

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you should consult an independent professional adviser authorised under the Financial Services and Markets Act 2000.

Your attention is drawn to the “Risk Factors” set out on page 2 of this document.

If you have sold or transferred all of your Shares in the Company, please forward this document with its accompanying Forms of Proxy at once 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.

INVESCO City and Commercial Trust plc

*(Incorporated in England and Wales under the Companies Act 1985 with registered number 2774914.
An investment company under section 266 of the Companies Act 1985)*

Proposals for an extension of the Company’s life by way of amendments to the Articles, changes to the Company’s investment policy, a change of the Company’s name, and share buyback and treasury share authorities

Notices of Extraordinary General Meetings

Winterflood Securities Limited, which is authorised and regulated by the Financial Services Authority, acting through its division Winterflood Investment Trusts, is acting exclusively for the Company in relation to the matters described in this document and is not advising any other person or treating any other person as its customer and accordingly will not be responsible to anyone other than the Company for providing the protections afforded to its customers.

The Proposals described in this document are all conditional on Shareholder approval. Notice of a first extraordinary general meeting of the Company to be held at 10.00 a.m. on Monday, 30 January 2006 at 30 Finsbury Square, London, EC2A 1AG is set out on pages 16 to 18 of this document. To be valid, the enclosed white Form of Proxy for use at the First EGM must be completed and returned by Shareholders in accordance with the instructions printed on it to the Company’s registrar, Capita Registrars, at The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU as soon as possible and, in any event, so as to arrive not later than 10.00 a.m. on Saturday, 28 January 2006. Completion and return of the white Form of Proxy does not preclude the relevant Shareholder from attending and voting in person at the First EGM should he wish to do so.

Notice of a second extraordinary general meeting of the Company to be held at 10.05 a.m. (or, if later, immediately following the conclusion of the First EGM) on Monday, 30 January 2006 at 30 Finsbury Square, London, EC2A 1AG is set out at the end of this document. **If Resolutions 1 and 2 to be proposed at the First EGM are passed, the Chairman intends to adjourn the Second EGM indefinitely.** To be valid, the enclosed blue Form of Proxy for use at the Second EGM must be completed and returned by Shareholders in accordance with the instructions printed on it to the Company’s registrar, Capita Registrars, at The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU as soon as possible and, in any event, so as to arrive not later than 10.05 a.m. on Saturday, 28 January 2006. Completion and return of the blue Form of Proxy does not preclude the relevant Shareholder from attending and voting in person at the Second EGM should he wish to do so.

6 January 2006

RISK FACTORS

The Board considers the risk factors set out below to be those Shareholders should consider prior to voting on the Proposals. Shareholders in any doubt about the action they should take should consult an independent professional adviser authorised under the Financial Services and Markets Act 2000.

- If Resolutions 1 and 2 set out in the notice of the First EGM are approved, an investment in the Company should not be regarded as short term in nature. There can be no guarantee that any appreciation in the value of the Company's investments will occur or that the investment objective of the Company will be achieved. Specifically:
 - The Proposals provide for the appointment of Cayenne, whose management team's track record is evidenced by their management since its inception in September 1997 of Apollo, which invests in a portfolio of closed-end funds, combined with the use of derivative instruments to seek to ensure preservation of capital. Apollo uses an investment approach substantially similar to that which Cayenne intends to utilise for the Company's portfolio, but the past performance of Apollo is not a guide to the Company's future performance.
 - The investment approach and process proposed to be employed by Cayenne differs substantially from that used by INVESCO in managing the Company's assets to date and therefore the content and nature of the Company's portfolio and performance of the Company are likely to change.
 - The investment approach proposed to be utilised seeks to generate returns by investing in securities Cayenne believe to be undervalued. However, there can be no guarantee that the perceived value in the Company's portfolio will be released, in the expected timeframe or at all, through a narrowing of discounts on the underlying investments or through relative outperformance by such investments.
 - It is proposed that the Company will seek to ensure preservation of capital by the use of derivative instruments to hedge market risk. There can be no guarantee that the hedging strategy will be effective in preserving capital and therefore the value of the Company's investments may fall.
 - As a consequence of the use of derivative instruments to seek to hedge market risk, the Company's proposed investment policy is intended to give rise to lower volatility in the NAV per Share than would be the case under the Company's existing investment policy, and in particular, in falling equity markets, it is intended to deliver an NAV performance of the Shares which is better than would be the case if the market risk was unhedged. Further, Shareholders should be aware that the Company's performance under the proposed investment policy is unlikely in rising equity markets to be as strong as would be the case if the market risk was unhedged.
 - The Company will continue to invest principally in the securities of UK investment trust companies and other closed-end funds. Such securities are typically less liquid than the securities of larger companies.
- Shareholders should note that whilst the Board intends to operate a discount management policy as explained in this document, there is no guarantee that repurchases of Shares will be made and repurchases will not be made where there is no demand in the market for the Company to do so. The discount management policy is conditional on Resolution 4 set out in the notice of the First EGM being passed and becoming effective and is at the absolute discretion of the Board. There can be no guarantee that the policy will be successful in establishing and supporting an improved rating in the Shares.

- Shareholders wishing to realise their investment in the Company should note the following:
 - If Resolutions 1 and 2 set out in the notice of the First EGM are approved the Company will not be liquidated and they will need to realise their investment by selling their Shares in the market or otherwise. The Board has been advised by Winterflood Investment Trusts that any Shareholder wishing to realise their holding in the period to the end of February 2006 should be able to do so through the secondary market on terms at worst equivalent to those on which the Board believes that cash would have been available under a scheme winding the Company up, but there is no guarantee that the cash Shareholders might receive through selling in the market will be greater or less than that available in a liquidation.
 - The notice of the Second EGM contains resolutions relating to the winding-up of the Company. However, these resolutions will only be proposed at the Second EGM if Resolutions 1 and 2 proposed at the First EGM are not passed.
 - The proceeds Shareholders would receive through a liquidation would depend on the realisable value of the Company's portfolio and are likely to differ from the published NAV per Share as at any given date as the published NAV per Share takes no account of any portfolio realisation costs.

