Invesco Van Kampen Bond Fund
Form N-CSRS
November 08, 2012

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM N-CSR
CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES
Investment Company Act file number 811-02090
Invesco Van Kampen Bond Fund

(Exact name of registrant as specified in charter)
1555 Peachtree Street, N.E., Atlanta, Georgia 30309

(Address of principal executive offices) (Zip code)
Colin Meadows 1555 Peachtree Street, N.E., Atlanta, Georgia 30309

(Name and address of agent for service)
Registrant s telephone number, including area code: (713) 626-1919
Date of fiscal year end: 2/28
Date of reporting period: 8/31/12

Item 1. Reports to Stockholders.

Invesco Van Kampen Bond Fund
Semiannual Report to Shareholders § August 31, 2012
NYSE: VBF

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Unless otherwise noted, all data provided by Invesco.

NOT FDIC INSURED **MAY LOSE VALUE** **NO BANK GUARANTEE**

Fund Performance

Performance summary
Cumulative total returns, 2/29/12 to 8/31/12

Fund at NAV	5.41%
Fund at Market Value	9.70
Barclays Baa U.S. Corporate Bond Index	4.46
Market Price Premium to NAV as of 8/31/12	5.13

Source(s): Lipper Inc.
The performance data quoted represent past performance and cannot guarantee comparable future results; current performance may be lower or higher. Investment return, net asset value and common share market price will fluctuate so that you may have a gain or loss when you sell shares. Please visit invesco.com/us for the most recent month-end performance. Performance figures reflect Fund expenses, the reinvestment of distributions (if any) and changes in net asset value (NAV) for performance based on NAV and changes in market price for performance based on market price.

Since the Fund is a closed-end management investment company, shares of the Fund may trade at a discount or premium from the NAV. This characteristic is separate and distinct from the risk that NAV could decrease as a result of investment activities and may be a greater risk to investors expecting to sell their shares after a short time. The Fund cannot predict whether shares will trade at, above or below NAV. The Fund should not be viewed as a vehicle for trading purposes. It is designed primarily for risk-tolerant long-term investors.

The **Barclays Baa U.S. Corporate Bond Index** is the Baa component of the Barclays U.S. Corporate Investment Grade Index.

The **Barclays U.S. Corporate Investment Grade Index** consists of publicly issued, fixed rate, nonconvertible, investment-grade debt securities.

The Fund is not managed to track the performance of any particular index, including the index(es) defined here, and consequently, the performance of the Fund may deviate significantly from the performance of the index(es).

A direct investment cannot be made in an index. Unless otherwise indicated, index results include reinvested dividends, and they do not reflect sales charges.

Portfolio Management Update and Upcoming Name Change
The following individuals are jointly and primarily responsible for the day-to-day management of Invesco Van Kampen Bond Fund.

Chuck Burge, portfolio manager, is manager of Invesco Van Kampen Bond Fund. He has been associated with Invesco or its investment advisory affiliates since 2002 and began managing the Fund in 2010. Mr. Burge earned a BS in economics from Texas A&M University and an MBA in finance and accounting from Rice University.

John Craddock, Chartered Financial Analyst, portfolio manager, is manager of Invesco Van Kampen Bond Fund. He has been associated with Invesco or its investment advisory affiliates since 1999 and began managing the Fund in 2010. Mr. Craddock earned a BS in mechanical engineering from Clemson University and an MBA in finance from

Georgia Institute of Technology s Dupree School of Management.

Darren Hughes, Chartered Financial Analyst, portfolio manager, is manager of Invesco Van Kampen Bond Fund. He has been associated with Invesco or its investment advisory affiliates since 1992 and began managing the Fund in 2012. Mr. Hughes earned a BBA in finance and economics from Baylor University.

Scott Roberts, Chartered Financial Analyst, portfolio manager, is manager of Invesco Van Kampen Bond Fund. He has been associated with Invesco or its investment advisory affiliates since 2000 and began managing the Fund in 2012. Mr. Roberts earned a BBA in finance from the University of Houston.

In addition, the Fund will change its name to Invesco Bond Fund effective December 3, 2012.

NYSE Symbol VBF

Dividend Reinvestment Plan

The dividend reinvestment plan (the Plan) offers you a prompt and simple way to reinvest your dividends and capital gains distributions (Distributions) into additional shares of your Fund. Under the Plan, the money you earn from Distributions will be reinvested automatically in more shares of your Fund, allowing you to potentially increase your investment over time.

Plan benefits

- **Add to your account:**

  You may increase the amount of shares in your Fund easily and automatically with the Plan.

- **Low transaction costs:**

  Shareholders who participate in the Plan are able to buy shares at below-market prices when the Fund is trading at a premium to its net asset value (NAV). In addition, transaction costs are low because when new shares are issued by a Fund, there is no fee, and when shares are bought in blocks on the open market, the per share fee is shared among all Participants.

- **Convenience:**

  You will receive a detailed account statement from Computershare Trust Company, N.A. (the Agent) which administers the Plan. The statement shows your total Distributions, date of investment, shares acquired, and price per share, as well as the total number of shares in your reinvestment account. You can also access your account via the Internet. To do this, please go to invesco.com/us.

- **Safekeeping:**

  The Agent will hold the shares it has acquired for you in safekeeping.

How to participate in the Plan

If you own shares in your own name, you can participate directly in the Plan. If your shares are held in street name in the name of your brokerage firm, bank, or other financial institution you must instruct that entity to participate on your behalf. If they are unable to participate on your behalf, you may request that they reregister your shares in your own name so that you may enroll in the Plan.

How to enroll

To enroll in the Plan, please read the Terms and Conditions in the Plan Brochure. You can enroll in the Plan by visiting invesco.com/us, calling toll-free 800 341 2929 or notifying us in writing at Invesco Closed-End Funds, Computershare Trust Company, N.A., P.O. Box 43078, Providence, RI 02940-3078. Please include your Fund name and account number and ensure that all shareholders listed on the account sign these written instructions. Your participation in the Plan will begin with the next Distribution payable after the Agent receives your authorization, as long as they receive it before the record date, which is generally 10 business days before such Distributions are paid. If your authorization arrives after such record date, your participation in the Plan will begin with the following Distributions.

How the Plan works

If you choose to participate in the Plan, your Distributions will be promptly reinvested for you, automatically increasing your reinvestment shares. If the Fund is trading at a share price that is equal to its NAV, you ll pay that

amount for your reinvested shares. However, if the Fund is trading above or below NAV, the price is determined by one of two ways:

1. Premium: If the Fund is trading at a premium a market price that is higher than its NAV you ll pay either the NAV or 95 percent of the market price, whichever is greater. When the Fund trades at a premium, you ll pay less for your reinvested shares than an investor purchasing shares on the stock exchange. Keep in mind, a portion of your price reduction may be taxable because you are receiving shares at less than market price.

2. Discount: If the Fund is trading at a discount a market price that is lower than NAV you ll pay the market price for your reinvested shares.

Costs of the Plan

There is no direct charge to you for reinvesting Distributions because the Plan s fees are paid by your Fund. If your Fund is trading at or above its NAV, your new shares are issued directly by the Fund and there are no brokerage charges or fees. However, if your Fund is trading at a discount, the shares are purchased on the open market, and you will pay your portion of per share fees. These per share fees are typically less than the standard brokerage charges for individual transactions because shares are purchased for all Participants in blocks, resulting in lower fees for each individual Participant. Any service or per share fees are added to the purchase price. Per share fees include any applicable brokerage commissions the Agent is required to pay.

Tax implications

The automatic reinvestment of Distributions does not relieve you of any income tax that may be due on Distributions. You will receive tax information annually to help you prepare your federal income tax return.

Invesco does not offer tax advice. The tax information contained herein is general and is not exhaustive by nature. It was not intended or written to be used, and it cannot be used, by any taxpayer for avoiding penalties that may be imposed on the taxpayer under U.S. federal tax laws. Federal and state tax laws are complex and constantly changing. Shareholders should always consult a legal or tax adviser for information concerning their individual situation.

How to withdraw from the Plan

You may withdraw from the Plan at any time by calling 800 341 2929, visiting invesco.com/us or by writing to Invesco Closed-End Funds, Computershare Trust Company, N.A., P.O. Box 43078, Providence, RI 02940-3078. Simply indicate that you would like to withdraw from the Plan, and be sure to include your Fund name and account number. Also, ensure that all shareholders listed on the account have signed these written instructions. If you withdraw, you have three options with regard to the shares held in the Plan:

1. If you opt to continue to hold your non-certificated whole shares (Investment Plan Book Shares), they will be held by the Agent electronically as Direct Registration Book-Shares (Book-Entry Shares) and fractional shares will be sold at the then-current market price. Proceeds will be sent via check to your address of record after deducting applicable fees.

2. If you opt to sell your shares through the Agent, we will sell all full and fractional shares and send the proceeds via check to your address of record after deducting a $2.50 service fee and applicable per share fees. Per share fees include any applicable brokerage commissions the Agent is required to pay.

3. You may sell your shares through your financial adviser through the Direct Registration System (DRS). DRS is a service within the securities industry that allows Fund shares to be held in your name in electronic format. You retain full ownership of your shares, without having to hold a share certificate. You should contact your financial adviser to learn more about any restrictions or fees that may apply.

To obtain a complete copy of the Dividend Reinvestment Plan, please call our Client Services department at 800 341 2929 or visit invesco.com/us.

3 Invesco Van Kampen Bond Fund

Schedule of Investments[(a)]

August 31, 2012
(Unaudited)

	Principal Amount	Value
U.S. Dollar Denominated Bonds and Notes 92.51%		
Advertising 0.62%		
National CineMedia LLC, Sr. Sec. Gtd. Notes, 6.00%, 04/15/22[(b)]	$ 10,000	$ 10,450
Omnicom Group Inc., Sr. Unsec. Global Notes, 3.63%, 05/01/22	260,000	273,526
WPP Finance (United Kingdom), Sr. Unsec. Gtd. Global Notes, 8.00%, 09/15/14	1,080,000	1,213,634
		1,497,610
Aerospace & Defense 0.56%		
BE Aerospace Inc., Sr. Unsec. Notes, 5.25%, 04/01/22	20,000	21,000
Bombardier Inc. (Canada), Sr. Unsec. Notes, 7.75%, 03/15/20[(b)]	90,000	101,812
Huntington Ingalls Industries Inc., Sr. Unsec. Gtd. Global Notes, 6.88%, 03/15/18	55,000	59,262
7.13%, 03/15/21	50,000	54,375
L-3 Communications Corp., Sr. Unsec. Gtd. Notes	1,000,000	1,093,888

4.75%, 07/15/20		
Spirit Aerosystems Inc., Sr. Unsec. Gtd. Global Notes, 6.75%, 12/15/20	25,000	27,344
		1,357,681
Agricultural Products 1.34%		
Bunge Ltd. Finance Corp., Sr. Unsec. Gtd. Notes, 4.10%, 03/15/16	1,685,000	1,781,790
Cargill, Inc., Sr. Unsec. Notes, 5.60%, 09/15/12[(b)]	600,000	600,794
Ingredion Inc., Sr. Unsec. Notes, 3.20%, 11/01/15	460,000	483,331
6.63%, 04/15/37	300,000	379,102
		3,245,017
Airlines 2.67%		
America West Airlines Pass Through Trust Series 2001-1, Class G, Sec. Pass Through Ctfs., 7.10%, 04/02/21	344,231	358,000
American Airlines Inc., Sr. Sec. Gtd. Notes, 7.50%, 03/15/16 (Acquired 10/31/11-11/29/11; Cost $74,100)[(b)(c)]	90,000	88,875
American Airlines Pass Through Trust, Series 2009-1A, Sec. Pass Through Ctfs., 10.38%, 07/02/19	407,473	443,381
Series 2011-1, Class B, Sec. Pass Through Ctfs., 7.00%, 01/31/18[(b)]	742,640	753,779
Continental Airlines Pass Through Trust,	30,536	31,299

Series 2007-1, Class C, Sec. Global Pass Through Ctfs., 7.34%, 04/19/14		
Series 2009-1, Sec. Pass Through Ctfs., 9.00%, 07/08/16	12,862	14,952
Series 2010-1, Class B, Sec. Pass Through Ctfs., 6.00%, 01/12/19	683,661	685,371
Series 2012-1, Class B, Sec. Pass Through Ctfs., 6.25%, 04/11/20	2,000,000	2,062,500
Delta Air Lines Pass Through Trust, Series 2010-1, Class A, Sec. Pass Through Ctfs., 6.20%, 07/02/18	477,149	523,671
Series 2010-1, Class B, Sec. Pass Through Ctfs., 6.38%, 01/02/16[(b)]	15,000	15,300
Series 2010-2, Class A, Sec. Pass Through Ctfs., 4.95%, 05/23/19	458,109	493,326
Series 2010-2, Class B, Sec. Pass Through Ctfs., 6.75%, 11/23/15[(b)]	20,000	20,525
Series 2011-1, Class A, Sec. Pass Through Ctfs., 5.30%, 04/15/19	153,601	167,137
Series 2012-1, Class A, Sr. Sec. Pass Through Ctfs., 4.75%, 05/07/20	615,000	632,681
Delta Air Lines, Inc., Sec. Notes, 12.25%, 03/15/15[(b)]	75,000	81,563
Sr. Sec. Notes, 9.50%, 09/15/14[(b)]	9,000	9,506

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

	Principal Amount	Value
Airlines (continued)		
US Airways Pass Through Trust Series 1998-1, Class C, Sec. Pass Through Ctfs., 6.82%, 01/30/14	$ 76,672	$ 70,347
		6,452,213
Alternative Carriers 0.09%		
Cogent Communications Group, Inc., Sr. Sec. Gtd. Notes, 8.38%, 02/15/18[(b)]	50,000	52,937
Level 3 Communications Inc., Sr. Unsec. Global Notes, 11.88%, 02/01/19	50,000	56,125
Level 3 Financing Inc., Sr. Unsec. Gtd. Notes, 7.00%, 06/01/20[(b)]	35,000	35,175
Sr. Unsec. Gtd. Global Notes, 8.13%, 07/01/19	25,000	26,375
8.63%, 07/15/20	20,000	21,550
9.38%, 04/01/19	25,000	27,500
		219,662
Aluminum 0.03%		
Century Aluminum Co., Sr. Sec. Gtd. Notes, 8.00%, 05/15/14	80,000	80,450
Apparel Retail 0.12%		

Express LLC/Express Finance Corp., Sr. Unsec. Gtd. Global Notes, 8.75%, 03/01/18	55,000	59,675
Gap, Inc. (The), Sr. Unsec. Notes, 5.95%, 04/12/21	75,000	81,234
J. Crew Group Inc., Sr. Unsec. Gtd. Global Notes, 8.13%, 03/01/19	65,000	68,575
Limited Brands Inc., Sr. Unsec. Gtd. Notes, 6.63%, 04/01/21	70,000	78,925
		288,409
Apparel, Accessories & Luxury Goods 0.22%		
Hanesbrands Inc., Sr. Unsec. Gtd. Global Notes, 6.38%, 12/15/20	135,000	146,812
Jones Group Inc./Apparel Group Holdings/Apparel Group USA/Footwear Accessories Retail, Sr. Unsec. Notes, 6.88%, 03/15/19	130,000	129,350
Levi Strauss & Co., Sr. Unsec. Global Notes, 7.63%, 05/15/20	160,000	170,800
Quiksilver Inc., Sr. Unsec. Gtd. Global Notes, 6.88%, 04/15/15	100,000	95,688
		542,650
Asset Management & Custody Banks 0.88%		
Blackstone Holdings Finance Co. LLC, Sr. Unsec. Gtd. Notes, 4.75%, 02/15/23[(b)]	1,190,000	1,190,204
6.25%, 08/15/42[(b)]	490,000	501,226
State Street Capital Trust III, Jr. Unsec. Gtd. Sub. Variable Rate Bonds, 5.46%[(d)(e)]	435,000	436,088

		2,127,518
Auto Parts & Equipment 0.04%		
Allison Transmission Inc., Sr. Unsec. Gtd. Notes, 7.13%, 05/15/19[(b)]	80,000	85,000
Automobile Manufacturers 0.04%		
Ford Motor Co., Sr. Unsec. Global Notes, 7.45%, 07/16/31	70,000	86,275
Automotive Retail 1.30%		
Advance Auto Parts, Inc., Sr. Unsec. Gtd. Notes, 5.75%, 05/01/20	2,100,000	2,411,815
AutoZone, Inc., Sr. Unsec. Global Notes, 6.50%, 01/15/14	675,000	724,401
		3,136,216
Biotechnology 0.01%		
STHI Holding Corp., Sec. Gtd. Notes, 8.00%, 03/15/18[(b)]	25,000	26,813
Brewers 1.20%		
Anheuser-Busch InBev Worldwide Inc. (Belgium), Sr. Unsec. Gtd. Global Notes, 3.00%, 10/15/12	2,000,000	2,005,820
SABMiller Holdings Inc. (United Kingdom), Sr. Unsec. Gtd. Notes, 3.75%, 01/15/22[(b)]	460,000	503,262
4.95%, 01/15/42[(b)]	325,000	380,379
		2,889,461

