

VAN KAMPEN MUNICIPAL OPPORTUNITY TRUST
Form N-14 8C
June 30, 2005

As filed with the Securities and Exchange Commission on June 30, 2005

Securities Act File No. 333-
Investment Company Act File No. 811-06567
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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM N-14
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

PRE-EFFECTIVE AMENDMENT NO.
 POST-EFFECTIVE AMENDMENT NO.

(CHECK APPROPRIATE BOX OR BOXES)

VAN KAMPEN MUNICIPAL OPPORTUNITY TRUST

(EXACT NAME OF REGISTRANT AS SPECIFIED IN DECLARATION OF TRUST)

(800) 341-2929
(AREA CODE AND TELEPHONE NUMBER)

1221 AVENUE OF THE AMERICAS
NEW YORK, NEW YORK 10020
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

AMY R. DOBERMAN, ESQ.
MANAGING DIRECTOR
VAN KAMPEN INVESTMENTS INC.
1221 AVENUE OF THE AMERICAS
NEW YORK, NEW YORK 10020
(NAME AND ADDRESS OF AGENT FOR SERVICE)

COPIES TO:

WAYNE W. WHALEN, ESQ.
CHARLES B. TAYLOR, ESQ.
SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP
333 WEST WACKER DRIVE
CHICAGO, ILLINOIS 60606
(312) 407-0700

=====

Approximate Date of Proposed Offering: As soon as practicable after this
Registration Statement is declared effective.

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CALCULATION OF REGISTRATION FEE UNDER THE SECURITIES ACT OF 1933			
TITLE OF SECURITIES BEING REGISTERED	AMOUNT BEING REGISTERED	PROPOSED MAXIMUM OFFERING PRICE PER UNIT	PROPOSED MA AGGREGATE OF PRICE
Common Shares (\$0.01 par value)	1,000 \$	14.91 (1)	\$
Auction Preferred Shares (\$0.01 par value)	40	25,000	\$

(1) Average of high and low reported price for common shares on June 24, 2005.

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

EXPLANATORY NOTE

This Registration Statement is organized as follows:

- o Questions and Answers to Shareholders of Van Kampen Advantage Municipal Income Trust and Van Kampen Municipal Opportunity Trust
- o Notice of Special Meeting of Shareholders of Van Kampen Advantage Municipal Income Trust and Van Kampen Municipal Opportunity Trust
- o Joint Proxy Statement/Prospectus of Van Kampen Advantage Municipal Income Trust and Van Kampen Municipal Opportunity Trust
- o Statement of Additional Information regarding the Reorganization of Van Kampen Advantage Municipal Income Trust into Van Kampen Municipal Opportunity Trust
- o Part C Information
- o Exhibits

-- AUGUST 2005 --

IMPORTANT NOTICE

TO SHAREHOLDERS OF VAN KAMPEN
ADVANTAGE MUNICIPAL INCOME TRUST
AND
VAN KAMPEN MUNICIPAL
OPPORTUNITY TRUST

QUESTIONS & ANSWERS

Although we recommend that you read the complete Joint Proxy Statement/
Prospectus, we have provided for your convenience a brief overview of the issues
to be voted on.

Q WHY IS A SHAREHOLDER
MEETING BEING HELD?

A Shareholders of
Van Kampen Advantage Municipal Income Trust: You are being asked to vote on a
reorganization (the "Reorganization") of Van Kampen Advantage Municipal Income
Trust (the "Target Fund") into Van Kampen Municipal Opportunity Trust (the
"Acquiring Fund"), a closed-end investment company that pursues the same
investment objective and has similar investment policies as the Target Fund.

Shareholders of Van Kampen Municipal Opportunity Trust: You are being asked to
vote on the issuance of common shares of beneficial interest by the Acquiring
Fund in connection with the Reorganization.

Q WHY IS THE
REORGANIZATION BEING RECOMMENDED?

A The Board of Trustees of
each Fund has determined that the Reorganization will benefit common
shareholders of the Target Fund and the Acquiring Fund. The Target Fund and the
Acquiring Fund are similar. Each Fund seeks to provide common shareholders with
a high level of current income exempt from federal income tax, consistent with
preservation of capital. Each Fund invests primarily in municipal securities
rated investment grade at the time of investment. Each Fund is managed by the
same investment advisory personnel. After the Reorganization, it is anticipated
that common shareholders of each Fund will experience a reduced annual operating
expense ratio, as certain fixed

administrative costs will be spread across the combined fund's larger
asset base. It is not anticipated that the Reorganization will directly
benefit holders of preferred shares of the Funds; however, it is
anticipated that preferred shareholders will not be adversely effected by
the Reorganization, and none of the expenses of the Reorganization will
be borne by preferred shareholders.

Q HOW WILL THE
REORGANIZATION AFFECT ME?

A Assuming shareholders of
the Target Fund approve the Reorganization and shareholders of the Acquiring
Fund approve the issuance of common shares of beneficial interest by that Fund,
the assets and liabilities of the Target Fund will be combined with those of the
Acquiring Fund and the Target Fund will dissolve.

Shareholders of the Target Fund: You will become a shareholder of the Acquiring
Fund. If you are a holder of common shares of the Target Fund, you will receive
newly-issued common shares of the Acquiring Fund, and if you are a holder of
preferred shares of the Target Fund, you will receive newly-issued preferred
shares of the Acquiring Fund. The aggregate net asset value of the common shares
you receive in the Reorganization will equal the aggregate net asset value of

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the common shares you own immediately prior to the Reorganization less the costs of the Reorganization (though you may receive cash for fractional shares). The aggregate liquidation preference of the preferred shares you receive in the Reorganization will equal the aggregate liquidation preference of the preferred shares you own immediately prior to the Reorganization. No certificates for shares of the Acquiring Fund will be issued in connection with the Reorganization, although such certificates will be available upon request.

Shareholders of the Acquiring Fund: You will remain a shareholder of the Acquiring Fund.

Q WILL I HAVE TO PAY ANY SALES LOAD, COMMISSION OR OTHER SIMILAR FEE IN CONNECTION WITH THE REORGANIZATION?

A You will pay no sales loads or commissions in connection with the Reorganization. However, if the Reorganization is completed, the costs associated with the Reorganization, including the costs associated with the shareholder meeting, will be borne by the common shareholders of the Target Fund and the Acquiring Fund in proportion to their projected annual expense savings as a result of the Reorganization.

Q WILL I HAVE TO PAY ANY FEDERAL TAXES AS A RESULT OF THE REORGANIZATION?

A The Reorganization is intended to qualify as a "reorganization" within the meaning of Section 368(a)(1) of the Internal Revenue Code of 1986, as amended. If the Reorganization so qualifies, in general, a shareholder of the Target Fund will recognize no gain or loss upon the receipt of shares of the Acquiring Fund in connection with the Reorganization. Additionally, the Target Fund will not recognize any gain or loss as a result of the transfer of all of its assets and liabilities in exchange for the shares of the Acquiring Fund or as a result of its dissolution. Neither the Acquiring Fund nor its shareholders will recognize any gain or loss in connection with the Reorganization.

Q WHY IS THE VOTE OF COMMON SHAREHOLDERS OF THE ACQUIRING FUND BEING SOLICITED?

A Although the Acquiring Fund will continue its legal existence and operations after the Reorganization, the rules of the New York Stock Exchange and the Chicago Stock Exchange, on which the Acquiring Fund's common shares are listed, require the common shareholders of the Acquiring Fund to approve the issuance of additional common shares of beneficial interest by the Acquiring Fund in connection with the Reorganization. If the issuance of additional common shares of the Acquiring Fund is not approved, the Reorganization will not occur.

Q HOW DOES THE BOARD OF TRUSTEES OF MY FUND SUGGEST I VOTE?

A After careful consideration, the Board of Trustees of each Fund recommends that you vote "FOR" each of the items proposed.

Q HOW DO I VOTE MY PROXY?

A You may cast your vote by mail, phone or internet. To vote by mail, please mark your vote on the enclosed proxy card and sign, date and return the card in the postage-paid envelope provided. If you choose to vote via phone or internet, please refer to the instructions found on the proxy card accompanying this Joint Proxy Statement/Prospectus. To vote by phone or internet, you will need the "control number" that appears on the proxy card.

Q WHOM DO I CONTACT FOR FURTHER INFORMATION?

A You can contact your financial adviser for further information. You may also call Van Kampen's Client Relations Department at (800) 341-2929 (Telecommunication Device for the Deaf users may call (800) 421-2833) or visit our web site at www.vankampen.com where

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you can send us an e-mail message by selecting "Contact Us."

ABOUT THE PROXY CARD

Please vote on each issue using blue or black ink to mark an X in one of the boxes provided on the proxy card.

SHAREHOLDERS OF VAN KAMPEN ADVANTAGE MUNICIPAL INCOME TRUST:

APPROVAL OF REORGANIZATION - mark "For," "Against" or "Abstain."

COMMON SHAREHOLDERS OF VAN KAMPEN MUNICIPAL OPPORTUNITY TRUST:

APPROVAL OF ISSUANCE OF COMMON SHARES - mark "For," "Against" or "Abstain."

Sign, date and return the proxy card in the enclosed postage-paid envelope. All registered owners of an account, as shown in the address, must sign the card. When signing as attorney, trustee, executor, administrator, custodian, guardian or corporate officer, please indicate your full title.

[X] PLEASE MARK VOTES AS IN THIS EXAMPLE

VAN KAMPEN XXXXX
JOINT SPECIAL MEETING OF SHAREHOLDERS
XX
XX
XX

FOR AGAINST ABSTAIN
1. The proposal to approve the Reorganization. [] [] []
2. The proposal to approve the issuance of Common Shares.

FOR AGAINST ABSTAIN
[] [] []

Please be sure to sign and date this Proxy, Date
3. To transact such other business as properly come before the meeting or adjournment thereof.

Shareholder sign here Co-owner sign here
XX

SAMPLE

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VAN KAMPEN ADVANTAGE MUNICIPAL
INCOME TRUST
AND
VAN KAMPEN MUNICIPAL OPPORTUNITY TRUST
1221 AVENUE OF THE AMERICAS
NEW YORK, NEW YORK 10020
(800) 341-2929

NOTICE OF JOINT SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON SEPTEMBER 23, 2005

Notice is hereby given that a joint special meeting of shareholders (the "Special Meeting") of Van Kampen Advantage Municipal Income Trust (the "Target Fund") and Van Kampen Municipal Opportunity Trust (the "Acquiring Fund") will be held at the offices of Van Kampen Investments Inc., 1 Parkview Plaza, Oakbrook Terrace, Illinois 60181-5555, on September 23, 2005 at 10:00 a.m. for the following purposes:

For shareholders of the Target Fund:

1. To approve an Agreement and Plan of Reorganization (the "Reorganization Agreement") between the Target Fund and Acquiring Fund, the termination of the Target Fund's registration under the Investment Company Act of 1940, as amended, and the dissolution of the Target Fund under applicable state law;

For common shareholders of the Acquiring Fund:

2. To approve the issuance of additional common shares of the Acquiring Fund in connection with the Reorganization Agreement; and

For shareholders of both funds:

3. To transact such other business as may properly be presented at the Special Meeting or any adjournment thereof.

Shareholders of record as of the close of business on July 29, 2005 are entitled to vote at the Special Meeting or any adjournment thereof.