DEFINITIONS

“Apollo”	Apollo Fund plc
“Articles”	the Articles of Association of the Company from time to time
“Board” or “Directors”	the board of directors of INVESCO City and Commercial Trust plc
“business day”	any day which is not a Saturday or Sunday, Christmas Day, Good Friday or a bank holiday in any part of the United Kingdom
“Cayenne”	Cayenne Asset Management Limited, which is authorised and regulated in the United Kingdom by the Financial Services Authority
“Companies Act”	the Companies Act 1985 (as amended)
“Company”	INVESCO City and Commercial Trust plc
“First EGM”	the first extraordinary general meeting of the Company, notice of which is set out on pages 16 to 18 of this document
“Form(s) of Proxy”	the form(s) of proxy for use in connection with either the First EGM or the Second EGM, or both, as the context requires, enclosed with this document
“INVESCO”	INVESCO Asset Management Limited
“Liquidators”	the liquidators of the Company to be appointed by the special resolution at the Second EGM (if Resolutions 1 and 2 are not passed at the First EGM)
“Listing Rules”	the listing rules issued by the Financial Services Authority
“NAV”	in respect of the Company, the value of its assets less its liabilities, determined in accordance with its accounting policies
“Proposals”	the proposals described under the heading “The Proposals” in Part 1 of this document
“Resolution(s)”	the resolution(s) to be proposed at the First EGM, individually or together, as the context may require
“Second EGM”	the second extraordinary general meeting of the Company, notice of which is set out on pages 19 and 20 of this document
“Shareholders”	holders of Shares
“Shares”	the ordinary shares of 25p each in the capital of the Company
“Stock”	the Retail Price Index-linked Debenture Stock 2006 in the Company
“Stockholders”	holders of Stock
“UK”	the United Kingdom of Great Britain and Northern Ireland
“Winterflood Investment Trusts”	Winterflood Investment Trusts, a division of Winterflood Securities Limited
“Winding-up Resolutions”	the resolutions set out in the notice convening the Second EGM, individually or together, as the context may require

PART 1

LETTER FROM THE CHAIRMAN

INVESCO City and Commercial Trust plc

*(Incorporated in England and Wales under the Companies Act 1985 with registered number 2774914.
An investment company under section 266 of the Companies Act 1985)*

Directors

I. Peter Sedgwick (Chairman)
Philip Ashfield
Tristan P.A. Hillgarth
Simon C.G. Stevens

Registered Office
30 Finsbury Square
London
EC2A 1AG

6 January 2006

To the Shareholders and, for information only, the Stockholders

Dear Sir/Madam

Proposals for an extension of the Company's life by way of amendments to the Articles, changes to the Company's investment policy, a change of the Company's name, and share buyback and treasury share authorities

Notices of Extraordinary General Meetings

Introduction

The Articles require that a special resolution to wind up the Company is proposed by 31 January 2006. In the Company's interim report published on 19 October 2005 it was stated that the Board believed it was appropriate to offer Shareholders an opportunity to realise their investment in the Company or to continue with an investment in another vehicle.

Subsequently, the Board was approached with a number of proposals aimed at achieving the Board's objectives in making a continuing investment available to Shareholders. One such proposal involved the Company's continuation under the investment management of Cayenne Asset Management Limited, an independent fund management company which specialises in the management of funds invested in the securities of investment trusts and other closed-end funds, in combination with the use of derivative instruments to seek to ensure preservation of capital. The Board reviewed these proposals and the major Shareholders were consulted. The Board decided that the proposals put forward by Cayenne provided Shareholders with a choice between realising their investment in the Company and continuing to invest, *inter alia*, in a portfolio of closed-end funds. The Board was advised that the proposals also met the requirements of a number of the major Shareholders. The Board announced on 21 December 2005 that it intended to write to Shareholders recommending proposals providing for:

- The extension of the Company's life for at least a further five years;
- The adoption of a revised investment objective and policy;
- The appointment of Cayenne as the Company's new investment manager and a change of the Company's name to The Cayenne Trust plc; and
- The introduction of an active discount management policy.

This document sets out details of the Proposals and contains a notice of the First EGM at which the Resolutions required to implement the Proposals will be proposed.

This document also contains a notice of the Second EGM at which, *inter alia*, the resolution required by the Articles to wind up the Company will be proposed if Resolutions 1 and 2 at the First EGM are not passed. If Resolutions 1 and 2 at the First EGM are passed, the Chairman intends to adjourn the Second EGM indefinitely.

The Proposals

Extension of the Company's life

Under the Proposals the Company's life would be extended until at least 2011. This would be effected by way of Resolution 1 set out in the notice of the First EGM, which is a special resolution amending the Articles by removing the obligation to propose a special resolution to wind up the Company by 31 January 2006 and making certain minor consequential amendments. The amended Articles would instead require that the Board propose, at the Company's annual general meeting to be held in 2011 and annually thereafter, an ordinary resolution that the Company continue in existence as an investment trust. In the event that any such resolution is not put forward or is not passed by Shareholders, the Board would be obliged within three months to convene an extraordinary general meeting to propose the Company's winding-up.

