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	The MA Statute does not contain provisions relating to the removal of trustees.

	times be at least one trustee of a DE Trust.
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.

	Delaware Statutory Trust	Massachusetts Business Trust
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.
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	The MA Statute is silent as to the indemnification of trustees, officers and shareholders.

	DE Trust to indemnify and hold harmless any trustee, shareholder or other person from and against any and all claims and demands.
Insurance	Neither the DE Statute nor the MA Statute contain provisions regarding insurance.

	Delaware Statutory Trust	Massachusetts Business Trust
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 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.	There is no provision in the MA Statute relating to shareholder inspection rights.
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	There is no provision under the MA Statute regarding derivative actions.

	bring a derivative action may be subject to such additional standards and restrictions, if any, as are set forth in the governing document.	
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.

	Delaware Statutory Trust	Massachusetts Business Trust
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.

EXHIBIT D

Comparison of Delaware and Maryland State Laws

The following information pertains to the Target Fund (MSY).

Both the Maryland General Corporation Law (MD Statute) and the Delaware statutory trust act (DE Statute) permit a trust s governing document to provide guidance regarding shareholder rights and general trust governance. Generally, the MD Statute provides greater certainty with respect to specific trust governance issues, while the DE Statue provides a significant amount of operational flexibility to Delaware statutory trusts (a DE Trust). For example, the MD Statute provides default requirements in relation to shareholder meetings, record date, election of trustees, and shareholder liability whereas the DE Statute only provides that these provisions can be addressed in the DE Trust s governing document.

The following is a discussion of only certain material differences between the DE Statute and the MD Statute as applicable, and is not a complete description of those documents or law. 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	**Maryland Corporation**
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 Maryland Corporation (MD Corporation) is formed by filing signed articles of incorporation. The MD Statute governs MD Corporations. A MD Corporation is an corporation organized under the MD Statute and is governed by the MD Corporation s charter and bylaws. The MD Statute prescribes many aspects of corporate governance.
Ownership Shares of Interest	Under the DE Statute, the ownership interests in a DE Trust is denominated as beneficial interests and are held by beneficial owners.	Under the MD Statute, the ownership interests in a MD Corporation is denominated as stockholders.
Series and Classes	Under the DE Statute, the governing document may provide for classes, groups or series of shares, having such relative rights,	Under the MD Statute, the governing document may provide for classes, groups or series of shares, 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.	powers and duties as stockholders set forth in the governing document.
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	Under the MD Statute, a MD Corporation generally cannot dissolve, amend its charter, or engage in statutory share exchange, merger or consolidation unless approved by a vote of stockholders. Depending on the circumstances

	Delaware Statutory Trust	Maryland Corporation
	governing document may contain any provision relating to the exercise of voting rights.	and the charter of the corporation, there may be various exceptions to these stockholder votes. Stockholders of MD Corporations are generally entitled to one vote per share and fractional votes for fractional shares held.
Quorum	Under the DE Statute, the governing document may set forth any provision relating to quorum requirements at meetings of shareholders.	Under the MD Statute, unless the governing document provides otherwise, the presence in person or by proxy of stockholders entitled to cast a majority of all the votes entitled to be cast at the meeting constitutes a quorum.
Shareholder Meetings	The DE Statute does not mandate an annual shareholders meeting.	Under the MD Statute, a MD Corporation must hold an annual meeting unless the governing document provides otherwise. A special meeting of the stockholders may be called by the President, the Board of directors or any other person specified in the governing document, and stockholders.
Organization at Meetings	Neither the DE Statute nor the MD Statute contain specific provisions relating to the organization of shareholder meetings.	
Record Date	Under the DE Statute, the governing document may provide for record dates.	Under the MD Statute, unless provided otherwise in the governing document, the board of directors generally may set a record date or direct the stock transfer books be closed for a stated period to make a proper determination with respect to stockholders.
Qualification and Election of Trustees	Under the DE Statute, the governing documents may set forth the manner in which trustees are elected and qualified.	Under the MD Statute, the governing documents may set forth the manner in which directors are qualified. Unless provided otherwise in the governing document, directors will be elected at the annual meeting of stockholders. Each share may be

		voted for as many individuals as there are directors to be elected and for whose election the share is entitled to be voted. A plurality vote is needed at a meeting at which a quorum is present, unless provided otherwise by the governing document.
Removal of Trustees	Under the DE Statute, the governing documents of a DE 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.	Under the MD Statute, stockholders of a MD Corporation may remove any director, with or without cause, by the affirmative vote of a majority of all votes entitled to be cast generally for the election of directors, unless otherwise provided in the governing document. Exceptions to removal without cause apply if the director had been elected by a specific class of stockholders, the MD Corporation has cumulative voting for the election of directors or the directors of the

	Delaware Statutory Trust	Maryland Corporation
		MD Corporation have been divided into classes.
Restrictions on Transfer	The DE Statute does not contain provisions relating to the ability of a DE Trust to restrict transfers of beneficial interests.	The MD Statute does not generally restrict the transfers of beneficial interests unless provided otherwise in the governing document.
Preemptive Rights and Redemption of Shares	Under the DE Statute, a governing document may contain any provision relating to the rights, duties and obligations of the shareholders.	Under the MD Statute, for MD Corporations incorporated on or after October 1, 1995, unless specifically provided by the governing document, a stockholder does not have any preemptive right to subscribe to any additional issue of stock or any security convertible into an additional issue of stock. For MD corporations incorporated before October 1, 1995, a stockholder shall have preemptive rights as and to the extent in existence before October 1, 1995, unless and until expressly changed or terminated by charter amendment. Under the MD Statute, the governing document may contain any provision relating to the redemption rights and conditions.
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. Under the DE Statute, a series established in accordance with the DE Statute that has dissolved shall first pay or make reasonable provision to pay	Under the MD Statute, the affirmative vote of the holders of two-thirds of all votes entitled to be cast are required to authorize a dissolution.

	all known claims and obligations of the series, including those that are contingent, conditional and unmatured, and all known claims and obligations of the series for which the claimant is unknown. Any remaining assets of the series shall be distributed to the shareholders of such series or as otherwise provided in the governing document. A series is dissolved and its affairs wound up at the time or upon the happening events specified in the governing document or as specified by the DE Statute.

	Delaware Statutory Trust	Maryland Corporation
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.	Under the MD Statute, shareholders generally are not personally liable for debts or obligations of a corporation. A stockholder may plead on behalf of the corporation all defenses in the same manner as could the corporation or its receiver.
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.	Under the MD Statute, a director who has met his or her statutory standard of conduct has no liability for reason of being or having been a director. The governing document may include any provisions expanding or limiting the liability of its directors.
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.	Subject to the standards and restrictions contained in the governing document, a MD Corporation may indemnify its directors and officers to the full extent required or permitted by the MD Statute. A director or officer will not be indemnified for any liability to the MD Corporation or its shareholders to which he or she would otherwise be subject by reason of bad faith or active or deliberate dishonesty or the director received an improper personal benefit.
Insurance		

The DE Statute is silent as to the right of a DE Trust to purchase insurance on behalf of its trustees or other persons.	Under the MD Statute, a MD Corporation may purchase and maintain insurance on behalf of directors or other persons against any liability asserted against and incurred by such person in their capacity or arising out of such person s position.

