

Edgar Filing: VAN KAMPEN BOND FUND - Form N-CSR

VAN KAMPEN BOND FUND  
Form N-CSR  
August 30, 2004

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT  
COMPANIES

Investment Company Act file number 811-02090

Van Kampen Bond Fund

-----  
(Exact name of registrant as specified in charter)

1221 Avenue of the Americas New York, New York 10020

-----  
(Address of principal executive offices) (Zip code)

Ronald Robison  
1221 Avenue of the Americas New York, New York 10020

-----  
(Name and address of agent for service)

Registrant's telephone number, including area code: 212-762-4000

Date of fiscal year end: 6/30

Date of reporting period: 6/30/04

Item 1. Reports to Shareholders.

The Fund's annual report transmitted to shareholders pursuant to Rule 30e-1 under the Investment Company Act of 1940 is as follows:

Welcome, Shareholder

In this report, you'll learn about how your investment in Van Kampen Bond Fund performed during the annual period. The portfolio management team will provide an overview of the market conditions and discuss some of the factors that affected investment performance during the reporting period. In addition, this report includes the fund's financial statements and a list of fund investments as of June 30, 2004.

Market forecasts provided in this report may not necessarily come to pass. There is no assurance that the fund will achieve its investment objective. Funds are subject to market risk, which is the possibility that the market values of securities owned by the fund will decline and that the value of the fund shares may therefore be less than what you paid for them. Accordingly, you can lose money investing in this fund.



## Edgar Filing: VAN KAMPEN BOND FUND - Form N-CSR

### MARKET CONDITIONS

Much has changed in both the bond market and economy since the 12-month period began. Last summer, concerns about deflation and the sluggish economy permeated the market. In an effort to facilitate economic growth, the Federal Reserve Bank's Federal Open Market Committee (the Fed) lowered the federal funds rate to 1.0 percent, its lowest level in 46 years. Shortly thereafter, however, the economic outlook began to brighten and the furor over corporate-governance scandals began to subside, leading investors to believe that the Fed might soon change direction and begin to raise interest rates. As a result, Treasury bond prices fell and yields rose.

By the fall of 2003, it appeared that the Fed was going to bide its time and wait until a stronger economic recovery was ensured before raising interest rates. This change in market perception led to a market correction and a decline in yields. During the second quarter of 2004, investor sentiment shifted once again, leading to a period of rising yields, as one development after another pointed toward a strong economy and eventual interest-rate hike by the Fed. Gross Domestic Product (GDP) showed a healthy 3.9 percent increase, consumer spending remained strong, and manufacturing continued to show a rebound in activity. Finally, on June 30, the Fed raised its target rate to 1.25 percent, the first increase since 2000.

Corporate bonds were in demand at the start of the reporting year, as investors were attracted to their higher yields relative to Treasuries. Going into January, however, corporate bonds' yield advantage had narrowed considerably. The supply of high-grade corporate bonds declined during the reporting year, as improved corporate earnings diminished companies' need to borrow money. Overall, lower quality/high-yield bonds--especially those in the lowest credit-rating tier--outperformed investment-grade debt.

(1) Team members may change without notice at any time.

2

### PERFORMANCE ANALYSIS

Closed-end fund returns can be calculated upon either the market price or the net asset value (NAV) of its shares. NAV per share is determined by dividing the value of the fund's portfolio securities, cash and other assets, minus all liabilities, by the total number of common shares outstanding, whereas market price reflects the supply and demand for shares. As a result, the two returns may differ significantly, as they did during the reporting period when the fund showed a 3.04 percent gain on an NAV basis, but a 7.44 percent decline on a market-price basis. The fund's return at NAV outperformed its benchmark, the Lehman Brothers BBB Corporate Bond Index. (See table below.)

We implemented various strategies during the reporting period that helped boost the fund's performance. At the beginning of the period, believing that yield spreads over Treasuries were modestly wide, we maintained a large weighting in the BBB-rated credit area. As the reporting period progressed, spreads tightened and we moderately increased the credit quality of the portfolio, which allowed us to capture some price appreciation. In addition, the fund had a below-average duration (or sensitivity to interest rates) throughout the period, which helped buoy performance when interest rates did finally rise.

The fund's positions in the energy, insurance and utilities sectors also added to performance. Energy companies benefited from a stronger economy and firmer pricing, while insurance and utilities appeared undervalued at the start of the reporting period. Fund holdings in Niagara Mohawk Power, Ohio Edison and Pacific Gas & Electric were positive performers, as were Amerada Hess, Conoco and

## Edgar Filing: VAN KAMPEN BOND FUND - Form N-CSR

Kerr-McGee.

The fund's holdings in higher-quality debt did detract from performance somewhat because they kept the fund from more fully participating in the relative outperformance of lower-quality bonds. In addition, below-average weightings in telecommunications, wireless communications and information technology modestly hindered performance, especially early in the reporting period.

Looking forward, we believe it's likely that the Fed will continue to incrementally raise interest rates. We also anticipate that, after a couple of banner years for the corporate-bond market, finding solid value may prove tougher. However, we believe that given the fund's below-average duration

TOTAL RETURN FOR THE 12-MONTH PERIOD ENDING JUNE 30, 2004

BASED ON NAV	BASED ON MARKET PRICE	LEHMAN BROTHERS BBB CORPORATE BOND INDEX
3.04%	-7.44%	1.23%

Past performance is no guarantee of future results. Investment return, net asset value and common share market price will fluctuate and fund shares, when sold, may be worth more or less than their original cost. See Performance Summary for additional performance information and index definition.

3

positioning and broad diversification across the corporate-bond spectrum, the portfolio should be well positioned to the weather the months ahead.

TOP 5 SECTORS AS OF 6/30/04	RATING ALLOCATIONS AS OF 6/30/04
Electric	8.9%    AAA/Aaa    4.8%
Automotive	7.5    AA/Aa    6.4
Banking	6.7    A/A    31.3
Healthcare	5.5    BBB/Baa    48.4
Railroads	4.3    BB/Ba    7.0
	B/B    2.1

Subject to change daily. All percentages are as a percentage of long-term investments. Provided for informational purposes only and should not be deemed as a recommendation to buy or sell securities in the sectors shown above. Securities are classified by sectors that represent broad groupings of related industries. Ratings allocation based upon ratings as issued by Standard and Poor's and Moody's, respectively. Van Kampen is a wholly owned subsidiary of a global securities firm which is engaged in a wide range of financial services including, for example, securities trading and brokerage activities, investment banking, research and analysis, financing and financial advisory services.

4

FOR MORE INFORMATION ABOUT PORTFOLIO HOLDINGS

Each Van Kampen fund provides a complete schedule of portfolio holdings

## Edgar Filing: VAN KAMPEN BOND FUND - Form N-CSR

in its semiannual and annual reports within 60 days of the end of the fund's second and fourth fiscal quarters by filing the schedule electronically with the Securities and Exchange Commission (SEC). The semiannual reports are filed on Form N-CSRS and the annual reports are filed on Form N-CSR. Van Kampen also delivers the semiannual and annual reports to fund shareholders, and makes these reports available on its public web site, [www.vankampen.com](http://www.vankampen.com). In addition to the semiannual and annual reports that Van Kampen delivers to shareholders and makes available through the Van Kampen public web site, each fund files a complete schedule of portfolio holdings with the SEC for the fund's first and third fiscal quarters on Form N-Q. Van Kampen does not deliver the reports for the first and third fiscal quarters to shareholders, nor are the reports posted to the Van Kampen public web site. You may, however, obtain the Form N-Q filings (as well as the Form N-CSR and N-CSRS filings) by accessing the SEC's web site, <http://www.sec.gov>. You may also review and copy them at the SEC's Public Reference Room in Washington, DC. Information on the operation of the SEC's Public Reference Room may be obtained by calling the SEC at 1-202-942-8090. You can also request copies of these materials, upon payment of a duplicating fee, by electronic request at the SEC's e-mail address ([publicinfo@sec.gov](mailto:publicinfo@sec.gov)) or by writing the Public Reference section of the SEC, Washington, DC 20549-0102.

In addition to filing a complete schedule of portfolio holdings with the SEC each fiscal quarter, each Van Kampen fund makes portfolio holdings information available by periodically providing the information on its public web site, [www.vankampen.com](http://www.vankampen.com). Each Van Kampen fund provides a complete schedule of portfolio holdings on the public web site on a calendar-quarter basis approximately 30 days after the close of the calendar quarter. Furthermore, each Van Kampen fund provides partial lists of its portfolio holdings (such as top 10 or top 15 fund holdings) to the public web site each with a delay of approximately 15 days.

You may obtain copies of a fund's fiscal quarter filings, or its monthly or calendar-quarter web site postings, by contacting Van Kampen Client Relations at 1-800-847-2424.

5

### PROXY VOTING POLICIES AND PROCEDURES AND PROXY VOTING RECORD

The fund's policies and procedures with respect to the voting of proxies relating to the fund's portfolio securities and information on how the fund voted proxies relating to portfolio securities during the most recent twelve-month period ended June 30 is available without charge, upon request, by calling 1-800-847-2424 or by visiting our web site at [www.vankampen.com](http://www.vankampen.com). This information is also available on the Securities and Exchange Commission's web site at <http://www.sec.gov>.

6

VAN KAMPEN BOND FUND

PORTFOLIO OF INVESTMENTS -- JUNE 30, 2004

PAR AMOUNT (000)	DESCRIPTION	COUPON	MATURITY	VALUE
------------------------	-------------	--------	----------	-------

Edgar Filing: VAN KAMPEN BOND FUND - Form N-CSR

	CORPORATE BONDS 90.8%			
	AEROSPACE & DEFENSE 1.7%			
\$ 330	Lockheed Martin Corp. ....	7.700%	06/15/08	\$ 372,579
635	Lockheed Martin Corp. ....	8.500	12/01/29	798,873
410	Northrop Grumman Corp. ....	7.125	02/15/11	461,360
850	Raytheon Co. ....	4.500	11/15/07	864,056
875	Raytheon Co. ....	8.300	03/01/10	1,027,561
65	Raytheon Co. ....	4.850	01/15/11	64,602
				-----
				3,589,031
				-----
	AIRLINES 0.8%			
98	Continental Airlines, Inc. ....	6.648	09/15/17	91,482
1,129	Continental Airlines, Inc. ....	6.900	01/02/18	1,061,273
528	Continental Airlines, Inc. ....	6.545	02/02/19	494,041
				-----
				1,646,796
				-----
	AUTOMOTIVE 7.0%			
330	AutoNation, Inc. ....	9.000	08/01/08	374,550
1,445	DaimlerChrysler North America Holding Corp. ....	7.300	01/15/12	1,579,457
1,280	DaimlerChrysler North America Holding Corp. ....	8.500	01/18/31	1,474,830
420	Ford Motor Co. ....	7.450	07/16/31	401,479
3,795	Ford Motor Credit Co. ....	7.250	10/25/11	3,968,690
640	General Motors Acceptance Corp. ....	4.500	07/15/06	647,137
3,770	General Motors Acceptance Corp. ....	6.875	09/15/11	3,870,817
2,865	General Motors Acceptance Corp. ....	8.000	11/01/31	2,943,687
				-----
				15,260,647
				-----
	BANKING 6.3%			
2,230	Bank of America Corp. ....	3.375	02/17/09	2,144,069
545	Citigroup, Inc. ....	6.000	02/21/12	578,728
2,110	Citigroup, Inc. ....	5.625	08/27/12	2,172,418
75	Citigroup, Inc. ....	6.625	06/15/32	77,929
3,340	J.P. Morgan Chase & Co. ....	6.750	02/01/11	3,645,142
400	MBNA America Bank NA.....	7.125	11/15/12	441,781
1,720	MBNA Corp. ....	6.125	03/01/13	1,779,319
1,350	Wachovia Corp. ....	3.625	02/17/09	1,310,801
925	Washington Mutual Bank FA.....	5.500	01/15/13	925,919
525	Washington Mutual, Inc. ....	8.250	04/01/10	612,023
				-----
				13,688,129
				-----
	BROKERAGE 2.7%			
1,670	Goldman Sachs Group, Inc. ....	6.875	01/15/11	1,835,706
185	Goldman Sachs Group, Inc. ....	5.250	10/15/13	179,957
2,000	Lehman Brothers Holdings, Inc. ....	8.500	05/01/07	2,259,662
982	World Financial Prop., 144A-Private Placement (a).....	6.910	09/01/13	1,068,084
446	World Financial Prop., 144A-Private Placement (a).....	6.950	09/01/13	486,562
				-----
				5,829,971
				-----