Changes to investment objective and policy

Resolution 2 set out in the notice of the First EGM is an ordinary resolution which proposes that the Company adopt a revised investment policy. It is proposed that the investment objective of the Company becomes to "achieve consistent positive absolute returns". The primary statement of investment policy – that the Company invests principally in the securities of UK investment trust companies and other closed-end funds – will be retained, but certain elements of the Company's investment policy are proposed to be materially changed under Cayenne's management. Therefore, in accordance with the Listing Rules, the Board seeks Shareholders' approval for the revised investment policy, which can be summarised as follows:

- the Company will invest principally in the securities of UK investment trust companies and other closed-end funds;
- up to 15 per cent. of the Company's assets, at the time of investment, may be invested in Apollo Fund plc; and
- the Company will seek to ensure preservation of capital by the use of derivative instruments to the extent permissible within the regulations governing investment trust companies and the Listing Rules.

Apollo is an open-ended offshore fund, managed by Cayenne and listed on the Irish Stock Exchange, with an overall objective of achieving consistent absolute returns by exploiting pricing inefficiencies in the closed-end fund universe while ensuring preservation of capital. Apollo uses an investment approach substantially similar to that which Cayenne intends to utilise for the Company's portfolio. As at 31 December 2005, based on its published net asset values, Apollo had since its inception on 1 September 1997 provided a return for its shareholders of 14.99 per cent. per annum (source: Winterflood Investment Trusts).

Shareholders should note the 'Considerations for Shareholders' set out below and should specifically be aware that the investment approach and process proposed to be employed by Cayenne differs substantially from that used by INVESCO in managing the Company's assets to date and therefore the portfolio composition and performance of the Company are likely to change.

Change to the Company's name

Resolution 3 set out in the notice of the First EGM is a special resolution which proposes that, to reflect the identity of the new investment manager, the Company's name be changed to 'The Cayenne Trust plc'. The change of the Company's name is conditional on Resolutions 1 and 2 described above being approved.

Share buyback and treasury share authorities

With a view to establishing and supporting an improved rating in the Shares, the Board has announced its intention to apply an active discount management policy. Subject to Shareholders granting the Board the necessary authority and to the limits of that authority, and conditional on Resolutions 1 and 2 described above being approved, it is intended that on an ongoing basis Shares available in the market at prices representing discounts greater than 5 per cent. to NAV will be repurchased by the Company. It is intended that any Shares repurchased will, to the extent permissible by law, be held in treasury by the Company with a view to their future sale in response to market demand.

The Resolutions required to be passed to implement the Board's policies stated above are as follows:

- Resolution 4 set out in the notice of the First EGM is a special resolution which seeks authority, to expire 18 months after the passing of the Resolution, for the Company to repurchase up to 14.99 per cent. of the issued share capital of the Company. Under this Resolution, the minimum repurchase price would be 25p per Share (the nominal value) and, in accordance with the Listing Rules, the maximum repurchase price would be the higher of (a) 105 per cent. of the average of the middle market quotations for a Share as derived from the Daily Official List of the London Stock Exchange for the five business days immediately preceding the day on which that Share is purchased; and (b) the higher of the price of the last independent trade in Shares and the highest then current independent bid for Shares on the London Stock Exchange. The Board will only authorise repurchases at prices representing a discount to NAV per Share which would have the effect of enhancing the NAV per Share for remaining Shareholders. In the event that the Board repurchases the maximum permitted amount of 14.99 per cent. of the Company's issued ordinary share capital the Board will seek Shareholder approval for a further Share repurchase authority; and
- Resolution 5 set out in the notice of the First EGM, which is a special resolution, seeks authority, having dis-applied the pre-emption rights which would otherwise require the Company first to offer Shares pro rata to existing holders, to sell any Shares held by the Company in treasury, up to an aggregate maximum nominal value of £318,877 (which represents 10 per cent. of the Company's issued share capital as at the date of publication of this document) or, if less, 10 per cent. of the issued share capital of the Company at the date of the First EGM. The Board will only authorise the sale of Shares from treasury at prices representing narrower discounts to NAV per Share than that at which the Shares were repurchased. Any Shares held in treasury for more than six months will be cancelled.

Liquidation

If Resolutions 1 and 2 described above are not approved at the First EGM, the Winding-up Resolutions will be proposed at the Second EGM. The Articles confer weighted voting rights for Shareholders voting in favour of the special resolution to wind up the Company. If the Company is wound up, Shareholders will receive in cash, through one or more liquidation distributions, all the assets of the Company after the repayment of the Stock and after providing for all known liabilities of the Company, including the expenses of the winding-up.

The Directors estimate that the NAV of the Company as at 4 January 2006, the latest practicable date prior to the publication of this document, was £13.60 million, with assets valued at bid prices and accruing for the principal and interest of the Stock on a repayment basis. On that basis, if the Company had been wound up on that date, after taking account of the estimated expenses of the winding-up (including the Liquidators' retention referred to below but excluding the cost of realising the Company's assets), the Directors estimate that Shareholders' entitlements would amount to 106.60p per Share*. On a winding-up, the Liquidators would initially retain sufficient assets to enable them to discharge the Company's liabilities, including an amount of £50,000 to meet any unknown or contingent liabilities. Any cash balance remaining in the hands of the Liquidators would be paid to Shareholders as soon as practicable as one or more cash distributions, save that amounts of £3 or less per Shareholder would not be paid, but would instead be carried forward and if not subsequently distributed would be paid to one or more charities nominated by the Liquidators.

