

Edgar Filing: VAN KAMPEN HIGH INCOME TRUST II - Form N-CSRS

VAN KAMPEN HIGH INCOME TRUST II  
Form N-CSRS  
August 30, 2004

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

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED  
MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-5769

Van Kampen High Income Trust II

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

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

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

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

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

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

Date of fiscal year end: 12/31

Date of reporting period: 6/30/04

Item 1. Reports to Shareholders.

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

Welcome, Shareholder

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

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

## Edgar Filing: VAN KAMPEN HIGH INCOME TRUST II - Form N-CSRS

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

Performance Summary as of 6/30/04

HIGH INCOME TRUST II  
SYMBOL: VLT

AVERAGE ANNUAL TOTAL RETURNS	BASED ON NAV	BASED ON MARKET PRICE
Since Inception (04/28/89)	5.24%	5.16%
10-year	5.04	3.02
5-year	1.92	-1.49
1-year	11.45	-1.98
6-month	1.34	-9.86

PERFORMANCE DATA QUOTED REPRESENTS PAST PERFORMANCE, WHICH IS NO GUARANTEE OF FUTURE RESULTS, AND CURRENT PERFORMANCE MAY BE LOWER OR HIGHER THAN THE FIGURES SHOWN. FOR THE MOST RECENT MONTH-END PERFORMANCE FIGURES, PLEASE VISIT VANKAMPEN.COM OR SPEAK WITH YOUR FINANCIAL ADVISOR. INVESTMENT RETURNS, NET ASSET VALUE (NAV) AND COMMON SHARE MARKET PRICE WILL FLUCTUATE AND TRUST SHARES, WHEN SOLD, MAY BE WORTH MORE OR LESS THAN THEIR ORIGINAL COST.

NAV per share is determined by dividing the value of the trust's portfolio securities, cash and other assets, less all liabilities, by the total number of common shares outstanding. The common share market price is the price the market is willing to pay for shares of the trust at a given time. Common share market price is influenced by a range of factors, including supply and demand and market conditions. Total return assumes an investment at the beginning of the period, reinvestment of all distributions for the period in accordance with the trust's dividend reinvestment plan, and sale of all shares at the end of the period.

The J.P. Morgan Global High Yield Index is generally representative of high-yield securities. The index does not include any expenses, fees or sales charges, which would lower performance. The index is unmanaged and should not be considered an investment. It is not possible to invest directly in an index.

1

Trust Report

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2004

Van Kampen High Income Trust II is managed by the Adviser's High Yield team.

## Edgar Filing: VAN KAMPEN HIGH INCOME TRUST II - Form N-CSRS

Current team members include Gordon Loery, Executive Director of the Adviser; Josh Givelber and Chad Liu, Vice Presidents of the Adviser; and Sheila Finnerty, Managing Director of the Adviser. (1)

### MARKET CONDITIONS

Coming off a banner year in 2003, high-yield bonds continued their strong performance through the end of January 2004, endured a difficult period from February through May, then staged a rally during June. The CSFB High Yield Index, a broad benchmark for the high-yield market, returned 2.47 percent for the first six months of 2004.

Over the past 18 months, whether the market was rallying or giving back some gains, high-yield bonds have had strong fundamental factors in their favor. These factors included an improving U.S. economic environment, better corporate earnings overall and a low default rate for high-yield issuers. In 2003, and continuing through January 2004, technical factors, such as supply and demand within the high-yield bond market, were also very positive. Though high-yield companies were bringing a tremendous volume of new issues to market--made up mostly of refinanced high-yield bonds or refinanced bank debt--through January 2004 new-issue supply was easily taken up by strong demand from mutual funds, institutional investors and individuals. Beginning this past February, however, demand slackened and money flowed out of high-yield funds as interest rates began to rise and some investors took profits, while others shifted their portfolio allocation out of high yield. Typically, high-yield and Treasury-bond performance are not strongly correlated, but during the first half of 2004 there was more correlation than usual because of narrow high-yield interest-rate spreads compared with Treasuries. As Treasuries reacted negatively to interest-rate fears, high-yield bonds followed, but to a lesser extent.

In addition, from February to May, financial markets experienced significantly increased volatility--rarely helpful to high-yield performance. The rise in volatility was attributable to terrorism fears, higher oil prices and higher interest rates. Attitudes concerning the direction of interest rates underwent a dramatic shift at that time. Investors went from thinking that interest rates would remain relatively low for a long period to acknowledging that the Fed could change direction in order to fight inflation, and push the federal funds rate up--perhaps as much as 3 percent over the next 12 to 24 months.

Beginning in May, the market began to acclimate itself to the new interest-rate environment and to settle down somewhat. As a result, the high-yield market posted gains during June as some new money came into this market. Perhaps

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

2

more importantly, there were no significant outflows from most high-yield mutual funds in June.

### PERFORMANCE ANALYSIS

A closed-end fund's return can be calculated upon either the market price or the net asset value (NAV) of its shares. NAV per share is determined by dividing the value of the trust's portfolio securities, cash and other assets, less all liabilities, by the total number of common shares outstanding, while market price reflects the supply and demand for the shares. As a result, the two returns can differ significantly. On an NAV basis, the trust outperformed its benchmark, the J.P. Morgan Global High Yield Index. (See table below.)

The trust's performance was helped by its lack of exposure to the airline industry as well as favorable security selection within the utilities sector. In

## Edgar Filing: VAN KAMPEN HIGH INCOME TRUST II - Form N-CSRS

addition, though the overall default rate with the high-yield bond asset class was low, there were some defaults among high-yield companies during the period; the fact that the trust did not hold these problem credits contributed to the trust's performance. When selecting high-yield issues for the trust's portfolio, we have historically avoided most start-up companies and attempt to look for seasoned issuers with positive cash flow--companies that we believe will prosper in good or bad economic times.

Detracting from overall performance during the period was unfavorable security selection within the chemicals, forest products and gaming/leisure sectors. Other factors that detracted from the trust's performance were its relatively low-yield, higher overall-quality composition and its shorter average maturity compared with the overall market. During the period we worked to increase the trust's yield and purchased lower-grade issues at longer maturities.