	Delaware Statutory Trust	Maryland Corporation
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 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.	Under the MD Statute, a stockholder may, on written request and during usual business hours, inspect and copy certain records of the MD Corporation at its principal office. A stockholder may also make a written request for a statement by the MD Corporation showing all shares and securities issued and consideration received by the MD Corporation within the preceding twelve months. Additionally, under the MD Statute, one or more persons who are, and for at least six months have been, stockholder of record of at least five percent of the outstanding stock of the MD Corporation are entitled to inspect and copy the books of account and stock ledger of the MD Corporation, request a statement of affairs, and in some cases a list of the stockholders of the MD Corporation.
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	The MD Statute does not provide specific provisions relating to derivative actions.

	bring a derivative action may be subject to such additional standards and restrictions, if any, as are set forth in the governing document.	
Arbitration of Claims	The DE Statute provides flexibility as to providing for arbitration pursuant to the governing documents of a DE Trust.	The MD Statute does not provide specific provisions relating to the arbitration of claims.

	Delaware Statutory Trust	Maryland Corporation
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.	Under the MD Statute, proposed amendments to the governing documents requires, the affirmative vote of the holders of two-thirds of all votes entitled to be cast on the matter. In general, directors may propose an amendment to the governing document as long as the proposed amendment is submitted for consideration by the shareholders in the manner proscribed under the MD Statute.

EXHIBIT E

Form of Agreement and Plan of Merger

E-1

EXHIBIT F

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 (with respect only to the Target Fund (MSY))	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). Formerly: Treasurer, PowerShares Exchange-Traded Fund Trust,

Name, Year of Birth and Position(s) Held with the Fund	Officer Since	Principal Occupation(s) During Past 5 Years
		PowerShares Exchange-Traded Fund Trust II, PowerShares India Exchange-Traded Fund Trust and PowerShares Actively Managed Exchange-Traded Fund Trust; 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, INVESCO Private Capital Investments, Inc. (holding company), and Invesco Private Capital, Inc. (registered investment adviser); 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

Name, Year of Birth and Position(s) Held with the Fund	Officer Since	Principal Occupation(s) During Past 5 Years
		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 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.

EXHIBIT G

Information Regarding the Target Fund s Directors

The following information pertains to the Target Fund (MSY). Not all funds advised by the Adviser are overseen by the same board of trustees/directors. The Target Fund is overseen by the Board of Directors discussed below (the Invesco Board). References to the Board in this Exhibit G refer solely to the Invesco Board and references to Funds in this Exhibit G refer solely to those funds advised by the Adviser, including the Target Fund, overseen by the Invesco Board. References to Trustees in this Exhibit G refer to Trustees and Directors.

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 Target Fund (MSY)	Director Since	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Directorship(s) Held by Trustee
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 Executive Officer, Co-President, Chief Operating Officer and Chief Financial	140	None.

		Officer, Franklin Resources, Inc. (global investment management organization).		
Philip A. Taylor[2] 1954 Trustee, President and Principal Executive Officer	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,	140	None.

Name, Year of Birth and Position(s) Held with the Target Fund (MSY)	Director Since	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Directorship(s) Held by Trustee
		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 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

Name, Year of Birth and Position(s) Held with the Target Fund (MSY)	Director Since	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Directorship(s) Held by Trustee
		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.		
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, Board of Governors, Western Golf Association/Evans Scholars Foundation and Director, Denver Film Society.
Rodney F. Dammeyer 1940 Trustee		2010	President 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,	158	Director of Quidel Corporation and Stericycle, Inc. Prior to May 2008, Trustee of The Scripps Research Institute. Prior to February 2008,Director

Name, Year of Birth and Position(s) Held with the Target Fund (MSY)	Director Since	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Directorship(s) Held by Trustee
		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 Industries, Inc. and Partner of Arthur Andersen & Co.		of Ventana Medical Systems, Inc. Prior to April 2007, Director of GATX Corporation. Prior to April 2004, Director of TheraSense, Inc.
Albert R. Dowden 1941 Trustee	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	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.	140	None.

Name, Year of Birth and Position(s) Held with the Target Fund (MSY)	Director Since	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Directorship(s) Held by Trustee
		Formerly, Chairman, Chief Executive Officer and President, Synergen Corp. (a biotechnology company).		
Hugo F. Sonnenschein 1940 Trustee	2010	President Emeritus and Honorary Trustee of the University of Chicago and the Adam Smith Distinguished Service Professor in the Department of Economics at the University of Chicago. Prior to July 2000, President of the University of Chicago.	158	Trustee of the University of Rochester and a member of its 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 Target Fund Shares

The following table shows each Board member s ownership of shares of the Target Fund and of shares of all registered investment companies overseen by such Board member in the Fund Complex as of February 29, 2012.

Name	Dollar Range of Equity Securities in the Target Fund	Aggregate Dollar Range of Equity Securities in All Registered Investment Companies Overseen by Board Member in Family of Investment Companies
Interested Trustees		

Martin L. Flanagan
Philip A. Taylor
Wayne W. Whalen
Independent Trustees
Bruce L. Crockett
David C. Arch
Bob R. Baker
Frank S. Bayley
James T. Bunch
Rodney Dammeyer
Albert R. Dowden
Jack M. Fields
Carl Frischling
Larry Soll
Hugo F. Sonnenschein
Raymond Stickel, Jr.

EXHIBIT H

Qualifications and Experience of the Target Fund s Directors

The following information pertains to the Target Fund (MSY). Not all funds advised by the Adviser are overseen by the same board of trustees/directors. The Target Fund is overseen by the Board of Directors discussed below (the Invesco Board). References to the Board in this Exhibit H refer solely to the Invesco Board and references to Funds in this Exhibit H refer solely to those funds advised by the Adviser, including the Target Fund, overseen by the Invesco Board. References to Trustees in this Exhibit H refer to Trustees and Directors.

Interested Trustees.

Martin L. Flanagan, Trustee. 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 believes that Mr. Flanagan s long experience as an executive in the investment management area benefits the Funds.

Philip A. Taylor, Trustee. 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 believes that Mr. Taylor s long experience in the investment management business benefits the Funds.

Wayne W. Whalen, Trustee. 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 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, Trustee. 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 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, Trustee. 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 believes that Mr. Bayley s experience as a business consultant and a lawyer benefits the Funds.

James T. Bunch, Trustee. 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 believes that Mr. Bunch s experience as an investment banker and investment management lawyer benefits the Funds.

Bruce L. Crockett, Trustee and Chair. 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 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, Trustee. Since 2001, Mr. Dammeyer has been President 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 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, Trustee. 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 believes that Mr. Dowden s extensive experience as a corporate executive benefits the Funds.

Jack M. Fields, Trustee. 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 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 believes that Mr. Fields experience in the House of Representatives, especially concerning regulation of the securities markets, benefits the Funds.

Carl Frischling, Trustee. 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 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, Trustee. 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 believes that Dr. Mathai-Davis extensive experience in running public and charitable institutions benefits the Funds.

Dr. Larry Soll, Trustee. 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 believes that Dr. Soll s experience as a chairman of a public company and in academia benefits the Funds.

