

Edgar Filing: VAN KAMPEN HIGH INCOME TRUST - Form N-CSR

VAN KAMPEN HIGH INCOME TRUST  
Form N-CSR  
March 05, 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 811-5707

Van Kampen High Income Trust

-----  
(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: 12/31

Date of reporting period: 12/31/03

Item 1. Report to Shareholders.

The Trust'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 High Income Trust 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 trust's financial statements and a list of trust investments as of December 31, 2003.

Market forecasts provided in this report may not necessarily come to 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.

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NOT FDIC INSURED

OFFER NO BANK GUARANTEE

MAY LOSE VALUE

NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY

NOT A DEPOSIT

## Performance Summary

### AVERAGE ANNUAL TOTAL RETURNS

HIGH INCOME TRUST  
SYMBOL: VIT

AVERAGE ANNUAL TOTAL RETURNS	BASED ON NAV	BASED ON MARKET PRICE
Since Inception (01/26/89)	5.29%	6.24%
10-year	5.01	4.45
5-year	1.90	2.91
1-year	32.19	47.66

Past performance is no guarantee of future results. Investment return, net asset value (NAV) and common share market price 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 figures shown. For more up-to-date information, please visit [vankampen.com](http://vankampen.com) or speak with your financial advisor. The NAV per share is determined by dividing the value of the trust's portfolio securities, cash and other assets, less all liabilities, by the total number of common shares outstanding. The common share market price is the price the market is willing to pay for shares of the trust at a given time. Common share market price is influenced by a range of factors, including supply and demand and market conditions. Total return assumes an investment 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 end of the period.

The Chase High Yield Index is generally representative of high-yield securities. The index does not include any expenses, fees or sales charges, which would lower performance. The index is unmanaged and should not be considered an investment.

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## Trust Report

FOR THE 12-MONTH PERIOD ENDED DECEMBER 31, 2003

Van Kampen High Income Trust is managed by the adviser's High Yield team. Current team members include Gordon Loery, Executive Director; Josh Givelber, Vice President; Chad Liu, Vice President; and Sheila Finnerty, Managing

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Director.(1)

### MARKET CONDITIONS

The high-yield market entered the 12-month period on a strong footing and continued to rally sharply through the end of the year. The CSFB High Yield Index, a broad benchmark for the high-yield bond market, returned 27.94 percent for calendar 2003, its second-best annual performance since the asset class developed in the mid-1980s.

Many factors contributed to the high-yield market's stellar performance in 2003. Improving perceptions regarding the economy, the credit cycle, and defaults led to renewed investor interest in credit-sensitive issues. Several highly visible high-yield companies produced positive earnings surprises, and the Moody's issuer-based default rate fell by more than half over the course of the year. Low interest rates added to the allure of high-yield bonds for yield-hungry investors. The resulting record inflows into the asset class provided portfolio managers with large amounts of cash that handily offset a near-record amount of new issuance. In addition, many high-yield mutual funds, which began the year with conservative portfolios relative to the high-yield indices, began heavily buying lower-rated credits in an attempt to catch up to the rallying market.

These factors combined to produce significant price appreciation across all sectors of the high yield-market, with the most speculative companies in the lowest credit tiers tending to perform most strongly. Wireless communications, utilities, telecom, and cable--among the worst performers in 2001 and 2002--were the best performing sectors in 2003. More typically defensive sectors, such as consumer products and food and drug, lagged, as did forest products and metals.

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

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### PERFORMANCE ANALYSIS

A closed-end fund's return can be calculated based 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 trust's portfolio securities, cash and other assets, less all liabilities, by the total number of common shares outstanding, while market price reflects the supply and demand for the shares. As a result, the two returns can differ significantly. On both a market-price and a NAV basis, the trust outperformed its benchmark, the Chase High Yield Index. (See table below.)

In keeping with our focus on bottom-up issue selection, the greatest driver of the trust's performance was strong credit selection. Many of the portfolio's best performers entered the year at a steep discount to their par (or face) value, and enjoyed robust price appreciation as well as attractive income over the course of the year. In the wireless sector, the portfolio's position in Nextel benefited from that company's continued financial strength coupled with a low valuation at the beginning of the period. The trust enjoyed similarly strong performance from companies in the broadcasting, utilities, cable, telecommunications and chemical sectors.

The trust uses leverage on an ongoing basis to enhance its dividend to common shareholders. The trust borrows money at short-term rates through the issuance of preferred shares. The proceeds are invested in longer-term securities, taking advantage of the difference between short- and longer-term rates. With short-term rates at historic lows during the period, the difference between short- and longer-term rates was relatively high. This made using leverage a particularly profitable approach during the period, and added to the trust's strong performance.

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While the trust's performance outpaced its benchmark, not all of its positions were beneficial. The rapid rise in the market price of CCC-rated debt led us to trim some of the trust's exposure to those securities in order to redeploy assets into parts of the market we viewed as more attractive. While we remain convinced of the wisdom of this approach in the long-term, it did cause the portfolio to miss some of the price performance of these lower-rated securities. The trust benefited from strong credit selection within utilities, though our stringent investment criteria made it difficult to find attractive companies in that sector given its widespread problem of overcapacity. As a result, the trust did not fully benefit from this sector's strong performance during the year.

TOTAL RETURN FOR THE 12-MONTH PERIOD ENDED DECEMBER 31, 2003

-----	-----	-----
BASED ON NAV	BASED ON MARKET PRICE	CHASE HIGH YIELD INDEX
32.19%	47.66%	27.50%
-----	-----	-----

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

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Going forward, we hope to see continued improvement in the economy, which should bode well for the high-yield market, and we will continue to closely monitor the market for compelling investment opportunities.

TOP 5 SECTORS AS OF 12/31/03	RATING ALLOCATIONS AS OF 12/31/03
Gaming & Leisure	12.8% A/A 0.6%
Energy	9.7 BBB/Baa 10.4
Utility	6.3 BB/Ba 46.3
Chemicals	6.0 B/B 40.3
Forest Products	6.0 CCC/Caa & below 2.2
	Non-Rated 0.2

Subject to change daily. Sector percentages are as a percentage of long-term investments. Ratings allocation percentages are as a percentage of long-term debt investments. Provided for informational purposes only and should not be deemed as a recommendation to buy 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.

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PROXY VOTING POLICIES AND PROCEDURES

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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

#### YOUR TRUST'S INVESTMENTS

December 31, 2003

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

PAR AMOUNT (000)	DESCRIPTION	COUPON	MATURITY	MARKET VALUE
	CORPORATE BONDS 161.4%			
	BROADCASTING 4.0%			
\$ 280	Granite Broadcasting Corp., 144A--Private Placement (a).....	9.750%	12/01/10	\$ 280,700
745	Nextmedia Operating, Inc. ....	10.750	07/01/11	849,300
830	TV Azteca S.A. (Mexico).....	10.500	02/15/07	852,825
				-----
				1,982,825
				-----
	CABLE 9.0%			
1,005	Charter Communication Holdings LLC.....	9.625	11/15/09	889,425
150	CSC Holdings, Inc. ....	7.250	07/15/08	156,750
360	CSC Holdings, Inc. ....	8.125	07/15/09	388,800
285	CSC Holdings, Inc. ....	9.875	02/15/13	299,250
600	DirectTV Holdings LLC.....	8.375	03/15/13	699,000
1,125	Echostar DBS Corp. ....	9.375	02/01/09	1,182,656
855	Echostar DBS Corp., 144A--Private Placement (a).....	6.375	10/01/11	880,650
				-----
				4,496,531
				-----
	CHEMICALS 9.9%			
610	Equistar Chemicals LP.....	10.125	09/01/08	671,000
245	FMC Corp. ....	10.250	11/01/09	287,875
190	Huntsman Advanced Materials LLC, 144A--Private Placement (a).....	11.000	07/15/10	210,900
190	ISP Chemco, Inc. ....	10.250	07/01/11	214,700
900	ISP Holdings, Inc. ....	10.625	12/15/09	994,500
145	Koppers, Inc., 144A--Private Placement (a).....	9.875	10/15/13	160,587
70	Kraton Polymers LLC, 144A--Private Placement (a).....	8.125	01/15/14	73,150
55	Millennium America, Inc. ....	7.000	11/15/06	56,650
520	Millennium America, Inc. ....	9.250	06/15/08	569,400
535	Nalco Co., 144A--Private Placement (a).....	7.750	11/15/11	575,125
50	PCI Chemicals Canada, Inc. (Canada).....	10.000	12/31/08	45,749
16	Pioneer Cos., Inc. (b).....	4.640	12/31/06	14,487
495	Rhodia S.A., 144A--Private Placement (France) (a).....	8.875	06/01/11	457,875

