Invesco California Municipal Income Trust
Form DEF 14A
July 03, 2012

SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
(Amendment No.)

Filed by the Registrant þ
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Check the appropriate box:
o Preliminary Proxy Statement
o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
þ Definitive Proxy Statement
o Definitive Additional Materials
o Soliciting Material Pursuant to Sec. 240.14a-11(c) or Sec. 240.14a-12

Invesco Van Kampen California Value Municipal Income Trust
Invesco California Municipal Income Trust
Invesco California Quality Municipal Securities
(Name of Registrant as Specified In Its Charter)
(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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2. Aggregate number of securities to which transaction applies:

3. Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

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

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

Notice is hereby given to holders of preferred shares of beneficial interest designated as Variable Rate Muni Term Preferred Shares (VMTP Shares) of Invesco California Municipal Income Trust (IIC), Invesco California Quality Municipal Securities (IQC) and Invesco Van Kampen California Value Municipal Income Trust (the Acquiring Fund or VCV) that the Funds will hold a joint annual meeting of shareholders (the Meeting) on July 17, 2012, at 1555 Peachtree Street, N.E., Atlanta, Georgia 30309. The Meeting will begin at 1:00 p.m. Eastern time for IIC and IQC, and at 2:00 p.m. Eastern time for the Acquiring Fund. At the Meeting, holders of VMTP Shares (VMTP Shareholders) will be asked to vote on the following proposals:

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

2) Approval of the merger of each of IIC, IQC and Invesco California Municipal Securities (ICS) into the Acquiring Fund, which shall require the following shareholder actions:
   (a) For IIC and IQC, approval of an Agreement and Plan of Merger that provides for such Fund to merge with and into the Acquiring Fund.

   (b) For the Acquiring Fund, approval of the following sub-proposals:
      (i) Approval of an Agreement and Plan of Merger that provides for IIC to merge with and into the Acquiring Fund.

      (ii) Approval of an Agreement and Plan of Merger that provides for IQC to merge with and into the Acquiring Fund.

      (iii) Approval of an Agreement and Plan of Merger that provides for ICS to merge with and into the Acquiring Fund.

3) For IIC and IQC, the election of six Trustees to its Board of Trustees.

4) For the Acquiring Fund, the election of three Trustees to its Board of Trustees.

Each Fund may also transact such other business as may properly come before the Meeting or any adjournment or postponement thereof. IIC, IQC and ICS collectively are referred to as the Target Funds. The Target Funds and the Acquiring Fund collectively are referred to as the Funds and each is referred to individually as a Fund. ICS does not have outstanding VMTP Shares.

VMTP Shareholders of record as of the close of business on May 25, 2012, are entitled to notice of, and to vote at, the Meeting or any adjournment or postponement thereof. Holders of the Funds common shares of beneficial interest, whose voting instructions are being separately solicited, will also vote on certain matters at the Meeting.

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

Each Target Fund s governing documents provide that shareholders do not have dissenters appraisal rights, and each Target Fund does not believe that its shareholders are entitled to appraisal rights in connection with its merger.

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

For IIC and IQC:

/s/ Philip Taylor
Mr. Philip Taylor
President and Principal Executive Officer

June 29, 2012

For the Acquiring Fund,
by order of the Board of Trustees:

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

June 29, 2012

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

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

JOINT PROXY STATEMENT

June 29, 2012

Introduction

This Joint Proxy Statement (the Proxy Statement) contains information that holders of preferred shares of beneficial interest designated as Variable Rate Muni Term Preferred Shares (VMTP Shares) of Invesco California Municipal Income Trust (IIC), Invesco California Quality Municipal Securities (IQC) and Invesco Van Kampen California Value Municipal Income Trust (the Acquiring Fund or VCV) should know before voting on the proposals that are described herein.

A joint annual meeting of the shareholders of the Funds (the Meeting) will be held on July 17, 2012 at 1555 Peachtree Street, N.E., Atlanta, Georgia 30309. The Meeting will begin at 1:00 p.m. Eastern time for IIC and IQC, and at 2:00 p.m. Eastern time for the Acquiring Fund. The following describes the proposals to be voted on by holders of VMTP Shares (VMTP Shareholders) at the Meeting:

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

2) Approval of the merger of each of IIC, IQC and Invesco California Municipal Securities (ICS) into the Acquiring Fund, which shall require the following shareholder actions:
   (a) For IIC and IQC, approval of an Agreement and Plan of Merger that provides for such Target Fund to merge with and into the Acquiring Fund.