See Notes to Financial Statements

7

Edgar Filing: VAN KAMPEN BOND FUND - Form N-CSR

VAN KAMPEN BOND FUND

PORTFOLIO OF INVESTMENTS -- JUNE 30, 2004 continued

PAR AMOUNT (000)	DESCRIPTION	COUPON	MATURITY	VALUE
	CHEMICALS 0.3%			
\$ 60	FMC Corp. ....	10.250%	11/01/09	\$ 69,300
640	ICI Wilmington, Inc. ....	4.375	12/01/08	628,424
				-----
				697,724
	CONSTRUCTION MACHINERY 0.6%			
1,320	Kennametal, Inc. ....	7.200	06/15/12	1,398,172
				-----
	CONSUMER PRODUCTS 0.6%			
1,305	Xerox Corp. ....	7.125	06/15/10	1,337,625
				-----
	DIVERSIFIED MANUFACTURING 2.5%			
1,275	Cooper Industries, Inc. ....	5.250	07/01/07	1,330,552
2,445	Honeywell International, Inc. ....	6.125	11/01/11	2,627,145
705	Hutchison Whampoa International Ltd., 144A-Private Placement (Cayman Islands) (a).....	5.450	11/24/10	693,083
850	Hutchison Whampoa International Ltd., 144A-Private Placement (Cayman Islands) (a).....	6.500	02/13/13	852,312
				-----
				5,503,092
	ELECTRIC 7.8%			
725	Appalachian Power Co., Ser H.....	5.950	05/15/33	670,704
790	Arizona Public Service Co. ....	5.800	06/30/14	792,244
370	CenterPoint Energy.....	7.750	02/15/11	411,636
625	Cincinnati Gas & Electric Co. ....	5.700	09/15/12	640,050
425	Cincinnati Gas & Electric Co., Ser A.....	5.400	06/15/33	368,850
375	Cincinnati Gas & Electric Co., Ser B.....	5.375	06/15/33	324,229
820	Columbus Southern Power Co., Ser B.....	6.600	03/01/33	838,161
865	Detroit Edison Co. ....	6.125	10/01/10	923,040
960	Duquesne Light Co. ....	6.700	04/15/12	1,049,621
540	Entergy Gulf States, Inc. ....	3.600	06/01/08	521,492
1,660	Exelon Corp. ....	6.750	05/01/11	1,807,772
885	FirstEnergy Corp., Ser B.....	6.450	11/15/11	918,871
255	Indianapolis Power & Light Co., 144A-Private Placement (a).....	6.300	07/01/13	262,176
545	Monongahela Power Co. ....	5.000	10/01/06	559,180
1,323	Niagara Mohawk Power Corp., Ser F.....	7.625	10/01/05	1,389,471
685	NiSource Finance Corp. ....	7.625	11/15/05	726,884
180	Ohio Power Co., Ser E.....	6.600	02/15/33	184,466
1,215	Pacific Gas & Electric Co. ....	6.050	03/01/34	1,146,570
180	PSEG Energy Holdings, Inc. ....	7.750	04/16/07	189,450
650	PSEG Energy Holdings, Inc. ....	8.625	02/15/08	702,000
195	Southern CA Edison.....	5.000	01/15/14	190,069
365	Texas-New Mexico Power Co. ....	6.250	01/15/09	366,629
255	TXU Corp., Ser J.....	6.375	06/15/06	269,826
805	TXU Energy Co. ....	7.000	03/15/13	878,046

Edgar Filing: VAN KAMPEN BOND FUND - Form N-CSR

8

See Notes to Financial Statements

VAN KAMPEN BOND FUND

PORTFOLIO OF INVESTMENTS -- JUNE 30, 2004 continued

PAR AMOUNT (000)	DESCRIPTION	COUPON	MATURITY	VALUE
ELECTRIC (CONTINUED)				
\$ 770	Westar Energy, Inc. ....	6.000%	07/01/14	\$ 783,761
65	Wisconsin Electric Power.....	5.625	05/15/33	60,919
				-----
				16,976,117
				-----
ENTERTAINMENT 1.3%				
930	AOL Time Warner, Inc. ....	6.875	05/01/12	1,006,481
590	AOL Time Warner, Inc. ....	7.700	05/01/32	646,471
180	Park Place Entertainment Corp. ....	7.500	09/01/09	190,350
270	Time Warner, Inc. ....	6.625	05/15/29	262,795
660	Time Warner, Inc. ....	7.625	04/15/31	716,341
				-----
				2,822,438
				-----
ENVIRONMENTAL SERVICES 2.1%				
245	Allied Waste North America, Inc., 144A-Private Placement (a).....	6.500	11/15/10	243,775
365	Allied Waste North America, Inc., Ser B.....	8.500	12/01/08	401,044
830	Republic Services, Inc. ....	6.750	08/15/11	909,281
1,500	Waste Management, Inc. ....	7.000	10/15/06	1,612,605
550	Waste Management, Inc. ....	7.375	08/01/10	618,707
790	Waste Management, Inc. ....	7.000	07/15/28	822,437
				-----
				4,607,849
				-----
FOOD/BEVERAGE 3.3%				
2,000	ConAgra Foods, Inc. ....	7.500	09/15/05	2,104,562
2,025	Kraft Foods, Inc. ....	5.625	11/01/11	2,063,088
500	Kraft Foods, Inc. ....	6.250	06/01/12	527,316
1,420	Smithfield Foods, Inc. ....	8.000	10/15/09	1,537,150
105	Smithfield Foods, Inc. ....	7.750	05/15/13	110,775
710	YUM! Brands, Inc. ....	8.875	04/15/11	857,903
				-----
				7,200,794
				-----
GAMING 2.0%				
680	Harrahs Operating Co., Inc., 144A-Private Placement (a).....	5.500	07/01/10	684,268
1,495	Harrahs Operating Co., Inc. ....	8.000	02/01/11	1,689,807
1,175	MGM Mirage, Inc. ....	8.500	09/15/10	1,274,875
645	Station Casinos, Inc. ....	6.000	04/01/12	627,262
				-----
				4,276,212
				-----
HEALTHCARE 5.1%				
3,205	Aetna, Inc. ....	7.375	03/01/06	3,417,363



Edgar Filing: VAN KAMPEN BOND FUND - Form N-CSR

640	AmerisourceBergen Corp. ....	8.125	09/01/08	692,800
1,275	HCA, Inc. ....	6.910	06/15/05	1,313,094
800	HCA, Inc. ....	6.300	10/01/12	801,683
285	HCA, Inc. ....	7.190	11/15/15	296,524
1,835	Health Net, Inc. ....	8.375	04/15/11	2,148,271
620	Tenet Healthcare Corp. ....	7.375	02/01/13	564,200
915	Tenet Healthcare Corp. ....	6.875	11/15/31	722,850
1,130	UnitedHealth Group, Inc. ....	5.200	01/17/07	1,176,327
				-----
				11,133,112
				-----

See Notes to Financial Statements

9

VAN KAMPEN BOND FUND

PORTFOLIO OF INVESTMENTS -- JUNE 30, 2004 continued

PAR AMOUNT (000)	DESCRIPTION	COUPON	MATURITY	VALUE
	HOME CONSTRUCTION 0.3%			
\$ 605	D.R. Horton, Inc. ....	6.875%	05/01/13	\$ 620,125
				-----
	INDEPENDENT ENERGY 1.0%			
285	Kerr-McGee Corp. ....	5.875	09/15/06	298,118
470	Kerr-McGee Corp. ....	6.625	10/15/07	505,158
490	Kerr-McGee Corp. ....	6.875	09/15/11	527,873
825	Kerr-McGee Corp. ....	7.875	09/15/31	912,653
				-----
				2,243,802
				-----
	INTEGRATED ENERGY 4.0%			
1,625	Amerada Hess Corp. ....	7.875	10/01/29	1,760,502
720	Conoco Funding Co. (Canada).....	6.350	10/15/11	784,552
2,290	Conoco, Inc. ....	6.950	04/15/29	2,528,962
625	Constellation Energy Group.....	7.600	04/01/32	692,051
230	Consumers Energy Co., Ser D.....	5.375	04/15/13	225,619
790	Consumers Energy Co., Ser F.....	4.000	05/15/10	748,882
190	Consumers Energy Co., Ser H.....	4.800	02/17/09	190,349
670	Marathon Oil Corp. ....	5.375	06/01/07	700,287
685	Marathon Oil Corp. ....	6.800	03/15/32	712,501
270	Transcontinental Gas Pipe Line Corp. ....	8.875	07/15/12	306,450
				-----
				8,650,155
				-----
	LIFE INSURANCE 2.8%			
2,195	Anthem Insurance Cos., Inc., 144A-Private Placement (a).....	9.125	04/01/10	2,695,383
475	John Hancock Financial Services, Inc. ....	5.625	12/01/08	499,880
105	Metlife, Inc. ....	6.125	12/01/11	112,887
585	Nationwide Financial Services, Inc. ....	6.250	11/15/11	624,957
1,070	Prudential Holdings, LLC, 144A-Private Placement (a).....	7.245	12/18/23	1,216,153
820	Prudential Holdings, LLC, 144A-Private Placement			

Edgar Filing: VAN KAMPEN BOND FUND - Form N-CSR

(a).....		8.695	12/18/23	986,904
				-----
				6,136,164
				-----
	LODGING 2.8%			
1,555	Hilton Hotels Corp. ....	7.625	12/01/12	1,679,400
1,325	Hyatt Equities LLC, 144A-Private Placement			
	(a).....	6.875	06/15/07	1,409,648
610	Marriott International.....	8.125	04/01/05	634,110
375	Marriott International.....	7.000	01/15/08	408,772
400	Starwood Hotels & Resorts Worldwide, Inc. ....	7.375	05/01/07	423,000
1,375	Starwood Hotels & Resorts Worldwide, Inc. ....	7.875	05/01/12	1,478,125
				-----
				6,033,055
				-----
	MEDIA-CABLE 1.6%			
490	Comcast Cable Communications, Inc. ....	8.375	05/01/07	547,980
1,785	Comcast Cable Communications, Inc. ....	6.750	01/30/11	1,928,728
90	Comcast Cable Communications, Inc. ....	7.125	06/15/13	98,540
845	Echostar DBS Corp. ....	6.375	10/01/11	836,550
				-----
				3,411,798
				-----

