FORM 485BPOS

Post-effective amendments [Rule 485(b)]

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OPPENHEIMER CHAMPION HIGH YIELD FUND
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Business Address
3410 S GALENA ST
DENVER CO 80231
3036713200

Registration No. 33-16494
File No. 811-5281

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM N-1A

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933 / X /

PRE-EFFECTIVE AMENDMENT NO. _____ /   /

POST-EFFECTIVE AMENDMENT NO. 12 / X /

and/or

REGISTRATION STATEMENT UNDER THE INVESTMENT COMPANY ACT OF 1940 / X /

AMENDMENT NO. 12 / X /

OPPENHEIMER CHAMPION HIGH YIELD FUND
(Exact Name of Registrant as Specified in Charter)

3410 South Galena Street
Denver, Colorado 80231
(Address of Principal Executive Offices)

303-671-3200
(Registrant's Telephone Number)

Andrew J. Donohue, Esq.
Oppenheimer Management Corporation
Two World Trade Center
New York, New York 10048-0203
(Name and Address of Agent for Service)

It is proposed that this filing will become effective (check appropriate box):

/   / Immediately upon filing pursuant to paragraph (b) of Rule 485

/ X / On February 1, 1994 pursuant to paragraph (b) of Rule 485

/   / 60 Days after filing pursuant to paragraph (a) of Rule 485

/   / On ______________ pursuant to paragraph (a) of Rule 485

The Registrant has registered an indefinite number of shares under the Securities Act of 1933 pursuant to Rule 24f-2 promulgated under the Investment Company Act of 1940; a Rule 24f-2 Notice for the Registrant's fiscal year ended September 30, 1993, was filed on November 23, 1993.

FORM N-1A

OPPENHEIMER CHAMPION HIGH YIELD FUND

Cross Reference Sheet

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* Not applicable or negative answer.

Oppenheimer Champion High Yield Fund
3410 South Galena Street, Denver, CO 80231
Telephone 1-800-525-7048

Oppenheimer Champion High Yield Fund (the "Fund") is a mutual fund with the primary investment objective of seeking a high level of current income by investing mainly in a diversified portfolio of high yielding, lower rated, fixed-income securities believed by the Fund's investment manager not to involve undue risk. As a secondary objective, the Fund seeks capital growth when consistent with its primary objective. An investment in the Fund does not constitute a complete investment program and is not appropriate for persons unwilling or unable to assume the high degree of risk associated with investing in high yield, lower rated securities.

The Fund offers two classes of shares which may be purchased at a price equal to their respective net asset value per share, plus a sales charge. The investor may elect to purchase shares with a sales charge imposed (1) at the time of purchase (the "Class A shares"), or (2) on a contingent deferred basis (the "Class C shares"). Class C shares are also subject to an asset-based sales charge. The contingent deferred sales charge will be imposed on most redemptions of Class C shares within 12 months of purchase. These alternatives permit an investor to choose the method of purchasing shares that is more beneficial to that investor depending on the amount of the purchase, the length of time the investor expects to hold the shares and other circumstances. See"How To Buy Shares - Alternative Sales Arrangements" below for further details.

This Prospectus sets forth concisely information about the Fund that a prospective investor should know before investing. A Statement of Additional Information about the Fund (the "Additional Statement") dated February 1, 1994, has been filed with the Securities and Exchange Commission ("SEC") and is available without charge upon request to Oppenheimer Shareholder Services (the "Transfer Agent"), P.O. Box 5270, Denver, Colorado 80217, or by calling the Transfer Agent at the toll-free number shown above. The Additional Statement (which is incorporated in its entirety by reference in this Prospectus) contains more detailed information about the Fund and its management, including more complete information about certain risk factors.

Investors are advised to read and retain this Prospectus for future reference. These securities may be considered to be speculative. Shares of the Fund are not deposits or obligations of any bank, are not guaranteed by any bank, are not insured by the FDIC or any other agency, and involve investment risks, including the possible loss of principal.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This Prospectus is effective February 1, 1994.

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Fund Expenses

The following table sets forth the fees that an investor in the Fund might pay and the expenses paid by the Fund during its fiscal year ended September 30, 1993.

Shareholder Transaction Expenses	Class A Shares	Class C Shares
Maximum Sales Charge on Purchases (as a percentage of offering price)	4.75%	None
Sales Charge on Reinvested Dividends	None	None
Maximum Contingent Deferred Sales Charge on Redemptions	None(1)	1.0%(2)
Redemption Fee	None	None
Exchange Fee	$5.00	$5.00

Annual Fund Operating Expenses (as a percentage of average net assets)

	Class A Shares	Class C Shares
Management Fees	.70%	.70%
12b-1 (Distribution and/or Service Plan) Fees	.25%	1.00%

Other Expenses	.29%	.29%
Total Fund Operating Expenses	1.24%	1.99%

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(1) Certain Class A share purchases of $1 million or more are not subject to front-end sales charges, but a contingent deferred sales charge (maximum of 1.0%) is imposed on the proceeds of such shares redeemed within 18 months of the end of the calendar month of their purchase, subject to certain conditions. See "How to Buy Shares -- Class A Contingent Deferred Sales Charge," below.

(2) A 1.0% contingent deferred sales charge is imposed on the proceeds of Class C shares redeemed within 12 months of their purchase, subject to certain conditions. See "How to Buy Shares - Class C Contingent Deferred Sales Charge," below.

The purpose of this table is to assist an investor in understanding the various costs and expenses that an investor in the Fund will bear directly (shareholder transaction expenses) or indirectly (annual fund operating expenses). The sales charge rate shown for Class A shares is the current maximum rate applicable to purchases of Class A shares of the Fund. Investors in Class A shares may be entitled to reduced sales charges based on the amount purchased or the value of shares already owned and may be subject to a contingent deferred sales charge in limited circumstances (see "How to Buy Shares - Class A Contingent Deferred Sales Charge"). Class C shares were not publicly sold during the Fund's fiscal year ended September 30, 1993. The "Annual Fund Operating Expenses" as to Class C shares are estimates based on amounts that would have been payable during that period assuming that Class C shares were outstanding during such fiscal year. The actual amount of such fees and expenses in the current and future years will depend on a number of factors, including the actual average net assets of Class C shares during such years. "Other Expenses" includes such expenses as custodial and transfer agent fees, audit, legal and other business operating expenses, but excludes extraordinary expenses. For further details, see "Dual Class Methodology" and the Fund's financial statements, both included in the Additional Statement.

The following examples apply the above-stated expenses and the current maximum sales charges to a hypothetical $1,000 investment in shares of the Fund over the time periods shown below, assuming a 5% annual rate of return on the investment. The amounts shown below are the cumulative costs of such hypothetical $1,000 investment for the periods shown and, except as indicated in lines 3 and 4, assume that the shares are redeemed at the end of each stated period.

	1 year	3 years	5 years	10 years(1)
1. Class A Shares	$60	$85	$112	$190
2. Class C Shares	$30	$62	$107	$232
3. Class A Shares, assuming no redemption	$60	$85	$112	$190
4. Class C Shares, assuming no redemption	$20	$62	$107	$232

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(1) Long-term shareholders of Class C shares could pay the economic equivalent, through the asset-based sales charge imposed on Class C shares, of more than the maximum front-end sales charges permitted under applicable regulatory requirements.

These examples should not be considered a representation of past or future expenses or performance. Expenses are subject to change and actual performance and expenses may be less or greater than those illustrated above.

Financial Highlights

Selected data for a Class A share of the Fund outstanding throughout each period.

The information in the table below has been audited by Deloitte & Touche, independent auditors, whose report on the financial statements of the Fund for the fiscal year ended September 30, 1993, is included in the Additional Statement. No Class C shares were publicly issued during this period, and therefore no information on Class C shares is reflected in the table below or in the Fund's other financial statements.
<TABLE>

<CAPTION>

Year Ended September 30,

	1993	1992	1991	1990	1989	1988+++
<S>	<C>	<C>	<C>	<C>	<C>	
<C>						
Per Share Operating Data:						
Net asset value, beginning of period	$ 12.26	$ 11.49	$ 10.46	$ 11.53	$ 12.10	$ 11.43
Income from investment operations:						
Net investment income	1.22	1.41	1.45	1.43	1.42+	1.24
Net realized and unrealized gain (loss) on investments and foreign currencies	.64	.77	1.04	(1.08)	(.43)	.67
Total income from investment operations	1.86	2.18	2.49	.35	.99	1.91
Dividends and distributions to shareholders:						
Dividends from net investment income	(1.22)	(1.41)	(1.46)	(1.42)	(1.42)	(1.24)
Distributions from net realized gain on investments	--	--	--	--	(.14)	--
Total dividends and distributions to shareholders	(1.22)	(1.41)	(1.46)	(1.42)	(1.56)	(1.24)
Net asset value, end of period	$ 12.90	$ 12.26	$ 11.49	$ 10.46	$ 11.53	$ 12.10
Total Return, at Net Asset Value**	15.92%	19.94%	25.62%	3.13%	8.53%	17.29%
Ratios/Supplemental Data:						
Net assets, end of period (in thousands)	$104,465	$47,125	$16,044	$13,910	$20,642	$18,579
Average net assets (in thousands)	$ 73,334	$28,270	$14,057	$17,163	$21,349	$11,116
Number of shares outstanding at end of period (in thousands)	8,096	3,844	1,397	1,330	1,790	1,535
Ratios to average net assets:						
Net investment income	9.52%	11.60%	13.49%	12.92%	11.87%	11.50%*
Expenses	1.24%	1.35%	1.49%	1.40%	1.19%+	1.05%*
Portfolio turnover rate++	116.2%	121.5%	114.8%	67.8%	98.5%	31.6%

</TABLE>

*Annualized.

**Assumes a hypothetical initial investment on the business day before the

first day of the fiscal period, with all dividends and distributions reinvested in additional shares on the reinvestment date, and redemption at the net asset value calculated on the last business day of the fiscal period. Sales charges are not reflected in the total returns.

+Net investment income would have been $1.41 per share absent the voluntary expense reimbursement, resulting in an expense ratio of 1.25%.

++The lesser of purchases or sales of portfolio securities for a period, divided by the monthly average of the market value of portfolio securities owned during the period. Securities with a maturity or expiration date at the time of acquisition of one year or less are excluded from the calculation.

Purchases and sales of investment securities (excluding short-term securities) for the year ended September 30, 1993 were $104,698,062 and $72,960,299, respectively.

+++For the period from November 16, 1987 (commencement of operations) to September 30, 1988.

The Fund And Its Investment Policies

The Fund is an open-end, diversified management investment company organized in 1987 as a Massachusetts business trust. Its primary objective is to earn a high level of current income by investing mainly in a diversified portfolio of high yielding, lower-rated, fixed-income securities (such as long-term debt and preferred stock issues) believed by the Fund's investment adviser, Oppenheimer Management Corporation (the "Manager"), not to involve undue risk. Nevertheless, because the Fund may invest in lower-rated securities without limit, the Fund's investments should be considered speculative. As a secondary objective, the Fund seeks capital growth when consistent with its primary objective. There can be no assurance that the Fund will achieve its objectives. The Fund's investment policies and practices described below are not "fundamental" policies unless a particular policy is identified as "fundamental." "Fundamental" policies are those that cannot be changed without the approval of a "majority," as defined in the Investment Company Act of 1940 (the "Investment Company Act"), of the Fund's outstanding voting securities. The Fund's Board of Trustees may change non-fundamental policies without shareholder approval.

Consistent with its primary investment objective, the Fund anticipates that under normal conditions at least 65% of the value of its total assets will be invested in high yield, fixed-income securities. These include U.S. dollar-denominated debt obligations known as "Brady Bonds," which are issued for the exchange of existing commercial bank loans to foreign entities for new obligations that are generally collateralized by zero coupon U.S. Treasury securities having the same maturity. The Fund's remaining assets may be held in cash or cash equivalents (commercial paper, Treasury bills and other short-term U.S. Government securities maturing in less than one year), or invested in common stock and other equity securities (such as warrants and rights) when such investments are consistent with the Fund's investment objectives or are acquired as part of a unit consisting of a combination of fixed-income securities and equity investments.

Ratings of Portfolio Investments

The high yield and high income sought by the Fund are ordinarily associated with securities in the lower rating categories of securities rating services. Such securities are those rated "Baa" or lower by Moody's Investors Service, Inc. ("Moody's") or "BBB" or lower by Standard & Poor's Corporation ("Standard & Poor's"). The Fund may invest in securities rated as low as "C" by Moody's or "D" by Standard & Poor's, which ratings indicate that the obligations are highly speculative and may be in default. The Manager does not rely solely on the ratings of rated securities in making investment decisions but also evaluates other economic and business factors affecting the issuer. Appendix A to this Prospectus describes the rating categories of securities in which the Fund may invest. The Fund may also invest in unrated securities which, in the opinion of the Manager, offer yields and risks comparable to rated securities in which the Fund may invest.

As of September 30, 1993, the Fund's portfolio included corporate bonds in the following Standard & Poor's rating categories (the amounts shown are the dollar-weighted average values of the bonds in each category measured as a percentage of the Fund's total assets): AAA, 3.62%; AA, none; A, .81%; BBB, 2.07%; BB, 9.31%; B, 30.26%; CCC, 3.73%; CC, .65%; C, none; D, .95%; and unrated, 13.27%. If a bond was not rated by Standard & Poor's but was rated by Moody's, it is included in the comparable Standard & Poor's category. Bonds shown as unrated were not rated by either Moody's or Standard & Poor's. The relative proportion of securities in the Fund's portfolio in particular rating categories will vary over time, and the proportions listed above should not be viewed as representing the Fund's current or future proportionate ownership of securities in particular rating categories.

Risks and Rewards of High Yield Securities

The primary advantage of high yield securities is their relatively higher investment return. High yield bonds offer a higher yield to maturity than bonds with higher ratings, as compensation for holding an obligation that may be subject to greater risk. During periods of falling interest rates, the values of outstanding fixed-income securities generally rise. Conversely, during periods of rising interest rates, the values of such securities generally decline. The magnitude of these fluctuations will generally be greater for securities with longer maturities. Those changes will affect the values of the Fund's portfolio securities, and therefore its net asset value per share. Further, because of their high coupon rates, high yield securities are generally less price sensitive to changes in interest rates than U.S. Treasury Securities. However, high yield securities, whether rated or unrated, may be subject to greater market fluctuations and risks of loss of income and principal and have less liquidity than lower yielding, higher-rated fixed-income securities.

Some of the principal risks of high yield securities include: (i) limited liquidity and secondary market support, (ii) substantial market price volatility resulting from changes in prevailing interest rates, (iii) subordination of the holder's claims to the prior claims of banks and other senior lenders in bankruptcy proceedings, (iv) the operation of mandatory sinking fund or call/redemption provisions during periods of declining interest rates, whereby the holder might receive redemption proceeds at times when only lower-yielding portfolio securities are available for investment, (v) the possibility that earnings of the issuer may be insufficient to meet its debt service, and (vi) the issuer's low creditworthiness and potential for insolvency during periods of rising interest rates and economic downturn. Some high yield bonds pay interest in kind rather than in cash. See "Investment Objective and Policies" in the Additional Statement for a further discussion of the effect of interest rate changes and about the selection of portfolio securities for the Fund.

As a result of the limited liquidity of high yield securities, their prices have at times experienced significant and rapid decline when a significant number of holders of high yield securities simultaneously decided to sell them. A decline is also likely in the high yield bond market during an economic downturn. An economic downturn or an increase in interest rates could severely disrupt the market for high yield securities and adversely affect the value of outstanding securities and the ability of the issuers to repay principal and interest. In addition, in recent years there have been several Congressional attempts to limit the use or limit tax and other advantages of high yield bonds. If enacted, such proposals could adversely affect the value of these securities and consequently the Fund's net asset value per share. For example, federally insured savings and loan associations have been required to divest their investments in high yield securities.

Temporary Investments

Under unusual market or economic conditions, for temporary defensive purposes, the Fund may invest up to 100% of its assets in: (i) obligations issued or guaranteed by the U.S Government, its instrumentalities or agencies, (ii) certificates of deposit, (iii) bankers' acceptances and other bank obligations, (iv) commercial paper rated in the highest category by an established rating agency, or (v) securities rated "Baa" or higher by Moody's or "BBB" or higher by Standard & Poor's. In the alternative, the Fund may hold its assets in cash or cash equivalents. While the Fund holds assets in cash, it has no income from such assets while expenses continue. The yield on securities selected for defensive purposes generally will be lower than the yield on lower-rated, fixed-income securities.

Foreign Securities

The Fund may purchase debt and equity securities (which may be denominated in U. S. dollars or in non-U. S. currencies) of companies organized under the laws of countries other than the United States and debt securities of foreign governments, that are traded on foreign securities exchanges or in the foreign over-the-counter markets. The Fund has no restriction on the amount of its assets that may be invested in foreign securities, although it presently does not intend that such investments will exceed 25% of its net assets. Securities of foreign issuers that are represented by American Depository Receipts, or that are listed on a U.S. securities exchange, or are traded in the U.S. over-the-counter market are not considered "foreign securities" for this purpose because they are not subject to many of the special considerations and risks (discussed below and in the Additional Statement) that apply to foreign securities traded and held abroad.

The Fund may purchase securities issued in any country, developed or underdeveloped, where the Manager believes there is a potential to achieve the Fund's investment objectives. Investments in securities of issuers in non-industrialized countries generally involve more risk and may be considered highly speculative. The Fund may convert U.S. dollars into foreign currency, but only to effect securities transactions on a foreign securities exchange and not to hold such currency as an investment. If the Fund's securities are held abroad, the countries in which such securities may be held and the sub-custodians holding them must be approved by the Fund's Board of Trustees under applicable SEC rules. Investment in foreign securities involves considerations and risks not associated with investment in securities of U.S. issuers. Some of the risks are the following: the values of foreign securities may be affected by the lack of information available as to foreign issuers, or by changes in currency rates, exchange control regulations or currency blockage, expropriation or nationalization of assets, foreign taxes (including withholding taxes), changes in governmental administration or economic or monetary policy in the U.S. or abroad, or changed circumstances in dealings between nations. In addition, it is generally more difficult to obtain court judgments outside the United States. See "Foreign Securities" in the Additional Statement for more information about the risks and possible rewards of investing in foreign securities.

Portfolio Turnover

Generally, the Fund will not trade for short-term profits, but when circumstances warrant, to take advantage of differences in securities prices and yields or of fluctuations in interest rates, the Fund may sell securities without regard to the length of time held. As most purchases made by the Fund are principal transactions at net prices, the Fund incurs little or no brokerage costs. Short-term trading may affect the Fund's tax status (see "Tax Status of the Fund", below). The average maturity of the investments in the Fund's portfolio is expected to fall between 7 and 15 years. The Fund anticipates it will invest in securities of longer maturity as interest rates decline, and securities of shorter maturity as interest rates rise.

Warrants and Rights

As a matter of fundamental policy, the Fund may invest up to 5% of its assets in warrants and rights. No more than 2% of its assets may be invested in warrants and rights that are not listed on The New York or American Stock Exchanges (other than those that have been acquired in units or attached to other securities). For further information, see "Warrants and Rights" in the Additional Statement.

Zero Coupon Securities

The Fund may invest in zero coupon securities issued by the U.S. Treasury. Zero coupon Treasury securities are: (i) U.S. Treasury notes and bonds that have been stripped of their unmatured interest coupons and receipts or (ii) certificates representing interests in such stripped debt obligations or coupons. The Fund may also invest in zero coupon securities issued by corporations. Corporate zero coupon securities are: (i) notes or debentures that do not pay current interest and are issued at substantial discounts from par value, or (ii) notes or debentures that pay no current interest until a stated date one or more years in the future, after which the issuer is obligated to pay interest until maturity, usually at a higher rate than if interest were payable from the date of issuance. Because a zero coupon security pays no interest to its holder during its life or for a substantial period of time, it usually trades at a deep discount from its face or par value and will be subject to greater fluctuations of market value in response to changing interest rates than debt obligations of comparable maturities which make current distributions of interest. Corporate zero coupon securities are also subject to the risk of the issuer's failure to pay interest and to repay principal in accordance with the terms of the obligation. Because the Fund accrues taxable income from these securities without receiving cash, the Fund may be required to sell portfolio securities in order to pay a dividend that includes such accrued income, depending upon the proportion of shareholders who elect to receive dividends in cash rather than reinvesting dividends in additional shares of the Fund. The Fund might also sell portfolio securities to maintain portfolio liquidity. In either case, cash distributed or held by the Fund and not reinvested in Fund shares will hinder the Fund in seeking a high level of current income.

Asset-Backed Securities

The Fund may invest in securities that represent undivided fractional interests in pools of consumer loans, similar in structure to mortgaged-backed securities described below. Payments of principal and interest on the underlying obligations are passed through to holders of asset-backed securities and are typically supported by some form of credit enhancement, such as a letter of credit, surety bond, limited guarantee by another entity, or priority to other securities of the borrower. The degree of credit enhancement varies, and generally applies, until exhausted, to only a fraction of the asset-backed security's par value. If the credit enhancement of an asset-backed security held by the Fund has been exhausted, and if any required payments of principal and interest are not made with respect to the underlying loans, the Fund may then experience losses or delays in receiving payment and a decrease in the value of the mortgage-backed security. Further details are set forth in the Additional Statement under "Investment Objective and Policies -- Asset-Backed Securities."

Mortgage-Backed Securities and CMOs

The Fund's investments may include securities which represent participation interests in pools of residential mortgage loans, including collateralized mortgage-backed obligations ("CMOs"), which may be issued or guaranteed by (i) agencies or instrumentalities of the U.S. Government (e.g., Ginnie Maes, Freddie Macs and Fannie Maes) or (ii) private issuers. Such securities differ from conventional debt securities which provide for periodic payment of interest in fixed amounts (usually semi-annually) with principal payments at maturity or specified call dates. Mortgage-backed securities provide monthly payments which are, in effect, a "pass-through" of the monthly interest and principal payments (including any prepayments) made by the individual borrowers on the pooled mortgage loans. The Fund's reinvestment of scheduled principal payments and unscheduled prepayments it receives may occur at lower rates than the original investment, thus reducing the yield of the Fund. CMOs in which the Fund may invest are securities issued by a U.S. Government instrumentality that are collateralized by a portfolio of mortgages or mortgage-backed securities. Mortgage-backed securities may be less effective than debt obligations of similar maturity at maintaining yields during periods of declining interest rates. The Fund may also invest in CMOs that are "stripped"; that is, the security is divided into two parts, one of which receives some or all of the principal payments and the other which receives some or all of the interest. Stripped securities that receive interest only are subject to increased volatility due to interest rate changes, and have the additional risk that if the principal underlying the CMO is prepaid, which is more likely to happen if interest rates fall, the Fund will lose the anticipated cash flow from the interest on the mortgages that were prepaid. See "Mortgage-Backed Securities" in the Additional Statement for more details. The Fund may also enter into "forward roll" transactions with banks with respect to the mortgage-backed securities in which it may invest. The Fund would be required to place cash, U.S. Government securities or other high-grade debt securities in a segregated account with its Custodian in an amount equal to its obligation under the roll. Further details are set forth in the Additional Statement under "Mortgage-Backed Securities."

Special Investment Methods

Loans of Portfolio Securities

To attempt to increase its income and for liquidity purposes, the Fund may lend its portfolio securities (other than in repurchase transactions) to brokers, dealers and other financial institutions meeting certain specified credit conditions if the loan is collateralized in accordance with applicable regulatory requirements and if, after any loan, the value of securities loaned does not exceed 25% of the value of the Fund's total assets. In connection with securities lending, the Fund might experience risks of delay in receiving additional collateral, or risks of delay in recovery of the loaned securities, or loss of rights in the collateral should the borrower fail financially. The Fund presently does not intend that the value of securities loaned will exceed 5% of the value of the Fund's total assets in the coming year. See "Loans of Portfolio Securities" in the Additional Statement for further information on securities loans.

Repurchase Agreements

The Fund may acquire securities subject to repurchase agreements to generate income for liquidity purposes to meet anticipated redemptions, or pending the investment of proceeds from sales of Fund shares or settlement of purchases of portfolio investments. The Fund's repurchase agreements will be fully collateralized. However, if the seller of the securities fails to pay the agreed-upon repurchase price on the delivery date, the Fund's risks may include the costs of disposing of the collateral for the agreement and losses that might result from any delays in foreclosing on the collateral. There is no limit on the amount of the Fund's net assets that may be subject to repurchase agreements having a maturity of seven days or less. The Fund will not enter into a repurchase agreement that will cause more than 15% of its net assets to be subject to repurchase agreements having a maturity of more than seven days. See "Repurchase Agreements" in the Additional Statement for further details.

Restricted and Illiquid Securities

The Fund will not purchase or otherwise acquire any security that may be illiquid by virtue of the absence of a readily available market or because its disposition would be subject to legal restrictions ("restricted securities") if, as a result, more than 15% of its net assets would be invested in securities that are illiquid (including participation interests, repurchase agreements maturing in more than seven days, OTC options held by the Fund, and that portion of assets used to cover such options). This policy does not limit purchases of restricted securities eligible for resale to qualified institutional investors pursuant to Rule 144A under the Securities Act of 1933 that are determined to be liquid by the Board of Trustees, or the Manager under Board-approved guidelines. Such guidelines take into account trading activity for such securities and the availability of reliable pricing information, among other factors. The Fund currently intends to invest no more than 10% of its net assets in illiquid and restricted securities, excluding securities eligible for resale pursuant to Rule 144A that are determined to be liquid by the Board of Trustees or by the Manager under board-approved guidelines. If there is a lack of trading interest in particular Rule 144A securities, the Fund's holdings of those securities may be illiquid. There may be undesirable delays and additional expenses in selling such securities at prices representing their fair value; see "Restricted and Illiquid Securities" in the Additional Statement for further details.

Participation Interests

The Fund may acquire participation interests in senior, fully-secured floating rate loans that are made primarily to U.S. companies (the "borrower"). Such participation interests, which may take the form of interests in, or assignments of, the loan, are acquired from banks that have made loans or are members of a lending syndicate. The Fund may purchase only those participation interests that mature in one year or less, or, if maturing in more than one year, that have a floating rate that is automatically adjusted at least once every year according to a specified rate for such investments, such as the percentage of a bank's prime rate. Participation interests are primarily dependent upon the creditworthiness of the borrower for payment of interest and principal. Such borrowers may have difficulty making payments and may have senior securities rated as low as "C" by Moody's or "D" by Standard & Poor's. In the event the borrower fails to pay scheduled interest or principal payments, the Fund could experience a reduction in its income and might experience a decline in the net asset value of its shares. Further details are set forth in the Additional Statement under "Participation Interests."

Writing Covered Calls

The Fund may sell ("write") call options to generate income through the receipt of premiums from expired calls and any net profits from closing purchase transactions. The Fund may write call options on debt securities as a matter of fundamental policy only if the calls are listed on a domestic securities or commodities exchange or quoted on the automated quotation system of the National Association of Securities Dealers, Inc. ("NASDAQ"). The Fund may also write calls on Interest Rate Futures (discussed below) which must be covered by deliverable securities or by liquid assets (e.g., cash, U.S. Government securities or other high grade debt securities) segregated with the Fund's custodian to satisfy the Futures contract. There is no limit on the amount of the Fund's assets that may be subject to calls. As a matter of fundamental policy, all calls written by the Fund on debt securities and Interest Rate Futures must be "covered" while the call is outstanding (the Fund must own the investment subject to the call or other securities acceptable for applicable escrow requirements).

Hedging

For hedging purposes, the Fund may use certain call and put options, Interest Rate Futures (described below), Forward Contracts (defined below) and options on Interest Rate Futures and foreign currencies. All of the foregoing are referred to as "Hedging Instruments." Hedging Instruments may be used to attempt to (1) protect against declines in the market value of the Fund's portfolio (generally due to an increase in interest rates), (2) protect unrealized gains or limit unrealized losses in the value of portfolio securities, (3) facilitate selling securities for investment reasons, (4) establish a position in the debt securities markets as a temporary substitute for purchasing particular debt securities, or (5) reduce the risk of adverse currency fluctuations. The Fund will not use Hedging Instruments for speculation. The Hedging Instruments the Fund may use are described below and in greater detail under "Hedging Instruments" in the Additional Statement.

-Purchasing Calls. As a matter of fundamental policy, the Fund may purchase call options on debt securities or Interest Rate Futures (discussed below), if the calls are listed on a domestic securities or commodities exchange or quoted on NASDAQ. The Fund may purchase calls to protect against the possibility that the Fund's portfolio will not participate fully in an anticipated rise in the value of debt securities. The Fund may also purchase calls in "closing purchase transactions" to terminate its call obligations.

-Puts on Securities. The Fund may write and purchase put options on debt securities (and write covered calls) but, as a matter of fundamental policy, only if: (i) after any such purchase, the value of all options (puts and calls) held by the Fund would not exceed 5% of the Fund's total assets, (ii) the put is listed on a domestic securities or commodities exchange or quoted on NASDAQ, and (iii) any put written on debt securities is covered by segregated liquid assets with not more than 50% of the Fund's assets subject to puts. In addition, puts on debt securities may be written in the over-the-counter market. As a matter of fundamental policy, the Fund will not write puts on Interest Rate Futures.

-Interest Rate Futures. The Fund may buy and sell certain futures contracts, but, as a matter of fundamental policy, only if they relate to debt securities ("Interest Rate Futures"). Interest Rate Futures obligate the seller to deliver (and the purchaser to take) a specific type of debt security at a specific future date for a fixed price. That obligation may be satisfied by actual delivery of that security or by entering into an offsetting contract to close out the futures position. At present, the Fund does not intend to enter into Futures contracts and options on Futures, if, after any such purchase, the sum of margin deposits on Futures and premiums paid on Futures options would exceed 5% of the Fund's total assets.

-Foreign Currency Options. The Fund may purchase and write puts and calls on foreign currencies that are traded on a securities or commodities exchange or quoted by major recognized dealers in such options, for the purpose of protecting against declines in the dollar value of foreign securities and against increases in the dollar cost of foreign securities to be acquired. If a rise is anticipated in the dollar value of a foreign currency in which securities to be acquired are denominated, the increased cost of such securities may be partially offset by purchasing calls or writing puts on that foreign currency. If a decline in the dollar value of a foreign currency is anticipated, the decline in value of portfolio securities denominated in that currency may be partially offset by writing calls or purchasing puts on that foreign currency. However, in the event of currency rate fluctuations adverse to the Fund's position, the Fund would lose the premium it paid and transactions costs.

-Forward Contracts. The Fund may enter into foreign currency exchange contracts ("Forward Contracts"), which obligate the seller to deliver and the purchaser to take a specific amount of foreign currency at a specific future date for a fixed price. The Fund may enter into a Forward Contract in order to "lock in" the U.S. dollar price of a security denominated in a foreign currency which it has purchased or sold but which has not yet settled, or to protect against a possible loss resulting from an adverse change in the relationship between the U.S. dollar and a foreign currency. There is a risk that use of Forward Contracts may reduce gain that would otherwise result from a change in the relationship between the U.S. dollar and a foreign currency. Forward Contracts include standardized foreign currency futures contracts which are traded on exchanges and are subject to procedures and regulations applicable to other Futures. The Fund may also enter into a Forward Contract to sell a foreign currency denominated in a currency other than that in which the underlying security is denominated. This is done in the expectation that there is a greater correlation between the foreign currency of the Forward Contract and the foreign currency of the underlying investment than between the U.S. dollar and the currency of the underlying investment. This technique is referred to as "cross hedging." The Fund may also cross-hedge by entering into a Forward Contract to sell a foreign currency and receive a second foreign currency, both of which differ from the foreign currency in which the underlying security is denominated. This is done in the expectation that there is a greater correlation between the foreign currencies of the Forward Contract and the foreign currency of the underlying investment than between the U.S. dollar and the foreign currency of the underlying investment. The success of cross hedging is dependent on many factors, including the ability of the Manager to correctly identify and monitor the correlation between foreign currencies and the U.S. dollar. To the extent that the correlation is not identical, the Fund may experience losses or gains on both the underlying security and the cross currency hedge.