The trust uses leverage on an ongoing basis to enhance its dividend to common shareholders. The trust borrows money at short-term rates through the issuance of preferred shares. The proceeds are then invested in longer-term securities, taking advantage of the difference between short- and longer-term rates. Though short-term rates have risen since the start of 2004, using leverage through the "carry trade" continued to be beneficial for the trust during the period.

TOTAL RETURN FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2004

-----	-----	-----
BASED ON NAV	BASED ON MARKET PRICE	J.P. MORGAN GLOBAL HIGH YIELD INDEX
1.34%	-9.86%	0.68%
-----	-----	-----

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

3

Going forward, though we think interest rates will continue to rise as the Fed persists in tightening credit, we believe that high-yield bonds should perform reasonably well over the coming months for two reasons: First, the performance of high-yield issues should continue to be driven by favorable fundamental factors. Second, now that investors have seemingly come to terms with the necessity for higher interest rates, the relationship between supply and demand should gradually turn more favorable within the high-yield market.

TOP 5 SECTORS AS OF 6/30/04		RATINGS ALLOCATIONS AS OF 6/30/04	
Energy	10.4%	A/A	0.6%
Gaming & Leisure	9.8	BBB/Baa	7.3
Healthcare	7.3	BB/Ba	43.2
Forest Products	7.1	B/B	45.2
Diversified Media	6.7	CCC/Caa	3.5
		Non-Rated	0.2

Subject to change daily. Provided for informational purposes only and should not

## Edgar Filing: VAN KAMPEN HIGH INCOME TRUST II - Form N-CSRS

be deemed as a recommendation to buy or sell the securities mentioned or securities in the sectors shown above. All percentages are as a percentage of long-term investments. Securities are classified by sectors that represent broad groupings of related industries. Ratings allocations based upon ratings as issued by Standard and Poor's and Moody's, respectively. Van Kampen is a wholly owned subsidiary of a global securities firm which is engaged in a wide range of financial services including, for example, securities trading and brokerage activities, investment banking, research and analysis, financing and financial advisory services.

4

### FOR MORE INFORMATION ABOUT PORTFOLIO HOLDINGS

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

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

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

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

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

Edgar Filing: VAN KAMPEN HIGH INCOME TRUST II - Form N-CSRS

5

VAN KAMPEN HIGH INCOME TRUST II

PORTFOLIO OF INVESTMENTS -- JUNE 30, 2004 (UNAUDITED)

PAR AMOUNT (000)	DESCRIPTION	COUPON	MATURITY	VALUE
	CORPORATE BONDS 169.4%			
	AEROSPACE 0.3%			
\$ 116	Dunlop Standard Aerospace Holdings, 144A--Private Placement (United Kingdom) (a).....	11.875%	05/15/09	\$ 123,830
	BROADCASTING 3.2%			
125	Granite Broadcasting Corp., 144A--Private Placement (a).....	9.750	12/01/10	116,875
220	Salem Communications Corp. ....	7.750	12/15/10	225,775
795	TV Azteca SA (Mexico).....	10.500	02/15/07	814,875
				1,157,525
	CABLE 8.4%			
425	Cablevision Systems Corp., 144A--Private Placement (a) (b).....	5.670	04/01/09	437,750
755	Charter Communications Holdings LLC.....	9.625	11/15/09	615,325
490	CSC Holdings, Inc. ....	8.125	07/15/09	512,050
370	DirectTV Holdings LLC.....	8.375	03/15/13	411,162
635	Echostar DBS Corp. ....	6.375	10/01/11	628,650
395	Kabel Deutschland GmbH, 144A--Private Placement (Germany) (a) (c).....	10.625	07/01/14	407,837
				3,012,774
	CHEMICALS 9.8%			
460	Equistar Chemicals LP.....	10.125	09/01/08	506,000
180	FMC Corp. ....	10.250	11/01/09	207,900
145	Huntsman Advanced Materials LLC, 144A--Private Placement (a).....	11.000	07/15/10	164,212
145	ISP Chemco, Inc. ....	10.250	07/01/11	162,037
675	ISP Holdings, Inc. ....	10.625	12/15/09	745,875
105	Koppers, Inc. ....	9.875	10/15/13	115,500
40	Millennium America, Inc. ....	7.000	11/15/06	41,300
385	Millennium America, Inc. ....	9.250	06/15/08	415,800
395	Nalco Co., 144A--Private Placement (a).....	7.750	11/15/11	415,737
365	Rhodia SA, 144A--Private Placement (France) (a).....	8.875	06/01/11	310,250
245	Rockwood Specialties Group, Inc. ....	10.625	05/15/11	262,150
155	Westlake Chemical Corp. ....	8.750	07/15/11	168,950
				3,515,711
	CONSUMER PRODUCTS 3.8%			
200	Amscan Holdings, Inc., 144A--Private Placement			

## Edgar Filing: VAN KAMPEN HIGH INCOME TRUST II - Form N-CSRS

	(a).....	8.750	05/01/14	197,500
155	Oxford Industrials, Inc., 144A--Private Placement (a).....	8.875	06/01/11	164,300
620	Phillips-Van Heusen Corp., 144A--Private Placement (a).....	7.250	02/15/11	626,200