Broadcasting 1.75%		
Clear Channel Worldwide Holdings Inc. Series B, Sr. Unsec. Gtd. Sub. Global Notes, 7.63%, 03/15/20	70,000	68,425

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

	Principal Amount	Value
Broadcasting (continued)		
COX Communications Inc., Sr. Unsec. Notes, 6.25%, 06/01/18[(b)]	$ 1,300,000	$ 1,554,929
8.38%, 03/01/39[(b)]	305,000	461,677
Discovery Communications LLC, Sr. Unsec. Gtd. Global Notes, 3.70%, 06/01/15	2,000,000	2,146,032
		4,231,063
Building Products 0.29%		
American Standard Americas, Sr. Sec. Notes, 10.75%, 01/15/16[(b)]	40,000	36,200
Associated Materials LLC/AMH New Finance Inc., Sr. Sec. Gtd. Global Notes, 9.13%, 11/01/17	60,000	58,200
Building Materials Corp. of America, Sr. Unsec. Gtd. Notes, 7.50%, 03/15/20[(b)]	75,000	82,313
Sr. Unsec. Notes, 6.88%, 08/15/18[(b)]	55,000	59,606
Gibraltar Industries Inc. Series B, Sr. Unsec. Gtd. Sub. Global Notes, 8.00%, 12/01/15	65,000	66,828
Masco Corp., Sr. Unsec. Global Notes, 5.95%, 03/15/22	20,000	21,575
Nortek Inc., Sr. Unsec. Gtd. Global Notes, 8.50%, 04/15/21	143,000	153,010

Ply Gem Industries Inc., Sr. Sec. Gtd. Global Notes, 8.25%, 02/15/18	65,000	66,625
USG Corp., Sr. Unsec. Gtd. Notes, 7.88%, 03/30/20[(b)]	60,000	64,800
Sr. Unsec. Notes, 9.75%, 01/15/18	95,000	102,125
		711,282
Cable & Satellite 4.58%		
Comcast Corp., Sr. Unsec. Gtd. Global Notes, 3.13%, 07/15/22	2,000,000	2,090,500
5.70%, 05/15/18	1,545,000	1,874,843
6.50%, 01/15/15	500,000	566,658
Sr. Unsec. Gtd. Notes, 6.45%, 03/15/37	580,000	751,014
DIRECTV Holdings LLC/DIRECTV Financing Co., Inc., Sr. Unsec. Gtd. Global Notes, 2.40%, 03/15/17	295,000	304,196
5.15%, 03/15/42	490,000	503,833
DISH DBS Corp., Sr. Unsec. Gtd. Notes, 4.63%, 07/15/17[(b)]	75,000	76,313
5.88%, 07/15/22[(b)]	15,000	15,206
Intelsat Jackson Holdings S.A. (Luxembourg), Sr. Unsec. Gtd. Global Notes, 7.25%, 10/15/20	90,000	97,425
7.50%, 04/01/21	85,000	92,437
Sr. Unsec. Gtd. Notes, 7.25%, 10/15/20[(b)]	50,000	54,125
NBC Universal Media LLC, Sr. Unsec. Global Notes,		

2.10%, 04/01/14	375,000	383,284
5.15%, 04/30/20	210,000	248,029
5.95%, 04/01/41	355,000	443,160
Time Warner Cable, Inc., Sr. Unsec. Gtd. Global Notes, 6.55%, 05/01/37	310,000	391,096
6.75%, 07/01/18	685,000	857,579
Sr. Unsec. Gtd. Notes, 5.00%, 02/01/20	350,000	405,731
Virgin Media Secured Finance PLC (United Kingdom), Sr. Sec. Gtd. Global Notes, 5.25%, 01/15/21	420,000	483,549
6.50%, 01/15/18	1,290,000	1,422,780
		11,061,758
Casinos & Gaming 0.41%		
Ameristar Casinos Inc., Sr. Unsec. Gtd. Global Notes, 7.50%, 04/15/21	55,000	59,263
Caesars Entertainment Operating Co. Inc., Sec. Gtd. Global Notes, 12.75%, 04/15/18	50,000	35,125
Sr. Unsec. Gtd. Global Bonds, 5.63%, 06/01/15	5,000	4,163
Caesars Operating Escrow LLC/Caesars Escrow Corp., Sr. Sec. Gtd. Notes, 9.00%, 02/15/20[(b)]	45,000	45,000
Chester Downs & Marina LLC, Sr. Sec. Gtd. Notes, 9.25%, 02/01/20[(b)]	10,000	10,300
CityCenter Holdings LLC/CityCenter Finance Corp., Sec. Gtd. PIK Global Notes, 10.75%, 01/15/17	62,437	66,651
Sr. Sec. Gtd. Global Notes, 7.63%, 01/15/16	45,000	48,038

Sr. Sec. Gtd. Notes, 7.63%, 01/15/16[(b)]	5,000	5,338
Codere Finance Luxembourg SA (Luxembourg), Sr. Sec. Gtd. Notes, 9.25%, 02/15/19[(b)]	10,000	7,950

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

	Principal Amount	Value
Casinos & Gaming (continued)		
MGM Resorts International, Sr. Unsec. Gtd. Global Notes, 6.63%, 07/15/15	$ 270,000	$ 283,162
Sr. Unsec. Gtd. Notes, 7.75%, 03/15/22	80,000	81,400
Seneca Gaming Corp., Sr. Unsec. Gtd. Notes, 8.25%, 12/01/18[(b)]	57,000	58,995
Snoqualmie Entertainment Authority, Sr. Sec. Floating Rate Notes, 4.48%, 02/01/14[(b)(e)]	65,000	62,725
Sr. Sec. Notes, 9.13%, 02/01/15[(b)]	72,000	72,180
Wynn Las Vegas LLC/Wynn Las Vegas Capital Corp., Sr. Sec. First Mortgage Global Notes, 7.75%, 08/15/20	50,000	56,250
Sr. Sec. First Mortgage Notes, 5.38%, 03/15/22[(b)]	90,000	91,800
		988,340
Coal & Consumable Fuels 0.07%		
CONSOL Energy Inc., Sr. Unsec. Gtd. Global Notes, 8.25%, 04/01/20	95,000	102,600
Peabody Energy Corp., Sr. Unsec. Gtd. Notes, 6.00%, 11/15/18[(b)]	40,000	40,850
Westmoreland Coal Co./Westmoreland Partners, Sr. Sec. Gtd. Global Notes, 10.75%, 02/01/18	16,000	14,920

		158,370
Communications Equipment 0.08%		
Avaya Inc., Sr. Sec. Gtd. Notes, 7.00%, 04/01/19[(b)]	80,000	73,400
Sr. Unsec. Gtd. Global Notes, 9.75%, 11/01/15	20,000	17,300
Hughes Satellite Systems Corp., Sr. Sec. Gtd. Global Notes, 6.50%, 06/15/19	35,000	37,800
Sr. Unsec. Gtd. Global Notes, 7.63%, 06/15/21	15,000	16,612
ViaSat Inc., Sr. Unsec. Gtd. Global Notes, 6.88%, 06/15/20	40,000	41,900
		187,012
Computer & Electronics Retail 0.03%		
Rent-A-Center Inc., Sr. Unsec. Gtd. Global Notes, 6.63%, 11/15/20	75,000	81,375
Computer Storage & Peripherals 0.01%		
Seagate HDD Cayman, Sr. Unsec. Gtd. Global Notes, 7.00%, 11/01/21	15,000	16,088
7.75%, 12/15/18	10,000	10,975
		27,063
Construction & Engineering 0.33%		
Dycom Investments Inc., Sr. Unsec. Gtd. Sub. Global Notes, 7.13%, 01/15/21	80,000	87,400

MasTec, Inc., Sr. Unsec. Gtd. Global Notes, 7.63%, 02/01/17	50,000	52,125
Tutor Perini Corp., Sr. Unsec. Gtd. Global Notes, 7.63%, 11/01/18	155,000	156,163
URS Corp., Sr. Unsec. Notes, 5.00%, 04/01/22[(b)]	500,000	508,930
		804,618
Construction & Farm Machinery & Heavy Trucks 0.70%		
Case New Holland Inc., Sr. Unsec. Gtd. Global Notes, 7.88%, 12/01/17	45,000	52,931
Commercial Vehicle Group Inc., Sec. Gtd. Global Notes, 7.88%, 04/15/19	52,000	52,975
Deere & Co., Sr. Unsec. Notes, 3.90%, 06/09/42	1,305,000	1,378,058
Manitowoc Co. Inc. (The), Sr. Unsec. Gtd. Notes, 8.50%, 11/01/20	40,000	44,500
Navistar International Corp., Sr. Unsec. Gtd. Notes, 8.25%, 11/01/21	124,000	118,575
Titan International Inc., Sr. Sec. Gtd. Global Notes, 7.88%, 10/01/17	50,000	52,562
		1,699,601
Construction Materials 0.25%		
Cemex Finance LLC (Mexico), Sr. Sec. Gtd. Bonds, 9.50%, 12/14/16[(b)]	100,000	102,428
	315,000	383,121

CRH America Inc. (Ireland), Sr. Unsec. Gtd. Notes, 8.13%, 07/15/18		
Texas Industries Inc., Sr. Unsec. Gtd. Global Notes, 9.25%, 08/15/20	100,000	107,125
		592,674

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

	Principal Amount	Value
Consumer Finance 2.16%		
Ally Financial Inc., Sr. Unsec. Gtd. Global Notes, 4.63%, 06/26/15	$ 50,000	$ 51,375
7.50%, 09/15/20	275,000	315,907
8.00%, 03/15/20	15,000	17,625
Capital One Capital VI, Jr. Ltd. Gtd. Sub. Trust Pfd. Securities, 8.88%, 05/15/40	600,000	612,000
Ford Motor Credit Co LLC, Sr. Unsec. Notes, 3.00%, 06/12/17	1,000,000	1,003,873
General Motors Financial Co. Inc., Sr. Unsec. Gtd. Notes, 4.75%, 08/15/17[(b)]	20,000	20,200
John Deere Capital Corp., Sr. Unsec. Global Notes, 0.88%, 04/17/15	310,000	312,251
National Money Mart Co., Sr. Unsec. Gtd. Global Notes, 10.38%, 12/15/16	75,000	84,000
SLM Corp., Sr. Unsec. Medium-Term Global Notes, 6.25%, 01/25/16	745,000	800,034
Series A, Sr. Unsec. Medium-Term Notes, 5.00%, 10/01/13	1,930,000	2,002,579
		5,219,844
Data Processing & Outsourced Services 0.11%		
CoreLogic, Inc., Sr. Unsec. Gtd. Global Notes,	125,000	134,062

7.25%, 06/01/21		
First Data Corp., Sr. Sec. Gtd. Notes, 6.75%, 11/01/20[(b)]	45,000	44,663
7.38%, 06/15/19[(b)]	45,000	46,575
SunGard Data Systems Inc., Sr. Unsec. Gtd. Global Notes, 7.38%, 11/15/18	5,000	5,350
7.63%, 11/15/20	30,000	32,325
		262,975
Department Stores 0.03%		
Sears Holdings Corp., Sr. Sec. Gtd. Global Notes, 6.63%, 10/15/18	85,000	77,350
Distillers & Vintners 0.06%		
CEDC Finance Corp. International Inc. (Poland), Sr. Sec. Gtd. Mortgage Notes, 9.13%, 12/01/16[(b)]	100,000	62,500
Constellation Brands Inc., Sr. Unsec. Gtd. Global Notes, 7.25%, 05/15/17	60,000	69,375
Sr. Unsec. Gtd. Notes, 6.00%, 05/01/22	5,000	5,650
		137,525
Diversified Banks 8.34%		
Abbey National Treasury Services PLC (United Kingdom), Sr. Unsec. Gtd. Global Notes, 2.88%, 04/25/14	250,000	251,119
Sr. Unsec. Gtd. Medium-Term Euro Notes, 3.88%, 11/10/14[(b)]	555,000	559,630
ABN Amro Bank N.V. (Netherlands), Sr. Unsec. Notes,	1,000,000	1,004,190

3.00%, 01/31/14[(b)]		
Barclays Bank PLC (United Kingdom), Unsec. Sub. Notes, 6.05%, 12/04/17[(b)]	335,000	355,063
BBVA U.S. Senior S.A. Unipersonal (Spain), Sr. Unsec. Gtd. Notes, 3.25%, 05/16/14	1,100,000	1,090,667
BPCE S.A. (France), Sr. Unsec. Notes, 2.38%, 10/04/13[(b)]	775,000	776,652
Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Netherlands), Jr. Unsec. Sub. Notes, 11.00%[(b)(d)]	210,000	272,809
Hana Bank (South Korea), Sr. Unsec. Notes, 4.25%, 06/14/17[(b)]	500,000	541,595
4.50%, 10/30/15[(b)]	1,075,000	1,158,488
HBOS PLC (United Kingdom) Series G, Unsec. Sub. Medium-Term Notes, 6.75%, 05/21/18[(b)]	1,080,000	1,064,587
HSBC Bank PLC (United Kingdom), Sr. Unsec. Notes, 4.13%, 08/12/20[(b)]	1,275,000	1,353,462
HSBC Finance Corp., Sr. Unsec. Sub. Global Notes, 6.68%, 01/15/21	957,000	1,091,962
HSBC Holdings PLC (United Kingdom), Sr. Unsec. Global Notes, 4.00%, 03/30/22	500,000	535,726
ICICI Bank Ltd. (India), Sr. Unsec. Notes, 4.75%, 11/25/16[(b)]	600,000	610,333
ING Bank N.V. (Netherlands), Sr. Unsec. Notes, 3.00%, 09/01/15[(b)]	510,000	517,430
Unsec. Notes, 3.75%, 03/07/17[(b)]	990,000	1,029,933

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

	Principal Amount	Value
Diversified Banks (continued)		
Korea Development Bank (The) (South Korea), Sr. Unsec. Global Notes, 3.50%, 08/22/17	$ 355,000	$ 376,175
4.38%, 08/10/15	1,135,000	1,223,729
Lloyds TSB Bank PLC (United Kingdom), Unsec. Gtd. Sub. Medium-Term Notes, 6.50%, 09/14/20[(b)]	540,000	547,933
National Australia Bank Ltd. (Australia), Sr. Unsec. Medium-Term Global Notes, 2.00%, 03/09/15	460,000	468,463
RBS Capital Trust II (United Kingdom), Jr. Unsec. Gtd. Sub. Global Bonds, 6.43%[(d)]	25,000	19,625
Royal Bank of Scotland Group PLC (The) (United Kingdom), Sr. Unsec. Global Notes, 6.40%, 10/21/19	260,000	288,564
Royal Bank of Scotland PLC (The) (United Kingdom), Sr. Unsec. Gtd. Global Notes, 4.88%, 03/16/15	1,160,000	1,231,665
Santander U.S. Debt S.A. Unipersonal (Spain), Sr. Unsec. Gtd. Notes, 2.99%, 10/07/13[(b)]	500,000	493,603
3.72%, 01/20/15[(b)]	800,000	760,529
Societe Generale S.A. (France), Sr. Unsec. Medium-Term Notes, 5.20%, 04/15/21[(b)]	700,000	718,549
Standard Chartered PLC (Hong Kong), Sr. Unsec. Notes, 3.20%, 05/12/16[(b)]	500,000	517,220

VTB Bank OJSC Via VTB Capital S.A. (Russia), Sr. Unsec. Loan Participation Notes, 6.32%, 02/22/18[(b)]	915,000	944,365
6.55%, 10/13/20[(b)]	325,000	339,534
		20,143,600
Diversified Capital Markets 0.48%		
UBS AG (Switzerland), Sr. Unsec. Global Notes, 5.88%, 12/20/17	985,000	1,146,613
Diversified Chemicals 0.68%		
Dow Chemical Co. (The), Sr. Unsec. Global Notes, 4.25%, 11/15/20	1,485,000	1,634,412
Diversified Metals & Mining 1.23%		
Anglo American Capital PLC (United Kingdom), Sr. Unsec. Gtd. Notes, 9.38%, 04/08/19[(b)]	660,000	883,352
FMG Resources Pty. Ltd. (Australia), Sr. Unsec. Gtd. Notes, 6.38%, 02/01/16[(b)]	15,000	14,445
7.00%, 11/01/15[(b)]	75,000	74,250
Sr. Unsec. Notes, 6.88%, 04/01/22[(b)]	55,000	50,975
Freeport-McMoRan Copper & Gold Inc., Sr. Unsec. Global Notes, 3.55%, 03/01/22	300,000	299,601
Midwest Vanadium Pty. Ltd. (Australia), Sr. Sec. Gtd. Mortgage Notes, 11.50%, 02/15/18[(b)]	45,000	31,564
Rio Tinto Finance USA PLC (United Kingdom), Sr. Unsec. Gtd. Global Notes, 3.50%, 03/22/22	820,000	859,395