10

See Notes to Financial Statements

VAN KAMPEN BOND FUND

PORTFOLIO OF INVESTMENTS -- JUNE 30, 2004 continued

PAR AMOUNT (000)	DESCRIPTION	COUPON	MATURITY	VALUE
	MEDIA-NONCABLE 3.0%			
\$2,500	Clear Channel Communications, Inc. ....	7.250%	10/15/27	\$ 2,676,303
390	Nevada Power Co. ....	9.000	08/15/13	426,075
2,800	News America Holdings, Inc. ....	8.875	04/26/23	3,506,838
				-----
				6,609,216
				-----
	NATURAL GAS PIPELINES 1.6%			
285	Consolidated Natural Gas Co., Ser A.....	5.000	03/01/14	273,551
960	Consolidated Natural Gas Co., Ser C.....	6.250	11/01/11	1,022,913
464	Gulfterra Energy Partners LP, Ser B.....	8.500	06/01/10	506,920
670	Gulfterra Energy Partners LP, Ser B.....	6.250	06/01/10	680,050
210	Northwest Pipeline Corp. ....	8.125	03/01/10	227,325
675	Texas Eastern Transmission Corp. ....	7.000	07/15/32	707,927
				-----
				3,418,686
				-----
	NONCAPTIVE-CONSUMER FINANCE 3.7%			
2,000	American General Finance Corp. ....	4.625	09/01/10	1,977,592
2,245	Countrywide Home Loans, Inc. ....	3.250	05/21/08	2,161,515
1,000	Household Finance Corp. ....	7.875	03/01/07	1,105,520
150	Household Finance Corp. ....	8.000	07/15/10	174,271
1,555	Household Finance Corp. ....	6.750	05/15/11	1,701,657

Edgar Filing: VAN KAMPEN BOND FUND - Form N-CSR

1,060	SLM Corp. ....	5.000	10/01/13	1,025,458
				-----
				8,146,013
				-----
	NONCAPTIVE-DIVERSIFIED FINANCE 3.0%			
415	CIT Group, Inc. ....	7.375	04/02/07	454,309
415	General Electric Capital Corp. ....	6.750	03/15/32	447,581
2,000	Heller Financial, Inc. ....	6.375	03/15/06	2,116,162
2,500	International Lease Finance Corp. ....	8.375	12/15/04	2,571,620
935	Newcourt Credit Group, Inc., Ser B (Canada).....	6.875	02/16/05	961,336
				-----
				6,551,008
				-----
	OIL FIELD SERVICES 0.1%			
280	Panhandle Eastern Pipe Line Co., Ser B.....	2.750	03/15/07	268,885
				-----
	PACKAGING 0.7%			
630	Packaging Corp. of America.....	5.750	08/01/13	625,802
960	Sealed Air Corp., 144A-Private Placement (a)....	5.625	07/15/13	949,963
				-----
				1,575,765
				-----
	PAPER 2.1%			
905	International Paper Co. ....	4.250	01/15/09	890,547
505	Owens-Brockway Glass Containers, Inc. ....	7.750	05/15/11	527,725
405	Owens-Brockway Glass Containers, Inc. ....	8.750	11/15/12	441,450
455	Weyerhaeuser Co. ....	6.000	08/01/06	478,944
1,980	Weyerhaeuser Co. ....	6.750	03/15/12	2,147,484
				-----
				4,486,150
				-----
	PHARMACEUTICALS 0.3%			
550	Schering-Plough Corp. ....	5.300	12/01/13	541,106
				-----

See Notes to Financial Statements

11

VAN KAMPEN BOND FUND

PORTFOLIO OF INVESTMENTS -- JUNE 30, 2004 continued

PAR AMOUNT (000)	DESCRIPTION	COUPON	MATURITY	VALUE
	PROPERTY & CASUALTY 2.9%			
\$ 570	AIG Sunamerica Global Financial, 144A-Private Placement (a).....	6.300%	05/10/11	\$ 613,102
1,545	Farmers Exchange Capital, 144A-Private Placement (a).....	7.050	07/15/28	1,487,001
1,565	Farmers Insurance Exchange Surplus, 144A-Private Placement (a).....	8.625	05/01/24	1,757,312
125	Hartford Financial Services Group.....	2.375	06/01/06	123,029
1,800	Mantis Reef Ltd., 144A-Private Placement (Australia) (a).....	4.692	11/14/08	1,779,541
440	Nationwide Mutual Insurance Co., 144A-Private			

Edgar Filing: VAN KAMPEN BOND FUND - Form N-CSR

	Placement (a)	8.250	12/01/31	520,315
				-----
				6,280,300
				-----
	RAILROADS	4.0%		
1,000	CSX Corp.	6.750	03/15/11	1,086,137
7,000	Union Pacific Corp.	8.350	05/01/25	7,601,244
				-----
				8,687,381
				-----
	REAL ESTATE INVESTMENT TRUSTS	1.0%		
250	EOP Operating LP	4.750	03/15/14	230,766
278	Istar Financial, Inc.	8.750	08/15/08	308,865
850	Reckson Operating Partnership LP	5.150	01/15/11	824,495
570	Rouse Co.	3.625	03/15/09	542,097
245	Rouse Co.	5.375	11/26/13	237,096
				-----
				2,143,319
				-----
	REFINING	0.3%		
430	Ashland, Inc.	7.830	08/15/05	450,441
250	Vintage Petroleum, Inc.	7.875	05/15/11	257,500
				-----
				707,941
				-----
	RETAIL	3.5%		
250	CVS Corp.	5.625	03/15/06	260,731
270	CVS Corp.	3.875	11/01/07	270,420
1,500	Federated Department Stores, Inc.	6.625	09/01/08	1,624,419
500	Federated Department Stores, Inc.	6.300	04/01/09	535,872
490	Lowe's Cos., Inc.	6.875	02/15/28	537,544
700	Lowe's Cos., Inc.	6.500	03/15/29	736,793
1,275	May Department Stores Co.	5.950	11/01/08	1,338,319
700	May Department Stores Co.	6.700	09/15/28	697,656
430	May Department Stores Co.	7.875	03/01/30	490,767
75	May Department Stores Co.	6.900	01/15/32	77,155
175	Toys "R" Us, Inc.	7.875	04/15/13	176,531
895	Toys "R" Us, Inc.	7.375	10/15/18	831,231
				-----
				7,577,438
				-----
	SERVICES	0.4%		
562	Iron Mountain, Inc.	7.750	01/15/15	560,595
295	Iron Mountain, Inc.	6.625	01/01/16	269,925
				-----
				830,520
				-----

12

See Notes to Financial Statements

VAN KAMPEN BOND FUND

PORTFOLIO OF INVESTMENTS -- JUNE 30, 2004 continued

PAR AMOUNT (000)	DESCRIPTION	COUPON	MATURITY	VALUE
-----				

Edgar Filing: VAN KAMPEN BOND FUND - Form N-CSR

	SUPERMARKETS 1.1%			
\$ 770	Albertson's, Inc. ....	7.500%	02/15/11	\$ 868,857
1,285	Kroger Co. ....	7.500	04/01/31	1,426,545
				-----
				2,295,402
				-----
	TECHNOLOGY 0.7%			
195	Avnet, Inc. ....	9.750	02/15/08	222,300
465	Electronic Data Systems Corp. ....	7.125	10/15/09	487,144
780	Electronic Data Systems Corp., Ser B.....	6.000	08/01/13	746,245
				-----
				1,455,689
				-----
	TEXTILE 0.4%			
810	Mohawk Industries, Inc. ....	7.200	04/15/12	900,098
				-----
	TOBACCO 0.8%			
850	Altria Group, Inc. ....	7.000	11/04/13	867,048
890	Altria Group, Inc. ....	7.750	01/15/27	912,433
				-----
				1,779,481
				-----
	TRANSPORTATION SERVICES 0.4%			
1,000	FedEx Corp., 144A-Private Placement (a).....	2.650	04/01/07	971,725
				-----
	WIRELESS COMMUNICATIONS 0.4%			
745	AT&T Wireless Services, Inc. ....	7.875	03/01/11	848,525
				-----
	WIRELINE COMMUNICATIONS 3.8%			
140	AT&T Corp. ....	8.050	11/15/11	143,940
1,765	AT&T Corp. ....	8.750	11/15/31	1,727,227
1,105	Sprint Capital Corp. ....	8.750	03/15/32	1,291,326
2,935	Verizon Communications, Inc. ....	6.940	04/15/28	3,004,017
1,360	Verizon Global Funding Corp. ....	7.750	12/01/30	1,532,098
590	Verizon New England, Inc. ....	6.500	09/15/11	629,572
				-----
				8,328,180
				-----
	TOTAL CORPORATE BONDS 90.8%.....			197,465,636
				-----
	CONVERTIBLE CORPORATE OBLIGATION 0.6%			
	ELECTRIC 0.6%			
1,240	Ohio Edison Co. ....	5.450	05/01/15	1,182,194
				-----
	U.S. GOVERNMENT AGENCY OBLIGATIONS 2.5%			
8,750	United States Treasury Bonds (STRIP			
	PRINCIPAL).....	*	02/15/25	2,751,184
9,000	United States Treasury Notes (STRIPS).....	*	05/15/25	2,773,440
				-----
	TOTAL U.S. GOVERNMENT AGENCY OBLIGATIONS.....			5,524,624
				-----

See Notes to Financial Statements

13

Edgar Filing: VAN KAMPEN BOND FUND - Form N-CSR

VAN KAMPEN BOND FUND

PORTFOLIO OF INVESTMENTS -- JUNE 30, 2004 continued

DESCRIPTION	VALUE
-----	
TOTAL LONG-TERM INVESTMENTS 93.9%	
(Cost \$198,130,162).....	\$204,172,454
-----	
SHORT-TERM INVESTMENTS 5.5%	
REPURCHASE AGREEMENT 5.1%	
UBS Securities (\$11,202,000 par collateralized by U.S. Government obligations in a pooled cash account, interest rate of 1.25%, dated 06/30/04, to be sold on 07/01/04 at \$11,202,389).....	11,202,000
-----	
U.S. GOVERNMENT AGENCY OBLIGATIONS 0.4%	
United States Treasury Bills (\$250,000 par, yielding 1.163%, 07/15/04 maturity) (b).....	249,887
United States Treasury Bills (\$600,000 par, yielding 1.285%, 09/23/04 maturity) (b).....	598,206
-----	
TOTAL U.S. GOVERNMENT AGENCY OBLIGATIONS 0.4%.....	848,093
-----	
TOTAL SHORT-TERM INVESTMENTS	
(Cost \$12,050,536).....	12,050,093
-----	
TOTAL INVESTMENTS 99.4%	
(Cost \$210,180,698).....	216,222,547
OTHER ASSETS IN EXCESS OF LIABILITIES 0.6%.....	1,330,415
-----	
NET ASSETS 100.0%.....	\$217,552,962
=====	

Percentages are calculated as a percentage of net assets.

\* Zero coupon bond

(a) 144A securities are those which are exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may only be resold in transactions exempt from registration which are normally those transactions with qualified institutional buyers.

(b) Assets segregated as collateral for open futures transactions.