6

See Notes to Financial Statements

### VAN KAMPEN HIGH INCOME TRUST II

PORTFOLIO OF INVESTMENTS -- JUNE 30, 2004 (UNAUDITED) continued

PAR AMOUNT (000)	DESCRIPTION	COUPON	MATURITY	VALUE
-----				
	CONSUMER PRODUCTS (CONTINUED)			
\$ 235	Rayovac Corp. ....	8.500%	10/01/13	\$ 247,925
116	Tempur Pedic, Inc. ....	10.250	08/15/10	131,370
				-----
				1,367,295
				-----
	DIVERSIFIED MEDIA 11.5%			
605	Advanstar Communications, Inc. (b).....	8.750	08/15/08	637,210
485	Alliance Atlantis Communications, Inc. (Canada).....	13.000	12/15/09	535,925
550	CanWest Media, Inc. (Canada).....	10.625	05/15/11	619,437
250	Dex Media East Finance Corp. ....	12.125	11/15/12	293,125
260	Dex Media West Finance Corp. ....	9.875	08/15/13	286,650
580	Nevada Power Co. ....	9.000	08/15/13	633,650
111	PEI Holdings, Inc. ....	11.000	03/15/10	129,315
510	Primedia, Inc. ....	8.875	05/15/11	507,450
110	Vivendi Universal SA (France).....	6.250	07/15/08	117,186
310	Vivendi Universal SA (France).....	9.250	04/15/10	366,404
				-----
				4,126,352
				-----
	ENERGY 18.0%			
560	BRL Universal Equipment.....	8.875	02/15/08	602,700
340	CHC Helicopter Corp., 144A--Private Placement (Canada) (a).....	7.375	05/01/14	335,750
160	Citgo Petroleum Corp. ....	11.375	02/01/11	186,400
670	El Paso Production Holding Co. ....	7.750	06/01/13	618,075
910	Frontier Oil Corp. ....	11.750	11/15/09	998,725
72	Gulfterra Energy Partners LP.....	8.500	06/01/10	78,660
285	Gulfterra Energy Partners LP.....	10.625	12/01/12	340,575
70	Hanover Compressor Co. ....	8.625	12/15/10	72,800
285	Hanover Compressor Co. ....	9.000	06/01/14	297,112
275	Hanover Equipment Trust.....	8.500	09/01/08	292,187
120	Hanover Equipment Trust.....	8.750	09/01/11	129,000
410	Hilcorp Energy Finance Corp., 144A--Private Placement (a).....	10.500	09/01/10	445,875
215	Magnum Hunter Resources, Inc. ....	9.600	03/15/12	237,575
65	MSW Energy Holdings LLC.....	8.500	09/01/10	69,062
295	MSW Energy Holdings LLC, 144A--Private Placement (a).....	7.375	09/01/10	295,000
145	Plains Exploration & Production Co.,			

## Edgar Filing: VAN KAMPEN HIGH INCOME TRUST II - Form N-CSRS

	144A--Private Placement (a).....	7.125	06/15/14	148,262
243	Port Arthur Finance Corp. ....	12.500	01/15/09	281,996
235	Tesoro Petroleum Corp. ....	9.000	07/01/08	243,225
135	Tesoro Petroleum Corp. ....	9.625	04/01/12	152,212
605	Vintage Petroleum, Inc. ....	7.875	05/15/11	623,150
				6,448,341

See Notes to Financial Statements

7

### VAN KAMPEN HIGH INCOME TRUST II

PORTFOLIO OF INVESTMENTS -- JUNE 30, 2004 (UNAUDITED) continued

PAR AMOUNT (000)	DESCRIPTION	COUPON	MATURITY	VALUE
<hr style="border-top: 1px dashed black;"/>				
FINANCIAL 1.7%				
\$ 345	General Motors Acceptance Corp. ....	6.750%	01/15/06	\$ 361,640
216	Istar Financial, Inc. ....	8.750	08/15/08	239,981
				601,621
FOOD & DRUG 2.4%				
510	Delhaize America, Inc. ....	8.125	04/15/11	559,231
1,180	Jitney-Jungle Stores America, Inc. (d) (e) (f).....	12.000	03/01/06	0
270	Rite Aid Corp. ....	8.125	05/01/10	285,525
				844,756
FOOD & TOBACCO 8.3%				
550	Constellation Brands, Inc. ....	8.000	02/15/08	594,000
255	Michael Foods, Inc. ....	8.000	11/15/13	264,562
570	Pilgrim's Pride Corp. ....	9.625	09/15/11	632,700
155	Pilgrim's Pride Corp. ....	9.250	11/15/13	165,850
465	Smithfield Foods, Inc. ....	7.625	02/15/08	490,575
760	Smithfield Foods, Inc. ....	8.000	10/15/09	822,700
				2,970,387
FOREST PRODUCTS 12.3%				
245	Abitibi-Consolidated, Inc. (Canada).....	8.550	08/01/10	259,561
390	Abitibi-Consolidated, Inc. (Canada).....	6.000	06/20/13	347,128
410	Georgia-Pacific Corp. ....	8.875	02/01/10	466,375
425	Graphic Packaging International Corp. ....	9.500	08/15/13	463,250
460	MDP Acquisitions PLC (Ireland).....	9.625	10/01/12	506,000
175	Norampac, Inc. (Canada).....	6.750	06/01/13	172,375
1,020	Owens-Brockway Glass Containers, Inc. ....	8.875	02/15/09	1,106,700
365	Pliant Corp. ....	13.000	06/01/10	328,500
790	Tembec Industries, Inc. (Canada).....	7.750	03/15/12	766,300
				4,416,189
GAMING & LEISURE 17.0%				



Edgar Filing: VAN KAMPEN HIGH INCOME TRUST II - Form N-CSRS

690	Harrahs Operating Co., Inc. ....	7.875	12/15/05	730,538
345	Hilton Hotels Corp. ....	7.950	04/15/07	374,325
215	Hilton Hotels Corp. ....	7.625	12/01/12	232,200
272	HMH Properties, Inc. ....	7.875	08/01/08	280,160
435	Horseshoe Gaming LLC.....	8.625	05/15/09	455,663
800	MGM Mirage, Inc. ....	6.000	10/01/09	788,000
1,100	Mohegan Tribal Gaming Authority.....	8.125	01/01/06	1,166,000
380	Park Place Entertainment Corp. ....	7.875	12/15/05	400,425
325	Park Place Entertainment Corp. ....	8.875	09/15/08	353,438
800	Starwood Hotels & Resorts Worldwide, Inc. ....	7.375	05/01/07	846,000
465	Station Casinos, Inc. ....	6.000	04/01/12	452,213
				-----
				6,078,962
				-----
HEALTHCARE 12.6%				
485	AmerisourceBergen Corp. ....	8.125	09/01/08	525,013
640	Extendicare Health Services, Inc., 144A--Private Placement (a).....	6.875	05/01/14	604,800
295	Fisher Scientific International, Inc. ....	8.125	05/01/12	317,125