The Fund will not speculate in Forward Contracts. There is no limitation as to the percentage of the Fund's assets that may be committed to foreign currency exchange contracts. The Fund does not enter into such Forward Contracts or maintain a net exposure in such contracts to the extent that the Fund would be obligated to deliver an amount of foreign currency in excess of the value of the Fund's assets denominated in that currency or enter into a "cross hedge" unless it is denominated in a currency or currencies that the Manager believes will have price movements that tend to correlate closely with the currency in which the investment being hedged is denominated. See "Tax Aspects of Hedging Instruments and Covered Calls" in the Additional Statement for a discussion of the tax treatment of Forward Contracts.

- Interest Rate Swap Transactions. The Fund may enter into interest rate swaps. In an interest rate swap, the Fund and another party exchange their respective commitments to pay or receive interest on a security, (e.g., an exchange of floating rate payments for fixed rate payments). The Fund will not use interest rate swaps for leverage. Swap transactions will be entered into only as to security positions held by the Fund. The Fund may not enter into swap transactions with respect to more than 50% of its total assets.

The Fund will segregate liquid assets (e.g., cash, U.S. Government securities or other appropriate high grade debt obligations) equal to the net excess, if any, of its obligations over its entitlements under the swap and will mark that amount daily. See "Covered Calls and Hedging -- Interest Rate Swap Transactions" in the Additional Statement for details.

-Risks of Options and Futures Trading. "Hedging Instruments" in the Additional Statement contains further information about the characteristics, risks, tax effects, and possible benefits of options, Forward Contracts, Interest Rate Futures and options on such Futures, and the Fund's other limitations (which are not fundamental policies) on investment in such Futures and options thereon. There are certain risks in writing calls and puts. If a call written by the Fund is exercised, the Fund forgoes any profit from any increase in the market price above the call price of the underlying security on which the call was written. In addition, the Fund could experience capital losses which might cause previously distributed short-term capital gains to be re-characterized as a non-taxable return of capital to shareholders. In writing puts, there is a risk that the Fund may be required to take delivery of the underlying security at a disadvantageous price. The principal risks of Futures trading are: (i) possible imperfect correlation between the prices of the Futures and the market value of the Fund's portfolio securities, (ii) possible lack of a liquid secondary market for closing out a Futures position, (iii) the need for additional skills and techniques beyond those required for normal portfolio management, and (iv) losses on Futures resulting from interest rate movements not anticipated by the Manager.

Investment Restrictions

The Fund has certain investment restrictions which, together with its investment objectives, are fundamental policies. Under some of those restrictions, the Fund cannot: (1) buy securities issued or guaranteed by any one issuer (except the U.S. Government or any of its agencies or instrumentalities) if, with respect to 75% of its total assets, more than 5% of the Fund's total assets would be invested in securities of that issuer, or the Fund would then own more than 10% of that issuer's voting securities; (2) borrow money in excess of 10% of the value of its assets (the Fund may borrow only as a temporary measure for emergency purposes) or make any investment at a time during which borrowing exceeds 5% of the value of its assets; (3) concentrate investments to the extent of 25% of its assets (at the time of investment) in any industry (there is no limitation, however, as to investments in obligations issued by the U.S. Government or any of its agencies or instrumentalities); for purposes of this limitation, utilities will be divided into "industries" according to their services (e.g., gas, gas transmission, electric and telephone utilities will each be considered a separate industry); (4) make loans, except through the purchase of portfolio securities subject to repurchase agreements or through loans of portfolio securities as described above under "Loans of Portfolio Securities"; (5) invest in commodities or commodity contracts; however, the Fund may buy and sell any of the Hedging Instruments which it may use as permitted by any of its other policies, whether or not such Hedging Instrument is considered to be a commodity or commodity contract, subject to the restrictions and limitations stated under "Hedging" in this Prospectus; or (6) invest more than 5% of the Fund's net assets in securities of companies (including predecessors) that have operated less than three years. The percentage restrictions described above and in the Additional Statement apply only at the time of investment and require no action by the Fund as a result of subsequent changes in value of the investment or the size of the Fund. A supplementary list of investment restrictions is contained in "Investment Restrictions" in the Additional Statement, which also contains further information regarding the Fund's investment policies.

Management Of The Fund

The Fund's Board of Trustees has overall responsibility for the management of the Fund under the laws of Massachusetts governing the responsibilities of trustees of business trusts. Subject to the authority of the Board of Trustees, the Manager is responsible for day-to-day management of the Fund's business, supervises the investment operations of the Fund and the composition of its portfolio and furnishes the Fund advice and recommendations with respect to investments, investment policies and the purchase and sale of securities pursuant to an investment advisory agreement with the Fund (the "Agreement"). The monthly management fee payable to the Manager under the terms of the Agreement is computed as a percentage of the Fund's aggregate net assets as of the close of business each day at the following annual rate: 0.70% of the first $250 million of net assets, 0.65% of the next $250 million of net assets, 0.60% of the next $500 million of net assets, and 0.55% of net assets in excess of $1 billion. The Agreement contains provisions relating to portfolio transactions, including the selection of brokers and dealers when used for such transactions. Subject to the Agreement, the Manager may consider sales of shares of the Fund and other funds advised by the Manager or its affiliates as a factor in the selection of brokers or dealers for the Fund's portfolio transactions. "Investment Management Services" in the Additional Statement contains more information about the Agreement, including a description of expense assumption arrangements, exculpation provisions and brokerage practices of the Fund.

Ralph W. Stellmacher is a Senior Vice President of the Manager who serves as the Portfolio Manager and a Vice President of the Fund. Since the Fund's inception in November, 1987, he has been the person primarily responsible for the day-to-day management of the Fund's portfolio. During the past five years, Mr. Stellmacher has also served as an officer and portfolio manager for other OppenheimerFunds. For more information about the Fund's other officers and Trustees, see "Trustees and Officers" in the Additional Statement.

The Manager has operated as an investment adviser since April 30, 1959. The Manager and its affiliates currently advise U.S. investment companies with assets aggregating over $25 billion as of September 30, 1993, and having more than 1.8 million shareholder accounts. The Manager is owned by Oppenheimer Acquisition Corp., a holding company owned in part by senior management of the Manager, and ultimately controlled by Massachusetts Mutual Life Insurance Company, a mutual life insurance company that also advises pension plans and investment companies.

How To Buy Shares

Alternative Sales Arrangements

Two classes of shares of the Fund are offered under the Fund's "Alternative Sales Arrangements." The investor may elect to purchase shares with a sales charge imposed (i) at the time of purchase or on a contingent deferred basis on redemption of shares purchased in amounts over $1 million (the "Class A shares"), or (ii) on a contingent deferred basis (the "Class C shares"). The contingent deferred sales charge will be imposed on most redemptions of Class C shares within 12 months of purchase. The Alternative Sales Arrangements permit an investor to choose the method of purchasing shares that is more beneficial to the investor depending on the amount of the purchase, the length of time the investor expects to hold shares and other relevant circumstances. The Fund's distributor, Oppenheimer Funds Distributor, Inc. (the "Distributor"), will not knowingly accept any order for $1 million or more of Class C shares of one or more of the "Eligible Funds" listed below in "Right of Accumulation," on behalf of a single investor (not including dealer "street name" or omnibus accounts) because it will generally be more advantageous for such investors to purchase Class A shares of such Eligible Fund(s) instead. Investors should understand that the purpose and function of the deferred sales charge and asset-based sales charge with respect to Class C shares are the same as those of the initial sales charge with respect to Class A shares. Any financial intermediaries or other person entitled to receive compensation for selling or servicing Fund shares may receive different compensation with respect to one class of shares than the other.

The two classes of shares each represent an interest in the same portfolio of investments of the Fund. However, as described in this Prospectus, each class has different shareholder privileges and features. The net income attributable to Class C shares and the dividends payable on Class C shares will be reduced by incremental expenses borne solely by that class, including the asset-based sales charge to which Class C shares are subject. For further information, see "Purchase, Redemption and Pricing of Shares" in the Additional Statement.

The Fund's shares of either class may be purchased through any dealer or broker which has a sales agreement with the Distributor, a subsidiary of the Manager. There are two ways to make an initial investment: either (1) complete an OppenheimerFunds New Account Application and mail it with payment to the Distributor at P.O. Box 5270, Denver, Colorado 80217 (if no dealer or broker is named in the Application, the Distributor will be listed as the dealer of record), or (2) order the shares through your dealer or broker. Be certain to specify whether you intend to purchase Class A shares or Class C shares. If no such instructions are provided, initial investments will be made in Class A shares and subsequent investments will be made in the same class as the most recent previous investment.

The minimum initial investment is $1,000, except as otherwise described in this Prospectus. Subsequent purchases must be at least $25, and may be made (1) through authorized dealers or brokers, (2) by forwarding payment to the Distributor at the above address with the names of all account owners, the account number and the name of the Fund, (3) automatically through Asset Builder Plans, or (4) by telephone using AccountLink described below. Under an Asset Builder Plan, Automatic Exchange Plan, 403(b)(7) custodial plan or military allotment plan, initial and subsequent investments must be at least $25. The minimum initial and subsequent purchase requirements are waived on purchases made by reinvesting dividends from any of the "Eligible Funds" listed in "Right of Accumulation" below, or by reinvesting distributions from unit investment trusts for which reinvestment arrangements have been made with the Distributor. No share certificates will be issued for Class C shares, and no share certificates will be issued for Class A shares unless specifically requested in writing by an investor or the dealer or broker.

The net asset value per share of each class is determined as of 4:00 P.M. (all references to time in this Prospectus mean New York time) each day The New York Stock Exchange is open (a "regular business day") by dividing the value of the Fund's net assets attributable to that class by the number of shares of that class outstanding. The Fund's Board of Trustees has established procedures for valuing the Fund's securities. In general, those valuations are based on market value, with special provisions for: (i) securities (including restricted securities) not having readily-available market quotations, (ii) short-term debt securities and (iii) covered calls and Hedging Instruments. Further details are in "Purchase, Redemption and Pricing of Shares" in the Additional Statement. The net asset values per share of Class A and Class C shares are expected to be substantially the same; however, from time to time the net asset values of each class may differ due to differences in expenses borne by each class, as discussed under "Dual Class Methodology" in the Additional Statement.

All purchase orders received by the Distributor at its office in Denver, Colorado prior to 4:00 P.M. on a regular business day are processed at that day's offering price. However, an order received by the Distributor from a dealer or broker after the offering price is determined that day will receive such offering price if the order was received by the dealer or broker from its customer prior to 4:00 P.M., and was transmitted to and received by the Distributor prior to its close of business that day (normally 5:00 P.M.). Purchase orders received on other than a regular business day will be executed on the next regular business day. The Distributor, in its sole discretion, may accept or reject any order for purchase of the Fund's shares. The sale of shares will be suspended during any period when the determination of net asset value is suspended and may be suspended by the Board of Trustees whenever the Board judges it in the Fund's best interest to do so.

Class A Shares

Class A Shares are sold at their offering price, which (as that term is used in this Prospectus and the Additional Statement) is net asset value plus a front-end sales charge, except that as to certain purchases described below that are not subject to a front-end sales charge, the offering price is net asset value. The offering price is determined as of 4:00 P.M. each regular business day.

The table below shows the regular front-end sales charge rates for Class A shares for a "single purchaser" (defined below), together with the dealer discounts paid to authorized dealers and the agency commissions paid to authorized brokers (collectively, "commissions"):

Amount of Purchase	Front-End Sales Charge as Percentage of Offering Price	Front-End Sales Charge as Approximate Percentage of Amount Invested	Commission as Percentage of Offering Price
Less than $50,000	4.75%	4.98%	4.00%
$50,000 or more but less than $100,000	4.50%	4.71%	3.75%
$100,000 or more but less than $250,000	3.50%	3.63%	2.75%
$250,000 or more but less than $500,000	2.50%	2.56%	2.00%
$500,000 or more but less than $1 million	2.00%	2.04%	1.60%
$1 million or more	None*	None*	None*

*See "Class A Contingent Deferred Sales Charge," below.

Under certain circumstances, commissions up to the amount of the entire sales charge may be paid to dealers or brokers, who then may be deemed to be "underwriters" as defined in the Securities Act of 1933. Commission rates may vary among the funds for which the Manager and its affiliates act as investment advisers.

The Distributor may advance up to 13 months' commissions to dealers that have entered into special arrangements with the Distributor as to purchases made by their clients under Oppenheimer Asset Builder Plans. If a registered representative of a securities dealer sells more than $2.5 million of Class A shares of "Eligible Funds" other than "Money Market Funds" (as that term is defined below) in a calendar year, the dealer firm is eligible to send such representative, with a guest, to a three-day sales conference (generally held in a resort), if one is sponsored and held by the Distributor; or in lieu of sending such representative, that firm may, at its option, receive the equivalent cash value of such award as additional commission. The Distributor may, from time to time, enter into arrangements with specific dealers whereby the Distributor may make additional payments to that dealer based, in part, on that dealer meeting certain sales criteria. Such additional payments may be based on sales for a specific period of time, shares of certain or all of the "Eligible Funds" held by the dealer and/or its customers or some combination thereof.

Dealers whose sales of Class A shares of "Eligible Funds" other than "Money Market Funds" under OppenheimerFunds-sponsored 403(b)(7) custodial plans exceed a rate of $5 million per year, calculated per calendar quarter, will receive monthly one-half of the Distributor's retained commissions on such sales. Dealers whose sales of such plans exceed a rate of $10 million per year, calculated per calendar quarter, will receive the Distributor's entire retained commission on such sales.

-Class A Contingent Deferred Sales Charge. On certain purchases of Class A shares of any one or more "Eligible Funds" by a "single purchaser" (both terms are defined below in "Right of Accumulation") aggregating $1 million or more, the Distributor will pay authorized dealers a commission equal to the sum of 1.0% of the first $2.5 million, 0.50% of the next $2.5 million and 0.25% of share purchases in excess of $5 million. However, that commission will be paid only on the amount of those share purchases in excess of $1 million that were not previously subject to a front-end sales charge and dealer commission (the shares with respect to which this commission is paid are called "Class A CDSC Shares"). A contingent deferred sales charge (the "Class A CDSC") will be deducted from the redemption proceeds of Class A CDSC Shares redeemed within 18 months of the end of the calendar month of their purchase. The Class A CDSC shall be an amount equal to 1.0% of the lesser of either (1) the aggregate net asset value of the Class A CDSC shares (which does not include shares acquired by reinvestment of dividends or capital gains distributions) or (2) the original cost of the shares. However, the total Class A CDSC paid on the redemption of those shares shall not exceed the aggregate commissions paid to dealers on all Class A CDSC Shares of all Eligible Funds purchased by that single purchaser.

The Class A CDSC does not apply to purchases at net asset value described in "Other Circumstances" below and will be waived in the case of redemptions of shares made for: (i) retirement distributions (or loans) to participants or beneficiaries from retirement plans qualified under Section 401(a) of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code") or from Individual Retirement Accounts ("IRAs"), 403(b)(7) plans, deferred compensation plans created under Section 457 of the Internal Revenue Code or other employee benefit plans (collectively, "Retirement Plans"); (ii) returns of excess contributions to such Retirement Plans; (iii) Automatic Withdrawal Plan payments limited to no more than 12% of the original account value annually; and (iv) involuntary redemptions of shares by operation of law or under procedures set forth in the Fund's Declaration of Trust or as adopted by the Board of Trustees (collectively, "Involuntary Redemptions"). See "Transfer of Shares" in "Purchase, Redemption and Pricing of Shares" in the Additional Statement for further details.

Some or all of the proceeds of redeemed shares on which a Class A CDSC was paid at the time of redemption and which are subsequently reinvested under the "Reinvestment Privilege" (described below) may be reinvested within 6 months of redemption without sales charge at net asset value on the reinvestment date if the investor notifies the Distributor that the privilege applies. Additionally, no Class A CDSC is charged on exchanges, pursuant to the Fund's Exchange Privilege (described below), of shares purchased subject to a Class A CDSC, except that if the Class A shares acquired by exchange are redeemed within 18 months of the end of the calendar month of the initial purchase of the exchanged shares, the Class A CDSC will apply. In determining whether a Class A CDSC is payable, and the amount of any such Class A CDSC, shares not subject to a Class A CDSC are redeemed first, including shares purchased by reinvestment of dividends and capital gains distributions, and then other shares are redeemed in the order of purchase.

-Reduced Sales Charges for Class A Purchases. The sales charge rates in the above table may be reduced as follows:

Right of Accumulation. In calculating the sales charge rate applicable to current purchases of Class A shares, a "single purchaser" (defined below) is entitled to cumulate current purchases with the greater of: (1) amounts previously paid for, or (2) the current value (at offering price) of Class A shares of certain other "Eligible Funds" and of the Fund if sold subject to an initial sales charge and if the investment is still held in one of the Eligible Funds. The Eligible Funds are those for which the Distributor or an affiliate acts as the distributor and include the following: (i) the Fund, Oppenheimer Time Fund, Oppenheimer Target Fund, Oppenheimer Tax-Free Bond Fund, Oppenheimer New York Tax-Exempt Fund, Oppenheimer California Tax-Exempt Fund, Oppenheimer High Yield Fund, Oppenheimer U.S. Government Trust, Oppenheimer Total Return Fund, Inc., Oppenheimer Asset Allocation Fund, Oppenheimer Mortgage Income Fund, Oppenheimer Discovery Fund, Oppenheimer Global Bio-Tech Fund, Oppenheimer Global Environment Fund, Oppenheimer Global Growth & Income Fund, Oppenheimer Pennsylvania Tax-Exempt Fund, Oppenheimer Global Fund, Oppenheimer Fund, Oppenheimer Special Fund, Oppenheimer Equity Income Fund, Oppenheimer Gold & Special Minerals Fund, Oppenheimer Investment

Grade Bond Fund, Oppenheimer Value Stock Fund, Oppenheimer Intermediate Tax-Exempt Bond Fund, Oppenheimer Insured Tax-Exempt Bond Fund, Oppenheimer Government Securities Fund, Oppenheimer Main Street Income & Growth Fund, Oppenheimer Main Street California Tax-Exempt Fund, Oppenheimer Florida Tax-Exempt Fund, Oppenheimer Strategic Income Fund, Oppenheimer Strategic Income & Growth Fund, Oppenheimer Strategic Investment Grade Bond Fund, Oppenheimer Strategic Short-Term Income Fund and (ii) the following "Money Market Funds": Centennial Money Market Trust, Centennial Tax Exempt Trust, Centennial Government Trust, Centennial New York Tax Exempt Trust, Centennial California Tax Exempt Trust, Centennial America Fund, L.P., Oppenheimer Money Market Fund, Inc., Daily Cash Accumulation Fund, Inc., Oppenheimer Cash Reserves and Oppenheimer Tax-Exempt Cash Reserves. There is an initial sales charge on the purchase of Class A shares of each Eligible Fund except Money Market Funds (under certain circumstances described herein, redemption proceeds of Money Market Fund shares may be subject to a CDSC). The reduced sales charge applies only to current purchases.

The term "single purchaser" refers to: (i) an individual; (ii) an individual and spouse purchasing shares of the Fund for their own account or for trust or custodial accounts for their minor children; or (iii) a fiduciary purchasing for any one trust, estate or fiduciary account, including employee benefit plans created under Sections 401 or 457 of the Internal Revenue Code, including related plans of the same employer. To be entitled to a reduced sales charge under the Right of Accumulation, at the time of purchase the purchaser must ask the Distributor for such entitlement and provide the account number(s) for shares of Eligible Funds owned by the "single purchaser," and the age of any minor children for whom shares are held.

Letter of Intent. By initially investing at least $1,000 and submitting a Letter of Intent (the "Letter") to the Distributor, a "single purchaser" may purchase Class A shares of the Fund and other Eligible Funds (other than the Money Market Funds) during a 13-month period at the reduced sales charge rates, or at net asset value but subject to the Class A CDSC, if applicable, applying to the aggregate amount of the intended purchases stated in the Letter. The Letter may apply to purchases made up to 90 days before the date of the Letter. The Fund and the Distributor reserve the right to amend or terminate such program at any time without prior notice. For further details, including escrow requirements, see "Letter of Intent" in the Additional Statement.

Other Circumstances. No sales charge is imposed on Class A shares of the Fund: (i) sold to the Manager or its affiliates, or to present or former officers, trustees or directors and employees (and their "immediate families," as defined in "Reduced Sales Charges" in the Additional Statement) of the Fund, the Manager and its affiliates, and to retirement plans established by them for employees; (ii) issued in plans of reorganization, such as mergers, asset acquisitions and exchange offers, to which the Fund is a party; (iii) sold to registered investment companies or to separate accounts of insurance companies having an agreement with the Manager or the Distributor; (iv) sold to dealers or brokers that have a sales agreement with the Distributor, for their own account or for retirement plans for their employees, or sold to employees (and their spouses) of such dealers or brokers, or of banks, savings and loan associations or credit unions that have entered into a sales agreement with such dealer or broker or the Distributor (and are identified to the Distributor by such dealer or broker); the purchasers must certify to the Distributor at the time of purchase that such purchase is for their own account (or for the benefit of such employees' spouse or minor children); (v) sold to dealers, brokers or registered investment advisers that have entered into an agreement with the Distributor providing specifically for the use of shares of the Fund in particular investment products made available to the clients of the dealer, broker or registered investment adviser; or (vi) purchased by the reinvestment of (a) loan repayments by a participant in a retirement plan for which the Manager or its affiliates act as sponsor, or (b) dividends or other distributions reinvested from the Fund or other "Eligible Funds" (other than the Cash Reserves Funds) or unit investment trusts for which reinvestment arrangements have been made with the Distributor. "Reduced Sales Charges" in the Additional Statement discusses this policy.

-Class A Service Plan. The Fund has adopted a Service Plan (the "Class A Plan") under Rule 12b-1 of the Investment Company Act pursuant to which the Fund will reimburse the Distributor quarterly for a portion of its costs incurred in connection with the personal service and maintenance of accounts that hold Class A shares. The Distributor will use such fees received from the Fund in their entirety: (i) to compensate brokers, dealers, banks and other institutions ("Recipients") each quarter for providing personal service and maintenance of accounts that hold Class A shares; and (ii) to reimburse itself (to the extent authorized by the

Board of Trustees) for its other expenditures under the Plan and its direct costs for personal service and maintenance of accounts. The Board of Trustees has not presently authorized any reimbursement to the Distributor under (ii) above. The services to be provided under the Class A Plan include, but shall not be limited to, the following: answering routine inquiries from the Recipient's customers concerning the Fund, providing such customers with information on their investment in Class A shares, assisting in the establishment and maintenance of accounts or sub-accounts in the Fund, making the Fund's investment plans and dividend payment options available, and providing such other information and customer liaison services and the maintenance of accounts as the Distributor or the Fund may reasonably request.

The Distributor will be reimbursed only for quarterly payments made to each Recipient at a rate not to exceed 0.0625% (0.25% annually) of the aggregate net asset value of Class A shares owned by the Recipient or its customers. The Class A Plan has the effect of increasing annual expenses of the Fund by up to 0.25% of its average annual net assets.

Class C Shares

Class C Shares are sold at net asset value per share without the imposition of a sales charge at the time of purchase.

-Class C Contingent Deferred Sales Charge. A contingent deferred sales charge (the "Class C CDSC") will be deducted from the redemption proceeds of Class C shares redeemed within 12 months of their purchase (not including shares purchased by reinvestment of dividends or capital gains). The Class C CDSC shall be an amount equal to 1.0% of the lesser of the then net asset value or the original purchase price of the Class C shares being redeemed. Accordingly, no Class C CDSC will be imposed on amounts representing increases in net asset value above the initial purchase price (including increases due to reinvestment of dividends or capital gains). In determining whether a Class C CDSC is payable and the amount of any such CDSC, shares not subject to a CDSC are redeemed first, including shares purchased by reinvestment of dividends and capital gains distributions, and then other shares are redeemed in the order of purchase.

Proceeds from the Class C CDSC are paid to the Distributor to reimburse it for its expenses related to providing distribution-related services to the Fund in connection with the sale of Class C Shares. The combination of the Class C CDSC and the distribution fee retained by the Distributor (as described under "Class C Distribution and Service Plan") facilitates the sale of Class C Shares without a sales charge being deducted at the time of purchase.

In determining the amount of the Class C CDSC that applies, all purchases shall be considered as having been made on the first regular business day of the month in which the purchase was made. The Class C CDSC will be waived upon the request of the shareholder for redemptions made for: (1) distributions to participants or beneficiaries from Retirement Plans, which distributions are made either (a) under an Automatic Withdrawal Plan (described under "How to Redeem Shares") after the participant attains age 59-1/2, and which are limited to no more than 10% of the account value annually (determined in the first year, as of the date the redemption request is received by the Transfer Agent, and in subsequent years, as of the most recent anniversary of that date) or (b) following the participant's or beneficiary's (i) "disability" (as defined in the Internal Revenue Code) that occurs since the account was established, or (ii) death; (2) redemptions other than from Retirement Plans following the (i) death or (ii) complete disability (as evidenced by a certificate from the U.S. Social Security Administration) of all persons individually owning such shares of record and not as fiduciaries or agents, that occurs since the account was established, and (3) returns of excess contributions to such Retirement Plans. In addition, no CDSC is imposed on Class C shares of the Fund (i) sold to the Manager or its affiliates; (ii) sold to registered investment companies or separate accounts of insurance companies having an agreement with the Manager or the Distributor; (iii) issued in plans of reorganization, such as mergers, asset acquisitions and exchange offers to which the Fund is a party; or (iv) redeemed in Involuntary Redemptions. See "Transfer of Shares" in "Purchase, Redemption and Pricing of Shares" in the Additional Statement for further details.

-Class C Distribution And Service Plan. The Fund has adopted a plan of distribution (the "Class C Plan") under Rule 12b-1 of the Investment Company Act, pursuant to which it will compensate the Distributor for its services and costs incurred in connection with the distribution and service of the Fund's Class C shares. Pursuant to the Class C Plan, the Fund will pay the Distributor an asset-based sales charge of 0.75% per annum plus a service fee of 0.25% per annum, each of which is computed on the average net assets of Class C shares of the Fund, computed as of the close of each regular business day. The Distributor will use the service fee payment to compensate Recipients for providing personal service and the maintenance of shareholder accounts that hold Class C shares, examples of which are described under "Class A Service Plan." Service fee payments by the Distributor to Recipients will be made (i) in advance for the first year Class C shares are outstanding, following the purchase of shares, in an amount equal to 0.25% of the net assets of the shares purchased by the Recipient or its customers and (ii) thereafter, on a quarterly basis, computed as of the close of business each regular business day at an annual rate of 0.25% of the net asset value of Class C shares held in accounts of the Recipient or its customers. Other terms and options under the Class C Plan for payment of the service fee by the Distributor to Recipients, and other terms and conditions of the Class C Plan are described under "Distribution and Service Plans" in the Additional Statement. Asset-based sales charges and service fees will be paid by the Fund to the Distributor monthly and quarterly, respectively.

The Distributor currently expects to pay sales commissions from its own resources to authorized dealers or brokers at the time of sale equal to 0.75% of the purchase price of Fund shares sold by such dealer or broker, and to advance the first year service fee of 0.25%. The Fund's payments of service fees and asset-based sales charges to the Distributor during the initial year that Class C shares are outstanding are intended to allow the Distributor to recoup its payments of sales commissions, advances of service fee payments to Recipients and its financing costs. After the first year that Class C shares are outstanding, the Distributor expects to pay the asset-based sales charge on such shares to authorized dealers or brokers as an ongoing sales commission.

Asset-based sales charge payments are designed to permit an investor to purchase shares of the Fund without the assessment of a front-end sales load and at the same time permit the Distributor to compensate brokers and dealers in connection with the sale of shares of the Fund. The Distributor's actual distribution expenses for any given year may exceed the aggregate of payments received pursuant to the Class C Plan and contingent deferred sales charges, and such expenses will be carried forward and paid in future years. The Fund will be charged only for interest expenses, carrying charges or other financial costs that are directly related to the carry-forward of actual distribution expenses. For example, if the Distributor incurred distribution expenses of $4 million in a given fiscal year, of which $2,000,000 was recovered in the form of contingent deferred sales charges paid by investors and $1,600,000 was reimbursed in the form of payments made by the Fund to the Distributor under the Class C Plan, the balance of $400,000 (plus interest) would be subject to recovery in future fiscal years from such sources.

The Class C Plan contains a provision that allows the Board to continue the Fund's payments to the Distributor for certain expenses it incurred for Class C shares sold prior to termination of the Class C Plan. Pursuant to this provision, payment of the asset-based sales charge of up to 0.75% per annum could continue after termination.

The Class C Plan has the effect of increasing annual expenses of Class C shares of the Fund by up to 1.00% of its average annual net assets from what its expenses would otherwise be. In addition, the Manager and the Distributor may, under the Class C Plan, from time to time from their own resources (which, as to the Manager, may include profits derived from the advisory fee it receives from the Fund) make payments to Recipients for distribution and administrative services they perform. For further details, see "Distribution and Service Plans" in the Additional Statement.

Purchase Programs for Class A And Class C Shares

-AccountLink. OppenheimerFunds AccountLink is a means to link a shareholder's Fund account with an account at a U.S. bank or other financial institution that is an Automated Clearing House ("ACH") member. AccountLink can be used to transmit funds by electronic funds transfers for account transactions, including subsequent share purchases. The minimum investment by AccountLink is $25. Purchases of up to $250,000 may be made by telephone using AccountLink (the maximum is $100,000 if the transaction is done by PhoneLink, described below). To speak to service operators to initiate such purchases, call the Distributor at 1-800-852-8457. All such calls will be recorded. To initiate such purchases automatically using PhoneLink, call 1-800-533-3310. Shares will be purchased on the regular business day the Distributor is instructed to initiate the ACH transfer to buy the shares. Dividends will begin to accrue on such shares on the day the Fund receives Federal Funds for such purchase through the ACH system before 4:00 P.M., which is normally 3 days after the ACH transfer is initiated. If such Federal Funds are received after that time, dividends will begin to accrue on the next regular business day after such Federal Funds are received.