STRIPS--Separate Trading of Registered Interest and Principal of Securities

14

See Notes to Financial Statements

VAN KAMPEN BOND FUND

FINANCIAL STATEMENTS

Edgar Filing: VAN KAMPEN BOND FUND - Form N-CSR

Statement of Assets and Liabilities  
June 30, 2004

ASSETS:	
Total Investments (Cost \$210,180,698).....	\$216,222,547
Cash.....	489
Receivables:	
Interest.....	3,125,327
Investments Sold.....	112,253
Other.....	41,412
	-----
Total Assets.....	219,502,028
	-----
LIABILITIES:	
Payables:	
Investments Purchased.....	1,219,723
Variation Margin on Futures.....	207,781
Income Distributions.....	158,448
Investment Advisory Fee.....	86,393
Other Affiliates.....	5,589
Trustees' Deferred Compensation and Retirement Plans.....	169,033
Accrued Expenses.....	102,099
	-----
Total Liabilities.....	1,949,066
	-----
NET ASSETS.....	\$217,552,962
	=====
NET ASSET VALUE PER COMMON SHARE (\$217,552,962 divided by 11,362,465 shares outstanding).....	\$ 19.15
	=====
NET ASSETS CONSIST OF:	
Common Shares (\$1.00 par value with 15,000,000 shares authorized, 11,362,465 shares issued and outstanding).....	\$ 11,362,465
Paid in Surplus.....	207,602,030
Net Unrealized Appreciation.....	5,653,917
Accumulated Undistributed Net Investment Income.....	(1,097,551)
Accumulated Net Realized Loss.....	(5,967,899)
	-----
NET ASSETS.....	\$217,552,962
	=====

See Notes to Financial Statements

15

VAN KAMPEN BOND FUND

FINANCIAL STATEMENTS continued

Statement of Operations  
For the Year Ended June 30, 2004

INVESTMENT INCOME:	
Interest.....	\$ 13,114,149
Other.....	3,375
	-----
Total Income.....	13,117,524
	-----

Edgar Filing: VAN KAMPEN BOND FUND - Form N-CSR

EXPENSES:	
Investment Advisory Fee.....	1,077,464
Shareholder Services.....	75,776
Shareholder Reports.....	74,948
Trustees' Fees and Related Expenses.....	70,311
Custody.....	26,890
Legal.....	13,138
Other.....	108,154
	-----
Total Expenses.....	1,446,681
Less Credits Earned on Cash Balances.....	76
	-----
Net Expenses.....	1,446,605
	-----
NET INVESTMENT INCOME.....	\$ 11,670,919
	=====
REALIZED AND UNREALIZED GAIN/LOSS:	
Realized Gain/Loss:	
Investments.....	\$ 4,584,194
Futures.....	3,128,809
	-----
Net Realized Gain.....	7,713,003
	-----
Unrealized Appreciation/Depreciation:	
Beginning of the Period.....	19,458,599
	-----
End of the Period:	
Investments.....	6,041,849
Futures.....	(387,932)
	-----
	5,653,917
	-----
Net Unrealized Depreciation During the Period.....	(13,804,682)
	-----
NET REALIZED AND UNREALIZED LOSS.....	\$ (6,091,679)
	=====
NET INCREASE IN NET ASSETS FROM OPERATIONS.....	\$ 5,579,240
	=====

16

See Notes to Financial Statements

VAN KAMPEN BOND FUND

FINANCIAL STATEMENTS continued

Statements of Changes in Net Assets

	FOR THE YEAR ENDED JUNE 30, 2004	FOR THE YEAR ENDED JUNE 30, 2003
	-----	-----
FROM INVESTMENT ACTIVITIES:		
Operations:		
Net Investment Income.....	\$ 11,670,919	\$ 12,525,760
Net Realized Gain/Loss.....	7,713,003	(6,299,069)
Net Unrealized Appreciation/Depreciation During the Period.....	(13,804,682)	18,842,963



Edgar Filing: VAN KAMPEN BOND FUND - Form N-CSR

Change in Net Assets from Operations.....	5,579,240	25,069,654
Distributions from Net Investment Income.....	(12,726,925)	(13,747,783)
NET CHANGE IN NET ASSETS FROM INVESTMENT ACTIVITIES.....	(7,147,685)	11,321,871
NET ASSETS:		
Beginning of the Period.....	224,700,647	213,378,776
End of the Period (Including accumulated undistributed net investment income of \$(1,097,551) and \$(276,131), respectively).....	\$217,552,962	\$224,700,647

See Notes to Financial Statements

17

VAN KAMPEN BOND FUND

FINANCIAL HIGHLIGHTS

THE FOLLOWING SCHEDULE PRESENTS FINANCIAL HIGHLIGHTS FOR ONE SHARE OF THE FUND OUTSTANDING THROUGHOUT THE PERIODS INDICATED.

	2004	2003	2002 (a)
NET ASSET VALUE, BEGINNING OF THE PERIOD.....	\$19.78	\$18.78	\$19.41
Net Investment Income.....	1.03	1.10	1.26
Net Realized and Unrealized Gain/Loss.....	(.54)	1.11	(.56)
Total from Investment Operations.....	.49	2.21	.70
Less Distributions from Net Investment Income.....	1.12	1.21	1.33
NET ASSET VALUE, END OF THE PERIOD.....	\$19.15	\$19.78	\$18.78
Common Share Market Price at End of the Period.....	\$17.02	\$19.57	\$18.50
Total Return (b).....	-7.44%	12.67%	3.50%
Net Assets at End of the Period (In millions).....	\$217.6	\$224.7	\$213.4
Ratio of Operating Expenses to Average Net Assets.....	.65%	.65%	.65%
Ratio of Convertible Note Expenses to Average Net Assets (c).....	--	--	--
Ratio of Net Investment Income to Average Net Assets.....	5.24%	5.79%	6.39%
Portfolio Turnover.....	41%	57%	107%

(a) As required, effective July 1, 2001, the Fund has adopted the provisions of the AICPA Audit and Accounting Guide for Investment Companies and began amortizing premium on fixed income securities. The effect of this change for the year ended June 30, 2002 was to decrease net investment income per share by \$.04, increase net realized and unrealized gains and losses per share by \$.04 and decrease the ratio of net investment income to average net assets by .24%. Per share, ratios and supplemental data for periods prior to June 30, 2002 have not been restated to reflect this change in presentation.

Edgar Filing: VAN KAMPEN BOND FUND - Form N-CSR

- (b) Total return based on common share market price assumes an investment at the common share market price at the beginning of the period indicated, reinvestment of all distributions for the period in accordance with the Fund's dividend reinvestment plan, and sale of all shares at the closing common share market price at the end of the period indicated.
- (c) On January 3, 1995, the Fund paid off its outstanding convertible extendible note.

18

YEAR ENDED JUNE 30,

2001	2000	1999	1998	1997	1996	1995
\$18.70	\$19.59	\$ 21.16	\$ 20.26	\$19.97	\$ 20.41	\$ 19.07
1.40	1.43	1.41	1.48	1.56	1.54	1.52
.68	(.93)	(1.56)	.93	.27	(.44)	1.36
2.08	.50	(.15)	2.41	1.83	1.10	2.88
1.37	1.39	1.42	1.51	1.54	1.54	1.54
\$19.41	\$18.70	\$ 19.59	\$ 21.16	\$20.26	\$ 19.97	\$ 20.41
\$19.15	\$16.75	\$17.875	\$19.6875	\$19.25	\$18.125	\$19.125
23.10%	1.88%	-2.45%	10.08%	15.06%	2.61%	14.89%
\$220.5	\$212.4	\$ 222.6	\$ 240.4	\$230.2	\$ 226.9	\$ 231.9
.68%	.64%	.66%	.65%	.68%	.67%	.68%
--	--	--	--	--	--	.39%
7.25%	7.48%	6.79%	7.04%	7.70%	7.47%	7.92%
88%	71%	10%	27%	8%	11%	8%

See Notes to Financial Statements

19

VAN KAMPEN BOND FUND

NOTES TO FINANCIAL STATEMENTS -- JUNE 30, 2004

1. SIGNIFICANT ACCOUNTING POLICIES

Van Kampen Bond Fund (the "Fund") is registered as a diversified, closed-end management investment company under the Investment Company Act of 1940 (the "1940 Act"), as amended. The Fund's investment objective is to seek interest income while conserving capital through investing in a diversified portfolio consisting primarily of high-quality debt securities.

The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses

## Edgar Filing: VAN KAMPEN BOND FUND - Form N-CSR

during the reporting period. Actual results could differ from those estimates.

A. SECURITY VALUATION Fixed income investments are stated at value using market quotations or indications of value obtained from an independent pricing service. Investments in securities listed on a securities exchange are valued at their sales price as of the close of such securities exchange. Listed securities and unlisted securities for which the last sales price is not available are valued at the mean of the bid and asked prices. For those securities where quotations or prices are not available as noted above, valuations are determined in accordance with procedures established in good faith by the Board of Trustees. Futures contracts are valued at the settlement price established each day on the exchange on which they are traded. Short-term securities with remaining maturities of 60 days or less are valued at amortized cost, which approximates market value.

B. SECURITY TRANSACTIONS Security transactions are recorded on a trade date basis. Realized gains and losses are determined on an identified cost basis. The Fund may purchase and sell securities on a "when-issued" or "delayed delivery" basis, with settlement to occur at a later date. The value of the security so purchased is subject to market fluctuations during this period. The Fund will segregate assets with its custodian having an aggregate value at least equal to the amount of the when-issued or delayed delivery purchase commitments until payment is made. At June 30, 2004, there were no when-issued or delayed delivery purchase commitments.

The Fund may invest in repurchase agreements, which are short-term investments in which the Fund acquires ownership of a debt security and the seller agrees to repurchase the security at a future time and specified price. The Fund may invest independently in repurchase agreements, or transfer uninvested cash balances into a pooled cash account along with other investment companies advised by Van Kampen Asset Management (the "Adviser") or its affiliates, the daily aggregate of which is invested in repurchase agreements. Repurchase agreements are fully collateralized by the underlying debt security. The Fund will make payment for such securities only upon physical delivery or evidence of book entry transfer to the account of the custodian bank. The seller is required to maintain the value of the underlying security at not less than the repurchase proceeds due the Fund.

C. INVESTMENT INCOME Interest income is recorded on an accrual basis and dividend income is recorded on the ex-dividend date. Premiums are amortized and discounts are accreted over the expected life of each applicable security.

20

VAN KAMPEN BOND FUND

NOTES TO FINANCIAL STATEMENTS -- JUNE 30, 2004 continued

D. FEDERAL INCOME TAXES It is the Fund's policy to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all of its taxable income to its shareholders. Therefore, no provision for federal income taxes is required.

The Fund intends to utilize provisions of the federal income tax laws which allow it to carry a realized capital loss forward for eight years following the year of the loss and offset these losses against any future realized capital gains. At June 30, 2004, the Fund had an accumulated capital loss carryforward for tax purposes of \$6,354,808, which will expire on June 30, 2011.

At June 30, 2004, the cost and related gross unrealized appreciation and depreciation are as follows:

Edgar Filing: VAN KAMPEN BOND FUND - Form N-CSR

Cost of investments for tax purposes.....	\$211,091,322
	=====
Gross tax unrealized appreciation.....	\$ 7,467,385
Gross tax unrealized depreciation.....	(2,336,160)
	-----
Net tax unrealized appreciation on investments.....	\$ 5,131,225
	=====

E. DISTRIBUTION OF INCOME AND GAINS The Fund declares and pays quarterly dividends from net investment income. Net realized gains, if any, are distributed annually. Distributions from net realized gains for book purposes may include short-term capital gains and gains on futures transactions. All short-term capital gains and a portion of futures gains are included in ordinary income for tax purposes.

The tax character of distributions paid during the years ended June 30, 2004 and 2003 was as follows:

	2004	2003
Distributions paid from:		
Ordinary income.....	\$12,568,477	\$13,747,783
Long-term capital gain.....	-0-	-0-
	-----	-----
	\$12,568,477	\$13,747,783
	=====	=====

Due to inherent differences in the recognition of income, expenses and realized gain/losses under accounting principles generally accepted in the United States of America and federal income tax purposes, permanent differences between book and tax basis reporting have been identified and appropriately reclassified on the Statement of Assets and Liabilities. A permanent book and tax difference relating to consent fee income totaling \$3,000 was reclassified to accumulated net realized loss from accumulated undistributed net investment income and \$6,079 relating to the recognition of net realized losses on paydowns of mortgage pool obligations was reclassified from accumulated undistributed net investment income to accumulated net realized loss. Additionally, a permanent difference relating to book to tax amortization differences totaling \$231,507 has been reclassified from accumulated net realized loss to accumulated undistributed net investment income.

21

VAN KAMPEN BOND FUND

NOTES TO FINANCIAL STATEMENTS -- JUNE 30, 2004 continued

As of June 30, 2004, the component of distributable earnings on a tax basis were as follows:

Undistributed ordinary income.....	\$104,707
------------------------------------	-----------

## Edgar Filing: VAN KAMPEN BOND FUND - Form N-CSR

Net realized gains or losses may differ for financial reporting and tax purposes primarily as a result of the deferral of losses relating to wash sale transactions and gains or losses recognized for tax purposes on open future transactions on June 30, 2004.

F. EXPENSE REDUCTIONS During the year ended June 30, 2004, the Fund's custody fee was reduced by \$76 as a result of credits earned on cash balances.