Hugo F. Sonnenschein, Trustee. Mr. Sonnenschein is the President Emeritus and Honorary Trustee 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 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., Trustee. 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 &

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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 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.

EXHIBIT I

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

The following information pertains to the Target Fund (MSY). Not all funds advised by the Adviser are overseen by the same board of trustees/directors. The Target Fund is overseen by the Board of Directors discussed below (the Invesco Board). References to the Board in this Exhibit I refer solely to the Invesco Board and references to Funds in this Exhibit I refer solely to those funds advised by the Adviser, including the Target Fund, overseen by the Invesco Board. References to Trustees in this Exhibit I refer to Trustees and Directors.

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 [___] 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 communications 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 that 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 Funds 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.

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 NYSE and Chicago Stock Exchange listing standards. The Audit Committee held [_____] 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 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 [____] 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, (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 NYSE and Chicago Stock 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 [____] 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 [____] 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 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 marketing of the Funds and making recommendations to the full Board with respect thereto; and (c) with regard to proxy voting, (i) overseeing the implementation of the Proxy Voting Guidelines (the Guidelines) and the Proxy Policies and Procedures (the Proxy Procedures) by the Adviser and the Sub-Advisers, reviewing the Quarterly Proxy Voting Report and making recommendations to the full Board with respect thereto, (ii) reviewing the Guidelines and the Proxy Procedures and information provided by the Adviser and the Sub-Advisers regarding industry developments and best practices in connection with proxy voting and making recommendations to the full Board with respect thereto, and (iii) in implementing its responsibilities in this area, assisting the Adviser in resolving particular proxy voting issues. The Valuation, Distribution and Proxy Oversight Committee was formed effective January 1, 2008. It succeeded the Valuation Committee, which existed prior to 2008. The Valuation, Distribution and Proxy Oversight Committee held [____] meetings during the twelve months ended February 29, 2012.

Trustees are encouraged to attend shareholder meetings, but the Board has no set policy requiring Board member attendance at meetings. During each Fund s last fiscal year, each of the Trustees during the period such Trustee served as a Trustee attended at least 75% of the meetings of the Board and all committee meetings thereof of which such Trustee was a member.

EXHIBIT J

Remuneration of the Target Fund s Directors

The following information pertains to the Target Fund (MSY). Not all funds advised by the Adviser are overseen by the same board of trustees/directors. The Target Fund is overseen by the Board of Directors discussed below (the Invesco Board). References to the Board in this Exhibit J refer solely to the Invesco Board and references to Funds in this Exhibit J refer solely to those funds advised by the Adviser, including the Target Fund, overseen by the Invesco Board. References to Trustees in this Exhibit J refer to Trustees and Directors.

Remuneration of Trustees

Each Trustee who is not affiliated with the Adviser is compensated for his or her services according to a fee schedule that recognizes the fact that such Trustee also serves as a Trustee of other Invesco Funds. Each such Trustee receives a fee, allocated among the Invesco Funds for which he or she serves as a Trustee, that consists of an annual retainer component and a meeting fee component. The Chair of the Board and Chairs and Vice Chairs of certain committees receive additional compensation for their services.

The Trustees have adopted a retirement plan funded by the Funds for the Trustees who are not affiliated with the Adviser. The Trustees also have adopted a retirement policy that permits each non-Invesco-affiliated Trustee to serve until December 31 of the year in which the Trustee turns 75. A majority of the Trustees may extend from time to time the retirement date of a Trustee.

Annual retirement benefits are available from the Funds and/or the other Invesco Funds for which a Trustee serves (each, a Covered Fund), for each Trustee who is not an employee or officer of the Adviser, who either (a) became a Trustee prior to December 1, 2008, and who has at least five years of credited service as a Trustee (including service to a predecessor fund) of a Covered Fund, or (b) was a member of the Board of Trustees of a Van Kampen Fund immediately prior to June 1, 2010 (Former Van Kampen Trustee), and has at least one year of credited service as a Trustee of a Covered Fund after June 1, 2010.

For Trustees other than Former Van Kampen Trustees, effective January 1, 2006, for retirements after December 31, 2005, the retirement benefits will equal 75% of the Trustee s annual retainer paid to or accrued by any Covered Fund with respect to such Trustee during the twelve-month period prior to retirement, including the amount of any retainer deferred under a separate deferred compensation agreement between the Covered Fund and the Trustee. The amount of the annual retirement benefit does not include additional compensation paid for Board meeting fees or compensation paid to the Chair of the Board and the Chairs and Vice Chairs of certain Board committees, whether such amounts are paid directly to the Trustee or deferred. The annual retirement benefit is payable in quarterly installments for a number of years equal to the lesser of (i) sixteen years or (ii) the number of such Trustee s credited years of service. If a Trustee dies prior to receiving the full amount of retirement benefits, the remaining payments will be made to the deceased Trustee s designated beneficiary for the same length of time that the Trustee would have received the payments based on his or her service or, if the Trustee has elected, in a discounted lump sum payment. A Trustee must have attained the age of 65 (60 in the event of death or disability) to receive any retirement benefit. A Trustee may make an irrevocable election to commence payment of retirement benefits upon retirement from the Board before age 72; in such a case, the annual retirement benefit is subject to a reduction for early payment.

If the Former Van Kampen Trustee completes at least 10 years of credited service after June 1, 2010, the retirement benefit will equal 75% of the Former Van Kampen Trustee s annual retainer paid to or accrued by any Covered Fund with respect to such Trustee during the twelve-month period prior to retirement, including the amount of any retainer deferred under a separate deferred compensation agreement between the Covered Fund and such Trustee. The amount of the annual retirement benefit does not include additional compensation paid for Board meeting fees or compensation paid to the Chair of the Board and the Chairs and Vice Chairs of certain Board committees, whether such amounts are paid directly to the Trustee or deferred. The annual retirement benefit is payable in quarterly installments for 10 years beginning after the later of the Former Van Kampen Trustee s termination of service or attainment of age 72 (or age 60 in the event of disability or immediately in the event of death). If a Former Van Kampen Trustee dies prior to receiving the full amount of retirement benefits, the remaining

payments will be made to the deceased Trustee s designated beneficiary or, if the Trustee has elected, in a discounted lump sum payment.

If the Former Van Kampen Trustee completes less than 10 years of credited service after June 1, 2010, the retirement benefit will be payable at the applicable time described in the preceding paragraph, but will be paid in two components successively. For the period of time equal to the Former Van Kampen Trustee s years of credited service after June 1, 2010, the first component of the annual retirement benefit will equal 75% of the compensation amount described in the preceding paragraph. Thereafter, for the period of time equal to the Former Van Kampen Trustee s years of credited service after June 1, 2010, the second component of the annual retirement benefit will equal the excess of (x) 75% of the compensation amount described in the preceding paragraph, over (y) $68,041 plus an interest factor of 4% per year compounded annually measured from June 1, 2010 through the first day of each year for which payments under this second component are to be made. In no event, however, will the retirement benefits under the two components be made for a period of time greater than 10 years. For example, if the Former Van Kampen Trustee completes 7 years of credited service after June 1, 2010, he or she will receive 7 years of payments under the first component and thereafter 3 years of payments under the second component, and if the Former Van Kampen Trustee completes 4 years of credited service after June 1, 2010, he or she will receive 4 years of payments under the first component and thereafter 4 years of payments under the second component.

