

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to what action you should take, you are recommended to seek financial advice from your stockbroker or other independent adviser authorised under the Financial Services and Markets Act 2000.

## **INVESCO PERPETUAL ENHANCED INCOME LIMITED**

### **NOTICE OF AN EXTRAORDINARY GENERAL MEETING TO CONSIDER REQUISITIONED RESOLUTIONS**

Support your **INDEPENDENT** Board –  
Reject the Resolutions

Please use your **VOTE AGAINST** to:

- **save your money** by achieving lower management fees

AND

- prevent your company being controlled by vested, **conflicted interests**

**YOUR VOTE IS IMPORTANT – PLEASE VOTE**

# Timetable for Extraordinary General Meeting

Last time and date for receipt of Form of Proxy  
from Shareholders

11.30am on 18 July 2018

Time and date of the Extraordinary General Meeting

11.30am on 20 July 2018

Shareholders are requested to return the enclosed Form of Proxy. To be valid, the enclosed Form of Proxy must be completed and returned in accordance with the instructions printed thereon so as to be received as soon as possible by Link Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4ZF, but in any event no later than 48 hours before the appointed time for the Extraordinary General Meeting. The last time and date for receipt of the Form of Proxy is 11.30am on 18 July 2018.

If you hold your Shares via a broker, private wealth manager, online share trading platform or other intermediary please contact them directly in order to vote.

If you wish to support your Board please vote by completing the enclosed form in the following way:

**YOUR VOTE IS IMPORTANT – PLEASE VOTE**

If you would like to follow your Board's recommendation then mark X in the boxes below.

## The Resolutions

Please mark 'X' to indicate how you wish to vote

### Ordinary Business

To consider and, if thought fit, pass the following resolutions as Ordinary Resolutions:

- 1 That Donald Adamson be and is hereby removed as a Director of the Company with immediate effect.
- 2 That Richard Williams be and is hereby removed as a Director of the Company with immediate effect.
- 3 That, subject to the approval of the Jersey Financial Services Commission, Howard Myles be and is hereby appointed as a Director of the Company with immediate effect.
- 4 That, subject to the approval of the Jersey Financial Services Commission, Hazel Adam be and is hereby appointed as a Director of the Company with immediate effect.

	For	Against	Vote Withheld
	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

If you have recently sold or transferred all of your shares in Invesco Perpetual Enhanced Income Limited, please forward this document, together with the accompanying documents, as soon as possible either to the purchaser or transferee or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

### Contact Us:

If you would like to discuss the Extraordinary General Meeting with us directly, please call 0800 694 0471 and leave your name and contact telephone number. This facility is available 24 hours a day.

You will also be able to hear a message from the Chairman Donald Adamson.

If you would prefer to send an email, please contact our shareholder communications advisor Georgeson at 'IPE@georgeson.com'