8

See Notes to Financial Statements

VAN KAMPEN HIGH INCOME TRUST II

PORTFOLIO OF INVESTMENTS -- JUNE 30, 2004 (UNAUDITED) continued

PAR AMOUNT (000)	DESCRIPTION	COUPON	MATURITY	VALUE
-----				
HEALTHCARE (CONTINUED)				
\$ 410	Fresenius Medical Care Capital Trust II.....	7.875%	02/01/08	\$ 433,575
180	Fresenius Medical Care Capital Trust IV.....	7.875	06/15/11	191,700
800	HCA, Inc. ....	6.910	06/15/05	823,902
115	HCA, Inc. ....	6.300	10/01/12	115,242
65	National Nephrology Associates, Inc., 144A--Private Placement (a).....	9.000	11/01/11	74,750
280	Team Health, Inc., 144A--Private Placement (a).....	9.000	04/01/12	270,200
190	Tenet Healthcare Corp.....	6.500	06/01/12	166,250
325	Tenet Healthcare Corp., 144A--Private Placement (a).....	9.875	07/01/14	332,313
140	VWR International, Inc., 144A--Private Placement (a).....	6.875	04/15/12	141,225
485	VWR International, Inc., 144A--Private Placement (a).....	8.000	04/15/14	499,550
				-----
				4,495,645
				-----
HOUSING 9.2%				
59	CB Richard Ellis Service, Inc. ....	9.750	05/15/10	65,195
405	CB Richard Ellis Service, Inc. ....	11.250	06/15/11	463,725
425	D.R. Horton, Inc. ....	5.000	01/15/09	419,156
465	Interface, Inc., 144A--Private Placement (a).....	9.500	02/01/14	465,000
315	LNR Property Corp. ....	7.625	07/15/13	315,000
640	Nortek Holdings, Inc., 144A--Private Placement			

Edgar Filing: VAN KAMPEN HIGH INCOME TRUST II - Form N-CSRS

	(a) (b).....	4.870	12/31/10	654,400
175	Schuler Homes, Inc. ....	9.375	07/15/09	192,938
130	Technical Olympic USA, Inc. ....	9.000	07/01/10	133,900
215	Technical Olympic USA, Inc. ....	9.000	07/01/10	221,450
230	Technical Olympic USA, Inc. ....	10.375	07/01/12	240,925
140	WII Components, Inc., 144A--Private Placement (a).....	10.000	02/15/12	137,900
				-----
				3,309,589
				-----
INFORMATION TECHNOLOGY 3.4%				
570	Iron Mountain, Inc. ....	8.625	04/01/13	607,050
590	Xerox Corp. ....	7.125	06/15/10	604,750
				-----
				1,211,800
				-----
MANUFACTURING 5.8%				
115	Flowserve Corp. ....	12.250	08/15/10	130,813
395	Johnsondiversey, Inc. ....	9.625	05/15/12	432,525
500	Manitowoc, Inc. ....	10.500	08/01/12	575,000
390	Trimas Corp. ....	9.875	06/15/12	415,350
495	Tyco Intl Group SA (Luxembourg).....	6.375	02/15/06	519,903
				-----
				2,073,591
				-----
METALS 2.6%				
150	Doe Run Resources Corp. (Acquired 02/15/01, Cost \$123,506) (g) (h).....	11.750	11/01/08	116,454
155	General Cable Corp. ....	9.500	11/15/10	167,400

See Notes to Financial Statements

9

VAN KAMPEN HIGH INCOME TRUST II

PORTFOLIO OF INVESTMENTS -- JUNE 30, 2004 (UNAUDITED) continued

PAR AMOUNT (000)	DESCRIPTION	COUPON	MATURITY	VALUE
-----				
METALS (CONTINUED)				
\$ 900	GS Technologies Operating, Inc. (d) (e) (f)...	12.250%	10/01/05	\$ 0
325	UCAR Finance, Inc. ....	10.250	02/15/12	363,188
248	United States Steel Corp. ....	9.750	05/15/10	275,900
				-----
				922,942
				-----
RETAIL 3.7%				
66	Big 5 Corp. ....	10.875	11/15/07	68,970
215	General Nutrition Center, Inc., 144A--Private Placement (a).....	8.500	12/01/10	224,138
345	Penney JC Co., Inc. ....	9.000	08/01/12	408,825
315	Petro Stopping Center Financial, 144A--Private Placement (a).....	9.000	02/15/12	313,425
320	Toys R Us, Inc. ....	7.625	08/01/11	322,800
				-----
				1,338,158

Edgar Filing: VAN KAMPEN HIGH INCOME TRUST II - Form N-CSRS

	SERVICES 10.9%			
1,140	Allied Waste North America, Inc. ....	8.875	04/01/08	1,254,000
580	Buhrmann US, Inc. ....	12.250	11/01/09	638,346
380	Buhrmann US, Inc., 144A--Private Placement (a).....	8.250	07/01/14	380,950
295	United Rentals North America, Inc. ....	6.500	02/15/12	280,250
540	United Rentals North America, Inc. ....	7.750	11/15/13	513,000
750	Waste Management, Inc. ....	7.125	10/01/07	823,262
				3,889,808
	TELECOMMUNICATIONS 3.5%			
450	Axtel SA, 144A--Private Placement (Mexico) (a).....	11.000	12/15/13	428,625
220	Exodus Communications, Inc. (d) (e) (f).....	11.250	07/01/08	0
320	Qwest Communications International, Inc., 144A--Private Placement (a) (b).....	4.750	02/15/09	300,800
525	Qwest Corp. ....	6.625	09/15/05	538,125
				1,267,550
	TRANSPORTATION 5.4%			
335	Autonation, Inc. ....	9.000	08/01/08	380,225
435	Laidlaw International, Inc. ....	10.750	06/15/11	476,869
420	Sonic Automotive, Inc. ....	8.625	08/15/13	439,950
560	TRW Automotive, Inc. ....	9.375	02/15/13	634,200
				1,931,244
	UTILITY 10.8%			
54	AES Corp. ....	9.375	09/15/10	57,848
18	AES Corp. ....	8.875	02/15/11	18,765
180	Allegheny Energy, Inc. ....	7.750	08/01/05	187,200
530	Calpine Corp., 144A--Private Placement (a)....	8.500	07/15/10	441,225
50	CMS Energy Corp. ....	7.500	01/15/09	50,000
295	CMS Energy Corp. ....	8.500	04/15/11	302,375
405	Dynegy Holdings, Inc. ....	6.875	04/01/11	350,831
295	Dynegy Holdings, Inc., 144A--Private Placement (a).....	9.875	07/15/10	318,600

