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If you have sold or otherwise transferred all your Shares, please forward this document, together with the accompanying Form of Proxy, as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

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Invesco Perpetual Select Trust plc

(Incorporated in England and Wales under the Companies Act with registered number 5916642; an investment company within the meaning of section 833 of the Companies Act 2006)

Proposals

to change the investment objectives and policies of the Global Equity Portfolio and the Hedge Fund Portfolio,

to increase the frequency of conversion opportunities and simplify the conversion procedures

and

to adopt new articles of association

and

Notice of general meeting

A notice convening a general meeting of the Company is set out in Part 7 of this document. That meeting will be held at 30 Finsbury Square, London EC2A 1AG, on 15 November 2011 commencing at 4.05 p.m. (or, if later, as soon as the annual general meeting of the Company convened for the same date has concluded or been adjourned).

To be valid for use at the General Meeting, the accompanying Form of Proxy should be completed and returned in accordance with the instructions printed on it as soon as possible and, in any event, so as to be received by no later than 4.05 p.m. on 13 November 2011. Appointments of proxies made by utilising the CREST electronic proxy appointment service must be made in accordance with the procedures set out in the notes at the end of the notice convening the General Meeting in Part 7 of this document as soon as possible and, in any event, so as to be received by no later than 4.05 p.m. on 13 November 2011.

This document includes certain references to the Manager's website (being www.invescoperpetual.co.uk/investmenttrusts). For the avoidance of doubt, neither the Manager's website nor the content of any website accessible from hyperlinks on that website or any other website is, or is deemed to be, incorporated into, or form, or is deemed to form, part of this document.

CONTENTS

EXPECTED TIMETABLE[1]

Latest time and date for receipt of Forms of Proxy and for appointment of proxies using CREST electronic proxy appointment service for General Meeting	4.05 p.m. on 13 November 2011
General Meeting	4.05 p.m.[2] on 15 November 2011
Transition of Global Equity Portfolio in accordance with new investment policy completed	By 30 November 2011
Instructions on how to convert Shares on any conversion date available on the Manager's website (www.invescoperpetual.co.uk/investmenttrusts)	From early December 2011
First quarterly dividend declared	January 2012
First quarterly conversion	1 February 2012[3]
Transition of Hedge Fund Portfolio in accordance with new investment policy largely completed	By 29 February 2012
Name of Hedge Fund Portfolio and Hedge Fund Shares (ticker IVPH) changed to Balanced Risk Portfolio and Balanced Risk Shares (ticker IVPB) respectively	29 February 2012

[1] The expected timetable assumes that all Resolutions set out in the notice in Part 7 of this document are passed at the General Meeting.

[2] Or, if later, as soon as the Annual General Meeting has concluded or been adjourned.

[3] Or such other date (being not more than five business days prior to or more than five business days after 1 February 2012 as the Board may in its absolute discretion determine and notify to Shareholders by an announcement through a RIS).

PART 1

LETTER FROM THE CHAIRMAN

Invesco Perpetual Select Trust plc

(Incorporated in England and Wales under the Companies Act with registered number 5916642; an investment company within the meaning of section 833 of the Companies Act 2006)

Directors:
Patrick Gifford *(Chairman)*
Sir Michael Bunbury
Alan Clifton
David Rosier

Registered Office:
30 Finsbury Square
London EC2A 1AG

14 October 2011

Dear Shareholder

Introduction

On 27 September 2011, the Directors announced developments aimed at enhancing the Company's appeal to investors. The principal proposals are:

- to change the investment objective and policy of the Global Equity Portfolio, which will entail a change of portfolio manager within Invesco Perpetual;
- to change the investment objective and policy of the Hedge Fund Portfolio, which will result in Invesco becoming investment manager of that portfolio once the changes have been implemented;
- to increase the frequency of conversion opportunities from half-yearly to quarterly and simplify the procedures required for Shareholders to elect for conversions; and
- to pay quarterly dividends in respect of the UK Equity, Global Equity and Managed Liquidity Shares to the extent that the respective classes have earned net revenues during the relevant quarter.

As the proposed changes of investment objectives and policies are material, as required by the Listing Rules they are conditional on the approval of Shareholders in general meeting. The proposed changes to the conversion process have prompted the Directors to review the Company's articles of association. In addition to amendments to reflect the revised conversion process, it is proposed to amend the Existing Articles to facilitate future developments in the Company's structure and Share classes and to update the Existing Articles following the implementation of the Companies Act 2006. These proposed amendments are also conditional on the approval of Shareholders.

The purpose of this document is to provide you with details, and to explain the benefits and risks, of the Proposals and to set out the reasons why the Board is recommending that you vote in favour of the resolutions to be considered at the general meeting of the Company to be held on 15 November 2011, notice of which is set out in Part 7 of this document.

Global Equity Portfolio

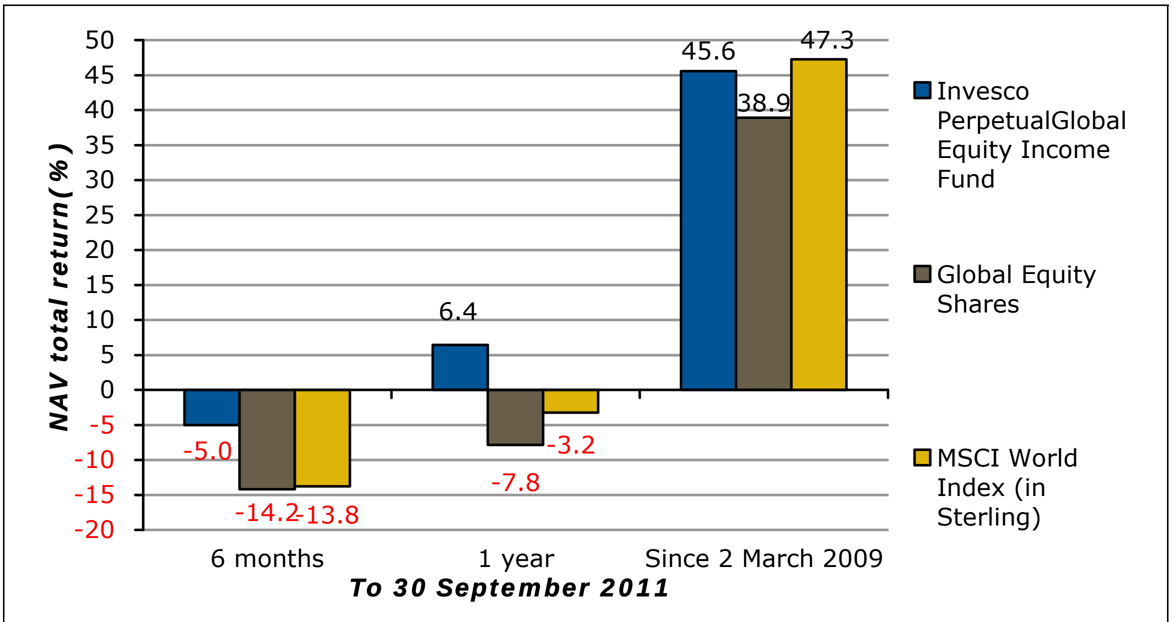
The existing investment objective of the Global Equity Portfolio is to provide long-term capital growth through investing principally in global equity securities (including UK equities). Whilst the Portfolio has consistently generated a modest level of dividends for Shareholders, the pursuit of income has not been a priority. The Directors believe that interest rates are likely to remain below the levels prevailing prior to the financial crisis of 2008-9 for some time and by some margin and, therefore, that investment income is, and is likely to remain, a prized commodity.

Furthermore, investors are increasingly looking to diversify their sources of income. Whilst yields available on global (ex-UK) equities are generally lower than those available in the UK, they remain attractive and, importantly, offer the prospect of strong dividend growth. Taking a global view of investing for income also broadens an investor's opportunity set: world-class companies are less likely to be defined by a single country or region than in the past and many industries are now global in nature. A global approach has the additional benefit of increasing diversification through exposure to different economies and sectors. Typically, the wider the spread across various countries, sectors and stocks, the lower their correlation, hence the lower the level of overall portfolio risk.

Accordingly, following discussions with the Manager and Shareholders, the Directors are proposing to add income generation and income growth as objectives for the Global Equity Shares, targeting an initial dividend yield of approximately 3.5%[4] (which compares with a dividend yield of 2.4% on the existing Global Equity Shares as at 12 October 2011). A higher dividend yield together with growth in dividend income has the potential to add to the investor appeal of the Global Equity Share class and, therefore, of the Company as a whole.

If Shareholders approve the proposed change of investment objective and policy of the Global Equity Portfolio, management of that Portfolio will transfer within Invesco Perpetual from Bob Yerbury to its Global Equity Income investment team which uses an investment process better suited to achieving the revised objective. The team's strategy is to identify quality companies with high free cash flow, strong balance sheets, strong franchises and management who are focused on the disciplined allocation of capital as the team believes these are the types of companies that are able to maintain margins and grow, or at least maintain, their dividends throughout the cycle. The Global Equity Portfolio's performance will be measured on a total return basis against that of the MSCI World Index (in Sterling).

Invesco Perpetual's Global Equity Income investment team manages the Invesco Perpetual Global Equity Income Fund, an open-ended fund launched in March 2009 which has assets of £172 million as at 30 September 2011. The performance of the Invesco Perpetual Global Equity Income Fund and, for comparison purposes, the Global Equity Shares and the MSCI World Index (in Sterling) is shown in the following chart[5].



