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VAN KAMPEN HIGH YIELD FUND
Form N-CSR
October 30, 2006

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 811-02851

Van Kampen High Yield Fund
(Exact name of registrant as specified in charter)

1221 Avenue of the Americas, New York, New York 10020
(Address of principal executive offices) (Zip code)

Ronald Robison
1221 Avenue of the Americas, New York, New York 10020
(Name and address of agent for service)

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

Date of fiscal year end: 8/31

Date of reporting period: 8/31/06

Item 1. Reports to Shareholders.

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

Welcome, Shareholder

In this report, you'll learn about how your investment in Van Kampen High Yield Fund performed during the annual period. The portfolio management team will provide an overview of the market conditions and discuss some of the factors that affected investment performance during the reporting period. In addition, this report includes the fund's financial statements and a list of fund investments as of August 31, 2006.

THIS PIECE MUST BE PRECEDED OR ACCOMPANIED BY THE FUND'S PROSPECTUS. THE PROSPECTUS CONTAINS INFORMATION ABOUT THE FUND, INCLUDING THE INVESTMENT OBJECTIVES, RISKS, CHARGES AND EXPENSES. PLEASE READ THE PROSPECTUS CAREFULLY BEFORE INVESTING.

MARKET FORECASTS PROVIDED IN THIS REPORT MAY NOT NECESSARILY COME TO PASS. THERE IS NO ASSURANCE THAT THE FUND WILL ACHIEVE ITS INVESTMENT OBJECTIVE. THE FUND IS SUBJECT TO MARKET RISK, WHICH IS THE POSSIBILITY THAT THE MARKET VALUES OF SECURITIES OWNED BY THE FUND WILL DECLINE AND, THEREFORE, THE VALUE OF THE FUND SHARES MAY BE LESS THAN WHAT YOU PAID FOR THEM. ACCORDINGLY, YOU CAN LOSE MONEY INVESTING IN THIS FUND. PLEASE SEE THE PROSPECTUS FOR MORE COMPLETE INFORMATION ON INVESTMENT RISKS.

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| | | |
|--|-------------------------|----------------|
| NOT FDIC INSURED | OFFER NO BANK GUARANTEE | MAY LOSE VALUE |
| NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY | | NOT A DEPOSIT |

Performance Summary

PERFORMANCE OF A \$10,000 INVESTMENT

This chart compares your fund's performance to that of the J.P. Morgan Global High Yield Index(R), the Lipper High Yield Bond Fund and the Lehman Brothers U.S. Corporate High Yield 2% Issuer Cap(R) from 8/31/96 through 8/31/06. Class A shares, adjusted for sales charges.

(LINE GRAPH)

| | VAN KAMPEN HIGH YIELD FUND | J.P. MORGAN GLOBAL HIGH YIELD INDEX | LIPPER HIGH YIELD BOND FUND | |
|-------|-------------------------------|--|--------------------------------|------|
| 8/96 | 9531 | 10000 | 1000 | |
| | 9756 | 10237 | 1026 | |
| | 9817 | 10332 | 1031 | |
| | 9940 | 10522 | 1048 | |
| | 10052 | 10634 | 1061 | |
| | 10161 | 10718 | 1072 | |
| | 10319 | 10902 | 1090 | |
| | 10192 | 10725 | 1066 | |
| | 10256 | 10825 | 1075 | |
| | 10498 | 11075 | 1104 | |
| | 10661 | 11220 | 1123 | |
| | 10874 | 11519 | 1153 | |
| | 8/97 | 10907 | 11526 | 1155 |
| | | 11157 | 11755 | 1183 |
| 11040 | | 11739 | 1179 | |
| 11192 | | 11844 | 1187 | |
| 11282 | | 11951 | 1201 | |
| 11523 | | 12136 | 1224 | |
| 11662 | | 12230 | 1236 | |
| 11837 | | 12352 | 1254 | |
| 11943 | | 12414 | 1258 | |
| 11978 | | 12431 | 1256 | |
| 11942 | | 12457 | 1259 | |
| 12050 | | 12562 | 1267 | |
| 8/98 | | 11089 | 11748 | 1171 |
| | | 10963 | 11736 | 1164 |
| | 10725 | 11484 | 1137 | |
| | 11398 | 12117 | 1204 | |
| | 11334 | 12066 | 1200 | |
| | 11470 | 12210 | 1222 | |
| | 11434 | 12149 | 1217 | |
| | 11649 | 12298 | 1238 | |
| | 11885 | 12611 | 1271 | |
| | 11652 | 12430 | 1246 | |
| | 11614 | 12430 | 1247 | |
| | 11677 | 12432 | 1247 | |

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| | | | | |
|-------|-------|-------|-------|------|
| 8/99 | 11578 | 12308 | 1234 | |
| | 11540 | 12219 | 1225 | |
| | 11542 | 12152 | 1221 | |
| | 11669 | 12350 | 1243 | |
| | 11777 | 12471 | 1258 | |
| | 11821 | 12424 | 1251 | |
| | 11904 | 12473 | 1260 | |
| | 11728 | 12260 | 1238 | |
| | 11703 | 12258 | 1233 | |
| | 11568 | 12084 | 1211 | |
| | 11830 | 12322 | 1233 | |
| | 11894 | 12430 | 1236 | |
| | 8/00 | 11936 | 12526 | 1242 |
| | | 11750 | 12362 | 1224 |
| 11262 | | 11999 | 1182 | |
| 10699 | | 11541 | 1116 | |
| 10809 | | 11744 | 1135 | |
| 11464 | | 12456 | 1211 | |
| 11552 | | 12600 | 1214 | |
| 11159 | | 12353 | 1174 | |
| 10957 | | 12224 | 1159 | |
| 11097 | | 12463 | 1171 | |
| 10736 | | 12249 | 1137 | |
| 10799 | | 12373 | 1144 | |
| 8/01 | | 10857 | 12533 | 1149 |
| | | 10094 | 11706 | 1067 |
| | 10282 | 11999 | 1092 | |
| | 10630 | 12407 | 1127 | |
| | 10523 | 12391 | 1124 | |
| | 10440 | 12481 | 1126 | |
| | 10030 | 12388 | 1106 | |
| | 10244 | 12668 | 1128 | |
| | 10343 | 12860 | 1140 | |
| | 10220 | 12816 | 1129 | |
| | 9525 | 12355 | 1065 | |
| | 8/02 | 9109 | 12012 | 1030 |
| | | 9147 | 12122 | 1048 |
| | | 9025 | 11980 | 1033 |
| 8930 | | 11894 | 1027 | |
| 9456 | | 12510 | 1086 | |
| 9531 | | 12655 | 1097 | |
| 9668 | | 12984 | 1121 | |
| 9835 | | 13174 | 1136 | |
| 10091 | | 13490 | 1164 | |
| 10564 | | 14159 | 1221 | |
| 10669 | | 14356 | 1236 | |
| 10926 | | 14775 | 1269 | |
| 8/03 | | 10807 | 14680 | 1259 |
| | | 10909 | 14826 | 1276 |
| | 11202 | 15235 | 1307 | |
| | 11433 | 15518 | 1337 | |
| | 11569 | 15736 | 1352 | |
| | 11835 | 16134 | 1386 | |
| | 11970 | 16429 | 1408 | |
| | 11941 | 16442 | 1405 | |
| | 12011 | 16570 | 1410 | |
| | 12015 | 16509 | 1407 | |
| | 11852 | 16253 | 1385 | |
| | 12024 | 16500 | 1405 | |
| | 8/04 | 12197 | 16708 | 1416 |
| | | 12438 | 16989 | 1439 |
| 12613 | | 17232 | 1459 | |

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| | | | |
|------|-------|-------|------|
| | 12824 | 17521 | 1485 |
| | 12932 | 17718 | 1506 |
| | 13075 | 17994 | 1529 |
| | 13079 | 17996 | 1525 |
| | 13259 | 18240 | 1549 |
| | 12839 | 17788 | 1508 |
| | 12665 | 17635 | 1490 |
| | 12813 | 17894 | 1514 |
| | 13033 | 18199 | 1538 |
| | 13218 | 18441 | 1562 |
| 8/05 | 13296 | 18553 | 1569 |
| | 13153 | 18397 | 1559 |
| | 13011 | 18256 | 1546 |
| | 13126 | 18383 | 1561 |
| | 13242 | 18551 | 1575 |
| | 13359 | 18781 | 1595 |
| | 13477 | 18955 | 1609 |
| | 13520 | 19069 | 1615 |
| | 13601 | 19204 | 1625 |
| | 13565 | 19222 | 1621 |
| | 13489 | 19124 | 1612 |
| | 13609 | 19300 | 1624 |
| 8/06 | 13768 | 19578 | 1646 |

| | A SHARES since 10/2/78 | | B SHARES since 7/2/92 | | C SHARES since 7/6/93 | | I SH since |
|---------------------------------|---------------------------|------------------|--------------------------|------------------|--------------------------|------------------|---------------|
| | | W/MAX 4.75% | | W/MAX 4.00% | | W/MAX 1.00% | |
| AVERAGE ANNUAL TOTAL RETURNS | W/O SALES CHARGES | SALES CHARGES | W/O SALES CHARGES | SALES CHARGES | W/O SALES CHARGES | SALES CHARGES | W/O CHA |
| Since Inception | 7.31% | 7.13% | 5.21% | 5.21% | 4.21% | 4.21% | 4.5 |
| 10-year | 3.75 | 3.25 | 3.09 | 3.09 | 2.95 | 2.95 | - |
| 5-year | 4.87 | 3.85 | 4.10 | 3.89 | 4.12 | 4.12 | - |
| 1-year | 3.55 | -1.34 | 2.75 | -1.10 | 2.83 | 1.87 | 3.8 |
| 30-Day SEC Yield | 6.68% | | 6.20% | | 6.32% | | 7. |

THE PERFORMANCE DATA REPRESENTS PAST PERFORMANCE WHICH, IS NO GUARANTEE OF FUTURE RESULTS AND CURRENT PERFORMANCE MAY BE LOWER OR HIGHER THAN THE FIGURES SHOWN. FOR MORE UP-TO-DATE INFORMATION, INCLUDING MONTH-END PERFORMANCE FIGURES, PLEASE VISIT VANKAMPEN.COM OR SPEAK WITH YOUR FINANCIAL ADVISOR. INVESTMENT RETURNS AND PRINCIPAL VALUE WILL FLUCTUATE AND FUND SHARES, WHEN REDEEMED, MAY BE WORTH MORE OR LESS THAN THEIR ORIGINAL COST.

The returns shown in this report do not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares. Performance of share classes will vary due to differences in sales charges and expenses. As a result of recent market activity, current performance may vary from the figures shown. Average annual total return with sales charges includes payment of the maximum sales charge of 4.75 percent for Class A shares, a contingent deferred sales charge of 4.00 percent for Class B shares (in years one and two and declining to zero after year five), a contingent deferred sales charge of 1.00 percent for Class C shares in year one and combined Rule 12b-1 fees and service fees of up to 0.25 percent for Class A shares and up to 1.00

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percent for Class B and C shares. The since inception and ten-year returns for Class B shares reflect the conversion of Class B shares into Class A shares eight years after purchase. The since inception returns for Class C shares reflect the conversion of Class C shares into Class A shares ten years after purchase. Class I shares are available for purchase exclusively by investors through (i) tax-exempt retirement plans with assets of at least \$1 million (including 401(k) plans, 457 plans, employer-sponsored 403(b) plans, profit sharing and money purchase plans, defined benefit plans and non-qualified deferred compensation plans), (ii) fee-based investment programs with assets of at least \$1 million and (iii) institutional clients with assets of at least \$1 million. Class I shares are offered without any sales charges on purchases or sales and do not include combined Rule 12b-1 fees and service fees. Figures shown above assume reinvestment of all dividends and capital gains. SEC yield is a calculation for determining the amount of portfolio income, excluding non-income items as prescribed by the SEC. Yields are subject to change.

J.P. Morgan Global High Yield Index is a broad-based index that reflects the general performance of the global high-yield corporate debt market including domestic and international issues. Lipper High Yield Bond Fund Index is an index of funds with similar return investment as this fund. The Lehman Brothers U.S. Corporate High Yield 2% Issuer Cap Index is generally representative of high yield securities. Indexes do not include any expenses, fees or sales charges, which would lower performance. Indexes are unmanaged and should not be considered an investment. Source for index performance: Lipper Inc.

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Fund Report

FOR THE 12-MONTH PERIOD ENDED AUGUST 31, 2006

MARKET CONDITIONS

In the early months of the reporting period, the economy continued to show resilience, inflation remained in check and the equity market improved. Together, these factors provided support for the high yield market, helping to keep returns in positive territory despite a declining appetite for corporate credit risk and rising interest rates.

In the first quarter of 2006, the high yield market benefited from a rekindled investor interest in adding risk, which was fueled by continued solid economic growth and a briskly rising equity market. The healthy gains in high yield came despite declining Treasury prices, tight credit spreads, moderate new issuance and outflows from mutual funds. Against this backdrop, the riskiest segment of the bond market--securities rated CCC and below--had the best showing, outperforming higher-quality issues.

Although returns dipped in the second quarter, the high yield market still fared better than most other asset classes, including equities. The low positive returns of high yield came despite robust new issuance, increased market volatility and lower Treasury prices. Lower-rated bonds continued to outperform their higher-rated counterparts, with CCC-rated securities turning in the best returns.

In the last months of the reporting period, high yield prices rebounded nicely as investors appeared confident that good economic growth and loose credit conditions would continue to be positive for high yield credits. High yield bonds again outpaced equities. However, because of their high correlation to Treasuries, which rallied in July, higher-quality fixed-income securities posted better overall returns than lower-rated, high yield bonds. Of note, the Federal Open Market Committee (the "Fed") finally paused in its two-year long series of interest-rate increases, electing not to raise the target federal funds rate at

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its August meeting.

Industry returns varied considerably across individual sectors, many of which were significantly influenced by individual companies. For example, the aerospace sector benefited from a rebound in airline issues, while poor performance of auto-related companies hindered the transportation sector. In the second half of the period, however, transportation and manufacturing were the best performing sectors due to strong gains by the auto industry. In July, the health care sector was hurt by the announcement that HCA, one of the larger issuers in high yield, had agreed to be bought out in a highly leveraged transaction.

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PERFORMANCE ANALYSIS

The fund returned 3.55 percent for the 12 months ended August 31, 2006 (Class A shares, unadjusted for sales charges). In comparison, the fund's benchmarks, the Lehman Brothers U.S. High Yield 2% Issuer Cap Index, the J.P. Morgan Global High Yield Index and the Lipper High Yield Bond Fund Index, returned 4.82 percent, 5.21 percent and 4.90 percent for the period, respectively.

TOTAL RETURN FOR THE 12-MONTH PERIOD ENDED AUGUST 31, 2006

| CLASS A | CLASS B | CLASS C | CLASS I | LEHMAN BROTHERS U.S. HIGH YIELD 2% ISSUER CAP INDEX | J.P. MORGAN GLOBAL HIGH YIELD INDEX | LIPPER HIGH YIELD BOND FUND INDEX |
|---------|---------|---------|---------|--|--|--|
| 3.55% | 2.75% | 2.83% | 3.82% | 4.82% | 5.21% | 4.90% |

The performance for the four share classes varies because each has different expenses. The fund's total return figures assume the reinvestment of all distributions, but do not reflect the deduction of any applicable sales charges. Such costs would lower performance. Past performance is no guarantee of future results. See Performance Summary for standardized performance information and index definitions.