Southern Copper Corp., Sr. Unsec. Global Notes, 5.38%, 04/16/20	230,000	258,939
6.75%, 04/16/40	335,000	391,738
Vedanta Resources PLC (India), Sr. Unsec. Notes, 9.50%, 07/18/18[(b)]	100,000	103,008
		2,967,267
Diversified REIT s 0.26%		
Qatari Diar Finance QSC (Qatar), Sr. Unsec. Gtd. Notes, 5.00%, 07/21/20[(b)]	545,000	625,842
Drug Retail 1.37%		
CVS Pass-Through Trust, Sec. Global Pass Through Ctfs., 6.04%, 12/10/28	1,277,514	1,458,501
Sr. Sec. Mortgage Pass Through Ctfs., 5.77%, 01/10/33[(b)]	1,626,731	1,859,870
		3,318,371
Electric Utilities 2.90%		
Appalachian Power Co, Sr. Unsec. Floating Rate Notes, 0.81%, 08/16/13[(e)]	1,000,000	1,001,245
DCP Midstream LLC, Sr. Unsec. Notes, 9.70%, 12/01/13[(b)]	1,500,000	1,634,730
Enel Finance International N.V. (Italy), Sr. Unsec. Gtd. Notes, 5.13%, 10/07/19[(b)]	820,000	819,113
Entergy Gulf States Louisiana LLC, Sec. First Mortgage Bonds, 5.59%, 10/01/24	650,000	763,679
	610,000	637,325

Mississippi Power Co.
Series 12, Class A, Sr. Unsec. Notes,
4.25%, 03/15/42

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

	Principal Amount	Value
Electric Utilities (continued)		
Ohio Power Co. Series M, Sr. Unsec. Notes, 5.38%, 10/01/21	$ 350,000	$ 424,494
Southern Co. (The) Series A, Sr. Unsec. Notes, 2.38%, 09/15/15	400,000	415,215
Southern Power Co. Series D, Sr. Unsec. Global Notes, 4.88%, 07/15/15	1,175,000	1,296,987
		6,992,788
Electrical Components & Equipment 0.03%		
Belden Inc., Sr. Sub. Gtd. Notes, 5.50%, 09/01/22[(b)]	40,000	40,200
Polypore International Inc., Sr. Unsec. Gtd. Global Notes, 7.50%, 11/15/17	30,000	32,438
		72,638
Electronic Components 0.79%		
Corning, Inc., Sr. Unsec. Notes, 4.75%, 03/15/42	1,600,000	1,739,411
6.63%, 05/15/19	140,000	173,408
		1,912,819
Electronic Manufacturing Services 0.03%		

Jabil Circuit Inc., Sr. Unsec. Global Notes, 4.70%, 09/15/22	13,000	13,163
Sanmina-SCI Corp., Sr. Unsec. Gtd. Notes, 7.00%, 05/15/19[(b)]	60,000	60,600
		73,763
Environmental & Facilities Services 0.52%		
Waste Management, Inc., Sr. Unsec. Gtd. Notes, 4.60%, 03/01/21	481,000	557,172
5.00%, 03/15/14	645,000	686,057
		1,243,229
Forest Products 0.01%		
Millar Western Forest Products Ltd. (Canada), Sr. Unsec. Global Notes, 8.50%, 04/01/21	45,000	31,388
Gas Utilities 0.12%		
AmeriGas Finance LLC/Corp., Sr. Unsec. Gtd. Global Notes, 7.00%, 05/20/22	35,000	37,625
Ferrellgas L.P./Ferrellgas Finance Corp., Sr. Unsec. Global Notes, 6.50%, 05/01/21	85,000	84,362
Suburban Propane Partners, L.P./Suburban Energy Finance Corp., Sr. Unsec. Notes, 7.38%, 03/15/20	115,000	123,625
7.38%, 08/01/21[(b)]	37,000	39,313
		284,925
General Merchandise Stores 0.12%		

Dollar General Corp., Sr. Unsec. Gtd. Global Notes, 4.13%, 07/15/17	275,000	286,687
Gold 2.57%		
Barrick Gold Corp. (Canada), Sr. Unsec. Global Notes, 3.85%, 04/01/22	355,000	367,414
Barrick North America Finance LLC (Canada), Sr. Unsec. Gtd. Global Notes, 5.70%, 05/30/41	750,000	867,541
Gold Fields Orogen Holding BVI Ltd. (South Africa), Sr. Unsec. Gtd. Notes, 4.88%, 10/07/20[(b)]	1,000,000	1,001,196
Kinross Gold Corp. (Canada), Sr. Unsec. Gtd. Global Notes, 5.13%, 09/01/21	300,000	306,994
6.88%, 09/01/41	700,000	729,470
Newmont Mining Corp., Sr. Unsec. Gtd. Global Notes, 3.50%, 03/15/22	1,125,000	1,135,228
4.88%, 03/15/42	1,195,000	1,230,583
Sr. Unsec. Gtd. Notes, 6.25%, 10/01/39	475,000	567,414
		6,205,840
Health Care Distributors 0.56%		
AmerisourceBergen Corp., Sr. Unsec. Gtd. Notes, 3.50%, 11/15/21	1,250,000	1,360,625
Health Care Equipment 0.03%		
DJO Finance LLC/Corp., Sr. Unsec. Gtd. Global Notes, 7.75%, 04/15/18	5,000	4,625
Sr. Unsec. Gtd. Sub. Global Notes,		

9.75%, 10/15/17	65,000	56,225
		60,850

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	Principal Amount	Value
Health Care Facilities 0.19%		
CHS/Community Health Systems Inc., Sr. Sec. Gtd. Global Notes, 5.13%, 08/15/18	$ 8,000	$ 8,300
HCA, Inc., Sr. Sec. Gtd. Global Notes, 5.88%, 03/15/22	35,000	37,363
7.88%, 02/15/20	95,000	106,637
HealthSouth Corp., Sr. Unsec. Gtd. Notes, 7.25%, 10/01/18	40,000	43,700
7.75%, 09/15/22	20,000	21,900
Select Medical Holdings Corp., Sr. Unsec. Floating Rate Global Notes, 6.49%, 09/15/15[(e)]	30,000	30,019
Tenet Healthcare Corp., Sr. Unsec. Global Notes, 8.00%, 08/01/20	55,000	58,712
9.25%, 02/01/15	135,000	150,525
		457,156
Health Care Services 0.95%		
Express Scripts Holding Co., Sr. Unsec. Gtd. Notes, 3.13%, 05/15/16	445,000	474,608
6.13%, 11/15/41[(b)]	1,000,000	1,313,091
Highmark, Inc., Sr. Unsec. Notes, 6.13%, 05/15/41[(b)]	375,000	409,978
	40,000	41,100

Prospect Medical Holdings Inc., Sr. Sec. Notes, 8.38%, 05/01/19[(b)]		
Radiation Therapy Services Inc., Sr. Sec. Gtd. Global Notes, 8.88%, 01/15/17	60,000	58,200
		2,296,977
Health Care Technology 0.04%		
MedAssets Inc., Sr. Unsec. Gtd. Global Notes, 8.00%, 11/15/18	85,000	92,438
Homebuilding 0.15%		
Beazer Homes USA Inc., Sr. Unsec. Gtd. Global Notes, 6.88%, 07/15/15	35,000	35,044
8.13%, 06/15/16	57,000	59,138
K. Hovnanian Enterprises Inc., Sr. Sec. Gtd. Global Notes, 10.63%, 10/15/16	95,000	99,987
Lennar Corp., Sr. Unsec. Gtd. Global Notes, 6.95%, 06/01/18	62,000	67,657
M/I Homes Inc., Sr. Unsec. Gtd. Global Notes, 8.63%, 11/15/18	15,000	15,975
Meritage Homes Corp., Sr. Unsec. Gtd. Global Notes, 7.00%, 04/01/22	20,000	21,200
Taylor Morrison Communities Inc./Monarch Communities Inc., Sr. Unsec. Gtd. Notes, 7.75%, 04/15/20[(b)]	40,000	42,800
Toll Brothers Finance Corp., Sr. Unsec. Gtd. Notes, 5.88%, 02/15/22	20,000	21,900

		363,701
Hotels, Resorts & Cruise Lines 0.43%		
Choice Hotels International, Inc., Sr. Unsec. Gtd. Notes, 5.75%, 07/01/22	5,000	5,381
Hyatt Hotels Corp., Sr. Unsec. Notes, 6.88%, 08/15/19[(b)]	155,000	186,126
Royal Caribbean Cruises Ltd., Sr. Unsec. Global Notes, 7.50%, 10/15/27	30,000	31,050
Wyndham Worldwide Corp., Sr. Unsec. Global Notes, 6.00%, 12/01/16	9,000	10,070
Sr. Unsec. Notes, 4.25%, 03/01/22	800,000	811,490
		1,044,117
Household Products 0.03%		
Central Garden & Pet Co., Sr. Gtd. Sub. Notes, 8.25%, 03/01/18	74,000	77,978
Housewares & Specialties 0.02%		
American Greetings Corp., Sr. Unsec. Gtd. Notes, 7.38%, 12/01/21	45,000	49,500
Independent Power Producers & Energy Traders 0.15%		
AES Corp. (The), Sr. Unsec. Global Notes, 8.00%, 10/15/17	95,000	111,625
Calpine Corp., Sr. Sec. Gtd. Notes, 7.25%, 10/15/17[(b)]	60,000	64,500

7.50%, 02/15/21[(b)]	60,000	66,900
NRG Energy Inc., Sr. Unsec. Gtd. Global Notes, 7.63%, 01/15/18	50,000	53,625
Red Oak Power LLC Series A, Sr. Sec. Bonds, 8.54%, 11/30/19	60,199	64,413
		361,063

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	Principal Amount	Value
Industrial Conglomerates 1.43%		
General Electric Capital Corp., Sr. Unsec. Medium-Term Global Notes, 4.65%, 10/17/21	$ 600,000	$ 686,124
5.50%, 01/08/20	320,000	380,694
Hutchison Whampoa International Ltd. (Hong Kong), Unsec. Gtd. Sub. Notes, 6.00%[(b)(d)]	2,290,000	2,384,463
		3,451,281
Industrial Machinery 0.35%		
Actuant Corp., Sr. Unsec. Gtd. Notes, 5.63%, 06/15/22[(b)]	20,000	20,700
Cleaver-Brooks Inc., Sr. Sec. Notes, 12.25%, 05/01/16[(b)]	29,000	30,812
Mcron Finance Sub LLC/Mcron Finance Corp., Sr. Sec. Notes, 8.38%, 05/15/19[(b)]	10,000	10,325
Pentair, Inc., Sr. Unsec. Gtd. Notes, 5.00%, 05/15/21	710,000	793,449
		855,286
Integrated Oil & Gas 1.23%		
Hess Corp., Sr. Unsec. Global Notes, 5.60%, 02/15/41	450,000	511,685
Lukoil International Finance B.V. (Russia), Sr. Unsec. Gtd. Loan Participation Notes,	960,000	1,076,285

6.13%, 11/09/20[(b)]		
Total Capital International S.A. (France), Sr. Unsec. Gtd. Global Notes, 1.50%, 02/17/17	1,350,000	1,378,022
		2,965,992
Integrated Telecommunication Services 3.73%		
AT&T Corp., Sr. Unsec. Gtd. Global Notes, 8.00%, 11/15/31	86,000	132,998
AT&T Inc., Sr. Unsec. Global Notes, 1.70%, 06/01/17	655,000	676,083
2.95%, 05/15/16	370,000	398,841
4.45%, 05/15/21	190,000	223,360
6.15%, 09/15/34	500,000	633,450
CenturyLink Inc. Series U, Sr. Unsec. Global Notes, 7.65%, 03/15/42	435,000	450,746
Deutsche Telekom International Finance B.V. (Germany), Sr. Unsec. Gtd. Global Bonds, 8.75%, 06/15/30	440,000	652,606
Sr. Unsec. Gtd. Global Notes, 6.00%, 07/08/19	150,000	182,153
Sr. Unsec. Gtd. Notes, 4.88%, 03/06/42[(b)]	1,000,000	1,062,380
6.75%, 08/20/18	225,000	279,093
France Telecom S.A. (France), Sr. Unsec. Global Notes, 5.38%, 01/13/42	135,000	156,788
Qtel International Finance Ltd. (Qatar), Sr. Unsec. Gtd. Notes, 3.38%, 10/14/16[(b)]	315,000	331,507
4.75%, 02/16/21[(b)]	200,000	222,407

Telecom Italia Capital S.A. (Italy), Sr. Unsec. Gtd. Global Notes, 7.00%, 06/04/18	2,080,000	2,190,132
Telefonica Emisiones S.A. Unipersonal (Spain), Sr. Unsec. Gtd. Global Notes, 5.46%, 02/16/21	880,000	816,859
Verizon Communications, Inc., Sr. Unsec. Global Notes, 4.75%, 11/01/41	300,000	339,529
6.40%, 02/15/38	200,000	269,042
		9,017,974
Internet Software & Services 0.03%		
Equinix Inc., Sr. Unsec. Notes, 7.00%, 07/15/21	50,000	56,375
8.13%, 03/01/18	15,000	16,725
		73,100
Investment Banking & Brokerage 3.21%		
Charles Schwab Corp. (The) Series A, Jr. Unsec. Sub. Notes, 7.00%[(d)]	1,165,000	1,298,975
E*TRADE Financial Corp., Sr. Unsec. Notes, 6.75%, 06/01/16	15,000	15,675
Goldman Sachs Group, Inc. (The), Sr. Unsec. Global Notes, 5.25%, 07/27/21	565,000	602,462
5.75%, 01/24/22	230,000	254,628
Sr. Unsec. Medium-Term Global Notes, 3.70%, 08/01/15	615,000	644,345
Macquarie Group Ltd. (Australia), Sr. Unsec. Notes, 6.00%, 01/14/20[(b)]	1,095,000	1,096,758

7.63%, 08/13/19[(b)]	498,000	557,470

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

	Principal Amount	Value
Investment Banking & Brokerage (continued)		
Morgan Stanley, Sr. Unsec. Global Notes, 4.00%, 07/24/15	$ 1,000,000	$ 1,021,080
6.38%, 07/24/42	835,000	860,082
Sr. Unsec. Notes, 3.45%, 11/02/15	1,000,000	1,006,746
Raymond James Financial, Inc., Sr. Unsec. Notes, 4.25%, 04/15/16	370,000	390,084
		7,748,305
Leisure Facilities 0.00%		
Speedway Motorsports Inc., Sr. Unsec. Gtd. Global Notes, 6.75%, 02/01/19	10,000	10,575
Leisure Products 0.03%		
Toys R US-Delaware Inc., Sr. Sec. Gtd. Notes, 7.38%, 09/01/16[(b)]	70,000	70,875
Life & Health Insurance 4.19%		
Aegon N.V. (Netherlands), Sr. Unsec. Global Bonds, 4.63%, 12/01/15	650,000	709,662
Forethought Financial Group, Inc., Sr. Unsec. Notes, 8.63%, 04/15/21[(b)]	950,000	976,023

MetLife, Inc., Jr. Unsec. Sub. Global Notes, 10.75%, 08/01/39	785,000	1,157,875
Sr. Unsec. Global Notes, 4.13%, 08/13/42	390,000	397,088
Series A, Sr. Unsec. Notes, 6.82%, 08/15/18	50,000	62,524
Nationwide Financial Services, Inc., Sr. Unsec. Notes, 5.38%, 03/25/21[(b)]	1,645,000	1,750,907
Pacific LifeCorp., Sr. Unsec. Notes, 6.00%, 02/10/20[(b)]	1,150,000	1,276,503
Prudential Financial, Inc., Series C, Sr. Unsec. Medium-Term Notes, 5.40%, 06/13/35	1,500,000	1,595,026
Series D, Sr. Unsec. Medium-Term Notes, 4.75%, 09/17/15	820,000	900,850
6.63%, 12/01/37	390,000	481,014
7.38%, 06/15/19	645,000	807,719
		10,115,191
Life Sciences Tools & Services 0.30%		
Life Technologies Corp., Sr. Notes, 6.00%, 03/01/20	610,000	726,047
Managed Health Care 1.29%		
Cigna Corp., Sr. Unsec. Global Notes, 5.38%, 02/15/42	890,000	1,009,975
Sr. Unsec. Notes, 4.50%, 03/15/21	435,000	484,300
5.88%, 03/15/41	350,000	421,075

UnitedHealth Group Inc., Sr. Unsec. Notes, 3.88%, 10/15/20	400,000	442,504
5.95%, 02/15/41	590,000	764,732
		3,122,586
Marine 0.00%		
Navios Maritime Acquisition Corp./Navios Acquisition Finance U.S. Inc., Sr. Sec. Gtd. Mortgage Global Notes, 8.63%, 11/01/17	10,000	9,550
Movies & Entertainment 0.43%		
AMC Entertainment Inc., Sr. Unsec. Gtd. Global Notes, 8.75%, 06/01/19	115,000	126,069
NAI Entertainment Holdings LLC, Sr. Sec. Notes, 8.25%, 12/15/17[(b)]	67,000	75,040
Time Warner, Inc., Sr. Unsec. Gtd. Deb., 6.50%, 11/15/36	675,000	845,025
		1,046,134
Multi-Line Insurance 1.09%		
American Financial Group, Inc., Sr. Unsec. Notes, 9.88%, 06/15/19	1,055,000	1,343,128
Fairfax Financial Holdings Ltd. (Canada), Sr. Unsec. Notes, 5.80%, 05/15/21[(b)]	2,000	2,031
Hartford Financial Services Group Inc. (The), Jr. Unsec. Sub. Deb., 8.13%, 06/15/38	55,000	62,425
Liberty Mutual Group Inc., Jr. Unsec. Gtd. Sub. Bonds, 7.80%, 03/15/37[(b)]	550,000	588,500