THE BOARD OF TRUSTEES OF EACH FUND REQUESTS THAT YOU VOTE YOUR SHARES BY INDICATING YOUR VOTING INSTRUCTIONS ON THE ENCLOSED PROXY CARD, DATING AND SIGNING SUCH PROXY CARD AND RETURNING IT IN THE ENVELOPE PROVIDED, WHICH IS ADDRESSED FOR YOUR CONVENIENCE AND NEEDS NO POSTAGE IF MAILED IN THE UNITED STATES, OR BY RECORDING YOUR VOTING INSTRUCTIONS BY TELEPHONE OR VIA THE INTERNET.

THE BOARD OF TRUSTEES OF THE TARGET FUND RECOMMENDS THAT YOU CAST YOUR VOTE:

- FOR THE REORGANIZATION AGREEMENT AS DESCRIBED IN THE JOINT PROXY STATEMENT/PROSPECTUS.

THE BOARD OF TRUSTEES OF THE ACQUIRING FUND RECOMMENDS THAT YOU CAST YOUR VOTE:

- FOR THE ISSUANCE OF ADDITIONAL COMMON SHARES OF THE ACQUIRING FUND IN CONNECTION WITH THE REORGANIZATION AGREEMENT AS DESCRIBED IN THE JOINT PROXY STATEMENT/PROSPECTUS.

IN ORDER TO AVOID THE ADDITIONAL EXPENSE OF FURTHER SOLICITATION, WE ASK THAT YOU MAIL YOUR PROXY CARD PROMPTLY OR RECORD YOUR VOTING INSTRUCTIONS BY TELEPHONE OR VIA THE INTERNET.

For the Board of Trustees,

Lou Anne McInnis
Assistant Secretary
Van Kampen Advantage Municipal
Income Trust
Van Kampen Municipal Opportunity Trust

, 2005

YOUR VOTE IS IMPORTANT.

PLEASE VOTE PROMPTLY BY SIGNING AND RETURNING THE
ENCLOSED PROXY CARD OR BY RECORDING YOUR VOTING INSTRUCTIONS BY
TELEPHONE OR VIA THE INTERNET NO MATTER HOW MANY SHARES YOU OWN.

THE INFORMATION IN THIS PROXY STATEMENT/PROSPECTUS IS NOT COMPLETE AND MAY
BE CHANGED. WE MAY NOT SELL THESE SECURITIES UNTIL THE REGISTRATION
STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE.
THIS PROXY STATEMENT/PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES
AND IS NOT SOLICITING AN OFFER TO BUY THESE SECURITIES IN ANY STATE WHERE
THE OFFER OR SALE IS NOT PERMITTED.

SUBJECT TO COMPLETION, DATED JUNE 30, 2005

JOINT PROXY STATEMENT/PROSPECTUS

VAN KAMPEN ADVANTAGE MUNICIPAL INCOME TRUST
AND
VAN KAMPEN MUNICIPAL OPPORTUNITY TRUST
1221 AVENUE OF THE AMERICAS
NEW YORK, NEW YORK 10020
(800) 341-2929

JOINT SPECIAL MEETING OF SHAREHOLDERS

SEPTEMBER 23, 2005

This Joint Proxy Statement/Prospectus is furnished to you as a shareholder of
Van Kampen Advantage Municipal Income Trust (the "Target Fund") and/or Van
Kampen Municipal Opportunity Trust (the "Acquiring Fund"). A joint special
meeting of shareholders of the funds (the "Special Meeting") will be held at the
offices of Van Kampen Investments Inc., 1 Parkview Plaza, Oakbrook Terrace,
Illinois 60181-5555 on September 23, 2005 at 10:00 a.m. to consider the items
listed below and discussed in greater detail elsewhere in this Joint Proxy
Statement/Prospectus. If you are unable to attend the Special Meeting or any
adjournment thereof, the Board of Trustees of each fund requests that you vote
your shares by completing and returning the enclosed proxy card or by recording
your voting instructions by telephone or via the internet. The approximate
mailing date of this Joint Proxy Statement/Prospectus and accompanying form of
proxy is , 2005.

The purposes of the Special Meeting are:

For shareholders of the Target Fund:

1. To approve an Agreement and Plan of Reorganization (the "Reorganization Agreement") between the Target Fund and the Acquiring Fund, the termination of the Target Fund's registration under the Investment Company Act of 1940, as amended (the "1940 Act"), and the dissolution of the Target Fund under applicable state law;

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For common shareholders of the Acquiring Fund:

2. To approve the issuance of additional common shares of the Acquiring Fund in connection with the Reorganization Agreement; and

For shareholders of both funds:

3. To transact such other business as may properly be presented at the Special Meeting or any adjournment thereof.

The Reorganization Agreement that you are being asked to consider involves a transaction that will be referred to in this Joint Proxy Statement/Prospectus as the "Reorganization." The Reorganization seeks to combine two similar funds to achieve certain economies of scale and other operational efficiencies. Each fund pursues the same investment objective to seek to provide common shareholders with a high level of current income exempt from federal income tax, consistent with preservation of capital. Each fund invests primarily in municipal securities rated investment grade at the time of investment. The Target Fund and the Acquiring Fund are sometimes referred to herein each as a "Fund" and collectively as the "Funds."

In the Reorganization, the Acquiring Fund will acquire substantially all of the assets and assume substantially all of the liabilities of the Target Fund in exchange for an equal aggregate value of newly issued common shares of beneficial interest of the Acquiring Fund, par value \$0.01 per share ("Acquiring Fund Common Shares") and newly-issued auction preferred shares of the Acquiring Fund with a par value of \$0.01 per share and a liquidation preference of \$25,000 per share ("Acquiring Fund APS"). The Target Fund will distribute Acquiring Fund Common Shares to holders of common shares of the Target Fund ("Target Fund Common Shares") (Target Fund Common Shares and Acquiring Fund Common Shares are sometimes referred to herein collectively as "Common Shares") and Acquiring Fund APS to holders of auction preferred shares of the Target Fund ("Target Fund APS") (Target Fund APS and Acquiring Fund APS are sometimes referred to herein collectively as "Preferred Shares" or "APS"), and will then terminate its registration under the 1940 Act, and dissolve under applicable state law. The aggregate net asset value of Acquiring Fund Common Shares received in the Reorganization will equal the aggregate net asset value of Target Fund Common Shares held immediately prior to the Reorganization less the costs of the Reorganization (though common shareholders may receive cash for their fractional shares). The aggregate liquidation preference of the Acquiring Fund APS received in the Reorganization will equal the aggregate liquidation preference of the Target Fund APS held immediately prior to the Reorganization. The Acquiring Fund will continue to operate after the Reorganization as a registered closed-end investment company with the investment objective and policies described in this Joint Proxy Statement/Prospectus.

In connection with the Reorganization, common shareholders of the Acquiring Fund are being asked to approve the issuance of additional Acquiring Fund Common Shares.

The Board of Trustees of each Fund has determined that including both proposals in one Joint Proxy Statement/Prospectus will reduce costs and is in the best interests of each Fund's shareholders.

In the event that Target Fund shareholders do not approve the Reorganization or Acquiring Fund common shareholders do not approve the issuance of Acquiring Fund Common Shares, the Target Fund will continue to exist and the Board of

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Trustees of the Target Fund (the "Target Fund Board") will consider what additional action, if any, to take.

This Joint Proxy Statement/Prospectus sets forth concisely the information shareholders of the Funds should know before voting on the proposals and constitutes an offering of Acquiring Fund Common Shares and Acquiring Fund APS. Please read it carefully and retain it for future reference. A Statement of Additional Information, dated _____, 2005, relating to this Joint Proxy Statement/Prospectus (the "Reorganization Statement of Additional Information") has been filed with the Securities and Exchange Commission (the "SEC") and is incorporated herein by reference. If you wish to request the Reorganization Statement of Additional Information, please ask for the "Reorganization Statement of Additional Information." Copies of each Fund's most recent annual report and semi-annual report can be obtained on a web site maintained by Van Kampen Investments Inc. at www.vankampen.com. In addition, each Fund will furnish, without charge, a copy of the Reorganization Statement of Additional Information, its most recent annual report and any more recent semi-annual report to any shareholder upon request. Any such request should be directed to the Van Kampen Client Relations Department by calling (800) 341-2929 (TDD users may call (800) 421-2833) or by writing to the respective Fund at 1 Parkview Plaza, P.O. Box 5555, Oakbrook Terrace, Illinois 60181-5555. The address of the principal executive offices of the Funds is 1221 Avenue of the Americas, New York, New York 10020, and the telephone number is (800) 341-2929.

The Funds are subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and, in accordance therewith, file reports, proxy statements, proxy material and other information with the SEC. Materials filed with the SEC can be reviewed and copied at the SEC's Public Reference Room at 450 Fifth Street, N.W., Washington, D.C. 20549 or downloaded from the SEC's web site at www.sec.gov. Information on the operation of the SEC's Public Reference Room may be obtained by calling the SEC at (202) 942-8090. You can also request copies of these materials, upon payment at the prescribed rates of a duplicating fee, by electronic request to the SEC's e-mail address (publicinfo@sec.gov) or by writing the Public Reference Branch, Office of Consumer Affairs and Information Services, SEC, Washington, DC, 20549-0102.

The Acquiring Fund Common Shares are listed on the New York Stock Exchange (the "NYSE") and the Chicago Stock Exchange (the "CHX") under the ticker symbol "VMO" and will continue to be so listed subsequent to the Reorganization. The Target Fund Common Shares are listed on the NYSE and the CHX under the ticker symbol "VKA." Reports, proxy statements and other

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information concerning the Funds may be inspected at the offices of the NYSE, 20 Broad Street, New York, New York 10005.

This Joint Proxy Statement/Prospectus serves as a prospectus of the Acquiring Fund in connection with the issuance of the Acquiring Fund Common Shares and the Acquiring Fund APS in the Reorganization. No person has been authorized to give any information or make any representation not contained in this Joint Proxy Statement/Prospectus and, if so given or made, such information or representation must not be relied upon as having been authorized. This Joint Proxy Statement/Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction in which, or to any person to whom, it is unlawful to make such offer or solicitation.

The Board of Trustees of each Fund knows of no business other than that discussed above that will be presented for consideration at the Special Meeting. If any other matter is properly presented, it is the intention of the persons named in the enclosed proxy to vote in accordance with their best judgment.

THE SEC HAS NOT APPROVED OR DISAPPROVED THESE SECURITIES OR PASSED UPON THE ADEQUACY OF THIS JOINT PROXY STATEMENT/PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this Joint Proxy Statement/Prospectus is _____, 2005.

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 SUMMARY

The following is a summary of certain information contained elsewhere in this Joint Proxy Statement/Prospectus and is qualified in its entirety by reference to the more complete information contained in this Joint Proxy Statement/Prospectus and in the Reorganization Statement of Additional Information. Shareholders should read the entire Joint Proxy Statement/Prospectus carefully.

PROPOSAL 1: REORGANIZATION OF THE TARGET FUND

THE PROPOSED REORGANIZATION. The Board of Trustees of each Fund, including the trustees who are not "interested persons," as defined in the 1940 Act, of each Fund, has unanimously approved the Reorganization Agreement. If the shareholders of the Target Fund approve the Reorganization Agreement and the common shareholders of the Acquiring Fund approve the issuance of additional Acquiring Fund Common Shares (see "Proposal 2: Issuance of Additional Acquiring Fund Common Shares"). Acquiring Fund Common Shares and Acquiring Fund APS will be issued to holders of Target Fund Common Shares and Target Fund APS, respectively, in exchange for substantially all of the assets of the Target Fund and the assumption of substantially all of the liabilities of the Target Fund. The Target Fund will then terminate its registration under the 1940 Act and dissolve under applicable state law. The aggregate net asset value of Acquiring Fund Common Shares received in the Reorganization will equal the aggregate net asset value of Target Fund Common Shares held immediately prior to the Reorganization, less the costs of the Reorganization (though holders of Target Fund Common Shares may receive cash for their fractional shares). The aggregate liquidation preference of Acquiring Fund APS received in the Reorganization will equal the aggregate liquidation preference of Target Fund APS held immediately prior to the Reorganization.