If Shareholders approve the proposed changes to the investment objective and policy of the Global Equity Portfolio, the change will be effective immediately and the Manager anticipates that the transition of the Portfolio to bring it into line with its new investment

[4] **This targeted dividend yield is a target only and not a profit forecast and there can be no assurance that it will be met or that any growth in dividend income will be achieved.**

[5] Sources: Lipper/Morningstar (shown in Sterling on a mid-to-mid basis with net dividends reinvested and, in the case of the Invesco Global Equity Income Fund and the Global Equity Shares, net of the annual management charge and all other fund expenses). **Past performance is not a guide to future returns.**

objective and policy will be largely completed by 30 November 2011. The Investment Manager does not expect the transitional costs to be material.

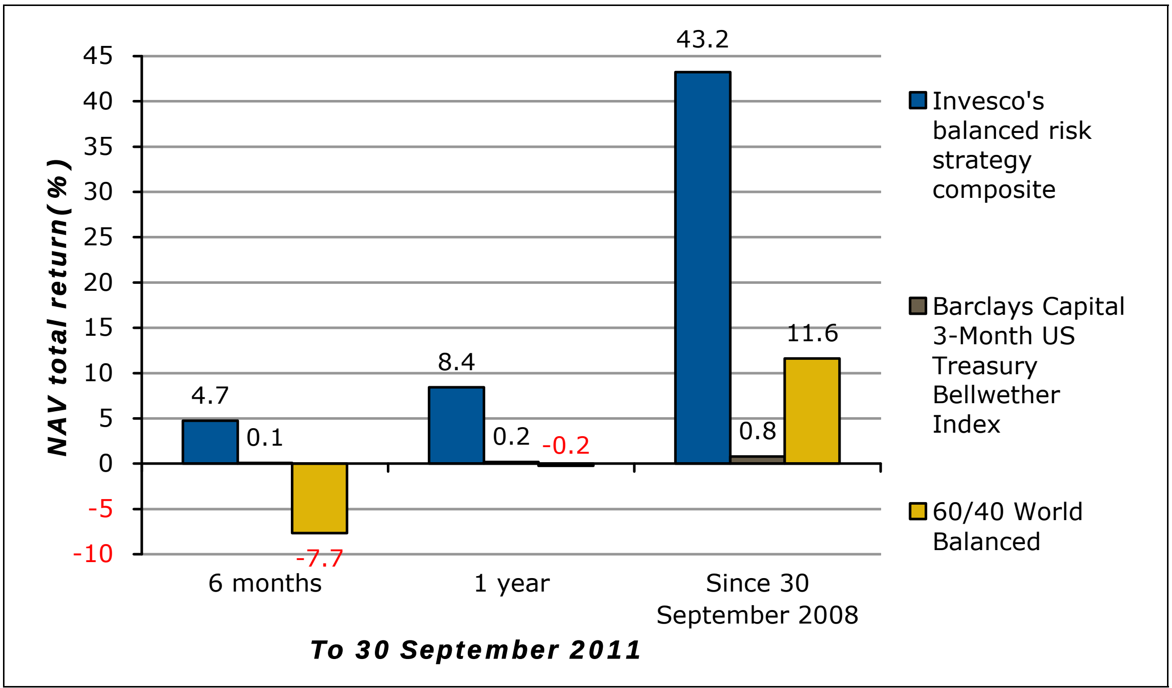
Further details of the proposed new investment objective and policy, information on the Manager's Global Equity Income investment team and other relevant information are set out in Part 2 of this document.

Hedge Fund Portfolio

The existing investment objective of the Hedge Fund Portfolio is to achieve an absolute return of 3-month sterling LIBOR plus 5% per annum over a rolling 5-year period, coupled with low volatility and with capital preservation being a priority. The Directors believe that an investment exhibiting these characteristics over the medium to long term is attractive and complements the other Portfolios. Unfortunately, however, the funds of hedge funds underlying the Hedge Fund Portfolio have been unable to deliver these characteristics consistently.

In the Board's view, a fund of hedge funds is likely to continue to struggle to provide satisfactory low volatility returns, especially as cost drag has risen as a proportion of low nominal and real returns. Accordingly, the Directors have reviewed other investment strategies with similar objectives. These included a balanced risk strategy operated by the Manager's Global Asset Allocation investment team, based in Atlanta, USA, which is aimed at delivering returns in different economic environments with low volatility. The team seeks to achieve this through investment in three asset classes, being equities, bonds and commodities. The asset class weightings are determined using a proprietary investment process, with assets being selected according to three key criteria: a correlation matrix to ensure diversification, the ability to generate excess returns and specific liquidity and transparency criteria. Exposure to the asset classes is principally obtained through highly liquid and transparently priced exchange-traded futures contracts, with cash and cash equivalents being held as collateral. The result is a diversified active portfolio with no meaningful counterparty risk.

The Manager's Global Asset Allocation investment team manages approximately US$10.3 billion, including approximately US$2.1 billion using the balanced risk strategy described above. The performance of this strategy and, for comparison purposes, the Barclays Capital 3-Month US Treasury Bellwether Index and a "60/40 World Balanced" (representing 60% MSCI World Equity Index/40% Barclays Aggregate Bond Index, in US dollars) is shown in the following chart[6].



[6] Source: Invesco (shown in US Dollars gross of fees). **Past performance is not a guide to future returns.**

On an annualised basis Invesco's balanced risk strategy composite has returned 12.7% per annum with volatility of 11.7% since its inception. Excluding the exceptionally volatile last three months of 2008 the returns are 15.3% per annum with volatility of 8.7%.

The Directors are proposing, following discussions with Shareholders, that the Hedge Fund Portfolio adopt the balanced risk strategy used by Manager's Global Asset Allocation investment team. Accordingly, the Directors are recommending that the Portfolio's investment objective be changed to provide Shareholders with an attractive total return in differing economic and inflationary environments, and with low correlation to equity and bond market indices by gaining exposure to three asset classes (debt securities, equities and commodities) and that its investment policy be amended so that the Portfolio will mainly invest in cash, cash equivalents and exchange-traded futures contracts. The return on the Portfolio will be in the form of capital returns from the futures contracts and income from the cash and cash equivalents. However, as income will depend on interest rates, the income available for distribution, if any, will fluctuate and, accordingly, there may be periods in respect of which no dividends are paid (historically, dividends have not been paid on the Hedge Fund Shares). The Directors will assess performance of the Portfolio against returns from cash and from a balanced 60/40 equity and bond portfolio.

The proposed change of investment objective and policy requires the Company to realise its investment in the Paragon Capital Appreciation Fund, which represents almost all of the Hedge Fund Portfolio's exposure to hedge funds and was valued at approximately £12.5 million, or 98% of the total the Hedge Fund Portfolio value, as at 30 September 2011. It is expected that the realisation proceeds will be received in February 2012, following which the cash will be invested in accordance with the new investment policy and strategy. The Manager anticipates that the transition of the Portfolio to bring it into line with its new investment objective and policy will be largely completed by 29 February 2012. The Hedge Fund Portfolio will retain its directly held hedge funds, all of which are in the process of liquidating. These securities were valued at approximately £250,000, or 2% of the total of the Hedge Fund Portfolio value, as at 30 September 2011.

If the proposed investment objective and policy changes are approved by Shareholders, it will also result in the termination of the Company's relationship with Fauchier Partners LLP, the advisers to the funds of hedge funds underlying the Hedge Fund Portfolio since the Company's inception in 2006. Under the arrangements with Fauchier no compensation is payable upon termination.

Following the termination of the Company's relationship with Fauchier, Invesco will assume responsibility for managing the Hedge Fund Portfolio. The Company has agreed a new basic fee arrangement with the Manager which is consistent with the existing basic fee arrangements in relation to the UK Equity Portfolio and Global Equity Portfolio. Accordingly, Invesco Perpetual will be entitled to a basic fee (payable quarterly) in respect of the Portfolio of 0.75% per annum of the value of its net assets. No performance fee will be payable.

It is expected that there will also be a number of non-investment related benefits for Shareholders of changing the investment objective and policy of the Hedge Fund Portfolio. In particular:

- The management arrangements will result in a significant reduction in the management fees borne, directly or indirectly, by Hedge Fund Shareholders. In addition, there will be savings in operating costs as the debt instruments through which the Company gains exposure to Paragon will no longer be required. As a result, there should be a significant reduction in the Portfolio's total expense ratio.
- As the Portfolio's underlying assets will be cash, cash equivalents and exchange-traded futures contracts, it will be possible for a daily NAV to be calculated for the Hedge Fund Shares (at present, the NAV of the Hedge Fund Shares is calculated weekly). The Board expects that the announcement of daily NAVs for the Hedge Fund Shares will commence on or around 29 February 2012.
- Due to the illiquid nature of the underlying Hedge Fund Portfolio, there has been a two-step conversion process for Hedge Fund Shareholders who wish to convert into any other class of Shares on any conversion date, with holders first being

required to give the Company several weeks' advance notice to convert and then to make their elections as to which Share class they wish to convert into in the 30-day period prior to the relevant conversion date. The improved liquidity in the Hedge Fund Portfolio's underlying assets compared with its existing hedge fund assets will facilitate both quarterly conversion dates and simplification of the conversion procedures by moving to the same one-step process that applies for the other Share classes.

If Resolution 2 is passed at the General Meeting, the name of the Hedge Fund Portfolio and the Hedge Fund Shares will be changed to Balanced Risk Portfolio and Balanced Risk Shares respectively with effect from 29 February 2012. With effect from 29 February 2012 the ticker for the Balanced Risk Shares will be IVPB, but the ISIN and SEDOL for the Balanced Risk Shares will be the same as the existing ISIN and SEDOL for the Hedge Fund Shares.

At present, 100% of the management fees and finance costs applicable to the Hedge Fund Portfolio are charged to capital. In accordance with the Board's expected split of long-term returns, in the form of capital gains and income, of the Portfolio following the adoption of the proposed new investment strategy, the Directors intend to charge 70% of the management fees and finance costs applicable to the Balanced Risk Portfolio to capital and the balance to revenue.