In general, the fund was overweighted versus the benchmark, the Lehman Brothers U.S. High Yield 2% Issuer Cap Index, in the chemicals and food/tobacco sectors, and underweighted in utilities throughout the reporting year which detracted from performance. Early in the period, the fund was also underweight versus the index in the transportation sector, which was beneficial to performance given the struggles in the auto industry. From January through August, the fund had an overweight in transportation companies relative to the index, which helped performance as the sector rebounded. Strong security selection in the sector, as well as in the utilities sector, also added to performance. On a less positive note, security selection in forest products detracted from performance.

In regard to credit risk, the fund's overall average credit quality was in line with the Lehman Brothers U.S. High Yield 2% Issuer Cap Index early in the period but its yield-to-maturity was comparatively lower, signifying less relative credit risk. We began reducing the risk in the portfolio in order to take

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advantage of our belief that high yield prices may move lower and that spreads, which were tighter than historical averages, may widen. We continued this defensive strategy throughout the duration of the reporting period, which tempered the fund's returns from February through May, but was additive to performance over the last three months of the period when higher-rated bonds outperformed lower-quality issues.

There is no guarantee that any sectors mentioned will continue to perform as discussed herein or that securities in such sectors will be held by the fund in the future.

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RATINGS ALLOCATIONS AS OF 8/31/06

| | |
|-----------|------|
| A/A | 0.6% |
| BBB/Baa | 4.4 |
| BB/Ba | 33.5 |
| B/B | 53.8 |
| CCC/Caa | 6.8 |
| Non-Rated | 0.9 |

SUMMARY OF INVESTMENTS BY INDUSTRY CLASSIFICATION AS OF 8/31/06

| | |
|---------------------------------------|-------|
| Energy | 10.1% |
| Transportation | 8.6 |
| Healthcare | 8.3 |
| Utility | 7.8 |
| Chemicals | 6.9 |
| Gaming & Leisure | 6.7 |
| Cable | 5.1 |
| Forest Products | 5.1 |
| Diversified Media | 4.5 |
| Food & Tobacco | 4.3 |
| Manufacturing | 2.9 |
| Metals | 2.9 |
| Telecommunications | 2.9 |
| Services | 2.7 |
| Housing | 2.6 |
| Information Technology | 2.5 |
| Consumer Products | 2.2 |
| Food & Drug | 1.9 |
| Aerospace | 1.7 |
| Wireless Communications | 1.7 |
| Retail | 1.6 |
| Broadcasting | 0.8 |
| Financial | 0.6 |
| Sovereigns | 0.6 |
| Apparel, Accessories & Luxury Goods | 0.2 |
| Integrated Telecommunication Services | 0.0* |
| Alternative Carriers | 0.0* |
| Broadcasting & Cable TV | 0.0* |
| IT Consulting & Other Services | 0.0* |
| Wireless Telecommunication Services | 0.0* |
| | ----- |
| Total Long-Term Investments | 95.2% |
| Short-Term Investments | 3.0 |
| Other Assets in Excess of Liabilities | 1.8 |

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Total Net Assets -----
100.0%

*Amounts are less than 0.1%

Subject to change daily. Provided for informational purposes only and should not be deemed as a recommendation to buy or sell the securities mentioned or securities in the industries shown above. Ratings allocations are as a percentage of corporate debt obligations. Industry allocations are as a percentage of net assets. Van Kampen is a wholly owned subsidiary of a global securities firm engaged in a wide range of financial services including, for example, securities trading and brokerage activities, investment banking, research and analysis, financing and financial advisory services. Ratings allocations based upon ratings as issued by Standard and Poor's and Moody's, respectively.

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FOR MORE INFORMATION ABOUT PORTFOLIO HOLDINGS

Each Van Kampen fund provides a complete schedule of portfolio holdings in its semiannual and annual reports within 60 days of the end of the fund's second and fourth fiscal quarters. The semiannual reports and the annual reports are filed electronically with the Securities and Exchange Commission (SEC) on Form N-CSRS and Form N-CSR, respectively. Van Kampen also delivers the semiannual and annual reports to fund shareholders, and makes these reports available on its public Web site, www.vankampen.com. In addition to the semiannual and annual reports that Van Kampen delivers to shareholders and makes available through the Van Kampen public Web site, each fund files a complete schedule of portfolio holdings with the SEC for the fund's first and third fiscal quarters on Form N-Q. Van Kampen does not deliver the reports for the first and third fiscal quarters to shareholders, nor are the reports posted to the Van Kampen public Web site. You may, however, obtain the Form N-Q filings (as well as the Form N-CSR and N-CSRS filings) by accessing the SEC's Web site, <http://www.sec.gov>. You may also review and copy them at the SEC's Public Reference Room in Washington, DC. Information on the operation of the SEC's Public Reference Room may be obtained by calling the SEC at (800) SEC-0330. You can also request copies of these materials, upon payment of a duplicating fee, by electronic request at the SEC's e-mail address (publicinfo@sec.gov) or by writing the Public Reference section of the SEC, Washington, DC 20549-0102.

You may obtain copies of a fund's fiscal quarter filings by contacting Van Kampen Client Relations at (800) 847-2424.

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HOUSEHOLDING NOTICE

To reduce fund expenses, the fund attempts to eliminate duplicate mailings to the same address. The fund delivers a single copy of certain shareholder documents to investors who share an address, even if the accounts are registered under different names. The fund's prospectuses and shareholder reports (including annual privacy notices) will be delivered to you in this manner indefinitely unless you instruct us otherwise. You can request multiple copies of these documents by either calling (800) 341-2911 or writing to Van Kampen Investor Services at 1 Parkview Plaza, P.O. Box 5555, Oakbrook Terrace, IL 60181. Once Investor

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Services has received your instructions, we will begin sending individual copies for each account within 30 days.

PROXY VOTING POLICY AND PROCEDURES AND PROXY VOTING RECORD

You may obtain a copy of the fund's Proxy Voting Policy and Procedures without charge, upon request, by calling toll free (800) 847-2424 or by visiting our Web site at www.vankampen.com. It is also available on the Securities and Exchange Commission's Web site at <http://www.sec.gov>.

You may obtain information regarding how the fund voted proxies relating to portfolio securities during the most recent twelve-month period ended June 30 without charge by visiting our Web site at www.vankampen.com. This information is also available on the Securities and Exchange Commission's Web site at <http://www.sec.gov>.

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Expense Example

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs, including sales charges (loads) on purchase payments of Class A Shares and contingent deferred sales charges on redemptions of Class B and C Shares; and redemption fees; and (2) ongoing costs, including management fees; distribution and service (12b-1) fees; and other Fund expenses. This example is intended to help you understand your ongoing cost (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period 3/1/06 - 8/31/06.

ACTUAL EXPENSE

The first line of the table below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

HYPOTHETICAL EXAMPLE FOR COMPARISON PURPOSES

The second line of the table below provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing cost of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges (loads) or contingent deferred sales charges or redemption fees. Therefore, the second line of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

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| | BEGINNING ACCOUNT VALUE | ENDING ACCOUNT VALUE | EXPENSES PAID DURING PERIOD* |
|---|----------------------------|-------------------------|---------------------------------|
| | 3/1/06 | 8/31/06 | 3/1/06-8/31/06 |
| Class A | | | |
| Actual..... | \$1,000.00 | \$1,021.59 | \$4.74 |
| Hypothetical..... (5% annual return before expenses) | 1,000.00 | 1,020.51 | 4.74 |
| Class B | | | |
| Actual..... | 1,000.00 | 1,017.62 | 8.59 |
| Hypothetical..... (5% annual return before expenses) | 1,000.00 | 1,016.71 | 8.59 |
| Class C | | | |
| Actual..... | 1,000.00 | 1,015.21 | 8.43 |
| Hypothetical..... (5% annual return before expenses) | 1,000.00 | 1,016.81 | 8.44 |
| Class I | | | |
| Actual..... | 1,000.00 | 1,022.87 | 3.42 |
| Hypothetical..... (5% annual return before expenses) | 1,000.00 | 1,021.81 | 3.41 |

* Expenses are equal to the Fund's annualized expense ratio of 0.93%, 1.69%, 1.66% and 0.67% for Class A, B, C and I Shares, respectively, multiplied by the average account value over the period, multiplied by 184/365 (to reflect the one-half year period).

Assumes all dividends and distributions were reinvested.

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Investment Advisory Agreement Approval

Both the Investment Company Act of 1940 and the terms of the Fund's investment advisory agreement require that the investment advisory agreement between the Fund and its investment adviser be approved annually both by a majority of the Board of Trustees and by a majority of the independent trustees voting separately.

On May 22, 2006, the Board of Trustees, and the independent trustees voting separately, determined that the terms of the investment advisory agreement are fair and reasonable and approved the continuance of the investment advisory contract as being in the best interests of the Fund and its shareholders. In making its determination, the Board of Trustees considered materials that were specifically prepared by the investment adviser at the request of the Board and Fund counsel, and by an independent provider of investment company data contracted to assist the Board, relating to the contract review process. The Board also considered information received periodically about the portfolio, performance, the investment strategy, portfolio management team and fees and expenses of the Fund. Finally, the Board considered materials it had received in approving a proposed reduction in the advisory fee rate effective June 1, 2005. The Board of Trustees considered the contract over a period of several months and the non-management trustees held sessions both with the investment adviser and separate from the investment adviser in reviewing and considering the contract.

In approving the investment advisory agreement, the Board of Trustees

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considered, among other things, the nature, extent and quality of the services provided by the investment adviser, the performance, fees and expenses of the Fund compared to other similar funds and other products, the investment adviser's expenses in providing the services and the profitability of the investment adviser and its affiliated companies. The Board of Trustees considered the extent to which any economies of scale experienced by the investment adviser are shared with the Fund's shareholders, and the propriety of existing and alternative breakpoints in the Fund's investment advisory fee schedule. The Board of Trustees considered comparative advisory fees of the Fund and other investment companies and/or other products at different asset levels, and considered the trends in the industry versus historical and projected assets of the Fund. The Board of Trustees evaluated other benefits the investment adviser and its affiliates derive from their relationship with the Fund. The Board of Trustees reviewed information about the foregoing factors and considered changes, if any, in such information since its previous approval. The Board of Trustees discussed the financial strength of the investment adviser and its affiliated companies and the capability of the personnel of the investment adviser, and specifically the strength and background of its portfolio management personnel. The Board of Trustees reviewed the statutory and regulatory requirements for approval and disclosure of investment advisory agreements. The Board of Trustees, including the independent trustees,

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evaluated all of the foregoing and does not believe any single factor or group of factors control or dominate the review process, and, after considering all factors together, has determined, in the exercise of its business judgment, that approval of the investment advisory agreement is in the best interests of the Fund and its shareholders. The following summary provides more detail on certain matters considered but does not detail all matters considered.

Nature, Extent and Quality of the Services Provided. On a regular basis, the Board of Trustees considers the roles and responsibilities of the investment adviser as a whole and for those specific portfolio management, support and trading functions servicing the Fund. The trustees discuss with the investment adviser the resources available and used in managing the Fund and changes made in the Fund's portfolio management team over time. The Fund discloses information about its portfolio management team members and their experience in its prospectus. The trustees also discuss certain other services which are provided on a cost-reimbursement basis by the investment adviser or its affiliates to the Van Kampen funds including certain accounting, administrative and legal services. The Board has determined that the nature, extent and quality of the services provided by the investment adviser support its decision to approve the investment advisory contract.

Performance, Fees and Expenses of the Fund. On a regular basis, the Board of Trustees reviews the performance, fees and expenses of the Fund compared to its peers and to appropriate benchmarks. In addition, the Board spends more focused time on the performance of the Fund and other funds in the Van Kampen complex, paying specific attention to underperforming funds. The trustees discuss with the investment adviser the performance goals and the actual results achieved in managing the Fund. When considering a fund's performance, the trustees and the investment adviser place emphasis on trends and longer-term returns (focusing on one-year, three-year and five-year performance with special attention to three-year performance) and, when a fund's weighted performance is under the fund's benchmark, they discuss the causes and where necessary seek to make specific changes to investment strategy or investment personnel. The Fund discloses more information about its performance elsewhere in this report and in the Fund's prospectus. The trustees discuss with the investment adviser the level of advisory fees for this Fund relative to comparable funds and other products advised by the adviser and others in the marketplace. The trustees

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review not only the advisory fees but other fees and expenses (whether paid to the adviser, its affiliates or others) and the Fund's overall expense ratio. The Fund discloses more information about its fees and expenses in its prospectus. The Board has determined that the performance, fees and expenses of the Fund support its decision to approve the investment advisory contract.

Investment Adviser's Expenses in Providing the Service and Profitability. At least annually, the trustees review the investment adviser's expenses in providing services to the Fund and other funds advised by the investment adviser and the

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profitability of the investment adviser. These profitability reports are put together by the investment adviser with the oversight of the Board. The trustees discuss with the investment adviser its revenues and expenses, including among other things, revenues for advisory services, portfolio management-related expenses, revenue sharing arrangement costs and allocated expenses both on an aggregate basis and per fund. The Board has determined that the analysis of the investment adviser's expenses and profitability support its decision to approve the investment advisory contract.

Economies of Scale. On a regular basis, the Board of Trustees considers the size and growth prospects of the Fund and how that relates to the Fund's expense ratio and particularly the Fund's advisory fee rate. In conjunction with its review of the investment adviser's profitability, the trustees discuss with the investment adviser how more (or less) assets can affect the efficiency or effectiveness of managing the Fund's portfolio and whether the advisory fee level is appropriate relative to current and projected asset levels and/or whether the advisory fee structure reflects economies of scale as asset levels change. The Board has determined that its review of the actual and potential economies of scale of the Fund support its decision to approve the investment advisory contract.

Other Benefits of the Relationship. On a regular basis, the Board of Trustees considers other benefits to the investment adviser and its affiliates derived from its relationship with the Fund and other funds advised by the investment adviser. These benefits include, among other things, fees for transfer agency services provided to the funds, in certain cases research received by the adviser generated from commission dollars spent on funds' portfolio trading, and in certain cases distribution or service related fees related to funds' sales. The trustees review with the investment adviser each of these arrangements and the reasonableness of its costs relative to the services performed. The Board has determined that the other benefits received by the investment adviser or its affiliates support its decision to approve the investment advisory contract.