Sr. Unsec. Gtd. Notes, 4.95%, 05/01/22[(b)]	10,000	10,431
5.00%, 06/01/21[(b)]	560,000	584,065
Nationwide Mutual Insurance Co., Unsec. Sub. Notes, 9.38%, 08/15/39[(b)]	25,000	33,972
		2,624,552

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	Principal Amount	Value
Multi-Utilities 0.83%		
Abu Dhabi National Energy Co. (United Arab Emirates), Sr. Unsec. Notes, 4.13%, 03/13/17[(b)]	$ 800,000	$ 859,325
Consumers Energy Co., Sr. Sec. First Mortgage Bonds, 5.80%, 09/15/35	480,000	628,091
Dominion Resources, Inc., Sr. Unsec. Notes, 2.25%, 09/01/15	500,000	520,704
		2,008,120
Office REIT s 0.71%		
Digital Realty Trust L.P., Sr. Unsec. Gtd. Global Notes, 4.50%, 07/15/15	1,525,000	1,625,154
DuPont Fabros Technology L.P., Sr. Unsec. Gtd. Global Notes, 8.50%, 12/15/17	75,000	83,062
		1,708,216
Office Services & Supplies 0.78%		
Steelcase, Inc., Sr. Unsec. Notes, 6.38%, 02/15/21	1,730,000	1,871,131
Oil & Gas Drilling 1.08%		
Atwood Oceanics Inc., Sr. Unsec. Notes, 6.50%, 02/01/20	6,000	6,435

Transocean Inc., Sr. Unsec. Gtd. Global Notes, 4.95%, 11/15/15	835,000	910,870
6.38%, 12/15/21	1,400,000	1,691,579
		2,608,884
Oil & Gas Equipment & Services 0.09%		
Bristow Group, Inc., Sr. Unsec. Gtd. Global Notes, 7.50%, 09/15/17	88,000	91,190
Key Energy Services, Inc., Sr. Unsec. Gtd. Notes, 6.75%, 03/01/21	100,000	103,000
SESI, LLC, Sr. Unsec. Gtd. Global Notes, 6.38%, 05/01/19	30,000	31,941
		226,131
Oil & Gas Exploration & Production 4.53%		
Access Midstream Partners L.P./ACMP Finance Corp., Sr. Unsec. Gtd. Global Notes, 5.88%, 04/15/21	75,000	77,063
6.13%, 07/15/22	5,000	5,225
Anadarko Petroleum Corp., Sr. Unsec. Global Notes, 5.95%, 09/15/16	1,385,000	1,604,880
Sr. Unsec. Notes, 7.63%, 03/15/14	750,000	821,481
Apache Corp., Sr. Unsec. Global Notes, 4.75%, 04/15/43	620,000	714,519
Berry Petroleum Co., Sr. Unsec. Notes, 6.75%, 11/01/20	35,000	37,581
Chaparral Energy Inc., Sr. Unsec. Gtd. Global Notes,		

8.25%, 09/01/21	95,000	104,025
Sr. Unsec. Gtd. Notes, 7.63%, 11/15/22[(b)]	15,000	15,938
Chesapeake Energy Corp., Sr. Unsec. Gtd. Global Notes, 6.88%, 11/15/20	25,000	26,063
Sr. Unsec. Gtd. Notes, 6.13%, 02/15/21	5,000	5,006
6.63%, 08/15/20	137,000	141,281
Cimarex Energy Co., Sr. Unsec. Gtd. Notes, 5.88%, 05/01/22	30,000	32,025
Continental Resources Inc., Sr. Unsec. Gtd. Global Notes, 7.13%, 04/01/21	50,000	56,188
8.25%, 10/01/19	45,000	50,906
Empresa Nacional del Petroleo (Chile), Sr. Unsec. Notes, 5.25%, 08/10/20[(b)]	365,000	404,105
Encana Corp. (Canada), Sr. Unsec. Global Notes, 6.50%, 02/01/38	945,000	1,140,181
EOG Resources, Inc., Sr. Unsec. Notes, 4.10%, 02/01/21	475,000	544,834
EXCO Resources Inc., Sr. Unsec. Gtd. Notes, 7.50%, 09/15/18	119,000	107,992
Forest Oil Corp., Sr. Unsec. Gtd. Global Notes, 7.25%, 06/15/19	55,000	53,763
Gazprom OAO Via Gaz Capital S.A. (Russia), Sr. Unsec. Loan Participation Notes, 6.51%, 03/07/22[(b)]	265,000	313,031
Laredo Petroleum Inc., Sr. Unsec. Gtd. Global Notes, 7.38%, 05/01/22	8,000	8,640

McMoRan Exploration Co., Sr. Unsec. Gtd. Notes, 11.88%, 11/15/14	95,000	99,691

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

	Principal Amount	Value
Oil & Gas Exploration & Production (continued)		
Newfield Exploration Co., Sr. Unsec. Sub. Global Notes, 7.13%, 05/15/18	$ 190,000	$ 201,875
Noble Energy Inc., Sr. Unsec. Global Notes, 4.15%, 12/15/21	685,000	743,200
Oasis Petroleum Inc., Sr. Unsec. Gtd. Global Notes, 6.88%, 01/15/23	30,000	30,825
Petrobras International Finance Co. (Brazil), Sr. Unsec. Gtd. Global Notes, 3.50%, 02/06/17	735,000	761,273
5.75%, 01/20/20	410,000	464,598
Petroleos Mexicanos (Mexico), Sr. Unsec. Gtd. Global Notes, 5.50%, 01/21/21	630,000	735,759
Plains Exploration & Production Co., Sr. Unsec. Gtd. Notes, 7.63%, 06/01/18	160,000	172,000
QEP Resources Inc., Sr. Unsec. Notes, 5.38%, 10/01/22	43,000	44,290
Range Resources Corp., Sr. Unsec. Gtd. Sub. Notes, 5.00%, 08/15/22	12,000	12,555
5.75%, 06/01/21	80,000	85,600
Samson Investment Co., Sr. Unsec. Notes, 9.75%, 02/15/20[(b)]	35,000	36,050

SM Energy Co., Sr. Unsec. Global Notes, 6.50%, 11/15/21	20,000	21,000
6.63%, 02/15/19	120,000	126,000
Southwestern Energy Co., Sr. Unsec. Gtd. Notes, 4.10%, 03/15/22[(b)]	990,000	1,044,443
Whiting Petroleum Corp., Sr. Unsec. Gtd. Sub. Notes, 6.50%, 10/01/18	60,000	64,575
WPX Energy Inc., Sr. Unsec. Global Notes, 6.00%, 01/15/22	35,000	37,275
		10,945,736
Oil & Gas Refining & Marketing 0.76%		
Crosstex Energy, L.P./Crosstex Energy Finance Corp., Sr. Unsec. Gtd. Notes, 7.13%, 06/01/22[(b)]	15,000	14,775
Phillips 66, Sr. Unsec. Gtd. Notes, 2.95%, 05/01/17[(b)]	1,240,000	1,306,568
United Refining Co., Sr. Sec. Gtd. Global Notes, 10.50%, 02/28/18	105,000	112,612
Valero Energy Corp., Sr. Unsec. Gtd. Global Notes, 6.63%, 06/15/37	325,000	393,340
		1,827,295
Oil & Gas Storage & Transportation 2.62%		
Atlas Pipeline Partners L.P./Atlas Pipeline Finance Corp., Sr. Unsec. Gtd. Global Notes, 8.75%, 06/15/18	42,000	45,255
Copano Energy LLC/Copano Energy Finance Corp., Sr. Unsec. Gtd. Notes, 7.13%, 04/01/21	115,000	120,750

Eagle Rock Energy Partners L.P./Eagle Rock Energy Finance Corp., Sr. Unsec. Gtd. Notes, 8.38%, 06/01/19[(b)]	25,000	24,500
Energy Transfer Equity L.P., Sr. Sec. Gtd. Notes, 7.50%, 10/15/20	63,000	73,001
Energy Transfer Partners L.P., Sr. Unsec. Global Notes, 6.05%, 06/01/41	690,000	748,021
Enterprise Products Operating LLC, Sr. Unsec. Gtd. Global Notes, 5.25%, 01/31/20	300,000	349,888
Sr. Unsec. Gtd. Notes, 6.45%, 09/01/40	1,250,000	1,552,168
Series G, Sr. Unsec. Gtd. Global Notes, 5.60%, 10/15/14	720,000	788,677
Kinder Morgan Energy Partners L.P., Sr. Unsec. Notes, 5.85%, 09/15/12	560,000	560,700
MarkWest Energy Partners L.P./MarkWest Energy Finance Corp., Sr. Unsec. Gtd. Notes, 6.25%, 06/15/22	30,000	31,950
6.50%, 08/15/21	85,000	92,012
Overseas Shipholding Group, Inc., Sr. Unsec. Notes, 8.13%, 03/30/18	45,000	28,238
Plains All American Pipeline L.P./PAA Finance Corp., Sr. Unsec. Global Notes, 3.65%, 06/01/22	185,000	195,388
Regency Energy Partners L.P./Regency Energy Finance Corp., Sr. Unsec. Gtd. Notes, 6.88%, 12/01/18	95,000	102,719

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

	Principal Amount	Value
Oil & Gas Storage & Transportation (continued)		
Spectra Energy Capital LLC, Sr. Unsec. Gtd. Global Notes, 8.00%, 10/01/19	$ 225,000	$ 292,513
Sr. Unsec. Gtd. Notes, 5.67%, 08/15/14	500,000	541,125
Targa Resources Partners L.P./Targa Resources Partners Finance Corp., Sr. Unsec. Gtd. Global Notes, 6.88%, 02/01/21	95,000	102,600
Sr. Unsec. Gtd. Notes, 6.38%, 08/01/22[(b)]	15,000	15,750
Teekay Corp. (Canada), Sr. Unsec. Global Notes, 8.50%, 01/15/20	40,000	41,700
Texas Eastern Transmission L.P., Sr. Unsec. Notes, 7.00%, 07/15/32	455,000	619,562
		6,326,517
Other Diversified Financial Services 2.49%		
Bank of America Corp., Sr. Unsec. Global Notes, 3.70%, 09/01/15	500,000	525,202
Series L, Sr. Unsec. Medium-Term Global Notes, 5.65%, 05/01/18	500,000	560,049
Bear Stearns Cos., LLC (The), Sr. Unsec. Global Notes, 7.25%, 02/01/18	680,000	848,445
Unsec. Sub. Notes, 5.55%, 01/22/17	1,030,000	1,167,611

ERAC USA Finance LLC, Sr. Unsec. Gtd. Notes, 2.75%, 07/01/13[(b)]	555,000	562,190
5.80%, 10/15/12[(b)]	200,000	201,164
ING US Inc. (Netherlands), Sr. Unsec. Gtd. Notes, 5.50%, 07/15/22[(b)]	905,000	926,004
JPMorgan Chase & Co., Sr. Unsec. Global Notes, 3.45%, 03/01/16	270,000	288,563
Merrill Lynch & Co., Inc., Sub. Global Notes, 7.75%, 05/14/38	765,000	929,330
		6,008,558
Packaged Foods & Meats 1.25%		
Del Monte Corp., Sr. Unsec. Gtd. Global Notes, 7.63%, 02/15/19	45,000	45,000
Kraft Foods Inc., Sr. Unsec. Global Notes, 6.88%, 02/01/38	1,255,000	1,729,023
Sr. Unsec. Notes, 6.88%, 01/26/39	850,000	1,179,280
Post Holdings Inc., Sr. Unsec. Gtd. Notes, 7.38%, 02/15/22[(b)]	65,000	68,575
		3,021,878
Paper Packaging 0.02%		
Cascades Inc. (Canada), Sr. Unsec. Gtd. Global Notes, 7.88%, 01/15/20	45,000	47,138
Paper Products 0.46%		

Boise Cascade LLC, Sr. Unsec. Gtd. Sub. Global Notes, 7.13%, 10/15/14	108,000	108,202
Clearwater Paper Corp., Sr. Unsec. Gtd. Global Notes, 7.13%, 11/01/18	40,000	43,900
International Paper Co., Sr. Unsec. Global Notes, 4.75%, 02/15/22	280,000	315,838
6.00%, 11/15/41	405,000	484,432
Mercer International Inc., Sr. Unsec. Gtd. Global Notes, 9.50%, 12/01/17	70,000	74,550
NewPage Corp., Sr. Sec. Gtd. Global Notes, 11.38%, 12/31/14[(c)]	45,000	30,713
P.H. Glatfelter Co., Sr. Unsec. Gtd. Global Notes, 7.13%, 05/01/16	45,000	45,900
		1,103,535
Personal Products 0.28%		
Estee Lauder Cos. Inc. (The), Sr. Unsec. Global Notes, 3.70%, 08/15/42	610,000	604,480
NBTY Inc., Sr. Unsec. Gtd. Global Notes, 9.00%, 10/01/18	65,000	73,288
		677,768
Pharmaceuticals 0.14%		
Elan Finance PLC/Corp. (Ireland), Sr. Unsec. Gtd. Global Notes, 8.75%, 10/15/16	100,000	109,250
Endo Health Solutions Inc., Sr. Unsec. Gtd. Global Notes, 7.00%, 12/15/20	20,000	21,750

Mylan Inc., Sr. Unsec. Gtd. Notes, 6.00%, 11/15/18[(b)]	35,000	37,625
Wyeth LLC, Sr. Unsec. Gtd. Notes, 6.45%, 02/01/24	120,000	165,805
		334,430

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	Principal Amount	Value
Property & Casualty Insurance 1.78%		
CNA Financial Corp., Sr. Unsec. Notes, 7.35%, 11/15/19	$ 1,100,000	$ 1,349,201
QBE Capital Funding III Ltd. (Australia), Unsec. Gtd. Sub. Notes, 7.25%, 05/24/41[(b)]	1,500,000	1,470,000
W.R. Berkley Corp., Sr. Unsec. Notes, 7.38%, 09/15/19	600,000	722,667
XL Group PLC, Sr. Unsec. Global Notes, 5.25%, 09/15/14	710,000	755,259
		4,297,127
Railroads 1.19%		
Canadian Pacific Railway Co. (Canada), Sr. Unsec. Notes, 4.45%, 03/15/23	225,000	249,246
CSX Corp., Sr. Unsec. Global Notes, 6.15%, 05/01/37	770,000	1,000,377
Sr. Unsec. Notes, 5.50%, 04/15/41	1,350,000	1,634,894
		2,884,517
Real Estate Services 0.01%		
CB Richard Ellis Services Inc., Sr. Unsec. Gtd. Global Notes, 6.63%, 10/15/20	32,000	35,120

Regional Banks 1.54%		
CIT Group Inc., Sr. Sec. Gtd. Notes, 7.00%, 05/02/17[(b)]	23,035	23,035
Sr. Unsec. Global Notes, 5.25%, 03/15/18	95,000	99,750
Sr. Unsec. Notes, 5.00%, 05/15/17	15,000	15,750
5.50%, 02/15/19[(b)]	155,000	162,750
Fifth Third Bancorp, Sr. Unsec. Notes, 3.50%, 03/15/22	750,000	781,552
Unsec. Sub Notes, 4.50%, 06/01/18	580,000	628,691
First Niagara Financial Group Inc., Unsec. Sub. Notes, 7.25%, 12/15/21	340,000	392,454
Nationwide Building Society (United Kingdom), Sr. Unsec. Notes, 6.25%, 02/25/20[(b)]	1,030,000	1,142,826
Regions Financial Corp., Sr. Unsec. Notes, 5.75%, 06/15/15	345,000	368,288
Susquehanna Bancshares Inc., Sr. Unsec. Global Notes, 5.38%, 08/15/22	8,000	8,266
Synovus Financial Corp., Sr. Unsec. Global Notes, 7.88%, 02/15/19	35,000	39,025
Unsec. Sub. Global Notes, 5.13%, 06/15/17	65,000	63,131
		3,725,518
Research & Consulting Services 0.51%		
	60,000	63,300