AccountLink may also be used as a means of transmitting redemption proceeds to a designated bank account (see "How to Redeem Shares") or to transmit distributions paid by the Fund directly to a bank account (see "Dividends and Distributions"). AccountLink privileges must be requested on the application used to buy shares or the dealer settlement instructions establishing the account, or on subsequent signature-guaranteed instructions to Oppenheimer Shareholder Services, the Fund's Transfer Agent, from all shareholders of record for an account, and such privileges thereupon apply to each shareholder of record and the dealer representative of record unless and until the Transfer Agent receives written instructions from a shareholder of record canceling such privileges. Changes of bank account information must be made by signature-guaranteed instructions to the Transfer Agent by all shareholders of record for an account. The Transfer Agent, the Fund and the Distributor have adopted reasonable procedures to confirm that telephone instructions under AccountLink (described above) and "PhoneLink," "Telephone Redemptions" and the "Exchange Privilege" (described below) are genuine, by requiring callers to provide the tax identification number(s) and other account data and by recording such calls and confirming such transactions in writing. If the Transfer Agent and the Distributor do not use such procedures, they may be liable for losses due to unauthorized transactions, but otherwise will not be liable for losses or expenses arising out of telephone instructions reasonably believed to be genuine. The Fund reserves the right to amend, suspend or discontinue AccountLink privileges at any time without prior notice.

-PhoneLink. PhoneLink is the OppenheimerFunds automated telephone system which enables shareholders of the Fund to initiate account transactions automatically by telephone, including exchanges between existing accounts (see "Exchange Privilege" below), redemptions (see "How to Redeem Shares - Telephone Redemptions," below) and purchases (see "AccountLink" above). PhoneLink transactions may be done automatically using a touchtone telephone provided that the shareholder uses a Personal Identification Number ("PIN") which may be obtained through PhoneLink by calling 1-800-533-3310. If an account has multiple owners, the Transfer Agent or the Distributor may rely on any instructions initiated through PhoneLink using a PIN. The Fund reserves the right to amend, suspend or discontinue PhoneLink privileges at any time without prior notice.

-Asset Builder Plans. Investors may purchase shares of the Fund (and up to four other Eligible Funds) automatically under Asset Builder Plans. With AccountLink, Asset Builder Plans may be used to make regular monthly investments ($25 minimum) from the investor's account at a bank or other financial institution. See "AccountLink," above for details. To establish an Asset Builder Plan from a bank account, a check (minimum $25) for the initial purchase must accompany the application. Shares purchased by Asset Builder Plan payments from bank accounts are subject to the redemption restrictions for recent purchases described in "How To Redeem Shares." Asset Builder Plans also enable shareholders of Oppenheimer Tax-Exempt Cash Reserves or Oppenheimer Cash Reserves to use those accounts for monthly automatic purchases of shares of the Fund and up to four other Eligible Funds.

There is a sales charge on the purchase of certain Eligible Funds, and an application should be obtained from the Transfer Agent and completed and a prospectus of the selected fund(s) (available from the Distributor) should be obtained before initiating payments. The amount of the Asset Builder investment may be changed or the automatic investments terminated at any time by writing to the Transfer Agent. A reasonable period (approximately 15 days) is required after receipt of such instructions to implement them. The Fund reserves the right to amend, suspend, or discontinue offering such plans at any time without prior notice.

How To Redeem Shares

Regular Redemption Procedures

To redeem some or all shares in an account (whether or not represented by certificates) under the Fund's regular redemption procedures, a shareholder must send the following to the Fund's Transfer Agent, Oppenheimer Shareholder Services, P.O. Box 5270, Denver, Colorado 80217 [send courier or Express Mail deliveries to 10200 E. Girard Avenue, Building D, Denver, Colorado 80231]: (1) a written request for redemption signed by all registered owners exactly as the shares are registered, including fiduciary titles, if any, and specifying the account number and the dollar amount or number of shares to be redeemed; (2) a guarantee of the signatures of all registered owners on the written request or on the share certificate or accompanying stock power, by a U.S. bank, trust company, credit union or savings association, or a foreign bank having a U.S. correspondent bank, or by a U.S.-registered dealer or broker in securities, municipal securities or government securities, or by a U.S. national securities exchange, registered securities association or clearing agency; (3) any share certificates issued for any of the shares to be redeemed; and (4) any additional documents which may be required by the Transfer Agent for redemption by corporations, partnerships or other organizations, executors, administrators, trustees, custodians, guardians, or from an OppenheimerFunds-sponsored IRA or other Retirement Plan, or if the redemption is requested by anyone other than the shareholder(s) of record, or to demonstrate eligibility for waiver of the Class C CDSC on the grounds of disability. Transfers of shares are subject to similar requirements.

A signature guarantee is not required for redemptions of $50,000 or less, requested by and payable to all shareholders of record to be sent to the address of record for that account. To avoid delay in redemptions or transfers, shareholders having questions about these requirements should contact the Transfer Agent in writing or by calling 1-800-525-7048 before submitting a request. From time to time, the Transfer Agent, in its discretion, may waive any or certain of the foregoing requirements in particular cases. Redemption or transfer requests will not be honored until the Transfer Agent receives all required documents in proper form. Shareholders owning shares of both classes must specify whether they intend to redeem Class A or Class C shares.

Telephone Redemptions

In addition to the regular redemption procedures set forth above, the Fund permits shareholders and the dealer representative of record for an account to redeem shares by telephone and to have the redemption proceeds sent to the address of record for an account or, if AccountLink privileges have been established, wired to an account at a financial institution. To redeem shares by telephone through a service representative, call the Transfer Agent at 1-800-852-8457. To use PhoneLink to redeem shares automatically, without a service representative, call 1-800-533-3310. Under either method of telephone redemptions, proceeds may be paid by check or through AccountLink as described below. The Transfer Agent may record any calls. Telephone redemptions may not be available if all lines are busy, and shareholders would have to use the Fund's regular redemption procedures described above. Requests received by the Transfer Agent prior to 4:00 P.M. on a regular business day will be processed at the net asset value per share determined that day. Telephone redemption privileges are not available for newly-purchased (within the prior 15 days) shares, for OppenheimerFunds-sponsored Retirement Plans, or for shares represented by certificates.

Telephone redemption privileges apply automatically to each shareholder and the dealer representative of record unless the Transfer Agent receives cancellation instructions from the shareholder(s) of record. If an account has multiple owners, the Transfer Agent may rely on the instructions of any one owner. Telephone redemption privileges may be amended, suspended or discontinued by the Fund at any time without prior notice.

-Telephone Redemptions Paid by Check. If redemption proceeds are paid by check, amounts up to $50,000 may be redeemed by telephone once in each 7-day period. The check must be payable to the shareholder(s) of record and sent to the address of record for the account. Telephone redemptions paid by check are not available within 30 days of a change of the address of record.

-Redemptions Paid through AccountLink. If AccountLink privileges have been established for an account, any amount may be redeemed by telephone, wire or written instructions to the Transfer Agent, and the ACH transfer of the redemption proceeds to the designated bank account normally will be initiated by the Transfer Agent on the next bank business day after the redemption. There are no dollar or frequency limitations on telephone redemptions sent to a designated bank account through AccountLink. No dividends are paid on the proceeds of redeemed shares awaiting transmittal by ACH transfer. See "AccountLink" under "How To Buy Shares" for instructions on establishing this privilege.

Check Writing

Upon request, the Transfer Agent will provide shareholders whose shares are not represented by certificates with forms of drafts ("checks") payable through a bank selected by the Fund (the "Bank"). Check Writing privileges are not available to accounts holding either Class C shares or Class A shares subject to a CDSC. Checks may be made payable to the order of anyone in any amount not less than $100, and will be subject to the Bank's rules and regulations governing checks. The Transfer Agent will arrange for such checks to be honored by the Bank after obtaining a specimen signature card from the shareholder(s). A check should not be written in an amount close to the total value of the account because the Fund's net asset value fluctuates from day to day. If a check is presented for an amount greater than the account value, it will not be paid. The Fund will charge a handling fee of $10 for any check that is not paid at the request of a shareholder or because of an insufficient share balance or because the check was written for less than the stated minimum. Shareholders of joint accounts may elect to have checks honored with a single signature. Checks issued for one account in the Fund must not be used if the shareholder's account has been transferred to a new account or if the account number or registration has changed. Shares purchased by check or Asset Builder payments within the prior 15 days may not be redeemed by Check Writing. A check that would require the redemption of some or all of the shares so purchased is subject to non-payment.

When a check is presented for payment, the Fund will redeem a sufficient number of full and fractional shares in the shareholder's account to cover the amount of the check. This procedure enables the shareholder to continue receiving dividends on those shares equalling the amount being redeemed by check until the check is presented to the Fund. Checks may not be presented for payment at the offices of the Bank or the Fund's Custodian. This limitation does not affect the use of checks for the payment of bills or cashing at other banks. The Fund reserves the right to amend, suspend or discontinue offering Check Writing privileges at any time without prior notice.

Distributions from Retirement Plans

Requests for distributions from OppenheimerFunds-sponsored IRAs, 403(b)(7) custodial plans, or pension or profit-sharing plans for which the Manager or its affiliates act as sponsors should be addressed to "First Interstate Bank of Denver, N.A., c/o Oppenheimer Shareholder Services" at the above address, and must: (i) state the reason for the distribution, (ii) state the owner's awareness of tax penalties if the distribution is premature, and (iii) conform to the requirements of the plan and the Fund's redemption requirements, above. Participants (other than self-employed persons) in OppenheimerFunds-sponsored pension or profit-sharing plans may not directly request redemption of their accounts; the employer or plan administrator must sign the request. Distributions from such plans are subject to additional requirements under the Internal Revenue Code, and certain documents (available from the Transfer Agent) must be completed before the distributions may be made.

Distributions from retirement plans are subject to withholding requirements under the Internal Revenue Code, and IRS Form W-4P (available from the Transfer Agent) must be submitted to the Transfer Agent with the distribution request, or the distribution may be delayed. Unless the shareholder has provided the Transfer Agent with a certified tax identification number, the Internal Revenue Code requires that tax be withheld from any distribution, even if the shareholder elects not to have tax withheld. The Trustee, the Fund, the Distributor, the Manager and the Transfer Agent assume no responsibility to determine whether a distribution satisfies the conditions of applicable tax laws and will not be responsible for any penalties assessed.

Automatic Withdrawal And Exchange Plans

Investors owning shares of the Fund valued at $5,000 or more can authorize the Transfer Agent to redeem shares (minimum $50) automatically on a monthly, quarterly, semi-annual or annual basis under an Automatic Withdrawal Plan. Shares will be redeemed three business days prior to the date requested by the shareholder for receipt of the payment. Automatic withdrawals of up to $1,500 per monthly payment may be requested by telephone if payments are by check payable to all shareholders of record and sent to the address of record for the account (and if the address has not been changed within the prior 30 days). Required minimum distributions from OppenheimerFunds-sponsored retirement plans may not be arranged on this basis. Payments are normally made by check, but shareholders having AccountLink privileges (see "How To Buy Shares") may arrange to have Automatic Withdrawal Plan payments transferred to the bank account designated on the OppenheimerFunds New Account Application or signature-guaranteed instructions. The Fund cannot guarantee receipt of the payment on the date requested and reserves the right to amend, suspend or discontinue offering such plans at any time without prior notice. Because of the sales charge assessed on Class A share purchases, shareholders should not make regular additional Class A purchases while participating in an Automatic Withdrawal Plan. Class C shareholders normally should not establish withdrawal plans because of the imposition of the Class C CDSC on such withdrawals (except where the Class C CDSC is waived as described above in "Class C Contingent Deferred Sales Charge"). For further details, refer to "Automatic Withdrawal Plan Provisions" in the Additional Statement.

Shareholders can also authorize the Transfer Agent to exchange a pre-determined amount of shares of the Fund for shares of up to five other Eligible Funds (minimum purchase is $25 per fund account) automatically on a monthly, quarterly, semi-annual or annual basis under an Automatic Exchange Plan. Exchanges made pursuant to such plans are otherwise subject to the terms and conditions applicable to exchanges described in "Exchange Privilege," below.

Repurchase

The Distributor is the Fund's agent to repurchase its shares from authorized dealers or brokers. The repurchase price will be the net asset value next computed after the receipt of an order placed by such dealer or broker, except that orders received by the Distributor from dealers or brokers after 4:00 P.M. on a regular business day will be processed at that day's net asset value if such order was received by the dealer or broker from its customer prior to 4:00 P.M. and was transmitted to and received by the Distributor prior to its close of business that day (normally 5:00 P.M.). Payment ordinarily will be made within seven days after the Distributor's receipt of the required documents, with signature(s) guaranteed as described above.

Reinvestment Privilege

Within six months of a redemption of Class A shares or of Class C shares on which a Class C CDSC was paid, the investor may reinvest all or part of the redemption proceeds in Class A shares of the Fund or any of the Eligible Funds into which shares of the Fund are exchangeable as described below. The reinvestment price will be the net asset value next computed after the Transfer Agent receives the reinvestment order, and will not be subject to sales charge, but only if the reinvestment order requests this privilege. A realized gain on the redemption is taxable, and reinvestment will not alter any capital gains tax payable on that gain. If there has been a loss on the redemption, some or all of the loss may not be tax deductible, depending on the timing and amount of the reinvestment in the Fund. Under the Internal Revenue Code, if the redemption proceeds of Fund shares on which a sales charge was paid are reinvested in shares of the Fund or another Eligible Fund within 90 days of the payment of the sales charge, the shareholder's basis in the Fund shares redeemed may not include the amount of the sales charge paid, thereby reducing the loss or increasing the gain recognized from the redemption. The Fund may amend, suspend or cease offering this reinvestment privilege at any time as to shares redeemed after the date of such amendment, suspension or cessation.

General Information on Redemptions

The redemption price will be the Fund's net asset value per share next determined after the Transfer Agent receives redemption instructions in proper form. The market value of the securities in the Fund's portfolio is subject to daily fluctuations and the net asset value of the Fund's shares will fluctuate accordingly. Therefore, the redemption value may be more or less than the investor's cost. Under certain circumstances, shares may be redeemed in kind (i.e., by payment in portfolio securities). The Fund may involuntarily redeem small accounts (if the account value has fallen below $200 for reasons other than market value fluctuations) and may redeem shares in amounts sufficient to compensate the Distributor for any loss due to cancellation of a share purchase order; for details, see "Purchase, Redemption and Pricing of Shares" in the Additional Statement. Under the Internal Revenue Code, the Fund may be required to impose "backup" withholding of Federal income tax at the rate of 31% from dividends, distributions and the proceeds of redemptions (including exchanges), if the shareholder has not furnished the Fund a certified tax identification number or has not complied with provisions of the Code relating to reporting dividends.

Payment for redeemed shares is made ordinarily in cash and forwarded within seven days of the Transfer Agent's receipt of redemption instructions in proper form, except under unusual circumstances as determined by the SEC. The Transfer Agent may delay forwarding a redemption check for recently-purchased shares until the purchase payment has cleared, which may take up to 15 or more days from the purchase date. Such delay may be avoided if the shareholder arranges telephone or written assurance satisfactory to the Transfer Agent from the bank on which the payment was drawn. The Fund makes no charge for redemption. Dealers or brokers may charge a fee for handling redemption transactions but such charge can be avoided by requesting the redemption directly by the Fund through the Transfer Agent. Under certain circumstances, the Class A and Class C CDSCs described under "How To Buy Shares" may apply to the proceeds of redemptions.

Exchanges Of Shares And Retirement Plans

Exchange Privilege

Shares of the Fund and of the other Eligible Funds listed under "Right of Accumulation" may be exchanged at net asset value per share at the time of exchange, without sales charge, if all of the following conditions are met: (1) shares of the fund selected for exchange are available for sale in the shareholder's state of residence; (2) the respective prospectuses of the funds whose shares are to be exchanged and acquired offer the Exchange Privilege to the investor; (3) newly-purchased (by initial or subsequent investment) shares are held in an account for at least seven days and all other shares at least one day prior to the exchange; and (4) the aggregate net asset value of shares surrendered for exchange is at least equal to the minimum investment requirements of the fund whose shares are to be acquired.

In addition to the conditions stated above, shares of a particular class of an Eligible Fund may be exchanged only for shares of the same class of another Eligible Fund. If a Fund has only one class of shares that is not otherwise denominated, its shares shall be considered "Class A" shares for this purpose. Certain of the Eligible Funds offer Class A, Class B and/or Class C shares, and a list can be obtained by calling the Distributor at 1-800-525-7048, or by referring to "Purchase, Redemption and Pricing of Shares" in the Additional Statement. Funds offering Class C shares are referred to, as a group, as the "OppenheimerFunds Advisors Portfolio". In addition, Class A shares of Eligible Funds may be exchanged for shares of any Money Market Fund; shares of any Money Market Fund purchased without a sales charge may be exchanged for shares of Eligible Funds offered with a sales charge upon payment of the sales charge (or, if applicable, may be used to purchase shares of Eligible Funds subject to a CDSC); and shares of this Fund acquired by reinvestment of dividends or distributions from any other Eligible Fund or from any unit investment trust for which reinvestment arrangements have been made with the Distributor may be exchanged at net asset value for shares of any Eligible Fund. No CDSC is imposed on exchanges of shares subject to a CDSC. However, when Class A shares acquired by exchange from Class A shares purchased subject to a Class A CDSC are redeemed within 18 months of the end of the calendar month of the initial purchase of the exchanged Class A shares, the Class A CDSC is imposed on the redeemed shares (see "Class A Contingent Deferred Sales Charge," above). Similarly, the Class C CDSC is imposed on Class C shares redeemed within 12 months of the initial purchase of the exchanged Class C shares (see "Class C Contingent Deferred Sales Charge", above).

-How to Exchange Shares. An exchange may be made by either: (1) submitting an OppenheimerFunds Exchange Authorization Form to the Transfer Agent, signed by all registered owners, or (2) telephone exchange instructions to the Transfer Agent by a shareholder or the dealer representative of record for an account. The Fund may modify, suspend or discontinue either of these exchange privileges at any time, and will do so on 60 days' notice if such notice is required by regulations adopted under the Investment Company Act. The Fund reserves the right to reject telephone or written requests submitted in bulk on behalf of 10 or more accounts. Telephone and written exchange requests must be received by the Transfer Agent by 4:00 P.M. on a regular business day to be effected that day. The number of shares exchanged may be less than the number requested if the number requested would include shares subject to a restriction cited above or shares covered by a certificate that is not tendered with such request. Only the shares available for exchange without restriction will be exchanged.

When Class C shares are redeemed to effect an exchange, the priorities described in "How to Buy Shares" for the imposition of the Class C CDSC will be followed in determining the order in which shares are exchanged. Shareholders should take into account the effect of any exchange on the applicability and rate of any CDSC that may be imposed in the subsequent redemption of remaining shares. Shareholders owning shares of both classes must specify whether they intend to exchange Class A or Class C shares.

-Telephone Exchanges. Telephone exchange requests may either be placed through a service representative by calling the Transfer Agent at 1-800-852-8457 or automatically by PhoneLink, by calling 1-800-533-3310. If all telephone exchange lines are busy (which might occur, for example, during periods of substantial market fluctuations), shareholders might not be able to request telephone exchanges and would have to submit written exchange requests. Telephone exchange calls may be recorded by the Transfer Agent. Telephone exchanges are subject to the rules described above. By exchanging shares by telephone, the shareholder is acknowledging receipt of a prospectus of the fund to which the exchange is made and that for full or partial exchanges, any special account features such as Asset Builder Plans, Automatic Withdrawal or Exchange Plans and retirement plan contributions will be switched to the new account unless the Transfer Agent is otherwise instructed. Telephone exchange privileges automatically apply to each shareholder of record and the dealer representative of record unless and until the Transfer Agent receives written instructions from the shareholder(s) of record canceling such privileges. If an account has multiple owners, the Transfer Agent may rely on the instructions of any one owner. The Transfer Agent reserves the right to require shareholders to confirm in writing their election of telephone exchange privileges for an account. Shares acquired by telephone exchange must be registered exactly as the account from which the exchange was made. Certificated shares are not eligible for telephone exchange.

-General Information on Exchanges. Shares to be exchanged are redeemed on the regular business day the Transfer Agent receives an exchange request in proper form (the "Redemption Date"). Normally, shares of the fund to be acquired are purchased on the Redemption Date, but such purchases may be delayed by either fund up to five business days if it determines that it would be disadvantaged by an immediate transfer of the redemption proceeds. The Fund in its discretion reserves the right to refuse any exchange request that will disadvantage it, for example if the receipt of multiple exchange requests from a dealer might require the disposition of securities at a time or at a price disadvantageous to the Fund. No sales commissions are paid by the Distributor on exchanges of shares (unless a front-end sales charge is assessed on the exchange).

The Eligible Funds have different investment objectives and policies. For complete information, including charges and expenses, a prospectus of the fund into which the exchange is being made should be read prior to an exchange. A $5 service charge will be deducted from the account to which the exchange is made to help defray administrative costs. That charge is waived for telephone exchanges made by PhoneLink between existing accounts. Dealers or brokers who process exchange orders on behalf of customers may charge for their services. Those charges may be avoided by requesting the Fund directly to exchange shares. For Federal tax purposes, an exchange is treated as a redemption and purchase of shares. (See "How to Redeem Shares - Reinvestment Privilege" above, for a discussion of certain tax effects of exchanges.)

Pursuant to telephone exchange agreements with the Distributor, certain dealers, brokers and investment advisers may exchange Fund shares by telephone, subject to the terms of such agreements and the Distributor's right to reject or suspend such telephone exchanges at any time. Because of the restrictions and procedures under such agreements, such exchanges may be subject to timing limitations and other restrictions that do not apply to exchanges requested by shareholders directly, as described above.

Retirement Plans

The Distributor has available: (i) forms of pension and profit-sharing plans for corporations and self-employed individuals, (ii) Individual Retirement Accounts ("IRAs"), including Simplified Employee Pension Plans ("SEP IRAs") and Rollover-IRAs, and (iii) 403(b)(7) tax-deferred custodial plans for employees of qualified employers. Loans are permitted only from OppenheimerFunds 403(b)(7) custodial plan accounts holding Class A shares. The minimum initial investment for pension and profit-sharing plans is $250, and for IRAs also unless made under an Asset Builder Plan. For further details, including the administrative fees, the appropriate retirement plan should be requested from the Distributor. The Fund reserves the right to discontinue offering its shares to such plans at any time without prior notice.

Dividends, Distributions And Taxes

This discussion relates solely to Federal tax laws and is not exhaustive; a qualified tax adviser should be consulted. The Fund's dividends and distributions may also be subject to state and local taxation. See the Additional Statement for more information on tax aspects of the Fund's investments in Hedging Instruments and other tax matters.

Dividends and Distributions

The Fund intends to declare dividends separately for Class A and Class C shares from its net investment income, if any, on each regular business day, and to pay such dividends monthly on or about the last business day of the month (or such other day as the Fund's Board of Trustees may determine). Such dividends will be payable on shares held of record at the time of the previous determination of net asset value. However, daily dividends on newly purchased shares will not be declared or paid until such time as Federal Funds (funds credited to a member bank's account at the Federal Reserve Bank) are available from the purchase payment for such shares. Normally, purchase checks received from investors are converted to Federal Funds on the next business day. If all shares in an account are redeemed, all dividends accrued on shares in the account will be paid together with the redemption proceeds. Dividends will be declared on shares repurchased by a dealer or broker for four business days following the trade date (i.e., to and including the day prior to settlement of the repurchase).

In addition, distributions may be made annually in December out of any net short-term or long-term capital gains from the sale of securities, premiums from expired calls written by the Fund, and net profits from Hedging Instruments and closing purchase transactions realized in the twelve months ending October 31 of that year. Such distributions are taxable to shareholders as ordinary income and when paid are considered "dividends." Any long-term capital gains distribution will be identified separately when paid and when tax information is distributed by the Fund. The Fund may make a supplemental distribution of capital gains and ordinary income following the end of its fiscal year. If net capital losses are realized in any year, they are charged against principal and not against net investment income, which is distributed regardless of capital gains or losses. If prior distributions must be recharacterized at the end of the fiscal year as a result of the effect of the Fund's investment policies, shareholders may have a non-taxable return of capital which will be identified in notices to shareholders.

The amount of the Fund's distributions, if any, may vary from time to time, depending upon market conditions, the composition of the Fund's portfolio and expenses borne by the Fund or borne separately by that Class, as described under "Dual Class Methodology" in the Additional Statement. Dividends are calculated in the same manner, at the same time and on the same day for shares of each class. However, dividends on Class C shares are expected to be lower than on Class A shares on a pro rata basis as a result of the asset-backed sales charge on Class C shares, and such dividends will also differ in amount as a consequence of any difference in net asset value between Class A and Class C shares. There is no fixed dividend rate and there can be no assurance as to the payment of any dividends or the realization of any capital gains.

All dividends and capital gains distributions are automatically reinvested in Fund shares at net asset value, as of a date selected by the Board of Trustees, unless the shareholder asks the Transfer Agent in writing to pay dividends or capital gains distributions in cash, or to reinvest them in another Eligible Fund, as described in "Dividend Reinvestment in Another Fund" in the Additional Statement. That request must be received prior to the record date for a dividend to be effective as to that dividend. Dividends and distributions may be automatically transferred to a designated account at a financial institution under AccountLink. See "AccountLink" in "How to Buy Shares" and the OppenheimerFunds New Account Application for more details. Dividends, distributions and the proceeds of the redemption of Fund shares represented by checks returned to the Transfer Agent by the Postal Service as undeliverable will be invested in shares of Oppenheimer Money Market Fund, Inc., as promptly as possible after the return of such checks to the Transfer Agent, in order to enable the investor to earn a return on otherwise idle funds.

Tax Status of the Fund's Dividends and Distributions

Dividends paid by the Fund derived from net investment income or net short-term capital gains are taxable to shareholders as ordinary income, whether received in cash or reinvested. Long-term capital gains distributions, if any, are taxable as long-term capital gains whether received in cash or reinvested and regardless of how long Fund shares have been held. An investor purchasing Fund shares immediately prior to the declaration of a capital gains distribution will receive a distribution subject to income tax, and the distribution will have the effect of reducing the Fund's net asset value per share by the amount of the distribution. For information as to "backup" withholding on dividends, see "How To Redeem Shares."

Tax Status of the Fund

If the Fund qualifies as a "regulated investment company" under the Internal Revenue Code, it will not be liable for Federal income taxes on amounts paid by it as dividends and distributions. The Fund qualified during its last fiscal year, and intends to so qualify in the current and future fiscal years but reserves the right not to do so. However, the Code contains a number of complex tests relating to qualification which the Fund might not meet in any particular fiscal year. For example, if the Fund derives 30% or more of its gross income from the sale of securities held less than three months, the Fund may fail to qualify (see "Tax Aspects of Hedging Instruments and Covered Calls" in the Additional Statement for more information). If it did not so qualify, the Fund would be treated for tax purposes as an ordinary corporation and receive no tax deduction for payments made to shareholders.

Fund Performance Information

Yield and Total Return Information

From time to time the "standardized yield," "average annual total return," "total return", and "total return at net asset value" and "dividend yield" of an investment in each class of shares of the Fund may be advertised. Under SEC rules, the Fund's yield is computed in a standardized manner for mutual funds, by dividing the Fund's net investment income per share earned during a 30-day base period by the maximum offering price per share on the last day of the period. This yield calculation is compounded on a semi-annual basis, and multiplied by 2 to provide an annualized yield. A "dividend yield" or "distribution return" may also be quoted on each class of the Fund's shares. Dividend yield is based on the dividends of that class derived from net investment income during a stated period, and distribution return includes dividends from net investment income and from realized capital gains declared during a given period. Yields and returns are calculated separately and will differ for shares of each class, and the higher anticipated expenses of Class C shares should result in shares of that class having lower yields than Class A shares for the same period of time.

Total return is the change in value of a hypothetical investment in a class of shares of the Fund over a given period, assuming that all dividends and capital gains distributions are reinvested. The cumulative total return measures the change in value over the entire period (for example, ten years). An average annual total return shows the average rate of return for each year in a period that would produce the cumulative total return over the entire period. However, average annual total returns do not show the actual year-by-year performance of a class of shares. When total returns are quoted for Class A shares, they reflect the payment of the maximum initial sales charge. Total returns may be quoted at "net asset value," without considering the sales charge, and those returns would be reduced if sales charges were deducted. When total returns are shown for Class C shares, they reflect the effect of the contingent deferred sales charge that applies to the period for which the total return is shown, or else they may be shown based on the change in net asset value without considering the sales charge. All total returns are based on historical earnings and are not intended to predict future performance. The Additional Statement contains more information about the calculation of the performance data used by the Fund.

Management's Discussion of Performance. During the Fund's fiscal year ended September 30, 1993, the Manager emphasized investment in high yield securities perceived as undervalued and in industries sensitive to economic expansion. Major areas of investment for the Fund included the transportation, broadcasting and cable industries. A number of economic factors influenced the performance of the high yield securities markets during the Fund's fiscal year, including a low interest rate environment, which dramatically increased the supply of high yield issues.

Oppenheimer Champion High Yield Fund, Lehman Bros. Corporate Bond Index and Salomon Bros. High Yield Market Index
Comparison of Change in Value of $10,000 Hypothetical Investment

Average Annual Total Return of Class A Shares at 9/30/93

1 Year	5 Years	Life of Fund*
10.41%	13.24%	14.22%

*Since November 16, 1987.

[Chart comparing average annual total return of Class A shares of Oppenheimer Champion High Yield Fund to performance of the Lehman Bros. Corporate Bond and Solomon Bros. High Yield Market indices]

Past performance is not predictive of future performance.

The Lehman Brothers Corporate Bond Index is an unmanaged index of publicly-issued nonconvertible investment grade corporate debt of U.S. issuers, widely recognized as a measure of the U.S. fixed-rate corporate bond market. The Salomon Brothers High Yield Market Index is an unmanaged index of below-investment grade (but rated at least BB+/Ba1 by Standard & Poor's or Moody's) U.S. corporate debt obligations, widely recognized as a measure of the performance of the high-yield corporate bond market, the market in which the Fund principally invests. Each Index includes a factor for the reinvestment of interest but does not reflect expenses or taxes. The Fund's return reflects the deduction of the current maximum sales charge of 4.75% and includes reinvestment of all dividends and capital gains distributions, but does not consider taxes. The Fund's Class C shares were publicly sold commencing on or about December 1, 1993 and therefore no performance information for such shares is included herein.

Additional Information

Description of the Fund and its Shares

The Fund's Board of Trustees is empowered to issue full and fractional shares of one or more series and classes of series. Series have separate assets and liabilities. Classes of a series represent an interest in a particular series but, as explained in this Prospectus, each class has different dividends, distributions and expenses, and may have different net asset values. Shares of one series having two classes (Class A and Class C) have been authorized, which constitute the shares of beneficial interest described herein.

Shares of the Fund represent an interest in the Fund proportionately equal to the interest of each other share of the same class and entitle their holders to one vote per share (and a fractional vote for a fractional share) on matters submitted to their vote. Only shareholders of a particular class vote on matters affecting only that class. The Trustees may divide or combine the shares of a class into a greater or lesser number of shares without thereby changing the proportionate beneficial interest in the Fund. Shares do not have cumulative voting rights or preemptive or subscription rights. The Fund does not anticipate holding annual meetings. Under certain circumstances, shareholders of the Fund have the right to remove a Trustee. Although the Declaration of Trust states that when issued, shares are fully-paid and non-assessable, shareholders may be held personally liable as "partners" for the Fund's obligations; however, the risk of a shareholder incurring any financial loss is limited to the relatively remote circumstances in which the Fund is unable to meet its obligations. See "Additional Information" in the Additional Statement for details.

The Custodian and the Transfer Agent

The Custodian of the assets of the Fund is The Bank of New York. The Manager and its affiliates presently have banking relationships with the Custodian. See "Additional Information" in the Additional Statement for further information. The Fund's cash balances in excess of $100,000 held by the custodian are not protected by Federal deposit insurance. Such uninsured balances may at times be substantial.

