

VAN KAMPEN SENIOR INCOME TRUST
Form N-CSR
October 01, 2003

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 811-08743

Van Kampen Senior Income Trust

(Exact name of registrant as specified in charter)

1221 Avenue of the Americas NY NY 10020

(Address of principal executive offices) (Zip code)

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

(Name and address of agent for service)

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

Date of fiscal year end: 7/03

Date of reporting period: 7/31/03

Item 1. Report to Shareholders

Welcome, Shareholder

In this update, you'll learn about how your trust performed during the reporting period. The portfolio manager will provide an overview of the market climate, and discuss some of the factors that helped or hindered performance during the reporting period. In addition, this report includes the trust's financial statements and a list of investments, as well as other information.

Market forecasts provided in this report may not necessarily come to

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pass. There is no assurance that the trust will achieve its investment objective. The trust is subject to market risk which is the possibility that the market values of securities owned by the trust will decline and, therefore, the value of the trust shares may be less than what you paid for them. Accordingly, you can lose money investing in this trust.

An investment in senior loans is subject to certain risks such as loan defaults and illiquidity due to insufficient collateral backing.

NOT FDIC INSURED MAY LOSE VALUE NO BANK GUARANTEE

Performance Summary

CURRENT DISTRIBUTION

(August 31, 1998--July 31, 2003)
(LINE GRAPH)

	SENIOR INCOME TRUST -----
8/98	8.49
	8.00
	7.85
	7.96
	8.17
1/99	7.91
	7.76
	8.17
	8.23
	8.17
	8.21
7/99	8.16
	8.49
	8.81
	8.75
	8.87
	9.90
1/00	9.53
	8.75
	10.34
	9.40
	9.88
	9.96
7/00	9.60
	9.46
	10.01
	10.46
	11.30
	11.58
1/01	10.66
	10.74
	10.68
	10.49
	9.79
	9.38
7/01	9.04
	8.54
	8.49

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	8.34
	7.46
	7.20
1/02	6.95
	6.79
	6.49
	6.56
	6.35
	6.28
7/02	6.76
	6.73
	6.85
	6.97
	6.89
	6.79
1/03	6.41
	6.20
	6.00
	5.72
	5.64
	5.46
7/03	5.33

* Source: Bloomberg

SENIOR INCOME TRUST
SYMBOL: VVR

AVERAGE ANNUAL	
TOTAL RETURNS	Since 06/24/98
Since Inception	3.33%
5-year	3.27
1-year	25.06

Past performance is no guarantee of future results. Investment return, common share market price and net asset value will fluctuate and trust shares, when sold, may be worth more or less than their original cost.

As a result of recent market activity, current performance may vary from the figures shown. For more up-to-date information, please visit vankampen.com or speak with your financial advisor. Total return assumes an investment at the common share market price at the beginning of the period, reinvestment of all distributions for the period in accordance with the trust's dividend reinvestment plan, and sale of all shares at the closing common share market price at the end of the period. Distribution rate represents the monthly annualized distributions of the trust at the end of the period and not the earnings of the trust.

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FOR THE 12-MONTH PERIOD ENDED JULY 31, 2003

Howard Tiffen, Managing Director, is primarily responsible for the day-to-day management of Van Kampen Senior Income Trust. The following discussion reflects his views on the trust's performance.

Q. BEFORE YOU DISCUSS HOW THE TRUST PERFORMED, PLEASE DESCRIBE THE OVERALL MARKET ENVIRONMENT.

A. The market over the past year can really be divided into two distinct segments. During the first six months of the reporting period, a stagnant economy, lack of corporate earning power, and the effects of a series of corporate-governance scandals resulted in a very difficult environment for senior loans.

During the latter half of the period, however, the market improved dramatically. Absolute levels of corporate profitability began to increase, the number of debt refinancings rose considerably, and default rates began to subside. As a result, bank loan prices rallied. We believe this marked improvement was the result of several factors. First, corporate management has been forced to learn how to better operate in a low-growth, low-inflation environment, which has led to stronger corporate valuations. Second, more companies have been able to issue long-term debt to shore up their balance sheets. And lastly, we began to see many companies that were in bankruptcy two to three years ago return to performing status and earn a profit.

Q. HOW DID THE TRUST PERFORM DURING THE REPORTING PERIOD?

A. -- For the year ended July 31, 2003, the trust produced a total return of 25.06 percent based on common share market price, and not reflective of any early withdrawal charges. If these charges were included, performance would be lower. Past performance is no guarantee of future results.

-- The trust's monthly dividend of \$.0348 translated to a distribution rate of 5.33 percent based on the trust's closing common share market price of \$7.84 on July 31, 2003.

See Performance Summary for additional information.

Q. WHAT FACTORS HELPED PERFORMANCE?

A. -- As mentioned earlier, declining default rates, improved corporate profitability and increased loan issuance, as well as an overall improving economy, all contributed to performance.

-- A deeper secondary trading market in senior loans created greater opportunities for us to capture value. This, coupled with the

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appreciation of bank loan prices overall, helped boost the trust's return and net asset value.

-- In addition, our team now includes a total of 24 analysts, who have an average of 16 years of industry experience. Given that we employ a bottom-up investment approach, we believe that such a large team has enabled us to conduct even more in-depth analysis of every investment candidate as well as all existing portfolio holdings, and is vital to our ongoing success.

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Q. WHAT HINDERED PERFORMANCE DURING THE REPORTING PERIOD?

- A. -- Early in the reporting period, flat corporate performance and a low level of issuance dampened trust returns and left us with few compelling new investment opportunities. However, we saw marked improvement here in the last several months.
- While we have seen default rates decline, they are still at higher-than-normal levels. The number of issuers in the portfolio that are in default (defined here as those not paying principal and/or interest as contractually obligated) has also declined, by approximately 9 percent since this same period last year.
- Because senior-loan coupon rates float with short-term market rates, the near-record low interest rates throughout the entire period also held the trust back.

TOP TEN INDUSTRIES AS OF 7/31/03

Medical Products & Services	8.4%
Beverage, Food & Tobacco	7.7
Healthcare	7.0
Printing & Publishing	6.9
Entertainment & Leisure	6.3
Hotels, Motels, Inns & Gaming	6.1
Broadcasting--Cable	4.7
Chemicals, Plastics & Rubber	3.8
Automotive	3.8
Telecommunications--Wireless	3.2

Subject to change daily. All percentages are as a percentage of total assets. Provided for informational purposes only and should not be deemed as a recommendation to buy securities in the industries shown above. Morgan Stanley is a full-service securities firm engaged in securities trading and brokerage activities, investment banking, research and analysis, financing and financial advisor services.

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Q. PLEASE WALK US THROUGH HOW YOU POSITIONED THE TRUST, HIGHLIGHTING KEY THEMES.

- A. We employed a variety of strategies during the period:
- In an effort to build value and avoid losses in the portfolio, we made greater use of the secondary market, where we were able to purchase loans at or below their repayment or recovery values. In fact, we now have two analysts on our team who are largely dedicated to this market, conducting transactions daily.
- We continued to keep the portfolio highly diversified by issuer. As of July 31, the trust contained a total of 294 issuers. Typically, each of the trust's ten largest holdings represents less than two percent of total assets. We believe that a high level of diversification--not only in this environment but going forward as well--is instrumental to successful investing in the senior loan asset class.

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- We strive to manage the trust as defensively as possible, and therefore, don't typically favor individual sectors. Some sectors may, however, fall out of favor from time to time. For example, we have chosen to reduce the trust's exposure to the auto and aerospace segments because we believe they are likely to deliver poor profits, and the value of collateral they can offer is also likely to fall. The trust's exposure to the health-care sector did increase slightly over the past year. We believe that certain parts of this sector have seen a significant improvement in business fundamentals, making some companies in the sector more attractive investments than they had previously been.
- We continued with our long-term strategy of focusing on companies that we believe demonstrate solid management strength--those that have learned to improve productivity in a low-inflation environment and keep their costs low.

Q. NOW THAT YOU'VE PROVIDED AN OVERVIEW OF THE TRUST, DO YOU HAVE ANY CLOSING THOUGHTS FOR THE SHAREHOLDERS?

A. We believe that the turnaround we've seen in the senior loan market as of late is based upon fundamentally-sound factors that may continue to positively influence the market. We also anticipate that default rates may continue their downward trend as the bankruptcies that occurred between 1999 and 2002 increasingly work their way through the system.

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While no one can predict with certainty where or when interest rates will bottom out, we believe it's likely that short-term rates may rise, or at least remain stable, over the next several months. Such an environment, coupled with more robust corporate performance, has historically been quite favorable for senior loans. Going forward, we will continue with our disciplined investment approach, monitoring the market closely for opportunities.

PROXY VOTING POLICIES AND PROCEDURES

A description of the trust's policies and procedures with respect to the voting of proxies relating to the trust's portfolio securities is available without charge, upon request, by calling 1-800-847-2424. This information is also available on the Securities and Exchange Commission's website at <http://www.sec.gov>.