BACKGROUND AND REASONS FOR THE PROPOSED REORGANIZATION. The Reorganization seeks to combine two similar Funds to achieve certain economies of scale and other operational efficiencies. Each Fund is registered as a diversified, closed-end management investment company under the 1940 Act. Each Fund invests primarily in municipal securities rated investment grade at the time of investment. The investment objective of each Fund is to seek to provide common shareholders with a high level of current income exempt from federal income tax, consistent with preservation of capital. Each Fund intends to achieve its objective primarily by investing in a diversified portfolio of municipal securities which such Fund's investment adviser believes does not involve undue

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risk to income or principal. Each Fund may invest in municipal securities subject to the alternative minimum tax provisions of federal tax law. The Funds are managed by the same investment advisory personnel.

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The proposed Reorganization will combine the assets of these similar funds by reorganizing the Target Fund into the Acquiring Fund. The Target Fund Board, based upon its evaluation of all relevant information, anticipates that the Reorganization will benefit holders of Target Fund Common Shares. The Board of Trustees of the Acquiring Fund (the "Acquiring Fund Board"), based upon its evaluation of all relevant information, anticipates that the Reorganization will benefit holders of Acquiring Fund Common Shares. The Board of Trustees of each Fund believes, based on data presented by Van Kampen Asset Management, investment adviser to each of the Funds (the "Adviser"), that holders of Common Shares of each Fund will experience a reduced annual operating expense ratio as a result of the Reorganization. The combined fund resulting from the Reorganization will have a larger asset base than either of the Funds has currently; certain fixed administrative costs, such as costs of printing shareholder reports and proxy statements, legal expenses, audit fees, mailing costs and other expenses, will be spread across this larger asset base, thereby lowering the expense ratio for common shareholders of the combined fund.

The table below illustrates the anticipated reduction in operating expenses expected as a result of the Reorganization. The table sets forth (i) the fees, expenses and distributions to preferred shareholders paid by the Target Fund for the 12-month period ended January 31, 2005, (ii) the fees, expenses and distributions to preferred shareholders paid by the Acquiring Fund for the 12-month period ended January 31, 2005 and (iii) the pro forma fees, expenses and distributions to preferred shareholders for the Acquiring Fund for the 12-month period ended January 31, 2005, assuming the Reorganization had been completed at the beginning of such period. As shown below, the Reorganization is expected to result

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in decreased total annual expenses for shareholders of each Fund (although such savings will not be immediately realized (see footnote (c) to the table).

FEE, EXPENSE AND DISTRIBUTIONS ON PREFERRED SHARES TABLE FOR COMMON SHAREHOLDERS OF THE FUNDS AS OF JANUARY 31, 2005

	ACTUAL	PRO FORMA
	-----	-----
VAN KAMPEN		
ADVANTAGE	VAN KAMPEN	VAN KAMPEN
MUNICIPAL	MUNICIPAL	MUNICIPAL
INCOME	OPPORTUNITY	OPPORTUNITY
TRUST	TRUST	TRUST
	-----	-----

Common Shareholder Transaction

Expenses (a) :			
Maximum Sales Load (as a percentage of offering price) (b) (c).....	None	None	None
Dividend Reinvestment Plan Fees.....	None	None	None
Annual Expenses (as a percentage of net assets attributable to common			

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shares):			
Investment Advisory Fees(d).....	0.88%	0.87%	0.88%
Interest Payments on Borrowed Funds.....	0.00%	0.00%	0.00%
Other Expenses.....	0.30%	0.30%	0.25%
	----	----	----
Total Annual Expenses(d).....	1.18%	1.17%	1.13%
	----	----	----
Distributions:			
Distributions on Preferred Shares(e).....	0.75%	0.76%	0.76%
	----	----	----
Total Annual Expenses and Distributions on Preferred Shares.....	1.93%	1.93%	1.89%
	----	----	----

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- (a) No expense information is presented with respect to Preferred Shares because holders of Preferred Shares do not bear any transaction or operating expenses of either Fund and will not bear any of the Reorganization expenses or any transaction or operating expenses of the combined fund.
 - (b) Common Shares purchased in the secondary market may be subject to brokerage commissions or other charges. No sales load will be charged on the issuance of common shares in the Reorganization. Common Shares are not available for purchase from the Funds but may be purchased through a broker-dealer subject to individually negotiated commission rates.
 - (c) In connection with the Reorganization, there are certain other transaction expenses which include, but are not limited to: all costs related to the preparation, printing and distributing of this Joint Proxy Statement/Prospectus to shareholders; costs related to preparation and distribution of materials distributed to each Fund's Board; all expenses incurred in connection with the preparation of the Reorganization Agreement and registration statement on

Form N-14; SEC and state securities commission filing fees; legal and audit fees; portfolio transfer taxes (if any); and any similar expenses incurred in connection with the Reorganization. In accordance with applicable SEC rules, the Board of Trustees of each Fund reviewed the fees and expenses that will be borne directly or indirectly by the Funds in connection with the Reorganization. After considering various alternatives for allocating these costs, the Board of Trustees of each Fund agreed that, in the event the Reorganization is approved and completed, the expenses of the Reorganization will be shared by the Target Fund and the Acquiring Fund in proportion to their projected annual expense savings as a result of the Reorganization. The table below summarizes each Fund's net assets (Common Shares only) at January 31, 2005, projected annual expense savings to each Fund as a result of the Reorganization, allocation of Reorganization expenses between the Funds in dollars and percentages, an estimated pay-back period (in years) and the resulting effect on each Fund's net asset value per Common Share at January 31, 2005. The projected annual expense savings are generally not expected to be immediately realized. If a shareholder sells his or her Common Shares prior to the estimated pay-back period, then that shareholder may not realize any of the projected expense savings resulting from the reduced expense ratio of the combined fund. The net asset value per Common Share of each Fund will be reduced at the closing date of the Reorganization to reflect the allocation of Reorganization expenses to each Fund. The reduction in net

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asset value per Common Share resulting from the allocation of Reorganization expenses, when compared to the relative net asset sizes of the Funds involved in the Reorganization, will be greater in the Acquiring Fund than the Target Fund. In the event the Reorganization is not completed, the Adviser will bear the costs associated with the Reorganization. The numbers presented in the table are estimates; actual results may differ.

FUND	NET ASSETS (COMMON SHARES ONLY)	PROJECTED ANNUAL EXPENSE SAVINGS	REORGANIZATION EXPENSE ALLOCATION IN DOLLARS/PERCENTAGE	ESTIMATED PAYBACK PERIOD (IN YEARS)	REDUCTION TO ASSET VALUE PER COMMON SHARE
Target Fund	\$325,753,719	\$130,301	\$222,000/50%	1.70	\$0.01
Acquiring Fund	\$262,463,268	\$131,232	\$222,000/50%	1.69	\$0.01
Total Expenses			\$ 444,000		

(d) Expense information has been restated to reflect permanent reductions made to administrative fees of each Fund effective as of June 1, 2004 and permanent reductions made to management fees of each Fund effective as of November 1, 2004. If assets attributable to Preferred Shares were included, the investment advisory fee would be 0.55% for each Fund and for the Acquiring Fund on a proforma basis.

(e) In seeking to enhance the income for its common shareholders, each of the Funds uses preferred shares as financial leverage. Leverage created

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by borrowing or other forms of indebtedness would create interest expenses which would, if used by the Funds, be charged to common shareholders (shown above as "Interest Payments on Borrowed Funds"). Leverage created by preferred shares creates dividend payments and/or capital gains distributions to preferred shareholders which are charged to common shareholders (shown above as "Distributions on Preferred Shares"). The dividend rates are based on periodic auctions as described herein and thus will differ based on varying market conditions at the times of such auctions.

EXAMPLE. The following example is intended to help you compare the costs of investing in the Acquiring Fund pro forma after the Reorganization, with the costs of investing in the Target Fund and the Acquiring Fund without the Reorganization. An investor would pay the following expenses on a \$1,000 investment, assuming (1) the operating expense ratio for each Fund (as a percentage of net assets attributable to Common Shares) set forth in the table above and (2) a 5% annual return throughout the period:

	1 YEAR	3 YEARS	5 YEARS	10 YEARS
Van Kampen Advantage Municipal Income Trust.....	\$12	\$37	\$65	\$143
Van Kampen Municipal Opportunity Trust.....	\$12	\$37	\$64	\$142
Pro Forma--Van Kampen Municipal Opportunity Trust.....	\$12	\$36	\$62	\$137

The example set forth above assumes the reinvestment of all dividends and distributions and uses a 5% annual rate of return as mandated by SEC regulations. The example should not be considered a representation of past or future expenses or annual rates of return. Actual expenses or annual rates of return may be more or less than those assumed for purposes of the example.

FURTHER INFORMATION REGARDING THE REORGANIZATION. The Target Fund Board has determined that the Reorganization is in the best interests of holders of Target Fund Common Shares and that the interests of such shareholders will not be diluted as a result of the Reorganization. Similarly, the Board of Trustees of the Acquiring Fund has determined that the Reorganization is in the best interests of holders of Acquiring Fund Common Shares and that the interests of such shareholders will not be diluted as a result of the Reorganization. It is not anticipated that the Reorganization will directly benefit the holders of Preferred Shares of either Fund; however, the Reorganization will not adversely affect the holders of Preferred Shares of either Fund and the expenses of the Reorganization will not be borne by the holders of Preferred Shares of either Fund. As a result of the Reorganization, however, a shareholder of either Fund will hold a reduced

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percentage of ownership in the larger combined fund than he or she did in either of the separate Funds.

The Reorganization is intended to qualify as a "reorganization" within the meaning of Section 368(a)(1) of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code" or "Code"). If the Reorganization so qualifies, in general, a shareholder of the Target Fund will recognize no gain or loss upon the receipt of shares of the Acquiring Fund in connection with the Reorganization. Additionally, the Target Fund will not recognize any gain or loss as a result of the transfer of all of its assets and liabilities in exchange for the shares of the Acquiring Fund or as a result of its dissolution. Neither the Acquiring Fund nor its shareholders will recognize any gain or loss in connection with the Reorganization.

The Target Fund Board requests that shareholders of the Target Fund approve the proposed Reorganization at the Special Meeting to be held on September 23, 2005. Shareholder approval of the Reorganization requires the affirmative vote of shareholders of the Target Fund representing more than 50% of the outstanding Target Fund Common Shares and Target Fund Preferred Shares entitled to vote, each voting separately as a class. Subject to the requisite approval of the shareholders of each Fund with regard to the Reorganization, it is expected that the closing date of the transaction (the "Closing Date") will be after the close of business on or about _____, 2005, but it may be at a different time as described herein.

The Target Fund Board recommends that you vote "FOR" the proposed Reorganization.

PROPOSAL 2: ISSUANCE OF ACQUIRING FUND COMMON SHARES

In connection with the proposed Reorganization described under "Proposal 1: Reorganization of the Target Fund," the Acquiring Fund will issue additional Acquiring Fund Common Shares and list such shares on the NYSE and CHX. The Acquiring Fund will acquire substantially all of the assets and assume substantially all of the liabilities of the Target Fund in exchange for the newly-issued Acquiring Fund Common Shares and newly-issued Acquiring Fund APS. The Reorganization will result in no reduction of net asset value of the

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Acquiring Fund Common Shares, other than the costs of the Reorganization. No gain or loss will be recognized by the Acquiring Fund or its shareholders in connection with the Reorganization. The Acquiring Fund Board, based upon its evaluation of all relevant information, anticipates that the Reorganization will benefit holders of Acquiring Fund Common Shares. In particular, the Acquiring Fund Board believes, based on data presented by the Adviser, that the Acquiring Fund will experience a reduced annual operating expense ratio as a result of the Reorganization.