   (b) For the Acquiring Fund, approval of the following sub-proposals:
      (i) Approval of an Agreement and Plan of Merger that provides for IIC to merge with and into the Acquiring Fund.

      (ii) Approval of an Agreement and Plan of Merger that provides for IQC to merge with and into the Acquiring Fund.

      (iii) Approval of an Agreement and Plan of Merger that provides for ICS to merge with and into the Acquiring Fund.

3) For IIC and IQC, the election of six Trustees to its Board of Trustees.

4) For the Acquiring Fund, the election of three Trustees to its Board of Trustees.

Each Fund may also transact such other business as may properly come before the Meeting or any adjournment or postponement thereof. IIC, IQC and ICS collectively are referred to as the Target Funds. The Target Funds and the Acquiring Fund collectively are referred to as the Funds and each is referred to individually as a Fund. ICS does not have outstanding VMTP Shares.

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

The Boards of Trustees of the Funds (the Boards) have fixed the close of business on May 25, 2012, as the record date (Record Date) for the determination of shareholders entitled to notice of and to vote at the Meeting and at any adjournment or postponement thereof. Shareholders will be entitled to one vote for each share held (and a proportionate fractional vote for each fractional share). Holders of the common shares of beneficial interest (Common Shares) of the Funds, whose voting instructions are being separately solicited, will also vote on certain matters at the Meeting.

This Proxy Statement, the enclosed Notice of Joint Annual Meeting of Shareholders, and the enclosed proxy card will be mailed on or about July 5, 2012, to all VMTP Shareholders eligible to vote at the Meeting. Each Fund is a closed-end management investment company registered under the Investment Company Act of 1940, as amended (the 1940 Act). The Common Shares of each Fund are listed on the New York Stock Exchange and the Common Shares of the Acquiring Fund are also listed on the Chicago Stock Exchange (collectively with the New York Stock Exchange, the Exchanges).

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

A joint Proxy Statement is being used in order to reduce the preparation, printing, handling and postage expenses that would result from the use of separate proxy materials for each Fund. You should retain this Proxy Statement for future reference, as it sets forth concisely information about the Funds that you should know before voting on the proposals. Additional information about each Fund is available in the annual and semi-annual reports to shareholders of such Fund. Each Fund s most recent annual report to shareholders, which contains audited financial statements for the Funds most recently completed fiscal year, and each Fund s most recent semi-annual report to shareholders have been previously mailed to shareholders and are available on the Funds website at www.invesco.com/us. These documents are on file with the U.S. Securities and Exchange Commission (the SEC). Copies of all of these documents are also available upon request without charge by writing to the Funds at 11 Greenway Plaza, Suite 1000, Houston, Texas 77046, or by calling (800) 341-2929.

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

The VMTP Shares have not been registered under the Securities Act of 1933, as amended (the Securities Act), or any state securities laws and, unless so registered, may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, VMTP Shares to be issued in a Merger are not offered for sale hereby, and may not be transferred or resold except in compliance with the Securities Act. No person has been authorized to give any information or make any representations not contained herein and, if so given or made, such information or representation must not be relied upon as having been authorized.

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

PROPOSAL 1: APPROVAL OF REDOMESTICATION

On what am I being asked to vote?

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

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

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

Has my Fund s Board of Trustees approved the Redomestication?

Yes. Each Fund s Board has reviewed and unanimously approved the Plan of Redomestication and this Proposal 1.

The Board of each Fund recommends that shareholders vote FOR Proposal 1.

Will VMTP Shares issued in connection with a Redomestication be the same as my current VMTP Shares?

Yes. In connection with each Redomestication, the applicable DE Fund will issue VMTP Shares with terms that are substantially identical to the terms of IIC s, IQC s and the Acquiring Fund s currently outstanding VMTP Shares. Important information regarding the VMTP Shares to be issued in connection with each Redomestication is set forth below.