Further details of the proposed new investment objective and policy, information on the Manager's Global Asset Allocation investment team and other relevant information are set out in Part 3 of this document.

Adoption of new articles of association

The Directors believe that increasing the frequency of conversion opportunities from half-yearly to quarterly will enhance the Company's appeal to investors.

At present, the Existing Articles require the Directors to send a conversion reminder notice to Shareholders in advance of each conversion date. Inevitably, this process results in certain costs being incurred by the Company (typically in the region of £5,000 per conversion date). With a view to simplifying the conversion process and achieving savings in operating costs, the Directors are proposing that the requirement to send conversion reminder notices be removed from the Existing Articles.

Furthermore, the Directors are proposing to amend the Existing Articles so as to enable the Company to create further Share classes without requiring amendment to the Existing Articles provided that such new Share classes do not contain any provisions affecting the rights of the then existing Share classes. The creation and issue of any further Share classes would still be subject to the usual Shareholder issue and pre-emption authorities. There are no plans to create any new Share classes at present.

The Directors are also taking this opportunity to update the Existing Articles to reflect current law and best practice. Accordingly, the Directors are recommending that the Company adopt new articles of association which take into account the changes referred to above and the additional changes described in Part 5 of this document rather than make numerous changes to the Existing Articles.

Quarterly conversions

If the New Articles are adopted, the first quarterly conversion date will be 1 February 2012 (or such other date, being not more than five business days prior to or more than five business days after 1 February 2012 as the Board may in its absolute discretion determine and notify to Shareholders by an announcement through an RIS).

As the New Articles will not require the Directors to send conversion reminder notices, the Directors intend to remind Shareholders of their conversion rights through an announcement released through an RIS at least 28 days before each conversion date (that announcement will also confirm the actual date of the next conversion date). Accordingly, the first such announcement is expected to be made on or before 2 January 2012. Instructions on how to convert Shares on any conversion date will be available on the Manager's website (www.invescoperpetual.co.uk/investmenttrusts) from early December 2011.

Depending upon the numbers of Shareholders electing to convert Hedge Fund Shares into any other class of Shares, elections to convert Hedge Fund Shares may not become effective until after the proceeds of liquidation of the assets (other than hedge funds held directly) currently underlying the Hedge Fund Portfolio are received, expected to be in February 2012.

Dividends

It is the Directors' policy to distribute substantially all net revenues earned for each Share class (excluding the Hedge Fund Shares) during the period between conversion dates. Accordingly, following the introduction of quarterly conversion dates, the Board will aim to declare dividends quarterly on each Share class (excluding the Balanced Risk Shares) depending on net income from the relevant Portfolio.

In order to maximise the capital return on the Balanced Risk Shares, the Directors only intend to declare dividends on the Balanced Risk Shares (assuming Resolution 2 is passed at the General Meeting) to the extent required, having taken into account the dividends paid on the other Share classes, to maintain the Company's status as an investment trust under section 1158 of the Corporation Tax Act 2010.

Risk factors associated with the Proposals

Risks associated with proposed change of investment objective and policy of the Global Equity Portfolio: The Directors, advised by the Manager, do not believe that the proposed change of investment objective and policy will materially change the risks associated with an investment in the Global Equity Shares. However, you should also read the section headed "Dividends" below.

Risks associated with proposed change of investment objective and policy of the Hedge Fund Portfolio: The use of financial derivative instruments forms part of the proposed investment policy and strategy of the Portfolio. Such strategies might be unsuccessful and incur losses for the Portfolio, due to market conditions. Since the financial derivative instruments may be geared instruments, their use may result in greater fluctuations of the net asset value of the Portfolio. The Portfolio's ability to use these instruments may be limited by market conditions, regulatory limits and tax considerations. The use of financial derivative instruments involves special risks, including: dependence on the Manager's ability to accurately predict movements in the price of the underlying security; imperfect correlation between the movements in securities or currency on which a financial derivative instruments contract is based and movements in the securities or currencies in the Portfolio; the absence of a liquid market for any particular instrument at any particular time which may inhibit the ability of the Manager to liquidate a financial derivative instrument at an advantageous price; the degree of leverage inherent in futures trading (i.e. the loan margin deposits normally required in future trading means that futures trading may be highly leveraged). Accordingly, a relatively small price movement in a futures contract may result in an immediate and substantial loss to the Portfolio; and possible impediments to efficient portfolio management or the ability to meet repurchase requests or other short term obligations because a percentage of the Portfolio's assets may be segregated to cover its obligations. Financial derivative instruments will not be used to create net short positions in any asset class.

If Resolution 2 is not passed at the General Meeting, the Hedge Fund Portfolio will continue with its current investment objective and policy and underperformance of that objective may continue.

Risks associated with the Company's ability to pay dividends: The ability to pay dividends on any class of Shares in respect of any quarter, and in the case of the Global Equity Shares to achieve its initial target dividend rate and dividend growth, will depend primarily on the level of income received from the investments and the timing of recognition of such income by the relevant Portfolio. Accordingly, the amounts of the quarterly dividends paid to Shareholders of each class may fluctuate and there is no guarantee that any dividends will be paid in respect of any quarter or financial year or that the level of dividends will increase from year to year. The ability of the Company to pay any dividends is subject to it having sufficient distributable profits available to do so.

General Meeting

Set out in Part 7 of this document is a notice convening a general meeting of the Company for 15 November 2011 commencing at 4.05 p.m. (or, if later, as soon as the annual general meeting of the Company convened for the same date has concluded or been adjourned). The General Meeting will be held at 30 Finsbury Square, London EC2A 1AG.

The following resolutions will be proposed at the General Meeting:

- ***Resolution 1:*** To change the investment objective and policy of the Global Equity Portfolio (this resolution will be proposed as an ordinary resolution).
- ***Resolution 2****:* To change the investment objective and policy of the Hedge Fund Portfolio (this resolution will also be proposed as an ordinary resolution).
- **R*esolution 3***: To adopt new articles of association, including approving the removal of the provisions of the memorandum of association which are deemed to be part of the Company's articles of association (this resolution will be proposed as a special resolution).

In order to be passed, an ordinary resolution requires a simple majority of the votes cast to be in favour of it and a special resolution requires at least 75% of the votes cast to be in favour of it.

All Shareholders are entitled to attend and vote at the General Meeting. In accordance with the Existing Articles, all Shareholders present in person or by proxy shall have one vote each on a show of hands and, on a poll, shall have the number of votes determined by reference to the NAV of the Shares of the relevant class at close of business on 4 November 2011 as set out in the Existing Articles.

In order to ensure that a quorum is present at the General Meeting, it is necessary for two Shareholders entitled to vote to be present, whether in person or by proxy (or, if a corporation, by a representative) regardless of the class of Share.

Action to be taken

Shareholders will find enclosed with this document the following Form(s) of Proxy for use at the General Meeting:

- a green Form of Proxy for use by holders of UK Equity Shares;
- a blue Form of Proxy for use by holders of Global Equity Shares;
- a pink Form of Proxy for use by holders of Hedge Fund Shares; and
- a yellow Form of Proxy for use by holders of Managed Liquidity Shares;

Whether or not you intend to be present at the General Meeting, you are requested to complete and sign the relevant Form(s) of Proxy and return them, in accordance with the instructions printed on them, to Capita Registrars PXS, P.O. Box 25, Beckenham, Kent BR3 4TU, as soon as possible and in any event so as to arrive not later than 4.05 p.m. on 13 November. A reply paid envelope is enclosed with this document; no stamps will be required if posted in the United Kingdom.

In the case of CREST members wishing to appoint a proxy electronically, Shareholders are required to notify the Company of their appointment of proxy by utilising the CREST electronic proxy appointment service in accordance with the procedures set out in the notes at the end of the notice convening the General Meeting in Part 7 of this document so as to be received by no later than 4.05 p.m. on 13 November 2011.

The return of a completed Form of Proxy, or the appointment of a proxy electronically, will not prevent you from attending the General Meeting and voting in person if you wish to do so.

Recommendation

The Board, which has been advised by Canaccord Genuity Limited, considers the Proposals to be in the best interests of Shareholders as a whole. In advising the Board, Canaccord Genuity Limited has taken into account the Directors' own commercial assessment of the Proposals.

The Board recommends that you vote in favour of the Resolutions to be proposed at the General Meeting, as the Directors intend to do in respect of their own beneficial holdings of, in aggregate, 45,550 UK Equity Shares, 109,576 Global Equity Shares and 106,173 Hedge Fund Shares (collectively representing 0.30% of the total voting rights in the Company as at the date of this document).

Yours sincerely

Patrick Gifford
Chairman

PART 2

PROPOSED INVESTMENT OBJECTIVE AND POLICY OF THE GLOBAL EQUITY PORTFOLIO AND RELATED MATTERS

Proposed investment objective

If Resolution 1 is passed at the General Meeting, the investment objective of the Global Equity Portfolio will be changed with immediate effect to providing an attractive and growing level of income return and capital appreciation over the long term, predominantly through investment in a diversified portfolio of equities worldwide.

Proposed investment policy

If Resolution 1 is passed at the General Meeting, the investment policy of the Global Equity Portfolio will be changed with immediate effect and will be as set out in the following paragraphs of this section.

The Portfolio will be invested predominantly in a portfolio of listed, quoted or traded equities worldwide, but may also hold other securities from time to time including, *inter alia*, fixed interest securities, preference shares, convertible securities and depositary receipts. Investment may also be made in regulated or authorised collective investment schemes. The Portfolio will not invest in companies which are not listed, quoted or traded at the time of investment, although it may have exposure to such companies where, following investment, the relevant securities cease to be listed, quoted or traded. The Manager will at all times invest and manage the Portfolio's assets in a manner that is consistent with spreading investment risk, but there will be no rigid industry, sector, region or country restrictions.