Deferred Compensation Agreements. Edward K. Dunn (a former Trustee of funds in the Invesco Funds complex), Messrs. Crockett, Fields and Frischling, and Drs. Mathai-Davis and Soll (for purposes of this paragraph only, the Deferring Trustees) have each executed a Deferred Compensation Agreement (collectively, the Compensation Agreements). Pursuant to the Compensation Agreements, the Deferring Trustees have the option to elect to defer receipt of up to 100% of their compensation payable by the Funds, and such amounts are placed into a deferral account and deemed to be invested in one or more Invesco Funds selected by the Deferring Trustees.

Distributions from these deferral accounts will be paid in cash, generally in equal quarterly installments over a period of up to ten (10) years (depending on the Compensation Agreement) beginning on the date selected under the Compensation Agreement. If a Deferring Trustee dies prior to the distribution of amounts in his or her deferral account, the balance of the deferral account will be distributed to his or her designated beneficiary. The Compensation Agreements are not funded and, with respect to the payments of amounts held in the deferral accounts, the Deferring Trustees have the status of unsecured creditors of the Funds and of each other Invesco Fund from which they are deferring compensation.

Set forth below is information regarding compensation paid or accrued for each Trustee of the Target Fund during the fiscal year ended February 29, 2012.

Name of Trustee	Aggregate Compensation from the Target Fund (MSY)[1]	Pension or Retirement Benefits Accrued by All Invesco Funds[2]	Estimated Annual Benefits from Invesco Funds Upon Retirement[3]	Total Compensation Before Deferral from Invesco Funds Paid to Trustee[4]
Interested Trustees				
Martin L. Flanagan	None	None	None	None
Philip A. Taylor	None	None	None	None
Wayne W. Whalen	$[_____]	$[_____]	$[_____]	$[_____]
Independent Trustees				
David C. Arch	[_____]	[_____]	[_____]	[_____]
Frank S. Bayley	[_____]	[_____]	[_____]	[_____]
James T. Bunch	[_____]	[_____]	[_____]	[_____]
Bruce L. Crockett	[_____]	[_____]	[_____]	[_____]
Rodney F. Dammeyer	[_____]	[_____]	[_____]	[_____]

Albert R. Dowden	[_____]	[_____]	[_____]	[_____]
Jack M. Fields	[_____]	[_____]	[_____]	[_____]

Name of Trustee	Aggregate Compensation from the Target Fund (MSY)[1]	Pension or Retirement Benefits Accrued by All Invesco Funds[2]	Estimated Annual Benefits from Invesco Funds Upon Retirement[3]	Total Compensation Before Deferral from Invesco Funds Paid to Trustee[4]
Carl Frischling[5]	[_____]	[_____]	[_____]	[_____]
Prema Mathai-Davis	[_____]	[_____]	[_____]	[_____]
Larry Soll	[_____]	[_____]	[_____]	[_____]
Hugo F. Sonnenschein	[_____]	[_____]	[_____]	[_____]
Raymond Stickel, Jr.	[_____]	[_____]	[_____]	[_____]

(1) The total amount of compensation deferred by all Trustees of the Funds during the fiscal year ended February 29, 2012, including earnings, was $[_____].

(2) During the fiscal year ended February 29, 2012, the total amount of expenses allocated to the Funds in respect of such retirement benefits was $[_____].

(3) These amounts represent the estimated annual benefits payable by the Funds upon the Trustees retirement and assumes each Trustee serves until his or her normal retirement date.

(4) All Trustees, except Messrs. Arch, Dammeyer, Sonnenschein and Whalen, currently serve as Trustees of 140 registered investment companies advised by the Adviser. Messrs. Arch, Dammeyer, Sonnenschein and Whalen currently serve as Trustees of 158 registered investment companies advised by the Adviser.

(5) During the fiscal year ended February 29, 2012, the Funds paid $[_____] in legal fees to Kramer Levin Naftalis & Frankel LLP for services rendered by such firm as counsel to the Independent Trustees of the Funds. Mr. Frischling is a partner of such firm.

EXHIBIT K
Independent Auditor Information

Independent Registered Public Accounting Firm

The Audit Committee of the Board of Trustees of each Fund appointed, and the Board of Trustees ratified and approved, PricewaterhouseCoopers LLP (PwC) as the independent registered public accounting firm of the Fund for fiscal years ending after May 31, 2010. Prior to May 31, 2010, each Fund was audited by a different independent registered public accounting firm (the Prior Auditor). The Board of Trustees selected a new independent auditor in connection with the appointment of Invesco Advisers as investment adviser to the Fund (New Advisory Agreement). Effective June 1, 2010, the Prior Auditor resigned as the independent registered public accounting firm of the Fund.

The Prior Auditor s report on the financial statements of each Fund for the prior two years did not contain an adverse opinion or a disclaimer of opinion, and was not qualified or modified as to uncertainty, audit scope or accounting principles. During the period the Prior Auditor was engaged, there were no disagreements with the Prior Auditor on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedures which, if not resolved to the Prior Auditor s satisfaction, would have caused it to make reference to that matter in connection with its report.

Audit and Other Fees

The Funds and Covered Entities (the Adviser, excluding sub-advisers unaffiliated with the Adviser, and any entity controlling, controlled by or under common control with the Adviser that provides ongoing services to the Funds) were billed the amounts listed below by PwC and the Prior Auditor during each Fund s fiscal year ended February 29, 2012, stub fiscal year ended February 28, 2011, and the prior fiscal year. Effective February 28, 2011, the fiscal year end of each Fund was changed to February 28.

				Non-Audit Fees			
Fund	**Fiscal Year End**	**Audit Fees**	**Audit Related Fees[1]**	**Tax Fees[2]**	**All Other**	**Total Non-Audit**	**Total**
Invesco Van Kampen High Income Trust II (VLT)	02/29/12	$ [_]	[_]	$ [_]	[_]	$ [_]	$ [_]
	12/31/10 to 02/28/11	$ 12,250		$ 2,800		$ 2,800	$ 15,050
	12/31/10	$ 35,000	0	$ 6,000	$ 1,667	$ 7,667	$ 42,667
Invesco High Yield Investments Fund, Inc. (MSY)	02/29/12	$ [_]	[_]	$ [_]	[_]	$ [_]	$ [_]
	01/01/11 to 02/28/11	$ 12,250		$ 2,800		$ 2,800	$ 15,050
	12/31/10	$ 35,000		$ 6,000		$ 6,000	$ 41,000
Covered Entities	02/29/12	[_]	[_]	[_]	[_]	[_]	[_]
	11/01/10 to 02/28/11						
	10/31/10						

(1) Audit-Related Fees represent assurance and related services that are reasonably related to the performance of the audit of the financial statements of the Covered Entities and funds advised by the Adviser or its affiliates,

specifically data verification and agreed-upon procedures related to asset securitizations and agreed-upon procedures engagements.