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BY THE NUMBERS

PORTFOLIO OF INVESTMENTS

July 31, 2003

THE FOLLOWING PAGES DETAIL YOUR TRUST'S PORTFOLIO OF INVESTMENTS AT THE END OF THE REPORTING PERIOD. (1)

PRINCIPAL AMOUNT (000)	BORROWER	BANK LOAN RATINGS+		STATED MATURITY*	VALUE
		MOODY'S	S&P		

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		VARIABLE RATE** SENIOR LOAN INTERESTS		122.3%	
		AEROSPACE/DEFENSE		2.3%	
\$ 1,882	DeCrane Aircraft Holdings, Inc., Term Loan.....	B2	B	12/17/06	\$ 1,684,811
10,047	DRS Technologies, Inc., Term Loan.....	Ba3	BB-	09/30/08	10,134,488
2,901	ILC Industries, Inc., Term Loan.....	NR	NR	04/11/10	2,879,186
1,716	Integrated Defense Technologies, Inc., Term Loan.....	Ba3	BB-	03/04/08	1,713,699
1,500	Transdigm, Inc., Term Loan.....	B1	B+	07/22/10	1,516,407
10,032	United Defense Industries, Inc., Term Loan.....	Ba3	BB	08/13/07 to 08/13/09	10,049,190
5,865	Vought Aircraft Industries, Inc., Term Loan.....	Ba3	B+	12/31/06 to 06/30/08	5,866,178

					33,843,959

		AUTOMOTIVE		4.7%	
3,396	AMCAN Consolidate Technologies, Inc., Term Loan.....	NR	NR	03/28/07	3,242,922
5,534	Citation Corp., Term Loan.....	NR	B	12/01/07	4,496,434
19,801	Federal-Mogul Corp., Term Loan (c).....	NR	NR	10/01/03 to 02/24/04	19,746,039
9,040	Federal-Mogul Corp., Revolving Credit Agreement (c).....	NR	NR	02/24/04	8,994,506
5,500	Goodyear Tire & Rubber Co., Term Loan.....	Ba2	BB-	03/31/06	5,472,500
6,945	MetoKote Corp., Term Loan..	B1	B+	11/02/05 to 11/14/05	6,809,712
12,687	Safelite Glass Corp., Term Loan.....	NR	NR	09/30/07	12,497,066
863	Stoneridge, Inc., Term Loan.....	Ba3	BB-	04/30/08	862,500

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See Notes to Financial Statements

PORTFOLIO OF INVESTMENTS

July 31, 2003

PRINCIPAL AMOUNT (000)	BORROWER	BANK LOAN RATINGS+		STATED MATURITY*	VALUE
		MOODY'S	S&P		
AUTOMOTIVE (CONTINUED)					
\$ 4,000	TRW Automotive, Inc., Term Loan.....	Ba2	BB	02/28/11	\$ 4,020,416
2,500	United Components, Inc., Term Loan.....	B1	BB-	06/30/10	2,522,395

					68,664,490

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		BEVERAGE, FOOD & TOBACCO 10.2%				
24,827	Aurora Foods, Inc., Term					
	Loan.....	B3	CC	09/30/06		24,586,988
5,633	B & G Foods, Inc., Term					
	Loan.....	B1	B+	03/31/06		5,635,005
12,902	Birds Eye Foods, Inc., Term					
	Loan.....	NR	B+	06/30/08		12,945,504
4,988	Burns Philp, Inc., Term					
	Loan.....	B1	B+	02/26/09		5,018,672
7,544	Commonwealth Brands, Inc.,					
	Term Loan.....	NR	NR	08/28/07		7,553,929
5,000	Constellation Brands, Inc.,					
	Term Loan.....	Ba1	BB	11/30/08		5,051,250
245	Cott Beverages, Inc., Term					
	Loan.....	NR	BB+	12/31/06		245,919
9,498	Dean Foods Co., Term Loan..	Ba1	BB+	07/15/08		9,548,102
4,388	Del Monte Corp., Term					
	Loan.....	Ba3	BB-	12/20/10		4,425,165
6,511	Doane Pet Care Co., Term					
	Loan.....	B1	B	03/31/05 to 12/29/06		6,524,179
9,766	Dole Food Co., Inc., Term					
	Loan.....	Ba3	BB+	03/28/08 to 09/28/08		9,847,018
6,532	Hartz Mountain Corp., Term					
	Loan.....	B1	B	12/31/07		6,536,566
9,750	Land O' Lakes, Inc., Term					
	Loan.....	B1	BB	10/10/06 to 10/10/08		9,555,455
2,391	Mafco Worldwide Corp., Term					
	Loan.....	NR	NR	03/31/06		2,367,431
418	Meow Mix Co., Term Loan....	Ba3	BB-	01/31/08		418,544
2,500	Merisant Co., Term Loan....	Ba3	BB-	01/11/10		2,518,750
2,000	NBTY, Inc., Term Loan.....	Ba2	BB+	07/25/09		2,022,500
5,000	Nellson Nutraceutical,					
	Inc., Term Loan.....	NR	NR	10/04/09		5,043,750
5,762	New World Pasta Co., Term					
	Loan.....	B3	NR	01/28/06		4,897,363

See Notes to Financial Statements

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PORTFOLIO OF INVESTMENTS

July 31, 2003

PRINCIPAL AMOUNT (000)	BORROWER	BANK LOAN RATINGS+		STATED MATURITY*	VALUE
		MOODY'S	S&P		
BEVERAGE, FOOD & TOBACCO (CONTINUED)					
\$ 954	New World Pasta Co., Revolving Credit Agreement.....	B3	NR	01/28/05	\$ 829,980
4,825	Otis Spunkmeyer, Inc., Term Loan.....	B1	B+	02/20/09	4,832,448
10,659	Pinnacle Foods, Inc., Term Loan.....	Ba3	BB-	05/22/08	10,672,119
4,352	Southern Wine & Spirits of America, Inc., Term Loan...	NR	NR	07/02/08	4,375,152

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3,941	Swift & Co., Term Loan.....	Ba2	BB	09/19/08	3,950,661

					149,402,450

	BROADCASTING--CABLE 6.3%				
6,895	CC VIII Operating, LLC, Term Loan.....	B2	B-	02/02/08	6,496,076
33,498	Charter Communications Operating, LLC, Term Loan..	B2	B	09/18/07 to 09/18/08	31,549,033
16,712	Falcon Cable Communications, LP, Term Loan.....	B2	NR	12/31/07	15,260,602
4,896	Frontiervision Operating Partners, LP, Term Loan (c).....	NR	NR	03/31/06	4,659,600
4,364	Frontiervision Operating Partners, LP, Revolving Credit Agreement (c).....	NR	NR	10/31/05	4,152,729
13,500	Insight Midwest Holdings LLC, Term Loan.....	Ba3	BB+	06/30/09 to 12/31/09	13,517,808
4,250	MCC Iowa, LLC, Term Loan...	NR	NR	09/30/10	4,285,122
1,489	Mediacom Illinois, LLC, Term Loan.....	NR	BB+	12/31/08	1,486,889
2,719	Mediacom Southeast, LLC, Term Loan.....	Ba3	BB+	09/30/08	2,725,519
9,240	Olympus Cable Holdings, LLC, Term Loan (c).....	NR	NR	09/30/10	8,203,965

					92,337,343

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See Notes to Financial Statements

PORTFOLIO OF INVESTMENTS

July 31, 2003

PRINCIPAL AMOUNT (000)	BORROWER	BANK LOAN RATINGS+		STATED MATURITY*	VALUE
		MOODY'S	S&P		
	BROADCASTING--DIVERSIFIED 0.9%				
\$ 1,995	Cumulus Media, Inc., Term Loan.....	Ba3	B+	03/28/10	\$ 2,008,404
9,000	DirectTV Holdings, LLC, Term Loan.....	Ba2	BB-	03/06/08 to 03/06/10	8,994,567
1,800	Nexstar Broadcasting, Inc., Term Loan.....	NR	NR	12/31/10	1,807,743

					12,810,714

	BROADCASTING--RADIO 0.3%				
4,807	Citadel Broadcasting Co., Term Loan.....	NR	NR	06/26/09	4,825,739

	BROADCASTING--TELEVISION 0.9%				

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7,040	Gray Communications Systems, Inc., Term Loan...	Ba3	B+	12/31/10	7,101,600
5,950	Quorum Broadcasting, Inc., Term Loan.....	NR	NR	12/31/04	5,741,633

					12,843,233

	BUILDINGS & REAL ESTATE 3.8%				
8,000	AIMCO Properties, L.P., Term Loan.....	NR	NR	05/30/08	8,035,000
5,950	CB Richard Ellis Services, Inc., Term Loan.....	B1	B+	07/18/08	5,994,625
7,839	Central Parking Corp., Term Loan.....	Ba2	BB+	03/31/10	7,830,520
3,500	Century Maintenance & Supply, Inc., Term Loan....	NR	NR	05/12/10	3,552,500
9,083	Corrections Corp. of America, Term Loan.....	Ba3	BB-	03/31/08	9,138,191
4,750	The Macerich Co., Term Loan.....	NR	NR	07/26/05	4,768,073
6,930	Ventas, Inc., Term Loan....	NR	NR	04/17/07	6,912,675
1,567	Ventas, Inc., Revolving Credit Agreement.....	NR	NR	04/17/05	1,496,386
2,500	Wackenhut Corrections Corp., Term Loan.....	Ba3	BB-	07/09/09	2,512,500
5,000	WFP Tower Co., L.P., Term Loan.....	NR	NR	03/31/06	4,996,875

					55,237,345

	CHEMICALS, PLASTICS & RUBBER 4.9%				
7,985	CP Kelco ApS, Term Loan....	B3	B+	09/30/06 to 09/30/08	7,981,782
11,225	GenTek, Inc., Term Loan (c).....	NR	NR	04/30/05 to 10/31/07	7,397,793

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PORTFOLIO OF INVESTMENTS

July 31, 2003

PRINCIPAL AMOUNT (000)	BORROWER	BANK LOAN RATINGS+		STATED MATURITY*	VALUE
		MOODY'S	S&P		
	CHEMICALS, PLASTICS & RUBBER (CONTINUED)				
\$ 3,792	GenTek, Inc., Revolving Credit Agreement (c).....	NR	NR	04/30/05	\$ 2,533,284
4,550	GEO Specialty Chemicals, Inc., Term Loan.....	B3	CCC+	12/31/07	4,178,415
27,951	Huntsman Corp., Term Loan..	B1	BB	03/31/07	25,827,757
12,434	Huntsman ICI Chemicals, LLC, Term Loan.....	B2	B+	06/30/05 to 06/30/08	12,483,257
987	ISP Technologies, Inc., Term Loan.....	NR	B-	06/27/08	991,828
3,423	Messer Griesheim, Term Loan.....	Ba2	BB	04/27/09 to 04/27/10	3,452,184

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2,290	Nutrasweet Acquisition Corp., Term Loan.....	Ba3	NR	06/30/06 to 12/31/07	2,220,356
4,000	Rockwood Specialties Group, Inc., Term Loan.....	B1	B+	07/23/10	4,050,000
411	West American Rubber Co., LLC, Term Loan.....	NR	NR	11/09/03	411,162