The Portfolio may utilise derivative instruments including index-linked notes, contracts for differences, covered options and other equity-related derivative instruments for efficient portfolio management and investment purposes. Any use of derivatives for investment purposes will be made on the basis of the same principles of risk spreading and diversification that apply to the Portfolio's direct investments, as described above.

It is expected that, typically, the Portfolio will hold between 60 and 100 securities.

The Directors believe that the use of borrowings (gearing) can enhance returns to Global Equity Shareholders, and the Global Equity Portfolio may use borrowings in pursuing its investment objective.

The Company's foreign currency investments will not be hedged to Sterling as a matter of general policy. However, the Manager may employ currency hedging, either back to Sterling or between currencies (i.e. cross hedging of portfolio investments).

The Board has prescribed the following limits (measured at the time of investment) on the investment policy of the Global Equity Portfolio:

- no more than 20% of the gross assets of the Global Equity Portfolio may be invested in fixed interest securities;
- no more than 10% of the gross assets of the Global Equity Portfolio may be held in a single investment;
- no more than 10% of the gross assets of the Global Equity Portfolio may be held in other listed investment companies; and
- borrowings may be used to raise equity exposure up to a maximum of 20% of the net assets of the Global Equity Portfolio, when it is considered appropriate to do so.

Investment process

At the core of Invesco Perpetual's investment philosophy is a belief in active investment management. Fundamental principles drive a genuinely unconstrained investment approach, which aims to deliver attractive total returns over the long term. These fundamental principles place an emphasis on sound balance sheets, strong cash flows and the ability to pay and sustain dividends. The Global Equity Income investment team employs a valuation-orientated approach that allows investment freedom, such that it may select stocks for the Global Equity Portfolio free from the constraint of the weighting within the relevant benchmark.

The aim of the investment process is to identify potential investments with attractive valuations that can grow profit margins and deliver sustainable returns through the economic cycle and which offer attractive and sustainable dividend yields. To identify such investments the investment team complete bottom-up research and stocks are subjected to detailed fundamental analysis – including, *inter alia*, analysis of dividend yields, free cash flows, costs of capital and further quantitative analysis of key performance ratios - augmented by a qualitative assessment of the company and its management. The output from this analysis is then used to construct and review the portfolio with the aim of maximising exposure to the most attractive opportunities within its risk parameters.

The investment team believes that stocks with sustainable dividends are an important driver of portfolio total returns and a key contributor to long term outperformance. Companies with strong financials, franchises and management that are focused on disciplined capital allocation have the potential to return cash to shareholders through dividend payments throughout the cycle. The investment team therefore believes that stocks with sustainable yields offer a compelling mix of income, dividend growth and capital appreciation and can play an important role in optimising a portfolio's risk/return profile. Taking a global approach to investing, which eliminates the artificial constraints of geographic borders, enables the investment team to identify the most attractively valued investment opportunities regardless of domicile.

Risk management is an integral part of the investment management process. The Manager will seek to control risk by ensuring that the Global Equity Portfolio will always be appropriately diversified. In addition, in-depth and continual analysis of the fundamentals of all holdings in the Global Equity Portfolio should give the Manager a full understanding of the financial risks associated with any particular stock.

Investment team

Following its change of investment objective and policy, the Global Equity Portfolio will be managed by Invesco Perpetual's Global Equity Income investment team of Paul Boyne and Doug McGraw, both of whom have extensive experience in managing global equity portfolios for institutional and retail clients. Paul Boyne joined Invesco Perpetual in October 2008 as a senior fund manager within the Global Equities team and has 18 years' investment experience. Doug McGraw joined Invesco Perpetual in December 2009 and has 11 years' investment experience. The Global Equity Income investment team will be supported by the research capabilities of Invesco Perpetual's regional equity investment teams.

AIC category

The Global Equity Portfolio is currently included in the AIC's global growth sector, which comprised 29 trusts with total assets of £15.5 billion as at 31 August 2011[7]. It is expected that, if the proposed investment objective and policy changes are approved, the Global Equity Portfolio will be transferred to the AIC's global growth and income sector, which comprised eight trusts with total assets of £2.3 billion as at 31 August 2011[8].

[7] Source: The Association of Investment Companies.

[8] Source: The Association of Investment Companies.

PART 3

PROPOSED INVESTMENT OBJECTIVE AND POLICY OF THE HEDGE FUND PORTFOLIO (TO BE RENAMED THE BALANCED RISK PORTFOLIO) AND RELATED MATTERS

Proposed investment objective

If Resolution 2 is passed at the General Meeting, the investment objective of the Hedge Fund Portfolio will be changed with effect from 29 February 2012 to provide Shareholders with an attractive total return in differing economic and inflationary environments, and with low correlation to equity and bond market indices by gaining exposure to three asset classes: debt securities, equities and commodities.

Proposed investment policy

If Resolution 2 is passed at the General Meeting, the investment policy of the Hedge Fund Portfolio will be changed in February 2012 following receipt of all of the realisation proceeds from the Company's investment in the Paragon Capital Appreciation Fund, which represents almost all of the Hedge Fund Portfolio's exposure to hedge funds, and will be as set out in the following paragraphs of this section.

The Portfolio utilises two main strategies: the first seeks to balance the risk contribution from each of three asset classes (equities, bonds and commodities), with the aim of reducing the probability, magnitude, and duration of capital losses, and the second seeks to shift tactically the allocation among the assets with the aim of improving expected returns.

The Portfolio is constructed so as to balance risk: by asset class (bonds, equities and commodities) and by asset within each asset class. Neutral weighting is achieved when each asset class contributes an equal proportion of the total Portfolio risk and each asset contributes an equal proportion of the total risk for its respective asset class. The Manager is permitted to actively increase or decrease asset class weightings, subject to a maximum of 150% and a minimum of 50% of each asset class' neutral weight. The Manager is also permitted to actively increase or decrease individual asset weightings, subject to a maximum of 200% and a minimum of 0% of each asset's neutral weight, provided the asset class guidelines are not violated.

The Portfolio will be mainly invested directly in highly liquid and transparently priced exchange-traded futures contracts, with cash and cash equivalents being held as collateral. However, the Portfolio may also be invested in equities, equity-related securities and debt securities (including floating rate notes). Financial derivative instruments (including but not limited to futures and total return swaps) are used only to achieve additional long exposure to the three asset classes. The Portfolio may also use financial derivative instruments, including currency futures and forwards, for efficient portfolio management, hedging and investment purposes. Financial derivative instruments will not be used to create net short positions in any asset class. The Portfolio will comprise between 12 and 20 investments and typically around 16 investments, the majority of which represent diversified equity or bond indices.

It is expected that the Portfolio's investments will mainly be denominated in Sterling. Any non-Sterling derivative investments may be hedged back into Sterling at the discretion of the Manager when it is economic to do so.

The Board has prescribed the following limits (measured at the time of investment) on the investment policy of the Portfolio for the purposes of risk management:

- the aggregate notional amount of financial derivative instruments positions may not exceed 250% of the net assets of the Portfolio;
- no more than 10% of the gross assets of the Portfolio may be held in other listed investment companies; and
- borrowings may be used for short-term purposes up to a maximum of 5% of the net assets of the Portfolio, where it is considered appropriate.

Investment approach

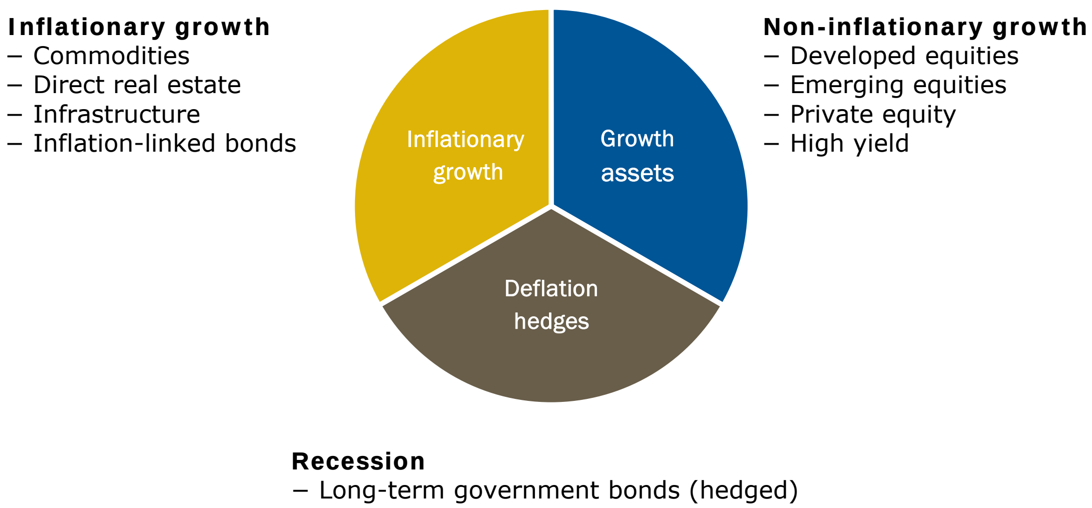
The Manager's Global Asset Allocation team's approach to portfolio construction of multi-asset portfolios aims to help protect against market downturns while still taking advantage of investment opportunities when they arise. In summary:

- The team first considers the primary economic outcomes that investors are likely to face, and then identifies assets that should benefit from each outcome.
- Next, the team balances the risk associated with each set of assets.
- Finally, the team makes tactical shifts around the balanced core, allowing the portfolio to adapt to the current market environment with a view to capturing additional return through active positioning.