FTI Consulting Inc., Sr. Unsec. Gtd. Global Notes, 6.75%, 10/01/20		
Novant Health, Inc. Series 2009 A, Bonds, 5.85%, 11/01/19	1,000,000	1,173,208
		1,236,508
Residential REIT s 0.39%		
Essex Portfolio L.P., Unsec. Gtd. Notes, 3.63%, 08/15/22[(b)]	940,000	943,612
Retail REIT s 0.38%		
Simon Property Group L.P., Sr. Unsec. Notes, 4.75%, 03/15/42	290,000	318,888
WEA Finance LLC (Australia), Sr. Unsec. Gtd. Notes, 7.13%, 04/15/18[(b)]	500,000	598,552
		917,440
Semiconductor Equipment 0.08%		
Amkor Technology Inc., Sr. Unsec. Global Notes, 6.63%, 06/01/21	120,000	121,500
Sensata Technologies B.V. (Luxembourg), Sr. Unsec. Gtd. Notes, 6.50%, 05/15/19[(b)]	70,000	74,287
		195,787
Semiconductors 0.08%		
Advanced Micro Devices Inc., Sr. Unsec. Notes, 7.50%, 08/15/22[(b)]	10,000	9,900
	170,000	184,450

Freescale Semiconductor Inc., Sr. Sec. Gtd. Notes, 9.25%, 04/15/18[(b)]		194,350
Soft Drinks 0.31%		
Coca-Cola Enterprises, Inc., Sr. Unsec. Notes, 1.13%, 11/12/13	750,000	754,820

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	Principal Amount	Value
Sovereign Debt 0.23%		
Mexico Government International Bond (Mexico), Sr. Unsec. Global Notes, 3.63%, 03/15/22	$ 500,000	$ 547,316
Specialized Finance 2.47%		
International Lease Finance Corp., Sr. Sec. Gtd. Notes, 6.50%, 09/01/14[(b)]	2,970,000	3,192,750
Sr. Unsec. Global Notes, 4.88%, 04/01/15	500,000	518,125
5.88%, 04/01/19	540,000	556,031
5.88%, 08/15/22	85,000	85,106
8.75%, 03/15/17	40,000	46,375
Sr. Unsec. Notes, 8.25%, 12/15/20	295,000	346,810
Moody s Corp., Sr. Unsec. Notes, 5.50%, 09/01/20	1,080,000	1,207,740
		5,952,937
Specialized REIT s 3.91%		
American Tower Corp., Sr. Unsec. Global Notes, 4.63%, 04/01/15	820,000	874,819
Sr. Unsec. Notes, 4.50%, 01/15/18	1,115,000	1,226,241
Entertainment Properties Trust, Sr. Unsec. Gtd. Global Notes, 7.75%, 07/15/20	1,250,000	1,399,765

Sr. Unsec. Gtd. Notes, 5.75%, 08/15/22	2,000,000	2,023,375
HCP, Inc., Sr. Unsec. Notes, 3.75%, 02/01/16	265,000	281,437
Host Hotels & Resorts L.P., Sr. Gtd. Global Notes, 6.00%, 11/01/20	50,000	55,625
Sr. Unsec. Notes, 5.25%, 03/15/22[(b)]	35,000	37,712
MPT Operating Partnership L.P./MPT Finance Corp., Sr. Unsec. Gtd. Global Notes, 6.88%, 05/01/21	25,000	27,313
Omega Healthcare Investors, Inc., Sr. Unsec. Gtd. Global Notes, 6.75%, 10/15/22	20,000	22,325
Senior Housing Properties Trust, Sr. Unsec. Notes, 4.30%, 01/15/16	1,755,000	1,805,895
6.75%, 12/15/21	500,000	560,625
Ventas Realty L.P./Ventas Capital Corp., Sr. Unsec. Gtd. Notes, 4.25%, 03/01/22	130,000	139,343
4.75%, 06/01/21	895,000	983,192
		9,437,667
Specialty Chemicals 0.06%		
Ashland Inc., Sr. Unsec. Notes, 4.75%, 08/15/22[(b)]	15,000	15,188
Ferro Corp., Sr. Unsec. Notes, 7.88%, 08/15/18	85,000	80,431
PolyOne Corp., Sr. Unsec. Notes, 7.38%, 09/15/20	55,000	60,225

		155,844
Specialty Stores 0.03%		
Michaels Stores Inc., Sr. Unsec. Gtd. Global Notes, 7.75%, 11/01/18	70,000	74,900
Steel 0.73%		
ArcelorMittal (Luxembourg), Sr. Unsec. Global Bonds, 10.10%, 06/01/19	770,000	884,040
Sr. Unsec. Global Notes, 6.50%, 02/25/22	20,000	19,547
7.00%, 03/01/41	135,000	117,535
United States Steel Corp., Sr. Unsec. Notes, 7.00%, 02/01/18	40,000	40,900
Vale Overseas Ltd. (Brazil), Sr. Unsec. Gtd. Global Notes, 6.88%, 11/10/39	580,000	690,409
		1,752,431
Systems Software 0.02%		
Allen Systems Group Inc., Sec. Gtd. Notes, 10.50%, 11/15/16 (Acquired 12/20/10; Cost $71,575)[(b)]	70,000	41,300
Technology Distributors 0.00%		
Anixter Inc., Sr. Unsec. Gtd. Global Notes, 5.63%, 05/01/19	10,000	10,500
Tires & Rubber 0.02%		
	50,000	55,188

Cooper Tire & Rubber Co.,
Sr. Unsec. Notes,
8.00%, 12/15/19

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	Principal Amount	Value
Tobacco 1.11%		
Altria Group, Inc., Sr. Unsec. Gtd. Global Notes, 4.13%, 09/11/15	$ 1,000,000	$ 1,096,782
4.75%, 05/05/21	935,000	1,080,891
9.70%, 11/10/18	340,000	490,583
		2,668,256
Trading Companies & Distributors 0.11%		
Air Lease Corp., Sr. Unsec. Notes, 5.63%, 04/01/17[(b)]	60,000	60,075
Aircastle Ltd., Sr. Unsec. Global Notes, 6.75%, 04/15/17	110,000	118,525
7.63%, 04/15/20	15,000	16,725
Interline Brands, Inc., Sr. Unsec. Gtd. Global Notes, 7.50%, 11/15/18	25,000	26,781
UR Merger Sub Corp., Sec. Gtd. Notes, 5.75%, 07/15/18[(b)]	5,000	5,313
Sr. Unsec. Global Notes, 8.25%, 02/01/21	25,000	27,500
		254,919
Trucking 0.16%		
Avis Budget Car Rental LLC/Avis Budget Finance Inc., Sr. Unsec. Gtd. Global Notes, 8.25%, 01/15/19	90,000	98,100

9.75%, 03/15/20	15,000	16,950
Sr. Unsec. Gtd. Notes, 8.25%, 01/15/19[(b)]	15,000	16,350
Hertz Corp. (The), Sr. Unsec. Gtd. Global Notes, 6.75%, 04/15/19	80,000	84,400
7.38%, 01/15/21	55,000	60,087
7.50%, 10/15/18	75,000	81,375
Sr. Unsec. Gtd. Notes, 6.75%, 04/15/19[(b)]	20,000	21,100
		378,362
Wireless Telecommunication Services 2.06%		
Alltel Corp., Sr. Unsec. Notes, 7.00%, 03/15/16	1,185,000	1,426,383
America Movil S.A.B de C.V. (Mexico), Sr. Unsec. Gtd. Global Notes, 6.13%, 03/30/40	565,000	730,909
Sr. Unsec. Global Notes, 4.38%, 07/16/42	620,000	639,179
Clearwire Communications LLC/Clearwire Finance, Inc., Sr. Sec. Gtd. Notes, 12.00%, 12/01/15[(b)]	45,000	44,775
Cricket Communications, Inc., Sr. Unsec. Gtd. Global Notes, 7.75%, 10/15/20	166,000	162,265
Crown Castle Towers LLC, Sr. Sec. Gtd. Notes, 4.88%, 08/15/20[(b)]	1,215,000	1,339,537
Digicel Group Ltd. (Ireland), Sr. Unsec. Notes, 8.88%, 01/15/15[(b)]	100,000	102,375
MetroPCS Wireless Inc., Sr. Unsec. Gtd. Notes,		

6.63%, 11/15/20	85,000	89,250
7.88%, 09/01/18	35,000	37,559
Sprint Capital Corp., Sr. Unsec. Gtd. Global Notes, 6.88%, 11/15/28	55,000	50,050
6.90%, 05/01/19	55,000	56,375
Sprint Nextel Corp., Sr. Unsec. Global Notes, 7.00%, 08/15/20	20,000	20,575
11.50%, 11/15/21	15,000	18,788
Sr. Unsec. Gtd. Notes, 7.00%, 03/01/20[(b)]	60,000	65,850
9.00%, 11/15/18[(b)]	45,000	53,268
Wind Acquisition Finance S.A. (Italy), Sr. Sec. Gtd. Notes, 11.75%, 07/15/17[(b)]	150,000	138,000
		4,975,138
Total U.S. Dollar Denominated Bonds and Notes (Cost $206,096,970)		223,422,754
U.S. Treasury Securities 3.00%		
U.S. Treasury Bills 0.12%		
0.10%, 11/15/12[(f)(g)]	300,000	299,955
U.S. Treasury Notes 1.98%		
0.88%, 04/30/17	1,660,000	1,685,419
2.00%, 02/15/22	1,130,000	1,181,733
1.75%, 05/15/22	1,870,000	1,907,984
		4,775,136
U.S. Treasury Bonds 0.90%		

3.13%, 11/15/41	200,000	219,156
3.13%, 02/15/42	1,790,000	1,959,771
		2,178,927
Total U.S. Treasury Securities (Cost $7,068,174)		7,254,018

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	Shares	Value
Preferred Stocks 0.72%		
Consumer Finance 0.03%		
Ally Financial, Inc., Series A, 8.50% Pfd.	1,440	$ 35,338
Ally Financial, Inc., Series G, 7.00% Pfd.[(b)]	7	6,375
GMAC Capital Trust I, Series 2, 8.13% Jr. Gtd. Sub. Pfd.	1,615	40,084
		81,797
Diversified Banks 0.02%		
Royal Bank of Scotland PLC (The) (United Kingdom), Series T, 7.25% Jr. Sub. Pfd.	1,960	44,668
Multi-Line Insurance 0.05%		
Hartford Financial Services Group Inc. (The), 7.88% Jr. Sub. Pfd.	4,135	116,400
Office REIT s 0.01%		
DuPont Fabros Technology, Inc., Series B, 7.63% Pfd.	560	15,120
Regional Banks 0.45%		
BB&T Corp., Series E, 5.63% Pfd.	2,020	51,753

PNC Financial Services Group Inc., Series P, 6.13% Pfd.	30,000	830,700
Zions Bancorp, Series C, 9.50% Pfd.	7,800	205,374
		1,087,827
Reinsurance 0.15%		
Reinsurance Group of America, Inc., 6.20% Jr. Unsec. Sub. Pfd.	14,000	375,620
Tires & Rubber 0.01%		
Goodyear Tire & Rubber Co. (The), $2.94 Conv. Pfd.	420	18,950
Total Preferred Stocks (Cost $1,611,538)		1,740,382
	Principal Amount	
Asset-Backed Securities 0.90%		
Bear Stearns Commercial Mortgage Securities Series 2007-T26, Class A4, Variable Rate Pass Through Ctfs., 5.47%, 01/12/45[(e)]	$ 700,000	818,427
GS Mortgage Securities Corp. II Series 2012-ALOH, Class B, Pass Through Ctfs., 4.05%, 04/10/34[(b)]	500,000	537,175
Santander Drive Auto Receivables Trust Series 2011-1, Class D, Pass Through Ctfs., 4.01%, 02/15/17	790,000	807,881
TIAA Seasoned Commercial Mortgage Trust Series 2007-C4, Class A2, Variable Rate Pass Through Ctfs., 5.30%, 08/15/39[(e)]	20,001	20,021
Total Asset-Backed Securities (Cost $1,909,911)		2,183,504
Municipal Obligations 0.44%		

Alameda (County of) California Joint Powers Authority (Multiple Capital); Series 2010 A, Lease RB, 7.05%, 12/01/44		530,000	693,346
Georgia (State of) Municipal Electric Authority (Plant Vogtle Units 3 & 4 Project J); Series 2010 A, Taxable RB, 6.64%, 04/01/57		300,000	356,076
Total Municipal Obligations (Cost $845,305)			1,049,422
Non-U.S. Dollar Denominated Bonds & Notes 0.28%[b]			
Canada 0.02%			
Gateway Casinos & Entertainment Ltd., Sec. Gtd. Notes, 8.88%, 11/15/17[b]	CAD	49,000	52,186
Czech Republic 0.03%			
Central European Media Enterprises Ltd. REGS, Jr. Sec. Gtd. Euro Notes, 11.63%, 09/15/16[b]	EUR	50,000	66,359
Luxembourg 0.10%			
Codere Finance Luxembourg S.A. REGS, Sr. Sec. Gtd. Euro Notes, 8.25%, 06/15/15[b]	EUR	115,000	122,970
Mark IV Europe Lux SCA/Mark IV USA SCA, Sr. Sec. Gtd. Notes, 8.88%, 12/15/17[b]	EUR	90,000	119,447
			242,417
Mexico 0.03%			
Cemex Finance Europe B.V., Sr. Unsec. Gtd. Euro Notes, 4.75%, 03/05/14	EUR	50,000	61,328
Spain 0.05%			

Cirsa Funding Luxembourg S.A. REGS, Sr. Unsec. Gtd. Euro Notes, 8.75%, 05/15/18[(b)]	EUR	100,000	111,018
United Kingdom 0.05%			
Boparan Finance PLC REGS, Sr. Unsec. Gtd. Euro Notes, 9.75%, 04/30/18[(b)]	EUR	100,000	133,662
Total Non-U.S. Dollar Denominated Bonds & Notes (Cost $692,720)			666,970

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

	Shares	Value
Money Market Funds 0.34%		
Liquid Assets Portfolio Institutional Class[i]	406,533	$ 406,533
Premier Portfolio Institutional Class[i]	406,533	406,533
Total Money Market Funds (Cost $813,066)		813,066
TOTAL INVESTMENTS 98.19% (Cost $219,037,684)		237,130,116
OTHER ASSETS LESS LIABILITIES 1.81%		4,381,419
NET ASSETS 100.00%		$ 241,511,535

Investment Abbreviations:

CAD	Canadian Dollar
Conv.	Convertible
Ctfs.	Certificates
Deb.	Debentures
EUR	Euro
Gtd.	Guaranteed
Jr.	Junior
Pfd.	Preferred
PIK	Payment in Kind
RB	Revenue Bonds
REGS	Regulation S
REIT	Real Estate Investment Trust
Sec.	Secured
Sr.	Senior
Sub.	Subordinated
Unsec.	Unsecured
Unsub.	Unsubordinated

Notes to Schedule of Investments:

(a) Industry and/or sector classifications used in this report are generally according to the Global Industry Classification Standard, which was developed by and is the exclusive property and a service mark of MSCI Inc. and Standard & Poor s.

(b) Security purchased or received in a transaction exempt from registration under the Securities Act of 1933, as amended. The security may be resold pursuant to an exemption from registration under the 1933 Act, typically to qualified institutional buyers. The aggregate value of these securities at August 31, 2012 was $59,929,155, which represented 24.81% of the Fund s Net Assets.

(c) Defaulted security. Currently, the issuer is partially or fully in default with respect to interest payments. The aggregate value of these securities at August 31, 2012 was $119,588, which represented 0.05% of the Fund s Net Assets.
(d) Perpetual bond with no specified maturity date.
(e) Interest or dividend rate is redetermined periodically. Rate shown is the rate in effect on August 31, 2012.
(f) All or a portion of the value was pledged as collateral to cover margin requirements for open futures contracts. See Note 1J and Note 4.
(g) Security traded on a discount basis. The interest rate shown represents the discount rate at the time of purchase by the Fund.
(h) Foreign denominated security. Principal amount is denominated in currency indicated.
(i) The money market fund and the Fund are affiliated by having the same investment adviser.