10

See Notes to Financial Statements

VAN KAMPEN HIGH INCOME TRUST II

PORTFOLIO OF INVESTMENTS -- JUNE 30, 2004 (UNAUDITED) continued

PAR AMOUNT (000)	DESCRIPTION	COUPON	MATURITY	VALUE
	UTILITY (CONTINUED)			
\$ 170	IPALCO Enterprises, Inc. ....	8.625%	11/14/11	\$ 185,300
350	Monongahela Power Co. ....	5.000	10/01/06	359,107
275	Pacific Energy Partners, 144A--Private Placement (a).....	7.125	06/15/14	280,500
300	PSEG Energy Holdings, Inc. ....	7.750	04/16/07	315,750

Edgar Filing: VAN KAMPEN HIGH INCOME TRUST II - Form N-CSRS

145	Southern Natural Gas Co. ....	8.875	03/15/10	159,138
580	TNP Enterprises, Inc. ....	10.250	04/01/10	603,200
200	Transcontinental Gas Pipe Line Corp. ....	8.875	07/15/12	227,000
				-----
				3,856,839
				-----
	WIRELESS COMMUNICATIONS 4.8%			
435	Centennial Communications, 144A--Private Placement (a).....	8.125	02/01/14	405,638
895	Nextel Communications, Inc. ....	9.375	11/15/09	961,006
185	Rural Cellular Corp., 144A--Private Placement (a) (b).....	6.020	03/15/10	191,475
143	Telecorp PCS, Inc. ....	10.625	07/15/10	161,475
				-----
				1,719,594
				-----
	TOTAL CORPORATE BONDS 169.4%.....			60,680,503
				-----
	GOVERNMENT AND GOVERNMENT AGENCY OBLIGATIONS 2.9%			
405	Federal Republic of Brazil (Brazil).....	11.250	07/26/07	438,412
550	United Mexican States (Mexico).....	8.625	03/12/08	622,325
				-----
	TOTAL GOVERNMENT AND GOVERNMENT AGENCY OBLIGATIONS.....			1,060,737
				-----
	EQUITIES 0.7%			
	DecisionOne Corp. (2,450 common shares) (f) (i).....			0
	DecisionOne Corp. (5,386 common stock warrants) (f) (i).....			0
	Doe Run Resources Corp. (1 common stock warrant) (f) (i).....			0
	HCI Direct, Inc. (30,357 common shares) (f) (i).....			236,785
	Hosiery Corp. of America, Inc. (500 common shares) (f) (i).....			0
	VS Holdings, Inc. (8,891 common shares) (f) (i).....			1,660
				-----
	TOTAL EQUITIES.....			238,445
				-----
	TOTAL LONG-TERM INVESTMENTS 173.0%			
	(Cost \$63,177,199).....			61,979,685
	REPURCHASE AGREEMENT 3.4%			
	State Street Bank & Trust Co. (\$1,230,000 par collateralized by U.S. Government obligations in a pooled cash account, interest rate of 1.35%, dated 06/30/04, to be sold on 07/01/04 at \$1,230,046) (Cost \$1,230,000).....			1,230,000
				-----

See Notes to Financial Statements

11

VAN KAMPEN HIGH INCOME TRUST II

PORTFOLIO OF INVESTMENTS -- JUNE 30, 2004 (UNAUDITED) continued

DESCRIPTION

VALUE

## Edgar Filing: VAN KAMPEN HIGH INCOME TRUST II - Form N-CSRS

TOTAL INVESTMENTS 176.4%		
(Cost \$64,407,199).....	\$ 63,209,685	
OTHER ASSETS IN EXCESS OF LIABILITIES 1.2%.....		432,631
PREFERRED SHARES (INCLUDING ACCRUED DISTRIBUTIONS) (77.6%).....		(27,814,161)
		-----
NET ASSETS APPLICABLE TO COMMON SHARES 100.0%.....	\$ 35,828,155	=====

Percentages are calculated as a percentage of net assets applicable to common shares.

- (a) 144A securities are those which are exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may only be resold in transactions exempt from registration which are normally those transactions with qualified institutional buyers.
- (b) Variable rate security. Interest rate shown is that in effect at June 30, 2004.
- (c) Securities purchased on a when-issued or delayed delivery basis.
- (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) Payment-in-kind security.
- (h) These securities are restricted and may be resold only in transactions exempt from registration which are normally those transactions with qualified institutional buyers. Restricted securities comprise 0.3% of net assets applicable to common shares.
- (i) Non-income producing security.

12

See Notes to Financial Statements

### VAN KAMPEN HIGH INCOME TRUST II

#### FINANCIAL STATEMENTS

Statement of Assets and Liabilities  
June 30, 2004 (Unaudited)

#### ASSETS:

Total Investments (Cost \$64,407,199).....		\$ 63,209,685
Cash.....		318
Receivables:		
Interest.....		1,221,342
Investments Sold.....		583,213
Other.....		1,911
		-----

## Edgar Filing: VAN KAMPEN HIGH INCOME TRUST II - Form N-CSRS

Total Assets.....	65,016,469
-----	
LIABILITIES:	
Payables:	
Investments Purchased.....	1,043,314
Income Distributions--Common Shares.....	44,314
Investment Advisory Fee.....	36,357
Other Affiliates.....	6,083
Trustees' Deferred Compensation and Retirement Plans.....	188,074
Accrued Expenses.....	56,011
-----	
Total Liabilities.....	1,374,153
Preferred Shares (including accrued distributions).....	27,814,161
-----	
NET ASSETS APPLICABLE TO COMMON SHARES.....	\$ 35,828,155
=====	
NET ASSET VALUE PER COMMON SHARE	
(\$35,828,155 divided by 8,109,000 shares outstanding).....	\$ 4.42
=====	
NET ASSETS CONSIST OF:	
Common Shares (\$.01 par value with an unlimited number of shares authorized, 8,109,000 shares issued and outstanding).....	\$ 81,090
Paid in Surplus.....	64,211,338
Accumulated Undistributed Net Investment Income.....	(492,616)
Net Unrealized Depreciation.....	(1,197,514)
Accumulated Net Realized Loss.....	(26,774,143)
-----	
NET ASSETS APPLICABLE TO COMMON SHARES.....	\$ 35,828,155
=====	
PREFERRED SHARES	
(\$.01 par value, authorized 100,000,000 shares, 1,112 issued with liquidation preference of \$25,000 per share).....	\$ 27,800,000
=====	
NET ASSETS INCLUDING PREFERRED SHARES.....	\$ 63,628,155
=====	