**YOUR VOTE IS IMPORTANT – PLEASE VOTE**

# The Case against the Requisition

- A requisition has been served on the Company by Invesco Perpetual and Practical Investment Fund asking that Donald Adamson, Chairman, and Richard Williams, Chairman of the Management Engagement Committee, be removed as directors of the Company and Ms. Hazel Adam, and Mr. Howard Myles, be appointed as directors of the Company.
- **The Board believes that this Requisition is firmly against your interest.**
- The Board started negotiating the terms of its Investment Management Agreement with Invesco in November 2017, most notably around the level of management fees being paid and the removal of the performance fee. Despite good faith negotiations, Invesco subsequently resigned as the investment manager in April 2018. They did so after initially agreeing in writing to a new fee arrangement.
- Following Invesco's resignation the Board invited proposals from leading fixed income managers. Invesco were offered, but declined, the opportunity to participate in this competitive process.
- On 22nd May 2018, the Company received the aforementioned requisition demanding removal of Donald Adamson and Richard Williams. It is the Board's view that if Invesco had fully engaged with the Board during this process, it would understand the purpose of, and need for, an independent board for the successful running of a company. Invesco's actions would appear to clearly demonstrate that this is a lesson they are yet to learn.
- **The Board believes Invesco Perpetual is using its clients' ownership position to disrupt the tender process for a new manager.**
- **The strong proposals received by the Board from a number of high-quality potential managers demonstrate the untenable nature of Invesco's position.** Every proposal received would result in lower management costs as compared to what it currently pays. No party has proposed a performance fee. Furthermore a preliminary review of 5-year performance suggests that, when measured on a like for like basis against IPE's unleveraged performance, Invesco's historical performance is at approximately the mid-point of the performances quoted in the proposals.
- **Costs matter - they go directly to Shareholder returns:** They influence how much income the Company can distribute and what investment performance can be achieved. A further consequence of the lower fees offered by prospective managers is that **dividend cover could potentially be fully restored** and a positive contribution to reserves restarted, improving the long-term sustainability of the yield the Company offers.
- The Board has behaved correctly. It first attempted to renegotiate fees with Invesco and then when that process was rejected by Invesco, initiated a competitive and fair process for a new investment manager when Invesco chose to resign.
- **The Board is now being pressured by a very large asset manager:** This is a **cynical attempt to use concentrated voting power against retail investors** who as platform registered owners or wealth management clients **constitute the majority of the share register.**
- The Board believes the **Requisition can only be seen as an attempt to subvert the rights of the independent Directors to run the Company in the best interests of Shareholders.**
- The Company is responding to a request for information from the FCA about the circumstances surrounding the requisition.
- The Board understands that, based on previous conversations with Invesco Perpetual, Invesco Perpetual has historically very rarely voted its shares at company general meetings. Given this past prudent behaviour, the Board would expect them to take a similar approach on these resolutions to ensure that the will of independent shareholders is not prejudiced.

# What independent Commentators Say

## **Brewin Dolphin (Formal Statement)**

Guy Foster, head of research, Brewin Dolphin said: *“Brewin Dolphin has been concerned by proposed changes to the IPE board. We encouraged the board to seek a renegotiation and restructuring of the fees paid to Invesco [sic] which are high and encourage excessive risk taking with client funds.*

*We can find no justification for Invesco’s decision to abandon those negotiations, and subsequently use its status as the largest aggregate holder of shares (on behalf of its clients) to seek the removal of two of the directors. We cannot support the removal of board members under such circumstances and would urge parties to return to good faith negotiations or otherwise leave the board to continue working to reduce fees and shore up the uncovered distribution for the benefit of shareholders.”*

## **Jeff Prestridge (Personal Finance Editor, Daily Mail): Let ‘Enhanced Income’ go to the investors**

*Invesco’s behaviour on Enhanced Income does little to enhance its reputation. It is putting its financial interests above those of shareholders. Bang out of order.*

## **Neil Collins (Financial Times Market Commentator):**

*This looks like blatant self-interest. The fees, for managing a bond portfolio, are high even before a complex performance kicker.*

*The interests of the outside majority are being sacrificed for the managers and, unless Invesco backs off or produces a convincing explanation, its actions will do long-term damage to itself and the industry.*

## **Charles Stanley (Quoted in Financial Times)**

Rob Morgan, pensions and investments analyst: *“The Financial Conduct Authority has been very clear that fund management groups must demonstrate they’re offering value for money.”*

## **Hargreaves Lansdown (Quoted in Financial Times)**

Mark Dampier, head of research: *“The base fee [on IPE] was already high without a performance fee... We very rarely entertain a fund with performance fees any more... No one understands them, they are not transparent and they don’t exist on other funds.”*

## **Mark Bentley (Director at ShareSoc)**

*This case offers another clear illustration of why our Shareholder Rights Campaign is so important. It seems to me that Invesco have only been able to attempt this “coup” because they believe that the majority of shareholders will not be well informed about what is going on and will find it difficult to vote their shares – because those shares are held in nominee accounts and are not directly registered. If beneficial owners were properly registered, I doubt Invesco would even attempt such a move, because they would know that their chances of success would be minimal.*