* this figure is an estimate only and is not to be taken as a forecast

Management of the Company

The Board

The existing Directors have indicated their intention to retire at the end of the Company's initial thirteen year life. If Resolutions 1 and 2 to be proposed at the First EGM are passed, Peter Sedgwick, Philip Ashfield, Tristan Hillgarth and Simon Stevens will resign as Directors. Jonathan Agnew, who is chairman of Nationwide Building Society and of Beazley Group PLC, has agreed to act as a Director and as chairman of the Company, and Christopher Jones, who was formerly head of investments at Merchant Investors Assurance Company Ltd, will also be appointed to the Board, subject in both cases to Resolutions 1 and 2 to be proposed at the First EGM being passed. It is intended that at least one further independent Director will be appointed to the Board as soon as practicable.

Cayenne Asset Management

The Company and Cayenne have agreed in principle the terms for the investment management of the Company and intend to enter into an investment management agreement under which Cayenne will, conditional on Shareholders' approval of Resolutions 1 and 2 at the First EGM, be responsible for the discretionary management of the Company's portfolio. Cayenne will be remunerated by way of a management fee of 1 per cent. per annum of the Company's net assets (excluding the value of any investment in Apollo) payable quarterly in arrears and an annual performance fee of 10 per cent. of any outperformance of a hurdle rate of 5 per cent. per annum on a total return basis. The performance fee will only be payable in respect of any period to the extent that the closing NAV per Share exceeds the higher of the NAV per Share as at 1 February 2006 or the highest NAV per Share, taking account of any performance fees, in respect of which a performance fee was previously paid. The agreement will be terminable by either party on 6 months' notice (after an initial period of 12 months) or by the Company immediately on the occurrence of certain events including the insolvency of or a material breach of contract by Cayenne and on three months' notice in the event of the loss for any reason by Cayenne of the services of Len Gayler, Cayenne's chief executive.

INVESCO Asset Management

If Resolutions 1 and 2 to be proposed at the First EGM are passed, and conditional on the signing of an investment management agreement between the Company and Cayenne on terms acceptable to the Board, INVESCO will resign as the Company's investment manager. The Board would like to record their thanks for INVESCO's co-operative stance during the development of the Proposals. It is intended that INVESCO will remain as secretary and administrator to the Company, for which INVESCO will be paid a fee of £6,250 per month, on terms which allow the Company to terminate the arrangement on one month's notice to allow the Board to identify and appoint a replacement. No compensation will be payable by the Company to INVESCO in connection with the termination of its position as the Company's investment manager or secretary (provided in the latter case that one month's notice is given).

Future strategy of the Company

Capital structure

The principal amount of the Stock, together with accrued interest, will be repaid on 31 January 2006. The Board estimates that the total amount payable on that date will be £11.01 million (including accrued interest). As at 4 January 2006, the latest practicable date prior to publication of this document, the Company had cash or near cash instruments of £14.33 million from which to fund the required payment. Stockholders' attention is drawn to Part 2 of this document.

If Resolutions 1 and 2 to be proposed at the First EGM are passed, it is intended to put forward proposals with the aim of materially increasing the Company's asset base during the first half of 2006 by way of a secondary issue of Shares and the replacement, to a lesser degree, of the gearing currently provided by the Stock.

Dividend

The Board has declared a second interim dividend of 2p per Share payable on 30 January 2006 to Shareholders on the Company's register of members as at the close of business on 13 January 2006.

The Company's proposed ongoing investment objective is to achieve consistent positive absolute returns. Income return will not be sought for its own sake and accordingly future dividends payable by the Company are likely to fluctuate. The Board intends that the Company will distribute as dividend substantially all of the Company's net income. Cayenne estimates that, in the absence of unforeseen circumstances, dividends of at least 1p per Share* will be paid in respect of the Company's financial year ending 31 January 2007.

* this figure is an estimate only and is not to be taken as a forecast of profits

Costs and expenses

The costs and expenses payable by the Company in relation to the Proposals are estimated to be approximately £120,000 (inclusive of irrecoverable VAT). In the event that Resolutions 1 and 2 are passed at the First EGM, this amount would be reduced to an estimated £45,000 by a contribution of £75,000 from Cayenne. If Resolutions 1 and 2 are not passed at the First EGM and it is resolved at the Second EGM that the Company be wound up, a further £35,000 in costs and expenses (above the estimated £120,000) is expected to be incurred, comprising costs and expenses associated with implementation of the liquidation.

Taxation

Information for Shareholders and Stockholders in relation to taxation is set out in Part 3 of this document.

Considerations for Shareholders

Shareholders who do not wish to realise their investment in the Company should note the following:

- The Proposals offer Shareholders a choice of holding an investment with exposure, *inter alia*, to the securities of UK investment trust companies and other closed-end funds by remaining invested in the Company until at least 2011;
- The Proposals provide for the appointment of Cayenne, whose management team's track record is evidenced by their management since its inception in September 1997 of Apollo, which invests in a portfolio of closed-end funds, combined with the use of derivative instruments to seek to ensure preservation of capital. Apollo is currently closed to new professional investors and is not accessible by retail investors;
- The Board believes it to be in Shareholders' interests that the Shares consistently trade at a narrower discount to NAV than has recently been the case. Therefore, it believes an active discount management policy, for which it is seeking the necessary authorities at the First EGM, is likely to be a positive development for Shareholders; and
- Shareholders should note the 'Risk Factors' relating to a continued investment in the Company set out on page 2, and should also note that, despite similarities in the primary statement of investment policy, the investment approach and process proposed to be employed by Cayenne differs substantially from that used by INVESCO in managing the Company's assets to date.