Portfolio Composition

By security type, based on Net Assets
as of August 31, 2012

U.S. Dollar Denominated Bonds and Notes	92.5%
U.S. Treasury Securities	3.0
Asset-Backed Securities	0.9
Preferred Stocks	0.7
Municipal Obligations	0.4
Non-U.S. Dollar Denominated Bonds & Notes	0.3
Money Market Funds Plus Other Assets Less Liabilities	2.2

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

Statement of Assets and Liabilities

August 31, 2012
(Unaudited)

Assets:	
Investments, at value (Cost $218,224,618)	$ 236,317,050
Investments in affiliated money market funds, at value and cost	813,066
Total investments, at value (Cost $219,037,684)	237,130,116
Cash	393,500
Receivable for:	
Investments sold	700,499
Variation margin	83,453
Dividends and interest	3,159,793
Premiums paid on swap agreements	324,010
Other assets	9,591
Total assets	241,800,962
Liabilities:	
Payable for:	
Investments purchased	31,329
Amount due custodian foreign, at value (Cost $4,738)	4,474
Dividends	21,576
Foreign currency contracts outstanding	7,918
Accrued fees to affiliates	19
Accrued other operating expenses	70,810
Unrealized depreciation on swap agreements	153,301

Total liabilities	289,427
Net assets applicable to shares outstanding	$ 241,511,535
Net assets consist of:	
Shares of beneficial interest	$ 218,463,541
Undistributed net investment income	(1,352,090)
Undistributed net realized gain	6,304,887
Unrealized appreciation	18,095,197
	$ 241,511,535
Shares outstanding, no par value, with an unlimited number of shares authorized:	
Outstanding	11,357,434
Net asset value per share	$ 21.26
Market value per share	$ 22.35

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

Statement of Operations

For the six months ended August 31, 2012
(Unaudited)

Investment income:	
Interest	$ 5,560,843
Dividends	45,499
Dividends from affiliated money market funds	2,470
Total investment income	5,608,812
Expenses:	
Advisory fees	498,698
Administrative services fees	27,309
Custodian fees	11,985
Transfer agent fees	33,535
Trustees and officers fees and benefits	13,158
Other	87,822
Total expenses	672,507
Less: Fees waived	(2,650)
Net expenses	669,857
Net investment income	4,938,955
Realized and unrealized gain (loss) from:	
Net realized gain (loss) from:	
Investment securities	3,839,706
Foreign currencies	5,688

Foreign currency contracts	39,856
Futures contracts	415,857
Swap agreements	(23,479)
	4,277,628
Change in net unrealized appreciation (depreciation) of:	
Investment securities	3,457,005
Foreign currencies	(2,844)
Foreign currency contracts	1,397
Futures contracts	77,727
Swap agreements	(161,235)
	3,372,050
Net realized and unrealized gain	7,649,678
Net increase in net assets resulting from operations	$ 12,588,633

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

Statement of Changes in Net Assets

For the six months ended August 31, 2012 and the year ended February 29, 2012
(Unaudited)

	August 31, 2012	February 29, 2012
Operations:		
Net investment income	$ 4,938,955	$ 10,207,880
Net realized gain	4,277,628	7,695,887
Change in net unrealized appreciation	3,372,050	3,755,182
Net increase in net assets resulting from operations	12,588,633	21,658,949
Distributions to shareholders from net investment income	(5,449,068)	(10,885,391)
Distributions to shareholders from net realized gain		(4,639,800)
Net change in net assets resulting from operations	7,139,565	6,133,758
Share transactions net:		
Net increase in net assets resulting from share transactions	149,860	289,973
Net increase in net assets	7,289,425	6,423,731
Net assets applicable to common shares:		
Beginning of period	234,222,110	227,798,379
End of period (includes undistributed net investment income of $(1,352,090) and $(841,977), respectively)	$ 241,511,535	$ 234,222,110

Notes to Financial Statements

August 31, 2012
(Unaudited)

NOTE 1 Significant Accounting Policies

Invesco Van Kampen Bond Fund (the Fund) is registered under the Investment Company Act of 1940, as amended (the 1940 Act), as a diversified, closed-end management investment company.

The Fund s investment objective is to seek interest income while conserving capital.

A. Security Valuations Securities, including restricted securities, are valued according to the following policy.

Debt obligations (including convertible bonds) and unlisted equities are fair valued using an evaluated quote provided by an independent pricing service. Evaluated quotes provided by the pricing service may be determined without exclusive reliance on quoted prices, and may reflect appropriate factors such as institution-size trading in similar groups of securities, developments related to specific securities, dividend rate, yield, quality, type of issue, coupon rate, maturity, individual trading characteristics and other market data. Debt securities are subject to interest rate and credit risks. In addition, all debt securities involve some risk of default with respect to interest and/or principal payments.

A security listed or traded on an exchange (except convertible bonds) is valued at its last sales price or official closing price as of the close of the customary trading session on the exchange where the security is principally traded, or lacking any sales or official closing price on a particular day, the security may be valued at the closing bid price on that day. Securities traded in the over-the-counter market are valued based on prices furnished by independent pricing services or market makers. When such securities are valued by an independent pricing service they may be considered fair valued. Futures contracts are valued at the final settlement price set by an exchange on which they are principally traded. Listed options are valued at the mean between the last bid and ask prices from the exchange on which they are principally traded. Options not listed on an exchange are valued by an independent source at the mean between the last bid and ask prices. For purposes of determining net asset value per share, futures and option contracts generally are valued 15 minutes after the close of the customary trading session of the New York Stock Exchange (NYSE).

Investments in open-end and closed-end registered investment companies that do not trade on an exchange are valued at the end of day net asset value per share. Investments in open-end and closed-end registered investment companies that trade on an exchange are valued at the last sales price or official closing price as of the close of the customary trading session on the exchange where the security is principally traded.

Swap agreements are fair valued using an evaluated quote provided by an independent pricing service. Evaluated quotes provided by the pricing service are valued based on a model which may include end of day net present values, spreads, ratings, industry, and company performance.

Foreign securities (including foreign exchange contracts) are converted into U.S. dollar amounts using the applicable exchange rates as of the close of the NYSE. If market quotations are available and reliable for foreign exchange traded equity securities, the securities will be valued at the market quotations. Because trading hours for certain foreign securities end before the close of the NYSE, closing market quotations may become unreliable. If between the time trading ends on a particular security and the close of the customary trading session on the NYSE, events occur that are significant and make the closing price unreliable, the Fund may fair value the security. If the event is likely to have affected the closing price of the security, the security

will be valued at fair value in good faith using procedures approved by the Board of Trustees. Adjustments to closing prices to reflect fair value may also be based on a screening process of an independent pricing service to indicate the degree of certainty, based on historical data, that the closing price in the principal market where a foreign security trade is not the current value as of the close of the NYSE. Foreign securities meeting the approved degree of certainty that the price is not reflective of current value will be priced at the indication of fair value from the independent pricing service. Multiple factors may be considered by the independent pricing service in determining adjustments to reflect fair value and may include information relating to sector indices, American Depositary Receipts and domestic and foreign index futures. Foreign securities may have additional risks including exchange rate changes, potential for sharply devalued currencies and high inflation, political and economic upheaval, the relative lack of issuer information, relatively low market liquidity and the potential lack of strict financial and accounting controls and standards.

Securities for which market prices are not provided by any of the above methods may be valued based upon quotes furnished by independent sources. The last bid price may be used to value equity securities. The mean between the last bid and asked prices is used to value debt obligations, including corporate loans.

Securities for which market quotations are not readily available or are unreliable are valued at fair value as determined in good faith by or under the supervision of the Trust s officers following procedures approved by the Board of Trustees. Issuer specific events, market trends, bid/ask quotes of brokers and information providers and other market data may be reviewed in the course of making a good faith determination of a security s fair value.

Valuations change in response to many factors including the historical and prospective earnings of the issuer, the value of the issuer s assets, general economic conditions, interest rates, investor perceptions and market liquidity. Because of the inherent uncertainties of valuation, the values reflected in the financial statements may materially differ from the value received upon actual sale of those investments.

B. Securities Transactions and Investment Income Securities transactions are accounted for on a trade date basis. Realized gains or losses on sales are computed on the basis of specific identification of the securities sold. Interest income is recorded on the accrual basis from settlement date. Paydown gains and losses on mortgage and asset-backed securities are recorded as adjustments to interest income. Dividend income (net of withholding tax, if any) is recorded on the ex-dividend date. Bond premiums and discounts are amortized and/or accreted for financial reporting purposes.

The Fund may periodically participate in litigation related to Fund investments. As such, the Fund may receive proceeds from litigation settlements. Any proceeds received are included in the Statement of Operations as realized gain (loss) for investments no longer held and as unrealized gain (loss) for investments still held.

Brokerage commissions and mark ups are considered transaction costs and are recorded as an increase to the cost basis of securities purchased and/or a reduction of proceeds on a sale of securities. Such transaction costs are included in the determination of net realized and unrealized gain (loss) from investment securities reported in the Statement of Operations and the Statement of Changes in Net Assets and the net realized and unrealized gains (losses) on securities per share in the Financial Highlights. Transaction costs are included in the calculation of the Fund s net asset value and, accordingly, they reduce the Fund s total returns. These transaction costs are not considered operating expenses and are not reflected in net investment income reported in the Statement of Operations and Statement of Changes in Net Assets, or the net investment income per share and ratios of expenses and net investment income reported in the Financial Highlights, nor are they limited by any expense limitation arrangements between the Fund and the investment adviser.

C. Country Determination For the purposes of making investment selection decisions and presentation in the Schedule of Investments, the investment adviser may determine the country in which an issuer is located and/or credit risk exposure based on various factors. These factors include the laws of the country under which the issuer is organized, where the issuer maintains a principal office, the country in which the issuer derives 50% or more of its total revenues and the country that has the primary market for the issuer s securities, as well as other criteria. Among the other criteria that may be evaluated for making this determination are the country in which the issuer maintains 50% or more of its assets, the type of security, financial guarantees and enhancements, the nature of the collateral and the sponsor organization. Country of issuer and/or credit risk exposure has been determined to be

the United States of America, unless otherwise noted.

D. Distributions The Fund declares and pays monthly dividends from net investment income to common shareholders. Distributions from net realized capital gain, if any, are generally paid annually and are distributed on a pro rata basis to common shareholders. The Fund may elect to treat a portion of the proceeds from redemptions as distributions for federal income tax purposes.

E. Federal Income Taxes The Fund intends to comply with the requirements of Subchapter M of the Internal Revenue Code necessary to qualify as a regulated investment company and to distribute substantially all of the Fund s taxable earnings to shareholders. As such, the Fund will not be subject to federal income taxes on otherwise taxable income (including net realized capital gain) that is distributed to shareholders. Therefore, no provision for federal income taxes is recorded in the financial statements.

F. Accounting Estimates The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period including estimates and assumptions related to taxation. Actual results could differ from those estimates by a significant amount. In addition, the Fund monitors for material events or transactions that may occur or become known after the period-end date and before the date the financial statements are released to print.

G. Indemnifications Under the Fund s organizational documents, each Director, officer, employee or other agent of the Trust is indemnified against certain liabilities that may arise out of the performance of their duties to the Fund. Additionally, in the normal course of business, the Fund enters into contracts, including the Fund s servicing agreements, that contain a variety of indemnification clauses. The Fund s maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet occurred. The risk of material loss as a result of such indemnification claims is considered remote.

H. Foreign Currency Translations Foreign currency is valued at the close of the NYSE based on quotations posted by banks and major currency dealers. Portfolio securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollar amounts at date of valuation. Purchases and sales of portfolio securities (net of foreign taxes withheld on disposition) and income items denominated in foreign currencies are translated into U.S. dollar amounts on the respective dates of such transactions. The Fund does not separately account for the portion of the results of operations

resulting from changes in foreign exchange rates on investments and the fluctuations arising from changes in market prices of securities held. The combined results of changes in foreign exchange rates and the fluctuation of market prices on investments (net of estimated foreign tax withholding) are included with the net realized and unrealized gain or loss from investments in the Statement of Operations. Reported net realized foreign currency gains or losses arise from (1) sales of foreign currencies, (2) currency gains or losses realized between the trade and settlement dates on securities transactions, and (3) the difference between the amounts of dividends, interest, and foreign withholding taxes recorded on the Fund s books and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign currency gains and losses arise from changes in the fair values of assets and liabilities, other than investments in securities at fiscal period end, resulting from changes in exchange rates.

The Fund may invest in foreign securities which may be subject to foreign taxes on income, gains on investments or currency repatriation, a portion of which may be recoverable.

I. Foreign Currency Contracts The Fund may enter into foreign currency contracts to manage or minimize currency or exchange rate risk. The Fund may also enter into foreign currency contracts for the purchase or sale of a security denominated in a foreign currency in order to lock in the U.S. dollar price of that security. A foreign currency contract is an obligation to purchase or sell a specific currency for an agreed-upon price at a future date. The use of foreign currency contracts does not eliminate fluctuations in the price of the underlying securities the Fund owns or intends to acquire but establishes a rate of exchange in advance. Fluctuations in the value of these contracts are measured by the difference in the contract date and reporting date exchange rates and are recorded as unrealized appreciation (depreciation) until the contracts are closed. When the contracts are closed, realized gains (losses) are recorded. Realized and unrealized gains (losses) on the contracts are included in the Statement of Operations. The primary risks associated with foreign currency contracts include failure of the counterparty to meet the terms of the contract and the value of the foreign currency changing unfavorably. These risks may be in excess of the amounts reflected in the Statement of Assets and Liabilities.

J. Futures Contracts The Fund may enter into futures contracts to manage exposure to interest rate, equity and market price movements and/or currency risks. A futures contract is an agreement between two parties to purchase or sell a specified underlying security, currency or commodity (or delivery of a cash settlement price, in the case of an index future) for a fixed price at a future date. The Fund currently invests only in exchange-traded futures and they are standardized as to maturity date and underlying financial instrument. Initial margin deposits required upon entering into futures contracts are satisfied by the segregation of specific securities or cash as collateral at the futures commission merchant (broker). During the period the futures contracts are open, changes in the value of the contracts are recognized as unrealized gains or losses by recalculating the value of the contracts on a daily basis. Subsequent or variation margin payments are received or made depending upon whether unrealized gains or losses are incurred. These amounts are reflected as receivables or payables on the Statement of Assets and Liabilities. When the contracts are closed or expire, the Fund recognizes a realized gain or loss equal to the difference between the proceeds from, or cost of, the closing transaction and the Fund s basis in the contract. The net realized gain (loss) and the change in unrealized gain (loss) on futures contracts held during the period is included on the Statement of Operations. The primary risks associated with futures contracts are market risk and the absence of a liquid secondary market. If the Fund were unable to liquidate a futures contract and/or enter into an offsetting closing transaction, the Fund would continue to be subject to market risk with respect to the value of the contracts and continue to be required to maintain the margin deposits on the futures contracts. Futures contracts have minimal counterparty risk since the exchange s clearinghouse, as counterparty to all exchange-traded futures, guarantees the futures against default. Risks may exceed amounts recognized in the Statement of Assets and Liabilities.

K. Swap Agreements The Fund may enter into various swap transactions, including interest rate, total return, index, currency exchange rate and credit default swap contracts (CDS) for investment purposes or to manage interest rate, currency or credit risk.

Interest rate, total return, index, and currency exchange rate swap agreements are two-party contracts entered into primarily to exchange the returns (or differentials in rates of returns) earned or realized on particular predetermined investments or instruments. The gross returns to be exchanged or swapped between the parties are

calculated with respect to a notional amount, i.e., the return on or increase in value of a particular dollar amount invested at a particular interest rate or return of an underlying asset, in a particular foreign currency, or in a basket of securities representing a particular index.

A CDS is an agreement between two parties (Counterparties) to exchange the credit risk of an issuer. A buyer of a CDS is said to buy protection by paying a fixed payment over the life of the agreement and in some situations an upfront payment to the seller of the CDS. If a defined credit event occurs (such as payment default or bankruptcy), the Fund as a protection buyer would cease paying its fixed payment, the Fund would deliver eligible bonds issued by the reference entity to the seller, and the seller would pay the full notional value, or the par value , of the referenced obligation to the Fund. A seller of a CDS is said to sell protection and thus would receive a fixed payment over the life of the agreement and an upfront payment, if applicable. If a credit event occurs, the Fund as a protection seller would cease to receive the fixed payment stream, the Fund would pay the buyer par value or the full notional value of the referenced obligation, and the Fund would receive the eligible bonds issued by the reference entity. In turn, these bonds may be sold in order to realize a recovery value. Alternatively, the seller of the CDS and its counterparty may agree to net the notional amount and the market value of the bonds and make a cash payment equal to the difference to the buyer of protection. If no credit event occurs, the Fund receives the fixed payment over the life of the agreement. As the seller, the Fund would effectively add leverage to its portfolio because, in addition to its total net assets, the Fund would be subject to investment exposure on the notional amount of the CDS. In connection with these agreements, cash and securities may be identified as collateral in accordance with the terms of the respective swap agreements to provide assets of value and recourse in the event of default under the swap agreement or bankruptcy/insolvency of a party to the swap agreement. If a counterparty becomes bankrupt or otherwise fails to perform its obligations due to financial difficulties, the Fund may experience significant delays in obtaining any recovery in a bankruptcy or other reorganization proceeding. The Fund may obtain only limited recovery or may obtain no recovery in such circumstances.

Implied credit spreads represent the current level at which protection could be bought or sold given the terms of the existing CDS contract and serve as an indicator of the current status of the payment/performance risk of the CDS. An implied spread that has widened or increased since entry into the initial contract may indicate a deteriorating credit profile and increased risk of default for the reference entity. A declining or narrowing spread may indicate an

improving credit profile or decreased risk of default for the reference entity. Alternatively, credit spreads may increase or decrease reflecting the general tolerance for risk in the credit markets.