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The Acquiring Fund Board requests that shareholders of the Acquiring Fund approve the issuance of additional Acquiring Fund Common Shares at the Special Meeting to be held on September 23, 2005. Shareholder approval of the issuance of additional Acquiring Fund Common Shares requires the affirmative vote of a majority of the votes cast on the proposal, provided that the total votes cast on the proposal represents more than 50% in interest of all securities entitled to vote on the proposal. Subject to the requisite approval of the shareholders of each Fund with regard to the Reorganization, it is expected that the Closing Date will be after the close of business on or about _____, 2005, but it may be at a different time as described herein.

The Acquiring Fund Board recommends that you vote "FOR" the issuance of additional Acquiring Fund Common Shares in connection with the Reorganization.

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PROPOSAL 1: REORGANIZATION OF THE TARGET FUND

The Reorganization seeks to combine two similar Funds to achieve certain economies of scale and other operational efficiencies. Each Fund is registered as a diversified, closed-end management investment company under the 1940 Act. Each Fund pursues the same investment objective to seek to provide common shareholders with a high level of current income exempt from federal income tax, consistent with preservation of capital. Each Fund invests primarily in municipal securities rated investment grade at the time of investment. The Funds are managed by the same investment advisory personnel.

In the Reorganization, the Acquiring Fund will acquire substantially all of the assets and assume substantially all of the liabilities of the Target Fund in exchange for an equal aggregate value of Acquiring Fund Common Shares and Acquiring Fund APS. The Target Fund will distribute Acquiring Fund Common Shares to holders of Target Fund Common Shares and Acquiring Fund APS to holders of Target Fund APS, and will then terminate its registration under the 1940 Act and dissolve under applicable state law. The aggregate net asset value of Acquiring Fund Common Shares received in the Reorganization will equal the aggregate net asset value of the Target Fund Common Shares held immediately prior to the Reorganization less the costs of the Reorganization (though holders of Target Fund Common Shares may receive cash for their fractional shares). The aggregate liquidation preference of Acquiring Fund APS received in the Reorganization will equal the aggregate liquidation preference of Target Fund APS held immediately prior to the Reorganization. The Acquiring Fund will continue to operate as a registered closed-end investment company with the investment objective and policies described in this Joint Proxy Statement/Prospectus.

The Target Fund Board, based upon its evaluation of all relevant information, anticipates that the common shareholders of the Target Fund will benefit from the Reorganization. In particular, the Target Fund Board believes, based on data

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presented by the Adviser, that common shareholders of the Target Fund will experience a reduced annual operating expense ratio as a result of the Reorganization. The combined fund resulting from the Reorganization will have a larger asset base than either Fund has currently; certain fixed administrative costs, such as costs of printing shareholder reports and proxy statements, legal expenses, audit fees, mailing costs and other expenses, will be spread across this larger asset base, thereby lowering the expense ratio for common shareholders of the combined fund.

RISK FACTORS AND SPECIAL CONSIDERATIONS

Because each Fund, under normal market conditions, invests substantially all of its assets in municipal securities rated investment grade at the time of investment,

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any risks inherent in such investments are equally applicable to both Funds and will apply to the combined fund after the Reorganization. The Reorganization itself is not expected to adversely affect the rights of holders of Common Shares or Preferred Shares of either Fund or to create additional risks.

MARKET RISK

Market risk is the possibility that the market values of securities owned by each Fund will decline. The prices of debt securities tend to fall as interest rates rise, and such declines tend to be greater among debt securities with longer maturities. Market risk is often greater among certain types of debt securities, such as zero coupon bonds which do not make regular interest payments but are instead bought at a discount to their face values and paid in full upon maturity. As interest rates change, these securities often fluctuate more in price than securities that make regular interest payments and therefore subject the Funds to greater market risk than a fund that does not own these types of securities. When-issued and delayed delivery transactions are subject to changes in market conditions from the time of the commitment until settlement. This may adversely affect the prices or yields of the securities being purchased. The greater the Funds' outstanding commitments for these securities, the greater the Funds' exposure to market price fluctuations.

INTEREST RATE RISK

Interest rate risk is the risk that prices of municipal securities generally increase when interest rates decline and decrease when interest rates increase. Prices of longer-term securities generally change more in response to interest rate changes than prices of shorter-term securities.

CREDIT RISK

Credit risk refers to an issuer's ability to make timely payments of interest and principal. The degree of credit risk depends on both the financial condition of the issuer and the terms of the obligation. Under normal market conditions, each Fund invests substantially all of its assets in municipal securities rated investment grade at the time of investment. However, to the extent that a Fund may hold securities rated below investment grade, it may be subject to a higher level of credit risk than a fund that holds solely investment grade securities. Securities rated BBB by Standard & Poor's ("S&P") or Baa by Moody's Investors Service, Inc. ("Moody's") are in the lowest of the four investment grades and are considered by the rating agencies to be medium-grade obligations which possess speculative characteristics so that changes in economic conditions or other circumstances are more likely to lead to a weakened capacity of the issuer to make principal and interest payments than in the case of higher-rated securities. The credit quality of non-investment grade securities is considered

speculative by recognized rating

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agencies with respect to the issuer's continuing ability to pay interest and principal. Lower-grade securities may have less liquidity and a higher incidence of default than higher-grade securities. A Fund may incur higher expenditures to protect its interests in such securities. The credit risks and market prices of lower-grade securities generally are more sensitive to negative issuer developments, such as reduced revenues or increased expenditures, or adverse economic conditions, such as a recession, than are higher-grade securities.

INCOME RISK

The income shareholders receive from a Fund is based primarily on interest rates, which can vary widely over the short- and long-term. If interest rates drop, your income from such Fund may drop as well.

CALL RISK

If interest rates fall, it is possible that issuers of securities with high interest rates will prepay or "call" their securities before their maturity dates. In this event, the proceeds from the called securities would likely be reinvested by the Funds in securities bearing the new, lower interest rates, resulting in a possible decline in the Funds' income and distributions to shareholders.

MUNICIPAL SECURITIES RISK

Under normal market conditions, the Funds invest primarily in municipal securities. The yields of municipal securities may move differently and adversely compared to the yields of overall debt securities markets. Although the interest received from municipal securities generally is exempt from federal income tax, each Fund may invest in municipal securities that pay interest that is subject to the federal alternative minimum tax. The Acquiring Fund may invest all or a substantial portion of its total assets in municipal securities that pay interest that is subject to the federal alternative minimum tax. In addition, there could be changes in applicable tax laws or tax treatments that reduce or eliminate the current federal income tax exemption on municipal securities or otherwise adversely affect the current federal or state tax status of municipal securities.

RISKS OF USING STRATEGIC TRANSACTIONS

Each Fund may engage in certain transactions ("Strategic Transactions") designed to, among other things, reduce its exposure to interest rate movements. For example, each Fund may purchase and sell exchange-listed and over-the-counter put and call options on securities, financial futures and other financial instruments, purchase and sell financial futures contracts and enter into various interest rate transactions such as swaps, caps, floors or collars. If a Fund incorrectly forecasts market values, interest rates or other factors, that Fund's performance

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could suffer as a result of its Strategic Transactions. Each Fund also may suffer a loss if the other party to the Strategic Transaction fails to meet its obligations. The Funds are not required to use Strategic Transactions and may choose not to do so.

MANAGER RISK

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As with any managed fund, the investment adviser to each Fund may not be successful in selecting the best-performing securities or investment techniques, and a Fund's performance may lag behind that of similar funds.

MARKET DISCOUNT RISK

Whether investors will realize gains or losses upon the sale of shares of a Fund will depend upon the market price of the shares at the time of original purchase and subsequent sale, which may be less or more than such Fund's net asset value per share. Since the market price of the shares will be affected by such factors as the relative demand for and supply of the shares in the market, general market and economic conditions and other factors beyond the control of the Funds, the Funds cannot predict whether shares of the Funds will trade at, below or above net asset value. Shares of closed-end funds often trade at a discount to their net asset values, and the Funds' shares may trade at such a discount.

In order to reduce or eliminate a market value discount from net asset value, the Board of Trustees of a Fund may, subject to the terms of its Preferred Shares, authorize such Fund from time to time to repurchase its Common Shares in the open market or to tender for its Common Shares at net asset value. The Board of Trustees of each Fund, in consultation with the Adviser, reviews on a quarterly basis the possibility of open-market repurchases and/or tender offers for such Fund's Common Shares. Subject to its borrowing restrictions, a Fund may incur debt to finance such repurchases, which entails risks. The ability of a Fund to enter into tender offers and the common share repurchases may be limited by the 1940 Act asset coverage requirements and any additional asset coverage requirements which may be imposed by a rating agency in connection with any rating of the Preferred Shares. No assurance can be given that the Board of Trustees of a Fund will, in fact, authorize such Fund to undertake such repurchases and/or tender offers or that, if undertaken, such actions would result in such Fund's Common Shares trading at a price which is equal or close to net asset value.

LEVERAGE RISK

Use of leverage, through the issuance of Preferred Shares, involves certain risks to holders of Common Shares of the Funds. For example, each Fund's issuance of Preferred Shares may result in higher volatility of the net asset value of its Common Shares and potentially more volatility in the market value of its Common Shares. In addition, changes in the short-term and medium-term dividend rates on, and the

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amount of taxable income allocable to, the Preferred Shares of a Fund will affect the yield to holders of Common Shares of a Fund. In certain circumstances, when a Fund is required to allocate taxable income to holders of its Preferred Shares, a Fund may be required to make an additional distribution to such holders in an amount approximately equal to the tax liability resulting from the allocation (an "Additional Dividend"). Leverage will allow holders of each Fund's Common Shares to realize a higher current rate of return than if a Fund were not leveraged as long as such Fund, while accounting for its costs and operating expenses, is able to realize a higher net return on its investment portfolio than the then-current dividend rate (and any Additional Dividend) paid on its Preferred Shares. Similarly, since a pro rata portion of each Fund's net realized capital gains is generally payable to holders of a Fund's Common Shares, the use of leverage will increase the amount of such gains distributed to holders of a Fund's Common Shares. However, short-term, medium-term and long-term interest rates change from time to time as do their relationships to each other (i.e., the slope of the yield curve) depending upon such factors as

supply and demand forces, monetary and tax policies and investor expectations. Changes in any or all of such factors could cause the relationship between short-term, medium-term and long-term rates to change (i.e., to flatten or to invert the slope of the yield curve) so that short-term and medium-term rates may substantially increase relative to the long-term obligations in which each Fund may be invested. To the extent that the current dividend rate (and any Additional Dividend) on a Fund's Preferred Shares approaches the net return on such Fund's investment portfolio, the benefit of leverage to holders of Common Shares of such Fund will be decreased. If the current dividend rate (and any Additional Dividend) on the Preferred Shares of a Fund were to exceed the net return on such Fund's portfolio, holders of Common Shares of such Fund would receive a lower rate of return than if the Fund were not leveraged. Similarly, since both the costs of issuing Preferred Shares and any decline in the value of a Fund's investments (including investments purchased with the proceeds from any Preferred Shares offering) will be borne entirely by holders of such Fund's Common Shares, the effect of leverage in a declining market would result in a greater decrease in net asset value to holders of Common Shares than if a Fund were not leveraged. If a Fund is liquidated, holders of that Fund's Preferred Shares will be entitled to receive liquidating distributions before any distribution is made to holders of Common Shares of such Fund.