(1) It is a condition of closing of each Redomestication that the Fund will have satisfied all of its obligations set forth in certain documents related to the VMTP Shares immediately prior to the Redomestication and that the DE Fund will satisfy all of the obligations of the corresponding documents related to the VMTP Shares to be issued by the DE Fund immediately after the Redomestication.

(2) Certain representations and warranties made by each Fund to the initial purchaser of VMTP Shares will be true with respect to the DE Fund immediately after the closing of the Redomestication.

(3) The terms of the Declaration of Trust of a DE Fund are substantially identical to those terms agreed upon by the initial purchaser of VMTP Shares of the Fund.

(4) The terms of the bylaws of a DE Fund are substantially identical to those terms agreed upon by the initial purchaser of VMTP Shares of the Fund.

(5) The terms of the VMTP Shares issued by a DE Fund, as set forth in the Statement of Preferences of VMTP Shares of the DE Fund, are substantially identical to those terms agreed upon by the initial purchaser of VMTP Shares of the Fund.

(6) In the Redomestication, VMTP Shareholders of a Fund will receive VMTP Shares of the DE Fund and no VMTP Shares of the DE Fund will be issued to persons who are not holders of VMTP Shares of a Fund.

(7) It is a condition of closing of each Redomestication that upon closing of such Redomestication the VMTP Shares of the DE Fund be rated at least AA-/Aa3 by each rating agency that is rating, at the request of the DE Fund, such VMTP Shares.

(8) The Redomestications are scheduled to occur on or prior to December 31, 2012.

A form of the Statement of Preferences of VMTP Shares of the Acquiring Fund is attached hereto as Exhibit O. The Statement of Preferences of VMTP Shares of the DE Fund for each of IIC, IQC and the Acquiring Fund will be identical in all material respects. The description of VMTP Shares of the DE Funds included herein is subject to and qualified in its entirety by reference to the more detailed description of the VMTP Shares set forth in such form of Statement of Preferences.

What are the reasons for the proposed Redomestications?

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

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

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

A Redomestication will have no direct economic effect on Fund shareholders investments, other than the cost savings described herein. Each redomesticated Fund will have investment advisory agreements, subadvisory arrangements, administration agreements, custodian agreements, transfer agency agreements, and other service provider arrangements that are identical in all material respects to those in place immediately before the Redomestication, with certain non-substantive revisions to standardize such agreements across the Funds. For example, after the Redomestications, the investment advisory agreements of the Funds will contain standardized language describing how investment advisory fees are calculated, but there will be no change to the actual calculation methodology. Each Fund will continue to be served by the same individuals as trustees and officers, and each Fund will continue to retain the same independent registered public accounting firm. The portfolio characteristics, investment objective(s), strategies and risks of each Fund will not change as a result of the Redomestications. Each Fund s new governing documents will be similar to its current governing documents, but will contain certain material differences. These changes are intended to benefit shareholders by streamlining and promoting the efficient administration and operation of the Funds. However, as a result of these changes, shareholders will have fewer rights to vote on certain matters affecting the Fund and, therefore, less control over the operations of the Fund. These changes to shareholder voting rights, and the benefits that management believes will result from these changes, are described below.

Each of IIC, IQC and the Acquiring Fund will distribute to VMTP Shareholders all accrued but unpaid dividends on the VMTP Shares through the closing date for its Redomestication. Dividends will begin accruing on the VMTP Shares issued by the DE Fund as of the closing date for the Redomestication at the same rate that was in effect immediately prior to the Redomestication. Agreements of each of IIC, IQC and the Acquiring Fund related to the VMTP Shares, including the purchase agreement, the redemption and paying agent agreement and the registration rights agreement, will be assigned to the corresponding DE Fund.

In addition, each Fund s capital structure will be substantially the same as its current capital structure. The Common Shares of each Fund will continue to have equal rights to the payment of dividends and the distribution of assets upon liquidation, and, for the Acquiring Fund, IIC and IQC, may not declare distributions on Common Shares unless all accrued dividends on such Fund s preferred shares have been paid, and unless asset coverage with respect to such Fund s VMTP Shares would be at least 200% after giving effect to the distributions. In addition, under the terms of such Fund s VMTP Shares, the Fund will continue to be required to maintain minimum asset coverage of 225%.

