

Invesco Van Kampen Municipal Trust
Form N-CSRS
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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM N-CSR
CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT
INVESTMENT COMPANIES
Investment Company Act file number 811-06362
Invesco Van Kampen Municipal Trust**

(Exact name of registrant as specified in charter)

1555 Peachtree Street, N.E., Atlanta, Georgia

30309

(Address of principal executive offices)

(Zip code)

Colin Meadows 1555 Peachtree Street, N.E., Atlanta, Georgia 30309

(Name and address of agent for service)

Registrant's telephone number, including area code: (713) 626-1919

Date of fiscal year end: 10/31

Date of reporting period: 4/30/10

Item 1. Report to Shareholders.

SEMIANNUAL REPORT

April 30, 2010

MUTUAL FUNDS

Van Kampen
Municipal Trust (VKQ)

Privacy Notice information on the back.

On June 1, 2010, Invesco completed its acquisition of Van Kampen Investments and Morgan Stanley's retail asset management business. This Trust was included in that acquisition and as of that date, became Invesco Van Kampen Municipal Trust. Please visit www.invesco.com/transition for more information or call Invesco's Client Services team at 800-959-4246.

Invesco Distributors, Inc.

Welcome, Shareholder

In this report, you will learn about how your investment in Van Kampen Municipal Trust performed during the semiannual period. The portfolio management team will provide an overview of the market conditions and discuss some of the factors that affected investment performance during the reporting period. In addition, this report includes the trust's financial statements and a list of trust investments as of April 30, 2010.

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

Income may subject certain individuals to the federal Alternative Minimum Tax (AMT).

NOT FDIC INSURED

NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY

OFFER NO BANK GUARANTEE

MAY LOSE VALUE

NOT A DEPOSIT

Performance Summary as of 04/30/10 (Unaudited)

Municipal Trust

Symbol: VKQ

**Average Annual
Total Returns**

| | Based on NAV | Based on Market Price |
|---------------------------|-------------------------|----------------------------------|
| Since Inception (9/27/91) | 6.23% | 6.32% |
| 10-year | 5.83 | 7.10 |
| 5-year | 2.30 | 5.81 |
| 1-year | 26.79 | 27.88 |
| 6-month | 6.65 | 10.88 |

Performance data quoted represents past performance, which is no guarantee of future results, and current performance may be lower or higher than the figures shown. For the most recent month-end performance figures, please visit vankampen.com or speak with your financial advisor. Investment returns, net asset value (NAV) and common share market price will fluctuate and trust shares, when sold, may be worth more or less than their original cost.

NAV per share is determined by dividing the value of the Trust's portfolio securities, cash and other assets, less all liabilities and preferred shares, by the total number of common shares outstanding. The common share market price is the price the market is willing to pay for shares of the Trust at a given time. Common share market price is influenced by a range of factors, including supply and demand and market conditions. Total return assumes an investment at the beginning of the period, reinvestment of all distributions for the period in accordance with the Trust's dividend reinvestment plan, and sale of all shares at the end of the period. The Trust's adviser has waived or reimbursed fees and expenses from time to time, absent such waivers/ reimbursements the Trust's returns would have been lower. Periods of less than one year are not annualized.

The Barclays Capital Municipal Bond Index is generally representative of investment-grade, tax exempt bonds. The Index is unmanaged and its returns do not include any sales charges or fees. Such costs would lower performance. It is not possible to invest directly in an index.

Trust Report

For the six-month period ended April 30, 2010

Market Conditions

Economic data released during the six-month reporting period indicated that the economy was expanding, although some investors continued to question whether the recession was really behind us. The housing market continued to lag and unemployment remained high, but hints of improvement began to appear late in the period when the April labor report showed that employment in the U.S. rose by its largest monthly increase in four years. The Federal Reserve maintained their accommodative monetary policy, leaving the federal funds target rate unchanged at near zero percent, but hiked the discount rate by 25 basis points to 0.75 percent in mid-February perhaps an indication of monetary tightening ahead.