(2) Tax Fees represent tax compliance, tax planning and tax advice services provided in connection with the preparation and review of the tax returns of the Fund, or, with respect to the information for Covered Entities, the tax returns of Covered Entities.

The Audit Committee of each Board has considered whether the provision of non-audit services performed by PwC to such Funds and Covered Entities is compatible with maintaining PwC s independence in performing audit services. Each Fund s Audit Committee also is required to pre-approve services to Covered Entities to the extent that the services are determined to have a direct impact on the operations or financial reporting of such Fund and 100% of such services were pre-approved by the Audit Committee pursuant to the Audit Committee s pre-approval policies and procedures. Each Board s pre-approval policies and procedures are included as part of the Board s Audit Committee charter, which is available at www.invesco.com/us. The members of the Audit Committee are David C. Arch, Frank S. Bayley, James T. Bunch, Bruce L. Crockett, Rodney Dammeyer, Raymond Stickel, Jr., and Dr. Larry Soll.

The Audit Committee of each Fund reviewed and discussed the last audited financial statements of each Fund with management and with PwC. In the course of its discussions, each Fund s Audit Committee has discussed with PwC its judgments as to the quality, not just the acceptability, of such Fund s accounting principles and such other matters as are required to be discussed with the Audit Committee by Statement on Auditing Standards No. 114 (The Auditor s Communication With Those Charged With Governance). Each Fund s Audit Committee received the written disclosures and the letter from PwC required under Public Company Accounting Oversight Board s Ethics & Independence Rule 3526 and has discussed with PwC its independence with respect to such Fund. Each Fund knows of no direct financial or material indirect financial interest of PwC in such Fund. Based on this review, the Audit Committee recommended to the Board of each Fund that such Fund s audited financial statements be included in such Fund s Annual Report to Shareholders for the most recent fiscal year for filing with the SEC.

It is not expected that representatives of PwC will attend the Meeting. In the event representatives of PwC do attend the Meeting, they will have the opportunity to make a statement if they desire to do so and will be available to answer appropriate questions.

EXHIBIT L

Information Regarding the Acquiring Fund s Trustees

The following information pertains to the Acquiring Fund (VLT). Not all funds advised by the Adviser are overseen by the same board of trustees. The Acquiring Fund is overseen by the Board of Trustees discussed below (the IVK Board). References to the Board in this Exhibit L refer solely to the IVK Board and references to Funds in this Exhibit L refer solely to those funds advised by the Adviser, including the Acquiring Fund, overseen by the IVK Board.

The tables below list the incumbent Trustees, their principal occupations, other directorships held by them and their affiliations, if any, 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.

Name, Age and Address of Trustee	Position(s) Held with the Acquiring Fund (VLT)	Term of Office and Length of Time Served	Principal Occupation(s) During the Past Five Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Directorships Held by Trustee During the Past Five Years
Independent Trustees:					
David C. Arch[1] (66) Blistex Inc. 1800 Swift Drive Oak Brook, IL 60523	Trustee		Chairman and Chief Executive Officer of Blistex Inc., a consumer health care products manufacturer.	158	Trustee/Managing General Partner of funds in the Fund Complex. 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.
Jerry D. Choate[1] (73) 33971 Selva Road Suite 130 Dana Point, CA 92629	Trustee		From 1995 to 1999, Chairman and Chief Executive Officer of the Allstate Corporation (Allstate) and Allstate Insurance Company. From 1994 to 1995, President and Chief Executive Officer of Allstate. Prior to 1994, various management positions at Allstate.	18	Trustee/Managing General Partner of funds in the Fund Complex. Director since 1998 and member of the governance and nominating committee, executive committee, compensation and management development committee and equity award committee, of Amgen Inc., a biotechnological company. Director since 1999 and member of the nominating and governance committee and compensation and executive

				committee, of Valero Energy Corporation, a crude oil refining and marketing company. Previously, from 2006 to 2007, Director and member of the compensation committee and audit committee, of H&R Block, a tax preparation services company.
Rodney F. Dammeyer***[2,4] (71) CAC, LLC 4370 La Jolla Village Drive	Trustee	President of CAC, LLC, a private company offering capital investment and management advisory services. Prior to January 2004, Director of TeleTech Holdings, Inc. Prior to 2002, Director of	158	Trustee/Managing General Partner of funds in the Fund Complex. Director of Quidel Corporation and Stericycle, Inc. Prior to May 2008, Trustee of The Scripps Research Institute. Prior to

Name, Age and Address of Trustee	Position(s) Held with the Acquiring Fund (VLT)	Term of Office and Length of Time Served	Principal Occupation(s) During the Past Five Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Directorships Held by Trustee During the Past Five Years
Suite 685 San Diego, CA 92122-1249			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 Industries, Inc. and Partner of Arthur Andersen & Co.		February 2008, Director of Ventana Medical Systems, Inc. Prior to April 2007, Director of GATX Corporation. Prior to April 2004, Director of TheraSense, Inc.
Linda Hutton Heagy[2,4] (63) 4939 South Greenwood Chicago, IL 60615	Trustee		Prior to June 2008, Managing Partner of Heidrick & Struggles, the second largest global executive search firm, and from 2001-2004, Regional Managing Director of U.S. operations at Heidrick & Struggles. Prior to 1997, Managing Partner of Ray & Berndtson, Inc., an executive recruiting firm. Prior to 1995, Executive Vice President of ABN AMRO, N.A., a bank holding company, with oversight for treasury management operations including all non-credit product pricing. Prior to 1990, experience includes Executive Vice President of The Exchange National Bank with oversight of treasury management including capital markets operations, Vice President of Northern Trust Company and an Associate at Price Waterhouse.	18	Trustee/Managing General Partner of funds in the Fund Complex. Prior to 2010, Trustee on the University of Chicago Medical Center Board, Vice Chair of the Board of the YMCA of Metropolitan Chicago and a member of the Women s Board of the University of Chicago.
R. Craig Kennedy[3] (60) 1744 R Street, N.W.	Trustee		Director and President of the German Marshall Fund of the United States, an independent U.S. foundation	18	Trustee/Managing General Partner of funds in the Fund Complex. Director of First Solar, Inc.

Washington, D.C. 20009		created to deepen understanding, promote collaboration and stimulate exchanges of practical experience between Americans and Europeans. Formerly, advisor to the Dennis Trading Group Inc., a managed futures and option company that invests money for individuals and institutions. Prior to 1992, President and Chief Executive Officer, Director and member of the Investment Committee of the Joyce Foundation, a private foundation.	
Howard J Kerr[1] (76) 14 Huron Trace Galena, IL 61036	Trustee	Retired. Previous member of the City Council and Mayor of Lake Forest, Illinois from 1988 through 2002. Previous business experience from 1981 through 1996 includes President and Chief Executive Officer of Pocklington Corporation, Inc., an investment holding company, President and Chief Executive Officer of Grabill Aerospace, and President of Custom Technologies Corporation. United States Naval Officer from 1960 through 1981, with responsibilities including Commanding Officer of United States Navy destroyers	18 Trustee/Managing General Partner of funds in the Fund Complex. Director of the Lake Forest Bank & Trust. Director of the Marrow Foundation.