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330	Rockwood Specialties Group, Inc., 144A--Private Placement (a).....	10.625	05/15/11	369,600
210	Westlake Chemical Corp., 144A--Private Placement (a).....	8.750	07/15/11	231,000
				-----
				4,932,598
				-----
	CONSUMER PRODUCTS 2.0%			
172	Elizabeth Arden, Inc. ....	11.750	02/01/11	205,540
210	Oxford Industrials, Inc., 144A--Private Placement (a).....	8.875	06/01/11	230,737

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See Notes to Financial Statements

YOUR TRUST'S INVESTMENTS

December 31, 2003

PAR AMOUNT (000)	DESCRIPTION	COUPON	MATURITY	MARKET VALUE
	CONSUMER PRODUCTS (CONTINUED)			
\$ 315	Rayovac Corp. ....	8.500%	10/01/13	\$ 335,475
198	Tempur Pedic, Inc., 144A--Private Placement (a).....	10.250	08/15/10	221,760
				-----
				993,512
				-----
	DIVERSIFIED MEDIA 7.9%			
655	Alliance Atlantis Communications, Inc. (Canada).....	13.000	12/15/09	749,975
340	Dex Media East Finance Corp.....	12.125	11/15/12	419,900
350	Dex Media West Finance Corp., 144A--Private Placement (a).....	9.875	08/15/13	408,625
170	Nexstar Finance, Inc., 144A--Private Placement (a).....	7.000	01/15/14	171,700
215	PEI Holdings, Inc. ....	11.000	03/15/10	250,475
690	Primedia, Inc. ....	8.875	05/15/11	731,400
515	Salem Communications Corp. ....	7.750	12/15/10	539,462
420	Vivendi Universal S.A. (France).....	9.250	04/15/10	499,800
145	Vivendi Universal S.A., 144A--Private Placement (France) (a).....	6.250	07/15/08	154,244
				-----
				3,925,581
				-----
	ENERGY 16.0%			
755	BRL Universal Equipment.....	8.875	02/15/08	813,512
570	Chesapeake Energy Corp. ....	7.875	03/15/04	577,125
220	Citgo Petroleum Corp. ....	11.375	02/01/11	256,300
640	El Paso Production Holding Co., 144A--Private Placement (a).....	7.750	06/01/13	633,600
1,140	Frontier Oil Corp. ....	11.750	11/15/09	1,293,900
115	GulfTerra Energy Partners LP.....	8.500	06/01/10	131,100
385	GulfTerra Energy Partners LP.....	10.625	12/01/12	479,325
90	Hanover Compressor Co. ....	8.625	12/15/10	94,050
375	Hanover Equipment Trust.....	8.500	09/01/08	399,375
160	Hanover Equipment Trust.....	8.750	09/01/11	170,400

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465	Hilcorp Energy Finance Corp., 144A--Private Placement (a).....	10.500	09/01/10	511,500
290	Magnum Hunter Resources, Inc. ....	9.600	03/15/12	330,600
85	MSW Energy Holdings LLC.....	8.500	09/01/10	93,075
405	MSW Energy Holdings LLC, 144A--Private Placement (a).....	7.375	09/01/10	425,250
342	Port Arthur Finance Corp. ....	12.500	01/15/09	408,133
320	Tesoro Petroleum Corp. ....	9.000	07/01/08	333,600
180	Tesoro Petroleum Corp. ....	9.625	04/01/12	198,000
815	Vintage Petroleum, Inc. ....	7.875	05/15/11	863,900
				-----
				8,012,745
				-----
	FINANCIAL 2.0%			
310	Banco Nacional de Comercio Exterior (Mexico).....	7.250	02/02/04	311,550
585	Istar Financial, Inc. ....	8.750	08/15/08	678,600
				-----
				990,150
				-----

See Notes to Financial Statements

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YOUR TRUST'S INVESTMENTS

December 31, 2003

PAR AMOUNT (000)	DESCRIPTION	COUPON	MATURITY	MARKET VALUE
	FOOD & DRUG 1.8%			
\$ 120	Couche-Tard US Finance, 144A--Private Placement (a).....	7.500%	12/15/13	\$ 126,300
690	Delhaize America, Inc. ....	8.125	04/15/11	796,950
1,570	Jitney-Jungle Stores America, Inc. (c) (d) (e)...	12.000	03/01/06	0
				-----
				923,250
				-----
	FOOD & TOBACCO 9.6%			
550	Altria Group, Inc. ....	7.000	11/04/13	587,787
750	Constellation Brands, Inc. ....	8.000	02/15/08	836,250
340	Michael Foods, Inc., 144A--Private Placement (a).....	8.000	11/15/13	356,150
220	National Beef Packing Co., 144A--Private Placement (a).....	10.500	08/01/11	227,700
765	Pilgrim's Pride Corp. ....	9.625	09/15/11	845,325
210	PPC Escrow Corp., 144A--Private Placement (a)....	9.250	11/15/13	218,400
600	Smithfield Foods, Inc. ....	7.625	02/15/08	609,000
1,050	Smithfield Foods, Inc. ....	8.000	10/15/09	1,113,000
				-----
				4,793,612
				-----
	FOREST PRODUCTS 9.9%			
530	Abitibi-Consolidated, Inc. (Canada).....	6.000	06/20/13	509,563
800	Georgia-Pacific Corp. ....	8.875	02/01/10	916,000
620	MDP Acquisitions PLC (Ireland).....	9.625	10/01/12	697,500
235	Norampac, Inc. (Canada).....	6.750	06/01/13	246,162
1,350	Owens-Brockway Glass Containers, Inc. ....	8.875	02/15/09	1,486,687

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1,065	Tembec Industries, Inc. (Canada).....	7.750	03/15/12	1,065,000
				-----
				4,920,912
				-----
	GAMING & LEISURE 21.2%			
920	Harrahs Operating Co., Inc. ....	7.875	12/15/05	1,002,800
465	Hilton Hotels Corp. ....	7.950	04/15/07	517,894
230	Hilton Hotels Corp. ....	7.625	12/01/12	259,612
690	HMH Properties, Inc. ....	7.875	08/01/08	721,050
570	Horseshoe Gaming LLC.....	8.625	05/15/09	604,912
1,425	International Game Technology.....	7.875	05/15/04	1,454,839
280	LodgeNet Entertainment Corp. ....	9.500	06/15/13	308,000
645	MGM Mirage, Inc. ....	6.000	10/01/09	665,962
1,400	Mohegan Tribal Gaming Authority.....	8.125	01/01/06	1,515,500
490	Park Place Entertainment Corp. ....	7.875	12/15/05	526,137
425	Park Place Entertainment Corp. ....	8.875	09/15/08	482,375
1,075	Starwood Hotels & Resorts Worldwide, Inc. ....	7.375	05/01/07	1,166,375
780	Station Casinos, Inc. ....	8.375	02/15/08	839,475
475	Station Casinos, Inc. ....	9.875	07/01/10	524,875
				-----
				10,589,806
				-----
	HEALTHCARE 9.4%			
655	AmerisourceBergen Corp. ....	8.125	09/01/08	741,788
400	Fisher Scientific International, Inc. ....	8.125	05/01/12	431,000

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YOUR TRUST'S INVESTMENTS

December 31, 2003

PAR AMOUNT (000)	DESCRIPTION	COUPON	MATURITY	MARKET VALUE
	HEALTHCARE (CONTINUED)			
\$ 560	Fresenius Medical Care Capital Trust II.....	7.875%	02/01/08	\$ 600,600
235	Fresenius Medical Care Capital Trust IV.....	7.875	06/15/11	254,975
1,045	HCA, Inc. ....	6.910	06/15/05	1,101,151
50	Manor Care, Inc. ....	7.500	06/15/06	54,500
155	Manor Care, Inc. ....	8.000	03/01/08	175,925
195	Medco Health Solutions, Inc. ....	7.250	08/15/13	213,108
85	National Nephrology Associates, Inc., 144A-- Private Placement (a).....	9.000	11/01/11	89,463
265	Omnicare, Inc. ....	8.125	03/15/11	290,838
95	Omnicare, Inc. ....	6.125	06/01/13	95,713
485	Tenet Healthcare Corp. ....	6.500	06/01/12	467,419
185	Tenet Healthcare Corp. ....	7.375	02/01/13	186,850
				-----
				4,703,330
				-----
	HOUSING 9.5%			
545	CB Richard Ellis Service, Inc. ....	11.250	06/15/11	618,575
120	CBRE Escrow, Inc., 144A--Private Placement (a)...	9.750	05/15/10	133,800
610	LNR Property Corp. ....	7.625	07/15/13	645,075
190	LNR Property Corp., 144A--Private Placement (a).....	7.250	10/15/13	194,275