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# PART 1

## Letter from the Chairman

### Invesco Perpetual Enhanced Income Limited

#### Registered Office

Ordnance House  
31 Pier Road  
St. Helier  
Jersey JE4 8PW

#### Directors

Donald Adamson (Chairman)  
Michael Lombardi  
Clive Spears  
Peter Yates  
Richard Williams

*(All independent)*

11 June 2018

Dear Shareholder

#### Introduction

I am writing to you as a Requisition has been served on the Company by Invesco Perpetual and Practical Investment Fund. The Requisition requires the Directors to call an extraordinary general meeting of the Company's Shareholders to consider resolutions that:

Mr. Donald Adamson, Chairman, and Mr. Richard Williams, Chairman of the Management Engagement Committee, each be removed as directors of the Company; and

Ms. Hazel Adam, and Mr. Howard Myles, each be appointed as directors of the Company.

The purpose of this letter is to convene the Extraordinary General Meeting and to explain why your Board is recommending Shareholders **VOTE AGAINST** the Resolutions. The Board believes that only an **INDEPENDENT** Board with relevant experience of the fixed income market can act in the best interests of all Shareholders, including negotiating contractual terms with the prospective investment manager of the Company. Therefore:

- to reduce the running costs of the Company;
- to increase the income available for distribution; and
- to supplement investment performance with lower costs;

reject the Requisition and **VOTE AGAINST** the Resolutions.

Shareholders will be aware that the Directors together own 1,282,227 shares in the Company providing strong alignment with Shareholders' interests generally. Each of the Directors intends to vote against the Resolutions.

## **Background**

### ***Current and historical management fee arrangements***

The base fee arrangements with Invesco amount to a current blended annual rate\* of 0.90%. In addition, Invesco charges a performance fee to the Company upon performance of the portfolio meeting certain criteria. As reported in the recent interim report of the Company, the Board is currently cautious about prospective returns from high yield bond markets. Therefore it is important that base fees the Company pays are competitive and limit the reduction in shareholder returns to a more reasonable level. Further, the Board believes that a performance fee might in future encourage inappropriate use of leverage at the latter stages of a credit cycle and thus removing this possible incentive is in the interests of Shareholders.

In the period from 2007 to 2017, inclusive, the Company has paid Invesco £12.3m in total fees including base and performance fees. The Company's unaudited net assets as at 30 April 2018 were £122m. For the last financial year the Company's ongoing charge was 2.15% of which investment management costs represented 1.86%<sup>1</sup>.

Costs matter – they go directly to Shareholder returns: how much dividend the Company can pay and what investment performance can be achieved.

The terms of the Investment Management Agreement were last changed in 2014. Market practice for the fees paid to managers of equivalent portfolios has changed in that time, with both annual fees reducing and performance fees becoming increasingly rare. The FCA has also published a significant review into the asset management sector in which end-client value for money was a significant focus.

Having taken relevant advice and carried out detailed research, the Board concluded that the current arrangements with Invesco needed to be adjusted. Accordingly, the Board had been seeking to renegotiate these terms since November 2017.

After significant prevarication and failure to engage in meaningful discussion by Invesco, the Board, as a last resort and having explored all other avenues, raised the possibility of terminating the contract with Invesco. The Board was then informed in writing in April 2018 that Invesco had agreed to improved fee terms. This makes their subsequent resignation all the more disappointing.

The agreed terms would have removed the performance fee and reduced the blended annual rate to 0.77%\*. Shareholders will note that this reduced fee is still higher than virtually all of the fees quoted by alternative managers discussed below. Invesco were also asked to accept a change to their termination notice period to bring the Company into line with other Invesco managed listed investment companies. Invesco refused and resigned without further discussion with the Board.

Invesco is required to manage the Company until the expiry of the 12 month notice period provided under the existing investment management agreement.