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VAN KAMPEN HIGH YIELD FUND

PORTFOLIO OF INVESTMENTS -- AUGUST 31, 2006

PAR
AMOUNT
(000)

DESCRIPTION

COUPON

MATURITY

VALUE

CORPORATE BONDS 93.8%

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| | | | | |
|-------------------|---|---------|----------|--------------|
| AEROSPACE 1.7% | | | | |
| \$ 4,645 | Hexcel Corp. | 6.750% | 02/01/15 | \$ 4,401,137 |
| 6,440 | K & F Acquisition, Inc. | 7.750 | 11/15/14 | 6,440,000 |
| | | | | ----- |
| | | | | 10,841,137 |
| | | | | ----- |
| BROADCASTING 0.8% | | | | |
| 3,740 | Lin Television Corp. | 6.500 | 05/15/13 | 3,468,850 |
| 1,645 | Lin Television Corp., Ser B..... | 6.500 | 05/15/13 | 1,525,737 |
| | | | | ----- |
| | | | | 4,994,587 |
| | | | | ----- |
| CABLE 5.1% | | | | |
| 4,815 | Cablecom Luxembourg SCA, (Euro) (Luxembourg) | | | |
| | (a)..... | 9.375 | 04/15/14 | 6,901,272 |
| 6,005 | Cablevision Systems Corp. (Floating Rate | | | |
| | Coupon)..... | 9.620 | 04/01/09 | 6,432,856 |
| 1,839 | CCH I, LLC..... | 11.000 | 10/01/15 | 1,641,307 |
| 5,320 | Echostar DBS Corp. | 6.375 | 10/01/11 | 5,193,650 |
| 1,290 | Echostar DBS Corp. | 6.625 | 10/01/14 | 1,243,237 |
| 460 | Intelsat Subsidiary Holding Co., Ltd. | | | |
| | (Bermuda)..... | 8.250 | 01/15/13 | 461,150 |
| 4,315 | Intelsat Subsidiary Holding Co., Ltd. | | | |
| | (Bermuda)..... | 8.625 | 01/15/15 | 4,379,725 |
| 3,255 | Intelsat Subsidiary Holding Co., Ltd. (Floating | | | |
| | Rate Coupon) (Bermuda)..... | 10.484 | 01/15/12 | 3,320,100 |
| 655 | NTL Cable, Plc (United Kingdom)..... | 8.750 | 04/15/14 | 682,837 |
| 360 | NTL Cable, Plc (United Kingdom)..... | 9.125 | 08/15/16 | 374,400 |
| 898 | PanAmSat Corp. | 9.000 | 08/15/14 | 918,205 |
| | | | | ----- |
| | | | | 31,548,739 |
| | | | | ----- |
| CHEMICALS 6.9% | | | | |
| 2,855 | Cognis Deutschland GmbH & Co. (Euro) (Floating | | | |
| | Rate Coupon) (Germany) (a)..... | 7.816 | 11/15/13 | 3,749,124 |
| 4,950 | Equistar Chemicals, LP..... | 10.125 | 09/01/08 | 5,247,000 |
| 620 | Equistar Chemicals, LP..... | 10.625 | 05/01/11 | 669,600 |
| 952 | Huntsman International, LLC..... | 10.125 | 07/01/09 | 975,800 |
| 4,000 | Huntsman International, LLC (Euro)..... | 10.125 | 07/01/09 | 5,252,713 |
| 3,345 | Innophos Investments Holdings, Inc. (b)..... | 13.405 | 02/15/15 | 3,478,567 |
| 3,245 | Innophos, Inc. | 8.875 | 08/15/14 | 3,261,225 |
| 2,585 | Koppers Holdings, Inc. (c)..... | 0/9.875 | 11/15/14 | 1,919,362 |
| 1,730 | Koppers, Inc. | 9.875 | 10/15/13 | 1,881,375 |
| 1,930 | Millennium America, Inc. | 9.250 | 06/15/08 | 1,983,075 |
| 2,775 | Nalco Co. | 7.750 | 11/15/11 | 2,837,437 |
| 3,960 | Nalco Co. | 8.875 | 11/15/13 | 4,098,600 |
| 2,268 | Rockwood Specialties Group, Inc. | 10.625 | 05/15/11 | 2,443,770 |
| 1,390 | Rockwood Specialties Group, Inc. (Euro) (United | | | |
| | Kingdom) (a)..... | 7.625 | 11/15/14 | 1,838,674 |
| 2,940 | Westlake Chemical Corp. | 6.625 | 01/15/16 | 2,807,700 |
| | | | | ----- |
| | | | | 42,444,022 |
| | | | | ----- |

See Notes to Financial Statements

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VAN KAMPEN HIGH YIELD FUND

PORTFOLIO OF INVESTMENTS -- AUGUST 31, 2006 continued

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| PAR AMOUNT (000) | DESCRIPTION | COUPON | MATURITY | VALUE |
|------------------------|--|---------|----------|--------------|
| | CONSUMER PRODUCTS 2.2% | | | |
| \$ 8,210 | Levi Strauss & Co. (Floating Rate Coupon)..... | 10.258% | 04/01/12 | \$ 8,517,875 |
| 2,295 | Oxford Industrials, Inc. | 8.875 | 06/01/11 | 2,329,425 |
| 2,632 | Tempur Pedic, Inc. | 10.250 | 08/15/10 | 2,770,180 |
| | | | | ----- |
| | | | | 13,617,480 |
| | | | | ----- |
| | DIVERSIFIED MEDIA 4.5% | | | |
| 1,155 | Advanstar Communications, Inc. | 10.750 | 08/15/10 | 1,253,175 |
| 2,840 | AMC Entertainment, Inc. (Floating Rate Coupon)..... | 9.655 | 08/15/10 | 2,939,400 |
| 6,187 | CanWest Media, Inc. (Canada)..... | 8.000 | 09/15/12 | 6,016,710 |
| 2,282 | Dex Media East/Finance Corp., LLC..... | 12.125 | 11/15/12 | 2,555,840 |
| 3,587 | Dex Media West/Finance Corp., LLC, Ser B..... | 9.875 | 08/15/13 | 3,869,476 |
| 3,290 | Houghton Mifflin Co. | 8.250 | 02/01/11 | 3,339,350 |
| 2,070 | Houghton Mifflin Co. | 9.875 | 02/01/13 | 2,152,800 |
| 1,525 | Nebraska Book Co., Inc. | 8.625 | 03/15/12 | 1,399,187 |
| 4,290 | Quebecor World Capital Corp. (Canada) (a)..... | 8.750 | 03/15/16 | 4,054,050 |
| | | | | ----- |
| | | | | 27,579,988 |
| | | | | ----- |
| | ENERGY 10.1% | | | |
| 4,925 | Chaparral Energy, Inc. | 8.500 | 12/01/15 | 4,986,562 |
| 6,870 | CHC Helicopter Corp. (Canada)..... | 7.375 | 05/01/14 | 6,492,150 |
| 960 | Chesapeake Energy Corp. | 7.625 | 07/15/13 | 984,000 |
| 4,360 | Chesapeake Energy Corp. | 7.500 | 09/15/13 | 4,425,400 |
| 2,325 | Chesapeake Energy Corp. | 6.375 | 06/15/15 | 2,220,375 |
| 3,200 | Chesapeake Energy Corp. | 6.625 | 01/15/16 | 3,088,000 |
| 1,645 | Compagnie Generale de Geophysique SA (France)... | 7.500 | 05/15/15 | 1,645,000 |
| 5,120 | El Paso Production Holding Co. | 7.750 | 06/01/13 | 5,222,400 |
| 1,800 | Hanover Compressor Co. | 8.625 | 12/15/10 | 1,881,000 |
| 890 | Hanover Compressor Co. | 9.000 | 06/01/14 | 947,850 |
| 109 | Hanover Equipment Trust, Ser A..... | 8.500 | 09/01/08 | 111,452 |
| 3,042 | Hanover Equipment Trust, Ser B..... | 8.750 | 09/01/11 | 3,178,890 |
| 2,731 | Hilcorp Energy/Finance Corp. (a)..... | 10.500 | 09/01/10 | 2,976,790 |
| 5,460 | Hilcorp Energy/Finance Corp. (a)..... | 7.750 | 11/01/15 | 5,391,750 |
| 3,460 | Husky Oil Ltd. (Canada)..... | 8.900 | 08/15/28 | 3,676,856 |
| 1,863 | Magnum Hunter Resources, Inc. | 9.600 | 03/15/12 | 1,979,438 |
| 6,170 | Massey Energy Co. | 6.875 | 12/15/13 | 5,753,525 |
| 3,450 | Pacific Energy Partners..... | 7.125 | 06/15/14 | 3,501,750 |
| 4,020 | Pogo Producing Co. | 6.875 | 10/01/17 | 3,849,150 |
| | | | | ----- |
| | | | | 62,312,338 |
| | | | | ----- |
| | FINANCIAL 0.6% | | | |
| 3,395 | Residential Capital Corp. | 6.375 | 06/30/10 | 3,427,320 |
| | | | | ----- |
| | FOOD & DRUG 1.9% | | | |
| 1,025 | Albertson's, Inc. | 7.500 | 02/15/11 | 1,033,760 |
| 3,750 | Albertson's, Inc. | 7.250 | 05/01/13 | 3,660,638 |
| 2,625 | Delhaize America, Inc. | 8.125 | 04/15/11 | 2,826,143 |
| 3,672 | Kroger Co. (a)..... | 8.500 | 07/15/17 | 3,965,432 |
| | | | | ----- |
| | | | | 11,485,973 |

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See Notes to Financial Statements

VAN KAMPEN HIGH YIELD FUND

PORTFOLIO OF INVESTMENTS -- AUGUST 31, 2006 continued

| PAR AMOUNT (000) | DESCRIPTION | COUPON | MATURITY | VALUE |
|------------------------|---|--------|----------|--------------|
| | FOOD & TOBACCO 4.3% | | | |
| \$ 3,125 | Michael Foods, Inc. | 8.000% | 11/15/13 | \$ 3,203,125 |
| 7,095 | Pilgrim's Pride Corp. | 9.625 | 09/15/11 | 7,467,488 |
| 4,720 | Pilgrim's Pride Corp. | 9.250 | 11/15/13 | 4,767,200 |
| 4,595 | Reynolds American, Inc. (a)..... | 6.500 | 07/15/10 | 4,655,107 |
| 4,950 | Smithfield Foods, Inc. | 7.000 | 08/01/11 | 4,993,313 |
| 1,080 | Smithfield Foods, Inc., Ser B..... | 8.000 | 10/15/09 | 1,125,900 |
| 450 | Smithfield Foods, Inc., Ser B..... | 7.750 | 05/15/13 | 462,375 |
| | | | | 26,674,508 |
| | FOREST PRODUCTS 5.1% | | | |
| 3,815 | Covalence Specialty Materials Corp. (a)..... | 10.250 | 03/01/16 | 3,681,475 |
| 1,490 | Crown Americas..... | 7.625 | 11/15/13 | 1,504,900 |
| 1,975 | Crown European Holdings SA (Euro) (France)..... | 6.250 | 09/01/11 | 2,675,761 |
| 3,840 | Graham Packaging Co., Inc. | 8.500 | 10/15/12 | 3,734,400 |
| 3,965 | Graham Packaging Co., Inc. | 9.875 | 10/15/14 | 3,836,138 |
| 4,870 | Graphic Packaging International, Inc. | 9.500 | 08/15/13 | 4,918,700 |
| 1,535 | JSG Funding Plc (Euro) (Ireland)..... | 10.125 | 10/01/12 | 2,165,679 |
| 114 | Owens-Brockway Glass Containers, Inc. | 8.875 | 02/15/09 | 117,705 |
| 2,100 | Owens-Illinois, Inc. | 7.350 | 05/15/08 | 2,110,500 |
| 5,540 | Owens-Illinois, Inc. | 7.500 | 05/15/10 | 5,512,300 |
| 1,085 | P.H. Glatfelter (a)..... | 7.125 | 05/01/16 | 1,075,005 |
| | | | | 31,332,563 |
| | GAMING & LEISURE 6.7% | | | |
| 993 | Ceasars Entertainment..... | 8.875 | 09/15/08 | 1,043,891 |
| 475 | Ceasars Entertainment..... | 7.000 | 04/15/13 | 490,959 |
| 4,240 | Host Marriott LP..... | 7.125 | 11/01/13 | 4,303,600 |
| 5,365 | Host Marriott LP..... | 6.375 | 03/15/15 | 5,177,225 |
| 6,935 | Isle of Capri Casinos, Inc. | 7.000 | 03/01/14 | 6,622,925 |
| 5,440 | Las Vegas Sands Corp. | 6.375 | 02/15/15 | 5,086,400 |
| 9,470 | MGM Mirage, Inc. | 6.000 | 10/01/09 | 9,304,275 |
| 1,835 | Starwood Hotels & Resorts Worldwide, Inc. | 7.875 | 05/01/12 | 1,995,563 |
| 3,005 | Station Casinos, Inc. | 6.000 | 04/01/12 | 2,888,556 |
| 3,795 | Station Casinos, Inc. | 6.875 | 03/01/16 | 3,534,094 |
| 1,085 | Station Casinos, Inc. | 7.750 | 08/15/16 | 1,124,331 |
| | | | | 41,571,819 |
| | HEALTHCARE 8.3% | | | |
| 3,180 | AmerisourceBergen Corp. | 5.625 | 09/15/12 | 3,110,339 |
| 5,310 | Community Health Systems, Inc. | 6.500 | 12/15/12 | 4,991,400 |
| 3,275 | DaVita, Inc. | 6.625 | 03/15/13 | 3,209,500 |

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| | | | | |
|-------|--|-------|----------|-----------|
| 4,895 | Fisher Scientific International, Inc. | 6.125 | 07/01/15 | 4,864,406 |
| 6,805 | Fresenius Medical Care Capital Trust IV..... | 7.875 | 06/15/11 | 6,975,125 |
| 940 | HCA, Inc. | 8.750 | 09/01/10 | 949,400 |
| 1,205 | HCA, Inc. | 6.300 | 10/01/12 | 1,012,200 |
| 2,545 | HCA, Inc. | 5.750 | 03/15/14 | 1,985,100 |
| 3,635 | HCA, Inc. | 6.500 | 02/15/16 | 2,880,738 |

See Notes to Financial Statements

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VAN KAMPEN HIGH YIELD FUND

PORTFOLIO OF INVESTMENTS -- AUGUST 31, 2006 continued

| PAR AMOUNT (000) | DESCRIPTION | COUPON | MATURITY | VALUE |
|------------------------|---|--------|----------|--------------|
| ----- | | | | |
| | HEALTHCARE (CONTINUED) | | | |
| \$ 3,980 | Medcath Holdings Corp. | 9.875% | 07/15/12 | \$ 4,238,700 |
| 2,655 | National Mentor Holdings, Inc. (a)..... | 11.250 | 07/01/14 | 2,747,925 |
| 3,680 | Omnicare, Inc. | 6.750 | 12/15/13 | 3,551,200 |
| 1,480 | Tenet Healthcare Corp. | 7.375 | 02/01/13 | 1,324,600 |
| 900 | Tenet Healthcare Corp. | 9.875 | 07/01/14 | 882,000 |
| 4,900 | VWR International, Inc. | 6.875 | 04/15/12 | 4,802,000 |
| 3,975 | Warner Chilcott Corp. | 8.750 | 02/01/15 | 3,994,875 |
| | | | | ----- |
| | | | | 51,519,508 |
| | | | | ----- |
| | HOUSING 2.6% | | | |
| 968 | Goodman Global Holdings, Inc., Ser B (Floating Rate Coupon)..... | 8.329 | 06/15/12 | 970,420 |
| 1,180 | Interface, Inc. | 7.300 | 04/01/08 | 1,187,375 |
| 1,435 | Interface, Inc. | 10.375 | 02/01/10 | 1,569,531 |
| 4,465 | Interface, Inc. | 9.500 | 02/01/14 | 4,610,113 |
| 5,130 | Nortek, Inc. | 8.500 | 09/01/14 | 4,796,550 |
| 1,870 | Technical Olympic USA, Inc. | 9.000 | 07/01/10 | 1,813,900 |
| 1,612 | Technical Olympic USA, Inc. | 10.375 | 07/01/12 | 1,450,800 |
| | | | | ----- |
| | | | | 16,398,689 |
| | | | | ----- |
| | INFORMATION TECHNOLOGY 1.9% | | | |
| 5,045 | Iron Mountain, Inc. | 8.625 | 04/01/13 | 5,177,431 |
| 2,300 | Iron Mountain, Inc. | 7.750 | 01/15/15 | 2,288,500 |
| 525 | Iron Mountain, Inc. | 6.625 | 01/01/16 | 490,875 |
| 3,540 | Sungard Data Systems, Inc. | 9.125 | 08/15/13 | 3,672,750 |
| 320 | Sungard Data Systems, Inc. (Floating Rate Coupon)..... | 9.973 | 08/15/13 | 336,000 |
| | | | | ----- |
| | | | | 11,965,556 |
| | | | | ----- |
| | MANUFACTURING 2.9% | | | |
| 2,185 | General Cable Corp. | 9.500 | 11/15/10 | 2,348,875 |
| 1,959 | JohnsonDiversey, Inc. (Euro) (Luxembourg)..... | 9.625 | 05/15/12 | 2,622,712 |
| 4,463 | JohnsonDiversey, Inc., Ser B..... | 9.625 | 05/15/12 | 4,418,370 |
| 2,574 | Manitowoc Co., Inc. | 10.500 | 08/01/12 | 2,779,920 |
| 2,440 | Propex Fabrics, Inc. | 10.000 | 12/01/12 | 2,214,300 |
| 3,475 | RBS Global & Rexnord Corp. (a)..... | 9.500 | 08/01/14 | 3,509,750 |