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355	Louisiana Pacific Corp. ....	10.875	11/15/08	424,225
200	Meritage Corp. ....	9.750	06/01/11	224,500
110	Nortek Holdings, Inc. ....	9.250	03/15/07	113,575
550	Schuler Homes, Inc. ....	9.375	07/15/09	621,500
175	Technical Olympic USA, Inc. ....	9.000	07/01/10	189,000
225	Technical Olympic USA, Inc. ....	9.000	07/01/10	243,000
400	Technical Olympic USA, Inc. ....	10.375	07/01/12	450,000
825	Webb (Del E.) Corp. ....	10.250	02/15/10	881,719
				-----
				4,739,244
				-----
	INFORMATION TECHNOLOGY 5.6%			
560	Avaya, Inc. ....	11.125	04/01/09	658,000
425	Fairchild Semiconductor Corp. ....	10.500	02/01/09	476,000
770	Iron Mountain, Inc. ....	8.625	04/01/13	835,450
285	Xerox Capital Europe PLC (United Kingdom).....	5.875	05/15/04	289,275
495	Xerox Corp. ....	7.125	06/15/10	532,125
				-----
				2,790,850
				-----
	MANUFACTURING 7.5%			
425	ABB Finance, Inc. ....	6.750	06/03/04	408,131
547	Communications & Power Industries, Inc. ....	12.000	08/01/05	562,043
155	Flowserve Corp. ....	12.250	08/15/10	180,575
530	Johnsontdiversey, Inc. ....	9.625	05/15/12	593,600
675	Manitowoc, Inc. ....	10.500	08/01/12	772,031
510	Trimas Corp. ....	9.875	06/15/12	534,225
670	Tyco Intl Group S.A. (Luxembourg).....	6.375	02/15/06	716,900
				-----
				3,767,505
				-----

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YOUR TRUST'S INVESTMENTS

December 31, 2003

PAR AMOUNT (000)	DESCRIPTION	COUPON	MATURITY	MARKET VALUE
	METALS 2.5%			
\$ 181	Doe Run Resources Corp. (Acquired 02/15/01, Cost \$151,665) (e) (f) (h).....	11.750%	11/01/08	\$ 63,296
210	General Cable Corp., 144A--Private Placement (a).....	9.500	11/15/10	225,750
1,100	GS Technologies Operating, Inc. (c) (d) (e).....	12.250	10/01/05	0
440	UCAR Finance, Inc. ....	10.250	02/15/12	508,200
400	United States Steel Corp. ....	9.750	05/15/10	452,000
				-----
				1,249,246
				-----
	RETAIL 4.1%			
98	Big 5 Corp. ....	10.875	11/15/07	103,390
290	General Nutrition Centers, Inc., 144A--Private Placement (a).....	8.500	12/01/10	298,700
650	Payless Shoesource, Inc. ....	8.250	08/01/13	628,875

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80	Penney JC Co., Inc. ....	7.600	04/01/07	88,700
320	Penney JC Co., Inc. ....	8.000	03/01/10	368,400
465	Penney JC Co., Inc. ....	9.000	08/01/12	558,581
				-----
				2,046,646
				-----
	SERVICES 6.6%			
1,500	Allied Waste North America, Inc. ....	8.875	04/01/08	1,687,500
45	Allied Waste North America, Inc. ....	7.875	04/15/13	48,938
420	United Rentals North America, Inc., 144A-- Private Placement (a).....	7.750	11/15/13	431,025
1,000	Waste Management, Inc. ....	7.125	10/01/07	1,125,617
				-----
				3,293,080
				-----
	TELECOMMUNICATIONS 1.0%			
475	Axtel S.A., 144A--Private Placement (Mexico) (a).....	11.000	12/15/13	486,875
280	Exodus Communications, Inc. (c) (d) (e).....	11.250	07/01/08	0
				-----
				486,875
				-----
	TRANSPORTATION 8.7%			
450	Autonation, Inc. ....	9.000	08/01/08	518,625
455	General Motors Acceptance Corp. ....	7.500	07/15/05	489,169
435	Intermet Corp. ....	9.750	06/15/09	448,050
585	Laidlaw International, Inc., 144A--Private Placement (a).....	10.750	06/15/11	663,975
820	Lear Corp. ....	8.110	05/15/09	968,625
410	Sonic Automotive, Inc. ....	8.625	08/15/13	434,600
155	Sonic Automotive, Inc., 144A--Private Placement (a).....	8.625	08/15/13	164,300
570	TRW Automotive, Inc. ....	9.375	02/15/13	654,075
				-----
				4,341,419
				-----
	UTILITY 10.4%			
73	AES Corp. ....	9.375	09/15/10	81,304
23	AES Corp. ....	8.875	02/15/11	25,185
220	Allegheny Energy, Inc. ....	7.750	08/01/05	223,025
425	Calpine Corp. ....	8.625	08/15/10	333,625

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See Notes to Financial Statements

YOUR TRUST'S INVESTMENTS

December 31, 2003

PAR AMOUNT (000)	DESCRIPTION	COUPON	MATURITY	MARKET VALUE
	UTILITY (CONTINUED)			
\$ 230	Calpine Corp., 144A--Private Placement (a).....	8.500%	07/15/10	\$ 225,400
65	CMS Energy Corp. ....	7.500	01/15/09	67,275
405	CMS Energy Corp. ....	8.500	04/15/11	439,425
605	Dynegy Holdings, Inc. ....	6.875	04/01/11	560,381
345	Dynegy Holdings, Inc., 144A--Private Placement			

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	(a).....	9.875	07/15/10	389,850
235	IPALCO Enterprises, Inc. ....	8.625	11/14/11	263,788
485	Monongahela Power Co. ....	5.000	10/01/06	495,913
395	Nevada Power Co., 144A--Private Placement (a)....	9.000	08/15/13	438,944
635	PSEG Energy Holdings, Inc. ....	9.125	02/10/04	641,350
20	PSEG Energy Holdings, Inc. ....	8.625	02/15/08	21,925
195	Southern Natural Gas Co. ....	8.875	03/15/10	220,350
410	TNP Enterprises, Inc. ....	10.250	04/01/10	448,950
270	Transcontinental Gas Pipe Line Corp. ....	8.875	07/15/12	320,625
				-----
				5,197,315
				-----
	WIRELESS COMMUNICATIONS 2.8%			
1,105	Nextel Communications, Inc. ....	9.375	11/15/09	1,209,975
182	Telecorp PCS, Inc. ....	10.625	07/15/10	212,837
				-----
				1,422,812
				-----
	TOTAL CORPORATE BONDS 161.4%.....			80,599,844
				-----
	GOVERNMENT AND GOVERNMENT AGENCY OBLIGATIONS 3.5%			
545	Federal Republic of Brazil (Brazil).....	11.250	07/26/07	640,375
185	Republic of Columbia (Columbia).....	10.750	01/15/13	211,363
750	United Mexican States (Mexico).....	8.625	03/12/08	885,000
				-----
	TOTAL GOVERNMENT AND GOVERNMENT AGENCY OBLIGATIONS.....			1,736,738
				-----
	EQUITIES 0.6%			
	DecisionOne Corp. (3,033 common shares) (e) (g).....			0
	DecisionOne Corp. (6,670 common stock warrants) (e) (g).....			0
	Dobson Communications Corp., 144A--Private Placement (285 convertible preferred shares) (a).....			51,300
	Doe Run Resources Corp. (1 common stock warrant) (e) (g).....			0
	HCI Direct, Inc. (30,357 common shares) (e) (g).....			236,784
	Hosiery Corp of America, Inc. (500 common shares) (e) (g).....			0

See Notes to Financial Statements

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YOUR TRUST'S INVESTMENTS

December 31, 2003

DESCRIPTION	MARKET VALUE
EQUITIES (CONTINUED)	
Pioneer Cos., Inc. (3,251 common shares) (g).....	\$ 26,496
VS Holdings, Inc. (11,316 common shares) (e) (g).....	2,113
	-----
TOTAL EQUITIES 0.6%.....	316,693
	-----
TOTAL LONG-TERM INVESTMENTS 165.5%	

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(Cost \$81,363,854).....	82,653,275
REPURCHASE AGREEMENT 7.0%	
State Street Bank & Trust Co. (\$3,521,000 par collateralized by U.S. Government obligations in a pooled cash account, dated 12/31/03, to be sold on 01/02/04 at \$3,521,166)	
(Cost \$3,521,000).....	3,521,000
TOTAL INVESTMENTS 172.5%	
(Cost \$84,884,854).....	86,174,275
OTHER ASSETS IN EXCESS OF LIABILITIES 2.8%.....	
PREFERRED SHARES (INCLUDING ACCRUED DISTRIBUTIONS) (75.3%).....	(37,628,033)
NET ASSETS APPLICABLE TO COMMON SHARES 100.0%.....	
	\$ 49,952,904
	=====

- (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) Variable rate security. Interest rate shown is that in effect at December 31, 2003.
- (c) Non-income producing as security is in default.
- (d) This borrower has filed for protection in federal bankruptcy court.
- (e) Market value is determined in accordance with procedures established in good faith by the Board of Trustees.
- (f) Payment-in-kind security.
- (g) Non-income producing security.
- (h) These securities are restricted and may be resold only in transactions exempt from registration which are normally those transactions with qualified institutional buyers. Restricted securities comprise 0.1% of net assets applicable to common shares.