					71,527,818

	CONSTRUCTION MATERIAL 0.9%				
5,000	Interline Brands, Inc., Term Loan.....	B2	B+	11/30/09	5,018,750
2,091	National Waterworks, Inc., Term Loan.....	B1	BB-	11/22/09	2,112,880
1,719	Therma-Tru Corp., Term Loan.....	Ba3	BB-	02/21/10	1,727,435
3,750	Werner Holding Co., Inc., Term Loan.....	Ba3	B+	06/11/09	3,799,999

					12,659,064

	CONTAINERS, PACKAGING & GLASS 3.5%				
9,125	Crown Cork & Seal Co., Inc., Term Loan.....	Ba3	NR	09/15/08	9,167,778
9,860	Dr. Pepper/Seven Up Bottling Group, Inc., Term Loan.....	NR	NR	10/07/06 to 10/07/07	9,829,160
981	Impress Metal Packaging Holding B.V., Term Loan....	NR	NR	12/31/06	978,196
374	Jefferson Smurfit Corp., Revolving Credit Agreement.....	NR	NR	03/31/05	363,859
11,000	Owens-Illinois, Inc., Term Loan.....	NR	NR	04/01/08	11,041,250

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PORTFOLIO OF INVESTMENTS

July 31, 2003

PRINCIPAL AMOUNT (000)	BORROWER	BANK LOAN RATINGS+		STATED MATURITY*	VALUE
		MOODY'S	S&P		
	CONTAINERS, PACKAGING & GLASS (CONTINUED)				
\$ 4,731	Packaging Dynamics, Term Loan.....	NR	NR	11/20/05	\$ 4,719,673
2,300	Pliant Corp., Term Loan....	B2	BB-	05/31/08	2,284,404
1,656	Riverwood International Corp., Term Loan.....	B1	B	12/31/06 to 03/31/07	1,655,366
4,352	Smurfit-Stone Container Corp., Term Loan.....	NR	NR	06/30/09	4,368,777
4,850	Tekni-Plex, Inc., Term Loan.....	B1	B+	06/21/08	4,781,799
1,610	U.S. Can Corp., Term Loan..	B2	NR	01/04/06	1,592,423

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					50,782,685

	DIVERSIFIED MANUFACTURING	2.0%			
2,438	EnerSys, Term Loan.....	NR	NR	11/09/08	2,443,672
14,608	Mueller Group, Inc., Term				
	Loan.....	B1	B+	05/31/08	14,618,214
7,593	Neenah Foundry Co., Term				
	Loan (c).....	Caa3	D	09/30/05	7,545,554
5,404	SPX Corp., Term Loan.....	Ba2	BBB-	09/30/09 to 03/31/10	5,427,719

					30,035,159

	ECOLOGICAL	2.9%			
32,533	Allied Waste North America,				
	Inc., Term Loan (i).....	Ba3	BB	01/15/10	32,845,810
4,950	Casella Waste Systems,				
	Inc., Term Loan.....	B1	BB-	05/11/07	4,976,606
4,844	Duratek, Inc., Term Loan...	NR	NR	12/08/06	4,722,827

					42,545,243

	EDUCATION & CHILD CARE	0.1%			
863	TEC Worldwide, Inc., Term				
	Loan.....	NR	NR	02/28/05	846,770

	ELECTRONICS	4.8%			
599	AMI Semiconductor, Inc.,				
	Term Loan.....	Ba3	BB	12/26/06	596,990
3,713	Audio Visual Services				
	Corp., Term Loan.....	NR	NR	03/04/04 to 03/04/06	3,558,922
4,178	Automata, Inc., Term Loan				
	(a) (j).....	NR	NR	02/28/03 to 02/28/04	0
5,409	Kinetics Group, Inc., Term				
	Loan.....	B1	NR	02/28/06	4,746,294
6,432	Knowles Electronics, Inc.,				
	Term Loan.....	B3	CCC+	06/29/07	6,355,562

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PORTFOLIO OF INVESTMENTS

July 31, 2003

PRINCIPAL AMOUNT (000)	BORROWER	BANK LOAN RATINGS+		STATED MATURITY*	VALUE
		MOODY'S	S&P		
	ELECTRONICS (CONTINUED)				
\$11,125	Rayovac Corp., Term Loan...	Ba3	BB-	09/30/09	\$ 11,148,173
11,880	Seagate Technologies, Inc.,				
	Term Loan.....	Ba1	BB+	05/13/07	11,939,400
16,377	Semiconductor Components				
	Industries, LLC, Term				
	Loan.....	B3	B	08/04/06 to 08/04/07	16,270,814
4,669	Stratus Technologies, Inc.,				
	Term Loan.....	NR	NR	02/26/05	4,108,923

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4,089	Veridian Corp., Term Loan.....	Ba3	BB-	06/30/08	4,116,642
8,028	Viasystems, Inc., Term Loan.....	NR	NR	03/31/06	6,964,155

					69,805,875

	ENTERTAINMENT & LEISURE 8.4%				
4,520	Bell Sports, Inc., Term Loan.....	NR	NR	12/31/05	3,412,695
6,963	Carmike Cinemas, Inc., Term Loan.....	NR	NR	01/31/07	7,005,221
2,934	Cinemark USA, Inc., Term Loan.....	Ba3	BB-	03/31/08	2,956,745
5,818	Festival Fun Parks, LLC, Term Loan.....	NR	NR	06/30/07 to 12/31/07	5,794,295
8,657	Fitness Holdings Worldwide, Inc., Term Loan.....	NR	B	11/02/06 to 11/02/07	8,597,973
3,716	GT Brands, LLC, Term Loan..	NR	NR	09/30/07	3,604,432
5,970	Kerasotes Theatres, Inc., Term Loan.....	NR	NR	12/31/08	6,014,775
10,527	Loews Cineplex Entertainment Corp., Term Loan.....	NR	NR	02/29/08	10,500,260
19,425	Metro-Goldwyn-Mayer, Inc., Term Loan.....	NR	NR	06/30/08	19,455,361
7,500	Mets II, LLC, Term Loan....	NR	NR	08/23/05	7,490,625
1,981	Panavision, Inc., Term Loan.....	B3	CCC	03/31/05	1,948,471
4,850	Playcore Wisconsin, Inc., Term Loan.....	NR	NR	07/01/07	4,654,471
5,000	Pure Fishing, Term Loan....	NR	NR	12/31/09	4,993,750
3,000	Regal Cinemas, Inc., Term Loan.....	Ba2	BB-	06/30/09	3,033,750

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PORTFOLIO OF INVESTMENTS

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PRINCIPAL AMOUNT (000)	BORROWER	BANK LOAN RATINGS+		STATED MATURITY*	VALUE
		MOODY'S	S&P		
	ENTERTAINMENT & LEISURE (CONTINUED)				
\$ 2,500	Riddell Sports Group, Inc., Term Loan.....	NR	NR	06/30/08	\$ 2,506,250
6,500	Six Flags Theme Parks, Inc., Term Loan.....	Ba2	BB-	06/30/09	6,496,614
11,500	Vivendi Universal Entertainment, Term Loan...	Ba2	BB+	06/30/08	11,573,669
5,000	Washington Group International, Inc., Term Loan.....	NR	NR	10/16/07	5,028,125
3,750	Worldspan, LP, Term Loan...	B1	BB-	06/30/07	3,775,781
4,465	Worldwide Sports &				

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	Recreation, Inc., Term Loan.....	NR	NR	12/31/06	4,278,452
					----- 123,121,715 -----
	FARMING & AGRICULTURE 0.4%				
2,250	Central Garden & Pet Co., Term Loan.....	Ba2	BB+	05/14/09	2,264,767
3,704	The Scotts Co., Term Loan..	Ba1	BB	12/31/07	3,728,749
					----- 5,993,516 -----
	FINANCE 1.3%				
4,818	Outsourcing Solutions, Term Loan (a) (c).....	Caa1	NR	06/10/06	2,228,094
8,500	Rent-A-Center, Inc., Term Loan.....	Ba2	BB	05/28/09	8,567,294
8,242	Risk Management Assurance Co., Term Loan.....	NR	NR	12/21/06	8,235,996
					----- 19,031,384 -----
	GROCERY 0.4%				
4,314	Fleming Cos., Inc., Term Loan (c).....	NR	NR	06/18/08	4,076,350
1,569	Fleming Cos., Inc., Revolving Credit Agreement (c).....	NR	NR	06/18/07	1,492,892
					----- 5,569,242 -----
	HEALTHCARE 6.5%				
31,949	Community Health Systems, Inc., Term Loan.....	NR	NR	07/16/10 to 01/16/11	32,068,704
8,005	FHC Health Systems, Inc., Term Loan.....	B1	NR	04/30/05 to 04/30/06	7,925,238
2,795	Genesis Health Ventures, Inc., Term Loan.....	Ba3	B+	03/31/07	2,791,564

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PRINCIPAL AMOUNT (000)	BORROWER	BANK LOAN RATINGS+		STATED MATURITY*	VALUE
		MOODY'S	S&P		
	HEALTHCARE (CONTINUED)				
\$ 7,888	InteliStaf Group, Inc., Term Loan.....	NR	NR	10/31/05 to 10/31/07	\$ 7,828,935
16,378	Kindred Healthcare, Inc., Term Loan.....	NR	NR	04/13/08	16,214,221
10,727	Magellan Health Services, Inc., Term Loan (c).....	NR	D	02/12/05 to 02/12/06	10,547,996
9,034	Medical Staffing Network				

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	Holdings, Inc., Term					
3,758	Loan.....	NR	NR	10/26/06		8,994,072
	Team Health, Inc., Term					
4,523	Loan.....	Ba3	B+	10/31/08		3,717,368
	Triad Hospitals, Inc., Term					
	Loan.....	Ba3	BB	09/30/08		4,557,437

						94,645,535

	HEALTHCARE & BEAUTY 1.0%					
3,750	Jafra Cosmetics, Term					
	Loan.....	NR	B+	05/20/08		3,656,250
1,717	Mary Kay, Inc., Term					
	Loan.....	Ba3	BB	10/03/07		1,725,582
2,895	Prestige Brands Holdings,					
	Inc., Term Loan.....	NR	NR	12/30/08		2,909,475
5,915	Revlon Consumer Products					
	Corp., Term Loan.....	B3	B-	05/30/05		5,767,269