Oppenheimer Shareholder Services, a division of the Manager, acts as the Fund's Transfer Agent and shareholder servicing agent on an at-cost basis for the Fund and certain other open-end funds managed by the Manager, and as transfer agent for unit investment trusts for the accumulation of shares of one of such funds. Shareholders should direct any inquiries to the Transfer Agent at the address or toll-free phone number shown on the back cover of this Prospectus.

APPENDIX A: BOND RATINGS

Description of Moody's Investors Service, Inc. Bond Ratings

Aaa: Bonds which are rated "Aaa" are judged to be the best quality and to carry the smallest degree of investment risk. Interest payments are protected by a large or by an exceptionally stable margin and principal is secure. While the various protective elements are likely to change, the changes that can be expected are most unlikely to impair the fundamentally strong position of such issues.

Aa: Bonds which are rated "Aa" are judged to be of high quality by all standards. Together with the "Aaa" group, they comprise what are generally known as "high-grade" bonds. They are rated lower than the best bonds because margins of protection may not be as large as with "Aaa" securities or fluctuation of protective elements may be of greater amplitude or there may be other elements present which make the long-term risks appear somewhat larger than those of "Aaa" securities.

A: Bonds which are rated "A" possess many favorable investment attributes and are to be considered as upper-medium grade obligations. Factors giving security to principal and interest are considered adequate but elements may be present which suggest a susceptibility to impairment sometime in the future.

The investments in which the Fund will principally invest will be in the lower-rated categories described below.

Baa: Bonds which are rated "Baa" are considered medium grade obligations, i.e., they are neither highly protected nor poorly secured. Interest payments and principal security appear adequate for the present but certain protective elements may be lacking or may be characteristically unreliable over any great length of time. Such bonds lack outstanding investment characteristics and have speculative characteristics as well.

Ba: Bonds which are rated "Ba" are judged to have speculative elements; their future cannot be considered well-assured. Often the protection of interest and principal payments may be very moderate and not well safeguarded during both good and bad times over the future. Uncertainty of position characterizes bonds in this class.

B: Bonds which are rated "B" generally lack characteristics of desirable investment. Assurance of interest and principal payments or of maintenance of other terms of the contract over any long period of time may be small.

Caa: Bonds which are rated "Caa" are of poor standing and may be in default or there may be present elements of danger with respect to principal or interest.

Ca: Bonds which are rated "Ca" represent obligations which are speculative in a high degree and are often in default or have other marked shortcomings.

C: Bonds which are rated "C" are the lowest rated class of bonds and can be regarded as having extremely poor prospects of ever attaining any real investment standing.

Description of Standard & Poor's Bond Ratings

AAA: "AAA" is the highest rating assigned to a debt obligation and indicates an extremely strong capacity to pay principal and interest.

AA: Bonds rated "AA" also qualify as high-quality debt obligations. Capacity to pay principal and interest is very strong, and in the majority of instances they differ from "AAA" issues only in small degree.

A: Bonds rated "A" have a strong capacity to pay principal and interest, although they are somewhat more susceptible to adverse effects of change in circumstances and economic conditions.

The investments in which the Fund will principally invest will be in the lower-rated categories, described below.

BBB: Bonds rated "BBB" are regarded as having an adequate capacity to pay principal and interest. Whereas they normally exhibit protection parameters, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity to pay principal and interest for bonds in this category than for bonds in the "A" category.

BB, B, CCC, CC: Bonds rated "BB," "B," "CCC" and "CC" are regarded, on balance, as predominantly speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligation. "BB" indicates the lowest degree of speculation and "CC" the highest degree. While such bonds will likely have some quality and protective characteristics, these are outweighed by large uncertainties or major risk exposures to adverse conditions.

C: Bonds on which no interest is being paid are rated "C".

D: Bonds rated "D" are in payment default and payment of interest and/or repayment of principal is in arrears.

APPENDIX TO PROSPECTUS OF
OPPENHEIMER CHAMPION HIGH YIELD FUND

Graphic material included in Prospectus of Oppenheimer Champion High Yield Fund: "Comparison of Total Return of Oppenheimer Champion High Yield Fund, the Lehman Bros. Corp. Bond Index and the Salomon Bros. High Yield Market Index - Change in Value of a $10,000 Hypothetical Investment"

A linear graph will be included in the Prospectus of Oppenheimer Champion High Yield Fund (the "Fund") depicting the initial account value and subsequent account value of a hypothetical $10,000 investment in the Fund since November 16, 1987 to the end of each of the Fund's most recently completed six fiscal years and comparing such values with the same investments over the same time periods in the Lehman Bros. Corp. Bond Index and the Salomon Bros. High Yield Market Index. Set forth below are the relevant data points that will appear on the linear graph. Additional information with respect to the foregoing, including descriptions of the Lehman Bros. Corp. Bond Index and the Salomon Bros. High Yield Market Index, is set forth in the Prospectus under "Fund Performance Information - - Management's Discussion of Performance."

Fiscal Year (Period) Ended	Oppenheimer Champion High Yield Fund	Lehman Bros. Corp. Bond S&P 500 Index	Salomon Bros. High Yield Market Index
11/16/87	$ 9,525	$10,000	$10,000
09/30/88*	11,096	11,014	11,105
09/30/89	12,252	12,313	11,639
09/30/90	12,428	13,075	10,106
09/30/91	15,594	15,301	13,944
09/30/92	18,713	17,474	17,229
09/30/93	21,838	19,665	20,256

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*For the period from November 16, 1987 (commencement of operations) to September 30, 1988.

Investment Adviser
Oppenheimer Management Corporation
Two World Trade Center
New York, New York 10048-0203

Distributor
Oppenheimer Funds Distributor, Inc.
Two World Trade Center
New York, New York 10048-0203

Transfer and Shareholder Servicing Agent
Oppenheimer Shareholder Services
P.O. Box 5270
Denver, Colorado 80217
1-800-525-7048

Custodian of Portfolio Securities
The Bank of New York
One Wall Street
New York, NY 10015

Independent Auditors
Deloitte & Touche
1560 Broadway
Denver, Colorado 80202

Legal Counsel
Myer, Swanson & Adams, P.C.
1600 Broadway
Denver, Colorado 80202

Advisors Portfolio

OPPENHEIMER

Champion High Yield Fund

Prospectus and
New Account Application
Effective February 1, 1994

No dealer, salesperson or any other person has been authorized to give any information or to make any representations other than those contained in this Prospectus or the Additional Statement, and if given or made, such information and representations must not be relied upon as having been authorized by the Fund, Oppenheimer Management Corporation, Oppenheimer Funds Distributor, Inc. or any affiliate thereof. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby in any state to any person to whom it is unlawful to make such offer in such state.

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STATEMENT OF ADDITIONAL INFORMATION

OPPENHEIMER CHAMPION HIGH YIELD FUND

3410 South Galena Street, Denver, Colorado 80231
1-800-525-7048

This Statement of Additional Information (the "Additional Statement") is not a Prospectus. This Additional Statement should be read together with the Prospectus dated February 1, 1994 (the "Prospectus") of Oppenheimer Champion High Yield Fund (the "Fund"), which may be obtained by written request to Oppenheimer Shareholder Services (the "Transfer Agent"), P.O. Box 5270, Denver, Colorado 80217 or by calling the Transfer Agent at the toll-free number shown above.

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This Additional Statement is effective February 1, 1994.

INVESTMENT OBJECTIVE AND POLICIES

The investment objective and policies of the Fund are described in the Prospectus. Set forth below is supplemental information about these policies. Certain capitalized terms used in this Additional Statement are defined in the Prospectus.

The Fund seeks to attain its primary objective of a high level of current income by investing mainly in a diversified portfolio of high yield fixed-income securities. As a secondary objective, the Fund seeks capital growth when consistent with its primary objective. High yield bonds generally offer a higher yield to maturity than bonds with higher ratings as compensation for holding an obligation perceived to be of greater risk. The high yield opportunity has been the result of wide yield spreads between high yield obligations and high grade obligations, with actual losses resulting from default remaining low relative to the values of outstanding high yield bonds. In addition to offering higher absolute returns, high yield securities have greater potential than high-grade bonds for better relative performance if their credit quality improves.

The Fund's investment manager, Oppenheimer Management Corporation (the "Manager"), evaluates the investment merits of fixed-income securities primarily through the exercise of its own investment analysis. This may include consideration of the financial strength of the issuer, including its historic and current financial condition, the trading activity in its securities, present and anticipated cash flow, estimated current value of assets in relation to historical cost, the issuer's experience and managerial expertise, responsiveness to changes in interest rates and business conditions, debt maturity schedules, current and future borrowing requirements, and any change in the financial condition of the issuer and its continuing ability to meet its future obligations. The Manager also may consider anticipated changes in business conditions, levels of interest rates of bonds as contrasted with levels of cash dividends, industry and regional prospects, the availability of new investment opportunities, and the general economic, legislative and monetary outlook for specific industries, the nation and the world.

All fixed-income securities are subject to two types of risks: credit risk and interest rate risk. Credit risk relates to the ability of the issuer to meet interest or principal payments or both as they become due. Generally, higher yielding bonds are subject to credit risk to a greater extent than higher quality bonds. Interest rate risk refers to the fluctuations in value of fixed-income securities resulting solely from the inverse relationship between price and yield of fixed-income securities. An increase in interest rates will tend to reduce the market value of outstanding fixed-income investments, and a decline in interest rates will tend to increase their value. In addition, debt securities with longer maturities, which tend to produce higher yields, are subject to potentially greater capital appreciation and depreciation from interest rate changes than obligations with shorter maturities.

Fluctuations in the market value of fixed-income securities subsequent to their acquisition will not affect cash income from such securities but will be reflected in the Fund's net asset value. The investments in which the Fund will principally invest will be in the lower rating categories. The Fund may invest in securities rated as low as "C" by Moody's or "D" by Standard & Poor's. The Manager will not rely solely on the ratings assigned by rating services and may invest, without limit, in unrated securities which offer, in the opinion of the Manager, yields and risks comparable to those of rated securities in which the Fund may invest.

Warrants and Rights. The Fund may, to the limited extent described in the Prospectus, invest in warrants and rights. Warrants are options to purchase equity securities at specific prices valid for a specific period of time. Their prices do not necessarily move parallel to the prices of the underlying securities. The amount paid for a warrant will be lost unless the warrant is exercised prior to expiration. Rights are similar to warrants but normally have a short duration and are distributed by issuers to their shareholders. Warrants and rights have no voting rights, receive no dividends and have no rights with respect to the assets of the issuer.

Foreign Securities. Investments by the Fund in foreign securities offer potential benefits not available from investing solely in securities of domestic issuers, including the opportunity to invest in the securities of foreign issuers that appear to offer growth potential, or to invest in foreign countries with economic policies or business cycles different from those of the U.S., or foreign stock markets that do not move in a manner parallel to U.S. markets, thereby reducing fluctuations in portfolio value.

Investing in foreign securities involves special additional risks and considerations not typically associated with investing in securities of issuers traded in the U.S. These include: reduction of income by foreign taxes; fluctuation in value of foreign portfolio investments due to changes in currency rates and control regulations (e.g. currency blockage); transaction charges for currency exchange; lack of public information about foreign issuers; lack of uniform accounting, auditing and financial reporting standards comparable to those applicable to domestic issuers; less volume on foreign exchanges than on U.S. exchanges; greater volatility and less liquidity in foreign markets than in the U.S.; less regulation of foreign issuers, stock exchanges and brokers than in the U.S.; greater difficulties in commencing lawsuits against foreign issuers; higher brokerage commission rates than in the U.S.; increased risks of delays in settlement of portfolio transactions; possibilities in some countries of expropriation or nationalization of assets, confiscatory taxation, political, financial or social instability or adverse diplomatic developments; and differences between the U.S. economy and foreign economies. In the past, U.S. Government policies have discouraged certain investments abroad by U.S. investors, through taxation or other restrictions, and it is possible that such restrictions could be re-imposed.

Asset-Backed Securities. The value of an asset-backed security is affected by changes in the market's perception of the creditworthiness of the servicing agent for the loan pool, the originator of the loans, or the financial institution providing any credit enhancement, and is also affected if a credit enhancement is exhausted. The risks of investing in asset-backed securities derive from the dependency upon payment of the underlying consumer loans by the individual borrowers, and the Fund would generally have no recourse to the entity that originated the loans in the event of default by a borrower. The underlying loans are subject to prepayments which shorten the weighted average life of asset-backed securities and may lower their return, in the same manner as described below for prepayments of a pool of mortgage loans underlying mortgage-backed securities.

Mortgage-Backed Securities. These securities represent participation interests in pools of residential mortgage loans which may or may not be guaranteed by agencies or instrumentalities of the U.S. Government. Such securities differ from conventional debt securities which provide for periodic payment of interest in fixed amounts (usually semi-annually) with principal payments at maturity or specified call dates. The mortgage-backed securities in which the Fund may invest may be backed by the full faith and credit of the U.S. Treasury (e.g. direct pass-through certificates of the Government National Mortgage Association); some are supported by the right of the issuer to borrow from the U.S. Government (e.g., obligations of Federal Home Loan Bank); and some are backed by only the credit of the issuer itself. Any such guarantees do not extend to the value of or yield of the mortgage-backed securities themselves or to the net asset value of the Fund's shares.

The yield of a mortgage-backed security is based on the average expected life of the underlying pool of mortgage loans. The actual life of any particular pool will be shortened by any unscheduled or early payments of principal and interest. Principal prepayments generally result from the sale of the underlying property or the refinancing or foreclosure of underlying mortgages. The occurrence of prepayments is influenced by a wide range of economic, demographic and social factors and, accordingly, it is not possible to predict accurately the average life of a particular pool. Yield on such pools is usually computed by using the historical record of prepayments for that pool, or, in the case of newly-issued mortgages, the prepayment history of similar pools. The actual prepayment experience of a pool of mortgage loans may cause the yield realized by the Fund on the security backed by the pool to differ from the yield calculated on the basis of the expected average life of the pool.

Prepayments tend to increase during periods of falling interest rates, while during periods of rising interest rates, prepayments will most likely decline. When prevailing interest rates rise, the value of a pass-through security may decrease as do the values of other debt securities, but, when prevailing interest rates decline, the value of a pass-through security is not likely to rise on a basis comparable to the rise in value of other debt securities because of the prepayment feature of pass-through securities. The Fund's reinvestment of scheduled principal payments and unscheduled prepayments it receives may occur at a time of higher or lower prevailing rates than the original investment, thus affecting the yield of the Fund. Monthly interest payments received by the Fund have a compounding effect which may increase the yield to shareholders more than debt obligations that pay interest semi-annually. Because of those factors, mortgage-backed securities may be less effective than Treasury bonds of similar maturity at maintaining yields during periods of declining interest rates. The Fund may purchase mortgage-backed securities at a premium or at a discount. Accelerated prepayments adversely affect yields for pass-through securities purchased at a premium (i.e., at a price in excess of principal amount) and may involve additional risk of loss of principal because the premium may not have been fully amortized at the time the obligation is repaid. The opposite is true for pass-through securities purchased at a discount.

The Fund may invest in "stripped" mortgage backed securities, in which the principal and interest portions of the security are separated and sold. Stripped mortgage-backed securities usually have at least two classes each of which receives different proportions of interest and principal distributions on the underlying pool of mortgage assets. One common variety of stripped mortgage-backed security has one class that receives some of the interest and most of the principal, while the other class receives most of the interest and remainder of the principal. In some cases, one class will receive all of the interest (the "interest-only" or "IO" class), while the other class will receive all of the principal (the "principal-only" or "PO" class). Interest only securities are extremely sensitive to interest rate changes, and prepayments of principal on the underlying mortgage assets. An increase in principal payments or prepayments will reduce the income available to the IO security. In other types of CMOs, the underlying principal payments may apply to various classes in a particular order, and therefore the value of certain classes or "tranches" of such securities may be more volatile than the value of the pool as a whole, and losses may be more severe than on other classes.

GNMA Certificates. Certificates of the Government National Mortgage Association ("GNMA Certificates") are mortgage-backed securities which evidence an undivided interest in a pool or pools of mortgages. The GNMA Certificates that the Fund may purchase are of the "modified pass-through" type, which entitle the holder to receive timely payment of all interest and principal payments due on the mortgage pool, net of fees paid to the "issuer" and GNMA, regardless of whether the mortgagor actually makes the payments.

The National Housing Act authorizes GNMA to guarantee the timely payment of principal and interest on securities backed by a pool of mortgages insured by the Federal Housing Administration ("FHA") or guaranteed by the Veterans Administration ("VA"). The GNMA guarantee is backed by the full faith and credit of the U.S. Government. GNMA is also empowered to borrow without limitation from the U.S. Treasury if necessary to make any payments required under its guarantee.

The average life of a GNMA Certificate is likely to be substantially shorter than the original maturity of the mortgages underlying the securities. Prepayments of principal by mortgagors and mortgage foreclosures will usually result in the return of the greater part of principal investment long before the maturity of the mortgages in the pool. Foreclosures impose no risk to principal investment because of the GNMA guarantee, except to the extent that the Fund has purchased the certificates at a premium in the secondary market.

FNMA Securities. The Federal National Mortgage Association ("FNMA") was established to create a secondary market in mortgages insured by the FHA. FNMA issues guaranteed mortgage pass-through certificates ("FNMA Certificates"). FNMA Certificates resemble GNMA Certificates in that each FNMA Certificate represents a pro rata share of all interest and principal payments made and owed on the underlying pool. FNMA guarantees timely payment of interest and principal on FNMA Certificates. The FNMA guarantee is not backed by the full faith and credit of the U.S. Government.

FHLMC Securities. The Federal Home Loan Mortgage Corporation ("FHLMC") was created to promote development of a nationwide secondary market for conventional residential mortgages. FHLMC issues two types of mortgage pass-through securities ("FHLMC Certificates"): mortgage participation certificates ("PCs") and guaranteed mortgage certificates ("GMCs"). PCs resemble GNMA Certificates in that each represents a pro rata share of all interest and principal payments made and owed on the underlying pool. FHMLC guarantees timely monthly payment of interest on PCs and the ultimate payment of principal. GMCs also represent a pro rata interest in a pool of mortgages. However, these instruments pay interest semi-annually and return principal once a year in guaranteed minimum payments. The expected average life of these securities is approximately ten years. The FHLMC guarantee is not backed by the full faith and credit of the U.S. Government.

Loans of Portfolio Securities. The Fund may lend its portfolio securities subject to the restrictions stated in the Prospectus. Under applicable regulatory requirements (which are subject to change), the loan collateral must, on each business day, at least equal the market value of the loaned securities and must consist of cash, bank standby letters of credit, U.S. Government securities, or other cash equivalents in which the Fund is permitted to invest. To be acceptable as collateral, letters of credit must obligate a bank to pay amounts demanded by the Fund if the demand meets the terms of the letter. Such terms and the issuing bank must be satisfactory to the Fund. In a portfolio securities lending transaction, the Fund receives from the borrower an amount equal to the interest paid or the dividends declared on the loaned securities during the term of the loan as well as the interest on the collateral securities, less any finders' or administrative fees the Fund pays in arranging the loan. The Fund may share the interest it receives on the collateral securities with the borrower as long as it realizes at least a minimum amount of interest required by the lending guidelines established by its Board of Trustees. The Fund will not lend its portfolio securities to any officer, Trustee, employee or affiliate of the Fund or its Manager. The terms of the Fund's loans must meet applicable tests under the Internal Revenue Code and permit the Fund to reacquire loaned securities on five business days' notice or in time to vote on any important matter.

Repurchase Agreements. In a repurchase transaction, the Fund acquires a security from, and simultaneously resells it to, an approved vendor (a U.S. commercial bank or the U.S. branch of a foreign bank having total domestic assets of at least $1 billion or a broker-dealer with a net worth of at least $50 million and which has been designated a primary dealer in government securities) for delivery on an agreed-on future date. The resale price exceeds the purchase price by an amount that reflects an agreed-upon interest rate effective for the period during which the repurchase agreement is in effect. The majority of these transactions run from day to day, and delivery pursuant to the resale typically will occur within one to five days of the purchase. Repurchase agreements are considered "loans" under the Investment Company Act, collateralized by the underlying security. The Fund's repurchase agreements require that at all times while the repurchase agreement is in effect, the collateral's value must equal or exceed the repurchase price to fully collateralize the loan. Additionally, the Manager will impose creditworthiness requirements to confirm that the vendor is financially sound and will continuously monitor the collateral's value.

Restricted and Illiquid Securities. The expenses of registering restricted securities (excluding securities that may be resold by the Fund pursuant to Rule 144A, as explained in the Prospectus) may be negotiated at the time such securities are purchased by the Fund. When registration is required before the securities may be resold, a considerable period may elapse between the decision to sell the securities and the time when the Fund would be permitted to sell them. Thus, the Fund may not be able to obtain as favorable a price as that prevailing at the time of the decision to sell. The Fund may also acquire securities through private placements. Such securities may have contractual restrictions on their resale, which might prevent their resale by the Fund at a time when such resale would be desirable.

Participation Interests. The Fund may invest in participation interests, subject to the limitation on its net assets that may be invested in illiquid investments. Participation interests provide the Fund an undivided interest in a loan made by the issuing bank in the proportion that the Fund's participation interest bears to the total principal amount of the loan. No more than 5% of the Fund's net assets can be invested in participation interests of the same issuing bank. The Fund must look to the creditworthiness of the borrowing corporation, which is obligated to make payments of principal and interest on the loan. In the event the borrower fails to pay scheduled interest or principal payments, the Fund would experience a reduction in its income and might experience a decline in the net asset value of its shares. In the event of a failure by the bank to perform its obligations in connection with the participation agreement, the Fund might incur certain costs and delays in realizing payment or may suffer a loss of principal and/or interest.

Brady Bonds. The Fund may invest in U.S. dollar-denominated, collateralized Brady Bonds, as described in the Prospectus. These debt obligations of foreign entities may be fixed-rate par bonds or floating rate discount bonds and are generally collateralized in full as to principal due at maturity by U. S. Treasury zero coupon obligations which have the same maturity as the Brady Bonds. Brady Bonds are often viewed as having three or four valuation components: (i) the collateralized repayment of principal at final maturity; (ii) the collateralized interest payments; (iii) the uncollateralized interest payments; and (iv) any uncollateralized repayment of principal at maturity (these uncollateralized amounts constitute the "residual risk"). In the event of a default with respect to collateralized Brady Bonds as a result of which the payment obligations of the issuer are accelerated, the zero coupon Treasury securities held as collateral for the payment of principal will not be distributed to investors nor will such obligations be sold and the proceeds distributed. The collateral will be held by the collateral agent to the scheduled maturity of the defaulted Brady Bonds, which will continue to be outstanding, at which time the face amount of the collateral will equal the principal payments which would have then been due on the Brady Bonds in the normal course. In addition, in light of the residual risk of Brady Bonds and, among other factors, the history of defaults with respect to commercial bank loans by public and private entities of countries issuing Brady Bonds, investments in Brady Bonds are to be viewed as speculative.

Hedging Instruments. The Fund may employ one or more types of Hedging Instruments, as defined in, and subject to the restrictions stated in, the Prospectus. When hedging to attempt to protect against declines in the market value of the Fund's portfolio, to permit the Fund to retain unrealized gains in the value of portfolio securities which have appreciated, or to facilitate selling securities for investment reasons, the Fund may: (i) sell Interest Rate Futures, (ii) buy puts on such Futures or on debt securities, or (iii) write covered calls on debt securities or on Interest Rate Futures. When hedging to permit the Fund to establish a position in the debt securities market as a temporary substitute for purchasing particular debt securities (which the Fund will normally purchase, and then terminate that hedging position), the Fund may: (i) buy Interest Rate Futures, or (ii) buy calls on such Futures or on debt securities. When hedging to protect against declines in the dollar value of a foreign currency-denominated security, the Fund may: (a) purchase puts on that foreign currency and on foreign currency Futures, (b) write calls on that currency or on such Futures or (c) enter into Forward Contracts at a lower rate than the spot ("cash") rate.

When the Fund writes an over-the-counter ("OTC") option, it will enter into an arrangement with a primary U.S. Government securities dealer, which would establish a formula price at which the Fund would have the absolute right to repurchase that OTC option. This formula price would generally be based on a multiple of the premium received for the option, plus the amount by which the option is "in-the-money," that is, exercisable below (for a put) or above (for a call) the market price of the underlying security. For any OTC option the Fund writes, it will treat as illiquid (for purposes of the limit on its assets that may be invested in illiquid securities) the amount of assets used to cover OTC options it has written, equal to the formula price for the repurchase of the OTC option less the amount by which the OTC option is "in-the-money." The Fund will also treat as illiquid any OTC option held by it. The Securities and Exchange Commission is evaluating whether OTC options should be considered liquid securities, and the procedure described above could be affected by the outcome of that evaluation. Additional information about the Hedging Instruments the Fund may use is provided below.

Interest Rate Futures and Forward Contracts. The Fund may buy and sell futures contracts relating to debt securities ("Interest Rate Futures") and foreign currency exchange contracts ("Forward Contracts"). Interest Rate Futures obligate one party to deliver and the other to take a specific debt security at a specified price on a specified date. No money is paid or received upon the purchase or sale of an Interest Rate Future. Upon entering into a futures transaction, the Fund will be required to deposit an initial margin payment in cash or U.S. Treasury bills with the futures commission merchant (the "futures broker"). The initial margin will be deposited with the Fund's Custodian in an account registered in the futures broker's name; however, the futures broker can gain access to that account only under specified conditions. As the Future is marked to market to reflect changes in its market value, subsequent margin payments, called variation margin, will be paid to or by the futures broker on a daily basis. Prior to expiration of the Future, if the Fund elects to close out its position by taking an opposite position, a final determination of variation margin is made, additional cash is required to be paid by or released to the Fund, and any loss or gain is realized. Although Interest Rate Futures, by their terms, call for settlement by delivery or acquisition of debt securities, in most cases the obligation is fulfilled by entering into an offsetting position. All futures transactions are effected through a clearinghouse associated with the exchange on which the contracts are traded.

A Forward Contract involves bilateral obligations of one party to purchase, and another party to sell, a specific currency at a future date (which may be any fixed number of days from the date of the contract agreed upon by the parties), at a price set at the time the contract is entered into. These contracts are traded in the interbank market conducted directly between currency traders (usually large commercial banks) and their customers. The Fund may use Forward Contracts to protect against uncertainty in the level of future exchange rates. The use of Forward Contracts does not eliminate fluctuations in the prices of the underlying securities the Fund owns or intends to acquire, but it does fix a rate of exchange in advance. In addition, although Forward Contracts limit the risk of loss due to a decline in the value of the hedged currencies, at the same time they limit any potential gain that might result should the value of the currencies increase. The Fund will not speculate with Forward Contracts or foreign currency exchange rates.

The Fund may enter into Forward Contracts with respect to specific transactions. For example, when the Fund enters into a contract for the purchase or sale of a security denominated in a foreign currency, or when the Fund anticipates receipt of dividend payments in a foreign currency, the Fund may desire to "lock-in" the U.S. dollar price of the security or the U.S. dollar equivalent of such payment by entering into a Forward Contract, for a fixed amount of U.S. dollars per unit of foreign currency, for the purchase or sale of the amount of foreign currency involved in the underlying transaction ("transaction hedge"). The Fund will thereby be able to protect itself against a possible loss resulting from an adverse change in the relationship between the currency exchange rates on the date on which the security is purchased or sold, or on which the payment is declared, and the date on which such payments are made or received.

The Fund may also use Forward Contracts to lock in the U.S. dollar value of portfolio positions ("position hedge"). In a position hedge, for example, when the Fund believes that foreign currency may suffer a substantial decline against the U.S. dollar, it may enter into a forward sale contract to sell an amount of that foreign currency approximating the value of some or all of the Fund's portfolio securities denominated in such foreign currency, or when the Fund believes that the U.S. dollar may suffer a substantial decline against a foreign currency, it may enter into a forward purchase contract to buy that foreign currency for a fixed dollar amount. In this situation the Fund may, in the alternative, enter into a forward contract to sell a different foreign currency for a fixed U.S. dollar amount where the Fund believes that the U.S. dollar value of the currency to be sold pursuant to the forward contract will fall whenever there is a decline in the U.S. dollar value of the currency in which portfolio securities of the Fund are denominated ("cross-hedge").

The Fund's Custodian will place cash or U.S. Government securities or other liquid high-quality debt securities in a separate account of the Fund having a value equal to the aggregate amount of the Fund's commitments under forward contracts entered into with respect to position hedges and cross-hedges. That cash will not be otherwise available to the Fund for investing while it is segregated. If the value of the securities placed in the separate account declines, additional cash or securities will be placed in the account on a daily basis so that the value of the account will equal the amount of the Fund's commitments with respect to such contracts. As an alternative to maintaining all or part of the separate account, the Fund may purchase a call option permitting the Fund to purchase the amount of foreign currency being hedged by a forward sale contract at a price no higher than the forward contract price or the Fund may purchase a put option permitting the Fund to sell the amount of foreign currency subject to a forward purchase contract at a price as high or higher than the forward contract price. Unanticipated changes in currency prices may result in poorer overall performance for the Fund than if it had not entered into such contracts.

The precise matching of the Forward Contract amounts and the value of the securities involved will not generally be possible because the future value of such securities in foreign currencies will change as a consequence of market movements in the value of these securities between the date the Forward Contract is entered into and the date it is sold. Accordingly, it may be necessary for the Fund to purchase additional foreign currency on the spot (i.e., cash) market (and bear the expense of such purchase), if the market value of the security is less than the amount of foreign currency the Fund is obligated to deliver and if a decision is made to sell the security and make delivery of the foreign currency. Conversely, it may be necessary to sell on the spot market some of the foreign currency received upon the sale of the portfolio security if its market value exceeds the amount of foreign currency the Fund is obligated to deliver. The projection of short-term currency market movements is extremely difficult, and the successful execution of a short-term hedging strategy is highly uncertain. Forward Contracts involve the risk that anticipated currency movements will not be accurately predicted, causing the Fund to sustain losses on these contracts and transactions costs. The Fund may enter into Forward Contracts or maintain a net exposure on such contracts only if: (1) the consummation of the contracts would not obligate the Fund to deliver an amount of foreign currency in excess of the value of the Fund's portfolio securities or other assets denominated in that currency, or (2) the Fund maintains cash, U.S. Government securities or liquid high-grade debt securities in a segregated account in an amount not less than the value of the Fund's total assets committed to the consummation of the contract.

At or before the maturity of a Forward Contract requiring the Fund to sell a currency, the Fund may either sell a portfolio security and use the sale proceeds to make delivery of the currency or retain the security and offset its contractual obligation to deliver the currency by purchasing a second contract pursuant to which the Fund will obtain, on the same maturity date, the same amount of the currency that it is obligated to deliver. Similarly, the Fund may close out a Forward Contract requiring it to purchase a specified currency by entering into a second contract entitling it to sell the same amount of the same currency on the maturity date of the first contract. The Fund would realize a gain or loss as a result of entering into such an offsetting Forward Contract under either circumstance to the extent the exchange rate or rates between the currencies involved moved between the execution dates of the first contract and offsetting contract.