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See Notes to Financial Statements

FINANCIAL STATEMENTS  
Statement of Assets and Liabilities  
December 31, 2003

ASSETS:	
Total Investments (Cost \$84,884,854).....	\$ 86,174,275
Receivables:	
Interest.....	1,742,844
Investments Sold.....	328,553
Other.....	1,104
Total Assets.....	88,246,776
LIABILITIES:	
Payables:	

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Custodian Bank.....	326,831
Investment Advisory Fee.....	51,843
Income Distributions--Common Shares.....	20,228
Other Affiliates.....	4,893
Investments Purchased.....	3,442
Trustees' Deferred Compensation and Retirement Plans.....	177,334
Accrued Expenses.....	81,268
	-----
Total Liabilities.....	665,839
Preferred Shares (including accrued distributions).....	37,628,033
	-----
NET ASSETS APPLICABLE TO COMMON SHARES.....	\$ 49,952,904
	=====
NET ASSET VALUE PER COMMON SHARE	
(\$49,952,904 divided by 13,710,760 shares outstanding)....	\$ 3.64
	=====
NET ASSETS CONSIST OF:	
Common Shares (\$.01 par value with an unlimited number of shares authorized, 13,710,760 shares issued and outstanding).....	\$ 137,108
Paid in Surplus.....	84,024,417
Net Unrealized Appreciation.....	1,289,421
Accumulated Undistributed Net Investment Income.....	(735,678)
Accumulated Net Realized Loss.....	(34,762,364)
	-----
NET ASSETS APPLICABLE TO COMMON SHARES.....	\$ 49,952,904
	=====
PREFERRED SHARES	
(\$.01 par value, authorized 1,000,000 shares, 376 issued with liquidation preference of \$100,000 per share).....	\$ 37,600,000
	=====
NET ASSETS INCLUDING PREFERRED SHARES.....	\$ 87,552,904
	=====

See Notes to Financial Statements

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Statement of Operations  
For the Year Ended December 31, 2003

INVESTMENT INCOME:	
Interest.....	\$ 6,659,940
Dividends.....	484
Other.....	10,564
	-----
Total Income.....	6,670,988
	-----
EXPENSES:	
Investment Advisory Fee.....	586,081
Preferred Share Maintenance.....	109,225
Trustees' Fees and Related Expenses.....	50,280
Legal.....	19,142
Custody.....	15,858
Other.....	188,725
	-----
Total Expenses.....	969,311
	-----
NET INVESTMENT INCOME.....	\$ 5,701,677
	=====

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REALIZED AND UNREALIZED GAIN/LOSS:	
Net Realized Loss.....	\$ (7,269,381)
-----	
Unrealized Appreciation/Depreciation:	
Beginning of the Period.....	(14,202,232)
End of the Period.....	1,289,421
-----	
Net Unrealized Appreciation During the Period.....	15,491,653
-----	
NET REALIZED AND UNREALIZED GAIN.....	\$ 8,222,272
=====	
DISTRIBUTIONS TO PREFERRED SHAREHOLDERS.....	\$ (452,433)
=====	
NET INCREASE IN NET ASSETS APPLICABLE TO COMMON SHARES FROM OPERATIONS.....	\$ 13,471,516
=====	

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See Notes to Financial Statements

Statements of Changes in Net Assets

	YEAR ENDED DECEMBER 31, 2003	YEAR ENDED DECEMBER 31, 2002
	-----	-----
FROM INVESTMENT ACTIVITIES:		
Operations:		
Net Investment Income.....	\$ 5,701,677	\$ 6,495,300
Net Realized Loss.....	(7,269,381)	(11,284,395)
Net Unrealized Appreciation During the Period.....	15,491,653	1,747,640
Distributions to Preferred Shareholders:		
Net Investment Income.....	(452,433)	(754,350)
-----		
Change in Net Assets Applicable to Common Shares from Operations.....	13,471,516	(3,795,805)
Distributions to Common Shareholders:		
Net Investment Income.....	(4,881,353)	(6,306,907)
Return of Capital Distribution.....	(122,439)	(198,341)
-----		
NET CHANGE IN NET ASSETS APPLICABLE TO COMMON SHARES FROM INVESTMENT ACTIVITIES.....	8,467,724	(10,301,053)
NET ASSETS APPLICABLE TO COMMON SHARES:		
Beginning of the Period.....	41,485,180	51,786,233
-----		
End of the Period (Including accumulated undistributed net investment income of (\$735,678) and (\$1,274,014), respectively).....	\$49,952,904	\$ 41,485,180
=====		

See Notes to Financial Statements

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Financial Highlights

THE FOLLOWING SCHEDULE PRESENTS FINANCIAL HIGHLIGHTS FOR ONE COMMON SHARE OF THE

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TRUST OUTSTANDING THROUGHOUT THE PERIODS INDICATED.

	2003	2002	2001 (c)
NET ASSET VALUE, BEGINNING OF THE PERIOD.....	\$ 3.03	\$ 3.78	\$ 4.22
Net Investment Income.....	.41	.47	.71
Net Realized and Unrealized Gain/Loss.....	.59	(.69)	(.44)
Common Share Equivalent of Distributions Paid to Preferred Shareholders:			
Net Investment Income.....	(.03)	(.06)	(.15)
Total from Investment Operations.....	.97	(.28)	.12
Distributions Paid to Common Shareholders:			
Net Investment Income.....	(.35)	(.46)	(.56)
Return of Capital Distributions.....	(.01)	(.01)	-0-
NET ASSET VALUE, END OF THE PERIOD.....	\$ 3.64	\$ 3.03	\$ 3.78
Common Share Market Price at End of the Period.....	\$ 4.16	\$ 3.10	\$ 4.54
Total Return (a).....	47.66%	-22.99%	23.76%
Net Assets Applicable to Common Shares at End of the Period (In millions).....	\$ 50.0	\$ 41.5	\$ 51.8
Ratio of Expenses to Average Net Assets Applicable to Common Shares (b).....	2.10%	2.15%	1.98%
Ratio of Net Investment Income to Average Net Assets Applicable to Common Shares (b).....	12.36%	14.42%	16.80%
Portfolio Turnover.....	73%	82%	64%
SUPPLEMENTAL RATIOS:			
Ratio of Expenses to Average Net Assets Including Preferred Shares (b).....	1.16%	1.12%	1.07%
Ratio of Net Investment Income to Average Net Assets Applicable to Common Shares (d).....	11.38%	12.75%	13.32%
SENIOR SECURITIES:			
Total Preferred Shares Outstanding.....	376	376	450
Asset Coverage Per Preferred Share (e).....	\$232,928	\$210,413	\$215,081
Involuntary Liquidating Preference Per Preferred Share....	\$100,000	\$100,000	\$100,000
Average Market Value Per Preferred Share.....	\$100,000	\$100,000	\$100,000

(a) Total return 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 common share market price at the end of the period indicated.

(b) Ratios do not reflect the effect of dividend payments to preferred shareholders.

(c) As required, effective January 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 December 31, 2001 was to decrease net investment income per share by \$.02, increase net realized and unrealized gains and losses per share by \$.02 and decrease the ratio of net investment income to average net

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assets applicable to common shares by .38%. Per share, ratios and supplemental data for periods prior to December 31, 2001 have not been restated to reflect this change in presentation.

(d) Ratios reflect the effect of dividend payments to preferred shareholders.

(e) Calculated by subtracting the Trust's total liabilities (not including the preferred shares) from the Trust's total assets and dividing this by the number of preferred shares outstanding.

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YEAR ENDED DECEMBER 31,

	2000	1999	1998	1997	1996	1995	1994
	\$ 5.10	\$ 5.86	\$ 6.47	\$ 6.35	\$ 6.19	\$ 5.62	\$ 6.74
	.85	.88	.91	.93	.94	.98	1.00
	(.85)	(.75)	(.58)	.13	.15	.54	(.98)
	(.26)	(.22)	(.24)	(.24)	(.23)	(.25)	(.19)
	(.26)	(.09)	.09	.82	.86	1.27	(.17)
	(.61)	(.67)	(.70)	(.70)	(.70)	(.70)	(.95)
	(.01)	-0-	-0-	-0-	-0-	-0-	-0-
	\$ 4.22	\$ 5.10	\$ 5.86	\$ 6.47	\$ 6.35	\$ 6.19	\$ 5.62
	\$ 4.125	\$ 4.50	\$ 6.375	\$ 7.375	\$ 6.75	\$ 6.375	\$ 5.50
	4.08%	-21.20%	-4.33%	20.29%	17.34%	29.17%	-23.22%
	\$ 57.9	\$ 70.0	\$ 80.4	\$ 88.7	\$ 87.0	\$ 84.8	\$ 77.1
	1.95%	1.92%	1.85%	1.76%	1.87%	1.92%	1.96%
	18.05%	16.13%	14.56%	14.60%	15.32%	16.39%	16.33%
	62%	57%	65%	102%	92%	119%	110%
	1.04%	1.07%	1.09%	1.05%	1.11%	1.12%	1.16%
	12.48%	12.09%	10.77%	10.90%	11.58%	12.16%	13.31%
	500	588	588	588	588	588	588
	\$215,271	\$219,005	\$236,742	\$250,850	\$247,974	\$244,242	\$231,106
	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000

See Notes to Financial Statements

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### NOTES TO FINANCIAL STATEMENTS

December 31, 2003

#### 1. SIGNIFICANT ACCOUNTING POLICIES

Van Kampen High Income Trust (the "Trust") is registered as a diversified, closed-end management investment company under the Investment Company Act of 1940, as amended. The Trust's investment objective is to provide high current



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income, while seeking to preserve shareholders' capital through investment in a professionally managed diversified portfolio of high yield, fixed income securities. The Trust commenced investment operations on January 26, 1989. Effective November 30, 2003, the Trust's investment adviser, Van Kampen Investment Advisory Corp. merged into its affiliate, Van Kampen Asset Management.