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

How do the laws governing each Fund pre- and post-Redomestication compare?

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

How do the governing documents of each Fund pre- and post-Redomestication compare?

The governing documents of each Fund before and after its Redomestication will be similar, but will contain certain material differences. In general, these changes to each Fund s new governing documents are intended to benefit shareholders by streamlining the administration and operation of each Fund to save shareholders money and by making it more difficult for short-term speculative investors to engage in practices that benefit such short-term investors at the expense of the Fund and to the detriment of its long-term investors. For example, the new governing documents permit termination of the Fund without shareholder approval, provided that at least 75% of the Trustees have approved such termination, thereby avoiding the expense of a shareholder meeting in connection with a termination of the Fund, which expense would reduce the amount of assets available for distribution to shareholders. The current governing documents require shareholder approval to terminate the Fund regardless of whether the Trustees have approved such termination. Also, each Fund s new bylaws may be altered, amended, or repealed by the Trustees, without the vote or approval of shareholders. Each Fund s current bylaws may be altered, amended, or repealed by the Trustees, provided that bylaws adopted by the shareholders may only be altered, amended, or repealed by the shareholders. None of the Funds currently have any bylaws that were adopted by shareholders. As a result of these changes, shareholders will generally have fewer rights to vote on certain matters affecting the Fund and, therefore, less control over the operations of the Fund.

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The new governing documents include new procedures intended to provide the Board the opportunity to better evaluate proposals submitted by shareholders and provide additional information to shareholders for their consideration in connection with such proposals. For example, the new governing documents require shareholders to provide additional information with respect to shareholder proposals, including nominations, brought before a meeting of shareholders. These additional procedures include, among others, deadlines for providing advance notice of shareholder proposals, certain required information that must be included with such advance notice and a requirement that the proposing shareholder appear before the annual or special meeting of shareholders to present about the nomination or proposed business. Trustees of the Funds will be elected by a majority vote (i.e., nominees must receive the vote of a majority of the outstanding shares present and entitled to vote at a shareholder meeting at which a quorum is present). Under the current governing documents, Trustees of the Acquiring Fund are generally elected by a plurality vote (i.e., the nominees receiving the greatest number of votes are elected), while Trustees of the Target Funds are elected by a majority vote. The new governing documents will not provide shareholders the ability to remove Trustees or to call special meetings of shareholders, which powers are provided under the current governing documents.

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

A comparison of the current and proposed governing documents of the Funds is available in Exhibit C and a form of the Statement of Preferences of VMTP Shares of the Acquiring Fund is available in Exhibit O.

Will there be any tax consequences resulting from a Redomestication?

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

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

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

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

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

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

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

What is the Tax Treatment of the VMTP Shares of the DE Fund?

Each of IIC, IQC and the Acquiring Fund expects that the VMTP Shares issued by the DE Fund in connection with its Redomestication will be treated as equity of the DE Fund for U.S. federal income tax purposes. Each of IIC, IQC and the Acquiring Fund has received a private letter ruling from the IRS to the effect that VMTP Shares issued by it prior to its Redomestication will be treated as equity of such Fund for U.S. federal income tax purposes. Skadden, Arps, Slate, Meagher & Flom LLP (Special VMTP Federal Income Tax Counsel) is of the opinion that, and as a condition to the closing of the Redomestications will deliver to IIC, IQC and the Acquiring Fund an opinion that, the VMTP Shares issued by the DE Fund in connection with a Redomestication will be treated as equity of the DE Fund for U.S. federal income tax purposes. An opinion of counsel is not binding on the IRS or any court. Thus, no assurance can be given that the IRS would not assert, or that a court would not sustain, a position contrary to Special VMTP Federal Income Tax Counsel s opinion.

The discussion herein assumes that the VMTP Shares issued by the DE Fund in connection with Redomestication will be treated as equity of the DE Fund for U.S. federal income tax purposes.

When are the Redomestications expected to occur?

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

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

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

THE BOARDS UNANIMOUSLY RECOMMEND THAT YOU VOTE FOR THE APPROVAL OF PROPOSAL 1.

PROPOSAL 2: APPROVAL OF MERGERS

On what am I being asked to vote?