Shareholders wishing to realise their investment in the Company should note the following:

- If Resolutions 1 and 2 set out in the notice of the First EGM are approved, the Company will not be liquidated and Shareholders will need to realise their investment by selling their Shares in the market or otherwise. The Board has been advised by Winterflood Investment Trusts that any Shareholder wishing to realise his holding in the period to the end of February 2006 should be able to do so through the secondary market on terms at worst equivalent to those on which the Board believes that cash would have been available under a scheme winding the Company up. In this regard, Winterflood Investment Trusts has been appointed as the Company's corporate stockbroker;

- The notice of the Second EGM contains resolutions to wind up the Company and to facilitate such winding-up. However, these resolutions will only be proposed at the Second EGM if Resolutions 1 and 2 to be proposed at the First EGM are not passed. As explained below, the Articles provide for weighted voting rights for Shareholders voting in favour of the special resolution winding up the Company. Accordingly, if such resolution is proposed at the Second EGM, it is virtually certain that it will be passed; and
- There can be no guarantee that the cash Shareholders might receive in a liquidation will be greater or less than that available through selling in the market. Liquidation proceeds will depend on the realisable value of the Company's portfolio and are likely to differ from the published NAV per Share as at any given date as the published NAV per Share takes no account of any portfolio realisation costs.

Shareholder meetings

First EGM

You will find set out on pages 16 to 18 a notice convening the First EGM to be held at 10.00 a.m. on Monday, 30 January 2006 at 30 Finsbury Square, London, EC2A 1AG. At this meeting the Resolutions will be proposed. Resolutions 1, 3, 4 and 5 are special resolutions and will require the approval of Shareholders representing at least 75 per cent. of the votes cast on the relevant Resolution. Resolution 2 is an ordinary resolution and will require the approval of Shareholders representing more than 50 per cent. of the votes cast on the Resolution.

Second EGM

You will also find, set out at the end of this document, a notice convening the Second EGM to be held at 10.05 a.m. (or, if later, immediately following the conclusion of the First EGM) on Monday, 30 January 2006 at 30 Finsbury Square, London, EC2A 1AG. This meeting has been convened due to the requirement in the Articles that a special resolution to wind up the Company be proposed by 31 January 2006. If Resolutions 1 and 2 are passed at the First EGM the Chairman intends to adjourn the Second EGM indefinitely.

At the Second EGM, a special resolution would be proposed for the members' voluntary winding-up of the Company, an ordinary resolution would be proposed for the fixing of the Liquidators' remuneration and an extraordinary resolution would be proposed to confer appropriate powers (including the power to apply for the delisting of the Company) on the Liquidators.

In order to be passed, the special resolution and the extraordinary resolution would require the approval of Shareholders representing at least 75 per cent. of the votes cast on the relevant resolution and the ordinary resolution would require the approval of Shareholders representing more than 50 per cent. of the votes cast on the resolution. The Articles provide that if voting on the special resolution is on a poll each Shareholder present in person or by proxy and entitled to vote and who votes in favour of that resolution would have such number of votes in respect of each Share held by him that the aggregate number of votes cast in favour of the resolution would be four times the aggregate number of Shares in respect of which votes are cast against it and each Shareholder present in person or by proxy and entitled to vote and who votes against the resolution would have one vote for each Share held by him.

Savings Scheme, ISA and PEPs

Individuals who hold their Shares through the INVESCO Investment Trust Saving Scheme, the INVESCO Investment Trust Maxi ISA or the INVESCO Investment Trust PEP will shortly receive a letter from INVESCO Fund Managers Limited, together with a form of direction, which will explain the actions which they should take in relation to the Proposals.

Further information

Shareholders' attention is drawn to the further information set out in Parts 3 and 4 of this document. Stockholders' attention is drawn to the further information set out in Parts 2 and 3 of this document.

Action to be taken

Shareholders will find enclosed a white Form of Proxy for use in connection with the First EGM and a blue Form of Proxy for use in connection with the Second EGM. Whether or not you propose to attend the First EGM or the Second EGM, you are requested to complete and return the white and blue Forms of Proxy to the Company's registrars, Capita Registrars, at The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU as soon as possible in accordance with the instructions printed thereon. To be valid, the Forms of Proxy must be lodged not later than 10.00 a.m. and 10.05 a.m. respectively on Saturday, 28 January 2006. Completion and return of the relevant Form of Proxy will not prevent you from subsequently attending and voting in person at the First EGM and the Second EGM should you so wish.

Recommendation and Directors' voting intentions

The Board, which has been advised by Winterflood Investment Trusts, considers that Shareholders should have the choice as to whether to continue with their investment in the Company or to realise that investment and that the Proposals are therefore in the best interests of Shareholders as a whole. Accordingly, the Board recommends Shareholders to vote in favour of the Resolutions to be proposed at the First EGM as the Directors intend to do in respect of their own beneficial holdings, which amount in aggregate to 80,000 Shares, representing approximately 0.63 per cent. of the current issued share capital of the Company. The Board is making no recommendation to Shareholders as to whether, if the Company's life is extended, they should continue as shareholders in the Company or seek to sell their Shares in the secondary market.

In the event that Resolutions 1 and 2 to be proposed at the First EGM are not passed, the Board believes that a winding-up of the Company would be in the best interests of Shareholders as a whole, and accordingly recommends Shareholders to vote in favour of the Winding-up Resolutions.

Yours faithfully

I. Peter Sedgwick
Chairman

PART 2

INFORMATION FOR STOCKHOLDERS

Redemption of Stock

The Stock will be redeemed in cash on 31 January 2006 at £137.83 per £100 nominal, together with accrued interest up to that date.

In preparation for such redemption, it is intended that the Company will procure that an amount of money sufficient to repay all of the outstanding Stock together with accrued interest on 31 January 2006 is held on trust for the Stockholders and will therefore not form part of the assets of the Company upon any winding-up of the Company following the Second EGM.