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 principals 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 Investments are stated at value using market quotations or indications of value obtained from an independent pricing service. For those securities where quotations or prices are not available, valuations are obtained from yield data relating to instruments or securities with similar characteristics in accordance with procedures established in good faith by the Board of Trustees. 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 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 security at a future time and specified price. The Trust 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 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.

C. INVESTMENT INCOME Interest income is recorded on an accrual basis. Bond discount is accreted and premium is amortized over the expected life of each applicable security. Other income is comprised primarily of consent fees. Consent fees are earned as compensation for agreeing to changes in the terms of debt instruments.

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

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NOTES TO  
FINANCIAL STATEMENTS

December 31, 2003

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

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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 December 31, 2003, the Trust had an accumulated capital loss carry forward for tax purposes of \$32,734,922 which expires between December 31, 2007 and December 31, 2011.

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

Cost of investments for tax purposes.....	\$85,332,099	
		=====
Gross tax unrealized appreciation.....	\$ 5,969,216	
Gross tax unrealized depreciation.....	(5,127,040)	
		-----
Net tax unrealized appreciation on investments.....	\$ 842,176	
		=====

E. DISTRIBUTION OF INCOME AND GAINS The Trust declares and pays monthly dividends from net investment income to common shareholders. Net realized gains, if any, are distributed annually to common shareholders. Distributions from net realized gains for book purposes may include short-term capital gains which are included in ordinary income for tax purposes. The tax character of distributions paid during the years ended December 31, 2003 and 2002 was as follows:

	2003	2002
Distributions paid from:		
Ordinary income.....	\$5,315,792	\$7,081,715
Return of capital.....	122,439	198,341
		-----
	\$5,438,231	\$7,280,056
		=====

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 for the 2003 fiscal year have been identified and appropriately reclassified. Permanent differences of \$178,491 relating to book to tax amortization differences were reclassified from accumulated undistributed net investment income to accumulated net realized loss, \$7,780 relating to fee income received from tender offers were reclassified from accumulated undistributed net investment income to accumulated net realized loss, \$122,173 relating to return of capital distributions were reclassified from accumulated undistributed net investment income to paid in surplus, and \$1,028,010 relating to a portion of the capital loss carryforward that expired during the tax year ended December 31, 2003 were reclassified from accumulated net realized loss to paid in surplus.

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NOTES TO  
FINANCIAL STATEMENTS

December 31, 2003

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Net realized gains or losses may differ for financial reporting and tax purposes as a result of post-October losses of \$2,027,422 which are not recognized for tax purposes until the first day of the following fiscal 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 payable monthly of .70% of the average daily net assets of the Trust.

For the year ended December 31, 2003, the Trust recognized expenses of approximately \$6,200 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.

Under separate Accounting Services and Legal Services agreements, the Adviser provides accounting and legal services to the Trust. The Adviser allocates the cost of such services to each trust. For the year ended December 31, 2003, the Trust recognized expenses of approximately \$25,200 representing Van Kampen Investments Inc.'s or its affiliates' (collectively "Van Kampen") cost of providing accounting and legal services to the Trust, which are reported as part of "Other" and "Legal" expenses, respectively, 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.

### 3. INVESTMENT TRANSACTIONS

During the period, the cost of purchases and proceeds from sales of investments, excluding short-term investments, were \$58,283,380 and \$57,637,156, respectively.

### 4. AUCTION MARKET PREFERRED SHARES

The Trust has outstanding 376 shares of Auction Market Preferred Shares ("AMPS") at a liquidation value of \$100,000 per share. Dividends are cumulative and the rate is currently reset through an auction process every 28 days. The rate in effect on December 31, 2003 was 1.22%. During the year ended December 31, 2003, the rates ranged from 1.02% to 1.38%.

The Trust pays annual fees equivalent to .25% of the preferred share liquidation value for the remarketing efforts associated with the preferred auctions. These fees are included as a component of Preferred Share Maintenance expense. The AMPS are redeemable at the option of the Trust in whole or in part at a price of \$100,000 per share plus accumulated and unpaid dividends. The Trust is subject to certain asset coverage tests, and the AMPS are subject to mandatory redemption if the tests are not met.

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

We have audited the accompanying statement of assets and liabilities of Van Kampen High Income Trust (the "Trust"), including the portfolio of investments, as of December 31, 2003, 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 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 December 31, 2000, were audited by other auditors whose report, dated February 4, 2000, 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 December 31, 2003, by correspondence with the Trust's custodian. 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 High Income Trust as of December 31, 2003, the results of its operations, 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  
February 6, 2004

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### DIVIDEND REINVESTMENT PLAN

The Trust offers a Dividend Reinvestment Plan (the "Plan") in which Common Shareholders may elect to have dividends and capital gains distributions automatically reinvested in Common Shares of the Trust. The service is entirely voluntary and you may join or withdraw at any time.

### HOW TO PARTICIPATE

If you wish to elect to participate in the Plan and your shares are held in your own name, call 1-800-341-2929 for more information and a brochure. If your shares are held in the name of a brokerage firm, bank, or other nominee, you should contact your nominee to see if it would participate in the Plan on your behalf. If you wish to participate in the Plan, but your brokerage firm, bank, or nominee is unable to participate on your behalf, you should request that your shares be re-registered in your own name which will enable your participation in the Plan.

### 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

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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.

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### 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 capital gains 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.  
Houston, TX 77056  
Attn: Closed-End Funds

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### BOARD OF TRUSTEES AND IMPORTANT ADDRESSES VAN KAMPEN HIGH INCOME TRUST

#### BOARD OF TRUSTEES

DAVID C. ARCH  
J. MILES BRANAGAN  
JERRY D. CHOATE  
ROD DAMMEYER

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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 TRANSFER AGENT

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

### LEGAL COUNSEL

SKADDEN, ARPS, SLATE,  
MEAGHER & FLOM (ILLINOIS)  
333 West Wacker Drive  
Chicago, Illinois 60606

### INDEPENDENT AUDITORS

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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### TRUSTEES AND OFFICERS

The business and affairs of the Trust are managed under the direction of the Trust's Board of Trustees and the Trust's officers appointed by the Board of Trustees. The tables below list the trustees and executive officers of the Trust 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

NUMBER OF

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NAME, AGE AND ADDRESS OF INDEPENDENT TRUSTEE	POSITION(S) HELD WITH TRUST	TERM OF OFFICE AND LENGTH OF TIME SERVED	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS	FUNDS IN FUND COMPLEX OVERSEEN BY TRUSTEE	OT HE
David C. Arch (58) Blistex Inc. 1800 Swift Drive Oak Brook, IL 60523	Trustee	Trustee since 1988	Chairman and Chief Executive Officer of Blistex Inc., a consumer health care products manufacturer. Former Director of the World Presidents Organization-Chicago Chapter. Director of the Heartland Alliance, a nonprofit organization serving human needs based in Chicago.	88	Tr Ge in

J. Miles Branagan (71) 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	Tr Ge in
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NAME, AGE AND ADDRESS OF INDEPENDENT TRUSTEE	POSITION(S) HELD WITH TRUST	TERM OF OFFICE AND LENGTH OF TIME SERVED	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS	NUMBER OF FUNDS IN FUND COMPLEX OVERSEEN BY TRUSTEE	OT HE
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	Tr Ge in Di bi an En in co

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NAME, AGE AND ADDRESS OF INDEPENDENT TRUSTEE	POSITION(S) HELD WITH TRUST	TERM OF OFFICE AND LENGTH OF TIME SERVED	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS	NUMBER OF FUNDS IN FUND COMPLEX OVERSEEN BY TRUSTEE	OT HE
Rod Dammeyer (63) CAC, llc. 4350 LaJolla Village Drive Suite 980 San Diego, CA 92122-6223	Trustee	Trustee since 1988	President of CAC, llc., a private company offering capital investment and management advisory services. Prior to July 2000, Managing Partner of Equity Group Corporate Investment (EGI), a company that makes private investments in other companies.	88	Tr Ge in Di In Ve In an Sc In Un Ho Sy 20 Te an Pr Di Sy Fe Ch An In Pr Di Co Ma Tr In an (G 19 Ma

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NAME, AGE AND ADDRESS OF INDEPENDENT TRUSTEE	POSITION(S) HELD WITH TRUST	TERM OF OFFICE AND LENGTH OF TIME SERVED	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS	NUMBER OF FUNDS IN FUND COMPLEX OVERSEEN BY TRUSTEE	OT HE
Linda Hutton Heagy (55)	Trustee	Trustee	Managing Partner of	86	Tr



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Heidrick & Struggles  
233 South Wacker Drive  
Suite 7000  
Chicago, IL 60606

since 2003 Heidrick & 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 & 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.