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

Acquiring Fund, which involves the issuance of new Common Shares by the Acquiring Fund. If a Merger is approved, VMTP Shares of IIC and IQC will be exchanged on a one-for-one basis for newly issued Acquiring Fund VMTP Shares with substantially identical terms, including equal aggregate liquidation preferences; and Common Shares of the Target Fund will be exchanged for newly issued Acquiring Fund Common Shares of equal aggregate net asset value. VMTP Shareholders are not expected to bear any costs of the Mergers.

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

SUMMARY OF KEY INFORMATION REGARDING THE MERGERS

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

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

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

Will VMTP Shares issued in connection with the Mergers be the same as my current VMTP Shares?

Yes. In connection with the Mergers, the Acquiring Fund will issue VMTP Shares in exchange for VMTP Shares of IIC and IQC. The terms of the Acquiring Fund VMTP Shares will be substantially identical to the terms of such Target Fund s VMTP Shares outstanding immediately prior to the closing of a Merger. Important information regarding the Acquiring Fund VMTP Shares to be issued in connection with the Mergers is set forth below.

(1) It is a condition of closing of each Merger that each of IIC, IQC and the Acquiring Fund will have satisfied all of its obligations set forth in certain documents related to its respective VMTP Shares immediately prior to the Merger and that the Acquiring Fund will satisfy all of the obligations of such documents related to the VMTP Shares immediately after giving effect to a Merger.

(2) Certain representations and warranties made by the Acquiring Fund to the initial purchaser of VMTP Shares will be true immediately after the closing of each Merger.

(3) The terms of the Declaration of Trust of the Acquiring Fund (after giving effect to the Merger) are identical to those terms agreed upon by the initial purchaser of VMTP Shares of the Fund.

(4) The terms of the bylaws of the Acquiring Fund (after giving effect to the Merger) are substantially identical to those terms agreed upon by the initial purchaser of VMTP Shares of the Fund.

(5) The terms of the VMTP Shares issued by the Acquiring Fund, as set forth in the Statement of Preferences of VMTP Shares of the DE Fund, are substantially identical to those terms agreed upon by the initial purchaser of VMTP Shares of the Fund.

(6) In each Merger, VMTP Shares of IIC or IQC will be exchanged for VMTP Shares of the Acquiring Fund and, after giving effect to all Mergers, all VMTP Shares of the Acquiring Fund will be held by the current holders of the VMTP Shares of IIC, IQC and the Acquiring Fund.

(7) It is a condition of closing of each Merger that upon the closing of such Merger the VMTP Shares of the Acquiring Fund be rated at least AA-/Aa3 by each rating agency that is rating, at the request of the Acquiring Fund, such VMTP Shares.

(8) The Mergers are scheduled to occur on or prior to December 31, 2012.

A form of the Statement of Preferences of VMTP Shares of the Acquiring Fund (after giving effect to its Redomestication) is attached hereto as Exhibit O. The description of VMTP Shares of the Acquiring Fund included herein is subject to and qualified in its entirety by reference to the more detailed description of the VMTP Shares set forth in such form of Statement of Preferences.

What are the reasons for the proposed Mergers?

The Mergers proposed in this Proxy Statement are part of a larger group of transactions across the Adviser s fund platform that began in early 2011. The Mergers are being proposed to reduce the number of closed-end funds with similar investment processes and investment philosophies managed by the Adviser. VMTP Shareholders are expected to benefit from the larger size of the combined fund due to a larger fund s ability to invest in a larger pool of securities.

The Mergers seek to combine Funds with investment objectives, strategies and related risks that are substantially the same and that are managed by the same portfolio management team.

In considering the Mergers and the Merger Agreements, the Board of each Fund considered that the Common Shareholders of each Fund may benefit from the Mergers by becoming shareholders of a larger fund that may have a more diversified investment portfolio, greater market liquidity, more analyst coverage, smaller spreads and trading discounts, improved purchasing power and lower transaction costs.

The Board of the Acquiring Fund also considered that, in addition to the benefits mentioned above, the combined fund is anticipated to have a lower total expense ratio than is currently the case for the Acquiring Fund.