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| | | | | ----- |
|-------|--|--------|----------|------------|
| | | | | 17,893,927 |
| | | | | ----- |
| | METALS 2.9% | | | |
| 1,340 | Foundation PA Coal Co. | 7.250 | 08/01/14 | 1,309,850 |
| 7,050 | Novelis, Inc. (Canada) (a)..... | 8.250 | 02/15/15 | 6,732,750 |
| 2,445 | SGL Carbon Luxembourg SA (Euro) (Luxembourg) | | | |
| | (a)..... | 8.500 | 02/01/12 | 3,414,328 |
| 5,992 | UCAR Finance, Inc. | 10.250 | 02/15/12 | 6,321,560 |
| | | | | ----- |
| | | | | 17,778,488 |
| | | | | ----- |

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See Notes to Financial Statements

VAN KAMPEN HIGH YIELD FUND

PORTFOLIO OF INVESTMENTS -- AUGUST 31, 2006 continued

| PAR AMOUNT (000) | DESCRIPTION | COUPON | MATURITY | VALUE |
|------------------------|--|--------|----------|--------------|
| ----- | | | | |
| | RETAIL 1.6% | | | |
| \$ 3,110 | Brown Shoe Co., Inc. | 8.750% | 05/01/12 | \$ 3,218,850 |
| 5,005 | Linens 'n Things, Inc. (Floating Rate Coupon) | | | |
| | (a)..... | 11.132 | 01/15/14 | 4,692,188 |
| 2,020 | Phillips Van-Heusen Corp. | 7.250 | 02/15/11 | 2,025,050 |
| | | | | ----- |
| | | | | 9,936,088 |
| | | | | ----- |
| | SERVICES 2.7% | | | |
| 5,715 | Allied Waste North America, Inc. | 6.375 | 04/15/11 | 5,572,125 |
| 1,850 | Allied Waste North America, Inc. | 7.875 | 04/15/13 | 1,882,375 |
| 1,437 | Allied Waste North America, Inc., Ser B..... | 9.250 | 09/01/12 | 1,544,775 |
| 1,500 | Buhrmann US, Inc. | 8.250 | 07/01/14 | 1,507,500 |
| 1,590 | Buhrmann US, Inc. | 7.875 | 03/01/15 | 1,550,250 |
| 3,625 | MSW Energy Holdings LLC, Ser B..... | 7.375 | 09/01/10 | 3,661,250 |
| 985 | MSW Energy Holdings/Finance..... | 8.500 | 09/01/10 | 1,019,475 |
| | | | | ----- |
| | | | | 16,737,750 |
| | | | | ----- |
| | TELECOMMUNICATIONS 2.9% | | | |
| 3,986 | Axtel SA (Mexico)..... | 11.000 | 12/15/13 | 4,504,180 |
| 6,030 | Exodus Communications, Inc. (d) (e) (f)..... | 11.250 | 07/01/08 | 0 |
| 770 | Exodus Communications, Inc. (d) (e) (f)..... | 11.625 | 07/15/10 | 0 |
| 4,000 | Exodus Communications, Inc. (Euro) (d) (e) | | | |
| | (f)..... | 11.375 | 07/15/08 | 0 |
| 8,250 | GST Network Funding, Inc. (d) (e) (f)..... | 10.500 | 05/01/08 | 825 |
| 1,320 | Nordic Telephone Co. Holdings (Denmark) (a).... | 8.875 | 05/01/16 | 1,379,400 |
| 4,000 | Park N View, Inc., Ser B (d) (e) (f)..... | 13.000 | 05/15/08 | 0 |
| 4,405 | Qwest Communications International, Inc. | | | |
| | (Floating Rate Coupon)..... | 8.905 | 02/15/09 | 4,493,100 |
| 990 | Qwest Corp. | 5.625 | 11/15/08 | 982,575 |
| 1,100 | TDC A S (Euro) (Denmark)..... | 6.500 | 04/19/12 | 1,437,582 |
| 4,480 | Wind Acquisition Finance SA (Luxembourg) (a).... | 10.750 | 12/01/15 | 4,888,800 |
| | | | | ----- |

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| | | | | |
|-------|---------------------------------|--------|----------|------------|
| | | | | 17,686,462 |
| | | | | ----- |
| | TRANSPORTATION | 8.6% | | |
| 6,725 | Amsted Industries, Inc. (a) | 10.250 | 10/15/11 | 7,296,625 |
| 3,435 | Arvinmeritor, Inc. | 8.750 | 03/01/12 | 3,366,300 |
| 4,800 | Ford Motor Co. | 7.450 | 07/16/31 | 3,792,000 |
| 3,675 | Ford Motor Credit Co. | 5.800 | 01/12/09 | 3,522,374 |
| 4,450 | General Motors Acceptance Corp. | 4.375 | 12/10/07 | 4,329,142 |
| 6,220 | General Motors Acceptance Corp. | 6.875 | 09/15/11 | 6,132,348 |
| 1,690 | General Motors Corp. | 7.125 | 07/15/13 | 1,449,175 |
| 4,095 | General Motors Corp. | 8.375 | 07/15/33 | 3,450,038 |
| 5,720 | Petro Stopping Centers, LP | 9.000 | 02/15/12 | 5,777,200 |
| 8,425 | Sonic Automotive, Inc., Ser B | 8.625 | 08/15/13 | 8,403,938 |
| 5,471 | TRW Automotive, Inc. | 9.375 | 02/15/13 | 5,867,648 |
| | | | | ----- |
| | | | | 53,386,788 |
| | | | | ----- |
| | UTILITY | 7.8% | | |
| 740 | AES Corp. | 9.375 | 09/15/10 | 802,900 |
| 528 | AES Corp. | 8.875 | 02/15/11 | 567,600 |
| 925 | AES Corp. | 7.750 | 03/01/14 | 957,375 |
| 3,035 | AES Corp. (a) | 9.000 | 05/15/15 | 3,289,181 |

See Notes to Financial Statements

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VAN KAMPEN HIGH YIELD FUND

PORTFOLIO OF INVESTMENTS -- AUGUST 31, 2006 continued

| PAR AMOUNT (000) | DESCRIPTION | COUPON | MATURITY | VALUE |
|------------------------|-----------------------------|--------|----------|--------------|
| ----- | | | | |
| | UTILITY (CONTINUED) | | | |
| \$ 5,930 | CMS Energy Corp. | 7.500% | 01/15/09 | \$ 6,122,725 |
| 2,825 | Colorado Interstate Gas Co. | 6.800 | 11/15/15 | 2,813,886 |
| 2,585 | IPALCO Enterprises, Inc. | 8.375 | 11/14/08 | 2,681,938 |
| 1,355 | IPALCO Enterprises, Inc. | 8.625 | 11/14/11 | 1,460,013 |
| 4,645 | Monongahela Power Co. | 5.000 | 10/01/06 | 4,642,115 |
| 2,945 | Nevada Power Co., Ser A | 8.250 | 06/01/11 | 3,240,766 |
| 2,515 | Nevada Power Co., Ser G | 9.000 | 08/15/13 | 2,754,121 |
| 995 | Northwest Pipeline Corp. | 8.125 | 03/01/10 | 1,039,775 |
| 5,549 | Ormat Funding Corp. | 8.250 | 12/30/20 | 5,618,206 |
| 4,030 | PSEG Energy Holdings | 8.625 | 02/15/08 | 4,171,050 |
| 1,955 | Southern Natural Gas Co. | 8.875 | 03/15/10 | 2,060,662 |
| 6,210 | Williams Cos., Inc. | 7.875 | 09/01/21 | 6,349,725 |
| | | | | ----- |
| | | | | 48,572,038 |
| | | | | ----- |
| | WIRELESS COMMUNICATIONS | 1.7% | | |
| 3,085 | American Tower Corp. | 7.500 | 05/01/12 | 3,154,413 |
| 3,090 | American Tower Corp. | 7.125 | 10/15/12 | 3,144,075 |
| 4,040 | UbiquiTel Operating Co. | 9.875 | 03/01/11 | 4,413,700 |
| | | | | ----- |
| | | | | 10,712,188 |
| | | | | ----- |

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| | | | | |
|-----------------------|--|------|-----------------|-------------|
| TOTAL CORPORATE BONDS | 93.8% | | | 580,417,956 |
| ----- | | | | |
| 3,980 | FOREIGN CONVERTIBLE CORPORATE OBLIGATION | 0.6% | | |
| | Nortel Networks Corp. (Canada) | | 4.250 09/01/08 | 3,785,975 |
| ----- | | | | |
| 32,575 | FOREIGN GOVERNMENT OBLIGATION | 0.6% | | |
| | Mexico (United Mexican States) (Peso) | | | |
| | (Mexico) | | 10.000 12/05/24 | 3,421,092 |
| ----- | | | | |

| DESCRIPTION | VALUE |
|--|-----------|
| ----- | |
| EQUITIES 0.2% | |
| DecisionOne Corp. (19,895 Common Shares) (f) (g) | 0 |
| Doe Run Resources Corp. (29 Common Stock Warrants) (f) (g) | 146,515 |
| HCI Direct, Inc. (106,250 Common Shares Class A) (f) (g) | 1,275,000 |
| HF Holdings, Inc. (36,820 Common Stock Warrants) (f) (g) | 0 |
| Hosiery Corp. of America, Inc. (1,000 Common Shares Class A) (a) (f) (g) | 0 |
| Jazztel, Plc (5,000 Common Stock Warrants) (Euro) (United Kingdom) (a) (f) (g) | 0 |
| OpTel, Inc. (3,275 Common Shares) (a) (f) (g) | 0 |
| Park N View, Inc. (4,000 Common Stock Warrants) (a) (e) (f) (g) | 0 |
| Reunion Industries, Inc. (107,947 Common Stock Warrants) (f) (g) | 0 |
| Ventelo, Inc. (73,021 Common Shares) (Euro) (United Kingdom) (a) (f) (g) | 0 |
| Viatel Holding Bermuda Ltd. (7,852 Common Shares) (Bermuda) (g) | 216 |
| VS Holdings, Inc. (946,962 Common Shares) (f) (g) | 0 |
| XO Holdings, Inc. (3,469 Common Shares) (g) | 16,027 |

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See Notes to Financial Statements

VAN KAMPEN HIGH YIELD FUND

PORTFOLIO OF INVESTMENTS -- AUGUST 31, 2006 continued

| DESCRIPTION | VALUE |
|--|-------------|
| ----- | |
| EQUITIES (CONTINUED) | |
| XO Holdings, Inc., Ser A (6,941 Common Stock Warrants) (g) | \$ 6,073 |
| XO Holdings, Inc., Ser B (5,205 Common Stock Warrants) (g) | 2,993 |
| XO Holdings, Inc., Ser C (5,205 Common Stock Warrants) (g) | 1,978 |
| ----- | |
| TOTAL EQUITIES | 1,448,802 |
| ----- | |
| TOTAL LONG-TERM INVESTMENTS | 95.2% |
| (Cost \$624,970,297) | 589,073,825 |
| REPURCHASE AGREEMENT | 3.0% |
| State Street Bank & Trust Co. (\$18,747,000 par collateralized by U.S. | |

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| | |
|---|------------------------|
| Government obligations in a pooled cash account, interest rate of 5.10%, dated 08/31/06, to be sold on 09/01/06 at \$18,749,656) (Cost \$18,747,000)..... | 18,747,000 ----- |
| TOTAL INVESTMENTS 98.2% (Cost \$643,717,297)..... | 607,820,825 |
| FOREIGN CURRENCY 0.0% (Cost \$1,095)..... | 1,094 |
| OTHER ASSETS IN EXCESS OF LIABILITIES 1.8%..... | 10,977,911 ----- |
| NET ASSETS 100.0%..... | \$618,799,830 ===== |

Percentages are calculated as a percentage of net assets.

- (a) 144A securities are those which are exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may only be resold in transactions exempt from registration which are normally those transactions with qualified institutional buyers.
- (b) Payment-in-kind security.
- (c) Security is a "step-up" bond where the coupon increases or steps up at a predetermined date.
- (d) Non-income producing as security is in default.
- (e) This borrower has filed for protection in federal bankruptcy court.
- (f) Market value is determined in accordance with procedures established in good faith by the Board of Trustees.
- (g) Non-income producing security as this stock currently does not declare dividends.

See Notes to Financial Statements 17

VAN KAMPEN HIGH YIELD FUND

PORTFOLIO OF INVESTMENTS -- AUGUST 31, 2006 continued

FORWARD FOREIGN CURRENCY CONTRACTS OUTSTANDING AS OF AUGUST 31, 2006:

| | IN EXCHANGE FOR | CURRENT VALUE | UNREALIZED APPRECIATION/ DEPRECIATION |
|----------------------------------|--------------------|---------------|---|
| SHORT CONTRACTS: | | | |
| Euro Currency | | | |
| 11,073,000 expiring 9/27/06..... | US \$ | \$14,209,883 | \$ (254,581) |
| 12,546,000 expiring 9/27/06..... | US \$ | 16,100,171 | (294,469) |
| | | | ----- |
| | | | \$ (549,050) |
| | | | ===== |

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See Notes to Financial Statements

VAN KAMPEN HIGH YIELD FUND

FINANCIAL STATEMENTS

Statement of Assets and Liabilities
August 31, 2006

| | |
|---|-----------------|
| ASSETS: | |
| Total Investments (Cost \$643,717,297)..... | \$ 607,820,825 |
| Foreign Currency (Cost \$1,095)..... | 1,094 |
| Cash..... | 103 |
| Receivables: | |
| Interest..... | 12,708,082 |
| Fund Shares Sold..... | 1,914,208 |
| Other..... | 301,612 |
| | ----- |
| Total Assets..... | 622,745,924 |
| | ----- |
| LIABILITIES: | |
| Payables: | |
| Fund Shares Repurchased..... | 1,223,125 |
| Income Distributions..... | 972,029 |
| Distributor and Affiliates..... | 338,869 |
| Investment Advisory Fee..... | 212,098 |
| Forward Foreign Currency Contracts..... | 549,050 |
| Trustees' Deferred Compensation and Retirement Plans..... | 391,967 |
| Accrued Expenses..... | 258,956 |
| | ----- |
| Total Liabilities..... | 3,946,094 |
| | ----- |
| NET ASSETS..... | \$ 618,799,830 |
| | ===== |
| NET ASSETS CONSIST OF: | |
| Capital (Par value of \$.01 per share with an unlimited number of shares authorized)..... | \$1,225,870,716 |
| Accumulated Undistributed Net Investment Income..... | (3,780,148) |
| Net Unrealized Depreciation..... | (37,098,761) |
| Accumulated Net Realized Loss..... | (566,191,977) |
| | ----- |
| NET ASSETS..... | \$ 618,799,830 |
| | ===== |
| MAXIMUM OFFERING PRICE PER SHARE: | |
| Class A Shares: | |
| Net asset value and redemption price per share (Based on net assets of \$457,745,028 and 131,307,908 shares of beneficial interest issued and outstanding)..... | \$ 3.49 |
| Maximum sales charge (4.75%* of offering price)..... | .17 |
| | ----- |
| Maximum offering price to public..... | \$ 3.66 |
| | ===== |
| Class B Shares: | |
| Net asset value and offering price per share (Based on net assets of \$115,758,717 and 33,021,621 shares of beneficial interest issued and outstanding)..... | \$ 3.51 |
| | ===== |
| Class C Shares: | |
| Net asset value and offering price per share (Based on | |

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| | | |
|---|----|-------|
| net assets of \$43,622,129 and 12,601,990 shares of beneficial interest issued and outstanding)..... | \$ | 3.46 |
| | | ===== |

Class I Shares:

| | | |
|---|----|-------|
| Net asset value and offering price per share (Based on net assets of \$1,673,956 and 480,044 shares of beneficial interest issued and outstanding)..... | \$ | 3.49 |
| | | ===== |

* On sales of \$100,000 or more, the sales charge will be reduced.