In an extreme case, a decline in net asset value could affect a Fund's ability to pay dividends on its Common Shares. Failure to make such dividend payments could adversely affect a Fund's qualification as a regulated investment company under the federal tax laws. However, each Fund intends to take all measures necessary to make required Common Share dividend payments. If a Fund's current investment income is ever insufficient to meet dividend payments on either its Common Shares or its Preferred Shares, such Fund may have to liquidate certain of

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its investments. In addition, each Fund has the authority to redeem its Preferred Shares for any reason and may be required to redeem all or part of its Preferred Shares in the following circumstances:

- if the asset coverage for the Preferred Shares declines below 200%, either as a result of a decline in the value of a Fund's portfolio investments or as a result of the repurchase of Common Shares in tender offers or otherwise, or
- in order to maintain the asset coverage guidelines established by Moody's and S&P in rating the Preferred Shares.

Redemption of the Preferred Shares or insufficient investment income to make dividend payments, may reduce the net asset value of a Fund's Common Shares and require a Fund to liquidate a portion of its investments at a time when it may be disadvantageous to do so.

ANTI-TAKEOVER PROVISIONS

The Declaration of Trust of each Fund (in each case, the "Declaration of Trust") includes provisions that could limit the ability of other entities or persons to acquire control of that Fund or to change the composition of its Board of Trustees. Such provisions could limit the ability of common shareholders to sell their Common Shares at a premium over prevailing market prices by discouraging a third party from seeking to obtain control of either Fund.

SPECIAL RISKS RELATED TO PREFERRED SHARES

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AUCTION RISK. The dividend rate for the Preferred Shares of each Fund normally is set through an auction process. In the auction, holders of Preferred Shares may indicate the dividend rate at which they would be willing to hold or sell their shares or purchase additional shares. An auction fails if there are more Preferred Shares offered for sale than there are buyers, in which case holders of Preferred Shares may not be able to sell their shares. Also, if holders of Preferred Shares place bids to retain shares at an auction only at a specified dividend rate and that rate exceeds the rate set at the auction, they will not retain their shares. Additionally, if holders of Preferred Shares buy shares or elect to retain shares without specifying a dividend rate below which they would not wish to buy or continue to hold those shares, they could receive a lower rate of return on their shares than the market rate. Finally, the dividend period for the Preferred Shares may be changed by a Fund, subject to certain conditions, including notice to preferred shareholders, which could also affect the liquidity of an investment in Preferred Shares.

SECONDARY MARKET RISK. Broker-dealers may maintain a secondary trading market in the Preferred Shares outside of auctions; however, they are not obligated to do so and there can be no assurance that such a secondary market will develop or, if it does develop, that it will provide holders of Preferred Shares with a liquid

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trading market. It may not be possible to sell Preferred Shares between auctions, or it may only be possible to sell them for a price less than their liquidation preference plus any accumulated dividends. An increase in the level of interest rates likely will have an adverse effect on the secondary market price of the Preferred Shares. Preferred Shares may only be transferred outside of auctions to or through broker-dealers or other persons as a Fund permits.

RATINGS AND ASSET COVERAGE RISKS. Although the Preferred Shares of each Fund have been rated "Aaa" by Moody's and "AAA" by S&P, such ratings do not eliminate or necessarily mitigate the risks of investing in Preferred Shares. Moody's or S&P could downgrade its rating of the Preferred Shares or withdraw its rating at any time, which may make the Preferred Shares less liquid at an auction or in the secondary market. If a Fund fails to satisfy its asset coverage ratios, it will be required to redeem a sufficient number of Preferred Shares in order to return to compliance with the asset coverage ratios. A Fund may voluntarily redeem Preferred Shares under certain circumstances in order to meet asset coverage tests.

COMPARISON OF THE FUNDS

INVESTMENT OBJECTIVE AND POLICIES

The Funds pursue the same investment objective and have similar investment policies. Each Fund's investment objective is to seek to provide common shareholders with a high level of current income exempt from federal income tax, consistent with preservation of capital. Each Fund intends to achieve its objective by investing in a diversified portfolio of municipal securities which the Adviser believes does not involve undue risk to income or principal. Under normal market conditions, the Target Fund invests substantially all of its net assets in municipal securities rated investment grade at the time of investment and the Acquiring Fund invests substantially all of its total assets in municipal securities rated investment grade at the time of investment. Under normal market conditions, each Fund invests at least 80% of its net assets in municipal securities. Investment grade securities are rated BBB or higher by S&P or Baa or higher by Moody's in the case of long-term obligations, and have equivalent ratings in the case of short-term obligations. Securities rated BBB by S&P are regarded by S&P as having an adequate capacity to pay interest and repay principal; whereas such securities normally exhibit adequate protection

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parameters, adverse economic conditions or changing circumstances are more likely, in the opinion of S&P, to lead to a weakened capacity to pay interest and repay principal for debt in this category than in higher rated categories. Securities rated Baa by Moody's are considered by Moody's as medium grade obligations; they are neither highly protected nor poorly secured; interest payments and principal security appear to Moody's to be adequate for the present but certain protective elements may be lacking or may be characteristically

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unreliable over any great length of time; in the opinion of Moody's, they lack outstanding investment characteristics and in fact have speculative characteristics as well.

The foregoing policies with respect to credit quality of portfolio investments apply only at the time of purchase of a security, and the Funds are not required to dispose of a security in the event that S&P or Moody's (or any other nationally recognized statistical rating organization) downgrades its assessment of the credit characteristics of a particular issuer. In determining whether a Fund will retain or sell such a security, the Adviser may consider such factors as the Adviser's assessment of the credit quality of the issuer of such security, the price at which such security could be sold and the rating, if any, assigned to such security by other nationally recognized statistical rating organizations.

Each Fund may invest an unlimited portion of its assets in municipal securities that pay interest that is subject to the alternative minimum tax provisions of federal tax law. A substantial portion of the income produced by each Fund may be taxable under the alternative minimum tax. The Funds may not be suitable investments for investors who are already subject to the federal alternative minimum tax or who would become subject to the federal alternative minimum tax as a result of an investment in the Funds.

Each Fund may engage in certain hedging transactions and may purchase and sell put and call options on municipal securities and municipal securities indices. Such transactions are not treated as investments in municipal securities for the purpose of each Fund's policy of investing 80% of its total assets in municipal securities.

MUNICIPAL SECURITIES. Municipal securities are obligations issued by or on behalf of states, certain territories and possessions of the United States and the District of Columbia and their political subdivisions, agencies and instrumentalities, the interest on which, in the opinion of bond counsel or other counsel to the issuer of such securities is, at the time of issuance, not includable in gross income for regular federal income tax purposes. Under normal market conditions, each Fund will invest in at least 80% of its net assets in municipal securities. The policy stated in the foregoing sentence is a fundamental policy of each Fund and cannot be changed without shareholder approval.

Municipal securities include long-term obligations, often called municipal bonds, as well as short-term municipal notes, participation certificates, municipal leases, and tax-exempt commercial paper. During ordinary market conditions, longer-term municipal securities generally provide a higher yield than short-term municipal securities of similar credit quality and therefore each Fund generally expects primarily to invest and hold until maturity longer-term municipal securities. The

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Funds may, however, invest in short-term municipal securities in certain circumstances.

The two principal classifications of municipal bonds are "general obligation" bonds and "revenue" or "special obligation" bonds, which include "industrial revenue bonds." General obligation bonds are secured by the issuer's pledge of its faith, credit and taxing power for the payment of principal and interest, and accordingly the capacity of the issuer of a general obligation bond as to the timely payment of interest and the repayment of principal when due is affected by the issuer's maintenance of its tax base. Revenue or special obligation bonds are payable only from the revenues derived from a particular facility or class of facilities or, in some cases, from the proceeds of a special tax or other specific revenue source such as from the user of the facility being financed; accordingly the timely payment of interest and the repayment of principal in accordance with the terms of the revenue or special obligation bond is a function of the economic viability of such facility or such revenue source. Although the ratings of Moody's or S&P of the municipal securities in the Fund's portfolio are relative and subjective, and are not absolute standards of quality, such ratings reflect the assessment of Moody's or S&P, as the case may be, of the issuer's ability, or the economic viability of the special revenue source, with respect to the timely payment of interest and the repayment of principal in accordance with the terms of the obligation.

Also included within the general category of municipal securities are participations in lease obligations or installment purchase contract obligations (hereinafter collectively called "lease obligations") of municipal authorities or entities. Although lease obligations do not constitute general obligations of the municipality for which the municipality's taxing power is pledged, a lease obligation may be backed by the municipality's covenant to budget for, appropriate and make the payments due under the lease obligation. However, certain lease obligations contain "non-appropriation" clauses which provide that the municipality has no obligation to make lease or installment purchase payments in future years unless money is appropriated for such purpose on a yearly basis. Typically in "non-appropriation" lease obligations, the lease terminates as of the end of the last fiscal year for which an appropriation is made. Although "non-appropriation" lease obligations are often secured by an assignment of the lessor's interest in the underlying property, disposition of the property in the event of foreclosure might prove difficult. There is no limitation on the percentage of each Fund's assets that may be invested in "non-appropriation" lease obligations. In evaluating such lease obligations, the Adviser will consider such factors as it deems appropriate, including (a) whether the lease can be cancelled, (b) the ability of the lease obligee to direct the sale of the underlying assets, (c) the general creditworthiness of the lease obligor, (d) the likelihood that the municipality will discontinue appropriating funding for the leased property in the event such property is no longer considered essential by the municipality, (e) the legal recourse of the lease obligee in the event of such a

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failure to appropriate funding and (f) any limitations which are imposed on the lease obligor's ability to utilize substitute property or services than those covered by the lease obligation. The Acquiring Fund will invest in lease obligations which contain non-appropriation clauses only if such obligations are rated investment grade at the time of investment.

Participation certificates are participations in lease obligations of state and local governments or authorities to finance the acquisition of equipment and facilities. They may represent participations in a lease, an installment purchase contract, or a conditional sales contract. Some municipal leases and participation certificates may not be readily marketable.

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The "issuer" of municipal securities generally is deemed to be the governmental agency, authority, instrumentality or other political subdivision, or the non-governmental user of a revenue bond-financed facility, the assets and revenues of which will be used to meet the payment obligations, or the guarantee of such payment obligations, of the municipal securities.

Municipal securities may have fixed or variable interest rates. Each Fund may purchase floating and variable rate demand notes, which are municipal securities normally having a stated maturity in excess of one year, but which permit the holder to tender the notes for purchase at the principal amount thereof. The interest rate on a floating rate demand note is based on a known lending rate, such as a bank's prime rate, and is adjusted each time such rate is adjusted. The interest rate on a variable rate demand note is adjusted at specified intervals. There generally is no secondary market for these notes, although they may be tendered for redemption at face value. Each such note purchased by a Fund will meet the criteria established for the purchase of municipal securities.

Each Fund may invest up to 15% of its net assets in "inverse floating rate obligations." Floating rate obligations bear rates of interest that are adjusted periodically to reflect changes in market rates of interest. Inverse floating rate obligations have rates that vary inversely with changes in market rates of interest. These securities have varying degrees of liquidity and the market value of such securities generally will fluctuate in response to changes in market rates of interest to a greater extent than the value of an equal principal amount of a fixed rate security having similar credit quality, redemption provisions and maturity. These securities tend to underperform the market for fixed rate bonds in a rising interest rate environment, but tend to outperform the market for fixed rate bonds when interest rates decline or remain relatively stable.