Procedure for Redemption

A cheque for the principal amount due on redemption will be sent to Stockholders on 31 January 2006 by first class post at Stockholders' risk to their registered address or, in the case of joint holders, to the first-named on the register of Stockholders at his or her address. Stockholders wishing to direct that payment be sent to any other person should send written instructions to Capita Registrars, Corporate Actions, P.O. Box 166, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TH so as to arrive no later than 24 January 2006. To be valid, any such instruction must be signed by the holder or, if more than one, all joint holders.

Payment of the interest due to Stockholders for the period from 1 August 2005 to 31 January 2006 (both dates inclusive) will be made separately on 31 January 2006 in a similar manner to redemption cheques or in accordance with any previously registered instructions. No interest will accrue on Stock after 31 January 2006.

Upon payment of the principal monies and interest due to Stockholders, certificates for the Stock will cease to be of any value and should be destroyed.

PART 3

TAXATION

The information below relates to certain aspects of the United Kingdom taxation treatment applicable to the Company and to those of its Shareholders and Stockholders who are resident or ordinarily resident in the United Kingdom for tax purposes and who hold their Shares and/or Stock as investments (and not as securities to be realised in the course of a trade). The information is based on existing United Kingdom law and Inland Revenue practice as at the date of this document, either of which may change. The information is given by way of general summary only and does not constitute legal or tax advice to any Shareholder or Stockholder.

The Company

The Company has been approved as an investment trust under section 842 of the Income and Corporation Taxes Act 1988 (“the Taxes Act”) for the year ended 31 January 2004 and the Directors believe that the Company’s affairs have been directed so as to comply with the provisions of section 842 of the Taxes Act since that time. If the Company is wound up, it is intended that the disposal of the Company’s investments will take place in an accounting period in which the Company satisfies the conditions required for treatment as an investment trust, with the result that any capital gains arising on any such disposal should not be subject to tax on chargeable gains in the hands of the Company. To the extent the Company makes a disposal of any investments in a period in which it does not comply with the provisions of section 842 of the Taxes Act, it will be liable for corporation tax on any capital gains realised on the disposal.

The Company will continue to be liable for corporation tax on income derived from investments still held by it after the appointment of the Liquidators.

Shareholders

If Resolutions 1 and 2 at the First EGM are passed, the Company will not proceed to a liquidation and Shareholders’ taxation positions should be unaffected. If Shareholders decide to realise their investment in the Company in the secondary market, they will generally be treated as making a disposal of their Shares for the purposes of UK taxation of chargeable gains. Where such disposal gives rise to the realisation of a chargeable gain by the Shareholder, the Shareholder may thereby incur a liability to UK capital gains tax or corporation tax, depending on the Shareholder’s own circumstances. Shareholders who are UK resident individuals benefit from an annual exemption from capital gains tax (£8,500 for the year 2005/6) and may be entitled to an indexation allowance and/or taper relief based on the overall period of holding their investment. Shareholders who are within the charge to corporation tax benefit from indexation allowance for the entire period of holding their investment, but do not benefit from taper relief.

If the Company is wound up, Shareholders who receive cash under the winding-up will generally be treated as making a part disposal of an interest in their Shares for the purposes of UK taxation of chargeable gains. Where such disposal gives rise to the realisation of a chargeable gain by the Shareholder the Shareholder may thereby incur a liability to UK capital gains tax or corporation tax, depending on the Shareholder’s own particular circumstances. Shareholders will not, however, incur any liability to UK income tax through the receipt of cash in the winding-up. Shareholders who are UK resident individuals benefit from an annual exemption from capital gains tax (£8,500 for the year 2005/6) and may be entitled to an indexation allowance and/or taper relief based on the overall period of holding their investment. Shareholders who are within the charge to corporation tax benefit from indexation allowance for the entire period of holding their investment, but do not benefit from taper relief.

To the extent that the amount set aside by the Liquidators proves to exceed the Company’s liabilities and any cash balance remaining in the hands of the Liquidators on the termination of the liquidation of the Company is paid as one or more distributions to the Shareholders, any such payment or payments will generally be treated as a separate part disposal (or separate part disposals) of the Shareholder’s interest in the Shares for the purposes of UK taxation on chargeable gains. Any chargeable gain realised by a Shareholder on such a part disposal will be treated in the same way as a gain arising on the initial cash distribution.

Stockholders

Stockholders who are UK resident individuals will be treated as having disposed of their Stock for the purposes of UK capital gains tax on 31 January 2006. The Stock is a 'qualifying corporate bond' for the purposes of UK taxation and gains realised on the disposal will be exempt from UK capital gains tax.

At the date on which the Stock was issued, it was expected to be a 'qualifying indexed security' with the result that profits arising on its redemption or sale were not subject to income tax. Due to a change in the legislation, the Stock ceased to be a 'qualifying indexed security' with effect from 5 April 1996. The result is that income tax will be charged on profits arising on redemption or sale of the Stock after that date. For this purpose, the profit arising on redemption will equal the amount received (excluding interest) on disposal less the amount paid by the individual to acquire the Stock. If the Stock was held by the individual on 5 April 1996 then the market value of the Stock on 5 April 1996 is substituted for the amount paid.

Any amount paid to a Stockholder on redemption in respect of accrued interest will be subject to UK income tax at rates of up to 40% depending on the Stockholder's personal circumstances.

Although the Stock will be a 'qualifying corporate bond', UK resident corporate Stockholders may be subject to corporation tax both on any profits resulting from redemption and interest payable on redemption which are brought into account under the loan relationships rules.

If Shareholders or Stockholders are in any doubt about their taxation position or may be subject to taxation in a jurisdiction other than the United Kingdom, they should consult their professional advisers as soon as possible.