See Notes to Financial Statements

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VAN KAMPEN HIGH YIELD FUND

FINANCIAL STATEMENTS continued

Statement of Operations
For the Year Ended August 31, 2006

INVESTMENT INCOME:

| | | |
|-------------------|----|------------|
| Interest..... | \$ | 53,163,828 |
| Dividends..... | | 2,451 |
| Other..... | | 912,286 |
| | | ----- |
| Total Income..... | | 54,078,565 |
| | | ----- |

EXPENSES:

| | | |
|---|--|-----------|
| Distribution (12b-1) and Service Fees (Attributed to Classes A, B and C of \$1,170,684, \$1,513,622 and \$429,390, respectively)..... | | 3,113,696 |
| Investment Advisory Fee..... | | 2,719,921 |
| Shareholder Services..... | | 1,379,011 |
| Custody..... | | 61,649 |
| Trustees' Fees and Related Expenses..... | | 45,781 |
| Legal..... | | 19,361 |
| Other..... | | 390,507 |
| | | ----- |
| Total Expenses..... | | 7,729,926 |
| Less Credits Earned on Cash Balances..... | | 60,555 |
| | | ----- |
| Net Expenses..... | | 7,669,371 |
| | | ----- |

| | | |
|----------------------------|----|------------|
| NET INVESTMENT INCOME..... | \$ | 46,409,194 |
| | | ===== |

REALIZED AND UNREALIZED GAIN/LOSS:

Realized Gain/Loss:

| | | |
|------------------------------------|----|--------------|
| Investments..... | \$ | (10,282,462) |
| Swap Contracts..... | | 125,670 |
| Foreign Currency Transactions..... | | (340,147) |
| | | ----- |
| Net Realized Loss..... | | (10,496,939) |
| | | ----- |

| | | |
|--|--|--------------|
| Net Unrealized Depreciation During the Period..... | | (16,043,354) |
| | | ----- |

| | | |
|---------------------------------------|----|--------------|
| NET REALIZED AND UNREALIZED LOSS..... | \$ | (26,540,293) |
| | | ===== |

| | | |
|---|----|------------|
| NET INCREASE IN NET ASSETS FROM OPERATIONS..... | \$ | 19,868,901 |
|---|----|------------|

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=====

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See Notes to Financial Statements

VAN KAMPEN HIGH YIELD FUND

FINANCIAL STATEMENTS continued

Statements of Changes in Net Assets

| | FOR THE YEAR ENDED AUGUST 31, 2006 | FOR THE YEAR ENDED AUGUST 31, 2005 |
|---|--|--|
| | ----- | ----- |
| FROM INVESTMENT ACTIVITIES: | | |
| Operations: | | |
| Net Investment Income..... | \$ 46,409,194 | \$ 51,865,645 |
| Net Realized Gain/Loss..... | (10,496,939) | 3,062,032 |
| Net Unrealized Depreciation During the Period..... | (16,043,354) | (12,909,658) |
| | ----- | ----- |
| Change in Net Assets from Operations..... | 19,868,901 | 42,018,019 |
| | ----- | ----- |
| Distributions from Net Investment Income: | | |
| Class A Shares..... | (35,559,226) | (35,174,855) |
| Class B Shares..... | (10,076,519) | (12,164,487) |
| Class C Shares..... | (3,035,788) | (3,384,973) |
| Class I Shares..... | (481,065) | (82,724) |
| | ----- | ----- |
| Total Distributions..... | (49,152,598) | (50,807,039) |
| | ----- | ----- |
| NET CHANGE IN NET ASSETS FROM INVESTMENT ACTIVITIES..... | (29,283,697) | (8,789,020) |
| | ----- | ----- |
| FROM CAPITAL TRANSACTIONS: | | |
| Proceeds from Shares Sold..... | 137,558,848 | 489,332,752 |
| Net Asset Value of Shares Issued Through Dividend Reinvestment..... | 35,523,788 | 37,014,423 |
| Cost of Shares Repurchased..... | (325,876,260) | (298,295,554) |
| | ----- | ----- |
| NET CHANGE IN NET ASSETS FROM CAPITAL TRANSACTIONS..... | (152,793,624) | 228,051,621 |
| | ----- | ----- |
| TOTAL INCREASE/DECREASE IN NET ASSETS..... | (182,077,321) | 219,262,601 |
| NET ASSETS: | | |
| Beginning of the Period..... | 800,877,151 | 581,614,550 |
| | ----- | ----- |
| End of the Period (Including accumulated undistributed net investment income of \$(3,780,148) and \$(1,552,606), respectively)..... | \$ 618,799,830 | \$ 800,877,151 |
| | ===== | ===== |

See Notes to Financial Statements

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VAN KAMPEN HIGH YIELD FUND

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FINANCIAL HIGHLIGHTS

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

| CLASS A SHARES | YEAR ENDED AUGUST 31, | | | | |
|---|-----------------------|---------|---------|---------|----------|
| | 2006 | 2005 | 2004 | 2003 | 2002 |
| NET ASSET VALUE, BEGINNING OF THE PERIOD... | \$ 3.63 | \$ 3.64 | \$ 3.43 | \$ 3.15 | \$ 4.23 |
| Net Investment Income..... | .25 (a) | .26 | .26 | .29 | .39 |
| Net Realized and Unrealized Gain/Loss.... | (.13) | (.02) | .21 | .29 | (1.01) |
| Total from Investment Operations..... | .12 | .24 | .47 | .58 | (.62) |
| Less: | | | | | |
| Distributions from Net Investment | | | | | |
| Income..... | .26 | .25 | .25 | .24 | .43 |
| Return of Capital Distributions..... | -0- | -0- | .01 | .06 | .03 |
| Total Distributions..... | .26 | .25 | .26 | .30 | .46 |
| NET ASSET VALUE, END OF THE PERIOD..... | \$ 3.49 | \$ 3.63 | \$ 3.64 | \$ 3.43 | \$ 3.15 |
| Total Return (b)..... | 3.55% | 6.89% | 14.02% | 19.26% | -15.75% |
| Net Assets at End of the Period (In millions)..... | \$457.7 | \$532.0 | \$379.5 | \$408.7 | \$ 308.5 |
| Ratio of Expenses to Average Net Assets (c)..... | .92% | 1.06% | 1.06% | 1.12% | 1.08% |
| Ratio of Net Investment Income to Average Net Assets..... | 7.04% | 7.11% | 7.45% | 8.36% | 10.39% |
| Portfolio Turnover..... | 44% | 84% | 88% | 95% | 83% |

(a) Based on average shares outstanding.

(b) Assumes reinvestment of all distributions for the period and does not include payment of the maximum sales charge of 4.75% or contingent deferred sales charge (CDSC). On purchases of \$1 million or more, a CDSC of 1% may be imposed on certain redemptions made within eighteen months of purchase. If the sales charges were included, total returns would be lower. These returns include combined Rule 12b-1 fees and service fees of up to .25% and do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

(c) The Ratio of Expenses to Average Net Assets does not reflect credits earned on cash balances. If these credits were reflected as a reduction of expenses, the ratio would decrease by .01% for the year ended August 31, 2006.

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

| CLASS B SHARES | YEAR ENDED AUGUST 31, | | | | |
|--|-----------------------|---------|---------|---------|----------|
| | 2006 | 2005 | 2004 | 2003 | 2002 |
| NET ASSET VALUE, BEGINNING OF THE PERIOD... | \$ 3.65 | \$ 3.65 | \$ 3.44 | \$ 3.16 | \$ 4.24 |
| Net Investment Income..... | .22 (a) | .25 | .23 | .25 | .35 |
| Net Realized and Unrealized Gain/Loss.... | (.13) | (.02) | .21 | .30 | (1.01) |
| Total from Investment Operations..... | .09 | .23 | .44 | .55 | (.66) |
| Less: | | | | | |
| Distributions from Net Investment Income..... | .23 | .23 | .22 | .21 | .39 |
| Return of Capital Distributions..... | -0- | -0- | .01 | .06 | .03 |
| Total Distributions..... | .23 | .23 | .23 | .27 | .42 |
| NET ASSET VALUE, END OF THE PERIOD..... | \$ 3.51 | \$ 3.65 | \$ 3.65 | \$ 3.44 | \$ 3.16 |
| Total Return (b)..... | 2.75% | 6.36% | 12.79% | 18.27% | -16.12% |
| Net Assets at End of the Period (In millions)..... | \$115.8 | \$191.0 | \$160.7 | \$175.6 | \$ 168.8 |
| Ratio of Expenses to Average Net Assets (c)..... | 1.68% | 1.83% | 1.82% | 1.89% | 1.84% |
| Ratio of Net Investment Income to Average Net Assets..... | 6.28% | 6.33% | 6.70% | 7.68% | 9.67% |
| Portfolio Turnover..... | 44% | 84% | 88% | 95% | 83% |

(a) Based on average shares outstanding.

(b) Assumes reinvestment of all distributions for the period and does not include payment of the maximum CDSC of 4%, charged on certain redemptions made within the first and second year of purchase and declining to 0% after the fifth year. If the sales charge was included, total returns would be lower. These returns include combined Rule 12b-1 fees and service fees of up to 1% and do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

(c) The Ratio of Expenses to Average Net Assets does not reflect credits earned on cash balances. If these credits were reflected as a reduction of expenses, the ratio would decrease by .01% for the year ended August 31, 2006.

See Notes to Financial Statements

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VAN KAMPEN HIGH YIELD FUND

FINANCIAL HIGHLIGHTS continued

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

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| CLASS C SHARES | YEAR ENDED AUGUST 31, | | | | |
|---|-----------------------|-----------|------------|------------|---------|
| | 2006 | 2005 | 2004 | 2003 | 2002 |
| NET ASSET VALUE, BEGINNING OF THE PERIOD.... | \$3.60 | \$3.61 | \$ 3.41 | \$ 3.13 | \$ 4.20 |
| Net Investment Income..... | .22 (a) | .25 | .23 | .25 | .35 |
| Net Realized and Unrealized Gain/Loss..... | (.12) | (.03) | .20 | .30 | (1.00) |
| Total from Investment Operations..... | .10 | .22 | .43 | .55 | (.65) |
| Less: | | | | | |
| Distributions from Net Investment Income..... | .24 | .23 | .22 | .21 | .39 |
| Return of Capital Distributions..... | -0- | -0- | .01 | .06 | .03 |
| Total Distributions..... | .24 | .23 | .23 | .27 | .42 |
| NET ASSET VALUE, END OF THE PERIOD..... | \$3.46 | \$3.60 | \$ 3.61 | \$ 3.41 | \$ 3.13 |
| Total Return (b)..... | 2.83% (d) | 6.17% (d) | 12.98% (d) | 18.14% (e) | -16.04% |
| Net Assets at End of the Period (In millions)..... | \$43.6 | \$54.5 | \$ 41.4 | \$ 41.5 | \$ 36.7 |
| Ratio of Expenses to Average Net Assets (c)..... | 1.64% (d) | 1.82% (d) | 1.81% (d) | 1.86% | 1.84% |
| Ratio of Net Investment Income to Average Net Assets..... | 6.32% (d) | 6.34% (d) | 6.71% (d) | 7.68% (e) | 9.68% |
| Portfolio Turnover..... | 44% | 84% | 88% | 95% | 83% |

(a) Based on average shares outstanding.

(b) Assumes reinvestment of all distributions for the period and does not include payment of the maximum CDSC of 1% charged on certain redemptions made within one year of purchase. If the sales charge was included, total returns would be lower. These returns include combined Rule 12b-1 fees and service fees of up to 1% and do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

(c) The Ratio of Expenses to Average Net Assets does not reflect credits earned on cash balances. If these credits were reflected as a reduction of expenses, the ratio would decrease by .01% for the year ended August 31, 2006.

(d) The Total Return, Ratio of Expenses to Average Net Assets and Ratio of Net Investment Income to Average Net Assets reflect actual 12b-1 fees of less than 1% (See footnote 7).

(e) Certain non-recurring payments were made to Class C Shares, resulting in an increase to the Total Return and Ratio of Net Investment Income to Average Net Assets of .01%.

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

| CLASS I SHARES | YEAR ENDED AUGUST 31, 2006 | MARCH 23, 2005 (COMMENCEMENT OF OPERATIONS) TO AUGUST 31, 2005 |
|---|----------------------------------|---|
| | ----- | ----- |
| NET ASSET VALUE, BEGINNING OF THE PERIOD..... | \$3.63 | \$3.65 |
| | ----- | ----- |
| Net Investment Income..... | .26 (a) | .12 |
| Net Realized and Unrealized Loss..... | (.13) | (.02) |
| | ----- | ----- |
| Total from Investment Operations..... | .13 | .10 |
| Less Distributions from Net Investment Income..... | .27 | .12 |
| | ----- | ----- |
| NET ASSET VALUE, END OF THE PERIOD..... | \$3.49 | \$3.63 |
| | ===== | ===== |
| | | |
| Total Return (b)..... | 3.82% | 2.69%* |
| Net Assets at End of the Period (In millions)..... | \$ 1.7 | \$23.3 |
| Ratio of Expenses to Average Net Assets (c)..... | .63% | .85% |
| Ratio of Net Investment Income to Average Net Assets..... | 7.37% | 6.97% |
| Portfolio Turnover..... | 44% | 84% |

* Non-Annualized

(a) Based on average shares outstanding.

(b) Assumes reinvestment of all distributions for the period. These returns do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

(c) The Ratio of Expenses to Average Net Assets does not reflect credits earned on cash balances. If these credits were reflected as a reduction of expense, the ratio would decrease by .01% for the year ended August 31, 2006.

See Notes to Financial Statements

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VAN KAMPEN HIGH YIELD FUND

NOTES TO FINANCIAL STATEMENTS -- AUGUST 31, 2006

1. SIGNIFICANT ACCOUNTING POLICIES

Van Kampen High Yield Fund (the "Fund"), formerly known as Van Kampen High Income Corporate Bond Fund, is organized as a Delaware statutory trust, and is registered as a diversified, open-end management investment company under the Investment Company Act of 1940 (the "1940 Act"), as amended. The Fund's primary investment objective is to seek to maximize current income. Capital appreciation is a secondary objective which is sought only when consistent with the Fund's primary investment objective. The Fund commenced investment operations on October 2, 1978. The Fund offers Class A Shares, Class B Shares, Class C Shares and Class I Shares. Each class of shares differs by its initial sales load, contingent deferred sales charges, the allocation of class-specific expenses and voting rights on matters affecting a single class.

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The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements. The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

A. SECURITY VALUATION Fixed income investments and preferred stock are stated at value using market quotations or indications of value obtained from an independent pricing service. Investments in securities listed on a securities exchange are valued at their last sale price as of the close of such securities exchange. Equity securities traded on NASDAQ are valued at the NASDAQ Official Closing Price. Unlisted securities and listed securities for which the last sales price is not available are valued at the mean of the last reported bid and asked price. For those securities where quotations or prices are not readily available, valuations are determined in accordance with procedures established in good faith by the Board of Trustees. Forward foreign currency contracts are valued using quoted foreign exchange rates. Credit default swaps are valued using market quotations obtained from brokers. Short-term securities with remaining maturities of 60 days or less are valued at amortized cost, which approximates market value.