Name, Age and Address of Trustee	Position(s) Held with the Acquiring Fund (VLT)	Term of Office and Length of Time Served	Principal Occupation(s) During the Past Five Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Directorships Held by Trustee During the Past Five Years
			and Commander of United States Navy Destroyer Squadron Thirty-Three, White House experience in 1973 through 1975 as military aide to Vice Presidents Agnew and Ford and Naval Aid to President Ford, and Military Fellow on the Council of Foreign Relations in 1978-through 1979.		
Jack E. Nelson***[3] (76) 423 Country Club Drive Winter Park, FL 32789	Trustee		President of Nelson Investment Planning Services, Inc., a financial planning company and registered investment adviser in the State of Florida. President of Nelson Ivest Brokerage Services Inc., a member of the Financial Industry Regulatory Authority (FINRA), Securities Investors Protection Corp. and the Municipal Securities Rulemaking Board. President of Nelson Sales and Services Corporation, a marketing and services company to support affiliated companies.	18	Trustee/Managing General Partner of funds in the Fund Complex.
Hugo F. Sonnenschein[3,4] (71) 1126 E. 59th Street Chicago, IL 60637	Trustee		President Emeritus and Honorary Trustee of the University of Chicago and the Adam Smith Distinguished Service Professor in the Department of Economics at the University of Chicago. Prior to July 2000, President of the University of Chicago.	158	Trustee/Managing General Partner of funds in the Fund Complex. Trustee of the University of Rochester and a member of its investment committee. Member of the National Academy of Sciences, the American Philosophical Society and a fellow of the American Academy of Arts and Sciences.
Suzanne H. Woolsey, Ph.D. [1] (70) 815 Cumberstone Road	Trustee		Chief Communications Officer of the National Academy of Sciences and Engineering and Institute of Medicine/National Research Council,	18	Trustee/Managing General Partner of funds in the Fund Complex. Independent Director and audit committee chairperson of Changing

Harwood, MD 20776	an independent, federally chartered policy institution, from 2001 to November 2003 and Chief Operating Officer from 1993 to 2001. Executive Director of the Commission on Behavioral and Social Sciences and Education at the National Academy of Sciences/National Research Council from 1989 to 1993. Prior to 1980, experience includes Partner of Coopers & Lybrand (from 1980 to 1989), Associate Director of the US Office of Management and Budget (from 1977 to 1980) and Program Director of the Urban Institute (from 1975 to 1977).	World Technologies, Inc., an energy manufacturing company, since July 2008. Independent Director and member of audit and governance committees of Fluor Corp., a global engineering, construction and management company, since January 2004. Director of Intelligent Medical Devices, Inc., a private company which develops symptom-based diagnostic tools for viral respiratory infections. Advisory Board member of ExactCost LLC, a private company providing activity-based costing for hospitals, laboratories, clinics, and physicians, since 2008. Chairperson of the Board of Trustees of the Institute for Defense Analyses, a federally funded research and development center, since 2000. Trustee from 1992 to 2000 and 2002 to present, current chairperson of the finance committee, current member of the audit committee, strategic growth committee and executive committee, and former Chairperson of the Board

Name, Age and Address of Trustee	Position(s) Held with the Acquiring Fund (VLT)	Term of Office and Length of Time Served	Principal Occupation(s) During the Past Five Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Directorships Held by Trustee During the Past Five Years
			of Trustees (from 1997 to 1999), of the German Marshall Fund of the United States, a public foundation. Lead Independent Trustee of the Rocky Mountain Institute, a non-profit energy and environmental institute; Trustee since 2004. Chairperson of the Board of Trustees of the Colorado College; Trustee since 1995. Trustee of California Institute of Technology. Previously, Independent Director and member of audit committee and governance committee of Neurogen Corporation from 1998 to 2006; and Independent Director of Arbros Communications from 2000 to 2002.		
Interested Trustees:					
Colin D. Meadows*[3] (41) 1555 Peachtree Street, N.E. Atlanta, GA 30309	Trustee; President and Principal Executive Officer		Senior Managing Director and Chief Administrative Officer of Invesco, Ltd. since 2006. Chief Administrative Officer of Invesco Advisers, Inc. since 2006. Prior to 2006, Senior Vice President of business development and mergers and acquisitions at GE Consumer Finance. Prior to 2005, Senior Vice President of strategic planning and technology at Wells Fargo Bank. From 1996 to 2003, associate principal with McKinsey & Company, focusing on the financial services and venture capital industries, with emphasis in the banking and asset management sectors.	18	None.

Wayne W. Whalen**[2] (72) 155 North Wacker Drive Chicago, IL 60606	Trustee	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	Trustee/Managing General Partner of funds in the Fund Complex. Director of the Abraham Lincoln Presidential Library Foundation.

1 Designated as a Class I trustee.

2 Designated as a Class II trustee.

3 Designated as a Class III trustee.

4 With respect to Funds with Preferred Shares outstanding, Mr. Sonnenschein and Ms. Heagy are elected by the Preferred Shareholders.

* Mr. Meadows is an interested person (within the meaning of Section 2(a)(19) of the 1940 Act) of the funds in the Fund Complex because he is an officer of the Adviser. The Board of Trustees of the Funds appointed Mr. Meadows as Trustee of the Funds effective June 1, 2010.

** Mr. Whalen is an interested person (within the meaning of Section 2(a)(19) of the 1940 Act) of certain funds in the Fund Complex because he and his firm currently provide legal services as legal counsel to such funds in the Fund Complex.

*** Pursuant to the Board s Trustee retirement policy, Howard J Kerr and Jack E. Nelson are retiring from the Board effective as of the Meeting. In addition, Rodney Dammeyer is resigning from the Board effective as of the Meeting. Rodney Dammeyer is not standing for reelection and his term of office as Trustee of the Acquiring Fund will expire at the Meeting.

Each Trustee generally serves a three-year term from the date of election. Each Trustee has served as a Trustee of each respective Fund since the year shown in the following table.

				Independent Trustees						Interested Trustees	
Fund	**Arch**	**Choate**	**Dammeyer**	**Heagy**	**Kennedy**	**Kerr**	**Nelson**	**Sonnenschein**	**Woolsey**	**Meadows**	**Whalen**
Acquiring Fund (VLT)	1989	2003	1989	2003	2003	1992	2003	1994	2003	2010	1989

Trustee Ownership of Acquiring Fund Shares

The following table shows each Board member s ownership of shares of the Acquiring Fund and of shares of all registered investment companies overseen by such Board member in the Fund Complex as of February 29, 2012.

Name	**Dollar Range of Equity Securities in the Acquiring Fund**	**Aggregate Dollar Range of Equity Securities in All Registered Investment Companies Overseen by Board Member in Family of Investment Companies**
Independent Trustees		
David C. Arch		
Jerry D. Choate		
Rodney F. Dammeyer		
Linda Hutton Heagy		
R. Craig Kennedy		
Howard J Kerr		
Jack E. Nelson		
Hugo F. Sonnenschein		
Suzanne H. Woolsey		
Interested Trustees		
Colin D. Meadows		
Wayne W. Whalen		

EXHIBIT M

Qualifications and Experience of the Acquiring Fund s Trustees

The following information pertains to the Acquiring Fund (VLT). Not all funds advised by the Adviser are overseen by the same board of trustees. The Acquiring Fund is overseen by the Board of Trustees discussed below (the IVK Board). References to the Board in this Exhibit M refer solely to the IVK Board and references to Funds in this Exhibit M refer solely to those funds advised by the Adviser, including the Acquiring Fund, overseen by the IVK Board.