### 2. INVESTMENT ADVISORY AGREEMENT AND OTHER TRANSACTIONS WITH AFFILIATES

Under the terms of the Fund's Investment Advisory Agreement, the Adviser will provide investment advice and facilities to the Fund for an annual fee payable monthly as follows:

AVERAGE DAILY NET ASSETS	% PER ANNUM
First \$150 million.....	.50%
Next \$100 million.....	.45%
Next \$100 million.....	.40%
Over \$350 million.....	.35%

For the year ended June 30, 2004, the Fund recognized expenses of approximately \$13,100 representing legal services provided by Skadden, Arps, Slate, Meagher & Flom LLP, counsel to the Fund, of which a trustee of the Fund is an affiliated person.

Under an Accounting Services agreement, the Adviser provides accounting services to the Fund. The Adviser allocates cost of such services to each fund. For the year ended June 30, 2004, the Fund recognized expenses of approximately \$15,200 representing Van Kampen Investments Inc.'s or its affiliates' (collectively "Van Kampen") cost of providing accounting services to the Fund, which are reported as part of "Other" expenses on the Statement of Operations.

Certain officers and trustees of the Fund are also officers and directors of Van Kampen. The Fund does not compensate its officers or trustees who are officers of Van Kampen.

The Fund provides deferred compensation and retirement plans for its trustees who are not officers of Van Kampen. Under the deferred compensation plan, trustees may elect to defer all or a portion of their compensation to a later date. Benefits under the retirement plan are payable upon retirement for a ten-year period and are based upon each trustee's years of service to the Fund. The maximum annual benefit per trustee under the plan is \$2,500.

### 3. INVESTMENT TRANSACTIONS

During the period, the cost of purchases and proceeds from sales of investments, excluding short-term investments, were \$84,852,361 and \$87,989,568, respectively.

### 4. DERIVATIVE FINANCIAL INSTRUMENTS

A derivative financial instrument in very general terms refers to a security whose value is "derived" from the value of an underlying asset, reference rate or index.

# Edgar Filing: VAN KAMPEN BOND FUND - Form N-CSR

VAN KAMPEN BOND FUND

NOTES TO FINANCIAL STATEMENTS -- JUNE 30, 2004 continued

The Fund has a variety of reasons to use derivative instruments, such as to attempt to protect the Fund against possible changes in the market value of its portfolio or to generate potential gain. All of the Fund's portfolio holdings, including derivative instruments, are marked to market each day with the change in value reflected in the unrealized appreciation/depreciation. Upon disposition, a realized gain or loss is recognized accordingly, except when taking delivery of a security underlying a futures contract. In this instance, the recognition of gain or loss is postponed until the disposal of the security underlying the futures contract. Risks may arise as a result of the potential inability of the counterparties to meet the terms of their contracts.

During the period, the Fund invested in futures contracts, a type of derivative. A futures contract is an agreement involving the delivery of a particular asset on a specified future date at an agreed upon price. The Fund generally invests in exchange traded futures on U.S. Treasury Bonds and Notes and typically closes the contract prior to delivery date. Upon entering into futures contracts, the Fund maintains an amount of cash or liquid securities with a value equal to a percentage of the contract amount with either a futures commission merchant pursuant to rules and regulations promulgated under the 1940 Act, as amended, or with its custodian in an account in the broker's name. This amount is known as initial margin. During the period the futures contract is open, payments are received from or made to the broker based upon changes in the value of the contract (the variation margin). The risk of loss associated with a futures contract is in excess of the variation margin reflected on the Statement of Assets and Liabilities.

Transactions in futures contracts for the year ended June 30, 2004, were as follows:

	CONTRACTS
Outstanding at June 30, 2003.....	556
Futures Opened.....	1,805
Futures Closed.....	(2,036)
	-----
Outstanding at June 30, 2004.....	325
	=====

The futures contracts outstanding as of June 30, 2004 and the descriptions and unrealized appreciation/depreciation are as follows:

	CONTRACTS	UNREALIZED APPRECIATION/ DEPRECIATION
<b>SHORT CONTRACTS:</b>		
U.S. Treasury Bond Future, September 2004 (Current Notional Value of \$106,375 per contract).....	35	\$ (97,098)
5-Year U.S. Treasury Note Future, September 2004 (Current Notional Value of \$108,688 per contract).....	153	(119,897)
10-Year U.S. Treasury Note Future, September 2004 (Current Notional Value of \$109,328 per contract).....	137	(170,937)

Edgar Filing: VAN KAMPEN BOND FUND - Form N-CSR

---	-----
325	\$(387,932)
===	=====

23

VAN KAMPEN BOND FUND

NOTES TO FINANCIAL STATEMENTS -- JUNE 30, 2004 continued

5. INDEMNIFICATIONS

The Fund enters into contracts that contain a variety of indemnifications. The Fund's maximum exposure under these arrangements is unknown. However, the Fund has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.

24

VAN KAMPEN BOND FUND

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Trustees and Shareholders of Van Kampen Bond Fund

We have audited the accompanying statement of assets and liabilities of Van Kampen Bond Fund (the "Fund"), including the portfolio of investments, as of June 30, 2004, the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits. The Fund's financial highlights for the periods ended prior to June 30, 2000, were audited by other auditors whose report, dated July 23, 1999, expressed an unqualified opinion on those financial highlights.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of June 30, 2004, by correspondence with the Fund's custodian and brokers; where replies were not received from brokers, we performed other auditing procedures. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Van Kampen Bond Fund as of June 30, 2004, the results of its operations for the year then ended, the changes in its net assets and the financial highlights for the respective stated periods, in conformity with accounting principles generally accepted in the United States of America.

DELOITTE & TOUCHE LLP  
Chicago, Illinois

August 9, 2004

25

VAN KAMPEN BOND FUND

DIVIDEND REINVESTMENT PLAN

The Fund pays distributions in cash, but if you own more than 100 shares in your own name, you may elect to participate in the Fund's dividend reinvestment plan (the "Plan"). Under the Plan, shares will be issued by the Fund at net asset value on a date determined by the Board of Trustees between the record and payable dates on each distribution; however, if the market price including brokerage commissions, is less than the net asset value, the amount of the distribution will be paid to the Plan Agent, which will buy such shares as are available at prices below the net asset value. (If the market price is not significantly less than the net asset value, it is possible that open market purchases of shares may increase the market price so that such price plus brokerage commissions would equal or exceed the net asset value of such shares.) If the Plan Agent cannot buy the necessary shares at less than net asset value before the distribution date, the balance of the distribution will be made in authorized but unissued shares of the Fund at net asset value. The cost per share will be the average cost, including brokerage commissions, of all shares purchased. Since all shares purchased from the Fund are at net asset value, there will be no dilution, and no brokerage commissions are charged on such shares.

You will receive tax information annually for your personal records and to help you prepare your federal income tax return. The automatic reinvestment of dividends and capital gain distributions does not relieve you of any income tax which may be payable (or required to be withheld) on dividends or distributions.

You may begin or discontinue participation in the Plan at any time by written notice to the address below. If you withdraw from the Plan, you may rejoin at any time if you own the required 100 shares. Elections and terminations will be effective for distributions declared after receipt. If you withdraw from the Plan, a certificate for the whole shares and a check for the fractional shares, if any, credited to your Plan account will be sent as soon as practicable after receipt of your election to withdraw. Except for brokerage commissions, if any, which are borne by Plan participants, all costs of the Plan are borne by the Fund. The Fund reserves the right to amend or terminate the Plan on 30 days' written notice prior to the record date of the distribution for which such amendment or termination is effective.

Record stockholders should address all notices, correspondence, questions or other communications about the Plan to:

State Street Bank and Trust Company  
c/o EquiServe LLP  
P.O. Box 8200  
Boston, MA 02266-8200  
1-800-821-1238

If your shares are not held directly in your name, you should contact your brokerage firm, bank or other nominee for more information and to see if your nominee will participate in the Plan on your behalf. If you participate through your broker and choose to move your account to another broker, you will need to re-enroll in the Plan through your new broker.

26



Edgar Filing: VAN KAMPEN BOND FUND - Form N-CSR

VAN KAMPEN BOND FUND

BOARD OF TRUSTEES AND IMPORTANT ADDRESSES

BOARD OF TRUSTEES

DAVID C. ARCH  
J. MILES BRANAGAN  
JERRY D. CHOATE  
ROD DAMMEYER  
LINDA HUTTON HEAGY  
R. CRAIG KENNEDY  
HOWARD J KERR  
MITCHELL M. MERIN\*  
JACK E. NELSON  
RICHARD F. POWERS, III\*  
HUGO F. SONNENSCHNEIN  
WAYNE W. WHALEN\* - Chairman  
SUSAN H. WOOLSEY

INVESTMENT ADVISER

VAN KAMPEN ASSET MANAGEMENT  
1221 Avenue of the Americas  
New York, New York 10020

CUSTODIAN AND SHAREHOLDER SERVICING AGENT

STATE STREET BANK AND TRUST COMPANY  
c/o EquiServe LLP  
P.O. Box 43011  
Providence, Rhode Island 02940-3011

LEGAL COUNSEL

SKADDEN, ARPS, SLATE,  
MEAGHER & FLOM LLP  
333 West Wacker Drive  
Chicago, Illinois 60606

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

DELOITTE & TOUCHE LLP  
180 North Stetson Avenue  
Chicago, Illinois 60601

INQUIRIES ABOUT AN INVESTOR'S ACCOUNT SHOULD BE REFERRED TO THE FUND'S  
TRANSFER AGENT

State Street Bank and Trust Company  
c/o EQUISERVE LLP  
P.O. Box 43011  
Providence, Rhode Island 02940-3011  
Telephone: (800) 821-1238  
Alaska and Hawaii  
Call Collect: (781) 575-2000  
Ask for Closed-End Fund Account Services

\* "Interested persons" of the Fund, as defined in the Investment Company Act of 1940, as amended.

27

## Edgar Filing: VAN KAMPEN BOND FUND - Form N-CSR

VAN KAMPEN BOND FUND

### RESULTS OF SHAREHOLDER VOTES

The Annual Meeting of Shareholders of the Fund was held on June 23, 2004, where shareholders voted on the election of trustees.

With regards to the election of the following trustees by the common shareholders of the Fund:

	# OF SHARES	
	IN FAVOR	WITHHELD
R. Craig Kennedy.....	10,038,019	260,505
Jack E. Nelson.....	10,035,098	263,426
Richard F. Powers, III.....	10,045,040	253,484
Hugo F. Sonnenschein.....	10,037,048	261,476

The other trustees of the Fund whose terms did not expire in 2004 are David C. Arch, J. Miles Branagan, Jerry D. Choate, Rod Dammeyer, Linda Hutton Heagy, Howard J Kerr, Mitchell M. Merin, Wayne W. Whalen and Susan H. Woolsey.

28

VAN KAMPEN BOND FUND

### TRUSTEE AND OFFICER INFORMATION

The business and affairs of the Fund are managed under the direction of the Fund's Board of Trustees and the Fund's officers appointed by the Board of Trustees. The tables below list the trustees and executive officers of the Fund and their principal occupations during the last five years, other directorships held by trustees and their affiliations, if any, with Van Kampen Investments Inc. ("Van Kampen Investments"), Van Kampen Asset Management ("Asset Management" or the "Adviser"), Van Kampen Funds Inc. (the "Distributor"), Van Kampen Advisors Inc., Van Kampen Exchange Corp. and Van Kampen Investor Services Inc. ("Investor Services"). The term "Fund Complex" includes each of the investment companies advised by the Adviser or its affiliates as of the date of this Statement of Additional Information. Trustees serve until reaching their retirement age or until their successors are duly elected and qualified. Officers are annually elected by the trustees.