B. SECURITY TRANSACTIONS Security transactions are recorded on a trade date basis. Realized gains and losses are determined on an identified cost basis. The Fund may purchase and sell securities on a "when-issued" or "delayed delivery" basis, with settlement to occur at a later date. The value of the security so purchased is subject to market fluctuations during this period. The Fund will segregate assets with the custodian having an aggregate value at least equal to the amount of the when-issued or delayed delivery purchase commitments until payment is made. At August 31, 2006, there were no when-issued, delayed delivery, or forward purchase commitments.

The Fund may invest in repurchase agreements, which are short-term investments in which the Fund acquires ownership of a debt security and the seller agrees to repurchase the security at a future time and specified price. The Fund may invest independently in repurchase agreements, or transfer uninvested cash balances into a pooled cash account along with other investment companies advised by Van Kampen Asset Management (the "Adviser") or its affiliates, the daily aggregate of which is invested in repurchase agreements. Repurchase agreements are fully collateralized by the underlying debt security. The Fund will make

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VAN KAMPEN HIGH YIELD FUND

NOTES TO FINANCIAL STATEMENTS -- AUGUST 31, 2006 continued

payment for such securities only upon physical delivery or evidence of book entry transfer to the account of the custodian bank. The seller is required to maintain the value of the underlying security at not less than the repurchase proceeds due the Fund.

C. INCOME AND EXPENSES Interest income is recorded on an accrual basis and dividend income is recorded on the ex-dividend date. Discounts on debt securities are accreted and premiums are amortized over the expected life of each applicable security. Other income is comprised primarily of consent fees. Consent fees are earned as compensation for agreeing to changes in terms of debt instruments. Income and expenses of the Fund are allocated on a pro rata basis

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to each class of shares, except for distribution and service fees and incremental transfer agency costs which are unique to each class of shares.

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

The Fund intends to utilize provisions of the federal income tax laws which allow it to carry a realized capital loss forward for eight years following the year of the loss and offset such losses against any future realized capital gains. At August 31, 2006, the Fund had an accumulated capital loss carryforward for tax purposes of \$559,992,005 which will expire according to the following schedule:

| AMOUNT | EXPIRATION |
|--------------------|-----------------|
| \$ 15,213,979..... | August 31, 2007 |
| 33,682,013..... | August 31, 2008 |
| 51,935,293..... | August 31, 2009 |
| 138,518,165..... | August 31, 2010 |
| 165,406,856..... | August 31, 2011 |
| 117,018,188..... | August 31, 2012 |
| 32,804,299..... | August 31, 2013 |
| 5,413,212..... | August 31, 2014 |

Part of the capital loss carryforward referred to above was acquired due to a merger with another regulated investment company. Please see Footnote 3 for details.

At August 31, 2006, the cost and related gross unrealized appreciation and depreciation are as follows:

| | |
|---|-----------------|
| Cost of investments for tax purposes..... | \$646,367,161 |
| | ===== |
| Gross tax unrealized appreciation..... | \$ 15,993,008 |
| Gross tax unrealized depreciation..... | (54,539,344) |
| | ----- |
| Net tax unrealized depreciation on investments..... | \$ (38,546,336) |
| | ===== |

E. DISTRIBUTION OF INCOME AND GAINS The Fund declares daily and pays monthly dividends from net investment income. Net realized gains, if any, are distributed annually. Distributions from net realized gains for book purposes may include short-term capital gains which are included in ordinary income for tax purposes.

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VAN KAMPEN HIGH YIELD FUND

NOTES TO FINANCIAL STATEMENTS -- AUGUST 31, 2006 continued

The tax character of distributions paid during the years ended August 31, 2006 and 2005 was as follows:

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| | 2006 | 2005 |
|-----------------------------|--------------|--------------|
| Distributions paid from: | | |
| Ordinary income..... | \$49,344,799 | \$50,502,624 |
| Long-term capital gain..... | -0- | -0- |
| | ----- | ----- |
| | \$49,344,799 | \$50,502,624 |
| | ===== | ===== |

Due to inherent differences in the recognition of income, expenses, and realized gains/losses under U.S. generally accepted accounting principles and federal income tax purposes, permanent differences between book and tax basis reporting have been identified and appropriately reclassified on the Statement of Assets and Liabilities. Permanent book and tax differences of \$894,224 relating to consent fee income received from tender offers and \$13,003 relating to the Fund's investment in other Regulated Investment Companies have been reclassified from accumulated undistributed net investment income to accumulated net realized loss. A permanent book and tax difference of \$310,452 relating to net realized losses on foreign currency transactions has been reclassified from accumulated net realized loss to accumulated undistributed net investment income. A permanent book and tax difference of \$125,671 relating to income from swap transactions has been reclassified from accumulated net realized loss to accumulated undistributed net investment income. Permanent book and tax differences of \$935,071 and \$660,296 relating to book to tax amortization differences were reclassified from accumulated undistributed net investment loss to accumulated net realized loss and net unrealized depreciation, respectively. Also, a permanent book and tax difference of \$12,503 relating to net realized losses on paydowns of mortgage pool obligations were reclassified from accumulated undistributed net investment income to accumulated net realized loss. Finally, a permanent book and tax difference of \$6,411,333 relating to the portion of capital loss carry-forward expiring in the current year has been reclassified from accumulated net realized loss to capital.

As of August 31, 2006, the components of distributable earnings on a tax basis were as follows:

Undistributed ordinary income..... \$1,345,993

Net realized gains or losses may differ for financial reporting and tax purposes primarily as a result of post October losses which are not recognized for tax purposes until the first day of the following fiscal year and the deferral of losses relating to wash sales transactions.

F. EXPENSE REDUCTIONS During the year ended August 31, 2006, the Fund's custody and accounting fees were reduced by \$51,797 and \$8,758, respectively, as a result of credits earned on cash balances.

G. FOREIGN CURRENCY TRANSLATION Asset and liabilities denominated in foreign currencies and commitments under forward foreign currency contracts are translated into U.S. dollars at the mean of the quoted bid and ask prices of such currencies against the U.S. dollar. Purchases and sales of portfolio securities are translated at the rate of exchange prevailing when such

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VAN KAMPEN HIGH YIELD FUND

NOTES TO FINANCIAL STATEMENTS -- AUGUST 31, 2006 continued

securities were acquired or sold. Realized gain and loss on foreign currency transactions on the Statement of Operations includes the net realized amount from the sale of foreign currency and the amount realized between trade date and settlement date on securities transactions. Income and expenses are translated at rates prevailing when accrued.

2. INVESTMENT ADVISORY AGREEMENT AND OTHER TRANSACTIONS WITH AFFILIATES

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

| AVERAGE DAILY NET ASSETS | % PER ANNUM |
|--------------------------|-------------|
| First \$500 million..... | .420% |
| Next \$250 million..... | .345 |
| Next \$250 million..... | .295 |
| Next \$1 billion..... | .270 |
| Next \$1 billion..... | .245 |
| Over \$3 billion..... | .220 |

For the year ended August 31, 2006, the Fund recognized expenses of approximately \$19,400 representing legal services provided by Skadden, Arps, Slate, Meagher & Flom LLP, of which a trustee of the Fund is a partner of such firm and he and his law firm provide legal services as legal counsel to the Fund.

Under separate Accounting Services and Chief Compliance Officer (CCO) Employment agreements, the Adviser provides accounting services and the CCO provides compliance services to the Fund. The costs of these services are allocated to each fund. For the year ended August 31, 2006, the Fund recognized expenses of approximately \$48,700 representing Van Kampen Investments Inc.'s or its affiliates' (collectively "Van Kampen") cost of providing accounting services to the Fund, as well as, the salary, benefits and related costs of the CCO and related support staff paid by Van Kampen. Services provided pursuant to the Accounting Services and CCO Employment agreement are reported as part of "Other" expenses on the Statement of Operations.

Van Kampen Investor Services Inc. (VKIS), an affiliate of the Adviser, serves as the shareholder servicing agent for the Fund. For the year ended August 31, 2006, the Fund recognized expenses of approximately \$1,094,600 representing transfer agency fees paid to VKIS. Transfer agency fees are determined through negotiations with the Fund's Board of Trustees.

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

The Fund provides deferred compensation and retirement plans for its trustees who are not officers of Van Kampen. Under the deferred compensation plan, trustees may elect to defer all or a portion of their compensation. Amounts deferred are retained by the Fund and to the extent permitted by the 1940 Act, as amended, may be invested in the common shares of those funds selected by the trustees. Investments in such funds of \$262,423 are included in

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"Other" assets on the Statement of Assets and Liabilities at August 31, 2006. Appreciation/depreciation and distributions received from these investments are recorded with an offsetting increase/decrease in the deferred compensation obligation and do not affect the net asset value of the Fund. Benefits under the retirement plan are payable upon retirement for a

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VAN KAMPEN HIGH YIELD FUND

NOTES TO FINANCIAL STATEMENTS -- AUGUST 31, 2006 continued

ten-year period and are based upon each trustee's years of service to the Fund. The maximum annual benefit per trustee under the plan is \$2,500.

For the year ended August 31, 2006, Van Kampen, as Distributor for the Fund, received net commissions on sales of the Fund's Class A Shares of approximately \$103,400 and contingent deferred sales charge (CDSC) on redeemed shares of approximately \$274,800. Sales charges do not represent expenses to the Fund.

3. CAPITAL TRANSACTIONS

For the years ended August 31, 2006 and 2005, transactions were as follows:

| | FOR THE YEAR ENDED AUGUST 31, 2006 | | FOR THE YEAR ENDED AUGUST 31, 2005 | |
|----------------------------------|--|------------------|--|------------------|
| | SHARES | VALUE | SHARES | VALUE |
| Sales: | | | | |
| Class A..... | 29,290,990 | \$ 103,011,978 | 86,725,464 | \$ 320,410,088 |
| Class B..... | 5,193,622 | 18,355,586 | 28,208,023 | 105,232,841 |
| Class C..... | 4,549,191 | 15,796,883 | 10,910,339 | 40,075,471 |
| Class I..... | 115,790 | 394,401 | 6,506,107 | 23,614,352 |
| | ----- | ----- | ----- | ----- |
| Total Sales..... | 39,149,593 | \$ 137,558,848 | 132,349,933 | \$ 489,332,752 |
| | ===== | ===== | ===== | ===== |
| Dividend Reinvestment: | | | | |
| Class A..... | 7,372,644 | \$ 25,916,242 | 7,137,575 | \$ 26,066,021 |
| Class B..... | 1,998,462 | 7,065,215 | 2,331,043 | 8,551,256 |
| Class C..... | 590,646 | 2,061,273 | 637,802 | 2,314,420 |
| Class I..... | 136,311 | 481,058 | 22,802 | 82,726 |
| | ----- | ----- | ----- | ----- |
| Total Dividend Reinvestment..... | 10,098,063 | \$ 35,523,788 | 10,129,222 | \$ 37,014,423 |
| | ===== | ===== | ===== | ===== |
| Repurchases: | | | | |
| Class A..... | (52,016,777) | \$ (183,438,639) | (51,466,042) | \$ (188,120,153) |
| Class B..... | (26,554,629) | (93,925,102) | (22,114,193) | (81,191,619) |
| Class C..... | (7,670,401) | (26,835,230) | (7,880,798) | (28,567,020) |
| Class I..... | (6,186,212) | (21,677,289) | (114,754) | (416,762) |
| | ----- | ----- | ----- | ----- |
| Total Repurchases..... | (92,428,019) | \$ (325,876,260) | (81,575,787) | \$ (298,295,554) |
| | ===== | ===== | ===== | ===== |

On December 17, 2004, the Fund acquired all of the assets and liabilities of the Van Kampen High Yield Fund ("High Yield") through a tax free reorganization approved by High Yield shareholders on December 7, 2004. The Fund issued

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49,903,883, 21,224,359 and 7,028,101 shares of Classes A, B and C valued at \$186,141,484, \$79,591,347 and \$26,074,256, respectively, in exchange for High Yield's net assets. The shares of High Yield were converted into Fund shares at ratios of 1 to 1.515, 1 to 1.514 and 1 to 1.529 for Classes A, B and C, respectively. Net unrealized appreciation of High Yield as of December 17, 2004 was \$3,802,196. The Fund assumed High Yield's book to tax amortization differences, which resulted in a \$660,296 decrease to accumulated undistributed net investment income and a corresponding increase to net unrealized appreciation. Shares issued in connection with this reorganization are included in proceeds from shares sold for the year ended August 31, 2005. Combined net assets of both funds on the day of reorganization were \$893,763,227. Included

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VAN KAMPEN HIGH YIELD FUND

NOTES TO FINANCIAL STATEMENTS -- AUGUST 31, 2006 continued

in these net assets was a capital loss carryforward of \$166,397,364, deferred compensation of \$155,071, the deferral of losses related to wash sale transactions of \$290,140, non-accrual interest income of \$864,492 and marked to market \$821,478, all carried forward from the High Yield Fund.

4. REDEMPTION FEE

Effective September 26, 2005, the Fund assesses a 2% redemption fee on the proceeds of Fund shares that are redeemed (either by sales or exchange) within 30 days of purchase. The redemption fee is paid directly to the Fund. For the year ended August 31, 2006, the Fund received redemption fees of approximately \$21,400, which are reported as part of "Cost of Shares Repurchased" on the Statement of Changes in Net Assets. The per share impact from redemption fees paid to the Fund was less than \$0.01.

5. INVESTMENT TRANSACTIONS

During the period, the cost of purchases and proceeds from sales of investments, excluding short-term investments, were \$287,795,818 and \$444,478,411, respectively.

6. DERIVATIVE FINANCIAL INSTRUMENTS

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

The Fund may use derivative instruments, to earn income, to facilitate portfolio management and to mitigate risks. All of the Fund's holdings, including derivative instruments, are marked to market each day with the change in value reflected in unrealized appreciation/depreciation. Upon disposition, a realized gain or loss is recognized accordingly, except when taking delivery of a security underlying a forward commitment. In this instance, the recognition of gain or loss is postponed until the disposal of the security underlying the forward commitment.

Purchasing securities or foreign currency on a forward commitment basis involves a risk that the market value at the time of delivery may be lower than the agreed upon purchase price resulting in an unrealized loss. Selling securities or foreign currency on a forward commitment basis involves different risks and can result in losses more significant than those arising from the purchase of such securities. Risks may arise as a result of the potential inability of the counterparties to meet the terms of their contracts.

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Summarized below are the specific types of derivative financial instruments used by the Fund.

A. FORWARD FOREIGN CURRENCY CONTRACTS A forward foreign currency contract is a commitment to purchase or sell a foreign currency at a future date at a negotiated forward rate. Upon the settlement of the contract, a realized gain or loss is recognized and is included as a component of realized gain/loss on forward foreign currency contracts. Risks may arise as a result of the potential inability of the counterparties to meet the terms of their contracts. Risks may also arise from the unanticipated movements in the value of a foreign currency relative to the U.S. dollar.

B. CREDIT DEFAULT SWAPS The Fund may enter into credit default swap contracts for hedging purposes or to gain exposure to a credit in which the Fund may otherwise invest. A credit

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VAN KAMPEN HIGH YIELD FUND

NOTES TO FINANCIAL STATEMENTS -- AUGUST 31, 2006 continued

default swap is an agreement between two parties to exchange the credit risk of an issuer. A buyer of a credit default swap is said to buy protection by paying periodic fees in return for a contingent payment from the seller if the issuer has a credit event such as bankruptcy, a failure to pay outstanding obligations or deteriorating credit while the swap is outstanding. A seller of a credit default swap is said to sell protection and thus collects the periodic fees and profits if the credit of the issuer remains stable or improves while the swap is outstanding but the seller in a credit default swap contract would be required to pay an agreed-upon amount, which approximates the notional amount of the swap to the buyer in the event of an adverse credit event of the issuer. The Fund accrues for the periodic fees on swap contracts on a daily basis with the net amount accrued recorded within unrealized appreciation/depreciation of swap contracts. Upon cash settlement of the periodic fees, the net amount is recorded as realized gain/loss on swap contracts on the Statement of Operations. Net unrealized gains are recorded as an asset or net unrealized losses are reported as a liability on the Statement of Assets and Liabilities. The change in value of the swaps is reported as unrealized gains or losses on the Statement of Operations.