Step 1 – Asset selection

The team considers three major economic outcomes: non-inflationary growth, inflationary growth and recession. One or more assets can be identified as beneficiaries of each outcome (see figure 1[9] below). For example, non-inflationary growth tends to benefit equities, due to generally brisk real growth and controlled inflation. Certain bonds, such as high yield, also benefit in such times. Long-term government bonds perform best in periods of recession, as short-term interest rates, real growth and inflation fall. Inflationary growth supports the returns of real assets, such as commodities and inflation-linked bonds.

Figure 1 - Economic outcomes and select asset classes



In order to maintain a high degree of liquidity and low counterparty risk, the team focuses on the most readily traded assets in each economic category: equities, government bonds and commodities. The allocation process is best understood in contrast to traditional balanced portfolios. While the stock/bond mix varies widely by country, the team follows the convention of considering 60% stocks and 40% bonds as a balanced portfolio. Different allocations will differ in magnitude from the examples below, but not in basic character.

Step 2 – Balance the risk

As shown at the top right side of figure 2[10] below, a traditional balanced portfolio is dominated by equity risk (over 90% of total risk in most cases). This means that the total portfolio—like equities—will typically perform well in a non-inflationary growth environment, but will struggle during periods of inflation or recession. The bottom-half of the figure shows an alternative approach, where risk is balanced equally among the assets. This leads to a quite different asset allocation, but one that may better cope with equity-unfriendly outcomes.

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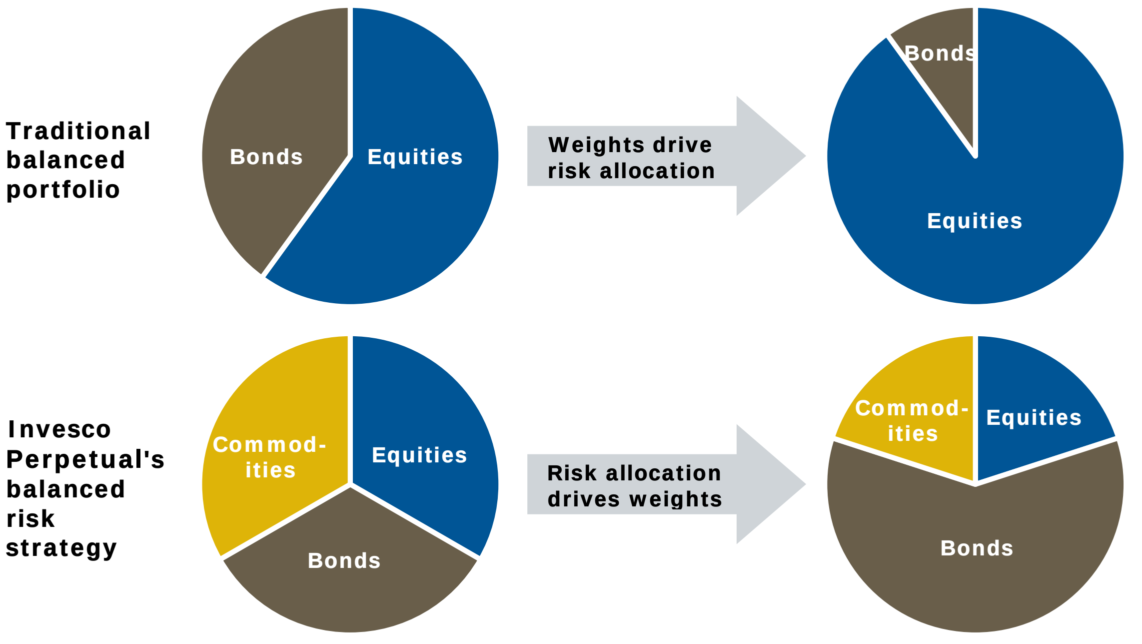
[9] Source: Invesco analysis

[10] Sources: Invesco analysis and Datastream. **For illustrative purposes only.**

Figure 2 - Asset weight and risk contribution



Within its chosen asset classes, the Manager's balanced risk strategy uses futures contracts to obtain the asset exposures, with the cash collateral invested in treasury bills (in the case of the Company, these will be UK treasury bills). **For illustrative purposes**, had the Portfolio adopted its new investment objective and policy as at 12 October 2011, its composition would have been as set out in the following table[11].

Asset class	**Equities**			**Bonds**			**Commodities**			
Group	North America	Europe	Asia	North America	Europe	Asia	Energy	Indust-rial metals	Precious metals	Agric-ulture
Assets	S&P 500 Russell 2000	FTSE 100 Euro-Stoxx	Topix Hang Seng	US Gov't Bonds Canad-ian Gov't Bonds	UK Gilts German Bunds	Japan-ese Gov't Bonds Austral-ian Gov't Bonds	Crude Oil	Copper	Gold	Soy Meal
Weight	8.8%	7.1%	5.7%	32.9%	41.9%	39.2%	5.6%	5.0%	12.0%	4.3%

As further explained below, the investment approach seeks a target volatility for the overall Portfolio. To achieve the desired level of Portfolio risk while maintaining balance, futures contracts are entered into with a notional value in excess of the Portfolio's net asset value, subject to a maximum of 250% of net assets. This has the effect of increasing the volatility and also leveraging the returns on the investments.

Step 3 – Adapt to the current market environment

After the strategic balanced-risk allocation is set, the team assesses the attractiveness of each asset relative to cash to determine the tactical allocation. This creates an opportunity for modest shifts in the mix of risk, as well as the total amount of risk taken. Each asset class will typically represent 16-50% of the total risk of the portfolio, while total expected volatility of the portfolio will generally range from 6-10% with a neutral target of 8% (for comparison, the traditional balanced portfolio referenced above has an estimated volatility of approximately 10%).

Taken together, the balanced-risk portfolio should have more defensive qualities than a traditional portfolio, since it holds assets that should perform well under a variety of environments.

[11] Source: Invesco.

Investment team

The Manager's Global Asset Allocation investment team manages approximately US$10.3 billion as at 30 June 2011 on behalf of clients through tactical asset allocation, risk-balanced and multiple asset strategies.

The team consists of chief investment officer Scott Wolle and portfolio managers Mark Ahnrud, Chris Devine, Scott Hixon, Dr Bernhard Pfaff and Christian Ulrich. The investment team averages nine years with Invesco and more than 15 years in the industry. All their strategies are managed collaboratively, with no one person being the sole investment decision maker.

AIC category

The Hedge Fund Portfolio is currently included in the AIC's hedge fund sector. Once the Portfolio is being managed in accordance with its proposed new investment policy, it should cease to be classified as a hedge fund and the Board and the Manager are in discussions with the AIC with regard to in which AIC sector the Balanced Risk Shares (being the former Hedge Fund Shares) should be included.

PART 4

INVESTMENT OBJECTIVES AND POLICIES OF THE DIFFERENT SHARE CLASSES FOLLOWING IMPLEMENTATION OF THE PROPOSALS

UK Equity Portfolio[12]

Investment objective

The investment objective of the UK Equity Portfolio is to provide Shareholders with an attractive real long-term total return by investing primarily in UK quoted equities.

Investment policy and risk

The UK Equity Portfolio is invested primarily in UK equities and equity-related securities of UK companies across all market sectors.

The Manager invests the UK Equity Portfolio so as to maximise exposure to the most attractive sectors and securities, within a portfolio structure that reflects the Manager's view of the macroeconomic environment. The Manager does not set out to manage the risk characteristics of the UK Equity Portfolio relative to the FTSE All Share Index (the **"benchmark index"**) and the investment process may result in potentially very significant over or underweight positions in individual sectors versus the benchmark. The size of weightings will reflect the Manager's view of the attractiveness of a security and the degree of conviction held. If a security is not considered to be a good investment, it will not be held in the UK Equity Portfolio, irrespective of its weight in the benchmark index.

The Manager controls the stock-specific risk of individual securities by ensuring that the UK Equity Portfolio is always diversified across market sectors. In-depth and continual analysis of the fundamentals of investee companies allows the Manager to assess the financial risks associated with any particular security.

The Directors believe that the use of borrowings (gearing) can enhance returns to Shareholders and the UK Equity Portfolio will generally use borrowings in pursuing its investment objective.

Investment limits

The Board has prescribed limits (measured at the time of investment) on the investment policy of the UK Equity Portfolio, among which are the following:

- no more than 12% of the gross assets of the UK Equity Portfolio may be held in a single investment;
- no more than 10% of the gross assets of the UK Equity Portfolio may be held in other listed investment companies; and
- ~~gearing~~borrowings may be used to raise equity exposure up to a maximum of 25% of the net assets of the UK Equity Portfolio where it is considered appropriate.

Global Equity Portfolio[13]

Investment objective

The investment objective of the Global Equity Portfolio is to ~~deliver long-term capital growth through investing principally in global securities (including UK equities)~~ provide an attractive and growing level of income return and capital appreciation over the long term, predominantly through investment in a diversified portfolio of equities worldwide.

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[12] No changes are being made to the investment objective or policy of the UK Equity Portfolio.

[13] If Resolution 1 is passed at the General Meeting, the investment policy of the Global Equity Portfolio will be changed with immediate effect (the changes have been marked up against the Global Equity Portfolio's existing investment objective and policy). The Manager anticipates that the transition of the Global Equity Portfolio to bring it into line with its new investment objective and policy will be largely completed by 30 November 2011.