The Board of each Target Fund also considered that, in addition to the benefits mentioned above:

the combined fund on a *pro forma* basis had a more than 0.50% higher Common Share distribution yield (as a percentage of net asset value) than each Target Fund, even after giving effect to the higher management fees and total expense ratio that will apply to the combined fund before and after the expiration of fee waivers;

as of July 31, 2011, the Acquiring Fund s Common Shares had traded at an average premium of 3.0% to its net asset value over the preceding 52 week period and, over the same period, the Target Funds Common Shares had traded at average discounts of -6.6% (IIC),
-7.15% (IQC) and -8.48% (ICS);

as of July 31, 2011, the Acquiring Fund s Common Shares traded at an average discount of -2.2% to its net asset value for the preceding month and, over the same period, the Target Funds Common Shares had traded at average discounts of -10.20% (IIC), -8.9% (IQC) and
-10.10% (ICS);

the average daily trading volume for the Acquiring Fund s Common Shares was approximately twice the highest average daily trading volumes of the Target Funds Common Shares; and

as of July 31, 2011, the Acquiring Fund owned 192 different municipal bonds and the Target Funds owned 122 (IIC), 109 (IQC) and 97 (ICS), which means that the combined fund would provide shareholders with a more diverse investment portfolio.

In addition, each Board considered the Adviser s agreement to limit the Acquiring Fund s total expenses if a Merger is completed through at least two years from the closing date of the Mergers and the allocation of expenses of the Mergers, including the Adviser paying all of the Merger costs.

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

What effect will a Merger have on me as a VMTP Shareholder?

If you own VMTP Shares of IIC or IQC, you will, after the Merger, own VMTP Shares of the Acquiring Fund with an aggregate liquidation preference equal to, and other terms that are substantially identical to, the Target Fund VMTP Shares you held immediately before the Merger.

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As discussed under Proposal 1, before the closing of the Mergers, IIC, IQC and the Acquiring Fund will be reorganized as Delaware statutory trusts, each of which will have substantially identical Statements of Preferences of VMTP Shares. A form of the Statement of Preferences of VMTP Shares of the Acquiring Fund (after giving effect to its Redomestication) is attached hereto as Exhibit O. The Statement of Preferences of VMTP Shares of each of IIC, IQC and the Acquiring Fund (after giving effect to each Fund s Redomestication) will be identical in all material respects.

If you are a VMTP Shareholder of the Acquiring Fund, your VMTP Shares of the Acquiring Fund will not be changed by a Merger.

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

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

The investment objective of the Acquiring Fund is substantially the same as the investment objectives of the Target Funds. For each Fund, the investment objective may be changed only with shareholder approval.

Acquiring Fund (VCV)	**Target Funds**
To seek to provide a high level of current income exempt from federal and California income taxes, consistent with preservation of capital.	To provide current income which is exempt from federal and California income taxes.

The principal investment strategies of the Acquiring Fund are substantially the same as the principal investment strategies of the Target Funds. However, the principal investment strategies of the Acquiring Fund and the Target Funds are not identical, and certain of their investment policies and limitations are different. The material differences in the Funds principal investment strategies are that the Acquiring Fund, IIC and ICS, but not IQC, may invest in swaps; and that each Target Fund but not the Acquiring Fund may use futures and, for IIC and ICS, swaps to earn income. In addition, each of the Acquiring Fund, IIC, and IQC employs leverage by investing the proceeds of its issuance of VMTP Shares. ICS does not employ this type of leverage and has no outstanding VMTP Shares.

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

How do the Funds principal risks compare?

The principal risks that may affect each Fund s investment portfolio are substantially the same. The material differences in the principal risks of the Funds are that Preferred Shares Risk does not apply to ICS and Swaps Risk does not apply to IQC.

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

The risks associated with an investment in VMTP Shares are substantially the same for IIC, IQC and the Acquiring Fund. ICS has no outstanding VMTP Shares.

Additional information on the principal risks of each Fund is included in such Fund s shareholder reports.

How do the Funds expenses compare?