## Timeline

The events leading to this requisition may be briefly summarised as the below:

<b>September 17:</b>	Board puts Invesco on notice it intends to negotiate a reduction in Invesco's management fees to more competitive, open market rates
<b>12 November 17:</b>	Chairman and Management Engagement Committee Chairman meet Invesco to discuss fee amendments, supported by detailed analysis of competitor fees. Invesco rejected proposed revised terms at meeting and subsequently in writing
<b>1 February 18:</b>	Issue of fees raised again with Invesco, but, once again, rebuffed
<b>26 March 18:</b>	Invesco receives proposed revised terms in writing and given opportunity to engage or face termination as investment manager
<b>27 March 18:</b>	Invesco confirms intention to accept revised terms, in writing
<b>22 April 18:</b>	Letter received from Invesco resigning from mandate
<b>22 May 18:</b>	Invesco Perpetual and others then serve Board with requisition for extraordinary general meeting to remove two directors

## New manager recruitment process

Following Invesco's resignation, the Board initiated a process to recruit a new investment manager for the Company. Invesco declined to participate in this open and competitive process.

The Board is pleased that, despite the Requisition, which was served at a time when Invesco Perpetual were aware that proposals were being sought following Invesco's resignation, a significant number of highly credible organisations have submitted a range of proposals. Virtually all are from 'household names' in the asset management industry.

Management fees proposed range from 0.35% to 0.83% of Net Assets\*. **No party has proposed a performance fee.**

As noted in the Company's announcement on 29 June 2018:

- **Every proposal received from alternative managers would result in lower management costs** than those currently incurred by the Company and indeed almost all the fee proposals are lower than those that the Board thought it had agreed with Invesco before their sudden resignation.
- A further consequence of lower fees offered by prospective managers is that **dividend cover could potentially be fully restored** and a positive contribution to reserves restarted, improving the long term sustainability of the yield the Company offers.
- Many of the proposals include fee waivers or direct cost contributions to offset or partially offset costs that would arise from any transition to a new manager. They also include interesting investment proposals that would give the Company the flexibility to adapt to a changing fixed income landscape, if so desired.
- A preliminary review of 5-year performance suggests that, when measured on a like for like basis against IPE's unleveraged performance, IPE's historical performance is only at approximately the mid-point of the performances quoted in the proposals.

Whilst further investigation is needed of all the proposals submitted, the Board notes that four proposals in particular merit further investigation. A summary is included in the following table, including an estimation of what the difference in management fees proposed to that of Invesco

would have saved the Company, were they to have managed the Company's assets for the last financial year:

### Exhibit I

Manager	Fixed Income AUM	Investment Trust Experience	Management fee proposal <sup>1</sup>	Equivalent fee saving for last financial year (£m per annum)*
Manager A	£11bn <sup>2</sup>	No	0.35% NAV	1.59
Manager B	£26bn	Yes	0.39% NAV	1.54
Manager C	£79bn	Yes	0.55% NAV	1.34
Manager D	\$370bn <sup>3</sup>	Yes	0.65% NAV	1.21

The Board believes that the responses received, from managers of comparable quality and standing to Invesco, have fully vindicated its position that significantly more attractive management terms than those currently applied to the Company are available in the market. Of course, the Board is conscious that cost is not the only consideration and that a qualitative assessment is needed. In making that assessment, the expertise of the Chairman of the Management Engagement Committee is particularly important in securing the best outcome for all shareholders.

The Board's primary interest is to ensure shareholder value is both protected and enhanced. The strength of the management proposals received would appear to demonstrate a clear path to shareholder value creation through lower fees, whilst also protecting the integrity of the Company by securing a best-in-class manager to run its assets.

### The Requisition

Shareholders will be aware that a key tenet of the investment company structure is that an independent board of directors is in place to oversee the governance of a company in the best interests of Shareholders.