Trustee Qualifications and Experience

The management of the Invesco Van Kampen Funds seeks to provide investors with disciplined investment teams, a research-driven culture, careful long-term perspective, and a legacy of experience. Consistent with these goals, the Board overseeing the Invesco Van Kampen Funds seeks to provide shareholders with a highly qualified, highly capable and diverse group of Board members reflecting the diversity of investor interests underlying the Invesco Van Kampen Funds and with a diversity of backgrounds, experience and skills that the Board considers desirable and necessary to its primary goal protecting and promoting shareholders interests. While the Board does not require that its members meet specific qualifications, the Board has historically sought to recruit and continues to value individual Board members that add to the overall diversity of the Board the objective is to bring varied backgrounds, experience and skills reflective of the wide range of the shareholder base and provide both contrasting and complementary skills relative to the other Board members to best protect and promote shareholders interests. Board diversity means bringing together different viewpoints, professional experience, investment experience, education, and other skills. As can be seen in the individual biographies below, the Board brings together a wide variety of business experience (including chairman/chief executive officer-level and director-level experience, including board committee experience, of several different types of organizations); varied public and private investment-related experience; not-for-profit experience; customer service and other back office operations experience; a wide variety of accounting, finance, legal, and marketing experience; academic experience; consulting experience; and government, political and military service experience. All of this experience together results in important leadership and management knowledge, skills and perspective that provide the Board understanding and insight into the operations of the Funds and add range and depth to the Board. As part of its governance oversight, the Board conducts an annual self-effectiveness survey which includes, among other things, evaluating the Board s (and each committee s) agendas, meetings and materials, conduct of the meetings, committee structures, interaction with management, strategic planning, etc., and also includes evaluating the Board s (and each committee s) size, composition, qualifications (including diversity of characteristics, experience and subject matter expertise) and overall performance.

The Board evaluates all of the foregoing and does not believe any single factor or group of factors controls or dominates the qualifications of any individual trustee or the qualifications of the trustees as a group. After considering all factors together, the Board believes that each Trustee is qualified to serve as a Trustee.

Independent Trustees.

David C. Arch. Mr. Arch has been a member of the Board of one or more funds in the Fund Complex since 1988. The Board believes that Mr. Arch s experience as the chairman and chief executive officer of a public company and as a member of the board of several organizations, his service as a Trustee of the Funds and his experience as a director of other investment companies benefits the Funds.

Jerry D. Choate. Mr. Choate has been a member of the Board of one or more funds in the Fund Complex since 2003. The Board believes that Mr. Choate s experience as the chairman and chief executive officer of a public company and a director of several public companies, his service as a Trustee of the Funds and his experience as a director of other investment companies benefits the Funds.

Rodney F. Dammeyer. Mr. Dammeyer has been a member of the Board of one or more funds in the Fund Complex since 1988. The Board believes that Mr. Dammeyer s experience in executive positions at a number of public companies and as a director of several public companies, his accounting experience, his service as a Trustee of the

Funds and his experience serving as a director of other investment companies benefits the Funds. Mr. Dammeyer is not standing for reelection and his term of office as Trustee of the Acquiring Fund will expire at the Meeting.
Linda Hutton Heagy. Ms. Heagy has been a member of the Board of one or more funds in the Fund Complex since 2003. The Board believes that Ms. Heagy s experience in executive positions at a number of bank and trust companies and as a member of the board of several organizations, her service as a Trustee of the Funds and her experience serving as a director of other investment companies benefits the Funds.
R. Craig Kennedy. Mr. Kennedy has been a member of the Board of one or more funds in the Fund Complex since 2003. The Board believes that Mr. Kennedy s experience in executive positions at a number of foundations, his investment experience, his service as a Trustee of the Funds and his experience serving as a director of other investment companies benefits the Funds.
Howard J Kerr. Mr. Kerr has been a member of the Board of one or more funds in the Fund Complex since 1992. The Board believes that Mr. Kerr s experience in executive positions at a number of companies, his experience in public service, his service as a Trustee of the Acquiring Fund and his experience serving as a director of other investment companies benefits the Acquiring Fund. Pursuant to the Board s Trustee retirement policy, Mr. Kerr is retiring from the Board effective as of the Meeting.
Jack E. Nelson. Mr. Nelson has been a member of the Board of one or more funds in the Fund Complex since 2003. The Board believes that Mr. Nelson s experience in executive positions at a number of companies and as a member of several financial and investment industry organizations, his service as a Trustee of the Acquiring Fund and his experience serving as a director of other investment companies benefits the Acquiring Fund. Pursuant to the Board s Trustee retirement policy, Mr. Nelson is retiring from the Board effective as of the Meeting.
Hugo F. Sonnenschein. Mr. Sonnenschein has been a member of the Board of one or more funds in the Fund Complex since 1994. The Board believes that Mr. Sonnenschein s academic experience, his economic expertise, his experience as a member of the board of several organizations, his service as a Trustee of the Funds and his experience as a director of other investment companies benefits the Funds.
Suzanne H. Woolsey. Ms. Woolsey has been a member of the Board of one or more funds in the Fund Complex since 2003. The Board believes that Ms. Woolsey s experience as a director of numerous organizations, her service as a Trustee of the Funds and her experience as a director of other investment compan="DISPLAY: block; MARGIN-LEFT: 0pt; TEXT-INDENT: 36pt; MARGIN-RIGHT: 0pt" align="justify">On February 6, 2008, we entered into a purchase agreement to purchase from Columbia Tucson, LLC (“CT”) the property located at 3590 East Columbia Street, Tucson, Arizona, which we previously leased from CT (the “Property”). The purchase price of the Property was approximately $2.2 million. Joseph Hayden, our Chief Operating Officer and Executive Vice President, and Robert Howard, Thomas Dearmin and Stephen McCahon, principal stockholders and former executive officers and directors, another former executive officer and certain family members of Mr. Howard own all of the membership interests of CT. During 2007 and 2008, we paid rent of approximately $336,000 and $39,000, respectively to CT for the use of this facility.

Review, Approval or Ratification of Transactions with Related Persons

Pursuant to our Code of Business Conduct, all officers and directors of the Company who have, or whose immediate family members have, any direct or indirect financial or other participation in any business that supplies goods or services to Applied Energetics, are required to notify our Compliance Officer, who will review the proposed transaction and notify the Audit Committee of our Board of Directors for review and action as it sees fit, including, if necessary, approval by our Board of Directors.

INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS

Principal Accountant Fees and Services

The following is a summary of the fees billed to the company by BDO Seidman, LLP for professional services rendered for the years ended December 31, 2007 and 2008:

	2007	2008
Audit Fees	$ 531,540	$ 385,000
Tax Fees	$ 10,875	$ 11,000

Fees for audit services include fees associated with the annual audit of the company and its subsidiaries, the review of our quarterly reports on Form 10-Q and the internal control evaluation under Section 404 of the Sarbanes-Oxley Act of 2002. Tax fees include tax compliance, tax advice and tax planning related to federal and state tax matters.