The cost to the Fund of engaging in Forward Contracts varies with factors such as the currencies involved, the length of the contract period and the market conditions then prevailing. Because Forward Contracts are usually entered into on a principal basis, no fees or commissions are involved. Because such contracts are not traded on an exchange, the Fund must evaluate the credit and performance risk of each particular counterparty under a Forward Contract.

Although the Fund values its assets daily in terms of U.S. dollars, it does not intend to convert its holdings of foreign currencies into U.S. dollars on a daily basis. The Fund may convert foreign currency from time to time, and there are costs of such currency conversion. Foreign exchange dealers do not charge a fee for conversion, but they do seek to realize a profit based on the difference between the prices at which they buy and sell various currencies. Thus, a dealer may offer to sell a foreign currency to the Fund at one rate, while offering a lesser rate of exchange should the Fund desire to resell that currency to the dealer.

Writing and Purchasing Calls. An additional reason for writing options on a securities portfolio is to attempt to realize, through the receipt of premiums, a greater return than would be realized on the securities alone. When the Fund writes a call, it agrees, in return for the premium, to sell the security underlying the call to a purchaser of a corresponding call on the same security during the call period (usually not more than 9 months) at a fixed exercise price (which may differ from the market price of the underlying security), regardless of market price changes during the call period. The Fund retains the risk of loss should the price of the underlying security decline during the call period, which loss may be offset to some extent by the premium received by the Fund.

The Fund may write and purchase calls on foreign currencies. A call written on a foreign currency by the Fund is "covered" if the Fund owns the underlying foreign currency covered by the call or has an absolute and immediate right to acquire that foreign currency without additional cash consideration (or for additional cash consideration held in a segregated account by its custodian) upon conversion or exchange of other foreign currency held in its portfolio. A call written by the Fund on a foreign currency is for cross-hedging purposes if it is not covered, but is designed to provide a hedge against a decline in the U.S. dollar value of a security which the Fund owns or has the right to acquire and which is denominated in the currency underlying the option due to an adverse change in the exchange rate. In such circumstances, the Fund collateralizes the option by maintaining in a

segregated account with the Fund's custodian, cash or Government Securities in an amount not less than the value of the underlying foreign currency in U.S. dollars marked-to-market daily.

To terminate its obligation on a call it has written, the Fund may purchase a corresponding call in a "closing purchase transaction." A profit or loss will be realized, depending upon whether the net of the option transaction costs and the premium received on the call written is more or less than the price of the call subsequently purchased. A profit may also be realized if the call expires unexercised, because the Fund retains the underlying security and the premium received. Any such profits are considered short-term capital gains for Federal income tax purposes, and when distributed by the Fund are taxable as ordinary income. If the Fund could not effect a closing purchase transaction due to lack of a market, it would have to hold the callable securities until the call expired or was exercised.

When the Fund buys a call (other than in a closing purchase transaction), it pays a premium and, except as to calls on Interest Rate Futures, has the right to buy the underlying investment from a seller of a corresponding call on the same investment during the call period at a fixed exercise price. The Fund benefits only if the call is sold at a profit or if, during the call period, the market price of the underlying investment is above the sum of the call price plus the transaction costs and the premium paid for the call and the call is exercised. If the call is not exercised or sold (whether or not at a profit), it will become worthless at its expiration date and the Fund will lose its premium payment and the right to purchase the underlying investment.

Calls on Interest Rate Futures are similar to calls on debt securities or futures contracts except that all settlements are in cash (rather than by the Fund's delivery of the underlying investment) and gain or loss depends on changes in the index in question (and thus on price movements in the debt securities market generally) rather than on price movements in individual securities or futures contracts. The Fund may also write calls on Futures without owning a futures contract or a deliverable bond, provided that at the time the call is written, the Fund covers the call by segregating in escrow an equivalent dollar amount of liquid assets. The Fund will segregate additional liquid assets if the value of the escrowed assets drops below 100% of the current value of the Future. In no circumstances would an exercise notice require the Fund to deliver a futures contract; it would simply put the Fund in a short futures position, which is permitted by the Fund's hedging policies. When the Fund buys a call on an Interest Rate Future it pays a premium. During the call period, upon exercise of a call by the Fund, a seller of a corresponding call on the same investment will pay the Fund an amount of cash to settle the call if the closing level of the index or Future upon which the call is based is greater than the exercise price of the call. That cash payment is equal to the difference between the closing price of the call and the exercise price of the call times a specified multiple (the "multiplier") which determines the total dollar value for each point of difference.

Writing and Purchasing Puts. A put option gives the purchaser the right to sell, and the writer the obligation to buy, the underlying investment at the exercise price during the option period. As noted above under "Writing and Purchasing Calls," an additional reason for writing options on a securities portfolio is to attempt to realize, through the receipt of premiums, a greater return than would be realized on the securities alone. Writing a put, covered by segregated liquid assets equal to the exercise price of the put, has the same economic effect to the Fund as writing a covered call.

The premium the Fund receives from writing a put option represents a profit, as long as the price of the underlying investment remains above the exercise price. However, the Fund has also assumed the obligation during the option period to buy the underlying investment from the buyer of the put at the exercise price, even though the value of the investment may fall below the exercise price. If the put expires unexercised, the Fund (as the writer of the put) realizes a gain in the amount of the premium. If the put option is exercised, the Fund must fulfill its obligation to purchase the underlying investment at the exercise price, which will usually exceed the then market value of the underlying investment at that time. In that case, the Fund may incur a loss, equal to the sum of the sale price of the underlying investment and the premium received minus the sum of the exercise price and any transaction costs incurred.

When writing put options on securities, to secure its obligation to pay for the underlying security, the Fund will deposit in escrow with its Custodian liquid assets with a value equal to or greater than the exercise price of the underlying securities. The Fund therefore forgoes the opportunity of investing the segregated assets or writing calls against those assets. As long as the obligation of the Fund as the put writer continues, it may be assigned an exercise notice by the exchange or broker-dealer through whom such option was sold, requiring the Fund to take delivery of the underlying security against payment of the exercise price. The Fund has no control over when it may be required to purchase the underlying security, since it may be assigned an exercise notice at any time prior to the termination of its obligation as the writer of the put. This obligation terminates upon expiration of the put, or such earlier time at which the Fund effects a closing purchase transaction by purchasing a put of the same series as that previously sold. Once the Fund has been assigned an exercise notice, it is thereafter not allowed to effect a closing purchase transaction.

The Fund may effect a closing purchase transaction to realize a profit on an outstanding put option it has written or to prevent an underlying security from being put. Furthermore, effecting such a closing purchase transaction will permit the Fund to write another put option to the extent that the exercise price thereof is secured by the deposited assets, or to utilize the proceeds from the sale of such assets for other investments by the Fund. The Fund will realize a profit or loss from a closing purchase transaction if the cost of the transaction is less or more than the premium received from writing the option. As with writing covered calls, any and all such profits described herein from writing puts are considered short-term gains for Federal tax purposes, and when distributed to the shareholders of the Fund, are taxable as ordinary income.

When the Fund buys a put, it pays a premium and has the right to sell the underlying investment to a seller of a put on a corresponding investment during the put period at a fixed exercise price. Buying a put on an investment the Fund owns enables the Fund to attempt to protect itself during the put period against a decline in the value of the underlying investment below the exercise price by selling the underlying investment at the exercise price to a seller of a corresponding put. If the market price of the underlying investment is above the exercise price and, as a result, the put is not exercised or resold, the put will become worthless at its expiration date and the Fund will lose its premium payment and the right to sell the underlying investment; the put may, however, be sold prior to expiration (whether or not at a profit).

Puts on Interest Rate Futures are similar to puts on debt securities or futures contracts except that all settlements are in cash (rather than by the Fund's delivery of the underlying investment) and gain or loss depends on changes in the index in question (and thus on price movements in the debt securities market generally) rather than on price movements in individual securities or futures contracts. Purchasing a put on either Futures or on securities it does not own permits the Fund either to resell the put or, if applicable, to buy the underlying investment and sell it at the exercise price. The resale price of the put will vary inversely with the price of the underlying investment. If the market price of the underlying investment is above the exercise price, and, as a result, the put is not exercised, the put will become worthless on its expiration date. In the event of a decline in price of the underlying investment, the Fund could exercise or sell the put at a profit to attempt to offset some or all of its loss on its portfolio securities. When the Fund purchases a put on a Future or security not held by it, the put protects the Fund to the extent that the prices of the underlying Future or securities move in a similar pattern to the prices of the securities in the Fund's portfolio.

Interest Rate Swap Transactions. Swap agreements entail both interest rate risk and credit risk. The interest rate risk of a swap is that the Fund will incur a net payment obligation as a result of movements in interest rates. Credit risk arises from the possibility that the counterparty will default. If the counterparty to an interest rate swap defaults, the Fund's loss will consist of the net amount of contractual interest payments that the Fund has not yet received. The Manager will monitor the creditworthiness of counterparties to the Fund's interest rate swap transactions on an ongoing basis. The Fund will enter into swap transactions with appropriate counterparties pursuant to master netting agreements. A master netting agreement provides that all swaps done between the Fund and that counterparty under the master agreement shall be regarded as parts of an integral agreement. If on any date amounts are payable in the same currency in respect of one or more swap transactions, the net amount payable on that date in that currency shall be paid. In addition, the master netting agreement may provide that if one party defaults generally or on one swap, the counterparty may terminate the swaps with that party. Under such agreements, if there is a default resulting in a loss to one party, the measure of that party's damages is calculated by reference to the average cost of a replacement swap with respect to each swap (i.e., the mark-to-market value at the time of the termination of each swap). The gains and losses on all swaps are then netted, and the result is the counterparty's gain or loss on termination. The termination of all swaps and the netting of gains and losses on termination is generally referred to as "aggregation."

Additional Information about Hedging Instruments and Their Use. The Fund's Custodian, or a securities depository acting for the Custodian, will act as the Fund's escrow agent, through the facilities of the Options Clearing Corporation ("OCC"), as to the securities on which the Fund has written options traded on exchanges or as to other acceptable escrow securities, so that no margin will be required for such transactions. OCC will release the securities on the expiration of the option or upon the Fund's entering into a closing transaction. An option position may be closed out only on a market which provides secondary trading for options of the same series, and there is no assurance that a liquid secondary market will exist for any particular option.

The Fund's option activities may affect its turnover rate and brokerage commissions. The exercise of calls written by the Fund may cause the Fund to sell related portfolio securities, thus increasing its turnover rate in a manner beyond the Fund's control. The exercise by the Fund of puts on debt securities may cause the sale of related investments, also increasing portfolio turnover. Although such exercise is within the Fund's control, holding a put might cause the Fund to sell the related investment for reasons which would not exist in the absence of the put. The Fund will pay a brokerage commission each time it buys or sells a put, a call, or a related investment in connection with the exercise of a put or call. Such commissions may be higher on a relative basis than those which would apply to direct purchases or sales of the underlying investments. Premiums paid for options are small in relation to the market value of such investments and consequently, put and call options offer large amounts of leverage. The leverage offered by trading in options could result in the Fund's net asset value being more sensitive to changes in the value of the underlying investment.

Regulatory Aspects of Hedging Instruments. The Fund must operate within certain restrictions as to its short and long positions in Futures and options thereon under a rule (the "CFTC Rule") adopted by the Commodity Futures Trading Commission ("CFTC") under the Commodity Exchange Act (the "CEA"), which exempts the Fund from registration with the CFTC as a "commodity pool operator" (as defined under the CEA), if it complies with the CFTC Rule. Under these restrictions the Fund will not, as to any positions, whether short, long or a combination thereof, enter into Futures and options thereon for which the aggregate initial margins and premiums exceed 5% of the fair market value of its assets, with certain exclusions as defined in the CFTC Rule. Under the restrictions, the Fund also must, as to its short positions, use Futures and options thereon solely for bona-fide hedging purposes within the meaning and intent of the applicable provisions of the CEA.

Transactions in options by the Fund are subject to limitations established by each of the exchanges governing the maximum number of options which may be written or held by a single investor or group of investors acting in concert, regardless of whether the options were written or purchased on the same or different exchanges or are held in one or more accounts or through one or more different exchanges or futures brokers. Thus, the number of options which the Fund may write or hold may be affected by options written or held by other entities, including other investment companies having the same advisor as the Fund or having an affiliated investment adviser. Position limits also apply to Futures. An exchange may order the liquidation of positions found to be in violation of those limits and may impose certain other sanctions. Due to requirements under the Investment Company Act, when the Fund purchases a Future, the Fund will maintain, in a segregated account or accounts with its Custodian, cash or readily-marketable, short-term (maturing in one year or less) debt instruments in an amount equal to the market value of the securities underlying such Future, less the margin deposit applicable to it.

Tax Aspects of Hedging Instruments and Covered Calls. The Fund intends to qualify as a "regulated investment company" under the Internal Revenue Code. One of the tests for such qualification is that less than 30% of its gross income (irrespective of losses) must be derived from gains realized on the sale of securities held for less than three months. Due to this limitation, the Fund will limit the extent to which it engages in the following activities, but will not be precluded from them: (i) selling investments, including Futures, held for less than three months, whether or not they were purchased on the exercise of a call held by the Fund; (ii) writing calls on investments held less than three months; (iii) purchasing calls or puts which expire in less than three months; (iv) effecting closing transactions with respect to calls or puts purchased less than three months previously; and (v) exercising puts held by the Fund for less than three months.

Certain foreign currency exchange contracts ("Forward Contracts") in which the Fund may invest are treated as "section 1256 contracts." Gains or losses relating to section 1256 contracts generally are characterized under the Internal Revenue Code as 60% long-term and 40% short-term capital gains or losses. However, foreign currency gains or losses arising from certain section 1256 contracts (including Forward Contracts) generally are treated as ordinary income or loss. In addition, section 1256 contracts held by the Fund at the end of each taxable year are "marked-to market" with the result that unrealized gains or losses are treated as though they were realized. These contracts also may be marked-to-market for purposes of the excise tax applicable to investment company distributions and for other purposes under rules prescribed pursuant to the Internal Revenue Code. An election can be made by the Fund to exempt these transactions from this mark-to-market treatment.

Certain Forward Contracts entered into by the Fund may result in "straddles" for Federal income tax purposes. The straddle rules may affect the character of gains (or losses) realized by the Fund on straddle positions. Generally, a loss sustained on the disposition of a position making up a straddle is allowed only to the extent such loss exceeds any unrecognized gain in the offsetting positions making up the straddle. Disallowed loss is generally allowed at the point where there is no unrecognized gain in the offsetting positions making up the straddle, or the offsetting position is disposed of.

Under the Internal Revenue Code, gains or losses attributable to fluctuations in exchange rates that occur between the time the Fund accrues interest or other receivables or accrues expenses or other liabilities denominated in a foreign currency and the time the Fund actually collects such receivables or pays such liabilities generally are treated as ordinary income or ordinary loss. Similarly, on disposition of debt securities denominated in a foreign currency and on disposition of foreign currency forward contracts, gains or losses attributable to fluctuations in the value of a foreign currency between the date of acquisition of the security or contract and the date of disposition also are treated as ordinary gain or loss. Currency gains and losses are offset against market gains and losses before determining a net "Section 988" gain or loss under the Internal Revenue Code, which may increase or decrease the amount of the Fund's investment company income available for distribution to its shareholders.

Possible Risk Factors in Hedging. In addition to the risks with respect to Futures and options discussed in the Prospectus and above, there is a risk in using short hedging by selling Futures to attempt to protect against decline in value of the Fund's portfolio securities (due to an increase in interest rates) that the prices of such Futures will correlate imperfectly with the behavior of the cash (i.e., market value) prices of the Fund's securities. The ordinary spreads between prices in the cash and futures markets are subject to distortions due to differences in the natures of those markets. First, all participants in the futures market are subject to margin deposit and maintenance requirements. Rather than meeting additional margin deposit requirements, investors may close futures contracts through offsetting transactions which could distort the normal relationship between the cash and futures markets. Second, the liquidity of the futures markets depends on participants entering into offsetting transactions rather than making or taking delivery. To the extent participants decide to make or take delivery, liquidity in the futures markets could be reduced, thus producing distortion. Third, from the point of view of speculators, the deposit requirements in the futures markets are less onerous than margin requirements in the securities markets. Therefore, increased participation by speculators in the futures markets may cause temporary price distortions. If the Fund uses Hedging Instruments to establish a position in the debt securities markets as a temporary substitute for the purchase of particular debt securities (long hedging) by buying Futures and/or calls on such Futures or on debt securities, it is possible that the market may decline; if the Fund then concludes not to invest in such securities at that time because of concerns as to possible further market decline or for other reasons, the Fund will realize a loss on the Hedging Instruments that is not offset by a reduction in the price of the debt securities purchased.

INVESTMENT RESTRICTIONS

The Fund's significant investment restrictions are described in the Prospectus. The following investment restrictions are also fundamental policies of the Fund and, together with the fundamental policies described in the Prospectus, cannot be changed without the vote of a "majority" of the Fund's outstanding shares. Under the Investment Company Act, such "majority" vote is defined as the vote of the holders of the lesser of: (i) 67% or more of the shares present or represented by proxy at such meeting, if the holders of more than 50% of the outstanding shares are present or represented by proxy, or (ii) more than 50% of the outstanding shares. Under these additional restrictions, the Fund cannot: (1) invest in real estate, but the Fund may invest in debt securities secured by real estate or interests therein or issued by companies, including real estate investment trusts, which invest in real estate or interests therein; (2) buy securities on margin or engage in short sales, except that the Fund may make margin deposits in connection with any of the Hedging Instruments which it may use as permitted by any of its other fundamental policies; (3) mortgage, hypothecate or pledge any of its assets; however, this does not prohibit the escrow arrangements contemplated in connection with the use of Hedging Instruments; (4) underwrite securities of any issuer if those officers and trustees or directors of the Fund or its adviser owning individually more than 0.5% of the securities of such issuer together own more than 5% of the securities of such issuer; (5) invest in mineral-related programs or leases; (6) invest in companies for the primary purpose of acquiring control of management thereof; or (7) invest in other investment companies, except in connection with a merger, consolidation, reorganization or acquisition of assets.

TRUSTEES AND OFFICERS

The Fund's Trustees and officers and their principal occupations and business affiliations during the past five years are set forth below. Each Trustee is a Trustee, Director or Managing General Partner of Daily Cash Accumulation Fund, Inc., Centennial Money Market Trust, Centennial Tax Exempt Trust, Centennial Government Trust, Centennial New York Tax Exempt Trust, Centennial California Tax Exempt Trust, Oppenheimer Total

Return Fund, Inc., Oppenheimer Equity Income Fund, Oppenheimer High Yield Fund, Oppenheimer Cash Reserves, Oppenheimer Tax-Exempt Cash Reserves, Oppenheimer Variable Account Funds, Oppenheimer Main Street Funds, Inc., Oppenheimer Integrity Funds, Oppenheimer Strategic Income Fund, Oppenheimer Strategic Income & Growth Fund, Oppenheimer Strategic Investment Grade Bond Fund, Oppenheimer Strategic Short-Term Income Fund, Centennial America Fund, L.P., Oppenheimer Insured Tax-Exempt Bond Fund, Oppenheimer Intermediate Tax-Exempt Bond Fund, Oppenheimer Government Securities Fund, and The New York Tax-Exempt Income Fund, Inc. (collectively, the "Denver-based OppenheimerFunds"). Mr. Fossel is President of each of the Denver-based OppenheimerFunds. As of December 31, 1993, the Fund's Trustees and officers in the aggregate beneficially owned less than 1% of its outstanding shares.

ROBERT G. AVIS, Trustee*
One North Jefferson Avenue, St. Louis, Missouri 63103
Vice Chairman of A.G. Edwards & Sons, Inc. (a broker-dealer) and A.G. Edwards, Inc. (its parent holding company); Chairman of A.G.E. Asset Management and A.G. Edwards Trust Company (its affiliated investment adviser and trust company, respectively.)

WILLIAM A. BAKER, Trustee
197 Desert Lakes Drive, Palm Springs, California 92264
Management Consultant.

CHARLES CONRAD, JR., Trustee
5301 Bolsa Avenue, Huntington Beach, California 92647
Vice President of McDonnell Douglas Ltd.; formerly associated with the National Aeronautics and Space Administration.

JON S. FOSSEL, President and Trustee*
Two World Trade Center, New York, New York 10048-0203
Chairman, Chief Executive Officer and a Director of the Manager; President and a Director of Oppenheimer Acquisition Corp. ("OAC"), the Manager's parent holding company; President and a Director of HarbourView Asset Management Corporation ("HarbourView"), a subsidiary of the Manager; a Director of Shareholder Services, Inc. ("SSI") and Shareholder Financial Services, Inc. ("SFSI"), transfer agent subsidiaries of the Manager; formerly President of the Manager.

RAYMOND J. KALINOWSKI, Trustee
44 Portland Drive, St. Louis, Missouri 63131
Formerly Vice Chairman and a Director of A.G. Edwards, Inc., parent holding company of A.G. Edwards & Sons, Inc. (a broker-dealer), of which he was Senior Vice President.

C. HOWARD KAST, Trustee
2552 East Alameda, Denver, Colorado 80209
Formerly Managing Partner of Deloitte, Haskins & Sells (an accounting firm).

ROBERT M. KIRCHNER, Trustee
7500 E. Arapahoe Road, Englewood, Colorado 80112
President of The Kirchner Company (management consultants).

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*A Trustee who is an "interested person" of the Fund as defined in the Investment Company Act.

NED M. STEEL, Trustee
3416 South Race Street, Englewood, Colorado 80110
Chartered Property and Casualty Underwriter; formerly Senior Vice President and a Director of Van Gilder Insurance Corp. (insurance brokers).

JAMES C. SWAIN, Chairman and Trustee*
3410 South Galena Street, Denver, Colorado 80231
Vice Chairman of the Manager; President and a Director of Centennial Asset Management Corporation ("Centennial"), an investment adviser subsidiary of the Manager; formerly President and Director of Oppenheimer Asset Management Corporation ("OAMC"), an investment adviser which was a subsidiary of the Manager, and Chairman of the Board of SSI.

RALPH STELLMACHER, Vice President and Portfolio Manager
Two World Trade Center, New York, New York 10048
Senior Vice President of the Manager; an officer of other OppenheimerFunds.

ANDREW J. DONOHUE, Vice President

Two World Trade Center, New York, New York 10048
Executive Vice President and General Counsel of the Manager and Oppenheimer Funds Distributor, Inc. (the "Distributor"); an officer of other OppenheimerFunds; formerly Senior Vice President and Associate General Counsel of the Manager and the Distributor; Partner in, Kraft & McManimon (a law firm); an officer of First Investors Corporation (a broker-dealer) and First Investors Management Company, Inc. (broker-dealer and investment adviser); director and an officer of First Investors Family of Funds and First Investors Life Insurance Company.

GEORGE C. BOWEN, Vice President, Secretary and Treasurer
3410 South Galena Street, Denver, Colorado 80231
Senior Vice President and Treasurer of the Manager; Vice President and Treasurer of the Distributor and HarbourView; Senior Vice President, Treasurer, Assistant Secretary and a director of Centennial; Vice President, Treasurer and Secretary of SSI and SFSI; an officer of other OppenheimerFunds; formerly Senior Vice President/Comptroller and Secretary of OAMC.

LYNN M. COLUCCY, Assistant Treasurer
3410 South Galena Street, Denver, Colorado 80231
Vice President and Assistant Treasurer of the Manager; an officer of other OppenheimerFunds; formerly Vice President/Director of Internal Audit of the Manager.

ROBERT G. ZACK, Assistant Secretary
Two World Trade Center, New York, New York 10048-0203
Senior Vice President and Associate General Counsel of the Manager; Assistant Secretary of SSI and SFSI; an officer of other OppenheimerFunds.

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*A Trustee who is an "interested person" of the Fund as defined in the Investment Company Act.

Remuneration of Trustees. The officers of the Fund (including Messrs. Fossel and Swain) are affiliated with the Manager and receive no salary or fee from the Fund. During the Fund's fiscal year ended September 30, 1993, the remuneration (including expense reimbursements) paid to all Trustees of the Fund (excluding Messrs. Fossel and Swain) for services as Trustees and as members of one or more committees totaled $1,602. The Fund has an Audit and Review Committee, comprised of William A. Baker (Chairman), Charles Conrad, Jr. and Robert M. Kirchner. This Committee meets regularly to review audits, audit procedures, financial statements and other financial and operational matters of the Fund.

Major Shareholders. As of December 31, 1993, no person owns of record or is known by the Fund to own beneficially 5% or more of the Fund's outstanding shares.

INVESTMENT MANAGEMENT SERVICES

The Manager is wholly-owned by Oppenheimer Acquisition Corp. ("OAC"), a holding company controlled by Massachusetts Mutual Life Insurance Company. OAC is also owned in part by certain of the Manager's directors and officers, some of whom serve as officers of the Fund and two of whom (Messrs. Fossel and Swain) serve as Trustees of the Fund.

The Investment Advisory Agreement between the Manager and the Fund (the "Agreement") requires the Manager, at its expense, to provide the Fund with adequate office space, facilities and equipment, and to provide and supervise the activities of all administrative and clerical personnel required to provide effective administration for the Fund, including the compilation and maintenance of records with respect to its operations, the preparation and filing of specified reports, and the composition of proxy materials and registration statements for continuous public sale of shares of the Fund. Expenses not expressly assumed by the Manager under the Agreement or by the Distributor are paid by the Fund. The Agreement lists examples of expenses paid by the Fund, the major categories of which relate to interest, taxes, brokerage commissions, fees to Independent Trustees, legal and audit expenses, custodian and transfer agent expenses, share issuance costs, certain printing and registration costs, and non-recurring expenses, including litigation. For the Fund's fiscal years ended September 30, 1991, 1992 and 1993, the management fees paid by the Fund to the Manager were $98,400, $197,844 and $513,057, respectively.

The Agreement contains no expense limitation. However, independently of the Agreement, the Manager has undertaken that the total expenses of the Fund in any fiscal year (exclusive of taxes, interest, brokerage commissions, and any extraordinary non-recurring expenses, such as litigation costs) shall not exceed the most stringent state regulatory limitation on Fund expenses applicable to the Fund. The payment of the management fee will be reduced so that at no time will there be any accrued but unpaid liability under the above expense limitation. The Manager reserves the right to amend or terminate this expense limitation at any time.

The Agreement provides that in the absence of willful misfeasance, bad faith, gross negligence or reckless disregard for its obligations and duties thereunder, the Manager shall not be liable for any loss sustained by reason of good faith errors or omissions on its part with respect to any matters to which the Agreement relates. The Agreement permits the Manager to act as investment adviser for any other person, firm or corporation and to use the name "Oppenheimer" in connection with other investment companies for which it may act as investment adviser. If the Manager shall no longer act as investment adviser to the Fund, the right of the Fund to use the name "Oppenheimer" as part of its name may be withdrawn.

BROKERAGE

Portfolio Transactions. One of the duties of the Manager under the Agreement is to arrange the portfolio transactions of the Fund. Portfolio decisions are based upon recommendations of the Manager and the judgment of the portfolio manager, under the supervision of executive officers of the Manager. As most purchases made by the Fund are principal transactions at net prices, the Fund incurs little or no brokerage costs. The Fund deals directly with the selling or purchasing principal or market maker without incurring charges for the services of a broker on its behalf unless it is determined that a better price or execution may be obtained by utilizing the services of a broker. Purchases of portfolio securities from underwriters include a commission or concession paid by the issuer to the underwriter, and purchases from dealers include a spread between the bid and asked price.

The Fund seeks to obtain prompt execution of orders at the most favorable net prices. Transactions are directed to brokers or dealers in return for special research and statistical information as well as for services rendered by such brokers or dealers in the execution of orders. The allocation of transactions in order to obtain additional research service permits the Manager to supplement its own research and analysis activities and to make available to the Manager the views and information of individuals and research staffs of other securities firms. The research services provided by a particular broker may be useful only to one or more of the advisory accounts of the Manager and its affiliates, and investment research received for the commissions of these other accounts may be useful both to the Fund and one or more of such other accounts.

The Manager is authorized by the Agreement to employ such brokers or dealers as may in its best judgment, based on all relevant factors, implement the policy of the Fund to obtain, at reasonable expense, the "best execution" (prompt and reliable execution at the most favorable price obtainable) of the Fund's portfolio transactions. Most purchases made by the Fund are principal transactions at net prices, and the Fund incurs little or no brokerage costs. The Board of Trustees has permitted the Manager to use concessions on fixed price offerings to obtain research, in the same manner as is permitted for agency transactions.

When brokerage costs are incurred, the Fund's policy is to pay a reasonable commission in terms of the range and quality of the broker's services which benefit the Fund, rather than always to seek the lowest commission cost. The requirement to seek the lowest commission cost could exclude the Fund and the Manager from information, analysis, research and other services which are of value to the Fund, as well as proper execution. In all cases, the Manager is required to be aware of the broker's purported or "posted" commission rates, if any, as may be applicable to the transaction, as well as other information available at the time as to the level of commissions known to be charged in comparable transactions by other qualified brokers. The Board of Trustees, including the Independent Trustees of the Fund, annually review information furnished by the Manager relative to the commissions paid to brokers furnishing such services in an effort to ascertain that the amount of such commission was reasonably related to the value or benefit of such services.

The Fund pays a brokerage commission each time it writes a call or put, purchases a call or put, effects a closing transaction, or purchases or sells a security on the exercise of a call or put. Such option commissions may be higher than those which would apply to direct purchases and sales of portfolio securities. Transactions in underlying securities will normally be executed by the same broker or dealer who executed the original option transaction for the Fund. The Fund's Board of Trustees has adopted a procedure permitting the combination of purchase or sale transactions in instances in which more than one of the funds managed by the Manager and its affiliates simultaneously elect to effect portfolio transactions in the same security. It is recognized that in some cases this procedure could have a detrimental effect on the price or volume of such securities as far as the Fund is concerned. In other cases, however, it is believed that the ability of the Fund to participate in volume transactions will produce better execution for the Fund.

During the Fund's fiscal years ended September 30, 1991, 1992 and 1993, total brokerage commissions paid by the Fund (not including any spreads or concessions on principal transactions on a net trade basis) amounted to 0, $1,064 and $2,499. During the fiscal year ended September 30, 1993, $458 was paid to brokers as commissions in return for research services (including special research, statistical information and execution); the aggregate dollar amount of these transactions was $115,258.

PURCHASE, REDEMPTION AND PRICING OF SHARES

Determination of Net Asset Value Per Share. The net asset values per share of Class A and Class C shares of the Fund are determined as of 4:00 p.m. each day The New York Stock Exchange (the "NYSE") is open, by dividing the value of the Fund's net assets attributable to that class by the total number of Fund shares of that class outstanding. The NYSE's most recent holiday schedule (which is subject to change) states that it will close New Year's Day, Presidents' Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. It may also close on other days. Trading may occur in debt securities and in foreign securities at times when the NYSE is closed (including weekends and holidays, or after 4:00 P.M. on a regular business day). Because the net asset values of the Fund will not be calculated on such days, if debt securities and foreign securities are traded at such times, the net asset value per share of Class A and Class C shares may be significantly affected at times when shareholders will not have the ability to purchase or redeem shares.