#### INDEPENDENT TRUSTEES

NAME, AGE AND ADDRESS OF INDEPENDENT TRUSTEE	POSITION(S) HELD WITH FUND	TERM OF OFFICE AND LENGTH OF TIME SERVED	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS	NUMBER OF FUNDS IN FUND COMPLEX OVERSEEN BY TRUSTEE
David C. Arch (59) Blistex Inc.	Trustee	Trustee since 1997	Chairman and Chief Executive Officer of	88

Edgar Filing: VAN KAMPEN BOND FUND - Form N-CSR

1800 Swift Drive  
Oak Brook, IL 60523

Blistex Inc., a consumer health care products manufacturer. Director of the Heartland Alliance, a nonprofit organization serving human needs based in Chicago. Director of St. Vincent de Paul Center, a Chicago based day care facility serving the children of low income families. Board member of the Illinois Manufacturers' Association.

J. Miles Branagan (72)  
1632 Morning Mountain Road  
Raleigh, NC 27614

Trustee

Trustee since 2003

Private investor. Co-founder, and prior to August 1996, Chairman, Chief Executive Officer and President, MDT Corporation (now known as Getinge/Castle, Inc., a subsidiary of Getinge Industrier AB), a company which develops, manufactures, markets and services medical and scientific equipment.

86

29

VAN KAMPEN BOND FUND  
TRUSTEE AND OFFICER INFORMATION continued

NAME, AGE AND ADDRESS OF INDEPENDENT TRUSTEE	POSITION(S) HELD WITH FUND	TERM OF OFFICE AND LENGTH OF TIME SERVED	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS	NUMBER OF FUNDS IN FUND COMPLEX OVERSEEN BY TRUSTEE
Jerry D. Choate (65) 33971 Selva Road Suite 130 Dana Point, CA 92629	Trustee	Trustee since 2003	Prior to January 1999, Chairman and Chief Executive Officer of the Allstate Corporation ("Allstate") and Allstate Insurance Company. Prior to January 1995, President and Chief Executive Officer of Allstate. Prior to August 1994, various management positions at Allstate.	86

30

Edgar Filing: VAN KAMPEN BOND FUND - Form N-CSR

VAN KAMPEN BOND FUND  
TRUSTEE AND OFFICER INFORMATION continued

NAME, AGE AND ADDRESS OF INDEPENDENT TRUSTEE	POSITION(S) HELD WITH FUND	TERM OF OFFICE AND LENGTH OF TIME SERVED	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS	NUMBER OF FUNDS IN FUND COMPLEX OVERSEEN BY TRUSTEE
Rod Dammeyer (63) CAC, L.L.C. 4350 LaJolla Village Drive Suite 980 San Diego, CA 92122-6223	Trustee	Trustee since 1997	President of CAC, L.L.C., a private company offering capital investment and management advisory services. Prior to February 2001, Vice Chairman and Director of Anixter International, Inc., a global distributor of wire, cable and communications connectivity products, and IMC Global Inc., an international company that mines, manufactures and sells essential crop nutrients and feed ingredients to farmers. Prior to July 2000, Managing Partner of Equity Group Corporate Investment (EGI), a company that makes private investments in other companies.	88

31

VAN KAMPEN BOND FUND  
TRUSTEE AND OFFICER INFORMATION continued

NAME, AGE AND ADDRESS OF INDEPENDENT TRUSTEE	POSITION(S) HELD WITH FUND	TERM OF OFFICE AND LENGTH OF TIME SERVED	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS	NUMBER OF FUNDS IN FUND COMPLEX OVERSEEN BY TRUSTEE
---	----------------------------------	--	--	--

Edgar Filing: VAN KAMPEN BOND FUND - Form N-CSR

<p>Linda Hutton Heagy (56)                  Heidrick &amp; Struggles                  233 South Wacker Drive                  Suite 7000                  Chicago, IL 60606</p>	<p>Trustee</p>	<p>Trustee                  since 2003</p>	<p>Managing Partner of                  Heidrick &amp; Struggles, an                  executive search firm.                  Trustee on the University                  of Chicago Hospitals                  Board, Vice Chair of the                  Board of the YMCA of                  Metropolitan Chicago and                  a member of the Women's                  Board of the University                  of Chicago. Prior to                  1997, Partner of Ray &amp;                  Berndtson, Inc., an                  executive recruiting                  firm. Prior to 1996,                  Trustee of The                  International House                  Board, a fellowship and                  housing organization for                  international graduate                  students. Prior to 1995,                  Executive Vice President                  of ABN AMRO, N.A., a bank                  holding company. Prior to                  1992, Executive Vice                  President of La Salle                  National Bank.</p>	<p>86</p>
<p>R. Craig Kennedy (52)                  1744 R Street, NW                  Washington, D.C. 20009</p>	<p>Trustee</p>	<p>Trustee                  since 2003</p>	<p>Director and President of                  the German Marshall Fund                  of the United States, an                  independent U.S.                  foundation created to                  deepen understanding,                  promote collaboration and                  stimulate exchanges of                  practical experience                  between Americans and                  Europeans. Formerly,                  advisor to the Dennis                  Trading Group Inc., a                  managed futures and                  option company that                  invests money for                  individuals and                  institutions. Prior to                  1992, President and Chief                  Executive Officer,                  Director and member of                  the Investment Committee                  of the Joyce Foundation,                  a private foundation.</p>	<p>86</p>
<p>Howard J Kerr (68)                  736 North Western Avenue                  P.O. Box 317                  Lake Forest, IL 60045</p>	<p>Trustee</p>	<p>Trustee                  since 1997</p>	<p>Prior to 1998, President                  and Chief Executive                  Officer of Pocklington                  Corporation, Inc., an                  investment holding                  company.</p>	<p>88</p>

Edgar Filing: VAN KAMPEN BOND FUND - Form N-CSR

32

VAN KAMPEN BOND FUND  
TRUSTEE AND OFFICER INFORMATION continued

NAME, AGE AND ADDRESS OF INDEPENDENT TRUSTEE	POSITION(S) HELD WITH FUND	TERM OF OFFICE AND LENGTH OF TIME SERVED	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS	NUMBER OF FUNDS IN FUND COMPLEX OVERSEEN BY TRUSTEE
Jack E. Nelson (68) 423 Country Club Drive Winter Park, FL 32789	Trustee	Trustee since 2003	President of Nelson Investment Planning Services, Inc., a financial planning company and registered investment adviser in the State of Florida. President of Nelson Invest Brokerage Services Inc., a member of the NASD, Securities Investors Protection Corp. and the Municipal Securities Rulemaking Board. President of Nelson Sales and Services Corporation, a marketing and services company to support affiliated companies.	86
Hugo F. Sonnenschein (63) 1126 E. 59th Street Chicago, IL 60637	Trustee	Trustee since 1997	President Emeritus and Honorary Trustee of the University of Chicago and the Adam Smith Distinguished Service Professor in the Department of Economics at the University of Chicago. Prior to July 2000, President of the University of Chicago. Trustee of the University of Rochester and a member of its investment committee. Member of the National Academy of Sciences, the American Philosophical Society and a fellow of the American Academy of Arts and Sciences.	88
Suzanne H. Woolsey, P.h.D. (62) 815 Cumberstone Road Harwood, MD 20776	Trustee	Trustee since 2003	Previously Chief Communications Officer of the National Academy of Sciences/National	86

Edgar Filing: VAN KAMPEN BOND FUND - Form N-CSR

Research Council, an independent, federally chartered policy institution, from 2001 to November 2003 and Chief Operating Officer from 1993 to 2001. Director of the Institute for Defense Analyses, a federally funded research and development center, Director of the German Marshall Fund of the United States, Director of the Rocky Mountain Institute and Trustee of Colorado College. Prior to 1993, Executive Director of the Commission on Behavioral and Social Sciences and Education at the National Academy of Sciences/National Research Council. From 1980 through 1989, Partner of Coopers & Lybrand.

33

VAN KAMPEN BOND FUND

TRUSTEE AND OFFICER INFORMATION continued

INTERESTED TRUSTEES\*

NAME, AGE AND ADDRESS OF INTERESTED TRUSTEE	POSITION(S) HELD WITH FUND	TERM OF OFFICE AND LENGTH OF TIME SERVED	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS	NUMBER OF FUNDS IN FUND COMPLEX OVERSEEN BY TRUSTEE
Mitchell M. Merin* (50) 1221 Avenue of the Americas New York, NY 10020	Trustee, President and Chief Executive Officer	Trustee since 2003; President and Chief Executive Officer since 2002	President and Chief Executive Officer of funds in the Fund Complex. Chairman, President, Chief Executive Officer and Director of the Adviser and Van Kampen Advisors Inc. since December 2002. Chairman, President and Chief Executive Officer of Van Kampen Investments since December 2002. Director of Van Kampen	86

Edgar Filing: VAN KAMPEN BOND FUND - Form N-CSR

Investments since December 1999. Chairman and Director of Van Kampen Funds Inc. since December 2002. President, Director and Chief Operating Officer of Morgan Stanley Investment Management since December 1998. President and Director since April 1997 and Chief Executive Officer since June 1998 of Morgan Stanley Investment Advisors Inc. and Morgan Stanley Services Company Inc. Chairman, Chief Executive Officer and Director of Morgan Stanley Distributors Inc. since June 1998. Chairman since June 1998, and Director since January 1998 of Morgan Stanley Trust. Director of various Morgan Stanley subsidiaries. President of the Morgan Stanley Funds since May 1999. Previously Chief Executive Officer of Van Kampen Funds Inc. from December 2002 to July 2003, Chief Strategic Officer of Morgan Stanley Investment Advisors Inc. and Morgan Stanley Services Company Inc. and Executive Vice President of Morgan Stanley Distributors Inc. from April 1997 to June 1998. Chief Executive Officer from September 2002 to April 2003 and Vice President from May 1997 to April 1999 of the Morgan Stanley Funds.

34

VAN KAMPEN BOND FUND  
 TRUSTEE AND OFFICER INFORMATION continued

POSITION(S)	TERM OF OFFICE AND LENGTH OF	NUMBER OF FUNDS IN FUND COMPLEX
-------------	------------------------------------	--



## Edgar Filing: VAN KAMPEN BOND FUND - Form N-CSR

NAME, AGE AND ADDRESS OF INTERESTED TRUSTEE	HELD WITH FUND	TIME SERVED	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS	OVERSEEN BY TRUSTEE
Richard F. Powers, III* (58) 1 Parkview Plaza P.O. Box 5555 Oakbrook Terrace, IL 60181	Trustee	Trustee since 1999	Advisory Director of Morgan Stanley. Prior to December 2002, Chairman, Director, President, Chief Executive Officer and Managing Director of Van Kampen Investments and its investment advisory, distribution and other subsidiaries. Prior to December 2002, President and Chief Executive Officer of funds in the Fund Complex. Prior to May 1998, Executive Vice President and Director of Marketing at Morgan Stanley and Director of Dean Witter, Discover & Co. and Dean Witter Realty. Prior to 1996, Director of Dean Witter Reynolds Inc.	88
Wayne W. Whalen* (64) 333 West Wacker Drive Chicago, IL 60606	Trustee	Trustee since 1997	Partner in the law firm of Skadden, Arps, Slate, Meagher & Flom LLP, legal counsel to funds in the Fund Complex.	88

\* Such trustee is an "interested person" (within the meaning of Section 2(a)(19) of the 1940 Act). Mr. Whalen is an interested person of certain funds in the Fund Complex by reason of his firm currently acting as legal counsel to such funds in the Fund Complex. Messrs. Merin and Powers are interested persons of funds in the Fund Complex and the Adviser by reason of their current or former positions with Morgan Stanley or its affiliates.