Investment policy and risk

~~The Global Equity Portfolio has no rigid sector, geographic or capitalisation limits; investments are made wherever the Manager believes the most attractive returns are to be found, while ensuring that there is sufficient diversification at the total Portfolio level.~~

~~The Global Equity Portfolio is a high conviction Portfolio drawn from issuers globally and will reflect the Manager's views of the best prospects for absolute returns. Investment decisions are based on conviction derived from an understanding of the drivers of an investment's valuation. The Global Equity Portfolio's investment universe is not conditioned by a capitalisation-weighted index and index weightings play no part in stock selection. Investment decisions are active and reflect the Manager's conviction in the attractiveness of the investment.~~

~~The Manager controls the stock-specific risk of individual securities by ensuring that the Global Equity Portfolio is always appropriately diversified across stock market and geographical sectors. In-depth and continual analysis of the fundamentals of investee companies allows the Manager to assess the financial risks associated with any particular security.~~

The Portfolio will be invested predominantly in a portfolio of listed, quoted or traded equities worldwide, but may also hold other securities from time to time including, *inter alia*, fixed interest securities, preference shares, convertible securities and depositary receipts. Investment may also be made in regulated or authorised collective investment schemes. The Portfolio will not invest in companies which are not listed, quoted or traded at the time of investment, although it may have exposure to such companies where, following investment, the relevant securities cease to be listed, quoted or traded. The Manager will at all times invest and manage the Portfolio's assets in a manner that is consistent with spreading investment risk, but there will be no rigid industry, sector, region or country restrictions.

The Portfolio may utilise derivative instruments including index-linked notes, contracts for differences, covered options and other equity-related derivative instruments for efficient portfolio management and investment purposes. Any use of derivatives for investment purposes will be made on the basis of the same principles of risk spreading and diversification that apply to the Portfolio's direct investments, as described above.

It is expected that, typically, the Portfolio will hold between 60 and 100 securities.

The Directors believe that the use of borrowings (gearing) can enhance returns to Shareholders and the Global Equity Portfolio may use borrowings in pursuing its investment objective.

The Company's foreign currency investments will not be hedged to Sterling as a matter of general policy. However, the Manager may employ currency hedging, either back to Sterling or between currencies (i.e. cross hedging of portfolio investments).

Investment limits

The Board has prescribed the following limits (measured at the time of investment) on the investment policy of the Global Equity Portfolio~~, among which are the following~~:

- no more than 20% of the gross assets of the Global Equity Portfolio may be invested in fixed interest securities;
- no more than ~~12~~10% of the gross assets of the Global Equity Portfolio may be held in a single investment;
- no more than 10% of the gross assets of the Global Equity Portfolio may be held in other listed investment companies; and
- ~~gearing~~ borrowings may be used to raise equity exposure up to a maximum of 20% of the net assets of the Global Equity Portfolio~~ where~~, when it is considered appropriate to do so.

The ~~Hedge Fund~~ Balanced Risk Portfolio[14]

Investment objective

The investment objective of the ~~Hedge Fund~~ Balanced Risk Portfolio is to ~~achieve an absolute return of 3-month sterling LIBOR plus 5% per annum over a rolling 5-year period, coupled with low volatility. Capital preservation is a priority~~ to provide Shareholders with an attractive total return in differing economic and inflationary environments, and with low correlation to equity and bond market indices by gaining exposure to three asset classes: debt securities, equities and commodities.

Investment policy and risk

~~The Hedge Fund Portfolio principally consists of investments in debt securities, the return on each of which is directly linked to the performance of a diversified fund of hedge funds which is managed by Fauchier Partners Management Limited on advice from Fauchier Partners LLP (**"Fauchier"**).~~

~~Fauchier applies a top-down approach to the allocation of different hedge fund strategies as the framework within which specific investment decisions are taken. This allows Fauchier, firstly, to ensure that the Hedge Fund Portfolio is sufficiently diversified through the identification of different sources of return and, secondly, to identify capacity constraints within different hedge fund strategies and to assess whether the prevailing market environment is favourable for specific strategies. In recommending a specific hedge fund for investment, Fauchier undertakes significant due diligence on the hedge fund in question, on its management company and on its administrative arrangements. In addition, a thorough review is undertaken of the risk profile of the fund; the systems which are in place to monitor risk and business performance; the legal structure of the fund; and the formal relationship of the fund with its administrator, prime brokers and bankers.~~

~~Fauchier does not attempt to time or predict the direction of markets, but rather allocates to strategies according to its perception of the potential which exists to generate returns in any particular strategy over a given period of time.~~

~~Fauchier does not invest in hedge funds which engage in mutual fund timing; invest long only; employ excessive leverage to generate returns; invest in mortgage-backed securities; or are purely systems driven.~~

The Portfolio utilises two main strategies: the first seeks to balance the risk contribution from each of three asset classes (equities, bonds and commodities), with the aim of reducing the probability, magnitude, and duration of capital losses, and the second seeks to shift tactically the allocation among the assets with the aim of improving expected returns.

The Portfolio is constructed so as to balance risk: by asset class (bonds, equities and commodities) and by asset within each asset class. Neutral weighting is achieved when each asset class contributes an equal proportion of the total Portfolio risk and each asset contributes an equal proportion of the total risk for its respective asset class. The Manager is permitted to actively increase or decrease asset class weightings, subject to a maximum of 150% and a minimum of 50% of each asset class' neutral weight. The Manager is permitted to actively increase or decrease individual asset weightings, subject to a maximum of 200% and a minimum of 0% of each asset's neutral weight, provided the asset class guidelines are not violated.

The Portfolio will be mainly invested directly in highly liquid and transparently priced exchange-traded futures contracts, with cash and cash equivalents being held as collateral. However, the Portfolio may also be invested in equities, equity-related securities and debt securities (including floating rate notes). Financial derivative instruments (including but not limited to futures and total return swaps) are used only to achieve additional long exposure on the three asset classes. The Portfolio may also use financial derivative instruments, including currency futures and forwards, for

[14] If Resolution 2 is passed at the General Meeting, the investment policy of the Hedge Fund Portfolio will be changed in February 2012 following receipt of all of the realisation proceeds from the Company's investment in the Paragon Capital Appreciation Fund (the changes have been marked up against the Hedge Fund Portfolio's existing investment objective and policy). The Manager anticipates that the transition of the Hedge Fund Portfolio to bring it into line with its new investment objective and policy as the Balanced Risk Portfolio will be largely completed by 29 February 2012.

instruments will not be used to create net short positions in any asset class. The Portfolio will comprise between 12 and 20 investments and typically around 16 investments, the majority of which represent diversified equity or bond indices.

It is expected that the Portfolio's investments will mainly be denominated in Sterling. Any non-Sterling derivative investments may be hedged back into Sterling at the discretion of the Manager when it is economic to do so.

Investment limits

The Board has prescribed the following limits (measured at the time of investment) on the investment policy of the ~~Hedge Fund~~ Balanced Risk Portfolio~~, among which are the following~~:

- ~~no more than 10% of the gross assets of the Hedge Fund Portfolio may be held in any one underlying hedge fund;~~
- ~~no more than 20% of the gross assets of the Hedge Fund Portfolio may be held with any single portfolio management group; and~~
- the aggregate notional amount of financial derivative instruments positions may not exceed 250% of the net assets of the Portfolio;
- no more than 10% of the gross assets of the Portfolio may be held in other listed investment companies; and
- ~~gearing~~ borrowings may be used for ~~investment~~ short-term purposes ~~to raise equity exposure~~ up to a maximum of ~~10~~5% of net assets of the ~~Hedge Fund~~ Balanced Risk Portfolio, where it is considered appropriate.

Managed Liquidity Portfolio[15]

Investment objective

The investment objective of the Managed Liquidity Portfolio is to produce an appropriate level of income return combined with a high degree of security.

Investment policy and risk

The Managed Liquidity Portfolio invests in a range of sterling-based or related money market fund assets (which may include transferable securities, money market instruments, warrants, collective investment schemes and deposits), either directly or indirectly through money market funds, including funds managed by Invesco Perpetual or its associated companies.

The Managed Liquidity Portfolio generally invests in money market funds authorised as UCITS schemes, which are required under governing regulations to provide a prudent spread of risk. In the event that the Managed Liquidity Portfolio is invested directly in securities and instruments, the Manager will observe investment restrictions and risk diversification policies that are consistent with UCITS regulations.

Investment limits

The Board has prescribed limits (measured at the time of investment) on the investment policy of the Managed Liquidity Portfolio, among which are the following:

- no more than 10% of the gross assets of the Managed Liquidity Portfolio may be held in a single investment, other than authorised money market funds or high quality sovereign debt securities; and
- no more than 5% of the gross assets of the Managed Liquidity Portfolio may be held in unquoted investments, other than authorised money market funds.

[15] No changes are being made to the investment objective or policy of the Managed Liquidity Portfolio.

PART 5

EXPLANATORY NOTE OF THE PRINCIPAL CHANGES TO THE COMPANY'S ARTICLES OF ASSOCIATION

The principal changes between the Existing Articles and the New Articles proposed to be adopted at the General Meeting (arising out of the changes to the rights of the Shares referred to set out in the Chairman's Letter in Part 1 of this document and the updating of the Existing Articles following the implementation of the Companies Act 2006 (**"2006 Act"**)) are set out below.

Copies of the Existing Articles and the New Articles will be available for inspection at the offices of Invesco Asset Management Limited at 30 Finsbury Square, London EC2A 1AG, and at the place of the General Meeting for 15 minutes prior to that meeting and during the meeting.

Amendments to increase the frequency of conversion opportunities and simplify the conversion procedures

1. ***Quarterly conversion dates***

   Although the Existing Articles permit the Directors to change the number and frequency of conversion dates without requiring amendment to the Existing Articles, the conversion terms attaching to all Shares have been amended in the New Articles to require quarterly conversion dates instead of semi-annual conversion dates, subject to the Directors' discretion to change these from time to time. The quarterly conversion dates are 1 February, 1 May, 1 August and 1 November in each calendar year or such other date (being not more than five business days prior to nor more than five business days after 1 February, 1 May, 1 August, 1 November respectively in each calendar year) as the Board may in its absolute discretion determine and notify to Shareholders from time to time.