The Fund's Board of Trustees has established procedures for the valuation of its securities: (i) equity securities traded on a securities exchange or on NASDAQ are valued at the last sale price on their primary exchange or NASDAQ that day (or, in the absence of sales that day, at values based on the last sale price of the preceding trading day, or closing bid and asked prices); (ii) NASDAQ and other unlisted equity securities for which last sale prices are not regularly reported but for which over-the-counter market quotations are readily available are valued at the highest closing bid price at the time of valuation, or, if no closing bid price is reported, on the basis of a closing bid price obtained from a dealer who maintains an active market in that security; (iii) securities (including restricted securities) not having readily-available market quotations are valued at fair value under the Board's procedures; (iv) debt securities having a maturity in excess of 60 days are valued at the mean between the asked and bid prices determined by a portfolio pricing service approved by the Fund's Board of Trustees or obtained from an active market maker in that security; (v) short-term debt securities (having a remaining maturity of 60 days or less) are valued at cost, adjusted for amortization of premiums and accretion of discounts; and (vi) securities traded on foreign exchanges or in foreign over-the-counter markets are valued as determined by a portfolio pricing service, approved by the Board, based upon last sales prices reported on a principal exchange or the mean between closing bid and asked prices, and in each case reflecting prevailing rates of exchange to convert their values to U.S. dollars. Foreign currency will be valued as close to the time fixed for the valuation date as is reasonably practicable.

Trading in securities on European and Asian exchanges and over-the-counter markets is normally completed before the close of the NYSE. Events affecting the values of foreign securities traded in such markets that occur between the time their prices are determined and the close of the NYSE will not be reflected in the Fund's calculation of net asset value unless the Board of Trustees or the Manager, under procedures established by the Board, determines that the particular event would materially affect the Fund's net asset value, in which case an adjustment would be made. In the case of U.S. Government securities, corporate bonds and all mortgage-backed securities, where last sale information is not generally available, such pricing procedures may include "matrix" comparisons to the prices for comparable investments on the basis of quality, yield, maturity and other special factors involved. The Trustees will monitor the accuracy of pricing services by comparing prices used for portfolio evaluation to actual sales prices of selected securities.

Calls, puts and Futures are valued at the last sale prices on the principal exchanges on which they were traded or on NASDAQ, as applicable, or, if there are no sales that day, in accordance with (i) above. When the Fund writes an option, an amount equal to the premium received by the Fund is included in its Statement of Assets and Liabilities as an asset, and an equivalent deferred credit is included in the liability section. The deferred credit is adjusted ("marked-to-market") to reflect the current market value of the option.

Dual Class Methodology. The methodology for calculating the net asset value, dividends and distributions of the Fund's Class A and Class C shares recognizes two types of expenses. General expenses that do not pertain specifically to either class are allocated pro rata to the shares of each class, based on the percentage of the net assets of such class to the Fund's total net assets, and then equally to each outstanding share within a given class. Such general expenses include (i) management fees, (ii) legal, bookkeeping and audit fees, (iii) printing and mailing costs of shareholder reports, Prospectuses, Additional Statements and other materials for current shareholders, (iv) fees to unaffiliated Trustees, (v) custodian expenses, (vi) share issuance costs, (vii) organization and start-up costs, (viii) interest, taxes and brokerage commissions, and (ix) non-recurring expenses, such as litigation costs. Other expenses that are directly attributable to a class are allocated equally to each outstanding share within that class. Such expenses include (a) Distribution and Service Plan fees, (b) incremental transfer and shareholder servicing agent fees and expenses, (c) registration fees, and (d) shareholder meeting expenses, to the extent that such expenses pertain to a specific class rather than to the Fund as a whole.

Reduced Sales Charges. As discussed in the Prospectus, a reduced sales charge rate may be obtained for Class A shares under Rights of Accumulation and Letters of Intent because of the economies of sales efforts and reduction in expenses realized by the Distributor, dealers and brokers making such sales. No sales charge is imposed in certain circumstances described in the Prospectus because the Distributor or dealer or broker incurs little or no selling expenses. The term "immediate family" refers to one's spouse, children, grandchildren, parents, grandparents, parents-in-law, brothers and sisters, sons- and daughters-in-law, a sibling's spouse and a spouse's siblings.

Redemptions. Information on how to redeem shares of the Fund is stated in the Prospectus. The Prospectus states that payment for shares tendered for redemption is ordinarily made in cash. However, if the Board of Trustees determines that it would be detrimental to the best interests of the remaining shareholders of the Fund to make payment wholly in cash, the redemption price may be paid in whole or in part by a distribution in kind of securities from the portfolio of the Fund in lieu of cash in conformity with applicable SEC rules. The Fund has elected to be governed by Rule 18f-1 under the Investment Company Act, pursuant to which the Fund is obligated to redeem shares solely in cash up to the lesser of $250,000 or 1% of the net assets of the Fund during any 90-day period for any one shareholder. If shares are redeemed in kind, the redeeming shareholder might incur brokerage or other costs in converting the assets to cash. The method of valuing securities used to make redemptions in kind will be the same as the method of valuing portfolio securities described above under "Determination of Net Asset Value Per Share," and such valuation will be made as of the same time the redemption price is determined.

The Fund's Board of Trustees has the right to cause the involuntary redemption of shares held in any account if the aggregate net asset value of such shares is less than $200 or such lesser amount as the Board may establish. Should the Board elect to exercise this right, it may also fix, in accordance with the Investment Company Act, the requirements for any notice to be given to the shareholders in question (not less than 30 days), or may set requirements for permission to allow the shareholder to increase the investment so that the shares would not be involuntarily redeemed.

Dividend Reinvestment in Another Fund. Shareholders of the Fund may elect to reinvest all dividends and/or capital gains distributions in shares of the same class of any of the other funds listed in the Prospectus as "Eligible Funds," at net asset value without sales charge. Class C shareholders should be aware that as of the date of this Additional Statement, not all Eligible Funds offer Class C shares. The names of these Funds are listed under "Exchanges of Class C Shares" below. To elect this option, the shareholder must notify the Distributor in writing, and either must have an existing account in the fund selected for dividend reinvestment or must obtain a prospectus for that fund and application from the Transfer Agent to establish an account. The investment will be made at net asset value per share in effect at the close of business on the payable date of the dividend or distribution. Dividends and distributions from other Eligible Funds may be invested in shares of the Fund on the same basis.

Cancellation of Purchase Orders. Cancellation of purchase orders for Fund shares (for example, when checks submitted to purchase shares are returned to the Fund unpaid) causes a loss to be incurred when the net asset value of the Fund's shares on the date of cancellation is less than on the purchase date; that loss is equal to the difference in net asset value times the number of shares in the purchase order. The investor is responsible for that loss. If the investor fails to compensate the Fund for such loss, the Distributor will do so. The Fund may reimburse the Distributor for that amount by redeeming shares from any account registered in that investor's name, or the Distributor may seek other redress.

Transfer of Shares. Shareholders owning shares of both classes must specify whether they intend to transfer Class A or Class C shares. Shares are not subject to the payment of a CDSC of either class at the time of transfer (by absolute assignment, gift or bequest, not involving, directly or indirectly, a public sale). The transferred shares will remain subject to the CDSC, calculated as if the transferee shareholder had acquired the transferred shares in the same manner and at the same time as the transferring shareholder. If less than all shares held in an account are transferred, and not all shares in the account would be subject to a CDSC if redeemed at the time of transfer, then shares will be transferred in the order described in "How to Buy Shares - Class C Contingent Deferred Sales Charge" in the Prospectus for the imposition of the Class C CDSC on redemptions.

Exchanges of Class C Shares. As stated in the Prospectus, shares of a particular class of Eligible Funds having more than one class of shares may be exchanged only for shares of the same class or another Eligible Fund. All of the Eligible Funds offer Class A shares, but only the following other Eligible Funds (referred to as "Advisors Portfolio" funds) offer Class C shares:

Oppenheimer Target Fund
Oppenheimer Fund
Oppenheimer Global Growth & Income Fund
Oppenheimer Asset Allocation Fund
Oppenheimer U.S. Government Trust
Oppenheimer Intermediate Tax-Exempt Bond Fund
Oppenheimer Main Street Income & Growth Fund
Oppenheimer Cash Reserves

Oppenheimer Strategic Diversified Income Fund

DISTRIBUTION AND SERVICE PLANS

The Fund has adopted a separate Distribution Plan for each class of shares of the Fund under Rule 12b-1 of the Investment Company Act, pursuant to which the Fund will reimburse the Distributor for all or a portion of its costs incurred in connection with the distribution and/or servicing of shares of that class as described in the Prospectus. Each Plan has been approved by a vote of (i) the Board of Trustees of the Fund, including a majority of the "Independent Trustees", cast in person at a meeting called for the purpose of voting on that Plan, and (ii) the holders of a "majority" (as defined in the Investment Company Act) of the shares of each class [for the Distribution and Service Plan for the Class C shares (the "Class C Plan"), such vote having been cast by the Manager as the sole initial holder of Class C shares of the Fund].

Each Plan shall, unless terminated as described below, continue in effect from year to year but only as long as such continuance is specifically approved at least annually by the Fund's Board of Trustees, including the Independent Trustees, by a vote cast in person at a meeting called for the purpose of voting on such continuance. Either Plan may be terminated at any time by the vote of a majority of the Independent Trustees or by the vote of the holders of a "majority" (as defined in the Investment Company Act) of the outstanding shares of that class. Neither Plan may be amended to increase materially the amount of payments to be made unless such amendment is approved by the class affected by the amendment. All material amendments must be approved by the Board and the Independent Trustees.

While the Plans are in effect, the Treasurer of the Fund shall provide separate written reports to the Fund's Board of Trustees at least quarterly for its review, detailing the amount of all payments made pursuant to each Plan, the identity of each Recipient that received any such payment, and the purpose of the payments. Each Plan further provides that while it is in effect, the selection or replacement and nomination of those Trustees of the Fund who are not "interested persons" of the Fund is committed to the discretion of the Independent Trustees. This does not prevent the involvement of others in such selection and nomination if the final decision as to any such selection or nomination is approved by a majority of such Independent Trustees.

Under the Plans, no payment will be made to any Recipient in any quarter if the aggregate net asset value of all Fund shares held by the

Recipient for itself and its customers did not exceed a minimum amount, if any, that may be determined from time to time by a majority of the Fund's Independent Trustees. Initially, the Board of Trustees has set the fee at the maximum rate and set no minimum amount. The Plans permit the Distributor and the Manager to make additional distribution payments to Recipients from their own resources (including profits from advisory fees) at no cost to the Fund. The Distributor and the Manager may, in their sole discretion, increase or decrease the amount of distribution assistance payments they make to Recipients from their own assets.

For the fiscal year ended September 30, 1993, payments under the Class A Plan totaled $183,383, all of which was paid by the Distributor to Recipients as reimbursement for services, including $19,008 paid to an affiliate of the Distributor. Any unreimbursed expenses incurred with respect to Class A shares for any fiscal quarter by the Distributor may not be recovered under the Class A Plan in subsequent fiscal quarters. Payments received by the Distributor under the Class A Plan will not be used to pay any interest expense, carrying charges, or other financial costs, or allocation of overhead by the Distributor.

The Class C Plan allows the service fee payment to be paid by the Distributor to Recipients in advance for the first year Class C shares are outstanding, and thereafter on a quarterly basis, as described in the Prospectus. The advance payment is based on the net assets of the Class C shares sold. An exchange of shares does not entitle the Recipient to an advance service fee payment. In the event Class C shares are redeemed during the first year such shares are outstanding, the Recipient will be obligated to repay a pro rata portion of such advance payment to the Distributor. Although the Class C Plan permits the Distributor to retain both the asset-based sales charges and the service fee on Class C shares, or to pay Recipients the service fee on a quarterly basis, without payment in advance, the Distributor intends to pay the service fee to Recipients in the manner described above. A minimum holding period may be established from time to time under the Class C Plan by the Board. Initially, the Board has set no minimum holding period. All payments under the Class C Plan are subject to the limitations imposed by the National Association of Securities Dealers, Inc. Rules of Fair Practice. The Class C Plan allows for the carry-forward of distribution expenses, to be recovered from asset-based sales charges in subsequent fiscal periods, as described in the Prospectus. During the fiscal year ended September 30, 1993, no payments were made under the Class C Plan, as no Class C shares were publicly issued prior to December 1, 1993.

The asset-based sales charge paid to the Distributor by the Fund under the Class C Plan is intended to allow the Distributor to recoup the cost of sales commissions paid to authorized brokers and dealers at the time of sale, plus financing costs, as described in the Prospectus. Such payments may also be used to pay for the following expenses in connection with the distribution of Class C shares: (i) financing the advance of the service fee payment to Recipients under the Class C Plan, (ii) compensation and expenses of personnel employed by the Distributor to support distribution of Class C shares, and (iii) costs of sales literature, advertising and prospectuses (other than those furnished to current shareholders) and state "blue sky" registration fees.

The Glass-Steagall Act and other applicable laws and regulations, among other things, generally prohibit Federally-chartered or supervised banks from engaging in the business of underwriting, selling or distributing securities as principals. Accordingly, the Distributor may pay banks only for sales made on an agency basis or for the performance of administrative and shareholder servicing functions. In addition, certain banks and financial institutions may be required to register as dealers under state law. It is the understanding of the Manager and the Distributor that the Glass-Steagall Act and other applicable laws and regulations do not prohibit banks and other financial institutions from providing the services described above. However, judicial or administrative decisions or interpretations of such laws, as well as changes in either Federal or state statutes or regulations relating to the permissible activities of banks or their subsidiaries or affiliates, could prevent certain banks from continuing to perform all or a part of their selling or servicing activities. If a bank were so prohibited, shareholders of the Fund who were clients of such bank would be permitted to remain as shareholders, and if a bank could no longer provide those service functions, alternate means for continuing the servicing of such shareholders would be sought. In such event, shareholders serviced by such bank might no longer be able to avail themselves of any automatic investment or other services than being provided by such bank. The Board of Trustees will consider appropriate modifications to the Fund's operations, including discontinuance of payments under the Plan to such institutions, in the event of any future change in such laws or regulations which may adversely affect the ability of such institutions to provide these services. It is not expected that shareholders would suffer any adverse financial consequences as a result of any of those occurrences.

YIELD, TOTAL RETURN AND TAX INFORMATION

Yield and Total Return and Other Performance Information. As described in the Prospectus, from time to time the "standardized yield," "dividend yield," "average annual total return," "total return" and "total return at net asset value" of an investment in each class of shares of the Fund may be advertised. An explanation of how yield and total returns are calculated and the components of those calculations are set forth below. No yield or total return calculations are presented below for Class C shares because no shares of that class were publicly issued prior to December 1, 1993.

The Fund's yield is calculated for a 30-day period using the following formula set forth under SEC rules:

$$\text{Yield} = 2\left(\left(\frac{a-b}{cd} + 1\right)^{6} - 1\right)$$

The symbols above represent the following factors:

a = dividends and interest earned during the 30-day period.
b = expenses accrued for the period (net of any expense reimbursements).
c = the average daily number of Fund shares outstanding during the 30-day period that were entitled to receive dividends.
d = the Fund's maximum offering price (including sales charge) per share on the last day of the period, adjusted for undistributed net investment income.

The "standardized yield" of a class for the 30-day period may differ from its yield for any other period. The SEC formula assumes that the yield for a 30-day period occurs at a constant rate for a six-month period and is annualized at the end of the six-month period. This standardized yield is not based on distributions paid by the Fund to shareholders in the 30-day period, but is a hypothetical yield based upon the return on the Fund's portfolio investments. The standardized yield on Class A shares for the 30-day period ended September 30, 1993, was 7.17%.

The "average annual total return" of each class is an average annual compounded rate of return. It is the rate of return based on factors which include a hypothetical initial investment of $1,000 ("P" in the formula below) over a number of years ("n") with an Ending Redeemable Value ("ERV") of that investment, according to the following formula:

$$\left(\frac{ERV}{P}\right)^{1/n} - 1 = \text{Average Annual Total Return}$$

The "total return" calculation uses the same factors, but does not average the rate of return on an annual basis. Total return measures the cumulative (rather than average) change in value of a hypothetical investment over a stated period. Total return is determined as follows:

$$\frac{ERV - P}{P} = \text{Total Return}$$

Both total return formulas assume (i) for Class A shares, the payment of the Fund's maximum sales charge of 4.75% (as a percentage of the offering price) on the initial investment ("P") and (ii) for Class C shares, the payment of the 1.0% contingent deferred sales charge for the first 12 months applied as described in the Prospectus. The formulas also assume that all dividends and capital gain distributions during the period are reinvested at net asset value per share, and that the investment is redeemed at the end of the period. The "average annual total returns" on an investment in Class A shares of the Fund (using the method described above) for the one and five-year periods ended September 30, 1993, and for the period from commencement of operations on November 16, 1987, to September 30, 1993, were 10.41%, 13.24% and 14.22%, respectively. The "total return" on Class A shares for the period from November 16, 1987, to September 30, 1993, was 118.38%.

From time to time the Fund may also quote a "dividend yield" or a "distribution return" for each class. Dividend yield is based on the Class A or Class C dividends derived from net investment income during a stated period and distribution return includes dividends derived from net investment income and from realized short-term capital gains declared during a stated period. Dividend yield is calculated as follows:

Under those calculations, the dividends and/or distributions for that class declared during a stated period of one year or less (for example, 30 days) are added together, and the sum is divided by the maximum offering price per share of that class) on the last day of the period. When the result is annualized for a period of less than one year, the "dividend yield" is calculated as follows:

Dividend Yield of the Class =

$$\frac{\text{Dividends of the Class}}{\text{Max Offering Price of the Class (last day of period)}}$$

Divided by number of days (accrual period) x 365

From time to time similar calculations may also be made using the Class A or Class C net asset value (instead of its maximum offering price) at the end of the period. The dividend yield on Class A shares for the 30-day period ended September 30, 1993, was 10.60%, and the dividend yield at net asset value was 11.13%.

From time to time the Fund may also quote a "total return at net asset value" to describe the rate of return on an investment in Class A or Class C shares of the Fund for a period of one year or less. It is based on the difference in net asset value per share at the beginning and the end of the period (without considering sales charge) and takes into consideration the reinvestment of dividends and capital gains (as with total return, described above). The total returns at net asset value on Class A shares for the one year period ended September 30, 1993, and from inception through September 30, 1993, were 15.92% and 129.27% respectively.

From time to time the Fund may publish the ranking of its Class A or Class C shares by Lipper Analytical Services, Inc. ("Lipper"), a widely-recognized independent service, which monitors the performance of regulated investment companies, including the Fund, and ranks their performance for various period based on categories relating to investment objectives. The performance of the Fund's classes is ranked against (i) all such funds, and (ii) all other high current yield or fixed income funds, and (iii) other such funds in the Fund's size category. The Lipper performance analysis includes the reinvestment of capital gains distributions and income dividends but does not take sales charges or taxes into consideration.

From time to time the Fund may publish the ranking of its Class A or Class C shares by Morningstar, Inc., an independent mutual fund monitoring service, which ranks mutual funds, including the Fund, based upon the Fund's three, five and ten-year average annual total returns (when available) and a risk factor that reflects fund performance relative to three-month U.S. Treasury bill monthly returns. Such returns are adjusted for fees and sales loads. There are five ranking categories with a corresponding number of stars: highest (5), above average (4), neutral (3), below average (2) and lowest (1). Morningstar ranks the Fund in relation to other rated high yield funds, and includes the maximum sales charge as a factor in its ranking computations.

Yield and total return information may be useful to investors in reviewing the Fund's performance. However, certain factors should be considered before using such information as a basis for comparison with other investments. An investment in Class A or Class C shares of the Fund is not insured; its yield and total return are not guaranteed and normally will fluctuate on a daily basis. Yield and total return for any given past period are not an indication or representation by the Fund of future yields or rates of return on its shares. The yield and total return of the Class A and Class C shares of the Fund are affected by portfolio quality, portfolio maturity, type of investments held and operating expenses. When comparing yield and total return and investment risk of an investment in Class A or Class C shares of the Fund with those of other investment instruments, investors should understand that certain other investment alternatives such as certificates of deposit, U.S. Government Securities, money market instruments or bank accounts may provide yields that are fixed or that may vary above a stated minimum, and also that bank accounts may be insured.

Tax Status of the Fund's Dividends and Distributions. The Federal tax treatment of the Fund's dividends and distributions is explained in the Prospectus under the caption "Dividends, Distributions and Taxes." Special provisions of the Internal Revenue Code govern the dividends-received deduction for corporate shareholders. Long-term capital gains distributions are not eligible for the deduction. In addition, the amount of dividends paid by the Fund which may qualify for the deduction is limited to the aggregate amount of qualifying dividends (generally dividends from domestic corporations) which the Fund derives from its portfolio investments held for a minimum period, usually 46 days. A corporate shareholder will not be eligible for the deduction on dividends paid on shares held by the shareholder for 45 days or less. To the extent that the Fund derives a substantial portion of its gross income from option premiums, interest income or short-term gains from the sale of securities, or dividends from foreign corporations, its dividends will not qualify for the deduction.

Under the Internal Revenue Code, by December 31 each year the Fund must distribute 98% of its taxable investment income earned from January 1 through December 31 of that year and 98% of its capital gains realized in the period from November 1 of the prior year to October 31 of that year or else the Fund must pay an excise tax on the amounts not distributed. While it is presently anticipated that the Fund's distributions will meet those requirements, the Fund's Board and Manager might determine that in a particular year it would be in the best interest of the Fund not to distribute income or capital gains at the mandated levels and to pay the excise tax on the undistributed amounts, which would reduce the amount available for distribution to shareholders.

The Internal Revenue Code requires that a holder (such as the Fund) of a zero coupon security accrue a portion of the discount at which the security was purchased as income each year even though the Fund receives no interest payment in cash on the security during the year. The Fund may also from time to time receive payment-in-kind securities in lieu of cash interest payments. As an investment company, the Fund must pay out substantially all of its net investment income each year. Accordingly, the Fund may be required to pay out as an income distribution each year an amount which is greater than the total amount of cash interest the Fund actually received. Such distributions will be made from the cash assets of the Fund or by liquidation of portfolio securities, if necessary. If a distribution of cash necessitates the liquidation of portfolio securities, the Fund may realize a gain or loss from such sales. In the event the Fund realizes net capital gains from such transactions, its shareholders may receive a larger capital gain distribution than they would have had in the absence of such transactions.

ADDITIONAL INFORMATION

Description of the Fund. The Fund's name originally was "Champion High Yield Fund-USA," and was changed to its current name on October 19, 1990. The Fund's Declaration of Trust contains an express disclaimer of shareholder or Trustee liability for the Fund's obligations, and provides for indemnification and reimbursement of expenses out of its property for any shareholder held personally liable for its obligations. The Declaration of Trust also provides that the Fund shall, upon request, assume the defense of any claim made against any shareholder for any act or obligation of the Fund and satisfy any judgment thereon. Thus, while Massachusetts law permits a shareholder of a trust (such as the Fund) to be held personally liable for the Fund's obligations as a "partner" under certain circumstances, the risk of a Fund shareholder incurring any financial loss on account of shareholder liability is highly unlikely and is limited to the relatively remote circumstances in which the Fund would be unable to meet the obligations described above. Any person doing business with the Fund, and any shareholder of the Fund, agrees under the Fund's Declaration of Trust to look solely to the assets of the Fund for satisfaction of any claim or demand which may arise out of any dealings with the Fund, and the Trustees shall have no personal liability to any such person, to the extent permitted by law.

Shareholders have the right, upon the declaration in writing or vote of two-thirds of the outstanding shares of the Fund, to remove a Trustee. The Trustees will call a meeting of shareholders to vote on the removal of a Trustee upon the written request of the holders of at least 10% of the Fund's outstanding shares. If the Trustees receive a written request from at least 10 shareholders (who have been shareholders at least six months) holding in the aggregate shares of the Fund valued at $25,000 or more or holding 1% or more of the Fund's outstanding shares, whichever is less, that they wish to communicate with other shareholders to request a meeting to remove a Trustee, the Trustees will then either make the Fund's shareholder list available to the applicants or mail their communication to all other shareholders at the applicants' expense, or the Trustees may take such other action as set forth in Section 16(c) of the Investment Company Act.

The Custodian and the Transfer Agent. The Custodian's responsibilities include safeguarding and controlling the Fund's portfolio securities and handling the delivery of such securities to and from the Fund. The Manager has represented to the Fund that the banking relationships with the Custodian have been and will continue to be unrelated to and unaffected by the relationship between the Fund and the Custodian. It will be the practice of the Fund to deal with the Custodian in a manner uninfluenced by any banking relationship the Custodian may have with the Manager and its affiliates.

Oppenheimer Shareholder Services, as Transfer Agent, is responsible for maintaining the Fund's shareholder registry and shareholder accounting records, and for shareholder servicing and administrative functions.

General Distributor's Agreement. Under the General Distributor's Agreement between the Fund and the Distributor, the Distributor acts as the Fund's principal underwriter in the continuous public offering of the Fund's Class A and Class C shares. Expenses normally attributable to sales (other than those paid under the Distribution and Service Plans), including advertising and the cost of printing and mailing prospectuses (other than those furnished to existing shareholders), are borne by the Distributor. During the Fund's fiscal years ended September 30, 1991, 1992 and 1993, the aggregate amounts of sales charges on sales of the Fund's Class A shares were $63,802, $382,287 and $1,401,952, respectively, of which the Distributor and an affiliated broker-dealer retained in the aggregate $15,825, $105,534 and $352,530 in those respective years.

Independent Auditors. The independent auditors of the Fund audit the Fund's financial statements and perform other related audit services. They also serve as auditors for the Manager and subsidiaries and for certain other funds advised by the Manager.

AUTOMATIC WITHDRAWAL PLAN PROVISIONS

By requesting an Automatic Withdrawal Plan, the applicant agrees to the terms and conditions applicable to such plans, as stated below and elsewhere in the Application for such plans, the Prospectus and this Additional Statement as they may be amended from time to time by the Fund and/or the Distributor. When adopted, such amendments will automatically apply to existing Plans.

Fund shares will be redeemed as necessary to meet withdrawal payments. Shares acquired without a sales charge will be redeemed first and thereafter, shares acquired with a sales charge will be redeemed to the extent necessary. Depending upon the amount withdrawn, the investor's principal may be depleted. Payments made to shareholders under such plans should not be considered as a yield or income on an investment. Purchases of additional shares concurrently with withdrawals are undesirable because of sales charges on purchases. Accordingly, a shareholder may not maintain an Automatic Withdrawal Plan while simultaneously making regular purchases. The Fund reserves the right to amend, suspend or cease offering such plans at any time without prior notice.

1. Oppenheimer Shareholder Services, the Transfer Agent of the Fund, will administer the Automatic Withdrawal Plan (the "Plan") as agent for the person (the "Planholder") who executed the Plan authorization and application submitted to the Transfer Agent.

2. Certificates will not be issued for shares of the Fund purchased for and held under the Plan, but the Transfer Agent will credit all such shares to the account of the Planholder on the records of the Fund. Any share certificates now held by the Planholder may be surrendered unendorsed to the Transfer Agent with the Plan application so that the shares represented by the certificate may be held under the Plan. Those shares will be carried on the Planholder's Plan Statement.

3. Distributions of capital gains must be reinvested in shares of the Fund, which will be done at net asset value without a sales charge. Dividends may be paid in cash or reinvested.

4. Redemptions of shares in connection with disbursement payments will be made at the net asset value per share in effect on the redemption date.

5. Checks or ACH payments will be transmitted three business days prior to the date selected for receipt of the monthly or quarterly payment (the date of receipt is approximate), according to the choice specified in writing by the Planholder.

6. The amount and the interval of disbursement payments and the address to which checks are to be mailed may be changed at any time by the Planholder on written notification to the Transfer Agent. The Planholder should allow at least two weeks' time in mailing such notification before the requested change can be put in effect.

7. The Planholder may, at any time, instruct the Transfer Agent by written notice (in proper form in accordance with the requirements of the then-current prospectus of the Fund) to redeem all, or any part of, the shares held under the Plan. In such case, the Transfer Agent will redeem the number of shares requested at the net asset value per share in effect in accordance with the Fund's usual redemption procedures and will mail a check for the proceeds of such redemption to the Planholder.

8. The Plan may, at any time, be terminated by the Planholder on written notice to the Transfer Agent, or by the Transfer Agent upon receiving directions to that effect from the Fund. the Transfer Agent will also terminate the Plan upon receipt of evidence satisfactory to it of the death or legal incapacity of the Planholder. Upon termination of the Plan by the Transfer Agent or the Fund, shares remaining unredeemed will be held in an uncertificated account in the name of the Planholder, and the account will continue as a dividend-reinvestment, uncertificated account unless and until proper instructions are received from the Planholder, his executor or guardian, or as otherwise appropriate.

9. For purposes of using shares held under the Plan as collateral, the Planholder may request issuance of a portion of his shares in certificated form. Upon written request from the Planholder, the Transfer Agent will determine the number of shares as to which a certificate may be issued, so as not to cause the withdrawal checks to stop because of exhaustion of uncertificated shares needed to continue payments. Should such uncertificated shares become exhausted, Plan withdrawals will terminate.

10. The Transfer Agent shall incur no liability to the Planholder for any action taken or omitted by the Transfer Agent in good faith.

11. In the event that the Transfer Agent shall cease to act as transfer agent for the Fund, the Planholder will be deemed to have appointed any successor transfer agent to act as his agent in administering the Plan.

LETTERS OF INTENT

In submitting a Letter of Intent to purchase Class A shares of the Fund and other OppenheimerFunds at a reduced sales charge, the investor agrees to the terms of the Prospectus, the Application used to buy such shares, and the language of this Additional Statement as to Letters of Intent, as they may be amended from time to time by the Fund. Such amendments will apply automatically to existing Letters of Intent.

A Letter of Intent ("Letter") is the investor's statement of intention to purchase Class A shares of the Fund (and other eligible OppenheimerFunds sold with a sales charge) during the 13-month period from the investor's first purchase pursuant to the Letter (the "Letter of Intent period"), which may, at the investor's request, include purchases made up to 90 days prior to the date of the Letter. The investor states the intention to make the aggregate amount of purchases (excluding any reinvestments of dividends or distributions or purchases made at net asset value without sales charge), which together with the investor's holdings of such funds (calculated at their respective public offering prices calculated on the date of the Letter) will equal or exceed the amount specified in the Letter to obtain the reduced sales charge rate (as set forth in "How To Buy Shares" in the Prospectus) applicable to purchases of shares in that amount (the "intended amount"). Each purchase under the Letter will be made at the public offering price applicable to a single lump-sum purchase of shares in the intended amount, as described in the applicable prospectus.

In submitting a Letter, the investor makes no commitment to purchase shares, but if the investor's purchases of shares within the Letter of Intent period, when added to the value (at offering price) of the investor's holdings of such fund shares on the last day of that period, do not equal or exceed the intended amount, the investor agrees to pay the additional amount of sales charge applicable to such purchases, as set forth in "Terms of Escrow," below, as those terms may be amended from time to time. The investor agrees that shares equal in value to 5% of the intended amount will be held in escrow by the Fund's Transfer Agent subject to the Terms of Escrow.

If the total eligible purchases made during the Letter of Intent period do not equal or exceed the intended amount, the commissions previously paid to the dealer of record for the account and the amount of sales charge retained by the Distributor will be adjusted to the rates applicable to actual total purchases. If total eligible purchases during the Letter of Intent period exceed the intended amount and exceed the amount needed to qualify for the next sales charge rate reduction set forth in the applicable prospectus, the sales charges paid will be adjusted to the lower rate, but only if and when the dealer returns to the Distributor the excess of the amount of commissions allowed or paid to the dealer over the amount of commissions that apply to the actual amount of purchases. The excess commissions returned to the Distributor will be used to purchase additional shares for the investor's account at the net asset value per share in effect on the date of such purchase, promptly after the Distributor's receipt thereof.