Municipal bond market performance slowed substantially during the reporting period from the historically large returns seen in previous months. The lower rated segment of the market continued to outperform as investor demand for lower quality, higher yielding bonds grew over the course of the period. For the six months ended April 30, 2010, the Barclays Capital High Yield Municipal Bond Index (the benchmark for the non-investment grade segment of the market) gained 6.70 percent while the Barclays Capital Municipal Bond Index (the benchmark for the investment grade segment) gained 3.68 percent. Overall, longer maturity issues outperformed those with shorter maturities. For the six months ended April 30, 2010, long bonds (those with maturities of 22 years or more) returned 5.09 percent while five-year bonds returned 3.22 percent, as measured by the respective Barclays Capital municipal bond indexes.

With regard to sectors, hospital bonds and tobacco bonds were among the top performers, outpacing the broad municipal market as rising demand for these lower quality issues helped boost returns. Revenue bonds outperformed general obligation bonds amid media reports of municipalities' general financial weakness and ongoing weakness in tax collections.

Demand for municipal bonds overall remained steady, with approximately \$24 billion flowing into municipal bond funds during the period. New issue supply remained relatively stable as well, totaling roughly \$205 billion. However, 25 percent of that total issuance was in taxable Build America Bonds, thereby limiting the supply of traditional tax-exempt bonds. This has helped buoy tax-exempt bond prices and the relative value of municipal bonds overall versus other fixed income sectors.

Performance Analysis

The Trust's return can be calculated based upon either the market price or the net asset value (NAV) of its shares. NAV per share is determined by dividing the value of the Trust's portfolio securities, cash and other assets, less all liabilities and preferred shares, by the total number of common shares outstanding, while market price reflects the supply and demand for the shares. As a result, the two returns can differ, as they did during the reporting period. On an NAV basis and a market price basis, the Trust outperformed the Barclays Capital Municipal Bond Index (the Index).

Total return for the six-month period ended April 30, 2010

| Based on NAV | Based on Market Price | Barclays Capital Municipal Bond Index |
|--------------|-----------------------|---------------------------------------|
| 6.65% | 10.88% | 3.68% |

Performance data quoted represents past performance, which is no guarantee of future results, and current performance may be lower or higher than the figures shown. Investment return, net asset value and common share market price will fluctuate and Trust shares, when sold, may be worth more or less than their original cost. See Performance Summary for additional performance information and index definition.

The primary contributors to the Trust's performance for the reporting period included the following:

Exposure to **BBB rated and non-rated bonds** was additive to performance. Spreads on these issues tightened during the period, helping them to outperform higher quality issues.

Holdings in the **health care, industrial development revenue/pollution control revenue (IDR/PCR), and tobacco sectors** boosted returns as these sectors outperformed the broad municipal bond market for the period.

The portfolio's exposure on the **long end of the municipal yield curve** was also advantageous as longer maturities issues outperformed shorter maturity issues.

Other positions, however, were less advantageous:

Exposure to **pre-refunded bonds** detracted from performance. Pre-refunded bonds are short-maturity securities and therefore underperformed for the period.

The portfolio's holdings in **lease-backed bonds** also hindered performance as these issues underperformed essential service bonds.

The Trustees have approved a procedure whereby the Trust may, when appropriate, repurchase its shares in the open market or in privately negotiated transactions at a price not above market value or NAV, whichever is lower at the time of purchase. This may help support the market value of the Trust's shares.

Market Outlook

Looking ahead, we expect municipal bonds may outperform other sectors of the fixed income market due to the prospect of higher income tax rates in the future as well as the reduction in supply of tax-exempt paper as municipalities continue to issue taxable Build America Bonds. There is some pressure, however, for municipal yields to rise, particularly on the front end of the yield curve, as the Federal Reserve continues to maintain their inflation-fighting status. We expect lower quality bonds will continue to outperform higher grade bonds as the economic recovery continues.

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

Ratings Allocation as of 4/30/10 (Unaudited)

| | |
|-----------|-------|
| AAA/Aaa | 19.7% |
| AA/Aa | 25.2 |
| A/A | 23.9 |
| BBB/Baa | 14.9 |
| BB/Ba | 1.0 |
| Non-Rated | 15.3 |

Top Five Sectors as of 4/30/10 (Unaudited)

| | |
|----------------------------|-------|
| Hospital | 20.6% |
| General Purpose | 10.1 |
| Airports | 6.9 |
| Bridge, Tunnel & Toll Road | 6.8 |
| Life Care | 5.6 |