						14,058,576

	HOME & OFFICE FURNISHINGS, HOUSEWARES &					
	DURABLE CONSUMER PRODUCTS 1.4%					
1,958	Formica Corp., Term Loan					
	(c).....	NR	NR	04/30/06		1,899,586
7,083	General Binding Corp., Term					
	Loan.....	B2	B+	01/15/08		7,061,198
3,122	Holmes Products Corp., Term					
	Loan.....	B2	B	02/05/07		3,049,084
1,422	Imperial Home Decor Group,					
	Inc., Term Loan (a) (d)....	NR	NR	04/04/06		35,557
3,289	National Bedding Co., Term					
	Loan.....	B1	B+	08/31/08		3,302,348
3,567	Sealy Mattress Co., Term					
	Loan.....	B1	B+	12/15/04 to 12/15/06		3,553,806
1,410	Targus Group International,					
	Inc., Term Loan.....	NR	NR	08/31/06		1,247,818

						20,149,397

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PRINCIPAL AMOUNT (000)	BORROWER	BANK LOAN RATINGS+		STATED MATURITY*	VALUE
		MOODY'S	S&P		
	HOTELS, MOTELS, INNS & GAMING 8.1%				
\$37,993	Aladdin Gaming, LLC, Term				
	Loan (a) (c).....	NR	NR	02/25/05 to 02/26/08	\$ 31,901,385
3,461	Alliance Gaming Corp., Term				
	Loan.....	B1	BB-	12/31/06	3,472,029
2,906	Ameristar Casinos, Inc.,				

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3,980	Term Loan.....	Ba3	BB-	12/20/06	2,923,384
	Extended Stay America, Inc., Term Loan.....	Ba3	BB-	01/15/08	4,006,325
4,682	Greektown Casino, LLC, Term Loan.....	NR	NR	09/30/04	4,694,728
2,962	Isle of Capri Casinos, Inc., Term Loan.....	Ba2	BB-	04/26/08	2,975,923
13,500	Mandalay Resort Group, Term Loan.....	NR	NR	08/21/06 to 06/30/08	13,484,687
1,760	Mandalay Resort Group, Revolving Credit Agreement.....	NR	NR	08/21/06	1,689,600
2,190	Park Place Entertainment Corp., Revolving Credit Agreement.....	NR	BBB-	12/31/03	2,157,567
5,689	Penn National Gaming, Term Loan.....	B1	B+	09/01/07	5,712,171
10,448	Scientific Games Corp., Term Loan.....	Ba3	BB-	12/31/08	10,486,678
9,000	Thunder Valley Casino, Term Loan.....	NR	NR	12/01/08	9,022,500
30,312	Wyndham International, Inc., Term Loan.....	NR	NR	06/30/04 to 06/30/06	25,965,061
					----- 118,492,038 -----
	INSURANCE 1.0%				
10,000	Alea Group Holdings, Term Loan.....	NR	BBB-	03/31/07	9,975,000
3,053	Hilb, Rogal & Hamilton Co., Term Loan.....	Ba3	BB-	06/30/07	3,083,025
1,800	Infinity Property & Casualty Corp., Term Loan.....	Baa3	BBB	06/30/10	1,814,625
					----- 14,872,650 -----
	MACHINERY 1.1%				
4,482	Alliance Laundry Holdings, LLC, Term Loan.....	B1	B	08/02/07	4,462,257
139	Alliance Laundry Holdings, LLC, Revolving Credit Agreement.....	B1	B	06/02/05	135,417

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PRINCIPAL AMOUNT (000)	BORROWER	BANK LOAN RATINGS+		STATED MATURITY*	VALUE
		MOODY'S	S&P		
	MACHINERY (CONTINUED)				
\$10,051	Ashtead Group, PLC, Term Loan.....	NR	NR	06/01/07	\$ 7,714,223

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1,606	Flowserve Corp., Term Loan.....	Ba3	BB-	06/30/09	1,614,514
2,116	Weigh-Tronix, LLC, Term Loan.....	NR	NR	09/30/05	1,639,729
					----- 15,566,140 -----
	MEDICAL PRODUCTS & SERVICES 9.0%				
4,556	Alaris Medical Systems, Inc., Term Loan.....	B1	BB	06/30/09	4,604,531
10,005	Alliance Imaging, Inc., Term Loan.....	B1	B+	06/10/08	9,774,809
2,993	Ameripath, Inc., Term Loan.....	B1	B+	03/27/10	3,011,203
11,452	CONMED Corp., Term Loan....	Ba3	BB-	12/15/09	11,574,183
13,782	Dade Behring, Inc., Term Loan.....	B1	B+	10/03/08	13,971,377
32,043	DaVita, Inc., Term Loan....	Ba3	BB-	03/31/07 to 03/31/09	32,182,383
5,027	Fisher Scientific International, Inc., Term Loan.....	Ba3	BB+	03/31/10	5,057,564
22,111	Fresenius Medical Care Holding, Inc., Term Loan...	Ba1	BB+	02/21/10	22,290,904
6,349	InSight Health, Term Loan.....	NR	B+	10/17/08	6,376,785
9,449	Kinetic Concepts, Inc., Term Loan.....	Ba3	BB-	12/31/04 to 03/31/06	9,444,756
4,379	National Nephrology Associates, Inc., Term Loan.....	B1	B+	12/31/05	4,351,567
1,975	Rotech Healthcare, Inc., Term Loan.....	Ba2	BB	03/31/08	1,976,919
6,000	Symmetry Medical, Inc., Term Loan.....	NR	NR	06/30/08 to 06/30/09	6,003,138
					----- 130,620,119 -----
	MINING, STEEL, IRON & NON-PRECIOUS METALS 2.3%				
500	Arch Coal, Inc., Revolving Credit Agreement.....	Ba2	BB	04/18/07	477,500
3,388	CII Carbon, LLC, Term Loan.....	NR	NR	06/25/08	3,015,724
3,064	Fairmount Minerals, Ltd., Term Loan.....	NR	NR	03/13/09	3,071,763

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PRINCIPAL AMOUNT (000)	BORROWER	BANK LOAN RATINGS+		STATED MATURITY*	VALUE
		MOODY'S	S&P		
	MINING, STEEL, IRON & NON-PRECIOUS METALS (CONTINUED)				
\$31,554	Ispat Inland, Term Loan....	Caa1	B-	07/16/05 to 07/16/06	\$ 21,851,164

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4,788	Peabody Energy Corp., Term Loan.....	Ba1	BB+	03/21/10	4,835,880

					33,252,031

	NATURAL RESOURCES 3.2%				
1,250	CITGO Petroleum Corp., Term Loan.....	NR	BB+	02/27/06	1,290,625
7,500	El Paso Oil & Gas, Term Loan.....	B3	B+	12/31/06	7,485,938
1,250	El Paso Oil & Gas, Revolving Credit Agreement.....	B3	B+	06/30/05	1,237,305
10,500	Lyondell-Citgo Refining, LP, Term Loan.....	Ba3	BB-	06/10/04	9,975,000
15,000	Ocean Rig ASA--(Norway), Term Loan.....	NR	NR	06/01/08	12,600,000
4,500	Pacific Energy Group, LLC, Term Loan.....	Ba2	BBB-	07/26/09	4,533,750
7,655	Tesoro Petroleum Corp., Term Loan.....	Ba3	BB	04/17/07	7,722,454
1,400	U.S. Synthetic Corp., Term Loan.....	NR	NR	05/31/05	1,344,000

					46,189,072

	NON-DURABLE CONSUMER PRODUCTS 1.1%				
2,379	Aero Products International, Inc., Term Loan.....	NR	NR	12/19/08	2,349,652
1,267	American Safety Razor Co., Term Loan.....	NR	NR	01/31/05 to 04/30/07	1,236,368
2,985	Amscan Holdings, Inc., Term Loan.....	B1	BB-	06/15/07	2,999,925
1,376	Church & Dwight Co., Inc., Term Loan.....	Ba2	BB	09/30/07	1,385,590
2,640	JohnsonDiversey, Inc., Term Loan.....	Ba3	BB-	11/03/09	2,652,727
6,777	The Boyds Collection, Ltd., Term Loan.....	Ba3	B+	04/21/05	6,641,292

					17,265,554

	PAPER & FOREST PRODUCTS 0.3%				
2,465	Bear Island Paper Co., LLC, Term Loan.....	B3	B-	12/31/05	2,453,142
2,611	Port Townsend Paper Corp., Term Loan.....	NR	NR	03/16/05 to 03/16/07	2,402,045

					4,855,187

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PRINCIPAL AMOUNT (000)	BORROWER	BANK LOAN RATINGS+		STATED MATURITY*	VALUE
		MOODY'S	S&P		
	PERSONAL & MISCELLANEOUS SERVICES 2.4%				
\$ 7,840	Coinmach Laundry Corp., Term Loan.....	B1	BB-	07/25/09	\$ 7,875,280
3,868	Encompass Service Corp., Term Loan (a) (c).....	NR	NR	05/10/07	512,548
2,000	Global Imaging Systems, Inc., Term Loan.....	Ba3	BB-	06/25/09	2,025,000
1,925	Info-USA, Inc., Term Loan.....	Ba3	NR	04/30/07	1,922,594
1,595	Iron Mountain, Inc., Term Loan.....	Ba3	BB	02/15/08	1,605,456
4,950	Katun Corp., Term Loan....	NR	B+	06/30/09	4,934,531
2,710	Stewart Enterprises, Inc., Term Loan.....	Ba3	BB	01/31/06	2,724,260
9,509	The Relizon Co., Term Loan.....	NR	NR	09/30/06 to 12/31/07	9,342,946
3,840	Weight Watchers International, Inc., Term Loan.....	Ba1	BB	12/31/07	3,873,353
					----- 34,815,968 -----
	PHARMACEUTICALS 1.5%				
848	Alpharma, Inc., Term Loan (i).....	B2	BB-	10/05/07	842,577
9,712	Caremark Rx, Inc., Term Loan.....	Ba2	BBB-	03/31/06	9,733,693
11,913	MedPointe, Inc., Term Loan.....	B1	B	09/30/07 to 09/30/08	11,221,886
					----- 21,798,156 -----
	PRINTING & PUBLISHING 9.2%				
4,962	21st Century Newspapers, Term Loan.....	NR	NR	08/27/08	4,961,538
1,144	Adams Outdoor Advertising LP, Term Loan.....	B1	B+	02/08/08	1,149,535
6,100	Advanstar Communications, Inc., Term Loan (i).....	NR	B	04/11/07 to 10/11/07	6,028,468
7,622	American Media Operations, Inc., Term Loan.....	Ba3	B+	04/01/07	7,661,077
11,127	American Reprographics Co., Term Loan.....	NR	NR	04/10/08	10,893,648
1,900	Check Printers, Inc., Term Loan.....	NR	NR	06/30/05	1,897,578
17,268	CommerceConnect Media, Inc., Term Loan.....	NR	NR	12/31/07	16,577,328
2,010	Daily News, LP, Term Loan..	NR	NR	03/19/08	1,927,427