R. Craig Kennedy (51)  
11 DuPont Circle, N.W.  
Washington, D.C. 20016

Trustee

Trustee  
since 2003

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.

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Howard J Kerr (68)  
736 North Western Avenue  
P.O. Box 317  
Lake Forest, IL 60045

Trustee

Trustee  
since 1992

Prior to 1998, President and Chief Executive Officer of Pocklington Corporation, Inc., an investment holding company. Director of the Marrow Foundation.

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NAME, AGE AND ADDRESS OF INDEPENDENT TRUSTEE	POSITION(S) HELD WITH TRUST	TERM OF OFFICE AND LENGTH OF TIME SERVED	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS	NUMBER OF FUNDS IN FUND COMPLEX OVERSEEN BY TRUSTEE	OT HE
Jack E. Nelson (67) 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	Tr Ge in
Hugo F. Sonnenschein (63) 1126 E. 59th Street Chicago, IL 60637	Trustee	Trustee since 1994	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	Tr Ge in Di La
Suzanne H. Woolsey, P.H.D. (62) 2001 Pennsylvania Avenue Suite 400 Washington, DC 20006	Trustee	Trustee since 2003	Currently with Paladin Capital Group-Paladin Homeland Security Fund since November 2003. Previously, Chief Communications Officer of the National Academy of Sciences/National	86	Tr Ge in Di Co ph si

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Research Council, an independent, federally chartered policy institution, since 2001 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, 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.

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INTERESTED TRUSTEES:\*

NAME, AGE AND ADDRESS OF INTERESTED TRUSTEE	POSITION(S) HELD WITH TRUST	TERM OF OFFICE AND LENGTH OF TIME SERVED	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS	NUMBER OF FUNDS IN FUND COMPLEX OVERSEEN BY TRUSTEE	OT HE
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 Investments since December 1999. Chairman and Director of Van Kampen Funds Inc. since December 2002. President, Director and Chief	86	Tr Ge in

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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.

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NAME, AGE AND ADDRESS OF INTERESTED TRUSTEE	POSITION(S) HELD WITH TRUST	TERM OF OFFICE AND LENGTH OF TIME SERVED	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS	NUMBER OF FUNDS IN FUND COMPLEX OVERSEEN BY TRUSTEE	OT HE
Richard F. Powers, III* (57) 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,	88	Tr Ge in

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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.

Wayne W. Whalen* (64) 333 West Wacker Drive Chicago, IL 60606	Trustee	Trustee since 1988	Partner in the law firm of Skadden, Arps, Slate, Meagher & Flom LLP, legal counsel to funds in the Fund Complex.	88	Tr Ge in
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\* 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.

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OFFICERS:

NAME, AGE AND ADDRESS OF OFFICER	POSITION(S) HELD WITH TRUST	TERM OF OFFICE AND LENGTH OF TIME SERVED	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS
Stephen L. Boyd (63) 2800 Post Oak Blvd. 45th Floor Houston, TX 77056	Vice President	Officer since 1998	Managing Director of Global Re Vice President of funds in the December 2002, Chief Investmen Investments and President and the Adviser and Van Kampen Adv Executive Vice President and C funds in the Fund Complex. Pri Director and Chief Investment Investments, and Managing Dire Adviser and Van Kampen Advisor Executive Vice President and C Kampen Investments, and Presid Officer of the Adviser. Prior President and Chief Investment

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			Investments of the Adviser. Prior to 2003, Mr. Chang was President and Senior Portfolio Manager of Van Kampen Investment Management, Inc. Prior to February 2003, Mr. Chang was President and Portfolio Manager of Van Kampen Capital Asset Management, Inc. Prior to 2003, Mr. Chang was Investment Advisory Corp. and President of Van Kampen Investment Management, Inc.
Stefanie V. Chang (37) 1221 Avenue of the Americas New York, NY 10020	Vice President	Officer since 2003	Executive Director of Morgan Stanley and Vice President of funds in the Fund Complex.

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 Officer of Stanley Investment Advisors Inc. and Morgan Stanley Investment Management Inc. and Morgan Stanley Director of Morgan Stanley Trusts. Vice President and Chief Investment Officer of the Fund Complex. Managing Director of Van Kampen Investments, the Principal Investment Officer of Van Kampen Advisors Inc. since December 2003.
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NAME, AGE AND ADDRESS OF OFFICER	POSITION(S) HELD WITH TRUST	TERM OF OFFICE AND LENGTH OF TIME SERVED	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS
John R. Reynoldson (50) 1 Parkview Plaza P.O. Box 5555 Oakbrook Terrace, IL 60181	Vice President	Officer since 2000	Executive Director and Portfolio Manager of Van Kampen Advisors Inc. and Van Kampen Advisors Inc. V. V. Fund Complex. Prior to July 2000, Mr. Reynoldson was in the Fixed Income Department of Van Kampen Advisors Inc. Prior to December 2000, Mr. Reynoldson was of the Adviser and Van Kampen Advisors Inc. Prior to 2000, Senior Vice President of the group for the Adviser. Prior to 2000, Mr. Reynoldson was President of the government securities department of the Adviser's Management.
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 of the Board of Executive Vice President and Portfolio Manager of funds in the Fund Complex. Chairman and Managing Director of Morgan Stanley Investment Management Inc. Managing Director and Director of Morgan Stanley Investment Management Inc. and Morgan Stanley Advisors Inc. and Morgan Stanley Executive Officer and Director of Morgan Stanley President of the Morgan Stanley Fund Complex.
A. Thomas Smith III (47) 1221 Avenue of the Americas New York, NY 10020	Vice President and Secretary	Officer since 1999	Managing Director of Morgan Stanley and Director of Van Kampen Investments. Prior to 1999, Mr. Smith was Managing Director of Van Kampen Advisors Inc., the Principal Investment Officer and certain other subsidiaries of Van Kampen Advisors Inc. Managing Director and General Counsel of Morgan Stanley Investment Advisors, Inc. Secretary of funds in the Fund Complex.

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Managing Director, General Cou  
of Van Kampen Investments, the  
Investor Services, and certain  
Kampen Investments. Prior to D  
President, General Counsel, Se  
Kampen Investments, the Advise  
the Distributor, Investor Serv  
subsidiaries of Van Kampen Inv  
1999, Vice President and Assoc  
York Life Insurance Company ("  
March 1997, Associate General  
Prior to December 1993, Assist  
Dreyfus Corporation. Prior to  
Willkie Farr & Gallagher. Prio  
Attorney at the Securities and  
of Investment Management, Offi

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NAME, AGE AND ADDRESS OF OFFICER	POSITION(S) HELD WITH TRUST	TERM OF OFFICE AND LENGTH OF TIME SERVED	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS
John L. Sullivan (48) 1 Parkview Plaza P.O. Box 5555 Oakbrook Terrace, IL 60181	Vice President, Chief Financial Officer and Treasurer	Officer since 1996	Director and Managing Director the Adviser, Van Kampen Adviso subsidiaries of Van Kampen Inv Chief Financial Officer and Tr Complex. Head of Fund Accounti Investment Management. Prior t Director of Van Kampen Investm Kampen Advisors Inc.

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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

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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 Kampen Advisors 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)

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Member NASD/SIPC. 920, 911, 104  
VIT ANR 2/04 13579B04-AS-2/04

### Item 2. Code of Ethics.

(a) The Trust 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 Trust has not amended its Code of Ethics during the period covered by the shareholder report presented in Item 1 hereto.

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

(e) Not applicable.

(f)

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

(2) Not applicable.

(3) Not applicable.

### Item 3. Audit Committee Financial Expert.

The Trust'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.



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Item 4. Principal Accountant Fees and Services.