See Notes to Financial Statements

13

VAN KAMPEN HIGH INCOME TRUST II

FINANCIAL STATEMENTS continued

Statement of Operations  
For the Six Months Ended June 30, 2004 (Unaudited)

INVESTMENT INCOME:	
Interest.....	\$ 2,445,633
Other.....	19,050
-----	
Total Income.....	2,464,683
-----	
EXPENSES:	
Investment Advisory Fee.....	223,965
Preferred Share Maintenance.....	40,828
Trustees' Fees and Related Expenses.....	21,310
Legal.....	8,145
Custody.....	7,354

Edgar Filing: VAN KAMPEN HIGH INCOME TRUST II - Form N-CSRS

Other.....	85,163
	-----
Total Expenses.....	386,765
	-----
NET INVESTMENT INCOME.....	\$ 2,077,918
	=====
REALIZED AND UNREALIZED GAIN/LOSS:	
Net Realized Gain.....	\$ 471,257
	-----
Unrealized Appreciation/Depreciation:	
Beginning of the Period.....	616,691
End of the Period.....	(1,197,514)
	-----
Net Unrealized Depreciation During the Period.....	(1,814,205)
	-----
NET REALIZED AND UNREALIZED LOSS.....	\$ (1,342,948)
	=====
DISTRIBUTIONS TO PREFERRED SHAREHOLDERS.....	\$ (157,306)
	=====
NET INCREASE IN NET ASSETS APPLICABLE TO COMMON SHARES FROM OPERATIONS.....	\$ 577,664
	=====

14

See Notes to Financial Statements

VAN KAMPEN HIGH INCOME TRUST II

FINANCIAL STATEMENTS continued

Statements of Changes in Net Assets (Unaudited)

	FOR THE SIX MONTHS ENDED JUNE 30, 2004	FOR THE YEAR ENDED DECEMBER 31, 2003
	-----	-----
FROM INVESTMENT ACTIVITIES:		
Operations:		
Net Investment Income.....	\$ 2,077,918	\$ 4,201,818
Net Realized Gain/Loss.....	471,257	(5,545,510)
Net Unrealized Appreciation/Depreciation During the Period.....	(1,814,205)	11,684,955
Distributions to Preferred Shareholders:		
Net Investment Income.....	(157,306)	(317,415)
Return of Capital Distribution.....	-0-	(8,277)
	-----	-----
Change in Net Assets Applicable to Common Shares from Operations.....	577,664	10,015,571
Distributions to Common Shareholders:		
Net Investment Income.....	(1,800,191)	(3,587,601)
Return of Capital Distribution.....	-0-	(93,545)
	-----	-----
NET CHANGE IN NET ASSETS APPLICABLE TO COMMON SHARES FROM INVESTMENT ACTIVITIES.....	(1,222,527)	6,334,425
NET ASSETS APPLICABLE TO COMMON SHARES:		
Beginning of the Period.....	37,050,682	30,716,257
	-----	-----

## Edgar Filing: VAN KAMPEN HIGH INCOME TRUST II - Form N-CSRS

End of the Period (Including accumulated undistributed net investment income of (\$492,616) and (\$613,037), respectively).....	\$35,828,155 =====	\$37,050,682 =====
---	-----------------------	-----------------------

See Notes to Financial Statements

15

### VAN KAMPEN HIGH INCOME TRUST II

#### FINANCIAL HIGHLIGHTS (UNAUDITED)

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

	SIX MONTHS ENDED JUNE 30, 2004	----- 2003	----- 2002
NET ASSET VALUE, BEGINNING OF THE PERIOD.....	\$ 4.57	\$ 3.79	\$ 4.77
Net Investment Income.....	.26	.52	.60
Net Realized and Unrealized Gain/Loss.....	(.17)	.75	(.89)
Common Share Equivalent of Distributions Paid to Preferred Shareholders:			
Net Investment Income.....	(.02)	(.04)	(.07)
Return of Capital Distributions.....	-0-	-0-*	-0-*
Total from Investment Operations.....	.07	1.23	(.36)
Distributions Paid to Common Shareholders:			
Net Investment Income.....	(.22)	(.44)	(.58)
Return of Capital Distributions.....	-0-	(.01)	(.04)
NET ASSET VALUE, END OF THE PERIOD.....	\$ 4.42 =====	\$ 4.57 =====	\$ 3.79 =====
Common Share Market Price at End of the Period.....	\$ 4.37	\$ 5.08	\$ 4.07
Total Return (a).....	-9.86%**	37.20%	-19.86%
Net Assets Applicable to Common Shares at End of the Period (In millions).....	\$ 35.8	\$ 37.1	\$ 30.7
Ratio of Expenses to Average Net Assets Applicable to Common Shares (b).....	2.13%	2.25%	2.28%
Ratio of Net Investment Income to Average Net Assets Applicable to Common Shares (b).....	11.44%	12.29%	14.50%
Portfolio Turnover.....	36%**	74%	81%
<b>SUPPLEMENTAL RATIOS:</b>			
Ratio of Expenses to Average Net Assets Including Preferred Shares (b).....	1.21%	1.24%	1.18%
Ratio of Net Investment Income to Average Net Assets Applicable to Common Shares (d).....	10.57%	11.34%	12.93%
<b>SENIOR SECURITIES:</b>			
Total Preferred Shares Outstanding.....	1,112	1,112	1,112
Asset Coverage Per Preferred Share (e).....	\$57,232	\$58,320	\$ 52,652
Involuntary Liquidating Preference Per Preferred Share.....	\$25,000	\$25,000	\$ 25,000



## Edgar Filing: VAN KAMPEN HIGH INCOME TRUST II - Form N-CSRS

Average Market Value Per Preferred Share..... \$25,000      \$25,000      \$ 25,000

\* Amount is less than \$.01.