Credit default swaps may involve greater risks than if a Fund had invested in the issuer directly. Credit default swaps are subject to general market risk, counterparty risk and credit risk. If there is a default by the counterparty, the Fund will have contractual remedies pursuant to the agreements related to the transaction.

7. DISTRIBUTION AND SERVICE PLANS

Shares of the Fund are distributed by Van Kampen Funds Inc. (the "Distributor"), an affiliate of the Adviser. The Fund has adopted a distribution plan pursuant to Rule 12b-1 under the 1940 Act, as amended, and a service plan (collectively, the "Plans") for Class A Shares, Class B Shares and Class C Shares to compensate the Distributor for the sale, distribution, shareholder servicing and maintenance of shareholder accounts for these shares. Under the Plans, the Fund will incur annual fees of up to .25% of Class A average daily net assets and up to 1.00% each of Class B and Class C average daily net assets. These fees are accrued daily and paid to the Distributor monthly.

The amount of distribution expenses incurred by the Distributor and not yet

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reimbursed ("unreimbursed receivable") was approximately \$2,081,100 and \$0 for Class B and Class C Shares, respectively. These amounts may be recovered from future payments under the distribution plan or CDSC. To the extent the unreimbursed receivable has been fully recovered, the distribution fee is reduced.

8. LEGAL MATTERS

The Adviser and certain affiliates of the Adviser are named as defendants in a derivative action which additionally names as defendants certain individual trustees of certain Van Kampen funds. The named investment companies, including the Fund, are listed as nominal defendants. The complaint alleges that defendants caused the Van Kampen funds to pay economic incentives to a proprietary sales force to promote the sale of Van Kampen funds. The complaint also alleges that the Van Kampen funds paid excessive commissions to Morgan Stanley and its affiliates in connection with the sales of the funds. The complaint seeks, among other things, the removal of the current trustees of the funds, rescission of the management contracts for the funds, disgorgement of profits by Morgan Stanley and its affiliates and monetary damages. This derivative action was coordinated with a direct action

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VAN KAMPEN HIGH YIELD FUND

NOTES TO FINANCIAL STATEMENTS -- AUGUST 31, 2006 continued

alleging related violations of defendants' statutory disclosure obligations and fiduciary duties with respect to the payments described above. In addition, this derivative action was stayed by agreement of the parties pending rulings on the motion to dismiss the direct action and the motion to dismiss another derivative action brought by the same plaintiff that brought this derivative action, alleging market timing and late trading in the Van Kampen funds. In April 2006, the court granted defendants' motion to dismiss the direct action. In June 2006, the court granted defendants' motion to dismiss the market timing action. Accordingly, the stay on this action was lifted. Plaintiff and defendants have agreed that this action should be dismissed in light of the rulings dismissing the two cases discussed above. The Court has approved a notice to shareholders regarding the dismissal, which is located at the back of this Report.

9. INDEMNIFICATIONS

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

10. NEW ACCOUNTING PRONOUNCEMENT

In July 2006, the Financial Accounting Standards Board (FASB) issued Interpretation 48, Accounting for Uncertainty in Income Taxes--an interpretation of FASB Statement 109 (FIN 48). FIN 48 clarifies the accounting for income taxes by prescribing the minimum recognition threshold a tax position must meet before being recognized in the financial statements. FIN 48 is effective for fiscal years beginning after December 15, 2006. The impact to the Fund's financial statements, if any, is currently being assessed.

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VAN KAMPEN HIGH YIELD FUND

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Trustees of Van Kampen High Yield Fund:

We have audited the accompanying statement of assets and liabilities of Van Kampen High Yield Fund (the "Fund"), including the portfolio of investments, as of August 31, 2006, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Fund's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of August 31, 2006, by correspondence with the custodian. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of the Van Kampen High Yield Fund at August 31, 2006, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young LLP

Chicago, Illinois
October 13, 2006

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VAN KAMPEN HIGH YIELD FUND

BOARD OF TRUSTEES, OFFICERS AND IMPORTANT ADDRESSES

BOARD OF TRUSTEES

DAVID C. ARCH
JERRY D. CHOATE
ROD DAMMEYER
LINDA HUTTON HEAGY
R. CRAIG KENNEDY
HOWARD J KERR
JACK E. NELSON
HUGO F. SONNENSCHNEIN

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WAYNE W. WHALEN* - Chairman
SUZANNE H. WOOLSEY

OFFICERS

RONALD E. ROBISON
President and Principal Executive Officer

DENNIS SHEA
Vice President

J. DAVID GERMANY
Vice President

AMY R. DOBERMAN
Vice President

STEFANIE V. CHANG
Vice President and Secretary

JOHN L. SULLIVAN
Chief Compliance Officer

JAMES W. GARRETT
Chief Financial Officer and Treasurer

INVESTMENT ADVISER

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

DISTRIBUTOR

VAN KAMPEN FUNDS INC.
1221 Avenue of the Americas
New York, New York 10020

SHAREHOLDER SERVICING AGENT

VAN KAMPEN INVESTOR SERVICES INC.
P.O. Box 947
Jersey City, New Jersey 07303-0947

CUSTODIAN

STATE STREET BANK
AND TRUST COMPANY
One Lincoln Street
Boston, Massachusetts 02111

LEGAL COUNSEL

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

INDEPENDENT REGISTERED

PUBLIC ACCOUNTING FIRM

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ERNST & YOUNG LLP
 233 South Wacker Drive
 Chicago, Illinois 60606

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

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VAN KAMPEN HIGH YIELD FUND

TRUSTEE AND OFFICER INFORMATION

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

INDEPENDENT TRUSTEES:

| NAME, AGE AND ADDRESS OF INDEPENDENT TRUSTEE | POSITION(S) HELD WITH FUND | TERM OF OFFICE AND LENGTH OF TIME SERVED | PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS | NUMBER OF FUNDS IN FUND COMPLEX OVERSEEN BY TRUSTEE | OT HE |
|---|----------------------------------|--|--|--|--|
| David C. Arch (61) Blistex Inc. 1800 Swift Drive Oak Brook, IL 60523 | Trustee | Trustee since 2003 | Chairman and Chief Executive Officer of Blistex Inc., a consumer health care products manufacturer. Director of the Heartland Alliance, a nonprofit organization serving human needs based in Chicago. Director of St. Vincent de Paul Center, a Chicago based day care facility serving the children of low income families. Board member of the Illinois Manufacturers' Association. | 71 | Tr Ge in |
| Jerry D. Choate (68) 33971 Selva Road Suite 130 Dana Point, CA 92629 | Trustee | Trustee since 1999 | Prior to January 1999, Chairman and Chief Executive Officer of the Allstate Corporation ("Allstate") and Allstate Insurance Company. Prior to January 1995, | 71 | Tr Ge in Di bi an En |

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President and Chief Executive Officer of Allstate. Prior to August 1994, various management positions at Allstate.

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VAN KAMPEN HIGH YIELD FUND
TRUSTEE AND OFFICER INFORMATION continued

| NAME, AGE AND ADDRESS OF INDEPENDENT TRUSTEE | POSITION(S) HELD WITH FUND | TERM OF OFFICE AND LENGTH OF TIME SERVED | PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS | NUMBER OF FUNDS IN FUND COMPLEX OVERSEEN BY TRUSTEE |
|---|----------------------------|--|--|---|
| Rod Dammeyer (65) CAC, L.L.C. 4350 LaJolla Village Drive Suite 980 San Diego, CA 92122-6223 | Trustee | Trustee since 2003 | President of CAC, L.L.C., a private company offering capital investment and management advisory services. Prior to February 2001, Vice Chairman and Director of Anixter International, Inc., a global distributor of wire, cable and communications connectivity products. Prior to July 2000, Managing Partner of Equity Group Corporate Investment (EGI), a company that makes private investments in other companies. | 71 |

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VAN KAMPEN HIGH YIELD FUND

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TRUSTEE AND OFFICER INFORMATION continued

| NAME, AGE AND ADDRESS OF INDEPENDENT TRUSTEE | POSITION(S) HELD WITH FUND | TERM OF OFFICE AND LENGTH OF TIME SERVED | PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS | NUMBER OF FUNDS IN FUND COMPLEX OVERSEEN BY TRUSTEE | OT HE |
|--|----------------------------------|--|--|--|----------------|
| Linda Hutton Heagy (58) Heidrick & Struggles 233 South Wacker Drive Suite 7000 Chicago, IL 60606 | Trustee | Trustee since 1995 | Managing Partner of Heidrick & Struggles, an executive search firm. Trustee on the University of Chicago Hospitals Board, Vice Chair of the Board of the YMCA of Metropolitan Chicago and a member of the Women's Board of the University of Chicago. Prior to 1997, Partner of Ray & Berndtson, Inc., an executive recruiting firm. Prior to 1996, Trustee of The International House Board, a fellowship and housing organization for international graduate students. Prior to 1995, Executive Vice President of ABN AMRO, N.A., a bank holding company. Prior to 1990, Executive Vice President of The Exchange National Bank. | 71 | Tr Ge in |
| R. Craig Kennedy (54) 1744 R Street, NW Washington, DC 20009 | Trustee | Trustee since 1995 | Director and President of the German Marshall Fund of the United States, an independent U.S. foundation created to deepen understanding, promote collaboration and stimulate exchanges of practical experience between Americans and Europeans. Formerly, advisor to the Dennis Trading Group Inc., a managed futures and option company that invests money for individuals and institutions. Prior to 1992, President and Chief Executive Officer, Director and member of the Investment Committee of the Joyce Foundation, a private foundation. | 71 | Tr Ge in |
| Howard J Kerr (70) | Trustee | Trustee | Prior to 1998, President | 71 | Tr |

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14 Huron Trace
Galena, IL 61036

since 2003 and Chief Executive Officer of Pocklington Corporation, Inc., an investment holding company. Director of the Marrow Foundation.

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VAN KAMPEN HIGH YIELD FUND
TRUSTEE AND OFFICER INFORMATION continued

| NAME, AGE AND ADDRESS OF INDEPENDENT TRUSTEE | POSITION(S) HELD WITH FUND | TERM OF OFFICE AND LENGTH OF TIME SERVED | PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS | NUMBER OF FUNDS IN FUND COMPLEX OVERSEEN BY TRUSTEE | OT HE |
|--|----------------------------|--|---|---|----------------|
| Jack E. Nelson (70) 423 Country Club Drive Winter Park, FL 32789 | Trustee | Trustee since 1995 | President of Nelson Investment Planning Services, Inc., a financial planning company and registered investment adviser in the State of Florida. President of Nelson Invest Brokerage Services Inc., a member of the NASD, Securities Investors Protection Corp. and the Municipal Securities Rulemaking Board. President of Nelson Sales and Services Corporation, a marketing and services company to support affiliated companies. | 71 | Tr Ge in |
| Hugo F. Sonnenschein (65) 1126 E. 59th Street Chicago, IL 60637 | Trustee | Trustee since 2003 | President Emeritus and Honorary Trustee of the University of Chicago and the Adam Smith Distinguished Service Professor in the Department of Economics at the University of Chicago. Prior to July 2000, President of the University of Chicago. Trustee of the University of Rochester and a member of its investment committee. Member of the National Academy of Sciences, the American Philosophical Society and a fellow of the American | 71 | Tr Ge in Di La |

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| | | | | | |
|--|----------------|-------------------------------|---|-----------|---|
| <p>Suzanne H. Woolsey, Ph.D. (64) 815 Cumberstone Road Harwood, MD 20776</p> | <p>Trustee</p> | <p>Trustee since 1999</p> | <p>Academy of Arts and Sciences. Chief Communications Officer of the National Academy of Sciences/National Research Council, an independent, federally chartered policy institution, from 2001 to November 2003 and Chief Operating Officer from 1993 to 2001. Director of the Institute for Defense Analyses, a federally funded research and development center, Director of the German Marshall Fund of the United States, Director of the Rocky Mountain Institute and Trustee of Colorado College. Prior to 1993, Executive Director of the Commission on Behavioral and Social Sciences and Education at the National Academy of Sciences/National Research Council. From 1980 through 1989, Partner of Coopers & Lybrand.</p> | <p>71</p> | <p>Tr Ge in Di an pr co or Ja of a si</p> |
|--|----------------|-------------------------------|---|-----------|---|

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VAN KAMPEN HIGH YIELD FUND

TRUSTEE AND OFFICER INFORMATION continued

INTERESTED TRUSTEE:*

| NAME, AGE AND ADDRESS OF INTERESTED TRUSTEE | POSITION(S) HELD WITH FUND | TERM OF OFFICE AND LENGTH OF TIME SERVED | PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS | NUMBER OF FUNDS IN FUND COMPLEX OVERSEEN BY TRUSTEE | OTH HEL |
|--|----------------------------|--|---|---|--|
| <p>Wayne W. Whalen* (67) 333 West Wacker Drive Chicago, IL 60606</p> | <p>Trustee</p> | <p>Trustee since 1995</p> | <p>Partner in the law firm of Skadden, Arps, Slate, Meagher & Flom LLP, legal counsel to funds in the Fund Complex.</p> | <p>71</p> | <p>Tru Man Par the Dir Abr</p> |

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Fou

* Mr. Whalen is an "interested person" (within the meaning of Section 2(a)(19) of the 1940 Act) of certain funds in the Fund Complex by reason of he and his firm currently providing legal services as legal counsel to such funds in the Fund Complex.

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VAN KAMPEN HIGH YIELD FUND

TRUSTEE AND OFFICER INFORMATION continued

OFFICERS:

| NAME, AGE AND ADDRESS OF OFFICER | POSITION(S) HELD WITH FUND | TERM OF OFFICE AND LENGTH OF TIME SERVED | PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS |
|---|---|--|--|
| Ronald E. Robison (67) 1221 Avenue of the Americas New York, NY 10020 | President and Principal Executive Officer | Officer since 2003 | President of funds in the Fund and Principal Executive Officer since May 2003. Managing Director Inc. since June 2003. Director September 2002. Director of the Investments and Van Kampen Exc 2005. Managing Director of Morgan & Co. Incorporated. Managing Director Stanley Investment Management Officer, Managing Director and Investment Advisors Inc. and Morgan Inc. Managing Director and Director Distributors Inc. and Morgan Stanley Executive Officer and Director Executive Vice President and President of the Institutional and Retail Management of Morgan Stanley SICAV. Previous Officer of Morgan Stanley Investment Executive Vice President of funds May 2003 to September 2005. |
| Dennis Shea (53) 1221 Avenue of the Americas New York, NY 10020 | Vice President | Officer since 2006 | Managing Director of Morgan Stanley Inc., Morgan Stanley Investment and Van Kampen Advisors Inc. Chief Equity of the same entities since President of Morgan Stanley Investment since February 2006. Vice President Complex since March 2006. Previous Director of Global Equity Research April 2000 to February 2006. |
| J. David Germany (52) 25 Cabot Square Canary Wharf London, GBR E14 4QA | Vice President | Officer since 2006 | Managing Director of Morgan Stanley Inc., Morgan Stanley Investment and Van Kampen Advisors Inc. Chief Global Fixed Income of the same 2005. Managing Director and Director |

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Investment Management Ltd. Dir
Investment Management (ACD) Li
Vice President of Morgan Stanl
Funds since February 2006. Vic
Fund Complex since March 2006.