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

2003	REGISTRANT	COVERED ENTITIES
AUDIT FEES.....	\$38,135	N/A
NON-AUDIT FEES		
AUDIT-RELATED FEES.....	\$ 750	\$230,000 (2)
TAX FEES.....	\$ 1,500 (3)	\$ 0 (4)
ALL OTHER FEES.....	\$ 0	\$ 0
TOTAL NON-AUDIT FEES.....	\$ 2,250	\$230,000
TOTAL.....	\$40,385	\$230,000

2002	REGISTRANT	COVERED ENTITIES
AUDIT FEES.....	\$36,000	N/A
NON-AUDIT FEES		
AUDIT-RELATED FEES.....	\$ 3,000	\$95,000 (2)
TAX FEES.....	\$ 1,500 (3)	\$ 0 (4)
ALL OTHER FEES.....	\$ 0	\$ 0
TOTAL NON-AUDIT FEES.....	\$ 4,500	\$95,000
TOTAL.....	\$40,500	\$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 Covered Entities' financial statements.
- (3) Tax Fees represent tax compliance services provided in connection with the review of the Registrant's tax returns.
- (4) Tax Fees represent tax compliance services provided in connection with the review of Covered Entities' tax returns.

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

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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 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 from the Audit Committee.

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- (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.

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 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):

- o Statutory audits or financial audits for the Fund
- o 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.,

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comfort letters for closed-end fund offerings, consents), and assistance in responding to SEC comment letters

- o 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):

- o 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)
- o Due diligence services pertaining to potential fund mergers
- o Issuance of SAS-70 reports on internal controls of Morgan Stanley Trust Co. and MSIM Trade Operations
- o 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)
- o Information systems reviews not performed in connection with the audit (e.g., application data center and technical reviews)
- o General assistance with implementation of the requirements of SEC rules or listing standards promulgated pursuant to the Sarbanes-Oxley Act
- o 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

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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):

- o U.S. federal, state and local tax planning and advice
- o U.S. federal, state and local tax compliance
- o International tax planning and advice o International tax compliance
- o Review of federal, state, local and international income, franchise, and other tax returns o Identification of Passive Foreign Investment Companies
- o Review of closed-end funds pro rata allocation of taxable income and capital gains to common and preferred shares.
- o Domestic and foreign tax planning, compliance, and advice
- o Assistance with tax audits and appeals before the IRS and similar state, local and foreign agencies
- o Tax advice and assistance regarding statutory, regulatory or administrative developments (e.g., excise tax reviews, evaluation of Fund's tax compliance function)
- o 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):

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

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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:

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

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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 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:

- o Van Kampen Investments, Inc.
- o Van Kampen Investment Advisory Corporation
- o Van Kampen Asset Management Inc.
- o Van Kampen Advisors Inc.
- o Van Kampen Funds Inc.
- o Van Kampen Trust Company
- o Van Kampen Investor Services Inc.
- o Van Kampen Management Inc.
- o Morgan Stanley Investment Management Inc.
- o Morgan Stanley Investments LP
- o 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 Trust's and its investment advisor's Proxy Voting Policies and Procedures are as follows:

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### I. POLICY STATEMENT

Introduction - Morgan Stanley Investment Management's ("MSIM") policies and procedures for voting proxies with respect to securities held in the accounts of clients applies to those MSIM entities that provide discretionary Investment Management services and for which a MSIM entity has the authority to vote their proxies. The policies and procedures and general guidelines in this section will be reviewed and, as necessary, updated periodically to address new or revised proxy voting issues. The MSIM entities covered by these policies and procedures currently include the following: Morgan Stanley Investment Advisors Inc., Morgan Stanley Alternative Investment Partners, L.P., Morgan Stanley AIP GP LP, Morgan Stanley Investment Management Inc., Morgan Stanley Investment Group Inc., Morgan Stanley Investment Management Limited, Morgan Stanley Investment Management Company, Morgan Stanley Asset & Investment Trust Management Co., Limited, Morgan Stanley Investment Management Private Limited, Morgan Stanley Investments LP, Morgan Stanley Hedge Fund Partners GP LP, Morgan Stanley Hedge Fund Partners LP, Van Kampen Investment Advisory Corp., Van Kampen Asset Management Inc., and Van Kampen Advisors Inc. (each a "MSIM Affiliate" and collectively referred to as the "MSIM Affiliates").

Each MSIM Affiliate will vote proxies as part of its authority to manage, acquire and dispose of account assets. With respect to the MSIM registered management investment companies (Van Kampen, Institutional and Advisor Funds) (collectively referred to as the "MSIM Funds"), each MSIM Fund will vote proxies pursuant to authority granted under its applicable investment advisory agreement or, in the absence of such authority, as authorized by its Board of Directors or Trustees. A MSIM Affiliate will not vote proxies if the "named fiduciary" for an ERISA account has reserved the authority for itself, or in the case of an account not governed by ERISA, the Investment Management Agreement does not authorize the MSIM Affiliate to vote proxies. MSIM Affiliates will, in a prudent and diligent manner, vote proxies in the best interests of clients, including beneficiaries of and participants in a client's benefit plan(s) for which we manage assets, consistent with the objective of maximizing long-term investment returns ("Client Proxy Standard"). In certain situations, a client or its fiduciary may provide a MSIM Affiliate with a statement of proxy voting policy. In these situations, the MSIM Affiliate will comply with the client's policy unless to do so would be inconsistent with applicable laws or regulations or the MSIM Affiliate's fiduciary responsibility.

Proxy Research Services - To assist the MSIM Affiliates in their responsibility for voting proxies and the overall global proxy voting process, Institutional Shareholder Services ("ISS") and the Investor Responsibility Research Center ("IRRC") have been retained as experts in the proxy voting and corporate governance area. ISS and IRRC are independent advisers that specialize in providing a variety of fiduciary-level proxy-related services to institutional investment managers, plan sponsors, custodians, consultants, and other institutional investors. The services provided to MSIM Affiliates include in-depth research, global issuer analysis, and voting recommendations. In addition to research, ISS provides vote execution, reporting, and recordkeeping. MSIM's Proxy Review Committee (see Section IV.A. below) will carefully monitor and supervise the services provided by the proxy research services.

Voting Proxies for certain Non-US Companies - While the proxy voting process is well established in the United States and other developed markets with a number of tools and services available to assist an investment manager, voting proxies of non-US companies located in certain jurisdictions, particularly emerging markets, may involve a number of problems that may restrict or prevent a MSIM Affiliate's ability to vote such proxies. These problems include, but are not limited to: (i) proxy statements and ballots being written in a language other



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than English; (ii) untimely and/or inadequate notice of shareholder meetings; (iii) restrictions on the ability of holders outside the issuer's jurisdiction of organization to exercise votes; (iv) requirements to vote proxies in person, (v) the imposition of restrictions on the sale of the securities for a period of time in proximity to the shareholder meeting; and (vi) requirements to provide local agents with power of attorney to facilitate the MSIM Affiliate's voting instructions. As a result, clients' non-U.S. proxies will be voted on a best efforts basis only, consistent with the Client Proxy Standard. ISS has been retained to provide assistance to the MSIM Affiliates in connection with voting their clients' non-US proxies.

### II. GENERAL PROXY VOTING GUIDELINES

To ensure consistency in voting proxies on behalf of its clients, MSIM Affiliates will follow (subject to any exception set forth herein) these Proxy Voting Policies and Procedures, including the guidelines set forth below. These guidelines address a broad range of issues, including board size and composition, executive compensation, anti-takeover proposals, capital structure proposals and social responsibility issues and are meant to be general voting parameters on issues that arise most frequently. The MSIM Affiliates, however, may vote in a manner that is contrary to the following general guidelines, pursuant to the procedures set forth in Section IV. below, provided the vote is consistent with the Client Proxy Standard.

### III. GUIDELINES

#### A. MANAGEMENT PROPOSALS

1. When voting on routine ballot items the following proposals are generally voted in support of management, subject to the review and approval of the Proxy Review Committee, as appropriate.
  - o Selection or ratification of auditors.
  - o Approval of financial statements, director and auditor reports.
  - o Election of Directors.
  - o Limiting Directors' liability and broadening indemnification of Directors.
  - o Requirement that a certain percentage (up to 66 2/3%) of its Board's members be comprised of independent and unaffiliated Directors.
  - o Requirement that members of the company's compensation, nominating and audit committees be comprised of independent or unaffiliated Directors.
  - o Recommendations to set retirement ages or require specific levels of stock ownership by Directors.
  - o General updating/corrective amendments to the charter.
  - o Elimination of cumulative voting.
  - o Elimination of preemptive rights.

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- o Provisions for confidential voting and independent tabulation of voting results.
  - o Proposals related to the conduct of the annual meeting except those proposals that relate to the "transaction of such other business which may come before the meeting."
2. The following non-routine proposals, which potentially may have a substantive financial or best interest impact on a shareholder, are generally voted in support of management, subject to the review and approval of the Proxy Review Committee, as appropriate.