Summary of Investments by State/Country Classification as of 4/30/10 (Unaudited)

| | |
|----------------------|-------|
| California | 13.8% |
| Illinois | 9.7 |
| Texas | 9.6 |
| Florida | 8.8 |
| New York | 8.4 |
| Ohio | 5.4 |
| New Jersey | 4.4 |
| Massachusetts | 3.0 |
| Arizona | 2.9 |
| Missouri | 1.9 |
| Wisconsin | 1.9 |
| District of Columbia | 1.8 |
| Nevada | 1.7 |
| Michigan | 1.6 |
| Colorado | 1.6 |
| Tennessee | 1.6 |
| Indiana | 1.5 |
| South Carolina | 1.5 |
| Louisiana | 1.4 |
| Georgia | 1.3 |
| Puerto Rico | 1.3 |
| Alabama | 1.3 |
| North Carolina | 1.3 |
| Kentucky | 1.3 |
| Pennsylvania | 1.1 |
| Kansas | 1.1 |
| Washington | 1.0 |

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| | |
|---------------|-----|
| West Virginia | 0.9 |
| Maryland | 0.9 |
| Minnesota | 0.9 |
| Virginia | 0.6 |
| Iowa | 0.6 |
| Connecticut | 0.5 |
| Alaska | 0.4 |
| Oklahoma | 0.4 |
| New Hampshire | 0.4 |

(continued on next page)

Summary of Investments by State/Country Classification as of 4/30/10 (Unaudited)

(continued from previous page)

| | |
|-----------------------|------------|
| New Mexico | 0.4 |
| North Dakota | 0.3 |
| Idaho | 0.3 |
| Nebraska | 0.3 |
| Wyoming | 0.3 |
| Hawaii | 0.2 |
| Rhode Island | 0.2 |
| Vermont | 0.1 |
| Utah | 0.1 |
| Guam | 0.0* |
| Total Investments | 100.0% |

Subject to change daily. Provided for informational purposes only and should not be deemed as a recommendation to buy or sell the securities mentioned or securities in the sectors shown above. Ratings allocation and summary of investments by state/country classification are as a percentage of total investments. Sectors are as a percentage of total long-term investments. Securities are classified by sectors that represent broad groupings of related industries. Van Kampen is a wholly owned subsidiary of a global securities firm which is engaged in a wide range of financial services including, for example, securities trading and brokerage activities, investment banking, research and analysis, financing and financial advisory services. Rating allocations based upon ratings as issued by Standard and Poor's and Moody's, respectively.

* Less than 0.01%

Portfolio Management

On June 1, 2010, Invesco completed its acquisition of Van Kampen Investments, and the Trust was part of that acquisition. Therefore, as of that date, the Trust's investment adviser is Invesco Advisers, Inc. The following individuals associated with Invesco Advisers, Inc. are jointly and primarily responsible for the day-to-day management of the Trust's portfolio:

Thomas Byron, Senior Portfolio Manager, has been responsible for the Trust since 2000. Prior to June 1, 2010, Mr. Byron was associated with Van Kampen Asset Management in an investment management capacity since 1981.

Robert J. Stryker, Senior Portfolio Manager, has been responsible for the Trust since 2009. Prior to June 1, 2010, Mr. Stryker was associated with Van Kampen Asset Management in an investment management capacity since 1994.

Robert W. Wimmel, Senior Portfolio Manager, has been responsible for the Trust since 2001. Prior to June 1, 2010, Mr. Wimmel was associated with Van Kampen Asset Management in an investment management capacity since 1996.

For More Information About Portfolio Holdings

Each Van Kampen trust provides a complete schedule of portfolio holdings in its semiannual and annual reports within 60 days of the end of the trust's second and fourth fiscal quarters. The semiannual reports and the annual reports are filed electronically with the Securities and Exchange Commission (SEC) on Form N-CSRS and Form N-CSR, respectively. Van Kampen also delivers the semiannual and annual reports to fund shareholders, and makes these reports available on its public Web site, www.vankampen.com. In addition to the semiannual and annual reports that Van Kampen delivers to shareholders and makes available through the Van Kampen public Web site, each fund files a complete schedule of portfolio holdings with the SEC for the trust's first and third fiscal quarters on Form N-Q. Van Kampen does not deliver the reports for the first and third fiscal quarters to shareholders, nor are the reports posted to the Van Kampen public Web site. You may, however, obtain the Form N-Q filings (as well as the Form N-CSR and N-CSRS filings) by accessing the SEC's Web site, <http://www.sec.gov>. You may also review and copy them at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the SEC's Public Reference Room may be obtained by calling the SEC at (800) SEC-0330. You can also request copies of these materials, upon payment of a duplicating fee, by electronic request at the SEC's e-mail address (publicinfo@sec.gov) or by writing the Public Reference section of the SEC, Washington, DC 20549-1520.