Changes in the value of swap agreements are recognized as unrealized gains (losses) in the Statement of Operations by marking to market on a daily basis to reflect the value of the swap agreement at the end of each trading day. Payments received or paid at the beginning of the agreement are reflected as such on the Statement of Assets and Liabilities and may be referred to as upfront payments. The Fund accrues for the fixed payment stream and amortizes upfront payments, if any, on swap agreements on a daily basis with the net amount, recorded as a component of realized gain (loss) on the Statement of Operations. A liquidation payment received or made at the termination of a swap agreement is recorded as realized gain (loss) on the Statement of Operations. The Fund segregates liquid securities having a value at least equal to the amount of the potential obligation of a Fund under any swap transaction. The Fund s maximum risk of loss from counterparty risk, either as the protection seller or as the protection buyer, is the value of the contract. The risk may be mitigated by having a master netting arrangement between the Fund and the counterparty and by the posting of collateral by the counterparty to cover the Fund s exposure to the counterparty. Entering into these agreements involves, to varying degrees, lack of liquidity and elements of credit, market, and counterparty risk in excess of amounts recognized on the Statement of Assets and Liabilities. Such risks involve the possibility that a swap is difficult to sell or liquidate; the counterparty does not honor its obligations under the agreement and unfavorable interest rates and market fluctuations.

L. Collateral To the extent the Fund has pledged or segregated a security as collateral and that security is subsequently sold, it is the Fund s practice to replace such collateral no later than the next business day.

NOTE 2 Advisory Fees and Other Fees Paid to Affiliates

The Fund has entered into a master investment advisory agreement with Invesco Advisers, Inc. (the Adviser or Invesco). Under the terms of the investment advisory agreement, the Fund pays an advisory fee to the Adviser based on the annual rate of the Fund s average daily net assets as follows:

Average Net Assets	Rate
First $500 million	0.42%
Over $500 million	0.35%

Under the terms of a master sub-advisory agreement between the Adviser and each of Invesco Asset Management Deutschland GmbH, Invesco Asset Management Limited, Invesco Asset Management (Japan) Limited, Invesco Australia Limited, Invesco Hong Kong Limited, Invesco Senior Secured Management, Inc. and Invesco Canada Ltd. (collectively, the Affiliated Sub-Advisers) the Adviser, not the Fund, may pay 40% of the fees paid to the Adviser to any such Affiliated Sub-Adviser(s) that provide(s) discretionary investment management services to the Fund based on the percentage of assets allocated to such Sub-Adviser(s).

The Adviser had contractually agreed, through June 30, 2012, to waive advisory fees and/or reimburse expenses to the extent necessary to limit the Fund s expenses (excluding certain items discussed below) to 0.58%. In determining the Adviser s obligation to waive advisory fees and/or reimburse expenses, the following expenses are not taken into account, and could cause the Fund s expenses to exceed the limit reflected above: (1) interest; (2) taxes; (3) dividend expense on short sales; (4) extraordinary or non-routine items, including litigation expenses; and (5) expenses that the Fund has incurred but did not actually pay because of an expense offset arrangement. The fee waiver agreement terminated on June 30, 2012. The Adviser did not waive fees and/or reimburse expenses during the period under this expense limitation.

Further, the Adviser has contractually agreed, through at least June 30, 2013, to waive the advisory fee payable by the Fund in an amount equal to 100% of the net advisory fees the Adviser receives from the affiliated money market funds on investments by the Fund of uninvested cash in such affiliated money market funds.

For the six months ended August 31, 2012, the Adviser waived advisory fees of $2,650.

The Fund has entered into a master administrative services agreement with Invesco pursuant to which the Fund has agreed to pay Invesco for certain administrative costs incurred in providing accounting services to the Fund. For the six months ended August 31, 2012, expenses incurred under this agreement are shown in the Statement of Operations as *Administrative services fees*.

Certain officers and trustees of the Fund are officers and directors of Invesco.

NOTE 3 Additional Valuation Information

GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, under current market conditions. GAAP establishes a hierarchy that prioritizes the inputs to valuation methods giving the highest priority to readily available unadjusted quoted prices in an active market for identical assets (Level 1) and the lowest priority to significant unobservable inputs (Level 3) generally when market prices are not readily available or are unreliable. Based on the valuation inputs, the securities or other investments are tiered into one of three levels. Changes in valuation methods may result in transfers in or out of an investment s assigned level:

Level 1 Prices are determined using quoted prices in an active market for identical assets.

Level 2 Prices are determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include quoted prices for similar securities, interest rates, prepayment speeds, credit risk, yield curves, loss severities, default rates, discount rates, volatilities and others.

Level 3 Prices are determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable (for example, when there is little or no market activity for an investment at the end of the period), unobservable inputs may be used. Unobservable inputs reflect the Fund s own assumptions about the factors market participants would use in determining fair value of the securities or instruments and would be based on the best available information.

The following is a summary of the tiered valuation input levels, as of August 31, 2012. The level assigned to the securities valuations may not be an indication of the risk or liquidity associated with investing in those securities. Because of the inherent uncertainties of valuation, the values reflected in the financial statements may materially differ from the value received upon actual sale of those investments.

	Level 1	Level 2	Level 3	Total
Equity Securities	$ 2,547,073	$ 6,375	$	$ 2,553,448
U.S. Treasury Securities		7,254,018		7,254,018
Corporate Debt Securities		223,542,408		223,542,408
Asset-Backed Securities		2,183,504		2,183,504
Municipal Obligations		1,049,422		1,049,422
Foreign Government Debt Securities		547,316		547,316
Total Investments	$ 2,547,073	$ 234,583,043	$	$ 237,130,116
Foreign Currency Contracts*		(7,918)		(7,918)
Futures*	163,651			163,651
Swap Agreements*		(153,301)		(153,301)
Total	$ 2,710,724	$ 234,421,824	$	$ 237,132,548

* Unrealized appreciation (depreciation).

NOTE 4 Derivative Investments

Value of Derivative Instruments at Period-End

The table below summarizes the value of the Fund s derivative instruments, detailed by primary risk exposure, held as of August 31, 2012:

	Value	
Risk Exposure/Derivative Type	**Assets**	**Liabilities**
Credit risk Swap Agreements[(a)]	$ 18,232	$ (171,533)
Currency risk Foreign Currency Contracts[(b)]		(7,918)

Interest rate risk		
Futures contracts[(c)]	215,126	(51,475)

(a) Values are disclosed on the Statement of Assets and Liabilities under Unrealized depreciation on swap agreements.
(b) Values are disclosed on the Statement of Assets and Liabilities under Foreign currency contracts outstanding.
(c) Includes cumulative appreciation of futures contracts. Only current day s variation margin receivable is reported within the Statement of Assets and Liabilities.

Effect of Derivative Instruments for the six months ended August 31, 2012

The table below summarizes the gains (losses) on derivative instruments, detailed by primary risk exposure, recognized in earnings during the period:

	Location of Gain (Loss) on Statement of Operations		
	Futures*	**Foreign Currency Contracts***	**Swap Agreements***
Realized Gain (Loss)			
Credit risk	$	$	$ (23,479)
Currency risk		39,856	
Interest rate risk	415,857		
Change in Unrealized Appreciation (Depreciation)			
Credit risk	$	$	$ (161,235)
Currency risk		1,397	
Interest rate risk	77,727		
Total	$ 493,584	$ 41,253	$ (184,714)

* The average notional value of futures, foreign currency contracts and swap agreements outstanding during the period was $45,101,160, $698,942 and $8,866,667, respectively.

Open Futures Contracts

	Number of Contracts	Expiration Month	Notional Value	Unrealized Appreciation (Depreciation)
Long Contracts				
U.S. Treasury 5 Year Notes	266	December-2012	$ 33,160,641	$ 161,535
U.S. Treasury Ultra Bonds	16	December-2012	2,704,000	53,591
Subtotal			$ 35,864,641	$ 215,126
Short Contracts				
U.S. Treasury 10 Year Notes	48	December-2012	$ (6,418,500)	$ (51,475)
Subtotal			$ (6,418,500)	$ (51,475)
Total			$ 29,446,141	$ 163,651

Open Foreign Currency Contracts

Settlement Date	Counterparty	Contract to Deliver		Receive		Notional Value	Unrealized Appreciation (Depreciation)
11/09/12	RBC Dain Rauscher	EUR	515,000	USD	640,510	$ 648,428	$ (7,918)

Currency Abbreviations:
EUR Euro
USD U.S. Dollar

Open Credit Default Swap Agreements

Counterparty	Reference Entity	Buy/Sell Protection	Pay/Receive Fixed Rate	Expiration Date	Implied Credit Spread[(a)]	Notional Amount	Upfront Payments	Unrealized Appreciation (Depreciation)
Bank of America	Royal Caribbean	Sell	5.00%	03/20/17	4.59%	$ 1,100,000	$	$ 18,232
Morgan Stanley	Carnival Corp.	Buy	(1.00)	03/20/17	1.03	1,100,000	27,110	(25,882)
Deutsche Bank	JP Morgan Chase	Buy	(1.00)	06/20/17	1.14	2,500,000	66,896	(50,461)

Bank of America	Citigroup Inc.	Buy	(1.00)	06/20/17	2.16	2,500,000	186,367	(56,268)
Morgan Stanley	Markit North America Investment Grade, Index Series 18	Buy	(1.00)	06/20/17	1.02	5,000,000	43,637	(38,922)
Total credit default swap agreements							$ 324,010	$ (153,301)

(a) Implied credit spreads represent the current level as of August 31, 2012 at which protection could be bought or sold given the terms of the existing credit default swap contract and serve as an indicator of the current status of the payment/performance risk of the credit default swap contract. An implied credit spread that has widened or increased since entry into the initial contract may indicate a deteriorating credit profile and increased risk of default for the reference entity. A declining or narrowing spread may indicate an improving credit profile or decreased risk of default for the reference entity. Alternatively, credit spreads may increase or decrease reflecting the general tolerance for risk in the credit markets generally.

NOTE 5 Trustees and Officers Fees and Benefits

Trustees and Officers Fees and Benefits include amounts accrued by the Fund to pay remuneration to certain Trustees and Officers of the Fund.

During the six months ended August 31, 2012, the Fund paid legal fees of $26,574 for services rendered by Skadden, Arps, Slate, Meagher & Flom LLP as counsel to the Fund. A trustee of the Fund is of counsel with the firm.

NOTE 6 Cash Balances

The Fund is permitted to temporarily carry a negative or overdrawn balance in its account with State Street Bank and Trust Company, the custodian bank. Such balances, if any at period end, are shown in the Statement of Assets and Liabilities under the payable caption *Amount due custodian*. To compensate the custodian bank for such overdrafts, the overdrawn Fund may either (1) leave funds as a compensating balance in the account so the custodian bank can be compensated by earning the additional interest; or (2) compensate by paying the custodian bank at a rate agreed upon by the custodian bank and Invesco, not to exceed the contractually agreed upon rate.

NOTE 7 Tax Information

The amount and character of income and gains to be distributed are determined in accordance with income tax regulations, which may differ from generally accepted accounting principles. Reclassifications are made to the Trust s capital accounts to reflect income and gains available for distribution (or available capital loss carryforward) under income tax regulations. The tax character of distributions paid during the year and the tax components of net assets will be reported at the Trust s fiscal year-end.

Capital loss carryforward is calculated and reported as of a specific date. Results of transactions and other activity after that date may affect the amount of capital loss carryforward actually available for the Trust to utilize. The Regulated Investment Company Modernization Act of 2010 (the Act) eliminated the eight-year carryover period for capital losses that arise in taxable years beginning after its enactment date of December 22, 2010. Consequently, these capital losses can be carried forward for an unlimited period. However, capital losses with an expiration period may not be used to offset capital gains until all net capital losses without an expiration date have been utilized. Additionally, post-enactment capital loss carryovers will retain their character as either short-term or long-term capital losses instead of as short-term capital losses as under prior law. The ability to utilize capital loss carryforward in the future may be limited under the Internal Revenue Code and related regulations based on the results of future transactions.

The Fund did not have a capital loss carryforward as of February 29, 2012.

NOTE 8 Investment Securities

The aggregate amount of investment securities (other than short-term securities, U.S. Treasury obligations and money market funds, if any) purchased and sold by the Fund during the six months ended August 31, 2012 was $83,748,133 and $88,823,289, respectively. During the same period, purchases and sales of U.S. Treasury obligations were $9,877,414 and $8,392,679. Cost of investments on a tax basis includes the adjustments for financial reporting purposes as of the most recently completed federal income tax reporting period end.

Unrealized Appreciation (Depreciation) of Investment Securities on a Tax Basis

Aggregate unrealized appreciation of investment securities	$ 17,997,251
Aggregate unrealized (depreciation) of investment securities	(997,137)
Net unrealized appreciation of investment securities	$ 17,000,114

Cost of investments for tax purposes is $220,130,002.

NOTE 9 Shares of Beneficial Interest

Transactions in shares of beneficial interest were as follows:

	Six months ended August 31, 2012	Year ended February 29, 2012
Beginning shares	11,350,334	11,335,939

Shares issued through dividend reinvestment	7,100	14,395
Ending shares	11,357,434	11,350,334

The Board of Trustees have approved share repurchases whereby the Fund may, when appropriate, purchase shares in the open market or in privately negotiated transactions at a price not above market value or net asset value, whichever is lower at the time of purchase.

NOTE 10 Dividends

The Fund declared the following dividends from net investment income subsequent to August 31, 2012:

Declaration Date	Amount Per Share	Record Date	Payable Date
September 4, 2012	$ 0.0775	September 18, 2012	September 28, 2012
October 1, 2012	$ 0.0775	October 12, 2012	October 31, 2012

NOTE 11 Financial Highlights

The following schedule presents financial highlights for a share of the Fund outstanding throughout the periods indicated.

	Six months ended August 31, 2012	Year ended February 29, 2012	Eight months ended February 28, 2011	Years ended June 30, 2010	2009	2008
Net asset value, beginning of period	$ 20.64	$ 20.10	$ 19.73	$ 17.94	$ 18.33	$ 18.70
Net investment income[(a)]	0.44	0.90	0.62	1.04	0.95	0.92
Net gains (losses) on securities (both realized and unrealized)	0.66	1.01	0.41	1.78	(0.22)	(0.37)
Total from investment operations	1.10	1.91	1.03	2.82	0.73	0.55
Less distributions from:						
Dividends from net investment income	(0.48)	(0.96)	(0.66)	(1.03)	(1.12)	(0.92)
Distributions from net realized gains		(0.41)				
Total distributions	(0.48)	(1.37)	(0.66)	(1.03)	(1.12)	(0.92)
Net asset value, end of period	$ 21.26	$ 20.64	$ 20.10	$ 19.73	$ 17.94	$ 18.33
Market value, end of period	$ 22.35	$ 20.85	$ 18.30	$ 19.65	$ 17.12	$ 16.62
Total return at net asset value[(b)]	5.41%	10.05%	5.35%			
Total return at market value[(c)]	9.70%	22.13%	(3.69)%	21.02%	10.29%	4.17%

Net assets, end of period (000 s omitted)	$ 241,512	$ 234,222	$ 227,798	$ 223,606	$ 202,986	$ 207,338
Portfolio turnover rate[(d)]	41%	72%	79%	77%	59%	111%
Ratios/supplemental data based on average net assets:						
Ratio of expenses:						
With fee waivers and/or expense reimbursements	0.57%[(e)]	0.57%	0.52%[(f)]			
Without fee waivers and/or expense reimbursements	0.57%[(e)]	0.57%	0.53%[(f)]	0.59%	0.58%	0.61%
Ratio of net investment income to average net assets	4.16%[(e)]	4.43%	4.61%[(f)]	5.40%	5.54%	4.82%

(a) Calculated using average shares outstanding.
(b) Includes adjustments in accordance with accounting principles generally accepted in the United States of America and as such, the net asset value for financial reporting purposes and the returns based upon those net asset values may differ from the net asset value and returns for shareholder transactions. Not annualized for periods less than one year, if applicable.
(c) Total return assumes an investment at the market price at the beginning of the period indicated, reinvestment of all distributions for the period in accordance with the Fund s dividend reinvestment plan, and sale of all shares at the closing market price at the end of the period indicated. Not annualized for periods less than one year, if applicable.
(d) Portfolio turnover is not annualized for periods less than one year, if applicable.
(e) Ratios are annualized and based on average daily net assets (000 s omitted) of $235,539.
(f) Annualized.

NOTE 12 Subsequent Event

Effective December 3, 2012, the Fund will change its name to Invesco Bond Fund.

Approval of Investment Advisory and Sub-Advisory Contracts

The Board of Trustees (the Board) of Invesco Van Kampen Bond Fund (the Fund) is required under the Investment Company Act of 1940, as amended, to approve annually the renewal of the investment advisory agreement with Invesco Advisers, Inc. (Invesco Advisers) and the Master Intergroup Sub-Advisory Contract (the sub-advisory contracts) with Invesco Asset Management Deutschland GmbH, Invesco Asset Management Ltd., Invesco Asset Management (Japan) Limited, Invesco Australia Limited, Invesco Hong Kong Limited, Invesco Senior Secured Management, Inc. and Invesco Canada Ltd. (collectively, the Affiliated Sub-Advisers). During contract renewal meetings held on May 15, 2012, the Board as a whole, and the disinterested or independent Trustees, who comprise more than 75% of the Board, voting separately, approved the continuance of the Fund s investment advisory agreement and the sub-advisory contracts for another year. In doing so, the Board considered the process that it follows in reviewing and approving the Fund s investment advisory agreement and sub-advisory contracts and the information that it is provided. The Board determined that the Fund s investment advisory agreement and the sub-advisory contracts are in the best interests of the Fund and its shareholders and the compensation to Invesco Advisers and the Affiliated Sub-Advisers under the agreements is fair and reasonable.