The Requisitionists are seeking to change your Board composition by appointing individuals whose credentials and expertise in fixed income are highly questionable. Howard Myles has 7 non-executive directorships, all employing equity strategies. Hazel Adam's career has been spent specialising in Asian equities. This Company does not invest in equities – the assets are fixed income securities. Neither nominee has made any public commitment to take into account the results of an open and highly competitive tender process to safeguard the future management of the Company nor has either made any equivalent private statement to the Company.

Meanwhile the Chairman, Donald Adamson, has over 30 years' experience of fund management, corporate finance and private equity experience. He has served as a director or chairman of eight other listed investment companies over his career. Today he holds only one listed investment company position and so is dedicated to the Company. He has been a director of the Company since 1999 and Chairman since 2012. He holds 741,230 shares in the Company. Prior to the Requisition he announced in the last interim report that he plans to step down at or before the next AGM. Before doing so he will continue to take care of Shareholder interests. The Board has initiated a process to find a successor with the relevant expertise and experience to succeed Donald.

Richard Williams is a newly appointed member of the Board and brings 25 years of experience as a fixed income investment manager. In 2014 he joined one of his former clients, the Railways' Pension Scheme, and now serves as Chief Investment Officer. In addition to IPE Richard has held a variety of non-executive and advisory roles, many with a fixed income connection. In his executive and non-executive roles Richard is an advocate for good governance and

value-for-money and speaks publicly on these issues. Richard believes that the appointment of Directors who are sponsored by an associate of the current investment manager will inevitably increase pressure for the interests of Invesco to be prioritised at the expense of shareholders.

The other members of the Board believe that the loss of Richard's expertise would be very detrimental for the Company. His background is particularly helpful for selecting and providing oversight of the investment manager.

Your Board believes that:

- Donald Adamson and Richard Williams are independent and expert Directors;
- The Nominees do not have the necessary fixed income expertise required; and that,
- Directors nominated by a shareholding controlled by an affiliate of Invesco should not be deemed independent for the purposes of the UK Corporate Governance Code.

Invesco has a significant conflict in seeking to protect its own commercial ends at the expense of retail investors in the Company. Your Company is a small company facing a self-interested onslaught from a large and powerful group that is intent on ignoring the FCA's recent call for stricter corporate governance standards and alignment of shareholder interests.

The Requisition is a cynical attempt to use Invesco's concentrated voting power against small private investors who, as platform registered owners or wealth management clients, constitute the majority of the owners of this Company. This Invesco-led requisition, served against the Board Chairman who is retiring at or before the next AGM, and the one Board member with extensive experience as a practitioner in fixed income investment management, is therefore considered by your Board to be entirely vexatious in nature.

As Invesco has resigned and subsequently declined to take part in the investment manager review process, the Board can only infer that they do not wish to manage the Company on a continuing basis and, therefore, do not have the best interests of the Company at heart when using a fund managed by an affiliate to serve the Requisition. Thus the Board believes the Requisition can only be seen as an attempt to subvert the rights of the independent Directors to run the Company in the best interests of Shareholders.

The Board understands that, based on previous conversations with Invesco Perpetual, Invesco Perpetual has historically very rarely voted its shares at company general meetings. Given this past prudent behaviour, the Board would expect them to take a similar approach on these resolutions to ensure that the will of independent shareholders is not prejudiced.

It is of significant note that the Requisitionists have not sought to justify or explain their actions. They have not to date provided a statement seeking to explain the reasons they believe the Resolutions should be approved by Shareholders and have persistently declined to comment – Shareholders can draw their own conclusions as to why this is.

### ***Costs incurred by Invesco's resignation and the subsequent Requisition***

Invesco resigned as manager of the Company and in so doing, necessitated the Board's organising the new manager recruitment process. Despite the best efforts of Board to minimise the associated expense, the costs of this process are estimated to be £140,000. Elements of these costs may be offset by fee waivers or direct contributions offered by an incoming manager. The Company looks forward to reimbursement proposals from Invesco to cover any remaining net costs to its investors.