The table below provides a summary comparison of the expenses of the Funds. The table also shows estimated expenses on a *pro forma* basis giving effect to the proposed Merger with ICS and giving effect to all of the Mergers. The *pro forma* expense ratios show projected estimated expenses, but actual expenses may be greater or less than those shown. Note that *pro forma* total expenses of the Acquiring Fund are expected to be **higher** than the current total expenses of each Target Fund. The Board of each Target Fund concluded that the higher management and total expenses that will apply to the combined fund were justified in light of the anticipated benefits of the Mergers noted above, including that the combined fund would have a more than 0.50% higher distribution yield (as a percentage of net asset value) on a *pro forma* basis than each Target Fund.

It is anticipated that the lowest expense ratio will be achieved for the Acquiring Fund if all of the Mergers are completed and that the highest expense ratio will result if ICS is the only Target Fund that participates in a Merger with the Acquiring Fund. The range of impact to Acquiring Fund expenses after the Mergers is reflected in the following table. VMTP Shareholders are not expected to bear any of the costs of the Mergers.

	Current (a)				***Pro Forma*** (b)	***Pro Forma*** (b)
	Invesco California Municipal Income Trust (IIC)	**Invesco California Quality Municipal Securities (IQC)**	**Invesco California Municipal Securities (ICS)**	**Invesco Van Kampen California Value Municipal Income Trust (Acquiring Fund)**	**ICS + Acquiring Fund (assumes only Merger with ICS is completed)**	**IIC, IQC, ICS + Acquiring Fund (assumes all of the Mergers are completed)**
Shareholder Fees (Fees paid directly from your investment)						
Maximum Sales Charge (Load) Imposed on Purchases (as a percentage of offering price) (c)	None	None	None	None	None	None
Dividend Reinvestment Plan (d)	None	None	None	None	None	None
Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)						
Management Fees	0.38%	0.40%	0.27%	0.97%	0.97%	0.97%
Interest and Related Expenses (e)	0.56%	0.59%	0.08%	0.88%	0.83%	0.82%
Other Expenses	0.14%	0.17%	0.37%	0.14%	0.15%	0.13%
Total Annual Fund Operating Expenses	1.08%	1.16%	0.72%	1.99%	1.95%	1.92%
Fee Waiver and/or Expense Reimbursement	0.00%	0.00%	0.00%	0.00%	0.48%(f)	0.58%(g)
	1.08%	1.16%	0.72%	1.99%	1.47%	1.34%

Total Annual Fund Operating
Expenses after Fee Waiver and/or
Expense Reimbursement

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

(b) *Pro forma* numbers are estimated as if the Merger had been completed as of March 1, 2011 and do not include estimated Merger costs. The Funds are not bearing any Merger costs.

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

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

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

(f) If the Merger with ICS is the only Merger to close, the Adviser has contractually agreed, for two years following the closing of the Merger, to waive advisory fees and/or reimburse expenses to the extent necessary to limit the Acquiring Fund s Total Annual Fund Operating Expenses After Fee Waiver and/or Expense Reimbursement (which excludes certain items discussed below) to 0.64% of average daily net assets. In determining the Adviser s obligation to waive advisory fees and/or reimburse expenses, the following expenses are not taken into account, and could cause Total Annual Fund Operating Expenses After Fee Waiver and/or Expense Reimbursement to exceed the limit reflected above: (i) interest; (ii) taxes; (iii) dividend expense on short sales; (iv) extraordinary or non-routine items, such as litigation, reorganizations and mergers; and (v) expenses that the Fund has incurred but did not actually pay because of an expense offset arrangement. Unless the Board and the Adviser mutually agree to amend or continue the fee waiver agreement, it will terminate two years from the closing date of the Merger.

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

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

Each Fund is overseen by a Board that includes many of the same individuals (described in Proposals 3 and 4) and each Fund s affairs are managed by the same officers with minor exceptions, as described in Exhibit E. The Adviser, a registered investment adviser, serves as investment adviser for each Fund pursuant to an investment advisory agreement that contains substantially identical terms (except for fees) for each Fund. The Adviser oversees the management of each Fund s portfolio, manages each Fund s business affairs and provides certain clerical, bookkeeping and other administrative services. The Adviser has acted as an investment adviser since its organization in 1976. As of March 31, 2012, the Adviser had $309.2 billion in assets under management. The Adviser is located at 1555 Peachtree Street, N.E., Atlanta, Georgia 30309.

The Adviser is an indir