In determining the total amount of purchases made under a Letter, shares redeemed by the investor prior to the termination of the Letter of Intent period will be deducted. It is the responsibility of the dealer of record and/or the investor to refer to the Letter in placing any purchase orders for the investor during the Letter of Intent period. All of such purchases must be made through the Distributor.

Terms of Escrow

1. Out of the initial purchase (or subsequent purchases if necessary) made pursuant to a Letter, shares of the Fund equal in value to 5% of the intended amount specified in the Letter shall be held in escrow by the Fund's Transfer Agent. For example, if the intended amount specified under the Letter is $50,000, the escrow shall be shares valued in the amount of $2,500 (computed at the public offering price adjusted for a $50,000 purchase). Any dividends and capital gain distributions on the escrowed shares will be credited to the investor's account.

2. If the total minimum initial investment specified under the Letter is completed within the 13-month Letter of Intent period, the escrowed shares will be promptly released to the investor.

3. If, at the end of the thirteen-month Letter of Intent period the total purchases pursuant to the Letter are less than the intended amount specified in the Letter, the investor must remit to the Distributor an amount equal to the difference between the dollar amount of sales charges actually paid and the amount of sales charges which would have been paid if the total amount purchased had been made at a single time. Such sales charge adjustment will apply to any shares redeemed prior to the completion of the Letter. If such difference in sales charges is not paid within twenty days after a request from the Distributor or the dealer, the Distributor will, within sixty days of the expiration of the Letter, redeem the number of escrowed shares necessary to realize such difference in sales charges. Full and fractional shares remaining after such redemption will be released from escrow. If a request is received to redeem escrowed shares prior to the payment of such additional sales charge, the sales charge will be withheld from the redemption proceeds.

4. By signing the Letter, the investor irrevocably constitutes and appoints the transfer agent of the Funds his attorney-in-fact to surrender for redemption any or all escrowed shares.

5. The funds whose shares are eligible for purchase under the Letter (or the holding of which may be counted toward completion of the Letter) do not include any fund whose shares are sold without a Class A contingent deferred sales charge unless (for the purpose of determining completion of the obligation to purchase shares under the Letter) the shares were acquired in exchange for shares of a fund (described as an "Eligible Fund"in the Prospectus) whose shares were acquired by payment of a sales charge.

6. Shares held in escrow hereunder will automatically be exchanged for shares of another fund for which an exchange is requested as to the shareholder's account, as described in the section of the Prospectus entitled "Exchange Privilege;" and the escrow will be transferred to that other fund.

Independent Auditors' Report

The Board of Trustees and Shareholders of Oppenheimer Champion High Yield Fund:

We have audited the accompanying statement of assets and liabilities, including the statement of investments, of Oppenheimer Champion High Yield

Fund as of September 30, 1993, the related statement of operations for the year then ended, the statements of changes in net assets for the years ended September 30, 1993 and 1992, and the financial highlights for the period November 16, 1987 (commencement of operations) to September 30, 1993. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned at September 30, 1993 by correspondence with the custodian and brokers; where replies were not received from brokers, we performed other auditing procedures. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements and financial highlights present fairly, in all material respects, the financial position of Oppenheimer Champion High Yield Fund at September 30, 1993, the results of its operations, the changes in its net assets, and the financial highlights for the respective stated periods, in conformity with generally accepted accounting principles.

DELOITTE & TOUCHE

Denver, Colorado
October 21, 1993

Statement of Investments September 30, 1993
<TABLE>
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		Face Amount	Market Value See Note 1
<S>	<S>	<C>	<C>
Repurchase Agreements--14.1%			
	Repurchase agreement with J.P. Morgan Securities, Inc., 3.30%, dated 9/30/93 and maturing 10/1/93, collateralized by U.S. Treasury Bills, 3.05%, 3/24/94, with a value of $15,004,194 (Cost $14,700,000)	$14,700,000	$14,700,000
Long-Term Foreign Government Obligations--2.6%			
	Argentina (Republic of) Bonds, Bonos del Tesoro, Series II, 3.24%, 9/1/97(2)(4)	1,000,000	868,400
	Brazil (Federal Republic of):		
	Bonds, Banco Do Nordeste Brasil, 10.375%, 11/6/95(3)	700,000	716,188
	Interest Due and Unpaid Bonds, 8.75%, 1/1/01(2)	500,000	388,438
	Venezuela (Republic of) Front-Loaded Coupon Reduction Bonds, Series B, 6%, 3/31/07(2)	1,000,000	692,812
	Total Long-Term Foreign Government Obligations (Cost $2,725,645)		2,665,838
Long-Term Foreign Corporate Bonds and Notes--1.6%			
	International Semi-Tech Microelectronics, Inc., 0%/11.50% Sr. Sec. Disc. Nts., 8/15/03(1)	1,000,000	480,000
	Rogers Communications, Inc., 10.875% Sr. Debs., 4/15/04	600,000	658,500
	Stelco, Inc.: 10.25% Debs., 4/30/96(5)	300,000+	208,037
	10.40% Debs., 11/30/09(5)	200,000+	128,023
	Trizec Corp. Ltd., 10.25% Sr. Debs., 6/22/99(5)	500,000+	241,914
	Total Long-Term Foreign Corporate Bonds and Notes (Cost $1,590,707)		1,716,474
Treasury--10.3%			
	U.S. Treasury Nts., 12.625%, 8/15/94 (Cost $10,879,688)	10,000,000	10,790,599
Mortgage/Asset-Backed Obligations--.6%			
	GSPI Corp., 10.15% Fst. Mort. Bonds, 6/24/10(3) (Cost $512,000)	500,000	595,000
Municipal Bonds and Notes--1.3%			
	Port of Portland, Oregon Taxable Special Obligation Revenue Bonds, PAMCO Project, 9.20%, 5/15/22	500,000	577,978
	San Joaquin Hills, California Transportation Corridor Agency Toll Road Capital Appreciation Revenue Bonds, Jr. Lien, 0%, 1/1/28	13,500,000	744,822
	Total Municipal Bonds and Notes (Cost $1,162,116)	1,322,800	
U.S. Corporate Bonds and Notes--66.1%			
Aerospace/Defense--1.3%	GPA Delaware, Inc., 8.75% Gtd. Nts., 12/15/98	1,750,000	1,360,625
Automobiles, Trucks and Parts--1.4%	Auburn Hills Trust, 14.875% Gtd. Exch. Ctfs., 5/1/20(2)	200,000	300,500
	Envirotest Systems Corp., 9.625% Sr. Sub. Nts., 4/1/03	600,000	591,000
	Sealed Power Technologies LP, 14.50% Sr. Sub. Debs., 5/15/99	500,000	546,250
			1,437,750
Broadcast Media/ Cable TV--8.1%			
	Cablevision Systems Corp., 14% Sr. Sub. Debs., 11/15/03(2)	500,000	531,250
	Continental Cablevision, Inc., 9.50% Sr. Debs., 8/1/13	750,000	761,250

	Lamar Advertising Co., 11% Sr. Sec. Nts., 5/15/03	1,000,000	1,030,000
	News America Holdings, Inc., 10.125% Gtd. Sr. Debs., 10/15/12	700,000	850,500
	Panamsat LP/Panamsat Capital Corp.: 9.75% Sr. Sec. Nts., 8/1/00	500,000	511,250
	0%/11.375% Sr. Sub. Disc. Nts., 8/1/03(1)	2,000,000	1,215,000
	SCI Television, Inc., Bank Participation Interest Agreement, Series 2, 9/30/94*(3)	1,100,000	1,072,500
	SFX Broadcasting, Inc., 11.375% Sr. Sub. Nts., 10/1/08	750,000	762,187
	TKR Cable I, Inc., 10.50% Sr. Debs., 10/30/07	1,000,000	1,185,000
	Univision Television Group, Inc., 11.75% Sr. Sub. Nts., 1/15/01	500,000	542,500
		Face Amount	Market Value See Note 1
Building Materials--1.9%	Pacific Lumber Co., 10.50% Sr. Nts., 3/1/03	$ 900,000	$ 909,000
	Triangle Wire & Cable, Inc., 13.50% Sr. Nts., 1/15/02(3)	225,000	56,250
	USG Corp.:		
	10.25% Sr. Sec. Nts., 12/15/02	850,000	869,125
	8.75% Debs., 3/1/17	200,000	185,500
			2,019,875
Chemicals/Plastics--1.4%	Atlantis Group, Inc., 11% Sr. Nts., 2/15/03	600,000	624,000
	Quantum Chemical Corp., 13% Sr. Sub. Debs., 3/15/04	800,000	880,000
			1,504,000
Consumer Goods--	Amstar Corp., 11.375% Sr. Sub. Nts., 2/15/97	780,000	791,700
Manufacturing--3.1%	Coleman Holdings, Inc., 0% Sr. Sec. Disc. Nts., 5/27/98(3)	2,000,000	1,210,000
	Interco, Inc., 9% Sec. Nts., Series B, 6/1/04	700,000	694,750
	Revlon Consumer Products Corp., 10.50% Sr. Sub. Nts., 2/15/03	500,000	482,500
			3,178,950
Containers--Metal and Glass--.8%	Owens-Illinois, Inc., 11% Sr. Debs., 12/1/03	695,000	792,300
Containers--Paper--.3%	Equitable Bag, Inc., 12.375% Sr. Nts., 8/15/02	150,000	116,250
	Gaylord Container Corp., 0%/12.75% Sr. Sub. Disc. Debs., 5/15/05(1)	250,000	171,250
			287,500
Financial/Insurance--2.5%	Green Tree Financial Corp., 10.25% Sr. Sub. Nts., 6/1/02	600,000	696,000
	Life Partners Group, Inc., 12.75% Sr. Sub. Nts., 7/15/02	700,000	824,250
	Lomas Financial Corp., 9% Cv. Sr. Nts., 10/31/03	600,000	580,500
	Navistar Financial Corp., 9.50% Medium-Term Nts., 6/1/96	500,000	529,495
			2,630,245
Food and Restaurants--4.4%	ARA Group, Inc. (The), 12.50% Sub. Debs., 7/15/01	450,000	495,562
	Di Giorgio Corp., 12% Sr. Nts., 2/15/03	600,000	636,000
	Dr. Pepper/Seven-Up Cos., Inc., 0%/11.50% Sr. Sub. Disc. Nts., 11/1/02(1)	477,000	351,788
	Flagstar Corp., 10.75% Sr. Nts., 9/15/01	500,000	503,125
	PMI Acquisition Corp., 10.25% Sr. Sub. Nts., 9/1/03	500,000	515,000
	Restaurant Enterprises Group, Inc.: 12.25% Sr. Sub. Nts., 12/15/96*	400,000	366,000
	12.75% Sub. Nts., 12/15/98*	1,000,000	505,000
	RJR Nabisco, Inc., 15% Sub. Debs., 5/15/01	200,000	223,083
	Royal Crown Corp., 9.75% Sr. Sec. Nts., 8/1/00	1,000,000	1,017,500
			4,613,058
Gaming/Hotels--2.7%	Aztar Corp., 11% Sr. Sub. Nts., 10/1/02	600,000	609,000
	Marriott Corp., 10% Sr. Nts., Series L, 5/1/12	400,000	404,000
	Resorts International, Inc., 0% Fst. Mort. Non-Recourse Pass-Through Mort.-Backed Nts., 6/30/00	610,000	564,250
	Station Casinos, Inc., 9.625% Sr. Sub. Nts., 6/1/03	500,000	

		Face Amount	Market Value See Note 1
490,625			
	Trump Castle Funding, Inc., 9.50% Units, 8/15/98(4)	1,012,000	
796,360			
			2,864,235
Healthcare/Medical Products--3.4%	Alco Health Distribution Corp., 11.25% Sr. Debs., 7/15/05(4)	800,000	
781,250			
	Epic Healthcare Group, Inc., 10.875% Sr. Sub. Nts., 6/1/03	1,000,000	
1,020,000			
	Epic Holdings, Inc., 0%/12% Sr. Def. Cpn. Nts., 3/15/02(1)	500,000	
336,250			
	Eye Care Centers of America, 12% Sr. Nts., 10/1/03(3)	700,000	
701,750			
	Healthtrust, Inc.-The Hospital Co., 10.75% Sub. Nts., 5/1/02	600,000	
666,000			

		Face Amount	Market Value See Note 1
U.S. Corporate Bonds and Notes (continued)			
Home Building/ Development--3.5%	Hovnanian K. Enterprises, Inc., 11.25% Gtd. Sub. Nts., 4/15/02	$ 450,000	
$ 483,750			
	NVR, Inc., 11% Gtd. Sr. Nts., 4/15/03	750,000	
757,500			
	Southdown, Inc., 14% Sr. Sub. Nts., Series B, 10/15/01	735,000	
837,900			
	UDC Homes, Inc., 11.75% Sr. Nts., 4/30/03	1,500,000	
1,545,000			
			3,624,150
Information Technology--2.2%	Bell & Howell Holdings Co., 0%/11.50% Debs., Series B, 3/1/05(1)	1,600,000	
800,000			
	Berg Electronics Holdings Corp., 11.875% Sr. Sub. Debs., 5/1/03(3)	500,000	
517,500			
	Businessland, Inc., 5.50% Sub. Debs., 3/1/07	805,000	
285,775			
	Unisys Corp., 9.75% Sr. Nts., 9/15/16	600,000	
616,500			
			2,219,775
Manufacturing-- Diversified--3.1%	Foamex LP/Foamex Capital Corp., 11.25% Sr. Nts., 10/1/02	600,000	
642,750			
	Imo Industries, Inc.: 12.25% Sr. Sub. Debs., 8/15/97	750,000	
758,437			
	12% Sr. Sub. Debs., 11/1/01	500,000	506,250
	Insilco Corp., 10.375% Sr. Sec. Nts., 7/1/97	550,000	
555,500			
	Itel Corp., 13% Sr. Sub. Nts., 1/15/99	710,000	750,825
			3,213,762
Metals/Mining--2.6%	Addington Resources, Inc., 12% Sr. Sec. Nts., 7/1/95	425,000	
441,469			
	Armco, Inc.: 13.50% Sr. Nts., 6/15/94	131,000	
137,550			
	8.50% SF Debs., 9/1/01	275,000	266,750
	Carbide/Graphite Group, Inc., 11.50% Sr. Nts., 9/1/03	1,000,000	
1,008,750			
	Jorgensen (Earle M.) Co., 10.75% Sr. Nts., 3/1/00	400,000	
413,000			
	Texas Industries, Inc., 12.875% Sub. Debs., 8/1/95	475,000	
477,969			
			2,745,488
Miscellaneous--1.1%	ECM Fund L.P.I., 14% Sub. Nts., 6/10/02(3)	1,112,605	
1,162,672			
	Office Equipment--2.0%		
Eastman, Inc., 13% Sub. Nts., Series B, 12/15/02	700,000	889,000	
	Mosler, Inc., 11% Sr. Nts., Series A, 4/15/03(3)	1,250,000	
1,231,250			
			2,120,250
Oil and Gas--Equipment and Services--1.4%	OPI International, Inc., 12.875% Gtd. Sr. Nts., 7/15/02	725,000	
830,125			
	Transco Energy Co., 11.25% Sr. Nts., 7/1/99	600,000	
682,500			
			1,512,625
Oil and Gas--Exploration and Production--4.9%	Bridge Oil (USA), 9.50% Sr. Nts., 8/15/00	1,000,000	
987,500			

	Maxus Energy Corp.: 9.875% Nts., 10/15/02	100,000	107,250
	11.50% Debs., 11/15/15	500,000	536,250
	Mesa Capital Corp.: 0%/12.75% Disc. Nts., 6/30/96(1)	498,000	382,837
	0%/12.75% Cv. Disc. Nts., 6/30/98(1)	49,000	89,854
	0%/12.75% Sec. Disc. Nts., 6/30/98(1)	1,448,000	1,176,500
	Presidio Oil Co.: 11.50% Sr. Sec. Nts., Series A, 9/15/00(3)	450,000	473,625
	13.85% Sr. Gas Indexed Nts., Series A, 7/15/02(2)(3)	600,000	621,000
	Triton Energy Corp., 0% Sr. Sub. Disc. Nts., 11/1/97	1,200,000	795,000
			5,169,816
Oil and Gas--Refining--.6%	Wainoco Oil Corp., 12% Sr. Nts., 8/1/02	550,000	570,625
Railroads/Equipment--.9%	Rio Grande Industries, Inc., 13.625% Sr. Sub. Nts., 5/15/95	500,000	500,000
	Southern Pacific Transportation Co., 10.50% Sr. Sec. Nts., 7/1/99(3)	400,000	433,500
		Amount	See Note 1
U.S. Corporate Bonds and Notes (continued)			
Retail--Food and Drug--2.1%	Duane Reade, 12% Sr. Nts., Series B, 9/15/02	$ 500,000	$ 538,750
	Kroger Co. (The), 0%/15.50% Jr. Sub. Disc. Debs., 10/15/08(1)	225,000	225,000
	Purity Supreme, Inc., 11.75% Sr. Sec. Nts., Series B, 8/1/99	700,000	668,500
	Revco D.S., Inc., 9.125% Sr. Nts., 1/15/00	700,000	736,750
			2,169,000
Retail--Specialty--4.8%	AnnTaylor, Inc., 0%/14.375% Sr. Sub. Disc. Nts., 7/15/99(1)	600,000	645,000
	Brylane LP, 10% Sr. Sub. Nts., 9/1/03(3)	500,000	501,250
	Finlay Enterprises, Inc., 0%/12% Sr. Disc. Nts., 5/1/05(1)	750,000	400,313
	Musicland Group, Inc. (The), 9% Sr. Sub. Nts., 6/15/03 1,750,000	1,754,375	
	Payless Cashways, Inc., 14.50% Sr. Sub. Debs., 11/1/00	500,000	525,000
	Zale Corp., 13.25% Sr. Nts., 4/15/01* 1,750,000	708,750	
	Zale Delaware Corp., 11% Sr. Sec. Nts., 6/1/00	500,000	516,250
			5,050,938
Services--.9%	Envirosource, Inc., 9.75% Sr. Nts., 6/15/03	1,000,000	970,000
Textiles/Apparel--1.8%	Consoltex Group, Inc., 11% Gtd. Sr. Sub. Nts., Series A, 10/1/03(3)	500,000	501,250
	Genesco, Inc., 10.375% Sr. Nts., 2/1/03	700,000	739,375
	Synthetic Industries, Inc., 12.75% Sr. Sub. Debs., 12/1/02	650,000	679,250
			1,919,875
Transportation--2.9%	Greyhound Lines, Inc., 10% Sr. Nts., 7/31/01	795,000	816,863
	Leaseway Transportation Corp., 13.25% Sub. Debs., 8/1/02*	1,250,000	1,043,750
	Sea Containers Ltd.: 9.50% Sr. Nts., 7/1/03	500,000	496,250
	12.50% Sr. Sub. Debs., 12/1/04	500,000	556,250
	12.50% Sr. Sub. Debs., Series B, 12/1/04	100,000	111,500
			3,024,613
	Total U.S. Corporate Bonds and Notes (Cost $66,775,596)		69,062,314
		Shares	
Common Stocks--.8%			
	ECM Fund L.P.I.(3)	75	75,000
	Finlay Enterprises, Inc., Cl. A*	3,500	33,250
	Harvard Industries, Inc., Cl. B*	15,000	112,500
	Insilco Corp.*	14,769	169,844
	LFC Holding Corp.*	3,150	56,700
	Petrolane, Inc., Cl. B	35,910	372,566
	USG Corp.*	2,743	58,632
	Total Common Stocks (Cost $834,812)		878,492
Preferred Stocks--2.1%	Harvard Industries, Inc., Exch.(4)	17,818	443,223

	K-III Communications Corp., Sr. Exch., Series B	5,804	593,482
	Navistar International Corp., $6.00 Cv., Series G	15,000	840,000
	Trizec Ltd., Sr. Cl. B, Series 3	25,000+	29,946
	Unisys Corp., $3.75 Cv., Series A	6,000	288,000
	Total Preferred Stocks (Cost $2,165,697)		2,194,651
		Units	
Rights, Warrants and Certificates--.4%			
	Amerigas, Inc. Put Rts.	1,640	20,500
	Gaylord Container Corp. Wts., Exp. 7/96	11,219	18,231
	Hollywood Casino Corp. Wts., Exp. 4/98	1,904	397,936
	Interco, Inc. Wts., Series 1, Exp. 8/99	8,655	12,982
		Units	See Note 1
U.S. Corporate Bonds and Notes (continued)			
Rights, Warrants and Certificates (continued)			
	Purity Supreme, Inc. Wts., 8/97(3)	1,733	$ 35
	Southdown, Inc. Wts., Exp. 10/96	2,000	15,000
	Southland Corp. Wts., Exp. 3/96	300	1,069
	Triangle Wire & Cable, Inc. Wts., Exp. 1/98(3)	2,250	23
	UGI Corp. Wts., Exp. 3/98	4,750	6,531
	Total Rights, Warrants and Certificates (Cost $113,173)		472,307
Total Investments, at Value (Cost $101,459,434)		99.9%	104,398,475
Other Assets Net of Liabilities		.1	66,557
Net Assets		100.0%	$104,465,032

+Face amount is reported in foreign currency.
*Non-income producing security.
(1) Represents a zero coupon bond that converts to a fixed rate of interest at a designated future date.
(2) Represents the current interest rate for a variable rate security.
(3) Restricted security--See Note 5 of notes to financial statements.
(4) Interest or dividend is paid in kind.
(5) Securities with an aggregate market value of $577,974 are segregated to collateralize outstanding forward foreign currency exchange contracts. See Note 6 of notes to financial statements.

See accompanying notes to financial statements.

</TABLE>

Statement of Assets and Liabilities September 30, 1993

<TABLE>

<S>	<S>	<C>
Assets	Investments, at value (cost $101,459,434)--see accompanying statement	$104,398,475
	Unrealized appreciation on forward foreign currency exchange contracts--Note 6	19,489
	Receivables:	
	Investments sold	2,266,643
	Interest and dividends	1,856,373
	Shares of beneficial interest sold	786,440
	Other	6,998
	Total assets	109,334,418
Liabilities	Bank overdraft	640,553
	Payables and other liabilities:	
	Investments purchased	3,471,146
	Dividends	347,860
	Shares of beneficial interest redeemed	289,988
	Distribution assistance--Note 4	61,715
	Other	58,124
	Total liabilities	4,869,386
Net Assets		$104,465,032
Composition of Net Assets	Paid-in capital	$100,145,932
	Accumulated net realized gain from investment and foreign currency transactions	1,360,570
	Net unrealized appreciation of investments--Note 3	2,978,582
	Net unrealized depreciation on translation of assets and liabilities denominated in foreign currencies	(20,052)
	Net Assets--Applicable to 8,096,390 shares of beneficial interest outstanding	$104,465,032
Net Asset Value and Redemption Price Per Share		$ 12.90
Maximum Offering Price Per Share (net asset value plus sales charge of 4.75% of offering price)		$ 13.54

See accompanying notes to financial statements.

</TABLE>

Statement of Operations For the Year Ended September 30, 1993

<TABLE>

<S> <S> <C>

Investment Income	Interest	$ 7,629,109
	Dividends	260,633
	Total income	7,889,742
Expenses	Management fees--Note 4	513,057
	Distribution assistance--Note 4	183,383
	Transfer and shareholder servicing agent fees--Note 4	99,064
	Shareholder reports	43,898
	Custodian fees and expenses	31,229
	Registration and filing fees	16,579
	Legal and auditing fees	14,223
	Trustees' fees and expenses	1,602
	Other	4,242
	Total expenses	907,277
Net Investment Income		6,982,465
Realized and Unrealized Gain on Investments	Net realized gain on investments	1,992,770
	Net change in unrealized appreciation of investments:	
	Beginning of year	1,151,311
	End of year--Note 3	2,978,582
	Net change	1,827,271
	Net Realized and Unrealized Gain on Investments	3,820,041
Net Increase in Net Assets Resulting from Operations Before Foreign Exchange Loss 10,802,506		
Realized and Unrealized Foreign Exchange Loss	Net realized loss on foreign currency transactions	(66,505)
	Net change in unrealized depreciation on translation of assets and liabilities denominated in foreign currencies:	
	Beginning of year	(20,012)
	End of year	(20,052)
	Net change	(40)
	Net Realized and Unrealized Foreign Exchange Loss	(66,545)
Net Increase in Net Assets Resulting from Operations		$10,735,961

See accompanying notes to financial statements

</TABLE>

Statements of Changes in Net Assets

<TABLE>
<CAPTION>

		Year Ended September 30, 1993	1992
<S>	<S>	<C>	<C>
Operations	Net investment income	$ 6,982,465	$ 3,280,620
	Net realized gain on investments	1,992,770	967,976
	Net realized loss from foreign currency transactions	(66,505)	(25,766)
	Net change in unrealized appreciation or depreciation of investments	1,827,271	577,590
	Net change in unrealized appreciation or depreciation on translation of assets and liabilities denominated in foreign currencies	(40)	(18,709)
	Net increase in net assets resulting from operations	10,735,961	4,781,711
Dividends to Shareholders from Net Investment Income	Dividends from net investment income ($1.22 and $1.41 per share, respectively)	(6,982,465)	(3,280,620)
Beneficial Interest Transactions	Net increase in net assets resulting from beneficial interest transactions--Note 2	53,586,890	29,579,200
Net Assets	Total increase	57,340,386	31,080,291
	Beginning of year	47,124,646	16,044,355
	End of year	$104,465,032	$47,124,646

See accompanying notes to financial statements.

</TABLE>

Financial Highlights

<TABLE>
<CAPTION>

	Year Ended September 30, 1993	1992	1991	1990	1989	1988+++
<S>	<C>	<C>	<C>	<C>	<C>	
<C>						
Per Share Operating Data:						
Net asset value, beginning of period	$ 12.26	$ 11.49	$ 10.46	$ 11.53	$ 12.10	$ 11.43
Income from investment operations:						
Net investment income	1.22	1.41	1.45	1.43	1.42+	1.24
Net realized and unrealized gain (loss) on investments and foreign currencies	.64	.77	1.04	(1.08)	(.43)	.67
Total income from investment operations	1.86	2.18	2.49	.35	.99	1.91

Dividends and distributions to shareholders:						
Dividends from net investment income	(1.22)	(1.41)	(1.46)	(1.42)	(1.42)	(1.24)
Distributions from net realized gain on investments	--	--	--	--	(.14)	--
Total dividends and distributions to shareholders	(1.22)	(1.41)	(1.46)	(1.42)	(1.56)	(1.24)
Net asset value, end of period	$ 12.90	$ 12.26	$ 11.49	$ 10.46	$ 11.53	$ 12.10
Total Return, at Net Asset Value**	15.92%	19.94%	25.62%	3.13%	8.53%	17.29%
Ratios/Supplemental Data:						
Net assets, end of period (in thousands)	$104,465	$47,125	$16,044	$13,910	$20,642	$18,579
Average net assets (in thousands)	$ 73,334	$28,270	$14,057	$17,163	$21,349	$11,116
Number of shares outstanding at end of period (in thousands)	8,096	3,844	1,397	1,330	1,790	1,535
Ratios to average net assets:						
Net investment income	9.52%	11.60%	13.49%	12.92%	11.87%	11.50%*
Expenses	1.24%	1.35%	1.49%	1.40%	1.19%+	1.05%*
Portfolio turnover rate++	116.2%	121.5%	114.8%	67.8%	98.5%	31.6%

</TABLE>

*Annualized.

**Assumes a hypothetical initial investment on the business day before the

first day of the fiscal period, with all dividends and distributions reinvested in additional shares on the reinvestment date, and redemption at the net asset value calculated on the last business day of the fiscal period. Sales charges are not reflected in the total returns.

+Net investment income would have been $1.41 per share absent the voluntary expense reimbursement, resulting in an expense ratio of 1.25%.

++The lesser of purchases or sales of portfolio securities for a period, divided by the monthly average of the market value of portfolio securities owned during the period. Securities with a maturity or expiration date at the time of acquisition of one year or less are excluded from the calculation.

Purchases and sales of investment securities (excluding short-term securities) for the year ended September 30, 1993 were $104,698,062 and $72,960,299, respectively.

+++For the period from November 16, 1987 (commencement of operations) to September 30, 1988.

See accompanying notes to financial statements.

Notes to Financial Statements

1. Significant Accounting Policies

Oppenheimer Champion High Yield Fund (the Fund) is registered under the Investment Company Act of 1940, as amended, as a diversified, open-end management investment company. The Fund's investment adviser is Oppenheimer Management Corporation (the Manager). The following is a summary of significant accounting policies consistently followed by the Fund.

Investment Valuation--Portfolio securities are valued at 4:00 p.m. (New York time) on each trading day. Listed and unlisted securities for which such information is regularly reported are valued at the last sale price of the day or, in the absence of sales, at values based on the closing bid or asked price or the last sale price on the prior trading day. Long-term debt securities are valued by a portfolio pricing service approved by the Board of Trustees. Long-term debt securities which cannot be valued by the approved portfolio pricing service are valued by averaging the mean between the bid and asked prices obtained from two active market makers in such securities.

Short-term debt securities having a remaining maturity of 60 days or less are valued at cost (or last determined market value) adjusted for amortization to maturity of any premium or discount. Securities for which market quotes are not readily available are valued under procedures established by the Board of Trustees to determine fair value in good faith. Forward foreign currency contracts are valued at the forward rate on a daily basis.

Security Credit Risk--The Fund invests in high yield securities, which may be subject to a greater degree of credit risk, greater market fluctuations and risk of loss of income and principal, and may be more sensitive to economic conditions than lower yielding, higher rated fixed income securities. The Fund may acquire securities in default, and is not obligated to dispose of securities whose issuers subsequently default. At September 30, 1993, securities with an aggregate market value of $3,696,000, representing 3.38 of the Fund's total assets, were in default.

Foreign Currency Translation--The accounting records of the Fund are maintained in U.S. dollars. Prices of securities denominated in non-U.S. currencies are translated into U.S. dollars at the closing rates of exchange. Amounts related to the purchase and sale of securities and investment income are translated at the rates of exchange prevailing on the respective dates of such transactions. The net gain or loss resulting from changes in the foreign currency exchange rates is reported separately in the Statement of Operations.

The Fund generally enters into forward foreign currency exchange contracts as a hedge, upon the purchase or sale of a security denominated in a foreign currency. In addition, the Fund may enter into such contracts as a hedge against changes in foreign currency exchange rates on portfolio positions. A forward exchange contract is a commitment to purchase or sell a foreign currency at a future date, at a negotiated rate. Risks may arise from the potential inability of the counterparty to meet the terms of the contract and from unanticipated movements in the value of a foreign currency relative to the U.S. dollar.

Repurchase Agreements--The Fund requires the custodian to take possession, to have legally segregated in the Federal Reserve Book Entry System or to have segregated within the custodian's vault, all securities held as collateral for repurchase agreements. If the seller of the agreement defaults and the value of the collateral declines, or if the seller enters an insolvency proceeding, realization of the value of the collateral by the Fund may be delayed or limited.