Similarly after having resigned, Invesco instituted a self-interested and hostile requisition. Again, despite the Board's best efforts to minimise associated expenses, the costs of responding to this and reaching out to the retail investors who own the majority of company are estimated to be £300,000. Invesco has caused the Company to incur additional costs for which it should be required to reimburse shareholders.

Further, the share price has fallen 7.2p, since the day before the announcement of Invesco's resignation on 23 April 2018 to 7 June 2018 (the latest practicable date prior to publication of this document), wiping £11.9m off the market value of the Company in that period, equivalent to 9% of the Company.

### ***The Requisition – Key Takeaways***

Your vote matters:

- Secure a stronger future for the Company: Ensure the management selection process is concluded, with the prospect of appointing a manager with a strong performance track record charging lower fees than those currently paid by the Company and therefore giving the potential for better Shareholder returns
- Vote on principle: Ensure your Company remains independently governed – Stop Invesco's self-interest prevailing against other Shareholders' best interests

Ultimately, this vote is about saving Shareholders' money, maintaining the independence of your Board and concluding the process of appointing a recognised manager committed to these principles. **YOUR VOTE MATTERS**

### **Extraordinary General Meeting**

A notice convening an Extraordinary General Meeting of the Company, which is to be held at 11.30am on 20 July 2018, is set out in Part 3 of this document. At this meeting, ordinary resolutions which require a simple majority of those Shareholders voting to vote in favour in order to be passed, will be proposed to effect the removal and appointment of directors to the Board.

### **Action to be taken**

Whether or not you intend to be present at the Extraordinary General Meeting, Shareholders are requested to complete and return the accompanying Form of Proxy in accordance with the instructions printed thereon, so as to be received as soon as possible, and in any event no later than 11.30am on 18 July 2018. The completion and return of the Form of Proxy will not preclude you from attending the meeting and voting in person should you so wish.

### **Recommendation**

The Board considers that the Resolutions are not in the best interests of the Company and its Shareholders as a whole. Accordingly the Board unanimously recommends that Shareholders **VOTE AGAINST** all resolutions.

The Board intends to **VOTE AGAINST** the Resolutions in respect of their holdings of Shares amounting to 1,282,227 Shares in aggregate (representing approximately 0.78 per cent. of the issued share capital of the Company as at the date of this document, where individual members of the Board are not precluded from doing so).

The Requisition is an attempt to subjugate an independent board from carrying out its fiduciary duties. Invesco have resigned, they have declined to participate in open competition for the management contract and they now seek to change the independence of the Board's composition by populating it with nominees better suited to their liking.

Yours sincerely

**Donald Adamson**  
*Chairman*

**PART 2**

**Requisitionists' statement (none provided)**



## **PART 3**

### **Notice of Extraordinary General Meeting**

#### **INVESCO PERPETUAL ENHANCED INCOME LIMITED**

(Incorporated in Jersey under the Companies (Jersey) Law 1991 with registered number 75059)

(the **Company**)

Notice is hereby given that an extraordinary general meeting of the Company will be held at Rocco Tower Suite, Radisson Blu Waterfront Hotel, Rue de L'etau, St Helier, Jersey, JE2 3WF on 20 July 2018 at 11.30am for the purpose of considering and, if thought fit, passing the following resolutions as ordinary resolutions:

#### **Ordinary Resolutions**

- 1 That Donald Adamson be and is hereby removed as a Director of the Company with immediate effect.
- 2 That Richard Williams be and is hereby removed as a Director of the Company with immediate effect.
- 3 That, subject to the approval of the Jersey Financial Services Commission, Howard Myles be and is hereby appointed as a Director of the Company with immediate effect.
- 4 That, subject to the approval of the Jersey Financial Services Commission, Hazel Adam be and is hereby appointed as a Director of the Company with immediate effect.

*By order of the board*

**R&H Fund Services (Jersey) Limited**

*Company secretary*

11 June 2018

*Registered office:*

Ordnance House  
31 Pier House  
St Helier  
Jersey JE4 8PW

## Notes:

- 1 A form of appointment of proxy accompanies this circular and Notice of EGM.