35

VAN KAMPEN BOND FUND

TRUSTEE AND OFFICER INFORMATION continued

OFFICERS

NAME, AGE AND ADDRESS OF OFFICER	POSITION(S) HELD WITH FUND	TERM OF OFFICE AND LENGTH OF TIME SERVED	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS
Stefanie V. Chang (37) 1221 Avenue of the Americas	Vice President and Secretary	Officer since 2003	Executive Director of Morgan Stanley Vice President of funds in the Fund

## Edgar Filing: VAN KAMPEN BOND FUND - Form N-CSR

New York, NY 10020

Joseph J. McAlinden (61) 1221 Avenue of the Americas New York, NY 10020	Executive Vice President and Chief Investment Officer	Officer since 2002	Managing Director and Chief Investment Stanley Investment Advisors Inc., Morgan Management Inc. and Morgan Stanley Director of Morgan Stanley Trust for Vice President and Chief Investment Fund Complex. Managing Director and of Van Kampen Investments, the Adviser Advisors Inc. since December 2002.
Ronald E. Robison (65) 1221 Avenue of the Americas New York, NY 10020	Executive Vice President and Principal Executive Officer	Officer since 2003	Chief Executive Officer and Chairman Executive Vice President and Principal funds in the Fund Complex. Chief Adm Managing Director of Morgan Stanley. Director of Morgan Stanley Investment Morgan Stanley Services Company Inc. and Director of Morgan Stanley Trust President and Principal Executive Of Stanley Funds. Director of Morgan St Chief Global Operations Officer and Morgan Stanley Investment Management
John L. Sullivan (48) 1 Parkview Plaza P.O. Box 5555 Oakbrook Terrace, IL 60181	Vice President, Chief Financial Officer and Treasurer	Officer since 1998	Director and Managing Director of Va the Adviser, Van Kampen Advisors Inc subsidiaries of Van Kampen Investmen Chief Financial Officer and Treasure Complex. Head of Fund Accounting for Investment Management. Prior to Dece Director of Van Kampen Investments, Kampen Advisors Inc.

36

Van Kampen  
 Privacy Notice

The Van Kampen companies and investment products\* respect your right to privacy. We also know that you expect us to conduct and process your business in an accurate and efficient manner. To do so, we must collect and maintain certain nonpublic personal information about you. This is information we collect from you on applications or other forms, and from the transactions you conduct with us, our affiliates, or third parties. We may also collect information you provide when using our web site, and text files (also known as "cookies") may be placed on your computer to help us to recognize you and to facilitate transactions you initiate. We do not disclose any nonpublic personal information about you or any of our former customers to anyone, except as permitted by law. For instance, so that we may continue to offer you Van Kampen investment products and services that meet your investing needs, and to effect transactions that you request or authorize, we may disclose the information we collect to companies that perform services on our behalf, such as printers and mailers that assist us in the distribution of investor materials. These companies will use this information only for the services for which we hired them, and are not permitted to use or share this information for any other purpose. To protect your nonpublic personal information internally, we permit access to it only by authorized employees, and maintain physical, electronic and procedural safeguards to guard your nonpublic personal information.

\* Includes Van Kampen Investments Inc., Van Kampen Asset Management, Van

## Edgar Filing: VAN KAMPEN BOND FUND - Form N-CSR

Kampen Advisors Inc., Van Kampen Management Inc., Van Kampen Funds Inc., Van Kampen Investor Services Inc., Van Kampen System Inc. and Van Kampen Exchange Corp., as well as the many Van Kampen mutual funds and Van Kampen unit investment trusts.

Van Kampen Funds Inc.  
1 Parkview Plaza, P.O. Box 5555  
Oakbrook Terrace, IL 60181-5555  
www.vankampen.com

(VAN KAMPEN INVESTMENTS LOGO)

Copyright (C)2004 Van Kampen  
Funds Inc. All rights reserved.  
Member NASD/SIPC.  
VBF ANR 8/04 RN04-01592P-Y06/04

### Item 2. Code of Ethics.

(a) The Fund has adopted a code of ethics (the "Code of Ethics") that applies to its principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, regardless of whether these individuals are employed by the Trust or a third party.

(b) No information need be disclosed pursuant to this paragraph.

(c) The Fund has amended its Code of Ethics during the period covered by the shareholder report presented in Item 1 hereto.

(d) The Fund has not granted a waiver or an implicit waiver from a provision of its Code of Ethics.

(e) Not applicable.

(f)

(1) The Fund's Code of Ethics is attached hereto as Exhibit 11A.

(2) Not applicable.

(3) Not applicable.

### Item 3. Audit Committee Financial Expert.

The Fund's Board of Trustees has determined that it has three "audit committee financial experts" serving on its audit committee, each of whom are "independent" Trustees: J. Miles Branagan, Jerry Choate and R. Craig Kennedy. Under applicable securities laws, a person who is determined to be an audit committee financial expert will not be deemed an "expert" for any purpose, including without limitation for the purposes of Section 11 of the Securities Act of 1933, as a result of being designated or identified as an audit committee financial expert. The designation or identification of a person as an audit committee financial expert does not impose on such person any duties, obligations, or liabilities that are greater than the duties, obligations, and liabilities imposed on such person as a member of the audit committee and Board of Trustees in the absence of such designation or identification.

Edgar Filing: VAN KAMPEN BOND FUND - Form N-CSR

Item 4. Principal Accountant Fees and Services.

(a) (b) (c) (d) and (g). Based on fees billed for the periods shown:

2004	REGISTRANT	COVERED ENTITIES
AUDIT FEES.....	\$28,080	N/A
NON-AUDIT FEES		
AUDIT-RELATED FEES.....	\$0	\$230,000 (2)
TAX FEES.....	\$1,550 (3)	\$0 (4)
ALL OTHER FEES.....	\$0	\$0 (5)
TOTAL NON-AUDIT FEES.....	\$1,550	\$230,000
TOTAL.....	\$29,630	\$230,000

2003	REGISTRANT	COVERED ENTITIES
AUDIT FEES.....	\$26,376	N/A
NON-AUDIT FEES		
AUDIT-RELATED FEES.....	\$0	\$95,000 (2)
TAX FEES.....	\$1,500 (3)	\$0 (4)
ALL OTHER FEES.....	\$0	\$0 (6)
TOTAL NON-AUDIT FEES.....	\$1,500	\$95,000
TOTAL.....	\$27,876	\$95,000

N/A- Not applicable, as not required by Item 4.

- (1) Covered Entities include the Adviser (excluding sub-advisors) and any entity controlling, controlled by or under common control with the Adviser that provides ongoing services to the Registrant.
- (2) Audit-Related Fees represent assurance and related services provided that are reasonably related to the performance of the audit of the financial statements of the Covered Entities' and funds advised by the Adviser or its affiliates, specifically attestation services provided in connection with a SAS 70 Report.
- (3) Tax Fees represent tax advice and compliance services provided in connection with the review of the Registrant's tax.
- (4) Tax Fees represent tax advice services provided to Covered Entities, including research and identification of PFIC entities.
- (5) All Other Fees represent attestation services provided in

## Edgar Filing: VAN KAMPEN BOND FUND - Form N-CSR

connection with performance presentation standards.

- (6) All Other Fees represent attestation services provided in connection with performance presentation standards, general industry education seminars provided, and a regulatory review project performed.

(e) (1) The audit committee's pre-approval policies and procedures are as follows:

JOINT AUDIT COMMITTEE  
AUDIT AND NON-AUDIT SERVICES  
PRE-APPROVAL POLICY AND PROCEDURES  
OF THE  
VAN KAMPEN FUNDS

AS ADOPTED JULY 23, 2003(1)

### 1. STATEMENT OF PRINCIPLES

The Audit Committee of the Board is required to review and, in its sole discretion, pre-approve all Covered Services to be provided by the Independent Auditors to the Fund and Covered Entities in order to assure that services performed by the Independent Auditors do not impair the auditor's independence from the Fund. (2)

The SEC has issued rules specifying the types of services that an independent auditor may not provide to its audit client, as well as the audit committee's administration of the engagement of the independent auditor. The SEC's rules establish two different approaches to pre-approving services, which the SEC considers to be equally valid. Proposed services either: may be pre-approved without consideration of specific case-by-case services by the Audit Committee ("general pre-approval"); or require the specific pre-approval of the Audit Committee ("specific pre-approval"). The Audit Committee believes that the combination of these two approaches in this Policy will result in an effective and efficient procedure to pre-approve services performed by the Independent Auditors. As set forth in this Policy, unless a type of service has received general pre-approval, it will require specific pre-approval by the Audit Committee (or by any member of the Audit Committee to which pre-approval authority has been delegated) if it is to be provided by the Independent Auditors. Any proposed services exceeding pre-approved cost levels or budgeted amounts will also require specific pre-approval by the Audit Committee.

For both types of pre-approval, the Audit Committee will consider whether such services are consistent with the SEC's rules on auditor independence. The Audit Committee will also consider whether the Independent Auditors are best positioned to provide the most effective and efficient services, for reasons such as its familiarity with the Fund's business, people, culture, accounting systems, risk profile and other factors, and whether the service might enhance the Fund's ability to manage or control risk or improve audit quality. All such factors will be considered as a whole, and no one factor should necessarily be determinative.

The Audit Committee is also mindful of the relationship between fees for audit and non-audit services in deciding whether to pre-approve any such services and may determine for each fiscal year, the appropriate ratio between the total amount of fees for Audit, Audit-related and Tax services for the Fund (including any Audit-related or Tax service fees for Covered Entities that were subject to pre-approval), and the total amount of fees for certain permissible

## Edgar Filing: VAN KAMPEN BOND FUND - Form N-CSR

non-audit services classified as All Other services for the Fund (including any such services for Covered Entities subject to pre-approval).

The appendices to this Policy describe the Audit, Audit-related, Tax and All Other services that have the general pre-approval of the Audit Committee. The term of any general pre-approval is 12 months from the date of pre-approval, unless the Audit Committee considers and provides a different period and states otherwise. The Audit Committee will annually review and pre-approve the services that may be provided by the Independent Auditors without obtaining specific pre-approval

-----  
(1) This Joint Audit Committee Audit and Non-Audit Services Pre-Approval Policy and Procedures (the "Policy"), adopted as of the date above, supercedes and replaces all prior versions that may have been adopted from time to time.

(2) Terms used in this Policy and not otherwise defined herein shall have the meanings as defined in the Joint Audit Committee Charter.

from the Audit Committee. The Audit Committee will add to or subtract from the list of general pre-approved services from time to time, based on subsequent determinations.

The purpose of this Policy is to set forth the policy and procedures by which the Audit Committee intends to fulfill its responsibilities. It does not delegate the Audit Committee's responsibilities to pre-approve services performed by the Independent Auditors to management.

The Fund's Independent Auditors have reviewed this Policy and believes that implementation of the Policy will not adversely affect the Independent Auditors' independence.

### 2. DELEGATION

As provided in the Act and the SEC's rules, the Audit Committee may delegate either type of pre-approval authority to one or more of its members. The member to whom such authority is delegated must report, for informational purposes only, any pre-approval decisions to the Audit Committee at its next scheduled meeting.

### 3. AUDIT SERVICES

The annual Audit services engagement terms and fees are subject to the specific pre-approval of the Audit Committee. Audit services include the annual financial statement audit and other procedures required to be performed by the Independent Auditors to be able to form an opinion on the Fund's financial statements. These other procedures include information systems and procedural reviews and testing performed in order to understand and place reliance on the systems of internal control, and consultations relating to the audit. The Audit Committee will monitor the Audit services engagement as necessary, but no less than on a quarterly basis, and will also approve, if necessary, any changes in terms, conditions and fees resulting from changes in audit scope, Fund structure or other items.

In addition to the annual Audit services engagement approved by the

## Edgar Filing: VAN KAMPEN BOND FUND - Form N-CSR

Audit Committee, the Audit Committee may grant general pre-approval to other Audit services, which are those services that only the Independent Auditors reasonably can provide. Other Audit services may include statutory audits and services associated with SEC registration statements (on Forms N-1A, N-2, N-3, N-4, etc.), periodic reports and other documents filed with the SEC or other documents issued in connection with securities offerings.