There is no limitation as to the maturity of municipal securities in which a Fund may invest. The Adviser may adjust the average maturity of a Fund's portfolio from time to time, depending on its assessment of the relative yields available on

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securities of different maturities and its expectations of future changes in interest rates.

Each Fund generally will not invest 25% or more of its total assets in any industry. Governmental issuers of municipal securities are not considered part of any "industry." However, municipal securities backed only by the assets and revenues of nongovernmental users may for this purpose be deemed to be issued by such nongovernmental users, and the 25% limitation would apply to such obligations. It is nonetheless possible that a Fund may invest 25% or more of its total assets in a broader segment of the municipal securities market, such as revenue obligations of hospitals and other health care facilities, housing agency revenue obligations, or airport revenue obligations if the Adviser determines that the yields available from obligations in a particular segment of the market justified the additional risks associated with a large investment in such segment. Although such obligations could be supported by the credit of governmental users, or by the credit of nongovernmental users engaged in a number of industries, economic, business, political and other developments generally affecting the revenues of such users (for example, proposed legislation or pending court decisions affecting the financing of such projects and market factors affecting the demand for their services or products) may have a general adverse effect on all municipal securities in such a market segment.

DEFENSIVE STRATEGIES. At times the Adviser may judge that conditions in the market for municipal securities make pursuing a Fund's basic investment strategy

inconsistent with the best interests of its Shareholders. At such times the Adviser may use alternative strategies, primarily designed to reduce fluctuations in the value of a Fund's assets. In implementing these "defensive" strategies, each Fund may invest to a substantial degree in high quality, short-term municipal securities. If these other municipal securities are not available or, in the Adviser's judgment, do not afford sufficient protection against adverse market conditions, each Fund may invest in taxable securities. Such taxable securities may include: obligations of the U.S. Government, its agencies or instrumentalities; other debt securities rated within the four highest grades by either S&P or Moody's; commercial paper rated in the highest grade by either rating service; certificates of deposit and bankers' acceptances; repurchase agreements with respect to any of the foregoing investments; or any other fixed-income securities that the Adviser considers consistent with such strategy. To the extent that the use of certain of these strategies produces taxable income, this taxable income will be distributed on a pro rata basis among the Preferred Shares and the Common Shares. It is impossible to predict whether, or for how long, a Fund will use any such defensive strategies. Further, the yields on such securities may approach or be less than the then current dividend rate payable to preferred shareholders. In such event, the benefit of leverage to the common shareholders will diminish and a Fund's leveraged capital structure may work to the disadvantage of the common shareholders.

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OTHER INVESTMENT PRACTICES AND POLICIES

In connection with the investment objective and policies described above, each Fund may, but is not required to, utilize various other investment strategies as described below to earn income, to facilitate portfolio management and to mitigate risk. Such strategies are generally accepted by modern portfolio managers and are regularly utilized by many investment companies and other institutional investors. These investment practices entail risks. Although the Adviser believes that these investment practices may further the Funds' respective investment objectives, no assurance can be given that these investment practices will achieve this result.

STRATEGIC TRANSACTIONS. Each Fund may engage in certain Strategic Transactions to attempt to protect against possible changes in the market value of securities held in or to be purchased for its portfolio resulting from securities markets fluctuations, to protect unrealized gains in the value of its portfolio securities, to facilitate the sale of such securities for investment purposes, to manage the effective maturity or duration of its portfolio, or to establish a position in the derivatives markets as a temporary substitute for purchasing or selling particular securities. Any or all of these investment techniques may be used at any time and there is no particular strategy that dictates the use of one technique rather than another, as use of any Strategic Transaction is a function of numerous variables, including market conditions. The ability of a Fund to utilize these Strategic Transactions successfully depends on the Adviser's ability to predict pertinent market movements, which cannot be assured. Each Fund complies with applicable regulatory requirements when implementing these strategies, techniques and instruments.

The Target Fund may use Strategic Transactions, other than Strategic Transactions involving financial futures and options thereon, to enhance potential gain, although no more than 5% of the Target Fund's assets may be committed to Strategic Transactions for non-hedging purposes. Among other Strategic Transactions which the Acquiring Fund may utilize, the Acquiring Fund may invest in options on municipal securities. The Acquiring Fund may purchase and sell (write) options on up to 20% of its assets.

Strategic Transactions have risks associated with them, including possible

default by the other party to the transaction, liquidity and, to the extent the Adviser's view as to certain market movements is incorrect, the risk that the use of such Strategic Transactions could result in losses greater than if they had not been used. Use of put and call options may result in losses to a Fund, force the sale of portfolio securities at inopportune times or for prices other than at current market values, limit the amount of appreciation a Fund can realize on its investments or cause a Fund to hold a security it might otherwise sell. The use of options and futures transactions entails certain other risks. In particular, the variable degree of correlation between price movements of futures contracts and price movements in the related portfolio position of a Fund creates the possibility that losses on the hedging instrument may

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be greater than gains in the value of the Fund's position. In addition, futures and options markets may not be liquid in all circumstances and certain over-the-counter options may have no markets. As a result, in certain markets, a Fund might not be able to close out a transaction without incurring substantial losses, if at all.

Although the contemplated use of these futures contracts and options thereon should tend to minimize the risk of loss due to a decline in the value of the hedged position, at the same time they tend to limit any potential gain which might result from an increase in value of such position. Finally, the daily variation margin requirements for futures contracts and the sale of options thereon would create, a greater ongoing potential financial risk than would purchases of options, where the exposure is limited to the cost of the initial premium.

Losses resulting from the use of Strategic Transactions would reduce net asset value, and possibly income, and such losses can be greater than if the Strategic Transactions had not been utilized. Income earned or gains realized or deemed to be earned or realized, if any, by a Fund from engaging in Strategic Transactions generally will be taxable income of the Fund. Such income is allocated to both the Common Shares and the Preferred Shares of a Fund on a pro rata basis.

RATING AGENCY LIMITATIONS ON FUTURES AND OPTIONS TRANSACTIONS. For as long as APS are rated by Moody's, a Fund will engage in transactions in options on securities, futures contracts based on the Municipal Index or Treasury Bonds and options on such futures contracts only when consistent with the provisions set forth in the "Certificate of Vote," unless it receives written confirmation from Moody's that engaging in such transactions would not impair the ratings then assigned to the APS by Moody's. For as long as APS are rated by S&P, a Fund will not buy or sell futures contracts or options thereon or write put options or call options on portfolio securities unless it receives written confirmation from S&P that engaging in such transactions will not impair the ratings then assigned to the APS by S&P, except that a Fund may buy and sell futures contracts based on the Municipal Index or Treasury Bonds, may purchase put and call options on such contracts and may write covered call options and secured put options on portfolio securities (subject to certain limitations described in such Fund's Certificate of Vote).

"WHEN-ISSUED" AND "DELAYED DELIVERY" TRANSACTIONS. Each Fund may also purchase and sell municipal securities on a "when-issued" and "delayed delivery" basis. No income accrues to a Fund on municipal securities in connection with such transactions prior to the date such Fund actually takes delivery of such securities. These transactions are subject to market fluctuation; the value of the municipal securities at delivery may be more or less than their purchase price, and yields generally available on municipal securities when delivery occurs may be higher than yields on the municipal securities obtained pursuant to such transactions. Because the Fund engaging in such transactions relies on the buyer or seller, as the case may be, to consummate the transaction, failure

by the other party to complete the

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transaction may result in the Fund missing the opportunity of obtaining a price or yield considered to be advantageous. When a Fund is the buyer in such a transaction, however, it will maintain, in a segregated account with its custodian, cash or liquid portfolio securities having an aggregate value equal to the amount of such purchase commitments until payment is made. A Fund will make commitments to purchase municipal securities on such basis only with the intention of actually acquiring these securities, but a Fund may sell such securities prior to the settlement date if such sale is considered to be advisable. To the extent a Fund engages in "when-issued" and "delayed delivery" transactions, it will do so for the purpose of acquiring securities for a Fund's portfolio consistent with that Fund's investment objective and policies and not for the purpose of investment leverage. No specific limitation exists as to the percentage of a Fund's assets which may be used to acquire securities on a "when-issued" or "delayed delivery" basis.

INVESTMENT RESTRICTIONS

Each Funds' investment objective, each Fund's policy with respect to investing at least 80% of its net assets in municipal securities and the following investment restrictions are fundamental and cannot be changed without the approval of the holders of a majority of the Funds' outstanding voting securities (defined in the 1940 Act as the lesser of (i) more than 50% of the Funds' outstanding Common Shares and of the APS, including any outstanding APS, voting by class, or (ii) 67% of the Funds' outstanding Common Shares and of the APS, including any outstanding APS, voting by class, present at a meeting at which the holders of more than 50% of the outstanding shares of each such class are present in person or by proxy). All other investment policies or practices are considered by the Funds not to be fundamental and accordingly may be changed without shareholder approval. If a percentage restriction on investment or use of assets set forth below is adhered to at the time a transaction is effected, later changes in percentage resulting from changing market values will not be considered a deviation from policy. With respect to the limitations on borrowings, the percentage limitations apply at the time of purchase and on an ongoing basis. The investment restrictions of the Acquiring Fund are set forth below. Except as noted herein, the investment restrictions of the Target Fund are similar. The Acquiring Fund may not:

1. With respect to 75% of its total assets, purchase any securities (other than obligations issued or guaranteed as to principal or interest by the United States government or by its agencies or instrumentalities), if as a result more than 5% of the Fund's total assets would be invested in securities of a single issuer or if as a result the Fund would hold more than 10% of the outstanding voting securities of any single issuer.
2. Invest more than 25% of its total assets in a single industry; however, as described above the Fund may from time to time invest more than 25% of its total assets in a particular segment of the municipal securities market.
3. Issue senior securities, as defined in the 1940 Act, other than preferred shares of beneficial interest, except to the extent such issuance might be involved with borrowings described under subparagraph (4) below or with respect to hedging and risk management transactions or the writing of options.
4. Borrow money, except for temporary or emergency purposes from banks or for

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repurchase of the Fund's Shares, and then only in an amount not exceeding one-third of the Fund's total assets, including the amount borrowed. The Fund will not mortgage, pledge or hypothecate any assets except in connection with a borrowing. The Fund will not purchase portfolio securities during any period that such borrowings exceed 5% of the total asset value of the Fund. Notwithstanding this investment restriction, the Fund may enter into "when issued" and "delayed delivery" transactions as described above.

5. Make loans of money or property to any person, except to the extent the securities in which the Fund may invest are considered to be loans and except that the Fund may lend money or property in connection with maintenance of the value of or the Fund's interest with respect to the securities owned by the Fund.
6. Buy any securities "on margin." Neither the deposit of initial or variation margin in connection with hedging and risk management transactions nor short-term credits as may be necessary for the clearance of transactions is considered the purchase of a security on margin.
7. Sell any securities "short," write, purchase or sell puts, calls or combinations thereof, or purchase or sell financial futures or options, except in connection with hedging or risk management transactions.
8. Act as an underwriter of securities, except to the extent the Fund may be deemed to be an underwriter in connection with the sale of securities held in its portfolio.
9. Make investments for the purpose of exercising control or participation in management, except to the extent that exercise by the Fund of its rights under agreements related to municipal securities would be deemed to constitute such control or participation and except that the Fund may purchase securities of other investment companies to the extent permitted by (i) 1940 Act, as amended from time to time, (ii) the rules and regulations promulgated by the Securities and Exchange Commission under the

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1940 Act, as amended from time to time or, (iii) an exemption or other relief from the provisions of the 1940 Act.