### Capitalization changes

- o Capitalization changes that eliminate other classes of stock and voting rights.
- o Proposals to increase the authorization of existing classes of common stock (or securities convertible into common stock) if: (i) a clear and legitimate business purpose is stated; (ii) the number of shares requested is reasonable in relation to the purpose for which authorization is requested; and (iii) the authorization does not exceed 100% of shares currently authorized and at least 30% of the new authorization will be outstanding.
- o Proposals to create a new class of preferred stock or for issuances of preferred stock up to 50% of issued capital.
- o Proposals for share repurchase plans.
- o Proposals to reduce the number of authorized shares of common or preferred stock, or to eliminate classes of preferred stock.
- o Proposals to effect stock splits.
- o Proposals to effect reverse stock splits if management proportionately reduces the authorized share amount set forth in the corporate charter. Reverse stock splits that do not adjust proportionately to the authorized share amount will generally be approved if the resulting increase in authorized shares coincides with the proxy guidelines set forth above for common stock increases.

### Compensation

- o Director fees, provided the amounts are not excessive relative to other companies in the country or industry.
- o Employee stock purchase plans that permit discounts up to 15%, but only for grants that are part of a broad based employee plan, including all non-executive employees.
- o Establishment of Employee Stock Option Plans and other employee ownership plans.

### Anti-Takeover Matters

- o Modify or rescind existing supermajority vote requirements

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to amend the charters or bylaws.

- o Adoption of anti-greenmail provisions provided that the proposal: (i) defines greenmail; (ii) prohibits buyback offers to large block holders not made to all

shareholders or not approved by disinterested shareholders; and (iii) contains no anti-takeover measures or other provisions restricting the rights of shareholders.

3. The following non-routine proposals, which potentially may have a substantive financial or best interest impact on the shareholder, are generally voted against (notwithstanding management support), subject to the review and approval of the Proxy Review Committee, as appropriate.

- o Capitalization changes that add classes of stock which substantially dilute the voting interests of existing shareholders.
- o Proposals to increase the authorized number of shares of existing classes of stock that carry preemptive rights or supervoting rights.
- o Creation of "blank check" preferred stock.
- o Changes in capitalization by 100% or more.
- o Compensation proposals that allow for discounted stock options that have not been offered to employees in general.
- o Amendments to bylaws that would require a supermajority shareholder vote to pass or repeal certain provisions.
- o Proposals to indemnify auditors.

4. The following types of non-routine proposals, which potentially may have a potential financial or best interest impact on an issuer, are voted as determined by the Proxy Review Committee.

### Corporate Transactions

- o Mergers, acquisitions and other special corporate transactions (i.e., takeovers, spin-offs, sales of assets, reorganizations, restructurings and recapitalizations) will be examined on a case-by-case basis. In all cases, ISS and IRRC research and analysis will be used along with MSIM Affiliates' research and analysis, based on, among other things, MSIM internal company-specific knowledge.
- o Change-in-control provisions in non-salary compensation plans, employment contracts, and severance agreements that benefit management and would be costly to shareholders if triggered.
- o Shareholders rights plans that allow appropriate offers to shareholders to be blocked by the board or trigger provisions that prevent legitimate offers from proceeding.
- o Executive/Director stock option plans. Generally, stock

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option plans should meet the following criteria:

- (i) Whether the stock option plan is incentive based;
- (ii) For mature companies, should be no more than 5% of the issued capital at the time of approval;
- (iii) For growth companies, should be no more than 10% of the issued capital at the time of approval.

### Anti-Takeover Provisions

- o Proposals requiring shareholder ratification of poison pills.
- o Anti-takeover and related provisions that serve to prevent the majority of shareholders from exercising their rights or effectively deter the appropriate tender offers and other offers.

### B. SHAREHOLDER PROPOSALS

1. The following shareholder proposals are generally supported, subject to the review and approval of the Proxy Review Committee, as appropriate:
  - o Requiring auditors to attend the annual meeting of shareholders.
  - o Requirement that members of the company's compensation, nominating and audit committees be comprised of independent or unaffiliated Directors.
  - o Requirement that a certain percentage of its Board's members be comprised of independent and unaffiliated Directors.
  - o Confidential voting.
  - o Reduction or elimination of supermajority vote requirements.
2. The following shareholder proposals will be voted as determined by the Proxy Review Committee.
  - o Proposals that limit tenure of directors.
  - o Proposals to limit golden parachutes.
  - o Proposals requiring directors to own large amounts of stock to be eligible for election.
  - o Restoring cumulative voting in the election of directors.
  - o Proposals that request or require disclosure of executive compensation in addition to the disclosure required by the Securities and Exchange Commission ("SEC") regulations.
  - o Proposals that limit retirement benefits or executive compensation.

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- o Requiring shareholder approval for bylaw or charter amendments.
  - o Requiring shareholder approval for shareholder rights plan or poison pill.
  - o Requiring shareholder approval of golden parachutes.
  - o Elimination of certain anti-takeover related provisions.
  - o Prohibit payment of greenmail.
3. The following shareholder proposals are generally not supported, subject to the review and approval of the Committee, as appropriate.
- o Requirements that the issuer prepare reports that are costly to provide or that would require duplicative efforts or expenditures that are of a non-business nature or would provide no pertinent information from the perspective of institutional shareholders.
  - o Restrictions related to social, political or special interest issues that impact the ability of the company to do business or be competitive and that have a significant financial or best interest impact to the shareholders.
  - o Proposals that require inappropriate endorsements or corporate actions.

#### IV. ADMINISTRATION OF PROXY POLICIES AND PROCEDURES

##### A. PROXY REVIEW COMMITTEE

1. The MSIM Proxy Review Committee ("Committee") is responsible for creating and implementing MSIM's Proxy Voting Policy and Procedures and, in this regard, has expressly adopted them. Following are some of the functions and responsibilities of the Committee.
- (a) The Committee, which will consist of members designated by MSIM's Chief Investment Officer, is responsible for establishing MSIM's proxy voting policies and guidelines and determining how MSIM will vote proxies on an ongoing basis.
  - (b) The Committee will periodically review and have the authority to amend as necessary MSIM's proxy voting policies and guidelines (as expressed in these Proxy Voting Policy and Procedures) and establish and direct voting positions consistent with the Client Proxy Standard.
  - (c) The Committee will meet at least monthly to (among other matters): (1) address any outstanding issues relating to MSIM's Proxy Voting Policy and Procedures; and (2) generally review proposals at upcoming shareholder meetings of MSIM portfolio companies in accordance with this Policy and Procedures including, as appropriate, the voting results of prior shareholder meetings of the same issuer where a

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similar proposal was presented to shareholders. The Committee, or its designee, will timely communicate to ISS MSIM's Proxy Voting Policy and Procedures (and any amendments to them and/or any additional guidelines or procedures it may adopt).

- (d) The Committee will meet on an ad hoc basis to (among other matters): (1) authorize "split voting" (i.e., allowing certain shares of the same issuer that are the subject of the same proxy solicitation and held by one or more MSIM portfolios to be voted differently than other shares) and/or "override voting" (i.e., voting all MSIM portfolio shares in a manner contrary to the Procedures); (2) review and approve upcoming votes, as appropriate, for matters for which specific direction has been provided in Sections I, II, and III above; and (3) determine how to vote matters for which specific direction has not been provided in Sections I, II and III above. Split votes will generally not be approved within a single Global Investor Group team. The Committee may take into account ISS recommendations and the research provided by IRRIC as well as any other relevant information they may request or receive.
- (e) In addition to the procedures discussed above, if the Committee determines that an issue raises a potential material conflict of interest, or gives rise to the appearance of a potential material conflict of interest, the Committee will designate a special committee to review, and recommend a course of action

with respect to, the conflict(s) in question ("Special Committee"). The Special Committee may request the assistance of the Law and Compliance Departments and will have sole discretion to cast a vote. In addition to the research provided by ISS and IRRIC, the Special Committee may request analysis from MSIM Affiliate investment professionals and outside sources to the extent it deems appropriate.

- (f) The Committee and the Special Committee, or their designee(s), will document in writing all of their decisions and actions, which documentation will be maintained by the Committee and the Special Committee, or their designee(s) for a period of at least 6 years. To the extent these decisions relate to a security held by a MSIM U.S. registered investment company, the Committee and Special Committee, or their designee(s), will report their decisions to each applicable Board of Trustees/Directors of those investment companies at each Board's next regularly Scheduled Board meeting. The report will contain information concerning decisions made by the Committee and Special Committee during the most recently ended calendar quarter immediately preceding the Board meeting.

The Committee and Special Committee, or their designee(s), will timely communicate to applicable PMs, the Compliance Departments and, as necessary to ISS, decisions of the Committee and Special Committee so that, among other things, ISS will vote proxies consistent with their decisions.

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Item 8. [Reserved.]

Item 9. Controls and Procedures

(a) The Trust's principal executive officer and principal financial officer have concluded that the Trust'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 10. 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 High Income Trust

By: /s/ Ronald E. Robison  
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Name: Ronald E. Robison  
Title: Principal Executive Officer  
Date: February 18, 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  
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Name: Ronald E. Robison  
Title: Principal Executive Officer  
Date: February 18, 2004

By: /s/ John L. Sullivan  
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Name: John L. Sullivan  
Title: Principal Financial Officer  
Date: February 18, 2004