2. ***Conversion date reminders***

   The Existing Articles contain a requirement for the Directors to remind Shareholders of their conversion rights at specified times prior to the relevant conversion date. In line with the proposals set out in the Chairman's Letter, the New Articles no longer require the Directors to remind Shareholders of their conversion rights.

3. ***Hedge Fund Shares***

   Due to the illiquid nature of the underlying Hedge Fund Portfolio, the Existing Articles contain a two-step conversion process for holders of Hedge Fund Shares who wish to convert into any other class of Shares on any conversion date. Holders of Hedge Fund Shares are currently required to give the Company three months' advance notice to convert and then are required to make their elections as to which Share class they wish to convert into in the 30-day period prior to the relevant conversion date. If no election is made, the relevant Hedge Fund Shares are automatically converted into Managed Liquidity Shares. Under the New Articles, the conversion process for the Hedge Fund Shares will be the same as the conversion process for all other Share classes of the Company.

4. ***Simplification of Share rights***

   The New Articles contain a number of drafting changes to the way in which the rights attaching to the Share classes are expressed in the Existing Articles. With the exception of the changes described in paragraphs 1 to 3 above, the changes do not affect the existing Share rights themselves in any way, but will enable the Company to create further Share classes without requiring amendment to the New Articles provided that such new Share classes do not contain any provisions affecting the rights of the then existing Share classes. The creation and issue of any further Share classes would be subject to the usual Shareholder issue and pre-emption authorities.

Amendments following the implementation of the Companies Act 2006 (as amended by The Companies (Shareholder Rights) Regulations 2009 ("Regulations"))

1. ***The Company's objects***

   The provisions regulating the operations of the Company are currently set out in the Company's memorandum and articles of association. The Company's memorandum contains, among other things, the objects clause which sets out the scope of the activities the Company is authorised to undertake. This is drafted to give a wide scope.

   The 2006 Act significantly reduces the constitutional significance of a company's memorandum and provides that a memorandum will record only the names of subscribers and the number of shares each subscriber has agreed to take in the company. Under the 2006 Act, the objects clause and all other provisions which are contained in a company's memorandum are deemed to be contained in the company's articles of association but the company can remove these provisions by special resolution.

   Further, the 2006 Act states that unless a company's articles provide otherwise, a company's objects are unrestricted. This abolishes the need for companies to have objects clauses. For this reason the Company is proposing to remove its objects clause together with all the other provisions of its memorandum which, by virtue of the 2006 Act, are currently treated as forming part of the Company's articles of association. The resolution adopting the New Articles confirms the removal of these provisions for the Company. As the effect of this resolution will be to remove the statement currently in the Company's memorandum of association regarding limited liability, the New Articles also contain an express statement regarding the limited liability of Shareholders.

2. ***Articles which duplicate statutory provisions***

   Provisions in the Existing Articles which replicate provisions contained in the 2006 Act are in the main to be removed in the New Articles. This is in line with the approach advocated by the Government that statutory provisions should not be duplicated in a company's constitution.

3. ***Change of name***

   Under the Companies Act 1985 (**"1985 Act"**), a company could only change its name by special resolution. Under the 2006 Act, a company is able to change its name by other means provided for by its articles. To take advantage of this provision, the New Articles permit the Company to change its name by directors' resolution.

4. ***Authorised share capital and unissued shares***

   The 2006 Act abolishes the requirement for a company to have an authorised share capital and the New Articles reflect this. The Directors will still be limited as to the number of shares they can at any time allot because allotment authority continues to be required under the 2006 Act, save in respect of employee share schemes.

5. ***Redeemable shares***

   Under the 1985 Act, if a company wished to issue redeemable shares, it had to include in its articles the terms and manner of redemption. The 2006 Act enables directors to determine such matters instead, provided they are so authorised by the articles. The New Articles contain such an authorisation. The Company has no plans to issue redeemable shares but, if it did so, the Directors would need Shareholders' authority to issue new redeemable shares in the usual way.

6. ***Authority to purchase own shares and reduce share capital***

   Under the 1985 Act, a company required specific enabling provisions in its articles to purchase its own shares and to reduce its share capital or other undistributable reserves as well as shareholder authority to undertake the relevant action. The Existing Articles include these enabling provisions. Under the 2006 Act a company only requires shareholder authority to do any of these things and it is no longer necessary for articles of association to contain enabling provisions. Accordingly the relevant enabling provisions have been removed in the New Articles.

7. ***Suspension of registration of share transfers***

The Existing Articles permit the Directors to suspend the registration of transfers. Under the 2006 Act, share transfers must be registered as soon as practicable. The power in the Existing Articles to suspend the registration of transfers is inconsistent with this requirement. Accordingly, this power has been removed in the New Articles.

8. ***Voting by proxies on a show of hands***

The Regulations have amended the 2006 Act so that it now provides that each proxy appointed by a member has one vote on a show of hands unless the proxy is appointed by more than one member, in which case the proxy has one vote for and one vote against if the proxy has been instructed by one or more members to vote for the resolution and by one or more members to vote against the resolution. The New Articles have been drafted to reflect these changes.

9. ***Deposit of proxy***

At present, under the Existing Articles the Company is required to include non-working days (for example weekends and public holidays) in setting the cut-off time by which a form of proxy is required to be deposited prior to a meeting, currently 48 hours prior to the time of the meeting. The 2006 Act now provides that companies may exclude non-working days from such 48-hour period. As a consequence, the New Articles permit the Directors to exclude non-workings days when setting the cut-off time for depositing a form of proxy in order for such appointment to be valid.

10. ***Voting by corporate representatives***

The Regulations have amended the 2006 Act in order to enable multiple representatives appointed by the same corporate member to vote in different ways on a show of hands and a poll. The New Articles contain provisions which reflect these amendments.

11. ***Electronic conduct of meetings***

Amendments made to the 2006 Act by the Regulations specifically provide for the holding and conducting of electronic meetings. The New Articles have been amended to reflect more closely the relevant provisions.

12. ***Electronic and website communications***

The 2006 Act establishes a new regime for companies to communicate with members by electronic means and by using the Manager's website. The New Articles reflect the new regime and permit the Company to take advantage of the new provisions relating to website communication.

13. ***Chairman's casting vote***

The New Articles remove the provision giving the chairman a casting vote in the event of an equality of votes as this is no longer permitted under the 2006 Act.

14. ***Notice of general meetings***

The 2006 Act permits the Company to give 14 clear days' notice of all general meetings other than annual general meetings. The Regulations have amended the 2006 Act to require companies wishing to convene general meetings on such shorter notice to first pass a special resolution approving the convening of meetings on not less than 14 clear days' notice and to offer shareholders an electronic voting facility. Where these two preconditions are not satisfied, 21 clear days' notice will still be required. Annual general meetings must be held on 21 clear days' notice. The New Articles therefore permit the shorter notice provisions in relation to general meetings that are not annual general meetings provided that the statutory preconditions referred to above are met.

15. ***Adjournments for lack of quorum***

Under the 2006 Act, as amended by the Regulations, general meetings adjourned for lack of quorum must be held at least 10 clear days after the original meeting. The New Articles have been drafted to reflect this requirement. The time within which a quorum must be present before an adjournment takes place has also been extended from five minutes to 30 minutes.

16. ***Voting record date***

Under the 2006 Act, as amended by the Regulations, the Company must determine the right of members to vote at a general meeting by reference to the register not more than 48 hours before the time for the holding of the meeting, not taking account of days which are not working days. The New Articles have been drafted to reflect this requirement.

17. ***Form of resolution***

References in the Existing Articles to "extraordinary resolutions" have been replaced by references to "special resolutions" in the New Articles. The distinction between special and extraordinary resolutions under the old law, that 21 days' notice was required of a special resolution and only 14 days' notice for an extraordinary resolution, has been removed. The concept of extraordinary resolutions has not been retained under the 2006 Act.

18. ***Transfer of shares***

If the Directors refuse to register the transfer of a share in accordance with the Existing Articles, they must send notice of the refusal to the purported transferee within two months. The New Articles have been amended in line with the 2006 Act to provide that notice of the refusal must be provided as soon as practicable within those two months, and also that reasons for the refusal must be provided.

19. ***Number of Directors below minimum***

The annual re-election of Directors could, in certain circumstances, result in an unusual position whereby no Directors are re-appointed at any annual general meeting of the Company. To address such a possible event occurring, the New Articles include a provision whereby if, at the end of any annual general meeting, there would otherwise be no directors, each director who retired and offered himself for re-appointment at the relevant meeting shall remain in office but with limited powers, notwithstanding that the resolution to re-appoint him was lost, until at least one director is appointed or re-appointed by ordinary resolution. This ensures that the Company is not in breach of its articles or the 2006 Act.

20. ***Records, accounts and auditors***

Certain provisions in the Existing Articles have been removed from the New Articles as the requirements are contained in the 2006 Act. These provisions relate to the keeping of accounting records, the preparation and laying of accounts, sending accounts to members, the keeping of minutes and books and an auditor's right to attend general meetings.

21. ***General***

Generally, where appropriate, the opportunity has been taken to bring clearer language into the New Articles and therefore a number of non-material changes and stylistic amendments have also been made to the Existing Articles which are not summarised in this document.