Pre-Approval Policies and Procedures

Consistent with the SEC requirements regarding auditor independence, our Audit Committee has adopted a policy to pre-approve all audit and permissible non-audit services provided by our independent registered public accounting firm. Under the policy, the Audit Committee must approve non-audit services prior to the commencement of the specified service. Our independent registered public accounting firm, BDO Seidman, LLP, have verified, and will verify annually, to our Audit Committee that they have not performed, and will not perform any prohibited non-audit service.

AUDIT COMMITTEE REPORT

The responsibilities of the audit committee are to assist the board of directors in fulfilling the board's oversight responsibilities with respect to (i) the integrity of the company's financial statements; (ii) the system of internal control over financial reporting; (iii) the performance, qualifications and independence of the company's independent registered public accounting firm; (iv) the company's internal audit function and (v) compliance with the company's ethics and applicable legal and regulatory requirements. The committee fulfills its responsibilities through periodic meetings with our independent registered public accounting firm, internal auditors and members of our management.

Throughout the year the audit committee monitors matters related to the independence of BDO Seidman LLP, our independent registered public accounting firm. As part of its monitoring activities, the committee obtained a letter from BDO Seidman, containing a description of all relationships between us and BDO Seidman. After reviewing the letter and discussion it with management, the audit committee discussed with BDO Seidman's objectivity and independence. Based on its continued monitoring activities and year-end review, the committee has satisfied itself as to BDO Seidman's independence. BDO Seidman also has confirmed in its letter that, in its professional judgment, it is independent of the company within the meaning of the Federal securities laws and within the requirements of Rule 3526 of the Public Company Accounting Oversight Board, "Communication with Audit Committees Concerning Independence."

The audit committee also discussed with members of our management, our internal auditors and our independent registered public accounting firm, the quality and adequacy of our internal controls and the internal audit function's management, organization, responsibilities, budget and staffing. The committee reviewed with both our independent registered public accounting firm and our internal auditors their audit plans, audit scope, and identification of audit risks.

The audit committee discussed and reviewed with the independent registered public accounting firm all matters required by auditing standards generally accepted in the United States, including those described in SAS 114, "The Auditor's Communication with Those Charged with Governance," as adopted by the Public Company Accounting Oversight Board. With and without management present, the committee discussed and reviewed the results of the independent registered public accounting firm's examination of the financial statements. The committee also discussed the results of the internal audit examinations.

The committee reviewed and discussed our audited financial statements as of and for the fiscal year ended December 31, 2008 with our management and BDO Seidman. Management has the responsibility for the preparation and integrity of our financial statements and BDO Seidman, as our independent registered public accounting firm, has the responsibility for the examination of those statements. Based on the above-mentioned review and discussions with management and BDO Seidman, the audit committee recommended to our board of directors that our audited financial statements be included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2008 for filing with the Securities and Exchange Commission. The Committee also reappointed BDO Seidman as our independent registered public accounting firm.

Audit Committee of the Board of Directors:

George P. Farley
James K. Harlan
John F. Levy*

* Became a member of the Audit Committee on June 16, 2009

STOCKHOLDER PROPOSALS FOR 2009 ANNUAL MEETING

Applied Energetics currently anticipates holding its annual meeting of stockholders for its fiscal year ending December 31, 2009 in May 2010. Stockholders who wish to present proposals appropriate for consideration at our annual meeting of stockholders to be held in the year 2009 must submit the proposal in proper form consistent with our By-laws to us at our address as set forth on the first page of this proxy statement and in accordance with the applicable regulations under Rule 14a-8 of the Exchange Act no later than December 14, 2009 in order for the proposition to be considered for inclusion in our proxy statement and form of proxy relating to such annual meeting. Any such proposals must be presented in a manner consistent with our by-laws and applicable laws. Any such proposal, as well as any questions related thereto, should be directed to our Corporate Secretary c/o Applied Energetics, Inc., 3590 East Columbia Street, Tucson, Arizona 85714.

If a stockholder submits a proposal after the December 14, 2009 deadline required under Rule 14a-8 of the Exchange Act but still wishes to present the proposal at our Annual Meeting of Stockholders (but not in our proxy statement) for the fiscal year ending December 31, 2009 to be held in 2010, the proposal, which must be presented in a manner consistent with our By-laws and applicable law, must be submitted to our Secretary in proper form at the address set forth above so that it is received by our Secretary not less than 50 nor more than 75 days prior to the meeting unless less than 65 days notice or prior public disclosure of the date of the meeting is given or made to stockholders, in which case, no less than the close of business on the tenth day following the date on which the notice of the date of the meeting was mailed or other public disclosure was made.

We did not receive notice of any proposed matter to be submitted by stockholders for a vote at this Annual Meeting and, therefore, in accordance with Exchange Act Rule 14a-4(c) any proxies held by persons designated as proxies by our Board of Directors and received in respect of this Annual Meeting will be voted in the discretion of our management on such other matter which may properly come before the Annual Meeting.

WHERE YOU CAN FIND MORE INFORMATION

Our 2008 annual report to stockholders is being made available to stockholders via the Internet. If you would like to receive printed copy of our proxy statement and annual report, you should follow the instructions for requesting such information in the notice you receive.

Copies of our Annual Report on Form 10-K for the fiscal year ended December 31, 2008 will be provided upon written request to Applied Energetics, Inc., 3590 East Columbia Street, Tucson, Arizona 85714, Attention Corporate Secretary. The Form 10-K also is available on our website www.appliedenergetics.com

We also file reports, proxy statements and other information with the Securities and Exchange Commission as required by the Securities Exchange Act of 1934, as amended. Copies of our reports, proxy statements and other information may be inspected and copied at the Public Reference Room maintained by the Securities and Exchange Commission at:

Room 1580
100 F Street, N.E.
Washington, D.C. 20549

Information on the operation of the Public Reference Room may be obtained by calling the Securities and Exchange Commission at 1-800-SEC-0330. The Securities and Exchange Commission maintains a website that contains reports, proxy and information statements and other information regarding Applied Energetics. The address of the Securities and Exchange Commission website is http://www.sec.gov.

Information and statements contained in this proxy statement, including in any Annex to this proxy statement, are qualified in all respects by reference to the copy of the relevant document filed as an Annex to this proxy statement. You should rely only on the information contained in this proxy statement to vote on the proposals set forth herein. Applied Energetics has not authorized anyone to provide you with information that is different from what is contained in this proxy statement. This proxy statement is dated July , 2009. You should not assume that the information contained in this proxy statement is accurate as of any date other than July , 2009, and neither the availability of this proxy statement via the Internet nor the mailing of this proxy statement to stockholders shall create any implication to the contrary.

OTHER INFORMATION

The Board of Directors is aware of no other matters, except for those incident to the conduct of the Annual Meeting, that are to be presented to stockholders for formal action at the Annual Meeting. If, however, any other matters properly come before the Annual Meeting or any adjournments thereof, it is the intention of the persons named in the proxy to vote the proxy in accordance with their judgment.

By order of the Board of Directors,

James M. Feigley
Chairman of the Board

August 3, 2009