PART 4

ADDITIONAL INFORMATION

1. Directors' interests in Shares

As at 4 January 2006 (being the latest practicable date prior to the publication of this document) the interests of the Directors in the Shares which have been notified to the Company pursuant to sections 324 or 328 of the Companies Act or which were required to be entered in the register maintained under the provisions of section 325 of the Companies Act or which were interests of a person connected with a Director (within the meaning of section 346 of the Companies Act), which interests, if such connected persons were Directors, would be required to be disclosed pursuant to section 324 or 328 of the Companies Act or to be entered in the register to be maintained under the provisions of section 325 of the Companies Act and the existence of which is known or could with reasonable due diligence be ascertained by the Directors, all of which are beneficial, were as follows:

<i>Name</i>	<i>Number of Shares</i>
I. Peter Sedgwick (Chairman)	15,000
Philip Ashfield	50,000
Tristan P.A. Hillgarth	10,000
Simon C.G. Stevens	5,000

As at 4 January 2006 (being the latest practicable date prior to the publication of this document), Jonathan Agnew (the proposed new chairman of the Company) had a beneficial interest in 150,000 Shares and employees of Cayenne (the proposed new investment manager of the Company) had beneficial interests in 190,000 Shares.

2. Consent

Winterflood Investment Trusts, a division of Winterflood Securities Limited which is authorised and regulated in the United Kingdom by the Financial Services Authority, has given and not withdrawn its written consent to the inclusion in this document of the references to its name in the form and context in which they appear.

3. Documents available for inspection

Copies of the following documents will be available for inspection during usual business hours on any day (Saturdays, Sundays and public holidays excepted) at the registered office of the Company (the venue for the First EGM and the Second EGM) from the date of posting of this document up to and during the First EGM and Second EGM:

- 3.1 this document; and
- 3.2 the Company's memorandum of association, the Articles and a draft of the Articles as proposed to be amended at the First EGM.

NOTICE OF FIRST EGM

INVESCO City and Commercial Trust plc

(Incorporated in England and Wales under the Companies Act 1985 with registered number 2774914)

Notice is hereby given that an Extraordinary General Meeting of INVESCO City and Commercial Trust plc (the “Company”) will be held at 10.00 a.m. on Monday, 30 January 2006 at 30 Finsbury Square, London, EC2A 1AG to consider, and if thought fit pass, the following resolutions:

SPECIAL RESOLUTION

Amendment of the Articles of Association

1. “THAT, subject to the passing of resolution numbered 2 set out in the notice of meeting of which this resolution forms part, the Articles of Association of the Company be and are hereby amended as follows:
 - (a) by the deletion from Article 3.2(b)(i) of the words “liquidation resulting from the passing of a Liquidation Resolution or on any other”;
 - (b) by the deletion of Article 4 and the substitution therefor of the following:

“DURATION OF THE COMPANY

4. The Directors shall procure that there is proposed at the Annual General Meeting of the Company to be held in 2011 and at every Annual General Meeting of the Company thereafter an Ordinary Resolution providing that the Company should continue as an investment trust. If any such resolution is not put forward or is not passed, the Directors shall be obliged to convene within three months an extraordinary general meeting to propose the Company’s voluntary winding-up pursuant to section 84(1) of the Insolvency Act 1986. The resolution proposing the Company’s voluntary winding-up will be a Special Resolution.”;
- (c) by the deletion from Article 76 of the words “Subject to Article 4, at” and the substitution therefor of the word “At”;
- (d) by the deletion from Article 79 of the words “to Article 4 and”; and
- (e) by such further amendments to the Articles of Association of the Company as may be required to give full effect to this resolution;

and the Chairman of the meeting be authorised to adjourn the second extraordinary meeting of the Company convened for 10.05 a.m. (or so soon thereafter as this meeting is concluded) on Monday, 30 January 2006 without any of the resolutions set out in the notice thereof having been put to such meeting and without limit of time.”

ORDINARY RESOLUTION

Amendment to the Company’s investment policy

2. “THAT, subject to the passing of resolution numbered 1 set out in the notice of meeting of which this resolution forms part, the Company’s investment policy be amended as described under the heading “Changes to investment objective and policy” in the circular to shareholders of the Company dated 6 January 2006.”

SPECIAL RESOLUTION

Change of name

3. "THAT, subject to the passing of resolutions numbered 1 and 2 set out in the notice of meeting of which this resolution forms part, the name of the Company be changed to The Cayenne Trust plc."

SPECIAL RESOLUTION

Authority to repurchase Shares

4. THAT, subject to the passing of resolutions numbered 1 and 2 set out in the notice of meeting of which this resolution forms part, in substitution for all existing powers, the Company be generally and unconditionally authorised in accordance with section 166 of the Companies Act 1985 as amended (the "Act") to make one or more market purchases (within the meaning of section 163 of the Act) of ordinary shares of 25 pence in the capital of the Company ("Shares") provided that:
 - (a) the maximum aggregate number of ordinary shares authorised to be purchased is 1,911,986 (or if less, the number representing 14.99 per cent. of the issued share capital at the time at which this resolution is passed);
 - (b) the minimum price which may be paid for a Share is 25 pence;
 - (c) the maximum price (exclusive of expenses) which may be paid for a Share is an amount equal to the higher of (a) 105 per cent. of the average of the middle market quotations for a Share as derived from the Daily Official List of the London Stock Exchange for the five business days immediately preceding the day on which that Share is purchased; and (b) the higher of the price of the last independent trade in Shares and the highest then current independent bid for Shares on the London Stock Exchange;
 - (d) the authority hereby conferred shall expire 18 months after the date of the meeting at which this resolution is passed; and
 - (e) the Company may make a contract to purchase Shares under this authority before the expiry of the authority which will or may be executed wholly or partly after the expiry of the authority, and may make a purchase of Shares in pursuance of any such contract."