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PRINCIPAL AMOUNT (000)	BORROWER	BANK LOAN RATINGS+		STATED MATURITY*	VALUE
		MOODY'S	S&P		
	PRINTING & PUBLISHING (CONTINUED)				
\$ 9,994	F&W Publications, Inc., Term Loan.....	NR	NR	12/31/09	\$ 9,993,832
3,884	Hights Cross Communications, LLC, Term Loan.....	B2	B+	12/10/06	3,764,824
7,200	Lamar Media Corp., Term Loan.....	Ba2	BB-	06/30/10	7,230,002
3,570	Liberty Group Operating, Inc., Term Loan.....	B1	B	03/31/07	3,565,519
5,167	Merrill Communications, LLC, Term Loan.....	B3	B	11/23/07	5,064,027
2,500	Moore Corp., Term Loan.....	Ba2	BB+	03/15/10	2,508,203
15,000	Morris Communications Corp., Term Loan.....	NR	BB	09/30/09	15,046,875
3,435	Network Communications, Inc., Term Loan.....	NR	NR	06/27/08	3,443,380
8,341	PRIMEDIA, Inc., Term Loan..	NR	B	06/30/09	8,084,904
6,520	R.H. Donnelley, Inc., Term Loan.....	Ba3	NR	12/31/08 to 06/30/10	6,633,836
4,764	The Reader's Digest Association, Inc., Term Loan.....	Ba1	BB+	05/21/07	4,710,320
1,895	Vutek, Inc., Term Loan.....	B1	NR	07/31/07	1,837,727
9,500	Xerox Corp., Term Loan.....	NR	BB-	09/30/08	9,428,750
1,598	Ziff-Davis Media, Inc., Term Loan.....	NR	CCC	03/31/07	1,430,027
					----- 133,838,825 -----
	RESTAURANTS & FOOD SERVICE 0.6%				
1,632	Carvel Corp., Term Loan....	NR	NR	12/31/06	1,615,841
3,871	Domino's, Inc., Term Loan.....	B1	B+	06/25/10	3,912,326
2,672	Papa Ginos, Inc., Term Loan.....	NR	NR	08/31/07	2,665,237
					----- 8,193,404 -----
	RETAIL--OIL & GAS 0.8%				
5,000	Barjan Products, LLC, Term Loan.....	NR	NR	05/31/06	2,500,000
9,421	The Pantry, Inc., Term Loan.....	B1	B+	03/31/07	9,502,856
					----- 12,002,856 -----

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PRINCIPAL AMOUNT (000)	BORROWER	BANK LOAN RATINGS+		STATED MATURITY*	VALUE
		MOODY'S	S&P		
	RETAIL--SPECIALTY 0.3%				
\$ 3,209	DRL Acquisition, Inc., Term Loan.....	NR	NR	04/30/09	\$ 3,197,340
1,592	Home Interiors & Gifts, Inc., Term Loan.....	B2	B+	12/31/06	1,577,914
					----- 4,775,254 -----
	RETAIL--STORES 3.1%				
4,198	Advance Stores Co., Inc., Term Loan.....	Ba3	BB-	11/30/07	4,221,509
5,350	CSK Auto, Inc., Term Loan..	Ba3	BB-	02/15/06	5,403,500
35,000	Rite Aid Corp., Term Loan.....	B1	BB	04/30/08	35,288,750
					----- 44,913,759 -----
	TECHNOLOGY 0.9%				
12,854	The Titan Corp., Term Loan.....	Ba3	BB-	06/30/09	12,889,240

	TELECOMMUNICATIONS--LOCAL EXCHANGE CARRIERS 1.0%				
2,684	Cincinnati Bell, Inc., Term Loan.....	B1	B+	11/09/04 to 06/28/07	2,709,293
3,000	FairPoint Communications, Inc., Term Loan.....	B1	BB-	03/31/07	3,011,250
1,926	Orius Corp., Term Loan.....	NR	NR	01/23/09 to 01/23/10	499,278
1,127	Orius Corp., Revolving Credit Agreement.....	NR	NR	01/23/05	647,798
5,381	Qwest Corp., Term Loan.....	Ba3	B-	06/30/07	5,425,345
1,675	Superior Telecom, Inc., Revolving Credit Agreement.....	NR	NR	12/04/03	1,659,297
7,500	WCI Capital Corp., Term Loan (a) (c).....	NR	NR	09/30/07	9,375
2,158	WCI Capital Corp., Revolving Credit Agreement (a) (c) (g).....	NR	NR	12/31/02	1,035,884
					----- 14,997,520 -----
	TELECOMMUNICATIONS--LONG DISTANCE 0.1%				
20,965	Pacific Crossing, Ltd., Term Loan (a) (c).....	NR	NR	07/28/06	1,467,578

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PRINCIPAL AMOUNT (000)	BORROWER	BANK LOAN RATINGS+		STATED MATURITY*	VALUE
		MOODY'S	S&P		
	TELECOMMUNICATIONS-WIRELESS	3.8%			
\$ 7,477	American Cellular Corp., Term Loan.....	B3	CC	03/31/08 to 03/31/09	\$ 7,410,815
269	American Cellular Corp., Revolving Credit Agreement.....	B3	CC	03/31/07	268,218
14,467	BCP SP Ltd., Term Loan (g) (k).....	NR	NR	03/31/02 to 03/31/05	4,945,703
2,900	Centennial Cellular Corp., Term Loan.....	B3	B	11/30/06	2,809,640
3,150	Centennial Puerto Rico Operations Corp., Term Loan.....	NR	B	05/31/07 to 11/30/07	3,062,863
8,000	Cricket Communications, Inc., Term Loan (a) (c)....	NR	NR	06/30/07	3,100,000
23,451	Nextel Finance Co., Term Loan.....	Ba2	BB	12/31/07 to 12/31/08	23,344,049
2,038	Spectrasite Communications, Inc., Term Loan.....	B1	B+	12/31/07	2,058,830
3,534	Sygnel Wireless, Inc., Term Loan.....	NR	NR	12/23/06 to 12/23/07	3,477,667
1,043	TSI Telecommunication Services, Inc., Term Loan.....	Ba3	B+	12/31/06	1,044,640
3,443	Western Wireless Corp., Term Loan.....	B3	B-	09/30/08	3,391,272
					----- 54,913,697 -----
	TEXTILES & LEATHER	0.1%			
5,402	Malden Mills Industries, Inc., Term Loan (a) (c)....	NR	NR	10/28/06	1,308,902
	TRANSPORTATION--CARGO	1.9%			
9,764	American Commercial Lines, LLC, Term Loan (c).....	NR	NR	06/30/06 to 06/30/07	7,937,909
4,380	Atlas Freighter Leasing, Inc., Term Loan.....	NR	NR	04/25/05 to 04/25/06	2,655,673
4,872	Comcar Industries, Inc., Term Loan.....	NR	NR	09/30/04	4,092,781
2,652	Ingram Industries, Inc., Term Loan.....	NR	NR	07/02/08	2,625,859
7,118	Pacer International, Inc., Term Loan.....	B1	BB-	06/10/10	7,179,927

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PRINCIPAL AMOUNT (000)	BORROWER	BANK LOAN RATINGS+		STATED MATURITY*	VALUE
		MOODY'S	S&P		
	TRANSPORTATION--CARGO (CONTINUED)				
\$ 598	Roadway Corp., Term Loan...	Baa3	BBB	11/30/06	\$ 595,712
3,046	United States Shipping, LLC, Term Loan.....	Ba2	BB	09/12/08	3,054,557
					----- 28,142,418 -----
	TRANSPORTATION--PERSONAL 1.3%				
5,996	IAP Newsub, Inc., Term Loan (a).....	NR	NR	05/29/05	929,438
900	IAP Newsub, Inc., Revolving Credit Agreement (a).....	NR	NR	05/29/05	139,476
9,900	Laidlaw Investments, Ltd., Term Loan.....	Ba3	BB+	06/19/09	9,974,250
4,673	Motor Coach Industries, Inc., Term Loan.....	B2	B	06/16/05	3,936,785
3,810	Transcore Holdings, Inc., Term Loan.....	NR	NR	10/01/06	3,824,223
					----- 18,804,172 -----
	TRANSPORTATION--RAIL MANUFACTURING 0.2%				
3,231	Helm, Inc., Term Loan.....	NR	NR	10/18/06	3,012,942
1,666	RailWorks Corp., Term Loan.....	NR	NR	11/13/04	624,857
					----- 3,637,799 -----
	UTILITIES 1.1%				
750	Allegheny Energy, Inc., Term Loan.....	B1	B	09/30/04	750,375
853	Aquila, Inc., Term Loan....	B2	B+	05/15/06	859,573
27	CMS Energy Corp., Term Loan.....	B2	BB	09/30/04	27,044
1,050	Consumers Energy Co., Term Loan.....	Baa3	NR	07/11/04	1,057,219
1,647	Pike Electric, Inc., Term Loan.....	NR	NR	04/18/10	1,658,898
3,125	Southern California Edison Co., Term Loan.....	Ba2	NR	03/01/05	3,137,697
441	TNP Enterprises, Inc., Term Loan.....	Ba2	BB+	03/30/06	435,117

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See Notes to Financial Statements