\*\* Non-Annualized

(a) Total return assumes an investment at the common share market price at the beginning of the period indicated, reinvestment of all distributions for the period in accordance with the Trust's dividend reinvestment plan, and sale of all shares at the closing common share market price at the end of the period indicated.

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

(c) As required, effective January 1, 2001, the Trust has adopted the provisions of the AICPA Audit and Accounting Guide for Investment Companies and began amortizing premium on fixed income securities. The effect of this change for the period ended December 31, 2001 was to decrease net investment income per share by \$.02, increase net realized and unrealized gains and losses per share by \$.02 and decrease the ratio of net investment income to average net assets applicable to common shares by .40%. Per share, ratios and supplemental data for periods prior to December 31, 2001 have not been restated to reflect this change in presentation.

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

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

16

YEAR ENDED DECEMBER 31,

	2001 (c)	2000	1999	1998	1997	1996	1995	1994
	\$ 5.40	\$ 6.56	\$ 7.59	\$ 8.44	\$ 8.31	\$ 8.12	\$ 7.32	\$ 8.98
	.90	1.10	1.14	1.18	1.20	1.23	1.27	1.28
	(.61)	(1.11)	(1.00)	(.77)	.18	.21	.81	(1.53)
	(.18)	(.33)	(.27)	(.30)	(.29)	(.29)	(.32)	(.23)
	-0-*	-0-*	-0-	-0-	-0-	-0-	-0-	-0-
	.11	(.34)	(.13)	.11	1.09	1.15	1.76	(.48)
	(.73)	(.76)	(.90)	(.96)	(.96)	(.96)	(.96)	(1.18)
	(.01)	(.06)	-0-	-0-	-0-	-0-	-0-	-0-
	\$ 4.77	\$ 5.40	\$ 6.56	\$ 7.59	\$ 8.44	\$ 8.31	\$ 8.12	\$ 7.32
	\$ 5.75	\$ 5.69	\$ 5.75	\$ 8.625	\$ 9.8125	\$ 9.375	\$ 8.75	\$ 7.50
	13.57%	12.13%	-25.28%	-2.73%	15.34%	18.91%	30.33%	-12.94%
	\$ 38.7	\$ 43.8	\$ 53.2	\$ 61.6	\$ 68.4	\$ 67.4	\$ 65.8	\$ 59.4
	2.14%	2.03%	1.97%	1.92%	1.83%	1.89%	1.96%	1.97%
	16.83%	18.16%	16.32%	14.54%	14.43%	15.19%	16.19%	15.75%

## Edgar Filing: VAN KAMPEN HIGH INCOME TRUST II - Form N-CSRS

63%	40%	56%	65%	98%	94%	124%	125%
1.15%	1.07%	1.10%	1.14%	1.10%	1.12%	1.15%	1.17%
13.40%	12.66%	12.41%	10.85%	10.93%	11.58%	12.09%	12.87%
1,360	1,520	1,800	900	900	900	900	900
\$53,426	\$53,812	\$54,557	\$118,418	\$126,015	\$124,849	\$123,135	\$115,957
\$25,000	\$25,000	\$25,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
\$25,000	\$25,000	\$25,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000

See Notes to Financial Statements

17

### VAN KAMPEN HIGH INCOME TRUST II

NOTES TO FINANCIAL STATEMENTS -- JUNE 30, 2004 (UNAUDITED)

#### 1. SIGNIFICANT ACCOUNTING POLICIES

Van Kampen High Income Trust II (the "Trust") is registered as a diversified, closed-end management investment company under the Investment Company Act of 1940, as amended. The Trust's investment objective is to provide high current income, while seeking to preserve shareholders' capital through investment in a professionally managed diversified portfolio of high yield, fixed income securities. The Trust commenced investment operations on April 28, 1989.

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

A. SECURITY VALUATION Investments are stated at value using market quotations or indications of value obtained from an independent pricing service. For those securities where quotations or prices are not available, valuations are obtained from yield data relating to instruments or securities with similar characteristics in accordance with procedures established in good faith by the Board of Trustees. Short-term securities with remaining maturities of 60 days or less are valued at amortized cost, which approximates market value.

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

The Trust may 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 Trust 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 after payment is made. At June 30, 2004, the Trust had \$320,000 of when-issued and delayed delivery purchase commitments.

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

## Edgar Filing: VAN KAMPEN HIGH INCOME TRUST II - Form N-CSRS

Repurchase agreements are fully collateralized by the underlying debt security. The Trust will make payment for such securities only upon physical delivery or evidence of book entry transfer to the account of the custodian bank. The seller is required to maintain the value of the underlying security at not less than the repurchase proceeds due the Trust.

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

18

### VAN KAMPEN HIGH INCOME TRUST II

#### NOTES TO FINANCIAL STATEMENTS -- JUNE 30, 2004 (UNAUDITED) continued

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

The Trust intends to utilize provisions of the federal income tax laws which allow it to carry a realized capital loss forward for eight years following the year of the loss and offset such losses against any future realized capital gains. At December 31, 2003, the Trust had an accumulated capital loss carryforward for tax purposes of \$25,739,010 which expires between December 31, 2007 and December 31, 2011.

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

Cost of investments for tax purposes.....	\$64,710,380
	=====
Gross tax unrealized appreciation.....	\$ 2,779,092
Gross tax unrealized depreciation.....	(4,279,787)
	-----
Net tax unrealized depreciation on investments.....	\$(1,500,695)
	=====

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

For tax purposes, the determination of a return of capital distribution is made at the end of the Trust's fiscal year. Therefore, while it is likely that a portion of the Trust's distribution will ultimately be characterized as a return of capital for tax purposes, no such designation has been made for the six months ended June 30, 2004.

The tax character of distributions paid during the year ended December 31, 2003 was as follows:

## Edgar Filing: VAN KAMPEN HIGH INCOME TRUST II - Form N-CSRS

### Distributions paid from:

Ordinary income.....	\$3,889,082
Return of capital.....	101,822
	-----
	\$3,990,904
	=====

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

Under the terms of the Trust's Investment Advisory Agreement, the Adviser will provide investment advice and facilities to the Trust for an annual fee payable monthly of .70% of the average daily net assets of the Trust.