10. Invest in securities issued by other investment companies except as part of a merger, consolidation or other acquisition and except to the extent permitted by (i) the 1940 Act, as amended from time to time, (ii) the rules and regulations promulgated by the Securities and Exchange Commission under the 1940 Act, as amended from time to time or, (iii) an exemption or other relief from the provisions of the 1940 Act.
11. Invest in equity interests in oil, gas or other mineral exploration or development programs, except pursuant to the exercise by the Fund of its rights under agreements relating to municipal securities.
12. Purchase or sell real estate, commodities or commodity contracts, except to the extent the municipal securities the Fund may invest in are considered to be interests in real estate, commodities or commodity contracts or to the extent the Fund exercises its rights under agreements relating to municipal securities (in which case the Fund may liquidate real estate acquired as a result of a default on a mortgage), and except to the extent that financial futures and related options the Fund may invest in are considered to be commodities or commodities contracts.

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As a matter of operating policy, each Fund will not invest 25% or more of its assets in a single industry; however, each Fund may from time to time invest 25% or more of its assets in a particular segment of the municipal securities market.

MANAGEMENT OF THE FUNDS

THE BOARDS. The Board of Trustees of each Fund is responsible for the overall supervision of the operations of its respective Fund and performs the various duties imposed on trustees of investment companies by the 1940 Act and under applicable state law.

THE ADVISER. The investment adviser for each Fund is Van Kampen Asset Management. The Adviser is a wholly owned subsidiary of Van Kampen Investments Inc. ("Van Kampen Investments"). Van Kampen Investments is a diversified asset management company that administers more than three million retail investor accounts, has extensive capabilities for managing institutional portfolios and has more than \$98 billion under management or supervision as of April 30, 2005. Van Kampen Investments is an indirect wholly owned subsidiary of Morgan Stanley, a preeminent global financial services firm that maintains leading market positions in each of its three primary businesses: securities, asset management and credit services. Morgan Stanley is a full service securities firm engaged in securities trading and brokerage activities, investment banking, research and analysis, financing and financial advisory services. The principal business address of the Adviser

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and Van Kampen Investments is 1221 Avenue of the Americas, New York, New York 10020.

Pursuant to separate investment advisory agreements between each Fund and the Adviser, each Fund pays the Adviser a monthly fee at the annual rate of 0.55% of such Fund's average daily managed assets, including assets attributable to Preferred Shares. Effective November 1, 2004, the investment advisory fee paid by each Fund was reduced from 0.60% to 0.55%. Subsequent to the Reorganization, the Adviser will continue to receive compensation at the rate of 0.55% of the average daily managed assets, including assets attributable to Preferred Shares, of the combined fund. Because the fees paid to the Adviser are calculated on managed assets, including assets attributable to Preferred Shares, the fees earned by the Adviser will be higher when Preferred Shares are outstanding.

Under a separate accounting services and legal services agreement, the Adviser (or its affiliates) provides accounting and legal services to each Fund. The Adviser (or its affiliates) allocates the cost of such services to each Fund.

PORTFOLIO MANAGEMENT. Each Fund's portfolio is managed by the Adviser's Municipal Fixed Income team. The team is made up of established investment professionals. Current members of the team include Dennis Pietrzak, Executive Director, Robert Wimmel, Vice President, and John Reynoldson, Executive Director.

Dennis Pietrzak has worked for the Adviser since [] and began managing the Funds in []. Robert Wimmel has worked for the Adviser since 1996 and began managing the Funds in []. John Reynoldson has worked for the Adviser since 1987 and began managing the Funds in [].

Dennis Pietrzak is the lead portfolio manager of each Fund. Robert Wimmel and John Reynoldson are co-portfolio managers of each Fund. All team members are responsible for the day-to-day management of each Fund and for the overall strategy of each Fund.

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The Reorganization Statement of Additional Information provides additional information about the portfolio managers' compensation, other accounts managed by the portfolio managers and the portfolio managers' ownership of securities in each Fund.

PORTFOLIO TRANSACTIONS WITH AFFILIATES. The Adviser may place portfolio transactions, to the extent permitted by law, with brokerage firms affiliated with the Funds and the Adviser if it reasonably believes that the quality of execution and the commission are comparable to that available from other qualified firms.

LEGAL PROCEEDINGS INVOLVING THE ADVISER. The Adviser, certain affiliates of the Adviser, and certain investment companies advised by the Adviser or its affiliates were named as defendants in a number of similar class action complaints which

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were consolidated. The amended complaint also names as defendants certain individual trustees and directors of certain investment companies advised by affiliates of the Adviser; the complaint does not, however, name the individual trustees of any Van Kampen funds. The complaint generally alleges that defendants violated their statutory disclosure obligations and fiduciary duties by failing properly to disclose (i) that the Adviser and certain affiliates of the Adviser allegedly offered economic incentives to brokers and others to steer investors to the funds advised by the Adviser or its affiliates rather than funds managed by other companies, and (ii) that the funds advised by the Adviser or its affiliates allegedly paid excessive commissions to brokers in return for their alleged efforts to steer investors to these funds. The complaint seeks, among other things, unspecified compensatory damages, rescissionary damages, fees and costs. The defendants' motion to dismiss this action is pending. After defendants moved to dismiss, the plaintiffs filed a motion for leave to amend the complaint, which is also pending. The proposed amendment drops all claims against the named investment companies, which are listed only as nominal defendants. The proposed amendment raises similar claims against the Adviser and its affiliates with respect to the investment companies advised by the Adviser or its affiliates, and, in addition, alleges that affiliates of the Adviser received undisclosed compensation for steering investors into thirteen non-affiliated fund families. The defendants intend to continue to defend this action vigorously. While the defendants believe that they have meritorious defenses, the ultimate outcome of this matter is not presently determinable at this early stage of litigation.

The Adviser and certain affiliates of the Adviser are also named as defendants in a derivative suit which additionally names as defendants individual trustees of certain Van Kampen funds; the named investment companies 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 complaint has been coordinated with the action described in the preceding paragraph. The defendants have moved to dismiss this action and otherwise intend to defend it vigorously. This action is currently stayed until the later of (i) a ruling on the motion to dismiss the action described in the preceding paragraph or (ii) a ruling on a motion to dismiss the action described in the next paragraph. While the defendants believe that they have meritorious defenses, the ultimate outcome of this matter is not presently determinable at this early stage of litigation.

The plaintiff in the action described in the preceding paragraph filed a separate derivative action against the Adviser, certain affiliates of the Adviser, the individual trustees of certain Van Kampen funds, and certain unaffiliated entities. The named

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investment companies are listed as nominal defendants. The complaint alleges that certain unaffiliated entities engaged in or facilitated market timing and late trading in the Van Kampen funds, and that the Adviser, certain affiliates of the Adviser, and the trustees failed to prevent and/or detect such market timing and late trading. The complaint seeks, among other things, the removal of the current trustees of the funds, rescission of the management contracts and distribution plans for the funds, disgorgement of fees and profits from the Adviser and its affiliates, and monetary damages. The defendants' motion to dismiss this action is pending. While the defendants believe that they have meritorious defenses, the ultimate outcome of this matter is not presently determinable at this early stage of litigation.

The Adviser and the individual trustees of certain Van Kampen funds are named as defendants in a recently filed class action complaint that alleges the defendants breached various fiduciary and statutory duties to investors by failing to ensure that the funds participated in securities class action settlements involving securities held in the funds' portfolios. The complaint seeks, among other things, compensatory and punitive damages. None of the funds are named as defendants, and no claims are asserted against them. Each of the defendants have moved or will move to dismiss the complaint and believe that they have meritorious defenses.

The Adviser, one of the investment companies advised by the Adviser, and certain officers and directors of the investment company are defendants in a class action filed in 2001 alleging that the defendants issued a series of prospectuses and registration statements that were materially false and misleading. Among other things, the complaint alleges that the prospectuses and registration statements contained misleading descriptions of the method defendants used to value senior loan interests in the fund's portfolio, and that defendants materially overstated the net asset value of the fund. The parties recently reached an agreement to settle the case. The court preliminarily approved the settlement agreement in June, 2005, subject to a later hearing on the fairness of the settlement agreement.

OTHER SERVICE PROVIDERS

CUSTODIAN, TRANSFER AGENT, AUCTION AGENT AND DIVIDEND PAYING AGENT. State Street Bank and Trust Company is the custodian for each Fund. Its principal business address is 225 West Franklin Street, Boston, Massachusetts 02110. EquiServe Trust Company, N.A., 250 Royall Street, Canton, Massachusetts, 02021, is the transfer agent, dividend paying agent and registrar for the Common Shares of each Fund. Deutsche Bank Trust Company Americas ("Deutsche Bank"), 280 Park Avenue, New York, New York 10017, is the auction agent and dividend paying agent for the APS of each Fund.

CAPITALIZATION

The Board of Trustees of each Fund may authorize separate classes of shares together with such designation of preferences, rights, voting powers, restrictions,

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limitations, qualifications or terms as may be determined from time to time by the trustees. The table below sets forth the capitalization of the Target Fund and the Acquiring Fund as of January 31, 2005, and the pro forma capitalization of the combined fund as if the Reorganization had occurred on that date.

CAPITALIZATION AS OF JANUARY 31, 2005 (UNAUDITED)

	ACTUAL		PRO FORMA
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	VAN KAMPEN ADVANTAGE MUNICIPAL INCOME TRUST	VAN KAMPEN MUNICIPAL OPPORTUNITY TRUST	VAN KAMPEN MUNICIPAL OPPORTUNITY TRUST
	-----		-----
NET ASSETS CONSIST OF (AMOUNTS IN THOUSANDS):			
Common Shares (\$.01 par value)*.....	\$ 191	\$ 153	\$ 344
Paid in surplus.....	282,026	226,764	508,346
Net unrealized appreciation.....	39,932	33,535	73,467
Accumulated undistributed net investment income.....	2,842	1,062	3,904
Accumulated net realized gain (loss).....	763	949	1,712
NET ASSETS APPLICABLE TO COMMON SHARES.....	325,754	262,463	587,773**
PREFERRED SHARES (\$.01 par value, with liquidation preference of \$25,000)*.....	190,000	150,000	340,000
NET ASSETS INCLUDING PREFERRED SHARES.....	515,754	412,463	927,773
NET ASSET VALUE PER COMMON SHARE:.....	17.05	17.09	17.08

* Based on the number of outstanding shares listed in "Outstanding Securities of the Funds" table below.

** Reflects a non-recurring cost associated with these Reorganization of approximately \$444,000, with \$220,000 to be borne by the Acquiring Fund and \$220,000 to be borne by the Target Fund, assuming the Reorganization is approved and completed. See "Information about the Reorganization--Expenses of the Reorganization" for additional information.

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OUTSTANDING SECURITIES OF THE FUNDS AS OF JANUARY 31, 2005

TITLE OF CLASS	AMOUNT AUTHORIZED	AMOUNT HELD BY FUND FOR ITS OWN ACCOUNT	AMOUNT OUTSTANDING EXCLUSIVE OF AMOUNT SHOWN IN PREVIOUS COLUMN
-----	-----	-----	-----
Van Kampen Advantage			

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Municipal Income Trust			
Common Shares.....	Unlimited	0	19,106,785
Preferred Shares.....	100,000,000	0	7,600
Van Kampen Municipal Opportunity Trust			
Common Shares.....	Unlimited	0	15,357,684
Preferred Shares.....	100,000,000	0	6,000

ADDITIONAL INFORMATION ABOUT COMMON SHARES OF THE FUNDS

GENERAL. Common shareholders of a Fund are entitled to share equally in dividends declared by such Fund's Board of Trustees payable to holders of the Common Shares and in the net assets of such Fund available for distribution to holders of the Common Shares after payment of the preferential amounts payable to preferred shareholders. Common shareholders do not have preemptive or conversion rights and a Fund's Common Shares are not redeemable. The outstanding Common Shares of each Fund are fully paid and nonassessable (except as described under "Governing Law" below). So long as any Preferred Shares of a Fund are outstanding, holders of the Fund's Common Shares will not be entitled to receive any dividends or other distributions from the Fund unless all accrued dividends on the Fund's outstanding Preferred Shares have been paid, and unless asset coverage (as defined in the 1940 Act) with respect to such Preferred Shares would be at least 200% after giving effect to such distributions.