PORTFOLIO OF INVESTMENTS

July 31, 2003

BANK LOAN

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PRINCIPAL AMOUNT (000)	BORROWER	RATINGS+		STATED MATURITY*	VALUE
		MOODY'S	S&P		
	UTILITIES (CONTINUED)				
\$ 7,695	Westar Energy, Inc., Term Loan.....	NR	NR	06/06/05	\$ 7,733,402
10	Westar Energy, Inc., Revolving Credit Agreement.....	NR	NR	06/05/05	9,375
					----- 15,668,700 -----
TOTAL VARIABLE RATE** SENIOR LOAN INTERESTS 122.3%.....					1,784,018,291 -----

NOTES 3.0%

Alderwoods Group, Inc. (\$3,283,700 par, 11.00% to 12.25% coupon, maturing 01/02/07 to 01/02/09).....	3,446,141
American Home Patient, Inc. (\$5,562,289 par, 6.785% to 8.57% coupon, maturing 07/01/09).....	3,782,357
Commonwealth Brands, Inc. (\$1,500,000 par, 8.736% coupon, maturing 04/15/08) (h).....	1,537,500
Dade Behring, Inc. (\$5,523,042 par, 11.91% coupon, maturing 10/03/10).....	5,799,194
Genesis Health Ventures, Inc. (\$9,217,299 par, 6.114% coupon, maturing 04/02/07) (h).....	9,217,299
PCI Chemicals Canada, Inc. (\$3,353,666 par, 10.00% coupon, maturing 12/31/08).....	2,900,921
Pioneer Cos., Inc. (\$1,624,077 par, 4.60% coupon, maturing 12/31/06) (h).....	1,388,586
Premcor Refining Group, Inc. (\$7,500,000 par, 4.34% coupon, maturing 02/11/06) (h).....	7,565,625
Satelites Mexicanos (\$8,770,000 par, 5.614% coupon, maturing 06/30/04), 144A Private Placement (b) (h).....	7,761,450
TOTAL NOTES.....	43,399,073 -----

EQUITIES 4.4%

Alderwoods Group, Inc. (152,880 common shares) (e).....	1,037,902
American Home Patient, Inc. (Warrants for 68,497 common shares) (c) (e).....	0
Audio Visual Services Corp. (70,205 common shares) (e) (f).....	737,153
Comdisco Holdings Co. (350 common shares) (e).....	33,250
Dade Behring Holdings, Inc. (512,559 common shares) (e).....	12,639,705
Genesis Health Ventures, Inc. (11,631 preferred shares) (e) (f) (k).....	1,206,716
Genesis Health Ventures, Inc. (932,290 common shares) (e).....	19,811,163
Holmes Group, Inc. (Warrants for 22,312 common shares) (e).....	0
Imperial Home Decor Group, Inc. (512,023 common shares) (d) (e) (f).....	0
Imperial Home Decor Realty, Inc. (512,023 common shares) (d) (e) (f).....	0
Kindred Healthcare, Inc. (499,875 common shares) (e).....	11,977,005
Orius Corp. (315,080 common shares) (d) (e) (f).....	0
Pioneer Cos., Inc. (269,846 common shares) (e).....	863,507

See Notes to Financial Statements

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PORTFOLIO OF INVESTMENTS

July 31, 2003

DESCRIPTION	VALUE
EQUITIES (CONTINUED)	
Railworks Corp. (186 preferred shares) (e) (f).....	\$ 0
Railworks Corp. (Warrants for 3,282 common shares) (e) (f).....	0
Rotech Healthcare, Inc. (478,573 common shares) (e).....	11,366,109
Rotech Medical Corp. (48,485 common shares) (e) (f).....	0
Safelite Glass Corp. (421,447 common shares) (e) (f).....	4,808,710
Safelite Realty (28,448 common shares) (e) (f).....	0
Tembec, Inc. (78,468 common shares) (e).....	406,464
West American Rubber Co., LLC (5.04% Ownership Interest) (e) (f).....	0

TOTAL EQUITIES 4.4%.....	64,887,684

TOTAL LONG-TERM INVESTMENTS 129.7%	
(Cost \$1,980,267,426).....	1,892,305,048

SHORT-TERM INVESTMENTS 1.8%	
REPURCHASE AGREEMENT 1.7%	
State Street Bank & Trust Corp. (\$24,200,000 par collateralized by U.S. Government obligations in a pooled cash account, dated 07/31/03, 0.95% coupon, to be sold on 08/01/03 at \$24,200,639) (i).....	24,200,000

TIME DEPOSIT 0.1%	
State Street Bank & Trust Corp. (\$2,211,082 par, 0.116% coupon, dated 07/31/03, to be sold on 08/01/03 at \$2,211,089) (i).....	2,211,082

TOTAL SHORT-TERM INVESTMENTS	
(Cost \$26,411,082).....	26,411,082

TOTAL INVESTMENTS 131.5%	
(Cost \$2,006,678,508).....	1,918,716,130
BORROWINGS (27.5)%.....	(401,000,000)
LIABILITIES IN EXCESS OF OTHER ASSETS (4.0)%.....	(59,129,807)

NET ASSETS 100.0%.....	\$1,458,586,323
	=====

NR--Not rated

+ Bank Loans rated below Baa by Moody's Investor Service, Inc. or BBB by Standard & Poor's Group are considered to be below investment grade. (Bank loan ratings are unaudited.)

(1) Industry percentages are calculated as a percentage of net assets.

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PORTFOLIO OF INVESTMENTS

July 31, 2003

- (a) This Senior Loan interest is non-income producing.
 - (b) 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 transactions with qualified institutional buyers.
 - (c) This borrower has filed for protection in federal bankruptcy court.
 - (d) Affiliated company. See Notes to Financial Statements.
 - (e) Non-income producing security as this stock currently does not declare dividends.
 - (f) Restricted Security.
 - (g) The borrower is in the process of restructuring or amending the terms of this loan.
 - (h) Variable rate security. Interest rate shown is that in effect at July 31, 2003.
 - (i) A portion of this security is designated in connection with unfunded commitments.
 - (j) This borrower is currently in liquidation.
 - (k) Payment-in-kind security.
- * Senior Loans in the Trust's portfolio generally are subject to mandatory and/or optional prepayment. Because of these mandatory prepayment conditions and because there may be significant economic incentives for a Borrower to prepay, prepayments of Senior Loans in the Trust's portfolio may occur. As a result, the actual remaining maturity of Senior Loans held in the Trust's portfolio may be substantially less than the stated maturities shown. Although the Trust is unable to accurately estimate the actual remaining maturity of individual Senior Loans, the Trust estimates that the actual average maturity of the Senior Loans held in its portfolio will be approximately 18-24 months.
- ** Senior Loans in which the Trust invests generally pay interest at rates which are periodically redetermined by reference to a base lending rate plus a premium. These base lending rates are generally (i) the lending rate offered by one or more major European banks, such as the London Inter-Bank Offered Rate ("LIBOR"), (ii) the prime rate offered by one or more major United States banks and (iii) the certificate of deposit rate. Senior Loans are generally considered to be restricted in that the Trust ordinarily is contractually obligated to receive approval from the Agent Bank and/or Borrower prior to the disposition of a Senior Loan.

See Notes to Financial Statements

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FINANCIAL STATEMENTS

Statement of Assets and Liabilities

July 31, 2003

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ASSETS:	
Total Investments (Cost \$2,006,678,508)	\$1,918,716,130
Receivables:	
Investments Sold.....	23,413,773
Interest and Fees.....	7,229,248
Other.....	179,048

Total Assets.....	1,949,538,199

LIABILITIES:	
Payables:	
Borrowings.....	401,000,000
Investments Purchased.....	86,933,072
Investment Advisory Fee.....	1,343,379
Administrative Fee.....	316,089
Distributor and Affiliates.....	74,396
Custodian Bank.....	68,362
Accrued Expenses.....	544,396
Accrued Interest Expense.....	356,762
Trustees' Deferred Compensation and Retirement Plans.....	315,420

Total Liabilities.....	490,951,876

NET ASSETS.....	\$1,458,586,323
	=====
NET ASSET VALUE PER COMMON SHARE (\$1,458,586,323 divided by 180,010,000 shares outstanding).....	\$ 8.10
	=====
NET ASSETS CONSIST OF:	
Common Shares (\$.01 par value with an unlimited number of shares authorized, 180,010,000 shares issued and outstanding).....	\$ 1,800,100
Paid in Surplus.....	1,795,669,290
Accumulated Undistributed Net Investment Income.....	1,189,293
Net Unrealized Depreciation.....	(87,962,378)
Accumulated Net Realized Loss.....	(252,109,982)

NET ASSETS.....	\$1,458,586,323
	=====

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See Notes to Financial Statements

Statement of Operations
For the Year Ended July 31, 2003

INVESTMENT INCOME:	
Interest.....	\$ 108,915,548
Dividends.....	112,275
Other.....	5,575,696

Total Income.....	114,603,519

EXPENSES:	
Investment Advisory Fee.....	15,923,642
Administrative Fee.....	3,746,739

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Legal.....	1,142,132
Custody.....	511,487
Trustees' Fees and Related Expenses.....	118,547
Other.....	793,663

Total Operating Expenses.....	22,236,210
Interest Expense.....	8,673,475

NET INVESTMENT INCOME.....	\$ 83,693,834
	=====
REALIZED AND UNREALIZED GAIN/LOSS:	
Net Realized Loss.....	\$ (33,874,642)

Unrealized Appreciation/Depreciation:	
Beginning of the Period.....	(146,657,331)
End of the Period.....	(87,962,378)

Net Unrealized Appreciation During the Period.....	58,694,953

NET REALIZED AND UNREALIZED GAIN.....	\$ 24,820,311
	=====
NET INCREASE IN NET ASSETS FROM OPERATIONS.....	\$ 108,514,145
	=====

See Notes to Financial Statements

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Statements of Changes in Net Assets