The Board s Fund Evaluation Process

The Board, acting directly and through its committees, meets throughout the year to review the performance of the Invesco Van Kampen funds. Over the course of each year, the Board, acting directly and through its committees, meets with portfolio managers for the funds and other members of management to review the performance, investment objective(s), policies, strategies and limitations and investment risks of the funds. The Board meets regularly and at designated contract renewal meetings each year to conduct a review of the performance, fees, expenses and other matters related to the funds.

During the contract renewal process, the Trustees receive comparative performance and fee data regarding the funds prepared by Invesco Advisers and an independent company, Lipper, Inc. (Lipper). The independent Trustees are assisted in their annual evaluation of the funds investment advisory agreements by fund counsel.

In evaluating the fairness and reasonableness of the Fund s investment advisory agreement and sub-advisory contracts, the Board considered, among other things, the factors discussed below. The Trustees recognized that the advisory fees for the Invesco Van Kampen funds, including the Fund, reflect the results of years of review and negotiation between the Trustees and Invesco Advisers and previously Van Kampen Asset Management, the funds predecessor investment adviser. The Trustees deliberations and conclusions in a particular year may be based in part on their deliberations and conclusions regarding these same arrangements throughout the year and in prior years. The Board noted the willingness of Invesco Advisers personnel to engage in open and candid discussions with the Board. One Trustee may have weighed a particular piece of information differently than another Trustee.

The discussion below is a summary of the Board s evaluation with respect to the Fund s investment advisory agreement as well as a discussion of the material factors and related conclusions that formed the basis for the Board s approval of the Fund s investment advisory agreement and sub-advisory contracts. Unless otherwise stated, this information is current as of May 15, 2012, and may not reflect consideration of factors that became known to the Board after that date, including, for example, changes to the Fund s performance, advisory fees, expense limitations and/or fee waivers.

Factors and Conclusions

A. Nature, Extent and Quality of Services Provided by Invesco Advisers and the Affiliated Sub-Advisers

The Board reviewed the advisory services provided to the Fund by Invesco Advisers under the Fund s investment advisory agreement, the performance of Invesco Advisers in providing these services, and the credentials and experience of the officers and employees of Invesco Advisers who provide these services. Based on their meetings throughout the year with the Fund s portfolio managers, the Board concluded that these individuals are competent and able to continue to carry out their responsibilities under the Fund s investment advisory agreement or sub-advisory

contracts, as applicable. The Board s review of the qualifications of Invesco Advisers to provide advisory services included the Board s consideration of Invesco Advisers performance and investment process oversight, independent credit analysis and investment risk management.

In determining whether to continue the Fund s investment advisory agreement, the Board considered the prior relationship between Invesco Advisers (and previously Van Kampen Asset Management) and the Fund, as well as the Board s knowledge of Invesco Advisers operations, and concluded that it is beneficial to maintain the current relationship, in part, because of such knowledge. The Board also considered services that Invesco Advisers and its affiliates provide to the Invesco Van Kampen funds, including the Fund, such as various back office support functions, equity and fixed income trading operations, internal audit and legal and compliance. The Board concluded that the nature, extent and quality of the services provided to the Fund by Invesco Advisers are appropriate and satisfactory and the advisory services are provided in accordance with the terms of the Fund s investment advisory agreement.

The Board reviewed the services capable of being provided by the Affiliated Sub-Advisers under the sub-advisory contracts and the credentials and experience of the officers and employees of the Affiliated Sub-Advisers who would provide such services. The Board concluded that the sub-advisory contracts benefit the Fund and its shareholders by permitting Invesco Advisers to use the resources and talents of the Affiliated Sub-Advisers, from time to time as necessary and appropriate, in managing the Fund. The Board concluded that the nature, extent and quality of the services capable of being provided by the Affiliated Sub-Advisers are appropriate and satisfactory and in accordance with the terms of the Fund s sub-advisory contracts.

B. Fund Performance

The Board considered Fund performance as a relevant factor in considering whether to approve the investment advisory agreement. The Board did not view Fund performance as a relevant factor in considering whether to approve the sub-advisory contracts for the Fund, as no Affiliated Sub-Adviser currently manages assets of the Fund.

The Board compared the Fund s performance during the past one, two, three, five and ten calendar years to the performance of funds in the Fund s Lipper performance universe and against the applicable Lipper index. The Board noted that the Fund s performance was in the first quintile of its performance universe for the one and five year periods, the second quintile for the two year period, and the fourth quintile for the three and ten year periods (the first quintile being the best performing funds and the fifth quintile being the worst performing funds). The Board noted that the Fund s performance was above the performance of the applicable Lipper index for the one and five year periods and below the performance of the index for the two, three and ten year periods. When considering a fund s performance, the Board places emphasis on trends and longer term returns.

C. Advisory and Sub-Advisory Fees and Fee Waivers

The Board compared the Fund s contractual advisory fee rate to the contractual advisory fee rates of funds in the Fund s Lipper expense group at a common asset level. The Board noted that the Fund s contractual advisory fee rate was below the median contractual advisory fee rate of funds in its expense group. The Board also reviewed the methodology used by Lipper in providing expense group information, which includes using audited financial data from the most recent annual report of each fund in the expense group that was publicly available as of the end of the past calendar year and including only one fund per investment adviser. The Board noted that comparative data is

as of varying dates, which may affect the comparability of data during times of market volatility.

The Board also considered the Fund s effective fee rate (the advisory fee after advisory fee waivers and before expense limitations/waivers), including comparisons, as applicable, to advisory fee rates of other funds advised by Invesco Advisers and its affiliates with investment strategies similar to those of the Fund. The Board reviewed not only the advisory fees but other fees and expenses (whether paid to Invesco Advisers, its affiliates or others) and the Fund s overall expense ratio.

The Board compared the strategy of the Fund to that of other client accounts of Invesco Advisers and the Affiliated Sub-Advisers and considered, as applicable, the fees charged to other client accounts with investment strategies similar to those of the Fund. The Board noted that Invesco Advisers or the Affiliated Sub-Advisers may charge lower fees to large institutional clients solely for investment management services than to registered fund client, such as the Fund. Invesco Advisers reviewed with the Board the significantly greater scope of services it provides to registered fund clients, including the Fund, relative to other client accounts. These additional services include provision of administrative services, officers and office space, oversight of service providers, preparation of shareholder reports, efforts to support secondary market trading of the Fund s shares, preparation of financial information and regulatory compliance under the Investment Company Act of 1940, as amended, and stock exchange listing standards, including preparation for, coordinating the solicitation of proxies for, and conducting annual shareholder meetings. The Board noted that sub-advisory fees charged by the Affiliated Sub-Advisers to manage registered fund clients and to manage other client accounts were often more comparable. The Board concluded that the aggregate services provided to the Fund were sufficiently different from those provided to institutional clients, and the Board did not place significant weight on these fee comparisons.

The Board noted that Invesco Advisers has contractually agreed to waive fees and/or limit expenses of the Fund through June 30, 2012 in an amount necessary to limit total annual operating expenses to a specified percentage of average daily net assets for each class of the Fund. The Board also considered the effect this fee waiver, and the discontinuation of this fee waiver on June 30, 2012, would have on the Fund s total estimated expenses.

The Board also considered the services capable of being provided by the Affiliated Sub-Advisers pursuant to the sub-advisory contracts, as well as the allocation of fees between Invesco Advisers and the Affiliated Sub-Advisers pursuant to the sub-advisory contracts. The Board noted that to the extent the Fund were to utilize the Affiliated Sub-Advisers, Invesco Advisers would provide services related to oversight of the Affiliated Sub-Advisers as well as the additional services described above other than day-to-day portfolio management. The Board also noted that the sub-advisory fees have no direct effect on the Fund or its shareholders, as they are paid by Invesco Advisers to the Affiliated Sub-Advisers.

Based upon the information and considerations described above, the Board concluded that the Fund s advisory and sub-advisory fees are fair and reasonable.

D. Economies of Scale and Breakpoints

The Board considered the extent to which there are economies of scale in the provision of advisory services to the Fund. The Board noted that most closed-end funds do not have fund level breakpoints because closed-end funds generally do not experience substantial asset growth after the initial public offering. The Board noted that although the Fund does not benefit from economies of scale through contractual breakpoints, the Fund does share directly in economies of scale through lower fees charged by third party service providers based on the combined size of the registered fund clients advised by Invesco Advisers.

E. Profitability and Financial Resources

The Board reviewed information from Invesco Advisers concerning the costs of the advisory and other services that Invesco Advisers and its affiliates provide to the Fund and the profitability of Invesco Advisers and its affiliates in providing these services. The Board reviewed with Invesco Advisers the methodology used to prepare the profitability information. The Board considered the profitability of Invesco Advisers in connection with managing the Fund and the Invesco Van Kampen funds. The Board noted that Invesco Advisers continues to operate at a net profit from services Invesco Advisers and its subsidiaries provide to the Fund and the Invesco Van Kampen funds. The Board

concluded that the level of profits realized by Invesco Advisers and its affiliates from providing services to the Fund is not excessive given the nature, quality and extent of the services provided to the Fund. The Board considered whether Invesco Advisers and each Affiliated Sub-Adviser are financially sound and have the resources necessary to perform their obligations under the investment advisory agreement and sub-advisory contracts. The Board concluded that Invesco Advisers and each Affiliated Sub-Adviser have the financial resources necessary to fulfill these obligations.

F. Collateral Benefits to Invesco Advisers and its Affiliates

The Board considered various other benefits received by Invesco Advisers and its affiliates from the relationship with the Fund, including the fees received for their provision of administrative services to the Fund. The Board considered the performance of Invesco Advisers and its affiliates in providing these services and the organizational structure employed to provide these services. The Board also considered that the services are required for the operation of the Fund; that Invesco Advisers and its affiliates can provide services, the nature and quality of which are at least equal to those provided by others offering the same or similar services; and that the fees for such services are fair and reasonable in light of the usual and customary charges by others for services of the same nature and quality.

The Board considered that the Fund s uninvested cash and cash collateral from any securities lending arrangements may be invested in money market funds advised by Invesco Advisers pursuant to procedures approved by the Board. The Board noted that Invesco Advisers receives advisory fees from these affiliated money market funds attributable to such investments, although Invesco Advisers has contractually agreed to waive through varying periods the advisory fees payable by the Fund. The waiver is in an amount equal to 100% of the net advisory fee Invesco Advisers receives from the affiliated money market funds with respect to the Fund s investment in the affiliated money market funds of uninvested cash, but not cash collateral. The Board concluded that the Fund s investment of uninvested cash and cash collateral from any securities lending arrangements in the affiliated money market funds is in the best interests of the Fund and its shareholders.

Proxy Results

An Annual Meeting (Meeting) of Shareholders of Invesco Van Kampen Bond Fund (the Fund) was held on July 17, 2012. The Meeting was held for the following purpose:

(1) Elect two Class II Trustees, by the holders of Common Shares, each of whom will serve for a three-year term or until a successor shall have been duly elected and qualified.

The results of the voting on the above matter were as follows:

	Matter	Votes For	Votes Against
(1)	Linda Hutton Heagy	10,038,469	256,593
	Wayne W. Whalen	10,046,907	248,155

The Meeting was adjourned until August 14, 2012, with respect to the following proposal:

(1) Approval of an Amended and Restated Agreement and Declaration of Trust.

The results of the voting on the above matter were as follows:

	Matter	Votes For	Votes Against	Votes Abstain	Broker Non-Votes
(1)	Approval of an Amended and Restated Agreement and Declaration of Trust	5,901,982	227,284	181,541	4,311,571

Correspondence information
Send general correspondence to Computershare, P.O. Box 43078, Providence, RI 02940-3078.

Invesco privacy policy
You share personal and financial information with us that is necessary for your transactions and your account records. We take very seriously the obligation to keep that information confidential and private.

Invesco collects nonpublic personal information about you from account applications or other forms you complete and from your transactions with us or our affiliates. We do not disclose information about you or our former customers to service providers or other third parties except to the extent necessary to service your account and in other limited circumstances as permitted by law. For example, we use this information to facilitate the delivery of transaction confirmations, financial reports, prospectuses and tax forms.

Even within Invesco, only people involved in the servicing of your accounts and compliance monitoring have access to your information. To ensure the highest level of confidentiality and security, Invesco maintains physical, electronic and procedural safeguards that meet or exceed federal standards. Special measures, such as data encryption and authentication, apply to your communications with us on our website. More detail is available to you at invesco.com/privacy.

Fund holdings and proxy voting information
The Fund provides a complete list of its holdings four times in each fiscal year, at the quarter-ends. For the second and fourth quarters, the lists appear in the Fund s semiannual and annual reports to shareholders. For the first and third quarters, the Fund files the lists with the Securities and Exchange Commission (SEC) on Form N-Q. Shareholders can also look up the Fund s Forms N-Q on the SEC website at sec.gov. Copies of the Fund s Forms N-Q may be reviewed and copied at the SEC Public Reference Room in Washington, D.C. You can obtain information on the operation of the Public Reference Room, including information about duplicating fee charges, by calling 202 551 8090 or 800 732 0330, or by electronic request at the following email address: publicinfo@sec.gov. The SEC file number for the Fund is shown below.

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities is available without charge, upon request, from our Client Services department at 800 341 2929 or at invesco.com/proxyguidelines. The information is also available on the SEC website, sec.gov.

Information regarding how the Fund voted proxies related to its portfolio securities during the 12 months ended June 30, 2012, is available at invesco.com/proxysearch. In addition, this information is available on the SEC website at sec.gov.

Invesco Advisers, Inc. is an investment adviser; it provides investment advisory services to individual and institutional clients and does not sell securities. Invesco Distributors, Inc. is the US distributor for Invesco Ltd. s retail mutual funds, exchange-traded funds and institutional money market funds. Both are wholly owned, indirect subsidiaries of Invesco Ltd.

SEC file number: 811-02090	VK-CE-BOND-SAR-1	Invesco Distributors, Inc.

ITEM 2. CODE OF ETHICS.

There were no amendments to the Code of Ethics (the Code) that applies to the Registrant s Principal Executive Officer (PEO) and Principal Financial Officer (PFO) during the period covered by the report. The Registrant did not grant any waivers, including implicit waivers, from any provisions of the Code to the PEO or PFO during the period covered by this report.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

Not applicable.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Not applicable.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

Not applicable.

ITEM 6. SCHEDULE OF INVESTMENTS.

Investments in securities of unaffiliated issuers is included as part of the reports to stockholders filed under Item 1 of this Form.

ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Not applicable.

ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Not applicable.

ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS.

Not applicable.

ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

None.

ITEM 11. CONTROLS AND PROCEDURES.

(a) As of August 13, 2012, an evaluation was performed under the supervision and with the participation of the officers of the Registrant, including the Principal Executive Officer (PEO) and Principal Financial Officer (PFO), to assess the effectiveness of the Registrant s disclosure controls and procedures, as that term is defined in Rule 30a-3(c) under the Investment Company Act of 1940 (the Act), as amended. Based on that evaluation, the Registrant s officers, including the PEO and PFO, concluded that, as of August 13, 2012, the Registrant s disclosure controls and procedures were reasonably designed to ensure: (1) that information required to be disclosed by the Registrant on Form N-CSR is

recorded, processed, summarized and reported within the time periods specified by the rules and forms of the Securities and Exchange Commission; and (2) that material information relating to the Registrant is made known to the PEO and PFO as appropriate to allow timely decisions regarding required disclosure.

(b) There have been no changes in the Registrant s internal control over financial reporting (as defined in Rule 30a-3(d) under the Act) that occurred during the second fiscal quarter of the period covered by the report that has materially affected, or is reasonably likely to materially affect, the Registrant s internal control over financial reporting.

ITEM 12. EXHIBITS.

12(a) (1) Not applicable.

12(a) (2) Certifications of principal executive officer and principal financial officer as required by Rule 30a-2(a) under the Investment Company Act of 1940.

12(a) (3) Not applicable.

12(b) Certifications of principal executive officer and principal financial officer as required by Rule 30a-2(b) under the Investment Company Act of 1940.

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: Invesco Van Kampen Bond Fund

By: /s/ Colin Meadows
Colin Meadows
Principal Executive Officer
Date: November 8, 2012

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

By: /s/ Colin Meadows
Colin Meadows
Principal Executive Officer
Date: November 8, 2012

By: /s/ Sheri Morris
Sheri Morris
Principal Financial Officer
Date: November 8, 2012

EXHIBIT INDEX

12(a) (1)	Not applicable.
12(a) (2)	Certifications of principal executive officer and Principal financial officer as required by Rule 30a-2(a) under the Investment Company Act of 1940.
12(a) (3)	Not applicable.
12(b)	Certifications of principal executive officer and Principal financial officer as required by Rule 30a-2(b) under the Investment Company Act of 1940.