SPECIAL RESOLUTION

Sale of treasury shares

5. "THAT, subject to the passing of resolutions numbered 1, 2 and 4 set out in the notice of meeting of which this resolution forms part, pursuant to section 95(1) of the Companies Act 1985 as amended, section 89(1) shall not apply to the allotment of shares in the Company's capital which are or will be held by the Company as treasury shares having been purchased by the Company in accordance with the authority given by resolution numbered 4 in the notice of meeting of which this resolution forms part, nor to the sale of such treasury shares for cash up to an aggregate nominal value of £318,877 or (if less) 10 per cent. of the issued share capital of the Company at the time at which this resolution is passed."

By Order of the Board
INVESCO Asset Management Limited
Company Secretary
Dated 6 January 2006

Registered office:
30 Finsbury Square
London
EC2A 1AG

Notes:

1. A member entitled to attend and vote may appoint one or more proxies to attend and, on a poll, vote instead of him or her. A proxy need not be a member of the Company.
2. A white Form of Proxy is provided. To be effective, the white Form of Proxy must be completed, signed and lodged with the Registrar not later than 48 hours before the time for holding the meeting. Deposit of a Form of Proxy will not preclude a member from attending the meeting and voting in person.
3. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company has specified that to be entitled to attend and vote at the meeting (and for the purposes of determination by the Company of the number of votes they may cast), members must be entered on the Company's register of members by 6.00 p.m. on 28 January 2006. Changes to entries on the register of members after 6.00 p.m. on that date shall be disregarded in determining the rights of any person to attend and vote at the meeting.

THE CHAIRMAN OF INVESCO CITY AND COMMERCIAL TRUST PLC INTENDS TO ADJOURN THIS MEETING INDEFINITELY IF RESOLUTIONS NUMBERED 1 AND 2 PROPOSED AT THE EXTRAORDINARY GENERAL MEETING OF THE COMPANY TO BE HELD AT 10.00 A.M. ON MONDAY, 30 JANUARY 2006 ARE PASSED

NOTICE OF SECOND EGM

INVESCO City and Commercial Trust plc

(Incorporated in England and Wales under the Companies Act 1985 with registered number 2774914)

Notice is hereby given that an Extraordinary General Meeting of INVESCO City and Commercial Trust plc (the “Company”) will be held at 10.05 a.m. (or so soon thereafter as the extraordinary general meeting of the Company convened for 10.00 a.m. on the same day is concluded) on Monday, 30 January 2006 at 30 Finsbury Square, London, EC2A 1AG to consider, and if thought fit pass, the following resolutions:

SPECIAL RESOLUTION

1. “THAT the Company be wound up voluntarily and Simon Peter Bower and Michael John Hore, both of RSM Robson Rhodes LLP, be and are hereby appointed, jointly and severally, liquidators of the Company (the “Liquidators”) for the purpose of such winding up.”

ORDINARY RESOLUTION

2. “THAT, subject to the passing of resolution numbered 1 set out in the notice of meeting of which this resolution forms part (“the Special Resolution”), the remuneration of the Liquidators (as defined in the Special Resolution) be fixed on the basis of time spent by them and members of their staff in attending to matters arising prior to and during the winding up of the Company and the Liquidators be and are hereby authorised to draw such remuneration monthly or at such longer intervals as they may determine.”

EXTRAORDINARY RESOLUTION

3. “THAT, subject to the passing of resolution numbered 1 set out in the notice of meeting of which this resolution forms part (“the Special Resolution”):
 - (a) the Liquidators (as defined in the Special Resolution) be and are hereby authorised, pursuant to section 165 of the Insolvency Act 1986, to exercise the powers set out in Part 1 of Schedule 4 to that Act, as may be necessary or desirable in their judgement, acting jointly and severally, to carry out the winding up of the Company, and in particular, to pay all the creditors in full and to make compromises with creditors or debtors of the Company;
 - (b) the Company’s books and records be held by INVESCO Asset Management Limited to the order of the Liquidators until the expiry of 12 months after the date of dissolution of the Company, when they may be disposed of save for financial and trading records which shall be kept for a minimum of 6 years following the vacation of the Liquidators from office;
 - (c) the Liquidators be and are hereby authorised to divide among the members in specie the whole or any part of the assets of the Company and they may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different class of members and may vest the whole or any part of the assets of the Company

in trustees upon such trusts for the benefit of, *inter alia*, the members as they may determine, but no member shall be compelled to accept any assets upon which there is a liability; and

- (d) the Liquidators be authorised and directed to apply for the delisting of the Company's shares by the UK Listing Authority on or before 31 January 2007."

By Order of the Board
INVESCO Asset Management Limited
Company Secretary
Dated 6 January 2006

Registered office:
30 Finsbury Square
London EC2A 1AG

Notes:

1. A member entitled to attend and vote may appoint one or more proxies to attend and, on a poll, vote instead of him or her. A proxy need not be a member of the Company.
2. A blue Form of Proxy is provided. To be effective, the blue Form of Proxy must be completed, signed and lodged with the Registrar not later than 48 hours before the time for holding the meeting. Deposit of a Form of Proxy will not preclude a member from attending the meeting and voting in person.
3. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company has specified that to be entitled to attend and vote at the meeting (and for the purposes of determination by the Company of the number of votes they may cast), members must be entered on the Company's register of members by 6.00 p.m. on 28 January 2006. Changes to entries on the register of members after 6.00 p.m. on that date shall be disregarded in determining the rights of any person to attend and vote at the meeting.