	YEAR ENDED JULY 31, 2003	YEAR ENDED JULY 31, 2002
	-----	-----
FROM INVESTMENT ACTIVITIES:		
Operations:		
Net Investment Income.....	\$ 83,693,834	\$ 89,866,208
Net Realized Loss.....	(33,874,642)	(87,927,766)
Net Unrealized Appreciation/Depreciation During the Period.....	58,694,953	(11,950,146)
	-----	-----
Change in Net Assets from Operations.....	108,514,145	(10,011,704)
Distributions from Net Investment Income.....	(79,888,289)	(92,687,003)
	-----	-----
NET CHANGE IN NET ASSETS FROM INVESTMENT ACTIVITIES.....	28,625,856	(102,698,707)
NET ASSETS:		
Beginning of the Period.....	1,429,960,467	1,532,659,174
	-----	-----
End of the Period (Including accumulated undistributed net investment income of \$1,189,293 and \$5,331,061, respectively).....	\$1,458,586,323	\$1,429,960,467
	=====	=====

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See Notes to Financial Statements

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Statement of Cash Flows
For the Year Ended July 31, 2003

CHANGE IN NET ASSETS FROM OPERATIONS.....	\$108,514,145
<hr style="border-top: 1px dashed black;"/>	
Adjustments to Reconcile the Change in Net Assets from Operations to Net Cash Used for Operating Activities:	
Increase in Investments at Value.....	(64,207,423)
Decrease in Interest and Fees Receivables.....	568,861
Increase in Receivable for Investments Sold.....	(14,465,380)
Increase in Other Assets.....	(93,970)
Increase in Investment Advisory Fee Payable.....	64,026
Increase in Administrative Fee Payable.....	15,065
Decrease in Distributor and Affiliates Payable.....	(211,060)
Increase in Payable for Investments Purchased.....	18,807,082
Increase in Accrued Expenses.....	16,650
Increase in Trustees' Deferred Compensation and Retirement Plans.....	102,318
<hr style="border-top: 1px dashed black;"/>	
Total Adjustments.....	(59,403,831)
<hr style="border-top: 1px dashed black;"/>	
NET CASH PROVIDED BY OPERATING ACTIVITIES.....	49,110,314
<hr style="border-top: 1px dashed black;"/>	
CASH FLOWS FROM FINANCING ACTIVITIES:	
Change in Bank Borrowings.....	30,841,000
Change in Intra-day Credit Line with Custodian Bank.....	68,362
Change in Accrued Interest Expense.....	(158,587)
Cash Dividends Paid.....	(79,888,289)
<hr style="border-top: 1px dashed black;"/>	
Net Cash Used for Financing Activities.....	(49,137,514)
<hr style="border-top: 1px dashed black;"/>	
Net Decrease in Cash.....	(27,200)
Cash at Beginning of the Period.....	27,200
<hr style="border-top: 1px dashed black;"/>	
CASH AT THE END OF THE PERIOD.....	\$ -0-
<hr style="border-top: 1px dashed black;"/>	

See Notes to Financial Statements

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Financial Highlights

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

	YEAR ENDED JULY 31,				
	2003	2002 (e)	2001	2000	1999
	<hr style="border-top: 1px dashed black;"/>				
NET ASSET VALUE, BEGINNING OF THE PERIOD (a).....	\$ 7.94	\$ 8.51	\$ 9.65	\$ 10.08	\$ 10.07
	<hr style="border-top: 1px dashed black;"/>				
Net Investment Income.....	.46	.49	.79	.81	.77
Net Realized and Unrealized Gain/Loss.....	.14	(.55)	(1.10)	(.42)	-0-

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Total from Investment Operations.....	.60	(.06)	(.31)	.39	.77
Less:					
Distributions from Net Investment Income.....	.44	.51	.83	.81	.76
Distributions from Net Realized Gain.....	-0-	-0-	-0-	.01	-0-
Total Distributions.....	.44	.51	.83	.82	.76
NET ASSET VALUE, END OF THE PERIOD.....	\$ 8.10	\$ 7.94	\$ 8.51	\$ 9.65	\$ 10.08

Common Share Market Price at End of the Period.....	\$ 7.84	\$ 6.67	\$ 7.79	\$ 8.75	\$ 9.5625
Total Return (b).....	25.06%	-8.05%	-1.42%	.61%	2.98%
Net Assets at End of the Period (In millions).....	\$1,458.6	\$1,430.0	\$1,532.7	\$1,736.5	\$1,815.1
Ratio of Operating Expenses to Average Net Assets excluding Borrowings*.....	1.59%	1.48%	1.63%	1.75%	1.66%
Ratio of Interest Expense to Average Net Assets excluding Borrowings.....	.62%	.53%	2.15%	2.49%	2.37%
Ratio of Gross Expense to Average Net Assets excluding Borrowings*.....	2.21%	2.01%	3.78%	4.24%	4.03%
Ratio of Net Investment Income to Average Net Assets excluding Borrowings*.....	5.98%	6.02%	8.90%	8.19%	7.72%
Portfolio Turnover (c).....	78%	65%	55%	57%	28%

SUPPLEMENTAL RATIOS:

Ratio of Operating Expenses to Average Net Assets including Borrowings*.....	1.19%	1.22%	1.20%	1.24%	1.18%
Ratio of Interest Expense to Average Net Assets including Borrowings.....	.46%	.44%	1.58%	1.77%	1.67%
Ratio of Gross Expense to Average Net Assets including Borrowings*.....	1.65%	1.66%	2.78%	3.01%	2.85%
Ratio of Net Investment Income to Average Net Assets including Borrowings*.....	4.47%	4.95%	6.55%	5.83%	5.46%

SENIOR INDEBTEDNESS:

Total Borrowing Outstanding (In thousands).....	\$401,000	\$370,159	\$375,000	\$700,000	\$800,000
Asset Coverage Per \$1,000 Unit of Senior Indebtedness (d).....	4,637	4,863	5,087	3,481	3,269

* If certain expenses had not been voluntarily assumed by Van Kampen, total return would have been lower and the Ratio of Operating Expenses to Average Net Assets and the Ratio of Net Investment Income to Average Net Assets would have been 1.21% and 6.90% for the period ended July 31, 1998.

** Non-Annualized

(a) Net asset value on June 24, 1998 of \$10.00 is adjusted for common share offering costs of \$.013.

(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 Trust's dividend reinvestment plan, and sale of all shares at the closing

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common share market price at the end of the period indicated.

- (c) Calculation includes the proceeds from principal repayments and sales of variable rate senior loan interest.
- (d) Calculated by subtracting the Trust's total liabilities (not including the Borrowings) from the Trust's total assets and dividing by the total number of senior indebtedness units, where one unit equals \$1,000 of senior indebtedness.
- (e) As required, effective August 1, 2001, the Trust 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 July 31, 2002 was to decrease the ratio of net investment income to average net asset applicable to common shares by .01%. Net investment income per share and net realized and unrealized gains and losses per share were unaffected by the adjustments. Per share, ratios and supplemental data for the periods prior to July 31, 2002 have not been restated to reflect this change in presentation.

NA--Not Applicable

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See Notes to Financial Statements

NOTES TO FINANCIAL STATEMENTS

July 31, 2003

1. SIGNIFICANT ACCOUNTING POLICIES

Van Kampen Senior Income Trust (the "Trust") is registered as a non-diversified, closed-end management investment company under the Investment Company Act of 1940, as amended. The Trust's investment objective is to provide a high level of current income, consistent with preservation of capital. The Trust seeks to achieve its objective by investing primarily in a portfolio of interests in floating or variable rate senior loans to corporations, partnerships and other entities which operate in a variety of industries and geographical regions. The Trust borrows money for investment purposes which will create the opportunity for enhanced return, but also should be considered a speculative technique and may increase the Trust's volatility. The Trust commenced investment operations on June 24, 1998.

The following is a summary of significant accounting policies consistently followed by the Trust 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 during the reporting period. Actual results could differ from those estimates.

A. SECURITY VALUATION The Trust's Senior Loans are valued by the Trust following valuation guidelines established and periodically reviewed by the Trust's Board of Trustees. Under the valuation guidelines, Senior Loans for which reliable market quotes are readily available are valued at the mean of such bid and ask quotes. Where reliable market quotes are not readily available, Senior Loans are valued, where possible, using independent market indicators provided by independent pricing sources approved by the Board of Trustees. Other Senior Loans are valued by independent pricing sources approved by the Board of Trustees based upon pricing models developed, maintained and operated by those

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pricing sources or valued by Van Kampen Investment Advisory Corp. (the "Adviser") by considering a number of factors including consideration of market indicators, transactions in instruments which the Adviser believes may be comparable (including comparable credit quality, interest rate, interest rate redetermination period and maturity), the credit worthiness of the Borrower, the current interest rate, the period until next interest rate redetermination and the maturity of such Senior Loan. Consideration of comparable instruments may include commercial paper, negotiable certificates of deposit and short-term variable rate securities which have adjustment periods comparable to the Senior Loans in the Trust's portfolio. The fair value of Senior Loans are reviewed and approved by the Trust's Valuation Committee and the Board of Trustees.

Equity securities are valued on the basis of prices furnished by pricing services or as determined in good faith by the Adviser under the direction of the Board of Trustees.

Short-term securities with remaining maturities of 60 days or less are valued at amortized cost, which approximates market value. Short-term loan participations are valued at cost in the absence of any indication of impairment.

The Trust may invest in repurchase agreements, which are short-term investments in which the Trust acquires ownership of a debt security and the seller agrees to repurchase the

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NOTES TO FINANCIAL STATEMENTS

July 31, 2003

security at a future time and specified price. Repurchase agreements are fully collateralized by the underlying debt security. The Trust 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 Trust.

B. SECURITY TRANSACTIONS Investment transactions are recorded on a trade date basis. Realized gains and losses are determined on an identified cost basis.

C. INVESTMENT INCOME Interest income is recorded on an accrual basis. Facility fees received are treated as market discounts. Market premiums are amortized and discounts are accreted over the stated life of each applicable senior loan, note, or other fixed income security. Other income is comprised primarily of amendment fees which are recorded when received. Amendment fees are earned as compensation for agreeing to changes in loan agreements.

D. FEDERAL INCOME TAXES It is the Trust'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 Trust 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 such losses against any future realized capital gains. At July 31, 2003, the Trust had an accumulated capital loss carryforward for tax purposes of \$179,582,840, which will expire between July 31, 2009 and 2011.