For the six months ended June 30, 2004, the Trust recognized expenses of approximately \$1,800 representing legal services provided by Skadden, Arps, Slate, Meagher & Flom LLP, counsel to the Trust, of which a trustee of the Trust is an affiliated person.

Under separate Accounting Services and Legal Services agreements, the Adviser provides accounting and legal services to the Trust. The Adviser allocates the cost of such services to each trust. For the six months ended June 30, 2004, the Trust recognized expenses of approximately \$12,100 representing Van Kampen Investments Inc.'s or its affiliates (collectively "Van Kampen") cost of providing accounting and legal services to the Trust, which are

19

### VAN KAMPEN HIGH INCOME TRUST II

#### NOTES TO FINANCIAL STATEMENTS -- JUNE 30, 2004 (UNAUDITED) continued

reported as part of "Other" and "Legal" expenses, respectively, in the Statement of Operations.

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

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

### 3. INVESTMENT TRANSACTIONS

During the period, the cost of purchases and proceeds from sales of investments, excluding short-term investments were \$23,737,820 and \$22,161,747, respectively.

### 4. AUCTION PREFERRED SHARES

As of June 30, 2004, the Trust has outstanding 1,112 Auction Preferred Shares ("APS"). Dividends are cumulative and the dividend rate is currently reset every 28 days through an auction process. The rate in effect on June 30, 2004 was 1.328%. During the six months ended June 30, 2004, the rates ranged from 1.068% to 1.328%.

The Trust pays annual fees equivalent to .25% of the preferred share liquidation value for the remarketing efforts associated with the preferred

## Edgar Filing: VAN KAMPEN HIGH INCOME TRUST II - Form N-CSRS

auctions. These fees are included as a component of Preferred Share Maintenance expense.

The APS are redeemable at the option of the Trust in whole or in part at the liquidation value of \$25,000 per share plus accumulated and unpaid dividends. The Trust is subject to certain asset coverage tests and the APS are subject to mandatory redemption if the tests are not met.

### 5. INDEMNIFICATIONS

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

20

## VAN KAMPEN HIGH INCOME TRUST II

### DIVIDEND REINVESTMENT PLAN

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

### HOW THE PLAN WORKS

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

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

### COSTS OF THE PLAN

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

### TAX IMPLICATIONS

## Edgar Filing: VAN KAMPEN HIGH INCOME TRUST II - Form N-CSRS

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

21

VAN KAMPEN HIGH INCOME TRUST II

DIVIDEND REINVESTMENT PLAN continued

RIGHT TO WITHDRAW

All Common Shareholders of the Trust are deemed to be participants in the Plan unless they specifically elect not to participate. You may withdraw from the Plan at any time by calling 1-800-341-2929 or by writing State Street Bank and Trust Company. If you withdraw, you will receive, without charge, a share certificate issued in your name for all full Common Shares credited to your account under the Plan, and a cash payment will be made for any fractional Common Share credited to your account under the Plan. You may again elect to participate in the Plan at any time by calling 1-800-341-2929 or writing to the Trust at:

2800 Post Oak Blvd.  
Houston, TX 77056  
Attn: Closed-End Funds

22

VAN KAMPEN HIGH INCOME TRUST II

BOARD OF TRUSTEES AND IMPORTANT ADDRESSES

BOARD OF TRUSTEES

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

INVESTMENT ADVISER

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

CUSTODIAN AND TRANSFER AGENT

STATE STREET BANK AND TRUST COMPANY  
c/o EquiServe  
P.O. Box 43011

Edgar Filing: VAN KAMPEN HIGH INCOME TRUST II - Form N-CSRS

Providence, Rhode Island 02940-3011

LEGAL COUNSEL

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

INDEPENDENT REGISTERED PUBLIC

ACCOUNTING FIRM

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

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

23

VAN KAMPEN HIGH INCOME TRUST II

RESULTS OF SHAREHOLDER VOTES

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

With regard to the election of the following trustees by common shareholders of the Trust:

	# OF SHARES	
	IN FAVOR	WITHHELD
R. Craig Kennedy.....	6,706,400	151,632
Jack E. Nelson.....	6,693,616	164,416
Richard F. Powers, III.....	6,710,071	147,961

With regards to the election of the following trustees by preferred shareholders of the Trust:

	# OF SHARES	
	IN FAVOR	WITHHELD
Hugo F. Sonnenschein.....	1,111	0

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

## Edgar Filing: VAN KAMPEN HIGH INCOME TRUST II - Form N-CSRS

Van Kampen  
Privacy Notice

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

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

Van Kampen Funds Inc.  
1 Parkview Plaza, P.O. Box 5555  
Oakbrook Terrace, IL 60181-5555  
[www.vankampen.com](http://www.vankampen.com)

(VAN KAMPEN INVESTMENTS LOGO)

Copyright (C)2004 Van Kampen  
Funds Inc. All rights reserved.  
Member NASD/SIPC. 920, 913, 100  
VLT SAR 8/04 RN04-01S02P-Y06/04

Item 2. Code of Ethics.

Not applicable for semi-annual reports.

Item 3. Audit Committee Financial Expert.

Not applicable for semi-annual reports.

Item 4. Principal Accountant Fees and Services.

Not applicable for semi-annual reports.

Item 5. Audit Committee of Listed Registrants.

Not applicable for semi-annual reports.



## Edgar Filing: VAN KAMPEN HIGH INCOME TRUST II - Form N-CSRS

Item 6. [Reserved.]

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

Not applicable.

Item 8. Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers.

Not applicable.

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

Not applicable.

Item 10. Controls and Procedures

(a) The Trust's principal executive officer and principal financial officer have concluded that the Trust's disclosure controls and procedures are sufficient to ensure that information required to be disclosed by the 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 registrant's most recent fiscal half-year (the registrant's second fiscal half-year in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 11. Exhibits.

(a) Code of Ethics -- Not applicable for semi-annual reports.

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

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

### SIGNATURES

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

(Registrant) Van Kampen High Income Trust II

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

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

Edgar Filing: VAN KAMPEN HIGH INCOME TRUST II - Form N-CSRS

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: August 19, 2004

By: /s/ James M. Dykas  
-----

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