Federal Income Taxes--The Fund intends to continue to comply with provisions of the Internal Revenue Code applicable to regulated investment companies and to distribute all of its taxable income, including any net realized gain on investments not offset by loss carryovers, to shareholders. Therefore, no federal income tax provision is required.

Distributions to Shareholders--The Fund intends to declare dividends from net investment income each day the New York Stock Exchange is open for business and pay such dividends monthly. Distributions from net realized gains on investments, if any, will be declared at least once each year.

Other--Investment transactions are accounted for on the date the investments are purchased or sold (trade date) and dividend income is recorded on the ex-dividend date. Discount on securities purchased is amortized over the life of the respective securities, in accordance with federal income tax requirements. Realized gains and losses on investments and unrealized appreciation and depreciation are determined on an identified cost basis, which is the same basis used for federal income tax purposes. Dividends in kind are recognized as income on the ex-dividend date, at the current market value of the underlying security. Interest on payment-in-kind debt instruments is accrued as income at the coupon rate and a market adjustment is made on the ex-date.

2. Shares of Beneficial Interest The Fund has authorized an unlimited number of no par value shares of beneficial interest. Transactions in shares of beneficial interest were as follows:

<TABLE>
<CAPTION>

	Year Ended September 30, 1993		Year Ended September 30, 1992	
	Shares	Amount	Shares	Amount
<S>	<C>	<C>	<C>	<C>
Sold	6,506,627	$ 82,210,524	2,700,090	$32,629,627
Dividends reinvested	345,523	4,361,170	145,393	1,751,906
Redeemed	(2,599,817)	(32,984,804)	(398,321)	(4,802,333)
Net increase	4,252,333	$ 53,586,890	2,447,162	$29,579,200

</TABLE>

3. Unrealized Gains and Losses on Investments

At September 30, 1993, net unrealized appreciation of investments of $2,978,582 was composed of gross appreciation of $4,023,249, and gross depreciation of $1,044,667.

4. Management Fees and Other Transactions with Affiliates

Management fees paid to the Manager were in accordance with the investment advisory agreement with the Fund which provides for an annual fee of .70 on the first $250 million of net assets, .65 on the next $250 million, .60 on the next $500 million and .55 on net assets in excess of $1 billion.

The Manager has agreed to reimburse the Fund if aggregate expenses (with specified exceptions) exceed the most stringent applicable regulatory limit on Fund expenses.

For the year ended September 30, 1993, commissions (sales charges paid by investors) on sales of Fund shares totaled $1,401,952, of which $352,530 was retained by Oppenheimer Funds Distributor, Inc. (OFDI), a subsidiary of the Manager, as general distributor, and by an affiliated broker-dealer.

Oppenheimer Shareholder Services (OSS), a division of the Manager, is the transfer and shareholder servicing agent for the Fund, and for other registered investment companies. OSS's total costs of providing such services are allocated ratably to these companies.

Under an approved plan of distribution, the Fund may expend up to .25 of its net assets annually to reimburse OFDI for costs incurred in distributing shares of the Fund, including amounts paid to brokers, dealers, banks and other institutions. During the year ended September 30, 1993, OFDI paid $19,008 to an affiliated broker-dealer as reimbursement for distribution-related expenses.

5. Restricted Securities

The Fund owns securities purchased in private placement transactions, without registration under the Securities Act of 1933 (the Act). The securities are valued under methods approved by the Board of Trustees as reflecting fair value. The Fund intends to invest no more than 10 of its net assets (determined at the time of purchase) in restricted and illiquid securities, excluding securities eligible for resale pursuant to Rule 144A of the Act that are determined to be liquid by the Board of Trustees or by the Manager under Board-approved guidelines. Restricted and illiquid securities amount to $2,366,480, or 2.27 of the Fund's net assets, at September 30, 1993.

<TABLE>
<CAPTION>

Security	Acquisition Date	Cost Per Unit	Valuation Per Unit as of September 30, 1993
<S>	<C>	<C>	<C>
Berg Electronics Holdings Corp., 11.875 Sr. Sub. Debs., 5/1/03+	4/21/93	$ 100.00	$ 103.50
Brazil (Federal Republic of) Bonds, Banco Do Nordeste Brasil, 10.375, 11/6/95+	4/27/93	$ 99.80	$ 102.31
Brylane LP, 10 Sr. Sub. Nts., 9/1/03+	9/30/93	$ 100.25	$ 100.25
Coleman Holdings, Inc., 0Sr. Sec. Disc. Nts., 5/27/98+	7/15/93-9/30/93	$ 60.18	$ 60.50
Consoltex Group, Inc., 11Gtd. Sr. Sub. Nts., Series A, 10/1/03+	9/23/93	$ 100.00	$ 100.25
ECM Fund L.P.I., 14 Sub. Nts., 6/10/0	24/14/92-7/28/92	$ 100.35	$ 104.50
ECM Fund L.P.I. Common Stock	4/14/92	$1,000.00	$1,000.00
Eye Care Centers of America, 12Sr. Nts., 10/1/03+	9/28/93	$ 100.00	$ 100.25
GSPI Corp., 10.15 Fst. Mort. Bonds, 6/24/10+	1/29/93	$ 102.40	$ 119.00
Mosler, Inc., 11Sr. Nts., Series A, 4/15/03+	7/22/93-9/30/93	$ 99.50	$ 98.50
Presidio Oil Co:			
11.50% Sr. Sec. Nts., Series A, 9/15/00+	8/3/93	$ 100.00	$ 105.25
13.85Sr. Gas Indexed Nts., Series A, 7/15/02+	8/9/93	$ 77.60	$ 103.50
Purity Supreme, Inc. Wts., Exp. 8/97	7/29/92	$ --	$ .02
SCI Television, Inc., Bank Participation Interest Agreement, Series 2, 9/30/94	4/8/93	$ 92.00	$ 97.50
Southern Pacific Transportation Co., 10.50% Sr. Sec. Nts., 7/1/99+	3/4/93	$ 100.00	$ 108.38
Triangle Wire & Cable, Inc., 13.50Sr. Nts., 1/15/02	1/13/92	$ 100.00	$ 25.00
Triangle Wire & Cable, Inc. Wts., Exp. 1/98	1/13/92	$ --	$ .01

</TABLE>

+Transferable under Rule 144A of the Act.

6. Forward Foreign Currency Exchange Contracts

At September 30, 1993, the Fund had outstanding forward exchange currency contracts to sell foreign currencies as follows:

<TABLE>
<CAPTION>

	Expiration Date	Contract Amount	Valuation as of September 30, 1993	Unrealized Appreciation
<S>	<C>	<C>	<C>	<C>
Canadian Dollar	11/8/93	$580,136	$560,647	$19,489

</TABLE>

Investment Adviser
Oppenheimer Management Corporation
Two World Trade Center
New York, New York 10048-0203

Distributor
Oppenheimer Funds Distributor, Inc.
Two World Trade Center
New York, New York 10048-0203

Transfer Agent
Oppenheimer Shareholder Services
P.O. Box 5270
Denver, Colorado 80217
1-800-525-7048

Custodian of Portfolio Securities
The Bank of New York
One Wall Street
New York, New York 10015

Independent Auditors
Deloitte & Touche
1560 Broadway
Denver, Colorado 80202

Legal Counsel
Myer, Swanson & Adams, P.C.
1600 Broadway
Denver, Colorado 80202

OPPENHEIMER CHAMPION HIGH YIELD FUND

FORM N-1A

PART C

OTHER INFORMATION

Item 24. Financial Statements and Exhibits

(a) Financial Statements:

(1) Financial Highlights (See Part A): Filed herewith.

(2) Independent Auditors' Report (See Part B): Filed herewith.

(3) Statement of Investments (See Part B): Filed herewith.

(4) Statement of Assets and Liabilities (See Part B): Filed herewith.

(5) Statement of Operations (See Part B): Filed herewith.

(6) Statement of Changes in Net Assets (See Part B): Filed herewith.

(7) Notes to Financial Statements (See Part B): Filed herewith.

(8) Independent Auditors' Consent: Filed herewith.

(b) Exhibits

(1) Amended and Restated Declaration of Trust made as of 11/23/93 - Filed with Post-Effective Amendment No. 11 to Registrant's Registration Statement, 11/30/93, and incorporated herein by reference.

(2) Restated By-Laws as amended through 6/26/90 - Filed with Post-Effective Amendment No. 9 to Registrant's Registration Statement, 1/29/92, and incorporated herein by reference.

(3) Not applicable.

(4) (i) Specimen Class A Share Certificate: Filed herewith.

(ii) Specimen Class C Share Certificate: Filed herewith.

(5) Investment Advisory Agreement dated 10/22/90 - Filed with Post-Effective Amendment No. 6 to the Registrant's Registration Statement, 1/25/91, and incorporated herein by reference.

(6)(i) General Distributor's Agreement dated 10/13/92: Filed with Post-Effective Amendment No. 10 to Registrant's Registration Statement, 1/28/93, and incorporated herein by reference.

(ii) Prototype Oppenheimer Funds Distributor, Inc. Dealer Agreement: Filed with Post-Effective Amendment No. 12 to the Registration Statement of Oppenheimer Government Securities Fund (Reg. No. 33-02769), 12/2/92, and incorporated herein by reference.

(iii) Prototype Oppenheimer Funds Distributor, Inc. Broker Agreement: Filed with Post-Effective Amendment No. 12 to the Registration Statement of Oppenheimer Government Securities Fund (Reg. No. 33-02769), 12/2/92, and incorporated herein by reference.

(iv) Prototype Oppenheimer Funds Distributor, Inc. Agency Agreement: Filed with Post-Effective Amendment No. 12 to the Registration Statement of Oppenheimer Government Securities Fund (Reg. No. 33-02769), 12/2/92, and incorporated herein by reference.

(v) Broker Agreement between Oppenheimer Funds Distributor, Inc. and Newbridge Securities dated 10/1/86: Filed with Post-Effective Amendment No. 25 to the Registration Statement of Oppenheimer Special Fund (Reg. No. 2-45272), 11/1/86, and incorporated herein by reference.

(7) Not applicable

(8) Custody Agreement dated 10/6/92 between Registrant and The Bank of New York: Filed with Post-Effective Amendment No. 10 to Registrant's Registration Statement, 1/28/93, and incorporated herein by reference.

(9) Not applicable.

(10) Opinion and Consent of Counsel dated 9/30/87: Filed with Registrant's Pre-Effective Amendment No. 2, 10/6/87, and incorporated herein by reference.

(11) Not applicable.

(12) Not applicable.

(13) Investment Letter dated 10/1/87 from Champion Asset Management Corporation to Registrant: Filed with Registrant's Post-Effective Amendment No. 1, 4/28/88, and incorporated herein by reference.

(14) (i) Form of Individual Retirement Account Trust Agreement: Filed with Post-Effective Amendment No. 21 to the Registration Statement of Oppenheimer U.S. Government Trust (Reg. No. 2-76645), 8/25/93, and incorporated herein by reference.

(ii) Form of Individual Retirement Account Plan (IRA): Filed with Post-Effective Amendment No. 40 of Oppenheimer Time Fund (Reg. No. 2-39461), 11/1/88, and incorporated herein by reference.

(iii) Form of Tax-Sheltered Retirement Plan and Custody Agreement for employees of public schools and tax-exempt organizations: Filed with Post-Effective Amendment No. 22 of Oppenheimer Directors Fund (File No. 2-62240), 2/1/90, and incorporated herein by reference.

iv) Form of Simplified Pension IRA: Filed with Post-Effective Amendment No. 36 of Oppenheimer Equity Income Fund (File No. 2-33043), 10/23/91, and incorporated herein by reference.

(15)(i) Service Plan and Agreement for Class A Shares dated 6/22/93 under Rule 12b-1 of the Investment Company Act of 1940: Filed with Post-Effective Amendment No. 11 to Registrant's Registration Statement, 11/30/93, and incorporated herein by reference.

(ii) Distribution and Service Plan and Agreement for Class C Shares dated 6/22/93 under Rule 12b-1 of the Investment Company Act of 1940: Filed with Post-Effective Amendment No. 11 to Registrant's Registration Statement, 11/30/93, and incorporated herein by reference.

(16) Performance Data Computation Schedule: Filed herewith.

-- Powers of Attorney: Filed with Amendment No. 11 to Registrant's Registration Statement, 11/30/93, and incorporated herein by reference.

Item 25. Persons Controlled by or Under Common Control with Registrant

None.

Item 26. Number of Holders of Securities

Title of Class	Number of Record Holders as of December 31, 1993
Class A Shares of Beneficial Interest	6,873
Class C Shares of Beneficial Interest	73

Item 27. Indemnification

Reference is made to the provisions of Article SEVENTH of Registrant's Declaration of Trust filed as Exhibit 24(b)(1) to this Registration Statement.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to trustees, officers and controlling persons of Registrant pursuant to the foregoing provisions or otherwise, Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by Registrant of expenses incurred or paid by a trustee, officer or controlling person of Registrant in the successful defense of any action, suit or proceeding) is asserted by such trustee, officer or controlling person, Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

Item 28. Business and Other Connections of Investment Adviser

(a) Oppenheimer Management Corporation is the investment adviser of the Registrant; it and affiliates act in the same capacity for other registered investment companies as described in Parts A and B hereof.

(b) For information as to the business, profession, vocation or employment of a substantial nature of each of the officers and directors of Oppenheimer Management Corporation, reference is made to Part B of this Registration Statement and to the registration on Form ADV filed by Oppenheimer Management Corporation under the Investment Advisers Act of 1940, which is incorporated herein by reference.

Item 29. Principal Underwriter

(a) Oppenheimer Funds Distributor, Inc. is the distributor of Registrant's shares. It is also the distributor of certain of the other registered open-end investment companies for which Oppenheimer Management Corporation is the investment adviser.

b) The information contained in the registration on Form BD of Oppenheimer Funds Distributor, Inc. filed under the Securities Exchange Act of 1934, is incorporated herein by reference.

(c) Not applicable.

Item 30. Location of Accounts and Records

The accounts, books and other documents required to be maintained by Registrant pursuant to Section 31(a) of the Investment Company Act of 1940 and rules promulgated thereunder are in the possession of Oppenheimer Management Corporation at its offices at 3410 South Galena Street, Denver, Colorado 80231.

Item 31. Management Services

Not applicable.

Item 32. Undertakings

(a) Not applicable.

(b) Not applicable.

(c) Not applicable.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933 and/or the Investment Company Act of 1940, the Registrant certifies that it meets all of the requirements for effectiveness of this Registration Statement pursuant to Rule 485(b) under the Securities Act of 1933 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Denver and State of Colorado on the 10th day of January, 1994.

OPPENHEIMER CHAMPION HIGH YIELD FUND

/s/ James C. Swain*

By: --------------------------
James C. Swain, Chairman

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons in the capacities on the dates indicated:

Signatures:	Title	Date
/s/ James C. Swain* - ---------------------- James C. Swain	Chairman of the Board of Trustees	January 10, 1994
/s/ Jon S. Fossel* - ---------------------- Jon S. Fossel	Trustee	January 10, 1994
/s/ George Bowen* - --------------------- George Bowen	Treasurer and Principal Financial and Accounting Officer	January 10, 1994
/s/ Robert G. Avis* - ---------------------- Robert G. Avis	Trustee	January 10, 1994
/s/ William A. Baker* - ---------------------- William A. Baker	Trustee	January 10, 1994
/s/ Charles Conrad, Jr.* - ---------------------- Charles Conrad, Jr.	Trustee	January 10, 1994
/s/ Raymond J. Kalinowski* - ---------------------- Raymond J. Kalinowski	Trustee	January 10, 1994
/s/ C. Howard Kast* - ---------------------- C. Howard Kast	Trustee	January 10, 1994
/s/ Robert M. Kirchner* - ---------------------- Robert M. Kirchner	Trustee	January 10, 1994
/s/ Ned M. Steel* - --------------------------- Ned M. Steel	Trustee	January 10, 1994

*By: /s/ Robert G. Zack

Robert G. Zack, Attorney-in-Fact

FORM N-1A

OPPENHEIMER CHAMPION HIGH YIELD FUND

EXHIBIT INDEX

Item No.	Description
24(a)(8)	Independent Auditors' Consent
24(b)(4)(i)	Specimen Class A Share Certificate
24(b)(4)(ii)	Specimen Class C Share Certificate
24(b)(16)	Performance Data Computation Schedule

Exhibit 24(a)(8)

INDEPENDENT AUDITORS' CONSENT

Oppenheimer Champion High Yield Fund:

We hereby consent to the use in Post-Effective Amendment No. 12 to Registration Statement No. 33-16494 of our report dated October 21, 1993 appearing in the Statement of Additional Information, which is a part of such Registration Statement, and to the reference to us under the caption "Financial Highlights" appearing in the Prospectus, which is also a part of such Registration Statement.

DELOITTE & TOUCHE

Denver, Colorado
January 18, 1994

Exhibit 24(b)(4)(i)

OPPENHEIMER CHAMPION HIGH YIELD FUND
Class A Share Certificate (8-1/2" x 11")

I. FRONT OF CERTIFICATE (All text and other matter lies within decorative border)

(upper left) box with heading: NUMBER (OF SHARES)

(upper right) box with heading: CLASS A SHARES; certificate number above

(centered below boxes) Oppenheimer Champion High Yield Fund

A MASSACHUSETTS BUSINESS TRUST

(at left) THIS IS TO CERTIFY THAT (at right) SEE REVERSE FOR CERTAIN DEFINITIONS

box with number
CUSIP 683944102

(at left) is the owner of

(centered) FULLY PAID CLASS A SHARES OF BENEFICIAL INTEREST OF

OPPENHEIMER CHAMPION HIGH YIELD FUND

(hereinafter called the "Fund"), transferable only on the books of the Fund by the holder hereof in person or by duly authorized attorney, upon surrender of this certificate properly endorsed. This certificate and the shares represented hereby are issued and shall be held subject to all of the provisions of the Declaration of Trust of the Fund to all of which the holder by acceptance hereof assents. This certificate is not valid until countersigned by the Transfer Agent.

WITNESS the facsimile seal of the Fund and the signatures of its duly authorized officers.

(at left of seal) (signature) Dated: (at right of seal) (signature)

Dated:

_______________________ SECRETARY

___________________ PRESIDENT

Exhibit 24(b)(4)(i)
Page 2

(centered at bottom)
1-1/2" diameter facsimile seal
with legend
OPPENHEIMER CHAMPION HIGH YIELD FUND
SEAL
1987
COMMONWEALTH OF MASSACHUSETTS

(at lower right, printed vertically)

Countersigned
OPPENHEIMER SHAREHOLDER SERVICES
(A DIVISION OF OPPENHEIMER MANAGEMENT CORPORATION)
Denver (Colo) Transfer Agent

By ____________________________
Authorized Signature

II. BACK OF CERTIFICATE (text reads from top to bottom of 11" dimension)

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM - as tenants in common
TEN ENT - as tenants by the entirety
JT TEN WROS NOT TC - as tenants with rights of survivorship and not as tenants in common

UNIF GIFT/TRANSFER MIN ACT - __________________ (Cust) Custodian _______________ (Minor)

UNDER UGMA/GMA ________________ State

Additional abbreviations may also be used though not in the above list.

____
(Please print or type name and address of assignee)

____

____ Class A Shares of beneficial interest represented by the within certificate, and do hereby irrevocably constitute and appoint ___________________________ Attorney to transfer the said shares on the books of the within named Fund with full power of substitution in the premises.

Dated: ______________________

Signed: __________________________

____
(Both must sign if joint owners)

Signature(s) __________________________
guaranteed Name of Guarantor

by: _____________________________
Signature of Officer/Title

(text printed vertically to right of above paragraph)

NOTICE: The signature(s) to this assignment must correspond with the name(s) as written upon the face of the certificate in every particular without alteration or enlargement or any change whatever.

(text printed in box to left of signature guarantee)

Signatures must be guaranteed by a financial institution of the type described in the current prospectus of the Fund.

PLEASE NOTE: This document contains a watermark when viewed at an angle. It is invalid without this watermark.

OppenheimerFunds logotype

THIS SPACE MUST NOT BE COVERED IN ANY WAY

Exhibit 24(b)(4)(ii)

OPPENHEIMER CHAMPION HIGH YIELD FUND
Class C Share Certificate (8-1/2" x 11")

I. FRONT OF CERTIFICATE (All text and other matter lies within decorative border)

(upper left) box with heading: NUMBER (OF SHARES)

(upper right) box with heading: CLASS C SHARES; certificate number above

(centered below boxes) Oppenheimer Champion High Yield Fund

A MASSACHUSETTS BUSINESS TRUST

(at left) THIS IS TO CERTIFY THAT (at right) SEE REVERSE FOR CERTAIN DEFINITIONS

box with number
CUSIP 683944 201

(at left) is the owner of

(centered) FULLY PAID CLASS C SHARES OF BENEFICIAL INTEREST OF

OPPENHEIMER CHAMPION HIGH YIELD FUND

(hereinafter called the "Fund"), transferable only on the books of the Fund by the holder hereof in person or by duly authorized attorney, upon surrender of this certificate properly endorsed. This certificate and the shares represented hereby are issued and shall be held subject to all of the provisions of the Declaration of Trust of the Fund to all of which the holder by acceptance hereof assents. This certificate is not valid until countersigned by the Transfer Agent.

WITNESS the facsimile seal of the Fund and the signatures of its duly authorized officers.

(at left of seal) (signature) Dated: (at right of seal) (signature)

Dated:

________________________ ____________________
SECRETARY PRESIDENT

Exhibit 24(b)(4)(ii)
Page 2

(centered at bottom)
1-1/2" diameter facsimile seal
with legend
OPPENHEIMER CHAMPION HIGH YIELD FUND
SEAL
1987
COMMONWEALTH OF MASSACHUSETTS

(at lower right, printed vertically)

Countersigned
OPPENHEIMER SHAREHOLDER SERVICES
(A DIVISION OF OPPENHEIMER MANAGEMENT CORPORATION)
Denver (Colo) Transfer Agent

By ______________________________
Authorized Signature

II. BACK OF CERTIFICATE (text reads from top to bottom of 11" dimension)

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM - as tenants in common
TEN ENT - as tenants by the entirety
JT TEN WROS NOT TC - as tenants with rights of survivorship and not as tenants in common

UNIF GIFT/TRANSFER MIN ACT - ___________________ Custodian ________________
(Cust) (Minor)

UNDER UGMA/UTMA ______________________
(State)

Additional abbreviations may also be used though not in the above list.

For Value Received .... hereby sell(s), assign(s) and transfer(s) unto

PLEASE INSERT SOCIAL SECURITY OR
OTHER IDENTIFYING NUMBER OF ASSIGNEE
AND PROVIDE CERTIFICATION BY TRANSFEREE
(box for identifying number)

____
(Please print or type name and address of assignee)

____

____ Class C Shares of beneficial interest represented by the within Certificate, and do hereby irrevocably constitute and appoint ___________________________ Attorney to transfer the said shares on the books of the within named Fund with full power of substitution in the premises.

Dated: ______________________

Signed: __________________________

____
(Both must sign if joint owners)

Signature(s) __________________________
guaranteed Name of Guarantor

by: _____________________________
Signature of Officer/Title

(text printed vertically to right of above paragraph)

NOTICE: The signature(s) to this assignment must correspond with the name(s) as written upon the face of the certificate in every particular without alteration or enlargement or any change whatever.

(text printed in box to left of signature guarantee)

Signatures must be guaranteed by a financial institution of the type described in the current prospectus of the Fund.

PLEASE NOTE: This document contains a watermark when viewed at an angle. It is invalid without this OppenheimerFunds logotype watermark:

____

THIS SPACE MUST NOT BE COVERED IN ANY WAY

Oppenheimer Champion High Yield Fund
Exhibit 24(b)(16) to Form N-1A
Performance Data Computation Schedule

The Fund's average annual total returns and total returns are calculated as described below, on the basis of the Fund's distributions, which are as follows:

Distribution Reinvestment (Ex)Date	Amount From Investment Income	Amount From Long or Short-Term Capital Gains	Reinvestment Price
12/08/87	0.0749359	0.0000	11.390
12/31/87	0.0906312	0.0000	11.580
01/11/88	0.0435017	0.0000	11.600
02/08/88	0.1101632	0.0000	12.000
03/08/88	0.1140977	0.0000	12.060
04/11/88	0.1337696	0.0000	12.080
05/09/88	0.1101632	0.0000	12.050
06/08/88	0.1189806	0.0000	12.070
07/11/88	0.1287500	0.0000	12.190
08/08/88	0.1053904	0.0000	12.210
09/09/88	0.1224939	0.0000	12.120
10/10/88	0.1216102	0.0000	12.110
11/08/88	0.1122531	0.0000	12.080
12/08/88	0.1169233	0.0000	12.030
12/30/88	0.0856000	0.1400	11.840
01/10/89	0.0427944	0.0000	11.860
02/08/89	0.1184395	0.0000	11.830
03/08/89	0.1050970	0.0000	11.840
04/10/89	0.1321986	0.0000	11.750
05/08/89	0.1116532	0.0000	11.700
06/08/89	0.1197603	0.0000	11.850
07/11/89	0.1291361	0.0000	11.810
08/08/89	0.1034668	0.0000	11.830
09/11/89	0.1244246	0.0000	11.800
10/09/89	0.1056065	0.0000	11.520
11/08/89	0.1085000	0.0000	11.270
12/08/89	0.1079041	0.0000	11.310
12/29/89	0.1268311	0.0000	11.230
01/09/90	0.0394790	0.0000	11.230
02/08/90	0.1076700	0.0000	11.080
03/08/90	0.1068117	0.0000	10.920
04/09/90	0.1240533	0.0000	10.970
05/08/90	0.1166603	0.0000	10.870
06/08/90	0.1213904	0.0000	10.970
07/05/90	0.1050840	0.0000	11.000
08/08/90	0.1329772	0.0000	10.980

09/10/90	0.1205070	0.0000	10.760
10/10/90	0.1065238	0.0000	10.350
11/14/90	0.1253361	0.0000	10.040
12/12/90	0.0989020	0.0000	10.090
12/31/90	0.0677602	0.0000	10.090
01/09/91	0.0334956	0.0000	10.100
02/13/91	0.1426406	0.0000	10.330
03/13/91	0.1190719	0.0000	10.750
04/10/91	0.1157644	0.0000	11.010
05/08/91	0.1182808	0.0000	11.170
06/12/91	0.1267984	0.0000	11.160
07/10/91	0.1130507	0.0000	11.320
08/14/91	0.1556661	0.0000	11.410
09/11/91	0.1171589	0.0000	11.530
10/09/91	0.1209660	0.0000	11.550
11/13/91	0.1412882	0.0000	11.730
12/11/91	0.1050652	0.0000	11.540
12/31/91	0.0713153	0.0000	11.580
01/08/92	0.0331137	0.0000	11.720
02/12/92	0.1394176	0.0000	12.040
03/11/92	0.1142743	0.0000	12.180
04/08/92	0.1114858	0.0000	12.100
05/13/92	0.1208152	0.0000	12.170
06/10/92	0.1149839	0.0000	12.180
07/08/92	0.1118269	0.0000	12.160
08/12/92	0.1225576	0.0000	12.300
09/09/92	0.1068058	0.0000	12.250
10/14/92	0.1269119	0.0000	12.070
11/11/92	0.0925110	0.0000	11.990
12/09/92	0.0963249	0.0000	12.030
12/31/92	0.0972944	0.0000	12.010
01/13/93	0.0444903	0.0000	12.100
02/10/93	0.0964170	0.0000	12.330
03/10/93	0.0917997	0.0000	12.560
04/14/93	0.1209879	0.0000	12.670
05/12/93	0.0847282	0.0000	12.720
06/09/93	0.0836887	0.0000	12.900
06/30/93	0.0735387	0.0000	12.990
07/30/93	0.0896500	0.0000	13.050
08/31/93	0.0839568	0.0000	12.990
09/30/93	0.1179897	0.0000	12.900

1. AVERAGE ANNUAL TOTAL RETURNS FOR THE PERIODS ENDED 9/30/93:

The formula for calculating average annual total return is as follows:

$$\frac{1}{\text{number of years}} = n \qquad \left(\frac{ERV}{P}\right)^{n} - 1 = \text{average annual total return}$$

Where: ERV = ending redeemable value of a hypothetical $1,000

payment made at the beginning of the period
P = hypothetical initial investment of $1,000

Examples, assuming a maximum sales charge of 4.75%:

One Year	Five Year	Inception
$\left(\frac{\$1,104.13}{\$1,000}\right)^{1} - 1 = 10.41\%$	$\left(\frac{\$1,861.92}{\$1,000}\right)^{.2} - 1 = 13.24\%$	$\left(\frac{\$2,183.82}{\$1,000}\right)^{.1702} - 1 = 14.22\%$

2. TOTAL RETURNS FOR THE PERIODS ENDED 9/30/93:

The formula for calculating total return is as follows:

$$\frac{ERV - P}{P} = \text{Total Return}$$

Examples:

Inception (at Maximum Sales Charge)

$$\frac{\$2,183.82 - \$1,000}{\$1,000} = 118.38\%$$

Inception (at NAV)

$$\frac{\$2,292.72 - \$1,000}{\$1,000} = 129.27\%$$

One Year (at NAV)

$$\frac{\$1,159.19 - \$1,000}{\$1,000} = 15.92\%$$

3. YIELD FOR THE 30-DAY PERIOD ENDED 9/30/93:

The Fund's yield is calculated using the following formula set forth in the SEC rules:

$$\text{Yield} = 2\left\{\left(\frac{a - b}{cd} + 1\right)^{6} - 1\right\}$$

The symbols above represent the following factors:

a = Dividends and interest earned during the 30-day period.
b = Expenses accrued for the period (net of any expense reimbursements).

c = The average daily number of Fund shares outstanding during the 30-day period that were entitled to receive dividends.
d = The Fund's maximum offering price (including sales charge) per share on the last day of the period.

Example:

$$2\left\{\left(\frac{\$729{,}106.26 - \$103{,}696.95}{7{,}839{,}870 \times \$13.54} + 1\right)^{6} - 1\right\} = 7.17\%$$

4. DIVIDEND YIELDS FOR THE 30-DAY PERIOD ENDED 9/30/93:

The Fund's dividend yields are calculated using the following formula:

$$\text{Dividend Yield} = \frac{a/30 \times 365}{b \text{ or } c}$$

The symbols above represent the following factors:

a = The accrual dividend earned during the period.
b = The Fund's maximum offering price (including sales charge) per share on the last day of the period.
c = The Fund's net asset value (excluding sales charge) per share on the last day of the period.

Examples:

$$\text{Dividend Yield at Maximum Offer} \quad \frac{\$.1179897/30 \times 365}{\$13.54} = 10.60\%$$

$$\text{Dividend Yield at Net Asset Value} \quad \frac{\$.1179897/30 \times 365}{\$12.90} = 11.13\%$$

5. VALUES OF INVESTMENTS FOR A 10-YEAR PERIOD AT VARIOUS ASSUMED AVERAGE ANNUAL RATES OF RETURN:

Amount of Investment	Value at Assumed Average Annual Return			
	5%	10%	15%	20%
Single $1,000	$1,629	$2,594	$4,046	$6,192
Annual $1,000	13,208	17,533	23,350	31,151

Values are calculated assuming investment at the beginning of the period (each year in the case of annual $1,000 investments) and reinvestment of earnings at the end of each year.