The Audit Committee has pre-approved the following Audit services. All other Audit services not listed below must be specifically pre-approved by the Audit Committee (or by any member of the Audit Committee to which pre-approval has been delegated):

- Statutory audits or financial audits for the Fund
- Services associated with SEC registration statements (including new funds), periodic reports and other documents filed with the SEC or other documents issued in connection with securities offerings (e.g., comfort letters for closed-end fund offerings, consents), and assistance in responding to SEC comment letters
- Consultations by the Fund's management as to the accounting or disclosure treatment of transactions or events and/or the actual or potential impact of final or proposed rules, standards or interpretations by the SEC, FASB, or other regulatory or standard setting bodies (Note: Under SEC rules, some consultations may be "audit related" services rather than "audit" services)

#### 4. AUDIT-RELATED SERVICES

Audit-related services are assurance and related services that are reasonably related to the performance of the audit or review of the Fund's financial statements or, to the extent they are Covered Services, the Covered Entities' financial statements, or that are traditionally performed by

the Independent Auditors. Because the Audit Committee believes that the provision of Audit-related services does not impair the independence of the auditor and is consistent with the SEC's rules on auditor independence, the Audit Committee may grant general pre-approval to Audit-related services. Audit-related services include, among others, accounting consultations related to accounting, financial reporting or disclosure matters not classified as "Audit services"; assistance with understanding and implementing new accounting and financial reporting guidance from rulemaking authorities; agreed-upon or expanded audit procedures related to accounting and/or billing records required to respond to or comply with financial, accounting or regulatory reporting matters; and assistance with internal control reporting requirements under Forms N-SAR and/or N-CSR.

The Audit Committee has pre-approved the following Audit-related services. All other Audit-related services not listed below must be specifically pre-approved by the Audit Committee (or by any member of the Audit Committee to which pre-approval has been delegated):

- Attest procedures not required by statute or regulation (including agreed upon procedures related to the Closed-End Fund asset coverage tests required by the rating agencies and/or lenders)
- Due diligence services pertaining to potential fund mergers

## Edgar Filing: VAN KAMPEN BOND FUND - Form N-CSR

- Issuance of SAS-70 reports on internal controls of Morgan Stanley Trust Co. and MSIM Trade Operations
- Consultations by the Fund's management as to the accounting or disclosure treatment of transactions or events and/or the actual or potential impact of final or proposed rules, standards or interpretations by the SEC, FASB, or other regulatory or standard-setting bodies (Note: Under SEC rules, some consultations may be "audit" services rather than "audit-related" services)
- Information systems reviews not performed in connection with the audit (e.g., application data center and technical reviews)
- General assistance with implementation of the requirements of SEC rules or listing standards promulgated pursuant to the Sarbanes-Oxley Act
- Audit of record keeping services performed by Morgan Stanley Trust Fund related to the New Jersey State Retirement Plan

### 5. TAX SERVICES

The Audit Committee believes that the Independent Auditors can provide Tax services to the Fund and, to the extent they are Covered Services, the Covered Entities, such as tax compliance, tax planning and tax advice without impairing the auditor's independence, and the SEC has stated that the Independent Auditors may provide such services. Hence, the Audit Committee believes it may grant general pre-approval to those Tax services that have historically been provided by the Independent Auditors, that the Audit Committee has reviewed and believes would not impair the independence of the Independent Auditors, and that are consistent with the SEC's rules on auditor independence. The Audit Committee will not permit the retention of the Independent Auditors in connection with a transaction initially recommended by the Independent Auditors, the sole business purpose of which may be tax avoidance and the tax treatment of which may not be supported in the Internal Revenue Code and related regulations. The Audit Committee will consult with Director of Tax or outside counsel to determine that the tax planning and reporting positions are consistent with this policy.

Pursuant to the preceding paragraph, the Audit Committee has pre-approved the following Tax Services. All Tax services involving large and complex transactions not listed below must be specifically pre-approved by the Audit Committee (or by any member of the Audit Committee to which pre-approval has been delegated), including tax services proposed to be provided by the Independent Auditors to any executive officer or trustee/director/managing general partner of the Fund, in his or her individual capacity, where such services are paid for by the Fund (generally applicable only to internally managed investment companies):

- U.S. federal, state and local tax planning and advice
- U.S. federal, state and local tax compliance
- International tax planning and advice
- International tax compliance
- Review of federal, state, local and international income, franchise, and other tax returns



## Edgar Filing: VAN KAMPEN BOND FUND - Form N-CSR

- Identification of Passive Foreign Investment Companies
- Review of closed-end funds pro rata allocation of taxable income and capital gains to common and preferred shares
- Domestic and foreign tax planning, compliance, and advice
- Assistance with tax audits and appeals before the IRS and similar state, local and foreign agencies
- Tax advice and assistance regarding statutory, regulatory or administrative developments (e.g., excise tax reviews, evaluation of Fund's tax compliance function)
- Review the calculations of taxable income from corporate actions including reorganizations related to bankruptcy filings and provide guidance related to the foregoing

### 6. ALL OTHER SERVICES

The Audit Committee believes, based on the SEC's rules prohibiting the Independent Auditors from providing specific non-audit services, that other types of non-audit services are permitted. Accordingly, the Audit Committee believes it may grant general pre-approval to those permissible non-audit services classified as All Other services that it believes are routine and recurring services, would not impair the independence of the auditor and are consistent with the SEC's rules on auditor independence.

The Audit Committee has pre-approved the following All Other services. Permissible All Other services not listed below must be specifically pre-approved by the Audit Committee (or by any member of the Audit Committee to which pre-approval has been delegated):

- Risk management advisory services, e.g., assessment and testing of security infrastructure controls

The following is a list of the SEC's prohibited non-audit services. The SEC's rules and relevant guidance should be consulted to determine the precise definitions of these services and the applicability of exceptions to certain of the prohibitions:

- Bookkeeping or other services related to the accounting records or financial statements of the audit client
- Financial information systems design and implementation
- Appraisal or valuation services, fairness opinions or contribution-in-kind reports
- Actuarial services
- Internal audit outsourcing services
- Management functions
- Human resources
- Broker-dealer, investment adviser or investment banking services
- Legal services

## Edgar Filing: VAN KAMPEN BOND FUND - Form N-CSR

- Expert services unrelated to the audit

### 7. PRE-APPROVAL FEE LEVELS OR BUDGETED AMOUNTS

Pre-approval fee levels or budgeted amounts for all services to be provided by the Independent Auditors will be established annually by the Audit Committee. Any proposed services exceeding these levels or amounts will require specific pre-approval by the Audit Committee. The Audit Committee is mindful of the overall relationship of fees for audit and non-audit services in determining whether to pre-approve any such services. For each fiscal year, the Audit Committee may determine the appropriate ratio between the total amount of fees for Audit, Audit-related, and Tax services for the Fund (including any Audit-related or Tax services fees for Covered Entities subject to pre-approval), and the total amount of fees for certain permissible non-audit services classified as All Other services for the Fund (including any such services for Covered Entities subject to pre-approval).

### 8. PROCEDURES

All requests or applications for services to be provided by the Independent Auditors that do not require specific approval by the Audit Committee will be submitted to the Fund's Chief Financial Officer and must include a detailed description of the services to be rendered. The Fund's Chief Financial Officer will determine whether such services are included within the list of services that have received the general pre-approval of the Audit Committee. The Audit Committee will be informed on a timely basis of any such services rendered by the Independent Auditors. Requests or applications to provide services that require specific approval by the Audit Committee will be submitted to the Audit Committee by both the Independent Auditors and the Fund's Chief Financial Officer, and must include a joint statement as to whether, in their view, the request or application is consistent with the SEC's rules on auditor independence.

The Audit Committee has designated the Fund's Chief Financial Officer to monitor the performance of all services provided by the Independent Auditors and to determine whether such services are in compliance with this Policy. The Fund's Chief Financial Officer will report to the Audit Committee on a periodic basis on the results of its monitoring. Both the Fund's Chief Financial Officer and management will immediately report to the chairman of the Audit Committee any breach of this Policy that comes to the attention of the Fund's Chief Financial Officer or any member of management.

### 9. ADDITIONAL REQUIREMENTS

The Audit Committee has determined to take additional measures on an annual basis to meet its responsibility to oversee the work of the Independent Auditors and to assure the auditor's independence from the Fund, such as reviewing a formal written statement from the Independent Auditors delineating all relationships between the Independent Auditors and the Fund, consistent with Independence Standards Board No. 1, and discussing with the Independent Auditors its methods and procedures for ensuring independence.

### 10. COVERED ENTITIES

Covered Entities include the Fund's investment adviser(s) and any

## Edgar Filing: VAN KAMPEN BOND FUND - Form N-CSR

entity controlling, controlled by or under common control with the Fund's investment adviser(s) that provides ongoing services to the Fund(s). Beginning with non-audit service contracts entered into on or after May 6, 2003, the Fund's audit committee must pre-approve non-audit services provided not only to the Fund but also to the Covered Entities if the engagements relate directly to the operations and financial reporting of the Fund. This list of Covered Entities would include:

- Van Kampen Investments, Inc.
- Van Kampen Investment Advisory Corporation
- Van Kampen Asset Management Inc.
- Van Kampen Advisors Inc.
- Van Kampen Funds Inc.
- Van Kampen Trust Company
- Van Kampen Investor Services Inc.
- Van Kampen Management Inc.
- Morgan Stanley Investment Management Inc.
- Morgan Stanley Investments LP
- Morgan Stanley Trust Company

(e) (2) Beginning with non-audit service contracts entered into on or after May 6, 2003, the audit committee also is required to pre-approve services to Covered Entities to the extent that the services are determined to have a direct impact on the operations or financial reporting of the Registrant. 100% of such services were pre-approved by the audit committee pursuant to the Audit Committee's pre-approval policies and procedures (attached hereto).

(f) Not applicable.

(g) See table above.

(h) The audit committee of the Board of Trustees has considered whether the provision of services other than audit services performed by the auditors to the Registrant and Covered Entities is compatible with maintaining the auditors' independence in performing audit services.

Item 5. Audit Committee of Listed Registrants.

Not applicable.

Item 6. [Reserved.]

Item 7. Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies.

The Fund invests in exclusively non-voting securities and therefore this item is not applicable to the Fund.

Item 8. Purchase of Equity Securities by Closed-End Management Investment

Edgar Filing: VAN KAMPEN BOND FUND - Form N-CSR

Company and Affiliated Purchasers.

Not Applicable.

Item 9. Submission of Matters to a Vote of Security Holders.

Not Applicable.

Item 10. Controls and Procedures

(a) The Fund's principal executive officer and principal financial officer have concluded that the Fund's disclosure controls and procedures are sufficient to ensure that information required to be disclosed by the Trust in this Form N-CSR was recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, based upon such officers' evaluation of these controls and procedures as of a date within 90 days of the filing date of the report.

(b) There were no changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal half-year (the registrant's second fiscal half-year in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 11. Exhibits.

(a) The Code of Ethics for Principal Executive and Senior Financial Officers is attached hereto.

(b) (1) A certification for the Principal Executive Officer of the registrant is attached hereto as part of EX-99.CERT.

(b) (2) A certification for the Principal Financial Officer of the registrant is attached hereto as part of EX-99.CERT.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant) Van Kampen Bond Fund

By: /s/ Ronald E. Robison  
-----

Name: Ronald E. Robison  
Title: Principal Executive Officer  
Date: August 19, 2004

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Ronald E. Robison  
-----

Edgar Filing: VAN KAMPEN BOND FUND - Form N-CSR

Name: Ronald E. Robison  
Title: Principal Executive Officer  
Date: August 19, 2004

By: /s/ James M. Dykas

-----  
Name: James M. Dykas  
Title: Principal Financial Officer  
Date: August 19, 2004