PURCHASE AND SALE. Purchase and sale procedures for the Common Shares of each of the Funds are identical. Investors typically purchase and sell Common Shares of the Funds through a registered broker-dealer on the NYSE or CHX, thereby incurring a brokerage commission set by the broker-dealer. Alternatively, investors may purchase or sell Common Shares of the Funds through privately negotiated transactions with existing shareholders.

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COMMON SHARE PRICE DATA. The following table sets forth the high and low sales prices for Common Shares of each Fund on the NYSE for each full quarterly period within each Fund's two most recent fiscal years and for the first fiscal quarter of the current fiscal year of each Fund, along with the net asset value and discount or premium to net asset value for each quotation.

QUARTERLY PERIOD ENDING	HIGH PRICE	VAN KAMPEN ADVANTAGE MUNICIPAL INCOME TRUST		LOW PRICE	NET ASSET VALUE	PREMIUM (DISCOUNT)
		NET ASSET VALUE	PREMIUM (DISCOUNT)			
April 30, 2005.....	\$15.30	\$17.21	(10.25)%	\$14.13	\$16.49	(14.31)
January 31, 2005.....	\$15.21	\$16.84	(9.68)%	\$14.43	\$16.51	(12.60)
October 31, 2004.....	\$15.32	\$16.91	(9.40)%	\$14.82	\$16.55	(10.45)
July 31, 2004.....	\$14.54	\$16.24	(10.47)%	\$13.86	\$15.99	(13.32)
April 30, 2004.....	\$17.15	\$17.21	(0.35)%	\$14.51	\$16.27	(10.82)
January 31, 2004.....	\$16.95	\$17.21	(1.51)%	\$16.06	\$16.79	(4.35)
October 31, 2003.....	\$16.35	\$16.72	(2.21)%	\$15.30	\$16.20	(5.56)
July 31, 2003.....	\$17.31	\$17.74	(2.42)%	\$15.27	\$16.19	(5.68)
April 30, 2003.....	\$16.30	\$17.06	(4.45)%	\$15.51	\$16.81	(7.73)
January 31, 2003.....	\$15.84	\$17.00	(6.82)%	\$15.01	\$16.63	(9.74)

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VAN KAMPEN MUNICIPAL OPPORTUNITY TRUST						
QUARTERLY PERIOD ENDING	HIGH PRICE	NET ASSET VALUE	PREMIUM (DISCOUNT)	LOW PRICE	NET ASSET VALUE	PREMIUM (DISCOUNT)
April 30, 2005.....	\$15.50	\$17.27	(10.25)%	\$14.22	\$16.50	(13.82)
January 31, 2005.....	\$15.19	\$16.87	(9.96)%	\$14.51	\$16.71	(13.17)
October 31, 2004.....	\$15.31	\$16.77	(8.71)%	\$14.74	\$16.43	(10.47)
July 31, 2004.....	\$14.74	\$16.27	(9.40)%	\$14.06	\$16.04	(12.34)
April 30, 2004.....	\$17.60	\$17.50	0.57%	\$14.70	\$16.30	(9.82)
January 31, 2004.....	\$17.14	\$17.20	(0.35)%	\$16.53	\$17.07	(3.16)
October 31, 2003.....	\$16.66	\$17.01	(2.06)%	\$15.79	\$16.49	(4.24)
July 31, 2003.....	\$17.86	\$18.03	(0.94)%	\$15.98	\$16.48	(3.03)
April 30, 2003.....	\$16.94	\$17.31	(2.14)%	\$15.85	\$16.98	(6.65)
January 31, 2003.....	\$16.33	\$17.72	(7.84)%	\$15.55	\$16.88	(7.88)

As of _____, 2005, (i) the net asset value per share for Target Fund Common Shares was \$[] and the market price per share was \$[], representing a [discount/premium] to net asset value of []%, and (ii) the net asset value per share for Acquiring Fund Common Shares was \$[] and the market price per share was \$[], representing a [discount/premium] to net asset value of []%.

Common Shares of each Fund have traded at a discount to net asset value for extended periods since each Fund's inception. In order to reduce or eliminate a market value discount from net asset value, the Board of Trustees of each Fund may, subject to the terms and conditions of its Preferred Shares, authorize that

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Fund from time to time to repurchase the Common Shares in the open market or to tender for the Common Shares at net asset value. The Board of Trustees of each Fund, in consultation with the Adviser, will review on a quarterly basis the possibility of open market repurchases and/or tender offers for the Common Shares. Subject to its borrowing restrictions, each Fund may incur debt to finance such repurchases, which entails risks. The ability of a Fund to enter into tender offers and the Common Share repurchases may be limited by the 1940 Act asset coverage requirements and any additional asset coverage requirements which may be imposed by a rating agency in connection with any rating of the Preferred Shares. No assurance can be given that the Board of Trustees of either Fund will, in fact, authorize a Fund to undertake such repurchases and/or tender offers or that, if undertaken, such actions would result in the Common Shares trading at a price which is equal or close to net asset value.

DIVIDENDS AND DISTRIBUTIONS. The Funds' current policies with respect to dividends and distributions relating to their respective Common Shares are similar. It is each Fund's present policy, which may be changed by its Board of Trustees, to make monthly distributions to holders of its Common Shares of substantially all of such Fund's net investment income remaining after the payment of dividends on any outstanding Preferred Shares. Net income of each Fund consists of all interest income accrued on portfolio assets less all expenses of such Fund. Each Fund is required to allocate net capital gains and other taxable income, if any, received by the Fund between its Fund's Common Shares and the APS on a pro rata basis in the year for which such capital gains and other income is realized.

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Expenses of each Fund are accrued each day. Net realized capital gains, if any, are expected to be distributed to shareholders at least once a year. While there are any Preferred Shares of a Fund outstanding, such Fund may not declare any cash dividend or other distribution on its Common Shares, unless at the time of such declaration, (1) all accrued Preferred Shares dividends have been paid and (2) the value of the Fund's total assets (determined after deducting the amount of such dividend or other distribution), less all liabilities and indebtedness of such Fund, is at least 200% (as required by the 1940 Act) of the liquidation value of the outstanding Preferred Shares (expected to equal the aggregate original purchase price of the outstanding Preferred Shares plus any accrued and unpaid dividends thereon, whether or not earned or declared on a cumulative basis). In addition to the requirements of the 1940 Act, each Fund may be required to comply with other asset coverage requirements as a condition of a Fund obtaining a rating of its Preferred Shares from a nationally recognized rating service. These requirements may include an asset coverage test more stringent than under the 1940 Act. This limitation on a Fund's ability to make distributions on its Common Shares could in certain circumstances impair the ability of a Fund to maintain its qualification for taxation as a regulated investment company. Each Fund intends, however, to the

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extent possible, to purchase or redeem Preferred Shares from time to time to maintain compliance with such asset coverage requirements and may pay special dividends to the holders of the Preferred Shares in certain circumstances in connection with any such impairment of a Fund's status as a regulated investment company.

For information concerning the manner in which dividends and distributions to holders of a Fund's Common Shares may be reinvested automatically in such Fund's Common Shares, see "-- Dividend Reinvestment Plan" below.

DIVIDEND REINVESTMENT PLAN. Each Fund offers a Dividend Reinvestment Plan (each a "Plan," and collectively the "Plans") pursuant to which holders of Common Shares may elect to have all distributions of dividends and all capital gains automatically reinvested in Common Shares pursuant to such Plan. The Plans for the Target Fund and the Acquiring Fund are similar. Unless common shareholders elect to participate in a Plan, common shareholders will receive distributions of dividends and capital gains in cash. EquiServe Trust Company, N.A., as plan agent (the "Plan Agent"), serves as agent for the holders of Common Shares of each Fund in administering the Plans.

After the Reorganization, a holder of shares of a Fund who currently receives dividends in cash will continue to receive dividends in cash; all holders who elect to participate in the Plan of a Fund will have their dividends automatically reinvested in shares of the combined fund. All correspondence concerning the Plan should be directed to the Plan Agent at P.O. Box 43011, Providence, Rhode Island 02940-3011. Telephone calls concerning the Plan may be directed to the Plan Agent between the hours of 7:30 a.m. and 5:00 p.m. Central Standard Time at (800) 341-2929.

ADDITIONAL INFORMATION ABOUT PREFERRED SHARES OF THE FUNDS

GENERAL. Target Fund APS and Acquiring Fund APS are preferred shares of beneficial interest which entitle their holders to receive dividends when, as and if declared by the Board of Trustees of such Fund out of funds legally available therefor, at a rate per annum that may vary for successive dividend periods. The APS of each Fund have a liquidation preference of \$25,000 per share. The net asset value per share of each Fund's Preferred Shares equals its liquidation preference plus accumulated but unpaid dividends per share. Neither Target Fund APS nor Acquiring Fund APS are traded on a stock exchange or

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over-the-counter. Holders of each Fund's APS do not have preemptive rights to purchase any shares of APS, or any other preferred shares that might be issued.

SERIES. Under the 1940 Act, each Fund is permitted to have outstanding more than one series of preferred shares so long as no single series has priority over another to the distribution of assets of the Fund or the payment of dividends. Both

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Funds currently have one series of APS outstanding. If the Reorganization is approved and completed, the combined fund will have two series of APS. The existing series of Acquiring Fund APS will comprise Series A. The Acquiring Fund will issue Series B APS in exchange for Target Fund APS. The aggregate liquidation preference of each series will equal the aggregate liquidation preference of the existing shares that the respective series replaces. The number of days in the regular dividend period for each series, the number of shares in each series and the liquidation preference per share will be similar to the existing preferred shares.

PURCHASE AND SALE. APS of the Acquiring Fund and APS of the Target Fund are purchased or sold using similar procedures. The APS of the Funds generally are purchased and sold through auctions conducted on a regular basis by Deutsche Bank, as the auction agent for each Fund's APS (the "Auction Agent") unless the applicable Fund elects to declare a special dividend period. Unless otherwise permitted by the Funds, existing and potential holders of each Fund's APS only may participate in auctions through their broker-dealers. Broker-dealers submit the orders of their respective customers who are existing and potential holders of APS to the Auction Agent. On or prior to each auction date for the APS (the business day next preceding the first day of each dividend period), each holder may submit orders to buy, sell or hold APS to its broker-dealer. Outside of these auctions, shares of APS may be purchased or sold through broker-dealers for the APS in a secondary trading market maintained by the broker-dealers. However, there can be no assurance that a secondary market will develop or if it does develop, that it will provide holders with a liquid trading market for the APS of either Fund.

Auctions are generally held every seven days for Target Fund APS and every 28 days for Acquiring Fund APS. As a result of the Reorganization, the last dividend period for the Target Fund APS prior to the Closing Date and the initial dividend period for the Acquiring Fund APS issued in connection with the Reorganization after the Closing Date may be shorter than the ordinary dividend period for such shares.

DIVIDENDS AND DISTRIBUTIONS. The holders of the APS are entitled to receive, when, as and if declared by the Board of Trustees of the Fund,