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VAN KAMPEN HIGH YIELD FUND
TRUSTEE AND OFFICER INFORMATION continued

| NAME, AGE AND ADDRESS OF OFFICER | POSITION(S) HELD WITH FUND | TERM OF OFFICE AND LENGTH OF TIME SERVED | PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS |
|---|--|--|--|
| Amy R. Doberman (44) 1221 Avenue of the Americas New York, NY 10020 | Vice President | Officer since 2004 | Managing Director and General Management; Managing Director Management Inc., Morgan Stanle the Adviser. Vice President of Institutional and Retail Funds President of funds in the Fund Previously, Managing Director Americas, UBS Global Asset Man 2004 and General Counsel of Ae Inc. from January 1997 to July |
| Stefanie V. Chang (39) 1221 Avenue of the Americas New York, NY 10020 | Vice President and Secretary | Officer since 2003 | Executive Director of Morgan S Inc. Vice President and Secret Complex. |
| John L. Sullivan (51) 1 Parkview Plaza Oakbrook Terrace, IL 60181 | Chief Compliance Officer | Officer since 1996 | Chief Compliance Officer of fu August 2004. Prior to August 2 Director of Van Kampen Investm Advisors Inc. and certain othe Investments, Vice President, C Treasurer of funds in the Fund Accounting for Morgan Stanley Prior to December 2002, Execut Investments, the Adviser and V |
| James W. Garrett (37) 1221 Avenue of the Americas New York, NY 10020 | Chief Financial Officer and Treasurer | Officer since 2006 | Executive Director of Morgan S Chief Financial Officer and Tr Institutional Funds since 2002 Complex from January 2005 to A 2006. |

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Notice to Fund Shareholders

As previously disclosed, a derivative action was filed on behalf of the Fund against the Fund's investment adviser, broker-dealer, distributor, and Trustees. The complaint alleges that defendants violated federal securities laws and state laws in connection with certain economic incentive programs. The case is pending

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before the Honorable Richard Owen, United States District Judge in the Southern District of New York. Defendants have filed a motion to dismiss the complaint in its entirety on numerous grounds, and that motion is still pending.

On April 18, 2006, Judge Owen dismissed a separate lawsuit against Morgan Stanley and all of the same corporate defendants that are named in the derivative action. The Morgan Stanley suit related to the same incentive programs that are at issue in the derivative action, and asserted many of the same legal claims. In his decision, Judge Owen found that the programs do not violate federal law, and that defendants had made the appropriate disclosures concerning the programs. The plaintiffs in the Morgan Stanley suit did not appeal from the decision, and that decision is now final.

In light of this decision by Judge Owen--as well as several other decisions by other judges in the Southern District of New York and certain other courts that have dismissed similar complaints against other investment funds--plaintiff in the derivative action has determined that the suit would be unsuccessful, if pursued further. Accordingly, plaintiff has asked Judge Owen to dismiss the action. No attorneys' fees will be paid by defendants and no consideration will be paid to the named plaintiff.

All investors in the Fund are hereby provided notice of this proposed dismissal. If you object to the proposed dismissal, your objection must be mailed no later than November 29, 2006, in writing, to the Honorable Richard Owen, United States District Judge, United States Courthouse, Room 640, 500 Pearl Street, New York, NY 10007-1312. Copies of the objection must also be mailed to Denise Davis Schwartzman, Esquire, Chemicles & Tikellis LLP, 361 West Lancaster Avenue, Haverford, PA 19041; and Richard A. Rosen, Esquire, Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, NY 10019-6064.

Van Kampen High Yield Fund

An Important Notice Concerning Our U.S. Privacy Policy

We are required by federal law to provide you with a copy of our Privacy Policy annually.

The following Policy applies to current and former individual clients of Van Kampen Investments Inc., Van Kampen Asset Management, Van Kampen Advisors Inc., Van Kampen Funds Inc., Van Kampen Investor Services Inc. and Van Kampen Exchange Corp., as well as current and former individual investors in Van Kampen mutual funds, unit investment trusts, and related companies.

This Policy is not applicable to partnerships, corporations, trusts or other non-individual clients or account holders, nor is this Policy applicable to individuals who are either beneficiaries of a trust for which we serve as trustee or participants in an employee benefit plan administered or advised by us. This Policy is, however, applicable to individuals who select us to be a custodian of securities or assets in individual retirement accounts, 401(k) accounts, 529 Educational Savings Accounts, accounts subject to the Uniform Gifts to Minors Act, or similar accounts.

Please note that we may amend this Policy at any time, and will inform you of any changes to this Policy as required by law.

WE RESPECT YOUR PRIVACY

We appreciate that you have provided us with your personal financial

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information. We strive to maintain the privacy of such information while we help you achieve your financial objectives. This Policy describes what non-public personal information we collect about you, why we collect it, and when we may share it with others.

We hope this Policy will help you understand how we collect and share non-public personal information that we gather about you. Throughout this Policy, we refer to the non-public information that personally identifies you or your accounts as "personal information."

1. WHAT PERSONAL INFORMATION DO WE COLLECT ABOUT YOU?

To serve you better and manage our business, it is important that we collect and maintain accurate information about you. We may obtain this information from applications and other forms you submit to us, from your dealings with us, from consumer reporting agencies, from our Web sites and from third parties and other sources.

(continued on next page)

Van Kampen High Yield Fund

An Important Notice Concerning Our U.S. Privacy Policy continued

For example:

- We may collect information such as your name, address, e-mail address, telephone/fax numbers, assets, income and investment objectives through applications and other forms you submit to us.
- We may obtain information about account balances, your use of account(s) and the types of products and services you prefer to receive from us through your dealings and transactions with us and other sources.
- We may obtain information about your creditworthiness and credit history from consumer reporting agencies.
- We may collect background information from and through third-party vendors to verify representations you have made and to comply with various regulatory requirements.
- If you interact with us through our public and private Web sites, we may collect information that you provide directly through online communications (such as an e-mail address). We may also collect information about your Internet service provider, your domain name, your computer's operating system and Web browser, your use of our Web sites and your product and service preferences, through the use of "cookies." "Cookies" recognize your computer each time you return to one of our sites, and help to improve our sites' content and personalize your experience on our sites by, for example, suggesting offerings that may interest you. Please consult the Terms of Use of these sites for more details on our use of cookies.

2. WHEN DO WE DISCLOSE PERSONAL INFORMATION WE COLLECT ABOUT YOU?

To provide you with the products and services you request, to serve you better and to manage our business, we may disclose personal information we collect about you to our affiliated companies and to non-affiliated third parties as required or permitted by law.

A. INFORMATION WE DISCLOSE TO OUR AFFILIATED COMPANIES. We do not disclose

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personal information that we collect about you to our affiliated companies except to enable them to provide services on our behalf or as otherwise required or permitted by law.

B. INFORMATION WE DISCLOSE TO THIRD PARTIES. We do not disclose personal information that we collect about you to non-affiliated third parties except to enable them to provide services on our behalf, to perform joint marketing agreements with

(continued on back)

Van Kampen High Yield Fund

An Important Notice Concerning Our U.S. Privacy Policy continued

other financial institutions, or as otherwise required or permitted by law. For example, some instances where we may disclose information about you to non-affiliated third parties include: for servicing and processing transactions, to offer our own products and services, to protect against fraud, for institutional risk control, to respond to judicial process or to perform services on our behalf. When we share personal information with these companies, they are required to limit their use of personal information to the particular purpose for which it was shared and they are not allowed to share personal information with others except to fulfill that limited purpose.

3. HOW DO WE PROTECT THE SECURITY AND CONFIDENTIALITY OF PERSONAL INFORMATION WE COLLECT ABOUT YOU?

We maintain physical, electronic and procedural security measures to help safeguard the personal information we collect about you. We have internal policies governing the proper handling of client information. Third parties that provide support or marketing services on our behalf may also receive personal information, and we require them to adhere to confidentiality standards with respect to such information.

The Statement of Additional Information includes additional information about Fund trustees and is available, without charge, upon request by calling 1-800-847-2424.

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

www.vankampen.com

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Member NASD/SIPC.

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(VAN KAMPEN INVESTMENTS SHINE LOGO)

Item 2. Code of Ethics.

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

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- (b) No information need be disclosed pursuant to this paragraph.
- (c) Not applicable.
- (d) Not applicable.
- (e) Not applicable.
- (f)
 - (1) The Fund's Code of Ethics is attached hereto as Exhibit 12A.
 - (2) Not applicable.
 - (3) Not applicable.

Item 3. Audit Committee Financial Expert.

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

Item 4. Principal Accountant Fees and Services.

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

2006

| | REGISTRANT ----- | COVERED ENTITIES(1) ----- |
|--------------------------|---------------------|------------------------------|
| AUDIT FEES | \$42,400 | N/A |
| NON-AUDIT FEES | | |
| AUDIT-RELATED FEES .. | \$ 0 | \$ 706,000 (2) |
| TAX FEES | \$ 2,800 (3) | \$ 75,537 (4) |
| ALL OTHER FEES | \$ 0 | \$ 749,041 (5) |
| TOTAL NON-AUDIT FEES ... | \$ 2,800 | \$1,530,578 |
| TOTAL | \$45,200 | \$1,530,578 |

2005

| | REGISTRANT ----- | COVERED ENTITIES(1) ----- |
|------------------|---------------------|------------------------------|
| AUDIT FEES | \$41,000 | N/A |

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NON-AUDIT FEES

| | | |
|--------------------------|--------------|---------------|
| AUDIT-RELATED FEES... | \$ 0 | \$280,000 (2) |
| TAX FEES | \$ 2,500 (3) | \$ 58,688 (4) |
| ALL OTHER FEES | \$ 0 | \$655,125 (5) |
| TOTAL NON-AUDIT FEES ... | \$ 2,500 | \$993,813 |
| TOTAL | \$43,500 | \$993,813 |

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

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

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

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

AS ADOPTED JULY 23, 2003 AND AMENDED MAY 26, 2004(1)

1. STATEMENT OF PRINCIPLES

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

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

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received general pre-approval, it will require specific pre-approval by the Audit Committee (or by any member of the Audit Committee to which pre-approval authority has been delegated) if it is to be provided by the Independent Auditors. Any proposed services exceeding pre-approved cost levels or budgeted amounts will also require specific pre-approval by the Audit Committee.

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

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

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

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

- (1) This Joint Audit Committee Audit and Non-Audit Services Pre-Approval Policy and Procedures (the "Policy"), amended as of the date above, supercedes and replaces all prior versions that may have been amended from time to time.
- (2) Terms used in this Policy and not otherwise defined herein shall have the meanings as defined in the Joint Audit Committee Charter.

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

2. DELEGATION

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

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3. AUDIT SERVICES

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

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

The Audit Committee has pre-approved the Audit services in Appendix B.1. All other Audit services not listed in Appendix B.1 must be specifically pre-approved by the Audit Committee (or by any member of the Audit Committee to which pre-approval has been delegated).

4. AUDIT-RELATED SERVICES

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

The Audit Committee has pre-approved the Audit-related services in Appendix B.2. All other Audit-related services not listed in Appendix B.2 must be specifically pre-approved by the Audit Committee (or by any member of the Audit Committee to which pre-approval has been delegated).

5. TAX SERVICES

The Audit Committee believes that the Independent Auditors can provide Tax services to the Fund and, to the extent they are Covered Services, the Covered Entities, such as tax compliance, tax planning and tax advice without impairing the auditor's independence, and the SEC has stated that the Independent Auditors may provide such services. Hence, the Audit Committee believes it may grant general pre-approval to those Tax services that have historically been provided by the Independent Auditors, that the Audit Committee has reviewed and believes would not impair the independence of the Independent Auditors, and that are consistent with the SEC's rules on auditor independence. The Audit Committee will not permit the retention of the

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Independent Auditors in connection with a transaction initially recommended by the Independent Auditors, the sole business purpose of which may be tax avoidance and the tax treatment of which may not be supported in the Internal Revenue Code and related regulations. The Audit Committee will consult with Director of Tax or outside counsel to determine that the tax planning and reporting positions are consistent with this policy.

Pursuant to the preceding paragraph, the Audit Committee has pre-approved the Tax Services in Appendix B.3. All Tax services involving large and complex transactions not listed in Appendix B.3 must be specifically pre-approved by the Audit Committee (or by any member of the Audit Committee to which pre-approval has been delegated), including tax services proposed to be provided by the Independent Auditors to any executive officer or trustee/director/managing general partner of the Fund, in his or her individual capacity, where such services are paid for by the Fund (generally applicable only to internally managed investment companies).

6. ALL OTHER SERVICES

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

The Audit Committee has pre-approved the All Other services in Appendix B.4. Permissible All Other services not listed in Appendix B.4 must be specifically pre-approved by the Audit Committee (or by any member of the Audit Committee to which pre-approval has been delegated).

A list of the SEC's prohibited non-audit services is attached to this policy as Appendix B.5. The SEC's rules and relevant guidance should be consulted to determine the precise definitions of these services and the applicability of exceptions to certain of the prohibitions.

7. PRE-APPROVAL FEE LEVELS OR BUDGETED AMOUNTS

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

8. PROCEDURES

All requests or applications for services to be provided by the Independent Auditors that do not require specific approval by the Audit Committee will be submitted to the Fund's Chief Financial Officer and must include a detailed description of the services to be rendered. The Fund's Chief Financial Officer will determine whether such services are included within the list of services

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that have received the general pre-approval of the Audit Committee. The Audit Committee will be informed on a timely basis of any such services rendered by the Independent Auditors. Requests or applications to provide services that require specific approval by the Audit Committee will be submitted to the Audit Committee by both the Independent Auditors and the Fund's Chief Financial Officer, and must include a joint statement as to whether, in their view, the request or application is consistent with the SEC's rules on auditor independence.

The Audit Committee has designated the Fund's Chief Financial Officer to monitor the performance of all services provided by the Independent Auditors and to determine whether such services are in compliance with this Policy. The Fund's Chief Financial Officer will report to the Audit Committee on a periodic basis on the results of its monitoring. A sample report is included as Appendix B.7. Both the Fund's Chief Financial Officer and management will immediately report to the chairman of the Audit Committee any breach of this Policy that comes to the attention of the Fund's Chief Financial Officer or any member of management.

9. ADDITIONAL REQUIREMENTS

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

10. COVERED ENTITIES

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

- Van Kampen Investments Inc.
- Van Kampen Asset Management
- Van Kampen Advisors Inc.
- Van Kampen Funds Inc.
- Van Kampen Investor Services Inc.
- Morgan Stanley Investment Management Inc.
- Morgan Stanley Trust Company
- Morgan Stanley Investment Management Ltd.
- Morgan Stanley Investment Management Company
- Morgan Stanley Asset & Investment Trust Management Company Ltd.

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

(f) Not applicable.

(g) See table above.

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

Item 5. Audit Committee of Listed Registrants.

(a) The Fund has a separately-designated standing audit committee established in accordance with Section 3(a) (58) (A) of the Exchange Act whose members are: R. Craig Kennedy, Jerry D. Choate, Rod Dammeyer.

(b) Not applicable.

Item 6. Schedule of Investments.

Please refer to Item #1.

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.

Not applicable.

Item 11. Controls and Procedures.

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

(b) There were no changes in the registrant's internal control over financial reporting that occurred during the second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

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Item 12. Exhibits.

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

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

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

SIGNATURES

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

(Registrant) Van Kampen High Yield Fund

By: /s/ Ronald E. Robison

Name: Ronald E. Robison
Title: Principal Executive Officer
Date: October 19, 2006

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

By: /s/ Ronald E. Robison

Name: Ronald E. Robison
Title: Principal Executive Officer
Date: October 19, 2006

By: /s/ James W. Garrett

Name: James W. Garrett
Title: Principal Financial Officer
Date: October 19, 2006