PART 6
DEFINITIONS

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

"AIC"	the Association of Investment Companies
"Board" or **"Directors"**	the directors of the Company or any duly constituted committee thereof
"Company"	Invesco Perpetual Select Trust plc
"Existing Articles"	the articles of association of the Company as at the date of this document
"Fauchier"	Fauchier Partners LLP
"Form of Proxy"	the relevant form of proxy accompanying this document for use by Shareholders in relation to voting at the General Meeting
"FSA"	the Financial Services Authority
"General Meeting"	the general meeting of the Company convened for 15 November 2011 commencing at 4.05 p.m. (or, if later, as soon as the annual general meeting of the Company convened for the same date has concluded or been adjourned), notice of which is set out in Part 7 of this document
"Global Equity Portfolio"	the portfolio of assets of the Company attributable to the Global Equity Shares (together with attributable liabilities)
"Global Equity Shares"	global equity shares of 1p each in the capital of the Company
"Hedge Fund Portfolio"	the portfolio of assets of the Company attributable to the Hedge Fund Shares (together with attributable liabilities)
"Hedge Fund Shares"	hedge fund shares of 1p each in the capital of the Company
"Listing Rules"	the listing rules made by the FSA pursuant to section 73A of Financial Services and Markets Act 2000
"Managed Liquidity Portfolio"	the portfolio of assets of the Company attributable to the Managed Liquidity Shares (together with attributable liabilities)
"Managed Liquidity Shares"	managed liquidity shares of 1p each in the capital of the Company
"Manager" or **"Invesco Perpetual"**	Invesco Asset Management Limited
"NAV"	the total value of all the assets less all the liabilities of the Company or, as the context may require, attributable to the relevant Portfolio as determined by the Board and calculated in accordance with AIC guidelines and the Company's accounting policies
"New Articles"	the articles of association which will be adopted as the articles of association of the Company if Resolution 3 is passed at the General Meeting
"Paragon"	Paragon Capital Appreciation Fund

"Portfolio"	the UK Equity Portfolio and/or the Global Equity Portfolio and/or the Managed Liquidity Portfolio and/or the Hedge Fund Portfolio, as the context may require
"Proposals"	the proposals to change the investment objectives and policies of the Global Equity Portfolio and the Hedge Fund Portfolio, to increase the frequency of conversion opportunities and simplify the conversion procedures, to pay quarterly dividends in respect of each class of Share (to the extent that the relevant class has earned net revenues during the relevant quarter) and to adopt the New Articles
"Resolutions"	the resolutions set out in the notice of General Meeting in Part 7 of this document, and references to "Resolution 1", "Resolution 2" and "Resolution 3" shall be construed accordingly
"RIS"	a regulatory information service that is on the list of regulatory information services maintained by the FSA
"Share"	a UK Equity Share and/or a Global Equity Share and/or a Managed Liquidity Share and/or a Hedge Fund Share, as the context may require
"Shareholder"	a registered holder of Shares
"UK Equity Portfolio"	the portfolio of assets of the Company attributable to the UK Equity Shares (together with attributable liabilities)
"UK Equity Shares"	UK equity shares of 1p each in the capital of the Company

Note: All references in this document to 12 October 2011 should be regarded as being references to the latest practicable date prior to the publication of this document.

PART 7

NOTICE OF GENERAL MEETING

Invesco Perpetual Select Trust plc

(Incorporated in England and Wales under the Companies Act with registered number 5916642; an investment company within the meaning of section 833 of the Companies Act 2006)

NOTICE IS HEREBY GIVEN that a general meeting of Invesco Perpetual Select Trust plc will be held on 15 November 2011 commencing at 4.05 p.m. (or, if later, as soon as the annual general meeting of the Company convened for the same date has concluded or been adjourned) for the purposes of considering and, if thought fit, pass the following resolutions.

Resolution 1 *(to change the investment objective and policy of the Global Equity Portfolio), which will be proposed as an ordinary resolution*

THAT the investment objective and investment policy set out under the headings "Investment objective" and "Investment policy" respectively in Part 2 of the Company's circular to shareholders dated 14 October 2011, a copy of which is produced to the meeting and initialled for the purpose of identification by the chairman of the meeting, be and are hereby approved and adopted with immediate effect as the investment objective and policy of the Global Equity Portfolio in place of the Global Equity Portfolio's existing investment objective and policy.

Resolution 2 *(to change the investment objective and policy of the Hedge Fund Portfolio), which will be proposed as an ordinary resolution*

THAT the investment objective and investment policy set out under the headings "Investment objective" and "Investment policy" respectively in Part 3 of the Company's circular to shareholders dated 14 October 2011, a copy of which is produced to the meeting and initialled for the purpose of identification by the chairman of the meeting, be and are hereby approved and adopted with effect from 29 February 2012 as the investment objective and policy of the Hedge Fund Portfolio (to be renamed the Balanced Risk Portfolio) following receipt of all of the realisation proceeds from the Company's investment in the Paragon Capital Appreciation Fund (which represents almost all of the Hedge Fund Portfolio's exposure to hedge funds), which is expected to occur in February 2012, in place of the Hedge Fund Portfolio's existing investment objective and policy.

Resolution 3 *(to adopt new articles of association), which will be proposed as a special resolution*

THAT the articles of association produced to the meeting and initialled by the chairman for the purposes of identification be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association of the Company (including the removal of the provisions of the Company's memorandum of association which, by virtue of section 28 of the Companies Act 2006, are treated as provisions of the existing articles of association of the Company).

By order of the Board	Registered Office:
Invesco Asset Management Limited	30 Finsbury Square
Company Secretary	London
	EC2A 1AG

14 October 2011

Notes:

1. Only those persons registered on the Company's register of members (**"members"**) at 6.00 p.m. on 13 November 2011 (or, if the General Meeting is adjourned, at 6.00 p.m. on the day two days prior to the adjourned meeting) shall be entitled to attend and vote at the General Meeting in respect of the number of Shares registered in their name at that time. Changes to entries on the Company's register of members after 6.00 p.m. on 13 November 2011 (or, if the General Meeting

is adjourned, at 6.00 p.m. on the day two days prior to the adjourned meeting) shall be disregarded in determining the rights of any person to attend, speak and vote at the General Meeting.

2. A member entitled to attend and vote at the General Meeting is entitled to appoint one or more proxies to attend, speak and vote in their stead. More than one proxy may be appointed provided that each proxy is appointed to exercise 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 by one of the following methods:

   - via Capita Registrar's website at www.capitashareportal.com;
   - in hard copy form by post, by courier or by hand to the Company's registrars, Capita Registrars PXS, PO Box 25, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU; 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 the Company not less than 48 hours before the time of the General Meeting. Appointment of a proxy will not preclude a member from attending the General Meeting and voting in person.

3. A form of appointment of proxy is enclosed with this document. To be effective, the Form of Proxy, duly completed and executed, together with any power of attorney or other authority under which it is signed (or a notarially certified copy thereof) must be lodged at the office of the Company's registrars, Capita Registrars PXS, PO Box 25, The Registry, Beckenham, Kent BR3 4TU, by not later than 4.05 p.m. on 13 November 2011.

4. 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, , which can be reviewed at www.euroclear.com/CREST. 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 the specifications of Euroclear UK & Ireland Limited (**"EUI"**) 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 4.05 p.m. on 13 November 2011. 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.

   CREST members and, where applicable, their CREST sponsors or voting service providers should note that CRESTCo 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 their CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

   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.

5. Under section 319A of the Companies Act 2006, the Company must cause to be answered any question relating to the business being dealt with at the General Meeting put by a member attending the General Meeting unless (i) answering the question would interfere unduly with the preparation for the General Meeting or involve the disclosure of confidential information, (ii) the answer has already been given on a website in the form of an answer to a question or (iii) it is undesirable in the interests of the Company or the good order of the General Meeting that the question be answered.

6. A person who has been nominated under section 146 of the Companies Act 2006 to enjoy information rights (a **"Nominated Person"**):

   (i) may have a right under an agreement between the Nominated Person and the member of the Company who has nominated them to have information rights (the **"Relevant Member"**) to be appointed or to have someone else appointed as a proxy for the General Meeting; and

   (ii) if they either do not have such a right or if they have such a right but do not wish to exercise it, may have a right under an agreement between them and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights.

   The right to appoint a proxy does not apply to Nominated Persons and that right can only be exercised by a member. A Nominated Person's main point of contact in terms of their investment in the Company remains the Relevant Member (or, perhaps, their custodian or broker) and they should continue to contact them (and not the Company) regarding any changes or queries relating to their personal details and their interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from the Nominated Person.

7. Any electronic address provided either in this notice of General Meeting or any related documents (including the Form of Proxy) to communicate with the Company may not be used for any purposes other than those expressly stated.

8. As at 12 October 2011 (the latest practicable date prior to the publication of this document), the Company's total issued capital consisted of 39,510,381 UK Equity Shares, 31,699,638 Global Equity Shares, 10,512,810 Hedge Fund Shares and 8,182,385 Managed Liquidity Shares.

9. Subject to the Existing Articles, voting takes place on a show of hands with every member who is present in person or by proxy having a right to vote. On a poll, the number of votes per Share of each class will vary with the NAV of the respective underlying Portfolio and is determined in accordance with the following formula:

$$V = A \div B$$

where V is the number of votes for each Share of a particular class, A is the NAV for the relevant Portfolio and B is the number of Shares of the relevant class in issue (excluding treasury shares), in each case as at the close of business on 4 November 2011.

The value of A ÷ B (the NAV per Share) for each class is calculated and announced (expressed in pence) daily in the case of UK Equity Shares, Global Equity Shares and Managed Liquidity Shares and weekly in the case of the Hedge Fund Shares.

10. Information regarding the General Meeting, including the information required by section 311A of the Companies Act 2006, is available from www.invescoperpetual.co.uk/investmenttrusts.