A member entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and vote in his stead. Where more than one proxy is appointed, each proxy must be appointed to exercise the rights attached to a different share or shares. A proxy need not be a member of the Company. In order to be valid an appointment of proxy must be returned, duly executed and completed, by one of the following methods:

- via Link Asset Services' website [www.signalshares.com](http://www.signalshares.com); or
- in hard copy form by post, by courier or by hand to the Company's registrars, Link Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF; or
- in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below,

and in each case to be received by 11.30am on 18 July 2018<sup>2</sup>.

The appointment of a proxy (whether by completion of a form of appointment of proxy or other instrument appointing a proxy or any CREST Proxy Instruction) does not prevent a member from attending and voting at the EGM.

- 2 CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) by the latest time for receipt of proxy appointments specified in this document. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies through CREST should be communicated to the appointee through other means. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take or if the CREST member is a CREST Personal Member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s), such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular to those sections of the CREST Manual concerning the practical limitations of the CREST system and timings.

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<sup>2</sup> Proxies must be delivered not less than 48 hours before the time appointed for the holding of the meeting.

- 3 A person entered on the Register of Members at close of business 48 hours before the time of the EGM ('a member') is entitled to attend and vote at the EGM pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001. Any changes to the Register of Members after such time and date shall be disregarded in determining the rights of any person to attend and/or vote at the EGM. If the EGM is adjourned, entitlement to attend and vote at the adjourned meeting, and the number of votes which may be cast thereat, will be determined by reference to the Company's Register of Members 48 hours before the time fixed for the adjourned meeting.
- 4 Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
- 5 Any member attending the EGM in person has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the EGM but no such answer need be given if (a) to do so would interfere unduly with the preparation of the EGM or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the EGM that the question be answered.
- 6 You may not use any electronic address (any address or number used for the purposes of sending or receiving documents or information by electronic means) provided in this Notice (or in any related documents including the proxy form) to communicate with the Company for any purposes other than those expressly stated.
- 7 A copy of this Notice as well as various other documents relating to the Company can be found at [www.invescopetual.co.uk/investmenttrusts](http://www.invescopetual.co.uk/investmenttrusts).

## PART 4

### DEFINITIONS

**Board** or **Directors** means the directors of the Company at the date of this document, being Donald Adamson, Michael Lombardi, Clive Spears, Peter Yates and Richard Williams

**Company** or **IPE** means Invesco Perpetual Enhanced Income Limited

**Extraordinary General Meeting** means the extraordinary general meeting of the Company's Shareholders to be held in accordance with the Notice

**FCA** means the UK Financial Conduct Authority

**Form of Proxy** means the form of proxy enclosed with this document

**Invesco** means Invesco Fund Managers Limited, the Company's investment manager

**Investment Management Agreement** means the investment management agreement dated 23 February 2005 (amended and restated on 30 May 2008 and on 1 December 2014) between the Company and Invesco

**J.P. Morgan Cazenove** means J.P. Morgan Securities plc (which conducts its UK investment banking business as J.P. Morgan Cazenove)

**Notice** means the notice of extraordinary general meeting set out in Part 3 of this document

**Requisition** means the requisition of an extraordinary general meeting served on the Company on 22 May 2018

**Requisitionists** means Invesco Perpetual and Practical Investment Fund

**Resolutions** means the resolutions set out in the Notice

**Shareholder** means a holder of ordinary shares of 5p each in the capital of the Company

## **PART 5**

### **APPENDIX TO LETTER FROM THE CHAIRMAN**

\* on basis of unaudited net assets of the Company as at 30 April 2018 of £122 million.

<sup>1</sup> Management fees and Performance fees paid to Invesco for the financial year 2017 were each £1,018,000 (0.93% of net assets), or £2,036,000 in total

<sup>2</sup> All UK AUM

<sup>3</sup> Total AUM

Source for Exhibit I: Submissions received by J.P. Morgan Cazenove on behalf of the Company.

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