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At July 31, 2003, the cost and related gross unrealized appreciation and depreciation are as follows:

Cost of investments for tax purposes.....	\$2,037,050,569	=====
Gross tax unrealized appreciation.....	\$ 13,246,616	
Gross tax unrealized depreciation.....	(131,581,055)	

Net tax unrealized depreciation on investments.....	\$ (118,334,439)	=====

E. DISTRIBUTION OF INCOME AND GAINS The Trust intends to declare and pay monthly dividends from net investment income to common shareholders. Net realized gains, if any, are to be distributed at least annually to common shareholders. Distributions from net realized gains for book purposes may include short term capital gains, which are included as ordinary income for tax purposes.

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NOTES TO FINANCIAL STATEMENTS

July 31, 2003

The tax character of distributions paid for the years ended July 31, 2003 and 2002 was as follows:

	2003	2002
Distributions paid from:		
Ordinary income.....	\$79,888,289	\$92,687,003
Long-term capital gain.....	-0-	-0-
	-----	-----
	\$79,888,289	\$92,687,003
	=====	=====

Due to inherent differences in the recognition of income, expenses and realized gains/ 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 difference related to book to tax amortization differences totaling \$7,947,313 has been reclassified from accumulated undistributed net investment income to accumulated net realized loss.

As of July 31, 2003, the components of distributable earnings on a tax basis were as follows:

Undistributed ordinary income.....	\$2,873,430
------------------------------------	-------------

Net realized gains and losses may differ for financial and tax reporting purposes primarily as a result of the deferral of losses resulting from wash

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sale transactions, other losses that were recognized for book purposes but not tax purposes at the end of the fiscal year and post October losses which are not realized for tax purposes until the first day of the following year.

2. INVESTMENT ADVISORY AGREEMENT AND OTHER TRANSACTIONS WITH AFFILIATES

Under the terms of the Trust's Investment Advisory Agreement, the Adviser will provide investment advice and facilities to the Trust for an annual fee of .85% of the average daily managed assets. Managed assets are defined as the gross asset value of the Trust minus the sum of accrued liabilities, other than the aggregate amount of borrowings undertaken by the Trust. In addition, the Trust will pay a monthly administrative fee to Van Kampen Investments Inc., the Trust's Administrator, at an annual rate of .20% of the average daily managed assets of the Trust. The administrative services provided by the Administrator include monitoring the provisions of the loan agreements and any agreements with respect to participations and assignments, record keeping responsibilities with respect to interests in Variable Rate Senior Loans in the Trust's portfolio and providing certain services to the holders of the Trust's securities.

For the year ended July 31, 2003, the Trust recognized expenses of approximately \$366,600 representing legal services provided by Skadden, Arps, Slate, Meagher & Flom (Illinois), counsel to the Trust, of which a trustee of the Trust is an affiliated person.

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NOTES TO FINANCIAL STATEMENTS

July 31, 2003

Under a Legal Services agreement, the Adviser provides legal services to the Trust. The Adviser allocates the cost of such services to each Trust. For the year ended July 31, 2003, the Trust recognized expenses of approximately \$44,400 representing Van Kampen Investments Inc.'s or its affiliates' (collectively "Van Kampen") cost of providing legal services to the Trust, which are reported as "Legal" expenses in the Statement of Operations.

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

The Trust 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 Trust. The maximum annual benefit per trustee under the plan is \$2,500.

During the period, the Trust owned shares of the following affiliated companies. Affiliated companies are defined by the Investment Company Act of 1940, as amended, as those companies in which a fund holds 5% or more of the outstanding voting securities.

NAME	PAR/ SHARES*	REALIZED GAIN/(LOSS)	INTEREST/ DIVIDEND INCOME	MARKET VALUE 7/31/03	COST
Imperial Home Decor Group,					

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Inc., Term Loan.....	1,422,288	0	42,945	\$35,557	\$1,367,8
Imperial Home Decor Group,					
Inc., Common Stock.....	512,023	0	0	0	522,2
Imperial Home Decor Realty,					
Inc., Common Stock.....	512,023	0	0	0	

* Shares were acquired through the restructuring of Senior loan interests.

At July 31, 2003, Van Kampen owned 10,000 common shares of the Trust.

3. INVESTMENT TRANSACTIONS

During the period, the costs of purchases and proceeds from investments sold and repaid, excluding short-term investments, were \$1,454,534,579 and \$1,439,851,690, respectively.

4. COMMITMENTS

Pursuant to the terms of certain of the Variable Rate Senior Loan agreements, the Trust had unfunded loan commitments of approximately \$32,633,732 as of July 31, 2003. The Trust intends to reserve against such contingent obligations by designating cash, liquid securities and liquid Senior Loans as a reserve.

5. SENIOR LOAN PARTICIPATION COMMITMENTS

The Trust invests primarily in participations, assignments, or acts as a party to the primary lending syndicate of a Senior Loan interest to corporations, partnerships, and other entities.

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NOTES TO FINANCIAL STATEMENTS

July 31, 2003

When the Trust purchases a participation of a Senior Loan interest, the Trust typically enters into a contractual agreement with the lender or other third party selling the participation, but not with the borrower directly. As such, the Trust assumes the credit risk of the borrower, selling participant or other persons interpositioned between the Fund and the borrower.

At July 31, 2003, the following sets forth the selling participants with respect to interests in Senior Loans purchased by the Trust on a participation basis.

SELLING PARTICIPANT	PRINCIPAL AMOUNT (000)	VALUE (000)
Goldman Sachs Credit Partners, L.P.	\$ 9,509	\$9,343
Credit Suisse First Boston.....	598	596
	-----	-----
Total.....	\$10,107	\$9,939
	=====	=====

6. BORROWINGS

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In accordance with its investment policies, the Trust may borrow money for investment purposes in an amount up to approximately 33 1/3% of the Trust's total assets.

The Trust had entered into an \$500 million revolving credit agreement with VVR Funding LLC, a Delaware limited liability company whose sole purpose was the issuance of commercial paper, which was terminated on September 25, 2002. As of September 25, 2002, the Trust has entered into a \$700 million revolving credit and security agreement, which will terminate on September 23, 2003. Annual commitment fees of .13% are charged on the unused portion of the credit line. This revolving credit agreement is secured by the assets of the Trust. For the year ended July 31, 2003, the average daily balance of borrowings under the revolving credit agreement was \$472,686,578 with a weighted average interest rate of 1.35%.

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REPORT OF INDEPENDENT AUDITORS

To the Shareholders and Board of Trustees of
Van Kampen Senior Income Trust

We have audited the accompanying statement of assets and liabilities of Van Kampen Senior Income Trust (the "Trust"), including the portfolio of investments, as of July 31, 2003, the related statements of operations and cash flows for the year then ended, the statements of changes in net assets for the two years then ended, and the financial highlights for each of the four years in the period then ended. These financial statements and financial highlights are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits. The Trust's financial highlights for the periods ended prior to July 31, 2000 were audited by other auditors whose report, dated September 14, 1999, expressed an unqualified opinion on those financial highlights.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 July 31, 2003, by correspondence with the Trust's custodian, brokers, and selling or agent banks; where replies were not received, 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 Senior Income Trust as of July 31, 2003, the results of its operations, cash flows, 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
September 4, 2003

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DIVIDEND REINVESTMENT PLAN

The Trust offers a Dividend Reinvestment Plan (the "Plan") pursuant to which Common Shareholders who are participants in the Plan may have all distributions of dividends and capital gains automatically reinvested in Common Shares of the Trust. Common Shareholders who elect not to participate in the Plan will receive all distributions of dividends and capital gains in cash paid by check mailed directly to the Common Shareholder by the Trust's dividend disbursing agent.

HOW THE PLAN WORKS

State Street Bank and Trust Company, as your Plan Agent, serves as agent for the Common Shareholders in administering the Plan. After the Trust declares a dividend or determines to make a capital gains distribution, the Plan Agent will, as agent for the participants, receive the cash payment and use it to buy Common Shares in the open market, on the New York Stock Exchange or elsewhere, for the participants' accounts. The Trust will not issue any new Common Shares in connection with the Plan. All reinvestments are in full and fractional Common Shares, carried to three decimal places.

Experience under the Plan may indicate that changes are desirable. Accordingly, the Trust reserves the right to amend or terminate the Plan as applied to any dividend or capital gains distribution paid subsequent to written notice of the change sent to all Common Shareholders of the Trust at least 90 days before the record date for the dividend or distribution. The Plan also may be amended or terminated by the Plan Agent, with the written consent of the Trust, by providing at least 90 days written notice to all Participants in the Plan.

COSTS OF THE PLAN

The Plan Agent's fees for the handling of the reinvestment of dividends and distributions will be paid by the Trust. However, each participant will pay a pro rata share of brokerage commissions incurred with respect to the Plan Agent's open market purchases in connection with the reinvestment of dividends and distributions. No other charges will be made to participants for reinvesting dividends or capital gains distributions, except for certain brokerage commissions, as described above.

TAX IMPLICATIONS

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 gains distributions does not relieve you of any income tax which may be payable on dividends or distributions.

RIGHT TO WITHDRAW

You may withdraw from the Plan at any time by calling 1-800-341-2929 or by writing State Street Bank and Trust Company. If you withdraw, you will receive, without charge, a share certificate issued in your name for all full Common Shares credited to your account under the Plan, and a cash payment will be made for any fractional Common Share credited to your account under the Plan. You may again elect to participate in the Plan at any time by calling 1-800-341-2929 or writing to the Trust at:

2800 Post Oak Blvd.

Attn: Closed-End Funds

Houston, TX 77056

BOARD OF TRUSTEES AND IMPORTANT ADDRESSES
VAN KAMPEN SENIOR INCOME TRUST

BOARD OF TRUSTEES

DAVID C. ARCH
ROD DAMMEYER
HOWARD J KERR
THEODORE A. MYERS
RICHARD F. POWERS, III* - Chairman
HUGO F. SONNENSCHNEIN
WAYNE W. WHALEN*

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Chicago, Illinois 60606

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

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

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RESULTS OF
SHAREHOLDER VOTES

The Annual Meeting of Shareholders of the Trust was held on June 24, 2003, where
shareholders voted on the election of trustees.

With regards to the election of the following trustees by the shareholders of
the