You may obtain copies of a trust's fiscal quarter filings by contacting Van Kampen Client Relations at (800) 341-2929.

Proxy Voting Policy and Procedures and Proxy Voting Record

You may obtain a copy of the Trust's Proxy Voting Policy and Procedures without charge, upon request, by calling toll free (800) 341-2929 or by visiting our Web site at www.vankampen.com. It is also available on the Securities and Exchange Commission's Web site at <http://www.sec.gov>.

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

Investment Advisory Agreement Approval

On June 1, 2010, Invesco Ltd., an independent global investment management company, completed its purchase of substantially all of the retail asset management business of Morgan Stanley, including the investment adviser and certain other affiliated service providers to most of the Van Kampen funds (including the Fund) (the Transaction). As described in more detail below, in connection with the Transaction, the Fund's Board of Trustees approved a new investment advisory agreement with Invesco Advisers, Inc. (Invesco), a subsidiary of Invesco Ltd., and a new master investment sub-advisory agreement with several of Invesco Ltd.'s wholly-owned affiliates (collectively, the New Advisory Agreements). Shareholders approved the New Advisory Agreements at a special meeting of shareholders held on April 16, 2010 to become effective upon closing of the Transaction. Thus, effective June 1, 2010, the Fund's investment adviser, investment sub-advisers and certain other service providers are affiliates of Invesco Ltd. The Transaction did not result in any change to the Fund's investment objective, principal investment strategies or the Fund's portfolio management team.

Prior to the Transaction, the investment adviser for the Fund was Van Kampen Asset Management, a wholly owned subsidiary of Van Kampen Investments Inc. (Van Kampen Investments), which was an indirect wholly owned subsidiary of Morgan Stanley. As a result of the Transaction, the asset management business of Van Kampen Investments was combined with that of Invesco.

At several in-person and telephonic meetings held in August, September, October, November and December 2009, the Board discussed and ultimately approved the New Advisory Agreements. At these meetings, the Board considered information provided by Morgan Stanley, Van Kampen Investments and Invesco regarding, among other things: Invesco's organization and personnel; business strategy; ownership structure; financial strength; affiliations (including other asset management affiliations); asset management practices and capabilities; legal and regulatory matters; and compliance matters. Emphasis during these meetings focused on Invesco being a global investment management leader with momentum in the U.S. retail market, and that the combination of Invesco and Morgan Stanley's retail asset management business, including Van Kampen Investments, can bring additional value to the Fund's shareholders. The parties discussed Invesco's independence as a publicly traded entity, its strategic focus solely on the investment management business (including Invesco's investment reputation, broad product line, service quality, industry relationships and objective of putting investors' interests first) and its significant depth in resources, diversification, performance and experience. The parties discussed how the current Invesco and Van Kampen Investments businesses compare and complement each other and the synergies of the combined organization which management believes will benefit the Fund's shareholders. The parties discussed aligning the Fund and other funds then advised by Van Kampen Asset Management together with other funds and products currently advised by Invesco and its affiliates towards using a single, common operating platform (which includes, among other things, common investment operating platforms, common global

performance measurement and risk analysis, and common compliance policies and procedures). At these meetings the Board also discussed, in addition to the New Advisory Agreements, the expectation that Invesco and its affiliates would provide the Fund with administrative and client servicing services that were currently provided by Van Kampen Investments and its affiliates. The parties discussed these other services, and efforts to capitalize on synergy opportunities from combined scale for the benefit of shareholders, leveraging operating best practices across the organization and commitment to quality services. The members of the Board who are not interested persons of the Fund, as that term is defined in the Investment Company Act of 1940, as amended, conferred separately with their counsel and a consultant (each engaged specifically in connection with their review of the Transaction) about the Transaction on several occasions during the meetings conducted from August through December 2009.

In connection with the Board's consideration of the New Advisory Agreements, the Trustees considered, among other things, the factors discussed above as well as the following:

Nature, Extent and Quality of the Services to be Provided. The Board considered the roles and responsibilities of the investment adviser (and its affiliates) as a whole and those specific to portfolio management, support and trading functions anticipated to be servicing the Fund. The Board noted that the current portfolio management team for the Fund is expected to remain the same under the New Advisory Agreements. The Trustees discussed with Invesco the resources available in managing the Fund. The Trustees also discussed certain other services that are to be provided by Invesco or its affiliates to the Fund including subadvisory services, certain global performance measurement and risk analysis, compliance, accounting, and administrative services. The Board has determined that the nature, extent and quality of the services to be provided by Invesco (and its affiliates) support its decision to approve the New Advisory Agreements.

Projected Fees and Expenses of the Fund. The Board considered that the advisory fee rate for the Fund would remain the same under the New Advisory Agreements as they are under the current advisory agreement. The Board had previously determined that such fees were acceptable under the current advisory agreement. The Board has determined that the projected fees and expenses of the Fund support its decision to approve the New Advisory Agreements.

Investment Adviser's Expenses in Providing the Service and Profitability. At least annually, the Trustees expect to review Invesco's expenses in providing services to the Fund and other funds advised by Invesco and the profitability of Invesco. In connection with the Fund, the Trustees discussed with Invesco its projected revenues and expenses, including among other things, revenues for advisory services, portfolio management-related expenses, and other costs. The Board has determined that the analysis of Invesco's projected expenses and profitability support its decision to approve the New Advisory Agreements.

Economies of Scale. The Board noted that economies of scale were already reflected in the advisory fees. In future determinations of whether to approve the continuation

of the advisory agreement, the Board will consider whether economies of scale exist and should be passed along to shareholders.

Other Benefits of the Relationship. The Board considered other benefits to Invesco and its affiliates derived from its relationship with the Fund and other funds advised by Invesco. These benefits include, among other things, fees for administrative services (which is reimbursement of Invesco's cost or such reasonable compensation as may be approved by the Board), transfer agency services provided to other funds in the fund family, in certain cases research to be received by Invesco or its affiliates generated from commission dollars spent on funds' portfolio trading, and in certain cases distribution or service related fees related to sales of other funds in the fund family. The Trustees reviewed with Invesco each of these arrangements and the reasonableness of its costs relative to the services performed. The Board has determined that the other benefits received by Invesco or its affiliates support its decision to approve the New Advisory Agreements.

Van Kampen Municipal Trust
Portfolio of Investments n April 30, 2010 (Unaudited)

| Par Amount (000) | Description | Coupon | Maturity | Value |
|---------------------------------|--|---------------|-----------------|--------------|
| Municipal Bonds 159.2% | | | | |
| Alabama 2.1% | | | | |
| \$ 2,150 | Bessemer, AL Governmental Util Svc Corp Wtr Supply Rev Rfdg, Ser A (AGL Insd) (a) | 5.000% | 06/01/39 | \$ 2,200,117 |
| 3,695 | Gadsden, AL Wts, Ser B (AMBAC Insd) | 5.250 | 08/01/21 | 3,920,764 |
| 1,300 | Hlthcare Auth for Baptist Hlth AL, Ser A (b) | 6.125 | 11/15/36 | 1,369,914 |
| 1,725 | Huntsville-Redstone Vlg, AL Spl Care Fac Fin Auth Redstone Vlg Proj | 5.500 | 01/01/43 | 1,309,655 |
| 1,950 | Selma, AL Incl Dev Brd Rev Gulf Opportunity Zone Intl Paper Co Proj, Ser A | 6.250 | 11/01/33 | 2,011,971 |
| | | | | 10,812,421 |
| Alaska 0.7% | | | | |
| 1,000 | Matanuska-Susitna Boro, AK Ctf Partn Pub Safety Bldg Lease (AGM Insd) | 5.750 | 03/01/16 | 1,003,950 |
| 3,870 | Northern Tob Sec Corp AK Tob Settlement Rev Asset Bkd, Ser A | 5.000 | 06/01/46 | 2,601,530 |
| | | | | 3,605,480 |
| Arizona 4.7% | | | | |
| 1,425 | Arizona Cap Fac Fin Corp Student Hsg Rev AZ St Univ Proj | 6.250 | 09/01/32 | 1,362,200 |
| 1,700 | Arizona St Trans Brd Hwy Rev, Ser B | 5.000 | | |